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**BANK OF TANZANIA**

**Monthly Economic Review**

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**December 2009**

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# 1.0 Inflation Developments

**Annual headline inflation** decreased to 12.5 percent in November 2009 from 12.7 percent recorded in the preceding month due to decrease in food inflation (**Table 1.1 and Chart 1.1**).

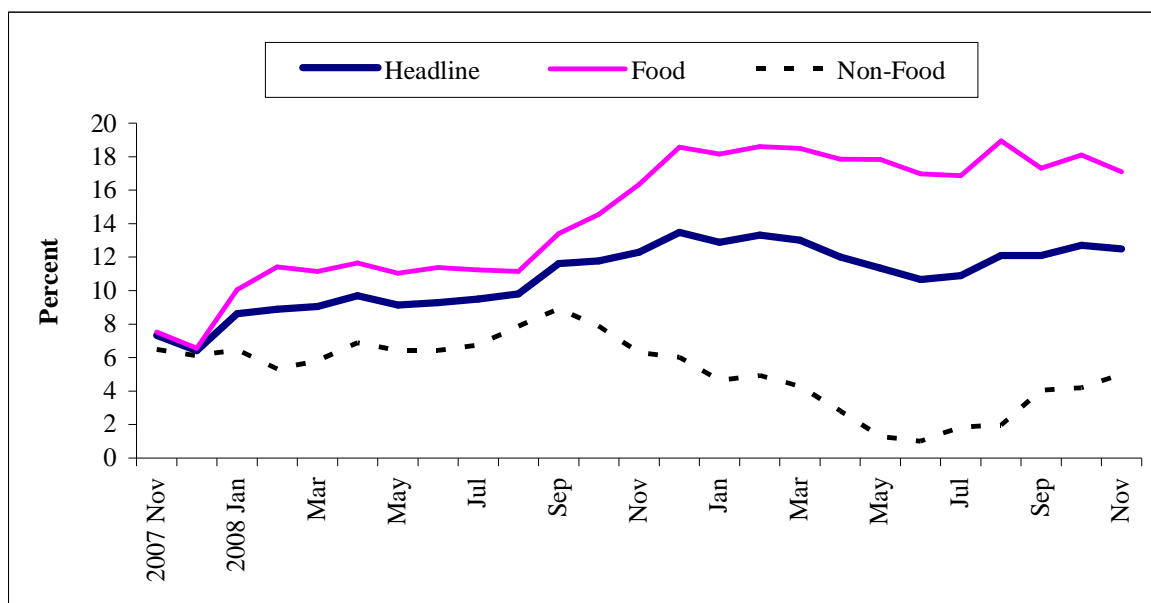
**Table 1.1: Annual Percentage Change in Consumer Price Index (ALL-Urban)**

*(Base: Dec 2001 = 100)*

Major Commodity Group	Weight (%)	2008			2009			
		Sep	Sep	Oct	Nov	Sep	Oct	Nov
<b>Headline/Overall</b>	<b>100</b>	<b>8.3</b>	<b>11.6</b>	<b>11.8</b>	<b>12.3</b>	<b>12.1</b>	<b>12.7</b>	<b>12.5</b>
<b>Food</b>	<b>55.9</b>	<b>11.4</b>	<b>13.4</b>	<b>14.6</b>	<b>16.3</b>	<b>17.3</b>	<b>18.1</b>	<b>17.1</b>
<b>Non-food</b>	<b>44.1</b>	<b>4.1</b>	<b>8.9</b>	<b>7.9</b>	<b>7.7</b>	<b>4.0</b>	<b>4.2</b>	<b>5.0</b>
Transportation	9.7	4.3	9.7	7.9	6.9	-2.0	-1.4	-0.8
Fuel, Power and Water	8.5	1.4	15	12.9	8.7	-0.9	0.5	2.2
Drinks and Tobacco	6.9	6.2	8.8	8.3	5.5	11.3	12.1	12.7
Clothing & Footwear	6.4	4.5	2.2	1.8	2.5	8.1	6.3	6.5
Education	2.6	9.2	8.3	7.9	8.5	9.5	9.6	9.1
Furniture & Household Equip.	2.1	4.1	8.2	7.9	7.0	7.0	5.8	4.0
H/h Operations Maintenance	2.1	6.5	3.4	4	4.7	5.2	5.8	6.6
Personal Care & Health	2.1	2.2	6.9	5.9	7.3	7.0	7.0	4.5
Rents	1.4	2.8	2.4	2.4	2.4	12.6	12.6	12.8
Recreation & Entertainment	0.8	9.7	6.9	6.9	8.3	9.1	8.5	7.7
Misc. Goods & Services	1.5	-0.8	3.4	3.9	2.1	3.1	0.9	1.8

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

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



Source: Bank of Tanzania

The 3-month moving average annual headline inflation rate increased to 12.4 percent in November 2009 from 12.3 percent recorded in October 2009, likewise, the 12-month average annual headline inflation increased to 12.2 percent in November 2009 from 9.7 percent recorded in the corresponding period (December 2007 to November 2008).

**Month-to-month headline inflation** increased to 1.4 percent in November 2009 from 1.1 percent recorded in October 2009. The increase is explained by the rise in non-food inflation. Similarly the seasonally adjusted month-to-month headline inflation increased to 1.1 percent in November 2009 from 1.0 percent in October 2009.

**Annual non-food inflation** rose to 5.0 percent in November 2009 from 4.2 percent in October 2009, associated mainly with the increase in prices of all non-food items except those under transportation subgroup. Similarly, the 3-month moving average annual non-food inflation rate increased to 4.4 percent in November 2009 from 3.4 percent recorded in October 2009. The 12-month annual non-food inflation rate behaved differently as it decreased to 3.5 percent in November 2009 compared with 6.7 percent recorded in the corresponding period in 2008.

**Annual food inflation** declined to 17.1 percent in November 2009 from 18.1 percent recorded in October 2009. Similar developments were recorded in the 3-month moving average annual food

inflation that decreased to 17.2 percent from 18.1 percent recorded in the same period, while the 12-month average increased to 17.9 percent in November 2009, higher than the average of 11.7 percent recorded in the corresponding period in 2008. **Month-to-month food inflation** increased to 2.2 percent in November 2009 from 1.6 percent in October 2009 mainly on account of rise in the average prices of cereals, cassava, potatoes, fruits, meat, cooking oil, beans, cowpeas, groundnuts and meals from the restaurants.

## Food Supply Situation

During November 2009, food shortages persisted in some districts. Recent assessment indicates that 1.57 million people in 59 districts are facing serious food shortages, requiring food relief amounting to 56,746 tons of grains between November 2009 and January 2010. The government distributed 35,519 tons of grain to deficit areas at subsidized prices or freely to ease food shortages during November 2009. For the past five months, (July to November 2009) the government distributed 70,534 tons of grains from national grain reserves maintained by National Food Reserve Agency (NFRA) to ease food shortages in the country.

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

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

TZS per 100 kg

Item	2008	2009		Percentage change	
	Nov	Oct	Nov	Nov 08 to Nov 09	Oct -09 to Nov-09
Maize	30,947	38,364	40,886	32.1	6.6
Rice	95,947	102,456	103,333	7.7	0.9
Beans	99,010	95,532	103,278	4.3	8.1
Sorghum	37,691	50,541	52,688	39.8	4.2
Potatoes	41,993	54,180	59,301	41.2	9.5

Source: Ministry of Industry, Trade and Marketing

## The National Food Reserve

NFRA stocks at the end of November 2009 amounted to 86,542 tons of maize and sorghum representing a decrease of 19.2 percent from 107,117 tons at the end of the preceding month and 29.2 percent lower than the stocks at the end of November 2008. The decline in the stocks was on account of sale of grains to the Government for distribution to areas with food deficit. NRFA

grains purchases from July through November 2009, amounted to 64,773 tons, while sales were 70,534 tons during the same period ([Table 1.3](#)),

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

Period	Tons					% Change 2008-2009
	2005	2006	2007	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		

Source: National Food Reserve Agency

## 2.0 Monetary and Financial Developments

### Money Supply and Credit Developments

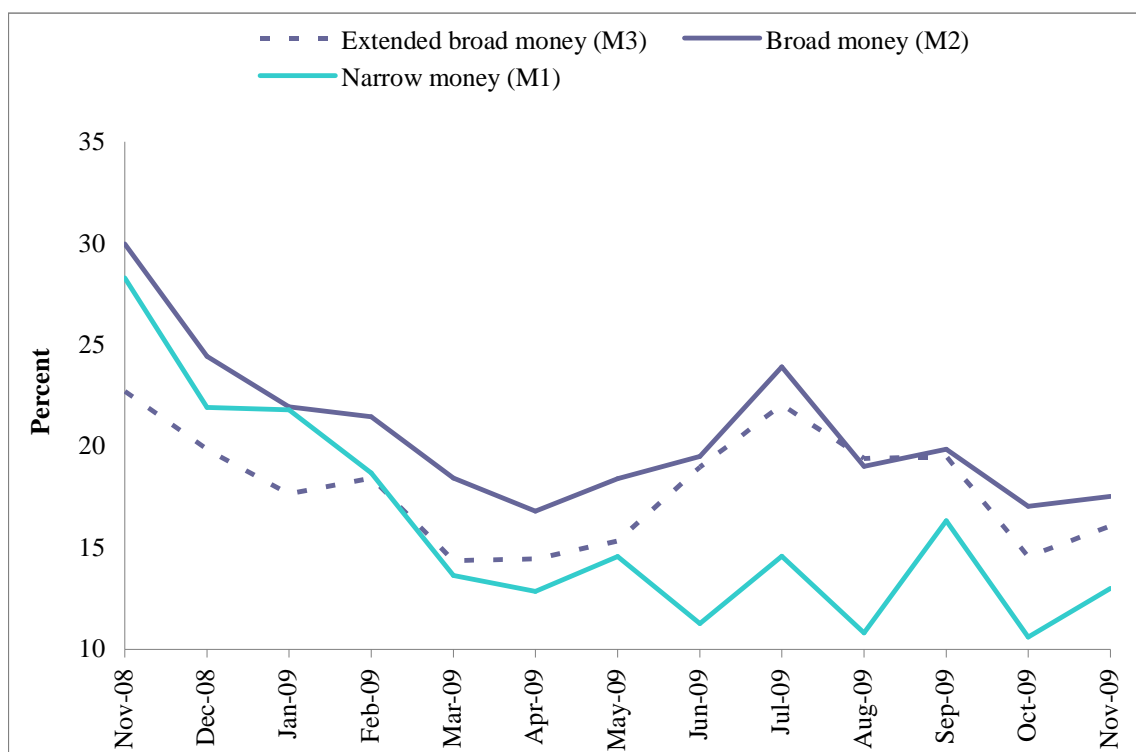
During the year ending November 2009, the annual growth of monetary aggregates registered moderate increases, mainly associated with an increase in the net foreign assets of depository corporations. The annual growth rate of extended broad money supply (M3) was 16.1 percent in November 2009; an increase from 14.6 percent recorded in October 2009, but was lower than 22.7 percent recorded in November 2008. Similarly, broad money supply (M2) grew by 17.5 percent in the year ending November 2009, slightly higher than the growth rate of 17.0 percent recorded in the preceding month, but substantially lower than the annual growth rate of 30.0 percent recorded in November 2008, ([Table 2.1 and Chart 2.1](#)).

**Table 2.1: Selected Money Supply Components**

Item	Billions of TZS									
					Monthly Change		Annual Growth			
	Oct-08	Nov-08	Oct-09	Nov-09	Oct-09	Nov-09	Oct-08	Nov-08	Oct-09	Nov-09
<b>Net Foreign Assets of the Banking System</b>	<b>3,735.0</b>	<b>3,810.2</b>	<b>4,914.7</b>	<b>5,040.5</b>	<b>50.5</b>	<b>125.7</b>	<b>1.0</b>	<b>2.2</b>	<b>31.6</b>	<b>32.3</b>
Bank of Tanzania	3,211.5	3,354.7	3,857.5	3,896.0	-39.6	38.5	1.8	5.2	20.1	16.1
Other Depository Corporations	523.5	455.5	1,057.2	1,144.4	90.1	87.2	-3.2	-15.5	102.0	151.2
<b>Net Domestic Assets of the Banking System</b>	<b>3,739.6</b>	<b>3,713.6</b>	<b>3,649.4</b>	<b>3,691.9</b>	<b>37.5</b>	<b>42.5</b>	<b>63.2</b>	<b>54.4</b>	<b>-2.4</b>	<b>-0.6</b>
Domestic Claims	4,162.8	4,369.6	4,930.6	5,089.3	186.3	158.6	59.3	58.3	18.4	16.5
Claims on central government (net)	59.1	(29.1)	94.7	155.0	174.7	60.3	-117.9	-90.2	60.3	-633.3
Claims on Central Government	2,268.0	2,402.6	2,757.9	2,803.0	101.2	45.0	-2.4	3.0	21.6	16.7
Liabilities to Central Government	2,208.9	2,431.7	2,663.3	2,648.0	-73.4	-15.3	-16.7	-7.6	20.6	8.9
Claims on Other Sectors	4,103.7	4,398.7	4,836.0	4,934.3	11.6	98.3	39.5	43.9	17.8	12.2
<b>Extended Broad Money Supply (M3)</b>	<b>7,474.6</b>	<b>7,523.8</b>	<b>8,564.2</b>	<b>8,732.3</b>	<b>88.0</b>	<b>168.2</b>	<b>24.8</b>	<b>22.7</b>	<b>14.6</b>	<b>16.1</b>
Foreign Currency Deposits (FCD) in National Currency	1,990.9	1,917.0	2,145.8	2,142.7	-16.9	-3.1	12.0	5.4	7.8	11.8
<i>FCD in millions of US dollar</i>	1,557.9	1,523.0	1,641.1	1,629.7	-19.1	-11.3	2.3	-1.9	5.3	7.0
<b>Broad Money Supply (M2)</b>	<b>5,483.7</b>	<b>5,606.9</b>	<b>6,418.4</b>	<b>6,589.7</b>	<b>104.9</b>	<b>171.3</b>	<b>30.2</b>	<b>30.0</b>	<b>17.0</b>	<b>17.5</b>
Other Deposits in National Currency	2,290.6	2,371.2	2,886.4	2,933.1	151.7	46.7	34.2	32.3	26.0	23.7
<b>Narrow Money Supply (M1)</b>	<b>3,193.1</b>	<b>3,235.6</b>	<b>3,532.0</b>	<b>3,656.6</b>	<b>-46.8</b>	<b>124.6</b>	<b>27.5</b>	<b>28.3</b>	<b>10.6</b>	<b>13.0</b>
Currency in Circulation	1,451.7	1,452.2	1,539.0	1,553.6	19.7	14.6	27.5	26.7	6.0	7.0
Transferable Deposits in National Currency	1,741.4	1,783.4	1,993.0	2,103.0	-66.4	110.0	27.4	29.6	14.4	17.9

Source: Bank of Tanzania

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

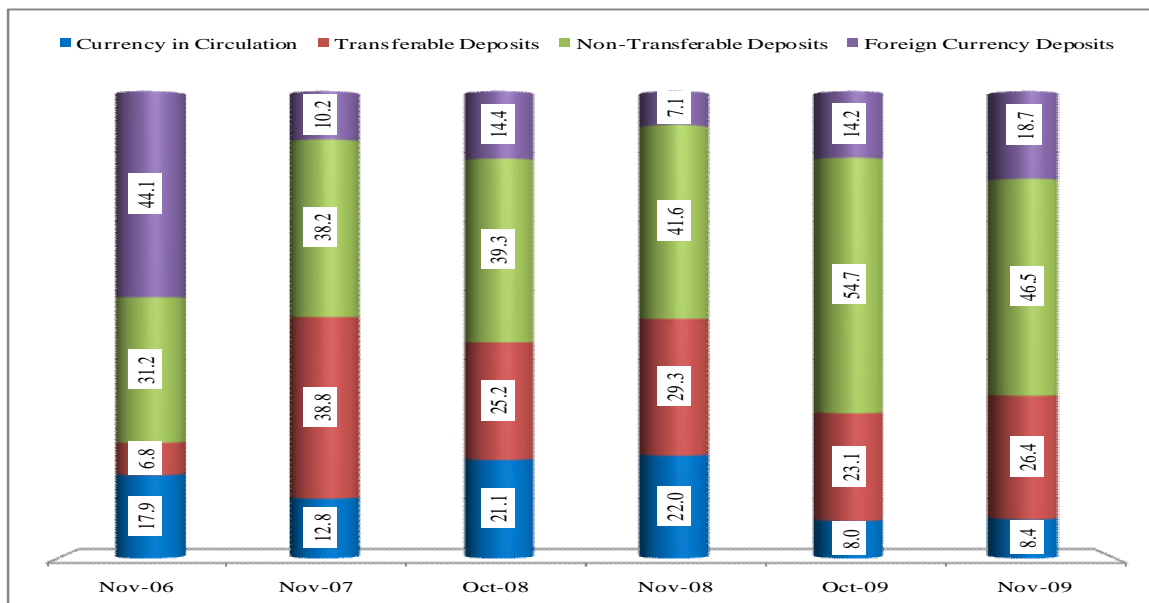


Source: Bank of Tanzania

Like in the preceding month, the monetary growth rates registered in November 2009 were lower than the program target of 21.7 percent for the year ending December 2009.

The driving components of changes in monetary aggregates remained unchanged in the year ending November 2009, despite a slight shrinkage in non-transferable deposits in favour of foreign currency and transferable deposits. In particular, non-transferable deposits (savings and time deposits) accounted for 46.5 percent of annual change in M3 and 57.2 percent of changes in M2, while transferable deposits accounted for 26.4 percent of annual change in M3 and 32.5 percent of annual change in M2 (**Chart 2. 2a and Chart 2.2b**).

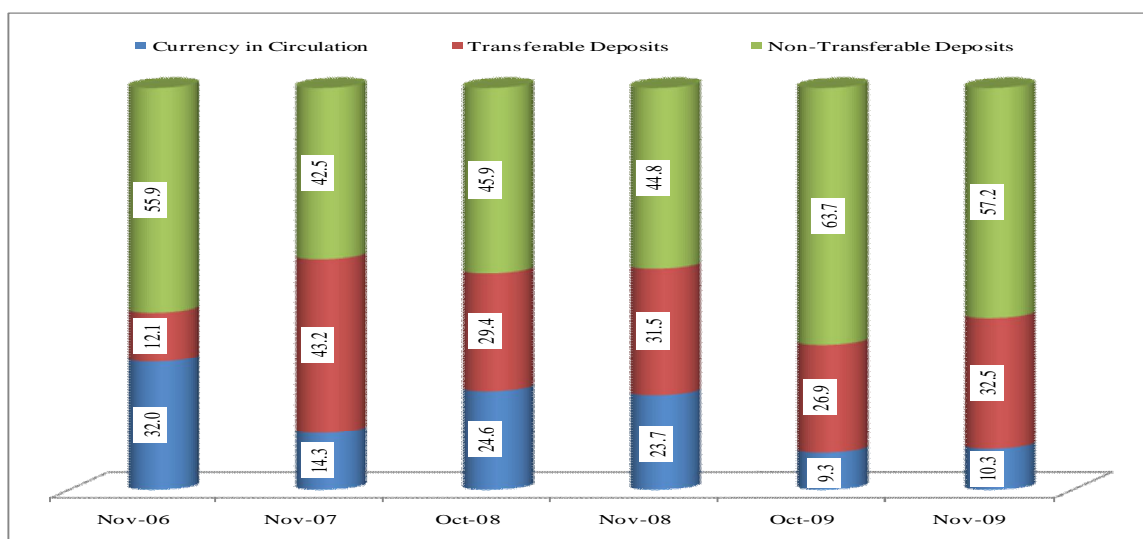
**Chart 2.2a: Percentage Contribution of Components of Money Supply to 12-Month Change in M3**



Source: Bank of Tanzania



**Chart 2.2b: Percentage Contribution of Components of Money Supply to 12-Month Change in M2**



Source: Bank of Tanzania

The increase of financial products<sup>1</sup> offered by some banks has contributed significantly in the mobilization of non-transferable deposits. During the period, the contribution of change in foreign currency deposits rose from 14.2 percent recorded in the year ending October 2009 to 18.7 percent in the year ending November 2009, partly due to slight depreciation of the shilling against US dollar recorded during the period.

During the year ending November 2009, growth of credit to the private sector continued to decelerate reaching a ten year record low of 12.2 percent, compared with 17.8 percent recorded in the preceding month, and 43.9 percent recorded in November 2008. This growth rate is far below the program target of 26.7 percent for the year ending December 2009. The sustained slower growth rate in 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. The slowdown in banks credit growth was observed mostly in agriculture, trade, hunting, mining and quarrying, manufacturing, building and construction and transport and communication. As for personal loans, they sustained strong growth as it was in the preceding months. Personal loans continued to hold a largest share accounting for 22.6 percent of the total stock of outstanding loans in November 2009, an increase from 21.8 percent recorded in the preceding month. Out of the total personal loans, foreign currency component declined from 4.4 percent in October 2009 to 4.0 percent.

<sup>1</sup> Such as Malengo Account, Chanua Account, Student Account, Embedded Funeral & Rambi Rambi Plus

## Interest Rate Developments

During November 2009, Treasury bill yields continued to increase, when compared with the rates recorded in the preceding month. The overall weighted average yields of Treasury bills increased to 6.36 percent from 5.17 percent recorded in October 2009; however the yields are still lower when compared with 10.33 percent recorded in November 2008 ([Table 2.2](#))

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

	Percent												
	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09
Overall Interbank cash market rate	5.85	6.54	8.41	9.81	10.10	9.58	6.80	5.03	3.86	1.42	1.34	1.63	1.62
<i>Overnight interbank cash market</i>	5.51	6.27	8.31	9.63	9.90	9.29	6.49	4.46	2.44	0.82	1.04	1.21	1.19
REPO Rate	5.32	6.42	7.55	9.09	9.73	8.25	6.10	4.90	2.23	1.21	1.12	1.32	1.28
Discount Rate	15.33	15.99	17.53	17.85	18.33	16.01	13.00	10.31	6.95	5.20	4.40	3.70	4.23
Overall Treasury bills rate	10.33	10.99	12.53	12.85	13.33	11.01	9.27	6.97	5.81	5.16	4.52	5.17	6.36
<i>35 days</i>	6.44	6.88	7.43	7.54	7.62	7.03	6.40	4.81	3.45	2.65	2.07	3.01	3.33
<i>91 days</i>	10.76	11.20	11.60	11.99	12.43	10.55	8.25	5.56	4.14	3.53	2.97	3.38	5.29
<i>182 days</i>	11.00	12.13	13.28	14.64	14.86	12.04	10.20	7.86	6.27	5.46	4.84	4.90	5.28
<i>364 days</i>	11.97	12.79	15.32	14.74	14.99	12.57	10.69	9.11	8.28	7.72	7.79	8.22	8.60
Savings Deposit Rate	2.66	2.74	2.64	2.75	2.72	2.72	2.72	2.69	2.68	2.68	2.66	2.61	2.52
Treasury Bonds Rates													
<i>2-years</i>	14.35	14.35	14.35	14.35	15.28	15.28	15.28	11.51	11.51	11.51	11.51	10.89	10.89
<i>5-years</i>	16.39	16.39	17.32	17.32	17.32	17.32	16.58	16.58	16.58	16.58	13.45	13.45	13.45
<i>7-years</i>	17.04	17.04	17.04	17.04	17.04	17.06	17.06	17.06	17.06	14.14	14.14	14.14	14.15
<i>10-years</i>	19.47	19.47	19.47	19.92	19.92	19.92	19.92	19.92	16.95	16.95	16.95	16.95	16.95
Overall Time Deposits Rate	6.57	6.63	6.63	6.78	7.00	7.10	7.08	6.77	6.94	6.87	6.72	6.40	5.78
<i>12 month time deposit rate</i>	8.95	8.48	8.79	8.59	8.56	8.98	9.41	9.06	9.04	9.02	8.82	8.83	7.36
Negotiated Deposit Rate	10.26	10.23	10.66	10.82	10.99	11.27	11.03	10.13	10.52	10.47	10.60	10.11	9.85
Overall Lending rate	14.30	16.05	14.93	14.95	15.12	15.45	15.39	15.48	15.14	15.12	14.90	14.76	12.26
<i>Short-term lending rate (up to 1 year)</i>	13.57	13.56	13.41	13.45	13.44	13.87	13.68	14.57	13.94	13.77	13.98	13.95	11.99
Negotiated Lending Rate	12.11	12.05	12.42	12.26	13.01	14.03	14.17	14.28	14.26	14.24	13.81	11.12	10.76
Margin between short-term lending and one-year time deposit rates	4.62	5.07	4.61	4.86	4.88	4.90	4.27	5.51	4.89	4.74	5.16	5.12	4.64

Source: Bank of Tanzania

The recent increase in Treasury bill yields is consistent with the increase in tender size since September 2009. On the other hand, overall interbank cash market stabilized at 1.62 percent, almost same rate that was recorded in the preceding month, but significantly lower than 5.85 percent recorded in November 2008, reflecting high liquidity among banks. Repo rate decreased slightly to 1.28 percent in November 2009 from 1.32 percent recorded in October 2009, but was far below the 5.32 percent recorded in November 2008.

On the other hand, interest rates offered and charged by other depository corporations (ODCs) declined during the month under review in line with the recent decline in the money market rates. Specifically, overall time deposits rate declined to 5.78 percent in November 2009, from 6.40 percent registered in the preceding month and 6.57 percent recorded in the corresponding period

in 2008. Likewise, negotiated deposit rate declined to 9.85 percent from 10.26 percent during the same period, while savings deposit rate stood at 2.5 percent in November 2009 down from 2.6 percent recorded in the preceding month.

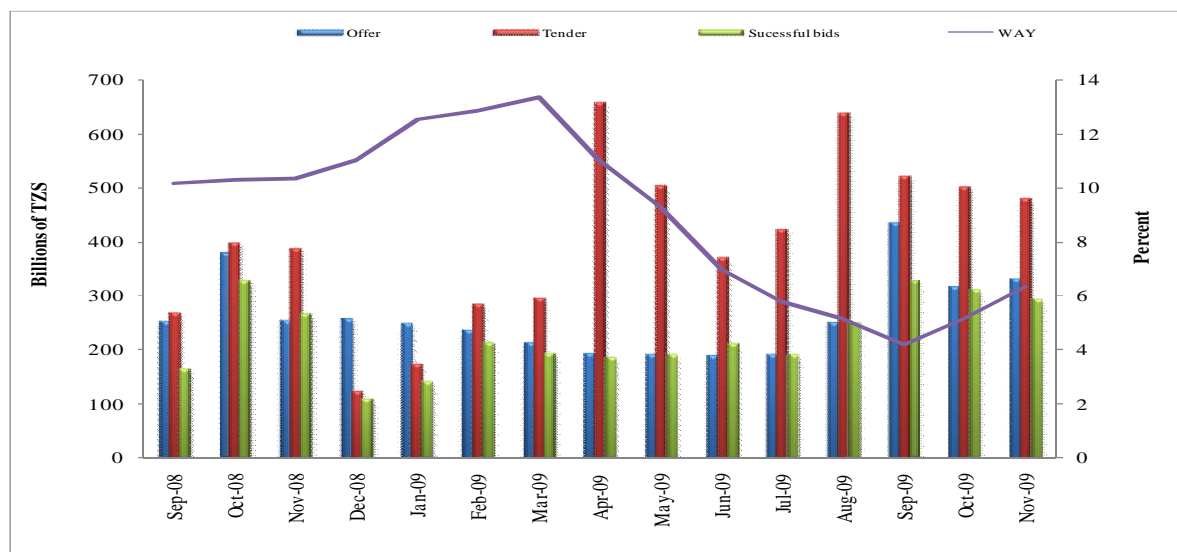
During the same period, overall lending rates declined to 12.26 percent from 14.76 percent recorded in October 2009, while negotiated lending rates declined to 10.76 percent from 11.12 percent.

## **Financial Markets Developments**

### **Treasury Bills Market**

Beginning September 2009, the Bank increased the Treasury bills tender size to TZS 160 billion per auction from TZS 120 billion per auction, consistent with reserve money targets. Despite the increase in the tender size, demand for Treasury bill continued to be higher than supply, reflecting the banks' increased preference for safer assets. In November 2009, demand for Treasury bills amounted to TZS 479.0 billion against the supply of TZS 331.9 billion. In the preceding month demand was TZS 499.5 billion, while supply was TZS 314.6 billion. The high demand relative to supply led to subdued Treasury bills yields during the period compared to similar period in 2008 (**Chart 2.3**).

**Chart 2.3: Treasury Bills Market Developments**



Source: Bank of Tanzania

During the period under review, the Bank intervened and accepted Treasury bills worth TZS 281.2 billion at cost value. Meanwhile, Treasury bills worth TZS 276.9 billion matured during the month under review.

### Treasury Bonds Market

In November 2009, the Bank supplied the market with a 7-year Treasury bond worth TZS 46.8 billion, while demand amounted to TZS 80.5 billion. Like in Treasury bills market, the oversubscription in the Treasury bond market is associated with the investors' preference for safer assets following perceived risks related to the global financial crisis. Commercial banks remained the dominant players in the market accounting for 85 percent (mainly Exim bank having 51 percent) of the total subscribed amount. The Bank accepted bids worth TZS 66.6 billion (or cost value of TZS 54.8 billion). The 7-year weighted average yield stabilized at 14.15 percent in November 2009, almost same rate of 14.14 percent recorded in the preceding auction which was held in August 2009.

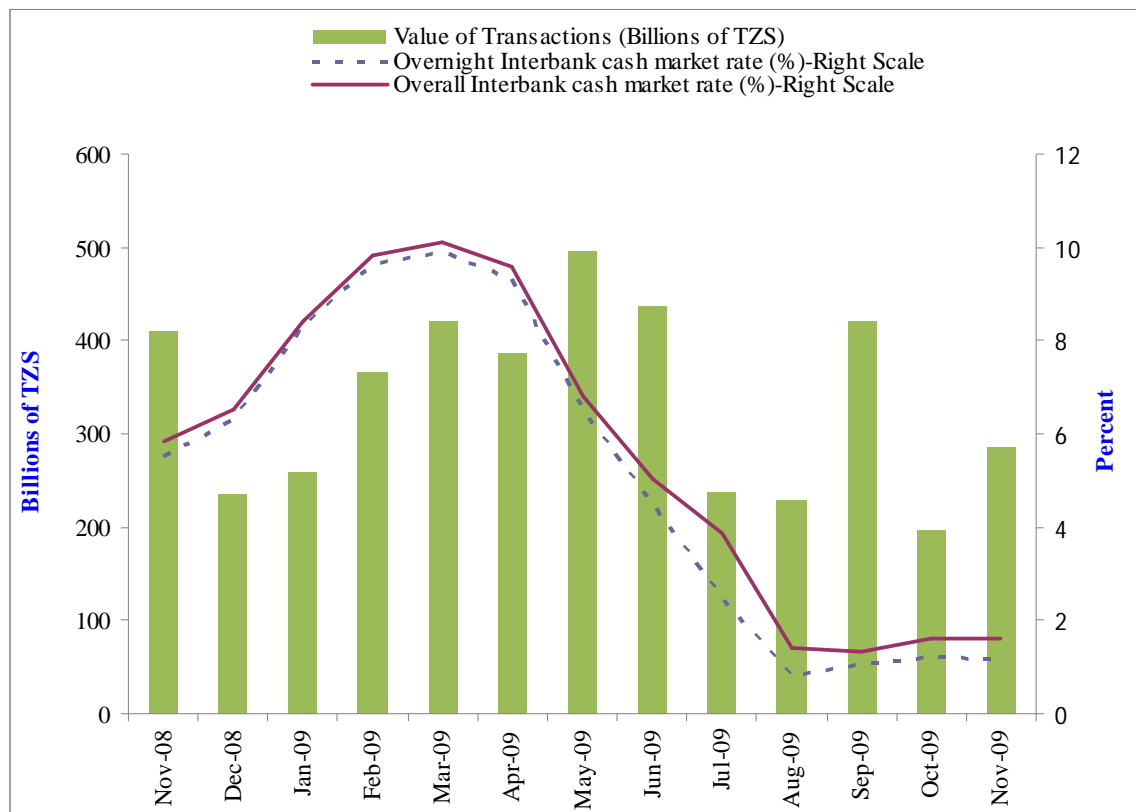
### Repurchase Agreements

During November 2009, the Bank continued to engage repurchase agreements (repos) to fine tune liquidity in the banking system. During the month under review, repos worth TZS 610.5 billion were conducted with banks against maturing amount of TZS 613.5 billion.

## Inter-Bank Cash Market Developments

On the other hand, the volume of transactions in the interbank cash market amounted to TZS 286.3 billion, up from TZS 197.0 billion recorded in the preceding month. This level was well below TZS 411.0 billion traded in the corresponding month in 2008. In November 2009, overnight transactions continued to account for the largest share of about 60 percent of the total interbank transactions, same level recorded in the preceding month. Interest rates in the interbank cash market remained low consistent with high liquidity among Other Depository Corporations - ODCs (Chart 2.4).

**Chart 2.4: Interbank Cash Market Developments**



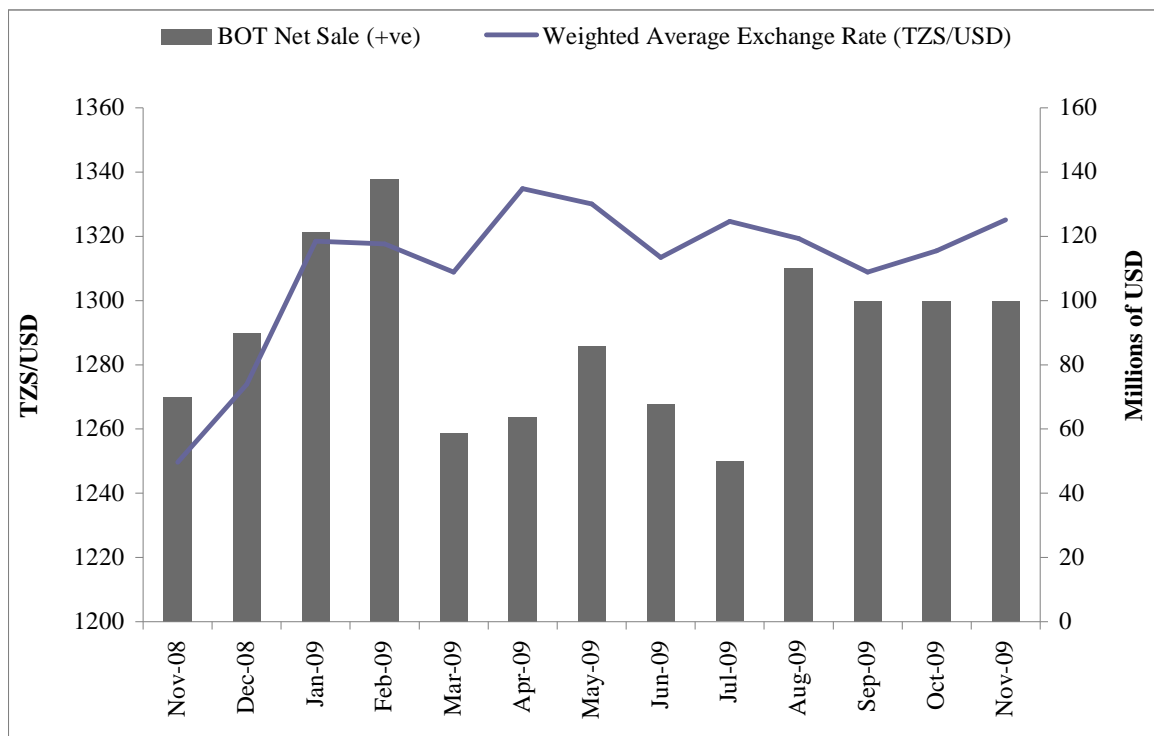
Source: Bank of Tanzania

## Inter-Bank Foreign Exchange Market

During November 2009, the Bank of Tanzania remained the main supplier in the interbank foreign exchange market (IFEM) selling USD 100 million—same as in the previous month. The amount sold by the Bank accounted for about 89 percent of the total volume of USD 112.3

million traded during the month. In the preceding month the total volume traded in the IFEM was relatively higher amounting to USD 143 million, partly associated with increased demand for importation of goods for end of the year festivities. The shilling depreciated to TZS 1,325.13 per USD in November 2009 from TZS 1,315.46 per USD recorded in the preceding month. On annual basis the shilling depreciated by 6 percent against the US dollar, when compared with TZS 1,249.70 per USD recorded in November 2008 (**Chart 2.5**).

**Chart 2.5: Interbank Foreign Exchange Market Operations**



### 3.0 Government Budgetary Operations

In November 2009, both domestic revenue and grants received fell short of expectation. Revenue collected was 90 percent of estimate while grants were about half of the estimate. On the other hand, expenditure surpassed estimate by 17.0 percent (or TZS 118.9 billion), mainly on account of recurrent expenditure.

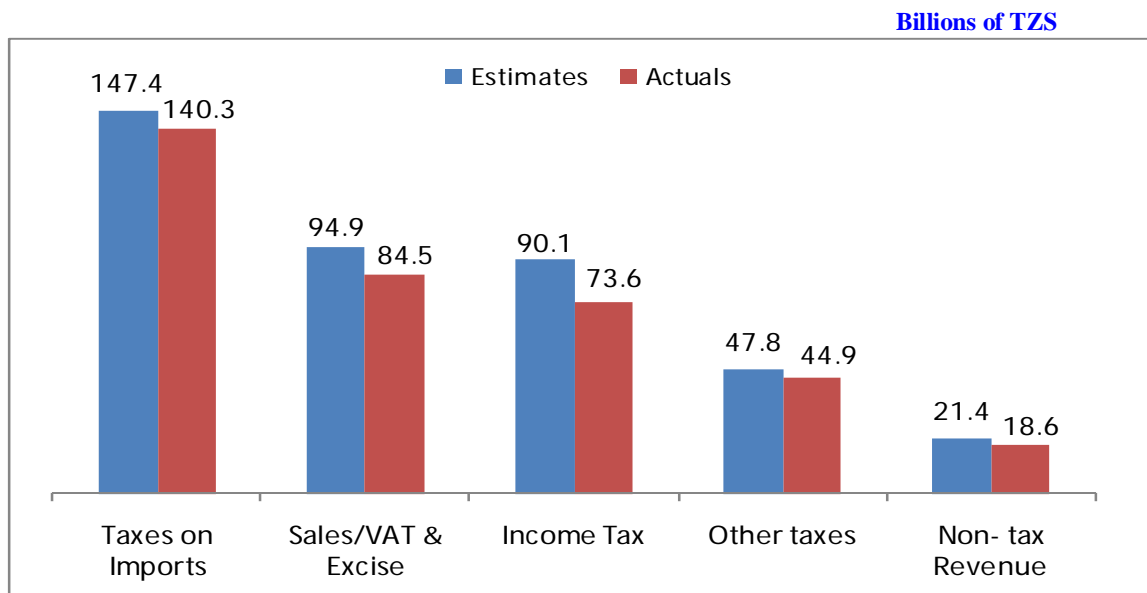
Likewise, on cumulative basis (July – November 2009), domestic revenue was only 89.7 percent of the target, while grants received during the period amounted to TZS 538.3 billion, falling short of the target by almost half.

Meanwhile, total expenditure during the first five months of 2009/10 was broadly in line with the budget, although recurrent expenditure was above the target by 5.6 percent, while development expenditure was below the target by 11.1 percent.

## Revenue Performance

Revenue collections in November 2009 amounted to TZS 361.9 billion, equivalent to 90.1 percent of the target. Tax revenue collections amounted to TZS 343.3 billion, while non-tax revenue collection was TZS 18.6 billion (**Chart 3.1**).

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



Source: Bank of Tanzania

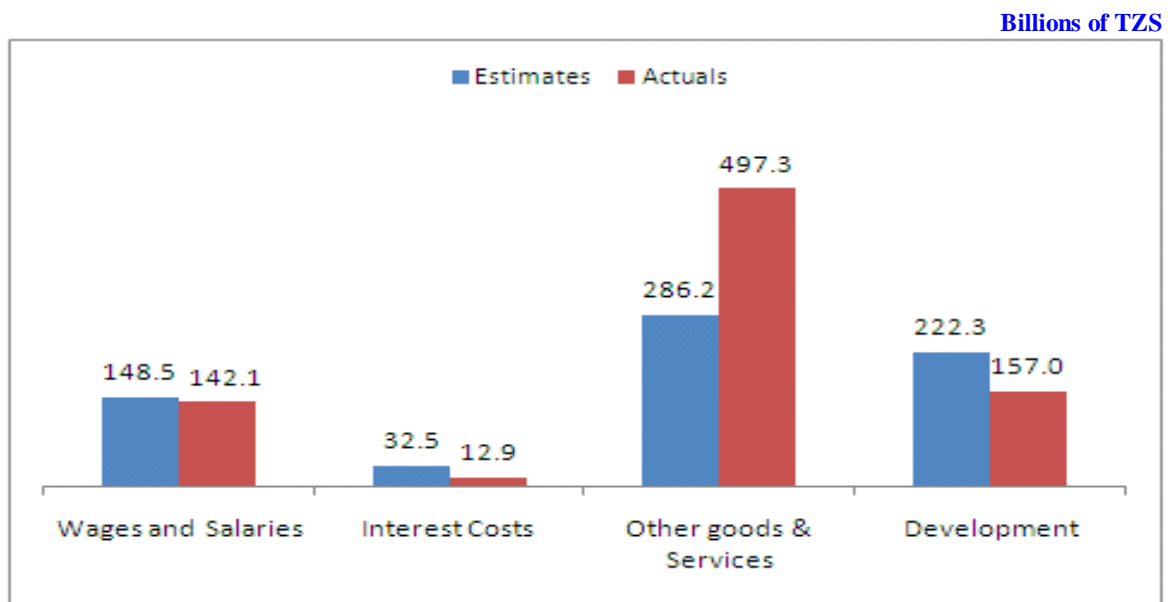
The shortfall in tax revenue was recorded in all major tax categories notably income tax that amounted to TZS 73.6 billion equivalent to 81.7 percent of the target.

On cumulative basis, revenue collections in the first five months of 2009/10 reached TZS 1,828.9 billion, which was 89.7 percent of the target. As percent of GDP, domestic revenue collection during the first five months of 2009/10 was 5.9 percent against the target of 6.6 percent.

## Government Expenditure

Total expenditure amounted to TZS 817.2 billion, surpassing the estimate by 17.0 percent (or TZS 118.9 billion) in November 2009, mainly on account of recurrent expenditure. Recurrent expenditure during the month amounted to TZS 660.2 billion exceeding the target by 38.7 percent, while development expenditure was TZS 157.0 billion, falling short of the estimate by about 30 percent (**Chart 3.2**).

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



Source: Bank of Tanzania

On cumulative basis, government expenditure was on track, reaching TZS 3,669.9 billion as planned. However, recurrent expenditure was above the target by 5.6 percent, reaching TZS 2,656.8 billion. On the other hand, development expenditure accumulated to TZS 1,013.1 billion, falling short of the estimate by 11.1 percent. As percent of GDP, government expenditure reached 11.8 percent.



## Financing

In November 2009, fiscal operations registered an overall balance (adjusted to cash) amounting to TZS 104.9 billion, which was financed mainly from domestic sources to the tune of TZS 90.5 billion, and the balance was financed through foreign borrowing.

On cumulative basis (July – November 2009), foreign financing amounted to TZS 790.2 billion, surpassing the target by 27.0 percent. During the period, net domestic borrowing reached TZS 105.9 billion compared with the ceiling of a net borrowing of TZS 92.0 billion by end December 2009.

## 4.0 External Sector Performance

### Current Account Balance

During the year ending November 2009, the overall Balance of Payments recorded a surplus of USD 558.1 million compared to a deficit of USD 57.9 million recorded during the previous year. The positive development is largely attributed to the narrowing of the current account deficit by 35.1 percent to a deficit of USD 1,943.1 million, following a surge in export of goods and services, together with a decline in import bill. The narrowing of the current account deficit was also associated with a substantial increase in the official current transfers to USD 816.8 million from USD 432.0 million recorded in the year ending November 2008 ([Table 4.1](#)).

**Table 4.1: Current Account Balance**

Millions of USD

Items	November		2009		Year Ending November		% Change
	2007	2008	Oct	Nov	2008p	2009p	
<b>Goods Account (net)</b>	<b>-427.4</b>	<b>-363.9</b>	<b>-234.0</b>	<b>-302.0</b>	<b>-3,794.1</b>	<b>-2,996.1</b>	<b>-21.0</b>
Exports	145.6	208.7	322.2	230.4	2,613.7	2,697.6	3.2
Imports	573.0	572.6	556.2	532.4	6,407.7	5,693.7	-11.1
<b>Services Account (net)</b>	<b>41.36</b>	<b>19.39</b>	<b>46.69</b>	<b>49.9</b>	<b>413.1</b>	<b>284.4</b>	<b>-31.2</b>
Receipts	163.7	160.5	202.7	200.3	1,985.6	2,011.2	1.3
Payments	122.3	141.1	156.0	150.4	1,572.5	1,726.8	9.8
<b>Goods and services (net)</b>	<b>-386.0</b>	<b>-344.5</b>	<b>-187.3</b>	<b>-252.1</b>	<b>-3,380.9</b>	<b>-2,711.8</b>	<b>-19.8</b>
Exports of goods and services	309.3	369.2	524.8	430.7	4,599.3	4,708.8	2.4
Imports of goods and services	695.3	713.7	712.2	682.8	7,980.2	7,420.5	-7.0
<b>Income Account (net)</b>	<b>-3.5</b>	<b>-11.2</b>	<b>-4.7</b>	<b>-7.9</b>	<b>-65.1</b>	<b>-80.1</b>	<b>23.2</b>
Receipts	9.3	5.2	10.7	12.8	140.1	147.1	5.0
Payments	12.8	16.4	15.4	20.7	205.1	227.2	10.7
<b>Current Transfers (net)</b>	<b>45.7</b>	<b>36.1</b>	<b>25.7</b>	<b>41.4</b>	<b>452.6</b>	<b>848.8</b>	<b>87.5</b>
Inflows	50.7	41.4	32.6	48.6	532.5	922.5	73.2
o/w General Government	43.1	33.3	22.6	38.4	432.0	816.8	89.0
Outflows	5.0	5.2	6.9	7.2	79.9	73.7	-7.7
<b>Current Account Balance</b>	<b>-343.8</b>	<b>-319.6</b>	<b>-166.4</b>	<b>-218.6</b>	<b>-2,993.3</b>	<b>-1,943.1</b>	<b>-35.1</b>

Note: P = Provisional

Source: Bank of Tanzania

Meanwhile, the first tranche of the Balance of Payments Support from the IMF under the Exogenous Shock Facility (ESF) and the allocation of Special Drawing Rights (SDR)<sup>2</sup> will continue to explain the improvement of country's gross reserves position for the most part of 2009/10. Following these developments, together with transfers and loans from various development partners, the gross official reserves increased to USD 3,543.8 million in November 2009 from USD 2,732.5 million recorded in the corresponding month in 2008. This level of reserves was enough to cover about 5.7 months of import of goods and services.

## Exports Performance

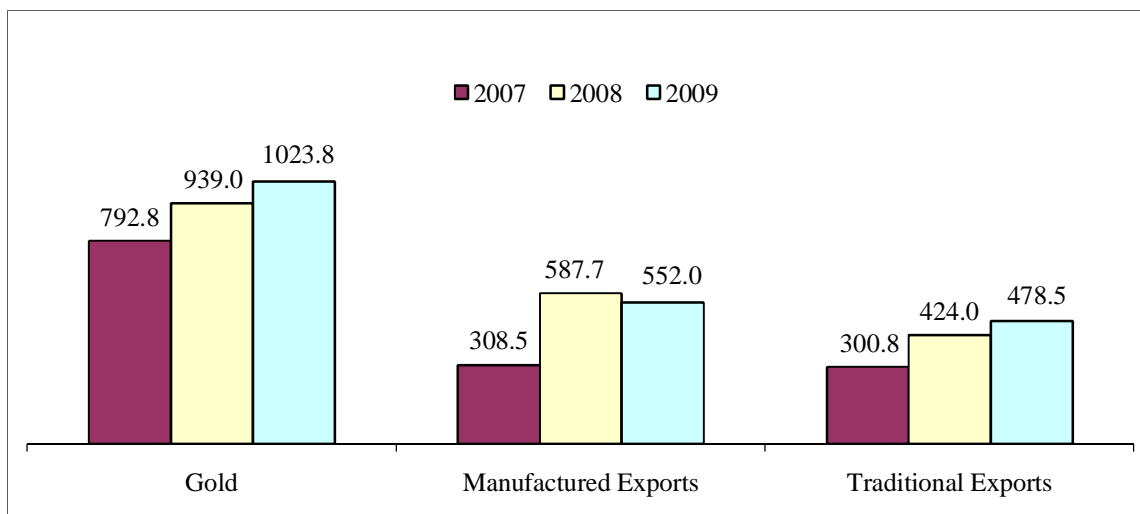
During the year ending November 2009, export of goods rose by 3.2 percent to USD 2,697.6 million, largely due to an increase in export of both traditional and non-traditional goods. Much of the increase was recorded in tobacco, coffee, horticultural products, other exports and minerals.

**Chart 4.1** summarizes the performance of selected goods export during the past four years.

<sup>2</sup> ESF disbursed in June 2009, while SDR Allocations were released in August and September 2009.

**Chart 4.1: Performance of Selected Goods Export for the Year Ending November**

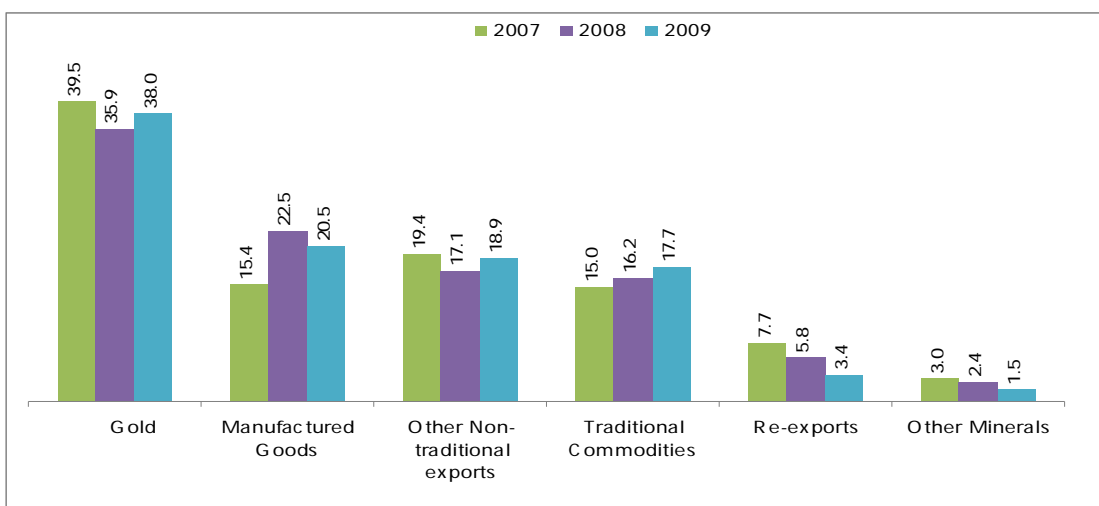
Millions of USD



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 38.0 percent and 20.5 percent, respectively, during the period under review (**Chart 4.2**).

**Chart 4.2: Percentage Contribution of Selected Items to Total Exports of Goods for the Year Ending November**



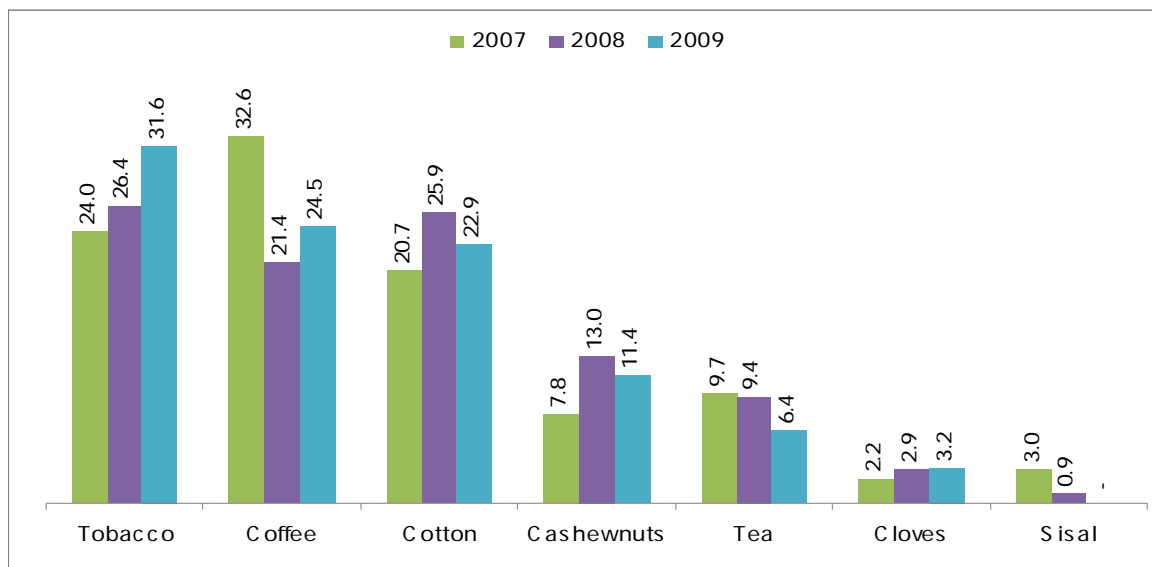
Source: Bank of Tanzania

## Traditional Exports

In November 2009, the value of traditional exports decreased to USD 46.1 million from USD 59.3 million recorded in the previous month, following a decrease in both export volumes and unit prices of cotton and tobacco.

During the year to November 2009, the value of traditional exports increased by 12.9 percent to USD 478.5 million compared to the level recorded during the year ending November 2008. This development is largely due to an increase in the export volumes of coffee, tobacco and cloves which resulted from favourable weather condition, timely accessibility of agricultural inputs and extension services. It is worthy noting that, the improvement in tobacco exports is also explained by the existence of contract farming arrangement whereby the private buyers provide inputs to the farmers on the beginning of the farming season. Through this arrangement, farmers are required to sell the crops to the buyers who will recover the cost of the inputs from the proceeds. With the exception of coffee, cotton and cloves which recorded declines in the export unit prices, other traditional exports recorded increase in prices. **Chart 4.3** depicts the composition of traditional exports for the year ending November, 2009.

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



Source: Bank of Tanzania

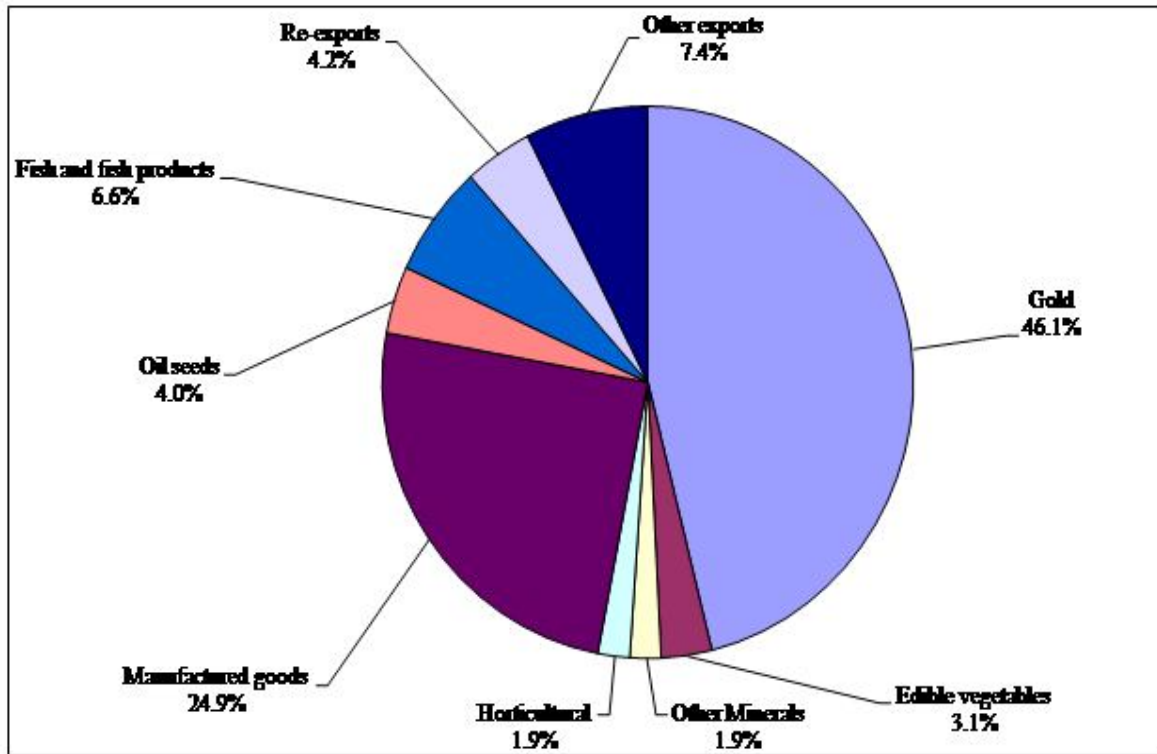
## Non-Traditional Exports

During the month under review, the value of non-traditional exports shipped was USD 184.3 million, being 29.9 percent less than the amount shipped in the previous month. The decline occurred mostly in manufactured goods and other exports, particularly iron and steel products; edible vegetables and oil seeds. The values of manufactured goods and other exports shipped during the month under review were USD 41.9 million and USD 15.8 million, compared to USD 94.1 million and USD 37.2 million in the previous month, respectively.

On annual basis, non-traditional exports amount to USD 2,219.0 million compared to USD 2,189.7 million recorded during the previous year, largely due to an increase in minerals, horticultural products and other exports. The export values of horticultural products and other exports was USD 42.7 million and USD 321.1 million, being higher than USD 30.5 million and USD 273.8 million recorded during the previous year, respectively. The increase in horticultural exports which mainly consist of fresh cut flowers was largely due to the expansion in horticultural production coupled with new investments in cut flowers in the Southern part of Tanzania. The increase in other exports was largely due to a rise in exports of oil seeds and wood products.

During the period under review, the value of mineral exports amounted to USD 1,065.5 million, slightly higher than USD 1,002.2 million recorded during the year to November 2008, owing to an increase in exports of gold and diamond. The value of gold exports was USD 1,023.8 million, compared to USD 939.0 million recorded in the year ending November 2008. The increase in the value of gold exports was largely due to a rise in both gold prices in the world market and export volumes. During the year to November 2009, prices of gold increased by 8.7 percent to USD 946.4 per troy ounce. Meanwhile, export volumes of gold went up slightly to 33.4 tons from 32.8 tons recorded during the previous year. On the other hand, the export value of manufactured goods was USD 552.0 million, down from USD 587.7 million recorded during the previous year, with larger part of the drop occurring in exports to the neighbouring countries. **Chart 4.4** depicts the composition of non-traditional exports for the year ending November 2009.

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



Source: Bank of Tanzania

## Service Exports

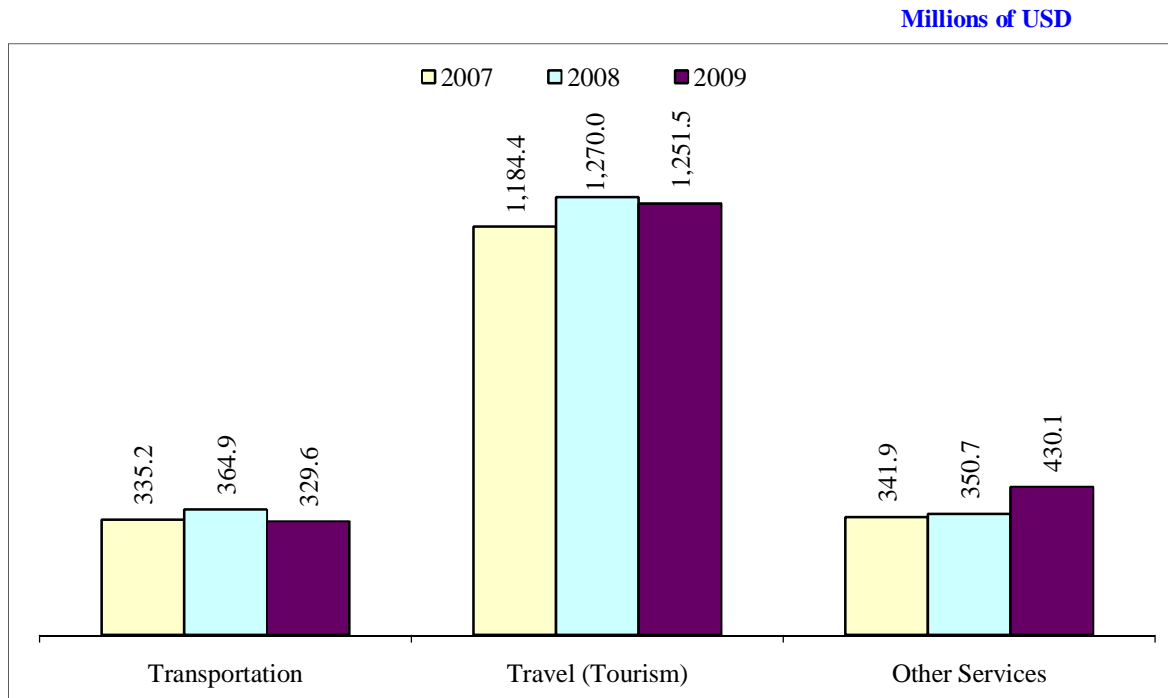
In November 2009, services receipt were USD 200.3 million, marginally lower than USD 202.7 million recorded during the previous month following a drop in receipts from travel and communication services.

On annual basis, services receipt amounted to USD 2,011.2 million, being higher than USD 1,985.6 million recorded during the year ending November 2008, following an increase in receipts from other business and government services. During the review period, receipts from other business services were USD 303.0 million, 25.5 percent higher than the amount recorded in the preceding year. The increase in other business services receipts which comprise legal, accounting, consultancy, research and development and other technical and professional services is in line with the openness of the economy.

On the other hand, Travel which accounts for about 60 percent of total services receipt amounted to USD 1,251.5 million, down from USD 1,270.0 million recorded during the year ending

November 2008. The dismal performance is partly attributed to the global financial crisis, which has affected major sources of tourists to Tanzania. **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 November**



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

## Imports Performance

During November 2009, the value of goods imports shipped into Tanzania was USD 532.4 million, being lower than USD 556.2 million recorded during the previous month, with decline being recorded in all goods categories.

In the year to November 2009, the value of goods import was USD 5,693.7 million being lower than USD 6,407.7 million recorded during the year ending November 2008. This development was largely due to a substantial drop in imports of intermediate goods particularly oil products. The value of oil imports declined by 30.9 percent to USD 1,269.2 million due to a decline in the prices of oil in the world market (**Table 4.2**).

**Table 4.2: Imports**

**Millions of USD**

Items	2008 <sup>p</sup>	2009		% Change		Year Ending November <sup>p</sup>		% Change
		Nov	Oct	Nov	Nov 08- Nov 09	Oct 09 - Nov 09	2008	
	<b>CAPITAL GOODS</b>	<b>224.1</b>	<b>223.8</b>	<b>220.0</b>	<b>-1.8</b>	<b>-1.7</b>	<b>2,587.9</b>	<b>2,482.3</b>
Transport Equipment	71.5	63.7	58.6	-18.2	-8.1	766.3	734.1	-4.2
Building and Constructions	55.2	58.4	70.1	27.1	20.1	606.2	548.4	-9.5
Machinery	97.4	101.6	91.3	-6.2	-10.1	1,215.4	1,199.8	-1.3
<b>INTERMEDIATE GOODS</b>	<b>244.5</b>	<b>200.5</b>	<b>186.2</b>	<b>-23.8</b>	<b>-7.1</b>	<b>2,554.8</b>	<b>1,822.2</b>	<b>-28.7</b>
Oil imports	173.8	148.0	130.6	-24.8	-11.7	1,836.9	1,269.2	-30.9
Fertilizers	23.5	10.7	10.6	-54.8	-1.3	143.2	93.9	-34.4
Industrial raw materials	47.3	41.8	45.0	-4.9	7.7	574.7	459.1	-20.1
<b>CONSUMER GOODS</b>	<b>103.8</b>	<b>131.7</b>	<b>126.0</b>	<b>21.4</b>	<b>-4.3</b>	<b>1,262.9</b>	<b>1,387.0</b>	<b>9.8</b>
Food and food stuffs	20.5	37.9	40.0	94.9	5.4	301.5	343.2	13.8
All other consumer goods <sup>1</sup>	83.3	93.8	86.0	3.3	-8.3	961.3	1,043.8	8.6
<b>GRAND TOTAL (F.O.B)</b>	<b>572.4</b>	<b>556.2</b>	<b>532.4</b>	<b>-6.99</b>	<b>-4.3</b>	<b>6,407.7</b>	<b>5,693.7</b>	<b>-11.1</b>
<b>GRAND TOTAL (C.I.F)</b>	<b>629.1</b>	<b>611.2</b>	<b>585.1</b>	<b>-6.99</b>	<b>-4.3</b>	<b>7,041.5</b>	<b>6,256.8</b>	<b>-11.1</b>

**Oil imports refers to refined petroleum products**

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

**Source: Bank of Tanzania and Tanzania Revenue Authority**

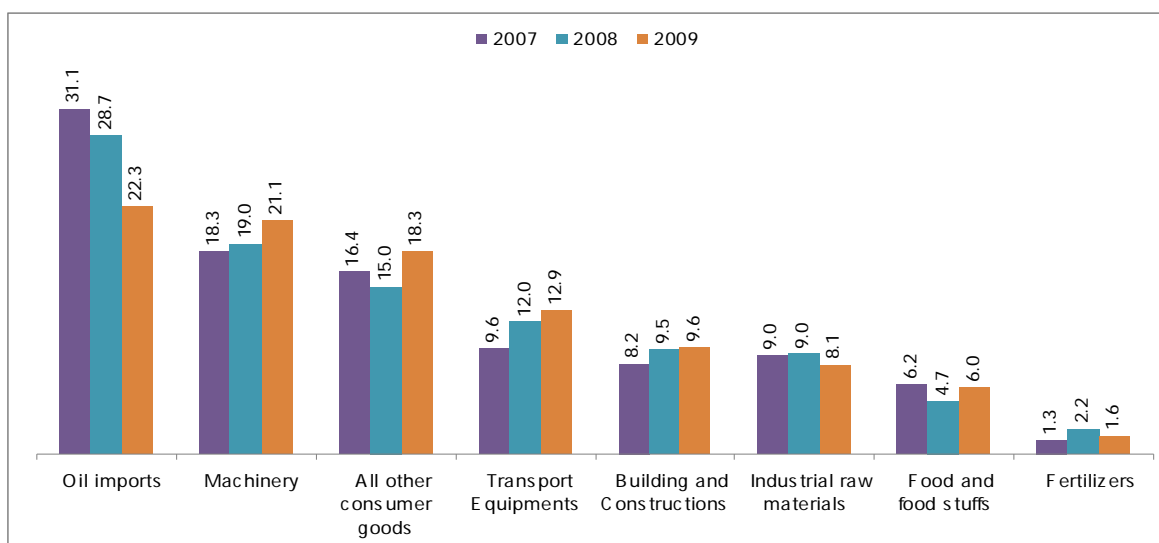
Meanwhile, the volume of imported oil increased from 2,269,281.1 tons recorded during the year ending November 2008 to 2,811,750.3 tons. Import of capital goods was USD 2,482.3 million, being lower than USD 2,587.9 million recorded during the year ending November 2008.

During the year to November 2009, importation of consumer goods was USD 1,387.0 million, being 9.8 percent higher than the value imported in the year before, following an increase in the value of imports of other consumer goods as well as food and foodstuffs. Importation of food and food stuff rose by 13.8 percent to USD 343.2 million on account of the increase in cereals import particularly wheat.

**Chart 4.6** which summarizes the contribution of import sub-categories to total imports indicates that oil imports continue 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 November**



Source: Bank of Tanzania

During November 2009, the value of cereals imports shipped into the country decreased from USD 30.9 million recorded in October 2009 to USD 21.5 million, largely due to a decrease in importation of wheat and maize (Table 4.3).

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

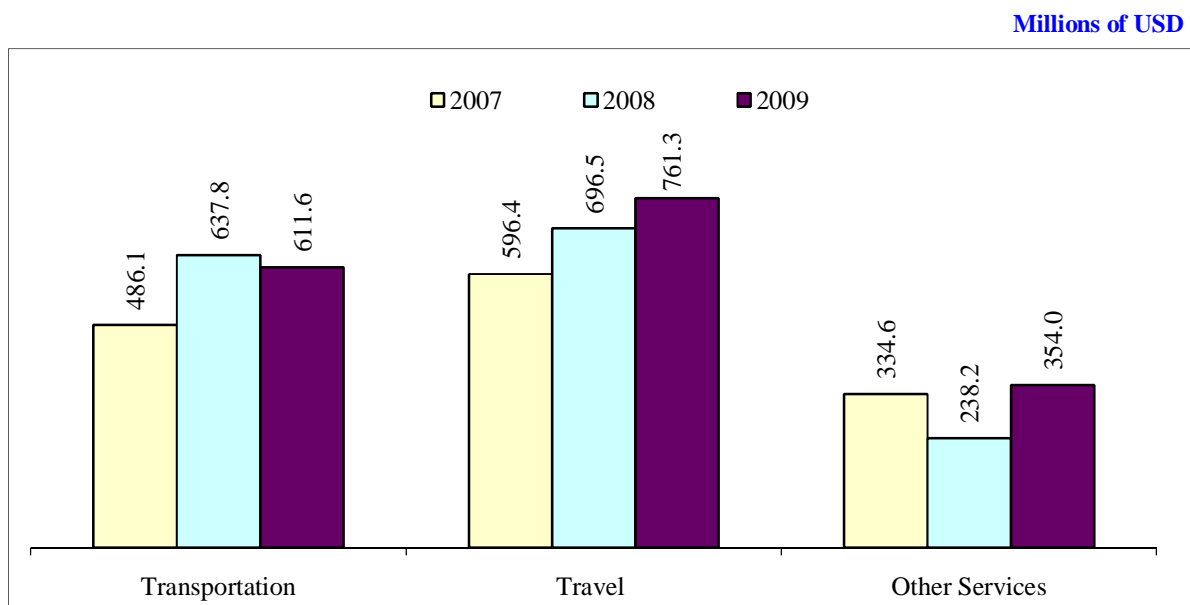
Descriptions	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	% Change (Oct. 09 to Nov.09)
<b>Maize</b>						
Tons	1,654.4	5,059.0	12,887.3	3,676.0	3,559.7	-3.2
Value (Mill. USD)	0.33	1.0	2.2	0.7	0.6	-3.8
Unit Price (\$/mt)	198.1	192.3	172.3	177.5	176.2	-0.7
<b>Rice</b>						
Tons	2,042.9	361.1	241.7	24.0	115.4	380.9
Value (Mill. USD)	1.0	0.2	0.1	0.01	0.05	380.9
Unit Price (\$/mt)	477.6	466.2	476.7	457.5	457.6	0.0
<b>Wheat</b>						
Tons	24,000.0	34,501.0	73,361.5	118,638.5	86,424.9	-27.2
Value (Mill. USD)	6.1	8.4	18.3	30.2	20.8	-31.2
Unit Price (\$/mt)	254.5	243.2	249.7	254.9	240.7	-5.6
<b>Total tons</b>	<b>27,697</b>	<b>39,921</b>	<b>86,491</b>	<b>122,338</b>	<b>90,100</b>	<b>-26.4</b>
<b>Total Value (Mill. USD)</b>	<b>7.4</b>	<b>9.5</b>	<b>20.7</b>	<b>30.9</b>	<b>21.5</b>	<b>-30.5</b>

Source: Tanzania Revenue Authority

## Services Payment

During the review month, services payment amounted to USD 148.4 million, lower than USD 156.0 million recorded in October 2009, following a drop in payments for other business and transportation services. On annual basis, services payment was USD 1,726.8 million, 9.8 percent higher than the payment made in the year ending November 2008 largely due to increase in payment for travel. On the other hand, freight payments declined in line with the decrease in goods imports. **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 November**



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 November, 2009, world market prices exhibited mixed developments. The price of coffee Robusta declined from USD 1.6 per kg recorded during the previous month to USD 1.5 per kg, largely due to expectation of bumper harvest in Vietnam. The price of **tea** (Mombassa auction) went up by 9.6 percent to USD 2.9 per kg following unfavourable weather condition in Kenya. Likewise, the prices of **cotton** ("A" index) and (Memphis) increased by 7.5 percent and 4.3

percent to USD 1.6 per kg and USD 1.7 per kg, respectively. The rise in prices of cotton was also attributed to unfavourable weather condition in major cotton producing countries. The price of **cloves** increased by 1.5 percent to USD 4,175.0 per metric ton, while the price of **sisal** dropped by 3.5 percent to USD 820.0 per metric ton.

During the period under review, the average prices of **crude oil** (UK Brent) and **Dubai** (f.o.b) rose by about 5.0 percent to USD 77.6 per barrel similarly, the price of white **petroleum products** increased by 2.5 percent to USD 656.8 per ton. The increase in oil prices was mainly due to the weakening of U.S dollar against other major currencies. Meanwhile, the price of **gold** went up by 8.1 percent to USD 1,127.0 per troy ounce mainly due to strong investment demand following the depreciation of the U.S dollar against other major currencies.

On annual basis, the price of **coffee** (Robusta) declined by 28.6 percent to USD 1.7 per kg largely on account of increased production in Brazil. The prices of **cotton** (A index) and (Memphis) declined by 16.0 percent and 11.5 percent to USD 1.3 per kg and USD 1.4 per kg, respectively. This development was largely due to a weak demand for cotton from China amid the global financial crisis. The prices of **tea** (average price) and (Mombassa auction) went up by 7.6 percent and 9.0 percent to USD 2.6 per kg and USD 2.4 per kg respectively, following increase in demand for tea from Russia and Middle East coupled with supply shortages arising from unfavourable weather condition in Kenya. The price of sisal declined from USD 1,153.3 per metric ton to USD 1,089.5 per metric ton during the year ending November 2008 and 2009, respectively.

During the year under review, the prices of oil significantly declined mainly on account of a weak global oil demand resulting from the global financial crisis. The price of **gold** went up by 8.7 percent to USD 946.4 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			Oct-Nov % Change	Year Ending Nov.		2008 - 09 % Change
		Sep	Oct	Nov		2008	2009	
Robusta Coffee	USD per kg	1.63	1.62	1.53	-5.56	2.34	1.67	-28.65
Arabica Coffee	USD per kg	3.28	3.41	3.36	-1.47	3.12	3.10	-0.51
Tea (Average price)	USD per kg	3.16	3.03	3.05	0.66	2.45	2.64	7.59
Tea (Mombasa Auction)	USD per kg	2.97	2.61	2.86	9.58	2.21	2.41	9.03
Cotton, "A Index"	USDper kg	1.41	1.47	1.58	7.48	1.60	1.34	-16.04
Cotton, "Memphis"	USD per kg	1.54	1.64	1.71	4.27	1.63	1.44	-11.49
Sisal (UG)	USD per metric ton	850.00	850.00	820.00	-3.53	1,153.33	1,089.50	-5.53
Cloves	USD per metric ton	3,933.33	4,112.50	4,175.00	1.52	4,515.63	3,832.54	-15.13
Crude oil*	USD per barrel	68.35	74.08	77.55	4.68	101.01	58.96	-41.62
Crude oil**	USD per barrel	67.91	73.28	77.63	5.94	97.51	59.55	-38.93
White products***	USD per ton	588.26	640.61	656.79	2.52	949.83	535.95	-43.57
Jet/Kerosine	USD per ton	593.22	646.07	662.40	2.53	1,020.29	536.40	-47.43
Premium Gasoline	USD per ton	632.02	667.52	689.90	3.35	861.00	556.01	-35.42
Heat Oil	USD per ton	539.55	608.25	618.06	1.61	968.19	515.46	-46.76
Gold	USD per troy ounce	997.00	1,043.00	1,127.00	8.05	870.64	946.42	8.70

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 national debt stock at the end of November 2009 amounted to USD 9,597.8 million, being an increase of 1.7 percent from the amount recorded at the end of the preceding month. The increase is attributed to new external disbursements and relatively large amount of domestic debt issuances compared to maturing obligations. Out of the total debt stock, external debt accounted for 80.1 percent and domestic debt 19.9 percent.

### External Debt

During the month under review, the external debt stock increased by 1.9 percent from USD 7,548.9 million recorded at the end of October 2009 to USD 7,690.5 million at the end of November 2009. Out of the total external debt, USD 6,093.3 million or 79.2 percent represented disbursed outstanding debt (**DOD**) and the remaining portion was interest arrears.

Analysis of the external debt stock by borrower category indicates that the Central Government remained the largest borrower accounting for 69.3 percent of the external debt stock. Private sector and public corporations accounted for 20.6 percent and 10.2 percent of the debt respectively (**Table 5.1**).

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

**Millions of USD**

Borrower	Nov-08	Share (%)	Oct-09	Share (%)	Nov-09	Share (%)
<b>Central Government</b>	<b>4,553.9</b>	<b>73.7</b>	<b>5,225.1</b>	<b>69.2</b>	<b>5,328.8</b>	<b>69.3</b>
DOD	3,927.3	63.5	4,532.0	60.0	4,620.9	60.1
Interest Arrears	626.6	10.1	693.1	9.2	708.0	9.2
<b>Private Sector</b>	<b>1,147.5</b>	<b>18.6</b>	<b>1,554.4</b>	<b>20.6</b>	<b>1,580.6</b>	<b>20.6</b>
DOD	728.3	11.8	1,049.8	13.9	1,068.7	13.9
Interest Arrears	419.2	6.8	504.6	6.7	511.9	6.7
<b>Public Corporations</b>	<b>479.2</b>	<b>7.8</b>	<b>769.4</b>	<b>10.2</b>	<b>781.0</b>	<b>10.2</b>
DOD	149.7	2.4	398.9	5.3	402.7	5.2
Interest Arrears	329.4	5.3	370.5	4.9	378.3	4.9
<b>External Debt Stock</b>	<b>6,180.6</b>	<b>100.0</b>	<b>7,548.9</b>	<b>100.0</b>	<b>7,690.5</b>	<b>100.0</b>

In terms of creditor category, debt owed to multilateral creditors amounted to USD 3,940.2 million accounting for 51.2 percent of the total debt, while bilateral creditors accounted for 21.5 percent. Debt owed to other creditors is as shown in [Table 5.2](#).

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

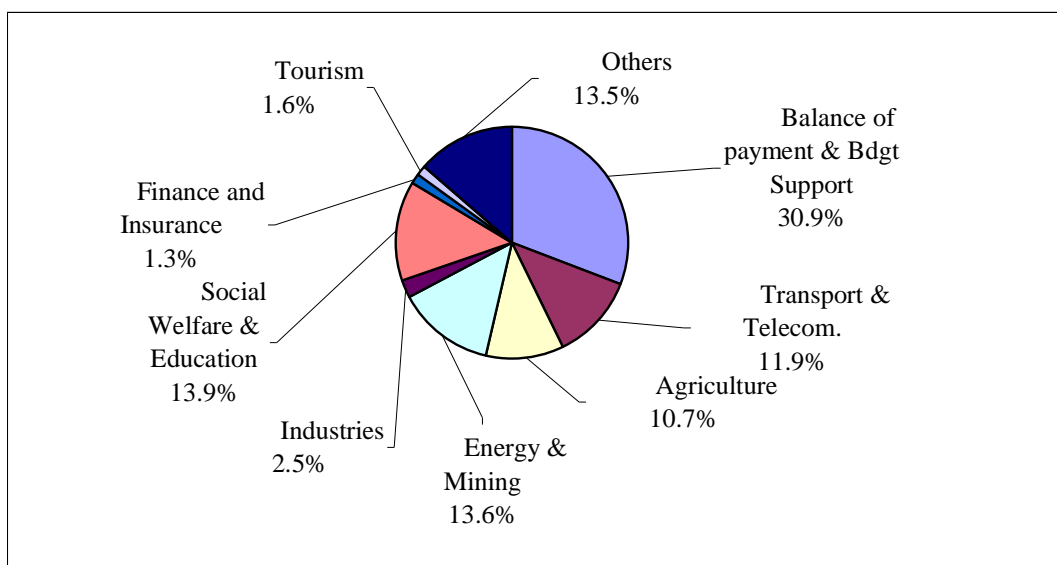
**Millions of USD**

Creditor	Nov-08	Share (%)	Oct-09	Share (%)	Nov-09	Share (%)
<b>Bilateral</b>	<b>1,558.4</b>	<b>25.2</b>	<b>1,630.9</b>	<b>21.9</b>	<b>1,652.3</b>	<b>21.5</b>
Paris Club	574.3	9.3	614.6	8.3	629.0	8.2
Non Paris Club	984.1	15.9	1,016.3	13.6	1,023.3	13.3
<b>Multilateral</b>	<b>2,989.0</b>	<b>48.4</b>	<b>3,856.1</b>	<b>51.3</b>	<b>3,940.2</b>	<b>51.2</b>
AfDB	608.5	9.8	799.4	10.7	821.4	10.7
World Bank	2,049.3	33.2	2,403.0	32.0	2,456.9	31.9
IMF	13.3	0.2	269.4	3.6	273.4	3.6
Others	317.9	5.1	384.3	5.0	388.5	5.1
<b>Commercial</b>	<b>989.5</b>	<b>16.0</b>	<b>1,293.6</b>	<b>16.9</b>	<b>1,316.2</b>	<b>17.1</b>
<b>Export Credit</b>	<b>643.8</b>	<b>10.4</b>	<b>768.3</b>	<b>10.0</b>	<b>781.8</b>	<b>10.2</b>
<b>External Debt</b>	<b>6,180.6</b>	<b>100.0</b>	<b>7,548.9</b>	<b>100.0</b>	<b>7,690.5</b>	<b>100.0</b>

\*IDA & IFC

The profile of outstanding debt by use of funds indicates that 30.9 percent was disbursed for balance of payments and budget support; 13.9 percent for social welfare and education; 13.6 percent for energy and mining and 11.9 percent for transport and telecommunication. The proportion of disbursed outstanding debt used for other activities is as shown in [Chart 5.1](#).

**Chart 5.1: Disbursed Outstanding Debt by Use of Funds**



### **Disbursements and Repayments**

Disbursements received and recorded during the month amounted to USD 6.8 million. External debt service payments amounted to USD 4.5 million, out of which, USD 1.4 million represented principal repayments and USD 3.1 million interest payments.

### **Domestic Debt**

The outstanding domestic debt stock at the end of November 2009 stood at TZS 2,509.5 billion, out of which, Government securities were TZS 2,499.3 billion (99.7 percent) and other debts TZS 8.2 billion (0.3 percent). The debt stock increased by TZS 69.3 billion (2.8 percent) from TZS 2,440.2 billion registered at the end of October 2009. The increase was on account of a large amount of new issuances of Government debt compared to amount of maturing obligations (Table 5.3).

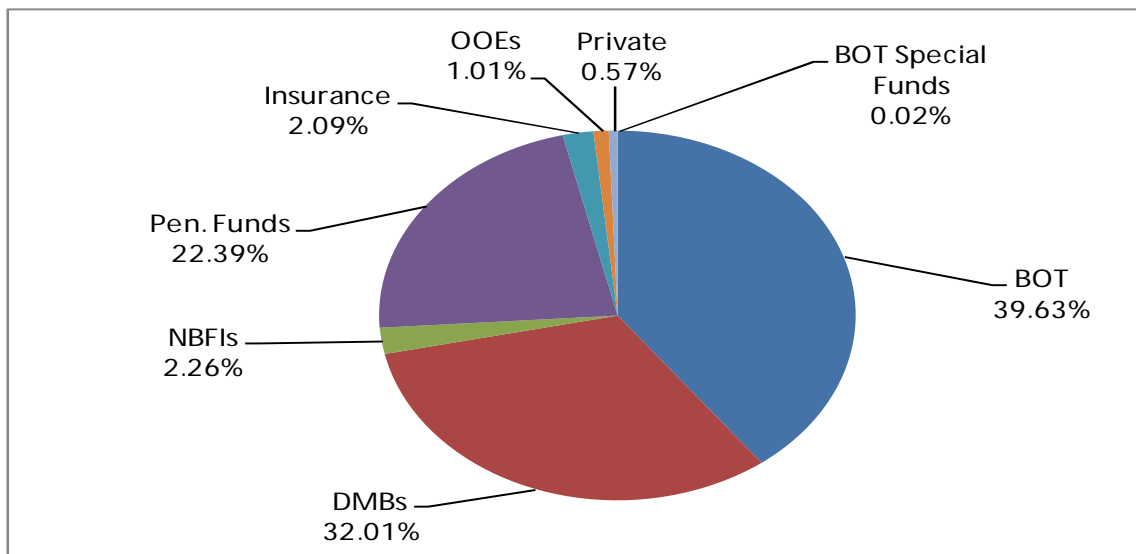
**Table 5.3: Government Domestic Debt by Instruments**

	Billions of T ZS					
	Nov-08	Share (%)	Oct-09	Share (%)	Nov-09	Share (%)
<b>Government Securities</b>	<b>1,970.1</b>	<b>99.6</b>	<b>2,431.9</b>	<b>99.7</b>	<b>2,499.3</b>	<b>99.7</b>
Treasury Bills	326.1	16.5	298.7	12.2	299.4	11.9
Government Stocks	311.7	15.8	257.9	10.6	257.9	10.3
Government Bonds	1,332.2	67.3	1,875.3	76.8	1,941.9	77.4
Tax Certificates	0.1	0.0	0.1	0.0	0.1	0.0
<b>Other Gov't Debt</b>	<b>8.3</b>	<b>0.4</b>	<b>8.3</b>	<b>0.3</b>	<b>8.3</b>	<b>0.3</b>
Mabibo Hostel	8.2	0.4	8.2	0.3	8.2	0.3
Others	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Dom. Debt</b>	<b>1,978.3</b>	<b>100.0</b>	<b>2,440.2</b>	<b>100.0</b>	<b>2,507.5</b>	<b>100.0</b>
<b>Interest Arrears</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Dom. Debt Stock</b>	<b>1,978.3</b>	<b>100.0</b>	<b>2,440.3</b>	<b>100.0</b>	<b>2,507.5</b>	<b>100.0</b>

Source: Bank of Tanzania and MOFEA

Composition of the domestic debt by creditor category at the end of November 2009 indicates that Bank of Tanzania was the leading Government creditor by holding 39.6 percent of the debt stock, followed by commercial banks which held 32.0 percent. The debt owed to Pension funds accounted for 22.4 percent while debt owed to other creditors is as shown in [Chart 5.2](#)

**Chart 5.2: Government Domestic Debt by Holder**



## New Issuance and Domestic Debt Service

During the month under review, newly issued debt amounted to TZS 104.6 billion, out of which, TZS 38.0 were Treasury bills and TZS 66.6 billion Government bonds. Cumulative domestic borrowing as at the end of November 2009 stood at TZS 559.1 billion, equivalent to 51.6 percent of TZS 1,082.7 billion budgeted for the year 2009/10. Out of the amount borrowed, TZS 155.0 were treasury bills while TZS 404.1 billion represented Government bonds (**Table 5.4**).

**Table 5.4: Domestic Borrowing**

Item	Billions of TZS			
	2008/9	2009/10		
	Actual	Budget	Actual (Jul-Nov)	% of Budget
<b>Total</b>	<b>921.1</b>	<b>1082.7</b>	<b>559.1</b>	<b>51.6</b>
Treasury Bills	359.0	202.5	155.0	76.6
Treasury Bonds	562.0	880.2	404.1*	45.9

\*Includes TZS 150 billion Special bond

Domestic debt service during the month amounted to TZS 45.0 billion, out of which, interest amounting to TZS 8.6 billion was paid out of government revenue, while principal amounting to TZS 36.4 billion was rolled over.



## 6.0 Economic Developments in Zanzibar

### Inflation Developments

**The Annual Headline Inflation** in November 2009 increased to 4.7 percent, from 4.5 percent recorded in the year ended October 2009. The increase in inflation was attributed to an increase in food inflation. However, the **month-to-month headline** inflation declined to a stand still from 0.9 recorded in October 2009, on account of deceleration of both food and non-food inflation (**Table 6.1 and Chart 6.1**).

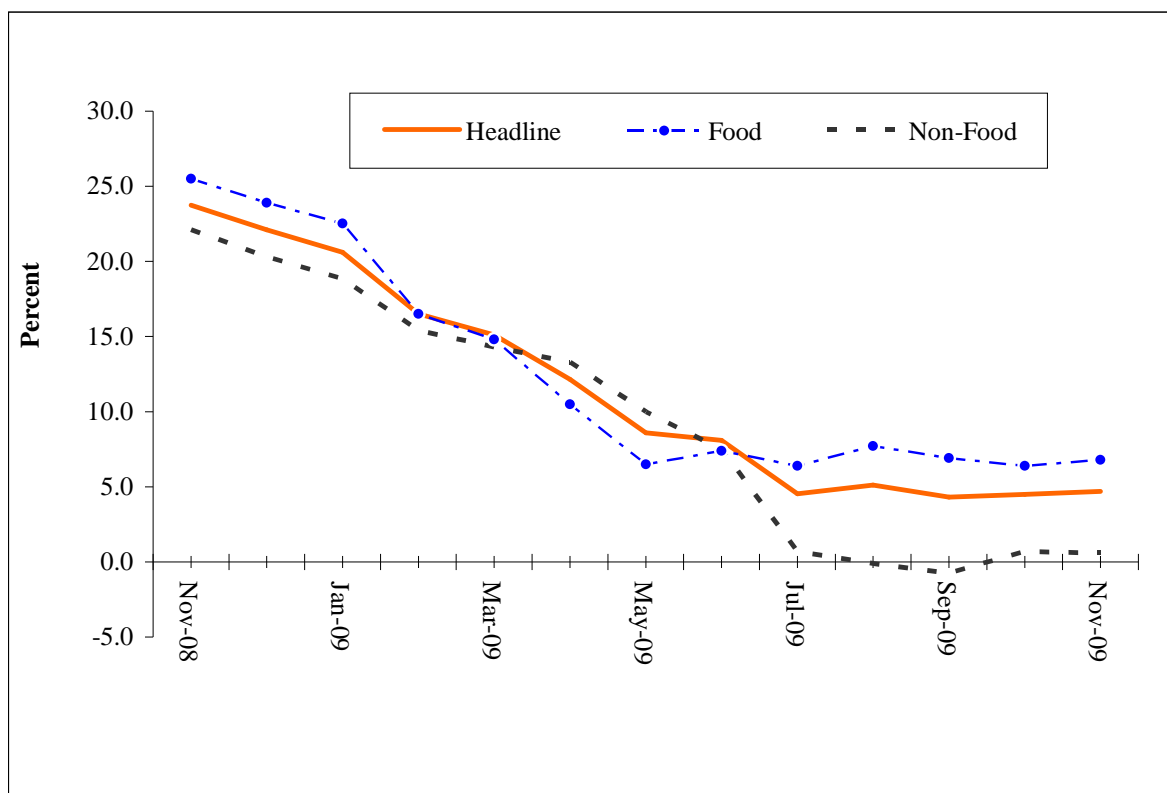
**Table 6.1: Annual Percentage change in Consumer Price Index (CPI)**

**Base: Dec.2005=100**

Major Commodity Group	Weights (%)	2008			2009		
		Sep	Oct	Nov	Sep	Oct	Nov
<b>Headline/Overall</b>	<b>100</b>	<b>26.6</b>	<b>25.3</b>	<b>23.7</b>	<b>4.3</b>	<b>4.5</b>	<b>4.7</b>
<b>Food</b>	<b>57.4</b>	<b>29.5</b>	<b>28.3</b>	<b>25.5</b>	<b>6.9</b>	<b>6.4</b>	<b>6.8</b>
<b>Non-Food</b>	<b>42.6</b>	<b>23.9</b>	<b>22.2</b>	<b>22.1</b>	<b>-0.8</b>	<b>0.7</b>	<b>0.6</b>
Alcoholic Beverages, Tobacco & Narcotics	0.6	14.8	16.0	16.4	9.3	17.2	21.5
Clothing & Footwear	6.2	10.4	8.7	10.2	5.7	4.9	4.7
Housing, Water, Electricity, Gas & Other Fuels	15.6	37.4	36.3	36.6	-3.2	-1.8	-1.2
Furnishing, Household Equipment & Routine Household Maintenance	5.3	15.1	13.4	12.8	5.1	5.3	4.9
Health	2.1	14.8	15.4	16.4	7.4	6.5	6.1
Transport	3.4	25.8	24.9	23.2	-13.3	-11.8	-11.4
Communication	2.4	-2.4	-0.8	-0.9	1.6	0.0	0.0
Recreation & Culture	0.4	6.1	5.7	5.2	3.5	4.7	4.2
Education	1.1	7.8	7.8	8.7	4.5	4.5	3.6
Restaurants & Hotels	3.1	28.7	20.3	15.4	8.0	16.6	13.3
Miscellaneous Goods & Services	2.4	19.8	19.1	21.3	12.6	13.2	12.1

**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** increased to 6.8 percent in November 2009, from 6.4 percent registered in the year ended October 2009, mainly due to increased average prices of fish, cooking oil and maize flour, following supply shortage of these items in the markets. Specifically, the average prices for fish, cooking oil and maize flour increased by 7.8 percent, 1.2 percent and 14.3 percent, respectively. The **month-to-month food inflation** declined from 0.9 percent recorded in October 2009, to -0.5 percent during the month under review, mainly on account of decreased prices of fish.

**Annual non-food inflation** decreased from 0.7 percent in the year ended October 2009 to 0.6 percent in November 2009. The outturn was mainly attributed to a decrease in pump prices of petroleum products. Specifically, prices of diesel, petrol and kerosene prices dropped by 22.0 percent, 11.9 percent and 29.9 percent, respectively. The **month -to-month** non-food inflation declined from 1.3 percent in October 2009 to 0.6 percent recorded in November 2009.

## **Fiscal Performance**

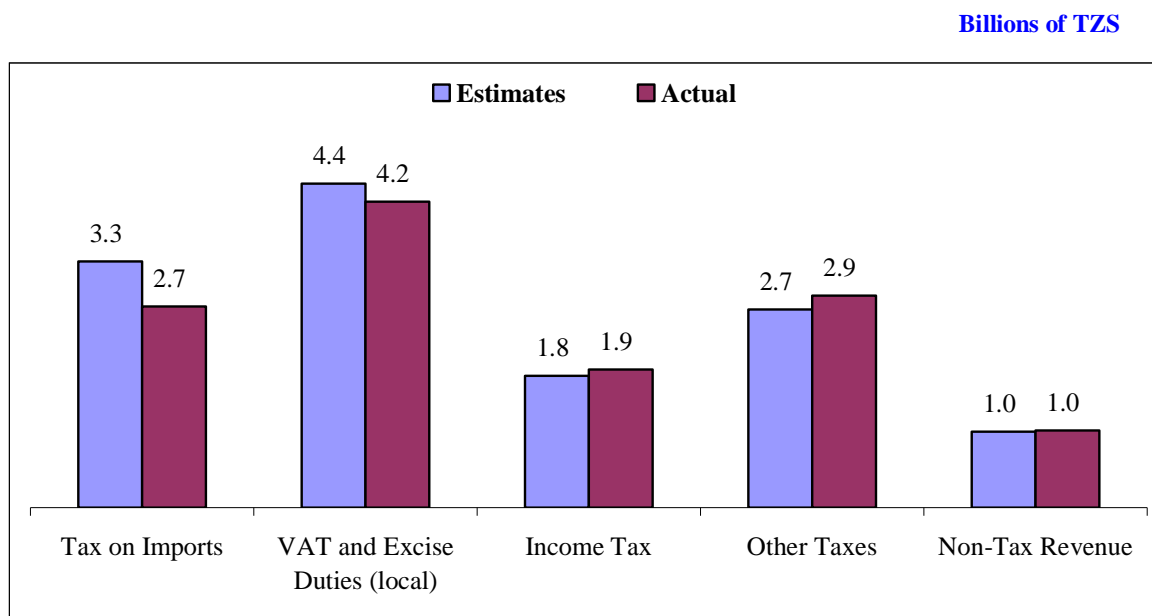
Government budgetary operations on cheques issued basis registered a deficit after grants of TZS 7.1 billion in November 2009. The deficit after adjustment to cash narrowed to TZS 2.3 billion. Total resources during the month under review amounted to TZS 18.5 billion, below the target of TZS 22.3 billion. Domestic sources contributed TZS 12.7 billion, or 68.6 percent, while the balance was foreign grants. Total expenditure during the month under review reached TZS 25.6 billion, below the target of TZS 28.0 billion. The budget deficit was exclusively financed through foreign sources

## **Revenue**

Total revenue collections during November 2009 amounted to TZS 12.7 billion, below the monthly target of TZS 13.3 billion. Tax collections reached TZS 11.7 billion, below the target of TZS 12.2 billion, and accounted for 92.1 percent of the total revenue collections. Non-tax revenue sources amounted to TZS 1.0 billion, the same as the monthly target and accounted for 7.9 percent of total revenue collections for the reporting month.

Revenue collections by category shows that, local VAT and excise duty collections amounted to TZS 4.2 billion, and was below the target of TZS 4.4 billion, and accounted for 33.1 percent of the total revenue collections. The under performance was mainly due to declining in tourist activities coupled with delays in payment of tax dues. Tax collections on imports amounted to TZS 2.7 billion, below the target of TZS 3.3 billion, and accounted for 21.2 percent of total revenue collections. The shortfall was mainly on account of a decline in taxable imports in Zanzibar. Income tax collections amounted to TZS 1.9 billion, exceeding the monthly target by 5.6 percent. Collections of other taxes reached TZS 2.9 billion, which was above the target of TZS 2.7 billion (**Chart 6.2**).

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



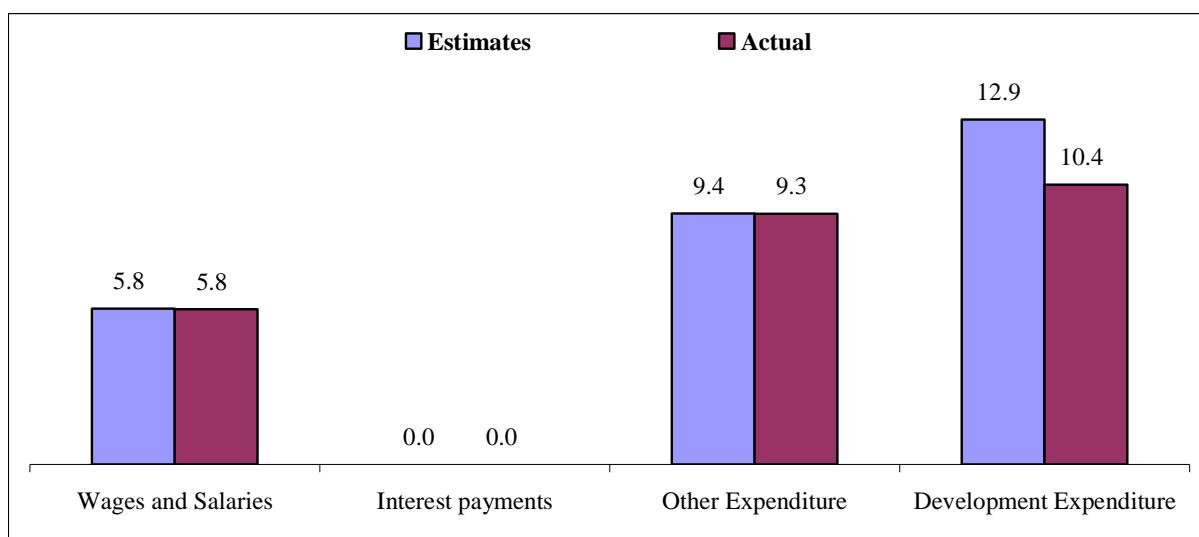
Cumulatively, during July - November 2009, total Government revenue collections reached TZS 58.8 billion and accounted for 36.8 percent of the annual target of TZS 159.7 billion for the period. During similar period in 2008, government revenue collections amounted to TZS 52.5 billion.

## Expenditure

Total government expenditure during November 2009, amounted to TZS 25.5 billion, and was below the target of TZS 28.0 billion by 8.9 percent. Total recurrent expenditure amounted to TZS 15.1 billion, or 59.2 percent of total expenditure, while the rest was development expenditure. Expenditure on wages and salaries amounted to TZS 5.8 billion, same as the target and accounted for 38.4 percent of the total recurrent expenditure. Expenditure on other charges was TZS 9.3 billion, as per monthly target and accounted for 61.6 percent of the recurrent expenditure (**Chart 6.3**).

**Chart 6.3: Government Expenditure by Components, Actual versus Target – November 2009**

Billions of TZS



Source: Ministry of Finance and Economic Affairs, Zanzibar.

The development expenditure reached TZS 10.4 billion, being lower than the target of TZS 12.9 billion by 19.4 percent. Out of the total development expenditure government contributions amounted to TZS 2.3 billion, below the target of TZS 3.9 billion and accounted for 22.1 percent of the total development expenditure. Donor foreign inflows amounted to TZS 4.8 billion, above the target of TZS 4.1 billion, and accounted for 46.2 percent of the total development expenditure. Grant received from the Union Government was TZS 3.2 billion and accounted for 30.8 percent of the total development expenditure during the month under review.

Cumulatively from July – November 2009, total Government expenditure reached TZS 109.4 billion, and accounted for 26.5 percent of the annual target of TZS 412.6 billion for the period.

## Debt Developments

As at end of November 2009, total debt stock of Zanzibar amounted to TZS 139.8 billion (USD 106.4 million), compared to TZS 140.6 billion (USD 107.5 million), recorded as at end of October 2009. Total external debt amounted to TZS 83.8 billion (USD 63.7 million), accounting for 59.9 percent of the total debt stock. The remaining was domestic debt, which amounted to

TZS 56.1 billion (USD 42.6 million) or 40.1 percent of total debt stock. Total Debt to GDP ratio was 18.7 percent, compared to 18.8 percent, recorded at end of October 2009.

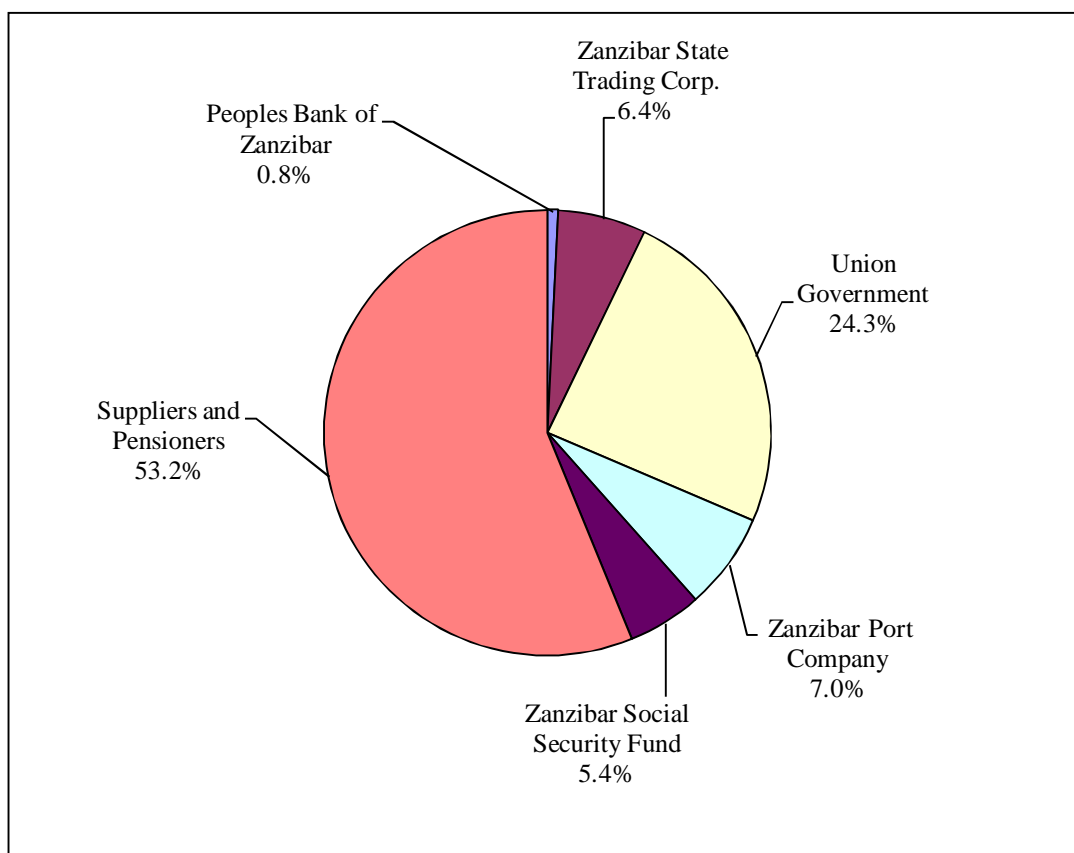
## **Domestic Debt**

As at end of November 2009, domestic debt stock declined by 3.4 percent to TZS 56.1 billion, down from TZS 58.1 billion recorded at the end of October 2009. The decline was mainly on account of servicing by the government of claims due to Zanzibar State Trading Corporation (ZSTC) and Zanzibar Social Security Fund (ZSSF).

## **Domestic Debt by Creditors**

As at end of November 2009, claims by government suppliers and pensioners amounted to TZS 31.5 billion, compared to TZS 31.2 billion, recorded at end of October 2009; and represented 56.2 percent of the total domestic debt. The Union Government debt remained stable at TZS 13.6 billion, equivalent to 23.3 percent of the total domestic debt. Zanzibar Ports Corporation (ZPC) claims remained at TZS 3.9 billion, the same as reported during the previous month; and represented 7.0 percent of total domestic debt. Debt due to Zanzibar State Trading Corporation (ZSTC) declined to TZS 3.5 billion, down from TZS 5.1 billion; and accounted for 6.4 percent of total domestic debt. Debt stock payable to Zanzibar Social Security Fund (ZSSF), declined to TZS 3.0 billion, compared to TZS 3.8 billion for the preceding month, and accounted for 5.4 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 (**Chart 6. 4**).

**Chart 6.4: Domestic Debt by Creditor as at End – November 2009**



Source: Ministry of Finance and Economic Affairs-Zanzibar

### **Domestic Debt by Maturity**

During the review period, the profile of total domestic debt stock by maturity shows that, debt with “undetermined maturity” (old government loans) amounted to TZS 29.3 billion, slightly below TZS 31.3 billion reported in October 2009; and accounted for 52.2 percent of total domestic debt stock. Debt maturing between 2 – 5 years remained stable at TZS 20.2 billion, or 36.0 percent of total domestic debt, while debt maturing in less than a year amounted to TZS 6.6 billion, the same as reported in the previous month; and accounted for 11.8 percent of total domestic debt.

## External Debt

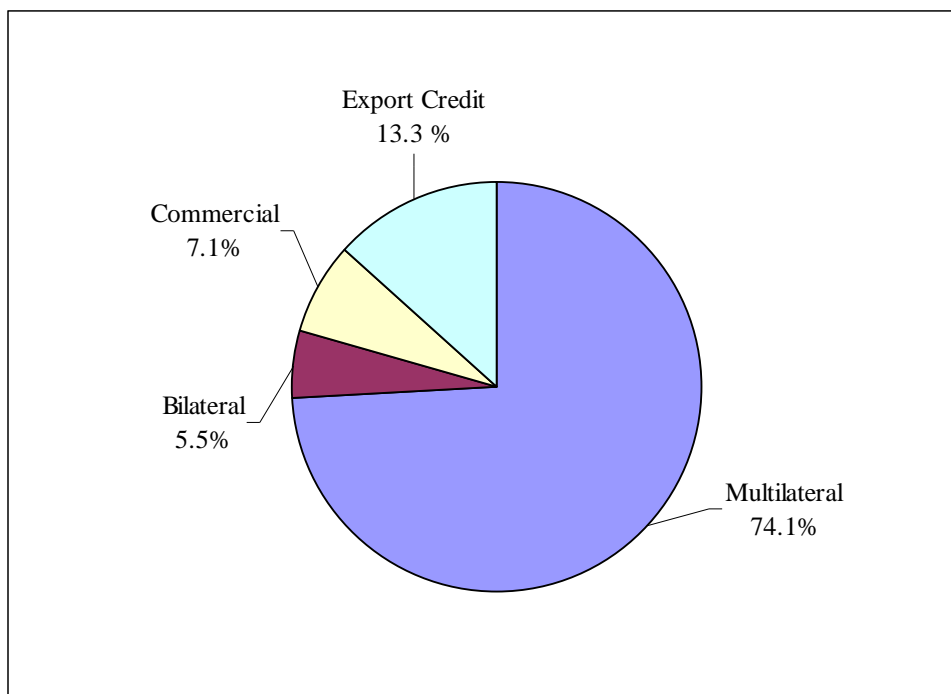
As at end of November 2009, Zanzibar total external debt stock amounted to TZS 83.8 billion (USD 63.7 million), compared to TZS 82.5 billion (USD 63.1 million), recorded in October 2009. Out of the total external debt stock, debt guaranteed by the Union Government amounted to USD 47.9 million, and accounted for 75.2 percent of the external debt, while the remaining was non-guaranteed debt, which amounted to USD 15.8 million, equivalent to 24.8 percent of total external debt stock.

### External Debt by Creditor Category

The profile of external debt by creditor, shows that; multilateral creditors which amounted to USD 47.2 million (TZS 62.1 billion), was dominant, and accounted to 74.1 percent of the total external debt stock. Bilateral creditors debt stock amounted to USD 3.5 million (TZS 4.6 billion), ranked second and accounted for 5.5 percent of total external debt. Commercial creditors remained stable at USD 4.5 million (TZS 5.9 billion), and accounted for 7.1 percent of the total external debt stock. Export credits amounted to USD 8.5 million (TZS 11.2 billion) or 13.3 percent of total external debt (**Chart 6.5**).



**Chart 6.5: External Debt by Creditor as at End – November 2009**



Source: Ministry of Finance and Economic Affairs-Zanzibar

## **External Sector Performance**

### **Current Account**

During November 2009, Zanzibar current account balance registered a surplus of USD 0.7 million, up from a deficit of USD 2.3 million, recorded in October 2009; mainly due to improvement in both inflow of current transfers and goods exports. Trade account balance recorded a deficit of USD 5.1 million, compared to a deficit of USD 5.2 million recorded in October 2009.

During the year ended November 2009, the current account balance recorded a surplus of USD 30.2 million, compared to a deficit of USD 26.3 million registered in similar period in 2008. The improvement was mainly a result of increases in current transfers and receipts from exports. During the period, donor disbursements was USD 69.3 million, nearly double the amount of USD 35.9 million received from the preceding year. Exports of goods and services were USD 127.3 million, being 22.4 percent higher than USD 104.0 million recorded in the year ending November

2008. The trade account deficit narrowed to USD 59.6 million, compared to a deficit of USD 91.5 million registered in year ending November 2008. The performance of the trade account balance was associated with a surge in goods exports by 54.6 percent, coupled with declined goods imports by 19.9 percent (Table 6.2).

**Table 6.2: Zanzibar Current Account Balance**

Millions of USD

Item	2008	2009p			Year Ending November		% Change	
	Nov	Sep	Oct	Nov	2008	2009p	Monthly	Annual
<b>Goods Account (net)</b>	<b>-7.23</b>	<b>-6.92</b>	<b>-5.24</b>	<b>-5.07</b>	<b>-91.49</b>	<b>-59.64</b>	<b>1.90</b>	<b>34.70</b>
Exports	1.55	4.61	1.65	2.90	18.34	28.29	70.60	54.60
Imports (fob)	8.78	11.54	6.89	7.97	109.84	87.93	15.90	-19.90
<b>Services Account (net)</b>	<b>3.12</b>	<b>2.01</b>	<b>2.60</b>	<b>2.02</b>	<b>30.61</b>	<b>26.89</b>	<b>-23.10</b>	<b>-12.10</b>
Receipts	8.33	8.32	8.47	8.32	85.65	99.00	-2.40	15.70
Payments	5.21	6.31	5.87	6.30	55.04	72.11	6.80	31.10
<b>Goods and Services (net)</b>	<b>-4.11</b>	<b>-4.91</b>	<b>-2.64</b>	<b>-3.05</b>	<b>-60.88</b>	<b>-32.75</b>	<b>19.20</b>	<b>46.10</b>
Exports of Goods and Services	9.88	12.94	10.12	11.21	103.99	127.29	10.90	22.40
Imports of Goods and Services	13.99	17.85	12.76	14.27	164.87	160.04	11.70	-3.00
<b>Income Account (net)</b>	<b>-0.02</b>	<b>-0.65</b>	<b>-0.49</b>	<b>-0.64</b>	<b>-1.32</b>	<b>-6.38</b>	<b>-20.00</b>	<b>-392.30</b>
Receipts	0.04	0.03	0.04	0.04	0.32	0.38		33.30
Payments	0.06	0.68	0.54	0.67	1.64	6.76	40.00	325.00
<b>Current Transfers (net)</b>	<b>1.40</b>	<b>19.32</b>	<b>0.80</b>	<b>4.38</b>	<b>35.87</b>	<b>69.31</b>	<b>450.00</b>	<b>93.00</b>
Inflows	1.40	19.32	0.80	4.38	35.87	69.31	450.00	93.00
Outflows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Current Account Balance</b>	<b>-2.73</b>	<b>13.76</b>	<b>-2.33</b>	<b>0.69</b>	<b>-26.33</b>	<b>30.17</b>	<b>130.40</b>	<b>214.80</b>

p = provisional

Source: Tanzania Revenue Authority and BOT computations.

## Exports Performance

Total exports of goods shipped and services receipts in November 2009, amounted to USD 11.2 million, up from USD 10.1 million recorded in October 2009. Services receipts amounted to USD 8.3 million, down from USD 8.5 million recorded in October 2009; and accounted for 74.1 percent of total. Shipment of goods exports amounted to USD 2.9 million, up from USD 1.7 million posted in the previous month; and was equivalent to 25.9 percent of total value of exports shipped.

During the year ended November 2009, total exports of goods and services was USD 127.3 million, being 22.4 percent higher than USD 104.0 million recorded during the year ended November 2008. Services receipts increased by 15.7 percent to USD 99.0 million, compared to

USD 85.6 million, and accounted for 77.8 percent of total exports. Goods exports increased by 54.6 percent to USD 28.3 million, and represented 22.2 percent of total exports.

Export of cloves for the year ended November 2009, amounted to USD 14.3 million, up from USD 5.7 million recorded in year ending November 2008; and accounted for 11.2 percent of total exports. Cloves exports volume rose to 4,100 tons, up from 1,500 tons, while average export price declined by 10.0 percent to USD 3,519.1per ton. The crop volume increase was linked with crop harvest seasonality and government anti-smuggling measures. Seaweed exports amounted to USD 2.9 million, up from USD 2.5 million, and represented 2.3 percent of total exports receipts. Manufactured goods exports amounted to USD 5.0 million, compared to USD 4.4 million, and accounted for 3.9 percent of total exports receipts. Fish exports amounted to USD 0.3 million, above USD 0.2 million, while other exports (mainly souvenirs and spices) amounted to USD 5.8 million, an increase of 5.5 percent from USD 5.5 million recorded in 2008, and accounted for 4.6 percent of total exports (**Table 6.3**).

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

Item	Units	Millions of USD							
		2008 Nov	2009p			Year Ending November		%Change	
		Nov	Sep	Oct	Nov	2008	2009p	Monthly	Annual
<b>Traditional :</b>									
<b>Cloves</b>									
Value	Millions	0.62	3.10	0.53	1.58	5.75	14.32	220.00	150.90
Volume	000 Tons	0.16	0.89	0.15	0.45	1.47	4.07	100.00	173.30
Unit Price	USD/Ton	3904.96	3500.00	3500.00	3544.94	3909.65	3519.14	1.28	-10.00
<b>Non-Traditional :</b>									
<b>Seaweeds</b>									
Value	Millions	0.19	0.23	0.24	0.26	2.55	2.85	50.00	16.00
Volume	000 Tons	0.56	0.82	0.92	0.99	10.11	10.91	11.10	7.90
Unit Price	USD/Ton	331.34	275.61	259.54	263.12	252.05	261.50	1.38	3.80
<b>Manufactured Goods</b>	<b>Millions</b>	<b>0.42</b>	<b>0.63</b>	<b>0.39</b>	<b>0.47</b>	<b>4.43</b>	<b>5.02</b>	<b>25.00</b>	<b>13.60</b>
<b>Fish and Fish Produce</b>	<b>Millions</b>	<b>0.01</b>	<b>0.05</b>	<b>0.03</b>	<b>0.03</b>	<b>0.15</b>	<b>0.34</b>	<b>..</b>	<b>50.00</b>
<b>Others Exports</b>	<b>Millions</b>	<b>0.32</b>	<b>0.61</b>	<b>0.47</b>	<b>0.55</b>	<b>5.46</b>	<b>5.75</b>	<b>20.00</b>	<b>5.50</b>
<b>SUB TOTAL</b>	<b>Millions</b>	<b>0.74</b>	<b>1.52</b>	<b>1.13</b>	<b>1.32</b>	<b>12.59</b>	<b>13.97</b>	<b>18.20</b>	<b>30.00</b>
<b>GRAND TOTAL</b>	<b>Millions</b>	<b>1.55</b>	<b>4.61</b>	<b>1.65</b>	<b>2.90</b>	<b>18.34</b>	<b>28.29</b>	<b>70.60</b>	<b>54.60</b>

p = provisional

Source: Tanzania Revenue Authority and BOT computations

## Goods Imports

Goods imports shipped into Zanzibar in November 2009 amounted to USD 8.8 million, compared with USD 7.6 million recorded in October 2009, on account of increase in capital and consumer

goods. During the year ending November 2009, total goods imports (c.i.f) declined to USD 96.6 million, from USD 120.7 million, recorded in a similar period in 2008. Capital goods imports decreased to USD 41.2 million, from USD 52.0 million, and accounted for 42.7 percent of total goods imports while intermediate goods declined to USD 33.4 million, from USD 44.7 million, and represented 34.6 percent of total goods imports. Importation of oil products amounted to USD 26.0 million, down from USD 33.1 million, registered in corresponding period in 2008; and represented 26.9 percent of total goods imports. The import bill for foods and foods stuffs stood at USD 8.0 million, compared to USD 7.8 million (Table 6.4).

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

Millions of USD

Import Category	2008	2009p			Year Ending November		%Change	
	Nov	Sep	Oct	Nov	2008	2009p	Monthly	Annual
<b>Capital Goods</b>	<b>5.0</b>	<b>7.1</b>	<b>2.8</b>	<b>4.2</b>	<b>52.0</b>	<b>41.2</b>	<b>50.0</b>	<b>-20.8</b>
Transport Equipment	3.2	4.2	1.3	2.3	31.7	21.6	76.9	-31.9
Building and Constructions	0.8	0.9	0.6	0.6	7.8	8.0	0.0	2.6
Machinery	0.9	2.0	0.8	1.3	12.5	11.6	62.5	-7.2
<b>Intermediate Goods</b>	<b>2.8</b>	<b>3.2</b>	<b>3.1</b>	<b>2.6</b>	<b>44.7</b>	<b>33.4</b>	<b>-16.1</b>	<b>-25.3</b>
Oil imports	2.0	2.4	2.5	2.0	33.1	26.0	-20.0	-21.5
Industrial raw materials	0.8	0.8	0.6	0.5	11.6	7.5	-16.7	-35.3
<b>Cnsuner Goods</b>	<b>1.9</b>	<b>2.3</b>	<b>1.8</b>	<b>1.9</b>	<b>24.0</b>	<b>22.0</b>	<b>5.6</b>	<b>-8.3</b>
Food and food stuffs	0.3	0.7	0.7	0.6	7.8	8.0	-14.3	2.6
All other consumer goods	1.6	1.7	1.1	1.3	16.2	14.0	18.2	-13.6
<b>GRAND TOTAL (CIF)</b>	<b>9.6</b>	<b>12.7</b>	<b>7.6</b>	<b>8.8</b>	<b>120.7</b>	<b>96.6</b>	<b>15.8</b>	<b>-19.7</b>
<b>GRAND TOTAL (FOB)</b>	<b>8.8</b>	<b>11.5</b>	<b>6.9</b>	<b>8.0</b>	<b>109.8</b>	<b>87.9</b>	<b>15.9</b>	<b>-19.9</b>

p = provisional

Source: Tanzania Revenue Authority

## Services Account

During November 2009, services account recorded a surplus of USD 2.0 million, compared to a surplus of USD 2.6 million, recorded in October 2009. Foreign receipts amounted to USD 8.3 million, down from USD 8.5 million, while foreign payments amounted to USD 6.3 million, up from USD 5.9 million, registered in the preceding month. On annual basis, the services account registered a surplus of USD 26.9 million, lower than a surplus of USD 30.6 million recorded in the year ending November 2008. Total foreign receipts amounted to USD 99.0 million, up from USD 85.6 million, while payments amounted to USD 72.1 million, compared to USD 55.0 million, recorded during the year ending November 2008.

# **STATISTICAL TABLES**

**Table A1: Selected Economic Indicators (Annual)**

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>5. Public Finance</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>							
Total External Debt	Mill. USD	<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	

Note:

1 Calculated on the basis of GDP at Market Prices (Current Prices)

2 GNDI stands for gross national disposable income

3 Annual Average

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

r Revised

P = Provisional

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

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

Millions of TZS

Item	BUDGET 2009/10	Monthly Flows - Actuals					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
<b>Dev. Expenditure and net lending</b>	<b>2,825,431.0</b>	<b>119,812.0</b>	<b>220,139.9</b>	<b>313,950.9</b>	<b>213,680.8</b>	<b>252,250.9</b>	<b>1,139,524.6</b>	<b>1,119,834.6</b>	<b>222,295.5</b>	<b>252,250.9</b>
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>-1,087,597.7</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

**Table A3: Depository Corporations Survey (Provisional)**

Billions of TZS

Item	Dec-08	2009						Prov.				
		Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-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>
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
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
<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>
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
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
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
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
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
<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>
Currency outside depository corporations	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
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
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
<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>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>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>
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
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
<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>
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
<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>
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
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

Note: Data reflect new series based on the IMF's 2000

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



**Table A4 : Interest Rate Structure**

Item	Percent												
	2008		2009 <sup>P</sup>										
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
<b>A: Domestic Currency</b>													
<b>Interbank Cash Market Rates</b>													
Overnight	5.51	6.27	8.31	9.63	9.90	9.29	6.49	4.46	2.44	0.82	1.04	1.21	1.19
2 to 7 days	5.80	6.60	8.64	9.97	10.17	9.74	7.11	5.38	4.06	1.44	1.28	1.55	1.81
8 to 14 days	5.89	6.21	8.34	10.84	10.77	9.85	7.38	5.30	4.43	1.90	1.55	1.41	1.67
15 to 30 days	5.90	5.90	5.90	5.90	11.76	10.27	7.35	5.75	4.19	1.54	2.28	3.28	3.28
31 to 60 days	6.83	8.75	8.75	11.01	11.80	11.05	7.87	5.30	4.58	2.82	2.69	3.04	3.91
61 to 90 days	5.93	11.00	11.00	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15	5.00
91 to 180 days	11.46	11.69	11.50	12.00	12.00	12.00	9.40	8.60	9.17	3.27	3.68	4.00	4.00
181 and above	13.00	13.00	13.00	14.35	14.35	14.35	12.00	12.00	5.56	7.05	6.47	9.00	5.47
<b>Overall Interbank cash market rate</b>	<b>5.85</b>	<b>6.54</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>Lombard Rate</b>	<b>9.66</b>	<b>10.32</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>REPO Rate</b>	<b>5.32</b>	<b>6.42</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>Treasury Bills Rates</b>													
35 days	6.44	6.88	7.43	7.54	7.62	7.03	6.40	4.81	3.45	2.65	2.07	3.01	3.33
91 days	10.76	11.20	11.60	11.99	12.43	10.55	8.25	5.56	4.14	3.53	2.97	3.38	5.29
182 days	11.00	12.13	13.28	14.64	14.86	12.04	10.20	7.86	6.27	5.46	4.84	4.90	5.28
364 days	11.97	12.79	15.32	14.74	14.99	12.57	10.69	9.11	8.28	7.72	7.79	8.22	8.60
<b>Overall Treasury bills rate</b>	<b>10.33</b>	<b>10.99</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>Treasury Bonds Rates</b>													
2-years	14.35	14.35	14.35	14.35	15.28	15.28	11.51	11.51	11.51	11.51	10.89	10.89	
5-years	16.39	16.39	17.32	17.32	17.32	16.58	16.58	16.58	16.58	16.58	13.45	13.45	13.45
7-years	17.04	17.04	17.04	17.04	17.04	17.06	17.06	17.06	17.06	14.14	14.14	14.14	14.15
10-years	19.47	19.47	19.47	19.92	19.92	19.92	19.92	19.92	16.95	16.95	16.95	16.95	16.95
<b>Discount Rate</b>	<b>15.33</b>	<b>15.99</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>Savings Deposit Rate</b>	<b>2.66</b>	<b>2.71</b>	<b>2.61</b>	<b>2.72</b>	<b>2.69</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>2.61</b>
<b>Overall Time Deposits Rate</b>	<b>6.38</b>	<b>6.39</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>Call Accounts</b>													
1 month	0.64	0.65	0.45	0.71	0.89	1.04	1.05	1.04	1.10	1.14	1.13	0.96	0.98
2 months	6.24	6.53	6.49	7.03	7.36	7.07	7.22	6.24	6.44	6.47	6.08	5.68	5.71
3 months	7.31	7.96	7.26	7.61	7.96	7.75	7.11	7.15	8.86	8.15	7.77	7.47	7.18
6 months	7.80	7.38	8.06	7.68	8.46	7.81	7.39	8.28	8.37	7.79	8.15	7.43	7.27
9 months	7.93	8.20	8.06	8.61	8.79	8.88	8.92	8.08	8.20	8.45	8.29	7.90	7.83
12 months	8.76	8.29	8.65	8.47	8.44	8.85	9.13	8.79	9.04	9.02	8.82	8.83	7.36
24 months	5.96	5.75	5.90	5.91	5.66	6.57	6.86	6.03	6.58	7.09	6.79	6.51	4.12
<b>Negotiated Deposit Rate</b>	<b>10.26</b>	<b>10.23</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>Overall Lending rate</b>	<b>14.30</b>	<b>16.05</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>	12.25
<b>Call Loans</b>													
Short-term (up to 1 year)	19.25	19.25	19.25	19.25	19.25	19.25	20.25	21.25	22.25	22.25	23.25	24.25	25.25
Medium-term (1-2 years)	13.57	13.56	13.41	13.45	13.44	13.87	13.68	14.57	13.94	13.77	13.98	13.95	11.96
Medium-term (2-3 years)	15.38	16.57	15.16	15.12	15.33	15.55	15.81	15.63	15.38	15.74	15.27	15.11	11.64
Long-term (3-5 years)	14.62	17.18	14.72	14.94	14.93	15.18	15.07	15.11	14.61	14.75	14.69	14.66	10.89
Term Loans (over 5 years)	15.69	16.52	15.20	15.26	15.28	15.54	15.36	15.23	15.20	14.98	14.91	14.78	12.15
<b>Negotiated Lending Rate</b>	<b>12.22</b>	<b>16.43</b>	<b>16.19</b>	<b>15.98</b>	<b>16.63</b>	<b>17.11</b>	<b>17.02</b>	<b>16.87</b>	<b>16.59</b>	<b>16.36</b>	<b>15.62</b>	<b>15.31</b>	<b>14.62</b>
<b>B: Foreign Currency</b>													
<b>Deposits Rates</b>													
<b>Savings Deposits Rate</b>	<b>1.64</b>	<b>1.43</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>	1.46	1.38
<b>Overall Time Deposits Rate</b>	<b>3.24</b>	<b>3.87</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>
1-months	3.10	3.53	2.80	2.24	3.82	2.66	3.86	2.36	1.85	2.09	3.68	2.06	2.04
2-months	2.76	3.73	3.72	4.94	3.78	4.01	2.66	1.80	2.34	2.49	3.46	2.03	2.01
3-months	3.29	4.61	4.65	5.12	4.56	2.61	2.64	2.45	2.93	2.10	4.24	2.09	2.06
6-months	3.40	4.14	4.13	4.17	3.81	2.47	2.63	2.71	2.55	2.15	3.95	1.96	1.98
12-months	3.65	3.36	3.41	3.63	3.21	2.43	2.27	2.18	2.12	2.49	3.07	2.48	2.53
<b>Overall Lending Rate</b>	<b>9.68</b>	<b>9.62</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>
Short-term (up to 1 year)	6.35	6.29	6.28	6.53	5.88	4.86	6.92	6.96	6.94	6.94	6.95	6.49	3.77
Medium-term (1-2 years)	10.49	10.53	9.88	8.09	10.78	10.86	10.76	10.13	10.77	11.03	11.03	8.17	10.96
Medium-term (2-3 years)	10.74	10.44	9.97	8.05	9.93	10.10	10.13	10.82	10.27	10.28	10.23	8.76	10.26
Long-term (3-5 years)	10.06	10.24	10.45	7.67	10.54	10.55	10.55	10.54	10.50	10.52	10.41	8.65	10.28
Term Loans (over 5 years)	10.74	10.60	10.33	7.74	10.31	10.05	10.02	10.01	10.00	10.01	10.01	8.47	9.63

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

Source: Bank of Tanzania

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

Item	2008 <sup>p</sup>	2009		% Change		Year Ending November <sup>p</sup>		
	Nov	Oct	Nov	Nov 08-Nov 09	Oct 09-Nov 09	2008	2009	% Change
<b>Traditional Exports:</b>								
<b>COFFEE</b>								
Value	12.8	6.4	13.3	3.6	107.3	90.8	117.2	29.1
Volume	6.3	2.8	5.9	-5.8	111.0	40.9	58.8	43.9
Unit Price	2,045.9	2,291.8	2,251.5	10.0	-1.8	2,222.8	1,994.0	-10.3
<b>COTTON</b>								
Value	7.9	16.0	9.7	24.1	-39.2	109.6	109.7	0.1
Volume	6.7	14.2	9.0	34.0	-36.5	88.8	97.5	9.8
Unit Price	1,166.4	1,127.6	1,080.4	-7.4	-4.2	1,234.2	1,125.5	-8.8
<b>SISAL</b>								
Value	0.0	0.0	0.0	--	--	3.7	0.0	-100.0
Volume	0.0	0.0	0.0	--	--	3.0	0.0	-100.0
Unit Price	#DIV/0!	0.0	0.0	--	--	1,233.9	--	--
<b>TEA</b>								
Value	2.7	3.1	4.0	49.9	29.3	40.0	30.6	-23.7
Volume	1.6	1.6	1.8	17.8	13.8	25.8	17.8	-30.8
Unit Price	1,707.6	1,912.6	2,173.1	27.3	13.6	1,554.2	1,715.3	10.4
<b>TOBACCO</b>								
Value	46.7	31.5	14.1	-69.7	-55.1	111.9	151.4	35.3
Volume	12.5	6.0	2.8	-77.7	-53.4	37.5	49.1	30.8
Unit Price	3,731.8	5,249.8	5,057.2	35.5	-3.7	2,983.1	3,085.4	3.4
<b>CASHEWNUTS</b>								
Value	0.00	0.00	2.9	--	--	55.3	54.4	-1.6
Volume	0.00	0.00	3.9	--	--	75.7	72.1	-4.8
Unit Price	0.0	0.0	0.0	--	--	730.0	754.2	3.3
<b>CLOVES</b>								
Value	1.83	2.23	2.1	12.2	-8.2	12.5	15.2	21.3
Volume	0.51	0.68	0.6	22.7	-7.9	3.5	4.9	39.3
Unit Price	3,582.4	3,283.8	3,275.0	-8.6	-0.3	3,579.4	3,117.2	-12.9
<b>Sub Total</b>	<b>71.9</b>	<b>59.3</b>	<b>46.1</b>	<b>-35.9</b>	<b>-22.2</b>	<b>424.0</b>	<b>478.5</b>	<b>12.9</b>
<b>Non-Traditional Exports:</b>								
<b>Minerals</b>								
Gold	61.4	111.9	105.1	71.1	-6.1	1,002.2	1,065.5	6.3
Diamond	58.3	105.2	101.6	74.3	-3.5	939.0	1,023.8	9.0
Other minerals <sup>1</sup>	1.5	2.9	2.1	39.1	-25.6	20.2	20.8	3.2
Other minerals <sup>1</sup>	1.6	3.8	1.3	-15.8	-64.2	42.9	20.9	-51.4
<b>Manufactured Goods</b>								
Cotton Yarn	61.2	94.1	41.9	-31.6	-55.5	587.7	552.0	-6.1
Manufactured Coffee	1.9	0.4	1.3	-30.6	--	16.3	6.6	-59.1
Manufactured Tobacco	0.0	0.0	0.0	-	--	0.9	0.5	-45.5
Manufactured Tobacco	0.3	0.5	0.5	0.0	-4.5	1.9	3.9	111.5
Sisal Products (Yarn & Twine)	0.8	0.5	0.4	0.0	--	10.4	6.5	-37.6
Other manufactured Goods <sup>2</sup>	58.2	92.7	39.6	-32.0	-57.2	558.3	534.4	-4.3
<b>Fish and Fish Products</b>								
Fish and Fish Products	10.2	9.8	9.2	-10.3	-5.9	143.8	145.6	1.2
<b>Horticultural products</b>								
Horticultural products	2.3	3.3	2.8	19.6	-16.8	30.5	42.7	40.2
<b>Re-exports</b>								
Re-exports	53.5	6.6	9.7	-81.9	45.9	151.8	92.1	-39.3
<b>Others Exports<sup>3</sup></b>								
Others Exports <sup>3</sup>	20.0	37.2	15.8	-21.3	-57.6	273.8	321.1	17.3
<b>Sub Total</b>	<b>208.7</b>	<b>262.9</b>	<b>184.3</b>	<b>26.0</b>	<b>-29.9</b>	<b>2,189.7</b>	<b>2,219.0</b>	<b>1.3</b>
<b>GRAND TOTAL</b>	<b>280.6</b>	<b>322.2</b>	<b>230.4</b>	<b>14.8</b>	<b>-28.5</b>	<b>2,613.7</b>	<b>2,697.6</b>	<b>3.2</b>

Note:

1 Include tanzanite, rubbies, sapphires, emeralds, copper, silver and other precious stones

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

3 Include edible vegetables, oil seeds, cereals, cocoa, raw hides and skins, woods and articles thereof

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

Volume in '000 Tons; Value in '000,000 USD; Unit Price in USD/T

Source: Bank of Tanzania, TRA

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

Import Category	Millions of USD							
	2008 <sup>P</sup>	2009		% Change		Year Ending November <sup>P</sup>		
	Nov	Oct	Nov	Nov 08- Nov 09	Oct 09- Nov 09	2008	2009	% Change
<b>Capital Goods</b>	<b>224.1</b>	<b>223.8</b>	<b>220.0</b>	<b>-1.8</b>	<b>-1.7</b>	<b>2,587.9</b>	<b>2,482.3</b>	<b>-4.1</b>
Transport Equipments	71.5	63.7	58.6	-18.2	-8.1	766.3	734.1	-4.2
Building and Constructions	55.2	58.4	70.1	27.1	20.1	606.2	548.4	-9.5
Machinery	97.4	101.6	91.3	-6.2	-10.1	1,215.4	1,199.8	-1.3
<b>Intermediate Goods</b>	<b>244.5</b>	<b>200.5</b>	<b>186.2</b>	<b>-23.8</b>	<b>-7.1</b>	<b>2,554.8</b>	<b>1,822.2</b>	<b>-28.7</b>
Oil imports	173.8	148.0	130.6	-24.8	-11.7	1,836.9	1,269.2	-30.9
Fertilizers	23.5	10.7	10.6	-54.8	-1.3	143.2	93.9	-34.4
Industrial raw materials	47.3	41.8	45.0	-4.9	7.7	574.7	459.1	-20.1
<b>Consumer Goods</b>	<b>103.8</b>	<b>131.7</b>	<b>126.0</b>	<b>21.4</b>	<b>-4.3</b>	<b>1,262.9</b>	<b>1,387.0</b>	<b>9.8</b>
Food and food stuffs	20.5	37.9	40.0	94.9	5.4	301.5	343.2	13.8
All other consumer goods <sup>1</sup>	83.3	93.8	86.0	3.3	-8.3	961.3	1,043.8	8.6
<b>Grand Total (f.o.b)</b>	<b>572.6</b>	<b>556.2</b>	<b>532.4</b>	<b>-7.0</b>	<b>-4.3</b>	<b>6,407.7</b>	<b>5,693.7</b>	<b>-11.1</b>
<b>Grand Total (c.i.f)</b>	<b>629.3</b>	<b>611.2</b>	<b>585.1</b>	<b>-7.0</b>	<b>-4.3</b>	<b>7,041.5</b>	<b>6,256.8</b>	<b>-11.1</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.

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

	Millions of USD				
Item	2004	2005	2006	2007r	2008p
<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

**Notes:**

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)	Food	Non-Food											
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transpor- tation	Educ- ation	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2004	4.2	5.9	1.6	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	1.0	0.6	-0.5
2005	4.4	5.9	2.9	2.1	-0.5	-0.4	7.7	-1.1	0.5	3.5	-1.5	4.7	-0.1	-1.4
2006	7.3	7.0	7.6	7.7	7.0	5.5	8.5	7.8	2.0	11.2	5.0	9.1	2.5	8.0
2007	7.0	7.0	7.0	10.5	5.9	3.6	6.2	7.9	8.7	2.9	8.9	7.0	9.7	0.8
2008	10.3	12.7	6.7	8.2	1.5	2.4	10.7	6.0	3.2	5.0	5.5	6.9	7.0	1.8
2009	12.1	17.6	3.7	8.8	6.3	12.5	-1.5	6.1	5.2	6.8	9.2	0.1	10.1	3.3
2007-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

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

Source: National Bureau of Statistics

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

Period	Headline (General Index)	Food	Non-Food											
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household	Household operations	Personal care & Health	Recreation & Entertain.	Transpor- tation	Educ- ation	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2006 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

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
<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>
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
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
<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>
Bilateral debt	910.5	934.1	933.5	932.1	938.5	944.3	941.5	949.7
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
Commercial debt	437.3	617.9	708.2	706.2	702.0	709.2	713.5	640.8
Export credits	321.9	310.8	446.8	419.0	418.8	464.1	485.5	538.2
<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>
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
Parastatal Companies	167.8	156.3	392.3	392.3	394.6	396.7	398.9	442.7
Private Sector	582.5	744.4	1,010.0	1,063.5	1,009.8	1,009.0	1,009.0	1,010.1
<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>
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
Transport & Telecommunication	425.3	571.5	695.7	634.9	656.2	705.5	707.1	723.1
Agriculture	338.1	437.0	599.0	605.9	609.8	614.3	654.4	653.0
Energy & Mining	606.9	670.1	808.7	758.4	816.1	820.4	823.3	810.2
Industries	162.8	137.4	141.9	148.0	148.6	152.9	154.0	153.1
Social Welfare & Education	433.2	639.7	756.8	760.7	815.6	829.9	832.9	847.9
Finance and Insurance	64.4	74.2	73.8	73.7	73.9	80.2	80.6	80.8
Tourism	73.0	70.7	90.6	90.6	90.7	90.7	91.0	96.6
Others	319.3	412.2	618.7	492.7	774.8	787.1	780.1	823.9
<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>
Government	1,081.6	516.7	218.0	250.1	32.6	0.0	0.0	0.0
Parastatal Companies	0.0	0.0	336.0	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
<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>
Government	553.9	560.6	480.2	56.3	157.6	19.9	20.3	6.8
Parastatal Companies	0.0	0.4	246.7	0.0	0.0	0.0	0.0	0.0
Private	59.6	25.1	214.3	1.3	1.4	30.1	0.0	0.0
<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>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>
Principal	50.7	55.9	24.1	6.6	2.9	4.5	2.5	1.8
Interest	25.9	30.1	29.9	13.7	0.5	0.7	0.9	3.1
Others	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>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>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>
Bilateral	377.7	423.8	452.8	454.4	460.4	468.3	468.9	468.9
Multilateral	13.6	8.4	17.2	19.5	19.5	20.0	23.6	20.1
Commercial	339.5	359.2	449.3	459.0	454.0	456.4	461.5	470.0
Export Credits	250.1	298.5	374.1	324.7	328.6	321.3	347.2	347.4
<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>
Bilateral	536.1	611.3	667.7	673.1	680.7	689.0	689.4	703.9
Multilateral*	27.7	0.1	10.0	15.5	15.5	16.0	16.0	16.1
Commercial	440.0	517.7	557.1	569.6	558.7	562.2	580.1	573.5
Export Credits	214.8	234.3	278.9	276.2	274.3	274.8	282.5	285.4
<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>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>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>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>
*Multilateral arrears are those owed by the private companies								
1) During the period (2)Position as at end of November 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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