



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

March 2008

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1.0 Inflation Developments

Annual headline inflation increased to 8.9 percent in February 2008, from 8.6 percent recorded in the preceding month. The rise in inflation rate is mainly explained by the acceleration of food inflation (Table 1.1 and Chart 1.1). Similarly, the 12-months annual headline inflation rate averaged 7.3 percent in February 2008 compared to 7.2 percent in the corresponding period last year. However, on month-to-month basis, the inflation rate decelerated by 1.4 percent in February 2008 compared to the increase of 3.4 percent recorded in January 2008, mainly on account of increase in food inflation. Excluding seasonal influences, the month-to-month headline inflation also increased to 1.3 percent in February 2008 compared to 3.3 percent recorded in January 2008, implying that the month-to-month increase was not due to seasonal influences.

Annual food inflation escalated February 2008 to 11.4 percent, from 10.1 percent recorded in the year that ended January 2008. Similarly, the month-to-month food inflation moved up by 1.9 percent in February 2008 compared to an increase of 5.2 percent in January 2008, mainly as a result of higher average prices of cereals and cereal products, sweet potatoes, vegetables, fruits, meat and poultry, legumes and meals in restaurants. The inflationary pressure on food is mainly associated with reduced supply of the food items and increased transportation costs. Meanwhile, the 12-months average food inflation was 7.8 percent in February 2008 compared to 6.9 percent in the corresponding period in the previous year.

Annual non-food inflation decreased from 6.5 percent in January 2008 to 5.3 percent in the period ending February 2008 following slight decreases in the prices of radios and audio cassettes. Despite the decrease in non-food inflation, annual increases were recorded in drinks and tobacco, fuel, power and water, education and transportation. Measured on month-to-month basis, price levels of non-food items increased by 0.6 percent in February 2008 compared to an increase of 0.9 percent recorded in January 2007, mainly due to increase in average prices of non-food items under fuel, power and water (electricity, kerosene and charcoal), transportation subgroups (particularly, petrol and diesel), hotel accommodation, coffee and tea. The monthly increase largely originates from fuel, power and water sub-group which recorded the highest increase of 1.6 percent. However, the

12-months (March 2007 to February 2008) non-food inflation averaged 6.7 percent compared to 7.8 percent recorded in similar period a year ago.

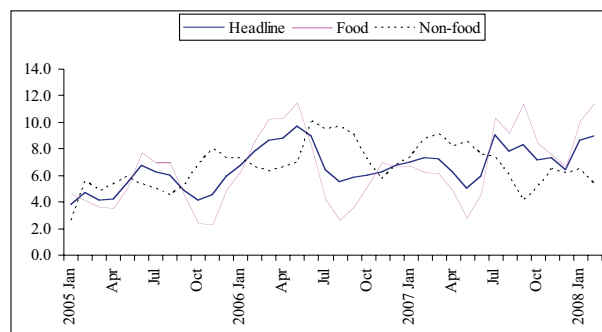
Table 1.1: Annual Percentage Change in Consumer Price Index (All-Urban)

Major Commodity Group	Weight (%)	2006			2007			2008	
		Jan	Feb	Dec	Jan	Feb	Dec	Jan	Feb
Headline/Overall	100	6.7	7.8	6.7	7.0	7.3	6.4	8.6	8.9
Food	55.9	6.3	8.6	6.6	6.7	6.2	6.6	10.1	11.4
Non-food	44.1	7.3	6.6	6.8	7.4	8.8	6.1	6.5	5.3
Transportation	9.7	6.7	8.2	8.5	8.8	9.8	5.4	5.7	4.9
Fuel, Power and Water	8.5	9.0	6.6	4.5	4.8	9.6	8.0	10.1	6.8
Drinks and Tobacco	6.9	4.6	5.2	9.5	11.9	11.2	10.3	10.4	10.2
Clothing & Footwear	6.4	9.6	7.7	9.3	6.1	6.3	2.5	1.1	0.3
Education	2.6	1.3	-0.4	4.1	9.9	11.7	6.8	5.6	5.6
Furniture & H/hold Equip.	2.1	4.1	4.4	9.9	10.3	11.0	6.2	4.9	4.1
H/h Operations Maintenance.	2.1	-0.5	-1.4	4.9	9.6	10.8	3.0	3.6	2.9
Personal Care & Health	2.1	19.3	18.2	4.1	2.0	0.9	1.9	3.7	3.4
Rents	1.4	16.6	5.0	1.7	5.0	6.0	2.8	2.4	2.4
Recreation & Entertainment	0.8	4.5	5.9	1.0	5.6	7.6	6.1	5.9	4.0
Misc. Goods & Services	1.5	8.7	10.7	5.0	-1.7	-0.4	0.8	2.1	1.8

Note: 1) Base 2001=100 2006 (2) Base Dec 2001=100 from January 2006.
3) Revised data

Source: National Bureau of Statistics (NBS)

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



Food Supply Situation

The national food supply situation was generally satisfactory during February 2008 except for pockets of food shortages estimated at 17,063 tons reported in 15 districts. The reported food shortage is mainly attributed to poor performance of the short rains in Northern Areas, floods, rodents and wild animals' destruction. During the period under review, the SGR department imported 2,673 tons, Prime Minister's Office purchased a total of 9,313 tons from SGR stock and distribute deficit districts, World Food Program (WFP) purchased 7,597 tones of maize to cover the shortage areas in Shinyanga and Dodoma regions. The Government has set aside 4,288 tons of cereals to sell at a subsidized price of TZS 50 per kilogram to the shortages areas. Furthermore, in a bid to improve domestic food supply the Government has waived import tariffs on maize to promote food imports by the private sector. This measure is expected to increase supply and reduce pressure on food prices

On a monthly basis, with the exception of potatoes, the



wholesale prices of selected food items recorded higher prices in February 2008 when compared with the preceding month, mainly due to persistence rise in fuel prices, which resulted from high transportation costs, (Table 1.2). In some regions, higher prices are associated with reduced levels of food supply as the season is almost coming to an end and the poor performance of the short rains during the previous season.

Table 1.2: National Average Wholesale Prices for Selected Food Items

Item	2007		2008		Percentage change	
	Feb	Jan	Feb	Feb	Feb-07 to Feb-08	Jan -08 to Feb-08
Maize	18,343	33,452	36,293		97.9	8.5
Rice	72,834	75,926	78,988		8.4	4.0
Beans	59,507	92,190	95,762		60.9	3.9
Sorghum	26,310	33,174	38,556		46.5	16.2
Potatoes	35,022	43,811	42,317		20.8	-3.4

Source: Ministry of Industry, Trade and Marketing

The Strategic Grain Reserves (SGR)

The SGR stock declined by 4.2 percent to 133,898 tons in February 2008 compared to the previous month following the sell of 17,063 tones of maize and sorghum to the WFP, the Prime Ministers office and Mohamed Enterprises for distribution/sell to the districts experiencing food shortages (Table 1.3). On cumulative basis, SGR department had so far purchased a total of 32,818 tones beyond the targeted level of 28,000 tons of grains during 2007/08.

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			
April	54,118	32,387	115,262	3,165	125,509			
May	52,857	31,732	113,823	6,210	128,350			
June	51,060	37,091	112,823	15,560	128,804			
July	50,661	39,195	112,323	13,811	129,306			
August	52,681	45,988	112,067	28,440	125,653			
September	61,364	67,685	111,971	80,248	131,937			
October	59,379	92,710	111,695	87,461	143,717			
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

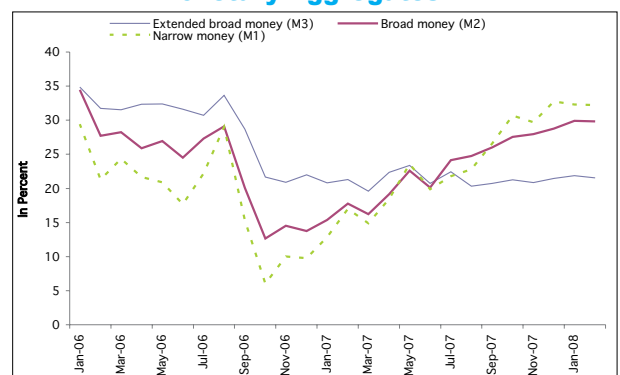
Money Supply

In the year ending February 2008, the growth rate of money supply remained moderate following a continued tight

monetary policy stance pursued by the Bank of Tanzania, characterized with mix of various monetary policy instruments. The implementation of tight monetary policy stance is part of efforts in trying to contain the looming inflationary pressures experienced in the recent months. The slowdown in monetary growth was evident in the continued deceleration in the annual growth rate of net domestic assets of the banking system, from an annual growth rate of 51.5 percent in January 2008 to 44.4 percent in February, coupled with moderate growth in net foreign assets following Bank sale of foreign exchange for liquidity management purposes. The recent sale of foreign exchange by the Bank, coupled with strengthening of the Shilling has reduced the foreign exchange holdings of commercial banks by a sizeable amount. Despite the tight policy stance, annual growth of credit to the private sector maintained its strong performance reaching 44.4 in February 2008 from an average of 37 percent in the past four years.

Annual growth rate of extended broad money supply (M3) closed at 22 percent in February 2008, same level of growth recorded in the preceding month, as well as similar month of last year (Chart 2.1). This growth rate of M3 is also within the program target of 21 percent for the year ending June 2008. As for broad money supply (M2), which excludes foreign currency deposits, annual growth rate stabilized at 29.8 percent in February, compared with 29.9 percent recorded in January 2008, but well above the 17.7 percent registered in February 2007. The higher growth rate of M2 partly reflects investors' preference in holding shilling denominated assets during the period, mainly associated with stability in the shilling and improvement in banking services.

Chart 2.1: Annual Growth Rates of Monetary Aggregates



Source: Bank of Tanzania

On month-to-month basis, M3 increased by TZS 87.5 billion between January and February 2008, whereas M2 registered a monthly increase of TZS 86.8 billion. The monthly change in



monetary aggregates was mirrored mostly in the increase in net domestic assets of the banking system, associated with the strengthening in domestic credit that rose by TZS 159.1 billion. Meanwhile, monthly change in net foreign assets of the banking system decline by TZS 26.5 billion. From the uses side, all components of money supply recorded monthly increases save for currency in circulation, which declined marginally (Table 2.1).

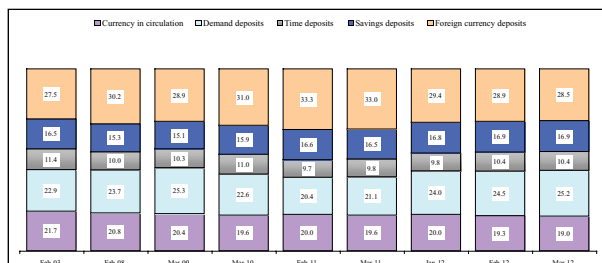
Table 2.1: Selected Money Supply Components

Item	2007		2008		Change (%)		Annual Growth Rates(%)	
	Jan	Feb	Jan	Feb	Monthly		Annual	
					Jan 08 - Feb 08	Feb 07 - Feb 08	2007	2008
Extended broad money supply (M3)	4,854.5	4,940.1	5,915.3	6,002.8	87.5	1,062.6	21.3	21.5
Broad money supply (M2)	3,239.5	3,308.3	4,207.3	4,294.0	86.8	985.8	17.7	29.9
Currency in circulation (CC)	988.7	967.3	1,142.8	1,140.5	-2.3	173.1	21.3	18.0
Demand deposits (DD)	991.7	1,041.1	1,450.8	1,514.5	63.7	473.4	13.2	46.3
Time deposits (TD)	473.2	483.3	614.7	623.8	9.1	140.5	8.2	29.9
Savings Deposits (SD)	805.9	816.5	999.0	1,015.3	16.3	198.8	26.4	24.0
Foreign currency deposits (FCD)	1,615.0	1,631.9	1,708.0	1,708.7	0.7	76.8	29.1	5.8
FCD in millions of USD	1,240.9	1,291.7	1,457.5	1,456.4	-1.1	164.7	21.2	17.5
Total deposits in the commercial banks	4,170.3	4,244.3	5,112.3	5,187.5	75.2	943.2	23.2	22.6
Private sector deposits	3,885.8	3,972.8	4,772.5	4,862.3	89.8	889.5	21.3	22.8
Government sector deposits	284.6	271.5	339.8	325.2	-14.6	53.7	61.1	19.4
Net foreign assets of the banking system	3,536.0	3,447.3	3,603.9	3,577.4	-26.5	130.1	20.2	1.9
Bank of Tanzania	2,468.2	2,388.5	3,047.9	3,060.4	12.6	672.0	13.2	23.5
Commercial banks	1,067.8	1,058.9	1,556.1	1,517.0	-39.0	-541.8	39.6	-47.9
Net domestic assets of the banking system	1,927.7	2,102.0	2,920.6	3,034.5	113.9	932.5	15.8	51.5
Domestic credit	2,109.1	2,259.1	2,802.1	2,961.2	159.1	702.1	8.9	32.9
Net claims on government by the banking system	64.3	180.0	-145.4	-41.5	103.9	-221.5	-69.7	-326.3
Claims on government by the banking system	1,493.9	1,582.3	1,865.0	1,970.9	105.9	388.5	45.1	24.8
Government deposits in the banking system	1,429.6	1,402.4	2,010.4	2,012.4	2.1	610.1	182.9	40.6
Claims on the private sector	2,044.8	2,079.1	2,947.5	3,002.7	55.2	923.7	40.4	44.1

Source: Bank of Tanzania

Public preferences in holding different types of money remained broadly unchanged over the recent months; with foreign currency deposits continue taking a lead, followed by demand deposits and currency in circulation (Chart 2.2).

Chart 2.2: Components of Money Supply as Percentage of M3



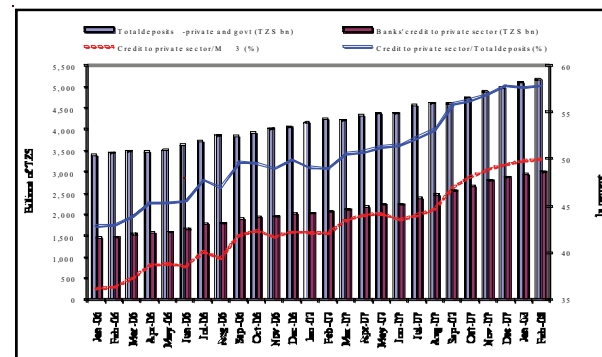
Credit Developments

Domestic Credit

Commercial banks' credit to the private sector remained robust, with an annual growth rate of 44.4 percent, well above the program target of 39.5 percent for the year ending June 2008. The continued strong growth in private sector credit resulted to improvement in its share to outstanding stock of extended broad money supply to 50 percent (i.e. about 14 percent of GDP) from an average of 40 percent registered in the past four years, while in terms of total deposits, the credit stock has improved to 58 percent, from

an average of 47 percent in the past four years (Chart 2.3). The good performance in private sector credit reflects the ongoing initiatives by the Government in setting favourable business environment, ongoing micro-lending activities by banks, economic empowerment policy of the Governments, growing economic activities and cross border trade. In terms of credit concentrations, activities that held most of the private sector credit remained broadly the same, including trade, manufacturing, agriculture, transport and communication.

Chart 2.3: Commercial Banks Intermediation



Source: Bank of Tanzania

Interest Rates

During February 2008, interest rate on deposits and loans exhibited mixed patterns. Interest rates on 12-months time deposit rates eased to 9.92 percent in February 2008, from 10.00 percent recorded in the previous month, while short-term lending rates (up to one year) edged up slightly to 14.19 percent from 13.96 percent in the same period under review (Table 2.2). The decline in 12-months time deposit rate was in line with a fall in 364-day bill rate though in a subdued manner, from 12.8 percent in January 2008 to 9.82 percent in February. As for saving deposits, rates eased slightly to 2.64 percent in February 2008 from 2.66 percent recorded in January. As for prime customers, they have continued to benefit from superior rates, with negotiated deposit rate closing at an average of 10.52 percent in February, slightly lower than 10.72 percent registered in the preceding month, while the prime lending rates registered an average charge of 11.76 percent up from 11.50 percent recorded in the same period under review.



Table 2.2: Interest Rate Structure

Item	2007						2008	
	Jan	Feb	Mar	Jun	Sep	Dec	Jan	Feb
Overall Interbank cash market rate	12.54	7.72	7.59	7.24	12.27	5.83	6.74	4.81
Savings deposit rate	2.59	2.25	2.62	2.59	2.62	2.65	2.66	2.64
12 months Time deposit rate	8.20	8.47	9.17	9.25	9.64	10.08	10.10	9.92
Negotiated deposit rate	9.02	9.39	7.10	8.65	9.83	11.04	10.72	10.52
Overall Time deposits rate	7.28	7.52	7.69	7.83	8.21	8.29	8.18	8.20
Overall lending rate	17.22	16.19	16.35	15.82	15.95	15.25	15.24	15.08
Short-term lending rate up to one year	15.80	15.34	14.94	13.95	14.06	14.70	13.96	14.19
Negotiated lending rate	11.49	12.42	11.74	12.20	11.91	11.98	11.50	11.76
Overall weighted average Treasury bills rate	15.75	12.95	15.99	17.07	15.59	11.40	10.89	8.37
364 days Treasury bill rate	16.25	13.75	17.15	18.39	16.98	12.95	12.80	9.82
Spread between 12-months time deposit rate and 1-year lending rate	7.60	6.87	5.77	4.70	4.43	4.62	3.85	4.27

Financial Markets Developments

Treasury Bills Market

Performance in the Treasury bills market remained favourable during February 2008, with demand closing at TZS 468.7 billion against total supply of only TZS 159.0 billion. The Bank intervened to correct bad bids and managed to sell Treasury bills worth TZS 221.1 billion (or TZS 208.9 billion on cost value basis), part of which was for rolling over matured obligations and the balance was for liquidity management. During the month Treasury bills worth TZS 163.8 billion matured. In line with the market developments, overall Treasury bills yields fell significantly from an average rate of 10.89 percent in January 2008 to 8.37 percent in February 2008. The decline in yields is partly associated with the initiative taken by the Bank in introducing a new bi-weekly auctioning process that has increased competition in the money market, coupled with appropriate mix of other monetary policy instruments, such as frequent sale of foreign exchange and Repo for liquidity management purposes. This has dampened pressure on Treasury bills yields, unlike in the past where Treasury bills were mostly used for containing liquidity in the economy that resulted to double digit yields (Table 2.3).

Table 2.3: Treasury bills Performance

Item	2007							2008	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Supply	260.0	260.0	325.0	215.5	200.0	205.0	205.0	169.0	159.0
Demand	490.3	328.7	237.1	191.5	235.9	523.7	523.7	411.2	468.7
Sale (face value)	370.5	231.4	191.6	180.9	149.6	200.6	200.6	171.0	221.1
Sale (cost value)	323.9	208.6	174.1	166.3	135.5	186.8	186.8	160.3	208.9
Redemption	160.8	140.1	202.0	119.6	126.6	242.2	242.2	226.7	163.8
WAY (%)	17.07	15.41	15.11	15.59	16.42	12.45	12.45	10.89	8.37

Source: Bank of Tanzania

Treasury Bonds

In February 2008, the bank floated 7-year Treasury bond in the market amounting to TZS 23.2 billion. Demand remained

sizeable at TZS 28.2 billion, and the Bank accepted the whole amount supplied amounting to TZS 23.2 billion. During the month there were no matured bonds. Treasury bonds yield to maturity ranged relatively lower than the level recorded in the recent months.

Repurchase Agreements

In an effort to fine tune the level of liquidity in the economy, the Bank employed frequent sale of repurchase agreements (Repo) to supplement government securities in containing liquidity in the economy. Repo amounting to TZS 754.7 billion in February 2008, which is significantly higher than TZS 428.5 billion sold in the preceding month, reflecting that in February domestic market, was more liquid than in the preceding month. Repo rates ranged between 4.2 percent and 5.0 percent during the month under review, compared with the range of 5.0 percent and 8.5 percent recorded in the preceding month. In line with market developments, overall Repo rate eased from 6.60 percent in January 2008 to 4.48 percent in February 2008.

Inter-bank Cash Market

During February 2008, inter-bank cash market transactions amounted to TZS 179.3 billion compared with TZS 312.3 billion recorded in the preceding month. Overnight placements remained dominant accounting for about 63.7 percent of total transactions during the month under review. Overnight rate eased significantly to 4.52 percent from 6.47 percent recorded in the preceding month, reflecting that banks were relatively more liquid in February 2008 than January 2008. The overall inter-bank cash market rate fell from 6.74 percent in January 2008 to 4.81 percent in February 2008.

3.0 Government Budgetary Operations

The overall financial position of the central government remained on track. Strong growth in tax revenue continued to support the envisaged government expenditure.

Revenue Performance

Total revenue collected by Government during the month



of February 2008 was TZS 274.7 billion against the target of TZS 273.8 billion. Although, actual tax revenue – with a collection of TZS 247.3 billion was slightly below that target by 0.3 percent, non-tax revenue was above the target by 6.2 percent. The slightly lower than expected performance on tax revenue is attributed to low production levels of excisable goods and services and decline of importations. Despite the decline in tax revenue resulted from a decline in excise and import duties, Income tax and VAT were above the target by 27 percent and 3.7 percent respectively. In addition to domestic revenue collected in February, the government received grants amounting to TZS 2.9 billion - thus, available resources for the month amounted to TZS 277.6 billion.

Government Expenditure

Total operating and development expenditure of the Government during the month under review stood at TZS 369.8 billion. Development projects were allocated TZS 72.0 billion, while TZS 297.8 billion was used to cover recurrent expenses.

Overall Budget Position

Overall performance of the budgetary operations in the period under review improved significantly compared with the previous month, following a good performance in revenue collection. Government budgetary operations recorded an overall deficit of TZS 119.1 billion compared to that of the previous period of 142.4 billion. In line with the fiscal plan, the government financed the deficit by borrowing from foreign sources to the tune of TZS 31.4 billion and by drawing down TZS 87.6 billion from its savings in the banking system. By end February 2008, government deposits with the Bank of Tanzania stood at TZS 1, 670.5 billion.

4.0 External Sector Performance

Current Account Balance

During February 2008, the current account balance widened to a deficit of USD 272.1 million from a deficit of USD 209.7 million recorded in January 2008. This development is on account of a faster increase in imports compared to the

growth in exports. Similarly, during the year ending February 2008, the current account deficit increased to USD 2,303.1 million from a deficit of USD 1,540.7 million in 2007 because of a huge increase in imports that could not be matched with corresponding increase in exports. While imports of goods and services increased by 22.4 percent, exports grew by 12.5 percent (Table 4.1).

Table 4.1: Current Account Balance

Millions of USD

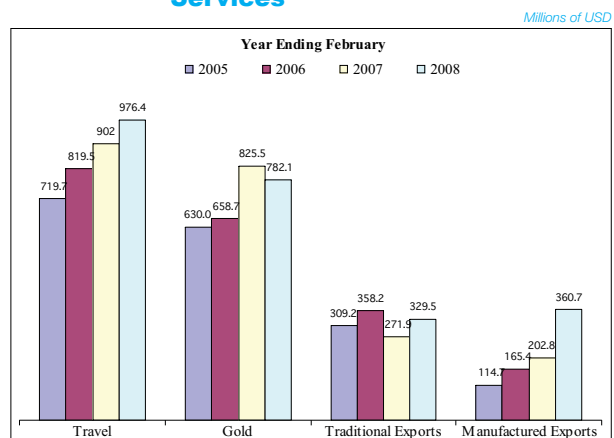
Item	February		2008 ^P		Year Ending February		% Change
	2006	2007	Jan-08	Feb-08	2007 ^P	2008 ^P	
Goods Account (net)	-164.7	-215.0	-200.5	-272.5	-2,277.9	-2,959.8	29.9
Exports	111.5	159.6	221.8	216.6	1,809.3	2,080.3	15.0
Imports	276.2	374.6	422.3	489.1	4,087.2	5,040.0	23.3
Services Account (net)	27.2	24.0	-3.2	19.3	248.7	142.8	-42.6
Receipts	120.8	132.0	134.1	152.0	1,521.6	1,665.9	9.5
Payments	93.6	108.0	137.3	132.8	1,273.0	1,523.1	19.6
Goods and services (net)	-137.5	-191.0	-203.8	-253.2	-2,029.3	-2,817.0	38.8
Exports of goods and services	232.3	291.7	355.9	368.6	3,330.9	3,746.1	12.5
Imports of goods and services	369.9	482.7	559.6	621.8	5,360.2	6,563.1	22.4
Income Account (net)	-8.2	-4.7	-8.3	-13.9	-79.2	-81.6	3.0
Receipts	5.7	4.4	11.7	10.3	81.5	115.3	41.6
Payments	13.9	9.1	20.0	24.2	160.7	197.0	22.6
Current Transfers (net)	21.0	1.9	2.3	-5.0	567.8	595.5	4.9
Inflows	26.1	8.9	7.9	0.9	633.7	668.0	5.4
o/w General Government	12.0	0.0	0.0	0.0	538.4	580.4	7.8
Outflows	5.2	7.0	5.5	5.9	65.9	72.4	9.9
Current Account Balance	-124.8	-193.8	-209.7	-272.1	-1,540.7	-2,303.1	49.5

Note: -- = Very large number
P = Provisional
Totals may not add up due to rounding of numbers
Source: Bank of Tanzania

Exports Performance

During the year ending February 2008, Tanzania exported goods and services worth USD 3,746.1 million, an increase of 12.5 percent from USD 3,330.9 million recorded in the corresponding period last year. As a share of total exports, travel (tourism) and gold receipts continued to dominate the export sector accounting for 37.8 percent and 27.6 percent, respectively. Chart 4.1 summarizes the performance of selected export items during the past four years.

Chart 4.1: Contribution of Selected Items to Total Exports of Goods and Services

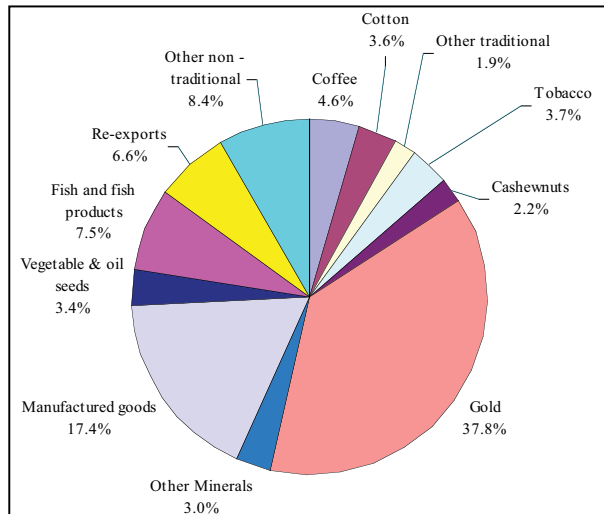


Merchandise goods export increased by 15.0 percent to USD 2,080.3 million compared to USD 1,809.3 that was



recorded in the year ending February 2007. This development is on account of the improved performance in both traditional and non-traditional exports. Gold continued to dominate by accounting for about 45 percent of non traditional exports followed by manufactured goods exports which accounted for about 21 percent (Chart 4.2).

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



Note:

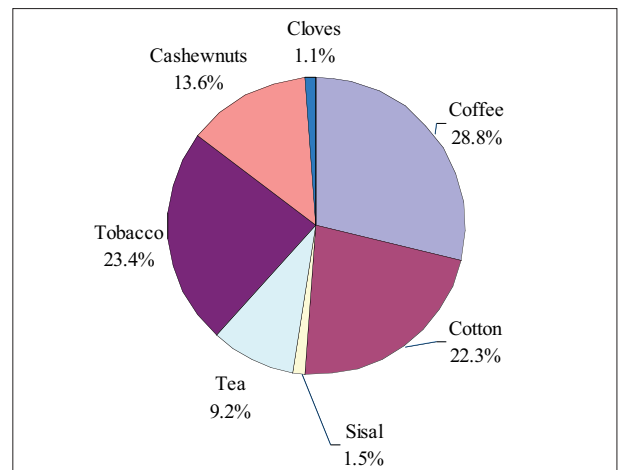
1. Other non-traditional include horticultural products and other exports
2. Other traditional exports include sisal, tea and cloves
3. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.
4. Re-exports refers to goods that are imported and later exported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

Traditional Exports

In February 2008, the value of traditional exports decreased by 32.6 percent to USD 37.0 million mainly on account of decrease in the export volume of cotton and cashewnuts that mainly signifies the end of peak export season for most of traditional crops. Regarding unit prices, all the traditional crops recorded increases in export unit prices consistent with movement of commodity prices in the world market.

During the year ending February 2008, traditional exports increased by 20.1 percent to USD 326.6 million compared to USD 271.9 million recorded in the corresponding period. The increase is largely attributed to the improvement in the export volumes of coffee, cotton and tobacco following favourable weather condition. Similarly, there was an increase in unit prices for of the most crops except for tea and tobacco. For example, unit price for cashewnuts increased by 43.1 percent to USD 717.6 per ton from USD 501.6 per ton recorded in the corresponding previous year (Chart 4.3).

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



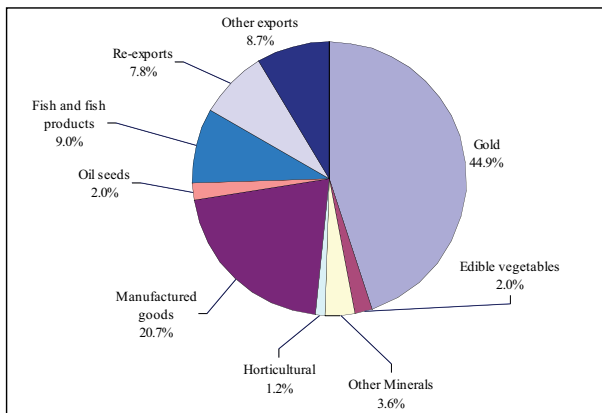
Non-Traditional Exports

Non-traditional exports went up from USD 166.9 million recorded in the previous month to USD 179.6 million mainly on account of increase in exports of minerals and manufactured goods export.

On annual basis, non-traditional exports increased by 14.1 percent to USD 1,753.7 million as most sub-categories of non-traditional exports recorded increases. Much of the increase is attributed to the impressive performance of the manufactured goods export which rose by 77.9 percent to USD 360.7 million in line with the growth of manufacturing sector in the country. There was also an increase in other exports from USD 148.1 million during the year ending February 2008 to USD 221.6 million following a surge in exports of oil seeds and edible vegetables. On the other hand, gold exports which accounted for over 45 percent of non traditional exports decreased marginally to USD 744.3 million following a decline in export volumes as gold prices in the world market continued to increase. Chart 4.4 depicts the performance of non-traditional exports for the year ending February 2008.



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



Services Exports

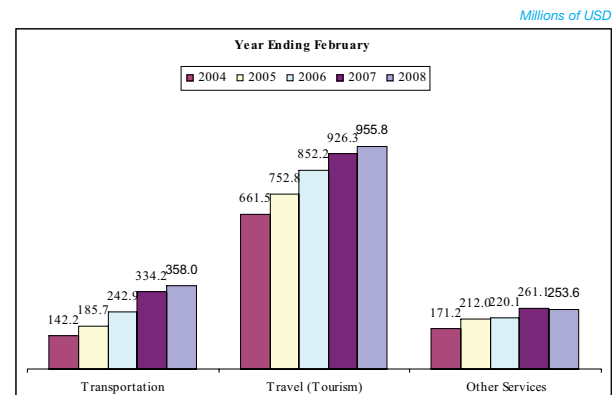
During February 2008, export of services increased by 13.4 percent to USD 152.0 million from USD 134.1 million recorded in the previous month, largely due to an increase in receipts from transportation.

On annual basis, services receipts went up by 19.6 percent to USD 1,665.9 million mainly due to the increase in transportation, travel, insurance services and other business services. During the period under review, travel (tourism) receipts increased to USD 955.8 million from USD 926.3 million recorded during the year ending February 2007. The good performance in travel sector which accounted for about 57 percent of services receipt is largely attributable to the international recognition of Tanzania's magnificent tourist attractions. Looking ahead, there are prospects for further growth in tourism given efforts taken by the Government and other stakeholders in promoting Tanzania as the quality nature destination. However, in order to sustain good performance in tourism industry promotion efforts have to go in tandem with further improvement of infrastructure such as upgrading of airports and roads leading to attraction areas.

Likewise, transportation recorded an increase of 7.1 percent to USD 358.0 million compared to USD 334.2 million recorded in the previous year. The improved performance in the transportation sector is partly attributed to the increase in transportation cost to the neighbouring countries following a surge in oil prices in the world market. Nevertheless, there is a potential for further improvement in the transportation services, if the country increases efficiency of cargo handling at ports by modernizing and expanding port facilities. The upgrading of port's facilities should be undertaken along with

improvement of inland transport network such as railways and roads (Chart 4.5).

Chart 4.5: Service Receipts 2005 – 2008



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

Imports Performance

During the month under review, goods imports increased by 15.8 percent to USD 489.1 million following the increase in all major import categories. Capital goods import went up by 33.4 percent to USD 194.7 million following increases in transport equipment and building and construction materials. The surge in transportation equipment to USD 62.7 million is largely explained by an increase in importation of vehicles and railway locomotives for the rehabilitation of the Tanzania Central Railways line. On the other hands, the surge in intermediate goods is largely attributed to significant increase in importation of oil to replenish the previous stocks. During the month under review, the volume of imported oil increased by 61.5 percent to 194,907 tons compared to the volume recorded in the previous month. Similarly, consumer goods went up by 9.6 percent to USD 111.0 million following the increase in all other consumer goods imports (Table 4.2).

Table 4.2: Imports

Item	Millions of USD							
	2007 ^P February	2008		% Change		Year Ending February ^P		
		Jan	Feb	Feb 07 - Feb 08	Jan 07 - Feb 08	2007	2008	% Change
Capital Goods	132.8	145.9	194.7	46.6	33.4	1,466.0	1,875.1	27.9
Transport Equipments	26.9	29.6	62.7	132.7	111.8	372.7	534.4	43.4
Building and Constructions	28.3	31.1	38.0	34.1	22.0	348.6	438.6	25.8
Machinery	77.5	85.2	94.0	21.3	10.4	744.6	902.1	21.2
Intermediate Goods	159.4	175.1	183.4	15.1	4.7	1,721.8	2,001.2	16.2
Oil imports	109.1	119.9	139.3	27.7	16.2	1,267.8	1,466.7	15.7
Fertilizers	1.2	1.3	0.2	-81.1	-82.8	54.0	60.8	12.6
Industrial raw materials	49.0	53.9	43.9	-10.5	-18.6	400.0	473.7	18.4
Consumer Goods	92.1	101.3	111.0	20.5	9.6	899.4	1,163.8	29.4
Food and food stuffs	33.1	36.3	35.2	6.4	-3.2	265.8	317.6	19.5
All other consumer goods ¹	59.1	64.9	75.8	28.3	16.8	633.6	846.2	33.6
GRAND TOTAL (E.O.B)	384.3	422.3	489.1	27.3	15.8	4,087.2	5,040.0	23.3
GRAND TOTAL (C.I.F)	422.3	464.1	537.4	27.3	15.8	4,491.4	5,538.5	23.3

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 may not add up due to rounding of numbers

Source: Bank of Tanzania and Tanzania Revenue Authority



Food Imports

During February 2008, cereals which account for a large share of food imports increased to USD 32.4 million from USD 13.54 million recorded in the previous month. Much of the increase resulted from the rise in importation of wheat to 76,889.57 tons compared to 35,350.00 tons imported in the previous month. It is worthy noting that part of the imported wheat is re-exported to the neighbouring countries like Democratic Republic of Congo, Rwanda and Burundi. [Table 4.3](#) summarizes the trend of selected cereal imports during the last four months beginning November 2007.

Table 4.3: Summary of Food Imports

Crop	2007		2008		% Change (Jan – Feb 08)
	Nov	Dec	Jan	Feb	
Maize					
Tons	1,468.0	2,234.2	2,953.1	1,680.3	-43.1
Value (Mill. USD)	0.32	0.14	0.19	0.25	28.34
Rice					
Tons	685.0	4,038.1	351.6	1,463.8	316.3
Value (Mill. USD)	0.23	0.30	0.04	0.19	325.59
Wheat					
Tons	123,255.0	87,669.6	35,350.0	76,889.6	117.5
Value (Mill. USD)	43.76	30.94	13.31	31.97	3.32
Total Tons	125,408.0	93,941.9	38,654.7	80,033.7	107.0
Total Value (Mill. USD)	44.31	31.38	13.54	32.40	139.27

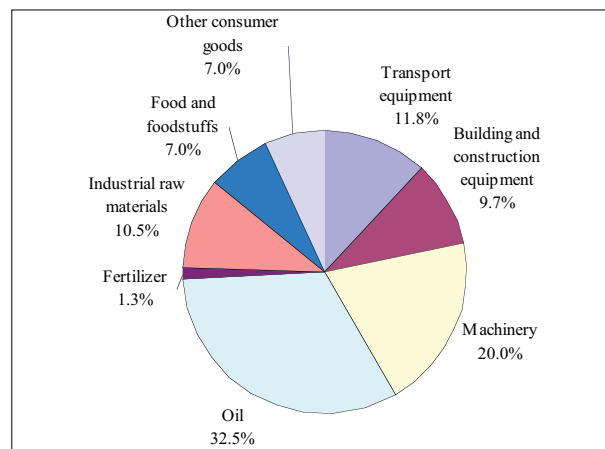
Source: Bank of Tanzania and Tanzania Revenue Authority

On annual basis, goods import went up by 23.3 percent to USD 5,538.5 million following the increase in importation of all major import sub categories. Capital goods imports increased from USD 1,466.0 million in the previous year to USD 1,875.1 million following the increase in importation of transportation equipment, machinery, building and construction in line with the growth of economic activities in the mining, communication and manufacturing sectors.

Similarly, intermediate goods imports rose significantly to USD 2,001.2 million owing to the increase in importation of oil and industrial raw materials. The increase in oil imports is mainly attributed to a surge in the global market. During the review period, oil prices in the world market rose to an average of USD 860.61 per ton compared to the price of USD 543.05 per ton recorded in the previous period. On the other hand, the surge in imports of industrial raw materials is largely associated with the growth of the manufacturing sector in the country following macro-economic reforms that have attracted investments into the sector.

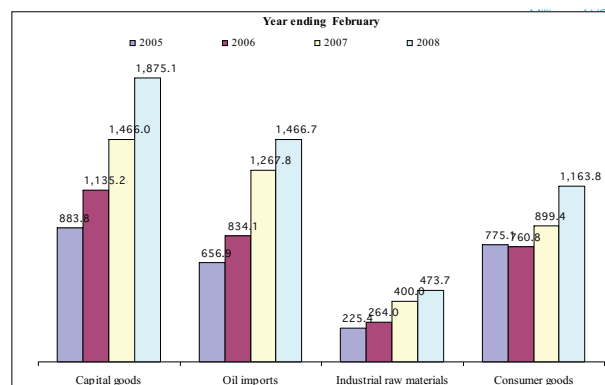
Consumer goods import increased by 29.4 percent to USD 1,163.8 million largely due to increase in food and other consumer goods that include pharmaceutical products, paper and textiles apparel. The increase in food and foodstuffs is largely attributed to increase in importation of cereals particularly wheat imports ([Chart 4.6](#)).

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



During the past four years, capital goods dominated the total imports followed by intermediate goods. The trend of imports over the past four years is shown in [Chart 4.7](#).

Chart 4.7: Total Merchandise Imports: 2005-2008



Services Imports

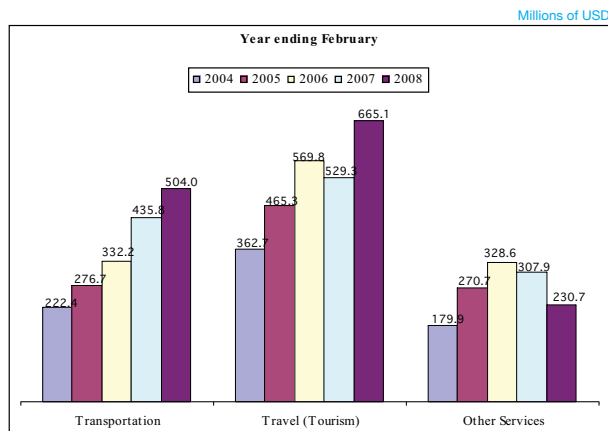
During the month under review, services payments decreased to USD 132.0 million from USD 137.3 million recorded in the previous month mainly on account of the decrease in other business.

On annual basis, service payments increased by 19.6 percent to USD 1,523.1 million, largely due to the increase in payments for freight, travel, insurance, government services and other business services. While the increase in freight and insurance payments is in line with the increase in merchandise imports, the surge in other business services is in line with the growth of economic activities as well as openness of the economy. Other business services comprise of services associated with consultancy, legal, accounting, public relations, architectural, engineering, auditing, research and development. 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, Personal and Other business services

World Commodity Prices Mixed

During February 2008, the world market prices of most commodities recorded increases save for cotton and sisal (**Table 4.4**). The prices of Arabica and Robusta **coffee** recorded notable increases to USD 3.5 per kg and USD 2.6 per kg, respectively. The increase in coffee prices was largely attributable to expectation of low coffee production owing to the effect of unfavourable weather in Brazil. Similarly, the prices of **tea** (Mombasa auction) and **cloves** increased notably to USD 2.4 per kg and USD 4,500 per metric ton, respectively. While the increase in the price of tea was on account of a drop in tea output in the market following the Kenyan violence that disrupted production and trading of tea

in the country, the increase in the price of cloves was largely due to strong demand from cigarette companies in India and Indonesia. Meanwhile, the price of tea (average price) recorded a slight increase.

During the period under review, the price of sisal remained unchanged at USD 1,025.0 per metric ton, whereas, the prices of **cotton** (A-Index and Memphis) recorded marginal declines as shown in Table 4.4. The prices of **crude oil** (UK Brent), Dubai (f.o.b) and white products recorded slight increases to USD 93.4 per barrel, USD 90.0 per barrel and USD 860.6 per ton, respectively. Likewise, the price of **gold** increased slightly to USD 922.3 per troy ounce.

During the year ending February 2008, most of the commodities recorded modest increases in prices with the exception of tea (Mombasa Auction) and cloves whose price declined notably to USD 1.8 per kg and USD 3579.8 per metric ton. The drop in the price of tea was largely attributable to favourable weather condition in major producing countries in East Africa. Likewise, the decline in clove prices was mainly on account of increase in production in Indonesia, following favourable weather condition. On the other hand, the notable percentage increase in the price of coffee to USD 2.0 per kg and USD 2.8 per kg was on concerns of the increase in the demand of coffee from the consumers in the European countries coupled with the decline in the global coffee stocks as the result of the effect of Biennial cycle of coffee in Brazil. Regarding prices of oil, notable increases was recorded following supply disruption in the major oil exporting countries in the Middle East and Nigeria. During the period under review, the price of gold increased by 19.3 percent to USD 739.7 per troy ounce driven by strong investment demand and as a hedge against inflation and the weakening dollar.

Table 4.4: World Commodity Prices

Commodity	Units	2007		2008		% Change	Year Ending February			% Change
		Dec	Jan	Feb	2006		2007	2008		
Robusta Coffee	US \$ per kg	2.02	2.19	2.55	16.44	1.52	1.55	2.01	30.02	
Arabica Coffee	US \$ per kg	3.03	3.08	3.47	12.66	2.53	2.53	2.82	11.47	
Tea (Average price)	US \$ per kg	2.31	2.38	2.40	0.84	1.85	1.87	2.13	14.09	
Tea (Mombasa auction)	US \$ per kg	1.73	2.14	2.42	13.08	1.87	1.90	1.77	-6.89	
Cotton, "A Index"	US \$ per kg	1.53	1.62	1.61	-0.62	1.27	1.27	1.45	14.18	
Cotton, Memphis"	US \$ per kg	1.55	1.66	1.63	-1.81	1.34	1.34	1.48	10.47	
Sisal (UG)	US \$ per metric ton	1,025.00	1,025.00	1,025.00	0.00	930.12	933.75	982.50	5.22	
Cloves	US \$ per metric ton	3,600.00	4,000.00	4,500.00	12.50	4,042.61	4,114.38	3,579.83	-12.99	
Crude oil*	US \$ per barrel	89.52	90.69	93.39	2.98	62.75	63.36	77.20	21.84	
Crude oil**	US \$ per barrel	85.75	87.17	89.96	3.20	60.32	61.05	74.16	21.46	
White products***	US \$ per ton	825.81	818.33	860.61	5.17	597.23	601.97	726.12	20.62	
Jet/Kerosene	US \$ per ton	864.74	854.02	898.8	5.24	626.88	631.58	741.57	17.42	
Premium Gasoline	US \$ per ton	787.29	785.52	825.45	5.08	600.37	606.06	736.84	21.58	
Heat Oil	US \$ per ton	825.39	815.46	857.57	5.16	565.19	569.10	699.94	22.99	
Gold	US \$ per troy ounce	803.20	889.60	922.30	3.68	608.16	620.26	739.73	19.26	

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

** 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 overall national debt stock (external and domestic) at the end of February 2008 stood at USD 7,152.2 million, registering an increase of 2.7 percent from USD 6,967.2 million recorded at the end of preceding month. The increase is mainly on account of updated data on domestic debt and exchange rate fluctuations. Out of the total national debt stock, external debt accounted for 76.4 percent while domestic debt accounted for 23.6 percent.

External Debt

The stock of external debt at the end of February 2008 increased marginally by 0.9 percent to USD 5,465.9 million from USD 5,418.6 million registered at the end of previous month. Out of the total external debt stock, disbursed outstanding debt (DOD) amounted to USD 4,118.8 million (75.4 percent) and USD 1,347.1 million (24.6 percent) was interest arrears.

The analysis of DOD by creditor category indicates that, debt owed to multilateral institutions stood at USD 2,343.1 million (56.9 percent) while the amount of debt owed to bilateral creditors was USD 936.0 million (22.7 percent). Commercial and export credits debt amounted to USD 498.4 million (12.1 percent) and USD 341.2 million (8.3 percent) respectively.

In terms of borrower category, the Central Government remained the leading borrower with a debt amounting to USD 3,275.9 million (80.2 percent) followed by the private sector debt amounting to USD 640.4 million (15.7 percent) and parastatal companies debt amounting to USD 170.1 million (4.2 percent).

External Debt Service

External debt service payments during the month under review amounted to USD 1.7 million, out of which, principal repayments were USD 0.7 million while interest payments amounted to USD 1.0 million.

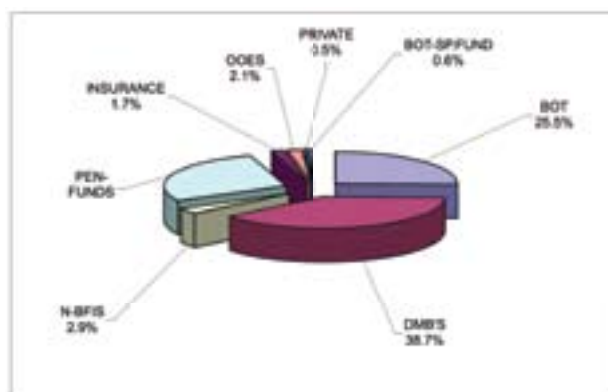
Domestic Debt

During the period under review, the stock of domestic debt increased significantly by 9.0 percent to TZS 1,978.6 billion from TZS 1,814.7 billion registered at the end of the preceding month. The increase is mainly attributed to the recording of TZS

155.0 billion government bond issued in year 2005/06. Out of the total domestic debt stock, Government securities (treasury bills, bonds and stocks) accounted for 99.6 percent while other Government debts, mainly the Mabibo hostel debt accounted for 0.4 percent.

The analysis of domestic debt by holder category shows that commercial banks were the leading creditors to the Union Government holding 38.7 percent of the total domestic debt followed by Pension Funds with 28.1 percent and Bank of Tanzania 25.5 percent. Non-Bank Financial Institutions (NBFIs), other official entities, and insurance companies were holding 2.9 percent, 2.1 percent and 1.7 percent respectively. The remaining portion of 1.0 percent was held by private sector and BOT special fund (Chart 5.1).

Chart 5.1: Government Domestic Debt by Creditor Category



Domestic Debt Service

During the month under review domestic debt amounting to TZS 50.0 billion fell due for payment, out of which interest amounting to TZS 6.8 billion was paid while principal amounting to TZS 43.2 billion was rolled over.



6.0 Economic Developments in Zanzibar

Fiscal Performance

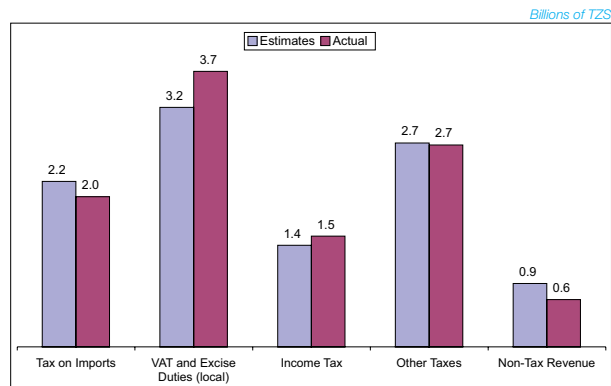
The government budgetary deficit as at the end of February 2008, on cheques cleared basis increased to TZS 1.5 billion up from TZS 0.7 billion recorded in the preceding month. Available total resources (domestic revenue and grants) stood at TZS 13.3 billion, out of which TZS 10.5 billion or 75.0 percent originated from domestic sources; while TZS 2.7 billion accounting for 25.0 percent were foreign grants. Total government expenditure reached TZS 15.3 billion below TZS17.7 billion of the previous month. The budget deficit was financed by domestic sources.

Revenue Performance

Revenue collections reached TZS 10.5 billion exceeding the target of TZS 10.4 billion and collections of TZS 9.1 billion for the previous month. Over performance emanated from increase in income tax and local VAT and excise duties following concerted efforts by tax authorities. Tax revenue amounted to TZS 9.9 billion above the target of TZS 9.5 billion; and accounted for 94.3 percent of the total revenue collection. Non-tax revenue amounted to TZS 0.6 billion, accounting for 5.7 percent of the total revenue collections.

Revenue performance by source category reveals that, local VAT and excise duty collections sustained dominance by contributing TZS 3.7 billion accounting for 37.4 percent of the tax revenue or 35.2 percent of total revenue. Actual collections exceeded the target of TZS 3.2 billion mainly due to receipt of VAT refunds from Tanzania Mainland. Tax on imports amounted to TZS 2.0 billion and was below the target of TZS 2.2 billions, largely due to decline in taxable imports attributed to slow clearance of Zanzibar bound containers from Dar es Salaam port. This source accounted for 20.2 percent of the tax revenue or 19.0 percent of total revenue. Income tax collection amounted to TZS 1.5 billion, surpassing the target of TZS 1.4 billion mainly due to increased collection of PAYE. Other taxes fetched TZS 2.7 billion in line with target of TZS 2.7 billion. Non-tax sources amounted to TZS 0.6 billion, below the target TZS 0.9 billion due to under performance from ministries sources (Chart 6.1).

Chart 6.1: Government Revenue by Source – February 2008



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Cumulatively, total revenue collection for eight months from July 2007 to February 2008 reached TZS 72.3 billion, below the target of TZS 78.5 billion and accounted for 63.1 percent of annual target of TZS 114.6 billion.

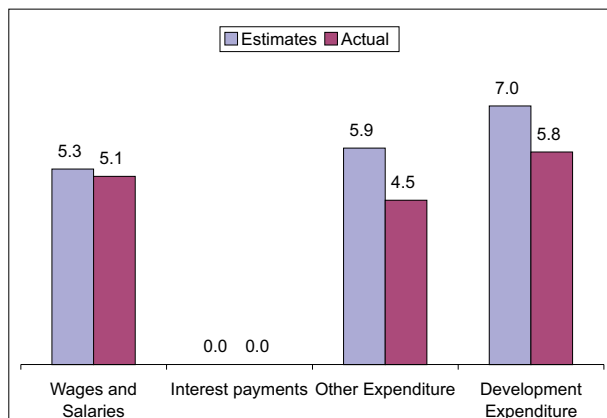
Expenditure

During the month of February 2008, total government expenditure reached TZS 15.3 billion which was below the target of TZS 18.2 billion and TZS 17.7 billion spent during the previous month. The latter was attributed to firm adherence to cash budget management. Recurrent expenditure reached TZS 9.5 billion, below the target of TZS 11.2 billion; and accounted for 62.1 percent of the total expenditure. Expenditure on wages and salaries amounted to TZS 5.1 billion, accounting for 53.7 percent of the recurrent expenditure or 33.3 percent of the total expenditure. Expenditures on other charges amounted to TZS 4.5 billion, compared to the target of TZS 5.9 billion and accounted for 47.4 percent of the recurrent expenditure or 29.4 percent of the total expenditure.

Development expenditure reached TZS 5.8 billion. This was below the target of TZS 7.0 billion, mainly due to less than expected foreign disbursements; and accounted for 37.9 percent of the total expenditure. Government contribution amounted to TZS 1.5 billion or 25.9 percent of the total development expenditure, while foreign sources contributed TZS 4.3 billion; accounting for 74.1 percent of the total development expenditure (Chart 6.2).

Cumulatively, total expenditure for eight months from July 2007 to February 2008 amounted to TZS 118.1 billion, representing 91.5 percent of the projected TZS 129.1 billion and accounted for 44.2 percent of annual budget target of TZS 266.9 billion.



Chart 6.2: Government Expenditure by Components – February 2008

Source: Ministry of Finance and Economic Affairs-Zanzibar

Debt Developments

Public Debt

Public debt as at end of February 2008, stood at TZS 125.0 billion (US\$ 106.5 million) marginally below TZS 126.6 billion (US\$ 108.0 million) recorded in previous month. The decline was associated with paying out domestic suppliers and pensioners. External debt amounted to TZS 73.3 billion (US\$ 62.5 million) accounting for 58.6 percent of the total debt, while domestic debt stood at TZS 51.7 billion (US\$ 44.1 million) or 41.4 percent of total debt. Debt to GDP ratio declined to 31.6 percent compared to 32.1 percent registered during the previous month.

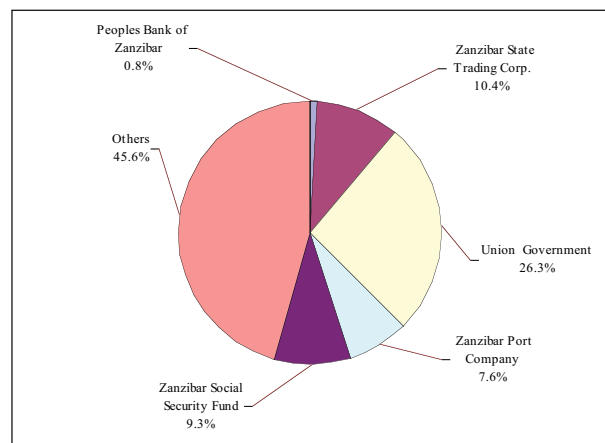
Domestic Debt

Domestic debt slightly declined to TZS 51.7 billion from TZS 53.8 billion registered in the previous period; largely on account of servicing debts due to domestic suppliers and retired civil servants.

Domestic Debt by Creditors

The domestic debt portfolio by creditors shows that; 'Other creditors' mainly composed of domestic suppliers and pensioners remained largest debt amounting to TZS 23.6 billion or 45.6 percent of total domestic debt. Union Government debt remained at TZS 13.6 billion or 26.3 percent of domestic debt. Claims by Zanzibar State Trading Corporation (ZSTC) and Zanzibar Social Security Fund (ZSSF) stood at TZS 5.3 billion and TZS 4.8 billion, representing 10.4 percent and 9.3 percent of total domestic debt respectively.

Zanzibar Port Company (ZPC) debt amounted to TZS 3.9 billion or 7.6 percent of domestic debt, and claims by Peoples Bank of Zanzibar (PBZ) remained at TZS 0.4 billion accounting for 0.8 percent of domestic debt (Chart 6.3).

Chart 6.3: Domestic Debt by Creditor as at End – February 2008

Source: Ministry of Finance and Economic Affairs-Zanzibar

Domestic Debt by Instruments

Debt in form of government loans remained highest at TZS 18.4 billion, accounting for 35.6 percent of domestic debt. Treasury bonds stood at TZS 10.7 billion or 20.6 percent, while government stocks amounted to TZS 8.9 billion representing 17.2 percent of domestic debt. Debt in form of treasury bills stood at TZS 6.0 billion or 11.7 percent of total domestic debt. Other debt instruments - suppliers' credits and pensioners' claims- amounted to TZS 7.6 billion representing 14.9 percent of total domestic debt.

External Debt

External debt as at the end of February 2008 stood at TZS 73.3 billion (US\$ 62.5 million) marginally above TZS 72.7 billion (US\$ 62.1million) registered in the previous month. Debt guaranteed by the Union government stood at US\$ 46.5 million accounting for 74.5 percent of the external debt, while non-guaranteed debt amounted to US\$ 15.5 million equivalent to 25.5 percent of total external debt.

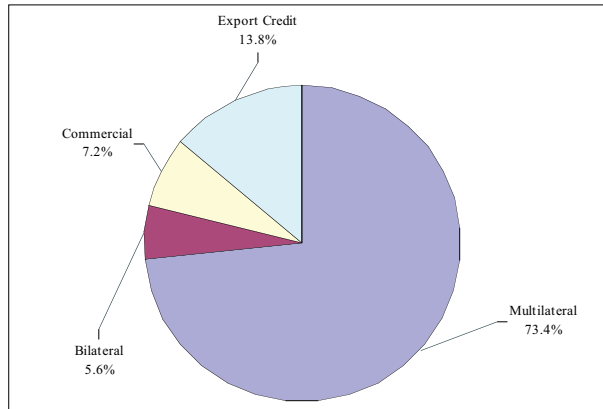
External Debt by Creditor Category

Multilateral creditors remained dominant amounting to US\$ 45.9 million (TZS 53.8 billion) representing 73.4 percent of



the external debt. Bilateral creditors' debt stood at US\$ 3.5 million (TZS 4.1 billion) or 5.6 percent of total external debt. Commercial credits stood at US\$ 4.5 million (TZS 5.3 billion), equivalent to 7.2 percent of external debt. Export credits amounted to US\$ 8.6 million (TZS 10.1 billion) representing 13.8 percent of external debt (Chart 6.4).

Chart 6.4: External Debt by Creditor as at End – February 2008

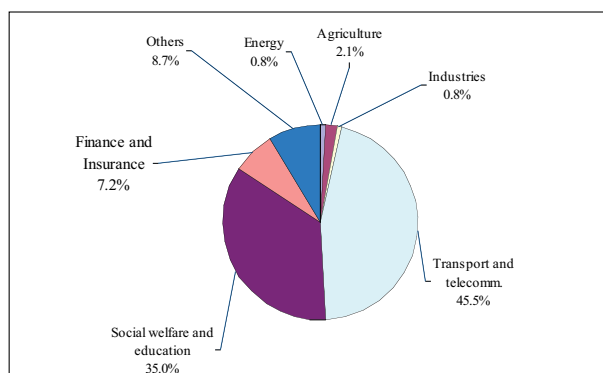


Source: Ministry of Finance and Economic Affairs-Zanzibar

External Debt - Disbursements by End Use

Transport and telecommunications sectors remained largest beneficiaries with US\$ 28.4 million or 45.5 percent of total external debt. Social welfare and education sectors attracted US\$ 21.9 million or 35.0 percent of external debt. Finance & Insurance sector absorbed US\$ 4.5 million or 7.2 percent. Agriculture and energy sectors received US\$ 1.3 million and US\$ 0.5 million, standing for 2.1 percent and 0.8 percent of external debt, respectively. Industries absorbed US\$ 0.5 million, representing 0.8 percent of external debt, while other sectors received a total of US\$ 5.4 million or 8.7 percent (Chart 6.5).

Chart 6.5: External Debt by Use of Funds as at End – February 2008



Source: Ministry of Finance and Economic Affairs-Zanzibar

External Sector Performance

Current Account

Zanzibar current account as at end February, 2008, registered a deficit of US\$ 3.5 million, down from a surplus of US\$ 7.3 million registered in the previous month. Trade account worsened, recording a higher deficit of US\$ 7.6 million compared with US\$ 0.4 million for the preceding month due to increase in imports bill specifically oil and food imports. The deficit was partially accommodated by surplus from services and current transfers' accounts.

However, on annual basis, the current account surplus remained positive and amounted to US\$ 32.1 million, exceeding US\$ 20.3 million, recorded in the corresponding period in 2007. The up-turn was mainly associated with higher official inflows. Deficit in trade worsened to US\$ 74.3 million compared with US\$ 57.6 million recorded in preceding year, due to higher imports bill and decline in service receipts (Table 6.1).

Table 6.1: Current Account Balance

Item	2007		2008		Year Ending February			Annual % Change
	Feb	Dec	Jan	Feb	2006	2007	2008	
Goods Account (net)	-2.1	-4.5	-0.4	-7.6	-67.8	-57.6	-74.3	29.1
Exports	1.3	1.0	5.3	1.4	12.2	14.4	14.5	0.3
Imports (fob)	3.5	5.5	5.8	9.0	80.0	72.0	88.7	23.3
Services Account (net)	4.1	2.0	1.8	1.8	17.5	34.1	38.1	11.6
Receipts	8.4	4.6	4.3	4.4	74.4	89.1	78.3	-12.0
Payments	4.3	2.6	2.5	2.5	56.8	54.9	40.2	-26.8
Goods and Services (net)	1.9	-2.5	1.4	-5.8	-50.3	-23.4	-36.2	54.5
Exports of Goods and Services	9.7	5.6	9.6	5.8	86.6	103.5	92.8	-10.3
Imports of Goods and Services	7.8	8.1	8.3	11.5	136.9	126.9	129.0	1.6
Income Account (net)	0.01	-0.05	-0.04	-0.09	0.45	0.27	-0.25	-189.3
Receipts	0.01	0.01	0.01	0.05	0.46	0.33	0.10	-68.8
Payments	0.00	0.06	0.06	0.14	0.01	0.05	0.35	
Current Transfers (net)	3.1	3.2	6.0	2.4	43.1	43.4	68.5	57.8
Inflows	3.1	3.2	6.0	2.4	43.1	43.4	68.5	
Outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Current Account Balance	5.1	0.7	7.3	-3.5	-6.7	20.3	32.1	58.4

p= Provisional

Source: Tanzania Revenue Authority

Exports Performance

During the month of February 2008, total exports receipts (goods and services) fell by 40.4 percent to US\$ 5.8 million, from US\$ 9.6 million recorded during the preceding month; largely on account of decline in commodity exports, in particular cloves. Cloves exports volume fell to 0.2 thousand tons from 0.6 thousand tons, associated with seasonality factors. Services receipts marginally increased to US\$ 4.4 million, above US\$ 4.3 million recorded during the previous month.

On annual basis, total exports declined by 10 percent to



US\$ 92.8 million, from US\$ 103.5 million recorded during the corresponding period in 2007. The latter was largely attributed to shrinkage in services receipts in response to the low tourism season. Services receipts amounted to US\$ 78.3 million, and accounted for 84.4 percent of total exports receipts, compared to US\$ 89.1 million registered in corresponding period in 2007. Receipts from cloves exports amounted to US\$ 4.0 million, which was below US\$ 9.6 million registered in the corresponding period in 2007, and represented 4.3 percent of total exports. Seaweeds exports fetched US\$ 2.2 million equivalent to 2.4 percent of total export receipts. Manufactured goods exports amounted to US\$ 3.7 million or 4.0 percent of total receipts. Export of fish and fish produce realised US\$ 0.2 million, representing 0.2 percent of total export receipts. Other exports earnings reached US\$ 4.3 million, accounting for 4.6 percent of total export receipts (Table 6.2).

Table 6.2: Exports by Major Categories

Millions of US\$

Commodity	2007		2008 ^p		Monthly % Change	Year Ending February ^p			Annual % Change
	Jan	Feb	Jan	Feb		2006	2007	2008	
Traditional :									
Cloves									
Value	2.96	0.82	2.52	0.8	-68.3	9.3	9.6	4.0	-58.3
Volume	1.01	0.27	0.64	0.2	-69.2	3.2	3.0	1.0	-64.8
Unit Price	2,921.9	3,039.1	3,960.72	4,072.1	2.8	2,928.7	3,209.2	3,799.7	18.4
Sub Total	2.96	0.82	2.5	0.8	-68.3	9.3	9.6	4.0	-58.3
Non-Traditional:									
Seaweeds									
Value	0.25	0.18	0.36	0.2	-33.5	1.84	1.61	2.24	38.8
Volume	1.49	0.81	1.44	0.8	-45.0	8.75	7.85	9.20	17.2
Unit Price	169.1	222.4	250.52	302.8	20.9	210.71	205.27	243.03	18.4
Manufactured Goods	0.18	0.28	0.43	0.3	-37.5	0.17	2.17	3.70	70.3
Fish and Fish Produce	0.00	0.00	0.01	0.08	1,378.4	0.31	0.25	0.23	-6.3
Others Exports	0.01	0.02	2.03	0.0	-99.4	0.61	0.84	4.31	412.4
Sub Total	0.4	0.5	2.8	0.6	-78.8	2.9	4.9	10.5	115.1
Grand Total	3.4	1.3	5.3	1.4	-73.9	12.2	14.4	14.5	0.3

p = provisional

Source: Tanzania Revenue Authority

Imports Performance

In February 2008 goods imports (c.i.f) increased by 57.0 percent and amounted to US\$ 9.9 million, up from US\$ 6.3 million recorded during the previous month. The remarkable increase was driven by surge in imports of petroleum products, which accounted for 50.5 percent of total imports. Oil imports amounted to US\$ 5.0 million, up from US\$ 2.0 million; this was partially attributed to entry of new registered operator in the oil sector. Capital goods imports marginally increased to US\$ 2.7 million, from US\$ 2.6 million recorded in previous month. Consumer goods imports rose to US\$ 1.7 million from US\$ 1.2 million recorded during the preceding month.

On annual basis, goods imports (c.i.f) increased by 23.3 percent to US\$ 88.7 million, above US\$ 72.0 million recorded in previous corresponding period in 2007. The increase was driven by increase in imports of both capital and intermediate goods. Capital goods imports rose to US\$ 46.5 million from

US\$ 32.8 million, evidenced by increase in building and construction materials to cater for booming construction industry and increase of transport equipments. Intermediate goods imports increased by 20.0 percent to US\$ 31.6 million, exceeding US\$ 26.2 million recorded during the corresponding period in 2007, and was driven by increase of oil imports which accounted for 26.3 percent of total imports. Consumer goods imports declined slightly to US\$ 19.4 million, from US\$ 20.2 million recorded in corresponding period in 2007, marked by decrease in other consumer goods, specifically household ware, shoes and clothing items (Table 6.3).

Table 6.3: Imports by Major Categories

Millions of US\$

Import Category	2007		2008 ^p		Monthly % Change	Year Ending February ^p			Annual % Change
	Jan	Feb	Jan	Feb		2006	2007	2008p	
Capital Goods	2.7	2.1	2.6	2.7	3.3	35.6	32.8	46.5	42.0
Transport Equipment	0.7	1.0	1.0	1.5	44.4	10.4	10.9	18.9	73.8
Building and Constructions	0.6	0.4	0.6	0.3	-47.7	8.0	7.0	12.7	81.7
Machinery	1.4	0.7	0.9	0.8	-7.9	17.2	14.9	14.9	0.1
Intermediate Goods	0.5	0.3	2.6	5.5	115.3	27.2	26.2	31.6	20.8
Oil imports	0.16	0.01	2.0	5.0	149.8	23.0	19.7	25.7	30.6
Fertilizers	0.02	...	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Industrial raw materials	0.3	0.2	0.5	0.5	-10.8	4.2	6.5	5.9	-8.9
Consumer Goods	2.4	1.4	1.2	1.7	46.4	25.2	20.2	19.4	-3.9
Food and food stuffs	0.3	0.3	0.2	0.5	112.3	14.7	5.7	6.5	14.0
All other consumer goods	2.1	1.1	1.0	1.3	30.3	10.5	14.5	12.9	-10.9
Grand Total (c.i.f)	5.5	3.8	6.3	9.9	56.7	87.9	79.1	97.5	23.3
Grand Total (f.o.b)	5.0	3.5	5.8	9.0	56.7	80.0	72.0	88.7	23.3

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

Services Account

During the month of February, 2008, services account surplus stood at US\$ 1.8 million the same as per previous month. Foreign receipts amounted to US\$ 4.4 marginally exceeding US\$ 4.3 million recorded during the previous month, while payments amounted to US\$ 2.5 million. Travel receipts amounted to US\$ 3.2 million, representing 73.2 percent of total services earnings. Travel payments amounted to US\$ 1.8 million, accounting for 72.0 percent of total foreign payments.

On year to year basis, the services account surplus improved to US\$ 38.1 million, from US\$ 34.1 million, recorded in 2007, largely due to lower foreign payments. Total foreign receipts declined by 12.0 percent to US\$ 78.3 million from US\$ 89.1 million recorded in previous month; while foreign payments went down by 26.8 percent to US\$ 40.2 million from US\$ 54.9 million registered in the previous corresponding period.

Travel receipts stood at US\$ 67.0 million or 85.6 percent of total services inflows, while travel payments amounted to US\$ 32.4 million, representing 80.6 percent of total foreign payments.



STATISTICAL TABLES



Table A1: Selected Economic Indicators

Item	Unit	2000	2001	2002	2003	2004	2005	2006 ^p
1. National Accounts and Prices								
1.1 Change in GDP at Factor Cost--Current Prices	Percent	12.2	13.7	14.1	12.8	15.4	15.3	14.8
1.2 Change in GDP at Factor Cost--Constant 1992 Prices ²	Percent	4.9	5.7	6.2	5.7	6.7	6.7	6.2
1.3 GDP Per Capita--Current Prices ¹	TZS	210,231.0	231,751.0	258,925.0	287,027.0	321,283.0	360,965.0	399,554.0
1.4 GDP Per Capita--Current Prices ¹	US\$	262.7	264.4	267.9	276.4	294.9	319.8	n.a
1.5 Change in Consumer Price Index (Inflation)	Percent	5.9	5.2	4.5	3.5	4.1	4.4	6.2
1.6 Saving to GNDI Ratio ^{3*}	Percent	11.6	11.1	12.7	11.8	12.3	12.5	na
2. Money Credit and Interest Rates								
2.1 Change in Extended Broad Money Supply (M3)**	Percent	14.8	17.1	25.1	16.6	19.3	38.2	22.0
2.2 Change in Broad Money Supply (M2)**	Percent	12.5	12.8	22.3	14.2	19.2	36.9	13.7
2.3 Change in Narrow Money Supply (M1)	Percent	9.9	10.2	25.2	16.1	18.2	33.7	9.8
2.4 Change in Reserve Money	Percent	9.4	5.0	19.1	12.6	23.6	27.7	16.8
2.5 Total Credit to GDP Ratio ¹	Percent	9.8	7.6	8.8	8.7	8.5	9.4	12.0
2.6 Private Sector Credit to GDP Ratio ¹	Percent	4.6	4.9	6.1	5.2	8.9	11.0	12.5
2.7 Ratio of Private Credit to Total Credit	Percent	46.6	63.7	69.2	98.4	104.7	84.6	103.9
2.8 Average Deposit Rate (12-Month)	Percent	8.6	6.0	5.7	5.0	5.8	6.2	8.3
2.9 Weighted Average Treasury Bill Rate	Percent	5.7	3.9	4.5	7.7	9.6	10.8	15.0
2.10 Average Medium- and Long-Term Lending Rate	Percent	21.2	15.8	13.2	12.5	14.0	15.5	15.6
3. Balance of Payments****								
3.1 Exports (f.o.b)	Mill. US\$	733.7	851.3	979.6	1,216.1	1,473.1	1,675.8	1,723.0
3.2 Imports (f.o.b)	Mill. US\$	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6	-3,864.1
3.3 Trade Balance	Mill. US\$	-633.9	-709.0	-531.8	-717.3	-1,009.8	-1,321.8	-2,141.1
3.4 Balance on Current Account	Mill. US\$	-461.3	-200.0	83.6	-87.5	-383.3	-881.6	-1,510.7
3.5 Overall Balance	Mill. US\$	-36.9	-167.5	317.9	389.1	206.0	-197.2	-138.5
3.7 Gross Official Reserves	Mill. US\$	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4	2,260.1
3.8 Reserves Months of Imports (of goods and services)	Months	5.7	6.3	8.6	9.2	8.0	5.8	5.3
3.9 Exchange Rate:								
3.9.1 Annual Average	TZS/US\$	800.4	876.4	966.6	1,038.6	1,089.3	1,128.8	1,251.9
3.9.2 End of Period	TZS/US\$	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5	1,261.6
4 Population (TZ Mainland)	Million	31.9	32.1	33.6	34.2	35.3	36.19	37.5
5. Public Finance			2000/01	2001/02	2002/03	2003/04	2004/05	2005/06*
5.1 Current Revenue to GDP Ratio ¹	Percent		12.2	11.8	12.1	12.6	13.3	13.6
5.2 Grants to GDP Ratio ¹	Percent		3.7	4.3	6.2	6.0	7.4	6.7
5.2 Current Expenditure to GDP Ratio ¹	Percent		13.1	12.6	14.8	15.4	15.1	17.5
5.3 Development Expenditure to GDP Ratio ¹	Percent		3.7	3.9	5.0	6.4	8.6	8.0
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent		-4.8	-4.8	-7.7	-9.2	-10.4	-11.5
5.5 Deficit to GDP Ratio (including grants) ¹	Percent		-1.1	-0.5	-1.5	-3.1	-3.0	-5.5
6. Total External Debt Stock	Mill. US\$		7,482.1	7,464.0	7,268.1	7,857.0	8,134.8	7,931.8
Disbursed Debt	Mill. US\$		6,312.2	6,559.7	6,233.0	6,678.3	6,799.5	6,743.6
Interest	Mill. US\$		1,169.9	904.3	1,035.1	1,178.7	1,335.3	1,188.2
Total External Debt as % of GDP	Percent		80.7	78.5	75.9	83.5	77.5	72.0

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

^p Provisional

* Revised from 2001

** Revised 2003

*** revised 2001-2002

**** revised from 2000

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



Table A2: Central Government Operations -Monthly Flows

Item	BUDGET 2007/08	2007						2008	
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
		Millions of TZS							
Total Revenue	3,502,583.0	262,189.8	275,917.4	326,363.8	284,598.3	269,707.4	340,258.2	286,549.5	274,655.6
Tax Revenue	3,188,415.0	237,589.7	251,039.3	312,249.8	262,860.0	260,539.4	327,682.4	268,127.5	247,263.0
Taxes on Imports	1,245,641.9	110,674.5	108,331.1	112,819.9	110,072.5	112,132.6	105,825.4	101,306.5	93,000.5
Sales/VAT and Excise on Local Goods	688,639.0	52,327.2	60,588.6	58,566.1	64,164.0	71,063.6	65,380.6	62,268.6	66,401.7
Refunds	-124,641.4	-13,064.9	-12,955.3	-9,866.8	-9,866.8	-10,386.8	-10,386.8	-10,386.8	-10,386.8
Income Taxes	826,866.7	47,867.6	53,714.0	106,796.9	53,342.2	56,227.0	135,647.7	85,587.6	66,292.3
Other taxes	427,267.4	26,720.4	28,405.6	34,066.9	35,281.3	31,503.0	31,215.5	29,351.6	31,955.3
Non- tax Revenue	314,168.0	24,600.1	24,878.1	14,114.0	21,738.3	9,168.0	12,575.8	18,422.0	27,392.6
Total Expenditure /1	5,998,082.5	429,898.5	704,456.4	563,019.6	430,325.8	349,700.8	361,233.1	476,656.9	369,813.8
Recurrent expenditure	3,796,986.2	210,421.5	263,925.4	285,322.4	308,329.2	252,174.1	232,366.7	374,027.2	297,791.6
Retention fund	71,706.9	3,678.7	5,434.0	6,610.0	5,815.0	5,289.8	7,363.3	4,584.0	5,295.4
Wages and salaries	1,113,134.0	93,080.1	93,275.7	93,891.5	93,154.7	93,617.6	93,477.0	93,490.3	94,959.5
Interest payments	276,000.0	9,624.2	4,161.4	7,902.4	38,184.3	9,576.3	11,325.6	39,790.9	7,399.5
Domestic 2/	240,000.0	9,359.3	4,045.2	5,318.6	36,049.3	7,583.2	8,370.9	37,880.9	6,815.2
Foreign	36,000.0	264.9	116.3	2,583.8	2,135.0	1,993.1	2,954.7	1,909.9	584.2
Other goods, services and transfers	2,407,852.2	107,717.2	166,488.2	183,528.4	176,990.3	128,884.8	122,254.8	198,091.5	181,351.6
Dev. Expenditure and net lending	2,201,096.3	219,477.0	440,531.0	277,697.3	121,996.6	97,526.8	128,866.3	102,629.7	72,022.2
Local	739,203.5	61,600.3	100,521.7	150,000.0	26,000.0	48,000.0	34,000.0	42,387.0	36,500.0
Foreign	1,461,892.8	157,876.7	340,009.2	127,697.3	95,996.6	49,526.8	94,866.3	60,242.7	35,522.2
Overall Balance (cheque issued) before Grants	-2,495,499.5	-167,708.7	-428,539.0	-236,655.8	-145,727.5	-79,993.4	-20,974.9	-190,107.4	-95,158.2
Grants	1,690,873.0	468,714.4	26,612.1	107,870.7	57,776.3	61,043.9	74,115.3	2,691.3	2,901.2
Program (CIS/OGL)	607,524.1	396,977.5	0.0	94,454.6	33,371.3	38,266.6	0.0	0.0	0.0
Project	684,438.3	15,905.6	1,172.7	3,146.0	7,268.1	2,579.1	69,152.7	1,252.1	20,034.7
Basket funds	192,874.1	16,548.8	573.1	10,270.1	17,136.9	20,198.2	0.0	0.0	12,586.2
HIPC Relief	206,036.6	39,282.4	24,866.3	0.0	0.0	0.0	0.0	1,439.1	0.0
Overall defic.(cheq.issued) after Grants	-804,626.5	301,005.7	-401,926.9	-128,785.1	-87,951.2	-18,949.5	53,140.4	-187,416.1	-92,256.9
Expenditure float	0.0	-186,585.9	-12,803.2	-9,825.0	-11,909.3	0.0	0.0	-13,407.0	-12,908.4
Adjustments to cash and other items (net)	0.0	179,183.8	57,166.0	72,903.7	-64,629.2	-52,477.7	-95,581.2	75,165.4	-13,892.4
Overall Balance (cheques issued)	-804,626.5	293,603.6	-357,564.2	-65,706.4	-164,489.7	-71,427.2	-42,440.8	-125,657.8	-119,057.7
Financing:	804,626.5	-293,603.6	357,564.2	65,706.4	164,489.7	71,427.2	42,440.8	125,657.8	-119,057.7
Foreign Financing (net)	818,616.7	124,683.8	359,867.1	350,954.8	68,898.0	25,265.5	44,146.0	58,322.8	31,443.5
Loans	858,376.7	125,422.2	360,241.0	354,396.4	71,591.6	21,188.6	47,691.1	58,990.6	20,034.7
Program loans	273,796.2	0.0	21,977.5	240,115.2	0.0	0.0	21,977.5	0.0	0.0
Development Project loans	504,260.2	23,655.7	338,263.4	35,761.0	55,163.7	21,188.6	25,713.6	58,990.6	20,034.7
Basket Support	80,320.2	101,766.6	0.0	78,520.2	16,427.9	5,560.9	0.0	0.0	12,586.2
Amortization	-39,760.0	-738.5	-373.9	-3,441.6	-2,693.6	-1,483.9	-3,545.1	-667.7	-1,177.5
Domestic (net)	-13,990.2	-418,287.4	-2,302.9	-285,248.4	95,591.7	46,161.7	27.2	67,334.9	87,614.2
Domestic Financing	-0.2	-418,287.4	-1,772.9	-285,248.4	95,666.2	46,161.7	27.2	69,918.5	88,814.2
Bank borrowing	0.0	-382,860.2	-42,297.9	-304,072.1	50,347.6	76,510.9	-23.0	105,517.9	123,026.3
Non-Bank (net of amortization)	0.0	-35,427.1	40,525.0	18,823.7	45,318.6	-30,349.3	50.3	-35,599.3	-34,212.1
Amortization of contingent debt	-15,000.0	0.0	-530.0	0.0	-74.5	0.0	0.0	-2,583.6	-1,200.0
Privatization Proceeds	-13,990.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note:

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

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

Source: Ministry of Finance





Table A3: Monetary Survey

End of Period	Domestic assets (net)													Domestic credit (net)													Claims on private sectors (net)*			Claims on government (net)			Foreign assets (net)			Other items (net)			TOTAL sum(2-5) or sum(9-13)			TOTAL sum(9-12)			TOTAL sum(9,10)			Currency in circulation outside banks			Demand deposits			Time deposits			Savings deposits			Foreign currency deposits			TOTAL sum(9,15)			of which: CB Reserves																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
	Domestic assets (net)						Domestic credit (net)						Claims on private sectors (net)*			Claims on government (net)			Foreign assets (net)			Other items (net)			TOTAL sum(2-5) or sum(9-13)			TOTAL sum(9-12)			TOTAL sum(9,10)			Currency in circulation outside banks			Demand deposits			Time deposits			Savings deposits			Foreign currency deposits			TOTAL sum(9,15)			of which: CB Reserves																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
	M3			M2			M1			Narrow Money			Broad Money			M0			Base Money			M0			Base Money			M0			Base Money			M0			Base Money			M0			Base Money																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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Table A4 : Interest Rate Structure

Item	2007 ^P												Percent	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
A: Domestic Currency														
1 Interbank Cash Market Rates														
Overnight	12.04	7.44	7.52	9.64	6.20	6.67	9.79	12.05	12.07	18.64	10.19	5.37	6.47	4.52
2 to 7 days	12.98	7.87	7.79	9.90	6.58	7.60	11.27	12.28	12.77	19.47	8.19	5.99	7.11	5.20
8 to 14 days	15.27	8.43	7.32	9.02	7.03	7.03	12.00	11.98	12.00	24.04	5.86	5.86	6.82	5.00
15 to 30 days	15.00	9.64	9.64	9.64	7.20	6.00	6.00	6.00	6.50	9.00	9.22	7.50	6.50	6.50
31 to 60 days	15.33	9.35	7.88	9.01	6.87	9.59	6.55	8.81	11.16	6.42	5.15	5.84	5.60	5.60
61 to 90 days	17.50	10.00	10.00	10.00	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	5.93
91 to 180 days	15.15	12.30	14.87	15.25	12.61	12.50	13.00	13.83	14.80	14.80	14.80	9.75	9.50	6.50
181 and above	11.57	11.57	11.57	11.57	12.87	12.87	12.87	12.87	15.23	15.23	12.10	12.10	12.10	12.10
Overall Interbank cash market rate	12.54	7.72	7.59	9.69	6.42	7.24	10.46	12.11	12.27	18.92	9.67	5.83	6.74	4.81
2 Lombard Rate	18.06	11.74	11.28	14.46	9.63	10.01	14.69	18.07	18.11	27.97	15.29	8.19	9.90	6.72
3 REPO Rate	6.35	6.30	6.88	6.88	5.27	6.25	9.10	11.02	11.56	11.34	7.36	5.13	6.60	4.48
4 Treasury Bills Rates														
35 days	10.96	7.83	7.24	7.79	6.42	6.47	6.07	6.32	6.27	6.35	4.94	5.46	5.96	5.99
91 days	15.69	12.58	14.93	15.03	11.99	12.62	12.88	13.76	14.78	15.14	11.31	9.90	9.54	7.05
182 days	16.02	13.41	16.40	16.84	13.84	16.74	16.23	15.83	16.37	16.62	12.96	10.15	10.33	8.02
364 days	16.25	13.75	17.15	17.27	14.59	18.39	15.84	15.95	16.98	17.86	13.68	12.95	12.80	9.82
Overall Treasury bills rate	15.75	12.95	15.99	16.41	13.49	17.07	15.41	15.11	15.59	16.42	12.45	11.40	10.89	8.37
5 Treasury Bonds:														
2-years	16.522	17.38	19.23	17.56	15.96	18.25	17.67	18.91	20.07	17.29	14.99	14.97	14.97	14.97
5-years	13.60	16.37	16.21	18.20	17.41	18.37	17.31	19.43	20.54	18.69	17.60	17.60	16.81	16.81
7-years	17.50	15.40	20.69	19.90	17.41	18.58	18.50	20.43	19.25	18.80	17.90	18.15	18.15	17.18
10-years	17.15	17.82	18.51	18.03	16.29	17.48	17.52	19.63	19.92	20.28	17.87	17.68	17.68	17.68
6 Discount Rate	21.31	17.92	20.58	21.41	18.93	21.42	21.05	20.11	20.59	21.42	17.44	16.40	15.89	13.36
7 Savings Deposit Rate	2.59	2.25	2.57	2.42	2.60	2.63	2.70	2.71	2.62	2.59	2.61	2.75	2.76	2.64
8 Time Deposits Rates:														
Call Accounts	0.71	1.53	1.29	1.33	1.35	1.31	1.36	0.21	1.14	0.50	1.11	0.78	0.88	0.93
1 month	6.36	6.82	7.68	7.78	7.16	6.65	6.44	6.54	7.44	7.99	7.52	9.26	7.22	8.64
2 months	7.83	8.36	8.55	7.64	6.85	7.78	7.87	8.51	8.65	9.87	8.94	6.97	9.42	8.71
3 months	8.47	7.76	7.48	7.90	8.90	8.61	8.59	8.78	9.89	9.50	9.25	9.34	9.66	10.04
6 months	9.02	8.73	8.85	9.54	9.45	9.31	9.97	9.99	8.82	9.30	10.22	8.71	10.00	9.02
12 months	8.20	8.47	9.17	9.09	9.39	8.88	9.04	9.42	9.64	10.22	9.85	10.08	10.10	9.92
24 months	10.40	10.94	10.85	10.95	10.25	11.27	9.75	10.89	11.91	10.31	10.19	12.92	9.95	10.11
9 Negotiated Deposit Rates	9.02	9.39	7.33	8.45	8.18	8.65	8.91	9.82	9.83	10.61	10.96	11.04	11.17	10.52
10 Lending rates:														
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Short-term (up to 1year)	15.80	15.34	14.94	13.63	13.80	13.95	14.12	14.30	14.06	13.85	14.06	14.70	13.96	14.19
Medium-term (1-2 years)	19.60	16.94	16.77	16.58	16.67	17.01	17.15	16.94	16.84	16.86	16.79	16.60	16.72	15.80
Medium-term (2-3 years)	16.50	14.78	15.37	15.22	15.03	14.60	15.65	15.17	15.15	15.27	15.43	15.48	15.32	15.39
Long-term (3-5 years)	16.10	16.06	16.55	15.09	15.65	15.61	16.04	16.76	16.53	15.90	16.37	16.66	16.49	16.54
Term Loans (over 5 years)	18.12	17.82	18.13	18.25	18.42	17.37	17.42	18.20	17.15	17.04	17.04	12.84	13.69	13.47
11 Negotiated Lending Rates	11.49	12.42	11.74	10.81	10.18	12.20	12.14	12.63	11.91	11.89	11.68	11.98	11.50	11.76
B: Foreign Currency														
1 Deposits Rates														
Savings Deposits														
1-months	0.66	0.28	1.47	0.63	0.81	0.82	1.40	1.43	1.71	1.75	1.65	1.60	1.86	1.61
Time Deposits														
1-months	2.29	2.39	2.60	2.51	2.37	1.79	2.03	2.07	3.21	2.71	4.77	4.65	3.16	4.58
2-months	2.18	2.07	2.59	2.65	2.41	2.18	1.91	2.72	3.48	4.95	5.36	3.60	4.59	4.94
3-months	2.72	2.87	3.25	2.74	2.69	2.87	2.57	3.02	3.87	4.89	3.76	3.86	4.43	3.17
6-months	3.47	3.23	3.04	3.72	2.92	3.02	2.85	3.47	3.85	3.87	3.86	4.64	4.90	4.72
12-months	3.40	3.69	3.04	3.12	3.75	3.81	3.69	3.00	3.27	3.99	5.72	4.58	4.92	5.72
2 Lending Rates														
Short-term (up to 1year)	8.64	8.67	8.25	7.25	7.93	8.03	8.41	7.49	5.89	5.77	7.41	3.85	3.82	4.55
Medium-term (1-2 years)	8.61	8.72	8.61	9.82	8.52	8.57	8.46	8.31	8.45	8.48	8.51	8.45	8.69	8.72
Medium-term (2-3 years)	8.33	8.09	7.98	9.77	8.06	7.91	7.97	8.27	8.19	8.69	8.67	8.94	8.95	8.74
Long-term (3-5 years)	8.04	6.31	7.80	7.54	7.90	7.11	7.90	6.89	7.00	8.93	8.68	8.97	8.46	8.47
Term Loans (over 5 years)	7.55	7.34	7.73	8.09	8.42	6.17	8.09	8.49	8.33	8.64	8.73	8.54	8.86	8.86

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.



Table A5(a): Exports by Type of Commodity

Item	2007 ^p	2008		% Change		Year Ending February ^p		
	February	Jan	Feb	Feb 07 - Feb 08	Jan 08- Feb 08	2007	2008	% Change
Traditional Exports:								
COFFEE								
Value	13.2	12.3	12.9	-1.9	4.8	74.7	94.8	27.0
Volume	5.7	4.7	5.4	-6.1	14.0	36.6	42.1	15.1
Unit Price	2,293.8	2,606.7	2,397.4	4.5	-8.0	2,039.5	2,250.5	10.3
COTTON								
Value	1.5	7.5	3.3	119.1	-56.8	43.8	73.5	67.7
Volume	1.3	6.3	2.6	108.8	-58.5	42.6	64.6	51.6
Unit Price	1,184.7	1,196.3	1,243.1	4.9	3.9	1,027.7	1,137.2	10.6
SISAL								
Value	1.0	0.2	0.3	-68.3	0.0	7.1	6.9	-2.1
Volume	1.1	0.2	0.3	-73.7	0.0	8.9	7.3	-17.3
Unit Price	887.7	972.1	1,067.8	--	0.0	794.8	831.9	4.7
TEA								
Value	2.6	3.4	3.4	30.3	-1.4	31.7	30.3	-4.4
Volume	1.9	2.2	2.4	23.9	9.7	22.2	22.1	-0.6
Unit Price	1,348.0	1,578.6	1,418.8	5.2	-10.1	1,424.2	1,370.0	-3.8
TOBACCO								
Value	15.7	2.1	4.5	-71.5	113.0	74.8	77.2	3.1
Volume	6.9	0.7	3.2	-53.0	385.1	29.8	34.3	15.2
Unit Price	2,288.6	3,160.2	1,387.7	-39.4	-56.1	2,512.3	2,249.2	-10.5
CASHEWNUTS								
Value	1.4	26.747	11.9	751.7		30.1	40.1	33.2
Volume	3.0	36.640	16.3	436.1		60.0	55.6	-7.3
Unit Price	458.6	730.0	728.6	58.9	--	501.6	717.6	43.1
CLOVES								
Value	0.8	2.550	0.8	-3.5	--	9.8	3.8	-61.3
Volume	0.3	0.777	0.2	-28.1	--	3.1	1.1	-63.7
Unit Price	3,034.8	3,284.0	4,072.1	34.2	24.0	3,198.5	3,410.4	6.6
Sub Total	36.2	54.9	37.0	2.2	-32.6	271.9	326.6	20.1
Non-Traditional Exports:								
Minerals								
Gold	67.9	78.8	91.6	35.0	16.3	875.3	844.3	-3.5
Diamond	63.6	77.1	84.9	33.4	10.2	825.5	782.1	-5.3
Other minerals ¹	2.5	0.0	2.0	-21.6	116,640.2	23.8	23.6	-1.1
	1.7	1.7	4.7	174.3	179.7	26.0	38.7	48.7
Manufactured Goods								
Cotton Yarn	17.6	38.6	47.5	169.1	23.1	202.8	360.7	77.9
Manufactured Coffee	0.3	0.3	0.4	51.5	69.2	6.3	7.4	17.0
Manufactured Tobacco	0.0	0.1	0.1	--	-8.1	1.3	1.6	0.0
Sisal Products (Yarn & Twine)	0.2	0.0	0.1	-52.1	--	1.6	1.1	-31.3
Other manufactured Goods ²	0.3	3.3	0.8	--	--	3.1	9.7	--
	16.9	34.8	46.0	173.2	32.3	190.5	341.0	79.0
Fish and Fish Products								
	14.2	10.8	9.5	-32.9	-11.9	149.1	156.0	4.6
Horticultural products								
	2.1	2.8	2.5	20.1	-9.4	16.5	21.3	29.2
Re-exports								
	12.4	22.6	13.7	10.5	-39.5	145.6	149.7	2.9
Others Exports³								
	9.3	13.3	14.8	60.1	11.0	148.1	221.6	49.6
Sub Total	123.4	166.9	179.6	45.5	7.6	1,537.4	1,753.7	14.1
GRAND TOTAL	159.6	221.8	216.6	35.7	-2.3	1,809.3	2,080.3	15.0

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

Millions of USD

Import Category	2007 ^P		Year Ending February ^P		% Change	
	Feb	Jan-08	Feb-08	2007		2008
Capital Goods	132.8	145.9	194.7	1,466.0	1,875.1	27.9
Transport Equipments	26.9	29.6	62.7	372.7	534.4	43.4
Building and Constructions	28.3	31.1	38.0	348.6	438.6	25.8
Machinery	77.5	85.2	94.0	744.6	902.1	21.2
Intermediate Goods	159.4	175.1	183.4	1,721.8	2,001.2	16.2
Oil imports	109.1	119.9	139.3	1,267.8	1,466.7	15.7
Fertilizers	1.2	1.3	0.2	54.0	60.8	12.6
Industrial raw materials	49.0	53.9	43.9	400.0	473.7	18.4
Consumer Goods	92.1	101.3	111.0	899.4	1,163.8	29.4
Food and food stuffs	33.1	36.3	35.2	265.8	317.6	19.5
All other consumer goods ¹	59.1	64.9	75.8	633.6	846.2	33.6
Grand Total (f.o.b)	384.3	422.3	489.1	4,087.2	5,040.0	23.3
Grand Total (c.i.f)	422.3	464.1	537.4	4,491.4	5,538.5	23.3

Note:

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

^P = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.



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

Millions of USD

Item	1999	2000	2001	2002 ^r	2003 ^r	2004 ^r	2005 ^r	2006 ^p
A. Current Account	-846.2	-485.9	-237.4	83.6	-87.5	-383.3	-895.2	-1,386.3
Goods: Exports f.o.b.	543.3	733.7	851.3	979.6	1,216.1	1,473.1	1,675.8	1,723.0
Traditional	301.2	292.8	231.1	206.1	220.5	297.8	354.5	267.1
Non-traditional	242.1	440.9	620.2	773.5	995.7	1,175.3	1,321.2	1,455.9
o/w Gold	34.8	112.7	254.1	341.1	502.8	629.4	655.1	773.2
Goods: Imports f.o.b.	-1,415.4	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6	-3,864.1
<i>Balance on Goods</i>	<i>-872.1</i>	<i>-633.9</i>	<i>-709.0</i>	<i>-531.8</i>	<i>-717.3</i>	<i>-1,009.8</i>	<i>-1,321.8</i>	<i>-2,141.1</i>
Services: Credit	600.3	627.3	914.6	920.1	947.8	1,133.6	1,269.2	1,494.0
Transportation	53.7	56.8	105.9	117.1	138.9	183.0	222.9	345.9
Travel	463.7	376.7	615.1	635.0	646.5	746.0	823.6	914.0
Other	82.8	193.8	193.6	168.0	162.3	204.6	222.7	234.1
Services: Debit	-780.5	-682.4	-649.7	-632.5	-725.7	-974.7	-1,207.3	-1,249.4
Transportation	-175.4	-205.7	-194.2	-176.9	-214.7	-267.1	-319.5	-418.3
Travel	-369.7	-337.3	-327.3	-337.5	-353.2	-445.3	-553.8	-534.5
Other	-235.4	-139.4	-128.1	-118.1	-157.8	-262.3	-334.0	-296.6
<i>Balance on Services</i>	<i>-180.2</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>244.6</i>
<i>Balance on Goods and Services</i>	<i>-860.8</i>	<i>-689.0</i>	<i>-444.1</i>	<i>-244.2</i>	<i>-495.3</i>	<i>-850.9</i>	<i>-1,260.0</i>	<i>-1,896.4</i>
Income: Credit	32.4	50.4	55.3	67.9	87.1	81.8	80.9	80.3
: Debit	-185.1	-240.9	-243.8	-156.8	-236.2	-200.9	-211.5	-164.9
Balance on Income	-53.6	-190.6	-188.5	-88.8	-149.1	-119.1	-130.6	-84.6
<i>Balance on Goods, Services and Income</i>	<i>-1,013.5</i>	<i>-879.5</i>	<i>-632.6</i>	<i>-333.0</i>	<i>-644.4</i>	<i>-970.0</i>	<i>-1,390.6</i>	<i>-1,981.0</i>
Current transfers (net)	336.6	393.6	395.3	416.6	556.9	586.7	495.4	594.7
Current transfers: Credit	454.1	472.1	474.8	477.9	619.9	651.7	563.0	660.7
Government	411.4	427.8	418.4	427.7	553.3	582.0	478.4	559.5
o/w Multilateral HIPC relief	0.0	40.6	71.3	68.8	68.2	73.7	75.7	42.1
Other sectors	42.7	44.3	56.4	50.2	66.6	69.7	84.5	101.2
Current transfer: Debit	-117.5	-78.5	-79.5	-61.3	-63.0	-65.0	-67.5	-65.9
B. Capital Account	270.6	330.4	361.5	785.7	692.8	459.9	633.2	5,302.8
Capital transfers: Credit	270.6	330.4	361.5	785.7	692.8	459.9	633.2	5,302.8
General Government	256.3	314.7	339.2	755.6	655.5	420.0	590.2	5,254.3
Other sectors	256.3	314.7	339.2	325.3	320.9	253.7	478.1	292.6
<i>Total, Groups A plus B</i>	<i>-406.3</i>	<i>-155.5</i>	<i>124.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
C. Financial Account, excl. reserves and related items	522.4	187.8	-353.7	255.4	61.2	275.6	973.4	-4,018.7
Direct investment in Tanzania	541.7	282.0	467.2	387.6	308.2	330.6	447.6	483.4
Other investment	-20.5	-94.2	-829.1	-134.4	-249.7	-57.4	523.3	-4,504.7
Assets	14.8	-134.0	-76.7	2.9	-59.0	-11.0	-61.5	-175.0
Liabilities	-35.3	39.9	-752.5	-137.3	-190.6	-46.4	584.8	-4,329.7
<i>Total, Groups A through C</i>	<i>116.1</i>	<i>118.7</i>	<i>580.0</i>	<i>1,124.7</i>	<i>666.5</i>	<i>352.3</i>	<i>711.5</i>	<i>-102.2</i>
D. Net Errors and Omissions	-244.5	-118.7	-580.0	-806.8	-277.4	-146.3	-964.0	539.2
<i>Overall balance</i>	<i>-128.4</i>	<i>-86.3</i>	<i>-809.6</i>	<i>317.9</i>	<i>389.1</i>	<i>206.0</i>	<i>-252.6</i>	<i>437.0</i>
E. Reserves and Related Items	128.4	86.3	809.6	-317.9	-389.1	-206.0	252.6	-437.0
Reserve assets	-176.5	-198.8	-182.2	-372.4	-508.8	-258.4	247.7	-126.5
Use of Fund credit and loans	51.3	49.4	15.6	26.0	-2.9	-33.8	-50.5	-334.2
Exceptional financing	253.7	235.7	976.2	28.5	122.6	86.2	55.3	23.7
Rescheduled debt	129.4	10.1	131.4	9.8	86.9	0.0	0.0	0.0
Debt forgiveness	77.2	49.4	642.1	0.0	0.0	0.0	0.0	0.0
Interest arrears	33.0	81.2	67.4	18.4	29.5	21.9	55.3	23.7
Principal arrears	14.1	95.0	135.2	0.4	6.2	64.3	0.0	0.0
Memorandum items								
GDP(mp) Mill. TZS	6,432,910.9	7,277,799.9	8,304,338.6	9,399,085.8	10,695,187.2	12,396,058.7	14,417,559.7	16,742,407.9
GDP(mp) Mill. USD	8,635.9	9,092.7	9,475.6	9,724.0	10,297.9	11,379.4	12,772.1	13,373.7
CAB/GDP	-7.8	-5.3	-2.5	0.9	-0.8	-3.4	-7.0	-10.4
CAB/GDP (excl. current official transfers)	-12.6	-10.0	-6.9	-3.5	-6.2	-8.5	-10.8	-14.5
Gross Official Reserves	775.6	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4	2,260.1
Months of Imports	4.5	5.7	6.3	8.6	9.2	8.0	5.8	5.3
Net International Reserves (year end)	405.1	542.7	761.2	1,058.4	1,533.9	1,786.9	1,395.9	1,891.3
Change in Net International Reserves	-121.4	-137.6	-218.5	-297.2	-475.5	-253.0	391.0	-495.5
Exchange rate (end of period)	797.3	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5	1,261.6
Exchange rate (annual average)	744.9	800.4	876.4	966.6	1,038.6	1,089.3	1,128.8	1,251.9

Source: Bank of Tanzania

Notes:

1. Revision is based on new data from the Private Capital Flows survey and adoption of new data sources for some other items in the services account
2. Change in gross official reserves will not necessarily be equal to reserve assets given a new methodology of computing reserve assets which nets out the impact of valuation was introduced beginning 2006

r = Revised

p = Provisional



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

Period	Headline (General Index)		Non-Food											Miscel. goods & services	
	Weight (%)	Index	Food	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation		Educ-ation
2003	3.5	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2004	4.2	100.0	55.9	44.1	1.5	2.0	5.9	2.5	2.1	1.1	2.9	2.1	1.2	2.2	2.2
2005	4.4	100.0	55.9	44.1	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	1.0	0.6	-0.5
2006	7.3	100.0	55.9	44.1	7.7	-0.5	-0.4	7.7	-1.1	0.5	3.5	-1.5	4.7	-0.1	-1.4
2007	7.0	100.0	55.9	44.1	10.5	7.0	5.5	8.5	7.8	2.0	11.2	5.0	9.1	2.5	8.0
2006 Mar	7.7	100.0	55.9	44.1	5.6	7.9	3.6	6.2	7.9	8.7	2.9	8.9	7.0	9.7	0.8
Jun	9.2	100.0	55.9	44.1	6.0	7.4	8.5	7.3	4.7	-1.0	16.9	4.9	7.5	0.3	9.4
Sep	5.9	100.0	55.9	44.1	9.8	6.9	3.9	9.5	6.8	0.3	13.6	5.5	10.0	2.1	7.7
Dec	6.3	100.0	55.9	44.1	9.2	5.9	2.3	5.4	10.1	2.6	10.5	7.0	11.2	5.0	8.6
2007 Mar	7.2	100.0	55.9	44.1	11.7	6.5	5.6	7.9	9.8	6.0	4.8	2.8	7.8	2.5	6.6
Jun	5.7	100.0	55.9	44.1	13.3	7.2	3.9	6.3	10.6	10.5	2.1	7.4	9.2	11.6	-0.2
Sep	8.4	100.0	55.9	44.1	8.1	5.5	2.2	4.3	9.2	11.0	4.2	9.6	7.4	10.7	2.1
Dec	6.9	100.0	55.9	44.1	9.1	4.4	2.8	6.2	6.2	8.9	3.4	10.4	5.8	8.9	0.4
2006 Jan	6.7	100.0	55.9	44.1	4.6	9.6	16.6	9.0	4.1	4.5	1.9	8.1	5.7	7.5	0.9
Feb	7.8	100.0	55.9	44.1	5.2	7.8	5.0	6.6	4.1	-0.5	19.4	4.5	6.7	1.3	8.7
Mar	8.6	100.0	55.9	44.1	6.9	6.5	4.5	6.4	5.4	-1.3	18.2	5.9	8.3	-0.5	10.7
Apr	8.8	100.0	55.9	44.1	4.6	7.3	6.1	7.5	5.7	-1.0	14.3	4.3	7.6	0.0	8.7
May	9.7	100.0	55.9	44.1	6.3	7.2	7.9	5.9	7.3	0.7	12.7	5.8	8.1	1.0	7.9
Jun	8.9	100.0	55.9	44.1	7.2	7.6	9.1	15.3	7.5	1.4	13.9	5.2	9.6	2.7	7.6
Jul	6.4	100.0	55.9	44.1	8.0	8.8	5.0	12.7	8.4	1.5	12.3	5.1	12.4	2.6	7.5
Aug	5.5	100.0	55.9	44.1	10.6	8.1	3.5	13.9	8.2	1.9	14.0	5.1	11.9	4.2	7.3
Sep	5.8	100.0	55.9	44.1	10.7	3.8	3.2	9.6	13.5	4.2	5.3	10.3	9.3	4.6	8.7
Oct	6.0	100.0	55.9	44.1	8.7	3.0	2.9	9.2	13.1	6.1	4.6	6.1	12.3	6.1	9.9
Nov	6.2	100.0	55.9	44.1	9.5	5.4	2.2	2.6	6.3	7.1	5.7	1.2	7.2	1.3	10.1
Dec	6.7	100.0	55.9	44.1	9.5	9.3	1.7	4.5	9.9	4.9	4.1	1.0	8.5	4.1	5.0
2007 Jan	7.0	100.0	55.9	44.1	11.9	6.1	4.9	4.8	10.3	9.6	2.0	5.6	8.8	10.0	-1.8
Feb	7.3	100.0	55.9	44.1	11.2	6.3	6.0	9.6	11.0	10.8	0.9	7.5	9.8	11.8	-0.4
Mar	7.2	100.0	55.9	44.1	11.8	7.2	5.8	9.3	10.4	11.1	3.4	9.2	9.1	13.0	1.6
Apr	6.1	100.0	55.9	44.1	14.7	6.7	4.3	5.0	10.5	11.8	3.6	9.4	8.3	11.8	1.9
May	5.0	100.0	55.9	44.1	13.0	7.4	4.2	7.5	8.4	11.1	4.7	9.4	8.0	10.1	2.0
Jun	5.9	100.0	55.9	44.1	12.3	7.3	3.2	6.4	8.7	10.1	4.2	10.1	5.8	10.3	2.5
Jul	9.0	100.0	55.9	44.1	10.8	5.5	1.7	7.3	7.6	10.7	4.5	10.6	6.8	8.6	2.0
Aug	7.8	100.0	55.9	44.1	7.3	6.4	2.1	4.2	6.9	9.5	3.5	10.8	6.5	8.8	0.0
Sep	8.3	100.0	55.9	44.1	6.2	4.5	2.8	1.4	4.1	6.5	2.2	9.7	4.3	9.2	-0.8
Oct	7.1	100.0	55.9	44.1	7.0	5.4	2.8	3.8	4.6	5.8	1.6	10.5	5.6	7.8	0.3
Nov	7.3	100.0	55.9	44.1	10.0	5.2	2.8	6.8	6.6	4.8	2.1	7.6	6.2	7.8	1.7
Dec	6.4	100.0	55.9	44.1	10.3	2.5	2.8	8.0	6.2	3.0	1.9	6.1	5.4	6.8	0.8
2008 -Jan	8.6	100.0	55.9	44.1	10.4	1.1	2.4	10.1	4.9	3.6	3.7	5.9	5.7	5.6	2.1
Feb	8.9	100.0	55.9	44.1	10.2	0.3	2.4	6.8	4.1	2.9	3.4	4.0	4.9	5.6	1.8

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)	Food	Non-Food										Transportation	Education	Miscel. goods & services	
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.					
2005 Jan	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	0.8	0.8	9.7	2.6	1.5
Feb	0.3	0.4	0.1	1.3	0.2	0.1	0.5	0.8	0.4	-0.9	0.5	0.5	0.5	1.5	-11.2	0.0
Mar	-0.2	-1.0	1.0	0.6	2.5	9.9	2.3	0.9	1.1	2.3	-1.4	2.3	2.3	-1.3	0.1	-2.3
Apr	0.0	-0.1	0.3	-0.3	0.2	1.3	0.2	-1.2	-0.1	2.2	0.8	2.2	0.8	0.7	-1.1	0.8
May	0.8	0.9	0.5	0.4	-0.4	0.0	2.1	-0.1	0.0	-0.7	-1.6	0.3	-0.7	0.2	0.1	0.3
Jun	0.9	0.8	1.0	1.1	0.2	-1.6	2.4	1.0	-0.3	0.3	0.9	0.5	0.3	1.0	0.2	0.9
Jul	0.0	0.6	-1.0	-0.2	0.2	0.2	4.2	0.0	0.5	-0.5	-0.3	0.0	-0.3	0.0	0.5	-0.4
Aug	-0.5	-1.5	0.9	0.8	0.0	5.6	1.6	0.3	-0.2	1.3	0.8	1.3	0.8	0.5	0.1	0.0
Sep	1.1	1.1	1.0	0.2	0.3	1.4	1.5	0.5	0.3	-0.3	-0.1	0.3	-0.1	2.4	0.2	-0.1
Oct	-0.2	-1.3	1.5	1.3	4.8	0.3	4.3	-3.2	-0.3	9.3	-4.1	9.3	-4.1	-1.3	-1.2	-0.9
Nov	1.4	1.1	1.9	2.5	1.2	0.3	-0.8	1.0	-0.7	2.4	4.4	2.4	4.4	4.5	6.5	-0.8
Dec	0.7	0.7	0.6	-0.6	-2.0	0.7	3.3	5.4	-0.3	-1.1	6.8	-1.1	6.8	-0.8	-0.9	4.7
2006 Jan	1.7	3.3	-0.7	0.3	-1.8	0.5	-3.4	-1.9	4.0	1.9	2.0	1.9	2.0	0.6	-0.1	0.1
Feb	1.0	1.7	0.1	-1.5	4.5	-2.3	-0.4	1.6	-4.3	1.2	-3.3	1.2	-3.3	0.1	-2.9	6.2
Mar	0.8	1.2	0.4	1.2	0.7	-1.0	0.1	1.2	0.3	1.3	-0.1	1.3	-0.1	0.2	-1.6	-0.5
Apr	0.8	1.3	0.0	1.3	-1.0	0.9	0.1	-0.3	0.0	-1.9	-0.7	-1.9	-0.7	0.2	-0.7	-1.0
May	0.9	1.1	0.7	-1.8	0.3	1.5	3.2	0.1	0.2	0.1	-0.3	0.2	0.1	0.7	1.1	-0.5
Jun	1.7	1.9	1.4	2.7	0.1	0.1	0.8	2.6	1.5	-1.2	0.3	-1.2	0.3	2.4	1.8	0.7
Jul	-0.7	-2.4	1.9	0.7	0.6	1.0	4.2	0.1	1.2	0.5	0.1	0.5	0.1	2.5	0.4	-0.4
Aug	-2.9	-5.1	0.4	1.5	1.1	1.6	-0.7	1.1	-0.1	-0.1	0.3	-0.1	0.3	0.2	1.7	-0.3
Sep	0.2	-0.5	1.2	2.7	-0.5	0.0	2.6	0.4	0.6	1.3	0.3	1.3	0.3	0.0	0.6	1.2
Oct	0.2	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.0	0.3	1.4	0.2	0.2
Nov	1.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	1.7	0.4	-0.3	1.7	-0.6
Dec	0.8	2.3	-0.7	0.2	0.3	0.0	-2.8	-0.8	0.6	-0.1	1.8	-0.1	1.8	-0.2	0.0	-0.6
2007 Jan	2.1	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	0.4	1.8	1.1	1.8	0.6
Feb	1.3	1.8	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	-0.9	1.2	0.4	2.6	-0.6
Mar	1.1	0.7	1.7	0.5	0.9	0.0	4.7	1.8	1.4	0.3	1.7	0.3	1.7	1.1	0.0	0.9
Apr	0.7	1.2	0.2	1.9	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	0.5	0.9	-0.5	0.4	0.9
May	-0.1	-0.1	-0.1	0.7	-0.1	0.0	-0.9	0.2	0.9	0.3	-0.1	0.3	-0.1	0.1	0.1	-0.1
Jun	0.6	-0.1	1.6	1.2	0.8	0.0	3.3	0.6	0.8	0.0	0.4	0.0	0.4	2.1	0.3	0.8
Jul	0.1	0.1	1.0	0.1	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.0	0.7	0.5	0.6	0.0
Aug	0.1	0.1	0.2	0.1	-0.6	0.1	0.2	0.2	0.4	0.2	0.7	0.2	0.7	1.1	0.2	-0.7
Sep	-0.9	-1.6	-0.2	-0.6	0.4	0.4	-0.4	-0.4	-0.4	0.3	0.5	0.3	0.5	-0.3	0.8	-0.8
Oct	0.6	1.7	-0.9	0.4	-1.1	0.7	-2.3	-1.1	-0.9	0.3	-0.6	-0.3	-0.6	-0.7	0.5	-0.6
Nov	0.4	-0.1	1.0	1.4	1.2	0.0	1.1	1.1	0.4	1.1	-0.3	1.1	-0.3	0.9	0.4	0.5
Dec	1.1	1.5	0.6	2.9	0.1	0.0	0.0	1.0	-0.4	0.4	-0.8	0.4	-0.8	0.4	0.0	0.8
2008- Jan	1.3	2.0	0.1	0.6	-0.8	0.0	-0.6	1.1	0.1	0.2	0.4	0.2	0.4	0.4	0.9	-0.3
Feb	3.4	5.2	0.9	0.8	0.0	0.4	1.9	0.7	0.7	0.8	0.9	0.8	0.9	0.7	1.3	0.7
	1.4	1.9	0.6	0.4	0.1	0.0	1.6	1.0	0.6	0.0	-0.1	0.0	-0.1	0.4	0.0	0.6

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

Table A7: External Debt Developments

Item	Millions of USD										
	2004/05	2005/06	2006/07	2007/08						Jan-08	Feb-08
				Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07		
1. Overall Total Debt Committed ²	8,345.1	8,638.9	5,212.4	5,248.3	5,447.2	5,635.1	5,880.0	5,908.7	5,915.8	5,958.4	6,335.0
Disbursed outstanding debt	6,799.5	6,971.1	3,442.3	3,471.5	3,556.2	3,685.2	4,010.2	4,038.4	4,057.4	4,086.4	4,118.8
Undisbursed debt	1,545.6	1,667.7	1,770.1	1,776.8	1,891.1	1,949.9	1,869.8	1,870.4	1,858.4	1,872.1	2,216.2
2. Disbursed Debt by Creditor Category ²	6,799.5	7,733.9	3,442.3	3,471.5	3,556.2	3,685.2	4,010.2	4,038.4	4,057.4	4,086.4	4,118.8
Bilateral	1,502.3	1,506.2	910.5	907.2	901.1	910.4	922.6	928.4	933.4	933.2	936.0
Multilateral	4,626.3	5,459.6	1,772.6	1,801.2	1,891.0	2,001.4	2,257.9	2,289.4	2,301.9	2,328.2	2,343.1
Commercial	416.4	462.2	437.3	439.6	439.5	447.9	492.8	489.8	499.3	496.7	498.4
Export credits	254.5	305.9	321.9	323.4	324.7	325.5	336.9	330.8	322.8	328.3	341.2
3. Disbursed Debt by Borrower Category ²	6,799.5	7,734.0	3,442.3	3,471.5	3,556.2	3,685.2	4,010.2	4,038.4	4,057.4	4,086.4	4,118.8
Central Government	5,830.5	6,724.5	2,692.0	2,718.0	2,799.4	2,923.3	3,192.4	3,232.0	3,249.6	3,275.9	3,295.2
Parastatal Companies	477.5	450.0	167.8	168.0	167.9	169.0	170.8	170.8	170.8	170.1	169.5
Private Sector	491.5	559.5	582.5	585.5	588.9	592.9	647.0	635.5	637.0	640.4	654.1
4. Disbursed Debt by Use of Funds ²	6,799.5	6,971.1	3,442.3	3,471.5	3,556.2	3,685.2	4,010.2	4,038.4	4,057.4	4,167.1	4,118.8
Balance of Payment & Budget Support	1,335.1	1,392.6	1,019.3	1,019.7	1,096.4	1,117.2	1,330.0	1,332.1	1,333.4	1,294.1	1,339.4
Transport & Telecommunication	1,073.5	1,087.9	425.3	427.6	431.5	441.2	490.0	507.3	518.9	517.1	529.4
Agriculture	1,077.8	1,050.1	338.1	346.2	350.1	354.0	380.0	383.9	382.1	396.2	399.5
Energy & Mining	1,070.3	955.2	606.9	610.5	609.2	615.1	621.0	624.7	624.8	627.5	628.7
Industries	405.5	409.0	162.8	157.9	158.0	159.5	161.0	159.2	155.1	154.3	154.6
Social Welfare & Education	611.7	647.3	433.2	444.6	447.1	525.1	538.0	550.8	554.2	567.2	571.5
Finance and Insurance	96.6	98.7	64.4	66.0	66.0	66.5	68.0	72.2	75.0	75.1	75.4
Tourism	80.1	80.8	73.0	73.2	73.4	74.8	74.7	73.9	73.8	73.6	73.7
Others	1,048.9	1,249.8	319.3	325.9	324.5	331.6	347.5	334.3	340.2	381.3	346.5
5. Total Amount for Loans Contracted ¹	376.4	264.0	318.1	72.2	5.0	18.8	1.4	2.2	0.0	42.4	0.0
Government	335.4	165.0	280.0	0.0	0.0	17.3	0.0	0.0	0.0	0.0	0.0
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	41.0	99.0	38.1	72.2	5.0	1.6	1.4	2.2	0.0	0.0	0.0
6. Disbursements ¹	190.2	207.1	449.5	18.6	14.1	259.9	34.7	17.7	16.2	23.2	0.0
Government	161.4	179.1	432.6	14.7	9.1	259.9	34.7	16.6	16.2	15.2	0.0
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	28.8	28.0	16.9	3.9	5.0	0.1	0.0	1.1	0.0	4.0	0.0
7. Scheduled Debt Service ¹	355.1	373.6	336.9	28.0	3.5	17.0	16.6	8.5	36.2	18.1	18.1
8. Actual Debt Service ¹	112.9	90.7	7.7	3.0	0.7	4.5	3.8	2.8	1.6	1.3	1.7
Principal	86.0	61.4	5.6	0.8	0.3	3.4	2.2	1.2	1.0	0.3	0.7
Interest	26.9	29.3	2.1	2.1	0.4	1.1	1.6	1.6	0.6	1.0	1.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Net Transfers ¹	77.3	99.8	407.5	15.7	13.4	255.5	30.9	14.9	14.6	17.9	-1.7
10. Total Arrears by Creditor Category ²	2,470.5	2,392.4	2,199.6	2,226.8	2,228.9	2,260.7	2,254.5	2,267.9	2,315.2	2,424.1	2,582.0
Principal	1,135.2	1,116.3	981.0	992.4	986.7	1,005.5	986.3	983.4	1,004.8	1,091.9	1,234.9
Bilateral	669.4	609.0	377.7	381.6	379.8	387.2	395.7	401.0	408.0	416.8	422.0
Multilateral	5.9	11.9	13.6	14.7	16.5	15.2	15.4	13.8	16.1	16.6	15.0
Commercial	249.2	275.0	339.5	346.1	340.9	352.4	319.7	318.0	326.9	333.0	484.0
Other Private Creditors	210.7	220.4	250.1	250.0	249.4	250.7	255.5	250.6	253.7	325.4	314.0
Interest	1,335.3	1,260.1	1,218.6	1,234.5	1,242.2	1,255.2	1,268.2	1,284.5	1,310.4	1,332.2	1,347.1
Bilateral	818.8	684.0	536.1	543.3	544.5	549.6	553.5	562.9	579.6	591.8	599.5
Multilateral*	23.4	22.0	27.7	28.1	28.5	29.5	30.8	30.8	27.4	33.5	32.2
Commercial	333.7	372.9	440.0	445.5	451.7	458.0	460.2	463.5	476.2	478.4	484.2
Other Private Creditors	159.4	181.2	214.8	217.6	217.5	218.1	223.6	227.3	227.0	228.5	231.2
11. External Debt Stock	8,134.8	8,231.3	4,660.8	4,706.0	4,798.4	4,940.4	5,278.4	5,322.8	5,367.7	5,418.6	5,465.9
12. Domestic Debt Stock	952.6	1,405.9	1,497.9	1,479.0	1,501.2	1,513.1	1,615.6	1,619.0	1,673.5	1,548.6	1,686.5
13. Total Debt Stock	9,087.4	9,637.2	6,158.8	6,184.9	6,299.6	6,453.5	6,894.0	6,941.8	7,041.3	6,967.2	7,152.4
End Period Exchange Rate	1,126.3	1,253.1	1,258.5	1,281.0	1,275.9	1,229.9	1,167.0	1,170.7	1,132.1	1,171.9	1,173.2

Source: Bank of Tanzania

* Multilateral arrears are those owed by private companies

1) During the period 2) End of February 2008 cumulative



GLOSSARY



Currency in Circulation Outside Banks

Notes and coins of Tanzanian shillings circulating outside the banking system, i.e. outside the Bank of Tanzania and deposit money banks

Discount Rate

The rate of interest the Bank of Tanzania charges on Loans it extends to Deposit Money Banks and overdrafts to government. It is derived from the weighted average yield of Treasury bills of all maturities plus five-percentage points

Exchange Rate

This is the price at which one 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.

Nominal Exchange Rate

It is the price of foreign currency at which actual transactions in the foreign exchange markets occur.

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 to purchase/sale by the BOT 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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**For any enquiries contact:
Director of Economic Policy
Bank of Tanzania, P.O. Box 2939,
Dar es Salaam
Tel: +255 22 2233328/29
<http://www.bot-tz.org>**



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