



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

April 2007

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1.0 Inflation Developments

Inflation Decreases

Annual Headline Inflation decreased to 7.2 percent in March 2007, from 7.3 percent recorded in the preceding month. The decrease in inflation rate is mainly explained by a slight decrease in food inflation. However, on month-to-month basis, that is between February and March 2007, headline inflation went up by 0.7 percent as a result of increase in both food and non-food consumer prices. Similarly excluding seasonal influences, the month-on-month headline inflation decelerated by 1.0 percent in March 2007 compared to 1.1 percent recorded in February 2007.

Annual Non-Food Inflation increased from 8.8 percent in February 2007 to 9.1 percent during the period ending March 2007, due to increase in average prices of some non-food items, the highest increase was on drinks and tobacco subgroup. Similarly, the month-to-month non-food inflation between February and March 2007 went up by 1.2 percent, reflecting increase in average prices of beer, rent, school fees, school items, creams, radios and audio cassettes (recorded) and cough syrup. Nonetheless, the average prices of clothing, footwear, kerosene, charcoal, furniture, diesel and petrol recorded a slight decline.

Annual Food Inflation dropped a little in March 2007 to 6.1 percent, from 6.2 percent recorded in the year ended January 2007. This is mainly explained by favourable supply of maize, beans and sorghum in the country, which helped to contain food inflationary pressures. On the other hand, the month-to-month food prices increased to 1.2 percent in March 2007 from 0.7 percent in February 2007 mainly as a result of increase in average prices of food items such as cassava, cooking banana, vegetables, fruits, chicken, pork, fish and milk (powder), (Table 1.1 and Chart 1.1).

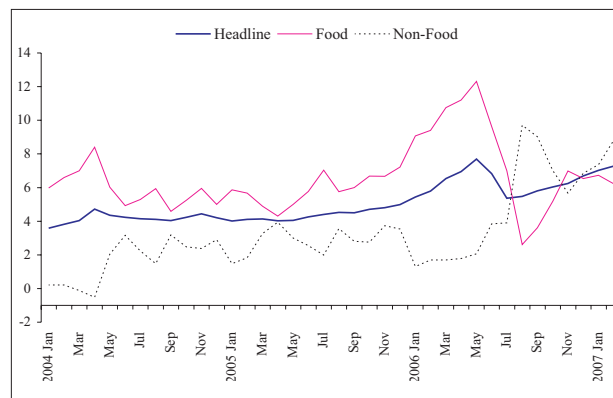
Table 1.1: Percentage Change in Consumer Price Index (All-Urban)

Major Commodity Group	Weight (%)	2005		2006			2007		
		Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar
Headline/Overall	100	4.1	4.1	5.4	5.8	6.5	7.0	7.3	7.2
Food	55.9	5.7	4.9	9.1	9.4	10.7	6.7	6.2	6.1
Non-Food	44.1	1.8	3.3	1.3	1.7	1.7	7.4	8.8	9.1
Transportation	9.7	2.2	5.7	3.1	3.3	3.4	8.8	9.8	9.1
Fuel, Power and Water	8.5	5.9	9.4	5.2	4.5	4.9	4.8	9.6	9.3
Drinks and Tobacco	6.9	1.8	0.3	1.7	2.5	2.6	11.9	11.2	11.8
Clothing & Footwear	6.4	-1.7	1.7	-3.1	-1.9	-2.4	6.1	6.3	7.2
Education	2.6	-0.6	1.4	-1.1	-0.3	-0.3	10.0	11.8	13.0
Furniture & Household Equip.	2.1	0.2	-2.3	-1.0	0.5	0.9	10.3	11.0	10.4
H/h Operations Maintenance	2.1	2.4	2.3	-1.7	-1.5	-1.8	9.6	10.8	11.1
Personal Care & Health	2.1	6.0	0.1	-3.0	0.0	-0.7	2.0	0.9	3.4
Rents	1.4	-2.8	-4.6	0.4	0.6	0.6	4.9	6.0	5.8
Recreation & Entertainment	0.8	-3.3	-2.3	-1.2	0.5	-0.6	5.6	7.5	9.2
Misc. Goods & Services	1.5	-1.5	0.4	-1.9	-1.1	-1.3	-1.8	-0.4	1.6

Note: Base (1) 2001=100 up to August 2006, (2) Dec 2001=100 from September 2006

Source: National Bureau of Statistics

Chart 1.1: Annual Headline, Food, and Non-Food Inflation



Food Supply Situation

National food supply situation continued to be satisfactory in March 2007 on account of “vuli” harvests in bimodal rainfall areas and availability of fresh produce such as green maize, legumes and tubers in unimodal rainfall areas. Tanzania received abundant rainfall throughout the season and expects above average harvests this season. For the few districts experiencing food shortages, the government distributed 348 tons of relief food in March 2007, leading to cumulative distribution of 2,597 tons since the distribution started in December 2006. The government allocated 6,307 tons of relief food to be distributed to food deficit areas during 2006-07 seasons.

With the exception of potatoes, the prices of other crops decreased in March 2007 when compared with the same period last year on account of improved food supply and anticipation of good harvest (Table 1.2). Similarly, on monthly basis, the wholesale prices of all food items, except for sorghum, decreased during the month under review.



Table 1.2: National average Wholesale Prices for Selected Food Items

Item	TZS per 100 Kg				
	2007			Percentage Change	
	2006	Feb	Mar	Mar - 06 to Mar - 07	Feb - 07 to Mar - 07
Maize	32,046	18,738	18,572	-42.0	-0.9
Rice	75,221	72,096	71,104	-5.5	-1.4
Beans	69,587	56,971	56,822	-18.3	-0.3
Sorghum	36,822	26,078	26,636	-27.7	2.1
Potatoes	33,095	35,403	35,265	6.6	-0.4

Source: Ministry of Industry, Trade and Marketing

The Strategic Grain Reserves

By the end of March 2007, the SGR stock increased to 123,046 tons compared to 117,838 tons recorded in February 2007 (Table 1.3). On annual basis, the SGR stock increased significantly from 8,055 tons recorded in March 2006 on account of increased domestic maize purchases, minimal distribution of relief food, and importation of 2,868 tons of maize. During 2006/07 purchasing season, the SGR department purchased 92,097 tons of maize and 2,831 tons of sorghum.

Table 1.3: Strategic Grain Reserve (SGR) Stock

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

Source: Food Security Department and BoT computation

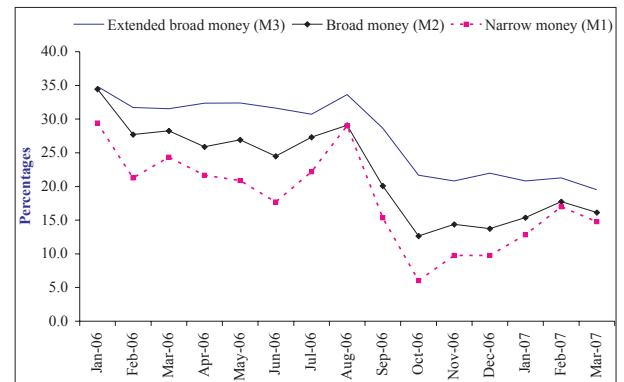
2.0 Monetary and Financial Developments

Money supply

Extended broad money supply, M3, which includes local currency in circulation and private deposits at commercial banks as well as foreign currency deposits, grew by 19.5 percent in the year ending March 2007, compared

with 31.5 percent in the corresponding period in 2006. Similarly, broad money supply, M2, that excludes foreign currency deposits, grew by 16.1 percent in the year ending March 2007 compared with 28.2 percent observed in the corresponding month in 2006 (Chart 2.1). The decline in money supply growth greatly attributed to continual retardation in the growth of all the private deposits held at commercial banks and the currency in circulation held by the public.

Chart 2.1: Annual Growth Rates of Monetary Aggregates



On month-to-month basis, M3 recorded a decrease of TZS 29.7 billion during March 2007 compared with a significant increase of TZS 85.7 billion in the previous month. Likewise, broad money supply, M2, followed the same pattern after recording a decline of TZS 14.9 billion, compared to an increase of TZS 68.8 billion registered in February 2007 (Table 2.1). The main reason behind the decrease in money supply during the month under review is largely associated with the fall in the demand deposits of large taxpayers for meeting end of quarter tax payment.

Table 2.1: Selected Money Supply Components

Item	2007			Annual Growth Rate (%)		
	Feb	Mar	Monthly Change	Mar-06	Feb-07	Mar-07
	Extended Broad Money	4,940.1	4,914.0	-26.2	31.5	21.3
Broad money	3,308.3	3,295.8	-12.5	28.2	17.7	16.1
Currency outside the banking system	967.3	974.4	7.1	25.1	21.3	20.3
Demand deposits	1,041.1	1,013.5	-27.6	23.7	13.2	9.9
Time deposits	483.3	480.8	-2.5	30.1	8.2	8.2
Savings deposits	816.5	827.1	10.6	38.3	26.4	24.9
Foreign currency deposits	1,631.9	1,618.2	-13.7	39.5	29.1	27.0
FCD In millions of USD	1,291.7	1,302.9	11.3	25.9	21.2	25.2
Private sector deposits	3,822.7	3,885.3	62.6	29.6	23.6	19.3
Government sector deposits	271.5	278.4	6.9	35.8	61.1	49.6
Total deposits	4,057.3	4,170.4	113.1	29.4	23.7	20.9
Net Foreign Assets	3,613.7	3,489.4	-124.4	26.5	19.5	11.8
Bank of Tanzania	2,554.9	2,484.1	-70.8	34.1	12.8	5.9
Commercial banks	1,058.9	1,005.3	-53.6	7.6	39.6	29.9
Net Domestic Assets	1,935.6	2,033.8	98.3	34.7	16.7	27.0
Domestic Credit	2,104.1	2,127.3	23.3	65.7	9.6	7.7
Net claims on government	25.0	-10.6	-35.6	989.2	-94.3	-103.7
Claims on government	1,427.3	1,491.5	64.2	88.0	52.6	51.7
Government deposits	1,402.4	1,502.1	99.8	13.3	182.9	175.7
Claims on the private sector	2,079.1	2,137.9	58.8	33.5	40.4	39.3

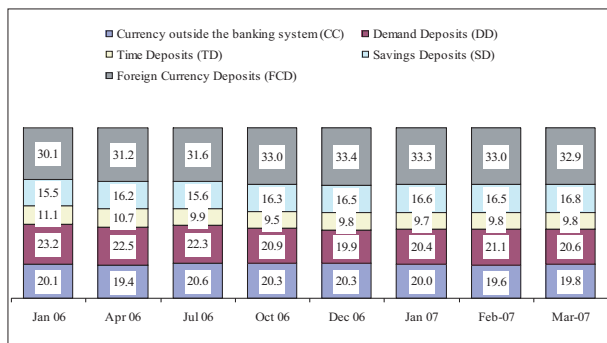
Source: Bank of Tanzania



On the contrary, currency outside the banking system augmented by TZS 4.1 billion in March 2007 from a stock of TZS 967.3 billion in February 2007. The situation was a result of the increase in public demand for holding cash to meet festival spending related to Easter Holiday

(Chart 2.2).

Chart 2.2: Components of Money Supply as Percentage of M3



Credit Developments

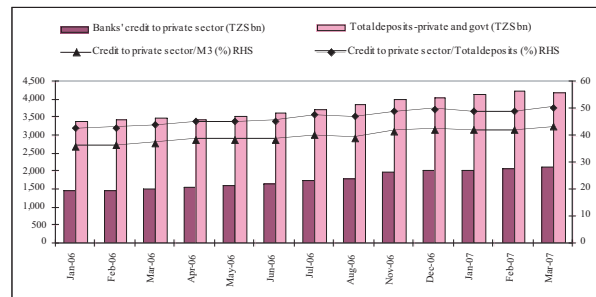
At the end of March 2007, credit to private sector grew at 39.3 percent per annum, compared with 33.5 percent that was evidenced at the similar month in 2006. On the other hand, claims on government decreased significantly from 103.6 percent in March 2006 to 51.7 percent in March 2007. This reflects a slow down of government borrowing in the banking system by ensuring lending opportunities being directed to the private sector with a support of declining credit risks due to the continuing economic reforms and increased credit guarantee schemes.

Most of the private sector credit expansion went to activities including manufacturing (23.9 percent), trade (17.9 percent), agriculture (9.6 percent), transport and communication (9.2 percent) and electricity (5.4 percent). Loans to these activities accounted for about 66 percent of the total credit to private sector.

Total credit extended during March 2007 was TZS 54.5 billion compared with TZS 34.3 billion recorded in the previous month. The proportion of credit to the private sector to total deposits slightly rose to 50.6 percent in March 2007 compared with 43.8 percent in February 2007 as shown in **Chart 2.3**. The chart also shows that the proportion of private sector credit to total deposit during the year ending

March 2007 is higher than that of the corresponding month in 2006, reflecting the growing financial intermediation, which is crucial to economic growth.

Chart 2.3: Commercial Banks Intermediation



Interest Rates

In March 2007, average interest rates in the banking system improved albeit marginally. Overall time deposit rate rose to 7.69 percent from 7.52 percent a month earlier - with 12 months time deposits rate reaching at 9.17 percent from 8.47 percent in February 2007. Saving deposit rate remained weak at around 2.21 percent during the month under review. As for overall interbank cash market transactions, the rates eased to 7.59 percent from 7.72 percent, signalling minimal liquidity squeeze among commercial banks. On the other hand, overall average interest rates on loans closed at 16.35 percent from 16.19 percent a month earlier, with short term lending rate (up to 1-year) closing at 14.94 percent down from 15.34 percent in February 2007. As for government securities, the yields have seen a significant improvement during the reporting month closing at an average rate of 15.99 percent from 12.95 percent recorded in February 2007, (**Table 2.2**).

As a result of a fall in the average interest rate on the short-term loans and the marginal improvement in 12 months time deposit, the nominal margin decreased from 6.87 percentage points in February to 5.77 percentage points in March.



Table 2.2: Interest Rate Structure

Item	Percent					
	2006			2007		
	Oct	Nov	Dec	Jan	Feb	Mar
Inter-bank cash market rate	15.64	5.20	7.14	12.54	7.72	7.59
Savings Deposit Rate	2.57	2.60	2.59	2.59	2.25	2.21
12 months time deposit rate	8.70	9.05	8.75	8.20	8.47	9.17
Negotiated Deposit Rate	9.42	9.72	9.35	9.02	9.39	7.99
Overall lending rates	16.61	16.61	16.36	17.22	16.19	16.35
Short-term (up to year)	15.60	15.71	15.67	15.80	15.34	14.94
Negotiated Lending Rates	10.74	10.11	10.60	11.49	12.42	11.74
Treasury Bills Weighted Average Yield (WAY)	13.4	10.69	15.04	15.75	12.95	15.99

Source: Commercial banks and Bank of Tanzania

Developments in Financial Markets

Treasury bills market

During March 2007, Treasury bills market experienced low demand by decreasing to TZS 258.5 billion from 464.3 billion in February 2007. The substantial decrease in the demand for treasury bills was largely associated with low liquidity among the commercial banks. In the market, however, treasury bills were oversubscribed by TZS 18.5 billion compared with oversubscription of TZS 224.3 billion in the previous month. The bank accepted Treasury bills worth TZS 207.3 billion against the supply of TZS 240.0 billion. In line with low demand, treasury bills rate increased to an average rate of 16.0 percent in March 2007 from 13.0 percent recorded in February 2007, (Table 2.3).

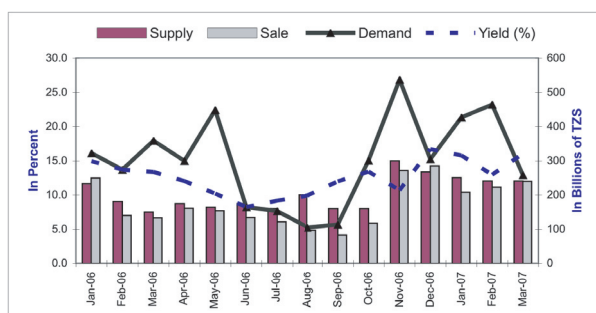
Table 2.3: Treasury Bills Performance
October 2006 - March 2007

Item	2006			2007		
	Oct	Nov	Dec	Jan	Feb	Mar
Supply	160.0	300	267.0	250	240	240
Demand	300.3	537	304.1	426.7	464.3	258.5
Sale	126.2	293	284.9	226.7	223.0	239.9
WAY (%)	13.4	10.7	15.0	15.8	13.0	16.0

WAY = Weighted Average Yield

Source: Financial Markets, Bank of Tanzania

Chart 2.4: Treasury Bills Market
Developments



Treasury Bond Market

In March 2007, Treasury bonds worth TZS 16.0 billion were offered for sale while demand for Treasury bonds amounted to TZS 34.8 billion. The Bank sold Treasury bonds amounting to TZS 17.5 billion, in which strong preference was towards the 2-year bond. During the month, yield to maturity ranged between 16.2 and 20.7 percent compared to 15.4 and 17.8 percent during February 2007 as shown in Table 2.4.

Table 2.4: Treasury Bonds Performance
October 2006-March 2007

Item	2006			2007		
	Oct	Nov	Dec	Jan	Feb	Mar
Supply	16.0	20.0	12.0	16.0	16.0	16.0
Demand	30.4	53.6	46.4	34.6	25.0	34.8
Sale	15.0	20.0	37.0	12.9	22.7	17.5
Yields (%)						
2-year	15.83	12.89	18.50	16.52	17.38	19.23
5-year	18.14	15.89	15.20	13.60	16.37	16.21
7-year	17.62	17.33	-	17.50	15.40	20.69
10-year	17.52	17.69	-	17.15	17.82	18.51

Source: Financial Markets, Bank of Tanzania

Repurchase Agreements (Repo)

In March 2007, the Bank of Tanzania conducted repurchase agreements worth TZS 80.0 billion for liquidity management. In the same month under review, repo worth TZS 114.0 matured that led, on net basis, to liquidity injection of TZS 34.0 billion. The overall repo rate increased to 6.88 percent in March 2007 from 6.30 percent in February 2007.

Inter-bank Cash Market

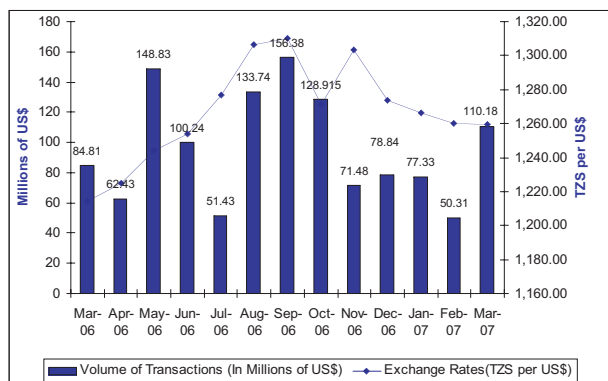
During the reviewed month, transactions in the inter-bank cash market experienced a slight increase in the overnight rates, from 7.44 percent in February 2007 to 7.52 percent in March 2007, slightly reflecting tight liquidity by some banks. Total inter-bank market transactions rose from TZS 258.6 billion in February 2007 to TZS 367.0 billion during the month under review. The overnight transactions accounted for 79.0 percent in March 2007 compared to 48.2 percent in the preceding month.

Inter-Bank Foreign Exchange Market (IFEM)

Transactions Increased

During March 2007, the total volume traded in the Inter-bank Foreign Exchange Market (IFEM) rose significantly to US\$ 110.2 million from US\$ 50.3 million recorded in February 2007. The volume traded increased on account of the rise in corporate demand for foreign exchange on imports. The Bank of Tanzania and non-banks sold US\$ 33.6 million and US\$ 6.1 million, respectively, while commercial banks purchased US\$ 39.7 million on net basis. The weighted average exchange rate of the shilling appreciated slightly to TZS 1,259.7 per US dollar from TZS 1,260.2 per US dollar recorded in February 2007, (Chart 2.5).

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



Transactions in Bureaux de Change System Increased

During the review period, the volume of transactions conducted by Bureau de Change system went up by 35.9 percent to US\$ 74.3 million from the level transacted in the previous month. The rise was attributed by the increase in both sales and purchases of foreign exchange. Foreign exchange payments for education and travelling allowances accounted for the larger percent of the outflows. Meanwhile, the buying and selling rates appreciated to TZS 1,257.0 per US\$ and TZS 1,277.0 per US\$ from TZS 1,278.00 and TZS 1,300.0 US\$ recorded in February 2007, respectively, (Table 2.5).

Table 2.5: Foreign Exchange Market Developments

Item	2006		2007		% Change		Year Ending Mar		
	Mar	Feb	Mar	Mar 06 to Mar 07	Feb 07 to Mar 07	2006	2007	% Change	
IFEM									
Amount offered*	84.81	50.31	110.18	119.00	29.91	781.41	1,170.10	49.74	
Amount sold*	84.81	50.31	110.18	119.00	29.91	781.41	1,170.10	49.74	
Exchange rate**	1,214.47	1,260.22	1,259.74	-0.04	3.73	1,151.51	1,270.93	10.37	
BUREAU DE CHANGE									
Sales*	29.52	27.30	37.10	35.90	25.68	434.05	368.55	-15.09	
Purchases*	29.85	27.40	37.21	35.80	24.66	432.25	370.21	-14.35	
Volume of Transactions*	74.31	54.70	74.31	35.85	25.16	866.30	738.76	-14.72	
Buying rate**	1,205.00	1,278.00	1,257.00	-1.64	4.32	1,146.17	1,214.83	5.99	
Selling rate**	1,225.00	1,300.00	1,277.00	-1.77	4.24	1,162.50	1,283.69	10.42	

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

4.0 EXTERNAL SECTOR PERFORMANCE

Current Account Balance

In March 2007, the deficit in the current account balance narrowed marginally to US\$ 246.7 million compared to a deficit of US\$ 250.7 million that was recorded in the previous month. The improvement is largely attributed to the surge in goods exports coupled with an increase in official current transfers. Conversely, on year-to-year basis, the current account worsened to a deficit of US\$ 1,964.5 million compared with a deficit of US\$ 1,058.5 million for the year ending March 2006, owing to a huge increase in imports that outweighed the marginal increase in exports of goods and services. While imports of goods and services increased by 26.9 percent, exports recorded a marginal increase of 6.0 percent thus attributing to the worsening of the current account balance, (Table 4.1).



Table 4.1: Current Account Balance

Millions of US\$

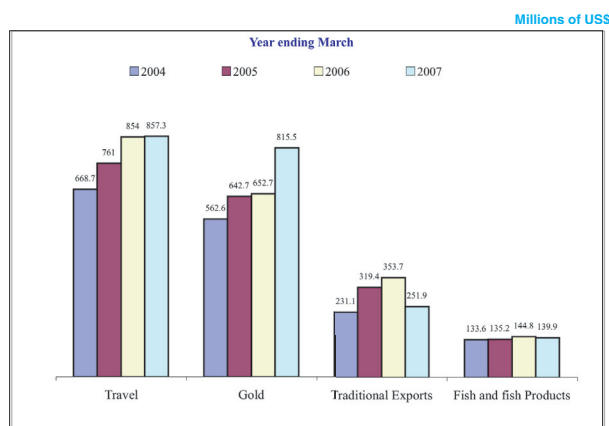
Item	2006			2007 ^P		
	Mar	Feb	Mar	2006 ^P	2007 ^P	% Change
Goods Account (net)	-147.6	-240.8	-226.5	-1,402.9	-2,412.4	72.0
Exports	127.7	133.9	146.8	1,687.6	1,772.9	5.1
Imports	275.3	374.6	373.3	3,090.4	4,185.2	35.4
Services Account (net)	26.1	-4.6	-23.6	91.5	120.6	31.7
Receipts	115.4	102.7	94.6	1,322.7	1,419.1	7.3
Payments	89.3	107.3	118.2	1,231.2	1,298.5	5.5
Goods and services (net)	-121.5	-245.4	-250.1	-1,311.4	-2,291.8	74.8
Exports of goods and services	243.0	236.6	241.4	3,010.3	3,191.9	6.0
Imports of goods and services	364.6	482.0	491.5	4,321.6	5,483.7	26.9
Income Account (net)	-14.4	-6.2	-2.9	-194.8	-147.0	-24.5
Receipts	6.4	6.1	8.2	80.0	83.7	4.7
Payments	20.7	12.3	11.0	274.8	230.7	-16.0
Current Transfers (net)	11.6	1.0	6.2	447.7	474.3	6.0
Inflows	17.1	7.9	12.0	514.8	537.1	4.3
o/w General Government	11.5	0.0	4.8	458.7	485.6	5.9
Outflows	5.5	6.9	5.8	67.2	62.8	-6.6
Current Account Balance	-124.3	-250.7	-246.7	-1,058.5	-1,964.5	85.6

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

Exports Performance

During the year ending March 2007, exports of goods and services increased by 6.0 percent to US\$ 3,191.9 million due to the surge in goods and services receipts that increased by 5.1 percent and 7.3 percent, respectively. Travel (tourism) and gold continued to dominate the total exports accounting for about 27 percent and 25 percent of the total exports of goods and services, respectively, (Chart 4.1).

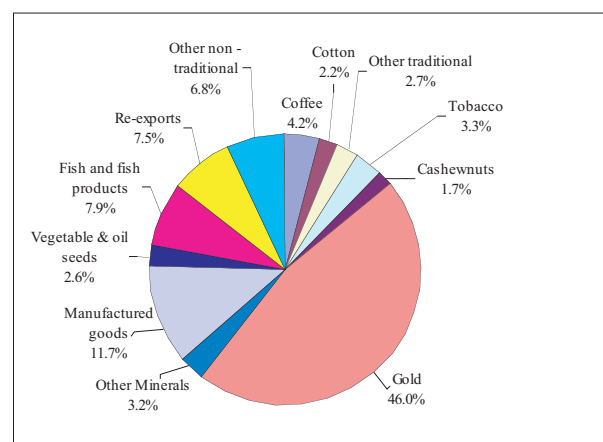
Chart 4.1: Contribution of Selected Items to Total Exports of Goods and Services



During the year ending March 2007, merchandise goods export increased to US\$ 1,772.9 million compared to 1,687.6 million recorded during the corresponding period in the previous year, following positive performance of the non-traditional exports that increased by 14.0 percent

thus dampening the negative effect of a 28.8 percent decline recorded in traditional exports. The contribution of merchandise exports for the year ending March 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

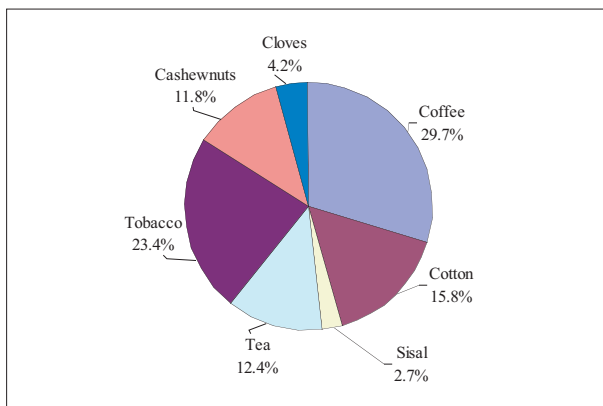
During March 2007, traditional exports declined by 9.1 percent to US\$ 18.6 million compared to the level recorded in the previous month. The decline is attributed to a fall in export volumes and unit prices for most of the crops. The shortfall in export volumes is partly explained by seasonality effects as for most of the traditional crops this is a low export season. The peak export season for most of the traditional exports is between July to December. With exceptional of tea and tobacco, all traditional exports recorded decreases in export volumes during the review month. Likewise, coffee, cotton and sisal recorded decrease in export unit prices when compared to the prices that were recorded in the previous month. The unit export price is influenced by a number of factors including grade of the exported crop and the behaviour of the world market prices at the time when exports are effected.

During the year ending March 2007, traditional exports declined by 28.8 percent to US\$ 251.9 million largely due to unfavourable weather conditions during the farming season of 2005/06 that adversely affected production levels



for most of the traditional crops. Cotton suffered most from the unfavourable weather condition as its export volume plunged by over 60 percent to 38,500 tons compared to 115,400 tons that were exported during the year ended March 2006. During the year under review, cotton accounted for about 16.0 percent of total traditional exports and ranked third among the major foreign exchange earning crops after coffee and tobacco. It is worthy noting that in the last two corresponding years, cotton was leading as foreign exchange earner in traditional exports and it accounted for 26.9 percent and 32.0 percent of total traditional exports recorded during the year ending March 2005 and 2006, respectively. The impact on decline in export volumes of traditional crops was however lessened by the increase in exports unit prices for most of the traditional exports. With exception of sisal, tobacco and cashewnuts, all other traditional exports recorded increases in their export unit prices. The performance of traditional exports for the year ending March 2007 is reflected on **Chart 4.3**.

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

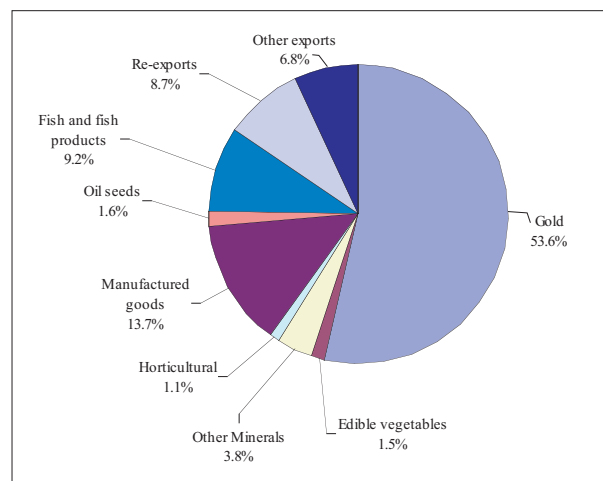


Non-Traditional Exports

Non-traditional exports increased by 20.9 percent to US\$ 128.2 million in March 2007 compared to the level that was recorded in the previous month following a surge in all major sub-categories of non-traditional exports. Gold export maintained its dominance by accounting for about 50 percent of the non-traditional exports followed by manufactured goods and exports of fish and fish products.

On annual basis, non-traditional exports went up by 14.0 percent to US\$ 1,772.9 million compared to the amount that was recorded during the year ending March 2006 largely due to a surge in mineral exports particularly gold and exports of manufactured goods. The increase in gold exports was largely attributed to higher gold prices in the world market as no increase in volume was recorded. The decline in volume of exported gold is partly attributed to the closure of Buhemba Gold Mine since November 2006 following depletion of gold ore at the area. It is worthy noting that on average, the Buhemba Gold Mine has been accounting for about 4 percent of total export volumes. On the other hand, consistent growth of the manufacturing sector in recent year partly explains the surge in exports of manufactured goods. The growth in the manufacturing sector is largely attributed to the macro-economic reforms that the country has been implementing that have attracted more private investments in the manufacturing sector. The most exported manufactured goods include plastic items, textiles apparels and iron/steel and articles thereof that are mainly exported to neighbouring countries such as the Democratic Republic of Congo (DRC), Rwanda, Burundi, Malawi, Uganda and Zambia. **Chart 4.4** depicts the performance of non-traditional exports for the year ending March 2007.

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



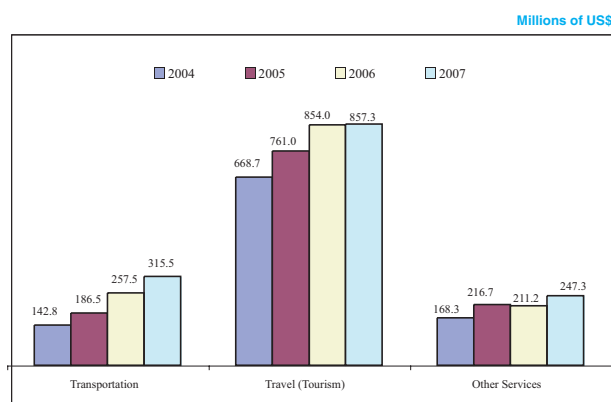
Services Exports

In March 2007, export of services decreased to US\$ 94.6 million from US\$ 102.7 million mainly due to the decrease in transportation, government and other business services receipts.



On annual basis, services receipts went up by 7.3 percent to US\$ 1,419.1 million following an increase in transportation and other business services. The significant increase in transportation receipts to US\$ 315.5 million from US\$ 257.5 million during the year ending March 2007 is largely attributed to the increase in transit cargo to and from the neighbouring countries such as the Democratic Republic of Congo (DRC), Rwanda and Burundi following the improvement of security in those countries. Also, the strategic geographical location of Tanzania being surrounded by a number of landlocked countries has attributed to the performance of the transportation services. Nevertheless, in order to sustain this positive development and win competition over the competing ports such as Mombassa and Beira, there is a need to increase efficiency of cargo handling at ports. The slow down of container clearance at the Dar es Salaam Port is currently causing congestion of cargo making it less efficient in term of time taken in clearance of goods and thus cost involved. The Government and other stakeholders need to take necessary measures to improve the services at the Dar es Salaam Port so as to make the port efficient. Some of the measure to reduce the congestion at the port is to fully utilize the inland deport at Ubungo which has a capacity storage of at 4,000 containers compared to only 2,000 which the Dar es Salaam Port can accommodate. **Chart 4.5** depicts performance of the main services sector during the past four years, with travel (tourism) taking the lead.

Chart 4.5: Service Receipts for the Year Ending March 2004 – 2007



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



Imports Performance

Goods Import

During March 2007, goods imports (f.o.b.) declined marginally to US\$ 373.5 million compared to US\$ 374.6 million in the previous month. The decline of imports is largely attributed to the decline in intermediate goods imports particularly oil that recorded a decline of 33.5 percent to US\$ 106.8 million. The decline in oil imports is partly attributed to a 38.1 percent fall in volume imported to 230,322 tons following availability of stocks from previous month imports.

Conversely, imports of capital and consumer goods increased by 21.8 percent and 16.8 percent, respectively. Capital goods went up to US\$ 139.2 million amid a huge increase in imports of transports equipments mainly vehicles and machinery items. On the other hand, consumer goods increased to US\$ 88.3 million compared to US\$ 75.4 million in February 2007, following a surge in imports of food and foodstuff as well as all other consumer goods, **(Table 4.2)**.

Table 4.2: Imports

Millions of US\$

Item	2006 Mar	2007 ^P			Year Ending Mar ^P			
		Feb	Mar	% Change Mar 06- Mar 07	2006	2007	% Change	
Capital Goods	99.6	114.3	139.2	39.8	21.8	1,134.8	1,505.6	32.7
Transport Equipments	30.6	31.3	46.5	52.0	48.5	315.6	388.6	23.1
Building and Constructions	19.3	34.5	35.4	83.3	2.6	267.9	364.7	36.1
Machinery	49.7	48.4	57.3	15.4	18.3	551.3	752.3	36.5
Intermediate Goods	104.2	184.9	146.0	40.1	-21.1	1,184.9	1,763.6	48.8
Oil imports	80.0	160.7	106.8	33.5	-33.5	862.1	1,294.6	50.2
Fertilizers	0.9	0.6	1.7	79.9	166.6	54.8	54.8	0.0
Industrial raw materials	23.2	23.6	37.5	61.4	58.7	268.0	414.3	54.6
Consumer Goods	71.5	75.4	88.3	23.2	17.1	770.8	916.0	18.8
Food and food stuffs	29.3	20.8	25.5	-13.0	22.7	196.5	262.0	33.3
All other consumer goods ¹	42.2	54.6	62.8	48.3	15.0	574.3	654.0	13.9
Grand Total (f.o.b)	275.3	374.6	373.3	35.6	-0.3	3,090.4	4,185.2	35.4
Grand Total (c.i.f)	302.5	411.7	410.3	35.6	-0.3	3,396.1	4,599.2	35.4

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

In March 2007, food and food stuff imports increased to US\$ 25.5 million from US\$ 20.8 million in the previous month with cereal imports accounting for over 60 percent of the amount imported in the review month. The increase in food and foodstuff is partly attributed to an increase in wheat imports to US\$ 15.9 million compared to US\$ 10.3 million in the previous month. **Table 4.3** summarizes the trend of selected cereal imports during the last four months beginning December 2006.

Table 4.3: Summary of Food Imports

Cereal	2006	2007			% Change Feb- Mar
	Dec	Jan	Feb	Mar	
Maize					
Tons	1,956	4	333	104	-68.8
Value (Mill. US\$)	0.6	0.001	0.4	0.12	-70.0
Rice					
Tons	40	42	707	1,044	47.7
Value (Mill. US\$)	0.01	0.01	0.08	0.11	37.5
Wheat					
Tons	66,756	91,278	43,200	66,756	54.5
Value (Mill. US\$)	14.6	22.0	10.3	15.9	54.4

Note: -- = Very large number
Source: Bank of Tanzania and Tanzania Revenue Authority

On annual basis, goods import went up by 35.4 percent to US\$ 4,185.2 million following the increase in importation of capital, intermediate and consumer goods. Intermediate goods increased much faster compared to other categories of imports as it went up by 48.8 percent to US\$ 1,763.6 million. The development is attributed to the surge in importation of oil and industrial raw materials. The increase in oil imports is explained by increase in oil prices in the world market as well as surge in volume of imported oil. During the period under review, the price of refined white petroleum products increased to an average of US\$ 602.59 per ton compared to US\$ 556.51 per ton prevailed in the previous year. Conversely, the volume of imported oil increased by about 52 percent to 2,380,175 tons during the year ending March 2007 largely due to increase in economic activities and usage of thermal power generation amid the drought in 2005/06. On the other hand, the surge in imports of industrial raw materials was partly associated with the growth of the manufacturing sector in the country resulting from on going macro-economic reforms and improved business environment.

During the year ending March 2007, capital goods went up to US\$ 1,505.6 million compared to US\$ 1,134.8 million recorded in the previous years largely due to a surge in imports of machinery, which were mainly directed to the mining, communication, manufacturing and power generation, transport equipment and imports of building and construction items.

The consumer goods imports increased to US\$916.0 million compared to US\$ 770.8 million in the previous year largely due to a rise in imports of food and foodstuff particularly

maize and wheat. The imports of food and foodstuff went up by over 30 percent to US\$ 262.0 million compared to the levels recorded in the corresponding period a year earlier. The increase in food imports is associated with food deficit following drought that hit the country in the first half of 2005/06, **Chart 4.6**. The trend of imports over the past four years is shown in **Chart 4.7**.

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

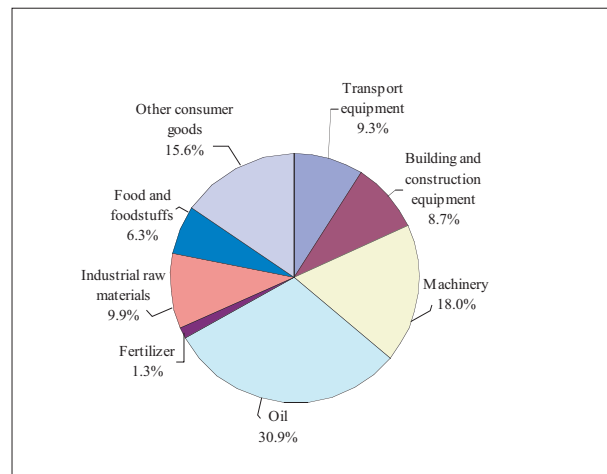
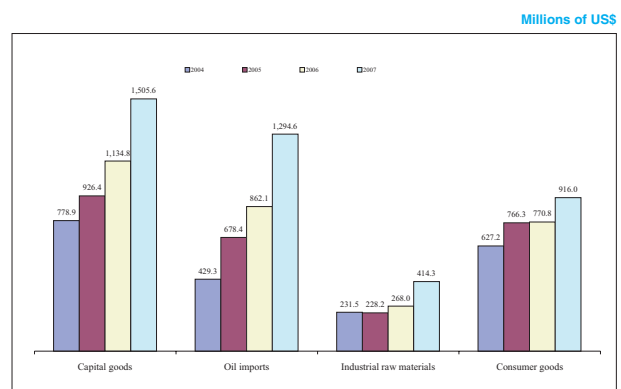


Chart 4.7: Selected Merchandise Imports for the Year Ending March 2004-2007



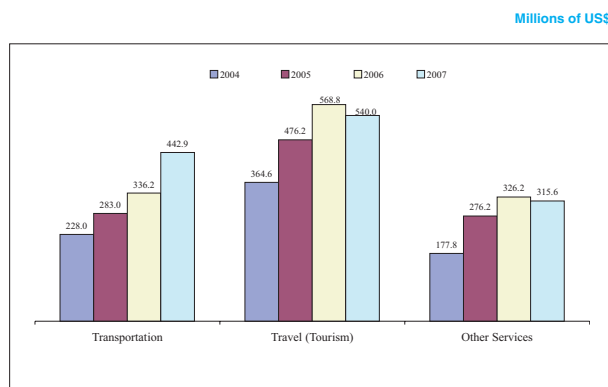
Services Imports

During the month under review, services payments increased to US\$ 118.2 million from US\$ 107.3 million recorded in the previous month, mainly due to the increase in travel, construction and other business services payments.



On annual basis, service payments increased by 5.5 percent to US\$ 1,298.5 million, largely due to the increase in payments for transportation, insurance, financial and other business services. The rise in transportation service payments in particular freight is largely associated with the surge in merchandise imports which went up by 35.4 percent compared to the level that was recorded in the corresponding year ending March 2006. On the other hand, the increase in other business services which comprise mainly of consultancy services, legal, accounting and research services is partly in line with the growth of economic activities as well as openness of the economy in a wake of macroeconomic reforms. The performance of the major service payment categories in the past four years is illustrated on **Chart 4.8**.

Chart 4.8: Service Payments for the Year Ending March 2004 – 2007



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

World Commodity Prices

World commodity prices show mixed developments. During March 2007, the world market prices of Robusta and Arabica coffee went down by 2.3 percent and 4.1 percent to US\$ 1.7 per kg and US\$ 2.6 per kg, respectively. The decline emanated from the favourable weather conditions in Brazil and Vietnam. Likewise, the price of tea (Mombassa Auction) recorded a slight decline to US\$ 1.6 per kg, while the prices of tea (Average price), cotton "A Index" and Memphis slightly increased slightly to US\$ 1.8 per kg, US\$ 1.3 per kg and US\$ 1.4 per kg, respectively as depicted in Table 4.4. The price of sisal remained stable at US\$ 885.0 per metric ton whereas the price of clove went down by 7.8 percent to US\$ 3,550.0 per metric ton, largely attributed to favourable weather conditions in Indonesia, Madagascar and Sri Lanka.

During the month under review, the average prices of crude oil (Brent) and Dubai (f.o.b) increased by 5.3 percent to US\$ 60.6 per barrel and 6.1 percent to US\$ 59.1 per barrel, respectively. Likewise, the prices of white products rose by 7.9 percent to US\$ 585.9 per ton, with premium gasoline increasing by 15.0 percent to US \$ 615.6 per ton. The rise in oil prices emanated from the concerns over supply disruptions as the result of geopolitical tensions surrounding Iran, the world's fourth largest oil exporter. Moreover, oil prices have picked up following reduced US inventories ahead of peak summer driving demand, the major consumer of crude oil in the world. As for gold, the prices declined moderately to US\$ 654.9 per troy ounce in March 2007, (**Table 4.4**).



On annual basis, all commodities recorded increase in price with the exception of sisal that remained stable at US 885.0 per metric ton. The surge in prices of Robusta coffee, tea, cotton and cloves was largely as a result of lower global supply following unfavourable weather condition that adversely impacted production in most of the key producing countries. Moreover, the continued strong in demand for tea and cotton also added an upward pressure on prices

During the year ending March 2007, the average prices of ~~oil products has~~ remained high attributed to geopolitical tensions in the Middle East, the civil unrests in Nigeria and increase in demand emanating from the cold weather in Europe and North East of the US. Likewise, as for gold, the price rose substantially as investors diversified from investing in stocks because of global insecurity and weakening of the US dollar against other major currencies.

Table 4.4: World Commodity Prices

Commodity	Units	2007			% Change	Year ending Mar		
		Jan	Feb	Mar		2006	2007	% Change
Robusta Coffee	USD per kg	1.75	1.74	1.70	-2.30	1.22	1.58	29.51
Arabica Coffee	USD per kg	2.75	2.69	2.58	-4.09	2.52	2.54	0.79
Tea (Average price)	USD per kg	1.79	1.80	1.80	1.12	1.70	1.87	10.10
Tea (Mombasa auction)	USD per kg	1.70	1.65	1.63	-1.21	1.62	1.88	16.05
Cotton, "A Index"	USD per kg	1.33	1.28	1.29	0.78	1.25	1.27	1.60
Cotton, Memphis ¹	USD per kg	1.38	1.35	1.36	2.26	1.32	1.34	1.45
Sisal (UG)	USD per metric ton	885.00	885.00	885.00	0.00	885.00	885.00	0.00
Cloves	USD per metric ton	2,750.00	3,850.00	3550.00	-7.79	3,225.69	3,787.29	17.41
Crude oil*	USD per barrel	53.52	57.56	60.60	5.28	57.09	63.34	10.95
Crude oil**	USD per barrel	52.01	55.68	59.05	6.05	53.40	60.87	13.99
White products***	USD per ton	505.80	543.05	585.89	7.89	556.51	602.59	8.28
Jet/Kerosine	USD per ton	546.91	573.85	600.63	4.67	579.79	630.39	8.73
Premium Gasoline	USD per ton	483.36	535.30	615.59	15.00	563.60	609.36	8.12
Heat Oil	USD per ton	487.14	520.00	541.44	4.12	528.79	568.02	7.42
Gold	USD per troy ounce	631.20	664.70	654.90	-1.47	476.58	628.41	31.86

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

5.0 National Debt Developments

Relative to preceding month, the national debt stock, comprising of both external and domestic debts, increased by 1.9 percent, from USD 5,936.2 registered at the end of February 2007 to USD 6,049.3 million as at end of March 2007.

This increase is due to exchange rates fluctuations, new disbursement and increase in Government financing. Out of total debt stock, external debt was USD 4,546.7 million (75.2 percent) while domestic debt stood at USD 1,502.6 million (24.8 percent).

External Debt

External debt stock amounted to USD 4,546.7 million, an increase of USD 72.7 million (1.6 percent) from the level of USD 4,474.0 million registered at the end of preceding month. The increase is mainly on the account of exchange rates fluctuations and new disbursement. Out of external debt stock, USD 3,365.8 million (74.0 percent) was disbursed outstanding debt (DOD) and the remaining balance of USD 1,180.9 million (26.0 percent) was interest arrears.

Profile of Disbursed Outstanding Debt (DOD)

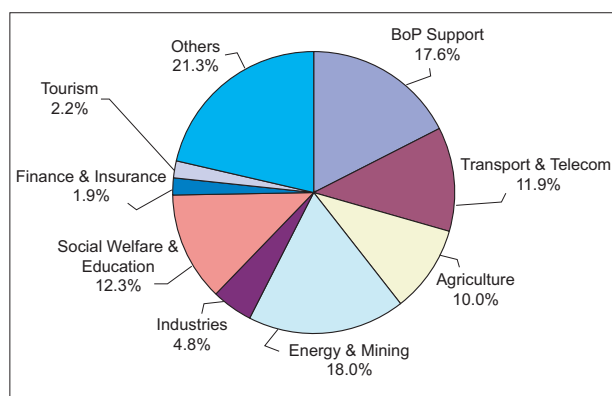
The profile of disbursed outstanding debt by borrower category reveals the Central Government as the largest borrower with a total debt of USD 2,616.5 million (77.7 percent) followed by Private companies with USD 582.2 million (17.3 percent) and parastatal companies held USD 167.0 (5.0 percent)

In terms of creditor category, the debt owed to multilateral institutions stood at USD 1,719.3 million (51.1 percent), while the amount of debt owed to bilateral creditors was USD 890.2 million (26.4 percent). The remaining debt amounting to USD 756.2 million was owed to commercial banks and export creditors.

Analysis of disbursed outstanding debt by use of funds indicates that 18.0 percent of DOD was disbursed for energy and mining activities while 17.6 percent was disbursed for balance of payments support. Social welfare and education accounted for 12.3 percent, transport and communication 11.9 percent, agriculture 10.0 percent, industries 4.8 percent, tourism 2.2 percent, and finance & insurance 1.9 percent. The remaining portion was used for other activities (**Chart 5.1**).



Chart 5.1: Disbursed Outstanding Debt by Use of Funds



Commercial banks remained the leading Government creditors by holding 42.8 percent of total domestic debt followed by Pension Funds with 27.9 percent, Bank of Tanzania 19.8 percent, other Official Entities 4.6 percent and Insurance companies 3.0 percent. Non-Bank Financial Institutions and private sector, altogether, held the remaining portion of 2.0 percent of domestic debt stock.

Domestic Debt Service

During the month under review, the Government continued with rollover policy on maturing principal under which TZS 55.3 billion were rolled over.

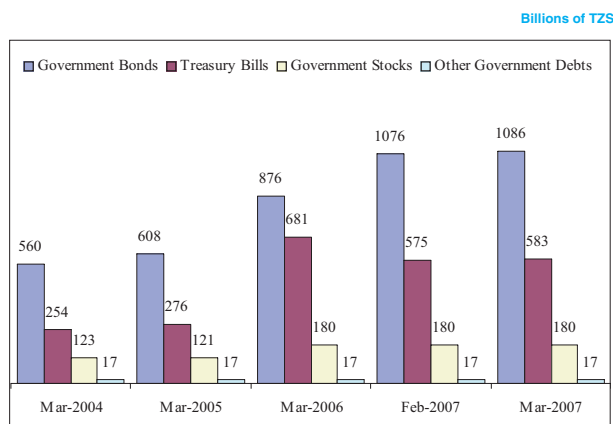
External Debt Disbursement, Loan Contracted and Debt Service

During the month under review, external debt disbursement amounted to USD 11.7 million while new loan contracted and recorded amounted to USD 16.9 million. On the other hand, external debt service payments amounted to USD 1.1 million. Out of which, principal payment was USD 0.6 million and interest payment amounted to USD 0.5 million.

Domestic Debt

As at end of March 2007, domestic debt stood at TZS 1,866.0 billion, out of which, government securities were TZS 1,849.5 billion (99.1 percent) and other debts, consisting mainly the NSSF University Mabibo Hostel debt, were TZS 16.5 billion. The position represented an increase of 1.0 percent from the level of TZS 1,847.3 billion registered at the end of preceding month, **(Chart 5.2)**.

Chart 5.2: Government Domestic Debt by Instruments



6.0 Economic Developments in Zanzibar

Fiscal Performance

During the month of March 2007, overall government budgetary operations recorded a deficit of TZS 2.1 billion, higher than a deficit of TZS 1.7 billion registered in the previous month. Total resources amounted to TZS 9.7 billion of which TZS 8.2 billion originated from domestic sources and TZS 1.5 billion were grants. Total government expenditure amounted to TZS 13.3 billion. The budget deficit was entirely financed by foreign loans.

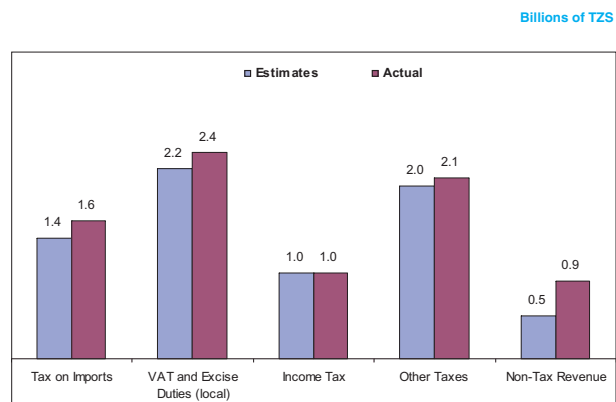
Revenue Collections Surpassed Target

During the month under review revenue collections amounted to TZS 8.2 billion, exceeding the target of TZS 7.2 billion by 13.9 percent. The favourable performance was on account of increased importation of taxable goods, increased compliance of income tax returns, coupled with enhanced cooperation between tax agencies the Tanzania Revenue authority (TRA) and Zanzibar Revenue Board (ZRB).

Tax revenue reached TZS 7.2 billion above the target TZS 6.7 billion, and accounted for 87.8 percent of the total revenue. Revenue performance by category revealed that, tax on imports amounted to TZS 1.6 billion exceeding target amount of TZS 1.4 billion; mainly due to improved importation of taxable goods. VAT and excise duty collections amounted to TZS 2.4 billion exceeded target of TZS 2.2 billion; and dominated tax revenue, accounted for 33.3 percent of the total tax revenue. The better performance was attributed to increased collections from tourism sector and refund from Tanzania Mainland. Income tax collection fetched TZS 1.0 billion above the target amount of TZS 0.9 billion due to increased income tax returns. Other taxes collections reached TZS 2.1 billion above the target amount of TZS 2.0 billion. Revenue from non-tax sources amounted to TZS 0.9 billion above the target of TZS 0.5 billion due to increased ministries collections and accounted for 11.0 percent of the total revenue. **(Chart 6.1)**.

Cumulatively, total revenue collection from July 2007 to March 2007 amounted to TZS 67.6 billion surpassing the target of TZS 65.5 billion by TZS 2.1 percent; and accounted for 81.3 percent of annual target of TZS 83.2 billion.

Chart 6.1: Government Revenue by Source – March 2007



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Expenditure Slightly Above Target

During the month under review the total expenditure amounted to TZS 13.3 billion above the target amount of TZS 12.8 billion. The over expenditure was associated with more than expected foreign receipts disbursements for development projects and increase in local contribution for projects and increase in debt servicing.

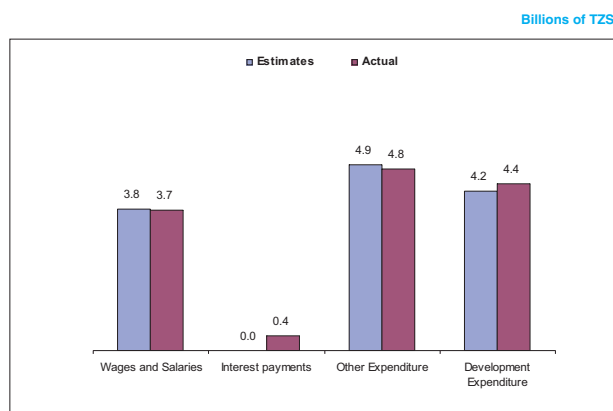
Recurrent expenditure reached TZS 9.0 billion, above the target of TZS 8.7 billion and accounted for 67.7 percent of the total expenditure. Expenditure on wages and salaries amounted to TZS 3.7 billion; accounted for 41.1 percent of the recurrent expenditure or 27.8 percent of the total expenditure. Other expenditures amounted to TZS 4.8 billion, below the target amount of TZS 4.9 billion; and accounted for 53.3 percent of the recurrent expenditure or 36.1 percent of the total expenditure.

Development expenditure reached TZS 4.4 billion above the target of TZS 4.2 billion and accounted for 33.1 percent of the total expenditure. Local contribution amounted to TZS 0.8 billion above the target of TZS 0.7 billion and accounted for 18.2 percent of the development expenditure. Foreign contribution amounted to TZS 3.6 billion above the target of TZS 3.4 billion, and accounted for 81.8 percent of the development expenditures, **(Chart 6.2)**.



Cumulatively, total government expenditure from July 2006 to March 2007 amounted to TZS 105.7 billion, representing 84.0 percent of the projected TZS 125.9 billion; and accounted for 46.1 percent of the annual target TZS 229.4 billion.

Chart 6.2: Government Expenditure by Components – March 2007



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Debt Developments

Public Debt Slightly Declined

Zanzibar debt stood at TZS 200.0 billion (US\$ 161.0 million) as at end of March, 2007 having increased from TZS 202.4 billion (US\$ 160.2 million) registered in the previous month. The external debt stood at TZS 130.9 billion, accounting for 65.5 percent of total debt; while domestic debt stood at TZS 69.1 billion or 34.5 percent of total debt. The Debt to GDP ratio slipped to 50.5 percent from 51.1 percent for the preceding month.

Domestic Debt

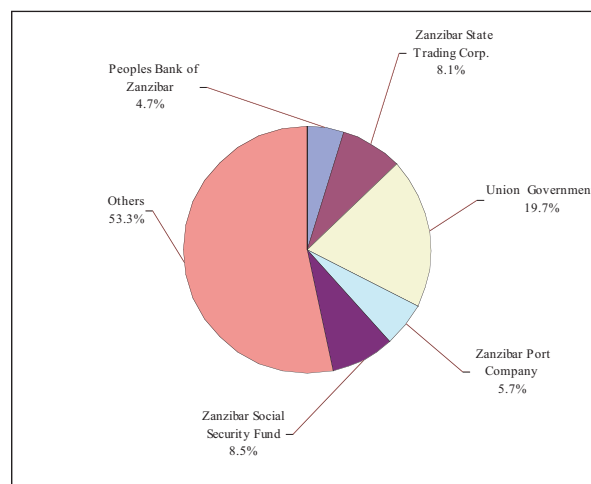
As at end of March 2007, domestic debt declined to TZS 69.1 billion from TZS 71.8 billion recorded in the previous month, mainly due to increase in debt servicing.

Domestic Debt by Creditor

Domestic debt by creditor category shows that, Claims by 'Other creditors' (domestic suppliers and pensioners) were dominant; amounted to TZS 36.8 billion; representing 53.3 percent of total domestic debt. The Union Government debt was maintained at TZS 13.6 billion representing 19.7 percent of total domestic debt, while Zanzibar

Social Security Fund (ZSSF) debt amounted to TZS 5.9 billion or 8.5 percent of total domestic debt. Debt due to Zanzibar State Trading Corporation (ZSTC) and Zanzibar Port Company (ZPC) stood at TZS 5.6 billion and TZS 3.9 billion representing 8.1 percent and 5.7 percent of total domestic debt, respectively. Claims by Peoples Bank of Zanzibar (PBZ) stood at TZS 3.2 billion or 4.7 percent of total domestic debt, (Chart 6.3).

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



Domestic Debt by Instruments

As at end of month under review; the long-term government loans remained dominant amounting to TZS 21.5 billion accounting for 31.1 percent of total domestic debt. Treasury bonds stood at TZS 19.5 billion or 28.3 percent of total domestic debt. Debt associated with "Other debt instruments" (suppliers' credits and pensioners' claims) declined to TZS 16.6 billion from TZS 18.1 billion, accounting for 24.1 percent of total domestic debt. Government stocks stood at TZS 9.9 billion or 14.3 percent of total domestic debt, while treasury bills declined to TZS 1.5 billion down from TZS 2.9 billion, representing 2.2 percent of total domestic debt.



Domestic Debt by Maturity

During the period under review, debts with “undetermined maturity” (gratuity, pension, and domestic suppliers’ claims) amounted to TZS 40.6 billion representing 58.7 percent of total domestic debt. Debt maturing in less than a year amounted to TZS 12.8 billion up from TZS 11.7 billion representing 18.6 percent of total domestic debt, while debt maturing between 2 - 5 years amounted to TZS 15.7 billion or 22.7 percent of the total domestic debt.

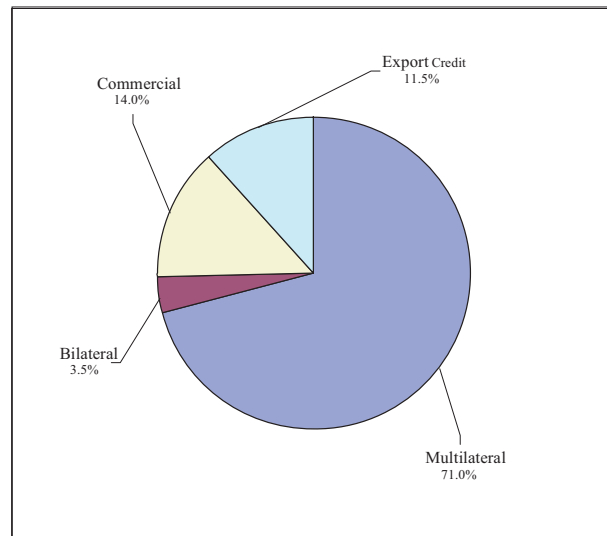
External Debt Increased Marginally

External debt as at end of March 2007, stood at TZS 130.9 billion or US\$ 105.4 million, having increased from TZS 130.5 billion or US\$ 103.3 million recorded in the previous month. The increase was mainly attributed to more borrowing from multilateral sources. Union Government guaranteed debt amounted to US\$ 76.4 million; representing 72.5 percent of total external debt, while non-guaranteed debt stood at US\$ 29.0 million accounting for 27.5 percent of the total external debt.

External Debt by Creditor Category

The profile of external debt by creditor shows that, multilateral creditors maintained the lead at US\$ 74.8 million or TZS 92.9 billion, accounting for 71.0 percent of total external debt. Debt owed to bilateral creditors stood at US\$ 3.7 million or TZS 4.5 billion representing 3.5 percent of total external debt. Commercial debt amounted to US\$ 14.7 million or TZS 18.3 billion, equivalent to 14.0 percent of total external debt. Export credit amounted to US\$12.2 million or TZS 15.1 billion, representing 11.6 percent of total external debt **(Chart 6.4)**.

Chart 6.4: External Debt by Creditor as at End - March 2007



External Debt by Maturity

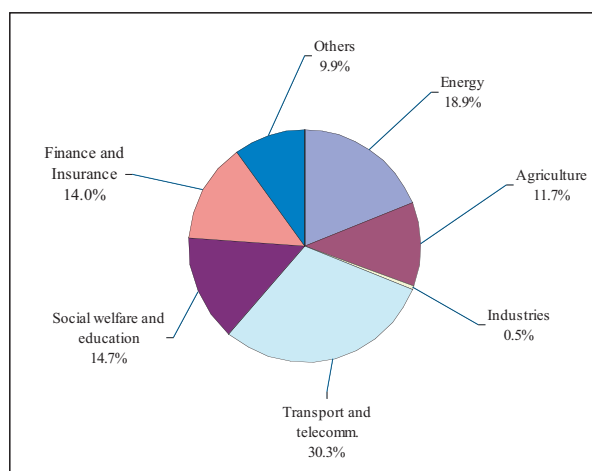
As at the end of March 2007, debts with over 20 years maturity (mainly multilateral debt) remained at the lead amounting to US\$ 69.0 million, representing 65.4 percent of the total external debt. Debt maturing between 5 to 10 years stood at US\$ 29.6 million or 28.1 percent of the total external debt, while debts maturing between 10 to 20 years amounted to US\$ 6.9 million, standing for 6.5 percent of total external debt.

External Debt - Disbursements by Use of Funds

During the period under review, the profile of external debt disbursements by end use indicates that transport and telecommunications sector had the largest portion of external debt at US\$ 31.9 million or 30.3 percent of the total external debt. Energy sector had US\$ 20.0 million accounting for 18.9 percent of total disbursements, while Social welfare and education sectors obtained US\$ 15.5 million or 14.7 percent. Finance & Insurance sector received US\$ 14.7 million representing 14.0 percent of the total disbursements. Agriculture and Industries sectors had US\$ 12.3 million and US\$ 0.5 million or 11.7 percent and 0.5 percent of the total external debt respectively. Other sectors obtained US\$ 10.4 million standing for 9.9 percent of the total disbursements, **(Chart 6.5)**.



Chart 6.5: Composition of External Debt by Use of Funds as at End – March 2007



External Sector Developments

Current Account

Zanzibar trade account as at end of March, 2007 registered deficit of US\$ 3.7 million; the deficit was financed by surplus from services, income and transfers accounts culminating into current account surplus of US\$ 1.8 million. However the surplus was lower than US\$ 2.9 million registered in the previous month, mainly due to a decline in both goods and services export receipts; coupled with increase in imports bill.

On annual basis, the trade account posted deficit of US\$ 49.6 million having narrowed from US\$ 66.9 million registered in the previous corresponding period. The said deficit was mainly accommodated by favourable services account ending with current account surplus US\$ 27.2 million against deficit of US\$ 4.5 million recorded in the corresponding period in 2006. The robust performance was on the back of increase in export receipts for both goods and services; in tandem with decrease in imports bill driven by decline in oil bill responding to ease of world oil prices. The share of oil imports bill declined from 25.9 percent in the previous corresponding period to 16.0 percent of total imports, **(Table 6.1)**.

Table 6.1: Zanzibar Current Account Balance

Millions of US\$

Item	2007 ^p			Year Ending Mar		% Change	
	Jan	Feb	Mar	2006	2007 ^p	Monthly	Annual
Goods Account (net)	-1.6	-2.1	-3.7	-66.9	-49.6	74.2	-25.9
Exports	3.4	1.3	0.8	12.2	14.4	-36.4	17.8
Imports (f.o.b)	5.0	3.5	4.6	79.1	64.0	32.4	-19.1
Services Account (net)	4.4	5.0	4.3	16.7	39.0	5.8	133.8
Receipts	7.4	8.0	7.9	76.9	93.5	-6.2	21.5
Payments	3.0	2.9	3.6	60.3	54.5	-17.4	-9.5
Goods and Services (net)	2.8	2.9	0.6	-50.2	-10.6	-70.7	-78.9
Exports of Goods and Services	10.8	9.3	8.7	89.2	107.9	-10.3	21.0
Imports of Goods and Services	8.0	6.4	8.1	139.4	118.5	4.7	-15.0
Income Account (net)	0.03	0.04	0.03	0.46	0.29	217.3	-37.4
Receipts	0.03	0.04	0.03	0.46	0.34	217.3	-26.7
Payments	0.00	0.01	0.00	0.00	0.05	0.0	1,615.2
Current Transfers (net)	0.9	1.0	1.2	45.2	37.5	23.9	-17.0
Inflows	0.9	1.0	1.2	45.2	37.5	23.9	-17.0
Outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Account Balance	3.7	3.9	1.8	-4.5	27.2	-37.8	-701.1

^p= Provisional

Source: Tanzania Revenue Authority.

Exports Declined

During the month under review; exports of goods and services decreased to US\$ 8.7 million from US\$ 9.7 million recorded in the previous month. Goods exports dominated by cloves decreased from US\$ 1.3 million registered in the previous month to US\$ 0.8 million responding to seasonality and partially due to impact of informal marketing. Services receipts amounted to US\$ 8.0 million down from US\$ 8.4 million realized in the previous month and represented 92.0 percent of the total export proceeds.

On year-to-year basis, total export earnings accelerated by 21.0 percent to US\$ 107.9 million from US\$ 89.2 million registered in the corresponding period in 2006. The increase was mainly attributed to increase in tourism oriented activities and increase in efficiency by tax collection agency the Zanzibar Revenue Board. Services receipts amounted to US\$ 93.5 million, representing 86.6 percent of total exports receipts. Cloves and seaweeds exports amounted to US\$ 11.6 million and US\$ 1.7 million or 10.7 percent and 1.4 percent of total exports earnings, respectively. Manufactured goods exports increased to US\$ 2.4 million from US\$ 0.2 million representing 2.2 percent of total exports. Exports of fish and fish produce amounted to US\$ 0.3 million or 0.3 percent of total export receipts while earnings from other exports amounted to US\$ 0.8 million or 0.7 percent of total export receipts, **(Table 6.2)**.



Table 6.2: Zanzibar Exports by Major Categories

Item	Millions of US\$						
	2007 ^p			Year Ending Mar		% Change	
	Jan	Feb	Mar	2006	2007 ^p	Monthl y	Annual
Traditional Exports:							
Cloves							
Value	3.0	0.8	0.4	9.3	11.6	-51.4	24.6
Volume	1.0	0.3	0.2	3.2	3.6	-44.6	14.8
Unit Price	2,921.9	3,039.1	2,666.7	2,927.8	3,178.8	-12.3	8.6
Sub Total	3.0	0.8	0.4	9.3	11.6	-51.4	24.6
Non-Traditional Exports:							
Seaweeds							
Value	0.3	0.2	0.2	1.8	1.7	0.1	-6.2
Volume	1.5	0.8	1.0	8.9	8.3	18.9	-6.6
Unit Price	169.1	222.4	187.2	203.7	204.6	-15.9	0.5
Manufactured Goods	0.2	0.3	0.2	0.2	2.4	-20.6	1,439.5
Fish and Fish Produce	0.00	0.00	0.01	0.3	0.3	103.5	-12.3
Others Exports	0.01	0.02	0.02	0.6	0.8	5.9	45.0
Sub Total	0.4	0.5	0.4	2.8	5.2	-10.7	82.6
Grand Total	3.4	1.3	0.8	12.1	16.8	-36.4	38.2

^p = provisional
Source: Tanzania Revenue Authority

Imports Increased

As at end March 2007, imports of goods (c.i.f) increased by 32.4 percent to US\$ 5.0 million from US\$ 3.8 million of the previous month, mainly due to increase in imports of consumer and intermediate goods. Consumer goods imports amounted to US\$ 1.9 million from US\$ 1.4 million, due to increase in other consumer goods (clothing and footwear) to cater for Easter festival. Food and food stuffs imports remained the same as previous month at US\$ 0.3 million, due to sufficient food stock. Intermediate goods increased to US\$ 0.7 million from US\$ 0.3 million posted in previous month mainly due to increase in oil import bill to beef up declining stock.

On annual basis, imports declined by 19.1 percent to US\$ 70.3 million from US\$ 86.9 million registered in corresponding period in 2006, mainly due to decline in imports of intermediate goods, particularly oil imports and decline in food imports. Oil import bill declined to US\$ 11.3 million from US\$ 22.5 million registered in the corresponding period in 2006 following slip in world oil prices and volume. Consumer goods imports declined to US\$ 19.9 million from US\$ 25.4 million of the previous corresponding period triggered by remarkable decline in food imports. Food and food stuffs imports slumped to US\$ 5.0 million from US\$ 14.4 million of the previous corresponding period on account of favourable food harvests. Capital goods imports decreased by 7.9 percent to US\$ 32.7 million from US\$ 34.5 million due to decline in imports of machinery, building and construction materials due to completion of some major construction projects, (Table 6.3).

Table 6.3: Zanzibar Imports by Major Categories

Import Category	Millions of US\$						
	2007 ^p			Year Ending Mar		% Change	
	Jan	Feb	Mar	2006	2007 ^p	Monthly	Annual
Capital Goods	2.7	2.1	2.4	34.5	32.7	15.0	-5.1
Transport Equipments	0.7	1.0	0.8	9.8	10.4	-18.2	6.7
Building and Constructions	0.6	0.4	0.5	8.0	7.0	17.6	-12.1
Machinery	1.4	0.7	1.1	16.8	15.3	58.8	-8.6
Intermediate Goods	0.5	0.3	0.7	27.0	17.7	186.7	-34.7
Oil imports	0.2	0.0	0.4	22.5	11.3	4472.0	-49.7
Fertilizers	0.02	0.00	0.0	0.0	0.0	0.0	0.0
Industrial raw materials	0.3	0.2	0.3	4.5	6.3	39.8	40.9
Consumer Goods	2.4	1.4	1.9	25.4	19.9	30.2	-21.5
Food and food stuffs	0.3	0.3	0.3	14.4	5.0	4.2	-65.3
All other consumer goods	2.1	1.1	1.6	11.0	14.9	36.8	36.1
Grand Total (c.i.f)	5.5	3.8	5.0	86.9	70.3	32.4	-19.1
Grand Total (f.o.b)	5.0	3.5	4.6	79.1	64.0	32.4	-19.1

^p = provisional
... = Very small value
Source: Tanzania Revenue Authority

Services Account Surplus Increased Marginally

During the month under review, services account balance posted a marginal surplus of US\$ 4.3 million from the surplus of US\$ 4.1 million recorded in the previous month, mainly due to a decrease in foreign payments. Foreign receipts decreased to US\$ 7.9 million from US\$ 8.4 million of the previous month. Foreign payments declined to US\$ 3.6 million from US\$ 4.3 million. Travel receipts remained dominant and amounted to US\$ 6.0 million or 76.0 percent of total foreign receipts while travel payments amounted to US\$ 3.0 million or 83.3 percent of total foreign payments.

On year-to-year basis, the services account registered higher surplus of US\$ 39.0 million compared to a surplus of US\$ 16.7 million recorded in February 2007. The increase was attributed to hike in foreign receipts due to increase in receipts from tourism activities coupled with decline in foreign payments due to lower external obligations. Foreign receipts increased by 21.5 percent to US\$ 93.5 million from US\$ 76.9 million registered in the corresponding period in 2006; while payments decreased to US\$ 54.5 million from US\$ 60.3 million recorded in corresponding period in 2006. Travel receipts amounted to US\$ 78.7 million or 84.2 percent of total service receipts, while travel payments amounted to US\$ 43.2 million or 79.3 percent of total foreign payments



STATISTICAL TABLES



Table A1: Selected Economic Indicators

Item	Unit	2000	2001	2002	2003	2004	2005 ^p
1. National Accounts and Prices							
1.1 Change in GDP at Factor Cost--Current Prices	Percent	12.2	13.7	14.1	12.8	14.8	14.3
1.2 Change in GDP at Factor Cost--Constant 1992 Prices ²	Percent	4.9	5.7	6.2	5.7	6.7	6.9
1.3 GDP Per Capita--Current Prices ¹	TZS	210,231	231,751	258,925	286,888	320,000	356,275
1.4 GDP Per Capita--Current Prices ¹	USD	262.7	264.4	267.9	276.2	303.0	317.8
1.5 Change in Consumer Price Index (Inflation)	Percent	5.9	5.2	4.5	3.5	4.1	4.4
1.6 Saving to GNDI Ratio ^{3*}	Percent	11.6	11.1	12.7	11.8	12.3	12.5
2. Money Credit and Interest Rates							
2.1 Change in Extended Broad Money Supply (M3)**	Percent	14.8	17.1	25.1	16.6	19.3	38.2
2.2 Change in Broad Money Supply (M2)***	Percent	12.5	12.8	22.3	14.2	19.2	36.9
2.3 Change in Narrow Money Supply (M1)	Percent	9.9	10.2	25.2	16.1	18.2	33.7
2.4 Change in Reserve Money	Percent	9.4	5.0	19.1	12.6	23.6	27.7
2.5 Total Credit to GDP Ratio ¹	Percent	9.8	7.6	8.8	8.7	8.5	9.4
2.6 Private Sector Credit to GDP Ratio ¹	Percent	4.6	4.9	6.1	5.2	8.9	11.0
2.7 Ratio of Private Credit to Total Credit	Percent	46.6	63.7	69.2	98.4	104.7	84.6
2.8 Average Deposit Rate (12-Month)	Percent	8.6	6.0	5.7	5.0	5.8	6.2
2.9 Weighted Average Treasury Bill Rate	Percent	5.7	3.9	4.5	7.7	9.6	10.8
2.10 Average Medium- and Long-Term Lending Rate	Percent	21.2	15.8	13.2	12.5	14.0	15.5
3. Balance of Payments****							
3.1 Exports (f.o.b)	Mill. USD	733.7	851.3	979.6	1,216.1	1,473.1	1,676.3
3.2 Imports (f.o.b)	Mill. USD	1,367.6	1,560.3	1,511.3	1,933.5	2,339.7	2,661.8
3.3 Trade Balance	Mill. USD	-689.6	-444.1	-244.2	-495.3	-714.7	-949.9
3.4 Balance on Current Account	Mill. USD	-485.9	-237.4	22.3	-111.0	-246.5	-605.8
3.5 Overall Balance	Mill. USD	-86.3	-809.6	-112.2	54.5	43.4	-437.5
3.7 Gross Official Reserves	Mill. USD	974.0	1,157.0	1,529.0	2,037.8	2,296.1	2,048.4
3.8 Reserves Months of Imports (of goods and services)	Months	5.7	6.3	8.6	9.2	8.3	6.4
3.9 Exchange Rate:							
3.9.1 Annual Average	TZS/USD	800.4	876.4	966.6	1,038.6	1,089.2	1,128.8
3.9.2 End of Period	TZS/USD	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5
4 Population (TZ Mainland)	Million	31.9	32.1	33.6	34.2	34.8	35.4
5. Public Finance							
		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06*
5.1 Current Revenue to GDP Ratio ¹	Percent	12.2	11.8	12.3	12.1	13.3	13.5
5.2 Grants to GDP Ratio ¹	Percent	3.7	4.3	3.2	3.7	6.7	6.1
5.2 Current Expenditure to GDP Ratio ¹	Percent	13.0	12.7	13.0	12.9	17.1	16.7
5.3 Development Expenditure to GDP Ratio ¹	Percent	3.7	3.9	3.3	3.6	8.4	8.6
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	-4.5	-4.8	-4.0	-4.4	-11.9	-11.8
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	-0.8	-0.5	-0.8	-0.6	-5.2	-5.7
6. Total External Debt Stock	Mill. USD	7,482.1	7,464.0	7,268.1	7,857.0	8,134.8	7,931.8
Disbursed Debt	Mill. USD	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5	6,743.6
Interest	Mill. USD	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 and National Bureau of Statistics (Economic Survey, National Accounts)





Table A3: Monetary Survey

End of Period	Millions of TZS														
	Domestic credit (net)										Memorandum item:				
	Claims on government sectors			Claims on private sectors			Claims on other items				Broad Money		Narrow Money		
	Foreign assets (net)	Claims on government (net)	Claims on private sectors (net)*	Other items (net)	TOTAL sum(2-5) or sum(9-13)	M3, TOTAL sum(9-12)	M2, TOTAL sum(9-10)	M1, TOTAL sum(9-10)	Currency in circulation outside banks	Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum(9,15)	Reserves CB
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1997	398,918.6	239,457.5	182,976.9	105,716.0	927,068.9	760,353.3	493,868.7	287,877.1	205,991.7	126,269.2	140,215.3	166,715.6	364,940.0	77,062.9	
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3	
1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0	
2000	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	164,026.7	
2001	1,209,820.4	239,201.4	404,512.3	-216,803.4	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	172,730.2	
2002	1,558,627.1	264,608.6	570,668.3	-346,221.0	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6	
2003	2,182,072.0	12,937.0	817,125.2	-623,818.1	2,388,316.1	1,721,109.9	1,113,379.1	553,045.8	560,333.3	230,958.8	376,771.9	667,206.2	783,309.0	230,263.2	
2004	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	303,628.0	
2005	2,560,852.1	258,782.4	1,425,062.3	-309,710.2	3,934,986.6	2,808,247.6	1,758,810.2	843,157.4	915,652.8	422,269.4	627,168.0	1,126,738.9	1,236,080.6	392,923.2	
2006	3,571,401.4	-66,962.3	2,027,196.3	-724,335.7	4,807,299.7	3,188,022.7	1,926,184.9	973,410.9	952,774.1	469,596.9	792,240.9	1,619,277.0	1,443,529.9	470,119.0	
2006-January	2,408,352.9	61,685.6	1,117,110.4	-606,557.6	2,980,591.4	2,089,035.9	1,342,836.9	636,932.2	705,904.7	287,300.0	458,898.9	891,555.5	960,140.8	323,208.6	
February	2,482,058.1	79,889.6	1,132,519.9	-601,559.4	3,092,908.2	2,200,089.4	1,415,829.4	632,085.7	783,743.7	318,286.0	465,974.0	892,818.9	1,001,798.5	369,712.9	
March	2,462,099.7	39,973.7	1,147,110.1	-525,216.0	3,123,967.5	2,211,685.5	1,390,703.8	645,241.4	745,462.4	341,842.1	479,139.7	912,281.9	977,288.9	332,042.5	
April	2,357,490.8	103,952.0	1,151,142.2	-528,878.3	3,083,706.7	2,229,239.7	1,402,889.5	650,298.8	752,590.8	341,719.6	484,630.6	854,467.0	993,432.3	343,133.6	
May	2,305,218.6	192,236.7	1,182,122.5	-568,218.2	3,111,359.6	2,242,841.3	1,417,403.2	668,271.2	749,132.0	336,585.8	488,852.3	868,518.3	1,012,972.0	344,700.8	
June	2,279,294.3	284,637.9	1,219,374.3	-516,881.4	3,266,425.1	2,366,449.0	1,528,773.6	734,912.2	793,861.4	328,711.1	508,964.3	899,976.2	1,029,997.6	295,085.4	
July	2,294,107.8	279,759.3	1,331,809.8	-464,233.0	3,441,444.0	2,401,810.3	1,532,956.3	764,663.6	768,292.6	344,867.1	520,751.9	1,039,633.7	1,102,883.1	338,219.5	
August	2,222,906.5	294,886.3	1,390,349.6	-372,077.0	3,536,065.4	2,539,977.8	1,644,905.1	790,956.7	853,948.4	344,867.1	550,205.6	996,087.6	1,128,066.9	337,110.2	
September	2,460,785.1	258,534.6	1,373,672.4	-313,654.6	3,779,337.4	2,735,662.2	1,787,143.2	820,592.6	966,550.6	361,229.4	587,289.6	1,043,675.3	1,299,956.0	479,363.4	
October	2,664,790.8	206,764.5	1,411,085.0	-368,316.0	3,914,324.3	2,744,464.9	1,744,522.8	812,532.5	931,990.3	396,447.7	603,494.4	1,169,859.4	1,190,125.0	377,592.6	
November	2,560,852.1	258,782.4	1,425,062.3	-309,710.2	3,934,986.6	2,808,247.6	1,758,810.2	843,157.4	915,652.8	422,269.4	627,168.0	1,126,738.9	1,236,080.6	392,923.2	
December	3,028,147.5	439,599.8	1,450,364.7	-870,330.5	4,018,878.7	2,807,935.4	1,737,737.0	805,963.9	931,773.3	446,757.0	623,441.5	1,272,783.3	1,247,662.8	441,699.0	
2006-January	3,023,685.9	439,599.8	1,480,714.0	-870,443.8	4,073,555.9	2,809,757.6	1,717,045.5	797,537.6	919,507.9	446,517.3	646,194.8	1,263,798.4	1,285,897.7	488,360.1	
February	3,113,212.4	435,385.5	1,531,395.1	-970,986.8	4,109,006.3	2,836,223.0	1,729,080.2	807,153.5	921,926.7	444,629.8	662,513.0	1,272,783.3	1,303,762.4	496,608.9	
March	3,091,595.7	376,922.1	1,574,803.0	-962,242.9	4,081,077.9	2,806,330.8	1,706,568.0	790,147.8	916,420.3	438,071.2	661,691.5	1,274,747.2	1,299,704.4	509,556.7	
April	3,164,945.7	420,929.5	1,597,836.3	-1,064,832.9	4,118,878.7	2,846,416.3	1,713,176.9	807,506.7	905,670.2	458,443.9	674,795.5	1,272,462.3	1,297,229.2	489,722.5	
May	3,073,174.9	512,629.2	1,656,837.8	-943,591.3	4,299,050.7	2,945,528.0	1,798,840.1	856,180.5	942,659.6	455,179.7	691,508.3	1,353,522.6	1,296,486.6	440,306.2	
June	3,432,917.0	115,208.8	1,777,777.0	-891,406.8	4,434,496.0	3,043,317.4	1,901,244.9	914,140.5	987,104.4	441,172.2	691,900.3	1,400,178.7	1,409,685.8	495,545.3	
July	3,787,600.5	-122,713.6	1,810,371.5	-877,244.3	4,598,014.1	3,099,700.4	1,977,430.5	939,100.7	1,038,329.7	416,214.6	706,055.4	1,498,313.6	1,412,975.7	473,874.9	
August	3,479,630.4	-91,635.1	1,906,065.5	-744,915.1	4,549,145.7	3,049,983.4	1,896,981.8	940,987.8	955,994.1	432,561.8	720,439.7	1,499,162.4	1,411,671.7	470,683.9	
September	3,441,198.7	9,175.5	1,946,243.3	-799,043.7	4,597,573.8	3,081,111.3	1,894,540.9	933,384.2	961,156.7	457,770.7	747,770.7	1,516,462.5	1,534,636.5	601,252.3	
October	3,643,006.7	-75,281.4	1,973,837.9	-809,510.4	4,732,052.9	3,142,109.5	1,918,499.4	956,946.8	961,552.7	449,949.1	773,661.9	1,589,943.4	1,514,717.0	467,944.0	
November	3,566,023.7	-77,047.8	2,028,294.3	-718,448.1	4,798,822.1	3,193,785.0	1,930,421.5	975,585.9	954,835.7	469,679.2	793,684.3	1,605,037.1	1,443,529.9	607,875.9	
December	3,707,400.8	-90,742.2	2,044,818.9	-807,008.3	4,854,469.3	3,239,482.0	1,960,407.5	968,717.6	991,689.9	473,156.3	805,918.2	1,614,987.2	1,576,593.5	607,875.9	
2007-January	3,613,744.6	24,989.1	2,079,071.8	-777,671.2	4,940,134.4	3,308,265.7	2,008,424.0	967,307.8	1,041,116.3	483,297.3	816,544.3	1,631,868.7	1,549,845.2	582,537.5	
February	3,482,199.7	-16,154.7	2,133,580.5	-689,239.2	4,910,386.3	3,293,389.7	1,984,554.2	971,382.2	1,013,172.0	481,289.6	827,546.0	1,616,996.5	1,476,908.9	505,526.7	
March															

* Formerly known as "Claims on other domestic sectors"

CB - Commercial Banks

Source: Bank of Tanzania

Table A4 : Interest Rate Structure

Item	Percent											
	2006									2007 (Prov.)		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
A: Domestic Currency												
1 Interbank Cash Market Rates												
Overnight	5.14	5.06	8.52	8.92	8.41	15.22	16.05	4.49	6.73	12.04	7.44	7.52
2 to 7 days	5.25	5.66	5.98	6.86	8.87	14.05	12.08	5.52	7.44	12.98	7.87	7.79
8 to 14 days	5.91	5.85	10.71	7.96	8.81	14.00	15.48	6.18	9.60	15.27	8.43	7.32
15 to 30 days	6.81	6.29	7.58	7.33	7.33	7.33	11.50	8.00	6.12	15.00	9.64	9.64
31 to 60 days	9.28	7.76	6.71	7.64	8.01	8.44	12.81	7.14	7.19	15.33	9.35	7.88
61 to 90 days	12.60	12.60	12.60	8.50	8.50	8.50	9.25	9.25	9.25	17.50	10.00	10.00
91 to 180 days	12.25	12.25	12.25	9.50	9.50	9.50	9.50	9.68	9.68	15.15	12.30	14.87
181 and above	12.75	11.27	8.80	11.08	11.08	13.50	14.25	11.57	11.57	11.57	11.57	11.57
Overall Interbank cash market rate	5.35	5.64	8.40	8.63	8.47	14.87	15.64	5.20	7.14	12.54	7.72	7.59
2 Lombard Rate	12.45	11.00	12.78	13.38	12.62	22.83	24.08	9.33	13.25	18.06	11.74	11.28
3 REPO Rate	5.14	5.14	5.14	6.17	7.42	12.58	5.23	5.18	6.35	6.35	6.30	6.88
4 Treasury Bills Rates												
35 days	8.30	7.34	6.44	6.64	8.29	10.56	10.43	6.22	8.83	10.96	7.83	7.24
91 days	12.31	9.97	7.83	9.06	9.70	11.13	12.22	10.06	14.39	15.69	12.58	14.93
182 days	12.26	10.61	8.49	9.26	9.97	11.69	13.28	11.29	14.95	16.02	13.41	16.40
364 days	11.92	10.37	9.63	9.76	10.41	12.97	15.18	11.62	15.61	16.25	13.75	17.15
Overall Treasury bills rate	12.02	10.21	8.25	9.17	9.89	11.98	13.40	10.69	15.04	15.75	12.95	15.99
5 Treasury Bonds:												
2-years	14.31	12.74	13.39	11.87	14.05	16.94	15.83	12.89	18.47	16.522	17.38	19.23
5-years	17.19	15.76	15.76	15.76	16.18	17.43	18.14	15.89	15.21	13.60	16.37	16.21
7-years	17.61	18.05	15.31	15.35	16.55	17.40	17.64	17.33	17.33	17.50	15.40	20.69
10-years	20.60	16.35	16.00	16.96	16.94	17.42	17.52	17.69	17.69	17.15	17.82	18.51
6 Discount Rate	17.00	16.02	13.40	13.40	14.60	16.67	18.40	15.69	20.07	21.31	17.92	20.58
7 Savings Deposit Rate	2.81	2.75	2.54	2.54	2.58	2.59	2.57	2.60	2.59	2.59	2.25	2.57
8 Time Deposits Rates:												
Call Accounts	1.67	1.47	1.70	2.07	1.41	1.41	1.09	0.80	0.87	0.71	1.53	1.29
1 month	4.97	4.05	7.90	6.57	6.85	8.41	8.05	7.29	7.28	6.36	6.82	7.68
2 months	7.83	8.54	7.81	6.90	7.83	7.24	7.14	8.98	7.44	7.83	8.36	8.55
3 months	5.61	5.95	6.76	7.86	7.75	6.83	8.01	7.49	7.53	8.47	7.76	7.48
6 months	6.58	6.88	5.63	8.35	8.17	8.61	9.19	9.41	8.95	9.02	8.73	8.85
12 months	8.44	8.00	8.70	8.01	9.03	8.20	8.70	9.05	8.75	8.20	8.47	9.17
24 months	6.47	6.26	7.94	9.10	8.21	7.68	7.33	8.85	9.39	10.40	10.94	10.85
9 Negotiated Deposit Rates	11.50	9.98	10.07	9.13	9.78	10.12	9.42	9.72	9.35	9.02	9.39	7.99
10 Lending rates:												
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Short-term (up to 1year)	16.39	14.12	15.77	16.61	15.64	16.01	15.60	15.71	15.67	15.80	15.34	14.94
Medium-term (1-2 years)	16.28	16.28	17.88	18.96	19.04	18.92	19.03	19.36	19.27	19.60	16.94	16.77
Medium-term (2-3 years)	15.29	15.27	16.16	16.32	16.05	16.46	16.63	17.15	16.27	16.50	14.78	15.37
Long-term (3-5 years)	13.81	13.52	15.32	14.28	16.16	16.65	16.12	15.85	14.89	16.10	16.06	16.55
Term Loans (over 5 years)	13.34	12.82	12.08	14.72	15.62	15.59	15.66	14.97	15.69	18.12	17.82	18.13
11 Negotiated Lending Rates	11.24	11.32	11.19	11.99	10.80	10.80	10.74	10.11	10.60	11.49	12.42	11.74
B: Foreign Currency												
1 Deposits Rates												
Savings Deposits	0.72	0.76	0.61	0.78	0.50	0.61	0.66	0.65	0.67	0.66	0.28	1.44
Time Deposits	2.11	2.13	2.52	2.84	2.93	2.72	2.79	2.57	2.75	2.81	2.85	2.80
1-months	1.81	2.23	1.98	2.80	3.00	2.66	2.73	2.76	2.46	2.29	2.39	2.55
2-months	2.33	1.96	2.49	2.52	2.97	2.78	3.25	2.47	2.75	2.18	2.07	2.56
3-months	2.16	2.26	1.95	2.76	2.68	2.66	2.31	2.54	2.54	2.72	2.87	3.19
6-months	1.99	1.88	2.43	2.73	2.89	2.44	2.69	2.31	3.20	3.47	3.23	2.96
12-months	2.25	2.32	3.75	3.37	3.10	3.04	2.95	2.73	2.78	3.40	3.69	2.74
2 Lending Rates												
Short-term (up to 1year)	7.65	7.91	7.46	8.17	7.47	9.27	9.66	9.55	8.89	8.64	8.67	8.25
Medium-term (1-2 years)	8.20	7.40	8.32	9.02	8.75	8.58	8.91	8.98	8.51	8.61	8.72	8.61
Medium-term (2-3 years)	8.56	8.60	8.76	9.70	8.20	8.07	7.90	8.02	7.57	8.33	8.09	7.98
Long-term (3-5 years)	8.05	7.55	8.00	9.64	9.65	9.84	9.37	9.71	9.78	8.04	6.31	7.80
Term Loans (over 5 years)	8.63	7.89	8.32	9.12	9.09	9.91	8.91	9.24	9.16	7.55	7.34	7.73

Source: Bank of Tanzania



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

Item	2006 ^p	2007 ^p		% Change		Year Ending Mar ^p		
	Mar	Feb	Mar	Mar 06-Mar 07	Feb 07-Mar 07	2006	2007	% Change
Traditional Exports:								
COFFEE								
Value	7.9	13.2	8.0	1.6	-38.9	62.8	74.8	19.2
Volume	3.4	5.7	3.8	10.2	-33.8	36.3	37.0	1.7
Unit Price	2,295.8	2,293.8	2,116.7	-7.8	-7.7	1,727.0	2,023.5	17.2
COTTON								
Value	5.0	1.5	1.0	-79.5	-31.0	113.4	39.8	-64.9
Volume	5.1	1.3	1.0	-80.2	-19.6	115.4	38.5	-66.6
Unit Price	978.3	1,184.7	1,016.7	3.9	-14.2	982.7	1,034.0	5.2
SISAL								
Value	0.9	1.0	0.8	-9.6	-22.7	7.2	6.8	-5.2
Volume	1.1	1.1	1.0	-10.7	-12.3	9.0	8.8	-2.7
Unit Price	772.7	887.7	782.7	1.3	-11.8	793.7	773.4	-2.6
TEA								
Value	3.9	2.6	3.4	-12.8	29.5	24.3	31.2	28.4
Volume	3.0	1.9	2.5	-16.1	29.5	20.5	21.8	6.2
Unit Price	1,297.5	1,348.0	1,348.0	3.9	0.0	1,185.3	1,432.8	20.9
TOBACCO								
Value	2.7	0.0	4.2	54.7	0.0	74.9	59.1	-21.2
Volume	1.2	0.0	1.8	58.7	0.0	25.5	23.0	-9.8
Unit Price	2,335.6	0.0	0.0	-100.0	0.0	2,939.5	2,568.8	-12.6
CASHEWNUTS								
Value	1.1	1.4	0.8	-23.8	-40.3	61.7	29.8	-51.7
Volume	1.6	3.0	1.8	15.2	-40.7	82.8	60.2	-27.2
Unit Price	697.0	458.6	461.5	-33.8	0.6	745.6	495.3	-33.6
CLOVES								
Value	0.2	0.8	0.4	78.6	-51.7	9.5	10.5	9.6
Volume	0.1	0.3	0.2	87.5	-45.1	3.3	3.3	-0.2
Unit Price	2,800.0	3,034.8	2,666.7	-4.8	-12.1	2,923.7	3,213.5	9.9
Sub Total	21.6	20.5	18.6	-14.0	-9.1	353.7	251.9	-28.8
Non-Traditional Exports:								
Minerals	59.9	63.2	70.1	17.0	10.9	708.1	873.0	23.3
Gold	54.3	59.2	63.0	16.1	6.4	652.7	815.5	24.9
Diamond	2.8	2.3	3.0	8.1	31.3	23.0	24.5	6.3
Other minerals ¹	2.8	1.7	4.1	44.5	138.0	32.4	33.1	2.1
Manufactured Goods	13.8	17.7	19.1	38.2	8.4	168.2	208.1	23.7
Cotton Yarn	0.1	0.3	0.4	212.4	45.8	4.3	6.6	54.7
Manufactured Coffee	0.1	0.0	0.2	40.8	732.3	1.2	1.3	0.0
Manufactured Tobacco	0.4	0.2	0.0	--	-90.4	1.0	1.2	--
Sisal Products (Yarn & Twine)	0.1	0.3	0.4	319.1	13.1	3.8	3.4	-9.3
Other manufactured Goods ²	13.1	16.9	18.2	39.0	7.8	157.9	195.6	23.8
Fish and Fish Products	10.8	11.5	12.3	13.5	7.4	144.8	139.9	-3.4
Horticultural products	1.2	2.1	1.7	45.1	-20.8	16.8	17.0	1.5
Re-exports	9.5	9.7	12.0	26.3	23.7	128.3	132.5	3.2
Others Exports ³	10.8	9.3	13.0	20.5	40.5	167.6	150.3	-10.3
Sub Total	106.0	113.4	128.2	20.9	13.1	1,333.8	1,520.9	14.0
Grand Total	127.7	133.9	146.8	15.0	9.7	1,687.6	1,772.9	5.1

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 ^P		2007		% Change		Year Ending		Mar ^P	
	Mar	Feb	Mar	Feb	Mar 06-Mar07	Feb 07-Mar 07	2006	2007	% Change	% Change
Capital Goods	99.6	114.3	139.2	139.2	39.8	21.8	1,134.8	1,505.6	32.7	32.7
Transport Equipments	30.6	31.3	46.5	46.5	52.0	48.5	315.6	388.6	23.1	23.1
Building and Constructions	19.3	34.5	35.4	35.4	83.3	2.6	267.9	364.7	36.1	36.1
Machinery	49.7	48.4	57.3	57.3	15.4	18.3	551.3	752.3	36.5	36.5
Intermediate Goods	104.2	184.9	146.0	146.0	40.1	-21.1	1,184.9	1,763.6	48.8	48.8
Oil imports	80.0	160.7	106.8	106.8	33.5	-33.5	862.1	1,294.6	50.2	50.2
Fertilizers	0.9	0.6	1.7	1.7	79.9	166.6	54.8	54.8	0.0	0.0
Industrial raw materials	23.2	23.6	37.5	37.5	61.4	58.7	268.0	414.3	54.6	54.6
Consumer Goods	71.5	75.4	88.3	88.3	23.5	17.1	770.8	916.0	18.8	18.8
Food and food stuffs	29.3	20.8	25.5	25.5	-13.0	22.7	196.5	262.0	33.3	33.3
All other consumer goods ¹	42.2	54.6	62.8	62.8	48.8	15.0	574.3	654.0	13.9	13.9
Grand Total (f.o.b)	275.3	374.6	373.5	373.5	35.7	-0.3	3,090.4	4,185.2	35.4	35.4
Grand Total (c.i.f)	302.5	411.7	410.5	410.5	35.7	-0.3	3,396.1	4,599.2	35.4	35.4

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

^P = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.


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

	Millions of US\$						
Item	1999	2000	2001	2002	2003	2004r	2005p
A. Current Account	-846.2	-485.9	-237.4	22.3	-111.0	-442.0	-955.9
Goods: exports f.o.b.	543.3	733.7	851.3	979.6	1,216.1	1,473.1	1,676.3
Traditional	301.2	292.8	231.1	206.1	220.5	297.8	354.5
Non-traditional	242.1	440.9	620.2	773.5	995.7	1,175.3	1,321.8
o/w: Gold	34.8	112.7	254.1	341.1	502.8	629.4	655.5
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
Balance on Goods	-872.1	-633.9	-709.0	-531.8	-717.3	-1,009.8	-1,321.2
Services: Credit	600.3	627.3	914.6	920.1	947.8	1,133.6	1,269.2
Transportation	53.7	56.8	105.9	117.1	138.9	183.0	222.9
Travel	463.7	376.7	615.1	635.0	646.5	746.0	823.6
Other	82.8	193.8	193.6	168.0	162.3	204.6	222.7
Services: Debit	-780.5	-682.4	-649.7	-632.5	-725.7	-974.7	-1,207.3
Transportation	-175.4	-205.7	-194.2	-176.9	-214.7	-267.1	-319.5
Travel	-369.7	-337.3	-327.3	-337.5	-353.2	-445.3	-553.8
Other	-235.4	-139.4	-128.1	-118.1	-157.8	-262.3	-334.0
Balance on Services	-180.2	-55.1	264.9	287.6	222.1	158.9	61.8
Balance on Goods and Services	-860.8	-689.0	-444.1	-244.2	-495.3	-850.9	-1,259.4
Income: Credit	32.4	50.4	55.3	67.9	87.1	81.8	80.9
: Debit	-185.1	-240.9	-243.8	-218.1	-249.7	-259.6	-283.7
Balance on Income	-53.6	-190.6	-188.5	-150.1	-162.6	-177.8	-202.8
Balance on Goods, Services and Income	-1,013.5	-879.5	-632.6	-394.3	-657.9	-1,028.7	-1,462.2
Current transfers (Net)	336.6	393.6	395.3	416.6	546.9	586.7	506.2
Current transfers: Credit	454.1	472.1	474.8	477.9	609.9	651.7	573.8
Government	411.4	427.8	418.4	427.7	543.3	582.0	478.4
o/w Multilateral HIPC relief	0.0	40.6	71.3	68.8	68.2	73.7	75.7
Other sectors	42.7	44.3	56.4	50.2	66.6	69.7	95.4
Current transfer: Debit	-117.5	-78.5	-79.5	-61.3	-63.0	-65.0	-67.5
B. Capital Account	270.6	330.4	361.5	355.4	358.2	293.6	504.9
Capital transfers: Credit	270.6	330.4	361.5	355.4	358.2	293.6	504.9
Government	256.3	314.7	339.2	325.3	320.9	253.7	461.8
Other sectors	14.2	15.7	22.3	30.1	37.3	39.9	43.1
Total, Groups A plus B	-406.3	-155.5	124.1	377.7	247.2	-148.4	-451.1
C. Financial Account, excl. reserves and related items	522.4	187.8	-353.7	191.6	256.9	382.8	281.8
Direct investment in Tanzania	541.7	282.0	467.2	429.8	526.8	469.9	473.4
Other investment	-20.5	-94.2	-829.1	-240.4	-272.6	-89.5	-194.1
Assets	14.8	-134.0	-76.7	2.9	-59.0	-11.0	-61.5
Liabilities	-35.3	39.9	-752.5	-243.3	-213.6	-78.5	-132.6
Total, Groups A through C	116.1	118.7	580.0	569.3	504.0	234.5	-169.3
D. Net Errors and Omissions	-244.5	-118.7	-580.0	-681.6	-449.6	-194.8	-296.6
Overall balance	-128.4	-86.3	-809.6	-112.4	69.9	-98.1	-465.9
E. Reserves and Related Items	128.4	86.3	809.6	112.4	-69.9	98.1	465.9
Reserve assets	-176.5	-198.8	-182.2	-372.4	-508.8	-258.4	247.7
Use of Fund credit and loans	51.3	49.4	15.6	26.0	-2.9	-33.8	-50.5
Exceptional financing:	253.7	235.7	976.2	458.8	457.2	252.5	268.6
Rescheduled debt	129.4	10.1	131.4	9.8	86.9	0.0	0.0
Debt forgiveness	77.2	49.4	642.1	430.3	334.6	166.3	112.1
Interest arrears	33.0	81.2	67.4	18.4	29.5	21.9	55.3
Principal arrears	14.1	95.0	135.2	0.4	6.2	64.3	101.2
Memorandum items							
GDP(mp) Mill. TZS	6,432,910.9	7,277,799.9	8,304,338.6	9,399,085.8	10,707,006.2	12,351,737.7	13,742,568.5
GDP(mp) Mill. USD	8,635.9	9,092.7	9,475.6	9,724.0	10,309.3	11,338.7	12,174.1
CAB/GDP	-7.8	-5.3	-2.5	0.2	-1.1	-3.9	-7.9
CAB/GDP (excl. current official transfers)	-12.6	-10.0	-6.9	-4.2	-6.3	-9.0	-11.8
Gross Official Reserves - Mill. USD	775.6	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4
Months of Imports	4.5	5.7	6.3	8.6	9.2	8.0	5.8
Net International Reserves- Mill.USD (year end)	405.1	542.7	761.2	1,058.4	1,533.9	1,786.9	1,645.7
Change in Net International Reserves- Mill. USD	-121.4	-137.6	-218.5	-297.2	-475.5	-253.0	141.2
Exchange rate- TZS/USD (end of period)	797.3	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5
Exchange rate- TZS/USD (annual average)	744.9	800.4	876.4	966.6	1,038.6	1,053.3	1,128.8

Note: 1) Imports data (f.o.b) for 2001 have been revised using new ratios for freight and insurance services, following changes in the ratios of freight and insurance services to the total imports (c.i.f), figures for service account have consequently been revised.

2) Export figures have been revised following inclusion of re-exports

3) GDP-Gross Domestic Product, mp-Market price, CAB-Current Account Balance

4) p = provisional data, subject to revision

5) r = revised

6) Net capital account has changed following the removal of the debt forgiveness, the exceptional financing has changed following the inclusion of the rescheduled and forgiven debt, the changes are according to the requirement of the BPM5.

Source: Bank of Tanzania



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

Period	Base: June 2001=100														
	Headline	Food	Non-Food	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture 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	2.1	0.8	9.7	2.6	1.5
2003	3.5	4.5	2.0	1.5	2.0	5.9	2.5	2.1	1.1	2.9	2.1	2.1	1.2	2.2	2.2
2004	4.2	5.9	1.6	0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	2.1	1.0	0.6	-0.5
2005	4.4	5.9	2.9	2.1	-0.5	-0.1	7.7	-1.1	0.5	3.6	-1.5	-1.5	4.7	-0.1	-1.3
2006	6.2	7.9	4.5	5.8	1.2	1.5	6.8	4.7	1.4	2.7	1.6	1.6	6.3	1.6	2.7
2004-Jan	3.6	6.0	0.2	-2.9	1.5	7.5	-0.7	-1.1	-0.8	5.7	5.9	5.9	0.9	0.0	-3.3
Feb	3.8	6.6	0.2	-0.6	4.8	2.9	-0.4	-0.3	-0.3	5.4	5.4	5.4	2.0	3.7	1.9
Mar	4.0	7.0	-0.1	0.7	7.0	4.3	-2.5	-1.6	-1.4	3.0	2.2	2.2	-0.8	-0.2	-0.9
Apr	4.7	8.4	-0.5	-1.0	-1.9	4.3	1.7	-1.5	-1.1	-0.4	-1.9	-1.9	-1.3	-3.8	3.1
May	4.4	6.0	2.0	1.2	6.0	4.3	4.9	0.3	0.5	-2.7	0.9	0.9	1.3	1.4	-0.4
June	4.2	4.9	3.1	1.8	3.3	3.4	9.1	2.2	2.2	0.7	0.5	1.2	1.2	1.6	2.0
July	4.1	5.3	1.8	-4.7	-0.1	2.6	18.0	-2.0	-0.4	-5.0	0.2	0.2	-1.6	0.0	-5.7
Aug	4.1	5.9	1.5	0.0	3.1	0.4	2.4	-0.4	1.7	0.6	1.7	1.7	1.7	0.6	-0.2
Sep	4.0	4.6	3.2	0.5	4.5	0.2	6.0	2.9	4.3	1.5	3.7	3.3	3.3	0.8	0.5
Oct	4.2	5.2	2.5	-0.8	3.2	0.1	9.3	0.8	1.9	2.7	2.2	2.2	1.0	-0.8	0.5
Nov	4.4	5.9	2.4	-0.2	1.9	-1.0	7.6	2.2	1.5	0.0	4.0	4.0	1.6	-1.7	-1.7
Dec	4.2	5.1	2.9	0.6	2.5	-1.3	7.0	0.9	2.4	3.2	0.3	0.3	2.8	2.3	0.2
2005-Jan	4.0	5.9	1.5	0.6	-1.2	-2.5	5.4	1.0	0.5	-3.0	-1.5	-1.5	3.3	1.8	-2.6
Feb	4.1	5.7	1.8	1.8	-1.7	-2.8	5.9	0.2	2.4	6.0	-3.3	-3.3	2.2	-0.6	-1.5
Mar	4.1	4.9	3.3	0.3	1.7	-4.6	9.4	-2.3	2.3	0.1	-2.5	-2.5	5.7	1.4	0.4
Apr	4.0	4.3	3.9	2.9	3.3	-5.3	6.8	0.4	2.5	4.9	1.5	1.5	6.9	2.1	-4.7
May	4.0	5.0	3.0	1.7	-0.9	-5.3	9.6	-3.2	1.4	4.4	0.9	0.9	5.0	0.2	-2.4
Jun	4.2	5.8	2.5	1.4	0.9	-5.0	5.6	-2.8	0.4	6.1	-0.2	-0.2	5.1	1.2	-1.5
Jul	4.4	7.0	2.0	3.1	1.3	-3.9	0.3	-0.9	0.3	6.5	-2.1	-2.1	5.4	0.1	-0.8
Aug	4.5	5.8	3.6	2.4	-1.2	7.5	9.8	0.0	-0.6	3.5	-1.5	-1.5	5.2	-1.9	-0.1
Sep	4.5	6.0	2.8	2.6	-2.7	7.6	10.0	-2.3	-1.9	2.7	-2.4	-2.4	4.0	-1.7	-1.5
Oct	4.7	6.7	2.8	3.1	-1.9	4.3	9.0	-1.7	-1.1	3.6	-3.3	-3.3	3.5	-1.6	-0.3
Nov	4.8	6.7	3.7	3.3	-1.2	4.3	10.2	-0.8	-0.5	4.4	-1.9	-1.9	5.0	-1.0	0.0
Dec	5.0	7.2	3.6	2.5	-2.0	4.1	10.7	-0.9	0.0	3.5	-1.1	-1.1	5.5	-0.6	-0.9
2006-Jan	5.4	9.1	1.3	1.7	-3.1	0.4	5.2	-1.0	-1.7	-0.3	-1.2	-1.2	3.1	-1.1	-1.9
Feb	5.8	9.4	1.7	2.5	-1.9	0.6	4.5	0.5	-1.5	0.0	0.5	0.5	3.3	-0.3	-1.1
Mar	6.5	10.7	1.7	2.6	-2.4	0.6	4.9	0.9	-1.8	-0.7	-0.6	-0.6	3.4	-0.3	-1.3
Apr	6.9	11.2	1.8	2.9	-2.4	0.6	4.5	1.1	-1.2	0.3	-0.4	-0.4	3.2	0.6	-0.1
May	7.7	12.3	2.1	2.6	-2.0	0.6	4.9	0.8	-0.9	-0.6	-1.3	-1.3	4.2	0.6	-0.7
Jun	6.8	9.6	3.8	2.9	-2.2	0.7	10.4	1.3	-0.4	0.4	-1.3	-1.3	6.3	0.2	-0.8
Jul	5.4	7.0	3.9	5.7	-1.1	0.5	7.9	1.5	0.0	-0.8	-0.5	-0.5	6.5	1.1	-0.5
Aug	5.5	2.6	9.7	10.6	8.1	3.5	13.9	8.2	1.9	14.0	5.5	5.5	9.3	4.6	8.7
Sep	5.8	3.6	9.0	10.7	3.8	3.2	9.6	13.5	4.2	5.3	10.3	10.3	12.3	6.1	9.9
Oct	6.0	5.2	7.0	8.7	3.0	2.9	9.1	13.0	6.1	4.6	6.1	6.1	7.2	1.3	10.1
Nov	6.2	7.0	5.7	9.5	5.4	2.2	2.6	6.3	7.1	5.7	1.2	1.2	7.8	2.2	4.6
Dec	6.7	6.5	6.8	9.5	9.3	1.7	4.5	9.8	4.8	4.1	1.0	1.0	8.4	4.1	5.0
2007-Jan	7.0	6.7	7.4	11.9	6.1	4.9	4.8	10.3	9.6	2.0	5.6	5.6	8.8	10.0	-1.8
Feb	7.3	6.2	8.8	11.2	6.3	6.0	9.6	11.0	10.8	0.9	7.5	7.5	9.8	11.8	-0.4
Mar	7.2	6.1	9.1	11.8	7.2	5.8	9.3	10.4	11.1	3.4	9.2	9.2	9.1	13.0	1.6

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	Non-Food	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Education	Miscel. goods & services
2004 Jan	5.6	6.7	3.8	3.8	1.4	4.9	5.0	7.0	-0.2	3.1	9.9	1.2	2.1	1.5	4.9
Feb	-0.3	0.3	-0.8	-0.8	-1.8	-0.6	0.3	-0.5	-0.4	-2.7	-9.1	0.3	1.1	1.7	-2.5
Mar	-0.5	-0.2	-1.4	-1.4	1.6	-3.7	2.0	-3.2	2.5	0.2	5.7	-0.1	-3.0	-2.6	-2.3
Apr	0.5	1.1	-0.5	-0.5	-2.1	-2.1	0.7	3.2	-3.1	-0.4	-4.7	-4.4	-0.5	-0.8	4.9
May	-0.5	-1.5	1.0	1.0	1.5	3.9	0.0	-2.6	4.2	1.0	0.9	1.4	1.9	2.0	-2.4
Jun	-0.5	-1.1	0.4	0.4	0.1	-1.7	-0.3	4.1	-1.0	1.3	-1.8	1.5	-0.1	-0.2	-0.8
Jul	0.7	-0.1	1.4	1.4	-0.9	-0.8	-1.0	8.1	-1.2	-0.6	-0.1	1.3	0.4	1.0	-1.1
Aug	-0.5	0.4	-1.2	-1.2	0.8	2.8	-10.5	-8.1	-0.5	1.1	3.1	-0.9	0.7	1.3	-0.9
Sep	0.2	-0.1	0.6	0.6	-0.3	1.1	-0.1	0.1	2.3	1.2	1.2	1.5	0.8	0.0	1.2
Oct	-0.1	-0.3	0.1	0.1	-0.5	-0.7	3.2	0.9	-0.6	-0.8	-0.6	0.3	0.6	-0.3	-0.9
Nov	-0.3	0.1	-0.7	-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	0.2	0.8	0.7	0.2	-0.3	-0.1	-0.2	0.9	-0.3	-0.3	-0.5	0.9
2005 Jan	5.4	7.5	2.4	2.4	1.5	1.0	3.7	5.4	-0.1	1.2	3.3	-0.7	2.6	1.0	1.9
Feb	-0.2	0.1	-0.5	-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	0.0	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	0.2	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	0.1	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	0.0	-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	0.8	-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	0.3	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	-0.1	-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	0.1	-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	-0.7	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	0.2	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	-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	0.4	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	0.0	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	0.3	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	0.4	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	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	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	-0.1	-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	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	0.0	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	-0.6	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	0.4	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	0.6	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	1.7	0.5	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9
Mar	0.7	1.2	0.2	0.2	1.9	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	-0.5	0.4	0.9

Source: National Bureau of Statistics

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

TableA7: External Debt Developments

Item	Millions of US \$										
	2004/05	2005/06	2006/07								
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1. Overall Total Debt Committed ²	8,345.1	8,638.9	6,137.9	6,137.9	6,246.6	6,228.2	6,065.6	5,990.7	5,560.7	5,079.0	5,125.9
Disbursed outstanding debt	6,799.5	6,971.1	4,366.2	4,349.8	4,358.3	4,369.4	4,423.0	4,409.0	3,786.5	3,308.4	3,365.8
Undisbursed debt	1,545.6	1,667.7	1,771.7	1,788.1	1,888.3	1,858.8	1,642.6	1,581.7	1,774.2	1,770.5	1,760.1
2. Disbursed Debt by Creditor Category ²	6,799.5	7,733.9	4,366.2	4,349.8	4,358.3	4,369.4	4,423.0	4,409.0	3,786.5	3,308.4	3,365.8
Bilateral	1,502.3	1,506.2	1,503.9	1,479.6	1,482.7	1,481.6	1,490.6	1,478.3	879.3	888.6	890.2
Multilateral	4,626.3	5,459.6	2,092.9	2,098.7	2,116.3	2,127.8	2,168.2	2,164.2	2,159.2	1,668.4	1,719.3
Commercial	416.4	462.2	463.5	465.3	452.7	453.4	456.9	457.8	429.4	432.2	435.4
Export credits	254.5	305.9	305.9	306.2	306.6	306.6	307.3	308.7	318.7	319.2	320.8
3. Disbursed Debt by Borrower Category ²	6,799.5	7,734.0	4,366.1	4,349.8	4,358.2	4,369.4	4,423.0	4,409.0	3,786.5	3,308.4	3,365.8
Central Government	5,830.5	6,724.5	3,646.3	3,628.9	3,637.1	3,648.0	3,698.5	3,681.9	3,047.0	2,568.0	2,616.5
Parastatal Companies	477.5	450.0	159.6	159.7	160.0	159.9	160.5	161.1	160.4	160.5	167.0
Private Sector	491.5	559.5	560.2	561.2	561.1	561.5	564.0	566.0	579.1	579.9	582.2
4. Total Amount of Loans Contracted ¹	631.9	673.9	0.4	191.2	1.1	0.0	3.0	4.2	0.0	7.9	19.1
Government	491.7	574.8	0.0	191.2	0.0	0.0	0.0	0.0	0.0	0.0	16.9
Private	140.2	99.0	0.4	0.0	1.1	0.0	3.0	4.2	0.0	7.9	2.2
5. Disbursements ¹	190.2	210.0	215.5	13.1	17.5	16.5	25.9	42.4	26.6	11.4	11.7
Government	161.4	182.4	215.5	12.7	17.3	16.5	25.6	42.4	26.6	5.8	11.5
Parastatal Companies	0.0	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.3	0.0
Private	28.8	23.5	0.0	0.4	0.2	0.0	0.3	0.0	0.0	1.3	0.2
6. Scheduled Debt Service ¹	355.1	373.6	15.6	26.7	33.2	21.1	15.8	59.3	21.2	21.2	32.3
7. Actual Debt service ¹	112.9	90.7	3.6	5.4	3.8	3.0	5.3	1.5	1.42	0.58	0.6
Principal	86.0	61.4	2.2	2.6	1.1	0.6	3.6	0.4	2.1	0.23	0.5
Interest	26.9	29.3	1.4	2.8	2.6	2.4	1.7	1.1	0	0	0.0
8. Net Transfers	77.3	119.3	211.9	7.7	13.8	13.5	20.6	40.9	23.1	10.6	10.7
9. Total Arrears by Creditor Category ²	2,470.5	2,392.4	2,413.6	2,389.2	2,404.4	2,422.0	2,434.3	2,501.1	2,065.0	2,083.7	2,118.1
Principal	1,135.2	1,132.2	1,138.1	1,123.1	1,136.4	1,141.5	1,132.0	1,161.7	910.8	918.2	937.1
Bilateral	669.4	609.0	613.4	597.3	599.9	601.7	607.0	609.5	359.4	366.4	369.3
Multilateral	5.9	10.7	11.2	11.1	11.8	12.0	12.4	14.0	15.4	13.4	14.2
Commercial	249.2	274.1	275.0	276.2	285.8	287.7	277.1	298.4	295.8	297.5	309.2
Other Private Creditors	210.7	238.5	238.5	238.5	238.9	240.1	235.5	239.7	240.1	240.1	244.4
Interest	1,335.3	1,260.1	1,275.5	1,266.0	1,268.0	1,280.5	1,302.3	1,339.4	1,154.2	1,165.5	1,180.9
Bilateral	818.8	684.0	688.7	677.0	675.5	677.8	686.1	706.8	523.1	529.1	533.1
Multilateral*	23.4	22.0	22.5	22.4	22.9	22.8	23.0	23.9	23.4	24.2	26.5
Commercial	333.7	372.9	375.3	377.1	379.9	387.5	394.4	407.4	405.0	409.1	417.6
Other Private Creditors	159.4	181.2	189.0	189.5	189.7	192.4	198.8	201.4	202.6	203.1	203.6
10. External Debt Stock	8,134.8	8,231.3	5,641.7	5,615.8	5,626.3	5,649.9	5,725.3	5,748.4	4,940.7	4,474.0	4,546.7
11. Domestic Debt Stock	952.6	1,405.9	1,388.2	1,342.7	1,386.4	1,374.4	1,362.7	1,440.0	1,398.7	1,462.3	1,502.6
12. Total Debt Stock	9,087.4	9,637.2	7,029.9	6,958.5	7,012.7	7,024.3	7,088.0	7,189.0	6,339.4	5,936.2	6,049.3
End Period Exchange Rate	1,126.3	1,253.1	1,287.9	1,320.0	1,272.7	1,287.1	1,290.3	1,261.6	1,301.4	1,263.4	1,242.0

* Multilateral arrears are those owed by private companies

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

Source: Bank of Tanzania



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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