



BANK OF TANZANIA



MONTHLY
ECONOMIC
REVIEW

November 2007

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1.0 Inflation Developments

Annual headline inflation decreased to 7.1 percent in October 2007 from 8.3 percent recorded in the previous month. The decline in inflation rate was mainly explained by a decrease in food inflation, as non-food inflation went up. On month-to-month basis, the inflation rate decreased to 0.4 percent from 0.6 percent recorded in September 2007. Excluding seasonal influences, the month-to-month headline inflation decelerated to negative 0.6 percent in October 2007 from 0.6 percent recorded in September 2007. The year-to-date average annual headline inflation rate was 7.1 percent, while the 12-months average annual inflation was 7.0 percent in October 2007.

Annual food inflation decreased in October 2007 to 8.4 percent, from 11.4 percent recorded in the year ended September 2007. For the period January to October 2007, average annual food inflation was lower at 7.0 percent compared to 7.1 percent recorded in corresponding period last year; and so it was for the 12-months average of 7.0 percent compared to 7.1 percent.

Annual non-food inflation increased to 5.1 percent in October 2007 from 4.1 percent recorded in September 2007. However, from January-October 2007, average non-food inflation was 7.2 percent, lower than 7.9 percent recorded in the same period last year. Similarly, the 12-months average non-food inflation was 7.0 percent compared to 7.2 percent a year before.

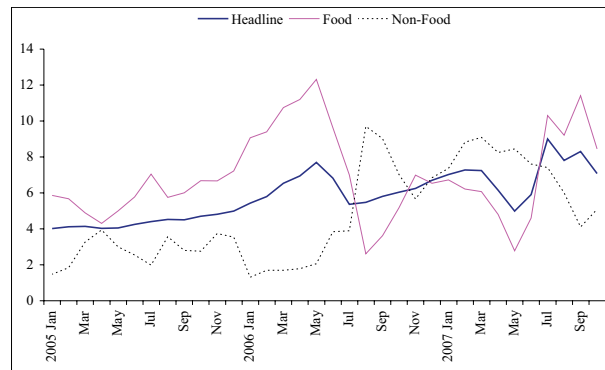
On month-to-month basis the overall price index decreased to 0.4 percent in October 2007 from 0.6 percent recorded in September 2007 on account of decrease in food inflation. Food prices decreased by 0.1 percent in October 2007 after having risen by 1.7 percent in September 2007. Non-food prices increased to 0.9 percent in October 2007 from negative 0.9 percent in September 2007 (Table 1.1 and Chart 1.1).

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

Major Commodity Group	Weight (%)	2005			2006			2007		
		Aug	Sep	Oct	Aug	Sep	Oct	Aug	Sep	Oct
Headline/Overall	100.0	4.5	4.5	4.7	5.5	5.8	6.0	7.8	8.3	7.1
Food	55.9	5.8	6.0	6.7	2.6	3.6	5.2	9.2	11.4	8.4
Non-Food	44.1	3.6	2.8	2.8	9.7	9.0	7.0	6.0	4.1	5.1
Transportation	9.7	5.2	4.0	3.5	9.3	12.3	7.2	6.5	4.3	5.6
Fuel, Power and Water	8.5	9.8	10.0	9.0	13.9	9.6	9.2	4.2	1.4	3.8
Drinks and Tobacco	6.9	2.4	2.6	3.1	10.6	10.7	8.7	7.3	6.2	7.0
Clothing & Footwear	6.4	-1.2	-2.7	-1.9	8.1	3.8	3.0	6.4	4.5	5.4
Education	2.6	-1.9	-1.7	-1.6	4.6	6.1	1.3	8.8	9.2	7.8
Furniture & Household Equip.	2.1	0.0	-2.3	-1.7	8.2	13.5	13.1	6.9	4.1	4.6
H/h Operations Maintenance	2.1	-0.6	-1.9	-1.1	1.9	4.2	6.1	9.5	6.5	5.8
Personal Care & Health	2.1	3.5	2.7	3.6	14.0	5.3	4.6	3.5	2.2	1.6
Rents	1.4	7.5	7.6	4.3	3.5	3.2	2.9	2.1	2.8	2.8
Recreation & Entertainment	0.8	-1.5	-2.4	-3.3	5.5	10.3	6.1	10.8	9.7	10.5
Misc. Goods & Services	1.5	-0.1	-1.5	-0.3	8.7	9.9	10.1	0.0	-0.8	0.3

Source: National Bureau of Statistics (NBS)
Note: (1) Base 2001=100 before August 2006, (2) Base Dec 2001=100 from August 2006.

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



Food Supply Situation

Food supply situation was generally satisfactory throughout the country in October 2007. However, despite the estimated surplus food crop production of about 10 million tons during 2007/08, Monduli district in Arusha region, Mufindi and Ludewa districts in Iringa region have reported some food shortages. The Prime Minister's Office has purchased a total of 5 tones from SGR stock to be distributed to the affected districts to cover the deficit.

Wholesale prices of major food items, with the exception of rice, remained high in October 2007 when compared with the same period last year. On month to month basis, prices of most food items went up in October 2007 apparently, due to increase in transportation costs that resulted from persistent rise in fuel prices. For example as shown in Table 1.2 below the wholesale price of maize increased by 21.2 percent to TZS 23,530 per 100kg in October 2007 from TZS 19,416 recorded in October 2006.

Table 1.2: National average Wholesale Prices for Major Food Items

Item	2006		2007		Percentage change	
	Oct	Sept	Oct	Sept	Oct -06 to Oct-07	Sept-07 to Oct-07
Maize	19,416	21,756	23,530	21.2	8.2	
Rice	71,372	61,832	65,789	-7.8	6.4	
Beans	59,403	69,348	79,496	33.8	14.6	
Sorghum	26,579	27,765	29,380	10.5	5.8	
Potatoes	33,084	37,282	36,736	11	-1.5	

Source: Ministry of Industry, Trade and Marketing



The Strategic Grain Reserves (SGR)

Similarly, by the end of October 2007, the SGR stocks increased by 8.9 percent to 143,717 tons from 131,937 tons recorded in September 2007, following the purchase of 11,780 tons of maize and sorghum (Table 1.3). On cumulative basis, the purchase of maize and sorghum reached 22,837.6 tons as at end October 2007. The plan for 2007/08 is to procure a total of 28,000 tons in order to increase the SGR stocks to the maximum capacity of 150,000 tons.

Table 1.3: Strategic Grain Reserve (SGR) Stock

Period	Tons								% Change 2006-2007
	2000	2001	2002	2003	2004	2005	2006	2007	
January	105,665	78,967	60,503	59,961	35,342	119,924	76,813	112,343	46
February	103,305	72,000	58,254	59,493	23,791	116,383	43,593	117,838	170
March	101,496	63,022	56,738	58,976	22,903	114,760	8,055	123,046	1,428
April	96,326	51,435	52,228	54,118	32,387	115,262	3,165	125,509	3,866
May	82,119	44,776	48,653	52,857	31,732	113,823	6,210	128,350	1,967
June	72,000	47,225	47,100	51,060	37,091	112,823	15,560	128,804	728
July	63,976	46,290	44,787	50,661	39,195	112,323	13,811	129,306	836
August	70,352	48,998	41,795	52,681	45,988	112,067	28,440	125,653	342
September	95,000	59,047	57,500	61,364	67,685	111,971	80,248	131,937	64
October	88,474	58,000	62,700	59,379	92,710	111,695	87,461	143,717	64
November	89,882	62,388	61,773	52,054	108,448	106,428	100,828		
December	78,967	62,788	58,395	61,649	114,030	93,051	110,203		

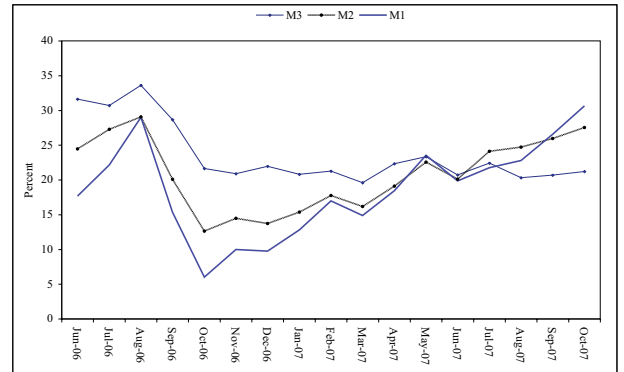
Source: Food Security Department and BOT computation.

2.0 Monetary and Financial Developments

Money Supply

During October 2007, the annual growth in monetary aggregates was higher than the growth rates recorded in the preceding month. Extended broad money (M3) recorded a growth rate of 21.2 percent, while broad money (M2) grew by 27.5 percent, compared with 20.7 percent and 26.0 percent respectively, registered in the year ending September 2007 (Chart 2.1). The increase in money supply was largely reflected in demand and savings deposits which expanded by 37.4 percent and 27.6 percent, respectively. Other components of money supply grew at a relative lower rate in October, especially foreign currency deposits, following an appreciation of the shilling during the period.

Chart 2.1: Annual Growth Rates in Money Supply



On the assets side, growth of money supply stemmed from a 16.5 percent increase in net foreign assets (NFA), reflecting improvements in balance of payments inflows and 37.7 percent increase in credit to private sector.

On monthly basis, M3 increased by TZS 82.6 billion, compared with the decrease of TZS 42.5 billion recorded in September. M2 registered a monthly increase of TZS 87.2 billion against a decrease of 24.5 billion in the preceding month. A sizeable increase was registered in demand and savings deposits, while other components of money supply slowed down (Table 2.1).

Table 2.1: Selected Money Supply Components

	Change				Annual Growth Rate (%)					
	Sep-06	Oct-06	Sep-07	Oct-07	Monthly	Annual	Sep-06	Oct-06	Sep-07	Oct-07
Extended broad money supply (M3)	4,549.1	4,597.6	5,490.4	5,573.0	82.6	975.4	28.6	21.7	20.7	21.2
Broad money supply (M2)	3,050.0	3,081.1	3,842.3	3,929.5	87.2	848.4	20.1	12.6	26.0	27.5
Currency in circulation (CC)	941.0	933.4	1,166.5	1,154.5	-12.1	221.1	19.0	13.7	24.0	23.7
Demand deposits (DD)	956.0	961.2	1,234.3	1,320.9	86.6	359.8	11.9	-0.6	29.1	37.4
Time deposits (TD)	432.6	438.8	528.8	499.7	-29.1	60.9	25.4	21.5	22.2	13.9
Savings deposits (SD)	720.4	747.8	912.7	954.5	41.8	206.7	30.9	27.3	26.7	27.6
Foreign currency deposits (FCD)	1,499.2	1,516.5	1,648.1	1,643.4	-4.6	127.0	50.5	45.3	9.9	8.4
FCD in million of USD	1,177.9	1,178.2	1,340.0	1,408.3	68.3	280.1	34.4	28.9	13.8	19.5
Total deposits in the commercial banks	3,840.0	3,926.5	4,605.8	4,762.7	156.9	836.2	32.4	25.6	19.9	21.3
Private sector deposits	3,608.2	3,664.2	4,323.9	4,418.5	94.6	754.3	31.4	23.8	19.8	20.6
Government sector deposits	231.8	262.3	281.9	344.2	62.3	81.9	49.3	56.1	21.6	31.2
Net foreign assets of the banking system	3,197.6	3,026.2	3,657.4	3,524.3	-133.2	496.0	43.8	23.0	14.4	16.5
Bank of Tanzania	2,253.0	2,044.1	3,061.1	2,999.0	-0.0	954.9	46.3	14.6	35.9	46.7
Commercial banks	944.5	982.1	596.3	525.3	-71.1	-456.8	38.3	45.0	-36.9	-46.5
Net domestic assets of the banking system	1,960.8	2,180.5	2,442.2	2,657.9	215.7	477.4	6.3	17.4	24.6	21.9
Domestic credit	1,814.4	1,955.4	2,114.7	2,243.3	128.6	287.8	7.7	19.8	16.5	14.7
Claims on government by the banking system	1,282.6	1,219.8	1,826.2	1,814.6	-11.7	594.8	49.3	41.9	42.4	48.8
Government deposits in the banking system	1,374.2	1,210.6	2,289.1	2,250.3	-38.8	1,039.7	143.5	101.5	66.6	85.9
Claims on private sector	1,906.1	1,946.2	2,577.5	2,679.0	101.5	732.8	37.1	41.7	35.2	37.7

Source: Bank of Tanzania

Public preferences in holding foreign currency deposits continued to dominate despite the appreciation of shilling. However, its proportion in money supply decelerated slightly to 29.2 percent, from 30 percent in the preceding month. As a result, the ratio of demand deposits to money supply improved to 23.7 percent in October 2007, from 22.5 percent registered in the preceding month.



Chart 2.2: Components of Money Supply as Percentage of M3

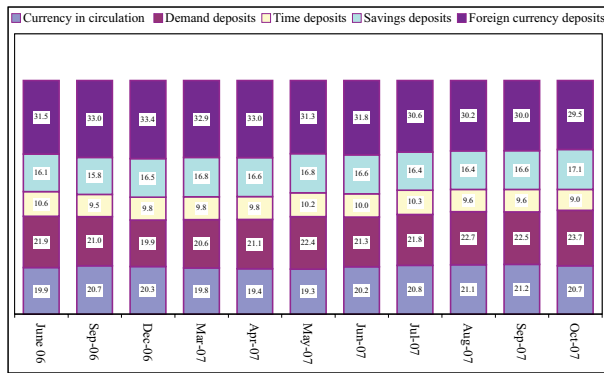
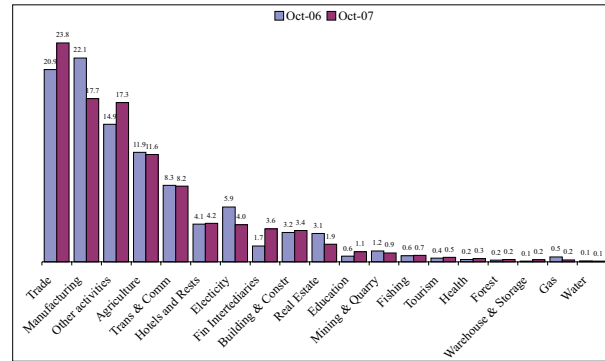


Chart 2.4: Share of Credit to the Private Sector

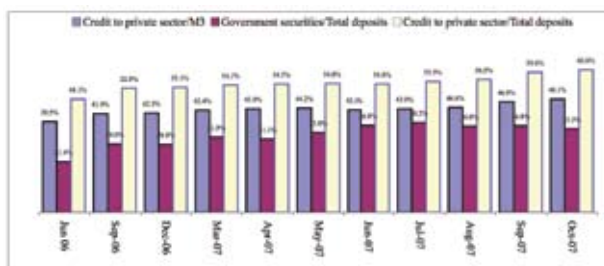


Credit Developments

Domestic Credit

During October 2007, commercial banks' credit to private sector continued to register robust performance. Annual growth of private sector credit accelerated to 37.7 percent in October, after having grown by 35.2 percent in the year ending September 2007. In October 2007, about TZS 102 billion was extended to the private sector and the share of credit to private sector to deposits liabilities of banks, which also measures the level of intermediation, stabilized at around 60 percent. At the same time, the share of private sector credit to total money supply improved to 48 percent from 46.9 percent recorded in the preceding month (Chart 2.3).

Chart 2.3: Commercial Banks Intermediation



The share of outstanding credit by activity at the end of October 2007 showed that most of credit was held by trade (23.8 percent), followed by manufacturing (17.7 percent) and agriculture (11.6 percent). The shares of the rest of activities are shown in Chart 2.4.

Interest Rates

During the period under review, the weighted average yield for all Treasury bills maturities rose from 15.59 percent to 16.42 percent. Similarly, overnight and overall inter-bank cash market rates increased from 12.07 percent and 12.27 percent to 18.64 percent and 18.92 percent, respectively (Table 2.2). The average savings deposits stabilized at 2.6 percent while the overall time deposits rate and 12-months deposits rate responded to the Treasury bills market by increasing to 8.24 percent and 10.22 percent respectively, from 8.21 percent and 9.64 percent registered in September. Similarly, negotiated deposits rates for prime depositors rose to 10.61 percent from 9.83 percent recorded in the preceding month. On the other hand, the overall lending rate fell marginally to 15.78 percent from 15.95 percent registered in the previous month. Likewise, lending rate for loans of up to one year and average prime lending rate dropped to 13.83 percent and 11.89 percent, respectively, from 14.06 percent and 11.91 percent registered in the preceding month. Consequently, the spread between the 12-months deposits rate and the lending rate for loans of up to one year narrowed by 0.85 percentage points to 3.63 percent.

Table 2.2: Interest Rate Structure

Item	Percent								
	2006	2007							
	Dec	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Overnight	6.73	7.52	9.64	6.20	6.67	9.79	12.05	12.07	18.64
Overall Interbank cash market	7.14	7.59	9.69	6.42	7.24	10.46	12.11	12.27	18.92
Treasury bills WAY	15.04	15.99	16.41	13.49	17.07	15.41	15.11	15.59	16.42
364 days Treasury bills	15.61	17.15	17.27	14.59	18.39	15.84	15.95	16.98	17.86
Savings deposits	2.59	2.62	2.42	2.60	2.59	2.70	2.71	2.62	2.59
Overall Time deposits	7.17	7.69	7.75	7.62	7.83	7.57	7.76	8.20	8.24
12 months deposits	8.75	9.17	9.09	9.39	9.25	9.04	9.42	9.64	10.22
Negotiated deposits	9.35	7.10	8.45	8.18	8.65	8.91	9.82	9.83	10.61
Overall Lending	16.36	16.35	15.75	15.91	15.82	16.07	16.27	15.95	15.78
Up to 1 year loans	15.67	14.94	13.63	13.80	13.95	14.12	14.30	14.06	13.85
Negotiated lending	10.60	11.74	12.72	11.91	12.20	12.14	12.63	11.91	11.89
Interest rate spread	6.91	5.77	4.54	4.41	4.70	5.07	4.89	4.43	3.63

Source: Bank of Tanzania



Developments in Financial Markets

Government Securities Markets

During October 2007, performance in the Treasury bills market was satisfactory with demand standing at TZS 236 billion against total supply of TZS 200 billion. The Bank sold Treasury bills worth TZS 149.6 billion, as part of its continued efforts to control liquidity in the economy. Meanwhile, Treasury bills worth TZS 126.6 billion matured in the review period. Despite the high demand for Treasury bills during the month under review, the overall weighted average yield (WAY) increased to 16.42 percent, from 15.59 percent in September (Chart 2.5).

Chart 2.5 Treasury bills Market Developments

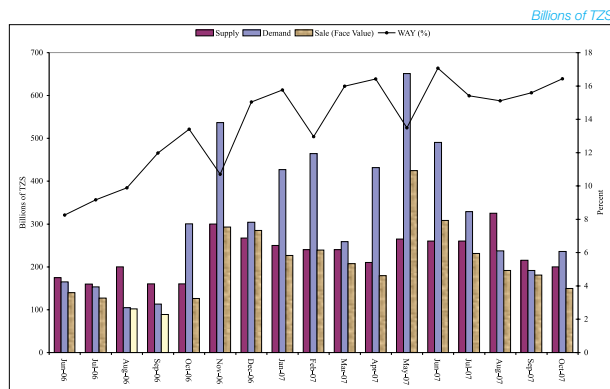


Table 2.3: Treasury bills Performance

Item	2006	2007					
	Dec	Mar	Jun	Jul	Aug	Sep	Oct
Supply	267.0	240.0	260.0	260.0	325.0	215.5	200.0
Demand	304.1	258.5	490.3	328.7	237.1	191.5	235.9
Sale (Face Value)	284.9	207.3	308.0	231.4	191.6	180.9	149.6
Sale (Cost Value)	257.5	187.1	270.8	208.6	174.1	166.3	135.5
Redemption	145.2	192.4	160.8	140.1	202.0	119.6	126.6
WAY (%)	15.04	15.99	17.07	15.41	15.11	15.59	16.42

Source: Bank of Tanzania

The Treasury bonds market followed a similar trend by registering a demand of TZS 49.3 billion, compared with the total supply of TZS 20 billion. The Bank sold Treasury bonds worth TZS 18 billion, having rejected some outlier bids. The WAY on Treasury bonds fell across all maturities except for the 10-year Treasury bond which rose to 20.28 percent, from 19.92 percent registered in the preceding month (Table 2.4).

Table 2.4: Treasury Bonds Performance

Item	2006	2007					
	Dec	Mar	Jun	Jul	Aug	Sep	Oct
Supply	12.0	16.0	20.0	20.0	25.0	20.0	20.0
Demand	46.4	34.8	70.5	55.0	49.0	56.2	49.3
Sale (Face Value)	37.0	25.3	38.3	41.4	31.0	33.6	18.0
Sale (Cost Value)	31.1	20.6	30.2	33.8	22.9	25.6	14.7
Redemption	9.7	0.0	0.0	39.0	0.0	65.9	0.0
WAY (%)							
2-year	18.47	19.23	18.25	17.67	18.91	20.07	17.29
5-year	15.21	16.21	18.37	17.31	19.43	20.54	18.69
7-year	17.33	20.69	18.58	18.50	20.43	19.25	18.80
10-year	17.69	18.51	17.48	17.52	19.63	19.92	20.28

Source: Bank of Tanzania

Repurchase Agreements

During the month under review, the Bank conducted repurchase agreements (Repo) worth TZS 200 billion against a redemption of TZS 202 billion, to fine tune liquidity. The repo rate ranged between 10 percent and 12.5 percent during the month, compared with a range of 11 percent and 12 percent recorded in the previous month. The overall repo rate fell slightly to 11.34 percent in October 2007 from 11.56 percent in September 2007.

Inter-bank Cash Market

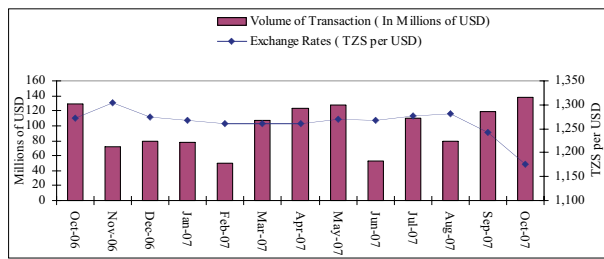
The volume of transactions in the inter-bank cash market increased markedly in October 2007. Total volume traded increased by more than two fold as it reached TZS 884.3 billion in October from TZS 435 billion recorded in September 2007. Overnight placements accounted for over 80 percent of total transactions, with overnight rates spiking to an average rate of 18.64 percent in October 2007, from 12.07 percent in September 2007. The overall inter-bank cash market rate also moved in the same direction by registering a significant increase of 6.7 percentage points to 18.92 percent in October 2007, from 12.27 percent in September 2007.

Transactions in Inter-Bank Foreign Exchange Market

In the Inter-bank Foreign Exchange Market (IFEM), about USD 138 million was traded in the month under review, higher than USD 119.2 billion transacted in September 2007. The notable increase in the volume traded was partly attributed to the rise in foreign exchange inflows from export proceeds. The Bank of Tanzania and non-banks on net basis sold USD 70.6 million and USD 2.1 million, respectively, while commercial banks purchased USD 72.7 million. The weighted average nominal exchange rate appreciated to TZS 1,175.1 per USD in October 2007 (Chart 2.6).



Chart 2.6: Inter-bank Exchange Rate Movement and Volume of Transactions



Transactions in Bureaux de Change System

During the review period, the volume of transactions conducted by Bureaux de Change system increased slightly to USD 75.6 million. The average buying and selling rates appreciated slightly to TZS 1,246.0 per USD and TZS 1,267.0 per USD, respectively (Table 2.7).

Table 2.7: Foreign Exchange Market Developments

Item	2007		2006 October	% Change		Year ending Oct		
	September	October		Sept 07 to Oct 07	Oct 06 to Oct 07	2006	2007	% Change
IFEM								
Amount offered*	119.2	138.15	128.92	15.9	7.16	1,167.65	1,142.69	-2.14
Amount sold*	119.2	138.15	128.92	15.9	7.16	1,167.65	1,142.69	-2.14
Exchange rate**	1,241.22	1,175.14	1,270.92	-5.32	-7.54	1,233.94	1,261.41	2.23
BUREAU DE CHANGE								
Sales*	37.2	37.88	16.16	1.83	134.41	378.84	415.99	9.81
Purchases*	36.24	37.75	16.73	4.17	125.64	375.05	416.45	11.04
Volume of Transactions	73.44	75.63	32.89	2.98	129.95	753.89	832.44	10.42
Buying rate**	1,250.00	1,246.00	1,212.00	-0.32	2.81	1,198.17	1,244.25	3.85
Selling rate**	1,277.00	1,267.00	1,287.00	-0.78	-1.55	1,241.64	1,284.94	3.49

Source: Bank of Tanzania
Note: * Millions of USD, ** Tanzanian Shillings (TZS) per US dollar

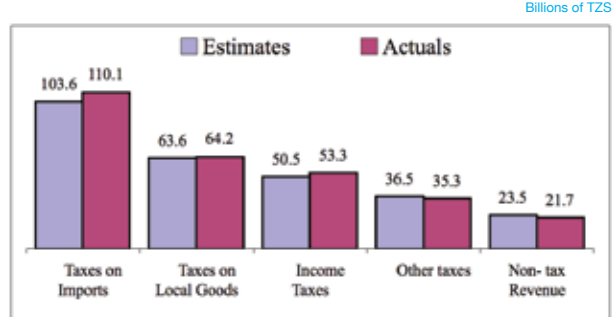
3.0 Government Budgetary Operations

During the month of October 2007, total resources available for the government budgetary operations amounted to TZS 342.4 billion, out of which domestic revenue was TZS 284.6 billion and TZS 57.8 billion was grants from development partners.

Revenue collections surpassed targets. Tax revenue amounted to TZS 262.9 billion, being above the monthly target of TZS 254.2 billion. The good performance was due to TRA's implementation of additional tax collection enhancing measures that included use of block management system with effective physical survey programs and registration of new taxpayers that broadened the tax base. Other measures included carrying out special audits on selected economic sectors with high tax revenue potential, recovery of collectible tax arrears, enhancement of controls related to monitoring

of transit goods and anti-smuggling measures. Good performance was registered in all major tax categories as shown in Chart 3.1.

Chart 3.1: Government Revenue Performance in June 2007



Total expenditure amounted to TZS 430.3 billion, out of which development expenditure was TZS 122.0 billion. Including an expenditure float of TZS 11.9 billion and an adjustment to cash of TZS 64.6 billion, expenditure exceeded the resource envelope by TZS 164.5 billion. The deficit was financed by TZS 68.9 billion from foreign concessional loans and TZS 95.6 billion was from domestic sources.

Analysis of fiscal operations from the beginning of the financial year up to October 2007 shows that, the government resources amounted to TZS 1,810.0 billion, out of which domestic revenue was TZS 1,149.1 billion. During the same period, the government received foreign grants amounting to TZS 661.0 billion. Total expenditure was TZS 2,127.7 billion. Considering an expenditure float of TZS 221.1 billion and adjustment to cash of TZS 244.6 billion, total expenditure exceeded resources by TZS 294.2 billion compared to a deficit of TZS 804.6 billion planned for the financial year. During the period, net disbursement of foreign loans to the government was TZS 904.4 billion. Part of the foreign loans was used to build up government deposit.

4.0 External Sector Performance

Current Account Balance

During October 2007, the current account balance narrowed to a deficit of USD 173.8 million from a deficit of USD 176.2 million recorded in the previous month. The development is largely due to an increase in the exports of goods and services



which rose to USD 340.9 million from USD 284.6 million recorded in the previous month. Conversely, the 12-month current account balance for the period ending October 2007, widened to a deficit of USD 1,895.1 million compared with a deficit of USD 1,211.1 million recorded in the year ending October 2006. The deterioration follows a huge increase in imports particularly of oil and machinery. While imports of goods and services increased by 24.8 percent, exports grew by only 15.1 percent (Table 4.1).

Table 4.1: Current Account Balance

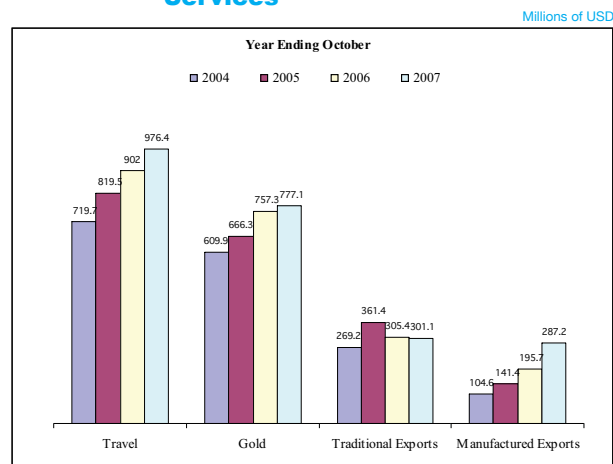
Item	October		2007 ^P		Year Ending October		% Change
	2005	2006	Sept	October	2006 ^P	2007 ^P	
Goods Account (net)	-73.8	-139.4	-257.8	-233.2	-1,953.00	-2,715.40	39
Exports	175.2	169.5	158.2	203.8	1,725.30	1,974.50	14.4
Imports	249	308.9	416	437	3,678.40	4,689.90	27.5
Services Account (net)	24.1	32.6	0.7	4.2	213.3	236.1	10.7
Receipts	113.7	128.8	130.1	137.1	1,454.70	1,685.70	15.9
Payments	89.6	96.2	129.4	132.9	1,241.40	1,449.70	16.8
Goods and services (net)	-49.7	-106.8	-260.8	-229	-1,739.70	-2,479.30	42.5
Exports of goods and services	288.8	298.3	284.6	340.9	3,180.00	3,660.30	15.1
Imports of goods and services	338.6	405.1	545.4	569.9	4,919.70	6,139.60	24.8
Income Account (net)	-13.5	-9.3	-3.4	-3.6	-60.5	-50.6	-16.2
Receipts	3.1	4.4	9.2	10.6	85.8	103	20.1
Payments	16.6	13.7	12.7	14.1	146.2	153.7	5.1
Current Transfers (net)	45.7	32.6	88.1	58.8	589.1	634.8	7.8
Inflows	51.7	37.7	93.9	63.9	654	707.5	8.2
o/w General Government	190	30.3	85.1	56.7	558.1	611.2	9.5
Outflows	6	5	5.8	5.1	64.9	72.7	12
Current Account Balance	-17.5	-83.4	-176.2	-173.8	-1,211.10	-1,895.10	56.5

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

Exports Performance

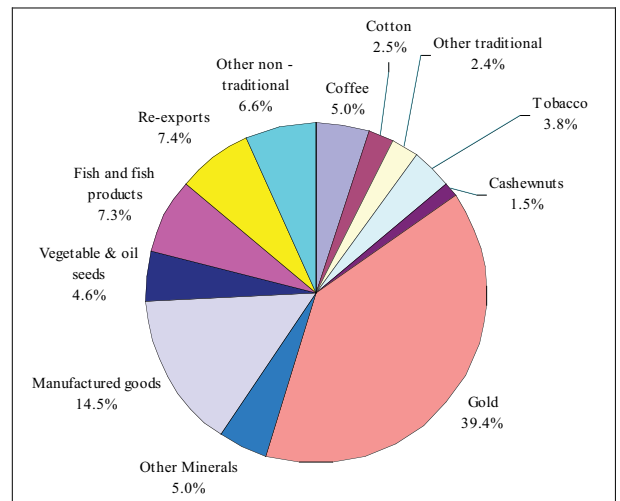
During the year ending October 2007, Tanzania exported goods and services worth USD 3,660.3 million, an increase of 15.1 percent from USD 3,180.0 million recorded in the corresponding period last year. As a share of total exports, travel and gold receipts continued to dominate accounting for 39.5 percent and 14.5 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 exports increased by 14.4 percent to USD 1,974.5 million compared to the level that was recorded in the year ending October 2006. This development is largely on account of improved performance in non-traditional exports that increased by 17.9 percent to USD 1,673.4 millions. Gold continued to dominate by accounting for about 39 percent of total non traditional exports, followed by manufactured goods which accounted for 14.5 percent, Chart 4.2. On the other hand, traditional exports decreased by 1.4 percent to USD 301.1 millions largely due to a fall in exports of cotton, and cashew nuts.

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 Tanzanites, 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

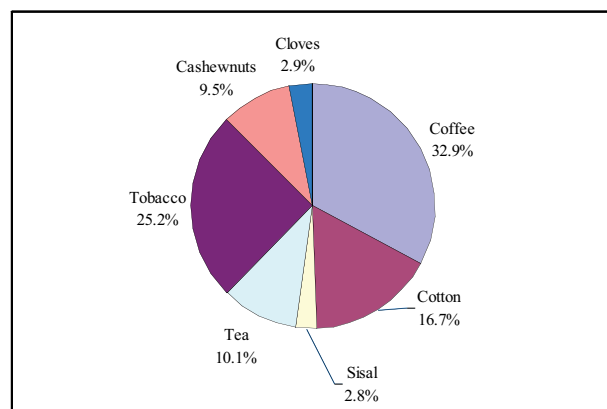
During October 2007, traditional exports increased to USD 27.7 million from USD 14.5 million recorded in the previous month mainly on account of increase in export volumes of almost all traditional export crops. Likewise, there was an improvement in the unit export prices of coffee and cotton that increased by 41.7 percent and 17.5 percent to USD 2,396.9 and 1,203.8 per ton, respectively.

On annual basis, traditional exports decreased marginally to USD 301.1 million compared with USD 305.4 million recorded in the previous year. The weakening performance of traditional exports is largely attributed to a decline in export volumes of cotton, and cashew nuts. The decline in export volumes of cotton is mainly attributable to unfavourable weather conditions in 2005/06 that reduced the export



volume to 46,011.86 tons from 82,476.47 tons recorded in the previous year. Likewise, the export volume of cashew nuts declined by 30.9 percent to 57,820.97 tons following price disagreements between buyers and producers of cashew nuts. Following the onset of the cashewnut season in October 2006, buyers were reluctant to buy the crop at the price of TZS 600 per kilogram set by the Cashew nut Board of Tanzania (CBT). Instead, they were willing to offer TZS 400 per kilogram. The contribution of traditional exports for the year ending October 2007 is reflected in **Chart 4.3**.

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



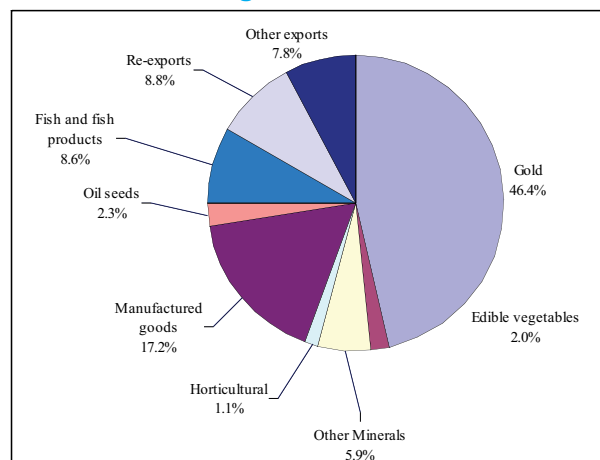
Non-Traditional Exports

During October 2007, non-traditional exports rose to USD 176.1 million from USD 143.7 million recorded in the preceding month, mainly due to increase in exports of gold and manufactured goods which accounted for more than 50 percent of total non traditional exports.

On annual basis, non-traditional exports increased by 17.9 percent to USD 1,673.4 million as most sub-categories of non-traditional exports recorded increases. Gold export which accounted for more than 64 percent of non traditional exports, increased to USD 777.1 million from USD 757.3 million recorded in the previous year, largely due to increase in prices in the world market. Export volumes remained almost unchanged. Manufactured goods exports which rank the second in prominence, rose by 46.7 percent to USD 287.2 million in line with the growth of the manufacturing sector resulting from the ongoing reforms. According to the World Bank's Doing Business Report 2007, Tanzania is well ranked among countries that have succeeded in attracting businesses in the region. Most of the manufactured goods are exported to Burundi, the Democratic Republic of Congo (DRC), Malawi and Rwanda. Moreover, there was an increase

in re- exports from USD 118.7 million during the year ending October 2006 to USD 146.9 million. The increased was largely driven by increase in re-exports of wheat and petroleum products into the neighbouring countries. **Chart 4.4** depicts the contribution of selected items to total non traditional exports during the year ending October 2007.

Chart 4.4: Contribution to total Non Traditional Exports for the Year Ending October 2007



Services Export

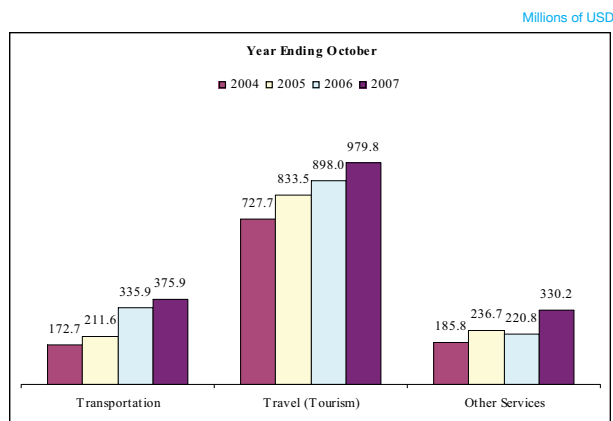
During October 2007, exports of services increased by 5.4 percent to USD 137.1 million from USD 130.1 million recorded in the previous month, largely due to an increase in receipts from transportation and other business services. The increase in other business services receipts which comprise of legal, accounting, consultancy, research, technical and professional services, is in line with the increasing openness of the economy which has attracted foreign and domestic investors in establishing businesses.

On annual basis, services receipts went up by 15.9 percent to USD 1,685.7 million mainly due to the increase in transportation, travel, insurance services and other business services. During the review period, travel receipts increased to USD 979.8 million from USD 898.0 million recorded during the year ending October 2006. The good performance in travel sector which accounts for about 58 percent of services receipt was mainly Tanzania's magnificent tourist attractions, which continue to attract a growing number of tourists. Tourist attractions in Tanzania include the snow-capped Mount Kilimanjaro—the tallest mountain in Africa—Serengeti National Park, Ngorongoro Crater—the world's largest wildlife sanctuaries—and the shimmering beaches of the spice islands of Zanzibar.



Transportation recorded an increase of 11.9 percent to USD 375.9 million compared to USD 335.9 million recorded in the previous year. The good performance in transportation receipts is largely attributed to increase in transit cargo to and from neighbouring, countries following improved political and security stability in those countries. It is worth mentioning that, Tanzania Railways Limited (TRL) has finally signed an agreement with RELI Assets Holding Company (RAHCO) for a 25-year concession to run the railway line effective 1st October 2007. It is anticipated that this will further improve the provision of services in the railway sector. The new investor is expected to improve the quality and number of locomotives, freight wagons and passenger coaches. As a way of reducing congestion at the Dar es Salaam port, six depots namely Ubungo, Kurasini, Tanzania Road Haulage, AMI, Malawi Cargo Centre and Dar International Container terminal will start to operate before the end of 2007. It is anticipated that, these inland depots will absorb about 4,000 containers from the Tanzania International Container Terminal Services and reduce congestion by 30 percent.

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 declined to USD 443.4 million from USD 445.1 million recorded in the previous month following a decline in imports of intermediate goods. The decline in intermediate goods was mainly attributed to the decrease in oil imports to USD 106.3 million from USD 148.9 million imported in September 2007. Likewise, imported fertilizer decreased from 15,415.4 tons in September 2007 to 8,255.2 tons during the month under review.



Conversely, consumer goods increased by 44.2 percent to USD 111.6 million in October 2007 from USD 77.40 million in September 2007, following an increase in importation of food and food stuffs. During the review month, capital goods remained virtually unchanged at USD 163.8 million (Table 4.2).

Table 4.2: imports

Millions of USD

Item	2006 ^P		2007 ^P		% Change		Year Ending October ^P	
	October	Sept	October	Oct 06- Oct 07	Sept 07- Oct 07	2006	2007	% Change
Capital Goods	101.1	161.8	166.1	64.4	2.7	1,385.50	1,737.90	25.4
Transport Equipments	28.7	39.4	49.2	71.6	24.7	385.8	448.5	16.2
Building and Constructions	25.6	40.8	33.3	30.4	-18.3	335.2	402.1	20
Machinery	46.8	81.6	83.6	78.5	2.5	664.5	887.4	33.5
Intermediate Goods	136.1	205.9	165.6	21.6	-19.6	1,453.80	1,940.40	33.5
Oil imports	91	148.9	106.3	16.8	-28.6	1,049.80	1,448.70	38
Fertilizers	9.1	15.4	8.3	-9.6	-46.4	51.7	57.5	11.1
Industrial raw materials	36	41.6	51.1	41.9	22.7	352.2	434.2	23.3
Consumer Goods	71.7	77.4	111.6	55.7	44.2	839.1	1,018.00	21.3
Food and food stuffs	8.1	10.2	43.2	432.6	324.6	247.3	268.4	8.5
All other consumer goods ¹	63.6	67.2	68.4	7.6	1.8	591.8	749.6	26.7
Grand Total (c.a.b)	308.9	445.1	443.4	43.5	-0.4	3,678.40	4,696.20	27.7
Grand Total (c.i.o)	339.5	489.1	487.2	43.5	-0.4	4,042.20	5,160.70	27.7

Note: Oil imports refers to refined petroleum products

P = provisional data

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

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania and Tanzania Revenue Authority

Food Imports

During October 2007, food imports which mainly consist of cereals increased to USD 39.45 million from USD 10.9 million recorded in the previous month. Much of the increase resulted from the rise in the importation of wheat, which increased by 74.15 percent to USD 38.14 million. During the month, 126,422 tons of wheat were imported compared to 32,685 tons imported in the previous month partly in order to replenish stocks. Table 4.3 summarizes the trend of selected cereal imports during the last four months beginning July 2007.

Table 4.3: Summary of food imports

	2007				% Change (Sept-Oct)
	Jul	Aug	Sep	Oct	
Maize					
Tons	52	664	810	403	50.2
Value (Mill. USD)	0.004	0.3	0.3	1.13	0.53
Rice					
Tons	2,576	4,043	15,152	3,177	84.07
Value (Mill. USD)	0.2	0.31	1.13	0.18	34.87
Wheat					
Tons	33,501	10,933	32,685	126,422	74.15
Value (Mill. USD)	9.6	3.2	9.5	38.14	79.03

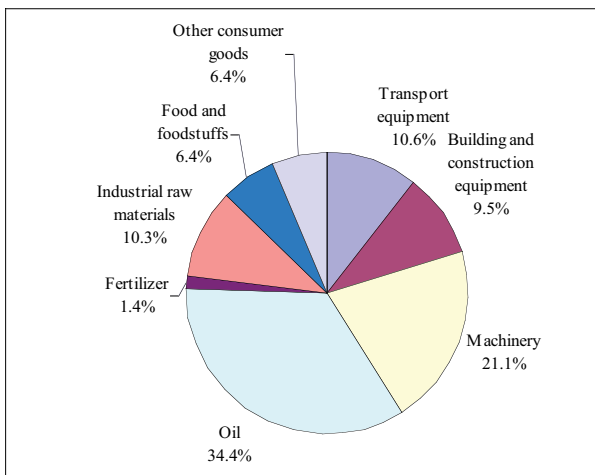
Source: Bank of Tanzania and Tanzania Revenue Authority

On annual basis, goods imports went up by 27.7 percent to USD 4,696.2 million following the increase in importation of all major import sub categories. Capital goods imports increased to USD 1,737.9 million from USD 1,385.5 million in the previous year mainly due to a significant increase in transport equipment, building and construction, and machinery imports. The development is in line with the growth of activities in the mining, communication and manufacturing sectors.

Similarly, intermediate goods imports went up by 33.5 percent to USD 1,940.4 million on account of 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. During the review period, the volumes of oil imports increased to 2,572,023 tons from 1,794,782 tons recorded in the previous year following increased thermal power generation. On the other hand, the surge in imports of industrial raw materials is partly associated with the growth of the manufacturing sector in the country following recent reforms, which have attracted investments into the sector.

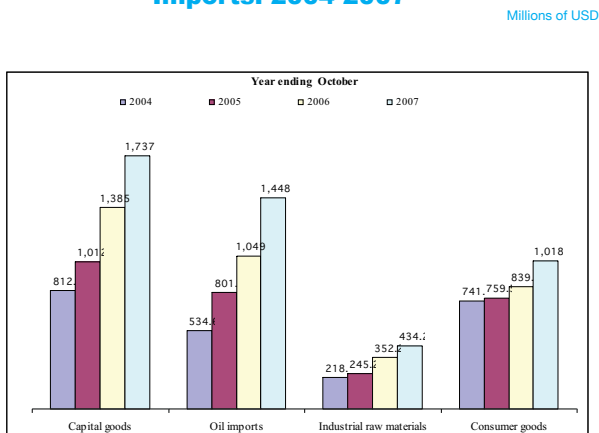
Consumer goods imports increased by 21.1 percent to USD 1,016.4 million largely due to a substantial increase in other consumer goods that include pharmaceutical products, paper and textiles apparels. Likewise, food and foodstuffs increased by 8.3 percent to USD 267.7 million (Chart 4.6).

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

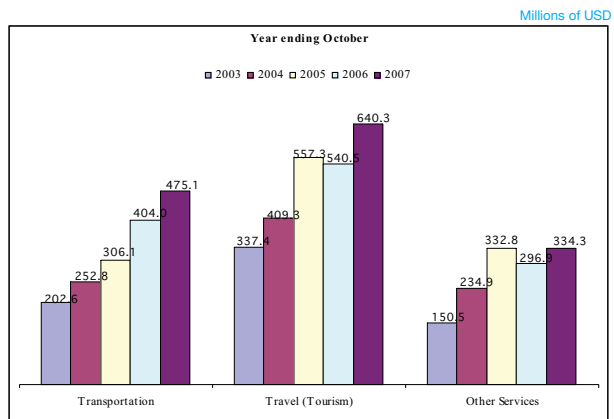


Services Import

During the month under review, services payments increased to USD 132.9 million from USD 129.4 million recorded in the previous month following an increase in payments for construction services.

On annual basis, service payments increased by 16.8 percent to USD 1,449.7 million, largely due to the increase in payments for freight, insurance 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 reflects the growth of economic activities coupled with increased 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 October 2007, the price of Robusta coffee declined slightly to USD 2.0 per kg, whereas, the price of Arabica coffee increased by 5.0 percent to USD 3.0 per kg (Table 4.4). On the other hand, the price of Mombassa tea remained almost stable at USD 1.8 per kg, while the price of tea (average) increased by 5.6 percent to USD 2.3 per kg. Meanwhile, the prices of cloves, cotton, "A Index" and Memphis increased to USD 3200.0 per metric ton, USD 1.5 per kg, USD 1.6 per kg, respectively, while the price of sisal remained unchanged at USD 1,035.00 per metric ton. During the period under review, the prices of crude oil (Brent), Dubai (f.o.b) and white



products recorded increases on concerns of the fall in oil inventories in the United States.

On annual basis, prices of coffee (Arabica and Robusta), tea (Average) cotton and sisal recorded moderate increases to USD 2.7 per kg, USD 1.9 per kg, USD 2.0 per kg, USD 1.4 per kg, and USD 1,030.0 per metric ton, respectively. The price of coffee increased largely due to the decline in coffee stocks at the global level following a drop in production as the result of adverse weather conditions in Vietnam and Brazil. The development in the price of sisal was largely associated with the strong global demand from consumers in the European Union countries and the increase in the usage of sisal fibres for making handicraft, organic pesticides and for power generation. However, the price of cloves declined to USD 3,440.25 per metric ton largely due to lack of strong demand from Indonesia Kreket Cigarette manufactures on account of an expectation of bumper harvest in Indonesia.

During the year to October 2007, prices of crude oil Dubai, Brent and white products recorded small increases as depicted in **Table 4.4**. Regarding gold, the prices went up by 16.2 percent to USD 667.4 per troy ounce largely driven by the investors' decision to invest in gold on concerns of high energy prices, weakening of U.S dollar against other major currencies and global insecurity. As the result, the demand for gold as an alternative investment increased thus pushing up the price of gold.

Table 4.4: World Commodity Prices

Commodity	Units	2007				Year ending October			
		August	September	October	% Change	2005	2006	2007	% Change
Robusta Coffee	USD per kg	1.93	2.05	2.01	-1.95	1.05	1.39	1.85	33.09
Arabica Coffee	USD per kg	2.71	2.82	2.96	4.96	2.5	2.46	2.69	9.35
Tea (Average price)	USD per kg	2.07	2.13	2.25	5.63	1.67	1.84	1.96	6.52
Tea (Mombasa auction)	USD per kg	1.61	1.77	1.76	-0.56	1.47	1.9	1.67	-12.11
Cotton, "A Index"	USD per kg	1.47	1.5	1.51	0.67	1.19	1.27	1.35	6.3
Cotton, Memphis"	USD per kg	1.49	1.51	1.55	2.65	1.26	1.33	1.39	4.51
Sisal (UG)	USD per metric ton	1,035.00	1,035.00	1,035.00	0	885	921.67	1,030.00	11.75
Cloves	USD per metric ton	3,100.00	3,175.00	3,200.00	0.79	3,245.61	3,898.58	3,440.25	-11.76
Crude oil*	USD per barrel	70.13	76.76	81.97	6.79	50.81	63.08	65.97	4.58
Crude oil**	USD per barrel	67.21	73.25	77.14	5.31	46.35	59.89	63.92	6.73
White products***	USD per ton	637.96	715	743	3.92	509.8	597.65	626	4.74
Jet/Kerosene	USD per ton	618.89	732.58	780.53	6.55	531	626.33	640.05	2.19
Premium Gasoline	USD per ton	655.22	714.34	726.48	1.7	497.92	602.77	641.97	6.5
Heat Oil	USD per ton	639.76	698.09	722.04	3.43	499.87	564.6	595.99	5.56
Gold	USD per troy ounce	665.4	712.7	754.6	5.88	436.08	572.89	667.41	16.5

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

** f. o. b. Dubai

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

Source: Various Trade Publications

associated with new disbursements, exchange rates fluctuations and accumulation of interest arrears on external debt. Out of the total debt stock, 76.6 percent was external debt and 23.4 percent was domestic debt.

External Debt

External debt stock increased by 6.8 percent to USD 5,278.4 million from USD 4,940.4 million recorded at the end of preceding month. Out of external debt stock, USD 4,010.2 million was disbursed outstanding debt (DOD) and the balance of USD 1,268.2 million (18.4 percent) was interest arrears.

The profile of DOD by borrower category at the end of October 2007 revealed that the Central Government remained the leading borrower with a debt of USD 3,192.4 million (79.6 percent) followed by private sector with USD 647.0 million (16.1 percent) and parastatal sector that held USD 170.8 million (4.3 percent).

In terms of creditor category, the debt owed to multilateral institutions stood at USD 2,257.9 million (56.3 percent), while the amount of debt owed to bilateral creditors was USD 922.6 million (23.0 percent). Commercial and export credits amounted to USD 492.8 million (12.3 percent) and USD 336.9 million (8.4 percent), respectively.

During the month under review, disbursements amounted to USD 34.7 million, while external debt service payments amounted to USD 3.8 million. Out of this, principal repayments were USD 2.2 million and interest payments USD 1.6 million.

Domestic Debt

The stock of domestic debt increased marginally to TZS 1,885.3 billion by the end of October 2007, compared with TZS 1,860.8 billion registered at the end of the preceding month. Out of this amount, Government securities (treasury bills, bonds and stocks) accounted for 99.6 percent.

The profile of domestic debt by holder category shows that commercial banks are the leading Union Government creditors by holding 43.7 percent of the total domestic debt followed

5.0 National Debt Developments

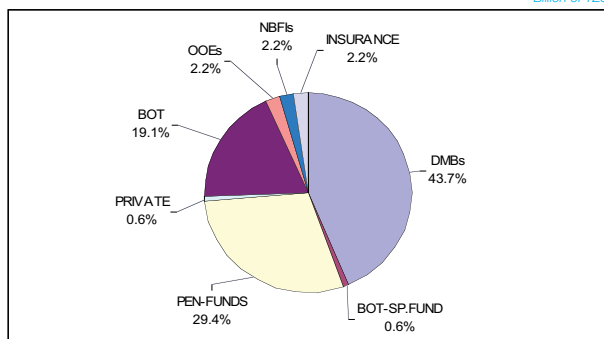
The stock of national debt, comprising of both domestic and external debt, as at the end of October 2007 stood at USD 6,894.0 million. The position represents an increase of USD 440.5 million (6.8 percent) as compared to USD 6,453.5 million registered at the end of preceding month. The increase is



by Pension Funds with 29.4 percent, Bank of Tanzania 19.1 percent, while other official entities, insurance companies and Non-Bank Financial Institutions (NBFIs) are holding 2.2 percent each. The remaining portion of 1.2 percent is held by private sector and BOT special fund (Chart 5.1).

Chart 5.1: Government Domestic Debt by Instruments

Billion of TZS



During the month under review, interest on domestic debt amounting to TZS 26.8 billion fell due for payment and was paid out of Government revenue.



6.0 Economic Developments in Zanzibar

Fiscal Performance

During October 2007 government budgetary deficit amounted to TZS 2.0 billion from a surplus of TZS 0.6 billion registered in the previous month. Available total resources (domestic revenue and grants) stood at TZS 12.5 billion, out of which TZS 8.8 billion representing 70.4 percent originated from domestic sources; while TZS 3.7 billion accounting for 29.6 percent were foreign grants. Total government expenditure reached TZS 22.2 billion. The budget deficit was entirely financed through foreign loans.

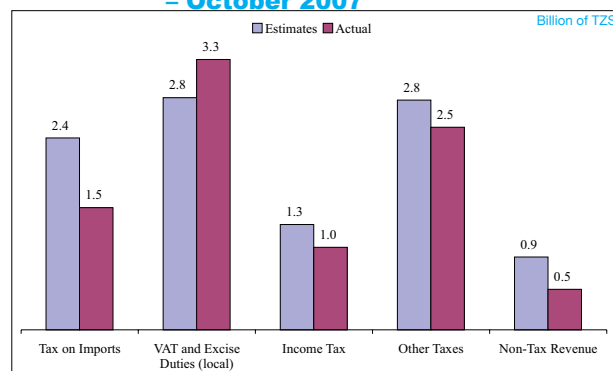
Revenue Performance

Revenue collections amounted to TZS 8.8 billion being below the target of TZS 10.2 billion. The underperformance was mainly due to declines in import tax, other taxes categories, income tax and non tax sources. Tax revenue amounted to TZS 8.3 billion below the target of TZS 9.3 billion; and accounted for 94.3 percent of the total revenue collection. Non-tax revenue amounted to TZS 0.5 billion, accounting for 5.7 percent of the total revenue collections during the month under review.

Revenue performance by category indicates that, tax on imports amounted to TZS 1.5 billion, below the target of TZS 2.4 billion, due to decline in taxable imports associated with Malindi Port rehabilitation in progress. Import tax accounted for 18.1 percent of the tax revenue. VAT and excise duty collections reached TZS 3.3 billion, exceeding the target of TZS 2.8 billion, mainly due to increased tourism oriented activities coupled with enhanced tax administration. VAT and excise duty collections accounted for 39.8 percent of the tax revenue. Income tax collection amounted to TZS 1.0 billion, below the target of TZS 1.3 billion and accounted for 12.0 percent of tax revenue. Other tax collections amounted to TZS 2.5 billion, below the target amount of TZS 2.8 billion, mainly due to decline in petroleum levy associated with relative low consumption of fuel. Non-tax revenue collections amounted to TZS 0.5 billion, below the target of TZS 0.9 billion due to under collection from government ministries and agencies (Chart 6.1).



Chart 6.1: Government Revenue by Source – October 2007



Source: Ministry of Finance and Economic Affairs, Zanzibar.

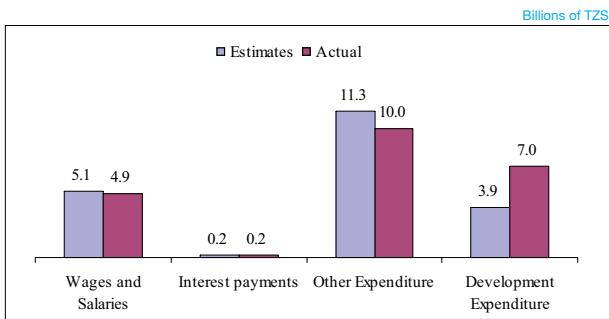
Expenditure

During the month under review, total government expenditure reached TZS 22.2 billion, above the target amount of TZS 20.5 billion, mainly due to higher than expected donor fund disbursements to cater for development projects.

Recurrent expenditure amounted to TZS 15.1 billion, below the target of TZS 16.6 billion; accounting for 68.2 percent of the total expenditure. Expenditure on wages and salaries amounted to TZS 4.9 billion, slightly below the set target of TZS 5.1 billion, while expenditures on other charges amounted to TZS 10.0 billion, below the target of TZS 11.3 billion.

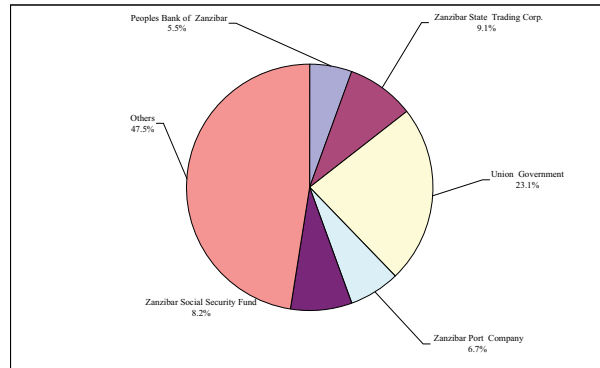
Development expenditure reached TZS 7.0 billion, exceeding the target of TZS 3.9 billion, due to higher than expected disbursement of donor funds to cater for development projects. The development expenditure accounted for 31.5 percent of the total expenditure. Local contribution amounted to TZS 1.4 billion, accounting for 20.0 percent of the total development expenditure, while external sources availed TZS 5.6 billion; accounted for 80.0 percent of the total development expenditure (Chart 6.2).

Chart 6.2: Government Expenditure by Components – October 2007



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Chart 6.3: Domestic debt by Creditor as at end - October 2007



Source: Ministry of Finance and Economic Affairs-Zanzibar

Debt Developments

Public debt position by the end of October 2007, stood at TZS 182.4 billion (USD 156.3 million), having declined from TZS 194.0 billion (equivalent to USD 157.7 million), registered in the preceding month. Consequently, the overall debt to GDP ratio decreased to 46.2 percent from 49.1 percent of the previous month. External debt amounted to TZS 123.6 billion (or USD 105.9 million) representing 67.8 percent of the total debt, while domestic debt stood at TZS 58.8 billion (or USD 50.4 million).

Domestic Debt

During the period under review, domestic debt decreased to TZS 58.8 billion from TZS 64.5 billion registered in September 2007. The decline was partly due to servicing of government debts owed to Zanzibar Electric Company (ZECO), pensioners, suppliers and Zanzibar State Trading Corporation (ZSTC).

Debt portfolio by creditors revealed that ‘Other creditors’ (domestic suppliers and pensioners) continued to dominate but declined to TZS 27.9 billion from TZS 33.4 billion, accounting for 47.5 percent of the total domestic debt. Claims due to Union Government stood at TZS 13.6 billion representing 23.1 percent of the total debt. Zanzibar Social Security Fund (ZSSF) debt remained at TZS 4.8 billion, representing 8.2 percent of the total domestic debt. The ZSTC claims declined to TZS 5.3 billion from TZS 5.5 billion, representing 9.1 percent of the total domestic debt. Debt due to Zanzibar Port Company (ZPC) amounted to TZS 3.9 billion, representing 6.7 percent of the total domestic debt, while debt owed to Peoples Bank of Zanzibar (PBZ) stood at TZS 3.2 billion or 5.5 percent of the total domestic debt (Chart 6.3).

During October 2007, long-term government loans accounted for the largest share, amounting to TZS 21.2 billion, representing 36.1 percent of the total domestic debt. ‘Other debt instruments’ (suppliers’ credits and pensioners’ claims) declined by 33.2 percent to TZS 11.0 billion from TZS 16.5 billion, representing 18.8 percent of the domestic debt. Treasury bonds stood at TZS 10.7 billion, accounting for 18.1 percent of the total domestic debt. Outstanding Government stocks remained at TZS 8.9 billion or 15.1 percent of the total domestic debt, while Treasury bills stood at TZS 7.0 billion, representing 11.9 percent of the total domestic debt.

As at end October 2007, debts with “undetermined maturity” (gratuity, pension, and domestic suppliers’ claims) sustained dominance but declined to TZS 37.2 billion from TZS 42.8 billion, representing 63.2 percent of the total domestic debt. Debt with maturity of 2 - 5 years stood at TZS 14.7 billion, representing 24.9 percent of the total domestic debt. Short term debts maturing in less than a year remained at TZS 7.0 billion representing 11.9 percent of the total domestic debt.

External Debt

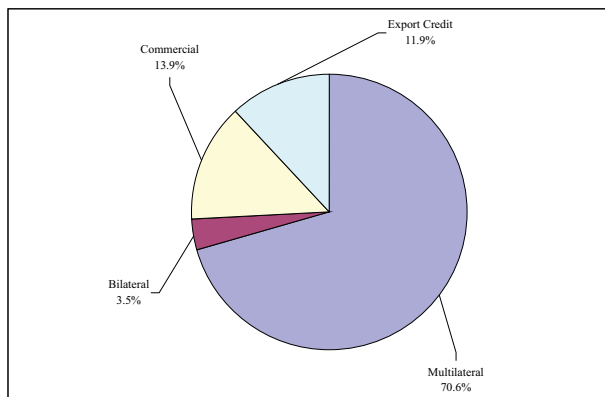
During the month under review external debt declined marginally to TZS123.6 billion (USD 105.9) from TZS 129.5 billion (USD 105.3 million) recorded in the previous month. The decrease corresponds to strengthening of the Tanzania shilling against USD during October 2007. Debt guaranteed by the Union government amounted to USD 76.5 million, up from USD 76.0 million, representing 72.2 percent of the total external debt, while non-guaranteed debt stood at USD 29.4 million or 27.8 percent of the total external debt.

Composition of external debt by creditors revealed that, concessional debts owed to multilateral creditors remained dominant, amounting to USD 74.8 million (TZS 87.3 billion)



and accounting for 70.6 percent of the total external debt. Bilateral creditors debts stood at USD 3.7 million (equivalent to TZS 4.3 billion), or 3.5 percent of the total external debt. Commercial debts amounted to USD 14.7 million or TZS 17.2 billion, representing 13.9 percent of the total external debt. Export credits amounted to USD 12.7 million (equivalent to TZS 14.8 billion) representing 11.9 percent of the total external debt (Chart 6.4).

Chart 6.4: External debt by Creditor as at end – October 2007

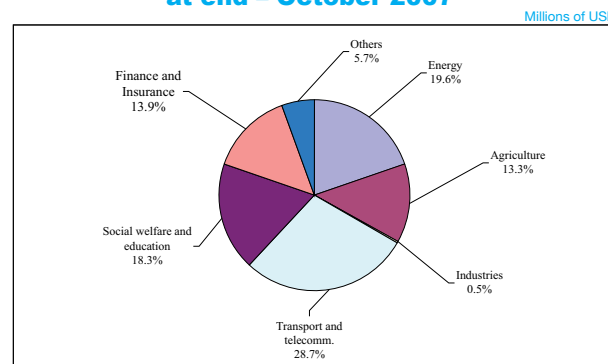


Source: Ministry of Finance and Economic Affairs-Zanzibar

As at end October, 2007, Zanzibar's external debt was mainly composed of debt with long maturity. Debts maturing over 20 years amounted to USD 68.9 million representing 65.1 percent of the total external debt. Debts with maturity of 10 to 20 years stood at USD 6.9 million, representing 6.5 percent of the total external debt. Debt maturing between 5 to 10 years amounted to USD 30.1 million representing 28.4 percent of the total external debt.

Debt portfolio by end use indicated that transport and telecommunications sector was the main beneficiary, receiving USD 30.4 million, and representing 28.7 percent of the total external debt. Energy sector was the second major recipient, absorbing USD 20.8 million, or 19.6 percent of the total disbursements. Social welfare and education sectors received USD 19.4 million or 18.3 percent. Finance & Insurance sector received USD 14.7 million, representing 13.9 percent of the total disbursements. Agriculture and industries sectors received USD 14.1 million and USD 0.5 million or 13.3 percent and 0.5 percent of the total external debt, respectively. Other sectors received USD 6.0 million equivalent to 5.7 percent of the total disbursements (Chart 6.5).

Chart 6.5: External debt by Use of Funds as at end – October 2007



Source: Ministry of Finance and Economic Affairs-Zanzibar

External Sector Performance

Current Account

As at end October 2007, the current account surplus shrunk to USD 2.1 million from USD 3.1 million reported during the preceding month, due to unfavourable trade account balance coupled with decrease in official foreign grants. The trade account registered a deficit of USD 4.6 million; having slightly improved from a deficit of USD 5.2 million recorded in September 2007. However, services account recorded a surplus of USD 3.5 million up from a surplus of USD 2.1 million realized in the previous month.

On annual basis, the current account surplus rose to USD 58.3 million from USD 12.6 million registered in the corresponding period in 2006. The rise was attributed to increase in export earnings from both goods and services, and a decrease in imports bill. The trade account deficit improved by posting lower deficit of USD 53.4 million from a deficit of USD 62.0 million recorded in the corresponding period in 2006. The improvement was driven by surge in goods exports coupled with a slight decline in goods imports (Table 6.1).



Table 6.1: Current Account Balance

Millions of USD

Item	2007p				Year Ending October		% Change	
	Dec	Aug	Sep	Oct	2006	2007p	Monthly	Annual
Goods Account (net)	-2.5	-4.2	-5.2	-4.6	-62	-53.4	23.7	-13.8
Exports	2.7	0.9	0.9	0.8	8.1	15.8	-1.3	94.1
Imports (fob)	5.2	5.1	6	5.4	70.1	69.2	19.4	-1.3
Services Account (net)	6.5	2	2.1	3.5	26	47.4	6.3	82.2
Receipts	9.9	6.5	7.1	8.1	86	93.8	8.8	9.1
Payments	3.4	4.6	5	4.6	60	46.5	9.9	-22.5
Goods and Services (net)	3.9	-2.2	-3.1	-1.1	-36	-6	39.3	-83.3
Exports of Goods and Services	12.5	7.4	8	9	94.1	109.7	7.7	16.5
Imports of Goods and Services	8.6	9.6	11	10	130.1	115.7	14.9	-11.1
Income Account (net)	0.03	-0.02	-0.06	0	0.21	0.03	252.2	-86.9
Receipts	0.04	0	0.01	-0.02	0.25	0.15		-41.9
Payments	0.01	0.02	0.07	-0.01	0.04	0.12	314.7	
Current Transfers (net)	2.1	8.5	6.2	3.2	48.3	64.3	-26.8	33
Inflows	2.1	8.5	6.2	3.2	48.3	64.3	-26.8	33
Outflows	0	0	0	0	0	0		
Current Account Balance	6.1	6.3	3.1	2.1	12.6	58.3	-50.7	362.9

p= Provisional

Source: Tanzania Revenue Authority

Exports Performance

During the period under review, total exports of goods and services rose to USD 9.0 million from USD 8.0 million registered in September 2007, mainly due to increase in services receipts. Services proceeds increased to USD 8.1 million from USD 7.1 million registered in the previous month, representing 90.0 percent of the total export proceeds. However, merchandise exports declined to USD 0.8 million from USD 0.9 million registered in the previous month.

On annual basis, total export receipts stood at USD 109.7 million up from USD 94.1 million registered in the corresponding period in 2006; on account of increase in goods and services receipts. Services receipts increased to USD 93.8 million from USD 86.0 million, accounting for 85.5 percent of the total exports earnings. Cloves exports increased to USD 8.8 million from USD 4.2 million, representing 8.0 percent of the total exports receipts. Seaweeds exports amounted to USD 1.7 million or 1.5 percent of the total receipts. Manufactured goods exports hiked to USD 3.6 million from USD 1.3 million registered in the corresponding period in 2006, representing 3.3 percent of total exports receipts. Exports of fish and fish produce stood at USD 0.2 million, accounting for 0.2 percent of the total export receipts, while earnings from other exports amounted to USD 1.5 million or 1.4 percent of total export receipts (Table 6.2).

Table 6.2: Exports by Major Categories

Item	2007p				Year Ending October		% Change	
	Dec	Aug	Sep	Oct	2006	2007	Monthly	Annual
Traditional Commodities								
Cloves								
Value	2.3	0	0.04	0.01	4.2	8.8	-66.7	107.8
Volume	0.7	0	0.01	0	1.4	2.8	-66.7	102.4
Unit Price	3202.8	0	3655	3654.5	3090	3172	0.0	2.7
Non-Traditional Exports								
Seaweeds								
Value	0.1	0.2	0.2	0.1	1.4	1.7	-27.4	21.1
Volume	0.6	0.7	1.5	0.7	7.2	8.8	-52.2	22.3
Unit Price	184.2	291	107.3	162.9	199.3	197.4	51.8	-1
Manufactured Goods	0.2	0.3	0.6	0.5	1.3	3.6	-22.4	179.8
Fish and Fish Produce	0.02	0.08	0.01	0.03	0.28	0.19	368.5	-31.1
Others Exports	0.04	0.29	0.03	0.18	0.94	1.53	533.9	63.9
Sub Total	0.4	0.9	0.8	0.8	3.9	7	-1.4	79.3
Grand Total	2.7	0.9	0.9	0.8	8.1	15.8	-4.1	94.1

p = provisional

Source: Tanzania Revenue Authority

Imports Performance

During the period under review, merchandise imports (c.i.f), slightly declined to USD 5.9 million from USD 6.6 million registered during the previous month, responding to a decrease in capital goods and intermediate goods imports, particularly transport equipment and machinery. Imports of capital goods amounted to USD 3.0 million down from USD 3.3 million registered in the previous month. Intermediate goods imports decreased to USD 0.8 million from USD 1.0 million recorded in the previous month, while imports of consumer goods stood at USD 2.2 million same level as the previous month. Food and foodstuffs imports declined to USD 0.9 million from USD 1.4 million recorded in the previous month, reflecting the decline in food demand following the end of the fasting month of "Ramadhan".

On annual basis, imports (c.i.f) posted a modest decrease to USD 76.0 million from USD 77.0 million recorded in the corresponding period in 2006, mainly on account of decline in intermediate goods, specifically oil imports. The oil import bill declined sharply to USD 3.6 million from USD 18.2 million registered in the corresponding period in 2006, mainly due to a slow down in the volume of oil imports. Food and food stuffs imports rose to USD 7.8 million from USD 6.9 million of the corresponding period in 2006, due to domestic shortages of rice and wheat. Capital goods imports increased to USD 44.9 million from USD 32.7 million, following a boom in construction and transport sectors (Table 6.3).



Table 6.3: Imports by Major Categories

Millions of USD

Import Category	2006	2007p			Year Ending October		%Change	
	Dec	Aug	Sep	Oct	2006	2007p	Monthly	Annual
Capital Goods	2.5	2.4	3.3	3	32.7	44.9	-10.1	37
Transport Equipment	0.8	1.5	1.8	1.6	10.9	15.8	-10.8	45.8
Building and Constructions	0.4	0.3	0.2	0.5	7.8	12.8	160.7	63.8
Machinery	1.3	0.5	1.3	0.9	14.1	16.2	-34.3	15.2
Intermediate Goods	1.5	0.9	1	0.8	24.8	8.2	-27.8	-66.8
Oil imports	1	0.52	0.26	0.26	18.2	3.6	-0.7	-80.5
Fertilizers	0	0.02		
Industrial raw materials	0.5	0.4	0.78	0.49	6.6	4.7	-36.9	-28.9
Consumer Goods	1.8	2.3	2.2	2.2	19.5	23	-2.7	17.6
Food and food stuffs	0.3	1.1	1.4	0.9	6.9	7.8	-31.9	12.3
All other consumer goods	1.5	1.2	0.9	1.2	12.6	15.2	43.7	20.5
Grand Total (c.i.f)	5.8	5.6	6.6	5.9	77	76	-10.3	-1.3
Grand Total (f.o.b)	5.2	5.1	6	5.4	70.1	69.2	-10.3	-1.3

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

Services Account

During the month under review, the services account posted a surplus of USD 3.5 million, a further improvement of USD 2.1 million registered in the period ending September 2007. The good performance was attributed to increase in foreign receipts, coupled with decline in foreign payments. Foreign receipts rose to USD 8.1 million from USD 7.1 million registered during the previous month, largely due to an increase in travel receipts which amounted to USD 5.7 million, representing 70.4 percent of the total foreign receipts. Foreign payments went down to USD 4.6 million from USD 5.0 million registered in the preceding month, mainly due to decrease in foreign travel payments to USD 3.8 million from USD 4.4 million recorded in the previous month.

On year-to-year basis, the services account registered a surplus of USD 47.4 million, having increased from a surplus of USD 26.0 million recorded in the corresponding period in 2006. The increase emanated from the rise in foreign receipts coupled with decline in foreign payments. Foreign receipts increased to USD 93.8 million from USD 86.0 million registered in the corresponding period in 2006, following an increase in tourism oriented activities. Foreign payments declined to USD 46.5 million from USD 60.0 million recorded in the corresponding period in 2006. Travel receipts amounted to USD 78.7 million and accounted for 84.0 percent of the total services receipts, while travel payments amounted to USD 39.6 million, equivalent to 85.2 percent of the total foreign payments.



STATISTICAL TABLES



Table A1: Selected Economic Indicators

Item	Unit	2000	2001	2002	2003	2004	2005	2006 ^p
1. National Accounts and Prices								
1.1 Change in GDP at Factor Cost--Current Prices	Percent	12.2	13.7	14.1	12.8	15.4	15.3	14.8
1.2 Change in GDP at Factor Cost--Constant 1992 Prices ²	Percent	4.9	5.7	6.2	5.7	6.7	6.7	6.2
1.3 GDP Per Capita--Current Prices ¹	TZS	210,231.0	231,751.0	258,925.0	287,027.0	321,283.0	360,965.0	399,554.0
1.4 GDP Per Capita--Current Prices ¹	US\$	262.7	264.4	267.9	276.4	294.9	319.8	n.a
1.5 Change in Consumer Price Index (Inflation)	Percent	5.9	5.2	4.5	3.5	4.1	4.4	6.2
1.6 Saving to GNDI Ratio ³ *	Percent	11.6	11.1	12.7	11.8	12.3	12.5	na
2. Money Credit and Interest Rates								
2.1 Change in Extended Broad Money Supply (M3)**	Percent	14.8	17.1	25.1	16.6	19.3	38.2	22.0
2.2 Change in Broad Money Supply (M2)***	Percent	12.5	12.8	22.3	14.2	19.2	36.9	13.7
2.3 Change in Narrow Money Supply (M1)	Percent	9.9	10.2	25.2	16.1	18.2	33.7	9.8
2.4 Change in Reserve Money	Percent	9.4	5.0	19.1	12.6	23.6	27.7	16.8
2.5 Total Credit to GDP Ratio ¹	Percent	9.8	7.6	8.8	8.7	8.5	9.4	12.0
2.6 Private Sector Credit to GDP Ratio ¹	Percent	4.6	4.9	6.1	5.2	8.9	11.0	12.5
2.7 Ratio of Private Credit to Total Credit	Percent	46.6	63.7	69.2	98.4	104.7	84.6	103.9
2.8 Average Deposit Rate (12-Month)	Percent	8.6	6.0	5.7	5.0	5.8	6.2	8.3
2.9 Weighted Average Treasury Bill Rate	Percent	5.7	3.9	4.5	7.7	9.6	10.8	15.0
2.10 Average Medium- and Long-Term Lending Rate	Percent	21.2	15.8	13.2	12.5	14.0	15.5	15.6
3. Balance of Payments****								
3.1 Exports (f.o.b)	Mill. US\$	733.7	851.3	979.6	1,216.1	1,473.1	1,675.8	1,723.0
3.2 Imports (f.o.b)	Mill. US\$	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6	-3,864.1
3.3 Trade Balance	Mill. US\$	-633.9	-709.0	-531.8	-717.3	-1,009.8	-1,321.8	-2,141.1
3.4 Balance on Current Account	Mill. US\$	-461.3	-200.0	83.6	-87.5	-383.3	-881.6	-1,510.7
3.5 Overall Balance	Mill. US\$	-36.9	-167.5	317.9	389.1	206.0	-197.2	-138.5
3.7 Gross Official Reserves	Mill. US\$	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4	2,260.1
3.8 Reserves Months of Imports (of goods and services)	Months	5.7	6.3	8.6	9.2	8.0	5.8	5.3
3.9 Exchange Rate:								
3.9.1 Annual Average	TZS/US\$	800.4	876.4	966.6	1,038.6	1,089.3	1,128.8	1,251.9
3.9.2 End of Period	TZS/US\$	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5	1,261.6
4 Population (TZ Mainland)	Million	31.9	32.1	33.6	34.2	35.3	36.2	37.5
5. Public Finance								
			2000/01	2001/02	2002/03	2003/04	2004/05	2005/06*
5.1 Current Revenue to GDP Ratio ¹	Percent		12.2	11.8	12.1	12.6	13.3	13.6
5.2 Grants to GDP Ratio ¹	Percent		3.7	4.3	6.2	6.0	7.4	6.7
5.2 Current Expenditure to GDP Ratio ¹	Percent		13.1	12.6	14.8	15.4	15.1	17.5
5.3 Development Expenditure to GDP Ratio ¹	Percent		3.7	3.9	5.0	6.4	8.6	8.0
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent		-4.8	-4.8	-7.7	-9.2	-10.4	-11.5
5.5 Deficit to GDP Ratio (including grants) ¹	Percent		-1.1	-0.5	-1.5	-3.1	-3.0	-5.5
6. Total External Debt Stock	Mill. US\$		7,482.1	7,464.0	7,268.1	7,857.0	8,134.8	7,931.8
Disbursed Debt	Mill. US\$		6,312.2	6,559.7	6,233.0	6,678.3	6,799.5	6,743.6
Interest	Mill. US\$		1,169.9	904.3	1,035.1	1,178.7	1,335.3	1,188.2
Total External Debt as % of GDP	Percent		80.7	78.5	75.9	83.5	77.5	72.0

Note:

1 Calculated on the basis of GDP at market price

2 Calculated on the basis of GDP at factor cost

3 GNDI stands for gross national disposable income

p Provisional

* Revised from 2001

** Revised 2003

*** revised 2001-2002

**** revised from 2000

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



Table A2: Central Government Operations -Monthly Flows

Item	2005/2006	2006/2007	BUDGET 2007/2008	Millions of TZS 2007			
				Jul	Aug	Sep	Oct
Total Revenue	2,124,843.7	2,739,022.4	3,502,583.0	262,189.8	275,917.4	326,363.8	284,598.3
Tax Revenue	1,946,432.6	2,529,439.4	3,188,415.0	237,589.7	251,039.3	312,249.8	262,860.0
Taxes on Imports	819,800.5	1,018,569.5	1,245,641.9	110,674.5	108,331.1	112,819.9	110,072.5
Sales/VAT and Excise on Local Goods	478,395.4	575,968.3	688,639.0	52,327.2	60,588.6	58,566.1	64,164.0
Refunds	-69,961.0	-69,960.0	-124,641.4	-13,064.9	-12,955.3	-9,866.8	-9,866.8
Income Taxes	581,243.8	716,320.5	826,866.7	47,867.6	53,714.0	106,796.9	53,342.2
Other taxes	136,954.0	218,581.1	427,267.4	26,720.4	28,405.6	34,066.9	35,281.3
Non- tax Revenue	178,411.1	209,583.0	314,168.0	24,600.1	24,878.1	14,114.0	21,738.3
Total Expenditure /1	3,873,254.8	4,474,680.9	5,998,082.5	429,898.5	704,456.4	563,019.6	430,325.8
Recurrent expenditure	2,661,862.5	3,137,469.5	3,796,986.2	210,421.5	263,925.4	285,322.4	308,329.2
Roadtoll fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retention fund	61,260.2	61,261.2	71,706.9	3,678.7	5,434.0	6,610.0	5,815.0
Wages and salaries	656,788.5	976,094.3	1,113,134.0	93,080.1	93,275.7	93,891.5	93,154.7
Interest payments	218,861.3	215,562.9	276,000.0	9,624.2	4,161.4	7,902.4	38,184.3
Domestic 2/	163,694.8	185,050.4	240,000.0	9,359.3	4,045.2	5,318.6	36,049.3
Foreign	55,166.5	30,512.4	36,000.0	264.9	116.3	2,583.8	2,135.0
Other goods, services and transfers	1,786,212.7	1,945,812.3	2,407,852.2	107,717.2	166,488.2	183,528.4	176,990.3
Dev. Expenditure and net lending	1,211,392.2	1,337,211.4	2,201,096.3	219,477.0	440,531.0	277,697.3	121,996.6
Local	296,100.0	296,101.0	739,203.5	61,600.3	100,521.7	150,000.0	26,000.0
Foreign	915,292.2	1,047,266.2	1,461,892.8	157,876.7	340,009.2	127,697.3	95,996.6
Overall Balance (cheque issued) before Grants	-1,748,411.0	-1,735,658.5	-2,495,499.5	-167,708.7	-428,539.0	-236,655.8	-145,727.5
Grants	1,000,160.2	952,225.5	1,690,873.0	468,714.4	26,612.1	107,870.7	57,776.3
Program (CIS/OGL)	331,024.6	479,837.3	607,524.1	396,977.5	0.0	94,454.6	33,371.3
Project	416,771.0	241,826.6	684,438.3	15,905.6	1,172.7	3,146.0	7,268.1
Basket funds	175,975.3	111,559.8	192,874.1	16,548.8	573.1	10,270.1	17,136.9
HIPC Relief	76,389.3	119,001.7	206,036.6	39,282.4	24,866.3	0.0	0.0
Overall defic.(cheq.issued) after Grants	-748,250.9	-783,433.0	-804,626.5	301,005.7	-401,926.9	-128,785.1	-87,951.2
Expenditure float	69,713.1	131,315.2	0.0	-186,585.9	-12,803.2	-9,825.0	-11,909.3
Adjustments to cash and other items (net)	-245,874.7	48,602.6	0.0	179,183.8	57,166.0	72,903.7	-64,629.2
Overall Balance (cheques issued)	-924,412.5	-924,411.5	-804,626.5	293,603.6	-357,564.2	-65,706.4	-164,489.7
Financing:	924,412.5	924,413.5	804,626.5	-293,603.6	357,564.2	65,706.4	164,489.7
Foreign Financing (net)	561,219.0	561,220.0	818,616.7	124,683.8	359,867.1	350,954.8	68,898.0
Loans	668,934.5	668,935.5	858,376.7	125,422.2	360,241.0	354,396.4	71,591.6
Program loans	257,677.1	257,678.1	273,796.2	0.0	21,977.5	240,115.2	0.0
Development Project loans	328,955.7	328,956.7	504,260.2	23,655.7	338,263.4	35,761.0	55,163.7
Basket Support	82,301.8	82,302.8	80,320.2	101,766.6	0.0	78,520.2	16,427.9
Amortization	-107,715.5	-107,714.5	-39,760.0	-738.5	-373.9	-3,441.6	-2,693.6
Domestic (net)	363,193.5	363,194.5	-13,990.2	-418,287.4	-2,302.9	-285,248.4	95,591.7
Domestic Financing	348,885.7	348,886.7	-0.2	-418,287.4	-1,772.9	-285,248.4	95,666.2
Bank borrowing	129,644.6	129,645.6	0.0	-382,860.2	-42,297.9	-304,072.1	50,347.6
Non-Bank (net of amortization)	219,241.1	219,241.1	0.0	-35,427.1	40,525.0	18,823.7	45,318.6
Amortization of contingent debt	-19,001.4	-19,000.4	-15,000.0	0.0	-530.0	0.0	-74.5
Privatization Proceeds	33,309.2	33,310.2	-13,990.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance

Note:

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

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





Table A3: Monetary Survey

End of Period	Millions of TZS																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
	Domestic assets (net)										Claims on private sectors (net)*					Memorandum item:																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
	Foreign assets (net)		Claims on government		Domestic credit (net)		Other items (net)		TOTAL sum(2-5) or sum(9-13)		TOTAL sum(9-12)		TOTAL sum(9,10)		Currency in circulation outside banks		Demand deposits		Time deposits		Savings deposits		Foreign currency deposits		TOTAL sum(9,15)		of which: CB Reserves																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000	1001	1002	1003	1004	1005	1006	1007	1008	1009	1010	1011	1012	1013	1014	1015	1016	1017	1018	1019	1020	1021	1022	1023	1024	1025	1026	1027	1028	1029	1030	1031	1032	1033	1034	1035	1036	1037	1038	1039	1040	1041	1042	1043	1044	1045	1046	1047	1048	1049	1050	1051	1052	1053	1054	1055	1056	1057	1058	1059	1060	1061	1062	1063	1064	1065	1066	1067	1068	1069	1070	1071	1072	1073	1074	1075	1076	1077	1078	1079	1080	1081	1082	1083	1084	1085	1086	1087	1088	1089	1090	1091	1092	1093	1094	1095	1096	1097	1098	1099	1100	1101	1102	1103	1104	1105	1106	1107	1108	1109	1110	1111	1112	1113	1114	1115	1116	1117	1118	1119	1120	1121	1122	1123	1124	1125	1126	1127	1128	1129	1130	1131	1132	1133	1134	1135	1136	1137	1138	1139	1140	1141	1142	1143	1144	1145	1146	1147	1148	1149	1150	1151	1152	1153	1154	1155	1156	1157	1158	1159	1160	1161	1162	1163	1164	1165	1166	1167	1168	1169	1170	1171	1172	1173	1174	1175	1176	1177	1178	1179	1180	1181	1182	1183	1184	1185	1186	1187	1188	1189	1190	1191	1192	1193	1194	1195	1196	1197	1198	1199	1200	1201	1202	1203	1204	1205	1206	1207	1208	1209	1210	1211	1212	1213	1214	1215	1216	1217	1218	1219	1220	1221	1222	1223	1224	1225	1226	1227	1228	1229	1230	1231	1232	1233	1234	1235	1236	1237	1238	1239	1240	1241	1242	1243	1244	1245	1246	1247	1248	1249	1250	1251	1252	1253	1254	1255	1256	1257	1258	1259	1260	1261	1262	1263	1264	1265	1266	1267	1268	1269	1270	1271	1272	1273	1274	1275	1276	1277	1278	1279	1280	1281	1282	1283	1284	1285	1286	1287	1288	1289	1290	1291	1292	1293	1294	1295	1296	1297	1298	1299	1300	1301	1302	1303	1304	1305	1306	1307	1308	1309	1310	1311	1312	1313	1314	1315	1316	1317	1318	1319	1320	1321	1322	1323	1324	1325	1326	1327	1328	1329	1330	1331	1332	1333	1334	1335	1336	1337	1338	1339	1340	1341	1342	1343	1344	1345	1346	1347	1348	1349	1350	1351	1352	1353	1354	1355	1356	1357	1358	1359	1360	1361	1362	1363	1364	1365	1366	1367	1368	1369	1370	1371	1372	1373	1374	1375	1376	1377	1378	1379	1380	1381	1382	1383	1384	1385	1386	1387	1388	1389	1390	1391	1392	1393	1394	1395	1396	1397	1398	1399	1400	1401	1402	1403	1404	1405	1406	1407	1408	1409	1410	1411	1412	1413	1414	1415	1416	1417	1418	1419	1420	1421	1422	1423	1424	1425	1426	1427	1428	1429	1430	1431	1432	1433	1434	1435	1436	1437	1438	1439	1440	1441	1442	1443

Table A4 : Interest Rate Structure

Item	Percent														
	2006					2007									
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct ^p
A: Domestic Currency															
1 Interbank Cash Market Rates															
Overnight	8.41	15.22	16.05	4.49	6.73	12.04	7.44	7.52	9.64	6.20	6.67	9.79	12.05	12.07	18.64
2 to 7 days	8.87	14.05	12.08	5.52	7.44	12.98	7.87	7.79	9.90	6.58	7.60	11.27	12.28	12.77	19.47
8 to 14 days	8.81	14.00	15.48	6.18	9.60	15.27	8.43	7.32	9.02	7.03	7.03	12.00	11.98	12.00	24.04
15 to 30 days	7.33	7.33	11.50	8.00	6.12	15.00	9.64	9.64	9.64	7.20	6.00	6.00	6.00	6.50	6.50
31 to 60 days	8.01	8.44	12.81	7.14	7.19	15.33	9.35	7.88	9.01	6.87	9.59	6.55	8.81	11.16	6.42
61 to 90 days	8.50	8.50	8.50	9.25	9.25	17.50	10.00	10.00	10.00	10.75	10.75	10.75	10.75	10.75	10.75
91 to 180 days	9.50	9.50	9.50	9.68	9.68	15.15	12.30	14.87	15.25	12.61	12.50	13.00	13.83	14.80	14.80
181 and above	11.08	13.50	14.25	11.57	11.57	11.57	11.57	11.57	11.57	12.87	12.87	12.87	12.87	15.23	15.23
Overall Interbank cash market rate	8.47	14.87	15.64	5.20	7.14	12.54	7.72	7.59	9.69	6.42	7.24	10.46	12.11	12.27	18.92
2 Lombard Rate	12.62	22.83	24.08	9.33	13.25	18.06	11.74	11.28	14.46	9.63	10.01	14.69	18.07	18.11	27.97
3 REPO Rate	7.42	12.58	5.23	5.18	6.35	6.35	6.30	6.88	6.88	5.27	6.25	9.10	11.02	11.56	11.34
4 Treasury Bills Rates															
35 days	8.29	10.56	10.43	6.22	8.83	10.96	7.83	7.24	7.79	6.42	6.47	6.07	6.32	6.27	6.35
91 days	9.70	11.13	12.22	10.06	14.39	15.69	12.58	14.93	15.03	11.99	12.62	12.88	13.76	14.78	15.14
182 days	9.97	11.69	13.28	11.29	14.95	16.02	13.41	16.40	16.84	13.84	16.74	16.23	15.83	16.37	16.62
364 days	10.41	12.97	15.18	11.62	15.61	16.25	13.75	17.15	17.27	14.59	18.39	15.84	15.95	16.98	17.86
Overall Treasury bills rate	9.89	11.98	13.40	10.69	15.04	15.75	12.95	15.99	16.41	13.49	17.07	15.41	15.11	15.59	16.42
5 Treasury Bonds:															
2-years	14.05	16.94	15.83	12.89	18.47	16.522	17.38	19.23	17.56	15.96	18.25	17.67	18.91	20.07	17.29
5-years	16.18	17.43	18.14	15.89	15.21	13.60	16.37	16.21	18.20	17.41	18.37	17.31	19.43	20.54	18.69
7-years	16.55	17.40	17.64	17.33	17.33	17.50	15.40	20.69	19.90	17.41	18.58	18.50	20.43	19.25	18.80
10-years	16.94	17.42	17.52	17.69	17.69	17.15	17.82	18.51	18.03	16.29	17.48	17.52	19.63	19.92	20.28
6 Discount Rate	14.60	16.67	18.40	15.69	20.07	21.31	17.92	20.58	21.41	18.93	21.42	21.05	20.11	20.59	21.42
7 Savings Deposit Rate	2.58	2.59	2.57	2.60	2.59	2.59	2.25	2.57	2.42	2.60	2.63	2.70	2.71	2.62	2.59
8 Time Deposits Rates:															
Call Accounts	1.41	1.41	1.09	0.80	0.87	0.71	1.53	1.29	1.33	1.35	1.31	1.36	0.21	1.14	0.50
1 month	6.85	8.41	8.05	7.29	7.28	6.36	6.82	7.68	7.78	7.16	6.65	6.44	6.54	7.44	7.99
2 months	7.83	7.24	7.14	8.98	7.44	7.83	8.36	8.55	7.64	6.85	7.78	7.87	8.51	8.65	9.87
3 months	7.75	6.83	8.01	7.49	7.53	8.47	7.76	7.48	7.90	8.90	8.61	8.59	8.78	9.89	9.50
6 months	8.17	8.61	9.19	9.41	8.95	9.02	8.73	8.85	9.54	9.45	9.31	9.97	9.99	8.82	9.30
12 months	9.03	8.20	8.70	9.05	8.75	8.20	8.47	9.17	9.09	9.39	8.88	9.04	9.42	9.64	10.22
24 months	8.21	7.68	7.33	8.85	9.39	10.40	10.94	10.85	10.95	10.25	11.27	9.75	10.89	11.91	10.31
9 Negotiated Deposit Rates	9.78	10.12	9.42	9.72	9.35	9.02	9.39	7.33	8.45	8.18	8.65	8.91	9.82	9.83	10.61
10 Lending rates:															
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Short-term (up to 1 year)	15.64	16.01	15.60	15.71	15.67	15.80	15.34	14.94	13.63	13.80	13.95	14.12	14.30	14.06	13.85
Medium-term (1-2 years)	19.04	18.92	19.03	19.36	19.27	19.60	16.94	16.77	16.58	16.67	17.01	17.15	16.94	16.84	16.86
Medium-term (2-3 years)	16.05	16.46	16.63	17.15	16.27	16.50	14.78	15.37	15.22	15.03	14.60	15.65	15.17	15.15	15.27
Long-term (3-5 years)	16.16	16.65	16.12	15.85	14.89	16.10	16.06	16.55	15.09	15.65	15.61	16.04	16.76	16.53	15.90
Term Loans (over 5 years)	15.62	15.59	15.66	14.97	15.69	18.12	17.82	18.13	18.25	18.42	17.37	17.42	18.20	17.15	17.04
11 Negotiated Lending Rates	10.80	10.80	10.74	10.11	10.60	11.49	12.42	11.74	10.81	10.18	12.20	12.14	12.63	11.91	11.89
B: Foreign Currency															
1 Deposits Rates															
Savings Deposits															
Time Deposits	2.93	2.72	2.79	2.57	2.75	2.81	2.85	2.90	2.95	2.83	2.73	2.61	2.86	3.54	4.07
1-months	3.00	2.66	2.73	2.76	2.46	2.29	2.39	2.60	2.51	2.37	1.79	2.03	2.07	3.21	2.70
2-months	2.97	2.78	3.25	2.47	2.75	2.18	2.07	2.59	2.65	2.41	2.18	1.91	2.72	3.48	4.94
3-months	2.68	2.66	2.31	2.54	2.54	2.72	2.87	3.25	2.74	2.69	2.87	2.57	3.02	3.87	4.88
6-months	2.89	2.44	2.69	2.31	3.20	3.47	3.23	3.04	3.72	2.92	3.02	2.85	3.47	3.85	3.86
12-months	3.10	3.04	2.95	2.73	2.78	3.40	3.69	3.04	3.12	3.75	3.81	3.69	3.00	3.27	3.99
2 Lending Rates															
Short-term (up to 1 year)	7.47	9.27	9.66	9.55	8.89	8.64	8.67	8.25	7.25	7.93	8.03	8.41	7.49	5.89	5.77
Medium-term (1-2 years)	8.75	8.58	8.91	8.98	8.51	8.61	8.72	8.61	9.82	8.52	8.57	8.46	8.31	8.45	8.48
Medium-term (2-3 years)	8.20	8.07	7.90	8.02	7.57	8.33	8.09	7.98	9.77	8.06	7.91	7.97	8.27	8.19	8.69
Long-term (3-5 years)	9.65	9.84	9.37	9.71	9.78	8.04	6.31	7.80	7.54	7.90	7.11	7.90	6.89	7.00	8.93
Term Loans (over 5 years)	9.09	9.91	8.91	9.24	9.16	7.55	7.34	7.73	8.09	8.42	6.17	8.09	8.49	8.33	8.64

Source: Bank of Tanzania



Table A5(a): Tanzania Exports by Type of Commodity

Item	2006 ^P	2007 ^P		% Change		Year Ending October ^P		
	October	Sept	Oct	Oct 06 - Oct 07	Sept 07 - Oct 07	2006	2007	% Change
Traditional Exports:								
COFFEE								
Value	5.8	4.7	8.6	--	--	57.9	98.9	71.0
Volume	3.4	2.3	3.6	4.6	--	29.8	47.8	60.3
Unit Price	1,691.9	2,033.8	2,396.9	41.7	17.9	1,940.4	2,070.3	6.7
COTTON								
Value	2.9	8.0	16.1	445.6	--	82.9	50.2	-39.5
Volume	2.9	7.2	13.4	364.3	85.2	82.5	46.0	-44.2
Unit Price	1,024.3	1,103.7	1,203.8	17.5	9.1	1,005.4	1,090.6	8.5
SISAL								
Value	1.08	0.0	0.9	-17.0	0.0	5.4	8.3	55.0
Volume	1.3	0.0	1.1	-11.2	0.0	6.8	10.5	54.7
Unit Price	862.9	0.0	806.7	-6.5	0.0	792.1	793.6	0.2
TEA								
Value	2.1	1.3	2.1	0.8	63.0	30.5	30.3	-0.8
Volume	1.5	1.0	1.8	17.2	78.6	22.9	21.7	-5.1
Unit Price	1,409.1	1,327.4	1,211.9	-14.0	-8.7	1,333.9	1,393.4	4.5
TOBACCO								
Value	14.0	0.0	0.0	-99.9	--	62.4	75.9	21.6
Volume	5.5	0.0	0.0	-99.8	--	23.5	33.0	40.6
Unit Price	2,555.8	1,989.0	2,008.3	-21.4	--	2,657.4	2,298.1	-13.5
CASHEWNUTS								
Value	0.00	0.483	0.0	--	--	61.9	28.7	-53.6
Volume	0.00	0.800	0.0	--	--	83.7	57.8	-30.9
Unit Price	0.00	603.4	0.0	--	--	739.1	496.3	-32.9
CLOVES								
Value	0.958	0.006	0.030	-96.9	--	4.4	8.8	99.6
Volume	0.271	0.002	0.009	-96.9	--	1.4	2.8	93.5
Unit Price	3,535.1	3,058.5	3,529.4	-0.2	15.4	3,074.5	3,171.4	3.2
Sub Total	26.8	14.5	27.7	3.3	91.6	305.4	301.1	-1.4
Non-Traditional Exports:								
Minerals								
Minerals	90.7	72.9	83.1	-8.4	14.0	804.6	875.1	8.8
Gold	86.8	61.3	63.0	-27.4	2.8	757.3	777.1	2.6
Diamond	2.5	2.0	3.8	--	88.6	21.8	28.3	29.6
Other minerals ¹	1.4	9.6	16.2	--	69.2	25.5	69.7	--
Manufactured Goods								
Manufactured Goods	14.9	23.0	30.8	106.4	33.7	195.7	287.2	46.7
Cotton Yarn	0.3	0.6	0.3	-10.0	-59.1	4.0	7.3	84.7
Manufactured Coffee	0.1	0.0	0.07	25.4	--	1.1	1.6	0.0
Manufactured Tobacco	0.0	0.0	0.0	--	--	1.7	1.2	-32.2
Sisal Products (Yarn & Twine)	0.3	0.4	1.2	277.2	--	2.5	5.8	--
Other manufactured Goods ²	14.2	22.0	29.2	104.8	32.8	186.5	271.3	45.5
Fish and Fish Products								
Fish and Fish Products	11.0	10.3	11.2	1.9	8.8	133.6	143.2	7.2
Horticultural products								
Horticultural products	1.2	1.5	1.7	43.0	17.5	14.2	18.8	33.0
Re-exports								
Re-exports	10.3	12.0	10.1	-1.9	-15.8	118.7	146.9	23.7
Others Exports ³								
Others Exports ³	14.5	24.0	39.2	170.6	63.3	153.2	202.2	32.0
Sub Total	142.7	143.7	176.1	23.4	22.5	1,420.0	1,673.4	17.9
GRAND TOTAL	169.5	158.2	203.8	20.2	-87.2	1,725.3	1,974.5	14.4

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 October ^P		% Change	
	October	Sept	October	Sept	Oct 06- Oct 07	Sept 07 - Oct 07	2006	2007	% Change	% Change
Capital Goods	101.1	161.8	163.8	161.8	62.0	1.2	1,385.5	1,735.5	25.3	
Transport Equipments	28.7	39.4	48.5	39.4	69.1	23.0	385.8	447.8	16.1	
Building and Constructions	25.6	40.8	32.9	40.8	28.6	-19.4	335.2	401.6	19.8	
Machinery	46.8	81.6	82.4	81.6	75.9	1.1	664.5	886.2	33.4	
Intermediate Goods	136.1	205.9	163.2	205.9	19.9	-20.7	1,453.8	1,938.0	33.3	
Oil imports	91.0	148.9	104.7	148.9	15.1	-29.6	1,049.8	1,447.2	37.8	
Fertilizers	9.1	15.4	8.1	15.4	-10.9	-47.2	51.7	57.4	10.9	
Industrial raw materials	36.0	41.6	50.3	41.6	39.9	21.0	352.2	433.5	23.1	
Consumer Goods	71.7	77.4	110.0	77.4	53.5	42.2	839.1	1,016.4	21.1	
Food and food stuffs	8.1	10.2	42.6	10.2	425.0	318.5	247.3	267.7	8.3	
All other consumer goods ¹	63.6	67.2	67.5	67.2	6.1	0.4	591.8	748.6	26.5	
Grand Total (f.o.b)	308.9	445.1	437.0	445.1	41.5	-1.8	3,678.4	4,689.9	27.5	
Grand Total (c.i.f)	339.5	489.1	480.2	489.1	41.5	-1.8	4,042.2	5,153.7	27.5	

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>
Balance on Goods and Services	-860.8	-689.0	-444.1	-244.2	-495.3	-850.9	-1,260.0	-1,896.4
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
	Total	Food	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Educ- ation	
2003	44.1	55.9	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2004	2.0	4.5	1.5	2.0	5.9	2.5	2.1	1.1	2.9	2.1	1.2	2.2	2.2
2005	1.6	5.9	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	1.0	0.6	-0.5
2006	7.6	7.0	7.7	7.0	-0.4	7.7	-1.1	0.5	3.5	-1.5	4.7	-0.1	-1.4
2005 Mar	2.2	5.5	0.9	-0.4	-3.3	6.9	-0.4	1.7	1.0	5.0	3.7	0.9	-1.3
Jun	3.2	5.0	2.0	1.1	-5.2	7.4	-1.9	1.4	5.1	0.7	5.7	1.2	-2.9
Sep	2.8	6.3	2.7	-0.9	3.7	6.7	-1.1	-0.7	4.2	-2.0	4.9	-1.2	-0.8
Dec	3.3	6.9	2.9	-1.7	4.2	10.0	-1.1	-0.5	3.9	-2.1	4.7	-1.1	-0.4
2006 Mar	6.8	8.3	5.6	7.9	8.5	7.3	4.7	-1.0	16.9	4.9	7.5	0.3	9.4
Jun	7.9	10.0	6.0	7.4	7.7	9.5	6.8	0.3	13.6	5.5	10.0	2.1	7.7
Sep	9.4	3.5	9.8	6.9	3.9	12.0	10.1	2.6	10.5	7.0	11.2	5.0	8.6
Dec	6.5	6.2	9.2	5.9	2.3	5.4	9.8	6.0	4.8	2.8	7.8	2.5	6.6
2007 Mar	8.4	6.3	11.7	6.5	5.6	7.9	10.6	10.5	2.1	7.4	9.2	11.6	-0.2
Jun	8.1	4.0	13.3	7.2	3.9	6.3	9.2	11.0	4.2	9.6	7.4	10.7	2.1
Sep	5.8	10.3	8.1	5.5	2.2	4.3	6.2	8.9	3.4	10.4	5.8	8.9	0.4
2005 Jan	1.5	5.9	0.6	-1.2	-2.5	5.4	1.0	0.5	-3.0	-1.5	3.3	1.8	-2.6
Feb	1.8	5.7	1.8	-1.7	-2.8	5.9	0.2	2.4	6.0	-3.3	2.2	-0.6	-1.5
Mar	3.3	4.9	0.3	1.7	-4.6	9.4	2.3	2.3	0.1	-2.5	5.7	1.4	0.4
Apr	3.9	4.3	2.9	3.3	-5.3	6.8	0.4	1.5	4.9	1.5	6.9	2.1	-4.7
May	3.0	5.0	1.7	-0.9	-5.3	9.6	-3.2	1.4	4.4	0.9	5.0	0.2	-2.4
Jun	2.5	4.2	1.4	0.9	-5.0	5.6	-2.8	0.4	6.1	-0.2	5.1	1.2	-1.5
Jul	2.0	7.0	3.1	1.3	-3.9	0.3	-0.9	0.3	6.5	-2.1	5.4	0.1	-0.8
Aug	3.6	5.8	2.4	-1.2	7.5	9.8	0.0	-0.6	3.5	-1.5	5.2	-1.9	-0.1
Sep	2.8	6.0	2.6	-2.7	7.6	10.0	-2.3	-1.9	2.7	-2.4	4.0	-1.7	-1.5
Oct	2.8	6.7	3.1	-1.9	4.3	9.0	-1.7	-1.1	3.6	-3.3	3.5	-1.6	-3.3
Nov	3.7	4.8	3.3	-2.0	4.3	10.2	-0.8	-0.5	4.4	-1.9	5.0	-1.0	0.0
Dec	3.5	7.2	2.5	4.1	2.0	10.7	-0.9	0.0	3.5	-1.1	5.5	-0.6	-0.9
2006 Jan	7.3	6.3	4.6	9.6	16.6	9.0	4.1	-0.5	19.4	4.5	6.7	1.3	8.7
Feb	6.6	8.6	5.2	7.8	5.0	6.6	4.5	-1.3	18.2	5.9	8.3	-0.5	10.7
Mar	6.3	10.2	6.9	6.5	4.5	6.4	5.4	-1.3	13.4	4.3	7.6	0.0	8.7
Apr	6.6	10.3	4.6	7.3	6.1	7.5	5.7	-1.0	14.3	5.8	8.1	1.0	7.9
May	7.0	11.5	6.3	7.2	7.9	5.9	7.3	0.7	12.7	5.2	9.6	2.7	7.6
Jun	10.1	8.2	7.2	7.6	9.1	15.3	7.5	1.4	13.9	5.6	12.4	2.6	7.5
Jul	9.5	6.4	8.0	8.8	5.0	12.7	8.4	1.5	12.3	5.1	11.9	4.2	7.3
Aug	9.7	5.5	10.6	8.1	3.5	13.9	8.2	1.9	14.0	5.5	9.3	4.6	8.7
Sep	9.0	3.6	10.7	3.8	3.2	9.6	13.5	4.2	5.3	10.3	12.3	6.1	9.9
Oct	7.0	5.2	8.7	3.0	2.9	9.2	13.1	6.1	4.6	6.1	7.2	1.3	10.1
Nov	5.7	7.0	9.5	5.4	2.2	2.6	6.3	7.1	5.7	1.2	7.8	2.2	4.6
Dec	6.8	6.6	9.5	9.3	1.7	4.5	9.9	4.9	4.1	5.0	8.5	4.1	5.0
2007 Jan	7.4	6.7	11.9	6.1	4.9	4.8	10.3	9.6	2.0	5.6	8.8	10.0	-1.8
Feb	8.8	6.2	11.2	6.3	6.0	9.6	11.0	10.8	0.9	7.5	9.8	11.8	-0.4
Mar	9.1	6.1	11.8	7.2	5.8	9.3	10.4	11.1	3.4	9.2	9.1	13.0	1.6
Apr	8.2	4.8	14.7	6.7	4.3	5.0	10.5	11.8	3.6	9.4	8.3	11.8	1.9
May	8.4	2.8	13.0	7.4	3.2	7.5	8.7	11.1	4.7	9.4	10.1	10.1	2.0
Jun	7.6	4.6	12.3	7.3	3.2	6.4	8.7	10.1	4.2	10.1	5.8	10.3	2.5
Jul	7.4	10.3	10.8	5.5	1.7	7.3	7.6	10.7	4.5	10.6	6.8	8.6	2.0
Aug	6.0	9.2	7.3	6.4	2.1	4.2	6.9	9.5	3.5	10.8	6.5	8.8	0.0
Sep	4.1	11.4	6.2	4.5	2.8	1.4	4.1	6.5	2.2	9.7	4.3	9.2	-0.8
Oct	5.1	8.4	7.0	5.4	2.8	3.8	4.6	5.8	1.6	10.5	5.6	7.8	0.3

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





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

Period	Headline (General Index)		Non-Food										Miscel. goods & services	
	Weight (%)	Index	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation		Education
2004 Jan	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
Feb	5.6	6.7	3.8	1.4	4.9	5.0	7.0	-0.2	3.1	9.9	1.2	2.1	1.5	4.9
Mar	-0.3	0.3	-0.8	-1.8	-0.6	0.3	-0.5	-0.4	-2.7	-9.1	0.3	1.1	1.7	-2.5
Apr	-0.5	-1.4	-0.5	1.6	-3.7	2.0	3.2	2.5	0.2	5.7	-4.4	-0.5	-0.8	-2.3
May	0.5	1.1	-0.5	-2.1	-2.1	0.7	3.2	-3.1	-0.4	-4.7	-4.4	-0.5	-0.8	4.9
Jun	-0.5	-1.5	1.0	1.5	3.9	0.0	-2.6	4.2	1.0	0.9	1.0	1.9	0.0	-2.4
Jul	-0.5	-1.1	0.4	0.1	-1.7	-0.3	4.1	-1.0	1.3	-1.8	1.5	0.4	-0.2	-0.8
Aug	0.7	-0.1	1.4	-0.9	-0.8	-1.0	8.1	-1.2	-0.6	-0.1	1.3	0.4	1.0	-1.1
Sep	0.4	0.4	-1.2	0.8	2.8	-10.5	-8.1	-0.5	1.1	3.1	-0.9	0.7	1.3	-0.9
Oct	0.2	-0.1	0.6	-0.3	1.1	-0.1	0.1	2.3	1.2	1.2	1.5	0.8	0.0	1.2
Nov	-0.1	-0.3	0.1	-0.5	-0.7	3.2	0.9	-0.6	-0.8	-0.6	0.3	0.6	-0.3	-0.9
Dec	0.1	-0.1	0.2	0.8	0.7	0.2	-0.3	-0.1	-0.2	0.9	-0.3	-0.3	-0.5	0.9
2005 Jan	0.3	0.4	0.1	1.3	0.2	0.1	0.5	0.8	0.4	-0.9	0.5	1.5	-11.2	0.0
Feb	-0.2	-1.0	1.0	0.6	2.5	9.9	2.3	0.9	1.1	2.3	-1.4	-1.3	0.1	-2.3
Mar	0.0	-0.1	0.3	-0.3	0.2	1.3	0.2	-1.2	-0.1	2.2	0.8	0.7	-1.1	0.8
Apr	0.8	0.9	0.5	0.4	-0.4	0.0	2.1	-0.1	0.0	-0.7	-1.6	0.2	0.1	0.3
May	0.9	0.8	1.0	1.1	0.2	-1.6	2.4	1.0	-0.3	0.3	0.9	1.0	0.2	0.9
Jun	0.0	0.6	-1.0	-0.2	0.2	-0.1	-4.2	0.0	-0.3	-0.5	-0.3	0.0	0.5	-0.4
Jul	-0.5	-1.5	0.9	0.8	0.0	5.6	1.6	0.3	-0.2	1.3	0.8	0.5	0.1	0.0
Aug	1.1	1.1	1.0	0.2	0.3	1.4	1.5	0.5	0.3	-0.3	-0.1	2.4	0.2	-0.1
Sep	-0.2	-1.3	1.5	1.3	4.8	0.3	-0.8	-3.2	-0.3	9.3	-4.1	-1.3	-1.2	-0.9
Oct	1.4	1.1	1.9	2.5	1.2	0.3	-0.8	1.0	-0.7	2.4	4.4	4.5	6.5	-0.8
Nov	0.7	0.7	0.6	-0.6	-2.0	0.7	3.3	5.4	-0.3	-1.1	6.8	-0.8	-0.9	4.7
Dec	1.7	3.3	-0.7	0.3	-1.8	0.5	-3.4	-1.9	4.0	1.9	2.0	0.6	-0.1	0.1
2006 Jan	1.0	1.7	0.1	-1.5	4.5	-2.3	-0.4	1.6	-4.3	1.2	-3.3	0.1	-2.9	6.2
Feb	0.8	1.2	0.4	1.2	0.7	-1.0	0.1	1.2	0.3	1.3	-0.1	0.2	-1.6	-0.5
Mar	0.8	1.3	0.0	1.3	-1.0	0.9	0.1	-0.3	0.0	-1.9	-0.7	0.2	-0.7	-1.0
Apr	0.9	1.1	0.7	-1.8	0.3	1.5	3.2	0.1	0.2	0.1	-0.3	0.7	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	1.8	0.7
Jun	-0.7	-2.4	1.9	0.7	0.6	1.0	4.2	0.1	1.2	0.5	0.1	2.5	0.4	-0.4
Jul	-2.9	-5.1	0.4	1.5	1.1	1.6	-0.7	1.1	-0.1	-0.1	0.3	0.2	1.7	-0.3
Aug	0.2	-0.5	1.2	2.7	-0.5	0.0	2.6	0.4	0.6	1.3	0.3	0.0	0.6	1.2
Sep	0.2	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2
Oct	1.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	1.7	1.7	-0.6
Nov	0.8	2.3	-0.7	0.2	0.3	0.0	-2.8	-0.8	0.6	-0.1	1.8	-0.2	0.0	-0.6
Dec	2.1	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6
2007 Jan	1.3	1.8	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6
Feb	1.1	0.7	1.7	0.5	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9
Mar	0.7	1.2	0.2	1.9	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	-0.5	0.4	0.9
Apr	-0.1	-0.1	0.0	1.7	-0.1	0.0	0.0	0.9	0.9	0.3	-0.1	-0.1	0.1	-0.1
May	0.6	-0.1	1.6	1.2	0.0	0.0	3.3	0.6	0.8	0.0	0.4	2.1	0.3	0.0
Jun	0.1	-0.6	1.0	0.1	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.5	0.6	0.0
Jul	0.1	0.1	0.2	0.1	-0.6	0.1	0.2	0.2	0.4	0.2	0.7	1.1	0.2	-0.7
Aug	-0.9	-1.6	-0.2	-0.6	0.4	0.4	-0.4	-1.1	-0.4	0.5	-0.3	-0.3	0.8	-0.8
Sep	0.6	1.7	-0.9	0.4	-1.1	0.7	-2.3	-1.1	-0.9	-0.3	-0.6	-0.7	0.5	-0.6
Oct	0.4	-0.1	0.9	1.4	1.2	0.0	1.1	1.1	0.4	1.1	1.1	0.9	0.4	0.5

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
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
Disbursed outstanding debt	6,799.5	6,971.1	3,442.3	3,471.5	3,556.2	3,685.2	4,010.2
Undisbursed debt	1,545.6	1,667.7	1,770.1	1,776.8	1,891.1	1,949.9	1,869.8
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
Bilateral	1,502.3	1,506.2	910.5	907.2	901.1	910.4	922.6
Multilateral	4,626.3	5,459.6	1,772.6	1,801.2	1,891.0	2,001.4	2,257.9
Commercial	416.4	462.2	437.3	439.6	439.5	447.9	492.8
Export credits	254.5	305.9	321.9	323.4	324.7	325.5	336.9
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
Central Government	5,830.5	6,724.5	2,692.0	2,718.0	2,799.4	2,923.3	3,192.4
Parastatal Companies	477.5	450.0	167.8	168.0	167.9	169.0	170.8
Private Sector	491.5	559.5	582.5	585.5	588.9	592.9	647.0
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
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
Transport & Telecommunication	1,073.5	1,087.9	425.3	427.6	431.5	441.2	490.0
Agriculture	1,077.8	1,050.1	338.1	346.2	350.1	354.0	380.0
Energy & Mining	1,070.3	955.2	606.9	610.5	609.2	615.1	621.0
Industries	405.5	409.0	162.8	157.9	158.0	159.5	161.0
Social Welfare & Education	611.7	647.3	433.2	444.6	447.1	525.1	538.0
Finance and Insurance	96.6	98.7	64.4	66.0	66.0	66.5	68.0
Tourism	80.1	80.8	73.0	73.2	73.4	74.8	74.7
Others	1,048.9	1,249.8	319.3	325.9	324.5	331.6	347.5
5. Total Amount fo Loans Contracted ¹	376.4	264.0	318.1	72.2	0.0	1.5	0.0
Government	335.4	165.0	280.0	0.0	0.0	0.0	0.0
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	41.0	99.0	38.1	72.2	0.0	1.5	0.0
6. Disbursements ¹	190.2	207.1	449.5	18.5	14.2	259.9	34.7
Government	161.4	179.1	432.6	14.7	9.1	259.9	34.7
Parastatal Companies	0.0	0.0	0.0	0.0	5.0	0.0	0.0
Private	28.8	28.0	16.9	3.8	0.0	0.0	0.0
7. Scheduled Debt Service ¹	355.1	373.6	336.9	28.0	3.5	17.0	0.0
8. Actual Debt Service ¹	112.9	90.7	7.7	3.0	0.7	4.5	3.8
Principal	86.0	61.4	5.6	0.8	0.3	3.4	2.2
Interest	26.9	29.3	2.1	2.1	0.4	1.1	1.6
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Net Transfers ¹	77.3	99.8	407.5	15.5	13.5	255.4	30.9
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
Principal	1,135.2	1,116.3	981.0	992.4	986.7	1,005.5	986.3
Bilateral	669.4	609.0	377.7	381.6	379.8	387.2	395.7
Multilateral	5.9	11.9	13.6	14.7	16.5	15.2	15.4
Commercial	249.2	275.0	339.5	346.1	340.9	352.4	319.7
Other Private Creditors	210.7	220.4	250.1	250.0	249.4	250.7	255.5
Interest	1,335.3	1,260.1	1,218.6	1,234.5	1,242.2	1,255.2	1,268.2
Bilateral	818.8	684.0	536.1	543.3	544.5	549.6	553.5
Multilateral*	23.4	22.0	27.7	28.1	28.5	29.5	30.8
Commercial	333.7	372.9	440.0	445.5	451.7	458.0	460.2
Other Private Creditors	159.4	181.2	214.8	217.6	217.5	218.1	223.6
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
12. Domestic Debt Stock	952.6	1,405.9	1,497.9	1,479.0	1,501.2	1,513.1	1,615.6
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
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

Source: Bank of Tanzania

* Multilateral arrears are those owed by private companies

1) During the period 2) End of October 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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