



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

February 2007

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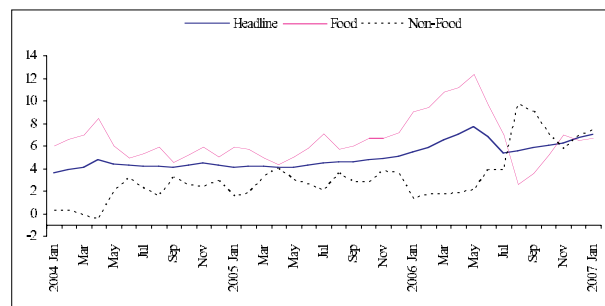


1.0 Inflation Developments

The annual overall inflation continued to move upwards in January 2007 mainly due to increases in both food and non-food inflation. The rate took an upward trend from 5.8 percent in September 2006 to 7.0 percent in January 2007. Annual food inflation moved upwards in January 2007 to 6.7 percent from 6.5 percent in the year ended December 2006 mainly due to an increase in prices of rice and beans following inadequate supply. Similarly, the annual non-food inflation increased from 6.8 percent in December 2006 to 7.4 percent in January 2007 mainly due to an increase in average prices of items under clothing and footwear, drinks and tobacco, transportation subgroups **(Chart 1.1)**.

On month-to-month basis consumer prices increased by 1.3 percent in January 2007 slower than an increase of 2.1 percent recorded in the preceding month. When seasonal influences were excluded, the month-on-month headline inflation accelerated to 1.7 percent in January 2007 as compared to 1.2 percent in December 2006. The acceleration in the seasonally adjusted headline inflation is consistent with the developments observed on the annual rate of inflation. Food prices on monthly basis went up by 1.8 percent in January 2007 as compared to an increase of 2.9 percent recorded in December 2006 mainly as a result of price increases of some food items like fish, milk powder, fruits, vegetables and wheat flour. The month-to-month non-food inflation went up by 0.6 percent in January 2007 as compared to an increase of 0.4 percent observed in December 2006 following an increase in prices of items such as drinks, clothing, rent, private secondary school fees. With continued good weather, and stability in the exchange rate and world market oil price, inflation is expected to slow down in the coming months.

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



Food Supply Situation

National food security conditions remained favourable in January 2007 except for few districts experiencing food shortages of about 5,000 tons. The government had already allocated about 7,022 tons of relief food to be distributed to the districts facing food shortage. Out of this amount, 1,034 tons were distributed during the month under review, leading to cumulative amount of 1,857 tons since the distribution started in December 2006. On monthly basis, prices of maize, rice, beans, sorghum and potatoes increased marginally mainly on account of removal of the export ban in January 2007 under which private traders were allowed to export cereals to the neighbouring countries **(Table 1.1)**.

Table 1.1: National Average Wholesale Prices for Selected Food Items

TZS per 100 Kg

Item	2006		2007	Percentage Change	
	Jan	Dec	Jan	Dec-06 to Jan-07	Jan-06 to Jan-07
Maize	29,945	17,935	18,369	2.2	-38.7
Rice	61,391	73,393	73,585	0.3	19.9
Beans	59,128	60,231	61,097	1.4	3.3
Sorghum	28,902	25,488	26,880	5.5	-7.0
Potatoes	38,221	35,240	38,431	9.1	0.5

Source: Ministry of Industry, Trade and Marketing

The Strategic Grain Reserves

In January 2007, the Strategic Grain Reserve (SGR) department purchased 112 tons of maize and 178 tons of sorghum. On cumulative basis, the purchases amounted to 92,097 tons of maize and 2,814 tons of sorghum since the purchases started in August 2006. By the end of January 2007, the SGR stock stood at 112,343 tons, an increase of 1.9 percent, compared to the recorded stock in December 2006. On annual basis the SGR stock increased by 46 percent when compared to 76,813 tons recorded in



January 2006 (Table 1.2). The increase of SGR stock was contributed by additional disbursement of TZS 2.4 billion by the government for cereal purchases as well as the arrival of 12,765 tons of maize imports. This is part of the 30,000 tons of maize the government planned to import through tender system.

Table 1.2: Strategic Grain Reserve (SGR) Stock

Period	Tons					% Change 2006-2007
	2003	2004	2005	2006	2007	
January	59,961	35,342	119,924	76,813	112,343	46
February	59,493	23,791	116,383	43,593		
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.

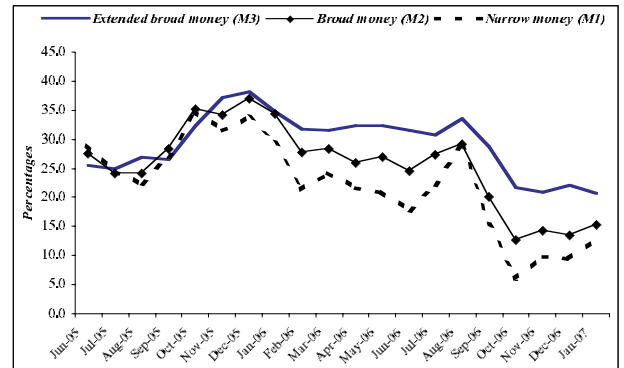
2.0 Monetary and Financial Developments

Money Supply

During the year ending January 2007, the growth of extended broad money supply (comprising of currency in circulation and all deposits at the commercial banks) slowed to 20.8 percent from 21.9 percent in the preceding month while the annual growth of broad money supply, (M2), which excludes foreign currency deposits rose slightly to 15.4 percent from 13.7 percent in the preceding month. Both rates were however significantly lower than those observed in January 2006 whereby M3 registered an annual growth rate of 34.8 percent and M2 an annual growth rate of 34.4 percent (Chart 2.1). The slowdown in money supply growth occurred mostly in Shilling denominated demand and time deposits. Demand deposits registered an annual growth rate of 6.4 percent in January 2007, far below the rate of 32 percent recorded in January 2006 while time deposits grew at an annual rate of 5.9 percent compared to a growth rate of 55.7 percent, in the same period.



Chart 2.1: Annual Growth Rates of Monetary Aggregates



The slowdown in the annual growth rate of money supply was a reflection of combined effect of slower rate of expansion of foreign assets and net domestic assets. Net foreign assets expanded at a slower rate partly reflecting the substantial sale of foreign exchange in the year ending January 2007 to meet the increase in the import demand for food, energy and thermal electric generator to address the shortages caused by the droughts. The demand for foreign exchange was exacerbated by higher world market oil price. The slowdown in total domestic credit was mainly on account of government expenditure control.

On month-to-month basis, M3 registered a relatively lower increase of about TZS 55.7 billion during January 2007 as compared to an increase of TZS 66.2 billion in the previous month. Likewise, broad money supply (M2) recorded a lower increase of TZS 45.7 billion, compared to an increase of TZS 51.5 billion registered in December 2006 (Table 2.1). The moderation of money supply growth in January 2007 was explained by a smaller increase in net domestic assets of the banking system.

Table 2.1: Selected Money Supply Components

Item	2006		2007	Monthly Change	Annual Growth Rate (%)		
	Jan	Dec	Jan		Jan-06	Dec-06	Jan-07
Extended broad money (M3)	4,018.5	4,798.3	4,853.9	55.7	34.8	21.9	20.8
Broad money (M2)	2,807.9	3,193.6	3,239.3	45.7	34.4	13.7	15.4
Currency outside banks	806.0	975.6	968.7	-6.9	26.5	15.7	20.2
Demand deposits	931.8	954.9	991.9	37.0	32.0	4.3	6.4
Time deposits	446.8	469.5	472.9	3.5	55.5	11.2	5.9
Savings deposits	623.4	793.7	805.8	12.2	35.9	26.6	29.3
Foreign currency deposits (FCD)	1,210.6	1,604.7	1,614.6	10.0	35.8	42.4	33.4
FCD in millions of USD	1,021.8	1,271.9	1,240.7	-31.3	26.3	31.6	21.4
Deposits in commercial banks	3,385.9	4,057.3	4,170.4	113.1	36.0	23.7	23.2
Private sector	3,212.6	3,822.7	3,885.3	62.6	37.1	23.6	20.9
Government	173.3	234.6	285.1	50.5	19.0	25.3	64.5
Net foreign assets	3,351.3	3,788.5	3,825.7	37.2	30.1	31.2	14.2
Bank of Tanzania	2,567.5	2,739.2	2,757.9	18.7	37.7	30.0	7.4
Commercial banks	783.8	1,049.3	1,067.8	18.5	10.2	34.5	36.2
Net domestic assets	1,276.5	1,618.9	1,637.4	18.5	36.7	-2.3	28.3
Domestic credit	1,530.5	1,725.8	1,832.8	107.0	54.9	27.8	19.8
Net claims on government	80.1	-302.5	-211.9	90.5	-162.1	302.9	-364.5
Bank of Tanzania	-494.3	-1,165.7	-1,024.0	141.7	59.6	96.3	107.2
Commercial banks	574.4	863.3	812.1	-51.2	217.9	66.4	41.4
Net claims on the private sector	1,450.4	2,028.3	2,044.7	16.4	29.8	42.3	41.0

Source: Bank of Tanzania

Credit Developments

The annual expansion of credit to private sector slowed marginally from 42.3 percent in December 2006 but remained high at 41.0 percent in January 2007, which is considerably high as compared to 29.8 percent in January last year. The largest part of credit was absorbed by manufacturing (23.6 percent), trade (16.8 percent), agriculture (10.4 percent) and transport and communication (10.9 percent). This growth reflects in part the sustained strong performance of economic activities, contraction in Government borrowing from the banking sector that has given more space to growth in private sector credit, declining credit risks due to continuing economic reforms, and the increased credit guarantee schemes. At the end of January 2007, credit to private sector amounted to TZS 2,044.7 billion, being 12.6 percent of GDP.

With regard to the government position, there was a large increase in government deposits in the banking sector emanating from front-loaded foreign budgetary assistance. During July 2006-January 2007, actual inflows amounted to USD 777.7 million that was 80.6 percent of the projected amount for the whole year 2006/07. Consistent with these developments, the government position with the banking system improved considerably. This improvement though is bound to clear gradually as the government spends the inflows over the remaining part of the fiscal year 2006/07.

Interest Rates

During the month of January 2007, developments in interest rates were by and large varied. The overall interbank cash market rates increased significantly from 7.14 percent to 12.54 percent, which was broadly due to high liquidity shortfall among the commercial banks. This is further reflected by the negotiated lending rates that reached 11.49 percent in January 2007 from 10.6 percent reported in December 2006. In addition, the treasury bills rate edged up from 15.04 percent in December 2006 to 15.75 percent in January 2007. In contrast, 12 months time deposits rate declined from 8.75 percent to 8.20 percent whereas negotiated deposit rate fell from 9.35 percent in December 2006 to 9.02 percent during the month under

review. In addition, overall 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
	Aug	Sep	Oct	Nov	Dec	Jan
Interbank cash market rate	8.47	14.87	15.64	5.20	7.14	12.54
Savings Deposit Rate	2.58	2.59	2.57	2.60	2.59	2.59
12 months time deposit rate	9.03	8.20	8.70	9.05	8.75	8.20
Negotiated Deposit Rate	9.78	10.12	9.42	9.72	9.35	9.02
Overall lending rates	16.51	16.71	16.61	16.61	16.36	17.22
Short-term (up to year)	15.64	15.90	15.60	15.71	15.67	15.80
Negotiated Lending Rates	10.80	10.80	10.74	10.11	10.60	11.49
Treasury Bills Weighted Average Yield (WAY)	9.89	11.98	13.4	10.69	15.04	15.75

Source: Commercial banks and Bank of Tanzania

Developments in Financial Markets

Treasury Bills Market

Treasury bills market continued to perform well in terms of the posted demand for government securities during the month, whereby demand went up to TZS 426.7 billion in January 2007 from the demand of TZS 304 billion recorded in December 2006. This outturn partly reflects the easing of demand for cash after the festive season, and investors' reaction to the upward movement of rates in December. Despite the increase in demand for treasury bills, the weighted average yield for January 2007 was 15.75 percent, higher than the 15.04 percent recorded in December 2006 as bidders offered prices that carried expectations of continued high yields (Table 2.3 and Chart 2.2).

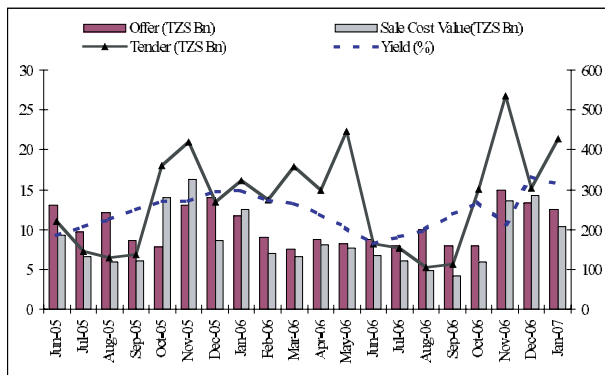
Table 2.3: Treasury bills Performance during Aug 06 – Jan 07

Item	2006					2007
	Aug	Sep	Oct	Nov	Dec	Jan
Supply	200.0	160.0	160.0	300.0	267.0	250.0
Demand	95.4	113.0	300.3	537.0	304.1	426.7
Sale	101.8	88.6	126.2	293.0	284.9	226.7
WAY (%)	9.89	11.98	13.40	10.69	15.04	15.75

Source: Financial Markets, Bank of Tanzania



Chart 2.2: Treasury Bills Market Developments



Treasury Bond Market

In the recent months, Treasury bond market has been performing satisfactorily (**Table 2.4**). In January 2007, Treasury bonds worth TZS 16.0 billion were offered up from TZS 12.0 billion offered in the preceding month. Demand on the other hand, decreased from TZS 46.4 billion in December 2006 to TZS 34.6 billion during the month under review. The Bank accepted bids worth TZS 12.6 billion compared TZS 37.0 billion in December 2006. During the month under review, the interest rate on 2-year bond decreased to 16.52 percent from 18.5 percent in December 2006, while the 5-year bond's rate decreased to 13.6 percent from 15.2 percent in the same period.

Table 2.4: Treasury bonds Performance: Aug 06 – Jan 07

Item	2006					2007
	Aug	Sep	Oct	Nov	Dec	Jan
Supply	20.0	16.0	16.0	20.0	12.0	16
Demand	19.6	26.3	30.4	53.6	46.4	34.6
Sale	16.7	18.2	15.0	20.0	37.0	12.9
Yield (%): 2-year	14.05	16.94	15.83	12.89	18.5	16.52
5-year	16.18	17.43	18.14	15.89	15.2	13.60

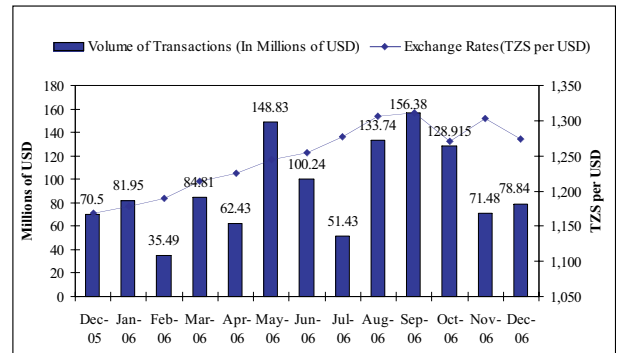
Source: Financial Markets, Bank of Tanzania

Inter-Bank Foreign Exchange Market (IFEM) Transactions Decline

During January 2007, the total amount of dollars traded in the Inter-bank Foreign Exchange Market (IFEM) declined slightly to USD 77.3 million (**Table 3**). On net basis, Bank of Tanzania and non commercial banks sold USD 26.9 million and USD 4.5 million, respectively, while commercial banks purchased USD 31.4 million. The weighted average

exchange rate of the shilling appreciated to TZS 1,266.5 per US dollar from TZS 1,273.9 per US dollar recorded in December 2006 (**Chart 2.3**).

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



Transactions in Bureaux de Change System Decline

Like in the IFEM, the volume of transactions (TZS) conducted by Bureau de Change system declined slightly to USD 70.0 million during the period under review. However, the buying and selling rates slightly depreciated to TZS 1,269.0 and TZS 1,294.0 per US dollar from TZS 1,263.0 and TZS 1,285.0 per US dollar recorded in December 2006, respectively (**Table 2.5**).

Table 2.5: Foreign Exchange Market Developments

Item	2006		2007	% Change		Year Ending Jan		
	Jan	Dec	Jan	Dec-06 Jan-07	Jan-06 Jan-07	2006	2007	% Change
IFEM								
Amount offered*	81.95	78.84	77.33	-1.92	-5.64	59.0	94.20	59.66
Amount sold*	81.95	78.84	77.33	-1.92	-5.64	59.0	94.20	59.66
Exchange rate**	1,177.92	1,273.94	1,266.51	-0.58	7.52	1,136.1	1,261.25	11.02
Bureau de Change								
Sales*	40.22	35.30	34.94	-1.02	-13.13	35.2	36.36	3.30
Purchases*	41.12	35.32	35.07	-0.71	-14.71	35.0	36.40	4.00
Volume of Transactions*	81.34	70.62	70.01	-0.86	-13.93	70.2	72.76	3.65
Buying rate**	1,168.00	1,263.00	1,269.00	0.48	8.65	1,130.3	1,250.42	10.63
Selling rate**	1,189.00	1,285.00	1,294.00	0.70	8.83	1,146.7	1,272.17	10.94

Source: Source: Bank of Tanzania

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



3.0 Government Budgetary Operations

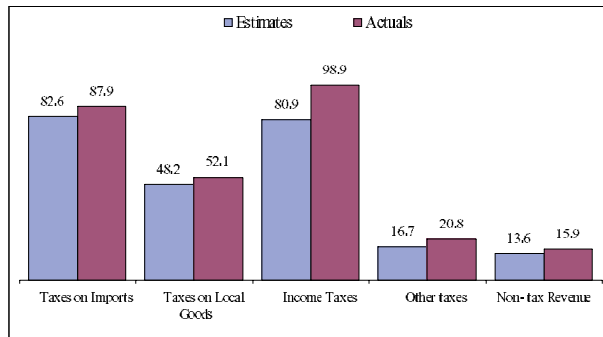
Tax Revenue Improves

During the month of December 2006, government budgetary operations recorded a deficit of TZS 15.1 billion after grants. Total resources that were available for the month from domestic revenue and grants amounted to TZS 277.8 billion while expenditure amounted to TZS 292.9 billion.

Total revenue collected during the period was above the target of TZS 229.5 billion by TZS 37.1 billion. Tax revenue collections amounted to TZS 250.7 billion, exceeding the target by TZS 34.9 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 the 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 the 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 the collection of outstanding tax arrears under the tax recovery program. Other factors responsible for the good performance in income tax collection 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 December 2006

Billions of TZS



During the month under review, total government expenditure cheques written (excluding amortization) amounted to TZS 292.9 billion out of which recurrent expenditure was TZS 260.2 billion while development expenditure amounted to TZS 32.7 billion.

Cumulatively, from July to December 2006, government expenditure amounted to TZS 1,993.7 billion, consisting of TZS 1,355.9 billion for recurrent expenses and TZS 637.8 billion for development projects.

4.0 External Sector Performance

Current Account Balance

In January 2007, the deficit in the current account balance widened to USD 231.2 million compared to a deficit of USD 202.5 million that was recorded in the previous month. This development is largely due to the decline in the official donor inflows from USD 33.2 million recorded in the previous month to USD 2.0 million. Similarly, on year-to-year basis, the current account worsened to a deficit of USD 1,812.7 million compared with a deficit of USD 978.8 million recorded in the year ending January 2006, following a huge increase in imports bill as a result of a surge in oil prices in the world market (**Table 4.1**).



Table 4.1: Current Account Balance

Millions of USD

Item	2006		2007	Year Ending Jan		Change
	Jan	Dec	Jan	2006 ^P	2007 ^P	
Goods Account (net)	-99.9	-209.9	-216.7	-1,315.4	-2,257.7	71.6
Exports	159.7	158.9	167.4	1,682.1	1,730.9	2.9
Imports	259.6	368.8	384.1	2,997.6	3,988.7	33.1
Services Account (net)	-1.9	-6.8	-6.3	65.4	124.0	89.6
Receipts	103.6	122.6	107.2	1,286.7	1,415.6	10.0
Payments	105.5	129.3	113.5	1,221.3	1,291.6	5.8
Goods and services (net)	-101.8	-216.7	-223.0	-1,250.0	-2,133.7	70.7
Exports of goods and services	263.3	281.5	274.6	2,968.8	3,146.5	6.0
Imports of goods and services	365.1	498.2	497.6	4,218.9	5,280.2	25.2
Income Account (net)	-27.6	-15.9	-10.3	-195.4	-168.6	-13.7
Receipts	10.9	8.3	7.4	80.0	81.0	1.3
Payments	38.5	24.2	17.7	275.4	249.6	-9.4
Current Transfers (net)	11.7	30.1	2.2	466.7	489.6	4.9
Inflows	17.1	36.5	8.5	534.2	556.1	4.1
o/w General Government	12.6	33.2	2.0	475.0	510.6	7.5
Outflows	5.4	6.4	6.3	67.5	66.5	-1.5
Current Account Balance	-117.7	-202.5	-231.2	-978.8	-1,812.7	-

Note: -- = Very large number

P = Provisional

Totals may not add due to rounding of numbers

Source: Bank of Tanzania

Exports Performance

During the year ending January 2007, exports of goods and services increased by 6.0 percent to USD 3,146.5 million largely due to the increase in services receipts as merchandise good exports grew by only 2.9 percent to USD 1,730.9 million during the period. The slow down in export of merchandise goods is partly attributed to the adverse effects of the unfavourable weather in the year 2005/06 farming season. Meanwhile, travel (tourism) continued to lead by contributing about 27 percent to the total exports of goods and services followed by gold exports that accounted for about 25 percent (**Chart 4.1**). However, gold also accounted for 45.3 percent of the total exports of goods as depicted on **Chart 4.2**.

Chart 4.1: Contribution of Selected Items to Total Exports of Goods and Service Year Ending January 2004- 2007

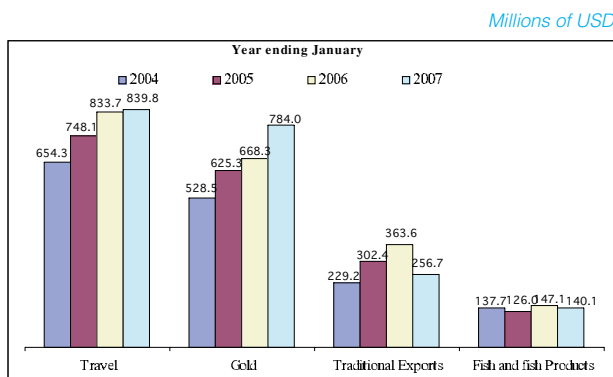
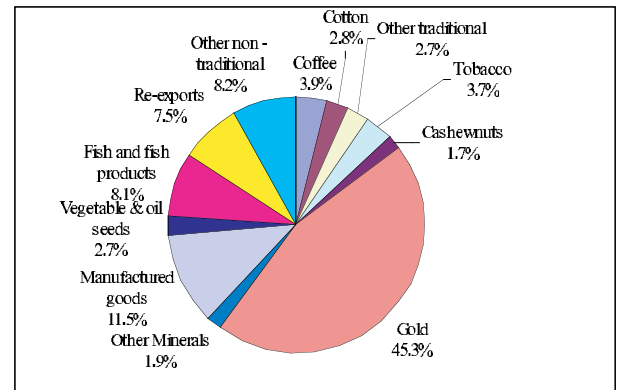


Chart 4.2: Contribution of Selected Items to Total Exports of Goods Year Ending January 2004- 2007



Note:

1. Other non-traditional include horticultural products and other exports
2. Other traditional exports include sisal, tea and cloves
3. Other minerals include Tanzanites, rubies, sapphires, emeralds, copper, silver and other precious stones.
4. Re-exports refers to goods that are imported and later exported to neighbouring countries. Major items in this category include wheat and refined petroleum products

Traditional Exports

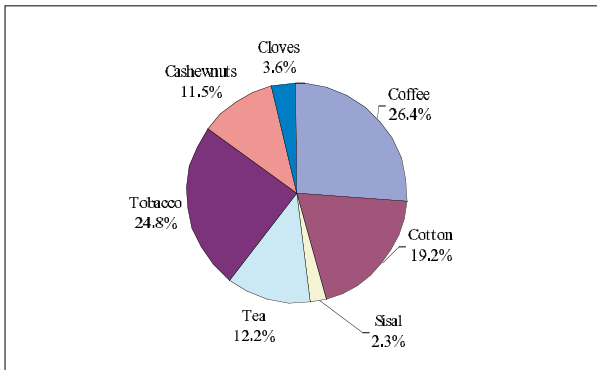
During January 2007, traditional exports recorded a marginal increase of 4.3 percent to USD 33.2 million compared to the level recorded in the previous month. All traditional exports, with the exception of cotton and cashew nuts, recorded an increase in both volumes and values. Coffee exports contributed about 46 percent of the traditional exports in the month under review following a surge in export volumes coupled with an increase in export unit prices. The other crop, which performed relatively well during the month, is cashew nuts, which contributed about 20 percent of the total traditional exports. However, the performance of cashew nuts was lower in January 2007 as compared to the levels recorded in the previous month due to the fact that the crop is now heading towards the tail end of its export season, which ends in the first quarter of the year.

During the year ending January 2007, traditional exports declined by 27.6 percent to USD 256.7 million largely due to unfavourable weather conditions that adversely affected production levels for most of the traditional crops. However, the impact on export earnings due to the decline in export volumes was lessened by the increase in unit prices for most of the traditional exports. With the exception of sisal and cashewnuts, all other traditional exports recorded increases in their unit prices. The performance of traditional



exports for the year ending January 2007 is reflected on (Chart 4.3).

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

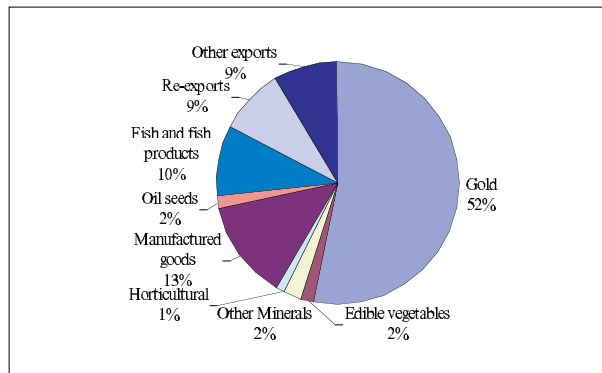


Non-Traditional Exports

Non-traditional exports increased to USD 134.2 million in January 2007 compared to USD 127.1 million that was recorded in the previous month amid increases in exports of minerals particularly gold. Manufactured exports recorded a decline with total exports worth USD 17.4 million as compared to USD 25.8 million in December 2006. It is worth noting that the strong performance of manufactured exports in December 2006 was largely explained by honouring of the Tanzania's basic annual sugar export quota into EU market of about 10,186 tons of which is normally done once in a year between the months of November and December.

On annual basis, non-traditional exports increased by 11.0 percent to USD 1,474.2 million as compared to the amount that was recorded during the year ending January 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 the higher gold prices in the world market as no increase in exported volume was recorded in this period. On the other hand, the surge in exports of manufactured goods is largely explained by the sustained growth of the manufacturing activity in recent years. Exports of gold, manufactured goods, fish and fish products remained dominant in non-traditional exports, accounting for about 53.2 percent, 13.5 percent and 9.5 percent, respectively of the non-traditional exports (Chart 4.4).

Chart 4.4: Contribution to Total Non-Traditional Exports Year Ending January 2007



Services Export

In January 2007, export of services decreased to USD 107.2 million from USD 122.6 million mainly due to the decrease in travel (tourism) and financial services.

On annual basis, services receipts went up by 10.0 percent to USD 1,415.6 million following the notable increases in transportation, other business and travel (tourism) services. The improvement in tourism sector that accounts for about 60 percent of total services receipt is mainly a result of the efforts made by the Government and other stakeholders of promoting Tanzania as the quality nature destination given its natural endowments and friendliness of its people. In this connection, Tanzania Tourist Board (TTB) is set to participate in at least 23 international tourism exhibitions, trade shows and promotional tours in 2007 as a new plan to promote destination Tanzania. Also the World National Geographic in January 2007 launched a program that will encourage its members to visit key tourist and conservation sites in Tanzania. Looking forward, 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, lack of direct flights from source tourist markets and customer services.

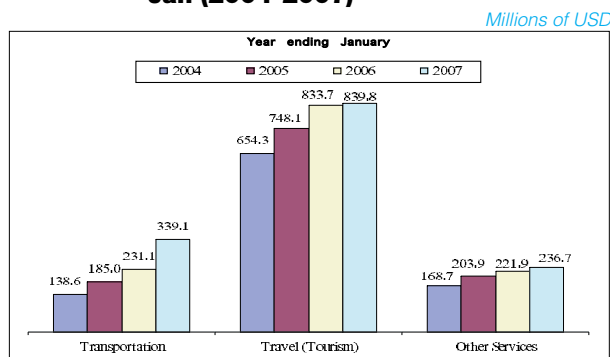
On the other hand, the significant increase in transportation receipts to USD 339.1 million from USD 231.1 million during the year ending January 2007 is largely attributed to the increase in transit cargo to and from the neighbouring countries following the improvement of security in those countries. Nevertheless, in order to sustain this positive



development there is a need to increase efficiency of cargo handling at our ports. It is worth mentioning that, Tanzania Port Authority is in the process of concessioning the Dar es Salaam general cargo terminal by June next year to improve its competitiveness in the region. It is expected that the development will increase efficiency and productivity as well as security and safety, thus providing a better outlet to foreign markets for landlocked countries.

Chart 4.5 depicts the 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 Jan (2004-2007)



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

Imports Performance

Goods Imports

During January 2007, goods imports (f.o.b.) increased to USD 384.1 million following a surge in consumer goods particularly food and foodstuff. Wheat and sugar are some of the items that recorded an increase in the subcategory of food and foodstuff in the consumer goods. Wheat worth about USD 22.0 million was imported compared to USD 14.6 million that was imported in December 2006. It is worthy noting that some the imported wheat is later re-exported to neighbouring landlocked countries.

Following a fall in imports of oil and fertilizer, imports of the sub category of intermediate goods declined by 1.3 percent to USD 159.4 million in January 2007. The value of imported oil went down to USD 109.1 million compared to USD 121.1 million in the preceding month partly due the fall

in imported volume of oil. During the month under review, a total of 230,322 tons of oil were imported compared to 235,946 tons in the previous month. On the other hand, import value of capital goods remained virtually unchanged at the previous month's level of USD 132.8 million (**Table 4.2**).

Table 4.2: imports

Millions of USD

Item	2006 ^P		2007 ^P		% Change		Year Ending Jan ^P	
	Jan	Dec	Jan	Dec 06	Jan 07	2006	2007	% Change
Capital Goods	106.5	133.1	132.8	-0.2	24.7	1,078.1	1,461.4	35.6
Transport Equipment	29.0	32.3	26.9	-16.6	-7.2	289.6	372.7	28.7
Building and Construction	28.3	22.5	28.3	26.1	0.2	257.2	338.1	31.4
Machinery	49.2	78.4	77.5	-1.1	57.6	531.3	750.7	41.3
Intermediate Goods	90.7	161.5	159.4	-1.3	75.7	1,166.3	1,645.6	41.1
Oil imports	61.3	121.1	109.1	-9.9	78.2	847.3	1,194.4	41.0
Fertilizers	1.2	4.6	1.2	-73.6	0.7	64.6	53.9	-16.6
Industrial raw materials	28.2	35.8	49.0	37.1	73.6	254.4	397.2	56.2
Consumer Goods	62.4	77.5	92.0	18.6	47.4	753.1	881.7	17.1
Food and food stuffs	18.9	23.9	33.1	38.1	74.8	168.4	263.4	56.4
All other consumer goods ¹	43.5	53.6	58.9	9.9	35.5	584.8	618.3	5.7
Grand Total (f.o.b)	259.6	372.2	384.1	3.2	48.0	2,997.6	3,988.7	33.1
Grand Total (c.i.f)	285.3	409.0	422.1	3.2	48.0	3,294.0	4,383.1	33.1

Oil imports refers to refined petroleum products

P = provisional data

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

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania and Tanzania Revenue Authority

Food Imports

In January 2007, food and food stuff imports increased to USD 33.1 million from USD 23.9 million in the previous month with cereal imports accounting for over 60 percent of the amount imported during the month. Wheat imports remained dominant in cereals accounting for over 90 percent of total cereal imports. It is worthy noting that imports of maize and rice has been on the decline in recent months following improvement of domestic supply of those cereals. **Table 4.3** summarizes the trend of selected cereal imports during the last four months beginning October 2006.

Table 4.3: Summary of Food Imports

Cereal	2006		2007	% Change
	Nov	Dec	Jan	Dec 06- Jan 07
Maize				
Tons	975	1,956	4.0	-99.8
Value (Mill. USD)	0.4	0.6	0.001	-99.8
Rice				
Tons	80	40	42	5.1
Value (Mill. USD)	0.03	0.01	0.01	12.0
Wheat				
Tons	42,030	66,756	91,278	36.7
Value (Mill. USD)	7.5	14.6	22.0	51.1

Note: -- = Very large number

Source: Bank of Tanzania and Tanzania Revenue Authority

On annual basis, goods import went up by 33.1 percent to USD 3,988.7 million following the increase in importation of capital, intermediate and consumer goods. Capital good imports increased by 35.6 percent to USD 1,461.4



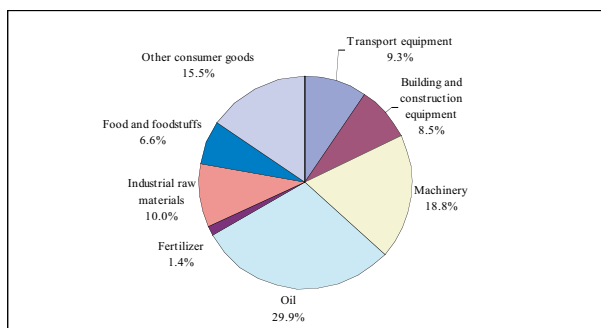
million mainly due to a surge in imports of transport equipment, building and construction, and machinery, which were mainly directed to the mining, communication, manufacturing and thermal power generation.

During the year ending January 2007 intermediate goods imports went up to USD 1,645.6 million on account of the increase in importation of oil and industrial raw materials. The significant increase in oil import bill is largely attributed to the persistent increase in the oil prices in the world market as well as the imported volume. During the period under review, the price of refined white petroleum products increased by 18.0 percent to an average of USD 601.63 per ton from the prices that prevailed in the previous year. Likewise, the volume of imported oil increased by 38.7 percent to 2,120,351 tons during the year ending January 2007 largely due to the strong in economic activities and an increase in thermal power generation caused the drought. On the other hand, the surge in imports of industrial raw materials was partly associated with the growth of the manufacturing sector resulting from macro-economic reforms and improved business environment.

The consumer goods imports increased to USD 881.7 million compared to USD 753.1 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 more than 50 percent to USD 263.4 million compared to the levels recorded a year earlier, reflecting the importation to fill the domestic food supply gap caused by drought. Imports of maize alone increased to USD 41.7 million in the year ending January 2007 from USD 7.5 million in the year ending January 2006 (Chart 4.6).

Chart 4.6: Contribution to Total Imports Year Ending January 2007

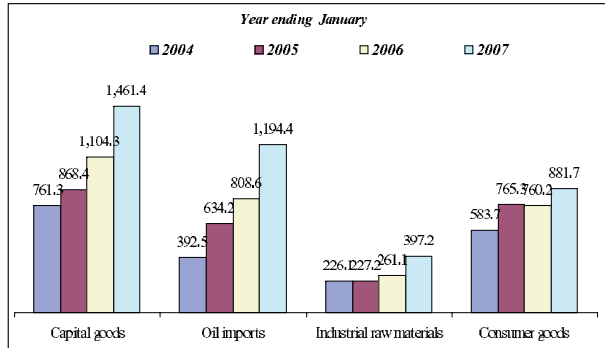
Millions of USD



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: Merchandised Imports for the Year Ending Jan 2004- 2007

Millions of USD



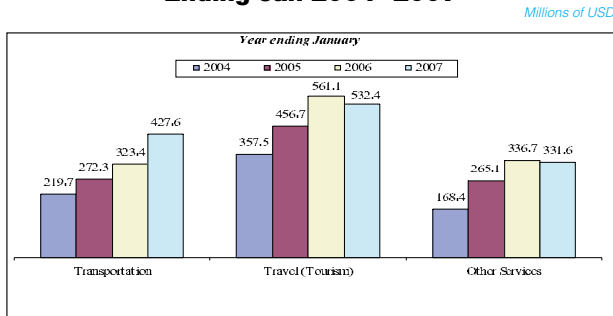
Services Imports

During the month under review, services payments decreased to USD 113.5 million from USD 129.3 million during the previous period, mainly due to the decrease in travel, Government and other business service payments particularly on professional and technical services.

On annual basis, service payments increased by 5.8 percent to USD 1,291.6 million, largely due to the increase in payments for insurance, financial, freight and other business services. The rise in financial services payments is largely associated with the expansion of financial and intermediary activities in the country. While the increase in freight payments is in line with the increase in merchandise imports, the surge in other business services is in line with the growth of economic activities as well as openness of the economy. Other business services comprise mainly 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 Jan 2004- 2007



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

World Commodity Prices

During January 2007, the world market prices of most commodities declined from the previous month's levels with the exception of **coffee Robusta, cloves** and **gold** that increased and that of **tea** (Mombasa Auction), **cotton "A Index"** and **sisal "UG"**, whose prices remained stable at USD 1.7 per kg, USD 1.3 per kg and USD 885.0 per metric ton, respectively (**Table 4.4**). Prices of Robusta coffee and cloves increased by 3.6 percent to USD 1.8 per kg and 6.8 percent to USD 2,750 per metric ton, respectively, the latter being largely due to supply shortfalls in the global market as the result of occurrence of tropical cyclone in Madagascar and the former due to tight supply following unfavourable weather that adversely affected coffee production particularly in Vietnam. Conversely, the existence of favourable weather conditions in Brazil and Sri Lanka exerted pressure to the decline in the prices of Arabica coffee and tea (average price) to USD 2.8 per kg and USD 1.8 per kg, respectively.

During the month under review, the prices of **crude oil** (Brent) and Dubai (f. o. b.) declined by 12.3 percent to USD 53.52 per barrel and 11.4 percent to USD 52.01 per barrel, respectively. Similar developments were also observed on the prices of **white products** that declined by 10.6 percent to USD 505.80 per ton, with premium gasoline recording a notable decline in price to USD 483.4 per ton. The decline in oil prices emanated from a mild winter in the Northeast U.S and speculation that the U.S heating oil inventories are sufficient to meet winter demand.

On year-to-year basis, price developments of most of the commodities went up with the exception of Arabica coffee that recorded a slight decline in price. The notable increase in the prices of Robusta coffee, tea, cotton and cloves was largely as the result of supply concerns following shortfalls in the international market owing to crop failures in key growing regions. Moreover, the continued strength in demand also added an upward pressure on prices.

On the other hand, the average prices of oil products rose significantly on account of supply concerns following geopolitical disputes coupled with civil unrests in Nigeria. As for gold, the price also increased substantially to USD 595.40 per troy ounce attributable to high demand as investors buy gold as a hedge against inflation.

Table 4.4: World Commodity Prices

Commodity	Units	2006		2007	% Change	Year ending Jan		
		Nov	Dec	Jan		2006	2007	% Change
Coffee "Robusta"	per kg	1.69	1.69	1.75	3.55	1.16	1.52	31.03
Coffee "Arabica"	per kg	2.70	2.83	2.75	-2.83	2.57	2.52	-4.95
Tea (Average price)	per kg	1.79	1.83	1.75	-4.37	1.66	1.88	13.25
Tea (Mombasa Auction)	per kg	1.72	1.71	1.71	0.00	1.50	1.97	31.33
Cotton "A Index"	per kg	1.27	1.31	1.31	0.00	1.23	1.28	4.07
Cotton "Mombasa"	per kg	1.31	1.38	1.36	-4.45	1.31	1.34	2.29
Sisal "UG"	per metric ton	885.00	885.00	885.00	0.00	885.00	885.00	0.00
Cloves	per metric ton	2,325.00	2,575.00	2,750.00	6.80	3,140.28	3,851.90	22.66
Crude oil*	per barrel	58.14	60.99	53.52	-12.25	55.02	63.54	15.49
Crude oil**	per barrel	56.82	58.67	52.01	-11.35	51.00	61.21	20.02
White products of which	per ton	542.64	566.03	505.80	-10.64	539.60	560.30	3.84
Jet/Kerosene	per ton	578.60	605.70	546.91	-9.71	568.87	632.97	11.27
Premium Gasoline	per ton	512.27	545.21	483.36	-11.34	532.47	605.48	13.71
Heat Oil	per ton	537.06	547.17	487.14	-10.97	517.45	569.73	10.10
Gold	per troy ounce	627.80	629.80	631.20	0.22	455.35	595.40	30.76

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

** f. o. b. Dubai

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

Source: Bank of Tanzania

5.0 National Debt Developments

National debt stock as at end of January 2007 stood at USD 6,525.2 million, representing a decrease of USD 663.8 million (9.2 percent) from USD 7,189.0 million recorded at the end of previous month. Out of total debt stock, external debt was USD 5,126.5 million (78.6 percent) and domestic debt was USD 1,398.7 million (21.4 percent). The substantial decrease in the stock of external debt was due to cancellation of debts owed to the Government of Japan.

External Debt

External debt stock amounted to USD 5,126.5 million at the end of January 2007, as compared to USD 5,749.0 million registered at the end of previous month. Out of total



external debt stock, USD 3,786.5 million (73.9 percent) was disbursed outstanding debt and the remaining balance of USD 1,340.0 million (26.1 percent) was interest arrears.

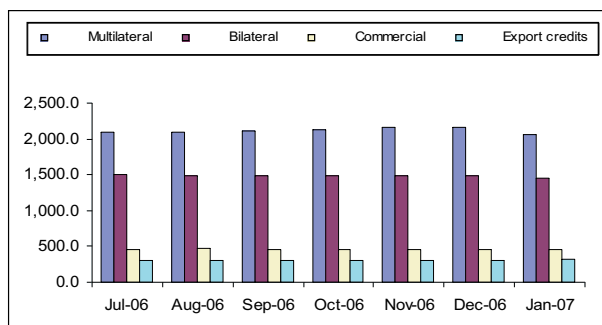
Disbursed Outstanding Debt (DOD)

The profile of disbursed outstanding debt reveals that Central Government was the largest borrower with a total debt of USD 3,047.0 million (80.5 percent) followed by Private Companies with USD 579.1 million (15.3 percent). Debt owed by Parastatal companies was USD 160.4 million equivalent to 4.2 percent of DOD.

Multilateral institutions remained the leading creditors by holding USD 2,159.2 million of the DOD, while the amount of debt owed to bilateral creditors stood at USD 879.3 million. The remaining debt amounting to USD 429.4 million and USD 318.7 million were owed to commercial and export creditors respectively (Chart 5.1).

Chart 5.1: DOD by Creditor Category

Millions of USD



An analysis of currency composition of the DOD shows that 35.5 percent of external debt was contracted in USD, 26.2 percent in SDR, 18.9 percent in Japanese Yen, 8.1 percent in Euro and 11.3 percent in other currencies.

External Debt Service

During January 2007, external debt service payments amounted to USD 3.5 million out of which principal payment was USD 1.4 million and interest payment amounted to USD 2.1 million. During the month under review, debt service projections before relief amounted to USD 21.2 million, however, due to HIPC and MDRI relief actual debt service amounted to only USD 3.5 million (Table 5.1).

Table 5.1: Actual Debt Service against the Scheduled Debt Service

Millions of USD

Item	2006				2007
	Sep	Oct	Nov	Dec	Jan
Scheduled Debt Service	33.22	21.14	15.77	59.33	21.16
Actual Debt Service	3.76	2.98	5.32	1.46	3.52

Bilateral Debt Relief

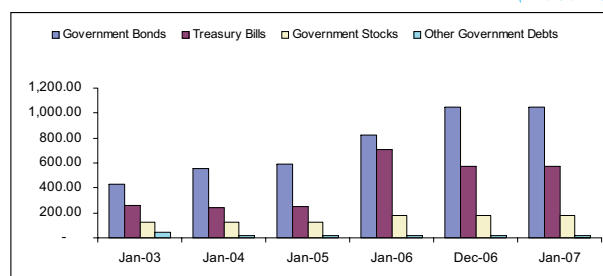
During the month under review, the Government of Japan cancelled debts worth USD 0.5 billion under the Enhanced HIPC Initiative. Debt relief from Non Paris Club bilateral creditors in the form of debt cancellation and rescheduling also remained at the same level of USD 184.6 million and USD 171.2 million, respectively.

Domestic Debt

The stock of domestic debt as at the end of January 2007 stood at TZS 1,820.3 billion that represent a slight increase of TZS 4.3 billion (0.23 percent) from TZS 1,816.0 billion registered at the end of previous month. Out of this amount, Government securities (treasury bills, bonds and stocks) accounted for 99.1 percent and the rest were un-securitized debts (Chart 5.2).

Chart 5.2: Government Domestic Debt by Instruments

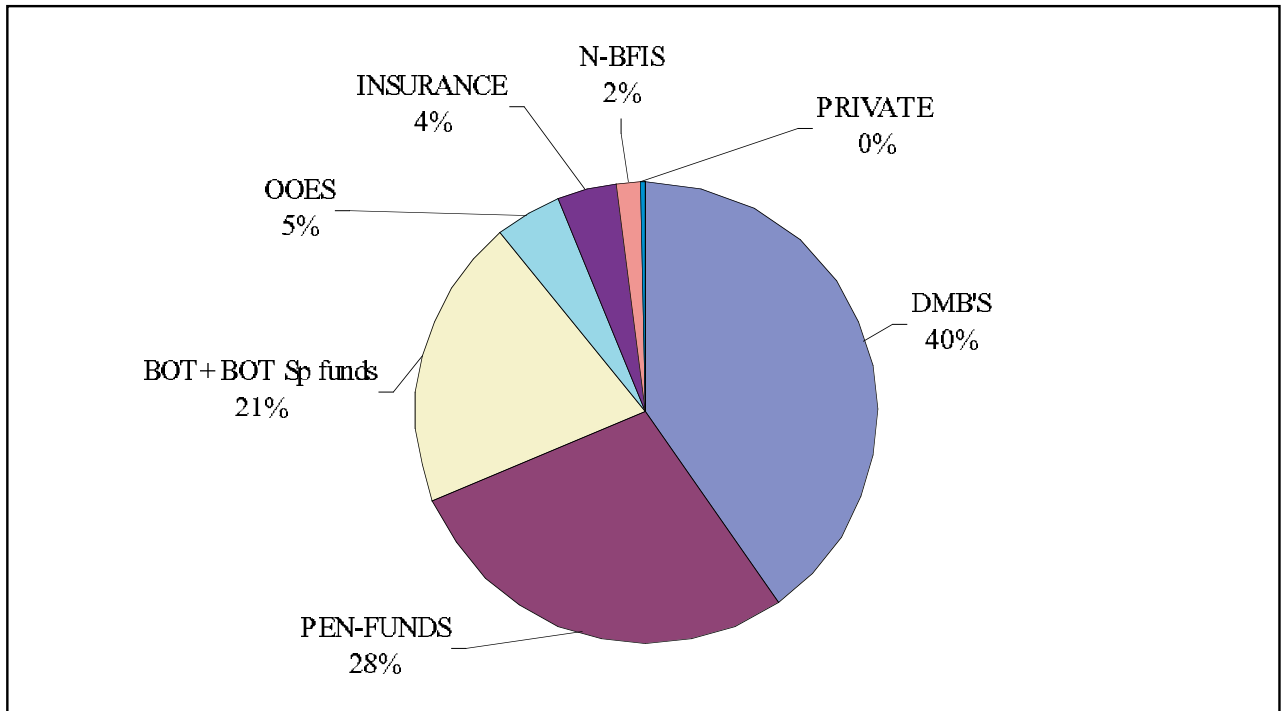
(Billions of TZS)



Analysis of the profile of domestic debt by holder category shows that commercial banks are the leading Union Government creditors by holding 40.4 percent of total domestic debt followed by Pension Funds (28.2 percent), Bank of Tanzania (20.7 percent), Other Official Entities (4.6 percent) and Insurance companies (4.1 percent). Non-Bank Financial Institutions and private sector, altogether, held the remaining portion of 2.1 percent of domestic debt stock (Chart 5.3).



Chart 5.3: Government Domestic Debt by Creditor Category as at End January 2007



Domestic Debt Service

During the month under review, domestic debt service amounted to TZS 81.4 billion, out of which, TZS 54.7 billion being principal repayment was rolled over while interest

amounting to TZS 26.7 billion was paid out of Government revenue.



6.0 Economic Developments in Zanzibar

Fiscal Performance

During the month of January 2007, overall government budgetary operations recorded a deficit of TZS 1.1 billion compared to a deficit of TZS 0.9 billion registered in the previous month. Total resources amounted to TZS 9.1 billion, out of which TZS 8.0 billion originated from domestic revenue sources and TZS 1.1 billion were grants. Total government expenditure amounted to TZS 10.5 billion. The budget deficit was entirely financed through external loans.

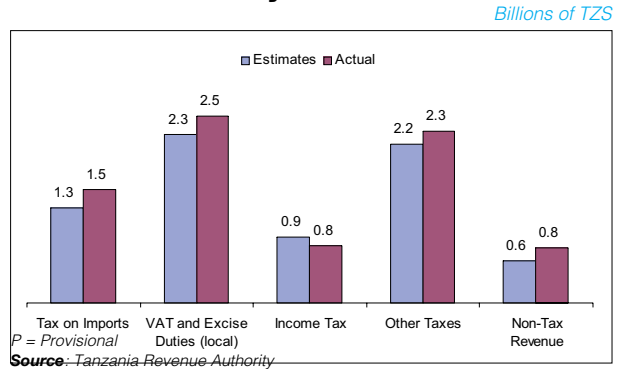
Revenue Collection Above Target

Revenue collections in January 2007 amounted to TZS 8.0 billion, accounting for 8.7 percent above the targeted amount of TZS 7.3 billion mainly due to an increase in all revenue categories except income tax. The improved performance was attributed to the strengthening of revenue collection measures by collecting agencies, mainly by close follow ups of VAT refund from the Mainland and intensified patrol and surveillance to prevent smuggling.

Tax revenue amounted to TZS 7.2 billion or 4.4 percent above the targeted amount of TZS 6.7 billion and accounted for 90.0 percent of the total revenue. Non-tax revenue amounted to TZS 0.8 billion, 29.5 percent above the targeted amount of TZS 0.6 billion and accounted for 10.0 percent of the total revenue. Revenue performance by category revealed that tax on imports amounted to TZS 1.5 billion, above targeted TZS 1.3 billion, mainly due to improved patrols and surveillance. VAT and exercise duty collections amounted to TZS 2.5 billion above the target TZS 2.3 billion due to close follow up of VAT refund from the mainland. Other taxes amounted to TZS 2.3 billion, above the targeted amount of TZS 2.2 billion largely associated with closer follow-ups mounted by Zanzibar Revenue Board (Chart 6.1).

Cumulatively, total revenue collection from July 2007 to January 2007 amounted to TZS 51.4 billion against the targeted amount of TZS 51.2 billion and accounted for 61.8 percent of annual target of TZS 83.2 billion.

Chart 6.1: Government Revenue by Source - January 2007



Expenditure Below Target

The total expenditure during January 2007 amounted to TZS 10.5 billion, representing 89.8 percent of the targeted TZS 11.7 billion. The low outturn was mainly due to a decline in donor development funds.

Recurrent expenditure amounted to TZS 7.5 billion, being 95.7 per cent of the targeted TZS 7.9 billion and accounted for 71.4 percent of the total expenditure. Wages and salaries amounted to TZS 3.7 billion or 97.4 percent of the targeted amount of TZS 3.8 billion, and accounted for 49.3 percent of the recurrent expenditure or 35.2 percent of the total expenditure. Other expenditures amounted to TZS 3.8 billion, 92.7 percent of the target TZS 4.1 billion and accounted for 50.7 percent of the recurrent expenditure or 36.2 percent of total expenditure.

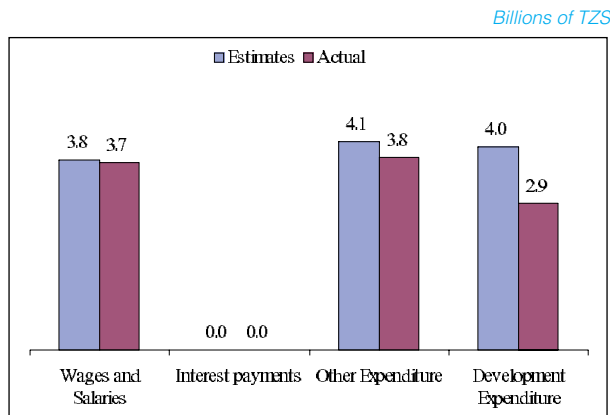
Development expenditure amounted to TZS 2.9 billion below the projected amount of TZS 3.9 billion and accounted for 27.6 percent of the total expenditure. Local component amounted to TZS 0.7 billion in line with the target and accounted for 24.1 percent of the development expenditure. Donor funded development expenditure amounted to TZS 2.2 billion below targeted amount of TZS 3.2 billion and accounted for 75.9 percent of the development expenditures (Chart 6.2).

Cumulatively, total expenditure from July 2006 - January



2007 amounted to TZS 80.0 billion, compared to the projected amount of TZS 100.0 billion and accounted for 34.9 percent of planned annual budget of TZS 229.5 billion.

Chart 6.2: Government Expenditure by Components – January 2007



P = provisional

Source: Tanzania Revenue Authority

Debt Developments

As at the end of January 2007 Zanzibar total debt stock increased to TZS 207.8 billion from TZS 204.4 billion posted in December 2006. The increase mainly resulted from depreciation of Tanzanian Shilling. The external debt stood at TZS 133.3 billion or 64.1 percent of total debt. Domestic debt amounted to TZS 74.5 billion or 35.9 percent of total debt. The Debt to GDP ratio increased to 52.5 percent from 51.7 percent of the earlier month.

Domestic Debt

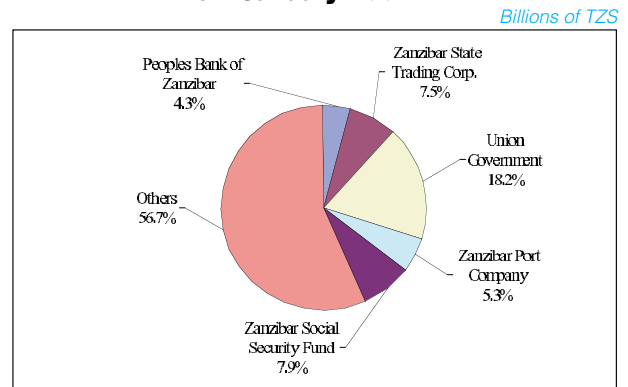
Domestic debt declined marginally to TZS 74.5 billion, down from TZS 74.6 billion recorded in December 2006, mainly due to payments of claims of pensioners and suppliers of goods and services to the government.

Domestic Debt by Creditor

Debt due to 'Other Creditors' (domestic suppliers and pensioners) as at end-January 2007 amounted to TZS 42.3 billion or 56.7 percent of total domestic debt. The Union Government debt stood at TZS 13.6 billion representing

18.2 percent of total domestic debt. Zanzibar Social Security Fund claims amounted to TZS 5.9 billion or 7.9 percent of total domestic debt. Debts owed to Zanzibar State Trading Corporation and Zanzibar Port Company stood at TZS 5.6 billion and TZS 3.9 billion representing 7.5 percent and 5.3 percent of total domestic debt, respectively. Peoples Bank of Zanzibar (PBZ) claims amounted to TZS 3.2 billion or 4.3 percent of total domestic debt (Chart 6.3).

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



Domestic Debt by Instruments

As at the end of January 2007, the bulk of domestic debt stock remained in the form of long-term loans as was in the previous month, amounting to TZS 21.5 billion or 28.8 percent of total domestic debt. "Other debt instruments" (suppliers' credits and pensioners' claims) amounted to TZS 18.5 billion or 24.8 percent of total domestic debt. Treasury bonds and Government Stocks amounted to TZS 19.5 billion and TZS 9.9 billion, representing 26.2 and 13.3 percent of total domestic debt, respectively. Treasury bills remained at TZS 5.1 billion representing 6.9 percent of total domestic debt.

Domestic Debt by Maturity

Analysis of debt by maturity indicated that, debts with "undetermined maturity" (gratuity, pension, and domestic suppliers' claims) totalled TZS 44.9 billion, accounting for 60.2 percent of total domestic debt. Debt maturing in less than a year stood at TZS 14.0 billion or 18.7 percent of total domestic debt; while debt maturing between 2 - 5 years was TZS 15.7 billion, accounting for 21.0 percent of the total domestic debt.



External Debt

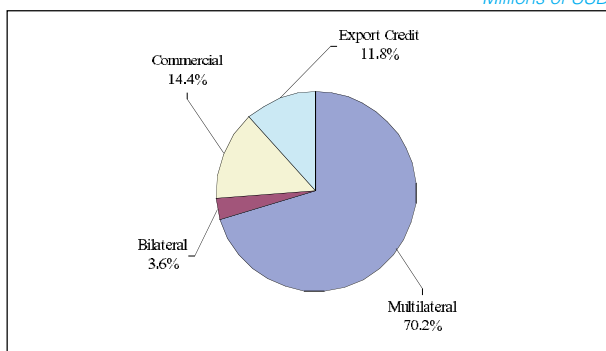
Zanzibar external debt for the period ending January 2007 increased and stood at TZS 133.3 billion or USD 102.4 million from TZS 129.8 billion or USD 102.9 million registered in December 2006. The increase in Tanzanian Shilling denominated debt stock was due to depreciation of Tanzanian shilling. Union Government guaranteed debt stood at USD 73.6 million or 71.8 percent of total external debt while the non-guaranteed debt stock was USD 28.8 million, representing 28.2 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 - January 2007

Millions of USD



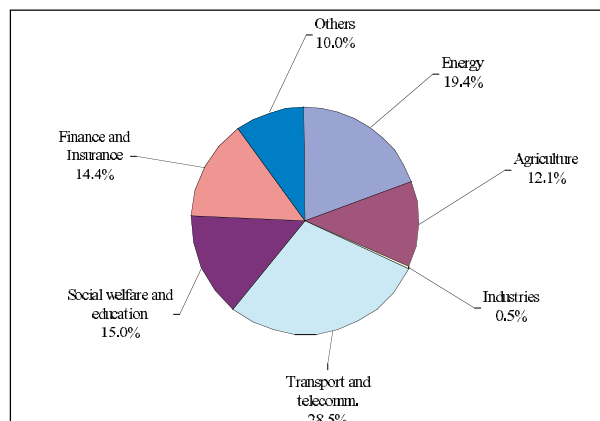
External Debt by Maturity

As at the end of January 2007 debts with over 20 years maturity (mainly multilateral debt) amounted to USD 66.1 million up from USD 64.5 million as at the end of December 2006, representing 64.5 percent of the total external debt. Debt maturing between 5 to 10 years amounted to USD 29.5 million or 28.8 percent of the total external debt while debts maturing between 10 to 20 years stood at USD 6.9 million, accounting for 6.7 percent of total external debt.

External Debt - Disbursements by Use of Funds

External debt disbursements as at the end of January 2007 showed that transport and telecommunications sector held the largest share of USD 29.2 million or 28.5 percent of the total external debt. Energy sector had USD 20.0 million, accounting for 19.4 percent of total stock. Social welfare and education sectors held USD 15.4 million or 15.0 percent. Finance & Insurance sector had USD 14.7 million accounting for 14.4 percent of total external debt. Agriculture and industries sectors had USD 12.4 million and USD 0.5 million accounting for 12.1 percent and 0.5 percent of total external debt, respectively. Other sectors had USD 10.3 million or 10.0 percent of the total external debt (Chart 6.5).

Chart 6.5: Composition of External Debt by Use of Funds as at End - January 2007



External Sector Developments

Current Account

During the period under review, Zanzibar current account posted a lower surplus of USD 2.1 million compared to a surplus of USD 5.3 million recorded in the previous month, mainly due to a decline in export earnings and donor inflows.

On annual basis, the current account balance surged to a surplus of USD 20.6 million from a deficit of USD 6.1 million registered in corresponding period 2006. Behind this



strong performance was the increase in export receipts, along with fall in import bill (Table 6.1).

Table 6.1: Zanzibar Current Account Balance

Millions of USD

Item	2006		2007 ^p	Year Ending Jan		% Change	
	Nov	Dec	Jan	2006	2007 ^p	Monthly	Annual
Goods Account (net)	-3.4	-2.5	-3.2	-67.3	-55.9	24.8	-16.9
Exports	2.9	2.7	2.5	12.50	12.62	-7.5	0.9
Imports (fob)	6.3	5.2	5.7	79.8	68.5	8.2	-14.1
Services Account (net)	4.1	6.5	4.4	17.5	36.2	-31.9	106.9
Receipts	6.6	9.9	7.4	74.4	91.1	-25.0	22.5
Payments	2.5	3.4	3.0	56.8	54.8	-11.5	-3.5
Goods and Services (net)	0.7	3.9	1.2	-49.8	-19.7	-68.6	-60.5
Exports of Goods and Services	9.5	12.5	9.9	86.9	103.7	-21.2	19.4
Imports of Goods and Services	8.8	8.6	8.6	136.6	123.3	0.5	-9.7
Income Account (net)	0.04	0.03	0.03	0.45	0.28	4.8	-38.2
Receipts	0.05	0.04	0.03	0.46	0.33	-19.6	-27.2
Payments	0.01	0.01	0.00	0.01	0.06	-71.8	562.6
Current Transfers (net)	2.6	1.3	0.9	43.2	40.0	-33.7	-7.5
Inflows	2.6	1.3	0.9	43.2	40.0	-33.7	-7.5
Outflows	0.0	0.0	0.0	0.0	0.0		
Current Account Balance	3.3	5.3	2.1	-6.1	20.6	-59.5	-435.7

p = Provisional

Source: Tanzania Revenue Authority.

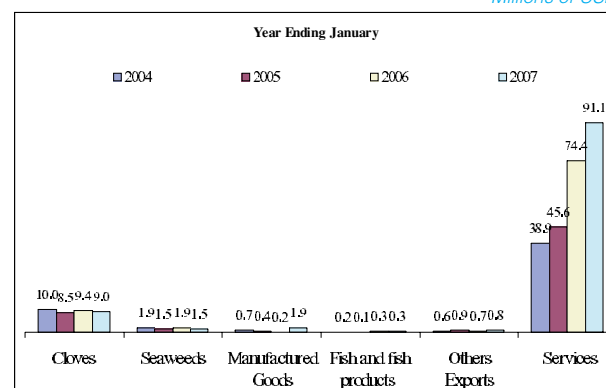
Exports Declined

Exports of goods and services as at the end of January 2007 fell by 21.2 percent to USD 9.9 million from USD 12.5 million of the previous period mainly as result of decrease in both service receipts and goods export proceeds. Services receipts slowed down to USD 7.4 million from USD 9.9 million registered in December 2006, accounting for 74.7 percent of the total export earnings.

On year-to-year basis, total export proceeds increased to USD 103.7 million from USD 86.9 million registered in the corresponding period 2006. Services receipts remained the prime mover of exports amounting to USD 91.1 million, representing 87.8 percent of total exports receipts. Cloves and seaweeds exports amounted to USD 7.9 million and USD 1.4 million or 7.6 percent and 1.4 percent of total exports proceeds, respectively. Manufactured goods exports amounted to USD 2.1 million or 2.0 percent of total exports. Exports of fish and fish produce amounted to USD 0.3 million or 0.3 percent of total export receipts while earning from other exports amounted to USD 0.9 or 0.9 percent of total export receipts (Chart 6.6 and Table 6.2).

Chart 6.6: Contribution to Total Exports of Goods and Services

Millions of USD



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

Table 6.2: Zanzibar Exports by Major Categories

Millions of USD

Item	2006		2007 ^p	Year Ending Jan		% Change	
	Nov	Dec	Jan	2006	2007	Monthly	Annual
Traditional Exports:							
Cloves							
Value	2.4	2.3	1.9	9.4	7.9	-18.4	-15.9
Volume	0.7	0.7	0.6	3.2	2.3	-23.3	-28.4
Unit Price	3,574.4	3,202.8	3,406.5	2,914.3	3,421.8	6.4	17.4
Sub Total	2.4	2.3	1.9	9.4	7.9	-18.4	-15.9
Non-Traditional Exports:							
Seaweeds							
Value	0.2	0.1	0.1	1.9	1.4	11.2	-26.7
Volume	0.6	0.6	0.6	9.0	6.7	-6.3	-25.8
Unit Price	269.3	184.2	218.7	213.4	210.8	18.7	-1.2
Manufactured Goods	0.3	0.2	0.3	0.2	2.1	63.3	1163.9
Fish and Fish Produce	0.04	0.02	0.02	0.3	0.3	2.0	-4.4
Others Exports	0.0	0.0	0.1	0.7	0.9	238.9	36.9
Sub Total	0.5	0.4	0.6	3.1	4.7	62.1	52.8
Grand Total	2.9	2.7	2.5	12.5	12.6	-7.5	0.9

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

Imports Increased

As at the end of January 2007, imports of goods (c.i.f) rose to USD 6.2 million from USD 5.8 million of the previous month, largely due to relatively higher imports of capital and intermediate goods. Capital goods increased to USD 2.9 million from USD 2.5 million registered in December 2006, largely dominated by imports of building and construction materials. Intermediate goods went up to USD 1.8 million from USD 1.5 million recorded in the previous month. Consumer goods imports slowed down to USD 1.6 million from USD 1.8 million, in response to decline in food and foodstuff imports, as the domestic food supply remained favourable.

On annual basis, imports declined to USD 75.3 million from USD 87.7 million registered in corresponding period in 2006, largely due to a decline in imports of consumer goods, particularly food imports. Food and foodstuffs



imports amounted to USD 6.5 million down from USD 14.1 million of the previous corresponding period on account of favourable food harvests. Capital goods imports slightly decreased to USD 33.6 million from USD 35.6 million due to decline in both imports of machinery, building and construction materials as major Malindi port rehabilitation project has not yet resumed. Oil import bill declined to USD 15.1 million from USD 22.8 million registered in 2006 following ease in world oil prices (**Table 6.3**).

On year-to-year basis, the services account surplus went up to USD 29.9 million from USD 18.9 million registered in December 2005. The increase stemmed from increase in foreign receipts to USD 87.2 million from USD 73.4 million receipts of the corresponding period in 2005. Travel receipts amounted to USD 77.2 million or 88.5 percent of total service receipts, while travel payments amounted to USD 43.6 million or 75.9 percent of total foreign payments.

Table 6.3: Zanzibar Imports by Major Categories

Millions of USD

Import Category	2006		2007		Year Ending Jan		% Change	
	Nov	Dec	Jan	2006	2007p	Monthly	Annual	
Capital Goods	3.5	2.5	2.9	35.6	33.6	15.8	-5.8	
Transport Equipments	0.4	0.8	0.7	9.7	11.1	-7.0	14.1	
Building and Constructions	0.7	0.4	0.6	7.8	6.9	35.4	-11.5	
Machinery	2.3	1.3	1.6	18.1	15.6	23.0	-14.0	
Intermediate Goods	1.6	1.5	1.8	27.0	22.2	18.6	-17.9	
Oil imports	1.1	1.0	1.2	22.8	15.1	18.1	-33.6	
Fertilizers	
Industrial raw materials	0.5	0.5	0.6	4.2	7.1	19.5	66.5	
Consumer Goods	1.8	1.8	1.6	25.0	19.5	-11.1	-21.9	
Food and food stuffs	0.9	0.3	0.5	14.1	6.5	49.4	-54.0	
All other consumer goods	0.9	1.5	1.1	10.9	13.0	-24.3	19.8	
Grand Total (c.i.f)	6.9	5.8	6.2	87.7	75.3	8.2	-14.1	
Grand Total (f.o.b)	6.3	5.2	5.7	79.8	68.5	8.2	-14.1	

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

Services Account

Services account balance during January 2007 registered relatively lower surplus of USD 4.4 million as compared to USD 6.6 million registered in the previous month, largely due to a decrease in foreign receipts owing to slow down in tourism activities. Foreign receipts decreased to USD 7.4 million from USD 9.8 million, in which travel receipts amounted to USD 5.5 million or 74.3 percent of total foreign receipts. Foreign payment declined to USD 3.0 million from USD 3.4 million in which travel payments amounted to USD 3.1 million or 79.5 percent of total foreign payments.



STATISTICAL TABLES



Table A1: Selected Economic Indicators

Item	Unit	2000	2001	2002	2003	2004	2005 ^p
1. National Accounts and Prices							
1.1 Change in GDP at Factor Cost--Current Prices	Percent	12.2	13.7	14.1	12.8	14.8	14.3
1.2 Change in GDP at Factor Cost--Constant 1992 Prices	Percent	4.9	5.7	6.2	5.7	6.7	6.9
1.3 GDP Per Capita--Current Prices ¹	TZS	210,231	231,751	258,925	286,888	320,000	356,275
1.4 GDP Per Capita--Current Prices ¹	USD	262.7	264.4	267.9	276.2	303.0	317.8
1.5 Change in Consumer Price Index (Inflation)	Percent	5.9	5.2	4.5	3.5	4.1	4.4
1.6 Saving to GNDI Ratio ^{3*}	Percent	11.6	11.1	12.7	11.8	12.3	12.5
2. Money Credit and Interest Rates							
2.1 Change in Extended Broad Money Supply (M3) ^{**}	Percent	14.8	17.1	25.1	16.6	19.3	38.2
2.2 Change in Broad Money Supply (M2) ^{***}	Percent	12.5	12.8	22.3	14.2	19.2	36.9
2.3 Change in Narrow Money Supply (M1)	Percent	9.9	10.2	25.2	16.1	18.2	33.7
2.4 Change in Reserve Money	Percent	9.4	5.0	19.1	12.6	23.6	27.7
2.5 Total Credit to GDP Ratio ¹	Percent	9.8	7.6	8.8	8.7	8.5	9.4
2.6 Private Sector Credit to GDP Ratio ¹	Percent	4.6	4.9	6.1	5.2	8.9	11.0
2.7 Ratio of Private Credit to Total Credit	Percent	46.6	63.7	69.2	98.4	104.7	84.6
2.8 Average Deposit Rate (12-Month)	Percent	8.6	6.0	5.7	5.0	5.8	6.2
2.9 Weighted Average Treasury Bill Rate	Percent	5.7	3.9	4.5	7.7	9.6	10.8
2.10 Average Medium- and Long-Term Lending Rate	Percent	21.2	15.8	13.2	12.5	14.0	15.5
3. Balance of Payments****							
3.1 Exports (f.o.b)	Mill. USD	733.7	851.3	979.6	1,216.1	1,473.1	1,676.3
3.2 Imports (f.o.b)	Mill. USD	1,367.6	1,560.3	1,511.3	1,933.5	2,339.7	2,661.8
3.3 Trade Balance	Mill. USD	-689.6	-444.1	-244.2	-495.3	-714.7	-949.9
3.4 Balance on Current Account	Mill. USD	-485.9	-237.4	22.3	-111.0	-246.5	-605.8
3.5 Overall Balance	Mill. USD	-86.3	-809.6	-112.2	54.5	43.4	-437.5
3.7 Gross Official Reserves	Mill. USD	974.0	1,157.0	1,529.0	2,037.8	2,296.1	2,048.4
3.8 Reserves Months of Imports (of goods and services)	Months	5.7	6.3	8.6	9.2	8.3	6.4
3.9 Exchange Rate:							
3.9.1 Annual Average	TZS/USD	800.4	876.4	966.6	1,038.6	1,089.2	1,128.8
3.9.2 End of Period	TZS/USD	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5
4 Population (TZ Mainland)	Million	31.9	32.1	33.6	34.2	34.8	35.4
5. Public Finance		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06*
5.1 Current Revenue to GDP Ratio ¹	Percent	12.2	11.8	12.3	12.1	13.3	13.5
5.2 Grants to GDP Ratio ¹	Percent	3.7	4.3	3.2	3.7	6.7	6.1
5.2 Current Expenditure to GDP Ratio ¹	Percent	13.0	12.7	13.0	12.9	17.1	16.7
5.3 Development Expenditure to GDP Ratio ¹	Percent	3.7	3.9	3.3	3.6	8.4	8.6
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	-4.5	-4.8	-4.0	-4.4	-11.9	-11.8
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	-0.8	-0.5	-0.8	-0.6	-5.2	-5.7
6. Total External Debt Stock	Mill. USD	7,482.1	7,464.0	7,268.1	7,857.0	8,134.8	7,931.8
Disbursed Debt	Mill. USD	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5	6,743.6
Interest	Mill. USD	1,169.9	904.3	1,035.1	1,178.7	1,335.3	1,188.2
Total External Debt as % of GDP	Percent	80.7	78.5	75.9	83.5	77.5	72.0

Note:

- 1 Calculated on the basis of GDP at market price
- 2 Calculated on the basis of GDP at factor cost
- 3 GNDI stands for gross national disposable income
- p Provisional
- * Revised from 2001
- ** Revised 2003
- *** revised 2001-2002
- **** revised from 2000

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





Table A2: Central Government Operations (Monthly Flows)-Revised

Item	Millions of TZS											
	2004/05	2005/06	BUDGET 2006/07	2006/07					2006/07			Jan
				Jul	Aug	Sep	Oct	Nov	Dec			
Total Revenue	1,773,709.4	2,124,843.7	2,460,994.9	188,494.6	204,402.1	242,020.6	201,818.0	208,334.6	266,627.0	214,156.5		
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		
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		
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		
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		
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		
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		
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		
Total Expenditure 1/	3,164,215.5	3,873,254.8	4,788,496.6	236,987.3	291,517.8	425,523.5	416,801.3	346,305.2	386,170.7	280,867.6		
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		
Roadroll fund	435,780.1	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		
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		
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		
Domestic 2/	973,808.7	1,63,694.8	72,000.0	9,921.6	8,465.0	16,649.5	22,769.9	9,375.9	10,287.5	26,747.7		
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		
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		
Dev. Expenditure and net lending	1,071,160.6	1,211,392.2	1,734,466.6	78,782.9	102,306.1	165,073.3	185,506.8	89,705.0	125,975.5	73,500.4		
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		
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		
Overall Balance (cheque issued) before Grants	-1,390,506.2	-1,748,411.0	-2,327,501.7	-48,492.7	-87,115.7	-183,502.9	-214,983.3	-137,970.6	-119,543.7	-66,711.1		
Grants	724,396.5	1,000,160.2	1,438,852.0	25,093.8	342,077.4	59,937.9	148,385.3	67,522.7	89,211.6	33,590.2		
Program (CIS/OGL)	364,280.3	331,024.6	471,025.0	0.0	280,933.0	22,681.2	99,514.0	54,776.3	8,422.9	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		
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		
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		
Overall defc.(chequissed) after Grants	-666,109.6	-748,250.9	-888,649.7	-23,398.9	254,961.7	-123,565.0	-66,598.0	-70,447.9	-30,332.2	-33,120.9		
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		
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		
Overall Balance (cheques issued)	-727,075.2	-924,412.5	-888,649.7	-157,232.9	242,448.1	-71,528.0	-57,816.6	-59,983.5	-38,336.8	-126,993.9		
Financing:	727,075.2	924,412.5	888,649.7	157,232.9	-242,448.1	71,528.0	57,816.6	59,983.5	38,336.8	126,993.9		
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		
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		
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		
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		
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		
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		
Domestic (net)	144,945.2	363,193.5	152,477.8	-157,981.8	-247,680.5	35,205.5	-16,435.1	40,747.5	27,270.3	90,581.1		
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		
Bank borrowing	47,632.0	129,644.6	63,477.8	-189,976.0	-218,696.7	26,198.0	-23,707.4	24,301.8	110,441.6	81,551.3		
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		
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		
Privatization Proceeds	0.0	33,309.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Source: Ministry of Finance												

Note:

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

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

Table A3: Monetary Survey

End of Period	Millions of TZS														
	Domestic credit (net)											Memorandum item:			
	M3, Extended Broad Money			M2, Broad Money			M1, Narrow Money					M0, Base Money			
	Foreign assets (net)	Claims on government (net)	Claims on other domestic 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)	Reserves	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1997	398,918.6	239,457.5	182,976.9	105,716.0	927,068.9	760,353.3	493,868.7	287,877.1	205,991.7	126,269.2	140,215.3	166,715.6	364,940.0	77,062.9	
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3	
1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0	
2000	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	164,026.7	
2001	1,209,820.4	239,201.4	404,512.3	-216,803.4	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	172,730.2	
2002	1,558,627.1	264,608.6	570,668.3	-346,221.0	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6	
2003	2,182,072.0	12,937.0	817,125.2	-623,818.1	2,388,316.1	1,721,109.9	1,113,379.1	553,045.8	560,333.3	230,958.8	376,771.9	667,206.2	783,309.0	230,263.2	
2004	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,775.0	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	3,111,359.6	2,242,841.3	1,417,403.2	668,271.2	749,132.0	336,585.8	488,852.3	868,518.3	1,012,972.0	344,700.8	
June	2,279,294.3	284,637.9	1,219,374.3	-516,881.4	3,266,425.1	2,366,449.0	1,528,773.6	734,912.2	793,861.4	328,711.1	508,964.3	899,976.2	1,029,997.6	295,085.4	
July	2,271,794.7	316,477.6	1,300,730.5	-496,058.9	3,392,943.9	2,383,746.1	1,556,217.6	766,285.7	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	-874,443.8	4,434,496.0	3,034,317.4	1,901,244.9	914,140.5	987,104.4	411,622.2	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	3,441,198.7	9,175.5	1,946,243.3	-799,043.7	4,597,573.8	3,081,111.3	1,894,540.9	933,384.2	961,156.7	438,799.8	747,770.7	1,516,462.5	1,534,636.5	601,252.3	
November	3,643,006.7	-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	1,514,171.0	557,770.2	
December	3,566,023.7	-77,604.5	2,028,294.3	-109,269.6	4,798,265.3	3,193,583.8	1,930,441.3	975,585.9	954,855.4	469,458.2	793,684.3	1,604,681.6	1,443,529.9	467,944.0	
2007-January	3,707,400.8	-91,277.7	2,044,738.4	-197,761.1	4,853,922.0	3,239,290.2	1,960,518.5	968,656.4	991,862.1	472,922.3	805,849.5	1,614,631.7	1,576,593.5	607,937.1	

Source: Bank of Tanzania



Table A4 : Interest Rate Structure

Item	Percent										2007 Jan (Prov)
	2006										
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
A: Domestic Currency											
1 Interbank Cash Market Rates											
Overnight	4.49	5.14	5.06	8.52	8.92	8.41	15.22	16.05	4.49	6.73	12.04
2 to 7 days	4.94	5.25	5.66	5.98	6.86	8.87	14.05	12.08	5.52	7.44	12.98
8 to 14 days	6.50	5.91	5.85	10.71	7.96	8.81	14.00	15.48	6.18	9.60	15.27
15 to 30 days	6.38	6.81	6.29	7.58	7.33	7.33	7.33	11.50	8.00	6.12	15.00
31 to 60 days	9.23	9.28	7.76	6.71	7.64	8.01	8.44	12.81	7.14	7.19	15.33
61 to 90 days	12.60	12.60	12.60	12.60	8.50	8.50	8.50	8.50	9.25	9.25	17.50
91 to 180 days	13.04	12.25	12.25	12.25	9.50	9.50	9.50	9.50	9.68	9.68	15.15
181 and above	14.50	12.75	11.27	8.80	11.08	11.08	13.50	14.25	11.57	11.57	11.57
Overall Interbank cash market rate	4.86	5.35	5.64	8.40	8.63	8.47	14.87	15.64	5.20	7.14	12.54
2 Lombard Rate	13.31	12.45	11.00	12.78	13.38	12.62	22.83	24.08	9.33	13.25	18.06
3 REPO Rate	5.14	5.14	5.14	5.14	6.17	7.42	12.58	5.23	5.18	6.35	6.35
4 Treasury Bills Rates											
35 days	8.88	8.30	7.34	6.44	6.64	8.29	10.56	10.43	6.22	8.83	10.96
91 days	13.42	12.31	9.97	7.83	9.06	9.70	11.13	12.22	10.06	14.39	15.69
182 days	13.70	12.26	10.61	8.49	9.26	9.97	11.69	13.28	11.29	14.95	16.02
364 days	13.89	11.92	10.37	9.63	9.76	10.41	12.97	15.18	11.62	15.61	16.25
Overall Treasury bills rate	13.36	12.02	10.21	8.25	9.17	9.89	11.98	13.40	10.69	15.04	15.75
5 Treasury Bonds- 2-years											
5-years	17.76	17.19	15.76	15.76	15.76	16.18	17.43	18.14	15.89	15.21	13.60
7-years	18.13	17.61	18.05	15.31	15.35	16.55	17.40	17.64	17.33	17.33	17.50
10-years	20.27	20.60	16.35	16.00	16.96	16.94	17.42	17.52	17.69	17.69	17.15
6 Discount Rate	17.50	17.00	16.02	13.40	13.40	14.60	16.67	18.40	15.69	20.07	21.31
7 Savings Deposit Rate	2.58	2.81	2.75	2.54	2.54	2.58	2.59	2.57	2.60	2.59	2.59
8 Time Deposits Rates											
Call Accounts	1.56	1.67	1.47	1.70	2.07	1.41	1.41	1.09	0.80	0.87	0.71
1 month	4.99	4.97	4.05	7.90	6.57	6.85	8.41	8.05	7.29	7.28	6.36
2 months	9.10	7.83	8.54	7.81	6.90	7.83	7.24	7.14	8.98	7.44	7.83
3 months	4.91	5.61	5.95	6.76	7.86	7.75	6.83	8.01	7.49	7.53	8.47
6 months	6.70	6.58	6.88	5.63	8.35	8.17	8.61	9.19	9.41	8.95	9.02
12 months	7.48	8.44	8.00	8.70	8.01	9.03	8.20	8.70	9.05	8.75	8.20
24 months	6.25	6.47	6.26	7.94	9.10	8.21	7.68	7.33	8.85	9.39	1.40
9 Negotiated Deposit Rates											
	10.39	11.50	9.98	10.07	9.13	9.78	10.12	9.42	9.72	9.35	9.02
10 Lending rates											
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Short-term (up to 1year)	15.55	16.39	14.12	15.77	16.61	15.64	16.01	15.60	15.71	15.67	15.80
Medium-term (1-2 years)	14.61	16.28	16.28	17.88	18.96	19.04	18.92	19.03	19.36	19.27	19.60
Medium-term (2-3 years)	14.90	15.29	15.27	16.16	16.32	16.05	16.46	16.63	17.15	16.27	16.50
Long-term (3-5 years)	14.20	13.81	13.52	15.32	14.28	16.16	16.65	16.12	15.85	14.89	16.10
Term Loans (over 5 years)	13.83	13.34	12.82	12.08	14.72	15.62	15.59	15.66	14.97	15.69	18.12
11 Negotiated Lending Rates											
	11.60	11.24	11.32	11.19	11.99	10.80	10.80	10.74	10.11	10.60	11.49
B: Foreign Currency											
1 Deposits Rates											
Savings Deposits											
Time Deposits	0.62	0.72	0.76	0.61	0.78	0.50	0.61	0.66	0.65	0.67	0.63
1-months	1.79	1.81	2.23	1.98	2.80	3.00	2.66	2.73	2.76	2.46	2.24
2-months	1.02	2.33	1.96	2.49	2.52	2.97	2.78	3.25	2.47	2.75	2.14
3-months	2.33	2.16	2.26	1.95	2.76	2.68	2.66	2.31	2.54	2.54	2.64
6-months	2.17	1.99	1.88	2.43	2.73	2.89	2.44	2.69	2.31	3.20	3.35
12-months	1.96	2.25	2.32	3.75	3.37	3.10	3.04	2.95	2.73	2.78	3.29
2 Lending Rates											
Short-term (up to 1year)	8.14	8.22	7.87	8.17	9.13	8.63	9.13	8.95	9.10	8.78	8.24
Medium-term (1-2 years)	7.66	7.65	7.91	7.46	8.17	7.47	9.27	9.66	9.55	8.89	8.64
Medium-term (2-3 years)	8.24	8.20	7.40	8.32	9.02	8.75	8.58	8.91	8.98	8.51	8.61
Long-term (3-5 years)	8.80	8.56	8.60	8.76	9.70	8.20	8.07	7.90	8.02	7.57	8.83
Term Loans (over 5 years)	7.16	8.05	7.55	8.00	9.64	9.65	9.84	9.37	9.71	9.78	8.04
	8.84	8.63	7.89	8.32	9.12	9.09	9.91	8.91	9.24	9.16	7.55

Source: Bank of Tanzania



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

Item	2006 ^p		2007 Jan	% Change		Year Ending Jan ^p		
	Jan	Dec		Jan 06-Jan 07	Dec 06-Jan 07	2005	2006	% Change
Traditional Exports:								
COFFEE								
Value	8.9	9.0	15.3	70.9	70.2	74.3	67.8	-8.8
Volume	4.5	4.8	7.3	60.1	52.0	46.1	34.2	-25.8
Unit Price	1,972.3	1,880.4	2,105.1	6.7	11.9	1,613.6	1,982.9	22.9
COTTON								
Value	8.7	3.1	2.2	-74.8	-29.3	111.5	49.3	-55.8
Volume	8.5	2.9	2.1	-75.1	-26.1	112.9	48.7	-56.9
Unit Price	1,030.4	1,089.7	1,042.4	1.2	-4.3	987.9	1,012.7	2.5
SISAL								
Value	1.0	0.7	0.8	-20.7	15.9	7.3	5.9	-18.8
Volume	1.3	1.0	1.1	-12.2	15.9	9.3	7.8	-16.0
Unit Price	769.2	694.4	694.5	-9.7	0.0	781.7	755.7	-3.3
TEA								
Value	2.3	2.0	2.6	17.1	35.2	25.6	31.4	22.4
Volume	2.2	1.2	2.0	-9.4	68.3	21.8	22.2	1.9
Unit Price	1,004.9	1,617.1	1,299.7	29.3	-19.6	1,178.0	1,415.6	20.2
TOBACCO								
Value	4.0	1.0	2.5	-36.9	154.4	80.8	63.7	-21.1
Volume	1.2	0.4	1.1	-4.8	154.9	31.1	24.9	-20.0
Unit Price	3,426.6	2,276.5	2,272.7	-33.7	-0.2	2,593.1	2,558.6	-1.3
CASHEWNUTS								
Value	16.9	13.8	6.9	-59.4	-50.4	46.6	29.4	-36.9
Volume	22.2	27.8	13.8	-37.9	-50.4	62.0	57.9	-6.5
Unit Price	762.6	498.0	498.2	-34.7	0.0	751.1	507.2	-32.5
CLOVES								
Value	1.9	2.3	3.0	55.0	27.3	8.5	9.2	8.4
Volume	0.6	0.7	1.0	68.6	39.6	3.0	2.9	-3.9
Unit Price	3,178.5	3,208.8	2,921.9	#DIV/0!	#DIV/0!	2,863.5	3,230.7	#DIV/0!
Sub Total	43.7	31.9	33.2	-23.9	4.3	354.5	256.7	-27.6
Non-Traditional Exports:								
Minerals	67.2	61.6	81.6	21.5	32.5	712.7	838.5	17.6
Gold	62.4	58.1	73.0	16.9	25.6	655.5	784.0	19.6
Diamond	2.5	1.1	2.4	-3.6	125.4	24.4	22.3	-8.6
Other minerals ¹	2.3	2.4	6.2	173.9	157.9	32.8	32.2	-1.8
Manufactured Goods	14.3	25.8	17.4	21.7	-32.4	160.5	198.9	23.9
Cotton Yarn	0.4	1.7	0.2	-39.5	-85.7	4.3	6.7	55.2
Manufactured Coffee	0.1	0.4	0.0	-77.5	-95.2	1.0	1.4	0.0
Manufactured Tobacco	0.0	0.1	0.1	--	-49.4	0.3	1.7	--
Sisal Products (Yarn & Twine)	0.2	0.4	0.4	194.8	2.7	4.2	3.0	-29.5
Other manufactured Goods ²	13.7	23.1	16.6	21.7	-27.9	150.6	186.1	23.5
Fish and Fish Products	10.7	13.2	12.2	14.0	-7.8	147.5	140.1	-5.0
Horticultural products	1.0	1.2	1.0	1.8	-11.9	18.3	15.4	-15.9
Re-exports	9.0	12.6	11.0	22.2	-12.7	127.1	130.3	2.6
Others Exports ³	13.8	12.8	10.9	-20.8	-14.3	161.5	151.1	-6.5
Sub Total	116.0	127.1	134.2	15.7	5.6	1,327.6	1,474.2	11.0
Grand Total	159.7	158.9	167.4	4.8	5.3	1,682.1	1,730.9	2.9

Note:

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

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

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

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

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

Source: Bank of Tanzania, TRA





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

Item	2006 ^P		2007		% Change		Year Ending Jan ^P			Millions of US \$
	Jan	Dec	Jan	Jan	Jan 06-Jan 07	Dec 06-Jan 07	2005	2006	% Change	
Capital Goods	106.5	133.1	132.8		24.7	-0.2	1,078.1	1,461.4	35.6	
Transport Equipments	29.0	32.3	26.9		-7.2	-16.6	289.6	372.7	28.7	
Building and Constructions	28.3	22.5	28.3		0.2	26.1	257.2	338.1	31.4	
Machinery	49.2	78.4	77.5		57.6	-1.1	531.3	750.7	41.3	
Intermediate Goods	90.7	161.5	159.4		75.7	-1.3	1,166.3	1,645.6	41.1	
Oil imports	61.3	121.1	109.1		78.2	-9.9	847.3	1,194.4	41.0	
Fertilizers	1.2	4.6	1.2		0.7	-73.6	64.6	53.9	-16.6	
Industrial raw materials	28.2	35.8	49.0		73.6	37.1	254.4	397.2	56.2	
Consumer Goods	62.4	77.5	92.0		47.4	18.6	753.1	881.7	17.1	
Food and food stuffs	18.9	23.9	33.1		74.8	38.1	168.4	263.4	56.4	
All other consumer goods ¹	43.5	53.6	58.9		35.5	9.9	584.8	618.3	5.7	
Grand Total (f.o.b)	259.6	372.2	384.1		48.0	3.2	2,997.6	3,988.7	33.1	
Grand Total (c.i.f)	285.3	409.0	422.1		48.0	3.2	3,294.0	4,383.1	33.1	

Note:

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

^P = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.

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

Millions of US\$

Item	1999	2000	2001	2002	2003	2004r	2005p
A. Current Account	-846.2	-485.9	-237.4	22.3	-111.0	-442.0	-955.9
Goods: exports f.o.b.	543.3	733.7	851.3	979.6	1,216.1	1,473.1	1,676.3
Traditional	301.2	292.8	231.1	206.1	220.5	297.8	354.5
Non-traditional	242.1	440.9	620.2	773.5	995.7	1,175.3	1,321.8
o/w: Gold	34.8	112.7	254.1	341.1	502.8	629.4	655.5
Goods: imports f.o.b.	-1,415.4	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6
Balance on Goods	-872.1	-633.9	-709.0	-531.8	-717.3	-1,009.8	-1,321.2
Services: Credit	600.3	627.3	914.6	920.1	947.8	1,133.6	1,269.2
Transportation	53.7	56.8	105.9	117.1	138.9	183.0	222.9
Travel	463.7	376.7	615.1	635.0	646.5	746.0	823.6
Other	82.8	193.8	193.6	168.0	162.3	204.6	222.7
Services: Debit	-780.5	-682.4	-649.7	-632.5	-725.7	-974.7	-1,207.3
Transportation	-175.4	-205.7	-194.2	-176.9	-214.7	-267.1	-319.5
Travel	-369.7	-337.3	-327.3	-337.5	-353.2	-445.3	-553.8
Other	-235.4	-139.4	-128.1	-118.1	-157.8	-262.3	-334.0
Balance on Services	-180.2	-55.1	264.9	287.6	222.1	158.9	61.8
Balance on Goods and Services	-860.8	-689.0	-444.1	-244.2	-495.3	-850.9	-1,259.4
Income: Credit	32.4	50.4	55.3	67.9	87.1	81.8	80.9
Debit	-185.1	-240.9	-243.8	-218.1	-249.7	-259.6	-283.7
Balance on Income	-53.6	-190.6	-188.5	-150.1	-162.6	-177.8	-202.8
Balance on Goods, Services and Income	-1,013.5	-879.5	-632.6	-394.3	-637.9	-1,028.7	-1,462.2
Current transfers (Net)	336.6	393.6	395.3	416.6	546.9	586.7	506.2
Current transfers: Credit	454.1	472.1	474.8	477.9	609.9	651.7	573.8
Government	411.4	427.8	418.4	427.7	543.3	582.0	478.4
o/w Multilateral HIPC relief	0.0	40.6	71.3	68.8	68.2	73.7	75.7
Other sectors	42.7	44.3	56.4	50.2	66.6	69.7	95.4
Current transfer: Debit	-117.5	-78.5	-79.5	-61.3	-63.0	-65.0	-67.5
B. Capital Account	270.6	330.4	361.5	355.4	358.2	293.6	504.9
Capital transfers: Credit	270.6	330.4	361.5	355.4	358.2	293.6	504.9
Government	256.3	314.7	339.2	325.3	320.9	253.7	461.8
Other sectors	14.2	15.7	22.3	30.1	37.3	39.9	43.1
Total, Groups A plus B	-406.3	-155.5	124.1	377.7	247.2	-148.4	-451.1
C. Financial Account, excl. reserves and related items	522.4	187.8	-353.7	191.6	256.9	382.8	281.8
Direct investment in Tanzania	541.7	282.0	467.2	429.8	526.8	469.9	473.4
Other investment	-20.5	-94.2	-829.1	-240.4	-272.6	-89.5	-194.1
Assets	14.8	-134.0	-76.7	2.9	-59.0	-11.0	-61.5
Liabilities	-35.3	39.9	-752.5	-243.3	-213.6	-78.5	-132.6
Total, Groups A through C	116.1	118.7	580.0	569.3	504.0	234.5	-169.3
D. Net Errors and Omissions	-244.5	-118.7	-580.0	-681.6	-449.6	-194.8	-296.6
Overall balance	-128.4	-86.3	-809.6	-112.4	69.9	-98.1	-465.9
E. Reserves and Related Items	128.4	86.3	809.6	112.4	-69.9	98.1	465.9
Reserve assets	-176.5	-198.8	-182.2	-372.4	-508.8	-258.4	247.7
Use of Fund credit and loans	51.3	49.4	15.6	26.0	-2.9	-33.8	-50.5
Exceptional financing:	253.7	235.7	976.2	458.8	457.2	252.5	268.6
Rescheduled debt	129.4	10.1	131.4	9.8	86.9	0.0	0.0
Debt forgiveness	77.2	49.4	642.1	430.3	334.6	166.3	112.1
Interest arrears	33.0	81.2	67.4	18.4	29.5	21.9	55.3
Principal arrears	14.1	95.0	135.2	0.4	6.2	64.3	101.2
Memorandum items							
GDP(mp) Mill. TZS	6,432,910.9	7,277,799.9	8,304,338.6	9,399,085.8	10,707,006.2	12,351,737.7	13,742,568.5
GDP(mp) Mill. USD	8,635.9	9,092.7	9,475.6	9,724.0	10,309.3	11,338.7	12,174.1
CAB/GDP	-7.8	-5.3	-2.5	0.2	-1.1	-3.9	-7.9
CAB/GDP (excl. current official transfers)	-12.6	-10.0	-6.9	-4.2	-6.3	-9.0	-11.8
Gross Official Reserves - Mill. USD	775.6	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4
Months of Imports	4.5	5.7	6.3	8.6	9.2	8.0	5.8
Net International Reserves- Mill.USD (year end)	405.1	542.7	761.2	1,058.4	1,533.9	1,786.9	1,645.7
Change in Net International Reserves- Mill. USD	-121.4	-137.6	-218.5	-297.2	-475.5	-253.0	141.2
Exchange rate- TZS/USD (end of period)	797.3	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5
Exchange rate- TZS/USD (annual average)	744.9	800.4	876.4	966.6	1,038.6	1,053.3	1,128.8

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

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

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

4) p = provisional data, subject to revision

5) r = revised

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

Source: Bank of Tanzania





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

Period	Base: June 2001=100														
	Headline	Food	Non-Food	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Educ-ation	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2003	3.5	4.5	2.0	1.5	2.0	5.9	2.5	2.1	2.1	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	1.7	0.6	-0.2
Sep	4.0	4.6	3.2	0.5	4.5	0.2	6.0	2.9	4.3	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	14.0	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

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	Total Non-Food	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transport- ation	Education	Miscel. goods & services
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	0.0	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	-0.6	-0.6
Jun	-1.1	-2.7	1.7	0.1	-0.2	0.1	5.5	-0.1	0.8	0.8	0.4	2.1	0.4	0.1
Jul	-0.5	-1.3	0.9	3.5	0.8	0.0	0.3	0.9	-0.3	-0.9	0.1	0.8	0.8	-0.1
Aug	-1.0	-1.7	-0.1	-0.3	-0.7	0.0	0.2	-0.1	0.1	0.4	-0.6	-0.1	0.5	0.2
Sep	0.2	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2
Oct	1.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6
Nov	0.8	2.3	-0.6	0.2	0.3	0.0	-2.8	-0.8	0.6	-0.1	1.8	-0.2	0.0	-0.6
Dec	2.1	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6
2007- Jan	1.3	1.8	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6

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			2006/07						
	2004/05	2005/06	Jul	Aug	Sep	Oct	Nov	Dec	Jan
1. Overall Total Debt Committed ²	8,345.1	8,638.9	6,137.9	6,137.9	6,246.6	6,228.2	6,065.6	5,990.7	5,560.7
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
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
2. Disbursed Debt by Creditor Category ²	6,799.5	7,733.9	4,366.2	4,349.8	4,358.3	4,369.4	4,423.0	4,409.0	3,467.9
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
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
Commercial	416.4	462.2	463.5	465.3	452.7	453.4	456.9	457.8	429.4
Export credits	254.5	305.9	305.9	306.2	306.6	306.6	307.3	308.7	318.7
3. Disbursed Debt by Borrower Category ²	6,799.5	7,734.0	4,366.1	4,349.8	4,358.2	4,369.4	4,423.0	4,409.0	3,786.5
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
Parastatal Companies	477.5	450.0	159.6	159.7	160.0	159.9	160.5	161.1	160.4
Private Sector	491.5	559.5	560.2	561.2	561.1	561.5	564	566	579.1
4. Total Amount of Loans Contracted ¹	631.9	673.9	0.4	191.2	1.1	0.0	3.0	4.2	0.0
Government	491.7	574.8	0.0	191.2	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
5. Disbursements ¹	190.2	210.0	215.5	13.1	17.5	16.5	25.9	42.4	0.0
Government	161.4	182.4	215.5	12.7	17.3	16.5	25.6	42.4	0.0
Parastatal Companies	0.0	4.1	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
6. Scheduled Debt Service ¹	355.1	373.6	15.6	26.7	33.2	21.1	15.8	59.3	21.2
7. Actual Debt service ¹	112.9	90.7	3.6	5.4	3.8	3.0	5.3	1.5	3.5
Principal	86.0	61.4	2.2	2.6	1.1	0.6	3.6	0.4	1.4
Interest	26.9	29.3	1.4	2.8	2.6	2.4	1.7	1.1	2.1
8. Net Transfers	77.3	119.3	211.9	7.7	13.8	13.5	20.6	40.9	-3.5
9. Total Arrears by Creditor Category ²	2,470.5	2,392.4	2,413.6	2,389.2	2,404.4	2,422.0	2,434.3	2,501.7	2,250.8
Principal	1,135.2	1,132.2	1,138.1	1,123.1	1,136.4	1,141.5	1,132.0	1,161.7	910.8
Bilateral	669.4	609.0	613.4	597.3	599.9	601.7	607.0	609.5	359.4
Multilateral	5.9	10.7	11.2	11.1	11.8	12.0	12.4	14.0	15.4
Commercial	249.2	274.1	275.0	276.2	285.8	287.7	277.1	298.4	295.8
Other Private Creditors	210.7	238.5	238.5	238.5	238.9	240.1	235.5	239.7	240.1
Interest	1,335.3	1,260.1	1,275.5	1,266.0	1,268.0	1,280.5	1,302.3	1,340.0	1,340.0
Bilateral	818.8	684.0	688.7	677.0	675.5	677.8	686.1	706.8	523.1
Multilateral*	23.4	22.0	22.5	22.4	22.9	22.8	23.0	23.9	23.4
Commercial	333.7	372.9	375.3	377.1	379.9	387.5	394.4	407.4	405.0
Other Private Creditors	159.4	181.2	189.0	189.5	189.7	192.4	198.8	201.4	202.6
10. External Debt Stock	8,134.8	8,231.3	5,641.7	5,615.8	5,626.3	5,649.9	5,725.3	5,749.0	5,126.5
11. Domestic Debt Stock	952.6	1,405.9	1,388.2	1,342.7	1,386.4	1,374.4	1,362.7	1,440.0	1,398.7
12. Total Debt Stock	9,087.4	9,637.2	7,029.9	6,958.5	7,012.7	7,024.3	7,088.0	7,189.0	6,525.2
End Period Exchange Rate	1,126.3	1,253.1	1,287.9	1,320.0	1,272.7	1,287.1	1,290.3	1,261.6	1,301.4

* Multilateral arrears are those owed by private companies

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

Source: Bank of Tanzania



GLOSSARY



Currency in Circulation Outside Banks

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

Discount Rate

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

Exchange Rate

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

Lombard Facility

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

Lombard Rate

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

Money Supply, M

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

M1, Narrow Money,

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

M2, Broad Money

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

M3, Extended Broad Money

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

Nominal Exchange Rate

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

Non-Food or Underlying Inflation Rate

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

Repurchase Agreement (REPO)

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

Reserve Money (M0)

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

Seasonally Adjusted Series

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

Weighted Annualized Yields of Treasury Bills of all Maturities

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



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