

**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

**March 2007**



## **Table of Contents**

<b>1.0</b>	<b>Inflation Developments</b>	<b>1</b>
<b>2.0</b>	<b>Monetary and Financial Developments</b>	<b>2</b>
	Money Supply	2
	Credit Developments	3
	Interest Rates	3
	Developments in Financial Markets	4
<b>3.0</b>	<b>Government Budgetary Operations</b>	<b>5</b>
<b>4.0</b>	<b>External Sector Performance</b>	<b>6</b>
	Current Account Balance	6
	Exports Performance	6
	Imports Performance	9
	World Commodity Prices	11
<b>5.0</b>	<b>National Debt Developments</b>	<b>11</b>
	External Debt	11
	Multilateral Debt Relief	12
	Bilateral Debt Relief	12
	Domestic Debt	12
<b>6.0</b>	<b>Economic Developments in Zanzibar</b>	<b>13</b>
	Fiscal Performance	13
	Debt Developments	14
	External Sector Performance	16
	Services Account Surplus Slightly Increased	17
	<b>Statistical Tables</b>	<b>18</b>
	<b>Glossary</b>	<b>29</b>





# 1.0 Inflation Developments

**Annual headline inflation** increased to 7.3 percent in February 2007, from 7.0 percent recorded in the previous month. The rise in inflation rate is mainly explained by an increase in non-food inflation, as food inflation went down. On month-to-month basis however, the inflation rate declined to 1.1 percent from 1.3 percent recorded in January, mainly on account of decline in food inflation. Similarly excluding seasonal influences, the month-on-month headline inflation decelerated to 1.1 percent in February 2007 compared to 1.7 percent recorded in January 2007.

**Annual non-food inflation** increased from 7.4 percent recorded in January 2007 to 8.8 percent during the period ending February 2007, due to increase in average prices of some non-food items, the highest increase being in fuel, power and water subgroup. The month-to-month non-food inflation also went up between January and February 2007, rising to 1.7 percent, from 0.6 percent in January reflecting increase in average prices of tea (green label), clothing materials, electricity, charcoal, furniture, insecticides, face and hair creams, radios and radio cassettes, car batteries and tyres, watches and hotel accommodation.

**Annual food inflation** moved downwards in February 2007 to 6.2 percent, from 6.7 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. Similarly, the month-to-month food prices declined to 0.7 percent in February 2007 from 1.8 percent in January 2007 mainly as a result of decrease in average prices of some food items including cassava, vegetables and fruits (mangoes, oranges, pineapples), (Table 1.1 and Chart 1.1).

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

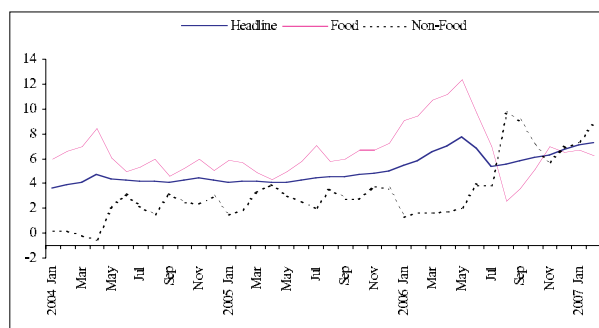
TZS per 100 Kg

Major Commodity Group	Weight (%)	2005			2006			2007	
		Jan	Feb	Dec	Jan	Feb	Dec	Jan	Feb
<b>Headline/Overall</b>	<b>100</b>	<b>4.0</b>	<b>4.1</b>	<b>5.0</b>	<b>5.4</b>	<b>5.8</b>	<b>6.7</b>	<b>7.0</b>	<b>7.3</b>
<b>Food</b>	<b>55.9</b>	<b>5.9</b>	<b>5.7</b>	<b>7.2</b>	<b>9.1</b>	<b>9.4</b>	<b>6.6</b>	<b>6.7</b>	<b>6.2</b>
<b>Non-food</b>	<b>44.1</b>	<b>1.5</b>	<b>1.8</b>	<b>3.5</b>	<b>1.3</b>	<b>1.7</b>	<b>6.8</b>	<b>7.4</b>	<b>8.8</b>
Transportation	9.7	3.3	2.2	5.5	3.1	3.3	7.9	8.8	9.8
Fuel, Power and Water	8.5	5.4	5.9	10.7	5.2	4.5	2.6	4.8	9.6
Drinks and Tobacco	6.9	0.6	1.8	2.5	1.7	2.5	9.5	11.9	11.2
Clothing & Footwear	6.4	-1.2	-1.7	-2.0	-3.1	-1.9	5.4	6.1	6.3
Education	2.6	1.8	-0.6	-0.6	-1.1	-0.3	2.2	10.0	11.8
Furniture & Household Equip.	2.1	1.0	0.2	-0.9	-1.0	0.5	6.4	10.3	11.0
H/h Operations Maintenance	2.1	0.5	2.4	0.0	-1.7	-1.5	7.1	9.6	10.8
Personal Care & Health	2.1	-3.0	6.0	3.5	-3.0	0.0	5.7	2.0	0.9
Rents	1.4	-2.5	-2.8	4.1	0.4	0.6	2.2	4.9	6.0
Recreation & Entertainment	0.8	-1.5	-3.3	-1.1	-1.2	0.5	1.2	5.6	7.5
Misc. Goods & Services	1.5	-2.6	-1.5	-0.9	-1.9	-1.1	4.6	-1.8	-0.4

Source: National Bureau of Statistics

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

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



## Food Supply Situation

National food supply situation remained favourable in February 2007 and prices of most food items continued to decline apparently due to stable domestic supply and the good crop prospects from this coming season. In the few districts experiencing food shortages, the government distributed 392 tons of relief food during the month under review, leading to cumulative distribution of 2,249 tons since the distribution started in December 2006.

The prices of all crops, except rice, decreased significantly in February 2007 when compared with the same period last year in anticipation of good harvest and stable food supply (Table 1.2). On monthly basis, only maize recorded a marginal increase of 2 percent following removal of export ban in January 2007 under which private traders have been exporting cereals to our neighbouring countries particularly to Kenya.



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

*TZS per 100 Kg*

Item	2006 Feb	2007		Percentage Change	
		Jan	Feb	Feb - 06 to Feb - 07	Jan - 07 to Feb - 07
Maize	30,594	18,369	18,738	-38.8	2.0
Rice	68,641	73,585	72,096	5.0	-2.0
Beans	65,049	61,097	56,971	-12.4	-6.8
Sorghum	32,385	26,880	26,078	-19.5	-3.0
Potatoes	36,884	38,431	35,403	-4.0	-7.9

Source: Ministry of Industry, Trade and Marketing

## The Strategic Grain Reserves

The SGR stock stood at 117,838 tons by the end of February 2007, compared to 112,343 tons recorded in January 2007 (Table 1.3). On annual basis the SGR stock increased significantly from 43,593 tons recorded in February 2006 on account of increased maize purchases as well as minimal distribution of relief food this season. During the month under review, the Strategic Grain Reserve (SGR) department marked the end of 2006/07 purchasing season during which it purchased a total of 92,097 tons of maize and 2,831 tons of sorghum.

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

*Tons*

Period	2003	2004	2005	2006	2007	% Change 2006 - 2007
January	59,961	35,342	119,924	76,813	112,343	46
February	59,493	23,791	116,383	43,593	117,838	170
March	58,976	22,903	114,760	8,055		
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.

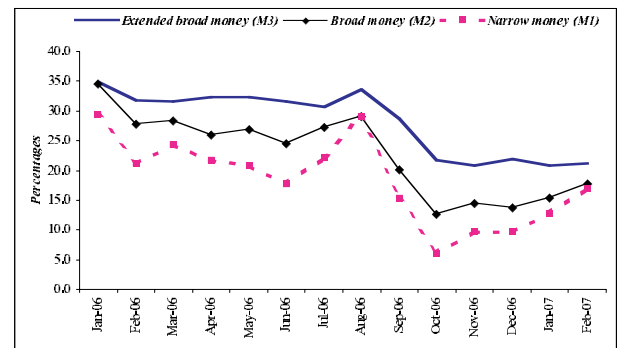
## 2.0 Monetary and Financial Developments

### Money Supply

Extended broad money supply, M3, which comprises currency in circulation plus all the deposits of commercial

banks, grew by 21.3 percent in the year ending February 2007 compared with 31.7 percent in the corresponding period in 2006. Similarly, broad money supply, M2, that is, M3 excluding foreign currency deposits, grew by 17.8 percent in the year ending February 2007 compared with 27.7 percent recorded in the corresponding month in 2006 (Chart 2.1). The slowness in money supply growth greatly attributed to retarded growth in both all the deposits and currency held by the public.

**Chart 2.1: Annual Growth Rates of Monetary Aggregates**



On month-to-month basis, M3 recorded a higher increase of about TZS 85.7 billion during February 2007 compared with an increase of TZS 55.7 billion in the previous month. Likewise, broad money supply, M2, followed the same pattern after recording the increase of TZS 68.9 billion, which is higher than the increase of TZS 45.7 billion registered in January 2007 (Table 2.1). The main factor behind the increase of money supply during the month under review is largely associated with the increase in the demand deposits due to new extended bank loans to corporate customers.

**Table 2.1: Selected Money Supply Components**

*(Billions of TZS)*

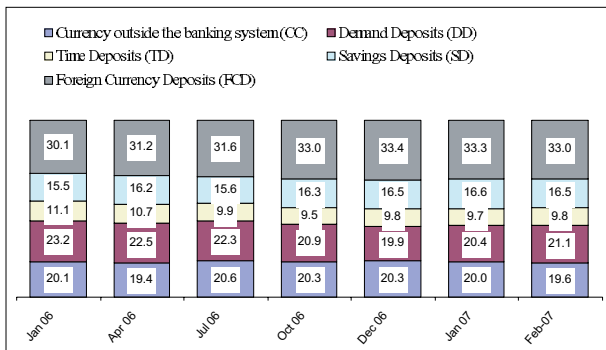
Item	2007		Monthly Change	Annual Growth Rate (%)		
	Jan	Feb		Feb-06	Jan-07	Feb-07
Extended broad money	4,854.5	4,940.3	85.7	31.7	20.8	21.3
Broad money	3,239.5	3,308.4	68.9	27.7	15.4	17.8
Currency outside the banking system	968.7	967.3	-1.4	26.2	20.2	21.3
Demand deposits	991.7	1,041.1	49.4	17.3	6.4	13.2
Time deposits	473.2	483.3	10.1	40.3	5.9	8.2
Savings deposits	805.94	816.6	10.7	38.7	29.3	26.4
Foreign currency deposits	1615.0	1,631.9	16.9	41.6	33.4	29.1
FCD In millions of USD	1240.9	1,291.7	50.8	33.4	21.4	21.2
Private sector deposits	3885.8	3,972.9	87.1	33.1	21.0	21.3
Government sector deposits	284.6	271.5	-13.1	18.5	64.2	61.1
Total deposits	4,170.3	4,244.4	74.1	32.3	23.2	23.2
Net foreign assets	3,707.4	3,613.7	-93.7	21.8	22.4	19.5
Bank of Tanzania	2,639.6	2,554.9	-84.7	26.2	17.6	12.8
Commercial banks	1,067.8	1,058.9	-8.9	10.5	36.2	39.6
Net domestic assets	1,756.3	1,935.7	179.4	40.6	9.8	16.7
Domestic Credit	1,954.1	2,104.0	149.9	58.4	50.2	9.6
Net claims on government	-90.7	25.0	115.7	450.3	-122.1	-94.3
Claims on government	1,338.9	1,427.3	88.5	83.2	43.2	52.6
Government deposits	1,429.6	1,402.4	-27.3	15.1	172.6	182.9
Claims on the private sector	2,044.8	2,079.0	34.2	30.8	41.0	40.4

Source: Bank of Tanzania



The currency outside the banking system declined by TZS 1.4 billion in February 2007 from a stock of TZS 968.8 billion in January 2007. The situation was a result of gradual tendency of the public to use the service of Automated Teller Machines (ATMs), thus minimizing the holding of notes and coins for transaction purposes (Chart 2.2).

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



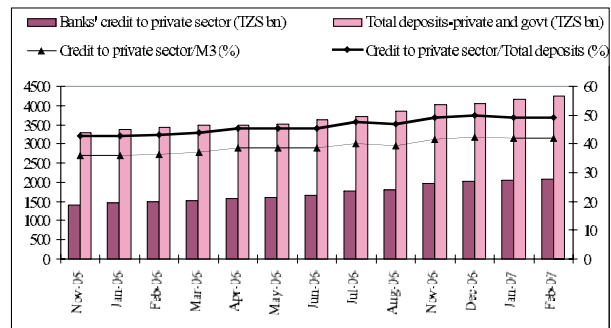
## Credit Developments

During February 2007, credit to private sector grew at 40.4 percent, compared to 30.8 percent recorded in the similar month in 2006. On the other hand, claims on government decreased significantly from 83.7 percent in February 2006 to 52.6 percent in February 2007. This reflects a slow down of government borrowing in the banking system whilst ensuring increased lending opportunities to the private sector with a support of declining credit risks due to the progressing 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 February 2007 was TZS 34.2 billion compared to TZS 16.4 billion recorded in the previous month. The proportion of credit to the private sector to total deposits stabilised at 49 percent in February 2007 as shown in Chart 2.3. However, the chart also shows that the proportion of private sector credit to total deposit during the year ending February 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

During the month of February 2007, developments in interest rates were generally mixed. The overall interbank cash market rates decreased significantly from 12.54 percent to 7.72 percent, broadly due to high liquidity among the commercial banks. This is further reflected by the overall lending rates that decreased to 16.20 percent in February 2007 from 17.20 percent reported in January 2007. In the same token, the short term lending rate decreased to 15.34 percent in February 2007 from 15.80 percent in January 2007. In addition, the treasury bills rate dipped to 12.95 percent in February 2007 from 15.75 percent in January 2007. In contrast, 12 months time deposits rate rose from 8.20 percent in January 2007 to 8.47 percent in February 2007. Similarly, negotiated deposit rate rose from 9.02 percent in January 2007 to 9.39 percent during the month under review. Furthermore, savings deposit rate has been stable at 2.60 percent for the past three consecutive months. (Table 2.2).

**Table 2.2: Interest Rate Structure**

Item	2006				2007	
	Sep	Oct	Nov	Dec	Jan	Feb
Interbank cash market rate	14.87	15.64	5.20	7.14	12.54	7.72
Savings Deposit Rate	2.59	2.57	2.60	2.59	2.59	2.25
12 months time deposit rate	8.20	8.70	9.05	8.75	8.20	8.47
Negotiated Deposit Rate	10.12	9.42	9.72	9.35	9.02	9.39
Overall lending rates	16.71	16.61	16.61	16.36	17.22	16.19
Short-term (up to year)	15.90	15.60	15.71	15.67	15.80	15.34
Negotiated Lending Rates	10.80	10.74	10.11	10.60	11.49	12.42
Treasury Bills Weighted Average Yield (WAY)	11.98	13.4	10.69	15.04	15.75	12.95

Source: Commercial banks and Bank of Tanzania



# Developments in Financial Markets

## Treasury Bills Market

During February 2007, performance in Treasury bills market continued to experience high demand. The demand for Treasury bills increased to TZS 464.3 billion in February 2007 from 426.7 billion in January 2007. The substantial increase in the demand for Treasury bills was largely associated with high liquidity among the commercial banks. During the month, Treasury bills market was oversubscribed by TZS 224.3 billion. The bank accepted Treasury bills worth TZS 269.4 billion against the supply of TZS 240.0 billion. In line with high demand, Treasury bills rate decreased to an average rate of 12.95 percent in February 2007 from 15.75 percent recorded in January 2007, (Table 2.3 and Chart 2.4).

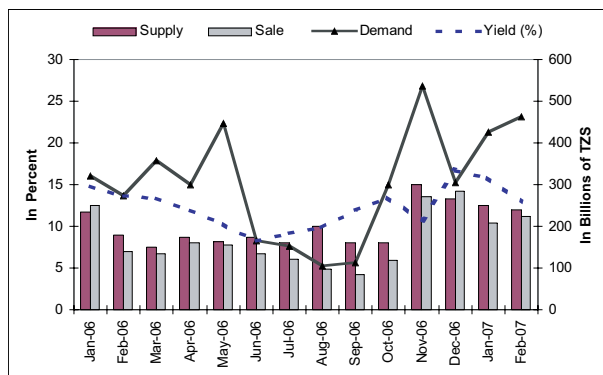
**Table 2.3: Treasury Bills Performance During Sep 06- Feb 07**

*(Billions of TZS)*

Item	2006				2007	
	Sep	Oct	Nov	Dec	Jan	Feb
Supply	160.0	160.0	300	267.0	250	240
Demand	113.0	300.3	537	304.1	426.7	464.3
Sale	88.6	126.2	293	284.9	226.7	223.0
WAY (%)	11.98	13.4	10.69	15.04	15.75	12.95

Source: Financial Markets, Bank of Tanzania

**Chart 2.4: Treasury Bills Market Developments**



## Treasury Bond Market

During February 2007, Treasury bonds worth TZS 16.0 billion were offered for sale while demand for Treasury bonds amounted to TZS 25.0 billion. The Bank sold Treasury

bond amounting to TZS 22.7 billion against redemption of TZS 8.4 billion. During the month, yield to maturity ranged between 15.4 and 17.82 percent compared to 13.60 and 17.50 percent during January 2007 as shown in Table 2.4.

**Table 2.4: Treasury bonds Performance: Sep 06-Feb 07**

*Billions of TZS*

Item	2006				2007	
	Sep	Oct	Nov	Dec	Jan	Feb
Supply	16.0	16.0	20.0	12.0	16	16
Demand	26.3	30.4	53.6	46.4	34.6	25
Sale	18.2	15.0	20.0	37.0	12.9	22.7
<b>Yields (%)</b>						
2-year	16.94	15.83	12.89	18.5	16.52	17.38
5-year	17.43	18.14	15.89	15.2	13.60	16.37
7-year	17.40	17.62	17.33	-	17.50	15.40
10-year	17.42	17.52	17.69	-	17.15	17.82

Source: Financial Markets, Bank of Tanzania

## Repurchase agreements (repo)

In February 2006, the Bank of Tanzania employed repurchase agreements worth TZS 105.0 billion for liquidity management. During the month under review repo worth TZS 61.0 matured leading to a mop up of TZS 44.0 billion. The overall repo rate decreased slightly from 6.35 percent in January 2007 to 6.30 percent in February 2007.

## Inter-bank Cash Market

Transactions in the inter-bank cash market experienced a significant decrease in the overnight rates, from 12.04 percent in January 2007 to 7.44 percent during February 2007, reflecting excess liquidity by some banks. Total inter-bank market transactions declined from TZS 323.5 billion in January 2007 to TZS 291.4 billion during the month under review. The overnight transactions accounted for about 49 percent in February 2007 compared to 65 percent in the preceding month.

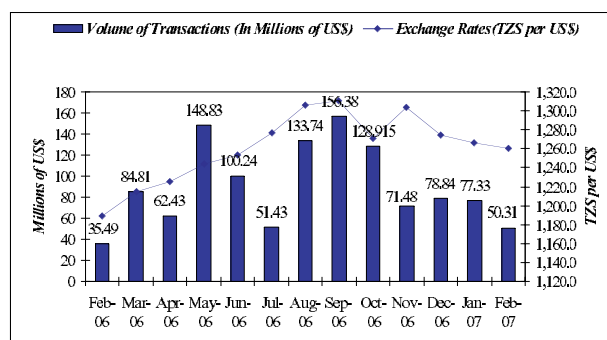




## Inter-Bank Foreign Exchange Market (IFEM) Transactions Decline

During February 2007, the total volume traded in the Inter-bank Foreign Exchange Market (IFEM) went down notably to USD 50.3 million from USD 77.3 million recorded in January 2007. The decline in volume traded was due to low supply of US dollars in the market following the nearly end season of export earnings inflows. During the period, the Bank of Tanzania and non-banks sold USD 18.5 million and US\$ 3.3 million, respectively, while commercial banks purchased USD 21.8 million on net basis. The weighted average exchange rate of the shilling appreciated slightly to TZS 1,260.2 per US dollar from TZS 1,266.5 per US dollar recorded in January 2007 (Chart 2.5).

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



## Transactions in Bureaux de Change System

During the review period, the volume of transactions conducted by Bureau de Change system went down by 21.9 percent to USD 54.7 million. The decline was attributed to the decline in both sales and purchases of foreign exchange. The decline in the sale of foreign exchange was attributed to the fall in sales in respect of air tickets and education. On the other hand, the decline in foreign exchange inflows was on account of the decline in export proceeds. Meanwhile, the buying and selling rates depreciated to TZS 1,278.0 and TZS 1,300.0 per USD from TZS 1,269.0 and TZS 1,294.0 per USD recorded in January 2007, respectively (Table 2.5).

Table 2.5: Foreign Exchange Market Developments

Item	2006		2007		% Change		Year Ending Feb	
	Feb	Jan	Feb	Feb 06 to Feb 07	Jan 07 to Feb 07	2006	2007	% Change
<b>IFEM</b>								
Amount offered*	81.95	77.33	50.31	-38.61	-34.94	719.20	1,144.71	59.16
Amount sold*	81.95	77.33	50.31	-38.61	-34.94	719.20	1,144.71	59.16
Exchange rate**	1,177.92	1,266.51	1,260.22	6.99	-0.50	1,142.68	1,267.16	10.89
<b>Bureau de Change</b>								
Sales*	34.42	34.94	27.30	-20.69	-21.87	445.00	360.97	-18.88
Purchases*	33.67	35.07	27.40	-18.62	-21.87	428.32	362.85	-15.29
Volume of Transactions*	68.09	70.01	54.70	-19.67	-21.87	873.32	723.82	-17.12
Buying rate**	1,182.00	1,269.00	1,278.00	8.12	0.71	1,137.37	1,210.50	6.43
Selling rate**	1,201.00	1,294.00	1,300.00	8.24	0.46	1,153.58	1,279.36	10.90

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

## 3.0 Government Budgetary Operations

### Tax Revenue Collection on Good Course

During the month of February 2007, government budgetary operations recorded an after grants deficit of TZS 84.8 billion or 0.5 percent of GDP, deteriorating from TZS 35.9 billion or 0.2 percent of GDP in a similar period in the previous financial year. The deterioration in deficit position is partly explained by higher spending levels at 1.9 percent of GDP compared to 1.6 percent of GDP in the previous financial year. Total resources that were available for the month under review from domestic revenue and grants amounted to TZS 240.6 billion, while expenditure amounted to TZS 325.4 billion.



**Table 3.1: Statement of Budgetary Operations**

*Billions of TZS*

Item	February		
	2005/06	2006/07	
	Actual	Target	Actual
<b>Total Revenue</b>	<b>206.3</b>	<b>222.4</b>	<b>240.6</b>
Revenue	158.8	180.9	207.2
Tax Revenue	146.8	169.0	191.9
Non Tax Revenue	12.0	11.9	15.4
Grants	42.7	41.5	33.4
<b>Total Expenditure</b>	<b>237.4</b>	<b>300.3</b>	<b>325.4</b>
Recurrent Expenditure	161.4	228.6	242.0
Development Expenditure	76.0	71.8	83.4
Deficit after grants	-35.9	77.9	-84.8
Adjustment to cash	-53.4	0.0	-67.8
<b>Overall Balance</b>	<b>-89.3</b>	<b>-77.9</b>	<b>-152.5</b>
<b>Financing</b>	<b>89.3</b>	<b>77.9</b>	<b>152.5</b>
Foreign net	29.5	26.0	29.1
Domestic net	59.8	51.9	123.4

Revenue collected during the period reached TZS 207.2 billion or 1.2 percent of GDP. Tax revenue collections amounted to TZS 191.9 billion, exceeding the target by TZS 22.9 billion. All major categories of tax recorded a good performance in tax revenue collections. Effective tax administration through processes and procedures under TRA's Quality Management System to improve compliance, together with comprehensive – issue oriented audits, and better audit procedures has reduced cost of compliance and increased tax revenue yield. The good performance in Taxes on imports has resulted from effective control of goods transferred to Mainland from the Zanzibar, through enhancement of exchange of information, effective implementation of the anti smuggling strategies, and improved measures to control the abuse of exemptions. On income tax, the good performance was on account of effective measures in collection of outstanding tax arrears under the tax recovery program. Other factors responsible for good performance in income tax include expedited examination of returns and accounts together with fast audits of issue oriented cases, and immediate collections follow up of assessed tax from audits made in previous months (Chart 3.1).

**Chart 3.1: Government Revenue Performance in February 2007**



During the month under review, total government expenditure cheques written (excluding amortization) amounted to TZS 325.4 billion, out of which recurrent expenditure was TZS 242.0 billion, while development expenditures amounted to TZS 83.4 billion.

Cumulatively, from July to February 2007, government expenditure amounted to TZS 2,711.9 billion, consisting of TZS 1,805.4 billion for recurrent expenses and TZS 906.5 billion for development projects. Revenue collections for the same period reached TZS 1,733.1 billion creating a deficit of TZS 978.8 billion or 5.6 percent of GDP compared to the annual budgeted level of 5.1 percent of GDP. The first half budget performance for Kenya recorded a budget deficit of 1.4 percent of GDP, while Uganda has projected its deficit excluding grants to reach 7.7 percent of GDP for the year.

## 4.0 External Sector Performance

### Current Account Balance

In February 2007, the current account balance deteriorated to USD 250.3 million from a deficit of USD 231.1 million that was recorded in the previous month. The deterioration is largely due to decline in total exports of goods and services. Likewise on year-to-year basis, the current account worsened to a deficit of USD 1,888.6 million compared with a deficit of USD 1,013.3 million for



the year ending February 2006, owing to huge increase in imports that outweighed the impact of marginal increase in exports of goods and services (Table 4.1).

**Table 4.1: Current Account Balance**

Millions of USD

Item	2006			2007 <sup>P</sup>			Year Ending February		
	Feb	Jan	Feb	2006 <sup>P</sup>	2007 <sup>P</sup>	% Change	2006 <sup>P</sup>	2007 <sup>P</sup>	% Change
<b>Goods Account (net)</b>	<b>-162.2</b>	<b>-216.7</b>	<b>-240.6</b>	<b>-1,361.1</b>	<b>-2,331.6</b>	<b>71.3</b>			
Exports	114.0	167.4	133.9	1,694.7	1,755.2	3.6			
Imports	276.2	384.1	374.4	3,055.8	4,086.9	33.7			
<b>Services Account (net)</b>	<b>6.0</b>	<b>-8.6</b>	<b>-4.6</b>	<b>74.3</b>	<b>128.5</b>	<b>72.8</b>			
Receipts	111.0	104.9	102.7	1,305.0	1,433.7	9.9			
Payments	105.0	113.5	107.3	1,230.7	1,305.3	6.1			
<b>Goods and services (net)</b>	<b>-156.2</b>	<b>-225.4</b>	<b>-245.2</b>	<b>-1,286.8</b>	<b>-2,203.2</b>	<b>71.2</b>			
Exports of goods and services	225.0	272.3	236.6	2,999.7	3,189.0	6.3			
Imports of goods and services	381.2	497.6	481.8	4,286.5	5,392.2	25.8			
<b>Income Account (net)</b>	<b>-14.9</b>	<b>-7.8</b>	<b>-6.2</b>	<b>-195.8</b>	<b>-158.5</b>	<b>-19.0</b>			
Receipts	6.8	7.8	6.1	81.5	81.9	0.5			
Payments	21.7	15.6	12.3	277.3	240.4	-13.3			
<b>Current Transfers (net)</b>	<b>11.7</b>	<b>2.0</b>	<b>1.1</b>	<b>469.2</b>	<b>473.1</b>	<b>0.8</b>			
Inflows	17.1	8.3	8.0	536.5	541.4	0.9			
o/w General Government	12.6	1.8	0.2	478.9	492.5	2.8			
Outflows	5.4	6.3	6.9	67.3	68.3	1.4			
<b>Current Account Balance</b>	<b>-159.4</b>	<b>-231.1</b>	<b>-250.3</b>	<b>-1,013.3</b>	<b>-1,888.6</b>	<b>86.4</b>			

Note: -- = Very large number

P = Provisional

Totals may not add up due to rounding of numbers

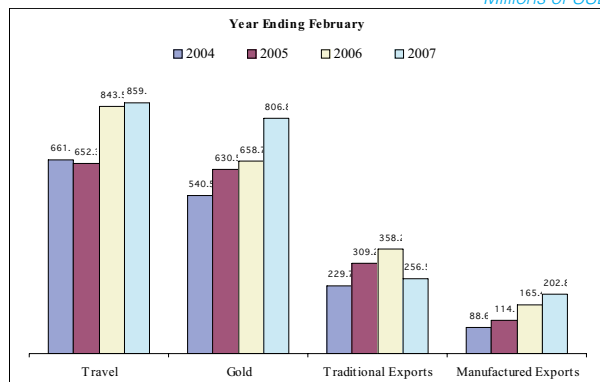
Source: Bank of Tanzania

## Exports Performance

During the year ending February 2007, exports of goods and services increased by 6.3 percent to USD 3,189.0 million largely due to a surge in services receipts. The dismal performance in merchandise goods exports particularly traditional exports was due to unfavourable weather during 2005/06 farming season that adversely affected production of most of the traditional exports. Meanwhile, travel (tourism) continued to lead accounting for about 27 percent of the total exports of goods and services followed by gold exports that accounted for 25 percent of the exports (Chart 4.1).

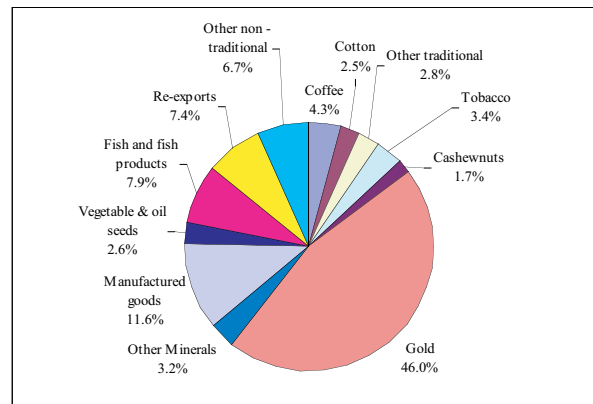
**Chart 4.1: Contribution of Selected Items to Total Exports of Goods and Services**

Millions of USD



During the year ending February 2007, merchandise goods export increased by 3.6 percent to USD 1,755.2 million mainly due to positive performance of the non-traditional exports that increased by 12.1 percent thus dampening the negative effect of a 28.4 percent decline recorded in traditional exports. The contribution of merchandise exports for the year ending February 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 Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.
4. Re-exports refers to goods that are imported and later exported to neighbouring countries. Major items in this category include wheat and refined petroleum products

## Traditional Exports

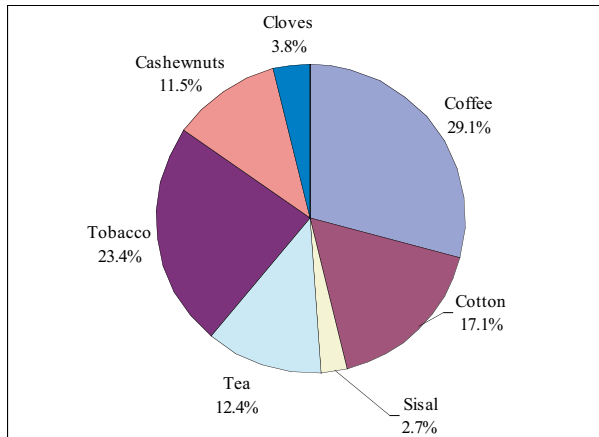
During February 2007, the value of traditional exports decreased by 33.4 percent to USD 20.5 million compared to the level recorded in the previous month. The decline follows a shortfall in export volumes given that most of the crops are now heading towards the tail end of their export season, which ends in the first quarter of the year. All traditional exports recorded decreases in export volumes during the review month. However, with exception of cashew nuts, all the crops recorded increase in unit prices.

During the year ending February 2007, traditional exports declined by 28.4 percent to USD 256.5 million largely due to unfavourable weather conditions 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 42,600 tons, down from 116,600 tons that were exported during the year ending February 2006. However, the impact of the decline



in export volumes on export earnings was lessened by the increase in exports unit prices for most of the traditional exports. With exception of sisal, tobacco and cashew nuts, all other traditional exports recorded increases in their export unit prices. The performance of traditional exports for the year ending February 2007 is depicted in **Chart 4.3**.

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



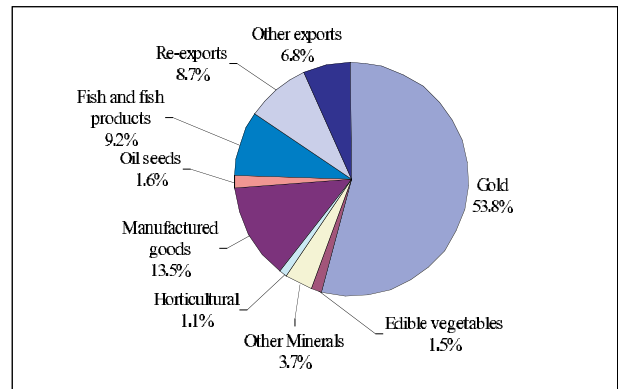
## Non-Traditional Exports

Non-traditional exports decreased to USD 113.4 million in February 2007 compared to USD 134.2 million that was recorded in the previous month amid a fall in exports of minerals particularly gold that went down to USD 59.2 million compared to USD 73.0 million recorded in the previous month. The decline in gold exports is largely attributed to the fall in export volume that went down to about 3.0 kilograms compared to 4.5 kilograms of gold that were exported in January 2007. Marginal decline was also recorded in exports of fish and fish products, re-exports and the category of other exports.

On annual basis, non-traditional exports increased by 12.1 percent to USD 1,498.7 million compared to the amount that was recorded during the year ending February 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 exported volume was recorded in the review period. On the other hand, consistent growth of the manufacturing sector in recent year partly explains the surge in exports of manufactured goods. During the last

three years, manufactured exports have been growing at an average of 32.8 percent annually and it was the second major item after gold during the year under review. **Chart 4.4** depicts the performance of non-traditional exports for the year ending February 2007.

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



## Services Export

In February 2007, export of services decreased to USD 102.7 million from USD 104.9 million mainly due to the decrease in receipts from transportation services.

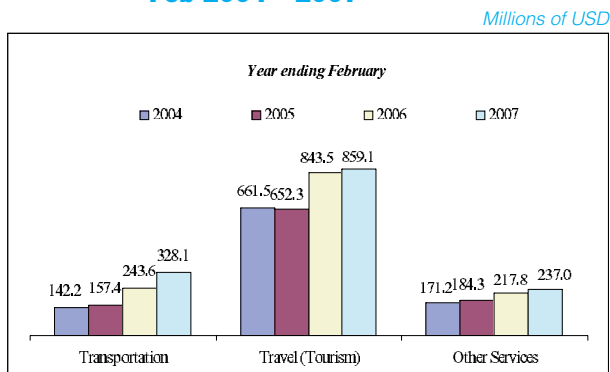
On annual basis, services receipts went up by 9.1 percent to USD 1,424.3 million following a notable increase in transportation, other business and travel (tourism) services. The improvement in tourism sector that accounts for about 67 percent of total services receipt is mainly a result of the efforts made by the Government and other stakeholders in promoting Tanzania as a quality nature destination given its natural endowments and friendliness of its people. It is worth noting that, in November 2006, Americans leading media outlets (ABC news and USA today) voted Serengeti National Park as the Seventh Wonder of the world. In line with the increase in demand for direct flights to Tanzania, the Hungarian airline- Air Malev now lands twice a week at the Kilimanjaro International Airport from and across central Europe effective February 2007. Air Malev adds to the third carrier that flies directly from Europe after Royal Dutch Airlines (KLM) and Air Condor. Nevertheless, there is still a potential for further growth of the industry if the Government and other stakeholders will address the problem of infrastructure, hotel capacity, inadequate



direct flights to Tanzania and below standard customer services.

On the other hand, the 34.7 percent increase in transportation receipts to USD 328.1 million during the year ending February 2007 is largely attributed to the increase in transit cargo to and from the neighbouring countries following the improvement of security in those countries. Nevertheless, in order to sustain this positive development there is a need to increase efficiency of cargo handling at the Dar es Salaam port as currently the port has been facing some problems related to slow container clearance, causing congestion of cargo at the port. To address the problem, the Tanzania International Container Terminal Services (TICTS) is in the process of moving the containers to Ubungo inland container depot. The Ubungo depot has a storage capacity of at least 4,000 compared with the Dar port that accommodates only 2,000 containers. **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 Feb 2004 – 2007**



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

machinery goods particularly power generation related machines. On the other hand, consumer goods declined to USD 75.2 million compared to USD 92.0 million in January 2007, following a fall in food and foodstuff as well as all other consumer goods.

On the other hand, intermediate goods increased by 16.0 percent to USD 184.9 million largely due to a surge of imported oil that went up to 318,142 tons compared to 230,322 tons recorded in the previous month. Conversely, fertilizer and industrial raw materials, which also constitute part of intermediate goods, recorded a decline in the review month. The decline in industrial raw materials is largely explained by a fall in imports of animal/vegetable fats and oils that went down by over 80 percent to a USD 5.7 million in the review month. On the other hand, the decline in fertilizer imports is attributed to decrease in imported volume that went down by about 54.0 percent to 1,896 tons compared to 4,124 tons of fertilizer imported in the previous month. The decline in fertilizer imports is partly explained by the end of the planting seasons in most parts of the country (**Table 4.2**).

**Table 4.2: imports**

Item	Millions of USD							
	2006	2007 <sup>P</sup>		% Change		Year Ending Feb <sup>P</sup>		
		Feb	Jan	Feb	Feb 06- Feb 07	Jan 07- Feb 07	2006	2007
<b>Capital Goods</b>	<b>109.7</b>	<b>132.8</b>	<b>114.3</b>	<b>4.2</b>	<b>-13.9</b>	<b>1,135.2</b>	<b>1,466.0</b>	<b>29.1</b>
Transport Equipments	31.3	26.9	31.3	0.1	16.4	308.2	372.7	20.9
Building and Constructions	23.9	28.3	34.5	44.3	21.8	270.5	348.6	28.9
Machinery	54.5	77.5	48.4	-11.1	-37.5	556.5	744.6	33.8
<b>Intermediate Goods</b>	<b>108.7</b>	<b>159.4</b>	<b>184.9</b>	<b>70.1</b>	<b>16.0</b>	<b>1,159.8</b>	<b>1,721.8</b>	<b>48.5</b>
Oil imports	87.3	109.1	160.7	84.0	47.2	834.1	1,267.8	52.0
Fertilizers	0.5	1.2	0.6	27.9	-47.9	61.8	54.0	-12.5
Industrial raw materials	20.9	49.0	23.6	13.1	-51.8	264.0	400.0	51.5
<b>Consumer Goods</b>	<b>57.8</b>	<b>92.0</b>	<b>75.2</b>	<b>30.1</b>	<b>-18.2</b>	<b>760.8</b>	<b>899.1</b>	<b>18.2</b>
Food and food stuffs	18.4	33.1	20.8	13.2	-37.1	177.6	265.8	49.6
All other consumer goods <sup>1</sup>	39.5	58.9	54.5	37.9	-7.6	583.2	633.3	8.6
<b>Grand Total (f.o.b)</b>	<b>276.2</b>	<b>384.1</b>	<b>374.4</b>	<b>35.5</b>	<b>-2.5</b>	<b>3,055.8</b>	<b>4,086.9</b>	<b>33.7</b>
<b>Grand Total (c.i.f)</b>	<b>303.6</b>	<b>422.1</b>	<b>411.5</b>	<b>35.5</b>	<b>-2.5</b>	<b>3,358.0</b>	<b>4,491.1</b>	<b>33.7</b>

Oil imports refers to refined petroleum products

P = provisional data

<sup>1</sup> 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

## Imports Performance

### Goods Imports

During February 2007, goods imports (f.o.b.) declined to USD 374.4 million compared to USD 384.1 million following a fall in capital and consumer goods. During the month, imports of capital and consumer goods declined by 13.9 percent and 18.2 percent respectively. Capital goods decline to USD 114.3 million amid a decline in imports of

On annual basis, goods import went up by 33.7 percent to USD 4,086.9 million following an increase in importation of capital, intermediate and consumer goods. Capital good imports increased by 29.1 percent to USD 1,466.0 million mainly due to a surge in imports of transport equipment, building and construction, and machinery, which were mainly directed to the mining, communication, manufacturing and power generation.

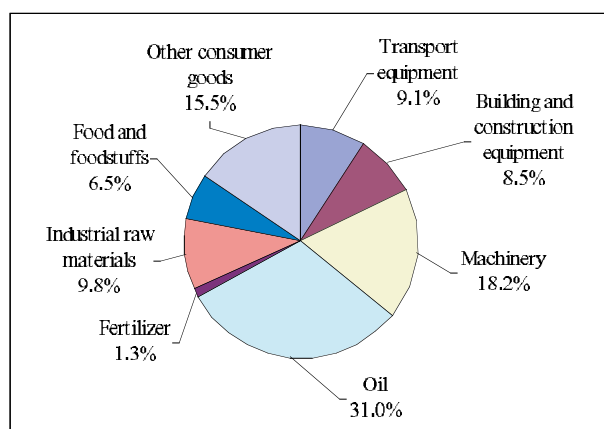
During the year ending February 2007 intermediate goods imports went up by 48.5 percent to USD 1,721.8 million on



account of the increase in importation of oil and industrial raw materials. The significant increase in oil imports is largely attributed to the increase in imported volume, as the oil prices in the world markets seemed to have marginally subsided in the review period. During the review period, the price of refined white petroleum products decreased to an average of USD 543.05 per ton compared to USD 549.81 per ton prevailed in the previous year. Conversely, the volume of imported oil increased by over 40 percent to 2,287,898 tons during the year ending February 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.

The consumer goods imports increased to USD 899.1 million compared to USD 760.8 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 about 50 percent to USD 265.8 million compared to the levels recorded in the corresponding period a year earlier. The increase in food imports particularly maize which increased to USD 34.2 million from USD 15.4 million was to augment local supply amid drought in 2005/06 (Chart 4.6).

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

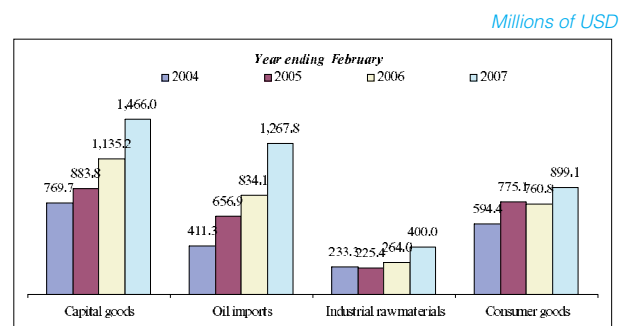


Note: -- = Very large number  
 Source: Bank of Tanzania and Tanzania Revenue Authority

During the past four years, capital goods dominated the total imports followed by consumer goods. The trend of

imports over the past four years is shown in Chart 4.7.

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



## Food Imports

In February 2007, food and food stuff imports declined to USD 13.2 million from USD 20.8 million in the previous month with cereal imports accounting for over 80 percent of the amount imported in the review month. The decline in food and foodstuff is attributed to a fall in wheat imports to USD 10.3 million compared to USD 22.0 million in the previous month. Table 4.3 summarizes the trend of selected cereal imports during the last four months beginning November 2006.

**Table 4.3: Summary of Food Imports**

Cereal	2006		2007		% Change Jan - Feb
	Nov	Dec	Jan	Feb	
<b>Maize</b>					
Tons	975	1,956	4	333	--
Value (Mill. USD)	0.4	0.6	0.001	0.4	--
<b>Rice</b>					
Tons	80	40	42	707	--
Value (Mill. USD)	0.03	0.01	0.01	0.08	--
<b>Wheat</b>					
Tons	42,030	66,756	91,278	43,200	-52.7
Value (Mill. USD)	7.5	14.6	22.0	10.3	-53.3

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

## Services Imports

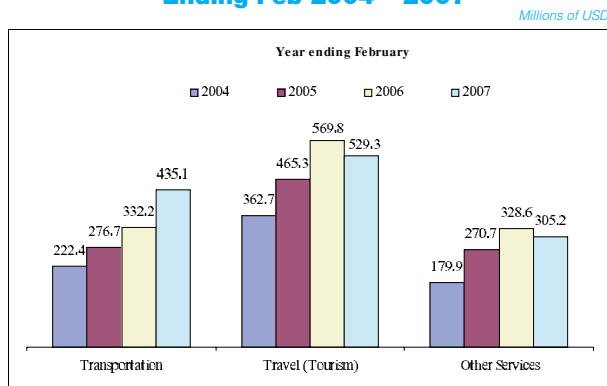
During the month under review, services payments decreased to USD 107.3 million from USD 113.5 million recorded during January 2007, mainly due to the decrease in travel, and construction services.

On annual basis, service payments increased by 3.2 percent to USD 1,269.6 million, largely due to the increase in payments for insurance, financial, freight and other



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

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



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

## World Commodity Prices

During February 2007, the world market prices of Robusta and Arabica coffee slightly declined to USD 1.7 per kg and USD 2.7 per kg, respectively. Likewise, the prices of cotton "A Index" and Memphis slightly declined to USD 1.3 per kg and USD 1.4 per kg, respectively. On the other hand, the price of tea (Average price) slightly increased to USD 1.8 per kg, while the price of tea (Mombassa Auction) declined marginally to USD 1.7 per kg. Meanwhile, the price of sisal remained stable at USD 885.0 per metric ton. During the period, the price of clove increased by 40 percent to USD 3,850.0 per metric ton largely due to unfavourable weather condition in Madagascar (a major source of cloves) coupled with high demand for cloves from Indian buyers.

During the month under review, the average prices of crude oil (Brent) and Dubai (f.o.b) increased by 7.6 percent to USD 57.6 per barrel and 7.1 percent to USD 55.7 per barrel, respectively. Likewise, the prices of white products rose by 7.4 percent to USD 543.1 per ton, with premium

gasoline increasing by 10.8 percent to USD 535.3 per ton. The increase in oil prices was largely driven by the decline in oil stocks in the United States, the major consumer of crude oil in the world. As for gold, the prices increased slightly to USD 664.7 per troy ounce in February 2007 (**Table 4.4**).

On annual basis, most of the commodities recorded increase in price with the exception of Arabica coffee that recorded a slight decline in price. The surge in prices of robusta coffee, tea, cotton and cloves was largely a result of lower global supply following unfavourable weather condition that adversely impacted production in most of the key producing countries. Furthermore, the continued strength in demand for tea and cloves also added an upward pressure on prices

Conversely, the average prices of oil products were slightly lower compared to the previous year. 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	2006			% Change	Year ending Feb		
		Dec	Jan	Feb		2006	2007	% Change
Robusta Coffee	USD per kg	1.69	1.75	1.74	-0.57	1.20	1.55	28.74
Arabica Coffee	USD per kg	2.83	2.75	2.69	-2.18	2.56	2.53	-1.27
Tea (Average price)	USD per kg	1.83	1.79	1.80	0.56	1.69	1.87	10.91
Tea (Mombasa auction)	USD per kg	1.71	1.70	1.65	-2.94	1.58	1.90	20.21
Cotton, "A Index"	USD per kg	1.31	1.33	1.28	-3.76	1.25	1.27	2.07
Cotton, Memphis <sup>1</sup>	USD per kg	1.38	1.38	1.35	-2.17	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	2,575.00	2,750.00	3,850.00	40.00	3,150.00	3,849.79	21.87
Crude oil <sup>2</sup>	USD per barrel	60.99	53.52	57.56	7.55	56.26	63.36	12.64
Crude oil <sup>3</sup>	USD per barrel	58.67	52.01	55.68	7.06	52.39	61.05	16.53
White products <sup>3**</sup>	USD per ton	566.03	505.80	543.05	7.36	549.81	543.05	-1.23
Jet/Kerosene	USD per ton	605.70	546.91	573.85	4.93	581.59	573.85	-1.33
Premium Gasoline	USD per ton	545.21	483.36	535.30	10.75	541.21	535.30	-1.09
Heat Oil	USD per ton	547.17	487.14	520.00	6.75	526.62	520.00	-1.26
Gold	USD per troy ounce	629.80	631.20	664.70	5.31	466.32	664.70	42.54

Note: <sup>1</sup> Average of U.K. Brent, Dubai and West Texas Intl

<sup>2</sup> f. o. b. Dubai

<sup>3</sup> Average of Premium gasoline Gas oil and Jet/Kerosene f. o. b. West Mediterranean

Source: Various Trade Publications

## 5.0 National Debt Developments

National debt stock at the end of February 2007 was USD 5,936.2 million, representing a 6.4 percent decrease from USD 6,339.4 million recorded at the end of January 2007. The position represents a decrease of USD 3,655.6 million when compared to USD 9,591.8 million recorded at the end of February 2006. Out of total debt stock, external debt was USD 4,474.0 (75.4 percent) while domestic debt stood at USD 1,462.3 million (24.6 percent).



## External Debt

External debt stock amounted to USD 4,474.0 million, a decrease of USD 466.7 million from the level of USD 4,940.7 million registered at the end of previous month. The decrease is mainly on account of debt relief received from African Development Fund (ADF) under the aegis of the Multilateral Debt Relief Initiative (MDRI). Out of external debt stock, USD 3,308.4 million (73.9 percent) was disbursed outstanding debt (DOD) and the remaining balance of USD 1,165.5 million (26.1 percent) was interest arrears.

### Disbursed Outstanding Debt (DOD)

The profile of disbursed outstanding debt reveals that Central Government was the largest borrower with a total debt of USD 2,568.0 million (77.6 percent) followed by Private Companies with USD 579.9 million (17.5 percent). Debt owed by Parastatal Companies was USD 160.5 equivalent to 4.9 percent of DOD.

Multilateral institutions remained the leading creditors by holding USD 1,668.4 million of the DOD. However, the share of multilateral institution debt in DOD declined substantially from 68.1 percent in February 2006 to 50.4 percent in February 2007 following cancellation of multilateral debt through MDRI. On the other hand, amount of debt owed to bilateral creditors stood at USD 888.6 million and the remaining debt amounting to USD 432.2 million and USD 319.2 million were owed to commercial and export creditors respectively.

### External Debt Service

During the month under review external debt service payments amounted to USD 0.8 million. Out of these payments, principal payment was USD 0.6 million and interest payment amounted to USD 0.2 million.

### Multilateral Debt Relief

Tanzania is among the HIPC benefited from the Multilateral Debt Relief Initiatives, which envisaged cancellation of debt owed to the International Development Association, African Development Fund and International Monetary Fund. Under MDRI framework for Tanzania, IDA cancelled a total of USD 2.8 billion while IMF cancelled USD 338 million. On 25th January 2007 ADF approved cancellation of USD 640 million, which makes total debt cancellation under the MDRI equal to USD 3.778 billion.



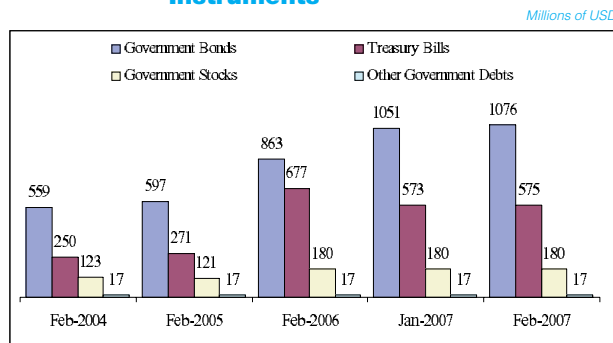
## Bilateral Debt Relief

The cumulative debt relief from Paris Club bilateral creditors remained at the same level of USD 1,390.6 million as reported during previous month. Debt relief from Non Paris Club bilateral creditors in the form of debt cancellation and rescheduling also remained unchanged at the level of USD 184.6 million and USD 171.2 million respectively as reported in previous month.

## Domestic Debt

Domestic debt stock rose to TZS 1,847.3 billion at the end of February 2007 from TZS 1,820.3 recorded at the end of January 2007, representing an increase of 1.5 percent. Out of the domestic debt stock, Government securities (treasury bills, bonds and stocks) accounted for 99.1 percent and the rest were unsecured debts ([Chart 5.1](#)).

**Chart 5.1: Government Domestic Debt by Instruments**



The profile of domestic debt by holder category shows that commercial banks are the leading Union Government creditors and hold altogether 41.0 percent of total domestic debt followed by Pension Funds with 28.4 percent and Bank of Tanzania 20.4 percent. Other creditors include other official entities with 4.5 percent, insurance companies whose claims on the government are estimated at 3.7 and Non-Bank Financial Institutions and private sector that altogether hold the remaining portion equivalent to 2.1 percent of domestic debt stock.

### Domestic Debt Service

During the month under review domestic debt service amounted to TZS 48.1 billion, out of which, TZS 45.7 billion being principal was rolled over while interest amounting to TZS 2.4 billion was paid out of Government revenue.



## 6.0 Economic Developments in Zanzibar

### Fiscal Performance

During the month of February 2007, overall government budgetary operations recorded a deficit of TZS 1.6 billion, compared to a deficit of TZS 1.1 billion registered in the previous month. Total resources amounted to TZS 9.3 billion out of which TZS 8.0 billion originated from domestic sources and TZS 1.3 billion were grants. Total government expenditure amounted to TZS 11.0 billion. The budget deficit was entirely financed by foreign loans.

#### Revenue Collections Surpassed Target

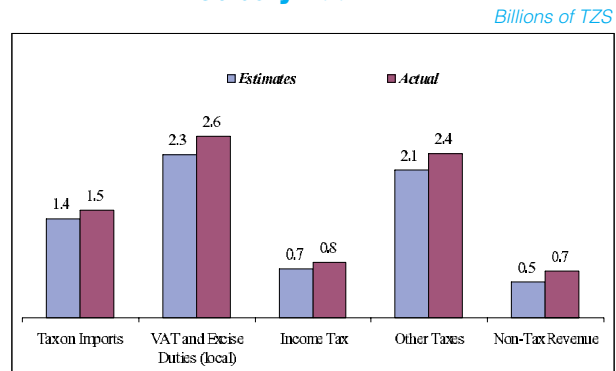
Revenue collections in February 2007 amounted to TZS 8.0 billion, being 12.7 percent above the target mainly on account of enhanced tax administration measures by revenue collecting agencies, coupled with increased business activities.

Tax revenue reached TZS 7.3 billion above the target amount of TZS 6.6 billion, and accounted for 91.2 percent of the total revenue. Revenue performance by category revealed that, tax on imports amounted to TZS 1.5 billion exceeding target amount of TZS 1.4 billion mainly due to increase in taxable imports. VAT and exercise duty collections were dominant in tax revenue accounting for 36.0 percent and amounted to TZS 2.6 billion compared to the target of TZS 2.3 billion. The better performance was attributed to collections from tourist hotels and refund from Tanzania Mainland. Income tax collection fetched TZS 0.8 billion above the target by TZS 0.1 billion. "Other taxes" category reached TZS 2.4 billion above the target amount of TZS 2.1 billion. Non-tax revenue amounted to TZS 0.7 billion, above the target amount of TZS 0.5 billion and accounted for 8.8 percent of the total revenue (Chart 6.1).

Cumulatively, total revenue collection from July 2007 to February 2007 amounted to TZS 59.4 billion surpassing the target amount of TZS 58.3 billion, and accounted for 71.4 percent of annual target of TZS 83.2 billion.

Cumulatively, total revenue collection from July 2007 to February 2007 amounted to TZS 59.4 billion surpassing the target amount of TZS 58.3 billion, and accounted for 71.4 percent of annual target of TZS 83.2 billion.

**Chart 6.1: Government Revenue by Source - February 2007**



P = Provisional  
Source: Tanzania Revenue Authority

#### Expenditure Below Target

Total expenditure during February 2007 amounted to TZS 11 billion representing 84.6 percent of the target of TZS 13 billion. The underperformance was largely associated with lower than expected donor disbursements and adherence to cash budget management.

Recurrent expenditure reached TZS 7.7 billion, below the target of TZS 8.4 billion and accounted for 70.0 percent of the total expenditure. Expenditure on wages and salaries amounted to TZS 3.7 billion accounting for 48 percent of the recurrent expenditure or 33.6 percent of the total expenditure. Other expenditures reached TZS 4 billion, below the target amount of TZS 4.7 billion; and accounted for 51.9 percent of the recurrent expenditure or 36.4 percent of the total expenditure.

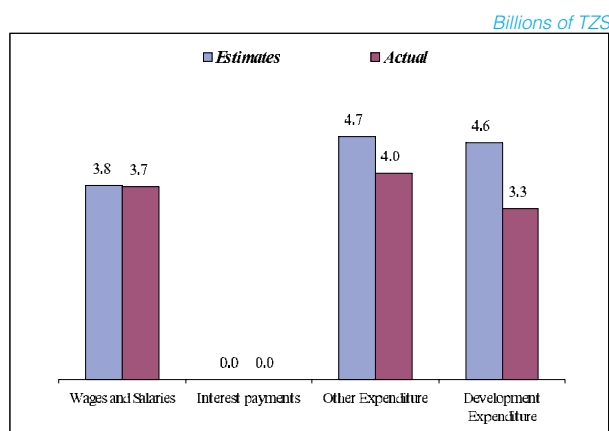
Development expenditure reached TZS 3.3 billion below target of TZS 4.6 billion and accounted for 30 percent of the total expenditure. Local contribution amounted to TZS 0.8 billion in line with the target and accounted for 24.2 percent of the development expenditure. Donor funds amounted to TZS 2.5 billion below the target of TZS 3.8



billion (Chart 6.2), but continued to account for the bulk of financing for development spending.

Cumulatively, total government expenditure from July 2006 to February 2007 amounted to TZS 91.0 billion, representing 80.5 percent of the projected TZS 113.0 billion and accounted for 39.7 percent of the planned annual budget of TZS 229.4 billion.

**Chart 6.2: Government Expenditure by Components – February 2007**



*P = provisional*  
 Source: Tanzania Revenue Authority

## Debt Developments

### Public Debt Declined Marginally

Zanzibar debt at the end of February 2007 stood at TZS 202.4 billion having declined from TZS 207.9 billion recorded in the preceding month due to decline in domestic debt and partially appreciation of Tanzanian Shilling against US Dollar. External debt stood at TZS 130.5 billion (64.5 percent) of total debt while domestic debt stood at TZS 71.8 billion or 35.5 percent of total debt. The Debt to GDP ratio narrowed to 51.1 percent from 52.5 percent registered in the preceding month..

### Domestic Debt

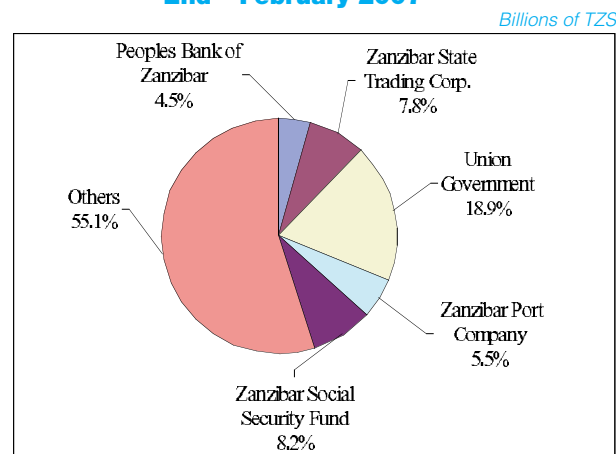
During the month under review domestic debt declined to TZS 71.8 billion from TZS 74.5 billion recorded in January 2007, mainly due to settling payment of matured treasury bills.



### Domestic Debt by Creditor

As at end of the month under review, claims by 'Other creditors' (domestic suppliers and pensioners) amounted to TZS 39.6 billion representing 55.1 percent of total domestic debt. The Union Government debt was TZS 13.6 billion or 18.9 percent, while Zanzibar Social Security Fund debt stood at TZS 5.9 billion accounting for 8.2 percent of total domestic debt. Claims due to Zanzibar State Trading Corporation and Zanzibar Port Company amounted to TZS 5.6 billion and TZS 3.9 billion standing for 7.8 percent and 5.5 percent of total domestic debt, respectively. Debt due to Peoples Bank of Zanzibar stood at TZS 3.2 billion or 4.5 percent of total domestic debt (Chart 6.3).

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



### Domestic Debt by Instruments

As at the end of February 2007, long-term loans remained dominant, amounting to TZS 21.5 billion (29.9 percent of total domestic debt). "Other debt instruments" (suppliers' credits and pensioners' claims) amounted to TZS 18.1 billion (25.1 percent). Treasury bonds and Government stocks stood at TZS 19.5 billion and TZS 9.9 billion, representing 27.2 percent and 13.8 percent of total domestic debt, respectively. Treasury bills stood at TZS 2.9 billion, having declined from TZS 5.1 billion and represented 4 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 44.5 billion or 61.9 percent of total domestic debt. Debt maturing in less than a year totalled TZS 11.7 billion accounting for 16.3 percent of total domestic debt, while debt maturing between 2 - 5 years stood at TZS 15.7 billion equivalent to 21.8 percent of the total domestic debt.

## External Debt

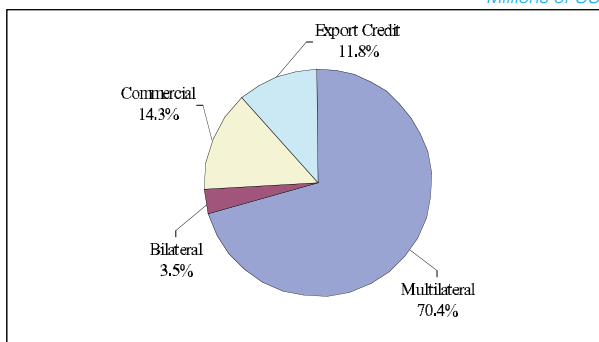
As at the end of February 2007, Zanzibar external debt in USD terms increased to USD 103.3 million from USD 102.4 million recorded in the preceding month. The slow down in the rate of increase in external debt was largely linked to appreciation of Tanzanian Shilling against US Dollar. Union Government guaranteed debt stood at USD 74.4 million representing 72 percent of total external debt, while non-guaranteed debt stock stood at USD 28.9 million or 28 percent of total external debt.

## External Debt by Creditor Category

Debt owed to multilateral creditors stayed largest totalling USD 72.0 million (TZS 93.6 billion) or 70.2 percent of total external debt. Bilateral creditors claims stood at USD 3.7 million (TZS 4.8 billion) representing 3.6 percent of total external debt while Commercial debt amounted to USD 14.7 million (TZS 19.2 billion), accounting for 14.4 percent of total external debt. Export credit amounted to USD 12.1 million (TZS 15.7 billion) or 11.8 percent of total external debt (Chart 6.4).

**Chart 6.4: External debt by Creditor as at End - February 2007**

Millions of USD



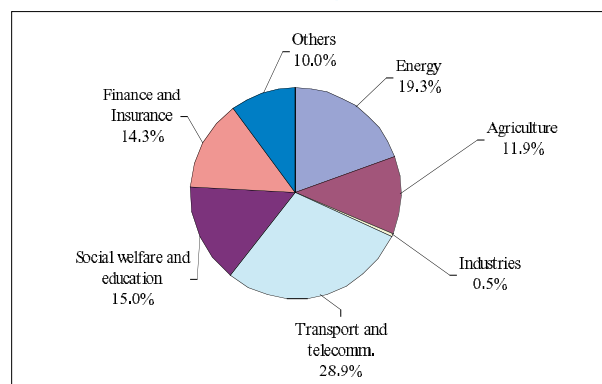
## External Debt by Maturity

As at the end of February 2007, debts with over 20 years maturity (mainly multilateral debt) stayed highest amounting to USD 66.8 million or 64.7 percent of the total external debt, while debt maturing between 5 to 10 years amounted to USD 29.6 million accounting for 28.6 percent of the total external debt. Debts maturing between 10 to 20 years were the least in share at USD 6.9 million, accounting for 6.7 percent of total external debt.

## External debt - Disbursements by End Use

During the review month, the profile of external debt disbursements by use of funds revealed that transport and telecommunications sector absorbed USD 29.9 million representing 28.9 percent of the total external debt. Distribution of funds for the other sectors was such that the energy sector had USD 20 million or 19.3 percent of total disbursements; social welfare and education sectors received USD 15.5 million accounting for 15 percent; finance & insurance sector had USD 14.7 million equivalent to 14.4 percent; while agriculture and industries sectors obtained USD 12.3 million and USD 0.5 million accounting for 11.9 percent and 0.5 percent of the total disbursements, respectively. Other sectors had USD 10.4 million altogether representing 10 percent of the total external debt (Chart 6.5).

**Chart 6.5: External debt by Use of Funds as at End - February 2007**



## External Sector Developments

### Current Account Remained Favourable

During the month of February, 2007 current account maintained higher positive balance to the tune of USD 3.9 million against USD 3.7 million registered in previous month largely due to a decline in imports bill, coupled with increase in services receipts and donor inflows. On annual basis, the current account rebounded, posting a remarkable surplus balance of USD 29.1 million from deficit of USD 6.6 million recorded in the corresponding period in 2006. The surge stemmed from increase in services receipts and decline in imports bill driven by slump of oil imports due to decline in world oil prices (Table 6.1).

**Table 6.1: Zanzibar Current Account Balance**

Item	2006		2007 <sup>p</sup>		Year Ending Feb		% Change	
	Dec	Jan	Feb	2006	2007 <sup>p</sup>	Monthly	Annual	
<b>Goods Account (net)</b>	<b>-2.5</b>	<b>-1.6</b>	<b>-2.1</b>	<b>-67.8</b>	<b>-50.5</b>	<b>31.2</b>	<b>-25.5</b>	
Exports	2.7	3.4	1.3	12.2	14.4	-61.6	17.8	
Imports (fob)	5.2	5.0	3.5	80.0	64.9	-30.0	-18.9	
<b>Services Account (net)</b>	<b>6.5</b>	<b>4.4</b>	<b>5.0</b>	<b>17.5</b>	<b>39.2</b>	<b>13.6</b>	<b>124.0</b>	
Receipts	9.9	7.4	8.0	76.1	92.9	7.7	22.1	
Payments	3.4	3.0	2.9	58.6	53.7	-0.8	-8.3	
<b>Goods and Services (net)</b>	<b>3.9</b>	<b>2.8</b>	<b>2.9</b>	<b>-50.2</b>	<b>-11.3</b>	<b>3.6</b>	<b>-77.5</b>	
Exports of Goods and Services	12.5	10.8	9.3	88.4	107.3	-14.2	21.5	
Imports of Goods and Services	8.6	8.0	6.4	138.6	118.6	-20.0	-14.4	
<b>Income Account (net)</b>	<b>0.03</b>	<b>0.03</b>	<b>0.04</b>	<b>0.46</b>	<b>0.28</b>	<b>33.3</b>	<b>-39.1</b>	
Receipts	0.04	0.03	0.04	0.46	0.33	18.6	-27.4	
Payments	0.01	0.00	0.01	0.00	0.06	33.3	1,744.4	
<b>Current Transfers (net)</b>	<b>1.3</b>	<b>0.9</b>	<b>1.0</b>	<b>43.1</b>	<b>40.1</b>	<b>11.1</b>	<b>-7.0</b>	
Inflows	1.3	0.9	1.0	43.1	40.1	11.1	-7.0	
Outflows	0.0	0.0	0.0	0.0	0.0			
<b>Current Account Balance</b>	<b>5.3</b>	<b>3.7</b>	<b>3.9</b>	<b>-6.6</b>	<b>29.1</b>	<b>5.4</b>	<b>-540.1</b>	

*p = Provisional*

Source: Tanzania Revenue Authority.

### Goods Exports Declined

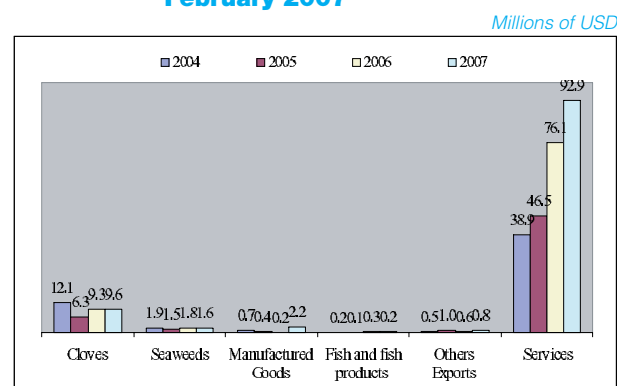
During the month under review exports of goods and services declined to USD 9.3 million from USD 10.8 million registered in January 2007. The decline was driven by slump in goods exports, particularly cloves on account of low season and partially due to informal marketing. Services receipts hiked to USD 8.0 million up from USD 7.4 million realized in the previous month and represented 86.0 percent of the total export receipts.

On year-to-year basis, total exports increased by 21.5 percent to USD 107.3 million from USD 88.4 million earned in the corresponding period in 2006. Services receipts

amounted to USD 92.9 million, representing 86.6 percent of total exports receipts, while cloves and seaweeds exports amounted to USD 9.6 million and USD 1.6 million, respectively representing 9.0 percent and 1.5 percent of total exports earnings. Manufactured goods exports surged to USD 2.2 million from USD 0.2 million representing 2.0 percent of total exports. Exports of fish and fish produce amounted to USD 0.2 million or 0.2 percent of total export receipts while earnings from other exports amounted to USD 0.8 million or 0.7 percent of total export receipts.

(Chart 6.6 and Table 6.2).

**Chart 6.6: Contribution to Total Exports of Goods and Services -Year Ended February 2007**



Note: Other exports include seaweeds, fish and fish products; manufactured goods and other smaller export categories

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

Item	2006		2007 <sup>p</sup>		Year Ending Feb		% Change	
	Dec	Jan	Feb	2006	2007 <sup>p</sup>	Monthly	Annual	
<b>Traditional Exports:</b>								
<b>Cloves</b>								
Value	2.3	3.0	0.8	9.3	9.6	-73.3	3.2	
Volume	0.7	1.0	0.3	3.2	3.0	-73.2	-6.5	
Unit Price	3,202.8	2,921.9	3,039.1	2,928.7	3,209.2	4.0	9.6	
<b>Sub Total</b>	<b>2.3</b>	<b>3.0</b>	<b>0.8</b>	<b>9.3</b>	<b>9.6</b>	<b>-73.3</b>	<b>3.2</b>	
<b>Non-Traditional Exports:</b>								
<b>Seaweeds</b>								
Value	0.1	0.3	0.2	1.8	1.6	-33.3	-11.1	
Volume	0.6	1.5	0.8	8.7	7.8	-45.5	-10.3	
Unit Price	184.2	169.1	222.4	210.7	205.3	31.5	-2.6	
<b>Manufactured Goods</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>2.2</b>	<b>50.0</b>	<b>-</b>	
<b>Fish and Fish Produce</b>	<b>0.02</b>	<b>0.00</b>	<b>0.00</b>	<b>0.3</b>	<b>0.2</b>	<b>0.0</b>	<b>-33.3</b>	
<b>Others Exports</b>	<b>0.04</b>	<b>0.01</b>	<b>0.02</b>	<b>0.6</b>	<b>0.8</b>	<b>100.0</b>	<b>33.3</b>	
<b>Sub Total</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>2.9</b>	<b>4.9</b>	<b>8.4</b>	<b>66.5</b>	
<b>Grand Total</b>	<b>2.7</b>	<b>3.4</b>	<b>1.3</b>	<b>12.2</b>	<b>14.4</b>	<b>-61.7</b>	<b>18.0</b>	

*p = provisional*

... = Very small value

Source: Tanzania Revenue Authority

### Imports Marked Decline

During February 2007, imports of goods (c.i.f) declined by 31.3 percent to USD 3.8 million from USD 5.5 million of the previous month, mainly on account of decline in consumer, capital and intermediate goods. Consumer goods imports declined to USD 1.4 million from USD 2.4 million, due to decrease in other consumer goods (clothing and footwear)



reflecting end of high imports season associated with festivals. Capital goods imports reached USD 2.1 million against USD 2.7 million recorded in previous month, mainly due to decline in imports of machinery, building and construction materials due to suspension and completion of some of major construction projects. Intermediate goods imports declined to USD 0.3 million from USD 0.5 million due mainly to slow down in oil imports.

On annual basis, imports declined by 18.9 percent to USD 71.3 million from USD 87.9 million registered in corresponding period in 2006, mainly due to decline in imports of intermediate goods, particularly oil imports. Oil import bill declined to USD 11.9 million or 16.6 percent of total imports from USD 23.0 million or 26.1 percent of total imports registered in the corresponding period in 2006 following decline in world oil prices. Consumer goods imports declined to USD 20.2 million from USD 25.2 million registered in the previous corresponding period due to decline in food imports reflecting adequate food supply in domestic markets. Food and food stuffs imports decreased to USD 5.7 million or 7.9 percent of total imports from USD 14.7 million or 16.7 percent of total imports of the previous corresponding period on account of good food harvests. Capital goods imports decreased by 7.9 percent to USD 32.8 million from USD 35.6 million due to decline in imports of machinery, building and construction materials responding to completion and partly to suspension of some major construction projects (Table 6.3).

## Services Account Surplus Slightly Increased

Services account balance during the period under review, registered a surplus of USD 5 million from the surplus of USD 4.4 million registered in the previous month, largely due to an increase in foreign receipts coupled with decrease in foreign payments. Foreign receipts increased to USD 8 million from USD 7.4 million, out of which travel receipts amounted to USD 5.6 million or 70 percent of total foreign receipts. Foreign payment slightly decreased to USD 2.9 million from USD 3 million, out of which travel payments amounted to USD 2.6 million or 89.7 percent of total foreign payments.

On year-to-year basis, the services account posted impressive surplus of USD 39.2 million up from USD 17.5 million of January 2007. The increase resulted from increase in foreign receipts to USD 92.9 million from USD 76.1 million of the corresponding period in 2006 coupled with decline in foreign payment to USD 53.7 million from USD 58.5 million. Travel receipts amounted to USD 76.5 million or 82.3 percent of total service receipts, while travel payments amounted to USD 42.1 million or 78.4 percent of total foreign payments.

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

Millions of USD

Import Category	2006		2007 <sup>p</sup>		Year Ending Feb		% Change	
	Dec	Jan	Feb	2006	2007 <sup>p</sup>	Monthly	Annual	
<b>Capital Goods</b>	<b>2.5</b>	<b>2.7</b>	<b>2.1</b>	<b>35.6</b>	<b>32.8</b>	<b>-22.2</b>	<b>-7.9</b>	
Transport Equipments	0.8	0.7	1.0	10.4	10.9	49.0	4.8	
Building and Constructions	0.4	0.6	0.4	8.0	7.0	-34.1	-12.3	
Machinery	1.3	1.4	0.7	17.2	14.9	-48.8	-13.6	
<b>Intermediate Goods</b>	<b>1.5</b>	<b>0.5</b>	<b>0.3</b>	<b>27.2</b>	<b>18.4</b>	<b>-40.0</b>	<b>-32.3</b>	
Oil imports	1.0	0.2	0.0	23.0	11.9	-94.6	-48.0	
Fertilizers	...	0.02	0.00	0.0	0.02	-100.0	100.0	
Industrial raw materials	0.5	0.3	0.2	4.2	6.5	-16.0	53.0	
<b>Consumer Goods</b>	<b>1.8</b>	<b>2.4</b>	<b>1.4</b>	<b>25.2</b>	<b>20.2</b>	<b>-41.6</b>	<b>-19.8</b>	
Food and food stuffs	0.3	0.3	0.3	14.7	5.7	-2.9	-61.3	
All other consumer goods	1.5	2.1	1.1	10.5	14.5	-45.3	38.6	
<b>Grand Total (c.i.f)</b>	<b>5.8</b>	<b>5.5</b>	<b>3.8</b>	<b>87.9</b>	<b>71.3</b>	<b>-31.0</b>	<b>-18.9</b>	
<b>Grand Total (f.o.b)</b>	<b>5.2</b>	<b>5.0</b>	<b>3.5</b>	<b>80.0</b>	<b>64.9</b>	<b>-30.0</b>	<b>-18.9</b>	

*p = provisional*  
*... = Very small value*

Source: Tanzania Revenue Authority



## STATISTICAL TABLES



**Table A1: Selected Economic Indicators**

Item	Unit	2000	2001	2002	2003	2004	2005 <sup>p</sup>
<b>1. National Accounts and Prices</b>							
1.1 Change in GDP at Factor Cost--Current Prices	Percent	12.2	13.7	14.1	12.8	14.8	14.3
1.2 Change in GDP at Factor Cost--Constant 1992 Prices	Percent	4.9	5.7	6.2	5.7	6.7	6.9
1.3 GDP Per Capita--Current Prices <sup>1</sup>	TZS	210,231	231,751	258,925	286,888	320,000	356,275
1.4 GDP Per Capita--Current Prices <sup>1</sup>	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 <sup>3*</sup>	Percent	11.6	11.1	12.7	11.8	12.3	12.5
<b>2. Money Credit and Interest Rates</b>							
2.1 Change in Extended Broad Money Supply (M3) <sup>**</sup>	Percent	14.8	17.1	25.1	16.6	19.3	38.2
2.2 Change in Broad Money Supply (M2) <sup>***</sup>	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 <sup>1</sup>	Percent	9.8	7.6	8.8	8.7	8.5	9.4
2.6 Private Sector Credit to GDP Ratio <sup>1</sup>	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
<b>3. Balance of Payments****</b>							
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
<b>4 Population (TZ Mainland)</b>	Million	31.9	32.1	33.6	34.2	34.8	35.4
<b>5. Public Finance</b>							
		<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06*</b>
5.1 Current Revenue to GDP Ratio <sup>1</sup>	Percent	12.2	11.8	12.3	12.1	13.3	13.5
5.2 Grants to GDP Ratio <sup>1</sup>	Percent	3.7	4.3	3.2	3.7	6.7	6.1
5.2 Current Expenditure to GDP Ratio <sup>1</sup>	Percent	13.0	12.7	13.0	12.9	17.1	16.7
5.3 Development Expenditure to GDP Ratio <sup>1</sup>	Percent	3.7	3.9	3.3	3.6	8.4	8.6
5.4 Deficit to GDP Ratio (excluding grants) <sup>1</sup>	Percent	-4.5	-4.8	-4.0	-4.4	-11.9	-11.8
5.5 Deficit to GDP Ratio (including grants) <sup>1</sup>	Percent	-0.8	-0.5	-0.8	-0.6	-5.2	-5.7
<b>6. Total External Debt Stock</b>							
Disbursed Debt	Mill. USD	7,482.1	7,464.0	7,268.1	7,857.0	8,134.8	7,931.8
Interest	Mill. USD	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5	6,743.6
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 A2: Central Government Operations (Monthly Flows)-Revised

Millions of TZS

Item	2006/07											
	2004/05	2005/06	BUDGET 2006/07	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
<b>Total Revenue</b>	<b>1,773,709.4</b>	<b>2,124,843.7</b>	<b>2,460,994.9</b>	<b>188,494.6</b>	<b>204,402.1</b>	<b>242,020.6</b>	<b>201,818.0</b>	<b>208,334.6</b>	<b>266,627.0</b>	<b>214,156.5</b>	<b>207,232.0</b>	
Tax Revenue	1,615,247.0	1,946,432.6	2,269,578.8	171,495.0	186,445.9	224,927.5	185,315.7	182,762.1	250,742.9	199,202.9	191,858.0	
Taxes on Imports	679,992.4	819,800.5	979,788.3	81,591.1	84,145.0	83,570.5	77,943.3	87,519.3	87,861.1	87,887.2	81,820.0	
Sales/VAT and Excise on Local Goods	402,136.1	478,395.4	566,935.2	42,073.8	49,333.4	48,150.8	50,310.4	50,162.6	52,107.3	50,253.1	93,884.0	
Refunds	-64,376.4	-69,961.0	-133,484.4	-7,654.6	-7,654.6	-7,654.6	-7,654.6	-13,845.2	-8,892.8	-8,892.8	-8,893.0	
Income Taxes	465,454.7	581,243.8	657,763.5	39,920.2	44,318.7	82,844.9	45,254.2	42,272.4	98,865.4	51,669.4	43,539.0	
Other taxes	132,040.2	136,954.0	198,576.2	15,564.5	16,303.4	18,015.9	19,462.4	16,653.0	20,801.9	18,286.0	17,696.0	
Non-tax Revenue	158,462.4	178,411.1	191,416.1	16,999.6	17,956.2	17,093.1	16,502.3	25,572.5	15,884.1	14,953.6	15,374.0	
<b>Total Expenditure 1/</b>	<b>3,164,215.5</b>	<b>3,873,254.8</b>	<b>4,788,496.6</b>	<b>236,987.3</b>	<b>291,517.8</b>	<b>425,523.5</b>	<b>416,801.3</b>	<b>346,305.2</b>	<b>386,170.7</b>	<b>280,867.6</b>	<b>325,405.0</b>	
Recurrent expenditure	2,093,054.9	2,661,862.5	3,054,030.0	158,204.4	189,211.7	260,450.2	231,294.5	256,600.2	260,195.2	207,367.2	242,045.0	
Road/roll fund	435,780.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Retention fund	104,290.4	61,260.2	50,000.0	7,693.9	4,970.4	5,928.6	6,308.6	7,051.3	6,787.8	7,285.7	8,398.0	
Wages and salaries	189,709.0	656,788.5	1,003,881.0	76,112.1	79,232.6	82,754.3	81,343.8	81,676.1	83,279.2	81,718.3	81,509.0	
Interest payments	95,055.1	218,861.3	112,000.0	12,268.4	11,729.3	19,496.4	24,475.0	12,512.6	13,092.4	29,239.9	3,930.0	
Domestic 2/	973,808.7	163,694.8	72,000.0	9,921.6	8,465.0	16,649.5	22,769.9	9,375.9	10,287.5	26,747.7	2,426.0	
Foreign	68,511.7	55,166.5	40,000.0	2,346.8	3,264.3	2,846.9	1,705.1	3,136.7	2,804.8	2,492.2	0.0	
Other goods, services and transfers	502,573.3	1,786,212.7	1,938,149.0	69,823.9	98,249.8	158,199.5	125,475.7	162,411.5	163,823.7	96,409.1	147,048.0	
<b>Dev. expenditure and net lending</b>	<b>1,071,160.6</b>	<b>1,211,392.2</b>	<b>1,734,466.6</b>	<b>78,782.9</b>	<b>102,306.1</b>	<b>165,073.3</b>	<b>185,506.8</b>	<b>89,705.0</b>	<b>125,975.5</b>	<b>73,500.4</b>	<b>83,361.0</b>	
Local	239,651.1	296,100.0	641,766.0	9,360.2	56,308.2	90,000.0	61,671.4	54,591.8	30,000.0	30,000.0	30,000.0	
Foreign	831,509.5	915,292.2	1,092,700.6	69,422.7	45,997.9	75,073.3	123,835.4	35,113.2	95,975.5	43,500.4	53,361.0	
<b>Overall Balance (cheque issued) before Grants</b>	<b>-1,390,506.2</b>	<b>-1,748,411.0</b>	<b>-2,327,501.7</b>	<b>-48,492.7</b>	<b>-87,115.7</b>	<b>-183,502.9</b>	<b>-124,983.3</b>	<b>-137,970.6</b>	<b>-119,543.7</b>	<b>-66,711.1</b>	<b>-118,173.0</b>	
Grants	724,396.5	1,000,160.2	1,438,852.0	25,093.8	34,077.4	59,937.9	148,385.3	67,522.7	89,211.6	33,590.2	33,415.0	
Program (CIS/OGL)	364,280.3	331,024.6	471,025.0	0.0	280,933.0	22,681.2	99,514.0	8,422.9	54,776.3	0.0	0.0	
Project	131,735.2	416,771.0	422,950.6	10,384.6	20,279.0	22,017.3	14,987.4	10,793.3	66,238.1	5,935.5	23,683.0	
Basket funds	156,071.6	175,975.3	216,016.3	5,349.0	16,767.9	15,239.4	28,099.5	1,953.0	14,550.5	0.0	0.0	
HIPC Relief	72,309.4	76,389.3	328,860.0	9,360.2	24,097.5	0.0	5,784.4	0.0	0.0	27,654.7	9,732.0	
<b>Overall defc. (cheq.issued) after Grants</b>	<b>-666,109.6</b>	<b>-748,250.9</b>	<b>-888,649.7</b>	<b>-23,398.9</b>	<b>254,961.7</b>	<b>-123,565.0</b>	<b>-66,598.0</b>	<b>-70,447.9</b>	<b>-30,332.2</b>	<b>-33,120.9</b>	<b>-84,759.0</b>	
Expenditure float	140,141.5	69,713.1	0.0	-113,193.1	-8,399.8	-6,091.3	-913.7	-2,288.1	-413.4	0.0	0.0	
Adjustments to cash and other items ( net)	-59,596.2	-245,875	0	-20,641	-4,114	58,128	9,695	12,753	-7,591	-93,873	-67,778.0	
<b>Overall Balance (cheques issued)</b>	<b>-727,075.2</b>	<b>-924,412.5</b>	<b>-888,649.7</b>	<b>-157,232.9</b>	<b>242,448.1</b>	<b>-71,528.0</b>	<b>-57,816.6</b>	<b>-59,983.5</b>	<b>-38,336.8</b>	<b>-126,993.9</b>	<b>-152,537.0</b>	
<b>Financing:</b>	<b>727,075.2</b>	<b>924,412.5</b>	<b>888,649.7</b>	<b>157,232.9</b>	<b>-242,448.1</b>	<b>71,528.0</b>	<b>57,816.6</b>	<b>59,983.5</b>	<b>38,336.8</b>	<b>126,993.9</b>	<b>152,537.0</b>	
Foreign Financing ( net)	582,130.1	561,219.0	736,171.9	315,214.7	5,232.4	36,322.5	74,251.7	19,236.1	11,066.5	36,412.8	29,080.0	
Loans	689,219.7	668,934.5	787,262.9	319,536.9	8,951.0	37,816.6	80,748.5	22,366.9	15,186.9	37,564.8	29,678.0	
Program loans	65,395.6	257,677.1	333,529.3	265,847.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Development Project loans	467,079.3	328,955.7	362,812.0	53,689.1	8,951.0	26,695.1	80,748.5	22,366.9	15,186.9	37,564.8	29,678.0	
Basket Support	156,744.7	82,301.8	90,921.6	0.0	0.0	11,121.4	0.0	0.0	0.0	0.0	0.0	
Amortization	-107,089.6	-107,715.5	-51,091.0	-4,322.2	-3,718.6	-1,494.1	-6,496.8	-3,130.9	-4,120.4	-1,152.1	-598.0	
<b>Domestic (net)</b>	<b>144,945.2</b>	<b>363,193.5</b>	<b>152,477.8</b>	<b>-157,981.8</b>	<b>-247,680.5</b>	<b>35,205.5</b>	<b>-16,435.1</b>	<b>40,747.5</b>	<b>27,270.3</b>	<b>90,581.1</b>	<b>123,457.0</b>	
Domestic Financing	97,313.2	348,885.7	163,477.8	-157,981.8	-247,680.5	35,205.5	-16,435.1	40,747.5	27,270.3	90,581.1	123,457.0	
Bank borrowing	47,632.0	129,644.6	0.0	-189,976.0	-218,696.7	26,198.0	-23,707.4	24,301.8	110,441.6	81,551.3	118,457.0	
Non-Bank (net of amortization)	0.0	219,241.1	0.0	31,994.2	-24,727.5	9,007.4	7,272.3	16,445.6	-83,171.4	9,029.8	5,000.0	
Amortization of contingent debt	0.0	-19,001.4	-11,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Privatization Proceeds	0.0	33,309.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

Note:

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

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

Source: Ministry of Finance



Table A3: Monetary Survey

End of Period	Millions of TZS															
	Domestic assets (net)					Domestic credit (net)					Claims on private sectors					
	Foreign assets (net)					Claims on government (net)					Claims on private sectors (net)*					
1	M3, Extended Broad Money					M2, Broad Money					M1, Narrow Money					Memorandum item:
	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
	Foreign assets (net)	Claims on government (net)	Claims on private sectors (net)*	Other items (net)	TOTAL sum(2-5) or sum(9-13)	TOTAL sum(9-12)	TOTAL sum(9-10)	Currency in circulation outside banks	Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum(9-15)	of which: CB Reserves		
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		
2005-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	977,283.9	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	3,117,359.6	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	344,700.7		
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	2,271,794.7	316,477.6	1,300,730.5	-496,058.9	3,392,943.9	2,383,746.1	1,556,217.6	766,287.7	789,931.9	311,839.8	515,688.6	1,009,197.8	1,036,250.2	269,964.5		
August	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	348,102.1	520,751.9	1,039,633.7	1,102,883.1	338,219.5		
September	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		
October	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		
November	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		
December	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-January	3,028,147.5	410,349.6	1,450,364.7	-870,330.5	4,018,531.2	2,807,935.4	1,737,737.0	805,963.9	931,773.1	446,757.0	623,441.5	1,210,595.8	1,247,662.8	441,699.0		
February	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		
March	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		
April	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		
May	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		
June	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		
July	3,432,917.0	115,208.8	1,777,777.0	-891,406.8	4,434,496.0	3,034,317.4	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		
August	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		
September	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		
October	3,441,196.7	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	961,556.7	438,799.8	747,770.7	1,516,462.5	1,534,636.5	601,252.3		
November	3,643,008.7	-75,281.4	1,973,837.9	-200,331.9	4,732,052.9	3,142,109.5	1,918,499.4	956,946.8	961,552.7	449,948.1	773,661.9	1,589,943.4	1,514,717.0	557,770.2		
December	3,566,023.7	-77,047.8	2,028,294.3	-109,269.6	4,798,822.1	3,193,785.0	1,930,421.5	975,585.9	954,855.4	469,458.2	793,684.3	1,605,037.1	1,443,529.9	467,944.0		
2007-January	3,707,400.8	-90,742.2	2,044,803.3	-197,761.1	4,854,521.8	3,239,534.6	1,960,438.3	968,656.4	991,689.9	473,155.3	805,941.0	1,614,987.2	1,576,593.5	607,937.1		
February	3,613,744.6	24,989.1	2,079,015.2	-168,320.0	4,940,250.4	3,308,381.7	2,008,450.8	967,334.5	1,041,116.3	483,284.7	816,646.1	1,631,868.7	1,549,845.2	582,510.7		

\* Formerly known as "Claims on other domestic sectors"  
CB - Commercial Banks  
Source: Bank of Tanzania



Millions of TZS

Table A4 : Interest Rate Structure

Item	2006						2007 (Prov.)					Percent
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	
<b>A: Domestic Currency</b>												
<b>1 Interbank Cash Market Rates</b>												
Overnight	5.14	5.06	8.52	8.92	8.41	15.22	16.05	4.49	6.73	12.04	7.44	
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	
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	
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	
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	
61 to 90 days	12.60	12.60	12.60	8.50	8.50	8.50	8.50	9.25	9.25	17.50	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	
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	
<b>Overall Interbank cash market rate</b>	<b>5.35</b>	<b>5.64</b>	<b>8.40</b>	<b>8.63</b>	<b>8.47</b>	<b>14.87</b>	<b>15.64</b>	<b>5.20</b>	<b>7.14</b>	<b>12.54</b>	<b>7.72</b>	
<b>2 Lombard Rate</b>	12.45	11.00	12.78	13.38	12.62	22.83	24.08	9.33	13.25	18.06	11.74	
<b>3 REPO Rate</b>	5.14	5.14	5.14	6.17	7.42	12.58	5.23	5.18	6.35	6.35	6.30	
<b>4 Treasury Bills Rates</b>												
35 days	8.30	7.34	6.44	6.64	8.29	10.56	10.43	6.22	8.83	10.96	7.83	
91 days	12.31	9.97	7.83	9.06	9.70	11.13	12.22	10.06	14.39	15.69	12.58	
182 days	12.26	10.61	8.49	9.26	9.97	11.69	13.28	11.29	14.95	16.02	13.41	
364 days	11.92	10.37	9.63	9.76	10.41	12.97	15.18	11.62	15.61	16.25	13.75	
<b>Overall Treasury bills rate</b>	<b>12.02</b>	<b>10.21</b>	<b>8.25</b>	<b>9.17</b>	<b>9.89</b>	<b>11.98</b>	<b>13.40</b>	<b>10.69</b>	<b>15.04</b>	<b>15.75</b>	<b>12.95</b>	
<b>5 Treasury Bonds- 2-years</b>												
	14.31	12.74	13.39	11.87	14.05	16.94	15.83	12.89	18.47	16.52	17.38	
<b>5-years</b>	17.19	15.76	15.76	15.76	16.18	17.43	18.14	15.89	15.21	13.60	16.37	
<b>7-years</b>	17.61	18.05	15.31	15.35	16.55	17.40	17.64	17.33	17.33	17.50	15.40	
<b>10-years</b>	20.60	16.35	16.00	16.96	16.94	17.42	17.52	17.69	17.69	17.15	17.82	
<b>6 Discount Rate</b>	17.00	16.02	13.40	13.40	14.60	16.67	18.40	15.69	20.07	21.31	17.92	
<b>7 Savings Deposit Rate</b>	2.81	2.75	2.54	2.54	2.58	2.59	2.57	2.60	2.59	2.59	2.25	
<b>8 Time Deposits Rates</b>												
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 month	4.97	4.05	7.90	6.57	6.85	8.41	8.05	7.29	7.28	6.36	6.82	
2 months	7.83	8.54	7.81	6.90	7.83	7.24	7.14	8.98	7.44	7.83	8.36	
3 months	5.61	5.95	6.76	7.86	7.75	6.83	8.01	7.49	7.53	8.47	7.76	
<b>6 months</b>	6.58	6.88	5.63	8.35	8.17	8.61	9.19	9.41	8.95	9.02	8.73	
12 months	8.44	8.00	8.70	8.01	9.03	8.20	8.70	9.05	8.75	8.20	8.47	
24 months	6.47	6.26	7.94	9.10	8.21	7.68	7.33	8.85	9.39	1.40	10.94	
<b>9 Negotiated Deposit Rates</b>												
	11.50	9.98	10.07	9.13	9.78	10.12	9.42	9.72	9.35	9.02	9.39	
<b>10 Lending rates</b>												
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	
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	
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	
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	
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	
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	
<b>11 Negotiated Lending Rates</b>												
	11.24	11.32	11.19	11.99	10.80	10.80	10.74	10.11	10.60	11.49	12.42	
<b>B: Foreign Currency</b>												
<b>1 Deposits Rates</b>												
Savings Deposits	0.72	0.76	0.61	0.78	0.50	0.61	0.66	0.65	0.67	0.63	0.28	
<b>Time Deposits</b>	<b>2.11</b>	<b>2.13</b>	<b>2.52</b>	<b>2.84</b>	<b>2.93</b>	<b>2.72</b>	<b>2.79</b>	<b>2.57</b>	<b>2.75</b>	<b>2.73</b>	<b>2.85</b>	
1-months	1.81	2.23	1.98	2.80	3.00	2.66	2.73	2.76	2.46	2.24	2.39	
2-months	2.33	1.96	2.49	2.52	2.97	2.78	3.25	2.47	2.75	2.14	2.07	
3-months	2.16	2.26	1.95	2.76	2.68	2.66	2.31	2.54	2.54	2.64	2.87	
6-months	1.99	1.88	2.43	2.73	2.89	2.44	2.69	2.31	3.20	3.35	3.22	
12-months	2.25	2.32	3.75	3.37	3.10	3.04	2.95	2.73	2.78	3.29	3.69	
<b>2 Lending Rates</b>												
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	
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	
Medium-term (2-3 years)	8.56	8.60	8.76	9.70	8.20	8.07	7.90	8.02	7.57	8.83	8.09	
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	
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	

Source: Bank of Tanzania



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

Item	2006 <sup>p</sup>	2007 <sup>p</sup>		% Change		Year Ending Feb <sup>p</sup>		
	Feb	Jan	Feb	Feb 06-Feb 07	Jan 07-Feb 07	2006	2007	% Change
<b>Traditional Exports:</b>								
<b>COFFEE</b>								
Value	6.3	15.3	13.2	109.3	-13.9	68.8	74.7	8.6
Volume	3.3	7.3	5.7	73.0	-21.0	41.1	36.6	-10.9
Unit Price	1,896.2	2,105.1	2,293.8	21.0	9.0	1,673.0	2,039.5	21.9
<b>COTTON</b>								
Value	6.9	2.2	1.5	-78.6	-32.3	114.8	43.8	-61.8
Volume	7.3	2.1	1.3	-82.7	-40.5	116.6	42.6	-63.4
Unit Price	954.0	1,042.4	1,184.7	24.2	13.6	984.6	1,027.7	4.4
<b>SISAL</b>								
Value	0.0	0.8	1.0	2,191.2	25.5	6.9	6.9	-0.7
Volume	0.1	1.1	1.1	1,900.3	-1.8	8.7	8.9	1.6
Unit Price	775.0	694.5	887.7	14.5	27.8	789.5	772.3	-2.2
<b>TEA</b>								
Value	2.3	2.6	2.6	12.6	-1.6	24.2	31.7	31.2
Volume	1.9	2.0	1.9	3.8	-5.2	20.6	22.2	8.0
Unit Price	1,241.9	1,299.7	1,348.0	8.5	3.7	1,173.2	1,424.2	21.4
<b>TOBACCO</b>								
Value	3.7	0.0	0.0	-100.0	0.0	73.2	60.1	-17.9
Volume	1.5	0.0	0.0	-100.0	0.0	24.9	23.4	-6.1
Unit Price	2,437.9	0.0	0.0	-100.0	0.0	2,937.2	2,566.3	-12.6
<b>CASHEWNUTS</b>								
Value	0.7	6.9	1.4	98.7	-79.7	60.7	29.6	-51.2
Volume	1.0	13.8	3.0	202.3	-78.0	81.3	59.0	-27.4
Unit Price	697.9	498.2	458.6	-34.3	-7.9	746.7	502.3	-32.7
<b>CLOVES</b>								
Value	0.3	3.0	0.8	205.7	-72.0	9.7	9.8	0.8
Volume	0.1	1.0	0.3	290.0	-73.0	3.3	3.1	-6.6
Unit Price	3,871.4	2,921.9	3,034.8	#DIV/0!	#DIV/0!	2,927.2	3,159.2	#DIV/0!
<b>Sub Total</b>	<b>20.2</b>	<b>30.7</b>	<b>20.5</b>	<b>1.3</b>	<b>-33.4</b>	<b>358.2</b>	<b>256.5</b>	<b>-28.4</b>
<b>Non-Traditional Exports:</b>								
Minerals	43.8	81.6	63.2	44.3	-22.6	714.8	862.8	20.7
Gold	41.3	73.0	59.2	43.2	-18.9	658.7	806.8	22.5
Diamond	0.3	2.4	2.3	593.9	-4.6	22.3	24.2	8.6
Other minerals <sup>1</sup>	2.1	6.2	1.7	-19.3	-72.5	33.8	31.8	-6.0
Manufactured Goods	13.7	17.4	17.7	29.0	1.3	165.4	202.8	22.6
Cotton Yarn	0.6	0.2	0.3	-56.2	18.1	4.5	6.3	42.6
Manufactured Coffee	0.1	0.0	0.0	-83.1	2.7	1.1	1.3	0.0
Manufactured Tobacco	0.3	0.1	0.2	--	128.7	0.6	1.6	--
Sisal Products (Yarn & Twine)	0.2	0.4	0.3	96.4	-26.7	4.0	3.1	-21.5
Other manufactured Goods <sup>2</sup>	12.5	16.6	16.9	35.4	1.3	155.2	190.5	22.7
Fish and Fish Products	13.1	12.2	11.5	-12.4	-5.8	146.7	138.5	-5.6
Horticultural products	1.0	1.0	2.1	107.5	107.5	16.8	16.5	-1.7
Re-exports	10.0	11.0	9.7	-3.0	-11.8	129.6	130.0	0.3
Others Exports <sup>3</sup>	12.2	10.9	9.3	-24.3	-15.4	163.2	148.1	-9.2
<b>Sub Total</b>	<b>93.8</b>	<b>134.2</b>	<b>113.4</b>	<b>20.9</b>	<b>-15.5</b>	<b>1,336.5</b>	<b>1,498.7</b>	<b>12.1</b>
<b>Grand Total</b>	<b>114.0</b>	<b>167.4</b>	<b>133.9</b>	<b>17.4</b>	<b>-20.0</b>	<b>1,694.7</b>	<b>1,755.2</b>	<b>3.6</b>

**Note:**

<sup>1</sup> Include tanzanite, rubbies, sapphires, emeralds, copper, silver and other precious stones

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

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

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

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

Source: Bank of Tanzania, TRA





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

Millions of US \$

Item	2006 <sup>p</sup>		2007		% Change		Year Ending Feb <sup>p</sup>		% Change
	Feb	Jan	Jan	Feb	Jan 07-Feb 07	Feb 06-Feb 07	2006	2007	
<b>Capital Goods</b>	<b>109.7</b>	<b>132.8</b>	<b>114.3</b>		<b>-13.9</b>	<b>4.2</b>	<b>1,135.2</b>	<b>1,461.4</b>	<b>28.7</b>
Transport Equipments	31.3	26.9	31.3		16.4	0.1	308.2	372.7	20.9
Building and Constructions	23.9	28.3	34.5		21.8	44.3	270.5	338.1	25.0
Machinery	54.5	77.5	48.4		-37.5	-11.1	556.5	750.7	34.9
<b>Intermediate Goods</b>	<b>108.7</b>	<b>159.4</b>	<b>184.9</b>		<b>16.0</b>	<b>70.1</b>	<b>1,159.8</b>	<b>1,645.6</b>	<b>41.9</b>
Oil imports	87.3	109.1	160.7		47.2	84.0	834.1	1,194.4	43.2
Fertilizers	0.5	1.2	0.6		-47.9	27.9	61.8	53.9	-12.8
Industrial raw materials	20.9	49.0	23.6		-51.8	13.1	264.0	397.2	50.5
<b>Consumer Goods</b>	<b>57.8</b>	<b>92.0</b>	<b>75.4</b>		<b>-18.0</b>	<b>30.4</b>	<b>760.8</b>	<b>881.7</b>	<b>15.9</b>
Food and food stuffs	18.4	33.1	20.8		-37.1	13.2	177.6	263.4	48.3
All other consumer goods <sup>1</sup>	39.5	58.9	54.6		-7.3	38.4	583.2	618.3	6.0
<b>Grand Total (f.o.b)</b>	<b>276.2</b>	<b>384.1</b>	<b>374.6</b>		<b>-2.5</b>	<b>35.6</b>	<b>3,055.8</b>	<b>3,988.7</b>	<b>30.5</b>
<b>Grand Total (c.i.f)</b>	<b>303.6</b>	<b>422.1</b>	<b>411.7</b>		<b>-2.5</b>	<b>35.6</b>	<b>3,358.0</b>	<b>4,383.1</b>	<b>30.5</b>

**Note:**<sup>1</sup> It includes pharmaceutical products, paper products, plastic items, optical/photographic materials, textile apparels<sup>p</sup> = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.

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

Millions of US\$

Item	1999	2000	2001	2002	2003	2004r	2005p
<b>A. Current Account</b>	<b>-846.2</b>	<b>-485.9</b>	<b>-237.4</b>	<b>22.3</b>	<b>-111.0</b>	<b>-442.0</b>	<b>-955.9</b>
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: <b>Credit</b>	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: <b>Debit</b>	-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	-327.5	-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: <b>Credit</b>	32.4	50.4	55.3	67.9	87.1	81.8	80.9
<b>: Debit</b>	-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: <b>Credit</b>	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: <b>Debit</b>	-117.5	-78.5	-79.5	-61.3	-63.0	-65.0	-67.5
<b>B. Capital Account</b>	<b>270.6</b>	<b>330.4</b>	<b>361.5</b>	<b>355.4</b>	<b>358.2</b>	<b>293.6</b>	<b>504.9</b>
Capital transfers: <b>Credit</b>	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
<b>C. Financial Account, excl. reserves and related items</b>	<b>522.4</b>	<b>187.8</b>	<b>-353.7</b>	<b>191.6</b>	<b>256.9</b>	<b>382.8</b>	<b>281.8</b>
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
<b>D. Net Errors and Omissions</b>	<b>-244.5</b>	<b>-118.7</b>	<b>-580.0</b>	<b>-681.6</b>	<b>-449.6</b>	<b>-194.8</b>	<b>-296.6</b>
Overall balance	-128.4	-86.3	-809.6	-112.4	69.9	-98.1	-465.9
<b>E. Reserves and Related Items</b>	<b>128.4</b>	<b>86.3</b>	<b>809.6</b>	<b>112.4</b>	<b>-69.9</b>	<b>98.1</b>	<b>465.9</b>
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
<b>Memorandum items</b>							
GDP(mp) Mill. TZS	6,432,910.9	7,277,799.9	8,304,338.6	9,399,085.8	10,707,006.2	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





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

Base: June 2001=100

Period	Headline	Food	Non-Food	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Educ-ation	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	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	1.1	2.9	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	0.9	0.5	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	0.5	3.6	-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	1.4	2.7	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	-0.8	5.7	5.9	0.9	0.0	-3.3
Feb	3.8	6.6	0.2	-0.6	4.8	2.9	-5.4	0.3	-0.3	-0.3	-2.8	5.4	2.0	3.7	1.9
Mar	4.0	7.0	-0.1	0.7	2.0	4.3	-2.5	-1.6	-1.4	-1.4	3.0	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	-1.1	-0.4	-1.9	-1.3	-3.8	3.1
May	4.4	6.0	2.0	1.2	3.3	4.3	4.9	0.3	0.5	0.5	-2.7	0.9	1.3	1.4	-0.4
June	4.2	4.9	3.1	1.8	2.3	3.4	9.1	2.2	2.2	2.2	0.7	0.5	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	-0.4	-5.0	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	1.7	0.6	1.7	0.6	0.6	-0.2
Sep	4.0	4.6	3.2	0.5	4.5	0.2	6.0	2.9	4.3	4.3	1.5	3.7	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	1.9	2.7	2.2	1.0	-1.9	-0.8
Nov	4.4	5.9	2.4	-0.2	1.9	-1.0	7.6	2.2	1.5	1.5	0.0	4.0	1.6	3.3	-1.7
Dec	4.2	5.1	2.9	0.6	2.5	-1.3	7.0	0.9	2.4	2.4	3.2	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	0.5	-3.0	-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	2.4	6.0	-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	2.3	0.1	-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	2.5	4.9	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	1.4	4.4	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	0.4	6.1	-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	0.3	6.5	-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	-0.6	3.5	-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	-1.9	2.7	-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	-1.1	3.6	-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	-0.5	4.4	-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	0.0	3.5	-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	-1.7	-0.3	-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	-1.5	0.0	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	-1.8	-0.7	-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	-1.2	0.3	-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	-0.9	-0.6	-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	0.4	-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	0.0	-0.8	-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	1.9	1.4	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	4.2	5.3	10.3	12.3	6.1	9.9
Oct	6.0	5.2	7.0	8.7	3.0	2.9	9.1	13.0	6.1	6.1	4.6	6.1	7.2	1.3	10.1
Nov	6.2	7.0	5.7	9.5	5.4	2.2	2.6	6.3	7.1	7.1	5.7	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	4.8	4.1	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	9.6	2.0	5.6	8.8	10.0	-1.8
Feb	7.3	6.2	8.8	11.2	6.3	6.9	9.6	11.0	10.8	10.8	0.9	7.5	9.8	11.8	-0.4

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)

Base: June 2001=100

Period	Headline (General Index)	Food		Non-Food		Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Education	Miscel. goods & services
		55.9	Total 44.1	6.9	6.4											
2004 Jan	5.6	6.7	3.8	1.4	4.9	5.0	7.0	-0.2	3.1	9.9	1.2	2.1	1.5	4.9		
Feb	-0.3	0.3	-0.8	-1.8	-0.6	0.3	-0.5	-0.4	-2.7	-9.1	0.3	1.1	1.7	-2.5		
Mar	-0.5	-0.2	-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	-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	1.5	3.9	0.0	-2.6	4.2	1.0	0.9	1.0	1.9	2.0	-2.4		
Jun	-0.5	-1.1	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	-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	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	-0.3	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	-0.5	-0.7	3.2	0.9	-0.6	-0.8	-0.6	0.3	0.6	-0.3	-0.9		
Nov	-0.3	0.1	-0.7	0.1	-0.8	0.0	-0.9	-0.8	-0.7	-0.9	-0.8	-0.8	-0.7	-0.4		
Dec	0.1	-0.1	0.2	0.8	0.7	0.2	-0.3	-0.1	-0.2	0.9	-0.3	-0.3	-0.5	0.9		
2005 Jan	5.4	7.5	2.4	1.5	1.0	3.7	5.4	-0.1	1.2	3.3	-0.7	2.6	1.0	1.9		
Feb	-0.2	0.1	-0.5	-0.7	-1.1	0.0	0.0	-1.2	-0.9	-0.7	-1.5	0.0	-0.7	-1.5		
Mar	-0.5	-0.9	0.0	0.1	-0.4	0.0	0.0	-0.1	0.1	-0.2	0.7	0.3	-0.7	-0.4		
Apr	0.4	0.5	0.2	0.4	-0.7	0.0	0.8	-0.4	-0.2	-0.2	-0.5	0.7	-0.1	-0.5		
May	-0.5	-0.8	0.1	0.3	-0.2	0.0	0.0	0.4	-0.1	0.4	0.4	0.1	0.1	0.0		
Jun	-0.3	-0.3	0.0	-0.2	0.0	0.0	0.3	-0.6	0.3	-0.2	0.4	0.0	0.8	0.2		
Jul	0.9	1.1	0.8	0.8	-0.4	0.2	2.7	0.7	-0.7	0.3	-0.7	0.7	-0.1	-0.4		
Aug	-0.4	-0.8	0.3	0.1	0.3	0.1	0.6	0.4	0.2	0.1	-0.3	0.6	-0.8	-0.2		
Sep	0.2	0.2	-0.1	-0.1	-0.4	0.0	0.2	0.0	-0.2	0.5	0.7	-0.4	0.2	-0.2		
Oct	-0.1	-0.3	0.1	-0.5	-0.7	3.2	0.9	-0.6	-0.8	-0.6	0.3	0.6	-0.3	-0.9		
Nov	-0.3	0.1	-0.7	0.1	-0.8	0.0	-0.9	-0.8	-0.7	-0.9	-0.8	-0.8	-0.7	-0.4		
Dec	0.1	-0.1	0.2	0.8	0.7	0.2	-0.3	-0.1	-0.2	0.9	-0.3	-0.3	-0.5	0.9		
2006 Jan	-4.1	-3.5	-4.8	-12.3	10.5	-17.3	-12.7	3.7	-2.8	1.9	1.5	-4.9	9.6	4.7		
Feb	0.2	0.4	-0.1	0.1	0.1	0.3	-0.7	0.3	-0.6	-0.5	0.2	0.2	0.1	-0.6		
Mar	0.2	0.3	0.0	0.2	-0.9	0.0	0.3	0.3	-0.3	-0.8	-0.4	0.4	-0.7	-0.6		
Apr	0.7	0.9	0.3	0.7	-0.7	0.0	0.4	-0.2	0.5	0.7	-0.3	0.5	0.8	0.7		
May	0.2	0.2	0.4	0.0	0.2	0.0	0.4	0.1	0.2	-0.6	-0.5	1.1	0.1	-0.6		
Jun	-1.1	-2.7	1.7	0.1	-0.2	0.1	5.5	-0.1	0.8	0.8	0.4	2.1	0.4	0.1		
Jul	-0.5	-1.3	0.9	3.5	0.8	0.0	0.3	0.9	-0.3	-0.9	0.1	0.8	0.8	-0.1		
Aug	-1.0	-1.7	-0.1	-0.3	-0.7	0.0	0.2	-0.1	0.1	0.4	-0.6	-0.1	0.5	0.2		
Sep	0.2	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2		
Oct	1.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6		
Nov	0.8	2.3	-0.6	0.2	0.3	0.0	-2.8	0.6	0.6	-0.1	1.8	-0.2	0.0	-0.6		
Dec	2.1	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6		
2007- Jan	1.3	1.8	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6		
Feb	1.1	0.7	1.7	0.5	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9		

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

Millions of US \$

Item	2004/05	2005/06	2006/07							
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>1. Overall Total Debt Committed <sup>2</sup></b>	<b>8,345.1</b>	<b>8,638.9</b>	<b>6,137.9</b>	<b>6,137.9</b>	<b>6,246.6</b>	<b>6,228.2</b>	<b>6,065.6</b>	<b>5,990.7</b>	<b>5,560.7</b>	<b>5,079.0</b>
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
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
<b>2. Disbursed Debt by Creditor Category <sup>2</sup></b>	<b>6,799.5</b>	<b>7,733.9</b>	<b>4,366.2</b>	<b>4,349.8</b>	<b>4,358.3</b>	<b>4,369.4</b>	<b>4,423.0</b>	<b>4,409.0</b>	<b>3,786.5</b>	<b>3,308.4</b>
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
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
Commercial	416.4	462.2	463.5	465.3	452.7	453.4	456.9	457.8	429.4	432.2
Export credits	254.5	305.9	305.9	306.2	306.6	306.6	307.3	308.7	318.7	319.2
<b>3. Disbursed Debt by Borrower Category <sup>2</sup></b>	<b>6,799.5</b>	<b>7,734.0</b>	<b>4,366.1</b>	<b>4,349.8</b>	<b>4,358.2</b>	<b>4,369.4</b>	<b>4,423.0</b>	<b>4,409.0</b>	<b>3,786.5</b>	<b>3,308.4</b>
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
Parastatal Companies	477.5	450.0	159.6	159.7	160.0	159.9	160.5	161.1	160.4	160.5
Private Sector	491.5	559.5	560.2	561.2	561.1	561.5	564	566	579.1	579.9
<b>4. Total Amount of Loans Contracted <sup>1</sup></b>	<b>631.9</b>	<b>673.9</b>	<b>0.4</b>	<b>191.2</b>	<b>1.1</b>	<b>0.0</b>	<b>3.0</b>	<b>4.2</b>	<b>0.0</b>	<b>0.0</b>
Government	491.7	574.8	0.0	191.2	0.0	0.0	0.0	0.0	0.0	0.0
Private	140.2	99.0	0.4	0.0	1.1	0.0	3.0	4.2	0.0	0.0
<b>5. Disbursements <sup>1</sup></b>	<b>190.2</b>	<b>210.0</b>	<b>215.5</b>	<b>13.1</b>	<b>17.5</b>	<b>16.5</b>	<b>25.9</b>	<b>42.4</b>	<b>0.0</b>	<b>0.0</b>
Government	161.4	182.4	215.5	12.7	17.3	16.5	25.6	42.4	0.0	0.0
Parastatal Companies	0.0	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	28.8	23.5	0.0	0.4	0.2	0.0	0.3	0.0	0.0	0.0
<b>6. Scheduled Debt Service <sup>1</sup></b>	<b>355.1</b>	<b>373.6</b>	<b>15.6</b>	<b>26.7</b>	<b>33.2</b>	<b>21.1</b>	<b>15.8</b>	<b>59.3</b>	<b>21.2</b>	<b>21.2</b>
<b>7. Actual Debt service <sup>1</sup></b>	<b>112.9</b>	<b>90.7</b>	<b>3.6</b>	<b>5.4</b>	<b>3.8</b>	<b>3.0</b>	<b>5.3</b>	<b>1.5</b>	<b>3.5</b>	<b>0.8</b>
Principal	86.0	61.4	2.2	2.6	1.1	0.6	3.6	0.4	1.4	0.6
Interest	26.9	29.3	1.4	2.8	2.6	2.4	1.7	1.1	2.1	0.2
<b>8. Net Transfers</b>	<b>77.3</b>	<b>119.3</b>	<b>211.9</b>	<b>7.7</b>	<b>13.8</b>	<b>13.5</b>	<b>20.6</b>	<b>40.9</b>	<b>-3.5</b>	<b>-0.8</b>
<b>9. Total Arrears by Creditor Category <sup>2</sup></b>	<b>2,470.5</b>	<b>2,392.4</b>	<b>2,413.6</b>	<b>2,389.2</b>	<b>2,404.4</b>	<b>2,422.0</b>	<b>2,434.3</b>	<b>2,501.1</b>	<b>2,065.0</b>	<b>2,083.7</b>
<b>Principal</b>	<b>1,135.2</b>	<b>1,132.2</b>	<b>1,138.1</b>	<b>1,123.1</b>	<b>1,136.4</b>	<b>1,141.5</b>	<b>1,132.0</b>	<b>1,161.7</b>	<b>910.8</b>	<b>918.2</b>
Bilateral	669.4	609.0	613.4	597.3	599.9	601.7	607.0	609.5	359.4	366.4
Multilateral	5.9	10.7	11.2	11.1	11.8	12.0	12.4	14.0	15.4	13.4
Commercial	249.2	274.1	275.0	276.2	285.8	287.7	277.1	298.4	295.8	297.5
Other Private Creditors	210.7	238.5	238.5	238.5	238.9	240.1	235.5	239.7	240.1	240.1
<b>Interest</b>	<b>1,335.3</b>	<b>1,260.1</b>	<b>1,275.5</b>	<b>1,266.0</b>	<b>1,268.0</b>	<b>1,280.5</b>	<b>1,302.3</b>	<b>1,339.4</b>	<b>1,154.2</b>	<b>1,165.5</b>
Bilateral	818.8	684.0	688.7	677.0	675.5	677.8	686.1	706.8	523.1	529.1
Multilateral*	23.4	22.0	22.5	22.4	22.9	22.8	23.0	23.9	23.4	24.2
Commercial	333.7	372.9	375.3	377.1	379.9	387.5	394.4	407.4	405.0	409.1
Other Private Creditors	159.4	181.2	189.0	189.5	189.7	192.4	198.8	201.4	202.6	203.1
<b>10. External Debt Stock</b>	<b>8,134.8</b>	<b>8,231.3</b>	<b>5,641.7</b>	<b>5,615.8</b>	<b>5,626.3</b>	<b>5,649.9</b>	<b>5,725.3</b>	<b>5,748.4</b>	<b>4,940.7</b>	<b>4,474</b>
<b>11. Domestic Debt Stock</b>	<b>952.6</b>	<b>1,405.9</b>	<b>1,388.2</b>	<b>1,342.7</b>	<b>1,386.4</b>	<b>1,374.4</b>	<b>1,362.7</b>	<b>1,440.0</b>	<b>1,398.7</b>	<b>1,462.3</b>
<b>12. Total Debt Stock</b>	<b>9,087.4</b>	<b>9,637.2</b>	<b>7,029.9</b>	<b>6,958.5</b>	<b>7,012.7</b>	<b>7,024.3</b>	<b>7,088.0</b>	<b>7,189.0</b>	<b>6,339.4</b>	<b>5,936.2</b>
<b>End Period Exchange Rate</b>	<b>1,126.3</b>	<b>1,253.1</b>	<b>1,287.9</b>	<b>1,320.0</b>	<b>1,272.7</b>	<b>1,287.1</b>	<b>1,290.3</b>	<b>1,261.6</b>	<b>1,301.4</b>	<b>1,263.4</b>

\* Multilateral arrears are those owed by private companies

1) During the period 2) Position as at the end of February 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.





ISSN 0856 - 6844

Bring your investment into the  
ideal growth environment

## TANZANIA



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