



BANK OF TANZANIA



MONTHLY
ECONOMIC
REVIEW

January 2007

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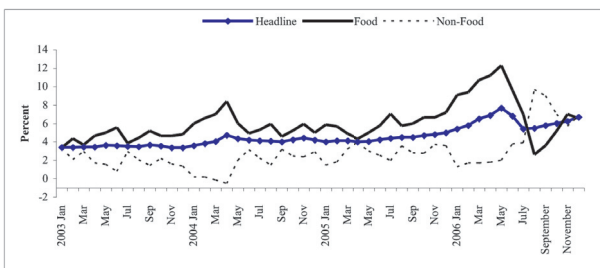


1.0 Inflation Developments

Since July 2006, inflation has taken an upward trend, reflecting mainly the remnant effects of the drought in the year 2005/06 and increase in world oil prices. The annual headline inflation increased to from 5.4 percent in July to 6.2 in November and then up to 6.7 percent in December 2006. The rise in the headline inflation during December was mainly on account of non-food inflation, which increased at an annual rate of 6.8 percent from 5.7 percent in November. On the contrary, annual food inflation eased slightly to 6.5 percent in December 2006, down from 7.0 percent in the previous month (Chart 1.1).

On month-to-month basis, consumer prices increased by 2.1 percent in December 2006, faster than the 0.8 percent increase recorded in the previous month, mainly on account of seasonal increase in demand for most consumer items associated with end of year festivities. Food prices went up by 2.9 percent in December compared with 2.3 percent November 2006. Large price increases occurred in rice, legumes, beef, fresh fish, vegetables, coconut, groundnuts, fruits and sugar. As for non-food items, prices increased by 0.4 percent in December compared with a decline of 0.7 percent in the previous month. Notable price increases were recorded in bus fares, school uniforms, bicycles, furniture, clothing, footwear, drinks and personal care and health products.

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



Strategic grain reserves increase

Food supply situation in the country broadly remained satisfactory. This notwithstanding, the government identified few districts that were facing pockets of food shortage for which food relief amounting to 7,022 tons were earmarked for distribution. Out of this amount, 823 tons were distributed in December 2006 to four districts—Meatu, Shinyanga Rural, Iringa Rural and Kilolo while the remaining amount was expected to be collected by the respective districts from the Zonal SGR centres starting January.

Meanwhile, the Strategic Grain Reserve (SGR) department purchased from surplus regions 2,196 tons of maize and 546 tons of sorghum during December 2006 leading to a cumulative purchase of 94,622 tons since August 2006, out of which, maize amounted to 91,986 tons and sorghum 2,636 tons. In addition, maize imported through tender system by private traders amounted to 10,000 tons. 20,000 more tons are expected to be delivered by private traders in January 2007. These developments brought the SGR stock to 110,203 tons at the end of December 2006 up from 100,828 tons recorded at the end of November 2006 (Table 1.1). Prices of maize and sorghum declined partly reflecting the improved domestic supply as well as the expected harvests following the satisfactory short rains (Table 1.2).

Table 1.1: Tanzania: Strategic Grain Reserve (SGR) Stock

Period	2000	2001	2002	2003	2004	2005	2006	% Change 2005-2006
January	105,665	78,967	60,503	59,961	35,342	119,924	76,813	-36
February	103,305	72,000	58,254	59,493	23,791	116,383	43,593	-63
March	101,496	63,022	56,738	58,976	22,903	114,760	8,055	-93
April	96,326	51,435	52,228	54,118	32,387	115,262	3,165	-97
May	82,119	44,776	48,653	52,857	31,732	113,823	6,210	-95
June	72,000	47,225	47,100	51,060	37,091	112,823	15,560	-86
July	63,976	46,290	44,787	50,661	39,195	112,323	13,811	-88
August	70,352	48,998	41,795	52,681	45,988	112,067	28,440	-75
September	95,000	59,047	57,500	61,364	67,685	111,971	80,248	-28
October	88,474	58,000	62,700	59,379	92,710	111,695	87,461	-22
November	89,882	62,388	61,773	52,054	108,448	106,428	100,828	-5
December	78,967	62,788	58,395	41,649	114,030	93,051	110,203	18

Source: Food Security Department and BOT computation.



Table 1.2: Tanzania: National Average Wholesale Prices for Selected Food Items

	<i>TZS per 100 Kg</i>				
	2005 Dec	2006		Percentage change	
		Nov	Dec	Dec-05 to Dec-06	Nov-06 to Dec-06
Maize	22,099	18,716	17,935	-18.8	-4.2
Rice	54,461	71,138	73,393	34.8	3.2
Beans	50,920	59,402	60,231	18.3	1.4
Sorghum	23,470	25,725	25,488	8.6	-0.9
Potatoes	31,923	33,785	35,240	10.4	4.3

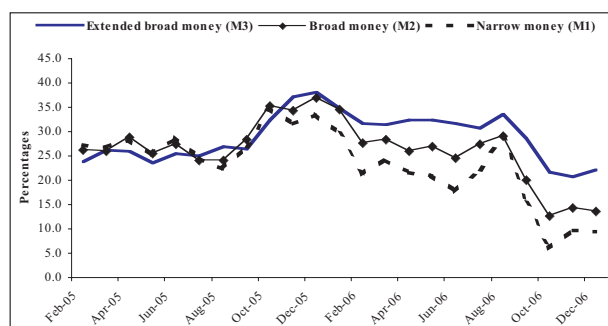
Source: Ministry of Agriculture, Food Security and Cooperatives

2.0 Monetary and Financial Developments

Money Supply

During the year ending December 2006, extended broad money supply (comprising of currency in circulation and all deposits at the commercial banks) grew by 22.2 percent, which is relatively lower than the growth rate of 38.2 percent recorded in December 2005. Likewise, broad money supply, (M2), which excludes foreign currency deposits, dropped to 13.5 percent compared with 36.9 percent recorded in the previous year (Chart 2.1). The main factor behind the deceleration in money supply is the relatively slower rate of growth of the Shilling denominated deposits featured mostly in demand deposits. This was largely due to increase in corporate tax payments coupled with a higher net sale of foreign exchange by the Bank during this period.

Chart 2.1: Annual Growth Rates of Monetary aggregates



On month-to-month basis, M3 registered a relatively lower increase of about TZS 79 billion during December 2006, as compared to an increase of TZS 131 billion in the previous month. Likewise, broad money supply (M2) followed the same pattern after recording an increase of TZS 49.6 billion which is lower compared to the increase of TZS 57.3 billion registered in November 2006 (Table 2.1). The driving factor for moderate increase of money supply during the month under review is largely associated with payment of end of quarter tax obligation by corporate clients which featured mostly in the decline in demand deposits in the banking system by TZS 6.5 billion.

Table 2.1: Selected Money Supply Components

	<i>(Billions of TZS)</i>						
	Dec-05	2006		Monthly Change	Annual growth rate (%)		
		Nov	Dec		Dec-05	Nov-06	Dec-06
Extended broad money	3,935.0	4,728.3	4,807.3	79.0	38.2	20.8	22.2
Broad money	2,808.2	3,138.4	3,188.0	49.6	36.9	14.4	13.5
Currency outside the banking system	843.2	955.5	973.4	17.9	27.0	17.6	15.4
Demand deposits	915.7	959.3	952.8	-6.5	40.5	2.9	4.1
Time deposits	422.3	449.9	469.6	19.7	53.0	13.5	11.2
Savings deposits	627.2	773.6	792.2	18.6	36.7	28.2	26.3
Foreign currency deposits	1,126.7	1,589.9	1,619.3	29.4	41.3	35.9	43.7
<i>FCD In millions of USD</i>	966.7	1,232.1	1,283.5	51.3	26.5	25.9	32.8
Private sector deposits in commercial banks	3,091.8	3,772.8	3,822.7	49.9	41.6	21.6	23.6
Government sector deposits in commercial banks	187.2	255.7	234.6	-21.1	37.7	31.2	25.3
Total deposits	3,279.0	4,028.5	4,077.3	48.8	41.4	22.2	24.3
Net foreign assets	2,560.9	3,640.4	3,571.4	-69.0	7.6	36.6	39.5
Bank of Tanzania	1,780.4	2,585.5	2,516.7	-68.8	3.8	36.3	41.4
Commercial banks	780.4	1,054.9	1,054.7	-0.2	17.4	37.5	35.1
Net domestic assets	1,983.3	1,697.1	1,856.3	159.2	112.7	-8.7	-6.4
Domestic Credit	1,683.8	1,897.5	1,960.2	62.8	66.3	17.3	16.4
Net claims on government by the banking system	258.8	-75.8	-67.0	8.9	-637.2	-136.7	-125.9
Claims on government by the banking system	887.5	1,232.0	1,336.7	104.7	85.8	38.3	50.6
Government deposits in the banking system	628.8	1,307.8	1,403.6	95.8	19.6	91.2	123.2
Claims on the private sector	1,425.1	1,973.3	2,027.2	53.9	34.4	188.5	42.3

Source: Bank of Tanzania

The general public's preferences in holding of different types of money between November and December depict an upward trend in holdings of foreign currency deposits associated with nominal depreciation of the Shilling against major currencies whereas currency in circulation and demand deposits recorded declines as a proportion of extended broad money. Time deposits on the other hand remained unchanged as a proportion of extended broad money (Chart 2.2).



Chart 2.2: Components of Money Supply as Percentage of M3

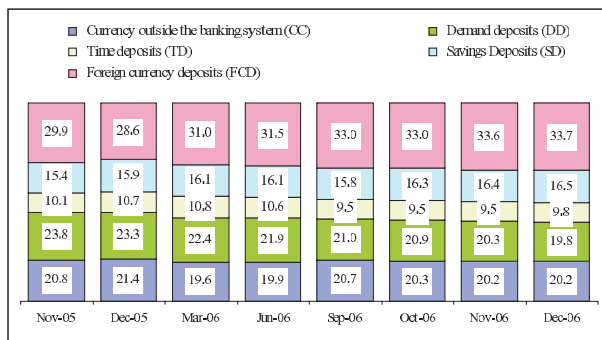
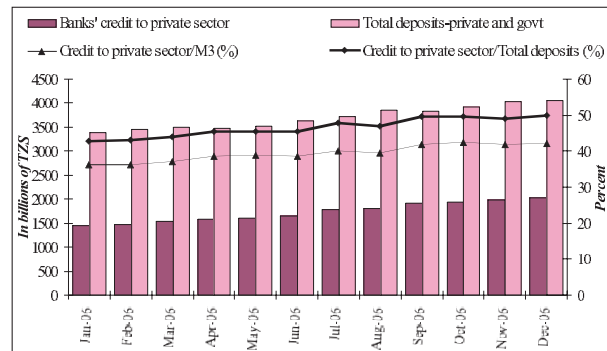


Chart 2.3: Tanzania: Commercial Banks Intermediation



Credit Developments

Credit to the private sector by banks continued to record robust performance associated with increased lending opportunities as well as implementation of policies towards alleviation of abject poverty and sustainable growth. In the year ending December 2006, credit to the private sector registered a growth rate of 42.3 percent, which is higher than 34.4 percent recorded in December 2005, the highest since June 2004. The most benefiting activities were manufacturing, trade, agriculture, electricity and hotels and restaurants all of which accounted for about 63 percent of the total outstanding credit.

Total credit extended during December 2006 was TZS 63 billion as compared to TZS 27.1 billion recorded in the previous month. A large portion of the increase went to manufacturing, trade, agriculture, hotels and restaurants and electricity activities. The proportion of credit to the private sector to total deposits increased from 49 percent registered in November to 50 percent in December 2006 (Chart 2.3), reflecting the growing intermediation as half of the mobilised deposits are used for extending credit to various activities in the economy.

Interest Rates

During the month of December 2006, developments in interest rates were generally mixed. Overall savings deposit rate stabilised at 2.60 percent, whereas 12 months time deposits rate declined to 8.66 percent from 9.05 percent. Negotiated deposit rate fell to 9.35 percent in December 2006 from 9.72 percent recorded a month earlier. In contrast, the treasury bills rate went up to 15.04 percent as compared to 10.69 percent recorded during the preceding month. The overall inter bank cash rates increased to 7.14 percent from 5.20 percent while the negotiated lending rates reached 10.6 percent in December 2006 from 10.11 percent reported in November 2006. (Table 2.2)

Table 2.2: Tanzania: Interest Rate Structure

Item	2006					
	Jul	Aug	Sep	Oct	Nov	Dec
Interbank cash market rate	8.63	8.47	14.87	15.64	5.20	7.14
Savings Deposit Rate	2.54	2.58	2.59	2.57	2.60	2.59
12 months time deposit rate	8.01	9.03	8.20	8.70	9.05	8.66
Negotiated Deposit Rate	9.13	9.78	10.12	9.42	9.72	9.35
Overall lending rates	16.18	16.51	16.71	16.61	16.61	16.43
Short-term (up to year)	16.61	15.64	15.90	15.60	15.71	15.67
Negotiated Lending Rates	11.99	10.80	10.80	10.74	10.11	10.60
Treasury Bills Weighted Average Yield (WAY)	9.17	9.89	11.98	13.4	10.69	15.04

Source: Commercial banks and Bank of Tanzania

Developments in Financial Markets

Treasury bills market continued to perform favourably during the month, however demand went down in December 2006 to TZS 304 billion compared with the demand of TZS 537 billion recorded in November 2006. This outturn is



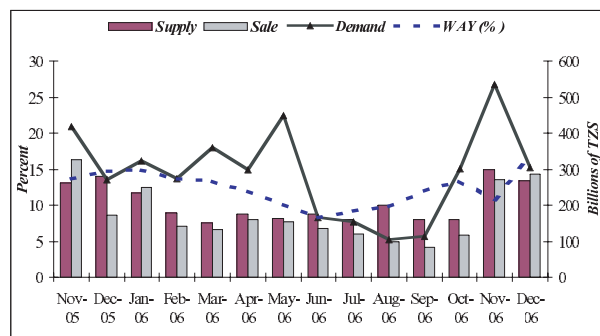
explained by the increase in seasonal demand for cash by the public to cater for end of year festivals and payments of end of quarter taxes by corporations. During the month, the T-bills market was over-subscribed by about TZS 37.1 billion, mostly seen in 364-day T-bills. The Bank accepted bids worth TZS 284.9 billion against the total supply of TZS 267.0 billion. In line with the market developments, WAY rose 10.69 percent in November 2006 to 15.04 percent in December 2006, reflecting a tight pace of the monetary policy implementation during the month (**Table 2.3 and Chart 2.4**).

Table 2.3: Treasury bills Performance during July-December 2006

	Jul	Aug	Sep	Oct	Nov	Dec
Supply	159.5	200.0	160.0	160.0	300	267.0
Demand	153.0	95.4	113.0	300.3	537	304.1
Sale	127.0	101.8	88.6	126.2	293	284.9
WAY (%)	9.17	9.89	11.98	13.4	10.69	15.04

Source: Financial Markets, Bank of Tanzania

Chart 2.4: Tanzania: Treasury Bills Market Developments



In recent months, Treasury bond market has been performing satisfactorily (**Table 2.4**). In December 2006, 2-year and 5-year T-bonds worth TZS 12.0 billion were offered and the demand was TZS 46.4 billion. The Bank accepted bids worth TZS 37.0 billion, which is about 80 percent of the total demand. During the month under review, the interest rate on 2-year bond increased to 18.5 percent from 12.89 percent in November 2006 while the 5-year bond's rate decreased to 15.2 percent from 15.89 percent in the same period.



Table 2.4: Tanzania: Treasury bonds Performance: July-December 2006

	Jul	Aug	Sep	Oct	Nov	Dec
Supply	16.0	20.0	16.0	16.0	20.0	12.0
Demand	24.1	19.6	26.3	30.4	53.6	46.4
Sale	11.6	16.7	18.2	15.0	20.0	37.0
Yields (%)						
2-year	11.87	14.05	16.94	15.83	12.89	18.5
5-year	15.76	16.18	17.43	18.14	15.89	15.2

Source: Financial Markets, Bank of Tanzania

3.0 Government Budgetary Operations

Tax revenue yield improves

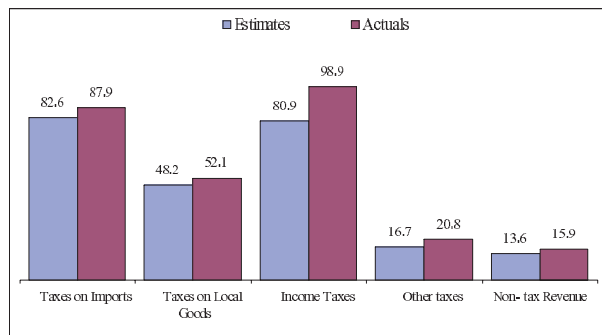
During the month of December 2006, government budgetary operations recorded a deficit of TZS 15.1 billion after grants. Total resources that were available for the month from domestic revenue and grants amounted to TZS 277.8 billion, while expenditure amounted to TZS 292.9 billion.

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 good performance revenue collections. Effective tax administration through processes and procedures under TRA's Quality Management System to improve compliance, together with comprehensive – issue oriented audits, and better audit procedures has reduced cost of compliance and increased tax revenue yield. The good performance in Taxes on imports resulted from effective control of goods transferred to Mainland through enhancement of exchange of information, effective implementation of the anti smuggling strategies, and enhanced measures to control the abuse of exemptions. On income tax, the good performance was on account of effective measures in collection of outstanding tax arrears under the tax recovery

program. Other factors responsible for good performance in income tax include expedited examination of returns and accounts together with fast audits of issue oriented cases, and immediate collections follow up of assessed tax from audits made in previous months (Chart 3.1).

Chart 3.1: Government Revenue Performance in 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 expenditures 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 December 2006, the current account balance deteriorated to a deficit of USD 190.1 million compared to a deficit of USD 185.3 million that was recorded in the previous month. This development is largely due to a decline in the official donor inflows from USD 44.1 million in the previous month to USD 33.2 million. Likewise, on year-to-year basis, the current account balance worsened to a deficit of USD 1,639 million compared with a deficit of USD

993.7 million in 2005, owing to a huge increase in import bill (Table 4.1).

Table 4.1: Current Account Balance

Millions of USD

	December		Year Ending December				% Change
	2004	2005	Nov-06	Dec-06	2005 ^P	2006 ^P	
Goods Account (net)	-71.5	-92.1	-225.0	-213.2	-1,321.2	-2,177.4	64.8
Exports	179.5	180.5	143.9	158.9	1,676.3	1,686.7	0.6
Imports	251.1	272.6	368.8	372.2	2,997.6	3,864.1	28.9
Services Account (net)	3.3	-1.9	-0.2	-2.5	61.8	164.3	--
Receipts	109.9	103.6	115.2	126.7	1,269.2	1,446.4	14.0
Payments	106.6	105.5	115.3	129.3	1,207.3	1,282.1	6.2
Goods and services (net)	-68.2	-94.0	-225.1	-215.8	-1,259.4	-2,013.2	59.9
Exports of goods and services	289.4	284.1	259.0	285.6	2,945.5	3,133.1	6.4
Imports of goods and services	357.7	378.1	484.1	501.4	4,204.9	5,146.2	22.4
Income Account (net)	-4.5	-35.1	-1.8	-4.4	-205.9	-125.0	-39.3
Receipts	18.7	10.9	12.6	17.3	80.9	98.3	21.5
Payments	23.2	46.0	14.4	21.7	286.8	223.3	-22.2
Current Transfers (net)	70.8	34.2	41.7	30.1	471.6	499.1	5.8
Inflows	76.0	39.8	46.8	36.5	539.1	564.7	4.7
o/w General Government	69.9	35.7	44.1	33.2	478.4	521.3	9.0
Net Inflows = Very large number	8.2	5.6	5.2	6.4	67.5	65.6	-2.9
Current Account Balance	-1.9	-94.9	-185.3	-190.1	-993.7	-1,639.0	64.9

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania

Exports Performance

During the year ending December 2006, exports of goods and services increased by 6.4 percent to USD 3,133.1 million largely due to an increase in services receipts, as merchandise good exports remained almost unchanged at USD 1,686.7 million. The stagnation in export of merchandise goods is largely attributed to unfavorable weather condition during the year 2005/06 farming season that adversely affected production of most of the traditional exports. Also, non-traditional exports recorded a slight improvement following stagnation in exports of gold and fish. Meanwhile, travel (tourism) continued to lead by contributing about 27.3 percent to the total exports of goods and services followed by gold exports that accounted for 23.5 percent (Charts 4.1 and 4.2).



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

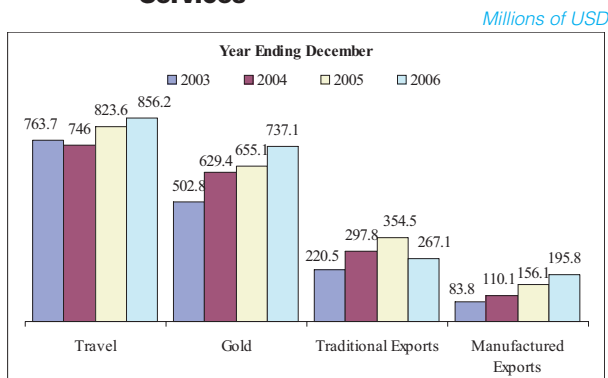
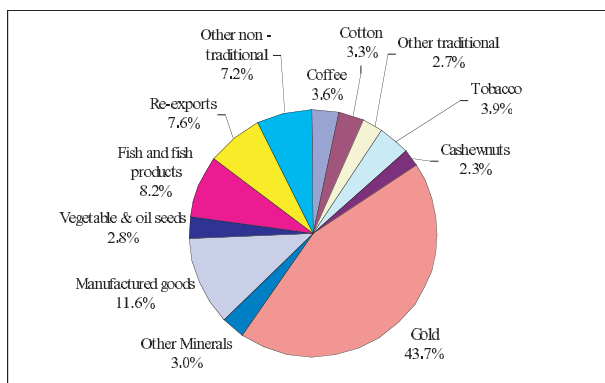


Chart 4.2: Tanzania: Contribution of Selected Items to Total Exports of Goods in 2006



Note:

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

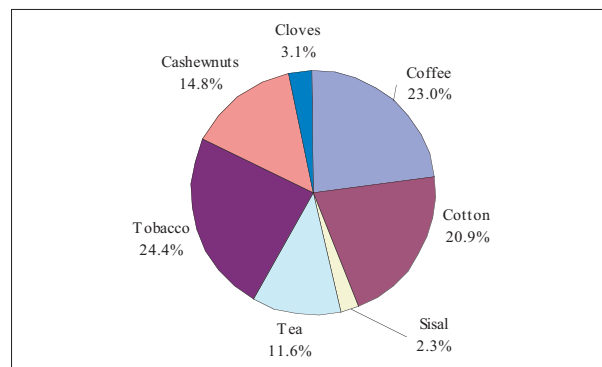
Traditional Exports

During December 2006, traditional exports recorded a marginal increase to USD 31.9 million compared to USD 31.3 million recorded in the previous month. With the exception of cashew nuts and cloves, all other traditional exports declined in volumes and value. A total of 27,746 tons of cashew nuts worth USD 13.8 million were exported in December 2006 following the Government's intervention to resolve price disagreement between farmers and exporting companies. During the beginning of the cashew nuts sale season in October 2006, exporters were unwilling to buy the crop at the agreed price of TZS 600 per kilogram; instead they were ready to buy at TZS 400 per kilogram. As a result of this price wrangle, only about 39,259 tons of cashew nuts worth USD 19.5 million were exported in the last quarter of

2006. The amount is low compared to a total of 57,212 tons worth about USD 42.4 million that were exported during the corresponding period in 2005.

During the year ending December 2006, traditional exports declined by 24.6 percent to USD 267.1 million mainly due to unfavourable weather conditions that adversely affected production levels for most of the traditional crops. However, the adverse impact on exports earnings was lessened by the increase in exports unit prices for most of the traditional exports. With the exception of sisal and cashew nuts, all other traditional exports recorded increases in their export unit prices. The performance of traditional exports for the year ending December 2006 is reflected in **Chart 4.3**.

Chart 4.3: Composition of Traditional Exports for the Year Ending December 2006



Non-Traditional Exports

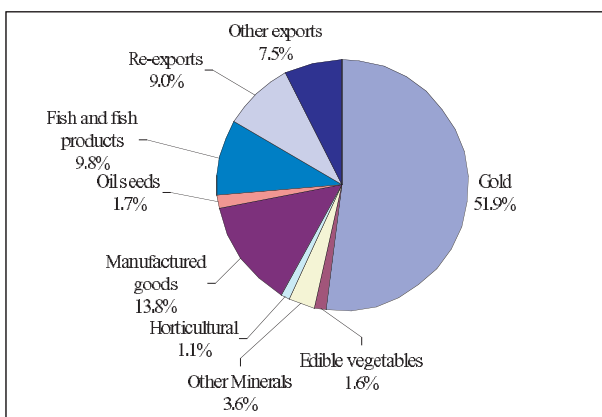
Non-traditional exports increased by 12.9 percent to USD 127.1 million in December 2006 compared to the position recorded in the previous month amid improvement in exports of gold and manufactured goods. The increase in gold export is largely attributed to the surge in gold prices in the world market, as volume remained almost unchanged at 4.0 tons. On the other hand, the increase in manufactured exports is largely attributed to exports of 17,000 tons of sugar worth about USD 6.4 million to the United Kingdom as part of Tanzania's quota into the European Union (EU) market. It should be noted that Tanzania's basic annual quota into EU market is 10,186 tons of sugar, however an exporting country is allowed to export more if other countries have failed to meet their quota allocation in that particular year.



On annual basis, non-traditional exports increased by 7.4 percent to USD 1,419.5 million compared to the year 2005 largely due to a surge in exports of gold and manufactured goods to USD 737.1 million and USD 195.8 million, respectively. The increase in value of gold exports was largely attributed to higher gold prices in the world market, since the exported volume declined by 11.0 percent to a total of 42.7 tons during the previous year. The stagnation in gold exports is partly attributed to the fact that no new gold mines have been opened recently. On the other hand, manufactured goods export which have been growing at an annual average rate of 36 percent during the last two years, recorded deceleration as it only grew by 25.4 percent in the year ending December 2006. The deterioration is largely due to power shedding that forced most of the manufacturing firms to produce at low capacity. With maintenance of macroeconomic stability and improvement in infrastructures including reliable power supply, it is possible to revamp production of manufactured goods to a status of one of the leading foreign exchange earner given the locally available raw materials and cheap labour. Currently, gold exports continue to dominate accounting for about 51.9 percent of non-traditional exports followed by manufactured goods and fish and fish products that accounted for 13.8 percent and 9.8 percent, respectively, of total export in December.

Chart 4.4 depicts the performance of non-traditional exports for the year ending December 2006.

Chart 4.4: Contribution to total non-traditional exports for the year ending December 2006



Services Export

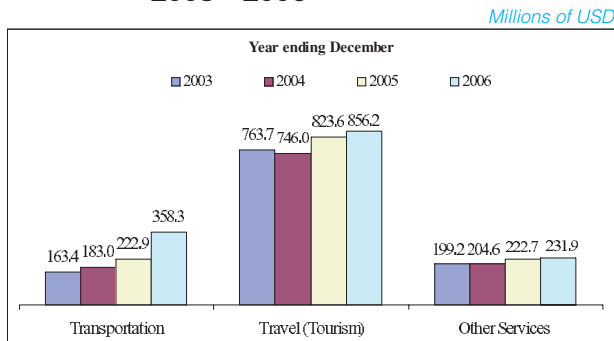
In November 2006, export of services went down by 7.7 percent to USD 109.8 million from last month's performance, largely due to the fall in receipts from transportation, other business and Government services.

On annual basis, services receipts increased by 11.2 percent to USD 1,418.0 million following the impressive performance in transportation and travel (tourism) sectors. The improvement in travel sector that accounts for about 60 percent of services receipt is mainly due to the efforts by the Government and other stakeholders in promoting Tanzania as a quality nature destination given its natural endowments and friendliness of its people. Apart from the promotion efforts, the Government is in the process of establishing a new tourist park named Mkombazi Game Reserve, which will add to the magnificent tourist attractions in the northern circuit namely Kilimanjaro National Park, Ngorongoro Conservation Area, Tarangire National Park, Serengeti National Park and Lake Manyara National Park..

On the other hand, the significant increase in transportation receipts to USD 358.3 million from USD 222.9 million during the year ending December 2006, is mainly attributed to improvements made at the Dar es Salaam port that have led to increase in transit cargo to and from the neighbouring countries.. The Tanzania-Zambia Railway Authority (TAZARA) has recently acquired new equipment and machinery to improve its operations. With this development, the volume of cargo is expected to increase in the near-term. Meanwhile, the volume of passengers is expected to increase by about 20 percent to 1.2 million per annum. **Chart 4.5** depicts performance of the main services sector during the past four years, with travel (tourism) taking the lead.



**Chart 4.5: Tanzania: Service Receipts
2003 – 2006**



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

Table 4.2: Tanzania imports

Millions of USD

Item	2005 ^P	2006 ^P		% Change		Year Ending Dec ^P		% Change
	Dec	Nov	Dec	Dec 05- Dec 06	Nov 06- Dec 06	2005	2006	
CAPITAL GOODS	106.5	151.8	133.1	25.0	-12.3	1,078.1	1,435.1	33.1
Transport Equipment	36.1	35.7	32.3	-10.6	-9.6	289.6	374.8	29.4
Building and Construction	30.1	43.8	22.5	-25.5	-48.7	257.2	338.0	31.4
Machinery	40.3	72.3	78.4	94.6	8.4	531.3	722.4	36.0
INTERMEDIATE GOODS	99.5	175.9	161.5	62.3	-8.2	1,166.3	1,576.9	35.2
Oil imports	73.9	124.4	121.1	64.0	-2.6	847.3	1,146.5	35.3
Fertilizers	1.5	8.6	4.6	204.4	-46.0	64.6	53.9	-16.6
Industrial raw materials	24.1	42.9	35.8	48.4	-16.7	254.4	376.5	48.0
CONSUMER GOODS	66.6	80.6	77.5	16.3	-3.8	753.1	852.1	13.1
Food and food stuffs	20.6	16.7	23.9	16.0	43.2	168.4	249.2	48.0
All other consumer goods ¹	46.0	63.9	53.6	16.5	-16.1	584.8	602.8	3.1
GRAND TOTAL (F.O.B)	272.6	408.3	372.2	36.5	-8.9	2,997.6	3,864.1	28.9
GRAND TOTAL (C.I.F)	299.6	448.7	409.0	36.5	-8.9	3,294.0	4,246.3	28.9

Note: Oil imports refers to refined petroleum products
^P = provisional data

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

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania and Tanzania Revenue Authority

Imports Performance

Goods Imports

During December 2006, goods imports (f.o.b.) declined to USD 372.2 million following a decline in all major categories of imports. Capital goods imports decreased to USD 133.1 million from USD 151.8 million in the previous month largely due to a fall in importation of transport equipment, building and construction items. Likewise, intermediate goods declined by 8.2 percent to USD 161.5 million in December 2006, following a drop in oil, fertilizer and industrial raw materials imports. The value of imported oil went down marginally to USD 121.1 million compared to USD 124.4 million, largely due to a fall in oil prices in the world market. During the month under review, a total of 235,946 tons of oil were imported compared to 221,729 tons in the previous month.

Consumer good imports recorded a decline of 3.8 percent to USD 77.5 million in December 2006 following a reduction in importation of other consumer goods in particular optical and photographic materials, furniture and plastics and related articles. Imports of food and other foodstuffs however recorded an increase of about 43.2 percent largely due to the surge in importation of wheat and sugar and sugar confectionaries, which increased to USD 14.6 million and USD 5.5 million, respectively in December 2006

(Table 4.2).

Food Imports

In December 2006, food imports increased to USD 23.9 million from USD 16.7 million in the previous month with cereal imports accounting for over 60 percent of the amount imported in the review month. Wheat imports dominated as they accounted for over 90 percent of the total cereal imports. It should be noted that part of the imported wheat is also re-exported to the neighbouring countries. Table 4.3 summarizes the trend of selected cereal imports during the last four months beginning September 2006.

Table 4.3: Summary of Food Imports

	Sep-06	Oct-06	Nov-06	Dec-06	% Change (Nov - Dec)
Maize					
Tons	224	2,399	975	1,956	100.7
Value (Mill. USD)	0.2	0.8	0.4	0.6	37.4
Rice					
Tons	54	68	80	40	-49.8
Value (Mill. USD)	0.03	0.02	0.03	0.01	-51.3
Wheat					
Tons	58,505	14,769	42,030	66,756	58.8
Value (Mill. USD)	12.8	3.1	7.5	14.6	94.7

Note: -- = Very large number

Source: Bank of Tanzania and Tanzania Revenue Authority

On annual basis, goods import went up by 28.9 percent to USD 3,864.1 million following the increase in importation of capital, intermediate and consumer goods. Capital good imports increased by 33.1 percent to USD 1,435.1 million mainly due to a surge in importation of transport equipment, building and construction, and machinery, which were mainly directed to the mining, communication and manufacturing sectors.

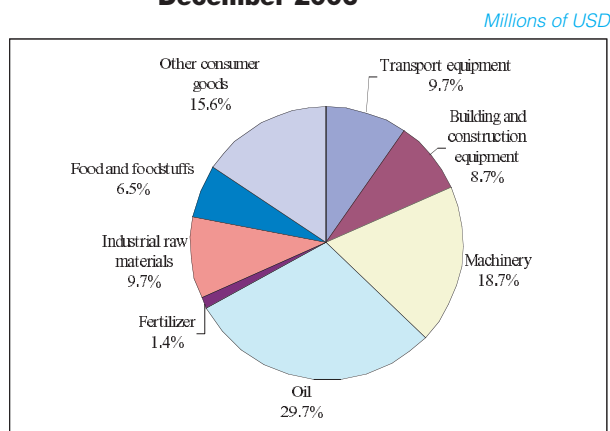
During 2006, intermediate goods imports went up



significantly to USD 1,576.9 million on account of the increase in importation of oil and industrial raw materials. The huge increase in value of oil imports is largely attributed to the persistent increase in the oil prices in the world market as well as the rise in 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 compared to USD 509.8 that prevailed in the previous year. Likewise, the volume of imported oil increased by 21.4 percent to 1,995,701 tons during the year 2006 largely due to increase in economic activities and usage of thermal power generation amid the drought. On the other hand, the surge in imports of industrial raw materials was partly associated with the growth of the manufacturing sector in the country resulting from macro-economic reforms and improved business environment.

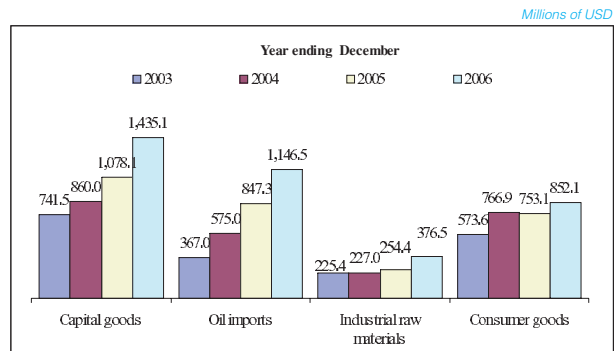
The consumer goods imports increased to USD 852.1 million compared to USD 753.1 million in the previous year largely due to a rise in imports of food and foodstuff particularly maize and wheat. During the period under review, a total of 226,142 tons of maize worth USD 43.0 million were imported compared to 10,653 tons worth USD 2.3 million that were imported in the previous year. On the other hand, the volume of imported wheat increased to a total of 602,646 tons worth USD 104.3 million compared to 473,371 tons worth USD 79.3 million in 2005. The increase in food imports, particularly maize, was to augment local supply amid drought in 2005/06 (Chart 4.6).

Chart 4.6: Tanzania: Contribution to Total Imports for the Year Ending December 2006



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: Tanzania: Total Merchandise Imports: 2003-2006



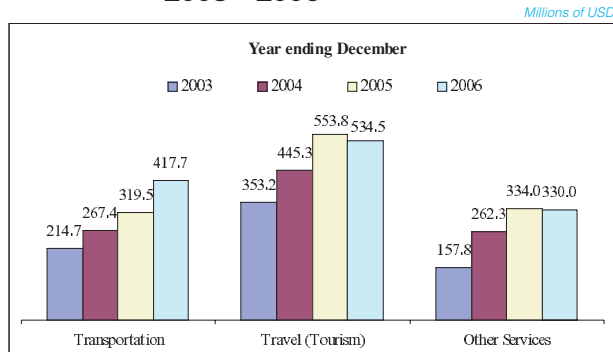
Services Imports

Services payments increased to USD 129.3 million in December 2006 from USD 115.3 million during the previous period, mainly due to the increase in travel and construction service payments. The increase in travel services payment is partly due to the end of the year festive season whereby a number of foreign residents visit their home countries for Christmas and New Year holidays.

On aggregate, service payments increased by 6.2 percent to USD 1,282.1 million, largely due to the increase in payments for 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. This includes service fees associated with letters of credit, foreign exchange and securities transactions. The increase in freight payments is in line with the increase in merchandise imports. The performance of the major service payment categories in the past four years is illustrated in Chart 4.8.



Chart 4.8: Tanzania: Service Payments
2003 – 2006



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

World Commodity Prices

During December 2006, the world market prices of commodities increased from the previous month's levels, with the exception of **tea** (Mombasa auction) that declined slightly to USD 1.7 per kg and **sisal** (UG), whose prices remained stable at USD 885 per metric ton (**Table 4.4**). The prices of coffee "**Arabica**" increased by 4.8 percent to USD 2.83 per kg, while prices for Robusta remained stable at the November 2006 levels. The increase in Arabica coffee was largely due to expectations of a low Brazilian production for crop year 2007/08 following the effect of biennial cycle. Meanwhile, prices of tea (Average price) and cotton slightly increased, while the prices of cloves surged to USD 2,575.00 per metric ton largely due to unfavourable weather in Madagascar.

During the month under review, the average prices of crude oil (Brent) and Dubai (f.o.b) increased by 4.9 percent to USD 61 per barrel and 10 percent to USD 62.3 per barrel, respectively. Likewise, the prices of white petroleum products increased by 4.3 percent to USD 566 per ton, with premium gasoline increasing by 6.4 percent to USD 545.21 per ton. The increase in oil prices was largely attributable to the increase in demand as a result of cold weather in the North East of US. As for gold, the prices increased slightly to USD 629.8 per troy ounce in December 2006.

On annual basis, most of the commodities recorded increase in prices with the exception of Arabica coffee that recorded a slight decline. The surge in prices of robusta coffee, tea, cotton and cloves was largely a result of lower

global supply following unfavourable weather conditions that adversely impacted production in most of the key producing countries.

During the year ending December 2006, the average prices of oil products were substantially higher than in the previous year largely on account of concerns over supply disruptions following global tensions in the Middle East coupled with civil unrests in Nigeria. As for gold, the price rose substantially as investors diversified from investing in stocks because of global insecurity and weakening of the US dollar against other major currencies. As a result, the demand for gold as an alternative investment portfolio increased.

Table 4.4: World Commodity Prices

COMMODITY	Units	2006				% Change	Year ending Dec		% Change
		Sept	Oct	Nov	Dec		2005	2006	
Robusta Coffee	USD per kg	1.70	1.66	1.69	1.70	0.59	1.12	1.49	33.04
Arabica Coffee	USD per kg	2.42	2.44	2.70	2.83	4.81	2.53	2.52	-0.40
Tea (Average price)	USD per kg	1.91	1.86	1.79	1.83	2.23	1.65	1.87	13.33
Tea (Mombasa auction)	USD per kg	1.87	1.75	1.72	1.71	-0.58	1.48	1.95	31.76
Cotton, "A Index"	USD per kg	1.31	1.26	1.27	1.31	3.15	1.22	1.27	4.10
Cotton, Memphis"	USD per kg	1.37	1.28	1.31	1.38	5.34	1.30	1.34	3.08
Sisal (UG)	USD per metric ton	885.00	885.00	885.00	885.00	0.00	885.00	885.00	0.00
Cloves	USD per metric ton	4262.50	3,425.00	2,325.00	2,575.00	10.75	3,245.61	3,860.21	18.94
Crude oil*	USD per barrel	62.12	57.91	58.14	60.99	4.90	53.39	64.29	20.42
Crude oil**	USD per barrel	59.77	56.50	56.82	62.31	9.66	49.29	61.43	24.63
White products***	USD per ton	575.37	540.12	542.64	566.03	4.31	509.80	601.63	18.01
Jet/Kerosene	USD per ton	615.52	577.16	578.60	605.70	4.68	527.94	625.15	18.41
Premium Gasoline	USD per ton	546.29	505.95	512.27	545.21	6.43	503.33	615.78	22.34
Heat Oil	USD per ton	564.29	537.25	537.06	547.17	1.88	498.20	566.74	13.76
Gold	USD per troy ounce	598.20	585.80	627.80	629.80	0.32	444.80	604.30	35.86

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

** f. o. b. Dubai

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

Source: Various Trade Publications

5.0 National Debt Developments

National debt stock at the end of December 2006 stood at USD 7,188.4 million, representing a decrease of USD 100 million (1.4 percent) from USD 7,088.4 million recorded at the end of previous month. Out of total debt stock, external debt was USD 5,749.0 (80 percent) and domestic debt was USD 1,439.4 million (20 percent).

External Debt

External debt stock amounted to USD 5,749 million as compared to USD 5,725.7 million registered at the end of previous month. Out of external debt stock, USD 4,409.0 million (76.7 percent) was disbursed outstanding debt (DOD) and the remaining balance of USD 1,340.0 million



(23.3 percent) was interest arrears. Concessional loans accounted for 79.4 of the total external debt portfolio.

Disbursed Outstanding Debt

The profile of disbursed outstanding debt reveals that Central Government was the largest borrower with a total debt of USD 3,681.9 million (83.5 percent) followed by Private companies with USD 566.0 million (12.8 percent) Debt owed by Parastatal companies was USD 161.1 equivalent to 3.7 percent of DOD.

Multilateral institutions remained the leading creditors by holding USD 2,164.2 million of the DOD, while the amount of debt owed to bilateral creditors stood at USD 1,478.3 million. The remaining debt amounting to USD 457.8 million and USD 308.7 million were owed to commercial and export creditors respectively.

External Debt Service

During December 2006, external debt service payments amounted to USD 1.5 million; out of which principal payment was USD 0.4 million and interest payment amounted to USD 1.1 million.

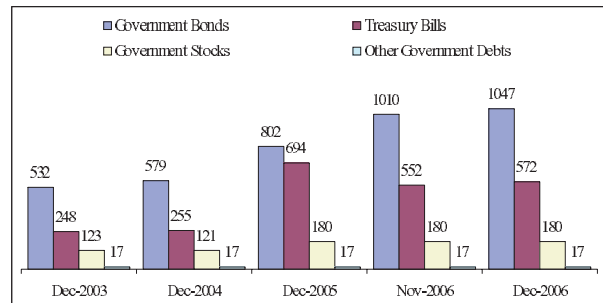
Bilateral Debt Relief

As at the end of December, cumulative debt relief from Paris Club bilateral creditors remained at the same level of USD 867.6 million as reported in the previous month. 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

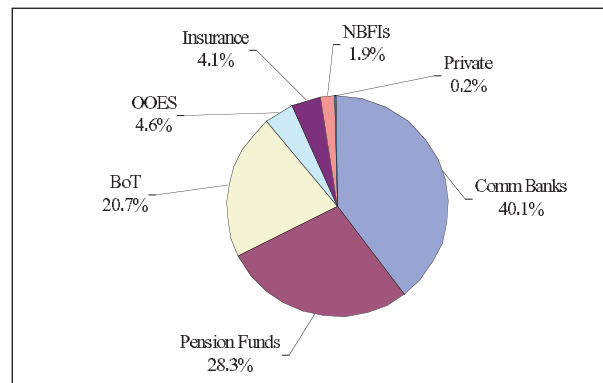
Domestic debt stock increased by TZS 57.7 billion (3.3 percent) to TZS 1,816 billion from TZS 1,758.3 billion registered at the end of previous month. Out of this amount, Government securities (treasury bills, bonds and stocks) accounted for 99.1 percent and the rest were unsecuritized debt debts (Chart 5.1).

Chart 5.1: Government Domestic Debt by Instruments



The profile of domestic debt by holder category shows that commercial banks are the leading Union Government creditors by holding altogether 40.1 percent of total domestic debt followed by Pension Funds with 28.3 percent, Bank of Tanzania 20.7 percent, Other Official Entities (OOEs) 4.6 percent and Insurance companies 4.1 percent. Non-Bank Financial Institutions (NBFIs) and private sector, altogether, held the remaining portion of 2.1 percent of domestic debt stock (Chart 5.2).

Chart 5.2: Government Domestic Debt by Creditor Category



Domestic Debt Service

During the month under review domestic debt service amounted to TZS 95.4 billion out of which TZS 85.1 billion being principal was rolled over while interest amounting to TZS 10.3 billion was paid out of Government revenue.



6.0 Economic Developments in Zanzibar

Fiscal Performance

During the month of December 2006, government budgetary operations improved thus recording a deficit of TZS 0.9 billion compared to a deficit of TZS 2.1 billion registered in the previous month. Total resources amounted to TZS 8.6 billion, out of which TZS 6.9 billion originated from domestic sources and TZS 1.7 billion were grants. Total government expenditure amounted to TZS 13.5 billion. The budget deficit was entirely financed through external loans.

Revenue Collection Below Target

Revenue collections in December 2006 amounted to TZS 6.9 billion, accounting for 90.7 percent of the targeted TZS 7.6 billion; mainly on account of decline in collections of taxes on imports, other taxes and non-tax revenue. The decline was associated with the lower taxable imports and relative decline in tourist activities.

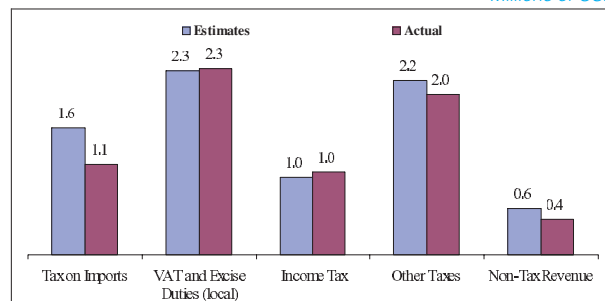
Tax revenue amounted to TZS 6.5 billion below the targeted TZS 7.0 billion, accounting for 92.8 percent of the total revenue. Non-tax revenue amounted to TZS 0.4 billion below the targeted TZS 0.6 billion, accounting for 7.2 percent of total revenue. Revenue performance by category revealed that tax on imports amounted to TZS 1.1 billion, below the targeted TZS 1.6 billion mainly due to a decline in taxable imports. VAT and exercise duty collections amounted to TZS 2.3 billion in line with the target while income tax collection fetched TZS 1.0 billion, surpassing the target of TZS 0.9 billion. Other tax collections amounted to TZS 2.0 billion being below the target of TZS 2.2 billion, mainly on account of low tourist activities (**Chart 6.1**).

Cumulatively, total revenue collected from July to December 2006 amounted to TZS 43.5 billion, slightly below the target of TZS 43.8 billion and accounted for 52.3 percent of annual target of TZS 83.2 billion.



Chart 6.1: Government Revenue by Source – December 2006

Millions of USD



P = Provisional

Source: Tanzania Revenue Authority

Expenditure Below Target

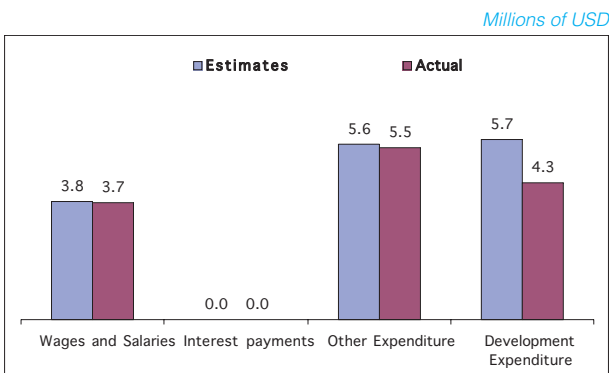
The total expenditure in December 2006 amounted to TZS 13.5 billion, which was below the target of TZS 15.1 billion mainly due to low outturn of donor funded development funds.

Recurrent expenditure amounted to TZS 9.2 billion, slightly below the target of TZS 9.3 billion and accounted for 68.1 percent of the total expenditure. Wages and salaries amounted to TZS 3.7 billion in line with target and accounted for 40.2 percent of the recurrent expenditure or 27.4 percent of the total expenditure. Other expenditures amounted to TZS 5.5 billion, slightly below the target of TZS 5.6 billion and accounted for 59.7 percent of the recurrent expenditure or 40.7 percent of total expenditure.

Development expenditure amounted to TZS 4.3 billion below the projected TZS 5.7 billion and accounted for 31.8 percent of the total expenditure. Local contribution amounted to TZS 1.8 billion in line with target and accounted for 42 percent of the development expenditure. Donor funds amounted to TZS 2.5 billion below the target of TZS 3.9 billion and accounted for 58.0 percent of the development expenditures (**Chart 6.2**).

Cumulatively, total expenditure from July - December 2006 amounted to TZS 69.5 billion, representing 78.7 percent of the projected TZS 88.2 billion and accounted for 30.3 percent of planned annual budget of TZS 229.4 billion.

Chart 6.2: Government Expenditure by Components – December 2006



P = provisional
Source: Tanzania Revenue Authority

Debt Developments

Zanzibar public debt as at the end of December 2006 declined and stood at TZS 204.4 billion from TZS 213.4 billion registered in November 2006 mainly due to the settlement of outstanding claims and appreciation of Tanzanian shilling. The external debt stood at TZS 129.8 billion representing 63.5 percent of total debt, while domestic debt amounted to TZS 74.6 billion accounting for 36.5 percent of total debt. The Debt to GDP ratio decreased to 51.7 percent from 53.9 percent of the preceding month.

Domestic Debt

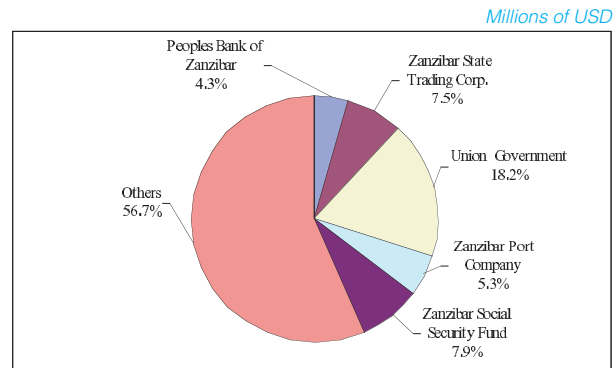
Domestic debt stock stood at TZS 74.6 billion, down slightly from TZS 74.7 billion recorded in November 2006, largely due to settlement of claims of pensioners and suppliers of goods and services to the government.

Domestic Debt by Creditor

During the period under review, debt due to 'Other creditors' (domestic suppliers and pensioners) maintained dominance as was in previous month, amounting to TZS 42.3 billion or 56.8 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 due 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 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 – December 2006



Domestic Debt by Instruments

As at the end of December 2006, analysis of debt by instruments showed that government had borrowed mainly through long-term loans, amounting to TZS 21.5 billion, and accounting for 28.8 percent of total domestic debt. The second source was "Other debt instruments" (suppliers' credits and pensioners' claims) amounting 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

Debt maturity profile shows that, debts with "undetermined maturity" (gratuity, pension, and domestic suppliers' claims) were dominant amounting to TZS 45.0 billion, representing 60.2 percent of total domestic debt. Debt maturing in less than a year remained 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 21.1 percent of the total domestic debt.



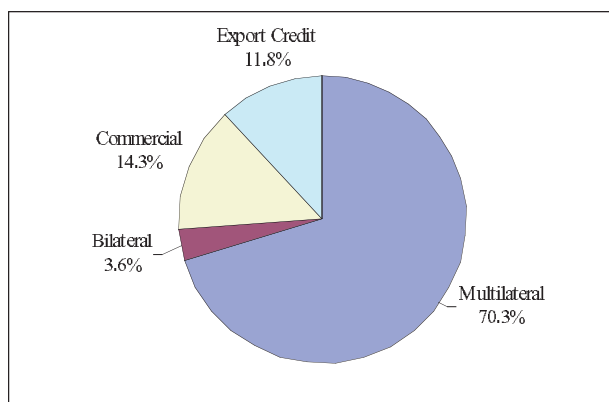
External Debt

Zanzibar external debt at the end of December 2006 declined to USD 102.9 million from USD 107.5 million, registered in November 2006. The decrease was attributed to debt servicing and partially to appreciation of Tanzanian Shilling. Union Government guaranteed debt stood at USD 74 million or 72 percent of total external debt while the non-guaranteed debt was USD 28.9 million, representing 28.1 percent of total external debt.

External Debt by Creditor Category

As at the end of the December, multilateral creditors claims maintained dominance in external debt at USD 72.3 million making 70.3 percent of total external debt. Bilateral creditors claims stood at USD 3.7 million representing 3.6 percent of total external debt while commercial debt amounted to USD 14.7 million, accounting for 14.3 percent of total external debt. Export credit amounted to USD 12.2 million that was equivalent to 11.8 percent of total external debt (Chart 6.4).

Chart 6.4: External debt by Creditor as at end - December 2006



External Debt by Maturity

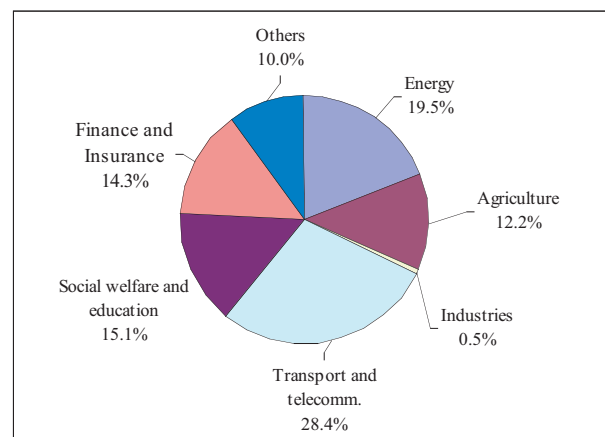
As at the end of December 2006 debts with maturing over 20 years (mainly multilateral debt) were dominant but decreased to USD 66.4 million from USD 71.1 million in November 2006, representing 64.6 percent of the total external debt. Debt maturing between 5 to 10 years amounted to USD 29.6 million or 28.7 percent of 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

As at the end of December 2006, external debt disbursements to transport and telecommunications sector were USD 29.3 million, equivalent to 28.4 percent of total external debt while energy sector absorbed USD 20.0 million, accounting for 19.5 percent of total disbursements. Social welfare and education sectors absorbed USD 15.5 million or 15.1 percent. Finance & Insurance sector had USD 14.7 million, representing for 14.3 percent of total external debt. Agriculture and industries sectors had received USD 12.5 million and USD 0.5 million, accounting for 12.2 percent and 0.5 percent of total external debt, respectively. Other sectors received USD 10.3 million or 10.0 percent of total external debt (Chart 6.5).

Chart 6.5: Composition of External Debt by Use of Funds as at end - December 2006



External Sector Developments

Current Account

Zanzibar current account balance as at end December 2006 remained positive but declined to USD 2.0 million from a surplus of USD 3.3 million recorded in the previous month, mainly due to a decline in donor inflows.

On year-to-year basis, the current account balance made



remarkable upturn, registering a surplus of USD 18.1 million against a deficit of USD 11.8 million registered in 2005. The improvement was attributed to an increase in export receipts, donor inflows coupled with decline in imports bill (Table 6.1).

Table 6.1: Zanzibar Current Account Balance

Millions of USD

ITEM	2006				Year Ending December			Monthly %/Change	Annual %/Change
	Dec	Oct	Nov	Dec	2004	2005	2006p		
Goods Account (net)	-3.1	-3.6	-3.4	-2.5	-54.9	-69.9	-57.9	26.5	-17.2
Exports	0.5	1.9	2.9	2.7	13.5	11.0	11.4	-6.9	3.6
Imports (fob)	3.6	5.5	6.3	5.2	68.3	80.9	69.3	-17.5	-14.3
Services Account (net)	2.1	3.2	4.1	3.2	18.4	18.9	29.9	-22.0	58.2
Receipts	6.1	9.1	6.6	7.1	44.5	73.4	87.2	7.5	18.8
Payments	4.0	5.9	2.5	3.9	26.1	54.5	57.4	56.0	5.3
Goods and Services (net)	-0.9	-0.4	0.7	0.6	-36.5	-51.1	-28.0	-14.3	-45.2
Exports of Goods and Services	6.7	11.0	9.5	9.8	57.9	84.4	98.6	3.2	16.8
Imports of Goods and Services	7.6	11.3	8.8	9.2	94.4	135.4	126.7	4.5	-6.4
Income Account (net)	0.00	0.03	0.04	0.03	-0.08	0.43	0.26	-25.0	-39.5
Receipts	0.01	0.04	0.05	0.04	0.03	0.44	0.32	-20.0	-27.3
Payments	0.0	0.01	0.01	0.01	0.11	0.01	0.07	0.0	600.0
Current Transfers (net)	3.9	1.5	2.6	1.3	9.1	38.9	42.6	-50.0	9.5
Inflows	3.9	1.5	2.6	1.3	9.1	38.9	42.6	50.0	9.5
Outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Current Account Balance	3.0	1.2	3.3	2.0	-27.5	-11.8	18.1	-39.4	-253.4

p= Provisional

Source: Tanzania Revenue Authority.

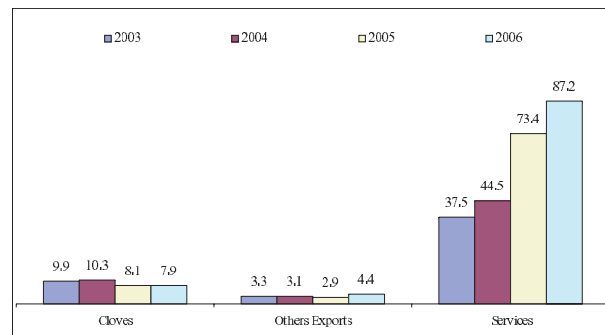
Zanzibar Exports Improved Marginally

Exports of goods and services improved to USD 9.8 million in December 2006, from USD 9.5 million in November, mainly as a result of increased service receipts. Services receipts amounted to USD 7.1 million up from USD 6.6 million registered in the previous month, representing 72.0 percent of the total export proceeds.

On annual basis, total export earnings increased to USD 98.6 million from USD 84.4 million registered in the corresponding period 2005. Services receipts rose to USD 87.2 million, representing 87.5 percent of total exports receipts while cloves exports amounted to USD 7.9 million representing 8.0 percent of total exports. Other exports (Seaweeds, manufactured goods, fish and fish products, and other small export categories) accounted for USD 4.4 million equivalent to 4.5 percent of total exports receipts (Chart 6.6 and Table 6.2).

Chart 6.6: Contribution to Total Exports of Goods and Services for the Year ended December 2006

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	2006p				Year Ending December			Monthly %/Change	Annual %/Change
	Dec	Oct	Nov	Dec	2004	2005	2006p		
Traditional Commodities									
Cloves									
Value	0.3	1.0	2.4	2.3	10.3	8.1	7.9	-4.1	-2.4
Volume	0.1	0.3	0.7	0.7	4.4	2.8	2.4	0.0	-14.3
Unit Price	2,890.0	3,535.1	3,574.4	3,202.8	2,364.6	2,862.3	3,364.0	10.4	17.5
SUB TOTAL	0.3	1.0	2.4	2.3	10.3	8.1	7.9	-4.2	-2.5
Non-Traditional Exports									
Seaweeds									
Value	0.1	0.1	0.2	0.1	1.5	1.8	1.5	-5.0	-16.7
Volume	0.6	0.5	0.6	0.6	7.4	8.5	7.2	0.0	-15.3
Unit Price	123.1	203.8	269.3	184.2	201.0	214.2	206.2	-31.6	-3.7
Manufactured Goods									
Fish and Fish									
Produce	0.0	-	0.0	0.0	0.1	0.3	0.3		0.0
Others Exports	0.1	0.3	0.0	0.0	0.9	0.6	0.9		50.0
SUB TOTAL	0.2	1.0	0.5	0.4	3.1	2.9	4.4	-20.0	51.7
GRAND TOTAL	0.5	1.9	2.9	2.7	13.5	11.0	12.4	-7.0	12.7

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

Zanzibar Imports Decline slightly

During the month under review, Zanzibar imports of goods (c.i.f) declined to USD 5.8 million from USD 6.9 million registered in the previous month, largely due to a slow down in imports of capital goods. Capital goods decreased to USD 2.5 million from USD 3.5 million registered in November 2006. Consumer goods imports remained the same as in the previous month at USD 1.8 million. However, food and food stuffs imports declined as the domestic food supply remained favourable. Imports of intermediate goods slightly decreased to USD 1.5 million from USD 1.6 million of the previous month in response to further decrease in world oil prices and hence lower import bill.

On year-to-year basis, imports declined to USD 75.4 million from USD 88.9 million registered in corresponding period in 2005, largely due to decline in imports of consumer goods, mainly food imports. Food and foodstuffs imports amounted to USD 6.2 million down from USD 15.7 million



in 2005 on account of favourable food harvests. Capital goods imports decreased to USD 32.7 million from USD 36.6 million, due to decline in imports of machinery, building & construction materials. Oil imports declined to USD 16.4 million from USD 22.0 million registered in 2005 responding to slow down of world oil prices (**Table 6.3**).

Table 6.3: Zanzibar Imports by Major Categories

Millions of USD

IMPORT CATEGORY	2005		2006p		Year Ending December				Monthly %Change	Annual %Change
	Dec	Oct	Nov	Dec	2003	2004	2005	2006p		
CAPITAL GOODS	1.1	2.6	3.5	2.5	23.8	24.7	36.6	32.7	-28.6	-10.6
Transport Equipments	0.4	0.9	0.4	0.8	11.5	7.6	9.3	11.1	100.0	19.5
Building and Constructions	0.2	0.6	0.7	0.4	2.2	6.4	8.1	6.9	-42.8	-14.8
Machinery	0.5	1.1	2.3	1.3	10.1	10.7	19.2	14.8	-43.5	-23.1
INTERMEDIATE GOODS	1.3	2.2	1.6	1.5	17.1	21.0	26.2	23.3	6.3	-11.1
Oil imports	1.0	1.4	1.1	1.0	12.8	14.9	22.0	16.4	-9.1	-25.5
Fertilizers	...	...	...	...	...	...	...	...	...	...
Industrial raw materials	0.3	0.8	0.5	0.5	4.3	6.1	4.1	6.9	0.0	68.3
CONSUMER GOODS	1.5	1.2	1.8	1.8	29.5	29.4	26.2	19.3	0.0	-26.3
Food and food stuffs	0.8	0.2	0.9	0.3	19.2	16.6	15.7	6.2	-66.7	-60.5
All other consumer goods	0.7	1.0	0.9	1.5	10.3	12.8	10.5	13.1	66.7	24.8
GRAND TOTAL (CIF)	3.9	6.0	6.9	5.8	70.4	75.1	88.9	75.4	-16.0	-15.2
GRAND TOTAL (FOB)	3.6	5.5	6.3	5.2	64.1	68.3	80.9	68.6	-17.5	-15.2

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

Services Account

During December 2006, services account surplus balance declined to USD 3.2 million compared to USD 4.1 million registered in the previous month on account of higher foreign payments relative to foreign receipts. Foreign payments edged up to USD 4.0 million from USD 2.5 million, while foreign receipts increased marginally to USD 7.1 million from USD 6.6 million. Travel receipts amounted to USD 6.3 million or 88.7 percent of total foreign receipts, while travel payments stood at USD 3.1 million or 79.5 percent of total foreign payments.

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.



STATISTICAL TABLES



Table A1: Selected Economic Indicators

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

Note:

1 Calculated on the basis of GDP at market price

2 Calculated on the basis of GDP at factor cost

3 GNDI stands for gross national disposable income

p Provisional

* Revised from 2001

** Revised 2003

*** revised 2001-2002

**** revised from 2000

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



Table A2: Central Government Operations (Monthly Flows)

Millions of TZS

Item	BUDGET											
	2004/05	2005/06	2006/07	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06			
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			
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			
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			
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			
Refunds	-64,376.4	-69,961.0	-133,484.4	-7,654.6	-7,654.6	-7,654.6	-7,654.6	-7,654.6	-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	42,245.2	98,865.4			
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			
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			
Total Expenditure /1	3,164,215.5	3,873,254.8	4,788,496.6	235,352.5	288,525.8	425,105.8	413,579.7	338,236.3	292,906.9			
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			
Roadtoll fund	435,780.1	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			
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			
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			
Domestic /2/	973,808.7	163,694.8	72,000.0	9,921.6	8,465.0	16,649.5	22,769.9	9,375.9	10,287.5			
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			
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			
Dev. Expenditure and net lending	1,071,160.6	1,211,392.2	1,734,466.6	77,148.2	99,314.2	164,655.6	182,285.1	81,636.1	32,711.7			
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			
Foreign	831,509.5	915,292.2	1,092,700.6	67,787.9	43,005.9	74,655.6	120,613.7	27,044.3	2,711.7			
Overall Balance (cheque issued) before Grants	-1,390,506.2	-1,748,411.0	-2,327,501.7	-46,857.9	-84,123.7	-183,085.2	-211,761.7	-129,901.7	-26,279.9			
Grants	724,396.5	1,000,160.2	1,438,852.0	23,459.1	339,085.4	59,696.4	145,163.7	59,453.8	11,134.6			
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			
Project	131,735.2	416,771.0	422,950.6	10,384.6	20,279.0	22,017.3	14,987.4	2,711.7	2,711.7			
Basket funds	156,071.6	175,975.3	216,016.3	3,714.2	13,775.9	14,997.9	24,877.8	1,965.8	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			
Overall deficit (cheq.issued) after Grants	-666,109.6	-748,250.9	-888,649.7	-23,398.9	-254,961.7	-123,388.8	-66,598.0	-70,447.9	-15,145.3			
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			
Adjustments to cash and other items (net)	-59,596.2	-245,875	0	-20,641	-4,494	58,509	9,695	12,753	-10,761			
Overall Balance (cheques issued)	-727,075.2	-924,412.5	-888,649.7	-157,232.9	-242,067.8	-70,971.4	-57,816.6	-59,983.5	-26,320.0			
Financing:	727,075.2	924,412.5	888,649.7	157,232.9	-242,067.8	70,971.4	57,816.6	59,983.5	26,320.0			
Foreign Financing (net)	582,130.1	561,219.0	736,171.9	315,214.7	5,232.4	36,146.3	74,251.7	19,236.1	-4,120.4			
Loans	689,219.7	668,934.5	787,262.9	319,536.9	8,951.0	37,640.4	80,748.5	22,366.9	0.0			
Program loans	65,395.6	257,677.1	333,529.3	265,847.8	0.0	0.0	0.0	0.0	0.0			
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	0.0			
Basket Support	156,744.7	82,301.8	90,921.6	0.0	0.0	10,945.2	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			
Domestic (net)	144,945.2	363,193.5	152,477.8	-157,981.8	-247,300.2	34,825.1	-16,435.1	40,747.5	30,440.4			
Domestic Financing	97,313.2	348,885.7	163,477.8	-157,981.8	-247,300.2	34,825.1	-16,435.1	40,747.5	30,440.4			
Bank borrowing	47,632.0	129,644.6	0.0	-189,976.0	-218,696.7	26,198.0	-23,707.4	23,742.2	-23,547.1			
Non-Bank (net of amortization)	0.0	219,241.1	0.0	31,994.2	-28,983.8	9,007.4	7,272.3	17,005.2	53,987.5			
Amortization of contingent debt	0.0	-19,001.4	-11,000.0	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			

Note:

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

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

Source: Ministry of Finance





Table A3: Monetary Survey

End of Period	Domestic assets (net)					M3, Extended Broad Money					M1, Narrow Money					Memorandum item:				
	Foreign assets		Claims on government		Claims on other domestic sectors	Claims on other domestic sectors		Domestic credit (net)		M1, Narrow Money					Memorandum item:					
	(net)	(net)	(net)	(net)		2	3	4	5	M2, TOTAL sum(9-12)	M3, TOTAL sum(2-5) or sum(9-13)	M1, TOTAL sum(9,10)	Currency in circulation outside banks	Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum (9,15)	of which: Reserves	
1996	290,319.8	295,822.8	141,341.0	90,579.4	818,063.0	684,990.6	449,213.3	257,662.8	191,550.5	122,436.6	113,340.7	133,072.4	335,768.0	78,105.3						
1997	398,918.6	239,457.5	182,976.9	105,716.0	927,068.9	760,353.3	493,868.7	287,877.1	205,991.7	126,269.2	140,215.3	166,715.6	364,940.0	77,062.9						
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3						
1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0						
2000	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	164,026.7						
2001	1,209,820.4	239,201.4	404,512.3	-216,803.4	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	172,730.2						
2002	1,558,627.1	264,608.6	570,668.3	-346,221.0	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6						
2003	2,182,072.0	12,937.0	817,125.2	-623,818.1	2,388,316.1	1,721,109.9	1,113,379.1	553,045.8	560,333.3	230,958.8	376,771.9	667,206.2	783,309.0	230,263.2						
2004	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	303,628.0						
2005	2,560,852.1	258,782.4	1,425,062.3	-309,710.2	3,934,986.6	2,808,247.6	1,758,810.2	843,157.4	915,652.8	422,269.4	627,168.0	1,126,738.9	1,236,080.6	392,923.2						
2006	3,571,401.4	-66,962.3	2,027,196.3	-724,335.7	4,807,299.7	3,188,022.7	1,926,184.9	973,410.9	952,774.1	469,596.9	792,240.9	1,619,277.0	1,443,529.9	470,119.0						
2005-January	2,408,352.9	61,685.6	1,117,110.4	-606,537.6	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	2,809,757.6	1,717,045.5	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	-770,443.8	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	449,722.5						
June	3,432,917.0	115,208.8	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	480,306.2						
July	3,787,600.5	-122,713.6	1,810,371.5	-877,244.3	4,598,014.1	3,099,700.4	1,977,430.5	939,100.7	987,104.4	441,172.2	691,900.3	1,400,178.7	1,409,685.8	495,545.3						
August	3,479,630.4	-91,635.1	1,906,065.5	-744,915.1	4,549,145.7	3,049,983.4	1,896,981.8	940,987.8	955,994.1	416,214.6	706,055.4	1,498,131.6	1,412,975.7	473,874.9						
September	3,441,198.7	9,175.5	1,946,243.3	-799,043.7	4,597,573.8	3,081,111.3	1,894,540.9	933,384.2	961,156.7	438,799.8	747,770.7	1,516,462.5	1,534,636.5	470,683.9						
October	3,640,402.3	-75,841.0	1,973,309.7	-809,559.9	4,728,311.1	3,138,445.0	1,914,850.2	955,541.2	959,309.0	449,946.8	773,647.9	1,589,866.1	1,514,717.0	559,175.8						
December	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						

Source: Bank of Tanzania

Table A4 : Interest Rate Structure

Item	2006									
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec.Prov.
Percent										
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
2 to 7 days	4.94	5.25	5.66	5.98	6.86	8.87	14.05	12.08	5.52	7.44
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 to 30 days	6.38	6.81	6.29	7.58	7.33	7.33	7.33	11.50	8.00	6.12
31 to 60 days	9.23	9.28	7.76	6.71	7.64	8.01	8.44	12.81	7.14	7.19
61 to 90 days	12.60	12.60	12.60	12.60	8.50	8.50	8.50	8.50	9.25	9.25
91 to 180 days	13.04	12.25	12.25	12.25	9.50	9.50	9.50	9.50	9.68	9.68
181 and above	14.50	12.75	11.27	8.80	11.08	11.08	13.50	14.25	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
2 Lombard Rate	13.31	12.45	11.00	12.78	13.38	12.62	22.83	24.08	9.33	13.25
3 REPO Rate	5.14	5.14	5.14	5.14	6.17	7.42	12.58	5.23	5.18	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
91 days	13.42	12.31	9.97	7.83	9.06	9.70	11.13	12.22	10.06	14.39
182 days	13.70	12.26	10.61	8.49	9.26	9.97	11.69	13.28	11.29	14.95
364 days	13.89	11.92	10.37	9.63	9.76	10.41	12.97	15.18	11.62	15.61
Overall Treasury bills rate	13.36	12.02	10.21	8.25	9.17	9.89	11.98	13.40	10.69	15.04
5 Treasury Bonds- 2-years										
	16.11	14.31	12.74	13.39	11.87	14.05	16.94	15.83	12.89	18.47
5-years	17.76	17.19	15.76	15.76	15.76	16.18	17.43	18.14	15.89	15.21
7-years	18.13	17.61	18.05	15.31	15.35	16.55	17.40	17.64	17.33	17.33
10-years	20.27	20.60	16.35	16.00	16.96	16.94	17.42	17.52	17.69	17.69
6 Discount Rate										
	17.50	17.00	16.02	13.40	13.40	14.60	16.67	18.40	15.69	20.07
7 Savings Deposit Rate										
	2.58	2.81	2.75	2.54	2.54	2.58	2.59	2.57	2.60	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
1 month	4.99	4.97	4.05	7.90	6.57	6.85	8.41	8.05	7.29	7.30
2 months	9.10	7.83	8.54	7.81	6.90	7.83	7.24	7.14	8.98	7.44
3 months	4.91	5.61	5.95	6.76	7.86	7.75	6.83	8.01	7.49	7.56
6 months	6.70	6.58	6.88	5.63	8.35	8.17	8.61	9.19	9.41	9.00
12 months	7.48	8.44	8.00	8.70	8.01	9.03	8.20	8.70	9.05	8.66
24 months	6.25	6.47	6.26	7.94	9.10	8.21	7.68	7.33	8.85	9.40
9 Negotiated Deposit Rates										
	10.39	11.50	9.98	10.07	9.13	9.78	10.12	9.42	9.72	9.35
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
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
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
Medium-term (2-3 years)	14.90	15.29	15.27	16.16	16.32	16.05	16.46	16.63	17.15	16.62
Long-term (3-5 years)	14.20	13.81	13.52	15.32	14.28	16.16	16.65	16.12	15.85	14.92
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
11 Negotiated Lending Rates										
	11.60	11.24	11.32	11.19	11.99	10.80	10.80	10.74	10.11	10.60
B: Foreign Currency										
1 Deposits Rates										
Savings Deposits	0.62	0.72	0.76	0.61	0.78	0.50	0.61	0.66	0.65	0.67
Time Deposits	1.86	2.11	2.13	2.52	2.84	2.93	2.72	2.79	2.57	2.73
1-months	1.79	1.81	2.23	1.98	2.80	3.00	2.66	2.73	2.76	2.46
2-months	1.02	2.33	1.96	2.49	2.52	2.97	2.78	3.25	2.47	2.75
3-months	2.33	2.16	2.26	1.95	2.76	2.68	2.66	2.31	2.54	2.52
6-months	2.17	1.99	1.88	2.43	2.73	2.89	2.44	2.69	2.31	3.12
12-months	1.96	2.25	2.32	3.75	3.37	3.10	3.04	2.95	2.73	2.80
2 Lending Rates										
Short-term (up to 1year)	7.66	7.65	7.91	7.46	8.17	7.47	9.27	9.66	9.55	8.89
Medium-term (1-2 years)	8.24	8.20	7.40	8.32	9.02	8.75	8.58	8.91	8.98	8.51
Medium-term (2-3 years)	8.80	8.56	8.60	8.76	9.70	8.20	8.07	7.90	8.02	7.57
Long-term (3-5 years)	7.16	8.05	7.55	8.00	9.64	9.65	9.84	9.37	9.71	9.78
Term Loans (over 5 years)	8.84	8.63	7.89	8.32	9.12	9.09	9.91	8.91	9.24	9.16

Source: Bank of Tanzania



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

Item	2005 ^P	2006 ^P		% Change		Year Ending December ^P		
	Dec.	Nov	Dec.	Dec 05-Dec 06	Nov 06-Dec 06	2005	2006	% Change
Traditional Exports:								
COFFEE								
Value	8.7	9.8	9.0	3.8	-7.9	74.3	61.4	-17.3
Volume	4.8	5.2	4.8	-0.7	-8.6	46.1	31.5	-31.7
Unit Price	1,800.0	1,865.2	1,880.4	4.5	0.8	1,613.6	1,953.1	21.0
COTTON								
Value	13.4	4.3	3.1	-76.8	-27.0	111.5	55.8	-50.0
Volume	12.6	3.9	2.9	-77.4	-26.9	112.9	55.0	-51.3
Unit Price	1,062.7	1,091.0	1,089.7	2.5	-0.1	987.9	1,014.2	2.7
SISAL								
Value	0.7	0.9	0.7	--	-21.2	7.3	6.1	-15.9
Volume	0.9	1.3	1.0	--	-21.2	9.3	8.0	-14.3
Unit Price	777.8	694.5	694.4	-10.7	0.0	781.7	766.7	-1.9
TEA								
Value	2.1	3.1	2.0	-6.9	-36.1	25.6	31.0	20.9
Volume	1.6	2.0	1.2	-23.4	-38.3	21.8	22.4	2.8
Unit Price	1,329.1	1,561.1	1,617.1	21.7	3.6	1,178.0	1,384.9	17.6
TOBACCO								
Value	3.4	5.3	1.0	--	-81.3	80.8	65.2	-19.3
Volume	1.0	2.1	0.4	--	-79.0	31.1	25.0	-19.8
Unit Price	3,430.0	2,555.4	2,276.5	-33.6	-10.9	2,593.1	2,611.4	0.7
CASHEWNUITS								
Value	33.1	5.7	13.82	-58.2	--	46.6	39.4	-15.3
Volume	43.9	11.5	27.75	-36.8	--	62.0	66.3	7.0
Unit Price	753.1	496.1	498.00	-33.9	0.4	751.1	594.4	-20.9
CLOVES								
Value	0.3	2.40	2.32	--	--	8.5	8.2	-4.0
Volume	0.1	0.67	0.73	--	--	3.0	2.4	-17.8
Unit Price	2,890.0	3,574.40	3,202.76	10.8	-10.4	2,863.5	3,346.2	16.9
Sub Total	61.6	31.3	31.9	-48.3	1.7	354.5	267.1	-24.6
Non-Traditional Exports:								
Minerals	71.8	55.3	61.6	-14.2	11.4	711.3	787.5	10.7
Gold	68.3	50.2	58.1	-15.0	15.8	655.5	737.1	12.4
Diamond	1.5	2.0	1.1	-30.2	-46.8	24.4	22.2	-9.0
Other minerals ¹	1.9	3.1	2.4	27.0	-22.1	31.4	28.3	-10.0
Manufactured Goods	12.7	16.6	25.8	102.2	55.4	156.1	195.8	25.4
Cotton Yarn	0.3	1.8	1.7	454.8	-5.2	4.3	6.9	61.0
Manufactured Coffee	0.0	0.1	0.4	--	-	1.0	1.5	0.0
Manufactured Tobacco	0.1	0.0	0.1	--	--	0.3	1.6	--
Sisal Products (Yarn & Twine)	0.3	0.3	0.4	44.9	26.9	4.4	2.7	-38.9
Other manufactured Goods ²	12.0	14.3	23.1	92.4	61.2	146.1	183.1	25.3
Fish and Fish Products	11.0	13.1	13.2	19.9	0.7	147.5	138.6	-6.1
Horticultural products	1.1	1.8	1.2	5.1	-35.7	18.3	15.4	-16.0
Re-exports	9.2	13.0	12.6	36.3	-3.1	127.1	128.3	1.0
Others Exports ³	13.0	12.8	12.8	-1.9	-0.3	161.5	154.0	-4.7
Sub Total	118.8	112.6	127.1	6.9	12.9	1,321.8	1,419.5	7.4
GRAND TOTAL	180.5	143.9	158.9	-12.0	10.5	1,676.3	1,686.7	0.6

Note:

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

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

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

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

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

Source: Bank of Tanzania, TRA



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

Millions of USD

Item	2005 ^P		2006 ^P		% Change		Year Ending December ^P		% Change
	Dec.		Nov	Dec.	Dec 05-Dec 06	Nov 06-Dec 06	2005	2006	
CAPITAL GOODS	106.5		151.8	133.1	25.0	-12.3	1,078.1	1,435.1	33.1
Transport Equipments	36.1		35.7	32.3	-10.6	-9.6	289.6	374.8	29.4
Building and Constructions	30.1		43.8	22.5	-25.5	-48.7	257.2	338.0	31.4
Machinery	40.3		72.3	78.4	94.6	8.4	531.3	722.4	36.0
INTERMEDIATE GOODS	99.5		175.9	161.5	62.3	-8.2	1,166.3	1,576.9	35.2
Oil imports	73.9		124.4	121.1	64.0	-2.6	847.3	1,146.5	35.3
Fertilizers	1.5		8.6	4.6	204.4	-46.0	64.6	53.9	-16.6
Industrial raw materials	24.1		42.9	35.8	48.4	-16.7	254.4	376.5	48.0
CONSUMER GOODS	66.6		80.6	77.5	16.3	-3.8	753.1	852.1	13.1
Food and food stuffs	20.6		16.7	23.9	16.0	43.2	168.4	249.2	48.0
All other consumer goods ¹	46.0		63.9	53.6	16.5	-16.1	584.8	602.8	3.1
GRAND TOTAL (F.O.B)	272.6		408.3	372.2	36.5	-8.9	2,997.6	3,864.1	28.9
GRAND TOTAL (C.I.F)	299.6		448.7	409.0	36.5	-8.9	3,294.0	4,246.3	28.9

Note:

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

^P = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.



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

Millions of USD

Item	1999	2000	2001	2002	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
<i>Balance on Goods</i>	<i>-872.1</i>	<i>-633.9</i>	<i>-709.0</i>	<i>-531.8</i>	<i>-717.3</i>	<i>-1,009.8</i>	<i>-1,321.2</i>
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
<i>Balance on Services</i>	<i>-180.2</i>	<i>-55.1</i>	<i>264.9</i>	<i>287.6</i>	<i>222.1</i>	<i>158.9</i>	<i>61.8</i>
<i>Balance on Goods and Services</i>	<i>-860.8</i>	<i>-689.0</i>	<i>-444.1</i>	<i>-244.2</i>	<i>-495.3</i>	<i>-850.9</i>	<i>-1,259.4</i>
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
<i>Balance on Goods, Services and Income</i>	<i>-1,013.5</i>	<i>-879.5</i>	<i>-632.6</i>	<i>-394.3</i>	<i>-637.9</i>	<i>-1,028.7</i>	<i>-1,462.2</i>
<i>Current transfers (Net)</i>	<i>336.6</i>	<i>393.6</i>	<i>395.3</i>	<i>416.6</i>	<i>546.9</i>	<i>586.7</i>	<i>506.2</i>
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
<i>Total, Groups A plus B</i>	<i>-406.3</i>	<i>-155.5</i>	<i>124.1</i>	<i>377.7</i>	<i>247.2</i>	<i>-148.4</i>	<i>-451.1</i>
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
<i>Total, Groups A through C</i>	<i>116.1</i>	<i>32.4</i>	<i>-229.6</i>	<i>569.3</i>	<i>504.0</i>	<i>234.5</i>	<i>-169.3</i>
D. Net Errors and Omissions	-244.5	-118.7	-580.0	-681.6	-449.6	-194.8	-296.6
<i>Overall balance</i>	<i>-128.4</i>	<i>-86.3</i>	<i>-809.6</i>	<i>-112.4</i>	<i>54.5</i>	<i>39.7</i>	<i>-465.9</i>
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 Base: June 2001=100

Period	Headline	Food	Total Non-Food	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Education	Miscel. goods & services
	Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	0.8	9.7	2.6	1.5
2003	3.5	4.5	2.0	1.5	2.0	5.9	2.5	2.1	1.1	2.9	2.1	1.2	2.2	2.2
2004	4.2	5.9	1.6	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	1.0	0.6	-0.5
2005	4.4	5.9	2.9	2.1	-0.5	-0.1	7.7	-1.1	0.5	3.6	-1.5	4.7	-0.1	-1.3
2006	6.2	7.9	4.5	5.8	1.2	1.5	6.8	4.7	1.4	2.7	1.6	6.3	1.6	2.7
2004 Jan.	3.6	6.0	0.2	-2.9	1.5	7.5	-0.7	-1.1	-0.8	5.7	5.9	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	-2.8	5.4	2.0	3.7	1.9
Mar.	4.0	4.0	-0.1	0.7	2.0	4.3	-2.5	-1.6	-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	-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	-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	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	-5.0	0.2	-1.6	0.0	-5.7
Aug.	4.0	5.9	1.5	0.0	3.1	0.4	2.4	-0.4	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	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	2.7	2.2	1.0	-1.9	-0.8
Nov.	4.4	5.9	2.4	-0.2	1.9	2.4	7.6	2.2	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	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	-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	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	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	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	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	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	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	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	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	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	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	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	-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	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	-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	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	-0.6	-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	-1.3	6.3	0.2	-0.8
Jul	5.4	7.0	3.9	5.7	-1.1	0.5	7.9	1.5	0.0	-0.8	-0.5	6.5	1.1	-0.5
Aug	5.5	2.6	9.7	10.6	8.1	3.5	13.9	8.2	1.9	14.0	5.5	9.3	4.6	8.7
Sep	5.8	3.6	9.0	10.7	3.8	3.2	9.6	13.5	4.2	5.3	10.3	12.3	6.1	9.9
Oct	6.0	5.2	7.0	8.7	3.0	2.9	9.1	13.0	6.1	4.6	6.1	7.2	1.3	10.1
Nov	6.2	7.0	5.7	9.5	5.4	2.2	2.6	6.3	7.1	5.7	1.2	7.8	2.2	4.6
Dec	6.7	6.5	6.8	9.5	9.3	1.7	4.5	9.8	4.8	4.1	1.0	8.4	4.1	5.0

Source: National Bureau of Statistics

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





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

Period	Headline (General Index)	Food	Total Non-Food	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transporta- tion	Educa- tion	Miscel. goods & services
Weight (%)														
2003	0.3	0.4	0.1	0.1	0.2	0.4	0.2	0.2	0.0	0.2	0.4	0.0	0.1	0.2
2004	0.4	0.4	0.2	0.1	0.2	0.0	0.7	0.2	0.2	0.4	0.0	0.2	0.2	0.0
2005	0.4	0.5	0.2	0.2	-0.2	0.6	0.8	-0.2	-0.2	0.2	-0.2	0.3	-0.1	-0.1
2006	-0.1	0.0	-0.1	-0.5	1.0	-1.4	-1.0	0.6	0.3	0.3	0.4	0.2	1.3	0.3
2004 Jan	5.6	6.7	3.8	1.4	4.9	5.0	7.0	-0.2	3.1	9.9	1.2	2.1	1.5	4.9
Feb	-0.3	0.3	-0.8	-1.8	-0.6	0.3	-0.5	-0.4	-2.7	-9.1	0.3	1.1	1.7	-2.5
Mar	-0.5	-0.2	-1.4	1.6	-3.7	2.0	-3.2	2.5	0.2	5.7	-0.1	-3.0	-2.6	-2.3
Apr	0.5	1.1	-0.5	-2.1	-2.1	0.7	3.2	-3.1	-0.4	-4.7	-4.4	-0.5	-0.8	4.9
May	-0.5	-1.5	1.0	1.5	3.9	0.0	-2.6	4.2	1.0	0.9	1.0	1.9	2.0	-2.4
Jun	-0.5	-1.1	0.4	0.1	-1.7	-0.3	4.1	-1.0	1.3	-1.8	1.5	-0.1	-0.2	-0.8
Jul	0.7	-0.1	1.4	-0.9	-0.8	-1.0	8.1	-1.2	-0.6	-0.1	1.3	0.4	1.0	-1.1
Aug	-0.5	0.4	-1.2	0.8	2.8	-10.5	-8.1	-0.5	1.1	3.1	-0.9	0.7	1.3	-0.9
Sep	0.2	-0.1	0.6	-0.3	1.1	-0.1	0.1	2.3	1.2	1.2	1.5	0.8	0.0	1.2
Oct	-0.1	-0.3	0.1	-0.5	-0.7	3.2	0.9	-0.6	-0.8	-0.6	0.3	0.6	-0.3	-0.9
Nov	-0.3	0.1	-0.7	0.1	-0.8	0.0	-0.9	-0.8	-0.7	-0.9	-0.8	-0.8	-0.7	-0.4
Dec	0.1	-0.1	0.2	0.8	0.7	0.2	-0.3	-0.1	-0.2	0.9	-0.3	-0.3	-0.5	0.9
2005 Jan	5.4	7.5	2.4	1.5	1.0	3.7	5.4	-0.1	1.2	3.3	-0.7	2.6	1.0	1.9
Feb	-0.2	0.1	-0.5	-0.7	-1.1	0.0	0.0	-1.2	-0.9	-0.7	-1.5	0.0	-0.7	-1.5
Mar	-0.5	-0.9	0.0	0.1	-0.4	0.0	0.0	-0.1	0.1	-0.2	0.7	0.3	-0.7	-0.4
Apr	0.4	0.5	0.2	0.4	-0.7	0.0	0.8	-0.4	-0.2	-0.2	-0.5	0.7	-0.1	-0.5
May	-0.5	-0.8	0.1	0.3	-0.2	0.0	0.0	0.4	-0.1	0.4	0.4	0.1	0.1	0.0
Jun	-0.3	-0.3	0.0	-0.2	0.0	0.0	0.3	-0.6	0.3	-0.2	0.4	0.0	0.8	0.2
Jul	0.9	1.1	0.8	0.8	-0.4	0.2	2.7	0.7	-0.7	0.3	-0.7	0.7	-0.1	-0.4
Aug	-0.4	-0.8	0.3	0.1	0.3	0.1	0.6	0.4	0.2	0.1	-0.3	0.6	-0.8	-0.2
Sep	0.2	0.2	-0.1	-0.1	-0.4	0.0	0.2	0.0	-0.2	0.5	0.7	-0.4	0.2	-0.2
Oct	-0.1	-0.3	0.1	-0.5	-0.7	3.2	0.9	-0.6	-0.8	-0.6	0.3	0.6	-0.3	-0.9
Nov	-0.3	0.1	-0.7	0.1	-0.8	0.0	-0.9	-0.8	-0.7	-0.9	-0.8	-0.8	-0.7	-0.4
Dec	0.1	-0.1	0.2	0.8	0.7	0.2	-0.3	-0.1	-0.2	0.9	-0.3	-0.3	-0.5	0.9
2006 Jan	-4.1	-3.5	-4.8	-12.3	10.5	-17.3	-12.7	3.7	-2.8	1.9	1.5	-4.9	9.6	4.7
Feb	0.2	0.4	-0.1	0.1	0.1	0.3	-0.7	0.3	-0.6	-0.5	0.2	0.2	0.1	-0.6
Mar	0.2	0.3	0.0	0.2	-0.9	0.0	0.3	0.3	-0.3	-0.8	-0.4	-0.4	-0.7	-0.6
Apr	0.7	0.9	0.3	0.7	-0.7	0.0	0.4	-0.2	0.5	0.7	-0.3	0.5	0.8	0.7
May	0.2	0.2	0.4	0.0	0.2	0.0	0.4	0.1	0.2	-0.6	-0.5	0.1	0.1	-0.6
Jun	-1.1	-2.7	1.7	0.1	-0.2	0.1	5.5	-0.1	0.8	0.8	0.4	2.1	0.4	0.1
Jul	-0.5	-1.3	0.9	3.5	0.8	0.0	0.3	0.8	-0.3	0.8	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

Source: National Bureau of Statistics

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

Table A7: External Debt Developments

Millions of USD

Item				2006/07					
	2003/04	2004/05	2005/06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
1. Overall Total Debt Committed ²	8,088.3	8,345.1	8,638.9	6,137.9	6,137.9	6,246.6	6,228.2	6,065.6	5,990.7
Disbursed outstanding debt	6,678.3	6,799.5	6,971.1	4,366.2	4,349.8	4,358.3	4,369.4	4,423.0	4,409.0
Undisbursed debt	1,410.0	1,545.6	1,667.7	1,771.7	1,788.1	1,888.3	1,858.8	1,642.6	1,581.7
2. Disbursed Debt by Creditor Category ²	6,678.3	6,799.5	7,733.9	4,366.2	4,349.8	4,358.3	4,369.4	4,423.0	4,409.0
Bilateral	1,483.6	1,502.3	1,506.2	1,503.9	1,479.6	1,482.7	1,481.6	1,490.6	1,478.3
Multilateral	4,570.0	4,626.3	5,459.6	2,092.9	2,098.7	2,116.3	2,127.8	2,168.2	2,164.2
Commercial	391.2	416.4	462.2	463.5	465.3	452.7	453.4	456.9	457.8
Export credits	233.5	254.5	305.9	305.9	306.2	306.6	306.6	307.3	308.7
3. Disbursed Debt by Borrower Category ²	6,678.3	6,799.5	7,734.0	4,366.1	4,349.8	4,358.2	4,369.4	4,423.0	4,409.0
Central Government	6,092.0	5,830.5	6,724.5	3,646.3	3,628.9	3,637.1	3,648.0	3,698.5	3,681.9
Parastatal Companies	149.1	477.5	450.0	159.6	159.7	160.0	159.9	160.5	161.1
Private Sector	437.2	491.5	559.5	560.2	561.2	561.1	561.5	564	566
4. Total Amount of Loans Contracted ¹	229.7	631.9	506.0	0.4	0.0	0.3	0.0	0.0	0.0
Government	209.4	491.7	406.9	0.0	0.0	0.0	0.0	0.0	0.0
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	20.3	140.2	99.0	0.4	0.0	0.3	0.0	0.0	0.0
5. Disbursements ¹	234.7	190.2	210.0	213.3	12.1	18.7	0.2	2.8	1.6
Government	205.9	161.4	182.4	213.2	11.7	18.4	0.2	2.5	0.4
Parastatal Companies	2.0	0.0	4.1	0.0	0.0	0.0	0.0	0.0	0.0
Private	26.8	28.8	23.5	0.0	0.4	0.3	0.0	0.3	1.2
6. Scheduled Debt Service ¹	334.4	355.1	373.6	15.6	26.7	33.2	21.1	15.8	15.8
7. Actual Debt service ¹	99.3	112.9	90.7	3.6	5.4	3.8	3.0	5.3	1.5
Principal	68.6	86.0	61.4	2.2	2.6	1.1	0.6	3.6	0.4
Interest	30.6	26.9	29.3	1.4	2.8	2.6	2.4	1.7	1.1
Others	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Net Transfers	106.6	77.3	119.3	209.7	6.7	14.9	-2.8	-2.5	0.1
9. Total Arrears by Creditor Category ²	2297.8	2470.5	2392.4	2413.6	2389.2	2404.4	2422.0	2434.3	2501.7
Principal	1119.1	1135.2	1132.2	1138.1	1123.1	1136.4	1141.5	1132.0	1161.7
Bilateral	658.8	669.4	609.0	613.4	597.3	599.9	601.7	607.0	609.5
Multilateral	28.3	5.9	10.7	11.2	11.1	11.8	12.0	12.4	14.0
Commercial	240.2	249.2	274.1	275.0	276.2	285.8	287.7	277.1	298.4
Other Private Creditors	191.8	210.7	238.5	238.5	238.5	238.9	240.1	235.5	239.7
Interest	1,178.7	1,335.3	1,260.1	1,275.5	1,266.0	1,268.0	1,280.5	1,302.3	1,340.0
Bilateral	693.0	818.8	684.0	688.7	677.0	675.5	677.8	686.1	706.8
Multilateral*	27.3	23.4	22.0	22.5	22.4	22.9	22.8	23.0	23.9
Commercial	287.1	333.7	372.9	375.3	377.1	379.9	387.5	394.4	407.4
Other Private Creditors	171.3	159.4	181.2	189.0	189.5	189.7	192.4	198.8	201.4
10. External Debt Stock	7,856.9	8,134.8	8,231.3	5,641.7	5,615.8	5,626.3	5,649.9	5,725.3	5,749.0
11. Domestic Debt Stock	885.3	952.6	1,405.9	1,388.2	1,342.7	1,386.4	1,374.4	1,362.7	1,440.0
12. Total Debt Stock	8,742.1	9,087.4	9,637.2	7,029.9	6,958.5	7,012.7	7,024.3	7,088.0	7,189.0
End Period Exchange Rate	1,107.3	1,126.3	1,253.1	1,287.9	1,320.0	1,272.7	1,287.1	1,290.3	1,261.6

* Multilateral arrears are those owed by private companies

1) During the period 2) Position as at the end of December 2006

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.



