



**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

**October 2018**



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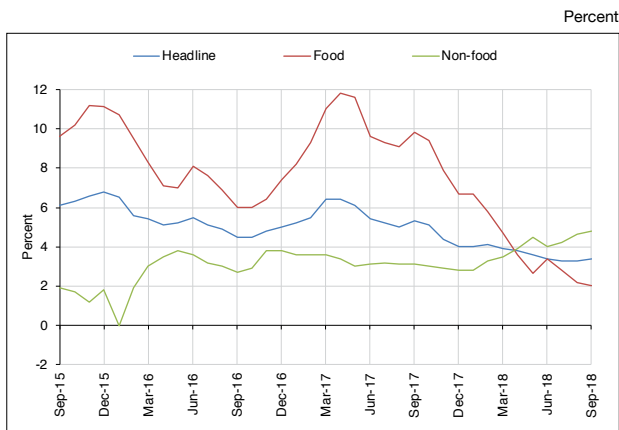


# 1.0 Inflation and Food Stocks

## 1.1 Inflation Developments

Annual headline inflation remained below the medium-term target of 5.0 percent since November 2017, albeit edging up slightly to 3.4 percent in September 2018 from 3.3 percent in the preceding month. (Chart 1.1). This level was much lower than 5.3 percent recorded in September 2017. The slight increase was due to an upward movement in non-food inflation, particularly energy prices in the wake of the recent increase in oil prices in the world market. All main components of the consumer basket registered inflation rates below headline except for housing, water, electricity, gas and fuel sub-group. On month-to-month basis, headline inflation was 0.1 percent compared to 0.0 percent in September 2017 (Table 1.1).

Chart 1.1: Annual Inflation Rates



Source: National Bureau of Statistics

Annual food and non-alcoholic beverages inflation continued to slow down, decreasing to 2.0 percent in September 2018 from 2.2 percent in the preceding month and much lower compared with 9.3 percent in September 2017. The decrease was due to adequate food supply in most parts of the country following good harvest in 2017/18 crop-season. On monthly basis, food and non-alcoholic beverages inflation was negative 0.6 percent in September 2018 compared with negative 0.4 percent in September 2017 (Table 1.1).

Twelve-month non-food inflation increased to 4.8 percent in September 2018 from 3.1 percent in September 2017 as a result of upward movement in energy-related items. Month-to-month, non-

food inflation was 0.5 percent in September 2018 compared with 0.3 percent in corresponding month in 2017. Annual energy and fuel inflation increased to 18.9 percent in September 2018 from 18.7 percent in the preceding month, while on month-to-month basis it was 2.1 percent compared with 1.9 percent in September 2017. Annual core inflation—inflation that excludes food and energy—increased to 2.2 percent from 2.0 percent in the previous month. On monthly basis, core inflation was 0.2 percent in September 2018 compared with 0.0 percent in the corresponding period in 2017.

Table 1.1: Headline Inflation and its Main Components

Base December 2015 = 100

Main groups	Weight	Month-to-month			Annual		
		Sep-17	Aug-18	Sep-18	Sep-17	Aug-18	Sep-18
Food and non alcoholic beverages	38.5	-0.4	-1.9	-0.6	9.3	2.2	2.0
Alcoholic, tobacco and narcotics	3.7	0.0	0.8	0.8	2.5	1.2	1.9
Clothing and footwear	8.3	-0.1	0.2	0.4	3.4	2.7	3.2
Housing, water, elect., gas and other fuel	11.6	1.3	1.7	2.1	8.8	12.3	13.2
Furnishing, housing equip and routine maint.	6.3	0.1	0.3	0.0	2.6	3.1	3.0
Health	2.9	0.0	0.9	-0.4	1.9	1.7	1.3
Transport	12.5	0.2	0.6	-0.3	-0.3	3.4	2.8
Communication	5.6	0.0	0.0	0.1	-1.0	-2.7	-2.6
Recreation and culture	1.6	0.2	0.1	0.2	1.9	-0.2	-0.2
Education	1.5	0.0	0.0	0.0	0.8	2.5	2.5
Restaurants and hotels	4.2	0.0	0.2	0.7	-0.3	1.1	1.9
Miscellaneous goods and services	3.1	0.0	-0.1	0.1	3.4	1.2	1.3
All Items-(headline inflation)	100.0	0.0	-0.4	0.1	5.3	3.3	3.4
Other selected groups							
Food and non-alcoholic beverages - combining food consumed at home and food consumed in restaurants	37.1	-0.4	-1.2	-0.5	9.8	3.2	3.1
Energy and fuels - combining electricity and other fuels for use at home with petrol and diesel	8.7	1.9	2.1	2.1	10.9	18.7	18.9
All items less food (non-food)	62.9	0.3	0.6	0.5	3.1	4.6	4.8
All items less food and energy	54.3	0.0	0.3	0.2	1.7	2.0	2.2

Source: National Bureau of Statistics and Bank of Tanzania Computations

## 1.2 Food Stocks

Food supply situation remained satisfactory across the country. Food stocks held by the National Food Reserve Agency (NFRA) increased to 78,224 tonnes at the end of September 2018 from 62,317 tonnes at the end of the preceding month (Table 1.2). The NFRA sold 900 tonnes of maize during September 2018 to private traders, World Food Program and Prisons department; and purchased 16,807 tonnes to replenish its reserves.



**Table 1.2: Food Stocks Held by National Food Reserve Agency**

	Tonnes					
	2013	2014	2015	2016	2017	2018
Jan	72,170	235,309	459,561	125,668	86,834	91,947
Feb	60,739	228,014	454,592	88,414	86,444	91,313
Mar	46,153	214,157	452,054	68,727	86,444	83,650
Apr	36,982	195,246	433,547	64,825	86,278	73,468
May	26,802	195,956	406,846	63,341	74,826	68,893
Jun	27,494	189,494	353,702	61,838	70,393	63,844
Jul	71,141	182,200	282,401	49,632	68,697	62,288
Aug	175,609	196,854	268,515	59,832	78,434	62,317
Sep	224,295	299,624	265,046	86,545	85,403	78,224
Oct	235,817	426,999	253,655	90,905	89,248	
Nov	234,145	460,295	238,134	90,900	93,354	
Dec	232,963	466,583	180,746	89,692	92,074	

Source: National Food Reserve Agency

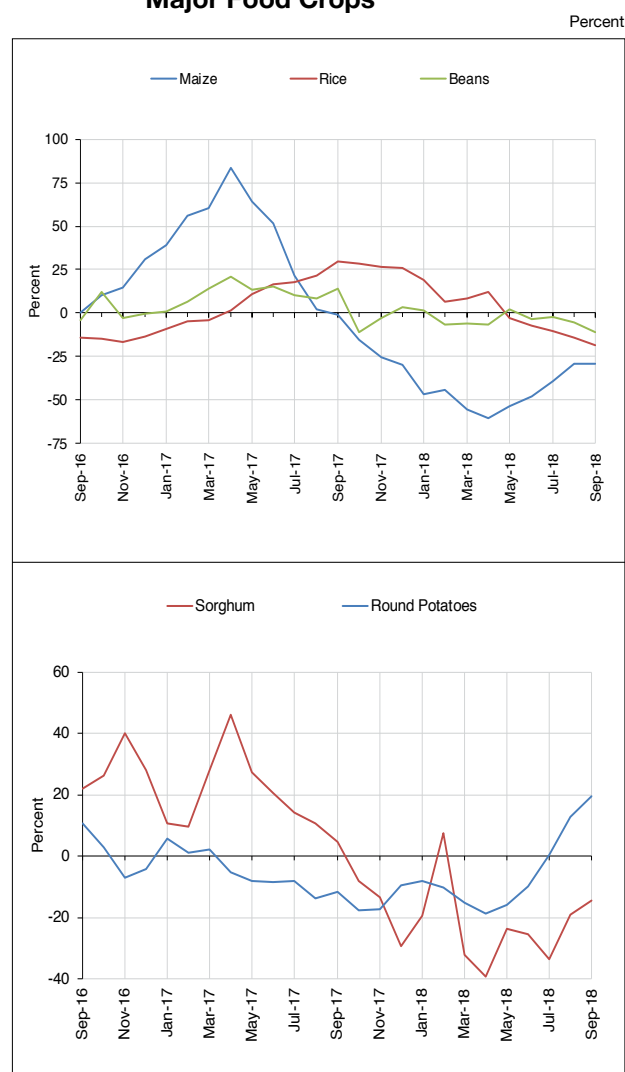
### 1.3 Prices of Food Crops

Reflecting food adequacy in many parts of the country, wholesale prices of all major food crops were lower in September 2018 compared with the corresponding month in 2017, save for potatoes (Table 1.3). On month-to-month basis, prices increased, except for maize and sorghum. Price movement of these food crops over the last three years was broadly mixed but converging in the recent period. Chart 1.2

**Table 1.3: Wholesale Prices of Major Food Crops**

Food crop	TZS per 100kg				
	Percentage change				Sept-17 to Sept-18
	Sep-17	Aug-18	Sep-18	Aug-18 to Sept-18	
Maize	56,401.0	40,520.1	39,907.8	-1.5	-29.2
Rice	179,844.6	146,181.4	146,497.0	0.2	-18.5
Beans	172,795.0	153,880.6	154,304.1	0.3	-10.7
Sorghum	88,864.3	80,448.4	76,052.5	-5.5	-14.4
Potatoes	68,493.8	79,721.3	81,735.9	2.5	19.3

Source: Ministry of Industry, Trade and Investment

**Chart 1.2: Annual Change in Wholesale Prices of Major Food Crops**

Source: Ministry of Industry, Trade and Investment; and Bank of Tanzania computations

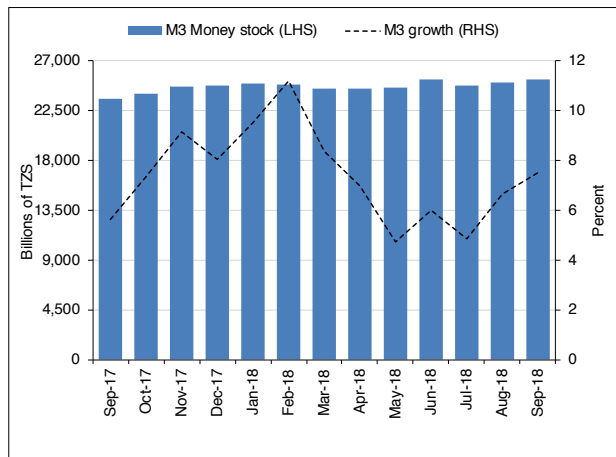
## 2.0 Monetary and Financial Markets

### 2.1 Money Supply and Credit

Growth of money supply and credit to private sector continued to recover from slow growth recorded in most of the 2017, owing to improvement in business environment, accommodative monetary policy stance as well as improved credit risk management. Extended broad money supply (M3) grew by 7.5 percent in the year ending September 2018 compared with 6.6 percent in the previous month and 5.6 percent in the year ending September 2017 (Chart 2.1 and Table 2.1).



**Chart 2.1: Developments in Money Supply**



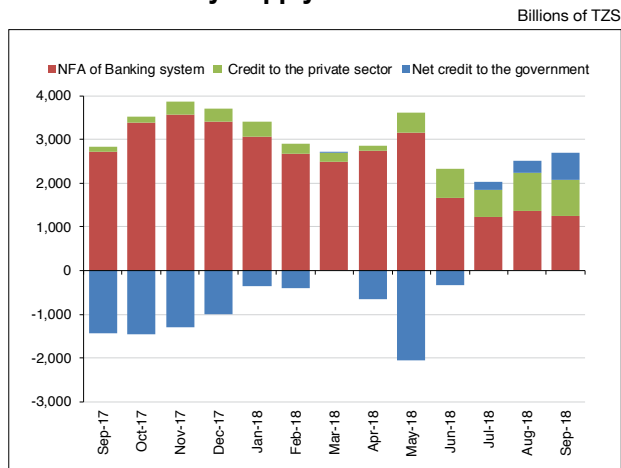
Source: Bank of Tanzania  
Note: LHS refers left hand scale; and RHS, right hand scale

**Table 2.1: Money Supply and Components**

	Billions of TZS					
	Outstanding stock			Annual growth (%)		
	Sep-17	Aug-18	Sep-18	Sep-17	Aug-18	Sep-18
<b>Net foreign assets of the banking system</b>	10,396.7	11,637.1	11,643.1	35.2	13.3	12.0
Bank of Tanzania	11,302.5	11,621.4	11,495.8	47.8	4.6	1.7
Banks	-905.8	15.7	147.3	---	---	---
<b>Net domestic assets of the banking system</b>	13,116.1	13,405.3	13,632.7	-10.0	1.4	3.9
Domestic claims	20,027.9	21,167.5	21,480.0	-6.2	5.7	7.3
Claims on central government (net)	3,279.1	3,584.5	3,910.7	-30.5	8.3	19.3
o/w Securities held by banks	5,299.7	5,306.6	5,300.7	35.1	1.7	0.0
Claims on the private sector	16,748.8	17,583.0	17,569.3	0.8	5.2	4.9
Other items net	-6,911.8	-7,762.2	-7,847.3	2.1	14.0	13.5
<b>Extended broad money supply (M3)</b>	23,512.8	25,042.4	25,275.8	5.6	6.6	7.5
Foreign currency deposits	6,168.7	6,605.0	6,674.4	-1.7	7.0	8.2
<b>Broad money supply (M2)</b>	17,344.0	18,437.4	18,601.3	8.5	6.5	7.2
Other deposits	7,009.0	7,083.8	7,065.3	9.0	4.6	0.8
<b>Narrow money supply (M1)</b>	10,335.1	11,353.6	11,536.0	8.1	7.7	11.6
Currency in circulation	3,608.9	3,865.8	3,835.1	-1.7	5.5	6.3
Transferable deposits	6,726.2	7,487.8	7,700.9	14.3	8.9	14.5

Source: Bank of Tanzania, and banks  
Note: "----" denotes a change that exceeds 100 percent; and o/w, of which

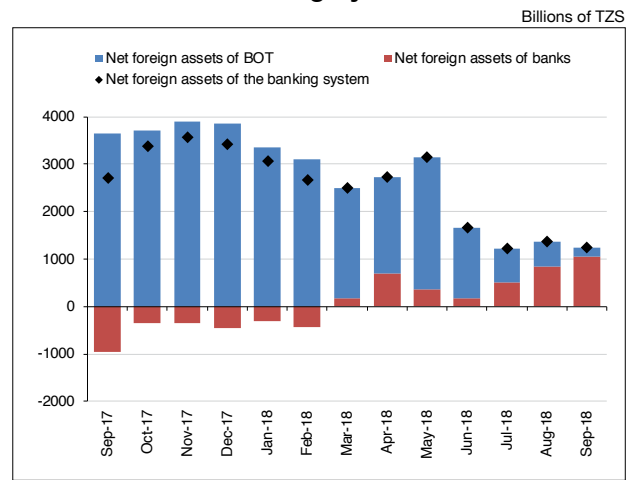
**Chart 2.2: Annual Changes in Major Sources of Money Supply**



Source: Bank of Tanzania, and banks  
Note: NFA stands for net foreign assets

Net foreign assets (NFA) of the banking system recorded year-on-year growth of 12.0 percent in September 2018, much slower compared with 35.2 percent in September 2017 (**Table 2.1**). This was on account of increase in government foreign obligations in favour of various development projects. NFA position of banks improved, supported by a build-up in deposits and decrease in foreign borrowing (**Chart 2.3**).

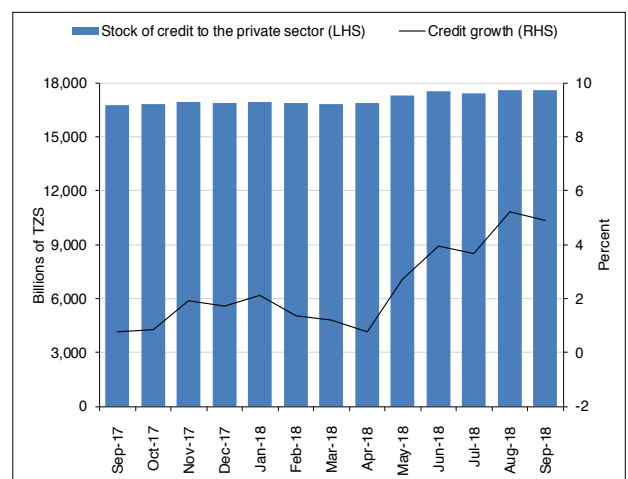
**Chart 2.3: Annual changes in Net foreign Asset of the Banking System**



Source: Bank of Tanzania and banks

Credit extended to the private sector by banks grew by 4.9 percent in the year ending September 2018 compared with 5.2 percent in the preceding month and 0.8 percent in the year ending September 2017 (**Chart 2.4**). This development was consistent with improvement in business environment, accommodative monetary policy stance, and improved credit risk management, coupled with slowdown in banks' appetite in investing in government securities.

**Chart 2.4: Credit to Private Sector by Banks**

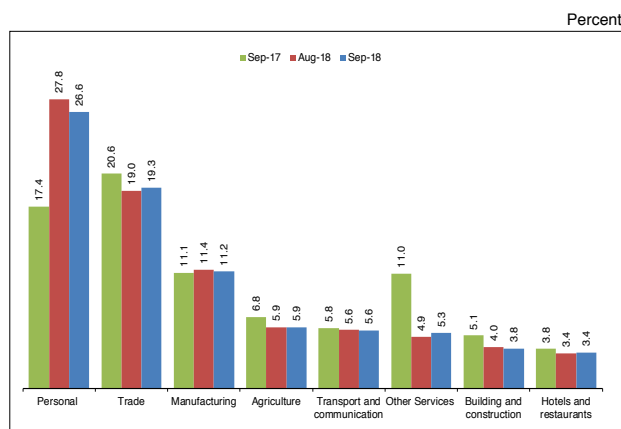


Source: Banks and Bank of Tanzania computations  
Note: LHS denotes left hand scale; and RHS, right hand scale



Bank loans to personal-related activities, trade and manufacturing continued to hold the largest share of outstanding credit, altogether accounting for 57.1 percent at the end of September 2018 (**Chart 2.5**). Credit to private sector growth continued to be supported by robust growth of credit to personal loans and manufacturing sectors. Personal loans recorded highest growth rates of 60.1 percent, reflecting increased lending appetite to salaried borrowers and other individuals to finance small and medium-sized economic activities (**Table 2.2**).

**Chart 2.5: Share of Outstanding Credit Extended by Banks to Major Economic Activities**



Source: Bank of Tanzania, and banks

**Table 2.2: Annual Growth Rates of Banks' Credit to Major Economic Activities**

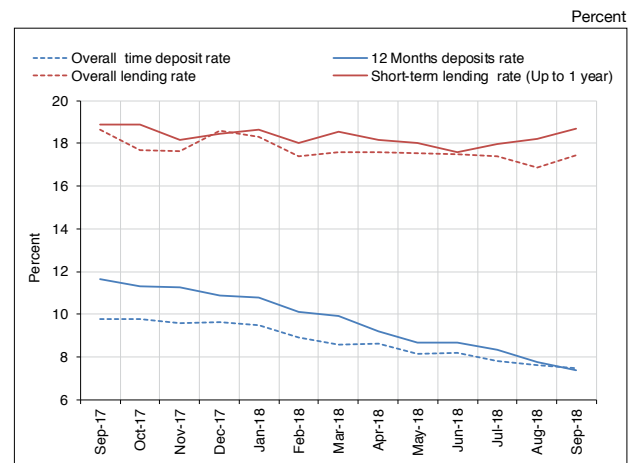
Economic activity	Percent												
	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Personal	-6.7	3.7	9.4	9.3	12.0	39.3	56.3	43.7	49.2	50.5	46.5	48.4	60.1
Building and construction	14.9	5.3	9.6	13.0	8.4	10.3	15.0	5.0	-6.7	5.7	-6.7	-20.2	-20.2
Hotels and restaurants	15.8	17.4	17.4	13.0	4.8	5.0	11.9	0.6	0.3	3.4	-4.7	-3.9	-4.0
Manufacturing	16.3	12.3	17.6	9.2	14.6	3.7	-1.5	-5.8	1.0	-3.9	1.1	13.5	6.2
Trade	-0.3	0.3	2.1	-1.3	3.0	-0.9	-9.2	-2.5	-3.2	-2.0	-2.5	5.9	-1.8
Agriculture	0.2	-1.3	3.9	2.5	-0.4	-2.1	-4.1	-5.6	-5.6	-5.2	-8.9	-22.1	-9.7
Transport and communication	5.8	6.0	6.1	6.0	-17.2	-21.4	-7.7	-1.2	1.2	4.9	4.4	-6.9	0.3

Source: Banks and Bank of Tanzania computations

## 2.2 Interest Rates

Interest rates charged on loans and offered to deposits by banks decreased in September 2018, partly in response to accommodative monetary policy stance and measures of improving information asymmetry, such as using credit reference database. Overall lending rates eased to an average rate of 17.42 percent from 18.65 percent in September 2017, with one-year lending rate declining by 22 basis points to 18.68 percent. Overall time deposits rate decreased to an average of 7.49 percent from 9.80 percent in September 2017, while one-year deposit rate declined from 11.65 percent to 7.36 percent (**Chart 2.6**).

**Chart 2.6: Selected Banks Interest Rates**



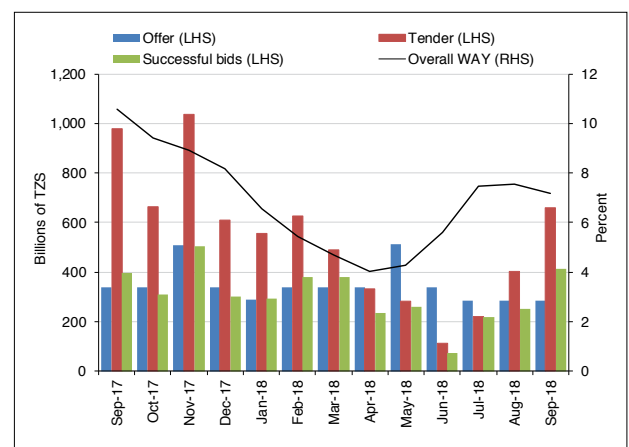
Source: Banks and Bank of Tanzania computations

## 2.3 Financial Markets

### 2.3.1 Treasury Bills Market

The Bank of Tanzania conducted two Treasury bills auctions for monetary policy and government fiscal operations in September 2018, offering TZS 283.4 billion in total slightly lower compared to the preceding month by TZS 0.6 billion. Total bids received amounted to TZS 660.5 billion, higher than TZS 404.3 billion in the preceding month. Successful bids amounted to TZS 330.9 billion compared with TZS 252.8 billion (**Chart 2.7**). The overall weighted average yield declined slightly to 7.19 percent from 7.57 percent in the preceding month and lower than 10.58 percent recorded in the corresponding month in 2017.

**Chart 2.7: Performance in Treasury Bills Market**



Source: Bank of Tanzania  
Note: LHS denotes left hand scale; and RHS, right hand Scale

### 2.3.2 Treasury Bonds Market

In September 2018, the Bank of Tanzania, on behalf of the Government, conducted two auctions of Treasury bonds in separate occasions: 10-year Treasury



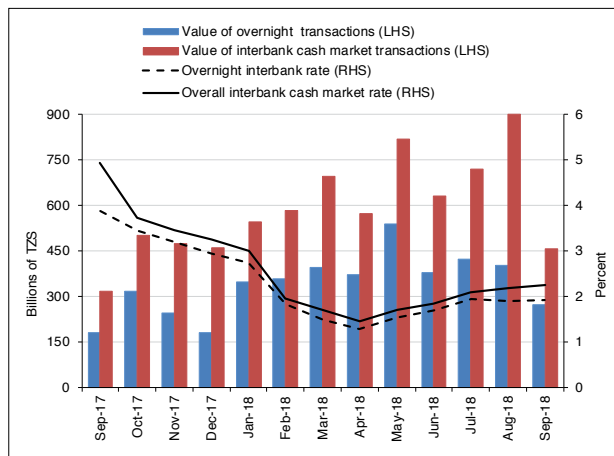


bond and debut issuance of 20-year Treasury bond. The tender size for 20-year Treasury bond was TZS 43.2 billion and that of 10-year bond was TZS 61.7 billion. The 10-year was undersubscribed by TZS 81.7 billion, while a 20-year was oversubscribed by TZS 5.0 billion. Successful bids amounted to TZS 29.8 billion for 10-year bond and TZS 44.0 billion for the 20-year bond. The weighted average yield to maturity (WAY) for 10-year bond declined marginally to 14.39 percent from 14.41 percent recorded in the preceding auction, while the WAY for 20-year bond was 17.69 percent.

### 2.3.3 Inter-Bank Cash Market

The value of transactions in the inter-bank cash market amounted to TZS 457.65 billion in September 2018 compared with TZS 898.75 billion in August 2018, of which 60 percent were overnight transactions. Consistent with the liquidity condition among banks and seasonal demand for banks reserves, overnight interbank cash market interest rate picked up slightly to an average of 1.93 percent from 1.89 percent in the preceding month, while the overall interbank cash market interest rate increased to 2.26 percent from 2.19 percent (Chart 2.8).

Chart 2.8: Inter-Bank Cash Market Transactions

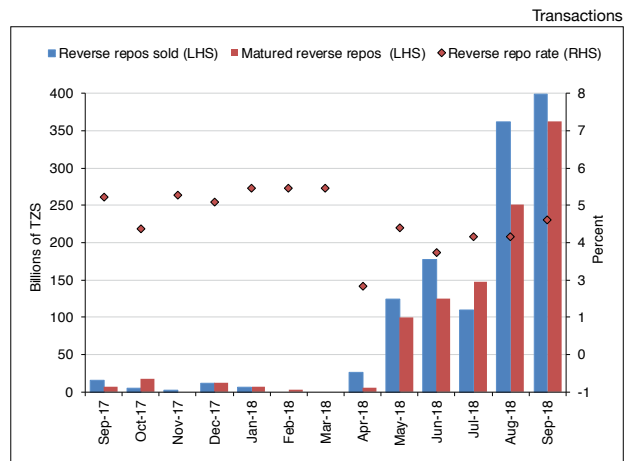


Source: Bank of Tanzania  
Note: LHS refers left hand scale; and RHS, right hand scale

### 2.3.4 Repurchase Agreements

The Bank of Tanzania conducted reverse repo to manage short-term liquidity shortage among banks in September 2018. Reverse repo amounted to TZS 398.7 billion was auctioned, while, reverse repo worth TZS 362.6 billion matured. Reverse repo rate increased to 4.27 percent in September 2018 from 3.78 percent recorded in the preceding month, but was lower than 4.93 percent recorded in September 2017 (Chart 2.9).

Chart 2.9: Reverse Repurchase Agreements

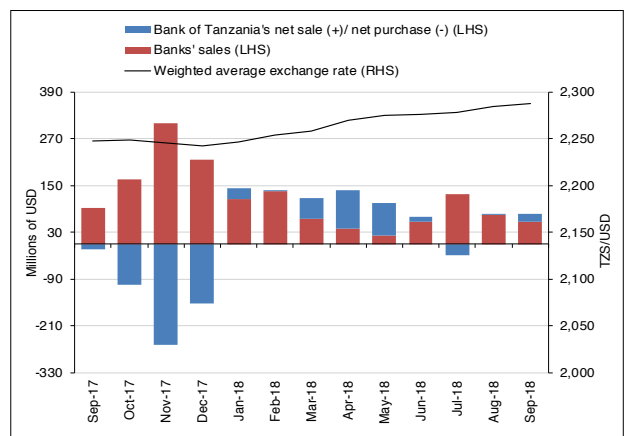


Source: Bank of Tanzania  
Note: LHS refers left hand scale; and RHS, right hand scale

### 2.3.5 Inter-Bank Foreign Exchange Market

The value of transactions in the inter-bank foreign exchange market (IFEM) decreased to USD 81.4 million in September 2018 from USD 96.9 million in August 2018. The Bank of Tanzania participated in the IFEM for the purpose of managing liquidity and maintaining an orderly money market, with a net sale of USD 20.5 million compared with the net sale of USD 0.95 million in the preceding month. The shilling depreciated slightly against the US dollar, to an average rate of TZS 2,287.5 per US dollar from TZS 2,285.0 per US dollar in the preceding month. On annual basis, the shilling depreciated to exchange at an average of TZS 2,287.9 per US in September 2018 from TZS 2,247.9 per US dollar in September 2017 (Chart 2.10).

Chart 2.10: IFEM Transactions and Exchange Rate



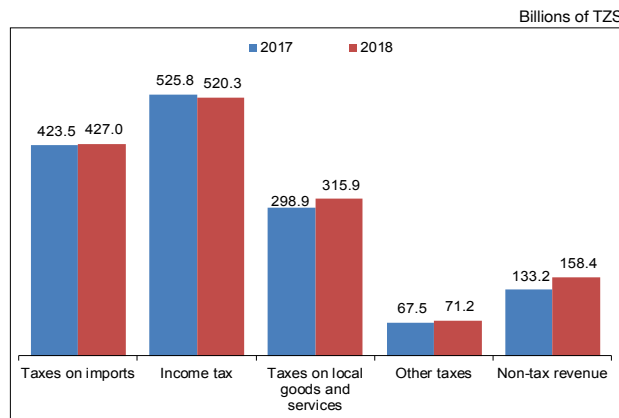
Source: Bank of Tanzania  
Note: LHS refers left hand scale; and RHS, right hand scale



### 3.0 Government Budgetary Operations

In September 2018, the Government realized domestic revenue amounting to TZS 1,543.0 billion, of which revenue collection by the central government was TZS 1,492.8 billion. Tax revenue amounted to TZS 1,334.4 billion, an increase of 1.4 percent from similar month in 2017. Local government collections from own sources amounted to TZS 50.1 billion compared with TZS 37.7 billion recorded in Sep 2017. **Chart 3.1** shows Government resources during September 2017 and 2018.

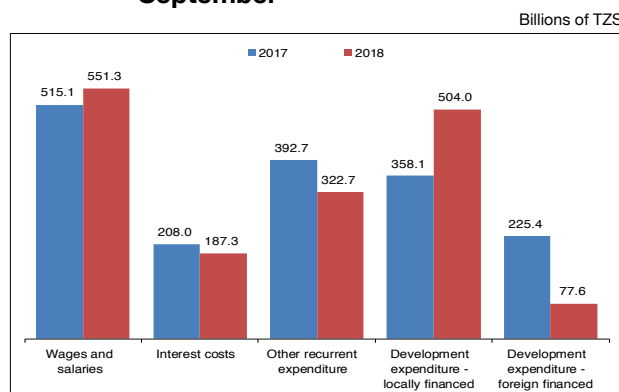
**Chart 3.1: Government Resources in September**



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

On the expenditure side, a total of TZS 1,642.9 billion was spent by the Government in September 2018, out of which recurrent expenditure was TZS 1,061.3 billion and development expenditure was TZS 581.6 billion (**Chart 3.2**). Noteworthy, total government expenditure in September 2018 was 3.4 percent higher than that of the similar month in 2017.

**Chart 3.2: Government Expenditure in September**



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

### 4.0 External Sector Performance

The overall balance of payments was a deficit of USD 276.4 million in the year ending September 2018 compared to a surplus of USD 1,810.2 million in the year ending September 2017, partly driven by widening of the current account deficit. Official foreign reserves amounted to USD 5,437.1 million at the end of September 2018 from USD 5,532.3 million at the end of September 2017. The reserves were sufficient to cover 5.3 months of projected import of goods and services, excluding foreign direct investments related imports. Foreign assets of banks was USD 949.7 million.

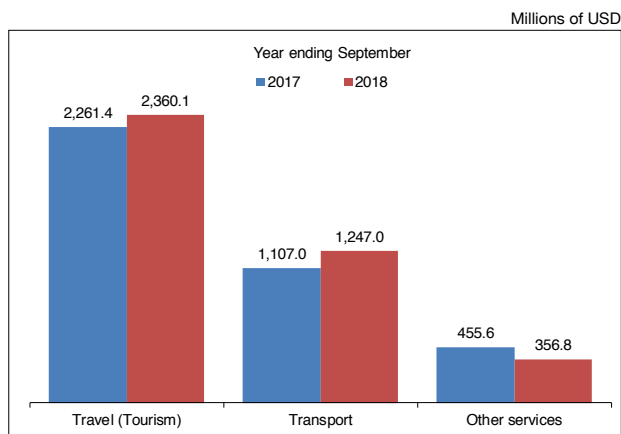
The current account deficit widened to USD 2,159.0 million in the year ending September 2018 from USD 1,192.5 million in the year ending September 2017, largely accounted by increase in imports, particularly transport equipment and building and construction. Export value of goods and services was USD 8,669.1 million compared with USD 8,741.3 million recorded in the year ending September 2017 mainly due to decline in export of non-traditional goods. Traditional exports increased by 32.7 percent to USD 1,108.2 million, owing largely to high export value of cashew nuts, cloves, cotton, sisal and tea. Import bill for goods and services increased to USD 10,323.7 million in the year ending September 2018 compared with USD 9,421.2 million in the year ending September 2017. All categories of imports went up, with a notable increase in capital goods, particularly, transport equipment and building and construction. The increase in capital goods largely reflect the Government's efforts on infrastructure development, including construction of standard gauge railway, roads and bridges, airports, and ports. Oil import, which accounts for the largest share of imports of goods, increased by 8.1 percent to USD 1,972.9 million largely consistent with the rise in oil prices in the world market caused by supply factors.

Service account recorded a surplus of USD 1,719.0 million in the year ending September 2018 compared with a surplus of USD 1,865.2 million in the year ending September 2017, largely on account of increase in services payments. Earning from service rose to USD 3,963.9 million from USD 3,824.1 million, driven by transport and travel receipts (**Chart 4.1**). Travel receipts—, which is dominated



by tourism—increased to USD 2,360.1 million from USD 2,261.4 million, owing to a rise in number of tourist arrivals. Transport receipt increased by 12.6 percent to USD 1,247.0 million because of increase in volume of transit goods to and from neighbouring countries particularly Zambia, DRC and Burundi, following improvement of operations at the Dar es Salaam port including removal of Value Added Tax on auxiliary services of transit cargo and reduced roadblocks

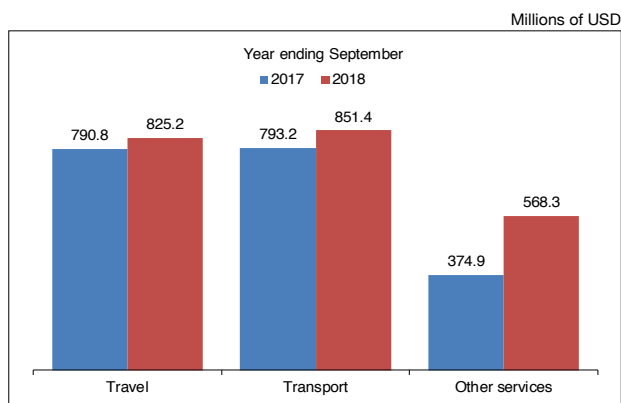
**Chart 4.1: Services Receipts**



Source: Bank of Tanzania and banks  
Note: Other services include construction, insurance, financial, telecommunication, computer, information, government, charges for the use of intellectual property, personal and other business services

Service payments increased in the year ending September 2018 compared to the corresponding period in 2017. The increase was manifested in all categories of service payments, particularly for payments related to transport and travel (**Chart 4.2**). Transportation, which accounted for the largest share of services payment, went up by 7.3 percent consistent with the increase in goods import.

**Chart 4.2: Services Payments**



Source: Bank of Tanzania and banks

The primary income account—income from capital related transactions and compensation of employees, recorded a deficit of USD 940.6

million in the year ending September 2018 from USD 923.6 million in the year ending September 2017. Secondary income account—that captures unilateral current transfers between a resident and non-resident recorded a surplus of USD 515.3 million compared with a surplus of USD 485.6 million in September 2017, contributed by increase in official inflows.

## 4.1 World Commodity Prices

World market prices of selected commodities declined in September 2018 from the preceding month, with the exception of oil, sisal and tea (Mombasa) having remained unchanged (**Table 4.1**). The price of coffee declined due to increase in supply from major producing areas such as Brazil, Colombia and Vietnam. The price of cotton fell due to lower demand and increase in production contributed mostly by favourable weather conditions in Argentina. Cloves price declined following a slowdown in global demand. Conversely, prices of crude oil and white petroleum products went up as global demand increased amid continued cut in production by OPEC member countries and its allies. The price of gold went down, mainly due to low demand of gold as an alternative investment portfolio.

On annual basis, world market prices of coffee, tea, sisal and cloves went down, while prices of cotton, oil and gold increased (**Table 4.1**). The fall in the price of sisal and cloves was largely due to low global demand. The price of coffee declined mainly due to increased harvests in Brazil. The increase in the price of cotton was as result of higher global demand, while that of fuel was due to extended production cut by OPEC members and its key allies. Gold prices picked up because of a rise in demand.

**Table 4.1: World Commodity Prices**

Commodity	Unit Measure	Aug-18	Sep-18	Percentage Change	Year ending September		Percentage Change
					2017	2018	
Robusta Coffee	USD per kg	1.78	1.69	-5.1	2.28	1.93	-15.7
Arabica Coffee	USD per kg	2.76	2.67	-3.3	3.52	2.96	-15.9
Tea (Average price)	USD per kg	2.81	2.70	-3.9	3.09	2.95	-4.4
Tea (Mombasa Auction)	USD per kg	2.40	2.40	0.0	2.87	2.62	-8.7
Cotton, "A Index"	USD per kg	2.08	1.99	-4.3	1.83	1.98	8.5
Sisal (UG)	USD per kg	1.70	1.70	0.0	1.72	1.71	-0.7
Cloves	USD per kg	7.70	7.60	-1.3	8.59	8.02	-6.6
Crude oil*	USD per barrel	71.08	75.40	6.1	50.40	66.94	32.8
Crude oil**	USD per barrel	72.13	77.00	6.8	50.30	67.24	33.7
White products***	USD per tonne	701.70	708.73	1.0	487.57	651.58	33.6
Jet/Kerosine	USD per tonne	683.13	689.96	1.0	456.21	643.39	41.0
Premium Gasoline	USD per tonne	720.30	727.50	1.0	518.94	659.39	27.1
Gold	USD per troy ounce	1201.71	1198.39	-0.3	1243.88	1280.85	3.0

Source: <http://www.Worldbank.org/Prospects>, World Bank Public Ledger, Bloomberg and Tanzania Sisal Board

Note: \*Average of Brent, Dubai and West Texas Intermediate, \*\* f.o.b. Dubai, and \*\*\* West Mediterranean



## 5.0 National Debt

### 5.1 External Debt

External debt stock, comprising public and private sector debt, amounted to USD 20,555.6 million at the end of September 2018 (**Table 5.1**). The debt stock was lower than previous month stock by USD 36.9 million, mainly on account of debt service payments. On annual basis, the debt stock increased by USD 1,318.7 million on account of new disbursements and accumulation of interest arrears. Central government debt which accounted for 76.4 percent of the debt stock, decreased by USD 111.5 million in September 2018 but increased by USD 570.0 million from the level recorded end of September 2017.

**Table 5.1: External Debt Stock by Borrowers**

Borrower	Millions of USD					
	Sep-17		Aug-18		Sep-18	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Central government	15,128.4	78.6	15,809.9	76.8	15,698.4	76.4
DOD	14,328.2	74.5	14,965.8	72.7	14,849.8	72.2
Interest arrears	800.2	4.2	844.1	4.1	848.6	4.1
Private sector	3,794.1	19.7	4,583.5	22.3	4,657.5	22.7
DOD	3,161.1	16.4	3,703.8	18.0	3,758.0	18.3
Interest arrears	633.0	3.3	879.7	4.3	899.5	4.4
Public corporations	314.4	1.6	199.1	1.0	199.7	1.0
DOD	286.6	1.5	168.3	0.8	167.6	0.8
Interest arrears	27.9	0.1	30.8	0.1	32.1	0.2
External debt stock	19,236.9	100.0	20,592.5	100.0	20,555.6	100.0

Source: Ministry of Finance and Planning, and Bank of Tanzania  
Note: DOD denotes disbursed outstanding debt

The proportion of debt owed to multilateral institutions remained dominant accounting for 46.5 percent of the external debt stock, followed by debt from commercial banks, which accounted for 32.8 percent. **Table 5.2** summarizes the composition of external debt stock by creditor category.

**Table 5.2: External Debt Stock by Creditors**

Creditor category	Millions of USD					
	Sep-17		Aug-18		Sep-18	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Multilateral	9,101.5	47.3	9,502.4	46.1	9,564.7	46.5
DOD	9,084.5	47.2	9,471.0	46.0	9,531.3	46.4
Interest arrears	17.0	0.1	31.4	0.2	33.4	0.2
Bilateral	1,966.0	10.2	1,846.9	9.0	1,850.2	9.0
DOD	1,166.4	6.1	1,003.2	4.9	1,003.2	4.9
Interest arrears	799.7	4.2	843.7	4.1	847.0	4.1
Commercial	6,307.0	32.8	6,768.6	32.9	6,746.8	32.8
DOD	5,912.9	30.7	6,378.5	31.0	6,371.5	31.0
Interest arrears	394.1	2.0	390.1	1.9	375.3	1.8
Export credit	1,862.4	9.7	2,474.5	12.0	2,393.9	11.6
DOD	1,612.1	8.4	1,985.2	9.6	1,869.4	9.1
Interest arrears	250.3	1.3	489.3	2.4	524.5	2.6
External debt stock	19,236.9	100.0	20,592.4	100.0	20,555.6	100.0

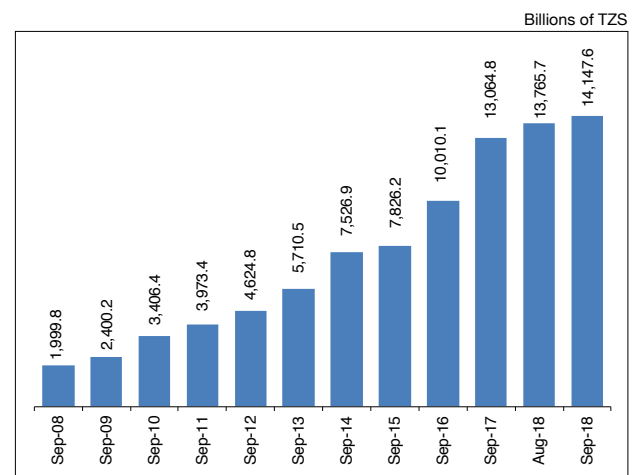
Source: Ministry of Finance and Planning, and Bank of Tanzania  
Note: DOD denotes disbursed outstanding debt.

Total disbursements in September 2018 amounted to USD 37.8 million, of which the central government received USD 28.7 million, while disbursements during the year ending September 2018 was USD 1,217.2 million, of which the government received USD 1,080.1 million and the balance by private sector. Debt service in September 2018 was USD 138.5 million, of which USD 102.0 million was principal repayment by both central government and private sector. During the year ending September 2018, debt service payments amounted to USD 1,078.3 million, of which the principal repayment was USD 798.3 million and the balance was interest payment.

### 5.2 Domestic Debt

The stock of domestic debt amounted to TZS 14,147.6 billion at the end of September 2018, being an increase of TZS 382.0 billion and TZS 1,082.8 billion from the end of the preceding month and corresponding period in 2017, respectively (**Chart 5.1**). The increase in domestic debt was a result of increase in borrowing for financing the government budget.

**Chart 5.1: Government Domestic Debt Stock**



Source: Bank of Tanzania

Treasury bonds and stocks continued to dominate the composition of domestic debt, accounting for 72.3 percent (**Table 5.3**). The composition of the debt by maturity was in line with the government medium-term debt management strategy of mitigating refinancing risk by lengthening the debt portfolio.



**Table 5.3: Government Domestic Debt by Borrowing Instruments**

Instruments	Billions of TZS					
	Sep-17		Aug-18		Sep-18	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Government securities	11,670.3	94.3	12,828.3	93.2	12,967.7	91.7
Treasury bills	3,157.1	25.5	2,689.9	19.5	2,741.7	19.4
Government stocks	257.1	2.1	252.7	1.8	252.7	1.8
Government bonds	8,256.0	66.7	9,885.6	71.8	9,973.2	70.5
Tax certificates	0.1	0.0	0.1	0.0	0.1	0.0
Non-securitized debt	706.5	5.7	937.4	6.8	1,180.0	8.3
Other Liabilities*	18.4	0.1	18.4	0.1	18.4	0.1
Overdraft	688.1	5.6	919.0	6.7	1,161.6	8.2
Total dom. debt (without liq.paper)	12,376.7	100.0	13,765.7	100.0	14,147.6	100.0

Source: Ministry of Finance and Bank of Tanzania

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

Banks sustained dominance in holding the largest share of domestic debt at 37.7 percent, followed by pension funds at 26.0 percent. The proportion of debt held by the Bank of Tanzania, including advances to the Government, increased to 17.3 percent of domestic debt from 16.0 percent and 11.2 percent at the end of the preceding month and corresponding month in 2017, respectively (**Table 5.4**).

**Table 5.4: Government Domestic Debt by Holders**

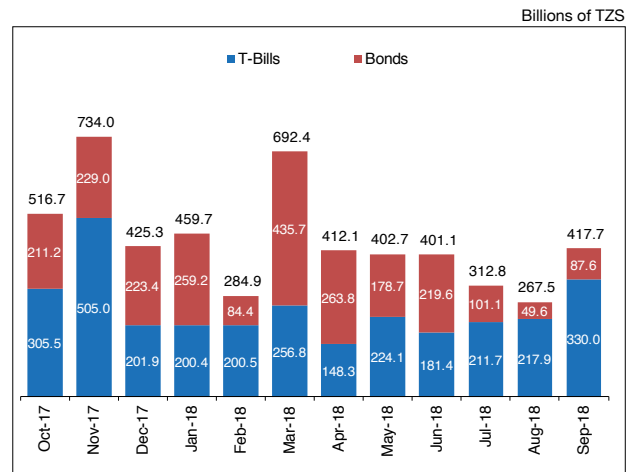
Holders	Billions of TZS					
	Sep-17		Aug-18		Sep-18	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Commercial banks	5,364.8	43.3	5,303.2	38.5	5,333.5	37.7
Bank of Tanzania	1,389.8	11.2	2,199.9	16.0	2,450.3	17.3
Pension funds	3,645.7	29.5	3,657.1	26.6	3,679.7	26.0
Insurance	1,130.2	9.1	1,188.1	8.6	1,220.7	8.6
BOT's special funds	155.7	1.3	277.7	2.0	284.0	2.0
Others	690.5	5.6	1,139.7	8.3	1,179.4	8.3
Total	12,376.7	100.0	13,765.7	100.0	14,147.6	100.0

Source: Bank of Tanzania

Note: Others include other public institutions, private companies and individuals.

New debt issued for government budget financing in September 2018 amounted to TZS 417.7 billion, out of which TZS 330.0 billion was Treasury bills and TZS 87.6 billion was Treasury bonds. Domestic debt issued during the year ending September 2018 was TZS 5,326.8 billion, of which TZS 2,983.5 billion was Treasury bills and TZS 2,343.3 billion was Treasury bonds (**Chart 5.2**).

**Chart 5.2: Domestic Debt Issued for Financing**



Source: Bank of Tanzania

Note: Figures on top of each bar are totals

## 6.0 Economic Developments in Zanzibar

### 6.1 Inflation Developments

Annual headline inflation was 3.5 percent in September 2018, lower than 4.0 percent in August 2018 on account of a decrease in food inflation to 0.1 percent from 1.9 percent in August 2018 (**Table 6.1** and **Chart 6.1**). Meanwhile, annual non-food inflation rose to 6.1 percent from 4.8 percent in September 2017 and 5.4 percent in August 2018, mainly due to a rise in the price of petroleum products. Inflation for some major items in the consumer basket were below the headline inflation except for transport; furnishing and household equipment; recreation and culture, alcoholic beverages, tobacco and narcotics, and education. Month-on-month headline inflation eased to negative 1.3 percent in September 2018, compared with negative 0.8 percent in September 2017.



**Table 6.1: Headline Inflation and its Main Components**

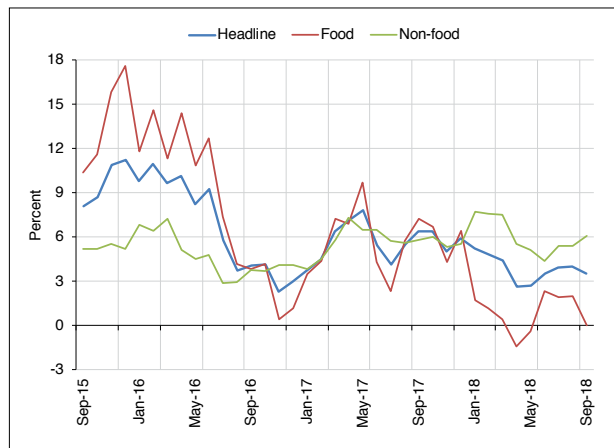
Base: January 2017=100

Main groups	Weight	Month-to-month			Annual		
		Sep-17	Aug-18	Sep-18	Sep-17	Aug-18	Sep-18
Food and non-alcoholic beverages	43.6	-0.6	1.7	-2.4	7.8	1.9	0.1
Alcoholic beverages, tobacco and narcotics	0.2	0.0	4.9	1.6	3.3	4.9	6.6
Clothing and footwear	6.9	-0.1	-0.1	-0.1	3.9	1.4	2.3
Housing, water, electricity, gas and other fuels	18.4	0.8	1.1	-1.2	11.9	5.6	3.5
Furnishing, household equipment	5.5	0.0	0.3	0.4	1.7	13.3	13.9
Health	2.1	0.8	-0.1	0.0	4.9	2.6	1.9
Transport	9.6	-6.3	-0.2	-0.2	-4.1	11.4	18.8
Communication	4.2	0.0	0.0	0.0	0.2	-0.9	-0.9
Recreation and culture	1.3	-5.5	0.0	0.0	-2.9	2.8	8.8
Education	1.9	0.0	0.1	0.0	4.1	5.4	5.4
Restaurants and hotels	3.9	0.0	1.6	0.0	0.8	-0.8	-0.8
Miscellaneous goods and services	2.3	0.0	0.0	0.0	1.3	2.4	2.4
All items (headline inflation)	100.0	-0.8	1.0	-1.3	5.9	4.0	3.5
Other selected groups							
Non-food	57.3	-1.0	0.5	-0.4	4.8	5.4	6.1

Source: Office of the Chief Government Statistician, Zanzibar

Note: New weights are based on Zanzibar 2014/15 Household Budget Survey (HBS)

**Chart 6.1: Twelve-Month Inflation**

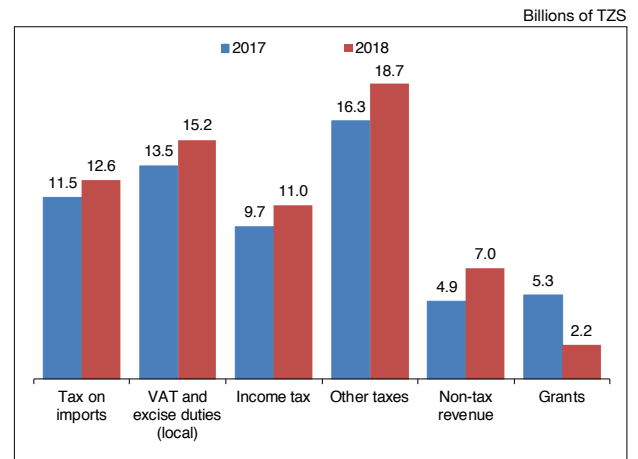


Source: Office of the Chief Government Statistician, Zanzibar

## 6.2 Government Budgetary Operations

Total government resource amounted to TZS 66.7 billion in September 2018, of which TZS 64.5 billion was domestic revenue and TZS 2.2 billion was foreign grants. Domestic revenue collection was below the target by 5.2 percent. Tax revenue was TZS 57.5 billion and non-tax revenue was TZS 7.0 billion. **Chart 6.2** shows Government resources during September 2017 and 2018.

**Chart 6.2: Government Resources in September**

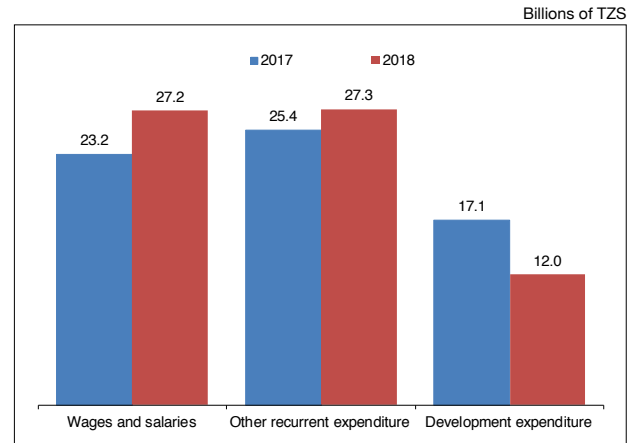


Source: Ministry of Finance and Planning - Zanzibar

Note: Other taxes include hotel and restaurant levies, tour operator levy, revenue stamps, airport and seaport service charges, road development fund and petroleum levy

Expenditure was TZS 67.6 billion, below estimates by 15.9 percent. Recurrent and development expenditure amounted to TZS 55.6 billion and TZS 12.0 billion, respectively (**Chart 6.3**). All expenditure categories were above estimates, except for development expenditure. Local and foreign resources amounted TZS 6.3 billion and TZS 5.8 billion, respectively, were used to finance development expenditure. An overall deficit of TZS 0.9 billion was realized and financed through program loans.

**Chart 6.3: Government Expenditure in September**



Source: Ministry of Finance and Planning - Zanzibar

Note: Other expenditure include transfers, domestic debt interest, consolidated fund service and other charges



## 6.3 External Sector Performance

### 6.3.1 Current Account

During the year ending September 2018, current account recorded a surplus of USD 3.7 million lower than a surplus of USD 24.2 million registered in September 2017, owing to rising imports of goods and services. Goods account registered a deficit of USD 136.0 million in comparison to USD 100.0 million in the year ending September 2017 (**Table 6.2**).

**Table 6.2: Current Account Balance**

	Millions of USD					Percentage change
	Sep-17	Aug-18	Sep-18 <sup>p</sup>	2017	2018 <sup>p</sup>	
Goods account	-12.2	-14.8	-16.5	-100.0	-136.0	36.0
Exports	5.9	0.6	1.1	35.4	64.6	82.6
Imports (fob)	18.1	15.4	17.5	135.4	200.6	48.2
Services account	7.5	9.4	9.6	86.4	100.3	16.1
Receipts	12.7	15.0	15.7	147.0	170.1	15.8
Payments	5.2	5.6	6.1	60.6	69.8	15.3
Goods and services	-4.7	-5.4	-6.9	-13.7	-35.8	---
Exports of goods and services	18.5	15.6	16.8	182.3	234.7	28.7
Imports of goods and services	23.3	21.0	23.6	196.0	270.4	38.0
Income account	0.5	9.4	9.6	7.8	10.3	32.8
Receipts	1.0	15.0	15.7	12.8	14.9	16.1
Payments	0.6	5.6	6.1	5.1	4.6	-9.6
Current transfers	3.3	1.1	1.4	30.0	29.1	-3.0
Inflows	12.7	1.2	1.6	31.6	31.1	-1.6
Outflows	5.2	0.2	0.2	1.6	2.0	25.2
Current account balance	-1.0	5.0	4.1	24.2	3.7	--

Source: Tanzania Revenue Authority and Bank of Tanzania computations  
Note: p denotes provisional data; "----" denotes change that exceeds 100 percent

### 6.3.2 Exports

Goods and services exports increased by 28.7 percent in the year ending September 2018 to USD 234.7 million, largely driven by export proceeds from cloves and services (**Table 6.2** and **Table 6.3**). Earnings from cloves was USD 49.6 million, compared to USD 27.0 million earned in the year ending September 2017, associated with enhanced government extension services and cyclical nature of the crop. Seaweeds exports, which also account for significant share of goods exports increased in volume and value from 4,243.7 tonnes and USD 2.0 million, respectively in the year ending September 2017 to 14,247.4 tonnes valued at USD 4.9 million in the year ending September 2018. Similarly, manufactured exports rose to USD 7.2 million from USD 5.2 million in September 2017. Fish and fish products exports surged owing to growing markets, especially in neighbouring countries.

**Table 6.3: Goods Export Performance**

	Units	Year ending September				Percentage change	
		Sep-17	Aug-18	Sep-18 <sup>p</sup>	2017		2018 <sup>p</sup>
Traditional exports							
Clove							
Value	000' USD	5,426.1	-	-	26,949.2	49,629.7	84.2
Volume	000 Tonnes	0.66	-	-	3.4	6.3	85.7
Unit price	USD/Tonne	8,208.9	-	-	7,940.2	7,874.0	-0.8
Non-traditional exports							
Seaweeds							
Value	000' USD	226.2	345.2	289.9	1,899.8	4,848.0	---
Volume	000 Tonnes	0.66	1.0	0.7	4.2	14.2	---
Unit price	USD/Tonne	340.3	345.2	420.9	447.7	333.3	-25.6
Manufactured goods	000' USD	146.9	140.2	593.8	5,188.6	7,200.7	38.8
Fish and fish products	000' USD	2.5	57.1	73.7	42.3	437.2	---
Others exports	000' USD	58.5	34.5	104.5	796.4	2,441.7	---
Sub-total	000' USD	434.0	577.1	1,061.8	7,927.1	14,927.6	88.3
Grand-total	000' USD	5,860.1	577.1	1,061.8	34,876.3	64,557.2	85.1

Source: Tanzania Revenue Authority and Bank of Tanzania computations  
Note: p denotes provisional data; other exports' mainly include souvenirs and spices; and "----" change that exceeds 100 percent

### 6.3.3 Imports

Imports of goods and services (f.o.b) increased by 38.0 percent to USD 270.4 million in September 2018 from USD 196.0 million in the year ending September 2017 (**Table 6.2**). All major import categories increased. Capital and intermediate goods accounted for 77.5 percent of merchandise imports and 57.5 percent of imports of goods and services. Meanwhile, oil imports accounted for 33.1 percent of merchandise imports. Merchandise imports was 74.2 percent of total imports in the period ending September 2018 (**Table 6.4**).

**Table 6.4: Zanzibar Goods Imports by Major Categories**

	Millions of USD					Percentage change
	Sep-17	Aug-18	Sep-18 <sup>p</sup>	2017	2018 <sup>p</sup>	
Capital goods	5.0	4.7	3.0	39.5	57.3	45.3
Transport equipment	1.2	1.2	0.9	15.7	23.9	52.5
Building and construction	0.6	1.0	0.9	6.8	9.8	43.2
Machinery	3.2	2.4	1.1	17.0	23.7	39.5
Intermediate goods	7.0	8.0	9.2	63.2	98.1	55.2
Oil imports	4.3	5.9	6.0	48.1	66.3	37.7
Industrial raw materials	2.7	2.1	3.3	15.1	31.8	---
Consumer goods	6.8	3.3	6.0	46.1	65.0	40.9
Food and food stuffs	3.9	0.9	3.6	18.1	26.7	47.8
All other consumer goods	2.9	2.4	2.5	28.1	38.3	36.5
Grand total (c.i.f)	18.8	16.0	18.2	148.8	220.4	48.1
Grand total (f.o.b)	17.1	14.6	16.6	135.4	200.6	48.1

Source: Tanzania Revenue Authority and Bank of Tanzania computations  
Note: p denotes provisional data; and "----" change that exceed 100 percent

Service account recorded a surplus of USD 100.3 million due to increased earnings from tourism activities. Surplus in current transfers deteriorated by 3.0 percent from USD 30.0 million to USD 29.1 million due increase in outflows (**Table 6.5**).



**Table 6.5: Services and Income Account**

	Sep-17	Aug-18	Sep-18 <sup>p</sup>	Year ending September		Percentage change
				2017	2018 <sup>p</sup>	
Services account	7.5	9.4	9.6	86.4	100.3	16.1
Receipts	12.7	15.0	15.7	147.0	170.1	15.7
Payments	5.2	5.6	6.1	60.6	69.8	15.3
Income account	0.5	0.7	0.9	7.8	10.3	32.1
Receipts	1.0	1.1	1.3	12.8	14.9	16.4
Payments	0.6	0.4	0.4	5.1	4.6	-9.8
Current transfers	3.3	1.1	1.4	30.0	29.1	-3.0
Inflows	3.5	1.2	1.6	31.6	31.1	-1.6
Outflows	0.2	0.2	0.2	1.6	2.0	25.0

Source: Bank of Tanzania, Commercial Banks





## Statistical Tables

**Table A1: Selected Economic Indicators**

	Unit	2012	2013	2014	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>p</sup>
<b>National accounts and prices</b>							
1.1 Change in GDP at current prices	Percent	16.4	15.5	12.4	14.0	13.5	12.5
1.2 Change in GDP at constant prices	Percent	5.1	7.3	7.0	7.0	7.0	7.1
1.3 GDP per capita-current prices (TZS)	'000' TZS	1,408.2	1,576.5	1,716.7	1,896.2	2,086.2	2,275.6
1.4 GDP per capita-current prices (USD)	USD	896.0	986.1	1,038.9	955.1	958.2	1,021.0
1.5 Change in consumer price index (Inflation)	Percent	16.1	7.9	6.1	5.6	5.2	5.3
1.6 Saving to GNDI ratio	Percent	13.2	8.7	16.7	19.4	17.2	15.5
<b>Money, credit and interest rates</b>							
2.1 Change in extended broad money supply (M3)	Percent	12.5	10.0	15.6	18.8	3.4	8.0
2.2 Change in broad money supply (M2)	Percent	16.0	10.9	17.0	13.4	5.3	10.4
2.3 Change in narrow money supply (M1)	Percent	17.3	10.4	14.8	15.6	5.3	10.6
2.4 Change in reserve money (M0)	Percent	10.1	11.1	17.5	15.6	0.3	1.5
2.5 Total credit to GDP ratio <sup>1</sup>	Percent	18.0	18.2	20.2	22.4	20.2	17.4
2.6 Non-government sector credit to GDP ratio <sup>1</sup>	Percent	14.7	14.6	15.6	17.1	16.1	14.6
2.7 Ratio of credit to non-government sector to total credit	Percent	81.7	80.3	77.3	76.0	79.5	83.8
2.8 12-Months deposit rate <sup>2</sup>	Percent	11.3	11.6	10.8	10.8	11.5	11.7
2.9 Overall treasury bill rate <sup>2</sup>	Percent	13.6	14.2	13.6	12.9	16.2	11.1
2.10 Long-term lending rate <sup>2</sup>	Percent	16.0	15.7	16.2	15.3	15.6	17.9
<b>Balance of payments</b>							
3.1 Exports of goods (f.o.b)	Mill. USD	5,889.2	5,258.1	5,194.1	5,316.8	5,661.2	4,827.8
3.2 Imports of goods (f.o.b)	Mill. USD	-10,319.1	-11,029.1	-10,917.8	-9,843.1	-8,463.6	-7,551.7
3.3 Trade balance	Mill. USD	-4,429.9	-5,771.1	-5,723.7	-4,526.3	-2,802.5	-2,723.9
3.4 Current account balance	Mill. USD	-3,769.6	-4,988.5	-4,843.9	-3,610.7	-2,107.9	-1,726.2
3.5 Overall balance	Mill. USD	326.2	507.9	-251.8	-199.1	305.5	1,649.5
3.6 Gross official reserves	Mill. USD	4,068.1	4,676.2	4,377.2	4,093.7	4,325.6	5,906.2
3.7 Reserves months of imports (of goods and services) (excluding FDI related imports)	Months	4.1	4.5	4.7	5.1	6.0	6.6
3.8 Exchange rate:							
Annual average	TZS/USD	1,571.7	1,598.7	1,652.5	1,985.4	2,177.1	2,228.9
End of period	TZS/USD	1,571.6	1,578.6	1,725.8	2,148.5	2,172.6	2,230.1
		2012/13	2013/14	2014/15	2015/16	2016/17 <sup>r</sup>	2017/18 <sup>p</sup>
<b>Public finance</b>							
4.1 Current revenue to GDP ratio <sup>1</sup>	Percent	12.8	13.5	12.9	14.3	15.6	15.1
4.2 Grants to GDP ratio <sup>1</sup>	Percent	2.1	2.1	1.2	0.5	1.0	0.8
4.3 Current expenditure to GDP ratio <sup>1</sup>	Percent	13.7	13.3	12.8	13.8	10.9	10.5
4.4 Development expenditure to GDP ratio <sup>1</sup>	Percent	5.5	5.2	4.4	4.5	6.8	6.8
4.5 Budget balance to GDP ratio (excluding grants) <sup>1</sup>	Percent	-6.5	-5.0	-4.3	-4.0	-2.1	-2.1
4.6 Budget balance to GDP ratio (including grants) <sup>1,3</sup>	Percent	-4.4	-2.9	-3.1	-3.5	-1.1	-1.3
<b>Total external debt stock</b>	Mill. USD	12,482.2	14,236.9	15,884.0	17,180.9	18,491.5	20,503.0
5.1 Disbursed debt	Mill. USD	11,086.4	12,632.1	14,548.3	15,948.1	17,091.6	18,765.1
5.2 Interest Arrears	Mill. USD	1,395.8	1,604.8	1,335.7	1,232.8	1,399.9	1,737.9

Source: Bank of Tanzania

 Note: <sup>1</sup> Calculated on the basis of GDP at current market prices; <sup>2</sup> annual average; <sup>3</sup> includes expenditure float, adjustment to cash and other items (net); GNDI denotes Gross National Disposable Income; n.a., not available; r, revised data; and p, provisional data


Table A2: Central Government Operations (Cheques Issued) – Tanzania Mainland

	Million of TZS		
	Budget	Sep 2018	
		2018/19	Estimate
Total revenue (including LGAs)	20,966,438.3	1,911,635.1	1,542,929.4
Central government revenue	20,230,849.7	1,839,871.7	1,492,847.3
Tax revenue	17,908,340.9	1,683,872.0	1,334,423.0
Taxes on imports	6,138,952.2	509,700.3	427,048.6
Sales/VAT and excise on local goods	4,429,500.9	383,343.4	315,894.1
Income taxes	6,152,974.8	689,454.5	520,298.4
Other taxes	1,186,913.0	101,373.8	71,181.9
Non- tax revenue	2,322,508.8	155,999.7	158,424.4
LGA own sources	735,588.6	71,763.4	50,082.0
Total expenditure <sup>1</sup>	26,206,296.6	2,201,518.1	1,642,917.3
Recurrent expenditure	14,199,023.1	1,354,123.4	1,061,319.4
Wages and salaries	7,409,952.4	623,467.6	551,341.5
Interest payments	2,103,298.0	332,141.0	187,278.1
Domestic	1,413,631.0	257,799.0	106,780.4
Foreign	689,667.0	74,342.0	80,497.8
Other goods, services and transfers	4,685,772.7	398,514.8	322,699.8
Development expenditure and net lending	12,007,273.5	847,394.7	581,597.9
Local	9,876,393.5	620,731.0	503,984.9
Foreign	2,130,880.0	226,663.8	77,613.0
Balance before grants	-5,239,858.2	-289,883.0	-99,987.9
Grants	1,081,408.0	88,626.3	23,833.0
Program	236,263.9	0.0	0.0
Project	752,981.5	62,748.5	0.0
Basket funds	92,162.5	0.0	23,833.0
Balance (cheques issued) after grants	-4,158,450.3	-201,256.7	-76,154.9
Expenditure float	0.0	0.0	0.0
Adjustments to cash and other items (net)	0.0	0.0	-146,505.7
Overall balance	-4,158,450.3	-201,256.7	-222,660.5
Financing	4,230,310.8	-260,657.3	222,660.5
Foreign financing (net)	3,036,642.1	-359,802.6	-186,772.7
Loans	4,706,295.1	-106,079.6	-186,772.7
Program loans	309,501.0	80,241.0	53,779.9
Development project loans	1,252,034.7	-220,021.8	-240,552.7
o/w: Non-concessional borrowing	3,111,058.2	137,556.0	-240,552.7
Basket support	33,701.2	33,701.2	0.0
Amortization	-1,669,653.0	-253,723.0	0.0
Domestic (net) <sup>2</sup>	1,193,668.6	99,145.3	409,433.3
Bank and non-bank financing	1,193,668.6	99,145.3	409,433.3
Bank borrowing	1,074,301.8	89,230.8	326,207.8
Non-bank (net of amortization)	119,366.9	9,914.5	83,225.5
Borrowing/roll-over	4,600,000.0	291,869.0	-249,768.6
Domestic and contingent debt amortization	-4,600,000.0	-291,869.0	249,768.6

Source: Ministry of Finance and Planning

Note: <sup>1</sup> Exclude amortization and expenditure float, includes road fund and retention expenditure<sup>2</sup> Positive value means financing and a negative value means repayment/ build up of deposits

LGA stands for Local Government Authority; VAT, value added tax; MDRI, multilateral debt relief initiative; MCA(T), millennium challenge account (Tanzania); NDF, net domestic financing; and o/w, of which



**Table A3: Depository Corporations Survey**

Items	Billions of TZS												
	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Net foreign assets	10,396.7	10,981.3	11,427.6	11,596.1	11,380.8	11,196.2	10,881.2	10,750.8	11,249.5	11,236.7	11,217.4	11,637.1	11,643.1
Bank of Tanzania	11,302.5	11,320.3	11,947.8	12,149.9	11,771.7	11,687.6	11,149.2	10,734.0	11,530.2	11,514.9	11,330.4	11,621.4	11,495.8
Other depository corporations	-905.8	-339.0	-520.2	-553.8	-390.9	-491.4	-268.0	16.8	-280.7	-278.2	-113.0	15.7	147.3
Net domestic assets	13,116.1	13,004.3	13,273.0	13,118.2	13,566.4	13,683.6	13,595.7	13,683.0	13,273.4	14,057.9	13,487.8	13,405.3	13,632.7
Domestic claims	20,027.9	20,141.7	20,379.1	20,171.1	20,913.1	20,543.8	20,851.3	20,890.7	20,390.2	21,362.7	21,176.1	21,167.5	21,480.0
Claims on central government (net)	3,279.1	3,349.0	3,429.0	3,275.7	3,989.6	3,675.4	4,037.0	4,037.9	3,125.2	3,829.4	3,740.4	3,584.5	3,910.7
Claims on central government	7,880.5	7,969.4	8,246.4	8,081.8	8,225.0	8,512.7	8,877.7	8,937.1	7,912.3	9,124.7	8,240.3	8,179.7	8,240.8
Liabilities to central government	4,601.4	4,620.4	4,817.4	4,806.1	4,235.4	4,837.3	4,840.8	4,899.2	4,787.0	5,295.3	4,499.9	4,595.2	4,330.1
Claims on non-government sector	16,748.8	16,792.7	16,950.2	16,895.4	16,923.5	16,868.4	16,814.3	16,852.8	17,265.0	17,533.3	17,435.6	17,583.0	17,569.3
Other items (net)	-6,911.8	-7,137.4	-7,106.1	-7,052.9	-7,346.6	-6,860.3	-7,255.6	-7,207.7	-7,116.8	-7,304.9	-7,688.2	-7,762.2	-7,847.3
Broad money liabilities	23,512.8	23,985.6	24,700.6	24,714.3	24,947.2	24,879.8	24,476.8	24,433.8	24,522.9	25,294.5	24,705.2	25,042.4	25,275.8
Currency outside depository corporations	3,608.9	3,561.9	3,697.3	3,831.6	3,676.3	3,614.1	3,704.0	3,620.3	3,749.0	3,926.2	3,885.1	3,865.8	3,835.1
Transferable deposits	10,362.2	10,637.6	11,064.7	11,012.8	11,356.2	11,408.0	11,047.2	10,963.3	10,836.5	11,569.7	11,054.2	11,287.7	11,562.2
Non-transferable (other) deposits	9,541.7	9,786.2	9,938.6	9,870.0	9,914.6	9,857.6	9,725.6	9,850.2	9,937.4	9,798.6	9,765.9	9,888.9	9,878.5
Memorandum items:													
Monetary aggregates													
Reserve money (M0)	6,551.3	6,682.3	7,189.6	6,954.4	7,169.2	7,143.2	6,744.9	6,487.7	6,811.9	7,136.6	6,680.3	6,753.2	6,487.3
Extended broad money (M3)	23,512.8	23,985.6	24,700.6	24,714.3	24,947.2	24,879.8	24,476.8	24,433.8	24,522.9	25,294.5	24,705.2	25,042.4	25,275.8
Deposits in foreign Currency (FCD)	6,168.7	6,415.8	6,459.6	6,364.4	6,405.2	6,700.1	6,287.0	6,359.3	6,218.3	6,343.3	6,439.5	6,605.0	6,674.4
<i>FCD in millions of USD</i>	2,756.6	2,867.1	2,893.2	2,853.9	2,861.1	2,984.8	2,796.0	2,870.9	2,744.7	2,798.8	2,835.1	2,903.4	2,930.7
Broad money (M2)	17,344.0	17,569.8	18,241.0	18,349.9	18,542.0	18,179.7	18,189.8	18,074.5	18,304.7	18,951.2	18,265.7	18,437.4	18,601.3
Other deposits in national currency (i.e. savings and time deposits)	7,009.0	7,076.2	7,162.4	7,194.6	7,195.1	7,204.5	7,063.1	7,046.1	7,193.9	7,189.3	7,085.6	7,083.8	7,065.3
Narrow money (M1)	10,335.1	10,493.5	11,078.6	11,155.3	11,346.9	10,975.2	11,126.7	11,028.3	11,110.7	11,762.0	11,180.0	11,353.6	11,536.0
Currency in circulation	3,608.9	3,561.9	3,697.3	3,831.6	3,676.3	3,614.1	3,704.0	3,620.3	3,749.0	3,926.2	3,885.1	3,865.8	3,835.1
Transferable deposits in national currency	6,726.2	6,931.6	7,391.2	7,323.7	7,670.6	7,361.1	7,422.7	7,408.0	7,361.7	7,835.7	7,294.9	7,487.8	7,700.9

Source: Bank of Tanzania



**Table A4: Interest Rate Structure**

Items	Percent												
	2017				2018								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
<b>A: Domestic currency</b>													
<b>1. Interbank cash market rates</b>													
Overnight	3.87	3.43	3.19	2.95	2.74	1.83	1.50	1.29	1.53	1.69	1.95	1.89	1.93
2 to 7 days	4.56	4.24	3.70	3.40	3.15	2.07	1.95	1.73	2.01	2.06	2.28	2.42	2.71
8 to 14 days	4.93	4.11	3.80	4.04	4.08	2.60	1.87	1.70	2.01	2.15	2.46	2.74	3.33
15 to 30 days	6.30	6.30	4.00	5.43	4.19	3.90	3.53	3.53	3.50	3.33	1.50	4.00	4.00
31 to 60 days	6.50	6.50	9.00	9.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
61 to 90 days	9.00	9.00	9.00	9.00	8.50	8.50	3.25	3.25	3.25	3.25	2.50	2.50	2.50
91 to 180 days	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
181 and above	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94
Overall interbank cash market rate	4.93	3.72	3.46	3.26	3.00	1.97	1.71	1.45	1.70	1.85	2.09	2.19	2.26
2. Lombard rate	7.20	6.90	6.75	6.75	5.10	3.91	3.00	3.00	3.69	3.69	3.56	3.97	4.10
3. REPO rate	2.23	2.23	2.23	2.23	2.24	1.10	1.00	1.21	2.46	2.46	2.37	2.37	2.37
4. Reverse REPO rate	4.93	4.00	5.00	4.79	5.19	5.19	5.19	2.31	4.03	3.31	3.79	3.78	4.27
<b>5. Treasury bills rates</b>													
35 days	4.80	4.60	4.50	4.50	3.40	2.61	2.00	2.00	2.00	2.00	2.25	2.65	2.73
91 days	4.10	4.00	4.00	4.00	3.75	3.45	2.52	2.05	1.91	2.70	2.87	2.96	2.98
182 days	8.91	7.51	7.16	5.87	4.29	3.85	3.35	3.06	2.69	2.68	3.83	5.31	5.07
364 days	11.42	10.50	9.60	8.71	7.48	6.58	5.48	4.74	4.80	6.27	7.63	8.11	7.98
Overall treasury bills rate	10.58	9.41	8.93	8.19	6.54	5.45	4.69	4.04	4.28	5.59	7.45	7.57	7.19
<b>6. Treasury bonds rates</b>													
2-years	11.76	11.76	11.76	11.10	11.10	9.21	9.21	8.52	8.52	8.52	8.52	9.00	9.00
5-years	13.96	13.96	13.64	13.64	12.16	12.16	11.06	11.06	11.06	11.30	11.30	11.88	11.88
7-years	14.28	14.98	14.98	13.98	13.98	12.96	12.96	12.96	12.23	12.23	12.23	12.27	12.27
10-years	15.75	15.89	15.89	15.89	15.09	15.09	13.86	13.86	13.94	13.94	14.41	14.41	14.39
15-years	16.74	16.74	15.87	15.87	14.65	14.65	14.65	14.17	14.17	14.47	14.80	14.80	14.80
20-years													17.69
7. Discount rate	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	7.00	7.00
8. Savings deposit rate	2.84	2.81	2.81	2.80	2.86	2.76	2.77	2.19	2.11	2.09	2.25	3.11	2.30
<b>9. Overall time deposits rate</b>													
1 month	10.65	9.24	9.68	10.26	10.41	10.31	9.51	9.17	8.89	9.19	7.95	8.16	7.91
2 months	9.82	11.66	10.73	11.19	11.16	10.09	8.69	9.10	8.77	8.20	8.58	8.25	8.02
3 months	11.61	10.53	10.92	10.99	10.01	8.41	8.89	8.51	7.70	8.63	7.62	7.90	7.19
6 months	11.36	11.21	10.49	10.15	9.72	9.26	8.99	8.96	9.14	8.80	8.41	8.37	7.19
9 months	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12 months	11.65	11.30	11.27	10.86	10.77	10.09	9.92	9.22	8.68	8.68	8.35	7.75	7.36
24 months	11.21	12.24	12.13	11.82	12.36	12.21	12.08	13.54	11.80	11.94	11.98	11.94	13.68
10. Negotiated deposit rate	10.62	10.30	11.11	11.10	10.90	10.40	10.19	9.87	9.39	9.37	9.43	9.36	9.02
11. Overall lending rate	18.65	17.68	17.63	18.62	18.31	17.39	17.59	17.57	17.53	17.50	17.39	16.86	17.42
Call Loans													67.25
Short-term (up to 1 year)	18.90	18.86	18.17	18.47	18.65	18.01	18.54	18.19	18.05	17.61	17.98	18.19	18.68
Medium-term (1-2 years)	19.96	18.92	19.17	20.40	20.08	18.85	19.43	19.49	18.75	18.65	18.41	17.45	18.06
Medium-term (2-3 years)	19.00	17.35	17.14	18.79	18.76	17.34	17.04	17.00	17.27	17.79	17.43	17.06	17.57
Long-term (3-5 years)	19.54	18.05	18.06	19.24	18.82	17.96	17.92	17.87	17.93	17.47	17.61	16.60	17.04
Term Loans (over 5 years)	15.86	15.24	15.59	16.21	15.24	14.79	15.03	15.32	15.64	15.97	15.51	15.01	15.78
12. Negotiated lending rate	17.91	17.72	17.08	16.82	15.88	16.20	16.47	16.23	16.01	16.23	16.19	15.92	15.69
<b>B: Foreign currency</b>													
<b>1. Deposits rates</b>													
Savings deposits rate	0.28	0.29	0.29	0.24	0.70	1.16	0.81	0.77	1.07	1.02	0.75	0.70	1.09
Overall time deposits rate	3.41	3.69	3.79	3.41	4.21	4.10	3.90	4.04	3.65	3.49	3.41	3.52	3.53
1-months	1.97	3.21	3.81	2.54	3.70	3.95	4.18	3.79	4.20	3.84	3.33	3.42	3.44
2-months	3.40	3.98	3.79	2.92	4.25	4.42	3.74	4.44	3.76	3.39	3.64	3.17	3.94
3-months	3.84	3.30	3.00	3.91	4.59	3.72	4.36	5.23	3.45	3.66	3.73	3.84	3.48
6-months	3.47	3.72	4.13	4.03	4.69	4.65	3.87	3.77	3.73	3.73	3.49	4.13	3.49
12-months	4.35	4.24	4.21	3.67	3.83	3.74	3.35	2.99	3.11	2.82	2.87	3.02	3.31
<b>2. Overall lending rate</b>													
Short-term (up to 1 year)	8.56	7.94	8.05	7.81	7.96	8.39	8.02	8.31	8.32	8.38	8.32	7.97	7.57
Medium-term (1-2 years)	9.07	8.15	8.66	7.82	8.48	8.84	8.32	8.30	8.54	8.55	8.99	8.68	9.35
Medium-term (2-3 years)	8.98	7.40	7.38	7.25	7.29	7.92	8.34	8.35	8.03	8.18	8.86	8.01	8.07
Medium-term (3-5 years)	8.42	8.40	8.43	8.29	8.34	8.27	7.71	8.31	8.42	8.40	7.44	7.62	7.67
Long-term (3-5 years)	8.25	8.13	8.11	8.07	8.01	8.03	8.17	8.17	8.17	8.47	8.33	8.12	6.86
Term loans (over 5 years)	8.09	7.63	7.64	7.61	7.69	8.89	7.57	8.43	8.44	8.28	8.01	7.43	5.90

Source: Bank of Tanzania



Table A5: Tanzania Balance of Payments

Item	Millions of USD				
	2013	2014 <sup>r</sup>	2015 <sup>r</sup>	2016 <sup>r</sup>	2017 <sup>p</sup>
<b>A. Current account</b>	-4,988.5	-5,048.6	-3,986.9	-1,953.2	-1,481.2
Goods: exports f.o.b.	5,258.1	5,194.1	5,316.8	5,661.2	4,827.8
Traditional	868.9	828.8	793.3	885.6	1,020.2
Non-traditional	3,703.3	3,798.6	4,040.1	4,260.9	3,368.7
o/w Gold	1,644.8	1,324.1	1,183.3	1,449.4	1,541.1
Unrecorded trade	685.8	566.8	483.3	514.7	438.9
Goods: imports f.o.b.	-11,029.1	-10,917.8	-9,843.1	-8,463.6	-7,551.7
Balance on goods	-5,771.1	-5,723.7	-4,526.3	-2,802.5	-2,723.9
Services: credit	3,201.7	3,396.0	3,412.4	3,599.3	3,831.4
Transport	811.8	902.6	1,024.9	1,053.6	1,140.6
Travel	1,880.4	2,010.1	1,902.0	2,131.6	2,250.3
Other	509.5	483.2	485.5	414.1	440.5
Services: debit	-2,488.5	-2,668.7	-2,629.1	-2,176.4	-2,039.9
Transport	-1,137.8	-1,163.0	-1,047.0	-893.7	-800.3
Travel	-1,033.9	-1,101.6	-1,195.3	-922.3	-807.3
Other	-316.7	-404.1	-386.8	-360.4	-432.3
Balance on services	713.2	727.3	783.3	1,422.9	1,791.5
Balance on goods and services	-5,057.9	-4,996.4	-3,743.0	-1,379.6	-932.4
Primary income: credit	130.1	118.4	110.3	98.5	125.3
o/w Investment income	99.9	86.5	87.8	67.6	86.1
Compensation of employees	30.2	31.9	22.5	31.0	39.3
Primary income: debit	-835.8	-647.9	-834.6	-1,053.6	-1,076.2
o/w Direct investment income	-617.0	-445.0	-550.0	-625.2	-672.8
Interest payments	-148.2	-150.9	-248.6	-379.9	-356.0
Compensation of employees	-67.9	-49.1	-33.2	-46.1	-45.0
Balance on primary income	-705.7	-529.5	-724.3	-955.1	-950.8
Balance on goods, services and primary income	-5,763.6	-5,525.9	-4,467.3	-2,334.7	-1,883.2
Secondary income: credit	836.9	535.5	560.5	452.7	485.2
Government	485.2	177.9	195.2	81.1	121.8
o/w Miscellaneous current transfers (Multilateral HIPC relief)	0.0	0.0	0.0	0.0	0.0
Financial corporations, nonfinancial corporations, households and NPISHs	351.7	357.6	365.3	371.6	363.4
o/w Personal transfers	351.7	357.6	365.3	371.6	363.4
Secondary income: debit	-61.8	-58.2	-80.2	-71.2	-83.2
Balance on secondary income	775.1	477.3	480.4	381.5	402.0
<b>B. Capital account</b>	658.8	522.2	354.4	420.4	351.0
Capital transfers credit	658.8	522.2	354.4	420.4	351.0
General government	595.2	457.9	290.3	357.3	287.8
Other capital transfer (Investment grant)	595.2	457.9	290.3	357.3	287.8
Debt forgiveness (including MDRI)	0.0	0.0	0.0	0.0	0.0
Financial corporations, nonfinancial corporations, households and NPISHs	63.6	64.2	64.0	63.2	63.2
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-4,329.7	-4,526.4	-3,632.5	-1,532.8	-1,130.2
<b>C. Financial account, excl. reserves and related items</b>	-5,021.0	-3,244.5	-2,819.8	-1,820.6	-2,370.0
Direct investments	-2,087.3	-1,416.1	-1,506.0	-864.0	-1,125.6
Direct investment abroad	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	2,087.3	1,416.1	1,506.0	864.0	1,125.6
Portfolio investment	-4.5	-11.5	-27.6	5.0	-2.9
Other investment	-2,929.3	-1,816.9	-1,286.1	-961.5	-1,241.5
Assets	186.4	-29.4	331.7	-129.1	-117.8
Loans (Deposit-taking corporations, except the central bank)	-0.1	-24.5	186.8	-95.8	-34.5
Currency and deposits	186.6	-4.9	144.9	-33.3	-83.4
Deposit-taking corporations, except the central bank	-20.7	-87.9	69.5	-150.1	-4.9
Other sectors	207.3	83.0	75.4	116.8	-78.5
Other assets	0.0	0.0	0.0	0.0	0.0
Liabilities	3,115.7	1,787.5	1,617.8	832.4	1,123.7
Trade credits	0.8	-1.0	-0.1	0.2	9.7
Loans	2,927.6	1,774.0	1,715.3	901.5	1,131.1
Monetary authority	0.0	0.0	0.0	0.0	0.0
SDR allocation	0.0	0.0	0.0	0.0	0.0
General government	1,750.8	1,337.4	1,247.0	381.9	734.1
Drawings	1,834.4	1,476.8	1,440.7	828.5	1,238.8
Repayments	-83.6	-139.3	-193.8	-446.5	-504.7
o/w Debt forgiveness	0.0	0.0	0.0	0.0	0.0
Rescheduled debt	0.0	0.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	188.5	14.6	97.3	209.2	176.1
Other sectors	988.3	422.0	371.0	310.3	220.8
Drawings	1,070.6	494.5	547.4	453.3	318.9
Repayments	-82.3	-72.5	-176.4	-142.9	-98.1
Currency and deposits	187.3	14.4	-97.5	-69.3	-17.1
Total, Groups A through C	-9,350.7	-7,770.9	-6,452.3	-3,353.3	-3,500.2
<b>D. Net errors and omissions</b>	-183.4	1,030.1	613.7	17.8	429.8
Overall balance	507.9	-251.8	-199.1	305.5	1,669.6
<b>E. Reserves and related items</b>	507.9	-251.8	-199.1	305.5	1,669.6
Reserve assets	621.4	-307.3	-273.7	232.2	1,598.7
Use of Fund credit and loans	-113.5	55.5	74.6	73.3	70.9
<b>Memorandum items:</b>					
GDP(mp) billions of TZS	70,953.2	79,718.4	90,863.8	103,168.6	116,101.9
GDP(mp) millions of USD	44,382.8	48,240.9	45,766.1	47,388.8	52,090.3
CAB/GDP	-11.2	-10.5	-8.7	-4.1	-2.8
CAB/GDP (excl. current official transfers)	-12.3	-10.8	-9.1	-4.3	-3.1
Gross official reserves	4,689.7	4,377.2	4,093.7	4,325.6	5,900.3
Months of imports	4.1	4.2	4.6	5.4	6.1
Months of Imports(Excluding FDI related imports)	4.5	4.7	4.9	6.0	6.6
Net International reserves (year end)	4,216.2	3,971.3	3,762.5	4,067.7	5,713.3
Change in net international reserves	496.0	-244.9	-208.8	305.2	1,645.6
Exchange rate (TZS per USD) (end of period)	1,578.6	1,725.8	2,148.5	2,172.6	2,230.1
Exchange rate (TZS per USD) (annual average)	1,598.7	1,652.5	1,985.4	2,177.1	2,228.9

Source: Bank of Tanzania and Tanzania Revenue Authority

Note: NPISH stands for non-profit institutions serving households; FDI, foreign direct investment; r, revised data; and p, provisional data



Table A6 (i): National Consumer Price Index (Urban and Rural), Twelve-Month Percentage Change (Main Groups)

Base: Dec 2015 = 100

Weight (%)	Headline overall index	Food and non-alcoholic beverages <sup>1</sup>	Transport	Housing, water, electricity, gas and other fuel	Furnishing, housing equipment and routine maintenance	Clothing and footwear	Restaurants and hotels	Miscel. goods and services	Alcohol and tobacco	Communication	Education	Recreation and culture	Health
2016-Jan	6.5	10.7	1.3	11.6	6.3	8.3	4.2	3.1	3.7	5.6	1.5	1.6	2.9
Feb	5.6	9.5	2.0	0.8	3.5	4.8	4.3	4.0	1.7	0.5	3.4	3.6	4.4
Mar	5.4	8.3	2.6	5.5	3.8	4.5	2.8	3.9	1.8	0.4	3.6	3.3	6.0
Apr	5.1	7.1	2.0	7.0	4.9	4.2	4.8	3.6	2.1	-1.0	2.6	4.1	6.2
May	5.2	7.0	1.6	8.8	4.4	4.5	4.9	3.9	4.1	-1.0	2.6	4.1	6.4
June	5.5	8.1	1.3	7.6	4.2	4.6	5.3	3.7	4.9	-0.6	2.7	3.9	6.6
July	5.1	7.6	0.4	7.4	3.4	4.2	4.3	4.0	5.5	-0.4	2.8	3.3	6.0
Aug	4.9	6.9	-0.4	6.8	3.6	3.7	5.2	3.9	5.2	-0.2	3.0	3.5	5.9
Sept	4.5	6.0	-0.8	6.5	3.5	4.2	5.2	3.3	5.3	-0.4	2.9	1.2	6.0
Oct	4.5	6.0	0.1	7.2	3.6	3.8	4.3	3.2	5.3	-0.7	2.9	1.5	5.8
Nov	4.8	6.2	0.7	10.9	4.3	3.9	4.4	3.1	5.6	-0.6	2.9	1.8	5.5
Dec	5.0	7.0	0.3	9.9	4.0	3.7	4.2	2.9	5.1	-0.9	2.6	1.8	4.7
2017-Jan	5.2	7.6	0.6	9.5	3.3	3.4	3.9	2.3	5.0	-0.9	1.8	0.7	4.8
Feb	5.5	8.7	0.6	8.7	3.8	3.2	3.9	1.9	5.2	-1.5	0.8	1.4	3.3
Mar	6.4	11.0	1.6	6.8	3.9	3.4	3.6	3.6	5.2	-0.1	0.8	1.2	3.0
Apr	6.4	11.8	1.9	5.8	3.1	3.9	0.8	4.3	3.5	-0.5	0.8	1.3	2.5
May	6.1	11.6	1.3	4.6	3.2	3.7	0.9	4.0	3.0	-0.8	0.7	1.2	2.9
June	5.4	9.6	0.4	7.1	3.2	3.8	0.7	3.7	3.0	-1.0	0.8	0.8	2.2
July	5.2	8.9	0.1	7.1	3.3	3.8	0.8	4.0	2.4	-1.0	0.9	1.0	2.4
Aug	5.0	8.6	-0.6	8.9	2.7	3.4	-0.3	3.7	2.5	-1.1	0.8	1.3	2.0
Sept	5.3	9.3	-0.3	8.8	2.6	3.4	-0.3	3.4	2.5	-1.0	0.8	1.9	1.9
Oct	5.1	8.8	0.2	7.6	2.8	3.4	0.6	3.0	2.6	-0.9	0.8	1.9	2.1
Nov	4.4	7.4	0.1	7.8	1.8	3.1	0.3	2.6	2.5	-1.0	0.8	1.6	2.0
Dec	4.0	6.2	0.0	8.3	1.3	2.9	0.3	2.5	2.6	-1.0	0.8	0.9	2.0
2018-Jan	4.0	6.3	0.3	7.1	1.8	2.7	0.8	2.6	2.6	-1.0	2.5	2.0	1.6
Feb	4.1	5.4	1.6	8.6	1.6	3.3	0.9	2.7	2.3	-0.2	2.5	1.5	1.6
Mar	3.9	4.7	1.4	10.4	1.9	3.2	0.8	1.2	2.0	-0.2	2.4	1.1	1.6
Apr	3.8	3.6	1.8	13.1	2.0	2.6	0.8	0.9	1.6	0.1	2.4	1.2	1.6
May	3.6	2.6	1.9	15.0	2.3	2.4	1.0	1.2	1.3	0.1	2.3	0.7	1.2
Jun	3.4	3.4	1.7	12.0	2.4	2.2	0.7	1.4	0.3	-2.6	2.6	0.5	1.4
Jul	3.3	2.8	2.5	12.3	2.6	2.4	0.8	1.2	0.8	-2.7	2.5	0.4	0.7
Aug	3.3	2.2	3.4	12.3	3.1	2.7	1.1	1.2	1.2	-2.7	2.5	-0.2	1.7
Sep	3.4	2.0	2.8	13.2	3.0	3.2	1.9	1.3	1.9	-2.6	2.5	-0.2	1.3

Source: National Bureau of Statistics

Note: r denotes revised data



**Table A6(ii): National Consumer Price Index (Urban and Rural), Twelve-Month Percentage Change (Other Selected Groups)**

Base: Dec 2015 = 100

Period	Food (combining food consumed at home and in restaurants)	Total non-food (all items less food) <sup>r</sup>	All items less food and energy	Energy and fuels (combining electricity and other fuels for use at home with petrol and diesel)
Weight (%)	37.1	62.9	54.3	8.7
2016-Jan	10.3	2.0	2.4	0.3
Feb	8.1	1.9	2.5	-0.6
Mar	8.0	3.0	2.8	5.2
Apr	7.3	3.5	3.0	6.6
May	7.2	3.8	3.0	9.0
Jun	8.3	3.6	3.0	7.5
Jul	7.8	3.2	2.6	7.3
Aug	7.0	3.0	2.6	5.9
Sep	6.0	2.6	2.4	4.9
Oct	6.0	2.9	2.5	6.2
Nov	6.4	3.8	2.6	11.7
Dec	7.4	3.8	2.5	11.7
2017-Jan	8.2	3.6	2.3	11.5
Feb	9.3	3.6	2.2	12.3
Mar	11.7	3.6	2.2	11.5
Apr	12.0	3.4	2.3	9.9
May	11.8	3.0	2.2	7.4
Jun	9.8	3.1	1.9	10.3
Jul	9.3	3.1	2.2	8.8
Aug	9.1	3.1	1.8	10.4
Sep	9.8	3.1	1.7	10.9
Oct	9.4	3.0	1.7	10.6
Nov	7.9	2.9	1.4	11.1
Dec	6.7	2.8	1.3	11.4
2018-Jan	6.7	2.8	1.4	10.4
Feb	5.8	3.3	1.7	12.1
Mar	5.0	3.5	1.6	14.1
Apr	4.0	3.9	1.4	18.4
May	3.2	4.5	1.6	21.2
Jun	3.8	4.0	1.6	16.8
Jul	3.0	4.2	1.6	18.5
Aug	3.2	4.6	2.0	18.7
Sep	3.1	4.8	2.2	18.9

Source: National Bureau of Statistics

Note: r denotes revised data



Table A6 (iii): National Consumer Price Index (Urban and Rural), Month-on-Month Percentage Change (Main Groups)

Base: Dec 2015 = 100

Period	Headline overall index	Food and non-alcoholic beverages	Transport	Housing, water, electricity, gas and other fuel	Furnishing, housing equipment and routine maintenance	Clothing and footwear	Restaurants and hotels	Miscel. goods and services	Alcohol and tobacco	Communication	Education	Recreation and culture	Health
Weight (%)	100.0	38.5	12.5	11.6	6.3	8.3	4.2	3.1	3.7	5.6	1.5	1.6	2.9
2016-Jan	0.7	1.0	-0.3	1.6	0.5	0.9	0.3	0.6	0.2	0.0	1.0	0.3	0.5
Feb	0.7	1.2	-0.5	2.0	-0.2	0.2	0.1	0.4	0.1	0.0	1.2	-0.1	1.5
Mar	0.5	0.7	-0.5	2.5	0.3	0.0	0.5	-0.2	0.3	-1.4	0.0	0.6	0.3
Apr	0.5	0.5	0.1	0.2	0.9	0.2	-0.1	0.3	2.0	0.0	0.1	-0.1	0.5
May	0.5	0.5	0.2	1.8	-0.2	0.6	-0.1	0.3	0.8	0.3	0.1	0.2	0.2
Jun	0.5	1.1	0.4	-1.1	0.1	0.5	0.3	0.2	0.2	0.2	0.0	0.4	0.7
Jul	0.0	-0.1	0.2	0.1	0.0	0.2	0.0	0.0	0.6	0.1	0.1	-0.2	0.0
Aug	-0.2	-1.0	0.6	0.0	0.4	0.3	0.9	0.2	0.2	0.0	0.2	0.5	0.3
Sep	-0.2	-1.0	-0.1	1.5	0.3	0.0	0.0	0.3	0.1	-0.1	0.0	-0.4	0.1
Oct	0.1	0.2	-0.3	0.9	-0.1	0.0	-0.9	0.1	0.0	-0.1	0.0	0.3	0.2
Nov	1.1	2.2	0.4	0.7	1.0	0.3	0.4	0.4	0.4	0.0	0.0	0.3	0.1
Dec	0.7	1.6	0.3	-0.6	0.8	0.4	0.0	0.1	0.1	0.0	0.0	0.1	0.1
2017-Jan	0.8	1.6	0.0	1.2	-0.1	0.6	0.0	0.1	0.1	0.0	0.1	0.1	0.5
Feb	1.0	2.3	-0.5	1.3	0.3	0.0	0.1	0.0	0.3	-0.7	0.2	0.5	0.1
Mar	1.4	2.8	0.4	0.7	0.4	0.2	0.2	1.5	0.3	0.0	0.0	0.3	0.0
Apr	0.5	1.3	0.4	-0.8	0.1	0.6	0.0	1.0	0.4	-0.4	0.0	0.0	0.0
May	0.2	0.3	-0.4	0.7	0.0	0.4	-0.1	0.0	0.2	0.0	0.1	0.1	0.6
Jun	-0.1	-0.7	-0.6	1.2	0.1	0.6	0.2	-0.1	0.2	0.0	0.0	0.0	0.1
Jul	-0.2	-0.7	0.0	0.2	0.1	0.2	0.0	0.2	0.0	0.0	0.2	0.1	0.2
Aug	-0.4	-1.3	-0.2	1.7	-0.2	-0.1	-0.2	0.0	0.4	0.0	0.0	0.8	-0.1
Sep	0.0	-0.4	0.2	1.3	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Oct	-0.1	-0.2	0.3	-0.2	0.1	0.1	0.0	-0.3	0.1	0.0	0.0	0.3	0.5
Nov	0.5	0.8	0.3	0.9	0.1	0.1	0.2	0.0	0.3	0.0	0.0	0.0	0.0
Dec	0.2	0.5	0.2	-0.2	0.3	0.2	0.0	0.0	0.2	0.0	0.0	-0.5	0.1
2018-Jan	0.8	1.7	0.3	0.1	0.4	0.4	0.4	0.2	0.1	0.0	1.8	0.3	0.2
Feb	1.1	1.4	0.8	2.7	0.2	0.6	0.2	0.1	0.0	0.2	0.2	0.0	0.0
Mar	1.2	2.1	0.2	2.4	0.7	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.4	0.3	0.8	1.6	0.3	0.1	0.0	0.7	0.0	0.0	0.0	0.1	0.0
May	0.0	-0.7	-0.3	2.4	0.3	0.2	0.1	0.4	-0.1	0.0	0.0	-0.4	0.2
Jun	-0.4	0.0	-0.8	-1.4	0.1	0.4	-0.2	0.1	-0.8	-2.7	0.3	-0.2	0.2
Jul	-0.3	-1.3	0.8	0.4	0.3	0.4	0.1	0.0	0.5	-0.1	0.1	0.0	-0.5
Aug	-0.4	-1.9	0.6	1.7	0.3	0.2	0.2	-0.1	0.8	0.0	0.0	0.1	0.9
Sep	0.1	-0.6	-0.3	2.1	0.0	0.4	0.7	0.1	0.8	0.1	0.0	0.2	-0.4

Source: National Bureau of Statistics





**Table A6(iv): National Consumer Price Index (Urban and Rural), Month-on-Month  
Percentage Change (Other Selected Groups)**

Base: Dec 2015 = 100

Period	Food (Combining Food Consumed at Home and Food Consumed in Restaurants)	All Items Less Food and Energy	Energy and Fuels (Combining Electricity and Other Fuels for use at Home with Petrol and Diesel) <sup>r</sup>	Total Non- Food (All Items Less Food)
Weight (%)	37.1	62.9	54.3	8.7
2016-Jan	1.1	0.5	0.4	1.4
Feb	0.4	0.2	1.4	0.4
Mar	0.7	0.2	2.1	0.5
Apr	0.9	0.3	0.0	0.3
May	0.5	0.2	2.9	0.6
Jun	1.1	0.2	-0.8	0.1
Jul	-0.1	0.1	1.0	0.0
Aug	-1.1	0.3	0.4	0.3
Sep	-1.1	0.3	1.5	0.1
Oct	0.1	0.1	0.5	0.1
Nov	2.3	0.3	1.0	0.4
Dec	1.7	0.2	-0.3	0.1
2017-Jan	1.7	0.3	0.2	1.2
Feb	2.4	0.4	2.1	0.1
Mar	2.9	0.2	1.4	0.4
Apr	1.2	0.4	-1.4	0.2
May	0.3	0.2	0.6	0.1
Jun	-0.7	0.2	1.8	-0.1
Jul	-0.6	0.2	-0.4	0.1
Aug	-1.3	0.0	1.9	0.3
Sep	-0.4	0.0	1.9	0.3
Oct	-0.3	0.0	0.2	0.0
Nov	0.8	0.3	1.4	0.1
Dec	0.5	0.1	0.0	0.1
2018-January	1.8	0.3	0.3	0.3
Feb	1.5	0.9	0.4	3.7
Mar	2.2	0.1	3.3	0.6
Apr	0.3	0.2	2.3	0.6
May	-0.5	0.3	3.0	0.7
Jun	-0.1	0.0	-1.9	-0.4
Jul	-1.3	0.2	1.1	0.4
Aug	-1.2	0.6	2.1	0.3
Sep	-0.5	0.2	2.1	0.5

Source: National Bureau of Statistics

Note: r deontes revised data



Table A7: National Debt Developments

Millions of USD													
Item	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
1. Overall total debt committed <sup>2</sup>	26,455.2	26,272.0	26,284.5	26,665.7	26,887.4	27,210.8	27,181.5	27,010.9	28,218.4	28,063.1	26,863.7	28,091.6	27,971.7
Disbursed outstanding debt	17,775.9	17,642.9	17,660.4	17,629.4	17,861.3	18,445.4	18,467.5	18,384.6	18,825.3	18,765.1	18,137.1	18,837.9	18,775.4
Undisbursed debt	8,679.3	8,629.1	8,624.1	9,036.3	9,026.1	8,765.4	8,714.0	8,626.3	9,393.1	9,298.0	8,726.6	9,253.7	9,196.3
2. Disbursed debt by creditor category <sup>2</sup>	17,775.9	17,642.9	17,660.4	17,629.4	17,861.3	18,445.4	18,467.5	18,384.6	18,825.3	18,765.1	18,137.1	18,837.9	18,775.4
Bilateral debt	1,166.4	979.2	970.8	971.7	996.8	1,019.1	1,030.8	1,013.4	991.3	981.7	946.4	1,003.2	1,003.2
Multilateral debt	9,084.5	9,061.6	9,115.3	9,091.9	9,120.7	9,584.7	9,705.0	9,622.1	9,541.3	9,509.2	9,319.5	9,471.0	9,531.3
Commercial debt	5,912.9	5,996.4	5,950.0	5,794.0	5,958.8	5,981.9	5,851.3	5,865.7	6,519.4	6,498.5	6,097.1	6,378.5	6,371.5
Export credits	1,612.1	1,605.7	1,624.3	1,771.8	1,785.0	1,859.7	1,880.4	1,883.4	1,773.3	1,775.7	1,774.2	1,985.2	1,869.4
3. Disbursed debt by borrower category <sup>2</sup>	17,775.9	17,642.9	17,660.4	17,629.4	17,861.3	18,445.4	18,467.5	18,384.6	18,825.3	18,765.1	18,137.1	18,837.9	18,775.4
Central government	14,328.2	14,165.4	14,176.3	14,189.6	14,467.9	14,722.4	14,725.8	14,638.2	15,015.6	14,978.8	14,373.1	14,965.8	14,849.8
Public corporations	286.6	285.0	287.7	220.5	203.5	207.4	208.1	215.3	212.4	180.4	181.7	168.3	167.6
Private sector	3,161.1	3,192.6	3,196.4	3,219.3	3,189.9	3,515.6	3,533.6	3,531.1	3,597.3	3,605.9	3,582.3	3,703.8	3,758.0
4. Disbursed debt by use of funds <sup>2</sup>	17,775.9	17,642.9	17,660.4	17,629.4	17,861.3	18,445.4	18,467.5	18,384.6	18,825.3	18,765.1	18,137.1	18,837.9	18,775.4
Balance of payments and budget support	3,076.9	2,882.2	2,874.4	2,812.9	2,915.4	2,845.5	2,850.3	2,820.4	2,772.7	2,723.7	2,715.9	2,768.5	2,766.0
Transport and telecommunication	3,967.4	3,975.1	3,965.2	4,000.9	4,031.4	4,102.0	4,344.0	4,343.0	4,041.0	4,077.0	4,272.5	4,127.6	4,058.0
Agriculture	1,186.9	1,184.1	1,187.3	1,188.7	1,185.5	1,219.0	1,226.0	1,208.0	1,196.0	1,207.0	1,169.7	1,216.1	1,216.0
Energy & mining	2,871.8	2,910.2	2,916.0	2,927.4	2,929.3	2,993.0	3,024.0	3,012.0	2,986.0	2,970.0	2,697.7	2,991.2	2,990.0
Industries	531.5	538.0	541.0	542.4	540.0	585.0	587.0	605.0	617.0	605.0	604.0	633.3	640.0
Social welfare & education	2,650.9	2,645.7	2,662.5	2,697.7	2,795.7	2,902.0	3,018.2	2,987.0	2,972.0	2,999.0	2,778.8	2,922.0	2,959.0
Finance and insurance	911.1	914.6	915.7	924.0	921.0	1,004.0	1,015.0	1,023.0	1,024.0	1,049.0	1,009.6	992.5	1,045.0
Tourism	67.4	67.1	67.2	67.6	66.6	67.0	68.0	68.0	68.0	68.0	68.2	108.1	109.0
Real estate and construction	802.5	803.4	816.1	816.4	811.0	1,079.0	833.0	839.0	1,092.0	1,096.0	841.5	1,098.2	1,076.0
Other	1,709.5	1,722.4	1,715.1	1,651.4	1,665.4	1,648.9	1,502.0	1,479.2	2,056.6	1,970.4	1,979.2	1,980.3	1,916.4
5. Total amount of loan contracted <sup>1</sup>	78.3	1.7	0.4	24.0	32.3	11.0	76.7	7.1	30.5	1.5	2.1	44.3	6.7
Central government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private sector	78.3	1.7	0.4	24.0	32.3	10.95	76.7	7.1	30.5	1.5	2.1	44.3	6.7
6. Disbursements <sup>1</sup>	168.3	44.7	4.6	47.2	112.2	118.3	153.4	51.5	531.8	76.0	6.1	33.5	37.8
Central government	95.4	43.3	4.5	43.0	67.2	94.1	112.4	51.1	531.6	67.2	4.0	33.0	28.7
Public corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private Sector	72.9	1.4	0.1	4.2	45.0	24.2	41.0	0.4	0.2	8.8	2.1	0.5	9.1
7. Actual debt service <sup>1</sup>	147.5	26.1	75.0	159.1	200.0	19.5	184.6	43.2	61.9	109.4	26.1	34.9	138.5
Principal	99.7	14.2	62.5	122.2	135.0	15.0	143.1	29.7	55.8	66.9	25.0	26.9	102.0
Interest	47.8	11.9	12.5	36.9	65.0	4.5	41.5	13.5	6.1	42.5	1.1	8.0	36.5
Other payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Net flows on debt <sup>1</sup>	68.7	30.5	-57.9	-75.0	-22.8	103.4	10.3	21.8	476.0	9.1	-18.9	6.6	-64.2
9. Net transfers on debt <sup>1</sup>	20.9	18.6	-70.4	-111.9	-87.8	98.9	-31.2	8.3	469.9	-33.4	-20.0	-1.4	-100.7
10. Arrears by creditors category <sup>2</sup>	3,367.3	3,365.0	3,428.7	3,589.5	3,604.8	3,918.6	4,041.8	4,026.8	4,152.1	4,279.5	4,306.8	4,358.5	4,427.5
Principal	1,903.3	1,893.7	1,951.2	2,038.6	2,048.0	2,254.1	2,352.7	2,383.7	2,451.2	2,541.6	2,560.2	2,604.0	2,647.3
Bilateral debt	349.4	302.6	305.1	312.6	319.9	320.0	319.6	317.9	327.0	326.0	325.7	323.2	321.2
Multilateral debt	93.3	91.1	92.0	87.1	88.9	87.4	90.1	98.7	97.3	100.7	101.3	101.4	103.8
Commercial debt	816.5	833.9	849.4	723.2	725.0	810.2	764.3	769.2	776.6	807.3	823.4	931.8	879.0
Export credits	644.2	666.1	704.7	915.8	914.2	1,036.5	1,178.7	1,197.9	1,250.3	1,307.6	1,309.8	1,247.6	1,343.3
Interest	1,464.0	1,471.3	1,477.5	1,550.8	1,556.8	1,664.5	1,689.1	1,643.1	1,700.9	1,737.9	1,746.5	1,754.5	1,780.2
Bilateral debt	799.7	790.8	794.0	827.5	839.4	841.9	846.4	842.9	839.5	840.9	842.3	843.7	847.0
Multilateral debt	17.0	21.7	22.2	23.3	22.5	24.5	26.0	28.4	28.1	29.4	29.4	31.4	33.4
Commercial debt	397.1	405.6	401.5	331.1	330.2	343.0	351.2	300.5	351.7	359.9	361.7	390.1	375.3
Export credits	250.3	253.2	259.8	368.9	364.7	455.1	465.5	471.3	481.6	507.7	513.1	489.3	524.5
11. External debt stock	19,239.9	19,114.3	19,137.9	19,180.2	19,418.1	20,109.9	20,156.6	20,027.7	20,526.2	20,503.0	19,883.6	20,592.4	20,556.6
12. Domestic debt stock	5,530.8	5,614.2	5,687.8	6,013.8	6,206.2	6,279.7	6,265.4	6,273.9	6,082.3	6,725.2	6,317.3	6,021.1	6,181.3
13. Total debt stock	24,770.8	24,728.4	24,825.7	25,194.1	25,624.3	26,389.6	26,422.0	26,301.5	26,608.5	27,228.2	26,200.9	26,613.5	26,736.9
End period exchange rate	2,237.8	2,237.8	2,233.1	2,230.1	2,250.8	2,255.9	2,259.8	2,273.6	2,276.8	2,277.7	2,282.6	2,286.2	2,288.8

Source: Bank of Tanzania

Note: Multilateral arrears are those owed by the private sector, 1 denotes debt flows during the period and 2 denotes stock position at the end of period



## Glossary

### **Broad money (M2)**

A definition of money that comprises of narrow money (M1) plus the shilling time and savings deposits of the Tanzanian residents with other depository corporations (banks) in the country.

### **Currency in circulation outside banks**

Notes and coins of Tanzanian shillings circulating outside the banking system, i.e., outside the Bank of Tanzania and other depository corporations.

### **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 better indication of the effectiveness of monetary policy.

### **Discount rate**

The rate of interest that the Bank of Tanzania charges on loans it extends to banks and the Government. It uses the average of 91-day and 182-day Treasury bills yields as a base plus a loaded factor.

### **Exchange rate**

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

### **Extended broad money (M3)**

A definition of money that consists of broad money (M2) plus foreign currency deposits of the Tanzanian residents with other depository corporations in the country.

### **Lombard facility**

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

### **Lombard rate**

The rate that the Bank of Tanzania charges a bank for borrowing through the use of a Lombard Facility. This rate is computed basing on the prevailing weighted average yield of 35-day T-bill, repo or overnight inter-bank rate, whichever is higher in the market plus a margin.

### **Money supply**

The sum of currency circulating outside banking system and Tanzanian residents' deposits with other depository corporations defined at 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).

### **Narrow money (M1)**

Consists of currency in circulation outside banking system and the shilling demand deposits of Tanzanian residents with other depository corporations in the country.

### **Non-food inflation**

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

### **Other depository corporations**

These are the resident financial corporations and quasi-corporations, except the central bank, whose principal activity is financial intermediation and that issue liabilities in the form of deposits or financial instruments that are close substitutes for deposits included in the measures of money supply. These entities are elsewhere referred to as banks.

### **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.

### **Weighted yields of Treasury bills**

This is the average yield of Treasury bills, which is weighted by the volume sold of 35-day, 91-day, 182-day, and 364-day Treasury bills, expressed in percentage per year.



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