



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

October 2007

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1.0 Inflation Developments

Annual headline inflation rose to 8.3 percent in September 2007 from 7.8 percent recorded in the preceding month on account of increase in food inflation. On month-to-month basis, the inflation rate rose to 0.6 percent from negative 0.9 percent recorded in August. Excluding seasonal influences, the month-to-month headline inflation accelerated to 0.6 percent in September 2007 from negative 1.4 percent recorded in August 2007. The year-to-date (January-September 2007) annual headline inflation averaged 7.1 percent compared to 6.2 percent recorded in the corresponding period last year while the 12-months average inflation was 6.9 percent compared to 5.9 percent of the previous year. This depicts a general increase in consumer prices this year as compared to last year.

Annual food inflation increased in September 2007 to 11.4 percent, from 9.2 percent recorded in the year ended August 2007. However, the year-to-date average annual food inflation was lower at 6.9 percent compared to 8.4 percent recorded in corresponding period last year; so it was for 12-month average 6.7 percent compared to 8.0 percent. This is partly explained by the drought impact on food prices in 2006 (Table 1.1 and Chart 1.1).

Annual non-food inflation decreased to 4.1 percent in September from 6.0 percent recorded in August 2007. However, the year-to-date non food-inflation averaged 7.4 percent compared to 3.9 percent recorded in similar period of 2006. The 12-month average annual non-food inflation was 7.2 percent compared to 3.7 percent last year, partly reflecting a general increase in fuel prices.

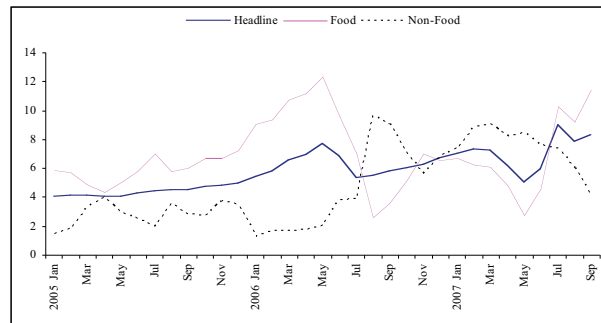
On month-to-month basis, the overall price index rose by 0.6 percent in September on account of increase in food inflation compared with a decrease of 0.9 percent in August. Food prices rose by 1.7 percent in September after having risen by 1.6 percent in August 2007, reflecting normal pattern during the month of Ramadhan. Non-food prices declined to 0.9 percent in August and 0.2 percent in September 2007.

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

Major Commodity Group	Weight (%)	2005			2006			2007		
		Jul	Aug	Sep	Jul	Aug	Sep	Jul	Aug	Sep
Headline/Overall	100.0	4.4	4.5	4.5	5.4	5.5	5.8	9.0	7.8	8.3
Food	55.9	7.0	5.8	6.0	7.0	2.6	3.6	10.3	9.2	11.4
Non-food	44.1	2.0	3.6	2.8	3.9	9.7	9.0	7.4	6.0	4.1
Transportation	9.7	5.4	5.2	4.0	6.5	9.3	12.3	6.8	6.5	4.3
Fuel, Power and Water	8.5	0.3	9.8	10.0	7.9	13.9	9.6	7.3	4.2	1.4
Drinks and Tobacco	6.9	3.1	2.4	2.6	5.7	10.6	10.7	10.8	7.3	6.2
Clothing & Footwear	6.4	1.3	-1.2	-2.7	-1.1	8.1	3.8	5.5	6.4	4.5
Education	2.6	0.1	-1.9	-1.7	1.1	4.6	6.1	8.6	8.8	9.2
Furniture & Household Equip.	2.1	-0.9	0.0	-2.3	1.5	8.2	13.5	7.6	6.9	4.1
H/h Operations Maintenance	2.1	0.3	-0.6	-1.9	0.0	1.9	4.2	10.7	9.5	6.5
Personal Care & Health	2.1	6.5	3.5	2.7	-0.8	14.0	5.3	4.5	3.5	2.2
Rents	1.4	-3.9	7.5	7.6	5.0	3.5	3.2	1.7	2.1	2.8
Recreation & Entertainment	0.8	-2.1	-1.5	-2.4	-0.5	5.5	10.3	10.6	10.8	9.7
Misc. Goods & Services	1.5	-0.8	-0.1	-1.5	-0.5	8.7	9.9	2.0	0.0	-0.8

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 in most parts of the country remained broadly satisfactory, bolstered by good crops harvests in recent months. Few regions such as Shinyanga and Dodoma have reported food shortage in some districts but in view of the estimated surplus food production of about 10 million tons, the shortage in these areas would be addressed.

During September 2007, the SGR stock improved to 131,937 tons from 125,653 tons recorded at end of August 2007. The increase constitutes purchases of 9,647 tons of maize and 98.1 tones of sorghum from domestic markets. The SGR department plans to procure 28,000 tons of maize during 2007/08 to increase SGR stocks to 150,000 tons of maize and sorghum.

Despite the improved food supply, wholesale prices of food crops increased during the month, reflecting in part increased demand during the month of Ramadhan. (Tables 1.2 and 1.3).

Table 1.2: National average Wholesale Prices for Selected Food Items

Item	2006		2007		Percentage Change	
	Sep	Sep	Aug	Sep - 06 to Sep - 07	Aug - 07 to Sep - 07	
Maize	19,705	21,756	19,326	10.4	12.6	
Rice	68,447	61,832	59,612	-9.7	3.7	
Beans	54,651	69,348	64,865	26.9	6.9	
Sorghum	23,642	27,765	25,731	17.4	7.9	
Potatoes	34,853	37,282	34,853	7.0	7.0	

Source: Ministry of Industry, Trade and Marketing



Table 1.3: Strategic Grain Reserve (SGR) Stock

Period	Tons				% Change 2006 -2007
	2004	2005	2006	2007	
January	35,342	119,924	76,813	112,343	46
February	23,791	116,383	43,593	117,838	170
March	22,903	114,760	8,055	123,046	1428
April	32,387	115,262	3,165	125,509	3866
May	31,732	113,823	6,210	128,350	1967
June	37,091	112,823	15,560	128,804	728
July	39,195	112,323	13,811	129,306	836
August	45,988	112,067	28,440	125,653	342
September	67,685	111,971	80,248	131,937	64
October	92,710	111,695	87,461		
November	108,448	106,428	100,828		
December	114,030	93,051	110,203		

Source: Food Security Department and BOT computation.

2.0 Monetary and Financial Developments

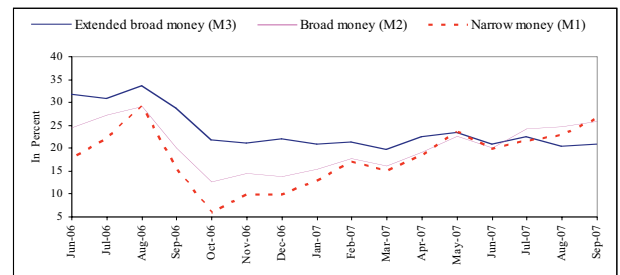
Money Supply

Money supply depicted relative stability in annual growth rates in September 2007, with broad money growing faster than extended broad money for three months running. The stability was a reflection of deceleration of the growth rate of net domestic assets of the banking system from an annual growth rate of 65.7 percent in August 2007 to 29.6 percent in September 2007. Annual growth in net domestic assets fell mainly due to sale of government securities coupled with build up of government deposits in the banking system. The increase in government deposits was mainly driven by official transfers at end of quarter tax collection and improvement in government expenditure management through the Integrated Financial Management System (IFMS). Meanwhile, net foreign assets of the banking system grew at annual rate of 12.7 percent in September 2007, emanating largely from the disbursements of official transfers. As for the annual growth rate of commercial banks' holdings of foreign assets the negative path that started June 2007 continued partly due to shift in portfolio preference in favour of government securities as the yields remained high in real terms.

Extended broad money supply (M3) grew at an annual rate of 20.7 percent in the year ending September 2007, considerably at a lower rate when viewed against the growth rate of 28.6 percent recorded in the similar month of last year, but almost at the same level as the growth rate of 20.3 percent registered in the preceding month (Chart 2.1). This growth rate is also within the program target of 21.7 percent for September 2007. Similarly, the annual growth rate of broad money supply (M2), which excludes foreign currency

deposits, was 25.9 percent¹, compared with the growth rate of 20.1 percent recorded in September 2006, and 24.7 percent in the preceding month.

Chart 2.1: Annual Growth Rates in Money Supply



On monthly basis, M3 decreased by TZS 43.2 billion in September 2007 compared with an increase of TZS 104.0 billion recorded in the previous month. Likewise, M2 registered a monthly decline of TZS 25.2 billion, compared with an increase of TZS 99.9 billion registered in the preceding month. The decline in broad money aggregates in September 2007 was mirrored mainly by the deceleration of net domestic assets of the banking system arising from the sale of government securities, following moderate expenditure by the governments and improvement in revenue collection. With exception of currency in circulation and saving deposits, the rest of the components of money supply declined during the month (Table 2.1).

Table 2.1: Selected Money Supply Components

Item	Billions of TZS				Annual Change Sept 06 - Sept 07	Annual growth rate (%)					
	Aug-06	Sep-06	Aug-07	Sep-07		Aug-06	Sep-06	Jul-07	Aug-07	Sep-07	
Extended broad money supply (M3)	4,598.0	4,549.1	5,512.3	5,489.1	-43.2	939.9	33.6	28.6	22.4	20.3	20.7
Broad money supply (M2)	3,099.7	3,050.0	3,866.2	3,818.0	-25.2	791.0	29.1	20.1	24.1	24.7	25.9
Currency in circulation (CC)	939.1	941.0	1,164.3	1,166.3	2.0	225.3	22.8	19.0	23.8	24.0	23.9
Demand deposits (DD)	1,018.3	956.0	1,203.6	1,234.2	-29.3	278.4	25.1	13.9	19.9	21.7	29.1
Time deposits (TD)	416.2	432.6	529.5	528.7	-0.8	96.2	19.6	25.4	27.3	27.2	23.2
Savings Deposits (SD)	786.1	726.4	868.7	931.6	2.9	191.2	25.6	30.0	28.6	28.7	26.5
Foreign currency deposits (FCD)	1,498.3	1,499.2	1,666.1	1,688.1	-18.0	148.9	48.1	50.5	18.7	11.2	9.8
FCD in million of USD	1,135.1	1,177.9	1,305.8	1,340.0	34.2	162.1	23.8	34.4	19.3	15.0	13.8
Total deposits in the commercial banks	3,853.8	3,840.0	4,642.7	4,685.3	-37.5	765.3	38.0	32.4	22.8	20.5	19.9
Private sector deposits	3,658.9	3,688.2	4,367.9	4,323.8	-45.2	714.6	36.7	31.4	22.1	19.4	19.8
Government sector deposits	194.9	231.8	274.8	282.5	7.7	50.6	69.6	49.3	36.5	41.0	21.8
Net foreign assets of the banking system	3,787.6	3,479.6	3,788.7	3,922.5	133.7	442.8	65.1	56.5	14.7	0.0	12.7
Bank of Tanzania	2,792.0	2,535.1	3,211.6	3,226.1	114.5	791.0	75.9	64.6	29.0	15.0	31.2
Commercial banks	995.6	944.5	577.2	696.3	192.2	-188.2	-40.9	38.3	-23.2	-42.0	-36.9
Net domestic assets of the banking system	1,419.6	1,678.7	2,352.8	2,175.8	-176.9	497.2	-14.0	-9.0	30.4	65.7	29.6
Domestic credit	1,087.7	1,814.4	2,273.3	2,133.2	-144.1	298.8	4.7	1.7	22.3	34.9	16.5
Net claims on government by the banking system	-122.7	-91.6	-191.2	-46.4	-272.3	-371.8	-13.9	-13.1	-161.4	53.8	405.7
Claims on government by the banking system	1,225.1	1,226.0	1,355.4	1,226.2	-93.1	543.6	45.7	49.3	37.6	35.5	42.4
Government deposits in the banking system	1,447.8	1,374.2	2,026.5	2,289.7	263.1	915.4	129.9	143.5	56.0	40.0	66.6
Claims on the private sector	1,810.4	1,966.1	2,468.4	2,476.7	108.2	670.6	35.9	37.1	34.2	36.4	35.2

Source: Bank of Tanzania

Credit Developments

Domestic Credit

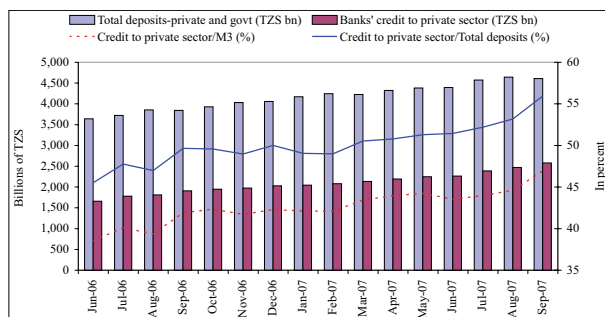
At the end of September 2007, commercial banks' credit to the private sector recorded an annual growth rate of 35.2 percent, exceeding the target of 34 percent. The continued strong growth in private sector credit was evident in its share to outstanding stock of extended broad money supply, which has increased to 47 percent (i.e.13 percent of GDP) from 44 percent registered in the past five months, while in terms of total deposits, the credit stock has improved to 56 percent, from an average of 52 percent in the past five



¹The growth rate is generated from a lower base, hence a higher rate in M2 than M3.

months (Chart 2.2). The continued satisfactory performance in private sector credit reflects, continued efforts by the Government in reforming the financial sector under the Second Generation of Financial Sector Reforms, coupled with improvement in business environment and competition in the banking sector. Other factors include increased public awareness on facilities offered by the banking system such as Export Credit Guarantee Scheme and Small and Medium Enterprises Guarantee Scheme and mortgage financing. In terms of credit concentrations, activities that held most of the private sector credit were trade, manufacturing, agriculture (mainly cash crop purchases), transport and communication, and electricity.

Chart 2.2: Commercial Banks Intermediation



Interest Rates

In September 2007, deposit rates offered by banks were slightly higher than previous month levels, whilst lending rates declined contrary to the rates recorded on government securities, partly signifying the existence of adjustment lag.

Average deposit rate in September was 8.2 percent, an improvement from 7.8 percent in August. The 12-months deposit rate was around 9.6 percent while Treasury bills and lending rates of same maturity were around 17 percent. Meanwhile, prime customers on deposit products continued to earn rates of about 10 percent, while the prime lending rates recorded 11.9 percent (Table 2.2).

Table 2.2: Interest Rate Structure

Item	2006				2007			
	Jun	Jul	Aug	Sep	June	July	Aug	Sep
Inter-bank cash market rate	8.4	8.6	8.5	14.9	7.2	10.5	12.1	12.3
Savings Deposit Rate	2.5	2.5	2.6	2.6	2.6	2.7	2.7	2.6
12 months time deposit rate	8.7	8.0	9.0	8.2	9.3	9.0	9.4	9.6
Negotiated Deposit Rate	10.1	9.1	9.8	10.1	8.7	8.9	9.8	9.8
Overall time deposit rate	6.6	7.0	7.0	6.9	7.8	7.6	7.8	8.2
Overall lending rate	15.44	16.2	16.5	16.7	15.8	16.1	16.3	15.9
Short-term lending rates (up to year)	15.8	16.6	15.6	16.0	13.9	14.1	14.3	14.0
Negotiated Lending Rates	11.2	12.0	10.8	10.8	12.2	12.1	12.6	11.9
Treasury Bills Weighted Average Yield (WAY)	8.3	9.2	9.9	12.0	17.1	15.4	15.1	15.6
364-days Treasury Bills Yield	9.6	9.8	10.4	13.0	18.4	15.8	15.9	17.0
Spread between 12-months time deposit rate and 1-year lending rate	7.1	8.6	6.6	7.8	4.7	5.1	4.9	4.4

Source: Bank of Tanzania

Developments in Financial Markets

Government Securities Markets

Demand for treasury bills, as reflected by value of bids, was lower than amount offered: i.e demand closing of TZS 191.5 billion against supply of TZS 215.5 billion. This is attributed to the syndicated loan to Tanesco, coupled with requirement for payment of end of quarter corporate tax and sale of foreign exchange by the Bank. Amount sold was TZS 180.9 billion, representing an increase in investment when compared with redemption of TZS 119.6 billion during the month. As discussed earlier, interest rates on treasury bills increased to 15.6 percent from 15.1 percent in August, consistent with the low demand (Table 2.3).

Table 2.3: Treasury bills Performance

Item	2007								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Supply	250.0	240.0	240.0	210.0	265.0	260.0	260.0	325.0	215.5
Demand	426.7	464.3	258.5	431.6	650.8	490.3	328.7	237.1	191.5
Sale (face value)	226.7	239.1	207.3	179.1	424.3	370.5	231.4	191.6	180.9
Sale (cost value)	207.5	223.0	187.1	161.2	388.6	323.9	208.6	174.1	166.3
Redemption	181.7	163.2	192.4	155.4	238.9	160.8	140.1	202.0	119.6
WAY (%)	15.75	12.95	15.99	16.41	13.49	17.07	15.41	15.11	15.59

Source: Bank of Tanzania

As for treasury bonds market, performance was generally satisfactory as demand totalled TZS 56.2 billion against supply of TZS 20.0 billion. Amount sold after consideration of interest rates was TZS 33.6 billion, which to a large extent helped to moderate the liquidity injected through redemption of special bonds amounting to TZS 88.6 billion. Treasury bonds yield to maturity ranged relatively higher in September at around 19.25 percent and 20.54 percent compared with the range of 18.91 percent and 20.43 percent in the preceding month (Table 2.4).

Table 2.4: Treasury Bonds Performance

Item	2007								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Supply	16.0	16.0	16.0	17.0	23.0	20.0	20.0	25.0	20.0
Demand	34.6	25.0	34.8	40.3	79.5	70.5	55.0	49.0	56.2
Sale (face value)	12.9	22.7	25.3	14.9	23.0	38.3	41.4	31.0	33.6
Sale (cost value)	9.8	17.9	20.6	10.9	17.7	30.2	33.8	22.9	25.6
Redemption	0.0	0.0	0.0	44.4	0.0	0.0	39.0	0.0	88.6
Yields (%):									
2-year	16.52	17.38	19.23	17.56	15.96	18.25	17.67	18.91	20.07
5-year	13.60	16.37	16.21	18.20	17.41	18.37	17.31	19.43	20.54
7-year	17.50	15.40	20.69	19.90	17.41	18.58	18.50	20.43	19.25
10-year	17.15	17.82	18.51	18.03	16.29	17.48	17.52	19.63	19.92

Source: Bank of Tanzania

Repurchase Agreements

Repurchase agreements (repo) of about TZS 234.0 billion was conducted during the month to fine-tune liquidity and half of this was redeemed during the month. Repo rates



ranged between 11.0 percent and 12.0 percent during the month under review, compared with the range of 9.0 percent and 12.5 percent recorded in the preceding month.

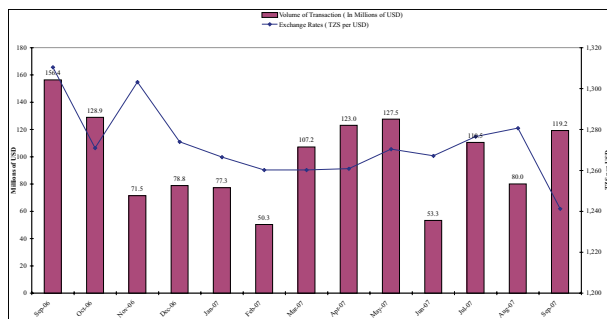
Inter-bank Cash Market

Inter-bank Cash Market Transactions: During September 2007, inter-bank cash market transactions amounted to TZS 435.2 billion from TZS 485.7 billion recorded in the preceding month. Overnight placements remained dominant accounting for about 72 percent of total transactions. The overnight transactions were traded at 12.1 percent, almost as in the preceding month, while overall inter-bank cash market rate was around 12.2 percent.

Transactions in the Inter-Bank Foreign Exchange Market (IFEM)

During September 2007, the total volume traded in the Inter-bank Foreign Exchange Market (IFEM) surged to USD 119.2 million from USD 80.4 million recorded in the previous month. The significant increase in the volume traded was partly attributed to the rise in foreign exchange inflows from export proceeds and disbursement of donor funds. The Bank of Tanzania and non-banks institutions on net basis sold USD 62.4 million and USD 7.8 million, respectively, while commercial banks purchased USD 70.2 million. The weighted average exchange rate appreciated slightly to TZS 1,241.2 per US dollar in September 2007 (Chart 2.3).

Chart 2.3: Inter-bank Exchange Rate Movement and Volume of Transactions



Transactions in Bureaux de Change System

During the month under review, the volume of transactions conducted by Bureau de Change system declined by 7.5 percent to USD 73.4 million. The foreign exchange sales and purchases both went down by 5.9 percent to USD 37.2 million and 9.1 percent to USD 36.2 million, respectively. Meanwhile, the average buying rate and selling rates

appreciated slightly to TZS 1,250.0 per USD and TZS 1,277.0 per USD, respectively from the rates of TZS 1,276.0 and TZS 1,284.0 per USD (Table 2.5).

Table 2.5: Foreign Exchange Market Developments

Item	2007		2006 Sept	% Change		Year ending Sep		
	Aug	Sep		Aug 07 to Sep 07	Sep 06 to Sep 07	2006	2007	% Change
IFEM								
Amount offered*	80.40	119.20	156.38	48.26	-23.77	1,091.84	1,133.45	3.81
Amount sold*	80.40	119.20	156.38	48.26	-23.78	1,091.84	1,133.45	3.81
Exchange rate**	1,280.64	1,241.22	1,310.41	-3.08	-5.28	1,223.26	1,269.39	3.77
BUREAU DE CHANGE								
Sales*	39.51	37.20	32.81	-5.85	13.38	395.45	393.59	-0.47
Purchases*	39.86	36.24	32.79	-9.08	10.52	391.62	396.17	1.16
Volume of Transactions*	79.37	73.44	65.60	-7.47	11.95	787.07	789.76	0.34
Buying rate**	1,276.00	1,250.00	1,211.00	-2.04	3.22	1,190.33	1,242.86	4.41
Selling rate**	1,284.00	1,277.00	1,327.00	-0.55	-3.77	1,218.50	1,286.86	5.61

Source: Bank of Tanzania

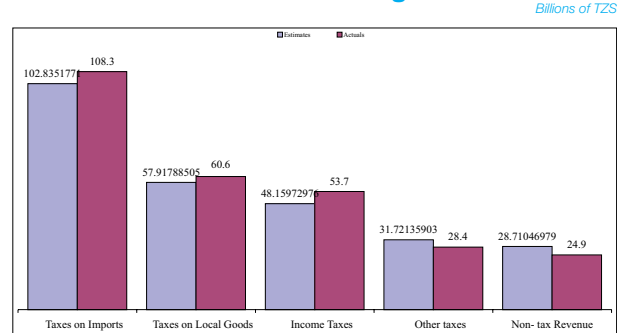
Note: * Millions of USD, **Tanzanian Shillings (TZS) per US dollar

3.0 Government Budgetary Operations

During the month of August 2007, **total resources** available for the government budgetary operations amounted to TZS 346.9 billion, out of which domestic revenue was TZS 276.0 billion and TZS 70.9 billion was grants from development partners.

Performance in revenue collection was impressive following successful implementation of TRA's measures to increase tax compliance, improve tax administration and put into operation revenue measures outlined in the 2007/08 budget. Tax revenue amounted to TZS 251.1 billion, being above the monthly target of TZS 240.6 billion. Good performance was registered in all major tax categories (Chart 3.1).

Chart 3.1: Government Revenue Performance in August 2007



Total expenditure amounted to TZS 704.5 billion, out of which development expenditure was TZS 440.5 billion,



while recurrent expenditure was TZS 264.0 billion. This level of expenditure exceeded resource envelope by TZS 357.6 billion. The government **financed** the deficit by borrowing TZS 359.9 billion from foreign sources.

During the month of September 2007, **total resources** available for the government budgetary operations amounted to TZS 536.2 billion, out of which domestic revenue was TZS 326.4 billion and TZS 209.9 billion was grants from development partners.

Performance in revenue collection was as impressive as was in August 2007. Tax revenue amounted to TZS 312.2 billion being above the monthly target of TZS 298.4 billion.

Total expenditure amounted to TZS 563.0 billion, out of which development expenditure was TZS 277.7 billion, while recurrent expenditure was TZS 285.3 billion. This level of expenditure exceeded the resource envelope by TZS 26.8 billion. The government **financed** the deficit by borrowing on net basis, TZS 65.7 billion from both domestic and foreign sources.

Analysis of fiscal operations from the beginning of the financial year up to September 2007 shows that government resources amounted to TZS 1,986.5 billion, out of which domestic revenue was TZS 864.7 billion. During the same period, the government received foreign grants amounting to TZS 1,122.1 billion against the budget estimate of TZS 1,690.6 billion for the whole year. Total expenditure was TZS 1,697.4 billion. This implies a surplus of TZS 289.2 billion compared to a deficit of TZS 804.6 billion planned for the financial year. During the same period, net disbursement of foreign loans to the government was TZS 835.5 billion. Part of foreign loans was used to build up government deposit.

4.0 External Sector Performance

Current Account Balance

The current account balance improved in September compared with August but remained negative. The improvement came in the wake of increase in official transfers from USD 22.9 million in the previous month to USD 85.1 million, coupled with a decline in imports. On year-to-year basis, the current account worsened to a deficit of USD 1,525.0 million in September 2007 compared with a deficit of USD 1,105.1 million of last year, owing largely to a huge increase in imports particularly oil and machinery. Total import bill rose by 17.3 percent while exports grew by 11.6 percent (Table 4.1).

Table 4.1: Current Account Balance

Millions of USD

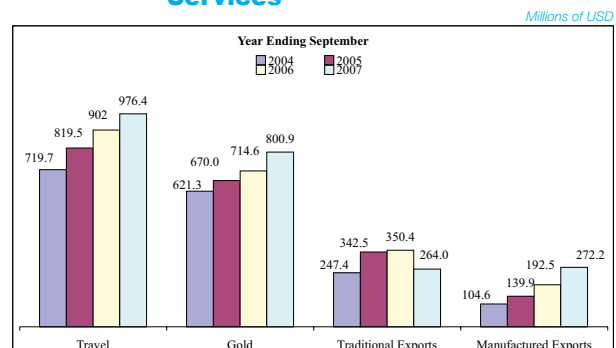
Item	Sep		2007 ^P		Year Ending Sep ^P		
	2005	2006	Aug	Sep	2006 ^P	2007 ^P	% Change
Goods Account (net)	-147.8	-232.9	-278.8	-257.8	-1,877.5	-2,360.0	25.7
Exports	151.7	135.9	166.2	158.2	1,740.9	1,917.6	10.2
Imports	299.5	368.8	445.1	416.0	3,618.4	4,277.6	18.2
Services Account (net)	22.0	33.8	-10.6	-3.0	204.8	218.7	6.8
Receipts	119.7	136.2	125.3	126.4	1,439.5	1,631.7	13.3
Payments	97.8	102.4	135.8	129.4	1,234.8	1,412.9	14.4
Goods and services (net)	-125.8	-199.1	-289.4	-260.8	-1,672.8	-2,141.2	28.0
Exports of goods and services	271.5	272.1	291.5	284.6	3,180.4	3,549.3	11.6
Imports of goods and services	397.3	471.2	580.9	545.4	4,853.2	5,690.5	17.3
Income Account (net)	-9.8	-4.1	-1.0	-7.4	-111.0	-62.0	-44.1
Receipts	3.4	7.7	13.7	9.2	81.3	100.0	22.9
Payments	13.2	11.8	14.7	16.7	192.4	162.0	-15.8
Current Transfers (net)	13.4	12.5	26.7	88.1	678.7	678.3	-0.1
Inflows	20.0	18.4	32.2	93.9	744.3	751.2	0.9
o/w General Government	12.2	9.7	22.9	85.1	648.4	654.2	0.9
Outflows	6.6	5.9	5.5	5.8	65.6	72.9	11.1
Current Account Balance	-122.2	-190.7	-263.8	-180.2	-1,105.1	-1,525.0	38.0

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

Exports Performance

Total exports were valued at USD 3,549.3 million in the year ending September 2007 from USD 3,180.4 recorded in the corresponding period last year. Travel (tourism) and gold receipts continued to dominate accounting for 27.5 percent the total exports (Chart 4.1).

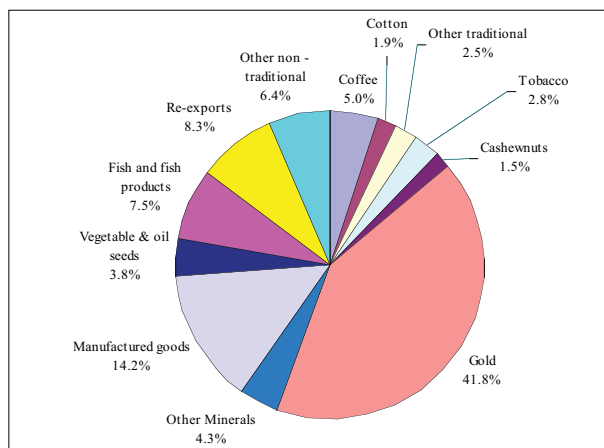
Chart 4.1: Contribution of Selected Items to Total Exports of Goods and Services



¹Includes last financial year expenditure cheques that were cashed in July 2007.

Merchandise goods export increased by 10.2 percent to USD 1,917.6 million compared to the level that was recorded in the year ending September 2006. The development is largely due to improved performance in non-traditional exports that increased by 18.9 percent to USD 1,653.6 millions. Gold continued to dominate by accounting for about 48.4 percent of non traditional exports followed by manufactured goods exports which accounted for about 16.5 percent of non traditional exports. On the other hand, traditional exports decreased by 24.6 percent to USD 264.0 millions largely attributed to a fall in exports of cotton, cashew nuts and tobacco (Chart 4.2).

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



Note:
 1. Other non-traditional include horticultural products and other exports
 2. Other traditional exports include sisal, tea and cloves
 3. Other minerals include 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

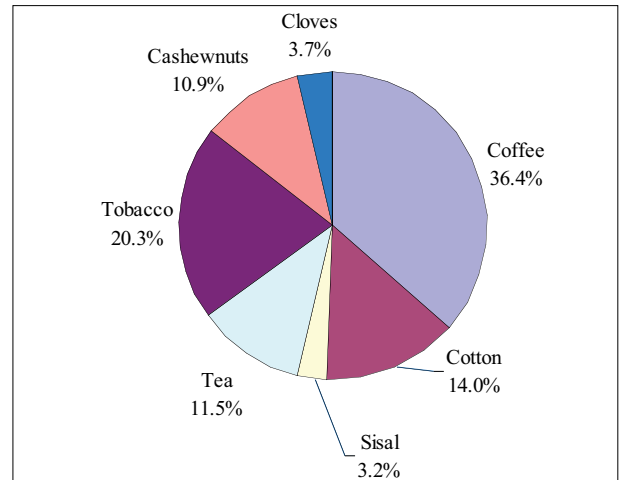
Traditional Exports

During September 2007, traditional exports increased to USD 14.5 million from USD 11.9 million recorded in the previous month mainly on account of increase in export volumes of coffee and tea consistent with the export season for most of traditional exports. There was an improvement in the export price of coffee that increased by 25.2 percent to USD 2,033.8 per ton.

On annual basis, dismal performance was recorded in traditional exports as the country earned USD 264.0 million compared with USD 350.4 million recorded in the previous year. The weakening performance of traditional exports is largely attributed to a significant decline in export volumes of cotton and cashew nuts. The decline in export volumes of cotton is partly attributable to unfavourable weather conditions in 2005/06 that adversely affected the production level of the crop. During the review period, the volume of cotton exports

declined to 35,490 tons compared to 108,638 tons that were exported last year. Likewise the export volume of cashew nuts declined by 31, 4 percent to 57,821 tons following price disagreements between buyers and producers of cashew nuts. The performance of traditional exports for the year ending September 2007 is reflected on Chart 4.3.

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

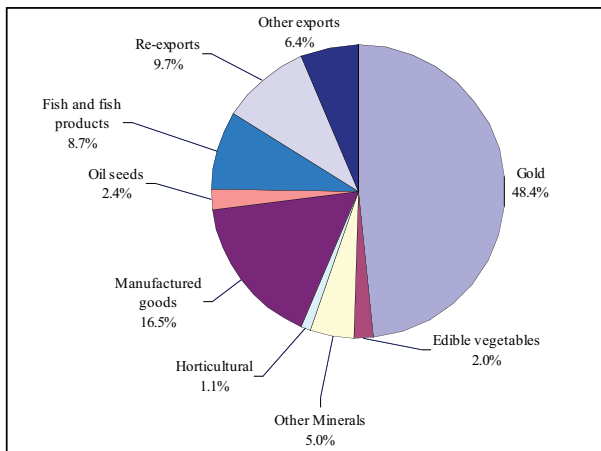


Non-Traditional Exports

In September 2007, non-traditional exports declined to USD 143.7 million from USD 154.3 million recorded in the previous month following a decline in exports of manufactured goods, diamonds, other minerals, fish and horticultural products. On annual basis, non-traditional exports increased by 18.9 percent to USD 1,653.6 million as most sub-categories of non-traditional exports recorded increases. Gold export increased to USD 800.9 million from USD 714.6 million in the previous year largely due to increase in prices in the world market as export volumes remained almost unchanged. Manufactured goods exports rose by 41.4 percent to USD 272.2 million in line with the growth of manufacturing sector partly resulting from macro-economic reforms. According to the World Bank report (Doing Business Report 2007) Tanzania is ranked among the 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-export from USD 119.9 million during the year ending September 2006 to USD 159.7 million following an increase in re-exports of wheat and petroleum products into the neighbouring countries. Chart 4.4 depicts the performance of non-traditional exports for the year ending September 2007.



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



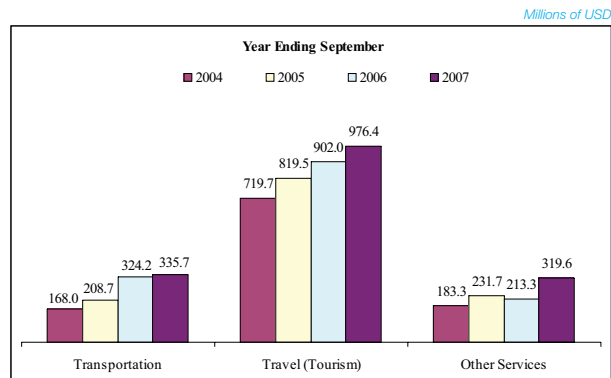
Services Export

In September 2007, export of services increased marginally to USD 126.4 million from USD 125.3 million recorded in the previous month, largely due to an increase in receipts from transportation and other business services.

During the year ending September 2007, services receipts went up by 13.3 percent to USD 1,631.7 million following large increases in travel and transportation. Travel (tourism) receipts amounted to USD 976.4 million compared with USD 902.0 million recorded in 2006 reflecting increased tourism promotions. The recent launch of TV tourism promotion known as 'Tanzania: Land of Kilimanjaro, Zanzibar and The Serengeti' is a step forward towards enhancing the contribution of this sector to the economy.

During the year, compared with preceding year, transportation receipts rose to USD 335.7 million from USD 324.2 millions owing to the increase in transit cargo to and from the neighbouring countries linked with improved political stability in these countries. The challenge, however, remains in the area of efficiency of cargo handling at ports. The upgrading of port's facilities should be undertaken in tandem with improvement of inland transport network particularly the Central Railway Line. **Chart 4.5** depicts performance of the main services sector during the past four years.

Chart 4.5: Service Receipts 2004 – 2007



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

Goods Imports

During the month under review, goods imports declined to USD 416.0 million from USD 445.1 million recorded in the previous. Imports of fertilizers decline as the volume of imported fertilizers dropped from 32,436.8 tons in August 2007 to 26,706.5 tons, while food and food stuffs imports almost doubled to USD 20.1 million in September on account of increase imports of wheat to USD 9.5 million compared to USD 3.2 million last month (**Table 4.2**).

Table 4.2: imports

Item	2006 ^P		2007 ^P		% Change		Year Ending Sep ^P		
	Sep	Aug	Sep	Sept 06-Sep 07	Aug 07 - Sep 07	2006	2007	%	Change
Capital Goods	138.7	161.8	135.6	-2.2	-16.2	1,373.6	1,536.9	11.9	
Transport Equipments	30.4	39.4	36.6	20.2	-7.2	380.8	404.7	6.3	
Building and Constructions	27.4	40.8	35.1	28.1	-13.9	331.0	352.9	6.6	
Machinery	80.9	81.6	63.9	-20.9	-21.6	661.8	779.4	17.8	
Intermediate Goods	160.8	205.9	196.2	22.0	-4.7	1,415.5	1,833.9	29.6	
Oil imports	108.4	148.9	147.5	36.1	-0.9	1,025.2	1,326.5	29.4	
Fertilizers	18.2	15.4	9.8	-46.1	-36.5	50.9	24.8	-51.3	
Industrial raw materials	34.3	41.6	38.9	13.7	-6.4	339.4	482.7	42.2	
Consumer Goods	69.3	77.4	84.2	21.5	8.8	829.3	906.7	9.3	
Food and food stuffs	16.4	10.2	20.1	23.0	97.8	248.5	301.0	21.1	
All other consumer goods ¹	53.0	67.2	64.1	21.0	-4.7	580.8	605.7	4.3	
Grand Total (l.o.b)	368.8	445.1	416.0	12.8	-6.5	3,618.4	4,277.6	18.2	
Grand Total (c.i.f)	405.3	489.1	457.2	12.8	-6.5	3,976.3	4,700.6	18.2	

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

Total food imports consisting mainly cereals increased to USD 10.9 million from USD 3.8 million in the previous month. Much of the increase resulted from the rise in the importation of wheat which increased by 66.8 percent to USD 9.5 million. Wheat imports surged in volume to 32,685 tons in September from 10,933 tons in August (**Table 4.3**).



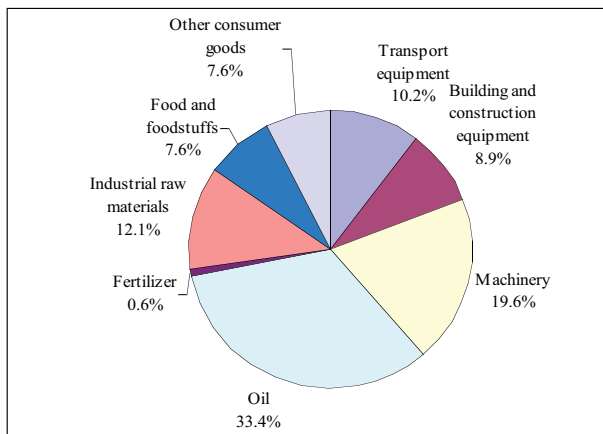
Table 4.3: Summary of food imports

Item	2007				% Change (Aug – Sep)
	Jun	Jul	Aug	Sep	
Maize					
Tons	7	52	664	810	18.0
Value (Mill. USD)	0.01	0.004	0.30	0.30	0.53
Rice					
Tons	249	2,576	4,043	15,152	73.3
Value (Mill. USD)	0.045	0.2	0.31	1.13	72.6
Wheat					
Tons	66,750	33,501	10,933	32,685	198.6
Value (Mill. USD)		9.6	3.2	9.5	66.8

Source: Bank of Tanzania and Tanzania Revenue Authority

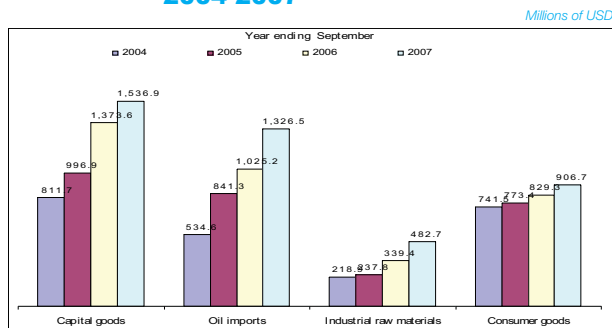
The annual import bill of goods went up by 18.2 percent to USD 4,277.6 million following increase in importation transport equipment, building and construction, and machinery imports. The import value of oil products also increased as volume increased from 1,730,054 tons in the previous year to 2,574,767 tons, largely reflecting high demand for thermal power generation following drought (Chart 4.6).

Chart 4.6: Contribution to Total Imports for the Year Ending September 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 7.

Chart 4.7: Total Merchandise Imports: 2004-2007

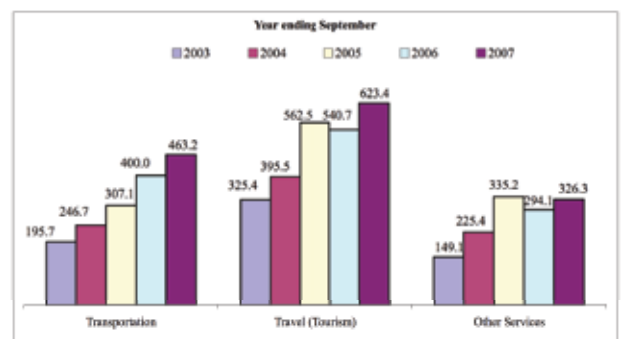


Services Import

During the month under review, service payments decreased

to USD 129.4 million from USD 135.8 million recorded in the previous month mainly on account of decline in payments for transportation and travel services, the former reflecting freight charges following decrease in merchandise imports. On annual basis, service payments increased by 14.4 percent to USD 1,412.9 million owing largely to the increase in payments for travel, freight, and insurance services. The increase in freight and insurance payments is in line with the increase in merchandise imports. The growth of economic activities also led to increases payments particularly for 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

The world market prices of commodities increased in September 2007 from previous month levels. The prices of coffee Robusta and Arabica increased largely on concerns of the tight global stocks as the result of the Vietnam's and Brazil's slowdown in the new coffee crop in the global market.

Tea (Mombasa) rose following a decline in production in the wake of excessive cold weather in Kenya in July 2007.

Prices of oil products recorded increases largely due to the decline in oil inventories in the U.S mainly due the breakdown in oil refineries in the Gulf of Mexico caused by hurricane storms. On annual basis, prices of commodities were somewhat mixed from previous year levels.

Prices of coffee (Robusta), Arabica, and sisal recorded modest increases. The rise in coffee prices partly emanated from the increase in demand especially from the European countries coupled with the decline in coffee stocks at the



global level following a drop in production as the result of droughts in Vietnam and bi-annual production cycle for the Brazilian coffee. The price of sisal increased largely due to 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.

Prices of tea (Mombasa Auction) and cloves recorded modest declines, the former being largely associated with favourable weather condition in major producing countries in East Africa and the later due to expectation of bumper harvest in Indonesia.

Prices of crude oil Dubai, Brent and white products recorded marginal increases while price of gold went up by 15.8 percent to USD 653.3 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 security concerns which made gold as an alternative investment (Table 4.4).

Table 4.4: World Commodity Prices

Commodity	Units	2007			% Change	Year ending Sep		% Change
		Jul	Aug	Sep		2006	2007	
Robusta Coffee	US \$ per kg	2.0	1.9	2.0	6.2	1.3	1.8	36.6
Arabica Coffee	US \$ per kg	2.6	2.7	2.8	4.1	2.5	2.7	10.2
Tea (Average price)	US \$ per kg	2.1	2.1	2.1	0.0	1.9	1.9	5.5
Tea (Mombasa auction)	US \$ per kg	1.6	1.6	1.8	9.9	2.0	1.7	-11.6
Cotton, "A Index"	US \$ per kg	1.5	1.5	1.5	0.0	1.3	1.3	4.7
Cotton, Memphis"	US \$ per kg	1.5	1.5	1.5	0.7	1.3	1.4	2.2
Sisal (UG)	US \$ per metric ton	1,030.0	1,035.0	1,035.0	0.0	914.0	1,025.8	12.2
Cloves	US \$ per metric ton	3,333.3	3,100.0	3,175.0	2.4	3,872.6	3,459.0	-10.7
Crude oil*	US \$ per barrel	73.6	70.1	76.8	9.5	63.1	64.0	1.4
Crude oil**	US \$ per barrel	69.5	67.2	73.3	9.0	59.7	62.2	4.2
White products***	US \$ per ton	695.72	638.0	715.0	12.1	602.6	609.1	1.1
Jet/Kerosene	US \$ per ton	706.6	618.9	732.6	18.4	631.3	623.1	-1.3
Premium Gasoline	US \$ per ton	724.0	655.2	714.3	9.0	608.1	623.6	2.5
Heat Oil	US \$ per ton	656.6	639.8	698.1	9.1	569.1	580.6	2.0
Gold	US \$ per troy ounce	665.4	665.2	712.7	7.1	564.0	653.3	15.8

Note: * Average of U.K. Brent, Dubai and West Texas Int
** f. o. b. Dubai
*** Average of Premium gasoline Gas oil and Jet/Kerosene f. o. b. West Mediterranean
Source: Various Trade Publications

5.0 National Debt Developments

National debt stock as at end September 2007 stood at USD 6,453.5 million. The debt increased by 2.4 percent from USD 6,299.6 million registered at the end of the preceding month. The increase was mainly associated with new disbursements and exchange rate fluctuations. Out of the total debt stock, 76.6 percent was external debt and 23.4 percent was domestic debt.

External Debt

The stock of external debt as at the end of September 2007

stood at USD 4,940.4 million, an increase of 3.0 percent when compared to amount registered at the end of August 2007. Out of this, disbursed outstanding debt accounted to 74.6 percent and the remaining 25.4 percent was interest arrears.

The profile of Disbursed Outstanding Debt (DOD) by borrower category at the end of September 2007 revealed that the Central Government debt was USD 2,923.3 million (79.3 percent) followed by private sector with USD 592.9 million (16.1 percent) and parastatal sector USD 169.0 million (4.6 percent).

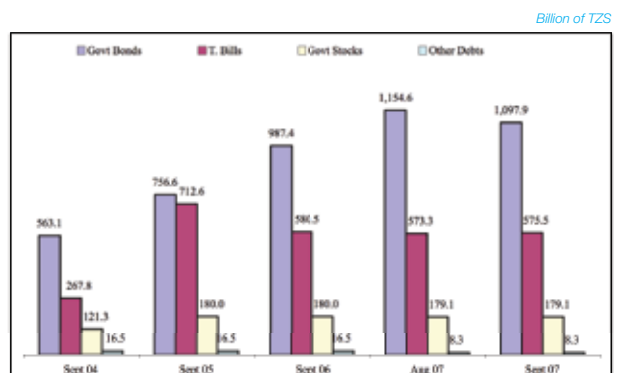
In terms of creditor category, the debt owed to multilateral institutions stood at USD 2,001.4 million (54.3 percent), while the amount of debt owed to bilateral creditors was USD 910.4 million (24.7 percent). Commercial and export credits amounted to USD 447.9 million (12.2 percent) and USD 325.5 million (8.8 percent) respectively.

During the month under review, new loans contracted and recorded amounted to USD 1.5 million whereas disbursements amounted to USD 57.4 million. On the other hand, external debt service payments amounted to USD 4.5 million out of which, principal repayments were USD 3.4 million and interest payments amounted to USD 1.1 million.

Domestic Debt

Domestic debt stock stood at TZS 1,860.9 billion as at end September 2007. The debt decreased by 2.8 percent from TZS 1,915.4 billion recorded at the end of preceding month due to government financing needs. Out of this, government securities accounted for 99.6 percent while other debts constituted the remaining portion. Government securities, which include government bonds, treasury bills, government stocks, and tax certificates, dropped by 2.8 percent on the other hand, other debt, remained at the same level as recorded at the end of August 2007 (Chart 5.1).

Chart 5.1: Government Domestic Debt by Instruments



An analysis of the domestic debt by holder category shows that commercial banks are the leading Government creditors by holding 44.0 percent of the total domestic debt followed by Pension Funds with 28.9 percent, Bank of Tanzania 19.1 percent, other official entities 2.1 percent and Non-banks financial institutions 2.2 percent. Insurance companies held 2.3 percent, whereas private sector and the BOT special funds altogether, held the remaining portion of 1.4 percent of the domestic debt stock.

Domestic Debt Service

Domestic debt service payments amounting to TZS 148.3 billion fell due for payment in September 2007. Out of the total amount due, TZS 5.6 billion being interest was paid out of government revenue while principal amount amounting to TZS 142.7 billion was rolled over.



6.0 Economic Developments in Zanzibar

Fiscal Performance

During September 2007 the government budgetary operations recorded a deficit of TZS 1.0 billion compared with a deficit of TZS 1.1 billion in the previous month. Resources amounted to TZS 18.8 billion, out of which TZS 10.4 billion was from domestic sources and the balance of TZS 8.4 billion were foreign grants. Total government expenditure reached TZS 13.2 billion. The budget deficit was financed through foreign loans.

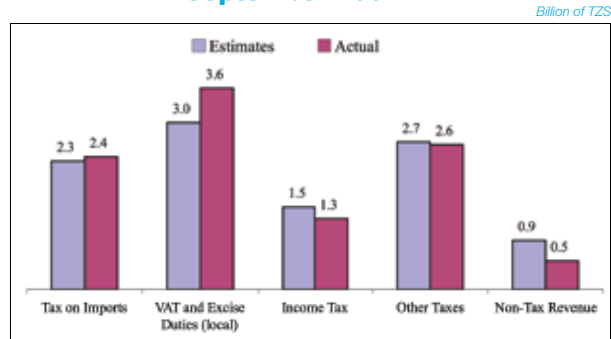
Revenue Performance

Revenue collections amounted to TZS 10.4 billion above the target of TZS 10.3 billion. The satisfactory outturn was mainly due to over performance of import tax and domestic taxes, mainly VAT and exercise duties.

Tax revenue amounted to TZS 9.9 billion above the target TZS 9.4 billion and accounted for 95.2 percent of the total revenue. Non-tax sources amounted to TZS 0.5 billion, accounted for 4.8 percent of the total revenue.

Revenue performance by category indicates that, tax on imports amounted to TZS 2.4 billion exceeding the target of TZS 2.3 billion accounted for 24.2 percent of the tax revenue. VAT and excise duty collections reached TZS 3.6 billion, above the target TZS 3.0 billion and accounted for 36.4 percent of the tax revenue. Over performance was mainly due to improved tax administration, increased taxable imports coupled with increased domestic trade activities corresponding to 'Eid' festival and tourism season. Income tax collection amounted to TZS 1.3 billion below the target of TZS 1.5 billion and accounted for 13.1 percent of tax revenue. Other taxes collections amounted to TZS 2.6 billion below the target amount of TZS 2.7 billion. Non-tax collections amounted to TZS 0.5 billion, below the target TZS 0.9 billion due to under collection from government ministries and agencies (Chart 6.1).

Chart 6.1: Government Revenue by Source – September 2007



Source: Ministry of Finance and Economic Affairs, Zanzibar.

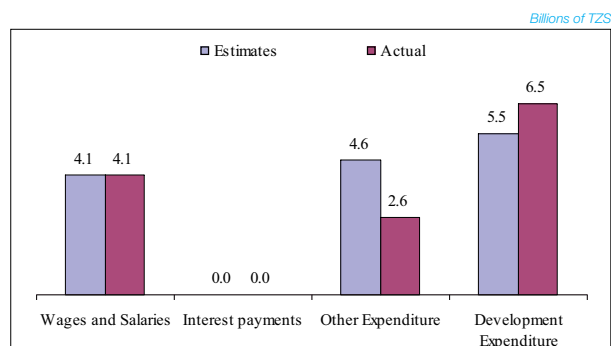
Expenditure

Total government expenditure reached TZS 13.2 billion below target of TZS 14.1 billion; mainly due to low spending in other charges in line with the cash budget expenditure stance.

Recurrent expenditure reached TZS 6.7 billion, below target of TZS 8.6 billion; accounted for 50.8 percent of the total expenditure. Expenditure on wages and salaries amounted to TZS 4.1 billion, within set target and accounted for 61.2 percent of the recurrent expenditure or 31.0 percent of the total expenditure. Expenditures on other charges amounted to TZS 2.6 billion, below the target of TZS 4.5 billion and accounted for 38.8 percent of the recurrent expenditure or 19.7 percent of the total expenditure.

Development expenditure reached TZS 6.5 billion exceeding the target of TZS 5.5 billion, due to higher than expected disbursement of donor funds to cater for development projects. The development expenditure accounted for 49.2 percent of the total expenditure. Local contribution amounted to TZS 2.4 billion, accounting for 36.9 percent of the total development expenditure, while from external sources accounted to TZS 4.1 billion accounting for 63.1 percent of the total development expenditure (Chart 6.2).

Chart 6.2: Government Expenditure by Components – September 2007



Source: Ministry of Finance and Economic Affairs, Zanzibar.



Debt Developments

During the period ending September 2007, public debt stood at TZS 194.0 billion (USD 157.7 million), marking a marginal decline from TZS 199.2 billion (USD 156.1 million), recorded in the previous month. External debt stood at TZS 129.5 billion (USD 105.3 million) representing 66.7 percent of the total debt, while domestic debt stood at TZS 64.5 billion (USD 52.4 million), representing 33.3 percent of total debt. The Debt to GDP ratio stood at 49.1 percent, having decreased from 50.4 percent of the previous month.

Domestic Debt

Domestic debt as at the end of September 2007 stood at 64.5 billion, having declined from TZS 66.1 billion registered in August 2007. The decline was due to part payment of government claims due to pensioners, suppliers, ZSSF and maturing government security.

An analysis of the debt profile by creditors indicate that 'Other creditors' (domestic suppliers and pensioners) sustained dominance among creditors, with claims amounting to TZS 33.4 billion, accounting for 51.9 percent of total domestic debt. Debt owed to Union Government remained at TZS 13.6 billion representing 21.1 percent of total debt, while Zanzibar Social Security Fund (ZSSF) debt slightly declined to TZS 4.8 billion, representing 7.4 percent of total domestic debt. Debts due to Zanzibar State Trading Corporation (ZSTC) and Zanzibar Port Company (ZPC) amounted to TZS 5.5 billion and TZS 3.9 billion, representing 8.5 percent and 6.1 percent of total domestic debt, respectively. Debt due to the Peoples' Bank of Zanzibar (PBZ) stood at TZS 3.2 billion or 5.0 percent of total domestic debt.

During the month ending September 2007, long-term government loans remained dominant amounting to TZS 21.3 billion, representing 33.1 percent of total domestic debt. Debt by treasury bonds declined to TZS 10.6 billion from TZS 11.9 billion, accounting for 16.6 percent of total domestic debt. 'Other debt instruments' (suppliers' credits and pensioners' claims) amounted to TZS 16.5 billion down from TZS 16.8 billion registered in the previous month, accounting for 25.7 percent of total domestic debt. Government stocks stood at TZS 8.9 billion or 13.8 percent of total domestic debt, while treasury bills amounted to TZS 7.0 billion, representing 10.9 percent of total domestic debt.

During the period under review, debts with "undetermined maturity" (gratuity, pension, and domestic suppliers' claims) declined but remained dominant, amounted to TZS 42.8

billion representing 66.4 percent of total domestic debt. Debt with maturity of 2 - 5 years amounted to TZS 14.7 billion, representing 22.8 percent of the total domestic debt. Short term debts maturing in less than a year amounted to TZS 7.0 billion representing 10.9 percent of total domestic debt.

External Debt

External debt by the end of September 2007, stood at TZS 129.5 billion (USD 105.3 million), having declined from TZS 133.2 billion (USD 104.4 million) registered in previous month. The decrease was mainly due to the appreciation of Tanzanian Shilling against US dollar. Debt guaranteed by the Union Government stood at USD 76.0 million, up from USD 75.3 million representing 72.2 percent of total external debt, while non-guaranteed debt stood at USD 29.3 million or 27.8 percent of total external debt.

During the period under review, external debt by creditors reveals that, concessional debts from multilateral creditors sustained dominance, amounted to USD 74.4 million (TZS 91.4 billion) representing 70.6 percent of total external debt. Bilateral creditors debts stood at USD 3.7 million (TZS 4.5 billion) accounting for 3.5 percent of total external debt. Commercial debts stood at USD 14.7 million or TZS 18.1 billion, representing 14.0 percent of total external debt. Export credits amounted to USD 12.5 million (TZS 15.4 billion) representing 11.9 percent of total external debt.

By the end of September 2007, the Zanzibar external debt was still composed of longer maturity. Debts maturing over 20 years stood at USD 68.5 million up from USD 67.7 million representing 65.0 percent of the total external debt. Debts with maturity of 10 to 20 years stood at USD 6.6 million, representing 6.6 percent of total external debt. Debt maturing between 5 to 10 years amounted to USD 29.9 million representing 28.4 percent of the total external debt.

As at end of September, 2007, analysis of debt by end use indicates that disbursements into transport and telecommunications sector amounted to USD 30.3 million, representing 28.8 percent of the total external debt. Energy sector followed absorbing USD 20.6 million, constituting 19.5 percent of total disbursements, while Social welfare and education sectors received USD 19.2 million or 18.2 percent. Finance & Insurance sectors obtained USD 14.7 million representing 14.0 percent of the total disbursements. Agriculture and industries sectors received USD 14.0 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.



External Sector Performance

Current Account

During the month ending September 2007, the current account balance remained positive but posted lower surplus amounting to USD 5.9 million compared with USD 8.4 million, registered during the previous month. The decrease was mainly associated with a decline in official foreign grants and increase in import bill. Trade account deficit widened to USD 5.2 million compared with USD 4.2 million of the previous month, and was financed by services account and current transfers. Services account posted a higher surplus of USD 4.8 million compared with a surplus of USD 4.1 million registered in the previous month.

On annual basis, the current account surplus surged to USD 61.9 million from USD 18.6 million registered in the corresponding period in 2006. The increase was attributed to the increase in export earnings from both goods and services, decrease in imports bill, coupled with increase in foreign official grants. Trade account deficit narrowed to USD 52.4 million from a deficit of USD 64.8 million posted in the corresponding period in 2006, due to decrease in goods imports (Table 6.1).

Table 6.1: Current Account Balance

Millions of USD

Item	2006	2007p			Year Ending Sep ^p		% Change	
	Sep	Jul	Aug	Sep	2006	2007	Monthly	Annual
Goods Account (net)	-5.5	-4.4	-4.2	-5.2	-64.8	-52.4	23.7	-19.2
Exports	0.5	0.7	0.9	0.9	7.5	16.9	-1.3	125.2
Imports (fob)	6.0	5.1	5.1	6.0	72.3	69.3	19.4	-4.3
Services Account (net)	2.9	10.5	4.1	4.8	26.3	51.3	18.8	95.4
Receipts	9.1	12.8	8.7	9.6	87.7	96.0	9.9	9.5
Payments	6.2	2.3	4.6	4.7	61.4	44.7	2.1	-27.2
Goods and Services (net)	-2.7	6.1	-0.1	-0.3	-38.6	-1.0	197.8	-97.3
Exports of Goods and Services	9.5	13.5	9.6	10.4	95.2	112.9	8.9	18.6
Imports of Goods and Services	12.2	7.4	9.7	10.8	133.8	114.0	11.1	-14.8
Income Account (net)	0.04	0.00	-0.01	-0.01	0.20	0.11	109.8	-46.8
Receipts	0.07	0.00	0.01	0.00	0.24	0.18	-44.3	-25.9
Payments	0.03	0.00	0.01	0.01	0.04	0.07	33.3	
Current Transfers (net)	11.8	10.6	8.5	6.2	56.9	62.8	-26.8	10.4
Inflows	11.8	10.6	8.5	6.2	56.9	62.8	-26.8	10.4
Outflows	0.0	0.0	0.0	0.0	0.0	0.0		
Current Account Balance	9.2	16.7	8.4	5.9	18.6	61.9	-30.0	233.5

p= Provisional

Source: Tanzania Revenue Authority.

Exports Performance

During the month under review, total export receipts (goods and services) increased to USD 10.4 million from USD 9.6 million registered in August 2007, as result of increase in services receipts. Services proceeds rose to USD 9.6 million from USD 8.7 million registered in the previous month, representing 92.3 percent of total export proceeds. Merchandise exports driven by cloves, stood at USD 0.9 million the same as previous month.

On annual basis, total export receipts increased to USD 112.9

million from USD 95.2 million registered in the corresponding period in 2006; largely due to increase in both goods and services receipts. Services receipts increased to USD 96.0 million from USD 87.7 million, accounting for 85.0 percent of total exports earnings. Cloves exports increased to USD 9.7 million from USD 4.2 million, representing 8.6 percent of total exports receipts. Seaweeds exports amounted to USD 1.7 million or 1.5 percent of total receipts. Manufactured goods exports hiked to USD 3.6 million from USD 0.8 million, representing 3.2 percent of total exports receipts. Exports of fish and fish produce stood at USD 0.2 million, accounting for 0.2 percent of total export receipts, while earnings from other exports amounted to USD 1.7 million or 1.5 percent of total export receipts (Table 6.2).

Table 6.2: Exports by Major Categories

Millions of USD

Item	2006	2007p			Year Ending Sep ^p		% Change	
	Sep	Jul	Aug	Sep	2006	2007	Monthly	Annual
Goods Account (net)	-5.5	-4.4	-4.2	-5.2	-64.8	-52.4	23.7	-19.2
Exports	0.5	0.7	0.9	0.9	7.5	16.9	-1.3	125.2
Imports (fob)	6.0	5.1	5.1	6.0	72.3	69.3	19.4	-4.3
Services Account (net)	2.9	10.5	4.1	4.8	26.3	51.3	18.8	95.4
Receipts	9.1	12.8	8.7	9.6	87.7	96.0	9.9	9.5
Payments	6.2	2.3	4.6	4.7	61.4	44.7	2.1	-27.2
Goods and Services (net)	-2.7	6.1	-0.1	-0.3	-38.6	-1.0	197.8	-97.3
Exports of Goods and Services	9.5	13.5	9.6	10.4	95.2	112.9	8.9	18.6
Imports of Goods and Services	12.2	7.4	9.7	10.8	133.8	114.0	11.1	-14.8
Income Account (net)	0.04	0.00	-0.01	-0.01	0.20	0.11	109.8	-46.8
Receipts	0.07	0.00	0.01	0.00	0.24	0.18	-44.3	-25.9
Payments	0.03	0.00	0.01	0.01	0.04	0.07	33.3	
Current Transfers (net)	11.8	10.6	8.5	6.2	56.9	62.8	-26.8	10.4
Inflows	11.8	10.6	8.5	6.2	56.9	62.8	-26.8	10.4
Outflows	0.0	0.0	0.0	0.0	0.0	0.0		
Current Account Balance	9.2	16.7	8.4	5.9	18.6	61.9	-30.0	233.5

p = provisional

Source: Tanzania Revenue Authority

Imports Performance

As at the end of September 2007, imports of goods (c.i.f), increased to USD 6.6 million from USD 5.6 million of the previous month, largely due to increase in imports of capital goods, in response to expansion in construction and transport sectors. Capital goods increased to USD 3.3 million from USD 2.4 million registered in the previous month. Intermediate goods imports stood at USD 1.0 million up from USD 0.9 million registered in the previous month, while import of consumer goods slide to USD 2.2 million from USD 2.3 million. Food and foodstuffs imports rose to USD 1.4 million from USD 1.1 million of the previous month, responding to high food demand during fasting month of Ramadhan and Eid festival.

On annual basis, imports (c.i.f) declined to USD 76.1 million from USD 79.5 million recorded in the corresponding period in 2006, largely due to decline in intermediate goods, dominated by oil import. Oil import bill decreased to USD 4.7 million from USD 18.9 million registered in the corresponding period in 2006 as result of decrease in volume of oil imports via Malindi port which is under rehabilitation, and partial slide in world oil prices. Food and food stuffs imports declined



to USD 7.1 million from USD 9.2 million of the previous corresponding period in 2006, due to favourable domestic food supply. Capital goods imports increased to USD 44.5 million from USD 32.5 million mainly to cater for expanding construction and transport sectors (Table 6.3).

Table 6.3: Zanzibar Imports by Major Categories

Millions of USD

Import Category	2006		2007p		Year Ending Sep ^p		% Change	
	Sep	Jul	Aug	Sep	2006	2007p	Monthly	Annual
Capital Goods	3.1	3.3	2.4	3.3	32.5	44.5	40.7	36.6
Transport Equipment	0.8	1.5	1.5	1.8	10.7	15.2	18.8	41.8
Building and Constructions	0.4	1.0	0.3	0.2	8.0	12.8	-42.9	61.1
Machinery	1.9	0.8	0.5	1.3	13.9	16.5	162.6	18.6
Intermediate Goods	1.7	0.3	0.9	1.0	25.2	9.7	13.4	-61.6
Oil imports	1.0	0.00	0.52	0.26	18.9	4.7	-49.2	-75.1
Industrial raw materials	0.7	0.29	0.40	0.78	6.3	5.0	94.3	-21.2
Consumer Goods	1.8	2.0	2.3	2.2	21.7	22.0	-0.6	1.2
Food and food stuffs	0.2	0.3	1.1	1.4	9.2	7.1	25.7	-23.3
All other consumer goods	1.5	1.7	1.2	0.9	12.5	14.9	-25.4	19.4
Grand Total (cif)	6.6	5.6	5.6	6.6	79.5	76.1	19.4	-4.3
Grand Total (fob)	6.0	5.1	5.1	6.0	72.3	69.3	19.4	-4.3

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

Services Account

During the month under review, services account posted a surplus of USD 4.8 million, having increased from USD 4.1 million registered as at end of August 2007, as result of increase in foreign receipts. Foreign receipts hiked to USD 9.5 million from USD 8.7 million registered during the previous month. Foreign payments amounted to USD 4.7 million, slightly higher compared to USD 4.6 million registered in month ended August, 2007. Travel receipts and payments amounted to USD 9.0 million and USD 4.1 million, representing 94.7 percent and 87.2 percent of total foreign receipts and foreign payments, respectively.

On year to year basis, the services account registered a surplus of USD 51.3 million up from a surplus of USD 26.3 million realized 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 96.0 million from USD 87.7 million registered in the corresponding period in 2006, largely attributed to increase in tourism oriented activities. Foreign payments declined to USD 44.7 million from USD 61.4 million recorded in corresponding period in 2006. Travel receipts amounted to USD 84.2 million, accounted for 87.7 percent of total services receipts, while travel payments amounted to USD 38.5 million, equivalent to 86.1 percent of total foreign payments.



STATISTICAL TABLES



Table A1: Selected Economic Indicators

Item	Unit	2000	2001	2002	2003	2004	2005	2006 ^p
1. National Accounts and Prices								
1.1 Change in GDP at Factor Cost--Current Prices	Percent	12.2	13.7	14.1	12.8	15.4	15.3	14.8
1.2 Change in GDP at Factor Cost--Constant 1992 Prices ²	Percent	4.9	5.7	6.2	5.7	6.7	6.7	6.2
1.3 GDP Per Capita--Current Prices ¹	TZS	210,231.0	231,751.0	258,925.0	287,027.0	321,283.0	360,965.0	399,554.0
1.4 GDP Per Capita--Current Prices ¹	US\$	262.7	264.4	267.9	276.4	294.9	319.8	n.a
1.5 Change in Consumer Price Index (Inflation)	Percent	5.9	5.2	4.5	3.5	4.1	4.4	6.2
1.6 Saving to GNDI Ratio ³ *	Percent	11.6	11.1	12.7	11.8	12.3	12.5	na
2. Money Credit and Interest Rates								
2.1 Change in Extended Broad Money Supply (M3)**	Percent	14.8	17.1	25.1	16.6	19.3	38.2	22.0
2.2 Change in Broad Money Supply (M2)***	Percent	12.5	12.8	22.3	14.2	19.2	36.9	13.7
2.3 Change in Narrow Money Supply (M1)	Percent	9.9	10.2	25.2	16.1	18.2	33.7	9.8
2.4 Change in Reserve Money	Percent	9.4	5.0	19.1	12.6	23.6	27.7	16.8
2.5 Total Credit to GDP Ratio ¹	Percent	9.8	7.6	8.8	8.7	8.5	9.4	12.0
2.6 Private Sector Credit to GDP Ratio ¹	Percent	4.6	4.9	6.1	5.2	8.9	11.0	12.5
2.7 Ratio of Private Credit to Total Credit	Percent	46.6	63.7	69.2	98.4	104.7	84.6	103.9
2.8 Average Deposit Rate (12-Month)	Percent	8.6	6.0	5.7	5.0	5.8	6.2	8.3
2.9 Weighted Average Treasury Bill Rate	Percent	5.7	3.9	4.5	7.7	9.6	10.8	15.0
2.10 Average Medium- and Long-Term Lending Rate	Percent	21.2	15.8	13.2	12.5	14.0	15.5	15.6
3. Balance of Payments****								
3.1 Exports (f.o.b)	Mill. US\$	733.7	851.3	979.6	1,216.1	1,473.1	1,675.8	1,723.0
3.2 Imports (f.o.b)	Mill. US\$	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6	-3,864.1
3.3 Trade Balance	Mill. US\$	-633.9	-709.0	-531.8	-717.3	-1,009.8	-1,321.8	-2,141.1
3.4 Balance on Current Account	Mill. US\$	-461.3	-200.0	83.6	-87.5	-383.3	-881.6	-1,510.7
3.5 Overall Balance	Mill. US\$	-36.9	-167.5	317.9	389.1	206.0	-197.2	-138.5
3.7 Gross Official Reserves	Mill. US\$	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4	2,260.1
3.8 Reserves Months of Imports (of goods and services)	Months	5.7	6.3	8.6	9.2	8.0	5.8	5.3
3.9 Exchange Rate:								
3.9.1 Annual Average	TZS/US\$	800.4	876.4	966.6	1,038.6	1,089.3	1,128.8	1,251.9
3.9.2 End of Period	TZS/US\$	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5	1,261.6
4 Population (TZ Mainland)	Million	31.9	32.1	33.6	34.2	35.3	36.2	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			BUDGET 2007/08	Millions of TZS 2007		
	2005/06	2006/07		Jul	Aug	Sep
	Total Revenue	2,124,843.7		2,739,022.4	3,502,583.0	262,189.8
Tax Revenue	1,946,432.6	2,529,439.4	3,188,415.0	237,589.7	251,039.3	312,249.8
Taxes on Imports	819,800.5	1,018,569.5	1,245,641.9	110,674.5	108,331.1	112,819.9
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
Refunds	-69,961.0	-69,960.0	-124,641.4	-13,064.9	-12,955.3	-9,866.8
Income Taxes	581,243.8	716,320.5	826,866.7	47,867.6	53,714.0	106,796.9
Other taxes	136,954.0	218,581.1	427,267.4	26,720.4	28,405.6	34,066.9
Non- Tax Revenue	178,411.1	209,583.0	314,168.0	24,600.1	24,878.1	14,114.0
Total Expenditure /1	3,873,254.8	4,474,680.9	5,998,082.5	429,898.5	704,456.4	563,019.6
Recurrent expenditure	2,661,862.5	3,137,469.5	3,796,986.2	210,421.5	263,925.4	285,322.4
Roadtoll fund						
Retention fund	61,260.2	61,261.2	71,706.9	3,678.7	5,434.0	6,610.0
Wages and salaries	656,788.5	976,094.3	1,113,134.0	93,080.1	93,275.7	93,891.5
Interest payments	218,861.3	215,562.9	276,000.0	9,624.2	4,161.4	7,902.4
Domestic 2/	163,694.8	185,050.4	240,000.0	9,359.3	4,045.2	5,318.6
Foreign	55,166.5	30,512.4	36,000.0	264.9	116.3	2,583.8
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
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
Local	296,100.0	296,101.0	739,203.5	61,600.3	100,521.7	150,000.0
Foreign	915,292.2	1,047,266.2	1,461,892.8	157,876.7	340,009.2	127,697.3
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
Grants	1,000,160.2	952,225.5	1,690,873.0	883,948.0	28,285.4	209,837.9
Program (CIS/OGL)	331,024.6	479,837.3	607,524.1	468,714.4	26,612.1	107,870.7
Project	416,771.0	241,826.6	684,438.3	396,977.5	0.0	94,454.6
Basket funds	175,975.3	111,559.8	192,874.1	15,905.6	1,172.7	3,146.0
HIPC Relief	76,389.3	119,001.7	206,036.6	2,350.4	500.7	4,366.6
Overall defic.(cheq.issued) after Grants	-748,250.9	-783,433.0	-804,626.5	716,239.3	-400,253.6	-26,817.9
Expenditure float	69,713.1	131,315.2	0.0	301,005.7	-401,926.9	-128,785.1
Adjustments to cash and other items (net)	-245,875	48,603	0	-723,641.5	444,616.3	89,896.7
Overall Balance (cheques issued)	-924,412.5	-924,411.5	-804,626.5	293,603.6	-357,564.2	-65,706.4
Financing:	924,412.5	924,413.5	804,626.5	-293,603.6	357,564.2	65,706.4
Foreign Financing (net)	561,219.0	561,220.0	818,616.7	124,683.8	359,867.1	350,954.8
Loans	668,934.5	668,935.5	858,376.7	125,422.2	360,241.0	354,396.4
Program loans	257,677.1	257,678.1	273,796.2	0.0	21,977.5	240,115.2
Development Project loans	328,955.7	328,956.7	504,260.2	23,655.7	338,263.4	35,761.0
Basket Support	82,301.8	82,302.8	80,320.2	101,766.6	0.0	78,520.2
Amortization	-107,715.5	-107,714.5	-39,760.0	-738.5	-373.9	-3,441.6
Domestic (net)	363,193.5	363,194.5	-13,990.2	-418,287.4	-2,302.9	-285,248.4
Domestic Financing	348,885.7	348,886.7	-0.2	-418,287.4	-1,772.9	-285,248.4
Bank borrowing	129,644.6	129,645.6	0.0	-382,860.2	-42,297.9	-304,072.1
Non-Bank (net of amortization)	219,241.1	219,241.1	0.0	-35,427.1	40,525.0	18,823.7
Amortization of contingent debt	-19,001.4	-19,000.4	-28,990.0	0.0	-530.0	0.0
Privatization Proceeds	33,309.2	33,310.2	15,000.0	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 A4 : Interest Rate Structure

Item	2006						2007								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug ^p	Sep ^p
Percent															
A: Domestic Currency															
1 Interbank Cash Market Rates															
Overnight	8.92	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
2 to 7 days	6.86	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
8 to 14 days	7.96	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
15 to 30 days	7.33	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
31 to 60 days	7.64	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
61 to 90 days	8.50	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
91 to 180 days	9.50	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
181 and above	11.08	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
Overall Interbank cash market rate	8.63	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
2 Lombard Rate	13.38	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
3 REPO Rate	6.17	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
4 Treasury Bills Rates															
35 days	6.64	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
91 days	9.06	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
182 days	9.26	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
364 days	9.76	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
Overall Treasury bills rate	9.17	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
5 Treasury Bonds:															
2-years	11.87	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
5-years	15.76	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
7-years	15.35	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
10-years	16.96	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
6 Discount Rate	13.40	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
7 Savings Deposit Rate	2.54	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
8 Time Deposits Rates:															
Call Accounts	2.07	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
1 month	6.57	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
2 months	6.90	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	8.61
3 months	7.86	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	9.81
6 months	8.35	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	8.83
12 months	8.01	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
24 months	9.10	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
9 Negotiated Deposit Rates	9.13	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 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 1year)	16.61	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
Medium-term (1-2 years)	18.96	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
Medium-term (2-3 years)	16.32	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
Long-term (3-5 years)	14.28	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
Term Loans (over 5 years)	14.72	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
11 Negotiated Lending Rates	11.99	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
B: Foreign Currency															
1 Deposits Rates															
Savings Deposits															
1-months	0.78	0.50	0.61	0.66	0.65	0.67	0.66	0.28	1.47	0.63	0.81	0.82	1.40	1.43	1.71
Time Deposits															
1-months	2.84	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
2-months	2.80	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
3-months	2.52	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
6-months	2.76	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
12-months	2.73	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	3.84
3.37	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	
2 Lending Rates															
Short-term (up to 1year)	9.13	8.63	9.13	8.95	9.10	8.78	8.24	7.83	8.07	8.49	8.17	7.56	8.17	7.89	7.16
Medium-term (1-2 years)	8.17	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	5.77
Medium-term (2-3 years)	9.02	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	8.21
Medium-term (3-5 years)	9.70	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	7.07
Long-term (3-5 years)	9.64	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	6.43
Term Loans (over 5 years)	9.12	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

Source: Bank of Tanzania



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

Item	2006 ^P	2007 ^P		% Change		Year Ending September ^P		
	Sep	Aug	Sep	Sep 06 - Sep 07	Aug 07 - Sep 07	2006	2007	% Change
Traditional Exports:								
COFFEE								
Value	2.0	1.6	4.7	--	--	60.0	96.1	60.1
Volume	1.3	1.0	2.3	80.9	--	31.5	47.6	51.1
Unit Price	1,555.5	1,623.9	2,033.8	30.8	25.2	1,905.4	2,019.1	6.0
COTTON								
Value	3.3	9.3	8.0	138.8	-14.3	110.1	37.0	-66.4
Volume	3.4	8.9	7.2	113.4	-18.6	108.638	35.490	-67.3
Unit Price	986.3	1,048.0	1,103.7	11.9	5.3	1,013.5	1,043.3	2.9
SISAL								
Value	0.23	0.0	0.0	-100.0	0.0	5.6	8.5	52.1
Volume	0.3	0.0	0.0	-100.0	0.0	7.3	10.6	45.7
Unit Price	852.8	0.0	0.0	-100.0	0.0	765.5	799.2	4.4
TEA								
Value	1.8	1.0	1.3	-29.1	31.1	29.0	30.3	4.3
Volume	1.0	0.7	1.0	-5.7	36.7	22.5	21.4	-4.8
Unit Price	1,764.8	1,384.5	1,327.4	-24.8	-4.1	1,289.2	1,413.5	9.6
TOBACCO								
Value	17.6	0.0	0.0	-99.8	--	77.3	53.7	-30.6
Volume	7.1	0.0	0.02	-99.7	--	24.8	23.8	-3.8
Unit Price	2,490.5	1,989.1	1,989.0	-20.1	--	3,121.9	2,254.0	-27.8
CASHEWNUTS								
Value	0.0	0.000	0.5	--	--	62.3	28.7	-54.0
Volume	0.0	0.001	0.8	--	--	84.3	57.8	-31.4
Unit Price	0.0	415.7	603.4	--	--	739.3	496.3	-32.9
CLOVES								
Value	0.046	0.015	0.01	-86.7	-59.5	6.1	9.8	61.2
Volume	0.010	0.005	0.00	-80.0	-60.0	2.1	3.0	47.0
Unit Price	4,616.6	3,022.0	3,058.5	-33.7	1.2	2,921.6	3,204.3	9.7
Sub Total	25.0	11.9	14.5	-42.1	21.9	350.4	264.0	-24.6
Non-Traditional Exports:								
Minerals								
Gold	57.4	77.0	72.9	27.1	-5.3	763.5	882.8	15.6
Diamond	54.7	63.1	61.3	12.2	-2.8	714.6	800.9	12.1
Other minerals ¹	0.4	2.6	2.0	--	-21.7	22.1	27.0	21.8
Other minerals ¹	2.3	11.3	9.6	--	-15.0	26.8	55.0	104.7
Manufactured Goods								
Cotton Yarn	16.4	33.8	23.0	40.3	-31.9	192.5	272.2	41.4
Manufactured Coffee	0.6	0.6	0.6	8.4	-2.4	4.0	7.3	82.5
Manufactured Tobacco	0.1	0.0	0.0	-35.8	--	1.1	1.5	0.0
Sisal Products (Yarn & Twine)	0.0	0.0	0.0	--	-42.2	1.7	2.8	63.3
Other manufactured Goods ²	0.3	0.6	0.4	37.6	-31.1	2.5	4.2	64.8
Other manufactured Goods ²	15.5	32.6	22.0	41.7	-32.6	183.2	256.4	40.0
Fish and Fish Products								
Fish and Fish Products	11.1	11.8	10.3	-6.9	-12.6	136.6	143.0	4.7
Horticultural products								
Horticultural products	1.4	1.8	1.5	3.9	-19.6	15.7	18.3	17.0
Re-exports								
Re-exports	11.0	10.6	12.0	9.1	13.2	119.9	159.7	33.2
Others Exports ³								
Others Exports ³	13.6	19.3	24.0	76.4	24.0	162.3	177.5	9.4
Sub Total	110.9	154.3	143.7	29.6	-6.9	1,390.5	1,653.6	18.9
GRAND TOTAL	135.9	166.2	158.2	16.4	-90.1	1,740.9	1,917.6	10.2

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 Millions of USD

Item	2006 ^P		2007 ^P		% Change		Year Ending September ^P		% Change		
	Sep		Sep		Aug 07 - Sep 07		2006			2007	
			Aug	Sep	Sep 06-Sep 07	Aug 07 - Sep 07					
Capital Goods	138.7	161.8	135.6		-2.2	-16.2	1,373.6	1,536.9	11.9		
Transport Equipments	30.4	39.4	36.6		20.2	-7.2	380.8	404.7	6.3		
Building and Constructions	27.4	40.8	35.1		28.1	-13.9	331.0	352.9	6.6		
Machinery	80.9	81.6	63.9		-20.9	-21.6	661.8	779.4	17.8		
Intermediate Goods	160.8	205.9	196.2		22.0	-4.7	1,415.5	1,833.9	29.6		
Oil imports	108.4	148.9	147.5		36.1	-0.9	1,025.2	1,326.5	29.4		
Fertilizers	18.2	15.4	9.8		-46.1	-36.5	50.9	24.8	-51.3		
Industrial raw materials	34.3	41.6	38.9		13.7	-6.4	339.4	482.7	42.2		
Consumer Goods	69.3	77.4	84.2		21.5	8.8	829.3	906.7	9.3		
Food and food stuffs	16.4	10.2	20.1		23.0	97.8	248.5	301.0	21.1		
All other consumer goods ¹	53.0	67.2	64.1		21.0	-4.7	580.8	605.7	4.3		
Grand Total (f.o.b)	368.8	445.1	416.0		12.8	-6.5	3,618.4	4,277.6	18.2		
Grand Total (c.i.f)	405.3	489.1	457.2		12.8	-6.5	3,976.3	4,700.6	18.2		

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
Balance on Goods	-872.1	-633.9	-709.0	-531.8	-717.3	-1,009.8	-1,321.8	-2,141.1
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
Balance on Services	-180.2	-55.1	264.9	287.6	222.1	158.9	61.8	244.6
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	-130.6	-130.6	-84.6
Balance on Goods, Services and Income	-1,013.5	-879.5	-632.6	-333.0	-644.4	-970.0	-1,390.6	-1,981.0
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
Total, Groups A plus B	-406.3	-155.5	124.1	0.0	0.0	0.0	0.0	0.0
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
Total, Groups A through C	116.1	118.7	580.0	1,124.7	666.5	352.3	711.5	-102.2
D. Net Errors and Omissions	-244.5	-118.7	-580.0	-806.8	-277.4	-146.3	-964.0	539.2
Overall balance	-128.4	-86.3	-809.6	317.9	389.1	206.0	-252.6	437.0
E. Reserves and Related Items	128.4	86.3	809.6	-317.9	-389.1	-206.0	252.6	-437.0
Reserve assets	-176.5	-198.8	-182.2	-372.4	-508.8	-258.4	247.7	-126.5
Use of Fund credit and loans	51.3	49.4	15.6	26.0	-2.9	-33.8	-50.5	-334.2
Exceptional financing	253.7	235.7	976.2	28.5	122.6	86.2	55.3	23.7
Rescheduled debt	129.4	10.1	131.4	9.8	86.9	0.0	0.0	0.0
Debt forgiveness	77.2	49.4	642.1	0.0	0.0	0.0	0.0	0.0
Interest arrears	33.0	81.2	67.4	18.4	29.5	21.9	55.3	23.7
Principal arrears	14.1	95.0	135.2	0.4	6.2	64.3	0.0	0.0
Memorandum items								
GDP(mp) Mill. TZS	6,432,910.9	7,277,799.9	8,304,338.6	9,399,085.8	10,695,187.2	12,396,058.7	14,417,559.7	16,742,407.9
GDP(mp) Mill. USD	8,635.9	9,092.7	9,475.6	9,724.0	10,297.9	11,379.4	12,772.1	13,373.7
CAB/GDP	-7.8	-5.3	-2.5	0.9	-0.8	-3.4	-7.0	-10.4
CAB/GDP (excl. current official transfers)	-12.6	-10.0	-6.9	-3.5	-6.2	-8.5	-10.8	-14.5
Gross Official Reserves	775.6	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4	2,260.1
Months of Imports	4.5	5.7	6.3	8.6	9.2	8.0	5.8	5.3
Net International Reserves (year end)	405.1	542.7	761.2	1,058.4	1,533.9	1,786.9	1,395.9	1,891.3
Change in Net International Reserves	-121.4	-137.6	-218.5	-297.2	-475.5	-253.0	391.0	-495.5
Exchange rate (end of period)	797.3	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5	1,261.6
Exchange rate (annual average)	744.9	800.4	876.4	966.6	1,038.6	1,089.3	1,128.8	1,251.9

Source: Bank of Tanzania

Notes:

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

r = Revised

p = Provisional



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

Period	Headline (General Index)		Non-Food												
	Weight (%)	100.0	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Educ-ation	Miscel. goods & services	
2003		3.5	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5	
2004		4.2	1.6	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	1.2	2.2	2.2	
2005		7.9	10.5	8.0	-4.0	7.8	14.8	-3.2	0.4	1.1	-4.6	6.7	-4.2	-3.8	
2006		6.2	7.9	5.8	1.2	1.5	6.8	4.7	1.4	2.7	1.6	6.3	1.6	2.7	
2005 Jan		4.0	1.5	0.6	-1.2	-2.5	5.4	1.0	0.5	-3.0	-1.5	3.3	1.8	-2.6	
Feb		4.1	1.8	1.8	-1.7	-2.8	5.9	0.2	2.4	6.0	-3.3	2.2	-0.6	-1.5	
Mar		4.1	3.3	0.3	1.7	-4.6	9.4	-2.3	2.3	0.1	-2.5	5.7	1.4	0.4	
Apr		4.0	3.9	2.9	3.3	-5.3	6.8	0.4	2.5	4.9	1.5	6.9	2.1	-4.7	
May		4.0	3.0	1.7	-0.9	-5.3	9.6	-3.2	1.4	4.4	0.9	5.0	0.2	-2.4	
Jun		4.2	2.5	1.4	0.9	-5.0	5.6	-2.8	0.4	6.1	-0.2	5.1	1.2	-1.5	
Jul		4.4	2.0	3.1	1.3	-3.9	0.3	-0.9	0.3	6.5	-2.1	5.4	0.1	-0.8	
Aug		4.5	3.6	2.4	-1.2	7.5	9.8	0.0	-0.6	3.5	-1.5	5.2	-1.9	-0.1	
Sep		4.5	2.8	2.6	-2.7	7.6	10.0	-2.3	-1.9	2.7	-2.4	4.0	-1.7	-1.5	
Oct		4.7	2.8	3.1	-1.9	4.3	9.0	-1.7	-1.1	3.6	-3.3	3.5	-1.6	-0.3	
Nov		4.8	3.7	3.3	-1.2	4.3	10.2	-0.8	-0.5	4.4	-1.9	5.0	-1.0	0.0	
Dec		5.0	3.6	2.5	-2.0	4.1	10.7	-0.9	0.0	3.5	-1.1	5.5	-0.6	-0.9	
2006 Jan		5.4	1.3	1.7	-3.1	0.4	5.2	-1.0	-1.7	-0.3	-1.2	3.1	-1.1	-1.9	
Feb		5.8	1.7	2.5	-1.9	0.6	4.5	0.5	-1.5	0.0	0.5	3.3	-0.3	-1.1	
Mar		6.5	1.7	2.6	-2.4	0.6	4.9	0.9	-1.8	-0.7	-0.6	3.4	-0.3	-1.3	
Apr		6.9	1.8	2.9	-2.4	0.6	4.5	1.1	-1.2	0.3	-0.4	3.2	0.6	-0.1	
May		7.7	2.1	2.6	-2.0	0.6	4.9	0.8	-0.9	-0.6	-1.3	4.2	0.6	-0.7	
Jun		6.8	3.8	2.9	-2.2	0.7	10.4	1.3	-0.4	0.4	-1.3	6.3	0.2	-0.8	
Jul		5.4	3.9	5.7	-1.1	0.5	7.9	1.5	0.0	-0.8	-0.5	6.5	1.1	-0.5	
Aug		5.5	9.7	10.6	8.1	3.5	13.9	8.2	1.9	14.0	5.5	9.3	4.6	8.7	
Sep		5.8	9.0	10.7	3.8	3.2	9.6	13.5	4.2	5.3	10.3	12.3	6.1	9.9	
Oct		6.0	7.0	8.7	3.0	2.9	9.1	13.0	6.1	4.6	6.1	7.2	1.3	10.1	
Nov		6.2	5.7	9.5	5.4	2.2	2.6	6.3	7.1	5.7	1.2	7.8	2.2	4.6	
Dec		6.7	6.8	9.5	9.3	1.7	4.5	9.8	4.8	4.1	1.0	8.4	4.1	5.0	
2007 Jan		7.0	7.4	11.9	6.1	5.0	4.8	10.3	9.6	2.0	5.6	8.8	9.9	-1.7	
Feb		7.3	8.8	11.2	6.3	6.0	9.6	11.0	10.8	0.9	7.6	9.8	11.7	-0.4	
Mar		7.2	9.1	11.8	7.2	5.8	9.3	10.4	11.1	3.4	9.2	9.1	13.0	1.6	
Apr		6.2	8.2	14.7	6.7	4.3	4.9	10.5	11.9	3.5	9.4	8.3	11.8	1.9	
May		5.0	8.4	13.0	7.5	4.2	7.5	8.4	11.1	4.8	9.4	8.0	10.2	2.0	
Jun		5.9	4.6	12.3	7.3	3.2	6.4	8.7	10.1	4.5	10.1	5.8	10.3	2.5	
Jul		9.0	7.4	10.8	5.5	1.7	7.3	7.6	10.7	4.2	10.6	6.8	8.6	2.0	
Aug		7.8	6.0	7.3	6.4	2.1	4.2	6.9	9.5	3.5	10.8	6.5	8.8	0.0	
Sep		8.3	4.1	6.2	4.5	2.8	1.4	4.1	6.5	2.2	9.7	4.3	9.2	-0.8	

Note: (1) Base 2001=100 before August 2006, (2) Base Dec 2001=100 from August 2006.





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

Period	Weight (%)	Headline (General Index)		Non-Food											Miscel. goods & services
		Food	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Education		
2003		0.3	100.0	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5	
2004		0.4	0.1	0.1	0.2	0.4	0.2	0.2	0.0	0.2	0.4	0.0	0.1	0.2	
2005		0.4	0.2	0.1	0.2	0.0	0.7	0.1	0.2	0.4	0.0	0.2	0.2	0.0	
2006		0.6	0.3	0.2	-0.2	0.3	0.9	-0.1	0.0	0.3	-0.1	0.5	0.0	-0.1	
2006		-0.1	-0.1	-0.5	1.0	-1.4	-1.0	0.6	0.3	0.4	0.4	0.2	1.3	0.3	
2005 Jan		5.4	2.4	1.5	1.0	3.7	5.4	-0.1	1.2	3.3	-0.7	2.6	1.0	1.9	
Feb		-0.2	-0.5	-0.7	-1.1	0.0	0.0	-1.2	-0.9	-0.7	-1.5	0.0	-0.7	-1.5	
Mar		-0.5	0.0	0.1	-0.4	0.0	0.0	-0.1	0.1	-0.2	0.7	0.3	-0.7	-0.4	
Apr		0.4	0.2	0.4	-0.7	0.0	0.8	-0.4	-0.2	-0.2	-0.5	0.7	-0.1	-0.5	
May		-0.5	0.1	0.3	-0.2	0.0	0.0	0.4	-0.1	0.4	0.4	0.1	0.1	0.0	
Jun		-0.3	0.0	-0.2	0.0	0.0	0.3	-0.6	0.3	-0.2	0.4	0.0	0.8	0.2	
Jul		0.9	0.8	0.8	-0.4	0.2	2.7	0.7	-0.7	0.3	-0.7	0.7	-0.1	-0.4	
Aug		-0.4	0.3	0.1	0.3	0.1	0.6	0.4	0.2	0.1	-0.3	0.6	-0.8	-0.2	
Sep		0.2	-0.1	-0.1	-0.4	0.0	0.2	0.0	-0.2	0.5	0.7	-0.4	0.2	-0.2	
Oct		-0.1	0.1	-0.5	-0.7	3.2	0.9	-0.6	-0.8	-0.6	0.3	0.6	-0.3	-0.9	
Nov		-0.3	-0.7	0.1	-0.8	0.0	-0.9	-0.8	-0.7	-0.9	-0.8	-0.8	-0.7	-0.4	
Dec		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	
2006 Jan		-4.1	-4.8	-12.3	10.5	-17.3	-12.7	3.7	-2.8	1.9	1.5	-4.9	9.6	4.7	
Feb		0.2	-0.1	0.1	0.1	0.3	-0.7	0.3	-0.6	-0.5	0.2	0.2	0.1	-0.6	
Mar		0.2	0.0	0.2	-0.9	0.0	0.3	0.3	-0.3	-0.8	-0.4	0.4	-0.7	-0.6	
Apr		0.7	0.3	0.7	-0.7	0.0	0.4	-0.2	0.5	0.7	-0.3	0.5	0.8	0.7	
May		0.2	0.4	0.0	0.2	0.0	0.4	0.1	0.2	-0.6	-0.5	1.1	0.1	-0.6	
Jun		-1.1	1.7	0.1	-0.2	0.1	5.5	-0.1	0.8	0.8	0.4	2.1	0.4	0.1	
Jul		-0.5	0.9	3.5	0.8	0.0	0.3	0.9	-0.3	-0.9	0.1	0.8	0.8	-0.1	
Aug		-1.0	-0.1	-0.3	-0.7	0.0	0.2	-0.1	0.1	0.4	-0.6	-0.1	0.5	0.2	
Sep		0.2	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2	
Oct		1.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6	
Nov		0.8	-0.6	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	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	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	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	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	0.7	-0.1	0.0	-0.9	0.2	0.9	0.3	-0.1	-0.1	0.1	-0.1	
May		0.6	-0.1	1.2	0.8	0.0	3.3	0.6	0.8	0.0	0.4	2.1	0.3	0.8	
Jun		0.1	1.0	0.1	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.5	0.6	0.0	
Jul		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	-0.6	0.4	0.4	-0.4	-0.4	-0.4	0.3	0.5	-0.3	0.8	-0.8	
Sep		0.6	-0.9	0.4	-1.1	0.7	-2.3	-1.1	-0.9	-0.3	-0.6	-0.7	0.5	-0.6	

Note: (1) Base 2001=100 before August 2006, (2) Base Dec 2001=100 from August 2006

Table A7: External Debt Developments

Millions of USD

Item	2004/05	2005/06	2006/07	2007/08		
				Jul-07	Aug-07	Sep-07
1. Overall Total Debt Committed²	8,345.1	8,638.9	5,212.4	5,248.3	5,447.2	5,635.1
Disbursed outstanding debt	6,799.5	6,971.1	3,442.3	3,471.5	3,556.2	3,685.2
Undisbursed debt	1,545.6	1,667.7	1,770.1	1,776.8	1,891.1	1,949.9
2. Disbursed Debt by Creditor Category²	6,799.5	7,733.9	3,442.3	3,471.5	3,556.2	3,685.2
Bilateral	1,502.3	1,506.2	910.5	907.2	901.1	910.4
Multilateral	4,626.3	5,459.6	1,772.6	1,801.2	1,891.0	2,001.4
Commercial	416.4	462.2	437.3	439.6	439.5	447.9
Export credits	254.5	305.9	321.9	323.4	324.7	325.5
3. Disbursed Debt by Borrower Category²	6,799.5	7,734.0	3,442.3	3,471.5	3,556.2	3,685.2
Central Government	5,830.5	6,724.5	2,692.0	2,718.0	2,799.4	2,923.3
Parastatal Companies	477.5	450.0	167.8	168.0	167.9	169.0
Private Sector	491.5	559.5	582.5	585.5	588.9	592.9
4. Disbursed Debt by Use of Funds²	6,799.5	6,971.1	3,442.3	3,471.5	3,556.2	3,685.2
Balance of Payment & Budget Support	1,335.1	1,392.6	1,019.3	1,019.7	1,096.4	1,117.2
Transport & Telecommunication	1,073.5	1,087.9	425.3	427.6	431.5	441.2
Agriculture	1,077.8	1,050.1	338.1	346.2	350.1	354.0
Energy & Mining	1,070.3	955.2	606.9	610.5	609.2	615.1
Industries	405.5	409.0	162.8	157.9	158.0	159.5
Social Welfare & Education	611.7	647.3	433.2	444.6	447.1	525.1
Finance and Insurance	96.6	98.7	64.4	66.0	66.0	66.5
Tourism	80.1	80.8	73.0	73.2	73.4	74.8
Others	1,048.9	1,249.8	319.3	325.9	324.5	331.6
5. Total Amount fo Loans Contracted¹	376.4	264.0	318.1	72.2	0.0	1.5
Government	335.4	165.0	280.0	0.0	0.0	0.0
Parastatal Companies	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
6. Disbursements¹	190.2	207.1	449.5	18.5	14.2	57.4
Government	161.4	179.1	432.6	14.7	9.1	57.4
Parastatal Companies	0.0	0.0	0.0	0.0	5.0	0.0
Private	28.8	28.0	16.9	3.8	0.0	0.0
7. Scheduled Debt Service¹	355.1	373.6	336.9	28.0	3.5	17.0
8. Actual Debt Service¹	112.9	90.7	7.7	3.0	0.7	4.5
Principal	86.0	61.4	5.6	0.8	0.3	3.4
Interest	26.9	29.3	2.1	2.1	0.4	1.1
Others	0.0	0.0	0.0	0.0	0.0	0.0
9. Net Transfers¹	77.3	99.8	407.5	15.5	13.5	52.9
10. Total Arrears by Creditor Category²	2,470.5	2,392.4	2,199.6	2,226.8	2,228.9	2,260.7
Principal	1,135.2	1,116.3	981.0	992.4	986.7	1,005.5
Bilateral	669.4	609.0	377.7	381.6	379.8	387.2
Multilateral	5.9	11.9	13.6	14.7	16.5	15.2
Commercial	249.2	275.0	339.5	346.1	340.9	352.4
Other Private Creditors	210.7	220.4	250.1	250.0	249.4	250.7
Interest	1,335.3	1,260.1	1,218.6	1,234.5	1,242.2	1,255.2
Bilateral	818.8	684.0	536.1	543.3	544.5	549.6
Multilateral*	23.4	22.0	27.7	28.1	28.5	29.5
Commercial	333.7	372.9	440.0	445.5	451.7	458.0
Other Private Creditors	159.4	181.2	214.8	217.6	217.5	218.1
11. External Debt Stock	8,134.8	8,231.3	4,660.8	4,706.0	4,798.4	4,940.4
12. Domestic Debt Stock	952.6	1,405.9	1,497.9	1,479.0	1,501.2	1,513.1
13. Total Debt Stock	9,087.4	9,637.2	6,158.8	6,184.9	6,299.6	6,453.5
End Period Exchange Rate	1,126.3	1,253.1	1,258.5	1,281.0	1,275.9	1,229.9

Source: Bank of Tanzania

* Multilateral arrears are those owed by private companies

1) During the period 2) Position as at the end of September 2007



GLOSSARY



Currency in Circulation Outside Banks

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

Discount Rate

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

Exchange Rate

This is the price at which one currency can be purchased with another currency, e.g. TZS per US dollar.

Lombard Facility

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

Lombard Rate

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

Money Supply, M

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

M1, Narrow Money,

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

M2, Broad Money

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

M3, Extended Broad Money

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

Nominal Exchange Rate

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

Non-Food or Underlying Inflation Rate

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

Repurchase Agreement (REPO)

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

Reserve Money (M0)

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

Seasonally Adjusted Series

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

Weighted Annualized Yields of Treasury Bills of all Maturities

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



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For any enquiries contact:
Director of Economic Policy
Bank of Tanzania, P.O. Box 2939, Dar es Salaam
Tel: 255 22 2114905, Fax: 255 22 2123294
<http://www.bot-tz.org>

