



BANK OF TANZANIA

Monthly Economic Review

April 2010

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1.0 Inflation Developments

Annual headline inflation rate decreased to 9.0 percent in March 2010 from 9.6 percent in February 2010 due to deceleration in both food and non-food inflation. The 3-month moving average annual headline inflation rate declined to 9.8 percent in March 2010 from 10.9 percent in February 2010. Meanwhile, the 12-month average annual headline inflation remained unchanged at 11.3 percent in March 2010 as was in the corresponding period a year before (April 2008 to March 2009). **Month-to-month headline inflation rate** decreased to 0.1 percent in March 2010 from 0.6 percent in February 2010 due to decline in both food and non food inflation (**Table 1.1 and Chart 1.1**).

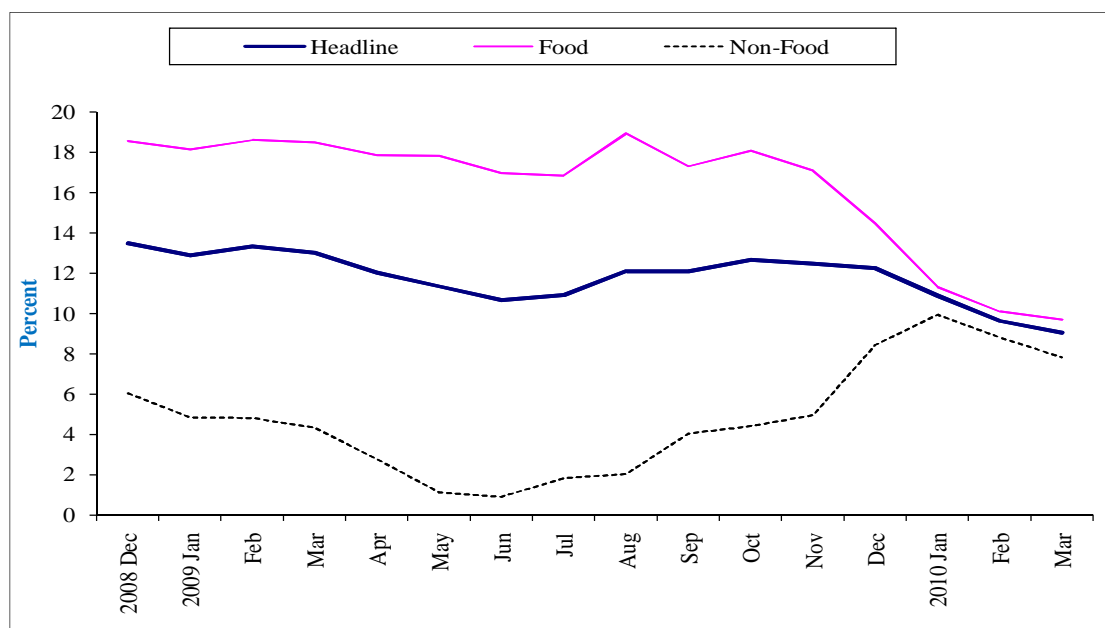
Table 1.1: Annual Percentage Change in Consumer Price Index (ALL-Urban)

(Base: Dec 2001 = 100)

Major Commodity Group	Weight (%)	2008			2009			2010		
		Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar
Headline/Overall	100.0	8.6	8.9	9.0	12.9	13.3	13.0	10.9	9.6	9.0
Food	55.9	10.1	11.4	11.2	18.2	18.6	18.5	11.3	10.1	9.7
Non-food	44.1	6.4	5.3	5.8	4.8	4.8	4.3	10.1	8.9	7.8
Transportation	9.7	5.7	4.9	6.0	4.2	3.4	5.7	3.3	3.4	4.1
Fuel, Power and Water	8.5	10.1	6.8	8.3	2.6	2.5	0.3	23.3	20.3	16.3
Drinks and Tobacco	6.9	10.4	10.2	9.1	5.4	5.3	5.7	12.1	11.5	9.7
Clothing & Footwear	6.4	1.1	0.3	1.0	3.4	4.6	4.4	5.3	4.5	5.5
Education	2.6	5.6	5.6	5.6	9.1	9.9	11.2	7.5	6.0	3.5
Furniture & Household Equip.	2.1	4.9	4.1	4.9	7.1	6.9	7.1	3.5	1.6	2.2
H/h Operations Maintenance	2.1	3.6	2.9	2.9	4.8	5.1	4.7	6.0	4.7	5.0
Personal Care & Health	2.1	3.7	3.4	3.1	7.7	7.6	7.7	3.7	4.9	5.6
Rents	1.4	2.4	2.4	1.7	12.5	12.6	12.6	2.6	2.6	2.9
Recreation & Entertainment	0.8	5.9	4.0	3.5	9.6	10.9	10.5	7.5	3.4	3.0
Misc. Goods & Services	1.5	2.1	1.8	1.0	3.1	3.6	3.5	1.0	-1.8	-2.0

Source: National Bureau of Statistics and Bank of Tanzania Computation.

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



Source: National Bureau of Statistics and Bank of Tanzania Computation

Annual non-food inflation rate decreased to 7.8 percent in March 2010 from 8.8 percent in February 2010, mainly due to fall in the average prices of kerosene, items under recreation and entertainment sub-group and education materials. The 3-month moving average annual non-food inflation rate also decreased to 8.9 percent in March 2010 from 9.1 percent in February 2010. The 12-month average annual non-food inflation rate was 4.7 percent in March 2010, lower than the average rate of 6.5 percent for the corresponding period a year earlier. **Month-to-month non-food inflation rate** decreased to negative 0.7 percent in March 2010 from negative 0.4 percent in February 2010.

Annual food inflation rate declined to 9.7 percent in March 2010 from 10.1 percent in February 2010. Similarly, the 3-month moving average annual food inflation decreased to 10.4 percent in March 2010 from 11.9 percent in the preceding month. However, the 12-month average food inflation rate was higher at 15.5 percent in March 2010, than 14.5 percent reported in the year ending March 2009. **Month-to-month food inflation** decreased to 0.5 percent from 1.2 percent in February 2010 mainly on account of decreases in average prices of some food items including maize flour, cassava, cooking banana, fruits, fish, sugar, nuts, milk and meals from restaurants.

Food Supply Situation

Assessment conducted in March 2010 by the Ministry of Agriculture Food Security and Cooperatives revealed that 717,684 people in 47 districts were facing food shortage to the tune of 21,604 tons in the period of March to May 2010. To cover the shortage, 2,160 tons will be distributed freely while 19,444 tons will be sold at subsidised prices during that period.

Wholesale prices for all major food crops, with exception of rice, increased in the year to March 2010 when compared to the corresponding period in 2009. However, on month to month basis, the wholesale prices for all selected food items decreased significantly particularly for maize, potatoes and beans, following the increase in supply associated with short-rain crop harvest , (Table 1.2).

Table 1.2: National Average Wholesale Prices for Selected Food Items

TZS per 100 kg

Item	2009	2010		Percentage Change	
	Mar	Feb	Mar	Mar 09/2010	Feb to Mar 2010
Maize	38,138	45,739	41,464	8.7	-9.3
Rice	116,208	106,272	105,607	-9.1	-0.6
Beans	94,376	103,010	95,098	0.8	-7.7
Sorghum	47,132	52,035	51,196	8.6	-1.6
Potatoes	43,375	51,914	47,246	8.9	-9.0

Source: Ministry of Industry, Trade and Marketing

National Food Reserves

Stock of maize and sorghum held by the National Food Reserve Agency (NFRA) declined to 60,694 tons as at the end of March 2010, from 64,461 tons recorded at the end of the preceding month. The decline in stocks was on account of sale of grains to the Government and private traders for distribution to the districts experiencing food shortages. Meanwhile, the NFRA purchased 73,280 tons of grains from the domestic market for the period July 2009 to March 2010. The amount is about 46 percent of the 2009/10 target of 160,000 tons. In the same period, the government and private traders purchased 106,083 tons of grains from NFRA and supplied to districts facing food shortages (Table 1.3).

Table 1.3: National Food Reserve Agency (NFRA) Stock

Period	2005	2006	2007	2008	2009	Tons	
						2010	% Change 2009-2010
January	119,924	76,813	112,343	139,765	128,919	66,267	-48.6
February	116,383	43,593	117,838	133,898	125,430	64,461	-48.6
March	114,760	8,055	121,046	119,022	124,252	60,694	-51.2
April	115,262	3,165	125,509	94,509	122,849		
May	113,823	6,210	128,350	79,369	109,876		
June	112,823	15,560	128,804	76,649	94,699		
July	112,323	13,811	129,306	75,438	88,841		
August	112,067	28,440	125,653	83,131	93,231		
September	111,971	80,248	131,937	102,225	110,278		
October	111,695	87,461	143,717	114,464	107,177		
November	106,428	100,828	142,624	122,209	86,542		
December	93,051	110,203	142,044	129,253	77,644		

Source: National Food Reserve Agency

2.0 Monetary and Financial Developments

Money Supply and Credit Developments

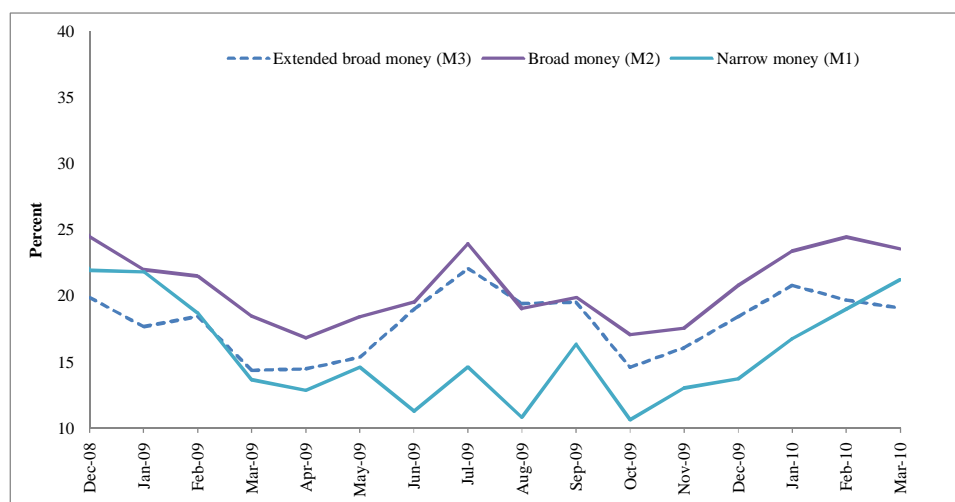
In the year ending March 2010, the extended broad money supply (M3) recorded an annual growth rate of 19.1 percent slightly less than 19.7 percent recorded in the preceding month. However, the growth rate was much higher than 14.4 percent recorded in March 2009. Likewise, broad money supply (M2) registered an annual growth of 23.5 percent in March 2010, being lower than 24.4 percent recorded in the preceding month but significantly higher than 18.4 percent recorded in the corresponding month in 2009 ([Table 2.1](#) and [Chart 2.1](#)).

Table 2.1: Selected Money Supply Components

Item	Billions of TZS								
	Monthly Change						Annual Growth Rates		
	Mar-09	Feb-10	Mar-10	Mar-09	Feb-10	Mar-10	Mar-09	Feb-10	Mar-10
Net Foreign Assets of the Banking System	4,145.3	4,947.5	4,915.9	28.8	-17.0	-31.7	2.3	20.2	18.6
Bank of Tanzania	3,457.1	3,911.1	3,845.0	1.0	-14.1	-66.1	3.8	13.2	11.2
Other Depository Corporations	688.1	1,036.4	1,070.9	27.8	-2.9	34.5	-4.8	57.0	55.6
Net Domestic Assets of the Banking System	3,488.3	4,089.9	4,172.2	51.7	74.7	82.3	33.0	19.0	19.6
Domestic Claims	4,256.3	5,247.8	5,444.3	-111.9	66.2	196.4	30.5	20.1	27.9
Claims on central government (net)	(369.9)	211.7	318.4	-151.1	19.9	106.7	161.4	-196.8	-186.1
Claims on Central Government	2,052.7	2,879.8	2,930.0	49.8	15.9	50.3	-12.0	43.8	42.7
Liabilities to Central Government	2,422.6	2,668.0	2,611.6	201.0	-4.0	-56.4	-2.1	20.1	7.8
Claims on Other Sectors	4,626.2	5,036.1	5,125.8	39.3	46.2	89.8	35.9	9.8	10.8
Extended Broad Money Supply (M3)	7,633.5	9,037.5	9,088.1	80.5	57.6	50.6	14.4	19.7	19.1
Foreign Currency Deposits (FCD) in National Currency	2,060.0	2,155.7	2,203.1	38.1	-81.3	47.4	4.6	6.6	7.0
FCD in millions of US dollar	1,568.0	1,625.7	1,656.2	15.7	-64.4	30.5	-1.5	4.7	5.6
Broad Money Supply (M2)	5,573.5	6,881.7	6,884.9	42.4	139.0	3.2	18.4	24.4	23.5
Other Deposits in National Currency	2,475.3	3,135.5	3,129.0	92.6	123.6	-6.5	25.0	31.6	26.4
Narrow Money Supply (M1)	3,098.2	3,746.2	3,755.9	-50.2	15.4	9.7	13.6	19.0	21.2
Currency in Circulation	1,366.6	1,524.9	1,543.0	-17.7	6.3	18.1	19.8	10.2	12.9
Transferable Deposits in National Currency	1,731.6	2,221.3	2,212.9	-32.5	9.0	-8.4	9.2	25.9	27.8

Source: Bank of Tanzania

Chart 2.1: Annual Growth Rates of Monetary Aggregates



Source: Bank of Tanzania

Growth in money supply was underpinned by both net foreign assets, which increased by TZS 770.6 billion in the year ending March 2010, and net domestic assets which increased by TZS 684.4 billion in the same period. A notable turnaround in the growth of net foreign assets (NFA) of the other depository corporations (ODCs) has been observed over the recent past, which has boosted the ODCs contribution to the total growth of NFA of the banking system. The annual growth rate of ODCs' NFA in March 2010 was 55.6 percent – a marked turnaround from a

decline of 4.8 percent recorded in the corresponding period of 2009. This development mirrors the slowdown in expansion of credit to the private sector.

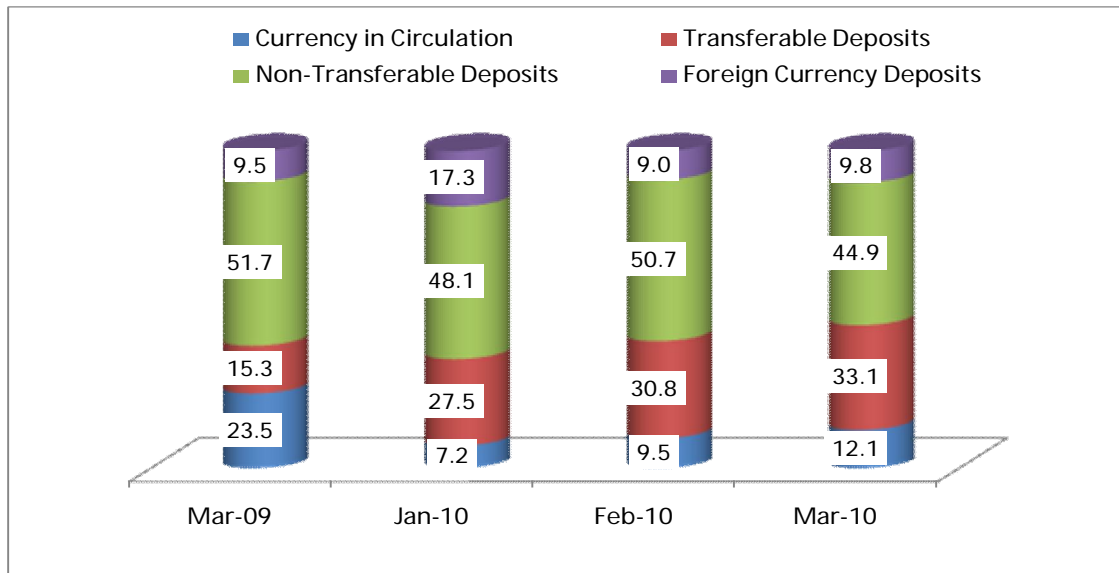
Meanwhile, increase in net domestic assets (NDA) in the year ending March 2010, was mostly explained by increase in net claims on government, consistent with the accommodating monetary policy adopted from mid 2009, to address the adverse impact of the global financial crisis. The annual growth of credit to the private sector picked up to 10.8 percent in March 2010 from 9.8 percent in the preceding month but remained significantly lower than 35.9 percent recorded March 2009. The recent slower growth of credit to the private sector is a manifestation of continued cautious stance taken by banks in extending credit to the private sector, in the wake of the global financial crisis.

All major economic activities experienced slower annual growth of bank credit, compared with the preceding years, with exception of transport and communication, whose credit growth doubled to 34.8 percent in the year to March 2010 from 17.4 percent in the year ending March 2009 . This is in line with the continued strong performance in communication, which is the fastest growing activity in the economy and the only one whose real growth picked in 2009 compared to 2008.

On monthly basis, other depository corporations (ODCs) credit to private sector increased by TZS 89.9 billion in March 2010, compared to an increase of TZS 39.3 billion in the corresponding period a year before. Despite the slower growth in the year under review, personal loans continued to hold a largest share accounting for 21.8 percent of the total stock of outstanding loans in March 2010 compared with 20.7 percent recorded in the preceding month. The second largest share of credit was held by trade activities that accounted for 18.5 percent followed by manufacturing (13.0 percent), agriculture (9.7 percent), transport and communications (9.1 percent) and other services (7.8 percent).

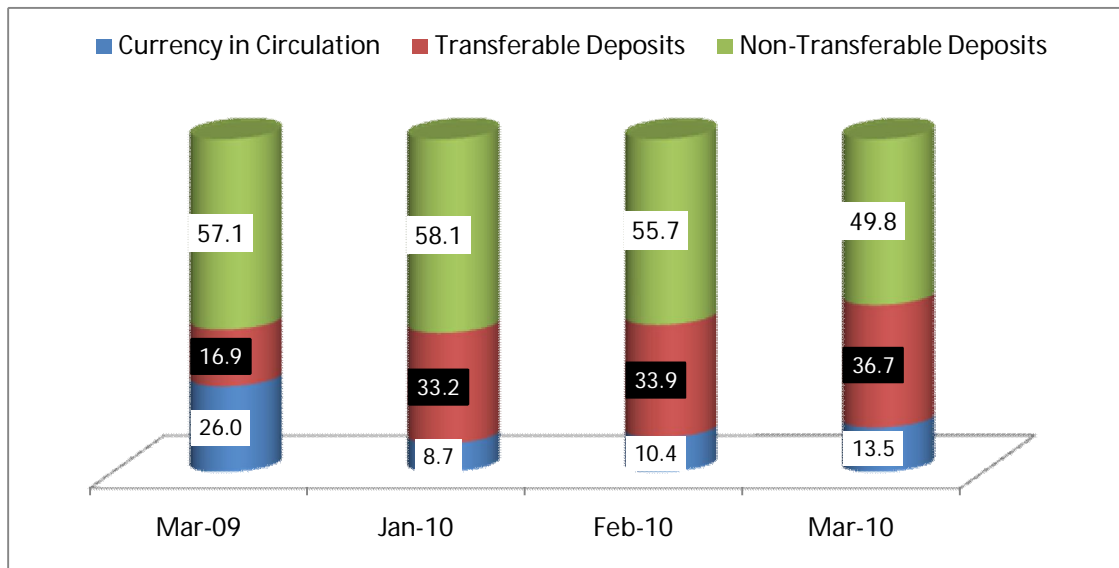
In terms of composition of money supply, non transferable deposits (savings and time deposits) remained the dominant component, accounting for about 45 percent of the change in M3 in the year ending March 2010. The recent dominance of non-transferable deposits is mainly associated with the continued improvement in banking services and financial products offered by ODCs ([Chart 2.2 and 2.3](#)).

Chart 2.2: Percentage Contribution of Components of Money Supply to 12-Month Change in M3



Source: Bank of Tanzania

Chart 2.3: Percentage Contribution of Components of Money Supply to 12-Month Change in M2



Source: Bank of Tanzania

Interest Rate Developments

Interest rates of all money market instruments decreased in line with eased monetary policy stance and the cautious approach taken by banks in lending to the private sector. The overall Treasury bills yield decreased to 4.15 percent in March 2010, from 13.33 percent recorded in March 2009. Likewise, the overnight interbank cash market rate declined to 0.98 percent, compared with 9.90 percent, while the REPO rate declined to 1.06 percent from 9.73 percent in the same period. The three-month averages of the money market rates were also lower in March 2010 compared to the corresponding period in 2009. The average of overall Treasury bills rate was 5.89 percent in the three months ending March 2010 compared with 12.90 percent in the corresponding period a year before, while the average of overnight interbank cash market rate was 1.44 percent, far below 9.28 percent recorded in the corresponding period of 2009. The average repo rate for the quarter was 1.17 percent also far below the average 8.79 percent recorded in the corresponding period of 2009.

Developments in the interest rates offered by ODCs manifested similar movement as the rates in the money market, albeit at a less pronounced way. The overall time deposit rate declined to 5.98 percent in March 2010 from 7.00 percent in March 2009. Similarly, 12-month time deposits rate eased to 7.91 percent from 8.56 percent in the same period, while the overall time deposit rate declined to 5.98 percent, from 7.00 percent. Three month averages of deposit rates also declined between March 2009 and March 2010. The overall time deposit rate fell to 5.97 percent compared to 6.80 percent recorded in the quarter ending March 2009, while 12-month time deposits rate declined slightly to 8.60 percent compared with 8.65 percent in the same period.

The overall lending rate decreased to 14.83 percent in March 2010 from 15.12 percent in March 2009, while short term lending rate (up to 1-year) rose to 14.62 percent in March 2010, compared with 13.44 percent in March 2009, but was lower than 14.73 percent recorded in February 2010. The spread between one year lending rate and one year deposit rate widened to 6.71 percent in March 2010, from 4.88 percent in the corresponding period of 2009, consistent with the heightened cautiousness in lending to the private sector, exercised by banks in the wake of global financial crisis ([Table 2.2](#)).

Table 2.2: Interest Rate Structure*In Percent*

Item	Mar-09	Jun-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
Overall Interbank cash market rate	10.10	5.03	1.34	1.63	1.62	1.57	1.80	1.89	1.29
<i>Overnight interbank cash market</i>	9.90	4.46	1.04	1.21	1.19	1.46	1.67	1.66	0.98
REPO Rate	9.73	4.90	1.12	1.32	1.28	1.26	1.22	1.22	1.06
Discount Rate	18.33	10.31	4.40	3.70	3.70	3.70	7.58	7.58	7.58
Overall Treasury bills rate	13.33	6.97	4.52	5.17	6.36	6.91	7.20	6.32	4.15
<i>35 days</i>	7.62	4.81	2.07	3.01	3.33	3.80	4.57	4.09	1.99
<i>91 days</i>	12.43	5.56	2.97	3.38	5.29	6.06	6.35	5.57	3.25
<i>182 days</i>	14.86	7.86	4.84	4.90	5.28	6.59	7.20	6.33	4.45
<i>364 days</i>	14.99	9.11	7.79	8.22	8.60	8.83	9.06	8.24	6.32
Savings Deposit Rate	2.72	2.69	2.66	2.65	2.67	2.83	2.84	2.89	2.88
Treasury Bonds Rates									
<i>2-years</i>	15.28	11.51	11.51	10.89	10.89	10.89	10.89	9.40	9.40
<i>5-years</i>	17.32	16.58	13.45	13.45	13.45	13.45	13.77	13.77	13.77
<i>7-years</i>	17.04	17.06	14.14	14.14	14.15	14.15	14.15	14.15	12.11
<i>10-years</i>	19.92	19.92	16.95	16.95	16.95	16.73	16.73	16.73	16.73
Overall Time Deposits Rate	7.00	6.79	6.73	6.41	6.52	6.36	6.12	5.82	5.98
<i>12 month time deposit rate</i>	8.56	9.07	8.83	8.83	8.76	8.99	9.06	8.84	7.91
Negotiated Deposit Rate	10.99	10.13	10.60	10.11	9.85	9.94	7.44	7.16	9.41
Overall Lending rate	15.12	15.48	14.90	14.75	14.74	14.38	14.39	14.86	14.83
<i>Short-term lending rate (up to 1year)</i>	13.44	14.57	13.98	13.92	14.00	13.96	13.76	14.73	14.62
Negotiated Lending Rate	13.01	14.28	13.81	13.51	13.38	13.18	13.68	13.79	13.71
Margin between short-term lending and one-year time deposit rates	4.88	5.50	5.15	5.08	5.24	4.97	4.71	5.89	6.71

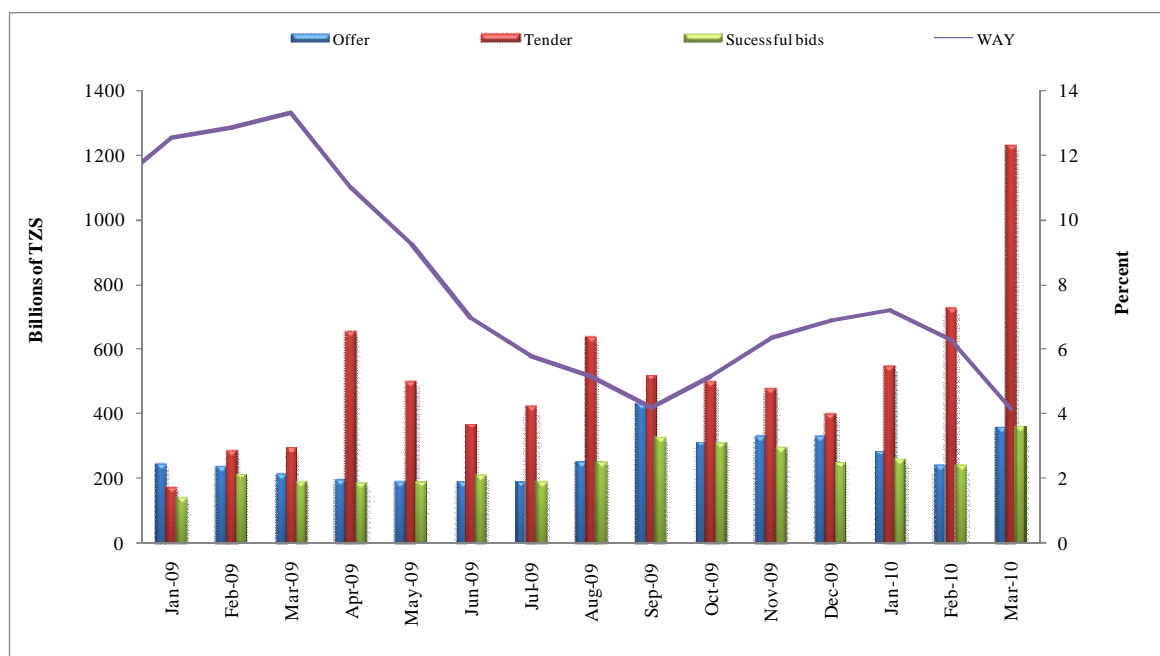
Source: Bank of Tanzania

Financial Markets Developments

Treasury Bills Market

During March 2010, the **Treasury bills** market registered a record high demand of TZS 1,228.2 billion against TZS 360.0 billion that was offered by the Bank. The demand was substantially higher than TZS 728.6 billion recorded in the preceding month, and four times the amount registered in a similar period in the previous year. In the month under review the Bank sold Treasury bills worth TZS 351.4 billion. Treasury bills also recorded a historical low interest rate of 4.15 percent in March 2010, far below 13.33 percent registered in the similar period a year earlier. This development reflects the easy monetary policy stance pursued by the Bank of Tanzania, coupled with a continued cautious approach taken by banks in lending to the private sector, following the global financial crisis on the economy (**Chart 2.4**).

Chart 2.4: Treasury bills Market Developments



Source: Bank of Tanzania

Treasury Bonds Market

In the month under review, **Treasury bonds** market was supplied with 7-year bond worth TZS 30.0 billion, same as the amount offered in the preceding month, but higher than TZS 22.5 billion supplied in the similar period a year earlier. Demand stood at TZS 149.7 billion, being lower than TZS 258.3 billion recorded in the preceding month, but far above the TZS 53.5 billion recorded in the corresponding period in 2009. The Bank accepted bids worth TZS 30.0 billion, same as the amount accepted in the preceding month but exceeding TZS 22.1 billion accepted in the similar period in 2009. Following the high demand, average 7-year Treasury bond yield fell to 12.11 percent from 14.15 percent recorded in November 2009, when the 7-year bond was last sold.

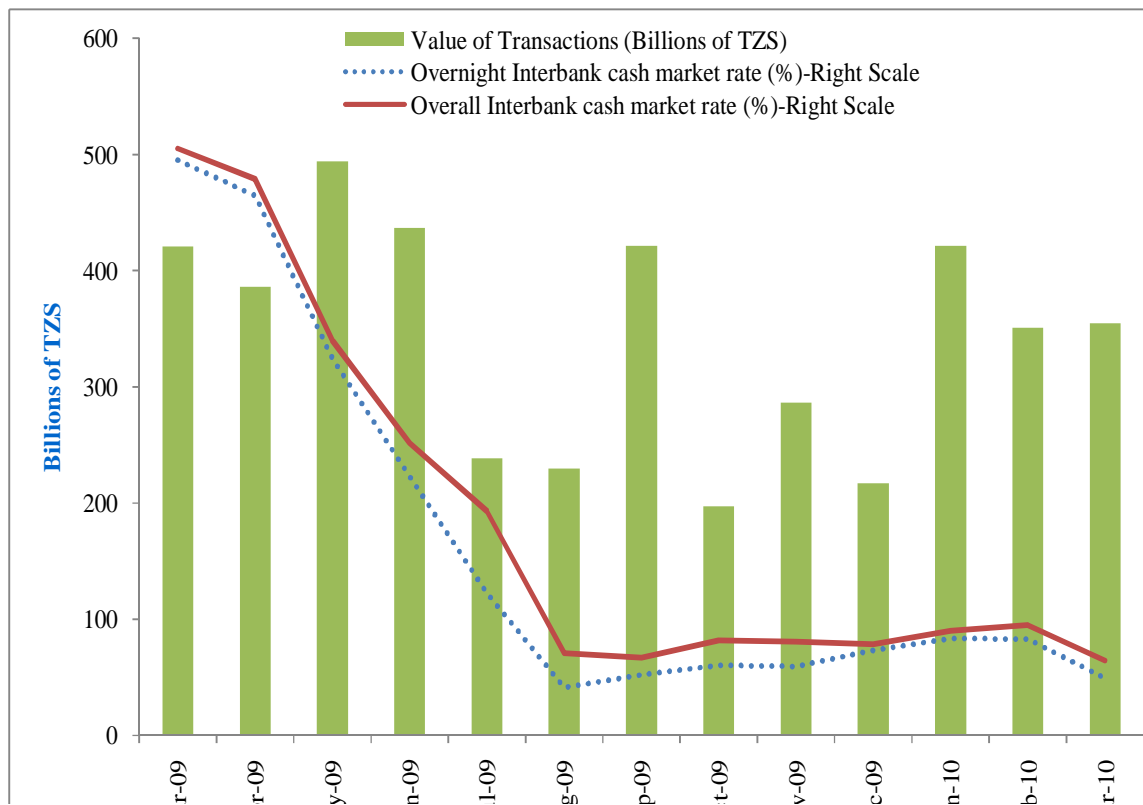
Repurchase Agreements and Inter-Bank Cash Market Developments

During March 2010, the Bank continued to conduct repurchase agreements with ODCs to supplement other monetary policy instruments in the management of liquidity in the banking system. During the review period, repos worth TZS 609.0 billion were conducted by the Bank being higher than TZS 385.7 billion in the preceding month and TZS 296.0 billion conducted in

the corresponding period in 2009. Despite an increase in repo transactions, the repo rate dropped to an average of 1.06 percent in March 2010, down from the rate of 1.22 percent in February 2010 and significantly less than 9.73 percent recorded in the similar period in 2009.

On the other hand volume of transaction in the interbank cash market amounted to TZS 354.6 billion in March 2010, being nearly the same as the volume transacted in the preceding month but lower than the amount transacted in the similar period in the preceding year. Notwithstanding these developments in the volume of transactions, the overnight cash market rate declined to 0.98 percent in March 2010 from 1.66 percent in the preceding month and 9.90 percent in the corresponding month a year earlier (**Chart 2.5**).

Chart 2.5: Inter-bank Cash Market Developments

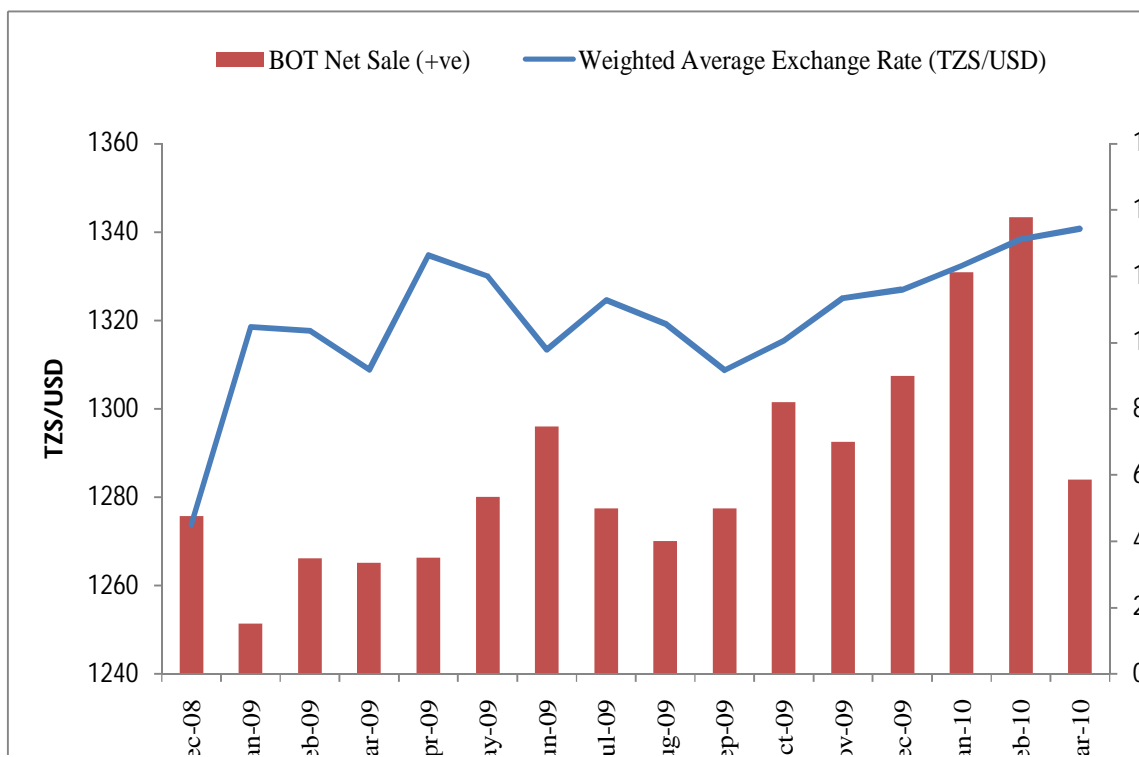


Source: Bank of Tanzania

Inter-Bank Foreign Exchange Market

During March 2010, the Bank of Tanzania participated in the Inter-bank Foreign Exchange Market (IFEM) primarily to meet the liquidity management objectives, while fostering orderly market developments. During the period, the Bank remained the main supplier of foreign exchange in the IFEM, selling USD 80.0 million, on net basis, which accounted for 97.1 percent of the total volume of USD 82.4 million traded during the period. The share of the Bank's participation during the month was higher compared with 54.7 percent in the corresponding period of 2009. Total volume of foreign exchange traded in March 2009 was USD 109.7 million. The shilling depreciated to TZS 1,340.76 per USD in March 2010 from an average of TZS 1,338.41 per USD recorded in the preceding month and TZS 1,308.87 per US dollar in the corresponding month a year before (**Chart 2.6**).

Chart 2.6 : Inter-bank Foreign Exchange Market Operations



Source: Bank of Tanzania

3.0 Government Budgetary Operations

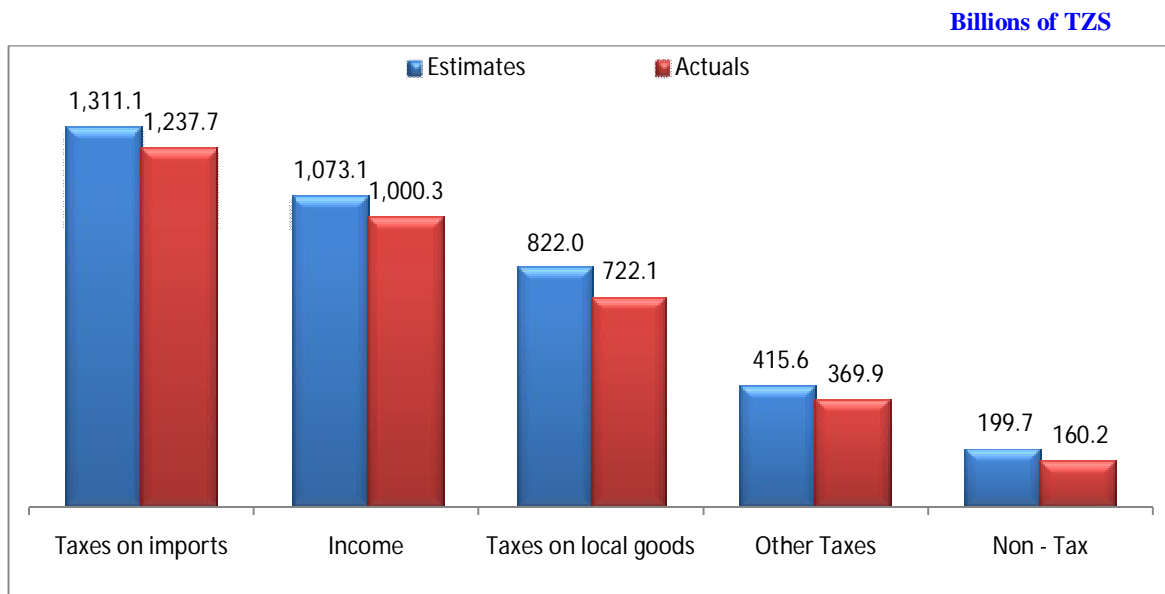
In March 2010, revenue collections and grants amounted to TZS 459.2 billion and TZS 29.2 billion respectively, while total expenditure amounted to TZS 641.7 billion, implying a deficit of TZS 153.3 billion. After adjustment to cash, the deficit narrowed to TZS 89.1 billion.

Revenue Performance

Revenue collections in March 2010 amounted to TZS 459.2 billion, equivalent to 86.8 percent of the target. Tax revenue collections amounted to TZS 441.6 billion, while non-tax revenue collection was TZS 17.6 billion. The shortfall in tax revenue was recorded in all tax categories save for income tax which was TZS 188.7 billion compared to the target of TZS 184.5 billion.

On cumulative basis, revenue collections in the first nine months of 2009/10 were below budget estimates, with all categories falling short of targets. Total domestic revenue collection (excluding Local Government Authorities own sources) was 91.3 percent of budget projection during the period. **Chart 3.1** depicts revenue performance by different categories.

Chart 3.1: Government Revenue, July 2009 - March 2010



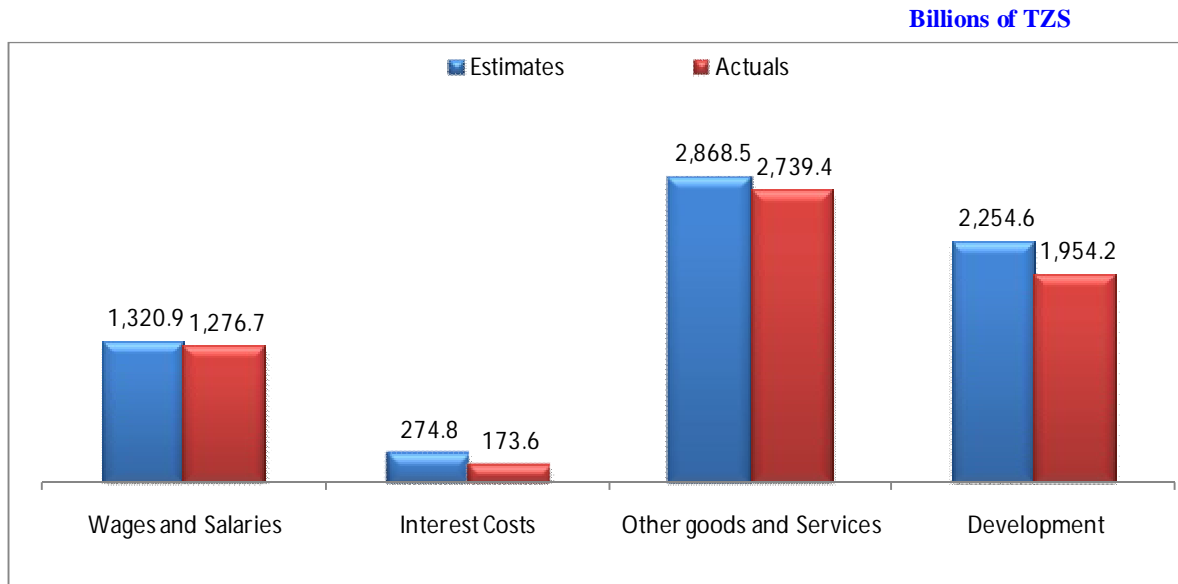
Source: Bank of Tanzania

Government Expenditure

During the month under review, total expenditure amounted to TZS 641.7 billion, being below the target by 21.5 percent. Recurrent expenditure during the month amounted to TZS 541.9 billion being above the target by 13.9 percent, while development expenditure was TZS 99.8 billion or 29.2 percent of the target.

On cumulative basis, July 2009 – March 2010, government expenditure reached TZS 6,143.9 billion or 91.4 percent of the estimates for the period. Recurrent expenditure was TZS 4,189.7 billion or 6.0 percent below the estimate. Although the overall recurrent expenditure underperformed, spending in other goods and services was in line with budget estimates. On the other hand, development expenditure was TZS 1,954.2 billion, being below the estimate by 13.3 percent (**Chart 3.2**).

Chart 3.2: Government Expenditure, July 2009 - March 2010



Source: Bank of Tanzania

Financing

On cumulative basis (July 2009 to March 2010), net domestic financing reached TZS 155.3 billion, which was within the end March 2010 ceiling of TZS 168.0 billion. Meanwhile, net foreign financing amounted to TZS 967.5 billion, surpassing the target by 12.0 percent, mainly due to front-loading disbursements of foreign financing resources.

4.0 External Sector Performance

Current Account Balance

The current account deficit narrowed to USD 2,266.5 million in the year ending March 2010, from USD 2,928.7 million registered in the corresponding period a year earlier, following an increase in exports coupled with a decline in import bill. This development contributed to an improvement in the overall balance of payments to a surplus of USD 475.0 million, compared with a deficit of USD 78.9 million in the corresponding period a year before (**Table 4. 1**).

Table 4.1: Current Account Balance*Millions of USD*

Items	March		2010		Year Ending March		% Change
	2008	2009	Feb	Mar	2009 ^P	2010 ^P	
Goods Account (net)	-268.8	-271.1	-302.3	-202.0	-3,825.6	-3,189.1	-16.6
Exports	169.4	209.4	258.1	330.7	2,638.6	2,894.3	9.7
Imports	438.2	480.5	560.4	532.7	6,464.2	6,083.5	-5.9
Services Account (net)	40.70	-19.01	8.40	-9.0	297.4	259.0	-12.9
Receipts	155.7	131.2	148.8	130.1	1,957.4	1,952.9	-0.2
Payments	115.0	150.2	140.4	139.0	1,660.0	1,693.9	2.0
Goods and services (net)	-228.1	-290.1	-293.9	-211.0	-3,528.2	-2,930.2	-17.0
Exports of goods and services	325.1	340.6	406.9	460.8	4,595.9	4,847.2	5.5
Imports of goods and services	553.2	630.7	700.8	671.8	8,124.1	7,777.4	-4.3
Income Account (net)	-11.7	-8.2	-7.7	2.1	-103.2	-49.6	-52.0
Receipts	6.4	12.2	8.2	18.7	119.4	166.7	39.6
Payments	18.1	20.4	15.9	16.6	222.6	216.2	-2.9
Current Transfers (net)	26.0	31.4	58.5	19.9	702.7	713.2	1.5
Inflows	32.2	36.5	66.2	26.8	781.0	795.7	1.9
o/w General Government	24.4	28.1	57.0	17.2	679.8	685.3	0.8
Outflows	6.3	5.1	7.7	7.0	78.3	82.5	5.4
Current Account Balance	-213.9	-266.8	-243.1	-189.0	-2,928.7	-2,266.5	-22.6

*Note: P = Provisional***Source: Bank of Tanzania**

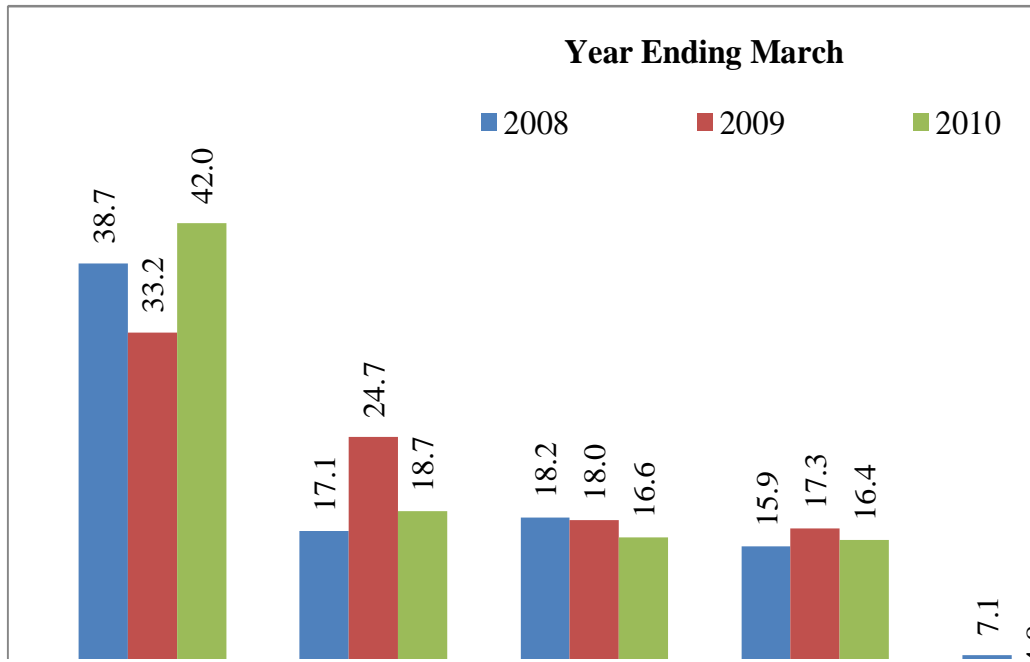
In addition to the developments in the current account, the disbursement of funds for the balance of payments support from the IMF under the Exogenous Shock Facility (ESF) and the allocation of Special Drawing Rights (SDR)¹ contributed to the improvement of country's gross reserves position. As a result, gross official reserves increased to USD 3,498.2 million by end March 2010 from USD 2,701.2 million recorded as at end March 2009. The level of reserves at the end of March 2010 was sufficient to cover about 5.4 months of import of goods and services.

Exports Performance

During the year ending March 2010, the value of exports of goods and services increased by 5.5 percent to USD 4,847.2 million, compared with the level recorded in the corresponding period a year earlier. The increase came from export of goods as service receipts declined. Gold remained dominant in goods exports accounting for 42.0 percent of the total (**Chart 4.1**).

¹ ESF disbursed in June and December 2009, while SDR Allocations were released in August and September 2009.

Chart 4.1: Percentage Contribution of Selected Items to Total Exports of Goods

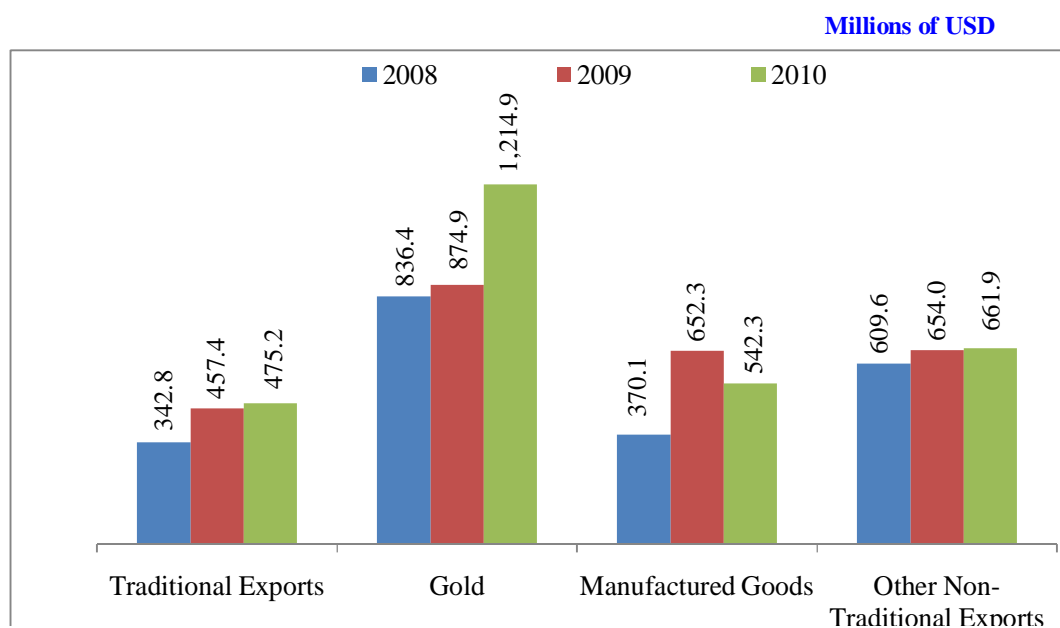


Source: Bank of Tanzania

Goods Export

During the year ending March 2010, export of goods rose to USD 2,894.3 million, compared with an increase of USD 2,638.6 million recorded during the year ending March 2009, largely due to increase in the volume of gold and traditional export crops ([Chart 4.2](#)).

Chart 4.2: Performance of Selected Goods Export in the Year Ending March

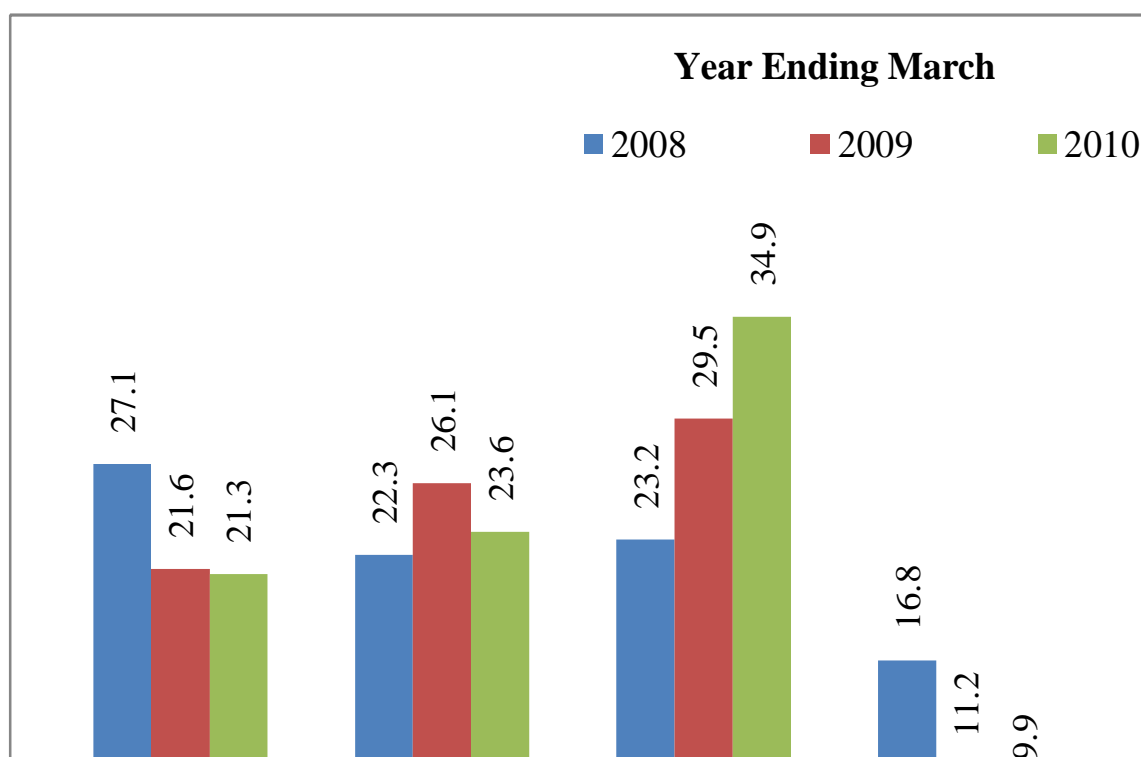


Source: Bank of Tanzania

The volumes of most of traditional goods exports are normally on their seasonal decline from February to July. Consistent with this pattern, the value of traditional exports shipped in March 2010, declined to USD 35.3 million, compared with USD 38.1 million recorded in the preceding month.

During the year ending March 2010, the value of traditional exports rose by 3.9 percent to USD 475.2 million following increase in the export volume of coffee and improvement in export unit price of tobacco. **Chart 4.3** depicts the composition of traditional exports for the last three years.

Chart 4.3: Percentage Composition to Total Traditional Exports



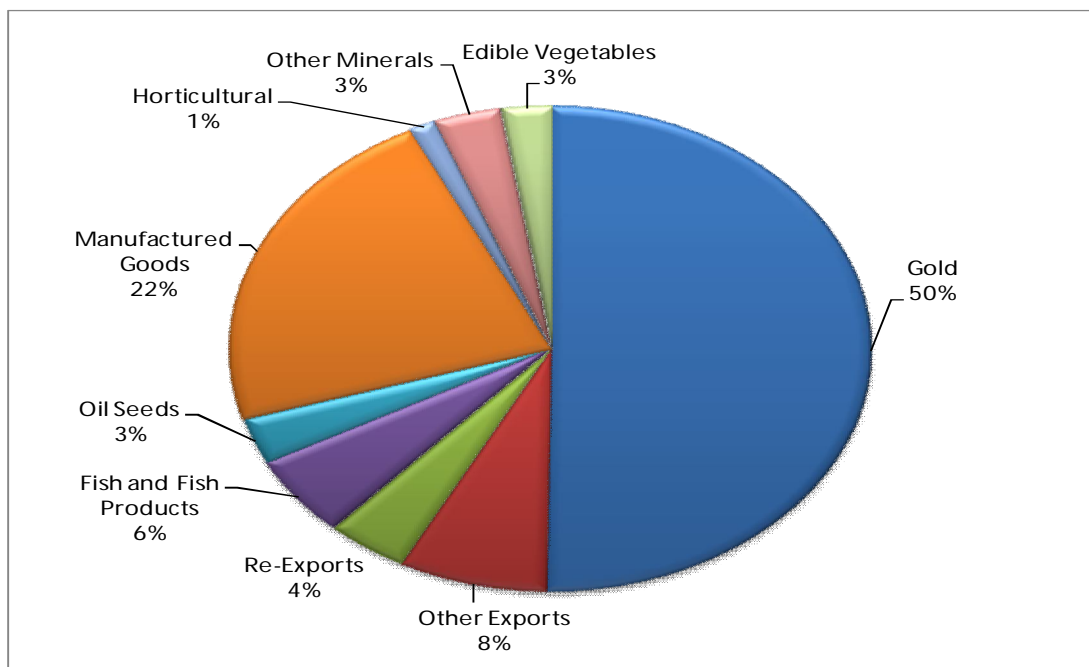
Source: Bank of Tanzania

During March 2010, the value of non-traditional exports shipped was USD 295.5 million, being 34.3 percent higher than the amount shipped in February 2010, following an increase in manufactured goods, fish and fish products, horticultural products and re-exports. The increase in export of manufactured goods was mainly explained by a surge in shipment of plastic goods that went up to USD 21.3 million, compared with USD 2.2 million in February 2010. During the same period, there was also a significant increase in re-exports to USD 28.8 million compared to USD 2.2 million in February 2010 mainly accounted for by self propelled and boring machinery.

Non-traditional exports increased to USD 2,419.1 million in the year ending March 2010, compared with USD 2,181.2 million recorded during the preceding year. The improved performance is largely attributed to increase in the value of minerals particularly gold that went up by 40.2 percent to USD 1,214.9 million, following a rise in the export volumes and prices in the world market. Available statistics indicate that export volume of gold increased to 37.0 tons from 30.4 tons recorded in the preceding year, partly on account of commencement of export by the Buzwagi Gold Mine in June 2009.

At the same time, the prices of gold increased to USD 1,022.8 per troy ounce compared with USD 867.18 per troy ounce in the year ending March 2009. On the other hand, the values of manufactured goods and re-exports were USD 542.3 million and USD 99.6 million, being lower than USD 652.3 million and USD 125.6 million recorded during the preceding year. The decline in manufactured good exports is partly associated with the decline in demand in the neighbouring countries following the global financial crisis. In addition, damage on rail and road networks caused by rains contributed partly to the decline in exports of manufactured goods and re-exports². **Chart 4.4** depicts the composition of non-traditional exports for the year ending March 2010.

Chart 4.4: Contribution to Total Non Traditional Exports for the Year Ending March 2010



Source: Bank of Tanzania

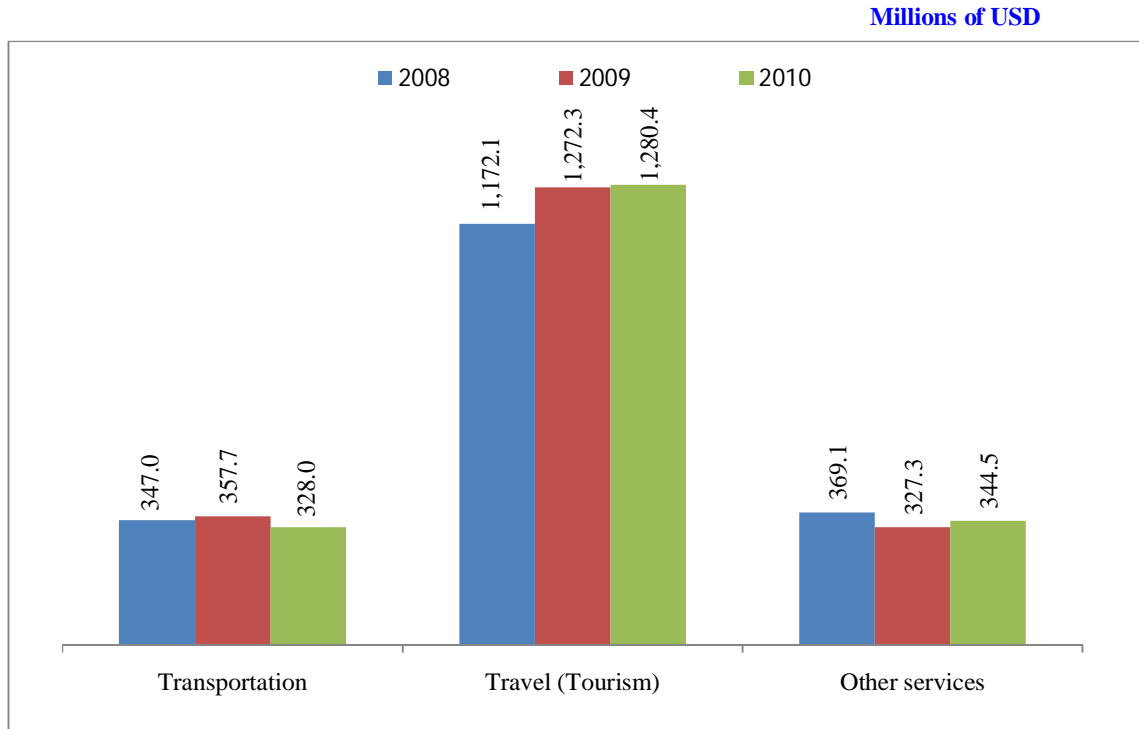
Services Export

In March 2010, services receipt were USD 130.1 million compared to 148.8 million recorded during the preceding month following a drop in receipts from travel. In the year ending March 2010, services receipt amounted to USD 1,952.9 million, being slightly lower than USD 1,957.4 million recorded during the year ending March 2009, following a decline in receipts from transportation. Travel receipts increased slightly by 0.6 percent to USD 1,280.4 million as the

² Re-exports are those goods which are imported and exported without further processing or transformation. Tanzania re-exports consist mainly of wheat grains, semi-refined edible oil and petroleum products.

global economy began to recover from the impact of the financial crisis. **Chart 4.5** depicts the performance of the main services receipt for the past three years.

Chart 4.5: Services Receipt in the Year Ending March



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

Source: Bank of Tanzania

Imports Performance

In March 2010, the value of goods shipped into Tanzania was USD 532.7 million, being lower than USD 560.4 million recorded during February 2010, following a decline in importation of intermediate goods, particularly oil products.

On annual basis, import of goods and services amounted to USD 7,777.4 million compared with USD 8,124.1 million recorded in the corresponding period a year before. The value of goods import dropped to USD 6,083.5 million, compared with USD 6,464.2 million recorded during the year ending March 2009, largely due to a decline in the value of imported oil, fertilizers and industrial raw materials. The decline in the value of oil imports was caused by the fall in the world market prices (**Table 4.2**).

Table 4.2: Imports*Millions of USD*

Items	2009 ^p Mar	2010		% Change		Year Ending March ^p		% Change
		Feb	Mar	Mar 09- Mar10	Feb 10 - Mar 10	2009	2010	
Capital Goods	197.1	193.1	223.8	13.6	15.9	2,763.1	2,518.6	-8.8
Transport Equipment	51.5	52.2	73.0	41.6	39.9	801.7	749.1	-6.6
Building and Constructions	59.7	47.3	49.2	-17.6	4.1	640.1	554.8	-13.3
Machinery	85.9	93.7	101.7	18.4	8.5	1,321.4	1,214.8	-8.1
Intermediate Goods	164.4	254.8	173.8	5.7	-31.8	2,405.0	2,123.7	-11.7
Oil imports	121.7	207.6	125.8	3.3	-39.4	1,713.6	1,551.5	-9.5
Fertilizers	1.7	2.0	2.0	15.5	-0.1	166.7	81.7	-51.0
Industrial raw materials	40.9	45.2	46.0	12.5	1.7	524.8	490.5	-6.5
Consumer Goods	119.0	112.3	135.1	13.5	20.3	1,296.0	1,441.2	11.2
Food and food stuffs	43.5	38.4	44.6	2.6	16.2	297.6	379.0	27.3
All other consumer goods ¹	75.5	73.9	90.4	19.9	22.4	998.4	1,062.2	6.4
GRAND TOTAL (F.O.B)	480.6	560.4	532.7	10.84	-4.9	6,464.2	6,083.5	-5.9
GRAND TOTAL (C.I.F)	528.2	615.8	585.4	10.84	-4.9	7,103.5	6,685.1	-5.9

p = Provisional

Oil imports refers to refined petroleum products

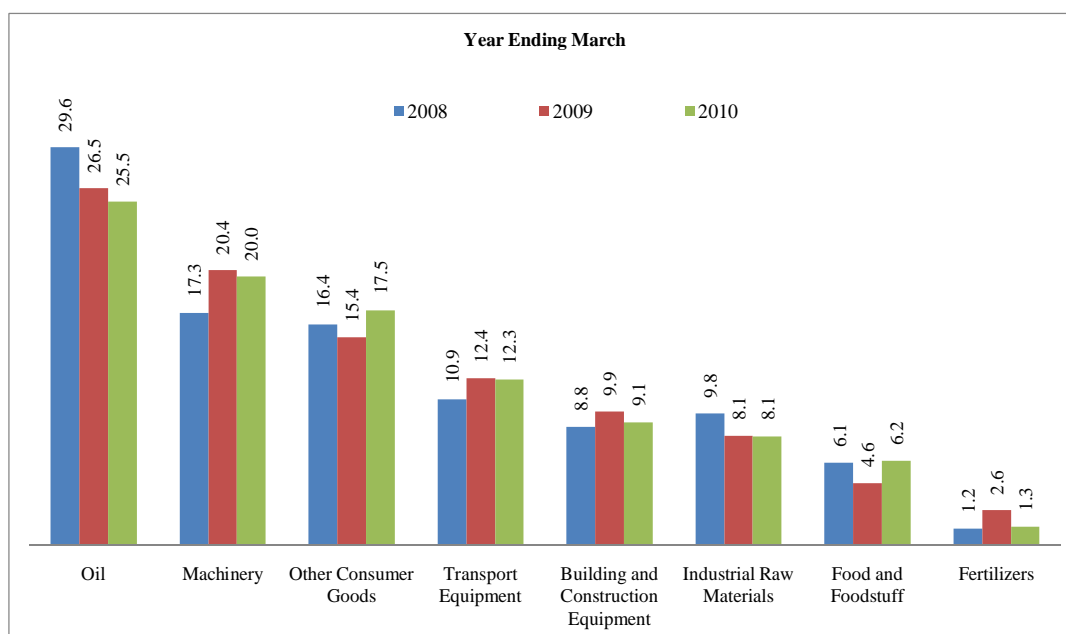
¹ It includes pharmaceutical products, paper products, plastic items, optical/photographic materials, textile apparels.

Source: Bank of Tanzania and Tanzania Revenue Authority

During the year ending March 2010, the volume of imported oil increased to 3.0 million tons compared with 2.7 million tons in the year ending March 2009. During the year to March 2010, imports of capital goods declined to USD 2,518.6 million compared with USD 2,763.1 million recorded during the preceding year.

Meanwhile, the value of consumer goods import amounted to USD 1,441.2 million, representing an increase of 11.2 percent compared with the value imported in the year ending March 2009, largely on account of an increase in import of cereals particularly wheat. Importation of other consumer goods, which mainly consist of pharmaceutical products, plastic items and paper products, also went up by 6.4 percent to USD 1,062.2 million. **Chart 4.6** summarizes the contribution of import sub-categories to total imports for the last three years.

Chart 4.6: Percentage Contribution of Selected Items to Total Imports



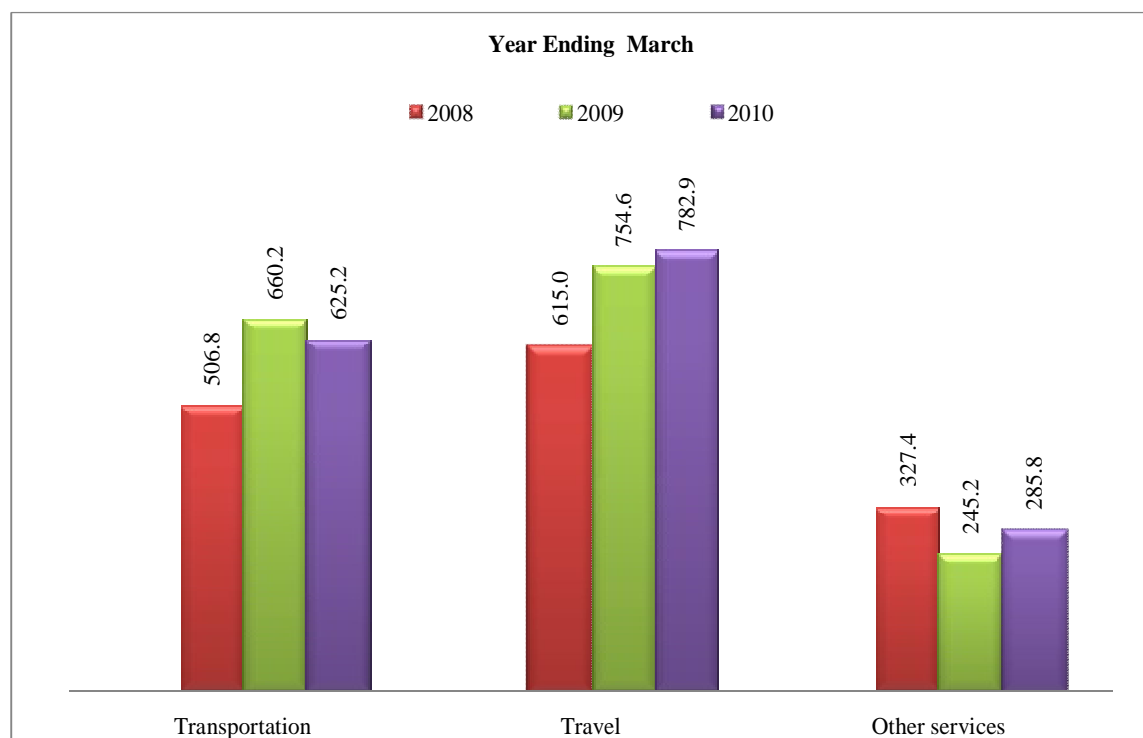
Source: **Bank of Tanzania**

Services Payment

During March 2010, services payment amounted to USD 139.0 million, slightly lower than USD 140.4 million recorded in February 2010. On annual basis, services payment was USD 1,693.9 million compared with USD 1,660.0 million recorded in the year ending March 2009, largely due to increase in payments for travel, other business and construction services. On the other hand, freight payments declined in line with the decrease in the value of goods import. **Chart 4.7** shows the performance of major services payment categories in the past three years.

Chart 4.7: Service Payments for the Year Ending March

Millions of USD



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

Source: Bank of Tanzania

World Commodity Prices

The prices of **tea** (Average and Mombasa Auction) declined in March 2010, while the prices of **sisal** (UG) and **cloves** remained unchanged at USD 850.0 per ton and USD 4,500.0 per ton, respectively. The prices of **coffee** (Arabica) and **cotton** recorded small increases as shown in **Table 1.10**. During the month under review, the average prices of **crude oil** and **white petroleum products** rose notably following strengthening in global demand. Likewise, the price of **gold** went up from USD 1,095.4 per troy ounce during the previous month to USD 1,113.3 per troy ounce.

During the year ending March 2010, the average prices of **coffee** (Robusta) and **sisal** (UG) recorded declines. While the drop in the price of coffee (Robusta) was largely due to an increase in coffee production in Vietnam following favourable weather condition, the price of sisal declined on account of depressed demand for sisal in the world market. On the other hand, the prices of **coffee** (Arabica), **tea**, **cotton** and **cloves** recorded notable increases. The rise in prices of **tea** was largely attributable to the decline in supplies in Kenya, India and Sri Lanka following

unfavourable weather condition. Meanwhile, the prices of **cotton** went up following strong demand for cotton in China.

The prices of **crude oil** and **white petroleum products** recorded modest declines in the year ending March 2010, mainly due to a weak global oil demand resulting from the global financial crisis. The price of **gold** rose from USD 867.2 per troy ounce recorded in the previous year to USD 1,022.8 per troy ounce following the weakening of U.S dollar against other major currencies (**Table 4.3**).

Table 4.3: World Commodity Prices

Commodity	Units	2010				Year ending March			
		Jan	Feb	March	% Change	2008	2009	2010	% Change
Robusta Coffee	USD per kg	1.55	1.50	1.48	-1.33	2.01	2.14	1.58	-26.01
Arabica Coffee	USD per kg	3.50	3.48	3.63	4.31	2.82	2.97	3.35	12.68
Tea (Average price)	USD per kg	2.90	2.85	2.68	-5.96	2.14	2.38	2.88	21.15
Tea (Mombasa Auction)	USD per kg	2.85	2.94	2.82	-4.02	1.77	2.20	2.70	22.68
Cotton, "A Index"	USD per kg	1.71	1.77	1.89	6.78	1.45	1.45	1.53	5.34
Cotton, "Memphis"	USD per kg	1.78	1.81	1.91	5.52	1.48	1.52	1.61	5.98
Sisal (UG)	USD per metric ton	850.00	850.00	850.00	0.00	990.00	1,203.50	968.50	-19.53
Cloves	USD per metric ton	4,850.00	4,500.00	4,500.00	0.00	3,606.44	4,182.29	4,207.54	0.60
Crude oil*	USD per barrel	77.12	74.76	79.30	6.07	77.20	84.19	69.99	-16.86
Crude oil**	USD per barrel	76.64	73.56	77.37	5.18	74.16	82.09	70.25	-14.43
White products***	USD per ton	671.81	638.61	708.25	10.91	726.12	805.62	613.93	-23.79
Jet/Kerosine	USD per ton	677.33	643.64	700.67	8.86	741.57	864.93	611.71	-29.28
Premium Gasoline	USD per ton	704.05	679.53	756.96	11.39	736.84	724.10	655.81	-9.43
Heat Oil	USD per ton	634.06	592.65	667.13	12.57	699.94	827.83	574.28	-30.63
Gold	USD per troy ounce	1,117.96	1,095.41	1,113.34	1.64	739.71	867.18	1,022.79	17.94

Note: * Average of U.K Brent, Dubai and West Texas Intl

** f.o.b. Dubai

*** f.o.b West Mediterranean

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

5.0 National Debt Developments

National debt stock decrease by USD 33.7 million to USD 9,607.8 million as at the end of March 2010 from the amount recorded at the end of the preceding month, mainly on account of

exchange rates fluctuations and debt service payments. Out of total debt stock, external debt accounted for 80.2 percent and domestic debt was 19.8 percent.

External Debt

External debt stock decreased to USD 7,669.7 million at the end of March 2010 from USD 7,735.8 million recorded at the end of February 2010. Out of the external debt stock, USD 6,077.9 million or 79.3 percent was Disbursed Outstanding Debt (DOD) and the remaining portion was interest arrears.

The profile of external debt stock by borrower category indicated the Central Government as the largest borrower with debt accounting for 69.6 percent of the total external debt stock. Private sector and public corporations debts accounted for 12.8 percent and 17.6 percent, respectively ([Table 5.1](#)).

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

<i>Millions of USD</i>						
Borrower	Mar-09	% Share	Feb-10	% Share	Mar-10	% Share
Central Government	4,702.8	72.0	5,359.0	69.27	5,341.91	69.6
DOD	4,040.9	61.8	4,629.3	59.84	4,620.80	60.2
Interest Arrears	661.9	10.1	729.7	9.43	721.11	9.4
Private Sector	1,171.8	17.9	1,510.8	19.53	979.17	12.8
DOD	753.6	11.5	1,010.3	13.06	486.10	6.3
Interest Arrears	418.2	6.4	500.5	6.47	493.07	6.4
Public Corporation	659.7	10.1	866.1	11.20	1,348.69	17.6
DOD	148.0	2.3	488.3	6.31	971.00	12.7
Interest Arrears	511.7	7.8	377.8	4.88	377.69	4.9
External Debt Stock	6,534.3	100.0	7,735.9	100.00	7,669.8	100.0

Source: [Bank of Tanzania](#)

In terms of creditor category, debt owed to multilateral creditors was USD 4,030.9 million or 52.6 percent of total external debt, while debt owed to bilateral creditors accounted for 21.5 percent. [Table 5.2](#) summarises external debt stock by creditor category.

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

Millions of USD

Creditor	Mar-09	% Share	Feb-10	% Share	Mar-10	% Share
Bilateral	1,582.6	24.8	1,661.5	21.5	1,647.7	21.5
Paris Club	580.0	9.1	626.8	8.1	612.4	8.0
Non Paris Club	1,002.6	15.7	1,034.7	13.4	1,035.3	13.5
Multilateral	3,103.4	48.7	4,032.5	52.1	4,030.9	52.6
AfDB	654.6	10.3	863.1	11.2	847.3	11.0
World Bank	2,100.7	32.9	2,446.8	31.6	2,424.8	31.6
IMF	17.6	0.3	320.5	4.1	174.1	2.3
Others	330.5	5.2	402.1	5.2	584.7	7.6
Commercial	1,009.8	15.8	1,213.6	15.7	1,167.2	15.2
Export Credits	680.1	10.7	828.3	10.7	823.9	10.7
External Debt Stock	6,375.9	100.0	7,735.9	100.0	7,669.7	100.0

Source: Bank of Tanzania

During the month under review, USD 70 million worth new loans were contracted by the private sector. Disbursements received and recorded amounted to USD 35.16 million. External debt service payments amounted to USD 5.4 million, out of which, USD 2.8 million was principal repayments and USD 2.6 interest payment. The payments represented about 40.0 percent of USD 13.7 million scheduled for payment during the period due to accumulation of arrears on non-serviced debts and inadequate information flow on debt serviced by private sector.

Domestic Debt

Domestic debt stock increased by 1.0 percent to TZS 2,578.0 billion at end March 2010 from the level recorded at the end of the preceding month. The rise was associated with increased infrastructure financing by the Government. Out of the total domestic debt, government securities amounted to TZS 2,569.8 billion or 99.7 percent and the remaining was other debts.

During the period under review, new debt issued amounted to TZS 50.3 billion, out of which, TZS 22.8 was Treasury bills and TZS 27.5 billion was tradable bonds. Domestic debt service amounted to TZS 22.5 billion, out of which, interest of TZS 11.7 billion was paid out of government revenue, whereas principal amounting to TZS 10.8 billion was rolled over. **Table 5.3** compares estimates against actual of cumulative domestic borrowing and debt service for the year 2009/10.

Table 5.3: New Domestic Borrowing and Debt Service*Billions of TZS*

Item	Budgeted 2009/10	Actual 2009/10 (Jul - Mar 2010)	% of Budget
Domestic Borrowing	1,082.7	781.9	72.2
Treasury Bills	202.5	258.2	127.5
Treasury Bonds	880.2	523.7	59.5
Domestic Debt Service	952.4	641.2	67.3
Principal	597.5	394.1	66.0
Interest	354.9	247.1	69.6

Source: Bank of Tanzania

6.0 Economic Developments in Zanzibar

Inflation Developments

The Annual Headline Inflation rate increased to 6.8 percent in March 2010, from 5.9 percent registered in February 2010. The increase was driven by acceleration of both food and non-food inflation. Similarly, the **month-to-month headline** inflation rate increased to 1.1 percent compared to negative 0.8 percent registered in February 2010 on account of increase in food inflation (**Table 6.1 and Chart 6.1**).

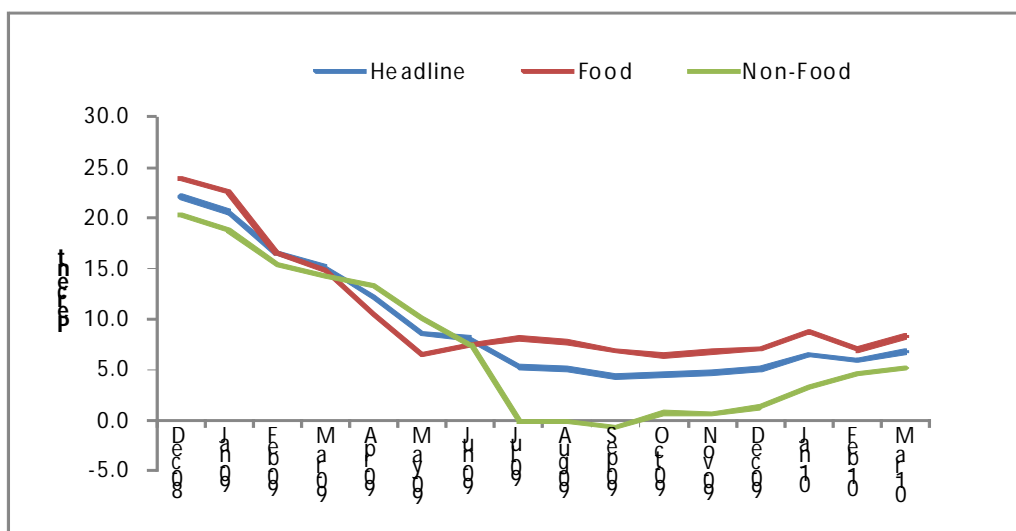
Table 6.1: Annual Percentage Change in Consumer Price Index (CPI)

Base: Dec.2005=100

Major Commodity Group	Weights (%)	2008			2009			2010		
		Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar
Headline/Overall	100	13.1	14.7	15.3	20.6	16.5	15.1	6.5	5.9	6.8
Food	57.4	17.0	19.9	20.4	22.5	16.5	14.8	8.8	7.0	8.3
Non-Food	42.6	7.2	8.9	8.5	18.8	15.4	14.3	3.3	4.6	5.2
Alcoholic Beverages, Tobacco & Narcotics	0.6	0.6	0.9	0.5	19.5	20.3	19.2	26.3	25.9	26.2
Clothing & Footwear	6.2	6.9	7.6	7.0	7.7	7.7	8.2	4.8	5.3	5.0
Housing, Water, Electricity, Gas & Other Fuels	15.6	3.7	3.4	6.3	31.6	27.7	25.9	1.7	3.2	3.2
Furnishing, Household Equipment & Routine Household Maintenance	5.3	11.6	11.3	12.0	12.9	13.3	11.3	4.0	3.4	3.4
Health	2.1	18.4	18.4	15.3	12.3	12.3	12.8	6.5	11.5	12.7
Transport	3.4	5.5	5.6	4.3	18.9	13.5	11.0	-8.1	-4.2	-1.2
Communication	2.4	-2.2	-2.2	-2.2	-0.1	-0.1	-0.1	0.0	0.0	0.0
Recreation & Culture	0.4	16.1	14.0	10.2	2.5	3.1	2.9	4.0	4.7	4.8
Education	1.1	5.0	7.7	6.1	3.5	6.2	6.1	16.6	12.6	12.6
Restaurants & Hotels	3.1	32.4	33.1	27.7	18.0	13.5	13.5	8.0	11.6	15.7
Miscellaneous Goods & Services	2.4	13.2	12.8	14.6	9.3	16.0	14.6	11.9	6.3	5.8

Source: Office of Chief Government Statistician (OCGS)

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



Source: Office of Chief Government Statistician (OCGS)

Annual food inflation rate increased to 8.3 percent in March 2010, from 7.0 percent registered in February 2010, mainly due to low supply of fish and increase in the price of sugar in the world market. The average prices for fish, increased by 10.1 percent to TZS 4,237 per kilo during March 2010, from TZS 3,847 per kilo in March 2009, while the average price of sugar surged to TZS 1,500 per kilo, from TZS 1,000 per kilo (**Chart 6.1**).

The **month-to-month food inflation rate** also increased to 1.7 percent from negative 1.8 percent recorded in February 2010, on account of increased prices of fish and rice. Fish price increased from TZS 3,789 per kilo in February 2010, while rice price rose to TZS 1,000 per kilo from TZS 983 per kilo.

Annual non-food inflation rate increased from 4.6 percent in the year ended February 2010 to 5.2 percent in March 2010, mainly on account of increased prices of diesel and petrol. Specifically, the price of diesel and petrol increased to TZS 1,435 and TZS 1,480 per litre, from TZS 1,320 and TZS 1,260 per litre in March 2009, respectively. However, the **month-to-month** non-food inflation rate decreased to 0.5 percent in March 2010 from 0.6 percent in February 2010.

Fiscal Performance

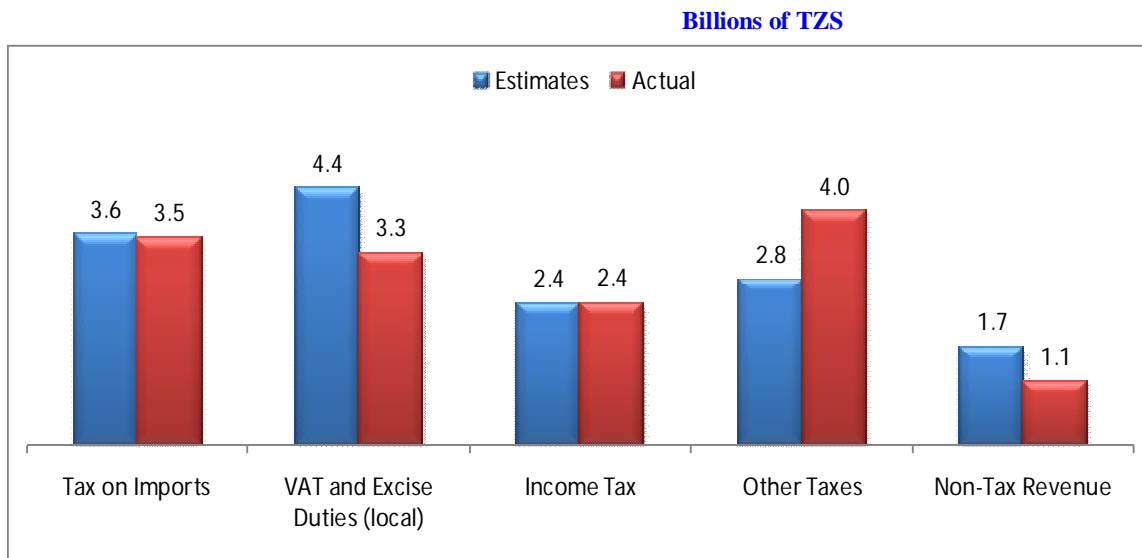
Government budgetary operations on cheques issued basis registered a deficit after grants of TZS 6.8 billion in March 2010. The deficit after adjustment to cash narrowed to TZS 6.6 billion. Total resources during the month under review amounted to TZS 27.5 billion, out of which, domestic sources were TZS 14.4 billion, while grants amounted to TZS 13.1 billion. Total expenditure was TZS 34.2 billion, against the estimates of TZS 40.0 billion. The budget deficit was exclusively financed through foreign sources.

Revenue Performance

Total revenue collections during March 2010 amounted to TZS 14.4 billion, slightly below the target of TZS 15.0 billion. Tax collections reached TZS 13.3 billion in line with the target for the month. Non-tax revenue amounted to TZS 1.1 billion against the target of TZS 1.7 billion.

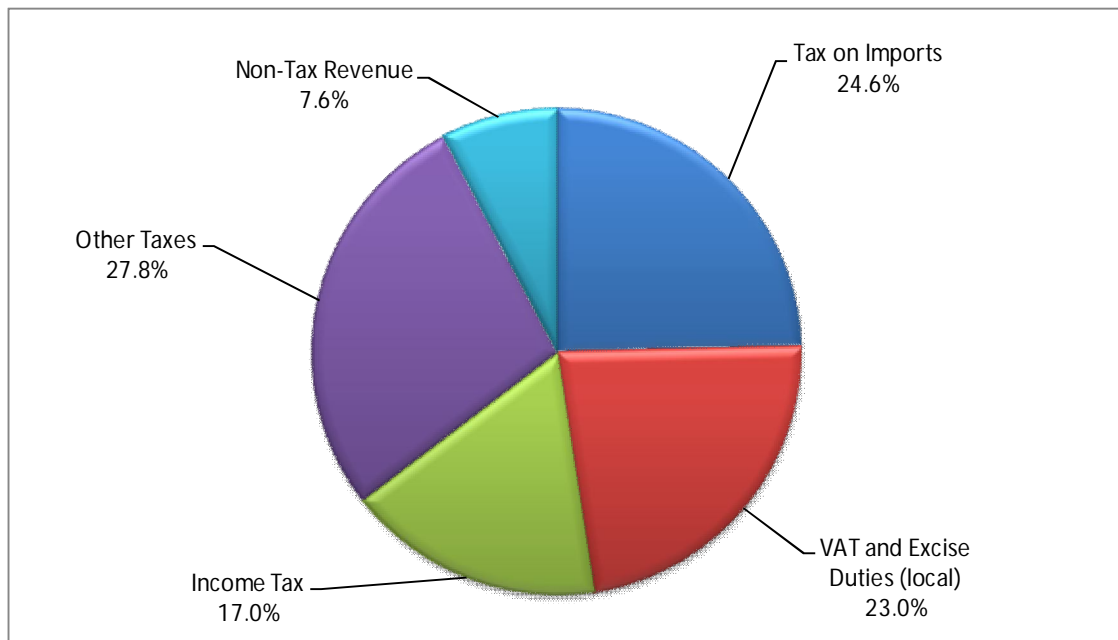
Revenue collection by category shows that, local VAT and excise duty amounted to TZS 3.3 billion, compared with a target of TZS 4.4 billion. The underperformance was partly associated with slow down of tourist activities. Imports taxes amounted to TZS 3.5 billion against the target of TZS 3.6 billion. Income tax amounted to TZS 2.4 billion, as per target. Collection from other taxes amounted to TZS 4.0 billion, exceeding the target of TZS 2.8 billion, due to a surge in fuel related taxes following high consumption of fuel as a result of power blackout (**Chart 6.2 and 6.3**).

Chart 6.2: Government Revenue by Sources, Actual versus Target – March 2010



Source: Ministry of Finance and Economic Affairs, Zanzibar

Chart 6.3: Government Revenue by Sources, Percentage Share to Total Revenue – March 2009

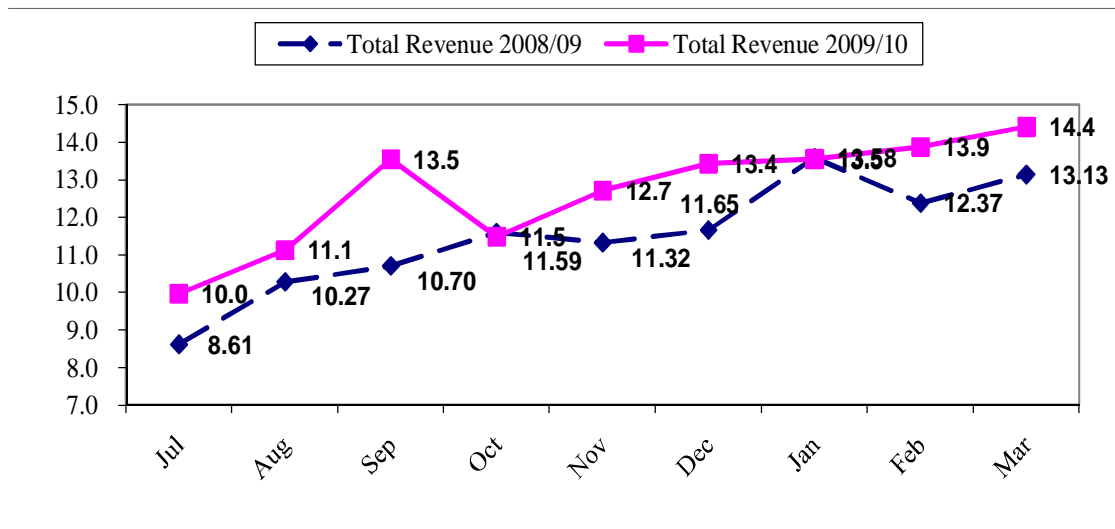


Source: Ministry of Finance and Economic Affairs, Zanzibar

Cumulatively, government revenue for the period July 2009 – March 2010, amounted to TZS 114.0 billion, or 71.4 percent of the annual target of TZS 159.7 billion for 2009/10. During the

corresponding period in 2008/09, government revenue collections amounted to TZS 103.2 billion or 76.9 percent of the annual target (**Chart 6.4**).

Chart 6.4: Government Total Revenue Collections, July 2009– March 2010
Billions of TZS



Source: Ministry of Finance and Economic Affairs, Zanzibar

Government Expenditure

Total government expenditure during March 2009, amounted to TZS 34.2 billion, compared with the estimate of TZS 40.0 billion. Total recurrent expenditure amounted to TZS 13.0 billion, while development expenditure amounted to TZS 21.2 billion. Composition of recurrent expenditure indicates that wages and salaries amounted to TZS 6.2 billion, while expenditure on other charges was TZS 6.7 billion. Meanwhile, development expenditure was TZS 21.3 billion, against the estimate of TZS 20.4 billion. Government contribution was TZS 3.0 billion, while donor funds amounted to TZS 18.3 billion.

Cumulatively, government expenditure for the period, July 2009 - March 2010, was TZS 201.9 billion, or 48.9 percent of the annual estimate of TZS 412.6 billion. Comparatively, total government expenditure during the corresponding period in 2008/09 amounted to TZS 156.1 billion or 45.7 percent of the annual estimate.

Debt Developments

As at end of March 2010, Zanzibar total public debt stock was USD 108.4 million, compared to USD 110.0 million recorded at the end of February 2010. External debt was USD 62.3 million or 57.5 percent of the total debt and the rest was domestic.

Domestic Debt

During the period under review, domestic debt stock declined by TZS 0.8 billion to TZS 61.2 billion, from the level recorded end of February 2010. The decline was mainly on account of settlement of gratuities claims by the government retirees.

The composition of domestic debt by creditor indicated that debt owed to government suppliers and pensioners as the largest, accounting for 59.9 percent, followed by the Union Government debt that accounted for 22.2 percent. Zanzibar Port Corporation (ZPC) and Zanzibar State Trading Corporation (ZSTC) claims accounted for 6.4 percent and 5.9 percent of total domestic debt, respectively. While, debt owed to Zanzibar Social Security Fund (ZSSF) accounted for 4.9 percent of domestic debt, claims by the Peoples Bank of Zanzibar (PBZ) was 0.7 percent.

The profile of domestic debt by maturity revealed that debt maturing between 2 and 5 years stood at TZS 28.5 billion, or 46.5 percent of domestic debt, while debt with “undetermined maturity” (predominantly gratuity and supplier’s claims) amounted to TZS 26.3 billion, or 42.9 percent. Debt maturing in less than a year was TZS 6.5 billion, or 10.6 percent of the total domestic debt.

External Debt

Total external debt stock as at end March 2010 was USD 62.3 million, compared to USD 62.6 million reported in the preceding month. Out of the total external debt stock, debt guaranteed by the Union Government was USD 46.7 million, or 75.0 percent, while non-guaranteed debt was USD 15.6 million, or 25.0 percent.

During the month under review, debt owed to multilateral creditors was the largest amounting to USD 46.0 million, or 73.9 percent of the total external debt, followed by bilateral creditors USD

3.5 million, or 5.6 percent. Commercial debt was USD 4.5 million and accounted for 7.3 percent of external debt, while export credit stood at USD 8.3 million or 13.3 percent.

Profile of external debt by end use of funds as at the end of March 2010 indicated that USD 25.2 million or 40.4 percent was held in transport and telecommunication activity. Social welfare and education activity held USD 24.5 million, or 39.4 percent. Finance and Insurance activity had 7.2 percent of external debt, whereas, agriculture had 2.1 percent. Energy, manufacturing and other activities absorbed 0.6 percent, 0.8 percent and 9.6 percent, respectively.

External Sector Performance

Current Account

The Zanzibar current account balance improved to a surplus of USD 32.6 million in the year ending March 2010, from a deficit of USD 2.7 million in the year before. The surplus arose from current transfers and exports proceeds. During the period, transfers increased by USD 19.2 million to USD 62.7 million whereas export of goods and services increased by USD 13.3 million to USD 125.1 million (**Table 6.2**).

Table 6.2: Zanzibar Current Account Balance

Item	Millions of USD								
	2009	2010			Year Ending March			%Change	
	Mar	Jan	Feb	Mar	2008	2009	2010p	Monthly	Annual
Goods Account (net)	-3.9	-7.4	-5.8	-5.7	-70.7	-96.8	-66.7	-1.7	-31.1
Exports	1.6	0.4	1.5	1.4	14.9	16.3	26.1	-6.7	60.1
Imports (fob)	5.5	7.7	7.3	7.1	85.6	113.1	92.8	-2.7	-17.9
Services Account (net)	2.8	2.8	1.8	2.9	35.6	33.1	37.8	61.1	14.2
Receipts	8.0	7.6	8.7	9.3	84.5	95.5	99.0	6.9	3.7
Payments	5.2	4.8	6.9	6.5	48.9	62.4	61.2	-5.7	-1.9
Goods and Services (net)	-1.1	-4.5	-4.0	-2.8	-35.1	-63.7	-28.9	-30.0	-54.6
Exports of Goods and Services	9.6	8.0	10.2	10.7	99.4	111.8	125.1	4.9	11.9
Imports of Goods and Services	10.7	12.5	14.2	13.6	134.5	175.5	154.1	-4.2	-12.2
Income Account (net)	-0.2	-0.6	0.0	-0.6	-0.6	-1.6	-1.2	...	-25.0
Receipts	0.04	0.1	0.0	0.0	0.1	0.4	0.3	0.0	-25.0
Payments	0.2	0.6	0.1	0.6	0.8	2.0	1.5	500.0	-25.0
Current Transfers (net)	2.5	0.7	1.2	9.8	62.8	43.5	62.7	716.7	44.1
Inflows	2.5	0.7	1.2	9.8	62.8	43.5	62.7	716.7	44.1
Outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Current Account Balance	1.2	-4.4	-2.8	6.4	27.0	-21.7	32.6	328.6	250.2

Source: Tanzania Revenue Authority and BOT computations

Exports Performance

During the month under review, the value of exports of goods shipped from Zanzibar was USD 1.4 million slightly lower than USD 1.5 million in the preceding month. Likewise, service

receipts amounted to USD 9.3 million, being higher than USD 8.7 million recorded in the previous month.

During the year ending March 2010, Zanzibar export of goods and services amounted to USD 125.1 million, compared to USD 111.8 million recorded in the year ending March 2009. The increase was largely associated with a rise in services receipts to USD 99.0 million from USD 95.5 million during the period. Meanwhile, the value of cloves exported during the period under review increased to USD 13.0 million from USD 4.8 million. The rise in cloves export was on account of increase in the volume of the crop that rose to 3.6 metric tons from 1.5 metric tons. Exports of seaweeds and manufactured goods also increased to USD 2.9 million and USD 5.2 million from USD 2.1 million and US 4.8 million respectively. **Table 6.3** summarizes performance of major exports.

Table 6.3: Zanzibar Exports by Major Categories

Item	Units	2009	2010			Year Ending March			%Change	
		Mar	Jan	Feb	Mar	2008	2009	2010p	Monthly	Annual
Traditional										
Cloves										
Value	Millions	0.65	0.15	0.39	0.02	4.00	4.82	13.03	-94.9	170.3
Volume	000 Tons	0.22	0.04	0.09	0.08	1.05	1.46	3.60	-11.1	146.6
Unit Price	USD/Ton	2926.5	3,796.9	4,241.8	3,800.0	3,811.0	3,311.1	3,619.4	-10.4	9.3
Non-Traditional										
Seaweeds										
Value	Millions	0.19	0.17	0.24	0.34	2.44	2.12	2.94	41.7	38.7
Volume	000 Tons	0.76	0.58	1.03	1.41	9.97	8.64	11.28	36.9	30.5
Unit Price	USD/Ton	253.4	288.0	233.3	241.1	245.0	244.9	260.3	3.3	6.3
Manufactured Goods	Millions	0.36	0.01	0.39	0.50	3.73	4.75	5.19	28.2	9.3
Fish and Fish Produce	Millions	0.02	0.01	0.04	0.05	0.24	0.14	0.37	25.0	164.4
Others Exports	Millions	0.40	0.02	0.46	0.50	4.47	4.47	4.60	11.1	2.9
Sub Total	Millions	0.98	0.21	1.12	1.39	10.88	11.47	13.1	24.1	14.2
Grand Total	Millions	1.63	0.36	1.51	1.41	14.89	16.29	26.1	-6.6	60.2

p= provisional

Source: Tanzania Revenue Authority and BOT computations

Goods Import

During the month under review, value of goods shipped into Zanzibar was USD 7.8 million (c.i.f), below USD 8.0 million recorded in February 2010, owing to a decrease in import value of oil. On annual basis, imports of goods declined to USD 102.0 million, from USD 124.2 million of the corresponding period in 2009, mainly due to decrease in the value of oil, industrial raw materials and other consumer goods. The value of imported oil declined to USD 26.9 million compared to USD 33.7 million, while that of industrial raw materials fell to USD 7.7 million from USD 11.6 million in the year ending March 2009. Similarly, the value of other imported

consumer goods was USD 15.1 million, slightly below USD 16.9 million recorded in the preceding year (**Table 6.4**).

Table 6.4: Zanzibar Imports by Major Categories

Millions of USD

Import Category	2009	2010			Year Ending March			%Change	
	Mar	Jan	Feb	Mar	2008	2009	2010 ^p	Monthly	Annual
Capital Goods	2.7	1.8	2.5	3.3	42.7	54.9	43.4	32.0	-20.9
Transport Equipment	1.6	0.8	1.0	1.7	19.7	33.4	22.1	72.0	-33.8
Building and Constructions	0.2	0.4	0.7	0.6	8.0	9.2	8.5	-14.3	-7.6
Machinery	0.8	0.6	0.8	1.0	15.0	12.2	12.8	25.0	4.9
Intermediate Goods	1.0	6.1	3.9	2.7	31.1	45.3	34.6	-30.8	-23.8
Oil imports	0.0	6.0	3.7	2.1	24.4	33.7	26.9	-43.2	-20.2
Industrial raw materials	1.0	0.1	0.2	0.6	6.7	11.6	7.7	200.0	-34.3
Consumer Goods	2.4	0.6	1.6	1.8	20.3	24.0	24.0	12.5	0.1
Food and food stuffs	1.6	0.4	0.6	0.7	7.6	7.1	8.9	16.7	24.6
All other consumer goods	0.8	0.2	1.0	1.1	12.6	16.9	15.1	10.0	-10.2
Grand Total (c.i.f)	6.1	8.5	8.0	7.8	94.0	124.2	102.0	-25.0	-17.9
Grand Total (f.o.b)	5.5	7.7	7.3	7.1	85.6	113.1	92.8	-2.7	-17.9

p= provisional

... = Very small value

Source: Tanzania Revenue Authority

Services Account

During the month under review, services account balance improved to a surplus of USD 2.9 million, from USD 1.8 million registered in February 2010. While foreign receipts increased to USD 9.3 million from USD 8.7 million, foreign payments declined to USD 6.5 million, from USD 6.9 million.

On annual basis, the services account surplus increased to USD 37.8 million, from USD 33.1 million recorded in 2009. While, foreign receipts increased to USD 99.0 million from USD 95.5 million, payments decreased to USD 61.2 million from USD 62.4 million.

Statistical Tables

Table A1: Selected Economic Indicators (Annual)							
Item	Unit	2003	2004	2005	2006r	2007r	2008P
1. National Accounts and Prices							
1.1 Change in GDP at Market Prices--Current Prices	Percent	15.9	15.4	14.3	12.4	16.8	18.3
1.2 Change in GDP at Market Prices-Constant 2001 Prices	Percent	6.9	7.8	7.4	6.7	7.1	7.4
1.3 GDP Per Capita ¹	TZS	354,007.7	395,795.8	441,030.2	478,433.8	546,955.7	630,577.1
1.4 GDP Per Capita ¹	USD	340.9	363.3	392.8	382.2	443.7	527.1
1.5 Change in Consumer Price Index (Inflation)	Percent	3.5	4.2	4.4	7.3	7.0	10.3
1.6 Saving to GNDI Ratio ²	Percent	9.6	10.4	8.7	8.5	6.4	6.4
2. Money Credit and Interest Rates*							
2.1 Change in Extended Broad Money Supply (M3)	Percent	18.0	13.5	34.8	21.5	20.5	19.8
2.2 Change in Broad Money supply (M2)	Percent	17.8	19.8	33.9	16.7	27.2	24.4
2.3 Change in Narrow Money Supply (M1)	Percent	17.7	22.7	31.8	12.0	29.1	21.9
2.4 Change in Reserve Money	Percent	18.3	21.1	28.5	17.1	24.9	21.1
2.5 Total Credit to GDP Ratio ¹	Percent	7.3	7.4	11.6	11.3	13.5	17.0
2.6 Private Sector Credit to GDP Ratio ¹	Percent	8.2	9.4	10.4	12.9	15.0	18.4
2.7 Ratio of Private Credit to Total Credit	Percent	112.3	126.2	89.6	113.9	111.3	107.9
2.8 Average Deposit Rate (12-Month) ³	Percent	5.3	5.7	6.2	8.3	9.3	8.7
2.9 Weighted Average Treasury Bill Rate	Percent	7.7	9.6	14.8	15.0	11.4	11.0
2.10 Average Long-Term Lending Rate ³	Percent	12.2	12.7	13.4	14.9	16.1	16.4
3. Balance of Payments							
3.1 Exports of goods (f.o.b)	Mill. USD	1,220.9	1,481.6	1,679.1	1,917.6	2,226.6	3,036.7
3.2 Imports of goods (f.o.b)	Mill. USD	-1,933.5	-2,482.8	-2,997.6	-3,864.1	-4,860.6	-6,483.4
3.3 Trade Balance	Mill. USD	-712.6	-1,001.2	-1,318.5	-1,946.5	-2,634.1	-3,446.7
3.4 Balance on Current Account	Mill. USD	-118.1	-365.9	-862.8	-1,143.2	-1,580.3	-2,350.7
3.5 Overall Balance	Mill. USD	389.1	284.0	-227.8	460.7	412.6	108.8
3.7 Gross Official Reserves	Mill. USD	2,037.8	2,307.7	2,054.6	2,137.5	2,761.9	2,869.7
3.8 Reserves Months of Imports (of goods and services)	Months	7.1	6.6	4.8	4.1	4.1	4.4
3.9 Exchange Rate:							
3.9.1 Annual Average	TZS/USD	1,038.9	1,089.1	1,129.2	1,251.9	1,232.8	1,196.3
3.9.2 End of Period	TZS/USD	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1	1,280.3
4. Population (TZ Mainland)	Million	34.2	35.3	36.2	37.5	38.3	39.3
5. Public Finance							
		2003/04	2004/05	2005/06r	2006/07r	2007/08*	2008/09*
5.1 Current Revenue to GDP Ratio ¹	Percent	12.1	11.8	12.5	14.1	15.9	
5.2 Grants to GDP Ratio ¹	Percent	3.7	4.8	6.2	4.9	6.9	
5.2 Current Expenditure to GDP Ratio ¹	Percent	12.9	14.0	15.7	16.1	14.9	
5.3 Development Expenditure to GDP Ratio ¹	Percent	3.6	7.2	7.9	6.9	7.9	
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	-4.4	-9.3	-11.1	-8.9	-6.9	
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	-0.6	-4.5	-4.9	-4.0	0.0	
6. Total External Debt Stock	Mill. USD	7,857.0	8,134.8	8,229.5	4,660.9	5,846.4	6,999.4
Disbursed Debt	Mill. USD	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1	5,483.0
Interest	Mill. USD	1,178.7	1,335.3	1,258.3	1,218.6	1,363.3	1,516.3
Total External Debt as % of GDP	Percent	64.2	60.2	57.6	29.8	30.2	
Note:							
1 Calculated on the basis of GDP at Market Prices (Current Prices)							
2 GNDI stands for gross national disposable income							
3 Annual Average							
* Data have been revised after adoption of Standard Reporting Format (SRF)							
r Revised							
P = Provisional							
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 2009/10	Monthly Flows - Actuals				Jan-10	Feb-10	Mar-10	Jul 2009 - Mar 2010	
		Sep-09	Oct-09	Nov-09	Dec-09	Actual	Actual	Actual	Estimates	Actuals
Total Revenue (Including LGAs)	5,234,068.6	426,595.8	353,688.4	361,891.3	483,837.7	375,761.9	347,338.6	459,223.0	3,924,936.0	3,490,263.0
Total Revenue	5,096,016.3	426,595.8	353,688.4	361,891.3	483,837.7	375,761.9	347,338.6	459,223.0	3,821,397.0	3,490,263.0
Tax Revenue	4,840,876.8	408,506.4	337,947.1	343,250.9	460,729.5	359,252.4	333,220.3	441,582.2	3,621,744.0	3,330,000.0
Taxes on Imports	1,758,233.8	129,164.7	135,712.1	140,335.6	149,127.2	147,094.0	127,970.9	146,333.4	1,311,100.0	1,237,700.0
Sales/VAT and Excise on Local Goods	1,101,646.4	84,246.3	82,563.8	84,467.5	92,253.8	87,073.0	78,547.2	77,998.9	822,000.0	722,100.0
Income Taxes	1,428,419.9	157,359.2	78,910.7	73,583.9	171,612.4	82,106.0	87,194.3	188,707.0	1,073,100.0	1,000,300.0
Other taxes	552,576.7	37,736.1	40,760.5	44,863.9	47,736.1	42,979.4	39,507.9	42,958.5	415,600.0	369,900.0
Non- tax Revenue	255,139.4	18,089.4	15,741.3	18,640.4	23,108.2	16,509.5	14,118.3	17,640.8	199,700.0	160,200.0
LGA Own Sources	138,052.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	103,539.0	0.0
Total Expenditure /1	8,862,272.7	850,153.7	866,667.6	709,794.5	763,487.0	602,188.8	575,799.3	641,694.0	6,718,713.0	6,143,918.0
Recurrent expenditure	6,036,841.6	536,202.8	652,986.8	457,543.6	439,459.4	347,015.9	407,650.7	541,881.0	4,464,141.0	4,189,721.0
Roadtoll fund										
Retention fund	103,503.0	4,742.1	4,661.6	7,900.8	4,793.0	5,915.1	9,179.5	5,915,081.2	59,202,491.8	36,476,773.9
Wages and salaries	1,766,388.2	139,418.7	139,543.7	142,149.9	143,732.0	142,651.0	145,132.7	148,069.0	1,320,908.0	1,276,706.0
Interest payments	407,826.2	26,762.4	30,699.8	12,898.5	32,840.8	26,299.3	750.6	35,344.0	274,772.0	173,595.0
Domestic	354,910.0	25,432.0	22,695.8	8,593.3	28,831.5	25,105.5	0	27,877.0	236,638.0	145,914.0
Foreign	52,916.2	1,330.4	8,003.9	4,305.1	4,009.3	1,193.8	750.6	7,467.0	38,134.0	27,681.0
Other goods, services and transfers	3,759,124.2	365,279.6	478,081.8	294,594.5	258,093.7	172,150.5	252,587.9	358,468.0	2,868,461.0	2,739,420.0
Dev. Expenditure and net lending	2,825,431.0	313,950.9	213,680.8	252,250.9	324,027.6	255,172.9	168,148.6	99,813.0	2,254,572.0	1,954,197.0
Local	968,028.5	173,200.8	152,174.7	30,000.0	67,500.0	56,562.0	71,500.0	53,500.0	831,794.0	625,383.0
Foreign	1,857,402.6	140,750.1	61,506.1	222,250.9	256,527.6	198,610.9	96,648.6	46,313.0	1,422,778.0	1,328,814.0
Balance before Grants	-3,628,204.1	-423,557.9	-512,979.2	-347,903.2	-279,649.3	-226,426.9	-228,460.7	-182,471.0	-2,793,777.0	-2,653,655.0
Grants	2,090,945.9	10,079.7	1,499.6	159,151.8	201,051.8	136,954.0	85,977.2	39,274.0	1,633,992.0	1,341,032.0
Program (CIS/OGL)	825,445.3	8,173.7	0.0	0.0	10,423.4	113,902.5	69,913.5	29,189.0	645,097.0	649,963.0
Project	640,708.7	770.3	0.0	114,803.7	73,161.7	0.0	0.0	0.0	480,532.0	419,702.0
Basket funds	282,848.8	1,135.6	1,499.6	44,348.0	116,410.2	12,945.8	16,063.6	5,126.0	251,906.0	238,634.0
MDRI/MCA(T)	341,943.1	0.0	0.0	0.0	1,056.5	10,105.7	0.0	4,959.0	256,457.0	32,733.0
Balance (cheq. issued) after Grants	-1,537,258.2	-413,478.2	-511,479.6	-188,751.4	-78,597.5	-89,472.8	-142,483.6	-143,197.0	-1,159,785.0	-1,312,623.0
Expenditure float	0.0	-15,655.9	-7,646.2	-2,032.1	-3,036.0	-3,036.0	1.0	0.0	0.0	-436,236.0
Adjustments to cash and other items (net)	0.0	123,401.6	245,507.2	41,755.3	107,320.1	-177,145.5	54,619.0	54,106.0	0.0	626,605.0
Overall Balance (cheques cleared)	-1,537,258.2	-305,732.5	-273,618.7	-149,028.2	25,686.5	-269,654.3	-87,863.5	-89,091.0	-959,786.0	-1,122,254.0
Financing:	1,537,258.2	305,732.5	273,618.7	149,028.2	-25,686.5	269,654.3	87,863.5	89,091.0	959,786.0	1,122,254.0
Foreign Financing (net)	1,037,065.1	395,253.1	50,394.6	60,728.2	66,050.8	184,760.2	80,127.7	29,539.0	864,457.0	967,518.0
Loans	800,925.0	389,438.4	44,375.1	56,505.5	66,955.7	154,466.6	35,134.6	13,749.0	692,810.0	800,691.0
Program loans	368,464.0	258,404.0	0.0	0.0	0.0	0.0	0.0	0.0	368,464.0	339,590.0
Development Project loans	432,461.0	131,034.5	44,375.1	56,505.5	66,955.7	154,466.6	35,134.6	13,749.0	324,346.0	461,101.0
Basket Support	290,075.8	7,809.7	15,631.5	6,593.6	0.0	31,198.5	45,450.4	21,297.0	207,514.0	189,446.0
Amortization	-53,935.7	-1,995.0	-9,612.0	-2,370.9	-904.9	-904.9	-457.3	-5,507.0	-35,867.0	-22,619.0
Domestic (net)	500,193.1	-89,520.6	223,224.1	88,300.0	-91,737.3	84,894.1	7,735.8	59,552.0	95,329.0	154,736.0
Bank & Non Bank Financing (NDF)	506,193.1	-89,207.6	223,224.1	88,300.0	-91,737.3	84,894.1	7,735.8	59,803.0	101,329.0	155,300.0
Bank borrowing	406,193.1	-105,834.9	174,656.9	60,300.0	-79,167.5	134,932.9	10,039.3	106,700.0	201,329.0	256,900.0
Non-Bank (net of amortization)	100,000.0	16,627.3	48,567.2	28,000.0	-12,569.8	-50,038.7	-2,303.5	-46,897.0	-100,000.0	-101,600.0
Borrowing/Roll over	576,476.3	157,160.9	111,414.6	36,370.3	19,036.3	323,982.1	39,437.9	10,797.0	441,822.0	424,393.0
Domestic & Contingent debt Amortization	-597,476.3	-157,473.9	-111,414.6	-36,370.3	-19,036.3	-323,982.1	-39,437.9	-11,048.0	-462,822.0	-424,957.0
Privatization Proceeds	15,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15,000.0	0.0
GDP (In Million TZS)	31,108,881									
<i>Note: /1 Exclude amortization and Expenditure Float, includes Road fund and Retention expenditures</i>										
<i>Source: Ministry of Finance, Bank of Tanzania and National Bureau of Statistics</i>										

Table A3: Depository Corporations Survey (Provisional)														
	Billions of TZS													
	2009					Prov.								
Item	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
Net foreign assets	4,116.5	4,145.3	4,197.8	4,140.8	4,196.8	4,637.7	4,717.4	4,864.2	4,914.7	5,040.5	4,938.0	4,964.6	4,947.5	4,915.9
Bank of Tanzania	3,456.2	3,457.1	3,546.4	3,430.3	3,395.1	3,792.4	3,843.1	3,897.1	3,857.5	3,896.0	3,843.4	3,925.3	3,911.1	3,845.0
Other Depository Corporations	660.3	688.1	651.4	710.5	801.7	845.3	874.4	967.1	1,057.2	1,144.4	1,094.5	1,039.3	1,036.4	1,070.9
Net domestic assets	3,436.5	3,488.3	3,429.6	3,470.1	3,669.2	3,623.5	3,633.4	3,611.9	3,649.4	3,691.9	3,893.8	4,015.3	4,089.9	4,172.2
Domestic claims	4,368.1	4,256.3	4,282.0	4,419.0	4,771.7	4,660.6	4,797.9	4,744.4	4,930.6	5,089.3	5,068.0	5,181.7	5,247.8	5,444.3
Claims on central government (net)	-218.8	-369.9	-353.0	-266.0	61.5	-32.4	25.8	-80.0	94.7	155.0	75.8	191.8	211.7	318.4
Claims on central government	2,002.9	2,052.7	2,070.7	2,055.7	2,315.5	2,389.4	2,668.0	2,656.7	2,757.9	2,803.0	2,762.5	2,863.8	2,879.8	2,930.0
Liabilities to central government	2,221.7	2,422.6	2,423.6	2,321.6	2,254.0	2,421.8	2,642.2	2,736.7	2,663.3	2,648.0	2,686.7	2,672.1	2,668.0	2,611.6
Claims on non-government sector	4,586.9	4,626.2	4,634.9	4,684.9	4,710.2	4,693.0	4,772.1	4,824.4	4,836.0	4,934.3	4,992.2	4,989.9	5,036.1	5,125.8
Broad money liabilities	7,553.0	7,633.5	7,627.4	7,610.9	7,866.0	8,261.2	8,350.9	8,476.2	8,564.2	8,732.3	8,831.8	8,979.8	9,037.5	9,088.1
Currency outside depository corporations	1,384.3	1,366.6	1,349.6	1,366.3	1,424.1	1,494.1	1,543.7	1,519.4	1,539.0	1,553.6	1,567.3	2,237.1	2,155.7	2,203.1
Transferable deposits	2,899.9	2,915.8	2,968.4	2,889.0	2,949.9	3,110.9	3,156.4	3,328.6	3,286.1	3,366.2	3,340.0	1,690.1	1,625.7	1,656.2
Other deposits	3,268.8	3,351.2	3,309.4	3,355.7	3,492.1	3,656.2	3,650.8	3,628.2	3,739.0	3,812.6	3,924.5	6,742.8	6,881.7	6,884.9
Other items (net)	-931.6	-768.0	-852.4	-948.9	-1,102.5	-1,037.0	-1,164.5	-1,132.5	-1,281.2	-1,397.4	-1,174.2	-1,166.4	-1,157.9	-1,272.05
Memorandum items:														
Monetary Aggregates														
Reserve money (M0)	2,451.4	2,478.5	2,558.6	2,550.2	2,679.0	2,874.6	2,887.3	2,890.7	2,861.5	2,895.5	3,010.0	3,018.4	3,131.1	3,121.5
Extended broad money (M3)	7,553.0	7,633.5	7,627.4	7,610.9	7,866.0	8,261.2	8,350.9	8,476.2	8,564.2	8,732.3	8,831.8	8,979.8	9,037.5	9,088.1
Deposits in foreign currency	2,021.8	2,060.0	2,075.4	2,016.4	2,093.6	2,155.8	2,141.7	2,162.7	2,145.8	2,142.7	2,227.8	2,237.1	2,155.7	2,203.1
FCD in millions of USD	1,552.3	1,568.0	1,571.8	1,538.8	1,611.3	1,641.5	1,645.1	1,660.1	1,641.1	1,629.7	1,696.3	1,690.1	1,625.7	1,656.2
Broad money (M2)	5,531.2	5,573.5	5,552.0	5,594.5	5,772.4	6,105.4	6,209.1	6,313.5	6,418.4	6,589.7	6,604.0	6,742.8	6,881.7	6,884.9
Other deposits in national currency (i.e. savings and time deposits)	2,382.7	2,475.3	2,488.4	2,514.9	2,623.3	2,763.4	2,775.0	2,734.7	2,886.4	2,933.1	3,012.6	3,011.9	3,135.5	3,129.0
Narrow money (M1)	3,148.4	3,098.2	3,063.6	3,079.7	3,149.1	3,342.0	3,434.1	3,578.8	3,532.0	3,656.6	3,591.4	3,730.8	3,746.2	3,755.9
Currency in circulation	1,384.3	1,366.6	1,349.6	1,366.3	1,424.1	1,494.1	1,543.7	1,519.4	1,539.0	1,553.6	1,567.3	1,518.5	1,524.9	1,543.0
Transferable deposits in national currency	1,764.1	1,731.6	1,714.0	1,713.4	1,725.0	1,847.9	1,890.5	2,059.4	1,993.0	2,103.0	2,024.0	2,212.3	2,221.3	2,212.9
Note: Data reflect new series based on the IMF's 2000														
Monetary and Financial Statistics Manual.														
Source: Bank of Tanzania; and Fund's staff calculations														

Table A4 : Interest Rate Structure													Percent		
Item	2009 ^P											2010 ^P			
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
A: Domestic Currency															
1. Interbank Cash Market Rates															
Overnight	9.63	9.90	9.29	6.49	4.46	2.44	0.82	1.04	1.21	1.19	1.46	1.67	1.66	0.98	
2 to 7 days	9.97	10.17	9.74	7.11	5.38	4.06	1.44	1.28	1.55	1.81	1.64	1.96	2.22	1.55	
8 to 14 days	10.84	10.77	9.85	7.38	5.30	4.43	1.90	1.55	1.41	1.67	1.72	2.08	2.50	1.76	
15 to 30 days	5.90	11.76	10.27	7.35	5.75	4.19	1.54	2.28	3.28	3.28	3.25	3.51	4.00	1.61	
31 to 60 days	11.01	11.80	11.05	7.87	5.30	4.58	2.82	2.69	3.04	3.91	3.43	3.43	4.00	4.00	
61 to 90 days	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	5.00	5.00	5.00	7.30	3.37	
91 to 180 days	12.00	12.00	12.00	9.40	8.60	9.17	3.27	3.68	4.00	4.00	4.00	4.00	4.00	4.00	
181 and above	14.35	14.35	14.35	12.00	12.00	5.56	7.05	6.47	9.00	5.47	5.47	5.47	5.47	5.47	
Overall Interbank cash market rate	9.81	10.10	9.58	6.80	5.03	3.86	1.42	1.34	1.63	1.62	1.57	1.80	1.89	1.29	
2. Lombard Rate	14.45	14.86	13.94	9.73	7.35	4.13	3.18	2.48	3.61	4.00	4.55	5.48	4.91	2.38	
3. REPO Rate	9.09	9.73	8.25	6.10	4.90	2.23	1.21	1.12	1.32	1.28	1.26	1.22	1.22	1.06	
4. Treasury Bills Rates															
35 days	7.54	7.62	7.03	6.40	4.81	3.45	2.65	2.07	3.01	3.33	3.80	4.57	4.09	1.99	
91 days	11.99	12.43	10.55	8.25	5.56	4.14	3.53	2.97	3.38	5.29	6.06	6.35	5.57	3.25	
182 days	14.64	14.86	12.04	10.20	7.86	6.27	5.46	4.84	4.90	5.28	6.59	7.20	6.33	4.45	
364 days	14.74	14.99	12.57	10.69	9.11	8.28	7.72	7.79	8.22	8.60	8.83	9.06	8.24	6.32	
Overall Treasury bills rate	12.85	13.33	11.01	9.27	6.97	5.81	5.16	4.52	5.17	6.36	6.91	7.20	6.32	4.15	
5. Treasury Bonds Rates															
2-years	14.35	15.28	15.28	15.28	11.51	11.51	11.51	11.51	10.89	10.89	10.89	10.89	9.40	9.40	
5-years	17.32	17.32	17.32	16.58	16.58	16.58	16.58	13.45	13.45	13.45	13.45	13.77	13.77	13.77	
7-years	17.04	17.04	17.06	17.06	17.06	17.06	14.14	14.14	14.14	14.15	14.15	14.15	14.15	12.11	
10-years	19.92	19.92	19.92	19.92	19.92	16.95	16.95	16.95	16.95	16.95	16.73	16.73	16.73	16.73	
6. Discount Rate	17.85	18.33	16.01	13.00	10.31	6.95	5.20	4.40	3.70	3.70	3.70	7.58	7.58	7.58	
7. Savings Deposit Rate	2.75	2.72	2.72	2.72	2.69	2.68	2.68	2.66	2.65	2.67	2.83	2.84	2.89	2.88	
8. Overall Time Deposits Rate															
Call Accounts	0.76	0.94	1.09	1.10	1.05	1.10	1.14	1.13	0.96	0.99	0.74	0.81	0.84	0.66	
1 month	7.37	7.53	7.23	7.39	6.46	6.45	6.49	6.09	5.70	5.76	5.10	5.14	5.02	5.40	
2 months	7.94	8.24	8.17	7.57	7.61	8.92	8.17	7.80	7.48	7.31	6.99	7.21	7.79	7.72	
3 months	7.93	8.88	8.22	7.81	8.69	8.38	7.81	8.17	7.45	7.34	6.67	7.54	7.00	7.24	
6 months	8.99	9.20	9.48	9.43	8.58	8.21	8.46	8.31	7.91	8.11	8.50	7.76	7.71	7.50	
12 months	8.59	8.56	8.98	9.41	9.07	9.06	9.04	8.83	8.83	8.76	8.99	9.06	8.84	7.91	
24 months	5.87	5.66	6.57	6.86	6.04	6.59	7.10	6.80	6.52	7.40	7.56	5.33	3.51	5.44	
9. Negotiated Deposit Rate	10.82	10.99	11.27	11.03	10.13	10.52	10.47	10.60	10.11	9.85	9.94	7.44	7.16	9.41	
10. Overall Lending rate															
Call Loans	19.25	19.25	19.25	20.25	21.25	22.25	22.25	23.25	24.25	25.25	26.25	27.25	28.25	29.25	
Short-term (up to 1 year)	13.45	13.44	13.87	13.68	14.57	13.94	13.77	13.98	13.92	14.00	13.96	13.76	14.74	14.62	
Medium-term (1-2 years)	15.12	15.33	15.55	15.81	15.63	15.38	15.74	15.27	15.11	15.37	15.01	15.06	15.12	15.11	
Medium-term (2-3 years)	14.94	14.93	15.18	15.07	15.11	14.61	14.75	14.69	14.66	15.02	14.74	14.42	14.44	14.51	
Long-term (3-5 years)	15.26	15.28	15.54	15.36	15.23	15.20	14.98	14.91	14.78	14.67	14.52	14.79	14.99	14.97	
Term Loans (over 5 years)	15.98	16.63	17.11	17.02	16.87	16.59	16.36	15.62	15.31	14.63	13.67	13.91	15.01	14.94	
11. Negotiated Lending Rate	12.26	13.01	14.03	14.17	14.28	14.26	14.24	13.81	13.51	13.38	13.18	13.68	13.79	13.71	
B: Foreign Currency															
Deposits Rates															
Call Accounts															
Savings Deposits Rate	0.70	2.36	2.38	2.38	2.36	2.37	1.53	1.46	1.46	1.38	1.46	1.46	1.32	1.43	
Overall Time Deposits Rate	3.41	3.83	2.84	2.81	2.30	2.36	2.26	3.68	2.12	2.13	1.68	1.99	1.76	1.97	
1-months	2.25	3.82	2.66	3.86	2.36	1.85	2.09	3.68	2.06	2.04	1.40	1.73	1.76	1.68	
2-months	2.61	3.78	4.01	2.66	1.80	2.34	2.49	3.46	2.03	2.01	1.64	1.93	1.44	1.93	
3-months	4.41	4.56	2.61	2.64	2.45	2.93	2.10	4.24	2.09	2.06	1.00	1.95	1.64	2.01	
6-months	4.15	3.81	2.47	2.63	2.71	2.55	2.15	3.95	1.96	1.99	1.94	1.95	1.85	1.84	
12-months	3.62	3.21	2.43	2.27	2.18	2.12	2.49	3.07	2.48	2.53	2.42	2.40	2.10	2.41	
Overall Lending Rate	7.62	9.48	9.28	9.68	9.69	9.69	9.76	9.72	8.11	9.02	9.03	8.85	8.90	8.78	
Short-term (up to 1 year)	6.53	5.88	4.86	6.92	6.96	6.94	6.94	6.95	6.49	3.84	3.86	3.73	3.52	3.27	
Medium-term (1-2 years)	8.09	10.78	10.86	10.76	10.13	10.77	11.03	11.03	8.17	11.06	11.12	10.04	10.17	10.07	
Medium-term (2-3 years)	8.05	9.93	10.10	10.13	10.82	10.27	10.28	10.23	8.76	10.28	10.26	10.39	10.42	10.42	
Long-term (3-5 years)	7.67	10.54	10.55	10.55	10.54	10.50	10.52	10.41	8.65	10.29	10.29	10.47	10.76	10.49	
Term Loans (over 5 years)	7.74	10.31	10.05	10.02	10.01	10.00	10.01	10.01	8.47	9.63	9.64	9.64	9.64	9.64	

Note:

The Lombard rate is based on the prevailing weighted average yield of 35-day T-bill, Repo or overnight inter-bank rate whichever is higher in the market plus 50% of the highest rate.

Source: Bank of Tanzania

Table A5(a): Exports by Type of Commodity

Item	2009 ^p	2010		% Change		Year Ending March ^p		% Change
	March	February	March	Mar 09- Mar10	Feb 10 - Mar 10	2009	2010	
Traditional Exports:								
COFFEE								
Value	11.4	8.7	5.9	-48.4	-32.0	98.2	101.4	3.2
Volume	5.5	2.8	2.2	-59.2	-20.0	45.8	49.4	7.8
Unit Price	2,072.7	3,088.3	2,626.4	26.7	-15.0	2,145.5	2,054.6	-4.2
COTTON								
Value	3.7	5.8	3.9	5.6	-33.0	118.8	112.0	-5.7
Volume	2.7	5.4	4.2	55.7	-21.6	93.2	104.1	11.7
Unit Price	1,370.4	1,088.3	929.6	-32.2	-14.6	1,274.0	1,075.9	-15.5
SISAL								
Value	0.0	0.0	0.0	0.0	0.0	2.6	0.0	-100.0
Volume	0.0	0.0	0.0	0.0	0.0	2.0	0.0	-100.0
Unit Price	0.0	0.0	0.0	0.0	0.0	1,320.2	0.0	-100.0
TEA								
Value	2.4	4.4	3.8	59.7	-12.1	38.2	37.8	-1.0
Volume	1.4	2.0	1.8	25.3	-13.1	23.7	19.0	-19.8
Unit Price	1,714.3	2,158.9	2,184.4	27.4	1.2	1,610.3	1,989.3	23.5
TOBACCO								
Value	28.4	14.1	17.7	-37.7	25.0	134.2	165.7	23.5
Volume	10.9	3.5	3.6	-66.5	5.4	42.5	38.7	-8.9
Unit Price	2,605.5	4,087.0	4,847.6	86.1	18.6	3,157.0	4,280.1	35.6
CASHEWNUTS								
Value	3.10	4.91	3.8	21.6	-23.2	51.0	47.3	-7.3
Volume	4.38	6.60	4.9	12.4	-25.4	71.1	64.7	-9.0
Unit Price	708.6	744.5	766.5	8.2	3.0	716.7	730.3	1.9
CLOVES								
Value	0.50	0.22	0.2	-64.1	-18.2	14.4	11.0	-23.5
Volume	0.20	0.06	0.1	-62.5	33.9	4.2	3.6	-13.1
Unit Price	2,500.0	3,918.8	2,394.0	-4.2	-38.9	3,437.4	3,024.4	-12.0
Sub Total	49.5	38.1	35.3	-28.8	-7.5	457.4	475.2	3.9
Non-Traditional Exports:								
Minerals								
Gold	79.7	144.0	146.3	83.7	1.6	927.0	1,295.5	39.8
Diamond	78.5	123.4	123.0	56.7	-0.3	874.9	1,214.9	38.9
Other minerals ¹	0.1	0.0	0.0	-100.0	-100.0	14.4	18.4	27.4
Other minerals ¹	1.1	20.6	23.4	--	13.3	37.7	62.2	65.0
Manufactured Goods								
Cotton Yarn	31.2	46.0	64.7	--	40.7	652.3	542.3	-16.9
Manufactured Coffee	0.3	1.5	1.2	--	-22.2	16.5	11.5	-30.6
Manufactured Tobacco	0.0	0.0	0.1	--	--	0.6	0.7	12.2
Sisal Products (Yarn & Twine)	0.0	0.5	0.4	--	-25.2	2.4	5.9	--
Other manufactured Goods ²	0.5	0.8	0.6	27.5	-23.4	7.7	6.9	-10.1
Other manufactured Goods ²	30.4	43.2	62.4	--	44.6	625.1	517.3	-17.2
Fish and Fish Products	9.8	11.0	16.8	71.8	52.4	141.9	133.0	-6.3
Horticultural products	3.5	1.7	4.4	26.8	--	34.4	33.7	-2.0
Re-exports	3.9	2.2	28.8	--	--	125.6	99.6	-20.7
Others Exports³	31.8	15.0	34.3	7.9	--	299.8	314.9	5.0
Sub Total	159.9	220.0	295.5	37.6	34.3	2,181.2	2,419.1	10.9
GRAND TOTAL	209.4	258.1	330.7	23.2	28.1	2,638.6	2,894.3	9.7

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

Import Category	2009 ^P	2010		% Change		Year Ending March ^P		% Change
	March	February	March	Mar 09- Mar10	Feb 10 - Mar 10	2009	2010	
Capital Goods	197.1	193.1	223.8	13.6	15.9	2,763.1	2,518.6	-8.8
Transport Equipments	51.5	52.2	73.0	41.6	39.9	801.7	749.1	-6.6
Building and Constructions	59.7	47.3	49.2	-17.6	4.1	640.1	554.8	-13.3
Machinery	85.9	93.7	101.7	18.4	8.5	1,321.4	1,214.8	-8.1
Intermediate Goods	164.4	254.8	173.8	5.7	-31.8	2,405.0	2,123.7	-11.7
Oil imports	121.7	207.6	125.8	3.3	-39.4	1,713.6	1,551.5	-9.5
Fertilizers	1.7	2.0	2.0	15.5	-0.1	166.7	81.7	-51.0
Industrial raw materials	40.9	45.2	46.0	12.5	1.7	524.8	490.5	-6.5
Consumer Goods	119.0	112.3	135.1	13.5	20.3	1,296.0	1,441.2	11.2
Food and food stuffs	43.5	38.4	44.6	2.6	16.2	297.6	379.0	27.3
All other consumer goods ¹	75.5	73.9	90.4	19.9	22.4	998.4	1,062.2	6.4
Grand Total (f.o.b)	480.6	560.4	532.7	10.8	-4.9	6,464.2	6,083.5	-5.9
Grand Total (c.i.f)	528.2	615.8	585.4	10.8	-4.9	7,103.5	6,685.1	-5.9

Note:

¹ It 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)

Item	Millions of USD				
	2005	2006	2007	2008 ^r	2009 ^p
A. Current Account	-862.8	-1,143.2	-1,578.6	-2,535.8	-1,745.8
Balance on Goods	-1,318.5	-1,946.5	-2,634.1	-3,447.4	-2,679.4
Goods: exports f.o.b.	1,679.1	1,917.6	2,226.6	3,036.0	3,096.3
Traditional	354.5	267.1	319.7	417.7	470.8
Non-traditional	1,324.6	1,476.2	1,704.5	2,270.6	2,163.2
o/w Gold	655.1	786.4	788.2	932.4	1,076.1
Unrecorded trade		174.3	202.4	347.8	462.3
Goods: imports f.o.b.	-2,997.6	-3,864.1	-4,860.6	-6,483.4	-5,775.7
Balance on Services	61.8	278.7	462.1	392.9	321.4
Services: credit	1,269.2	1,528.1	1,875.7	1,998.8	2,059.6
Transportation	222.9	343.7	331.1	364.6	334.4
Travel	823.6	950.2	1,198.8	1,288.7	1,260.1
Other	222.7	234.1	345.8	345.4	465.2
Services: debit	-1,207.3	-1,249.3	-1,413.7	-1,605.8	-1,738.2
Transportation	-319.5	-418.3	-485.0	-658.0	-612.6
Travel	-553.8	-534.5	-595.3	-720.7	-766.2
Other	-334.0	-296.6	-333.4	-227.1	-359.5
Balance on Goods and Services	-1,256.6	-1,667.8	-2,172.0	-3,054.4	-2,358.0
Balance on income	-102.0	-64.1	-58.1	-90.8	-74.0
Income: credit	80.9	80.3	107.3	122.7	155.3
O/W: Investment Income	70.7	73.9	101.3	113.4	143.9
Compensation of employees	10.2	6.4	6.0	9.3	11.4
Income: debit	-182.9	-144.4	-165.4	-213.5	-229.3
O/W: Direct Investment Income	-65.6	-66.4	-67.6	-68.3	-72.0
Interest payments (scheduled)	-56.9	-27.8	-26.0	-65.3	-45.5
Compensation of employees	-24.9	-23.4	-46.4	-54.5	-80.6
Balance on Goods, Services and Income	-1,358.6	-1,731.8	-2,230.1	-3,145.2	-2,432.0
Balance on Current transfers	495.7	588.7	651.5	609.4	686.2
Current transfers: credit	563.3	654.6	724.0	689.0	762.0
Government	477.9	559.7	626.9	588.5	654.1
o/w: Multilateral HIPC relief	75.7	42.1	36.7	0.0	0.0
Other sectors	85.4	94.9	97.1	100.5	107.9
Current transfer: debit	-67.5	-65.9	-72.5	-79.6	-75.8
B. Capital Account	393.2	5,183.5	911.7	537.0	466.5
Capital transfers: credit	393.2	5,183.5	911.7	537.0	466.5
General Government	350.1	5,135.0	858.5	477.3	403.9
Project	238.0	173.3	335.5	477.3	403.9
Debt forgiveness (including MDRI)	112.1	4,961.7	523.0	0.0	0.0
Other sectors	43.1	48.6	53.2	59.8	62.6
Capital transfers:Debit	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-469.7	4,040.3	-666.9	-1,998.8	-1,279.3
C. Financial Account, excl. reserves and related items	555.6	-3,954.6	946.0	1,745.7	1,553.2
Direct investment abroad	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	494.1	597.0	647.0	679.3	645.0
Portfolio investment	2.5	2.6	2.8	2.9	3.0
Other investment	59.0	-4,554.2	296.3	1,063.5	905.2
Assets	-90.9	-187.6	34.1	181.7	-333.8
Liabilities	150.0	-4,366.6	262.2	881.8	1,239.0
Total, Groups A through C	85.9	85.7	279.1	-253.1	274.0
D. Net Errors and Omissions	-314.5	374.9	125.5	401.1	91.0
Overall balance	-228.7	460.7	404.6	148.0	365.0
E. Reserves and Related Items	228.7	-460.7	-404.6	-148.0	-365.0
Reserve assets	254.0	-126.5	-411.4	-147.0	-675.5
Use of Fund credit and loans	-50.5	-334.2	6.8	-0.2	310.6
Exceptional financing	25.1	0.0	0.0	0.0	0.0
Memorandum items					
GDP(mp) billions of TZS	15,965.3	17,941.3	20,948.4	24,617.4	29,375.9
GDP(mp) millions of USD	14,139.1	14,308.4	16,838.6	20,577.8	22,249.2
CAB/GDP	-6.1	-8.0	-9.4	-12.3	-7.8
CAB/GDP (excl. current official transfers)	-9.5	-11.9	-13.1	-15.2	-10.8
Gross Official Reserves	2,049.5	2,136.9	2,724.3	2,872.6	3,551.3
Months of Imports	5.8	5.0	5.2	4.3	5.7
Net International Reserves (year end)	1,702.5	2,121.4	2,706.6	2,855.1	3,220.5
Change in Net International Reserves	180.5	-418.9	-585.2	-148.4	-365.4
Exchange rate (end of period)	1,165.5	1,261.6	1,132.1	1,280.3	1,313.3
Exchange rate (annual average)	1,129.2	1,253.9	1,244.1	1,196.3	1,320.3

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 boarder 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

Period	Headline (General Index)	Food	Non-Food											
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transpor- tation	Educ- ation	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	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	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	-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	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	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	5.5	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	9.2	0.1	10.1	3.3
2007- Mar	7.2	6.1	9.1	11.8	7.2	5.8	9.3	10.4	11.1	3.4	9.2	9.1	13.0	1.6
Apr	6.1	4.8	8.2	14.7	6.7	4.3	5.0	10.5	11.8	3.6	9.4	8.3	11.8	1.9
May	5.0	2.8	8.4	13.0	7.4	4.2	7.5	8.4	11.1	4.7	9.4	8.0	10.1	2.0
Jun	5.9	4.6	7.6	12.3	7.3	3.2	6.4	8.7	10.1	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	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	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	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	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	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	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	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	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	3.5	6.0	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	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	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	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	4.4	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	5.2	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	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	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	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	8.7	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	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	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	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	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	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	7.7	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	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	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	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	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	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	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	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	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	3.0	4.1	3.5	-2.0

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

Source: National Bureau of Statistics

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

Period	Headline (General Index)	Food	Non-Food											
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household	Household operations	Personal care & Health	Recreation & Entertain.	Transpor- tation	Educ- ation	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2006- Dec	2.1	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6
2007- Jan	1.3	1.8	0.6	0.7	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	0.5	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	1.9	-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	0.7	-0.1	0.0	-0.9	0.2	0.9	0.3	-0.1	-0.1	0.1	-0.1
May	0.6	-0.1	1.6	1.2	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	0.1	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	0.1	-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	-0.6	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	0.4	-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	1.4	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	2.9	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	0.6	-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	0.8	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	0.4	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	0.8	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	0.3	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	0.1	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	0.3	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	0.3	-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	0.0	-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	0.6	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	0.9	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	0.3	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	0.5	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	0.7	-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	0.3	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	1.2	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	0.8	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	0.5	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	0.5	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	3.3	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	0.9	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	1.0	-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	1.6	-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	0.8	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	0.1	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	0.6	-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	-0.2	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	-0.4	1.3	0.2	-4.2	0.8	0.2	0.9	-0.4	1.2	-0.8	-0.2

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

Source: National Bureau of Statistics

Table A7: National Debt Developments										
	Millions of USD									
	2009/10									
Item	2008/09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
1. Overall Total Debt Committed²	8,260.7	8,585.3	8,642.7	8,730.9	8,781.3	8,877.7	8,889.0	9,192.4	8,982.4	8,982.2
Disbursed outstanding debt	5,623.6	5,664.4	5,850.5	5,954.9	6,015.2	6,073.7	6,163.1	6,228.4	6,127.9	6,077.9
Undisbursed debt	2,637.1	2,920.9	2,792.2	2,776.0	2,766.0	2,804.1	2,725.9	2,963.9	2,854.5	2,904.3
2. Disbursed Debt by Creditor Category²	5,623.6	5,664.4	5,850.5	5,954.9	6,015.2	6,073.7	6,163.1	6,228.4	6,127.9	6,077.9
Bilateral debt	933.5	932.1	938.5	944.3	941.5	949.7	938.6	940.0	939.4	931.3
Multilateral debt	3,535.1	3,607.2	3,791.2	3,837.3	3,874.8	3,944.9	4,049.0	4,109.6	4,015.4	4,012.8
Commercial debt	708.2	706.2	702.0	709.2	713.5	640.8	638.1	639.4	634.2	595.2
Export credits	446.8	419.0	418.8	464.1	485.5	538.2	537.5	539.5	538.9	538.5
3. Disbursed Debt by Borrower Category²	5,623.6	5,622.4	5,864.5	5,916.4	5,939.9	6,073.7	6,163.1	6,228.4	6,127.9	6,077.9
Central Government	4,221.2	4,166.6	4,460.1	4,510.7	4,532.0	4,620.9	4,649.2	4,710.2	4,629.3	4,620.8
Parastatal Companies	392.3	392.3	394.6	396.7	398.9	442.7	506.6	503.9	488.3	486.1
Private Sector	1,010.0	1,063.5	1,009.8	1,009.0	1,009.0	1,010.1	1,007.4	1,014.4	1,010.3	971.0
4. Disbursed Debt by Use of Funds²	5,623.6	5,537.5	5,828.5	5,932.8	5,980.7	6,073.7	6,163.1	6,228.4	6,127.9	6,077.9
BOP & Budget Support	1,838.5	1,972.6	1,842.9	1,851.8	1,857.3	1,885.0	1,971.4	1,908.5	1,902.8	1,876.0
Transport & Telecommunication	695.7	634.9	656.2	705.5	707.1	723.1	723.1	721.8	719.9	661.0
Agriculture	599.0	605.9	609.8	614.3	654.4	653.0	658.2	677.7	687.7	676.2
Energy & Mining	808.7	758.4	816.1	820.4	823.3	810.2	801.1	800.3	756.4	726.8
Industries	141.9	148.0	148.6	152.9	154.0	153.1	183.4	184.6	184.1	179.7
Social Welfare & Education	756.8	760.7	815.6	829.9	832.9	847.9	849.2	848.7	833.2	848.6
Finance and Insurance	73.8	73.7	73.9	80.2	80.6	80.8	79.0	80.7	80.0	78.6
Tourism	90.6	90.6	90.7	90.7	91.0	96.6	87.0	86.6	86.5	87.0
Others	618.7	492.7	774.8	787.1	780.1	823.9	810.8	919.4	877.3	944.0
5. Total Amount of Loan Contracted¹	965.9	310.8	41.1	15.3	1.7	0.0	0.0	46.8	60.0	70.0
Government	218.0	250.1	32.6	0.0	0.0	0.0	0.0	40.3	0.0	0.0
Parastatal Companies	336.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	412.0	60.7	8.5	15.3	1.7	0.0	0.0	6.5	60.0	70.0
6. Disbursements¹	941.2	57.7	159.1	50.0	20.3	6.8	115.0	37.6	125.3	35.2
Government	480.2	56.3	157.6	19.9	20.3	6.8	49.0	32.2	125.3	35.2
Parastatal Companies	246.7	0.0	0.0	0.0	0.0	0.0	63.4	0.0	0.0	0.0
Private	214.3	1.3	1.4	30.1	0.0	0.0	2.5	5.4	0.0	0.0
7. Scheduled Debt Service¹	271.0	46.4	8.6	13.5	22.3	12.2	38.5	37.8	7.8	13.7
8. Actual Debt Service¹	54.0	20.3	3.4	5.3	3.4	4.9	5.7	6.8	0.9	5.4
Principal	24.1	6.6	2.9	4.5	2.5	1.8	3.3	4.0	0.2	2.8
Interest	29.9	13.7	0.5	0.7	0.9	3.1	2.4	2.9	0.7	2.6
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Net Transfers¹	887.2	37.3	155.7	44.7	16.9	1.9	109.3	30.8	124.4	29.7
10. Total Arrears by Creditors Category²	2,807.0	2,792.1	2,791.8	2,807.9	2,869.2	2,885.3	2,789.0	2,771.9	2,759.6	2,703.4
Principal	1,293.4	1,257.7	1,262.5	1,266.0	1,301.1	1,306.4	1,184.0	1,151.4	1,151.6	1,111.6
Bilateral	452.8	454.4	460.4	468.3	468.9	468.9	472.4	476.8	479.7	472.7
Multilateral	17.2	19.5	19.5	20.0	23.6	20.1	22.8	15.9	15.9	15.9
Commercial	449.3	459.0	454.0	456.4	461.5	470.0	380.2	405.6	402.2	369.4
Export Credits	374.1	324.7	328.6	321.3	347.2	347.4	308.7	253.1	253.8	253.6
Interest	1,513.6	1,534.4	1,529.2	1,541.9	1,568.1	1,578.8	1,604.9	1,620.5	1,608.0	1,591.8
Bilateral	667.7	673.1	680.7	689.0	689.4	703.9	715.8	724.5	722.0	716.4
Multilateral*	10.0	15.5	15.5	16.0	16.0	16.1	16.9	17.1	17.2	17.4
Commercial	557.1	569.6	558.7	562.2	580.1	573.5	584.2	588.2	579.4	572.6
Export Credits	278.9	276.2	274.3	274.8	282.5	285.4	288.0	290.7	289.4	285.4
11. External Debt Stock	7,137.3	7,156.8	7,393.7	7,458.4	7,508.0	7,652.5	7,768.1	7,849.0	7,735.8	7,669.7
12. Domestic Debt Stock	1,741.1	1,772.2	1,809.4	1,856.2	1,885.3	1,907.3	1,962.7	1,903.5	1,905.7	1,938.1
13. Total Debt Stock	8,878.3	8,929.0	9,203.1	9,314.5	9,393.3	9,559.8	9,730.8	9,752.5	9,641.5	9,607.8
End Period Exchange Rate	1,299.4	1,313.3	1,301.8	1,302.7	1,307.6	1,314.7	1,313.3	1,323.6	1,326.0	1,330.2
*Multilateral arrears are those owed by the private companies										
1) During the period (2) Position as at end of March 2010										
Source: Bank of Tanzania										

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, REPO rate and overnight inter-bank rate, whichever is higher.

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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