



BANK OF TANZANIA



MONTHLY
ECONOMIC
REVIEW

September 2011

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1.0 Inflation Developments

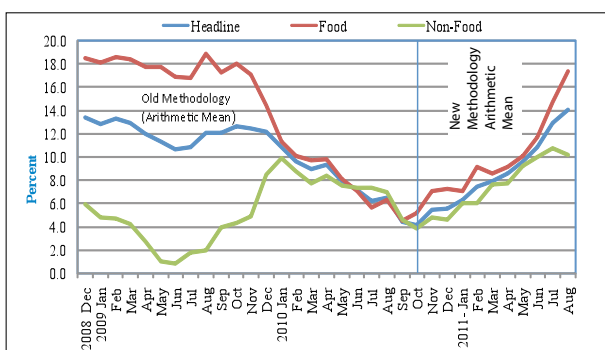
Annual headline inflation rose further to 14.1 percent in August 2011 from 13.0 percent recorded in July 2011, due to rise in food prices (Chart 1.1). On the other hand, month-to-month headline inflation decreased to 1.4 percent in August 2011 from 1.5 percent recorded in the preceding month.

Annual inflation for food and non-alcoholic beverages was 18.6 percent in August 2011, up from 14.8 percent recorded in the preceding month, with most of the increase coming from the prices of rice, bread, pastry cook products, maize grains, wheat flour, cassava flour, pork meat, chicken, fish, fresh cow milk, fruits, vegetables, potatoes, cassava fresh and sugar. Likewise, month-to-month food inflation rose to 2.4 percent in August 2011 from 1.7 percent in July 2011.

Annual non-food inflation decreased to 10.2 percent in August 2011 from 10.8 percent in July 2011. This development was associated with the decline in prices of some items including clothing materials, kerosene, W, diesel, petrol, household utensils and appliances, passenger transport, internet, and accommodation services. Similarly, month-to-month non-food inflation declined to 0.4 percent in August 2011 from 1.5 percent recorded in July 2011.

Annual core inflation (excluding food and energy) decreased slightly to 7.3 percent in August 2011 from 7.4 percent in July 2011. Similarly, month-to-month core inflation fell to 0.4 percent in August 2011 from 0.7 percent in July 2011.

Chart 1.1: Annual Headline, Food and Non-food Inflation



Source: Bank of Tanzania

Food Supply and National Food Reserves

In August 2011, food supply in the country was generally satisfactory, except for some few districts¹ that experienced food shortages. Stocks of maize and sorghum held by the

¹Rorya, Igunga, Nzega, Muleba, Iramba, Pangani, Lushoto, Korogwe, Meatu, Same and Babati

National Food Reserve Agency (NFRA) were 155,348 tons in August 2011 from 139,404 tons in July 2011, reflecting the purchase of 25,018.7 tons by NFRA (Table 1.1). Meanwhile, 9,074.1 tons of maize were sold to prisons and areas facing food shortages. Cumulative from July 2011, the Government through NFRA sold a total of 27,659.9 tons, out of which 953.9 tons were sold to prisons, 16,246.1 tons to Disaster Relief Coordination Unit in the Prime Minister's Office and 10,459.9 tons to private traders.

Table 1.1: National Food Reserve Agency (NFRA) Stock

Period	In Tons					% Change 2010-2011
	2007	2008	2009	2010	2011	
January	112,343	139,765	128,919	66,267	220,035	232.0
February	117,838	133,898	125,430	64,461	226,281	251.0
March	121,046	119,022	124,252	60,694	224,355	269.6
April	125,509	94,509	122,849	53,821	215,662	300.7
May	128,350	79,369	109,876	50,312	191,419	280.5
June	128,804	76,649	94,699	48,248	165,216	242.2
July	129,306	75,438	88,841	47,143	139,404	195.7
August	125,653	83,131	93,231	90,519	155,348	71.6
September	131,937	102,225	110,278	138,694		
October	143,717	114,464	107,177	180,803		
November	142,624	122,209	86,542	197,747		
December	142,044	129,253	77,644	210,895		

Source: National Food Reserve Agency

On month-to-month basis, average wholesale prices for all crops increased in August 2011 except for maize and sorghum. On annual basis, a similar trend was observed on prices for all crops (Table 1.2).

Table 1.2: National Average Wholesale Prices for Selected Food Items

Items	2010 August	2011		Percentage change	
		July	August	July to Aug-11	Aug-10 to Aug-11
Maize	28,187.0	44,639.0	41,994.4	-5.9	49.0
Rice	83,443.0	120,480.0	121,561.1	0.9	45.7
Beans	96,220.0	112,420.0	116,223.2	3.4	20.8
Sorghum	43,786.0	59,133.0	53,589.2	-9.4	22.4
Potatoes	49,185.0	3,053.0	57,021.3	7.5	15.9

Source: Ministry of Industry, Trade and Marketing

2.0 Monetary and Financial Markets Developments

Money Supply and Credit Developments

In August 2011, annual growth of money supply (M3) was 21.4 percent, down from 26.4 percent recorded in the corresponding period in 2010. This outturn was driven mainly by a slowdown in the growth of the net foreign assets (NFA) of the banks and net government borrowing from the banking system, which more than offset the impact of the increase in bank's credit to the private sector (Table 2.1 and Chart 2.1).

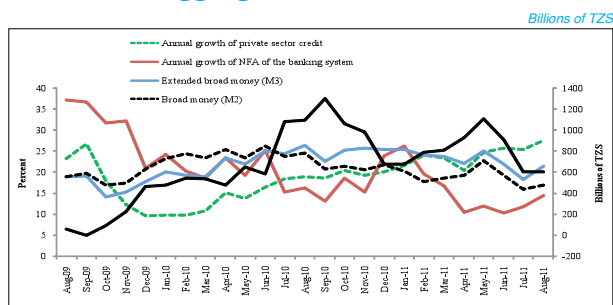


Table 2.1: Sources and Uses of Money Supply

	Billions of TZS											
	Outstanding Stock			Monthly Change			Annual Change			Annual Growth Rate (%)		
	Aug-10	Jul-11	Aug-11	Aug-10	Jul-11	Aug-11	Aug-10	Jul-11	Aug-11	Aug-10	Jul-11	Aug-11
Net Foreign Assets of the Banking System	5,454.0	5,982.7	6,283.6	118.0	175.4	300.9	751.5	646.8	829.7	15.3	12.1	15.2
Bank of Tanzania	4,227.5	4,531.6	4,897.1	160.8	497.7	365.5	379.2	465.1	669.9	9.9	11.4	15.8
Net International Reserves (Millions of USD)	3,160.9	3,980.9	3,396.9	-69.1	-52.5	166.0	-27.8	-29.1	190.0	-2.3	-1.2	6.2
Banks	1,226.7	1,451.1	1,138.5	-42.8	265.1	-64.6	352.3	181.6	159.8	40.3	14.3	13.0
Banks' NFA (Millions of USD)	834.2	924.5	864.0	-84.2	170.1	-60.3	162.5	6.1	29.8	24.2	0.7	3.6
Net Domestic Assets of the Banking System	5,087.5	6,128.9	6,475.3	160.1	-21.8	346.4	1,463.8	1,251.5	1,417.8	40.7	25.1	28.0
Domestic Claims	6,855.2	8,644.4	9,018.4	212.6	164.8	374.0	1,996.7	2,001.8	2,163.2	41.1	30.1	31.6
Claims on Central Government (net)	1,183.2	1,701.7	1,187.1	82.3	82.0	85.5	1,096.5	600.7	603.9	-	-	-
Claims on Central Government	4,023.8	4,112.1	3,962.0	17.3	24.8	-150.1	1,261.4	105.6	-61.8	45.7	2.6	-1.5
Gov Securities held by banks	2,343.2	2,348.3	2,272.1	175.9	-98.0	-76.1	815.4	100.8	-71.2	33.4	8.3	-3.0
Liabilities to Central Government	2,840.6	2,410.4	2,174.9	-64.9	-57.1	-235.5	164.8	-495.1	-665.7	6.2	-17.0	-23.4
Claims on Other Sectors	5,672.0	6,942.7	7,231.3	130.4	82.8	288.6	900.2	1,401.1	1,559.3	18.9	25.3	27.5
Gov Extended in Shillings	3,862.5	4,687.4	4,851.5	62.7	92.0	164.1	488.8	857.7	980.0	14.5	23.4	25.6
Extended in Foreign Currency	1,809.5	2,255.3	2,379.8	67.7	-12.2	124.5	411.4	513.4	570.3	29.4	29.5	31.5
(Equivalent to USD)	1,230.3	1,436.4	1,482.9	-29.7	-5.5	46.1	136.5	176.7	232.4	14.6	14.0	20.3
Extended Broad Money Supply (M3)	10,511.4	12,111.6	12,598.9	278.1	153.7	647.3	2,195.3	1,878.3	2,247.5	26.4	18.4	21.4
Foreign Currency Deposits (FCD) in National Currency	2,779.2	3,346.1	3,713.3	104.1	86.8	367.3	671.9	671.0	934.2	31.9	25.1	33.6
FCD in Millions of USD	1,899.8	2,131.7	2,313.8	-45.5	38.5	182.1	271.2	196.4	424.0	16.8	10.7	22.4
Broad Money Supply (M2)	7,322.3	8,365.5	9,045.6	174.0	66.9	280.0	1,523.4	1,207.3	1,313.3	24.5	16.0	17.0
Non-transferable Deposits in National Currency	3,385.7	3,818.7	3,914.1	106.1	47.2	95.4	610.7	539.2	528.4	22.0	16.4	15.6
Narrow Money Supply (M1)	4,346.6	4,946.8	5,131.4	67.8	19.6	184.7	912.8	668.1	784.9	26.6	15.6	18.1
Currency in Circulation	1,880.2	2,160.5	2,279.3	67.0	79.4	118.8	336.9	347.7	390.1	21.8	19.2	21.2
Transferable Deposits in National Currency	2,466.3	2,786.3	2,852.2	48.8	-69.7	-65.9	575.9	320.8	385.8	20.3	13.0	15.6
Memorandum Items												
Net Claims on Central Government/Domestic Credit (%)	17.3	19.7	19.8									
Claims on Private Sector/Domestic Credit (%)	82.7	80.3	80.2									
FCD/M3 (%)	26.4	27.6	29.1									
Nominal Exchange Rate (End of Period) (TZS/USD)	1,470.6	1,569.7	1,604.8									
Gross Official Reserves (Millions of USD)	3,507.9	3,557.3	3,225.2									
Foreign Assets of Banks (Millions of USD)	988.9	1,072.2	1,019.6									
Gross Foreign Assets of Banking System (Millions of USD)	4,496.8	4,629.5	4,744.8									

Source: Bank of Tanzania

Chart 2.1: Trend in Selected Monetary Aggregates



Source: Bank of Tanzania

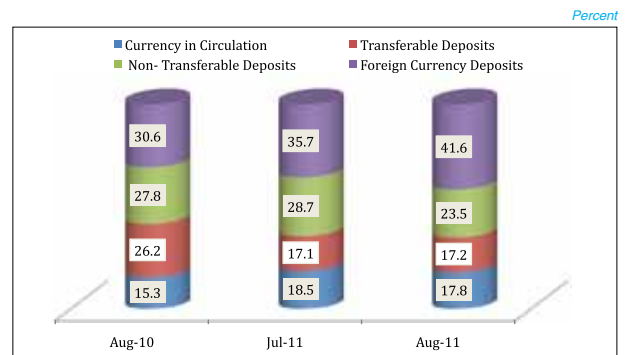
The net increase in private sector credit during the year ending August 2011 was TZS 1,559.3 billion compared with TZS 900.2 billion recorded in the year ending August 2010. This translated into an annual growth of 27.5 percent in August 2011, up from 18.9 percent in August 2010 and 25.3 percent in July 2011. Banks' credit to building and construction, hotels and restaurant, and trade activities grew faster consistent with the expansion of these activities. In contrast, there was a contraction in lending to manufacturing and transport and communication activities during the same period. In terms of share to total outstanding loans extended by banks, personal loans continued to account for the largest share, followed by trade, agriculture and manufacturing activities.

It is imperative to note that financial sector intermediation continued to improve in the recent months, as indicated by the ratio of commercial banks' private sector credit to GDP of 22.4 percent in August 2011, up from 17.6 percent recorded in the corresponding period in 2010. Meanwhile the ratio of private sector credit to deposits was 69.0 percent compared with 65.7 percent in the same period, whereas, the ratio of money supply (M3) to GDP increased to 39.5 percent from 32.5 percent in the year ending August 2010.

In terms of composition of money, the slow growth in money supply happened mostly in non-transferable and transferable deposits whose annual growth declined to 15.6 percent

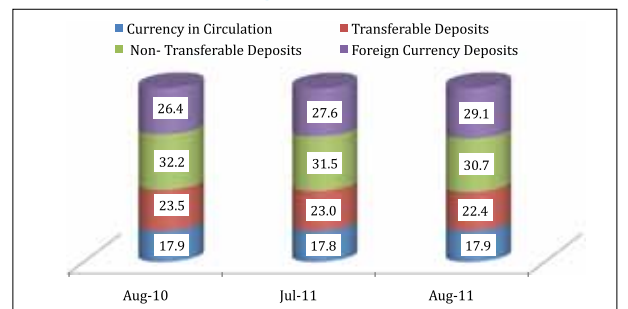
each, from 22.0 percent and 30.5 percent recorded in the year ending August 2010, respectively. This led to the decline in their contributions to annual change in M3 (Chart 2.2). The slowdown in the growth of shilling deposits was mirrored in the acceleration of the growth of foreign currency deposits, partly driven by nominal depreciation of the Shilling against US dollar. Accordingly, the share of non-transferable and transferable deposits to total money supply declined, while that of foreign currency deposits increased (Chart 2.3).

Chart 2.2: Annual Contribution to Change in M3



Source: Bank of Tanzania

Chart 2.3: Percentage Share to M3



Source: Bank of Tanzania

Interest Rates Developments

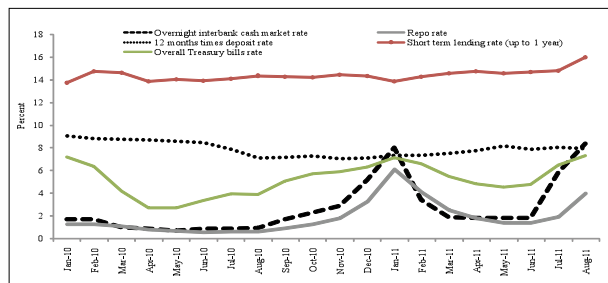
In August 2011, weighted average interest rates of the money market instruments trended upwards consistent with the liquidity squeeze experienced during the period. The overall Treasury bills yield increased to 7.30 percent, from 6.45 percent in July 2011 and 3.86 percent recorded in August 2010. Similar developments were also observed in the interbank cash market and repo rates as depicted in Chart 2.4.

Unlike money market rates, commercial banks' lending and deposits rates exhibited mixed trends, with those of deposits edging downwards and those of lending rising consistent with inflation. The overall lending rate rose to 15.79 percent in August 2011 compared with 15.71 percent in July 2011 and 14.35 percent in August 2010. Similar pattern was observed in one year lending rate which rose to 15.98 percent from 14.83 percent in July 2011 and 14.37 percent in August 2010. Conversely, overall time deposits rate fell to 6.30 percent in



August 2011 from 6.42 percent recorded in the preceding month, while 12-months deposits rate fell to 7.96 percent in August 2011 from 8.03 percent in July 2011.

Chart 2.4: Interest Rates Developments

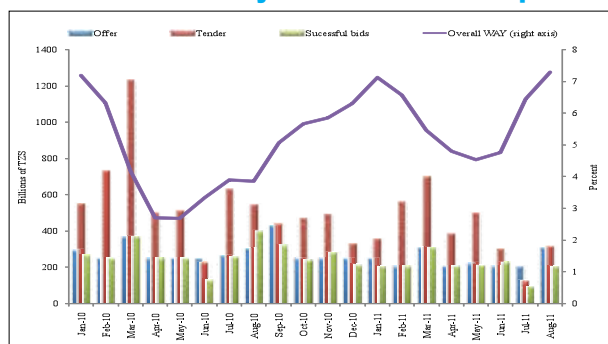


Source: Bank of Tanzania

Financial Markets Developments

In August 2011, the Bank conducted three auctions of **Treasury bills** and maintained the tender size of TZS 100 billion per auction as it was in the preceding months. In the first two auctions the market was undersubscribed in line with the liquidity squeeze experienced during the period. The third auction was oversubscribed by a wide margin, as liquidity position of banks improved mainly due to government outlays in favour of development projects and payment of civil servants salaries. During the month, Treasury bills worth TZS 249.9 billion matured, out of which TZS 158.6 billion were liquidity papers and TZS 91.3 billion were financing papers, (Chart 2.5).

Chart 2.5: Treasury Bills Market Developments



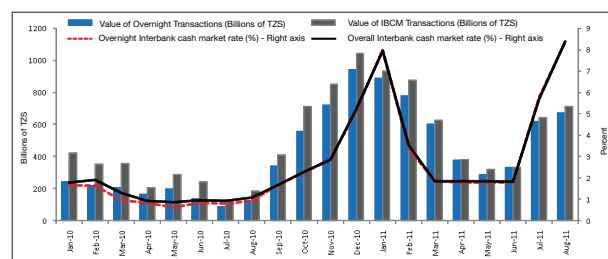
Source: Bank of Tanzania

The Bank also conducted two auctions of **Treasury bonds**, in which the first auction a 5-year bond worth TZS 40.0 billion was offered, and the market was undersubscribed by TZS 10.5 billion. The Bank intervened and accepted bond worth TZS 8.3 billion at cost value. In the second auction the Bank offered a 7-year bond worth TZS 20.0 billion, which was oversubscribed by TZS 6.2 billion, but quotations were by far different from what was prevailing in the secondary market. On account of this, the auction was cancelled.

Inter- bank Cash Market Developments and Repurchase Agreements

In August 2011, **Inter-bank Cash Market (IBCM)** experienced higher volume of transactions compared with the preceding months, reflecting the uneven distribution of liquidity among banks during the period. In line with these developments, the overall IBCM rate increased to 8.37 percent from 5.68 percent recorded in the preceding month. The recorded interbank rate is also significantly higher than 1.09 per cent recorded in August 2010. Total volume traded was TZS 712.1 billion in August 2011, with overnight placements accounting for about 84 percent. This amount is also significantly higher than TZS 184.5 billion traded in the corresponding month of 2010 (Chart 2.6).

Chart 2.6: Inter-bank Cash Market Development



Source: Bank of Tanzania

On the other hand, the Bank sold **Repos** worth TZS 186.0 billion in August 2011. The amount sold during the month was relatively lower than TZS 493.0 billion sold in the similar period in 2010, but slightly higher than TZS 61.0 billion sold in July 2011. Consequently, repo rate rose to 3.95 percent in August 2011 from 1.9 percent registered in July 2011.

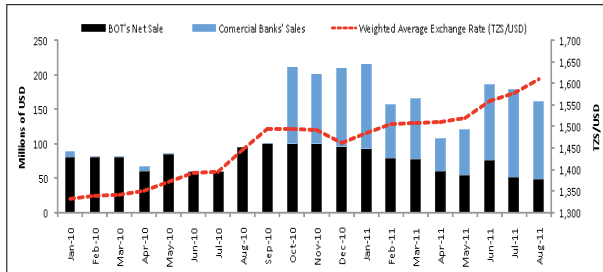
Inter- bank Foreign Exchange Market Operations

The Bank of Tanzania continued to sell foreign exchange in the **Inter-bank Foreign Exchange Market (IFEM)** to supplement other monetary policy instruments in managing liquidity in the economy. In line with liquidity developments in August 2011, the Bank sold USD 49.0 million, slightly lower than USD 52.0 million sold in July 2011. Beginning October 2010, participation of banks in the IFEM increased significantly, consistent with the rising import bill coupled with the portfolio change by banks in favour of credit to the private sector.

Notwithstanding the increase in participation of banks in the IFEM, the Shilling depreciated against the US dollar to a weighted average rate of TZS 1,609.69 per USD in August 2011 from TZS 1,578.03 per USD in July 2011. On annual basis, the Shilling lost value against USD by 10.2 percent from TZS 1,445.23 per USD in August 2010 (Chart 2.7).



Chart 2.7: Inter-bank Foreign Exchange Market Operations



Source: Bank of Tanzania

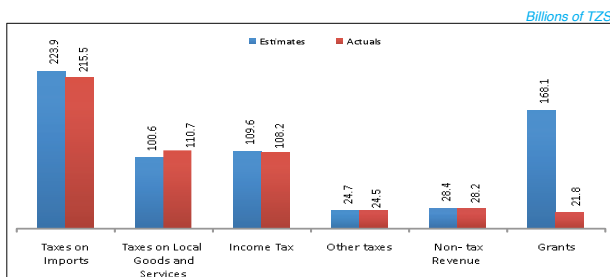
3.0 Government Budgetary Operations

During August 2011 **government budgetary operations** on cheques issued, registered a deficit of TZS 112.1 billion after adjustment to cash. Total domestic revenue and grants for the month under review amounted to TZS 508.8 billion while total expenditure excluding expenditure float amounted to TZS 911.4 billion.

Revenue collections (excluding Local Government Authorities own sources) was TZS 487.0 billion or 99.9 percent of the estimate in August 2011. Tax revenue collections in August 2011 amounted to 458.8 billion or 100.0 percent of the estimate. There was a good performance in all tax categories with taxes on local goods and services being 10 percent above the target. Improvement in tax collection is an indication of increased use of electronic fiscal devices and improvement in overall tax administration.

Cumulative, in the first two months of 2011/12, revenue collections excluding Local Government Authorities (LGAs) own sources, amounted to TZS 936.0 billion equivalent to 96.7 percent of the target. **Total grants** disbursed were TZS 31.7 billion, against the projection of TZS 336.2 billion. **Chart 3.1** depicts government resource performance by different categories.

Chart 3.1: Government Resources



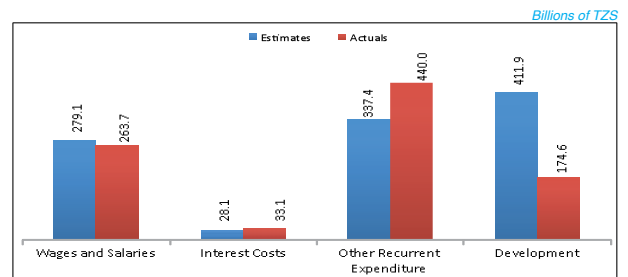
Source: Ministry of Finance

During the month under review, **total expenditure** amounted to TZS 911.4 billion or 86.3 percent of the estimate. Out of

the total, recurrent expenditure was TZS 736.8 billion and development expenditure was TZS 174.6 billion. The lower than planned spending was on account of slow pace of implementing development projects caused by either delay in disbursement of donor funds or finalization of procurement procedures.

Cumulative total expenditure for the first two months of 2011/12 amounted to TZS 1,428.2 billion or 66.2 percent of budget estimate, out of which recurrent expenditure was TZS 1,183.4 billion and development expenditure TZS 244.7 billion, equivalent to 84.0 percent and 32.8 percent of the budget estimates, respectively (**Chart 3.2**).

Chart 3.2: Government Expenditure



Source: Ministry of Finance

Total financing of fiscal operations in August 2011, amounted to TZS 112.1 billion, of which domestic financing was TZS 112.8 billion and a net foreign repayment of TZS 0.7 billion.

4.0 External Sector Performance

Balance of Payments

During the year ending August 2011, **current account** deficit widened by 30.4 percent to USD 3,621.2 million compared with a deficit recorded in the year ending August 2010. This development was mainly driven by the widening gap in goods account where the increase in the value of imported goods outweighed that of exports (**Table 4.1**).

As at the end of August 2011, gross official reserves amounted to USD 3,725.2 million, sufficient to cover about 4 months² of projected import of goods and services, while gross foreign assets of banks were USD 1,019.6 million. In total, gross foreign reserves of the banking system was USD 4,744.8 million.

²Import bill of goods and services is projected to be USD 948.4 million per month for the year ending June 2012



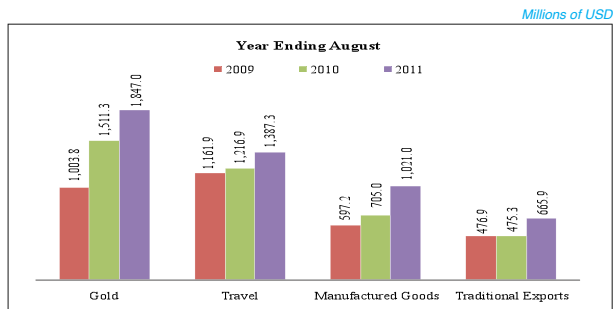
Table 4.1: Current Account Balance

Item	Millions of USD						% Change
	August		2011 ^P		Year Ending August (12 month total)		
	2009	2010	Jul	Aug	2010	2011 ^P	
Goods Account (net)	-260.9	-276.2	-578.0	-760.3	-3,385.7	-4,450.9	31.5
Exports	232.8	331.1	278.5	330.1	3,358.4	4,248.1	26.5
Imports	493.7	607.3	856.5	1,090.5	6,744.1	8,699.0	29.0
Services Account (net)	8.40	57.10	52.34	-2.7	237.0	274.5	15.8
Receipts	127.1	204.0	244.3	230.3	1,997.4	2,340.4	17.2
Payments	118.7	146.8	192.0	233.0	1,760.4	2,065.9	17.4
Goods and services (net)	-252.5	-219.1	-525.7	-763.0	-3,148.8	-4,176.4	32.6
Exports of goods and services	359.9	535.1	522.8	560.4	5,355.8	6,588.5	23.0
Imports of goods and services	612.4	754.2	1,048.5	1,323.4	8,504.5	10,764.9	26.6
Income Account (net)	-9.5	-7.3	-8.6	-14.6	-81.4	-61.5	-24.5
Receipts	5.3	15.4	13.1	11.5	149.5	201.7	34.9
Payments	14.8	22.7	21.7	26.0	230.9	263.2	14.0
Current Transfers (net)	19.1	66.9	1.6	1.2	452.2	616.7	36.4
Inflows	24.2	76.1	8.6	8.2	528.5	698.3	32.1
o/w General Government	15.8	67.8	0.0	0.0	418.6	596.1	42.4
Outflows	5.1	9.2	7.0	7.0	76.4	81.6	6.8
Current Account Balance	-242.9	-159.4	-532.7	-776.4	-2,778.0	-3,621.2	30.4

Note: P = Provisional
Source: Bank of Tanzania

Value of **export of goods and services** was USD 6,588.5 million compared with USD 5,355.8 million recorded in the year ending August 2010, largely attributed to the increase in gold prices in the world market, demand for manufactured goods in the neighbouring countries as well as the increase in unit prices of coffee and cashew nuts, export volume of tobacco and increase in the number of tourist arrivals. **Chart 4.1** provides a summary of export performance of the selected goods and services.

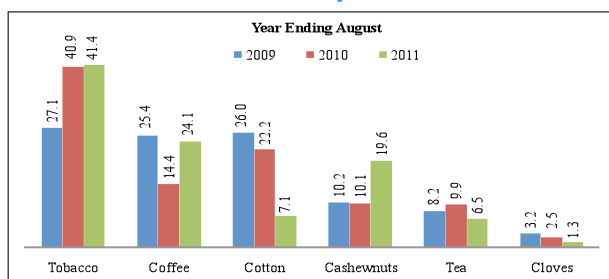
Chart 4.1: Performance of Selected Export of Goods and Services



Source: Bank of Tanzania

The improved performance in traditional exports was mainly attributed to the increase in volume and unit prices of coffee and cashew nuts and the export volume of tobacco. During the same period, export value of cotton declined significantly due to fall in production following unfavourable weather condition. **Chart 4.2** depicts the composition of traditional exports for the last three years.

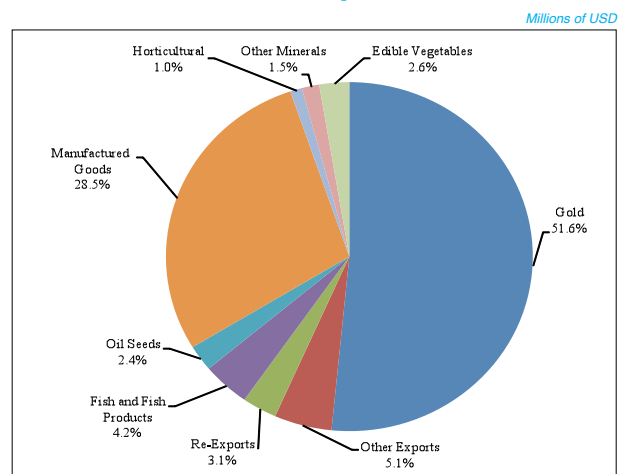
Chart 4.2: Percentage Composition to Total Traditional Exports



Source: Bank of Tanzania

The value of **non-traditional exports** was USD 3,582.8, being 24.3 percent higher than the amount recorded during the year to August 2010, of which gold and manufactured goods accounted for about 80 percent (**Chart 4.3**). Dominance of gold exports is largely attributed to the increase in gold prices in the world market while a rise in manufactured goods is explained by increased demand for manufactured goods particularly cement, textile apparels, edible oil, plastic items, iron and steel products, wheat flour as well as paper and paper products from neighbouring countries.

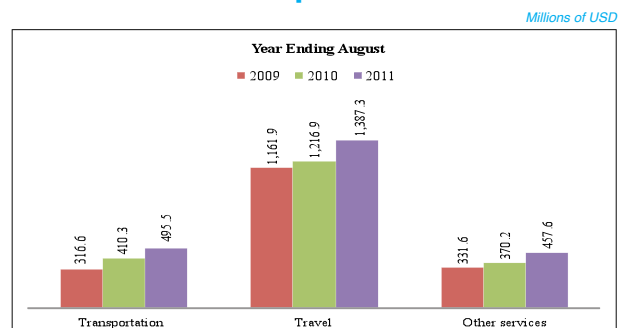
Chart 4.3: Percentage Share to Total Non-Traditional Exports



Source: Bank of Tanzania

During the year ending August 2011, **Services receipts** were USD 2,340.4 million compared to USD 1,997.4 million recorded during the year to August 2010. Much of the increase emanated from travel and transportation receipts that accounted for about 80 percent of total receipts. The improvement in travel receipts was largely due to increase in number of tourist arrivals which is partly associated with recovery of the global economy, while the good performance in transportation receipts is attributed to the increase in volumes of transit goods to and from neighbouring landlocked countries to the rest of the world. **Chart 4.4** depicts the performance of services receipt items for the past three years.

Chart 4.4: Services Export



Note: 'Other Services' include: Communication, Construction, Insurance, Financial, Computer Information, Government, Royalties, and Personal and Other business services.
Source: Bank of Tanzania



Import of goods and services was USD 10,764.9 million compared with USD 8,504.5 million recorded during the year ending August 2010, as all categories of goods import recorded increases compared to the levels reported in the preceding year. The value of oil imports significantly increased to USD 2,606.8 million, largely due to increase in oil prices in the world market. Likewise, the volume of imported oil went up to about 3.4 million tons compared with 3.2 million tons during the year ending August 2010 partly associated with increased demand for thermal power generation. **Table 4.2** and **Chart 4.5** show the performance of import sub-categories for the last three years.

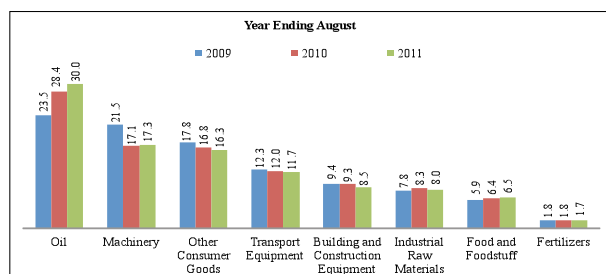
Table 4.2: Goods Import

Item	Millions of USD					
	2011 ^P			Year Ending August (12 month total)		
	Jul	Aug	% Change	2010	2011 ^P	% Change
Capital Goods	282.5	347.2	22.9	2,584.4	3,260.3	26.2
Transport Equipment	82.4	93.2	13.1	806.3	1,018.2	26.3
Building and Constructions	59.0	83.4	41.4	624.0	738.6	18.4
Machinery	141.1	170.6	20.9	1,154.1	1,503.6	30.3
Intermediate Goods	373.2	564.5	51.3	2,597.6	3,454.4	33.0
Oil imports	288.3	469.4	62.8	1,913.6	2,606.8	36.2
Fertilizers	29.3	26.6	-9.2	122.0	150.8	23.6
Industrial raw materials	55.5	68.6	23.5	562.1	696.8	24.0
Consumer Goods	200.8	178.8	-11.0	1,562.1	1,984.2	27.0
Food and food stuffs	62.9	38.9	-38.2	430.1	564.5	31.2
All other consumer goods ¹	137.9	139.9	1.4	1,132.0	1,419.7	25.4
Grand Total	856.5	1,090.5	27.3	6,744.1	8,699.0	29.0

Note: ¹ includes pharmaceutical products, paper products, plastic items, optical/photographic materials, textile apparels

Source: Bank of Tanzania and Tanzania Revenue Authority

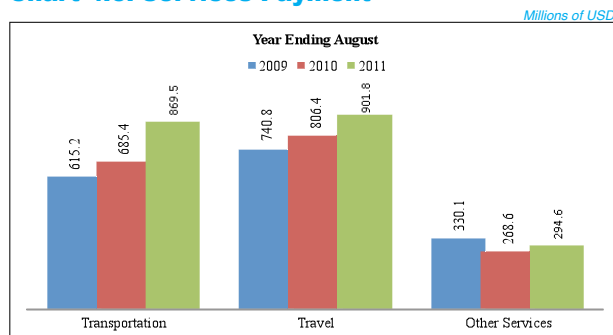
Chart 4.5: Percentage Share of Selected Items to Total Imports



Source: Bank of Tanzania

Services payment were USD 2,065.9 million, being 17.4 percent higher than the level recorded during the year ending August 2010, largely driven by the increase in payments of freight charges consistent with the increase in import of goods. **Chart 4.6** summarizes major services payments made in the past three years.

Chart 4.6: Services Payment



Note: ¹Other Services include: Communication, Construction, Insurance, Financial, Computer Information, Government, Royalties, and Personal and Other business services.

Source: Bank of Tanzania

World Commodity Prices

In August 2011, the world market prices of agricultural and non agricultural commodities showed mixed developments (**Table 4.3**). The prices of **coffee** (Robusta), **tea** (Average price) and **cotton** declined while the prices of coffee (Arabica) and cloves rose slightly. The decline in the price of **cotton** was caused by expectation of bumper harvest from China and India coupled with weak demand from textile manufacturers. Meanwhile, the prices of **tea** (Mombasa Auction) and sisal remained unchanged at USD 2.8 per kg and USD 1,500 per ton, respectively.

Prices of **crude oil** (Average, Dubai f.o.b) and **white petroleum products** slightly went down, mainly on account of the rise in oil inventories in the United States and slowdown in global economic performance. The price of **gold** increased by 11.8 percent to USD 1,757.0 per troy ounce as investors perceive gold to be a safe investment amid global economic slowdown.

During the year ending August 2011, the world market prices of agricultural and non agricultural commodities recorded notable increases. The increase in prices of **coffee** was largely attributed to the decline in supplies from Columbia, Brazil, Mexico, Vietnam, Panama, Kenya and India following unfavourable weather condition. The price of cotton rose largely due to high demand for cotton in China. The average price of **sisal** increased due to the rise in global demand for sisal. Similarly, the average price of cloves went up following high demand coupled with low production in Indonesia following outbreak of a clove disease.

The average prices of crude oil (Average, Dubai f.o.b) and white petroleum products went up following decline in oil inventories in the United States, coupled with the political instability in Middle East countries. Likewise, the price of **gold** went up by 27.6 percent to USD 1,448.1 per troy ounce mainly due to weakening of U.S dollar against other major currencies, which in turn increased the demand for gold as a safe investment.

Table 4.3: World Commodity Prices

Commodity	Unit	2011			%	Year ending August (12 Month Average)			%
		Jun	Jul	Aug		2009	2010	2011	
		Change				Change			
Robusta Coffee	USD per kg	2.60	2.49	2.47	-0.6	1.79	1.62	2.32	43.6
Arabica Coffee	USD per kg	6.06	5.91	5.95	0.7	2.98	3.75	5.82	55.1
Tea (Average price)	USD per kg	3.01	3.10	3.04	-2.0	2.44	2.91	2.99	3.0
Tea (Mombasa Auction)	USD per kg	2.71	2.80	2.80	0.0	2.26	2.67	2.68	0.5
Cotton, "A Index"	USD per kg	3.30	2.69	2.52	-6.5	1.32	1.78	3.57	100.7
Sisal (UG)	USD per metric ton	1,500.00	1,500.00	1,500.00	0.0	1,182.75	847.50	1,281.67	51.2
Cloves	USD per metric ton	10,150.00	12,750.00	12,798.00	0.4	3,825.60	4,552.15	7,534.73	65.5
Crude oil*	USD per barrel	113.73	107.92	100.49	-6.9	59.49	75.92	97.52	28.5
Crude oil**	USD per barrel	107.70	109.98	105.06	-4.5	59.31	75.22	98.03	30.3
White products***	USD per ton	993.33	1,022.31	979.85	-4.2	564.44	662.80	888.84	34.1
Jet/Kerosene	USD per ton	1,011.30	1,036.04	990.30	-4.4	578.87	670.50	909.09	35.6
Premium Gasoline	USD per ton	1,015.59	1,048.20	1,002.36	-4.4	553.73	694.52	918.65	32.3
Heat Oil	USD per ton	955.11	982.69	946.88	-3.6	560.71	623.37	838.79	34.6
Gold	USD per troy ounce	1,528.66	1,572.00	1,757.00	11.8	882.29	1,135.13	1,448.14	27.6

Note: *Average spot price of U.K Brent, Dubai and West Texas Intermediate

** f.o.b Dubai

*** West Mediterranean

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



5.0 National Debt Developments

Total debt stock increased to USD 12,131.8 million at the end of August 2011 from USD 12,112.8 million registered at the end of July 2011. The increase is mainly explained by conversion of Treasury bills held by the Bank of Tanzania for liquidity management purposes into financing and issuance of Treasury bonds to meet the increasing financing needs of the Government. Out of the total debt stock, external debt accounted for 80.2 percent and domestic debt 19.8 percent.

External debt stock decreased by USD 6.3 million to USD 9,725.4 million, with 81.6 percent being disbursed outstanding debt (DOD) and 18.4 percent interest arrears. The profile of external debt by creditor and borrower categories are summarised in Tables 5.1 and 5.2.

Table 5.1: Tanzania's External Debt Stock by Creditor Category

Creditor	Millions of USD					
	Aug-10	Share(%)	Jul-11	Share(%)	Aug-11	Share(%)
Multilateral	4,285.0	51.4	5,300.4	54.5	5,298.2	54.5
DOD	4,267.3	51.2	5,283.6	54.3	5,281.5	54.3
Interest Arrears	17.6	0.2	16.8	0.2	16.7	0.2
Bilateral	1,693.9	20.3	1,725.1	17.7	1,746.3	18.0
DOD	954.7	11.5	995.4	10.2	1,000.3	10.3
Interest Arrears	739.2	8.9	729.7	7.5	746.0	7.7
Commercial	1,451.3	17.4	1,780.5	18.3	1,756.3	18.1
DOD	838.0	10.1	1,084.8	11.1	1,079.0	11.1
Interest Arrears	613.3	7.4	695.7	7.1	677.3	7.0
Export Credits	902.3	10.8	925.6	9.5	924.5	9.5
DOD	600.2	7.2	575.5	5.9	573.4	5.9
Interest Arrears	302.1	3.6	350.1	3.6	351.1	3.6
External Debt Stock	8,332.5	82.6	9,731.7	100.0	9,725.4	100.0

Source: MOF and Bank of Tanzania

Table 5.2: Tanzania's External Debt Stock by Borrower Category

Borrower	Millions of USD					
	Aug-10	Share(%)	Jul-11	Share(%)	Aug-11	Share(%)
Central Government	5,596.6	67.2	6,888.7	70.8	6,881.2	70.8
DOD	4,870.0	58.4	6,150.7	63.2	6,144.2	63.2
Interest Arrears	726.6	8.7	738	7.6	737	7.6
Private Sector	1,786.7	21.4	1,846.3	19.0	1,845.0	19.0
DOD	1,246.9	15.0	1,229.8	12.6	1,228.5	12.6
Interest Arrears	539.8	6.5	616.5	6.3	616.5	6.3
Parastatal Companies	949.2	11.4	996.6	10.2	999.3	10.3
DOD	549.3	6.6	558.9	5.7	561.6	5.8
Interest Arrears	399.9	4.8	437.7	4.5	437.7	4.5
External Debt Stock	8,332.5	100.0	9,731.6	100.0	9,725.4	100.0

Source: MOF and Bank of Tanzania

In August 2011, disbursements amounting to USD 6.7 million were recorded, while external debt service amounted to USD 4.7 million of which USD 3.9 million was principal and USD 0.8 million interest payments.

Government domestic debt increased by TZS 124.6 billion to TZS 3,862.1 billion, from the level recorded at the end of July 2011. The increase was mainly on account of increasing financing needs that resulted into conversion of liquidity papers worth TZS 107.5 billion, in face value, into financing papers. Government bonds accounted for largest share of domestic debt followed by Treasury bills (Table 5.3).

Table 5.3: Government Domestic Debt by Instruments

	Billions of TZS					
	Aug-10	Share (%)	Jul-11	Share (%)	Aug-11	Share (%)
Government Securities	3,037.7	99.7	3,729.2	99.8	3,853.8	99.8
Treasury Bills	401.6	13.2	578.8	15.5	694.0	18.0
Government Stocks	257.9	8.5	257.1	6.9	257.1	6.7
Government Bonds	2,378.1	78.1	2,893.2	77.4	2,902.7	75.2
Tax Certificates	0.1	0.0	0.1	0.0	0.1	0.0
Other Gov't Debt	8.2	0.3	8.3	0.2	8.2	0.2
Mabiko Hostel	8.2	0.3	8.3	0.2	8.2	0.2
Others	0.0	0.0	0.0	0.0	0.0	0.0
Total Dom. Debt	3,046.0	100.0	3,737.5	100.0	3,862.1	100.0
Interest Arrears	0.2	0.0	0.0	0.0	0.0	0.0
Total Dom. Debt Stock	3,046.1	100.0	3,737.5	100.0	3,862.1	100.0

Source: MOF and Bank of Tanzania

Commercial banks are the leading investors in government debt, holding 46.8 percent of domestic debt followed by the Bank of Tanzania that accounted for 26.4 percent. Others are Pension Funds (18.3 percent), Insurance (5.4 percent), Non-Bank Financial Institutions (2.2 percent), BOT Special Funds (1.0 percent), Other Official Entities (0.5 percent), and private sector (0.4 percent).

Government domestic debt issued during the month amounted to TZS 108.5 billion, out of which, TZS 99.0 billion were Treasury bills, and TZS 9.5 billion Treasury bonds. A total of TZS 112.9 billion was due for payment, in which TZS 21.6 billion was paid out of government resources as interest, while principal amount of TZS 91.3 billion was rolled over.



6.0 Economic Developments in Zanzibar

Inflation Developments

Annual headline inflation increased slightly to 16.0 percent in August 2011 from 15.9 percent recorded in July 2011, mainly on account of the increased prices of non food items notably furnishing, household equipments and transport. Month-to-month headline inflation rate rose to 3.1 percent from 1.2 percent recorded in July 2011, mainly due to increase in prices of various food and non food items in the Month of Ramadhan (Table 6.1 and Chart 6.1).

Table 6.1: Annual Percentage change in Consumer Price Index (CPI)

Base: Dec.2005=100

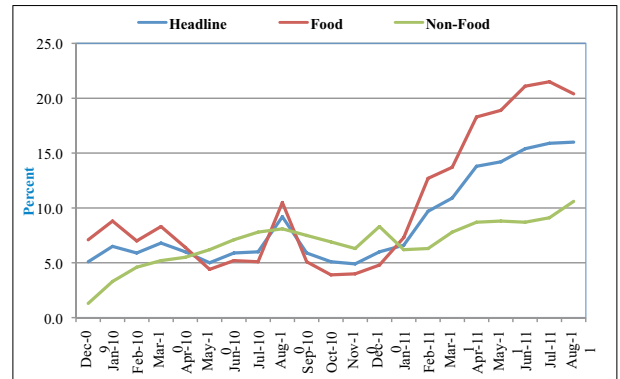
Major Commodity Group	Weight (%)	2009			2010			2011		
		Jun	Jul	Aug	Jun	Jul	Aug	Jun	Jul	Aug
Headline/Overall	100.0	8.1	5.3	5.1	5.9	6.0	9.2	15.4	15.9	16.0
Food	57.4	7.4	8.1	7.7	5.2	5.1	10.5	21.1	21.5	20.4
Non-Food	42.6	7.5	-0.1	-0.1	7.1	7.8	8.1	8.7	9.1	10.6
Alcoholic Beverages, Tobacco & Narcotics	0.6	16.9	10.3	11.2	27.2	31.5	34.2	18.2	5.3	3.2
Clothing & Footwear	6.2	5.2	5.7	6.3	4.7	4.4	6.3	11.3	11.2	17.7
Housing, Water, Electricity, Gas & Other	15.6	18.6	-2.1	-2.3	5.9	6.5	6.5	8.1	8.9	9.7
Fuels										
Furnishing, Household Equipment & Routine Household Maintenance	5.3	7.0	7.5	7.0	2.9	3.5	3.5	8.3	10.0	13.6
Health	2.1	6.1	6.6	6.1	10.6	10.7	10.5	19.6	23.9	23.9
Transport	3.4	-10.0	-15.3	-14.0	10.4	8.7	8.9	13.5	13.1	13.6
Communication	2.4	0.0	0.0	0.0	0.0	0.0	0.0	1.6	1.6	1.6
Recreation & Culture	0.4	4.3	4.7	4.7	3.7	3.1	8.8	6.1	12.5	9.8
Education	1.1	4.4	4.5	4.5	12.6	12.6	12.6	5.5	5.5	5.5
Restaurants & Hotels	3.1	8.1	10.5	9.5	17.6	22.3	22.3	9.2	7.4	7.4
Miscellaneous Goods & Services	2.4	5.1	12.4	13.9	3.6	3.4	4.3	-9.7	-8.4	-8.5

Source: Office of Chief Government Statistician (OCGS)

Annual food inflation declined to 20.4 percent from 21.5 percent recorded during the year ending July 2011, mainly on due to decline in relative prices of wheat flour, sugar, fish, bananas and coconuts. However, the month-to-month food inflation rose to 3.9 percent in August 2011 from 0.9 percent in July 2011, following sharp rise in prices of various food items, such as banana, cassava and fish during the month of Ramadhan.

Annual non-food inflation increased to 10.6 percent in August 2011, from 9.1 percent registered in the year ending July 2011, due to an increase in prices of furnishing, household equipments and transport. Similarly, the month-to-month non-food inflation rate rose to 1.8 percent from 1.6 percent recorded in July 2011 mainly on account of increase in the price of air travel fare associated with high tourist season during the month under review.

Chart 6.1: Annual Headline, Food and Non-food Inflation



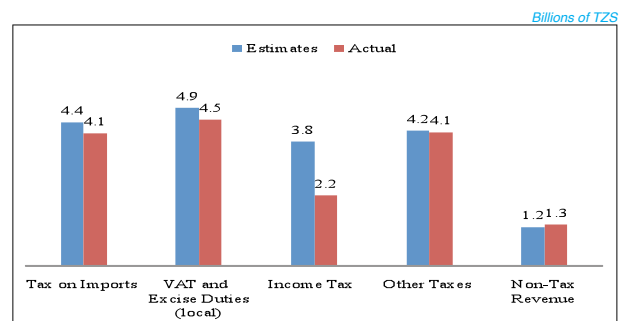
Source: Office of Chief Government Statistician (OCGS)

Government Budgetary Operations

In August 2011, **government budgetary operations** on cheques issued basis recorded a deficit after grants of TZS 6.3 billion and TZS 3.9 billion after adjustment to cash. The budget deficit was solely financed through foreign sources. Total resources during the month amounted to TZS 22.2 billion, above the target of TZS 19.9 billion, out of which domestic resources accounted for 72.5 percent, and the balance was grants. Total expenditure during the month under review reached TZS 28.6 billion, far below the estimate of TZS 47.2 billion.

Revenue amounted to TZS 16.2 billion, below the target by TZS 2.4 billion, out of which tax collections was TZS 14.9 billion, being below the target for the month by 13.9 percent, and the balance was non-tax revenue. Underperformance of revenue was mainly associated with lower collections of VAT and excise duty. The performance of revenue collection by sources is as shown in (Chart 6.2 and Chart 6.3).

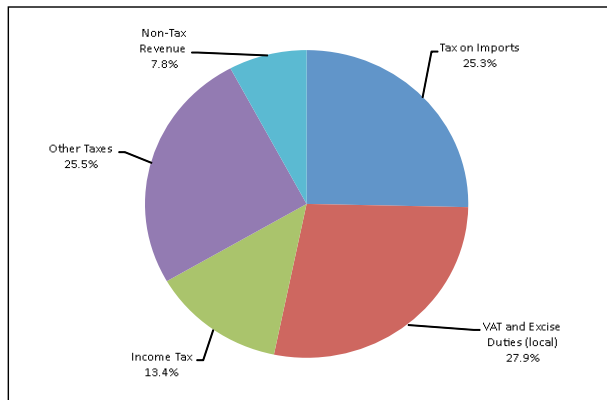
Chart 6.2: Government Revenue by Sources—August 2011



Source: Ministry of Finance and Economic Affairs, Zanzibar



Chart 6.3: Share of Government Revenue by Sources – August 2011

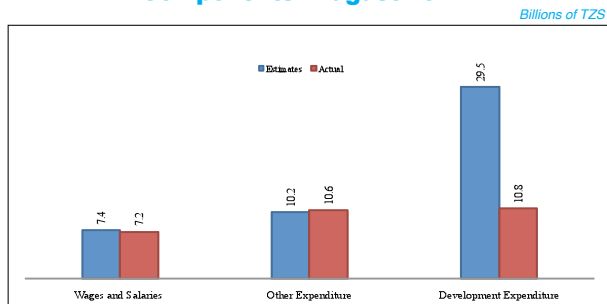


Source: President's Office-Finance, Economy and Development Planning (POFEDP), Zanzibar

Government expenditure amounted to TZS 28.6 billion, of which recurrent was TZS 17.8 billion, while the balance was development. Out of the total recurrent expenditure, wages and salaries amounted to TZS 7.2 billion, below monthly projection by 2.7 percent, while expenditure on other charges was TZS 10.6 billion, above target by 3.9 percent (Chart 6.4).

Development expenditure was TZS 10.8 billion below the target by TZS 18.7 billion, mainly on account of low outturn of donor disbursement in development projects. Government contribution to development expenditure amounted to TZS 0.7 billion, same as the target, while foreign funded component amounted to TZS 10.1 billion, compared to the target of TZS 28.8 billion.

Chart 6.4: Government Expenditure by Components – August 2011



Source: Ministry of Finance and Economic Affairs, Zanzibar

External Sector Developments

Zanzibar's current account for the year ending August 2011 recorded a deficit of USD 35.9 million, compared to a surplus of USD 0.7 million recorded during the year ending August 2010. This development emanated mostly from the increase in the value of import of goods and services that outweighed exports by USD 71.6 million (Table 6.2).

Table 6.2: Zanzibar Current Account Balance

Item	2010		2011p		Year Ending August		%Change	
	August	July	August	2010	2011p	Monthly	Annual	
Goods Account (net)	-6.5	-9.0	-6.6	-84.5	-99.8	-33.3	18.1	
Exports	4.3	0.6	4.3	21.5	15.0	...	-30.2	
Imports (fob)	10.8	9.6	10.9	106.0	114.9	13.5	8.4	
Services Account (net)	4.8	8.3	7.6	38.2	23.7	-8.4	-38.0	
Receipts	9.6	18.6	20.9	104.4	108.9	13.4	4.3	
Payments	4.8	10.3	13.2	66.1	85.1	29.4	28.7	
Goods and Services (net)	-1.7	-0.7	1.1	-46.3	-76.1	...	64.4	
Exports of Goods and Services	13.9	19.1	25.1	125.9	123.9	31.4	-1.6	
Imports of Goods and Services	15.6	19.8	24.1	172.1	200.0	21.7	16.2	
Income Account (net)	-0.2	-0.5	-0.8	-4.0	-4.7	6.0	17.5	
Receipts	0.1	0.1	0.1	0.7	0.7	0.0	0.0	
Payments	0.3	0.6	0.9	4.7	5.5	50.0	17.0	
Current Transfers (net)	4.2	0.7	3.8	50.9	45.0	...	-11.6	
Inflows	4.2	0.7	3.8	50.9	45.0	...	-11.6	
Outflows	0.0	0.0	0.0	0.0	0.0	
Current Account Balance	2.4	-0.6	4.1	0.7	-35.9	

Note: p = provisional, "..." implies large number

Source: Bank of Tanzania, TRA

Exports of goods and services amounted to USD 123.9 million in the year ending August 2011, compared with USD 125.9 million registered during the year ending August 2010; due to a decline in exports proceeds of goods (Table 6.3). However, service receipts increased by 4.3 percent from USD 104.4 million to USD 108.9 million largely due to increase in earnings from tourism related activities, specifically transportation of passengers and freights, travel, communication and insurance services.

Table 6.3: Zanzibar Goods Exports by Major Categories

Item	Units	2010		2011p		Year Ending August		%Change	
		August	July	August	2010	2011p	Monthly	Annual	
Traditional Clove									
Value	Millions	3.3	0.0	3.6	9.8	7.8	0.0	-20.4	
Volume	'000 Tons	1.0	0.0	0.3	2.8	1.4	0.0	-50.0	
Unit Price	USD/Ton	3362.6	0.0	12000.0	3493.6	5663.4	0.0	62.1	
Non-Traditional									
Seaweeds									
Value	Millions	0.2	0.4	0.4	2.9	2.6	0.0	-10.3	
Volume	'000 Tons	0.8	1.3	1.1	11.3	9.0	0.0	-20.4	
Unit Price	USD/Ton	276.6	286.5	374.5	256.5	294.6	30.7	14.9	
Manufactured Goods	Millions	0.3	0.1	0.1	4.0	2.5	0.0	-37.5	
Fish and Fish Produce	Millions	0.0	0.0	0.0	0.4	0.3	0.0	-25.0	
Others Exports	Millions	0.4	0.1	0.1	4.4	1.8	0.0	-59.1	
Sub-Total	Millions	1.0	0.6	0.7	11.7	7.2	16.7	-38.5	
Grand Total	Millions	4.3	0.6	4.3	21.5	15.0	0.0	-30.2	

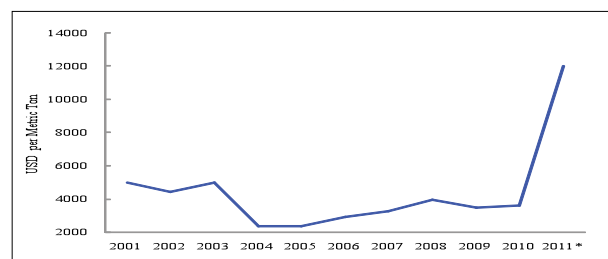
Note: P = provisional

Value in Millions of USD; Volume in '000 tons; unit price in USD per ton

Source: Bank of Tanzania, TRA

In August 2011, clove exports amounted to 300 tons valued at USD 3.6 million compared with 1,000 tons valued at USD 3.3 million exported in the similar period in 2010. Average export prices of cloves during the month rose sharply to USD 12,000 per ton from USD 3,362.6 per ton in August 2010 due to decrease in supply of cloves globally (Chart 6.5). Clove prices are expected to continue soaring in the world market in the medium term due to a sharp fall in clove production in Indonesian which is the leading clove producing country, on account disease outbreak.

Chart 6.5: Zanzibar Cloves average export Prices per ton, 2001-2011



Note: * Unit price per ton during August 2011.

Source: Zanzibar State Trading Corporation



Import of goods and services went up by 16.2 percent to USD 200.0 million in the year ending August 2011, from USD 172.1 million recorded in the corresponding period in 2010; mainly due to increase in the price of oil in the world market (Table 6.4).

Table 6.4: Zanzibar Imports by Major Categories

Import Category	Millions of USD							
	2010		2011p		Year Ending August		%Change	
	August	July	August	2010	2011p	Monthly	Annual	
Capital Goods	5.9	4.5	4.7	52.1	43.0	4.4	-17.5	
Transport Equipment	2.1	1.7	1.7	21.0	15.1	0.0	-28.1	
Building and Construction	0.7	1.4	0.6	9.0	9.7	-57.1	7.8	
Machinery	3.1	1.4	2.5	22.1	18.2	78.6	-17.6	
Intermediate Goods	4.4	3.8	6.0	42.4	62.5	57.9	47.4	
Oil imports	3.6	3.6	5.3	37.1	60.2	47.2	62.3	
Industrial raw materials	0.8	0.2	0.7	5.3	2.3	...	-56.6	
Consumer Goods	1.5	2.2	1.2	22.0	20.7	-45.5	-5.9	
Food and food stuffs	0.4	1.0	0.3	7.6	7.7	-70.0	1.3	
All other consumer goods	1.1	1.3	0.9	14.4	13.0	-30.8	-9.7	
Grand Total (e.i.g)	11.9	10.5	11.9	116.5	126.2	13.3	8.3	
Grand Total (f.o.b)	10.8	9.6	10.9	106.0	114.9	13.5	8.4	

Note: p = provisional
Source: Bank of Tanzania, TRA

Services account recorded a surplus of USD 23.7 million during the year ending August 2011 compared to a surplus of USD 38.2 million recorded in the corresponding period in 2010, largely due to increase in service payments that outweighed the increase in service receipts (Table 6.5).

Table 6.5: Services and Income Account

		Millions of USD							
		2010		2011p		Year Ending August		%Change	
		August	July	August	2010	2011p	Monthly	Annual	
A. Services Account	Net	4.8	8.3	7.6	38.2	23.7	-8.4	-38.0	
	Receipt	9.6	18.6	20.9	104.4	108.9	12.4	4.3	
	Payment	4.8	10.3	13.2	66.1	85.1	29.4	28.7	
B. Income Account	Net	-0.2	-0.5	-0.8	(4.0)	(4.7)	60.0	17.5	
	Receipt	0.1	0.1	0.1	0.7	0.7	0.0	0.0	
	Payment	0.3	0.6	0.9	4.7	5.5	50.0	17.0	

Note: p = provisional. "----"Implies large number
Source: Bank of Tanzania, Commercial Banks



STATISTICAL TABLES

Table A1: Selected Economic Indicators (Annual)

Item	Unit	2005 ^r	2006 ^r	2007 ^r	2008 ^r	2009 ^r	2010 ^P
1. National Accounts and Prices							
1.1 Change in GDP at Market Prices--Current Prices	Percent	14.3	12.4	16.8	18.3	13.8	14.5
1.2 Change in GDP at Market Prices--Constant 2001 Prices	Percent	7.4	6.7	7.1	7.4	6.0	7.0
1.3 GDP Per Capita--Current Prices ¹	TZS	441,152.1	478,051.4	546,955.7	630,577.1	693,185.4	770,727.4
1.4 GDP Per Capita--Current Prices ¹	USD	390.6	381.7	439.5	527.1	525.0	538.1
1.5 Change in Consumer Price Index (Inflation)	Percent	4.4	7.3	7.0	10.3	12.1	5.5
1.6 Saving to GNDI Ratio ²	Percent	8.7	8.5	7.1	12.5	-	-
2. Money Credit and Interest Rates*							
2.1 Change in Extended Broad Money Supply (M3)	Percent	38.2	22.0	20.5	19.8	17.7	25.4
2.2 Change in Broad Money supply (M2)	Percent	36.9	13.7	27.2	24.4	20.8	21.8
2.3 Change in Narrow Money Supply (M1)	Percent	33.7	9.8	29.1	21.9	13.7	25.9
2.4 Change in Reserve Money	Percent	27.7	16.8	24.9	21.1	32.2	16.2
2.5 Total Credit to GDP Ratio ¹	Percent	10.5	11.7	13.5	17.0	18.1	21.1
2.6 Private Sector Credit to GDP Ratio ¹	Percent	8.9	11.3	15.0	18.4	17.7	18.6
2.7 Ratio of Private Credit to Total Credit	Percent	84.6	96.3	111.3	107.9	97.5	88.1
2.8 Average Deposit Rate (12-Month) ³	Percent	6.2	8.3	9.3	8.9	8.9	8.0
2.9 Weighted Average Treasury Bill Rate	Percent	10.8	11.9	14.8	9.1	8.3	4.8
2.10 Average Long-Term Lending Rate ³	Percent	13.4	14.9	16.1	16.4	15.1	14.6
3. Balance of Payments							
3.1 Exports of goods (f.o.b)	Mill. USD	1,702.5	1,917.6	2,226.6	3,578.8	3,294.6	4,296.8
3.2 Imports of goods (f.o.b)	Mill. USD	-2,997.6	-3,864.1	-4,860.6	-7,012.3	-5,834.1	-7,125.1
3.3 Trade Balance	Mill. USD	-1,295.1	-1,946.5	-2,634.1	-3,433.5	-2,539.5	-2,828.3
3.4 Balance on Current Account	Mill. USD	-844.5	-1,173.8	-1,643.0	-2,595.4	-1,768.2	-1,853.4
3.5 Overall Balance	Mill. USD	-228.7	460.7	404.6	148.0	366.2	369.8
3.7 Gross Official Reserves	Mill. USD	2,049.5	2,136.9	2,724.3	2,872.6	3,552.5	3,948.0
3.8 Reserves Months of Imports (of goods and services)	Months	5.8	5.0	5.2	4.0	5.7	5.3
3.9 Exchange Rate:							
3.9.1 Annual Average	TZS/USD	1,129.2	1,253.9	1,239.5	1,196.8	1,320.3	1,432.3
3.9.2 End of Period	TZS/USD	1,165.5	1,261.6	1,132.1	1,280.3	1,313.3	1,453.5
4. Population (TZ Mainland)							
	Million	36.2	37.5	38.3	39.3	40.7	41.9
5. Public Finance							
5.1 Current Revenue to GDP Ratio ¹	Percent	12.5	14.1	15.9	16.2	15.3	
5.2 Grants to GDP Ratio ¹	Percent	5.9	4.9	5.0	4.4	4.6	
5.2 Current Expenditure to GDP Ratio ¹	Percent	15.7	16.1	14.9	17.7	18.3	
5.3 Development Expenditure to GDP Ratio ¹	Percent	7.9	6.9	7.9	7.7	8.6	
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	-10.3	-8.9	-7.4	-9.2	-11.5	
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	-4.4	-4.0	-2.4	-4.8	-6.5	
6. Total External Debt Stock							
	Mill. USD	8,229.5	4,660.8	5,846.4	6,999.4	7,846.7	
Disbursed Debt	Mill. USD	6,971.1	3,442.3	4,483.1	5,483.0	6,207.0	
Interest	Mill. USD	1,258.3	1,218.6	1,363.3	1,516.3	1,639.7	
Total External Debt as % of GDP	Percent	57.6	29.8	31.0	33.3	34.0	

Notes: ¹ Calculated on the basis of GDP at Market Prices--Current Prices

² GNDI stands for Gross National Disposable Income

³ Annual Average

P = Provisional, r = Revised

* Data have been revised after adoption of Standard Reporting Format (SRF)

Source: Bank of Tanzania Database and National Bureau of Statistics (Economic Survey, National Accounts)



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

Millions of TZS

Item	BUDGET 2011/12	2011/12				
		July Actual	July - August		August	
			Estimates	Actual	Estimate	Actual
Total Revenue (including LGAs) /1	7,126,448	448,982	1,026,073	935,968	516,447	486,986
Total Revenue	6,775,952	448,982	967,657	935,968	487,239	486,986
Tax Revenue	6,214,714	428,117	910,808	886,932	458,816	458,814
Taxes on Imports	2,712,660	208,417	447,756	423,899	223,940	215,483
Sales/VAT and Excise on Local Goods	1,327,071	90,683	197,124	201,333	100,581	110,650
Income Taxes	1,861,095	106,732	215,651	214,942	109,585	108,209
Other taxes	313,888	22,286	50,277	46,758	24,710	24,472
Non- tax Revenue	561,238	20,864	56,848	49,036	28,423	28,172
LGA Own Sources	350,497	0	58,416	0	29,208	0
Total Expenditure /2	12,639,939	582,307	2,156,040	1,428,164	1,056,497	911,443
Recurrent expenditure	7,714,330	508,727	1,409,667	1,183,447	644,635	736,826
Wages and salaries	3,270,292	262,882	558,123	526,585	279,088	263,703
Interest payments	308,696	1,217	35,954	34,326	28,102	33,108
Domestic	220,626	915	32,497	32,497	25,636	31,582
Foreign	88,070	303	3,456	1,828	2,466	1,526
Other goods, services and transfers	4,135,342	244,628	815,590	622,535	337,445	440,015
Dev. Expenditure and net lending	4,925,609	73,580	746,373	244,717	411,861	174,617
Local	1,871,472	45,855	237,350	196,349	157,350	150,493
Foreign	3,054,137	27,724	509,023	48,369	254,511	24,124
Balance before Grants	-5,513,491	-133,325	-1,129,967	-492,196	-540,050	-424,457
Grants	2,717,928	0	336,189	31,711	168,095	21,819
Program (CIS/OGL)	700,791	0	0	0	0	0
Project	1,148,878	0	270,856	0	135,428	0
Basket funds	392,000	0	65,333	0	32,667	0
MDRI/MCA(T)	476,259	0	0	31,711	0	21,819
Balance (cheq.issued) after Grants	-2,795,563	-133,325	-793,777	-460,485	-371,955	-402,638
Expenditure float	0	-178,673	0	-182,370	0	-3,697
Adjustments to cash and other items (net)	0	214,987	0	449,844	0	294,275
Overall Balance (cheques cleared)	-2,795,563	-97,011	-793,777	-193,011	-371,955	-112,060
Financing:	2,795,563	97,011	793,777	193,011	371,955	112,060
Foreign Financing (net)	2,410,440	23,514	242,331	9,450	85,261	-692
Loans	2,181,257	27,724	250,183	16,658	86,417	2,305
Program loans	168,623	0	0	0	0	0
Development Project loans	2,012,634	27,724	200,850	8,933	61,750	1,385
Basket Support	296,000	0	49,333	7,725	24,667	921
Amortization	-66,817	-4,210	-7,852	-7,208	-1,155	-2,998
Domestic (net) /3	385,123	73,497	551,447	183,561	286,694	112,752
Bank & Non Bank Financing (NDF)	393,360	73,497	551,447	183,561	286,694	112,752
Bank borrowing	393,360	84,685	551,447	167,471	286,694	85,475
Non-Bank (net of amortization)	0	-11,187	0	16,090	0	27,278
Borrowing/Roll over	810,902	0	113,182	113,182	87,274	113,182
Domestic & Contingent debt Amortization	-810,902	0	-113,182	-113,182	-87,274	-113,182
Domestic Amortization (Mabibo Hostel)	-8,237	0	0	0	0	0

GDP (In Million TZS) 393,360,000

Note: /1 Includes LGAs

/2 Exclude amortization and Expenditure Float, includes Road fund and Retention expenditures

/3 positive value means financing and a negative value means repayment

Source: Ministry of Finance and Bank of Tanzania



Table A3: Depository Corporations Survey (Provisional)

Billions of TZS

Item	Aug-07	Aug-08	Aug-09	Aug-10	Jun-11	Jul-11	Aug-11 ^P
Net foreign assets	3,761.6	3,441.2	4,722.5	5,454.0	5,828.1	5,982.7	6,283.6
Bank of Tanzania	3,182.5	2,875.9	3,848.1	4,227.3	4,642.3	4,531.6	4,897.1
Other Depository Corporations	579.2	565.3	874.4	1,226.7	1,185.9	1,451.1	1,386.5
Net domestic assets	2,093.9	3,553.3	3,593.6	5,057.5	6,129.7	6,128.9	6,475.3
Domestic claims	2,692.8	3,899.7	4,858.5	6,855.2	8,366.2	8,644.4	9,018.4
Claims on central government (net)	-85.3	26.3	86.5	1,183.2	1,503.5	1,701.7	1,787.0
Claims on central government	2,382.1	2,052.9	2,762.4	4,023.8	3,944.6	4,112.1	3,962.0
Liabilities to central government	2,467.3	2,026.6	2,675.7	2,840.6	2,441.1	2,410.4	2,174.9
Claims on non-government sector	2,778.1	3,873.4	4,771.8	5,672.0	6,862.8	6,942.7	7,231.3
Broad money liabilities	5,855.5	6,994.5	8,316.1	10,511.4	11,957.9	12,111.6	12,758.9
Currency outside depository corporations	1,156.4	1,366.9	1,543.7	1,880.2	2,081.1	2,160.5	2,279.3
Transferable deposits	2,226.1	2,751.4	3,122.0	4,158.6	4,717.6	4,753.4	5,093.1
Other deposits	2,473.0	2,876.2	3,650.8	4,472.5	5,159.2	5,197.7	5,386.6
Other items (net)	-599.0	-346.4	-1,264.9	-1,797.7	-2,236.5	-2,515.5	-2,543.1
Memorandum items:							
Monetary Aggregates							
Reserve money (M0)	1,751.1	2,222.9	2,887.3	3,427.1	3,785.5	3,903.6	4,054.9
Extended broad money (M3)	5,855.5	6,994.5	8,350.9	10,511.4	11,957.9	12,111.6	12,758.9
Deposits in foreign currency	1,789.3	1,777.3	2,141.7	2,779.2	3,259.3	3,346.1	3,713.3
(FCD) in millions of USD	1,402.3	1,525.9	1,645.1	1,889.8	2,073.2	2,131.7	2,313.8
Broad money (M2)	4,066.2	5,217.2	6,208.8	7,732.3	8,698.7	8,765.5	9,045.6
Other deposits in national currency (i.e. savings and time deposits)	1,636.4	2,118.2	2,775.0	3,385.7	3,771.5	3,818.7	3,914.1
Narrow money (M1)	2,429.8	3,099.0	3,433.8	4,346.6	4,927.2	4,946.8	5,131.4
Currency in circulation	1,156.4	1,366.9	1,543.7	1,880.2	2,081.1	2,160.5	2,279.3
Transferable deposits in national currency	1,273.4	1,732.1	1,890.5	2,466.3	2,846.0	2,786.3	2,852.2

Note: Data reflect new series based on the IMF's 2000 Monetary and Financial Statistics Manual.
P= Provisional

Source: Bank of Tanzania; and Fund's staff calculations



Table A4 : Interest Rate Structure

Item	Percent													
	2009 Dec	2010					2011							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug ^p	
A: Domestic Currency														
1. Interbank Cash Market Rates														
Overnight	1.46	0.93	1.68	2.27	2.87	5.19	7.99	3.40	1.86	1.80	1.80	1.81	5.79	8.35
2 to 7 days	1.64	1.13	1.44	2.35	2.77	5.90	6.73	4.70	1.96	1.91	2.21	2.21	2.76	8.67
8 to 14 days	1.72	0.95	1.52	2.86	2.86	2.86	2.86	2.00	2.40	2.00	2.00	2.00	2.00	8.73
15 to 30 days	3.25	1.10	3.00	3.00	2.75	2.75	2.75	4.25	4.25	4.25	4.25	4.25	4.25	4.25
31 to 60 days	3.43	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
61 to 90 days	5.00	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37	3.37
91 to 180 days	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
181 and above	5.47	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30
Overall Interbank cash market rate	1.57	1.09	1.65	2.29	2.86	5.26	7.93	3.54	1.86	1.84	1.84	1.81	5.68	8.37
2. Lombard Rate	4.55	1.16	1.94	2.20	3.45	6.23	9.58	4.08	2.23	4.21	3.43	2.17	6.94	10.02
3. REPO Rate	1.26	0.58	0.90	1.53	1.78	3.22	6.06	4.04	2.37	1.77	1.38	1.35	1.91	3.95
4. Treasury Bills Rates														
35 days	3.80	0.97	1.62	1.84	1.46	1.33	4.71	4.54	3.92	3.51	2.86	2.71	3.04	3.78
91 days	6.06	2.71	3.89	4.76	4.61	5.24	6.37	5.92	4.82	4.26	3.91	3.74	3.97	4.90
182 days	6.59	3.91	4.77	5.67	5.62	6.20	6.61	6.55	5.39	5.01	4.93	4.83	5.49	6.31
364 days	8.83	5.98	6.96	7.85	7.48	7.67	8.33	7.55	5.99	6.11	6.50	6.46	7.80	9.55
Overall Treasury bills rate	6.91	3.86	5.06	5.68	5.85	6.32	7.14	6.58	5.46	4.80	4.54	4.76	6.45	7.03
5. Treasury Bonds Rates														
2-years	10.89	8.88	9.82	9.82	9.67	10.4	10.35	8.65	8.65	8.13	8.13	8.05	8.05	8.05
5-years	13.45	9.70	9.70	10.44	10.44	11.6	11.58	10.27	10.27	10.65	10.65	10.75	12.46	12.46
7-years	14.15	10.85	10.85	11.88	11.88	11.88	12.27	12.27	12.02	12.02	12.26	12.81	12.81	12.81
10-years	16.73	11.68	13.00	13.00	13.59	13.59	13.84	13.84	14.15	13.69	13.69	13.69	12.64	12.64
6. Discount Rate or Bank Rate	3.70	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58
7. Savings Deposit Rate	2.83	2.58	2.57	2.56	2.51	2.43	2.46	2.70	2.66	2.41	2.40	2.39	2.39	2.44
8. Overall Time Deposits Rate	6.36	5.55	6.04	6.11	6.18	6.09	5.96	5.78	5.90	5.96	6.10	6.06	6.42	6.30
1 month	5.10	6.05	5.53	6.50	5.91	5.48	5.35	4.94	5.90	5.41	5.85	5.11	5.93	6.19
2 months	6.99	7.19	7.67	7.63	7.67	7.34	7.63	6.72	6.49	6.67	6.63	6.85	6.59	6.67
3 months	6.67	7.01	6.76	6.21	6.00	6.13	6.24	5.88	6.54	6.05	5.90	6.19	7.14	6.97
6 months	8.50	7.84	7.64	7.38	8.77	7.07	7.08	6.98	6.45	6.59	6.62	6.81	7.65	7.23
12 months	8.99	7.14	7.16	7.27	7.05	7.10	7.33	7.34	7.53	7.75	8.15	7.90	8.03	7.96
24 months	7.56	2.81	6.49	6.62	5.69	7.02	7.05	6.96	7.22	8.11	8.39	8.30	8.36	7.46
9. Negotiated Deposit Rate	9.94	8.58	9.33	9.60	8.76	8.45	8.87	8.50	7.86	7.44	7.38	7.44	7.40	9.28
10. Overall Lending rate	14.38	14.35	14.45	14.49	14.31	14.92	14.70	14.83	15.04	15.41	15.25	15.02	15.71	15.79
Short-term (up to 1year)	13.96	14.37	14.29	14.22	14.47	14.37	13.85	14.30	14.58	14.76	14.57	14.71	14.83	15.58
Medium-term (1-2 years)	15.01	15.14	15.23	15.46	15.65	17.58	17.44	17.73	17.93	18.76	18.55	17.90	17.42	17.32
Medium-term (2-3 years)	14.74	14.20	14.35	14.36	14.31	14.07	13.83	13.80	14.25	14.48	14.50	14.40	15.28	15.59
Long-term (3-5 years)	14.52	14.04	14.24	14.55	14.10	14.59	14.52	14.57	14.72	14.96	14.83	14.66	15.89	15.18
Term Loans (over 5 years)	13.67	14.00	14.26	13.85	13.00	14.00	13.84	13.73	13.70	14.10	13.81	13.42	15.12	14.88
11. Negotiated Lending Rate	13.18	14.00	13.80	13.71	13.65	13.33	13.88	13.32	13.34	13.32	13.48	13.81	13.75	13.98
B: Foreign Currency														
Deposits Rates														
Savings Deposits Rate	1.46	1.53	2.44	1.90	2.45	2.44	2.45	1.60	1.60	1.64	1.46	0.51	0.52	2.35
Overall Time Deposits Rate	1.68	2.23	2.43	1.94	2.36	2.45	2.45	1.94	2.02	2.13	1.98	1.31	1.31	2.60
1-months	1.40	1.73	1.97	1.68	1.80	2.00	2.00	1.41	1.35	1.42	1.65	1.58	1.58	2.60
2-months	1.64	2.00	2.41	1.85	2.44	2.00	1.99	1.10	1.61	1.76	1.65	1.44	1.33	2.77
3-months	1.00	2.34	1.78	1.94	1.96	3.32	3.32	2.16	2.27	2.50	2.28	0.88	0.92	2.26
6-months	1.94	1.93	3.25	2.00	3.26	2.78	2.78	2.50	2.43	2.67	2.33	1.07	1.06	2.50
12-months	2.42	3.16	2.76	2.23	2.32	2.17	2.17	2.51	2.45	2.28	2.01	1.59	1.64	2.85
Overall Lending Rate	9.03	8.98	9.26	9.17	9.82	9.05	9.05	8.74	8.33	8.41	8.51	8.26	8.36	8.34
Short-term (up to 1year)	3.86	4.51	5.79	5.57	5.65	5.63	5.62	5.89	3.80	3.46	3.96	3.55	6.03	6.04
Medium-term (1-2 years)	11.12	10.32	10.26	10.20	10.49	10.47	10.46	10.37	10.38	10.43	10.44	10.37	9.31	9.29
Medium-term (2-3 years)	10.26	9.38	9.44	9.47	9.90	9.43	9.42	7.23	7.24	8.66	8.67	7.82	9.03	9.03
Long-term (3-5 years)	10.29	11.32	11.30	11.11	12.89	10.17	10.17	10.12	10.13	10.05	10.05	10.04	8.47	8.45
Term Loans (over 5 years)	9.64	9.39	9.48	9.47	10.16	9.55	9.55	10.11	10.11	9.45	9.45	9.49	8.94	8.91

Note: The Lombard rate is based on the prevailing weighted average yield of 35-day T-bill, 7-days Repo or overnight inter-bank rate whichever is higher in the market plus 20% of the highest rate.

Source: Bank of Tanzania



Table A5(a): Exports by Type of Commodity

Item	2011		% Change Jul 11 - Aug 11	Year Ending August ^p (12 Month Total)		% Change
	Jul	Aug		2010	2011	
Traditional Exports:						
COFFEE						
Value	4.4	2.5	-42.8	68.3	160.6	135.2
Volume	1.2	0.8	-33.7	29.1	49.7	71.1
Unit Price	3,754.2	3,238.6	-13.7	2,350.0	3,230.7	37.5
COTTON						
Value	1.6	6.2	278.6	105.7	47.4	-55.2
Volume	1.8	4.3	145.7	93.1	35.0	-62.4
Unit Price	928.3	1,430.4	54.1	1,135.8	1,354.1	19.2
SISAL						
Value	0.0	0.0	0.0	0.0	0.0	0.0
Volume	0.0	0.0	0.0	0.0	0.0	0.0
Unit Price	0.0	0.0	0.0	0.0	0.0	0.0
TEA						
Value	3.1	2.8	-9.8	47.0	43.5	-7.4
Volume	1.7	1.5	-13.1	22.4	25.4	13.1
Unit Price	1,763.5	1,830.3	3.8	2,093.4	1,713.4	-18.2
TOBACCO						
Value	0.8	5.9	647.0	194.6	275.6	41.6
Volume	1.2	1.4	12.5	45.2	62.4	37.9
Unit Price	661.0	4,388.1	563.9	4,301.9	4,417.1	2.7
CASHEWNUTS						
Value	0.1	0.0	0.0	47.8	130.5	172.8
Volume	0.1	0.0	0.0	65.8	120.5	83.1
Unit Price	669.6	1,028.2	0.0	727.1	1,083.4	49.0
CLOVES						
Value	0.0	4.2	0.0	11.9	8.4	-29.6
Volume	0.0	0.3	0.0	3.4	1.4	-57.0
Unit Price	0.0	13,677.4	0.0	3,542.6	5,795.3	63.6
Sub Total	9.9	21.7	117.9	475.3	665.9	40.1
Non-Traditional Exports:						
Minerals						
Gold	149.3	180.9	21.2	1,556.8	1,901.8	22.2
Diamond	0.0	0.2	0.0	13.9	11.2	-19.6
Other minerals ¹	4.7	7.5	57.3	31.6	43.7	38.3
Manufactured Goods						
Cotton Yarn	57.3	72.4	26.3	705.0	1,021.0	44.8
Manufactured Coffee	0.1	0.2	58.0	11.7	7.7	-34.1
Manufactured Tobacco	0.1	0.1	50.3	1.7	0.9	-49.1
Sisal Products (Yarn & Twine)	1.2	1.9	66.8	8.8	16.6	88.9
Other manufactured Goods ²	0.9	0.9	-4.6	7.8	10.0	27.8
	55.0	69.3	25.9	675.0	985.9	46.1
Fish and Fish Products						
	10.0	10.5	5.3	137.9	151.0	9.5
Horticultural products						
	2.4	2.4	0.3	31.8	37.3	17.4
Re-exports						
	2.3	5.0	116.6	144.1	109.5	-24.0
Others Exports³						
	47.2	37.8	-19.9	307.5	362.2	17.8
Sub Total	268.5	309.1	15.1	2,883.1	3,582.8	24.3
GRAND TOTAL	278.5	330.8	18.8	3,358.4	4,248.8	26.5

Note: 1 Include tanzanite, rubbies, sapphires, emeralds, copper, silver and other precious stones
2 Include plastic items, textile apparels iron/steel and articles thereof
3 Include edible vegetables, oil seeds, cereals, cocoa, raw hides and skins, woods and articles thereof
p = Provisional data.
- = Small value
-- = Very big value
--- = Information not available
Totals may not add up due to rounding of numbers.
Volume in '000 Tons; Value in '000,000 USD; Unit Price in USD/Ton

Source: Bank of Tanzania, TRA



Table A5(b): Imports (f.o.b value) by Major Category

Millions of USD

Items	2011		% Change	Year Ending August ^P (2 Month Total)		% Change
	Jul	Aug	Jul 11 - Aug 11	2010	2011	
Capital Goods	282.5	347.2	1.6	2,584.4	3,260.3	26.2
Transport Equipments	82.4	93.2	16.6	806.3	1,018.2	26.3
Building and Constructions	59.0	83.4	-16.0	624.0	738.6	18.4
Machinery	141.1	170.6	3.4	1,154.1	1,503.6	30.3
Intermediate Goods	373.2	564.5	-19.5	2,597.6	3,454.4	33.0
Oil imports	288.3	469.4	-20.7	1,913.6	2,606.8	36.2
Fertilizers	29.3	26.6	-74.7	122.0	150.8	23.6
Industrial raw materials	55.5	68.6	-2.7	562.1	696.8	24.0
Consumer Goods	200.8	178.8	0.6	1,562.1	1,984.2	27.0
Food and food stuffs	62.9	38.9	12.5	430.1	564.5	31.2
All other consumer goods ¹	137.9	139.9	-2.7	1,132.0	1,419.7	25.4
Grand Total (f.o.b)	856.5	1,090.5	-8.4	6,744.1	8,699.0	29.0

Note: ¹It includes pharmaceutical products, paper products, plastic items, optical/photographic materials, textile apparels

^P = Provisional data

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania, TRA.



Table A5.(c): Tanzania's Balance of Payments (Revised)

	<i>Millions of USD</i>					
Item	2005	2006	2007	2008 ^r	2009 ^p	2010 ^p
A. Current Account	-862.8	-1,173.8	-1,643.0	-2,595.4	-1,768.2	-1,853.4
<i>Balance on Goods</i>	<i>-1,318.5</i>	<i>-1,946.5</i>	<i>-2,634.1</i>	<i>-3,433.5</i>	<i>-2,539.5</i>	<i>-2,828.3</i>
Goods: exports f.o.b.	1,679.1	1,917.6	2,226.6	3,578.8	3,294.6	4,296.8
Traditional	354.5	267.1	319.7	507.3	479.6	559.0
Non-traditional	1,324.6	1,476.2	1,704.5	2,604.7	2,376.1	3,177.3
o/w Gold	655.1	786.4	788.2	1,108.3	1,229.5	1,516.6
Unrecorded trade		174.3	202.4	466.8	438.9	560.4
Goods: imports f.o.b.	-2,997.6	-3,864.1	-4,860.6	-7,012.3	-5,834.1	-7,125.1
<i>Balance on Services</i>	<i>61.8</i>	<i>278.7</i>	<i>462.1</i>	<i>349.9</i>	<i>145.6</i>	<i>242.0</i>
Services: credit	1,269.2	1,528.1	1,875.7	1,998.8	1,854.6	2,091.5
Transportation	222.9	343.7	331.1	364.6	334.4	445.5
Travel	823.6	950.2	1,198.8	1,288.7	1,159.8	1,254.5
Other	222.7	234.1	345.8	345.4	360.4	391.5
Services: debit	-1,207.3	-1,249.3	-1,413.7	-1,648.9	-1,709.1	-1,849.6
Transportation	-319.5	-418.3	-485.0	-699.0	-604.9	-716.1
Travel	-553.8	-534.5	-595.3	-720.7	-766.2	-830.4
Other	-334.0	-296.6	-333.4	-229.1	-338.0	-303.0
<i>Balance on Goods and Services</i>	<i>-1,256.6</i>	<i>-1,667.8</i>	<i>-2,172.0</i>	<i>-3,083.6</i>	<i>-2,393.9</i>	<i>-2,586.4</i>
<i>Balance on income</i>	<i>-102.0</i>	<i>-94.7</i>	<i>-123.1</i>	<i>-121.7</i>	<i>-71.2</i>	<i>-90.9</i>
Income: credit	80.9	80.3	107.3	122.7	161.1	164.6
O/W: Investment Income	70.7	73.9	101.3	113.4	149.7	150.7
Compensation of employees	10.2	6.4	6.0	9.3	11.4	13.9
Income: debit	-182.9	-175.1	-230.4	-244.3	-232.4	-255.5
O/W: Direct Investment Income	-65.6	-97.1	-132.5	-99.2	-74.5	-72.0
Interest payments (scheduled)	-56.9	-27.8	-26.0	-65.3	-46.1	-36.9
Compensation of employees	-24.9	-23.4	-46.4	-54.5	-80.6	-109.3
<i>Balance on Goods, Services and Income</i>	<i>-1,358.6</i>	<i>-1,762.5</i>	<i>-2,295.1</i>	<i>-3,205.3</i>	<i>-2,465.2</i>	<i>-2,677.2</i>
<i>Balance on Current transfers</i>	<i>495.7</i>	<i>588.7</i>	<i>652.0</i>	<i>609.9</i>	<i>696.9</i>	<i>823.9</i>
Current transfers: credit	563.3	654.6	724.0	689.0	765.4	902.9
Government	477.9	559.7	626.9	588.5	658.4	798.1
o/w: Multilateral HIPC relief	75.7	42.1	0.0	0.0	0.0	0.0
Other sectors	85.4	94.9	97.1	100.5	106.9	104.8
Current transfer: debit	-67.5	-65.9	-71.9	-79.1	-68.4	-79.0
B. Capital Account	393.2	5,183.5	911.7	537.0	492.8	606.5
Capital transfers: credit	393.2	5,183.5	911.7	537.0	492.8	606.5
General Government	350.1	5,135.0	858.5	477.3	430.2	543.3
Project	238.0	173.3	335.5	477.3	430.2	543.3
Debt forgiveness (including MDRI)	112.1	4,961.7	523.0	0.0	0.0	0.0
Other sectors	43.1	48.6	53.2	59.8	62.6	63.2
Capital transfers:Debit	0.0	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-469.7	4,009.7	-731.4	-2,058.4	-1,275.4	-1,246.8
C. Financial Account, excl. reserves and related items	555.6	-4,081.6	853.3	1,621.0	1,328.2	1,587.8
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	494.1	403.0	581.5	400.0	414.5	433.4
Portfolio investment	2.5	2.6	2.8	2.9	3.0	3.2
Other investment	59.0	-4,487.3	269.0	1,218.1	910.7	1,151.2
Assets	-90.9	-187.6	34.1	181.7	-333.8	-75.2
Liabilities	150.0	-4,299.6	235.0	1,036.4	1,244.4	1,226.3
<i>Total, Groups A through C</i>	<i>85.9</i>	<i>532.6</i>	<i>282.7</i>	<i>585.4</i>	<i>313.4</i>	<i>28.8</i>
D. Net Errors and Omissions	-314.5	460.7	404.6	148.0	366.2	369.8
<i>Overall balance</i>	<i>-228.7</i>	<i>-460.7</i>	<i>-404.6</i>	<i>-148.0</i>	<i>-366.2</i>	<i>-369.8</i>
E. Reserves and Related Items	228.7	-126.5	-411.4	-147.0	-676.8	-395.4
Reserve assets	254.0	-334.2	6.8	-0.2	310.6	25.6
Use of Fund credit and loans	-50.5	0.0	0.0	0.0	0.0	0.0
Exceptional financing	25.1	0.0	0.0	0.0	0.0	0.0
Memorandum items						
GDP(mp) billions of TZS	15,965.3	17,941.3	20,948.4	24,781.7	28,212.6	32,582.9
GDP(mp) millions of USD	14,139.1	14,308.4	16,838.6	20,715.1	21,368.2	23,120.3
CAB/GDP	-6.1	-8.2	-9.8	-12.5	-8.3	-8.0
CAB/GDP (excl. current official transfers)	-9.5	-12.1	-13.5	-15.4	-11.4	-11.5
Gross Official Reserves	2,049.5	2,136.9	2,724.3	2,872.6	3,552.5	3,948.0
Months of Imports	5.8	5.0	5.2	4.0	5.7	5.3
Net International Reserves (year end)	1,702.5	2,121.4	2,706.6	2,855.1	3,221.6	3,591.6
Change in Net International Reserves	180.5	-418.9	-585.2	-148.4	-366.6	-326.7
Exchange rate (end of period)	1,165.5	1,261.6	1,132.1	1,280.3	1,313.3	1,453.5
Exchange rate (annual average)	1,129.2	1,253.9	1,244.1	1,196.3	1,320.3	1,409.3

Note: 1. Change in gross official reserves will not necessarily be equal to reserve assets since a new methodology of computing reserve assets which nets out the impact of valuation was introduced beginning January 2006

2. Annual data on goods export include adjustment for unrecorded cross border trade

r = Revised

p = Provisional

O/W = Of Which

Source: Bank of Tanzania



Table A6 (a): National Consumer Price Index (All - Urban), Percentage Change on the Previous Year - Old Version

Base: Dec.2001

Period Weight (%)	Headline (General Index)	Food	Non-Food													
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household	Household operations	Personal care & Health	Recreation & Entertain.	Transport- ation	Educ- ation	Miscel. goods & services		
	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2004	4.2	5.9	1.6	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	0.5	0.5	2.1	1.0	0.6	-0.5
2005	4.4	5.9	2.9	2.1	-0.5	-0.4	7.7	-1.1	0.5	3.5	3.5	3.5	-1.5	4.7	-0.1	-1.4
2006	7.3	7.0	7.6	7.7	7.0	5.5	8.5	7.8	2.0	11.2	11.2	11.2	5.0	9.1	2.5	8.0
2007	7.0	7.0	7.0	10.5	5.9	3.6	6.2	7.9	8.7	2.9	2.9	2.9	8.9	7.0	9.7	0.8
2008	10.3	12.7	6.7	8.2	1.5	2.4	10.7	6.0	3.2	5.0	5.0	5.0	5.5	6.9	7.0	1.8
2009	12.1	17.6	3.7	8.8	6.3	12.5	-1.5	6.1	5.2	6.8	6.8	6.8	9.2	0.1	10.1	3.3
2007 Jun	5.9	4.6	7.6	12.3	7.3	3.2	6.4	8.7	10.1	4.2	4.2	4.2	10.1	5.8	10.3	2.5
Jul	9.0	10.3	7.4	10.8	5.5	1.7	7.3	7.6	10.7	4.5	4.5	4.5	10.6	6.8	8.6	2.0
Aug	7.8	9.2	6.0	7.3	6.4	2.1	4.2	6.9	9.5	3.5	3.5	3.5	10.8	6.5	8.8	0.0
Sep	8.3	11.4	4.1	6.2	4.5	2.8	1.4	4.1	6.5	2.2	2.2	2.2	9.7	4.3	9.2	-0.8
Oct	7.1	8.4	5.1	7.0	5.4	2.8	3.8	4.6	5.8	1.6	1.6	1.6	10.5	5.6	7.8	0.3
Nov	7.3	7.5	6.5	10.0	5.2	2.8	6.8	6.6	4.8	2.1	2.1	2.1	7.6	6.2	7.8	1.7
Dec	6.4	6.6	6.1	10.3	2.5	2.8	8.0	6.2	3.0	1.9	1.9	1.9	6.1	5.4	6.8	0.8
2008 -Jan	8.6	10.1	6.4	10.4	1.1	2.4	10.1	4.9	3.6	3.7	3.7	3.7	5.9	5.7	5.6	2.1
Feb	8.9	11.4	5.3	10.2	0.3	2.4	6.8	4.1	2.9	3.4	3.4	3.4	4.0	4.9	5.6	1.8
Mar	9.0	11.2	5.8	9.1	1.0	1.7	8.3	4.9	2.9	3.1	3.1	3.1	4.0	4.9	5.6	1.0
Apr	9.7	11.6	6.9	8.6	1.1	2.1	11.3	4.9	2.8	3.3	3.3	3.3	4.2	7.6	6.1	1.5
May	9.1	11.0	6.5	7.5	1.1	2.1	11.7	5.1	2.5	3.9	3.9	3.9	4.2	6.0	6.4	0.4
Jun	9.3	11.4	6.3	7.7	0.9	2.1	10.6	5.5	2.8	4.0	4.0	4.0	4.0	6.7	6.3	0.4
Jul	9.5	11.2	6.8	7.9	1.3	3.5	12.0	5.4	2.0	4.9	4.9	4.9	4.4	6.0	7.2	1.8
Aug	9.8	11.1	7.8	8.6	-0.1	3.1	12.7	6.9	1.1	5.9	5.9	5.9	5.2	9.9	7.9	1.5
Sep	11.6	13.4	8.9	8.8	2.2	2.4	15.0	8.2	3.4	6.9	6.9	6.9	6.9	9.7	8.3	3.4
Oct	11.8	14.6	7.9	8.3	1.8	2.4	12.9	7.9	4	5.9	5.9	5.9	6.9	7.9	7.9	3.9
Nov	12.3	16.3	6.3	5.5	2.5	2.4	8.7	7.0	4.7	7.3	7.3	7.3	8.3	6.9	8.5	2.1
Dec	13.5	18.6	6.0	5.5	4.3	2.4	8.1	6.8	5.4	8.0	8.0	8.0	8.7	5.1	8.5	1.9
2009 -Jan	12.9	18.2	4.8	5.4	3.4	12.5	2.6	7.1	4.8	7.7	7.7	7.7	9.6	4.2	9.1	3.1
Feb	13.3	18.6	4.9	5.3	4.6	12.6	2.5	6.9	5.1	7.6	7.6	7.6	10.9	3.4	9.9	3.6
Mar	13.0	18.5	4.3	5.7	4.4	12.6	0.3	7.1	4.7	7.7	7.7	7.7	10.5	3.2	11.2	3.5
Apr	12.0	17.8	2.9	6.1	4.9	12.2	-4.1	7.3	4.6	7.5	7.5	7.5	9.2	0.4	10.8	5.6
May	11.3	17.8	1.3	6.6	5.0	12.2	-9.0	6.9	5.2	7.1	7.1	7.1	8.8	-1.0	10.3	4.1
Jun	10.7	17.0	1.0	6.8	7.2	12.2	-10.1	6.0	4.5	7.1	7.1	7.1	9.1	-2.0	11.4	3.8
Jul	10.9	16.9	1.9	9.9	8.5	12.6	-9.1	6.3	4.5	7.1	7.1	7.1	9.0	-1.9	11.7	3.8
Aug	12.1	18.9	2.0	10.9	9.8	12.6	-7.2	6.5	6.3	7.5	7.5	7.5	8.4	-4.9	10.3	5.0
Sep	12.1	17.3	4.0	11.3	8.1	12.6	-0.9	7.0	5.2	7.0	7.0	7.0	9.1	-2.0	9.5	3.1
Oct	12.7	18.1	4.2	12.1	6.3	12.6	0.5	5.8	5.8	7.0	7.0	7.0	8.5	-1.4	9.6	0.9
Nov	12.5	17.1	5.0	12.7	6.5	12.8	2.2	4.0	6.6	4.5	4.5	4.5	7.7	-0.8	9.1	1.8
Dec	12.2	14.5	8.5	12.2	6.6	12.8	14.3	2.6	4.9	3.2	3.2	3.2	9.3	3.8	7.8	1.1
2010 - Jan	10.9	11.3	10.1	12.1	5.3	2.6	23.3	3.5	6.0	3.7	3.7	3.7	7.5	3.3	7.5	1.0
Feb	9.6	10.1	8.8	11.5	4.5	2.6	20.3	1.6	4.7	4.9	4.9	4.9	3.4	3.4	6.0	-1.8
Mar	9.0	9.7	7.9	9.7	5.5	2.9	16.3	2.2	5.0	5.6	5.6	5.6	3.0	4.1	3.5	-2.0
Apr	9.4	9.8	8.6	10.1	3.6	2.8	19.9	1.7	4.7	5.8	5.8	5.8	4.4	5.4	2.9	-5.2
May	7.9	8.1	7.6	10.1	3.0	2.7	14.5	2.3	2.8	2.3	2.3	2.3	2.1	7.6	2.5	-5.0
Jun	7.2	7.1	7.4	9.6	0.8	2.7	15.4	2.9	3.1	5.0	5.0	5.0	1.6	8.0	0.9	-4.5
Jul	6.3	5.6	7.4	7.0	-0.7	1.7	19.5	2.1	3.1	1.7	1.7	1.7	0.6	7.0	-0.4	-4.8
Aug	6.6	6.3	7	7.2	0.6	1.9	16.5	2.6	4.9	3.9	3.9	3.9	0.4	7.4	0.3	-6.3
Sep	4.5	4.5	4.7	6.7	1.7	1.9	7.1	2.4	4.3	4.1	4.1	4.1	-0.7	5.6	0.0	-5.6

Source: National Bureau of Statistics





Table A6 (b): National Consumer Price Index, Percentage Change on the Previous Month (Month-on-Month) - Old Version

Base: Dec. 2001

Period	Headline (General Index)		Non-Food										Education	Miscel. goods & services
	Total	Food	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household	Household operations	Personal care & Health	Recreation & Entertain.	Transportation			
Weight (%)	100.0	55.9	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5	
2007-Jan	1.3	1.8	0.6	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6	
Feb	1.1	0.7	1.7	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9	
Mar	0.7	1.2	0.2	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	-0.5	0.4	0.9	
Apr	-0.1	-0.1	-0.1	-0.1	0.0	-0.9	0.2	0.3	0.3	-0.1	-0.1	0.1	-0.1	
May	0.6	-0.1	1.6	0.8	0.0	3.3	0.6	0.8	0.0	0.4	2.1	0.3	0.8	
Jun	0.1	-0.6	1.0	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.5	0.6	0.0	
Jul	0.1	0.1	0.2	-0.6	0.1	0.2	0.2	0.4	0.2	0.7	1.1	0.2	-0.7	
Aug	-0.9	-1.6	-0.2	0.4	0.4	-0.4	-0.4	-0.4	0.3	0.5	-0.3	0.8	-0.8	
Sep	0.6	1.7	-0.9	-1.1	0.7	-2.3	-1.1	-0.9	-0.3	-0.6	-0.7	0.5	-0.6	
Oct	0.4	-0.1	1.0	1.2	0.0	1.1	1.1	0.4	1.1	1.1	0.9	0.4	0.5	
Nov	1.1	1.5	0.6	0.1	0.0	0.0	1.0	-0.4	0.4	-0.8	0.4	0.0	0.8	
Dec	1.3	2.0	0.1	-0.8	0.0	-0.6	1.1	0.1	0.2	0.4	0.4	0.9	-0.3	
2008-Jan	3.4	5.2	0.9	0.0	0.4	1.9	0.7	0.7	0.8	0.9	0.7	1.3	0.7	
Feb	1.4	1.9	0.6	0.1	0.0	1.6	1.0	0.6	0.0	-0.1	0.4	0.0	0.6	
Mar	0.9	0.9	0.7	0.5	0.0	1.2	0.0	0.3	0.2	0.4	0.6	0.4	0.1	
Apr	0.5	0.3	1.0	0.1	0.4	1.8	0.2	0.8	0.5	0.6	1.4	0.7	0.4	
May	0.1	-0.6	1.2	0.8	0.0	3.6	0.8	0.4	0.5	0.4	0.5	0.6	-0.3	
Jun	0.2	-0.3	1.0	0.3	0.0	2.1	0.8	0.6	0.1	0.5	1.1	0.5	0.0	
Jul	0.3	-0.1	0.7	-0.2	1.5	1.5	0.1	-0.3	1.0	1.2	0.4	1.1	0.7	
Aug	-0.7	-1.6	0.7	-1.0	0.0	0.2	1.1	-1.3	1.2	1.2	3.4	1.4	-1.1	
Sep	2.2	3.7	0.1	1.1	0.0	-0.3	0.1	1.4	0.7	1.0	-0.9	0.9	1.3	
Oct	0.6	1.0	0.0	0.8	0.0	-0.7	0.8	1.0	0.2	1.0	-0.7	0.0	1.1	
Nov	1.5	3.1	-0.8	0.7	0.0	-3.7	0.2	0.3	1.7	0.5	-0.6	0.5	-0.9	
Dec	2.3	4.0	-0.2	1.0	0.0	-1.2	0.8	0.8	0.8	0.8	-1.3	0.9	-0.6	
2009-Jan	2.9	4.8	-0.2	-0.8	10.4	-3.3	1.0	0.2	0.5	1.8	-0.2	1.9	1.9	
Feb	1.7	2.3	0.6	1.2	0.1	1.5	0.9	0.9	-0.1	1.1	-0.4	0.7	1.0	
Mar	0.6	0.8	0.2	0.4	0.0	-0.9	0.2	-0.1	0.3	0.0	0.4	1.5	0.0	
Apr	-0.4	-0.3	-0.5	0.5	0.1	-2.6	0.4	0.7	0.3	-0.6	-1.3	0.3	2.4	
May	-0.5	-0.6	-0.4	0.8	0.0	-1.7	0.4	1.0	0.2	0.0	-1.0	0.1	-1.6	
Jun	-0.4	-1.0	0.7	2.4	0.0	0.9	0.0	-0.1	0.6	0.8	0.1	1.5	-0.4	
Jul	0.5	-0.2	1.6	1.0	1.8	2.6	0.4	-0.4	0.5	1.1	0.6	1.3	0.7	
Aug	0.4	0.1	0.9	0.1	0.0	2.4	1.2	0.5	1.6	0.6	0.2	0.1	0.1	
Sep	2.2	2.3	2.2	-0.4	0.0	6.4	0.5	0.3	0.2	1.6	2.1	0.2	-0.6	
Oct	1.1	1.6	0.2	-0.8	0.0	0.6	-0.2	1.6	0.2	0.5	0.0	0.2	-0.2	
Nov	1.4	2.2	-0.1	1.0	0.2	-2.1	-1.6	1.0	-0.7	-0.2	0.0	0.1	-0.1	
Dec	2.1	1.6	3.2	1.0	1.3	10.5	-0.6	-0.8	-0.4	2.3	3.2	-0.3	-1.3	
2010-Jan	1.7	1.9	1.2	-2.0	0.4	4.8	1.8	1.2	1.0	0.1	-0.7	1.6	1.9	
Feb	0.6	1.2	-0.4	0.4	0.1	-1.0	-0.9	-0.3	1.1	-2.8	-0.3	-0.7	-1.8	
Mar	0.1	0.5	-0.7	1.3	0.2	-4.2	0.8	0.2	0.9	-0.4	1.2	-0.8	-0.2	
Apr	-0.1	-0.1	0.1	-1.3	0.0	0.4	-0.1	0.5	0.5	0.8	-0.1	-0.3	-0.1	
May	-1.8	-2.1	-1.3	0.3	-0.1	-1.6	0.9	-0.8	0.0	-2.1	1.0	-0.2	1.4	
Jun	-1.1	-2.0	0.5	0.2	0.0	1.7	0.6	0.2	0.0	0.2	0.5	-0.1	0.2	
Jul	-0.4	-1.5	1.6	-0.4	0.8	6.2	-0.4	-0.4	0.2	0.1	-0.3	0.0	0.4	
Aug	0.7	0.8	0.6	1.4	0.8	-0.3	1.6	2.2	0.8	0.5	0.6	0.8	-1.5	
Sep	0.2	0.5	-0.2	0.7	0.0	-2.2	0.4	-0.2	0.5	0.5	0.4	-0.2	0.1	

Note: Base (1) 2001=100 up to 2005 (2) Dec 2001=100 from January 2006

Source: National Bureau of Statistics

Table A6 (i) : National Consumer Price Index (Urban & Rural), Percentage Change on the Previous Year (Main Groups)

September 2010 = 100

Period	Headline Overall Index	Food & Non Alcoholic Beverages (Exclude Food consumed at Restaurants)	Transport	Housing, Water, Electricity, Gas & Other Fuel	Furnishings, Housing Equipment & Routine Maintenance of House	Clothing & Footwear	Restaurants and Hotels	Miscel. Goods and Services	Alcoholic and Tobacco	Communication	Education	Recreation & Culture	Health
Weight (%)	100.0	47.8	9.5	9.2	6.7	6.7	6.4	4.5	3.3	2.1	1.7	1.3	0.9
2010 - Oct	4.2	5.2	-1.0	10.2	3.5	4.9	-1.5	4.6	4.1	1.2	-0.7	3.4	-1.4
Nov	5.5	7.1	0.1	14.4	4.6	4.7	-1.5	5.2	2.5	1.2	-2.1	3.2	-1.1
Dec	5.6	7.3	0.6	12.1	5.7	5.5	-1.4	4.4	2.0	0.8	-2.5	3.0	-1.2
2011- Jan	6.4	7.1	1.8	5.8	7.2	17.7	0.6	4.0	0.3	-0.2	3.5	2.2	2.9
Feb	7.5	9.2	0.3	11.1	13.9	8.6	3.9	1.1	3.0	-1.3	3.2	3.5	2.1
Mar	8.0	8.6	3.3	13.6	14.5	9.5	5.7	4.0	2.7	-1.8	2.8	3.8	1.4
Apr	8.6	9.7	3.9	13.4	13.6	9.4	5.2	3.4	5.6	-2.0	2.2	3.1	1.4
May	9.7	10.4	8.0	15.7	14.1	9.8	7.4	3.8	6.8	-2.2	3.1	2.4	2.1
Jun	10.9	12.3	8.4	18.8	14.4	9.8	6.7	2.8	5.8	-2.0	3.5	3.6	1.5
Jul	13.0	15.9	9.9	21.3	14.5	9.4	6.8	3.5	5.0	-1.4	4.2	3.1	1.6
Aug	14.1	18.6	8.8	19.7	13.9	9.4	8	3.5	5.2	-1.3	4.8	2.7	1.9

Source: National Bureau of Statistics

Table A6 (ii): National Consumer Price Index (Urban & Rural), Percentage Change on the Previous Year (Others Selected Groups)

September 2010 = 100

Period	Food & Non Alcoholic Beverages (Combining Food consumed at Home and Food Consumed in Restaurants)	Non-Food		
		Total Non-Food (All Items Less Food)	All Items Less Food and Energy	Energy and Fuels (Combining Electricity and Other fuels for use at Home with Petrol and Diesel)
Weight (%)	51.0	49.0	43.3	5.7
2010 - Oct	4.4	3.9	3.5	6.8
Nov	6.0	4.9	3.7	14.6
Dec	6.3	4.7	3.7	12.3
2011- Jan	6.7	6.1	4.4	19.1
Feb	8.6	6.1	5.2	13.0
Mar	8.3	7.7	6.3	17.2
Apr	9.7	7.8	5.7	22.1
May	10.1	9.3	7.1	24.5
Jun	11.7	10.0	7.2	29.0
Jul	14.8	10.8	7.4	34.2
Aug	17.4	10.2	7.3	30.1

Source: National Bureau of Statistics



GLOSSARY



Currency in Circulation Outside Banks

Notes and coins of Tanzanian shillings circulating outside the banking system, i.e. outside the Bank of Tanzania and deposit money banks.

Discount Rate also known as Bank Rate

The rate of interest the Bank of Tanzania charges on Loans it extends to Commercial Banks and overdrafts to government.

Exchange Rate

This is the price at which one unit of a currency can be purchased with another currency, e.g. TZS per US dollar.

Lombard Facility

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

Lombard Rate

This is the rate payable for the use of the Lombard Facility. The rate is based on the prevailing 35-days Treasury bill yield, 7-days REPO rate and overnight inter-bank rate, whichever is higher plus 20 percent of the highest rate.

Money Supply, M

The sum of currency circulating outside banks and Tanzanian residents' deposits with depository corporations, are defined at various levels of aggregation as money supply narrowly and broadly defined. That is, narrow money (M1), broad money (M2), and extended broad money (M3).

M1, Narrow Money

Consists of, currency in circulation outside banks and demand deposits of Tanzanian residents with depository corporations.

M2, Broad Money

Is equivalent to narrow money (M1) plus time and savings deposits of the Tanzanian residents with depository corporations.

M3, Extended Broad Money

Consists of, broad money (M2) plus foreign currency deposits of the Tanzanian residents with depository corporations.

Non-Food Inflation

This is a measure of price movements caused by factors other than food prices. It provides better indication of the effectiveness of monetary policy on inflation since price movements in these items are caused largely by monetary policy.

Other Depository Corporations

This consists of all resident financial corporations and quasi-corporations, except the central bank, whose principal activity is financial intermediation and which have liabilities in the form of deposits or financial instruments which are close substitutes for deposits in mobilizing financial resources and which are included in measures of money broadly defined (SNA 1993).

Repurchase Agreement (REPO)

These are agreements for the BOT to purchase/sale government securities from/to financial institutions at agreed rate for a specified period, with an understanding that the financial institutions will repurchase/resell the securities from/to the BoT at the end of the period.

Reserve Money (M0)

The Bank of Tanzania's liabilities in the form of: (1) currency in circulation outside the Bank of Tanzania and (2) deposit money banks' deposits with the Bank of Tanzania. Reserve money is also referred to as base money, or high-powered money.

Seasonally Adjusted Series

Seasonal movements or seasonal variations, refer to identical, or almost identical patterns, which a time series appears to follow during corresponding months or quarters of each year. Such movements are due to recurring events, which take place annually, e.g. the harvest season. Seasonally adjusted series are series that have been processed to remove the impact of seasonal factors.

Weighted Annualized Yields of Treasury Bills of all Maturities

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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