



**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

**June 2018**



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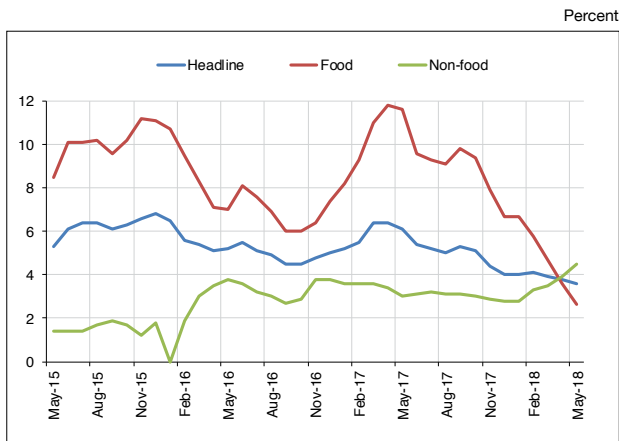


# 1.0 Inflation and Food Stocks

## 1.1 Inflation Developments

Twelve-month headline inflation remained on downward movement and below the medium-term target of 5.0 percent for seven months in a row. In May 2018, it slowed to 3.6 percent from 3.8 percent in April 2018 and 6.1 percent in May 2017 (**Chart 1.1** and **Table 1.1**). Food inflation—associated with decline in prices of some food items, mainly maize, rice, sorghum and Irish potatoes—remained the main factor behind easing of headline inflation. Noteworthy, all main groups of consumer basket recorded annual inflation rates below headline inflation, except that of housing, water, electricity, gas and other fuel. On month-to-month basis, headline inflation was 0.0 percent in May 2018, lower than 0.2 percent recorded in May 2017.

**Chart 1.1: Annual Inflation Rates**



Source: National Bureau of Statistics

Annual food and non-alcoholic beverages inflation eased to 2.6 percent in May 2018 from 3.6 percent and 11.6 percent in April 2018 and May 2017, respectively. On month-to-month, food and non-alcoholic inflation was negative 0.7 percent compared to 0.3 percent in May 2017 (**Table 1.1**).

**Table 1.1: Headline Inflation and its Main Components**

| Main groups   | Weight | Base December 2015 = 100 |        |        |               |        |        |
|---|--------|--------------------------|--------|--------|---------------|--------|--------|
|   |        | Monthly change           |        |        | Annual change |        |        |
|   |        | May-17                   | Apr-18 | May-18 | May-17        | Apr-18 | May-18 |
| Food and non alcoholic beverages  | 38.5   | 0.3                      | 0.3    | -0.7   | 11.6          | 3.6    | 2.6    |
| Alcoholic, tobacco and narcotics  | 3.7    | 0.3                      | 0.0    | -0.1   | 3.0           | 1.6    | 1.3    |
| Clothing and footwear   | 8.3    | 0.4                      | 0.1    | 0.2    | 3.7           | 2.6    | 2.4    |
| Housing, water, elect., gas and other fuel  | 11.6   | 0.7                      | 1.6    | 2.4    | 4.6           | 13.1   | 15.0   |
| Furnishing, housing equipment and routine maintenance of the house                                  | 6.3    | 0.0                      | 0.3    | 0.3    | 3.2           | 2.0    | 2.3    |
| Health  | 2.9    | 0.6                      | 0.0    | 0.2    | 2.9           | 1.6    | 1.2    |
| Transport   | 12.5   | -0.4                     | 0.8    | -0.3   | 1.4           | 1.8    | 1.9    |
| Communication   | 5.6    | 0.0                      | -0.1   | 0.0    | -0.8          | 0.1    | 0.1    |
| Recreation and culture  | 1.6    | 0.1                      | 0.1    | -0.4   | 1.2           | 1.2    | 0.7    |
| Education   | 1.5    | 0.1                      | 0.0    | 0.0    | 0.7           | 2.4    | 2.3    |
| Restaurants and hotels  | 4.2    | -0.1                     | 0.0    | 0.1    | 0.9           | 0.8    | 1.0    |
| Miscellaneous goods and services  | 3.1    | 0.0                      | 0.7    | 0.4    | 4.0           | 0.9    | 1.3    |
| All items (headline inflation)  | 100.0  | 0.2                      | 0.4    | 0.0    | 6.1           | 3.8    | 3.6    |
| Other selected groups:  |        |                          |        |        |               |        |        |
| Food and non-alcoholic beverages - combining food consumed at home and food consumed in restaurants | 37.1   | 0.3                      | 0.3    | -0.5   | 11.8          | 4.0    | 3.2    |
| Energy and fuels - combining electricity and other fuels for use at home with petrol and diesel     | 8.7    | 0.6                      | 2.3    | 3.0    | 7.4           | 18.4   | 21.2   |
| All items less food (non-food)  | 62.9   | 0.2                      | 0.6    | 0.7    | 3.0           | 3.9    | 4.5    |
| All items less food and energy  | 54.3   | 0.1                      | 0.2    | 0.3    | 2.2           | 1.4    | 1.6    |

Source: National Bureau of Statistics and Bank of Tanzania Computations

Twelve-month non-food inflation was to 4.5 percent compared with 3.9 percent in April 2018 and 3.0 percent in May 2017. Increase in non-food inflation was also observed on month-to-month at 0.7 percent in May 2018 compared with 0.2 percent in May 2017. Annual energy and fuel inflation accelerated to 21.2 percent in May 2018 from 18.4 percent and 7.4 percent in the preceding month and similar month in 2017, respectively. On month-to-month, energy and fuel inflation was 3.0 percent compared with 0.6 percent in May 2017.

Meanwhile, twelve-month Inflation for all items excluding food and energy, which is used as proxy for core inflation, increased slightly to 1.6 percent from 1.4 percent in April 2018, but was lower than 2.2 percent in May 2017. On month-to-month, core inflation was 0.3 percent compared with 0.1 percent in May 2017.

## 1.2 Food Stocks

Food stocks held by the National Food Reserve Agency (NFRA) decreased to 68,893.4 tonnes in May 2018 from 73,467.7 tonnes<sup>1</sup> recorded in April 2018 (**Table 1.2**). During the month, NFRA sold 6,574.3 tonnes of food to private traders, World Food Program and prison department, while 2,000 tonnes were purchased.

<sup>1</sup> The NFRA food stocks exclude those held by private traders, which normally constitute the largest share of total stocks in the country and comprised of maize only.



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

|           | Tonnes    |           |           |          |          |
|-----------|-----------|-----------|-----------|----------|----------|
|           | 2014      | 2015      | 2016      | 2017     | 2018     |
| January   | 235,309.0 | 459,561.0 | 125,668.0 | 86,833.5 | 91,947.0 |
| February  | 228,014.0 | 454,592.0 | 88,414.0  | 86,444.0 | 91,312.7 |
| March     | 214,157.0 | 452,054.0 | 68,727.0  | 86,443.8 | 83,650.3 |
| April     | 195,246.0 | 433,547.0 | 64,825.0  | 86,278.0 | 73,467.7 |
| May       | 195,956.0 | 406,846.0 | 63,341.0  | 74,826.0 | 68,893.4 |
| June      | 189,494.0 | 353,702.0 | 61,837.5  | 70,393.0 |          |
| July      | 182,200.0 | 282,401.0 | 49,632.0  | 68,697.0 |          |
| August    | 196,854.0 | 268,514.9 | 59,832.0  | 78,434.0 |          |
| September | 299,624.0 | 265,046.0 | 86,545.0  | 85,403.0 |          |
| October   | 426,999.0 | 253,655.2 | 90,905.0  | 89,248.0 |          |
| November  | 460,295.0 | 238,133.6 | 90,900.0  | 93,353.7 |          |
| December  | 466,583.0 | 180,746.3 | 89,691.8  | 92,074.0 |          |

Source: National Food Reserve Agency

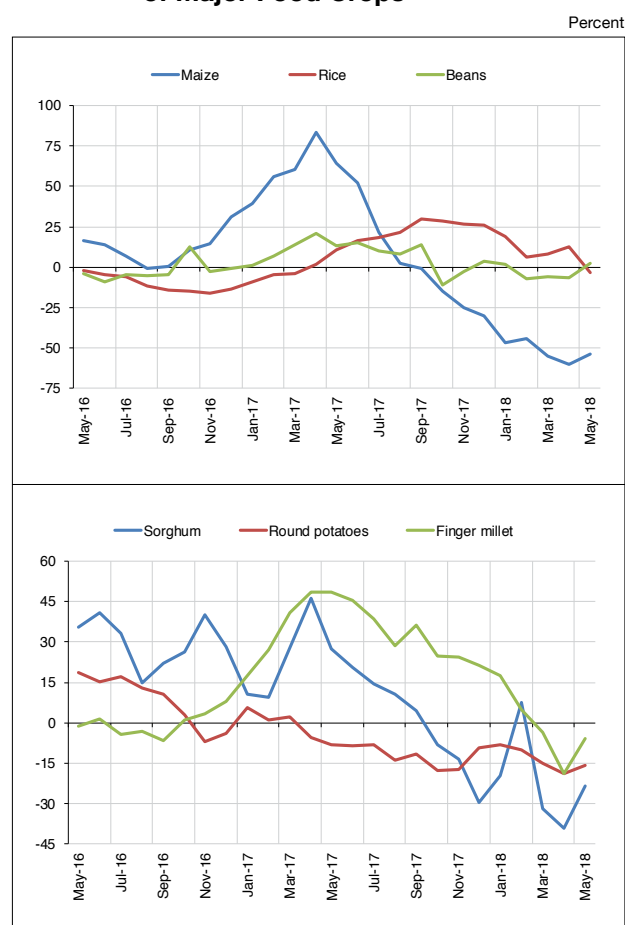
### 1.3 Prices of Food Crops

Wholesale prices for all major food crops<sup>2</sup> declined in May 2018 from prices recorded in the corresponding month in 2017, save for that of beans (**Table 1.3**). On month-to-month basis, prices of all major crops increased except those for rice and maize. **Chart 1.2** shows price developments of the major food crops in the last three years.

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

| Crop          | TZS per 100kg |           |           |                   |                  |
|---------------|---------------|-----------|-----------|-------------------|------------------|
|               | May-17        | Apr-18    | May-18    | Percentage change |                  |
|               |               |           |           | Apr-18 to May-18  | May-17 to May-18 |
| Maize         | 90,149.9      | 42,662.3  | 41,850.4  | -1.9              | -53.6            |
| Rice          | 176,330.5     | 195,545.6 | 170,952.5 | -12.6             | -3.0             |
| Beans         | 170,510.2     | 170,814.2 | 174,586.7 | 2.2               | 2.4              |
| Sorghum       | 119,452.7     | 76,636.7  | 91,327.2  | 19.2              | -23.5            |
| Potatoes      | 84,358.4      | 69,903.5  | 70,983.6  | 1.5               | -15.9            |
| Finger millet | 164,447.3     | 134,750.6 | 154,788.6 | 14.9              | -5.9             |

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

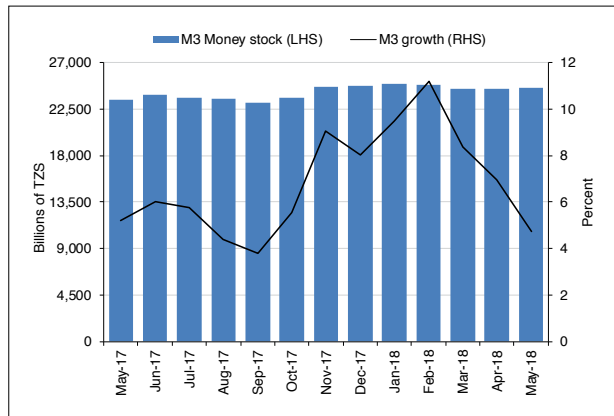
### 2.1 Money Supply and Credit

Year-on-year growth of money supply—extended broad money supply (M3)—slowed to 4.8 percent in May 2018, from 7.0 percent in April 2018 and 5.2 percent in the corresponding month in 2017 (**Chart 2.1**). The expansion in money supply continued to be supported by net foreign assets of the banking system and credit to the private sector (**Table 2.1** and **Chart 2.2**).



2 They include maize, rice, beans, sorghum, potatoes and finger millet.

**Chart 2.1: Developments in Money Supply**



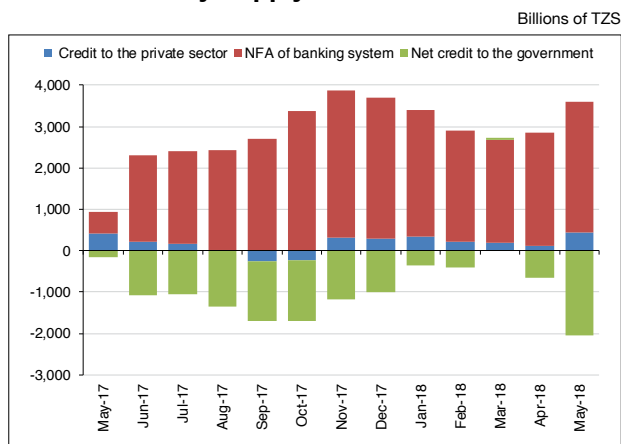
Source: Bank of Tanzania  
Note: LHS refers left hand scale and RHS, right hand scale

**Table 2.1: Money Supply and Components**

| Item                                      | Outstanding stock |          |          | Annual growth (%) |        |        |
|---|-------------------|----------|----------|-------------------|--------|--------|
|   | May-17            | Apr-18   | May-18   | May-17            | Apr-18 | May-18 |
| Net foreign assets of the banking system  | 8,095.9           | 10,750.7 | 11,249.5 | 6.8               | 34.1   | 39.0   |
| Bank of Tanzania                          | 8,735.5           | 10,733.9 | 11,530.2 | 21.3              | 23.4   | 32.0   |
| Banks                                     | -639.6            | 16.8     | -280.7   | ---               | ---    | ---    |
| Net domestic assets of the banking system | 15,314.8          | 13,683.0 | 13,273.5 | 4.4               | -7.7   | -13.3  |
| Domestic claims                           | 21,993.4          | 20,890.7 | 20,390.2 | 1.2               | -2.5   | -7.3   |
| Claims on central government (net)        | 5,181.3           | 4,037.9  | 3,125.2  | -2.9              | -13.9  | -39.7  |
| o/w Securities held by banks              | 4,979.8           | 5,607.8  | 5,472.6  | 16.0              | 15.9   | 9.9    |
| Claims on the private sector              | 16,812.1          | 16,852.8 | 17,265.0 | 2.6               | 0.8    | 2.7    |
| Other items net                           | -6,678.6          | -7,207.6 | -7,116.7 | -5.3              | 9.3    | 6.6    |
| Extended broad money supply (M3)          | 23,410.6          | 24,433.8 | 24,522.9 | 5.2               | 7.0    | 4.8    |
| Foreign currency deposits                 | 6,121.5           | 6,359.3  | 6,218.3  | -4.8              | 6.0    | 1.6    |
| Broad money supply (M2)                   | 17,289.1          | 18,074.5 | 18,304.7 | 9.3               | 7.3    | 5.9    |
| Other deposits                            | 6,771.3           | 7,046.1  | 7,193.9  | 7.2               | 4.7    | 6.2    |
| Narrow money supply (M1)                  | 10,517.8          | 11,028.3 | 11,110.7 | 10.6              | 9.1    | 5.6    |
| Currency in circulation                   | 3,411.2           | 3,620.3  | 3,749.0  | -3.2              | 7.5    | 9.9    |
| Transferable deposits                     | 7,106.5           | 7,408.0  | 7,361.7  | 18.8              | 9.9    | 3.6    |

Source: Bank of Tanzania, and banks  
Note: “---” denotes a change that exceeds 100 percent in absolute terms, and o/w, of which

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

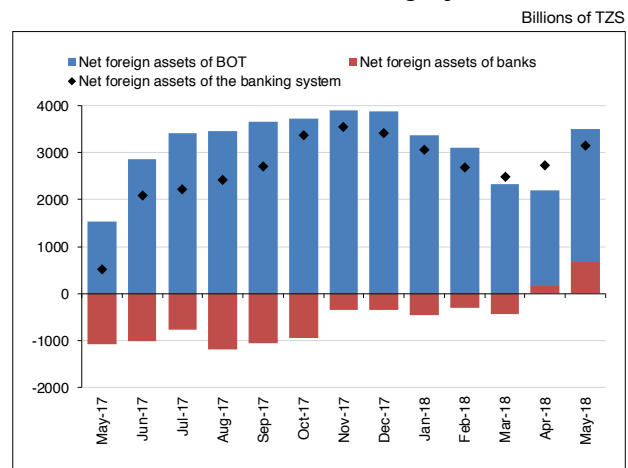


Source: Bank of Tanzania, and banks  
Note: NFA stands for net foreign assets

Net foreign assets (NFA) of the banking system recorded year-on-year growth of 39.0 percent in May 2018, compared with 34.1 percent and 6.8

percent in April 2018 and May 2017, respectively, with holdings of the Bank of Tanzania accounting for the lion's share. Growth of NFA of the Bank of Tanzania remained strong mostly due to cumulative impact of realization of external non-concessional loans in favour of the Government and purchase of foreign exchange from the domestic market (Table 2.1 and Chart 2.3).

**Chart 2.3: Annual Changes in Net Foreign Assets of the Banking System**

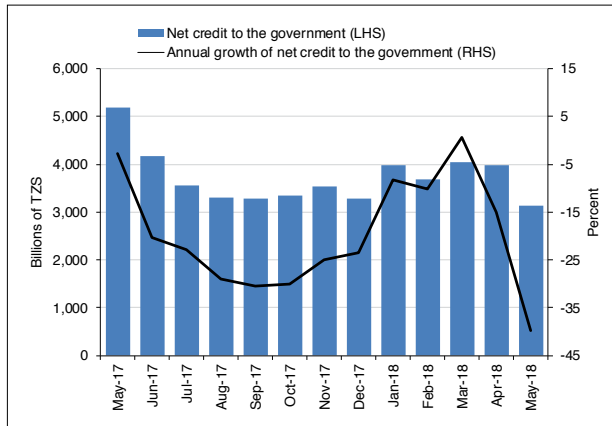


Source: Bank of Tanzania, and banks

Conversely, total domestic credit by the banking system—comprising credit to the government and private sector—contracted by 7.3 percent compared with a decline of 2.5 percent in the year ending April 2018 and growth of 1.2 percent in the year to May 2017 (Table 2.1). The shrinkage was driven by decrease in credit to the government from the banking system, with much of the decline emanating from government transactions with the Bank of Tanzania following decrease in short term advances to the Government and relative increase in government deposits at the Bank of Tanzania. Increase in government deposits partly arise from improvement in government revenue collections and realisation of external non-concessional loans. Meanwhile, government continued to borrow from commercial banks through issuance of government securities though at a decreasing rate. During the year ending May 2018, net government borrowing from commercial banks grew by 5.7 percent, compared with 14.9 percent and 28.5 percent in year to April 2018 and May 2017, respectively.



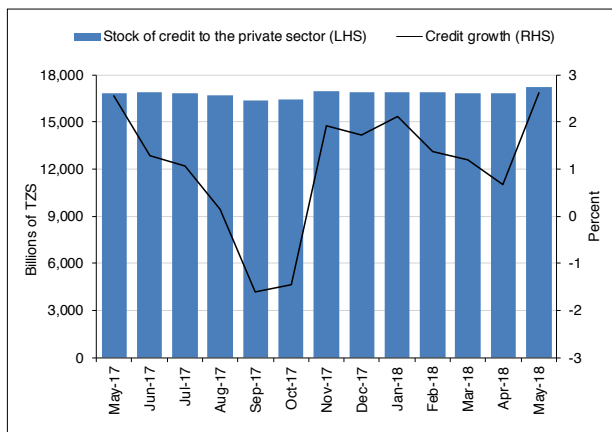
**Chart 2.4: Net Credit to Government from Banking System**



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

Annual growth of credit to the private sector continued to recover reaching 2.6 percent in May 2018, from 0.8 percent in April 2018, with personal loans taking the lead (Chart 2.5 and Table 2.2). Reclassification of salaried loans that previously were considered as part of loans to other services in favour of health and education partly explains observed higher growth in personal loans.

**Chart 2.5: Credit to Private Sector by Banks**



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

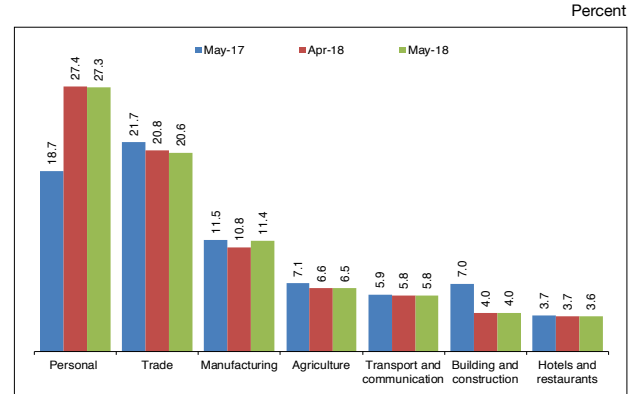
**Table 2.2: Annual Growth Rates of Banks' Credit to Major Economic Activities**

| Economic activity           | May-17 | Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 |
|-----------------------------|--------|--------|--------|--------|--------|--------|
| Personal                    | 1.7    | 12.0   | 39.3   | 56.3   | 43.7   | 49.2   |
| Building and construction   | 5.0    | 8.4    | 10.3   | 15.0   | 5.0    | -6.7   |
| Mining and quarrying        | -13.3  | 0.6    | -7.8   | 3.5    | 14.5   | 29.2   |
| Hotels and restaurants      | 15.4   | 4.8    | 5.0    | 11.9   | 0.6    | 0.3    |
| Manufacturing               | 10.0   | 14.6   | 3.7    | -1.5   | -5.8   | 1.0    |
| Trade                       | 11.0   | 3.0    | -0.9   | -9.2   | -2.5   | -3.2   |
| Agriculture                 | -9.1   | -0.4   | -2.1   | -4.1   | -5.6   | -5.6   |
| Transport and communication | -23.4  | -17.2  | -21.4  | -7.7   | -1.2   | 1.2    |
| Other Services              | 8.5    | 17.8   | -27.0  | -40.0  | -40.4  | -41.9  |

Source: Banks and Bank of Tanzania computations

In terms of shares to outstanding credit to the private sector, personal and trade activities continued to account for the largest share at 27.3 percent and 20.6 percent, respectively (Chart 2.6).

**Chart 2.6: Share of Outstanding Credit Extended by Banks to Major Economic Activities**

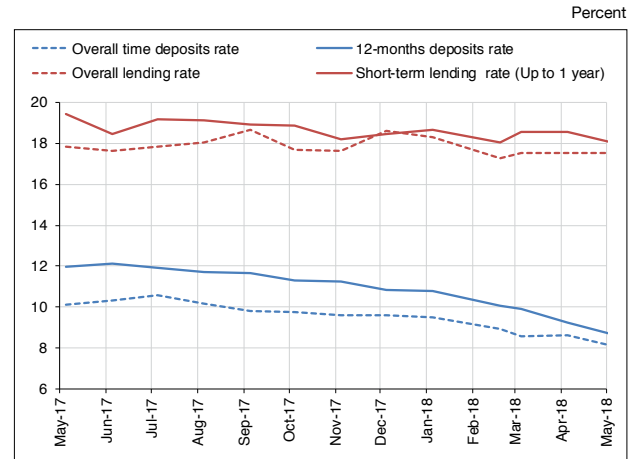


Source: Banks and Bank of Tanzania computations

## 2.2 Interest Rates

Developments in commercial banks' lending and deposits interest rates varied during May 2018 relative to the preceding month. Commercial banks' overall lending rates remained stable at 17.53 percent in May 2018 compared with 17.52 percent in the preceding month but lower than 17.81 percent in the corresponding month in 2017. Overall weighted average deposit rate decreased to 8.13 percent from 8.64 percent and 10.14 percent in April 2018 and May 2017, respectively. Particularly, one-year lending rate averaged at 18.05 percent compared with 18.19 percent and 19.44 percent in April 2018 and May 2017, respectively. The 12-month deposit rate also declined to an average rate of 8.68 percent from 9.22 percent in April 2018 and 11.99 percent in May 2017 (Chart 2.7).

**Chart 2.7: Selected Banks Interest Rates**



Source: Banks and Bank of Tanzania computations



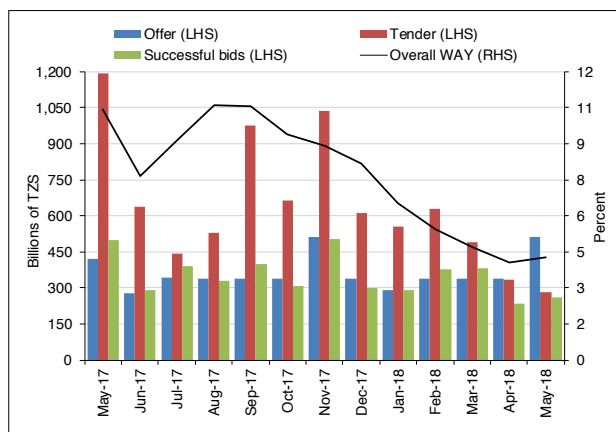


## 2.3 Financial Markets

### 2.3.1 Treasury Bills Market

In May 2018, the Bank of Tanzania conducted three Treasury bills auctions worth of TZS 511.0 billion, higher than TZS 340.0 billion in the preceding month. Bids received amounted to TZS 281.0 billion compared with TZS 333.2 billion in April 2018. The Bank accepted bids worth TZS 260.5 billion, higher than TZS 232.9 billion in the preceding month (**Chart 2.8**). Consistent with low demand, the overall weighted average yield increased slightly to 4.28 percent from 4.04 percent in April 2018, but was lower than 10.44 percent in the corresponding month in 2017.

**Chart 2.8: 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

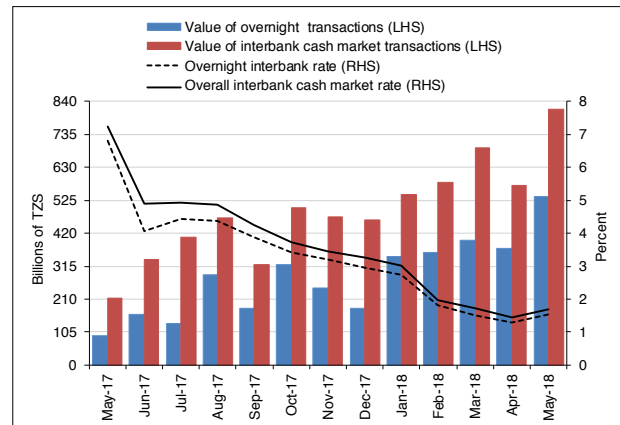
In the Treasury bonds market, the Bank of Tanzania issued a 7-year and 10-year Treasury bonds worth TZS 100.2 billion and TZS 111.6 billion, respectively. The 7-year bond auction was oversubscribed by TZS 13.3 billion, while the 10-year bond was undersubscribed by TZS 24.7 billion. Successful bids amounted to TZS 100.2 billion for the 7-year bond and TZS 58.2 billion for 10-year bond. Weighted average yield to maturity (WAY) for the 7-year bond decreased to 12.23 percent from 12.96 percent in February 2018 when it was last auctioned, while that of 10-year bond increased to 13.94 percent from 13.86 percent in March 2018.

### 2.3.3 Inter-Bank Cash Market

The value of transactions in the inter-bank cash market was TZS 817.1 billion in May 2018 compared with TZS 572.6 billion in April 2018, of which 65.9 percent were overnight placements. Overnight interbank cash market interest rate rose marginally

to an average of 1.53 percent from 1.29 percent in the preceding month. Likewise, the overall interbank cash market interest rate increased to 1.70 percent from 1.44 percent (**Chart 2.9**).

**Chart 2.9: Inter-Bank Cash Market Transactions**

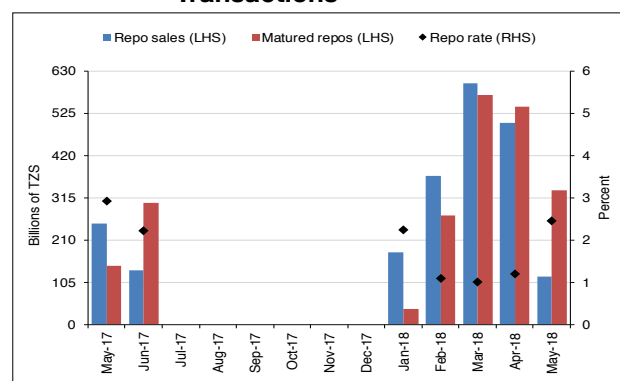


Source: Bank of Tanzania  
Note: LHS refers left hand scale and RHS, right hand scale

### 2.3.4 Repurchase Agreements

The Bank of Tanzania continued to use repurchase agreements (repos) and reverse repos<sup>3</sup> to deal with short-term liquidity fluctuations among banks. During May 2018, the Bank conducted repos worth TZS 120.0 billion with banks compared with TZS 501.0 billion in April 2018, while the value of reverse repos conducted rose to TZS 124.3 billion from TZS 26.0 billion. Repo and reverse repos worth TZS 334.0 billion and TZS 99.3 billion, respectively matured during the month. Meanwhile, repo rate rose to 2.46 percent from 1.21 percent in the preceding month, whereas reverse repo rate was 4.03 percent compared with 2.31 percent (**Chart 2.10a** and **Chart 2.10b**).

**Chart 2.10a: Repurchase Agreements Transactions**

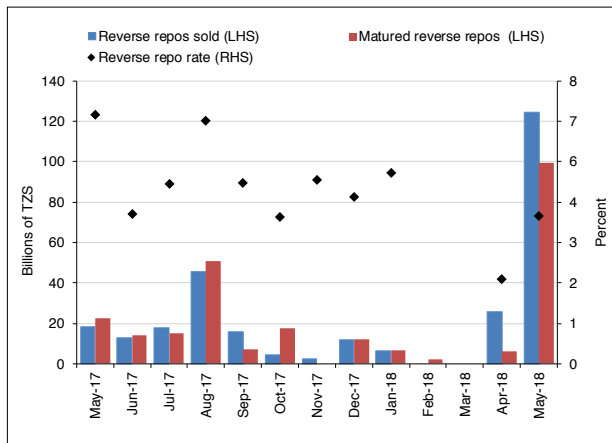


Source: Bank of Tanzania  
Note: LHS refers left hand scale and RHS right hand scale

<sup>3</sup> Repo is initiated by the Bank of Tanzania to mop up excess liquidity in banks, whilst reverse repo works in the opposite direction.



**Chart 2.10b: Reverse Repurchase Agreements Transactions**

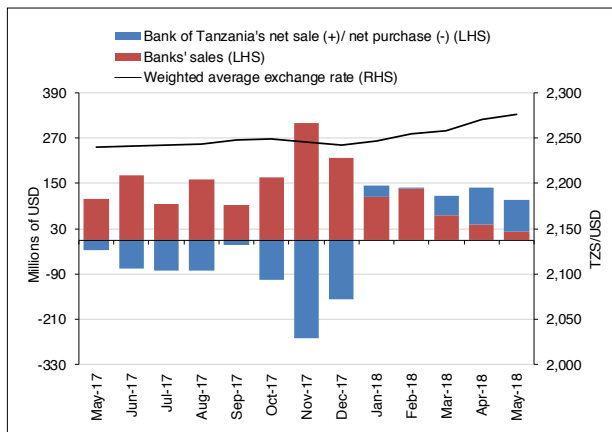


Source: Bank of Tanzania  
Note: LHS refers left hand scale and RHS right hand scale

### 2.3.5 Inter-Bank Foreign Exchange Market

The value of transactions in the inter-bank foreign exchange market (IFEM) amounted to USD 106.0 million in May 2018 compared with USD 139.1 million in the preceding month. The Bank of Tanzania participated in the IFEM for the purpose of managing liquidity and maintaining an orderly market by selling a total of USD 84.3 million compared with USD 99.0 million the month before. The shilling depreciated against the US dollar to an average of TZS 2,275.8 per US dollar from TZS 2,270.3 per US dollar in the preceding month. On annual basis, the shilling depreciated by 1.61 percent from average of TZS 2,239.7 per US dollar in May 2017 (**Chart 2.11**).

**Chart 2.11: IFEM Transactions and Exchange Rate**

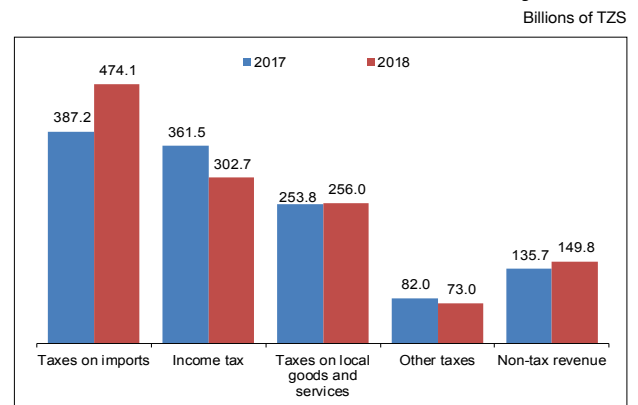


Source: Bank of Tanzania  
Note: LHS refers left hand scale and RHS right hand scale

## 3.0 Government Budgetary Operations

Domestic revenue amounting to TZS 1,301.5 billion was realized by the Government in May 2018. Out of it, TZS 1,255.7 billion were collections by the central government and TZS 45.8 billion by local government authorities from their own sources. Tax revenue amounted to TZS 1,105.8 billion, a 2.0 percent increase from similar month in 2017, while local government collections from own sources grew by 12.8 percent. **Chart 3.1** shows Government resources during May 2017 and 2018.

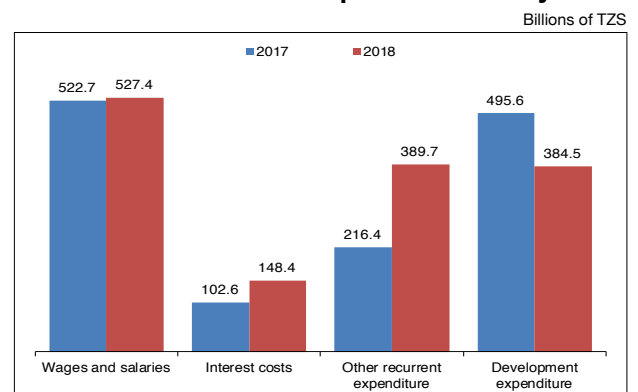
**Chart 3.1: Government Resources in May**



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

In May 2018, government expenditure amounted to TZS 1,450.0 billion, 8.4 percent higher than the amount spent in the similar month in 2017. Recurrent expenditure was TZS 1,065.4 billion and development expenditure was TZS 384.5 billion (**Chart 3.2**).

**Chart 3.2: Government Expenditure in May**



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

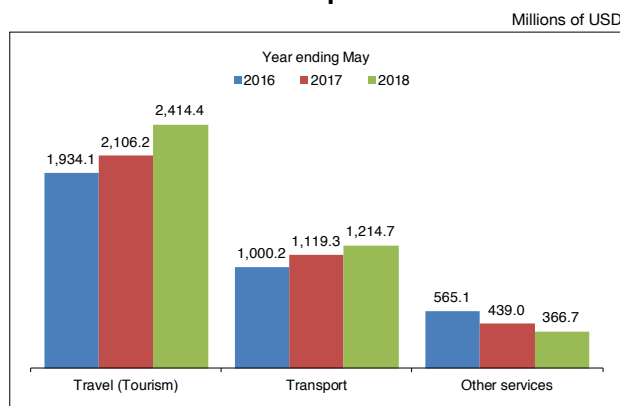


## 4.0 External Sector Performance<sup>4</sup>

The overall balance of payments improved to a surplus of USD 1,352.8 million during the year ending May 2018, from a surplus of USD 620.0 million in the year to May 2017. The improvement was on account of increase in official current transfers in the form of project grants coupled with government receipt of funds from external non-concessional loans. Gross official reserves amounted to USD 5,528.0 million at the end of May 2018 that was sufficient to cover 5.7 months of projected import of goods and services, excluding imports financed by foreign direct investment. Meanwhile, gross foreign assets of banks amounted to USD 795.2 million compared with USD 663.3 million at the end of May 2017.

The services account improved by 14.9 percent to a surplus of USD 1,828.8 million in the year ending May 2018, following increase in services receipts that grew by 9.0 percent to USD 3,995.8 million. Registered growth in services was largely caused by increase in travel and transport receipts (**Chart 4.1**). Travel receipts, which accounted for 60.4 percent of services receipts, grew by 14.6 percent to USD 2,414.4 million owing to increase in number of tourist arrivals following enhanced promotional activities by the government and private sector. Moreover, receipts from transport services—which hold 30.4 percent of services receipts—was USD 1,214.7 million, higher than USD 1,119.3 million in the year to May 2017 following an increase in transit goods to-and-from neighbouring countries.

**Chart 4.1: Services Receipts**

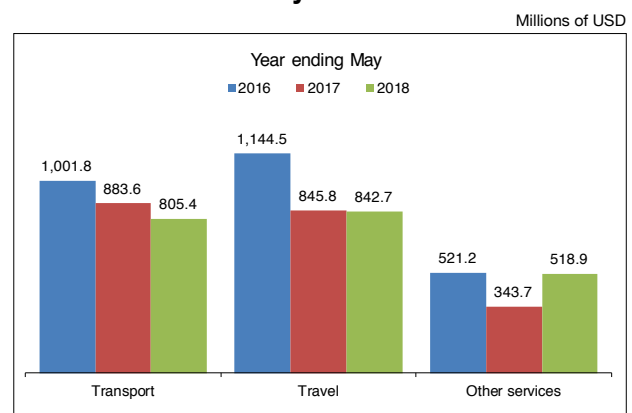


Source: Bank of Tanzania and banks  
Note: Other services include construction, insurance, financial, telecommunication, computer, information, government, charges for the use of intellectual property, personal and other business services

<sup>4</sup> Compilation of trade statistics for the period under review had not been completed by the time of this publication due to statistical challenges associated with implementation of single custom territory under the EAC. Steps are being taken in to addressing the challenges.

During the period of twelve months ending May 2018, service payments rose by 4.5 percent to USD 2,167.0 million on account of an increase in payments related to construction; government; financial and other business—particularly consultancy and legal—services (**Chart 4.2**). Conversely, transportation and travel payments, which all together accounted for 76.1 percent of foreign service payments, went down by 8.9 percent and 0.4 percent to USD 805.4 million and USD 842.7 million, respectively. Decline in transport service payments was in line with the contraction in goods imports.

**Chart 4.2: Services Payments**



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

The balance in primary income account that captures income from capital related transactions and compensation of employees, was a deficit of USD 1,251.2 million in the year ending May 2018 compared with a deficit of USD 1,085.9 million in the year to May 2017. Widening of the deficit was mostly driven by increase in interest payments and compensation of employees.

In contrast, secondary income account, which comprises current transfers by the central government and other sectors, improved to a surplus of USD 492.2 million from a surplus of USD 386.2 million in the period of twelve months to May 2017. This was on account of official current transfers that increased by USD 126.6 million to USD 214.9 million.

### 4.1 World Commodity Prices

Average prices of all selected agricultural and non-agricultural commodities in the world market increased in May 2018 from the preceding month, except for those of gold, cloves and tea (Mombasa auction) (**Table 4.1**). Prices of crude oil and white



petroleum products increased significantly following shortfall in supply amid strong global demand. Conversely, gold price eased due to lower demand for it as an investment portfolio. On agricultural commodities, prices of tea (average), coffee, cotton and sisal rose because of higher global demand.

On annual basis, world market prices of all selected agricultural and non-agricultural commodities increased, except for those of coffee and sisal (**Table 4.1**). Increase in tea price was because of weak supply following production decline in East Africa and Asia due to unfavourable weather conditions. Similarly, prices of cotton rose mainly due to high global demand. Prices of crude oil and white petroleum products rose following extension of production cut by Organization of Petroleum Exporting Countries (OPEC) members and some non-OPEC countries, while that of gold increased mainly on account of high demand for gold as safe investment portfolio.

**Table 4.1: World Commodity Prices**

| Commodity             | Unit measure       | Apr-18  | May-18  | Percentage change | Year ending May |         | Percentage change |
|-----------------------|--------------------|---------|---------|-------------------|-----------------|---------|-------------------|
|                       |                    |         |         |                   | 2017            | 2018    |                   |
| Robusta coffee        | USD per kg         | 2.0     | 2.0     | 0.5               | 2.2             | 2.1     | -5.6              |
| Arabica coffee        | USD per kg         | 3.0     | 3.0     | 1.0               | 3.7             | 3.1     | -15.9             |
| Tea (average price)   | USD per kg         | 2.9     | 3.0     | 2.8               | 2.9             | 3.1     | 7.3               |
| Tea (Mombasa auction) | USD per kg         | 2.5     | 2.5     | -2.8              | 2.5             | 2.8     | 9.5               |
| Cotton, "A index"     | USD per kg         | 2.0     | 2.1     | 2.6               | 1.8             | 1.9     | 4.9               |
| Sisal (UG)            | USD per kg         | 1.7     | 1.8     | 2.9               | 1.8             | 1.7     | -1.0              |
| Cloves                | USD per kg         | 8.5     | 7.9     | -7.6              | 8.4             | 8.5     | 1.6               |
| Crude oil*            | USD per barrel     | 68.8    | 73.4    | 6.7               | 49.2            | 59.1    | 20.2              |
| Crude oil**           | USD per barrel     | 68.4    | 73.7    | 7.6               | 48.4            | 59.2    | 22.2              |
| White products***     | USD per tonne      | 676.5   | 721.9   | 6.7               | 469.5           | 579.3   | 23.4              |
| Jet/Kerosine          | USD per tonne      | 671.3   | 708.1   | 5.5               | 436.1           | 567.5   | 30.2              |
| Premium gasoline      | USD per tonne      | 681.6   | 735.6   | 7.9               | 503.0           | 591.1   | 17.5              |
| Gold                  | USD per troy ounce | 1,334.8 | 1,303.5 | -2.3              | 1,259.4         | 1,295.4 | 2.9               |

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, was USD 19,310.2 million at the end of May 2018, a USD 85.2 million decrease from the amount at the end of the preceding month. The shrinkage was on account of debt repayments coupled with appreciation of the US dollar against other currencies in which the debt is denominated. Year-on-year, the stock increased by USD 2,035.3 million on account of new disbursements, exchange rate fluctuations and accumulation of interest arrears. Out of the external debt stock, central government —

whose external debt stock amounted to USD 15,311.1 million—accounted for 76.8 percent (**Table 5.1**).

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

| Borrower            | Millions of USD |           |          |           |          |           |
|---------------------|-----------------|-----------|----------|-----------|----------|-----------|
|                     | May-17          |           | Apr-18   |           | May-18   |           |
|                     | Amount          | Share (%) | Amount   | Share (%) | Amount   | Share (%) |
| Central government  | 14,065.7        | 78.5      | 15,481.5 | 77.3      | 15,311.1 | 76.8      |
| DOD                 | 13,284.2        | 74.2      | 14,638.2 | 73.1      | 14,471.2 | 72.6      |
| Interest arrears    | 781.5           | 4.4       | 843.3    | 4.2       | 839.9    | 4.2       |
| Private sector      | 3,516.1         | 19.6      | 4,324.7  | 21.6      | 4,388.1  | 22.0      |
| DOD                 | 2,952.0         | 16.5      | 3,531.1  | 17.6      | 3,558.0  | 17.8      |
| Interest arrears    | 564.2           | 3.2       | 793.6    | 4.0       | 830.1    | 4.2       |
| Public corporations | 325.4           | 1.8       | 221.5    | 1.1       | 243.3    | 1.2       |
| DOD                 | 297.4           | 1.7       | 215.3    | 1.1       | 212.4    | 1.1       |
| Interest arrears    | 28.0            | 0.2       | 6.2      | 0.0       | 30.9     | 0.2       |
| External debt stock | 17,907.2        | 100.0     | 20,027.7 | 100.0     | 19,942.5 | 100.0     |

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

The composition of external debt stock in terms of creditor category remained almost the same as in the previous month and the corresponding month in 2017, where debt owed to multilateral institutions remained dominant accounting for 47.8 percent of the debt stock, followed by debt owed to commercial banks at 31.1 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 |           |          |           |          |           |
|---------------------|-----------------|-----------|----------|-----------|----------|-----------|
|                     | May-17          |           | Apr-18   |           | May-18   |           |
|                     | Amount          | Share (%) | Amount   | Share (%) | Amount   | Share (%) |
| Multilateral        | 8,572.8         | 47.9      | 9,650.5  | 48.2      | 9,532.7  | 47.8      |
| DOD                 | 8,558.9         | 47.8      | 9,622.1  | 48.0      | 9,504.6  | 47.7      |
| Interest arrears    | 13.9            | 0.1       | 28.4     | 0.1       | 28.1     | 0.1       |
| Bilateral           | 1,917.9         | 10.7      | 1,856.3  | 9.3       | 1,830.8  | 9.2       |
| DOD                 | 1,136.4         | 6.3       | 1,013.4  | 5.1       | 991.3    | 5.0       |
| Interest arrears    | 781.5           | 4.4       | 842.9    | 4.2       | 839.5    | 4.2       |
| Commercial          | 5,725.1         | 32.0      | 6,166.2  | 30.8      | 6,210.0  | 31.1      |
| DOD                 | 5,357.5         | 29.9      | 5,865.7  | 29.3      | 5,858.3  | 29.4      |
| Interest arrears    | 367.6           | 2.1       | 300.5    | 1.5       | 351.7    | 1.8       |
| Export credit       | 1,691.4         | 9.4       | 2,354.7  | 11.8      | 2,369.0  | 11.9      |
| DOD                 | 1,480.8         | 8.3       | 1,883.4  | 9.4       | 1,887.4  | 9.5       |
| Interest arrears    | 210.6           | 1.2       | 471.3    | 2.4       | 481.6    | 2.4       |
| External debt stock | 17,907.2        | 100.0     | 20,027.7 | 100.0     | 19,942.5 | 100.0     |

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

Regarding debt flows, external debt disbursed in May 2018 amounted to USD 24.7 million, of which 99.2 percent was received by the central government. Cumulative disbursements in the year to May 2018 was USD 1,496.9 million, of which USD 1,282.0 million was received by the central government and the balance by private sector. Debt service in May 2018 amounted to USD 61.5 million, out of which USD 55.8 million was principal repayment and the balance interest payment.

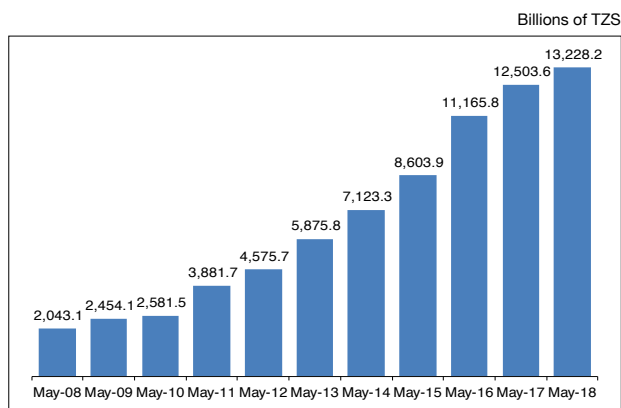


Cummulative debt service in the year to May 2018 was USD 1,020.0 million, of which USD 739.8 million was principal repayment and the balance was interest payment.

## 5.2 Domestic Debt

Central government domestic debt amounted to TZS 13,228.2 billion at the end of May 2018, a decrease of TZS 1,036.4 billion from the level at the end of the preceding month following overdraft repayment by the Government. However, the debt stock was above the amount recorded at the end of May 2017 by TZS 724.6 billion (Chart 5.1).

Chart 5.1: Government Domestic Debt Stock



Source: Bank of Tanzania

Maturity profile of domestic debt remained in line with the government medium-term debt management strategy, which endeavor to mitigate refinancing risk through lengthening of maturity portfolio. As such, domestic debt instruments of long-term maturity in the form of Treasury bonds and stocks continued to dominate, accounting for 75.6 percent of the domestic debt stock at the end of May 2018, up from 69.8 percent and 60.2 percent at the end of the preceding month and corresponding month in 2017, respectively (Table 5.3).

Table 5.3: Government Domestic Debt by Borrowing Instruments

| Instrument                                       | May-17   |           | Apr-18   |           | May-18   |           |
|--|----------|-----------|----------|-----------|----------|-----------|
|  | Amount   | Share (%) | Amount   | Share (%) | Amount   | Share (%) |
| Government securities                            | 11,113.9 | 88.9      | 12,720.7 | 89.2      | 12,599.9 | 95.2      |
| Treasury bills                                   | 3,587.0  | 28.7      | 2,758.8  | 19.3      | 2,598.8  | 19.6      |
| Government stocks                                | 257.1    | 2.1       | 257.1    | 1.8       | 257.1    | 1.9       |
| Government bonds                                 | 7,269.8  | 58.1      | 9,704.8  | 68.0      | 9,744.0  | 73.7      |
| Tax certificates                                 | 0.1      | 0.0       | 0.1      | 0.0       | 0.1      | 0.0       |
| Non-securitized debt                             | 1,389.7  | 11.1      | 1,543.7  | 10.8      | 628.4    | 4.8       |
| Other liabilities*                               | 18.4     | 0.1       | 18.3     | 0.1       | 18.4     | 0.1       |
| Overdraft  | 1,371.3  | 11.0      | 1,525.4  | 10.7      | 610.0    | 4.6       |
| Domestic debt stock (excluding liquidity papers) | 12,503.6 | 100.0     | 14,264.4 | 100.0     | 13,228.2 | 100.0     |

Source: Bank of Tanzania

Note: \* includes NMB standard loan and duty drawback

Commercial banks remained major lender to the central government, holding 40.4 percent of domestic debt stock, followed by pension funds and Bank of Tanzania (including advances) at 26.4 percent and 14.7 percent, respectively. Noteworthy, the proportion of domestic debt held by the Bank of Tanzania has declined from 20.1 percent and 22.5 percent at the end of the preceding month and corresponding month in 2017, respectively following government repayment of advances (Table 5.4).

Table 5.4: Government Domestic Debt by Holders

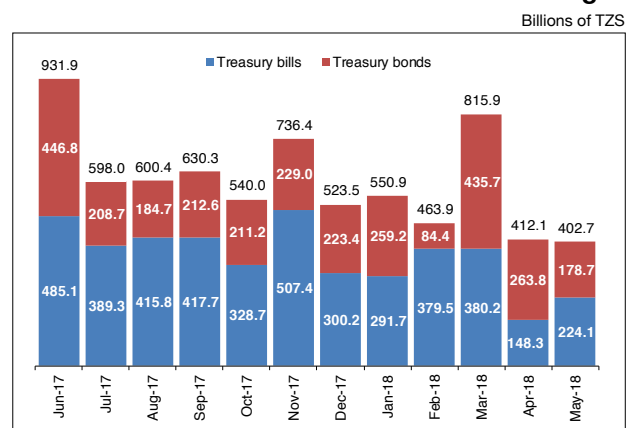
| Holder   | May-17   |           | Apr-18   |           | May-18   |           |
|--|----------|-----------|----------|-----------|----------|-----------|
|  | Amount   | Share (%) | Amount   | Share (%) | Amount   | Share (%) |
| Commercial banks                                 | 4,744.2  | 37.9      | 5,536.4  | 38.8      | 5,346.9  | 40.4      |
| Bank of Tanzania                                 | 2,813.3  | 22.5      | 2,860.6  | 20.1      | 1,945.2  | 14.7      |
| Pension funds                                    | 3,038.8  | 24.3      | 3,846.4  | 27.0      | 3,490.4  | 26.4      |
| Insurance  | 1,059.8  | 8.5       | 1,146.6  | 8.0       | 1,080.6  | 8.2       |
| BOT's special funds                              | 195.2    | 1.6       | 222.2    | 1.6       | 236.8    | 1.8       |
| Others   | 652.3    | 5.2       | 652.3    | 4.6       | 1,128.4  | 8.5       |
| Domestic debt stock (excluding liquidity papers) | 12,503.6 | 100.0     | 14,264.5 | 100.0     | 13,228.2 | 100.0     |

Source: Bank of Tanzania

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

Government securities— Treasury bills and bonds— issued for government budgetary operations amounted to TZS 402.7 billion in May 2018, of which TZS 224.1 billion was Treasury bills and TZS 178.7 billion Treasury bonds. Cumulative domestic debt raised in the year to May 2018 was TZS 7,206.0 billion, of which TZS 4,268.0 billion was Treasury bills and TZS 2,938.0 billion 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

Domestic debt that fell due for payment in May 2018 amounted to TZS 610.4 billion compared with TZS 438.7 billion in the preceding month. Out of





debt that matured in May 2018, principal amounting to TZS 494.6 billion was rolled over and interest totaling TZS 115.8 billion was paid out. Cumulative debt service during the period of twelve months to May 2018 amounted to TZS 6,229.5.4 billion, out of which TZS 4,977.9 billion was principal repayment that was rolled-over and TZS 1,251.6 billion interest payment, which was paid out of the government resources.

## 6.0 Economic Developments in Zanzibar

### 6.1 Inflation Developments

Annual headline inflation eased to 2.7 percent in May 2018 from 7.8 percent in May 2017, but was slightly above 2.6 percent recorded in April 2018 (**Table 6.1** and **Chart 6.1**). The slowdown was driven mostly by food inflation, which was negative 0.4 percent compared to 9.7 percent in May 2017 following improvements in food supply. Food items that recorded significant prices decrease include maize flour, sugar, green and yellow cooking bananas. On month-to-month basis, headline inflation was 1.5 percent in May 2018 compared with 1.4 percent in the corresponding month in 2017.

**Table 6.1: Inflation Developments**

Base: January 2017=100

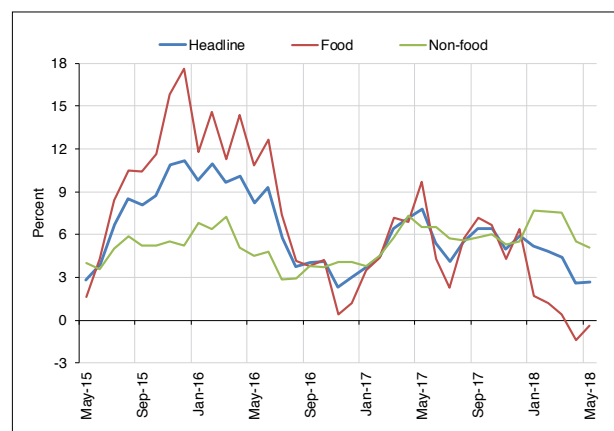
| Main groups                                      | Weight | Monthly change |        |        | Annual change |        |        |
|--|--------|----------------|--------|--------|---------------|--------|--------|
|  |        | May-17         | Apr-18 | May-18 | May-17        | Apr-18 | May-18 |
| Food and non-alcoholic beverages                 | 43.6   | 3.0            | 1.3    | 3.8    | 9.9           | -1.1   | -0.3   |
| Alcoholic beverages, tobacco and narcotics       | 0.2    | 0.0            | 0.0    | 0.0    | 3.7           | 3.3    | 3.3    |
| Clothing and footwear                            | 6.9    | 0.0            | 0.1    | 0.1    | 3.4           | 5.4    | 5.5    |
| Housing, water, electricity, gas and other fuels | 18.4   | 0.3            | 0.3    | -0.5   | 11.8          | 4.2    | 3.3    |
| Furnishing, household equipment                  | 5.5    | 0.0            | 0.1    | 0.6    | 1.0           | 12.9   | 13.6   |
| Health   | 2.1    | 3.7            | 0.0    | 1.3    | 10.0          | 4.1    | 1.8    |
| Transport  | 9.6    | -0.8           | 1.2    | -0.9   | 5.0           | 8.6    | 8.5    |
| Communication                                    | 4.2    | 0.0            | 0.0    | 0.2    | 0.1           | 0.3    | 0.4    |
| Recreation and culture                           | 1.3    | 0.0            | 0.0    | 0.0    | 0.4           | 6.8    | 6.9    |
| Education  | 1.9    | 0.0            | 0.0    | 0.0    | 4.1           | 5.3    | 5.3    |
| Restaurants and hotels                           | 3.9    | 0.0            | 0.0    | 0.0    | -3.2          | 2.0    | 2.0    |
| Miscellaneous goods and services                 | 2.3    | 0.1            | -0.2   | -0.1   | 7.5           | 2.1    | 1.9    |
| All items (Headline inflation)                   | 100.0  | 1.4            | 0.8    | 1.5    | 7.8           | 2.6    | 2.7    |
| Other selected groups:                           |        |                |        |        |               |        |        |
| Food   | 42.7   | 3.0            | 1.5    | 4.1    | 9.7           | -1.4   | -0.4   |
| Non-food   | 57.3   | 0.1            | 0.3    | -0.2   | 6.5           | 5.5    | 5.1    |

Source: Office of Chief Government Statistician and Bank of Tanzania computations  
Note: New weights base on Zanzibar 2014/15 Household Budget Survey (HBS)

Non-food inflation also decreased to 5.1 percent from 5.5 percent and 6.5 percent in April 2018 and May 2017, respectively. The decline was mostly

driven by health; and housing, water, electricity, gas and other fuels inflations.

**Chart 6.1: Twelve-Month Inflation Developments**



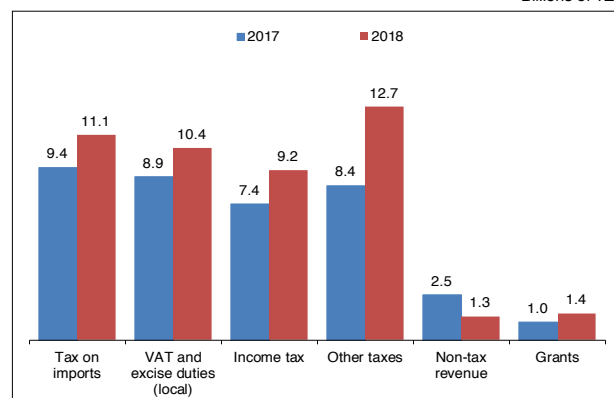
Source: Office of Chief Government Statistician and Bank of Tanzania computations

### 6.2 Government Budgetary Operations

Government resource envelope—comprising domestic revenue and foreign grants—amounted to TZS 46.1 billion, of which TZS 44.7 billion was domestic revenue and the balance was grants. Revenue collections were 13.1 percent below projections for the month, most of which emanated from non-tax revenue that underperformed against the month target by 68.2 percent. Tax revenue, which accounted for 97.2 percent of total domestic revenue for the month was TZS 43.5 billion, while non-tax collections amounted to TZS 1.3 billion. Foreign grants were TZS 1.4 billion, above the projection by TZS 0.1 billion (**Chart 6.2**). Domestic revenue mobilization from July 2017 to May 2018 amounted to TZS 616.6 billion, equivalent to 99.0 percent of period projections.

**Chart 6.2: Government Resources in May**

Billions of TZS



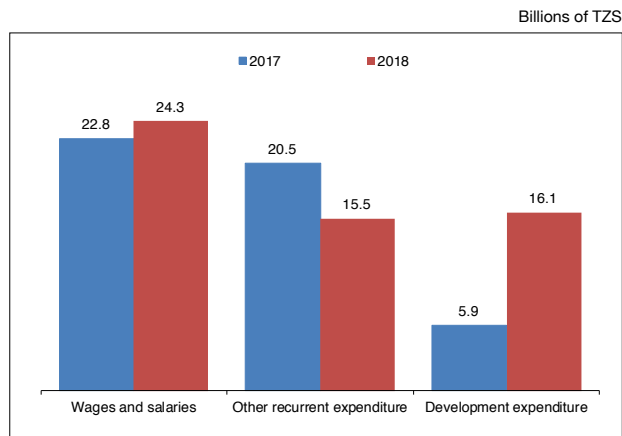
Source: Ministry of Finance and Planning - Zanzibar

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



The Government continued to rationalize expenditure pattern based on budget estimates for the month, priorities and available resources. In May 2018, total government expenditure was TZS 56.9 billion, equivalent to 84.7 percent of the estimates for the month. Recurrent expenditure amounted to TZS 40.9 billion, while development expenditure was TZS 16.1 billion (**Chart 6.3**). Out of total expenditure on development projects, TZS 7.4 billion were from domestic sources and the balance was from external sources. Cumulative expenditure for the period from July 2017 to May 2018 amounted to TZS 803.4 billion, 101.8 percent of the estimates for the period.

**Chart 6.3: Government Expenditure in May**



Source: Ministry of Finance and Planning - Zanzibar  
Note: Other expenditure include transfers, domestic debt interest, consolidated fund service and other charges

Fiscal operations during May 2018 led to the overall deficit of TZS 8.1 billion after considering grants, which was financed through program loans.

## 6.3 External Sector Performance

### 6.3.1 Current Account

Current account balance narrowed to a surplus of USD 23.2 million in the year ending May 2018, from a surplus of USD 31.0 million in the year to May 2017, mainly due to increase in goods import bill. Goods account registered a deficit of USD 112.6 million compared to a deficit of USD 93.8 million in the year to May 2017 driven by increase in imports. However, services account balance improved to a surplus of USD 97.0 million from USD 92.1 million following an increase in earnings from tourism activities (**Table 6.2**).

**Table 6.2: Current Account Balance**

|                               | Millions of USD |        |                     |       |                   | Percentage change |
|-------------------------------|-----------------|--------|---------------------|-------|-------------------|-------------------|
|                               | Year ending May |        |                     |       |                   |                   |
|                               | May-17          | Apr-18 | May-18 <sup>p</sup> | 2017  | 2018 <sup>p</sup> |                   |
| Goods account                 | -8.5            | -7.2   | -19.3               | -93.8 | -112.6            | 20.0              |
| Exports                       | 0.9             | 12.0   | 0.2                 | 24.2  | 77.6              | ---               |
| Imports (fob)                 | 9.4             | 19.2   | 19.6                | 118.0 | 190.2             | 61.2              |
| Services account              | 7.1             | 7.5    | 6.7                 | 92.1  | 97.0              | 5.4               |
| Receipts                      | 11.6            | 13.3   | 12.3                | 147.2 | 162.4             | 10.3              |
| Payments                      | 4.5             | 5.7    | 5.5                 | 55.1  | 65.4              | 18.6              |
| Goods and services            | -1.4            | 0.3    | -12.6               | -1.7  | -15.6             | ---               |
| Exports of goods and services | 12.5            | 25.2   | 12.5                | 171.4 | 240.0             | 40.0              |
| Imports of goods and services | 13.9            | 24.9   | 25.1                | 173.1 | 255.6             | 47.6              |
| Income account                | 0.6             | 0.9    | 0.8                 | 6.8   | 8.3               | 21.3              |
| Receipts                      | 1.1             | 1.2    | 1.2                 | 11.6  | 13.2              | 13.2              |
| Payments                      | 0.4             | 0.4    | 0.4                 | 4.8   | 4.9               | 1.7               |
| Current transfers             | 2.7             | 0.6    | 1.3                 | 25.9  | 30.5              | 17.5              |
| Inflows                       | 2.8             | 0.7    | 1.4                 | 26.6  | 32.5              | 22.0              |
| Outflows                      | 0.1             | 0.1    | 0.1                 | 0.7   | 2.0               | ---               |
| Current account balance       | 1.9             | 1.8    | -10.5               | 31.0  | 23.2              | -25.2             |

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

### 6.3.2 Exports

Earnings from export of goods and services rose to USD 240.0 million in the year ending May 2018 from USD 171.4 million in the year to May 2017, mainly on account of performance of goods exports (**Table 6.2**). Cloves exports earnings amounted to USD 57.4 million compared with USD 17.3 million on account of volume and price increase. Volume of cloves exported in the year to May 2018 increased to 7.2 tonnes from 2.2 tonnes in the year ending May 2017 following bumper harvests coupled with improved extension services. Seaweeds exports, the second major export commodity also increased to 11,000 tonnes valued at USD 4.3 million compared with 3,500 tonnes valued at USD 1.6 million in the year ending May 2017. Noteworthy, cloves and seaweeds exports accounted for 79.4 percent of total goods exports. Meanwhile, exports of fish and fish products, manufactured goods<sup>5</sup> and other exports also increased (**Table 6.3**). Export of fish and fish products more than doubled, following increase in supply of fish including prawns and crabs coupled with growing foreign demand.

As for services receipts, they increased by 10.3 percent from the amount realized in the year to May 2017 to USD 162.4 million, driven by receipts from tourism related activities.

<sup>5</sup> Includes manufactured goods re-exports



**Table 6.3: Goods Export Performance**

| Units                    |              | May-17  | Apr-18   | May-18 <sup>p</sup> | Year ending May |                   |
|--------------------------|--------------|---------|----------|---------------------|-----------------|-------------------|
|                          |              |         |          |                     | 2017            | 2018 <sup>p</sup> |
| Traditional exports:     |              |         |          |                     |                 |                   |
| Clove                    |              |         |          |                     |                 |                   |
| Value                    | '000' USD    | 738.0   | 2,247.0  | 89.4                | 17,315.6        | 57,399.3          |
| Volume                   | '000' Tonnes | 0.1     | 0.3      | 0.1                 | 2.2             | 7.2               |
| Unit price               | USD/Tonne    | 8,200.0 | 8,025.0  | 8,122.7             | 7,754.4         | 8,175.3           |
| Non-traditional exports: |              |         |          |                     |                 |                   |
| Seaweeds                 |              |         |          |                     |                 |                   |
| Value                    | '000' USD    | 78.7    | 284.1    | 38.4                | 1,637.7         | 4,266.0           |
| Volume                   | '000' Tonnes | 0.2     | 0.7      | 0.8                 | 3.5             | 11.0              |
| Unit price               | USD/Tonne    | 449.9   | 436.7    | 498.3               | 472.1           | 388.5             |
| Manufactured goods       | '000' USD    | 69.7    | 9,308.2  | 70.1                | 4,329.9         | 13,316.8          |
| Fish and fish products   | '000' USD    | 6.4     | 5.5      | 5.7                 | 37.5            | 224.2             |
| Others exports           | '000' USD    | 5.5     | 114.2    | 18.4                | 876.3           | 2,412.7           |
| Sub-total                | '000' USD    | 160.3   | 9,712.0  | 132.5               | 6,881.4         | 20,219.8          |
| Grand-total              | '000' USD    | 898.3   | 11,959.0 | 221.9               | 24,197.0        | 77,619.0          |

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, in absolute terms

### 6.3.3 Imports

Imports of goods (f.o.b) and services increased to USD 255.6 million from USD 173.1 million in the year to May 2017 (**Table 6.2**). All goods import categories recorded increases with consumer goods recording the largest increase. Intermediate and consumer goods, which accounted for 44.0 percent and 30.0 percent of goods imports, remained the main drivers of growth in goods imports. Oil imports, which accounted for 68.2 percent and 30.0 percent of intermediate goods imports and total imports (c.i.f), respectively, increased by 33.2 percent to USD 59.8 million following sustained price increase in the world market. Consumer goods' imports continued to be dominated by garments and other textile materials; and food items, mainly cooking oil, rice, sugar and wheat flour (**Table 6.4**).

Services payments amounted to USD 65.4 million in the year ending May 2018, 18.6 percent increase from the year to May 2017 position.

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

|                           | Millions of USD |        |                     |                 |                   | Percentage change |
|---------------------------|-----------------|--------|---------------------|-----------------|-------------------|-------------------|
|                           | May-17          | Apr-18 | May-18 <sup>p</sup> | Year ending May |                   |                   |
|                           |                 |        |                     | 2017            | 2018 <sup>p</sup> |                   |
| Capital goods             | 2.3             | 5.4    | 6.4                 | 36.0            | 51.8              | 44.1              |
| Transport equipment       | 0.8             | 2.8    | 3.6                 | 17.5            | 20.4              | 16.4              |
| Building and construction | 0.3             | 0.6    | 0.6                 | 6.6             | 7.6               | 15.2              |
| Machinery                 | 1.2             | 2.0    | 2.3                 | 11.9            | 23.9              | ---               |
| Intermediate goods        | 5.1             | 8.7    | 7.7                 | 58.6            | 87.6              | 49.6              |
| Oil imports               | 4.1             | 5.6    | 5.8                 | 44.9            | 59.8              | 33.2              |
| Industrial raw materials  | 1.0             | 3.2    | 1.8                 | 13.7            | 27.8              | ---               |
| Consumer goods            | 2.9             | 5.9    | 6.3                 | 35.2            | 59.8              | 70.0              |
| Food and food stuffs      | 1.6             | 1.6    | 1.6                 | 12.0            | 23.9              | 99.4              |
| All other consumer goods  | 1.3             | 4.3    | 4.6                 | 23.2            | 35.9              | 54.5              |
| Grand total (c.i.f)       | 10.3            | 20.0   | 20.4                | 129.7           | 199.2             | 53.6              |
| Grand total (f.o.b)       | 9.4             | 19.2   | 19.6                | 118.0           | 190.2             | 61.2              |

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





## 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              | n.a               |
| 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             | n.a               |
| 3.3 Trade balance   | Mill. USD | -4,429.9  | -5,771.1  | -5,723.7  | -4,526.3          | -2,802.5             | n.a               |
| 3.4 Current account balance   | Mill. USD | -3,769.6  | -4,988.5  | -4,843.9  | -3,651.3          | -2,154.6             | n.a               |
| 3.5 Overall balance   | Mill. USD | 326.2     | 507.9     | -251.8    | -240.8            | -104.2               | n.a               |
| 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)<br>(excluding FDI related imports) | Months    | 4.1       | 4.5       | 4.7       | 5.1               | 5.3                  | 5.9               |
| 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> |                   |
| <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                 |                   |
| 4.2 Grants to GDP ratio <sup>1</sup>  | Percent   | 2.1       | 2.1       | 1.2       | 0.5               | 1.0                  |                   |
| 4.3 Current expenditure to GDP ratio <sup>1</sup>   | Percent   | 13.7      | 13.3      | 12.8      | 13.8              | 10.9                 |                   |
| 4.4 Development expenditure to GDP ratio <sup>1</sup>                                     | Percent   | 5.5       | 5.2       | 4.4       | 4.5               | 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                 |                   |
| 4.6 Budget balance to GDP ratio (including grants) <sup>1,3</sup>                         | Percent   | -4.2      | -3.3      | -3.3      | -3.5              | -1.5                 |                   |
| <b>Total external debt stock</b>  | Mill. USD | 12,482.2  | 14,236.9  | 15,884.0  | 17,222.8          | 18,651.1             |                   |
| 5.1 Disbursed debt  | Mill. USD | 11,086.4  | 12,632.1  | 14,548.3  | 15,948.1          | 17,251.2             |                   |
| 5.2 Interest  | Mill. USD | 1,395.8   | 1,604.8   | 1,335.7   | 1,274.7           | 1,399.9              |                   |

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<br>2017/18 | July 2017 - May 2018 |              | May 2018    |             |
|   |                   | Estimate             | Actual       | Estimate    | Actual      |
| Total revenue (including LGAs)            | 19,977,001.5      | 18,019,725.4         | 16,140,033.3 | 1,437,782.6 | 1,301,497.8 |
| Central government revenue                | 19,289,695.3      | 17,389,028.7         | 15,656,578.2 | 1,384,017.9 | 1,255,649.9 |
| Tax revenue                               | 17,059,639.0      | 15,426,845.7         | 13,633,372.5 | 1,243,383.3 | 1,105,800.5 |
| Taxes on imports                          | 6,292,627.9       | 5,796,153.7          | 4,977,716.8  | 485,017.2   | 474,076.5   |
| Sales/VAT and excise on local goods       | 3,865,213.5       | 3,587,110.6          | 3,182,739.2  | 307,207.9   | 256,006.0   |
| Income taxes                              | 5,810,731.4       | 5,037,386.9          | 4,529,850.4  | 369,392.9   | 302,714.4   |
| Other taxes                               | 1,091,066.2       | 1,006,194.5          | 943,066.1    | 81,765.3    | 73,003.6    |
| Non- tax revenue                          | 2,230,056.3       | 1,962,183.0          | 2,023,205.8  | 140,634.6   | 149,849.4   |
| LGA own sources                           | 687,306.1         | 630,696.8            | 483,455.1    | 53,764.7    | 45,847.9    |
| Total expenditure <sup>1</sup>            | 25,581,105.8      | 24,140,630.3         | 17,101,047.9 | 1,557,393.5 | 1,449,980.6 |
| Recurrent expenditure                     | 13,581,514.1      | 12,545,933.3         | 10,872,585.0 | 1,017,861.1 | 1,065,441.2 |
| Wages and salaries                        | 7,205,768.4       | 6,587,746.7          | 5,797,524.4  | 618,021.7   | 527,373.2   |
| Interest payments                         | 1,699,037.6       | 1,699,037.6          | 1,776,463.9  | 0.0         | 148,367.8   |
| Domestic                                  | 1,025,546.0       | 1,025,546.0          | 1,215,375.5  | 0.0         | 115,799.7   |
| Foreign                                   | 673,491.5         | 673,491.5            | 561,088.5    | 0.0         | 32,568.1    |
| Other goods, services and transfers       | 4,676,708.1       | 4,259,149.0          | 3,298,596.6  | 399,839.4   | 389,700.2   |
| Development expenditure and net lending   | 11,999,591.6      | 11,594,697.0         | 6,228,462.9  | 539,532.4   | 384,539.4   |
| Local                                     | 8,969,747.0       | 8,766,448.8          | 4,421,921.0  | 337,935.3   | 373,555.4   |
| Foreign                                   | 3,029,844.6       | 2,828,248.2          | 1,806,541.9  | 201,597.1   | 10,984.0    |
| Balance before grants                     | -5,604,104.3      | -6,120,904.9         | -961,014.6   | -119,610.9  | -148,482.8  |
| Grants                                    | 1,043,837.8       | 1,373,232.4          | 895,045.4    | 89,326.2    | 171,599.0   |
| Program                                   | 190,022.6         | 190,022.6            | 230,817.2    | 0.0         | 160,615.0   |
| Project                                   | 653,194.2         | 982,588.3            | 552,361.7    | 89,326.2    | 10,984.0    |
| Basket funds                              | 200,621.1         | 200,621.5            | 111,866.5    | 0.0         | 0.0         |
| Balance (cheques issued) after grants     | -4,560,266.5      | -4,747,672.5         | -65,969.1    | -30,284.7   | 23,116.2    |
| Expenditure float                         | 0.0               | 0.0                  | -71,767.9    | 0.0         | 0.0         |
| Adjustments to cash and other items (net) | 0.1               | 0.0                  | -861,817.9   | 0.0         | -154,108.1  |
| Overall balance                           | -4,560,266.4      | -4,747,672.5         | -999,554.9   | -30,284.7   | -130,991.9  |
| Financing                                 | 4,560,266.4       | 4,747,672.5          | 999,554.9    | 30,284.7    | 130,991.9   |
| Foreign financing (net)                   | 3,339,598.4       | 2,216,870.8          | 1,366,313.9  | 112,270.9   | 994,048.6   |
| Loans                                     | 4,522,249.5       | 3,399,521.9          | 2,616,595.3  | 112,270.9   | 1,126,426.0 |
| Program loans                             | 751,235.1         | 159,498.5            | 0.0          | 0.0         | 0.0         |
| Development project loans                 | 3,415,560.6       | 2,884,569.6          | 2,545,517.5  | 112,270.9   | 1,126,426.0 |
| o/w: Non-concessional borrowing           | 1,594,985.0       | 1,594,985.0          | 1,474,281.6  | 0.0         | 1,126,426.0 |
| Basket support                            | 355,453.8         | 355,453.8            | 71,077.8     | 0.0         | 0.0         |
| Amortization                              | -1,182,651.1      | -1,182,651.1         | -1,250,281.4 | 0.0         | -132,377.4  |
| Domestic (net) <sup>2</sup>               | 1,220,668.0       | 2,530,801.7          | -366,759.0   | -81,986.2   | -863,056.7  |
| Bank and non-bank financing               | 1,220,668.0       | 2,530,801.7          | -366,759.0   | -81,986.2   | -863,056.7  |
| Bank borrowing                            | 1,098,601.2       | 2,277,721.5          | -1,047,494.4 | -73,787.6   | -912,626.1  |
| Non-bank (net of amortization)            | 122,066.8         | 253,080.2            | 680,735.4    | -8,198.6    | 49,569.4    |
| Borrowing/roll-over                       | 4,948,229.0       | 4,547,191.9          | 4,620,285.5  | 446,293.6   | 494,640.5   |
| Domestic and contingent debt amortization | -4,948,229.0      | -4,547,191.9         | -4,620,285.5 | -446,293.6  | -494,640.5  |

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), millenium challenge account (Tanzania); NDF, net domestic financing; and o/w, of which



**Table A3: Depository Corporations Survey**

| Items  | Billions of TZS |          |          |          |          |          |          |          |          |          |          |          |                     |
|--|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------------------|
|  | May-17          | Jun-17   | Jul-17   | Aug-17   | Sep-17   | Oct-17   | Nov-17   | Dec-17   | Jan-18   | Feb-18   | Mar-18   | Apr-18   | May-18 <sup>P</sup> |
| Net foreign assets   | 8,095.9         | 9,573.1  | 9,987.4  | 10,270.8 | 10,396.3 | 10,980.9 | 11,427.6 | 11,596.1 | 11,380.7 | 11,196.2 | 10,881.1 | 10,750.7 | 11,249.5            |
| Bank of Tanzania   | 8,735.5         | 10,016.8 | 10,617.0 | 11,109.0 | 11,302.1 | 11,319.9 | 11,947.8 | 12,149.8 | 11,771.7 | 11,687.6 | 11,149.2 | 10,733.9 | 11,530.2            |
| Other depository corporations  | -639.6          | -443.7   | -629.7   | -838.2   | -905.8   | -339.0   | -520.2   | -553.8   | -390.9   | -491.4   | -268.0   | 16.8     | -280.7              |
| Net domestic assets  | 15,314.8        | 14,292.3 | 13,575.2 | 13,197.9 | 12,714.6 | 12,602.0 | 13,256.1 | 13,118.3 | 13,566.5 | 13,683.6 | 13,595.7 | 13,681.5 | 13,271.2            |
| Domestic claims  | 21,993.4        | 21,038.9 | 20,378.8 | 20,021.9 | 19,636.1 | 19,761.4 | 20,493.3 | 20,171.3 | 20,913.1 | 20,543.9 | 20,851.3 | 20,875.5 | 20,376.6            |
| Claims on central government (net)                                   | 5,181.3         | 4,172.7  | 3,557.6  | 3,310.7  | 3,279.8  | 3,349.7  | 3,543.0  | 3,275.7  | 3,989.6  | 3,675.4  | 4,037.0  | 4,037.9  | 3,125.2             |
| Claims on central government   | 8,248.8         | 8,709.8  | 8,063.7  | 7,842.0  | 7,881.2  | 7,970.0  | 8,246.4  | 8,081.8  | 8,225.0  | 8,512.7  | 8,877.7  | 8,937.1  | 7,912.3             |
| Liabilities to central government                                    | 3,067.5         | 4,537.1  | 4,506.0  | 4,531.2  | 4,601.3  | 4,620.3  | 4,703.5  | 4,806.1  | 4,235.4  | 4,837.3  | 4,840.8  | 4,899.2  | 4,787.0             |
| Claims on non-government sector                                      | 16,812.1        | 16,866.2 | 16,821.1 | 16,711.1 | 16,356.3 | 16,411.8 | 16,950.3 | 16,895.6 | 16,923.5 | 16,868.5 | 16,814.3 | 16,837.6 | 17,251.4            |
| Other items (net)  | -6,678.6        | -6,746.6 | -6,803.6 | -6,824.0 | -6,921.6 | -7,159.5 | -7,237.2 | -7,053.1 | -7,346.6 | -6,860.3 | -7,255.5 | -7,193.9 | -7,105.4            |
| Broad money liabilities  | 23,410.6        | 23,865.4 | 23,562.5 | 23,468.6 | 23,110.9 | 23,582.9 | 24,683.6 | 24,714.3 | 24,947.2 | 24,879.8 | 24,476.8 | 24,432.3 | 24,520.6            |
| Currency outside depository corporations                             | 3,411.2         | 3,615.3  | 3,627.3  | 3,664.7  | 3,609.1  | 3,561.8  | 3,697.3  | 3,831.6  | 3,676.3  | 3,614.1  | 3,704.0  | 3,620.7  | 3,749.4             |
| Transferable deposits  | 10,746.2        | 10,985.3 | 10,786.4 | 10,545.6 | 10,288.6 | 10,561.3 | 11,064.0 | 11,012.8 | 11,356.2 | 11,408.0 | 11,047.2 | 10,963.6 | 10,896.5            |
| Non-transferable (other) deposits                                    | 9,253.2         | 9,264.8  | 9,148.8  | 9,258.3  | 9,213.2  | 9,459.7  | 9,922.4  | 9,870.0  | 9,914.6  | 9,857.6  | 9,725.6  | 9,848.0  | 9,984.7             |
| Memorandum items:  |                 |          |          |          |          |          |          |          |          |          |          |          |                     |
| Monetary aggregates  |                 |          |          |          |          |          |          |          |          |          |          |          |                     |
| Reserve money (M0)   | 6,560.4         | 6,827.1  | 6,709.6  | 6,861.3  | 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             |
| Extended broad money (M3)  | 23,410.6        | 23,865.4 | 23,562.5 | 23,468.6 | 23,110.9 | 23,582.9 | 24,683.6 | 24,714.3 | 24,947.2 | 24,879.8 | 24,476.8 | 24,432.3 | 24,520.6            |
| Deposits in foreign Currency (FCD)                                   | 6,121.5         | 6,177.9  | 6,194.0  | 6,174.6  | 6,037.2  | 6,291.6  | 6,459.0  | 6,364.4  | 6,405.2  | 6,700.1  | 6,287.0  | 6,359.6  | 6,218.3             |
| FCD in millions of USD   | 2,745.7         | 2,770.2  | 2,775.6  | 2,762.8  | 2,697.9  | 2,811.5  | 2,892.9  | 2,853.9  | 2,861.1  | 2,984.8  | 2,796.0  | 2,811.0  | 2,744.7             |
| Broad money (M2)   | 17,289.1        | 17,687.5 | 17,368.5 | 17,294.0 | 17,073.7 | 17,291.3 | 18,224.7 | 18,349.9 | 18,542.0 | 18,179.7 | 18,189.8 | 18,072.7 | 18,302.4            |
| Other deposits in national currency (i.e. savings and time deposits) | 6,771.3         | 6,816.2  | 6,646.8  | 6,756.5  | 6,781.5  | 6,845.6  | 7,146.2  | 7,194.6  | 7,195.1  | 7,204.5  | 7,063.1  | 7,044.0  | 7,191.3             |
| Narrow money (M1)  | 10,517.8        | 10,871.3 | 10,721.7 | 10,537.6 | 10,292.2 | 10,445.6 | 11,078.5 | 11,155.3 | 11,346.9 | 10,975.2 | 11,126.7 | 11,028.7 | 11,111.1            |
| Currency in circulation  | 3,411.2         | 3,615.3  | 3,627.3  | 3,664.7  | 3,609.1  | 3,561.8  | 3,697.3  | 3,831.6  | 3,676.3  | 3,614.1  | 3,704.0  | 3,620.7  | 3,749.4             |
| Transferable deposits in national currency                           | 7,106.5         | 7,256.0  | 7,094.4  | 6,872.9  | 6,683.0  | 6,883.8  | 7,381.2  | 7,323.7  | 7,670.6  | 7,361.1  | 7,422.7  | 7,408.0  | 7,361.7             |

Source: Bank of Tanzania

Note: p denotes provisional data



**Table A4: Interest Rate Structure**

| Items                                 | Percent |       |       |       |       |       |       |       |       |       |       |       |                  |
|---------------------------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------------|
|                                       | 2017    |       |       |       |       |       | 2018  |       |       |       |       |       |                  |
|                                       | May     | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Jan   | Feb   | Mar   | Apr   | May <sup>p</sup> |
| <b>A: Domestic currency</b>           |         |       |       |       |       |       |       |       |       |       |       |       |                  |
| <b>1. Interbank cash market rates</b> |         |       |       |       |       |       |       |       |       |       |       |       |                  |
| Overnight                             | 6.81    | 4.08  | 4.43  | 4.36  | 3.87  | 3.43  | 3.19  | 2.95  | 2.74  | 1.83  | 1.50  | 1.29  | 1.53             |
| 2 to 7 days                           | 7.50    | 5.66  | 5.05  | 5.14  | 4.56  | 4.24  | 3.70  | 3.40  | 3.15  | 2.07  | 1.95  | 1.73  | 2.01             |
| 8 to 14 days                          | 6.97    | 5.58  | 5.75  | 7.14  | 4.93  | 4.11  | 3.80  | 4.04  | 4.08  | 2.60  | 1.87  | 1.70  | 2.01             |
| 15 to 30 days                         | 9.75    | 6.06  | 6.17  | 7.65  | 6.30  | 6.30  | 4.00  | 5.43  | 4.19  | 3.90  | 3.53  | 3.53  | 3.50             |
| 31 to 60 days                         | 9.00    | 9.00  | 9.00  | 7.52  | 6.50  | 6.50  | 9.00  | 9.00  | 5.00  | 5.00  | 5.00  | 5.00  | 5.00             |
| 61 to 90 days                         | 16.75   | 16.75 | 16.75 | 16.75 | 9.00  | 9.00  | 9.00  | 9.00  | 8.50  | 8.50  | 3.25  | 3.25  | 3.25             |
| 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    | 7.23    | 4.91  | 4.92  | 4.87  | 4.93  | 3.72  | 3.46  | 3.26  | 3.00  | 1.97  | 1.71  | 1.45  | 1.70             |
| <b>2. Lombard rate</b>                |         |       |       |       |       |       |       |       |       |       |       |       |                  |
|                                       | 10.22   | 8.02  | 7.22  | 7.16  | 7.20  | 6.90  | 6.75  | 6.75  | 5.10  | 3.91  | 3.00  | 3.00  | 3.69             |
| <b>3. REPO rate</b>                   |         |       |       |       |       |       |       |       |       |       |       |       |                  |
|                                       | 2.91    | 2.23  | 2.23  | 2.23  | 2.23  | 2.23  | 2.23  | 2.23  | 2.24  | 1.10  | 1.00  | 1.21  | 2.46             |
| <b>4. Reverse repo rate</b>           |         |       |       |       |       |       |       |       |       |       |       |       |                  |
|                                       | 6.78    | 4.07  | 4.89  | 6.62  | 4.93  | 4.00  | 5.00  | 4.55  | 5.19  | 5.19  | 5.19  | 2.31  | 4.03             |
| <b>5. Treasury bills rates</b>        |         |       |       |       |       |       |       |       |       |       |       |       |                  |
| 35 days                               | 6.53    | 5.35  | 4.81  | 4.77  | 4.80  | 4.60  | 4.50  | 4.50  | 3.40  | 2.61  | 2.00  | 2.00  | 2.00             |
| 91 days                               | 6.77    | 5.53  | 4.86  | 4.07  | 4.10  | 4.00  | 4.00  | 4.00  | 3.75  | 3.45  | 2.52  | 2.05  | 1.91             |
| 182 days                              | 10.01   | 7.13  | 8.54  | 9.42  | 8.91  | 7.51  | 7.16  | 5.87  | 4.29  | 3.85  | 3.35  | 3.06  | 2.69             |
| 364 days                              | 10.99   | 8.65  | 9.80  | 11.42 | 11.42 | 10.50 | 9.60  | 8.71  | 7.48  | 6.58  | 5.48  | 4.74  | 4.80             |
| Overall treasury bills rate           | 10.44   | 7.64  | 9.12  | 10.61 | 10.58 | 9.41  | 8.93  | 8.19  | 6.54  | 5.45  | 4.69  | 4.04  | 4.28             |
| <b>6. Treasury bonds rates</b>        |         |       |       |       |       |       |       |       |       |       |       |       |                  |
| 2-years                               | 16.22   | 16.22 | 12.45 | 12.45 | 11.76 | 11.76 | 11.76 | 11.10 | 11.10 | 9.21  | 9.21  | 8.52  | 8.52             |
| 5-years                               | 17.92   | 17.92 | 13.07 | 13.96 | 13.96 | 13.96 | 13.64 | 13.64 | 12.16 | 12.16 | 11.06 | 11.06 | 11.06            |
| 7-years                               | 16.48   | 16.48 | 16.48 | 14.28 | 14.28 | 14.98 | 14.98 | 13.98 | 13.98 | 12.96 | 12.96 | 12.96 | 12.23            |
| 10-years                              | 18.56   | 14.76 | 14.76 | 15.75 | 15.75 | 15.89 | 15.89 | 15.89 | 15.09 | 15.09 | 13.86 | 13.86 | 13.94            |
| 15-years                              | 18.88   | 18.88 | 16.15 | 16.15 | 16.74 | 16.74 | 15.87 | 15.87 | 14.65 | 14.65 | 14.65 | 14.17 | 14.17            |
| <b>7. Discount rate</b>               |         |       |       |       |       |       |       |       |       |       |       |       |                  |
|                                       | 12.00   | 12.00 | 12.00 | 9.00  | 9.00  | 9.00  | 9.00  | 9.00  | 9.00  | 9.00  | 9.00  | 9.00  | 9.00             |
| <b>8. Savings deposit rate</b>        |         |       |       |       |       |       |       |       |       |       |       |       |                  |
|                                       | 3.14    | 3.14  | 3.10  | 3.15  | 2.84  | 2.81  | 2.81  | 2.80  | 2.86  | 2.76  | 2.77  | 2.19  | 2.11             |
| <b>9. Overall time deposits rate</b>  |         |       |       |       |       |       |       |       |       |       |       |       |                  |
| 1 month                               | 11.95   | 11.07 | 11.16 | 11.24 | 10.65 | 9.24  | 9.68  | 10.26 | 10.41 | 10.31 | 9.51  | 9.17  | 8.89             |
| 2 months                              | 11.45   | 11.11 | 11.80 | 11.52 | 9.82  | 11.66 | 10.73 | 11.19 | 11.16 | 10.09 | 8.69  | 9.10  | 8.77             |
| 3 months                              | 11.38   | 12.01 | 11.26 | 9.54  | 11.61 | 10.53 | 10.92 | 10.99 | 10.01 | 8.41  | 8.89  | 8.51  | 7.70             |
| 6 months                              | 11.13   | 11.47 | 11.49 | 11.28 | 11.36 | 11.21 | 10.49 | 10.15 | 9.72  | 9.26  | 8.99  | 8.96  | 9.14             |
| 12 months                             | 11.99   | 12.14 | 11.89 | 11.69 | 11.65 | 11.30 | 11.27 | 10.86 | 10.77 | 10.09 | 9.92  | 9.22  | 8.68             |
| 24 months                             | 9.80    | 11.02 | 12.81 | 12.29 | 11.21 | 12.24 | 12.13 | 11.82 | 12.36 | 12.21 | 12.08 | 13.54 | 11.80            |
| <b>10. Negotiated deposit rate</b>    |         |       |       |       |       |       |       |       |       |       |       |       |                  |
|                                       | 12.93   | 12.73 | 12.51 | 11.82 | 10.62 | 10.30 | 11.11 | 11.10 | 10.90 | 10.40 | 10.19 | 9.87  | 9.39             |
| <b>11. Overall lending rate</b>       |         |       |       |       |       |       |       |       |       |       |       |       |                  |
| Short-term (up to 1 year)             | 19.44   | 18.45 | 19.18 | 19.09 | 18.90 | 18.86 | 18.17 | 18.47 | 18.65 | 18.01 | 18.54 | 18.19 | 18.05            |
| Medium-term (1-2 years)               | 19.71   | 19.62 | 19.45 | 20.02 | 19.96 | 18.92 | 19.17 | 20.40 | 20.08 | 18.85 | 19.43 | 19.49 | 18.75            |
| Medium-term (2-3 years)               | 17.46   | 17.19 | 17.38 | 17.57 | 19.00 | 17.35 | 17.14 | 18.79 | 18.76 | 16.74 | 16.60 | 16.73 | 17.27            |
| Long-term (3-5 years)                 | 17.61   | 17.56 | 17.89 | 18.01 | 19.54 | 18.05 | 18.06 | 19.24 | 18.82 | 17.96 | 17.92 | 17.87 | 17.93            |
| Term Loans (over 5 years)             | 14.85   | 15.21 | 15.31 | 15.48 | 15.86 | 15.24 | 15.59 | 16.21 | 15.24 | 14.79 | 15.03 | 15.32 | 15.64            |
| <b>12. Negotiated lending rate</b>    |         |       |       |       |       |       |       |       |       |       |       |       |                  |
|                                       | 16.85   | 14.71 | 15.20 | 17.38 | 17.91 | 17.72 | 17.08 | 16.82 | 15.88 | 16.20 | 16.47 | 16.23 | 16.01            |
| <b>B: Foreign currency</b>            |         |       |       |       |       |       |       |       |       |       |       |       |                  |
| <b>1. Deposits rates</b>              |         |       |       |       |       |       |       |       |       |       |       |       |                  |
| Savings deposits rate                 | 0.82    | 0.29  | 0.28  | 0.28  | 0.28  | 0.29  | 0.29  | 0.24  | 0.70  | 1.16  | 0.81  | 0.77  | 1.07             |
| Overall time deposits rate            | 3.10    | 4.01  | 3.73  | 3.30  | 3.41  | 3.69  | 3.79  | 3.41  | 4.21  | 4.10  | 3.90  | 4.04  | 3.65             |
| 1-months                              | 3.63    | 3.17  | 4.10  | 2.24  | 1.97  | 3.21  | 3.81  | 2.54  | 3.70  | 3.95  | 4.18  | 3.79  | 4.20             |
| 2-months                              | 2.67    | 4.94  | 3.61  | 3.28  | 3.40  | 3.98  | 3.79  | 2.92  | 4.25  | 4.42  | 3.74  | 4.44  | 3.76             |
| 3-months                              | 0.71    | 4.26  | 3.56  | 3.70  | 3.84  | 3.30  | 3.00  | 3.91  | 4.59  | 3.72  | 4.36  | 5.23  | 3.45             |
| 6-months                              | 4.84    | 3.98  | 3.73  | 3.53  | 3.47  | 3.72  | 4.13  | 4.03  | 4.69  | 4.65  | 3.87  | 3.77  | 3.73             |
| 12-months                             | 3.65    | 3.70  | 3.66  | 3.77  | 4.35  | 4.24  | 4.21  | 3.67  | 3.83  | 3.74  | 3.35  | 2.99  | 3.11             |
| <b>2. Overall lending rate</b>        |         |       |       |       |       |       |       |       |       |       |       |       |                  |
| Short-term (up to 1 year)             | 8.28    | 8.47  | 8.37  | 8.12  | 8.56  | 7.94  | 8.05  | 7.81  | 7.96  | 8.39  | 8.02  | 8.31  | 8.32             |
| Medium-term (1-2 years)               | 9.26    | 9.28  | 9.50  | 8.87  | 9.07  | 8.15  | 8.66  | 7.82  | 8.48  | 8.84  | 8.32  | 8.30  | 8.54             |
| Medium-term (2-3 years)               | 7.66    | 7.79  | 8.20  | 7.39  | 8.98  | 7.40  | 7.38  | 7.25  | 7.29  | 7.92  | 8.34  | 8.35  | 8.03             |
| Medium-term (3-5 years)               | 8.43    | 8.85  | 8.32  | 8.37  | 8.42  | 8.40  | 8.43  | 8.29  | 8.34  | 8.27  | 7.71  | 8.31  | 8.42             |
| Long-term (3-5 years)                 | 8.21    | 8.19  | 8.17  | 8.25  | 8.25  | 8.13  | 8.11  | 8.07  | 8.01  | 8.03  | 8.17  | 8.17  | 8.17             |
| Term loans (over 5 years)             | 7.82    | 8.25  | 7.68  | 7.75  | 8.09  | 7.63  | 7.64  | 7.61  | 7.69  | 8.89  | 7.57  | 8.43  | 8.44             |

Source: Bank of Tanzania

Note: p denotes provisional data.



Table A5: Tanzania Balance of Payments

| Item  | Millions of USD |           |           |                   |                   |
|---|-----------------|-----------|-----------|-------------------|-------------------|
|   | 2012            | 2013      | 2014      | 2015 <sup>r</sup> | 2016 <sup>p</sup> |
| A. Current account  | -3,769.6        | -4,988.5  | -4,843.9  | -3,651.3          | -2,154.6          |
| Goods: exports f.o.b.   | 5,889.2         | 5,258.1   | 5,194.1   | 5,316.8           | 5,661.2           |
| Traditional   | 956.7           | 868.9     | 828.8     | 793.3             | 885.6             |
| Non-traditional   | 4,164.4         | 3,703.3   | 3,798.6   | 4,040.1           | 4,260.9           |
| o/w: Gold   | 2,117.4         | 1,644.8   | 1,324.1   | 1,183.3           | 1,449.4           |
| Unrecorded trade  | 768.2           | 685.8     | 566.8     | 483.3             | 514.7             |
| Goods: imports f.o.b.   | -10,319.1       | -11,029.1 | -10,917.8 | -9,843.1          | -8,463.6          |
| Balance on goods  | -4,429.9        | -5,771.1  | -5,723.7  | -4,526.3          | -2,802.5          |
| Services: credit  | 2,786.4         | 3,201.7   | 3,396.0   | 3,412.4           | 3,607.5           |
| Transport   | 641.1           | 811.8     | 902.6     | 1,024.9           | 1,061.8           |
| Travel  | 1,712.7         | 1,880.4   | 2,010.1   | 1,902.0           | 2,131.6           |
| Other   | 432.6           | 509.5     | 483.2     | 485.5             | 414.1             |
| Services: debit   | -2,358.9        | -2,488.5  | -2,668.7  | -2,669.7          | -2,231.4          |
| Transport   | -1,046.9        | -1,137.8  | -1,163.0  | -1,087.6          | -948.7            |
| Travel  | -967.0          | -1,033.9  | -1,101.6  | -1,195.3          | -922.3            |
| Other   | -344.9          | -316.7    | -404.1    | -386.8            | -360.4            |
| Balance on services   | 427.5           | 713.2     | 727.3     | 742.6             | 1,376.1           |
| Balance on goods and services   | -4,002.4        | -5,057.9  | -4,996.4  | -3,783.6          | -1,426.4          |
| Primary income: credit  | 131.1           | 130.1     | 118.4     | 110.3             | 98.5              |
| o/w: Investment income  | 109.6           | 99.9      | 86.5      | 87.8              | 67.6              |
| Compensation of employees   | 21.4            | 30.2      | 31.9      | 22.5              | 31.0              |
| Primary income: debit   | -705.1          | -835.8    | -443.2    | -458.4            | -1,208.3          |
| o/w Direct investment income  | -560.2          | -617.0    | -240.4    | -173.8            | -779.9            |
| Interest payments   | -84.1           | -148.2    | -150.9    | -248.6            | -379.9            |
| Compensation of employees   | -57.0           | -67.9     | -49.1     | -33.2             | -46.1             |
| Balance on primary income   | -574.0          | -705.7    | -324.8    | -348.1            | -1,109.7          |
| Balance on goods, services and primary income                             | -4,576.4        | -5,763.6  | -5,321.2  | -4,131.7          | -2,536.1          |
| Secondary income: credit  | 912.3           | 836.9     | 535.5     | 560.5             | 452.7             |
| Government  | 543.6           | 485.2     | 177.9     | 195.2             | 81.1              |
| o/w: Miscellaneous current transfers (Multilateral HIPC relief)           | 0.0             | 0.0       | 0.0       | 0.0               | 0.0               |
| Financial corporations, non-financial corporations, households and NPISHs | 368.7           | 351.7     | 357.6     | 365.3             | 371.6             |
| o/w: Personal transfers   | 368.7           | 351.7     | 357.6     | 365.3             | 371.6             |
| Secondary income: debit   | -105.4          | -61.8     | -58.2     | -80.2             | -71.2             |
| Balance on secondary income   | 806.8           | 775.1     | 477.3     | 480.4             | 381.5             |
| B. Capital account  | 777.2           | 658.8     | 522.2     | 354.4             | 420.4             |
| Capital transfers credit  | 777.2           | 658.8     | 522.2     | 354.4             | 420.4             |
| General government  | 713.6           | 595.2     | 457.9     | 290.3             | 357.3             |
| Other capital transfers (Investment grant)                                | 713.6           | 595.2     | 457.9     | 290.3             | 357.3             |
| Financial corporations, non-financial corporations, households and NPISHs | 63.6            | 63.6      | 64.2      | 64.0              | 63.2              |
| Capital transfers:debit   | 0.0             | 0.0       | 0.0       | 0.0               | 0.0               |
| Total, Groups A plus B  | -2,992.4        | -4,329.7  | -4,321.8  | -3,297.0          | -1,734.2          |
| C. Financial account, excl. reserves and related items                    | -3,879.6        | -5,021.0  | -3,244.5  | -2,874.4          | -2,321.9          |
| Direct investments  | -1,799.6        | -2,087.3  | -1,416.1  | -1,560.6          | -1,365.4          |
| Direct investment abroad  | 0.0             | 0.0       | 0.0       | 0.0               | 0.0               |
| Direct investment in Tanzania   | 1,799.6         | 2,087.3   | 1,416.1   | 1,560.6           | 1,365.4           |
| Portfolio investment  | -6.1            | -4.5      | -11.5     | -27.6             | 5.0               |
| Other investment  | -2,073.9        | -2,929.3  | -1,816.9  | -1,286.1          | -961.5            |
| Assets  | -220.6          | 186.4     | -29.4     | 331.7             | -129.1            |
| Loans (Deposit-taking corporations, except the central bank)              | -37.2           | -0.1      | -24.5     | 186.8             | -95.8             |
| Currency and deposits   | -183.3          | 186.6     | -4.9      | 144.9             | -33.3             |
| Deposit-taking corporations, except the central bank                      | -156.3          | -20.7     | -87.9     | 69.5              | -150.1            |
| Other sectors   | -27.0           | 207.3     | 83.0      | 75.4              | 116.8             |
| Other assets  | 0.0             | 0.0       | 0.0       | 0.0               | 0.0               |
| Liabilities   | 1,853.4         | 3,115.7   | 1,787.5   | 1,617.8           | 832.4             |
| Trade credits   | 0.2             | 0.8       | -1.0      | -0.1              | 0.2               |
| Loans   | 1,820.3         | 2,927.6   | 1,774.0   | 1,715.3           | 901.5             |
| Monetary Authority  | 0.0             | 0.0       | 0.0       | 0.0               | 0.0               |
| General government  | 971.2           | 1,750.8   | 1,337.4   | 1,247.0           | 381.9             |
| Drawings  | 1,022.8         | 1,834.4   | 1,476.8   | 1,440.7           | 828.5             |
| Repayments  | -51.6           | -83.6     | -139.3    | -193.8            | -446.5            |
| Banks   | 30.6            | 188.5     | 14.6      | 97.3              | 209.2             |
| Other sectors   | 818.6           | 988.3     | 422.0     | 371.0             | 310.3             |
| Drawings  | 872.3           | 1,070.6   | 494.5     | 547.4             | 453.3             |
| Repayments  | -53.7           | -82.3     | -72.5     | -176.4            | -142.9            |
| Currency and deposits   | 32.8            | 187.3     | 14.4      | -97.5             | -69.3             |
| Total, Groups A through C   | -6,872.0        | -9,350.7  | -7,566.2  | -6,171.3          | -4,056.1          |
| D. Net errors and omissions   | -561.1          | -183.4    | 825.5     | 223.5             | -282.2            |
| Overall balance   | 326.2           | 507.9     | -251.8    | -199.1            | 305.5             |
| E. Reserves and related items   | 326.2           | 507.9     | -251.8    | -199.1            | 305.5             |
| Reserve assets  | 324.7           | 621.4     | -307.3    | -273.7            | 232.2             |
| Use of Fund credit and loans  | 1.5             | -113.5    | 55.5      | 74.6              | 73.3              |
| Memorandum items:   |                 |           |           |                   |                   |
| GDP(mp) billions of TZS   | 61,434.2        | 70,953.2  | 79,718.4  | 90,863.8          | 103,744.6         |
| GDP(mp) millions of USD   | 39,087.6        | 44,382.8  | 48,240.9  | 45,766.1          | 47,653.3          |
| CAB/GDP   | -9.6            | -11.2     | -10.0     | -8.0              | -4.5              |
| CAB/GDP (excluding current official transfers)                            | -11.0           | -12.3     | -10.4     | -8.4              | -4.7              |
| Gross official reserves   | 4,068.1         | 4,689.7   | 4,377.2   | 4,093.7           | 4,325.6           |
| Months of imports   | 3.6             | 4.1       | 4.2       | 4.6               | 5.6               |
| Months of imports(excluding FDI related imports)                          | 4.1             | 4.5       | 4.7       | 5.1               | 6.3               |
| Exchange rate (end of period)   | 1,571.6         | 1,574.0   | 1,725.8   | 2,148.5           | 2,172.6           |
| Exchange rate (annual average)  | 1,571.7         | 1,598.7   | 1,652.5   | 1,985.4           | 2,177.1           |

Source: Bank of Tanzania

Notes: r denotes revised data; p, provisional data; and o/w, of which



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 | Transport | Housing, water, electricity, gas and other fuel | Furnishing, housing equipment and routine maintenance of the house | Clothing and footwear | Restaurants and hotels | Miscellaneous goods and services | Alcoholic, tobacco and narcotics | Communication | Education | Recreation and culture | Health |
|------------|------------------------|----------------------------------|-----------|---|--|-----------------------|------------------------|----------------------------------|----------------------------------|---------------|-----------|------------------------|--------|
|            |                        |                                  |           |   |  |                       |                        |                                  |                                  |               |           |                        |        |
| 2016-Jan   | 6.5                    | 10.7                             | 1.3       | 1.1   | 3.5  | 4.8                   | 4.3                    | 4.0                              | 1.7                              | 0.5           | 3.4       | 3.6                    | 4.4    |
| Feb        | 5.6                    | 9.5                              | 2.0       | 0.8   | 3.1  | 4.5                   | 2.8                    | 3.9                              | 1.8                              | 0.4           | 3.6       | 3.3                    | 6.0    |
| Mar        | 5.4                    | 8.3                              | 2.6       | 5.5   | 3.8  | 4.2                   | 2.8                    | 3.6                              | 2.1                              | -1.0          | 2.6       | 4.1                    | 6.2    |
| Apr        | 5.1                    | 7.1                              | 2.0       | 7.0   | 4.9  | 4.3                   | 4.8                    | 3.9                              | 4.1                              | -1.0          | 2.6       | 4.1                    | 6.4    |
| May        | 5.2                    | 7.0                              | 1.6       | 8.8   | 4.4  | 4.5                   | 4.9                    | 3.9                              | 4.9                              | -0.6          | 2.7       | 3.9                    | 6.6    |
| Jun        | 5.5                    | 8.1                              | 1.3       | 7.6   | 4.2  | 4.6                   | 5.3                    | 3.7                              | 4.9                              | -0.6          | 2.7       | 3.4                    | 6.8    |
| Jul        | 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    |
| Sep        | 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    |
| Jun        | 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    |
| Jul        | 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    |
| Sep        | 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    |

Source: National Bureau of Statistics



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

Source: National Bureau of Statistics



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 of the house | Clothing and footwear | Restaurants and hotels | Miscellaneous goods and services | Alcoholic, tobacco and narcotics | 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       | -0.8                   | 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                    | -0.1                             | 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    |

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) | Energy and fuels (combining electricity and other fuels for use at home with petrol and diesel) | Non-food (all items less food) | All items less food and energy |
|------------|---|---|--------------------------------|--------------------------------|
| Weight (%) | 37.1  | 54.3  | 8.7                            | 62.9                           |
| 2016-Jan   | 1.1   | 0.4   | 1.4                            | 0.5                            |
| Feb        | 0.4   | 1.4   | 0.4                            | 0.2                            |
| Mar        | 0.7   | 2.1   | 0.5                            | 0.2                            |
| Apr        | 0.9   | 0.0   | 0.3                            | 0.3                            |
| May        | 0.5   | 2.9   | 0.6                            | 0.2                            |
| Jun        | 1.1   | -0.8  | 0.1                            | 0.2                            |
| Jul        | -0.1  | 1.0   | 0.0                            | 0.1                            |
| Aug        | -1.1  | 0.4   | 0.3                            | 0.3                            |
| Sep        | -1.1  | 1.5   | 0.1                            | 0.3                            |
| Oct        | 0.1   | 0.5   | 0.1                            | 0.1                            |
| Nov        | 2.3   | 1.0   | 0.4                            | 0.3                            |
| Dec        | 1.7   | -0.3  | 0.1                            | 0.2                            |
| 2017-Jan   | 1.7   | 0.2   | 1.2                            | 0.3                            |
| Feb        | 2.4   | 2.1   | 0.1                            | 0.4                            |
| Mar        | 2.9   | 1.4   | 0.4                            | 0.2                            |
| Apr        | 1.2   | -1.4  | 0.2                            | 0.4                            |
| May        | 0.3   | 0.6   | 0.1                            | 0.2                            |
| Jun        | -0.7  | 1.8   | -0.1                           | 0.2                            |
| Jul        | -0.6  | -0.4  | 0.1                            | 0.2                            |
| Aug        | -1.3  | 1.9   | 0.3                            | 0.0                            |
| Sep        | -0.4  | 1.9   | 0.3                            | 0.0                            |
| Oct        | -0.3  | 0.2   | 0.0                            | 0.0                            |
| Nov        | 0.8   | 1.4   | 0.1                            | 0.3                            |
| Dec        | 0.5   | 0.0   | 0.1                            | 0.1                            |
| 2018-Jan   | 1.8   | 0.3   | 0.3                            | 0.3                            |
| Feb        | 1.5   | 0.4   | 3.7                            | 0.9                            |
| Mar        | 2.2   | 3.3   | 0.6                            | 0.1                            |
| Apr        | 0.3   | 2.3   | 0.6                            | 0.2                            |
| May        | -0.5  | 3.0   | 0.7                            | 0.3                            |

Source: National Bureau of Statistics





## 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 overdrafts to the Government.

### **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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