



**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

**August 2007**



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# 1.0 Inflation Developments

On the basis of statistics released recently by the National Bureau of Statistics (NBS), annual headline inflation increased for two months in a row to 9.0 percent in July 2007 from 5.9 percent recorded a month earlier. The increase in inflation rate was mainly driven by food inflation, as non-food inflation declined slightly. The increase was also reflected in month-to-month inflation which increased by 0.1 percent-the same rate of increase as recorded a month before. Excluding seasonal influences, the month-on-month headline inflation moved from 1.3 percent in the June 2007 to 1.1 percent in the month under review- reflecting the pace of the increase in inflation.

Annual **non-food inflation** decreased from 7.6 percent in June 2007 to 7.4 percent during the period ending July 2007. The highest increases in price level during the year ending July 2007 were recorded in the average prices of drinks and tobacco (10.8 percent), Household Operations and Maintenance (10.7 percent), Recreation and entertainment (10.6 percent) and Education (8.6 percent) subgroups. The month-to-month non-food inflation however, went up by 0.2 percent between June and July 2007 compared to 1.0 percent in May and June 2007 following increases in the average prices of rent, coffee (africale), kerosene, petrol, diesel, bus fare, car batteries, audio and video cassettes, secondary school fees (private), kerosene stoves, electrical cookers, sewing machines, laundry soap, creams and cough syrup.

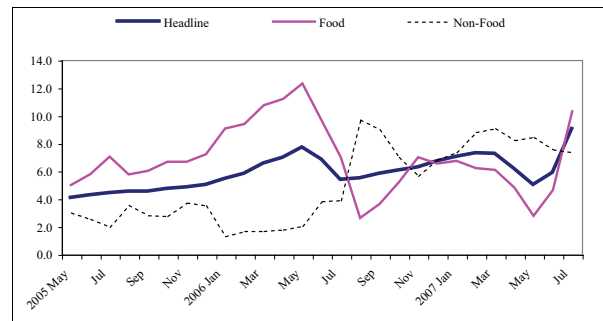
Annual **food inflation** increased to 10.3 percent in July 2007, from 4.6 percent recorded in the year ended June 2007. The month-to-month food inflation also increased by 0.1 percent in July 2007 compared to a decline of 0.6 percent in June 2007 (Table 1.1 and Chart 1.1). The increase is mainly explained by a rise in the average prices for some food items particularly rice wheat flour, bread, potatoes, banana, fish cooking oil, beans, cowpeas, sugar, meat and meals from restaurants.

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

Major Commodity Group	Weight (%)	2005			2006			2007		
		May	Jun	Jul	May	Jun	Jul	May	Jun	Jul
<b>Headline/Overall</b>	<b>100</b>	<b>4.0</b>	<b>4.2</b>	<b>4.4</b>	<b>7.7</b>	<b>6.8</b>	<b>6.4</b>	<b>5.0</b>	<b>5.9</b>	<b>9.0</b>
<b>Food</b>	<b>55.9</b>	<b>5.0</b>	<b>5.8</b>	<b>7.0</b>	<b>12.3</b>	<b>9.6</b>	<b>4.2</b>	<b>2.8</b>	<b>4.6</b>	<b>10.3</b>
<b>Non-food</b>	<b>44.1</b>	<b>3.0</b>	<b>2.5</b>	<b>2.0</b>	<b>2.1</b>	<b>3.8</b>	<b>9.5</b>	<b>8.4</b>	<b>7.6</b>	<b>7.4</b>
Transportation	9.7	5.0	5.1	5.4	4.2	6.3	11.9	8.0	5.8	6.8
Fuel, Power and Water	8.5	9.6	5.6	0.3	4.9	10.4	12.7	7.5	6.4	7.3
Drinks and Tobacco	6.9	1.7	1.4	3.1	2.6	2.9	8.0	13.0	12.3	10.8
Clothing & Footwear	6.4	-0.9	0.9	1.3	-2.0	-2.2	8.8	7.4	7.3	5.5
Education	2.6	0.2	1.2	0.1	0.6	0.2	4.2	10.1	10.3	8.6
Furniture & Household Equip.	2.1	-3.2	-2.8	-0.9	0.8	1.3	8.4	8.4	8.7	7.6
H/h Operations Maintenance	2.1	1.4	0.4	0.3	-0.9	-0.4	1.5	11.1	10.1	10.7
Personal Care & Health	2.1	4.4	6.1	6.5	-0.6	0.4	12.3	4.7	4.2	4.5
Rents	1.4	-5.3	-5.0	-3.9	0.6	0.7	5.0	4.2	3.2	1.7
Recreation & Entertainment	0.8	0.9	-0.2	-2.1	-1.3	-1.3	5.1	9.4	10.1	10.6
Misc. Goods & Services	1.5	-2.4	-1.5	-0.8	-0.7	-0.8	7.2	2.0	2.5	2.0

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

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



## Food Supply Situation

Food supply situation in the country continued to be satisfactory throughout the country during July 2007. This is partly explained by the increase in supply of both cereal and non-cereal crops from the recent crops harvest. A preliminary crop forecast survey conducted in May 2007 by the Ministry of Agriculture, Food Security and Cooperatives (MAFC) indicated that the total food production for 2006/07 season (i.e. cereals and non-cereal crops) increased by 2.7 percent to 11.0 million tons from 10.7 million tons produced last season. Cereal output is estimated to have increased by 12.7 percent to 5.8 million tons when compared with 2005/06 harvests due to favorable rains and increased use of fertilizers in main producing regions particularly Southern Highlands Zone regions. Despite the good harvest, there are still some food shortages in localized areas where excessive rains resulted in flooding and where rainfall was not satisfactory for crop production. From the preliminary crop production forecast, it was indicated that four regions namely Arusha, Kilimanjaro, Singida, and Tabora are likely to face some food shortages in varying degrees. Given the national food requirement of about 10 million tons, (and food production of 11 million tons during 2006/07) the country is expected to have a surplus of about 1,000,000 tons implying a comfortable food supply situation during the 2007/08 period.

The wholesale prices of major cereal crops slightly decreased in July 2007 when compared with the same period last year following the increased supplies from the recent crops harvest and carryover stocks from the 2006 harvests (Table 1.2). The decline notwithstanding, the wholesale prices for non-cereal crops (i.e. beans and potatoes) in July 2007 remained relatively high when compared with the corresponding month last year due to low production.



**Table 1.2: National average Wholesale Prices for Selected Food Items**

*TZS per 100 kg*

Item	2006		2007		Percentage Change	
	July	July	July	June	July -06 to-07	June-07 to July-07
Maize	22,309	17,653	16,665		-20.9	5.9
Rice	69,551	58,191	59,405		-16.3	-2.0
Beans	48,785	62,156	63,162		27.4	-1.6
Sorghum	33,690	24,436	25,339		-27.5	-3.6
Potatoes	27,320	34,219	33,461		25.3	2.3

Source: Ministry of Industry, Trade and Marketing

## The Strategic Grain Reserves (SGR)

By the end of July 2007, the SGR stock increased by 0.4 percent to 129,306 tons compared to 128,804 tons recorded in June 2007 (Table 1.3). On annual basis the SGR stock increased substantially from 13,811 tons recorded in July 2006 to 129,306 tons in July 2007 on account of large stock carryovers and new stock purchases. The SGR department purchased 500 tons of maize during the month under review and plans to procure 28,000 tons of maize during 2007/08 to increase SGR stocks to the maximum capacity of 150,000 tons of maize and sorghum.

**Table 1.3: Strategic Grain Reserve (SGR) Stock**

*Tons*

Period	2004				% Change	
	2004	2005	2006	2007	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	1,428	
April	32,387	115,262	3,165	125,509	3,866	
May	31,732	113,823	6,210	128,350	1,967	
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			
September	67,685	111,971	80,248			
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

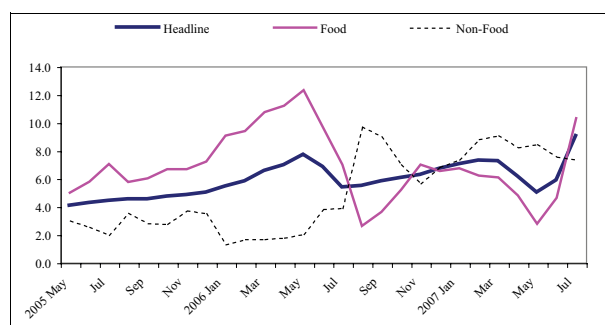
### Money Supply

On the basis of the figures from the monetary survey, the annual growth rate of money supply in July 2007 slightly accelerated compared to the previous month's record. The increase in

monetary growth was mainly driven by acceleration of the net foreign assets of the Banking system with a corresponding decrease in net domestic assets largely due to a surge in government deposits.

Although lower than 30.7 percent in a similar month of last year, extended broad money supply (M3) grew at 22.4 percent in July 2007 up from both the growth rate of 20.7 percent recorded in the preceding month and the program target of 21.7 percent for the year beginning July 2007. Similarly, the annual growth of broad money supply (M2), which excludes foreign currency deposits, grew at 24.1 percent, which is considerably higher than the growth rate of 20.1 percent recorded in the preceding month, though lower than the previous year's growth rate of 27.3 percent (Chart 2.1). The annual growth rate of M2 is also higher than the program target of 21.7 percent for the year beginning July 2007.

**Chart 2.1: Annual Growth Rates in Money Supply**



On monthly basis, M3 increased by TZS 238.4 billion in July 2007 compared with an increase of TZS 109.5 billion and TZS 88.0 billion recorded in the months of June and May 2007, respectively. M2 registered a monthly increase of TZS 228.2 billion which is significantly higher than the increase of TZS 49.5 billion and TZS 145.9 billion registered in Jun and May 2007, respectively. The sizeable monthly increase in extended broad money supply was mirrored mainly in the increase in net foreign assets associated with a surge in balance of payments inflows. A sizeable increase is registered across all components of money supply, with saving deposits taking the lead while foreign currency deposits been the least largely on account of corporate customers's withdrawal for various payments (Table 2.1).



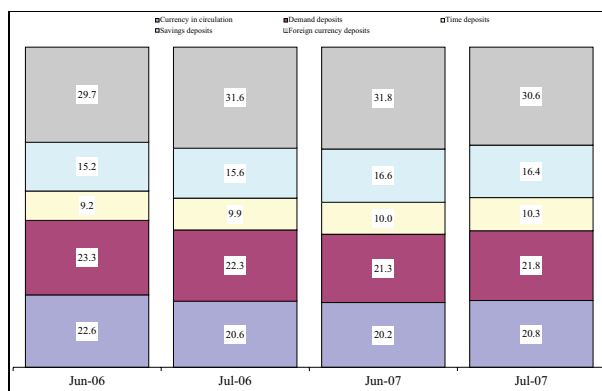
**Table 2.1: Selected Money Supply Components**

Item	Billions of TZS			Annual growth rate (%)			
	2007		Monthly Change	2006		2007	
	Jun	Jul		Jun	Jul	Jun	Jul
<b>Extended broad money (M3)</b>	<b>5,189.9</b>	<b>5,428.2</b>	<b>238.4</b>	<b>31.6</b>	<b>30.7</b>	<b>20.7</b>	<b>22.4</b>
Broad money (M2)	3,538.1	3,766.3	228.2	24.5	27.3	20.1	24.1
Currency in circulation	1,049.5	1,131.5	82.0	16.5	19.3	22.6	23.8
Demand deposits	1,106.7	1,183.3	76.6	18.7	25.0	17.4	19.9
Time deposits	517.8	561.6	43.8	38.5	41.5	13.7	27.3
Saving deposits	864.1	889.9	25.8	35.9	34.2	25.0	28.6
Foreign currency deposits (FCD)	1,651.8	1,661.9	10.1	50.4	38.7	22.0	18.7
FCD in millions of USD	1,302.4	1,297.4	-5.0	35.2	22.3	20.6	19.3
Private sector deposits	4,140.4	4,296.8	156.3	36.0	34.0	20.3	22.1
Government sector deposits	252.8	275.5	22.7	40.8	69.4	28.3	36.5
Total deposits	4,393.2	4,572.3	179.1	36.2	35.6	20.7	22.8
<b>Net foreign assets</b>							
Bank of Tanzania	2,704.2	3,249.4	28.7	32.8	56.4	22.2	28.0
Commercial banks	837.4	687.3	-90.9	40.4	37.8	-2.7	-23.2
<b>Net domestic assets</b>	<b>2,257.5</b>	<b>2,100.7</b>	<b>259.8</b>	<b>21.4</b>	<b>-3.0</b>	<b>23.0</b>	<b>30.4</b>
Domestic credit	2,477.6	2,315.0	280.6	44.2	17.1	14.2	22.3
Net claims on government	217.4	-70.7	214.2	80.1	-63.6	-57.6	161.4
Claims on government by the banking system	1,764.2	1,873.1	278.0	75.2	45.3	82.7	37.6
Government deposits in the banking system	1,546.8	1,943.8	63.8	69.9	100.8	241.6	56.0
Claims on private sector by Commercial Banks	2,260.2	2,385.7	66.4	35.9	36.7	36.4	34.2

Source: Bank of Tanzania

Similar to the previous month, public preferences in holding different types of money remained broadly unchanged during the month of July 2007 with foreign currency holdings and demand deposits taking the lead, followed by currency in circulation and time deposits (Chart 2.2). Preferences in holding foreign currency together with savings deposits have been on the rise for the past three years now while other forms of money holdings remained somewhat unchanged over the same period.

**Chart 2.2: Components of Money Supply as Percentage of M3**



## Credit Developments

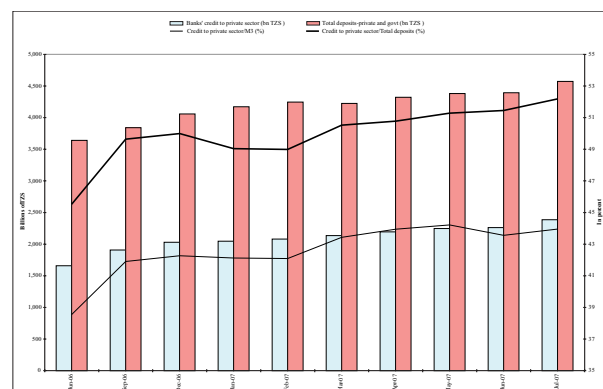
### Domestic Credit

At the end of July 2007, commercial banks' credit to the private sector recorded an annual growth rate of 34.2 percent slightly lower than the growth rate of 36.4 percent that was evidenced at the similar month in 2006. The share of outstanding credit stock to total money supply has stabilized at 44 percent (i.e. 13 percent of GDP) while in terms of total deposits, the credit stock has increased to about 55.5

percent which is higher than the level recorded in the past three months (Chart 2.3). Total credit extended during July 2007 was TZS 125.6 billion compared with TZS 13.8 billion recorded in the previous month.

The continued satisfactory performance in private sector credit reflects, in part, increased credit culture among business community, declining credit risks due to continuing reforms, improvement in business environment and competition in the banking sector increased public awareness on facilities offered by the banking system for small and medium sized enterprises, as well as the introduction of special products for estate developments. In terms of credit concentrations, trade, manufacturing and agriculture (particularly cash crop purchases) activities continued to predominate followed by transport and communication, electricity, and building and construction.

**Chart 2.3: Commercial Banks Intermediation**



## Interest Rates

During June 2007, interest rates spread slightly widened to 5.11 percent up from 5.07 percent registered in June 2007. This range is associated to differential pace of growth on 12- months deposits rates and short term (up to one year) lending rates during the month under review- with the latter growing in a double digit scale. Like in the previous month, interest rates on deposits and loans continued to have insignificant response from the influence of treasury bills market developments as a proxy on interest rates determination. As reported earlier, this situation is largely attributed to the structure of the financial market, existing structural bottlenecks, legal and regulatory rigidities, which hinders the smooth operation of the financial system and hence distorts the competitive determination of interest rates in the market, thus weak pricing of various financial assets in the economy.

While the overall time deposits rates declined to 7.55 percent during July 2007 from 7.79 percent of June 2007, the overall lending rates jumped to 16.07 percent from 15.71 percent recorded in June 2007 in line with all term lending structure.



Time deposits structure across all spectrum posted mixed reactions, with a continual decline of the 12-months time deposits rates by 0.20 percent from the level recorded in June 2007 to 9.01 percent during July 2007, while short-term lending rates (up to one year) rose slightly to 14.12 percent from 13.95 percent during the same period (Table 2.2).

As for saving deposits, rates improved slightly from 2.59 percent in June to 2.70 percent in July 2007, but still very low when factored in the average inflation rate which has been above 5.0 percent now. As for prime customers the rates have been favourable following their credibility in the industry with negotiated deposit rates closing at an average of 8.91 percent in July up from 8.65 percent in the preceding month, while the prime lending rates recorded an average decline of 0.06 percentage points to 12.14 percent from 12.20 percent recorded in the same period.

**Table 2.2: Interest Rate Structure**

Item	2006				2007			
	Apr	May	Jun	Jul	Apr	May	Jun	Jul
Inter-bank cash market rate	5.35	5.64	8.40	8.63	9.69	6.42	7.24	10.46
Savings Deposit Rate	2.81	2.75	2.54	2.54	2.42	2.60	2.59	2.70
12 months time deposit rate	8.44	8.00	8.70	8.01	9.09	9.39	9.21	9.01
Negotiated Deposit Rate	11.50	9.98	10.07	9.13	8.45	8.18	8.65	9.91
Overall time deposit rate	5.94	5.88	6.63	6.98	7.75	7.62	7.79	7.55
Overall lending rate	15.02	14.40	15.44	16.18	15.75	15.91	15.71	16.07
Short-term lending rates (up to one year)	16.39	14.12	15.77	16.61	13.63	13.80	13.95	14.12
Negotiated Lending Rates	11.24	11.32	11.19	11.99	12.72	11.91	12.20	12.14
Treasury Bills Weighted Average Yield (WAY)	12.02	10.21	8.25	9.17	16.41	13.49	17.07	15.41
364-days Treasury Bills Yield	11.92	10.37	9.63	9.76	17.27	14.59	18.39	15.84
Interest rate spread	7.95	6.12	7.07	8.60	4.54	4.41	5.07	5.11

Source: Bank of Tanzania

## Developments in Financial Markets

### Treasury bills Markets

During the month of June 2007, performance in the government securities market, in particular treasury bills, was not as vibrant as in the preceded month. Total demand stood at TZS 93.3 billion against total supply of TZS 65.0 billion, representing a significant decline of 81.0 percent and 75.0 percent, respectively, from the previous month market performance. The Bank accepted treasury bills worth 54.6 as part of its continual effort to curb unwarranted liquidity in the economy. In line with low performance in the treasury bills market during the month under review, the overall treasury bills yields has gone down by 1.13 percentage points compared to the June 2007 (Table 2.3).

**Table 2.3: Treasury bills Performance**

Item	2006	2007					
	Dec	Feb	Mar	Apr	May	Jun	Jul
Supply	267.0	240.0	240.0	210.0	265.0	260.0	65.0
Demand	304.1	464.3	258.5	431.6	650.8	490.3	93.3
Sale (face value)	284.9	239.1	207.3	179.1	424.3	308.0	54.6
Sale (cost value)	257.5	223.0	187.1	161.2	388.6	270.8	49.4
Redemption	145.2	163.2	192.4	155.4	238.9	160.8	33.1
WAY (%)	15.04	12.95	15.99	16.41	13.49	17.07	15.94

Source: Bank of Tanzania



## Treasury bond Market

While supply for Treasury bond during the month of July 2007 remained unchanged from the level recorded in June 2007, the demand side portrayed the similar pattern as in the previous market by registering a decrease of about TZS 15.4 billion from levels registered in June 2007. The decrease in demand is partly associated with the decline of excess liquidity in the economy. Owing to the existence of some outlier bids, the Bank of Tanzania accepted bids worth TZS 41.4 billion, which is higher than the amount offered by TZS 21.4 billion, reflecting Bank's initiative in controlling the level of liquidity in the system. The average treasury bonds yield across all maturity decline from 18.2 percent in June to around 17.2 percent July 2007 (Table 2.4).

**Table 2.4: Treasury bonds Performance**

Item	2006	2007					
	Dec	Feb	Mar	Apr	May	Jun	July
Supply	12.0	16.0	16.0	17.0	23.0	20.0	20.0
Demand	46.4	25.0	34.8	40.3	79.5	70.5	55.0
Sale (face value)	37.0	22.7	25.3	14.9	23.0	38.3	41.4
Sale (cost value)	31.1	17.9	20.6	10.9	17.7	30.2	33.8
Redemption	9.7	0.0	0.0	44.4	0.0	0.0	39.0
Yields (%): 2-year	18.47	17.38	19.23	17.56	15.96	18.25	17.7
5-year	15.21	16.37	16.21	18.20	17.41	18.37	17.3
7-year	17.33	15.40	20.69	19.90	17.41	18.58	18.5
10-year	17.69	17.82	18.51	18.03	16.29	17.48	17.5

Source: Bank of Tanzania

## Repurchase Agreements

In an effort to control the level of liquidity in the economy to a targeted path, the Bank of Tanzania conducted repurchase agreements (Repo) worth TZS 218.0 billion to supplement government securities in curbing liquidity pressure in the commercial banks. Repo rates ranged between 8.0 percent and 9.0 percent during the month, which is slightly higher than the range of 5.0 percent and 8.6 percent recorded in the previous month. In line with monetary policy stance, overall repo rate increased from 6.25 percent in June 2007 to 8.9 percent during July.

## Inter-bank Cash Market

Total inter-bank cash market transactions increased during the month under review to TZS 398.3 billion from TZS 318.1 billion recorded in the preceding month. The increase was partly associated with tightness of the monetary policy stance implemented during the month. Overnight placements remained dominant accounting for about 60.0 percent of total transactions during the month under review, with overnight rate rising from 6.67 percent in June 2007 to 9.75 percent in July. Similarly, the overall inter-bank cash market rate rose from 7.24 percent to 10.46 percent in the same period under review.

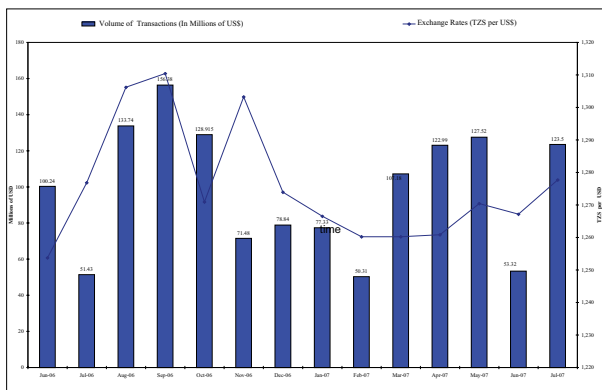


## Transactions in the Inter-Bank Foreign Exchange Market (IFEM)

During July 2007, transactions in the Inter-bank Foreign Exchange Market (IFEM), as measured by the total volume transacted, increased from USD 53.3 million recorded in the previous month to USD 123.5 million. Such an increase in the volume traded was partly associated with a surge in foreign exchange inflows during the month under review compared to a drop in inflows in June 2007.

On net basis, the Commercial banks and Non-banks altogether sold USD 38.2 million while the Bank of Tanzania purchased USD 85.3 million. The weighted average exchange rate depreciated to TZS 1,277.7 per US dollar compared to TZS 1,267.2 recorded in June 2007 (Chart 2.5).

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



## Transactions in Bureaux de Change System

During the review period, the volume of transactions conducted by Bureau de Change system increased slightly to USD 74.1 million from the level transacted in the previous month. The foreign exchange sales went up by 11.4 percent to USD 36.9 million and purchases increased by 9.6 percent to USD 37.2 million. Meanwhile, the average buying rate and selling rate appreciated to TZS 1,268.0 per USD from TZS 1258.0 and TZS 1233.0 per USD from TZS 1273.0 per USD recorded in June 2007 (Table 2.5).

**Table 2.5: Foreign Exchange Market Developments**

Item	2007		2006 Jul	% Change		Year ending July		% Change
	June	July		Jun.07 to Jul.07	Jul. 06 to Jul.07	2006	2007	
<b>IFEM</b>								
Amount offered*	53.32	110.52	51.43	107.28	114.91	952.52	1,277.21	34.09
Amount sold*	53.32	110.52	51.43	107.28	114.91	952.52	1,277.21	34.09
Exchange rate**	1,267.16	1,276.50	1276.83	0.74	-0.03	1,194.05	1,218.50	2.05
<b>Bureau de Change</b>								
Sales*	33.14	36.93	32.81	11.44	12.56	410.64	383.57	-6.59
Purchases*	33.91	37.16	32.73	9.58	13.53	406.85	385.00	-5.37
Volume of Transactions*	67.05	74.09	65.54	10.50	13.05	817.49	768.57	-5.98
Buying rate**	1,258.00	1,268.00	1,209.00	0.79	4.88	1,177.42	1,232.67	4.69
Selling rate**	1,273.00	1,283.00	1,274.00	0.79	0.71	1,203.58	1,292.52	7.39

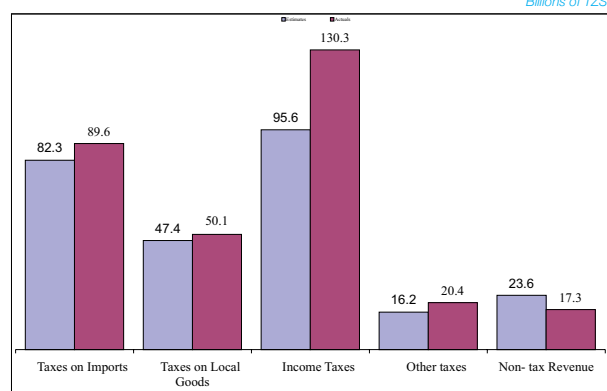
Source: Bank of Tanzania  
Note: \* Millions of USD, \*\* Tanzanian Shillings (TZS) per US dollar

## 3.0 Government Budgetary Operations

Provisional Government Budgetary Operations statistics for month of June 2007 shows that total resources available for the government budgetary operations amounted to TZS 299.1 billion, mostly from domestic revenue amounting to TZS 298.8 billion.

Total revenue collected was above the target of TZS 253.8 billion, by TZS 45.0 billion mainly on account of strong performance in income taxes, taxes on imports, and taxes on local goods. Good performance was registered in all major tax categories (Chart 3.1). The impressive performance was on account of coordinated tax administration efforts through block management system and increased compliance by the taxpayers through timely submission of tax returns and payments. The effective use of block management system that involves registering and reclassifying taxpayers into large, medium and small taxpayers has made it possible planned tax visits, effective field audits, timely recovery of tax arrears, and registration of more tax payers that has resulted into further expansion of the tax base.

**Chart 3.1: Tanzania: Government Revenue Performance in June 2007**



Total expenditure amounted to TZS 487.4 billion, out of which development expenditure was TZS 50.2 billion. This level of expenditure exceeded resource envelope by TZS 188.2 billion. The government financed the deficit by borrowing TZS 144.3 billion from domestic sources and TZS 43.9 billion from abroad.

Cumulatively, fiscal performance for the period ending June 2007 indicates that, the government resources amounted to TZS 3,691.2 billion, out of which domestic revenue was TZS 2,739.0 billion. During the same period, the government received foreign grants amounting to TZS 952.2 billion against the budget estimate of TZS 1,438.9 billion for the whole year. Total expenditure was TZS 4,433.6 billion. During the same



period, net disbursement of foreign loans to the government was TZS 717.8 billion below the budgeted amount of TZS 736.2 billion. The shortfall in foreign borrowing necessitated the government to borrow TZS 238.0 billion from the domestic sources to cover for the deficit.

## 4.0 External Sector Performance

### Current Account Balance

In July 2007, the current account balance improved substantially to a surplus of USD 137.4 million compared to a deficit of USD 250.5 million that was recorded in the previous month mainly due to a surge in disbursements of current transfers from USD 1.6 million recorded in June 2006 to USD 321.7 million. The progress is largely in line with the development partners' commitment of frontloading funds during the beginning of the year to enable the government to timely execute its plans. Conversely, on year-to-year basis, the current account balance worsened to a deficit of USD 1,395.4 million compared with a deficit of USD 1,041.8 million for the year ending July 2006, owing to a huge increase in imports particularly oil products. While imports of goods and services increased by 21.4 percent, exports grew by only 10.2 percent hence attributing to the deterioration of the current account balance (Table 4.1).

**Table 4.1: Current Account Balance**

*Millions of USD*

Items	July		2007 <sup>P</sup>		Year Ending July		% Change
	2005	2006	June	July	2006 <sup>P</sup>	2007 <sup>P</sup>	
<b>Goods Account (net)</b>	<b>-89.4</b>	<b>-172.3</b>	<b>-230.5</b>	<b>-203.4</b>	<b>-1,745.2</b>	<b>-2,510.3</b>	<b>43.8</b>
Exports	149.0	127.8	139.8	148.7	1,752.8	1,877.3	7.1
Imports	238.4	300.1	390.1	352.1	3,498.1	4,387.6	25.4
<b>Services Account (net)</b>	<b>22.0</b>	<b>33.8</b>	<b>-17.1</b>	<b>11.9</b>	<b>147.3</b>	<b>218.9</b>	<b>48.6</b>
Receipts	119.7	136.2	133.8	139.9	1,395.1	1,591.0	14.0
Payments	97.8	102.4	112.9	128.0	1,247.8	1,372.1	10.0
<b>Goods and services (net)</b>	<b>-67.4</b>	<b>-138.5</b>	<b>-247.6</b>	<b>-191.5</b>	<b>-1,598.0</b>	<b>-2,291.4</b>	<b>43.4</b>
Exports of goods and services	268.8	264.0	273.6	288.7	3,147.9	3,468.3	10.2
Imports of goods and services	336.2	402.5	503.0	480.1	4,745.9	5,759.7	21.4
<b>Income Account (net)</b>	<b>-9.8</b>	<b>-4.1</b>	<b>-3.9</b>	<b>4.1</b>	<b>-111.6</b>	<b>-66.8</b>	<b>-40.1</b>
Receipts	3.4	7.7	7.4	8.0	79.0	90.7	14.9
Payments	13.2	11.8	14.4	4.0	190.6	157.6	-17.3
<b>Current Transfers (net)</b>	<b>13.4</b>	<b>12.5</b>	<b>1.0</b>	<b>324.8</b>	<b>667.8</b>	<b>962.8</b>	<b>44.2</b>
Inflows	20.0	18.4	10.6	330.6	596.0	890.9	49.5
o/w General Government	12.2	9.7	1.6	321.7	498.8	784.0	57.2
Outflows	6.6	5.9	6.1	5.8	-71.8	-72.0	0.3
<b>Current Account Balance</b>	<b>-63.9</b>	<b>-130.2</b>	<b>-250.5</b>	<b>137.4</b>	<b>-1,041.8</b>	<b>-1,395.4</b>	<b>33.9</b>

Note: <sup>P</sup> = Provisional. Totals may not add up due to rounding of numbers  
Source: Bank of Tanzania

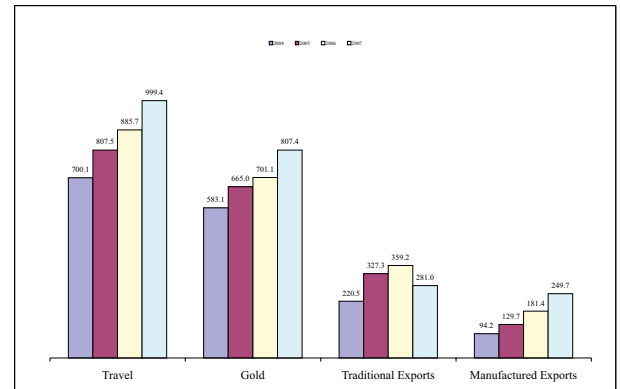
### Exports Performance

During the year ending July 2007, exports of goods and services increased by 10.2 percent to USD 3,468.3 million with travel and gold accounting for about 43 percent of total exports (Chart 4.1).



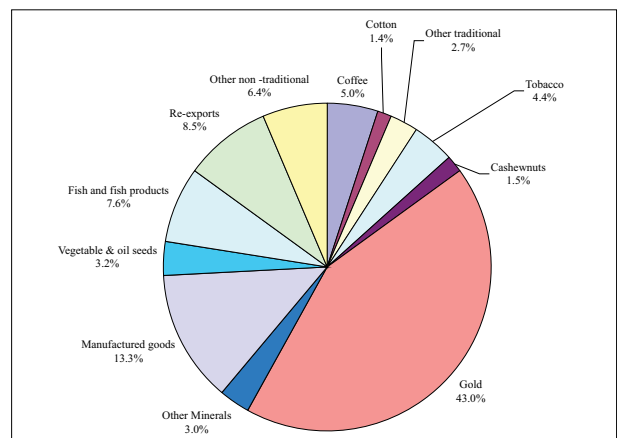
**Chart 4.1: Contribution of Selected Items to Total Exports of Goods and Services for the year ending July 2007**

*Millions of USD*



Merchandise goods exports increased to USD 1,877.3 million from USD 1,752.8 million recorded during the corresponding period in the previous year. The development is attributed to improved performance of non-traditional exports that went up by 14.5 percent to USD 1,596.3 million. The sectors that mainly contributed to the improvement were manufactured goods, re-exports and minerals. On the other hand, traditional exports declined significantly to USD 281.0 million following the poor performance in exports of cotton and cashewnuts. The contribution of merchandise exports for the year ending July 2007 is presented on 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

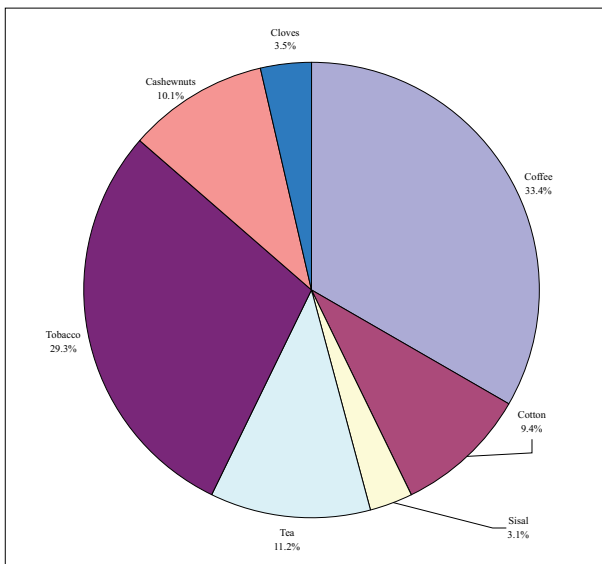
### Traditional Exports

In July 2007, traditional exports declined by 39.8 percent to USD 5.7 million largely attributed to a huge fall in export volumes of coffee and tea and deterioration of unit prices for most of the traditional exports. While the decline in export volumes is partly due to seasonality factors, the drop in export

prices is partly associated with the movement of commodity prices in the world market.

On annual basis, dismal performance was also recorded in traditional exports as the country earned USD 281.0 million compared with USD 359.2 million recorded in the last year. The weakening performance is largely due to significant drop in exports volumes of cotton and cashewnuts. During the period under review, the volume of cotton exports declined to 26,443 tons compared with 115,952 tons that were exported in the previous year. This development was largely due to unfavourable weather conditions in 2005/06 that adversely affected production level of cotton. Likewise, the export volume of cashewnuts declined from 84,200 tons exported in the previous year to 57,400 tons following price disagreement between buyers and producers of cashewnuts. Since the commencement of the buying season in October 2006, the buyers were reluctant to buy the crop at the price of TZS 600 per kilogram set by the Cashewnut Board of Tanzania (CBT). Instead, they were willing to offer TZS 400 per kilogram, the price which was not agreeable by farmers. The performance of traditional exports for the year ending July 2007 is reflected on **Chart 4.3**.

**Chart 4.3: Contribution to total traditional exports for the year ending July 2007**

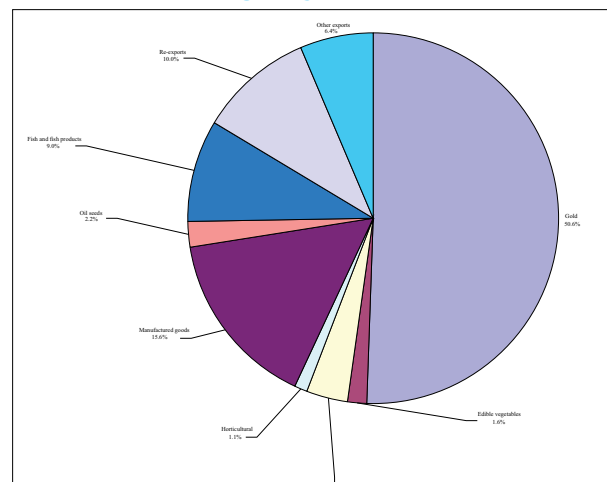


## Non-Traditional Exports

In July 2007, non-traditional exports increased by 9.7 percent to USD 143.0 million, owing to the increase in exports of manufactured goods and minerals. During the month, manufactured goods exports surged to USD 36.8 million from USD 21.8 million recorded in the previous month due to a significant increase in exports of sugar. The country managed to export about 18, 018 tons of sugar from 50 tons recorded in the previous month as part of Tanzania's quota into the European Union (EU) market.

On annual basis, non-traditional exports recorded an increase of 14.5 percent to USD 1,596.3 million compared to the amount that was recorded during the year ending July 2006, following recorded increases in all sub-categories of non-traditional exports. Gold, which accounts for over 50 percent of non-traditional exports increased by 15.2 percent to USD 807.4 million compared to the level that was recorded in the previous year. The improved performance of gold exports is largely attributed to a surge in gold prices in the world market, as exported volume remained virtually unchanged at 51 tons. Manufactured goods which rank second in prominence, recorded a significant increase to USD 249.7 million compared to USD 183.7 million in line with the growth of the manufacturing sector in the country following implementation of macroeconomic reforms. In addition, new markets in the neighbouring countries like Rwanda, Burundi, and Democratic Republic of Congo (DRC) have stabilized following the improved political situation in those countries. **Chart 4.4** depicts the performance of non-traditional exports for the year ending July 2007.

**Chart 4.4: Contribution to total non-traditional exports for the year ending July 2007**



## Services Export

In July 2007, export of services increased to USD 139.9 million from USD 133.8 million recorded in the previous month, largely due to increase in receipts from travel and other business services.

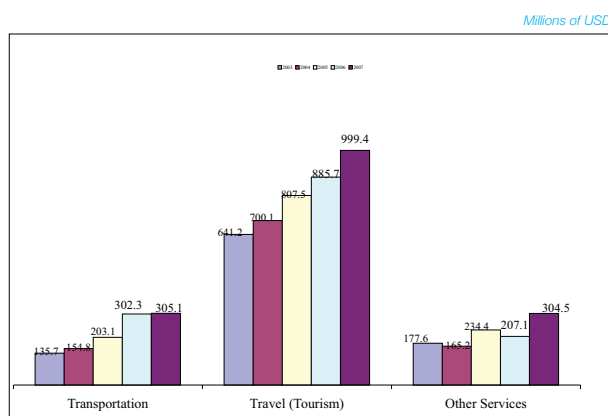
On annual basis, services receipts went up by 14.0 percent to USD 1,591.0 million mainly due to the increase in travel and other business services. The increase in travel (tourism) receipts to USD 981.4 million from USD 885.7 million during the year ending July 2006 is largely attributed to the attractiveness of the country evidenced by the free standing mountain in the world (Mount Kilimanjaro), the famous Ngorongoro Crater, the vast plains of Serengeti and attractive beaches in Zanzibar. Moreover, efforts have been made by the government and other stakeholders of promoting the



country as a quality tourist destination. In order to enhance performance of the tourism sector, there is a need to improve further infrastructure and services offered in the tourists' establishments.

The increase in other business services receipts which comprise of legal, accounting, consultancy, research and development and other technical and professional services is in line with openness of the economy which have attracted foreign and domestic investors in establishing businesses which provide the said services. **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

## Imports Performance

During July 2007, goods imports (f.o.b) decreased to USD 352.1 million from USD 390.1 million that was recorded in the previous month following a decline in imports capital and intermediate goods. Much of the decline was recorded in importation of intermediate goods which dropped by 20.0 percent to USD 144.7 million largely due to a fall in the volume of oil imports. In the review month, a total of 173,033 tons of oil were imported compared to 242,166 tons which were imported in June 2007.

During the month under review, imports of capital goods decreased by 6.1 percent to USD 130.0 million driven by a fall in importation of building and construction equipment and machinery. Conversely, consumer goods which consist of food and foodstuffs and other non-food items recorded an increase of 9.5 percent to USD 77.4 million largely due to the increase in imports of food and foodstuffs. Meanwhile, imports of non-food items remained virtually unchanged when compared to the previous month (**Table 4.2**).

**Table 4.2: Tanzania imports**

*Millions of USD*

Item	2006 P	2007 P		% Change		Year Ending July P		
	July	June	July	July 06- July 07	June 07 - July 07	2006	2007	% Change
<b>Capital Goods</b>	<b>115.0</b>	<b>138.5</b>	<b>130.0</b>	<b>13.0</b>	<b>-6.1</b>	<b>1,300.6</b>	<b>1,637.4</b>	<b>25.9</b>
Transport Equipments	31.1	39.0	46.6	50.1	19.7	364.7	417.1	14.4
Building and Constructions	31.0	37.8	28.5	-7.9	-24.7	317.7	372.6	17.3
Machinery	52.9	61.7	54.8	3.5	-11.1	618.2	847.7	37.1
<b>Intermediate Goods</b>	<b>115.4</b>	<b>180.9</b>	<b>144.7</b>	<b>25.4</b>	<b>-20.0</b>	<b>1,360.1</b>	<b>1,787.6</b>	<b>31.4</b>
Oil imports	83.1	157.4	108.2	30.2	-31.3	1,003.8	1,323.4	31.8
Fertilizers	2.4	0.3	0.2	-89.6	-27.6	38.3	55.2	44.3
Industrial raw materials	29.9	23.2	36.3	21.2	56.5	318.0	409.0	28.6
<b>Consumer Goods</b>	<b>69.7</b>	<b>70.7</b>	<b>77.4</b>	<b>11.0</b>	<b>9.5</b>	<b>837.4</b>	<b>962.6</b>	<b>15.0</b>
Food and food stuffs	16.6	10.9	18.1	9.0	66.8	243.6	240.4	-1.3
All other consumer goods <sup>1</sup>	53.1	59.8	59.3	11.7	-0.9	593.8	722.3	21.6
<b>Grand Total (F.o.b)</b>	<b>300.1</b>	<b>390.1</b>	<b>352.1</b>	<b>17.3</b>	<b>-9.7</b>	<b>3,498.1</b>	<b>4,387.6</b>	<b>25.4</b>
<b>Grand Total (C.i.f)</b>	<b>329.8</b>	<b>428.7</b>	<b>387.0</b>	<b>17.3</b>	<b>-9.7</b>	<b>3,844.0</b>	<b>4,821.6</b>	<b>25.4</b>

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

Importation of food and foodstuffs increased to USD 18.1 million with wheat accounting for about 53 percent of total food and foodstuff imports. It is worth noting that over 50 percent of the imported wheat is re-exported to neighbouring landlocked countries of Rwanda, Zambia, Burundi, Zaire and Zambia. **Table 4.3** summarizes the trend of selected cereal imports during the last four months beginning April 2007.

**Table 4.3: Summary of food imports**

Item	2007				% Change (Jun- Jul)
	Apr	May	Jun	Jul	
<b>Maize</b>					
Tons	9	1	7	52	--
Value (Mill. USD)	0.01	0.001	0.01	0.004	-46.9
<b>Rice</b>					
Tons	249	5,014	249	2,576	--
Value (Mill. USD)	0.05	0.47	0.045	0.2	--
<b>Wheat</b>					
Tons	73,566	35,546	66,750	33,501	-49.8
Value (Mill. USD)	19.9	8.23	14.6	9.6	-33.9

Source: Bank of Tanzania and Tanzania Revenue Authority

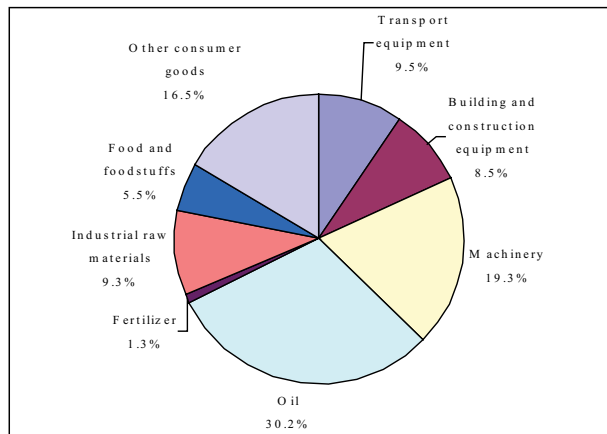
On annual basis, goods imports went up by 25.4 percent to USD 4,387.6 million following the increase in all major categories of import. Importation of capital goods went up by 25.9 percent to USD 1,637.4 million compared to the level that was recorded in the previous year largely due to a surge in imports of machinery which are widely used in the mining, communication, manufacturing and construction sectors.

Likewise, intermediate good imports went up by 31.4 percent to USD 1,787.6 million mainly due to a significant increase in importation of oil and industrial raw materials. The increase in oil imports was for thermal power generation amid drought in 2005/06. Consequently, the volume of imported oil increased by about 30 percent to 2,424,745 tons during the year ending July 2007 compared to the quantity imported a year before. Conversely, the world market price of refined white petroleum products remained almost unchanged at USD 600.9 per ton when compared to the previous year.



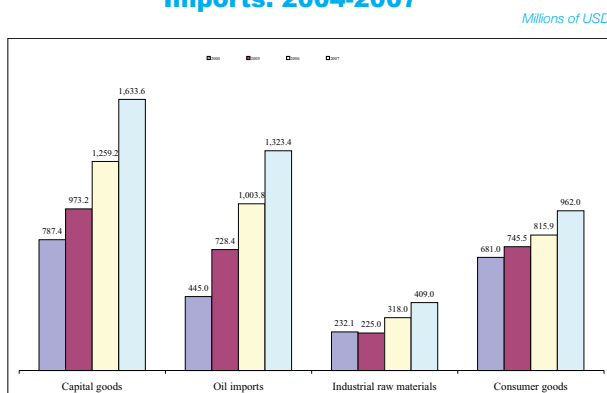
The surge in imports of industrial raw materials was partly associated with the growth of the manufacturing sector in the country resulting from the on going macro-economic reforms and improved business environment. During the year ending July 2007, consumer goods imports increased to USD 962.6 million compared to USD 837.4 million in the previous year attributable to the increase in importation non-food items like pharmaceutical products, paper products, plastic items and textile apparels (Chart 4.6).

**Chart 4.6: Contribution to total imports for the year ending July 2007**



The trend of imports over the past four years is shown in Chart 4.7

**Chart 4.7: Selected Merchandise Imports: 2004-2007**



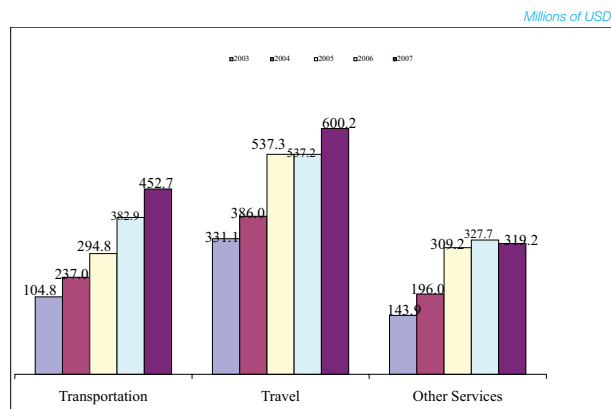
## Services Import

During the month under review, services payments increased to USD 128.0 million from USD 112.9 million recorded in the previous month, mainly due to the increase in payments for other business services, travel and government services

On annual basis, service payments increased by 10.0 percent to USD 1,372.1 million, largely due to the increase in payments for travel, freight, insurance and other business services. While the increase in freight and insurance payments is in line with the increase in merchandise imports, the surge in other business

services is in line with the growth of economic activities as well as openness of the economy. Other business services comprise mainly of services associated with consultancy, legal, accounting, public relations, architectural, engineering, auditing, research and development. The performance of the major service payment categories in the past four years is illustrated on Chart 4.8.

**Chart 4.8: Service Payments 2004 – 2007**



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

## World Commodity Prices

The world market prices of coffee Robusta and Sisal remained unchanged at USD 2.0 per kg and USD 1030.0 per metric ton, respectively, while the prices of coffee Arabica, tea (Mombassa Auction) and cloves recorded slight declines to USD 2.6 per kg, USD 1.6 per kg and USD 3,333.3 per metric ton, respectively in July 2007. The prices of cotton "A Index" and Memphis increased by 16.3 percent and 11.8 percent to USD 1.5 per kg as shown in table 4.4. The development was largely attributable to a reduction in the cultivated acreage in U.S.A for the 2007/08 season, amid poor weather condition and high demand for crops such as maize.

During the review period, the prices of crude oil (Brent), Dubai (f.o.b) and white products recorded slight increases to USD 73.6 per barrel, USD 69.5 per barrel and USD 695.7 per ton, respectively.

On annual basis, the prices of coffee (Robusta), Arabica and Sisal recorded notable increases, to USD 1.8 per kg, USD 2.6 per kg and USD 1,013.33 respectively. This was largely on account of the decline in Robusta coffee stocks at the global level following the effects of drought in Vietnam coupled with a strong coffee demand from the European countries. Likewise, the rise in price of Arabica coffee was largely due to the effects of bi-annual production cycle and the adverse weather condition in Brazil. On the other hand, the increase in sisal prices was largely due to strong global demand from consumers in the EU countries and increase



in usage of sisal fibre for making handicraft and power generation. Meanwhile, the prices of Tea (Average) and cotton increased slightly, while the prices of Tea (Mombasa auction) and cloves declined slightly during the review period. During the period under review, gold prices increased by 19.1 percent to USD 641.1 per troy ounce. The surge in gold prices was partly driven by the investors' decision to diversify from investing in stocks, bonds and currencies because of global insecurity. As the result, the demand for gold as an alternative investment increased thus pushing up the price of gold. On the other hand, the prices of crude oil Brent and Dubai rose slightly during the year ending July 2007, while the price of white products recorded marginal declines. Looking over a long period of time, statistics in the last two years depict a huge increase in oil prices partly due to disruption in global oil supply amid geopolitical tensions in the Middle East and the civil unrests in Nigeria. In addition, there was an increase in oil demand from U.S, China and India (Table 4.4).

**Table 4.4: World Commodity Prices**

Commodity	Units	2007			% Change	Year ending July		% Change
		May	June	July		2006	2007	
Robusta Coffee	USD per kg	1.85	2.04	2.04	0.00	1.26	1.77	40.48
Arabica Coffee	USD per kg	2.50	2.64	2.59	-1.89	2.43	2.59	6.58
Tea (Average price)	USD per kg	1.94	2.05	2.12	3.41	1.78	1.90	6.74
Tea (Mombasa auction)	USD per kg	1.55	1.66	1.64	-1.20	1.82	1.71	-6.04
Cotton, "A Index"	USD per kg	1.22	1.29	1.5	16.28	1.25	1.30	4.00
Cotton, Memphis"	USD per kg	1.24	1.36	1.52	11.76	1.32	1.35	2.27
Sisal (UG)	USD per metric ton	885.00	1030.00	1030.00	0.00	902.44	1,013.33	12.29
Cloves	USD per metric ton	3,550.00	3,450.00	3,333.33	-3.38	3,672.62	3,397.57	-7.49
Crude oil*	USD per barrel	65.16	68.19	73.60	7.93	62.31	63.15	1.35
Crude oil**	USD per barrel	64.54	65.76	69.46	5.63	58.49	61.21	4.65
White products***	USD per ton	661.27	670.82	695.72	3.71	602.88	600.91	-0.33
Jet/Kerosene	USD per ton	636.58	663.26	706.56	6.53	628.45	620.69	-1.23
Premium Gasoline	USD per ton	752.61	729.71	723.95	-0.79	612.98	613.13	0.02
Heat Oil	USD per ton	594.62	619.50	656.65	6.00	567.77	568.91	0.20
Gold	USD per troy ounce	667.30	655.70	665.4	1.48	538.07	641.10	19.15

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

\*\* f. o. b. Dubai

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

Source: Various Trade Publications

## 5.0 National Debt Developments

During the month of July 2007, the national debt stock, comprising of both external and domestic debt increased by 0.4 percent from the level recorded at the end of June 2007. The increase was mainly associated with disbursements and accumulation of arrears. Out of the total debt stock, 76.1 percent was external debt and 23.9 percent falls under domestic debt.

### External Debt

External debt stock as at the end of July 2007 stood at USD 4,706.0 million, representing an increase of USD 45.1 million (1.0 percent) from the level of USD 4,660.8 million recorded end of the preceding month. The increase was on the account of new disbursements and accumulation of arrears. Out of the total external debt stock, USD 3,471.5 million (73.8 percent) was disbursed outstanding debt and the remaining balance of USD 1,234.5 million (26.2 percent) was interest arrears.

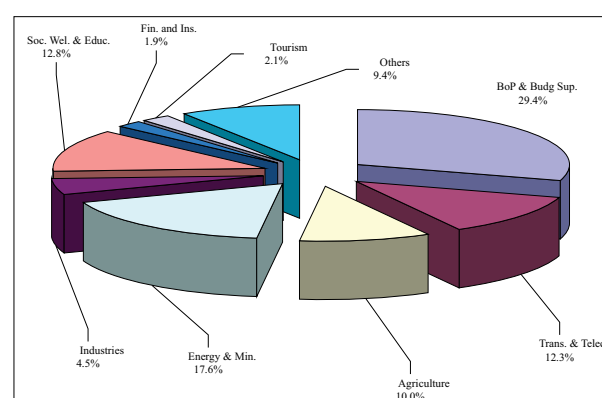


## Profile of Disbursed Outstanding Debt (DOD)

The profile of DOD by borrower category at the end of June 2007 revealed that the Central Government was the leading borrower with a debt of USD 2,718.0 million (78.3 percent) followed by private sector with USD 585.5 million (16.9 percent) and parastatal sector held USD 168.0 million (4.8 percent)

In terms of creditor category, the debt owed to multilateral institutions stood at USD 1,801.2 million (51.9 percent), while the amount of debt owed to bilateral creditors was USD 907.2 million (26.1 percent). Commercial and export credits amounted to USD 439.6 million (12.7 percent) and USD 323.4 million (9.3 percent) respectively.

Analysis of disbursed outstanding debt by use of funds indicated that the largest portion of funds was disbursed for balance of payment and budget support amounting to USD 1,019.7 million or 29.4 percent of the total DOD. Energy and Mining accounted for 17.6 percent whereas; Social welfare and Education and the Transport and Telecommunication accounted for 12.8 percent and 12.3 percent respectively. Agriculture, Industries and Tourism accounted for 10.0 percent, 4.5 percent and 2.1 percent respectively. Finance and Insurance accounted for 1.9 percent and the remaining portion of 9.3 percent was used for other activities (Chart 5.1).

**Chart 5.1: Disbursed Outstanding Debt by Use of Funds**


## Loans Contracted, Disbursements and Debt Service Payments

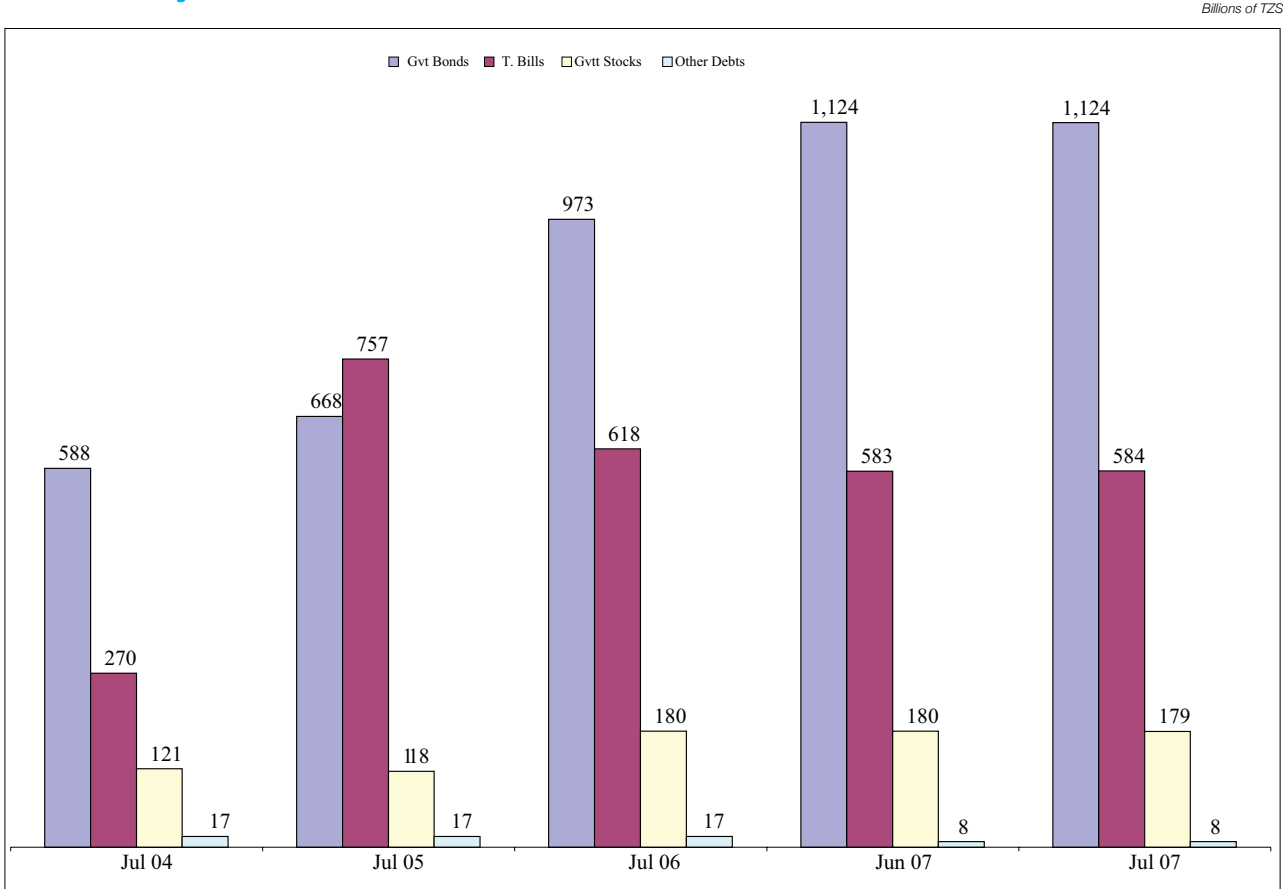
During the month under review, there were no new loans recorded whereas disbursements amounted to USD 13.0 million, all went to the Central Government. On the other hand, external debt service payments amounted to USD 2.9 million, out of which, principal repayments were USD 0.8 million and interest payments amounted to USD 2.1 million.

## Domestic Debt

As at the end of July 2007, domestic debt stood at TZS 1,894.6 billion, the same level recorded in the preceding

month. Out the total debt, government securities were TZS 1,886.2 billion (99.6 percent) and other debts were TZS 8.3 billion ([Chart 5.2](#)).

**Chart 5.2: Government Domestic Debt by Instruments**



Commercial banks remained the leading Government creditors by holding 44.9 percent of the total domestic debt followed by Pension Funds with 28.3 percent, Bank of Tanzania 18.7 percent, other official entities 3.2 percent and Insurance companies 1.8 percent. Non-Bank Financial Institutions held 1.8 percent, whereas private sector and the BOT special funds altogether, held the remaining portion of 1.3 percent of domestic debt stock.

## Domestic Debt Service

A total of TZS 96.6 billion fell due for payment during the month of July 2007. Out of the total amount, TZS 87.2 billion was principal which was rolled over, whereas the remaining balance of TZS 9.4 billion being interest payments were paid out of government revenues.



## 6.0 Economic Developments in Zanzibar

### Fiscal Performance

During the month of July 2007 government budgetary deficit amounted to TZS 2.0 billion. Available total resources were to the tune of TZS 22.5 billion, out of which TZS 9.0 billion representing 40.0 percent originated from domestic sources; while TZS 13.5 billion accounting for 60.0 percent were foreign grants. Total government expenditure reached TZS 9.4 billion. The budget deficit was entirely accommodated through foreign loans.

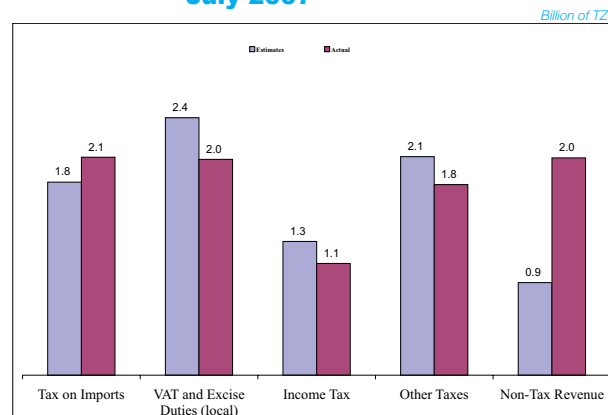
### Revenue Performance

Revenue outturn amounted to TZS 9.0 billion exceeding the target of TZS 8.4 billion by 7.1 percent and accounted for 7.8 percent of the annual budget of TZS 114.6 billion. The better performance was mainly on account of increased importation of non-petroleum taxable imports; specifically old motor vehicles which are charged higher excise duty.

Tax revenue amounted to TZS 6.9 billion below the target TZS 7.6 billion; and accounted for 76.7 percent of the total revenue. Non-tax sources amounted to TZS 2.1 billion, accounted for 23.3 percent of the total revenue.

Revenue performance by category revealed that, tax on imports amounted to TZS 2.1 billion exceeding the target of TZS 1.8 billion; accounted for 30.4 percent of the tax revenue. VAT and excise duty collections reached TZS 2.0 billion, below the target TZS 2.4 billion and accounted for 29.0 percent of the tax revenue. Underperformance was attributed to non receipt of excise duty refund from Tanzania mainland and that July has limited tourism activities; being low tourism season. Income tax collection amounted to TZS 1.1 billion below the target of TZS 1.3 billion; and accounted for 15.9 percent of tax revenue. Other taxes collections fetched TZS 1.8 billion below the target amount of TZS 2.1 billion mainly due to low tourist season. Non-tax sources exceeded target TZS 0.9 billion by collecting TZS 2.1 billion due to enhanced collection measures by respective agencies (Chart 6.1).

Chart 6.1: Government Revenue by Source – July 2007



Source: Ministry of Finance and Economic Affairs, Zanzibar.

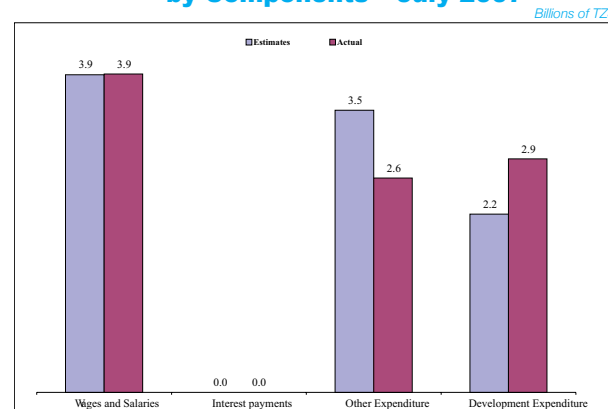
### Expenditure

Total government expenditure reached TZS 9.4 billion below target of TZS 9.6 billion; mainly due to adherence to cash budget management and low spending in other expenditures. Expenditure level accounted for 3.5 percent of the annual target of TZS 266.9 million.

Recurrent expenditure amounted to TZS 6.5 billion, below target of TZS 7.4 billion; accounted for 69.1 percent of the total expenditure. Expenditure on wages and salaries amounted to TZS 3.9 billion, in line with target; accounted for 60.0 percent of the recurrent expenditure or 41.5 percent of the total expenditure. Other expenditures amounted to TZS 2.6 billion, below the target of TZS 3.5 billion and accounted for 40.0 percent of the recurrent expenditure or 27.7 percent of the total expenditure.

Development expenditure reached TZS 2.9 billion exceeding the target of TZS 2.2 billion, due to higher than expected donor funds to cater for development projects. The expenditure accounted for 30.9 percent of the total expenditure. Local contribution amounted to TZS 0.2 billion, accounting for 6.9 percent of the total development expenditure, while external sources amounted to TZS 2.7 billion; accounted for 93.1 percent of the total development expenditure (Chart 6.2).

Chart 6.2: Government Expenditure by Components – July 2007



Source: Ministry of Finance and Economic Affairs, Zanzibar.





## Debt Developments

Zanzibar debt during the month ending July 2007, stood at TZS 200.6 billion (USD 157.2 million) from TZS 198.9 billion (USD 157.3 million) registered in the previous month.

External debt stood at TZS 133.0 billion (USD 104.4 million) representing 66.3 percent of the total debt, while domestic debt stood at TZS 67.5 billion (USD 52.7 million) or 33.7 percent of total debt. The Debt to GDP ratio increased to 50.9 percent from 50.5 percent recorded in the preceding month.

### Domestic Debt

During the month under review, domestic debt stood at TZS 67.5 billion down from TZS 67.6 billion registered in June 2007. The decline was associated with servicing of debt owed to government suppliers. Debt portfolio by creditors' category continued to be dominated by 'Other creditors' (domestic suppliers and pensioners) amounting to TZS 36.4 billion, accounting for 53.9 percent of total domestic debt. Debt owed to Union Government stood at TZS 13.6 billion accounting for 20.1 percent. Zanzibar Social Security Fund (ZSSF)'s claims stood at TZS 4.9 billion, representing 7.2 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 8.1 percent and 5.8 percent of total domestic debt, respectively. Debts due to Peoples Bank of Zanzibar (PBZ) stood at TZS 3.2 billion or 4.8 percent of total domestic debt.

As at end July 2007, long-term government loans amounted to TZS 21.3 billion accounting for 31.6 percent of total domestic debt. Treasury bonds amounted to TZS 11.9 billion or 17.7 percent of total domestic debt. 'Other debt instruments' (suppliers' credits and pensioners' claims) amounted to TZS 18.3 billion down from TZS 18.4 billion recorded in the previous month, accounting for 27.1 percent of total domestic debt. Government stocks were worth TZS 8.9 billion or 13.2 percent of total domestic debt, while treasury bills amounted to TZS 7.0 billion, representing 10.4 percent of total domestic debt.

During the period under review, debts with "undetermined maturity" (gratuity, pension, and domestic suppliers' claims) sustained dominance, amounted to TZS 44.6 billion representing 66.0 percent of total domestic debt. Debt with maturity of 2 - 5 years amounted to TZS 14.7 billion, representing 21.7 percent of the total domestic debt. Short term debts maturing in less than a year stood at TZS 7.0 billion representing 10.4 percent of total domestic debt. Debt maturing between 1-2 years amounted to TZS 1.3 billion, accounting for 1.9 percent of total domestic debt.

## External Debt

Zanzibar external debt for the month ending July 2007, increased to TZS 133.0 billion (USD 104.4 million) from TZS 131.3 billion (USD 103.8 million) recorded in June 2007. The increase was primarily due to contracting new loans from multilateral sources. Union Government guaranteed debt amounted to USD 75.3 million representing 72.0 percent of total external debt, while non-guaranteed debt stood at USD 29.1 million or 28.0 percent of total external debt.

External debt by creditors indicates that, multilateral creditors remained leading creditors, with debt amounting to USD 73.6 million (TZS 93.7 billion) representing 70.5 percent of total external debt. Bilateral creditors debts stood at USD 3.7 million (TZS 4.7 billion) accounting for 3.5 percent of total external debt. Commercial debts stood at USD 14.7 million or TZS 18.9 billion, representing 14.1 percent of total external debt. Export credits amounted to USD 12.4 million (TZS 15.7 billion) representing 11.9 percent of total external debt.

The maturity profile in July 2007 showed that large amount of Zanzibar debts are of long term maturity. Debts with maturity over 20 years maturity amounted to USD 67.8 million representing 64.9 percent of the total external debt. Debts maturing between 10 to 20 years stood at USD 6.9 million, representing 6.6 percent of total external debt. Debt maturing between 5 to 10 years amounted to USD 29.8 million representing 28.5 percent of the total external debt.

During the end of the period under review, disbursements by end use show that transport and telecommunications sector was the largest beneficiary. The sector had received USD 30.2 million or 28.9 percent of the total external debt. Energy sector was the second, absorbed USD 20.3 million constituting 19.4 percent of total disbursements, while Social welfare and education sectors obtained USD 18.9 million or 18.1 percent. Finance & Insurance sector received USD 14.7 million representing 14.1 percent of the total disbursements. Agriculture and Industries sectors received USD 13.8 million and USD 0.5 million or 13.2 percent and 0.5 percent of the total external debt, respectively. Other sectors obtained USD 6.0 million equivalent to 5.8 percent of the total disbursements.

## External Sector Performance

### Current Account

During the period under review, the current account registered a surplus of USD 10.6 million, having surged from a surplus of USD 3.4 million posted during the month ended June 2007. The surplus mainly stemmed from inflows of official foreign grants which picked up to USD 10.6 million from USD 3.0



million of the previous month, reflecting donors commitments to effect early disbursements at the beginning of the year. Trade account deteriorated by posting higher deficit of USD 4.4 million up from a deficit of USD 3.7 million recorded during the previous month. Services account remained favourable, having registered a surplus of USD 4.4 million up from USD 4.1 million attained in the previous month.

On annual basis, the current account registered notable performance; by registering surplus to the tune of USD 51.0 million, far exceeding surplus of USD 4.2 million gained in the corresponding period in 2006. The performance was attributed to the increase in donor inflows and export earnings from both goods and services; coupled with decrease in imports bill. The trade account improved, posting a lower deficit of USD 52.0 million compared to a deficit of USD 66.3 million registered in the corresponding period in 2006. (Table 6.1).

**Table 6.1: Zanzibar Current Account Balance**

*Millions of USD*

Item	2006 Dec	2007 <sup>p</sup>			Year Ending July 2007		% Change	
		May	June	July	2006	2007	Monthly	Annual
<b>Goods Account (net)</b>	<b>-2.5</b>	<b>-8.2</b>	<b>-3.7</b>	<b>-4.4</b>	<b>-66.3</b>	<b>-52.0</b>	18.5	<b>-21.5</b>
Exports	2.7	0.6	0.9	0.7	11.9	16.3	-14.9	36.8
Imports (fob)	5.2	8.9	4.6	5.1	78.2	68.3	12.1	-12.7
<b>Services Account (net)</b>	<b>6.5</b>	<b>1.8</b>	<b>4.1</b>	<b>4.4</b>	<b>20.7</b>	<b>38.7</b>	6.9	<b>87.4</b>
Receipts	9.9	6.1	7.3	7.5	81.1	81.3	3.6	0.3
Payments	3.4	4.3	3.2	3.1	60.4	42.6	-0.6	-29.5
<b>Goods and Services (net)</b>	<b>3.9</b>	<b>-6.4</b>	<b>0.4</b>	<b>0.0</b>	<b>-45.6</b>	<b>-13.3</b>	-96.3	<b>-70.8</b>
Exports of Goods and Services	12.5	6.8	8.2	8.3	93.0	97.6	1.6	4.9
Imports of Goods and Services	8.6	13.2	7.7	8.3	138.6	110.9	6.9	-20.0
<b>Income Account (net)</b>	<b>0.03</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.37</b>	<b>0.21</b>	15.2	<b>-45.0</b>
Receipts	0.04	0.01	0.01	0.01	0.38	0.26	15.2	-31.8
Payments	0.01	0.00	0.00	0.00	0.00	0.05		
<b>Current Transfers (net)</b>	<b>2.1</b>	<b>8.5</b>	<b>3.0</b>	<b>10.6</b>	<b>49.4</b>	<b>64.1</b>	253.9	<b>29.7</b>
Inflows	2.1	8.5	3.0	10.6	49.4	64.1	253.9	29.7
Outflows	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Current Account Balance</b>	<b>6.1</b>	<b>2.0</b>	<b>3.4</b>	<b>10.6</b>	<b>4.2</b>	<b>51.0</b>	<b>210.4</b>	<b>1,125.7</b>

*p = Provisional*

Source: Tanzania Revenue Authority.

## Exports Performance

During the month under review, total exports receipts increased to USD 8.3 million from USD 8.2 million recorded in June 2007, largely driven by services proceeds. Services receipts increased to USD 7.5 million from USD 7.3 million realized in the previous month, representing 90.4 percent of total export earnings. Merchandise exports led by cloves, declined to USD 0.7 million from USD 0.9 million of the previous month, largely responding to seasonal factors.

On annual basis, total export earnings ascended to USD 97.6 million from USD 93.0 million registered in the corresponding period in 2006; associated with slight increase in both goods and services receipts. Services receipts augmented to USD 81.3 million from USD 81.1 million, representing 83.3 percent of total exports earnings. Cloves exports increased marginally to USD 9.7 million indicating 9.9 percent of total exports receipts, up from USD 9.3 million receipts of previous corresponding period in 2006. Seaweeds exports amounted to USD 1.6 million or 1.6 percent of total receipts, and manufactured goods exports amounted to USD 3.3 million,

representing 3.4 percent of total exports receipts. Exports of fish and fish produce amounted to USD 0.1 million, accounting for 0.1 percent of total export receipts, while earnings from other exports amounted to USD 1.6 million or 1.6 percent of total export receipts (Table 6.2).

**Table 6.2: Zanzibar Exports by Major Categories**

*Millions of USD*

Item	2006 Dec	2007 <sup>p</sup>			Year Ending July		% Change	
		May	June	July	2006	2007	Monthly	Annual
<b>Traditional Exports:</b>								
Cloves								
Value	2.32	0.08	0.05	0.00	9.3	9.7	-100.0	4.7
Volume	0.73	0.03	0.02	0.00	3.2	3.0	-100.0	-4.4
Unit Price	3202.8	2934.6	2907.1		2927.3	3206.8	-100.0	9.5
<b>Sub Total</b>	<b>2.3</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>9.3</b>	<b>9.7</b>	<b>-100.0</b>	<b>4.7</b>
<b>Non-Traditional Exports</b>								
Seaweeds								
Value	0.1	0.1	0.1	0.0	1.5	1.6	-100.0	8.4
Volume	0.6	0.6	0.5	0.0	7.7	7.4	-100.0	-3.7
Unit Price	184.2	192.6	283.8		193.9	218.2	-100.0	12.6
Manufactured Goods	0.2	0.2	0.4	0.5	0.3	3.3	45.9	1203.1
Fish and Fish Produce	0.0	0.0	0.0	0.0	0.4	0.1	-41.8	-74.7
Horticultural produce	0.0	0.0	0.0	0.0	0.0	0.0		
Others Exports	0.0	0.3	0.3	0.2	0.5	1.6	-33.9	220.5
<b>Sub Total</b>	<b>0.4</b>	<b>0.6</b>	<b>0.8</b>	<b>0.7</b>	<b>2.6</b>	<b>6.6</b>	<b>-9.9</b>	<b>149.6</b>
<b>Grand Total</b>	<b>2.7</b>	<b>0.6</b>	<b>0.9</b>	<b>0.7</b>	<b>11.9</b>	<b>16.3</b>	<b>-14.9</b>	<b>36.8</b>

*p = provisional*

Source: Tanzania Revenue Authority

## Imports Performance

During the month of July 2007, imports of goods (c.i.f) increased to USD 5.6 million from USD 5.0 million of the previous month, largely driven by increase in imports of capital goods. The increase was geared to accommodate increasing demand emanating from the booming construction and transport sectors. Capital goods imports increased to USD 3.3 million from USD 2.8 million recorded in the previous month. Intermediate goods imports slightly increased to USD 0.3 million from USD 0.2 million registered in the previous month due to increase in imports of industrial raw materials used for soft drinks and mineral water manufacturing activities.

On annual basis, imports (c.i.f) declined to USD 75.1 million from USD 85.9 million recorded in the corresponding period in 2006, as a result of decline in intermediate and consumer goods, driven by oil and food imports. Oil import bill slumped to USD 5.9 million from USD 20.1 million registered in the corresponding period in 2006 and concurrently its share declined from 23.4 percent to 7.8 of total imports. This was attributed to decrease of volume of on transit oil imports and partially decline in world oil prices. Food and food stuffs imports declined to USD 4.9 million from USD 11.5 million of the previous corresponding period in 2006. In tandem its share in total imports declined from 13.4 percent to 6.5 percent on account for favourable domestic food supply. Capital goods imports increased to USD 44.0 million from USD 36.4 million to meet mounting demand for capital formation and thriving construction and transport sectors (Table 6.3).



**Table 6.3: Zanzibar Imports by Major Categories**

Millions of USD

Import Category	2006	2007p			Year Ending July		% Change	
	Dec	May	June	July	2006	2007 <sup>p</sup>	Monthly	Annual
<b>Capital Goods</b>	<b>2.5</b>	<b>7.5</b>	<b>2.8</b>	<b>3.3</b>	<b>36.4</b>	<b>44.0</b>	<b>17.8</b>	<b>20.9</b>
Transport Equipment	0.8	2.6	1.3	1.5	10.7	13.8	15.3	29.1
Building and Constructions	0.4	2.5	0.4	1.0	9.6	12.9	183.1	34.6
Machinery	1.3	2.4	1.1	0.8	16.2	17.4	-30.6	7.3
<b>Intermediate Goods</b>	<b>1.5</b>	<b>0.5</b>	<b>0.2</b>	<b>0.3</b>	<b>25.6</b>	<b>11.1</b>	<b>72.7</b>	<b>-56.8</b>
Oil imports	1.00	0.01	0.01	0.00	20.1	5.9	-45.6	-70.4
Fertilizers	...	0.00	0.00	0.00	0.0	0.0		
Industrial raw materials	0.5	0.5	0.17	0.29	5.5	5.1	77.0	-7.6
<b>Consumer Goods</b>	<b>1.8</b>	<b>1.7</b>	<b>2.1</b>	<b>2.0</b>	<b>23.9</b>	<b>20.0</b>	<b>-0.7</b>	<b>-16.5</b>
Food and food stuffs	0.3	0.9	0.7	0.3	11.5	4.9	-48.9	-57.1
All other consumer goods	1.5	0.8	1.4	1.7	12.4	15.0	22.2	21.3
<b>Grand Total (C.i.f)</b>	<b>5.8</b>	<b>9.7</b>	<b>5.0</b>	<b>5.6</b>	<b>85.9</b>	<b>75.1</b>	<b>12.1</b>	<b>-12.7</b>
<b>Grand Total (F.o.b)</b>	<b>5.2</b>	<b>8.9</b>	<b>4.6</b>	<b>5.1</b>	<b>78.2</b>	<b>68.3</b>	<b>12.1</b>	<b>-12.7</b>

*p* = provisional

... = Very small value

Source: Tanzania Revenue Authority

On year to year basis, the services account posted a surplus of USD 38.7 million up from a surplus of USD 20.7 million recorded in the corresponding period in 2006. The increase was largely due to rise in foreign receipts coupled with decline in foreign payments. Foreign receipts increased to USD 81.3 million from USD 81.1 million registered in the corresponding period in 2006, mainly stemmed from tourism oriented activities. Foreign payments declined to USD 42.6 million from USD 60.4 million recorded in corresponding period in 2006. Travel receipts amounted to USD 72.6 million, accounted for 89.3 percent of total services receipts, while travel payments amounted to USD 35.6 million, equivalent to 83.5 percent of total foreign payments.

## Services Account

During the month under review, services account recorded a surplus of USD 4.4 million, having increased from USD 4.1 million registered as at end of June 2007, mainly due to increase in foreign receipts and decline in foreign payments. Foreign receipts increased to USD 7.5 million from USD 7.3 million registered during the previous month. Out of which, travel receipts amounted to USD 6.6 million or 88.0 percent of total foreign receipts. Foreign payments amounted to USD 3.1 million, largely driven by travel payment which was USD 2.8 million, accounting for 90.3 percent of total foreign payments.



# STATISTICAL TABLES



**Table A1: Selected Economic Indicators**

Item	Unit	2000	2001	2002	2003	2004	2005	2006 <sup>p</sup>
<b>1. National Accounts and Prices</b>								
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 <sup>2</sup>	Percent	4.9	5.7	6.2	5.7	6.7	6.7	6.2
1.3 GDP Per Capita--Current Prices <sup>1</sup>	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 <sup>1</sup>	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 <sup>3*</sup>	Percent	11.6	11.1	12.7	11.8	12.3	12.5	na
<b>2. Money Credit and Interest Rates</b>								
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 <sup>1</sup>	Percent	9.8	7.6	8.8	8.7	8.5	9.4	12.0
2.6 Private Sector Credit to GDP Ratio <sup>1</sup>	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
<b>3. Balance of Payments****</b>								
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
<b>4 Population (TZ Mainland)</b>	<b>Million</b>	<b>31.9</b>	<b>32.1</b>	<b>33.6</b>	<b>34.2</b>	<b>35.3</b>	<b>36.2</b>	<b>37.5</b>
<b>5. Public Finance</b>			<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06*</b>
5.1 Current Revenue to GDP Ratio <sup>1</sup>	Percent		12.2	11.8	12.1	12.6	13.3	13.6
5.2 Grants to GDP Ratio <sup>1</sup>	Percent		3.7	4.3	6.2	6.0	7.4	6.7
5.2 Current Expenditure to GDP Ratio <sup>1</sup>	Percent		13.1	12.6	14.8	15.4	15.1	17.5
5.3 Development Expenditure to GDP Ratio <sup>1</sup>	Percent		3.7	3.9	5.0	6.4	8.6	8.0
5.4 Deficit to GDP Ratio (excluding grants) <sup>1</sup>	Percent		-4.8	-4.8	-7.7	-9.2	-10.4	-11.5
5.5 Deficit to GDP Ratio (including grants) <sup>1</sup>	Percent		-1.1	-0.5	-1.5	-3.1	-3.0	-5.5
<b>6. Total External Debt Stock</b>	<b>Mill. US\$</b>		<b>7,482.1</b>	<b>7,464.0</b>	<b>7,268.1</b>	<b>7,857.0</b>	<b>8,134.8</b>	<b>7,931.8</b>
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 - Actual Monthly Inflows

Item	2006/07												Millions of TZS		
	2005/06	BUDGET	2006/07	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>Total Revenue</b>	<b>2,124,843.7</b>	<b>2,460,994.9</b>	<b>2,460,994.9</b>	<b>188,494.6</b>	<b>204,402.1</b>	<b>242,020.6</b>	<b>201,818.0</b>	<b>208,334.6</b>	<b>266,627.0</b>	<b>214,156.5</b>	<b>207,232.0</b>	<b>269,314.2</b>	<b>216,560.4</b>	<b>221,251.5</b>	<b>298,810.9</b>
Tax Revenue	1,946,432.6	2,269,578.8	2,269,578.8	171,493.0	186,445.9	224,927.5	185,315.7	182,762.1	266,627.0	199,202.9	191,858.4	252,683.0	200,920.3	201,623.6	281,462.1
Taxes on Imports	819,800.5	970,219.1	970,219.1	81,363.2	83,917.1	83,342.6	77,715.4	87,291.4	87,334.2	87,659.3	81,591.6	86,431.2	86,124.1	86,124.1	89,336.0
Sales/VAT and Excise on Local Goods	478,395.4	478,395.6	478,395.6	39,879.0	46,998.9	46,149.1	48,115.6	44,737.7	49,912.5	48,058.3	55,593.5	50,194.6	50,194.6	47,929.3	47,888.6
Refunds	-69,961.0	-133,484.4	-133,484.4	-7,654.6	-7,654.6	-7,654.6	-7,654.6	-13,845.2	-8,892.8	-8,892.8	-8,892.8	-8,892.8	-8,891.9	-8,892.8	-8,892.8
Income Taxes	581,243.8	622,388.0	622,388.0	34,688.3	39,226.5	77,419.9	40,022.3	34,080.0	92,395.3	45,199.3	36,976.9	96,452.2	46,795.9	49,217.2	123,846.7
Other taxes	136,954.0	198,576.2	198,576.2	15,564.5	16,303.4	18,015.9	19,462.4	16,653.0	20,801.9	18,286.0	17,696.4	19,605.0	17,489.1	18,312.7	20,390.8
Non-tax Revenue	178,411.1	191,416.1	191,416.1	16,999.6	17,956.2	17,093.1	16,502.3	25,572.5	15,884.1	14,953.6	15,373.6	16,631.2	15,640.1	19,627.9	17,348.8
<b>Total Expenditure /1</b>	<b>3,873,254.8</b>	<b>4,788,496.6</b>	<b>4,788,496.6</b>	<b>238,191.2</b>	<b>291,028.4</b>	<b>425,523.5</b>	<b>416,777.0</b>	<b>346,305.2</b>	<b>386,170.7</b>	<b>380,551.3</b>	<b>415,760.2</b>	<b>314,555.2</b>	<b>260,256.5</b>	<b>338,968.2</b>	<b>660,593.5</b>
Recurrent expenditure	2,661,862.5	3,054,030.0	3,054,030.0	159,369.6	174,422.4	260,450.2	231,294.5	256,600.2	260,195.2	275,931.2	310,608.2	184,682.9	176,710.0	236,888.0	610,317.0
Road/road fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retention fund	61,260.2	63,061.0	63,061.0	7,693.9	4,970.4	5,928.6	6,308.6	7,051.3	6,787.8	7,285.7	8,397.6	10,742.6	8,614.0	11,039.5	0.0
Wages and salaries	656,788.5	1,003,881.0	1,003,881.0	76,112.1	79,232.6	82,754.3	81,343.8	81,676.1	83,279.2	81,718.3	81,508.9	81,579.5	82,049.2	82,731.3	82,109.0
Interest payments	218,861.3	132,119.6	132,119.6	9,966.6	14,452.3	19,496.4	24,358.0	12,512.6	13,092.4	29,239.9	3,930.0	571.1	7,320.2	31,891.1	48,732.3
Domestic /2	163,694.8	92,119.6	92,119.6	9,966.6	11,188.1	16,649.5	22,652.9	9,375.9	10,287.5	26,747.7	2,425.7	0.0	3,144.9	28,370.3	44,241.2
Foreign	55,166.5	40,000.0	40,000.0	0.0	3,264.3	2,846.9	1,705.1	3,136.7	2,808.5	2,492.2	1,504.2	571.1	4,175.3	3,520.8	4,491.1
Other goods, services and transfers	1,786,212.7	1,918,029.4	1,918,029.4	73,290.9	80,737.5	158,199.5	125,592.7	162,411.5	163,823.7	164,973.1	225,169.3	102,532.3	87,340.5	122,265.5	479,475.7
<b>Dev. Expenditure and net lending</b>	<b>1,211,392.2</b>	<b>1,734,466.6</b>	<b>1,734,466.6</b>	<b>78,821.6</b>	<b>116,606.0</b>	<b>165,073.3</b>	<b>185,482.5</b>	<b>89,705.0</b>	<b>125,975.5</b>	<b>104,620.1</b>	<b>105,152.0</b>	<b>129,872.3</b>	<b>83,546.5</b>	<b>102,080.3</b>	<b>50,276.5</b>
Local	296,100.0	641,766.0	641,766.0	9,398.9	70,608.1	90,000.0	61,647.1	54,591.8	30,000.0	57,191.8	41,486.1	13,058.6	17,139.8	58,169.0	0.0
Foreign	915,292.2	1,092,700.6	1,092,700.6	69,422.7	45,997.9	75,073.3	123,835.4	35,113.2	95,975.5	47,428.4	63,665.9	116,813.6	66,406.6	43,911.3	50,276.5
<b>Overall Balance (cheques issued) before Grants</b>	<b>-1,748,411.0</b>	<b>-2,327,501.7</b>	<b>-2,327,501.7</b>	<b>-49,696.6</b>	<b>-86,626.3</b>	<b>-183,502.9</b>	<b>-214,959.0</b>	<b>-137,970.6</b>	<b>-119,543.7</b>	<b>-166,394.8</b>	<b>-208,528.2</b>	<b>-45,241.0</b>	<b>-43,696.1</b>	<b>-117,716.7</b>	<b>-361,782.6</b>
Grants	1,000,160.2	1,438,852.0	1,438,852.0	25,132.5	335,882.0	60,303.1	147,943.5	67,167.7	108,834.6	37,055.3	35,168.7	61,817.8	26,562.2	46,044.0	314.0
Program (GIS/OGL)	331,024.6	471,025.0	471,025.0	0.0	275,227.1	23,046.4	99,096.5	54,421.4	28,046.0	0.0	0.0	0.0	0.0	0.0	0.0
Project	416,771.0	422,950.6	422,950.6	10,384.6	20,279.0	22,017.3	14,987.4	10,793.3	66,238.1	5,935.5	23,682.6	41,575.2	11,933.8	13,685.7	314.0
Basket funds	175,975.3	216,016.3	216,016.3	5,349.0	16,767.9	15,239.4	28,099.5	1,953.0	14,550.5	3,928.0	0.0	18,184.0	7,488.6	0.0	0.0
HIPC Relief	76,389.3	328,860.0	328,860.0	9,398.9	23,608.1	0.0	5,760.1	0.0	0.0	27,191.8	11,486.1	2,058.6	7,139.8	32,358.3	0.0
Expenditure float	-748,250.9	-888,649.7	-888,649.7	-24,364.1	249,235.8	-123,199.9	-67,013.5	-70,802.9	-10,709.1	-129,339.6	-173,359.4	16,376.8	-17,133.8	-71,672.8	-361,468.5
Adjustments to cash and other items (net)	69,713.1	0	0	-113,193.1	-8,399.8	-6,091.3	-913.7	-2,288.1	-413.4	-16.5	0.6	0.0	0.0	0.0	0.0
<b>Overall deficit (cheques issued) after Grants</b>	<b>-924,412.5</b>	<b>-888,649.7</b>	<b>-888,649.7</b>	<b>-162,653.3</b>	<b>242,448.1</b>	<b>-71,528.0</b>	<b>-57,816.6</b>	<b>-59,983.5</b>	<b>-38,336.8</b>	<b>-126,993.9</b>	<b>-162,842.3</b>	<b>-65,907.6</b>	<b>-58,809.8</b>	<b>-205,133.5</b>	<b>-188,239.8</b>
Financing:	924,412.5	888,649.7	888,649.7	162,653.3	242,448.1	71,528.0	57,816.6	59,983.5	38,336.8	126,993.9	162,842.3	65,907.6	58,809.8	205,133.5	188,239.8
Foreign Financing (net)	561,219.0	736,171.9	736,171.9	320,635.0	5,232.4	36,322.5	74,251.7	19,236.1	11,066.5	36,412.8	39,385.2	56,698.8	45,743.1	28,870.2	43,935.0
Loans	668,934.5	787,262.9	787,262.9	320,635.0	8,951.0	37,816.6	80,748.5	22,366.9	15,186.9	37,564.8	39,983.3	57,054.4	46,984.3	30,225.6	49,962.5
Program loans	257,677.1	333,529.3	333,529.3	266,946.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Development Project loans	328,955.7	362,812.0	362,812.0	8,951.0	8,951.0	26,695.1	80,748.5	22,366.9	15,186.9	37,564.8	29,678.2	57,054.4	21,079.8	30,225.6	49,962.5
Basket Support	82,301.8	90,921.6	90,921.6	0.0	0.0	11,121.4	0.0	0.0	0.0	10,305.1	0.0	0.0	25,904.4	0.0	0.0
Amortization	-107,715.5	-51,091.0	-51,091.0	0.0	-3,718.6	-1,494.1	-6,496.8	-3,130.9	-4,120.4	-1,152.1	-598.0	-355.6	-1,241.2	-1,355.4	-6,027.5
Domestic (net)	363,193.5	152,477.8	152,477.8	-157,981.8	-247,680.5	35,205.5	-16,435.1	40,747.5	27,270.3	90,581.1	123,457.1	9,208.8	13,066.7	176,263.3	144,304.8
Domestic Financing	348,885.7	163,477.8	163,477.8	-157,981.8	-247,680.5	35,205.5	-16,435.1	40,747.5	27,270.3	90,581.1	123,457.1	9,208.8	13,066.7	176,263.3	144,304.8
Bank borrowing	129,644.6	0.0	0.0	-189,976.0	-218,696.7	26,198.0	-23,707.4	24,301.8	22,765.5	81,551.3	118,474.1	-11,485.5	25,224.1	166,104.0	53,310.3
Non-Bank (net of amortization)	219,241.1	0.0	0.0	31,994.2	-28,983.8	9,007.4	7,272.3	16,445.6	53,035.7	9,029.8	4,983.1	28,281.5	-12,157.4	10,159.4	90,961.2
Amortization of contingent debt	-19,001.4	-11,000.0	-11,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatization Proceeds	33,309.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance

/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							Percent
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul <sup>P</sup>	
<b>A: Domestic Currency</b>																
<b>1 Interbank Cash Market Rates</b>																
Overnight	5.06	8.52	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	
2 to 7 days	5.66	5.98	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	
8 to 14 days	5.85	10.71	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	
15 to 30 days	6.29	7.58	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	
31 to 60 days	7.76	6.71	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	
61 to 90 days	12.60	12.60	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	
91 to 180 days	12.25	12.25	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	
181 and above	11.27	8.80	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	
<b>Overall Interbank cash market rate</b>	<b>5.64</b>	<b>8.40</b>	<b>8.63</b>	<b>8.47</b>	<b>14.87</b>	<b>15.64</b>	<b>5.20</b>	<b>7.14</b>	<b>12.54</b>	<b>7.72</b>	<b>7.59</b>	<b>9.69</b>	<b>6.42</b>	<b>7.24</b>	<b>10.46</b>	
<b>2 Lombard Rate</b>	<b>11.00</b>	<b>12.78</b>	<b>13.38</b>	<b>12.62</b>	<b>22.83</b>	<b>24.08</b>	<b>9.33</b>	<b>13.25</b>	<b>18.06</b>	<b>11.74</b>	<b>11.28</b>	<b>14.46</b>	<b>9.63</b>	<b>10.01</b>	<b>14.69</b>	
<b>3 REPO Rate</b>	<b>5.14</b>	<b>5.14</b>	<b>6.17</b>	<b>7.42</b>	<b>12.58</b>	<b>5.23</b>	<b>5.18</b>	<b>6.35</b>	<b>6.35</b>	<b>6.30</b>	<b>6.88</b>	<b>6.88</b>	<b>5.27</b>	<b>6.25</b>	<b>9.10</b>	
<b>4 Treasury Bills Rates</b>																
35 days	7.34	6.44	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	
91 days	9.97	7.83	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	
182 days	10.61	8.49	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	
364 days	10.37	9.63	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	
<b>Overall Treasury bills rate</b>	<b>10.21</b>	<b>8.25</b>	<b>9.17</b>	<b>9.89</b>	<b>11.98</b>	<b>13.40</b>	<b>10.69</b>	<b>15.04</b>	<b>15.75</b>	<b>12.95</b>	<b>15.99</b>	<b>16.41</b>	<b>13.49</b>	<b>17.07</b>	<b>15.41</b>	
<b>5 Treasury Bonds:</b>																
2-years	12.74	13.39	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	
5-years	15.76	15.76	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	
7-years	18.05	15.31	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	
10-years	16.35	16.00	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	
<b>6 Discount Rate</b>	<b>16.02</b>	<b>13.40</b>	<b>13.40</b>	<b>14.60</b>	<b>16.67</b>	<b>18.40</b>	<b>15.69</b>	<b>20.07</b>	<b>21.31</b>	<b>17.92</b>	<b>20.58</b>	<b>21.41</b>	<b>18.93</b>	<b>21.42</b>	<b>21.05</b>	
<b>7 Savings Deposit Rate</b>	<b>2.75</b>	<b>2.54</b>	<b>2.54</b>	<b>2.58</b>	<b>2.59</b>	<b>2.57</b>	<b>2.60</b>	<b>2.59</b>	<b>2.59</b>	<b>2.25</b>	<b>2.57</b>	<b>2.42</b>	<b>2.60</b>	<b>2.63</b>	<b>2.70</b>	
<b>8 Time Deposits Rates:</b>																
Call Accounts	1.47	1.70	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	
1 month	4.05	7.90	6.57	6.85	8.41	8.05	7.29	7.28	6.36	6.82	7.68	7.78	7.16	6.65	6.41	
2 months	8.54	7.81	6.90	7.83	7.24	7.14	8.98	7.44	7.83	8.36	8.55	7.64	6.85	7.78	7.85	
3 months	5.95	6.76	7.86	7.75	6.83	8.01	7.49	7.53	8.47	7.76	7.48	7.90	8.90	8.61	8.56	
6 months	6.88	5.63	8.35	8.17	8.61	9.19	9.41	8.95	9.02	8.73	8.85	9.54	9.45	9.31	9.92	
12 months	8.00	8.70	8.01	9.03	8.20	8.70	9.05	8.75	8.20	8.47	9.17	9.09	9.39	8.88	9.01	
24 months	6.26	7.94	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	
<b>9 Negotiated Deposit Rates</b>	<b>9.98</b>	<b>10.07</b>	<b>9.13</b>	<b>9.78</b>	<b>10.12</b>	<b>9.42</b>	<b>9.72</b>	<b>9.35</b>	<b>9.02</b>	<b>9.39</b>	<b>7.33</b>	<b>8.45</b>	<b>8.18</b>	<b>8.65</b>	<b>8.91</b>	
<b>10 Lending rates:</b>																
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	
Short-term (up to 1 year)	14.12	15.77	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	
Medium-term (1-2 years)	16.28	17.88	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	
Medium-term (2-3 years)	15.27	16.16	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	
Long-term (3-5 years)	13.52	15.32	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	
Term Loans (over 5 years)	12.82	12.08	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	
<b>11 Negotiated Lending Rates</b>	<b>11.32</b>	<b>11.19</b>	<b>11.99</b>	<b>10.80</b>	<b>10.80</b>	<b>10.74</b>	<b>10.11</b>	<b>10.60</b>	<b>11.49</b>	<b>12.42</b>	<b>11.74</b>	<b>10.81</b>	<b>10.18</b>	<b>12.20</b>	<b>12.14</b>	
<b>B: Foreign Currency</b>																
<b>1 Deposits Rates</b>																
<b>Savings Deposits</b>																
Savings Deposits	0.76	0.61	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	
<b>Time Deposits</b>																
1-months	2.23	1.98	2.80	3.00	2.66	2.73	2.76	2.46	2.29	2.39	2.60	2.51	2.37	1.79	3.92	
2-months	1.96	2.49	2.52	2.97	2.78	3.25	2.47	2.75	2.18	2.07	2.59	2.65	2.41	2.18	3.07	
3-months	2.26	1.95	2.76	2.68	2.66	2.31	2.54	2.54	2.72	2.87	3.25	2.74	2.69	2.87	3.87	
6-months	1.88	2.43	2.73	2.89	2.44	2.69	2.31	3.20	3.47	3.23	3.04	3.72	2.92	3.02	2.70	
12-months	2.32	3.75	3.37	3.10	3.04	2.95	2.73	2.78	3.40	3.69	3.04	3.12	3.75	3.81	3.48	
<b>2 Lending Rates</b>																
Short-term (up to 1 year)	7.91	7.46	8.17	7.47	9.27	9.66	9.55	8.89	8.64	8.67	8.25	7.25	7.93	8.03	8.36	
Medium-term (1-2 years)	7.40	8.32	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	
Medium-term (2-3 years)	8.60	8.76	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	
Long-term (3-5 years)	7.55	8.00	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	
Term Loans (over 5 years)	7.89	8.32	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	

Source: Bank of Tanzania





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

Item	2006 <sup>P</sup>	2007 <sup>P</sup>		% Change		Year Ending Jul <sup>P</sup>		
	July	Jun	Jul	Jul 06 - Jul 07	Jun 07 - Jul 07	2006	2007	% Change
<b>Traditional Exports:</b>								
<b>COFFEE</b>								
Value	1.1	4.1	2.6	--	-36.7	60.6	93.7	54.6
Volume	0.6	2.3	1.5	--	-34.8	32.3	46.6	44.4
Unit Price	1,844.0	1,774.8	1,722.3	-6.6	-3.0	1,878.8	2,011.0	7.0
<b>COTTON</b>								
Value	1.8	0.3	1.2	-30.9	--	115.9	26.5	-77.1
Volume	1.8	0.3	1.5	-12.7	--	115.952	26.443	-77.2
Unit Price	998.0	920.3	789.6	-20.9	-14.2	999.2	1,001.3	0.2
<b>SISAL</b>								
Value	0.02	0.8	0.8	--	-8.0	6.1	8.8	44.2
Volume	0.0	1.0	0.9	--	-8.3	8.0	11.0	37.8
Unit Price	887.9	806.4	809.4	-8.8	0.4	765.3	801.2	4.7
<b>TEA</b>								
Value	2.1	4.2	1.0	-51.0	-75.3	29.1	31.6	8.7
Volume	1.3	3.0	0.7	-43.9	-75.5	22.8	21.9	-4.0
Unit Price	1,586.7	1,374.6	1,386.0	-12.7	0.8	1,275.9	1,443.9	13.2
<b>TOBACCO</b>								
Value	0.8	0.0	0.1	-89.7	--	75.7	82.2	8.6
Volume	0.3	0.0	0.04	-88.2	--	25.2	34.6	37.2
Unit Price	2,261.6	0.0	1,976.8	-12.6	--	3,007.8	2,379.7	-20.9
<b>CASHEWNUTS</b>								
Value	0.3	0.000	0.0	--	--	62.3	28.4	-54.4
Volume	0.7	0.000	0.0	--	--	84.2	57.4	-31.9
Unit Price	474.2	0.0	0.0	-100.0	--	740.1	495.0	-33.1
<b>CLOVES</b>								
Value	0.000	0.067	0.00	--	-100.0	9.5	9.8	2.8
Volume	0.000	0.023	0.00	--	-100.0	3.3	3.0	-6.3
Unit Price	0.0	2,908.8	0.0	--	-100.0	2,922.2	3,207.7	9.8
<b>Sub Total</b>	<b>6.1</b>	<b>9.4</b>	<b>5.7</b>	<b>-6.3</b>	<b>-39.8</b>	<b>359.2</b>	<b>281.0</b>	<b>-21.8</b>
<b>Non-Traditional Exports:</b>								
Minerals	<b>69.8</b>	<b>60.5</b>	<b>67.8</b>	<b>-2.9</b>	<b>12.1</b>	<b>754.4</b>	<b>864.0</b>	<b>14.5</b>
Gold	65.3	56.9	61.5	-5.7	8.2	701.1	807.4	15.2
Diamond	2.1	0.0	0.0	-100.0	-100.0	23.4	18.2	-22.0
Other minerals <sup>1</sup>	2.5	3.6	6.3	--	73.3	29.9	38.4	28.5
Manufactured Goods	<b>13.4</b>	<b>21.8</b>	<b>36.3</b>	<b>--</b>	<b>66.7</b>	<b>183.7</b>	<b>249.7</b>	<b>35.9</b>
Cotton Yarn	0.2	0.4	0.1	-38.3	-65.8	3.8	7.0	83.6
Manufactured Coffee	0.2	0.2	0.2	-19.4	-32.5	1.2	1.6	0.0
Manufactured Tobacco	0.0	0.2	0.1	--	-39.2	1.8	1.1	-36.9
Sisal Products (Yarn & Twine)	0.1	0.4	0.3	--	-7.8	3.0	4.5	47.3
Other manufactured Goods <sup>2</sup>	12.8	20.6	35.5	--	72.8	173.9	235.5	35.4
Fish and Fish Products	<b>10.8</b>	<b>10.8</b>	<b>9.9</b>	<b>-8.4</b>	<b>-8.8</b>	<b>138.1</b>	<b>143.3</b>	<b>3.7</b>
Horticultural products	<b>1.5</b>	<b>1.6</b>	<b>1.5</b>	<b>-1.8</b>	<b>-6.5</b>	<b>15.1</b>	<b>17.8</b>	<b>18.0</b>
Re-exports	<b>10.0</b>	<b>11.6</b>	<b>11.8</b>	<b>17.8</b>	<b>1.5</b>	<b>125.2</b>	<b>160.1</b>	<b>27.9</b>
Others Exports <sup>3</sup>	<b>16.2</b>	<b>24.1</b>	<b>15.8</b>	<b>-2.8</b>	<b>-34.5</b>	<b>177.1</b>	<b>161.4</b>	<b>-8.9</b>
<b>Sub Total</b>	<b>121.7</b>	<b>130.4</b>	<b>143.0</b>	<b>17.5</b>	<b>9.7</b>	<b>1,393.6</b>	<b>1,596.3</b>	<b>14.5</b>
<b>GRAND TOTAL</b>	<b>127.8</b>	<b>139.8</b>	<b>148.7</b>	<b>16.4</b>	<b>6.4</b>	<b>1,752.8</b>	<b>1,877.3</b>	<b>7.1</b>

Note:

1 Include tanzanite, rubbies, sapphires, emeralds, copper, silver and other precious stones

2 Include plastic items, textile apparels iron/steel and articles thereof

3 Include edible vegetables, oil seeds, cereals, cocoa, raw hides and skins, woods and articles thereof

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

Volume in '000 Tons; Value in '000,000 USD; Unit Price in USD/Ton

Source: Bank of Tanzania, TRA



**Table A5(b): Tanzania Imports (f.o.b value) by Major Category**

Item	Millions of US \$									
	2006 <sup>p</sup>			2007 <sup>p</sup>			% Change			
	July	June	July	June	July	July 06- July 07	June 07 - July 07	2006	2007	% Change
<b>Capital Goods</b>	<b>115.0</b>	<b>138.5</b>	<b>130.0</b>	<b>138.5</b>	<b>130.0</b>	<b>13.0</b>	<b>-6.1</b>	<b>1,300.6</b>	<b>1,637.4</b>	<b>25.9</b>
Transport Equipments	31.1	39.0	46.6	39.0	46.6	50.1	19.7	364.7	417.1	14.4
Building and Constructions	31.0	37.8	28.5	37.8	28.5	-7.9	-24.7	317.7	372.6	17.3
Machinery	52.9	61.7	54.8	61.7	54.8	3.5	-11.1	618.2	847.7	37.1
<b>Intermediate Goods</b>	<b>115.4</b>	<b>180.9</b>	<b>144.7</b>	<b>180.9</b>	<b>144.7</b>	<b>25.4</b>	<b>-20.0</b>	<b>1,360.1</b>	<b>1,787.6</b>	<b>31.4</b>
Oil imports	83.1	157.4	108.2	157.4	108.2	30.2	-31.3	1,003.8	1,323.4	31.8
Fertilizers	2.4	0.3	0.2	0.3	0.2	-89.6	-27.6	38.3	55.2	44.3
Industrial raw materials	29.9	23.2	36.3	23.2	36.3	21.2	56.5	318.0	409.0	28.6
<b>Consumer Goods</b>	<b>69.7</b>	<b>70.7</b>	<b>77.4</b>	<b>70.7</b>	<b>77.4</b>	<b>11.0</b>	<b>9.5</b>	<b>837.4</b>	<b>962.6</b>	<b>15.0</b>
Food and food stuffs	16.6	10.9	18.1	10.9	18.1	9.0	66.8	243.6	240.4	-1.3
All other consumer goods <sup>1</sup>	53.1	59.8	59.3	59.8	59.3	11.7	-0.9	593.8	722.3	21.6
<b>Grand Total (f.o.b)</b>	<b>300.1</b>	<b>390.1</b>	<b>352.1</b>	<b>390.1</b>	<b>352.1</b>	<b>17.3</b>	<b>-9.7</b>	<b>3,498.1</b>	<b>4,387.6</b>	<b>25.4</b>
<b>Grand total (c.i.f)</b>	<b>329.8</b>	<b>428.7</b>	<b>387.0</b>	<b>428.7</b>	<b>387.0</b>	<b>17.3</b>	<b>-9.7</b>	<b>3,844.0</b>	<b>4,821.6</b>	<b>25.4</b>

Note:

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

<sup>p</sup> = 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 <sup>r</sup>	2003 <sup>r</sup>	2004 <sup>r</sup>	2005 <sup>r</sup>	2006 <sup>p</sup>
<b>A. Current Account</b>	<b>-846.2</b>	<b>-485.9</b>	<b>-237.4</b>	<b>83.6</b>	<b>-87.5</b>	<b>-383.3</b>	<b>-881.6</b>	<b>-1,458.7</b>
Goods: Exports f.o.b.	543.3	733.7	851.3	979.6	1,216.1	1,473.1	1,675.8	1,723.0
Traditional	301.2	292.8	231.1	206.1	220.5	297.8	354.5	267.1
Non-traditional	242.1	440.9	620.2	773.5	995.7	1,175.3	1,321.2	1,455.9
o/w Gold	34.8	112.7	254.1	341.1	502.8	629.4	655.1	773.2
Goods: Imports f.o.b.	-1,415.4	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6	-3,864.1
<i>Balance on Goods</i>	<i>-872.1</i>	<i>-633.9</i>	<i>-709.0</i>	<i>-531.8</i>	<i>-717.3</i>	<i>-1,009.8</i>	<i>-1,321.8</i>	<i>-2,141.1</i>
Services: <b>Credit</b>	600.3	627.3	914.6	920.1	947.8	1,133.6	1,269.2	1,464.5
Transportation	53.7	56.8	105.9	117.1	138.9	183.0	222.9	327.6
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	222.9
Services: <b>Debit</b>	-780.5	-682.4	-649.7	-632.5	-725.7	-974.7	-1,207.3	-1,247.3
Transportation	-175.4	-205.7	-194.2	-176.9	-214.7	-267.1	-319.5	-417.6
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	-295.2
<i>Balance on Services</i>	<i>-180.2</i>	<i>-55.1</i>	<i>264.9</i>	<i>287.6</i>	<i>222.1</i>	<i>158.9</i>	<i>61.8</i>	<i>217.2</i>
<b>Balance on Goods and Services</b>	<b>-860.8</b>	<b>-689.0</b>	<b>-444.1</b>	<b>-244.2</b>	<b>-495.3</b>	<b>-850.9</b>	<b>-1,260.0</b>	<b>-1,923.8</b>
Income: <b>Credit</b>	32.4	50.4	55.3	67.9	87.1	81.8	80.9	80.3
: <b>Debit</b>	-185.1	-240.9	-243.8	-156.8	-236.2	-200.9	-198.0	-165.2
Balance on Income	-53.6	-190.6	-188.5	-88.8	-149.1	-119.1	-117.0	-84.8
<i>Balance on Goods, Services and Income</i>	<i>-1,013.5</i>	<i>-879.5</i>	<i>-632.6</i>	<i>-333.0</i>	<i>-644.4</i>	<i>-970.0</i>	<i>-1,377.0</i>	<i>-2,008.7</i>
Current transfers (net)	336.6	393.6	395.3	416.6	556.9	586.7	495.4	550.0
Current transfers: <b>Credit</b>	454.1	472.1	474.8	477.9	619.9	651.7	563.0	615.6
Government	411.4	427.8	418.4	427.7	553.3	582.0	478.4	521.3
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	94.4
Current transfer: <b>Debit</b>	-117.5	-78.5	-79.5	-61.3	-63.0	-65.0	-67.5	-65.6
<b>B. Capital Account</b>	<b>270.6</b>	<b>330.4</b>	<b>361.5</b>	<b>785.7</b>	<b>692.8</b>	<b>459.9</b>	<b>633.2</b>	<b>5,292.9</b>
Capital transfers: <b>Credit</b>	270.6	330.4	361.5	785.7	692.8	459.9	633.2	5,292.9
General Government	256.3	314.7	339.2	755.6	655.5	420.0	590.2	5,254.3
Other sectors	256.3	314.7	339.2	325.3	320.9	253.7	478.1	292.6
<i>Total, Groups A plus B</i>	<i>-406.3</i>	<i>-155.5</i>	<i>124.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<b>C. Financial Account, excl. reserves and related items</b>	<b>522.4</b>	<b>187.8</b>	<b>-353.7</b>	<b>255.4</b>	<b>61.2</b>	<b>275.6</b>	<b>665.3</b>	<b>-4,001.0</b>
Direct investment in Tanzania	541.7	282.0	467.2	387.6	308.2	330.6	447.6	474.5
Other investment	-20.5	-94.2	-829.1	-134.4	-249.7	-57.4	215.2	-4,478.1
Assets	14.8	-134.0	-76.7	2.9	-59.0	-11.0	-61.5	-179.3
Liabilities	-35.3	39.9	-752.5	-137.3	-190.6	-46.4	276.6	-4,298.8
<i>Total, Groups A through C</i>	<i>116.1</i>	<i>118.7</i>	<i>580.0</i>	<i>1,124.7</i>	<i>666.5</i>	<i>352.3</i>	<i>416.9</i>	<i>-166.8</i>
<b>D. Net Errors and Omissions</b>	<b>-244.5</b>	<b>-118.7</b>	<b>-580.0</b>	<b>-806.8</b>	<b>-277.4</b>	<b>-146.3</b>	<b>-614.1</b>	<b>28.3</b>
<i>Overall balance</i>	<i>-128.4</i>	<i>-86.3</i>	<i>-809.6</i>	<i>317.9</i>	<i>389.1</i>	<i>206.0</i>	<i>-197.2</i>	<i>-138.5</i>
<b>E. Reserves and Related Items</b>	<b>128.4</b>	<b>86.3</b>	<b>809.6</b>	<b>-317.9</b>	<b>-389.1</b>	<b>-206.0</b>	<b>197.2</b>	<b>138.5</b>
Reserve assets	-176.5	-198.8	-182.2	-372.4	-508.8	-258.4	247.7	137.0
Use of Fund credit and loans	51.3	49.4	15.6	26.0	-2.9	-33.8	-50.5	1.5
Exceptional financing	253.7	235.7	976.2	28.5	122.6	86.2	0.0	0.0
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	0.0	0.0
Principal arrears	14.1	95.0	135.2	0.4	6.2	64.3	0.0	0.0
<b>Memorandum items</b>								
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	-6.9	-10.9
CAB/GDP (excl. current official transfers)	-12.6	-10.0	-6.9	-3.5	-6.2	-8.5	-10.6	-14.8
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	1,994.8
Change in Net International Reserves	-121.4	-137.6	-218.5	-297.2	-475.5	-253.0	391.0	-598.9
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:**

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

Source: National Bureau of Statistics

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	Headline (General Index)	Food	Total Non-Food	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Educ- ation	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2003	0.3	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
2004	0.4	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
2005	0.4	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	0.0	-0.1	-0.5	1.0	-1.4	-1.0	0.6	0.3	0.3	0.4	0.2	1.3	0.3
2005 Jan	5.4	7.5	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	0.1	-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	-0.9	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	0.5	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	-0.8	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	-0.3	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	1.1	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	-0.8	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	0.2	-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	-0.3	0.1	-0.5	-0.7	3.2	0.9	-0.6	-0.8	-0.6	0.3	0.6	-0.3	-0.9
Nov	-0.3	0.1	-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	-0.1	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	-3.5	-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	0.4	-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	0.3	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	0.9	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	0.2	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	-2.7	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	-1.3	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	-1.7	-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	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2
Oct	1.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6
Nov	0.8	2.3	-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	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6
2007 Jan	1.3	1.8	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6
Feb	1.1	0.7	1.7	0.5	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9
Mar	1.2	1.2	0.2	1.9	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	-0.5	0.4	0.9
Apr	-0.1	-0.1	-0.1	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	1.6	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	-0.6	1.0	0.1	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.5	0.6	0.0
Jul	0.1	0.1	0.2	0.1	-0.6	0.1	0.2	0.2	0.4	0.2	0.7	1.1	0.2	-0.7

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



Table A7: External Debt Developments

Item	2004/05	2005/06	2006/07	2007/08
				Jul-07
<b>1. Overall Total Debt Committed<sup>2</sup></b>	<b>8,345.1</b>	<b>8,638.9</b>	<b>5,212.4</b>	<b>5,248.3</b>
Disbursed outstanding debt	6,799.5	6,971.1	3,442.3	3,471.5
Undisbursed debt	1,545.6	1,667.7	1,770.1	1,776.8
<b>2. Disbursed Debt by Creditor Category<sup>2</sup></b>	<b>6,799.5</b>	<b>7,733.9</b>	<b>3,442.3</b>	<b>3,471.5</b>
Bilateral	1,502.3	1,506.2	910.5	907.2
Multilateral	4,626.3	5,459.6	1,772.6	1,801.2
Commercial	416.4	462.2	437.3	439.6
Export credits	254.5	305.9	321.9	323.4
<b>3. Disbursed Debt by Borrower Category<sup>2</sup></b>	<b>6,799.5</b>	<b>7,734.0</b>	<b>3,442.3</b>	<b>3,471.5</b>
Central Government	5,830.5	6,724.5	2,692.0	2,718.0
Parastatal Companies	477.5	450.0	167.8	168.0
Private Sector	491.5	559.5	582.5	585.5
<b>3. Disbursed Debt by Use of Funds<sup>2</sup></b>	<b>6,799.5</b>	<b>6,971.1</b>	<b>3,442.3</b>	<b>3,471.5</b>
Balance of Payment & Budget Support	1,335.1	1,392.6	1,019.3	1,019.7
Transport & Telecommunication	1,073.5	1,087.9	425.3	427.6
Agriculture	1,077.8	1,050.1	338.1	346.2
Energy & Mining	1,070.3	955.2	606.9	610.5
Industries	405.5	409.0	162.8	157.9
Social Welfare & Education	611.7	647.3	433.2	444.6
Finance and Insurance	96.6	98.7	64.4	66.0
Tourism	80.1	80.8	73.0	73.2
Others	1,048.9	1,249.8	319.3	325.9
<b>5. Total Amount fo Loans Contracted<sup>1</sup></b>	<b>631.9</b>	<b>673.9</b>	<b>0.0</b>	<b>0.0</b>
Government	491.7	574.8	0.0	0.0
Parastatal Companies	0.0	0.0	0.0	0.0
Private	140.2	99.0	0.0	0.0
<b>6. Disbursements<sup>1</sup></b>	<b>190.2</b>	<b>210.0</b>	<b>11.4</b>	<b>13.0</b>
Government	161.4	182.4	11.4	13.0
Parastatal Companies	0.0	4.1	0.0	0.0
Private	28.8	23.5	0.0	0.0
<b>7. Scheduled Debt Service<sup>1</sup></b>	<b>355.1</b>	<b>373.6</b>	<b>16.0</b>	<b>18.0</b>
<b>8. Actual Debt Service<sup>1</sup></b>	<b>112.9</b>	<b>90.7</b>	<b>7.7</b>	<b>3.0</b>
Principal	86.0	61.4	5.6	0.8
Interest	26.9	29.3	2.1	2.1
Others	0.0	0.0	0.0	0.0
<b>9. Net Transfers<sup>1</sup></b>	<b>77.3</b>	<b>119.3</b>	<b>3.7</b>	<b>10.0</b>
<b>10. Total Arrears by Creditor Category<sup>2</sup></b>	<b>2,470.5</b>	<b>2,392.4</b>	<b>2,199.6</b>	<b>2,226.8</b>
<b>Principal</b>	<b>1,135.2</b>	<b>1,132.2</b>	<b>981.0</b>	<b>992.4</b>
Bilateral	669.4	609.0	377.7	381.6
Multilateral	5.9	10.7	13.6	14.7
Commercial	249.2	274.1	339.5	346.1
Other Private Creditors	210.7	238.5	250.1	250.0
<b>Interest</b>	<b>1,335.3</b>	<b>1,260.1</b>	<b>1,218.6</b>	<b>1,234.5</b>
Bilateral	818.8	684.0	536.1	543.3
Multilateral*	23.4	22.0	27.7	28.1
Commercial	333.7	372.9	440.0	445.5
Other Private Creditors	159.4	181.2	214.8	217.6
<b>11. External Debt Stock</b>	<b>8,134.8</b>	<b>8,231.3</b>	<b>4,660.8</b>	<b>4,706.0</b>
<b>12. Domestic Debt Stock</b>	<b>952.6</b>	<b>1,405.9</b>	<b>1,497.9</b>	<b>1,479.0</b>
<b>13. Total Debt Stock</b>	<b>9,087.4</b>	<b>9,637.2</b>	<b>6,158.8</b>	<b>6,184.9</b>
<b>End Period Exchange Rate</b>	<b>1,126.3</b>	<b>1,253.1</b>	<b>1,258.5</b>	<b>1,281.0</b>

Source: Bank of Tanzania

\* Multilateral arrears are those owed by private companies

1) During the period 2) Position as at the end of July 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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