



BANK OF TANZANIA



MONTHLY
ECONOMIC
REVIEW

January 2009



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1.0 Inflation Developments

Month-to-month headline inflation increased to 2.3 percent in December 2008 from 1.5 percent recorded in the previous month mainly on account of rise in both food and non-food inflation. Using seasonally adjusted indices, the month-to-month headline inflation also rose to 1.5 percent from 1.4 percent recorded in November 2008. Similarly, the annual headline inflation rose to 13.5 percent in December 2008, compared to 12.3 percent recorded in November 2008 (Table 1.1 and Chart 1.1).

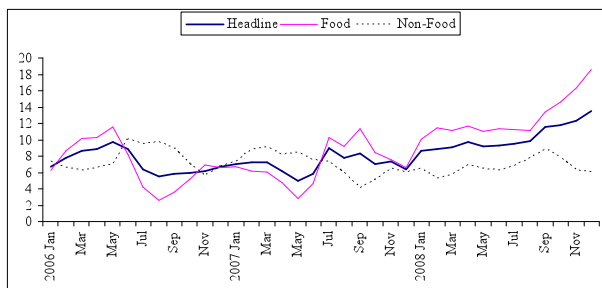
Table 1.1: Annual Percentage Change in Consumer Price Index (ALL-Urban)

(Base: Dec 2001 = 100)

Major Commodity Group	Weight (%)	2006		2007		2008	
		Nov	Dec	Nov	Dec	Nov	Dec
Headline/Overall	100.0	6.2	6.7	7.3	6.4	12.3	13.5
Food	55.9	7.0	6.6	7.5	6.6	16.3	18.6
Non-food	44.1	5.7	6.8	6.5	6.1	6.3	6.0
Transportation	9.7	7.9	8.5	6.2	5.4	6.9	5.1
Fuel, Power and Water	8.5	6.4	4.5	6.8	8.0	8.7	8.1
Drinks and Tobacco	6.9	9.5	9.5	10.0	10.3	5.5	5.5
Clothing & Footwear	6.4	5.4	9.3	5.2	2.5	2.5	4.3
Education	2.6	2.2	4.1	7.8	6.8	8.5	8.5
Furniture & Household Equip.	2.1	6.4	9.9	6.6	6.2	7.0	6.8
H/h Operations Maintenance	2.1	7.1	4.9	4.8	3.0	4.7	5.4
Personal Care & Health	2.1	5.7	4.1	2.1	1.9	7.3	8.0
Rents	1.4	2.2	1.7	2.8	2.8	2.4	2.4
Recreation & Entertainment	0.8	1.2	1.0	7.6	6.1	8.3	8.7
Misc. Goods & Services	1.5	4.6	5.0	1.7	0.8	2.1	1.9

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

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



The increase was also reflected in the 12-months average annual headline inflation, which rose to 10.3 percent in December 2008 from 7.0 percent in the corresponding period a year ago (January to December 2007).

Month-to-month non-food inflation increased from negative 0.8 percent in November 2008 to negative 0.2 percent in November 2008 due to increase in average prices most of non-food items with the exception of petroleum products. However, the annual non-food inflation declined to 6.0 percent in December 2008 from 6.3 percent recorded in November 2008. The 12-months annual non-food inflation rate averaged 6.7 percent in December 2008, lower than 7.0 percent in the corresponding period a year before.

Month-to-month food inflation increased to 4.0 percent in December 2008 from 3.1 percent recorded in November 2008. Increases in prices were recorded in cereal products, starch roots, legumes, vegetables, fruits, fish and meat. Similarly, the annual food inflation increased to 18.6 percent in December 2008, from 16.3 percent recorded in November 2008. The 12-months annual food inflation rate averaged 12.7 percent in December 2008 which is higher than the average rate of 7.0 percent in the corresponding period a year before.

Food Supply Situation

Food supply situation was generally satisfactory throughout the country in December 2008. However, according to the Rapid Vulnerability Assessment (RVA) conducted by the Ministry of Agriculture, Food Security and Cooperatives (MAFC) in September 2008, it was revealed that about 240,544 people countrywide were likely to be food insecure and need immediate interventions estimated at 7,182 tons of grains between December 2008 and January 2009.

Wholesale prices of major food crops in general continued to increase during December 2008 when compared with the same period a year before (Table 1.2).

Table 1.2: National Average Wholesale Prices for Selected Food Items

TZS per 100 kg

Item	2007	2008		Percentage Change	
	Dec	Nov	Dec	Dec 07 to Dec-08	Nov -08 to Dec-08
Maize	29,974	30,947	34,694	15.7	12.1
Rice	72,259	95,947	107,363	48.6	11.9
Beans	87,072	99,010	106,572	22.4	7.6
Sorghum	33,121	37,691	41,799	26.2	10.9
Potatoes	41,150	41,993	46,750	13.6	11.3

Source: Ministry of Industry, Trade and Marketing

However, on month to month basis, the wholesale prices for selected food items increased mainly due to high transportation costs and insufficient global food supplies.

The National Food Reserve

The National Food Reserve Agency (NFRA) stock was 129,253 tons of maize and sorghum in December 2008, which is 5.7 percent higher than the stock of 122,209 tons recorded in the preceding month (Table 1.3).



Table 1.3: Strategic Grain Reserve (SGR) Stock

Period	Tons			
	2006	2007	2008	% Change 2007-2008
January	76,813	112,343	139,765	24.4
February	43,593	117,838	133,898	13.6
March	8,055	121,046	119,022	-1.7
April	3,165	125,509	94,509	-24.7
May	6,210	128,350	79,369	-38.2
June	15,560	128,804	76,649	-40.5
July	13,811	129,306	75,438	-41.7
August	28,440	125,653	83,131	-33.8
September	80,248	131,937	102,225	-22.5
October	87,461	143,717	114,404	-20.4
November	100,828	142,624	122,209	-14.3
December	110,203	142,044	129,253	-9.0

Source: Food Security Department and BOT computation.

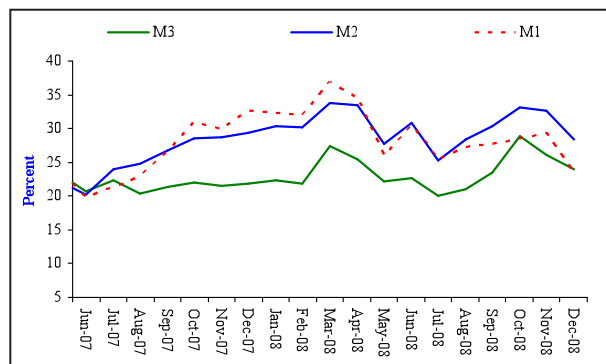
However, on annual basis the stocks were 9.0 percent lower than 142,044 tons recorded in December 2007 due to low purchases caused by delayed disbursement of funds. The NFRA had earlier planned to purchase 100,000 tons of grains from domestic market to replenish food reserves, but it managed to purchase only 59,739 tons by the end of December 2008.

2.0 Monetary and Financial Developments

Money Supply

During the year ending December 2008, the growth rate of extended broad money supply (M3) decelerated to 24.0 percent from 26.0 percent in November 2008, while that of broad money supply (M2) decelerated to 28.4 percent from 32.7 percent recorded in the previous month. The rates of growth of both broad money supply aggregates were however higher than their respective targets for December 2008 (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	Monthly Stock			Monthly Change		Annual Growth Rates (%)		
	Dec-07	Nov-08	Dec-08	Nov-08	Dec-08	Dec-07	Nov-08	Dec-08
Extended broad money (M3)	5,993.3	7,418.2	7,430.7	23.4	12.5	21.9	26.0	24.0
Broad money (M2)	4,259.9	5,532.6	5,467.7	102.3	-64.9	29.4	32.7	28.4
Currency in circulation (CC)	1,162.4	1,452.2	1,438.7	0.6	-13.6	19.4	26.6	23.8
Demand deposits (DD)	1,414.9	1,789.9	1,745.3	35.9	-43.6	46.0	31.7	23.4
Time deposits (TD)	618.3	1,012.8	993.1	40.5	-19.7	27.5	66.8	60.6
Savings deposits (SD)	1,064.2	1,278.7	1,290.7	25.3	12.0	22.9	20.9	21.3
Foreign currency deposits (FCD)	1,733.5	1,885.6	1,963.0	-79.0	77.4	6.8	9.9	13.2
FCD in million of USD	1531.2	1498.0	1533.2	-39.3	35.2	79.0	2.2	0.1
Total deposits in the commercial banks	5,147.9	6,234.2	6,390.6	28.3	156.4	23.3	22.7	24.1
Private sector	4,830.9	5,966.0	5,992.0	22.8	26.1	22.5	25.9	24.0
Government	317.1	268.2	398.6	5.6	130.4	35.5	-21.3	25.7
Net foreign assets of the banking system	3,549.9	3,628.4	3,997.1	124.0	368.7	4.2	0.4	12.6
Bank of Tanzania	2,930.9	3,117.9	3,413.6	191.8	295.8	24.7	1.8	16.5
Commercial banks	619.0	510.6	583.5	-67.8	72.9	-41.4	-7.2	-5.7
Net domestic assets of the banking system	3,052.7	4,359.0	4,042.8	-100.6	-356.1	44.1	52.7	32.4
Domestic credit	2,814.3	4,557.3	4,420.6	-85.3	-156.7	25.7	65.5	57.1
Claims on government	2,013.1	2,256.4	2,071.1	189.7	-185.3	29.1	9.1	2.9
Government deposits	2,175.1	1,924.8	2,026.9	282.3	102.2	53.7	-12.2	-6.8
Claims on private sector	2,976.3	4,225.6	4,376.4	7.3	150.8	42.2	46.8	47.0

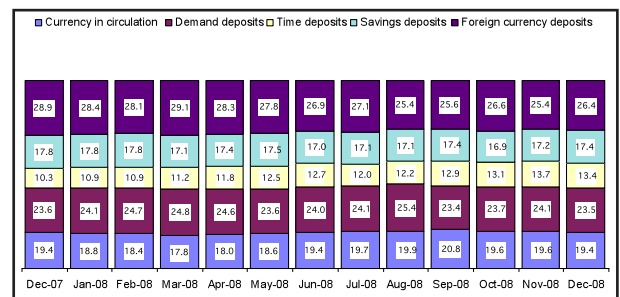
Source: Bank of Tanzania

The slow-down in the growth of money supply (M3) was predominantly revealed in demand deposits.

On month-to-month basis, M3 increased by TZS 12.5 billion compared to an increase of TZS 23.4 billion in the preceding month, while M2 decreased by TZS 64.9 billion compared to an increase of TZS 102.3 billion in November 2008. The decrease in M2 was mostly in form of demand deposits that decreased by TZS 43.6 billion.

In terms of ratios to M3, during December 2008 there was a slight shift in the preferences of holding monetary components, this manifested in favour of foreign currency and savings deposit holders that increased to 26.4 and 17.4 percent respectively from 25.4 and 17.4 percent in November 2008. On the contrary, the preference of holding demand deposit shrank to 23.5 percent from a ratio of 24.1 percent realized in November 2008 (Chart 2.2).

Chart 2.2: Total Deposits and Credit of the Banking System

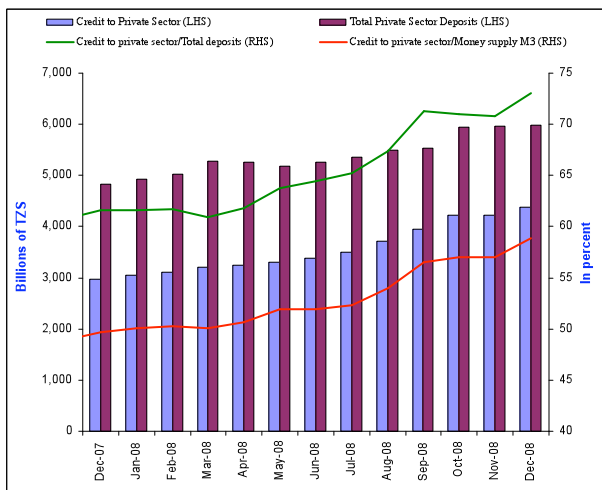


Credit Developments

During the year ending December 2008, the growth of credit extended by banks to the private sector remained high at 47 percent as was in November 2008. In line with the fast growth of credit, the ratio of private sector credit to total private deposits rose to 73.0 percent in December 2008 compared with a ratio of 70.8 percent in November 2008 (Chart 2.3).



Chart 2.3: Total Deposits and Credit of the Banking System



Source: Bank of Tanzania

On monthly basis, credit to private sector rose by TZS 150.8 billion in December 2008 to the outstanding stock of TZS 4,376.4 billion compared to an increase of TZS 7.3 billion in November 2008. During the month, the increase in credit to private sector partly reflected the changing composition of banks' assets against government securities.

Interest rates Developments

Interest rates on domestic currency denominated financial products exhibited a rising pattern in December 2008. Overall weighted average Treasury bill yield increased from 10.33 percent in November 2008 to 10.99 percent in December. Similarly, 364-day Treasury bill yield rose from 11.97 percent to 12.79 percent in the same period. Overnight interbank cash market rate also rose from 5.51 percent to 6.27 percent, partly signaling a relative liquidity tightening in the banking system during the month under review compared with the preceding months. Likewise, the overall interbank rate rose from 5.85 percent in November 2008 to 6.54 percent in December 2008.

Interest rates offered by banks recorded increases in December 2008, which is in line with the developments in the Treasury securities market. Overall time deposit rate rose from 6.38 percent in November 2008 to an average of 6.39 percent in December, whereas for savings deposit rate, it rose to 2.68 percent from 2.63 percent in November. By contrast, negotiated deposit rate declined moderately to 10.23 percent in December 2008 compared with 10.26 percent recorded in the preceding month.

Rates charged by banks exhibited mixed trend in the month under review. Overall lending rate increased from 14.30 percent in November 2008 to 16.05 percent in December,

while short-term lending rate decreased from 13.57 percent to 13.56 percent during the same period. As for negotiated lending rate, it dropped to 11.91 percent in December 2008 from 11.96 percent recorded in the preceding month (Table 2.2).

Table 2.2: Weighted Average Interest Rates Structure

Item	Percent						
	2007	2008					
	Dec	Jul	Aug	Sep	Oct	Nov	Dec
Overall Interbank cash market rate	5.83	3.61	3.70	4.32	5.45	5.85	6.54
Overnight interbank cash market	5.37	3.49	3.64	4.19	5.23	5.51	6.27
REPO Rate	5.13	3.79	3.76	4.02	4.89	5.32	6.42
Discount Rate	16.40	14.46	14.47	15.17	15.30	15.33	15.99
Overall Treasury bills rate	11.40	9.46	9.47	10.17	10.30	10.33	10.99
35 days	5.46	5.70	5.33	5.78	5.93	6.44	6.88
91 days	9.90	7.93	8.62	10.36	10.39	10.76	11.20
182 days	10.15	8.51	10.11	10.53	10.81	11.00	12.13
364 days	12.95	11.15	11.48	11.56	11.63	11.97	12.79
Savings Deposit Rate	2.65	2.64	2.61	2.64	2.61	2.63	2.68
Treasury Bonds Rates							
2-years	14.97	12.87	12.87	13.20	13.20	14.35	14.35
5-years	17.60	14.49	14.49	14.49	16.39	16.39	16.39
7-years	18.15	17.04	17.04	17.04	17.04	17.04	17.04
10-years	17.68	17.09	19.47	19.47	19.47	19.47	19.47
Overall Time Deposits Rate	8.33	6.58	5.86	6.43	6.22	6.38	6.39
12 month time deposit rate	10.08	8.17	7.48	8.05	8.20	8.76	8.29
Negotiated Deposit Rate	11.04	9.26	9.63	10.27	10.11	10.26	10.23
Overall Lending rate	15.31	15.05	14.83	14.91	14.82	14.30	16.05
Short-term lending rate (up to 1 year)	15.01	13.35	13.86	14.04	13.27	13.57	13.56
Negotiated Lending Rate	11.98	11.01	12.18	12.68	13.38	11.96	11.91
Margin between short-term lending and one-year time deposit rates	4.94	5.18	6.38	6.00	5.07	4.81	5.27

Source: Commercial banks and Bank of Tanzania

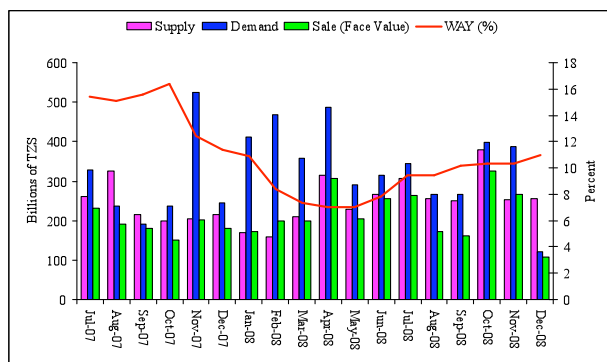
Financial Markets Developments

Treasury Bills

During December 2008, the market was supplied with Treasury bill worth TZS 255.2 billion compared to TZS 253.0 billion that was supplied in November 2008. Demand for Treasury bill dropped drastically in December 2008, reaching TZS 121.9 billion, compared with TZS 386.8 billion recorded in the preceding month. The market was however characterised by outlier bids that led the Bank to intervene and accept Treasury bill with face value of TZS 107.8 billion (or cost value of TZS 102.2 billion). The successful bids accounted for 42.2 percent of the total amount offered by the Bank during the month under review. In the same month, Treasury bill worth TZS 575.9 billion matured. Weighted average yields rose across all maturities, with overall weighted average Treasury bill rate reaching an average of 10.99 percent in December 2008 from 10.33 percent registered in the preceding month (Chart 2.4).



Chart 2.4: Treasury Bills Market Developments



Source: Bank of Tanzania

Treasury Bonds

In December 2008, 2-year Treasury bond worth TZS 40.0 billion was supplied in the market, compared with TZS 44.0 billion that was offered in November 2008. Demand in December was very low at TZS 9.2 billion compared with the demand for 2-year bond in November that stood at TZS 54.0 billion. However, the Bank rejected all the bids because they were regarded as outlier bids.

Repurchase Agreements

During the month under review, the Bank continued to conduct repurchase agreements more frequently to supplement Treasury securities in the management of liquidity in the banking system. In December 2008, repurchase agreements amounting to TZS 415.0 billion were conducted against redemption of TZS 401.5 billion. The overall repo rate rose to an average of 6.42 percent December 2008, up from 5.32 percent in November 2008.

Inter-Bank Cash market Developments

Inter-bank cash market was less active during December 2008, with transactions among banks amounting to TZS 236.4 billion, compared with TZS 403.1 billion traded in the preceding month. Overnight transactions increased significantly in December 2008, and remained dominant compared to other maturities. Overnight transactions amounted to TZS 174.7 billion, which was equivalent to 73.9 percent of the total interbank cash market transactions in December, followed by 7-day maturity loan worth TZS 49.6 billion (or 21.0 percent of total interbank cash market transactions). In November 2008, overnight transactions amounted to TZS 154.8 billion, which was about 38.4 percent of the total interbank cash transactions, whereas for 7-day maturity loan amounted to TZS 152.6 billion and accounted for 24.8

percent of total interbank cash market transactions. This trend reflects a relatively liquidity tightening among some banks in December compared with November 2008. This is also evidenced by upward trend in overnight interbank market rate since July 2008 where it was 3.49 percent, rising to 4.19 percent in September 2008 and 5.51 percent in November and further to 6.27 percent in December 2008. Meanwhile, the overall interbank cash market rate rose to an averaged of 6.54 percent in December 2008 from 5.85 percent in November 2008.

Inter-Bank Foreign Exchange Market

In December 2008, the volume of transactions traded in the Inter-Bank Foreign Exchange Market (IFEM) declined to USD 91.4 million compared to USD 100.2 million recorded in the previous month. The decline in the volume was partly due to low supply for foreign exchange in the market. Consistent with conditions in the market the Bank of Tanzania, on net basis, supplied the market with foreign exchange amounting to USD 89.9 million. Commercial banks made net purchase of USD 83.9 million, while non-banks purchased USD 6.0 million. The weighted average exchange rate depreciated to TZS 1,273.0 per USD in December 2008 from TZS 1,249.7 per USD recorded in November 2008 (Table 2.3 and Chart 2.5).

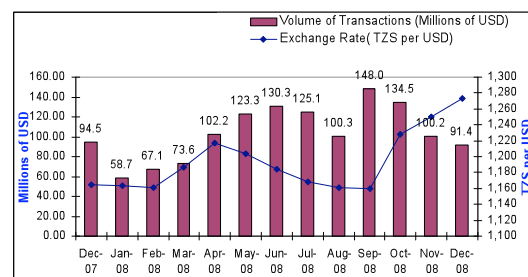
Table 2.3: Inter Bank Foreign Exchange Market Developments

Millions of USD

Item	2007 Dec	2008		% Change		Year Ending December		
		Nov	Dec	Nov 08 to Dec 08	Nov 07 to Nov 08	2007	2008	% Change
Amount offered*	94.45	100.16	91.40	-8.75	-3.23	1,186.55	1,254.55	5.73
Amount sold*	94.45	100.16	91.40	-8.75	-3.23	1,186.55	1,254.55	5.73
Exchange rate (TZS per US dollar)	1,165.15	1,249.70	1,273.01	1.87	9.26	1,239.41	1,196.30	-3.48

Source: Bank of Tanzania
* Millions of USD

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



Source: Bank of Tanzania
* Millions of USD



Transactions in Bureau de Change System

The volume of transactions conducted by Bureau de Change system went down slightly to USD 65.9 during the period under review. The buying and selling rate depreciated slightly as shown in (Table 2.4).

Table 2.4: Bureau de Change Operations

Item	2007 Dec	2008		% Change		Year Ending December		% Change
		Nov	Dec	Monthly	Yearly	2007	2008	
Sales*	32.99	34.23	33.51	-2.10	1.58	416.71	448.79	7.70
Purchases*	33.14	34.08	32.41	-4.90	-2.20	417.80	452.21	8.24
Volume of Transactions*	66.13	68.31	65.92	-3.50	-0.32	834.51	901.00	7.97
Buying rate (TZS per US dollar)	1,144.00	1,247.00	1,286.00	3.13	12.41	1,242.92	1,193.17	-4.00
Selling rate (TZS per US dollar)	1,166.00	1,293.00	1,303.00	0.77	11.75	1,265.69	1,221.08	-3.52

Source: Bank of Tanzania
* Millions of USD

3.0 Government Budgetary Operations

During the month of December 2008, the government budgetary operations improved significantly compared with the preceding month. Domestic resources accounted for 69.4 percent of the total government expenditure compared with 50.1 percent in the previous month.

Revenue Performance

Total revenue collection during the month of December 2008 amounted to TZS 426.6 billion, being higher than TZS 321.6 billion collected in the previous month. Out of the total revenue collected, TZS 409.1 billion was tax revenue and TZS 17.6 billion was non-tax revenue. The revenue outturn was however less than the targeted amount by TZS 34.6 billion. Both tax and non-tax revenue collections during the month fell short of the projected levels. During the month, the government received grants amounting to TZS 326 billion.

Government Expenditure

Total expenditure of the government during the month under review amounted to TZS 614.3 billion, out of which TZS 334.7 billion was allocated for recurrent expenses and TZS 279.6 billion for development.

Overall Budget Position

Overall budget performance during the month of December 2008 improved significantly compared with the previous month, mainly on account of improved revenue collection and increased foreign grants. During the month under review, the government budgetary operations before grants recorded a deficit of TZS 187.7 billion. After considering grants amounting to TZS 326.4 billion and other adjustments, the overall performance of the government budgetary operations registered a surplus of TZS 134.5 billion compared with a deficit of TZS 229.0 billion recorded during the preceding month. Net government deposits in the banking system stood at TZS 208.0 billion.

4.0 External Sector Performance

Current Account Balance

During the year ending December 2008, the current account deficit widened to USD 2,818.2 million from a deficit of USD 2,100.6 million recorded a year before. This development was largely due to an increase in imports that outweighed the effect of the increase in exports. While imports of goods and services went up by USD 1,463.5 million, exports increased by USD 811.6 million. There was also a decline in official current transfers from USD 631.0 million disbursed last year to USD 559.5 million (Table 4.1)

Table 4.1: Current Account Balance

Millions of USD

Item	Dec		2008p		Year Ending December		% Change
	2006	2007	Nov	Dec	2007p	2008p	
Goods Account (net)	-201.6	-189.8	-296.7	-205.1	2,781.9	3,719.4	33.7
Exports	170.6	188.4	276.3	252.9	2,024.2	2,608.5	28.9
Imports	372.2	378.2	573.0	458.0	4,806.0	6,327.9	31.7
Services Account (net)	5.7	0.6	9.4	12.3	79.9	365.5	357.5
Receipts	137.5	137.9	149.2	146.6	1,771.3	1,998.5	12.8
Payments	131.8	137.3	139.8	134.3	1,691.4	1,633.0	-3.5
Goods and services (net)	-195.9	-189.2	-287.3	-192.8	2,702.0	3,353.8	24.1
Exports of goods and services	308.1	326.3	425.5	399.5	3,795.5	4,607.1	21.4
Imports of goods and services	504.0	515.5	712.8	592.3	6,497.4	7,960.9	22.5
Income Account (net)	-4.5	-9.8	6.7	-7.7	-60.5	-23.3	-61.4
Receipts	7.7	10.3	25.8	19.9	101.4	173.4	71.1
Payments	12.2	20.1	19.1	27.6	161.8	196.7	21.6
Current Transfers (net)	32.7	39.1	37.2	175.0	661.9	559.0	-15.5
Inflows	37.7	53.0	42.5	181.1	728.1	661.5	-9.1
o/w General Government	30.3	9.7	34.3	173.0	631.0	559.5	-11.3
Outflows	5.0	13.9	5.3	6.1	66.3	102.5	54.8
Current Account Balance	-167.7	-159.9	-243.4	-25.4	2,100.6	2,818.2	34.2

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

During the month of December 2008, exports of goods

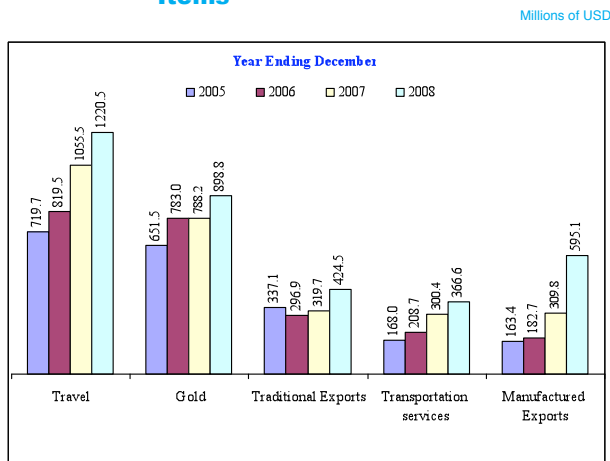


and services decreased to USD 399.5 million, compared to USD 425.5 million recorded in the previous month. Likewise, imports of goods and services went down to USD 592.3 million compared to USD 712.8 million in November 2008. On the other hand, official current transfers increased significantly from USD 34.3 million in the previous month to USD 173.0 million following the release of funds under General Budget and Basket Support programmes.

Exports Performance

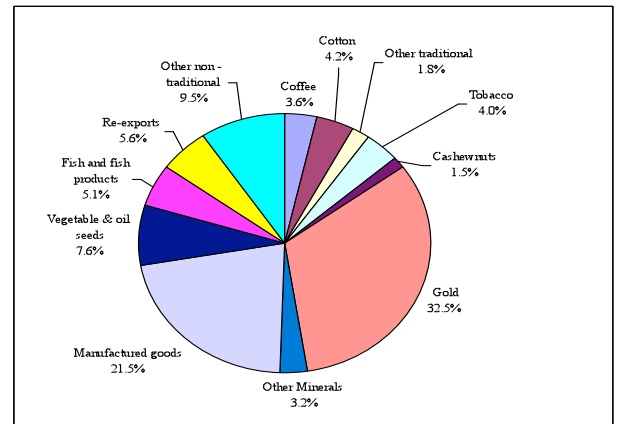
During the year 2008, total export of goods and services rose by 21.4 percent to USD 4607.1 million following an improved performance in goods export, particularly export of manufactured goods. [Chart 4.1](#) summarizes the performance of selected export items during the past four years.

Chart 4.1: Performance of Selected Exports Items



Goods export increased by 28.9 percent to USD 2,608.5 million on account of the improvement in traditional and non-traditional exports. During the review period, traditional and non-traditional exports recorded increases of 29.5 percent and 28.8 percent to USD 414.0 million and USD 2,194.5 million, respectively. Meanwhile, gold continued to dominate, as it accounted for 32.5 percent of total good exports, followed by manufactured goods which accounted for 21.5 percent ([Chart 4.2](#)).

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



Note:

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

Traditional Exports

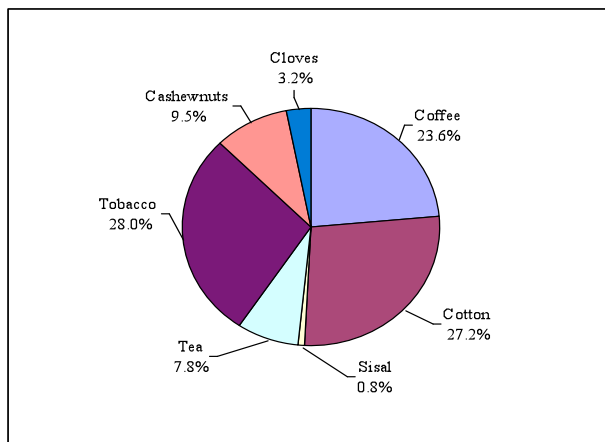
In December 2008, the value of traditional exports decreased to USD 44.5 million from USD 71.9 million recorded in the previous month, mainly on account of a fall in both volume and unit price of tobacco exports. During the month under review, the volume of tobacco export decreased significantly to 4,860 tons compared to 12,515 tons exported in the previous month. The decline in the exported volume was partly explained by the depressed demand from buyers in Europe. There was also a fall in the unit export price for tobacco to USD 2,480.8 per ton from USD 3,731.8 per ton recorded in November 2008.

On annual basis, traditional exports increased by 29.5 percent to USD 414.0 million largely due to a substantial increase in export volumes of cotton following bumper harvest of the crop. During the review period, the volume of cotton exported increased to 87,530 tons from 59,056 tons in the previous year. The bumper harvest in 2008 was largely explained by improved weather condition and efforts taken by the government in with regard to timely provision of the required inputs through the Agricultural Sector Development Programme (ASDP). Likewise, cashewnuts recorded an increase in the export volumes to 55,011 tons from 41,271 tons recorded in the previous year. The improved performance in cashewnuts production was largely on account of willingness of farmers to sell their crop under the Warehouse Receipt Payment System (WRPS). Under this system, the co-operative unions collect the crops and make available advance payments of the agreed price. Once exporters buy the crop from the unions, farmers get the remaining balance plus any addition that may arise from change in the prices obtained from the exporters. Moreover, there was an increase



in the export unit prices for all the traditional exports in line with the movements of commodity prices in the world market (Chart 4.3).

Chart 4.3: Contribution to Total Traditional Exports for the Year Ending December 2008

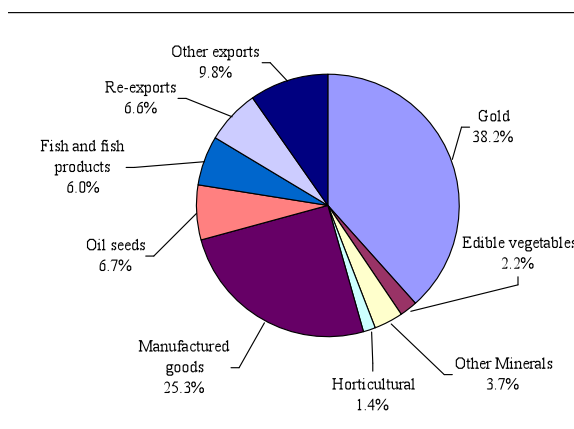


Non-Traditional Exports

During the month under review, non-traditional exports increased slightly to USD 208.5 million. On yearly basis, non-traditional exports increased by 28.8 percent to USD 2,194.5 million with much of the increase coming from manufactured goods export which went up significantly to USD 595.1 million from USD 309.8 million recorded during the previous year. Some of the manufactured goods that are exported include products of iron and steel, wheat flour, plastic items and electrical equipment. Improvement was also recorded in other exports particularly edible vegetables and fruits. Horticultural exports that mainly consist of cut flowers increased by 68.4 percent to USD 32.2 million. This development was largely due to the expansion in horticultural production in Arusha and Kilimanjaro regions and increase in the number of flights to Europe that facilitates shipping of cut flowers to the markets.

On the other hand, gold exports rose by 14.0 percent to USD 898.8 million following increase in prices in the world market as export volumes recorded decline. While the volumes of gold export went down from 37.4 tons recorded in the corresponding period last year to 31.9 tons, the prices of gold in the world market increased from USD 696.7 per troy ounce recorded last year to USD 871.8 per troy ounce in December 2008. The improvement in gold prices is largely due to the weakening of US dollar against other major currencies. Meanwhile, the decline in volumes of gold exports is partly explained by the depletion of gold ores in the mining areas. Chart 4.4 depicts the composition of non-traditional exports for the year ending December 2008.

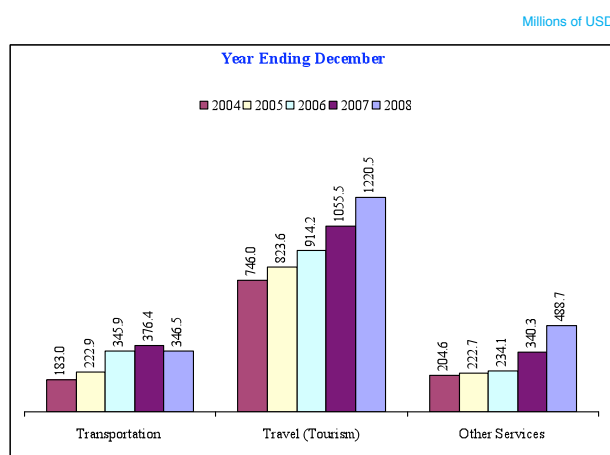
Chart 4.4: Contribution to Total Non Traditional Exports for the Year Ending December 2008



Services Export

Export of services decreased by 1.8 percent to USD 146.6 million during December 2008, owing to a drop in travel, insurance, communication and computer and information services. On annual basis, services receipt increased by 14.1 percent to USD 2,633.0 million following improvement in travel, insurance and other business services receipt. Travel, which accounts for 60.3 percent of total services receipt rose to USD 1,220.5 million in 2008, from USD 1,055.5 million recorded in 2007. This development is partly a result of the on-going promotional campaigns of Tanzania's in tourist attractions, especially in the United States and England. 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 4.5 depicts performance of the main services export during the past four years.

Chart 4.5: Service Receipts 2005 – 2008



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 by 20.1 percent to USD 458.0 million following a significant drop in importation of intermediate goods. Importation of intermediate goods went down to USD 129.1 million partly due to a drop in the volume and price of oil. During December 2008, a total of 151,596 tons of oil were imported compared to 251,874 tons recorded in the previous month. Similarly, importation of capital goods decreased by 4.8 percent to USD 213.4 million following a decline in imports of transport equipment and machinery (Table 4.2).

Table 4.2: Imports

Millions of USD

Item	2007p	2008		% Change		Year Ending December p		
	Dec	Nov	Dec	Dec 07 to Dec 08	Nov 08 to Dec 08	2007		% Change
						2007	2008	
Capital Goods	150.8	224.1	213.4	41.5	-4.8	1,765.0	2,608.0	47.8
Transport Equipment	45.8	71.5	67.9	48.4	-5.1	477.8	776.4	62.5
Building and Constructions	42.7	55.2	56.4	32.2	2.2	416.7	609.8	46.3
Machinery	62.4	97.4	89.1	42.9	-8.5	870.5	1,221.8	40.4
Intermediate Goods	127.4	244.5	129.1	1.3	-47.2	1,970.7	2,468.3	25.2
Oil imports	74.2	173.8	76.5	3.1	-56.0	1,462.1	1,798.4	23.0
Fertilizers	2.6	23.5	9.9	276.9	-57.8	59.1	147.9	--
Industrial raw materials	50.6	47.3	42.7	-15.6	-9.7	449.4	522.0	16.1
Consumer Goods	100.0	104.3	115.5	15.5	10.7	1,070.3	1,251.6	16.9
Food and food stuffs	36.6	20.5	26.2	-28.6	27.5	315.4	285.0	-9.7
All other consumer goods ¹	63.4	83.8	89.3	40.9	6.5	754.9	966.7	28.0
Grand Total (f.o.b)	378.2	573.0	458.0	21.10	-20.1	4,806.0	6,327.9	31.7
Grand Total (c.i.f)	415.6	629.7	503.3	21.10	-20.1	5,281.4	6,953.7	31.7

Note:

Oil imports refers to refined petroleum products

P = provisional data

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

Totals July not ad up due to rounding of numbers

Source: Bank of Tanzania and Tanzania Revenue Authority

Food Imports

In December 2008, the total value of cereal imports increased to USD 17.1 million mainly due to an increase in the imported volume of rice to 19,593 tons. Similarly, the value of rice imported increased to USD 8.7 million from USD 0.76 million imported in the previous month. 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	2008				% Change (Nov - Dec 08)
	Sep	Oct	Nov	Dec	
Maize					
Tons	370.8	240.9	735.3	724.5	-1.5
Value (Mill. USD)	0.461	0.275	0.884	1.002	13.4
Rice					
Tons	210	2,098	6,199	19,593	--
Value (Mill. USD)	0.04	0.88	0.76	8.71	--
Wheat					
Tons	109,084	103,483	32,254	25,861	-19.8
Value (Mill. USD)	43.56	43.01	11.74	7.42	-36.8
Total tons	109,665	105,823	39,188	46,179	18
Total Value (Mill. USD)	44.1	44.2	13.4	17.1	28.0

Note --, very large number

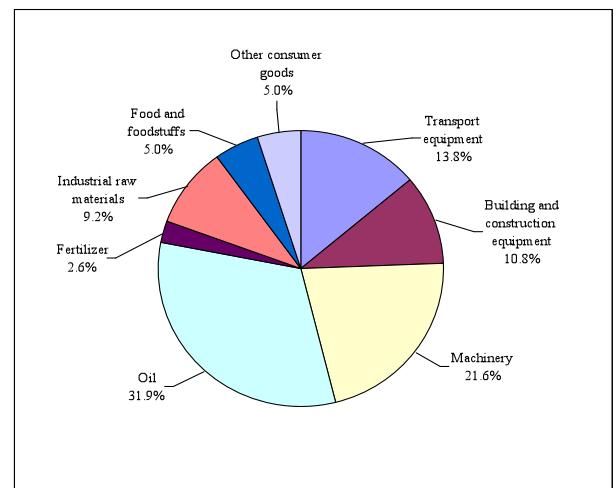
Source: Tanzania Revenue Authority

On annual basis, imports of goods went up by 31.7 percent to USD 6,327.9 million. Importation of capital goods increased

from USD 1,765.0 million in the previous year to USD 2,608.0 million, in line with the growth of activities in the construction, communication and manufacturing sectors. Similarly, the value of imported intermediate goods rose by 25.2 percent to USD 2,468.3 million largely, driven by an increase in importation of oil and fertilizer. The surge in oil imports is largely attributable to the increase in oil prices in the world market during the review period. Likewise, consumer goods import increased by 16.9 percent to USD 1,251.6 million on account of a rise in importation of food and other consumer goods such as pharmaceutical products, plastic items and paper products.

It is worth noting that, the rise in importation of food and foodstuffs particularly cereals is partly associated with a surge in food prices in the world market following increased demand of cereals for making bio fuels and animal feed. During the past four years, capital goods dominated the total imports followed by intermediate goods (Chart 4.6).

Chart 4.6: Contribution to Total Imports for the Year Ending December 2008

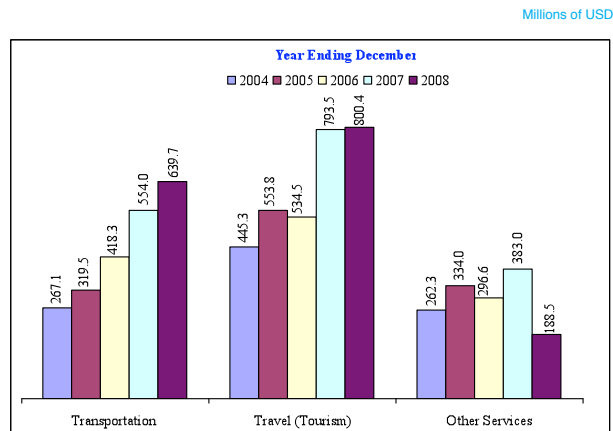


Services Payments

Services payments decreased by 3.9 percent during the month under review, to USD 134.3 million on account of the decline in payments of travel and insurance services. On annual basis, services payment decreased by 3.5 percent to USD 1,633.0 million, largely due to decrease in payments of financial, government and other business services. The performance of the major service payment categories in the past four years is illustrated on Chart 4.7.



Chart 4.7: Service Payments, 2005 - 2008



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

World Commodity Prices

In During December 2008, the world market prices of most agricultural and non-agricultural commodities recorded declines Table 4.4.

Table 4.4: World Commodity Prices

Commodity	Units	2008			% Change	Year Ending December		% Change
		Oct	Nov	Dec		2007	2008	
Robusta Coffee	USD per kg	1.96	2.00	1.81	-9.50	1.88	2.32	23.45
Arabica Coffee	USD per kg	2.73	2.69	2.62	-2.60	2.72	3.08	13.30
Tea (Average price)	USD per kg	2.31	1.97	1.92	-2.54	2.04	2.42	18.67
Tea (Mombasa auction)	USD per kg	2.23	1.73	1.78	2.89	1.67	2.22	32.88
Cotton, "A Index"	USD per kg	1.37	1.21	1.22	0.83	1.40	1.57	12.38
Cotton, Memphis"	USD per kg	1.36	1.24	n.a	-	1.43	1.64	14.75
Sisal (UG)	USD per metric ton	1,025.00	1,025.00	1,025.00	0.00	971.67	1,025.00	5.49
Cloves	USD per metric ton	4,025.00	3,600.00	3,200.00	-11.11	3,590.50	4411.46	22.86
Crude oil*	USD per barrel	72.69	53.97	41.34	-23.40	71.12	96.99	36.38
Crude oil**	USD per barrel	68.62	51.38	40.99	-20.22	68.37	93.78	37.16
White products***	USD per ton	719.34	551.34	431.55	-21.73	673.61	916.97	36.13
Jet/Kerosene Premium	USD per ton	762.91	617.49	465.93	-24.54	688.90	987.06	43.28
Gasoline	USD per ton	650.3	433.53	346.36	-20.11	687.48	824.26	19.90
Heat Oil	USD per ton	744.80	603.00	482.36	-20.01	644.45	939.60	45.80
Gold	USD per troy ounce	806.60	760.90	816.00	7.24	696.70	871.75	25.13

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

** f. o. b. Dubai

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

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

During The prices of Robusta and Arabica coffee declined, largely on account of weak demand as a result of global recession. Similarly, the price of cloves dropped as the global stocks improved following increased supply from Indonesia, Comoro and Madagascar. The price of tea (Average) also declined during the period. Meanwhile, the prices of tea (Mombassa Auction) and cotton "A Index" recorded slight increases.

During the period under review, the average prices of crude oil and white petroleum products recorded notable declines, on account of concerns of a decline in the oil demand amid

global financial crisis and a build up in the oil inventories in the US. Meanwhile, the price of gold recorded an increase largely due to the depreciation of the US dollar against other major currencies, hence boosting the appeal of the gold as an alternative asset and a hedge against inflation.

On annual basis, all commodities showed an upward trend in their prices. The rise in the price of coffee was on account of a decline in the global coffee stocks. Similarly, the prices of cotton "A Index" and "Memphis" increased owing to reductions in the cotton acreage in the US following the farmers' decision to shift to food production, which is more lucrative. The oil prices rose significantly, as a result of the decline in the US oil stocks and fears of supply disruptions in the Middle East, Russia and Nigeria. There was also tension regarding the impact of hurricanes in the Gulf of Mexico in the United States that added pressure on the oil prices. As for gold, the price increased largely due to strong investment demand following weakening of U.S dollar and instability in the global financial markets.

5.0 National Debt Developments

The national debt stock stood at USD 7,772.6 million as at end of December 2008, from USD 7,752.3 million reported as at end of November, 2008. The increase was mainly on account of accumulated principal and interest arrears. Out of the total debt stock, external debt accounted for 80.6 percent while domestic debt accounted for 19.4 percent.

External Debt

At At the end of December 2008, external debt stock amounted to USD 6,268.3 million representing an increase of 1.4 percent from USD 6,180.6 million registered at the end of the preceding month. Out of this amount, disbursed outstanding debt (DOD) was USD 4,843.7 million (77.3 percent) and interest arrears USD 1,424.5 million (22.7 percent).

The profile of DOD by creditor category indicates that, debt owed to multilateral institutions stood at USD 3,009.1 million accounting for 62.1 percent of total DOD, while the amount owed to bilateral creditors stood at USD 935.7 million. Commercial and export credits amounted to USD 507.4 million and USD 391.5 million, respectively (Table 5.1).



Table 5.1: Disbursed Outstanding Debt by Creditor Category

Million of USD

Item	Nov-08	Dec-08	% Change	% of Total
Bilateral debt	930.8	935.7	0.5	19.3
Multilateral debt	2,976.1	3,009.1	1.1	62.1
Commercial debt	506.7	507.4	0.1	10.5
Export credits	391.1	391.5	0.1	8.1
Total	4,804.7	4,843.7	0.8	100.0

In terms of borrower category, the Central Government remained the leading borrower accounting for 81.9 percent of total disbursed outstanding debt followed by private sector which held 15.0 percent (Table 5.2).

Table 5.2: Disbursed Outstanding Debt by Borrower Category

Millions of USD

Item	Nov-08	Dec-08	% Change	% of Total
Central Government	3,927.3	3,968.6	1.1	81.9
Parastatal Companies	149.7	148.6	-0.8	3.1
Private Sector	727.7	726.6	-0.2	15.0
Total	4,804.7	4,843.8		100.0

During the month under review, there were no new loans recorded. However, disbursements amounting to USD 23.6 million were recorded. External debt service payments during the month amounted to USD 5.6 million, out of which, principal repayments were USD 1.4 million and interest payments were USD 4.2 million.

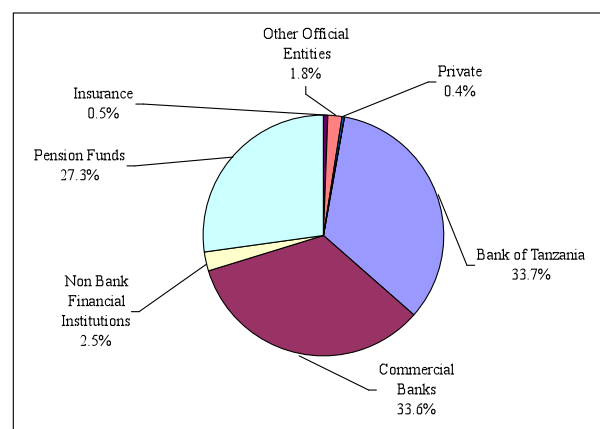
Domestic Debt

The stock of domestic debt stood at TZS 1,925.9 billion as at the end of December 2008 being a decrease of 2.7 percent

from TZS 1,978.3 billion registered at the end of the preceding month. The decrease was mainly on account of redemption of government securities. Out of the total domestic debt stock, government securities accounted for 99.6 percent.

The profile of domestic debt by holder category shows that, Bank of Tanzania and Commercial banks were the leading creditors to the Union Government by holding 33.7 percent and 33.6 percent of the total domestic debt, respectively. Other creditors include Pension Funds and Non-Bank Financial Institutions (Chart 5.1).

Chart 5.1: Government Domestic Debt by Creditor Category



During the month under review, total domestic debt of TZS 64.4 billion fell due for payment, out of which principal amount of TZS 58.5 billion was rolled over while interest amounting to TZS 5.9 billion was paid out of government revenue.



6.0 Economic Developments in Zanzibar

Inflation Developments

The Annual Headline Inflation rate for the year ended December 2008 decelerated to 22.1 percent from 23.7 percent in November 2008, attributed to decline in both food and non-food inflation (Table 6.1 and Chart 6.1).

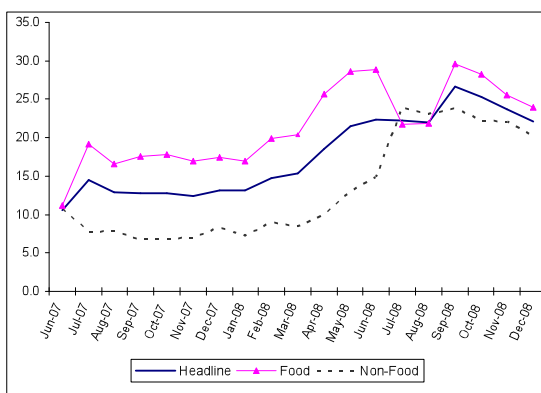
Table 6.1: Annual Percentage Change in Consumer Price Index (CPI)

Base: Dec.2005=100

Major Commodity Group	Weights (%)	2006	2007			2008		
		Dec	Oct	Nov	Dec	Oct	Nov	Dec
Headline/Overall	100.0	11.4	12.8	12.4	13.2	25.3	23.7	22.1
Food	57.4	11.6	17.8	16.9	17.4	28.3	25.5	23.9
Non-Food	42.6	11.5	6.9	7.0	8.3	22.2	22.1	20.3
Alcoholic beverages, tobacco & narcotics	0.6	23.6	3.2	3.2	0.6	16.0	16.4	19.2
Clothing and footwear	6.2	5.2	7.1	5.5	6.4	8.7	10.2	10.4
Housing, water, electricity, gas and other fuels	15.6	12.8	4.2	4.1	4.8	36.3	36.6	34.1
Furnishing, household equipment and routine household maintenance	5.3	8.7	10.6	11.0	12.5	13.4	12.8	11.6
Health	2.1	10.2	18.6	13.5	13.7	15.4	16.4	16.2
Transport	3.4	29.1	4.4	6.0	5.7	24.9	23.2	22.7
Communication	2.4	-3.9	-4.5	-4.5	-0.7	-0.8	-0.9	-1.6
Recreation and culture	0.4	12.7	12.9	12.6	13.1	5.7	5.2	5.2
Education	1.1	1.2	12.1	12.1	12.0	7.8	8.7	8.7
Restaurants and hotels	3.1	15.8	25.0	32.0	42.8	20.3	15.4	8.3
Miscellaneous goods & services	2.4	11.1	-8.2	-7.7	-10.0	19.1	21.3	21.9

Source: Office of Chief Government Statistician (OCGS)

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



Source: Office of Chief Government Statistician (OCGS)

Similarly, the month-to-month headline inflation declined to negative 1.3 percent in December 2008, from negative 0.2 percent registered in November 2008.

Annual food inflation decreased to 23.9 percent during the year ended December 2008, from 25.5 percent recorded in November 2008. The deceleration in food inflation was mainly associated with reduced transportation costs on imported food items following re-opening of Malindi port. During the

month under review, the month-to-month food inflation decreased to negative 2.1 percent compared with negative 0.9 percent registered in November 2008, mainly driven by fall in prices of rice, maize flour and fish.

Annual non-food inflation dropped to 20.3 percent in December 2008, from 22.1 percent recorded in the year ended November 2008, mainly associated with decreased prices in the transport and communication services and furniture and household equipments sub-groups. The month-to-month non-food inflation decreased to negative 0.3 percent in December 2008, from 0.6 percent in November 2008 driven by decrease in prices of petroleum products.

Fiscal Performance

The government budgetary operations during December 2008, registered a deficit of TZS 2.6 billion on cheques cleared basis, compared with a deficit of TZS 0.4 billion recorded in the previous month. Total resources amounted to TZS 14.5 billion, which was above the target of TZS 13.3 billion. Domestic sources contributed TZS 11.7 billion, accounting for 80.7 percent of total resources, while foreign grants amounted to TZS 2.8 billion. Total expenditure amounted to TZS 23.3 billion, above target of TZS 22.6 billion. The budget deficit was financed by foreign sources.

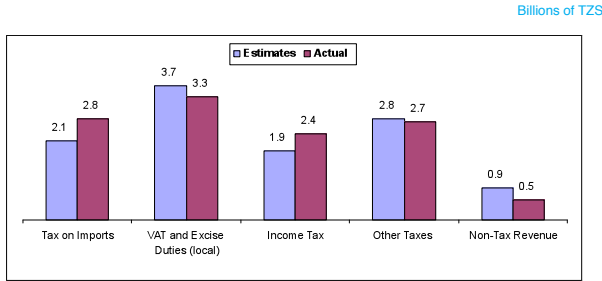
Revenue

Revenue realized during the reporting month amounted to TZS 11.7 billion, above the target of TZS 11.3 billion on account of improved collection in import and income taxes. Tax revenue was TZS 11.1 billion, which was above the target of TZS 10.4 billion, and accounted for 94.9 percent of the total revenue collected in December 2008. The increase in tax revenue during the month under review was partly attributed to increased cargo following re-opening of Malindi port. Non-tax revenue amounted to TZS 0.5 billion, below the monthly target of TZS 0.9 billion.

Revenue performance by category shows that, VAT and excise duty collections amounted to TZS 3.3 billion, below the target of TZS 3.7 billion. Tax on imports was TZS 2.8 billion, above the target of TZS 2.1 billion. Income tax reached TZS 2.4 billion which was above the target of TZS 1.9 billion on account of increased income tax returns during December 2008. Other taxes amounted to TZS 2.7 billion, slightly below the target of TZS 2.8 billion. Non-tax revenue was TZS 0.5 billion which was below the target of TZS 0.9 billion (Chart 6.2).



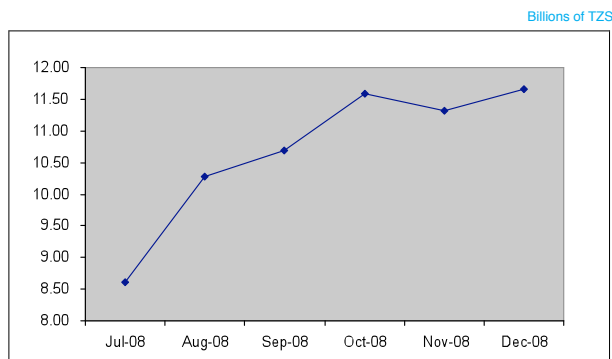
Chart 6.2: Government Revenue by Source – December 2008



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Cumulatively, from July - December 2008, the Government revenue reached TZS 64.1 billion compared to the target of TZS 67.4 billion (Chart 6.3).

Chart 6.3: Government Total Revenue Collections July–December 2008



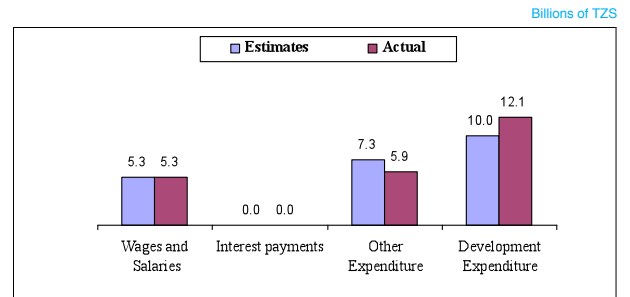
Source: Ministry of Finance and Economic Affairs, Zanzibar.

Expenditure

As During the month under review, total government expenditure reached TZS 23.3 billion, above the target of TZS 22.6 billion. Recurrent expenditure was TZS 11.3 billion, representing 48.5 percent of total expenditure, while development expenditure amounted to TZS 12.0 billion, accounting for 51.5 percent of total expenditure.

Wages and salaries amounted to TZS 5.3 billion which accounted for 46.9 percent of the recurrent expenditure. Other expenditure amounted to TZS 5.9 billion, below the target of TZS 7.3 billion, and accounted for 52.2 percent of the recurrent expenditure (Chart 6.4).

Chart 6.4: Government Expenditure by Components – December 2008



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Development expenditure amounted to TZS 12.1 billion, compared with the target of TZS 10.0 billion. Financing from local sources was TZS 8.3 billion or 68.6 percent of the total development expenditure while donor funds amounted to TZS 3.8 billion. On cumulative basis, the Government expenditure during July - December 2008, amounted to TZS 97.9 billion, compared to the target of TZS 107.6 billion, and accounted for 28.7 percent of the annual target of TZS 341.7 billion.

Debt Developments

As at end December 2008 Zanzibar public debt reached TZS 140.7 billion (USD 109.9 million) compared to TZS 137.9 billion (USD 109.5 million) recorded in November 2008. External debt amounted to TZS 80.1 billion (USD 62.6 million), accounting for 56.9 percent of the total debt, while domestic debt was TZS 60.5 billion (USD 47.3 million). Debt to GDP ratio stood at 24.0 percent compared to 23.4 percent registered at end November 2008.

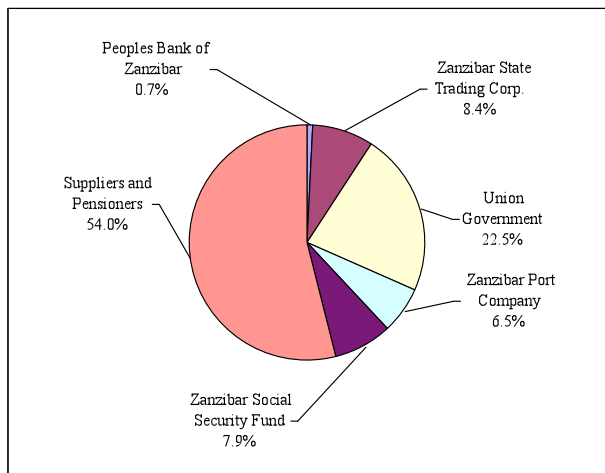
Domestic Debt

During the period under review, domestic debt amounted to TZS 60.5 billion compared to TZS 60.0 billion registered in the preceding month. The recorded slight increase was associated with gratuities claims by the government retirees.

Domestic debt by creditors shows that debt owed to government suppliers and pensioners amounted to TZS 32.7 billion or 54.0 percent of the total domestic debt while the Union Government debt stood at TZS 13.6 billion or 22.5 percent. Chart 6.5 shows domestic creditors by category.



Chart 6.5: Domestic Debt by Creditor as at End – December 2008



Source: Ministry of Finance and Economic Affairs-Zanzibar

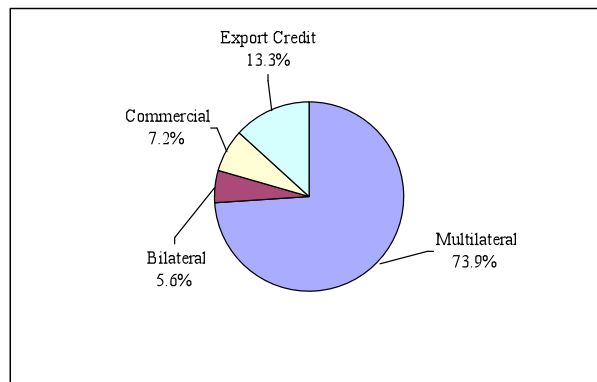
Classification of debt by maturity revealed that, debt with “undetermined maturity” (predominantly gratuity and supplier’s claims), amounted to TZS 32.8 billion representing 54.2 percent of domestic debt, whereas debt maturing between 2 – 5 years was TZS 21.2 billion or 35.0 percent. Debt with less than one year maturity amounted to TZS 6.5 billion or 10.8 percent of the total domestic debt.

External Debt

External debt as at end December 2008 increased to USD 62.6 million compared to USD 61.8 million, reported in the preceding month. Debt guaranteed by the Union Government stood at USD 47.0 million, accounting for 75.1 percent of the external debt, while non-guaranteed debt amounted to USD 15.6 million, or 24.9 percent of total external debt.

During the month under review, external debt by creditor category shows that, debt owed to multilateral creditors amounted to USD 46.3 million, accounting for 73.9 percent of the external debt while that owed to bilateral creditors stood at USD 3.5 million. [Chart 6.6](#) depicts the percentage share of external debt owed to various creditor categories.

Chart 6.6: External Debt by Creditor as at End December 2008

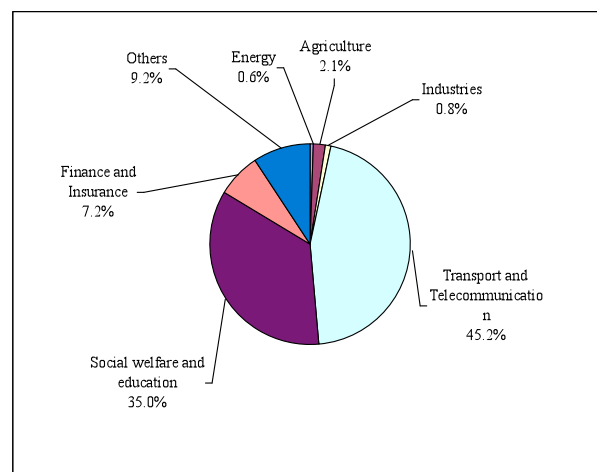


Source: Ministry of Finance and Economic Affairs-Zanzibar

External Debt - Disbursements by End Use

External debt disbursements by end use, during the period ending December 2008 shows that, transport and telecommunications sectors received the largest share of USD 28.3 million or 45.2 percent, followed by social welfare and education which obtained USD 21.9 million or representing 35.0 percent of the total external debt. Finance and Insurance sector received USD 4.5 million, while agriculture and energy sectors had USD 1.3 million and USD 0.4 million respectively. Industrial sector received USD 0.5 million, while other sectors had USD 5.7 million ([Chart 6.7](#)).

Chart 6.7: External debt by Use of Funds as at End December 2008



Source: Ministry of Finance and Economic Affairs-Zanzibar



External Sector Performance

Current Account

As at the end of December 2008, current account registered a deficit of USD 3.7 million compared to a deficit of USD 2.7 million recorded in the previous month. The deficit emanated mainly from a decline in services receipts coupled by increase in the import bill. Trade account recorded a deficit of USD 8.7 million compared to a deficit of USD 7.2 million in the preceding month.

On year to year basis, the current account registered a deficit of USD 21.5 million compared to a surplus of USD 29.8 million for the corresponding period in 2007, mainly on account of increase in imports bill coupled with a decline in official current transfers. Trade account deficit increased to USD 94.1 million from a deficit of USD 73.2 million registered during the corresponding period in 2007 (Table 6.2).

Table 6.2: Zanzibar Current Account Balance

Item	Millions of USD						
	2007		2008p		Year Ending December		%Change
	Dec	Nov	Dec	2007	2008p	Monthly	
Goods Account (net)	-5.3	-7.2	-8.7	-73.2	-94.1	20.8	28.61
Exports	0.9	1.5	1.8	12.4	20.0	16.5	61.18
Imports (fob)	6.3	8.8	10.5	85.6	114.2	20.0	33.34
Services Account (net)	1.8	3.1	2.8	38.7	31.6	-9.8	-18.32
Receipts	7.1	8.3	8.2	87.4	90.1	-1.9	3.12
Payments	5.3	5.2	5.4	48.7	58.5	2.9	20.15
Goods and Services (net)	-3.5	-4.1	-5.9	-34.5	-62.6	44.0	81.15
Exports of Goods and Services	8.0	9.9	10.0	99.8	110.1	1.0	10.36
Imports of Goods and Services	11.6	14.0	15.9	134.3	172.7	13.6	28.56
Income Account (net)	-0.03	0.0	0.0	0.0	0.0	-100.0	
Receipts	-0.01	0.0	0.0	-0.1	-0.6	-141.7	390.61
Payments	0.02	0.1	0.0	0.1	0.4	-22.2	236.50
Current Transfers (net)	3.2	1.4	2.2	64.4	41.1	56.8	-36.12
Inflows	3.2	1.4	2.2	64.4	41.1	56.8	-36.12
Outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.00
Current Account Balance	-0.3	-2.7	-3.7	29.8	-21.5	36.4	-171.95

P = Provisional
Source: Tanzania Revenue Authority and BOT.

Exports Performance

During December 2008, the value of exports of goods and services increased to USD 10.0 million from USD 9.9 million registered in the preceding month, mainly driven by services receipts which accounted for 82.0 percent of total exports. Merchandise exports amounted to USD 1.8 million compared to USD 1.5 million recorded in November 2008.

On year to year basis, total exports (goods and services) rose to USD 110.1 million from USD 99.8 million realised during the corresponding period in 2007, mainly on account of increase in goods export receipts to USD 20 million from USD 12.4 million during the corresponding period in 2007. Similarly, earnings from Clove exports amounted to USD 7.3 million

compared to USD 4.4 million recorded in the corresponding period in 2007. Earnings from other export categories registered increases during the review period as depicted in (Table 6.3).

Table 6.3: Zanzibar Exports by Major Categories

Item	2007		2008p		Year Ending December		% Change	
	Dec		Nov		2007		2008p	
	Dec	Nov	Dec	2007	2008p	Monthly	Annual	
Traditional								
Cloves								
Value	0.1	0.6	0.7	4.4	7.3	20.6	65.4	
Volume	0.06	0.2	0.2	1.5	1.9	20.7	24.2	
Unit Price	2,583.8	3,905.0	3,901.7	2,965.1	3,948.4	-0.1	33.2	
Non-Traditional								
Seaweeds								
Value	0.2	0.19	0.19	2.1	2.5	4.7	21.2	
Volume	0.9	0.6	0.6	9.3	8.6	2.0	-7.4	
Unit Price	267.6	331.3	340.2	223.1	292.0	2.7	30.9	
Manufactured Goods	0.30	0.4	0.5	3.5	4.3	7.8	23.9	
Fish and Fish Produce	0.02	0.0	0.0	0.2	0.1	-4.0	-11.3	
Horticultural produce	0.00	0.0	0.0	0.0	0.0			
Others Exports	0.33	0.3	0.4	2.3	5.8	27.1	149.9	
Sub Total	0.6	0.7	0.9	5.9	10.2	16.0	72.0	
Grand Total	1.0	1.5	1.8	12.4	20.0	16.5	61.2	

P = Provisional data
Value in Millions of USD, Volume in "000" Tons, Unit Price in USD/Ton
Source: Tanzania Revenue Authority

Goods Imports

During December 2008, goods import (c.i.f) amounted to USD 11.6 million from USD 9.6 million registered in the preceding month, mainly on account of increase in oil import bill. Intermediate goods import increased to USD 4.7 million in December 2008 from USD 2.8 million in November 2008 mainly driven by oil imports. Capital goods import was USD 5.0 million, same as the level recorded in November 2008.

On annual basis, goods import (c.i.f) increased significantly to USD 125.5 million during December 2008 from USD 94.1 million recorded in 2007. During the review period, capital goods import amounted to USD 54.3 million up from USD 46.1 million of the corresponding period in 2007. Oil import bill increased to USD 35.4 million from USD 22.4 million, while that of food and food stuffs rose to USD 7.5 million from USD 6.3 million (Table 6.4).

Table 6.4: Zanzibar Imports by Major Categories

Import Category	2007		2008p		Year Ending December		% Change	
	Dec		Nov		2007		2008p	
	Dec	Nov	Dec	2007	2008p	Monthly	Annual	
Capital Goods	3.7	5.0	5.0	46.1	54.3	0.4	17.9	
Transport Equipment	1.7	3.21	3.21	18.0	33.3	-0.2	85.3	
Building and Constructions	0.7	0.83	0.84	12.8	8.3	1.3	-35.0	
Machinery	1.4	0.93	0.94	15.3	12.7	1.8	-17.1	
Intermediate Goods	2.4	2.8	4.7	27.8	47.1	68.9	69.7	
Oil imports	1.54	2.0	3.9	22.4	35.4	93.5	58.5	
Fertilizers	0.00	...	0.00	0.02	0.00	0.00	-100.0	
Industrial raw materials	0.89	0.8	0.9	5.4	11.7	8.4	116.1	
Consumer Goods	1.1	1.9	1.8	20.3	24.1	-1.5	18.7	
Food and food stuffs	0.2	0.27	0.26	6.3	7.5	-3.8	18.1	
All other consumer goods	0.9	1.6	1.6	13.9	16.6	-1.1	18.9	
Grand Total (c.i.f)	7.2	9.6	11.6	94.1	125.5	20.0	33.3	
Grand Total (L.o.b)	6.6	8.8	10.5	85.6	114.2	20.0	33.3	

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



Services Account

During the month under review, services account surplus narrowed to USD 2.8 million compared to USD 3.1 million, recorded in November 2008. Foreign receipts declined slightly to USD 8.2 million from USD 8.3 million registered in November 2008, while foreign payments rose to USD 5.4 million from USD 5.2 million.

On year to year basis, the services account surplus decreased to USD 31.6 million from USD 38.7 million attained in 2007, mainly driven by increase in foreign payments.



STATISTICAL TABLES



Table A1 : selected Economic Indicators (Annual)

Item	Unit	1998	1999	2000	2001	2002	2003	2004	2005	2006 ¹	2007*
1. National Accounts and Prices											
1.1 Change in GDP at Factor Cost--Current Prices	Percent	-	14.9	12.9	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 ²	Percent	4.1	4.8	4.9	6.0	7.2	6.9	7.8	7.4	6.7	7.1
1.3 GDP Per Capita--Current Prices ¹	TZ\$	209,465.7	233,739.8	255,573.3	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 ¹	USD	315.1	313.8	319.3	315.6	321.6	340.9	363.7	390.6	381.7	439.5
1.5 Change in Consumer Price Index (Inflation)	Percent	12.8	7.9	5.9	5.2	4.5	3.5	4.2	4.4	7.3	7.0
1.6 Saving to GNDI Ratio ³	Percent	-	-	-	7.2	8.0	9.6	10.4	8.7	8.5	6.4
2. Money Credit and Interest Rates											
2.1 Change in Extended Broad Money Supply (M3)	Percent	10.8	18.6	14.8	17.1	25.1	16.1	19.3	38.2	22.0	21.4
2.2 Change in Broad Money supply (M2)	Percent	11.1	15.0	12.5	12.3	18.5	14.2	19.2	36.9	13.7	28.8
2.3 Change in Narrow Money Supply (M1)	Percent	10.5	16.0	9.9	10.2	25.2	16.1	18.2	33.7	9.8	32.7
2.4 Change in Reserve Money	Percent	14.7	21.5	9.4	5.0	19.1	12.6	23.6	27.7	16.8	30.2
2.5 Total Credit to GDP Ratio ¹	Percent	8.4	9.4	8.8	7.1	8.0	6.9	7.2	10.5	11.7	12.6
2.6 Private Sector Credit to GDP Ratio ¹	Percent	3.8	4.2	4.1	4.4	5.5	6.7	7.6	8.9	11.3	13.8
2.7 Ratio of Private Credit to Total Credit	Percent	45.7	44.6	46.6	62.7	68.4	97.4	104.8	84.6	96.3	109.7
2.8 Average Deposit Rate (12-Month) ⁴	Percent	11.5	10.4	10.1	6.9	5.9	5.3	5.7	6.2	8.3	9.3
2.9 Weighted Average Treasury Bill Rate	Percent	10.1	15.5	5.7	3.9	4.5	7.7	9.6	14.8	15.0	11.4
2.10 Average Long-Term Lending Rate ⁵	Percent	22.0	20.6	21.5	18.0	16.8	12.2	12.7	13.4	14.9	16.1
3. Balance of Payments											
3.1 Exports of goods (f.o.b)	Mill. USD	588.5	543.3	733.7	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	1,382.1	1,415.4	-1,367.6	-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	-793.6	-872.1	-633.9	-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	-901.9	-846.2	-665.2	-395.2	78.6	-118.1	-366.7	-864.3	-1,171.6	-1,855.8
3.5 Overall Balance	Mill. USD	-567.2	-128.4	-36.9	-167.5	-317.9	389.1	206.0	-222.4	460.7	532.7
3.7 Gross Official Reserves	Mill. USD	599.0	776.0	974.0	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	3.1	4.2	5.3	6.5	6.9	7.1	6.6	4.8	4.0	4.5
3.9 Exchange Rate:											
3.9.1 Annual Average	TZ\$/USD	664.7	744.8	800.4	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	TZ\$/USD	681.0	797.3	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1
4 Population (TZ Mainland)											
5. Public Finance	Million	30.0	30.9	31.9	32.9	33.6	34.2	35.3	36.2	37.5	38.3
5.1 Current Revenue to GDP Ratio ¹	Percent	11.5	11.4	12.2	11.8	12.3	12.1	13.3	13.8	17.1	17.1
5.2 Grants to GDP Ratio ¹	Percent	2.8	4.1	3.7	4.3	3.2	3.7	7.4	6.8	6.2	6.2
5.2 Current Expenditure to GDP Ratio ¹	Percent	11.0	11.9	13.0	12.7	13.0	12.9	15.1	17.3	20.4	20.4
5.3 Development Expenditure to GDP Ratio ¹	Percent	2.2	5.3	3.7	3.9	3.3	3.6	8.6	8.7	8.7	8.7
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	(1.7)	(5.7)	(4.5)	(4.8)	(4.0)	(4.4)	(10.4)	(12.2)	(12.0)	(12.0)
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	1.0	(1.6)	(0.8)	(0.5)	(0.8)	(0.6)	(3.0)	(5.4)	(5.8)	(5.8)
6. Total External Debt Stock											
Disbursed Debt	Mill. USD	7,669.7	7,624.8	7,482.1	7,464.0	7,268.1	7,857.0	8,134.8	8,229.5	4,660.9	5,846.4
Interest	Mill. USD	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1
Total External Debt as % of GDP	Mill. USD	1,089.4	1,086.5	1,169.9	904.3	1,035.1	1,178.7	1,335.3	1,258.3	1,218.6	1,363.3
	Percent	82.1	89.5	80.7	78.5	75.9	83.5	77.5	72.0	36.7	34.6

Note:

- ¹ Calculated on the basis of GDP at market price
- ² Calculated on the basis of GDP at factor cost
- ³ GNDI stands for gross national disposable income
- ⁴ Annual Average
- ⁵ Revised

* Provisional

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



Table A2 : Central Government Operations - Monthly Flows

Table A2: Central Government Operations -Monthly Flows

Item	Millions of TZS						
	BUDGET	Actual					
	2008/09	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Total Revenue	4,728,595.0	318,955.8	303,538.6	437,765.1	353,695.9	321,600.8	426,645.2
Tax Revenue	4,485,099.9	303,484.6	287,597.9	420,844.5	334,000.7	305,379.8	409,078.1
Taxes on Imports	1,643,767.3	132,518.8	107,514.0	130,867.9	129,232.6	118,888.9	129,427.1
Sales/VAT and Excise on Local Goods	1,078,532.8	70,923.9	80,947.1	98,258.2	89,877.0	91,903.7	79,865.2
Refunds	145,456.9	10,386.7	10,386.8	10,386.8	12,246.7	12,246.7	12,246.7
Income Taxes	1,425,651.7	72,058.4	77,421.7	160,946.5	82,547.6	76,023.9	172,961.5
Other taxes	482,605.0	38,370.2	32,101.9	41,158.7	44,590.2	30,810.0	39,071.0
Non- tax Revenue	243,495.1	15,471.2	15,940.7	16,920.6	19,695.2	16,221.0	17,567.1
Total Expenditure /1	7,139,103.4	258,933.8	568,805.0	479,918.0	560,487.7	641,899.3	614,329.9
Recurrent expenditure	4,647,623.3	223,259.6	393,048.6	335,494.3	323,938.6	345,994.1	334,713.9
Retention fund	85,317.8	3,360.2	5,164.0	3,123.5	3,631.8	9,646.1	5,371.8
Wages and salaries	1,570,324.0	118,265.1	0.0	372,611.6	124,270.0	129,509.4	127,665.6
Interest payments	282,359.0	25,162.8	5,381.1	13,342.1	27,504.1	11,652.6	13,132.0
Domestic 2/	247,759.0	25,063.7	4,688.7	10,229.7	23,305.1	9,246.6	8,472.1
Foreign	34,600.0	99.1	692.4	3,112.4	4,199.0	2,406.0	4,659.9
Other goods, services and transfers	2,709,622.6	76,471.5	382,503.4	-53,582.9	168,532.7	195,186.0	188,544.5
Dev. Expenditure and net lending	2,491,480.1	35,674.2	175,756.4	144,423.7	236,549.1	295,905.1	279,616.0
Local	940,380.1	820.1	75,391.2	35,494.2	113,000.0	168,781.0	61,531.0
Foreign	1,551,100.0	34,854.1	100,365.2	108,929.5	123,549.1	127,124.1	218,085.0
Overall Balance (cheque issued) before Grants	-2,410,508.4	60,022.0	-265,266.4	-42,152.9	-206,791.8	-320,298.5	-187,684.7
Grants	1,441,229.2	10,613.3	40,017.4	279,555.3	101,184.2	109,112.4	326,425.6
Program (CIS/OGL)	543,904.7	0.0	0.0	241,294.0	20,753.5	24,209.8	184,587.2
Project	556,365.7	8,486.9	3,518.6	14,938.0	14,585.4	4,423.1	46,541.6
Basket funds	206,125.9	952.2	30,681.2	17,290.5	59,653.5	72,840.3	78,139.2
HIPC Relief	134,832.9	1,174.2	5,817.7	6,032.8	6,191.7	7,639.2	17,157.7
Overall defici.(cheq.issued) after Grants	-969,279.2	70,635.4	-225,248.9	237,402.3	-105,607.6	-211,186.0	138,740.9
Expenditure float	0.0	-192,050.8	-16,513.5	-4,519.9	-1,686.3	-1,309.5	-555.5
Adjustments to cash and other items (net)	0.4	48,113.4	57,505.6	-235,050.6	23,190.2	-16,478.9	-3,676.3
Overall Balance (cheques issued)	-969,278.8	-73,302.1	-184,256.8	-2,168.2	-84,103.7	-228,974.4	134,509.1
Financing:	969,278.8	73,302.1	184,256.8	2,168.2	84,103.7	228,974.4	-134,509.1
Foreign Financing (net)	946,206.7	24,434.3	65,192.8	72,822.5	67,853.2	228,822.3	73,417.6
Loans	775,649.9	0.0	35,827.7	58,442.4	39,810.6	215,350.4	71,924.9
Program loans	268,208.1	0.0	0.0	0.0	0.0	189,238.4	0.0
Development Project loans	507,441.9	0.0	35,827.7	58,442.4	39,810.6	26,112.0	71,924.9
Basket Support	212,655.6	25,060.9	29,911.3	17,720.0	28,278.5	16,560.3	5,713.7
Amortization	-42,098.8	-626.5	-546.2	-3,339.9	-235.9	-3,088.4	-4,221.0
Domestic (net)	23,072.1	48,867.7	119,064.0	-70,654.3	16,250.6	152.1	-207,926.7
Domestic Financing	-36,927.9	48,867.7	119,064.0	-70,654.3	16,250.6	152.1	-252,926.7
Bank borrowing	0.0	259,532.5	103,919.9	-74,151.6	34,167.7	-81,495.8	-319,925.0
Non-Bank (net of amortization)	-16,927.9	-210,664.8	15,144.1	3,497.3	-17,917.2	81,647.9	66,998.3
Amortization of contingent debt	-20,000.0						
Privatization Proceeds	60,000.0						45,000.0

Note:

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

/2 Domestic Interest payments and amortization include Cash and Non cash

Source: Ministry of Finance



Table A5(a) : Exports by Type of Commodity

Item	2007 ^p	2008		% Change		Year Ending December ^p		
	Dec	Nov	Dec	Dec07-Dec 08	Nov 08 - Dec 08	2007	2008	% Change
Traditional Exports:								
COFFEE								
Value	9.0	12.8	15.7	74.1	22.4	98.1	100.1	2.1
Volume	3.6	6.3	7.0	93.7	11.9	45.0	45.0	0.0
Unit Price	2,491.1	2,045.9	2,239.1	-10.1	9.4	2,177.6	2,223.3	2.1
COTTON								
Value	7.3	7.9	12.6	73.2	59.9	66.4	115.5	74.0
Volume	6.9	6.7	6.0	-12.3	-10.4	59.1	87.5	48.2
Unit Price	1,054.9	1,166.4	2,082.6	97.4	78.6	1,123.8	1,319.2	17.4
SISAL								
Value	0.4	0.0	0.0	--	0.0	8.8	3.3	-63.1
Volume	0.4	0.0	0.0	--	0.0	9.5	3.1	-67.3
Unit Price	1,110.1	0.0	0.0	--	0.0	928.4	1,050.0	13.1
TEA								
Value	1.5	2.7	2.2	49.6	-15.4	28.7	33.3	16.0
Volume	1.3	1.6	1.5	9.7	-6.7	21.5	19.5	-9.4
Unit Price	1,135.8	1,707.6	1,549.1	36.4	-9.3	1,334.8	1,709.3	28.1
TOBACCO								
Value	16.5	46.7	12.1	-27.1	-74.2	87.8	108.2	23.1
Volume	6.8	12.5	4.9	-28.8	-61.2	37.9	35.6	-6.0
Unit Price	2,423.8	3,731.8	2,480.8	2.4	-33.5	2,318.1	3,037.8	31.0
CASHEWNUTS								
Value	15.9	0.00	0.8	-95.0	0.0	25.6	40.2	56.7
Volume	21.8	0.00	1.1	-95.0	0.0	41.3	55.0	33.3
Unit Price	730.0	0.0	0.0	--	0.0	621.1	730.1	17.5
CLOVES								
Value	0.1	1.83	1.1	--	-42.0	4.2	13.5	--
Volume	0.0	0.51	0.3	--	-41.2	1.4	3.7	162.3
Unit Price	3,250.0	3,582.4	3,533.3	8.7	-1.4	2,968.3	3,616.4	21.8
Sub Total	50.7	71.9	44.5	-12.4	-38.2	319.7	414.0	29.5
Non-Traditional Exports:								
Minerals								
Gold	71.8	57.1	56.4	-21.5	-1.1	848.7	986.5	16.2
Diamond	67.1	53.9	51.7	-22.9	-4.0	788.2	898.8	14.0
Other minerals ¹	2.0	1.5	2.1	2.8	36.4	26.0	22.5	-13.6
Other minerals ¹	2.7	1.6	2.6	-4.5	61.1	34.4	65.2	89.3
Manufactured Goods								
Cotton Yarn	27.1	61.2	100.4	--	64.1	309.8	595.1	92.1
Manufactured Coffee	0.4	1.9	0.6	50.3	-70.1	7.3	17.4	--
Manufactured Tobacco	0.2	0.0	0.3	31.2	--	1.3	1.0	-20.1
Sisal Products (Yarn & Twine)	0.1	0.3	0.1	-12.4	-69.5	1.2	1.6	33.2
Other manufactured Goods ²	0.6	0.8	0.9	65.5	20.2	6.3	10.9	72.8
Other manufactured Goods ²	25.8	58.2	99.9	--	71.4	293.6	564.2	92.1
Fish and Fish Products								
Fish and Fish Products	13.0	10.2	10.8	-17.1	5.5	163.6	142.0	-13.2
Horticultural products								
Horticultural products	1.6	2.3	3.3	--	42.7	19.1	32.2	68.4
Re-exports								
Re-exports	6.9	53.5	15.4	--	-71.3	149.7	155.2	3.7
Others Exports³								
Others Exports ³	17.3	20.0	22.2	28.2	10.6	213.7	283.5	32.7
Sub Total	137.7	204.4	208.5	51.4	2.0	1,704.5	2,194.5	28.8
GRAND TOTAL	188.4	276.3	252.9	34.3	-8.4	2,024.2	2,608.5	28.9

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							
	2007 ^p	2008		% Change		Year Ending December ^p		
	Dec	Nov	Dec	Dec07-Dec 08	Nov 08 - Dec 08	2007	2008	% Change
Capital Goods	150.8	224.1	213.4	41.5	-4.8	1,765.0	2,608.0	47.8
Transport Equipments	45.8	71.5	67.9	48.4	-5.1	477.8	776.4	62.5
Building and Constructions	42.7	55.2	56.4	32.2	2.2	416.7	609.8	46.3
Machinery	62.4	97.4	89.1	42.9	-8.5	870.5	1,221.8	40.4
Intermediate Goods	127.4	244.5	129.1	1.3	-47.2	1,970.7	2,468.3	25.2
Oil imports	74.2	173.8	76.5	3.1	-56.0	1,462.1	1,798.4	23.0
Fertilizers	2.6	23.5	9.9	276.9	-57.8	59.1	147.9	--
Industrial raw materials	50.6	47.3	42.7	-15.6	-9.7	449.4	522.0	16.1
Consumer Goods	100.0	104.3	115.5	15.5	10.7	1,070.3	1,251.6	16.9
Food and food stuffs	36.6	20.5	26.2	-28.6	27.5	315.4	285.0	-9.7
All other consumer goods ¹	63.4	83.8	89.3	40.9	6.5	754.9	966.7	28.0
Grand Total (f.o.b)	378.2	573.0	458.0	21.1	-20.1	4,806.0	6,327.9	31.7
Grand Total (c.i.f)	415.6	629.7	503.3	21.1	-20.1	5,281.4	6,953.7	31.7

Note:

¹ It includes pharmaceutical products, paper products, plastic items, optical/photographic materials, textile apparels^p = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.

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

	Millions of USD							
Item	2000	2001	2002 ^r	2003 ^r	2004 ^r	2005 ^r	2006 ^p	2007 ^p
A. Current Account	-485.9	-237.4	-37.1	-118.1	-366.7	-864.3	-1,171.6	-1,855.8
Goods: Exports (f.o.b)	733.7	851.3	979.6	1,220.9	1,481.6	1,679.1	1,917.6	2,226.6
Traditional	292.8	231.1	206.1	220.5	297.8	354.5	267.1	319.7
Non-traditional	440.9	620.2	773.5	1,000.4	1,183.9	1,324.6	1,476.2	1,704.5
o/w Gold	112.7	254.1	341.1	502.8	629.9	655.1	786.4	788.2
Goods: Imports (f.o.b)	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6	-3,864.1	-4,860.6
<i>Balance on Goods</i>	<i>-633.9</i>	<i>-709.0</i>	<i>-531.8</i>	<i>-712.6</i>	<i>-1,001.2</i>	<i>-1,318.5</i>	<i>-1,946.5</i>	<i>-2,634.1</i>
Services: Credit	627.3	914.6	920.1	947.8	1,133.6	1,269.2	1,528.1	1,714.0
Transportation	56.8	105.9	117.1	138.9	183.0	222.9	343.7	331.1
Travel	376.7	615.1	635.0	646.5	746.0	823.6	950.2	1,037.1
Other	193.8	193.6	168.0	162.3	204.6	222.7	234.1	345.8
Services: Debit	-682.4	-649.7	-632.5	-725.7	-974.7	-1,207.3	-1,249.4	-1,473.6
Transportation	-205.7	-194.2	-176.9	-214.7	-267.1	-319.5	-418.3	-485.0
Travel	-337.3	-327.3	-337.5	-353.2	-445.3	-553.8	-534.5	-645.3
Other	-139.4	-128.1	-118.1	-157.8	-262.3	-334.0	-296.6	-343.2
<i>Balance on Services</i>	<i>-55.1</i>	<i>264.9</i>	<i>287.6</i>	<i>222.1</i>	<i>158.9</i>	<i>61.8</i>	<i>278.7</i>	<i>240.4</i>
Balance on Goods and Services	-689.0	-444.1	-244.2	-490.5	-842.3	-1,256.6	-1,667.8	-2,393.6
Income: Credit	50.4	55.3	67.9	87.1	81.8	80.9	53.7	80.8
Income: Debit	-240.9	-243.8	-156.8	-225.6	-195.3	-185.0	-146.8	-159.8
<i>Balance on Income</i>	<i>-190.6</i>	<i>-188.5</i>	<i>-88.8</i>	<i>-138.5</i>	<i>-113.5</i>	<i>-104.1</i>	<i>-93.1</i>	<i>-79.0</i>
<i>Balance on Goods, Services and Income</i>	<i>-879.5</i>	<i>-632.6</i>	<i>-333.0</i>	<i>-629.1</i>	<i>-955.8</i>	<i>-1,360.7</i>	<i>-1,760.9</i>	<i>-2,472.7</i>
Current transfers (net)	393.6	395.3	295.9	511.0	589.1	496.3	589.3	616.9
Current transfers: Credit	472.1	474.8	357.2	574.2	654.1	563.9	655.2	689.4
Government	427.8	418.4	307.0	507.6	582.0	478.5	560.3	595.2
o/w Multilateral HIPC relief	40.6	71.3	68.8	68.2	73.7	75.7	42.1	0.0
Other sectors	44.3	56.4	50.2	66.6	72.1	85.4	94.9	94.2
Current transfer: Debit	-78.5	-79.5	-61.3	-63.3	-65.0	-67.5	-65.9	-72.5
B. Capital Account	330.4	361.5	785.7	692.8	459.9	393.2	5,217.7	957.8
Capital transfers: Credit	330.4	361.5	785.7	692.8	459.9	393.2	5,217.7	957.8
General Government	314.7	339.2	755.6	655.5	420.0	350.1	5,169.1	904.6
Other sectors	314.7	339.2	30.1	37.3	39.9	43.1	48.6	53.2
Capital transfers: Debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Total, Groups A plus B</i>	<i>-155.5</i>	<i>124.1</i>	<i>748.5</i>	<i>574.6</i>	<i>93.2</i>	<i>-471.2</i>	<i>4,046.1</i>	<i>-897.9</i>
C. Financial Account, excl. reserves and related items	187.8	-353.7	248.1	160.6	278.8	665.3	-3,952.2	1,030.9
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	282.0	467.2	387.6	308.2	330.6	494.1	597.0	647.0
Portfolio investment	0.0	0.0	2.2	2.7	2.4	2.5	2.6	2.8
Other investment	-94.2	-829.1	-141.7	-150.3	-54.2	168.7	-4,551.8	381.2
Assets	-134.0	-76.7	2.9	-59.0	-11.0	-61.5	-175.0	114.8
Liabilities	39.9	-752.5	-144.6	-91.3	-43.2	230.2	-4,376.8	266.4
<i>Total, Groups A through C</i>	<i>118.7</i>	<i>580.0</i>	<i>996.6</i>	<i>735.2</i>	<i>372.0</i>	<i>194.1</i>	<i>93.9</i>	<i>133.0</i>
D. Net Errors and Omissions	-118.7	-580.0	-678.7	-346.2	-166.0	-416.5	366.8	399.7
Overall balance	-86.3	-809.6	317.9	389.1	206.0	-222.4	460.7	532.7
E. Reserves and Related Items	86.3	809.6	-317.9	-389.1	-206.0	222.4	-460.7	-532.7
Reserve assets	-198.8	-182.2	-372.4	-508.8	-258.4	247.7	-126.5	-419.4
Use of Fund credit and loans	49.4	15.6	26.0	-2.9	-33.8	-50.5	-334.2	-113.3
Exceptional financing	235.7	976.2	28.5	122.6	86.2	25.1	0.0	0.0
Rescheduled debt	10.1	131.4	9.8	86.9	0.0	0.0	0.0	0.0
Debt forgiveness	49.4	642.1	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	81.2	67.4	18.4	29.5	21.9	25.1	0.0	0.0
Principal arrears	95.0	135.2	0.4	6.2	64.3	0.0	0.0	0.0
Memorandum Items								
GDP(mp) Mill. TZS	7,277,799.9	8,304,338.6	10,444,508.0	12,107,062.0	13,971,593.0	15,965,295.0	17,749,574.0	20,819,190.7
GDP(mp) Mill. USD	9,092.7	9,475.6	10,799.9	11,653.4	12,828.0	14,139.1	14,155.5	16,734.7
CAB/GDP	-5.3	-2.5	-0.3	-1.0	-2.9	-6.1	-8.3	-11.1
CAB/GDP (excl. current official transfers)	-10.0	-6.9	-3.2	-5.4	-7.4	-9.5	-12.2	-14.6
Gross Official Reserves	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4	2,260.1	2,755.2
Months of Imports	5.7	6.3	6.9	7.1	6.6	4.8	4.3	4.6
Net International Reserves (year end)	542.7	761.2	1,068.2	1,413.5	1,644.6	1,395.9	1,754.8	2,794.5
Change in Net International Reserves	-137.6	-218.5	-299.6	-366.8	-231.1	248.8	-358.9	-965.9
Exchange rate (end of period)	803.3	916.3	976.7	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1
Exchange rate (Annual Average)	800.4	876.4	967.1	1,038.9	1,089.1	1,129.2	1,253.9	1,244.1

Source: Bank of Tanzania

Notes:

1. Revision is based on new data from the Private Capital Flows 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 given a new methodology of computing reserve assets which nets out the impact of valuation was introduced beginning 2006

r = Revised

p = Provisional





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

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

Source: National Bureau of Statistics

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

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

Period Weight (%)	Headline (General Index)		Non-Food										Education	Miscel. goods & services
	Food	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation			
2005-Aug	100.0	55.9	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5	
Sep	1.1	1.0	1.2	0.3	1.4	1.5	0.5	0.3	-0.3	-0.1	2.4	0.2	-0.1	
Oct	-0.2	1.5	0.3	4.8	0.3	4.3	-3.2	-0.3	9.3	-4.1	4.5	-1.2	-0.9	
Nov	1.1	1.9	2.5	1.2	0.3	-0.8	-0.7	-0.7	2.4	4.4	4.5	6.5	-0.8	
Dec	0.7	0.6	-0.6	-2.0	0.7	3.3	5.4	-0.3	-1.1	6.8	-0.8	-0.9	4.7	
2006-Jan	1.7	-0.7	0.3	-1.8	0.5	-3.4	-1.9	4.0	1.9	2.0	0.6	-0.1	0.1	
Feb	1.0	0.1	-1.5	4.5	-2.3	-0.4	1.6	-4.3	1.2	-3.3	0.1	-2.9	6.2	
Mar	0.8	0.4	1.2	0.7	-1.0	0.1	1.2	0.3	1.3	-0.7	0.2	-1.6	-0.5	
Apr	0.8	0.0	1.3	-1.0	0.9	0.1	-0.3	0.0	-1.9	-0.7	0.2	-0.7	-1.0	
May	0.9	0.7	-1.8	0.3	1.5	3.2	0.1	0.2	0.1	-0.3	0.7	1.1	-0.5	
Jun	1.7	1.4	2.7	0.1	0.1	0.8	2.6	1.5	-1.2	0.3	2.4	1.8	0.7	
Jul	-0.7	1.9	0.7	0.6	1.0	4.2	0.1	1.2	0.5	0.1	2.5	0.4	-0.4	
Aug	-2.9	0.4	1.5	1.1	1.6	-0.7	1.1	-0.1	-0.1	0.3	0.2	1.7	-0.3	
Sep	0.2	1.2	2.7	-0.5	0.4	2.6	0.4	0.6	1.3	0.3	0.0	0.6	1.2	
Oct	0.2	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2	
Nov	1.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6	
Dec	0.8	-0.7	0.2	0.3	0.0	-2.8	-0.8	0.6	-0.1	1.8	-0.2	0.0	-0.6	
2007-Jan	2.1	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6	
Feb	1.3	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6	
Mar	1.1	1.7	0.5	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9	
Apr	0.7	0.2	1.9	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	-0.5	0.4	0.9	
May	-0.1	-0.1	0.7	0.8	0.0	-0.9	0.2	0.9	0.3	-0.1	-0.1	0.1	-0.1	
Jun	0.6	1.6	1.2	-0.1	0.8	3.3	0.6	0.8	0.0	0.4	2.1	0.3	0.8	
Jul	0.1	1.0	0.1	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.5	0.6	0.0	
Aug	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	
Sep	-0.9	-0.2	-0.6	0.4	0.4	-0.4	-0.4	-0.4	0.3	0.5	-0.3	0.8	-0.8	
Oct	0.6	-0.9	0.4	-1.1	0.7	-2.3	-1.1	-0.9	-0.3	-0.6	-0.7	0.5	-0.6	
Nov	0.4	1.0	1.4	1.2	0.0	1.1	1.1	-0.4	1.1	1.1	0.9	0.4	0.5	
Dec	1.1	0.6	2.9	0.1	0.0	0.0	1.0	-0.4	0.4	-0.8	0.4	0.0	0.8	
2008-Jan	1.3	0.1	0.6	-0.8	0.0	-0.6	1.1	0.1	0.2	0.4	0.4	0.9	-0.3	
Feb	3.4	0.9	0.8	0.0	0.4	1.9	0.7	0.7	0.8	0.9	0.7	1.3	0.7	
Mar	1.4	0.6	0.4	0.1	0.0	1.6	1.0	0.6	0.0	-0.1	0.4	0.0	0.6	
Apr	0.9	0.7	0.8	0.5	0.0	1.2	0.0	0.3	0.2	-0.1	0.6	0.4	0.1	
May	0.5	1.0	0.3	0.1	0.4	1.8	0.2	0.8	0.5	0.6	1.4	0.7	0.4	
Jun	0.1	1.2	0.1	0.8	0.0	3.6	0.8	0.4	0.5	0.4	0.5	0.6	-0.3	
Jul	0.2	1.0	0.3	0.3	0.0	2.1	0.8	0.6	0.1	0.5	1.1	0.5	0.0	
Aug	0.3	0.7	0.3	-0.2	1.5	1.5	0.1	-0.3	1.0	1.2	0.4	1.1	0.7	
Sep	-0.7	-1.6	0.0	-1.0	0.0	0.2	1.1	-1.3	1.2	1.2	3.4	1.4	-1.1	
Oct	2.2	0.1	0.6	1.1	0.0	-0.3	0.1	1.4	0.7	1.0	-0.9	0.9	1.3	
Nov	0.6	0.0	0.9	0.8	0.0	-0.7	0.8	1.0	0.2	1.0	-0.7	0.0	1.1	
Dec	1.5	-0.8	0.3	0.7	0.0	-3.7	0.2	0.3	1.7	0.5	-0.6	0.5	-0.9	
2009-Jan	2.3	-0.2	0.5	1.0	0.0	-1.2	0.8	0.8	0.8	0.8	-1.3	0.9	-0.6	

Source: National Bureau of Statistics
Note: Base (1) 2001=100 up to 2005 (2) Dec 2001=100 from January 2006



Table A7 : External Debt Developments

Item	Millions of USD					
	2008/2009					
	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
1. Overall Total Debt Committed²	7,315.7	7,190.5	7,211.1	7,074.4	7,248.7	7,265.7
Disbursed outstanding debt	4,724.4	4,672.4	4,676.4	4,632.4	4,804.8	4,843.7
Undisbursed debt	2,591.4	2,518.1	2,534.8	2,441.9	2,443.9	2,422.0
2. Disbursed Debt by Creditor Category²	4,724.4	4,672.4	4,676.4	4,632.4	4,804.8	4,843.7
Bilateral debt	933.1	929.6	934.8	923.7	930.8	935.7
Multilateral debt	2,858.2	2,819.1	2,821.3	2,806.0	2,976.1	3,009.1
Commercial debt	537.5	529.2	526.5	511.4	506.7	507.4
Export credits	395.6	394.4	393.8	391.4	391.1	391.5
3. Disbursed Debt by Borrower Category²	4,724.4	4,672.4	4,676.4	4,632.4	4,804.8	4,843.7
Central Government	3,818.9	3,774.4	3,780.6	3,747.7	3,927.3	3,968.6
Parastatal Companies	156.3	154.2	153.8	150.4	149.7	148.6
Private Sector	749.2	743.8	742.0	734.4	727.7	726.6
4. Disbursed Debt by Use of Funds²	4,724.4	4,672.4	4,676.4	4,632.4	4,804.8	4,843.7
BOP & Budget Support	1,631.4	1,614.5	1,615.8	1,600.6	1,662.2	1,673.7
Transport & Telecommunication	552.6	546.5	547.0	541.9	560.0	566.6
Agriculture	553.6	547.5	547.9	542.8	563.0	567.5
Energy & Mining	635.5	627.6	628.1	622.2	643.3	650.6
Industries	129.8	128.4	128.5	127.3	134.0	133.1
Social Welfare & Education	546.5	540.5	540.9	535.9	555.8	560.3
Finance and Insurance	71.5	70.7	70.7	70.1	76.7	73.3
Tourism	65.9	65.2	65.2	64.6	65.0	67.6
Others	537.6	531.7	532.2	527.2	544.8	551.2
5. Total Amount of Loans Contracted¹	0.0	1.1	25.7	5.0	168.3	23.6
Government	0.0	0.0	25.0	0.0	153.0	
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0
Private	0.0	1.1	0.7	5.0		0.0
6. Disbursements¹	31.0	33.9	8.2	32.5	168.3	23.6
Government	31.0	33.8	8.2	32.5	168.3	23.6
Parastatal Companies	0.0	0.2	0.0	0.0	0.0	0.0
Private	0.0	0.0	0.0	0.0	0.0	0.0
7. Scheduled Debt Service¹	35.9	6.1	10.6	19.1	10.6	62.8
8. Actual Debt Service¹	3.4	3.4	1.7	6.3	3.2	5.6
Principal	1.3	2.9	0.6	2.4	1.6	1.4
Interest	2.1	0.6	1.2	3.9	1.6	4.2
Others	0.0	0.0	0.0	0.0	0.0	0.0
9. Net Transfers¹	27.6	30.5	6.5	26.3	165.1	18.0
10. Total Arrears by Creditor Category²	2,507.0	2,483.3	2,500.0	2,500.7	2,509.2	2,611.2
Principal	1,125.4	1,120.4	1,129.7	1,130.2	1,133.4	1,186.7
Bilateral	424.4	422.7	430.6	431.2	437.9	452.0
Multilateral	8.6	8.5	9.1	11.2	9.2	10.4
Commercial	365.2	360.5	359.6	353.3	350.7	378.8
Other Private Creditors	327.2	328.7	330.4	334.6	335.6	345.5
Interest	1,381.6	1,362.9	1,370.3	1,370.6	1,375.8	1,424.5
Bilateral	615.0	610.8	618.1	626.9	634.7	661.8
Multilateral*	0.7	0.8	1.2	1.2	1.1	1.4
Commercial	518.9	506.4	506.5	496.9	488.7	508.8
Other Private Creditors	247.0	244.8	244.5	245.5	251.3	252.6
11. External Debt Stock	6,105.9	6,035.3	6,046.6	6,003.0	6,180.6	6,268.3
12. Domestic Debt Stock	1,697.7	1,743.2	1,710.0	1,506.3	1,571.7	1,504.3
13. Total Debt Stock	7,803.6	7,778.5	7,756.6	7,509.3	7,752.3	7,772.6
End Period Exchange Rate	1,164.1	1,164.7	1,168.9	1,277.9	1,258.7	1,280.3

Source: Bank of Tanzania

*Multilateral arrears are those owed by the private companies

1) During the period (2) End of December 2008 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 Facility

An overnight facility established to enable commercial banks to borrow at their own discretion, by pledging eligible government securities as collateral.

Lombard Rate

This is the rate payable for the use of the Lombard Facility. The rate is based on the prevailing 35-days Treasury bill yield, REPO rate and overnight inter-bank rate, whichever is higher.

Money Supply, M

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

M1, Narrow Money,

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

M2, Broad Money

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

M3, Extended Broad Money

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

Non-Food or Underlying Inflation Rate

This is a measure of price movements caused by factors other than food prices. It provides better indication of the effectiveness of monetary policy on inflation since price movements in these items are caused largely by monetary policy.

Repurchase Agreement (REPO)

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

Reserve Money (M0)

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

Seasonally Adjusted Series

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

Weighted Annualized Yields of Treasury Bills of all Maturities

This is the average yield of Treasury bills, which is weighted by the volume sold of 35-day, 91-day, 182-day, and 364-day Treasury bills, expressed in percentage per year.



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