



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

December 2006

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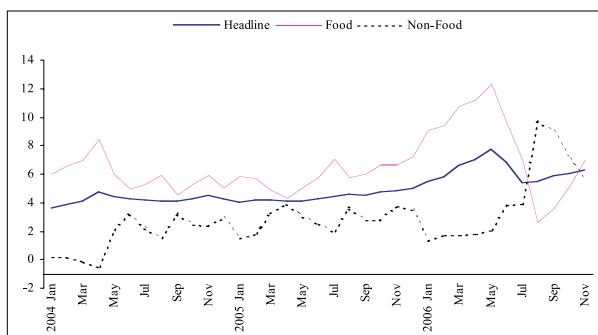
1.0 Inflation Developments

The year-on-year headline inflation increased to 6.2 percent in November 2006 from 6.0 percent in October 2006. The increase is mainly attributed to the rise in food prices. However, the month-to-month inflation went down to 0.8 percent compared with 1.6 percent registered in a similar month in the preceding year. Likewise, using seasonally adjusted indices, the month-on-month headline inflation decreased from 2.0 percent in October 2006, to -0.6 percent in November 2006.

During the year ending November 2006, annual food inflation rose to 7.0 percent, from 5.2 percent recorded in the year ending October 2006, as a result of increase in average prices of some food items such as rice, beans, sorghum and potatoes associated with higher transportation costs. However, on a month-to-month basis, food inflation decreased to 2.3 percent in November 2006 from 2.6 percent recorded in October 2006.

On the other hand, the annual non-food inflation declined slightly to 5.7 percent during the period ending November 2006 from 7.0 percent recorded in the year ended October 2006. The decrease in non-food inflation is mainly due to decrease in average prices of fuel, power and water, and transport sub-groups. Similarly, the month-to-month non-food inflation rate decreased to -0.7 percent following the decrease in prices of kerosene, diesel, petrol and furniture (Chart 1).

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



Food Supply Situation

Food supply situation in the country continued to be satisfactory in November 2006, except for few districts experiencing food shortages. The government and World Food Program (WFP) plan to start distribution of relief food to these districts in December 2006. During the month under review, prices of major food items declined due to increased supply in domestic markets following temporary cereal export ban as well as anticipated good short rains harvest. Nevertheless, the food prices in November 2006 were still high when compared with corresponding month last year, mainly reflecting the high transportation costs emanating from higher fuel prices (Table 1.1).

Table 1.2 : National Average Wholesale Prices for Selected Food Items

TZS per 100 Kgs

Item	2005 Nov	2006		Percentage change	
		Oct	Nov	Nov -05 to Nov-06	Oct-06 to Nov-06
Maize	18,763	19,416	18,716	-0.3	-3.6
Rice	52,444	71,372	71,138	35.6	-0.3
Beans	48,380	59,403	59,402	22.8	0.0
Sorghum	21,537	26,579	25,725	19.4	-3.2
Potatoes	28,834	33,084	33,785	17.2	2.1

Source: Ministry of Agriculture, Food Security and Cooperatives

The Strategic Grain Reserves

In November 2006, the Strategic Grain Reserve (SGR) department purchased 7,121 tons of maize and 122 tons of sorghum. On cumulative basis, the purchases reached 89,790 tons of maize and 2,090 tons of sorghum since the beginning of the season in August 2006. By the end of November 2006, total SGR stocks stood at 100,828 tons compared to 87,461 tons recorded at the end of October 2006 (Table 1.2). The increase of SGR stock was a result of inclusion of 6,120 tons of imported maize, which is part of a consignment of 30,000 tons that the government planned to import through tender system.



Table 1.2: Tanzania: Strategic Grain Reserve (SGR) Stock

Period								Tons	% Change 2005-2006
	2000	2001	2002	2003	2004	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			

Source: Food Security Department and BOT computation.

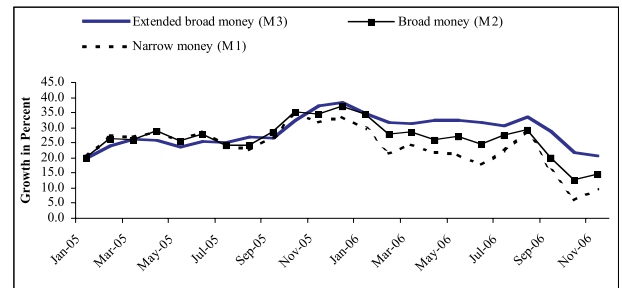
2.0 Monetary and Financial Developments

Money Supply

For two consecutive months, growth in money supply has improved compared to the growth rates of recent years. In the year ending November 2006, money supply (M3) expanded at an annual rate of 20.8 percent, compared with 21.7 percent recorded in October 2006. Broad money supply, (M2), which excludes foreign currency deposits, grew by 14.4 percent compared with 12.6 percent in the previous month. The decrease in the growth of money supply was mainly attributed to a slowdown in growth of net foreign assets of the banking system and a decline in demand deposits. During the same period, commercial banks holdings of foreign currency deposits increased by TZS 73.4 billion which was in part due to increase in customers foreign exchange deposits and valuation changes associated with depreciation of the shilling.

At the same time, outstanding claims of the banking system on the domestic economy went down by TZS 58.0 billion during November mainly due to a decrease in net claims on the government by TZS 85.0 billion. During the month under review commercial banks extended TZS 27.1 billion worth of new loans to the private sector. The most benefiting activities during the month included manufacturing, trade, agriculture and transport and communication.

Chart 2.1: Annual Growth Rates of Monetary aggregates



On month-to-month basis, M3 expanded by TZS 130.7 billion during November as compared to an increase of TZS 49.0 billion in the previous month. The increase was marked in all components of money supply except the demand deposit, but was more pronounced in foreign currency deposits. At the same time, M2 increased by TZS 57.3 billion (Table 2.1).

Table 2.1: Selected Money Supply Components

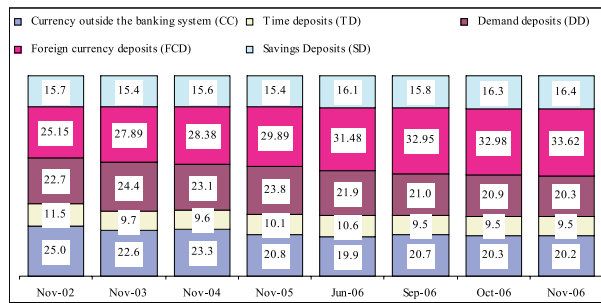
	(Billions of TZS)							
	2005		2006		Monthly Change	Annual growth rate (%)		
	Nov	Oct	Nov	Oct		Nov-05	Oct-06	Nov-06
Extended broad money	3,914.3	4,597.6	4,728.3	130.7	37.1	21.7	20.8	
Broad money	2,744.5	3,081.1	3,138.4	57.3	34.2	12.6	14.4	
Currency outside the banking system	812.5	933.4	955.5	22.2	21.9	13.7	17.6	
Demand deposits	932.0	961.2	959.3	-1.8	41.3	-0.6	2.9	
Time deposits	396.4	438.8	449.9	11.1	44.7	21.5	13.5	
Savings deposits	603.5	747.8	773.6	25.9	35.8	27.3	28.2	
Foreign currency deposits	1,169.9	1,516.5	1,589.9	73.4	44.4	45.3	35.9	
FCD In millions of USD	978.9	1,178.2	1,232.1	54.0	28.2	28.9	25.9	
Private sector deposits in commercial banks	3,101.8	3,664.2	3,772.8	108.6	41.8	23.8	21.6	
Government sector deposits in commercial banks	194.9	262.3	255.7	-6.6	82.4	56.1	31.2	
Total deposits	3,296.7	3,926.5	4,028.5	102.0	43.7	25.6	22.2	
Net foreign assets	2,664.8	3,470.5	3,640.4	169.9	12.3	41.0	36.6	
Bank of Tanzania	1,897.6	2,488.4	2,585.5	97.2	12.1	39.5	36.3	
Commercial banks	767.2	982.1	1,054.9	72.8	13.0	45.0	37.5	
Net domestic assets	1,859.4	1,736.3	1,697.1	-39.2	93.9	-6.5	-8.7	
Domestic Credit	1,617.8	1,955.4	1,897.5	-58.0	49.7	19.8	17.3	
Net claims on government	175.6	9.2	-75.8	-85.0	81.6	-96.8	143.2	
Claims on government by the banking system	859.5	1,219.8	1,232.0	12.2	81.7	37.0	43.3	
Government deposits in the banking system	683.9	1,210.6	1,307.8	97.2	50.7	101.5	91.2	
Claims on the private sector	1,411.1	1,946.2	1,973.3	27.1	32.9	41.7	39.8	

Source: Bank of Tanzania

The general public's preferences in holding of different types of money between October and November show an upward trend in holdings of foreign currency deposits whereas currency in circulation and demand deposits recorded declines as a proportion of extended broad money. Time deposits on the other hand remained broadly unchanged as a proportion of extended broad money. Foreign currency deposits share increased from 32.98 percent to 33.62 percent in the preceding month, while savings recorded a modest increase in its share (Chart 2.2).



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

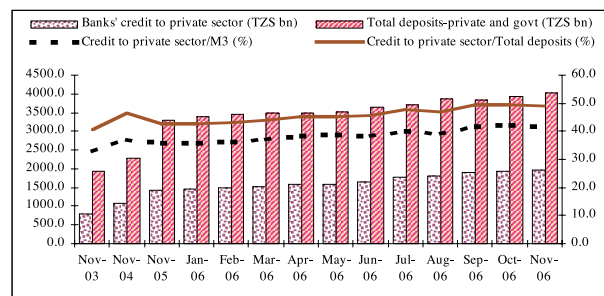


Credit Developments

Credit to the private sector by banks maintained an upward trend, mainly due to increased lending opportunities and policies towards removing impediments to lending. In the year ending November 2006, private sector credit registered a growth rate of around 40 percent, which is higher than the records over the past year. Most benefiting activities were manufacturing, trade and agriculture, which all together accounted for about 53 percent of the total outstanding credit.

New loans extended during November 2006 amounted to TZS 27.1 billion, which was lower than TZS 40.2 billion increase recorded in the previous month. A large portion of these loans went to manufacturing, trade, agriculture, transport and communication and electricity. The proportion of credit to private sector to total deposits rose to 49.6 from 49 percent in the previous month (Chart 2.3).

Chart 2.3: Commercial Banks Intermediation



Interest Rates

During the month under review, the pattern of interest rates was mixed. Savings deposit rates remained unchanged,

time deposit rate increased, while lending rates were at the same level as in the previous month with an exception of negotiated lending rates, which decreased (Table 2.2). The increase in time deposits rate partly reflects response of commercial banks to expectation of further increase in yields of alternative financial assets following the persistent upward trend in Treasury bill yields over the recent months.

Table 2.2: Tanzania: Interest Rate Structure

	Percent					
	2006					
	Jun	Jul	Aug	Sep	Oct	Nov
Interbank cash market rate	8.40	8.63	8.47	14.87	15.64	5.20
Savings Deposit Rate	2.54	2.54	2.58	2.59	2.57	2.60
12 months time deposit rate	8.70	8.01	9.03	8.20	8.70	9.05
Negotiated Deposit Rate	10.07	9.13	9.78	10.12	9.42	9.72
Overall lending rates	15.44	16.18	16.51	16.71	16.61	16.61
Short-term (up to year)	15.77	16.61	15.64	15.90	15.60	15.71
Negotiated Lending Rates	11.19	11.99	10.80	10.80	10.74	10.11
Treasury Bills Weighted Average Yield	8.25	9.17	9.89	11.98	13.4	10.69

Source: Commercial banks and Bank of Tanzania

Financial Markets

During November 2006, the treasury bills market was characterized by high demand that caused yields to ease a little. Demand for treasury bills shot up to TZS 537 billion, far above the monthly average of TZS 253.8 billion in the preceding ten months. The high demand was associated with the huge redemption, attractive interest rates, and liquidity injected through government expenditure.

The yields eased across all maturities, pushing down the overall treasury bills rate to 10.67 from 13.4 percent in October. In view of the seasonal increase in demand for currency by the public which is associated with end of year festivals and payments of end of quarter payment of taxes by companies, the demand for treasury bills is likely to decline in December 2006 (Table 2.3).



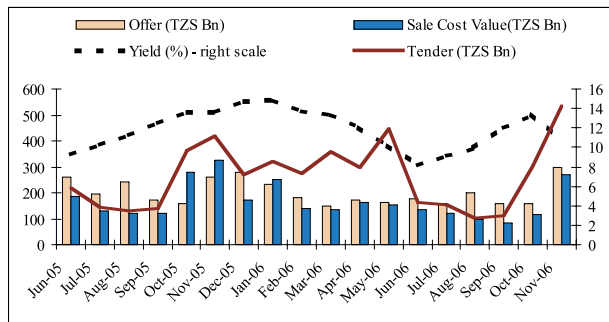
Table 2.3: Treasury Bills Performance During Jun-November 2006

(Billions of TZS)

	Jun	Jul	Aug	Sep	Oct	Nov
Offer	174.7	159.5	200.0	160.0	160.0	300
Tender	164.8	153.0	95.4	113.0	300.3	537
Sale (Face Value)	139.5	127.0	101.8	88.6	126.2	293
Sale (Cost Value)	134.0	121.1	97.0	82.9	117.3	270.6
Redemption	135.2	201.7	176.2	136.3	206.8	245
Yields (%)	8.25	9.17	9.89	11.98	13.4	10.69

Source: Financial Markets, Bank of Tanzania

Chart 2.4: Tanzania: Treasury Bills Market Developments



In the Treasury bonds market, the demand also improved from the level of the previous month and remained well above the supply, whereby demand amounted to TZS 53.6 billion against the supply of TZS 20 billion. During the month, the Bank of Tanzania accepted bids for treasury bonds worth TZS 16 billion. Except for the 10 year bond, interest rates declined during November across all other maturities (Table 2.4). Demand for bonds is expected to remain stable during December because the major institutional investors in bonds (mostly pension funds) are less affected by seasonal changes in demand for currency and payments of taxes.

Table 2.4: Tanzania: Treasury Bonds Performance: June-November 2006

(Billions of TZS)

	Jun	Jul	Aug	Sep	Oct	Nov
Offer	16.0	16.0	20.0	16.0	16.0	20.0
Tender	21.0	24.1	19.6	26.3	30.4	53.6
Sale (Face Value)	16.8	11.6	16.7	18.2	15.0	20.0
Sale (Cost Value)	14.5	9.5	13.7	15.2	11.3	15.5
Yields (%)						
2-year	13.39	11.87	14.05	16.94	15.83	12.89
5-year	15.76	15.76	16.18	17.43	18.14	15.89
7-year	15.31	15.35	16.55	17.40	17.64	17.33
10-year	16.00	16.96	16.94	17.42	17.52	17.69

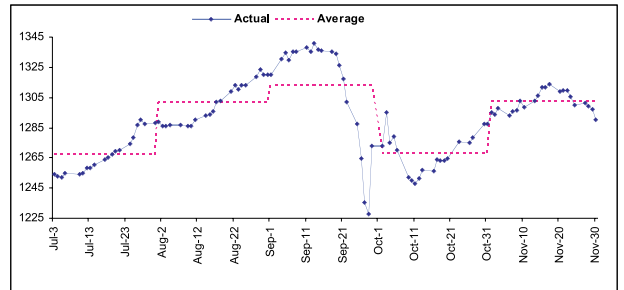
Source: Financial Markets, Bank of Tanzania



In the Interbank foreign exchange market, demand for foreign exchange eased but remained higher than the supply during the month. The Bank intervened, albeit at a much less extent compared with October, selling USD 19.2 million. Meanwhile, the exchange rate depreciated steadily during first half of the month before it turned around in the second half (Chart 2.5).

Chart 2.5: Tanzania: Daily Exchange Rate

TZS per USD



The weighted average exchange rate of the Shilling depreciated to TZS 1,303.2 per US dollar from TZS 1,270.9 per US dollar recorded in October 2006. This movement is largely explained by the dismal performance of exports amidst rising import bill-part of which is associated with preparations for end of year festivals and shortage of electricity.

Transactions in Bureau de Change System

The volume of transactions in Bureau de Change system increased remarkably to USD 70.55 million, during the review period, partly reflecting substantial increase in travelling allowances from USD 8.4 million in October 2006 to USD 21.2 million in November 2006. The buying and selling rates, depreciated to TZS 1,288.0 and TZS 1,310.0 per USD from TZS 1,256.0 and TZS 1,287.0 per USD recorded in October 2006, respectively (Table 2.5).

Table 2.5: Foreign Exchange Market Developments

ITEM	2006		Nov-2005	% Change		Year ending Nov		% Change
	Oct-06	Nov-06		Oct 06 to Nov 06	Nov 05 to Nov 06	2005	2006	
IFEM								
Amount offered*	128.92	71.48	112.95	-44.55	-36.72	731.44	1125.66	53.90
Amount sold*	128.92	71.48	112.95	-44.55	-36.72	731.44	1125.66	53.90
Exchange rate**	1,270.92	1,299.93	1,169.25	2.28	11.18	1119.09	1244.83	11.24
Bureau de Change								
Sales*	16.15	35.38	29.39	119.07	20.38	399.68	384.83	-3.72
Purchases*	16.73	35.17	29.40	110.22	19.63	397.66	380.82	-4.23
Volume of Transactions*	32.88	70.55	58.79	114.57	20.00	797.34	765.65	-3.97
Buying rate**	1256.00	1288.00	1199.00	2.55	7.42	1118.82	1233.50	10.25
Selling rate**	1287.00	1310.00	1168.00	1.79	12.16	1135.18	1254.83	10.54

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

In November 2006, the Bank of Tanzania conducted repurchase agreements (repo) worth TZS 36.9 billion to complement the sale of government securities in liquidity management efforts, compared to net repo of TZS 14.07 billion in October. The repo rate stood at 5.12 percent compared to 5.17 percent in October and 13.08 percent in September thus maintaining a downward trend owing to increase in demand.

In the Interbank cash market, the Overnight rates were much lower in November than recent months levels and reflected a relative stability at around 4.5 percent. This suggests a relatively high liquidity in November compared with previous month, which was also manifested by the high demand for government securities, and repos.

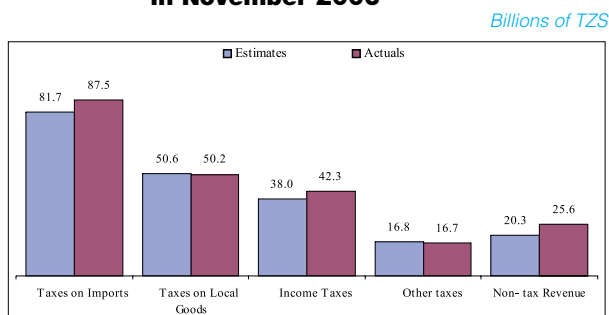
3.0 Government Budgetary Operations

During November 2006, government budgetary operations recorded a deficit of TZS 70.5 billion after grants. Total resources that were available for the month from domestic revenue and grants amounted to TZS 267.7 billion, while expenditure amounted to TZS 338.2 billion.

Total revenue collected during the period was above the target of TZS 195.0 billion by TZS 13.3 billion. Tax revenue collections amounted to TZS 182.8 billion, exceeding the target by TZS 8.1 billion. The good performance in tax

revenue collections came from all major tax categories of taxes on imports and income taxes. Taxes on local goods and other taxes were on target. The good performance in Taxes on imports results 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 that yield positive results on tax recovery program.

Chart 3.1: Government Revenue Performance in November 2006



During the month under review, total government expenditure cheques written (excluding amortization) amounted to TZS 338.2 billion, out of which recurrent expenditure was TZS 256.6 billion, while development expenditures amounted to TZS 81.6 billion.

Cumulatively, from July to November 2006, government expenditure amounted to TZS 1,700.8 billion, consisting of TZS 1,095.8 billion for recurrent expenses and TZS 605.0 billion for development projects.

4.0 External Sector Performance

Current Account Balance

The current account balance deteriorated in November 2006, recording a higher deficit of USD 163.8 million compared to a deficit of USD 94.0 million in the previous month. The deterioration is



largely due to increase in imports coupled with a decline in exports. Likewise on year-to-year basis, the current account worsened to a deficit of USD 1,706.4 million compared with a deficit of USD 899.2 million in 2005, owing to stagnation in exports coupled with a huge increase in imports (Table 4.1). Achieving a decline in imports is unlikely to be easy in the short term since it is associated with high demand for intermediate and capital goods supporting the strong economic activity, hence export promotion efforts need to be intensified to address the widening balance of payments deficit (Table 4.1).

Table 4.1: Current Account Balance

	November		Year Ending November				
	2004	2005	Oct-06	Nov-06	2005 ^P	2006 ^P	% Change
Goods Account (net)	-58.7	-169.6	-203.1	-255.5	-1,301.2	-2,217.7	70.4
Exports	169.4	152.5	165.7	152.6	1,674.8	1,546.7	-7.6
Imports	228.1	322.1	368.8	408.1	2,976.0	3,764.4	26.5
Services Account (net)	6.0	-12.6	18.9	-1.9	67.1	163.3	--
Receipts	109.1	102.6	119.0	109.8	1,275.4	1,418.0	11.2
Payments	103.1	115.3	100.1	111.7	1,208.4	1,254.7	3.8
Goods and services (net)	-52.7	-182.2	-184.2	-257.4	-1,234.1	-2,054.4	66.5
Exports of goods and services	278.5	255.2	284.7	262.4	2,950.3	2,964.8	0.5
Imports of goods and services	331.2	437.4	468.9	519.8	4,184.4	5,019.1	19.9
Income Account (net)	-9.2	-14.9	-4.8	-1.6	-173.3	-155.4	-10.3
Receipts	9.8	9.4	10.5	12.6	88.7	92.0	3.7
Payments	19.0	24.3	15.3	14.2	262.0	247.3	-5.6
Current Transfers (net)	84.4	189.1	95.1	95.2	508.2	503.3	-1.0
Inflows	89.6	194.1	100.3	100.3	575.4	568.2	-1.2
o/w General Government	83.6	39.4	97.1	44.3	512.7	523.9	2.2
Outflows	5.2	5.0	5.3	5.2	67.2	64.9	-3.4
Current Account Balance	22.5	-8.0	-94.0	-163.8	-899.2	-1,706.4	--

Note: -- = Very large number

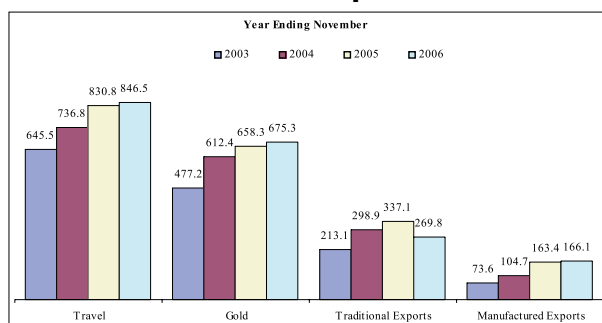
P = Provisional

Source: Bank of Tanzania

Exports Performance

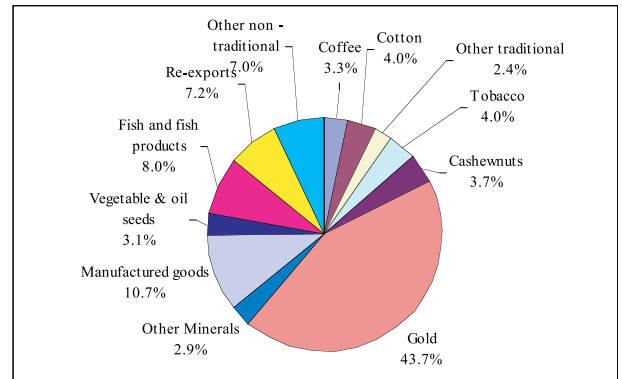
During the year ending November 2006, exports of goods and services increased by 0.5 percent to USD 2,964.8 million. The dismal performance was largely attributed to slow down in the growth of gold and manufacturing exports, coupled with decline in traditional exports. Gold and travel (tourism), nevertheless, remained dominant in exports (Chart 4.1).

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



The value of goods export was USD 1,546.7 million, being about 52.2 percent of total exports. This level represents a decline in share over the previous years because of the slowdown in the increase of gold and fish exports. Decline in traditional exports due to drought in 2005/06 that adversely affected production of most of the export commodities also contributed to the decrease in goods exports (Chart 4.2).

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



Note:

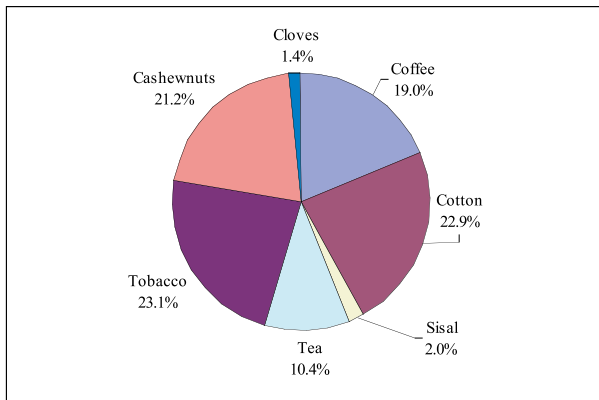
1. Other non-traditional include horticultural products and other exports
2. Other traditional exports include sisal, tea and cloves
3. Other minerals include Tanzanites, rubies, sapphires, emeralds, copper, silver and other precious stones.
4. Re-exports refers to goods that are imported and later exported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

Traditional Exports

During November 2006, traditional exports increased to USD 31.3 million from USD 26.8 million recorded in October 2006 as export season for most of the traditional exports progressed. Nevertheless, the export value was still low compared to the levels recorded in the corresponding month in the previous years because of unfavourable weather in 2005/06. With the exception of tobacco and sisal, all other traditional exports recorded increases in export volumes and value. Although the exports season for cashew nuts started in October, the buyers were in price disagreement with farmers to the extent that there were no cashew exports in October. Cashew buying resumed after government's intervention leading to a considerable increase in cashew exports to 11,510 tons worth USD 5.7 million in November 2006.

Traditional exports for the year ending November 2006 however declined by 20.0 percent to USD 269.8 million following unfavourable weather condition save for cashew nuts that can withstand dry condition. The Government through the Agricultural Sector Development Programme (ASDP) is addressing the problem of irrigation schemes and availability of extension services. The composition of traditional exports for the year ending November 2006 is reflected in **Chart 4.3**.

Chart 4.3: Contribution to Total Traditional Exports for the Year Ending November 2006



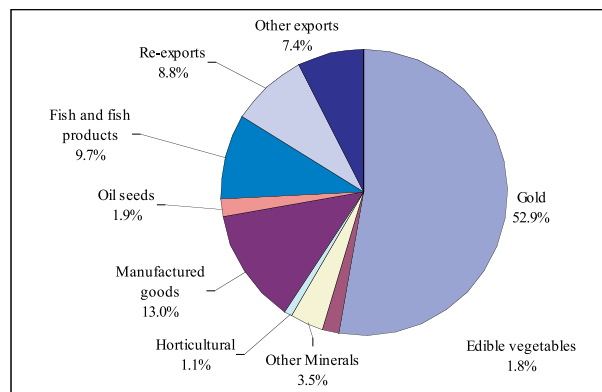
Non-Traditional Exports

Non-traditional exports declined by 12.7 percent to USD 121.3 million in November 2006 compared to the position recorded in the previous month largely due to a fall in gold and other exports. The decline in gold export is largely attributed to the fall in the volume of exports to 3.9 tons from 4.8 tons recorded in the previous month with Geita Gold mines and Bulyanhulu recording most of the decrease.

On annual basis, non-traditional exports decreased to USD 1,276.9 million from USD 1,337.7 million owing to a fall in exports of fish, horticultural products, re-exports and other exports. On the other hand, gold and manufactured exports recorded a marginal increase of 2.6 percent and 1.7 percent to USD 675.3 million and USD 166.1 million, respectively. The slight increase in gold exports was largely attributed to the higher gold prices in the world market, since the exported volume declined to 44.7 tons from a total of 47.8 tons during the previous year. Manufactured goods export that have been growing at an annual average

rate of 30 percent during the last four years, recorded deceleration as it grew by 1.7 percent in the year ending November 2006. The deterioration is partly due to power shedding that forced most of the manufacturing firms to produce at low capacity. However, gold exports continued to enjoy the dominance accounting for about 52.9 percent of non-traditional exports followed by manufactured goods and fish and fish products that accounted for 13.0 percent and 9.7 percent, respectively. **Chart 4.4** depicts the composition of non-traditional exports for the year ending November 2006.

Chart 4.4: Contribution to Total Non-traditional Exports for the Year Ending November 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.

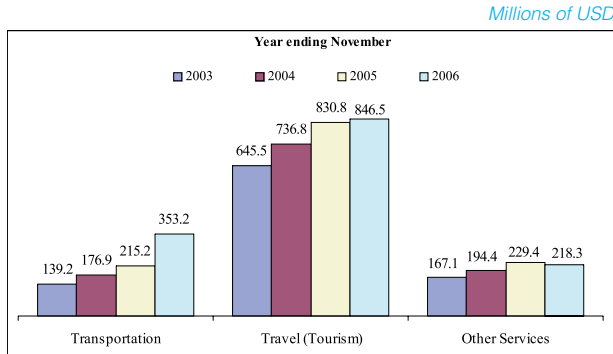
On annual basis, services receipts increased by 11.2 percent to USD 1,418.0 million following the impressive performance in transportation and travel (tourism) sectors. The improvement in travel sector that accounts for about 60 percent of services receipt is mainly due to the efforts by the Government and other stakeholders in promoting Tanzania as the 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 353.2 million from USD 215.2 million during the year ending November 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

Imports Performance

Goods Imports

During November 2006, goods imports (f.o.b.) went up by 32.1 percent to USD 408.1 million as all major categories of imports registered increases. Capital goods imports increased to USD 151.8 million from USD 101.1 million in the previous month following a surge in importation of machinery particularly telecommunication equipment, electric generating sets and weaving machines. Likewise, the intermediate goods increased by 29.2 percent to USD 175.9 million in November 2006, following a surge in oil and industrial raw materials imports. The value of imported

oil increased by 36.7 percent to USD 124.4 million largely due the increase volume as prices of oil in the world market registered a marginal increase. During the month under review, a total of 221,729 tons of oil were imported compared to 179,187 tons in the previous month.

Consumer good imports recorded an increase of 12.1 percent to USD 80.4 million in November 2006 following the surge in importation of wheat and sugar and sugar confectionaries. Importation of other consumer goods, which include items such as paper and paper products, pharmaceutical products, plastic items and books, remained virtually unchanged at USD 63.7 million (**Table 4.2**).

Table 4.2: Tanzania imports

Millions of USD

Item	2005 ^P	2006 ^P		% Change		Year Ending November ^P		
		November	October	Nov 05- Nov 06	Oct 06- Nov 06	2005	2006	% Change
CAPITAL GOODS	128.8	101.1	151.8	17.9	50.2	1,058.3	1,408.5	33.1
Transport Equipments	42.9	28.7	35.7	-16.8	24.6	272.6	378.6	38.9
Building and Constructions	33.3	25.6	43.8	31.5	71.3	247.9	345.7	39.5
Machinery	52.6	46.8	72.3	37.6	54.4	537.9	684.2	27.2
INTERMEDIATE GOODS	114.8	136.1	175.9	53.2	29.2	1,151.5	1,514.9	31.6
Oil imports	75.0	91.0	124.4	66.0	36.7	826.6	1,099.3	33.0
Fertilizers	9.5	9.1	8.6	-10.2	-6.2	70.2	50.8	-27.7
Industrial raw materials	30.3	36.0	42.9	41.5	19.2	254.6	364.8	43.3
CONSUMER GOODS	78.5	71.7	80.4	2.4	12.1	766.2	841.0	9.8
Food and food stuffs	18.1	8.1	16.7	-7.6	106.0	170.4	245.9	44.3
All other consumer goods ¹	60.4	63.6	63.7	5.4	0.1	595.8	595.1	-0.1
GRAND TOTAL (F.O.B)	322.1	308.9	408.1	26.7	32.1	2,976.0	3,764.4	26.5
GRAND TOTAL (C.I.F)	354.0	339.5	448.5	26.7	32.1	3,270.4	4,136.7	26.5

Note: Oil imports refers to refined petroleum products

^P = provisional data

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

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania and Tanzania Revenue Authority

Food Imports

In November 2006, food imports increased to USD 16.7 million from USD 8.1 million in the previous month. Much of the increase resulted from the surge in the importation of cereals, particularly wheat, which went up by more than two folds to USD 7.5 million. It should be noted that 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 July 2006.



Table 4.3: Summary of food imports

	Aug-06	Sep-06	Oct-06	Nov-06	% Change (Oct - Nov)
Maize					
Tons	127	224	2,399	975	-59.4
Value (Mill. US\$)	0.116	0.2	0.8	0.4	-43.7
Rice					
Tons	595	54	68	80	17.9
Value (Mill. US\$)	0.147	0.03	0.02	0.03	22.2
Wheat					
Tons	96,714	58,505	14,769	42,030	--
Value (Mill. US\$)	17.3	12.8	3.1	7.5	--

Note: -- = Very large number

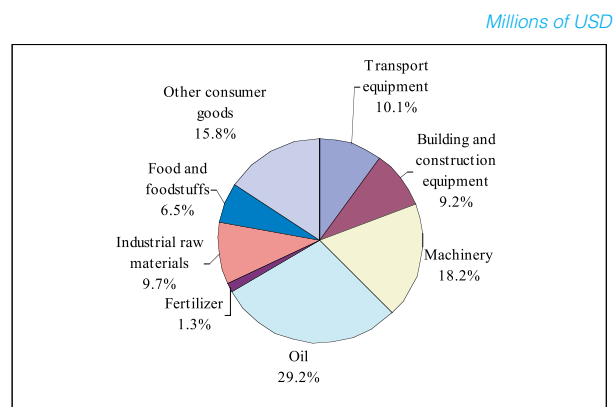
Source: Bank of Tanzania and Tanzania Revenue Authority

On annual basis, goods import went up by 26.5 percent to USD 3,764.4 million following the increase in importation of capital, intermediate and consumer goods. Capital good imports increased by 33.1 percent to USD 1,408.5 million mainly due to a surge in imports of transport equipment, building and construction, and machinery, which were mainly directed to the mining, communication and manufacturing sectors.

During the year ending November 2006, intermediate goods imports went up to USD 1,514.9 million on account of the increase in importation of oil and industrial raw materials. The significant increase in oil imports is largely explained by the persistent increase in the oil prices in the world market as well as volume. During the review period, the price of refined white petroleum products increased by 17.1 percent to an average of USD 603.84 per ton compared to the prices prevailed in the previous year. Likewise, the volume of oil imported increased to 1,887,196 tons from 1,634,223 tons during the year ending November 2005 largely due to increase in economic activities and also increased thermal power generation amidst 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.

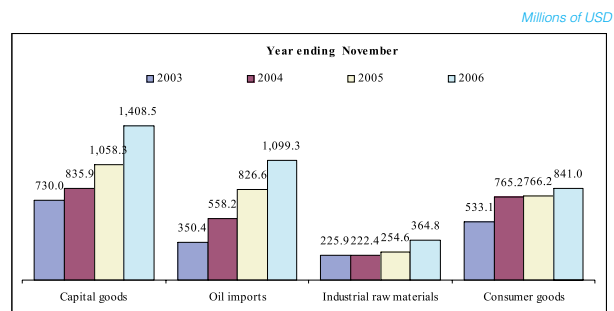
The consumer goods imports increased by 9.8 percent to USD 841.0 million following a rise in imports of food and foodstuff particularly maize and wheat. During the year ending November 2006, a total of 224,226 tons of maize worth USD 46.7 million were imported compared to 14,231 tons worth USD 3.0 million that were imported in the previous year. The increase in food imports was to augment local supply following the drought in 2005/06 (Chart 4.6).

Chart 4.6: Tanzania: Composition of Imports for the Year Ending November 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



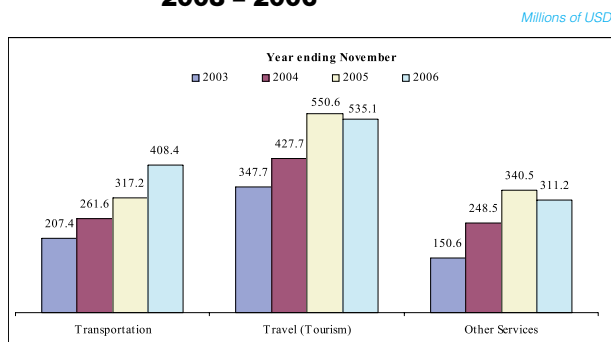
Services Imports

During the month under review, services payments increased to USD 111.7 million from USD 100.1 million during October, mainly due to increase in transportation and construction service payments.

On annual basis, service payments increased by 3.8 percent to USD 1,254.7 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 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 on 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

With the exception of tea and cloves, prices of most of the traditional commodities increased in November 2006. The price of coffee "Arabica" increased by 10 percent to USD 2.70 per kg during the month as a result of a fall in supply in the world market coupled with high demand in the U.S. The fall in tea prices was largely attributed to the increase in supply following improvement in weather condition in Kenya, India and Sri Lanka. Likewise, the notable decline in the price of cloves from USD 3,425.0 per ton in the previous month to USD 2,325.0 per ton was on account of a bumper harvest in Madagascar (**Table 4.4**).

During the month under review, the average prices of crude oil (Brent) and Dubai (f.o.b) increased slightly to USD 58.1 per barrel and USD 56.8 per barrel, respectively. Likewise, the prices of white products increased to USD 542.6 per ton. Meanwhile, the world market price of gold increased by 7.1 percent to USD 627.8 per troy ounce in November 2006 as a result of weakening of the US dollar against other major currencies.

On annual basis, the prices of most of the traditional commodities went up with the exception of Arabica coffee that recorded a slight decline to USD 2.5 per kg. The increase in prices of Robusta coffee and tea was partly due to unfavorable weather condition in Vietnam and East Africa, respectively.

The average annual price of crude oil Brent, Dubai (f. o. b.) and white petroleum products for the year ending

November 2006 increased substantially compared to the corresponding period in the previous year. The surge in oil prices largely emanated from supply disruptions associated with tensions in the Middle East coupled with civil unrests in Nigeria. Similarly, the price of gold rose substantially to USD 584.4 per troy ounce as investors diversified from investing in stocks because of global insecurity and weakening of the US dollar. As the result, the demand for gold as an alternative investment increased and this pushed up the price of gold.

Table 4.4: World Commodity Prices

COMMODITY	Units	2006			% Change	Year ending Nov.		% Change
		Sept	Oct	Nov		2005	2006	
Coffee "Robusta"	US \$ per kg	1.70	1.66	1.69	1.81	1.08	1.45	34.26
Coffee "Arabica"	US \$ per kg	2.42	2.44	2.70	10.66	2.53	2.48	-1.98
Tea (Average price)	US \$ per kg	1.85	1.85	1.79	-3.24	1.66	1.86	12.05
Tea (Mombasa Auction)	US \$ per kg	1.87	1.74	1.72	-1.15	1.48	1.95	31.76
Cotton, "A Index"	US \$ per kg	1.30	1.26	1.28	1.59	1.20	1.27	5.83
Cotton, "Memphis"	US \$ per kg	1.37	1.29	1.30	0.78	1.28	1.33	3.91
Sisal "UG"	US \$ per metric ton	885.00	885.00	885.00	0.00	885.00	885.00	0.00
Cloves	US \$ per metric ton	4,262.50	3,425.00	2,25.00	-32.12	3,208.11	2,325.00	-27.53
Crude oil*	US \$ per barrel	62.12	57.91	58.14	0.40	51.94	63.91	23.05
Crude oil**	US \$ per barrel	59.77	56.50	56.82	0.57	47.72	60.97	27.77
White products of which	US \$ per ton	575.37	540.12	542.64	0.47	515.66	603.84	17.10
Jet/Kerosene	US \$ per ton	615.52	577.16	578.60	0.25	533.99	630.35	18.05
Premium Gasoline	US \$ per ton	546.29	505.95	512.27	1.25	513.88	613.02	19.29
Heat Oil	US \$ per ton	564.29	537.25	537.06	-0.04	499.94	570.20	14.05
Gold	US \$ per troy ounce	598.20	585.80	627.80	7.17	439.19	578.64	31.75

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 declined by 24.2 percent to USD 7,436.7 million as at end November 2006 from USD 9,810.1 million registered at the end of previous month. Out of the total debt stock, USD 6,074 (81.7 percent) was external debt and domestic debt was equivalent to USD 1,362.7 million (18.3 percent). The decrease in debt stock during the month under review was mainly attributed to debt relief obtained under Multilateral Debt Relief Initiative and debt service payments.

External Debt

External debt stock declined by 28.0 percent to USD 6,074.0 million from the amount recorded at the end of previous month. Out of external debt stock, USD 4,771.3 million (78.5 percent) was Disbursed Outstanding Debt (DOD) and the balance of USD 1,302.7 million (21.5 percent) was interest arrears.



External Debt Service

Actual external debt service during November 2006 amounted to USD 5.3 million, out of which principal payment was USD 3.6 million while interest payment was USD 1.7 million. On the other hand, new debt disbursed during the month amounted to USD 2.8 million.

HIPC Debt Relief Initiative

As at end November 2006, cumulative debt relief from Paris Club bilateral creditors remained at the 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.

Multilateral Debt Relief Initiative (MDRI)

Tanzania is among the HIPCs benefiting from the Multilateral Debt Relief Initiative (MDRI), which envisages cancellation of debt owed to the International Development Association (IDA), African Development Fund (ADF) and the International Monetary Fund (IMF). IMF already cancelled its debt worth USD 338 million in January 2006, being 100 percent of debt outstanding as at the end of December 2004 and that remained outstanding until end of December 2005. In the same framework IDA has written off all outstanding principal balances disbursed up to 31st December 2003 net of repayments made prior to July 1, 2006. This translates in cancellation of approximately USD 2.8 billion. Implementation date for ADF relief was January 1st 2006 and the delivery was expected to start retrospectively by end of September 2006 in the form of debt service reduction, which translates into cancellation of debt worth USD 640 million.

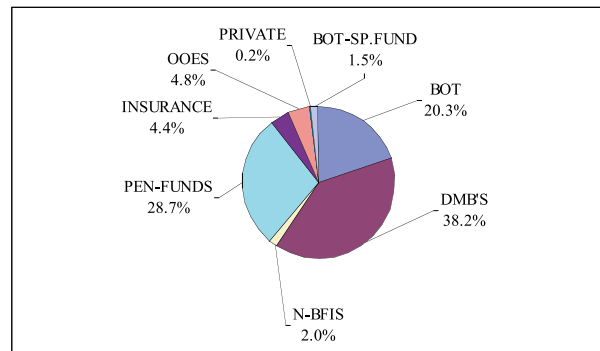
Domestic Debt

The stock of domestic debt decreased marginally to TZS 1,758.3 billion by the end of November 2006, compared to TZS 1,769.0 billion registered at the end of previous month. Out of this amount, Government securities (treasury bills, bonds and stock) accounted for 99.1 percent and the

remaining portion was in other Government debts .

The profile of domestic debt by holder category shows that commercial banks are the leading Union Government creditors by holding altogether 38.2 percent of total domestic debt followed by Pension Funds with 28.7 percent, Central Bank 20.3 percent, Other Official Entities (OOEs) 4.8 percent and Insurance companies 4.4 percent. Non-Bank Financial Institutions (NBFIs) and private sector, combined with BOT special funds held the remaining portion of around 3.7 percent of domestic debt stock **(Chart 5)**.

Chart 5: Government Domestic Debt by Creditor Category



Domestic Debt Service

During the period under review, domestic debt amounting to TZS 93.4 billion fell due for payment. Out of this amount, TZS 11.8 billion was interest that was paid out of Government revenue, while principal amounting to TZS 81.6 billion was rolled over.



6.0 Economic Developments in Zanzibar

Budgetary Performance

During November 2006, government budgetary operations recorded an overall deficit to the tune of TZS 2.1 billion. Total revenue and grants amounted to TZS 7.6 billion and TZS 3.4 billion respectively, while total expenditure reached TZS 12.9 billion. The budget deficit was exclusively financed through external loans

Revenue Outturn

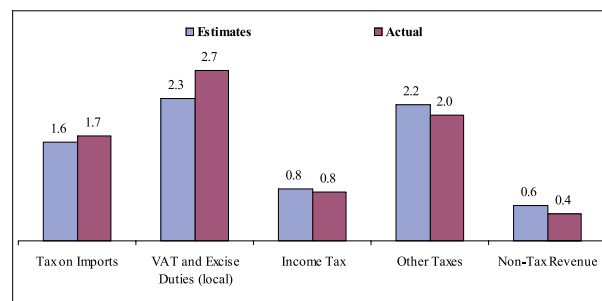
Revenue collections during November amounted to TZS 7.6 billion, slightly above the target of TZS 7.4 billion, on account of increased tourism activities. Tax revenue reached TZS 7.2 billion surpassing the target of TZS 6.9 billion, and accounting for 94.7 percent of the total revenue. Non-tax revenue amounted to TZS 0.4 billion, below the target of TZS 0.6 billion, and accounted for 5.3 percent of total revenue. Revenue performance by category revealed that tax on imports amounted to TZS 1.7 billion, surpassing the targeted TZS 1.6 billion due to increased efficiency in cargo handling. VAT and exercise duty collections amounted to TZS 2.7 billion, being above the targeted TZS 2.3 billion as a result of increased efficiency in tax administration and improved tourist activities. Income tax collections amounted to TZS 0.8 million in line with the target. Other taxes collections reached TZS 2.0 billion but were below the targeted TZS 2.2 billion mainly on account of low collection of petroleum levy due to decline in sales of fuel (**Chart 6.1**).

Cumulatively, total revenue collection from July 2006 to November 2006 amounted to TZS 36.6 billion, above the target of TZS 36.2 billion and accounted for 44.0 percent of annual target.



Chart 6.1: Government Revenue by Source - November 2006

Millions of USD



P = Provisional

Source: Tanzania Revenue Authority

Expenditure Performance

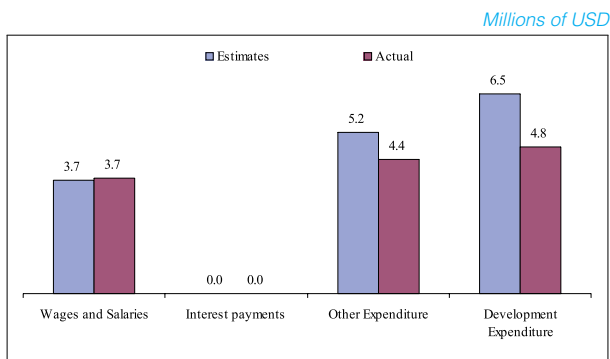
The total expenditure during November 2006 amounted to TZS 12.9 billion, which was below the target of TZS 15.5 billion mainly due to untimely funding by the government coupled with lower donor funded disbursements.

Recurrent expenditure amounted to TZS 8.1 billion compared to the target of TZS 9.0 billion and accounted for 62.8 percent of the total expenditure. Wages and salaries amounted to TZS 3.7 billion in line with target and accounted for 45.7 percent of the recurrent expenditure or 28.7 percent of the total expenditure. Other expenditures amounted to TZS 4.4 billion, below ceiling target of TZS 5.2 billion and accounted for 54.3 percent of the recurrent expenditure or 34.1 percent of total expenditure.

Development expenditure amounted to TZS 4.8 billion below the projected TZS 6.5 billion and accounted for 37.2 percent of the total expenditure. Local contribution amounted to TZS 0.03 billion below the target of TZS 1.0 billion. The actual local allocation for development spending during November was TZS 0.8 billion hence the balance is expected to be used in December 2006. Donor funds amounted to TZS 4.8 billion, which was also below the target of TZS 5.4 billion. Donor funds accounted for 99.4 percent of the total development expenditures (**Chart 6.2**).

Cumulatively, total expenditure from July - November 2006 amounted to TZS 56.0 billion, representing 76.5 percent of the projected TZS 73.2 billion and accounted for 24.4 percent of projected annual budget.

Chart 6.2: Government Expenditure by Components - November 2006



P = provisional
Source: Tanzania Revenue Authority

Debt Developments

Zanzibar Public Debt Increases

Zanzibar total public debt as at end of November 2006 increased to TZS 213.4 billion from TZS 190.8 billion recorded in October 2005. The increase was largely attributed to new disbursements from multilateral creditors. The external debt stood at TZS 138.7 billion accounting for 65.0 percent of total debt, while domestic debt amounted to TZS 74.7 billion representing 35.0 percent of total debt. The debt to GDP ratio rose to 53.9 percent from 48.2 percent recorded in the preceding month.

Domestic Debt

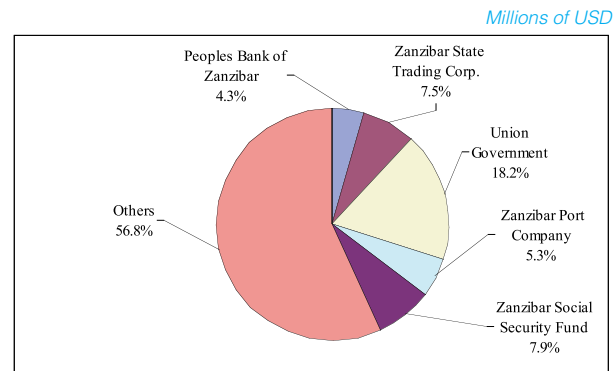
Domestic debt stock slightly declined to TZS 74.7 billion from TZS 75.8 billion recorded in October 2006, as a result of the government paying out outstanding claims of retirees.

Domestic Debt by Creditor

During the period under review, 'Other creditors' claims (domestic suppliers and pensioners) remained the largest category and accounted for 56.8 percent of total domestic debt. The said debt had however declined slightly to TZS 42.4 billion in November from TZS 43.5 billion registered in October 2006. The Union Government debt remained 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 accounting for 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 - November 2006



Domestic Debt by Instruments

Domestic debt by instruments show that most of the debt was in form of government loans that amounted to TZS 21.5 billion, representing 28.8 percent of total domestic debt. "Other debt instruments" (suppliers' credits and pensioners' claims) ranked second amounting to TZS 18.6 billion or 25.0 percent of total domestic debt. Treasury bonds and Government Stocks amounted to TZS 19.5 billion and TZS 9.9 billion, representing 26.1 percent and 13.3 percent of total domestic debt, respectively. Debt in form of treasury bills stood at TZS 5.1 billion representing 6.9 percent of total domestic debt.

Domestic Debt by Maturity

Debt portfolio revealed that debts with "undetermined maturity" (gratuity, pension, and domestic suppliers' claims) remained dominant amounting to TZS 45.0 billion representing 60.3 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 21.0 percent of the total domestic debt.



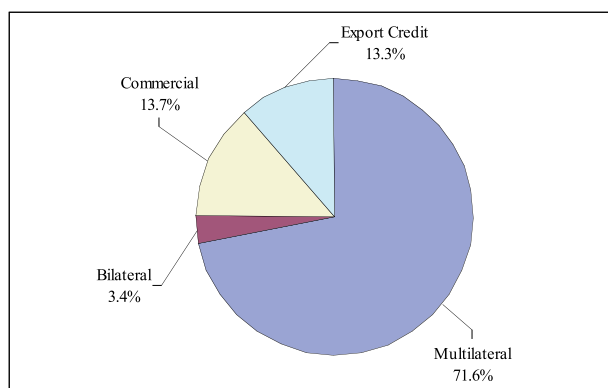
External Debt

Zanzibar's external debt as at end November 2006 stood at 107.5 million, having increased from USD 89.4 million at the end of October 2006. The increase was a result of new borrowing from ADF and IDA. Debt guaranteed by the Union Government stood at USD 78.6 million or 73.1 percent of total external debt while the non-guaranteed debt was USD 28.9 million, representing 26.9 percent of total external debt.

External Debt by Creditor Category

Multilateral credit maintained dominance in total external debt. As at end November 2006, debt owed to multilateral institutions amounted to USD 77.0 million, accounting for 71.6 percent of total debt. Multilateral debt also increased from USD 59.0 million recorded during the previous month on account of new borrowing. Bilateral creditors claims stood at USD 3.7 million, accounting for 3.4 percent of total external debt, while Commercial debt remained at USD 14.7 million, accounting for 13.7 percent of total external debt. Export credit amounted to USD 12.1 million, representing 11.3 percent of total external debt (Chart 6.4).

Chart 6.4: External debt by Creditor as at end – November 2006



External Debt by Maturity

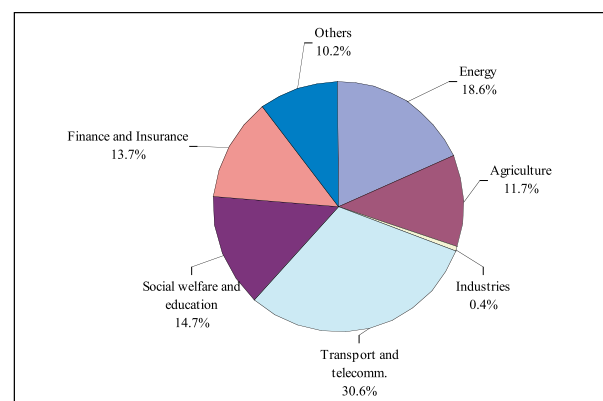
Debts maturing in over 20 years period increased to USD 71.1 million from USD 53.1 million, and represented 66.1 percent of the total external debt. Debt maturing between 5 to 10 years amounted to USD 29.5 million or 27.5 percent of total external debt, while debts maturing between 10

to 20 years stood at USD 6.9 million, accounting for 6.4 percent of total external debt.

External Debt - Disbursements by Use of Funds

Analysis of the debt portfolio by use of funds as at end November 2006 show that transport and telecommunications sector had USD 32.9 million or 30.6 percent of total external debt. Energy sector had USD 20.0 million, accounting for 18.6 percent of total disbursements. Social welfare and education sectors held USD 15.8 million or 14.7 percent. Finance and Insurance sector had USD 14.7 million, standing for 13.7 percent of total external debt. Agriculture and industries sectors held USD 12.5 million and USD 0.5 million, accounting for 11.7 percent and 0.4 percent of total external debt, respectively. Other sectors had USD 11.0 million or 10.2 percent of total external debt (Chart 6.5).

Chart 6.5: External debt by Use of Funds as at end – November 2006



External Sector Developments

Current Account

During the month of November 2006, current account balance registered a deficit of USD 0.8 million from a surplus of USD 1.2 million realized in October 2006 on account of declines in donor inflows and export proceeds, as well as slight increase in import bill. On annual basis, the current account was buoyant, recording a surplus of USD 13.6 million compared with a deficit of USD 16.1 million



recorded last year. The improvement was attributed to a substantial increase in donor inflows, increase in the total export earnings coupled with decline in imports bill (Table 6.1).

Table 6.1: Zanzibar Current Account Balance

Millions of USD

	2005		2006		Year Ending November			Monthly %Change	Annual %Change
	Nov	Nov	Nov	Nov	2004	2005	2006p		
Goods Account (net)	-8.6	-5.5	-3.6	-4.2	-54.5	-71.8	-57.5	16.7	-19.9
Exports	0.8	0.5	1.9	1.0	13.8	12.1	8.4	-47.4	-30.6
Imports (fob)	9.4	6.0	5.5	5.2	68.3	83.9	65.9	-5.4	-21.4
Services Account (net)	1.3	2.9	3.2	2.4	15.9	20.4	25.7	-25.0	26.0
Receipts	6.4	9.1	9.1	8.1	42.4	73.3	81.4	-12.3	11.1
Payments	5.1	6.2	5.9	5.7	26.6	52.9	55.6	-3.4	5.1
Goods and Services (net)	-7.3	-2.7	-0.4	-1.8	-38.6	-51.4	-31.8	350.0	-38.1
Exports of Goods and Services	7.2	9.5	11.0	9.1	56.3	85.3	89.7	-17.3	5.2
Imports of Goods and Services	14.5	12.2	11.3	10.9	94.8	136.7	121.5	-3.5	-11.1
Income Account (net)	0.00	0.04	0.03	0.03	-0.08	0.42	0.21	0.0	-50.0
Receipts	0.00	0.07	0.04	0.04	0.02	0.43	0.27	0.0	-37.2
Payments	0.00	0.03	0.01	0.01	0.10	0.02	0.05	0.0	150.0
Current Transfers (net)	4.1	11.6	1.5	0.9	9.5	34.9	45.2	-40.0	29.5
Inflows	4.1	11.6	1.5	0.9	9.5	34.9	45.2	-40.0	29.5
Outflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Current Account Balance	-3.2	9.0	1.2	-0.8	-29.1	-16.1	13.6	-166.7	-184.5

p = Provisional

Source: Tanzania Revenue Authority.

Exports Performance

Exports of goods and services during November 2006 declined to USD 9.1 million from USD 11.0 million recorded in the previous month, on account of a decline in export volume of cloves, despite the slight increase in world prices. Services receipts slightly declined to USD 8.1 million from USD 9.1 million in October 2006 but remained the dominant source of foreign receipts by accounting for about 89 percent of export earnings.

On year-to-year basis, export earnings improved to USD 89.7 million in November from USD 85.3 million registered in the corresponding period in 2005. Receipts from tourism related activities amounted to USD 81.4 million, representing 90.8 percent of total exports receipts. Cloves and seaweeds exports amounted to USD 3.8 million and USD 1.5 million, respectively. Manufactured goods exports rose to USD 1.6 million from USD 0.3 million in 2005. Exports of fish and fish produce amounted to USD 0.3 million while earning from other exports was USD 1.1 million

Table 6.2: Zanzibar Exports by Major

Categories

Millions of USD

	2005	2006p			Year Ending November			Monthly %Change	Annual %Change
	Nov	Sept	Oct	Nov	2004	2005	2006p		
TRADITIONAL COMMODITIES									
CLOVES									
VALUE	0.7	0.0	1.0	0.3	10.8	9.1	3.8	-70.0	-58.2
VOLUME	0.3	0.0	0.3	0.1	5.4	3.1	1.2	-66.6	-61.3
UNIT PRICE	2,354.0	4,616.6	3,535.1	3,573.5	2,001.9	2,884.7	3,318.9	1.1	15.1
SUB TOTAL	0.7	0.0	1.0	0.3	10.8	9.1	3.8	-70.0	-58.2
NON-TRADITIONAL EXPORTS									
SEAWEEDS									
VALUE	0.1	0.1	0.1	0.1	1.5	1.8	1.5	0.0	-16.7
VOLUME	0.5	0.5	0.5	0.5	7.5	8.3	7.2	0.0	-13.2
UNIT PRICE	123.1	263.6	203.8	232.0	200.4	215.6	206.8	13.8	-4.1
MANUFACTURED GOODS	0.0	0.2	0.5	0.4	0.5	0.3	1.6	-20.0	433.3
FISH AND FISH PRODUCE	0.0	0.0	-	0.0	0.2	0.3	0.3		0.0
OTHERS EXPORTS	0.0	0.0	0.3	0.2	0.8	0.7	1.1	-33.3	57.1
SUB TOTAL	0.1	0.4	1.0	0.7	3.0	3.0	4.5	-30.0	50.0
GRAND TOTAL	0.8	0.5	1.9	1.0	13.8	12.1	8.4	-47.4	-30.6

p = provisional

Source: Tanzania Revenue Authority

Zanzibar Imports

During November 2006, Zanzibar goods imports (c.i.f), amounted to USD 5.7 million from USD 6.0 million registered in the previous month, largely on account of decline in imports of oil and construction. The decline in oil imports was due to the modest fall in world oil prices. Consumer goods imports remained the same as in previous month, while capital goods in the form of machinery and transport equipment increased slightly.

On year-to-year basis, imports declined to USD 72.4 million from USD 92.2 million recorded during 2005, mainly owing to a slump in food and food stuff as domestic supply improved. Imports of machinery, building and construction materials also declined as a result of suspension of major construction projects. Oil imports declined to USD 16.4 million from USD 22.1 million registered in 2005.

Table 6.3: Zanzibar Imports by Major Categories

Millions of USD

	2005	2006p			Year Ending November			Monthly %Change	Annual %Change
	Nov	Sept	Oct	Nov	2004	2005	2006p		
CAPITAL GOODS	4.8	3.1	2.6	2.7	24.3	37.4	30.6	3.8	-18.2
Transport Equipments	0.5	0.8	0.9	1.0	7.3	9.8	11.3	11.1	15.3
Building and Constructions	1.9	0.4	0.6	0.4	6.5	8.1	6.3	-33.3	-22.2
Machinery	2.4	1.9	1.1	1.3	10.6	19.5	13.0	18.2	-33.3
INTERMEDIATE GOODS	3.2	1.7	2.2	1.8	20.9	26.3	23.4	-18.2	-11.0
Oil imports	2.9	1.0	1.4	1.1	14.7	22.1	16.4	-21.5	-25.8
Fertilizers		
Industrial raw materials	0.3	0.7	0.8	0.7	6.1	4.2	7.0	-12.5	66.7
CONSUMER GOODS	2.3	1.8	1.2	1.2	29.9	28.4	18.5	0.0	-34.8
Food and food stuffs	1.1	0.2	0.2	0.2	17.4	17.2	6.0	0.0	-65.1
All other consumer goods	1.1	1.5	1.0	1.0	12.5	11.3	12.5	0.0	10.6
GRAND TOTAL (CIF)	10.3	6.6	6.0	5.7	75.0	92.2	72.4	-5.0	-21.4
GRAND TOTAL (FOB)	9.4	6.0	5.5	5.2	68.3	83.9	65.9	-5.5	-21.5

p = provisional

... = Very small value

Source: Tanzania Revenue Authority



Services Account

In November 2006, Zanzibar services account registered a lower surplus of USD 2.4 million compared to USD 3.2 million registered in the previous month, largely on account of low receipts from tourism activities, from USD 8.4 million in previous month to USD 7.4 million. On year-to-year basis, the services account surplus improved to USD 25.7 million from USD 20.4 million last year. The increase stemmed from rising tourism activities, which brought in USD 81.4 million compared with USD 73.3 million registered in the corresponding period in 2005. Service payments amounted to USD 55.6 million compared with USD 52.8 million of the previous years and accounted for about 76 percent of the total 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

Item	Millions of TZS						
	Actual 2005/2006	BUDGET 2006/2007	2006 Jul-06	2006 Aug-06	2006 Sep-06	2006 Oct-06	2006 Nov-06
Monthly Flows							
Total Revenue	2,124,843.7	2,460,994.9	188,494.6	204,402.1	242,020.6	201,818.0	208,334.6
Tax Revenue	1,946,432.6	2,269,578.8	171,495.0	186,445.0	224,927.5	185,315.7	182,762.1
Taxes on Imports	819,800.5	979,788.3	81,591.1	84,145.0	83,570.5	77,943.3	87,519.3
Sales/VAT and Excise on Local Goods	478,395.4	566,935.2	42,073.8	49,333.4	48,150.8	50,310.4	50,162.6
Refunds	-69,961.0	-133,484.4	-7,654.6	-7,654.6	-7,654.6	-13,845.2	-13,845.2
Income Taxes	581,243.8	657,763.5	39,202.2	44,318.7	82,844.9	45,254.2	42,272.4
Other taxes	136,954.0	198,576.2	15,564.5	16,303.4	18,015.9	19,462.4	16,653.0
Non-tax Revenue	178,411.1	191,416.1	16,999.6	17,956.2	17,099.1	16,502.3	25,572.5
Total Expenditure /1	3,873,254.8	4,788,496.6	235,352.5	288,525.8	425,105.8	413,579.7	338,236.3
Recurrent expenditure	2,661,862.5	3,054,030.0	158,204.4	189,211.7	260,450.2	231,294.5	256,600.2
Roadtoll fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retention fund	61,260.2	50,000.0	7,693.9	4,970.4	5,928.6	6,308.6	7,051.3
Wages and salaries	656,788.5	1,003,881.0	76,112.1	79,232.6	82,754.3	81,343.8	81,676.1
Interest payments	218,861.3	112,000.0	12,268.4	11,729.3	19,496.4	24,475.0	12,512.6
Domestic 2/	163,694.8	72,000.0	9,921.6	8,465.0	16,649.5	22,769.9	9,375.9
Foreign	55,166.5	40,000.0	2,346.8	3,264.3	2,846.9	1,705.1	3,136.7
Other goods, services and transfers	1,786,212.7	1,938,149.0	69,823.9	98,249.8	158,199.5	125,475.7	162,411.5
Dev. Expenditure and net lending	1,211,392.2	1,734,466.6	77,148.2	99,314.2	164,655.6	182,283.1	81,636.1
Local	296,100.0	641,766.0	9,360.2	56,308.2	90,000.0	61,671.4	54,591.8
Foreign	915,292.2	1,092,700.6	67,787.9	43,005.9	74,655.6	120,613.7	27,044.3
Overall Balance (cheque issued) before Grants	-1,748,411.0	-2,327,501.7	-46,857.9	-84,123.7	-183,085.2	-211,761.7	-129,901.7
Grants	1,000,160.2	1,438,832.0	23,459.1	339,085.4	59,696.4	145,163.7	59,453.8
Program (CIS/OGL)	331,024.6	471,025.0	0.0	280,933.0	22,681.2	99,514.0	54,776.3
Project	416,771.0	422,950.6	10,384.6	20,279.0	22,017.3	14,987.4	2,711.7
Basket funds	175,975.3	216,016.3	3,714.2	13,775.9	14,997.9	24,877.8	1,965.8
HIPC Relief	76,389.3	328,860.0	9,360.2	24,097.5	0.0	5,784.4	0.0
Overall deficit/(cheque issued) after Grants	-748,250.9	-888,649.7	-23,398.9	254,961.7	-123,388.8	-66,598.0	-70,447.9
Expenditure float	69,713.1	0.0	-113,193.1	-8,399.8	-6,091.3	-913.7	0.0
Adjustments to cash and other items (net)	-245,875	0	-20,641	-4,494	58,509	9,695	27,333
Overall Balance (cheques issued)	-924,412.5	-888,649.7	-157,232.9	242,067.8	-70,971.4	-57,816.6	-43,114.8
Financing:	924,412.5	888,649.7	157,232.9	-242,067.8	70,971.4	57,816.6	43,114.8
Foreign Financing (net)	561,219.0	736,171.9	315,214.7	5,232.4	36,146.3	74,251.7	19,236.1
Loans	668,934.5	787,262.9	319,536.9	8,951.0	37,640.4	80,748.5	22,366.9
Program loans	257,677.1	333,529.3	265,847.8	0.0	0.0	0.0	0.0
Development Project loans	328,955.7	362,812.0	53,689.1	8,951.0	26,695.1	80,748.5	22,366.9
Basket Support	82,301.8	90,921.6	0.0	0.0	10,945.2	0.0	0.0
Amortization	-107,715.5	-51,091.0	-4,322.2	-3,718.6	-1,494.1	-6,496.8	-3,130.9
Domestic (net)	363,193.5	152,477.8	-157,981.8	-247,300.2	34,825.1	-16,435.1	23,878.7
Domestic Financing	348,885.7	163,477.8	-157,981.8	-247,300.2	34,825.1	-16,435.1	23,878.7
Bank borrowing	129,644.6	163,477.8	-223,281.7	-230,998.6	33,984.2	-41,861.6	53,427.1
Non-Bank (net of amortization)	219,241.1	0.0	65,299.9	-16,301.5	840.9	25,426.5	-12,679.6
Amortization of contingent debt	-19,001.4	-11,000.0	0.0	0.0	0.0	0.0	0.0
Privatization Proceeds	33,309.2	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance

Note:

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

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





Table A3: Monetary Survey

End of Period	Millions of TZS														
	Domestic assets (net)											Memorandum item:			
	Domestic credit (net)			M3, Extended Broad Money			M1, Broad Money					M0		Base Money	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	Foreign assets (net)	Claims on government (net)	Claims on domestic sectors (net)	Other items (net)	TOTAL sum(2-5) or sum(9-13)	TOTAL sum(9-12)	TOTAL sum(9,10)	Currency in circulation outside banks	Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum(9,15)	Reserves	of which:
1998	458,003.63	276,586.72	248,276.19	44,118.12	1,026,984.66	844,929.42	545,517.00	307,798.74	237,718.26	134,401.04	165,011.38	182,055.24	418,734.00	110,935.26	
1999	622,286.78	366,596.20	311,532.96	-82,789.09	1,217,626.85	972,088.57	632,571.21	384,847.97	247,723.24	149,257.10	190,260.26	245,538.28	508,674.00	123,826.03	
2000	842,754.98	375,145.96	340,628.06	-160,840.24	1,397,688.75	1,093,610.89	695,006.46	392,404.19	302,602.27	170,051.63	228,552.80	304,077.87	556,430.90	164,026.71	
2001	1,209,820.45	239,201.43	404,512.29	-216,803.44	1,636,730.73	1,233,667.02	766,019.90	411,638.86	354,381.03	208,101.43	259,545.69	403,063.71	584,369.11	172,730.25	
2002	1,558,627.15	264,608.62	570,668.25	-346,220.96	2,047,683.06	1,507,386.54	958,786.56	495,445.63	463,340.93	223,898.73	324,701.25	540,296.52	695,701.23	200,255.60	
2003	2,182,072.03	12,936.96	817,125.19	-623,818.11	2,388,316.08	1,721,109.85	1,113,379.11	553,045.83	560,333.28	230,958.84	376,771.89	667,206.23	783,309.00	230,263.17	
2004	2,379,909.25	-47,719.74	1,060,077.31	-544,146.78	2,848,120.05	2,050,885.98	1,315,739.36	664,148.03	651,591.33	276,396.39	458,750.23	797,234.07	967,776.00	303,627.97	
2005	2,560,852.14	258,782.38	1,425,062.30	-309,710.24	3,934,986.57	2,808,247.63	1,758,810.22	843,157.43	915,652.79	422,269.39	627,168.02	1,126,738.94	1,236,080.65	392,923.22	
	2,408,352.88	61,685.64	1,117,110.42	-606,557.59	2,980,591.36	2,089,035.85	1,342,836.94	636,932.21	705,904.72	287,299.99	458,898.92	891,555.51	960,140.76	323,208.55	
February	2,482,058.13	79,889.58	1,132,519.87	-601,559.37	3,092,908.22	2,200,089.37	1,415,829.38	632,085.66	783,743.72	318,285.98	465,974.00	892,818.85	1,001,798.51	369,712.85	
March	2,462,099.70	39,973.67	1,147,110.09	-525,216.00	3,123,967.46	2,211,685.52	1,390,703.77	645,241.42	745,462.35	341,842.06	479,139.69	912,281.95	977,283.91	332,042.48	
April	2,357,490.81	103,951.96	1,151,142.19	-528,878.27	3,083,706.70	2,229,239.73	1,402,889.53	650,298.75	752,590.78	341,719.62	484,630.58	854,466.97	993,432.32	343,133.57	
May	2,305,218.64	192,236.69	1,182,122.48	-568,218.21	3,111,359.60	2,242,841.32	1,417,403.24	668,271.22	749,132.02	336,855.80	488,852.29	868,518.28	1,012,972.04	344,700.82	
June	2,279,294.32	284,637.91	1,219,374.33	-516,881.41	3,266,425.14	2,366,448.98	1,528,773.57	734,912.19	793,861.39	328,711.11	508,964.30	899,976.16	1,029,997.60	295,085.41	
July	2,271,794.70	316,477.56	1,300,730.51	-496,058.88	3,392,943.89	2,383,746.12	1,556,217.64	766,285.70	789,931.94	311,839.83	515,688.65	1,009,197.78	1,036,250.20	269,964.51	
August	2,294,107.82	279,759.35	1,331,809.78	-464,232.97	3,441,443.97	2,401,810.31	1,532,956.29	764,663.65	768,292.64	348,102.09	520,751.94	1,039,633.66	1,102,883.13	338,219.48	
September	2,222,906.51	294,886.29	1,390,349.57	-372,076.99	3,536,065.38	2,539,977.79	1,644,905.07	790,956.69	853,948.37	344,867.10	550,205.63	996,087.58	1,128,066.86	337,110.17	
October	2,460,785.06	258,534.56	1,373,672.44	-313,654.65	3,779,337.41	2,735,662.16	1,787,143.17	820,592.59	966,550.59	361,229.41	587,289.58	1,043,675.25	1,299,955.98	479,363.39	
November	2,664,790.76	206,764.46	1,411,085.01	-368,315.96	3,914,324.27	2,744,464.91	1,744,522.79	812,532.46	931,990.32	396,447.69	603,494.43	1,169,859.36	1,190,125.04	377,592.58	
December	3,028,147.49	410,349.61	1,450,364.70	-870,330.55	4,018,531.25	2,807,935.43	1,737,736.96	805,963.86	931,773.11	446,756.98	623,441.48	1,210,595.82	1,247,662.82	441,698.96	
2006-Jan	3,023,685.93	439,599.78	1,480,714.02	-870,443.79	4,073,555.94	2,809,757.57	1,717,045.52	797,537.59	919,507.93	446,517.26	646,194.80	1,263,798.37	1,283,897.68	488,360.10	
February	3,113,212.42	435,385.55	1,531,395.14	-970,986.81	4,109,006.29	2,836,223.03	1,729,080.24	807,153.54	921,926.70	444,629.76	662,513.02	1,272,783.27	1,303,762.40	496,608.86	
March	3,091,595.70	376,922.06	1,574,803.04	-962,242.88	4,081,077.91	2,806,330.75	1,706,568.04	790,147.76	916,420.28	438,071.24	661,691.47	1,274,747.16	1,299,704.44	509,556.68	
April	3,164,945.71	420,929.55	1,597,836.35	-1,064,832.93	4,118,878.67	2,846,416.34	1,713,176.90	807,506.70	905,670.20	438,443.95	674,795.49	1,272,462.33	1,297,229.15	489,722.45	
May	3,072,799.02	512,629.22	1,656,837.79	-943,215.35	4,299,050.69	2,945,528.04	1,798,840.11	856,180.47	942,659.64	455,179.66	691,508.28	1,353,522.64	1,296,486.64	440,306.17	
June	3,432,917.00	272,673.96	1,777,777.04	-1,048,871.99	4,434,496.00	3,034,317.35	1,901,244.90	914,140.47	987,104.42	441,172.19	691,900.27	1,400,178.65	1,409,685.77	495,545.30	
July	3,787,600.47	-122,713.62	1,810,371.46	-877,244.26	4,598,014.05	3,099,700.44	1,977,430.48	939,100.75	1,038,329.73	416,214.56	706,055.39	1,498,313.61	1,412,975.66	473,874.91	
August	3,479,630.42	-91,635.09	1,906,065.52	-744,915.12	4,549,145.73	3,049,983.37	1,896,981.83	940,987.76	955,994.07	432,561.79	720,439.75	1,499,162.36	1,411,671.70	470,683.94	
September	3,441,198.71	9,175.51	1,946,243.33	-799,043.74	4,597,573.82	3,081,111.31	1,894,540.88	933,384.21	961,156.67	438,799.78	747,770.65	1,516,462.51	1,534,636.53	601,252.32	
October	3,640,402.29	-75,840.96	1,973,309.68	-809,559.91	4,728,311.10	3,138,444.96	1,914,850.18	955,541.23	959,308.96	449,466.83	773,647.94	1,589,866.15	1,514,717.02	559,175.80	

Source: Monetary and Financial Affairs Department, Bank of Tanzania

TableA4: Interest Rate Structure

	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06 Prov.
A: Domestic Currency													
1 Interbank Cash Market Rates													
Overnight	4.06	5.78	8.54	5.96	4.49	5.14	5.06	8.52	8.92	8.41	15.22	16.05	4.49
2 to 7 days	4.64	5.26	8.44	6.08	4.94	5.25	5.66	5.98	6.86	8.87	14.05	12.08	5.52
8 to 14 days	5.23	6.47	8.48	8.00	6.50	5.91	5.85	10.71	7.96	8.81	14.00	15.48	6.18
15 to 30 days	7.52	8.17	8.17	8.50	6.38	6.81	6.29	7.58	7.33	7.33	7.33	11.50	8.00
31 to 60 days	10.35	9.13	11.18	10.60	9.23	9.28	7.76	6.71	7.64	8.01	8.44	12.81	7.14
61 to 90 days	12.00	12.50	12.60	12.60	12.60	12.60	12.60	12.60	8.50	8.50	8.50	8.50	9.25
91 to 180 days	13.50	13.50	14.95	14.30	13.04	12.25	12.25	12.25	9.50	9.50	9.50	9.50	9.68
181 and above	14.80	14.80	15.10	15.10	14.50	12.75	11.27	8.80	11.08	11.08	13.50	14.25	11.57
Overall Interbank cash market rate	4.73	5.97	8.70	6.14	4.86	5.35	5.64	8.40	8.63	8.47	14.87	15.64	5.20
2 Lombard Rate													
	12.88	12.95	13.56	13.91	13.31	12.45	11.00	12.78	13.38	12.62	22.83	24.08	9.33
3 REPO Rate													
	5.28	6.00	6.38	5.65	5.14	5.14	5.14	5.14	6.17	7.42	12.58	5.23	5.18
4 Treasury Bills Rates													
35 days	8.59	8.63	9.04	9.28	8.88	8.30	7.34	6.44	6.64	8.29	10.56	10.43	6.22
91 days	13.96	14.70	14.78	14.80	13.42	12.31	9.97	7.83	9.06	9.70	11.13	12.22	10.06
182 days	14.42	14.71	14.58	14.62	13.70	12.26	10.61	8.49	9.26	9.97	11.69	13.28	11.29
364 days	15.61	15.72	15.64	15.82	13.89	11.92	10.37	9.63	9.76	10.41	12.97	15.18	11.62
Overall Treasury bills rate	13.63	14.78	14.92	13.71	13.36	12.02	10.21	8.25	9.17	9.89	11.98	13.40	10.69
5 Treasury Bonds- 2-years													
	16.89	17.97	17.71	16.91	16.11	14.31	12.74	13.39	11.87	14.05	16.94	15.83	12.89
5-years	16.77	17.01	16.81	17.40	17.76	17.19	15.76	15.76	15.76	16.18	17.43	18.14	15.89
7-years	18.09	18.26	17.80	18.66	18.13	17.61	18.05	15.31	15.35	16.55	17.40	17.64	17.33
10-years	16.71	17.00	20.00	20.00	20.27	20.60	16.35	16.00	16.96	16.94	17.42	17.52	17.69
6 Discount Rate													
	18.30	19.33	20.00	18.50	17.50	17.00	16.02	13.40	13.40	14.00	14.00	14.00	14.00
7 Savings Deposit Rate													
	2.62	2.60	2.65	2.55	2.58	2.81	2.75	2.54	2.54	2.58	2.59	2.57	2.60
8 Time Deposits Rates													
5.20	5.28	5.61	6.07	5.86	5.94	5.88	6.63	6.98	7.04	6.91	7.07	7.41	
Call Accounts	1.34	1.57	1.48	2.28	1.56	1.67	1.47	1.70	2.07	1.41	1.41	1.09	0.80
1 month	3.62	2.60	3.39	4.66	4.99	4.97	4.05	7.90	6.57	6.85	8.41	8.05	7.29
2 months	6.98	7.07	7.69	9.53	9.10	7.83	8.54	7.81	6.90	7.83	7.24	7.14	8.98
3 months	4.20	5.50	5.92	6.10	4.91	5.61	5.95	6.76	7.86	7.75	6.83	8.01	7.49
6 months	8.06	7.17	7.06	6.54	6.70	6.58	6.88	5.63	8.35	8.17	8.61	9.19	9.41
12 months	6.87	7.71	8.11	7.51	7.48	8.44	8.00	8.70	8.01	9.03	8.20	8.70	9.05
24 months	5.35	5.33	5.64	5.84	6.25	6.47	6.26	7.94	9.10	8.21	7.68	7.33	8.85
9 Negotiated Deposit Rates													
	9.26	10.61	10.59	10.37	10.39	11.50	9.98	10.07	9.13	9.78	10.12	9.42	9.72
10 Lending rates													
15.45	14.98	14.69	14.67	14.62	15.02	14.40	15.44	16.18	16.51	16.71	16.61	16.61	
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Short-term (up to 1 year)	15.69	15.65	15.46	15.41	15.55	16.39	14.12	15.77	16.61	15.64	15.90	15.60	15.71
Medium-term (1-2 years)	16.84	15.98	16.04	15.99	14.61	16.28	17.88	18.96	19.05	18.93	19.03	19.03	19.36
Medium-term (2-3 years)	15.67	14.52	14.93	14.83	14.90	15.29	15.27	16.16	16.32	16.05	16.46	16.63	17.15
Long-term (3-5 years)	13.83	14.08	14.11	14.30	14.20	13.81	13.52	15.32	14.28	16.16	16.65	16.12	15.85
Term Loans (over 5 years)	15.21	14.68	12.90	12.83	13.83	13.34	12.82	12.08	14.72	15.62	15.59	15.66	14.97
11 Negotiated Lending Rates													
	11.46	11.14	11.35	13.39	11.60	11.24	11.32	11.19	11.99	10.80	10.80	10.74	10.11
B: Foreign Currency													
1 Deposits Rates													
Savings Deposits													
1.85	1.90	1.98	2.00	1.86	2.11	2.13	2.52	2.84	2.93	2.64	2.71	2.55	
Time Deposits													
1-months	1.55	1.61	1.83	1.67	1.79	1.81	2.23	1.98	2.80	3.00	2.64	2.70	2.76
2-months	1.54	2.34	2.20	1.53	1.02	2.33	1.96	2.49	2.52	2.97	2.72	3.21	2.47
3-months	2.17	1.50	1.86	3.03	2.33	2.16	2.26	1.95	2.76	2.68	2.60	2.24	2.54
6-months	1.52	1.93	1.96	1.99	2.17	1.99	1.88	2.43	2.73	2.89	2.26	2.52	2.23
12-months	2.46	2.09	2.06	1.77	1.96	2.25	2.32	3.75	3.37	3.10	2.98	2.87	2.73
2 Lending Rates													
8.08	8.03	8.03	8.14	8.14	8.22	7.87	8.17	9.13	8.63	9.13	8.95	9.10	
Short-term (up to 1 year)	6.51	6.58	6.70	7.20	7.66	7.65	7.91	7.46	8.17	7.47	9.27	9.66	9.55
Medium-term (1-2 years)	7.71	7.67	7.76	7.82	8.24	8.20	7.40	8.32	9.02	8.75	8.58	8.91	8.98
Medium-term (2-3 years)	9.50	9.07	8.88	9.15	8.80	8.56	8.60	8.76	9.70	8.20	8.07	7.90	8.02
Long-term (3-5 years)	7.45	7.60	7.33	7.26	7.16	8.05	7.55	8.00	9.64	9.65	9.84	9.37	9.71
Term Loans (over 5 years)	9.25	9.25	9.45	9.28	8.84	8.63	7.89	8.32	9.12	9.09	9.91	8.91	9.24

Source: Bank of Tanzania



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

Item	2005 ^P	2006 ^P		% Change		Year Ending November ^P		
	November	October	November	Nov 05-Nov 06	Oct 06-Nov 06	2005	2006	% Change
Traditional Exports:								
COFFEE								
Value	6.5	5.8	9.8	50.0	69.0	76.8	51.3	-33.1
Volume	3.6	3.4	5.2	46.9	53.3	49.2	26.3	-46.7
Unit Price	1,827.1	1,691.9	1,865.2	2.1	10.2	1,480.4	1,955.8	32.1
COTTON								
Value	21.1	2.9	4.3	-79.8	44.4	107.0	61.8	-42.2
Volume	21.6	2.9	3.9	-81.9	35.5	108.7	60.9	-44.0
Unit Price	976.0	1,024.3	1,091.0	11.8	6.5	977.0	1,015.8	4.0
SISAL								
Value	0.1	1.1	0.9	--	-19.5	6.8	5.3	-22.4
Volume	0.1	1.3	1.3	--	0.0	8.7	6.6	-23.7
Unit Price	772.2	862.9	694.5	-10.1	-19.5	775.8	792.5	2.2
TEA								
Value	2.4	2.1	3.1	25.2	44.6	26.8	28.1	5.0
Volume	2.1	1.5	2.0	-6.3	30.5	22.9	20.8	-9.2
Unit Price	1,167.8	1,409.1	1,561.1	33.7	10.8	1,187.7	1,350.6	13.7
TOBACCO								
Value	0.0	14.0	5.3	--	-62.4	77.3	62.4	-19.3
Volume	0.0	5.5	2.1	--	-62.4	30.1	23.5	-22.1
Unit Price	3,433.7	2,555.8	2,555.4	-25.6	0.0	2,118.7	2,657.3	25.4
CASHEWNUTS								
Value	8.9	0.0	5.71	-35.9	--	33.0	57.1	73.0
Volume	12.7	0.0	11.51	-9.6	--	39.9	74.2	85.9
Unit Price	699.6	0.0	496.09	-29.1	#DIV/0!	866.2	770.1	-11.1
CLOVES								
Value	0.7	0.96	2.40	--	--	9.4	3.7	-60.5
Volume	0.3	0.27	0.67	--	--	3.3	1.1	-65.1
Unit Price	2,357.2	3,505.06	3,574.40	#DIV/0!	#DIV/0!	3,016.7	3,263.1	#DIV/0!
Sub Total	39.7	26.8	31.3	-21.2	16.6	337.1	269.8	-20.0
Non-Traditional Exports:								
Minerals	53.7	87.0	64.0	19.1	-26.4	714.3	720.6	0.9
Gold	50.3	83.7	58.9	17.0	-29.7	658.3	675.3	2.6
Diamond	2.6	1.8	2.0	-22.2	10.2	25.3	20.6	-18.5
Other minerals ¹	0.8	1.4	3.1	273.4	116.9	30.7	24.7	-19.6
Manufactured Goods	29.6	14.9	16.6	-43.9	11.2	163.4	166.1	1.7
Cotton Yarn	0.2	0.3	1.8	731.4	523.3	4.1	3.7	-9.7
Manufactured Coffee	0.1	0.1	0.1	--	-	1.4	0.9	0.0
Manufactured Tobacco	0.1	0.0	0.0	--	--	0.2	1.6	--
Sisal Products (Yarn & Twine)	0.3	0.3	0.3	33.0	3.5	4.6	2.2	-52.2
Other manufactured Goods ²	28.8	14.2	14.3	-50.4	0.5	153.0	157.7	3.0
Fish and Fish Products	10.3	11.0	13.1	27.2	18.6	147.6	123.3	-16.5
Horticultural products	0.6	1.2	1.8	190.6	50.6	18.0	13.5	-24.6
Re-exports	6.8	10.3	13.0	91.8	26.2	134.8	111.9	-17.0
Others Exports ³	11.8	14.5	12.8	8.5	-11.6	159.5	141.4	-11.4
Sub Total	112.8	138.9	121.3	7.5	-12.7	1,337.7	1,276.9	-4.5
GRAND TOTAL	152.5	165.7	152.6	0.0	-7.9	1,674.8	1,546.7	-7.6

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 November ^P		% Change
	November	October	November	October	Nov 05- Nov 06	Oct 06-Nov 06	2005	2006	
CAPITAL GOODS	128.8	101.1	151.8		17.9	50.2	1,058.3	1,408.5	33.1
Transport Equipments	42.9	28.7	35.7		-16.8	24.6	272.6	378.6	38.9
Building and Constructions	33.3	25.6	43.8		31.5	71.3	247.9	345.7	39.5
Machinery	52.6	46.8	72.3		37.6	54.4	537.9	684.2	27.2
INTERMEDIATE GOODS	114.8	136.1	175.9		53.2	29.2	1,151.5	1,514.9	31.6
Oil imports	75.0	91.0	124.4		66.0	36.7	826.6	1,099.3	33.0
Fertilizers	9.5	9.1	8.6		-10.2	-6.2	70.2	50.8	-27.7
Industrial raw materials	30.3	36.0	42.9		41.5	19.2	254.6	364.8	43.3
CONSUMER GOODS	78.5	71.7	80.4		2.4	12.1	766.2	841.0	9.8
Food and food stuffs	18.1	8.1	16.7		-7.6	106.0	170.4	245.9	44.3
All other consumer goods ¹	60.4	63.6	63.7		5.4	0.1	595.8	595.1	-0.1
GRAND TOTAL (F.O.B)	322.1	308.9	408.1		26.7	32.1	2,976.0	3,764.4	26.5
GRAND TOTAL (C.I.F)	354.0	339.5	448.5		26.7	32.1	3,270.4	4,136.7	26.5

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	2004 _r	2005 _p
A. Current Account	-846.2	-485.9	-237.4	22.3	-111.0	-442.0	-955.9
Goods: exports f.o.b.	543.3	733.7	851.3	979.6	1,216.1	1,473.1	1,676.3
Traditional	301.2	292.8	231.1	206.1	220.5	297.8	354.5
Non-traditional	242.1	440.9	620.2	773.5	995.7	1,175.3	1,321.8
o/w: Gold	34.8	112.7	254.1	341.1	502.8	629.4	655.5
Goods: imports f.o.b.	-1,415.4	-1,367.6	-1,560.3	-1,511.3	-1,933.5	-2,482.8	-2,997.6
Balance on Goods	-872.1	-633.9	-709.0	-531.8	-717.3	-1,009.8	-1,321.2
Services: Credit	600.3	627.3	914.6	920.1	947.8	1,133.6	1,269.2
Transportation	53.7	56.8	105.9	117.1	138.9	183.0	222.9
Travel	463.7	376.7	615.1	635.0	646.5	746.0	823.6
Other	82.8	193.8	193.6	168.0	162.3	204.6	222.7
Services: Debit	-780.5	-682.4	-649.7	-632.5	-725.7	-974.7	-1,207.3
Transportation	-175.4	-205.7	-194.2	-176.9	-214.7	-267.1	-319.5
Travel	-369.7	-337.3	-327.3	-337.5	-353.2	-445.3	-553.8
Other	-235.4	-139.4	-128.1	-118.1	-157.8	-262.3	-334.0
Balance on Services	-180.2	-55.1	264.9	287.6	222.1	158.9	61.8
Balance on Goods and Services	-860.8	-689.0	-444.1	-244.2	-495.3	-850.9	-1,259.4
Income: Credit	32.4	50.4	55.3	67.9	87.1	81.8	80.9
: Debit	-185.1	-240.9	-243.8	-218.1	-249.7	-259.6	-283.7
Balance on Income	-53.6	-190.6	-188.5	-150.1	-162.6	-177.8	-202.8
Balance on Goods, Services and Income	-1,013.5	-879.5	-632.6	-394.3	-657.9	-1,028.7	-1,462.2
Current transfers (Net)	336.6	393.6	393.3	416.6	546.9	586.7	506.2
Current transfers: Credit	454.1	472.1	474.8	477.9	609.9	651.7	573.8
Government	411.4	427.8	418.4	427.7	543.3	582.0	478.4
o/w Multilateral HIPC relief	0.0	40.6	71.3	68.8	68.2	73.7	75.7
Other sectors	42.7	44.3	56.4	50.2	66.6	69.7	95.4
Current transfer: Debit	-117.5	-78.5	-79.5	-61.3	-63.0	-65.0	-67.5
B. Capital Account	270.6	330.4	361.5	355.4	358.2	293.6	504.9
Capital transfers: Credit	270.6	330.4	361.5	355.4	358.2	293.6	504.9
Government	256.3	314.7	339.2	325.3	320.9	253.7	461.8
Other sectors	14.2	15.7	22.3	30.1	37.3	39.9	43.1
Total, Groups A plus B	-406.3	-155.5	124.1	377.7	247.2	-148.4	-451.1
C. Financial Account, excl. reserves and related items	522.4	187.8	-353.7	191.6	256.9	382.8	281.8
Direct investment in Tanzania	541.7	282.0	467.2	429.8	526.8	469.9	473.4
Other investment	-20.5	-94.2	-829.1	-240.4	-272.6	-89.5	-194.1
Assets	14.8	-134.0	-76.7	2.9	-59.0	-11.0	-61.5
Liabilities	-35.3	39.9	-752.5	-243.3	-213.6	-78.5	-132.6
Total, Groups A through C	116.1	32.4	-229.6	569.3	504.0	234.5	-169.3
D. Net Errors and Omissions	-244.5	-118.7	-580.0	-681.6	-449.6	-194.8	-296.6
Overall balance	-128.4	-86.3	-809.6	-112.4	54.5	39.7	-465.9
E. Reserves and Related Items	128.4	86.3	809.6	112.4	-69.9	98.1	465.9
Reserve assets	-176.5	-198.8	-182.2	-372.4	-508.8	-258.4	247.7
Use of Fund credit and loans	51.3	49.4	15.6	26.0	-2.9	-33.8	-50.5
Exceptional financing:	253.7	235.7	976.2	458.8	457.2	252.5	268.6
Rescheduled debt	129.4	10.1	131.4	9.8	86.9	0.0	0.0
Debt forgiveness	77.2	49.4	642.1	430.3	334.6	166.3	112.1
Interest arrears	33.0	81.2	67.4	18.4	29.5	21.9	55.3
Principal arrears	14.1	95.0	135.2	0.4	6.2	64.3	101.2
Memorandum items							
GDP(mp) Mill. TZS	6,432,910.9	7,277,799.9	8,304,338.6	9,399,085.8	10,707,006.2	12,351,737.7	13,742,568.5
GDP(mp) Mill. USD	8,635.9	9,092.7	9,475.6	9,724.0	10,309.3	11,338.7	12,174.1
CAB/GDP	-7.8	-5.3	-2.5	0.2	-1.1	-3.9	-7.9
CAB/GDP (excl. current official transfers)	-12.6	-10.0	-6.9	-4.2	-6.3	-9.0	-11.8
Gross Official Reserves - Mill. USD	775.6	974.4	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4
Months of Imports	4.5	5.7	6.3	8.6	9.2	8.0	5.8
Net International Reserves- Mill.USD (year end)	405.1	542.7	761.2	1,058.4	1,533.9	1,786.9	1,645.7
Change in Net International Reserves- Mill. USD	-121.4	-137.6	-218.5	-297.2	-475.5	-253.0	141.2
Exchange rate- TZS/USD (end of period)	797.3	803.3	916.3	976.3	1,063.6	1,043.0	1,165.5
Exchange rate- TZS/USD (annual average)	744.9	800.4	876.4	966.6	1,038.6	1,053.3	1,128.8

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

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

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

4) p = provisional data, subject to revision

5) r = revised

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

Source: Bank of Tanzania



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

Period	Headline (General Index)		Total Index		Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Education	Miscel. goods & services
	100.0	55.9	44.1	6.9											
2002	4.6	4.1	5.9	2.7	1.6	14.5	6.4	3.9	1.5	3.5	1.8	2.1	3.6	4.4	
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	
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	7.0	-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	
Jun	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	
Jul	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	4.1	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	-1.0	7.6	2.2	1.5	0.0	4.0	1.6	3.3	-1.7	
Dec	4.2	5.1	2.8	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	3.2	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	2.6	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	1.9	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	3.5	2.4	-1.2	7.5	9.8	0.0	-0.6	3.5	-1.5	5.2	-1.9	-0.8	
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	7.7	3.5	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	2.0	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	6.4	7.1	5.7	1.2	7.9	2.2	4.6	

Source: National Bureau of Statistics (NBS) and Bank of Tanzania
Note: Base (1) 2001 = 100, up to Aug 2006 (2) Dec 2001 = 100, from Aug 2006





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

Period	Headline		Total Index		Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture & Household Equipmt.	Household operations	Personal care & Health	Recreation & Entertainment	Transportation	Education	Miscel. goods & services
	(General Index)	Weight (%)	Food	Non-Food											
2003	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2004	0.3	0.4	0.4	0.1	0.2	0.4	0.2	0.2	0.0	0.0	0.2	0.4	0.0	0.1	0.2
2005	0.4	0.4	0.2	0.1	0.2	0.0	0.7	0.1	0.2	0.2	0.4	0.0	0.2	0.2	0.0
2006	0.4	0.6	0.3	0.2	-0.2	0.3	0.9	-0.1	0.0	0.0	0.3	-0.1	0.5	0.0	-0.1
2004 Jan	5.6	6.7	3.8	1.4	4.9	5.0	7.0	-0.2	3.1	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	-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	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	-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	1.0	0.9	1.4	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	1.3	-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	-0.6	-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	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	1.2	1.5	0.8	0.0	1.2
Oct	-0.1	-0.3	0.1	0.1	-0.7	3.2	0.9	-0.6	-0.8	-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	-0.7	-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	-0.2	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	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	-0.9	-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	-0.1	-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	-0.2	-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	-0.1	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	0.3	-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	-0.7	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	0.2	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	-0.2	0.5	0.7	-0.4	0.2	-0.2
Oct	0.1	0.3	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.4	-0.7	0.1	-0.2	0.3
Nov	-0.2	0.1	0.3	0.3	-0.2	0.0	0.2	0.2	-0.1	-0.1	-0.1	0.6	0.6	0.0	-0.1
Dec	0.3	0.4	0.0	0.0	-0.1	0.0	0.2	-0.2	0.3	0.3	0.0	0.5	0.2	-0.1	0.0
2006 Jan	5.8	9.3	0.2	0.8	-0.1	0.0	0.2	-0.2	-0.6	-0.6	-0.5	-0.8	0.3	0.5	0.8
Feb	0.2	0.4	-0.1	0.1	0.1	0.3	-0.7	0.3	-0.6	-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	-0.3	-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	0.5	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	0.2	-0.6	-0.5	1.1	0.1	-0.6
Jun	-1.1	-2.7	1.7	0.1	-0.2	0.1	5.5	-0.1	0.8	0.8	0.1	0.8	2.1	0.4	0.1
Jul	-0.5	-1.3	0.9	3.5	0.8	0.0	0.3	0.9	-0.3	-0.3	-0.9	0.1	0.8	0.8	-0.1
Aug	-1.0	-1.7	-0.1	-0.3	-0.7	0.0	0.2	-0.1	0.1	0.1	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	1.9	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	1.1	1.7	0.4	-0.3	1.7	-0.6
Nov	0.8	2.3	-0.7	0.2	0.3	0.0	-2.8	-0.8	0.6	0.6	-0.1	1.8	-0.2	0.0	-0.6

Source: National Bureau of Statistics (NBS) and Bank of Tanzania

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

TableA7: External Debt Developments

ITEM	2004/05	2005/06	2006/07				
			Jul-06	Aug-06	Sep-06	Oct-06	Nov-06
1. OVERALL TOTAL DEBT							
COMMITTED (2)	8,345.1	8,638.9	8,849.6	8,856.0	8,898.8	9,020.1	6,413.9
Disbursed outstanding debt	6,799.5	6,971.1	7,077.9	7,067.9	7,010.5	7,161.3	4,771.3
Undisbursed debt	1,545.6	1,667.7	1,771.7	1,788.1	1,888.3	1,858.8	1,642.6
2. DISBURSED DEBT BY CREDITOR	6,799.5	6,972.3	7,077.9	7,067.9	7,010.5	7,161.3	4,771.3
CATEGORY (2)							
Bilateral	1,502.3	1,492.5	1,491.6	1,468.3	1,471.1	1,460.2	1,490.6
Multilateral	4,626.3	4,720.6	4,826.1	4,837.9	4,774.6	4,935.8	2,520.0
Commercial	416.4	481.1	482.1	483.7	486.4	456.5	456.9
Export credits	254.5	278.2	278.1	278.0	278.4	308.8	303.8
3. DISBURSED DEBT BY BORROWER	6,799.5	6,971.1	7,077.9	7,067.9	7,010.5	7,161.3	4,771.3
CATEGORY (2)							
Central Government	5,830.5	5,971.2	6,072.4	6,059.7	6,019.7	6,179.7	3,775.4
Parastatal Companies	477.5	445.4	447.5	449.2	428.4	419.1	434.1
Private Sector	491.5	554.6	558.0	559.0	562.4	562.6	561.8
4. TOTAL AMOUNT OF LOANS							
CONTRACTED (1)	631.9	506.0	0.4	0.0	0.3	0.0	0.0
Government	491.7	406.9	0.0	0.0	0.0	0.0	0.0
Private	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Parastatal Companies	140.2	99.04	0.40	0.0	0.3	0.0	0.0
5. DISBURSEMENTS(1)	190.2	210.0	213.3	12.1	18.7	0.2	2.8
Government	161.4	182.4	213.2	11.7	18.4	0.2	2.5
Parastatal Companies	0.0	4.1	0.0	0.0	0.0	0.0	0.0
Private	28.8	23.5	0.0	0.4	0.3	0.0	0.3
6. SCHEDULED DEBT SERVICE (1)	355.1	373.6	15.6	26.7	33.2	21.1	15.8
7. ACTUAL DEBT SERVICE (1)	112.9	90.7	3.6	5.4	3.8	3.0	5.3
Principal	86.0	61.4	2.2	2.6	1.1	0.6	3.6
Interest	26.9	29.3	1.4	2.8	2.6	2.4	1.7
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. NET TRANSFERS	77.3	119.3	209.7	6.7	14.9	-2.8	-2.5
9. TOTAL ARREARS BY CREDITOR	2,470.5	2,391.1	2,412.5	2,402.1	2,405.2	2,412.8	2,436.0
CATEGORY (2)							
Principal	1,135.2	1,132.7	1,138.9	1,130.6	1,137.7	1,138.4	1,133.3
Bilateral	669.4	609.0	612.5	603.5	599.9	597.4	607.0
Multilateral	5.9	11.9	12.9	12.4	13.1	13.2	13.7
Commercial	249.2	273.4	275.0	276.2	285.8	287.7	277.1
Other Private Creditors	210.7	238.5	238.5	238.5	238.9	240.1	235.5
Interest	1,335.3	1,258.3	1,273.6	1,271.5	1,267.5	1,274.5	1,302.7
Bilateral	818.8	682.2	686.8	682.4	675.0	671.8	686.1
Multilateral*	23.4	22.0	22.5	22.4	22.9	22.8	23.4
Commercial	333.7	372.9	375.3	377.1	379.9	387.5	394.4
Other Private Creditors	159.4	181.2	189.0	189.5	189.7	192.4	198.8
10. External Debt Stock	8,134.8	8,229.5	8,351.5	8,339.4	8,278.0	8,435.8	6,074.0
11. Domestic Debt Stock	952.6	1,405.9	1,388.2	1,342.7	1,386.4	1,374.4	1,362.7
12. Total Debt Stock	9,087.4	9,635.4	9,739.7	9,682.1	9,664.4	9,810.1	7,436.7
End Period Exchange Rate	1,126.3	1,253.1	1,287.9	1,320.0	1,272.7	1,287.1	1,290.3

* Multilateral arrears are those owed by private companies
1) During the period 2) Position as at the end of November 2006



GLOSSARY



Currency in Circulation Outside Banks

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

Discount Rate

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

Exchange Rate

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

Lombard Facility

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

Lombard Rate

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

Money Supply, M

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

M1, Narrow Money,

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

M2, Broad Money

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

M3, Extended Broad Money

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

Nominal Exchange Rate

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

Non-Food or Underlying Inflation Rate

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

Repurchase Agreement (REPO)

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

Reserve Money (M0)

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

Seasonally Adjusted Series

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

Weighted Annualized Yields of Treasury Bills of all Maturities

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



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