



BANK OF TANZANIA



MONTHLY
ECONOMIC
REVIEW

November 2006

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1.0 Inflation Developments

The year-on-year headline inflation rose to 6.0 percent in October 2006 from 5.8 percent in the previous month, largely due to price increases in some food items (**Table 1.1**). On a month-on-month basis, consumer prices increased by 1.6 percent October as a result of upward movements in prices of food, partly linked with seasonality and domestic supplies.

The annual food inflation went up to 5.3 percent in October from 3.6 percent in September, following modest price increases for maize, rice, beans and potatoes, mainly related to higher transportation cost of food from production areas to market centres. During the month, food prices increased by 2.6 percent, seemingly reflecting the seasonal decline domestic supplies.

The non-food inflation, which excludes prices of food, declined to 7.0 percent during the year ending October 2006 from 9.0 percent recorded in September 2006. Large price decreases were observed in most non-food consumer items with the exception of those under household operations maintenance. On month-to-month, prices of non-food items remained broadly unchanged from previous month levels.

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

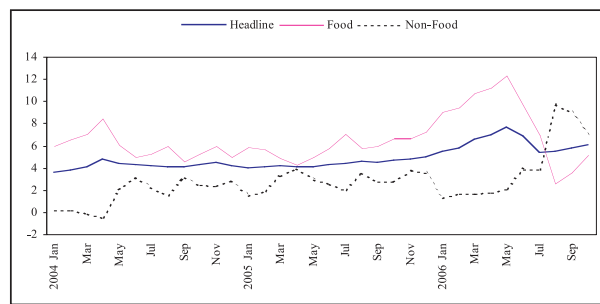
Base: Dec 2001=100

| Major Commodity Group | Weight (%) | 2004 | | | 2005 | | | 2006 | | |
|------------------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Aug | Sep | Oct | Aug | Sep | Oct | Aug | Sep | Oct |
| Headline/Overall | 100.0 | 4.1 | 4.0 | 4.2 | 4.5 | 4.5 | 4.7 | 5.5 | 5.8 | 6.0 |
| Food | 55.9 | 5.9 | 4.6 | 5.2 | 5.8 | 6.0 | 6.7 | 2.6 | 3.6 | 5.2 |
| Non-food | 44.1 | 1.5 | 3.2 | 2.5 | 3.6 | 2.8 | 2.8 | 9.7 | 9.0 | 7.0 |
| Transportation | 9.7 | 1.7 | 3.3 | 1.0 | 5.2 | 4.0 | 3.5 | 9.3 | 12.3 | 7.2 |
| Fuel, Power and Water | 8.5 | 2.4 | 6.0 | 9.3 | 9.8 | 10.0 | 9.0 | 13.9 | 9.6 | 9.1 |
| Drinks and Tobacco | 6.9 | 0.0 | 0.5 | -0.8 | 2.4 | 2.6 | 3.1 | 10.6 | 10.7 | 8.7 |
| Clothing & Footwear | 6.4 | 3.1 | 4.5 | 3.2 | -1.2 | -2.7 | -1.9 | 8.1 | 3.8 | 3.0 |
| Education | 2.6 | 0.6 | 0.8 | -1.9 | -1.9 | -1.7 | -1.6 | 4.6 | 6.1 | 1.3 |
| Furniture & Household Equip. | 2.1 | -0.4 | 2.9 | 0.8 | 0.0 | -2.3 | -1.7 | 8.2 | 13.5 | 13.0 |
| H/h Operations Maintenance | 2.1 | 1.7 | 4.3 | 1.9 | -0.6 | -1.9 | -1.1 | 1.9 | 4.2 | 6.1 |
| Personal Care & Health | 2.1 | 0.6 | 1.5 | 2.7 | 3.5 | 2.7 | 3.6 | 14.0 | 5.3 | 4.6 |
| Rents | 1.4 | 0.4 | 0.2 | 0.1 | 7.5 | 7.6 | 4.3 | 3.5 | 3.2 | 2.9 |
| Recreation & Entertainment | 0.8 | 1.7 | 3.7 | 2.2 | -1.5 | -2.4 | -3.3 | 5.5 | 10.3 | 6.1 |
| Misc. Goods & Services | 1.5 | -0.2 | 0.5 | -0.8 | -0.1 | -1.5 | -0.3 | 8.7 | 9.9 | 10.1 |

Source: National Bureau of Statistics (NBS)

Note: Figures for August, September and October 2006 have been rebased to December 2001 = 100

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



Food Supply Situation

Food supply situation in the country was satisfactory in October 2006, save for 29 districts. The government and World Food Program plan to start distribution of 15,622 tons of food relief to these districts during November and December 2006. The amount of food relief by the government, which is to be distributed to people at subsidized prices, is 7,029 tons of maize.

During the month under review, prices of food increased with the exception of maize, whose price declined (**Table 1.2**). Prices of food remained high in October 2006 compared with corresponding month last year, mainly reflecting the high transportation costs emanating from the surge in fuel prices.

Table 1.2 : National Average Wholesale Prices for Selected Food Items

TZS per 100 Kgs

| Item | 2005 Oct | 2006 | | Percentage Change | |
|----------|----------|--------|--------|-------------------|------------------|
| | | Sep | Oct | Oct-05 to Oct-06 | Sep-06 to Oct-06 |
| Maize | 16,364 | 19,705 | 19,416 | 19 | -1.5 |
| Rice | 47,654 | 68,447 | 71,372 | 50 | 4.3 |
| Beans | 43,557 | 54,651 | 59,403 | 36 | 8.7 |
| Sorghum | 15,801 | 23,642 | 26,579 | 68 | 12.4 |
| Potatoes | 23,100 | 29,661 | 33,084 | 43 | 11.5 |

Source: Ministry of Agriculture, Food Security and Cooperatives

The Strategic Grain Reserves

In October 2006, the Strategic Grain Reserve (SGR) department purchased 6,618 tons of maize and 601 tons of sorghum, leading to cumulative purchase of 84,637 tons of food grains since the exercise started in August 2006. So far the purchases of cereals have surpassed the target of 80,000 tons for 2006/07 season. Thus, by the end of



October 2006, SGR stock stood at 87,461 tons (Table 1.3). The SGR stock is expected to improve further during November following the disbursement of TZS 2.4 billion by the government to purchase about 10,000 tons of cereals from the surplus regions. Meanwhile, a total of 30,000 tons of maize that was imported by the government through tender system is expected to be available in November 2006.

Table 1.3: Strategic Grain Reserve (SGR) Stock

| Period | 2004 | 2005 | 2006 | % Change 2005 -2006 |
|-----------|---------|---------|--------|------------------------|
| January | 35,342 | 119,924 | 76,813 | -36 |
| February | 23,791 | 116,383 | 43,593 | -63 |
| March | 22,903 | 114,760 | 8,055 | -93 |
| April | 32,387 | 115,262 | 3,165 | -97 |
| May | 31,732 | 113,823 | 6,210 | -95 |
| June | 37,091 | 112,823 | 15,560 | -86 |
| July | 39,195 | 112,323 | 13,811 | -88 |
| August | 45,988 | 112,067 | 28,440 | -75 |
| September | 67,685 | 111,971 | 80,248 | -28 |
| October | 92,710 | 111,695 | 87,461 | -22 |
| November | 108,448 | 106,428 | | |
| December | 114,030 | 93,051 | | |

Source: Food Security Department and BOT computation.

2.0 Monetary and Financial Developments

Money Supply

For two months in a row, growth in money supply has eased to levels well below the recent performance. In October 2006, extended broad money supply, M3, grew at an annual rate of 21.6 percent, a much slower pace than 28.6 percent in September (**Chart 2.1**). The level was also significantly lower than the past twelve-months average annual growth rate of around 33 percent. Broad money supply, M2, grew at annual rate of 12.6 percent compared with 20.1 percent in September and the past twelve-months average annual growth rate of 29 percent. The main triggers for slow down in money supply were purchases of foreign exchange from the Bank of Tanzania by commercial banks for imports, coupled with sales of government securities by the Bank in an effort to avert imminent inflationary pressures.

Chart 2.1: Annual Growth Rates of Monetary aggregates

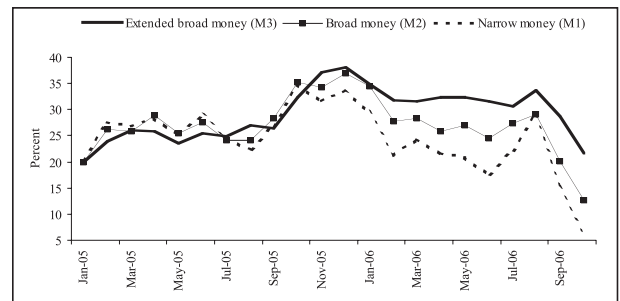


Table 2.1: Selected Money Supply Components

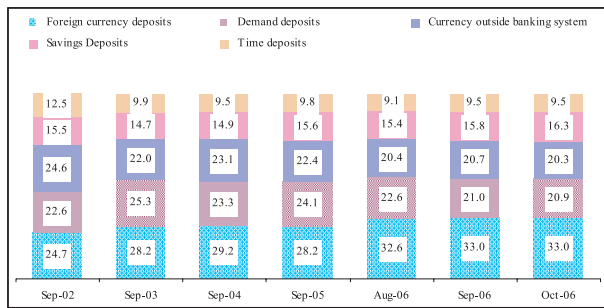
| Item | 2006 | | | Annual Growth Rate (%) | | | |
|--------------------------------------|----------------|----------------|------------|------------------------|-------------|-------------|-------------|
| | Sep | Oct | Change | Oct-04 | Oct-05 | Sep-06 | Oct-06 |
| Extended broad money | 4,549.1 | 4,597.6 | 48.5 | 24.0 | 32.3 | 28.6 | 21.7 |
| Broad money | 3,050.0 | 3,081.1 | 31.2 | 21.2 | 35.2 | 20.1 | 12.6 |
| Currency outside banking system | 941.0 | 933.4 | -7.6 | 27.9 | 24.0 | 19.0 | 13.7 |
| Demand deposits | 956.0 | 961.1 | 5.1 | 17.3 | 45.5 | 11.9 | -0.6 |
| Time deposits | 432.6 | 438.8 | 6.2 | 14.8 | 35.5 | 25.4 | 21.5 |
| Savings deposits | 720.4 | 747.9 | 27.4 | 21.7 | 36.5 | 30.9 | 27.3 |
| Foreign currency deposits | 1,499.2 | 1,516.5 | 17.3 | 31.2 | 25.4 | 50.5 | 45.3 |
| <i>FCD In millions of USD</i> | <i>1,177.9</i> | <i>1,178.2</i> | <i>0.2</i> | <i>29.9</i> | <i>16.5</i> | <i>34.4</i> | <i>28.9</i> |
| Private sector deposits in com banks | 3,608.2 | 3,664.2 | 56.0 | 22.8 | 34.9 | 31.4 | 23.8 |
| Govt sector deposits in com banks | 231.8 | 262.3 | 30.5 | 33.6 | 54.0 | 49.3 | 56.1 |
| Total deposits | 3,840.0 | 3,926.5 | 86.5 | 23.3 | 35.8 | 32.4 | 25.6 |
| Net foreign assets | 3,479.6 | 3,441.2 | -38.4 | 10.0 | 5.7 | 56.5 | 39.8 |
| Bank of Tanzania | 2,535.1 | 2,459.1 | -76.0 | 10.8 | 11.4 | 64.6 | 37.9 |
| Commercial banks | 944.5 | 982.1 | 37.6 | 8.4 | -6.9 | 38.3 | 45.0 |
| Net domestic assets | 1,678.7 | 1,765.6 | 86.9 | 71.0 | 89.1 | -9.0 | -4.9 |
| Domestic Credit | 1,967.4 | 1,955.3 | -12.0 | 35.6 | 51.8 | 16.7 | 19.8 |
| Claims on govt by banking system | 923.1 | 1,219.8 | 296.7 | 6.7 | 76.5 | 7.4 | 41.9 |
| Govt deposits in banking system | 861.8 | 1,210.6 | 348.8 | -0.9 | 35.8 | 52.7 | 101.5 |
| Claims on private sector | 1,906.1 | 1,946.2 | 40.1 | 31.5 | 33.4 | 37.1 | 41.7 |

Source: Bank of Tanzania

On month-to-month basis, M3 expanded modestly by TZS 49 billion in October after having declined by almost the same amount in the previous month. Developments in M2 were analogous to M3, with a different magnitude (**Table 2.1**). The increase was manifested in all types of deposits, but predominantly in saving and foreign currency deposits. Save for foreign currency deposits that reflected upward valuation changes following the depreciation of the Tanzania Shilling, the increases in other types of deposits were reticent. In terms of public preferences to hold different types of money, the composition remained broadly the same as in the recent months (**Chart 2.2**).



Chart 2.2: Components of Money Supply as Percentage of M3

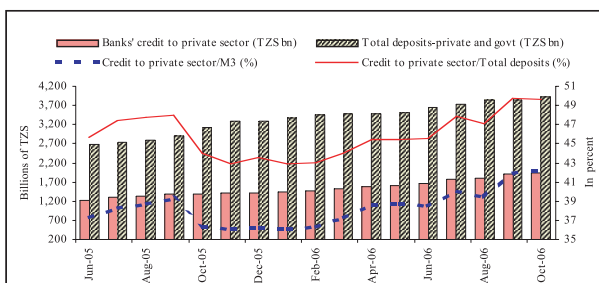


Credit Developments

Credit to the private sector by banks maintained an upward trend, bolstered by, but not limited to, increased lending opportunities and policies towards removing impediments to lending. In the year ending October 2006, private sector credit registered a growth rate of around 42 percent, which is the highest over the past two years. Most benefiting activities were manufacturing, accounting for 22.1 percent, trade 20.9 percent, and agriculture that accounted for about 12 percent of the total outstanding credit (**Table 2.1**).

New loans extended during October 2006 amounted to TZS 40 billion, being almost half of the previous month level. A large portion of these loans went to such activities as manufacturing, real estate, hotels and restaurants, trade, and electricity. Nevertheless, the proportion of credit to private sector to total deposits remained as it was the previous, indicating the same level of intermediation but its share in money supply increased (**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 levels of the previous month (**Table 2.2**). The increase in term deposit rates partly mirrored those on competing instruments—treasury bills. Interest rates for prime customers on deposit and loans were favoured in October compared with September 2006 and even compared with non-prime customers.

Table 2.2: Average Interest Rates (In Percent)

| Item | 2006 | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| | May | Jun | Jul | Aug | Sep | Oct |
| Interbank cash market rate | 5.64 | 8.40 | 8.63 | 8.47 | 14.87 | 15.64 |
| Savings Deposit Rate | 2.75 | 2.54 | 2.54 | 2.58 | 2.59 | 2.57 |
| 12 months time deposit rate | 8.00 | 8.70 | 8.01 | 9.03 | 8.20 | 8.70 |
| Negotiated Deposit Rate | 9.98 | 10.07 | 9.13 | 9.78 | 10.12 | 9.42 |
| Overall lending rates | 14.40 | 15.44 | 16.18 | 16.51 | 16.71 | 16.61 |
| Short-term (up to year) | 14.12 | 15.77 | 16.61 | 15.64 | 15.90 | 15.60 |
| Negotiated Lending Rates | 11.32 | 11.19 | 11.99 | 10.80 | 10.80 | 10.74 |

Source: Bank of Tanzania

Financial Markets

During October 2006, the demand for government securities improved, more so for treasury bills, partly associated with attractive rates and the seemingly decreasing preference in foreign exchange trading in the wake of a fairly stable exchange rate. The demand for treasury bills in October was the highest since May, amounting to TZS 300 billion against the supply of TZS 160 billion (**Chart 2.4**). However, most of the bids were outliers as they carried higher interest rates than on long term maturities (bonds). To minimize high interest rate volatility, the outlier bids were rejected, leading to a sale of only less than half the total bids received. The interest rates on treasury bills rose to around 13.4 percent (**Table 2.3**), suggesting that competing investment avenues such as loans to private sector were attractive.

Chart 2.4: Treasury Bills Market Developments

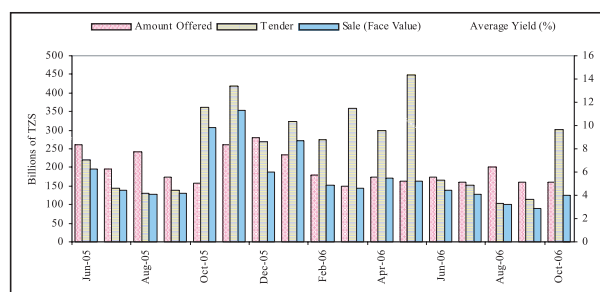


Table 2.3: Treasury Bills Interest Rates

| Duration (days) | 2006 | | | | | |
|--------------------|-------|------|------|-------|-------|-------|
| | May | Jun | Jul | Aug | Sep | Oct |
| 35 | 7.34 | 6.44 | 6.64 | 8.29 | 10.56 | 10.43 |
| 91 | 9.97 | 7.83 | 9.06 | 9.7 | 11.13 | 12.22 |
| 182 | 10.61 | 8.49 | 9.26 | 9.97 | 11.69 | 13.28 |
| 364 | 10.37 | 9.63 | 9.76 | 10.41 | 12.97 | 15.18 |
| Overall | 10.21 | 8.25 | 9.17 | 9.89 | 11.98 | 13.40 |

In the Treasury bonds market, the demand amounted to TZS 30.0 billion against the supply of TZS 16.0 billion, and almost all were successful. Interest rates on treasury bonds increased across all maturities to around 18 percent from 17 percent, save for 2-year bond declined to 15.8 percent from 16.9 percent in the preceding month.

In October 2006, the Bank of Tanzania conducted repurchase agreements (repo) worth TZS 21.0 billion to complement the sale of government securities in liquidity management efforts. The repo rate was almost half of 12.58 percent recorded in September. This was a sharp contrast with the interbank cash market rate which evolved around 10 percent.

In the interbank foreign exchange market, the Bank remained active during October 2006, selling USD 84.5 million meet high demand for dollars but less than USD 99.3 million sold during September. The exchange rate of the shilling against the US dollar appreciated to an average of TZS 1,270.92 compared with TZS 1,310.41 per US dollar recorded in September 2006.

3.0 Government Budgetary Operations

Fiscal operations

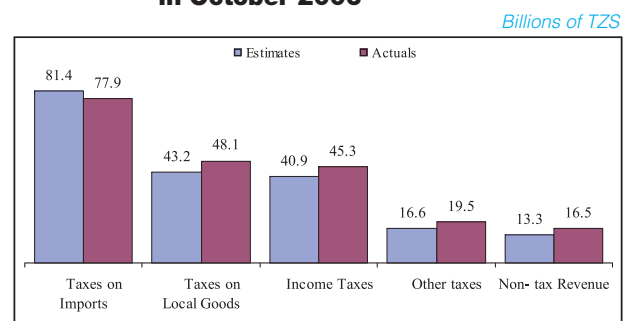


During the month of October 2006, government budgetary operations recorded a deficit balance of TZS 57.8 billion. Total resources that were available for the month from domestic revenue and grants

amounted to TZS 233.0 billion, while total expenditure amount to TZS 395.9 billion. The deficit was wholly financed through net borrowing from abroad amounting to TZS 74.3 and the balance was used to reduce the domestic obligation by TZS 16.5

Total domestic revenue collected during the period surpassed the target of TZS 191.7 billion by TZS 10.1 billion. Tax revenue collections amounted to TZS 185.3 billion, above the target by TZS 6.4 billion. All tax categories except tax on imports were over performed. The main reasons for over performance of most of taxes were good co-operation from taxpayers, Effective Comprehensive and issue-oriented audits, Close follow up of identified normal flow taxes and improved audit procedures due to adherence to the Quality Management System. At the same time under performance of taxes on imports was caused by an increase in importation of capital goods whose VAT is exempted/deferred and a decline of importation of consumer goods affecting the collection of VAT on imports, the on going power rationing which affected the production of goods and therefore the importation of raw materials used for production and collection of VAT on imports and an increase in consumption of fuel by the exempted entities such as construction and Mining companies affecting the performance for Excise Duty on Petroleum.

Chart 3.1: Government Revenue Performance in October 2006



During the month under review, total government expenditure cheques written (excluding amortization) amounted to TZS 395.9 billion, out of which recurrent expenditure was TZS 224.3 billion, while development expenditures amounted to TZS 151.6 billion.

Cumulative from July to October 2006, government

expenditure was below the target at TZS 1,358.0 billion, compared to the cumulative estimate of TZS 1,673.2 billion. The actual expenditure up to the end of October 2006 comprised of TZS 852.1 billion in recurrent expenses and TZS 505.9 billion in development.

4.0 External Sector Performance

Current Account Balance

In October 2006, the current account balance improved by recording a lower deficit than in previous month but on year-to-year basis it worsened substantially (Table 4.1). The improvement in the current account during the month was on account of receipt of budget inflows and declined in imports. The annual deterioration of the current account balance came as a result of the upsurge in import bill, mostly oil products, food and capital goods. The main triggers for the large import bill for oil products were the hike in price in the world market and the shortage of domestic supply of energy following drought. The increase in food import is linked to the droughts while that of capital goods is related to the expanding construction activities and transportation equipments.

Table 4.1: Current Account Balance

Millions of USD

| Item | 2005 | | 2006 | | Year Ending October | | % Change |
|---------------------------------|--------------|---------------|---------------|-------------------|---------------------|--|-------------|
| | Oct | Sep | Oct | 2005 ^P | 2006 ^P | | |
| Goods Account (net) | -75.0 | -230.5 | -158.5 | -1,184.2 | -2,003.4 | | 69.2 |
| Exports | 174.0 | 138.3 | 150.4 | 1,697.8 | 1,675.0 | | -1.3 |
| Imports | 249.0 | 368.8 | 308.9 | 2,882.0 | 3,678.4 | | 27.6 |
| Services Account (net) | 24.1 | 6.3 | 18.8 | 85.7 | 152.8 | | -- |
| Receipts | 113.7 | 134.2 | 118.9 | 1,281.8 | 1,411.1 | | 10.1 |
| Payments | 89.6 | 127.8 | 100.1 | 1,196.2 | 1,258.3 | | 5.2 |
| Goods and services (net) | -50.9 | -232.3 | -139.7 | -1,098.5 | -1,850.6 | | 68.5 |
| Exports of goods and services | 287.6 | 272.4 | 269.3 | 2,979.6 | 3,086.1 | | 3.6 |
| Imports of goods and services | 338.6 | 496.7 | 409.0 | 4,078.2 | 4,936.7 | | 21.1 |
| Income Account (net) | -12.9 | -8.2 | -5.6 | -165.5 | -169.6 | | 2.4 |
| Receipts | 6.7 | 7.7 | 9.7 | 89.1 | 87.9 | | -1.3 |
| Payments | 19.7 | 15.9 | 15.3 | 254.6 | 257.5 | | 1.1 |
| Current Transfers (net) | 188.1 | 22.9 | 94.3 | 553.6 | 499.4 | | -9.8 |
| Inflows | 194.1 | 27.9 | 99.5 | 620.9 | 563.9 | | -9.2 |
| o/w General Government | 190.0 | 25.1 | 96.8 | 556.9 | 518.2 | | -7.0 |
| Outflows | 6.0 | 5.0 | 5.1 | 67.3 | 64.6 | | -4.1 |
| Current Account Balance | 124.2 | -209.6 | -51.0 | -710.5 | -1,520.8 | | -- |

Note: -- = Very large number
P = Provisional

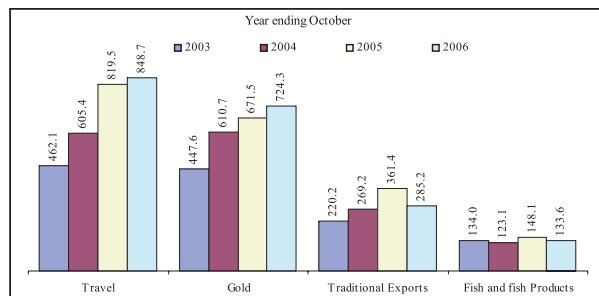
Source: Bank of Tanzania

Exports Performance

The performance of Tanzania's exports on monthly basis and in the year ending October 2006 was dismal. Foreign exchange earned from exports of goods and services during the month of October was about USD 269 million, almost as in the previous month, while total exports for the year was USD 3,086 million, which is an increase of 4.0 percent over the previous year. Tourism related activities and gold exports increased, but at a lower pace than recent years although remained dominant in country exports by accounting for about 52 percent of the total exports.

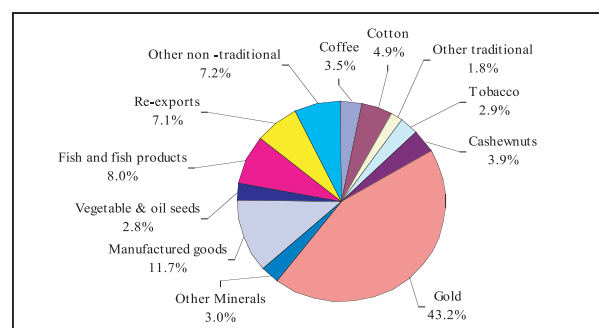
Chart 4.1: Contribution to Total Exports of Goods and Services

Millions of USD



The annual value of goods export was USD 1,675.0 million or 54 percent of the total exports and the rest was services. This level represented a modest increase over the previous year, largely due to the droughts that affected most traditional exports adversely. The export of goods was dominated by gold and manufactured exports as shown in Chart 4.2.

Chart 4.2: Contribution to Total Exports of Goods



Note:

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



Traditional Exports

In October 2006, traditional exports almost doubled to USD 30.6 million compared with previous month performance as this month marked the onset of the export season for most of the traditional exports. The price movement in the world market was also in favour of these crops, save for tea. The other exception was cotton which recorded lower export volume than previous month, largely due to delays in the commencement of the procurement season. The procurement season usually starts in June but this year it started in July due to the prolonged drought. Cashewnuts exports though improved during the month, was below average following disagreements on buying price. The export volume of cashewnuts is therefore expected to increase in the coming months following government intervention to resolve the dispute.

The performance of traditional exports on year-to-year basis declined to USD 285.2 million in October, being 21 percent less than it was in the corresponding period in 2005. To a large extent the dismal performance is linked to the droughts during the year, with the exception of cashewnuts, which can withstand dry conditions.

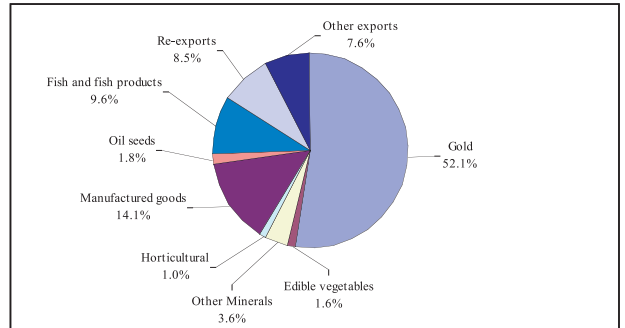
Non-Traditional Exports

Non-traditional exports amounted to USD 120 million during the month of October 2006, almost the same amount recorded in the previous month. However, manufactured goods such as articles of iron and steel, soap and cotton yarn declined owing to power rationing in the country.

During the year ending October 2006, non-traditional exports earned USD 1,389 million, which was nearly the same amount recorded in the previous year. Nonetheless, there were significant improvements in exports of manufactured goods such as textile apparels, iron and steel and plastic articles due largely to large markets in Burundi, Rwanda and the Democratic Republic of Congo associated with political stability in recent years. Mineral exports, mostly gold, also increased by about 8.0 percent to USD 724.3 million during the year. Much of the increase however came as a result of price effects in the world market, from USD 446.58 per troy ounce in the previous year

to USD 584.35 per troy ounce. Gold exports accounted for more than half of the total non-traditional exports, followed by manufactured goods, and fish and fish products (**Chart 4.3**). Gold from Tanzania is mostly exported to the United Kingdom.

Chart 4.3: Contribution to Total Non-Traditional Exports, Year Ending October 2006



Services Export

In October 2006, export of services shrunk to USD 118.9 million from USD 134.2 million in the previous month. This was mostly observed tourism in related activities marking the end the peak tourist season.

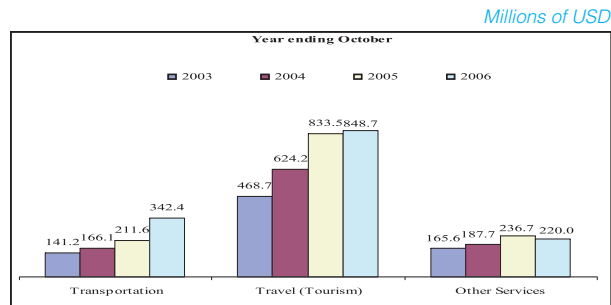
For the year ending October 2006, services receipts increased by around 10 percent over the previous year's level to USD 1,411.1 million. A noticeable improvement was recorded in tourism, whose share in total services receipts during the year was 60 percent. The sector is expected to earn more for the country in view of the enhanced promotion efforts particularly with regard to the recently recognition of the country's magnificent tourist attractions. A case in point is the Kondo Rock Art site, which has been recognized by UNESCO as being the Seventh World Heritage site, adding to the six existing sites such as Kilimanjaro National Park, Ngorongoro Conservation Area, Ruins of Kilwa Kisiwani and Mnara, and Serengeti National Park, Selous Game Reserve and Stone town in Zanzibar (**Chart 4.4**).

During the year, transportation receipts also increased following the improvement at the Dar es Salaam port, thus contributing to more transit cargo to and from the neighbouring countries than before. Reflecting partly this development, a total of USD 342.4 million was recorded compared with USD 211.6 million in the previous year



although further improvement is still needed particularly in the clearing of cargo at the port and railway services. The recent acquisition of new equipment and machinery by Tanzania-Zambia Railway Authority (TAZARA) from the government China is expected to increase revenue from transportation.

Chart 4.4: Service Receipts 2003 – 2006



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

Imports Performance

In October 2006, imports of goods (f.o.b.) totalled USD 308.9 million, being lower than that of the previous month by 16.2 percent. This is mostly marked in food, fertilizers, telecommunication equipment, electric generating sets, and oil imports (Table 4.2). Oil imports declined during the month largely due to the fall in oil prices in the world market; otherwise the volume remained almost unchanged at around 179,187 tons. As for **food imports**, the declined occurred in mostly in wheat by more than two-third to USD 3.1 million

Table 4.2: Imports

| Item | 2005 ^P | | 2006 ^P | | % Change | | Year Ending October ^P | | |
|---------------------------------------|-------------------|--------------|-------------------|-------------|--------------|----------------|----------------------------------|-------------|----------|
| | Oct | Sep | Oct | Oct 05- | Sep 06- | Oct 06 | 2005 | 2006 | % Change |
| Capital Goods | 89.1 | 138.7 | 101.1 | 13.4 | -27.1 | 1,012.1 | 1,385.5 | 36.9 | |
| Transport Equipments | 23.6 | 30.4 | 28.7 | 21.6 | -5.8 | 248.4 | 385.8 | 55.3 | |
| Building and Constructions | 21.4 | 27.4 | 25.6 | 19.3 | -6.7 | 238.9 | 335.2 | 40.3 | |
| Machinery | 44.1 | 80.9 | 46.8 | 6.2 | -42.1 | 524.7 | 664.5 | 26.6 | |
| Intermediate Goods | 97.9 | 160.8 | 136.1 | 39.1 | -15.3 | 1,110.4 | 1,453.8 | 30.9 | |
| Oil imports | 66.4 | 108.4 | 91.0 | 37.2 | -16.0 | 801.3 | 1,049.8 | 31.0 | |
| Fertilizers | 8.3 | 18.2 | 9.1 | 10.0 | -49.7 | 64.0 | 51.7 | -19.1 | |
| Industrial raw materials | 23.2 | 34.3 | 36.0 | 55.0 | 5.1 | 245.2 | 352.2 | 43.6 | |
| Consumer Goods | 62.0 | 69.3 | 71.7 | 15.7 | 3.4 | 759.5 | 839.1 | 10.5 | |
| Food and food stuffs | 9.3 | 16.4 | 8.1 | -13.2 | -50.4 | 174.3 | 247.3 | 41.9 | |
| All other consumer goods ¹ | 52.6 | 53.0 | 63.6 | 20.9 | 20.0 | 585.2 | 591.8 | 1.1 | |
| Grand Total (f.o.b) | 249.0 | 368.8 | 308.9 | 24.1 | -16.2 | 2,882.0 | 3,678.4 | 27.6 | |
| Grand Total (c.i.f) | 273.6 | 405.3 | 339.5 | 24.1 | -16.2 | 3,167.0 | 4,042.2 | 27.6 | |

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.
Source: Bank of Tanzania and Tanzania Revenue Authority

Table 4.3: Selected Food Imports

| Item | 2006 | | | % change Sep - Oct |
|-------------------|--------|--------|--------|-----------------------|
| | Aug | Sep | Oct | |
| Maize | | | | |
| Tons | 127 | 224 | 2,399 | -- |
| Value (Mill. USD) | 0.116 | 0.2 | 0.8 | -- |
| Rice | | | | |
| Tons | 595 | 54 | 68 | 25.3 |
| Value (Mill. USD) | 0.147 | 0.03 | 0.02 | -14.5 |
| Wheat | | | | |
| Tons | 96,714 | 58,505 | 14,769 | -74.8 |
| Value (Mill. USD) | 17.3 | 12.8 | 3.1 | -76.0 |

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

The import bill for goods (f.o.b) during the year ending October 2006 grew by 27.6 percent over the previous year to USD 3,678.4 million (Table 4.2). Large increases were recorded in machinery, which directed mainly to mining, communication and manufacturing activities, as well as in the importation of transport equipment, building and construction.

During the year, importation of oil and industrial raw materials also went up. Oil imports were higher because of the hike in price in the world market while the increase in industrial raw materials is partly associated with increased demand in the wake of the improving manufacturing sector in the country. The importation of consumer goods, mostly food and foodstuff, also went up owing to shortage in domestic supply caused by the drought in the first half of 2005/06.

Chart 4.5: Composition of Total Imports for the Year Ending October 2006

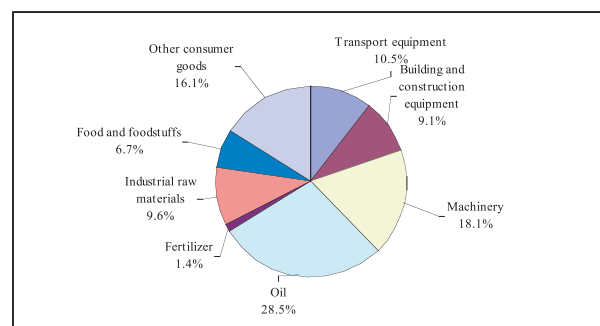
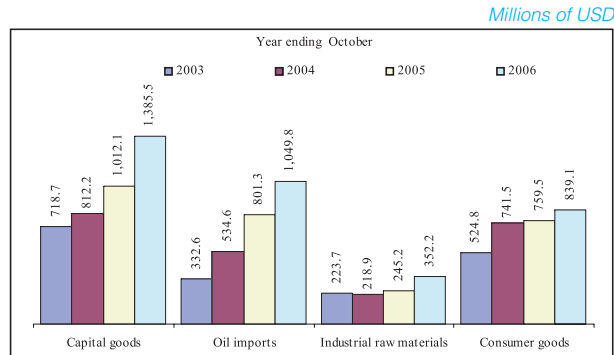


Chart 4.6: Total Merchandise Imports: 2003-2006

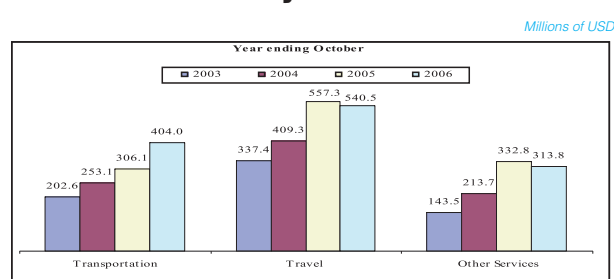


Services Imports

During the month under review, services payments, which include freight and insurance on imports dropped by 21.7 percent to USD 100.1 million as a result of the decline in imports.

On year-to-year basis, service payments increased to USD 1,258.3 million in the year ending October 2006 from USD 1,196.2 million. The main triggers for the increase were freight charges because of the high import bill, financial, construction and insurance services. The payments for financial services were in the form of fees and charges on letters of credit, foreign exchange and securities transactions.

Chart 4.7: Service Payments 2003 - 2006



Note: "Other Services" include: Communication, Construction, Insurance, Financial, Computer Information, Government,

World Commodity Prices

During October 2006, prices of commodities declined from previous month levels, with the exception of Arabica coffee that registered a slight increase and sisal whose prices remained stable (**Table 4.4**). The price of tea declined due to high supply associated with good weather in Kenya, India and Sri Lanka. Cloves and cotton prices also tumbled due

largely to increase in supply following a bumper harvest in Madagascar and China, respectively.

During the month under review, oil-importing countries get relief as prices of oil products fell. The major drivers for the decline in prices were the relative geopolitical stability in the Middle East and a rise in the oil inventories in the US. As for gold, the price declined, slightly though, as the result of strengthening of the US dollar against other major currencies.

Average price movements on year-to-year basis were generally on the rising trend, save for Arabica coffee that recorded a slight decline. The higher average prices this year compared with the previous year was as a result of lower supply in the world market, which was mainly caused by unfavorable weather in most countries that grow these crops.

During the year ending October 2006, average prices of oil products were higher than previous years largely due to supply disruptions and security concerns the Middle East and civil unrests in Nigeria. As for gold, the price rose substantially as investors diversified from investing in stocks because of global security concerns, which pushed up the its demand as it was considered to be an alternative investment portfolio.

Table 4.4: World Commodity Prices

| Commodity | Units | 2006 | | % Change | Year ending Oct | | % Change |
|-----------------------|--------------------|----------|----------|----------|-----------------|----------|----------|
| | | Sep | Oct | | 2005 | 2006 | |
| Robusta Coffee | USD per kg | 1.70 | 1.66 | -2.35 | 1.05 | 1.41 | 34.29 |
| Arabica Coffee | USD per kg | 2.42 | 2.44 | 0.83 | 2.50 | 2.46 | -1.60 |
| Tea (Average price) | USD per kg | 1.91 | 1.86 | -2.62 | 1.67 | 1.85 | 10.78 |
| Tea (Mombasa auction) | USD per kg | 1.87 | 1.75 | -6.42 | 1.48 | 1.93 | 30.41 |
| Cotton, "A Index" | USD per kg | 1.31 | 1.26 | -3.82 | 1.19 | 1.27 | 6.72 |
| Cotton, Memphis" | USD per kg | 1.37 | 1.28 | -6.57 | 1.26 | 1.33 | 5.56 |
| Sisal (UG) | USD per metric ton | 885.00 | 885.00 | 0.00 | 885.00 | 885.00 | 0.00 |
| Cloves | USD per metric ton | 4,262.50 | 3,425.00 | -19.65 | 3,245.61 | 3,960.21 | 22.02 |
| Crude oil* | USD per barrel | 62.12 | 57.91 | -6.78 | 50.87 | 63.65 | 25.12 |
| Crude oil** | USD per barrel | 59.77 | 56.50 | -5.47 | 46.35 | 60.51 | 30.55 |
| White products*** | USD per ton | 575.37 | 540.12 | -6.13 | 509.80 | 601.63 | 18.01 |
| Jet/Kerosene | USD per ton | 615.52 | 577.16 | -6.23 | 527.94 | 625.15 | 18.41 |
| Premium Gasoline | USD per ton | 546.29 | 505.95 | -7.38 | 503.33 | 615.78 | 22.34 |
| Heat Oil | USD per ton | 564.29 | 537.25 | -4.79 | 498.20 | 566.74 | 13.76 |
| Gold | USD per troy ounce | 598.20 | 585.80 | -2.07 | 446.58 | 584.35 | 30.85 |

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

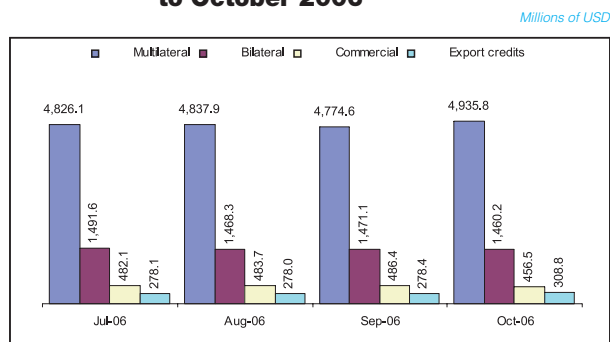
The national debt stock stood at USD 9,810.1 million at the end of October 2006, a slight increase from USD 9,664.4 million recorded at the end of the previous month. Out of total debt stock, USD 8,435.8 million, equivalent to 86.0 percent was external debt while the balance was domestic.

External Debt

During the month under review, external debt stock increased by 1.9 percent to USD 8,435.8 million from the amount recorded at the end of previous month. Out of this, about USD 7,161.3 million or 84.9 percent was disbursed outstanding debt and the balance was interest arrears. The central government had borrowed 86.3 percent of the total outstanding debt and parastatal and private companies accounted for the balance.

The profile of external debt in terms of currency composition remained as in the previous month for which Special Drawing Rights was about 52.2 percent, United States Dollars 25.4 percent, Japanese Yen 11.5 percent, Euros 4.1 percent and the balance was contracted in other currencies. Most of the debt is owed to multilateral institutions, which accounted for 68.9 percent of the total outstanding debt, followed by bilateral creditors (20.4 percent) and the remaining part was owed to commercial and suppliers creditors (**Chart 5.1**).

Chart 5.1: DOD by Creditor Category from July to October 2006



In terms of use of funds, the largest amount was disbursed to support balance of payments, i.e 20.3 percent, followed by transport and telecommunication (15.5 percent), agriculture (14.3 percent), and energy and mining absorbed (13.3 percent). Social welfare and education absorbed 10.0 percent, industries (5.7 percent) and the balance was borrowed for various activities including finance, insurance and tourism.

External Debt Service and Debt Relief

Government external debt service amounted to USD 3.0 million during October 2006, the largest part being interest payment. As for debt relief, so far Paris Club bilateral creditors has offered USD 867.6 million while that of non Paris Club bilateral creditors were in the form cancellation of USD 184.6 million and rescheduling of USD 171.2 million.

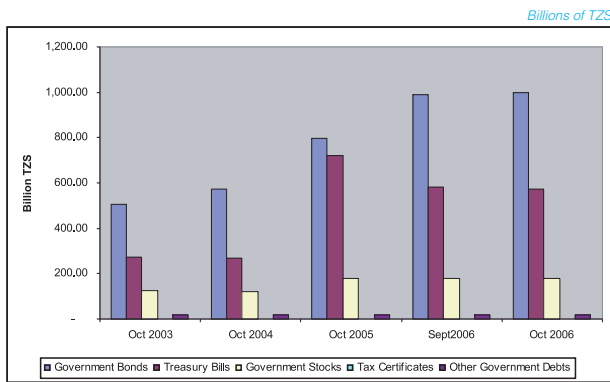
Tanzania is also among the HIPC's benefiting from the Multilateral Debt Relief Initiatives (MDRI), which envisages cancellation of debt owed to the International Development Association (IDA), African Development Fund (ADF) and the International Monetary Fund (IMF). In January 2006, the IMF cancelled debt worth USD 338 million, the whole amount of debt outstanding as at the end of December 2004 as well as the debt that remained outstanding by the end of December 2005. Similarly, 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 the cancellation of approximately to USD 2.8 billion. The implementation date for ADF was on January 1st 2006 while the delivery was expected to start retrospectively by the end of September 2006 in the form of debt service reduction. This translates into a cancellation of debt worth USD 640 million.

Domestic Debt

By the end of October 2006, the stock of domestic debt was TZS 1,769.0 billion by the end of October 2006, out of which government securities (treasury bills, bonds and stock) accounted for 99.1 percent (**Chart 5.2**).



Chart 5.2: Government Domestic Debt by Instruments



The profile of domestic debt by holder category shows that commercial banks are the leading creditors by accounting for 38.6 percent of total domestic debt, followed by pension funds (28.4 percent), the central bank (20.1 percent) and the remaining part was owed to official entities and private sector.



6.0 Economic Developments in Zanzibar

Budgetary Performance

During the month of October, 2006 government budgetary operations recorded a deficit of TZS 3.3 billion. Total revenue and grants amounted to TZS 7.8 billion and TZS 1.3 billion respectively, while total expenditure was TZS 14.4 billion. The budget deficit was financed through external loans.

Revenue Performance

Revenue collections during October 2006 were almost on target at TZS 7.8 billion. Tax revenue amounted to TZS 7.6 billion against the target of TZS 7.1 billion, and accounted for 97.4 percent of the total revenue. Non-tax revenue amounted to TZS 0.2 billion below the target of TZS 0.5 billion.

Revenue performance by sources was as follows: tax on imports amounted to TZS 1.8 billion, exceeding the target TZS 1.6 billion; mainly on account of increased efficiency in cargo handling management. VAT and exercise duty collections amounted to TZS 2.8 billion below the target of TZS 2.9 billion. Income tax outturn was TZS 0.8 million below the target TZS 0.9 billion. Other taxes collections reached TZS 2.2 billion surpassing monthly target of TZS 1.6 billion, mainly on account of increased tax collection measures.

Cumulatively, total revenue collection from July 2006 to October 2006 amounted to TZS 28.9 billion, almost in line with the target of TZS 28.8 billion and accounted for 34.6 percent of annual target.

Expenditure

The total expenditure during October 2006 amounted to TZS 14.4 billion exceeding target of TZS 10.9 billion owing

to increase in donor disbursements for development projects. Recurrent expenditure amounted to TZS 8.9 billion exceeding the target of TZS 7.8 billion and accounted for 61.8 percent of the total expenditure. Out of this, wages and salaries accounted for 41.6 percent.

During the month development expenditure amounted to TZS 5.4 billion, above the plan of TZS 3.1 billion. The higher than projected expenditure was due to the receipt of donor support funds, which amounted to TZS 4.6 billion compared to the projected disbursement of TZS 2.2 billion for the month under review.

Cumulatively expenditure from July to October 2006 amounted to TZS 43.1 billion, below target TZS 57.7 billion, and accounted for 74.7 percent of the projected expenditure. This amount was 18.8 percent of projected annual budget.

Debt Developments

By the end of October 2006, Zanzibar debt stock stood at TZS 190.8 billion from TZS 192.2 billion at the end of the previous month. The external debt stood at TZS 115.0 billion, representing 60.3 percent of total public debt.

Domestic Debt

Domestic debt declined from TZS 78.5 billion recorded at the end of the previous month to TZS 75.8 billion at end October, due to payment of maturing government securities.

Out of the outstanding domestic debt, suppliers and pensioners claims continued to dominate by accounting for TZS 43.5 billion or 57.4 percent. Debt owed to the Union Government was TZS 13.6 billion; Zanzibar Social Security Fund TZS 5.9 billion, Zanzibar State Trading Corporation TZS 5.6 billion, Zanzibar Port Company TZS 3.9 billion and claims by Peoples Bank of Zanzibar was TZS 3.2 billion.

The profile of domestic debt by instruments shows that government loans were dominant by accounting for TZS 21.5 billion (28.4 percent of total domestic debt), followed by suppliers and pensioners claims which stood at TZS



19.7 billion. Treasury bonds amounted to TZS 19.5 billion or 25.8 percent of total domestic debt. Debt in the form of stocks was TZS 9.9 billion while treasury bills was TZS 5.1 billion.

In terms of maturity, undetermined maturity—gratuity, pension, and domestic suppliers' claims—constituted about 60.9 percent of total domestic debt. Debt maturing in less than a year was 18.4 percent while debt maturing between 2 - 5 years was 20.7 percent of the total domestic debt.

External Debt

Zanzibar external debt stock stood at USD 89.4 million from USD 89.3 million recorded at the end of the previous month. The increase was due to new loan disbursement by OPEC. Union Government guaranteed loans represented about 70 percent of total external debt while the balance was non-guaranteed debt.

Debt owed to multilateral institutions amounted to USD 59.0 million, representing 66.0 percent of the total external debt. Claims due to bilateral creditors amounted to USD 3.7 million (4.1 percent), commercial debt USD 14.7 million (16.5 percent) and export credit amounted to USD 11.9 million (TZS 15.4 billion).

Debts maturing over 20 years period (mainly multilateral debt) amounted to USD 53.1 million, representing 59.4 percent of the total external debt. Debt maturing between 5 to 10 years stood at USD 29.3 million (32.8 percent) while debt maturing between 10 to 20 years was USD 6.9 million or 7.7 percent of total external debt.

Composition of external debt by use of funds shows social welfare and education sectors absorbed USD 20.0 million, which is 22.4 percent of external debt. Energy sector absorbed TZS 19.7 million (22.0 percent), transport and telecommunications activities USD 17.9 million (20.1 percent), finance and insurance USD 14.7 million (16.5 percent) and agriculture and industries were holding USD 12.8 million.



External Sector Performance

During October 2006, Zanzibar current account surplus declined to USD 0.6 million compared with a surplus of USD 9.0 million realised in September on account of decrease in donor support inflows. During the year ending October 2006, the current account showed remarkable turn around; by registering surplus of USD 12.6 million from a deficit of USD 16.5 million recorded in corresponding period in 2005. The improvement was mainly attributed to increase in donor inflows coupled with increase in the total export receipts (**Table 6.1**).

Table 6.1: Zanzibar Current Account Balance

Millions of USD

| Item | 2005 | | 2006 | | Year Ending October | | % Change | |
|-------------------------------|------|------|------|-------|---------------------|---------|----------|--|
| | Oct | Sep | Oct | 2005 | 2006p | Monthly | Annual | |
| Goods Account (net) | -6.1 | -5.5 | -3.6 | -69.3 | -62.0 | -34.5 | -10.1 | |
| Exports | 1.3 | 0.5 | 1.9 | 12.9 | 8.1 | 280.0 | -37.2 | |
| Imports (fob) | 7.4 | 6.0 | 5.5 | 82.2 | 70.1 | -8.3 | -14.7 | |
| Services Account (net) | 0.6 | 2.9 | 3.2 | 21.4 | 26.6 | 10.3 | 24.3 | |
| Receipts | 6.7 | 9.1 | 9.1 | 71.8 | 89.4 | 0.0 | 24.5 | |
| Payments | 6.1 | 6.2 | 5.9 | 50.3 | 62.8 | -4.8 | 24.8 | |
| Goods and Services (net) | -5.5 | -2.6 | -0.4 | -47.8 | -35.4 | -115.3 | -26.0 | |
| Exports of Goods and Services | 8.0 | 9.6 | 11.0 | 84.7 | 97.5 | 15.8 | 13.1 | |
| Imports of Goods and Services | 13.5 | 12.2 | 11.4 | 132.5 | 132.9 | -7.3 | 0.3 | |
| Income Account (net) | 0.01 | 0.04 | 0.03 | 0.42 | 0.23 | -25.0 | -45.2 | |
| Receipts | 0.01 | 0.07 | 0.04 | 0.44 | 0.28 | -99.9 | -99.7 | |
| Payments | 0.00 | 0.03 | 0.01 | 0.02 | 0.05 | -100.0 | 100 | |
| Current Transfers (net) | 10.3 | 11.6 | 1.0 | 30.9 | 47.8 | -91.3 | 54.7 | |
| Donor Inflows | 10.3 | 11.6 | 1.0 | 30.9 | 47.8 | -91.3 | 54.7 | |
| Outflows | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | |
| Current Account Balance | 4.8 | 9.0 | 0.6 | -16.5 | 12.6 | -93.3 | -176.3 | |

P = Provisional

Source: Tanzania Revenue Authority

Export Performance

In October 2006, exports of goods and services improved, on account of an increase in services receipts, which accounted for nearly 82.7 percent of the total export earnings following improvement in tourism related activities. Other dominant contributory factors were manufactured exports and receipts from cloves exports that resulted from price increase in the world market.

On annual basis, export earnings amounted to USD 97.5 million during the year ending October 2006 compared with USD 84.7 million recorded in the corresponding period of

2005. Services receipts, mainly tourism related activities, amounted to USD 89.4 million, representing 91.7 percent of total exports receipts. Cloves and seaweeds export realised USD 4.2 million and USD 1.4 million, respectively. Exports of fish and fish produce amounted to USD 0.3 million while other exports fetched USD 0.9 (Table 6.2).

Table 6.2: Zanzibar Exports by Major Categories

Millions of USD

| Commodity | 2005 | | 2006 | | Year Ending October | | % Change | |
|--------------------------------|-------------|-------------|-------------|-------------|---------------------|--------------|--------------|--|
| | Oct | Sept | Oct | 2005 | 2006p | Monthly | Annual | |
| Traditional | | | | | | | | |
| Cloves | | | | | | | | |
| Value | 0.97 | 0.05 | 0.96 | 9.9 | 4.2 | 1,820.0 | -57.6 | |
| Volume | 0.33 | 0.01 | 0.27 | 3.3 | 1.4 | 2,600.0 | -57.6 | |
| Unit Price | 2,918.92 | 4,616.60 | 3,535.06 | 2,955.2 | 3,089.5 | -23.4 | 4.5 | |
| Sub Total | 0.97 | 0.05 | 0.96 | 9.9 | 4.2 | 1,820.0 | -57.6 | |
| Non-Traditional Exports | | | | | | | | |
| Seaweeds | | | | | | | | |
| Value | 0.13 | 0.14 | 0.11 | 1.8 | 1.4 | -21.4 | -22.2 | |
| Volume | 0.70 | 0.54 | 0.52 | 8.3 | 7.2 | -3.7 | -13.2 | |
| Unit Price | 191.40 | 263.55 | 203.85 | 218.1 | 199.3 | -22.7 | -8.6 | |
| Manufactured Goods | 0.03 | 0.23 | 0.53 | 0.3 | 1.3 | 130.4 | 333.3 | |
| Fish and Fish Produce | 0.09 | 0.01 | 0.00 | 0.2 | 0.3 | -100.0 | 50.0 | |
| Others Exports | 0.05 | 0.03 | 0.31 | 0.7 | 0.9 | 933.3 | 28.6 | |
| Sub Total | 0.30 | 0.41 | 0.95 | 3.1 | 3.9 | 131.7 | 25.8 | |
| Grand Total | 1.26 | 0.45 | 1.91 | 12.9 | 8.2 | 324.4 | -36.4 | |

P = provisional
Source: Tanzania Revenue Authority

Zanzibar Imports

During October 2006, Zanzibar goods imports (c.i.f), amounted to USD 6.0 million down from USD 6.6 million registered in the previous month, largely on account of decline in imports of consumer goods and capital goods (Table 6.3) that was mostly reflected in machinery following suspension of major construction projects.

On year-to-year basis, imports declined to USD 77.0 million from USD 90.4 million registered in corresponding period in 2005. The slow down was mainly attributed to a decline in consumer goods imports (specifically food stuffs) and capital goods. Consumer goods (largely foodstuffs) declined in response to slow down in food imports after increase in domestic food supply in the aftermath of the droughts.

Table 6.3: Zanzibar Imports by Major Categories

Millions of USD

| Import Category | 2005 | 2006 | | Year Ending October | | % Change | |
|----------------------------|------------|------------|------------|---------------------|-------------|--------------|--------------|
| | Oct | Sep | Oct | 2005 | 2006p | Monthly | Annual |
| Capital Goods | 2.4 | 3.1 | 2.6 | 35.4 | 32.7 | -16.1 | -7.6 |
| Transport Equipments | 0.7 | 0.8 | 0.9 | 9.8 | 10.9 | 12.5 | 11.2 |
| Building and Constructions | 0.7 | 0.4 | 0.6 | 8.5 | 7.8 | 50.0 | -8.2 |
| Machinery | 1.0 | 1.9 | 1.1 | 17.1 | 14.1 | -42.1 | -17.5 |
| Intermediate Goods | 2.3 | 1.7 | 2.2 | 25.4 | 24.8 | 29.4 | -2.3 |
| Oil imports | 1.8 | 1.0 | 1.4 | 19.2 | 18.2 | 40.0 | -5.2 |
| Industrial raw materials | 0.5 | 0.7 | 0.8 | 6.2 | 6.6 | 14.3 | 6.4 |
| Consumer Goods | 3.4 | 1.8 | 1.2 | 29.5 | 19.5 | -33.3 | -33.9 |
| Food and food stuffs | 2.5 | 0.2 | 0.2 | 16.4 | 6.9 | 0.0 | -57.9 |
| All other consumer goods | 0.8 | 1.5 | 1.0 | 13.1 | 12.6 | -33.1 | -3.8 |
| Grand Total (c.i.f) | 8.1 | 6.6 | 6.0 | 90.4 | 77.0 | -9.1 | -14.8 |
| Grand Total (f.o.b) | 7.4 | 6.0 | 5.5 | 82.2 | 70.1 | -8.3 | -14.7 |

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

Services Account

Zanzibar services account at the end of October 2006, registered a surplus balance of USD 3.2 million from USD 2.9 million recorded in the previous month, mainly due to decline in foreign payments to USD 5.9 million from USD 6.2 million. Travel receipts increased by 4.3 percent to USD 8.4 million from USD 8.1 million, accounting for 92.6 percent of total receipts, indicating improved performance in tourism activities.

On annual basis, the services account surplus increased to USD 26.6 million from USD 21.4 million registered in the previous corresponding year in 2005. The increase stemmed from the rise in foreign receipts to USD 89.4 million from USD 71.8 million recorded in the corresponding period in 2005, mainly from tourism sector; this was coupled with moderate rise of foreign payments from USD 50.3 million to USD 62.8 million. Travel receipts amounted to USD 79.4 million representing 88.8 percent of total service receipts, while travel payments rose to USD 46.3 million or 73.7 percent of total foreign payments.



STATISTICAL TABLES



Table A1: Selected Economic Indicators

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

Note:

1 Calculated on the basis of GDP at market price

2 Calculated on the basis of GDP at factor cost

3 GNDI stands for gross national disposable income

p Provisional

* Revised from 2001

** Revised 2003

*** revised 2001-2002

**** revised from 2000

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



Table A2 : Central Government Operations

Millions of TZS

| Item | Actual 2005/06 | BUDGET 2006/07 | 2006 | | | |
|------------------------------------------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| | | | Jul | Aug | Sep | Oct |
| Total Revenue | 2,124,843.7 | 2,460,994.9 | 188,494.6 | 204,402.1 | 242,020.6 | 201,818.0 |
| Tax Revenue | 1,946,432.6 | 2,269,578.8 | 171,495.0 | 186,445.9 | 224,927.5 | 185,315.7 |
| Taxes on Imports | 819,800.5 | 979,788.3 | 81,591.1 | 84,145.0 | 83,570.5 | 77,943.3 |
| 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 |
| Refunds | -69,961.0 | -133,484.4 | -7,654.6 | -7,654.6 | -7,654.6 | -7,654.6 |
| Income Taxes | 581,243.8 | 657,763.5 | 39,943.6 | 44,480.3 | 82,984.1 | 45,256.8 |
| Other taxes | 136,954.0 | 198,576.2 | 15,541.1 | 16,141.8 | 17,876.7 | 19,459.8 |
| Non- tax Revenue | 178,411.1 | 191,416.1 | 16,999.6 | 17,956.2 | 17,093.1 | 16,502.3 |
| Total Expenditure /1 | 3,873,254.8 | 4,788,496.6 | 235,352.5 | 287,879.1 | 452,753.6 | 395,911.0 |
| Recurrent expenditure | 2,661,862.5 | 3,054,030.0 | 158,204.4 | 189,211.7 | 295,874.8 | 244,288.1 |
| Roadtoll fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Retention fund | 61,260.2 | 50,000.0 | 6,796.0 | 4,267.1 | 5,225.2 | 6,308.6 |
| Wages and salaries | 656,788.5 | 1,003,881.0 | 76,112.1 | 79,232.6 | 82,754.3 | 81,343.8 |
| Interest payments | 218,861.3 | 112,000.0 | 12,268.4 | 11,729.3 | 19,496.4 | 24,475.0 |
| Domestic ^{2/} | 163,694.8 | 72,000.0 | 9,921.6 | 8,465.0 | 16,649.5 | 22,769.9 |
| Foreign | 55,166.5 | 40,000.0 | 2,346.8 | 3,264.3 | 2,846.9 | 1,705.1 |
| Other goods, services and transfers | 1,786,212.7 | 1,938,149.0 | 69,823.9 | 98,249.8 | 193,624.1 | 134,417.7 |
| Dev. Expenditure and net lending | 1,211,392.2 | 1,734,466.6 | 77,148.2 | 98,667.4 | 156,878.8 | 151,622.9 |
| Local | 296,100.0 | 641,766.0 | 9,360.2 | 56,308.2 | 90,000.0 | 55,887.0 |
| Foreign | 915,292.2 | 1,092,700.6 | 67,787.9 | 42,359.2 | 66,878.8 | 95,735.9 |
| Overall Balance (cheque issued) before Grants | -1,748,411.0 | -2,327,501.7 | -46,857.9 | -83,477.0 | -210,733.0 | -194,093.0 |
| Grants | 1,000,160.2 | 1,438,852.0 | 23,459.1 | 302,579.8 | 46,044.4 | 31,178.0 |
| Program (CIS/OGL) | 331,024.6 | 471,025.0 | 0.0 | 245,074.1 | 16,806.0 | 16,190.7 |
| Project | 416,771.0 | 422,950.6 | 10,384.6 | 20,279.0 | 15,009.7 | 14,987.4 |
| Basket funds | 175,975.3 | 216,016.3 | 3,714.2 | 13,129.2 | 14,228.8 | 0.0 |
| HIPC Relief | 76,389.3 | 328,860.0 | 9,360.2 | 24,097.5 | 0.0 | 0.0 |
| Overall defic.(cheq.issued) after Grants | -748,250.9 | -888,649.7 | -23,398.9 | 219,102.8 | -164,688.6 | -162,914.9 |
| Expenditure float | 69,713.1 | 0.0 | -113,193.1 | -8,399.8 | -6,091.3 | 913.7 |
| Adjustments to cash and other items (net) | -245,875 | 0.0 | -20,641.0 | 31,364.8 | 99,808.4 | 106,012.0 |
| Overall Balance (cheques issued) | -924,412.5 | -888,649.7 | -157,232.9 | 242,067.8 | -70,971.4 | -57,816.6 |
| Financing: | 924,412.5 | 888,649.7 | 157,232.9 | -242,067.8 | 70,971.4 | 57,816.6 |
| Foreign Financing (net) | 561,219.0 | 736,171.9 | 315,214.7 | 5,232.4 | 36,146.3 | 74,251.7 |
| Loans | 668,934.5 | 787,262.9 | 319,536.9 | 8,951.0 | 37,640.4 | 80,748.5 |
| Program loans | 257,677.1 | 333,529.3 | 265,847.8 | 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 |
| Basket Support | 82,301.8 | 90,921.6 | 0.0 | 0.0 | 10,945.2 | 0.0 |
| Amortization | -107,715.5 | -51,091.0 | -4,322.2 | -3,718.6 | -1,494.1 | -6,496.8 |
| Domestic (net) | 363,193.5 | 152,477.8 | -157,981.8 | -247,300.2 | 34,825.1 | -16,435.1 |
| Domestic Financing | 348,885.7 | 163,477.8 | -157,981.8 | -247,300.2 | 34,825.1 | -16,435.1 |
| Bank borrowing | 129,644.6 | 0.0 | -223,281.7 | -230,998.6 | 33,984.2 | -41,861.6 |
| Non-Bank (net of amortization) | 219,241.1 | 0.0 | 65,299.9 | -16,301.5 | 840.9 | 25,426.5 |
| Amortization of contingent debt | -19,001.4 | -11,000.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Privatization Proceeds | 33,309.2 | 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 A5(a): Tanzania Exports by Type of Commodity

| Item | 2005 ^P Oct | 2006 ^P | | % Change | | Year Ending Oct ^P | | |
|---------------------------------------|--------------------------|-------------------|--------------|---------------|---------------|------------------------------|----------------|--------------|
| | | Sep | Oct | Oct 05-Oct 06 | Sep 06-Oct 06 | 2005 | 2006 | % Change |
| Traditional Exports: | | | | | | | | |
| COFFEE | | | | | | | | |
| Value | 7.9 | 2.0 | 5.8 | -27.1 | 192.8 | 77.5 | 57.9 | -25.4 |
| Volume | 5.1 | 1.3 | 3.4 | -32.9 | 169.2 | 51.2 | 29.8 | -41.7 |
| Unit Price | 1,556.9 | 1,555.5 | 1,691.9 | 8.7 | 8.8 | 1,480.4 | 1,940.4 | 31.1 |
| COTTON | | | | | | | | |
| Value | 19.5 | 3.3 | 2.9 | -84.9 | -11.6 | 98.3 | 82.9 | -15.6 |
| Volume | 15.5 | 3.4 | 2.9 | -81.4 | -14.9 | 100.2 | 82.5 | -17.7 |
| Unit Price | 1,261.3 | 986.3 | 1,024.3 | -18.8 | 3.9 | 977.0 | 1,005.4 | 2.9 |
| SISAL | | | | | | | | |
| Value | 0.7 | 0.2 | 1.1 | 63.4 | 365.9 | 7.5 | 5.4 | -28.2 |
| Volume | 0.9 | 0.3 | 1.3 | 35.7 | 360.4 | 9.2 | 6.8 | -26.1 |
| Unit Price | 716.7 | 852.8 | 862.9 | 20.4 | 1.2 | 775.8 | 792.1 | 2.1 |
| TEA | | | | | | | | |
| Value | 1.7 | 1.6 | 2.1 | 23.6 | 29.5 | 27.3 | 20.6 | -24.5 |
| Volume | 1.6 | 0.8 | 1.5 | -3.6 | 92.0 | 23.2 | 13.4 | -42.2 |
| Unit Price | 1,098.5 | 2,088.4 | 1,409.1 | 28.3 | -32.5 | 1,187.7 | 1,539.5 | 29.6 |
| TOBACCO | | | | | | | | |
| Value | 31.1 | 9.4 | 15.7 | -49.5 | 67.2 | 87.1 | 47.9 | -45.0 |
| Volume | 7.2 | 3.6 | 5.9 | -18.5 | 64.9 | 34.1 | 17.7 | -48.2 |
| Unit Price | 4,317.9 | 2,640.4 | 2,678.0 | -38.0 | 1.4 | 2,118.7 | 2,715.1 | 28.2 |
| CASHEWNUTS | | | | | | | | |
| Value | 0.4 | 1.3 | 2.0 | -- | 59.7 | 53.5 | 66.1 | 23.6 |
| Volume | 0.6 | 1.3 | 2.0 | -- | 54.9 | 59.1 | 86.9 | 47.2 |
| Unit Price | 769.0 | 968.4 | 998.1 | -- | 3.1 | 866.2 | 759.7 | -12.3 |
| CLOVES | | | | | | | | |
| Value | 1.0 | 0.0 | 1.0 | -0.8 | -- | 10.2 | 4.4 | -56.7 |
| Volume | 0.3 | 0.0 | 0.3 | -18.1 | -- | 3.5 | 1.4 | -58.4 |
| Unit Price | 2,918.9 | 4,016.6 | 3,536.1 | #DIV/0! | #DIV/0! | 3,016.7 | 3,074.5 | #DIV/0! |
| Sub Total | 62.3 | 17.9 | 30.6 | -50.9 | 71.2 | 361.4 | 285.2 | -21.1 |
| Non-Traditional Exports: | | | | | | | | |
| Minerals | 48.1 | 66.9 | 67.9 | 41.0 | 1.5 | 728.4 | 774.4 | 6.3 |
| Gold | 44.0 | 62.4 | 64.6 | 46.8 | 3.6 | 671.5 | 724.3 | 7.9 |
| Diamond | 2.6 | 2.2 | 1.8 | -29.1 | -17.5 | 25.3 | 24.6 | -2.6 |
| Other minerals ¹ | 1.5 | 2.3 | 1.4 | -7.1 | -37.9 | 31.6 | 25.5 | -19.2 |
| Manufactured Goods | 11.7 | 16.4 | 14.9 | 27.3 | -9.1 | 141.4 | 195.7 | 38.4 |
| Cotton Yarn | 0.3 | 0.6 | 0.3 | -11.8 | -50.8 | 4.5 | 4.0 | -11.2 |
| Manufactured Coffee | 0.1 | 0.1 | 0.1 | -- | - | 1.3 | 1.1 | 0.0 |
| Manufactured Tobacco | 0.0 | 0.0 | 0.0 | -- | -- | 0.1 | 1.7 | -- |
| Sisal Products (Yarn & Twine) | 0.4 | 0.3 | 0.3 | -19.1 | 19.0 | 4.6 | 2.5 | -46.8 |
| Other manufactured Goods ² | 10.9 | 15.5 | 14.2 | 30.7 | -8.1 | 131.0 | 186.5 | 42.4 |
| Fish and Fish Products | 14.0 | 11.1 | 11.0 | -21.2 | -0.5 | 148.1 | 133.6 | -9.8 |
| Horticultural products | 2.7 | 1.4 | 1.2 | -55.7 | -14.6 | 20.4 | 14.2 | -30.5 |
| Re-exports | 11.5 | 11.0 | 10.3 | -10.2 | -6.4 | 138.0 | 118.7 | -14.0 |
| Others Exports ³ | 23.6 | 13.6 | 14.5 | -38.7 | 6.5 | 160.1 | 153.2 | -4.3 |
| Sub Total | 111.6 | 120.4 | 119.8 | 7.3 | -0.5 | 1,336.4 | 1,389.8 | 4.0 |
| Grand Total | 174.0 | 138.3 | 150.4 | -13.6 | 8.8 | 1,697.8 | 1,675.0 | -1.3 |

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 US\$; Unit Price in US\$/Ton

Source: Bank of Tanzania, TRA





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

Millions of US \$

| Item | 2005 ^P | | 2006 ^P | | Year Ending Oct ^P | | % Change |
|---------------------------------------|-------------------|--------------|-------------------|--------------|------------------------------|----------------|-------------|
| | Oct | Sep | Oct | Sep | 2006 | 2005 | |
| Capital Goods | 89.1 | 138.7 | 101.1 | 138.7 | 1,385.5 | 1,012.1 | 36.9 |
| Transport Equipments | 23.6 | 30.4 | 28.7 | 30.4 | 385.8 | 248.4 | 55.3 |
| Building and Constructions | 21.4 | 27.4 | 25.6 | 27.4 | 335.2 | 238.9 | 40.3 |
| Machinery | 44.1 | 80.9 | 46.8 | 80.9 | 664.5 | 524.7 | 26.6 |
| Intermediate Goods | 97.9 | 160.8 | 136.1 | 160.8 | 1,453.8 | 1,110.4 | 30.9 |
| Oil imports | 66.4 | 108.4 | 91.0 | 108.4 | 1,049.8 | 801.3 | 31.0 |
| Fertilizers | 8.3 | 18.2 | 9.1 | 18.2 | 51.7 | 64.0 | -19.1 |
| Industrial raw materials | 23.2 | 34.3 | 36.0 | 34.3 | 352.2 | 245.2 | 43.6 |
| Consumer Goods | 62.0 | 69.3 | 71.7 | 69.3 | 839.1 | 759.5 | 10.5 |
| Food and food stuffs | 9.3 | 16.4 | 8.1 | 16.4 | 247.3 | 174.3 | 41.9 |
| All other consumer goods ¹ | 52.6 | 53.0 | 63.6 | 53.0 | 591.8 | 585.2 | 1.1 |
| Grand Total (f.o.b) | 249.0 | 368.8 | 308.9 | 368.8 | 3,678.4 | 2,882.0 | 27.6 |
| Grand Total (c.i.f) | 273.6 | 405.3 | 339.5 | 405.3 | 4,042.2 | 3,167.0 | 27.6 |

Note:

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

^P = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.

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

Millions of US\$

| Item | 2001 ^r | 2002 ^r | 2003 ^r | 2004 ^r | 2005 ^p |
|---------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| A. Current Account Balance | -237.4 | 22.3 | -111.0 | -246.5 | -605.8 |
| Goods: Exports (f.o.b.) | 851.3 | 979.6 | 1,216.1 | 1,473.1 | 1,676.3 |
| Traditional | 231.1 | 206.1 | 220.5 | 297.8 | 354.5 |
| Non-traditional | 620.2 | 773.5 | 995.7 | 1,175.3 | 1,321.8 |
| o/w: Gold | 254.1 | 341.1 | 502.8 | 629.4 | 655.5 |
| Goods: Imports (f.o.b.) | -1,560.3 | -1,511.3 | -1,933.5 | -2,339.7 | -2,661.5 |
| Balance on Goods | -709.0 | -531.8 | -717.3 | -866.6 | -985.2 |
| Services: Credit | 914.6 | 920.1 | 947.8 | 1,117.4 | 1,199.0 |
| : Debit | -649.7 | -632.5 | -725.7 | -965.5 | -1,163.7 |
| Balance on Services | 264.9 | 287.6 | 222.1 | 151.9 | 35.2 |
| Balance on Goods and Services | -444.1 | -244.2 | -495.3 | -714.7 | -949.9 |
| Income: Credit | 55.3 | 67.9 | 87.1 | 81.8 | 79.7 |
| Debit | -243.8 | -218.1 | -249.7 | -259.6 | -316.9 |
| Balance on Income | -188.5 | -150.1 | -162.6 | -177.8 | -237.2 |
| Balance on Goods, Services and Income | -632.6 | -394.3 | -657.9 | -892.6 | -1,187.1 |
| Current transfers (net) | 395.3 | 416.6 | 546.9 | 646.1 | 581.3 |
| Credit | 474.8 | 477.9 | 609.9 | 711.1 | 656.3 |
| Government | 418.4 | 427.7 | 543.3 | 641.7 | 587.4 |
| o/w: Multilateral HIPC relief | 71.3 | 68.8 | 68.2 | 73.7 | 79.4 |
| Other sectors | 56.4 | 50.2 | 66.6 | 69.4 | 68.9 |
| Debit | -79.5 | -61.3 | -63.0 | -65.0 | -74.9 |
| B. Capital Account | 361.5 | 355.4 | 358.2 | 293.6 | 504.9 |
| Capital transfers: Credit | 361.5 | 355.4 | 358.2 | 293.6 | 504.9 |
| Debit | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total, Groups A plus B | 124.1 | 377.7 | 247.2 | 47.1 | -100.9 |
| C. Financial Account, excl. reserves and related items | -353.7 | 191.6 | 256.9 | 382.8 | 46.4 |
| Direct investment in Tanzania | 467.2 | 429.8 | 526.8 | 469.9 | 325.0 |
| Portfolio investment | 8.2 | 2.2 | 2.7 | 2.4 | 2.5 |
| Other investment | -829.1 | -240.4 | -272.6 | -89.5 | -281.1 |
| Assets | -76.7 | 2.9 | -59.0 | -11.0 | -92.0 |
| Liabilities | -752.5 | -243.3 | -213.6 | -78.5 | -189.1 |
| Total, Groups A through C | -229.6 | 569.3 | 504.0 | 429.9 | -54.5 |
| D. Net Errors and Omissions | -580.0 | -681.6 | -449.6 | -386.6 | -383.0 |
| Overall balance | -809.6 | -112.4 | 54.5 | 43.4 | -437.5 |
| E. Reserves and Related Items | 809.6 | 112.4 | -54.5 | -43.4 | 437.5 |
| Reserve assets | -182.2 | -372.4 | -508.8 | -258.4 | 247.7 |
| Use of Fund credit and loans | 15.6 | 26.0 | -2.9 | -33.8 | -50.5 |
| Exceptional financing: | 976.2 | 458.8 | 457.2 | 248.8 | 240.3 |
| Rescheduled debt | 131.4 | 9.8 | 86.9 | 0.0 | 0.0 |
| Debt forgiveness | 642.1 | 430.3 | 334.6 | 166.3 | 112.1 |
| Interest arrears | 67.4 | 18.4 | 29.5 | 18.2 | 42.1 |
| Principal arrears | 135.2 | 0.4 | 6.2 | 64.3 | 86.1 |
| Memorandum items: | | | | | |
| GDP(mp) Mill. TZS | 8,304,338.6 | 9,399,085.8 | 10,707,006.2 | 12,351,737.7 | 13,742,568.5 |
| GDP(mp) Mill. USD | 9,475.6 | 9,724.0 | 10,309.3 | 11,338.7 | 12,174.1 |
| CAB/GDP | -2.5 | 0.2 | -1.1 | -2.2 | -5.0 |
| CAB/GDP (excl. current official transfers) | -6.9 | -4.2 | -6.3 | -7.8 | -9.8 |
| Gross Official Reserves | 1,156.6 | 1,529.0 | 2,037.8 | 2,296.1 | 2,048.4 |
| Months of Imports | 6.3 | 8.6 | 9.2 | 8.3 | 6.4 |
| Net International Reserves (year end) | 761.2 | 1,058.4 | 1,533.9 | 1,786.9 | 1,771.7 |
| Change in Net International Reserves | -218.5 | -297.2 | -475.5 | -253.0 | 15.2 |
| Exchange rate TZS/USD (end of period) | 916.3 | 976.3 | 1,063.6 | 1,043.0 | 1,165.5 |
| Exchange rate TZS/USD (annual average) | 876.4 | 966.6 | 1,038.6 | 1,089.3 | 1,128.8 |

Notes:

1) Balance of Payments (BOP) statistics have changed from previous publications due to adoption of Private Capital Flows (PCF) and Tourism surveys' results and some other data sources.

2) GDP-Gross Domestic Product, mp-Market price, CAB-Current Account Balance, p = provisional, r = revised

3) Data for direct investment are provisional

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 |
|-------------------|-----------------------------|-------------|-------------|---------------------|------------------------|------------|------------------------|-------------------------------|-------------------------|---------------------------|----------------------------|----------------|------------|-----------------------------|
| | | Food | Non-Food | | | | | | | | | | | |
| Weight (%) | 100.0 | 55.9 | 44.1 | 6.9 | 6.4 | 1.4 | 8.5 | 2.1 | 2.1 | 2.1 | 0.8 | 9.7 | 2.6 | 1.5 |
| 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 |
| 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 | 9.8 | -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 | -0.1 |
| Sep | 4.5 | 6.0 | 2.8 | 2.6 | -2.7 | 7.6 | 10.0 | -2.3 | -1.9 | 2.7 | -2.4 | 4.0 | -1.7 | -1.5 |
| Oct | 4.7 | 6.7 | 2.8 | 3.1 | -1.9 | 4.3 | 9.0 | -1.7 | -1.1 | 3.6 | -3.3 | 3.5 | -1.6 | -0.3 |
| Nov | 4.8 | 6.7 | 3.7 | 3.3 | -1.2 | 4.3 | 10.2 | -0.8 | -0.5 | 4.4 | -1.9 | 5.0 | -1.0 | 0.0 |
| Dec | 5.0 | 7.7 | 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 |

Note: Figures for Aug, Sep and Oct, 2006 have been improved to Base

December 2001 = 100

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

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

Base: June 2001 = 100

| General Period | Non-Food | | | | | | | | | | | | | Miscel. goods & services |
|----------------|----------|------|----------------|------------------|---------------------|------|---------------------|------------------------------|----------------------|------------------------|----------------------------|----------------|------------|--------------------------|
| | Headline | Food | Total Non-Food | Tobacco & Drinks | Clothing & Footwear | Rent | Fuel, Power & Water | Furniture Household Equipmt. | Household operations | Personal care & Health | Recreation & Entertainment | Transportation | Educ-ation | |
| Weight (%) | 100.0 | 55.9 | 44.1 | 6.9 | 6.4 | 1.4 | 8.5 | 2.1 | 2.1 | 2.1 | 2.1 | 9.7 | 2.6 | 1.5 |
| 2003 | 0.3 | 0.4 | 0.1 | 0.1 | 0.2 | 0.4 | 0.2 | 0.2 | 0.0 | 0.2 | 0.4 | 0.0 | 0.1 | 0.2 |
| 2004 | 0.4 | 0.4 | 0.2 | 0.1 | 0.2 | 0.0 | 0.7 | 0.1 | 0.2 | 0.4 | 0.0 | 0.2 | 0.2 | 0.0 |
| 2005 | 0.4 | 0.6 | 0.3 | 0.2 | -0.2 | 0.3 | 0.9 | -0.1 | 0.0 | 0.3 | -0.1 | 0.5 | 0.0 | -0.1 |
| 2005 Jan | 5.4 | 7.5 | 2.4 | 1.5 | 1.0 | 3.7 | 5.4 | -0.1 | 1.2 | 3.3 | -0.7 | 2.6 | 1.0 | 1.9 |
| Feb | -0.2 | 0.1 | -0.5 | -0.7 | -1.1 | 0.0 | 0.0 | -1.2 | -0.9 | -0.7 | -1.5 | 0.0 | -0.7 | -1.5 |
| Mar | -0.5 | -0.9 | 0.0 | 0.1 | -0.4 | 0.0 | 0.0 | -0.1 | 0.1 | -0.2 | 0.7 | 0.3 | -0.7 | -0.4 |
| Apr | 0.4 | 0.5 | 0.2 | 0.4 | -0.7 | 0.0 | 0.8 | -0.4 | -0.2 | -0.2 | -0.5 | 0.7 | -0.1 | -0.5 |
| May | -0.5 | -0.8 | 0.1 | 0.3 | -0.2 | 0.0 | 0.0 | 0.4 | -0.1 | 0.4 | 0.4 | 0.1 | 0.1 | 0.0 |
| Jun | -0.3 | -0.3 | 0.0 | -0.2 | 0.0 | 0.0 | 0.3 | -0.6 | 0.3 | -0.2 | 0.4 | 0.0 | 0.8 | 0.2 |
| Jul | 0.9 | 1.1 | 0.8 | 0.8 | -0.4 | 0.2 | 2.7 | 0.7 | -0.7 | 0.3 | -0.7 | 0.7 | -0.1 | -0.4 |
| Aug | -0.4 | -0.8 | 0.3 | 0.1 | 0.3 | 0.1 | 0.6 | 0.4 | 0.2 | 0.1 | -0.3 | 0.6 | -0.8 | -0.2 |
| Sep | 0.2 | 0.2 | -0.1 | -0.1 | -0.4 | 0.0 | 0.2 | 0.0 | -0.2 | 0.5 | 0.7 | -0.4 | 0.2 | -0.2 |
| Oct | 0.1 | 0.3 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 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 | 0.6 | 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 | 0.0 | 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 | -0.5 | -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 | -0.5 | 0.2 | 0.2 | 0.1 | -0.6 |
| Mar | 0.2 | 0.3 | 0.0 | 0.2 | -0.9 | 0.0 | 0.3 | 0.3 | -0.3 | -0.8 | -0.4 | 0.4 | -0.7 | -0.6 |
| Apr | 0.7 | 0.9 | 0.3 | 0.7 | -0.7 | 0.0 | 0.4 | -0.2 | 0.5 | 0.7 | -0.3 | 0.5 | 0.8 | 0.7 |
| May | 0.2 | 0.2 | 0.4 | 0.0 | 0.2 | 0.0 | 0.4 | 0.1 | 0.2 | -0.6 | -0.5 | 1.1 | 0.1 | -0.6 |
| Jun | -1.1 | -2.7 | 1.7 | 0.1 | -0.2 | 0.1 | 5.5 | -0.1 | 0.8 | 0.8 | 0.4 | 2.1 | 0.4 | 0.1 |
| Jul | -0.5 | -1.3 | 0.9 | 3.5 | 0.8 | 0.0 | 0.3 | 0.9 | -0.3 | -0.9 | 0.1 | 0.8 | 0.8 | -0.1 |
| Aug | 0.2 | -0.5 | 1.2 | 2.6 | -0.4 | 0.0 | 2.6 | 0.4 | 0.7 | 1.2 | 0.3 | 0.0 | 0.6 | 1.3 |
| Sep | 0.2 | -0.4 | 0.9 | 1.4 | 0.7 | 0.0 | 0.4 | 1.5 | 1.9 | 1.0 | 0.3 | 1.4 | 0.2 | 0.2 |
| Oct | 1.6 | 2.6 | 0.0 | 0.6 | 0.4 | 0.0 | -1.2 | 0.6 | 1.1 | 1.7 | 0.4 | -0.3 | 1.7 | -0.6 |

Note: Figures for Aug, Sep and Oct 2006 have been improved to Base December 2001 = 100

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



Table A7 : External Debt Developments

Millions of US\$

| Item | June | | 2006/07 | | | |
|------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2004/05 | 2005/06 | Jul-06 | Aug-06 | Sep-06 | Oct-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 |
| Disbursed outstanding debt | 6,799.5 | 6,971.1 | 7,077.9 | 7,067.9 | 7,010.5 | 7,161.3 |
| Undisbursed debt | 1,545.6 | 1,667.7 | 1,771.7 | 1,788.1 | 1,888.3 | 1,858.8 |
| 2. Disbursed Debt by Creditor Category ² | 6,799.5 | 6,972.3 | 7,077.9 | 7,067.9 | 7,010.5 | 7,161.3 |
| Bilateral | 1,502.3 | 1,492.5 | 1,491.6 | 1,468.3 | 1,471.1 | 1,460.2 |
| Multilateral | 4,626.3 | 4,720.6 | 4,826.1 | 4,837.9 | 4,774.6 | 4,935.8 |
| Commercial | 416.4 | 481.1 | 482.1 | 483.7 | 486.4 | 456.5 |
| Export credits | 254.5 | 278.2 | 278.1 | 278.0 | 278.4 | 308.8 |
| 3. Disbursed Debt by Borrower Category ² | 6,799.5 | 6,971.1 | 7,077.9 | 7,067.9 | 7,010.5 | 7,161.3 |
| Central Government | 5,830.5 | 5,971.2 | 6,072.4 | 6,059.7 | 6,019.7 | 6,179.7 |
| Parastatal Companies | 477.5 | 445.4 | 447.5 | 449.2 | 428.4 | 419.1 |
| Private Sector | 491.5 | 554.6 | 558.0 | 559.0 | 562.4 | 562.6 |
| 4. Disbursed Debt by Use of Fund ² | 6,799.5 | 6,971.1 | 7,077.9 | 7,067.9 | 7,010.5 | 7,161.3 |
| Balance of payment support | 1,335.1 | 1,392.6 | 1,397.2 | 1,398.6 | 1,399.1 | 1,452.7 |
| Transport & Telecommunication | 1,073.5 | 1,087.9 | 1,095.9 | 1,107.5 | 1,107.5 | 1,111.7 |
| Agriculture | 1,077.8 | 1,050.1 | 1,080.8 | 1,084.7 | 1,025.5 | 1,025.2 |
| Energy & Mining | 1,070.3 | 955.2 | 957.2 | 958.1 | 955.6 | 950.0 |
| Industries | 405.5 | 409.0 | 409.8 | 409.8 | 408.1 | 409.0 |
| Social Welfare & Education | 611.7 | 647.3 | 715.8 | 716.1 | 714.3 | 713.6 |
| Finance and Insurance | 96.6 | 98.7 | 99.2 | 99.2 | 98.7 | 98.4 |
| Tourism | 80.1 | 80.8 | 80.8 | 80.7 | 80.9 | 80.8 |
| Others | 1,048.9 | 1,249.8 | 1,241.4 | 1,213.2 | 1,220.8 | 1,319.9 |
| 5. Total Amount of Loan Contracted ¹ | 376.4 | 241.9 | 0.4 | 0.0 | 0.3 | 0.0 |
| Government | 335.4 | 147.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Parastatal Companies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Private | 41.0 | 94.9 | 0.4 | 0.0 | 0.3 | 0.0 |
| 6. Disbursement ¹ | 190.2 | 210.0 | 2.0 | 6.7 | 19.1 | 0.0 |
| Government | 161.4 | 182.4 | 2.0 | 6.3 | 18.9 | 0.0 |
| Parastatal Companies | 0.0 | 4.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Private | 28.8 | 23.5 | 0.0 | 0.4 | 0.3 | 0.0 |
| 7. Scheduled Debt Service ¹ | 355.1 | 373.6 | 15.6 | 26.7 | 33.2 | 21.1 |
| 8. Actual Debt Service ¹ | 112.9 | 90.7 | 3.6 | 5.4 | 3.8 | 3.0 |
| Principal | 86.0 | 61.4 | 2.2 | 2.6 | 1.1 | 0.6 |
| Interest | 26.9 | 29.3 | 1.4 | 2.8 | 2.6 | 2.4 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 9. Net Transfers | 77.3 | 119.3 | -1.6 | 1.4 | 15.4 | -3.0 |
| 10. Total Arrears by Creditor Category ² | 2,470.5 | 2,391.1 | 2,412.5 | 2,402.1 | 2,405.2 | 2,412.8 |
| Principal | 1,135.2 | 1,132.7 | 1,138.9 | 1,130.6 | 1,137.7 | 1,138.4 |
| Bilateral | 669.4 | 609.0 | 612.5 | 603.5 | 599.9 | 597.4 |
| Multilateral | 5.9 | 11.9 | 12.9 | 12.4 | 13.1 | 13.2 |
| Commercial | 249.2 | 273.4 | 275.0 | 276.2 | 285.8 | 287.7 |
| Other Private Creditors | 210.7 | 238.5 | 238.5 | 238.5 | 238.9 | 240.1 |
| Interest | 1,335.3 | 1,258.3 | 1,273.6 | 1,271.5 | 1,267.5 | 1,274.5 |
| Bilateral | 818.8 | 682.2 | 686.8 | 682.4 | 675.0 | 671.8 |
| Multilateral* | 23.4 | 22.0 | 22.5 | 22.4 | 22.9 | 22.8 |
| Commercial | 333.7 | 372.9 | 375.3 | 377.1 | 379.9 | 387.5 |
| Other Private Creditors | 159.4 | 181.2 | 189.0 | 189.5 | 189.7 | 192.4 |
| 11. External Debt Stock | 8,134.8 | 8,229.5 | 8,351.5 | 8,339.4 | 8,278.0 | 8,435.8 |
| 12. Domestic Debt Stock | 952.6 | 1,405.9 | 1,388.2 | 1,342.7 | 1,386.4 | 1,374.4 |
| Total Debt Stock (11 + 12) | 9,087.4 | 9,635.4 | 9,739.7 | 9,682.1 | 9,664.4 | 9,810.1 |
| 13. End Period Exchange Rate TZS/US \$ | 1,126.3 | 1,253.1 | 1,287.9 | 1,320.0 | 1,272.7 | 1,287.1 |

NB. Multilateral*: multilateral arrears represents private sector arrears

1 During the period. 2 End of October 2006 cumulative.

Source: Bank of Tanzania



GLOSSARY



Currency in Circulation Outside Banks

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

Discount Rate

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

Exchange Rate

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

Lombard Facility

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

Lombard Rate

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

Money Supply, M

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

M1, Narrow Money,

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

M2, Broad Money

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

M3, Extended Broad Money

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

Nominal Exchange Rate

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

Non-Food or Underlying Inflation Rate

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

Repurchase Agreement (REPO)

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

Reserve Money (M0)

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

Seasonally Adjusted Series

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

Weighted Annualized Yields of Treasury Bills of all Maturities

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



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