



BANK OF TANZANIA



MONTHLY  
ECONOMIC  
REVIEW

March 2009



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# 1.0 Inflation Developments

The **annual headline inflation** rate for the year ended February 2009 rose to 13.3 percent from 12.9 percent in January 2009. The escalation in headline inflation is largely due to resurgence in food price inflation during the month under review. Non-food inflation maintained the rate recorded in the year to January 2009. Meanwhile, the 12-month average annual headline inflation rose to 11.0 percent in February 2009 from 10.6 percent in the year to January 2009 (Table 1.1 and Chart 1.1).

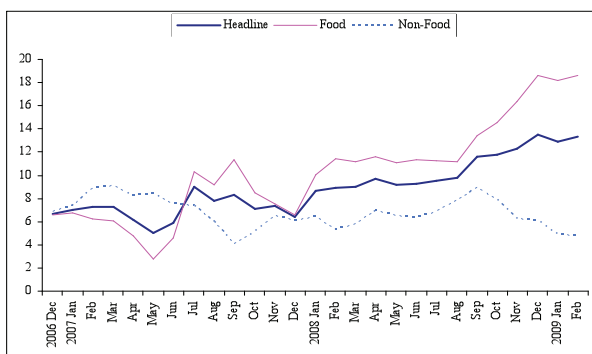
**Table 1.1: Annual Percentage Change in Consumer Price Index (All-Urban)**

(Base: Dec 2001 = 100)

Major Commodity Group	Weight (%)	2007			2008			2009		
		Dec	Jan	Feb	Dec	Jan	Feb	Jan	Feb	
<b>Headline/Overall</b>	<b>100.0</b>	<b>6.4</b>	<b>7.0</b>	<b>7.3</b>	<b>13.</b>	<b>5</b>	<b>8.6</b>	<b>8.9</b>	<b>12.</b>	<b>13.</b>
<b>Food</b>	<b>55.9</b>	<b>6.6</b>	<b>6.7</b>	<b>6.2</b>	<b>6</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>6</b>
<b>Non-food</b>	<b>44.1</b>	<b>6.1</b>	<b>7.4</b>	<b>8.8</b>	<b>6.0</b>	<b>6.5</b>	<b>5.3</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>
Transportation	9.7	5.4	8.8	9.8	5.1	5.7	4.9	4.2	3.4	3.4
Fuel, Power and Water	8.5	8.0	4.8	9.6	8.1	1	6.8	2.6	2.5	2.5
Drinks and Tobacco	6.9	10.3	11.9	2	5.5	4	2	5.4	5.3	5.3
Clothing & Footwear	6.4	2.5	6.1	6.3	4.3	1.1	0.3	3.4	4.6	4.6
Education	2.6	6.8	10.0	8	8.5	5.6	5.6	9.1	9.9	9.9
Furniture & Household Equip.	2.1	6.2	10.3	0	6.8	4.9	4.1	7.1	6.9	6.9
H/h Operations Maintenance	2.1	3.0	9.6	8	5.4	3.6	2.9	4.8	5.1	5.1
Personal Care & Health	2.1	1.9	2.0	0.9	8.0	3.7	3.4	7.7	7.6	7.6
Rents	1.4	2.8	4.9	6.0	2.4	2.4	2.4	5	6	6
Recreation & Entertainment	0.8	6.1	5.6	7.5	8.7	5.9	4.0	9.6	9	9
Misc. Goods & Services	1.5	0.8	-1.8	-0.4	1.9	2.1	1.8	3.1	3.6	3.6

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

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



The **month to month headline inflation** rate declined to 1.7 percent in February 2009 compared with 2.9 percent in January. Contrary, to annual headline inflation, the moderation downwards of month on month headline inflation was driven by decline in food price inflation, while non-food inflation picked from negative inflation in the three months to January 2009 and turned positive in February 2009.

## Non-food inflation

The **annual non-food inflation** was 4.8 percent in February 2009, similar to the rate recorded in year to January. Compared to December 2008, the February 2009 outturn was actually a decline from an inflation rate of 6.0 percent owing to sharp decline in fuel prices and, in turn, transportation costs. The impact was partially offset by upsurge in rents, and recreation and entertainment prices. The 12 months annual non-food inflation averaged 6.6 percent in February 2009, compared with 6.7 percent recorded in the corresponding period ending February 2008. Non-food items whose prices increased during the year include clothing and footwear, charcoal, house hold operations maintenance, recreation and entertainment.

The **month to month non-food** rate of inflation increased to 0.6 percent in February 2009 on account of increase in prices of clothing, footwear, charcoal, and house hold operations maintenance.

## Food Inflation

The **year on year food inflation** rose to 18.6 percent in February 2009 from 18.2 percent in previous month. Food items that contributed to increase included cereals, vegetables, meat, fish, oil and fats, beans, cowpeas, nuts and spices. Inflationary pressure from food prices was particularly strong during the fourth quarter of 2008, during which demand for food from neighbouring countries was high. The 12-months annual food inflation rate averaged 13.9 percent in February 2009, which is higher than the rate of 7.8 percent in the corresponding period a year before. **Month-to-month food inflation** decelerated to 2.3 percent in February 2009 from 4.8 percent recorded in January 2009.

## Food Supply Situation

Food supply situation was generally satisfactory throughout the country in February 2009, despite the fact that some areas had started to face food insecurity as per Rapid Vulnerability Assessment (RVA) report of September 2008 released by the Ministry of Agriculture, Food Security and Cooperatives (MAFC). The report revealed that about 240,544 people countrywide were likely to face food shortage and intervention estimated at 7,182 tons of grains between December 2008 and January 2009, might be needed. In response the government purchased 3,094 tons of maize and 855 tons of sorghum from the National Food Reserve Agency (NFRA) to mitigate shortage. At the same time the NFRA had purchased 588 tons of maize from the domestic market to replenish their stock.



Wholesale prices of major food crops continued to increase in February 2009 when compared with the same period a year before (Table 1.2). However, on month to month basis, the wholesale pieces showed mix developments. While wholesale prices of maize, rice and sorghum increased in February 2009 mainly on account of fluctuations in supply to market, those of beans and potatoes declined.

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

TZS per 100 kg

Item	2008		2009	Percentage change	
	Feb	Jan	Feb	Feb 08 to Feb-09	Jan -09 to Feb-09
Maize	36,293	36,417	39,259	8.2	7.8
Rice	78,988	110,689	112,992	43.1	2.1
Beans	95,762	113,393	110,175	15.1	-2.8
Sorghum	38,556	42,224	45,169	17.2	7.0
Potatoes	42,317	50,581	48,139	13.8	-4.8

Source: Ministry of Industry, Trade and Marketing

## The National Food Reserve

NFRA recorded stock of 125,430 tons of maize and sorghum in February 2009, representing a decrease of 3.5 percent from 128,919 tons recorded in the preceding month. However, on annual basis the stocks were 6.3 percent lower than the 133,898 tons recorded in February 2008 due to low purchases caused by delays in disbursement of funds by the Government. The NFRA had earlier planned to purchase 100,000 tons of grains from domestic market to replenish and build food reserves, but it only managed to purchase about 60,903 tons or 60.9 percent of the targeted grain purchases by the end of February 2009 (Table 1.3).

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

Tons

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

Source: National Food Reserve Agency (NFRA) and BOT computation.

## 2.0 Monetary and Financial Developments

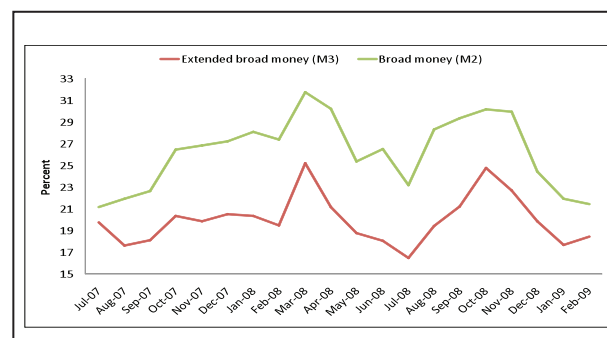
### Money and banking statistics have been revised

This review contains revised money and banking statistics, which include monetary aggregates, and domestic and foreign assets of depository corporations. The revision has been made according to the Monetary and Financial Statistics Manual 2000, which provides guidance for compilation of internationally comparable monetary and financial statistics, consistent with the System of National Accounts (SNA) 1993. Accounts have been reassessed and classified according to SNA institutional sectors. The new money and banking data series are available on monthly frequency since December 2001.

### Money and Credit Developments

The deceleration of the expansion of broad money supply (M2) that began in December 2008 continued into January 2009 recording a growth rate of 22 percent and further down to 21.5 percent in February 2009. On the contrary, an exchange rate induced increase in the shilling value of foreign exchange deposits nudged the growth rate of extended broad money supply (M3) up to 18.4 percent in February, from 17.7 percent recorded in January 2009 (Chart 2.1 and Table 2.1).

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



Source: Bank of Tanzania



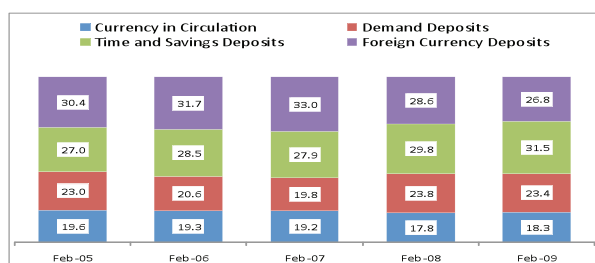
**Table 2.1: Selected Money Supply Components**

Items	Billions of TZS									
	Monthly Stock				Monthly Change		Annual Growth Rate (%)			
	Jan-08	Feb-08	Jan-09	Feb-09	Jan-09	Feb-09	Jan-08	Feb-08	Jan-09	Feb-09
<b>Extended broad money (M3)</b>	6,319.9	6,377.6	7,435.7	7,563.0	-23.0	117.3	18.9	19.5	17.7	18.4
<b>Broad money (M2)</b>	4,481.9	4,552.8	5,465.7	5,531.2	-2.7	66.5	28.1	27.4	22.0	21.5
Currency in circulation (CC)	1,402.2	1,337.7	1,458.0	1,384.3	-20.7	-23.7	13.2	10.8	23.5	21.7
Demand deposits (DD)	1,483.8	1,514.9	1,788.2	1,784.1	66.5	-24.0	44.7	43.4	20.5	16.5
Time and Savings deposits (TD+SD)	1,857.9	1,901.2	2,289.8	2,382.7	-40.6	113.2	28.3	27.5	22.2	25.3
Foreign currency deposits (FCD)	1,837.9	1,823.7	1,979.0	2,021.8	-20.3	51.8	1.1	3.4	7.2	10.9
FCD in million of USD	198.0	194.1	191.2	193.8	-39.5	-20.6	16.5	11.3	-3.4	-1.2
<b>Total deposits in the ODCs</b>	6,778.2	6,948.2	7,445.7	7,484.7	-114.1	48.0	25.4	24.4	9.8	7.9
Private sector	5,135.1	5,225.3	5,922.1	5,140.1	-10.8	180.0	22.7	21.6	16.0	17.3
Government	1,603.1	1,713.0	1,443.6	1,354.6	-103.3	-89.0	34.8	34.1	-9.9	-20.9
<b>Net foreign assets of the banking system</b>	3,784.1	3,895.8	4,046.9	4,182.4	-91.1	115.5	2.2	6.1	6.7	9.3
Bank of Tanzania	3,233.0	3,212.2	3,468.9	3,502.0	-143.9	2.9	20.1	24.3	8.9	9.0
Commercial banks	550.6	684.6	547.3	680.3	52.7	113.0	-44.0	-40.8	-5.7	11.1
<b>Net domestic assets of the banking system</b>	2,525.7	2,570.8	3,388.9	3,390.7	68.1	1.8	64.2	47.0	34.2	31.9
<b>Domestic credit</b>	2,997.0	3,121.9	4,321.1	4,374.0	93.6	53.0	6.1	32.2	44.2	40.1
Claims on government	5,159.6	2,312.0	2,050.3	2,002.9	-105.2	-86.4	29.8	33.0	-4.8	-15.4
Government deposits	2,410.1	2,472.5	2,315.5	2,215.7	-210.9	-99.8	25.6	30.4	-4.3	-10.4
Claims on private sector	3,222.5	3,292.5	4,544.3	4,588.9	-11.9	42.6	38.2	38.1	41.0	39.7

Source: Bank of Tanzania

Notwithstanding the deceleration in the expansion of M2, the growth rates of both broad money supply aggregates were higher than their respective March 2009 targets of 15.3 percent for M3, and 20.8 percent for M2, which were adopted in response to the increasing inflationary pressures in the first half of 2008/09. During the year to February 2009, non-transferable shilling deposits accounted for the largest part of the increase in M3 (41 percent), signifying the shift of portfolio preference away from foreign currency deposits, that followed the general appreciation of the shilling in the period of one year ending September 2008. As a result of these developments the share of non-transferable deposits in M3 increased to 31.5 percent in February 2009 from 29.8 percent in February 2008, while that of foreign currency deposits dropped to 26.8 percent from 28.6 percent in the same period (Chart 2.2).

**Chart 2.2: Components of Money Supply as a Percentage of M3**



The deceleration of M2 expansion is explained by continued slowdown in the growth of credit to the private sector that began from a peak of 44.6 percent in December 2008, down to 41.0 percent in January 2009 and 39.7 percent in February. This decline is consistent with the tight monetary policy stance taken by the Bank of Tanzania, including changes to the statutory minimum reserve (SMR) requirements, which

became effective in January 2009. The changes in SMR involved an increase in the reserve requirements on central government deposits from 10 percent to 20 percent and abolishment of recognition of 50 percent of vault cash as eligible component of the minimum reserve balances. Besides liquidity management objectives, the changes to SMR were also intended to reduce the government idle balances in commercial banks, make SMR enforcement more effective and reduce excess balances that banks had to keep with the Bank of Tanzania to cater for uncertainty of the day-by-day levels of deposits. In the meantime, substantial decline was recorded in commercial banks foreign liabilities, boosting the contribution of net foreign assets to the growth of money supply.

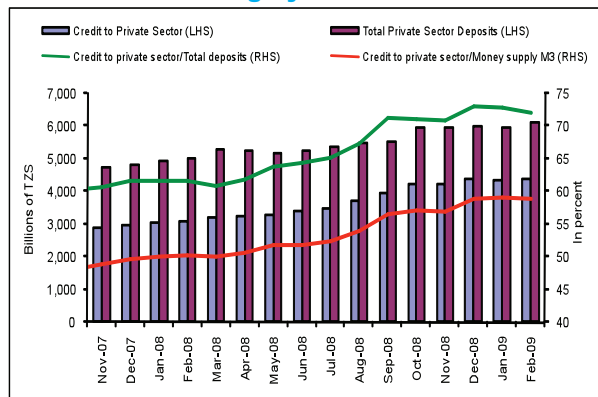
On monthly basis, M3 took an upturn from the decline of TZS 23.0 billion recorded in January 2009 to an increase of TZS 117.3 billion in February 2009. This upturn was also reflected in credit to private sector, which increased by TZS 42.6 billion in February 2009, following a decline of TZS 11.9 billion in January 2009. While the increase in both money supply and credit to private sector in February 2009 can be considered normal, the decline in January happened for the first time in the recent past, consistent with the changes made to SMR requirements.

## Financial Intermediation

Non-central government deposits increased by TZS 141.0 billion in February 2009 compared with an increase of TZS 8.6 billion in January 2009 and TZS 60.2 billion in February 2008. For the year ending February 2008, non-central government deposits increased by TZS 928.8 billion (or 17.3 percent), while credit to the private sector rose by TZS 1,304.4 billion, leading to an increase in the ratio of private sector credit to private sector deposits from 62.6 percent in February 2008 to 74.4 percent in February 2009. This was in line with banks' change of preference away from government securities, whereby the stock of government securities as proportion of total bank deposits (government and private) dropped from 30.9 percent in February 2008 to 20.7 percent in February 2009. The shift of bank assets in favour of credit to private sector is consistent with the decline of interest on government securities, relative to interest on credit to the private sector, over the recent past (Chart 2.3).



**Chart 2.3: Total Deposits and Credit of the Banking System**



## Interest Rate Developments

Interest rates on domestic currency denominated financial assets and liabilities exhibited a rising pattern in February 2009. Overall weighted average Treasury bills yield increased from 12.53 percent in January 2009 to 12.85 percent in February. However, 364-day Treasury bills yield declined from 15.32 percent to 14.74 percent (Table 2.2).

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

	Percent													
	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
Overall Interbank cash market rate	6.74	4.91	4.24	4.12	3.83	3.61	3.61	3.70	4.32	5.45	5.85	6.54	8.41	9.81
Overnight interbank cash market	6.47	4.52	4.11	3.85	3.59	3.45	3.49	3.64	4.19	5.29	5.51	6.27	8.31	9.63
REPO Rate	6.60	4.79	3.82	3.67	3.66	3.75	3.79	3.76	4.02	4.89	5.32	6.42	7.55	9.09
Overall Treasury bills rate	10.89	8.37	7.39	7.05	7.00	7.84	9.46	9.47	10.17	10.30	10.33	10.99	12.53	12.85
364 days	12.80	9.82	9.40	9.43	9.03	10.00	11.15	11.48	11.56	11.63	11.97	12.79	15.32	14.74
Savings Deposit Rate	2.66	2.64	2.64	2.75	2.74	2.79	2.68	2.65	2.67	2.63	2.66	2.71	2.61	2.73
Overall Time Deposits Rate	8.16	8.21	8.02	7.56	6.71	6.66	6.38	5.86	6.43	6.22	6.38	6.39	6.41	6.58
12 month time deposit rate	10.10	9.97	9.33	9.18	8.76	8.29	8.17	7.48	8.05	8.20	8.76	8.29	8.65	8.47
Negotiated Deposit Rate	10.72	10.52	10.29	11.20	11.07	10.62	9.36	9.63	10.27	10.11	10.26	10.23	10.66	10.82
Overall Lending rate	15.27	15.13	15.13	14.74	14.78	14.76	15.05	14.93	14.91	14.82	14.90	16.05	14.93	14.95
Short-term lending rate (up to 1 year)	14.17	14.48	13.90	13.08	13.38	13.93	13.35	13.86	14.04	13.27	13.57	13.56	13.41	13.45
Negotiated Lending Rate	11.30	11.76	11.82	12.77	12.57	13.07	11.01	12.18	12.68	13.38	11.96	11.91	12.27	12.12
Margin between short-term lending and one-year time deposit rates	4.07	4.50	4.57	3.90	4.82	5.64	5.18	6.38	6.00	5.07	4.81	5.27	4.76	4.99

Source: Bank of Tanzania

Overnight interbank cash market rate increased to 9.63 percent from 8.31 percent, reflecting continued demand for liquidity by some banks during the month under review as banks are still adjusting their portfolio mix subsequent to changes made to SMR requirements. Likewise, the overall interbank rate went up from 8.41 percent in January 2009 to 9.81 percent in February 2009.

In line with the financial market developments, interest rates offered by banks improved during February 2009. Negotiated

deposit rate for instance rose from 10.66 percent in January 2009 to 10.82 in February. Likewise, the overall time deposit rate rose from an average of 6.41 percent in January to 6.58 percent in the month under review, whereas savings deposit rate improved from 2.61 percent to 2.72 percent.

As for rates charged by banks, they also went up slightly during February 2009, which is in line with money market developments. In particular, the overall lending rate edged up to 14.95 percent in February from 14.93 percent recorded in January, while the rate for short-term credits up to one year reached 13.45 percent, up from 13.41 percent during the same period. On the contrary, negotiated lending rate, however, eased from 12.27 percent in January 2009 to 12.12 percent in February 2009.

## Financial Markets Developments

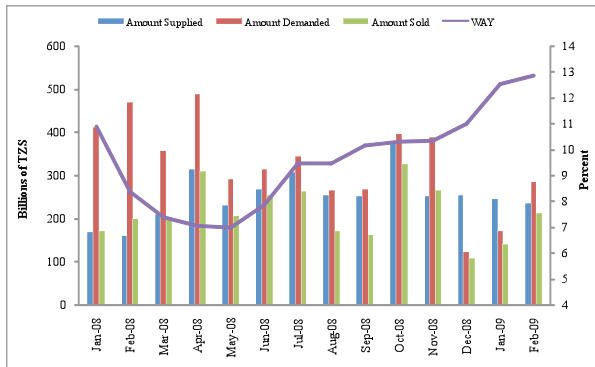
### Treasury Bills

Performance in the Treasury securities market improved significantly in February 2009 compared with the preceding month, as reflected by a sizeable increase in demand. This development signals a good progress made by banks in adjusting their portfolios after the recent introduction of SMR requirement on government deposits, and in response to the global financial and economic crisis. In February 2009, the market was supplied with Treasury bills worth TZS 235.0 billion, relatively lower than TZS 246.0 billion supplied in the preceding month. Demand in February stood at TZS 284 billion, which was higher than TZS 171.1 billion registered in January 2009. However, the demand was characterised with outlier bids that forced the Bank to intervene and accept Treasury bills with face value of TZS 213.1 billion (or cost value of TZS 199.4 billion), against redemption of Treasury bills worth TZS 283.1 billion. The successful bids accounted for 90.7 percent of the total amount offered by the Bank, which is well above the 56.8 percent recorded in the preceding month. Weighted average yields rose across all maturities, except for 364-day bill, which eased to 14.74 percent in February 2009 from 15.32 percent recorded in the preceding month. The overall weighted average Treasury bills rate closed at an average of 12.85 percent in February 2009 from 12.53 percent registered in January 2009 (Chart 2.4).





**Chart 2.4: Treasury Bills Market Developments**



## Treasury Bonds

In February 2009, the market was supplied with 10-year Treasury bond worth TZS 30.6 billion, and the amount demanded increased substantially to TZS 23.4 billion, compared with the demand of TZS 8.0 billion recorded in August 2008, when Treasury bond of similar maturity was auctioned to the tune of TZS 27.3 billion. Despite the improved demand, the pricing behaviour was characterised by outlier bids and the Bank of Tanzania intervened and accepted bids worth TZS 8.5 billion only (or cost value of TZS 5.4 billion). As a result, yields on 10-year Treasury bonds rose to 19.92 percent in February 2009, compared with the preceding rate of 19.47 percent.

## Repurchase Agreements

During February 2009, the Bank maintained its active role in fine tuning the level of liquidity in the banking system via a frequent sale of repurchase agreements to supplement Treasury securities in the management of liquidity in the economy. In February 2009, repurchase agreements more than doubled to TZS 458.2 billion, compared with TZS 217.5 billion which were conducted in the preceding month. Meanwhile, repo worth TZS 365.2 billion redeemed during February 2009, compared with TZS 255.0 billion in January. The overall weighted average repo rate rose to an average of 9.09 percent in February, from 7.55 percent in January 2009.

## Inter-Bank Cash market Developments

Inter-bank cash market transactions among banks remained vibrant during February 2009, as banks were struggling

adjusting their portfolios to cope with the squeeze of liquidity following the global economic and financial crisis, as well as the aftermath of SMR on government deposits. These developments called for additional demand for liquidity by most of the banks, as reflected by increase in the interbank cash market transactions from TZS 258.9 billion in January 2009 to TZS 366.8 billion traded in February. Vividly on the stance of a rising need for liquidity was the rise in the volume of overnight transactions during the month under review to the tune of TZS 251.3 billion (accounting for 68.5 percent of total interbank transactions), compared with TZS 179.4 billion registered in the preceding month. Consequently, overnight interbank market rate rose further to 9.63 percent in February 2009, from 8.31 percent recorded in January 2009, and the overall interbank cash market rate stood at an averaged of 9.81 percent in February from 8.41 percent in January 2009.

## Inter-Bank Foreign Exchange Market

In February 2009, the volume of transactions traded in the Inter-Bank Foreign Exchange Market (IFEM) surged to USD 168.0 million from USD 89.5 million recorded in the previous month. The significant increase in the volume traded was largely attributed to the rise in foreign exchange inflows from programme assistance. As the result, the Bank of Tanzania on net basis supplied the market with foreign exchange amounting to USD 131.3 million, while commercial banks and non-banks purchased USD 130.1 million and USD 1.2 million, respectively. The weighted average exchange rate depreciated slightly to TZS 1,317.9 per USD in February 2009 from TZS 1,309.7 per USD recorded in January 2009

(Table 2.3 and Chart 2.5).

**Table 2.3: Inter Bank Foreign Exchange Market Developments**

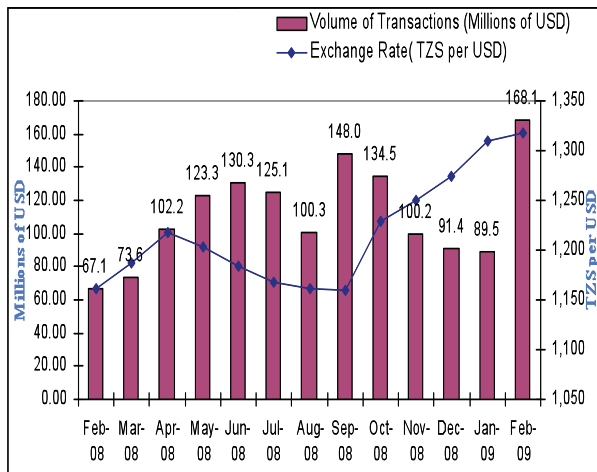
Millions of USD

Item	2009		2008 Feb	% Change		Year ending February		
	Jan	Feb		Monthly	Yearly	2008	2009	% Change
Amount offered*	89.50	168.05	67.08	87.77	150.52	1,184.65	1,386.37	17.03
Amount sold*	89.50	168.05	67.08	87.77	150.52	1,184.65	1,386.37	17.03
Exchange rate (TZS per US dollar)	1,309.72	1,317.90	1,160.54	0.62	13.56	1,221.90		-0.03

Source: Bank of Tanzania  
Note: \* Millions of USD



**Chart 2.5: Tanzania –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 system declined slightly to USD 53.5 million from the level transacted in the previous month. Both the foreign exchange sales and purchases went down slightly by 3.7 percent to USD 26.5 million and 2.3 percent to USD 27.0 million, respectively. Meanwhile, the average buying rate and selling rates appreciated slightly to TZS 1,317.0 per USD and TZS 1,344.0 per USD, respectively.

**Table 2.4: Bureau de Change Operations**

Item	Millions of USD							
	2009		2008 Feb	% Change		Year ending February		
	Jan	Feb		Monthly	Yearly	2008	2009	% Change
Sales*	27.53	26.52	36.43	-3.67	-27.20	426.03	433.54	1.76
Purchases*	27.65	27.02	36.56	-2.28	-26.09	427.11	436.77	2.26
Volume of Transactions*	55.18	53.54	72.99	-2.97	-26.65	853.14	870.31	2.01
Buying rate (TZS per US dollar)	1,338.00	1,317.00	1,162.00	-1.57	13.34	1,222.58	1,222.25	-0.03
Selling rate (TZS per US dollar)	1,356.00	1,344.00	1,188.00	-0.88	13.13	1,246.25	1,249.08	0.23

Source: Bank of Tanzania  
Note: \* Millions of USD

## 3.0 Government Budgetary Operations

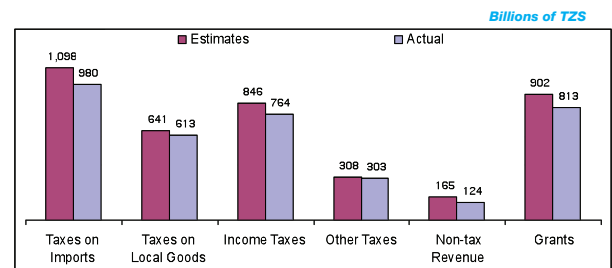
During the month of February 2009, fiscal revenues and expenditures were below targets. Specifically, revenue collections amounted to TZS 291.5 billion, or 79.0 percent of the target, while total expenditure was TZS 468.3 billion, equivalent to 73.6 percent of the target. Grants during the month amounted to TZS 50.7 billion.

On cumulative basis (July 2008 – February 2009), revenue collections reached TZS 2,784.2 billion (or 91.0 percent of the target), and grants were TZS 813.4 billion (or 90.2 percent of the target). During the period, total expenditure was TZS 4,158.2 billion (or 88.4 percent of the target).

### Revenue Performance

During the month under review, tax revenue amounted to TZS 291.5 billion (or 79.0 percent of target), while non-tax revenue was TZS 11.0 billion against the target of TZS 20.2 billion. As indicated in **Chart 3.1**, the shortfall in tax revenue collections was recorded in all major tax categories. Specifically, revenue from taxes on imports was 80.3 percent of the target, income tax (72.9 percent), and taxes on local goods (87.6 percent).

**Chart 3.1: Government Resources, July 2008 – February 2009**

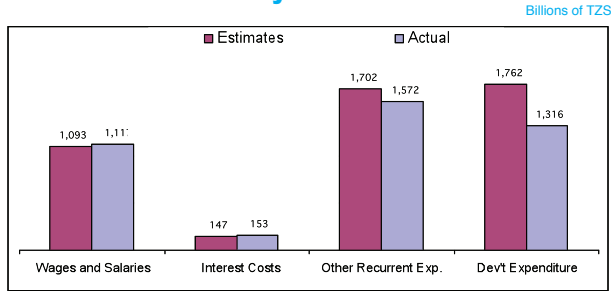


### Government Expenditure

Government total expenditure during the month under review amounted to TZS 468.3 billion, against the target of TZS 636.0 billion. Recurrent expenditure was TZS 344.7 billion (or 87.3 percent of the target), out of which 40 percent covered the wage bill and interest costs. Development expenditure amounted to TZS 123.5 billion against the target of TZS 241.1 billion. The underperformance was mainly on account of shortfalls in project grants. The cumulative government expenditure position from July 2008 to February 2009 is depicted in **(Chart 3.2)**



**Chart 3.2: Government Expenditure, July 2008 - February 2009**



## 4.0 External Sector Performance

### Current Account Balance

During the year ending February 2009, the current account deficit widened to USD 2,302.0 million from a deficit of USD 1,796.2 million recorded a year before. This development was largely due to an increase in imports that outweighed the effect of the rise in exports. While imports of goods and services went up by USD 1,529.2 million exports increased by USD 960.5 million (Table 4.1)

**Table 4.1: Current Account Balance**

Details	February		2009		Year Ending February		% Change
	2007	2008	Jan	Feb	2008p	2009p	
<b>Goods Account (net)</b>	<b>-251.2</b>	<b>-265.8</b>	<b>-265.0</b>	<b>-247.7</b>	<b>-2,908.1</b>	<b>-3,692.8</b>	<b>27.0</b>
Exports	123.4	223.3	185.4	178.4	2,131.9	2,689.2	26.1
Imports	374.6	489.1	450.4	426.1	5,040.0	6,382.0	26.6
<b>Services Account (net)</b>	<b>5.7</b>	<b>18.3</b>	<b>30.7</b>	<b>51.3</b>	<b>506.4</b>	<b>722.4</b>	<b>42.7</b>
Receipts	137.5	147.4	169.0	187.8	1,960.7	2,363.9	20.6
Payments	131.8	129.1	138.3	136.5	1,454.3	1,641.5	12.9
<b>Goods and services (net)</b>	<b>-245.5</b>	<b>-247.5</b>	<b>-192.8</b>	<b>-196.4</b>	<b>-2,401.7</b>	<b>-2,970.4</b>	<b>23.7</b>
Exports of goods and services	260.9	370.7	354.4	366.2	4,092.6	5,053.1	23.5
Imports of goods and services	506.4	618.2	588.7	562.6	6,494.3	8,023.5	23.5
<b>Income Account (net)</b>	<b>-4.5</b>	<b>-8.8</b>	<b>-7.7</b>	<b>-8.7</b>	<b>-57.8</b>	<b>-41.1</b>	<b>-28.9</b>
Receipts	7.7	22.9	19.9	26.0	114.2	197.7	73.1
Payments	12.2	31.7	27.6	34.7	172.0	238.7	38.8
<b>Current Transfers (net)</b>	<b>32.7</b>	<b>5.5</b>	<b>175.0</b>	<b>70.5</b>	<b>663.3</b>	<b>709.5</b>	<b>7.0</b>
inflows	37.7	20.2	181.1	76.3	733.6	790.0	7.7
o/w General Government	30.3	10.8	173.0	69.0	636.1	653.5	2.7
Outflows	5.0	14.7	6.1	5.8	70.3	80.5	14.4
<b>Current Account Balance</b>	<b>-217.3</b>	<b>-250.8</b>	<b>-25.4</b>	<b>-134.6</b>	<b>-1,796.2</b>	<b>-2,302.0</b>	<b>28.2</b>

Source: Bank of Tanzania

Note: P = Provisional

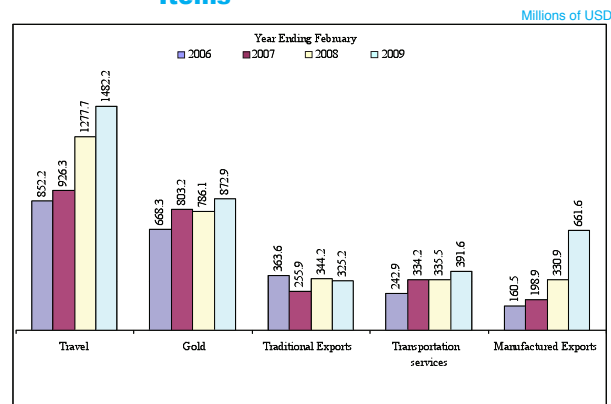
Totals August not add up due to rounding of numbers

During February 2009, exports of goods and services increased to USD 366.2 million, compared to USD 354.4 million recorded in the previous month following a rise in exports of services. Conversely, imports of goods and services recorded a slight decline to USD 562.6 million from USD 588.7 million during the previous month. Also, official current transfers declined from USD 173.0 million recorded in January 2009 to USD 69.0 million as most of the development partners had already disbursed most of their pledged assistance for 2008/09 by January. It is worth noting that at the end of February 2009; over 90 percent of the projected program assistance had already been disbursed.

### Exports Performance

During the year to February 2009, total exports of goods and services rose by 23.5 percent to USD 5,053.1 million following an improved performance in goods export, particularly export of manufactured goods. Chart 4.1 summarizes the performance of selected export items during the past four years.

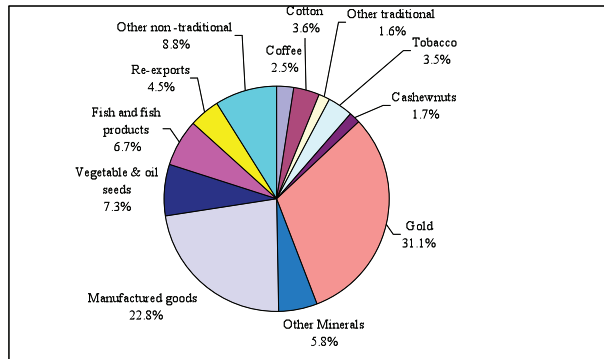
**Chart 4.1: Performance of Selected Exports Items**



Goods exports increased by 26.1 percent to USD 2,689.2 million on account of the improved performance in traditional and non-traditional exports. During the review period, traditional and non-traditional exports recorded increases of 8.1 percent and 29.6 percent to USD 372.2 million and USD 2,317.1 million, respectively. Meanwhile, gold export continued to dominate accounting for 32.5 percent of total goods exports, followed by manufactured goods which accounted for 24.2 percent (Chart 4.2).



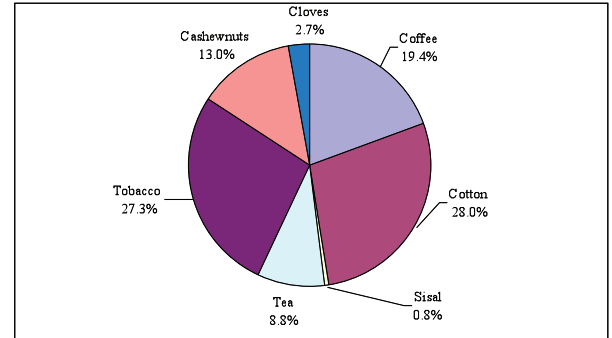
**Chart 4.2: Contribution of Selected Items to Total Exports of Goods**



**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.
- 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

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



## Traditional Exports

In February 2009, the value of traditional exports decreased to USD 40.5 million from USD 65.5 million recorded in the previous month, mainly on account of a significant decline in the volume of cashewnuts export. During the month under review, the volume of cashewnuts export decreased to 15,400 tons compared to 49,960 tons exported in the previous month marking the tail end of the export season for cashewnuts. The decline in export volumes of cashewnuts dampened the effect of improvement in export unit prices that was recorded in most of the traditional exports.

On annual basis, traditional exports increased by 8.1 percent to USD 372.1 million largely due to an increase in export volumes of coffee, cotton, tea, tobacco and cloves. The development is partly attributable to favorable weather condition and timely usage of the agricultural inputs through the Agricultural Sector Development Programme (ASDP). Moreover, there was an increase in the export unit prices for most the traditional exports in line with the movements of commodity prices in the world markets (Chart 4.3).

## Non-Traditional Exports

During the month under review, non-traditional exports increased by 15.1 percent to USD 137.9 million on account of increase in export of manufactured goods and minerals. On annual basis, non-traditional exports increased by 29.6 percent to USD 2,317.1 million with much of the increase coming from manufactured goods export which went up from USD 360.7 million recorded during the previous year to USD 651.9 million. Some of the manufactured goods that are exported include iron and steel, wheat flour, plastic items and electrical equipment. Improvement was also recorded in other exports particularly edible vegetables and fruits. The value of horticultural exports that mainly consist of fresh cut flowers went up from USD 21.3 million to USD 47.6 million. This development was largely due to the expansion in horticultural production coupled with new investment in flower cutting and seeds in the southern part of Tanzania.

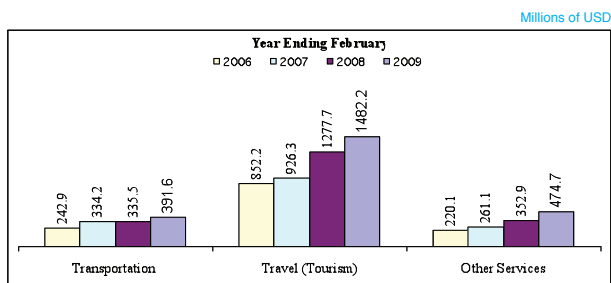
Gold exports rose by 7.3 percent to USD 872.9 million following an increase in prices in the world market and a slight increase in the export volumes. During the review period, the prices of gold in the world market increased to USD 870.9 per troy ounce recorded last year. On the other hand, the volumes of gold export increased from 35.2 tons reported during the corresponding period last year to 36.9 tons. The improvement in gold prices is largely due to the weakening of US dollar against other major currencies.



## Services Exports

Service receipts increased by 11.1 percent to USD 187.8 million during February 2009, mainly due to a rise in freight, travel and other business services. On annual basis, services receipt increased by 20.6 percent to USD 2,363.9 million following improvement in travel, freight, communication, insurance and other business services receipt. Travel, which accounts for over 60 percent of total services receipt rose to USD 1,482.2 million from USD 1,277.7 million recorded during the corresponding period in 2008. This development is partly a result of the on-going promotional campaigns of Tanzania's tourist attractions, especially in the United States and United Kingdom. Moreover, there has been an increase in the number of international flights to the Tanzanian destinations and new and refurbished accommodation facilities in both the Tanzania Mainland and Zanzibar. **Chart 4.4** depicts performance of the main services export during the past four years.

**Chart 4.4: Service Receipts 2006 – 2009**



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

## Imports Performance

During the month under review, imports of goods declined slightly to USD 426.1 million from USD 450.4 million recorded in January 2009. The value of capital and consumer goods imports went down by 7.9 percent and 16.4 percent to USD 207.6 million and USD 87.6 million, respectively. The decline in imports of capital goods was driven by the drop in building and construction items, while the fall in importation of consumer goods was largely attributable to the notable decline in food imports (**Table 4.2**).

**Table 4.2: Imports**

Millions of USD

Item	2008 <sup>P</sup>	2009		% Change		Year Ending February <sup>P</sup>		% Change
	Feb	Jan	Feb	Feb 08 - Feb 09	Jan 09 - Feb 09	2008	2009	
<b>Capital Goods</b>	194.7	225.4	207.6	6.6	-7.9	1,875.1	2,726.3	45.4
Transport Equipments	62.7	66.1	61.9	-1.2	-6.3	534.4	801.6	50.0
Building and Constructions	38.0	54.9	36.3	-4.4	-33.9	438.6	626.5	42.8
Machinery	94.0	104.4	109.3	16.3	4.7	902.1	1,298.3	43.9
<b>Intermediate Goods</b>	183.4	120.2	130.9	-28.6	8.9	2,001.2	2,396.3	19.7
Oil imports	139.3	61.4	97.9	-29.7	59.6	1,466.7	1,724.2	17.6
Fertilizers	0.2	17.7	3.7	1,511.8	-79.0	60.8	168.3	--
Industrial raw materials	43.9	41.1	29.3	-33.3	-28.8	473.7	503.8	6.4
<b>Consumer Goods</b>	111.0	104.9	87.6	-21.0	-16.4	1,163.7	1,259.4	8.2
Food and food stuffs	35.2	22.2	17.3	-50.8	-21.9	317.6	274.6	-13.5
All other consumer goods <sup>1</sup>	75.8	82.7	70.3	-7.2	-14.9	846.2	984.8	16.4
<b>Grand Total (f.a.b)</b>	489.1	450.4	426.1	-12.87	-5.4	5,040.0	6,382.0	26.6
<b>Grand Total (c.i.f)</b>	537.4	495.0	468.2	-12.87	-5.4	5,538.5	7,013.2	26.6

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 August not ad up due to rounding of numbers

Source: Bank of Tanzania and Tanzania Revenue Authority

## Food Imports

In February 2009, the total value of cereal imports decreased to USD 10.5 million from USD 12 million. It should be noted that, despite the government's decision to waive import duty for imported maize beginning February 2009 till May, the volume of maize imports dropped from 864 tons in January 2009 to 468 tons. **Table 4.3** summarizes import of selected cereals during the last four months of the year.

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

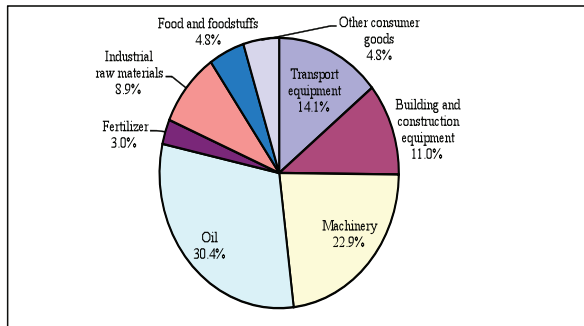
Descriptions	Nov-08	Dec-08	Jan-09	Feb-09	% Change (Dec 08 – Jan 09)
<b>Maize</b>					
Tons	735.3	724.5	863.7	468.1	-45.8
Value (Mill. USD)	0.884	1.002	1.277	0.666	-47.8
<b>Rice</b>					
Tons	6,199	19,593	716.9	409.3	-42.9
Value (Mill. USD)	0.76	8.71	0.3	0.1	-77.4
<b>Wheat</b>					
Tons	32,254	25,861	41,259.7	41,781.8	1.3
Value (Mill. USD)	11.74	7.42	10.402	9.784	-5.9
<b>Total tons</b>	<b>39,188</b>	<b>46,179</b>	<b>42,840</b>	<b>42,659</b>	<b>0</b>
<b>Total Value (Mill. USD)</b>	<b>13.4</b>	<b>17.1</b>	<b>12.0</b>	<b>10.5</b>	<b>-12.1</b>

Source: Tanzania Revenue Authority

On annual basis, imports of goods went up by 26.6 percent to USD 6,382.0 million. Importation of capital goods increased from USD 1,875.1 million in the previous year to USD 2,726.3 million, in line with the growth of activities in the construction, communication and manufacturing sectors. Similarly, the value of imported intermediate goods rose by 19.7 percent to USD 2,396.3 million largely driven by a substantial increase in the importation of oil and fertilizer. Likewise, the value of consumer goods import increased by 8.2 percent to USD 1,259.4 million on account of a rise in importation of pharmaceutical products, plastic items and paper products. During the review period, the value of food imports dropped by 13.5 percent to USD 274.6 million. The share of imports by category is summarized in **Chart 4.5**.



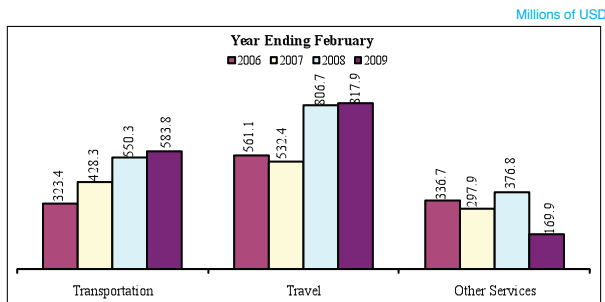
**Chart 4.5: Contribution to Total Imports for the Year Ending February 2009**



## Services Payments

During the review month, services payment went down by 1.3 percent to USD 136.5 million on account of the decrease in payments of construction, other business and government services. On annual basis, services payment increased by 12.9 percent to USD 1,641.5 million, largely due to an increase in payments of freight, travel, financial, other business and government services. The performance of the major services payment categories in the past four years is illustrated on **Chart 4.6**.

**Chart 4.6: Service Payments, 2006 - 2009**



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

## World Commodity Prices

In February 2009, the world market prices of commodities recorded mixed developments. While the prices of Arabica coffee and cloves recorded slight increases as shown in Table 4.4, the price of sisal remained unchanged at USD 1,213.00 per metric ton. On the other hand, the price of Robusta coffee, tea, and cotton recorded small declines.

During the month under review, the average prices of crude oil (UK Brent) and Dubai (f.o.b) declined by about 4.0 percent to USD 41.8 per barrel and USD 43.1 per barrel, respectively.

Similarly, the price of white products declined by 7.1 percent to USD 421.9 per ton. This development was largely attributed to a surge in the U.S crude oil inventories owing to drop in demand amid the global recession. Meanwhile, the price of gold increased by 9.8 percent to USD 943.0 per troy ounce largely due to high investment demand for gold as a safe-haven asset.

On annual basis, all commodities recorded increases in prices. The notable increase in the price of coffee was largely due to unfavorable weather in Brazil. The prices of tea (Average price and Mombassa auction) rose by 24.3 percent to USD 2.2 per kg following a shortfall in production as a result of unfavorable weather condition in India coupled with strong demand for tea in the European countries. The huge increase in the price of cloves to USD 4,303.1 per ton was also on account of unfavorable weather condition in Sri Lanka, Madagascar, India and Comoro. On the other hand, the increase in the price of sisal was largely due to strong demand as a result of an increase in usage of sisal fibre for power generation. During the period under review, the oil prices rose significantly as shown in Table 4.4. The significant increase in oil prices was on concern of supply disruptions in the major oil exporting countries in the Middle East and Nigeria. The price of gold increased by 17.7 percent to USD 870.9 per troy ounce largely driven by a strong investment demand following the weakening of U.S dollar and instability in the global financial markets.

**Table 4.4: World Commodity Prices**

Commodity	Units	2009			% Change	Year Ending February		% Change
		Dec	Jan	Feb		2008	2009	
Robusta								
Coffee	USD per kg	1.82	1.82	1.77	-2.75	2.01	2.23	10.47
Arabica Coffee	USD per kg	2.62	2.83	2.86	1.06	2.82	3.01	6.80
Tea (Average price)	USD per kg	1.93	2.19	2.15	-1.83	2.14	2.39	11.71
Tea (Mombasa auction)	USD per kg	1.77	2.19	2.12	-3.20	1.77	2.20	24.27
Cotton, "A Index"	USD per kg	1.22	1.27	1.22	-3.94	1.45	1.51	3.97
Cotton, "Memphis"	USD per kg	1.31	1.35	1.31	-2.96	1.48	1.58	6.69
Sisal (UG)	USD per metric ton	1,213.00	1,213.00	1,213.00	0.00	990.00	1195.75	20.78
Cloves	USD per metric ton	3,200.00	3,500.00	3,700.00	5.71	3,606.44	4,303.13	19.32
Crude oil*	USD per barrel	41.34	43.86	41.84	-4.61	77.20	88.79	15.01
Crude oil**	USD per barrel	41.00	44.97	43.14	-4.07	74.16	86.36	16.46
White products***	USD per ton	430.54	454.01	421.92	-7.07	726.12	850.05	17.07
Jet/Kerosine Premium	USD per ton	465.93	474.93	416.44	-12.32	741.57	915.27	23.42
Gasoline	USD per ton	343.36	404.94	415.61	2.63	736.84	758.39	2.92
Heat Oil	USD per ton	482.33	482.15	433.7	-10.05	699.94	876.50	25.22
Gold	USD per troy ounce	816.00	859.00	943.00	9.78	739.71	870.88	17.73

Note: \* Average of U. K. Brent, Dubai and West Texas Int'l

\*\* f. o. b. Dubai

\*\*\* f.o.b. West Mediterranean

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



## 5.0 National Debt Developments

The national debt stock at the end of February 2009 stood at USD 7,808.5 million, representing an increase by 0.7 percent from USD 7,753.2 million recorded at the end of the preceding month. The increase was mainly on account of newly recorded disbursements as well as issuance of new government bonds. Out of the total debt stock, external debt was 80.9 percent and domestic debt was 19.1 percent.

### External Debt

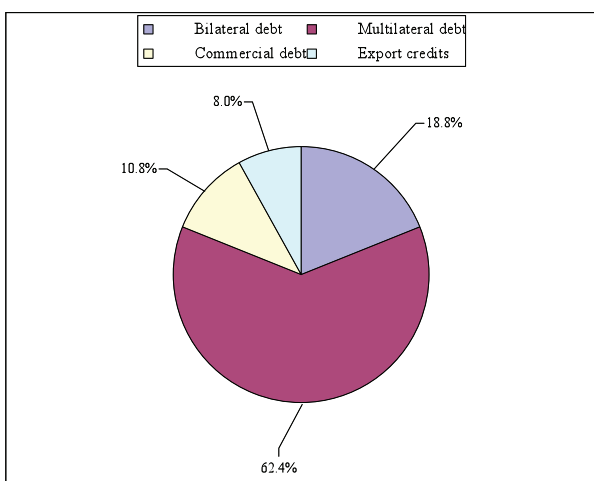
At the end of February 2009, the external debt stock amounted to USD 6,319.8 million as compared to USD 6,278.9 million registered at the end of previous month. Out of the external debt stock, USD 4,899.8 million (77.5 percent) was disbursed outstanding debt and the remaining balance of USD 1,420 was interest arrears.

The profile of Disbursed Outstanding Debt (DOD) reveals that the Central Government was the largest borrower with 81.7 percent of the total DOD followed by private companies and parastatal companies with 15.3 percent and 3.0 percent respectively.

Out of the total DOD, multilateral institutions remained the leading creditors as they were owed a total of USD 3,055.7 million while bilateral creditors were owed USD 923.5 million.

Chart 5.1 shows DOD by creditor category.

**Chart 5.1 Disbursed Outstanding Debt by Creditor Category**



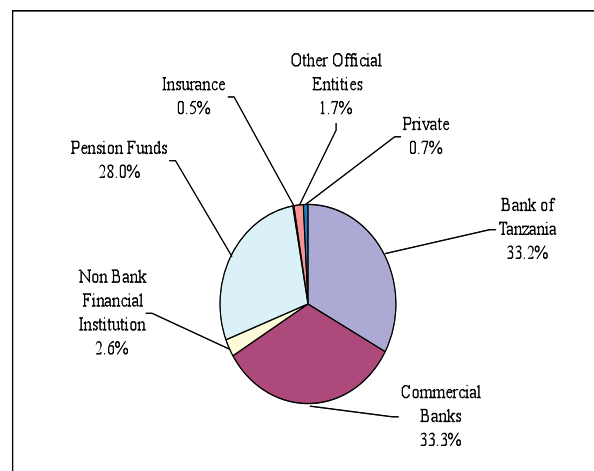
During the month under review there was no new loans contracted while new disbursements amounted to USD 14.6 million. The actual service of external debt amounted to USD 0.3 million, out of which USD 0.1 million was principal repayments and USD 0.2 million interest payment.

### Domestic Debt

Domestic debt stock increased by 0.5 percent to TZS 1,907.1 billion at the end of February, 2009 from TZS 1,897.5 billion registered at the end of preceding month. The increase was mainly due to issuance of new Government bonds. Out of the total domestic debt, Government securities accounted for 99.6 percent and the rest was unsecured debt.

The profile of the domestic debt by holder category shows that commercial banks are the leading creditors to the Government by holding 33.3 percent of total domestic debt followed by Bank of Tanzania that held 33.2 percent (Chart 5.2).

**Chart 5.2: Government Domestic Debt by Creditor Category**



During the month, domestic debt amounting to TZS 98.8 billion fell due for payment. Out of this, principal amounting to TZS 62.3 billion was rolled over and interest amounting to TZS 36.5 billion was paid out of government revenue.



## 6.0 Economic Developments in Zanzibar

### Inflation Developments

The Annual Headline Inflation rate for the year ended February 2009 dropped significantly to 16.5 percent from 20.6 percent registered in January 2009, the lowest rate since March 2008. The decline in inflation during the period under review was driven by a fall in both food and non-food inflation. Food inflation decelerated sharply to 16.5 percent in the year ended February 2009, from 22.5 percent recorded in the year ended January 2009, while non-food inflation decreased to 15.4 percent from 18.8 percent recorded in the same period. The downward in inflation trend since October 2008 is mainly associated with a sharp decline in the world market food and fuel prices. Similarly, the month-to-month headline inflation declined to negative 0.3 percent from 1.1 percent in January 2009, on account of decreased month-to-month food and non-food inflation (Table 6.1 and Chart 6.1).

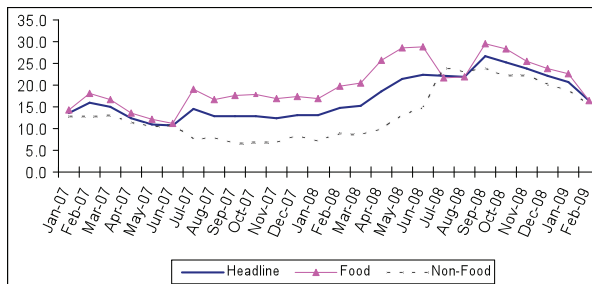
**Table 6.1: Annual Percentage change in Consumer Price Index (CPI)**

Base: Dec.2005=100

Major commodity group	Weights (%)	2006		2007		2008		2009	
		Dec	Jan	Feb	Jan	Feb	Jan	Feb	
<b>Headline/Overall</b>	<b>100</b>	<b>11.4</b>	<b>13.4</b>	<b>15.4</b>	<b>13.1</b>	<b>14.7</b>	<b>20.6</b>	<b>16.5</b>	
<b>Food</b>	<b>57.4</b>	<b>11.6</b>	<b>14.1</b>	<b>16.9</b>	<b>17.0</b>	<b>19.9</b>	<b>22.5</b>	<b>16.5</b>	
<b>Non-Food</b>	<b>42.6</b>	<b>11.5</b>	<b>12.6</b>	<b>13.1</b>	<b>7.2</b>	<b>8.9</b>	<b>18.8</b>	<b>15.4</b>	
Alcoholic beverages, tobacco & narcotics	0.6	23.6	23.6	23.3	0.6	0.9	19.5	20.3	
Clothing and footwear	6.2	5.2	7.6	7.2	6.9	7.6	7.7	7.7	
Housing, water, electricity, gas and other fuels	15.6	12.8	14.3	16.8	3.7	3.4	31.6	27.7	
Furnishing, household equipment and routine household	5.3	8.7	9.9	10.6	11.6	11.3	12.9	13.3	
Health	2.1	10.2	11.5	11.5	18.4	18.4	12.3	12.3	
Transport	3.4	29.1	29.7	30.1	5.5	5.6	18.9	13.5	
Communication	2.4	-3.9	-3.9	-3.9	-2.2	-2.2	-0.1	-0.1	
Recreation and culture	0.4	12.7	11.7	13.7	16.1	14.0	2.5	3.1	
Education	1.1	1.2	13.4	11.7	5.0	7.7	3.5	6.2	
Restaurants and hotels	3.1	15.8	21.5	21.5	32.4	33.1	18.0	13.5	
Miscellaneous goods & services	2.4	11.1	0.0	-1.0	13.2	12.8	9.3	16.0	

Source: Office of Chief Government Statistician (OCGS)

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



Source: Office of Chief Government Statistician (OCGS)

Annual food inflation eased further to 16.5 percent during the year ended February 2009, from 22.5 percent recorded in January 2009. The deceleration in food inflation was attributed to a decline in prices of imported rice, locally known as "Mapembe" which accounts for 20.8 percent of Consumer Price Index (CPI). The month-to-month food inflation also decreased to negative 0.1 percent in February 2009, from 1.8 percent recorded in January 2009, on account of decreased prices of rice, fish and sugar.

During the reporting month, annual non-food inflation declined to 15.4 percent, from 18.8 percent recorded in the year ended January 2009, on the back of pump prices of kerosene, petrol and diesel. Similarly, the month-to-month non-food inflation fell to negatively 2.0 percent from 0.1 percent in January 2009, on account of decreased prices of petroleum products and bus fare.

### Fiscal Performance

The government budgetary operations in February 2009, posted a deficit on cheques cleared basis of TZS 1.0 billion, compared to a deficit of TZS 0.2 billion registered in January 2009. During the reporting month, total resources amounted to TZS 21.1 billion, which was above the target of TZS 16.6 billion by 27.1 percent. Domestic sources contributed TZS 12.4 billion, accounting for 58.8 percent of total resources, while foreign grants amounted to TZS 8.7 billion, or 41.2 percent of the total resources. Total expenditure during the month under review reached TZS 22.8 billion, above the target of TZS 17.6 billion by 29.5 percent and was also above the amount of TZS 17.0 billion spent in the previous month. The budget deficit was entirely financed by foreign sources.

### Revenue

Total revenue collections during the reporting month amounted to TZS 12.4 billion, which was below the target of TZS 12.7 billion by 2.4 percent, on account of under collection of non tax revenue. Specifically; tax revenue reached TZS 11.5 billion, same as the target and accounted for 92.7 percent of the total revenue collections in February 2009. Non-tax revenue sources amounted to TZS 0.9 billion, below the target of TZS 1.2 billion by 25.0 percent, and accounted for 7.3 percent of total revenue.

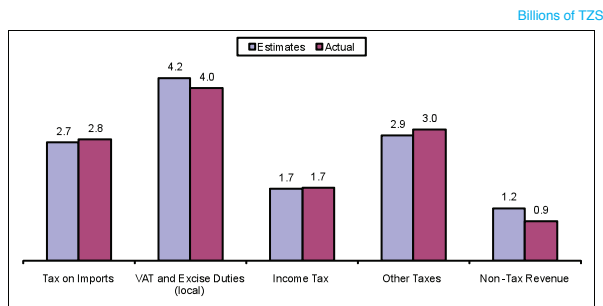
Revenue performance by category shows that, local VAT and excise duty collections amounted to TZS 4.0 billion, while the target was TZS 4.2 billion, and accounted for 34.8 percent of the total tax revenue or 32.2 percent of the total revenue. Tax on imports amounted to TZS 2.8 billion, being above the target of TZS 2.7 billion, and accounted for 24.3 percent of





total tax revenue. Income tax collections amounted to TZS 1.7 billion, same as the target. Other taxes reached TZS 3.0 billion, compared to the target of TZS 2.9 billion (Chart 6.2).

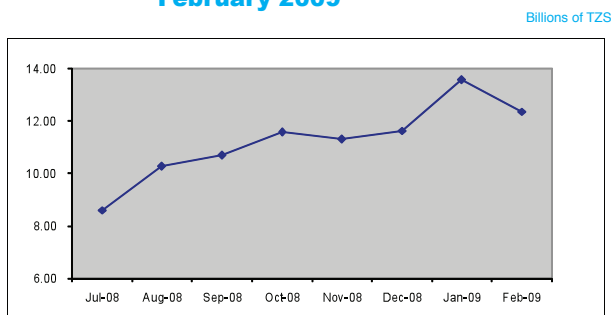
**Chart 6.2: Government Revenue by Sources – February 2009**



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Cumulatively from July - February 2009, the Government revenue reached TZS 90.1 billion, compared to the target of TZS 91.8 billion, and accounted for 67.1 percent of the annual target of TZS 134.2 billion for the fiscal year of 2008/09 (Chart 6.3).

**Chart 6.3: Government Total Revenue Collections Trend July 2008–February 2009**



Source: Ministry of Finance and Economic Affairs, Zanzibar

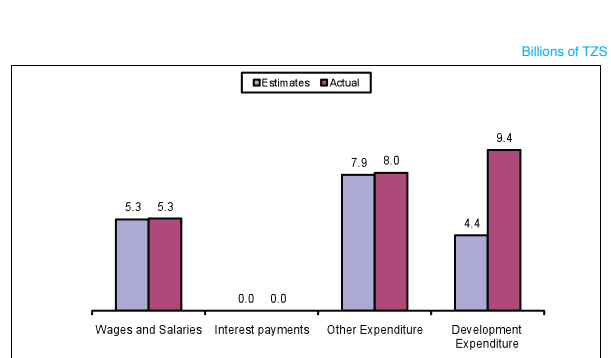
## Expenditure

During the month under review, total government expenditure reached TZS 22.7 billion, and this was above the target of TZS 17.6 billion by 29.0 percent. The increase in expenditure was mainly on account of donor funded development expenditure. Recurrent expenditure amounted to TZS 13.4 billion, representing 59.0 percent of total expenditure, while development expenditure amounted to TZS 9.4 billion, accounting for 41.0 percent of total expenditure.

The breakdown of the recurrent expenditure shows that wages and salaries amounted to TZS 5.3 billion, the same as target and accounted for 39.6 percent of the recurrent expenditure or 23.3 percent of the total government

expenditure. Expenditure on other charges amounted to TZS 8.0 billion, slightly above the target of TZS 7.9 billion, and accounted for 59.7 percent of the recurrent expenditure, or 35.2 percent of the total expenditure (Chart 6.4).

**Chart 6.4: Government Expenditure by Components – February 2009**



Source: Ministry of Finance and Economic Affairs, Zanzibar

Development expenditure amounted to TZS 9.4 billion, compared with the target of TZS 4.4 billion. Government contributions amounted to TZS 2.1 billion, which was below the target of TZS 2.2 billion and accounted for 22.3 percent of the total development expenditure. Donor funds reached TZS 7.3 billion, against the target of TZS 2.1 billion and accounted for 77.7 percent of the total development expenditure.

Cumulatively from July - February 2009, Government expenditure amounted to TZS 137.7 billion, compared to the target of TZS 141.3 billion, and accounted for 40.3 percent of the annual target of TZS 341.7 billion for year 2008/09.

## Debt Developments

As at end of February 2009, Zanzibar total public debt reached TZS 139.7 billion (USD 107.6 million) from TZS 137.9 billion (USD 108.2 million) recorded in January 2009. Out of the total public debt, external debt amounted to TZS 79.9 billion (USD 61.3 million), equivalent to 57.2 percent of the total debt, while domestic debt was TZS 59.8 billion (USD 46.3 million), or 42.8 percent of total debt. During the reporting month, debt to GDP ratio stood at 23.7 percent compared to 23.4 percent registered at end January 2009.

## Domestic Debt

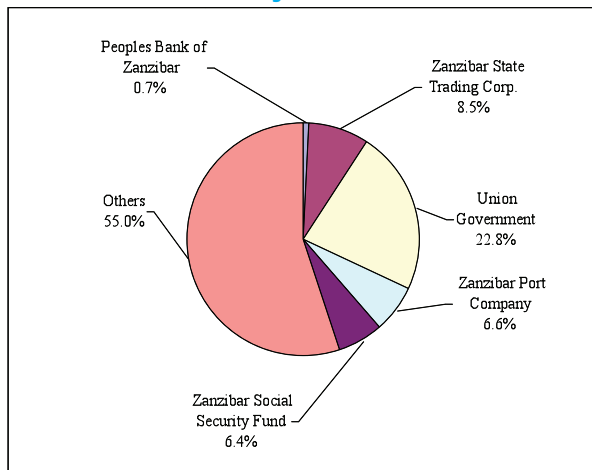
During the period under review, domestic debt amounted to TZS 59.8 billion, compared to TZS 58.9 billion registered in the preceding month. The slight increase in the domestic debt was linked with rise in gratuity claims by retirees.



## Domestic Debt by Creditors

Debt owed to government suppliers and pensioners amounted to TZS 32.9 billion, equivalent to 55.0 percent of the total domestic debt. Union Government debt stood at TZS 13.6 billion, accounting for 22.8 percent of the domestic debt. Zanzibar State Trading Corporation (ZSTC) and Zanzibar Port Corporation (ZPC) claims amounted to TZS 5.1 billion and TZS 3.9 billion, equivalent to 8.5 percent and 6.6 percent of total domestic debt, respectively. Zanzibar Social Security Fund (ZSSF) debt stood at TZS 3.8 billion, and accounted for 6.4 percent of domestic debt, while claims due to Peoples Bank of Zanzibar (PBZ) amounted to TZS 0.4 billion, or 0.7 percent of domestic debt (Chart 6.5).

**Chart 6.5: Domestic Debt by Creditor as at End – February 2009**



Source: Ministry of Finance and Economic Affairs-Zanzibar

## Domestic Debt by Maturity

Classification of domestic debt by maturity reveals that debt with “undetermined maturity” (predominantly gratuity and supplier’s claims) amounted to TZS 33.6 billion and represented 56.2 percent of domestic debt, while debt maturing between 2 – 5 years was TZS 20.2 billion, equivalent to 33.8 percent of domestic debt. Debt maturing in less than a year amounted to TZS 6.0 billion or 10.0 percent of the total domestic debt.

## External Debt

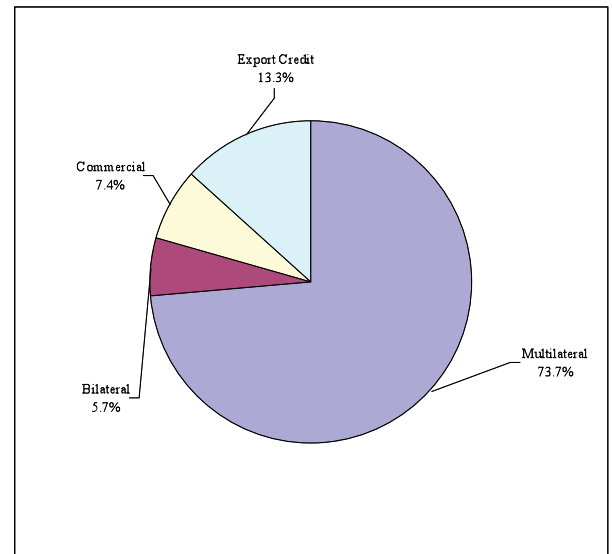
Total external debt as at end February 2009, amounted to TZS 79.9 billion (USD 61.3 million) compared to TZS 79.0 billion (USD 62.0 million), reported in the preceding month. Out of this stock, debt guaranteed by the Union Government stood at USD 45.9 million, accounting for 74.9 percent of the

external debt, while non-guaranteed debt amounted to USD 15.2 million, or 25.1 percent of total external debt.

## External Debt by Creditor Category

During the month under review, debt due to multilateral creditors amounted to USD 45.1 million (TZS 59.1 billion), representing 73.7 percent of the total external debt. Bilateral creditors stood at USD 3.5 million (TZS 4.5 billion), and represented 5.7 percent of total external debt. Commercial debt amounted to USD 4.5 million (TZS 5.8 billion), accounting for 7.4 percent of external debt, while export credit amounted to USD 8.1 million (TZS 10.5 billion), and accounting for 13.3 percent of total external debt (Chart 6.6).

**Chart 6.6: External Debt by Creditor as at End – February 2009**



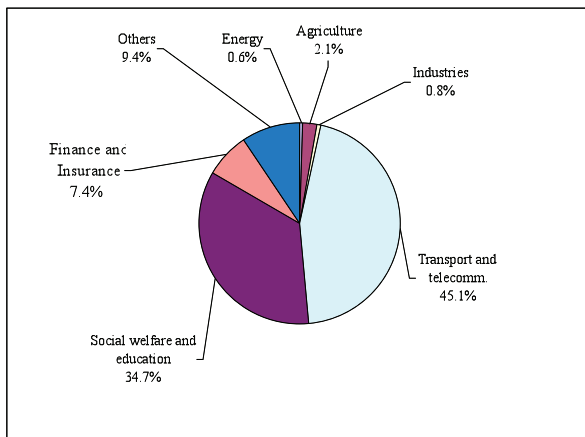
Source: Ministry of Finance and Economic Affairs-Zanzibar

## External Debt - Disbursements by End Use

At the end of February 2009, transport and telecommunications sectors absorbed the larger portion of external debt to the tune of USD 27.6 million or 45.1 percent. Social welfare and education sectors received USD 21.2 million, equivalent to 34.7 percent. Finance & Insurance sector obtained USD 4.5 million or 7.4 percent, while agriculture and energy sectors obtained USD 1.3 million and USD 0.4 million, accounting for 2.1 percent and 0.6 percent of total disbursements, respectively. Industrial sector absorbed USD 0.5 million or 0.8 percent, while other sectors had USD 5.7 million, equivalent to 9.4 percent of external debt (Chart 6.7).



**Chart 6.7: External Debt by Use of Funds as at End – February 2009**



Source: Ministry of Finance and Economic Affairs-Zanzibar

## External Sector Performance

### Current Account

As at end of February 2009 current account, posted a lower surplus of USD 1.9 million compared to a surplus of USD 5.4 million recorded in the previous month; largely on account of decline in donor inflows. Trade account recorded a deficit of USD 6.6 million, compared to a deficit of USD 4.1 million recorded in the preceding month.

On year to year basis, the current account registered a deficit of USD 20.0 million compared to a surplus of USD 30.4 million for the corresponding period in 2008; mainly associated with fall in foreign grants inflows, coupled with a rise in import of goods and services. Trade account recorded a deficit of USD 97.8 million, compared to a deficit of USD 74.3 million posted during the corresponding period a year ago (Table 6.2).

**Table 6.2: Zanzibar Current Account Balance**

Item	Millions of US\$							
	2008		2009p		Year Ending February		%Change	
	Jan	Feb	Jan	Feb	2008	2009p	Monthly	Annual
<b>Goods Account (net)</b>	-0.42	-7.63	-4.08	-6.63	-74.28	-97.76	61.00	31.60
Exports	5.34	1.40	1.81	1.31	14.46	14.88	-27.80	2.70
Imports (Fob)	5.76	9.03	5.90	7.93	88.75	112.65	33.90	26.93
<b>Services Account (net)</b>	2.21	1.84	2.72	1.74	36.39	32.75	-37.00	-10.20
Receipts	4.90	4.36	7.33	8.27	83.23	95.30	13.70	10.90
Payments	2.69	2.51	4.61	6.54	46.83	62.55	41.30	33.80
<b>Goods and Services (net)</b>	1.79	-5.79	-1.36	-4.89	-37.89	-65.02	250.00	71.50
Exports of Goods and Services	10.24	5.75	9.14	9.58	97.69	110.18	5.40	12.79
Imports of Goods and Services	8.44	11.54	10.51	14.47	135.58	175.20	38.10	29.20
<b>Income Account (net)</b>	-0.04	-0.09	-0.54	-0.03	-0.21	-1.80		800.00
Receipts	0.02	0.05	0.05	0.03	0.14	0.38	-40.00	300.00
Payments	0.06	0.14	0.59	0.06	0.35	2.18	0.00	450.00
<b>Current Transfers (net)</b>	5.96	2.38	7.27	6.78	68.54	46.81	-6.80	-31.71
Inflows	5.96	2.38	7.27	6.78	68.54	46.81	-6.80	-31.71
Outflows	0.00	0.00	0.00	0.00	0.00	0.00		
<b>Current Account Balance</b>	7.7	-3.5	5.4	1.9	30.4	-20.0	-64.8	-165.80

Source: Tanzania Revenue Authority and BOT computations.

## Exports Performance

Exports of goods and services in the period under review amounted to USD 9.6 million, up from USD 9.1 million posted in the previous month; driven by an increase in services receipts. Services proceeds amounted to USD 8.3 million, compared to USD 7.3 million of the preceding month, and accounted for 86.5 percent of total exports. Merchandise exports amounted to USD 1.3 million, compared to USD 1.8 million of the preceding month, and accounted for 13.5 percent of total exports.

On year to year basis, total exports of goods and services amounted to USD 110.2 million, up by 12.8 percent from USD 97.7 million realised during the corresponding period in 2008. The increase was largely associated with a rise in services receipts to USD 95.3 million from USD 83.2 million in the corresponding period in 2008. Clove exports decreased to USD 3.7 million from USD 4.0 million, and represented 3.4 percent of total exports. The decline in export proceeds from cloves was due to a decrease in export price of the crop from USD 3,799.7 per ton in year ending February 2008, to USD 3,498.6 per ton in year ending February 2009. Seaweeds exports increased to USD 2.3 million from USD 2.2 million, and accounted for 2.1 percent of total exports receipts. Manufactured goods exports hiked to USD 4.5 million from US 3.7 million, equivalent to 4.1 percent of total export receipts. Export of fish and fish produce declined to USD 0.1 million from USD 0.2 million (Table 6.3).

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

Item	2008		2009p		Year Ending February		%Change	
	Jan	Feb	Jan	Feb	2008	2009p	Monthly	Annual
<b>Traditional</b>								
<b>Cloves</b>								
Value	2.5	0.8	0.9	0.4	4.0	3.7	-55.5	-7.5
Volume	0.64	0.20	0.30	0.1	1.0	1.1	-66.7	10.0
Unit Price	3,960.7	4,072.1	2,896.4	3,043.0	3,799.7	3,498.6	-28.9	-7.9
<b>Non-Traditional</b>								
<b>Seaweeds</b>								
Value	0.36	0.24	0.18	0.20	2.2	2.3	11.1	4.5
Volume	1.4	0.8	0.69	0.73	9.2	9.3	5.8	1.1
Unit Price	250.5	302.8	253.6	271.4	243.0	250.3	-16.2	3.0
<b>Manufactured Goods</b>	0.4	0.3	0.31	0.30	3.7	4.5	-3.2	21.6
<b>Fish and Fish Produce</b>	0.0	0.08	0.02	0.02	0.2	0.1	0.0	0.0
<b>Horticultural produce</b>	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Others Exports</b>	2.0	0.01	0.43	0.40	4.3	4.2	-7.0	-2.3
<b>SUB TOTAL</b>	2.8	0.6	0.9	0.9	10.5	11.1	0.0	5.7
<b>GRAND TOTAL</b>	5.3	1.4	1.8	1.3	14.5	14.9	-27.8	3.5

Note: Value in Millions of USD, Volume in "000" Ton, Unit price in USD/Tons  
p = provisional  
Source: Tanzania Revenue Authority and BOT computations



## Goods Imports

During February 2009, goods imports (c.i.f) amounted to USD 8.7 million up from USD 6.5 million recorded in the preceding month on account of increases in all import categories. During the period under review, capital goods imports amounted to USD 4.2 million, compared to USD 3.0 million of the previous month, and accounted for 48.3 percent of total goods imports. Intermediate goods imports were USD 2.7 million from USD 2.3 million, and accounted for 31.0 percent of total goods imports, where as consumer goods amounted to USD 1.8 million from USD 1.2 million.

On annual basis, total goods imports (c.i.f) surged to USD 123.8 million, from USD 97.5 million of the corresponding period in 2008. Oil import bill increased to USD 31.4 million from USD 25.7 million, and was equivalent to 25.4 percent of merchandise imports. Capital goods imports amounted to USD 55.3 million, compared to USD 46.5 million recorded in 2008. Food and food stuffs imports increased to USD 8.1 million from USD 6.5 million (Table 6.4).

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

Millions of US\$

Import Category	2008		2009p		Year Ending February		%Change	
	Jan	Feb	Jan	Feb	2008	2009p	Monthly	Annual
<b>Capital Goods</b>	<b>2.6</b>	<b>2.7</b>	<b>3.0</b>	<b>4.2</b>	<b>46.5</b>	<b>55.3</b>	<b>40.0</b>	<b>18.9</b>
Transport Equipment	1.0	1.50	1.14	2.53	18.9	34.4	121.9	82.0
Building and Constructions	0.6	0.3	0.8	0.8	12.7	8.7	0.0	-31.5
Machinery	0.9	0.8	1.0	0.9	14.9	12.2	-10.0	-18.1
<b>Intermediate Goods</b>	<b>2.6</b>	<b>5.5</b>	<b>2.3</b>	<b>2.7</b>	<b>31.6</b>	<b>43.6</b>	<b>17.4</b>	<b>38.0</b>
Oil imports	2.0	5.0	1.7	1.9	25.7	31.4	11.8	22.8
Fertilizers	..	..	..	..	..	..	..	..
Industrial raw materials	0.5	0.5	0.6	0.8	5.9	12.2	33.3	106.8
<b>Consumer Goods</b>	<b>1.2</b>	<b>1.7</b>	<b>1.2</b>	<b>1.8</b>	<b>19.4</b>	<b>24.9</b>	<b>50.0</b>	<b>28.4</b>
Food and food stuffs	0.2	0.5	0.2	0.4	6.5	8.1	100.0	24.6
All other consumer goods	1.0	1.3	1.0	1.4	12.9	16.8	40.0	30.2
<b>GRAND TOTAL (CIF)</b>	<b>6.3</b>	<b>9.9</b>	<b>6.5</b>	<b>8.7</b>	<b>97.5</b>	<b>123.8</b>	<b>33.8</b>	<b>27.0</b>
<b>GRAND TOTAL (FOB)</b>	<b>5.8</b>	<b>9.0</b>	<b>5.9</b>	<b>7.9</b>	<b>88.7</b>	<b>112.6</b>	<b>33.9</b>	<b>26.9</b>

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

## Services Account

During the month under review, the surplus in the services account was USD 1.7 million, lower than USD 2.7 million registered in January 2008; driven by a higher rise in services payments relative to receipts. Foreign receipts amounted to USD 8.3 million, up from USD 7.3 million recorded on the previous month, while foreign payments amounted to USD 6.5 million from USD 4.6 million.

On year to year basis, the services account surplus dropped to USD 32.7 million from USD 36.4 million posted in 2008. Total foreign receipts rose to USD 95.3 million from USD 83.2 million, while payments amounted to USD 62.6 million from USD 46.8 million.



## **STATISTICAL TABLES**



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

Item	Unit	2001	2002	2003	2004	2005	2006 <sup>r</sup>	2007*
<b>1. National Accounts and Prices</b>								
1.1 Change in GDP at Factor Cost--Current Prices	Percent	11.6	14.8	15.9	15.4	14.3	12.4	16.8
1.2 Change in GDP at Factor Cost--Constant 2001 Prices <sup>2</sup>	Percent	6.0	7.2	6.9	7.8	7.4	6.7	7.1
1.3 GDP Per Capita--Current Prices <sup>1</sup>	TZS	276,604.1	310,848.4	354,007.6	396,132.4	441,152.1	478,051.4	546,955.7
1.4 GDP Per Capita--Current Prices <sup>1</sup>	USD	315.6	321.6	340.9	363.7	390.6	381.7	439.5
1.5 Change in Consumer Price Index (Inflation)	Percent	5.2	4.5	3.5	4.2	4.4	7.3	7.0
1.6 Saving to GNDI Ratio <sup>3</sup>	Percent	7.2	8.0	9.6	10.4	8.7	8.5	6.4
<b>2. Money Credit and Interest Rates</b>								
2.1 Change in Extended Broad Money Supply (M3)	Percent	17.1	25.1	16.1	19.3	38.2	22.0	21.4
2.2 Change in Broad Money supply (M2)	Percent	12.3	18.5	14.2	19.2	36.9	13.7	28.8
2.3 Change in Narrow Money Supply (M1)	Percent	10.2	25.2	16.1	18.2	33.7	9.8	32.7
2.4 Change in Reserve Money	Percent	5.0	19.1	12.6	23.6	27.7	16.8	30.2
2.5 Total Credit to GDP Ratio <sup>1</sup>	Percent	7.1	8.0	6.9	7.2	10.5	11.7	12.6
2.6 Private Sector Credit to GDP Ratio <sup>1</sup>	Percent	4.4	5.5	6.7	7.6	8.9	11.3	13.8
2.7 Ratio of Private Credit to Total Credit	Percent	62.7	68.4	97.4	104.8	84.6	96.3	109.7
2.8 Average Deposit Rate (12-Month) <sup>4</sup>	Percent	6.9	5.9	5.3	5.7	6.2	8.3	9.3
2.9 Weighted Average Treasury Bill Rate	Percent	3.9	4.5	7.7	9.6	14.8	15.0	11.4
2.10 Average Long-Term Lending Rate <sup>4</sup>	Percent	18.0	16.8	12.2	12.7	13.4	14.9	16.1
<b>3. Balance of Payments</b>								
3.1 Exports of goods (f.o.b)	Mill. USD	851.3	979.6	1,220.9	1,481.6	1,679.1	1,917.6	2,226.6
3.2 Imports of goods (f.o.b)	Mill. USD	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6	-3,864.1	-4,860.6
3.3 Trade Balance	Mill. USD	-709.0	-531.7	-712.6	-1,001.2	-1,318.5	-1,946.5	-2,634.1
3.4 Balance on Current Account	Mill. USD	-395.2	78.6	-118.1	-366.7	-864.3	-1,171.6	-1,855.8
3.5 Overall Balance	Mill. USD	-167.5	-317.9	389.1	206.0	-222.4	460.7	532.7
3.7 Gross Official Reserves	Mill. USD	1,156.6	1,528.4	2,037.8	2,296.1	2,048.4	2,128.3	2,755.2
3.8 Reserves Months of Imports (of goods and services)	Months	6.5	6.9	7.1	6.6	4.8	4.0	4.5
3.9 Exchange Rate:								
3.9.1 Annual Average	TZS/USD	876.4	967.1	1,038.9	1,089.1	1,129.2	1,253.9	1,244.1
3.9.2 End of Period	TZS/USD	916.3	976.3	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1
<b>4 Population (TZ Mainland)</b>	Million	32.9	33.6	34.2	35.3	36.2	37.5	38.3
<b>5. Public Finance</b>								
5.1 Current Revenue to GDP Ratio <sup>1</sup>	Percent	11.8	12.3	12.1	13.3	13.8	17.1	
5.2 Grants to GDP Ratio <sup>1</sup>	Percent	4.3	3.2	3.7	7.4	6.8	6.2	
5.2 Current Expenditure to GDP Ratio <sup>1</sup>	Percent	12.7	13.0	12.9	15.1	17.3	20.4	
5.3 Development Expenditure to GDP Ratio <sup>1</sup>	Percent	3.9	3.3	3.6	8.6	8.7	8.7	
5.4 Deficit to GDP Ratio (excluding grants) <sup>1</sup>	Percent	-4.8	-4.0	-4.4	-10.4	-12.2	-12.0	
5.5 Deficit to GDP Ratio (including grants) <sup>1</sup>	Percent	-0.5	-0.8	-0.6	-3.0	-5.4	-5.8	
<b>6. Total External Debt Stock</b>								
	Mill. USD	<b>7,464.0</b>	<b>7,268.1</b>	<b>7,857.0</b>	<b>8,134.8</b>	<b>8,229.5</b>	<b>4,660.9</b>	<b>5,846.4</b>
Disbursed Debt	Mill. USD	6,559.7	6,233.0	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1
Interest	Mill. USD	904.3	1,035.1	1,178.7	1,335.3	1,258.3	1,218.6	1,363.3
Total External Debt as % of GDP	Percent	78.5	75.9	83.5	77.5	72.0	36.7	34.6

Note:

<sup>1</sup> Calculated on the basis of GDP at market price

<sup>2</sup> Calculated on the basis of GDP at factor cost

<sup>3</sup> GNDI stands for gross national disposable income

<sup>4</sup> Annual Average

<sup>r</sup> Revised

\* Provisional

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



Table A2 : Central Government Operations - 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
<b>Total Revenue</b>	<b>4,728,595</b>	<b>318,955.8</b>	<b>303,538.6</b>	<b>437,765.1</b>	<b>353,695.9</b>	<b>321,600.8</b>	<b>426,645.2</b>	<b>330,526.1</b>	<b>291,472.5</b>
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
Taxes on Imports	1,643,767	132,518.8	107,514.0	130,867.9	129,232.6	118,888.9	129,427.1	126,944.2	111,397.5
Sales/VAT and Excise on Local Goods	1,078,533	70,923.9	80,947.1	98,258.2	89,877.0	91,903.7	79,865.2	86,614.5	79,943.7
Refunds	145,457	10,386.7	10,386.8	10,386.8	12,246.7	12,246.7	12,246.7	12,246.1	12,246.7
Income Taxes	1,425,652	72,058.4	77,421.7	160,946.5	82,547.6	76,023.9	172,961.5	78,648.1	63,697.6
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
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	11,000.8
<b>Total Expenditure /1</b>	<b>7,139,103</b>	<b>258,496.1</b>	<b>549,104.5</b>	<b>469,671.1</b>	<b>547,081.2</b>	<b>587,240.3</b>	<b>559,317.7</b>	<b>676,845.7</b>	<b>468,708.3</b>
Recurrent expenditure	4,647,623	223,259.6	393,048.6	335,494.3	323,938.6	345,994.1	334,713.9	540,620.5	344,745.0
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
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
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
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
Foreign	34,600	99.1	692.4	3,112.4	4,199.0	2,406.0	4,659.9	1,490.8	312.1
Other goods, services and transfers	2,709,623	76,471.5	382,503.4	-53,582.9	168,532.7	195,186.0	188,544.5	372,091.2	204,691.7
<b>Dev. Expenditure and net lending</b>	<b>2,491,480</b>	<b>35,236.5</b>	<b>156,055.9</b>	<b>134,176.8</b>	<b>223,142.6</b>	<b>241,246.1</b>	<b>224,603.8</b>	<b>136,225.2</b>	<b>123,963.3</b>
Local	940,380	820.1	74,964.7	34,955.6	113,000.0	168,781.0	61,531.0	79,299.0	58,000.0
Foreign	1,551,100	34,416.4	81,091.3	99,221.2	110,142.6	72,465.1	163,072.8	56,926.2	65,963.3
<b>Overall Balance (cheque issued) before Grants</b>	<b>-2,410,508</b>	<b>60,459.7</b>	<b>-245,565.9</b>	<b>-31,906.0</b>	<b>-193,385.3</b>	<b>-265,639.5</b>	<b>-132,672.5</b>	<b>-346,319.6</b>	<b>-177,235.8</b>
<b>Grants</b>	<b>1,441,229</b>	<b>10,136.6</b>	<b>20,069.5</b>	<b>270,345.8</b>	<b>69,986.6</b>	<b>71,843.2</b>	<b>278,128.4</b>	<b>123,811.9</b>	<b>48,271.5</b>
Program (CIS/OGL)	543,905	0.0	0.0	242,413.7	20,264.1	24,000.2	178,120.3	84,659.2	0.0
Project	556,366	8,486.9	3,518.6	14,938.0	14,585.4	4,423.1	46,541.6	27,297.5	7,162.0
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
HIPC Relief	134,833	1,174.2	5,391.2	5,494.2	5,809.5	7,188.4	15,765.7	7,062.8	366.4
<b>Overall defic.(cheq.issued) after Grants</b>	<b>-969,279</b>	<b>70,596.3</b>	<b>-225,496.4</b>	<b>238,439.8</b>	<b>-123,398.7</b>	<b>-193,796.2</b>	<b>145,455.9</b>	<b>-222,507.7</b>	<b>-128,964.3</b>
Expenditure float	0	-192,050.8	-16,513.5	-4,519.9	-1,686.3	-1,309.5	-555.5	-70.7	0.0
Adjustments to cash and other items (net)	0	77,282.7	82,105.4	-208,488.5	51,266.3	-59,886.4	-33,462.9	100,196.6	-54,948.0
<b>Overall Balance (cheques issued)</b>	<b>-969,279</b>	<b>-44,171.8</b>	<b>-159,904.5</b>	<b>25,431.4</b>	<b>-73,818.7</b>	<b>-254,992.1</b>	<b>111,437.5</b>	<b>-122,381.7</b>	<b>-183,912.3</b>
<b>Financing:</b>	<b>969,279</b>	<b>44,171.8</b>	<b>159,904.5</b>	<b>-25,431.4</b>	<b>73,818.7</b>	<b>254,992.1</b>	<b>-111,437.5</b>	<b>122,381.7</b>	<b>183,912.3</b>
<b>Foreign Financing (net)</b>	<b>946,207</b>	<b>24,473.4</b>	<b>65,440.2</b>	<b>72,904.7</b>	<b>65,611.6</b>	<b>215,870.9</b>	<b>73,217.4</b>	<b>23,900.1</b>	<b>135,951.3</b>
Loans	775,650	0.0	35,827.7	58,442.4	39,810.6	213,711.7	71,924.9	11,614.3	131,182.7
Program loans	268,208	0.0	0.0	0.0	0.0	187,599.7	0.0	0.0	118,262.2
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
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
Amortization	-42,099	-626.5	-546.2	-3,339.9	-235.9	-3,088.4	-4,221.0	-755.4	-2.7
<b>Domestic (net)</b>	<b>23,072</b>	<b>19,698.4</b>	<b>94,464.2</b>	<b>-98,336.1</b>	<b>8,207.1</b>	<b>39,121.2</b>	<b>-184,654.9</b>	<b>98,481.6</b>	<b>47,960.9</b>
Domestic Financing	-36,927.9	19,698.4	94,464.2	-98,336.1	8,207.1	39,121.2	-229,654.9	98,481.6	47,960.9
Bank borrowing	0	133,254.9	44,101.3	-52,350.8	85,127.1	-88,134.4	-305,907.2	105,554.0	10,624.5
Non-Bank (net of amortization)	-16,928	-113,556.5	50,362.9	-45,985.3	-76,920.0	127,255.6	76,252.2	-7,072.4	37,336.4
Amortization of contingent debt	-20,000	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatization Proceeds	60,000	0.0	0.0	0.0	0.0	0.0	45,000.0	0.0	0.0

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\*\* (Revised)**

Item	Billions of TZS						
					2008	2009	
	Dec-03	Dec-04	Dec-05	Dec-07	Dec-08	Jan-09	Feb-09
<b>Net foreign assets</b>	<b>2,321.6</b>	<b>2,548.2</b>	<b>2,718.6</b>	<b>3,731.0</b>	<b>4,138.0</b>	<b>4,046.9</b>	<b>4,162.4</b>
Bank of Tanzania	1,660.4	1,963.5	1,990.1	3,097.6	3,643.4	3,499.6	3,502.0
Other Depository Corporations	661.2	584.8	728.4	633.4	494.6	547.3	660.3
<b>Net domestic assets</b>	<b>457.2</b>	<b>605.5</b>	<b>1,532.2</b>	<b>2,492.6</b>	<b>3,320.8</b>	<b>3,388.9</b>	<b>3,390.7</b>
Domestic claims	884.0	1,040.6	1,846.3	2,831.4	4,221.2	4,314.9	4,368.1
Claims on central government (net)	-108.5	-272.1	192.1	-319.8	-335.0	-229.4	-218.8
Claims on central government	827.7	945.9	1,681.1	2,271.3	2,197.8	2,092.3	2,002.9
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
<b>Broad money liabilities</b>	<b>2,778.8</b>	<b>3,153.8</b>	<b>4,250.7</b>	<b>6,223.6</b>	<b>7,458.8</b>	<b>7,435.7</b>	<b>7,553.0</b>
Currency outside depository corporations	563.5	694.5	890.0	1,162.5	1,438.6	1,408.0	1,384.3
Transferable deposits	962.1	1,170.1	1,579.5	2,418.3	2,851.1	2,913.6	2,899.9
Other deposits	1,253.2	1,289.1	1,781.3	2,642.8	3,169.0	3,114.2	3,268.8
Other items (net)	-316.9	-393.9	-533.6	-744.1	-758.7	-711.8	-689.1
<b>Memorandum items:</b>							
<b>Monetary Aggregates</b>							
<b>Reserve money (M0)</b>	<b>825.8</b>	<b>1,000.0</b>	<b>1,284.7</b>	<b>1,879.0</b>	<b>2,276.4</b>	<b>2,489.5</b>	<b>2,451.4</b>
<b>Extended broad money (M3)</b>	<b>2,778.8</b>	<b>3,153.8</b>	<b>4,250.7</b>	<b>6,223.6</b>	<b>7,458.8</b>	<b>7,435.7</b>	<b>7,553.0</b>
Deposits in foreign currency	932.8	942.7	1,290.3	1,829.0	1,990.3	1,970.0	2,021.8
<b>Broad money (M2)</b>	<b>1,846.1</b>	<b>2,211.0</b>	<b>2,960.4</b>	<b>4,394.6</b>	<b>5,468.5</b>	<b>5,465.7</b>	<b>5,531.2</b>
Currency in circulation	563.5	694.5	890.0	1,162.5	1,438.6	1,408.0	1,384.3
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
<b>Narrow money (M1)</b>	<b>1,107.2</b>	<b>1,359.0</b>	<b>1,791.3</b>	<b>2,590.5</b>	<b>3,158.3</b>	<b>3,196.2</b>	<b>3,148.5</b>
Currency in circulation	563.5	694.5	890.0	1,162.5	1,438.6	1,408.0	1,384.3
Transferable deposits in national currency	543.7	664.5	901.3	1,428.0	1,719.7	1,788.2	1,764.1





Table A4 : Interest Rate structure

Item	2008											Percent	
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>A: Domestic Currency</b>													
<b>Interbank Cash Market Rates</b>													
Overnight	4.52	4.11	3.85	3.59	3.45	3.49	3.64	4.19	5.23	5.51	6.27	8.31	9.63
2 to 7 days	5.20	4.34	4.08	4.04	3.68	3.67	3.75	4.23	5.55	5.80	6.60	8.64	9.97
8 to 14 days	5.00	4.43	4.20	3.80	3.99	3.87	3.88	4.61	5.69	5.89	6.21	8.34	10.84
15 to 30 days	6.50	6.50	5.18	4.82	4.85	4.00	4.00	4.00	4.00	5.90	5.90	5.90	5.90
31 to 60 days	5.60	6.32	5.40	4.73	4.73	5.50	5.50	6.09	6.03	6.83	8.75	8.75	11.01
61 to 90 days	5.93	5.93	5.93	5.93	5.93	5.93	5.93	5.93	5.93	5.93	11.00	11.00	12.15
91 to 180 days	6.50	6.25	6.25	6.25	5.50	5.50	8.21	10.48	10.16	11.46	11.69	11.50	12.00
181 and above	12.10	7.00	7.00	7.88	7.88	8.50	8.50	8.50	10.85	13.00	13.00	13.00	14.35
<b>Overall Interbank cash market rate</b>	<b>4.81</b>	<b>4.24</b>	<b>4.12</b>	<b>3.83</b>	<b>3.61</b>	<b>3.61</b>	<b>3.70</b>	<b>4.32</b>	<b>5.45</b>	<b>5.85</b>	<b>6.54</b>	<b>8.41</b>	<b>9.81</b>
<b>Lombard Rate</b>	<b>8.99</b>	<b>8.03</b>	<b>7.16</b>	<b>7.00</b>	<b>7.55</b>	<b>8.54</b>	<b>7.99</b>	<b>8.67</b>	<b>8.90</b>	<b>9.66</b>	<b>10.32</b>	<b>12.47</b>	<b>14.45</b>
<b>REPO Rate</b>	<b>4.79</b>	<b>3.82</b>	<b>3.67</b>	<b>3.66</b>	<b>3.75</b>	<b>3.79</b>	<b>3.76</b>	<b>4.02</b>	<b>4.89</b>	<b>5.32</b>	<b>6.42</b>	<b>7.55</b>	<b>9.09</b>
<b>Treasury Bills Rates</b>													
35 days	5.99	5.36	4.77	4.67	5.03	5.70	5.33	5.78	5.93	6.44	6.88	7.43	7.54
91 days	7.05	5.69	5.12	4.95	5.76	7.93	8.62	10.36	10.39	10.76	11.20	11.60	11.99
182 days	8.02	7.03	6.90	6.75	7.63	8.51	10.11	10.53	10.81	11.00	12.13	13.28	14.64
364 days	9.82	9.40	9.43	9.03	10.00	11.15	11.48	11.56	11.63	11.97	12.79	15.32	14.74
<b>Overall Treasury bills rate</b>	<b>8.37</b>	<b>7.39</b>	<b>7.05</b>	<b>7.00</b>	<b>7.84</b>	<b>9.46</b>	<b>9.47</b>	<b>10.17</b>	<b>10.30</b>	<b>10.33</b>	<b>10.99</b>	<b>12.53</b>	<b>12.85</b>
<b>Treasury Bonds Rates</b>													
2-years	14.97	14.97	12.23	12.23	12.87	12.87	12.87	13.20	13.20	14.35	14.35	14.35	14.35
5-years	16.81	14.49	14.49	14.49	14.49	14.49	14.49	14.49	16.39	16.39	16.39	17.32	17.32
7-years	17.18	17.18	17.18	17.18	17.18	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04
10-years	17.68	17.68	17.68	17.09	17.09	17.09	19.47	19.47	19.47	19.47	19.47	19.47	19.92
<b>Discount Rate</b>	<b>13.36</b>	<b>12.39</b>	<b>12.08</b>	<b>12.00</b>	<b>12.84</b>	<b>14.46</b>	<b>14.47</b>	<b>15.17</b>	<b>15.30</b>	<b>15.33</b>	<b>15.99</b>	<b>17.53</b>	<b>17.85</b>
<b>Savings Deposit Rate</b>	<b>2.64</b>	<b>2.64</b>	<b>2.75</b>	<b>2.74</b>	<b>2.79</b>	<b>2.64</b>	<b>2.61</b>	<b>2.64</b>	<b>2.59</b>	<b>2.66</b>	<b>2.71</b>	<b>2.61</b>	<b>2.72</b>
<b>Overall Time Deposits Rate</b>	<b>8.21</b>	<b>8.02</b>	<b>7.56</b>	<b>6.71</b>	<b>6.66</b>	<b>6.58</b>	<b>5.86</b>	<b>6.43</b>	<b>6.22</b>	<b>6.38</b>	<b>6.39</b>	<b>6.41</b>	<b>6.58</b>
<b>Call Accounts</b>													
1 month	0.95	0.97	1.36	0.82	0.80	0.76	0.75	0.76	0.83	0.64	0.65	0.45	0.71
2 months	8.53	7.70	7.91	6.31	6.05	5.96	5.79	6.10	6.48	6.24	6.53	6.49	7.03
3 months	8.70	8.56	6.75	7.14	6.90	8.69	6.79	8.14	7.07	7.31	7.96	7.26	7.61
6 months	9.77	8.77	8.66	7.56	7.92	7.11	7.36	7.30	7.22	7.80	7.38	8.06	7.68
9 months	9.46	10.13	10.14	9.54	8.97	8.91	7.03	7.61	7.25	7.93	8.20	8.06	8.61
12 months	9.97	9.33	9.18	8.76	8.29	8.17	7.48	8.05	8.20	8.76	8.29	8.65	8.47
24 months	10.10	10.65	8.93	6.87	7.71	6.49	5.82	7.07	6.52	5.96	5.75	5.90	5.91
<b>Negotiated Deposit Rate</b>	<b>10.52</b>	<b>10.29</b>	<b>11.20</b>	<b>11.07</b>	<b>10.62</b>	<b>9.26</b>	<b>9.63</b>	<b>10.27</b>	<b>10.11</b>	<b>10.26</b>	<b>10.23</b>	<b>10.66</b>	<b>10.82</b>
<b>Overall Lending rate</b>	<b>15.13</b>	<b>15.15</b>	<b>14.74</b>	<b>14.78</b>	<b>14.76</b>	<b>15.05</b>	<b>14.83</b>	<b>14.91</b>	<b>14.82</b>	<b>14.30</b>	<b>16.05</b>	<b>14.93</b>	<b>14.95</b>
<b>Call Loans</b>													
Short-term (up to 1year)	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	20.25	19.25	19.25	19.25	19.25
Medium-term (1-2 years)	14.48	13.90	13.08	13.58	13.93	13.35	13.86	14.04	13.27	13.57	13.56	13.41	13.45
Medium-term (2-3 years)	15.79	16.10	15.95	15.56	15.56	15.72	15.82	15.74	15.40	15.38	16.57	15.16	15.12
Long-term (3-5 years)	15.39	15.37	15.08	14.95	14.58	15.28	15.65	15.66	15.39	14.62	17.18	14.72	14.94
Term Loans (over 5 years)	16.54	16.86	16.37	16.13	16.64	16.92	15.80	15.94	16.32	15.69	16.52	15.20	15.26
<b>Negotiated Lending Rate</b>	<b>13.47</b>	<b>13.52</b>	<b>13.25</b>	<b>13.66</b>	<b>13.07</b>	<b>14.00</b>	<b>13.01</b>	<b>13.18</b>	<b>13.69</b>	<b>12.22</b>	<b>16.43</b>	<b>16.19</b>	<b>15.98</b>
<b>B: Foreign Currency</b>													
<b>Deposits Rates</b>													
<b>Savings Deposits Rate</b>	<b>1.61</b>	<b>1.43</b>	<b>1.74</b>	<b>1.72</b>	<b>1.71</b>	<b>0.87</b>	<b>1.92</b>	<b>1.65</b>	<b>1.63</b>	<b>1.64</b>	<b>1.43</b>	<b>1.44</b>	<b>0.70</b>
<b>Overall Time Deposits Rate</b>	<b>4.63</b>	<b>4.62</b>	<b>4.28</b>	<b>4.69</b>	<b>4.42</b>	<b>4.43</b>	<b>2.92</b>	<b>2.93</b>	<b>3.09</b>	<b>3.24</b>	<b>3.87</b>	<b>3.74</b>	<b>4.02</b>
1-months	4.58	4.79	2.96	4.84	5.04	2.61	2.79	2.88	2.59	3.10	3.53	2.80	2.24
2-months	4.94	3.03	5.12	5.31	4.46	6.03	2.92	2.60	3.15	2.76	3.73	3.72	4.94
3-months	3.17	4.88	4.89	3.80	3.95	5.05	2.91	3.07	2.70	3.29	4.61	4.65	5.12
6-months	4.73	3.45	3.99	4.97	5.17	4.05	2.86	2.89	3.37	3.40	4.14	4.13	4.17
12-months	5.72	6.95	4.43	4.52	3.48	4.43	3.12	3.19	3.65	3.65	3.36	3.41	3.63
<b>Overall Lending Rate</b>	<b>7.87</b>	<b>7.86</b>	<b>7.95</b>	<b>8.05</b>	<b>8.19</b>	<b>6.94</b>	<b>7.14</b>	<b>9.49</b>	<b>9.29</b>	<b>9.68</b>	<b>9.62</b>	<b>9.38</b>	<b>7.62</b>
Short-term (up to 1year)	4.55	4.79	6.43	6.75	6.74	5.60	5.43	5.33	6.37	6.35	6.29	6.28	6.53
Medium-term (1-2 years)	8.72	8.67	8.88	8.75	8.70	6.92	7.20	10.33	10.47	10.49	10.53	9.88	8.09
Medium-term (2-3 years)	8.74	8.67	8.55	8.55	8.56	6.74	6.81	10.69	8.40	10.74	10.44	9.97	8.05
Long-term (3-5 years)	8.48	8.49	8.38	8.19	8.29	7.33	7.35	10.00	10.13	10.06	10.24	10.45	7.67
Term Loans (over 5 years)	8.86	8.69	7.53	7.99	8.68	8.12	8.91	11.08	11.08	10.74	10.60	10.33	7.74

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

Source: Bank of Tanzania



Table A5(a) : Exports by Type of Commodity

Item	2008 <sup>p</sup>	2009		% Change		Year Ending Feb <sup>p</sup>		
	Feb	Jan	Feb	Feb 08-Feb 09	Jan 09-Feb 09	2008	2009	% Change
<b>Traditional Exports:</b>								
<b>COFFEE</b>								
Value	12.9	12.0	11.5	-10.9	-4.2	94.8	72.3	-23.8
Volume	5.4	5.0	4.9	-9.2	-2.6	42.1	57.7	36.8
Unit Price	2,397.4	2,391.2	2,350.8	-1.9	-1.7	2,250.5	1,253.3	-44.3
<b>COTTON</b>								
Value	3.3	7.5	6.8	109.3	-9.4	73.5	104.1	41.7
Volume	2.6	5.8	5.2	98.4	-10.3	64.6	92.4	43.0
Unit Price	1,243.1	1,298.3	1,311.3	5.5	1.0	1,137.2	1,127.0	-0.9
<b>SISAL</b>								
Value	0.3	0.0	0.0	--	0.0	7.3	2.8	-61.3
Volume	0.3	0.0	0.0	--	0.0	7.7	2.2	-71.7
Unit Price	1,067.8	0.0	--	--	0.0	949.3	1,299.0	36.8
<b>TEA</b>								
Value	3.5	3.6	3.5	-1.7	-4.4	31.6	32.7	3.5
Volume	2.5	2.8	1.9	-24.3	-31.9	23.2	27.4	18.4
Unit Price	1,409.9	1,305.1	1,832.8	30.0	40.4	1,363.6	1,192.0	-12.6
<b>TOBACCO</b>								
Value	4.5	3.3	6.9	55.0	110.0	77.2	101.6	31.6
Volume	3.2	1.8	1.6	-50.8	-11.5	34.3	38.6	12.5
Unit Price	1,387.7	1,840.2	4,368.4	214.8	137.4	2,249.2	2,630.6	17.0
<b>CASHEWNUTS</b>								
Value	11.85	36.03	10.9	-8.3	--	56.0	48.5	-13.4
Volume	16.26	49.96	15.4	-5.1	--	77.4	67.5	-12.8
Unit Price	728.6	721.2	704.7	--	-2.3	723.5	718.1	-0.7
<b>CLOVES</b>								
Value	0.80	3.02	0.8	3.9	-72.5	3.8	10.2	--
Volume	0.20	0.88	0.2	4.5	-76.6	1.1	6.7	499.7
Unit Price	4,072.1	3,453.5	4,048.8	-0.6	17.2	3,410.4	1,525.8	-55.3
<b>Sub Total</b>	<b>37.2</b>	<b>65.5</b>	<b>40.5</b>	<b>8.9</b>	<b>-38.3</b>	<b>344.2</b>	<b>372.1</b>	<b>8.1</b>
<b>Non-Traditional Exports:</b>								
<b>Minerals</b>								
Gold	98.1	47.6	73.0	-25.6	53.2	878.4	1,037.8	18.1
Diamond	91.1	46.1	72.6	-20.3	57.5	813.5	872.9	7.3
Other minerals <sup>1</sup>	2.3	0.0	0.0	-98.8	0.0	26.2	128.4	390.5
Other minerals <sup>1</sup>	4.7	1.5	0.3	-93.2	-78.6	38.7	36.5	-5.7
<b>Manufactured Goods</b>								
Cotton Yarn	47.5	37.3	35.8	-24.6	-3.9	360.7	651.9	80.7
Manufactured Coffee	0.4	0.2	0.4	-15.5	67.1	7.4	88.8	--
Manufactured Tobacco	0.1	0.0	0.0	-100.0	--	1.6	1.2	-20.2
Sisal Products (Yarn & Twine)	0.1	0.4	0.4	--	0.0	1.1	1.7	59.1
Other manufactured Goods <sup>2</sup>	0.8	0.6	0.5	-33.3	-15.2	9.7	7.4	-23.3
Other manufactured Goods <sup>2</sup>	46.0	36.1	34.5	-24.9	-4.2	341.0	552.6	62.1
<b>Fish and Fish Products</b>								
Fish and Fish Products	9.5	11.3	9.5	-0.5	-15.7	156.0	191.8	22.9
Horticultural products	2.5	3.3	3.0	16.8	-9.6	21.3	47.6	123.2
Re-exports	13.7	2.9	4.4	-67.6	54.8	149.7	130.3	-13.0
Others Exports <sup>3</sup>	14.8	17.6	12.3	-17.3	-30.3	221.6	257.8	16.3
<b>Sub Total</b>	<b>186.1</b>	<b>119.9</b>	<b>137.9</b>	<b>-25.9</b>	<b>15.1</b>	<b>1,787.8</b>	<b>2,317.1</b>	<b>29.6</b>
<b>GRAND TOTAL</b>	<b>223.3</b>	<b>185.4</b>	<b>178.4</b>	<b>-20.1</b>	<b>-3.8</b>	<b>2,131.9</b>	<b>2,689.2</b>	<b>26.1</b>

Note:

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

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

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

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

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

Source: Bank of Tanzania, TRA



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

Import Category	Millions of USD									
	2008 <sup>p</sup>		2009		% Change		Year Ending Feb <sup>p</sup>			
	Feb	Jan	Feb	Jan	Feb 08-Feb 09	Jan 09- Feb 09	2008	2009	% Change	
<b>Capital Goods</b>	<b>194.7</b>	<b>225.4</b>	<b>207.6</b>		<b>6.6</b>	<b>-7.9</b>	<b>1,875.1</b>	<b>2,726.3</b>	<b>45.4</b>	
Transport Equipments	62.7	66.1	61.9		-1.2	-6.3	534.4	801.6	50.0	
Building and Constructions	38.0	54.9	36.3		-4.4	-33.9	438.6	626.5	42.8	
Machinery	94.0	104.4	109.3		16.3	4.7	902.1	1,298.3	43.9	
<b>Intermediate Goods</b>	<b>183.4</b>	<b>120.2</b>	<b>130.9</b>		<b>-28.6</b>	<b>8.9</b>	<b>2,001.2</b>	<b>2,396.3</b>	<b>19.7</b>	
Oil imports	139.3	61.4	97.9		-29.7	59.6	1,466.7	1,724.2	17.6	
Fertilizers	0.2	17.7	3.7		1,511.8	-79.0	60.8	168.3	--	
Industrial raw materials	43.9	41.1	29.3		-33.3	-28.8	473.7	503.8	6.4	
<b>Consumer Goods</b>	<b>111.0</b>	<b>104.9</b>	<b>87.6</b>		<b>-21.0</b>	<b>-16.4</b>	<b>1,163.7</b>	<b>1,259.4</b>	<b>8.2</b>	
Food and food stuffs	35.2	22.2	17.3		-50.8	-21.9	317.6	274.6	-13.5	
All other consumer goods <sup>1</sup>	75.8	82.7	70.3		-7.2	-14.9	846.2	984.8	16.4	
<b>Grand Total (f.o.b)</b>	<b>489.1</b>	<b>450.4</b>	<b>426.1</b>		<b>-12.9</b>	<b>-5.4</b>	<b>5,040.0</b>	<b>6,382.0</b>	<b>26.6</b>	
<b>Grand Total (c.i.f)</b>	<b>537.4</b>	<b>495.0</b>	<b>468.2</b>		<b>-12.9</b>	<b>-5.4</b>	<b>5,538.5</b>	<b>7,013.2</b>	<b>26.6</b>	

Note:

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

<sup>p</sup> = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.



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

Item	Millions of USD				
	2004	2005	2006	2007	2008 <sup>p</sup>
<b>A. Current Account</b>	<b>-365.9</b>	<b>-862.8</b>	<b>-1,143.2</b>	<b>-1,580.3</b>	<b>-2,333.4</b>
Balance on Goods	-1,001.2	-1,318.5	-1,946.5	-2,634.1	-3,403.2
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
Balance on Services	158.9	61.8	278.7	460.3	570.9
Services: <b>Credit</b>	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: <b>Debit</b>	-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
Balance on Goods and Services	-842.3	-1,256.6	-1,667.8	-2,173.7	-2,832.3
Balance on income	-112.4	-102.0	-64.1	-58.1	-118.1
Income: <b>Credit</b>	81.8	80.9	80.3	107.3	121.6
Income: <b>Debit</b>	-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
Balance on Goods, Services and Income	-954.7	-1,358.6	-1,731.9	-2,231.9	-2,950.4
Balance on Current transfers	588.8	493.7	588.7	651.5	617.0
Current transfers: <b>Credit</b>	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: <b>Debit</b>	-65.0	-67.5	-65.9	-72.5	-80.2
<b>B. Capital Account</b>	<b>459.9</b>	<b>393.2</b>	<b>5,183.5</b>	<b>923.7</b>	<b>637.5</b>
Capital transfers: <b>Credit</b>	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 MDR)	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: <b>Debit</b>	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	94.0	-469.7	4,040.3	-656.7	-1,695.9
<b>C. Financial Account, excl. reserves and related items</b>	<b>306.3</b>	<b>555.6</b>	<b>-3,954.6</b>	<b>946.0</b>	<b>2,341.8</b>
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
Total, Groups A through C	400.3	85.9	85.7	289.4	645.9
<b>D. Net Errors and Omissions</b>	<b>-116.3</b>	<b>-313.7</b>	<b>375.0</b>	<b>123.3</b>	<b>-537.1</b>
Overall balance	284.0	-227.8	460.7	412.6	108.8
<b>E. Reserves and Related Items</b>	<b>-284.0</b>	<b>227.8</b>	<b>-460.7</b>	<b>-412.6</b>	<b>-108.8</b>
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
<b>Memorandum items:</b>					
GDP(mp) billions of TZS	13,971.6	15,965.3	17,941.3	20,948.4	25,336.9
GDP(mp) millions of USD	12,828.0	14,139.1	14,308.4	16,838.6	21,179.2
CAB/GDP	-2.9	-6.1	-8.0	-9.4	-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)	1043.0	1165.5	1261.6	1132.1	1280.3
Exchange rate (annual average)	1089.1	1129.2	1253.9	1244.1	1196.3

**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, International Economics Department



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

Period	Weight (%)	Headline (General Index)	Food	Non-Food												
				Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Educ-ation	Miscel. goods & services	
2003	3.5	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2004	4.2	4.5	4.5	2.0	1.5	2.0	5.9	2.5	2.1	1.1	2.9	2.1	2.1	1.2	2.2	2.2
2005	4.4	5.9	1.6	-0.5	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	0.5	2.1	1.0	0.6	-0.5
2006	7.3	7.0	7.6	7.7	7.7	-0.5	-0.4	7.7	-1.1	0.5	3.5	3.5	-1.5	4.7	-0.1	-1.4
2007	7.0	7.0	10.5	5.9	7.0	5.5	3.6	8.5	7.8	2.0	11.2	2.5	5.0	9.1	2.5	8.0
2008	10.3	12.7	6.7	8.2	1.5	5.9	3.6	6.2	7.9	8.7	2.9	8.9	8.9	7.0	9.7	0.8
2007 Mar	7.2	6.3	8.4	11.7	6.5	5.6	5.6	7.9	10.6	10.5	2.1	2.1	7.4	9.2	11.6	-0.2
Jun	5.7	4.0	8.1	13.3	7.2	3.9	3.9	6.3	9.2	11.0	4.2	4.2	9.6	7.4	10.7	2.1
Sep	8.4	10.3	5.8	8.1	5.5	2.2	2.2	4.3	6.2	8.9	3.4	3.4	10.4	5.8	8.9	0.4
Dec	6.9	7.5	5.9	9.1	4.4	2.8	2.8	6.2	5.8	4.5	1.9	1.9	8.1	5.7	7.5	0.9
2008-Mar	8.9	10.9	5.8	9.9	0.8	2.1	2.1	8.4	4.6	3.1	3.4	3.4	4.4	5.5	5.6	1.6
Jun	9.4	11.4	6.5	7.9	1.1	2.1	2.1	11.2	5.2	2.7	3.7	3.7	4.1	6.8	6.3	0.7
Sep	10.3	11.9	7.8	8.4	1.1	3.0	3.0	13.2	6.8	2.2	5.9	5.9	5.5	8.5	7.8	2.2
Dec	12.5	16.5	6.7	6.4	2.9	2.4	2.4	9.9	7.2	4.7	7.1	7.1	8.0	6.6	8.3	2.6
2007-Jan	7.0	6.7	7.4	11.9	6.1	4.9	4.9	4.8	10.3	9.6	2.0	2.0	5.6	8.8	10.0	-1.8
Feb	7.3	6.2	8.8	11.2	6.3	6.0	6.0	9.6	11.0	10.8	0.9	0.9	7.5	9.8	11.8	-0.4
Mar	7.2	6.1	9.1	11.8	7.2	5.8	5.8	9.3	10.4	11.1	3.4	3.4	9.2	9.1	13.0	1.6
Apr	6.1	4.8	8.2	14.7	6.7	4.3	4.3	5.0	10.5	11.8	3.6	3.6	9.4	8.3	11.8	1.9
May	5.0	2.8	8.4	13.0	7.4	4.2	4.2	7.5	8.4	11.1	9.4	9.4	9.4	8.0	10.1	2.0
Jun	5.9	4.6	7.6	12.3	7.3	3.2	3.2	6.4	8.7	10.1	4.2	4.2	10.1	5.8	10.3	2.5
Jul	9.0	10.3	7.4	10.8	5.5	1.7	1.7	7.3	7.6	10.7	4.5	4.5	10.6	6.8	8.6	2.0
Aug	7.8	9.2	6.0	7.3	6.4	2.1	2.1	4.2	6.9	9.5	3.5	3.5	10.8	6.5	8.8	0.0
Sep	8.3	11.4	4.1	6.2	4.5	2.8	2.8	1.4	4.1	6.5	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	2.8	3.8	4.6	5.8	1.6	1.6	10.5	5.6	7.8	0.3
Nov	7.3	7.5	6.5	10.0	5.2	2.8	2.8	6.8	6.6	4.8	2.1	2.1	7.6	6.2	7.8	1.7
Dec	6.4	6.6	6.1	10.3	2.5	2.8	2.8	8.0	6.2	3.0	1.9	1.9	6.1	5.4	6.8	0.8
2008-Jan	8.6	10.1	6.4	10.4	1.1	2.4	2.4	10.1	4.9	3.6	3.7	3.7	5.9	5.7	5.6	2.1
Feb	8.9	11.4	5.3	10.2	0.3	2.4	2.4	6.8	4.1	2.9	3.4	3.4	4.0	4.9	5.6	1.8
Mar	9.0	11.2	5.8	9.1	1.0	1.7	1.7	8.3	4.9	2.9	3.1	3.1	3.5	6.0	5.6	1.0
Apr	9.7	11.6	6.9	8.6	1.1	2.1	2.1	11.3	4.9	2.8	3.3	3.3	4.2	7.6	6.1	1.5
May	9.1	11.0	6.5	7.5	1.1	2.1	2.1	11.7	5.1	2.5	3.9	3.9	4.2	6.0	6.4	0.4
Jun	9.3	11.4	6.3	7.7	0.9	2.1	2.1	10.6	5.5	2.8	4.0	4.0	4.0	6.7	6.3	0.4
Jul	9.5	11.2	6.8	7.9	1.3	3.5	3.5	12.0	5.4	2.0	4.9	4.9	4.4	6.0	7.2	1.8
Aug	9.8	11.1	7.8	8.6	-0.1	3.1	3.1	12.7	6.9	1.1	5.9	5.9	5.2	9.9	7.9	1.5
Sep	11.6	13.4	8.9	8.8	2.2	2.4	2.4	15.0	8.2	3.4	6.9	6.9	6.9	9.7	8.3	3.4
Oct	11.8	14.6	7.9	8.3	1.8	2.4	2.4	12.9	7.9	4	5.9	5.9	6.9	7.9	7.9	3.9
Nov	12.3	16.3	6.3	5.5	2.5	2.4	2.4	8.7	7.0	4.7	7.3	7.3	8.3	6.9	8.5	2.1
Dec	13.5	18.6	6.0	5.5	4.3	2.4	2.4	8.1	6.8	5.4	8.0	8.0	8.7	5.1	8.5	1.9
2009-Jan	12.9	18.2	4.8	5.4	3.4	12.5	12.5	2.6	7.1	4.8	7.7	7.7	9.6	4.2	9.1	3.1
Feb	13.3	18.6	4.8	5.3	4.6	12.6	12.6	2.5	6.9	5.1	7.6	7.6	10.9	3.4	9.9	3.6

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

Source: National Bureau of Statistics





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

Period	Headline (General Index)	Food	Non-Food										Education	Miscel. goods & services			
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation					
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2006 Jan	1.0	1.7	0.1	-1.5	4.5	-2.3	-0.4	1.6	-4.3	1.2	-3.3	0.1	-2.9	6.2			
Feb	0.8	1.2	0.4	1.2	0.7	-1.0	0.1	1.2	0.3	1.3	-0.1	0.2	-1.6	-0.5			
Mar	0.8	1.3	0.0	1.3	-1.0	0.9	0.1	-0.3	0.0	-1.9	-0.7	0.2	-0.7	-1.0			
Apr	0.9	1.1	0.7	-1.8	0.3	1.5	3.2	0.1	0.2	0.1	-0.3	0.7	0.1	-0.5			
May	1.7	1.9	1.4	2.7	0.1	0.1	0.8	2.6	1.5	-1.2	0.3	2.4	1.8	0.7			
Jun	-0.7	-2.4	1.9	0.6	0.6	1.0	4.2	0.1	1.2	0.5	0.1	2.5	0.4	-0.4			
Jul	-2.9	-5.1	0.4	1.5	1.1	1.6	-0.7	1.1	-0.1	-0.1	0.3	0.2	1.7	-0.3			
Aug	0.2	-0.5	1.2	2.7	-0.5	0.0	2.6	0.4	0.6	1.3	0.3	0.0	0.6	1.2			
Sep	0.2	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2			
Oct	1.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6			
Nov	0.8	2.3	-0.7	0.2	0.3	0.0	-2.8	-0.8	0.6	-0.1	1.8	-0.2	0.0	-0.6			
Dec	2.1	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6			
2007 Jan	1.3	1.8	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6			
Feb	1.1	0.7	1.7	0.5	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9			
Mar	0.7	1.2	0.2	1.9	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	-0.5	0.4	0.9			
Apr	-0.1	-0.1	-0.1	0.7	-0.1	0.0	-0.9	0.2	0.9	0.3	-0.1	-0.1	0.1	-0.1			
May	0.6	-0.1	1.6	1.2	0.8	0.0	3.3	0.6	0.8	0.0	0.4	2.1	0.3	0.8			
Jun	0.1	-0.6	1.0	0.1	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.5	0.6	0.0			
Jul	0.1	0.1	0.2	0.1	-0.6	0.1	0.2	0.2	0.4	0.2	0.7	1.1	0.2	-0.7			
Aug	-0.9	-1.6	-0.2	-0.6	0.4	0.4	-0.4	-0.4	-0.4	0.3	0.5	-0.3	0.8	-0.8			
Sep	0.6	1.7	-0.9	0.4	-1.1	0.7	-2.3	-1.1	-0.9	-0.3	-0.6	-0.7	0.5	-0.6			
Oct	0.4	-0.1	1.0	1.4	1.2	0.0	1.1	1.1	0.4	1.1	1.1	0.9	0.4	0.5			
Nov	1.1	1.5	0.6	2.9	0.1	0.0	0.0	1.0	-0.4	0.4	-0.8	0.4	0.0	0.8			
Dec	1.3	2.0	0.1	0.6	-0.8	0.0	-0.6	1.1	0.1	0.2	0.4	0.4	0.9	-0.3			
2008- Jan	3.4	5.2	0.9	0.8	0.0	0.4	1.9	0.7	0.7	0.8	0.9	0.7	1.3	0.7			
Feb	1.4	1.9	0.6	0.4	0.1	0.0	1.6	1.0	0.6	0.0	-0.1	0.4	0.0	0.6			
Mar	0.9	0.9	0.7	0.8	0.5	0.0	1.2	0.0	0.3	0.2	0.4	0.6	0.4	0.1			
Apr	0.5	0.3	1.0	0.3	0.1	0.4	1.8	0.2	0.8	0.5	0.6	1.4	0.7	0.4			
May	0.1	-0.6	1.2	0.1	0.8	0.0	3.6	0.8	0.4	0.5	0.4	0.5	0.6	-0.3			
Jun	0.2	-0.3	1.0	0.3	0.3	0.0	2.1	0.8	0.6	0.1	0.5	1.1	0.5	0.0			
Jul	0.3	-0.1	0.7	0.3	-0.2	1.5	1.5	0.1	-0.3	1.0	1.2	0.4	1.1	0.7			
Aug	-0.7	-1.6	0.7	0.0	-1.0	0.0	0.2	1.1	-1.3	1.2	1.2	3.4	1.4	-1.1			
Sep	2.2	3.7	0.1	0.6	1.1	0.0	-0.3	0.1	1.4	0.7	1.0	-0.9	0.9	1.3			
Oct	0.6	1.0	0.0	0.9	0.8	0.0	-0.7	0.8	1.0	0.2	1.0	-0.7	0.0	1.1			
Nov	1.5	3.1	-0.8	0.3	0.7	0.0	-3.7	0.2	0.3	1.7	0.5	-0.6	0.5	-0.9			
Dec	2.3	4.0	-0.2	0.5	1.0	0.0	-1.2	0.8	0.8	0.8	0.8	-1.3	0.9	-0.6			
2009- Jan	2.9	4.8	-0.2	0.7	-0.8	10.4	-3.3	1.0	0.2	0.5	1.8	-0.2	1.9	1.9			
Feb	1.7	2.3	0.6	0.3	1.2	0.1	1.5	0.9	0.9	-0.1	1.1	-0.4	0.7	1.0			

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	2008/2009						Millions of USD	
	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09
<b>1. Overall Total Debt Committed<sup>2</sup></b>	<b>7,315.7</b>	<b>7,190.5</b>	<b>7,211.1</b>	<b>7,074.4</b>	<b>7,248.7</b>	<b>7,265.7</b>	<b>7,257.8</b>	<b>7,330.3</b>
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
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
<b>2. Disbursed Debt by Creditor Category<sup>2</sup></b>	<b>4,724.4</b>	<b>4,672.4</b>	<b>4,676.4</b>	<b>4,632.4</b>	<b>4,804.8</b>	<b>4,843.7</b>	<b>4,847.2</b>	<b>4,899.8</b>
Bilateral debt	933.1	929.6	934.8	923.7	930.8	935.7	940.8	923.5
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
Commercial debt	537.5	529.2	526.5	511.4	506.7	507.4	509.0	528.1
Export credits	395.6	394.4	393.8	391.4	391.1	391.5	392.8	392.6
<b>3. Disbursed Debt by Borrower Category<sup>2</sup></b>	<b>4,724.4</b>	<b>4,672.4</b>	<b>4,676.4</b>	<b>4,632.4</b>	<b>4,804.8</b>	<b>4,843.7</b>	<b>4,847.2</b>	<b>4,899.8</b>
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
Parastatal Companies	156.3	154.2	153.8	150.4	149.7	148.6	148.4	148.0
Private Sector	749.2	743.8	742.0	734.4	727.7	726.6	729.9	749.4
<b>4. Disbursed Debt by Use of Funds<sup>2</sup></b>	<b>4,724.4</b>	<b>4,672.4</b>	<b>4,676.4</b>	<b>4,632.4</b>	<b>4,804.8</b>	<b>4,843.7</b>	<b>4,847.2</b>	<b>4,899.8</b>
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
Transport & Telecommunication	552.6	546.5	547.0	541.9	560.0	566.6	567.6	586.0
Agriculture	553.6	547.5	547.9	542.8	563.0	567.5	567.5	554.7
Energy & Mining	635.5	627.6	628.1	622.2	643.3	650.6	651.0	640.0
Industries	129.8	128.4	128.5	127.3	134.0	133.1	134.6	130.8
Social Welfare & Education	546.5	540.5	540.9	535.9	555.8	560.3	559.3	729.2
Finance and Insurance	71.5	70.7	70.7	70.1	76.7	73.3	73.3	72.3
Tourism	65.9	65.2	65.2	64.6	65.0	67.6	68.6	66.8
Others	537.6	531.7	532.2	527.2	544.8	551.2	552.8	440.0
<b>5. Total Amount of Loans Contracted<sup>1</sup></b>	<b>0.0</b>	<b>1.1</b>	<b>25.7</b>	<b>5.0</b>	<b>153.0</b>	<b>7.3</b>	<b>22.3</b>	<b>-</b>
Government	0.0	0.0	25.0	0.0	153.0	0.0	0.0	-
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Private	0.0	1.1	0.7	5.0	0.0	7.3	22.3	-
<b>6. Disbursements<sup>1</sup></b>	<b>31.0</b>	<b>33.9</b>	<b>8.2</b>	<b>32.5</b>	<b>168.3</b>	<b>30.8</b>	<b>41.4</b>	<b>14.6</b>
Government	31.0	33.8	8.2	32.5	168.3	23.6	20.2	14.6
Parastatal Companies	0.0	0.2	0.0	0.0	0.0	7.2	0.0	0.0
Private	0.0	0.0	0.0	0.0	0.0	0.0	21.2	0.0
<b>7. Scheduled Debt Service<sup>1</sup></b>	<b>35.9</b>	<b>6.1</b>	<b>10.6</b>	<b>19.1</b>	<b>10.6</b>	<b>62.8</b>	<b>27.7</b>	<b>5.9</b>
<b>8. Actual Debt Service<sup>1</sup></b>	<b>3.4</b>	<b>3.4</b>	<b>1.7</b>	<b>6.3</b>	<b>3.2</b>	<b>5.6</b>	<b>11.7</b>	<b>0.3</b>
Principal	1.3	2.9	0.6	2.4	1.6	1.4	7.8	0.1
Interest	2.1	0.6	1.2	3.9	1.6	4.2	3.9	0.2
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>9. Net Transfers<sup>1</sup></b>	<b>27.6</b>	<b>30.5</b>	<b>6.5</b>	<b>26.3</b>	<b>165.1</b>	<b>25.2</b>	<b>29.7</b>	<b>0.0</b>
<b>10. Total Arrears by Creditor Category<sup>2</sup></b>	<b>2,507.0</b>	<b>2,483.3</b>	<b>2,500.0</b>	<b>2,500.7</b>	<b>2,509.2</b>	<b>2,611.2</b>	<b>2,629.6</b>	<b>2,607.7</b>
<b>Principal</b>	<b>1,125.4</b>	<b>1,120.4</b>	<b>1,129.7</b>	<b>1,130.2</b>	<b>1,133.4</b>	<b>1,186.7</b>	<b>1,197.9</b>	<b>1,187.7</b>
Bilateral	424.4	422.7	430.6	431.2	437.9	452.0	453.7	443.3
Multilateral	8.6	8.5	9.1	11.2	9.2	10.4	9.3	8.8
Commercial	365.2	360.5	359.6	353.3	350.7	378.8	383.9	384.1
Other Private Creditors	327.2	328.7	330.4	334.6	335.6	345.5	351.1	351.5
<b>Interest</b>	<b>1,381.6</b>	<b>1,362.9</b>	<b>1,370.3</b>	<b>1,370.6</b>	<b>1,375.8</b>	<b>1,424.5</b>	<b>1,431.7</b>	<b>1,420.0</b>
Bilateral	615.0	610.8	618.1	626.9	634.7	661.8	669.1	656.4
Multilateral*	0.7	0.8	1.2	1.2	1.1	1.4	4.3	4.2
Commercial	518.9	506.4	506.5	496.9	488.7	508.8	503.6	504.5
Other Private Creditors	247.0	244.8	244.5	245.5	251.3	252.6	254.7	254.9
<b>11. External Debt Stock</b>	<b>6,105.9</b>	<b>6,035.3</b>	<b>6,046.6</b>	<b>6,003.0</b>	<b>6,180.6</b>	<b>6,268.3</b>	<b>6,278.9</b>	<b>6,319.8</b>
<b>12. Domestic Debt Stock</b>	<b>1,697.7</b>	<b>1,743.2</b>	<b>1,710.0</b>	<b>1,506.3</b>	<b>1,710.1</b>	<b>1,506.3</b>	<b>1,474.3</b>	<b>1,488.7</b>
<b>13. Total Debt Stock</b>	<b>7,803.6</b>	<b>7,778.5</b>	<b>7,756.6</b>	<b>7,509.3</b>	<b>7,890.7</b>	<b>7,774.6</b>	<b>7,753.2</b>	<b>7,808.5</b>
<b>End Period Exchange Rate</b>	<b>1,164.1</b>	<b>1,164.7</b>	<b>1,168.9</b>	<b>1,277.9</b>	<b>1,258.7</b>	<b>1,280.3</b>	<b>1,287.0</b>	<b>1,302.5</b>

Source: Bank of Tanzania

\*Multilateral arrears are those owed by the private companies

1) During the period (2) End of February 2009 cumulative.



## **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 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 or REPO rate or overnight inter-bank rate, whichever is higher.

### Money Supply, M

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

### M1, Narrow Money

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

### M2, Broad Money

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

### M3, Extended Broad Money

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

### Non-Food or Underlying Inflation Rate

This is a measure of price movements caused by factors other than food prices. It provides better

indication of the effectiveness of monetary policy on inflation since price movements in these items are caused largely by monetary policy.

### Repurchase Agreement (REPO)

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

### Reserve Money (M0)

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

### Seasonally Adjusted Series

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

### Weighted Annualized Yields of Treasury

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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