



Bank of Tanzania

Monetary Policy Report

January 2024



© Bank of Tanzania.

All rights reserved. This report is intended for general information only and is not intended to serve as financial or any other advice. No content of this publication may be quoted or reproduced in any form without fully acknowledging the Bank of Tanzania Annual Report as the source. The Bank of Tanzania has taken every precaution to ensure accuracy of information and, therefore, shall not be liable to any person for inaccurate information or opinion contained in this publication.

For any inquiry please contact:

Bank of Tanzania,

16 Jakaya Kikwete Road 40184,

P.O. Box 2303, Dodoma, TANZANIA.

Email: botcommunications@bot.go.tz

This report is also available at: <http://www.bot.go.tz>

Bank of Tanzania Monetary Policy

In accordance with the Bank of Tanzania Act, Cap. 197, section 7, subsection (1), the primary objective of the Bank of Tanzania 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”.

The year 2023 marked the end of conducting monetary policy using money supply growth, commonly referred to as the monetary targeting framework. The framework existed for almost three decades from 1995 and succeeded in maintaining inflation below 5 percent and contributing to strong economic growth. The year 2024 marks the beginning of conducting monetary policy by using interest rate, also known as interest rate (or price)-based monetary policy. This forward-looking framework, a form of inflation targeting, is expected to improve the effectiveness of monetary policy in the modern era. It is also part of the country’s compliance with agreements of harmonization of monetary policy frameworks in the regional economic communities in which Tanzania is a member.

Bank of Tanzania Monetary Policy Framework

The Bank of Tanzania is mandated to formulate and implement monetary policy, among others. Monetary policy involves actions or decisions taken to influence the amount of money circulating in the economy, which ultimately influences interest rates offered to customers by banks and financial institutions.

The objectives of the monetary policy are to maintain price stability, defined as a low and stable inflation rate over time, and to support economic growth. Inflation is measured as an annual change in the consumer price index, expressed in percent. In the medium term (up to 5 years), the inflation target is 5 per cent.

To fulfil these objectives, the Bank of Tanzania assesses economic conditions and determines the policy rate that is consistent with the purposes of maintaining low and stable inflation and supporting the growth of the economy. The Monetary Policy Committee (MPC) determines the policy rate, and the Bank of Tanzania strives to steer the 7-day interbank interest rate (the operating target variable) along the policy rate.

The Bank of Tanzania uses a variety of instruments to align the operating target along the policy rate. The main instruments are repurchasing agreements (repo and reverse repo), 35-day and 91-day Treasury bills, statutory minimum reserve requirement ratio (SMR), and sale or purchase of foreign currency in the inter-bank foreign exchange market. There are also standing lending facilities—intraday and Lombard loan facilities granted to all banks on demand to ensure efficiency and facilitate smooth settlement of payments.

The Bank of Tanzania exercises a high degree of transparency in its actions and decisions. The decisions of the Monetary Policy Committee (MPC), which include policy rates, are communicated to banks through post-MPC meetings with Chief Executive Officers of banks and the public through the media. In addition, the Bank publishes MPC meeting statements, Monetary Policy Report, and other periodic reports containing outcomes of monetary policy implementation, monetary policy stance, decisions on policy rate and the performance of the economy at large. The reports are available on the Bank of Tanzania website: www.bot.go.tz.

Table of Contents

Summary of Monetary Policy and Economic Performance	6
Chapter 1: Monetary Policy Implementation.....	9
Chapter 2: Global Economic Conditions.....	11
Chapter 3: Domestic Economic Conditions.....	17
Chapter 4: Economic Outlook and Recommendation.....	30

Summary of Economic Performance and Outlook

Economic Performance and Monetary Policy Implementation

Growth varied significantly across countries. Overall, global growth was subdued in the last quarter of 2023, similar to the preceding quarters of the year. This was largely due to geopolitical tension, tightening monetary policy, and heightened economic uncertainties. Inflation declined in many countries in the wake of monetary policy tightening. In advanced economies, it was above the target despite declining. In the EAC and SADC economic blocs, most countries experienced inflation consistent with the convergence criteria. Commodity prices were somewhat mixed. The prices of oil and gold were high. The movement of the price of oil was mainly driven by OPEC+ decisions on levels of production and geopolitical tension. The price of gold was influenced by the weakening of the US dollar.

The Bank continued to implement a less accommodative monetary policy in the last quarter of 2023. This decision was intended to maintain inflation below the target of 5 percent, while facilitating growth to reach the projection of 5 percent in 2023. Growth of M0, M3, and private sector credit slowed. Despite slowing down, the growth rates of M3 and private sector credit growth were above the targets. Interest rates in the securities and interbank markets increased, but lending rates remained broadly unchanged. The nominal exchange rate was stable, depreciating by 8.2 percent, year-on-year, compared to 6.9 percent in the preceding quarter. The real effective exchange rate moved close to its long-run trend, indicating the absence of large misalignment.

The performance of the domestic economy was satisfactory. In Mainland Tanzania, the growth in the third quarter of 2023 was 5.3 percent compared to 5.2 percent in the previous quarter. The main contributors to the growth were agriculture, financial and insurance, as well as mining and quarrying. Based on this performance and leading economic indicators for the fourth quarter, the growth projection of 5 percent for 2023 will be attained. Zanzibar economic growth averaged 6 percent in the first three quarters of 2023, driven by a rebound in tourism activities and value-added in the manufacturing and

construction sectors. The growth projection of 7.1 percent in 2023 is expected to be attained.

Inflationary pressures remained muted. Inflation averaged 3.1 percent in the fourth quarter of 2023 compared to 3.3 percent in the preceding quarter. A decline in domestic food prices, lower prices of commodities in the world market and impact of the monetary policy were the main drivers of the outturn. Core inflation was 2.7 percent compared to 2.2 percent, reflecting lagged impact of domestic energy price adjustment. In Zanzibar, inflation also declined to 6.1 percent from 7 percent recorded in the preceding quarter, therefore converging to the medium target of 5 percent.

Government fiscal performance was satisfactory. In Mainland Tanzania, revenue amounted to TZS 7,808.1 billion in the fourth quarter of 2023, representing 95.4 percent of the target. In Zanzibar, revenue amounted to TZS 384.5 billion, 98.3 percent of the target. In Mainland Tanzania and Zanzibar, the revenue performance was attributable to enhanced revenue administration and compliance. Expenditure continued to be aligned with the available resources.

The external sector of the economy continued to experience challenges from global shocks, particularly geopolitical tension and tightening of monetary policy in advanced economies. However, owing to an increase in foreign exchange flows from tourism, traditional export crops (particularly cashew nuts, coffee and tobacco), gold and grants, the current account position narrowed to a deficit of USD 1,010.7 million in the fourth quarter compared with a deficit of USD 1,415.3 million the corresponding quarter. In Zanzibar, the current account was USD 82.2 million from a deficit of USD 88 million.

Outlook for Economic Performance and Monetary Policy

The global economic situation is forecast to remain weak and varying across countries in the first quarter of 2024. This is attributable to geopolitical tension, tightened financial conditions, and lagged impact of monetary policy tightening. Inflation is expected to continue falling in many countries. In advanced economies, however, it might remain above the target. This might cause central banks to either uphold monetary policy

tightening at a lesser extent than before or leave policy rates unchanged. The price of oil is projected to fall, conditional on OPEC+ decisions about production, demand, and geopolitical tension.

Against this outlook for the global economy, together with domestic economic conditions, policies and reforms and favourable weather, growth in Mainland Tanzania is projected at 5.2 percent in the first quarter of 2024. Inflation is forecast to remain low, at around 3.2 percent, below the target of 5 percent, and the exchange rate is expected to remain stable, depreciating moderately. The risks to the projections include the escalation of geopolitical tension, which might disrupt the global supply chain, OPEC+'s decision about oil production, and monetary policy direction on advanced economies.

Consistent with the inflation target and growth outlook, the MPC set the Central Bank Rate (CBR) at 5.5 percent for the first quarter of 2024. The Bank of Tanzania will use monetary policy instruments to align the 7-day interbank rate with the CBR. The use of any of these instruments will be announced and communicated to the market. In addition, the Bank will continue maintaining adequate foreign exchange reserves.

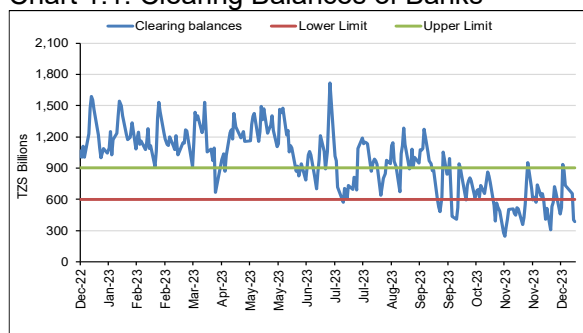
Chapter 1: Monetary Policy Implementation

The Monetary Policy Committee (MPC) decided to continue implementing less accommodative monetary policy in the fourth quarter of 2023. To implement the policy stance, the MPC approved the Bank to use a mix of monetary policy instruments. The use of the instruments was conditional on the liquidity conditions in the economy and developments in the foreign exchange flows.

The implementation of the less accommodative stance led to tightening monetary conditions in the fourth quarter relative to the preceding quarter, but liquidity in the economy was in line with demand, as indicated by the trend of banks' reserves or clearing balances (Chart 1.1). Growth of reserve money and money supply (M3) slowed (Chart 1.2). Despite slowing down, M3 growth was above the target. Interbank interest rates, particularly the 7-day rate, generally increased in tandem with liquidity developments (Chart 1.3). The implementation of monetary policy also facilitated the attainment of the quantitative targets set out in the 40-month IMF ECF program implemented by the Government (Table 1).

Owing to the liquidity conditions and increase in foreign exchange inflows from tourism, traditional crops, gold and loans and grants, the depreciation of the exchange rate moderated. As a result, the Bank of Tanzania did not participate in the IFEM to support the importation of goods (Chart 1.4). Specifically, the official exchange rate (IFEM rate) depreciated by 3.14 percent in the fourth quarter of 2023, compared with 4.27 percent in the preceding quarter, while the retail market exchange rate depreciated by 1.16 percent compared with 4.71 percent (Charts 1.5). The spread between the IFEM and retail market exchange rates narrowed. The real effective exchange rate moved close to its long-run trend, indicating no major misalignment (Chart 1.6).

Chart 1.1: Clearing Balances of Banks



Source: Bank of Tanzania

Chart 1.2: Reserve Money Developments

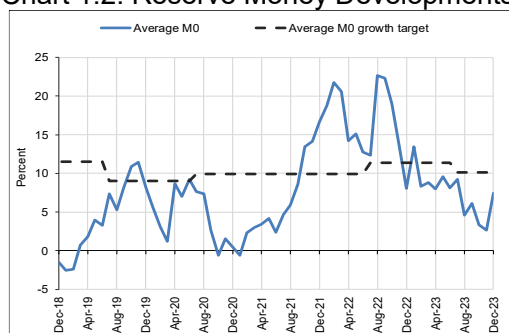
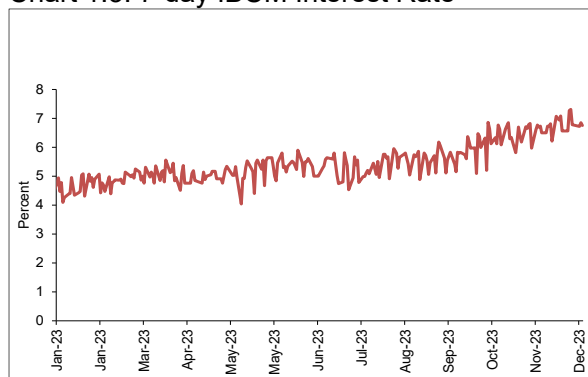


Chart 1.3: 7-day IBCM Interest Rate



Source: Bank of Tanzania

Notes: IBCM denotes interbank cash market

Chart 1.4: BOT Participation in IFEM

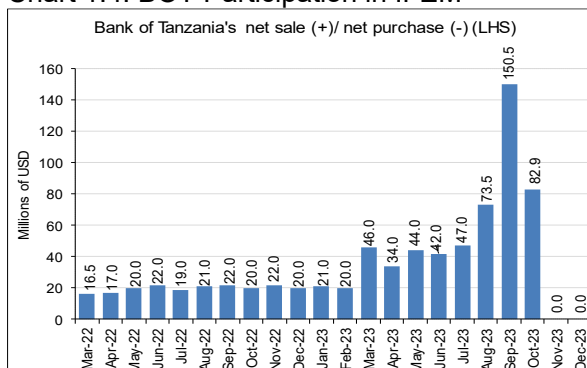
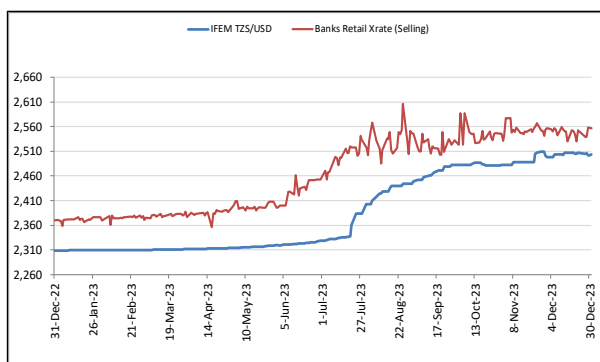


Chart 1.5: Exchange Rates Spread between IFEM and Retail Market.



Source: Bank of Tanzania

Chart 1.6: Developments in REER

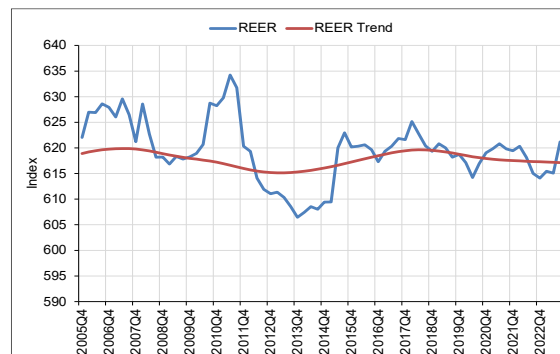


Table 1: Performance against Quantitative ECF Targets

Indicator	June-23		September-23		December-23	
	Adjusted QPC-Final	Actual	Adjusted Indicative Targets	Actual	Adjusted QPC-Final	Actual
Net domestic assets (NDA) of BOT- Billions of TZS (ceiling)	-915.8	-640.9	-206.2	-416.0	-729.9	-1,643.3
Change in NIR - Millions of USD (floor)	-292.0	444.4	-301.0	-92.5	-92.0	428.9

Source: Bank of Tanzania

Note: QPC means Quantitative Performance Criteria

Chapter 2: Global Economic Conditions

Global growth remained weak, largely due to geo-political tension, monetary policy tightening, and heightened economic uncertainties. There were also notable variations in growth outturn across countries, with emerging market and developing economies performing relatively better (Table 2.1). Global growth is expected to remain weak in 2024, reflecting the lagged impact of monetary policy tightening and geo-political tension.

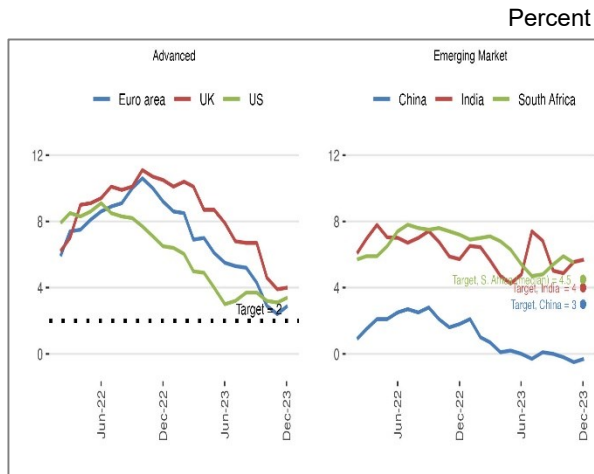
Table 2.1: Actual Real GDP Growth and Projection

	Percent										
	IMF projections						World Bank		OECD		
	Actuals			Oct-23		Jan-24		Projections		Projections	
	2020	2021	2022	2023	2024	2023	2024	2023	2024	2023	2024
World	-2.8	6.3	3.5	3.0	2.9	3.1	3.1	2.6	2.4	2.9	2.7
Advanced economies	-4.2	5.4	2.6	1.5	1.4	1.6	1.5	1.5	1.2	1.5	1.2
United States	-2.8	5.9	2.1	2.1	2.1	2.5	2.1	2.5	1.6	2.4	1.5
Euro area	-6.1	5.4	3.3	0.7	1.2	0.5	0.9	0.4	0.7	0.6	0.9
United Kingdom	-11.0	7.6	4.1	0.5	0.6	0.5	0.6	n.a	n.a	0.3	0.8
Japan	-4.3	2.1	1.0	2.0	1.0	1.9	0.9	1.8	0.9	1.7	1.0
Emerging market and developing economies	-1.8	6.9	4.1	4.0	4.0	41.1	4.1	4.0	3.9	4.5	3.9
Brazil	-3.3	5.0	2.9	3.1	1.5	3.1	1.7	3.1	1.5	3.2	1.7
Russia	-2.7	5.6	-2.1	2.2	1.1	3.0	2.6	2.6	1.3	0.8	0.9
India	-5.8	9.1	7.2	6.3	6.3	6.7	6.5	6.3	6.4	6.3	6.0
China	2.2	8.5	3.0	5.0	4.2	5.2	4.6	5.2	4.5	5.1	4.6
Sub-Saharan Africa	-1.7	4.8	4.0	3.3	4.0	3.3	3.8	2.9	3.8	n.a	n.a
South Africa	-6.3	4.9	1.9	0.9	1.8	0.6	1.0	0.7	1.3	0.6	1.1
EAC	0.9	6.7	5.8	5.0	5.7	n.a	n.a	n.a	n.a	n.a	n.a
SADC	-4.3	4.5	4.5	2.5	3.2	n.a	n.a	n.a	n.a	n.a	n.a

Source: IMF World Economic Outlook, January 2024; World Bank, World economic prospects January 2024; and OECD Economic outlook, November 2023. n.a denotes data not available.

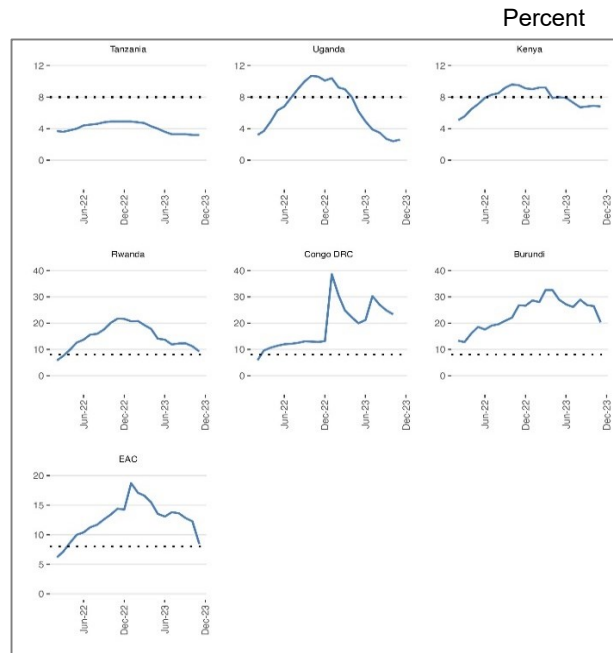
Consumer price inflation declined across countries. In advanced economies, despite declining, it remained above the target of 2 percent (Chart 2.1a). Core inflation was high in the Euro area, unlike in the US, where, core inflation pressures reflected a tight labour market. In the EAC and SADC blocs, most countries experienced inflation within the convergence criteria of a maximum of 8 percent and 3-7 percent, respectively (Chart 2.1b and 2.1c).

Chart 2.1a: Inflation in Advanced Economies and BRICS Countries



Source: OECD and respective National Statistics Offices

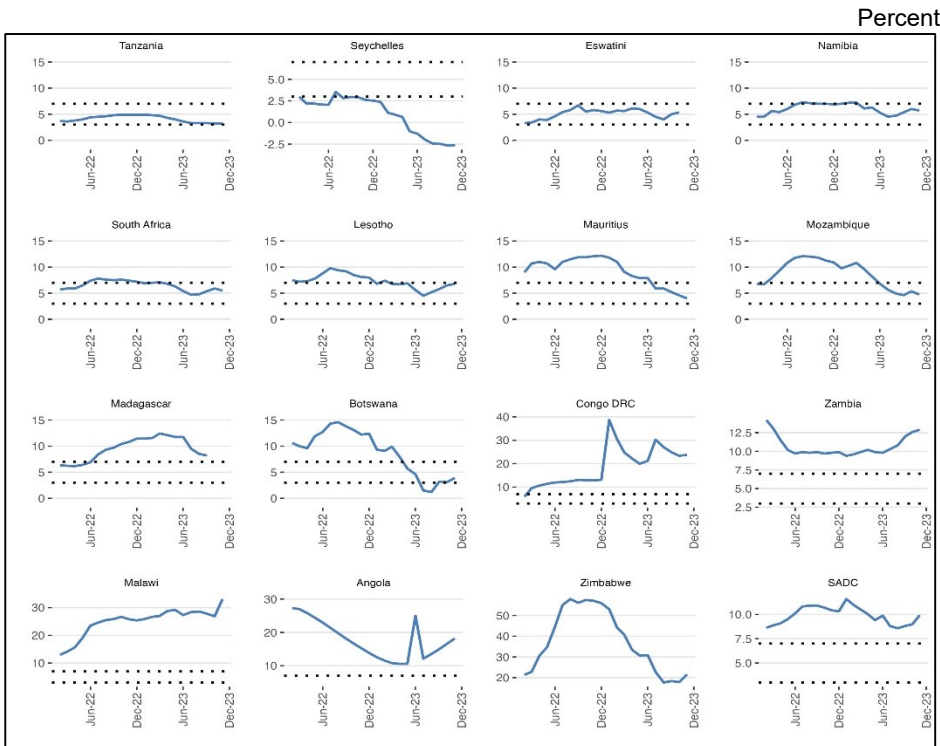
Chart 2.1b: Inflation in EAC Countries



Source: Respective National Statistics Offices

Notes: The dotted lines indicate the EAC convergence benchmark of not more than 8%

Chart 2.1c: Inflation in SADC Countries

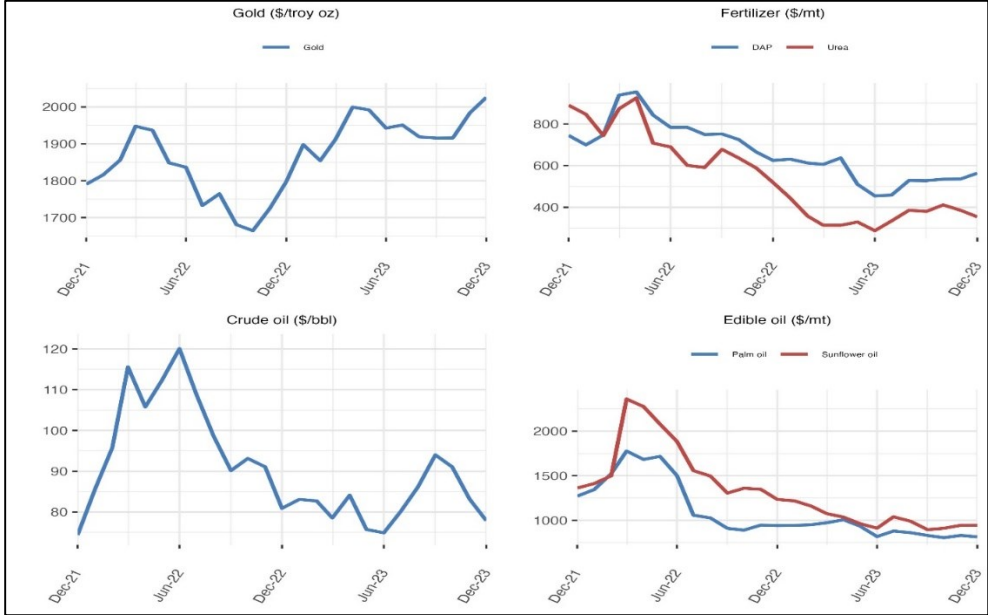


Source: Respective National Statistical Offices and Central Banks

Notes: The dotted lines indicate the SADC convergence benchmark of 3-7%

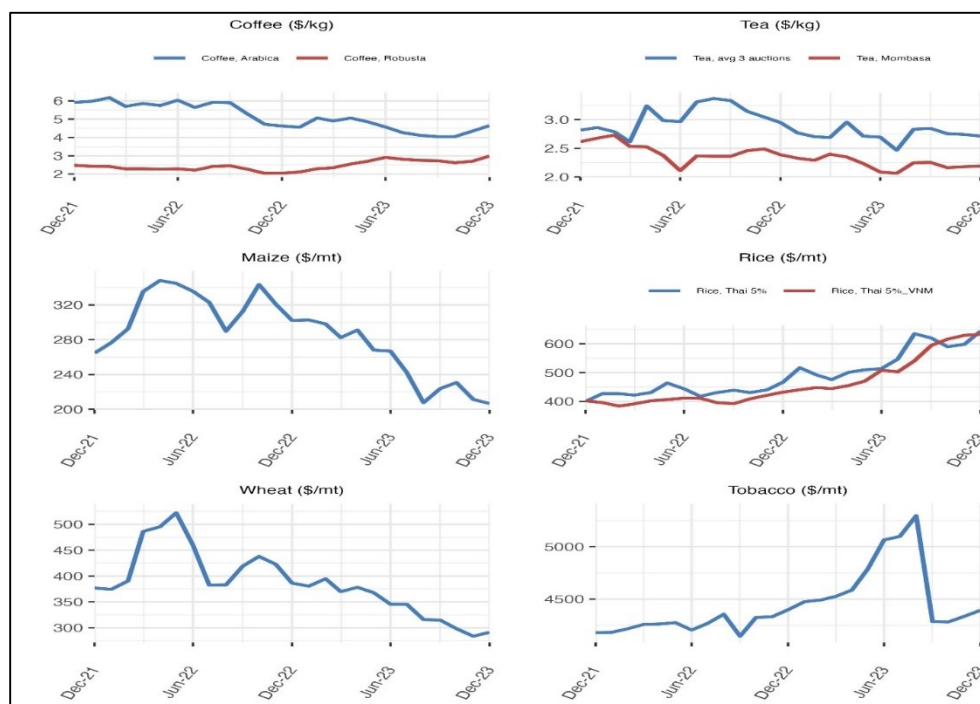
Price of most commodities in the world market recorded a mixed trend. Crude oil prices averaged USD 82.1 per barrel in the fourth quarter of 2023 compared with USD 85.3 per barrel during the preceding quarter, due to subdued demand amidst output cuts by OPEC+ and geopolitical tension (Chart 2.1d). The price of gold remained high, rising due to the weakening of the US dollar, after moderation of interest rate hike by the Federal Reserve Bank. On average, the price of gold was around USD 1,975.5 per troy ounce from USD 1,928.6 per troy ounce. Prices of fertilizers (DAP and Urea) increased, while those of food products declined, except rice (Chart 2.1e).

Chart 2.1d: World Market Prices of Commodities



Source: <http://www.worldbank.org/prospects>

Chart 2.1e: World Market Prices of Commodities



Source: <http://www.worldbank.org/prospects>

Stock indices in advanced economies increased over the past months (Chart 2.2). This is owed to a decline in inflation that has halted expectations of further interest rate hikes, and bolstered market confidence, leading to improved prospects for corporate revenue and profits. Potential risks of declines in the stock market indices include corporate earnings falling short of expectations and inflation not moderating fast enough, which may lead to central banks like the FED delaying anticipated interest rate cuts.

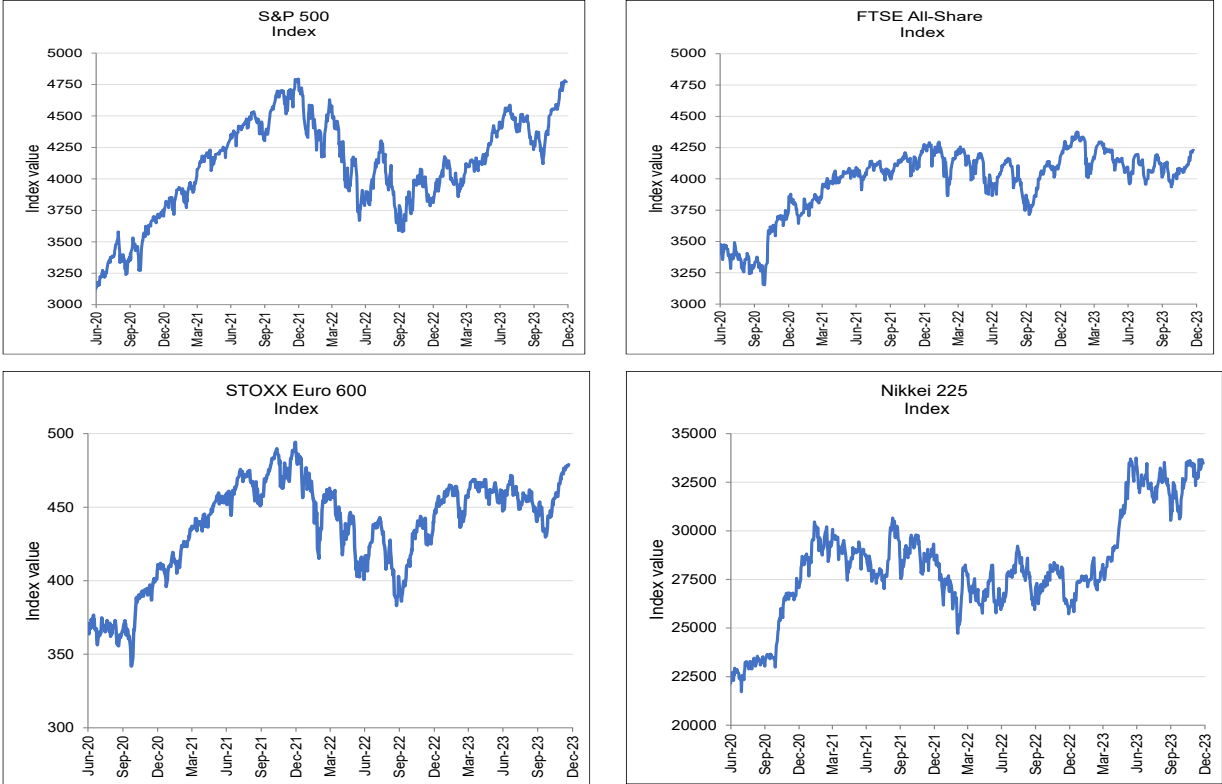
The US dollar index, which measures the value of the USD against a basket of currencies, has declined in recent months, indicating a weakening of the USD (Chart 2.3). This outturn was mainly attributed to cooling inflation pressures and expectations of lower rates by the US Federal Reserve. Lower interest rates tend to lead to the depreciation of a currency as investors seek higher returns in assets of other country's currencies.

The yields for benchmark bonds in major economies have fallen due to investor expectations of possible rate cuts by monetary authorities in the short term (Chart 2.4).

Traders in the US are factoring at least one rate cut by the Federal Reserve by mid-2024. However, uncertainty still lingers over the path of interest rates in 2024.

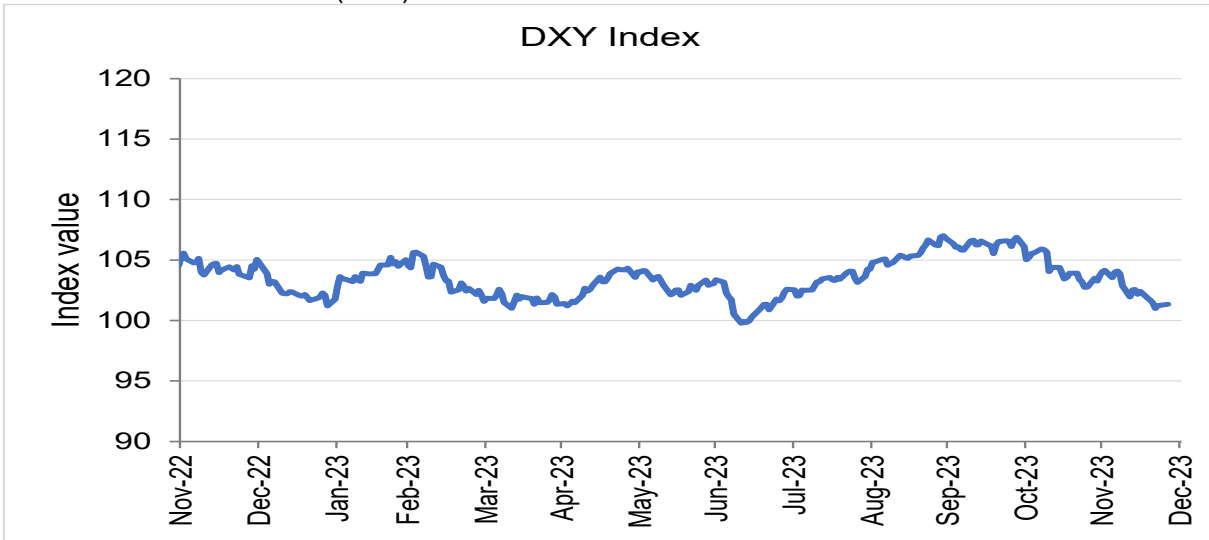
Based on the above, the outlook points to lower interest rates in advanced economies. This would increase the interest rate differential in developing countries such as Tanzania. This result implies decreased depreciation pressures in the domestic exchange rate and a possible increase in foreign capital inflows.

Chart 2.2: Stock Indices (US, UK, Europe & Japan)



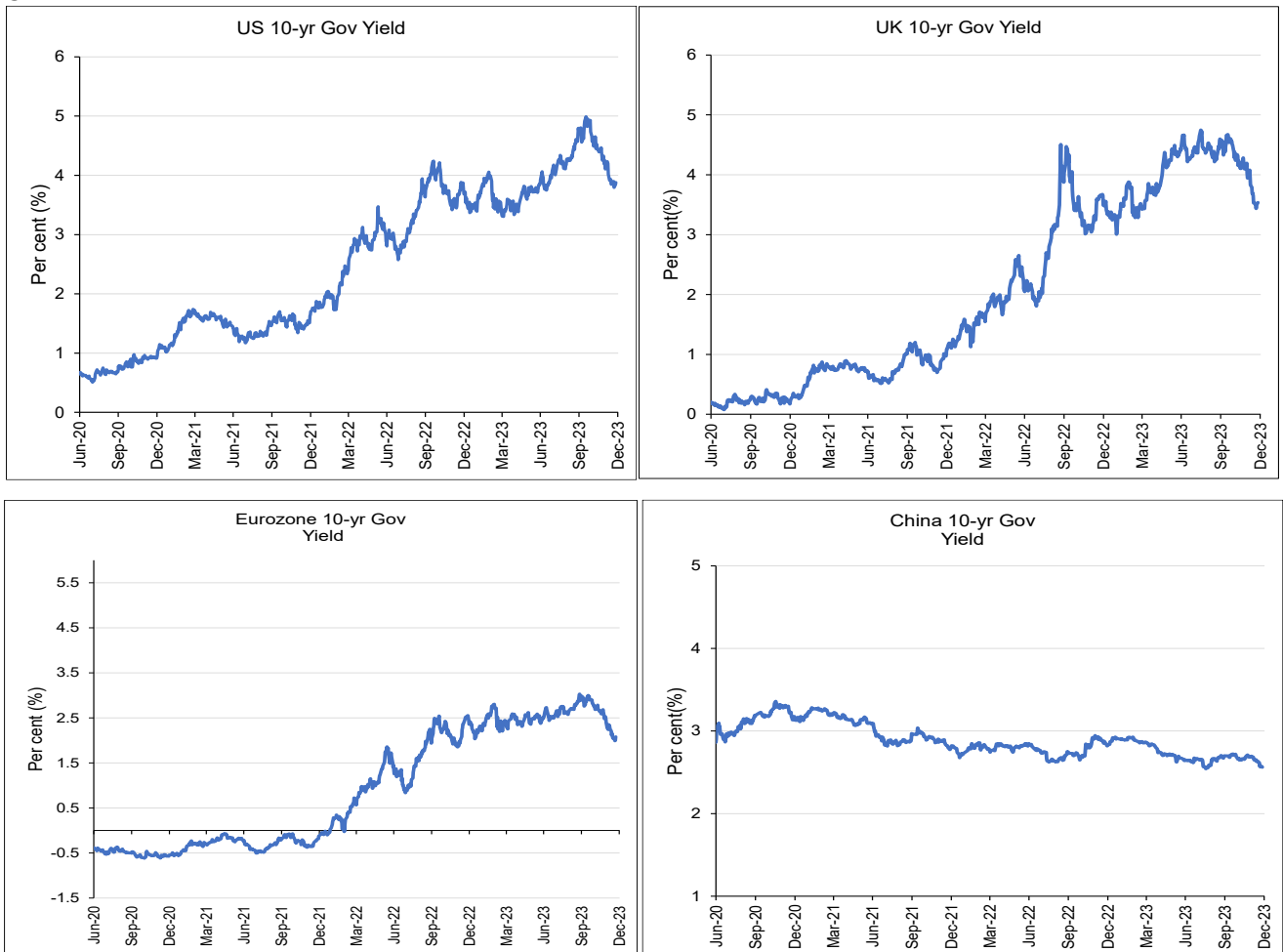
Source: Bloomberg

Chart 2.3: US Dollar Index (DXY)



Source: Bloomberg

Chart 2.4: Evolution of Bond Yields in Various Markets

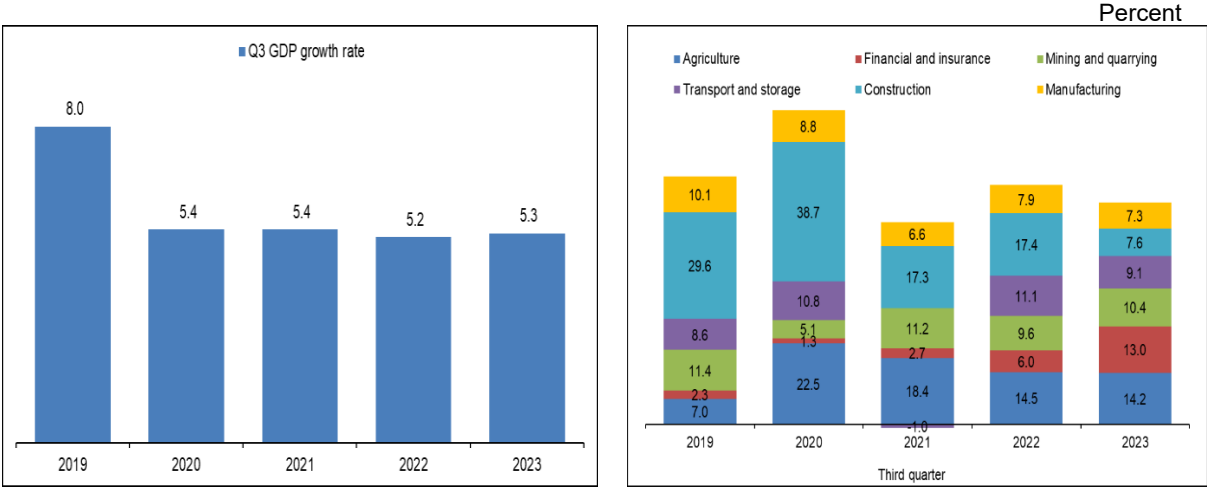


Source: Bloomberg

Chapter 3: Domestic Economic Conditions

Output performance was satisfactory. In Mainland Tanzania, output growth was 5.2 percent in the first half of 2023, mostly driven by agriculture, construction, and trade. Activities which grew fast were financial and insurance services, mining and quarrying, and electricity. In the third quarter, the economy grew at 5.3 percent (Chart 3.1). Based on this performance, together with leading economic indicators for the fourth quarter, the economy is estimated to have grown by about 5 percent in 2023. This strong growth is expected to continue in 2024, reaching about 5.2 percent in the first quarter of 2024 and 5.5 percent for the whole year. The growth is expected to be driven by public and private investment, reforms to improve business conditions, favourable weather, and a rebound in tourism activities. The escalation of geopolitical tension and monetary policy tightening in advanced economies are the main risks to growth.

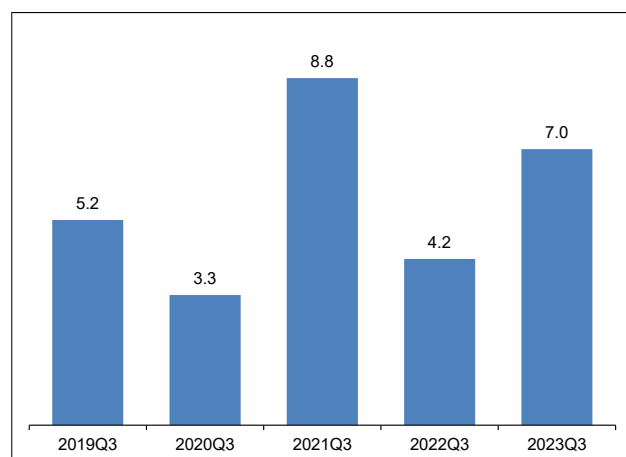
Chart 3.1: Quarterly Output Performance-Third quarter



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

The Zanzibar economy grew at 7 percent in the third quarter, mainly driven by manufacturing, real estate, and accommodation and food services (Chart 3.2a and Chart 3.2b). Fishing, mining and quarrying, construction, information and communication, manufacturing and accommodation and food services grew faster relative to others (Chart 3.3). Real GDP growth averaged 6 percent in the first three quarters of 2023 in line with a projected growth rate of 7.1 percent in 2023. This is attributable to the improving business conditions and the rebound in tourism. The economy is projected to grow at 6 percent for the first quarter of 2024.

Chart 3.2a: Zanzibar: Real GDP Growth



Source: Office of Chief Government Statistician, BOT Computations

Chart 3.2b: Zanzibar: Contribution to Growth

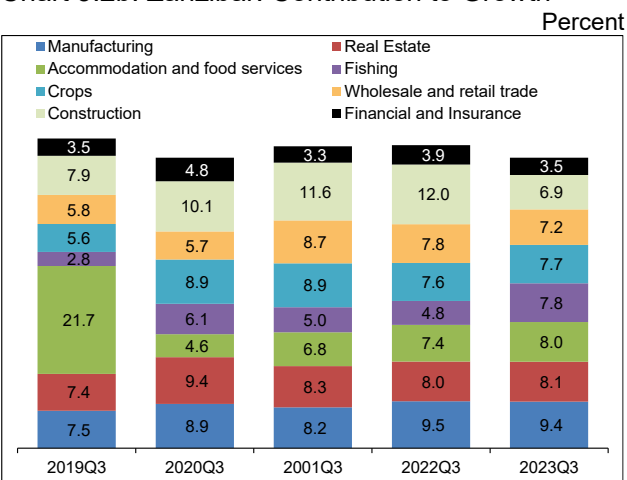
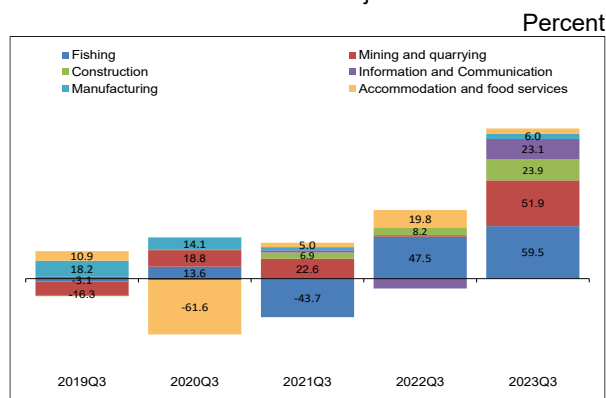


Chart 3.3: Zanzibar: Growth of Major Economic Activities



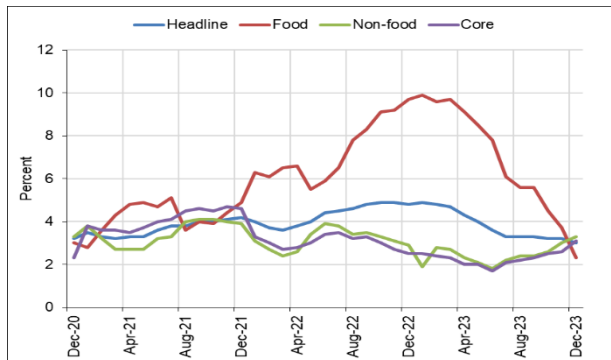
Source: Office of Chief Government Statistician, BOT computations

Inflationary pressures remained muted. Headline inflation in Mainland Tanzania was low and consistent with the country target of 5 percent and regional benchmarks, averaging 3.1 percent in the fourth quarter of 2023 compared with 3.3 percent in the preceding quarter (Chart 3.4a). The outturn was on account of the implementation of less accommodating monetary policy, adequate domestic food supply, and decline in commodity prices, particularly petroleum products, in the world market. Core inflation was 2.7 percent from 2.2 percent, mainly reflecting lagged impact of domestic energy price adjustment.

In Zanzibar, inflation remained stable, converging to the medium target of 5 percent. Headline inflation averaged 6.1 percent in the fourth quarter of 2023 compared with 7

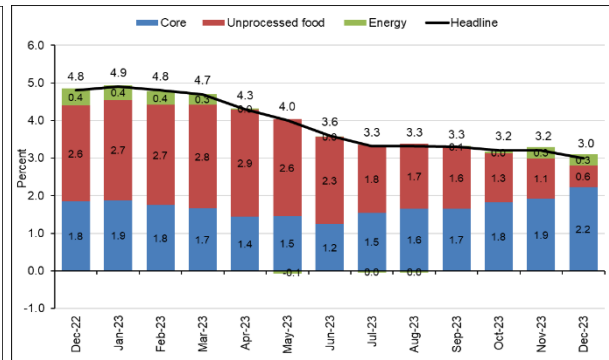
percent in the preceding quarter. The decline was mainly on account of a moderation in food prices, particularly edible cooking oil, sugar and green cooking bananas.

Chart 3.4a: Inflation and Components



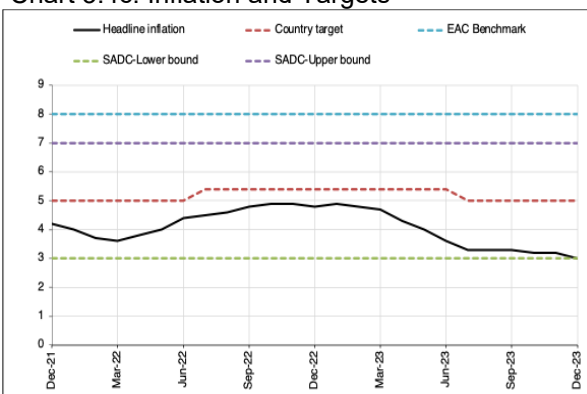
Source: National Bureau of Statistics

Chart 3.4b: Contribution to Headline Inflation



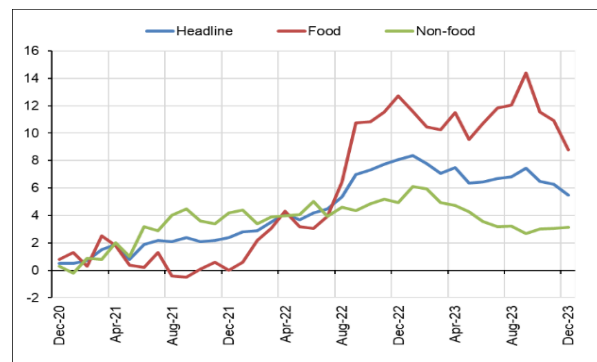
Source: NBS, and BOT computations

Chart 3.4c: Inflation and Targets



Source: National Bureau of Statistics

Chart 3.4d: Zanzibar inflation development



Source: Office of the Chief Government Statistician

Food supply was adequate in the country¹. Notably, food stocks held by the National Food Reserve Agency (NFRA) increased on account of a net acquisition from various parts of the country, largely reflecting improvement in the food situation in the country and neighbouring countries (Table 3.1). The food stocks are mainly comprised of cereals. Prices of the main food crops exhibited a mixed trend (Table 3.2).

¹ The Ministry of Agriculture reports food supply situation. The report is called "Taarifa ya Tathmini ya Uzalishaji wa mazao ya Chakula"

Table 3.1: Food Stocks Held by NFRA (Tonnes)

Period	2019	2020	2021	2022	2023
Jan	93,037	43,597	110,398	207,899	124,736
Feb	85,525	41,231	110,389	203,297	106,881
Mar	78,336	39,597	109,231	200,626	80,123
Apr	68,748	38,053	109,231	190,366	63,808
May	68,058	38,291	108,284	149,402	51,367
Jun	67,336	52,725	107,384	141,576	46,665
Jul	67,410	90,255	107,384	140,695	94,088
Aug	68,407	92,991	123,635	144,410	210,020
Sep	61,711	109,733	150,057	149,044	244,169
Oct	55,853	110,895	192,408	151,794	244,289
Nov	52,727	110,289	209,057	147,401	244,223
Dec	52,498	110,398	214,968	137,655	248,282

Source: National Food Reserve Agency

Table 3.2: Wholesale Prices of Main Food Crops (TZS per '000')

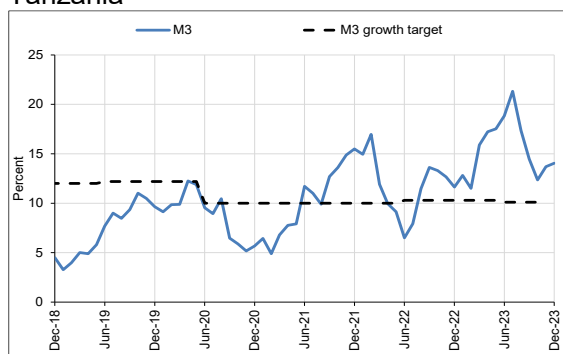
Food crop	Quarter ending		
	Dec-22	Sep-23	Dec-23
Maize	107,501.36	97,948.70	87,141.77
Rice	271,269.63	252,588.48	265,982.55
Beans	279,454.73	261,254.80	268,537.34
Sorghum	131,401.13	135,541.87	131,211.98
Round potatoes	88,729.83	90,007.87	85,133.55
Wheat	189,667.11	178,435.85	186,955.13

Source: Ministry of Investment, Industry and Trade, and BOT computations

Monetary conditions were relatively tighter but consistent with demand. Growth of money supply (M3) and private sector credit slowed but were above the targets. M3 growth averaged 13.4 percent in the fourth quarter of 2023 compared to the target of 10.1 percent, and it was mostly contributed by private credit growth (Chart 3.5a and Chart 3.5b). In 2023, M3 growth was 14.1 percent compared with 11.6 percent in the preceding year. Private sector credit growth averaged 17.8 percent compared to the projection of 16.4 percent (Chart 3.5c). In 2023, private sector credit growth was 17.1 percent compared with 22.5 percent in the previous year. Its ratio to GDP is estimated at around 18.8 percent from 16.1 percent. The credit growth was mostly driven by personal loans, agriculture, and trade activities (Chart 3.5d). Personal loans also constituted the largest share of outstanding credit to the private sector and were mostly extended to small and medium business undertakings (Chart 3.5f and (Chart 3.5g)². The credit to agriculture is associated with ongoing policies and measures to improve the productivity of the sector. Credit to the private sector is expected to remain high, owing to the improving business environment and reforms being implemented.

² Personal loans are mostly for small and medium sized business undertakings. The credit facility is preferred largely because of easy accessibility, flexible collateral requirements, and some are backed by salaries.

Chart 3.5a: Money Supply Growth in Tanzania



Source: Bank of Tanzania

Chart 3.5b: Contribution to M3 Growth by Uses

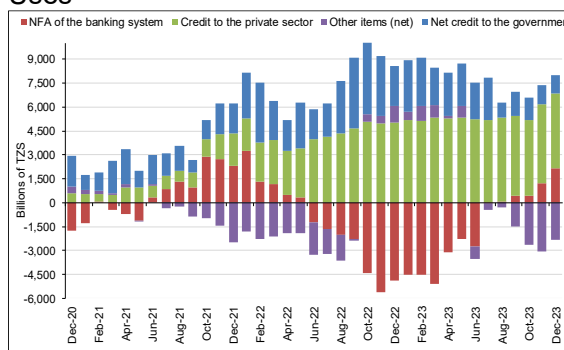
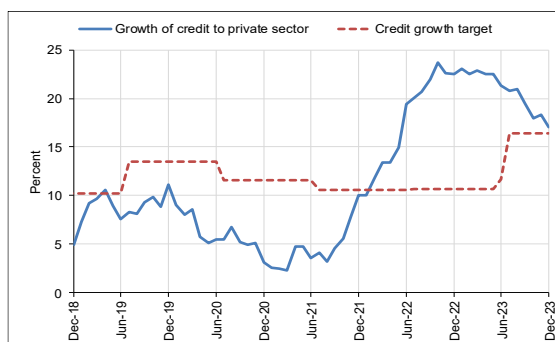


Chart 3.5c: Private Sector Credit Growth



Source: Banks and EAC central banks, Bank of Tanzania computations

Chart 3.5d: Private Sector Credit Growth in Selected EAC Countries

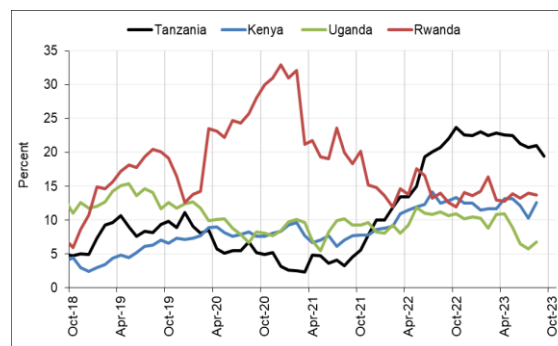
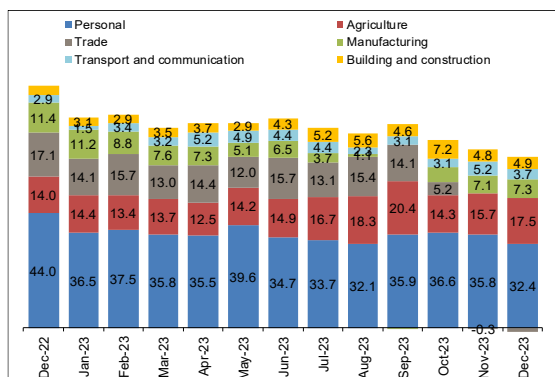
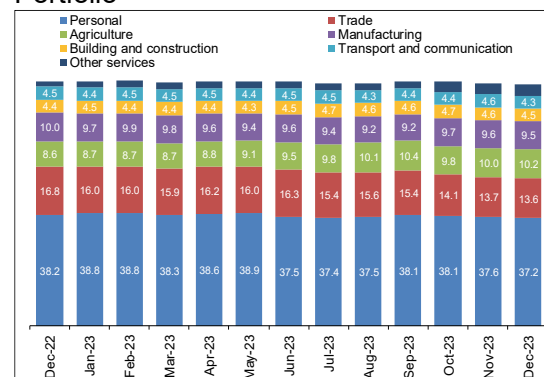


Chart 3.5f: Contribution to Credit Growth



Source: Banks and Bank of Tanzania computations

Chart 3.5g: Share of Loans to Total Loan Portfolio



Interest rates in the interbank and securities markets increased, but lending rates remained broadly unchanged. Interest rates on loans were around 16 percent, while negotiated lending rates, lending rates to prime customers, eased to 13.30 percent from 14 percent (Chart 3.6a). The deposit rate remained almost unchanged at around 7 percent, and the negotiated deposit rate for prime customers was at 9.16 percent. Interest rates on Treasury bills increased

in tandem with liquidity development and demand for credit by the private sector (Chart 3.6b). The Government is implementing reforms to reduce impediments to the stickiness of lending rates.

Chart 3.6a: Lending and Deposit Interest Rates

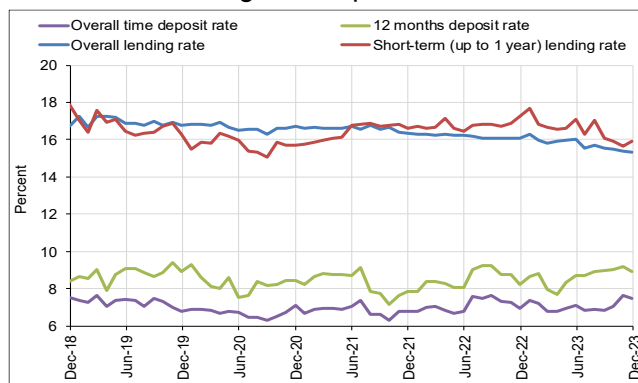
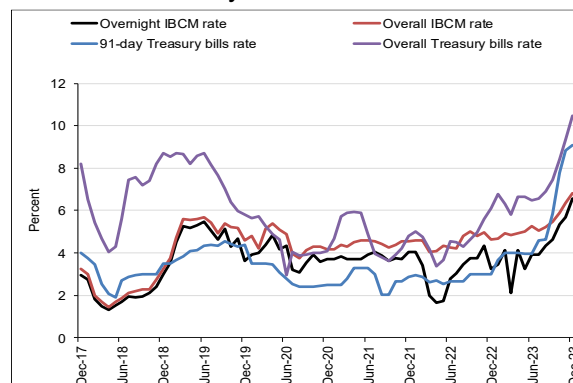


Chart 3.6b: Money Market Interest Rates



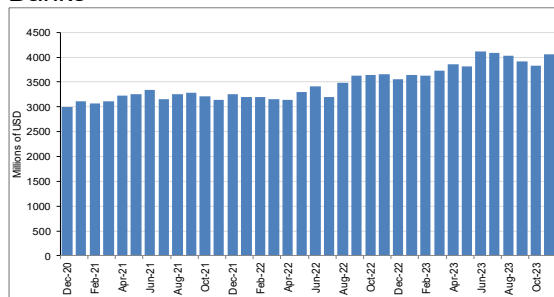
Source: Banks, Bank of Tanzania computations

Financial dollarization slowed. The ratio of foreign currency deposits to M3, a measure of financial dollarization, slowed and remained below levels reached in 2021 (chart 3.7a). Holding of foreign currency deposits increased moderately (Chart 3.7b). This phenomenon reflects hedging behaviour against exchange rate depreciation and future forex requirements was observed through an increase in foreign currency deposits. The degree of dollarization is expected to be subdued, owing to the measures taken to improve the forex market and enhance foreign exchange inflows complemented by the monetary policy stance.

Chart 3.7a: Share of Foreign Currency Deposit to M3 (Financial Dollarization)



Chart 3.7b: Foreign Currency Deposits of Banks



Source: Banks and Bank of Tanzania computations

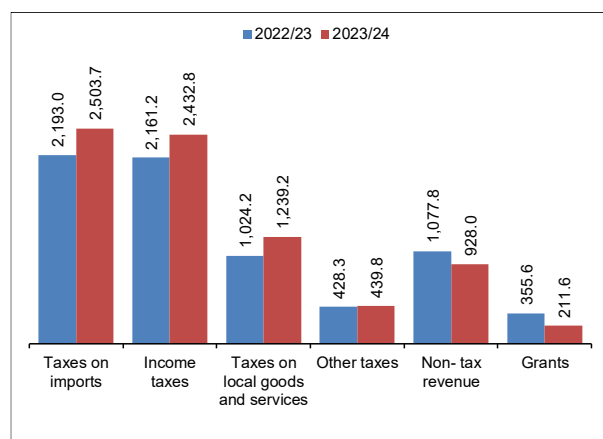
The financial sector remained stable. Overall, the risks to financial stability were moderate on account of a positive economic outlook, reinforced by a stable macroeconomic and business environment. The banking sector, the largest part of the financial sector, was

liquid, profitable and adequately capitalized despite facing a scarcity of foreign currency. Deposits, assets, and loans increased. The increase in assets was in tandem with deposits, attributable to the expansion of the agent banking model and the increase of financial products and digital banking services. The expansion of loans was attributable to the improved business environment. Liquidity in banks was adequate and enough for loan provision, with the ratio of liquid assets to demand liabilities and total assets hovering above the regulatory requirements. The asset quality continued to improve, with non-performing loans declining to 4.3 percent in December 2023 from 5.2 percent in September 2023, below the desired level of 5 percent. The level of NPLs is expected to continue declining as banks continue implementing measures to improve the quality of assets. Furthermore, the stress testing indicated the banking sector to be resilient to baseline, adverse and severe shocks across all major risk factors.

Government fiscal performance was satisfactory. In Mainland Tanzania, revenue amounted to TZS 7,808.1 billion, of which TZS 7,543.5 billion was collected by the central government and the balance was local government authorities' revenue from their own sources. Central government collections included TZS 6,617.2 billion in tax revenue, about 99 percent of the target for the quarter, attributed to strong performance in import and income taxes, driven by an increase in the volume of imports coupled with enhanced tax administration (Chart 3.8a). Non-tax revenue was TZS 926.3 billion, grants TZS 211.6 billion. Expenditure amounted to TZS 9,696.8 billion, of which development expenditure was 44.5 percent (Chart 3.8b).

In Zanzibar, the resource envelope comprising revenue and grants was TZS 397.3 billion, of which revenue was TZS 384.5 billion. The revenue performance was 98.3 percent of the target. Tax revenue was TZS 345.2 billion, above the target by 2.4 percent, while non-tax revenue was TZS 39.3 billion (Chart 3.9a). Expenditure amounted to TZS 541.7 billion, of which development expenditure was 43 percent (Chart 3.9b). Local financing to development projects was 206.1 billion, while foreign financing was TZS 26.4 billion. The fiscal deficit after grants was TZS 343.3 billion, financed by domestic and foreign borrowings.

Chart 3.8a: Government Resources for the Quarter Ending December



Source: Ministry of Finance

Chart 3.8b: Government Expenditure for the Quarters Ending December

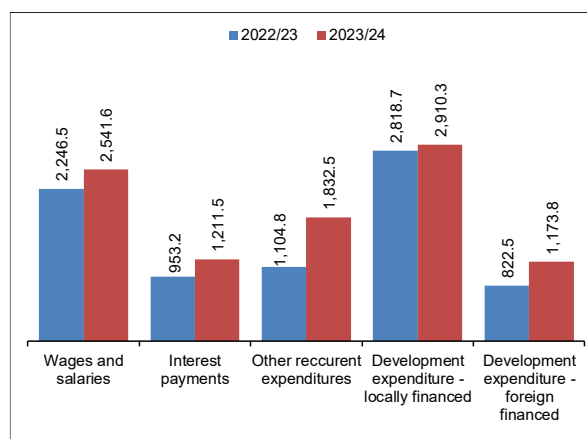
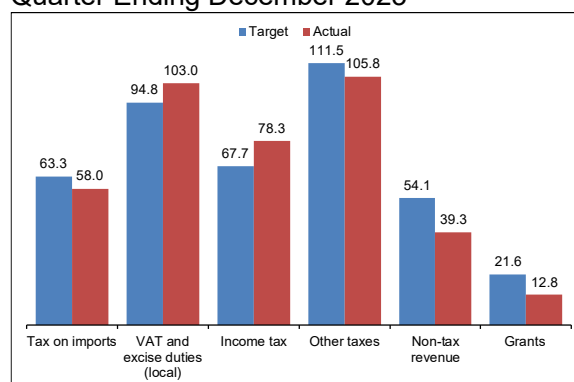
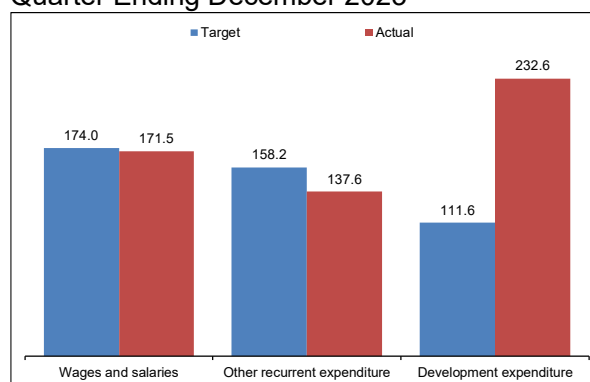


Chart 3.9a: Government Resources for the Quarter Ending December 2023



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

Chart 3.9b: Government Expenditure for the Quarter Ending December 2023



Public debt remains sustainable at a moderate risk of debt distress. Stock of national debt amounted to USD 41,782.6 million at the end of December 2023, an increase of USD 1,058.4 million from September. External debt stock stood at USD 29,541.7 million, representing an increase of USD 683.7 million (Table 3.3). The share of public external debt was 76.5 percent of the external debt. Multilateral institutions continued to dominate the debt portfolio, accounting for 51.6 percent, followed by debt from commercial sources at 29.4 percent (Table 3.4). Domestic debt stock amounted to TZS 30,676.3 billion, an increase of TZS 1,226.9 billion from September 2023. The largest share of the debt was in the form of Treasury bonds, accounting for 75.5 percent (Table 3.5).

Table 3.3: External Debt Stock by Borrower Category

Borrower	Millions of USD					
	Dec-22		Sep-23 ^r		Dec-23 ^p	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Central government	21,301.0	73.4	22,080.9	76.5	22,550.9	76.3
DOD	20,187.6	69.6	21,829.6	75.6	22,299.0	75.5
Interest arrears	1,113.4	3.8	251.3	0.9	251.9	0.9
Private sector	7,674.0	26.5	6,743.8	23.4	6,957.6	23.6
DOD	6,257.9	21.6	5,679.9	19.7	5,728.9	19.4
Interest arrears	1,416.1	4.9	1,063.9	3.7	1,228.7	4.2
Public corporations	31.7	0.1	33.2	0.1	33.2	0.1
DOD	23.7	0.1	23.7	0.1	23.7	0.1
Interest arrears	8.0	0.0	9.5	0.0	9.5	0.0
External debt stock	29,006.7	100.0	28,857.9	100.0	29,541.7	100.0

Table 3.4: External Debt Stock by Creditor Category

Creditor	Millions of USD					
	Dec-22		Sep-23 ^r		Dec-23 ^p	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Multilateral	13,673.4	47.1	14,772.6	51.2	15,255.9	51.6
DOD	13,656.7	47.1	14,726.0	51.0	15,215.9	51.5
Interest arrears	16.7	0.1	46.6	0.2	40.0	0.1
Bilateral	2,271.8	7.8	1,314.0	4.6	1,365.2	4.6
DOD	1,158.4	4.0	1,062.7	3.7	1,113.3	3.8
Interest arrears	1,113.4	3.8	251.3	0.9	251.9	0.9
Commercial	8,176.9	28.2	8,628.3	29.9	8,697.4	29.4
DOD	7,391.5	25.5	7,985.7	27.7	7,984.0	27.0
Interest arrears	785.4	2.7	642.6	2.2	713.4	2.4
Export credit	4,884.6	16.8	4,143.0	14.4	4,223.2	14.3
DOD	4,262.6	14.7	3,758.8	13.0	3,738.5	12.7
Interest arrears	622.0	2.1	384.2	1.3	484.7	1.6
External debt stock	29,006.7	100.0	28,857.9	100.0	29,541.7	100.0

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

Note: DOD denotes disbursed outstanding debt; r, revised data; and p, provisional data

Table 3.5: Government Domestic Debt by Instrument

Instrument	Billions of TZS					
	Dec-22		Sep-23 ^r		Dec-23 ^p	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Government securities	22,740.2	88.9	25,283.4	85.9	26,069.9	85.0
Treasury bills	1,822.5	7.1	2,324.0	7.9	2,730.6	8.9
Government stocks	252.7	1.0	187.1	0.6	187.1	0.6
Government bonds	20,665.0	80.8	22,772.2	77.3	23,152.1	75.5
Tax certificates	0.1	0.0	0.1	0.0	0.1	0.0
Non-securitized debt	2,827.7	11.1	4,166.1	14.1	4,606.4	15.0
Other liabilities*	18.4	0.1	18.4	0.1	18.4	0.1
Overdraft	2,809.3	11.0	4,147.7	14.1	4,588.0	15.0
Domestic debt stock (excluding liquidity papers)	25,567.9	100.0	29,449.5	100.0	30,676.3	100.0

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

Note: * includes NMB bank Plc standard loan and duty drawback

In Zanzibar, the debt stock was equivalent to TZS 3,382.1 billion at the end of December compared to TZS 3,043.3 in September 2023. External debt rose to USD 1,028.0million from USD 1,023.3 million. Domestic debt stock reached TZS 805.9 billion from TZS 318.7 billion on account of new borrowing through public institutions and government securities (Table 3.6). The debt was mostly owed to public institutions, which accounted for 62.8 percent, whereas debt maturing between 1 to 10 years was 72 percent (Table 3.7).

Table 3.6: Debt Stock

	Millions of TZS					
	Quarter Ending			Percent share Dec-23	Percentage change Set-23 to Dec-22 to Dec-23	
	Dec-22	Sep-23	Dec-23		Dec-23	Dec-23
External debt stock	2,381.4	2,539.5	2,576.1	76.2	1.4	8.2
Domestic debt stock	318.7	503.8	805.9	23.8	60.0	152.9
Total debt stock	2,700.1	3,043.3	3,382.1	100.0	11.1	25.3

Table 3.7: Domestic Debt by Instruments and Maturity Profile

Instrument	Millions of TZS					
	Quarter ending			Percent share Dec-23	Percentage change Sep-23 to Dec-22 to Dec-23	
	Dec-22	Sep-23	Dec-23		Dec-23	Dec-23
Public institutions/Parastatals	39,165.5	235,950.9	546,452.8	62.8	---	---
Treasury bonds	279,522.4	267,854.4	323,892.6	37.2	20.9	15.9
Domestic debt stock	318,687.9	503,805.3	870,345.4	100.0	72.8	---
Maturity:						
Less than 1 year	20,046.0	49,334.5	38,576.3	4.4	-21.8	92.4
Between 1-10 years	138,732.1	296,560.9	626,302.6	72.0	111.2	351.4
Above 10 years	159,909.8	157,909.8	205,466.5	23.6	30.1	28.5
Domestic debt stock	318,687.9	503,805.3	870,345.4	100.0	72.8	173.1

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

Note: '---' denotes a change that exceeds 100 percent

The external sector of the economy improved, albeit facing headwinds from external shocks. The current account deficit was USD 1,010.7 million in the fourth quarter of 2023 from USD 1,415.3 million in the corresponding period in 2022 on account of a decline in imports coupled with an increase in foreign inflows from tourism, traditional exports, gold and grants (Table 3.8). Foreign reserves remained adequate, amounting to USD 5.5 billion at the end of December 2023 from USD 4.9 billion. The reserves were equivalent to 4.5 months of projected imports, consistent with the minimum requirement of at least 4 months (Chart 3.10).

Exports of goods and services amounted to USD 3,737.7 million in the fourth quarter of 2023 compared with USD 4,102.9 million in the corresponding period in 2022. Exports of goods amounted to USD 2,016.9 million, of which gold accounted for 40 percent. Traditional exports accounted for 21 percent, and non-traditional goods at 79 percent. Service receipts amounted to USD 1,720.8 and accounted for 46 percent of goods and services. Travel receipts, mainly tourism, amounted to USD 946.8 million and accounted for 55 percent of total service receipts (Table 3.9). Travel receipts were high in the fourth quarter, consistent with the rise in tourist arrivals to 508,215 from 420,507.

Imports of goods and services amounted to USD 4,485.5 million in the fourth quarter of 2023 compared with USD 4530.1 million in the corresponding quarter in 2022, with imports of goods accounting for 86 percent. Import of white petroleum products amounted to USD 868 million compared with USD 769.8 million. The decrease was on account of both price and volume effects (Table 3.10).

Table 3.8: Current Account Balance

Millions of USD

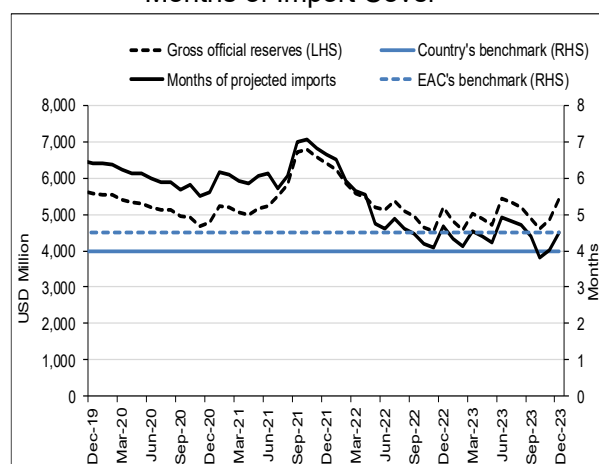
	Quarter ending				
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Goods account (net)	-1,852.5	-1,559.6	-1,496.3	-1,120.0	-1,857.9
Exports	1,969.6	1,648.1	1,722.6	2,307.6	2,016.9
Imports	-3,822.1	-3,207.7	-3,218.8	-3,427.5	-3,874.8
Services account (net)	626.2	877.1	739.5	1,224.5	1,109.9
Receipts	1,334.2	1,489.9	1,274.7	1,795.4	1,720.8
Payments	-708.0	-612.8	-535.3	-570.8	-610.9
Goods and services (net)	-1,226.3	-682.5	-756.8	104.6	-748.0
Exports of goods and services	3,303.8	3,138.0	2,997.3	4,102.9	3,737.7
Imports of goods and services	-4,530.1	-3,820.6	-3,754.1	-3,998.4	-4,485.7
Primary income account (net)	-356.1	-272.9	-393.1	-324.2	-458.2
Receipts	44.8	47.8	46.3	42.0	53.8
Payments	-400.9	-320.7	-439.3	-366.2	-512.0
Secondary income account (net)	167.1	133.5	212.2	134.7	195.5
Inflows	194.9	162.5	239.3	179.4	240.6
o/w Official transfers	27.9	1.1	67.1	4.0	69.5
Outflows	-27.8	-29.0	-27.1	-44.7	-45.1
Current account balance	-1,415.3	-821.9	-937.7	-85.0	-1,010.7

Source: Tanzania Revenue Authority and Bank of Tanzania

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

* Include adjustment for unrecorded exports

Chart 3.10: Gross Official Foreign Reserves and Months of Import Cover



Source: Bank of Tanzania

Note: Note: LHS refers to the left-hand scale and RHS right-hand scale

Table 3.9: Export Performance of Selected Goods and Services

Millions of USD

	Quarter ending				
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Traditional exports	331.1	156.0	80.2	286.5	430.6
Non-traditional exports	1,638.5	1,492.1	1,642.4	2,021.0	1,586.3
o/w Gold	737.9	663.3	759.1	823.5	813.0
Manufactured goods	367.6	345.0	321.4	384.4	311.4
Horticultural products	62.5	62.9	50.1	202.5	101.7
Services	1,334.2	1,489.9	1,274.7	1,795.4	1,720.8
o/w Travel	730.6	762.1	652.5	1,007.3	946.8
Transport	494.3	616.7	506.1	663.6	639.6
Export of goods and services	1,969.6	1,648.1	1,722.6	2,307.6	2,016.9

Source: Tanzania Revenue Authority and Bank of Tanzania

Note: p - denotes provisional

Table 3.10: Tanzania Imports by Major Category

	Millions of USD				
	Quarter ending				
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Capital	765.3	660.6	743.6	729.3	759.9
Machinery and mechanical appliances	283.1	292.9	372.5	283.0	294.3
Industrial transport equipment	277.1	218.4	225.3	240.0	253.5
Electrical machinery and equipment	104.2	82.3	86.6	122.1	136.7
Other capital goods	100.9	67.0	59.3	84.2	75.4
Intermediate	2,716.8	2,240.7	2,074.4	2,343.6	2,730.4
Industrial supplies	1,281.4	1,003.0	947.2	1,091.2	1,265.7
O/w Iron and steel and articles thereof	256.2	194.7	233.4	288.4	389.1
Plastic and articles thereof	181.2	134.6	146.4	162.0	158.9
Fertilisers	220.9	162.6	43.4	76.8	130.9
Fuel and lubricants	873.6	705.7	554.0	733.0	922.9
o/w Refined white products	769.8	662.0	504.9	690.7	868.3
Parts and accessories	254.4	237.7	261.3	246.4	253.1
Food and beverages for industrial use	222.3	225.9	209.1	199.5	194.2
OW Wheat grain	61.8	115.2	130.9	97.0	75.6
Edible oil and its fractions not refined	53.1	50.0	31.0	39.8	42.6
Sugar for industrial use	30.7	39.4	10.7	23.7	51.5
Motor cars for household	80.9	68.2	102.2	73.3	94.4
Consumer	339.4	305.9	400.3	354.1	383.9
Food and beverages mainly for household consumption	41.6	86.9	68.8	42.4	42.0
Non-industrial transport equipment	48.7	27.3	33.3	36.8	44.4
OW Motorcycles and Cycles fitted with an auxiliary motor	43.0	22.3	29.1	31.4	39.9
Other consumer goods	249.1	191.8	298.2	274.9	297.5
OW Pharmaceutical products	74.9	49.7	90.6	71.0	95.7
Insecticides, rodenticides and similar products	33.9	29.7	60.0	48.2	54.6
Soap and detergents	16.7	17.0	15.4	16.6	12.7
Textiles apparels	13.5	9.3	22.2	13.4	12.3
Footwear and other products	14.1	9.7	12.7	13.8	14.8
Paper and paper products	9.4	4.6	6.1	8.8	7.2
Total	3,822.1	3,207.7	3,218.8	3,427.5	3,874.8

Source: Tanzania Revenue Authority and Bank of Tanzania

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

The current account deficit in Zanzibar narrowed to USD 82.2 million during the fourth quarter of 2023 from a deficit of USD 88 million recorded in the corresponding quarter in 2022 (table 3.11). Exports of goods and services amounted to USD 57.4 million compared with USD 69 million, with services accounting for USD 70 percent, and cloves export representing 22 percent (table 3.12). Imports of goods and services were USD 143.1 million compared to USD 161.3 million recorded in the corresponding quarter in 2022. Goods import amounted to USD 119.7 million and accounted for 84 percent of the total import bill of goods and services (table 3.13).

Table 3.11: Current Account Balance

	Millions of USD				
	Quarter ending			Percentage change	
	Dec-22	Sep-23	Dec-23 ^p	Sep 23 to Dec-23	Dec-22 to Dec-23
Goods account (net)	-104.6	-137.2	-102.5	-25.3	-2.0
Exports	30.3	17.4	17.1	-1.5	-43.5
Imports (fob)	134.9	154.6	119.7	-22.6	-11.3
Services account (net)	12.3	8.4	16.8	100.1	37.0
Receipts	38.7	38.7	40.3	4.1	4.0
Payments	26.4	30.3	23.4	-22.6	-11.3
Goods and services (net)	-92.3	-128.8	-85.7	-33.5	-7.1
Exports of goods and services	69.0	56.1	57.4	2.4	-16.9
Imports of goods and services	161.3	184.9	143.1	-22.6	-11.3
Primary income (net)	4.0	2.7	3.1	15.1	-23.5
Receipts	4.8	3.9	4.5	15.3	-6.5
Payments	0.8	1.2	1.4	15.5	80.6
Secondary income (net)	0.2	0.4	0.4	15.5	81.6
Inflows	0.4	0.6	0.7	15.5	80.5
Outflows	0.2	0.3	0.3	15.5	78.9
Current account balance	-88.0	-125.7	-82.2	7.2	-6.6

Table 3.12: Goods Export Performance

Item		Quarter ending			Percentage change	
		Dec-22	Sep-23	Dec-23 ^p	Sep-23 to Dec-22	Dec-22 to Dec-23
		Traditional exports				
Cloves						
Value	Thousands of USD	24,228.9	4,706.2	12,678.7	---	-47.7
Volume	000 Tonnes	3.0	0.7	1.7	---	-41.4
Unit Price	USD/Tonne	8,128.5	6,562.6	7,253.3	10.5	-10.8
Non-traditional exports						
Seaweeds						
Value	Thousands of USD	1,809.3	2,439.5	1,495.5	-38.7	-17.3
Volume	000 Tonnes	3.2	3.1	2.3	-25.5	-27.3
Unit Price	USD/Tonne	572.9	790.7	651.0	-17.7	13.6
Manufactured goods	Thousands of USD	2,292.3	4,745.9	2,144.8	-54.8	-6.4
Fish and fish product	Thousands of USD	567.1	501.4	316.0	-37.0	-44.3
Other exports	Thousands of USD	1,437.9	4,997.5	500.3	-90.0	-65.2
Sub total	Thousands of USD	6,106.6	12,684.3	4,456.6	-64.9	-27.0
Grand total	Thousands of USD	30,335.6	17,390.5	17,135.3	-1.5	-43.5

Source: Zanzibar Revenue Board, Tanzania Revenue Authority, and Bank of Tanzania computations

Note: p denotes provisional data; fob, free on board; and

"---", a change that exceeds 100 percent, Other exports mainly include souvenirs and spices; and p denoted provisional data

Table 3.13: Goods Imports by Major Categories

	Millions of USD				
	Quarter ending			Percentage change	
	Dec-22	Sep-23	Dec-23 ^p	Sep-23 to Dec-22	Dec-22 to Dec-23
Capital	8.7	36.5	8.5	-76.8	-2.5
Machinery and mechanical appliances	4.0	3.6	2.6	-28.7	-35.5
Industrial transport equipment	1.2	27.1	1.7	---	44.4
Electrical machinery and equipment	2.6	2.7	2.0	-24.0	-20.6
Other capital goods	0.9	3.0	2.2	-29.2	132.1
Intermediate	106.7	103.3	99.1	-4.1	-7.1
Industrial supplies	33.3	27.9	23.7	-14.9	-28.8
o/w Iron and steel and articles thereof	6.4	2.4	11.8	---	83.9
Plastic and articles thereof	5.0	2.7	0.9	-65.7	-81.4
Fertilizers	0.0	0.1	0.0	-81.4	---
Fuel and lubricants	55.2	46.5	56.9	22.3	3.2
o/w Refined white products	55.2	46.5	56.9	22.3	3.2
Parts and accessories	2.8	4.9	3.0	-39.7	5.3
Food and beverages for industrial use	11.9	21.0	13.0	-38.0	9.4
o/w Wheat grain	7.0	0.0	3.5	---	-49.9
Edible oil and its fractions not refined	3.6	3.4	5.7	70.6	58.0
Sugar for industrial use	0.0	0.0	0.0	-32.2	-78.6
Motor cars for household	3.4	3.0	2.5	-16.1	-26.7
Consumer	19.6	14.8	12.1	-18.3	-38.2
Food and beverages mainly for household consumption	5.6	4.1	2.3	-43.4	-58.7
Non-industrial transport equipment	1.0	0.4	0.5	15.6	-49.7
o/w Motorcycles and cycles fitted with an auxiliary moto	0.2	0.1	0.2	49.3	34.6
Other consumer goods	12.9	10.3	9.2	-10.0	-28.6
o/w Pharmaceutical products	0.2	0.2	0.4	---	96.8
Insecticides, rodenticides and similar products	0.1	0.2	0.1	-48.5	9.4
Soap and detergents	1.0	0.7	0.6	-18.4	-39.8
Textiles apparels	1.1	1.1	1.5	45.0	41.8
Footwear and other products	0.5	0.6	0.4	-28.6	-10.9
Paper and paper products	0.7	0.2	0.4	42.1	-50.9
Total (f.o.b)	134.9	154.6	119.7	-22.6	-11.3

Source: Zanzibar Revenue Board, Tanzania Revenue Authority, and Bank of Tanzania computations

Note: p denoted provisional data; '---', a change that exceeds 100 percent; o/w, of which; and f.o.b, free on board

Chapter 4: Economic Outlook

Main assumptions underlying projections.

Global growth is projected to remain weak and varying across countries in the first quarter of 2024. The growth projection is attributable to ongoing geopolitical tension, tightened financial conditions, and lagged impact of monetary policy tightening. Inflation is forecast to continue declining in many countries. In advanced economies, it is projected to fall but might remain above the target of 2 percent in most countries. Therefore, the direction of monetary policy in these countries is uncertain. Some central banks might uphold monetary policy tightening, albeit at a lesser extent than before, while others could leave the policy rates unchanged. The price of oil is projected to fall, but this outlook is dependent on OPEC+ decisions about production, geopolitical tension, and demand. The price of gold is projected to remain high at around USD 1,900 per troy ounce.

Domestic macroeconomic outlook

Considering the outlook for the global economy and domestic economic conditions, the ongoing implementation of policies and reforms, and favourable weather, growth in Mainland Tanzania is projected at 5.2 percent in the first quarter of 2024. The ongoing adequate rainfall in many parts of the country is expected to provide impetus to the growth projection. Inflation is forecast to remain low and stable, at around 3.2 percent, below the target of 5 percent. Food inflation is projected to be low, driven by adequate domestic food supply. The exchange rate is also expected to remain stable, depreciating moderately during the quarter. The risks to output and inflation projections are mainly the ongoing geopolitical tension, OPEC+ decision about oil production, and monetary policy stance in advanced economies.

MPC decision

Consistent with the inflation target and growth outlook, the MPC set the Central Bank Rate (CBR) at 5.5 percent for the first quarter of 2024. The Bank of Tanzania will use monetary policy instruments to align the 7-day interbank rate with the CBR, allowing a deviation of +/- 200 basis points from the CBR. The Bank will use monetary policy

instruments at its disposal (repo, reverse repo, 35-day and 91-day treasury bills, and forex intervention) to align the 7-day interbank rate with the CBR. The use of the instruments will be announced and communicated to the market. In addition, the Bank will continue maintaining adequate foreign exchange reserves and aligning monetary conditions for the attainment of the targets set forth in the IMF-ECF program, which is implemented by the Government. Furthermore, the Bank will auction government securities for fiscal operations for the quarter ending March 2024 as per the issuance plan.