



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

November 2008



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1.0 Inflation Developments

Month-to-month headline inflation rate decelerated to 0.6 percent in October 2008 from 2.2 percent recorded in a month earlier, explained by the decline in both food and non-food inflation. Likewise, using seasonally adjusted indices, the month-to-month headline inflation dropped to negative 0.3 percent in October 2008 from an increase of 2.5 percent recorded in September 2008. However, the annual headline inflation rose to 11.8 percent in October 2008, compared to 11.6 recorded in September 2008 (Table 1.1 and Chart 1.1).

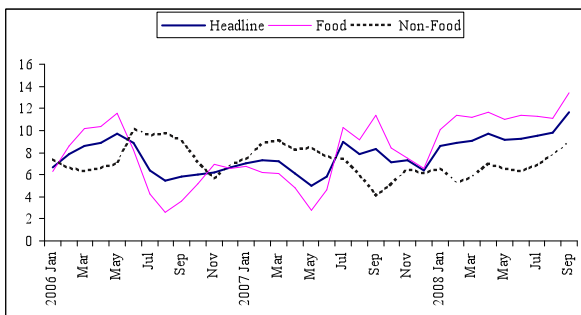
Table 1.1: Annual Percentage Change in Consumer Price Index (All-Urban)

(Base: Dec 2001 = 100)

Major Commodity Group	Weight (%)	2006			2007			2008		
		Aug	Sep	Oct	Aug	Sep	Oct	Aug	Sep	Oct
Headline/Overall	100.0	5.5	5.8	6.0	7.8	8.3	7.1	9.8	11.6	11.8
Food	55.9	2.6	3.6	5.2	9.2	11.4	8.4	11.1	13.4	14.6
Non-food	44.1	9.7	9.0	7.0	6.0	4.1	5.1	7.8	8.9	7.9
Transportation	9.7	9.3	12.3	7.2	6.5	4.3	5.6	9.9	9.7	7.9
Fuel, Power and Water	8.5	13.9	9.6	9.2	4.2	1.4	3.8	12.7	15.0	12.9
Drinks and Tobacco	6.9	10.6	10.7	8.7	7.3	6.2	7.0	8.6	8.8	8.3
Clothing & Footwear	6.4	8.1	3.8	3.0	6.4	4.5	5.4	-0.1	2.2	1.8
Education	2.6	4.6	6.1	1.3	8.8	9.2	7.8	7.9	8.3	7.9
Furniture & Household Equip.	2.1	8.2	13.5	13.1	6.9	4.1	4.6	6.9	8.2	7.9
H/h Operations Maintenance	2.1	1.9	4.2	6.1	9.5	6.5	5.8	1.1	3.4	4.0
Personal Care & Health	2.1	14.0	5.3	4.6	3.5	2.2	1.6	5.9	6.9	5.9
Rents	1.4	3.5	3.2	2.9	2.1	2.8	2.8	3.1	2.4	2.4
Recreation & Entertainment	0.8	5.5	10.3	6.1	10.8	9.7	10.5	5.2	6.9	6.9
Misc. Goods & Services	1.5	8.7	9.9	10.1	0.0	-0.8	0.3	1.5	3.4	3.9

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

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



The increase in the rate of inflation was mainly explained by a rise in food prices. The increase was also reflected in the 12-months average annual headline inflation, which rose to 9.3 percent in October 2008 compared to 7.0 percent in the corresponding period (November 2006 to October 2007).

Month-to-month non-food inflation rate declined slightly from 0.1 percent in September 2008 to zero percent in October 2008 due to decrease in average prices of some non-food items such as kerosene, petrol and diesel. Also, the annual non-food inflation declined to 7.9 percent in October 2008 compared to 8.9 percent in September 2008. Likewise, the 12-months annual non-food inflation rate averaged 6.8

percent in October 2008 compared to 7.0 percent in the corresponding period a year before.

Month-to-month food inflation slowed down to 1.0 percent in October 2008 from 3.7 percent recorded in the year that ended in September 2008, reflecting improvement in food supply in the markets. However, the annual food inflation recorded an increase of 14.6 percent in October 2008, compared to 13.4 percent recorded in September 2008. The 12-months annual food inflation rate averaged 10.9 percent in October 2008 which is higher than the rate of 7.0 percent in the corresponding period in the preceding year.

Food Supply Situation

Food supply situation continued to improve throughout the country in October 2008, as harvesting which started in early June 2008 had been completed and eased food insecurity. In October the National Food Reserve Agency (NFRA), formally Strategic Grain Reserve (SGR) Department, purchased a total of 12,239 tons of maize and sorghum from the domestic market, and exported 3,090 tons of maize to Kenya. NFRA had planned to purchase 100,000 tons of maize and 5000 tons of sorghum from domestic market to replenish its reserve, but only 44,565 tons were procured as at end October 2008.

Wholesale prices of selected food crops generally continued to increase in October 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	
	October	September	September	October	Oct 07 to Oct-08	Sep-08 to Oct-08
Maize	23,530	29,062	31,642	31,642	23.5	8.9
Rice	65,789	95,472	99,554	99,554	45.1	4.3
Beans	79,496	99,455	103,976	103,976	25.1	4.5
Sorghum	29,380	42,826	43,908	43,908	45.8	2.5
Potatoes	36,736	38,959	38,959	37,933	6.1	-2.6

Source: Ministry of Industry, Trade and Marketing

However, on month to month basis, prices of selected food items increased moderately, with exception of potatoes that declined mainly due to onset of the countrywide harvesting season.

The National Food Reserves

By the end of October 2008, the National Food Reserve (NFR) stock increased by 12 percent to 114,464 tons from 102,225 tons recorded in September 2008 (Table 1.3) mainly, due to on-going domestic purchases. However, on annual basis the stocks were 20.4 percent lower than the stocks of 143,717 tons recorded in October 2007 due to low purchases caused by slow funds disbursement from the Treasury.



Table 1.3: Strategic Grain Reserve (SGR) Stock

Period	Tons							% Change 2007-2008
	2003	2004	2005	2006	2007	2008		
January	59,961	35,342	119,924	76,813	112,343	139,765	24.4	
February	59,493	23,791	116,383	43,593	117,838	133,898	13.6	
March	58,976	22,903	114,760	8,055	121,046	119,022	-1.7	
April	54,118	32,387	115,262	3,165	125,509	94,509	-24.7	
May	52,857	31,732	113,823	6,210	128,350	79,369	-38.2	
June	51,060	37,091	112,823	15,560	128,804	76,649	-40.5	
July	50,661	39,195	112,323	13,811	129,306	75,438	-41.7	
August	52,681	45,988	112,067	28,440	125,653	83,131	-33.8	
September	61,364	67,685	111,971	80,248	131,937	102,225	-22.5	
October	59,379	92,710	111,695	87,461	143,717	114,404	-20.4	
November	52,054	108,448	106,428	100,828	142,624			
December	41,649	114,030	93,051	110,203	142,044			

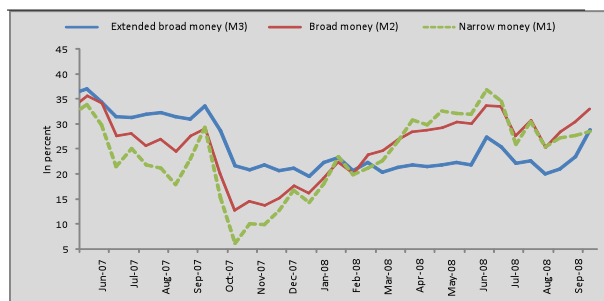
Source: Food Security Department and BOT computation.

2.0 Monetary and Financial Developments

Money Supply

During the year ending October 2008, expansion of monetary aggregates continued to record a sizeable growth rates, mainly on account of sustained strong growth of credit to the private sector. Annual growth rate of extended broad money supply (M3) rose significantly to 28.8 percent in October 2008, from 23.5 percent recorded in the preceding month, and well above 21.9 percent registered in the corresponding period in 2007. Likewise, broad money supply (M2) registered an annual growth rate of 33.1 percent from 30.4 percent recorded in the previous month, and 28.5 percent registered in the corresponding month in 2007 (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

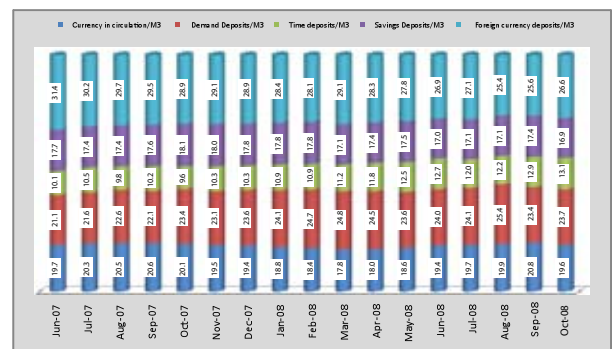
	Stock			Monthly Change		Annual Growth Rate (%)				
	Sep-07	Oct-07	Sep-08	Sep-08	Oct-08	Sep-07	Oct-07	Sep-08	Oct-08	
Extended broad money (M3)	5,654.2	5,740.3	6,985.6	7,394.8	116.8	409.3	21.3	21.9	23.5	28.8
Broad money (M2)	3,987.7	4,079.5	5,200.5	5,430.3	79.7	229.8	26.8	28.5	30.4	33.1
Currency outside the banking system	1,163.6	1,151.9	1,450.1	1,451.6	82.9	1.5	23.9	23.6	24.6	26.0
Demand deposits	1,251.7	1,341.6	1,636.2	1,753.0	105.6	116.8	29.3	27.9	30.7	30.7
Time deposits	578.8	548.8	899.3	973.3	59.5	72.9	28.6	28.6	55.4	71.2
Savings deposits	993.5	1,037.3	1,214.9	1,253.4	42.8	38.5	26.1	27.2	22.3	20.8
Foreign currency deposits	1,666.5	1,660.8	1,785.1	1,964.6	37.2	179.5	10.0	8.4	7.1	18.3
FCD in millions of USD	1,255.0	1,423.2	1,527.7	1,527.7	26.4	10.2	13.8	19.5	12.7	8.0
Private sector deposits in DMBs	4,490.5	4,588.4	5,535.5	5,942.2	33.9	407.8	20.7	21.5	23.3	29.5
Government deposits in DMBs	281.9	345.7	246.2	263.7	6.9	16.5	21.2	31.4	-12.7	-24.0
Total deposits	4,772.4	4,934.1	5,781.7	6,205.9	40.9	424.2	20.7	22.1	21.1	25.9
Net Foreign assets	3,770.0	3,615.2	3,392.2	3,594.4	133.3	112.3	13.6	10.3	-10.0	-3.1
Bank of Tanzania	3,164.0	3,068.1	2,863.4	2,926.1	213.0	62.7	33.6	34.0	-9.5	-4.6
Other Depository Corporations	606.0	547.1	528.8	578.4	-78.5	49.6	-36.2	-44.6	-12.7	5.7
Net domestic assets	2,493.4	2,734.3	4,202.6	4,499.6	-16.4	297.0	27.7	34.1	68.5	64.5
Domestic credit	2,438.0	2,509.6	4,313.5	4,643.7	163.3	330.2	41.4	15.5	76.9	80.7
Net claims on government by the banking system	-119.4	190.6	367.2	424.3	-74.8	57.1	-8.0	-186.9	-267.4	-322.5
Claims on government by the banking system	2,069.7	2,061.2	2,000.5	2,066.7	65.3	66.2	82.1	44.1	-3.3	0.3
Government deposits in the banking system	2,289.1	2,351.8	1,633.3	1,642.4	140.1	9.2	66.5	85.9	-28.7	-27.1
Claims on the private sector	2,657.4	2,780.2	3,945.3	4,219.4	238.1	273.1	35.4	37.7	48.5	52.8

Source: Bank of Tanzania

On the demand side, the increase in money supply was mostly explained by strong growth rates in time and demand deposits.

In terms of ratios to M3, during October 2008 there was no substantial shift in the preferences for holding money, except for some valuation gains in favour of foreign currency deposit holders, which improved its ratio slightly following recent depreciation of the shilling against major currencies (Chart 2.2).

Chart 2.2: Components of Money Supply as Percentage of M3



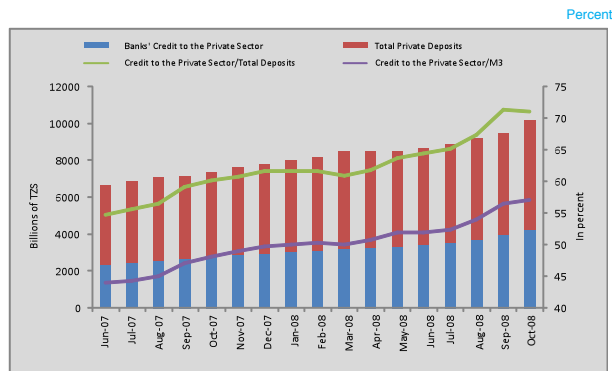
Credit Developments

During the year ending October 2008, expansion of credit by banks to the private sector has maintained its rapid pace, reaching a record high growth rate of 52.8 percent, the highest in the recent decades, and well above the 48.5 percent recorded in September 2008. Likewise, the ratio of private sector credit to total private deposits improved significantly reaching 71 percent in October compared with an average of 51.9 percent in the past five years (Chart 2.3). The sustained rapid growth of credit to the private sector was mainly triggered by continued improvement in the overall expenditure management by the governments coupled with foreign inflows from the development partners, which have contributed to the reduction in government recourse to bank borrowing. Similarly, improvement in



public awareness in servicing their loan obligations, as well as improved competition among banks, introduction of new products by banks such as mortgage finance, coupled with expansion of various economic activities related to trade, transport and communications, manufacturing, construction, and marketing of agricultural products, contributed to the continued expansion of private sector credit in the country.

Chart 2.3: Total Deposits and Credit of the Banking System



Source: Bank of Tanzania

Interest rates Developments

Interest rates on domestic currency denominated financial products exhibited a general rising pattern during October 2008. Overall weighted average Treasury bill yield increased from 10.17 percent in September 2008 to 10.30 percent October. Similarly, 364-day Treasury bill yield rose from 11.56 percent to 11.63 percent in the same period. Overnight interbank cash market rate also went up from 4.19 percent to 5.23 percent, partly signaling a general liquidity tightening in the banking system during the month under review compared with the preceding months. Likewise, the overall interbank rate went up from 4.32 percent in September 2008 to 5.45 percent in October 2008.

Interest rates offered by banks also recorded a slight improvement in October 2008, which is in line with the developments in the Treasury securities market. 12-month time deposit rate rose from 8.05 percent in September 2008 to an average of 8.20 percent in October, whereas savings deposit rate stabilized at around 2.6 percent. Negotiated deposit rate eased moderately to 10.11 percent in October 2008 compared with 10.27 percent recorded in the preceding month.

On the other hand, rates charged by banks generally eased in the recent past, albeit at a slower pace. Overall lending rate declined from 14.91 percent in September 2008 to 14.82 percent in October 2008, whereas short-term lending rate eased from 14.04 percent to 13.27 percent during the same period. As for negotiated lending rate, it edged up to 13.38

percent in October 2008 from 12.68 percent recorded in the preceding month (Table 2.2).

Table 2.2: Weighted Average Interest Rates Structure

Item	2007				2008											
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct		
Overall interbank cash market rate	12.27	18.92	9.67	5.83	6.74	4.81	4.34	4.12	3.83	3.61	3.61	3.70	4.32	5.45		
Overnight interbank cash market	12.07	18.64	10.19	5.37	6.47	4.52	4.11	3.83	3.59	3.49	3.49	3.64	4.19	5.23		
REPO Rate	11.56	11.34	7.36	5.13	6.60	4.79	3.82	3.67	3.66	3.75	3.79	3.76	4.02	4.89		
Overall Treasury bills rate	15.99	15.42	12.45	11.40	10.89	8.37	7.39	7.03	7.00	7.84	9.46	9.47	10.17	10.30		
364 days	15.99	15.85	13.69	12.95	13.80	9.82	9.40	9.43	9.03	10.00	11.15	11.48	11.56	11.63		
Savings Deposit Rate	3.62	2.59	2.63	2.65	2.66	2.64	2.64	2.75	2.74	2.79	2.64	2.61	2.64	2.59		
Overall Time Deposits Rate	7.99	8.28	8.20	8.33	8.16	8.21	8.02	7.56	6.71	6.66	6.58	5.86	6.48	6.22		
12 month time deposit rate	9.64	10.22	9.85	10.08	10.10	9.97	9.33	9.18	8.76	8.29	8.17	7.48	8.05	8.20		
Negotiated Deposit Rate	9.83	10.61	10.96	11.04	10.72	10.52	10.39	11.20	11.07	10.63	9.26	9.63	10.27	10.11		
Overall Lending rate	15.97	15.32	15.98	15.31	15.27	15.13	15.15	14.74	14.78	14.76	15.05	14.83	14.91	14.82		
Short-term lending rate (up to 1 year)	14.29	14.13	14.35	15.01	14.17	14.48	13.90	13.08	13.98	13.93	13.35	13.86	14.04	13.27		
Negotiated Lending Rate	11.91	11.89	11.68	11.98	11.50	11.76	11.82	12.77	12.57	13.07	11.01	12.18	12.68	13.38		
Margin between short-term lending and one-year time deposit rates	4.65	3.91	4.50	4.94	4.07	4.50	4.57	3.90	4.82	5.64	5.18	6.38	6.00	5.07		

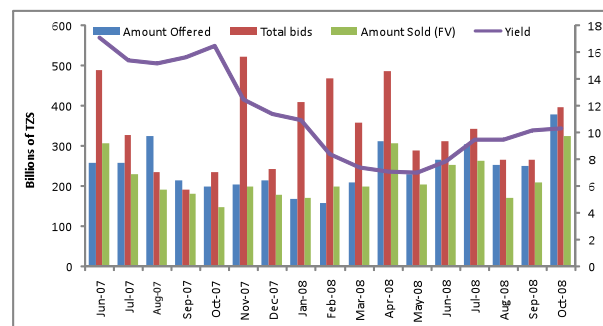
Source: Commercial banks and Bank of Tanzania

Financial Markets Developments

Treasury Bills

During October 2008, the market was supplied with a relatively higher amount of Treasury bills, worth TZS 380.0 billion from TZS 252 billion supplied in September 2008. The enhancement of the volume of Treasury bill was necessary in order to slow down the pace of growth of monetary aggregates, which has remained on the higher path in the recent months. Demand for Treasury bills continued to improve in October 2008, reaching TZS 397.3 billion, compared with TZS 267.2 billion recorded in the preceding month. The market was however characterised with outlier bids that led the Bank to intervene and accept Treasury bills with face value of TZS 326.4 billion. The successful bids accounted for 85.9 percent of the total amount offered by the Bank during the month under review. In the same month, Treasury bills worth TZS 239.3 billion matured. Weighted average yields rose across all maturities, with overall weighted average Treasury bill rate reaching an average of 10.30 percent in October 2008 from 10.17 percent registered in the preceding month (Chart 2.4).

Chart 2.4: Treasury Bills Market Developments



Source: Bank of Tanzania



Treasury Bonds

During In October 2008, 5-year Treasury bond worth TZS 48 billion was supplied in the market, whereas in September 2008 a 2-year bond worth TZS 22.0 billion was offered. Demand in October was however very low at TZS 17.5 billion compared with the demand of TZS 72.3 billion in September. This outturn suggests preference in favour of shorter maturities, which was also observed in other instruments. The Bank however accepted bids with face value of TZS 13.5 billion after removing outlier bidders. This compares with TZS 44.9 billion that were successful in September 2008. The yield on 5-year bond, increased sizeably to 16.39 percent in October 2008 from 14.49 percent recorded since March 2008, when a 5-year bond was last auctioned.

Repurchase Agreements

During the month under review, the Bank continued to sale repurchase agreements more frequently to supplement Treasury securities in the management of liquidity in the banking system. In October 2008, repurchase agreements amounting to TZS 558.3 billion were conducted against redemption of TZS 580.8 billion. Repo rate edged up from 4.02 percent in September 2008 to an average of 4.89 percent in October 2008.

Inter-Bank Cash market Developments

Inter-bank cash market remained vibrant during October 2008, with transactions among banks amounting to TZS 470.5 billion, compared with TZS 336.4 billion traded in the preceding month. Overnight transactions declined significantly to TZS 153.7 billion in October 2008, but remained dominant accounting for about 33 percent of the total interbank cash market transactions. This was followed by 7-day maturity interbank loan worth TZS 152.6 billion or 32.4 percent of total interbank cash market transactions. In September 2008, overnight transactions amounted to TZS 153.2 billion, which was 46 percent of the total interbank cash transactions, whereas for 7-day maturity loan amounted to TZS 99.1 billion and accounted for 29.5 percent of total interbank cash market transactions. This outturn reflects a relatively liquidity tightening among some banks in October compared with September 2008, also substantiated by the rising in overnight interbank market rate. The overnight interbank rate has been rising since July 2008 when it was 3.49 percent to 5.23 percent in October 2008. The rising trend partly reflects relative increase in demand for cash by some banks following the continued tight monetary policy measures. Meanwhile, overall interbank cash market rate rose to 5.45 percent in October 2008 from

4.32 percent in September 2008.

Foreign Exchange Market

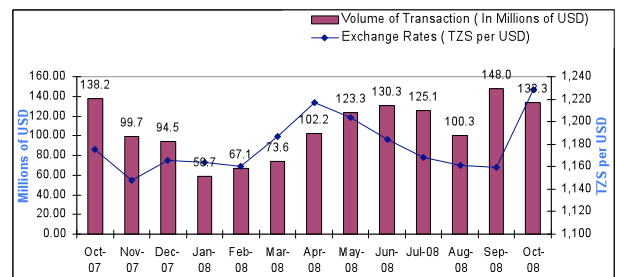
In October 2008, the value of transactions in the Inter-Bank Foreign Exchange Market (IFEM) declined moderately to USD 133.3 million. This development partly emanated from the decline in foreign exchange earnings from non-traditional exports. As the result, the Bank of Tanzania and non-banks on net basis sold USD 82.0 million and USD 7.4 million, respectively, while commercial banks purchased USD 89.7 million. The weighted average exchange rate depreciated by 5.9 percent to TZS 1,228.2 per USD in October 2008 from TZS 1,159.5 per USD recorded in September 2008 (Table 2.3 and Chart 2.5).

Table 2.3: Inter Bank Foreign Exchange Market Developments

Item	2008		2007 Oct	% Change		Year Ending October		
	Sep	Oct		Sep 08 to Oct 08	Oct 07 to Oct 08	2007	2008	% Change
Amount Offered	147.96	133.28	138.15	-9.92	-3.53	1,137.23	1,255.91	10.44
Amount Sold	147.96	133.28	138.15	-9.92	-3.53	1,137.23	1,255.91	10.44
Exchange Rate (TZS per US dollar)	1,159.49	1,228.24	1,175.14	5.93	4.52	1,261.34	1,178.74	-6.55

Source: Bank of Tanzania
* Millions of USD

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



Source: Bank of Tanzania

The volume of transactions conducted by Bureau de Change system went up slightly to USD 78.3 million. The buying rate depreciated to TZS 1,215.0 per USD from TZS 1,153.0, while the selling rate depreciated to TZS 1,242.0 per USD from TZS 1,171.0 (Table 2.4).

Table 2.4: Bureau de Change Operations

Item	2008		2007 Oct	% Change		Year Ending October		
	Sep	Oct		Sep 08 to Oct 08	Oct 07 to Oct 08	2007	2008	% Change
Amount Offered	147.96	133.28	138.15	-9.92	-3.53	1,137.23	1,255.91	10.44
Amount Sold	147.96	133.28	138.15	-9.92	-3.53	1,137.23	1,255.91	10.44
Exchange Rate (TZS per US dollar)	1,159.49	1,228.24	1,175.14	5.93	4.52	1,261.34	1,178.74	-6.55

Source: Bank of Tanzania
* Millions of USD



3.0 Government Budgetary Operations

The central government budgetary operation for the month of September 2008 recorded a deficit of TZS 31.5 billion, which was an improvement compared to previous month level, owing to disbursement of funds from the development partners.

Revenue Performance

Total revenue collected by Government during the month of September 2008 amounted to TZS 437.8 billion, which was close to the target of TZS 437.3 billion. This achievement was largely contributed by tax revenue that accounted 96.1 percent of total revenue. Good performance was registered in VAT on domestic products, fuel levy and transit fees. On the contrary, revenue collection from imports performed below the target of TZS 138.2 billion by TZS 7.3 billion. Also, non-tax revenue was below the expected collection of TZS 22.3 billion by TZS 5.4 billion.

Government Expenditure

Total operating and development expenditure of the Government corresponding to the month under review stood at TZS 701.0 billion. Out of the total expenditure, TZS 549.1 billion was used to cover recurrent expenses while development expenditure utilized TZS 151.9 billion.

Overall Budget Position

Overall performance of the budgetary operations in the period under review, after adjustments, recorded a lower deficit of TZS 31.5 billion compared with a deficit of TZS 156.3 billion in the previous month. During the month the government received foreign financing amounting to TZS 94.9 billion, part of which was used to finance the deficit and the rest to build up government deposits in the banking system.

4.0 External Sector Performance

Current Account Balance

During the year ending October 2008, the current account deficit widened to USD 3,103.0 million from a deficit USD 1,859.2 million recorded in the corresponding period a year before. This development was largely due to a significant decline in official current transfers coupled with an increase in imports that dampened the effect of the increase in exports. During the review period, imports of goods and services increased by 30.1 percent compared to an increase of 21.3 percent recorded in exports. Meanwhile, current transfers declined to USD 518.2 million from USD 717.0 million recorded during the year ending October 2007 following delays in commencement of disbursements by development partners. (Table 4.1)

Table 4.1: Current Account Balance

Millions of USD

Item	October		2008p		Year Ending October		% Change
	2006	2007	Sep	Oct	2007p	2008p	
Goods Account (net)	-139.5	-216.8	-377.8	-361.9	-2,690.8	-3,856.2	43.3
Exports	169.4	220.2	236.3	220.4	1,999.1	2,498.9	25.0
Imports	308.9	437.0	614.1	582.3	4,689.9	6,355.1	35.5
Services Account (net)	23.3	8.2	37.9	31.9	237.3	337.3	42.1
Receipts	131.0	142.6	166.1	170.2	1,688.3	1,972.5	16.8
Payments	107.7	134.5	128.2	138.3	1,451.0	1,635.3	12.7
Goods and services (net)	-116.2	-208.6	-339.8	-330.0	-2,453.5	-3,519.0	43.4
Exports of goods and services	300.4	362.9	402.4	390.6	3,687.4	4,471.4	21.3
Imports of goods and services	416.6	571.5	742.3	720.6	6,140.9	7,990.3	30.1
Income Account (net)	-5.7	-4.5	-5.8	-5.6	-50.4	-18.9	-62.5
Receipts	7.5	9.3	13.4	21.3	96.3	167.7	74.1
Payments	13.2	13.8	19.1	15.7	146.7	186.6	27.2
Current Transfers (net)	102.8	87.0	214.4	32.9	644.6	434.9	-32.5
Inflows	107.6	97.4	223.0	39.1	717.0	518.2	-27.7
o/w General							
Government	99.7	8.9	214.9	31.0	623.7	420.4	-32.6
Outflows	4.8	10.4	8.6	6.2	72.4	83.3	15.1
Current Account Balance	-19.1	-126.1	-131.2	-291.6	-1,859.2	-3,103.0	66.9

Source: Bank of Tanzania

Note: P = Provisional

Totals July not add up due to rounding of numbers

On monthly basis, exports of goods and services declined to USD 390.6 million in October 2008 from USD 402.4 million recorded in the previous month. Likewise, imports of goods and services went down to USD 720.7 million compared to USD 742.3 million in September 2008. Disbursement of official current transfers also declined to USD 31.0 million from USD 214.9 million in the previous month.

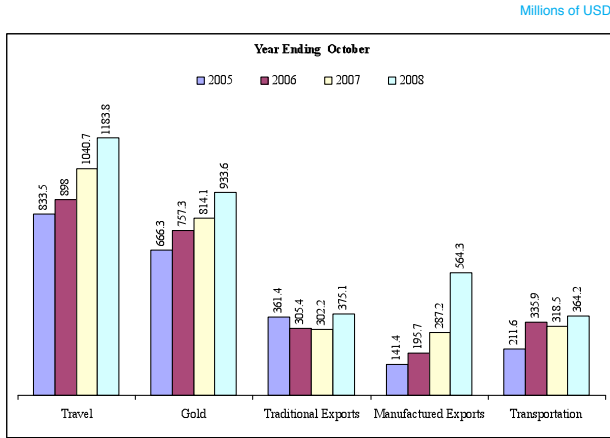
Exports Performance

During the year ending October 2008, total export of goods and services went up to USD 4,471.4 million from USD 3,687.4 million recorded in the corresponding period a year before. Much of the increase was recorded in export of



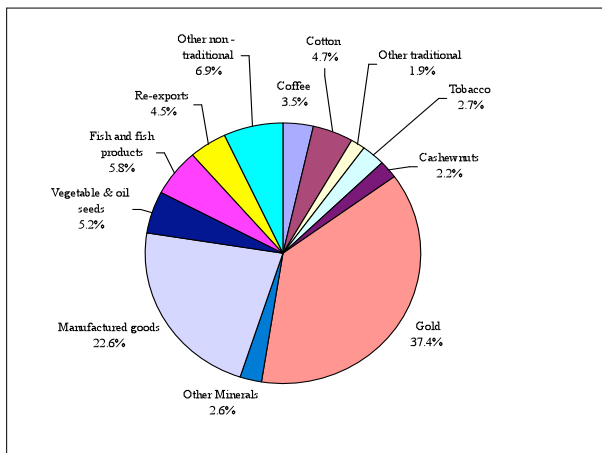
manufactured goods that went up by 96.5 percent to USD 564.3 million. However, as a share of total exports, travel and gold receipts dominated the export sector accounting for 26.5 percent and 20.9 percent, respectively. **Chart 4.1** summarizes the performance of selected export items during the past four years.

Chart 4.1: Performance of Selected Exports Items



Goods export increased by 25.0 percent to USD 2,498.9 million on account of the improved performance in traditional and non-traditional exports. During the review period, traditional and non-traditional exports recorded an increase of 24.1 percent and 25.2 percent, respectively. Meanwhile, gold continued to dominate accounting for 37.4 percent of total goods export, followed by manufactured goods which accounted for 22.6 percent (**Chart 4.2**).

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



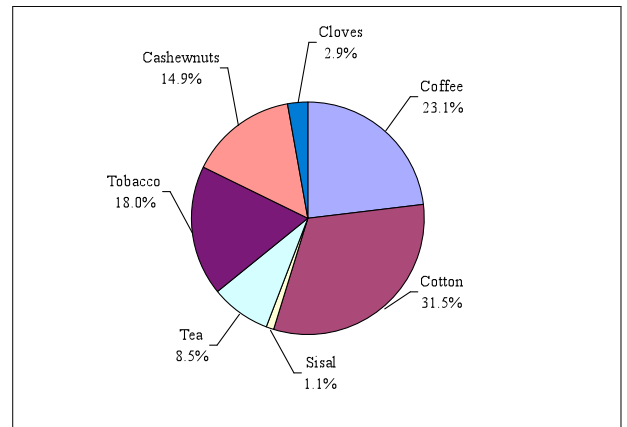
- Note:
1. Other non-traditional include horticultural products and other exports
 2. Other traditional exports include sisal, tea and cloves
 3. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.
 4. Re-exports refers to goods that are imported and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

Traditional Exports

In October 2008, the value of traditional exports declined to USD 46.2 million from USD 49.3 million recorded in the previous month, mainly on account of decreases in volumes of cotton and tobacco, while export volumes of coffee, sisal, tea and cloves registered increases.

During the year ending October 2008, value of traditional exports increased by 24.1 percent to USD 375.1 million largely due to a significant increase in export volumes of cotton following improved harvests of cotton and cashewnuts. During the review period, the volume of cotton exported increased significantly from 46,012 tons in the previous year to 94,025 tons. Likewise, there was an increase in export volumes of cashewnuts to 76,641 tons from 57,821 tons during the year ending October 2007. **Chart 4.3** depicts the contribution of individual crops to total value of traditional exports.

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



Non-Traditional Exports

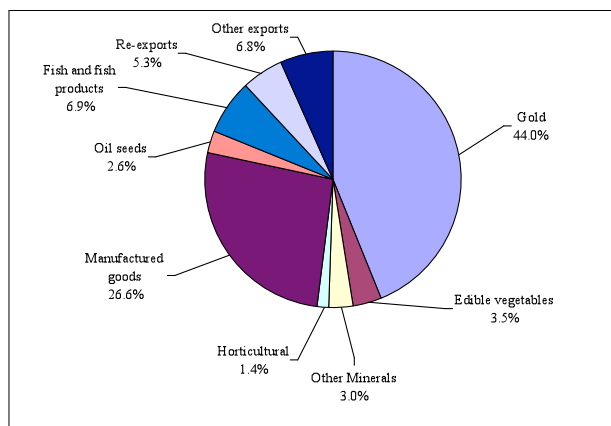
During the month under review, non-traditional exports declined by 6.9 percent to USD 174.2 million mainly on account of the decrease in exports of manufactured goods and minerals particularly gold.

On annual basis, non-traditional exports increased by 25.2 percent to USD 2,123.7 million. Much of the increase was largely due to impressive performance in manufactured goods export which went up to USD 564.3 million from USD 287.2 million in the previous year. Other sub-categories of non-traditional exports that recorded significant increases include other exports particularly edible vegetables and fruits. Improved performance was also recorded in horticultural exports that mainly consist of cut flowers which rose by 58.4 percent to USD 29.8 million largely due to the expansion in horticultural production and improvement in aviation industry.



On the other hand, gold exports rose by 14.7 percent to USD 933.6 million following an increase in prices in the world market as export volumes recorded a decline. While the volume of gold exports went down to 32.7 tons from 40.7 tons recorded in the corresponding period in the preceding year, the prices of gold in the world market increased from USD 667.4 per troy ounce to USD 874.4 per troy ounce in the review period. The rise in gold prices was largely due to weakening of US dollars against other major currencies and instability in the global financial markets. Chart 4.4 depicts the composition of non-traditional exports for the year ending October 2008.

Chart 4.4: Contribution to total Non Traditional Exports for the Year Ending October 2008

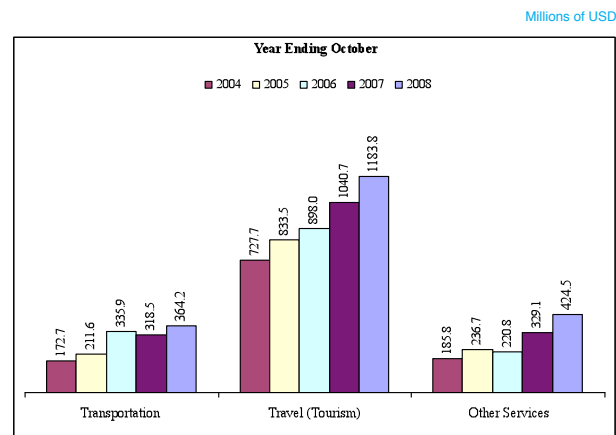


Services Export

During October 2008, export of services increased marginally to USD 170.2 million compared to USD 166.1 million in the previous month following an increase in other business and communication services.

On annual basis, services receipt continued to increase reaching USD 1,972.5 million in October 2008 from USD 1,688.3 million in the corresponding period a year before following improvement in transportation, travel, insurance and other business services receipt. Travel which account for over 50 percent of total service receipts increased to USD 1,183.8 million from USD 1,040.7 million recorded during the corresponding period in the previous year. This development is partly a result of the on-going promotional campaigns of Tanzania's tourist attractions especially in the United States and England. In addition, there has been an increase in the number of international flights to the country and improvement in accommodation facilities on both the Mainland and Zanzibar. Chart 4.5 depicts performance of the main service exports during the past four years.

Chart 4.5: Service Receipts 2004 – 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, goods import dropped by 5.2 percent to USD 582.4 million following a decline in imports of capital and consumer goods. Importation of capital goods decreased by 17.8 percent to USD 203.7 million largely attributed to a fall in importation of transport equipment and machinery. Similarly, importation of consumer goods went down slightly to USD 135.7 million from USD 136.1 million in September 2008. On the other hand, intermediate goods increased by 5.5 percent to USD 243.0 million with much of the increase arising from importation of fertilizer in preparation for the farming season (Table 4.2).

Table 4.2: Imports (f.o.b value) by Major Category

Item	2007 ^P		2008		% Change		Year Ending October ^P		
	Oct	2007	Sep	Oct	Oct 07 - Oct 08	Sep 08 - Oct 08	2007	2008	% Change
Capital Goods	163.8	247.8	203.7	24.4	-17.8	-17.8	1,672.8	2,465.1	47.4
Transport Equipments	48.5	61.5	51.2	5.7	-16.6	-16.6	428.0	738.7	72.6
Building and Constructions	32.9	57.7	61.9	88.4	7.2	7.2	394.3	555.5	40.9
Machinery	82.4	128.6	90.6	9.9	-29.6	-29.6	850.6	1,170.9	37.7
Intermediate Goods	163.2	230.2	243.0	48.9	5.6	5.6	1,910.9	2,407.0	26.0
Oil imports	104.7	179.0	171.1	63.3	-4.4	-4.4	1,433.4	1,757.9	22.6
Fertilizers	8.1	4.8	22.7	178.8	370.6	370.6	58.4	117.0	100.4
Industrial raw materials	50.3	46.4	49.3	-2.2	6.2	6.2	419.1	532.0	26.9
Consumer Goods	110.0	136.1	135.7	23.3	-0.3	-0.3	978.0	1,227.6	25.5
Food and food stuffs	42.6	47.6	48.2	13.1	1.3	1.3	233.3	322.8	38.4
All other consumer goods ¹	67.5	88.5	87.5	29.7	-1.1	-1.1	744.8	904.8	21.5
Grand Total (f.o.b)	437.0	614.1	582.4	33.3	-5.2	-5.2	4,561.8	6,099.7	33.7
Grand Total (c.i.f)	480.2	674.8	640.0	33.3	-5.2	-5.2	5,013.0	6,703.0	33.7

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

During October 2008, the total value of cereal imports remained almost unchanged at USD 44.0 million. Table 4.3 summarizes the import of selected cereals during the last four months beginning July 2008.



Table 4.3: Summary of Selected Food Imports

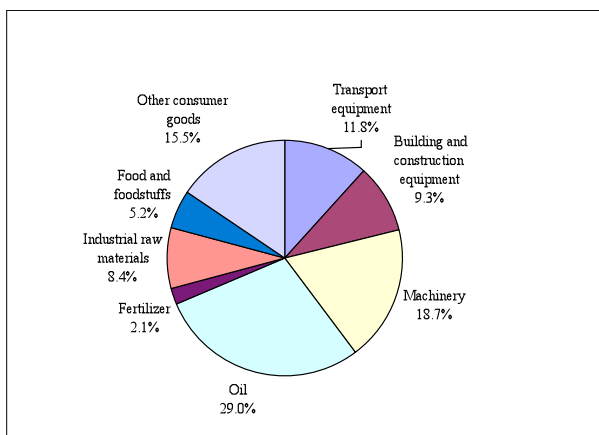
Descriptions	Jul-08	Aug-08	Sep-08	Oct-08	% Change (Sep 08 – Oct 08)
Maize					
Tons	244.6	314.4	370.8	240.9	-35.0
Value (Mill. USD)	0.315	0.265	0.461	0.275	-40.4
Rice					
Tons	3,604	2,513	210	2,098	..
Value (Mill. USD)	0.45	0.41	0.04	0.88	..
Wheat					
Tons	2,031	10,600	109,084	103,483	-5.1
Value (Mill. USD)	0.02	4.59	43.56	43.01	-1.2
Total Tons	5,880	13,428	109,665	105,823	-4
Total Value (Mill. USD)	0.8	5.3	44.1	44.2	0.2

Note --, very large number
Source: Tanzania Revenue Authority

On annual basis, goods import went up by 35.7 percent to USD 6,355.1 million with capital and intermediate goods accounting for over 75 percent of total goods imported. Importation of capital goods increased from USD 1,735.5 million in the previous year to USD 2,527.3 million, in line with the growth of activities in the construction, communication and manufacturing.

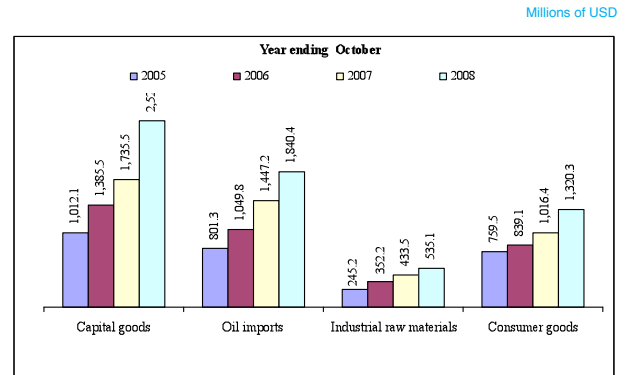
Similarly, importation of intermediate goods rose by 29.4 percent to USD 2,507.5 million largely driven by an increase in oil imports following a surge in oil prices in the world market. Likewise, consumer goods import increased by 29.9 percent to USD 1,320.3 million largely due to a rise in importation of food and other consumer goods such as pharmaceutical products, plastic items and paper products. It is worthy 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 increase in demand of cereals for making bio fuels (Chart 4.6).

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



During the past four years, capital goods dominated the total imports followed by intermediate goods (Chart 4.7).

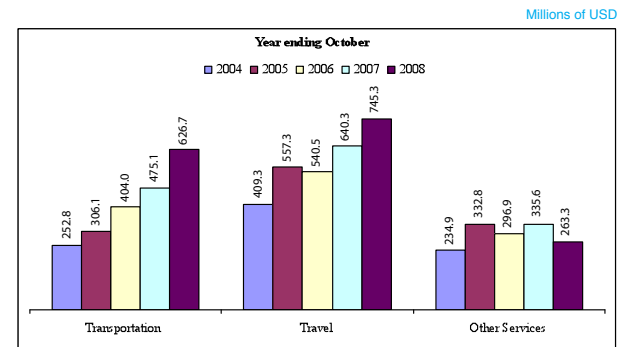
Chart 4.7: Total Goods Import: 2005-2008



Services Import

During the month under review, service payments increased by 7.9 percent to USD 138.3 million on account of the increase in payments of travel and other business services. On annual basis, service payments increased by 12.7 percent to USD 1,635.3 million, largely due to increase in payments of freight, travel, insurance and communication. The performance of the major service payment categories in the past four years is illustrated on Chart 4.8.

Chart 4.8: Service Payments 2004 – 2008



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

World Commodity Prices

During October 2008, most of the agricultural and non-agricultural commodities recorded declines in the world market save for sisal whose price remained unchanged at USD 1,025 per metric ton (Table 4.4). The declining trend of the agricultural commodities has been observed for three consecutive months following the weakening of demand, amidst global financial turmoil. The huge decline in prices to cotton both "A Index" and Memphis was largely attributable to a decrease in demand for cotton in U.S. Likewise, the average prices of coffee Robusta and Arabica recorded substantial declines amid bumper harvest in Brazil and Vietnam. The



price of tea (Average) and (Mombassa Auction) both went down following bumper harvest in Kenya, Sri Lanka and India coupled with a fall in demand for tea in the European countries, Middle East and Russia. The price of **cloves** also dropped as the global stocks improved following increased supply from Indonesia, Comoro and Madagascar.

During the period under review, the average prices of **crude oil** (UK Brent), Dubai (f.o.b) and **white products** recorded notable declines to USD 72.7 per barrel, USD 68.6 per barrel and USD 719.3 per ton, respectively (Table 4.4). This development was largely on account of a decline in demand for oil in the advanced economies and expected rise in supplies from non-OPEC members towards the end of the year. Meanwhile, **gold** price declined slightly to USD 806.6 per troy ounce.

During the year ending October 2008, prices of **coffee** Robusta and Arabica significantly increased largely on concerns of tight global stocks. Similarly, the prices of tea (Average) and (Mombassa) increased due to a decline in production amid post election violence in Kenya and workers strikes in India. Likewise, the prices of cotton "A Index" and "Memphis" also went up owing to reduction in cotton acreage in US as farmers shifted to production of food crop as a result of strong demand for production of animal feed and biofuel.

On the other hand, the rise in the price of sisal was largely associated with the strong global demand from consumers in the European Union and the increase in the usage of sisal fibres for making handicraft, organic pesticides and for power generation. The prices of cloves rose largely due to a shortfall in global supply as the result of unfavourable weather condition in Sri Lanka, Madagascar, India and Comoro.

On annual basis, prices of oil surged following supply disruptions in the Middle East and Nigeria. There were also concerns regarding the impact of hurricanes in the Gulf of Mexico that exerted an upward pressure on the oil price. Regarding gold, the price increased largely driven by a strong investment demand following weakening of US dollar against other major currencies and instability in the global financial markets. In addition, gold was used as a hedge against inflation and the rising energy prices (Table 4.4).

Table 4.4: World Commodity Prices

Commodity	Units	2008				Year ending October			
		Aug	Sep	Oct	% Change	2006	2007	2008	% Change
Robusta Coffee	USD per kg	2.48	2.32	1.96	-15.52	1.41	1.85	2.34	26.58
Arabica Coffee	USD per kg	3.23	3.16	2.73	-13.61	2.46	2.69	3.13	16.45
Tea (Average price)	USD per kg	2.74	2.67	2.33	-12.73	1.85	1.96	2.47	26.06
Tea (Mombassa auction)	USD per kg	2.60	2.57	2.25	-12.45	1.93	1.67	2.21	32.58
Cotton, "A Index"	USD per kg	1.72	1.62	1.37	-15.43	1.27	1.36	1.63	19.67
Cotton, "Memphis"	USD per kg	1.73	1.64	1.37	-16.46	1.33	1.39	1.66	19.36
Sisal (UG)	USD per metric ton	1,025.00	1,025.00	1,025.00	0.00	924.58	946.67	1,025.00	8.27
Cloves	USD per metric ton	4,950.00	4,512.50	4,025.00	-10.80	3,960.21	3,440.25	4,498.96	30.77
Crude oil*	USD per barrel	114.57	99.66	72.69	-27.06	63.65	65.97	104.12	57.83
Crude oil**	USD per barrel	113.21	95.97	68.62	-28.50	60.51	63.92	100.45	57.15
White products***	USD per ton	1,046.27	956.79	719.34	-24.82	601.91	626.00	975.06	55.76
Jet/Kerosene	USD per ton	1,127.39	1,030.98	762.91	-26.00	630.06	640.05	1,044.31	63.16
Premium Gasoline	USD per ton	952.95	878.27	650.3	-25.96	607.90	641.97	892.91	39.09
Heat Oil	USD per ton	1,058.46	961.11	744.80	-22.51	567.77	595.99	987.97	65.77
Gold	USD per troy ounce	839.00	829.90	806.60	-2.81	581.78	667.41	874.41	31.02

Note: * Average of U. K. Brent, Dubai and West Texas Intl
 ** f. o. b. Dubai
 *** Average of Premium gasoline, Gas oil and Jet/Kerosene, f.o.b. West Mediterranean
 Source: <http://worldbank.org/prospects>, World Bank Public Ledger, Bloomberg Professional

5.0 National Debt Developments

The national debt stock stood at USD 7,088.8 million at the end of October 2008, being a decrease of 3.9 percent from USD 7,373.4 million reported in September, 2008. The decrease is mainly on account of the exchange rate fluctuations and debt service. Out of the total debt stock, external debt accounted for 78.8 percent while domestic debt accounted for 21.2 percent.

External Debt

At the end of October 2008, the external debt stock amounted to USD 5,582.5 million representing a decrease of 1.4 percent from USD 5,663.3 million registered at the end of the preceding month. Out of this amount, Disbursed Outstanding Debt (DOD) was USD 4,245.2 million (76.0. percent) and interest arrears USD 1,337.3 million (24.0 percent).

The profile of DOD by creditor category indicates that, debt owed to multilateral institutions stood at USD 2,452.4 million while the amount of debt owed to bilateral creditors stood at USD 898.2 million. Commercial and export credits amounted to USD 562.1 million and USD 332.5 million, respectively (Table 5.1).



Table 5.1: Disbursed Outstanding Debt by Creditor Category

Million of USD				
Item	Sep-08	Oct-08	% Change	% of Total
Bilateral debt	912.6	898.2	-1.6	21.2
Multilateral debt	2,501.4	2,452.4	-2.0	57.8
Commercial debt	574.6	562.1	-2.2	13.2
Export credits	334.7	332.5	-0.7	7.8
Total	4,323.4	4,245.2	-1.8	100.0

In terms of borrower category, the Central Government remained the leading borrower with a debt amounting to USD 3,417.3 million followed by private sector debt of USD 672.5 million and parastatal companies debt amounting to USD 155.4 million (Table 5.2).

Table 5.2: Disbursed Outstanding Debt by Borrower Category

Millions of USD				
Item	Sep-08	Oct-08	% Change	% of Total
Central Government	3,484.2	3,417.3	-1.9	80.5
Parastatal Companies	158.8	155.4	-2.1	3.7
Private Sector	680.5	672.5	-1.2	15.8
Total	4,323.4	4,245.2		100.0

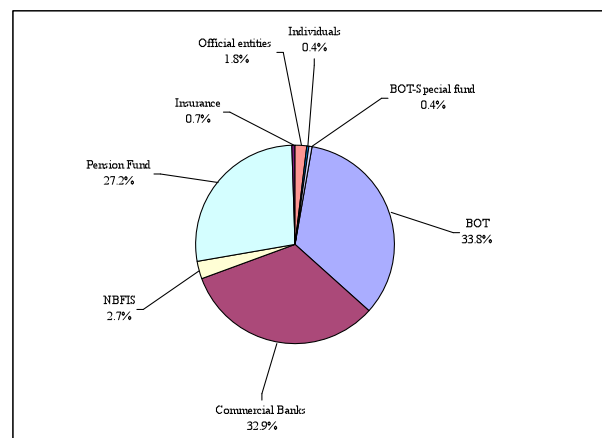
During the month under review, there were no new loans recorded, however new disbursements amounted to USD 35.6 million. External debt service amounted to USD 6.2 million, out of which, principal repayments were USD 2.4 million and interest payments were USD 3.8 million.

Domestic Debt

The stock of domestic debt stood at TZS 1,925.0 billion as at the end of October 2008 being a decrease of 3.7 percent from TZS 1,998.9 billion registered at the end of the preceding month. The decrease is mainly on account of redeemed treasury bills and bonds. Out of the total domestic debt stock, government securities accounted for 99.6 percent while other debts accounted for the rest.

The profile of domestic debt by holder category shows that Bank of Tanzania (BOT) is a leading creditor to the Union Government by holding 33.8 percent followed by commercial banks with 32.9 percent of the total domestic debt. Other creditors are Pension Funds, Non-Bank Financial Institutions (NBFIs), official entities, insurance companies, individual investors and BOT special fund (Chart 5.1).

Chart 5.1: Government Domestic Debt by Creditor Category



During the month under review, domestic debt amounting to TZS 168.9 billion fell due for payment, out of which principal amounting to TZS 141.2 billion was rolled over while interest amounting to TZS 27.7 billion was paid out of government revenue.



6.0 Economic Developments in Zanzibar

Inflation Developments

Annual headline inflation declined in October 2008 to 25.3 percent from 26.6 percent recorded in September 2008. The slow down was driven by a decrease in both food and non-food inflation. Similarly, the month-to-month headline inflation decreased from 5.8 percent in September 2008 to negative 0.5 percent, on account of decrease in both month-to-month food and non-food inflation (Table 6.1 and Chart 6.1).

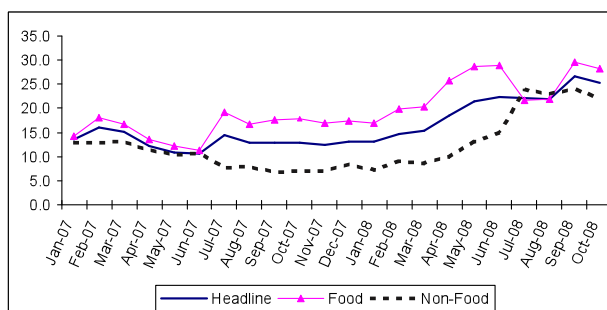
Table 6.1: Annual Percentage Change in Consumer Price Index (CPI)

Base: Dec.2005=100

Major commodity group	Weights (%)	2007			2008		
		Aug	Sep	Oct	Aug	Sep	Oct
Headline/Overall	100	12.9	12.4	12.8	22.0	26.6	25.3
Food	57.4	16.6	16.9	17.8	21.9	29.5	28.3
Non-Food	42.6	7.9	7.0	6.9	23.1	23.9	22.2
Alcoholic beverages, tobacco & narcotics	0.6	2.9	2.9	3.2	14.0	14.8	16.0
Clothing and footwear	6.2	4.7	6.4	7.1	9.7	10.4	8.7
Housing, water, electricity, gas and other fuels	15.6	7.5	4.8	4.2	36.2	37.4	36.3
Furnishing, household equipment and routine household maintenance	5.3	10.7	12.7	10.6	14.2	15.1	13.4
Health	2.1	20.7	20.3	18.6	14.5	14.8	15.4
Transport	3.4	8.2	7.6	4.4	28.4	25.8	24.9
Communication	2.4	-4.5	-4.5	-4.5	-0.8	-2.4	-0.8
Recreation and culture	0.4	13.2	12.8	12.9	6.5	6.1	5.7
Education	1.1	12.1	12.1	12.1	7.8	7.8	7.8
Restaurants and hotels	3.1	28.6	17.0	25.0	24.6	28.7	20.3
Miscellaneous goods & services	2.4	-6.4	-7.4	-8.2	17.9	19.8	19.1

Source: Office of Chief Government Statistician (OCGS)

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



Source: Office of Chief Government Statistician (OCGS)

Annual food inflation decreased to 28.3 percent during the year ended October 2008, from 29.5 percent recorded in September 2008. The deceleration in food inflation was associated with declining prices of imported rice and wheat. Similarly, the month-to-month food inflation fell sharply from 9.4 percent in September 2008, to negative 0.8 percent in October 2008, mainly on account of decreased prices of rice and fish products which are staple food in Zanzibar.

Annual non-food inflation, decreased in October 2008 reaching 22.2 percent, from 23.9 percent registered in September 2008. The decrease was mainly associated to decreased prices of some clothing and footwear items and furnishing and household equipment sub-groups. The month-to-month non-food inflation dropped to negative 0.2 percent in October 2008, from 1.3 percent recorded in September 2008, influenced mainly by a slow down in fuel pump prices.

Fiscal Performance

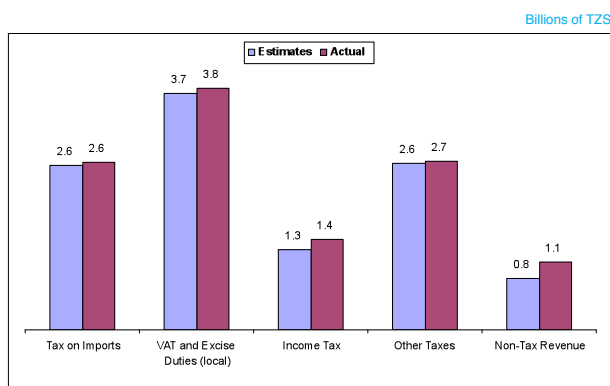
The government budgetary operations as at end October 2008, registered a budget deficit on cheques cleared basis of TZS 5.7 billion, compared with a deficit of TZS 0.7 billion recorded in the previous month. Total resources amounted to TZS 24.1 billion, above the target of TZS 23.5 billion. Domestic sources contributed TZS 11.6 billion, accounting for 48.1 percent of total resources, while foreign grants amounted to TZS 12.5 billion or 51.9 percent of the total resources. Total expenditure amounted to TZS 16.2 billion, exceeding the target of TZS 15.1 billion. The budget deficit was financed by foreign sources to the tune of TZS 0.8 billion and by issuance of Treasury bond of TZS 4.9 billion.

Revenue

Revenue realized during the period under review amounted to TZS 11.6 billion, above the target of TZS 11.0 billion on account of improved collection in all revenue categories. Specifically, tax revenue reached TZS 10.5 billion exceeding the target of TZS 10.2 billion, and accounted for 90.5 percent of the total revenue collection. Non-tax revenue amounted to TZS 1.1 billion, exceeding the monthly target of TZS 0.8 billion.

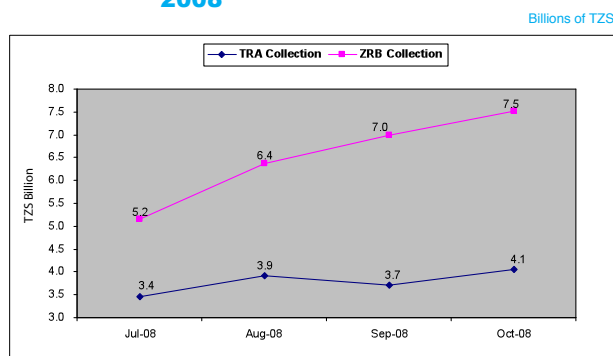
Revenue performance by category shows that, local VAT and excise duty collections amounted to TZS 3.8 billion, above the target of TZS 3.7 billion or 32.8 percent of the total revenue. Tax on imports amounted to TZS 2.6 billion, the same as target. Income tax collection amounted to TZS 1.4 billion; slightly above the target of TZS 1.3 billion. Other taxes contributed TZS 2.7 billion, slightly above the target of TZS 2.6 billion (Chart 6. 2).



Chart 6.2: Government Revenue by Source – October 2008

Source: Ministry of Finance and Economic Affairs, Zanzibar.

Cumulatively from July 2008 to October 2008 the Government revenue reached TZS 41.2 billion compared to the target of TZS 45.1 billion and accounted for 30.7 percent of the annual target of TZS 134.2 billion (Chart 6.3).

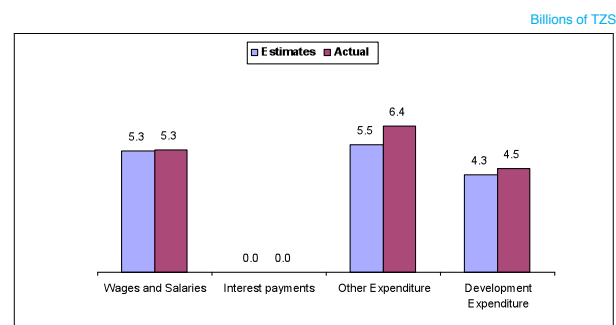
Chart 6.3: Government Revenue Trend by Collection Agencies July – October 2008

Source: Ministry of Finance and Economic Affairs, Zanzibar.

Expenditure

During October 2008, total government expenditure reached TZS 16.2 billion exceeding the target of TZS 15.1 billion partly on account of increased expenditure on donor funded development activities. Recurrent expenditure reached TZS 11.7 billion, representing 72.2 percent of total expenditure, while development expenditure amounted to TZS 4.5 billion, accounting for 27.8 percent of total expenditure.

Analysis of the recurrent expenditure indicated that wages and salaries amounted to TZS 5.3 billion as targeted, or 45.3 percent of the recurrent expenditure. Other charges amounted to TZS 6.4 billion, exceeding the target of TZS 5.5 billion, and accounting for 54.7 percent of the recurrent expenditure (Chart 6.4).

Chart 6.4: Government Expenditure by Components – October 2008

Source: Ministry of Finance and Economic Affairs, Zanzibar.

Development expenditure amounted to TZS 4.5 billion, above the target of TZS 4.2 billion. Out of this amount, Government contributions amounted to TZS 1.3 billion as targeted, accounting for 28.9 percent of the total development expenditure. Donor funds amounted to TZS 3.2 billion, above the target of TZS 2.9 billion, accounting for 71.1 percent of the total development expenditure.

Cumulatively from July 2008 to October 2008, the total Government expenditure amounted to TZS 58.9 billion, against the target of TZS 65.7 billion.

Debt Developments

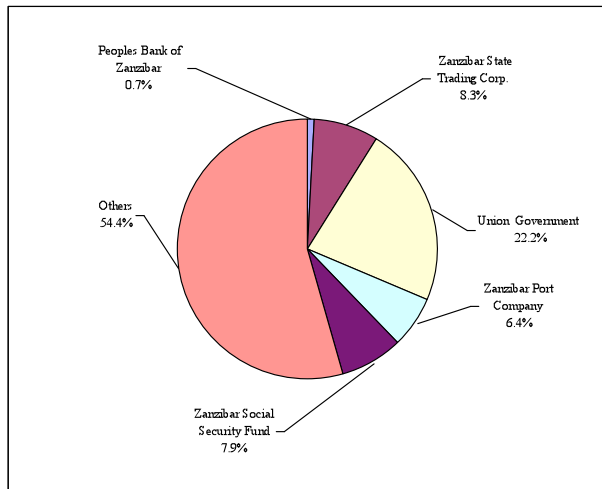
Zanzibar public debt as at end of October 2008, amounted to TZS 140.2 billion (USD 109.3 million) compared to TZS 127.3 billion (USD 108.9 million) recorded in September 2008. Out of public debt, external debt stood at TZS 79.0 billion (USD 61.5 million), equivalent to 56.3 percent of the total debt, while domestic debt stood at TZS 61.2 billion (USD 47.9 million), representing 43.7 percent of total debt.

Domestic Debt

During October 2008, domestic debt amounted to TZS 61.2 billion, compared to TZS 55.1 billion registered in the previous month. The increase was due to new borrowing through government securities which amounted to TZS. 6.5 billion. Domestic suppliers and pensioners remained lead creditors, with claims amounting to TZS 33.3 billion, and accounted for 54.4 percent of the total domestic debt. The Union Government debt stood at TZS 13.6 billion, equivalent to 22.2 percent of the domestic debt. Zanzibar State Trading Corporation (ZSTC) and Zanzibar State Social Security Fund (ZSSF) claims to the Government amounted to TZS 5.1 billion and TZS 4.8 billion. Zanzibar Port Company (ZPC) debt stood at TZS 3.9 billion, whereas Peoples Bank of Zanzibar (PBZ) claims amounted to TZS 0.4 billion (Chart 6.5).



Chart 6. 5: Domestic Debt by Creditor as at End – October 2008



Source: Ministry of Finance and Economic Affairs-Zanzibar

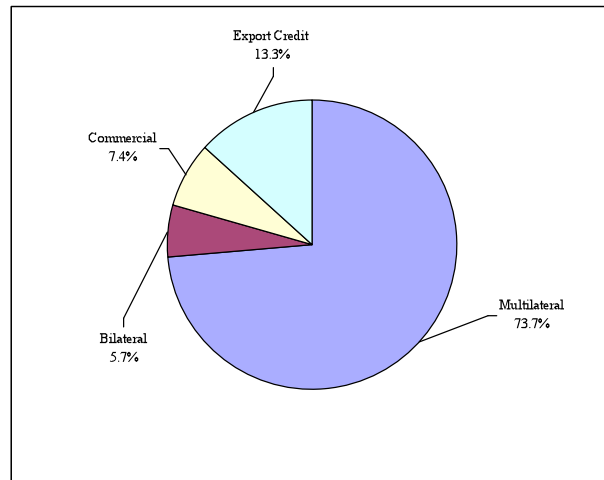
Debt with “undetermined maturity” (predominantly gratuity and supplier’s claims), amounted to TZS 33.5 billion, equivalent to 54.7 percent of domestic debt, whereas debt maturing between 2 – 5 years amounted to TZS 21.2 billion or 34.6 percent of domestic debt. Debt maturing in less than a year remained at TZS 6.5 billion, accounting for 10.7 percent of the total domestic debt.

External Debt

As at end October 2008, external debt declined to USD 61.5 million compared to USD 61.8 million as at end of September 2008. Debt guaranteed by the Union government stood at USD 46.0 million, accounting for 74.8 percent of the external debt, while non-guaranteed debt amounted to USD 15.5 million, equivalent to 25.2 percent of total external debt.

Debt due to multilateral creditors amounted to USD 45.3 million, equivalent to 73.7 percent of the external debt. Bilateral creditors stood at USD 3.5 million while commercial debt amounted to USD 4.5 million. Export credit amounted to USD 8.2 million or 13.3 percent of total external debt (Chart 6. 6).

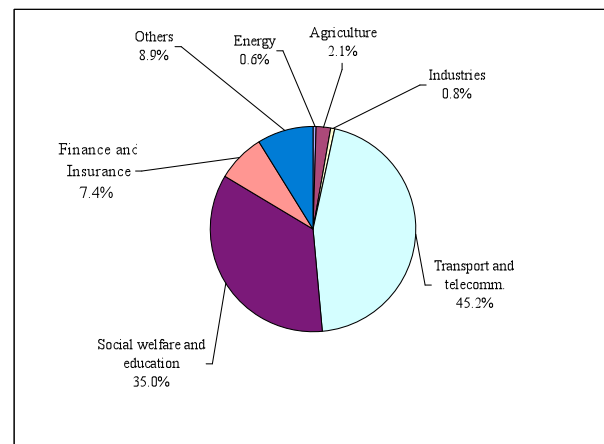
Chart 6.6: External Debt by Creditor as at End – October 2008



Source: Ministry of Finance and Economic Affairs-Zanzibar

As at end of October 2008, disbursements by end use shows that transport and telecommunications sectors obtained USD 27.8 million, equivalent to 45.2 percent of the total external debt. Social welfare and education sectors received USD 21.5 million, finance and insurance USD 4.5 million, agriculture USD 1.3 million, energy USD 0.4 million, industrial USD 0.5 million, while other sectors maintained USD 5.5 million (Chart 6.7).

Chart 6.7: External Debt by Use of Funds as at End – October 2008



Source: Ministry of Finance and Economic Affairs-Zanzibar



External Sector Performance

Current Account

During the month of October 2008, current account registered a surplus of USD 3.5 million compared to a deficit of USD 1.8 million recorded in the previous month mainly due to increase in current transfers. Goods account deficit widened to USD 9.3 million from USD 5.6 million recorded in the preceding month.

The current account recorded a deficit of USD 18.8 million during the year ending October 2008 compared to a surplus of USD 43.0 million recorded in the year ending October 2007, on account of increase in imports bill and fall in current transfers. Goods account deficit widened to USD 89.8 million from USD 67.1 million registered in the preceding year (Table 6.2).

Table 6.2: Zanzibar Current Account Balance

Millions of USD

Item	2007	2008p			Year Ending October			%Change	
	October	Aug	Sep	Oct	2006	2007	2008p	Monthly	Annual
Goods Account (net)	-4.6	-9.2	-5.6	-9.3	-62.0	-67.1	-89.8	66.1	33.8
Exports	0.8	0.8	2.4	1.5	8.1	15.8	18.9	-37.5	19.6
Imports (fob)	5.4	10.0	8.0	10.8	70.1	82.9	108.7	35.0	31.1
Services Account (net)	3.5	3.2	3.2	3.0	26.0	45.8	29.2	-6.3	(36.2)
Receipts	8.1	8.4	8.5	8.1	86.0	92.7	84.8	-4.7	(8.5)
Payments	4.6	5.2	5.3	5.1	60.0	46.9	55.6	-3.8	18.6
Goods and Services (net)	-1.1	-6.1	-2.4	-6.3	-36.0	-21.4	-60.7	162.5	183.6
Exports of Goods and Services	9.0	9.2	10.8	9.6	94.1	108.4	103.7	-11.1	(4.3)
Imports of Goods and Services	10.0	15.2	13.2	15.9	130.1	129.8	164.4	20.5	26.7
Income Account (net)	0.01	-0.1	0.0	-0.1	0.2	0.0	-0.6		
Receipts	0.02	0.0	0.1	0.0	0.3	0.2	0.4		100.0
Payments	0.01	0.1	0.1	0.1	0.0	0.2	0.9		350.0
Current Transfers (net)	3.2	2.9	0.6	9.8	48.3	64.3	42.5	1,533.3	(33.9)
Inflows	3.2	2.9	0.6	9.8	48.3	64.3	42.5	1,533.3	(33.9)
Outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Current Account Balance	2.1	-3.2	-1.8	3.5	12.6	43.0	-18.8	94.4	(56.3)

Source: Tanzania Revenue Authority and BOT.

Exports Performance

During the month under review, exports of goods and services amounted to USD 9.6 million, a decline from USD 10.8 million recorded in the preceding month. Service proceeds decreased to USD 8.1 million in October 2008 from USD 8.5 million, in September 2008, while merchandise exports dropped to USD 1.5 million, from USD 2.4 million in the same period.

On annual basis, total exports (goods and services) declined to USD 103.7 million, from USD 108.4 million recorded during the year ending October 2007. Service receipts declined to USD 84.8 million, from USD 92.7 million earned

in the preceding year in 2007, while goods receipts increased from USD 18.9 million from USD 15.8 million in the same period. Service receipts accounted for 81.8 percent of the total exports receipts. Clove exports declined to USD 6.3 million from USD 8.9 million realized in the corresponding period in 2007, while seaweeds exports amounted to USD 2.7 million up from USD 1.8 million earned in previous year. Manufactured goods exports amounted to USD 4.1 million, while fish and fish produce exports amounted to USD 0.2 million (Table 6.3).

Table 6.3: Zanzibar Exports by Major Categories

Item	2007	2008p			Year Ending October			%Change	
	Oct	Aug	Sep	Oct	2006	2007	2008p	Monthly	Annual
Traditional									
Cloves									
Value	0.01	0.2	1.1	0.5	4.2	8.9	6.3	-54.5	-29.2
Volume *	0.00	0.1	0.3	0.1	1.4	2.8	1.6	-66.7	-42.9
Unit Price**	3654.50	3936.1	3893.6	3914.9	3089.5	3172.8	3896.9	0.5	22.8
Non-Traditional									
Seaweeds									
Value	0.12	0.16	0.23	0.17	1.4	1.8	2.7	-26.1	50.0
Volume*	0.73	0.5	0.6	0.5	7.2	8.6	9.3	-16.7	8.1
Unit Price**	162.93	302.5	364.5	321.2	199.3	207.9	287.3	-11.9	38.1
Manufactured Goods	0.49	0.3	0.5	0.4	1.3	3.3	4.1	-20.0	24.2
Fish and Fish Produce	0.03	0.0	0.0	0.0	0.3	0.2	0.2		
Horticultural produce	0.00	0.0	0.0	0.0	0.0	0.0	0.0		
Others Exports	0.18	0.1	0.5	0.4	0.9	1.7	5.7	-20.0	235.3
SUB TOTAL	0.82	0.4	1.1	0.8	2.5	5.1	9.9	-27.3	94.1
GRAND TOTAL	0.83	0.8	2.4	1.5	8.1	15.8	18.9	-37.5	19.6

P = Provisional data

Source: Tanzania Revenue Authority

Goods Imports

During the period under review, goods imports (c.i.f) amounted to USD 11.9 million, a surge from USD 8.7 million posted in the preceding month, largely on account of increase in the volume of imported oil. Intermediate goods imports, driven by oil, amounted to USD 5.1 million up from USD 1.9 million, recorded in the preceding month and accounted for 42.9 percent of total goods imports. Capital goods imports stood at USD 4.9 million from USD 5.1 million recorded in the preceding month.

On annual basis, goods imports (c.i.f) amounted to USD 119.5 million from USD 91.1 million, driven by intermediate goods. Oil imports amounted to USD 33.7 million, equivalent to 28.2 percent of merchandise imports. Capital goods imports amounted to USD 51.5 million up from USD 44.4 million recorded in the year ending October 2007. During the same period foods and food stuffs imports amounted to USD 7.4 million an increase from USD 7.1 million (Table 6.4).



Table 6.4: Zanzibar Imports by Major Categories

Import Category	2008p				Year Ending October			%Change	
	Oct	Aug	Sep	Oct	2006	2007	2008p	Monthly	Annual
Capital Goods	3.0	4.9	5.1	4.9	32.3	44.4	51.5	-3.9	16.0
Transport Equipment	1.6	3.23	3.25	3.16	10.6	15.5	30.5	-2.8	96.8
Building and Constructions	0.5	0.80	0.87	0.82	7.8	12.6	7.9	-5.7	-37.3
Machinery	0.9	0.88	0.98	0.92	13.9	16.3	13.1	-6.1	-19.6
Intermediate Goods	0.8	4.1	1.9	5.1	24.5	25.0	45.4	168.4	81.6
Oil imports	0.26	3.5	1.2	3.9	17.8	20.4	33.7	225.0	65.2
Fertilizers	0.02	0.02
Industrial raw materials	0.49	0.6	0.7	1.1	6.7	4.6	11.7	57.1	154.3
Consumer Goods	2.2	2.0	1.8	1.9	20.2	21.6	22.6	5.6	4.6
Food and food stuffs	0.9	0.30	0.23	0.27	6.64	7.08	7.43	17.4	4.9
All other consumer goods	1.2	1.7	1.5	1.6	13.55	14.56	15.13	6.7	3.9
Grand Total (CIF)	5.9	11.0	8.7	11.9	77.0	91.1	119.5	36.8	31.2
Grand Total (FOB)	5.4	10.0	8.0	10.8	70.1	82.9	108.7	35.0	31.1

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

to USD 8.1 million down from USD 8.5 million, on account of a decline in transportation receipts, while foreign payments amounted to USD 5.1 million up from USD 5.3 million recorded in the previous month.

On year to year basis, the services account surplus amounted to USD 29.2 million a fall from USD 45.8 million posted in 2007. Total foreign receipts declined to USD 84.8 million, from USD 92.7 million, while payments increased to USD 55.6 million from USD 46.9 million. Travel receipts declined to USD 41.2 million from USD 78.8 million fetched in the year to 2007. Travel payments shrunk to USD 24.7 million from USD 40.0 million, accounting for 44.4 percent of total foreign payments.

Services Account

During the month under review, services account surplus amounted to USD 3.0 million, compared to a surplus of USD 3.2 million registered in the month of September 2008 due to a decline in services receipts. Service receipts amounted



STATISTICAL TABLES



Table A1 : selected Economic Indicators (Annual)

Item	Unit	1998	1999	2000	2001	2002	2003	2004	2005	2006 [*]	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	TZS	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 ⁴	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	TZS/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	TZS/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)	Million	30.0	30.9	31.9	32.9	33.6	34.2	35.3	36.2	37.5	38.3
5. Public Finance											
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	
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	
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	
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	
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	
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	
6. Total External Debt Stock	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
Disbursed Debt	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
Interest	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
Total External Debt as % of GDP	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

^{*} 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	Actual				Millions of TZS
		Jul-08	Aug-08	Sep-08	Jul 08 - Sep 08	
Total Revenue	4,728,595	319,915.5	303,538.6	437,765.1	1,061,219.2	
Tax Revenue	4,485,100	303,484.6	287,597.9	420,844.5	1,011,927.0	
Taxes on Imports	1,643,767	132,518.8	107,514.0	130,867.9	370,900.7	
Sales/VAT and Excise on Local Goods	1,078,533	70,923.9	80,947.1	98,258.2	250,129.2	
Refunds	145,457	10,386.7	10,386.8	10,386.8	31,160.3	
Income Taxes	1,425,652	72,058.4	77,421.7	160,946.5	310,426.6	
Other taxes	482,605	38,370.2	32,101.9	41,158.7	111,630.8	
Non- tax Revenue	243,495	16,430.9	15,940.7	16,920.6	49,292.2	
Total Expenditure /1	7,139,103	231,825.0	325,420.1	700,992.1	1,258,237.1	
Recurrent expenditure	4,647,623	223,259.6	275,005.6	549,094.1	1,047,359.3	
Retention fund	85,318	3,360.2	5,164.0	3,123.5	11,647.7	
Wages and salaries	1,570,324	118,265.1	0.0	372,611.6	490,876.8	
Interest payments	282,359	25,162.8	5,381.1	13,342.1	43,886.0	
Domestic 2/	247,759	25,063.7	4,688.7	10,229.7	39,982.1	
Foreign	34,600	99.1	692.4	3,112.4	3,903.9	
Other goods, services and transfers	2,709,623	76,471.5	264,460.5	160,016.9	500,948.8	
Dev. Expenditure and net lending	2,491,480	8,565.4	50,414.5	151,898.0	210,877.8	
Local	940,380	0.0	0.0	30,000.0	30,000.0	
Foreign	1,551,100	8,565.4	50,414.5	121,898.0	180,877.8	
Overall Balance (cheque issued) before Grants	-2,410,508	88,090.5	-21,881.5	-263,227.0	-197,017.9	
Grants	1,441,229	8,953.4	12,755.6	269,922.8	291,631.9	
Program (CIS/OGL)	543,905	0.0	0.0	241,294.0	241,294.0	
Project	556,366	8,486.9	3,518.6	14,938.0	26,943.5	
Basket funds	206,126	0.4	4,272.4	8,735.2	13,008.0	
HIPC Relief	134,833	466.1	4,964.7	4,955.6	10,386.4	
Overall defic.(cheq.issued) after Grants	-969,279	97,043.9	-9,125.8	6,695.8	94,613.9	
Expenditure float	0	-192,050.8	-16,513.5	-4,519.9	-213,084.2	
Adjustments to cash and other items (net)	0	41,837.7	-130,652.1	-33,642.2	-122,456.6	
Overall Balance (cheques issued)	-969,279	-53,169.2	-156,291.4	-31,466.3	-240,926.9	
Financing:	969,279	53,169.2	156,291.4	31,466.3	240,926.9	
Foreign Financing (net)	946,207	-548.4	42,077.3	94,884.8	136,413.7	
Loans	775,650	0.0	35,827.7	58,442.4	94,270.1	
Program loans	268,208	0.0	0.0	0.0	0.0	
Development Project loans	507,442	0.0	35,827.7	58,442.4	94,270.1	
Basket Support	212,656	78.1	6,795.8	39,782.3	46,656.2	
Amortization	-42,099	-626.5	-546.2	-3,339.9	-4,512.7	
Domestic (net)	23,072	53,717.6	114,214.1	-63,418.5	104,513.2	
Domestic Financing	-36,927.9	53,717.6	114,214.1	-63,418.5	104,513.2	
Bank borrowing	0					
Non-Bank (net of amortization)	-16,928					
Amortization of contingent debt	-20,000					
Privatization Proceeds	60,000					

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 A3 : Monetary survey (Revised)

End of Period	Millions of TZS														
	Domestic assets (net)					Extended Broad Money				Narrow Money				Memorandum item:	
	Domestic credit (net)					M2, Broad Money			M1, Narrow Money			M0, Base Money	of which:		
	Foreign assets	Claims on government	Claims on private sectors*	Other items	sum (2-5) or sum (9-13)	TOTAL sum (9-12)	sum (9,10)	circulation outside banks	Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum (9,15)	CB Reserves	15
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3	
1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0	
2000	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	164,026.7	
2001	1,209,820.4	239,201.4	404,512.3	-216,803.4	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	172,730.2	
2002	1,558,627.1	264,608.6	570,668.3	-346,221.0	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6	
2003	2,182,072.0	12,937.0	817,125.2	-623,818.1	2,388,316.1	1,721,109.9	1,113,379.1	553,045.8	560,333.3	230,958.8	376,771.9	667,206.2	783,309.0	230,263.2	
2004	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,776.0	967,776.0	303,628.0	
2005	2,560,852.1	413,782.4	1,425,062.3	-464,710.2	3,934,986.6	2,808,247.6	1,758,810.2	843,157.4	915,652.8	422,269.4	627,168.0	1,126,738.9	1,236,080.6	392,923.2	
2006	3,399,819.5	77,952.2	2,028,294.3	-707,243.9	4,798,822.1	3,193,785.0	1,930,421.5	975,585.9	954,835.7	469,679.2	793,684.3	1,605,037.1	1,443,529.9	467,944.0	
2007	3,528,866.1	-254,063.1	2,883,789.5	-330,874.3	5,827,718.2	4,112,108.3	2,562,143.8	1,164,184.8	1,397,959.0	569,970.0	979,994.5	1,715,610.0	1,879,108.2	714,923.4	
2007-Jan	3,544,203.6	127,157.6	2,111,524.0	-815,560.4	4,967,324.7	3,334,723.9	1,969,491.7	966,168.2	1,003,323.5	494,911.9	870,320.3	1,632,600.8	1,576,593.5	610,425.3	
February	3,453,936.8	242,091.4	2,147,929.9	-786,393.9	5,057,564.2	3,407,560.6	2,018,147.5	964,522.2	1,053,625.3	499,501.1	889,911.9	1,650,003.6	1,549,845.2	585,323.0	
March	3,327,380.2	205,504.6	2,204,838.1	-702,143.7	5,035,579.3	3,398,294.3	1,994,579.5	970,657.1	1,023,922.4	500,299.4	903,415.4	1,637,285.0	1,476,908.9	506,251.8	
April	3,448,344.3	223,754.4	2,265,448.5	-823,343.7	5,114,203.7	3,445,521.7	2,030,243.4	967,774.1	1,062,469.3	509,753.9	905,524.4	1,668,681.9	1,632,957.8	665,183.7	
May	3,290,427.3	397,603.7	2,319,136.5	-800,708.4	5,206,459.1	3,595,487.1	2,130,638.1	976,792.2	1,153,845.9	535,983.7	928,865.3	1,610,971.9	1,615,252.5	638,460.3	
June	3,383,818.2	449,792.9	2,335,999.6	-849,368.9	5,320,241.8	3,650,728.3	2,170,663.5	1,047,221.2	1,123,442.3	539,334.2	940,730.6	1,669,513.5	1,598,491.3	551,270.1	
July	3,782,297.4	163,134.6	2,463,712.6	-844,055.5	5,565,089.1	3,883,483.3	2,329,426.9	1,129,127.7	1,200,299.1	585,596.0	968,460.4	1,681,605.7	1,711,508.9	582,381.2	
August	3,633,415.0	46,715.0	2,550,421.6	-557,113.7	5,673,437.9	3,988,114.3	2,442,428.5	1,161,235.6	1,281,192.9	557,079.2	988,606.6	1,685,323.6	1,755,836.9	594,601.3	
September	3,769,984.4	-219,357.6	2,657,393.2	-553,855.0	5,654,165.0	3,987,689.4	2,415,334.9	1,163,620.8	1,251,714.1	578,812.8	993,541.7	1,666,475.6	1,685,013.4	521,392.6	
October	3,615,157.5	-190,647.8	2,760,234.8	-444,469.6	5,740,274.9	4,079,522.0	2,493,468.4	1,151,865.9	1,341,602.5	548,770.6	1,037,283.0	1,660,752.9	1,822,761.3	670,895.4	
November	3,613,558.4	-124,929.8	2,878,553.5	-481,263.7	5,885,918.4	4,170,212.6	2,505,089.5	1,146,729.0	1,358,360.5	607,107.3	1,058,015.8	1,715,705.8	1,821,935.3	675,206.4	
December	3,549,852.6	-162,006.5	2,976,276.0	-370,814.1	5,993,307.9	4,259,853.0	2,577,343.7	1,162,443.5	1,414,900.2	618,347.5	1,064,161.8	1,733,454.9	1,879,108.2	716,664.7	
2008-Jan	3,627,885.1	-57,703.7	3,042,760.1	-536,154.6	6,076,786.9	4,348,356.1	2,604,836.6	1,140,234.9	1,464,601.7	661,222.9	1,082,296.6	1,728,430.8	2,040,947.8	900,712.9	
February	3,599,423.9	46,937.1	3,101,493.1	-581,472.7	6,166,381.5	4,434,409.7	2,663,140.9	1,137,652.2	1,525,488.7	670,833.0	1,100,435.8	1,731,971.8	1,891,426.8	753,774.6	
March	3,909,924.5	212,128.0	3,211,376.7	-920,521.9	6,412,907.3	4,543,749.0	2,729,798.7	1,140,794.1	1,589,004.7	716,645.4	1,097,304.9	1,869,158.3	1,943,864.1	803,070.1	
April	3,684,947.6	202,448.2	3,251,699.5	-724,084.7	6,415,010.6	4,601,074.4	2,732,381.1	1,153,962.2	1,578,418.9	755,229.0	1,113,464.2	1,813,936.3	1,984,613.1	830,650.9	
May	3,559,027.9	207,513.6	3,300,891.8	-705,275.0	6,362,158.4	4,591,076.7	2,681,864.1	1,183,030.8	1,498,833.3	797,660.8	1,111,551.9	1,771,081.6	1,968,014.6	784,983.8	
June	3,509,529.8	154,820.5	3,387,042.3	-523,612.1	6,527,780.6	4,774,747.9	2,833,975.3	1,269,577.6	1,564,397.7	830,626.5	1,110,146.2	1,753,032.7	2,079,615.5	810,037.9	
July	3,514,958.8	333,460.9	3,496,971.8	-667,073.9	6,678,317.6	4,868,340.6	2,923,450.5	1,313,027.8	1,610,422.7	802,291.4	1,142,598.7	1,809,977.1	2,208,562.8	895,535.0	
August	3,258,914.4	441,990.4	3,707,220.8	-539,394.0	6,868,731.5	5,120,835.0	3,109,034.2	1,367,204.8	1,741,829.5	839,787.5	1,172,013.3	1,747,896.5	2,223,158.1	855,953.4	
September	3,392,183.4	367,222.1	3,945,274.6	-719,113.4	6,985,566.7	5,200,493.0	3,086,299.0	1,450,097.1	1,636,201.9	899,336.6	1,214,857.3	1,785,073.7	2,363,792.6	913,695.5	
October	3,504,439.8	424,273.9	4,218,384.1	-752,275.8	7,394,822.1	5,430,265.3	3,204,586.4	1,451,599.6	1,752,986.8	972,272.9	1,253,406.0	1,964,556.8	2,354,747.2	903,147.6	

Note: * Formerly known as "Claims on other domestic sectors". ** Formerly known as "Monetary survey".
The Depository Corporations survey includes all banks that take deposits from the public. It covers the period from December 2005
CB - Commercial Banks
Source: Bank of Tanzania



Table A4 : Interest Rate structure

Item	Percent									
	2008 ^P									
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct (Prov)
A: Domestic Currency										
Interbank Cash Market Rates										
Overnight	6.47	4.52	4.11	3.85	3.59	3.45	3.49	3.64	4.19	5.23
2 to 7 days	7.11	5.20	4.34	4.08	4.04	3.68	3.67	3.75	4.23	5.55
8 to 14 days	6.82	5.00	4.43	4.20	3.80	3.99	3.87	3.88	4.61	5.69
15 to 30 days	7.50	6.50	6.50	5.18	4.82	4.85	4.00	4.00	4.00	4.00
31 to 60 days	5.60	5.60	6.32	5.40	4.73	4.73	5.50	5.50	6.09	6.03
61 to 90 days	10.75	5.93	5.93	5.93	5.93	5.93	5.93	5.93	5.93	5.93
91 to 180 days	9.50	6.50	6.25	6.25	6.25	5.50	5.50	8.21	10.48	10.16
181 and above	12.10	12.10	7.00	7.00	7.88	7.88	8.50	8.50	8.50	10.85
Overall Interbank cash market rate	6.74	4.81	4.24	4.12	3.83	3.61	3.61	3.70	4.32	5.45
Lombard Rate	9.90	8.99	8.03	7.16	7.00	7.55	8.54	7.99	8.67	8.90
REPO Rate	6.60	4.79	3.82	3.67	3.66	3.75	3.79	3.76	4.02	4.89
Treasury Bills Rates										
35 days	5.96	5.99	5.36	4.77	4.67	5.03	5.70	5.33	5.78	5.93
91 days	9.54	7.05	5.69	5.12	4.95	5.76	7.93	8.62	10.36	10.39
182 days	10.33	8.02	7.03	6.90	6.75	7.63	8.51	10.11	10.53	10.81
364 days	12.80	9.82	9.40	9.43	9.03	10.00	11.15	11.48	11.56	11.63
Overall Treasury bills rate	10.89	8.37	7.39	7.05	7.00	7.84	9.46	9.47	10.17	10.30
Treasury Bonds Rates										
2-years	14.97	14.97	14.97	12.23	12.23	12.87	12.87	12.87	13.20	13.20
5-years	16.81	16.81	14.49	14.49	14.49	14.49	14.49	14.49	14.49	16.39
7-years	18.15	17.18	17.18	17.18	17.18	17.18	17.04	17.04	17.04	17.04
10-years	17.68	17.68	17.68	17.68	17.09	17.09	17.09	19.47	19.47	19.47
Discount Rate	15.89	13.36	12.39	12.08	12.00	12.84	14.46	14.47	15.17	15.30
Savings Deposit Rate	2.66	2.64	2.64	2.75	2.74	2.79	2.64	2.61	2.64	2.59
Overall Time Deposits Rate	8.17	8.21	8.02	7.56	6.71	6.66	6.58	5.86	6.43	6.22
Call Accounts	0.88	0.95	0.97	1.36	0.82	0.80	0.76	0.75	0.76	0.83
1 month	7.22	8.53	7.70	7.91	6.31	6.05	5.96	5.79	6.10	6.48
2 months	9.42	8.70	8.56	6.75	7.14	6.90	8.69	6.79	8.14	7.07
3 months	9.63	9.77	8.77	8.66	7.56	7.92	7.11	7.36	7.30	7.22
6 months	10.00	9.46	10.13	10.14	9.54	8.97	8.91	7.03	7.61	7.25
9 months										
12 months	10.10	9.97	9.33	9.18	8.76	8.29	8.17	7.48	8.05	8.20
24 months	9.95	10.10	10.65	8.93	6.87	7.71	6.49	5.82	7.07	6.52
Negotiated Deposit Rate	10.72	10.52	10.29	11.20	11.07	10.62	9.26	9.63	10.27	10.11
Overall Lending rate	15.24	15.13	15.15	14.74	14.78	14.76	15.05	14.83	14.91	14.82
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	20.25
Short-term (up to 1 year)	13.96	14.48	13.90	13.08	13.58	13.93	13.35	13.86	14.04	13.27
Medium-term (1-2 years)	16.72	15.79	16.10	15.95	15.56	15.56	15.72	15.82	15.74	15.40
Medium-term (2-3 years)	15.32	15.39	15.37	15.08	14.95	14.58	15.28	15.65	15.66	15.39
Long-term (3-5 years)	16.49	16.54	16.86	16.37	16.13	16.64	16.92	15.80	15.94	16.32
Term Loans (over 5 years)	13.69	13.47	13.52	13.25	13.66	13.07	14.00	13.01	13.18	13.69
Negotiated Lending Rate	11.50	11.76	11.82	12.77	12.57	13.07	11.01	12.18	12.68	13.38
B: Foreign Currency										
Deposits Rates										
Savings Deposits Rate	1.86	1.61	1.43	1.74	1.72	1.71	0.87	1.92	1.65	1.63
Overall Time Deposits Rate	4.58	4.63	4.62	4.28	4.69	4.42	4.43	2.92	2.93	3.09
1-months	3.60	4.58	4.79	2.96	4.84	5.04	2.61	2.79	2.88	2.59
2-months	4.75	4.94	3.03	5.12	5.31	4.46	6.03	2.92	2.60	3.15
3-months	4.85	3.17	4.88	4.89	3.80	3.95	5.05	2.91	3.07	2.70
6-months	4.78	4.73	3.45	3.99	4.97	5.17	4.05	2.86	2.89	3.37
12-months	4.92	5.72	6.95	4.43	4.52	3.48	4.43	3.12	3.19	3.65
Overall Lending Rate	7.76	7.87	7.86	7.95	8.05	8.19	6.94	7.14	9.49	9.29
Short-term (up to 1 year)	3.82	4.55	4.79	6.43	6.75	6.74	5.60	5.43	5.33	6.37
Medium-term (1-2 years)	8.69	8.72	8.67	8.88	8.75	8.70	6.92	7.20	10.33	10.47
Medium-term (2-3 years)	8.95	8.74	8.67	8.55	8.55	8.56	6.74	6.81	10.69	8.40
Long-term (3-5 years)	8.46	8.48	8.49	8.38	8.19	8.29	7.33	7.35	10.00	10.13
Term Loans (over 5 years)	8.86	8.86	8.69	7.53	7.99	8.68	8.12	8.91	11.08	11.08

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	2007 ^p	2008		% Change		Year Ending October ^p		
	Oct	Sep	Oct	Oct 07-Oct 08	Sep 08 - Oct 08	2007	2008	% Change
Traditional Exports:								
COFFEE								
Value	8.6	5.3	10.4	21.5	98.5	96.1	87.6	-8.8
Volume	3.6	2.6	5.0	39.8	92.9	47.6	37.6	-21.1
Unit Price	2,388.9	2,016.0	2,074.9	-13.1	2.9	2,019.1	2,332.0	15.5
COTTON								
Value	16.1	27.4	29.5	83.5	7.9	37.0	115.2	--
Volume	13.4	19.8	20.4	52.5	3.4	35.5	93.5	--
Unit Price	1,201.5	1,385.3	1,445.9	20.3	4.4	1,043.3	1,231.3	18.0
SISAL								
Value	0.4	0.0	0.2	-43.6	--	10.2	6.9	-32.0
Volume	0.4	0.0	0.2	-49.0	--	11.8	7.3	-37.5
Unit Price	1,010.0	0.0	1,117.4	10.6	--	864.9	1,044.9	20.8
TEA								
Value	2.1	2.3	2.6	24.0	15.0	30.3	31.3	3.5
Volume	1.8	1.1	1.3	-29.7	15.9	21.4	20.0	-6.9
Unit Price	1,166.7	2,072.2	2,057.3	76.3	-0.7	1,413.5	1,570.3	11.1
TOBACCO								
Value	10.1	0.0	7.9	-21.5	--	79.8	56.6	-29.1
Volume	4.6	0.0	2.9	-36.2	--	33.9	24.1	-28.9
Unit Price	2,204.6	--	2,713.0	23.1	--	2,352.2	2,345.5	-0.3
CASHEWNUTS								
Value	0.0	0.00	0.0	--	--	28.7	40.1	39.6
Volume	0.0	0.00	0.0	--	--	57.8	55.6	-3.9
Unit Price	--	0.0	--	--	--	496.3	728.5	46.8
CLOVES								
Value	0.0	1.17	1.2	--	-1.7	9.8	6.3	-36.0
Volume	0.0	0.29	0.3	--	-3.3	3.0	1.7	-44.2
Unit Price	--	4,011.7	4,078.2	--	1.7	3,204.3	3,671.6	14.6
Sub Total	37.3	36.1	51.8	39.1	43.8	291.8	343.9	17.9
Non-Traditional Exports:								
Minerals								
Gold	74.7	75.2	76.8	2.8	2.1	890.4	1,022.8	14.9
Diamond	67.1	70.5	72.7	8.5	3.1	833.9	930.1	11.5
Other minerals ¹	3.8	1.2	1.1	-69.8	-4.4	27.0	22.8	-15.6
Other minerals ¹	3.9	3.5	2.9	-24.2	-15.6	29.5	70.0	136.9
Manufactured Goods								
Cotton Yarn	30.8	53.0	51.4	66.8	-3.1	271.3	476.6	75.7
Manufactured Coffee	0.3	2.8	2.9	--	2.6	7.3	15.8	--
Manufactured Tobacco	0.1	0.0	0.1	--	--	1.5	1.1	-31.6
Manufactured Tobacco	0.0	0.3	0.0	--	-	1.2	1.4	23.2
Sisal Products (Yarn & Twine)	1.2	1.0	1.1	--	--	4.9	10.7	--
Other manufactured Goods ²	29.2	48.9	47.3	62.0	-3.3	256.4	447.7	74.6
Fish and Fish Products								
Fish and Fish Products	13.8	14.1	10.9	-21.1	-22.5	157.0	149.0	-5.1
Horticultural products								
Horticultural products	1.7	3.1	4.3	--	41.2	18.3	27.2	48.5
Re-exports								
Re-exports	22.7	3.5	5.9	-74.0	68.9	142.0	149.7	5.4
Others Exports³								
Others Exports ³	39.2	33.2	31.5	-19.6	-5.1	177.5	264.5	49.0
Sub Total	183.0	182.1	180.8	-1.2	-0.7	1,656.5	2,089.9	26.2
GRAND TOTAL	220.2	218.1	232.7	5.6	6.7	1,948.4	2,433.8	24.9

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 October ^p	
	Oct	Sep	Sep	Oct	Oct 07-Oct 08	Sep 08 - Oct 08	2007	2008
Capital Goods	163.8	247.8	203.7	24.4	-17.8	1,672.8	2,465.1	47.4
Transport Equipments	48.5	61.5	51.2	5.7	-16.6	428.0	738.7	72.6
Building and Constructions	32.9	57.7	61.9	88.4	7.2	394.3	555.5	40.9
Machinery	82.4	128.6	90.6	9.9	-29.6	850.6	1,170.9	37.7
Intermediate Goods	163.2	230.2	243.0	48.9	5.6	1,910.9	2,407.0	26.0
Oil imports	104.7	179.0	171.1	63.3	-4.4	1,433.4	1,757.9	22.6
Fertilizers	8.1	4.8	22.7	178.8	370.6	58.4	117.0	100.4
Industrial raw materials	50.3	46.4	49.3	-2.2	6.2	419.1	532.0	26.9
Consumer Goods	110.0	136.1	135.7	23.3	-0.3	978.0	1,227.6	25.5
Food and food stuffs	42.6	47.6	48.2	13.1	1.3	233.3	322.8	38.4
All other consumer goods ¹	67.5	88.5	87.5	29.7	-1.1	744.8	904.8	21.5
Grand Total (f.o.b)	437.0	614.1	582.4	33.3	-5.2	4,561.8	6,099.7	33.7
Grand Total (c.i.f)	480.2	674.8	640.0	33.3	-5.2	5,013.0	6,703.0	33.7

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>
<i>Balance on Goods and Services</i>	<i>-689.0</i>	<i>-444.1</i>	<i>-244.2</i>	<i>-490.5</i>	<i>-842.3</i>	<i>-1,256.6</i>	<i>-1,667.8</i>	<i>-2,393.6</i>
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
<i>Overall balance</i>	<i>-86.3</i>	<i>-809.6</i>	<i>317.9</i>	<i>389.1</i>	<i>206.0</i>	<i>-222.4</i>	<i>460.7</i>	<i>532.7</i>
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 (A00 - 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	Educ- ation	
2003	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
2004	3.5	4.5	1.5	2.0	5.9	2.5	2.1	1.1	2.9	2.1	1.2	2.2	2.2
2005	4.2	5.9	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	1.0	0.6	-0.5
2006	4.4	2.9	7.1	-0.5	-0.4	7.7	-1.1	0.5	3.5	-1.5	4.7	-0.1	-1.4
2007	7.3	7.0	7.7	7.0	5.5	8.5	7.8	2.0	11.2	5.0	9.1	2.5	8.0
2007 Mar	7.0	7.0	10.5	5.9	3.6	6.2	7.9	8.7	2.9	8.9	7.0	9.7	0.8
Jun	7.2	6.3	11.7	6.5	5.6	7.9	10.6	10.5	2.1	7.4	9.2	11.6	-0.2
Sep	5.7	4.0	13.3	7.2	3.9	6.3	9.2	11.0	4.2	9.6	7.4	10.7	2.1
Dec	8.4	10.3	8.1	5.5	2.2	4.3	6.2	8.9	3.4	10.4	5.8	8.9	0.4
2008 Mar	6.9	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	8.9	10.9	9.9	0.8	2.1	8.4	4.6	3.1	3.4	4.4	5.5	5.6	1.6
Oct	9.4	11.4	7.9	1.1	2.1	11.2	5.2	2.7	3.7	4.1	6.8	6.3	0.7
2007 Jan	10.3	11.9	8.4	1.1	3.0	13.2	6.8	2.2	5.9	5.5	8.5	7.8	2.2
Feb	7.0	6.7	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	6.2	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	4.8	14.7	6.7	4.3	5.0	10.5	11.8	3.4	9.2	9.1	13.0	1.6
May	5.0	2.8	13.0	7.4	4.2	7.5	8.4	11.1	3.6	9.4	8.3	11.8	1.9
Jun	5.9	4.6	12.3	7.3	3.2	6.4	8.7	10.1	4.7	9.4	8.0	10.1	2.0
Jul	9.0	10.3	10.8	5.5	1.7	7.3	7.6	10.7	4.2	10.1	5.8	10.3	2.5
Aug	7.8	9.2	7.3	6.4	2.1	4.2	6.9	9.5	3.5	10.6	6.8	8.6	2.0
Sep	8.3	11.4	6.2	4.5	2.8	1.4	4.1	6.5	2.2	10.8	6.5	8.8	0.0
Oct	7.1	8.4	7.0	5.4	2.8	3.8	4.6	5.8	1.6	9.7	4.3	9.2	-0.8
Nov	7.3	7.5	10.0	5.2	2.8	6.8	6.6	4.8	2.1	10.5	5.6	7.8	0.3
Dec	6.4	6.6	10.3	2.5	2.8	8.0	6.2	3.0	1.9	7.6	6.2	7.8	1.7
2008-Jan	8.6	10.1	10.4	1.1	2.4	10.1	4.9	3.6	3.7	6.1	5.4	6.8	0.8
Feb	8.9	11.4	10.2	0.3	2.4	6.8	4.1	2.9	3.4	5.9	5.7	5.6	2.1
Mar	9.0	11.2	9.1	1.0	1.7	8.3	4.9	2.9	3.4	4.0	4.9	5.6	1.8
Apr	9.7	11.6	8.6	1.1	2.1	11.3	4.9	2.8	3.1	3.5	6.0	5.6	1.0
May	9.1	11.0	7.5	1.1	2.1	11.7	5.1	2.5	3.3	4.2	7.6	6.1	1.5
Jun	9.3	11.4	7.7	0.9	2.1	10.6	5.5	2.8	3.9	4.0	6.0	6.4	0.4
Jul	9.5	11.2	6.8	1.3	3.5	12.0	5.4	2.0	4.0	4.4	6.7	6.3	0.4
Aug	9.8	11.1	8.6	-0.1	3.1	12.7	6.9	1.1	4.9	4.4	6.0	7.2	1.8
Sep	11.6	13.4	8.8	2.2	2.4	15.0	8.2	3.4	5.9	5.2	9.9	7.9	1.5
Oct	11.8	14.6	8.3	1.8	2.4	12.9	7.9	4	6.9	6.9	9.7	8.3	3.4
									5.9	6.9	7.9	7.9	3.9

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	Headline (General Index)		Non-Food										Miscel. goods & services
	Weight (%)	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Educ-ation	
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	0.2	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	1.3	4.8	0.3	4.3	-3.2	-0.3	9.3	-1.3	-1.3	-1.2	-0.9
Nov	1.4	1.9	2.5	1.2	0.3	-0.8	1.0	-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	4.7	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	-0.1	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	0.0	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	-0.1	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	0.8	0.0	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	0.7	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
2008- Oct	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

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



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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