



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

June 2009



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1.0 Inflation Developments

Month-to-month headline inflation rate declined to negative 0.5 percent in May 2009 from negative 0.4 percent recorded in April 2009 on account of decline in food inflation. Likewise, excluding seasonal influences, the month-to-month headline inflation declined to negative 1.1 percent from 0 percent in the same period. **Annual headline inflation rate** decreased to 11.3 percent in May 2009 from 12.0 percent recorded in the previous month on account of decline in non-food inflation. Food inflation remained unchanged at 17.8 percent, as was in April 2009 (Table 1.1 and Chart 1.1).

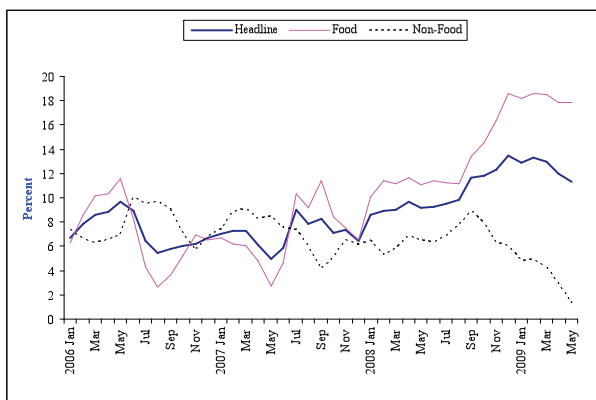
Table 1.1: Annual Percentage Change in Consumer Price Index (All-Urban)

(Base: Dec 2001 = 100)

Major Commodity Group	Weight (%)	2007			2008			2009		
		Mar	Apr	May	Mar	Apr	May	Mar	Apr	May
Headline/Overall	100.0	7.2	6.1	5.0	9.0	9.7	9.1	13.0	12.0	11.3
Food	55.9	6.1	4.8	2.8	11.2	11.6	11.0	18.5	17.8	17.8
Non-food	44.1	9.1	8.2	8.4	5.8	6.9	6.5	4.3	2.8	1.2
Transportation	9.7	9.1	8.3	8.0	6.0	7.6	6.0	3.2	0.4	-1.0
Fuel, Power and										
Water	8.5	9.3	5.0	7.5	8.3	11.3	11.7	0.3	-4.1	-9.0
Drinks and Tobacco	6.9	11.8	14.7	13.0	9.1	8.6	7.5	5.7	6.1	6.6
Clothing & Footwear	6.4	7.2	6.7	7.4	1.0	1.1	1.1	4.4	4.9	5.0
Education	2.6	13.0	11.8	10.1	5.6	6.1	6.4	11.2	10.8	10.3
Furniture &										
Household Equip.	2.1	10.4	10.5	8.4	4.9	4.9	5.1	7.1	7.3	6.9
H/h Operations										
Maintenance	2.1	11.1	11.8	11.1	2.9	2.8	2.5	4.7	4.6	5.2
Personal Care &										
Health	2.1	3.4	3.6	4.7	3.1	3.3	3.9	7.7	7.5	7.1
Rents	1.4	5.8	4.3	4.2	1.7	2.1	2.1	12.6	12.2	12.2
Recreation &										
Entertainment	0.8	9.2	9.4	9.4	3.5	4.2	4.2	10.5	9.2	8.8
Misc. Goods &										
Services	1.5	1.6	1.9	2.0	1.0	1.5	0.4	3.5	5.6	4.1

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

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



Similarly, the 3-month moving average annual headline inflation rate decreased from 12.8 percent in April 2009 to 12.1 percent in May 2009. However, the 12-months average headline inflation increased to 11.7 percent in May 2009 compared to 8.1 percent recorded in the previous corresponding period (June 2007 to May 2008).

Month-to-month non-food inflation rate was negative 0.4 percent in May 2009 slightly above negative 0.5 percent recorded in April 2009. However, annual non-food inflation decreased to 1.3 percent in May 2009 from 2.9 percent recorded in April 2009. Likewise, the 3-month moving average annual non-food inflation rate declined to 2.8 percent in May 2009 from 4.0 percent recorded in April 2009. The 12-months annual non-food inflation rate averaged 5.7 percent in May 2009 which is higher than 6.1 percent recorded in the previous corresponding period.

Month-to-month food inflation decreased to negative 0.6 percent in May 2009 from 0.3 percent in April 2009, driven mainly by decline in prices of rice, maize grain, round potatoes, bananas, meat, fish, beans, cowpeas and groundnuts partly reflecting the onset of the harvesting season. Annual food inflation remained unchanged at 17.8 percent, as was recorded in the year ended April 2009. The 3-month moving average annual food inflation decelerated slightly to 18.1 percent in May 2009 from 18.3 percent in April 2009. However, the 12-months average annual food inflation rate rose to 15.6 percent in May 2009 compared to 9.4 in the previous corresponding period.

Food Supply Situation

Food supply situation in May 2009 was generally satisfactory, although some districts experienced food shortages. However, as established during the Rapid Vulnerability Assessment (RVA) carried out in March 2009, food assistance amounting to 4,000 tons was to be provided to 279,607 people in 20 districts of 9 regions estimated to be food insecure between April and May 2009. During the month, the Government purchased 8,101.5 tons from National Food Reserve Agency (NFRA) for distribution in deficit areas, while private traders bought 260 tons for sale to moderate food prices in the affected districts. Meanwhile, there was no new grain purchase from the domestic market for building up of NFRA stocks in May 2009.

Average wholesale prices of major staples increased in May 2009 when compared with the prices recorded in corresponding period a year ago (Table 1.2). However, on month to month basis, the prices of major food items decreased with the exception of potatoes, mainly due to the increase of supply in the domestic market.



Table 1.2: National Average Wholesale Prices for Selected Food Items

Item	2008 May	2009		Percentage Change	
		Apr	May	May 08 to May-09	Apr 09 to May 09
		TZS per 100 kg			
Maize	30,278	35,900	34,568	14.2	-3.7
Rice	97,486	115,695	108,442	11.2	-6.3
Beans	83,426	90,579	88,374	5.9	-2.4
Sorghum	38,539	48,017	46,875	21.6	-2.4
Potatoes	38,173	42,037	43,584	14.2	3.7

Source: Ministry of Industry, Trade and Marketing

The National Food Reserve

The National Food Reserve Agency (NFRA) recorded a stock of 109,876 tons of maize and sorghum at the end of May 2009, representing a decrease of 11.0 percent from 122,849 tons recorded in the preceding month (Table 1.3).

Table 1.3: National Food Reserve Agency (NFRA) Stock

Period	Tons						% Change 2008-2009
	2004	2005	2006	2007	2008	2009	
January	35,342	119,924	76,813	112,343	139,765	128,919	-7.8
February	23,791	116,383	43,593	117,838	133,898	125,430	-6.3
March	22,903	114,760	8,055	121,046	119,022	124,252	4.4
April	32,387	115,262	3,165	125,509	94,509	122,849	30.0
May	31,732	113,823	6,210	128,350	79,369	109,876	38.4
June	37,091	112,823	15,560	128,804	76,649		
July	39,195	112,323	13,811	129,306	75,438		
August	45,988	112,067	28,440	125,653	83,131		
September	67,685	111,971	80,248	131,937	102,225		
October	92,710	111,695	87,461	143,717	114,464		
November	108,448	106,428	100,828	142,624	122,209		
December	114,030	93,051	110,203	142,044	129,253		

Source: Food Security Department and BOT computation.

At the beginning of 2008/09 period NFRA planned to purchase 100,000 tons of grains from domestic market to replenish food reserves, but purchased only 62,640.8 tons.

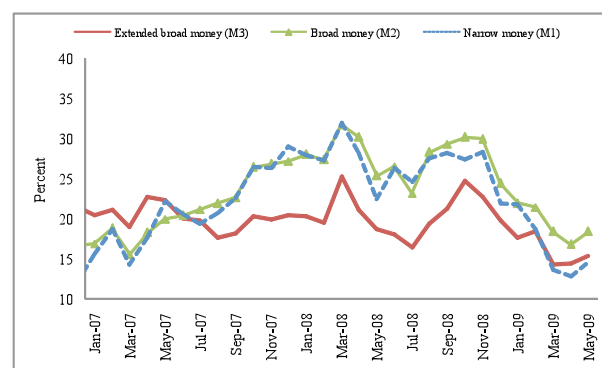
2.0 Monetary and Financial Developments

Money Supply and Credit Developments

Monetary developments in the year ending May 2009 was characterised by moderate growth rate, with the extended broad money supply, M3, recording an annual growth rate of 15.3 percent, which was lower than 18.8 percent recorded in May 2008. Similarly, broad money supply, M2, recorded an annual growth of 18.4 percent in May 2009, which was significantly lower than 25.4 percent recorded in May 2008. The overall annual deceleration in monetary expansion was mainly explained by slight moderation in the growth rate of credit to the private sector, partly associated with the global financial and economic crisis, continued adjustment of bank

portfolios following the changes made to minimum reserve requirements in January 2009 and statistical correction of high growth rates registered a year before. However, compared to the preceding month, annual growth rates in monetary aggregates in May 2009 were relatively higher, largely on account of the modest relaxation of monetary policy stance to boost credit availability in the wake of the global financial crisis (Chart 2.1 and Table 2.1).

Chart 2.1: Annual Growth Rates of Monetary Aggregates



Source: Bank of Tanzania

Table 2.1: Selected Money Supply Components

Item	Monthly Change						Annual Growth			
	Apr-08	May-08	Mar-09	Apr-09	May-09	Apr-09	May-09			
Net Foreign Assets of the Banking System	3,910.5	3,780.3	4,188.3	4,239.2	4,197.5	50.9	-41.7	10.7	8.4	11.0
Bank of Tanzania	3,257.5	3,206.1	3,500.2	3,587.8	3,487.0	87.6	-100.8	21.1	10.1	8.8
Other Depository Corporations	653.0	574.2	688.1	651.4	710.5	(36.7)	59.1	-25.1	-0.2	23.7
Net Domestic Assets of the Banking System	2,759.3	2,818.0	3,445.2	3,888.2	3,413.4	(57.0)	25.2	91.6	23.1	21.1
Domestic Claims	3,254.4	3,374.4	4,256.3	4,282.1	4,426.2	25.8	144.1	21.5	31.2	31.2
Claims on central government (net)	(187.0)	(168.4)	(369.9)	(353.0)	(258.8)	17.0	94.2	-174.9	88.8	53.7
Claims on Central Government	2,313.1	2,325.2	2,052.7	2,070.7	2,062.9	18.0	-7.7	10.8	-10.5	-11.3
Liabilities to Central Government	2,500.1	2,493.5	2,422.6	2,423.5	2,321.7	1.0	-101.9	33.1	-3.1	-6.9
Claims on Other Sectors	3,451.4	3,542.8	4,626.2	4,635.0	4,684.9	8.8	49.9	38.8	34.3	32.2
Extended Broad Money Supply (M3)	6,669.8	6,598.2	7,633.5	7,627.4	7,610.9	(6.1)	-16.5	18.8	14.5	15.3
Foreign Currency Deposits (FCD) in National Currency	1,910.8	1,873.4	2,060.0	2,075.4	2,016.4	15.4	-59.0	4.8	8.6	7.6
FCD in millions of US dollar	1,590.8	1,564.9	1,568.0	1,571.8	1,538.8	3.8	-33.0	10.2	-1.2	-1.7
Broad Money Supply (M2)	4,753.0	4,724.8	5,573.5	5,552.0	5,594.5	(21.5)	42.5	25.4	16.8	18.4
Other Deposits in National Currency	2,038.4	2,036.9	2,475.3	2,488.4	2,514.9	13.1	26.5	29.5	22.1	23.5
Narrow Money Supply (M1)	2,714.6	2,687.9	3,098.2	3,063.6	3,079.7	(34.6)	16.0	22.5	12.9	14.6
Currency in Circulation	1,153.8	1,183.0	1,366.6	1,349.5	1,366.3	(17.0)	16.7	13.7	17.0	15.5
Transferable Deposits in National Currency	1,560.8	1,504.9	1,731.6	1,714.0	1,713.4	(17.6)	-0.6	30.4	9.8	13.9

Source: Bank of Tanzania

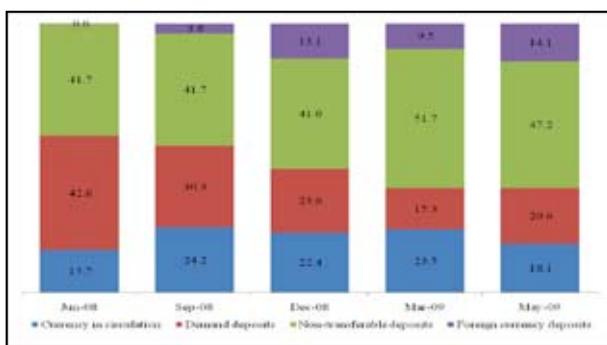
Credit to the private sector registered a growth rate of 32.2 percent in the year ending May 2009, which represent an increase of TZS 1,142.1 billion in absolute terms to a stock of TZS 4,684.9 billion. On a month to month basis, credit to private sector increased by about TZS 50 billion in May 2009. The largest share of the outstanding credit was held in personal loans accounting for 20.3 percent, while trade and manufacturing activities accounted for 17.5 percent and 13.2 percent, respectively. Credit to entities marketing agricultural products was 9.7 percent of the outstanding credit, while credit to transport and communication was about 8 percent of total outstanding stock.

The largest change in M3 continued to occur in non-transferable deposits (savings and time deposits) as indicated in Chart 2.2, with demand deposits and currency in circulation



shares taking a downward trend. This is consistent with a view that the public is adjusting their liquidity portfolios away from demand deposits following the slowdown of growth of credit to private sector, which had peaked 44.9 percent in December 2008. As a result of these developments the share of non-transferable deposits in total M3 increased to 33.0 percent in May 2009 from 32.6 percent in April 2009 and 30.9 percent in May 2008. It deserves mention that the share of foreign currency deposits has begun to pick up after having diminished in towards June 2008 following the general appreciation of the shilling against US dollar from the last quarter of 2007 to the second quarter of 2008. The pick up in the share of foreign currency deposits reflects the response of the public to the depreciation of the Shilling against the US dollar that began towards the end of 2008.

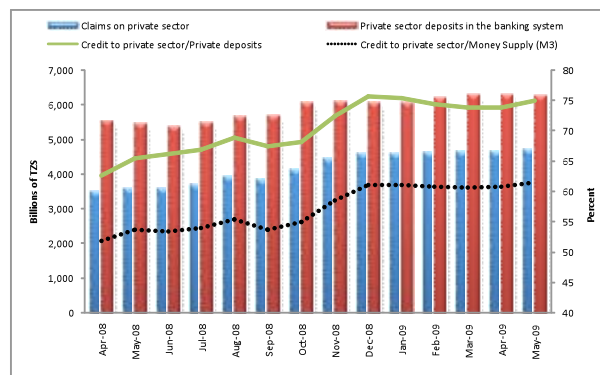
Chart 2.2: Contribution to 12-Month Change in M3



Financial Intermediation

Financial intermediation by banks in Tanzania has sustained good performance as indicated by increase in deposits mobilized by banks and accompanying extension of credit to the private sector, as well as lending to the Government through purchase of Treasury securities. During the year ending May 2009, deposits mobilized by banks amounted to TZS 977.3 billion raising the stock to TZS 6,731.9 billion, out of which TZS 569.5 billion was in favour of central government and the balance of TZS 6,162.4 billion were private sector deposits. In the same period, loans extended by banks increased by TZS 1,142.1 billion, pushing outstanding credit to the private sector to TZS 4,684.9 billion. This stock of outstanding bank credit was about 75 percent of private deposits held in banks, which represents an increase from 65.4 percent recorded in the corresponding month in the preceding year (Chart 2.3).

Chart 2.3: Total Deposits and Credit of the Banking System



Source: Bank of Tanzania

Interest Rate Developments

In general, during May 2009, interest rates edged downwards compared with rates recorded in the preceding month, partly reflecting the modest relaxation in monetary policy stance currently being pursued by the Bank. The effects of the relaxed monetary policy stance were transmitted through moderate tender sizes for Treasury securities, coupled with lower rates in the discount and Lombard facilities. These initiatives among others resulted to a decline in overall weighted average yield of Treasury bills from 11.01 percent in April 2009 to a single digit yield of 9.27 percent in May 2009.

As for the rates offered and charged by banks, the pattern was mixed. Overall time deposit rate offered by banks fell to 6.79 percent in May 2009 from 6.85 percent recorded in the preceding month, whereas the rate on one year time deposit edged upwards to 8.98 percent from 8.85 percent in the same period. On the other hand, overall lending rates eased slightly from 15.45 percent in April 2009 to 15.39 percent in May 2009, while that of one year maturity declined from 13.87 percent to 13.68 during the same period (Table 2.2).

Table 2.2: Weighted Average Interest Rates Structure

Item	Percent											
	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	
Overall Interbank cash market rate	3.61	3.70	4.32	5.45	5.85	6.54	8.41	9.81	10.10	9.58	6.80	
Overnight interbank cash market	3.49	3.64	4.19	5.23	5.51	6.27	8.31	9.63	9.90	9.29	6.49	
REPO Rate	3.79	3.76	4.02	4.89	5.32	6.42	7.55	9.09	9.73	8.25	6.10	
Discount Rate	14.46	14.47	15.17	15.30	15.33	15.99	17.53	17.85	18.33	16.01	13.00	
Overall Treasury bills rate	9.46	9.47	10.17	10.30	10.33	10.99	12.53	12.85	13.33	11.01	9.27	
35 days	5.70	5.33	5.78	5.93	6.44	6.88	7.43	7.54	7.62	7.03	6.40	
91 days	7.93	8.62	10.36	10.39	10.76	11.20	11.60	11.99	12.43	10.55	8.25	
182 days	8.51	10.11	10.53	10.81	11.00	12.13	13.28	14.64	14.86	12.04	10.20	
364 days	11.15	11.48	11.56	11.63	11.97	12.79	15.32	14.74	14.99	12.57	10.69	
Savings Deposit Rate	2.68	2.65	2.67	2.63	2.66	2.71	2.61	2.72	2.69	2.72	2.72	
Treasury Bonds Rates												
2-years	12.87	12.87	13.20	13.20	14.35	14.35	14.35	14.35	15.28	15.28	15.28	
5-years	14.49	14.49	14.49	16.39	16.39	16.39	17.32	17.32	17.32	17.32	16.58	
7-years	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.06	
10-years	17.09	19.47	19.47	19.47	19.47	19.47	19.47	19.92	19.92	19.92	19.92	
Overall Time Deposit Rate	6.58	6.86	6.43	6.22	6.38	6.39	6.41	6.57	6.79	6.85	6.81	
12 month time deposit rate	8.17	7.48	8.05	8.20	8.76	8.79	8.65	8.47	8.44	8.85	9.13	
Negotiated Deposit Rate	9.26	9.63	10.27	10.11	10.26	10.23	10.66	10.82	10.99	11.27	11.03	
Overall Lending rate	15.05	14.83	14.91	14.82	14.30	14.05	14.93	14.95	15.12	15.45	15.39	
Short-term lending rate (up to 1 year)	13.35	13.86	14.04	13.27	13.57	13.56	13.41	13.45	13.44	13.87	13.68	
Negotiated Lending Rate	11.01	12.18	12.68	13.38	11.96	11.91	12.27	12.13	12.85	13.87	13.93	
Margin between short-term lending and one-year time deposit rates	5.18	6.38	6.00	5.07	4.81	5.27	4.76	4.99	5.00	5.03	4.55	

Source: Bank of Tanzania

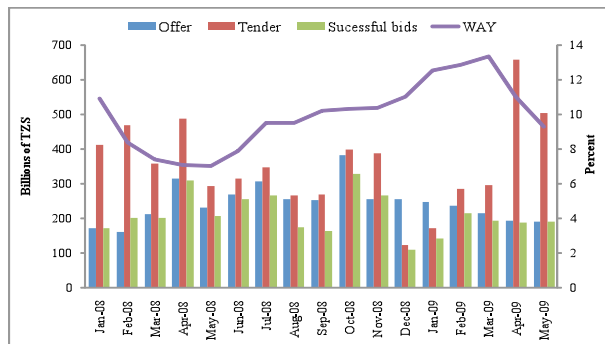


Financial Markets Developments

Treasury Bills

In May 2009, market was supplied with Treasury bills worth TZS 190.0 billion, slightly lower than TZS 193.1 billion supplied in the preceding month, and well below the TZS 212.5 billion floated in March 2009. The moderation in tender-size was consistent with the policy stance of allowing more room for expansion of credit to the private sector. Demand for Treasury bills remained significantly above the offer, at TZS 501.6 billion, indicating that banks are liquid, and that there is ample room for credit expansion to sustain growth. During the period under review, the Bank accepted Treasury bills worth TZS 189.4 billion (or cost value of TZS 180.3 billion). The successful bids accounted for 99.7 percent of the total amount offered by the Bank. Meanwhile, Treasury bills worth TZS 252.8 billion matured during the month under review. In line with the market developments, weighted average yields (WAY) declined across all maturities, with overall weighted average closing at 9.27 percent in May 2009 from 11.01 percent registered in the preceding month. The overall WAY in May 2009 was however, higher than the rate of 7.00 percent registered in the corresponding month in 2008 ([Chart 2.4](#)).

Chart 2.4: Treasury Bills Market Developments



Treasury Bonds

In the Treasury bond market, the Bank offered a 5-Year Treasury bond worth TZS 27.2 billion in May 2009, which was oversubscribed by about TZS 26.4 billion, after registering total demand of TZS 53.6 billion. The Bank accepted bids worth TZS 26.4 billion (or cost value of TZS 20.5 billion). Commercial banks and pension funds remained the main players in the market accounting for 75.6 percent and 21.8 percent, respectively. Consistent with the over-subscription, the weighted average yield eased to 16.58 percent in May 2009 from 17.32 percent recorded in the preceding auction

which was held in January 2009. The respective weighted average yields to maturity for 2, 7 and 10 year Treasury bonds remained unchanged at 15.28 percent, 17.06 percent and 19.92 percent as reported in the preceding month.

Repurchase Agreements

During May 2009, repurchase agreements (REPO) worth TZS 333.5 billion were conducted by the Bank to supplement monetary policy instruments in the management of liquidity within projected targets. In the same month, repo amounting to TZS 283.5 billion matured. The overall REPO rate decreased further to an average of 6.10 percent in May 2009, from 8.25 percent and 9.73 percent recorded in April 2009 and March 2009, respectively. Despite the decline, the REPO rate is still high when compared with an average rate of 3.66 percent that was registered in May 2008.

Inter-Bank Cash Market Developments

Interbank cash market remained active during May 2009, with total volume of transactions closing at TZS 494.4 billion compared with TZS 386.2 billion, recorded in the preceding month and TZS 420.6 billion recorded in March 2009. Correspondingly, the volume traded in May 2009 was more than threefold the amount traded in May 2008 (TZS 153.2 billion). During May 2009, overnight placements amounted to TZS 276.4 billion, accounting for about 56 percent of the total volume of traded during the period under review. The overall interbank cash market rate eased to 6.80 in May 2009 from 9.58 percent recorded in April 2009, but still higher than 3.83 percent recorded in May 2008.

Inter-Bank Foreign Exchange Market

During May 2009, the volume of transactions traded in the Inter-Bank Foreign Exchange Market (IFEM) went up notably to USD 146.8 million from USD 106.9 million recorded in the previous month. The development largely emanated from a rise in foreign exchange demand for financing imports. In order to meet the demand for foreign exchange, on net basis the Bank of Tanzania and non-banks supplied the market with foreign exchange amounting to USD 85.9 million and USD 1.0 million, respectively, while commercial banks purchased USD 86.9 million. The weighted average exchange rate appreciated slightly to TZS 1,330.5 per USD in May 2009 from TZS 1334.8 per USD recorded in April 2009 ([Table 2.3](#)).



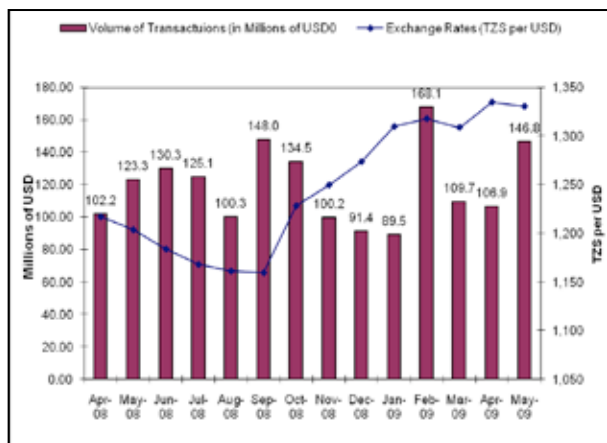
Table 2.3: Inter Bank Foreign Exchange Market Developments

Item	2009		2008 May	% Change		Year Ending May		
	April	May		Monthly	Yearly	2008	2009	% Change
	Amount offered*	106.92	146.80	123.33	37.30	19.03	1,126.07	1,450.71
Amount sold*	106.92	146.80	123.33	37.30	19.03	1,126.07	1,450.71	28.83
Exchange rate (TZS per US dollar)	1,334.82	1,330.50	1,203.66	-0.32	10.54	1,206.54	1,252.11	3.78

Source: Bank of Tanzania
* Millions of USD

The interbank exchange rate movements and volume of transactions for the past twelve months is summarized in **Chart 2.5**.

Chart 2.5: Inter-bank Exchange Rate Movement and Volume of Transactions



Transactions in Bureau de Change System

During the period under review, the volume of transactions conducted by Bureau de Change rose to USD 64.9 million from USD 58.5 million transacted in the previous month. The inflows and outflows increased by 8.5 percent and 13.6 percent to USD 32.5 million and USD 32.4 million, respectively. The increase in inflows partly emanated from the rise in foreign receipts from NGO's, while the rise in outflows was largely attributed to a surge in foreign payments for traveling and education. Meanwhile, the average buying rate and selling rates depreciated slightly to TZS 1,327.0 per USD and TZS 1,370.0 per USD, respectively (**Table 2.4**).

Table 2.4: Bureau de Change Operations

Item	2009		2008 May	% Change		Year Ending May		
	Apr	May		Monthly	Yearly	2008	2009	% Change
	Sales*	28.55	32.43	31.51	13.59	2.92	429.82	420.05
Purchases*	29.94	32.49	36.43	8.52	-10.82	435.16	420.50	-3.37
Volume of Transactions*	58.49	64.92	67.94	10.99	-4.45	864.98	840.55	-2.82
Buying rate (TZS per US dollar)	1,324.00	1,327.00	1,198.00	0.23	10.77	1,208.33	1,252.33	3.64
Selling rate (TZS per US dollar)	1,340.00	1,370.00	1,244.00	2.24	10.13	1,233.00	1,278.00	3.65

Source: Bank of Tanzania
* Millions of USD

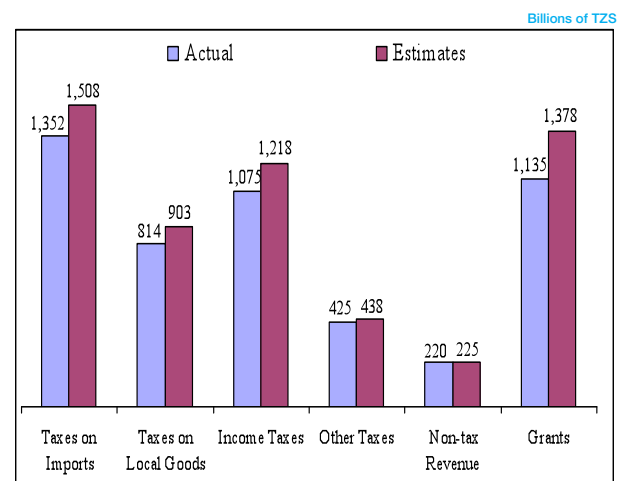
3.0 Government Budgetary Operations

During the month of May 2009, government revenue was below target, whereas expenditure was within the target. Specifically, revenue collection amounted to TZS 323.7 billion, or 88.0 percent of the target, while grants amounted to TZS 15.2 billion, against the target of TZS 63.5 billion. Total expenditure was TZS 546.5 billion, slightly above the target by 3.3 percent.

Revenue Performance

In May 2009, tax revenue collection was TZS 312.0 billion or 89.7 percent of target, and non-tax revenue amounted to TZS 11.7 billion against the target of TZS 20.0 billion. The shortfall in tax revenue collection was recorded in all major tax categories, as depicted in **Chart 3.1**. Specifically, revenue from taxes on imports was 92.5 percent of the target, income tax (87.0 percent), and taxes on local goods (72.3 percent).

Chart 3.1: Government Resources, July 2008 – May 2009



On cumulative basis, July 2008 – May 2009, revenue collection reached TZS 3,885.8 billion or 90.8 percent of the target.

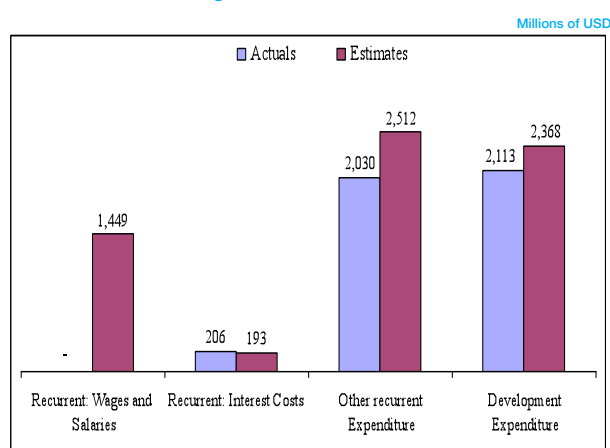


Likewise, grants amounted to TZS 1,135.0 billion being a short fall of 17.6 percent against the target. As percentage of GDP, revenue collection and grants ratios were 14.5 percent and 4.2 percent slightly below the estimated 15.8 percent and 5.5 percent for 2008/09, respectively

Government Expenditure

Total expenditure during the month under review amounted to TZS 546.5 billion, against the target of TZS 529.0 billion. On cumulative basis, total expenditure amounted to TZS 5,830.0 billion, being 89.3 percent of the estimated TZS 6,522.2 billion (Chart 3.2). As a percentage of GDP, total expenditure reached 21.7 percent, which was considerably below the targeted 26.3 percent.

Chart 3.2: Government Expenditure, July 2008 – May 2009



On cumulative basis, fiscal operations registered a deficit (adjusted to cash) of TZS 1,132.6 billion. The deficit was financed through foreign borrowing to the tune of TZS 931.2 billion, and the balance from domestic sources.

4.0 External Sector Performance

Current Account Balance

During the year ending May 2009, current account deficit widened to USD 1,911.7 million from a deficit of USD 1,733.3 million recorded in the previous corresponding period, largely due to an increase in imports of goods and services that outweighed the effect of the rise in exports of goods and services (Table 4.1).



Table 4.1: Current Account Balance

Millions of USD

Details	May		2009		Year Ending May		% Change
	2007	2008	April	May	2008p	2009p	
Goods Account (net)	-220.1	-377.3	-139.2	-280.6	-2,704.7	-3,061.9	13.2
Exports	119.2	174.2	171.1	168.3	2,237.3	2,589.1	15.7
Imports	339.3	551.5	310.4	448.9	4,942.1	5,651.0	14.3
Services Account (net)	5.70	14.21	23.54	30.9	456.2	557.6	22.2
Receipts	137.5	154.4	140.6	151.4	1,948.1	2,138.5	9.8
Payments	131.8	140.1	117.1	120.4	1,491.9	1,580.9	6.0
Goods and services (net)	-214.4	-363.1	-115.7	-249.7	-2,248.5	-2,504.3	11.4
Exports of goods and services	256.7	328.6	311.8	319.6	4,185.4	4,727.6	13.0
Imports of goods and services	471.1	691.6	427.5	569.3	6,434.0	7,231.9	12.4
Income Account (net)	-4.5	-3.2	5.6	-16.7	-60.0	-52.7	--
Receipts	7.7	9.8	22.6	7.9	129.8	148.7	14.5
Payments	12.2	13.0	17.0	24.6	189.8	201.3	6.1
Current Transfers (net)	32.7	19.7	46.7	4.9	575.2	645.2	12.2
Inflows	37.7	30.5	51.8	10.1	649.0	712.8	9.8
o/w General Government	30.3	9.2	43.4	0.0	451.3	454.5	0.7
Outflows	5.0	10.8	5.2	5.2	73.8	67.6	-8.4
Current Account Balance	-186.2	-346.6	-63.4	-261.6	-1,733.3	-1,911.7	10.3

Note: P = Provisional
 Totals July not add up due to rounding of numbers
 Source: Bank of Tanzania

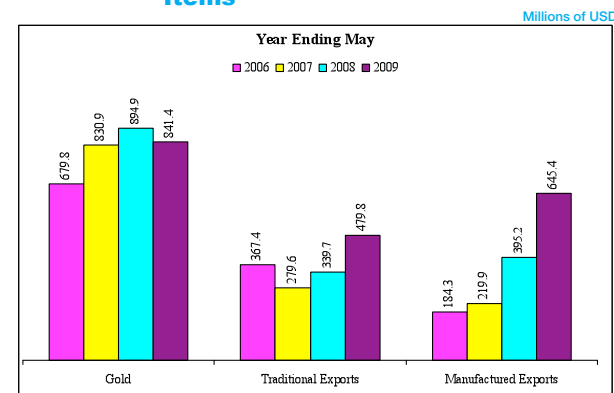
Similarly, there was deterioration in the overall balance of payments position largely due to inadequate inflows in the capital and financial account for financing the deficit in the current account. During the period under review, government drawings declined to USD 518.0 million from USD 743.90 million recorded a year before. Consequently, the Bank's gross international reserves went down to USD 2,677.73 million from USD 2,696.44 million as at the end of May 2008. This level of reserves was enough to cover about 4.2 months of imports of goods and services.

During May 2009, exports of goods and services increased to USD 319.6 million, compared to USD 311.8 million recorded in the previous month due to a rise in exports of goods. Similarly, imports increased to USD 569.3 million from USD 427.5 million on account of increase in goods import. There were no official current transfers in May 2009, as 97.0 percent of the projected program assistance for 2008/09 had already been disbursed.

Exports Performance

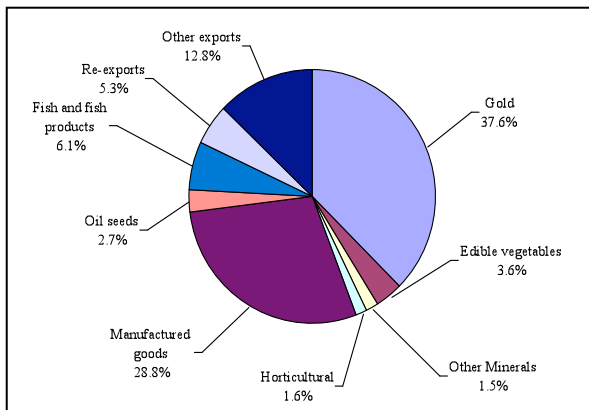
During the year ending May 2009, total exports of goods and services rose by 13.0 percent to USD 4,727.6 million following improved performance in goods export, particularly of manufactured goods. Chart 4.1 summarizes the performance of selected export items during the past four years.

Chart 4.1: Performance of Selected Exports Items



Goods export increased by 15.7 percent to USD 2,589.1 million largely on account of the improvement in traditional and non-traditional exports that went up by 41.2 percent and 11.2 percent to USD 479.8 million and USD 2,109.3 million, respectively. Gold exports accounted for 37.6 percent of total goods export, followed by manufactured goods which accounted for 28.8 percent (Chart 4.2).

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



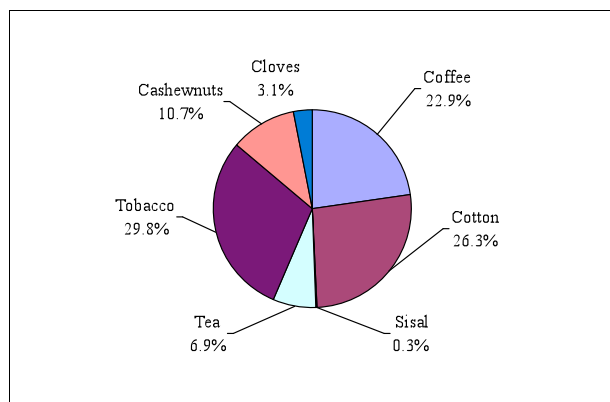
Note:
1. Other non-traditional include horticultural products and other exports
2. Other traditional exports include sisal, tea and cloves
3. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.
4. Re-exports refers to goods that are imported and later exported to neighboring countries. Major items in this category include wheat and refined petroleum products

Traditional Exports

In May 2009, the value of traditional exports decreased by 47.5 percent to USD 20.3 million, mainly on account of decline in the export volumes of almost all major traditional crops.

On annual basis, traditional exports rose by 41.2 percent to USD 479.8 million largely due to increase in export volumes of cotton, coffee, tobacco and cloves following favorable weather condition and availability of the agricultural inputs through the Agricultural Sector Development Programme (ASDP). Chart 4.3 depicts the composition of traditional exports for the year ending May 2009.

Chart 4.3: Contribution to Total Traditional Exports for the Year Ending April 2009



Source: Bank of Tanzania

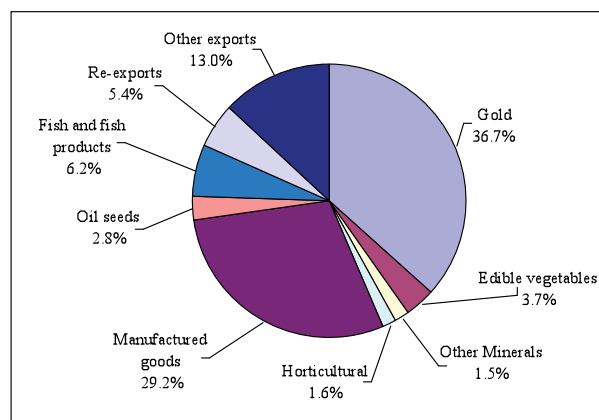
Non-Traditional Exports

During the month under review, non-traditional exports rose by 11.7 percent to USD 148.0 million mainly on account of an increase in manufactured goods export and gold.

On annual basis, non-traditional exports increased by 11.2 percent to USD 2,109.3 million due to a rise in export of manufactured goods from USD 395.4 million recorded in the year ending May 2008 to USD 645.4 million. Some of the exported manufactured goods are iron and steel, wheat flour, plastic items and electrical equipment. Improvement was also recorded in horticultural exports (mainly fresh cut flowers) which increased from USD 23.4 million to USD 35.4 million. This development was largely due to the expansion in horticultural production coupled with new investments in cut flowers in the Southern part of Tanzania.

The value of gold exports declined to USD 841.4 million from to USD 894.9 million recorded in the year ending May 2008 due to a fall in export volumes as the prices of gold in the world market remained high. While the prices of gold in the world market increased from USD 890.0 per troy ounce recorded last year to USD 929.0 per troy ounce, the volumes of gold exports declined from 35.2 tons to 28.3 tons. Chart 4.4 depicts the composition of non-traditional exports for the year ending May 2009.

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



Source: Bank of Tanzania

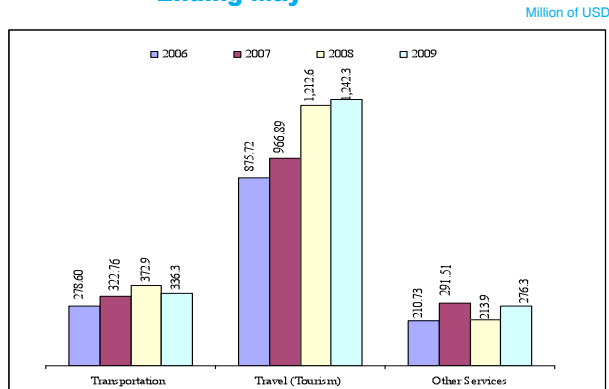
Services Export

Services receipt increased to USD 151.4 million during May 2009, compared to USD 140.6 million recorded in the previous month mainly due to an increase in travel earnings.



On annual basis, services receipt increased by 9.8 percent to USD 2,138.5 million following an improvement in travel, communication and other business services. Travel, which accounts for about 60 percent of total services receipt increased to USD 1,242.3 million from USD 1,212.6 million recorded during the corresponding period in 2008. The slight increase in travel receipts is largely associated with the global recession that has hit hard the United States and United Kingdom, which are the major tourist source markets to Tanzania. The available statistics from the Immigration Department indicate that the number of tourist arrivals has decreased from 766,829 reported in the year ending May 2008 to 733,792. With the current financial turmoil, rational tourists will opt to spend less by reducing the length of stay at destinations or decide to postpone the tours. **Chart 4.5** depicts the performance of the main service receipts for the past four years.

Chart 4.5: Service Receipts for the Year Ending May



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

Imports Performance

During May 2009, import of goods increased to USD 448.9 million from USD 310.4 million recorded in the previous month due to an increase in all major import categories. The value of intermediate and capital goods import went up by 63.6 percent and 41.2 percent to USD 113.8 million and USD 218.8 million, respectively. The increase in importation of intermediate goods was largely due to the rise in importation of oil and industrial raw materials. The value of oil imports almost doubled to USD 76.8 million following a rise in both import volumes and the world market prices. During the period under review, a total of 209,360 tons of oil were imported compared to 102,576 tons imported in the previous month, while prices of oil increased to USD 524.1 per ton from USD 461.8 per ton. In May 2009 about 201 tons of oil was re-exported mainly to Democratic Republic of Congo. The increase in capital goods import was largely attributable to an increase in imports of machinery. Likewise, consumer

goods import went up by 35.5 percent to USD 116.3 million mainly due to increase in food imports (**Table 4.2**).

Table 4.2: Imports

Millions of USD

Items	2008 ₧ May	2009		% Change		Year Ending May		% Change
		April	May	May 08- May 09	April 09- May 09	2008	2009	
CAPITAL GOODS	240.6	154.9	218.8	-9.1	41.2	1,889.0	2,460.0	30.2
Transport Equipments	99.6	47.6	77.2	-23.5	62.2	592.7	698.9	17.9
Building and Constructions	42.2	36.5	33.7	-20.2	-7.7	438.7	574.5	31.0
Machinery	98.7	70.8	107.8	9.2	52.2	857.6	1,186.6	38.4
INTERMEDIATE GOODS	228.9	69.6	113.8	-50.3	63.6	1,979.8	1,967.6	-0.6
Oil imports	178.3	39.2	76.8	-56.9	95.9	1,450.1	1,376.3	-5.1
Fertilizers	16.1	2.0	6.1	-61.9	206.4	67.7	144.9	--
Industrial raw materials	34.5	28.4	30.9	-10.7	8.8	462.0	446.4	-3.4
CONSUMER GOODS	82.0	85.8	116.3	41.9	35.5	1,073.3	1,223.3	14.0
Food and food stuffs	9.2	18.2	39.5	328.3	117.0	268.5	310.0	15.5
All other consumer goods ¹	72.7	67.6	76.8	5.5	13.5	804.8	913.3	13.5
GRAND TOTAL (F.O.B)	551.5	310.4	448.9	-18.61	44.6	4,942.1	5,651.0	14.3
GRAND TOTAL (C.I.F)	606.0	341.1	493.3	-18.61	44.6	5,430.9	6,209.9	14.3

Note:

Oil imports refers to refined petroleum products

P = provisional data

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

Totals July not ad up due to rounding of numbers

Source: Bank of Tanzania and Tanzania Revenue Authority

Food Imports

In May 2009, the total value of cereal imports rose to USD 30.6 million from USD 10.9 million recorded in April 2009 on account of an increase in importation of wheat and rice. Conversely, the value of maize imports declined from USD 0.718 million in April 2009, to USD 0.204 million. **Table 4.3** summarizes import of selected cereals during the last four months of the year.

Table 4.3: Summary of Selected Food Imports

Item	Feb-09	Mar-09	Apr-09	May-09	% Change (Apr 09 – May 09)
Maize					
Tons	468.1	98.8	1,830.0	142.3	-92.2
Value (Mill. USD)	0.666	0.042	0.718	0.204	-71.6
Rice					
Tons	409.3	3,630.9	833.0	21,714.5	--
Value (Mill. USD)	0.1	0.5	0.1	8.2	--
Wheat					
Tons	41,781.8	110,328.1	40,667.7	82,707.2	103.4
Value (Mill. USD)	9.784	27.389	10.032	22.176	121.1
Total tons	42,659	114,058	43,331	104,564	141.3
Total Value (Mill. USD)	10.5	27.9	10.9	30.6	181.6

Note: --+ Very big value

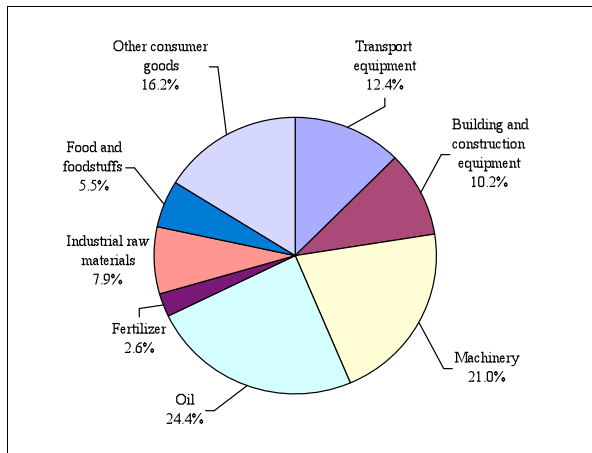
Source: Tanzania Revenue Authority

On annual basis, the value of goods import went up by 14.3 percent to USD 5,651.0 million. Importation of capital goods increased from USD 1,889.0 million in the previous year to USD 2,460.0 million, in line with the growth of activities in the construction, mining, communication and manufacturing sectors. Conversely, the value of imported intermediate goods dropped to USD 1,967.6 million from USD 1,979.8 million following a decline in importation of oil. Consumer goods import increased by 14.0 percent to USD 1,223.3 million following the increase in importation of food and food stuff



as well as other consumer goods such as pharmaceutical products, plastic goods and paper products. The increase in the value of food imports from USD 268.5 million last year to USD 310.0 million is partly attributed to increase in imports of cereals to augment domestic food supply (Chart 4.6).

Chart 4.6: Contribution to Total Imports for the Year Ending May 2009

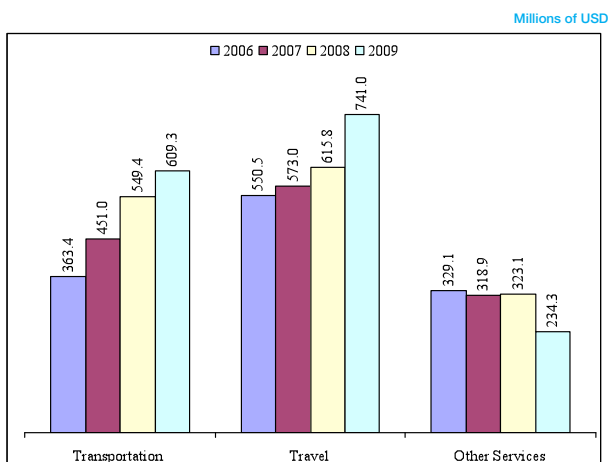


Source: Bank of Tanzania

Services Payment

During the review month, services payment went up by 2.9 percent to USD 120.4 million while on annual basis, the payments increased by 6.0 percent to USD 1,580.9 million. The rise in services payment was largely due to increase in freight, and travel services. Chart 4.7 illustrates the performance of major services payment categories in the past four years.

Chart 4.7: Service Payments for the Year Ending May, (2006 – 2009)



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

World Commodity Prices

During May 2009, most of the world market prices of the agricultural and non-agricultural commodities increased with the exception of **sisal** and **coffee Robusta**.

The price of **coffee Arabica** recorded a notable increase to USD 3.3 per kg largely due to a decline in supply as a result of unfavourable weather condition and constraints linked to high costs in Brazil, Costa Rica and Guatemala. Likewise, the price of cotton (**A-index**) and (**Memphis**) went up by 8.8 percent and 10.3 percent to USD 1.4 per kg and USD 1.5 per kg, respectively, largely attributable to an increase in demand of cotton from the Far East and European countries. Similarly, the price of **cloves** and **tea** (Average) rose by 6.0 percent and 7.2 percent to USD 4,050.0 per ton and USD 2.7 per kg, respectively. The rise in cloves prices was on account of decline in clove production in India following unfavourable weather condition, while the increase in tea (Average) prices was a result of a global shortage of tea supplies from major tea producing countries like India, Kenya and Sri-lanka.

During the period under review, the average prices of **crude oil** (UK Brent), Dubai (f.o.b) and **white products** increased by 15.7 percent, 14.4 percent and 13.5 percent to USD 58.2 per barrel, USD 57.4 per barrel and USD 524.1 per ton, respectively. This rise in oil prices was largely on speculation that the global economy is recovering.

On annual basis, the prices of **cotton** declined by about 9.0 percent to USD 1.4 per kg mainly on account of fall in global demand. The price of **tea** (Average price and Mombassa auction) rose moderately to USD 2.4 per kg and USD 2.2 per kg, respectively following a shortfall in production of **tea** as a result of unfavourable weather condition in India and a strong demand for **tea** in the European countries. The rise in the price of **sisal** was largely associated with the increased usage of **sisal** in power generation.

During the year to May 2009, oil prices declined largely on account of the drop in the global demand for oil amid the financial crisis. On the other hand, the price of **gold** rose by about 8.1 percent to USD 868.9 per troy ounce largely driven by a strong investment demand following the weakening of U.S dollar against other major currencies and instability in the global financial markets (Table 4.4).



Table 4.4: World Commodity Prices

Commodity	Units	2009			% Change	Year Ending May			
		Mar	Apr	May		2007	2008	2009	% Change
Robusta Coffee	USD per kg	1.68	1.67	1.67	0.00	1.66	2.20	2.02	-8.44
Arabica Coffee	USD per kg	2.83	2.97	3.33	12.12	2.54	2.98	2.98	-0.08
Tea (Average price)	USD per kg	2.19	2.51	2.69	7.17	1.88	2.26	2.39	5.83
Tea (Mombasa Auction)	USD per kg	2.14	2.21	2.22	0.45	1.80	1.91	2.21	15.97
Cotton, "A Index"	USD per kg	1.14	1.25	1.36	8.80	1.27	1.56	1.40	-10.47
Cotton, "Memphis"	USD per kg	1.23	1.36	1.50	10.29	1.33	1.60	1.47	-7.88
Sisal (UG)	USD per metric ton	1,213.00	1,213.00	1,213.00	0.00	927.50	1,052.50	1,209.83	14.95
Cloves	USD per metric ton	3,750.0	3,820.0	4,050.00	6.02	3,907.08	3,967.33	4,021.46	1.36
Crude oil*	USD per barrel	46.65	50.28	58.15	15.65	62.80	89.07	73.95	-16.98
Crude oil**	USD per barrel	45.58	50.18	57.4	14.39	61.12	85.14	72.52	-14.82
White products***	USD per ton	419.38	461.79	524.07	13.49	601.24	832.72	702.89	-15.59
Jet/Kerosene	USD per ton	423.14	460.67	501.45	8.85	622.22	872.21	743.93	-14.71
Premium Gasoline	USD per ton	445.23	490.7	586.74	19.57	615.78	798.71	650.26	-18.59
Heat Oil	USD per ton	389.76	433.99	484.01	11.53	565.72	827.24	714.48	-13.63
Gold	USD per troy ounce	924.00	890.00	929.00	4.38	633.46	803.49	868.89	8.14

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

** f. o. b. Dubai

*** Average of Premium gasoline, Gas oil and Jet/Kerosene, f.o.b. West Mediterranean

Source: <http://worldbank.org/prospects>, World Bank Public Ledger, Bloomberg Professional

5.0 National Debt Developments

The national debt stock at the end of May 2009 stood at USD 8,333.7 million, being an increase of 0.8 percent from the amount recorded at the end of the preceding month. The increase was mainly on account of new disbursements and exchange rate fluctuations. Out of the total debt stock, external debt was 79.5 percent and domestic debt was 20.5 percent.

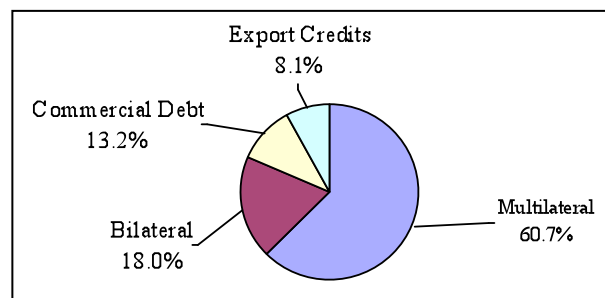
External Debt

At the end of May 2009, the external debt stock amounted to USD 6,622.0 million representing an increase of 0.5 percent from USD 6,590.7 million registered at the end of previous month. The increase was mainly due to new disbursements and accumulation of interest arrears. Out of the external debt stock, USD 5,147.4 million or 77.7 percent was disbursed outstanding debt (DOD) and the remaining amount of USD 1,474.5 million was interest arrears.

The profile of disbursed outstanding debt by borrower category reveals that the Central Government was the largest borrower holding debt amounting to USD 4,068.7 million or 79.0 percent, followed by private companies which held USD 929.3 million or 18.1 percent. Debt owed by parastatal companies was USD 149.4 million, equivalent to 2.9 percent of DOD.

The classification of DOD by creditor category showed that multilateral institutions were the leading creditors by holding USD 3,126.8 million or 60.7 percent, followed by bilateral creditors that held USD 925.4 million or 18.0 percent. Debt owed to other creditor categories is as indicated on [Chart 5.1](#).

Chart 5.1: Government Domestic Debt by Creditor Category



During the month under review disbursements received and recorded amounted to USD 2.1 million. External debt service payments amounted to USD 3.8 million, out of which, principal repayments and interest payments were USD 1.3 million and USD 2.5 million, respectively.

Domestic Debt

The outstanding domestic debt stock at the end of May 2009 increased by TZS 34.0 billion or 1.5 percent from TZS 2,209.0 billion recorded at the end of preceding month. The increase was mainly due to issuance of government bonds. Out of total domestic debt, Government securities accounted for 99.6 percent and the rest was unsecuritized debt ([Table 5.1](#)).

Table 5.1: Government Domestic Debt as at End of May 2009

Item	May-07	May-08	Apr-09	May-09	% of stock	Change (%)
Government Securities	1,840.94	2,057.35	2,200.73	2,234.71	99.63	1.54
o/w Treasury Bills ¹	576.22	422.48	284.12	284.73	12.69	0.21
Government Stocks	179.95	312.87	310.32	310.32	13.84	-
Government Bonds	1,084.71	1,321.94	1,606.23	1,639.60	73.1	2.08
Tax Certificates	0.06	0.06	0.06	0.06	0	-
Other Gov't Debt	16.51	8.28	8.28	8.28	0.37	-
Mabibo Hostel	16.47	8.24	8.24	8.24	0.37	-
Others	0.04	0.04	0.04	0.04	0	-
Total Dom. Debt	1,857.45	2,065.63	2,209.01	2,242.99	100	1.54
Interest Arrears	0.12	0.12	-	-	-	-
Total Dom. Debt Stock	1,857.57	2,065.75	2,209.01	2,242.99	100	1.54

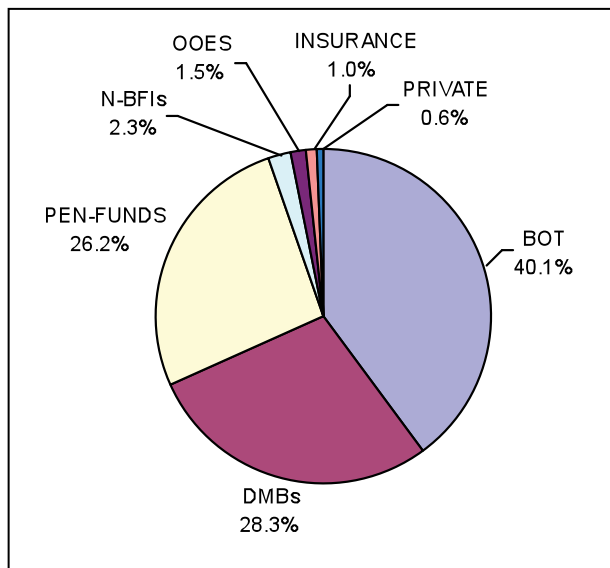
Source: Office of Chief Government Statistician (OCGS)

The profile of domestic debt by holder category shows that Bank of Tanzania is the leading creditor to the Government by holding 40.1 percent, followed by commercial banks which held 28.3 percent. Amounts held by other creditors are as shown on [Chart 5.2](#).

¹ This does not include liquidity papers



Chart 5.2: Government Domestic Debt by Creditor Category



During the month, domestic debt amounting to TZS 35.3 billion fell due for payment, out of which, TZS 28.8 billion, being principal was rolled over and interest amounting to TZS 6.5 billion was paid.



6.0 Economic Developments in Zanzibar

Inflation Developments

The provisional Annual Headline Inflation rate in May 2009 declined significantly to 9.0 percent, compared to 12.2 percent registered in the year ended April 2009, the lowest level since January 2006. The decline in inflation rate which has maintained a downward trend since October 2008, was attributed to a deceleration of both food and non-food inflation. Similarly, the month-to-month headline inflation rate declined to negative 1.3 percent from 0.1 percent recorded in April 2009, on account of a deceleration of both month-to-month food and non-food inflation (Table 6.1 and Chart 6.1).

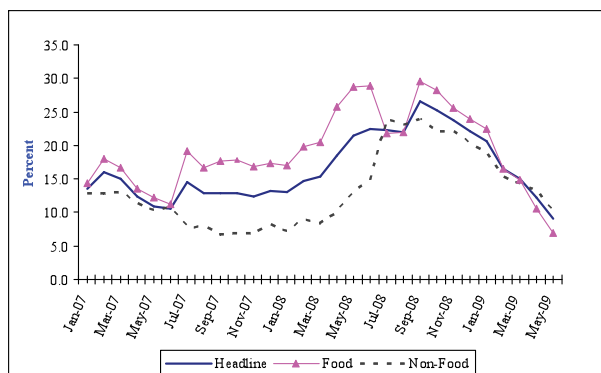
Table 6.1: Annual Percentage change in Consumer Price Index (CPI)

Base: Dec.2005=100

Major Commodity Group	Weights (%)	2006		2007			2008			2009	
		Dec	Mar	Apr	May	Mar	Apr	May	Mar	Apr	May
Headline/Overall	100	11.4	15.0	12.4	10.8	15.3	18.5	21.5	15.1	12.2	9.0
Food	57.4	11.6	16.6	13.6	12.2	20.4	25.7	28.7	14.8	10.5	7.0
Non-Food	42.6	11.5	13.7	11.5	9.9	8.5	10.0	13.0	14.3	13.3	10.2
Alcoholic beverages, tobacco & narcotics	0.6	23.6	20.9	23.0	23.0	0.5	-0.9	-0.7	19.2	18.8	18.6
Clothing and footwear	6.2	5.2	7.8	7.4	7.6	7.0	4.7	4.7	8.2	9.7	9.5
Housing, water, electricity, gas and other fuels	15.6	12.8	15.2	10.2	8.3	6.3	6.8	11.2	25.9	25.5	20.3
Furnishing, household equipment and routine household maintenance	5.3	8.7	9.9	11.3	10.6	12.0	13.2	12.5	11.3	9.0	8.8
Health	2.1	10.2	14.0	12.2	10.1	15.3	18.6	18.6	12.8	10.7	10.7
Transport	3.4	29.1	30.0	20.2	12.9	4.3	11.7	27.7	11.0	7.6	-4.3
Communication	2.4	-3.9	-3.9	-3.9	-3.9	-2.2	-2.3	-2.3	-0.1	0.0	0.0
Recreation and culture	0.4	12.7	17.6	16.7	10.8	10.2	9.7	9.9	2.9	3.2	3.2
Education	1.1	1.2	13.4	12.1	12.1	6.1	6.1	7.8	6.1	6.2	4.4
Restaurants and hotels	3.1	15.8	25.8	25.2	25.4	27.7	25.4	24.3	13.5	11.6	11.6
Miscellaneous goods & services	2.4	11.1	-2.0	-3.5	-3.3	14.6	21.1	21.4	14.6	10.3	10.0

Source: Office of Chief Government Statistician (OCGS)

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



Source: Office of Chief Government Statistician (OCGS)

The annual food inflation declined to 7.0 percent in May 2009 from 10.5 percent recorded in April 2009, mainly on account of fall in average prices of rice by 15.5 percent to TZS 1,000 per kilogram when compared to the previous corresponding period. Similarly, the month-to-month food

inflation decreased to negative 2.2 percent in May 2009, compared to 0.2 percent recorded in April 2009, due to 8.1 percent decline in prices for fish.

Annual non-food inflation declined to 10.2 percent, from 13.3 percent recorded in the year ended April 2009. The deceleration is due to a significant fall in pump prices of diesel, petrol and kerosene that fell by 22.4 percent, 21.3 percent and 33.8 percent, respectively. Equally, the month-to-month non-food inflation decreased from 0.2 percent to negative 0.2 percent in May 2009 on account of decreased fares for bus and fast ferries.

Fiscal Performance

Based on cheques cleared, the budgetary operations after grants recorded a deficit of TZS 0.3 billion during the month of May 2009. Total resources amounted to TZS 11.6 billion, being below the target of TZS 11.9 billion by 2.5 percent. Domestic sources contributed TZS 9.6 billion, or 82.8 percent of total resources, while foreign grants amounted to TZS 2.0 billion. Total expenditure during the month under review summed to TZS 13.5 billion, below the target of TZS 14.5 billion. The budget deficit was exclusively financed externally.

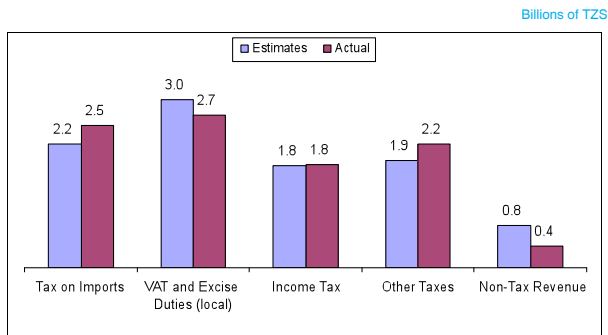
Revenue Performance

Total revenue collections during May 2009 amounted to TZS 9.6 billion and were in line with monthly target, though the lowest since August 2008. Tax revenue which accounted for 95.8 percent of the total revenue was TZS 9.2 billion, exceeding the month target of TZS 8.8 billion. Revenue from non-tax sources was TZS 0.4 billion, or 50.0 percent of the target of TZS 0.8 billion.

Revenue performance by category showed that, local VAT and excise duty which accounted for 28.1 percent of the total revenue amounted to TZS 2.7 billion, below the target of TZS 3.0 billion. The poor performance was associated with decline in tourist activities during the month partly attributable to the impact of the global financial crisis. However, tax on imports that accounted for 26.2 percent of total revenue amounted to TZS 2.5 billion, above the target of TZS 2.2 billion. Composition of revenue is summarized on Chart 6.2 and 6.3.

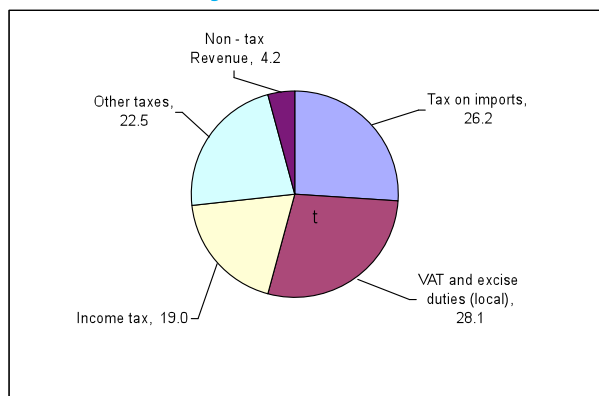


Chart 6.2: Government Revenue by Sources, Actual versus Target – May 2009



Source: Ministry of Finance and Economic Affairs, Zanzibar.

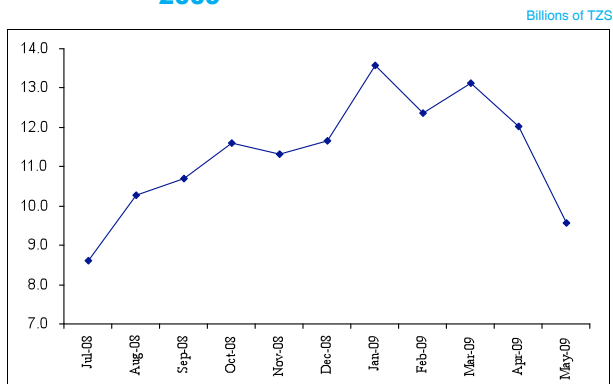
Chart 6.3: Government Revenue by Sources, Percentage Share to Total Revenue – May 2009



Source: Ministry of Finance and Economic Affairs, Zanzibar.

The cumulative Government revenue collection for the period July 2008 to May 2009 was TZS 124.8 billion, compared to the target of TZS 124.5 billion. The collected amount was equivalent to 93.0 percent of the estimated fiscal year target of TZS 134.2 billion (Chart 6.4).

Chart 6.4: Government Total Revenue Collections Trend July 2008– May 2009



Source: Ministry of Finance and Economic Affairs, Zanzibar.

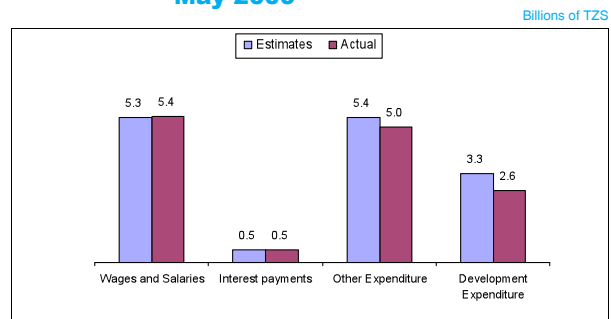
Expenditure Performance

During the month of May 2009, the Government spent a total of TZS 13.5 billion, being below the target of TZS 14.5 billion. The low expenditure was mainly on account of a shortfall

in projected donor inflows. Recurrent expenditure that accounted for 80.0 percent of total expenditure was TZS 10.8 billion, while development expenditure was TZS 2.7 billion.

Wages bill that accounted for 50.0 percent of the total recurrent expenditure or 39.9 percent of the total government expenditure amounted to TZS 5.4 billion, slightly above the target of TZS 5.3 billion. About 46 percent of the recurrent expenditure or 37 percent of the total expenditure was spent on other charges while TZS 0.5 billion was utilized for interest payment (Chart 6.5).

Chart 6.5: Government Expenditure by Components, Actual versus Target – May 2009



Source: Ministry of Finance and Economic Affairs-Zanzibar

Government contributions accounted for 37.0 percent of the total development expenditure amounted to TZS 1.0 billion, against the target of TZS 1.1 billion. Donor fund inflows for development expenditure amounted to TZS 1.7 billion, well below the projected TZS 2.1 billion.

Total expenditure for the period July 2008 to May 2009 was TZS 185.2 billion, equivalent to 98.8 per cent of the estimated TZS. 187.5 billion. The outturn was 54.2 per cent of the annual budget of TZS 341.7 billion mainly on account of shortfall in projected donor inflows that amounted to TZS 173.7 billion against actual disbursement of TZS 40.2 billion.

Debt Developments

Zanzibar total public debt stock as at end of May 2009 was USD 106.3 million (TZS 140.3 billion) compared to USD 104.9 million (TZS 138.8 billion) recorded at the end of the preceding month. External debt stock stood at USD 61.9 million (TZS 81.5 billion) equivalent to 58.1 percent of the total debt, while domestic debt was TZS 58.8 billion (USD 44.4 million).

Domestic Debt

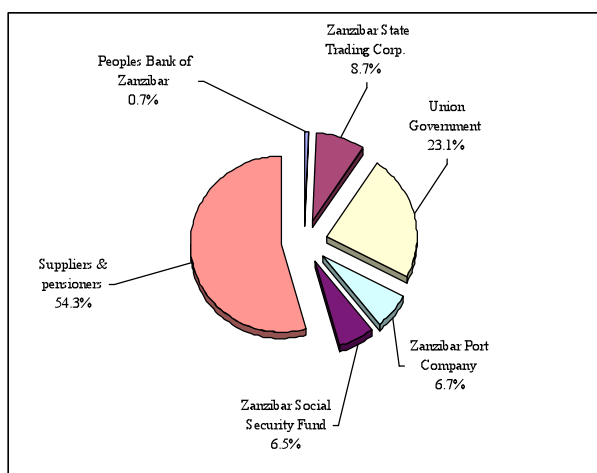
During the reporting period, domestic debt increased to TZS 58.8 billion from TZS 57.5 billion, reported at the end of April 2009 as a result of increase in gratuities claims.



Domestic Debt by Creditors

Debt owed to government suppliers and pensioners which accounted for 54.3 percent of the total domestic debt was TZS 31.9 billion compared to TZS 30.6 billion recorded at end of the previous month. Debt to the Union Government stood at TZS 13.6 billion, equivalent to 23.1 percent of the total domestic debt. Claims by Zanzibar State Trading Corporation (ZSTC) and Zanzibar Ports Corporation (ZPC) were TZS 5.1 billion and TZS 3.9 billion, respectively. Debts owed to Zanzibar Social Security Fund (ZSSF) and the Peoples Bank of Zanzibar (PBZ) stood at TZS 3.8 billion and TZS 0.4 billion, respectively (Chart 6.6).

Chart 6.6: Domestic Debt by Creditor as at End of May 2009



Source: Ministry of Finance and Economic Affairs-Zanzibar

Domestic Debt by Maturity

Classification of total domestic debt by maturity indicated that, debt with "undetermined maturity" (predominantly gratuity and supplier's claims) was TZS 32.1 billion, equivalent to 54.7 percent. Debt maturing between 2 – 5 years stood at TZS 20.2 billion, or 34.3 percent of total domestic debt, whereas debt maturing in less than a year stood at TZS 6.5 billion.

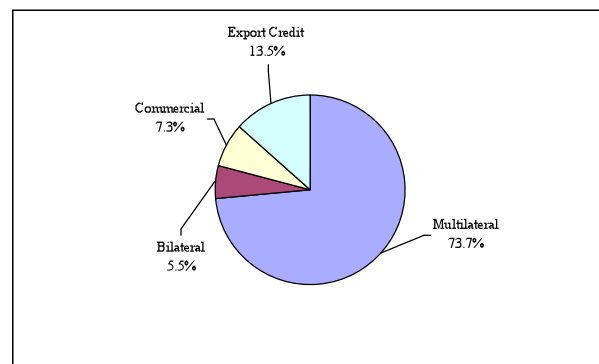
External Debt

External debt stock as at end of May 2009, stood at USD 61.9 million, compared to USD 61.6 million recorded at end of the previous month. The Union Government guaranteed USD 46.2 million equivalent to 74.6 percent of the external debt while USD 15.6 million was not guaranteed.

External Debt by Creditor Category

Debt due to multilateral creditors was USD 45.6 million, equivalent to 73.7 percent of the total external debt, followed by bilateral creditors with debt of USD 3.4 million or 5.5 percent of total external debt. Commercial debt stood at USD 4.5 million while export credits was USD 8.3 million (Chart 6.7).

Chart 6.7: External Debt by Creditor as at End – May 2009



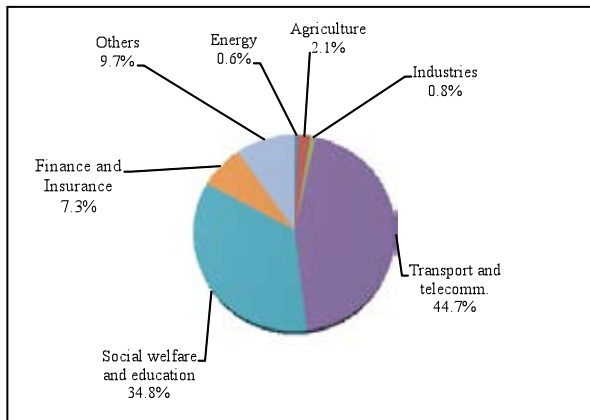
Source: Ministry of Finance and Economic Affairs-Zanzibar

External Debt - Disbursements by End Use

During the month under review, transport and telecommunications sectors absorbed larger portion of external debt amounting to USD 27.6 million, or 44.7 percent of the total external debt. Social welfare and education sectors absorbed USD 21.5 million, equivalent to 34.8 percent. Finance and Insurance sector received USD 4.5 million, or 7.3 percent, while Agriculture and Energy sectors got USD 1.3 million and USD 0.4 million, accounting for 2.1 percent and 0.6 percent of total external debt, respectively. Industrial sector had USD 0.5 million or 0.8 percent, while other sectors absorbed USD 6.0 million, or 9.7 percent of external debt (Chart 6.8).



Chart 6.8: External Debt by Use of Funds as at End of May 2009



Source: Ministry of Finance and Economic Affairs-Zanzibar

External Sector Performance

Current Account

During May 2009, Zanzibar current account balance improved to a surplus of USD 0.9 million, from a deficit of USD 1.1 million recorded in the previous month mainly on account of increased foreign inflows and services receipt. However, trade account balance deteriorated to a deficit of USD 4.5 million from a deficit of USD 4.3 million recorded in April 2009.

The current account balance for the year ending May 2009 declined to a surplus of USD 2.5 million from USD 7.7 million recorded during the previous corresponding period. Higher import than export bill on goods and services coupled with widening deficit in the income account explain the decline in the current account surplus. During the period, current transfers recorded net inflows of USD 55.5 million (Table 6.2).

Table 6.2: Zanzibar Current Account Balance

Item	Millions of USD							
	2008		2009		Year Ending May		%Change	
	May	April	May	2007	2008	2009p	Monthly	Annual
Goods Account (net)	-9.05	-4.29	-4.49	-57.87	-75.50	-80.26	4.70	6.31
Exports	1.22	1.85	2.04	15.15	15.94	21.04	11.10	32.10
Imports (fob)	10.27	6.13	6.53	73.02	91.43	101.30	6.60	10.79
Services Account (net)	2.90	1.28	1.92	42.10	32.06	30.68	46.10	-4.40
Receipts	8.13	7.51	8.33	93.61	85.00	96.74	10.70	13.81
Payments	5.23	6.22	6.41	50.51	52.94	66.07	3.20	25.00
Goods and Services (net)	-6.15	-3.00	-2.56	-15.77	-43.43	-49.58	-13.30	14.30
Exports of Goods and Services	9.35	9.35	10.37	107.77	100.94	117.79	10.60	16.69
Imports of Goods and Services	15.50	12.35	12.93	123.54	144.37	167.37	4.00	15.93
Income Account (net)	0.00	-0.79	-0.53	0.27	-0.67	-3.46	37.50	400.00
Receipts	0.03	0.02	0.02	0.32	0.16	0.37	0.00	100.00
Payments	0.03	0.81	0.55	0.05	0.83	3.83	-37.50	375.00
Current Transfers (net)	2.08	2.65	3.99	59.97	51.77	55.51	53.80	7.10
Inflows	2.08	2.65	3.99	59.97	51.77	55.51	50.70	7.10
Outflows	0.00	0.00	0.00	0.00	0.00	0.00		
Current Account Balance	-4.07	-1.15	0.90	44.46	7.67	2.47	18.20	-67.75

P = Provisional data

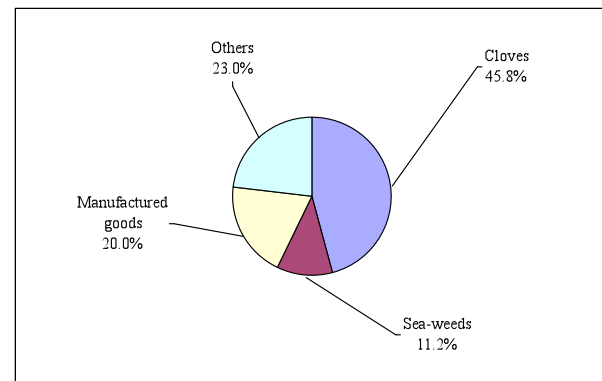
Source: Tanzania Revenue Authority and BOT.

Exports Performance

During May 2009, export of goods and services amounted to USD 10.4 million, higher than USD 9.4 million registered

in April 2009 mainly associated with services receipt that increased to USD 8.3 million from USD 7.5 million recorded in the previous month. Similarly, goods export amounted to USD 2.0 million, compared to USD 1.8 million recorded in the preceding month. Cloves, manufactured goods and seaweeds were the main exports accounting for 45.8 percent, 20.0 percent and 11.2 percent of total goods exports respectively (Chart 6.9).

Chart 6.9: Zanzibar: Composition of Goods Exports - May 2009



Exports of goods and services during the year ended May 2009 that amounted to USD 117.8 million were higher by 16.7 per cent as compared with USD 100.9 million recorded in the preceding corresponding period. Clove that accounted for 41.9 percent of total exports amounted to USD 8.8 million, compared to USD 4.2 million following an increase export volume to 2,400.0 tons from 1,100.0 tons. Average export price of cloves, however, declined to USD 3,596.1 from USD 3,856.8 per ton for the year ending May 2008. During the same period, seaweeds export declined to USD 2.3 million from USD 2.5 million. Manufactured goods exports rose to USD 5.1 million, compared to USD 4.0 million. Export of fish and fish products remained at the same level of USD 0.2 million as was recorded in the preceding corresponding period (Table 6.3).

Table 6.3: Zanzibar Exports by Major Categories

Item	Units	2008		2009p		Year Ending May			%Change	
		May	April	May	2007	2008	2009p	Monthly	Annual	
Traditional:										
Cloves										
Value	Millions	0.2	0.93	0.92	9.7	4.2	8.8	-1.1	109.5	
Volume	000 Tons	0.1	0.261	0.257	3.0	1.1	2.4	-1.5	118.2	
Unit Price	USD/Ton	4100.0	3,553.6	3,583.4	3,208.5	3,856.8	3,596.1	0.8	-6.8	
Non-Traditional :										
Seaweeds										
Value	Millions	0.1	0.13	0.23	1.73	2.5	2.3	76.9	-8.0	
Volume	000 Tons	0.5	0.5	1.0	8.19	9.9	9.7	100.0	-2.0	
Unit Price	USD/Ton	283.6	280.3	237.1	211.6	254.4	237.6	-15.4	-6.6	
Manufactured Goods	Millions	0.4	0.3	0.4	2.5	4.0	5.1	33.3	27.5	
Fish and Fish Products	Millions	0.00	0.0	0.0	0.1	0.2	0.2	0.0	0.0	
Horticultural products	Millions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Others Exports	Millions	0.5	0.4	0.5	1.1	5.0	4.6	25.0	-8.0	
SUB TOTAL	Millions	1.02	0.92	1.12	5.5	11.7	12.2	21.7	4.3	
GRAND TOTAL	Millions	1.2	1.8	2.0	15.2	15.9	21.0	11.1	32.1	

Note: Value in Millions of USD, Volume in metric Tons, Unit price in USD / Ton

P = Provisional data

Source: Tanzania Revenue Authority and BOT computations



Goods Imports

During May 2009, import of goods (c.i.f) amounted to USD 7.2 million, an increase of 7.5 per cent compared to the level recorded in previous month. Capital and intermediate goods increased by 3.8 percent and 23.8 percent to USD 2.7 million and USD 2.6 million, respectively. Conversely, consumer goods import declined to USD 1.8 million from USD 2.0 million.

During the year ending May 2009, total goods import (c.i.f) amounted to USD 111.3 million, compared to USD 100.5 million recorded in the corresponding period in 2008. Oil import declined to USD 29.1 million, compared to USD 29.7 million, equivalent to 26.1 percent of merchandise imports. Import of capital goods amounted to USD 48.2 million, above USD 41.1 million recorded in previous corresponding period in 2008. Imports of consumer goods increased to USD 22.7 million, though food and food stuffs imports dropped significantly to USD 6.2 million from USD 9.5 million (Table 6.4).

Services Account

During the month under review, services account surplus increased to USD 1.9 million, from USD 1.3 million recorded in April 2009 due to increased services receipt that outweighed the increase in service payments (Table 6.2). Conversely, during the year that ended May 2009, services account surplus declined to USD 30.7 million from USD 32.1 million recorded in the preceding corresponding period. Total services payments increased by 25.0 percent to USD 66.1 million against services receipt that increased by 13.8 percent to USD 96.7 million.

Table 6.4: Zanzibar Imports by Major Categories

IMPORT CATEGORY	2008		2009p			Year Ending May			%Change	
	May	April	May	2007	2008	2009p	Monthly	Annual		
CAPITAL GOODS	4.3	2.6	2.7	38.9	41.1	48.2	3.8	17.3		
Transport Equipment	3.2	1.3	1.3	11.5	22.0	28.9	0.0	31.4		
Building and Constructions	0.3	0.5	0.6	10.6	5.8	9.2	20.0	58.6		
Machinery	0.8	0.8	0.7	16.8	13.4	10.0	-12.5	-25.4		
INTERMEDIATE GOODS	5.6	2.1	2.6	21.7	36.9	40.5	23.8	9.7		
Oil imports	5.1	1.5	2.0	16.2	29.7	29.1	33.3	-2.0		
Fertilizers	0.02		
Industrial raw materials	0.5	0.6	0.6	5.5	7.3	11.4	0.0	56.2		
CONSUMER GOODS	1.4	2.0	1.8	19.6	22.5	22.7	-10.0	0.9		
Food and food stuffs	0.7	0.9	0.8	4.8	9.5	6.2	-11.1	-34.7		
All other consumer goods	0.7	1.1	1.1	14.8	13.0	16.4	0.0	26.2		
GRAND TOTAL (CIF)	11.3	6.7	7.2	80.2	100.5	111.3	7.4	10.7		
GRAND TOTAL (FOB)	10.3	6.1	6.5	73.0	91.4	101.3	6.6	10.8		

p = provisional
.. = Very small value
Source: Tanzania Revenue Authority



STATISTICAL TABLES



Table A1 : Selected Economic Indicators (Annual)

Item	Unit	2003	2004	2005	2006 ^r	2007*	2008*
1. National Accounts and Prices							
1.1 Change in GDP at Market Prices--Current Prices	Percent	15.9	15.4	14.3	12.4	16.8	
1.2 Change in GDP at Market Prices--Constant 2001 Prices ²	Percent	6.9	7.8	7.4	6.7	7.1	7.4
1.3 GDP Per Capita--Current Prices ¹	TZS	354,007.6	396,132.4	441,152.1	478,051.4	546,955.7	629,884.4
1.4 GDP Per Capita--Current Prices ¹	USD	340.9	363.7	390.7	381.3	439.6	526.5
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 ³	Percent	9.6	10.4	8.7	8.5	6.4	
2. Money Credit and Interest Rates							
2.1 Change in Extended Broad Money Supply (M3)	Percent	16.1	19.3	38.2	22.0	21.4	
2.2 Change in Broad Money supply (M2)	Percent	14.2	19.2	36.9	13.7	28.8	
2.3 Change in Narrow Money Supply (M1)	Percent	16.1	18.2	33.7	9.8	32.7	
2.4 Change in Reserve Money	Percent	12.6	23.6	27.7	16.8	30.2	
2.5 Total Credit to GDP Ratio ¹	Percent	6.9	7.2	10.5	11.7	12.6	
2.6 Private Sector Credit to GDP Ratio ¹	Percent	6.7	7.6	8.9	11.3	13.8	
2.7 Ratio of Private Credit to Total Credit	Percent	97.4	104.8	84.6	96.3	109.7	
2.8 Average Deposit Rate (12-Month) ⁴	Percent	5.3	5.7	6.2	8.3	9.3	
2.9 Weighted Average Treasury Bill Rate	Percent	7.7	9.6	14.8	15.0	11.4	
2.10 Average Long-Term Lending Rate ⁴	Percent	12.2	12.7	13.4	14.9	16.1	
3. Balance of Payments**							
3.1 Exports of goods (f.o.b)	Mill. USD	1,220.9	1,481.6	1,679.1	1,917.6	2,226.6	3,036.7
3.2 Imports of goods (f.o.b)	Mill. USD	-1,933.5	-2,482.8	-2,997.6	-3,864.1	-4,860.6	-6,483.4
3.3 Trade Balance	Mill. USD	-712.6	-1,001.2	-1,318.5	-1,946.5	-2,634.1	-3,446.7
3.4 Balance on Current Account	Mill. USD	-118.1	-365.9	-862.8	-1,143.2	-1,580.3	-2,350.7
3.5 Overall Balance	Mill. USD	389.1	284.0	-227.8	460.7	412.6	108.8
3.7 Gross Official Reserves	Mill. USD	2,037.8	2,307.7	2,054.6	2,137.5	2,761.9	2,869.7
3.8 Reserves Months of Imports (of goods and services)	Months	7.1	6.6	4.8	4.1	4.1	4.4
3.9 Exchange Rate:							
3.9.1 Annual Average	TZS/USD	1,038.9	1,089.1	1,129.2	1,253.9	1,244.1	1,196.3
3.9.2 End of Period	TZS/USD	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1	1,280.3
4 Population (TZ Mainland)	Million	34.2	35.3	36.19	37.5	38.3	39.3
5. Public Finance		2003/04	2004/05	2005/06^r	2006/07^r	2007/08*	
5.1 Current Revenue to GDP Ratio ¹	Percent	12.1	13.3	13.8	17.1		
5.2 Grants to GDP Ratio ¹	Percent	3.7	7.4	6.8	6.2		
5.2 Current Expenditure to GDP Ratio ¹	Percent	12.9	15.1	17.3	20.4		
5.3 Development Expenditure to GDP Ratio ¹	Percent	3.6	8.6	8.7	8.7		
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	-4.4	-10.4	-12.2	-12.0		
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	-0.6	-3.0	-5.4	-5.8		
6. Total External Debt Stock	Mill. USD	7,857.0	8,134.8	8,229.5	4,660.9	5,846.4	
Disbursed Debt	Mill. USD	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1	
Interest	Mill. USD	1,178.7	1,335.3	1,258.3	1,218.6	1,363.3	
Total External Debt as % of GDP	Percent	83.5	77.5	72.0	36.7	34.6	

Note:

¹ Calculated on the basis of GDP at Market prices

² Calculated on the basis of GDP at Market prices

³ GNDI stands for gross national disposable income

⁴ Annual Average

^r Revised

* Provisional

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



Table A2 : Central Government Operations (Cheque Issued) - Monthly Flows

Item	BUDGET 2008/09	Monthly Flows - Actual											
		Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	
Total Revenue	4,728,595	318,955.8	303,538.6	437,765.1	353,695.9	321,600.8	426,645.2	330,526.1	311,472.5	424,934.0	332,998.7	323,693.5	
Tax Revenue	4,485,100	303,484.6	287,597.9	420,844.5	334,000.7	305,379.8	409,078.1	318,924.9	280,471.7	400,872.9	292,911.5	312,032.8	
Taxes on Imports	1,640,697	131,726.1	106,721.3	130,075.2	128,439.9	118,096.2	128,634.4	126,152.2	110,604.8	130,367.8	114,666.0	126,326.8	
Sales/VAT and Excise on Local Goods	968,745	62,218.2	73,921.0	92,128.9	81,354.5	82,999.9	71,201.5	77,887.1	70,868.5	74,605.0	59,919.0	67,114.6	
Refunds													
Income Taxes	1,393,053	71,170.1	74,853.7	157,481.7	79,616.1	73,473.7	170,171.2	75,921.4	61,318.8	153,892.2	77,851.0	78,945.0	
Other taxes	482,605	38,370.2	32,101.9	41,158.7	44,590.2	30,810.0	39,071.0	38,964.2	37,679.6	42,007.9	40,475.5	39,646.4	
Non-tax Revenue	243,495	15,471.2	15,940.7	16,920.6	19,695.2	16,221.0	17,567.1	11,601.2	31,000.8	24,061.1	40,087.2	11,660.7	
Total Expenditure /1	7,192,103	258,142.1	560,616.5	475,427.1	552,897.2	610,266.3	559,317.6	677,379.1	474,769.7	547,883.5	566,874.2	546,476.7	
Recurrent expenditure	4,700,623	223,259.6	393,048.6	335,494.3	323,938.6	345,994.1	334,713.9	540,620.5	344,745.0	300,486.3	353,075.7	221,409.0	
Road/roll fund													
Retention fund	85,318	3,360.2	5,164.0	3,123.5	3,631.8	9,646.1	5,371.8	7,044.9	1,543.4	1,543.4	1,768.7	4,922.4	
Wages and salaries	1,570,324	118,265.1	0.0	372,611.6	124,270.0	129,509.4	127,665.6	122,024.4	121,600.4	121,224.5	120,365.3	122,813.9	
Interest payments	282,359	25,162.8	5,381.1	13,342.1	27,504.1	11,652.6	13,132.0	39,460.0	16,909.6	15,885.3	26,700.2	10,928.6	
Domestic /2	247,759	25,063.7	4,688.7	10,229.7	23,305.1	9,246.6	8,472.1	37,969.3	16,597.5	8,507.3	24,723.8	6,544.4	
Foreign	34,600	99.1	692.4	3,112.4	4,199.0	2,406.0	4,659.9	1,490.8	312.1	7,378.0	1,976.4	4,384.2	
Other goods, services and transfers	2,762,623	76,471.5	382,503.4	-53,582.9	168,532.7	195,186.0	188,544.5	372,091.2	204,691.7	161,833.2	204,241.5	82,744.1	
Dev. Expenditure and net lending	2,491,480	34,882.5	167,567.9	139,932.8	228,898.6	264,272.1	224,603.7	136,758.6	130,024.6	247,397.2	213,798.5	325,067.8	
Local	940,380	466.1	74,964.7	34,955.6	113,000.0	168,781.0	61,531.0	79,299.0	58,000.0	50,000.0	112,415.0	260,000.0	
Foreign	1,551,100	34,416.4	92,603.3	104,977.2	115,898.6	95,491.1	163,072.7	57,459.6	72,024.6	197,397.2	101,383.5	65,067.8	
Overall Balance (cheque issued) before Grants	-2,463,508	60,813.7	-257,077.9	-37,662.0	-199,141.3	-288,665.5	-132,672.4	-346,853.0	-163,232.2	-122,949.5	-233,875.5	-222,783.2	
Grants	1,441,229	9,782.6	31,581.5	27,498.2	76,143.0	95,078.9	284,557.1	121,488.7	54,332.9	93,861.4	77,923.2	15,229.5	
Program (CIS/OGL)	543,905	0.0	0.0	241,294.0	20,664.5	24,209.8	184,550.3	81,802.5	0.0	14,105.5	42,097.2	0.0	
Project	556,366	8,486.9	15,030.6	20,694.0	20,341.4	27,449.1	46,541.6	27,297.5	12,918.0	66,017.7	34,964.2	1,909.0	
Basket funds	206,126	475.5	11,159.8	7,499.9	29,327.5	36,231.6	37,700.8	4,792.4	40,743.1	11,990.9	861.8	13,320.5	
HIPC Relief	134,833	820.1	5,391.2	5,494.2	5,809.5	7,188.4	15,764.4	7,596.2	671.8	1,747.3	0.0	0.0	
Overall deficit (cheque issued) after Grants	-1,022,279	70,596.3	-225,496.4	237,320.1	-122,998.3	-193,586.6	151,884.7	-225,364.3	-108,964.3	-29,088.1	-155,952.3	-207,553.8	
Expenditure float	0	-192,050.8	-16,513.5	-4,519.9	-1,686.3	-1,309.5	-555.5	-70.7	0.0	0.0	0.0	0.0	
Adjustments to cash and other items (net)	53,000	77,282.7	82,105.4	-207,368.8	50,865.8	-61,734.8	-39,891.7	103,053.3	-73,765.1	79,403.5	98,538.2	-215,142.6	
Overall Balance (cheques issued)	-969,279	-44,171.8	-159,904.5	25,431.4	-73,818.7	-256,630.8	111,437.5	-122,381.7	-182,729.3	50,315.4	-57,414.0	-422,696.3	
Financing:	969,279	44,171.8	159,904.5	-25,431.4	73,818.7	256,630.8	-111,437.5	122,381.7	182,729.3	-50,315.4	57,414.0	422,696.3	
Foreign Financing (net)	946,207	24,473.4	65,440.2	72,904.7	65,611.6	217,509.6	73,217.4	23,900.1	134,768.4	116,198.4	88,583.5	48,610.6	
Loans	775,650	0.0	35,827.7	58,442.4	39,810.6	215,350.4	71,924.9	11,614.3	129,999.8	117,641.3	55,543.1	49,838.3	
Program loans	268,208	0.0	0.0	0.0	0.0	189,238.4	0.0	0.0	117,079.3	0.0	25,604.7	0.0	
Development Project loans	507,442	0.0	35,827.7	58,442.4	39,810.6	26,112.0	71,924.9	11,614.3	12,920.4	117,641.3	29,938.4	49,838.3	
Basket Support	212,656	25,099.9	30,158.7	17,802.2	26,036.9	5,247.7	5,513.5	13,041.3	4,771.3	0.0	35,619.1	0.0	
Amortization	-42,099	-626.5	-546.2	-3,339.9	-235.9	-3,088.4	-4,221.0	-755.4	-2.7	-1,442.9	-2,578.7	-1,227.7	
Domestic (net)	23,072	19,698.4	94,464.2	-98,336.1	8,207.1	39,121.2	-184,654.9	98,481.6	47,960.9	-166,513.8	-31,169.5	374,085.7	
Bank & Non Bank Financing (NDF)	0.0	19,698.4	94,464.2	-98,336.1	8,207.1	39,121.2	-229,654.9	98,481.6	47,960.9	-166,513.8	-31,169.5	374,085.7	
Bank borrowing													
Non-Bank (net of amortization)	-16,928	133,254.9	44,101.3	-52,350.8	85,127.1	-88,134.4	-305,907.2	105,554.0	10,624.5	-151,149.3	16,967.4	94,215.5	
Amortization of contingent debt	-20,000	-113,556.5	50,362.9	-45,985.3	-76,920.0	127,255.6	76,252.2	-7,072.4	37,336.4	-15,364.5	-48,136.8	279,870.3	
Privatization Proceeds	60,000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
GDP (In Million TZS)	26,879,000.0												

Note: /1 Exclude amortization and Expenditure Float, includes Road fund and Retention expenditures
/2 Domestic interest payments and amortization include Cash and Non cash

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





Table A3 : Depository Corporations Survey

Item	Billions of TZS											
	2008						2009					
	Dec-03	Dec-04	Dec-05	Dec-07	Dec-08	Jan-09	Feb-09	Mar-09	Jan-00	Apr-09	May-09	
Net foreign assets	2,321.6	2,548.2	2,718.6	3,731.0	4,138.0	4,046.9	4,162.4	4,188.3	4,188.3	4,239.2	4,197.5	
Bank of Tanzania	1,660.4	1,963.5	1,990.1	3,097.6	3,643.4	3,499.6	3,502.0	3,500.2	3,500.2	3,587.8	3,487.0	
Other Depository Corporations	661.2	584.8	728.4	633.4	494.6	547.3	660.3	688.1	688.1	651.4	710.5	
Net domestic assets	457.2	605.5	1,532.2	2,492.6	3,320.8	3,388.9	3,390.7	3,445.2	3,445.2	3,388.2	3,413.4	
Domestic claims	884.0	1,040.6	1,846.3	2,831.4	4,221.2	4,314.9	4,368.1	4,256.1	4,256.1	4,282.1	4,426.2	
Claims on central government (net)	-108.5	-272.1	192.1	-319.8	-335.0	-229.4	-218.8	-369.9	-369.9	-353.0	-258.8	
Claims on central government	827.7	945.9	1,681.1	2,271.3	2,197.8	2,092.3	2,002.9	2,052.7	2,052.7	2,070.7	2,062.9	
Claims on non-government sector	992.5	1,312.7	1,654.3	3,151.2	4,556.2	4,544.3	4,586.9	4,626.1	4,626.1	4,635.0	4,684.9	
Broad money liabilities	2,778.8	3,153.8	4,250.7	6,223.6	7,458.8	7,435.7	7,553.0	7,633.5	7,633.5	7,627.4	7,610.9	
Currency outside depository corporations	563.5	694.5	890.0	1,162.5	1,438.6	1,408.0	1,384.3	1,366.6	1,366.6	1,349.6	1,366.3	
Transferable deposits	962.1	1,170.1	1,579.5	2,418.3	2,851.1	2,913.6	2,899.9	2,915.8	2,915.8	2,968.4	2,889.0	
Other deposits	1,253.2	1,289.1	1,781.3	2,642.8	3,169.0	3,114.2	3,268.8	3,351.1	3,351.1	3,309.4	3,355.7	
Other items (net)	-426.8	-435.1	-314.2	-338.7	-900.4	-926.0	-977.4	-811.0	-811.0	-893.9	-1,012.8	
Memorandum items:												
Monetary Aggregates :-												
Reserve money (M0)	825.8	1,000.0	1,284.7	1,879.0	2,276.4	2,489.5	2,451.4	2,478.5	2,478.5	2,558.6	2,550.2	
Extended broad money (M3)	2,778.8	3,153.8	4,250.7	6,223.6	7,458.8	7,435.7	7,553.0	7,633.5	7,633.5	7,627.4	7,610.9	
Deposits in foreign currency	932.8	942.7	1,290.3	1,829.0	1,990.3	1,970.0	2,021.8	2,060.0	2,060.0	2,075.4	2,016.4	
Broad money (M2)	1,846.1	2,211.0	2,960.4	4,394.6	5,468.5	5,465.7	5,531.2	5,573.5	5,573.5	5,552.0	5,594.5	
Currency in circulation	563.5	694.5	890.0	1,162.5	1,438.6	1,408.0	1,384.3	1,366.6	1,366.6	1,349.6	1,366.3	
Total deposits in national currency	1,282.5	1,516.5	2,070.4	3,232.1	4,029.8	4,057.7	4,146.9	4,206.9	4,206.9	4,202.4	4,228.3	
Narrow money (M1)	1,107.2	1,359.0	1,791.3	2,590.5	3,158.3	3,196.2	3,148.5	3,098.2	3,098.2	3,063.6	3,079.7	
Currency in circulation	563.5	694.5	890.0	1,162.5	1,438.6	1,408.0	1,384.3	1,366.6	1,366.6	1,349.6	1,366.3	
Transferable deposits in national currency	543.7	664.5	901.3	1,428.0	1,719.7	1,788.2	1,764.1	1,731.6	1,731.6	1,714.0	1,713.4	

Source: Bank of Tanzania

Table A4 : Interest Rate structure

Item	2008										2009 ^p				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
A: Domestic Currency															
Interbank Cash Market Rates															
Overnight	3.85	3.59	3.45	3.49	3.64	4.19	5.23	5.51	6.27	8.31	9.63	9.90	9.29	6.49	
2 to 7 days	4.08	4.04	3.68	3.67	3.75	4.23	5.55	5.80	6.60	8.64	9.97	10.17	9.74	7.11	
8 to 14 days	4.20	3.80	3.99	3.87	3.88	4.61	5.69	5.89	6.21	8.34	10.84	10.77	9.85	7.38	
15 to 30 days	5.18	4.82	4.85	4.00	4.00	4.00	4.00	5.90	5.90	5.90	5.90	11.76	10.27	7.35	
31 to 60 days	5.40	4.73	4.73	5.50	5.50	6.09	6.03	6.83	8.75	8.75	11.01	11.80	11.05	7.87	
61 to 90 days	5.93	5.93	5.93	5.93	5.93	5.93	5.93	5.93	11.00	11.00	12.15	12.15	12.15	12.15	
91 to 180 days	6.25	6.25	5.50	5.50	8.21	10.48	10.16	11.46	11.69	11.50	12.00	12.00	12.00	9.40	
181 and above	7.00	7.88	7.88	8.50	8.50	8.50	10.85	13.00	13.00	13.00	14.35	14.35	14.35	12.00	
Overall Interbank cash market rate	4.12	3.83	3.61	3.61	3.70	4.32	5.45	5.85	6.54	8.41	9.81	10.10	9.58	6.80	
Lombard Rate	7.16	7.00	7.55	8.54	7.99	8.67	8.90	9.66	10.32	12.47	14.45	14.86	13.94	9.73	
REPO Rate	3.67	3.66	3.75	3.79	3.76	4.02	4.89	5.32	6.42	7.55	9.09	9.73	8.25	6.10	
Treasury Bills Rates															
35 days	4.77	4.67	5.03	5.70	5.33	5.78	5.93	6.44	6.88	7.43	7.54	7.62	7.03	6.40	
91 days	5.12	4.95	5.76	7.93	8.62	10.36	10.39	10.76	11.20	11.60	11.99	12.43	10.55	8.25	
182 days	6.90	6.75	7.63	8.51	10.11	10.53	10.81	11.00	12.13	13.28	14.64	14.86	12.04	10.20	
364 days	9.43	9.03	10.00	11.15	11.48	11.56	11.63	11.97	12.79	15.32	14.74	14.99	12.57	10.69	
Overall Treasury bills rate	7.05	7.00	7.84	9.46	9.47	10.17	10.30	10.33	10.99	12.53	12.85	13.33	11.01	9.27	
Treasury Bonds Rates															
2-years	12.23	12.23	12.87	12.87	12.87	13.20	13.20	14.35	14.35	14.35	14.35	15.28	15.28	15.28	
5-years	14.49	14.49	14.49	14.49	14.49	14.49	16.39	16.39	16.39	17.32	17.32	17.32	17.32	16.58	
7-years	17.18	17.18	17.18	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.06	17.06	
10-years	17.68	17.09	17.09	17.09	19.47	19.47	19.47	19.47	19.47	19.47	19.92	19.92	19.92	19.92	
Discount Rate	12.08	12.00	12.84	14.46	14.47	15.17	15.30	15.33	15.99	17.53	17.85	18.33	16.01	13.00	
Savings Deposit Rate	2.75	2.74	2.79	2.64	2.61	2.64	2.59	2.66	2.71	2.61	2.72	2.69	2.72	2.72	
Overall Time Deposits Rate	7.56	6.71	6.66	6.58	5.86	6.43	6.22	6.38	6.39	6.41	6.58	6.79	6.85	6.79	
Call Accounts	1.36	0.82	0.80	0.76	0.75	0.76	0.83	0.64	0.65	0.45	0.71	0.89	1.04	1.05	
1 month	7.91	6.31	6.05	5.96	5.79	6.10	6.48	6.24	6.53	6.49	7.03	7.36	7.07	7.22	
2 months	6.75	7.14	6.90	8.69	6.79	8.14	7.07	7.31	7.96	7.26	7.61	7.96	7.75	7.11	
3 months	8.66	7.56	7.92	7.11	7.36	7.30	7.22	7.80	7.38	8.06	7.68	8.46	7.81	7.39	
6 months	10.14	9.54	8.97	8.91	7.03	7.61	7.25	7.93	8.20	8.06	8.61	8.79	8.88	8.92	
9 months															
12 months	9.18	8.76	8.29	8.17	7.48	8.05	8.20	8.76	8.29	8.65	8.47	8.44	8.85	8.98	
24 months	8.93	6.87	7.71	6.49	5.82	7.07	6.52	5.96	5.75	5.90	5.91	5.66	6.57	6.86	
Negotiated Deposit Rate	11.20	11.07	10.62	9.26	9.63	10.27	10.11	10.26	10.23	10.66	10.82	10.99	11.27	11.03	
Overall Lending rate	14.74	14.78	14.76	15.05	14.83	14.91	14.82	14.30	16.05	14.93	14.95	15.12	15.45	15.39	
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	20.25	19.25	19.25	19.25	19.25	19.25	19.25	20.25	
Short-term (up to 1 year)	13.08	13.58	13.93	13.35	13.86	14.04	13.27	13.57	13.56	13.41	13.45	13.44	13.87	13.68	
Medium-term (1-2 years)	15.95	15.56	15.56	15.72	15.82	15.74	15.40	15.38	16.57	15.16	15.12	15.33	15.55	15.81	
Medium-term (2-3 years)	15.08	14.95	14.58	15.28	15.65	15.66	15.39	14.62	17.18	14.72	14.94	14.93	15.18	15.07	
Long-term (3-5 years)	16.37	16.13	16.64	16.92	15.80	15.94	16.32	15.69	16.52	15.20	15.26	15.28	15.54	15.35	
Term Loans (over 5 years)	13.25	13.66	13.07	14.00	13.01	13.18	13.69	12.22	16.43	16.19	15.98	16.63	17.11	17.02	
Negotiated Lending Rate	12.77	12.57	13.07	11.01	12.18	12.68	13.38	11.96	11.91	12.27	12.13	12.85	13.87	13.93	
B: Foreign Currency															
Deposits Rates															
Savings Deposits Rate	1.74	1.72	1.71	0.87	1.92	1.65	1.63	1.64	1.43	1.44	0.70	2.36	2.38	2.38	
Overall Time Deposits Rate	4.28	4.69	4.42	4.43	2.92	2.93	3.09	3.24	3.87	3.74	4.02	3.83	2.84	2.81	
1-months	2.96	4.84	5.04	2.61	2.79	2.88	2.59	3.10	3.53	2.80	2.24	3.82	2.66	3.86	
2-months	5.12	5.31	4.46	6.03	2.92	2.60	3.15	2.76	3.73	3.72	4.94	3.78	4.01	2.66	
3-months	4.89	3.80	3.95	5.05	2.91	3.07	2.70	3.29	4.61	4.65	5.12	4.56	2.61	2.64	
6-months	3.99	4.97	5.17	4.05	2.86	2.89	3.37	3.40	4.14	4.13	4.17	3.81	2.47	2.63	
12-months	4.43	4.52	3.48	4.43	3.12	3.19	3.65	3.65	3.36	3.41	3.63	3.21	2.43	2.27	
Overall Lending Rate	7.95	8.05	8.19	6.94	7.14	9.49	9.29	9.68	9.62	9.38	7.62	9.48	9.28	9.68	
Short-term (up to 1 year)	6.43	6.75	6.74	5.60	5.43	5.33	6.37	6.35	6.29	6.28	6.53	5.88	4.86	6.93	
Medium-term (1-2 years)	8.88	8.75	8.70	6.92	7.20	10.33	10.47	10.49	10.53	9.88	8.09	10.78	10.86	10.76	
Medium-term (2-3 years)	8.55	8.55	8.56	6.74	6.81	10.69	8.40	10.74	10.44	9.97	8.05	9.93	10.10	10.13	
Long-term (3-5 years)	8.38	8.19	8.29	7.33	7.35	10.00	10.13	10.06	10.24	10.45	7.67	10.54	10.55	10.55	
Term Loans (over 5 years)	7.53	7.99	8.68	8.12	8.91	11.08	11.08	10.74	10.60	10.33	7.74	10.31	10.05	10.02	

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 ^p	2009		% Change		Year Ending May ^p		
	May	Apr	May	May 08-May 09	Apr 09-May 09	2008	2009	% Change
Traditional Exports:								
COFFEE								
Value	4.0	15.3	9.6	141.8	-37.3	86.9	109.8	26.4
Volume	1.5	7.7	4.6	204.3	-39.8	38.0	51.8	36.2
Unit Price	2,627.2	2,002.6	2,087.7	-20.5	4.3	2,284.9	2,120.8	-7.2
COTTON								
Value	5.7	10.0	8.0	39.1	-20.6	83.3	126.1	51.5
Volume	2.7	10.1	8.1	195.5	-20.1	69.2	101.9	47.2
Unit Price	2,091.1	989.5	984.2	-52.9	-0.5	1,203.3	1,237.9	2.9
SISAL								
Value	1.1	0.0	0.0	--	0.0	6.4	1.2	-81.0
Volume	1.0	0.0	0.0	--	0.0	6.3	0.7	-89.3
Unit Price	1,065.5	--	--	--	0.0	1,019.3	1,802.4	76.8
TEA								
Value	3.7	2.5	2.4	-36.5	-3.6	35.0	33.3	-4.9
Volume	2.4	1.5	1.5	-35.4	2.0	25.0	20.2	-19.3
Unit Price	1,581.2	1,647.3	1,555.8	-1.6	-5.6	1,396.9	1,646.5	17.9
TOBACCO								
Value	0.0	10.3	0.0	--	--	67.8	143.1	111.0
Volume	0.0	4.1	0.0	--	--	30.4	45.7	50.4
Unit Price	0.0	2,500.9	0.0	--	--	2,233.2	3,133.1	40.3
CASHEWNUTS								
Value	0.00	0.02	0.2	--	--	56.3	51.5	-8.5
Volume	0.00	0.04	0.4	--	--	77.4	68.2	-11.9
Unit Price	0.0	559.7	564.9	--	0.9	727.2	755.4	3.9
CLOVES								
Value	0.21	0.49	0.1	-50.5	-79.3	4.0	14.7	--
Volume	0.05	0.21	0.0	-16.0	-79.5	1.2	4.3	274.3
Unit Price	4,107.0	2,397.0	2,419.8	-41.1	1.0	3,469.5	3,413.5	-1.6
Sub Total	14.8	38.6	20.3	37.5	-47.5	339.7	479.8	41.2
Non-Traditional Exports:								
Minerals								
	83.4	78.1	80.1	-3.9	2.6	958.9	886.8	-7.5
Gold	79.8	76.2	78.6	-1.5	3.1	894.9	841.4	-6.0
Diamond	0.1	0.0	0.0	-90.6	383.0	25.4	12.0	-52.7
Other minerals ¹	3.5	1.8	1.5	-57.2	-18.1	38.7	33.4	-13.5
Manufactured Goods								
	37.2	23.6	39.8	7.1	69.0	395.2	645.4	63.3
Cotton Yarn	0.6	0.3	0.1	-77.3	-49.3	7.5	15.7	--
Manufactured Coffee	0.1	0.0	0.0	--	--	1.4	0.4	-74.2
Manufactured Tobacco	0.0	0.4	0.3	--	-17.6	1.0	3.0	208.8
Sisal Products (Yarn & Twine)	0.8	0.0	0.8	0.0	--	10.6	6.8	-35.8
Other manufactured Goods ²	35.8	22.9	38.6	7.9	68.5	374.7	619.6	65.3
Fish and Fish Products								
	13.3	9.5	8.4	-36.6	-11.4	145.6	135.9	-6.6
Horticultural products								
	2.0	2.7	2.9	46.6	6.2	23.4	35.4	51.6
Re-exports								
	5.5	3.6	3.5	-36.0	-4.1	146.0	118.2	-19.0
Others Exports³								
	18.2	15.0	13.3	-27.1	-11.7	228.5	287.5	25.8
Sub Total	159.5	132.5	148.0	-16.9	11.7	1,897.6	2,109.3	11.2
GRAND TOTAL	174.2	171.1	168.3	-1.8	-1.7	2,237.3	2,589.1	15.7

Note:

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

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

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

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

Volume in '000 Tons; Value in '000,000 USD; Unit Price in USD/Ton

Source: Bank of Tanzania, TRA



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

Import Category	Millions of USD									
	2008 ^p		2009		% Change		Year Ending May ^p			
	May	Apr	Apr	May	May08-May09	Apr 09-May09	2008	2009	% Change	% Change
Capital Goods	240.6	154.9	218.8	218.8	-9.1	41.2	1,889.0	2,460.0	30.2	30.2
Transport Equipments	99.6	47.6	77.2	77.2	-22.5	62.2	592.7	698.9	17.9	17.9
Building and Constructions	42.2	36.5	33.7	33.7	-20.2	-7.7	438.7	574.5	31.0	31.0
Machinery	98.7	70.8	107.8	107.8	9.2	52.2	857.6	1,186.6	38.4	38.4
Intermediate Goods	228.9	69.6	113.8	113.8	-50.3	63.6	1,979.8	1,967.6	-0.6	-0.6
Oil imports	178.3	39.2	76.8	76.8	-56.9	95.9	1,450.1	1,376.3	-5.1	-5.1
Fertilizers	16.1	2.0	6.1	6.1	-61.9	206.4	67.7	144.9	--	--
Industrial raw materials	34.5	28.4	30.9	30.9	-10.7	8.8	462.0	446.4	-3.4	-3.4
Consumer Goods	82.0	85.8	116.3	116.3	41.9	35.5	1,073.3	1,223.3	14.0	14.0
Food and food stuffs	9.2	18.2	39.5	39.5	328.3	117.0	268.5	310.0	15.5	15.5
All other consumer goods ¹	72.7	67.6	76.8	76.8	5.5	13.5	804.8	913.3	13.5	13.5
Grand Total (f.o.b)	551.5	310.4	448.9	448.9	-18.6	44.6	4,942.1	5,651.0	14.3	14.3
Grand Total (c.i.f)	606.0	341.1	493.3	493.3	-18.6	44.6	5,430.9	6,209.9	14.3	14.3

Note:

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

^p = Provisional data

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania, TRA.



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

Item	Millions of USD				
	2004	2005	2006	2007	2008 ^p
A. Current Account	-365.9	-862.8	-1,143.2	-1,580.3	-2,333.4
<i>Balance on Goods</i>	<i>-1,001.2</i>	<i>-1,318.5</i>	<i>-1,946.5</i>	<i>-2,634.1</i>	<i>-3,403.2</i>
Goods: exports f.o.b.	1,481.6	1,679.1	1,917.6	2,226.6	3,036.7
Traditional	297.8	354.5	267.1	319.7	418.4
Non-traditional	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
Goods: imports f.o.b.	-2,482.8	-2,997.6	-3,864.1	-4,860.6	-6,439.9
<i>Balance on Services</i>	<i>158.9</i>	<i>61.8</i>	<i>278.7</i>	<i>460.3</i>	<i>570.9</i>
Services: Credit	1,133.6	1,269.2	1,528.1	1,875.7	2,168.9
Transportation	183.0	222.9	343.7	331.1	364.6
Travel	746.0	823.6	950.2	1,198.8	1,354.0
Other	204.6	222.7	234.1	345.8	450.2
Services: Debit	-974.7	-1,207.3	-1,249.4	-1,415.4	-1,598.0
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	-335.1	-219.3
<i>Balance on Goods and Services</i>	<i>-842.3</i>	<i>-1,256.6</i>	<i>-1,667.8</i>	<i>-2,173.7</i>	<i>-2,832.3</i>
<i>Balance on income</i>	<i>-112.4</i>	<i>-102.0</i>	<i>-64.1</i>	<i>-58.1</i>	<i>-118.1</i>
Income: Credit	81.8	80.9	80.3	107.3	121.6
Income: Debit	-194.2	-182.9	-144.4	-165.4	-239.7
O/W Direct investment income	-58.4	-65.6	-66.4	-67.6	-94.4
Interest payments (scheduled)	-72.4	-56.9	-27.8	-26.0	-65.4
Compensation of employees	-28.0	-24.9	-23.4	-46.4	-54.5
<i>Balance on Goods, Services and Income</i>	<i>-954.7</i>	<i>-1,358.6</i>	<i>-1,731.9</i>	<i>-2,231.9</i>	<i>-2,950.4</i>
<i>Balance on Current transfers</i>	<i>588.8</i>	<i>495.7</i>	<i>588.7</i>	<i>651.5</i>	<i>617.0</i>
Current transfers: Credit	653.8	563.3	654.6	724.0	697.2
Government	581.7	477.9	559.7	626.9	594.2
o/w Multilateral HIPC relief	73.7	75.7	42.1	36.7	36.7
Other sectors	72.1	85.4	94.9	97.1	103.0
Current transfer: Debit	-65.0	-67.5	-65.9	-72.5	-80.2
B. Capital Account	459.9	393.2	5,183.5	923.7	637.5
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
<i>Total, Groups A plus B</i>	<i>94.0</i>	<i>-469.7</i>	<i>4,040.3</i>	<i>-656.7</i>	<i>-1,695.9</i>
C. Financial Account, excl. reserves and related items	306.3	555.6	-3,954.6	946.0	2,341.8
Direct investment in Tanzania	330.6	494.1	597.0	647.0	744.0
Portfolio investment	2.4	2.5	2.6	2.8	2.9
Other investment	-26.7	59.0	-4,554.2	296.3	1,594.8
Assets	52.3	-90.9	-187.6	34.1	181.6
Liabilities	-79.0	150.0	-4,366.6	262.2	1,413.3
<i>Total, Groups A through C</i>	<i>400.3</i>	<i>85.9</i>	<i>85.7</i>	<i>289.4</i>	<i>645.9</i>
D. Net Errors and Omissions	-116.3	-313.7	375.0	123.3	-537.1
Overall balance	284.0	-227.8	460.7	412.6	108.8
E. Reserves and Related Items	-284.0	227.8	-460.7	-412.6	-108.8
Reserve assets	-308.2	253.1	-126.5	-419.4	-108.3
Use of Fund credit and loans	-33.8	-50.5	-334.2	6.7	-0.4
Exceptional financing:	58.0	25.1	0.0	0.0	0.0
Interest arrears	21.9	25.1	0.0	0.0	0.0
Principal arrears	36.2	0.0	0.0	0.0	0.0
Memorandum items:					
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	-11.0
CAB/GDP (excl. current official transfers)	-7.4	-9.5	-11.9	-13.1	-13.8
Gross Official Reserves	2,307.7	2,054.6	2,137.5	2,761.9	2,869.7
Months of Imports	8.0	5.9	5.0	5.3	4.3
Net International Reserves (year end)	188.1	272.6	283.7	405.1	542.7
Change in Net International Reserves	-165.6	-84.4	-11.1	-121.4	-137.6
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

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	Weight (%)	Non-Food											Miscel. goods & services	
		Headline (General Index)	Food	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation		Educ-ation
2004	4.2	100.0	55.9	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2005	4.4	5.9	5.9	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	1.0	0.6	-0.5
2006	7.3	7.0	7.0	-0.5	-0.4	7.7	7.7	-1.1	0.5	3.5	-1.5	4.7	-0.1	-1.4
2007	7.0	7.0	7.0	7.0	5.5	8.5	7.8	7.8	2.0	11.2	5.0	9.1	2.5	8.0
2008	10.3	12.7	12.7	5.9	3.6	6.2	6.2	7.9	8.7	2.9	8.9	7.0	9.7	0.8
2007 Mar	7.2	6.3	8.4	11.7	5.6	7.9	10.6	10.6	10.5	2.1	7.4	9.2	11.6	-0.2
Jun	5.7	4.0	8.1	13.3	3.9	6.3	9.2	9.2	11.0	4.2	9.6	7.4	10.7	2.1
Sep	8.4	10.3	5.8	8.1	5.5	4.3	6.2	6.2	8.9	3.4	10.4	5.8	8.9	0.4
Dec	6.9	7.5	5.9	9.1	4.4	6.2	5.8	5.8	4.5	1.9	8.1	5.7	7.5	0.9
2008 -Mar	8.9	10.9	5.8	9.9	0.8	8.4	4.6	4.6	3.1	3.4	4.4	5.5	5.6	1.6
Jun	9.4	11.4	6.5	7.9	1.1	11.2	5.2	5.2	2.7	3.7	4.1	6.8	6.3	0.7
Sep	10.3	11.9	7.8	8.4	1.1	13.2	6.8	6.8	2.2	5.9	5.5	8.5	7.8	2.2
Dec	12.5	16.5	6.7	6.4	2.9	9.9	7.2	7.2	4.7	7.1	8.0	6.6	8.3	2.6
2009 -Mar	13.1	18.4	4.7	5.5	4.1	12.6	7.0	7.0	4.9	7.7	10.4	3.6	10.1	3.4
2007-Jan	7.0	6.7	7.4	11.9	6.1	4.9	10.3	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	10.4	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	8.4	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	2.2	2.2	9.7	4.3	9.2	-0.8
Oct	7.1	8.4	5.1	7.0	5.4	2.8	3.8	4.6	5.8	1.6	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	2.8	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	7.9	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	7.1	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	6.9	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	7.1	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

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)		Non-Food										Education	Miscel. goods & services
	Total	Weight (%)	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation			
2006 Jan	100.0	55.9	44.1	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5	
Feb	1.0	1.7	0.1	4.5	-2.3	-0.4	1.6	-4.3	1.2	-3.3	0.1	-2.9	6.2	
Mar	0.8	1.2	0.4	0.7	-1.0	0.1	1.2	0.3	1.3	-0.1	0.2	-1.6	-0.5	
Apr	0.8	1.3	0.0	-1.0	0.9	0.1	-0.3	0.0	-1.9	-0.7	0.2	-0.7	-1.0	
May	0.9	1.1	0.7	0.3	1.5	3.2	0.1	0.2	0.1	-0.3	0.7	1.1	-0.5	
Jun	1.7	1.9	1.4	0.1	0.1	0.8	2.6	1.5	-1.2	0.3	2.4	1.8	0.7	
Jul	-0.7	-2.4	1.9	0.7	1.0	4.2	0.1	1.2	0.5	0.1	2.5	0.4	-0.4	
Aug	-2.9	-5.1	0.4	1.1	1.6	-0.7	1.1	-0.1	-0.1	0.3	0.2	1.7	-0.3	
Sep	0.2	-0.5	1.2	-0.5	0.0	2.6	0.4	0.6	1.3	0.3	0.0	0.6	1.2	
Oct	0.2	-0.4	0.9	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2	
Nov	1.6	2.6	0.0	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6	
Dec	0.8	2.3	-0.7	0.3	0.0	-2.8	-0.8	0.6	-0.1	1.8	-0.2	0.0	-0.6	
2007 Jan	2.1	2.9	0.4	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6	
Feb	1.3	1.8	0.6	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6	
Mar	0.7	1.7	1.7	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9	
Apr	0.7	1.2	0.2	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	-0.5	0.4	0.9	
May	-0.1	-0.1	-0.1	-0.1	0.0	-0.9	0.2	0.9	0.3	-0.1	-0.1	0.1	-0.1	
Jun	0.6	-0.1	1.6	0.8	0.0	3.3	0.6	0.8	0.0	0.4	2.1	0.3	0.8	
Jul	0.1	-0.6	1.0	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.5	0.6	0.0	
Aug	-0.9	-1.6	-0.2	-0.6	0.4	-0.4	-0.4	-0.4	0.3	0.5	1.1	0.2	-0.7	
Sep	0.6	1.7	-0.9	-1.1	0.7	-2.3	-1.1	-0.9	-0.3	-0.6	-0.7	0.5	-0.6	
Oct	0.4	-0.1	1.0	1.2	0.0	1.1	1.1	0.4	1.1	1.1	0.9	0.4	0.5	
Nov	1.1	1.5	0.6	0.1	0.0	0.0	1.0	-0.4	0.4	-0.8	0.4	0.0	0.8	
Dec	1.3	2.0	0.1	-0.8	0.0	-0.6	1.1	0.1	0.2	0.4	0.4	0.9	-0.3	
2008-Jan	3.4	5.2	0.9	0.0	0.4	1.9	0.7	0.7	0.8	0.9	0.7	1.3	0.7	
Feb	1.4	1.9	0.6	0.1	0.0	1.6	1.0	0.6	0.0	-0.1	0.4	0.0	0.6	
Mar	0.9	0.9	0.7	0.5	0.0	1.2	0.0	0.3	0.2	0.4	0.6	0.4	0.1	
Apr	0.5	0.3	1.0	0.3	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	0.0	3.6	0.8	0.4	0.5	0.4	0.5	0.6	-0.3	
Jun	0.2	-0.3	1.0	0.3	0.0	2.1	0.8	0.6	0.1	0.5	1.1	0.5	0.0	
Jul	0.3	-0.1	0.7	0.3	1.5	1.5	0.1	-0.3	1.0	1.2	0.4	1.1	0.7	
Aug	-0.7	-1.6	0.7	-1.0	0.0	0.2	1.1	-1.3	1.2	1.2	3.4	1.4	-1.1	
Sep	2.2	3.7	0.1	1.1	0.0	-0.3	0.1	1.4	0.7	1.0	-0.9	0.9	1.3	
Oct	0.6	1.0	0.0	0.8	0.0	-0.7	0.8	1.0	0.2	1.0	-0.7	0.0	1.1	
Nov	1.5	3.1	-0.8	0.3	0.0	-3.7	0.2	0.3	1.7	0.5	-0.6	0.5	-0.9	
Dec	2.3	4.0	-0.2	1.0	0.0	-1.2	0.8	0.8	0.8	0.8	-1.3	0.9	-0.6	
2009-Jan	2.9	4.8	-0.2	-0.8	10.4	-3.3	1.0	0.2	0.5	1.8	-0.2	1.9	1.9	
Feb	1.7	2.3	0.6	1.2	0.1	1.5	0.9	0.9	-0.1	1.1	-0.4	0.7	1.0	
Mar	0.6	0.8	0.2	0.4	0.0	-0.9	0.2	-0.1	0.3	0.0	0.4	1.5	0.0	
Apr	-0.4	-0.3	-0.5	0.5	0.1	-2.6	0.4	0.7	0.3	-0.6	-1.3	0.3	2.4	
May	-0.5	-0.6	-0.4	0.8	0.0	-1.7	0.4	1.0	0.2	0.0	-1.0	0.1	-1.6	

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

Source: National Bureau of Statistics

Table A7 : National Debt Developments

Item	Millions of USD										
	2008/09										
	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
1. Overall Total Debt Committed²	7,315.7	7,190.5	7,211.1	7,074.4	7,248.7	7,265.7	7,257.8	7,330.3	7,373.0	7,772.4	7,777.0
Disbursed outstanding debt	4,724.4	4,672.4	4,676.4	4,632.4	4,804.8	4,843.7	4,847.2	4,899.8	4,942.5	5,139.2	5,147.4
Undisbursed debt	2,591.4	2,518.1	2,534.8	2,441.9	2,443.9	2,422.0	2,410.6	2,430.5	2,430.5	2,633.3	2,629.6
2. Disbursed Debt by Creditor Category²	4,724.4	4,672.4	4,676.4	4,632.4	4,804.8	4,843.7	4,847.2	4,899.8	4,942.5	5,139.2	5,147.4
Bilateral debt	933.1	929.6	934.8	923.7	930.8	935.7	940.8	923.5	922.1	922.5	925.4
Multilateral debt	2,858.2	2,819.1	2,821.3	2,806.0	2,976.1	3,009.1	3,004.6	3,055.7	3,094.3	3,168.2	3,126.8
Commercial debt	537.5	529.2	526.5	511.4	506.7	507.4	509.0	528.1	534.1	633.4	677.3
Export credits	395.6	394.4	393.8	391.4	391.1	391.5	392.8	392.6	392.1	415.0	417.9
3. Disbursed Debt by Borrower Category²	4,724.4	4,672.4	4,676.4	4,632.4	4,804.8	4,843.7	4,847.2	4,899.8	4,942.5	5,139.2	5,147.4
Central Government	3,818.9	3,774.4	3,780.6	3,747.7	3,927.3	3,968.6	3,968.9	4,002.4	4,040.9	4,104.8	4,068.7
Parastatal Companies	156.3	154.2	153.8	150.4	149.7	148.6	148.4	148.0	148.0	148.5	149.4
Private Sector	749.2	743.8	742.0	734.4	727.7	726.6	729.9	749.4	753.6	885.9	929.3
4. Disbursed Debt by Use of Funds²	4,724.4	4,672.4	4,676.4	4,632.4	4,804.8	4,843.7	4,847.2	4,889.8	4,942.5	5,139.2	5,147.4
BOP & Budget Support	1,631.4	1,614.5	1,615.8	1,600.6	1,662.2	1,673.7	1,672.7	1,669.9	1,679.6	1,695.6	1,688.3
Transport & Telecommunication	552.6	546.5	547.0	541.9	560.0	566.6	567.6	586.0	593.0	628.6	630.4
Agriculture	553.6	547.5	547.9	542.8	563.0	567.5	567.5	554.7	586.4	590.9	595.2
Energy & Mining	635.5	627.6	628.1	622.2	643.3	650.6	651.0	640.0	645.6	749.6	750.0
Industries	129.8	128.4	128.5	127.3	134.0	133.1	134.6	130.8	130.9	131.1	131.5
Social Welfare & Education	546.5	540.5	540.9	535.9	555.8	560.3	559.3	729.2	741.0	747.6	739.0
Finance and Insurance	71.5	70.7	70.7	70.1	76.7	73.3	73.3	72.3	72.8	72.9	73.1
Tourism	65.9	65.2	65.2	64.6	65.0	67.6	68.6	66.8	66.8	89.5	90.2
Others	537.6	531.7	532.2	527.2	544.8	551.2	552.8	440.0	426.5	433.5	449.6
5. Total Amount of Loan Contracted¹	-	1.1	25.7	5.7	309.0	101.7	25.3	-	22.6	5.0	18.0
Government	-	0.0	25.0	0.0	153.0	0.0	-	-	-	-	-
Parastatal Companies	-	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
Private	-	1.1	0.7	5.7	156.0	101.7	25.3	-	22.6	5.0	18.0
6. Disbursements¹	31.0	33.9	8.2	32.5	168.3	30.7	41.4	42.5	36.7	70.5	2.1
Government	31.0	33.8	8.2	32.5	168.3	23.6	20.2	14.6	11.3	65.6	2.1
Parastatal Companies	-	0.2	-	-	-	7.2	-	-	-	-	-
Private	-	-	-	-	-	-	21.2	27.9	25.4	5.0	-
7. Scheduled Debt Service¹	35.9	6.1	10.6	19.1	10.6	62.8	27.7	5.9	9.4	19.9	11.0
8. Actual Debt Service¹	3.4	3.4	1.7	6.3	3.2	5.6	11.7	0.3	3.8	6.1	3.8
Principal	1.3	2.9	0.6	2.4	1.6	1.4	7.8	0.1	0.2	2.4	1.3
Interest	2.1	0.6	1.2	3.9	1.6	4.2	3.9	0.2	3.6	3.7	2.5
Others	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-
9. Net Transfers¹	27.6	30.5	6.5	26.3	165.1	25.2	29.7	42.2	32.9	64.4	-1.75
10. Total Arrears by Creditors Category²	2,507.0	2,483.3	2,500.0	2,500.7	2,509.2	2,611.2	2,629.6	2,607.7	2,607.3	2,674.4	2,693.2
Principal	1,125.4	1,120.4	1,129.7	1,130.2	1,133.4	1,186.7	1,197.9	1,187.7	1,189.9	1,222.9	1,218.6
Bilateral	424.4	422.7	430.6	431.2	437.9	452.0	453.7	443.3	443.0	444.2	446.8
Multilateral	8.6	8.5	9.1	11.2	9.2	10.4	9.3	8.8	8.9	10.9	10.6
Commercial	365.2	360.5	359.6	353.3	350.7	378.8	383.9	384.1	385.0	384.1	389.3
Export Credits	327.2	328.7	330.4	334.6	335.6	345.5	351.1	351.5	352.9	383.6	372.0
Interest	1,381.6	1,362.9	1,370.3	1,370.6	1,375.8	1,424.5	1,431.7	1,420.0	1,417.4	1,451.5	1,474.5
Bilateral	615.0	610.8	618.1	626.9	634.7	661.8	669.1	656.4	659.5	662.7	662.9
Multilateral*	0.7	0.8	1.2	1.2	1.1	1.4	4.3	4.2	4.2	8.5	8.3
Commercial	518.9	506.4	506.5	496.9	488.7	508.8	503.6	504.5	507.9	517.6	532.0
Export Credits	247.0	244.8	244.5	245.5	251.3	252.6	254.7	254.9	245.8	262.7	271.3
11. External Debt Stock	6,105.9	6,035.3	6,046.6	6,003.0	6,180.6	6,268.3	6,278.9	6,319.8	6,359.9	6,590.7	6,622.0
12. Domestic Debt Stock	1,697.7	1,743.2	1,710.1	1,506.3	1,710.1	1,504.3	1,474.3	1,488.7	1,465.7	1,673.0	1,711.7
13. Total Debt Stock	7,803.6	7,778.5	7,756.7	7,509.3	7,890.7	7,772.5	7,753.2	7,808.5	7,825.6	8,263.7	8,333.7
End Period Exchange Rate (TZS/USD)	1,164.1	1,164.7	1,168.9	1,277.9	1,258.7	1,280.3	1,287.0	1,302.5	1,313.7	1,320.4	1,310.4

*Multilateral arrears are those owed by the private companies

1) During the period.

2) End of May 2009. All cumulative

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).

Narrow Money (M1)

Consists of, currency in circulation outside banks and demand deposits of Tanzanian residents with deposit money banks.

Broad Money (M2)

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

Extended Broad Money (M3)

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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