



BANK OF TANZANIA



MONTHLY
ECONOMIC
REVIEW

January 2008



Table of Contents

1.0 Inflation Developments	1
Food Supply Situation	1
2.0 Monetary and Financial Developments	2
Money Supply	2
Domestic Credit	3
Interest Rates	3
Developments in Financial Markets	4
Treasury Bills Market	4
Repurchase Agreements	4
Inter-bank Cash Market	4
Transactions in Inter-Bank Foreign Exchange Market	5
Transactions in Bureaux de Change System	5
3.0 Government Budgetary Operations	5
4.0 External Sector Performance	6
Current Account Balance	6
Exports Performance	6
Traditional Exports	7
Import Performance	8
World Commodity Prices	10
5.0 National Debt Developments	11
External Debt	11
Domestic Debt	11
6.0 Economic Developments in Zanzibar	12
Fiscal Performance	12
Debt Developments	13
External Sector Performance	14
Current Account	14
Exports Performance	15
Imports Performance	15
STATISTICAL TABLES	17
GLOSSARY	28





1.0 Inflation Developments

Annual headline inflation eased to 6.4 percent in December 2007, from 7.3 percent recorded in the previous month. The drop in inflation rate is mainly explained by the deceleration of both food and non-food inflation (**Table 1.1 and Chart 1.1**). Similarly, the 12-months annual headline inflation rate averaged 7.0 percent in December 2007 compared to 7.3 percent in the corresponding period of 2006. On month-to-month basis however, the inflation rate rose by 1.3 percent in December 2007 compared to the increase of 1.1 percent recorded in November 2007, mainly on account of an increase in food inflation. On the contrary excluding seasonal influences, the month-to-month headline inflation decelerated to 0.5 percent in December 2007 compared to 1.1 percent recorded in November 2007, implying that the month-to-month increase was not due to seasonal influences.

In December 2007, **annual food inflation** decreased to 6.6 percent, from 7.5 percent recorded in the year ended November 2007. This decline is mainly explained by favorable supply of maize, beans and sorghum in the country, which reduced food inflationary pressures. In contrast, the month-to-month food inflation increased by 2.0 percent in December 2007 compared to the increase of 1.5 percent in November 2007, mainly as a result of higher average prices of cereals and cereal products, vegetables, meat and poultry, oils, fats and meals from restaurants. However, the 12-months average food inflation was the same, 7.0 percent in December 2007 as in the corresponding period in the previous year.

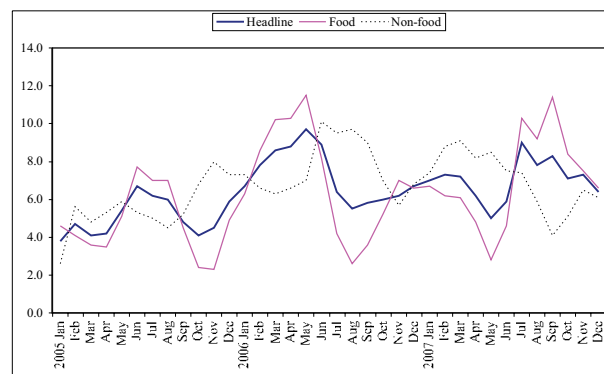
Annual non-food inflation decreased from 6.5 percent recorded in November 2007 to 6.1 percent during the period ending December 2007, due to decrease in average prices of non-food items under fuel, power and water, and clothing and footwear subgroups (in particularly, clothes, footwear and charcoal). Measured on month-to-month basis, there was virtually no change in the price levels of non-food items between November and December 2007, although some non-food items such as petrol and diesel included), school uniforms and furniture recorded increases in average prices. On the other hand, average prices of items such as clothes, footwear and charcoal went down. Meanwhile, the 12-months (January-December 2007) non-food inflation averaged 7.0 percent compared to 7.6 percent recorded in similar period 2006.

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

Major Commodity Group	Weight (%)	2005			2006			2007		
		Oct	Nov	Dec	Oct	Nov	Dec	Oct	Nov	Dec
Headline/Overall	100.0	4.7	-4.8	5.0	6.0	6.2	6.7	7.1	7.3	6.4
Food	55.9	6.7	6.7	7.2	5.2	7.0	6.6	8.4	7.5	6.6
Non-food	44.1	2.8	3.7	3.5	7.0	5.7	6.8	5.1	6.5	6.1
Transportation	9.7	3.5	5.0	5.5	7.2	7.8	8.5	5.6	6.2	5.4
Fuel, Power and Water	8.5	9.0	10.2	10.7	9.2	2.6	4.5	3.8	6.8	8.0
Drinks and Tobacco	6.9	3.1	3.3	2.5	8.7	9.5	9.5	7.0	10.0	10.3
Clothing & Footwear	6.4	-1.9	-1.2	-2.0	3.0	5.4	9.3	5.4	5.2	2.5
Education	2.6	-1.6	-1.0	-0.6	1.3	2.2	4.1	7.8	7.8	6.8
Furniture & Household Equip.	2.1	-1.7	-0.8	-0.9	13.1	6.3	9.9	4.6	6.6	6.2
H/h Operations Maintenance	2.1	-1.1	-0.5	0.0	6.1	7.1	4.9	5.8	4.8	3.0
Personal Care & Health	2.1	3.6	4.4	3.5	4.6	5.7	4.1	1.6	2.1	1.9
Rents	1.4	4.3	4.3	4.1	2.9	2.2	1.7	2.8	2.8	2.8
Recreation & Entertainment	0.8	-3.3	-1.9	-1.1	6.1	1.2	1.0	10.5	7.6	6.1
Misc. Goods & Services	1.5	-0.3	0.0	-0.9	10.1	4.6	5.0	0.3	1.7	0.8

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

Food supply situation was generally satisfactory throughout the country in December 2007. Despite the overall increase in food crops production during 2006/07, some areas such as Monduli in Arusha region, Mufindi and Ludewa in Iringa region have reported food shortages, due to volcano eruption on mountain Oldongai and fire disaster respectively. During the period under review the Prime Minister's Office purchased a total of 563.8 tons from SGR stock to cover the shortage in the said areas.

The prices of selected food crops items, with the exception of rice, increased significantly in December 2007 when compared with the same period last year (**Table 1.2**). On month to month basis, all selected food items had recorded an increase in prices in December 2007 when compared with the preceding month apparently due to the persistence a rise in fuel prices since July 2007, which resulted from high transportation costs.



Table 1.2: National average Wholesale Prices for Selected Food Items

TZS per 100 kg

Item	2006		2007		Percentage Change	
	Dec	Nov	Dec	Dec-06 to Dec-07	Nov -07 to Dec -07	
Maize	17,935	25,542	29,974	67.1	17.4	
Rice	73,393	69,084	72,259	-1.5	4.6	
Beans	60,231	78,469	87,072	44.6	11.0	
Sorghum	25,488	29,699	33,121	29.9	11.5	
Potatoes	35,240	38,815	41,150	16.8	6.0	

Source: Ministry of Industry, Trade and Marketing

The Strategic Grain Reserves (SGR)

The SGR department plan for 2007/08 is to procure 28,000 tons in order to increase the SGR stocks to the maximum capacity of 150,000 tons. On cumulative basis, the purchase of maize and sorghum reached 30,137 tons as at end December 2007. However, the SGR stock declined by 0.4 percent to 142,044 tons in December 2007 (Table 1.3) from the preceding month mainly due to the sale of some 563.8 tons of maize to the Prime Minister's Office for distribution in the areas experiencing severe food shortages.

Table 1.3: Strategic Grain Reserve (SGR) Stock

Tons

Period	2003	2004	2005	2006	2007	% Change 2006-2007
January	59,961	35,342	119,924	76,813	112,343	46
February	59,493	23,791	116,383	43,593	117,838	170
March	58,976	22,903	114,760	8,055	123,046	1,428
April	54,118	32,387	115,262	3,165	125,509	3,866
May	52,857	31,732	113,823	6,210	128,350	1,967
June	51,060	37,091	112,823	15,560	128,804	728
July	50,661	39,195	112,323	13,811	129,306	836
August	52,681	45,988	112,067	28,440	125,653	342
September	61,364	67,685	111,971	80,248	131,937	64
October	59,379	92,710	111,695	87,461	143,717	64
November	52,054	108,448	106,428	100,828	142,624*	41
December	41,649	114,030	93,051	110,203	142,044	29

Note: The stocks for November 2007 was erroneously recorded as 150,775 tons
Source: Food Security Department and BOT computation.

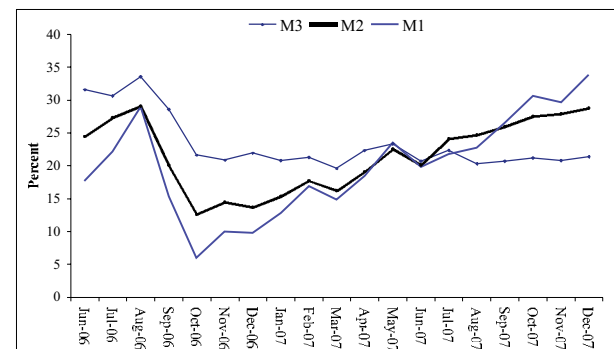
2.0 Monetary and Financial Developments

Money Supply

During the year ending December 2007, extended broad money supply, M3, which is comprised of notes and coins in circulation and all deposits at commercial banks, grew by 21.4 percent, which is slightly higher than a growth rate of 20.8 percent recorded in November 2007 but lesser than 22.0 percent recorded in the similar month in 2006 (Chart 2.1). Similarly, broad money (M2) grew by 28.8 percent in December 2007 higher than the growth of 27.9 percent

November 2007 and 13.7 percent in 2006. The increase in growth for broad money (M2) was largely reflected in demand deposits that grew at 46.4 percent compared to 39.1 percent November 2007. Save for foreign currency deposits, other components of money supply grew at a lower rate in December 2007 compared with the November 2007's growth rates. Furthermore, the appreciation of the Shilling has caused foreign currency deposits to grow at slower rate to the extent of making growth of M3 to be lower compared to that of M2.

Chart 2.1: Annual Growth Rates in Money Supply



On the assets side, growth of money supply mainly emanated from the increase in net domestic assets (NDA) of the banking system that grew at annual rate of 49.8 percent compared to 52.3 percent in December. Again, moderate contribution in the growth of money supply stemmed from net foreign assets (NFA), which grew annually by 3.1 percent higher than growth of 2.7 percent in the previous month. Thus, from the assets side, the growth of money was considerably due to expansion of the private sector credit from the banking system and donor funds inflows to finance budget support expenditure.

On monthly basis, M3 increased by TZS 109 billion in December 2007, compared with the increase of TZS 145.1 billion recorded in November 2007. M2 registered a monthly increase of TZS 91.8 billion against an increase of TZS 90.5 billion in the preceding month. Analysis of money supply components showed that substantial increase was registered in demand deposits, followed by currency in circulation, time and saving deposits as shown in Table 2.1.



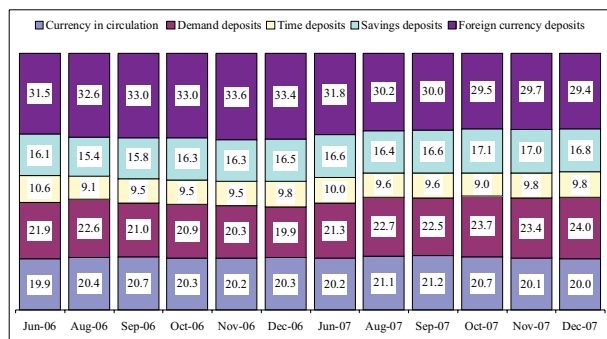
Table 2.1: Selected Money Supply Components

Item	2007		Monthly Change	Annual growth rate(%)				
	Dec-06	Dec-07		Dec-06	Nov-07	Dec-07		
Extended broad money	4,798.8	5,827.7	5,718.4	5,827.7	109.3	22.0	20.8	21.4
Broad money	3,193.8	4,112.1	4,020.3	4,112.1	91.8	13.7	27.9	28.8
Currency outside the banking system	1,102.3	1,354.7	1,303.8	1,354.7	50.9	15.7	20.2	22.9
Demand deposits	954.8	1,398.0	1,337.4	1,398.0	60.6	4.3	39.1	46.4
Time deposits	469.7	570.0	558.3	570.0	11.6	11.2	24.1	21.4
Savings deposits	793.7	980.0	974.4	980.0	5.6	26.6	25.9	23.5
Foreign currency deposits	1,605.0	1,715.6	1,698.1	1,715.6	17.5	42.4	6.8	6.9
<i>FCD In millions of USD</i>	1,272.2	1,515.4	1,450.5	1,515.4	65.0	31.6	17.7	19.1
Private sector deposits in commercial banks	3,823.2	4,663.5	4,568.2	4,663.5	95.4	23.7	21.0	22.0
Government sector deposits in commercial banks	234.0	317.1	339.0	317.1	-21.9	25.0	32.6	35.5
Total deposits	4,057.3	4,980.6	4,907.2	4,980.6	73.4	23.7	21.7	22.8
Net foreign assets	3,566.0	3,678.0	3,741.8	3,678.0	-63.8	39.3	2.7	3.1
Bank of Tanzania	2,516.7	3,080.1	3,217.9	3,080.1	-137.8	41.4	36.3	22.4
Commercial banks	1,049.3	598.0	523.9	598.0	74.1	34.5	-50.5	-43.0
Net domestic assets	1,842.0	2,758.9	2,585.8	2,758.9	173.1	-7.1	52.3	49.8
Domestic Credit	1,951.2	2,474.7	2,427.1	2,474.7	47.7	15.9	27.8	26.8
Net claims on government by the banking system	-77.0	-409.1	-369.0	-409.1	-40.0	-129.8	390.2	430.9
Claims on government by the banking system	1,338.2	1,766.1	1,822.4	1,766.1	-56.3	50.8	47.9	32.0
Government deposits in the banking system	1,415.2	2,175.1	2,191.4	2,175.1	-16.3	125.1	67.6	53.7
Claims on the private sector	2,028.3	2,883.8	2,796.1	2,883.8	87.7	42.3	41.7	42.2

Source: Bank of Tanzania

Public preference in holding money supply components is still dominated by foreign currency deposits that account 29.4 percent of M3 during the month under review. The proportion of foreign currency deposits in money supply is shrinking as compared to more than 30 percent in six months ago due to the strengthening Shilling against the US dollar. At the same time, the ratio of time deposits to money supply remained unchanged at 9.8 percent in December 2007 (Chart 2.2).

Chart 2.2: Components of Money Supply as Percentage of M3



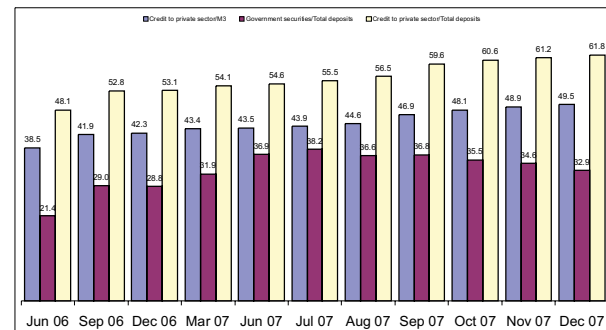
Credit Developments

Domestic Credit

During December 2007, commercial banks' credit to private sector continued to record vibrant performance. Annual growth of private sector credit increased to 42.2 percent in December, after growing at 41.7 percent in November 2007. However, on a month to month basis, a total of TZS 87.7 billion was lent to the private sector in December 2007, compared with TZS 117.1 billion extended in the preceding month. The share of credit to private sector to deposits liabilities of banks, which also measures the level of intermediation, increased slightly to 61.8 percent from 61.2 percent in November 2007. At the same time, credit to the government through government securities declined marginally to 32.9 percent of

the total deposit liabilities from 34.6 percent realized in the previous month. Similarly, the share of private sector credit to total money supply rose to 49.5 percent from 48.9 percent recorded in the preceding month as depicted in Chart 2.3.

Chart 2.3: Commercial Banks Intermediation



By December 2007, outstanding stock of private sector credit stood at TZS 2,883.8 billion in which a larger share of credit extended to manufacturing activities that accounts for 19.3 percent of the total stock. This was followed by trade (17.2 percent), personal loans (16.2 percent) and other activities include agriculture (9.9 percent), transport and communication (7.0 percent), electricity (3.9 percent), hotels and restaurants (3.8 percent), building and construction (3.6 percent), and financial intermediation (3.2 percent).

Interest Rates Developments

Recent developments in the Treasury bills market have influenced the pattern of interest rates on deposits and loans in which the overall treasury bills rate dropped to 11.40 percent compared to 12.45 percent in November 2007. The average savings deposits stabilized at 2.75 percent while the overall time deposits rate and 12-months deposits rate responded to the Treasury bills market by increased slightly upward to 8.26 percent and 10.02 percent respectively, from 8.12 percent and 9.80 percent recorded in November 2007. Similarly, negotiated deposits rates on prime depositors rose to 11.4 percent from 10.96 percent recorded in the preceding month. During the same period, the overall lending rate fell marginally to 15.25 percent from 15.94 percent registered in the previous month. Lending rate for loans of up to one year increased to 14.70 percent from 14.06 percent in November while average prime lending rate rose to 11.98 percent from 11.68 percent registered in the preceding month. As a result, interest rate spread between 12 months rate and short term lending rate widened to 4.68 percentage points from 4.26 percentage points calculated in November 2007 (Table 2.2).



Table 2.2: Interest Rate Structure

Item	Percent									
	2006	2007								
	Dec	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Overnight	6.73	6.20	6.67	9.79	12.05	12.07	18.64	10.19	5.37	
Overall interbank cash market	7.14	6.42	7.24	10.46	12.11	12.27	18.92	9.67	5.83	
Treasury bills WAY	15.04	13.49	17.07	15.41	15.11	15.59	16.42	12.45	11.4	
364 days Treasury bills	15.61	14.59	18.39	15.84	15.95	16.98	17.86	13.68	12.95	
Savings deposits	2.59	2.60	2.59	2.70	2.71	2.62	2.59	2.61	2.75	
Overall Time deposits	7.17	7.62	7.83	7.57	7.76	8.20	8.24	8.12	8.26	
12 months deposits	8.75	9.39	9.25	9.04	9.42	9.64	10.22	9.80	10.02	
Negotiated deposits	9.35	8.18	8.65	8.91	9.82	9.83	10.61	10.96	11.04	
Overall Lending	16.36	15.91	15.82	16.07	16.27	15.95	15.78	15.94	15.25	
Up to 1 year loans	15.67	13.80	13.95	14.12	14.30	14.06	13.78	14.06	14.70	
Negotiated lending	10.60	11.91	12.20	12.14	12.63	11.91	11.89	11.68	11.98	
Interest rate spread	6.91	4.41	4.70	5.07	4.89	4.43	3.56	4.26	4.68	

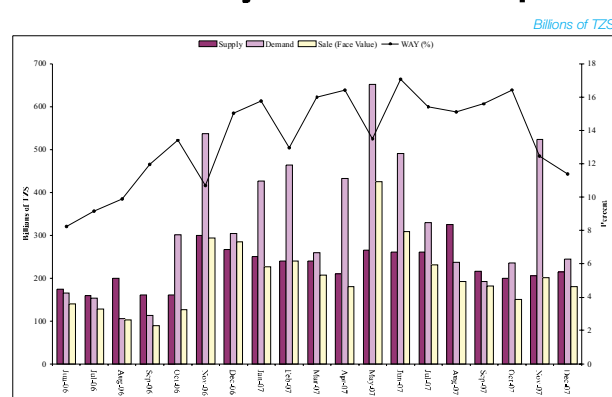
Source: Bank of Tanzania

Developments in Financial Markets

Treasury Bills Market

During the month under review, Treasury bills market recorded a significant decrease in demand to the level of TZS 244.8 billion against TZS 214.5 billion offered for sale in the same period. Demand decreased by 53.3 percent from the preceding month's level partly on account of decreased liquidity in the economy, mainly emanating from payment of end of quarter tax obligation. The Bank accepted Treasury bills worth TZS 180.1 billion, as part of its continued efforts to control the level of liquidity in the economy by maintaining it within the desired level. On the other side, Treasury bills worth TZS 273.9 billion redeemed out of which TZS 93.8 billion led to liquidity injection to the economy. In line with high demand for Treasury bills during the month under review, the overall weighted average yield (WAY) declined to 11.40 percent, from 12.45 percent in November 2007 (Chart 2.4 and Table 2.3).

Chart 2.4 Treasury Bills Market Developments



Source: Bank of Tanzania

Table 2.3: Treasury bills Performance

Item	Billions of TZS								
	2006	2007							
	Dec	Mar	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Supply	267.0	240.0	260.0	260.0	325.0	215.5	200.0	205.0	214.5
Demand	304.1	258.5	490.3	328.7	237.1	191.5	235.9	523.7	244.8
Sale (Face Value)	284.9	207.3	308.0	231.4	191.6	180.9	149.6	200.6	180.1
Sale (Cost Value)	257.5	187.1	270.8	208.6	174.1	166.3	135.5	190.5	167.1
Redemption	145.2	192.4	160.8	140.1	202.0	119.6	126.6	241.5	273.9
WAY (%)	15.04	15.99	17.07	15.41	15.11	15.59	16.42	12.45	11.40

Source: Bank of Tanzania

The Treasury bonds market performed a similar pattern like that of Treasury bills market, by recording a lower demand of TZS 21.7 billion compared to TZS 65.7 billion of the preceding month, but higher than the total supply of TZS 20.0 billion. The Bank rejected some of the outlier bids and sold Treasury bonds worth TZS 17.1 billion. The weighted average yield (WAY) on Treasury bonds increased across all maturities (save for 5-year Treasury bonds rate) being in line with declining excess demand for bonds (Table 2.4).

Table 2.4: Treasury Bonds Performance

Item	2006	2007				
	Dec	Jun	Sep	Oct	Nov	Dec
Supply	12.0	20.0	20.0	20.0	25.0	20.0
Demand	46.4	70.5	56.2	49.3	65.7	21.7
Sale (Face Value)	37.0	38.3	33.6	18.0	21.7	17.1
Sale (Cost Value)	31.1	30.2	25.6	14.7	16.5	13.5
Redemption	9.7	0.0	65.9	0.0	0.0	0.0
WAY (%)						
2-year	18.47	18.25	20.07	17.29	14.99	14.97
5-year	15.21	18.37	20.54	18.69	17.60	17.60
7-year	17.33	18.58	19.25	18.80	17.90	18.15
10-year	17.69	17.48	19.92	20.28	17.87	17.68

Source: Bank of Tanzania

Repurchase Agreements

During the month under review the Bank conducted repurchase agreements (repo) worth TZS 384.0 billion against maturing repo amounting to TZS 455.0 billion. This operation led to liquidity injection of about TZS 71.0 billion from the economy. The overall repo rate fell significantly to 5.13 percent in December 2007 from 7.36 percent in November 2007.

Inter-bank Cash Market

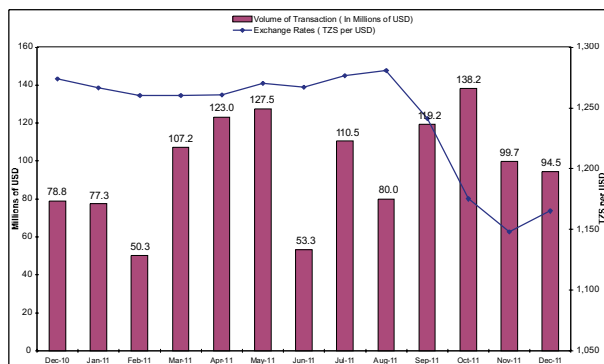
The volume of transactions in the inter-bank cash market decreased by TZS 29.5 billion to a level of TZS 589.1 billion in December from TZS 259.6 billion in November 2007. Overnight placements accounted for over 48.8 percent of total transactions, with overnight rates plummeting to an average rate of 5.37 percent in December 2007, from 10.19 percent in November. The overall inter-bank cash market rate also moved in the same direction by registering a considerable decline to 5.83 percent in December 2007, from 9.67 percent in November 2007.



Transactions in Inter-Bank Foreign Exchange Market

During the period of December 2007, the volume of transactions traded in the Inter-bank Foreign Exchange Market (IFEM) slightly declined to USD 94.5 million, when compared to the volume traded in the previous month (Table 2.5). The Bank of Tanzania and non-banks on net basis sold USD 47.8 million and USD 2.7 million, respectively, while commercial banks purchased USD 50.5 million. The weighted average exchange rate depreciated to TZS 1,165.2 per USD in December 2007 from TZS 1,148.0 per USD recorded in November 2007 (Chart 2.5).

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



Transactions in Bureaux de Change System

The volume of transactions conducted by Bureau de Change system declined by 14.2 percent to USD 66.1 million, largely due to the drop in foreign exchange inflows and outflows. While the decline in the outflows largely resulted from a drop in foreign exchange payments for traveling allowances, the decline in inflows emanated from the fall in foreign exchange receipts from export proceeds. Meanwhile, the average buying and selling rates appreciated slightly to TZS 1,144.0 per USD and TZS 1,166.0 per USD, respectively (Table 2.5).

Table 2.5: Foreign Exchange Market Developments

Item	2007		2006 Dec	% Change		Year Ending December		
	Nov	Dec		Dec 06 to Dec 07	Nov 07 to Dec 07	2006	2007	% Change
IFEM								
Amount offered*	99.72	94.45	78.84	19.80	-5.28	1,134.51	1,186.55	4.59
Amount sold*	99.72	94.45	78.84	19.80	-5.28	1,134.51	1,186.55	4.59
Exchange rate**	1,147.96	1,165.15	1,273.94	-8.54	1.50	1,253.87	1,239.41	-1.15
BUREAU DE CHANGE								
Sales*	38.41	32.99	35.30	-6.54	-14.11	378.63	422.44	11.57
Purchases*	38.70	33.14	35.32	-6.17	-14.37	376.84	424.78	12.72
Volume of Transactions*	77.11	66.13	70.62	-6.36	-14.24	755.47	847.22	12.14
Buying rate**	1,148.00	1,144.00	1,263.00	-9.42	-0.35	1,203.75	1,237.50	2.80
Selling rate**	1,198.00	1,166.00	1,285.00	-9.26	-2.67	1,262.08	1,263.50	0.11

Source: Bank of Tanzania
Note: Millions of USD**Tanzania shillings (TZS) per US dollar

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 December 2007 was TZS 340.3 billion against the target of TZS 331.6 billion. Although, tax revenue continued to perform above projections – with a collection of TZS 327.7 billion, exceeding the target by TZS 24.3 billion, non-tax revenue was below the target. The good performance on tax revenue is attributed to enhanced tax administration to minimize revenue leakages and improve compliance, coupled with enhancement of relationships with stakeholders through information sharing. Already some positive gains are being registered in the collection of VAT, excise duty and income taxes. For the month under review, Income tax, Excise duty and VAT were above the target by 25 percent, 5.7 percent and 4.3 percent respectively.

Regarding non-tax revenue, the government had projected to collect TZS 28.3 billion from non tax revenue sources – with the largest contributor being collections from Ministries and regions. Total non-tax revenue for the month amounted to TZS 12.6 billion. While collections from Ministries and regions were projected at TZS 18.6 billion, only TZS 11.6 billion was realized. In addition to domestic revenue collected in December, the government received grants amounting to TZS 74.1 billion - thus, available resources for the month amounted to TZS 414.4 billion.



Government Expenditure

Total operating and development expenditure of the Government during the month under review stood at TZS 361.2 billion. Development projects were allocated TZS 128.9 billion, while TZS 232.3 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 42.4 billion. In line with the fiscal plan, the Government financed the deficit by borrowing from foreign sources to the tune of TZS 44.1 billion and by drawing down TZS 27.2 billion from its savings in the banking system. By the end of December 2007, government deposits with the Bank of Tanzania stood at TZS 1, 858.1 billion.

4.0 External Sector Performance

Current Account Balance

During December 2007, the current account balance narrowed to a deficit of USD 172.3 million compared to a deficit of USD 409.2 million recorded in the previous month largely due to a decline in imports of goods and services. Conversely, during the year ending December 2007, the current account deficit increased to USD 2,056.2 million from a deficit of USD 1,379.3 million in 2006 following a huge increase in imports that could not be matched with corresponding increase in exports. Imports of goods and services increased by 23.3 percent, while exports grew by 14.7 percent (Table 4.1).

Table 4.1: Current Account Balance

Millions of USD

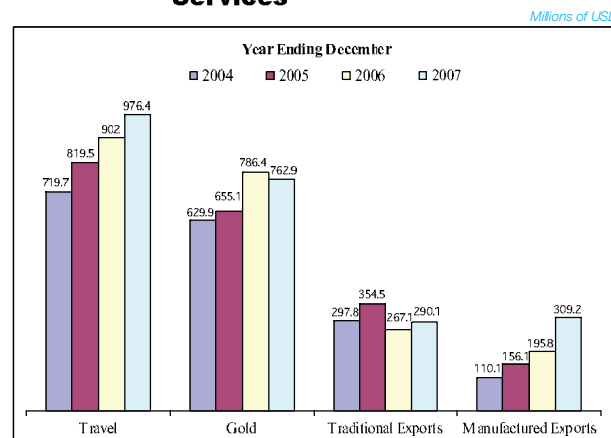
Item	2006		2007 ^P		Year Ending December ^P		% Change Annual
	Dec	Oct	Nov	Dec	2006	2007	
Goods Account (net)	-198.6	-223	-422.2	-206.7	-2,128.1	-2,820.4	32.5
Exports	173.6	213.8	197.4	171.5	1,736.0	2,006.6	15.6
Imports	372.2	437.0	629.7	378.2	3,864.1	4,826.9	24.9
Services Account (net)	6.7	6.4	-7.3	4.5	244.9	217.6	-11.1
Receipts	125.8	141.0	130.0	124.0	1,494.2	1,697.0	13.6
Payments	119.1	134.6	137.3	119.5	1,249.4	1,479.4	18.4
Goods and services (net)	191.9	-217	-439.5	-202.2	1,883.3	2,602.8	38.2
Exports of goods and services	299.4	354.9	327.4	295.5	3,230.2	3,703.6	14.7
Imports of goods and services	491.2	571.7	767.0	497.7	5,113.5	6,306.3	23.3
Income Account (net)	-8.6	-4.84	-5.2	-9.0	-84.6	-67.8	19.9
Receipts	4.7	8.961	11.6	11.1	80.3	109.3	36.0
Payments	13.2	13.8	16.8	20.1	164.9	177.1	7.4
Current Transfers (net)	301.8	44.88	35.5	39.0	588.6	614.4	4.4
Inflows	107.6	50.02	41.0	44.8	654.5	686.9	4.9
o/w General Government	99.7	42.79	32.7	36.5	559.6	589.2	5.3
Outflows	194.1	5.147	5.5	5.9	65.9	72.4	9.9
Current Account Balance	-101.3	-177.0	-409.2	-172.3	1,379.3	2,056.2	49.1

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

Exports Performance

During the year ending December 2007, Tanzania exported goods and services worth USD 3,703.6 million, an increase of 14.7 percent from USD 3,230.2 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 38.2 percent and 28.9 percent, respectively. Chart 4.1 summarizes the performance of selected export items during the past four years.

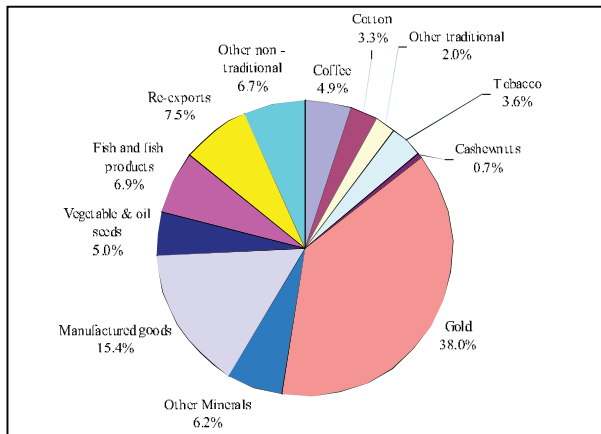
Chart 4.1: Contribution of Selected Items to Total Exports of Goods and Services



Merchandise goods export increased by 15.6 percent to USD 2,006.6 million compared to USD 1,736.0 that was recorded in the year ending December 2006. This development is largely due to improved performance in non-traditional exports. Gold continued to dominate by accounting for about 44.4 percent of non traditional exports followed by manufactured goods exports which accounted for about 18.0 percent (Chart 4.2 and 4.4).



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



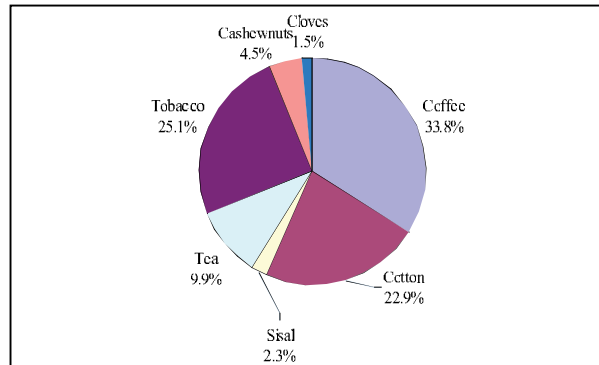
Note:
1. Other non-traditional include horticultural products and other exports
2. Other traditional exports include sisal, tea and cloves
3. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.
4. Re-exports refers to goods that are imported and later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

Traditional Exports

During December 2007, the value of traditional exports dropped by 22.2 percent to USD 22.8 million mainly on account of significant decline in the export volume of cotton. Available statistics indicate that Tanzania managed to export 12,922.19 tons of cotton compared to 6,875.53 tons of cotton exported in November 2007. The development in cotton export is partly attributed to unfavourable weather condition. On the other hand, some improvements in export volumes of cashewnuts were observed in December 2007. The development is partly due to willingness of farmers to sell their crops under the newly introduced receipt payment system. Regarding unit prices, tobacco and cotton registered declines of 30.3 percent and 16.4 percent to USD 2,142.9 per ton and USD 1,054.9 per ton, respectively. The drop in export unit price is partly due to the deterioration in the quality of exports.

On annual basis, traditional exports increased 8.6 percent to USD 290.1 million compared to USD 267.1 million recorded in the previous year. The value of exported coffee, cotton and sisal improved during the year ending December 2007 as a result of improvement in the export volumes and unit prices. On the other hand, dismal performance was recorded in cashewnuts export following significant decline in export volumes. During the period under review, the export volumes of cashewnut dropped by 63.5 percent to 24,206.14 tons because of the price disagreement between the buyers and farmers. The share of traditional exports for the year ending December 2007 is reflected on [Chart 4.3](#).

Chart 4.3: Contribution to Total Traditional Exports for the Year Ending December 2007

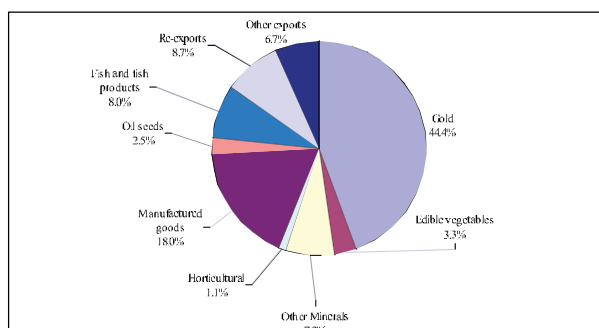


Non-Traditional Exports

Non-traditional exports went down from USD 168.1 million recorded in the previous month to USD 148.7 million following a significant decline in manufactured goods; re- exports and other exports mainly edible vegetables and oil seeds.

On annual basis, non-traditional exports increased by 16.1 percent to USD 1,705.4 million as most sub-categories of non-traditional exports recorded increases. Manufactured goods export which accounted for 18.1 percent of non-traditional exports rose by 58.0 percent to USD 309.2 million in line with the growth of manufacturing sector in the country. There was also an increase in re- exports from USD 128.3 million during the year ending December 2006 to USD 138.6 million following a surge in re- exports of wheat and petroleum products to the neighbouring countries. On the other hand, gold exports which accounted for about 45 percent of non traditional exports decreased slightly to USD 762.9 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 December 2007.

Chart 4.4: Contribution to Total Non Traditional Exports for the Year Ending December 2007



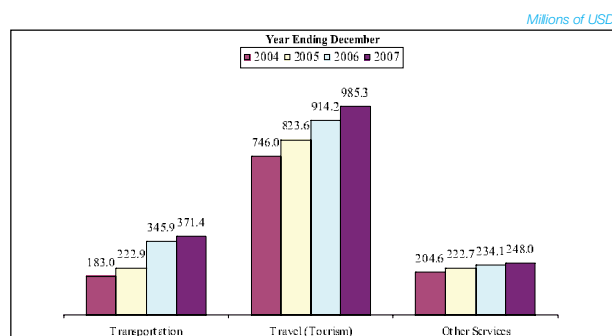
Services Exports

During December 2007, export of services decreased by 4.6 percent to USD 124.0 million from USD 130.0 million recorded in the previous month, largely due to a decrease in receipts from transportation.

On annual basis, services receipts increased by 13.6 percent to USD 1,697.0 million mainly due to the increase in transportation, travel, insurance services and other business services. During the review period, travel (tourism) receipts increased to USD 985.3 million from USD 914.2 million recorded during the year near ending December 2006. The good performance in travel sector which accounted for about 58.1 percent of services receipt is mainly on 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 of 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 7.4 percent to USD 371.4 million compared to USD 345.9 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 2004 – 2007



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 went down by 25.5 percent to USD 469.2 million mainly due to a decline in all import sub categories. Capital goods import declined by 16.1 percent to USD 150.8 million following a fall in importation of transport equipments and machinery goods. Meanwhile, the decline in intermediate goods import was driven by decline in importation of oil and fertilizers. The value of imported oil decreased by 19.3 percent to USD 165.2 million largely due to the decrease in imported volumes. During the month under review, a total of 179,187 tons of oil were imported compared to 195,756 tons in the previous month. Likewise, Consumer goods imports decreased by 45.4 percent to USD 100.0 million following a significant decline in other consumer goods particularly pharmaceutical products (Table 4.2).

Table 4.2: Imports

Millions of USD

Item	2006		2007 ^P		Year Ending December ^P		% Change Annual
	Dec	Oct	Nov	Dec	2006	2007 ^P	
Capital Goods	133.1	163.8	179.7	150.8	1,435.10	1,738.70	21.2
Transport Equipments	32.3	48.48	57.4	45.8	374.8	479.9	28.1
Building and Constructions	22.5	32.86	42.5	42.7	338	416.6	23.3
Machinery	78.4	82.41	79.8	62.4	722.4	842.2	16.6
Intermediate Goods	161.5	163.2	266.7	218.4	1,576.90	1,993.00	26.4
Oil imports	121.1	104.7	204.8	165.2	1,146.50	1,505.30	31.3
Fertilizers	4.6	8.137	13.5	2.6	53.9	59.1	9.7
Industrial raw materials	35.8	50.34	48.4	50.6	376.5	428.7	13.9
Consumer Goods	77.5	110	183.2	100	852.1	1,095.20	28.5
Food and food stuffs	23.9	42.58	56.8	36.6	249.2	301.3	20.9
All other consumer goods ¹	53.6	67.46	126.4	63.4	602.8	793.9	31.7
Grand Total (f.o.b)	372.2	437	629.7	469.2	3,864.10	4,826.90	24.9
Grand Total (c.i.f)	409.0	480.2	691.9	515.6	4,246.30	5,304.30	24.9

Note: Oil imports refers to refined petroleum products

P = provisional data

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

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania and Tanzania Revenue Authority

Food Imports

During December 2007, food imports which mainly consist of cereals decreased to USD 31.38 million from USD 44.31 million recorded in the previous month. Much of the decrease resulted from the fall in importation of wheat to 87,669.61 tons compared to 123,255 tons imported in the previous month. Table 4.3 summarizes the trend of selected cereal imports during the last four months beginning August 2007.

Table 4.3: Summary of Food Imports

Crop	2007				% Change Nov-Dec
	Sep	Oct	Nov	Dec	
Maize					
Tons	810.0	403.0	1,468.0	2,234.2	52.2
Value (Mill. USD)	0.30	1.13	0.32	0.14	-134.08
Rice					
Tons	15,152.0	3,177.0	685.0	4,038.1	489.5
Value (Mill. USD)	1.13	0.18	0.23	0.30	127.78
Wheat					
Tons	32,685.0	126,422.0	123,255.0	87,669.6	-28.9
Value (Mill. USD)	9.50	38.14	43.76	30.94	114.74
Total Tons	48,647.0	130,002.0	125,408.0	93,941.9	-25.1
Total Value (Mill. USD)	10.93	39.45	44.31	31.38	-29.18

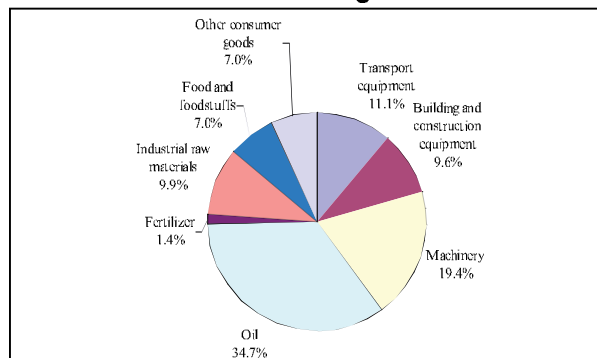
Source: Bank of Tanzania and Tanzania Revenue Authority

On annual basis, goods import went up by 25.4 percent to USD 4,826.9 million following the increase in importation of all major import sub categories. Capital goods imports increased from USD 1,435.1 million in the previous year to USD 1,738.7 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 1,975.5 million owing to the increase in importation of oil and industrial raw materials. The increase in oil imports is largely explained by a substantial rise in imported volumes from 1,995,701 tons recorded in the previous year to 2,514,909 tons amid expansion in economic activities in the country. 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.

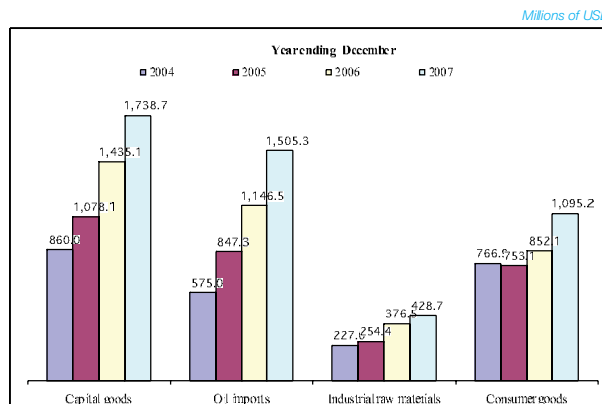
Consumer goods import increased by 32.8 percent to USD 1,131.6 million largely due to increase in food and other consumer goods that include pharmaceutical products, paper and textiles apparel. Food and foodstuffs increased by 46.2 percent to USD 364.4 million largely due to a surge in wheat import which is partly re-exported to Uganda, Burundi, Rwanda, and DRC (Chart 4.6).

Chart 4.6: Contribution to Total Imports for the Year Ending December 2007



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: Selected Merchandise Imports: 2004-2007



Services Imports

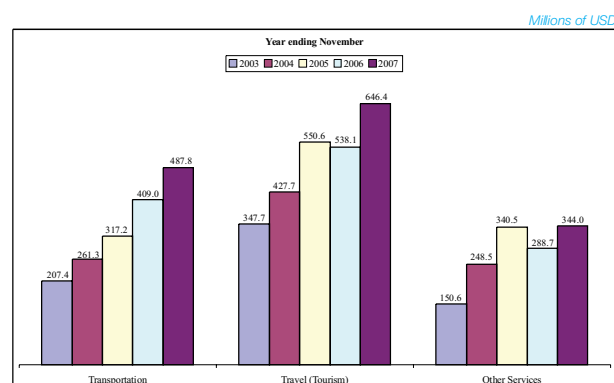
During the month under review, service payments decreased marginally to USD 119.5 million from USD 137.3 million recorded in the previous month mainly on account of the decline in payments for financial services, freight and travel. The decline in freight charges is in line with fall in merchandise imports in the review month

On annual basis, service payments increased by 18.4 percent to USD 1,479.4 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 – 2007



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

World Commodity Prices

During December 2007, the world market prices of commodities recorded mixed developments ([Table 4.4](#)). While the price of Robusta **coffee** declined slightly to USD 2.03 per kg, the price of Arabica **coffee** recorded an increase of 5.2 percent to USD 3.04 per kg. The increase in price of Arabica coffee was partly as a result of expectation of a drop in the Brazilian 2008/09 crop owing to unfavorable weather condition in Brazil. Price of **tea** (Average price and Mombasa auction) increased slightly to USD 2.3 per kg and USD 1.7 per kg, respectively, whereas, the price of cloves increased by

5.9 percent to USD 3600.00 per ton. The rise in the price of cloves was largely due to speculation on the decline in global output of cloves in 2008/09 season amid a drop in cloves production in several key producing countries like Sri-lanka, Madagascar, India and Comoro. While prices of **cotton** recorded small declines to USD 1.5 per kg, the price of **sisal** remained unchanged at USD 1,035.0 per metric ton. Minor changes were recorded on oil prices as **crude oil** (UK Brent), Dubai (f.o.b) and white products recorded small declines of prices to USD 89.5 per barrel, USD 85.8 per barrel and USD 825.8 per ton, respectively. Likewise, **gold** price declined marginally to USD 803.2 per troy ounce.

During the year ending December 2007, prices of commodities recorded modest increases with the exception of the prices of tea (Mombasa Auction) and cloves that declined notably to USD 1.7 per kg and USD 3542.3 per metric ton. The drop in the price of tea was largely attributable to favorable weather condition in major producing countries in East Africa. On the other hand, the decline in clove prices was mainly on account of increase in production in Indonesia, following favorable weather condition. Meanwhile, the notable increase in the price of Robusta coffee to USD 1.9 per kg largely emanated from the increase in demand from the European countries coupled with a decline in the global coffee stocks. Regarding oil, prices rose notably as the result of supply disruption in major oil exporting countries such as Middle East and Nigeria. The price of gold also increased by 15.3 percent to USD 696.7 per troy ounce mainly due to the weakening of US dollar against other major currencies.

Table 4.4: World Commodity Prices

Commodity	Unit	2007			Year Ending December ^P		% Change	
		Oct	Nov	Dec	2006	2007	Monthly	Annual
Robusta Coffee	USD per kg	2.01	2.04	2.03	1.49	1.91	-0.49	28.19
Arabica Coffee	USD per kg	2.96	2.89	3.04	2.52	2.72	5.19	7.94
Tea (Average price)	USD per kg	2.25	2.21	2.31	1.87	2.04	4.52	9.09
Tea (Mombasa auction)	USD per kg	1.75	1.71	1.73	1.95	1.67	1.17	-14.36
Cotton, "A Index"	USD per kg	1.52	1.54	1.52	1.27	1.39	-1.3	9.45
Cotton, Memphis"	USD per kg	1.55	1.56	1.54	1.34	1.43	-1.28	6.72
Sisal (UG)	USD per metric ton	1035	1035	1035	942.82	1032.08	0	9.47
Cloves	USD per metric ton	3,200	3,400	3,600	3,973.58	3,542.33	5.88	-10.85
Crude oil*	USD per barrel	81.97	91.34	89.52	64.29	71.12	-1.99	10.62
Crude oil**	USD per barrel	77.14	86.73	85.75	61.43	68.37	-1.13	11.3
White products***	USD per ton	743	854.18	825.81	603.46	673.61	-3.32	11.63
Jet/Kerosine	USD per ton	780.53	905.76	864.74	633.17	688.9	-4.53	8.8
Premium Gasoline	USD per ton	726.48	816.36	787.29	607.13	687.48	-3.56	13.23
Heat Oil	USD per ton	722.04	840.42	825.39	570.07	644.45	-1.79	13.05
Gold	USD per troy ounce	754.6	806.2	803.2	604.3	696.7	-0.37	15.29

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

** 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

Total debt stock at the end of December 2007 stood at USD 7,041.3 million comprising of USD 5,367.7 million external debt and USD 1,673.5 million domestic debt. The position represents an increase of 1.4 percent compared to USD 6,941.8 million recorded at the end of preceding month. The increase is mainly on account of exchange rate fluctuations, new disbursements and accumulation of interest arrears.

External Debt

By end December 2007, external debt stock was USD 5,367.7 million, representing an increase of USD 44.9 million (0.8 percent) from the level of USD 5,322.4 recorded at the end of November 2007. Out of the total external debt stock, USD 4,057.4 million (75.6 percent) was disbursed outstanding debt (DOD) and the balance of USD 1,310.4 million (24.4 percent) was interest arrears.

The profile of DOD by borrower category at the end of December 2007 revealed that the Central Government remained the leading borrower with a debt of USD 3,249.6 million (80.1 percent) followed by the private sector with USD 637.0 million (15.7 percent) and parastatal companies held USD 170.8 million (4.2 percent)

In terms of creditor category, the debt owed to multilateral institutions stood at USD 2,301.9 million (56.7 percent), while the amount of debt owed to bilateral creditors was USD 933.4 million (23.0 percent). Commercial and export credits amounted to USD 499.3 million (12.3 percent) and USD 322.8 million (8.0 percent) respectively.

Loans Contracted and New Disbursements

New disbursements received and recorded during the month under review amounted to USD 16.2 million. External debt service payments amounted to USD 1.6 million out of which principal repayments were USD 1.0 million and interest payments amounted to USD 0.6 million.

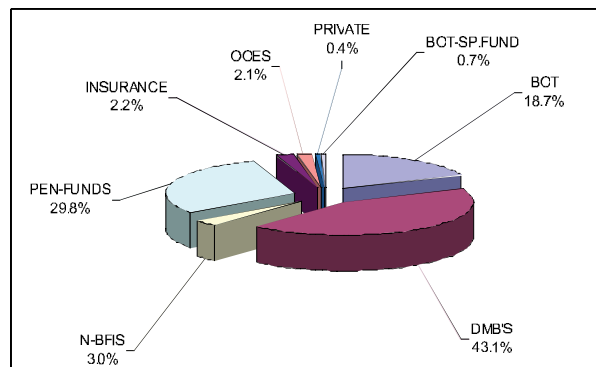
Domestic Debt

The stock of domestic debt decreased marginally to TZS 1,894.6 billion by the end of December 2007, compared to TZS 1,895.4 billion registered at the end of preceding month. Out of this amount, Government securities (treasury bills, bonds and stock) accounted for 99.6 percent and the remaining portion was in other Government debts.

Despite the fact that, domestic debt decreased during the period under review, it is worth noting that the same in US dollar terms increased by 3.4 percent mainly due to exchange rate fluctuations where the Tanzanian Shilling has been appreciating against US Dollar.

The profile of domestic debt by holder category shows that commercial banks remained the leading Union Government creditors holding 43.1 percent of the total domestic debt followed by Pension Funds with 29.8 percent, Bank of Tanzania 18.7 percent, other official entities and insurance companies and Non-Bank Financial Institutions (NBFIs) are holding 2.1 percent, 2.2 percent and 3.0 percent respectively. The remaining portion of 1.1 percent is held by private sector and BOT special fund (Chart 5.1).

Chart 5.1: Government Domestic Debt by Instruments



Domestic Debt Service

During the month under review domestic debt amounting to TZS 91.5 billion fell due for payment, out of which TZS 8.4 billion being interest was paid out of Government revenue while the principal amounting to TZS 83.1 billion was rolled over.



6.0 Economic Developments in Zanzibar

Fiscal Performance

During the month of December 2007, government budgetary deficit; on cheques cleared basis; declined remarkably to TZS 0.2 billion from TZS 2.0 billion registered in the previous month. Available total resources (domestic revenue and grants) stood at TZS 11.8 billion, out of which TZS 8.2 billion or 69.5 percent originated from domestic sources; while TZS 3.6 billion accounting for 30.5 percent were foreign grants. Total government expenditure reached TZS 13.7 billion. The budget deficit was entirely financed through foreign loans.

Revenue Performance

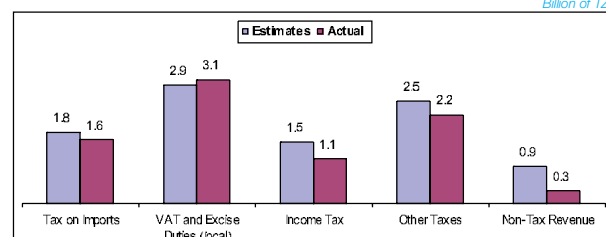
Revenue collections reached TZS 8.2 billion below the target of TZS 9.7 billion. Under performance emanated from a decline in tax on imports, income tax, other taxes categories and non tax sources. Tax revenue amounted to TZS 7.9 billion below the target of TZS 8.7 billion; and accounted for 96.3 percent of the total revenue collection. Non-tax revenue amounted to TZS 0.3 billion, accounting for 3.7 percent of the total revenue collections.

Revenue performance by source category indicates that local VAT and excise duty collections continued to be dominant source contributing TZS 3.1 billion representing 39.2 percent of the tax revenue or 37.8 percent of total revenue. Actual collections exceeded the target of TZS 2.9 billion due to effect of VAT and excise refunds from Tanzania Mainland. Tax on imports amounted to TZS 1.6 billion below the target of TZS 1.8 billion largely due to decline in taxable imports associated with shortage of ships to shift containers from Dar es Salaam port. This source accounted for 20.0 percent of the tax revenue or 19.5 of total revenue. Income tax collection fetched TZS 1.1 billion against the target of TZS 1.5 billion; mainly due to low collection of PAYE attributed to non consolidation of civil servants emoluments; and non collection of skill development levy due legal impediments. Other tax collections amounted to TZS 2.2 billion below the target amount of TZS 2.5 billion mainly due to decline in tourist related taxes which are associated with decline in tourists. Non-tax revenue collections amounted to TZS 0.3 billion, below the target TZS

0.9 billion due to non implementation of measures stipulated in 2007/8 budget projections ([Chart 6.1](#)).

Cumulatively, total revenue collection for six months from July 2007 to December 2007 amounted to TZS 52.6 billion, below the target of TZS 57.8 billion and accounted for 45.9 percent of annual target of TZS 114.6 billion.

Chart 6.1: Government Revenue by Source – December 2007



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Expenditure

During the month under review, total government expenditure reached TZS 13.7 billion below the target of TZS 14.1 billion; mainly due to low spending in other expenditures and adherence to cash budget management.

Recurrent expenditure amounted to TZS 8.6 billion, below the target of TZS 9.8 billion and accounted for 62.8 percent of the total expenditure. Expenditure on wages and salaries amounted to TZS 5.2 billion, accounted for 60.5 percent of the recurrent expenditure or 37.9 percent of the total expenditure. Expenditures on other charges amounted to TZS 3.4 billion, below the target of TZS 4.5 billion and accounted for 39.5 percent of the recurrent expenditure or 24.8 percent of the total expenditure.

Development expenditure reached TZS 5.1 billion surpassing target of TZS 4.2 billion, mainly due to more than expected foreign disbursements and accounted for 37.2 percent of the total expenditure. Local contribution amounted to TZS 0.4 billion or 7.8 percent of the total development expenditure, while foreign source amounted to TZS 4.7 billion accounting for 92.2 percent of the total development expenditure ([Chart 6.2](#)).

Cumulatively, total expenditure for six months; from July 2007 to December 2007 stood at TZS 85.1 billion, representing 92.3 percent of the projected TZS 92.3 billion and accounted for 31.9 percent of annual budget target TZS 266.9 billion.



Chart 6.2: Government Expenditure by Components – December 2007

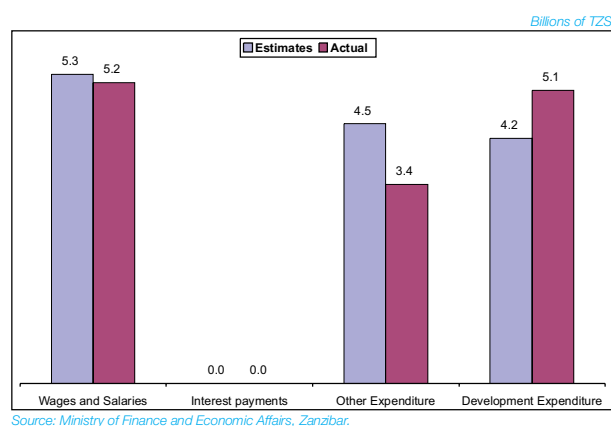
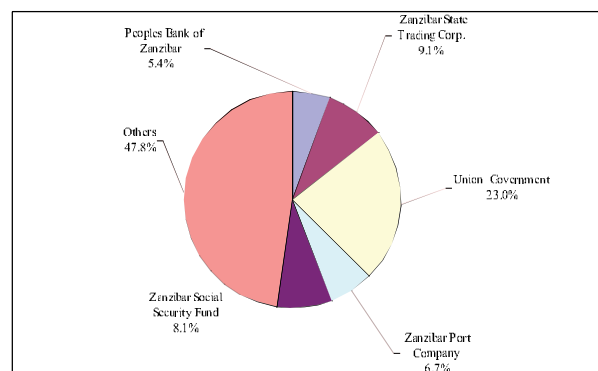


Chart 6.3: Domestic Debt by Creditor as at End – December 2007



Debt Developments

Public debt declined and stood at TZS 179.5 billion (US\$ 158.6 million) as at the end of December 2007 from TZS 185.9 billion (US\$ 158.8 million), recorded in previous month. The decline was attributed to slow down of domestic debt and marginal decline in external debt redemption of government securities and reducing outstanding debts due to retirees and suppliers. Debt to GDP ratio stood at 45.4 percent down from 47.1 percent for the preceding month. External debt stood at TZS 120.3 billion (US\$ 106.3 million) accounting for 67.0 percent of the total debt, while domestic debt stood at TZS 59.2 billion (US\$ 52.3 million), accounting for 33.0 percent of total debt.

Domestic Debt

Domestic debt declined to TZS 59.2 billion down from TZS 61.2 billion recorded in the previous month; associated with redemption of matured government securities, and partial settlement of government retirees' and suppliers' claims.

Debt profile by creditors showed that 'Other creditors' (domestic suppliers and pensioners) remained dominant amounting to TZS 28.3 billion, accounting for 47.8 percent of domestic debt. Union Government debt stood at TZS 13.6 billion or 23.0 percent of domestic debt, while debt owed to Zanzibar Social Security Fund (ZSSF) and Zanzibar Port Company (ZPC) amounted to TZS 4.8 billion and TZS 3.9 billion, accounting for 8.1 percent and 6.7 percent of total domestic debt, respectively. Claims by Peoples Bank (PBZ) stood at 3.2 billion or 5.4 percent of domestic debt. The Zanzibar State Trading Company (ZSTC) is owed TZS 5.4 billion or 9.1 percent (Chart 6.3).

Decomposition of domestic debt by instruments reveals dominance by long-term government loans standing at TZS 21.2 billion or 35.8 percent of domestic debt. Debt contracted through 'Other debt instruments' (suppliers' credits and pensioners' claims) amounted to TZS 12.9 billion down representing 21.8 percent of domestic debt. Treasury bonds and government stocks amounted to TZS 10.7 billion and TZS to TZS 8.9 billion representing 18.0 percent and 15.0 percent of domestic debt, respectively. Treasury bills amounted to TZS 5.5 billion down from TZS 7.0 billion, accounting for 9.3 percent of domestic debt.

During the period under review, debts with "undetermined maturity" (gratuity, pension, and suppliers' claims) were dominant; amounted to TZS 39.0 billion or 65.9 percent of domestic debt. Debt maturing between 2 - 5 years remained at TZS 14.7 billion; representing 24.8 percent of domestic debt, while debt maturing in less than a year amounted to TZS 5.5 billion down from TZS 7.0 billion accounting for 9.3 percent of the domestic debt.

External Debt

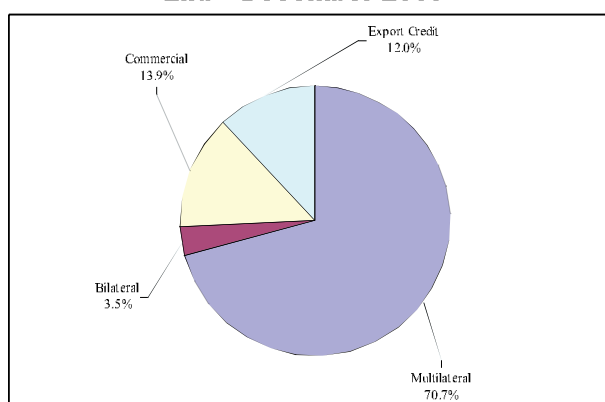
As at the end of December 2007, external debt stood at TZS 120.3 billion (US\$ 106.3 million), slightly below TZS 124.7 billion (US\$ 106.5 million) recorded in previous month. The decline was mainly linked to fall in the value of the US dollar against the local currency. Debt guaranteed by the Union government stood at US\$ 76.8 million accounting for 72.3 percent of the external debt, while non-guaranteed debt amounted to US\$ 29.5 million or 27.7 percent of total external debt.

Analysis of external debt by creditors indicates multilateral creditors were the major creditors with claims amounting to



US\$ 75.2 million (TZS 85.1 billion) accounting for 70.7 percent of total external debt. Debt owed to bilateral creditors stood US\$ 3.7 million (TZS 4.1 billion) accounting for 3.5 percent of total debt; commercial debts amounted to US\$ 14.7 million (TZS 16.7 billion), representing 13.9 percent of total external debt. Export credits amounted to US\$ 12.7 million (TZS 14.4 billion) representing 11.9 percent of the total external debt (Chart 6.4).

Chart 6.4: External debt by Creditor as at End – December 2007

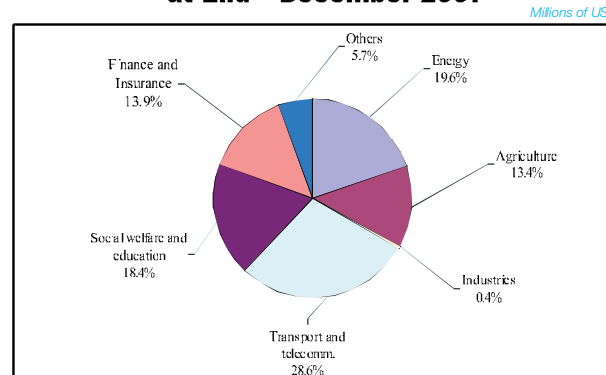


Source: Ministry of Finance and Economic Affairs-Zanzibar

Zanzibar external debt is predominantly long term; debt maturing over 20 years amounted to US\$ 69.3 million, representing 65.2 percent of the total external debt. Debts maturing between 10 to 20 years stood at US\$ 6.9 million or 6.5 percent, while with maturity of 5 to 10 years amounted to US\$ 30.1 million, accounting for 28.3 percent of the total external debt.

External debt disbursements by end use indicated that transport and telecommunications sector benefited US\$ 30.4 million or 28.6 percent of the total disbursed debt. Energy sector had US\$ 20.9 million or 19.6 percent of total disbursements, while social welfare and education sectors obtained US\$ 19.6 million or 18.4 percent of total disbursed debt. Finance & Insurance sector received US\$ 14.7 million equivalent to 13.9 percent of the total external debt. Agriculture and industries sectors settled with US\$ 14.2 million and US\$ 0.5 million or 13.4 percent and 0.4 percent of the total external debt, respectively. Other sectors had US\$ 6.0 million or 5.7 percent of the external debt (Chart 6.5).

Chart 6.5: External debt by Use of Funds as at End – December 2007



Source: Ministry of Finance and Economic Affairs-Zanzibar

External Sector Performance

Current Account

Zanzibar current account as at end December 2007 narrowed noticeably to a deficit of US\$ 0.3 million from a deficit of US\$ 4.5 million registered in the previous month. The improvements was related with increase in services receipts and donor inflows, as well as slow down in imports bill. Trade account balance remained unfavourable, registered a lower deficit of US\$ 5.3 million compared to US\$ 6.5 million registered in previous month. The deficit was financed by surplus on the services account and current transfers account. The duo accounts registered surplus of US\$ 1.8 million and US\$ 3.2 million respectively.

On annual basis, the current account surplus stood at US\$ 30.1 million, marking a rise of 62.0 percent from US\$ 18.6 million registered in the corresponding period in 2006. The rebound was largely attributed to increase in official foreign grants. Trade account worsened to a deficit of US\$ 73.0 million from a deficit of US\$ 60.1 million recorded in corresponding period in 2006, resulting largely from increase in goods imports bill. The deficit was financed by both services and current transfers accounts (Table 6.1).



Table 6.1: Current Account Balance

Millions of USD

Item	2006		2007 ^p		Year Ending December		%Change	
	Dec	Oct	Nov	Dec	2006	2007 ^p	Monthly	Annual
Goods Account (net)	-3.0	-3.7	-6.5	-5.3	-60.1	-73.0	-17.5	21.4
Exports	2.7	0.8	1.2	0.9	12.4	12.4	-19.8	-0.1
Imports (fob)	5.6	4.5	7.7	6.3	72.5	85.3	-17.8	17.7
Services Account (net)	6.5	3.5	0.2	1.8	33.2	38.8	648.2	17.1
Receipts	9.9	8.1	6.1	7.1	89.9	90.6	15.4	0.7
Payments	3.4	4.6	5.9	5.3	56.8	51.8	-10.7	-8.9
Goods and Services (net)	3.5	-0.3	-6.2	-3.5	-27.0	-34.2	-43.5	26.6
Exports of Goods and Services	12.5	8.9	7.3	8.0	102.3	102.9	9.7	0.6
Imports of Goods and Services	9.0	9.2	13.6	11.6	129.3	137.1	-14.8	6.0
Income Account (net)	0.0	0.0	0.0	0.0	0.3	-0.1	90.8	-134.1
Receipts	0.0	0.0	0.0	0.0	0.3	0.1	-174.3	-81.4
Payments	0.0	0.0	0.0	0.0	0.1	0.2	-6.1	
Current Transfers (net)	2.1	3.2	1.8	3.2	45.3	64.4	82.6	42.1
Inflows	2.1	3.2	1.8	3.2	45.3	64.4	82.6	42.1
Outflows	0.0	0.0	0.0	0.0	0.0	0.0		
Current Account Balance	5.7	2.9	-4.5	-0.3	18.6	30.1	-92.4	62.0

p= Provisional

Source: Tanzania Revenue Authority

Exports Performance

During the review period, total exports receipts (goods and services) stood at US\$ 8.0 million up from US\$ 7.3 million posted in November 2007, largely due to the increase in services receipts. Services proceeds mainly from tourism related activities increased to US\$ 7.1 million up from US\$ 6.1 million attained in the previous month, accounting for 88.7 percent of total export receipts. Merchandise exports driven by cloves stood at US\$ 0.9 million down from US\$ 1.2 million registered in November 2007.

On annual basis, total export proceeds amounted to US\$ 102.9 million, marking a slight increase from US\$ 102.3 million registered in the corresponding period in 2006, mainly on account of increase in receipts from services. Services receipts amounted to US\$ 90.6 million up from US\$ 89.9 million, representing for 88.0 percent of total exports receipts. Cloves exports amounted to US\$ 4.4 million down from US\$ 7.9 million, representing 4.3 percent of total exports receipts. Seaweeds exports amounted to US\$ 2.1 million or 2.0 percent of total receipts. Manufactured goods exports stood at US\$ 3.6 million, constituting 3.5 percent of total exports receipts. Exports of fish and fish produce stood at US\$ 0.1 million, accounting for 0.1 percent of total export receipts. Earnings from other exports amounted to US\$ 2.2 million or 2.1 percent of total export receipts (Table 6.2).

Table 6.2: Exports by Major Categories

Commodity	2006		2007 ^p		Year Ending December		%Change	
	Dec	Oct	Nov	Dec	2006	2007 ^p	Monthly	Annual
Traditional:								
Cloves								
Value	2.3	0.1	0.2	0.1	7.9	4.4	-38.0	-44.6
Volume	0.7	0.0	0.1	0.0	2.4	1.5	-37.7	-37.7
Unit Price	3,202.8	3,322.6	3,446.4	3,426.5	3,364.0	2,988.6	-0.6	-11.2
Sub Total	2.3	0.1	0.2	0.1	7.9	4.4	-38.0	-44.6
Non-Traditional:								
Seaweeds								
Value	0.1	0.2	0.3	0.2	1.5	2.1	-31.0	37.6
Volume	0.6	0.5	1.0	1.0	7.2	9.4	3.5	30.2
Unit Price	184.2	320.8	319.3	212.9	206.2	217.9	-33.3	5.7
Manufactured Goods	0.2	0.2	0.4	0.4	1.7	3.6	5.7	105.9
Fish and Fish Produce	0.0	0.0	0.0	0.0	0.3	0.1	-37.6	-48.9
Others Exports	0.0	0.4	0.3	0.2	0.9	2.2	-27.9	140.8
Sub Total	0.4	0.7	1.0	0.8	4.4	8.0	-16.9	80.1
GRAND TOTAL	2.7	0.8	1.2	0.9	12.4	12.4	-19.8	-0.1

p = provisional

Source: Tanzania Revenue Authority

Imports Performance

During the period under review, goods imports (c.i.f) decreased to US\$ 6.9 million from US\$ 8.4 million of the previous month, mainly due to slow down in import of intermediate goods; particularly oil imports. Share of oil imports to total goods imports declined to 22.3 percent from 29.7 percent registered in the previous month. Intermediate goods imports declined to US\$ 2.2 million from US\$ 3.4 million registered in the previous month. Capital goods imports registered 16.0 percent decrease to US\$ 3.3 million from US\$ 3.9 million recorded in the preceding month. Consumer goods imports increased to US\$ 1.4 million from US\$ 1.1 million, mainly due to increase in food imports.

On annual basis, imports (c.i.f) ascend to US\$ 93.8 million from US\$ 79.7 million recorded in the corresponding period in 2006, mainly due to increase in capital goods imports, specifically transport equipment and building and construction materials. The increase was associated with increased sales of vehicles to Tanzania Mainland market; and to cater for expanding construction sector within Zanzibar. Capital goods imports rose to US\$ 45.7 million from US\$ 32.7 million registered in previous month. Oil import bill slightly increased to US\$ 22.4 million from US\$ 20.6 million registered in the corresponding period in 2006 in response increase in both quantity and world oil prices.. Food and food stuffs imports stood at US\$ 6.7 million up from US\$ 6.2 million of the previous corresponding period in 2006 (Table 6.3).



Table 6.3: Imports by Major Categories

Millions of USD

Import Category	2006	2007 ^p			Year Ending December		% Change	
	Dec	Oct	Nov	Dec	2006	2007 ^p	Monthly	Annual
Capital Goods	2.5	2.6	3.9	3.3	32.7	45.7	-15.9	39.4
Transport Equipment	0.8	1.3	1.99	1.69	11.1	18	-15.1	61.6
Building and Constructions	0.4	0.4	0.62	0.39	6.9	12.5	-37.1	82.5
Machinery	1.3	1	1.29	1.2	14.8	15.1	-7	2.7
Intermediate Goods	1.9	1.5	3.4	2.2	27.6	27.6	-34.7	-0.1
Oil imports	1.45	1.1	2.55	1.54	20.6	22.4	-39.5	8.3
Fertilizers	0.02		
Industrial raw materials	0.5	0.42	0.88	0.69	6.9	5.2	-21.1	-25
Consumer Goods	1.8	0.9	1.1	1.4	19.3	20.6	28.3	6.3
Food and food stuffs	0.3	0.22	0.23	0.61	6.2	6.7	168.5	8
All other consumer goods	1.5	0.65	0.87	0.79	13.1	13.9	-8.2	5.5
Grand Total (c.i.f)	6.2	5	8.4	6.9	79.7	93.8	-17.8	17.7
Grand Total (f.o.b)	5.6	4.5	7.7	6.3	72.5	85.3	-17.8	17.7

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

Services Account

Services account surplus for the month of December 2007, increased to the tune of US\$ 1.8 million compared to US\$ 0.2 million registered in the previous month. The rise was attributed to increase in foreign receipts mainly from tourism sector; coupled with decrease in foreign payments. Foreign receipts increased to US\$ 7.1 million from US\$ 6.1 million registered during the previous month; travel receipts was major source amounted to US\$ 3.9 million, representing 55.0 percent of total foreign receipts. Foreign payments reached US\$ 5.3 million, out of which travel payments represented 75.5 percent of total foreign payments.

On year to year basis, the services account surplus stood at US\$ 38.8 million, having increased from a surplus of US\$ 33.1 million recorded in the corresponding period in 2006. The increase emanated from the increase in foreign receipts coupled with decline in foreign payments. Foreign receipts increased to US\$ 90.6 million from US\$ 89.9 million registered in the corresponding period in 2006, foreign payments declined to US\$ 51.7 million from US\$ 56.8 million recorded in corresponding period in 2006. Travel receipts amounted to US\$ 75.1 million, accounted for 82.9 percent of total services receipts, while travel payments amounted to US\$ 42.9 million, equivalent to 83.0 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 GDF 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 GDF 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 GDF 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

Millions of TZS

Item	2006/07	BUDGET 2007/08	2007					
			Jul	Aug	Sep	Oct	Nov	Dec
Total Revenue	2,739,022.4	3,502,583.0	262,189.8	275,917.4	326,363.8	284,598.3	269,707.4	340,258.2
Tax Revenue	2,529,439.4	3,188,415.0	237,589.7	251,039.3	312,249.8	262,860.0	260,539.4	327,682.4
Taxes on Imports	1,018,569.5	1,245,641.9	110,674.5	108,331.1	112,819.9	110,072.5	112,132.6	105,825.4
Sales/VAT and Excise on Local Goods	575,968.3	688,639.0	52,327.2	60,588.6	58,566.1	64,164.0	71,063.6	65,380.6
Refunds	-69,960.0	-124,641.4	-13,064.9	-12,955.3	-9,866.8	-9,866.8	-10,386.8	-10,386.8
Income Taxes	716,320.5	826,866.7	47,867.6	53,714.0	106,796.9	53,342.2	56,227.0	135,647.7
Other taxes	218,581.1	427,267.4	26,720.4	28,405.6	34,066.9	35,281.3	31,503.0	31,215.5
Non- tax Revenue	209,583.0	314,168.0	24,600.1	24,878.1	14,114.0	21,738.3	9,168.0	12,575.8
Total Expenditure /1	4,474,680.9	5,998,882.5	429,898.5	704,456.4	563,019.6	430,325.8	349,700.8	361,233.1
Recurrent expenditure	3,137,469.5	3,796,986.2	210,421.5	263,925.4	285,322.4	308,329.2	252,174.1	232,366.7
Retention fund	61,261.2	71,706.9	3,678.7	5,434.0	6,610.0	5,815.0	5,289.8	7,363.3
Wages and salaries	976,094.3	1,113,134.0	93,080.1	93,275.7	93,891.5	93,154.7	93,617.6	93,477.0
Interest payments	215,562.9	276,000.0	9,624.2	4,161.4	7,902.4	38,184.3	9,576.3	11,325.6
Domestic /2	185,050.4	240,000.0	9,359.3	4,045.2	5,318.6	36,049.3	7,583.2	8,370.9
Foreign	30,512.4	36,000.0	264.9	116.3	2,583.8	2,135.0	1,993.1	2,954.7
Other goods, services and transfers	1,945,812.3	2,407,852.2	107,717.2	166,488.2	183,528.4	176,990.3	128,884.8	122,254.8
Dev. Expenditure and net lending	1,337,211.4	2,201,096.3	219,477.0	440,531.0	277,697.3	121,996.6	97,526.8	128,866.3
Local	296,101.0	739,203.5	61,600.3	100,521.7	150,000.0	26,000.0	48,000.0	34,000.0
Foreign	1,047,266.2	1,461,892.8	157,876.7	340,009.2	127,697.3	95,996.6	49,526.8	94,866.3
Overall Balance (cheque issued) before Grants	-1,735,658.5	-2,495,499.5	-167,708.7	-428,539.0	-236,655.8	-145,727.5	-79,993.4	-20,974.9
Grants	952,225.5	1,690,873.0	468,714.4	26,612.1	107,870.7	57,776.3	61,043.9	74,115.3
Program (CIS/OGL)	479,837.3	607,524.1	396,977.5	0.0	94,454.6	33,371.3	38,266.6	0.0
Project	241,826.6	684,438.3	15,905.6	1,172.7	3,146.0	7,268.1	2,579.1	69,152.7
Basket funds	111,559.8	192,874.1	16,548.8	573.1	10,270.1	17,136.9	20,198.2	0.0
HIPC Relief	119,001.7	206,036.6	39,282.4	24,866.3	0.0	0.0	0.0	0.0
Overall defic.(cheq.issued) after Grants	-783,433.0	-804,626.5	301,005.7	-401,926.9	-128,785.1	-87,951.2	-18,949.5	53,140.4
Expenditure float	131,315.2	0.0	-186,585.9	-12,803.2	-9,825.0	-11,909.3	0.0	0.0
Adjustments to cash and other items (net)	48,602.6	0.0	179,183.8	57,166.0	72,903.7	-64,629.2	-52,477.7	-95,581.2
Overall Balance (cheques issued)	-924,411.5	-804,626.5	293,603.6	-357,564.2	-65,706.4	-164,489.7	-71,427.2	-42,440.8
Financing:	924,413.5	804,626.5	-293,603.6	357,564.2	65,706.4	164,489.7	71,427.2	42,440.8
Foreign Financing (net)	561,220.0	818,616.7	124,683.8	359,867.1	350,954.8	68,898.0	25,265.5	44,146.0
Loans	668,935.5	858,376.7	125,422.2	360,241.0	354,396.4	71,591.6	21,188.6	47,691.1
Program loans	257,678.1	273,796.2	0.0	21,977.5	240,115.2	0.0	0.0	21,977.5
Development Project loans	328,956.7	504,260.2	23,655.7	338,263.4	35,761.0	55,163.7	21,188.6	25,713.6
Basket Support	82,302.8	80,320.2	101,766.6	0.0	78,520.2	16,427.9	5,560.9	0.0
Amortization	-107,714.5	-39,760.0	-738.5	-373.9	-3,441.6	-2,693.6	-1,483.9	-3,545.1
Domestic (net)	363,194.5	-13,990.2	-418,287.4	-2,302.9	-285,248.4	95,591.7	46,161.7	27.2
Domestic Financing	348,886.7	-0.2	-418,287.4	-1,772.9	-285,248.4	95,666.2	46,161.7	27.2
Bank borrowing	129,645.6	0.0	-382,860.2	-42,297.9	-304,072.1	50,347.6	76,510.9	-23.0
Non-Bank (net of amortization)	219,242.1	0.0	-35,427.1	40,525.0	18,823.7	45,318.6	-30,349.3	50.3
Amortization of contingent debt	-19,000.4	-15,000.0	0.0	-530.0	0.0	-74.5	0.0	0.0
Privatization Proceeds	33,310.2	-13,990.0	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 A5(a): Tanzania Exports by Type of Commodity

Item	2006 ^P	2007 ^P		% Change		Year Ending December ^P		
	Dec	Nov	Dec	Dec 06 - Dec 07	Nov 07 - Dec 07	2006	2007	% Change
Traditional Exports:								
COFFEE								
Value	9.0	8.8	9.0	0.5	2.2	61.4	98.1	59.6
Volume	4.8	3.6	3.6	-24.1	-0.1	31.5	45.0	43.2
Unit Price	1,880.4	2,435.0	2,491.1	32.5	2.3	1,953.1	2,177.6	11.5
COTTON								
Value	3.1	16.3	7.3	133.3	-55.5	55.8	66.4	18.9
Volume	2.9	12.9	6.9	141.0	-46.8	55.0	59.1	7.4
Unit Price	1,089.7	1,261.4	1,054.9	-3.2	-16.4	1,014.2	1,123.8	10.8
SISAL								
Value	0.7	0.0	0.0	-100.0	0.0	6.1	6.8	10.4
Volume	1.0	0.0	0.0	-100.0	0.0	8.0	8.2	3.2
Unit Price	694.4	0.0	0.0	--	0.0	766.7	820.5	7.0
TEA								
Value	2.0	2.0	1.5	-23.2	-22.9	31.0	28.7	-7.4
Volume	1.2	1.6	1.3	9.4	-18.8	22.4	21.5	-3.9
Unit Price	1,617.1	1,197.2	1,135.8	-29.8	-5.1	1,384.9	1,334.8	-3.6
TOBACCO								
Value	1.0	1.7	1.5	52.7	-9.9	65.2	72.8	11.7
Volume	0.4	0.5	0.7	62.2	29.4	25.0	31.8	27.3
Unit Price	2,276.5	3,075.8	2,142.9	-5.9	-30.3	2,611.4	2,291.5	-12.2
CASHEWNUTS								
Value	13.8	0.5	3.5	-74.9	--	39.4	13.2	-66.6
Volume	27.8	0.9	4.7	-82.9	--	66.3	24.2	-63.5
Unit Price	498.0	608.6	730.9	46.8	--	594.4	544.5	-8.4
CLOVES								
Value	2.3	0.0	0.1	-97.2	85.7	8.2	4.2	-48.3
Volume	0.7	0.0	0.0	-97.2	100.0	2.4	1.4	-41.7
Unit Price	3,202.8	3,500.0	3,250.0	1.5	-7.1	3,346.2	2,968.3	-11.3
Sub Total	31.9	29.3	22.8	-28.4	-22.2	267.1	290.1	8.6
Non-Traditional Exports:								
Minerals								
Gold	71.7	64.3	73.6	2.6	14.5	786.4	762.9	-3.0
Diamond	2.1	3.2	2.0	-2.4	-36.5	22.2	29.0	30.8
Other minerals ¹	2.4	20.7	9.6	298.8	-53.5	28.3	94.6	--
Manufactured Goods								
Cotton Yarn	1.7	3.0	0.4	-77.6	-87.6	6.9	7.3	5.9
Manufactured Coffee	0.4	0.1	0.2	-48.3	170.7	1.5	1.3	0.0
Manufactured Tobacco	0.1	0.1	0.1	-23.7	--	1.6	1.2	-25.3
Sisal Products (Yarn & Twine)	0.4	0.8	0.0	-98.2	-99.0	2.7	5.8	--
Other manufactured Goods ²	23.1	33.9	25.8	11.8	-23.9	183.1	293.6	60.4
Fish and Fish Products								
	13.2	10.2	10.6	-19.4	4.3	138.6	137.7	-0.6
Horticultural products								
	1.2	1.7	1.6	36.0	-5.8	15.4	19.1	24.2
Re-exports								
	12.6	10.5	6.9	-45.6	-34.7	128.3	149.7	16.7
Others Exports ³								
	12.8	19.7	17.8	39.9	-9.4	154.0	214.2	39.1
Sub Total	141.7	168.1	148.7	4.9	-11.6	1,468.8	1,716.5	16.9
Grand Total	173.6	197.4	171.5	-1.2	-13.1	1,736.0	2,006.6	15.6

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

Item	Millions of USD									
	2006 ^P		2007 ^P		% Change		Year Ending December		% Change	
	Dec	Nov	Dec	Nov	Dec 06- Dec 07	Nov 07 - Dec 07	2006	2007	2006	2007
Capital Goods	133.1	179.7	150.8	13.3	13.3	-16.1	1,435.1	1,738.7	21.2	21.2
Transport Equipments	32.3	57.4	45.8	41.8	41.8	-20.3	374.8	479.9	28.1	28.1
Building and Constructions	22.5	42.5	42.7	90.0	90.0	0.4	338.0	416.6	23.3	23.3
Machinery	78.4	79.8	62.4	-20.4	-20.4	-21.8	722.4	842.2	16.6	16.6
Intermediate Goods	161.5	266.7	127.4	-21.1	-21.1	-52.2	1,576.9	1,993.0	26.4	26.4
Oil imports	121.1	204.8	74.2	-38.8	-38.8	-63.8	1,146.5	1,505.3	31.3	31.3
Fertilizers	4.6	13.5	2.6	-43.3	-43.3	-80.6	53.9	59.1	9.7	9.7
Industrial raw materials	35.8	48.4	50.6	41.5	41.5	4.5	376.5	428.7	13.9	13.9
Consumer Goods	77.5	183.2	100.0	28.9	28.9	-45.4	852.1	1,095.2	28.5	28.5
Food and food stuffs	23.9	56.8	36.6	52.9	52.9	-35.6	249.2	301.3	20.9	20.9
All other consumer goods ¹	53.6	126.4	63.4	18.2	18.2	-49.9	602.8	793.9	31.7	31.7
Grand Total (f.o.b)	372.2	629.7	378.2	1.6	1.6	-39.9	3,864.1	4,826.9	24.9	24.9
Grand Total (c.i.f)	409.0	691.9	415.6	1.6	1.6	-39.9	4,246.3	5,304.3	24.9	24.9

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 Weight (%)	Headline (General Index)	Non-Food											Miscel. goods & services	
		Food	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation		Educ- ation
2003	3.5	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	4.5	2.0	1.5	2.0	5.9	2.5	2.1	1.1	2.9	2.1	1.2	2.2	2.2
2005	4.4	5.9	1.6	-0.5	2.3	2.3	4.6	0.9	0.9	0.5	2.1	1.0	0.6	-0.5
2006	7.3	7.0	7.6	7.7	-0.5	-0.4	7.7	0.5	0.5	3.5	-1.5	4.7	-0.1	-1.4
2007	7.0	7.0	7.0	10.5	5.9	3.6	6.2	8.7	8.7	11.2	5.0	9.1	2.5	8.0
2006 Mar	7.7	8.3	6.8	5.6	7.9	8.5	7.3	4.7	-1.0	16.9	4.9	7.5	0.3	9.4
Jun	9.2	10.0	7.9	6.0	7.4	7.7	9.5	6.8	0.3	13.6	5.5	10.0	2.1	7.7
Sep	5.9	3.5	9.4	9.8	6.9	3.9	12.0	10.1	2.6	10.5	7.0	11.2	5.0	8.6
Dec	6.3	6.2	6.5	9.2	5.9	2.3	5.4	9.8	6.0	4.8	2.8	7.8	2.5	6.6
2007 Mar	7.2	6.3	8.4	11.7	6.5	5.6	7.9	10.6	10.5	2.1	7.4	9.2	11.6	-0.2
Jun	5.7	4.0	8.1	13.3	7.2	3.9	6.3	9.2	11.0	4.2	9.6	7.4	10.7	2.1
Sep	8.4	10.3	5.8	8.1	5.5	2.2	4.3	6.2	8.9	3.4	10.4	5.8	8.9	0.4
Dec	6.9	7.5	5.9	9.1	4.4	2.8	6.2	5.8	4.5	1.9	8.1	5.7	7.5	0.9
2006 Jan	6.7	6.3	7.3	4.6	9.6	16.6	9.0	4.1	-0.5	19.4	4.5	6.7	1.3	8.7
Feb	7.8	8.6	6.6	5.2	7.8	5.0	6.6	4.5	-1.3	18.2	5.9	8.3	-0.5	10.7
Mar	8.6	10.2	6.3	6.9	6.5	4.5	6.4	5.4	-1.3	13.4	4.3	7.6	0.0	8.7
Apr	8.8	10.3	6.6	4.6	7.3	6.1	7.5	5.7	-1.0	14.3	5.8	8.1	1.0	7.9
May	9.7	11.5	7.0	6.3	7.2	7.9	5.9	7.3	0.7	12.7	5.2	9.6	2.7	7.6
Jun	8.9	8.2	10.1	7.2	7.6	9.1	15.3	7.5	1.4	13.9	5.6	12.4	2.6	7.5
Jul	6.4	4.3	9.5	8.0	8.8	5.0	12.7	8.4	1.5	12.3	5.1	11.9	4.2	7.3
Aug	5.5	2.6	9.7	10.6	8.1	3.5	13.9	8.2	1.9	14.0	5.5	9.3	4.6	8.7
Sep	5.8	3.6	9.0	10.7	3.8	2.9	9.6	13.5	4.2	5.3	10.3	12.3	6.1	9.9
Oct	6.0	5.2	7.0	8.7	3.0	2.9	9.2	13.1	6.1	4.6	6.1	7.2	1.3	10.1
Nov	6.2	7.0	5.7	9.5	5.4	2.2	2.6	6.3	7.1	5.7	1.2	7.8	2.2	4.6
Dec	6.7	6.6	6.8	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	6.7	7.4	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	6.2	8.8	11.2	6.3	6.0	9.6	11.0	10.8	0.9	7.5	9.8	11.8	-0.4
Mar	7.2	6.1	9.1	11.8	7.2	5.8	9.3	10.4	11.1	3.4	9.2	9.1	13.0	1.6
Apr	6.1	4.8	8.2	14.7	6.7	4.3	5.0	10.5	11.8	3.6	9.4	8.3	11.8	1.9
May	5.0	2.8	8.4	13.0	7.4	4.2	7.5	8.4	11.1	4.7	9.4	8.0	10.1	2.0
Jun	5.9	4.6	7.6	12.3	7.3	3.2	6.4	8.7	10.1	4.2	10.1	5.8	10.3	2.5
Jul	9.0	10.3	7.4	10.8	5.5	1.7	7.3	7.6	10.7	4.5	10.6	6.8	8.6	2.0
Aug	7.8	9.2	6.0	7.3	6.4	2.1	4.2	6.9	9.5	3.5	10.8	6.5	8.8	0.0
Sep	8.3	11.4	4.1	6.2	4.5	2.8	1.4	4.1	6.5	2.2	9.7	4.3	9.2	-0.8
Oct	7.1	8.4	5.1	7.0	5.4	2.8	3.8	4.6	5.8	1.6	10.5	5.6	7.8	0.3
Nov	7.3	7.5	6.5	10.0	5.2	2.8	6.8	6.6	4.8	2.1	7.6	6.2	7.8	1.7
Dec	6.4	6.6	6.1	10.3	2.5	2.8	8.0	6.2	3.0	1.9	6.1	5.4	6.8	0.8

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





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

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

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

Millions of USD

Item	2004/05	2005/06	2006/07	2007/08					
				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
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
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
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
Bilateral	1,502.3	1,506.2	910.5	907.2	901.1	910.4	922.6	928.4	933.4
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
Commercial	416.4	462.2	437.3	439.6	439.5	447.9	492.8	489.8	499.3
Export credits	254.5	305.9	321.9	323.4	324.7	325.5	336.9	330.8	322.8
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
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
Parastatal Companies	477.5	450.0	167.8	168.0	167.9	169.0	170.8	170.8	170.8
Private Sector	491.5	559.5	582.5	585.5	588.9	592.9	647.0	635.5	637.0
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
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
Transport & Telecommunication	1,073.5	1,087.9	425.3	427.6	431.5	441.2	490.0	507.3	518.9
Agriculture	1,077.8	1,050.1	338.1	346.2	350.1	354.0	380.0	383.9	382.1
Energy & Mining	1,070.3	955.2	606.9	610.5	609.2	615.1	621.0	624.7	624.8
Industries	405.5	409.0	162.8	157.9	158.0	159.5	161.0	159.2	155.1
Social Welfare & Education	611.7	647.3	433.2	444.6	447.1	525.1	538.0	550.8	554.2
Finance and Insurance	96.6	98.7	64.4	66.0	66.0	66.5	68.0	72.2	75.0
Tourism	80.1	80.8	73.0	73.2	73.4	74.8	74.7	73.9	73.8
Others	1,048.9	1,249.8	319.3	325.9	324.5	331.6	347.5	334.3	340.2
5. Total Amount fo Loans Contracted ¹	376.4	264.0	318.1	72.2	5.0	18.8	1.4	2.0	0.0
Government	335.4	165.0	280.0	0.0	0.0	17.3	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
Private	41.0	99.0	38.1	72.2	5.0	1.6	1.4	2.0	0.0
6. Disbursements ¹	190.2	207.1	449.5	18.6	14.1	259.9	34.7	17.7	16.2
Government	161.4	179.1	432.6	14.7	9.1	259.9	34.7	16.6	16.2
Parastatal Companies	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
7. Scheduled Debt Service ¹	355.1	373.6	336.9	28.0	3.5	17.0	16.6	8.5	36.2
8. Actual Debt Service ¹	112.9	90.7	7.7	3.0	0.7	4.5	3.8	2.8	1.6
Principal	86.0	61.4	5.6	0.8	0.3	3.4	2.2	1.2	1.0
Interest	26.9	29.3	2.1	2.1	0.4	1.1	1.6	1.6	0.6
Others	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
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
Principal	1,135.2	1,116.3	981.0	992.4	986.7	1,005.5	986.3	983.4	1,004.8
Bilateral	669.4	609.0	377.7	381.6	379.8	387.2	395.7	401.0	408.0
Multilateral	5.9	11.9	13.6	14.7	16.5	15.2	15.4	13.8	16.1
Commercial	249.2	275.0	339.5	346.1	340.9	352.4	319.7	318.0	326.9
Other Private Creditors	210.7	220.4	250.1	250.0	249.4	250.7	255.5	250.6	253.7
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
Bilateral	818.8	684.0	536.1	543.3	544.5	549.6	553.5	562.9	579.6
Multilateral*	23.4	22.0	27.7	28.1	28.5	29.5	30.8	30.8	27.4
Commercial	333.7	372.9	440.0	445.5	451.7	458.0	460.2	463.5	476.2
Other Private Creditors	159.4	181.2	214.8	217.6	217.5	218.1	223.6	227.3	227.0
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
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
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
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

Source: Bank of Tanzania

* Multilateral arrears are those owed by private companies

1) During the period 2) End of December 2007 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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