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# **BANK OF TANZANIA**

## **Monthly Economic Review**

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**January 2010**

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# 1.0 Inflation Developments

**Annual headline inflation rate** decreased to 12.2 percent in December 2009 from 12.5 percent recorded in the preceding month due to decrease in food inflation. The 3-month moving average annual headline inflation rate rose to 12.5 percent in December 2009 from 12.4 percent recorded in November 2009. Likewise, the 12-month average annual headline inflation increased to 12.1 percent in December 2009 from 10.3 percent recorded in the corresponding period (January 2008 to December 2008), (**Table 1.1 and Chart 1.1**).

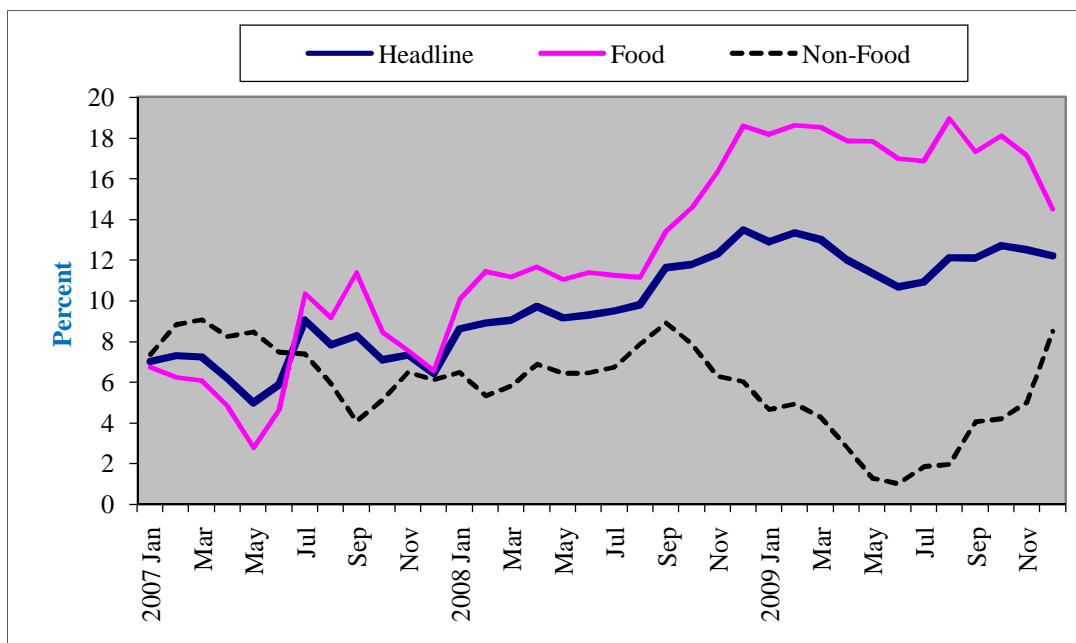
**Table 1.1: Annual Percentage Change in Consumer Price Index (ALL-Urban)**

*(Base: Dec 2001 = 100)*

Major Commodity Group	Weight (%)	2008			2009		
		Oct	Nov	Dec	Oct	Nov	Dec
<b>Headline/Overall</b>	<b>100</b>	<b>11.8</b>	<b>12.3</b>	<b>13.5</b>	<b>12.7</b>	<b>12.5</b>	<b>12.2</b>
<b>Food</b>	<b>55.9</b>	<b>14.6</b>	<b>16.3</b>	<b>18.6</b>	<b>18.1</b>	<b>17.1</b>	<b>14.5</b>
<b>Non-food</b>	<b>44.1</b>	<b>7.9</b>	<b>6.3</b>	<b>6</b>	<b>4.4</b>	<b>5</b>	<b>8.5</b>
Transportation	9.7	8.3	5.5	5.5	12.1	12	12.2
Fuel, Power and Water	8.5	1.8	2.5	4.3	6.3	6.5	6.6
Drinks and Tobacco	6.9	2.4	2.4	2.4	12.6	11.4	12.8
Clothing & Footwear	6.4	12.9	8.7	8.1	0.5	2.2	14.3
Education	2.6	7.9	7	6.8	5.8	4	2.6
Furniture & Household Equip.	2.1	4	4.7	5.4	5.8	6.6	4.9
H/h Operations Maintenance	2.1	5.9	7.3	8	7	4.5	3.2
Personal Care & Health	2.1	6.9	8.3	8.7	8.5	7.7	9.3
Rents	1.4	7.9	6.9	5.1	-1.4	-0.8	3.8
Recreation & Entertainment	0.8	7.9	8.5	8.5	9.6	9.1	7.8
Misc. Goods & Services	1.5	3.9	2.1	1.9	0.9	1.8	1.1

**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

**Month-to-month headline inflation rate** increased to 2.1 percent in December 2009 from 1.4 percent recorded in the preceding month. The increase was explained by the rise in fuel and food prices. On the contrary, the seasonally adjusted month-to-month headline inflation decreased to 0.6 percent in December 2009 from 1.1 percent in November 2009, implying that the increase observed in the headline inflation in December is partly related to seasonal factors.

**Month-to-month non-food inflation rate** increased to 3.2 percent in December 2009 from negative 0.3 percent in November 2009, on account of increases in prices for kerosene, charcoal, clothes, health, recreation and entertainment and transportation. Similarly, **annual non-food inflation rate** rose to 8.5 percent in December 2009 from 5.0 percent in November 2009, mainly due to increase in average prices of items under fuel power and energy sub-groups. Similarly, the 3-month moving average annual non-food inflation rate increased to 6.0 percent in December 2009 from 4.4 percent recorded in November 2009. Conversely, the 12-month average annual non-food inflation rate decreased to 3.7 percent in December 2009 compared to 6.7 percent recorded in the corresponding period in 2008.

**Month-to-month food inflation rate** decreased to 1.6 percent in December 2009 from 2.2 percent recorded in the preceding month, mainly on account of decline in average prices of some food items such as rice, maize grains, maize flower, cassava, potatoes, cooking banana, vegetable, fish, beans, fresh milk and meals from restaurants. Similarly, **annual food inflation rate** declined to 14.5 percent in December 2009 from 17.1 percent in November 2009. Same developments were recorded in the 3-month moving average annual food inflation rate that decreased to 16.5 percent during the review period from 17.5 percent recorded in November 2009. Conversely, the 12-month average food inflation rate increased to 17.6 percent in December 2009, higher than the average of 12.7 percent recorded in the corresponding period of 2008, reflecting the high path taken by food inflation for the most part of the year.

### Food Supply Situation

Recent assessment on food supply by Ministry of Agriculture, Food Security and Cooperatives revealed that about 2 million people in more than 60 districts were facing serious food shortages, which require food relief amounting to 56,746 tons of grains between November 2009 and January 2010. By end December 2009, the government had distributed 37,051 tons of grain to deficit areas freely or at subsidized prices to ease food shortages. From July through December 2009, the government and private traders purchased 84,340 tons of grains from National Food Reserve Agency (NFRA) and distributed to ease food shortages in the country.

On annual basis, wholesale prices for major food crops continued to increase in December 2009, when compared to the corresponding period a year before (**Table 1.2**). Similarly, on month to month basis, the wholesale prices increased for all major food items except for sorghum.

**Table 1.2: National Average Wholesale Prices for Selected Food Items**

*TZS per 100 kg*

Item	2008	2009		Percentage change	
	December	November	December	Dec 08 to Dec 09	Nov -09 to Dec-09
Maize	34,694	40,886	43,866	26.4	7.3
Rice	107,363	103,333	106,359	-0.9	2.9
Beans	106,572	103,278	106,714	0.1	3.3
Sorghum	41,799	52,688	50,489	20.8	-4.2
Potatoes	46,750	59,301	63,782	36.4	7.6

Source: Ministry of Industry, Trade and Marketing

## The National Food Reserve

The stock of grain reserve under the National Food Reserve Agency (NFRA) as at the end of December 2009 amounted to 77,644 tons of maize and sorghum representing a decrease of 10.3 percent from 86,526 tons recorded at the end of the preceding month and 39.2 percent lower than the stock at the end of December 2008. The decline in the stock was on account of sale of grains to the government and private traders for distribution to areas facing food shortages. Nevertheless, from July through December 2009, NFRA purchased 68,396 tons of grains, which is 42.7 percent of their target, and 84,340 tons were sold during the same period (**Table 1.3**).

**Table 1.3: National Food Reserve Agency (NFRA) Stock**

Period	2005	2006	2007	2008	2009	% Change 2008-2009
January	119,924	76,813	112,343	139,765	128,919	-7.8
February	116,383	43,593	117,838	133,898	125,430	-6.3
March	114,760	8,055	121,046	119,022	124,252	4.4
April	115,262	3,165	125,509	94,509	122,849	30.0
May	113,823	6,210	128,350	79,369	109,876	38.4
June	112,823	15,560	128,804	76,649	94,699	23.5
July	112,323	13,811	129,306	75,438	88,841	17.8
August	112,067	28,440	125,653	83,131	93,231	12.1
September	111,971	80,248	131,937	102,225	110,278	7.9
October	111,695	87,461	143,717	114,464	107,177	-6.4
November	106,428	100,828	142,624	122,209	86,542	-29.2
December	93,051	110,203	142,044	129,253	77,644	-39.2

Source: National Food Reserve Agency

## 2.0 Monetary and Financial Developments

### Money Supply and Credit Developments

Annual growth rates of monetary aggregates recorded an increase in December 2009, when compared with growth rates recorded in November 2009, mainly on account of an increase in Net Domestic Assets (NDA) of the banking system. The increase in NDA was largely on account of increase in net claims on central government (NCG) by the banking system. NCG increased by TZS 410.8 billion in the year to December 2009, compared with an annual increase of TZS 184.1 billion recorded in the preceding month. As a result, extended broad money supply (M3) grew by 18.4 percent in December 2009, from 16.1 percent recorded in November 2009. Likewise, broad money supply (M2) grew by 20.8 percent in the year ending December 2009, being higher than

the growth rate of 17.5 percent recorded in November 2009. However, the recorded growth rates in December 2009 were lower than the respective growth rates recorded in December 2008, mainly due to slowdown in credit to the private sector (**Table 2.1 and Chart 2.1**). The observed annual growth rates of monetary aggregates were within the PSI/ESF program target of 21.7 percent for the year ending December 2009.

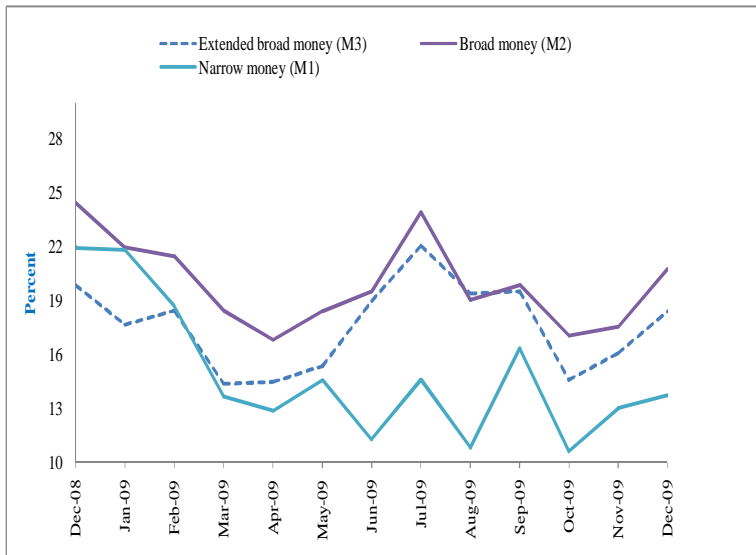
**Table 2.1: Selected Money Supply Components**

*Billions of TZS*

	Dec-06	Dec-07	Nov-08	Dec-08	Oct-09	Nov-09	Dec-09	Monthly Change		Annual Growth							
								Nov-09	Dec-09	Dec-06	Dec-07	Nov-08	Dec-08	Oct-09	Nov-09	Dec-09	
Net Foreign Assets of the Banking System	3,617.4	3,641.9	3,810.2	4,086.8	4,914.7	5,040.5	4,938.0	125.7	-102.5	35.7	0.7	2.2	12.2	31.6	32.3	20.8	
Bank of Tanzania	2,621.3	3,008.5	3,354.7	3,592.1	3,857.5	3,896.0	3,843.4	38.5	-52.6	35.4	14.8	5.2	19.4	20.1	16.1	7.0	
Other Depository Corporations	996.1	633.4	455.5	494.6	1,057.2	1,144.4	1,094.5	87.2	-49.9	36.7	-36.4	-15.5	-21.9	102.0	151.2	121.3	
Net Domestic Assets of the Banking System	1,547.1	2,581.7	3,713.6	3,372.0	3,649.4	3,691.9	3,893.8	42.5	201.9	-2.4	66.9	54.4	30.6	-2.4	-0.6	15.5	
Domestic Claims	2,027.5	2,831.4	4,369.6	4,221.2	4,930.6	5,089.3	5,068.0	158.6	-21.3	9.8	39.6	58.3	49.1	18.4	16.5	20.1	
Claims on central government (net)	(282.6)	(319.8)	(29.1)	(335.0)	94.7	155.0	75.8	60.3	-79.2	-247.1	13.2	-90.2	4.7	60.3	-633.3	-122.6	
Claims on Central Government	1,807.3	2,271.3	2,402.6	2,197.8	2,757.9	2,803.0	2,762.5	45.0	-40.5	7.5	25.7	3.0	-3.2	21.6	16.7	25.7	
Liabilities to Central Government	2,089.9	2,591.2	2,431.7	2,532.7	2,663.3	2,648.0	2,686.7	-15.3	38.7	40.4	24.0	-7.6	-2.3	20.6	8.9	6.1	
Claims on Other Sectors	2,310.1	3,151.2	4,398.7	4,556.2	4,836.0	4,934.3	4,992.2	98.3	57.9	39.6	36.4	43.9	44.6	17.8	12.2	9.6	
Extended Broad Money Supply (M3)	5,164.5	6,223.6	7,523.8	7,458.8	8,564.2	8,732.3	8,831.8	168.2	99.4	21.5	20.5	22.7	19.8	14.6	16.1	18.4	
Foreign Currency Deposits (FCD) in National Currency	1,710.0	1,829.0	1,917.0	1,990.3	2,145.8	2,142.7	2,227.8	-3.1	85.1	32.5	7.0	5.4	8.8	7.8	11.8	11.9	
<i>FCD in millions of US dollar</i>	1,355.4	1,615.6	1,523.0	1,554.6	1,641.1	1,629.7	1,696.3	-11.3	66.6	22.4	19.2	-1.9	-3.8	5.3	7.0	9.1	
Broad Money Supply (M2)	3,454.5	4,394.6	5,606.9	5,468.5	6,418.4	6,589.7	6,604.0	171.3	14.3	16.7	27.2	30.0	24.4	17.0	17.5	20.8	
Other Deposits in National Currency	1,447.7	1,804.1	2,371.2	2,310.2	2,886.4	2,933.1	3,012.6	46.7	79.5	23.8	24.6	32.3	28.1	26.0	23.7	30.4	
Narrow Money Supply (M1)	2,006.8	2,590.5	3,235.6	3,158.3	3,532.0	3,656.6	3,591.4	124.6	-65.2	12.0	29.1	28.3	21.9	10.6	13.0	13.7	
Currency in Circulation	1,034.0	1,162.5	1,452.2	1,438.6	1,539.0	1,553.6	1,567.3	14.6	13.7	16.2	12.4	26.7	23.8	6.0	7.0	8.9	
Transferable Deposits in National Currency	972.8	1,428.0	1,783.4	1,719.7	1,993.0	2,103.0	2,024.0	110.0	-78.9	7.9	46.8	29.6	20.4	14.4	17.9	17.7	

Source: Bank of Tanzania

**Chart 2.1: Annual Growth Rates of Monetary Aggregates**

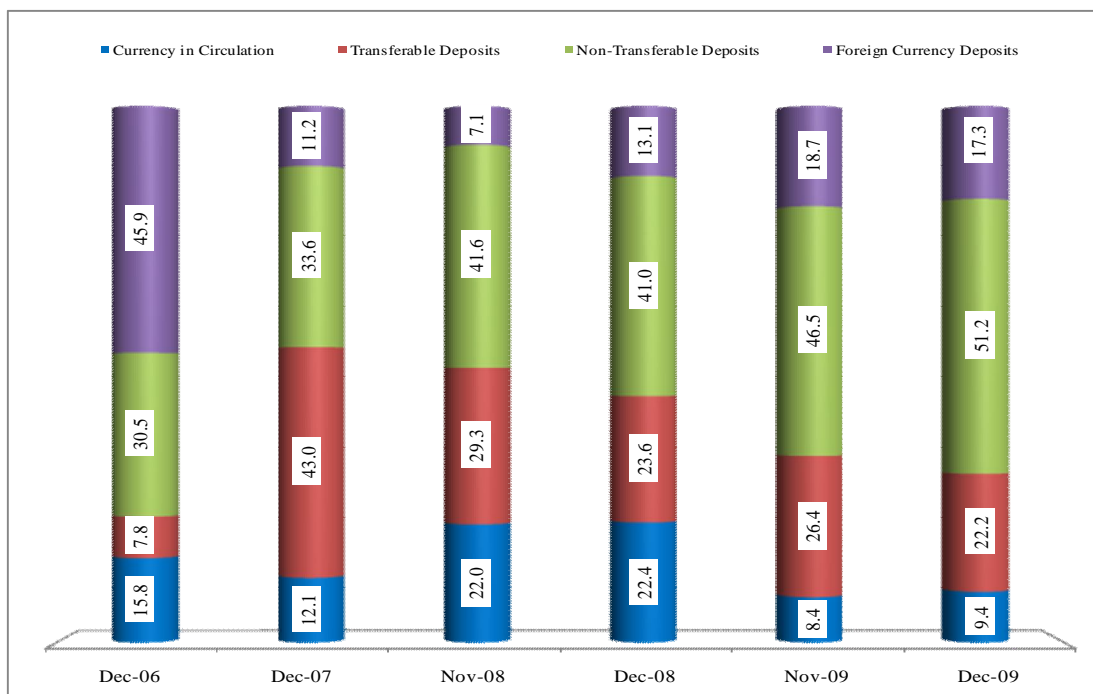


**Source:** Bank of Tanzania

Changes in monetary aggregates in the year ending December 2009, continued to occur mostly in non-transferable deposits (savings and time deposits) followed by transferable deposits. In particular, non-transferable deposits accounted for 51.2 percent of annual change in M3 and 61.9 percent of annual change in M2, while transferable deposits accounted for 22.2 percent of annual change in M3 and 26.8 percent of annual change in M2 (**Chart 2.2 & Chart 2.3**).

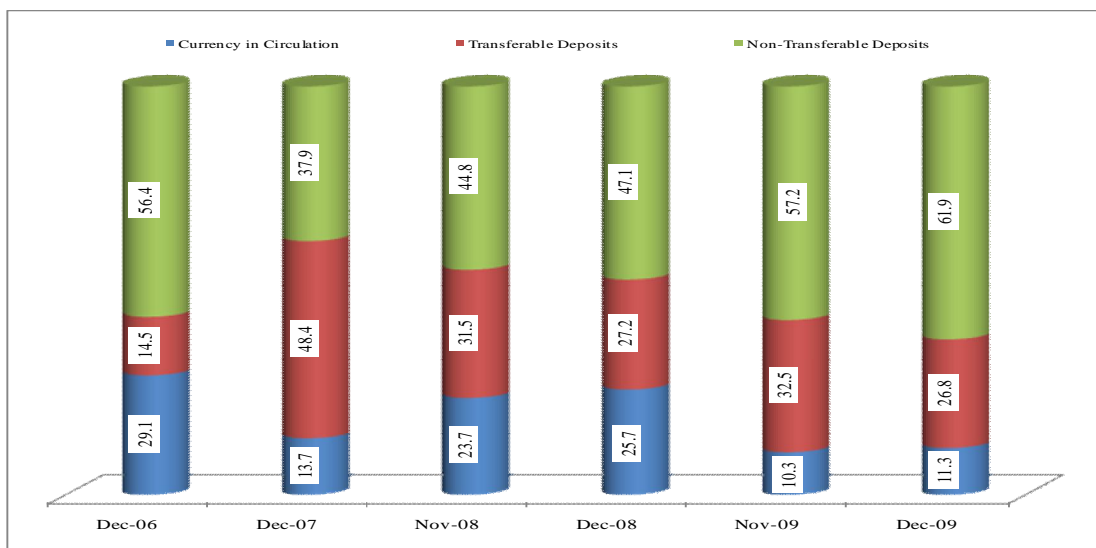


**Chart 2.2: Percentage Contribution of Components of Money Supply to 12-Month Change in M3**



Source: Bank of Tanzania

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



Source: Bank of Tanzania

This development is attributable to continued improvement in banking services in various parts of the country, coupled with the increased public awareness on various financial products offered by some banks. As for, the contribution of change in foreign currency deposits on M3, it declined

slightly to 17.3 percent in the year ending December 2009, compared with 18.7 percent recorded in the year ending November 2009, partly due to stability of the shilling against US dollar recorded during the period under review.

Annual growth rate of the stock of reserve money continued to increase in December 2009 reaching 32.2 percent from 25.8 percent and 21.5 percent recorded in the year ending November 2009 and October 2009, respectively. This growth rate was relatively higher than 21.1 percent recorded in December 2008. The increase in the stock of reserve money was engendered mainly by increase in claims on government in form of Treasury securities, coupled with drawdown of government deposits at the Bank. Consequently, average reserve money recorded an annual growth rate of 26.7 percent in December 2009, an increase from 23.0 percent recorded in the preceding month, and relatively higher than 23.2 percent recorded in the year ending December 2008.

Even as the growth rates of monetary aggregates edged upwards in the past three months, the rate of growth of credit to the private sector continued to decelerate reaching 9.6 percent, compared with 12.2 percent recorded in the preceding month, and 44.6 percent recorded in the year ending December 2008. The sustained slower growth rate of credit to the private sector is mainly driven by continued cautious stance taken by banks in extending credit to the private sector, following global financial crisis. It is important to note that this slowdown has also been accentuated by the fact that the annual growth of 44.6 percent recorded in December 2008 was significantly higher than average, implying that the year to December 2009 was being measured against a relatively high base.

The activities that suffered substantial decline in the flow of credit from the banks in 2009 include: manufacturing that recorded negative growth rate of 7.7 percent and agriculture (-9.5 percent). Meanwhile, share of personal loans to total outstanding loans declined to 20.4 percent in December 2009, down from 22.6 percent recorded in the preceding month following a substantial drop in their annual growth rate from 23.9 percent in November 2009 to 5.6 percent in December 2009. Annual growth of credit to trade and transport and communication activities continued to register positive performances, which also translated into increase in their respective shares to total outstanding loans.

## Interest Rate Developments

During December 2009, Treasury bill yields sustained a gradual increase, which is consistent with the increase in tender size since September 2009 from TZS 120 billion per auction to about TZS 160 billion per auction. The overall weighted average yields of Treasury bills increased to 6.91 percent in December 2009 from 6.36 percent and 5.17 percent registered in November and October 2009, respectively. However, the yields are still lower when compared with 10.99 percent and 10.33 percent recorded in December and November 2008, respectively (**Table 2.2**). Treasury bonds market recorded gradual decline in yields across all maturities, which is consistent with money market developments.

**Table 2.2: Weighted Average Interest Rates Structure**

Item	Percent											
	2009											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Overall Interbank cash market rate	8.41	9.81	10.10	9.58	6.80	5.03	3.86	1.42	1.34	1.63	1.62	1.57
<i>Overnight interbank cash market</i>	8.31	9.63	9.90	9.29	6.49	4.46	2.44	0.82	1.04	1.21	1.19	1.46
REPO Rate	7.55	9.09	9.73	8.25	6.10	4.90	2.23	1.21	1.12	1.32	1.28	1.26
Discount Rate	17.53	17.85	18.33	16.01	13.00	10.31	6.95	5.20	4.40	3.70	3.70	3.70
Overall Treasury bills rate	12.53	12.85	13.33	11.01	9.27	6.97	5.81	5.16	4.52	5.17	6.36	6.91
<i>35 days</i>	7.43	7.54	7.62	7.03	6.40	4.81	3.45	2.65	2.07	3.01	3.33	3.80
<i>91 days</i>	11.60	11.99	12.43	10.55	8.25	5.56	4.14	3.53	2.97	3.38	5.29	6.06
<i>182 days</i>	13.28	14.64	14.86	12.04	10.20	7.86	6.27	5.46	4.84	4.90	5.28	6.59
<i>364 days</i>	15.32	14.74	14.99	12.57	10.69	9.11	8.28	7.72	7.79	8.22	8.60	8.83
Savings Deposit Rate	2.64	2.75	2.72	2.72	2.72	2.69	2.68	2.68	2.66	2.65	2.67	2.83
Treasury Bonds Rates												
<i>2-years</i>	14.35	14.35	15.28	15.28	15.28	11.51	11.51	11.51	11.51	10.89	10.89	10.89
<i>5-years</i>	17.32	17.32	17.32	17.32	16.58	16.58	16.58	16.58	13.45	13.45	13.45	13.45
<i>7-years</i>	17.04	17.04	17.04	17.06	17.06	17.06	17.06	14.14	14.14	14.14	14.15	14.15
<i>10-years</i>	19.47	19.92	19.92	19.92	19.92	19.92	16.95	16.95	16.95	16.95	16.95	16.73
Overall Time Deposits Rate	6.63	6.78	7.00	7.10	7.08	6.79	6.96	6.89	6.73	6.41	6.52	6.36
<i>12 month time deposit rate</i>	8.79	8.59	8.56	8.98	9.41	9.07	9.06	9.04	8.83	8.83	8.76	8.99
Negotiated Deposit Rate	10.66	10.82	10.99	11.27	11.03	10.13	10.52	10.47	10.60	10.11	9.85	9.94
Overall Lending rate	14.93	14.95	15.12	15.45	15.39	15.48	15.14	15.12	14.90	14.75	14.74	14.38
<i>Short-term lending rate (up to 1 year)</i>	13.41	13.45	13.44	13.87	13.68	14.57	13.94	13.77	13.98	13.92	14.00	13.96
Negotiated Lending Rate	12.42	12.26	13.01	14.03	14.17	14.28	14.26	14.24	13.81	13.51	13.38	13.18
Margin between short-term lending and one-year time deposit rates	4.61	4.86	4.88	4.90	4.27	5.50	4.88	4.73	5.15	5.08	5.24	4.97

*Source: Bank of Tanzania*

Meanwhile, the overall inter-bank cash market interest rates continued to edge downwards reaching 1.57 percent, down from 1.62 percent recorded in the preceding month, and significantly lower than 6.54 percent recorded in December 2008. On the other hand, overnight inter-bank rate increased to 1.46 percent in December 2009 from 1.19 percent recorded in November 2009, but still far below 6.27 percent recorded in December 2008. The prevailing low interest rates in the inter-bank cash market manifested the continued high level of liquidity among banks. Repo rate

decreased slightly to 1.26 percent in December 2009 from 1.28 percent recorded in November 2009, and well below the 6.42 percent recorded in December 2008.

As for interest rates offered by Other Depository Corporations (ODCs), a mixed trend of different magnitudes was observed. Specifically, overall time deposits rate declined to 6.36 percent in December 2009, from 6.52 percent registered in the preceding month, and 6.63 percent recorded in the corresponding period in 2008. Negotiated deposit rate increased slightly to 9.94 percent from 9.85 percent during the same period, while savings deposit rate improved slightly to 2.83 percent in December 2009 from 2.67 percent recorded in the preceding month, and 2.74 percent recorded in December 2008.

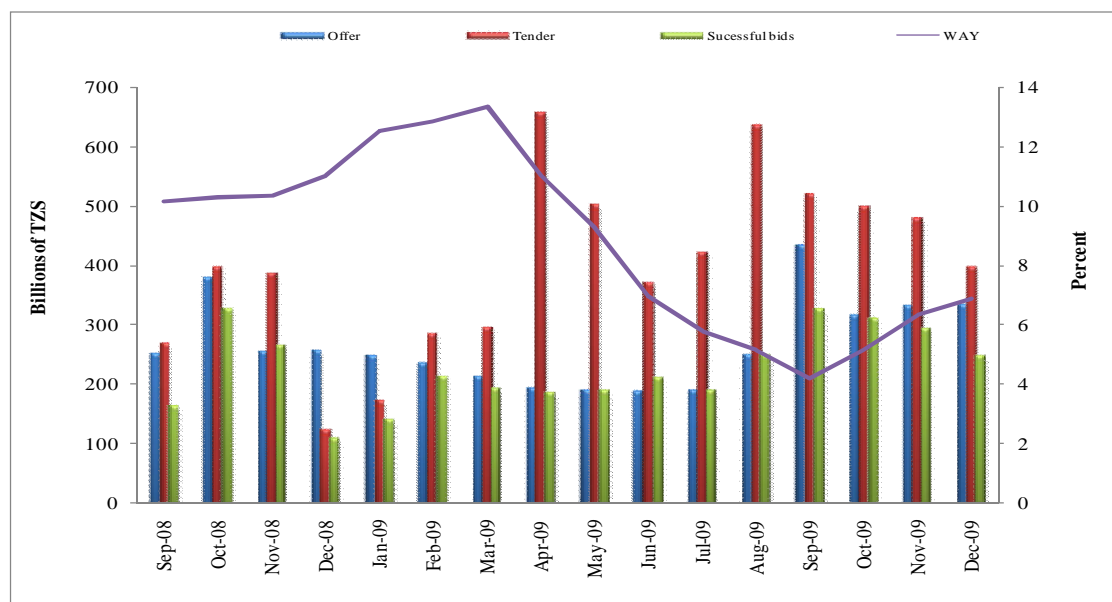
On the other hand, the rates charged by ODCs, took a general downward trend consistent with developments in the money market. Overall lending rates declined to 14.38 percent from 14.74 percent recorded in November 2009, while negotiated lending rates stood at 13.18 percent in December 2009, from 13.38 percent recorded in the preceding month. The spread between short-term lending rate (up to one year) and one year time deposit rate narrowed to 4.97 percentage points in December 2009, from 5.24 percentage points recorded in the preceding month.

## **Financial Markets Developments**

### **Treasury Bills Market**

Notwithstanding the increased tender size for Treasury bills since September 2009, the government securities market continued to experience strong demand, well above the amount supplied, reflecting the banks' increased preference for Government securities, away from credit to the private sector. In December 2009, demand for Treasury bills amounted to TZS 398.3 billion against the supply of TZS 332.8 billion, while in November 2009, demand was TZS 479.0 billion, against supply of TZS 331.9 billion. The high demand relative to supply led to lower Treasury bills yields during the period compared to similar period in 2008 ([Chart 2.4](#)).

**Chart 2.4: Treasury Bills Market Developments**



Source: Bank of Tanzania

During the period under review, the Bank intervened and accepted Treasury bills with face value of TZS 247.9 billion or cost value of TZS 237.8 billion. Meanwhile, Treasury bills worth TZS 316.0 billion matured during the month under review

### Treasury Bonds Market

During December 2009, the Bank supplied the market with a 10-year Treasury bond worth TZS 81.2 billion, while demand amounted to TZS 45.8 billion, a substantial under-subscription. The under-subscription is associated with the low investors' preference for instruments with longer maturity. Commercial banks remained the dominant players in the market accounting for 85 percent of the total subscribed amount followed by pension funds which accounted for 10.2 percent. The Bank accepted bids worth TZS 26.4 billion (or cost value of TZS 19.7 billion). Despite the low demand, the 10-year weighted average yield decreased to 16.73 percent in December 2009, which was lower than 16.95 percent recorded in the previous 10-year bond auction which was held in July 2009.

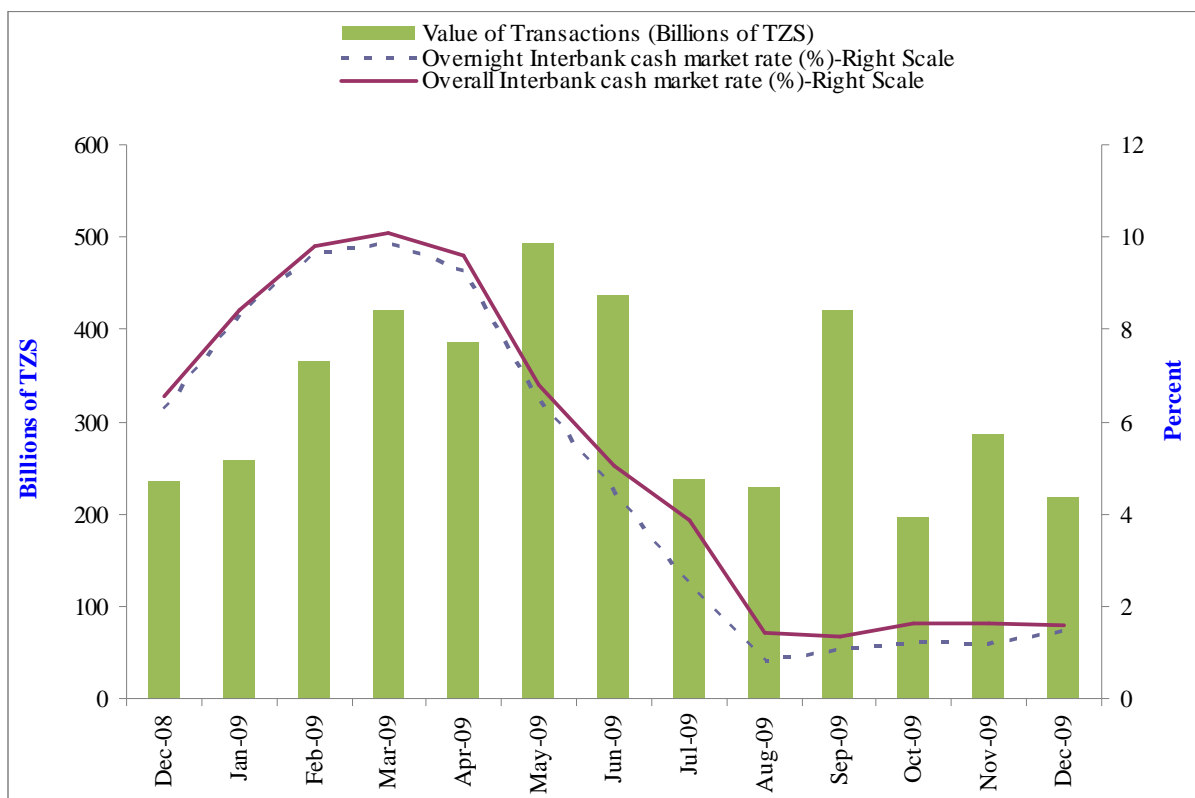
## Repurchase Agreements

During December 2009, the Bank continued to conduct repurchase agreements (repos) to supplement other monetary policy instruments in management of liquidity in the economy. During the month, repos worth TZS 363.0 billion were conducted with banks against maturing amount of TZS 537.5 billion.

## Inter-Bank Cash Market Developments

The volume of transactions in the interbank cash market amounted to TZS 216.9 billion, down from TZS 286.3 billion recorded in November 2009. This level was also lower than TZS 236.4 billion traded in the corresponding month in 2008. In December 2009, overnight transactions continued to dominate, accounting for about 57.4 percent of the total interbank transactions, a slight decline from 59.0 percent recorded in November 2009. Interest rates in the interbank cash market remained low consistent with high liquidity level in the banking system (**Chart 2.5**).

**Chart 2.5: Interbank Cash Market Developments**

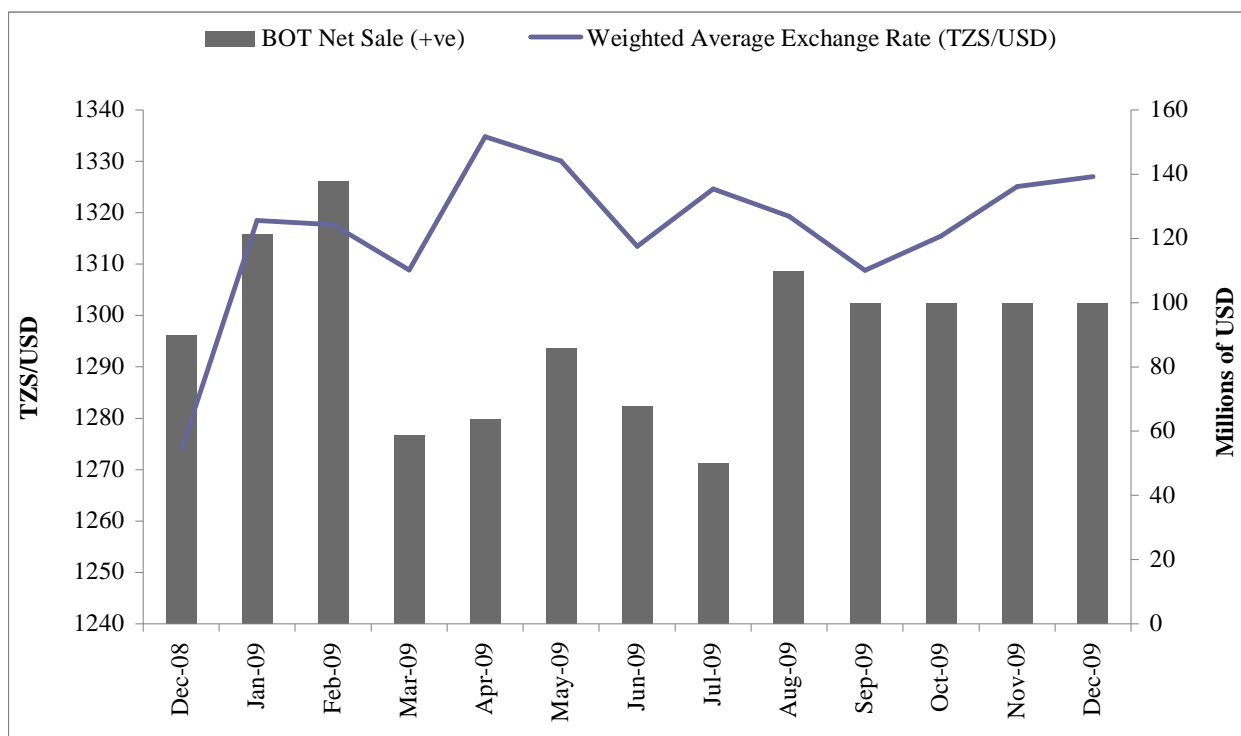


Source: Bank of Tanzania

### Inter-Bank Foreign Exchange Market

The Bank continued to participate in the interbank foreign exchange market (IFEM) primarily to meet the liquidity management objectives, while fostering orderly market developments. During December 2009, the Bank of Tanzania remained the main supplier in the IFEM selling USD 100 million—same as in the previous month. The amount sold by the Bank accounted for 82.8 percent of the USD 120.8 million traded during the month. In the preceding month the total volume traded in the IFEM was relatively lower, amounting to USD 112.3 million. The value of the shilling against the US dollar remained fairly stable, changing from an average of TZS 1,325.1 per USD in November 2009 to TZS 1,327.1 per USD in December 2009. On annual basis, the shilling depreciated by 4.2 percent against the US dollar, when compared with TZS 1,273.8 per USD recorded in December 2008 ([Chart 2.6](#)).

**Chart 2.6: Inter-bank Foreign Exchange Market Operations**



### 3.0 Government Budgetary Operations

In December 2009, there was an improvement in domestic revenue collections. Revenue collected was 96.3 percent of the target, compared to an average of 90.1 percent of the estimates between July and November 2009. On cumulative basis (July – December 2009), domestic revenue reached TZS 2,306.6 billion or 90.8 percent of the target.

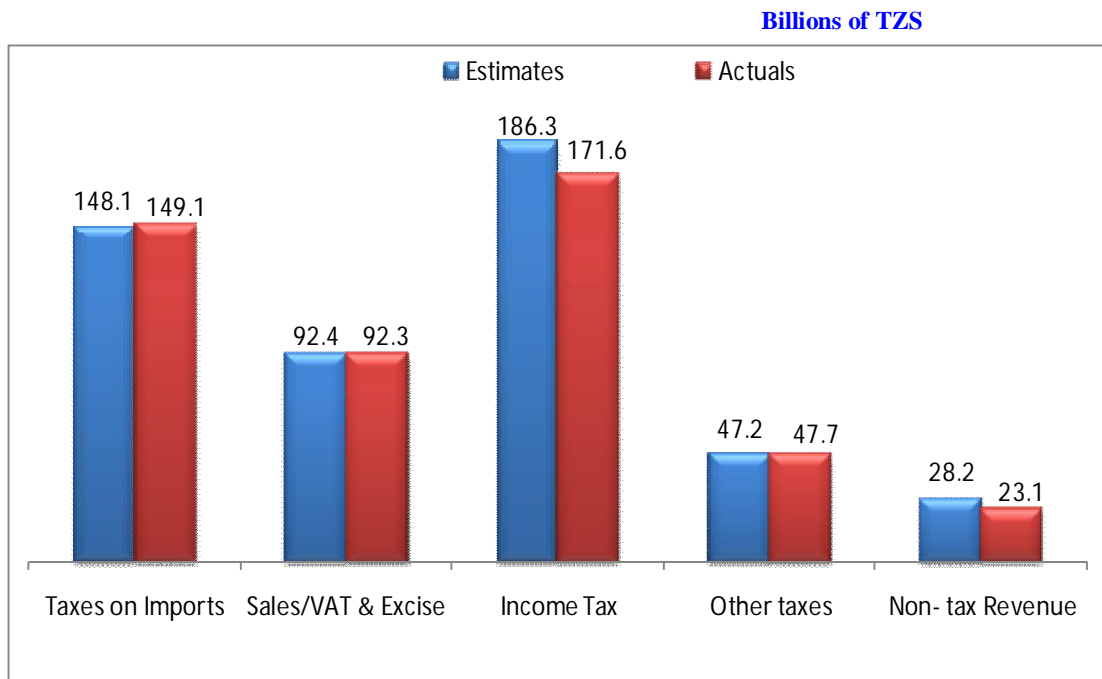
In December 2009, total expenditure was above the estimate on account of development expenditure which exceeded the estimate by 30.6 percent. However, on cumulative basis, total expenditure was below the estimate by 2.9 percent, reaching TZS 4,361.5 billion.



## Revenue Performance

In December 2009, total revenue collection; excluding local government own sources, amounted to TZS 483.8 billion, equivalent to 96.3 percent of the target. Tax and non-tax revenue collections amounted to TZS 460.7 billion and TZS 23.1 billion, respectively (**Chart 3.1**).

**Chart 3.1: Government Revenue by Source in December 2009**



Source: Bank of Tanzania

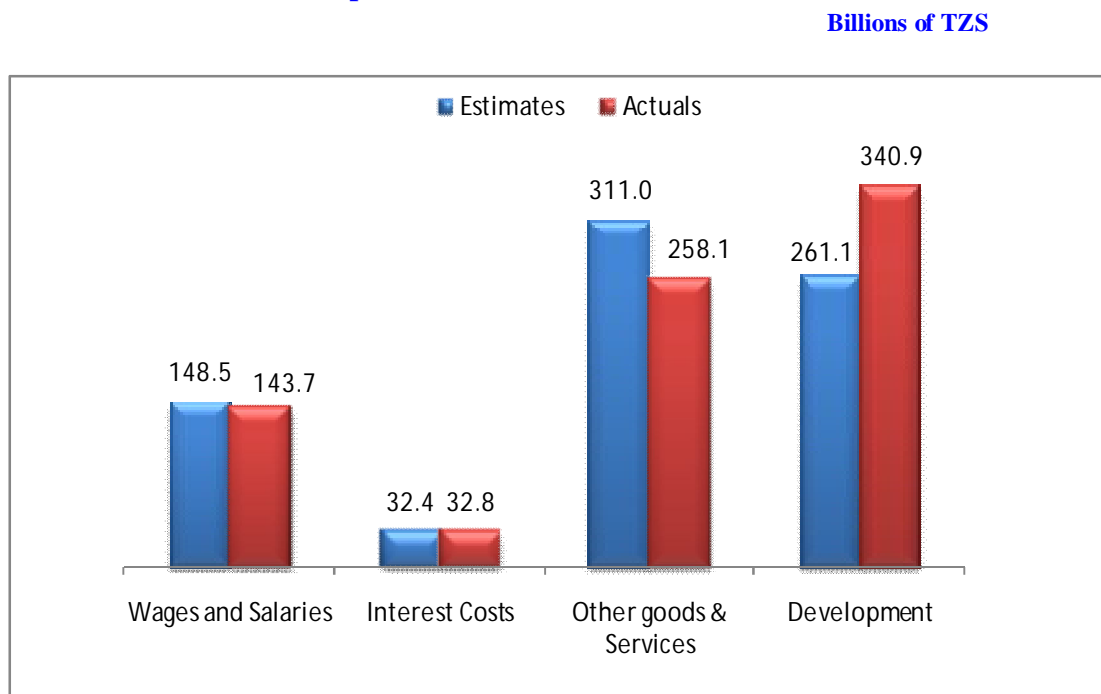
The shortfall in tax revenue was recorded in income tax, whereby 92.1 percent of the target was collected or TZS 171.6 billion. The underperformance in income tax was on account of the fall in corporate income tax, partly attributed to global financial crisis. Also non-tax collection amounted to TZS 23.1 billion, equivalent to 81.9 percent of the target.

On cumulative basis, revenue collections in the first half of 2009/10 reached TZS 2,306.6 billion, or 90.8 percent of the target. This amount is about 7.4 percent of the GDP.

## Government Expenditure

Total expenditure amounted to TZS 780.4 billion, surpassing the estimate marginally by 2.4 percent (or TZS 18.6 billion) in December 2009, mainly on account of development expenditure. Recurrent expenditure during the month amounted to TZS 439.5 billion being below the estimate by 12.2 percent, while development expenditure was TZS 340.9 billion, exceeding the estimate by about 30.6 percent (**Chart 3.2**).

**Chart 3.2: Government Expenditure in December 2009**



Source: Bank of Tanzania

However, on cumulative basis, government expenditure was within the budget, reaching TZS 4,361.5 billion or 97.1 of the budget estimate. Recurrent expenditure was TZS 2,893.2 billion, being below the estimate by 4.2 percent, while development expenditure amounted to TZS 1,468.3 billion, equivalent to 99.7 percent of the estimate. As percent of GDP, government expenditure reached 14.0 percent.

## Financing

On cumulative basis (July – December 2009), fiscal operations registered an overall deficit (adjusted to cash) of TZS 1,011.7 billion which was financed mainly from foreign sources. Net domestic financing reached TZS 11.9 billion compared with the PSI/ESF ceiling of TZS 95.0 billion.

## 4.0 External Sector Performance

### Current Account Balance

During the year ending December 2009, the overall Balance of Payments remained positive, recording a surplus of USD 428.9 million from a surplus of USD 148.2 million recorded during the previous year. The positive development is largely attributed to the narrowing of the current account deficit by 23.4 percent to a deficit of USD 2,208.1 million, following a decline in import bill and increase in the official current transfers (**Table 4.1**).

**Table 4.1: Current Account Balance**

Item	Millions of USD						
	Dec		2009		Year Ending December		% Change
	2007	2008	Nov	Dec	2008p	2009p	
<b>Goods Account (net)</b>	<b>-189.8</b>	<b>-190.9</b>	<b>-299.4</b>	<b>-297.4</b>	<b>-3,794.5</b>	<b>-3,141.7</b>	<b>-17.2</b>
Exports	188.4	263.0	233.1	238.5	2,688.9	2,634.0	-2.0
Imports	378.2	453.9	532.4	535.9	6,483.4	5,775.7	-10.9
<b>Services Account (net)</b>	<b>26.82</b>	<b>19.39</b>	<b>56.13</b>	<b>50.8</b>	<b>392.9</b>	<b>321.4</b>	<b>-18.2</b>
Receipts	142.5	160.5	208.9	202.6	1,998.8	2,059.6	3.0
Payments	115.7	141.1	152.8	151.8	1,605.8	1,738.2	8.2
<b>Goods and services (net)</b>	<b>-163.0</b>	<b>-171.5</b>	<b>-243.2</b>	<b>-246.6</b>	<b>-3,401.5</b>	<b>-2,820.4</b>	<b>-17.1</b>
Exports of goods and services	330.9	423.4	442.0	441.1	4,687.7	4,693.6	0.1
Imports of goods and services	493.9	594.9	685.2	687.8	8,089.2	7,514.0	-7.1
<b>Income Account (net)</b>	<b>-5.7</b>	<b>-11.2</b>	<b>-7.9</b>	<b>-9.4</b>	<b>-91.0</b>	<b>-74.0</b>	<b>-18.7</b>
Receipts	10.3	5.2	12.8	17.2	122.7	155.3	26.6
Payments	16.1	16.4	20.7	26.7	213.7	229.3	7.3
<b>Current Transfers (net)</b>	<b>40.9</b>	<b>36.1</b>	<b>41.4</b>	<b>35.1</b>	<b>609.4</b>	<b>686.2</b>	<b>12.6</b>
Inflows	47.1	41.4	48.6	43.2	689.0	762.0	10.6
o/w General Government	39.3	33.3	38.4	33.1	588.5	654.1	11.1
Outflows	6.2	5.2	7.2	8.1	79.6	75.8	-4.8
<b>Current Account Balance</b>	<b>-127.8</b>	<b>-146.6</b>	<b>-209.7</b>	<b>-221.0</b>	<b>-2,883.1</b>	<b>-2,208.1</b>	<b>-23.4</b>

Note: P = Provisional

Source: Bank of Tanzania

In addition to the developments in the current account, the release of the Balance of Payments Support from the IMF under the Exogenous Shock Facility (ESF) and the allocation of Special

Drawing Rights (SDR)<sup>1</sup> continued to explain the improvement of country's gross reserves position. Gross official reserves increased to USD 3,551.3 million by end December 2009 from USD 3,543.8 million recorded as at end November 2009. The increase in gross reserves is partly due to released of the second tranche of ESF amounting to USD 63.4 million in December 2009 by the IMF. The level of reserves for December 2009 was enough to cover about 5.7 months of import of goods and services.

## Exports Performance

During the year ending December 2009, export of goods went down by 2.0 percent to USD 2,634 million, largely due to a decrease in manufactured exports. **Chart 4.1** summarizes the performance of selected goods export during the past four years.

**Chart 4.1: Performance of Selected Goods Export**

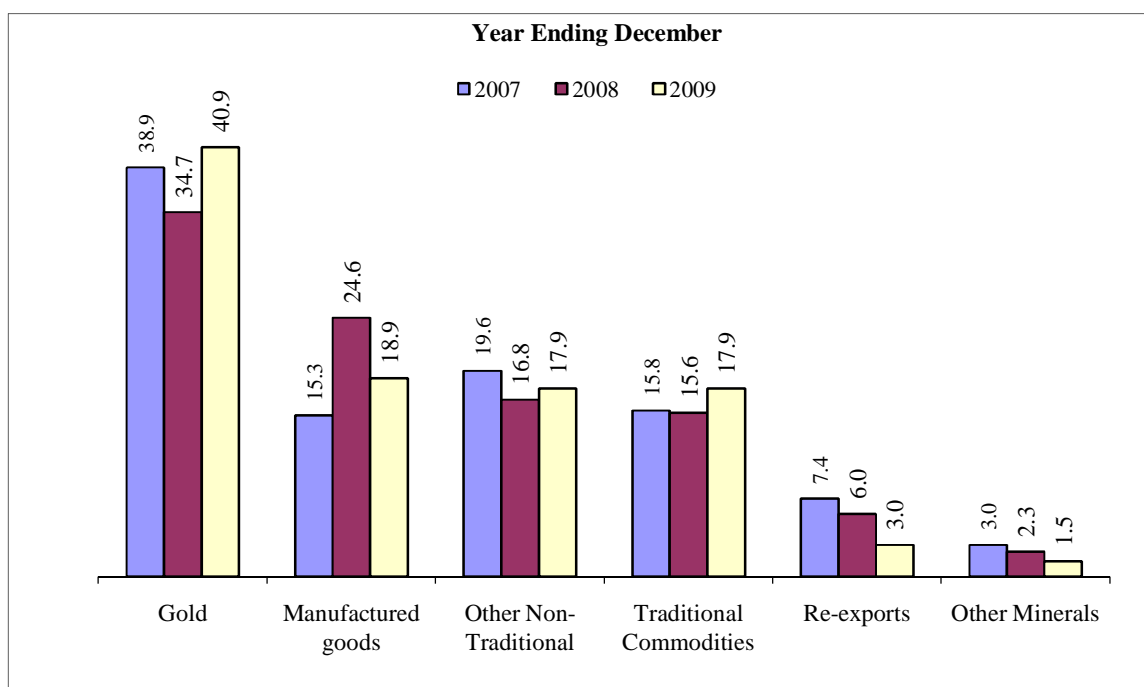


Source: Bank of Tanzania

On annual basis, exports of gold and manufactured goods continued to account for large share of total exports of goods, accounting for 40.9 percent and 18.9 percent, respectively, during the period under review (**Chart 4.2**).

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

**Chart 4.2: Percentage Contribution of Selected Items to Total Exports of Goods**



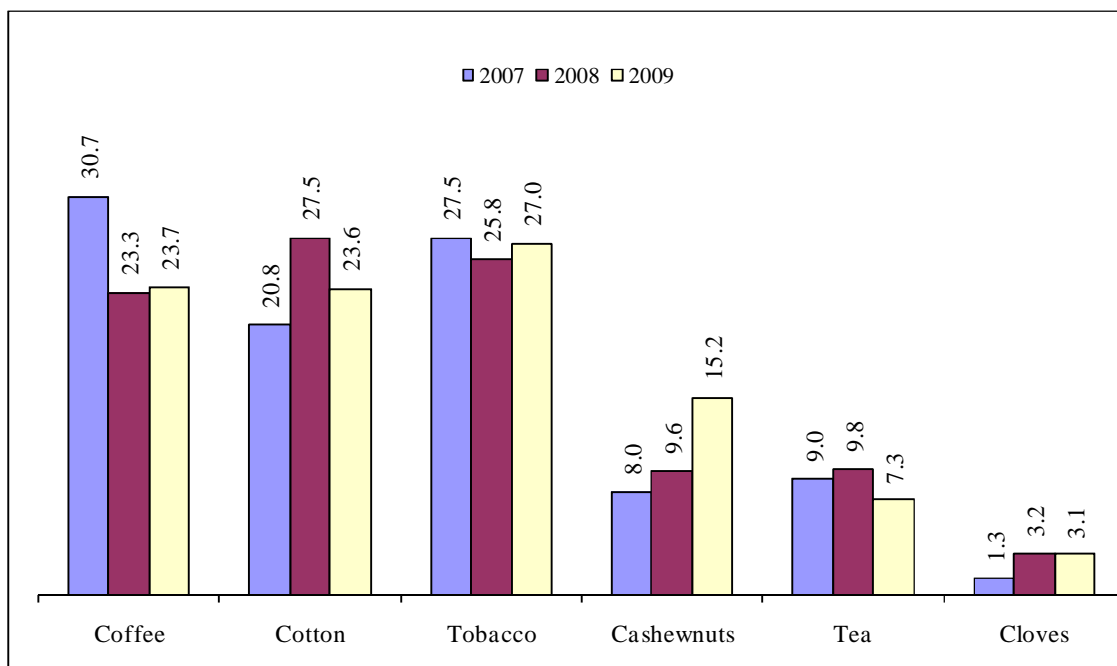
Source: Bank of Tanzania

## Traditional Exports

In December 2009, the value of traditional exports shipped was USD 60.4 million, being 30.9 percent higher compared to USD 46.1 million recorded in the previous month, following an increase in shipment of cashew nuts, cotton and tea.

On annual basis, during 2009, the value of traditional exports went up by 12.5 percent to USD 470.8 million compared to the level recorded in 2008. This development is largely due to an increase in the export volumes of coffee, cotton, cashew nuts and cloves which resulted from favourable weather condition, timely accessibility of agricultural inputs and extension services. On the other hand, the improvement was also recorded in tobacco exports following an increase in export unit prices. With the exception of tobacco and tea which recorded increases in the export unit prices, other traditional exports recorded declines in prices. **Chart 4.3** depicts the percentage contribution to total traditional exports for the last three years.

**Chart 4.3: Percentage Contribution to Total Traditional Exports for the Year Ending December**



Source: Bank of Tanzania

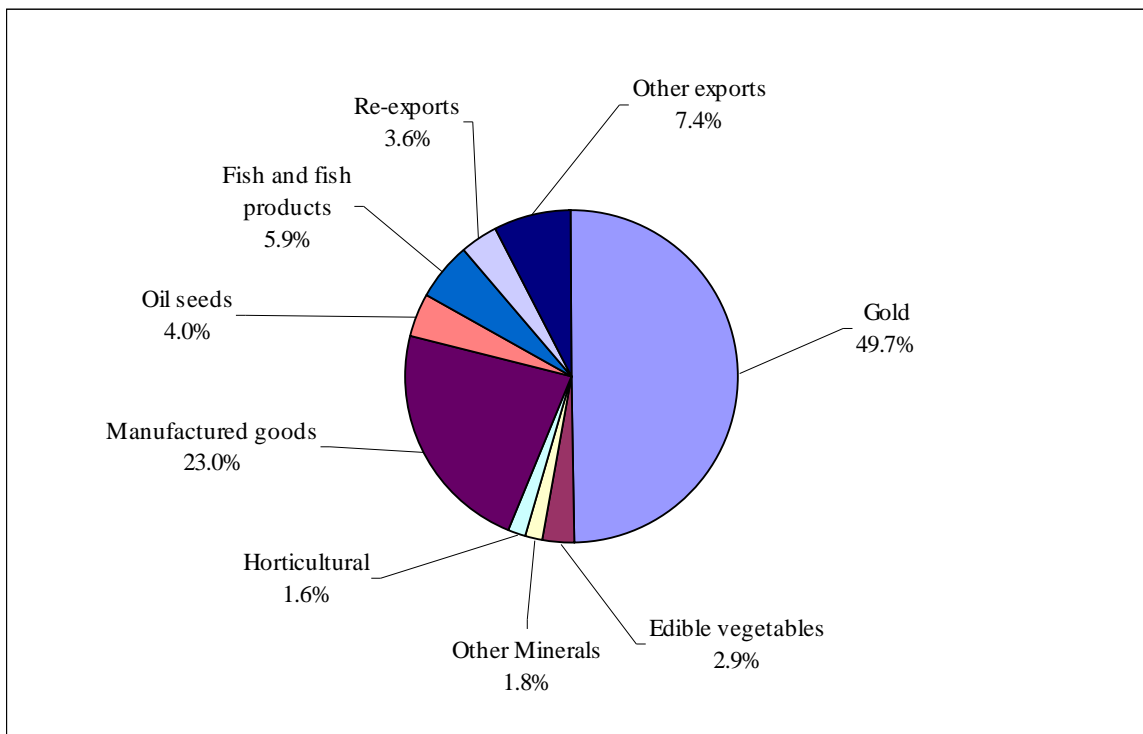
## Non-Traditional Exports

During the month under review, the value of non-traditional exports shipped was USD 178.2 million, being 4.7 percent less than the amount shipped in the preceding month. The decline occurred mostly in minerals, re- exports and other exports particularly edible vegetables and oil seeds.

On annual basis, non-traditional exports amounted to USD 2,163.2 million compared to USD 2,270.6 million recorded in 2008, largely due to a decline in manufactured goods, re-export and fish products. The export value of manufactured goods was USD 497.6 million, being lower than USD 662.3 million recorded during 2008. The decline is partly attributable to the drop in demand for the manufactured products in the neighbouring countries following the global financial crisis. Likewise, the value of re-exports mainly wheat, tyres, vehicles and petroleum products went down to USD 78.9 million from USD 160.3 million recorded during the corresponding period last year.

During the year under review, the value of mineral exports amounted to USD 1,114.8 million, higher than USD 995.5 million recorded in 2008, owing to an increase in exports of gold and other minerals. The value of gold exports was USD 1,076.1 million, compared to USD 932.4 million largely due to a rise in both gold prices in the world market and export volumes. During the year to December 2009, prices of gold increased by 11.6 percent to USD 972.7 per troy ounce. Meanwhile, export volumes of gold went up to 34.0 tons from 32.3 tons recorded during the previous year. **Chart 4.4** depicts the contribution of non-traditional exports sub-categories to total for the year ending December 2009.

**Chart 4.4: Contribution to Total Non Traditional Exports for the Year Ending December 2009**



Source: Bank of Tanzania

## Services Export

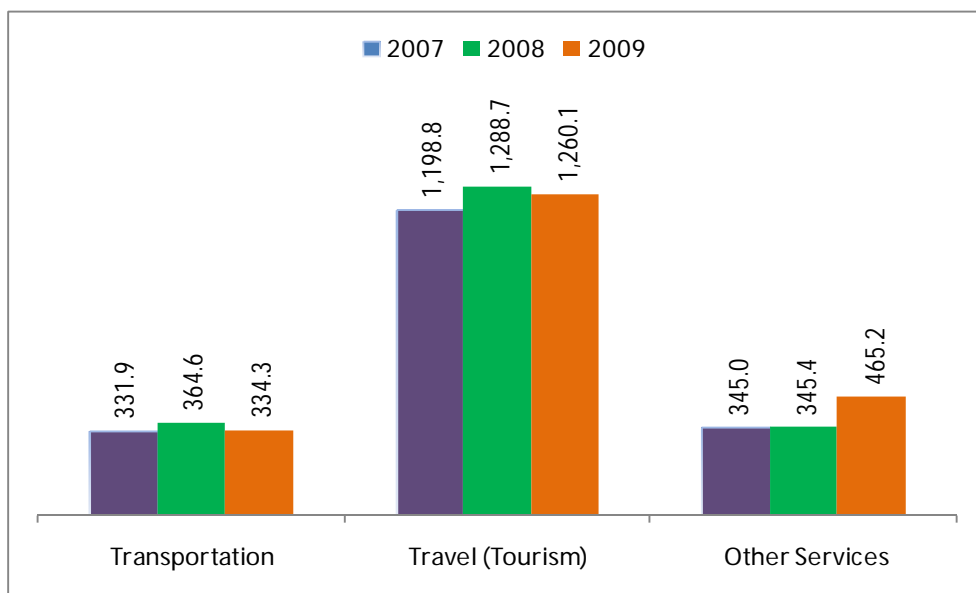
In December 2009, services receipt were USD 202.6 million, slightly lower than USD 208.9 million recorded during November 2009 following a drop in receipts from travel and transportation services.

On annual basis, services receipt amounted to USD 2,059.6 million, being higher than USD 1,998.8 million recorded in 2008, following an increase in receipts from other business and government services. During 2009, receipts from other business services were USD 327.0 million, 40.0 percent higher than the amount recorded in the preceding year. Other business services are comprised of legal, accounting, consultancy, research and development and other technical and professional services.

On the other hand, Travel which accounts for about 60 percent of total services receipt amounted to USD 1,260.1 million compared to USD 1,288.7 million recorded in 2008. Available statistics show that from January to November 2009, the number of international arrivals was 697,131, being 10.6 percent lower than the number of arrivals recorded in the corresponding period last year. The dismal performance is partly attributed to the global financial crisis (GFC), which has affected major sources of tourists to Tanzania. However, improvement in travel receipts is anticipated given the recovery of major economies from GFC and concerted efforts by the government and other stakeholders in promoting Tanzania as a unique tourist destination in new emerging markets. **Chart 4.5** depicts the performance of the main services receipt for the past four years.

**Chart 4.5: Services Receipt for the Year Ending December**

Millions of USD



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



## Imports Performance

During December 2009, the value of goods import shipped into Tanzania was USD 535.9 million, being slightly higher than USD 532.4 million recorded in November 2009, with an increase in capital goods as the other import categories recorded declines.

On annual basis, during 2009, the value of goods import was USD 5,775.7 million compared to USD 6,483.4 million recorded in 2008. This development was largely due to a significant drop in imports of intermediate goods particularly oil products (**Table 4.2**).

**Table 4.2: Imports**

Items	Millions of USD							
	2008 <sup>P</sup> Dec	2009		% Change		Year Ending Dec <sup>P</sup>		% Change
		Nov	Dec	Dec 08- Dec 09	Nov 09 - Dec 09	2008	2009	
<b>Capital Goods</b>	<b>211.6</b>	<b>220.0</b>	<b>242.3</b>	<b>14.5</b>	<b>10.1</b>	<b>2,648.6</b>	<b>2,513.1</b>	<b>-5.1</b>
Transport Equipment	67.3	58.6	74.2	10.2	26.7	787.8	741.0	-5.9
Building and Constructions	55.9	70.1	69.6	24.5	-0.8	619.5	562.1	-9.3
Machinery	88.4	91.3	98.5	11.5	7.9	1,241.3	1,209.9	-2.5
<b>Intermediate Goods</b>	<b>123.8</b>	<b>186.2</b>	<b>172.2</b>	<b>39.1</b>	<b>-7.5</b>	<b>2,551.3</b>	<b>1,870.6</b>	<b>-26.7</b>
Oil imports	75.8	130.6	114.2	50.5	-12.6	1,838.6	1,307.5	-28.9
Fertilizers	9.8	10.6	11.1	13.1	4.6	150.4	95.2	-36.7
Industrial raw materials	38.2	45.0	47.0	23.0	4.4	562.3	467.9	-16.8
<b>Consumer Goods</b>	<b>118.4</b>	<b>126.0</b>	<b>121.4</b>	<b>2.5</b>	<b>-3.7</b>	<b>1,283.5</b>	<b>1,392.1</b>	<b>8.5</b>
Food and food stuffs	25.9	40.0	24.6	-5.0	-38.4	290.9	341.9	17.5
All other consumer goods <sup>1</sup>	92.5	86.0	96.8	4.6	12.5	992.7	1,050.2	5.8
<b>Grand Total (f.o.b)</b>	<b>454.0</b>	<b>532.4</b>	<b>535.9</b>	<b>18.03</b>	<b>0.7</b>	<b>6,483.4</b>	<b>5,775.7</b>	<b>-10.9</b>
<b>Grand Total (c.i.f)</b>	<b>499.0</b>	<b>585.1</b>	<b>588.9</b>	<b>18.03</b>	<b>0.7</b>	<b>7,124.6</b>	<b>6,347.0</b>	<b>-10.9</b>

Oil imports refers to refined petroleum products

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

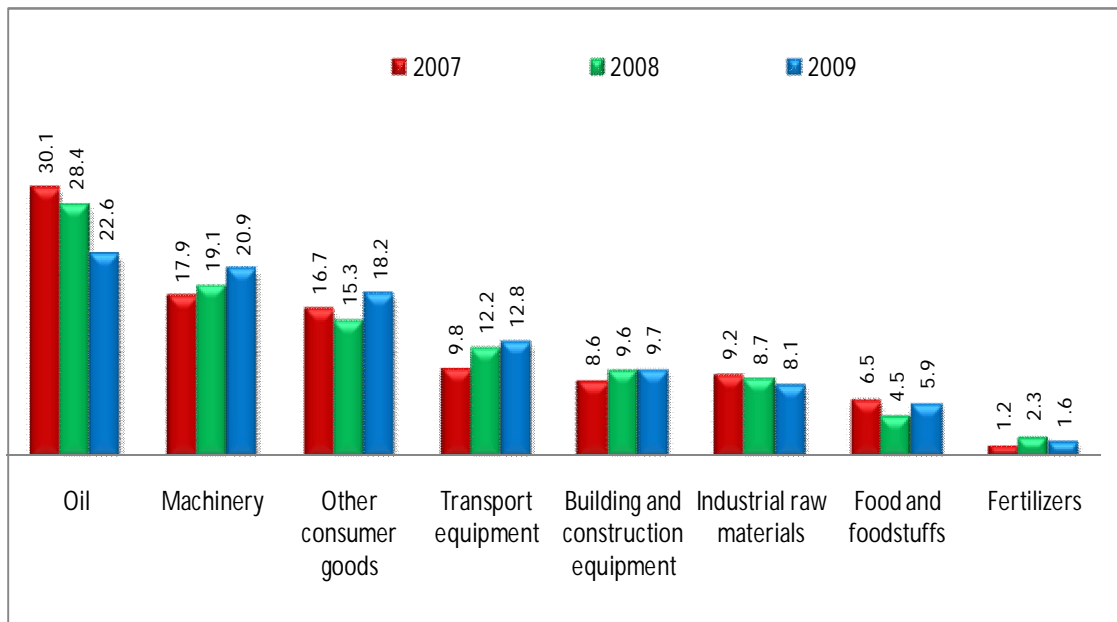
The value of oil imports declined by 28.9 percent to USD 1,307.5 million due to a fall in the average prices of oil products in the world market. Meanwhile, the volume of imported oil increased from 2,316,481.9 tons recorded in 2008 to 2,916,484.4 tons. Import of capital goods was USD 2,513.1 million, being lower than USD 2,648.6 million recorded in 2008.

In 2009, importation of consumer goods was USD 1,392.1 million, being 8.5 percent higher than the value imported in the preceding year, following an increase in the value of imports of food and foodstuffs as well as other consumer goods. Importation of other consumer goods that includes pharmaceutical products, plastic items and paper products went up by 5.8 percent to

USD 1,050.2 million. Meanwhile, importation of food and food stuff increased from USD 290.9 million in 2008 to USD 341.9 million, largely on account of an increase in cereals import particularly wheat. During the review period, volume of wheat imports almost doubled from 446,070 tons in 2008 to 826,050 tons.

**Chart 4.6** which summarizes the contribution of import sub-categories to total imports indicates that oil imports continued to account for a substantial share of the Tanzania’s total imports.

**Chart 4.6: Percentage Contribution of Selected Items to Total Imports for the Year Ending December**



Source: Bank of Tanzania

During December 2009, the value of cereal imports shipped into the country decreased to USD 12.9 million from USD 21.5 million recorded in November 2009, largely due to a decline in importation of wheat and rice (**Table 4.3**).

**Table 4.3: Summary of Selected Food Imports**

Descriptions	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	% Change (Nov 09 to Dec 09)
<b>Maize</b>						
Tons	5,059.0	12,887.3	3,676.0	3,559.7	3,969	11.5
Value (Mill. USD)	1.0	2.2	0.7	0.6	0.8	20.9
Unit Price (\$/mt)	192.3	172.3	177.5	176.2	191.1	8.4
<b>Rice</b>						
Tons	361.1	241.7	24.0	115.4	75	-35.1
Value (Mill. USD)	0.2	0.1	0.01	0.05	0.04	-31.9
Unit Price (\$/mt)	466.2	476.7	457.5	457.6	480.1	4.9
<b>Wheat</b>						
Tons	34,501.0	73,361.5	118,638.5	86,424.9	48,620	-43.7
Value (Mill. USD)	8.4	18.3	30.2	20.8	12.1	-42.0
Unit Price (\$/mt)	243.2	249.7	254.9	240.7	248.0	3.0
<b>Total tons</b>	<b>39,921</b>	<b>86,491</b>	<b>122,338</b>	<b>90,100</b>	<b>52,664</b>	-41.5
<b>Total Value (Mill. USD)</b>	<b>9.5</b>	<b>20.7</b>	<b>30.9</b>	<b>21.5</b>	<b>12.9</b>	-40.2

Source: Tanzania Revenue Authority

## Services Payment

During the review month, services payment amounted to USD 151.8 million, slightly lower than USD 152.8 million recorded in November 2009, following a drop in payments for other business and government services. On annual basis, services payment was USD 1,738.2 million, representing 8.2 percent higher than the payment made in 2008, largely due to an increase in payment for travel, other business and government services. On the other hand, transportation payments which mainly consist of freight payments declined in line with the decrease in goods import. **Chart 4.7** shows the performance of major services payment categories in the past four years.

**Chart 4.7: Service Payments for the Year Ending December**



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**

During December, 2009, the world market prices showed mixed developments. The prices of **coffee**, **tea** (Mombasa Auction), **cotton** (A-index), **sisal** (UG) and **cloves** recorded increases. While rise in price of cotton (A-index) was largely on account of strong demand from textile manufactures in Asia, the increase in price of cloves was mainly due to high demand of cloves from Indonesia, India and Brazil. Conversely, price of **tea** (Average price) and **cotton** (Memphis) declined.

During the period under review, the average prices of **crude oil** (UK Brent), Dubai (f.o.b) and **white petroleum products** marginally declined to USD 74.9 per barrel, USD 75.5 per barrel and USD 643.9 per ton. The price of **gold** went up from USD 1,127.0 per troy ounce during the previous year to USD 1,131.0 per troy ounce.

On annual basis, the average price of **coffee** (Robusta), **cotton**, cloves and **sisal** recorded declines. The decline in price for coffee (Robusta) was largely on account of an increase in coffee production in Brazil following favourable weather condition. On the other hand, the fall in prices of cotton is due to a weak demand for cotton in China while improved production following favourable weather condition in Indonesia, Madagascar and Sri Lanka explains the decline of clove prices in the world market. Prices of **tea** went up following an increase in demand for tea

from Russia and Middle East coupled with supply shortages arising from unfavourable weather condition in Kenya.

During the period under review, the prices of **crude oil** and **white petroleum products** declined significantly mainly on account of a weak global oil demand resulting from the global financial crisis. On the other hand, the price of **gold** went up by 11.6 percent to USD 972.7 per troy ounce partly due to an increase in demand for gold following instability in the global financial markets (**Table 4.4**).

**Table 4.4: World Commodity Prices**

Commodity	Units	2009			Nov-Dec	Year Ending Dec.		2008 - 09
		Oct	Nov	Dec	% Change	2008	2009	% Change
Robusta Coffee	USD per kg	1.62	1.53	1.54	0.65	2.32	1.65	-29.15
Arabica Coffee	USD per kg	3.41	3.36	3.49	3.87	3.08	3.17	2.95
Tea (Average price)	USD per kg	3.03	3.06	2.99	-2.29	2.42	2.72	12.69
Tea (Mombasa Auction)	USD per kg	2.61	2.91	2.98	2.41	2.22	2.52	13.60
Cotton, "A Index"	USDper kg	1.47	1.58	1.69	6.96	1.57	1.38	-12.18
Cotton,"Memphis"	USD per kg	1.64	1.72	1.69	-1.74	1.61	1.48	-8.38
Sisal (UG)	USD per metric ton	850.00	820.00	850.00	3.66	1,169.00	1,059.25	-9.39
Cloves	USD per metric ton	4,112.50	4,175.00	4,800.00	14.97	4,411.46	3,965.88	-10.10
Crude oil*	USD per barrel	74.08	77.55	74.88	-3.44	96.99	61.76	-36.33
Crude oil**	USD per barrel	73.28	77.63	75.49	-2.76	93.78	62.42	-33.43
White products***	USD per ton	640.61	656.79	643.90	-1.96	916.97	553.65	-39.62
Jet/Kerosine	USD per ton	646.07	662.40	662.52	0.02	987.06	552.78	-44.00
Premium Gasoline	USD per ton	667.52	689.90	669.19	-3.00	824.26	582.91	-29.28
Heat Oil	USD per ton	608.25	618.06	600.00	-2.92	939.60	525.26	-44.10
Gold	USD per troy ounce	1,043.00	1,127.00	1,131.82	0.43	871.71	972.74	11.59

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

The stock of national debt at the end of December 2009 stood at USD 9,730.8 million, equivalent to an increase of 2.0 percent from the amount recorded at the end of previous month. The increase was mainly on account of new external debt disbursements and issuances of new Government bond. Out of the total debt stock, external debt accounted for 79.8 percent and domestic debt 20.2 percent.

## External Debt

During the period under review, the external debt stock increased by 1.5 percent from USD 7,652.5 million recorded at the end of November 2009 to USD 7,690.5 million at the end of December 2009. Out of the total external debt, USD 6,163.1 million or 79.3 percent was disbursed outstanding debt (DOD) and the remaining portion was interest arrears.

Profile of the external debt stock by borrower category indicates that the Central Government remained the largest borrower accounting for 69.1 percent of the external debt stock. Private sector and public corporations accounted for 19.5 percent and 11.4 percent of the debt respectively ([Table 5.1](#)).

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

Borrower	Millions of USD					
	Dec-08	Share (%)	Nov-09	Share (%)	Dec-09	Share (%)
<b>Central Government</b>	<b>4,630.0</b>	<b>74.0</b>	<b>5,328.8</b>	<b>69.6</b>	<b>5,369.5</b>	<b>69.1</b>
DOD	3,968.6	63.4	4,620.9	60.4	4,649.2	59.8
Interest Arrears	661.4	10.6	707.9	9.3	720.3	9.3
<b>Private Sector</b>	<b>1,149.0</b>	<b>18.4</b>	<b>1,503.8</b>	<b>19.7</b>	<b>1,514.6</b>	<b>19.5</b>
DOD	726.6	11.6	1,010.1	13.2	1,007.4	13.0
Interest Arrears	422.4	6.8	493.7	6.5	507.2	6.5
<b>Public Corporations</b>	<b>477.3</b>	<b>7.6</b>	<b>819.9</b>	<b>10.7</b>	<b>884.0</b>	<b>11.4</b>
DOD	148.6	2.4	442.7	5.8	506.6	6.5
Interest Arrears	328.7	5.3	377.3	4.9	377.4	4.9
<b>External Debt Stock</b>	<b>6,256.2</b>	<b>100.0</b>	<b>7,652.5</b>	<b>100.0</b>	<b>7,768.1</b>	<b>100.0</b>

Source: Bank of Tanzania

In terms of creditor category, debt owed to multilateral creditors amounted to USD 4,064.9 million accounting for 52.3 percent of the total debt, while bilateral creditors accounted for 21.3 percent. Debt owed to other creditors is as shown in [Table 5.2](#).

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

Millions of USD

<b>Creditor</b>	<b>Dec-08</b>	<b>Share (%)</b>	<b>Nov-09</b>	<b>Share (%)</b>	<b>Dec-09</b>	<b>Share (%)</b>
<b>Bilateral</b>	<b>1,596.3</b>	<b>25.5</b>	<b>1,652.3</b>	<b>21.6</b>	<b>1,654.4</b>	<b>21.3</b>
Paris Club	604.5	9.6	629.0	8.2	609.4	7.8
Non Paris Club	991.8	15.8	1,023.3	13.4	1,045.0	13.5
<b>Multilateral</b>	<b>3,012.1</b>	<b>48.1</b>	<b>3,940.2</b>	<b>51.5</b>	<b>4,064.9</b>	<b>52.3</b>
AfDB	602.5	9.6	821.4	10.7	817.1	10.5
World Bank*	2,072.8	33.1	2,456.9	32.1	2,526.8	32.5
IMF	13.0	0.2	273.4	3.6	337.1	4.3
Others	323.8	5.2	388.5	5.1	383.9	4.9
<b>Commercial</b>	<b>1,016.3</b>	<b>16.2</b>	<b>1,278.2</b>	<b>16.7</b>	<b>1,222.5</b>	<b>15.7</b>
<b>Export Credit</b>	<b>643.9</b>	<b>10.3</b>	<b>781.8</b>	<b>10.2</b>	<b>826.3</b>	<b>10.6</b>
<b>External Debt Stock</b>	<b>6,268.6</b>	<b>100.0</b>	<b>7,652.5</b>	<b>100.0</b>	<b>7,768.1</b>	<b>100.0</b>

\*IDA &amp; IFC

Source: Bank of Tanzania

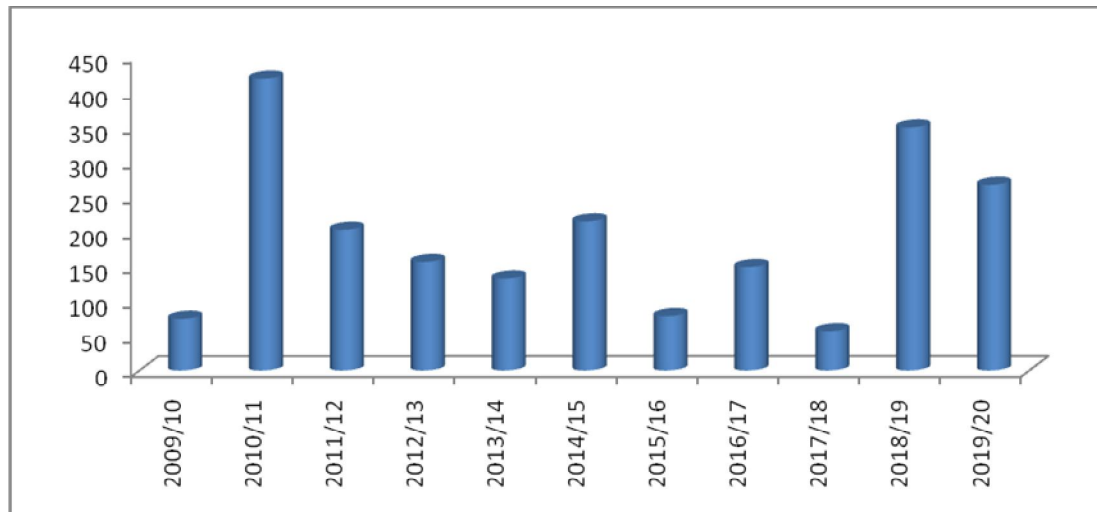
Disbursements received and recorded during the month amounted to USD 115.0 million, out of which USD 49.1 million was received by the Government, USD 63.4 million to public corporation and USD 2.5 million was received by private sector. External debt service payments amounted to USD 5.7 million, out of which, USD 3.3 million was principal repayments and USD 2.4 million interest payments.

## Domestic Debt

During the month under review, the stock of domestic debt increased marginally by 0.2 percent to TZS 2,512.8 billion. Out of domestic stock, TZS 2,504.6 billion (99.7 percent) was Government securities and TZS 8.3 billion was other Government debt.

The maturity structure of long term Government securities (bonds and stocks) shows that the Government will repay principal amounting to as high as TZS 418.7 billion and TZS 349.0 billion, on existing bonds and stocks only, in 2010/11 and 2018/19 respectively. This poses liquidity (rollover) risk given the limited absorption capacity of the domestic market (**Chart 5.1**).

**Chart 5.1: Redemption Profile of Government Bonds and Stocks**



In December 2009, the Government issued 10-year bond worth TZS 26.4 billion. Domestic debt fell due for payment amounted to TZS 47.78 billion, out of which, TZS 28.8 billion being interest was paid out of Government revenue while principal amounting to TZS 19.0 billion was rolled over.



## 6.0 Economic Developments in Zanzibar

### Inflation Developments

The **annual headline inflation** rate in December 2009 increased to 5.2 percent compared to 4.7 percent recorded in the year ended November 2009, mainly driven by rise in both food and non-food inflation. However, the **month-to-month headline** inflation rate declined to negative 0.9 percent on account of deceleration of non-food inflation (**Table 6.1 and Chart 6.1**).

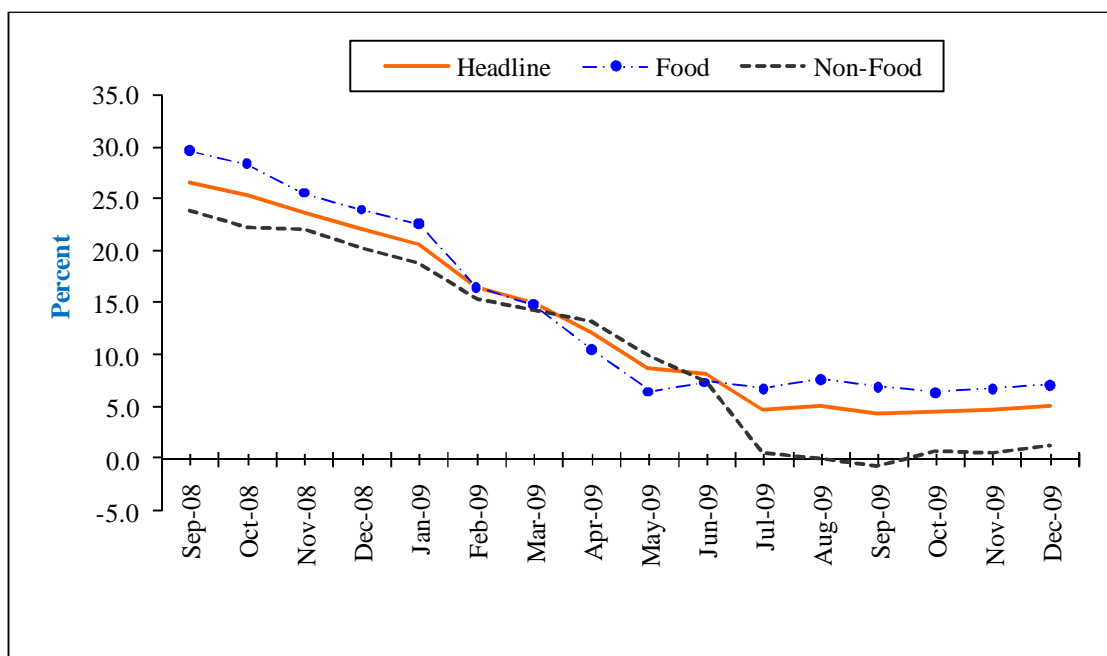
**Table 6.1: Annual Percentage change in Consumer Price Index (CPI)**

Base: Dec.2005=100

Major Commodity Group	Weights (%)	2008			2009		
		Oct	Nov	Dec	Oct	Nov	Dec
<b>Headline/Overall</b>	<b>100</b>	<b>25.3</b>	<b>23.7</b>	<b>22.1</b>	<b>4.5</b>	<b>4.7</b>	<b>5.2</b>
<b>Food</b>	<b>57.4</b>	<b>28.3</b>	<b>25.5</b>	<b>23.9</b>	<b>6.4</b>	<b>6.8</b>	<b>7.1</b>
<b>Non-Food</b>	<b>42.6</b>	<b>22.2</b>	<b>22.1</b>	<b>20.3</b>	<b>0.7</b>	<b>0.6</b>	<b>1.3</b>
Alcoholic Beverages, Tobacco & Narcotics	0.6	16.0	16.4	19.2	17.2	21.5	26.6
Clothing & Footwear	6.2	8.7	10.2	10.4	4.9	4.7	4.5
Housing, Water, Electricity, Gas & Other Fuels	15.6	36.3	36.6	34.1	-1.8	-1.2	0.1
Furnishing, Household Equipment & Routine Household Maintenance	5.3	13.4	12.8	11.6	5.3	4.9	5.1
Health	2.1	15.4	16.4	16.2	6.5	6.1	6.1
Transport	3.4	24.9	23.2	22.7	-11.8	-11.4	-10.0
Communication	2.4	-0.8	-0.9	-1.6	0.0	0.0	0.0
Recreation & Culture	0.4	5.7	5.2	5.2	4.7	4.2	3.7
Education	1.1	7.8	8.7	8.7	4.5	3.6	3.6
Restaurants & Hotels	3.1	20.3	15.4	8.3	16.6	13.3	11.7
Miscellaneous Goods & Services	2.4	19.1	21.3	21.9	13.2	12.1	13.0

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 7.1 percent in December 2009, from 6.8 percent registered in the year ending November 2009, mainly due to the increase in average prices of fish, sugar and maize flour. Specifically, the average prices of fish and sugar increased from TZS 3,763 and TZS 1,080 in December 2008 to TZS 4,116 and TZS 1,249 per kilo respectively in December 2009.

**Annual non-food inflation rate** increased from 0.6 percent in the year ended November 2009 to 1.3 percent in December 2009, mainly on account of increased prices of cigarettes. Specifically, the price of one packet of 20 cigarettes increased from TZS 1,060 in December 2008 to TZS 1,364 in December 2009. The **month -to-month** non-food inflation rate declined from 0.6 percent in November 2009 to 0.3 percent in December 2009.

## Fiscal Performance

Government budgetary operations on cheques issued basis, registered a deficit after grants of TZS 1.7 billion in December 2009. The deficit after adjustment to cash narrowed to TZS 0.9 billion. Total resources during the month under review amounted to TZS 19.9 billion, above the target of

TZS 13.6 billion. Domestic sources contributed TZS 13.4 billion, or 67.3 percent, while the balance was foreign grants. Total expenditure reached TZS 21.6 billion, below the estimate of TZS 24.5 billion. The budget deficit was exclusively financed through foreign sources.

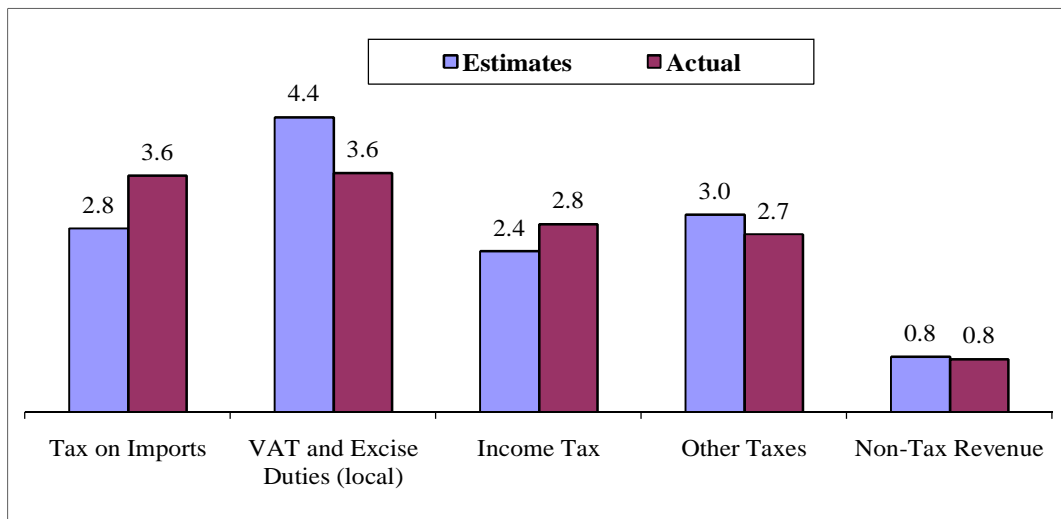
## Revenue

Total revenue collections during December 2009 amounted to TZS 13.4 billion, same as the target. Specifically, tax collections reached TZS 12.6 billion, as targeted and accounted for 94.0 percent, while non-tax revenue amounted to TZS 0.8 billion, the same as the monthly target and accounted for 6.0 percent of total revenue collections for the reporting month.

Revenue collections by category shows that, VAT on local goods and excise duty collections amounted to TZS 3.6 billion, and was below the target of TZS 4.4 billion and accounted for 26.9 percent of the total revenue collections. The under performance was mainly due to relative decline in tourism activities and the delays in paying tax dues by some tax payers. Tax collections on imports amounted to TZS 3.6 billion, exceeding the target of TZS 2.8 billion, and accounted for 26.9 percent of total revenue collections. The good performance was mainly on account of an increase in taxable imports during the month under review. Income tax collections amounted to TZS 2.8 billion, exceeding the target of TZS 2.4 billion for the month, while collections of other taxes reached TZS 2.7 billion, being below the target of TZS 3.0 billion (**Chart 6.2**).

**Chart 6.2: Government Revenue by Sources, Actual versus Target – December 2009**

Billions of TZS

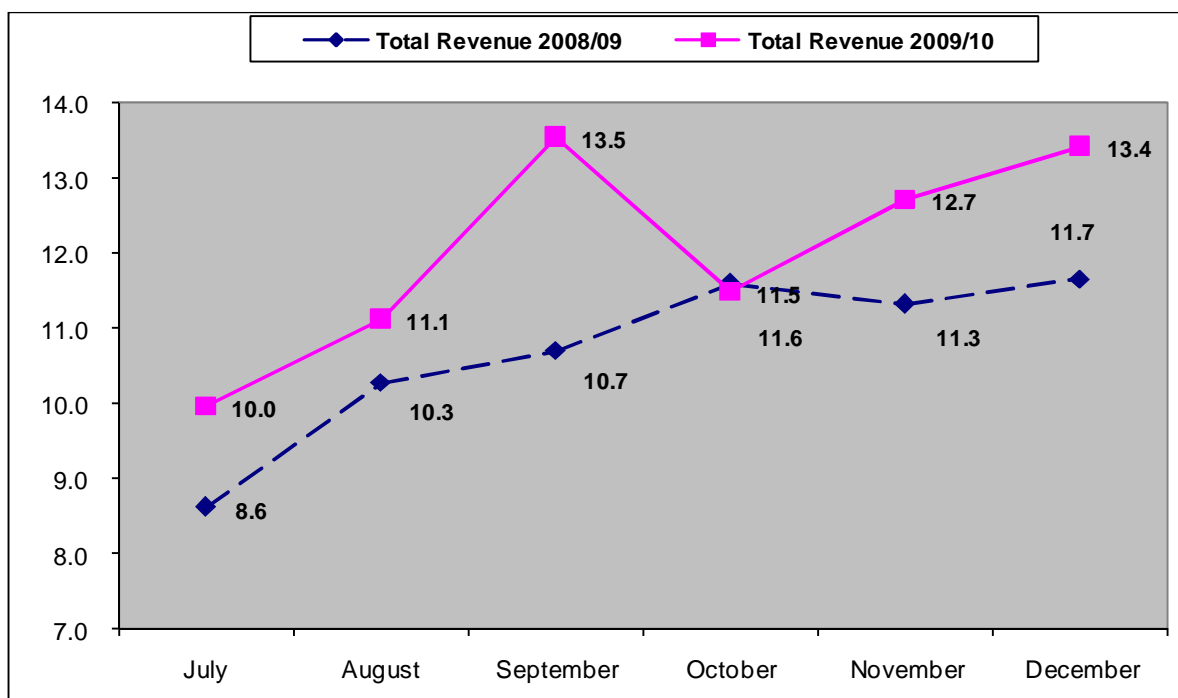


Source: Ministry of Finance and Economic Affairs, Zanzibar

Cumulatively, during July – December 2009, total Government revenue collections reached TZS 72.2 billion and accounted for 45.2 percent of the annual target of TZS 159.7 billion for the period. The government revenue collections amounted to TZS 64.1 billion during the corresponding period in 2008 ([Chart 6.3](#)).

**Chart 6.3: Government Total Revenue Collections Trend July 2009–December 2009**

Billions of TZS



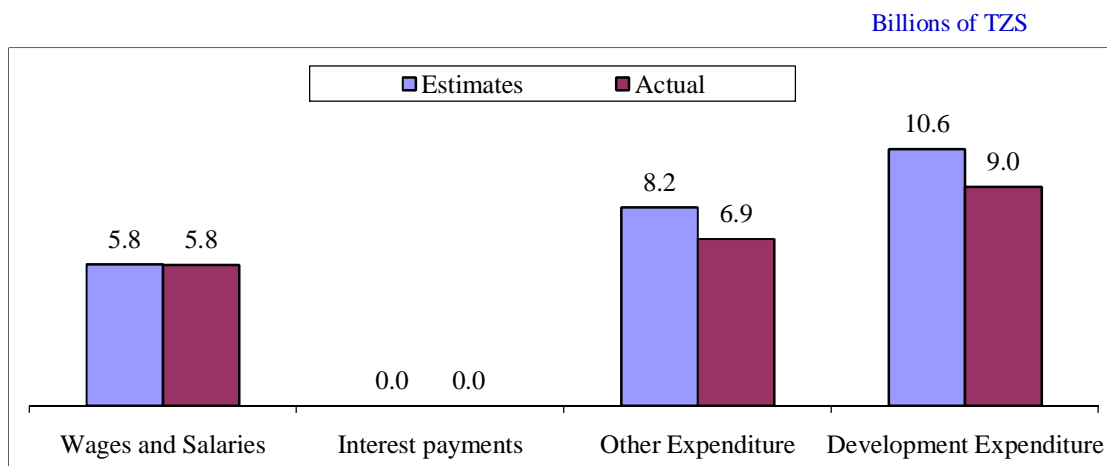
Source: Ministry of Finance and Economic Affairs, Zanzibar.

## Expenditure

Total government expenditure during December 2009, amounted to TZS 21.6 billion, and was below the estimate of TZS 24.5 billion by 11.8 percent. Total recurrent expenditure amounted to TZS 12.6 billion, or 58.3 percent of total expenditure, while the rest was development expenditure which amounted to TZS 9.0 billion, equivalent to 41.7 percent.

Analysis of the recurrent expenditure indicated that; wages and salaries amounted to TZS 5.8 billion, in line with the estimate and accounted for 46.0 percent of the total recurrent expenditure or 26.8 percent of the total government expenditure. Expenditure on other charges was TZS 6.8 billion, below the monthly estimate of TZS 8.2 billion, and accounted for 54.0 percent of the recurrent expenditure ([Chart 6.4](#)).

**Chart 6.4: Government Expenditure by Components, Actual versus Target – December 2009**



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Development expenditure reached TZS 9.0 billion, being below the estimate of TZS 10.6 billion by 15.1 percent; out of which government contributions amounted to TZS 1.6 billion and was below the estimate of TZS 3.6 billion. Donor foreign inflows amounted to TZS 7.4 billion, above the estimate of TZS 6.9 billion, and accounted for 82.2 percent of the total development expenditure.

Cumulatively from July – December 2009, total Government expenditure reached TZS 131.0 billion, and accounted for 31.7 percent of the annual target of TZS 412.6 billion.

### Debt Developments

Zanzibar public debt stock reached TZS 128.7 billion (USD 98.0 million) as at end-December 2009 compared to TZS 139.8 billion (USD 106.4 million), recorded in November 2009. Total external debt amounted to TZS 74.3 billion (USD 56.6 million), accounting for 57.7 percent of the total debt stock, while domestic debt was TZS 54.4 billion (USD 41.4 million) or 42.3 percent of total debt stock. Total Debt to GDP ratio stood at 17.2 percent, compared to 18.7 percent, registered in November 2009.

## **Domestic Debt**

During the period under review, domestic debt stock declined by 3.0 percent to TZS 54.4 billion, from TZS 56.1 billion recorded in November 2009. The decline was mainly associated to payment of outstanding gratuities claims by the government retirees.

### **Domestic Debt by Creditors**

As at end-December 2009, claims by government suppliers and pensioners amounted to TZS 29.8 billion, compared to TZS 31.5 billion, recorded in November 2009; accounting for 54.9 percent of the total domestic debt. The Union Government debt remained stable at TZS 13.6 billion, equivalent to 25.0 percent of the total domestic debt. Zanzibar Ports Corporation (ZPC) claims amounted to TZS 3.9 billion, and represented 7.2 percent of total domestic debt. Debt due to Zanzibar State Trading Corporation (ZSTC) stood at TZS 3.6 billion; and accounted for 6.6 percent of total domestic debt. Debt stock payable to Zanzibar Social Security Fund (ZSSF), remained at TZS 3.0 billion as reported in the preceding month, and accounted for 5.5 percent of the domestic debt, while debt due to Peoples Bank of Zanzibar (PBZ) was TZS 0.4 billion or 0.8 percent of total domestic debt.

### **Domestic Debt by Maturity**

Classification of total domestic debt stock by maturity reveals that, debt with “undetermined maturity” (old government loans) amounted to TZS 27.6 billion, below TZS 29.3 billion registered in November 2009; and accounted for 50.7 percent of total domestic debt stock. Debt maturing between 2 to 5 years remained constant at TZS 20.2 billion, or 37.1 percent of total domestic debt, while debt maturing in less than a year amounted to TZS 6.6 billion, the same amount reported in the previous month; and accounted for 12.2 percent of total domestic debt.

## **External Debt**

As at end-December 2009, Zanzibar total external debt stock amounted to TZS 74.3 billion (USD 56.6 million), compared to TZS 83.8 billion (USD 63.7 million), registered in November 2009.

Out of the total external debt stock, debt guaranteed by the Union Government amounted to USD 40.8 million.

### **External Debt by Creditor Category**

During the month under review, debt owed to multilateral creditors amounted to USD 40.1 million (TZS 52.7 billion), and accounted for 70.8 percent of the total external debt stock. Bilateral creditors debt stock amounted to USD 3.5 million (TZS 4.6 billion), and accounted for 6.2 percent of total external debt. Commercial creditors remained stable at USD 4.5 million (TZS 5.9 billion), and accounted for 8.0 percent of the total external debt stock. Export credits amounted to USD 8.5 million (TZS 11.1 billion) or 15.0 percent of total external debt.

### **External Sector Performance**

#### **Current Account**

During December 2009, Zanzibar current account recorded a deficit of USD 0.7 million compared to a surplus of USD 0.7 million, registered in November 2009, mainly due to widening of the deficit in the goods account. Goods account recorded a deficit of USD 7.1 million compared to a deficit of USD 5.1 million recorded in November 2009.

On annual basis, during 2009, the current account registered a surplus of USD 24.3 million compared to a deficit of USD 22.8 million in 2008. The improvement was mainly on account of increase in official current transfers, exports receipts, coupled with a decline in import bill. Foreign grants increased to USD 63.6 million from USD 41.3 million; while export of goods and services rose to USD 127.6 million, from USD 107.7 million recorded in 2008. The goods account registered a deficit of USD 57.5 million, compared to a deficit of USD 95.3 million recorded in 2008. The improvement in the goods account was due to a surge in good exports by 56.3 percent, coupled with a fall in good imports by 24.3 percent ([Table 6.2](#)).



**Table 6.2: Zanzibar Current Account Balance**

Millions of USD

Item	2008	2009p			Year Ending Dec.		% Change	
	Dec	Oct	Nov	Dec	2008	2009p	Monthly	Annual
<b>Goods Account (net)</b>	-7.6	-6.6	-5.1	-7.1	-95.3	-57.5	39.2	-39.7
Exports	1.2	1.7	2.9	1.6	18.3	28.6	-44.8	56.3
Imports (fob)	8.8	8.2	8.0	8.8	113.6	86.0	10.0	-24.3
<b>Services Account (net)</b>	3.8	2.6	2.0	2.1	32.4	25.2	5.0	-22.2
Receipts	8.3	8.5	8.3	8.3	89.3	99.0	0.0	10.9
Payments	4.4	5.9	6.3	6.2	56.9	73.8	-1.6	29.7
<b>Goods and Services (net)</b>	-3.8	-4.0	-3.1	-5.1	-62.8	-32.3	64.6	-48.6
Exports of Goods and Services	9.4	10.1	11.2	9.9	107.7	127.6	-11.6	18.5
Imports of Goods and Services	13.2	14.1	14.3	14.9	170.5	159.9	4.2	-6.2
<b>Income Account (net)</b>	0.0	-0.5	-0.6	-0.6	-1.3	-7.0	0.0	438.5
Receipts	0.0	0.0	0.0	0.0	0.4	0.4	0.0	0.0
Payments	0.0	0.5	0.7	0.6	1.6	7.3	-14.3	356.3
<b>Current Transfers (net)</b>	2.2	0.8	4.4	5.0	41.3	63.6	13.6	54.0
Inflows	2.2	0.8	4.4	5.0	41.3	63.6	13.6	54.0
Outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Current Account Balance</b>	-1.6	-3.7	0.7	-0.7	-22.8	24.3	-200.0	206.6

p = provisional

Source: Tanzania Revenue Authority and BOT computations.

### Exports Performance

During December 2009, total exports of goods and services decreased to USD 9.9 million compared to USD 11.2 million recorded in the preceding month, mainly driven by a fall in cloves exports. The value of cloves, which accounted for 31.3 percent of the total value of goods shipped, declined to USD 0.5 million, from USD 1.6 million, mainly due to low volumes, which more than offset the increase in average prices of cloves. The volume of cloves shipped dropped to 127 metric tons compared with 400 metric tons, while the average export price of cloves increased to USD 3,599.2 per ton from USD 3,544.9 per ton recorded in the preceding month. The value of seaweeds shipped declined to USD 0.2 million, from USD 0.3 million partly due to a fall in average export price to USD 260.3 per metric ton compared with USD 263.1 per metric ton recorded in November 2009. Shipment of manufactured goods and other exports (mainly souvenirs and spices) declined to USD 0.4 million and USD 0.5 million, respectively.

On year to year basis, exports of goods and services increased by 18.5 percent, to USD 127.6 million compared to USD 107.7 million recorded in 2008. Services receipts increased by 10.9 percent to USD 99.0 million and accounted for 77.6 percent of total exports. Goods export increased by 56.3 percent to USD 28.6 million, and accounted for 22.4 percent of total exports.

During 2009, clove exports amounted to USD 14.6 million compared to USD 5.7 million recorded in 2008 due to an increase in exports volume, which rose to 4,139 tons, up from 1,471 tons, though the average export price declined to USD 3,523.7 per ton from USD 3,909.6 per ton recorded in the preceding year. The increase in the recorded volume of cloves exports was largely due to crop cycle and strengthening of anti-smuggling measures. Exports of Seaweed, manufactured goods, fish and fish products; and other exports both recorded increases during the year ending December 2009 (**Table 6.3 and Chart 6.5**).

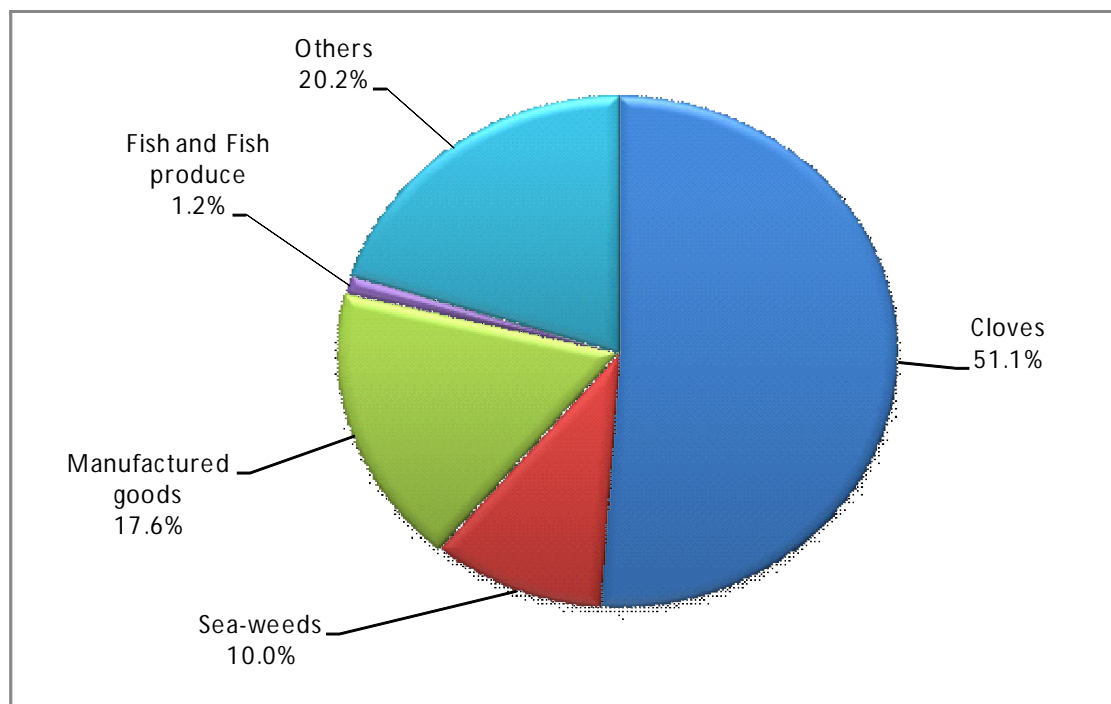
**Table 6.3: Zanzibar Goods Exports by Major Categories**

Item	Units	Millions of USD							
		2008 Dec	2009p			Year Ending Dec		%Change	
			Oct	Nov	Dec	2008	2009p	Monthly	Annual
Traditional									
Cloves									
Value	Millions	0.2	0.5	1.6	0.5	5.7	14.6	-68.8	156.0
Volume	000 Tons	0.1	0.2	0.4	0.1	1.5	4.1	-75.0	173.3
Unit Price	USD/Ton	3,368.4	3,500.0	3,544.9	3,599.2	3,909.6	3,523.7	1.5	-9.9
Non-Traditional									
Seaweeds									
Value	Millions	0.2	0.2	0.3	0.2	2.5	2.9	-33.3	16.0
Volume	000 Tons	0.9	0.9	1.0	0.9	10.1	10.9	-10.0	7.9
Unit Price	USD/Ton	275.0	259.5	263.1	260.3	252.0	261.5	-1.1	3.8
Manufactured Goods	Millions	0.4	0.4	0.5	0.4	4.4	5.0	-20.0	13.6
Fish and Fish Produce	Millions	0.0	0.0	0.0	0.0	0.2	0.3	..	50.0
Others Exports	Millions	0.3	0.5	0.6	0.5	5.5	5.8	-16.0	5.5
Sub Total	Millions	1.0	1.1	1.3	1.2	12.6	14.0	-7.0	11.1
Grand Total	Millions	1.2	1.7	2.9	1.6	18.3	28.6	(44.0)	56.3

p= provisional

Source: Tanzania Revenue Authority and BOT computations

**Chart 6.5: Zanzibar Goods Exports by Percentage Contribution for the Year Ending December 2009**



Source: Tanzania Revenue Authority and BOT computations

### Goods Imports

During December 2009, the value of imports (c.i.f) shipped to Zanzibar increased to USD 9.6 million compared to USD 8.8 million recorded in November 2009, mainly on account of increase in imports of intermediate goods particularly oil products. Imports of intermediate goods increased from USD 2.6 million in November 2009 to USD 4.5 million in December 2009. The value of oil shipment doubled to USD 4.0 million, from USD 2.0 million, mainly due to increased oil demand following power crisis in December 2009. Capital and consumer goods amounted to USD 3.3 million and USD 1.8 million, being lower than USD 4.2 million and USD 1.9 million recorded in November 2009, respectively. The value of food and foods stuffs amounted to USD 0.7 million, compared to USD 0.6 million, while all other consumer items (including clothing and footwear) amounted to USD 1.1 million, down from USD 1.3 million registered in November 2009.

On annual basis, goods imports (c.i.f) decreased by 24.2 percent to USD 94.6 million, from USD 124.8 million, recorded in 2008, consistent with the general decline in global commodity prices. Capital goods import declined by 25.9 percent to USD 39.5 million and accounted for 41.8

percent of total goods imports. Intermediate goods declined to USD 33.2 million compared to USD 46.7 million recorded in the preceding year with oil products amounting to USD 26.3 million, down from USD 34.9 million, registered in 2008. Imports for foods and food stuffs amounted to USD 8.1 million, slightly below USD 8.2 million recorded in 2008 (**Table 6.4**).

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

Millions of USD

Import Category	2008	2009p			Year Ending December			%Change	
	Dec	Oct	Nov	Dec	2007	2008	2009p	Monthly	Annual
<b>Capital Goods</b>	5.0	2.8	4.2	3.3	46.1	53.3	39.5	-21.4	-25.9
Transport Equipment	3.2	1.3	2.3	1.7	18.0	33.3	20.1	-26.1	-39.6
Building and Constructions	0.9	0.6	0.6	0.6	12.8	8.1	7.8	0.0	-3.7
Machinery	0.9	0.8	1.3	1.0	15.3	12.0	11.6	-23.1	-3.3
<b>Intermediate Goods</b>	4.4	4.5	2.6	4.5	27.8	46.7	33.2	73.1	-28.9
Oil imports	3.3	3.9	2.0	4.0	22.4	34.9	26.3	100.0	-24.6
Industrial raw materials	1.1	0.6	0.5	0.6	5.4	11.8	7.0	20.0	-40.7
<b>Consumer Goods</b>	2.0	1.8	1.9	1.8	20.3	24.8	21.9	-5.3	-11.7
Food and food stuffs	0.6	0.7	0.6	0.7	6.3	8.2	8.1	16.7	-12.2
All other consumer goods	1.4	1.1	1.3	1.1	13.9	16.7	13.8	-15.4	-17.4
<b>Grand Total (c.i.f)</b>	<b>9.6</b>	<b>9.0</b>	<b>8.8</b>	<b>9.6</b>	<b>94.1</b>	<b>124.8</b>	<b>94.6</b>	<b>9.1</b>	<b>-24.2</b>
<b>Grand Total (f.o.b)</b>	<b>8.8</b>	<b>8.2</b>	<b>8.0</b>	<b>8.8</b>	<b>85.6</b>	<b>113.6</b>	<b>86.0</b>	<b>10.0</b>	<b>-24.3</b>

p= provisional

Source: Tanzania Revenue Authority

### Services Account

During the month under review, services account recorded a surplus of USD 2.1 million, compared to a surplus of USD 2.0 million, posted in November 2009. Services receipt amounted to USD 8.3 million, same as reported in the preceding month, while services payments slowed down to USD 6.2 million compared to USD 6.3 million, recorded during the preceding month.

On year to year basis, the services account registered a surplus of USD 25.2 million, down from a surplus of USD 32.4 million recorded in 2008, largely due to increase in service payments that outweighed the increase in receipts. Total service receipts amounted to USD 99.0 million, up from USD 89.3 million, while payments amounted to USD 73.8 million, compared to USD 56.9 million recorded in 2008.

# Statistical Tables

<b>Table A1: Selected Economic Indicators (Annual)</b>							
Item	Unit	2003	2004	2005	2006r	2007r	2008P
<b>1. National Accounts and Prices</b>							
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 <sup>1</sup>	TZS	354,007.7	395,795.8	441,030.2	478,433.8	546,955.7	630,577.1
1.4 GDP Per Capita <sup>1</sup>	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 <sup>2</sup>	Percent	9.6	10.4	8.7	8.5	6.4	6.4
<b>2. Money Credit and Interest Rates*</b>							
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 <sup>1</sup>	Percent	7.3	7.4	11.6	11.3	13.5	17.0
2.6 Private Sector Credit to GDP Ratio <sup>1</sup>	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) <sup>3</sup>	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 <sup>3</sup>	Percent	12.2	12.7	13.4	14.9	16.1	16.4
<b>3. Balance of Payments</b>							
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
<b>4. Population (TZ Mainland)</b>	<b>Million</b>	<b>34.2</b>	<b>35.3</b>	<b>36.2</b>	<b>37.5</b>	<b>38.3</b>	<b>39.3</b>
<b>5. Public Finance</b>							
		<b>2003/04</b>	<b>2004/05</b>	<b>2005/06r</b>	<b>2006/07r</b>	<b>2007/08*</b>	<b>2008/09*</b>
5.1 Current Revenue to GDP Ratio <sup>1</sup>	Percent	12.1	11.8	12.5	14.1	15.9	
5.2 Grants to GDP Ratio <sup>1</sup>	Percent	3.7	4.8	6.2	4.9	6.9	
5.2 Current Expenditure to GDP Ratio <sup>1</sup>	Percent	12.9	14.0	15.7	16.1	14.9	
5.3 Development Expenditure to GDP Ratio <sup>1</sup>	Percent	3.6	7.2	7.9	6.9	7.9	
5.4 Deficit to GDP Ratio (excluding grants) <sup>1</sup>	Percent	-4.4	-9.3	-11.1	-8.9	-6.9	
5.5 Deficit to GDP Ratio (including grants) <sup>1</sup>	Percent	-0.6	-4.5	-4.9	-4.0	0.0	
<b>6. Total External Debt Stock</b>	<b>Mill. USD</b>	<b>7,857.0</b>	<b>8,134.8</b>	<b>8,229.5</b>	<b>4,660.9</b>	<b>5,846.4</b>	<b>6,999.4</b>
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	
<b>Note:</b>							
<b>1 Calculated on the basis of GDP at Market Prices (Current Prices)</b>							
<b>2 GNDI stands for gross national disposable income</b>							
<b>3 Annual Average</b>							
<b>* Data have been revised after adoption of Standard Reporting Format (SRF)</b>							
<b>r Revised</b>							
<b>P = Provisional</b>							
<b>Source: Bank of Tanzania Database and National Bureau of Statistics (Economic Survey, National Accounts)</b>							

<b>Table A2: Central Government Operations (Cheques Issued) - Tanzania Mainland</b>										
Millions of TZS										
Item	BUDGET 2009/10	Monthly Flows - Actuals					Jul - Nov 2009		Nov 2009	
		Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Estimate	Actual	Estimate	Actual
<b>Total Revenue (Including LGAs)</b>	<b>5,234,068.6</b>	<b>348,971.9</b>	<b>331,594.2</b>	<b>426,595.8</b>	<b>353,688.4</b>	<b>361,891.3</b>	<b>2,072,957.6</b>	<b>1,822,741.6</b>	<b>401,673.6</b>	<b>361,891.3</b>
<b>Total Revenue</b>	<b>5,096,016.3</b>						<b>2,038,444.5</b>	<b>1,822,741.6</b>	<b>401,673.6</b>	<b>361,891.3</b>
Tax Revenue	4,840,876.8	331,695.6	314,395.1	408,506.4	337,947.1	343,250.9	1,923,837.4	1,735,795.1	380,249.0	343,250.9
Taxes on Imports	1,758,233.8	135,567.3	127,386.4	129,164.7	135,712.1	140,335.6	717,997.0	668,166.1	147,411.7	140,335.6
Sales/VAT and Excise on Local Goods	1,101,646.4	71,587.5	70,931.2	84,246.3	82,563.8	84,467.5	452,843.0	393,796.3	94,878.9	84,467.5
Income Taxes	1,428,419.9	82,957.1	83,264.3	157,359.2	78,910.7	73,583.9	526,510.0	476,075.2	90,120.4	73,583.9
Other taxes	552,576.7	41,583.7	32,813.2	37,736.1	40,760.5	44,863.9	226,487.3	197,757.4	47,848.9	44,863.9
Non- tax Revenue	255,139.4	17,276.3	17,199.1	18,089.4	15,741.3	18,640.4	114,607.1	86,946.5	21,424.6	18,640.4
LGA Own Sources	138,052.3	0.0	0.0	0.0	0.0	0.0	34,513.1	0.0	0.0	0.0
<b>Total Expenditure /1</b>	<b>8,862,272.7</b>	<b>432,711.7</b>	<b>714,221.0</b>	<b>850,153.7</b>	<b>866,667.6</b>	<b>709,794.5</b>	<b>3,656,274.9</b>	<b>3,573,548.5</b>	<b>698,346.7</b>	<b>709,794.5</b>
Recurrent expenditure	6,036,841.6	312,899.6	494,081.1	536,202.8	652,986.8	457,543.6	2,516,750.3	2,453,713.9	476,051.2	457,543.6
Retention fund	103,503.0	0.0	8,464.2	4,742.1	4,661.6	7,900.8	41,482.3	25,768.7	8,860.1	7,900.8
Wages and salaries	1,766,388.2	137,693.7	138,315.9	139,418.7	139,543.7	142,149.9	726,933.6	697,121.9	148,493.5	142,149.9
Interest payments	407,826.2	7,378.5	620.5	26,762.4	30,699.8	12,898.5	127,794.0	78,359.5	32,490.7	12,898.5
Domestic	354,910.0	7,378.5	0.0	25,432.0	22,695.8	8,593.3	109,208.6	64,099.5	27,568.1	8,593.3
Foreign	52,916.2	0.0	620.5	1,330.4	8,003.9	4,305.1	18,585.5	14,260.0	4,922.5	4,305.1
Other goods, services and transfers	3,759,124.2	167,827.5	346,680.4	365,279.6	478,081.8	294,594.5	1,620,540.4	1,652,463.8	286,206.9	294,594.5
Dev. Expenditure and net lending	2,825,431.0	119,812.0	220,139.9	313,950.9	213,680.8	252,250.9	1,139,524.6	1,119,834.6	222,295.5	252,250.9
Local	968,028.5	1,881.7	30,954.9	173,200.8	152,174.7	30,000.0	343,676.2	388,212.1	104,058.7	30,000.0
Foreign	1,857,402.6	117,930.4	189,185.0	140,750.1	61,506.1	222,250.9	795,848.4	731,622.5	118,236.8	222,250.9
<b>Balance before Grants</b>	<b>-3,628,204.1</b>	<b>-83,739.8</b>	<b>-382,626.8</b>	<b>-423,557.9</b>	<b>-512,979.2</b>	<b>-347,903.2</b>	<b>-1,583,317.4</b>	<b>-1,750,806.9</b>	<b>-296,673.1</b>	<b>-347,903.2</b>
<b>Grants</b>	<b>2,090,945.9</b>	<b>413,078.1</b>	<b>79,400.1</b>	<b>10,079.7</b>	<b>1,499.6</b>	<b>159,151.8</b>	<b>1,037,391.1</b>	<b>663,209.2</b>	<b>84,815.7</b>	<b>159,151.8</b>
Program (CIS/OGL)	825,445.3	408,094.8	21,140.4	8,173.7	0.0	0.0	457,570.7	437,408.9	0.0	0.0
Project	640,708.7	4,983.3	3,803.6	770.3	0.0	114,803.7	266,962.0	124,361.0	53,392.4	114,803.7
Basket funds	282,848.8	0.0	40,924.5	1,135.6	1,499.6	44,348.0	170,382.2	87,907.8	2,928.1	44,348.0
MDRI/MCA(T)	341,943.1	0.0	13,531.6	0.0	0.0	0.0	142,476.3	13,531.6	28,495.3	0.0
<b>Balance (cheq.issued) after Grants</b>	<b>-1,537,258.2</b>	<b>329,338.3</b>	<b>-303,226.7</b>	<b>-413,478.2</b>	<b>-511,479.6</b>	<b>-188,751.4</b>	<b>-545,926.3</b>	<b>#####</b>	<b>-211,857.4</b>	<b>-188,751.4</b>
Expenditure float	0.0	-380,082.2	-27,753.7	-15,655.9	-7,646.2	-2,032.1	0.0	-433,170.2	0.0	-2,032.1
Adjustments to cash and other items (net)	0.0	105,536.2	57,100.1	123,401.6	245,507.2	41,755.3	0.0	573,300.5	0.0	41,755.3
<b>Overall Balance (cheques cleared)</b>	<b>-1,537,258.2</b>	<b>54,792.3</b>	<b>-273,880.3</b>	<b>-305,732.5</b>	<b>-273,618.7</b>	<b>-149,028.2</b>	<b>-545,926.3</b>	<b>-947,467.4</b>	<b>-211,857.4</b>	<b>-149,028.2</b>
<b>Financing:</b>	<b>1,537,258.2</b>	<b>-54,792.3</b>	<b>273,880.3</b>	<b>305,732.5</b>	<b>273,618.7</b>	<b>149,028.2</b>	<b>545,706.0</b>	<b>947,467.4</b>	<b>211,857.4</b>	<b>149,028.2</b>
<b>Foreign Financing (net)</b>	<b>1,037,065.1</b>	<b>112,080.5</b>	<b>225,643.4</b>	<b>395,253.1</b>	<b>50,394.6</b>	<b>60,728.2</b>	<b>622,352.3</b>	<b>844,099.8</b>	<b>40,993.4</b>	<b>60,728.2</b>
Loans	800,925.0	112,947.0	164,613.0	389,438.4	44,375.1	56,505.5	548,435.8	767,879.0	36,038.4	56,505.5
Program loans	368,464.0	0.0	81,186.5	258,404.0	0.0	0.0	368,243.8	339,590.5	0.0	0.0
Development Project loans	432,461.0	112,947.0	83,426.5	131,034.5	44,375.1	56,505.5	180,192.1	428,288.6	36,038.4	56,505.5
Basket Support	290,075.8	0.0	61,030.4	7,809.7	15,631.5	6,593.6	90,267.1	91,065.2	8,268.8	6,593.6
Amortization	-53,935.7	-866.6	0.0	-1,995.0	-9,612.0	-2,370.9	-16,350.6	-14,844.4	-3,313.9	-2,370.9
<b>Domestic (net)</b>	<b>500,193.1</b>	<b>-166,872.8</b>	<b>48,236.9</b>	<b>-89,520.6</b>	<b>223,224.1</b>	<b>88,300.0</b>	<b>-76,646.3</b>	<b>103,367.6</b>	<b>170,864.0</b>	<b>88,300.0</b>
<b>Bank &amp; Non Bank Financing (NDF)</b>	<b>506,193.1</b>	<b>-166,872.8</b>	<b>48,236.9</b>	<b>-89,207.6</b>	<b>223,224.1</b>	<b>88,300.0</b>	<b>-79,646.3</b>	<b>103,680.6</b>	<b>173,864.0</b>	<b>88,300.0</b>
Bank borrowing	406,193.1	-93,925.9	58,265.1	-105,834.9	174,656.9	60,300.0	-79,646.3	93,461.2	173,864.0	60,300.0
Non-Bank (net of amortization)	100,000.0	-72,946.9	-10,028.2	16,627.3	48,567.2	28,000.0	0.0	10,219.4	0.0	28,000.0
Borrowing/Roll over	576,476.3	0.0	0.0	157,160.9	111,414.6	36,370.3	305,385.5	304,945.8	33,876.8	36,370.3
Domestic & Contingent debt Amortization	-597,476.3	0.0	0.0	-157,473.9	-111,414.6	-36,370.3	-317,385.5	-305,258.8	-36,876.8	-36,370.3
Privatization Proceeds	15,000.0	0.0	0.0	0.0	0.0	0.0	15,000.0	0.0	0.0	0.0
GDP (In Million TZS)	31,108,881									

Note: /1 Exclude amortization and Expenditure Float, includes Road fund and Retention expenditures

Source: Ministry of Finance, Bank of Tanzania and National Bureau of Statistics



<b>Table A3: Depository Corporations Survey (Provisional)</b>														
												Billions of TZS		
												2009		
												Prov.		
Item	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	
<b>Net foreign assets</b>	<b>4,086.8</b>	<b>3,998.1</b>	<b>4,116.5</b>	<b>4,145.3</b>	<b>4,197.8</b>	<b>4,140.8</b>	<b>4,196.8</b>	<b>4,637.7</b>	<b>4,717.4</b>	<b>4,864.2</b>	<b>4,914.7</b>	<b>5,040.5</b>	<b>4,938.0</b>	
Bank of Tanzania	3,592.1	3,450.0	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	
Other Depository Corporations	494.6	548.1	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	
<b>Net domestic assets</b>	<b>3,372.0</b>	<b>3,437.6</b>	<b>3,436.5</b>	<b>3,488.3</b>	<b>3,429.6</b>	<b>3,470.1</b>	<b>3,669.2</b>	<b>3,623.5</b>	<b>3,633.4</b>	<b>3,611.9</b>	<b>3,649.4</b>	<b>3,691.9</b>	<b>3,893.8</b>	
Domestic claims	4,221.2	4,314.9	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	
Claims on central government (net)	-335.0	-229.4	-218.8	-369.9	-353.0	-266.0	61.5	-32.4	25.8	-80.0	94.7	155.0	75.8	
Claims on central government	2,197.8	2,092.3	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	
Liabilities to central government	2,532.7	2,321.7	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	
Claims on non-government sector	4,556.2	4,544.3	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	
<b>Broad money liabilities</b>	<b>7,458.8</b>	<b>7,435.7</b>	<b>7,553.0</b>	<b>7,633.5</b>	<b>7,627.4</b>	<b>7,610.9</b>	<b>7,866.0</b>	<b>8,261.2</b>	<b>8,350.9</b>	<b>8,476.2</b>	<b>8,564.2</b>	<b>8,732.3</b>	<b>8,831.8</b>	
Currency outside depository corporation	1,438.6	1,408.0	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	
Transferable deposits	2,851.1	2,913.6	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	
Other deposits	3,169.0	3,114.2	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	
<b>Other items (net)</b>	<b>-849.2</b>	<b>-877.3</b>	<b>-931.6</b>	<b>-768.0</b>	<b>-852.4</b>	<b>-948.9</b>	<b>-1,102.5</b>	<b>-1,037.0</b>	<b>-1,164.5</b>	<b>-1,132.5</b>	<b>-1,281.2</b>	<b>-1,397.4</b>	<b>-1,174.2</b>	
<b>Memorandum items:</b>														
<b>Monetary Aggregates</b>														
<b>Reserve money (M0)</b>	<b>2,276.4</b>	<b>2,489.5</b>	<b>2,451.4</b>	<b>2,478.5</b>	<b>2,558.6</b>	<b>2,550.2</b>	<b>2,679.0</b>	<b>2,874.6</b>	<b>2,887.3</b>	<b>2,890.7</b>	<b>2,861.5</b>	<b>2,895.5</b>	<b>3,010.0</b>	
<b>Extended broad money (M3)</b>	<b>7,458.8</b>	<b>7,435.7</b>	<b>7,553.0</b>	<b>7,633.5</b>	<b>7,627.4</b>	<b>7,610.9</b>	<b>7,866.0</b>	<b>8,261.2</b>	<b>8,350.9</b>	<b>8,476.2</b>	<b>8,564.2</b>	<b>8,732.3</b>	<b>8,831.8</b>	
Deposits in foreign currency	1,990.3	1,970.0	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	
FCD in millions of USD	1,554.6	1,530.7	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	
<b>Broad money (M2)</b>	<b>5,468.5</b>	<b>5,465.7</b>	<b>5,531.2</b>	<b>5,573.5</b>	<b>5,552.0</b>	<b>5,594.5</b>	<b>5,772.4</b>	<b>6,105.4</b>	<b>6,209.1</b>	<b>6,313.5</b>	<b>6,418.4</b>	<b>6,589.7</b>	<b>6,604.0</b>	
Other deposits in national currency (i.e. savings and time deposits)	2,310.2	2,269.6	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	
<b>Narrow money (M1)</b>	<b>3,158.3</b>	<b>3,196.1</b>	<b>3,148.4</b>	<b>3,098.2</b>	<b>3,063.6</b>	<b>3,079.7</b>	<b>3,149.1</b>	<b>3,342.0</b>	<b>3,434.1</b>	<b>3,578.8</b>	<b>3,532.0</b>	<b>3,656.6</b>	<b>3,591.4</b>	
Currency in circulation	1,438.6	1,408.0	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	
Transferable deposits in national currency	1,719.7	1,788.2	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	
<b>Note:</b> Data reflect new series based on the IMF's 2000														
<b>Monetary and Financial Statistics Manual.</b>														
<b>Source:</b> Bank of Tanzania; and Fund's staff calculations														



<b>Table A4 : Interest Rate Structure</b>												
												Percent
	2009 <sup>P</sup>											
Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>A: Domestic Currency</b>												
<b>Interbank Cash Market Rates</b>												
Overnight	8.31	9.63	9.90	9.29	6.49	4.46	2.44	0.82	1.04	1.21	1.19	1.46
2 to 7 days	8.64	9.97	10.17	9.74	7.11	5.38	4.06	1.44	1.28	1.55	1.81	1.64
8 to 14 days	8.34	10.84	10.77	9.85	7.38	5.30	4.43	1.90	1.55	1.41	1.67	1.72
15 to 30 days	5.90	5.90	11.76	10.27	7.35	5.75	4.19	1.54	2.28	3.28	3.28	3.25
31 to 60 days	8.75	11.01	11.80	11.05	7.87	5.30	4.58	2.82	2.69	3.04	3.91	3.43
61 to 90 days	11.00	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	5.00	5.00
91 to 180 days	11.50	12.00	12.00	12.00	9.40	8.60	9.17	3.27	3.68	4.00	4.00	4.00
181 and above	13.00	14.35	14.35	14.35	12.00	12.00	5.56	7.05	6.47	9.00	5.47	5.47
<b>Overall Interbank cash market rate</b>	<b>8.41</b>	<b>9.81</b>	<b>10.10</b>	<b>9.58</b>	<b>6.80</b>	<b>5.03</b>	<b>3.86</b>	<b>1.42</b>	<b>1.34</b>	<b>1.63</b>	<b>1.62</b>	<b>1.57</b>
<b>Lombard Rate</b>	<b>12.47</b>	<b>14.45</b>	<b>14.86</b>	<b>13.94</b>	<b>9.73</b>	<b>7.35</b>	<b>4.13</b>	<b>3.18</b>	<b>2.48</b>	<b>3.61</b>	<b>4.00</b>	<b>4.55</b>
<b>REPO Rate</b>	<b>7.55</b>	<b>9.09</b>	<b>9.73</b>	<b>8.25</b>	<b>6.10</b>	<b>4.90</b>	<b>2.23</b>	<b>1.21</b>	<b>1.12</b>	<b>1.32</b>	<b>1.28</b>	<b>1.26</b>
<b>Treasury Bills Rates</b>												
35 days	7.43	7.54	7.62	7.03	6.40	4.81	3.45	2.65	2.07	3.01	3.33	3.80
91 days	11.60	11.99	12.43	10.55	8.25	5.56	4.14	3.53	2.97	3.38	5.29	6.06
182 days	13.28	14.64	14.86	12.04	10.20	7.86	6.27	5.46	4.84	4.90	5.28	6.59
364 days	15.32	14.74	14.99	12.57	10.69	9.11	8.28	7.72	7.79	8.22	8.60	8.83
<b>Overall Treasury bills rate</b>	<b>12.53</b>	<b>12.85</b>	<b>13.33</b>	<b>11.01</b>	<b>9.27</b>	<b>6.97</b>	<b>5.81</b>	<b>5.16</b>	<b>4.52</b>	<b>5.17</b>	<b>6.36</b>	<b>6.91</b>
<b>Treasury Bonds Rates</b>												
2-years	14.35	14.35	15.28	15.28	15.28	11.51	11.51	11.51	11.51	10.89	10.89	10.89
5-years	17.32	17.32	17.32	17.32	16.58	16.58	16.58	16.58	13.45	13.45	13.45	13.45
7-years	17.04	17.04	17.04	17.06	17.06	17.06	17.06	14.14	14.14	14.14	14.15	14.15
10-years	19.47	19.92	19.92	19.92	19.92	19.92	16.95	16.95	16.95	16.95	16.95	16.73
<b>Discount Rate</b>	<b>17.53</b>	<b>17.85</b>	<b>18.33</b>	<b>16.01</b>	<b>13.00</b>	<b>10.31</b>	<b>6.95</b>	<b>4.40</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>
<b>Savings Deposit Rate</b>	<b>2.61</b>	<b>2.72</b>	<b>2.69</b>	<b>2.72</b>	<b>2.72</b>	<b>2.69</b>	<b>2.68</b>	<b>2.68</b>	<b>2.66</b>	<b>2.61</b>	<b>2.61</b>	<b>0.00</b>
<b>Overall Time Deposits Rate</b>	<b>6.41</b>	<b>6.58</b>	<b>6.79</b>	<b>6.85</b>	<b>6.81</b>	<b>6.52</b>	<b>6.94</b>	<b>6.87</b>	<b>6.72</b>	<b>6.40</b>	<b>5.78</b>	<b>0.00</b>
Call Accounts	0.45	0.71	0.89	1.04	1.05	1.04	1.10	1.14	1.13	0.96	0.98	0.00
1 month	6.49	7.03	7.36	7.07	7.22	6.24	6.44	6.47	6.08	5.68	5.71	0.00
2 months	7.26	7.61	7.96	7.75	7.11	7.15	8.86	8.15	7.77	7.47	7.18	0.00
3 months	8.06	7.68	8.46	7.81	7.39	8.28	8.37	7.79	8.15	7.43	7.27	0.00
6 months	8.06	8.61	8.79	8.88	8.92	8.08	8.20	8.45	8.29	7.90	7.83	0.00
9 months												
12 months	8.65	8.47	8.44	8.85	9.13	8.79	9.04	9.02	8.82	8.83	7.36	0.00
24 months	5.90	5.91	5.66	6.57	6.86	6.03	6.58	7.09	6.79	6.51	4.12	0.00
<b>Negotiated Deposit Rate</b>	<b>10.66</b>	<b>10.82</b>	<b>10.99</b>	<b>11.27</b>	<b>11.03</b>	<b>11.03</b>	<b>10.52</b>	<b>10.47</b>	<b>10.60</b>	<b>10.11</b>	<b>9.85</b>	<b>10.85</b>
<b>Overall Lending rate</b>	<b>14.93</b>	<b>14.95</b>	<b>15.12</b>	<b>15.45</b>	<b>15.39</b>	<b>15.48</b>	<b>15.14</b>	<b>15.12</b>	<b>14.90</b>	<b>14.75</b>	<b>12.25</b>	<b>0.00</b>
Call Loans	19.25	19.25	19.25	19.25	20.25	21.25	22.25	22.25	23.25	24.25	25.25	26.25
Short-term (up to 1year)	13.41	13.45	13.44	13.87	13.68	14.57	13.94	13.77	13.98	13.95	11.96	0.00
Medium-term (1-2 years)	15.16	15.12	15.33	15.55	15.81	15.63	15.38	15.74	15.27	15.11	11.64	0.00
Medium-term (2-3 years)	14.72	14.94	14.93	15.18	15.07	15.11	14.61	14.75	14.69	14.66	10.89	0.00
Long-term (3-5 years)	15.20	15.26	15.28	15.54	15.36	15.23	15.20	14.98	14.91	14.78	12.15	0.00
Term Loans (over 5 years)	16.19	15.98	16.63	17.11	17.02	16.87	16.59	16.36	15.62	15.31	14.62	0.00
<b>Negotiated Lending Rate</b>	<b>12.27</b>	<b>12.13</b>	<b>12.85</b>	<b>13.87</b>	<b>13.93</b>	<b>14.03</b>	<b>14.26</b>	<b>14.24</b>	<b>13.81</b>	<b>11.12</b>	<b>0.00</b>	<b>0.00</b>
<b>B: Foreign Currency</b>												
<b>Deposits Rates</b>												
<b>Savings Deposits Rate</b>	<b>1.44</b>	<b>0.70</b>	<b>2.36</b>	<b>2.38</b>	<b>2.38</b>	<b>2.36</b>	<b>2.37</b>	<b>1.53</b>	<b>1.46</b>	<b>1.46</b>	<b>1.38</b>	<b>0.00</b>
<b>Overall Time Deposits Rate</b>	<b>3.74</b>	<b>4.02</b>	<b>3.83</b>	<b>2.84</b>	<b>2.81</b>	<b>2.30</b>	<b>2.36</b>	<b>2.26</b>	<b>3.68</b>	<b>2.12</b>	<b>2.13</b>	<b>0.00</b>
1-months	2.80	2.24	3.82	2.66	3.86	2.36	1.85	2.09	3.68	2.06	2.04	0.00
2-months	3.72	4.94	3.78	4.01	2.66	1.80	2.34	2.49	3.46	2.03	2.01	0.00
3-months	4.65	5.12	4.56	2.61	2.64	2.45	2.93	2.10	4.24	2.09	2.06	0.00
6-months	4.13	4.17	3.81	2.47	2.63	2.71	2.55	2.15	3.95	1.96	1.98	0.00
12-months	3.41	3.63	3.21	2.43	2.27	2.18	2.12	2.49	3.07	2.48	2.53	0.00
<b>Overall Lending Rate</b>	<b>9.38</b>	<b>7.62</b>	<b>9.48</b>	<b>9.28</b>	<b>9.68</b>	<b>9.69</b>	<b>9.69</b>	<b>9.76</b>	<b>9.72</b>	<b>8.11</b>	<b>8.98</b>	<b>0.00</b>
Short-term (up to 1year)	6.28	6.53	5.88	4.86	6.92	6.96	6.94	6.94	6.95	6.49	3.77	0.00
Medium-term (1-2 years)	9.88	8.09	10.78	10.86	10.76	10.13	10.77	11.03	11.03	8.17	10.96	0.00
Medium-term (2-3 years)	9.97	8.05	9.93	10.10	10.13	10.82	10.27	10.28	10.23	8.76	10.26	0.00
Long-term (3-5 years)	10.45	7.67	10.54	10.55	10.55	10.54	10.50	10.52	10.41	8.65	10.28	0.00
Term Loans (over 5 years)	10.33	7.74	10.31	10.05	10.02	10.01	10.00	10.01	10.01	8.47	9.63	0.00
<b>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.</b>												
<b>Source: Bank of Tanzania</b>												

**Table A5(a): Exports by Type of Commodity**

Item	2008 <sup>p</sup>	2009		% Change		Year Ending December <sup>p</sup>		
	Dec	Nov	Dec	Dec 08-Dec 09	Nov 09-Dec09	2008	2009	% Change
<b>Traditional Exports:</b>								
<b>COFFEE</b>								
Value	15.7	13.3	10.2	-35.3	-23.6	97.5	111.7	14.5
Volume	7.0	5.9	4.3	-38.5	-27.0	44.2	56.1	26.7
Unit Price	2,239.1	2,251.5	2,356.3	5.2	4.7	2,203.4	1,991.2	-9.6
<b>COTTON</b>								
Value	12.6	9.7	14.0	11.2	43.4	115.0	111.2	-3.3
Volume	10.4	9.0	13.3	27.4	47.3	91.4	100.4	9.8
Unit Price	1,204.3	1,080.4	1,051.8	-12.7	-2.6	1,257.8	1,107.5	-11.9
<b>SISAL</b>								
Value	0.0	0.0	0.0	--	--	3.3	0.0	-100.0
Volume	0.0	0.0	0.0	--	--	2.7	0.0	-100.0
Unit Price	0.0	--	--	--	--	1,251.4	0.0	-100.0
<b>TEA</b>								
Value	2.2	4.0	6.2	175.0	55.3	40.8	34.5	-15.4
Volume	1.5	1.8	2.8	94.5	54.0	25.9	19.2	-25.9
Unit Price	1,549.1	2,173.1	2,190.9	41.4	0.8	1,575.3	1,797.8	14.1
<b>TOBACCO</b>								
Value	12.1	14.1	11.5	-4.9	-18.9	108.1	127.3	17.7
Volume	4.9	2.8	2.5	-49.0	-11.3	35.6	33.8	-4.8
Unit Price	2,480.8	5,057.2	4,624.8	86.4	-8.6	3,041.2	3,761.6	23.7
<b>CASHEWNUTS</b>								
Value	0.80	2.87	17.9	--	--	40.2	71.5	78.0
Volume	1.08	3.94	24.6	--	--	55.0	99.3	80.5
Unit Price	737.3	727.7	728.2	-1.2	0.1	730.1	720.0	-1.4
<b>CLOVES</b>								
Value	1.06	2.05	0.6	-40.8	-69.4	13.5	14.7	9.1
Volume	0.30	0.63	0.3	-4.0	-54.0	3.8	4.9	28.6
Unit Price	3,533.3	3,275.0	2,178.3	-38.3	-33.5	3,577.5	3,035.8	-15.1
<b>Sub Total</b>	<b>44.5</b>	<b>46.1</b>	<b>60.4</b>	<b>35.8</b>	<b>30.9</b>	<b>418.4</b>	<b>470.8</b>	<b>12.5</b>
<b>Non-Traditional Exports:</b>								
<b>Minerals</b>								
Gold	65.2	107.7	102.9	57.9	-4.5	995.5	1,114.8	12.0
Diamond	60.5	104.2	101.2	67.3	-2.9	932.4	1,076.1	15.4
Other minerals <sup>1</sup>	2.1	2.1	0.2	-90.2	-90.4	20.2	18.9	-6.5
Other minerals <sup>1</sup>	2.6	1.3	1.5	-41.6	11.7	42.8	19.8	-53.8
<b>Manufactured Goods</b>								
Cotton Yarn	101.7	41.9	47.4	-53.4	13.2	662.3	497.6	-24.9
Manufactured Coffee	0.6	1.3	2.2	--	65.9	16.5	8.2	-49.9
Manufactured Tobacco	0.3	0.0	0.4	35.0	--	0.9	0.6	-38.5
Manufactured Tobacco	0.1	0.5	1.5	--	197.3	1.8	5.3	188.0
Sisal Products (Yarn & Twine)	0.9	0.4	0.8	-14.7	89.7	10.8	6.4	-40.9
Other manufactured Goods <sup>2</sup>	99.9	39.6	42.6	-57.4	7.4	632.3	477.1	-24.5
Fish and Fish Products	10.8	9.2	11.6	7.8	26.7	141.6	127.6	-9.9
Horticultural products	3.3	2.8	2.5	-25.2	-10.7	32.2	33.7	4.5
Re-exports	15.4	9.7	2.1	-86.0	-77.8	160.3	78.9	-50.8
Others Exports <sup>3</sup>	22.2	15.8	11.7	-47.4	-26.1	278.7	310.6	11.5
<b>Sub Total</b>	<b>218.5</b>	<b>187.0</b>	<b>178.2</b>	<b>-14.4</b>	<b>-4.7</b>	<b>2,270.6</b>	<b>2,163.2</b>	<b>-4.7</b>
<b>GRAND TOTAL</b>	<b>263.0</b>	<b>233.1</b>	<b>238.5</b>	<b>-11.4</b>	<b>2.3</b>	<b>2,688.9</b>	<b>2,634.0</b>	<b>-2.0</b>

Note:

<sup>1</sup> Include tanzanite, rubbies, sapphires, emeralds, copper, silver and other precious stones

<sup>2</sup> Include plastic items, textile apparels iron/steel and articles thereof

<sup>3</sup> 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/

Source: Bank of Tanzania, TRA

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

Millions of USD

Import Category	2008 <sup>P</sup>	2009		% Change		Year Ending December <sup>P</sup>		
	Dec	Nov	Dec	Dec 08- Dec 09	Nov 09- Dec09	2008	2009	% Change
<b>Capital Goods</b>	<b>211.6</b>	<b>220.0</b>	<b>242.3</b>	<b>14.5</b>	<b>10.1</b>	<b>2,648.6</b>	<b>2,513.1</b>	<b>-5.1</b>
Transport Equipments	67.3	58.6	74.2	10.2	26.7	787.8	741.0	-5.9
Building and Constructions	55.9	70.1	69.6	24.5	-0.8	619.5	562.1	-9.3
Machinery	88.4	91.3	98.5	11.5	7.9	1,241.3	1,209.9	-2.5
<b>Intermediate Goods</b>	<b>123.8</b>	<b>186.2</b>	<b>172.2</b>	<b>39.1</b>	<b>-7.5</b>	<b>2,551.3</b>	<b>1,870.6</b>	<b>-26.7</b>
Oil imports	75.8	130.6	114.2	50.5	-12.6	1,838.6	1,307.5	-28.9
Fertilizers	9.8	10.6	11.1	13.1	4.6	150.4	95.2	-36.7
Industrial raw materials	38.2	45.0	47.0	23.0	4.4	562.3	467.9	-16.8
<b>Consumer Goods</b>	<b>118.4</b>	<b>126.0</b>	<b>121.4</b>	<b>2.5</b>	<b>-3.7</b>	<b>1,283.5</b>	<b>1,392.1</b>	<b>8.5</b>
Food and food stuffs	25.9	40.0	24.6	-5.0	-38.4	290.9	341.9	17.5
All other consumer goods <sup>1</sup>	92.5	86.0	96.8	4.6	12.5	992.7	1,050.2	5.8
<b>Grand Total (f.o.b)</b>	<b>454.0</b>	<b>532.4</b>	<b>535.9</b>	<b>18.0</b>	<b>0.7</b>	<b>6,483.4</b>	<b>5,775.7</b>	<b>-10.9</b>
<b>Grand Total (c.i.f)</b>	<b>499.0</b>	<b>585.1</b>	<b>588.9</b>	<b>18.0</b>	<b>0.7</b>	<b>7,124.6</b>	<b>6,347.0</b>	<b>-10.9</b>

Note:

<sup>1</sup> It includes pharmaceutical products, paper products, plastic items, optical/photographic materials, textile apparels

<sup>P</sup> = Provisional data

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania, TRA.

<b>Table A5.(c): Tanzania's Balance of Payments (Revised)</b>					
<b>Millions of USD</b>					
<b>Item</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007r</b>	<b>2008p</b>
<b>A. Current Account</b>	<b>-365.9</b>	<b>-862.8</b>	<b>-1,143.2</b>	<b>-1,578.6</b>	<b>-2,542.5</b>
Balance on Goods	-1,001.2	-1,318.5	-1,946.5	-2,634.1	-3,447.4
Goods: exports f.o.b.	1,481.6	1,679.1	1,917.6	2,226.6	3,036.0
Traditional	297.8	354.5	267.1	319.7	417.7
Nontraditional	1,183.9	1,324.6	1,476.2	1,704.5	2,270.6
o/w Gold	629.9	655.1	786.4	788.2	932.4
Unrecorded trade			174.3	202.4	347.8
Goods: imports f.o.b.	-2,482.8	-2,997.6	-3,864.1	-4,860.6	-6,483.4
<i>Balance on Services</i>	<i>158.9</i>	<i>61.8</i>	<i>278.7</i>	<i>462.1</i>	<i>392.9</i>
Services: credit	1,133.6	1,269.2	1,528.1	1,875.7	1,998.8
Transportation	183.0	222.9	343.7	331.1	364.6
Travel	746.0	823.6	950.2	1,198.8	1,288.7
Other	204.6	222.7	234.1	345.8	345.4
Services: debit	-974.7	-1,207.3	-1,249.3	-1,413.7	-1,605.8
Transportation	-267.1	-319.5	-418.3	-485.0	-658.0
Travel	-445.3	-553.8	-534.5	-595.3	-720.7
Other	-262.3	-334.0	-296.6	-333.4	-227.1
<b>Balance on Goods and Services</b>	<b>-842.3</b>	<b>-1,256.6</b>	<b>-1,667.8</b>	<b>-2,172.0</b>	<b>-3,054.4</b>
<i>Balance on income</i>	<i>-112.4</i>	<i>-102.0</i>	<i>-64.1</i>	<i>-58.1</i>	<i>-90.8</i>
Income: credit	81.8	80.9	80.3	107.3	122.7
Income: debit	-194.2	-182.9	-144.4	-165.4	-213.5
O/W Direct investment income	-58.4	-65.6	-66.4	-67.6	-68.3
Interest payments (scheduled)	-72.4	-56.9	-27.8	-26.0	-65.3
Compensation of employees	-28.0	-24.9	-23.4	-46.4	-54.5
<b>Balance on Goods, Services and Income</b>	<b>-954.7</b>	<b>-1,358.6</b>	<b>-1,731.8</b>	<b>-2,230.1</b>	<b>-3,145.2</b>
<i>Balance on Current transfers</i>	<i>588.8</i>	<i>495.7</i>	<i>588.7</i>	<i>651.5</i>	<i>602.8</i>
Current transfers: credit	653.8	563.3	654.6	724.0	682.4
Government	581.7	477.9	559.7	626.9	581.9
o/w Multilateral HIPC relief	73.7	75.7	42.1	36.7	0.0
Other sectors	72.1	85.4	94.9	97.1	100.5
Current transfer: debit	-65.0	-67.5	-65.9	-72.5	-79.6
<b>B. Capital Account</b>	<b>459.9</b>	<b>393.2</b>	<b>5,183.5</b>	<b>923.7</b>	<b>637.5</b>
Capital transfers: credit	459.9	393.2	5,183.5	923.7	637.5
General Government	420.0	350.1	5,135.0	870.5	577.7
Project	253.7	238.0	173.3	347.5	577.7
Debt forgiveness (including MDRI)	166.3	112.1	4,961.7	523.0	0.0
Other sectors	39.9	43.1	48.6	53.2	59.8
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0
<b>Total, Groups A plus B</b>	<b>94.0</b>	<b>-469.7</b>	<b>4,040.3</b>	<b>-654.9</b>	<b>-1,905.0</b>
<b>C. Financial Account, excl. reserves and related items</b>	<b>306.3</b>	<b>555.6</b>	<b>-3,954.6</b>	<b>946.0</b>	<b>1,745.7</b>
Direct investment in Tanzania	330.6	494.1	597.0	647.0	679.3
Portfolio investment	2.4	2.5	2.6	2.8	2.9
Other investment	-26.7	59.0	-4,554.2	296.3	1,063.5
Assets	52.3	-90.9	-187.6	34.1	181.7
Liabilities	-79.0	150.0	-4,366.6	262.2	881.8
<b>Total, Groups A through C</b>	<b>400.3</b>	<b>85.9</b>	<b>85.7</b>	<b>291.1</b>	<b>-159.2</b>
<b>D. Net Errors and Omissions</b>	<b>-116.0</b>	<b>-313.6</b>	<b>374.9</b>	<b>121.5</b>	<b>267.7</b>
Overall balance	284.3	-227.7	460.7	412.6	108.4
<b>E. Reserves and Related Items</b>	<b>-284.3</b>	<b>227.7</b>	<b>-460.7</b>	<b>-412.6</b>	<b>-108.4</b>
Reserve assets	-308.5	253.1	-126.5	-419.4	-108.2
Use of Fund credit and loans	-33.8	-50.5	-334.2	6.8	-0.3
Exceptional financing	58.0	25.1	0.0	0.0	0.0
<b>Memorandum items</b>					
GDP(mp) billions of TZS	13,971.6	15,965.3	17,941.3	20,948.4	25,336.9
GDP(mp) millions of USD	12,828.0	14,139.1	14,308.4	16,838.6	21,179.2
CAB/GDP	-2.9	-6.1	-8.0	-9.4	-12.0
CAB/GDP (excl. current official transfers)	-7.4	-9.5	-11.9	-13.1	-14.8
Gross Official Reserves	267.1	441.1	623.1	599.0	775.6
Months of Imports	0.9	1.3	1.5	1.1	1.2
Net International Reserves (year end)	1,882.6	1,707.5	2,122.0	2,736.1	2,845.7
Change in Net International Reserves	0.0	0.0	0.0	0.0	0.0
Exchange rate (end of period)	1,043.0	1,165.5	1,261.6	1,132.1	1,280.3
Exchange rate (annual average)	1,089.1	1,129.2	1,253.9	1,244.1	1,196.3
<b>Notes:</b>					
1. Revision is based on new data obtained from the completion of Private Capital Flows and tourism survey and adoption of new data sources for some other items in the services account					
2. 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					
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)	Non-Food												
		Food	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Education	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-Jan	7.0	6.7	7.4	11.9	6.1	4.9	4.8	10.3	9.6	2.0	5.6	8.8	10.0	-1.8
Feb	7.3	6.2	8.8	11.2	6.3	6.0	9.6	11.0	10.8	0.9	7.5	9.8	11.8	-0.4
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

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.	Transportation	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 Jun	-0.7	-2.4	1.9	0.7	0.6	1.0	4.2	0.1	1.2	0.5	0.1	2.5	0.4	-0.4
Jul	-2.9	-5.1	0.4	1.5	1.1	1.6	-0.7	1.1	-0.1	-0.1	0.3	0.2	1.7	-0.3
Aug	0.2	-0.5	1.2	2.7	-0.5	0.0	2.6	0.4	0.6	1.3	0.3	0.0	0.6	1.2
Sep	0.2	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2
Oct	1.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6
Nov	0.8	2.3	-0.7	0.2	0.3	0.0	-2.8	-0.8	0.6	-0.1	1.8	-0.2	0.0	-0.6
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

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

Source: National Bureau of Statistics



<b>Table A7: National Debt Developments</b>									
	Millions of USD								
Item	2006/07	2007/08	2008/09	2009/10					
				Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
<b>1. Overall Total Debt Committed<sup>2</sup></b>	<b>5,212.4</b>	<b>6,776.3</b>	<b>8,260.7</b>	<b>8,585.3</b>	<b>8,642.7</b>	<b>8,730.9</b>	<b>8,781.3</b>	<b>8,877.7</b>	<b>8,889.0</b>
Disbursed outstanding debt	3,442.3	4,483.1	5,623.6	5,664.4	5,850.5	5,954.9	6,015.2	6,073.7	6,163.1
Undisbursed debt	1,770.1	2,293.2	2,637.1	2,920.9	2,792.2	2,776.0	2,766.0	2,804.1	2,725.9
<b>2. Disbursed Debt by Creditor Category<sup>2</sup></b>	<b>3,442.3</b>	<b>4,483.1</b>	<b>5,623.6</b>	<b>5,664.4</b>	<b>5,850.5</b>	<b>5,954.9</b>	<b>6,015.2</b>	<b>6,073.7</b>	<b>6,163.1</b>
Bilateral debt	910.5	934.1	933.5	932.1	938.5	944.3	941.5	949.7	938.6
Multilateral debt	1,772.6	2,620.2	3,535.1	3,607.2	3,791.2	3,837.3	3,874.8	3,944.9	4,049.0
Commercial debt	437.3	617.9	708.2	706.2	702.0	709.2	713.5	640.8	638.1
Export credits	321.9	310.8	446.8	419.0	418.8	464.1	485.5	538.2	537.5
<b>3. Disbursed Debt by Borrower Category<sup>2</sup></b>	<b>3,442.3</b>	<b>4,483.1</b>	<b>5,623.6</b>	<b>5,622.4</b>	<b>5,864.5</b>	<b>5,916.4</b>	<b>5,939.9</b>	<b>6,073.7</b>	<b>6,163.1</b>
Central Government	2,692.0	3,582.5	4,221.2	4,166.6	4,460.1	4,510.7	4,532.0	4,620.9	4,649.2
Parastatal Companies	167.8	156.3	392.3	392.3	394.6	396.7	398.9	442.7	506.6
Private Sector	582.5	744.4	1,010.0	1,063.5	1,009.8	1,009.0	1,009.0	1,010.1	1,007.4
<b>4. Disbursed Debt by Use of Funds<sup>2</sup></b>	<b>3,442.3</b>	<b>4,483.1</b>	<b>5,623.6</b>	<b>5,537.5</b>	<b>5,828.5</b>	<b>5,932.8</b>	<b>5,980.7</b>	<b>6,073.7</b>	<b>6,163.1</b>
BOP & Budget Support	1,019.3	1,470.3	1,838.5	1,972.6	1,842.9	1,851.8	1,857.3	1,885.0	1,971.4
Transport & Telecommunication	425.3	571.5	695.7	634.9	656.2	705.5	707.1	723.1	723.1
Agriculture	338.1	437.0	599.0	605.9	609.8	614.3	654.4	653.0	658.2
Energy & Mining	606.9	670.1	808.7	758.4	816.1	820.4	823.3	810.2	801.1
Industries	162.8	137.4	141.9	148.0	148.6	152.9	154.0	153.1	183.4
Social Welfare & Education	433.2	639.7	756.8	760.7	815.6	829.9	832.9	847.9	849.2
Finance and Insurance	64.4	74.2	73.8	73.7	73.9	80.2	80.6	80.8	79.0
Tourism	73.0	70.7	90.6	90.6	90.7	90.7	91.0	96.6	87.0
Others	319.3	412.2	618.7	492.7	774.8	787.1	780.1	823.9	810.8
<b>5. Total Amount of Loan Contracted<sup>1</sup></b>	<b>1,196.5</b>	<b>752.6</b>	<b>965.9</b>	<b>310.8</b>	<b>41.1</b>	<b>15.3</b>	<b>1.7</b>	<b>0.0</b>	<b>0.0</b>
Government	1,081.6	516.7	218.0	250.1	32.6	0.0	0.0	0.0	0.0
Parastatal Companies	0.0	0.0	336.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	114.9	235.9	412.0	60.7	8.5	15.3	1.7	0.0	0.0
<b>6. Disbursements<sup>1</sup></b>	<b>613.5</b>	<b>586.1</b>	<b>941.2</b>	<b>57.7</b>	<b>159.1</b>	<b>50.0</b>	<b>20.3</b>	<b>6.8</b>	<b>115.0</b>
Government	553.9	560.6	480.2	56.3	157.6	19.9	20.3	6.8	49.0
Parastatal Companies	0.0	0.4	246.7	0.0	0.0	0.0	0.0	0.0	63.4
Private	59.6	25.1	214.3	1.3	1.4	30.1	0.0	0.0	2.5
<b>7. Scheduled Debt Service<sup>1</sup></b>	<b>336.9</b>	<b>193.2</b>	<b>271.0</b>	<b>46.4</b>	<b>8.6</b>	<b>13.5</b>	<b>22.3</b>	<b>12.2</b>	<b>38.5</b>
<b>8. Actual Debt Service<sup>1</sup></b>	<b>76.6</b>	<b>82.1</b>	<b>54.0</b>	<b>20.3</b>	<b>3.4</b>	<b>5.3</b>	<b>3.4</b>	<b>4.9</b>	<b>5.7</b>
Principal	50.7	55.9	24.1	6.6	2.9	4.5	2.5	1.8	3.3
Interest	25.9	30.1	29.9	13.7	0.5	0.7	0.9	3.1	2.4
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>9. Net Transfers<sup>1</sup></b>	<b>536.9</b>	<b>504.0</b>	<b>887.2</b>	<b>37.3</b>	<b>155.7</b>	<b>44.7</b>	<b>16.9</b>	<b>1.9</b>	<b>109.3</b>
<b>10. Total Arrears by Creditors Category<sup>2</sup></b>	<b>2,199.5</b>	<b>2,453.2</b>	<b>2,807.0</b>	<b>2,792.1</b>	<b>2,791.8</b>	<b>2,807.9</b>	<b>2,869.2</b>	<b>2,885.3</b>	<b>2,789.0</b>
<b>Principal</b>	<b>980.9</b>	<b>1,089.8</b>	<b>1,293.4</b>	<b>1,257.7</b>	<b>1,262.5</b>	<b>1,266.0</b>	<b>1,301.1</b>	<b>1,306.4</b>	<b>1,184.0</b>
Bilateral	377.7	423.8	452.8	454.4	460.4	468.3	468.9	468.9	472.4
Multilateral	13.6	8.4	17.2	19.5	19.5	20.0	23.6	20.1	22.8
Commercial	339.5	359.2	449.3	459.0	454.0	456.4	461.5	470.0	380.2
Export Credits	250.1	298.5	374.1	324.7	328.6	321.3	347.2	347.4	308.7
<b>Interest</b>	<b>1,218.6</b>	<b>1,363.3</b>	<b>1,513.6</b>	<b>1,534.4</b>	<b>1,529.2</b>	<b>1,541.9</b>	<b>1,568.1</b>	<b>1,578.8</b>	<b>1,604.9</b>
Bilateral	536.1	611.3	667.7	673.1	680.7	689.0	689.4	703.9	715.8
Multilateral*	27.7	0.1	10.0	15.5	15.5	16.0	16.0	16.1	16.9
Commercial	440.0	517.7	557.1	569.6	558.7	562.2	580.1	573.5	584.2
Export Credits	214.8	234.3	278.9	276.2	274.3	274.8	282.5	285.4	288.0
<b>11. External Debt Stock</b>	<b>4,660.9</b>	<b>5,846.4</b>	<b>7,137.3</b>	<b>7,156.8</b>	<b>7,393.7</b>	<b>7,458.4</b>	<b>7,508.0</b>	<b>7,652.5</b>	<b>7,768.1</b>
<b>12. Domestic Debt Stock</b>	<b>1,497.9</b>	<b>1,735.0</b>	<b>1,741.1</b>	<b>1,772.2</b>	<b>1,809.4</b>	<b>1,856.2</b>	<b>1,885.3</b>	<b>1,907.3</b>	<b>1,962.7</b>
<b>13. Total Debt Stock</b>	<b>6,158.8</b>	<b>7,581.4</b>	<b>8,878.3</b>	<b>8,929.0</b>	<b>9,203.1</b>	<b>9,314.5</b>	<b>9,393.3</b>	<b>9,559.8</b>	<b>9,730.8</b>
<b>End Period Exchange Rate</b>	<b>1,265.0</b>	<b>1,180.9</b>	<b>1,299.4</b>	<b>1,313.3</b>	<b>1,301.8</b>	<b>1,302.7</b>	<b>1,307.6</b>	<b>1,314.7</b>	<b>1,313.3</b>
*Multilateral arrears are those owed by the private companies									
1) During the period (2) Position as at end of December 2009.									
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**

The rate of interest the Bank of Tanzania charges on Loans it extends to Deposit Money Banks and overdrafts to government. It is derived from the weighted average yield of Treasury bills of all maturities plus five-percentage points.

## **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 established to enable commercial banks to borrow 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 deposit money banks.

## **M2, Broad Money**



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

### **M3, Extended Broad Money**

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

### **Non-Food or Underlying Inflation Rate**

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.

### **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 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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