



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

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1.0 Inflation Developments

Inflation Drops in June and July

Annual headline inflation declined for two months in a row to 5.4 percent in July 2006, from 6.8 percent recorded a month earlier, owing to improved food supply in the country in the wake of the ongoing food crop harvesting. The improved domestic food supply was also marked on the month-to-month inflation, where the headline inflation declined by 0.5 percent in July compared with a decline of 1.1 percent in the previous month. A deceleration in the month-on-month headline inflation was also apparent when seasonal influences were excluded from the overall measure of inflation for the month of July.

Annual food inflation continues to decline, reaching 7.0 percent in July 2006 from 9.6 percent recorded in the preceding month following improvements in food supply in the markets. Similarly, the month-to-month food inflation slowed down by 1.3 percent compared to 2.7 percent decline in June, mainly as a result of decrease in average prices of rice, maize flour, beans, starch roots, groundnuts and vegetables. Food prices are expected to go down further in the coming months as food crops continue to get into the markets.

In contrast, non-food inflation increased slightly to 3.9 percent in the year ending July 2006 from 3.8 percent recorded in the preceding month, mainly due to increase in average prices of drinks, cigarettes, fuel, electricity tariffs, and transportation costs. On month-to-month basis, non-food inflation rose by 0.9 percent, following a rise in prices of furniture, clothing, transport charges, car tyres, bicycles, charcoal and some school items (see Table 1.1 and Chart 1.1).

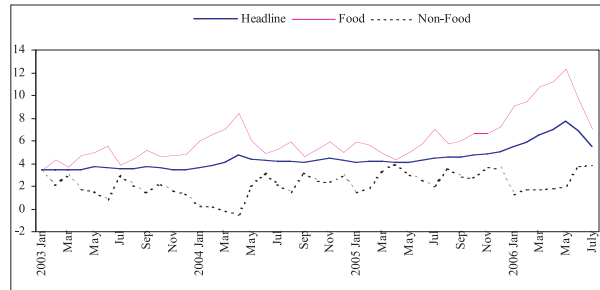
Table 1.1: Percentage Change in Consumer Price Index (All-Urban)

Base: 2001=100

Major Commodity Group	Weight (%)	2004			2005			2006		
		May	Jun	Jul	May	Jun	Jul	May	Jun	Jul
Headline/Overall	100	4.4	4.2	4.1	4.0	4.2	4.4	7.7	6.8	5.4
Food	55.9	6.0	4.9	5.3	5.0	5.8	7.0	12.3	9.6	7.0
Non-food	44.1	2.0	3.1	2.2	3.0	2.5	2.0	2.1	3.8	3.9
Transportation	9.7	1.3	1.2	-1.6	5.0	5.1	5.4	4.2	6.3	6.5
Fuel, Power and Water	8.5	4.9	9.1	18	9.6	5.6	0.3	4.9	10.4	7.9
Drinks and Tobacco	6.9	1.2	1.8	-4.7	1.7	1.4	3.1	2.6	2.9	5.7
Clothing & Footwear	6.4	3.3	2.3	-0.1	-0.9	0.9	1.3	-2.0	-2.2	-1.1
Education	2.6	1.4	1.6	0	0.2	1.2	0.1	0.6	0.2	1.1
Furniture & Household Equip.	2.1	0.3	2.2	-2	-3.2	-2.8	-0.9	0.8	1.3	1.5
H/h Operations Maintenance	2.1	0.5	2.2	-0.4	1.4	0.4	0.3	-0.9	-0.4	0.0
Personal Care & Health	2.1	-2.7	0.7	-5	4.4	6.1	6.5	-0.6	0.4	-0.8
Rents	1.4	4.3	3.4	2.6	-5.3	-5.0	-3.9	0.6	0.7	0.5
Recreation & Entertainment	0.8	0.9	0.5	0.2	0.9	-0.2	-2.1	-1.3	-1.3	-0.5
Misc. Goods & Services	1.5	-0.4	2.0	-5.7	-2.4	-1.5	-0.8	-0.7	-0.8	-0.5

Source: National Bureau of Statistics (NBS)

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



Food Supply Situation

Food supply situation continues to improve as harvesting unfolds. Meanwhile, the government has temporarily banned exportation of cereals (except wheat flour), pending the findings of the Rapid Vulnerability Assessment, which is expected to be ready by September 2006. The ban is aimed at ensuring adequate food supply in the country and hence stabilizing food prices. In addition to the developments, the government continues to distribute food relief to areas that were still facing food shortage. During July 2006, about 4,205 tons of maize was distributed, leading to cumulative distribution of 110,419 tons since the exercise started in October 2005.

In view of the increased supplies of fresh produce in the market, average prices of all food items declined further during the month under review. The average wholesale price of maize fell to TZS 22,309 per 100 Kg in July 2006 compared with TZS 25,833 recorded in the previous month. Prices of rice, beans, sorghum and potatoes also decelerated during the month from previous month levels (see Table 1.2). However, food prices in July 2006 were generally high compared with corresponding month last year. This was largely due to high transport costs caused by high prices of oil.

Table 1.2: National average Wholesale Prices for Selected Food Items

TZS per 100 Kgs

Crop	Jul-03	Jul-04	Jul-05	2006		Percentage change	
				Jun	Jul	Jul-06 to Jul-05	Jul-06 to Jun-06
Maize	16,347	13,997	16,839	25,833	22,309	32	-13.6
Rice	36,054	44,908	48,231	74,793	69,551	44	-7.0
Beans	40,158	35,510	46,119	50,729	48,785	6	-3.8
Sorghum	17,910	21,042	20,499	38,938	33,968	66	-12.8
Potatoes	19,707	22,077	23,623	29,155	27,320	16	-6.3

Source: Ministry of Agriculture, Food Security and Cooperatives

Strategic Grain Reserves

By end July 2006, the SGR stock was at 13,811 tons compared to 15,560 tons recorded at the end of the previous month. This stock level was also lower than



that of corresponding month last year by 88 percent, due mainly to a substantial distribution of food relief to deficit areas following the drought in the country. Meanwhile, the government is expecting to import 30,000 tons of maize and would purchase 80,000 tons from local markets to build up the SGR stock (see Table 1.3).

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

	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		
September	95,000	59,047	57,500	61,364	67,685	111,971		
October	88,474	58,000	62,700	59,379	92,710	111,695		
November	89,882	62,388	61,773	52,054	108,448	106,428		
December	78,967	62,788	58,395	41,649	114,030	93,051		

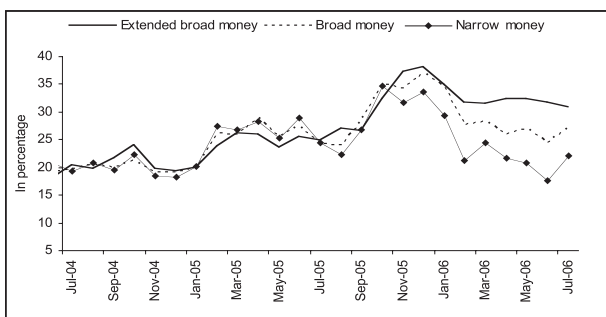
Source: Food Security Department and BOT computation

2.0 Monetary and Financial Developments

Money Supply

During the year ending July 2006, extended broad money supply (M3) expanded by 30.7 percent compared with 31.6 percent in the preceding month owing to a deceleration in the growth of foreign currency deposits. In the same period, broad money supply (M2) grew by 27.3 percent compared to 24.5 percent. The increase occurred mostly in currency in circulation, demand deposits as well as time deposits (Table 2.1 and Chart 2.1). The growth in demand and time deposits is mainly associated with funds mobilized for buying shares in the Tanzania Portland Cement Company—Twiga Cement—during the initial public offer (IPO).

Chart 2.1: Tanzania – Annual Growth Rates of Monetary Aggregates



On the assets side of the banking system, the growth in money supply was accounted for by net foreign assets, which grew by about 52 percent during the year under review compared with 35 percent in the preceding month. Large increases occurred in foreign assets of the Bank of Tanzania on account of donor funds inflows. Also, growth of credit to private sector by banks remained robust during the year in the wake of continuing government's efforts to improve business environment and implementation of various economic policies. The credit growth was also bolstered by the IPO of Twiga Cement, for which some banks extended credit to customers for buying shares.

Table 2.1: Tanzania – Selected Money Supply Components

Components	2006		Abs. Change	Annual growth (%)				
	Jun	Jul		Jul-03	Jul-04	Jul-05	Jun-06	Jul-06
Extended broad money	4299.1	4435.9	136.8	22.6	20.4	24.9	31.6	30.7
Broad money	2945.5	3034.5	89.0	17.0	19.8	24.2	24.5	27.3
Currency outside the banking system	856.2	914.1	58.0	14.4	23.6	25.2	16.5	19.3
Demand deposits	942.7	987.2	44.6	37.0	15.3	23.7	18.7	25.0
Time deposits	455.2	441.2	-13.9	-5.1	18.2	17.7	38.5	41.5
Savings deposits	691.5	691.9	0.4	11.2	22.7	27.6	35.9	34.2
Foreign currency deposits	1353.5	1401.4	47.9	39.0	21.9	26.8	50.4	38.9
In millions of USD	1,080.2	1,088.1	7.90	27.1	16.1	22.3	35.2	22.5
Private sector deposits in com. banks	3442.9	3521.7	78.9	25.2	19.5	24.9	36.0	34.1
Govt sector deposits in com. banks	197.1	200.4	3.3	20.4	170.8	7.2	40.8	68.2
Total deposits	3639.9	3722.1	82.2	25.0	22.9	24.0	36.2	35.6
Net foreign assets	3072.8	3441.9	369.1	42.6	11.5	6.7	34.8	51.5
Bank of Tanzania	2212.0	2547.3	335.3	65.6	10.0	14.9	32.8	57.0
Commercial banks	860.8	894.6	33.8	10.9	14.7	-9.5	40.4	37.8
Net domestic assets	1835.5	1603.2	-232.3	-6.1	51.1	55.3	21.5	-3.5
Domestic Credit	2169.5	2051.8	-117.6	21.4	39.7	30.5	44.2	26.9
Claims on govt by the banking system	965.4	929.1	-36.3	14.0	11.3	82.1	75.2	-0.8
Govt deposits in the banking system	452.8	655.1	202.3	78.3	-2.5	129.6	69.9	5.6
Claims on the private sector	1656.8	1777.8	120.9	46.0	41.8	30.7	35.9	36.7

Source: Bank of Tanzania

On monthly basis, the extended broad money supply increased by TZS 136.8 billion to TZS 4,435.9 billion in July. This increase is relatively lower compared with the increase of TZS 180.3 billion a month earlier. As for broad money supply, the increase was TZS 89.0 billion to TZS 3,034.5 billion; which is relatively lower than the increase of TZS 99.2 billion registered a month earlier. The sizeable increase in money supply was also recorded in all of its components except for time deposits that recorded a decline of TZS 13.9 billion. Currency in circulation increased by TZS 58.0 billion followed by foreign currency deposits which went up by TZS 47.9 billion, and demand deposits increased by TZS 44.6 billion. The increase in deposits reflects the initiatives taken by some commercial banks in mobilizing deposits.

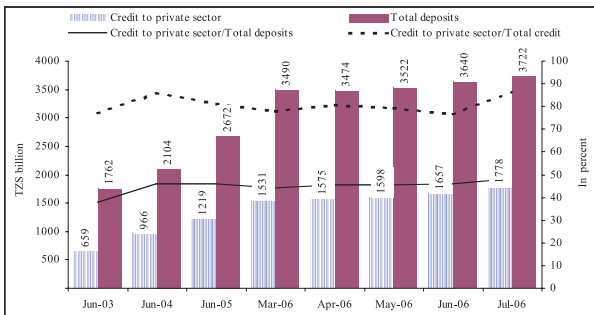
Credit Developments

In the year ending July 2006, private sector credit grew at around 37 percent, slightly higher than the growth rate of 36 percent in year ending June 2006. Most of the credit was directed to trade, manufacturing, agriculture, and transportation activities, which altogether accounted for more than 60 percent of the total credit extended.



During the month of July 2006, about TZS 121 billion were loaned out to the private sector pushing the outstanding stock of private sector loans to TZS 1,777.8 billion. Out of the total credit extended during the month, about 51 percent was in Shillings and the balance was in foreign currency, for which nearly 17 percent reflected valuation of changes (conversion of credit extended in foreign currency into Shillings) following depreciation of the Shilling.

Chart 2.2: Tanzania – Commercial Banks Intermediation



As for the central Government financial position with the banking system, it improved remarkably during the month under review. Specifically, net claims on the government by the banking system declined by TZS 238.6 billion compared with an increase of TZS 91.7 billion in the preceding month. This development was on account of a building up of deposits of about TZS 200 billion at the Bank of Tanzania by the government following receipt of budget support funds from development partners, coupled with payment of maturing domestic debt, mainly Treasury bills and bonds (see Table 2.2).

Interest Rates

In the month under review, developments in interest rates were mixed. The average rate on savings deposits was 2.5 percent as in the previous month, while the rate on one-year deposits averaged 7.9 percent, slightly lower than 8.3 percent of the preceding month. However, the overall time deposit rate improved to around 6.7 percent from 6.4 percent registered in June 2006. Negotiated deposit rate (rates offered to prime depositors) went down to 9.1 percent in July from 10 percent in June 2006.

During the month under review, prime borrowers were charged 12 percent on loans, almost as in the previous month. The case was different for short-term loans, which charged at 15.5 percent from 16 percent in June. The overall lending rate was around 15 percent during the month (see Table 2.2)

Table 2.2: Tanzania – Weighted Average Interest Rates Structure

Interest Rate Category	2006						
	Jan	Feb	Mar	Apr	May	June	July
364-day T-bill	15.6	15.8	13.9	11.9	10.4	9.6	9.8
Overall Treasury bills	14.9	13.7	13.4	12.0	10.2	8.3	9.2
Savings deposits rate	2.6	2.6	2.6	2.8	2.8	2.5	2.5
Overall Time deposits	5.6	6.1	5.9	5.8	5.6	6.4	6.7
12 months Time deposits	8.1	7.5	7.5	7.6	7.4	8.3	7.9
Negotiated deposits	10.6	10.4	10.4	11.5	10.0	10.0	9.1
Overall Lending	14.7	14.7	14.6	15.0	14.4	15.4	14.8
Short term lending (up to 1 year)	15.5	15.4	15.5	16.4	14.1	15.8	15.5
Negotiated Lending	11.3	13.4	11.6	11.2	11.3	11.9	12.0

Source: Commercial banks and Bank of Tanzania

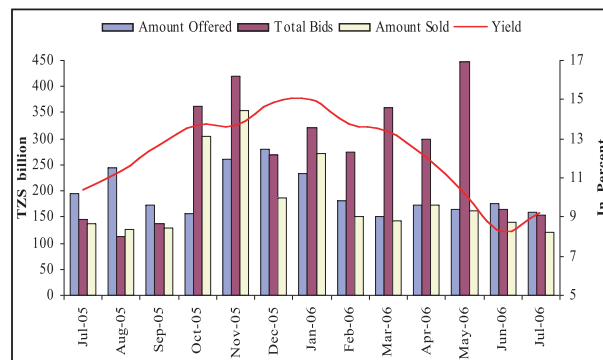
Financial Markets

Treasury bills market

Performance in the treasury bills market was weak during July 2006 owing to non-participation by some big banks. This situation is largely associated with shift in investors preference in favour of initial public offer by Twiga cement and the seasonal impact of payment of taxes by corporate customers at the end of the financial year. Some market participants were also seemingly constrained by the delay in budget execution as the government was yet to allocate its quarterly expenditure subventions pending the finalization of the budget. As a result of these, the demand for Treasury bills totalled 152.9 billion compared with TZS 159.5 billion offered for sale by the Bank of Tanzania. After leaving out the outlier bids, only TZS 127.0 billion were successful.

Consequent to the low demand, Treasury bills rates rose to an average rate of 9.2 percent, from 8.2 percent recorded in June 2006. However, this trend is likely to turn around after the allotment in Twiga cement as the demand for bills will pick up (see Chart 2.3).

Chart 2.3 Treasury Bills Market Developments



Treasury bonds market

Unlike the Treasury bills market, the demand for Treasury bonds improved slightly during the month under review.



Demand for Treasury bond stood at TZS 24.1 billion in July 2006 compared with TZS 21.0 billion in the preceding month. However, owing to the existence of some outlier bids, the Bank of Tanzania accepted bids worth TZS 9.5 billion, against the offered amount of TZS 16.0 billion. The overall weighted average yield (WAY) increased slightly to 14.7 percent in July 2006 from 14.5 percent registered in the preceding month. In particular, the WAY for 10-year and 7-year bonds increased to 16.96 percent and 15.4 percent in July from 16.0 percent and 15.3 percent in June, respectively, where as for 5-year Treasury bond the WAY stabilised at 15.76 percent. On the contrary, the 2-year WAY fell to 11.9 percent from 13.4 percent during the same period.

Repurchase Agreements Transactions

The Bank conducted repurchase agreements (repo) worth TZS 19 billion in July 2006 to supplement other open market instruments in liquidity management. Overall repo rate increased moderately to 6.17 percent in July 2006 from 5.14 percent in June 2006..

Foreign Exchange Operations

During July, demand for foreign exchange in the interbank foreign exchange market was significantly higher than in the preceding month. The pressure on demand was on account of the substantial rise in the import bill of goods and services, coupled with least export proceeds of goods and services during the month. As a result the Bank of Tanzania sold USD 26.4 million.

Following the substantial increase in foreign exchange demand, the shilling depreciated relatively sharp against the US dollar during July compared to the preceding month. The average exchange rate for the July was TZS 1,276.8 per US dollar while that of June was TZS 1, 253.7 per US dollar, which represents a depreciation of about 1.8 percent. End period exchange rate in July was TZS 1,289 per US dollar in July, compared with an exchange rate of TZS 1,253.3 per US dollar at the end of June.

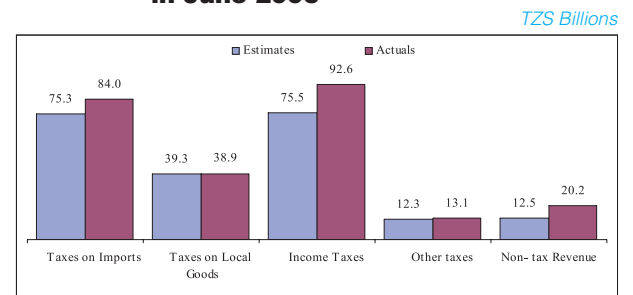
3.0 Government Budgetary Operations

During the month of July 2006, government budgetary operations recorded a deficit of TZS 157.2 billion. Total resources that were available

for the month from domestic revenue and grants amounted to TZS 204.8 billion, while expenditure including cheques for financial year 2005/06 (float) paid during the month) amounted to TZS 362.0 billion. The deficit was financed through government borrowing from both foreign and domestic sources.

Total revenue collected during the period was above the target of TZS 175.1 billion by TZS 12.7 billion. Tax revenue collections amounted to TZS 171.5 billion, exceeding the target by TZS 7.4 billion. Non tax revenues performed well and exceeded the target by TZS 5.3 billion. The good performance in tax revenue collections came from income taxes and taxes on imports mainly due coordinated tax administration efforts and increased compliance by the taxpayers through timely submission of tax returns and payments.

Chart 3.1: Government Revenue Performance in June 2006



During the month under review, total government expenditure cheques written (excluding amortization) amounted to TZS 222.3 billion, out of which recurrent expenditure was TZS 158.2 billion, while development expenditures entirely from foreign sources amounted to TZS 64.1 billion.

4.0 External Sector Performance

During July 2006, the current account balance improved slightly by recording a lower deficit of USD 140.4 million compared with previous month's deficit of USD 181.7 million as a result of increase in services and income receipts. However, the performance for the year ending July 2006 worsened, by recording a huge deficit of USD 1,264.0 million compared with a deficit of USD 735.2 million in the corresponding period last year following a huge increase in the import bill (**see Table 4.1**).



Table 4.1: Tanzania: Current Account Balance

Millions of USD

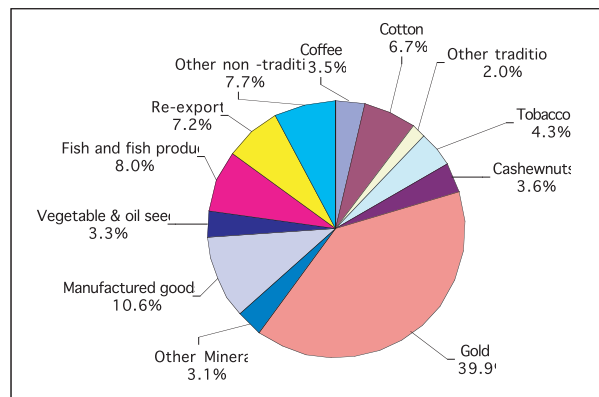
Item	July		2006		Year Ending July		
	2004	2005	Jun	Jul	2005 ^P	2006 ^P	% Change
Goods Account (net)	-68.1	-120.0	-208.8	-181.0	-1,176.6	-1,761.3	49.7
Exports	117.1	118.4	124.3	119.1	1,608.3	1,736.8	8.0
Imports	185.2	238.4	333.1	300.1	2,784.9	3,498.1	25.6
Services Account (net)	33.4	22.0	15.8	31.3	103.7	120.7	--
Receipts	110.9	119.7	125.8	137.6	1,244.9	1,374.2	10.4
Payments	77.5	97.8	110.0	106.3	1,141.3	1,253.4	9.8
Goods and services (net)	-34.7	-98.0	-193.0	-149.7	-1,072.9	-1,640.6	52.9
Exports of goods and services	228.0	238.2	250.1	256.7	2,853.2	3,110.9	9.0
Imports of goods and services	262.7	336.2	443.1	406.4	3,926.1	4,751.5	21.0
Income Account (net)	-28.9	-17.1	-17.8	-4.2	-163.7	-187.8	14.7
Receipts	3.8	3.4	6.3	10.7	82.5	82.0	-0.6
Payments	32.7	20.5	24.1	14.9	246.2	269.8	9.6
Current Transfers (net)	103.8	11.9	29.1	13.5	501.5	564.4	12.5
Inflows	110.3	18.5	34.8	19.3	568.1	630.7	11.0
o/w General Government	104.6	12.2	23.9	8.0	495.6	499.9	0.9
Outflows	6.5	6.6	5.7	5.8	66.6	66.3	-0.5
Current Account Balance	40.2	-103.2	-181.7	-140.4	-735.2	-1,264.0	--

Source: Bank of Tanzania

Note: -- = Very large number

P = Provisional. Totals may not add up due to rounding of numbers

Chart 4.2: Tanzania Exports: Shares to Total Exports of Goods, Year Ending July 2006



Note: Other non-traditional include horticultural products and other exports

1. Other traditional exports include sisal, tea and cloves

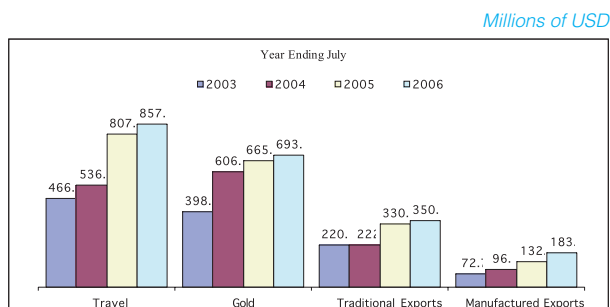
2. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.

3. 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

Exports Performance

During the year ending July 2006, Tanzania exported goods and services worth USD 3,111 million, which is an improvement of about 9 percent over the corresponding period last year. Travel (tourism) and gold receipts dominated by accounting for about 50 percent of the total value of exports (Chart 4.1).

Chart 4.1: Tanzania: Share to Total Exports of Goods and Services



Value of export of goods was USD 1,736.8 million for the year to July 2006, which is an improvement of about 8 percent over the previous year. Export of traditional crops picked up only slightly, on account of a dismal production of coffee, sisal and tea owing to unfavourable weather conditions. Gold exports remained dominant by accounting for about 40 percent total export value of goods, followed by manufactured exports (Chart 4.2).

Traditional Exports

In July 2006, traditional exports declined to USD 4.7 million compared to USD 6.7 million recorded in the previous month, as it was off-season for most of the exports. On annual basis, traditional exports totalled USD 350.2 million, representing an increase of 5.8 percent over the previous year. Export crops that recorded increases were cotton, tobacco, cashewnuts and cloves. The rise in the value of cotton is associated with usage of inputs and price increases in the world market while crop cyclical of cloves led to increase in export volume. Export value of tobacco increased on account of a significant increase in price. During the same period, export volumes of coffee and tea declined mainly because of the drought.

Non-Traditional Exports

Total value of non-traditional exports declined marginally to USD 114.4 million in July 2006 compared with USD 117.6 million recorded in the previous month. A dismal performance was marked in the exports of minerals, manufactured goods and fish and fish products. During the same period, however, exports of oil seeds and sesame seeds increased, with the former fetching USD 10.7 million compared with USD 4.3 million recorded in the preceding month. Most of the oil seeds were exported to Japan, China, India and Turkey.

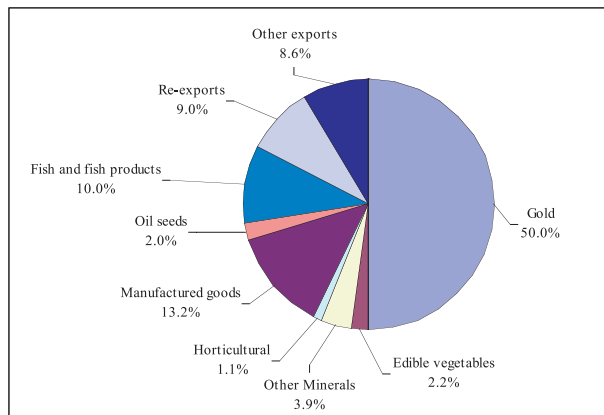
For the year ending July 2006, non-traditional exports totalled USD 1,386.6 million, which is an improvement of 8.5 percent over the preceding year. The improvement emanated from manufactured exports, minerals and other exports¹. Most of manufactured goods were exported to Burundi, Rwanda and the Democratic Republic of Congo.



¹Include edible vegetables, oil seeds, cereals, cocoa, raw hides and skins, woods and articles thereof

The manufactured goods include textile apparels, iron and steel and plastic articles. Mineral exports (mainly gold) remained dominant, accounting for nearly 50 percent of non-traditional exports, partly associated with the increase in prices, from an average of 422.42 per troy ounce in the previous year to about 539.69 per troy ounce in 2005/06. The volume of gold exports decline by about 9.0 percent during the year under review on account of low quality of ore by Geita Gold Company, which is the leading exporter of gold. Gold from Tanzania is mostly exported to the United Kingdom.

Chart 4.3: Tanzania Exports: Shares to total non-traditional exports, Year to July 2006



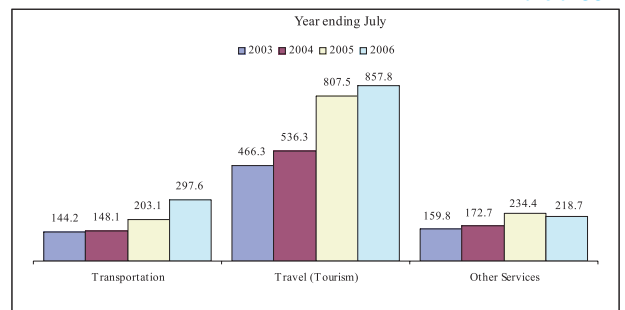
Services Export

During July 2006, export of services amounted to USD 137.6 million, higher than previous month's level by 9.4 percent. The increase emanated from travel (which is mainly tourism) and insurance receipts, the former being linked to the on set of the peak tourist season that begins from June to September.

During the year ending July 2006, services receipts amounted to USD 1,374.2 million compared with USD 1,245 million recorded in the corresponding period last year. Large increases occurred in transportation and travel related activities. The improvement in travel related activities was in line with tourism promotional efforts by the Government and other stakeholders while the increase in transportation receipts was largely attributed to the picking up of transit cargoes at the Dar es Salaam port owing to improvement of services.

Chart 4. 4: Tanzania: Service Receipts 2003 – 2006

Millions of USD



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

Imports

The **import bill for goods** was about USD 300 million in July 2006 compared with USD 333 million recorded in the previous month (**Table 4.2**). The capital goods imports went down by about 11 percent on account of a decline in the importation of transport equipment and machinery particularly telecommunication and earth moving equipments. Intermediate goods imports were also lower in July than in the preceding month, particularly for oil, fertilizers and industrial raw materials, reflecting mainly carry-over stocks.

Food imports amounted to USD 16.6 million compared with USD 29.8 million in the previous month, consistent with the improved domestic supply. The value of imports of cereals—maize, rice and wheat—was USD 14.1 million in July, being 44.4 percent lower than previous month's level, while the volume declined from 129,146 tons in June 2006 to a total of 68,723 tons in the review month. Importation of cereals is expected to decline further in the coming months as domestic food supply improves in the wake of the ongoing crop harvesting.

Table 4.2: Tanzania imports

Millions of USD

Import Category	2005 ^P	2006 ^P		% Change		Year Ending July ^P		
	July	June	July	Jul 05-Jul 06	Jun 06-Jul 06	2005	2006	Chan
CAPITAL GOODS	73.6	129.0	115.0	56.2	-10.9	966.9	1,300.6	34.5
Transport Equipments	18.8	37.9	31.1	65.1	-18.0	234.8	364.7	55.2
Building and Constructions	18.3	28.9	31.0	69.5	7.1	221.8	317.7	43.2
Machinery	36.5	62.2	52.9	45.0	-14.9	510.3	618.2	21.1
INTERMEDIATE GOODS	116.6	127.7	115.4	-1.0	-9.6	1,075.9	1,360.1	26.6
Oil imports	89.4	87.5	83.1	-7.0	-5.0	783.4	1,003.8	28.1
Fertilizers	11.0	2.7	2.4	-78.5	-12.8	63.5	38.3	-39.1
Industrial raw materials	16.2	37.4	29.9	84.8	-20.1	229.0	318.0	38.5
CONSUMER GOODS	48.3	76.4	69.7	44.4	-8.8	742.1	837.4	12.8
Food and food stuffs	11.3	29.8	16.6	47.7	-44.1	184.6	243.6	31.5
All other consumer goods ¹	37.0	46.7	53.1	43.4	13.7	557.5	593.8	6.5
GRAND TOTAL (F.O.B)	238.4	333.1	300.1	25.9	-9.9	2,784.9	3,498.1	25.6
GRAND TOTAL (C.I.F)	262.0	366.0	329.8	25.9	-9.9	3,060.3	3,844.0	25.6

Note: Oil imports refers to refined petroleum products

P = provisional data

¹ Includes pharmaceutical products, paper products, and plastic items, and optical/photographic materials, textile apparels.

Source: Bank of Tanzania and Tanzania Revenue Authority



The annual import bill of goods went up significantly to USD 3,498.1 million in July 2006 from USD 2,784.9 million in the corresponding period in 2005. The increase was marked in the importation of transport equipment, building and construction, and machinery (Table 4.3). Building and construction items that increased include ceramic products, iron and steel articles, while machinery imports (which accounted for about 48 percent of the total capital goods imports) consisted of items for mining, communication and manufacturing activities.

Intermediate goods imports amounted to USD 1,360.1 million during the year ending July 2006, up by 26.4 percent over the previous year, largely on account of the increases in importation of oil and industrial raw materials. The increase in oil imports was observed in both volume and price. The volume of oil imports rose from 1,686,675 tons in the previous year to 1,725,827 tons. This was mainly due to high demand following drought that impaired generation of thermo power. As for the price factor, the price of refined oil (white petroleum products) increased from an average of 443.5 per ton for the year ending July 2005 to an average of 607.6 per ton in July 2006.

Consumer goods imports grew by 12.8 percent to 837.4 million in the year ending July 2006, mainly on account of increased food imports following the drought. Food imports mainly cereals (rice, maize and wheat) accounted for about 70 percent of total imports of food and foodstuffs. Imports of other consumer goods such as pharmaceutical products, books and plastic articles increased during the year under review.

Table 4.3: Summary of food imports

Item	Apr-06	May-06	Jun-06	Jul-06
Maize				
Tons	19,154	37,267	47,825	8
Value (USD Mill.)	5.1	6.7	9.8	0.002
Rice				
Tons	3,546	14,232	27,871	10,854
Value (USD Mill.)	1.0	3.3	6.4	2.5
Wheat				
Tons	54,108	59,662	53,450	57,861
Value (USD Mill.)	11.6	10.6	9.1	11.6

Source: Bank of Tanzania and Tanzania Revenue Authority

Chart 4.5: Tanzania Imports: Shares to total imports, Year ending July 2006

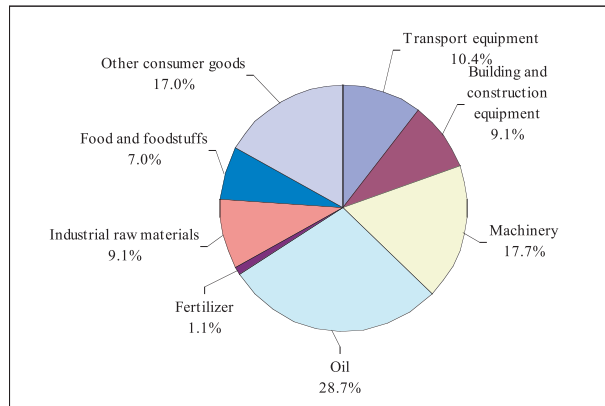
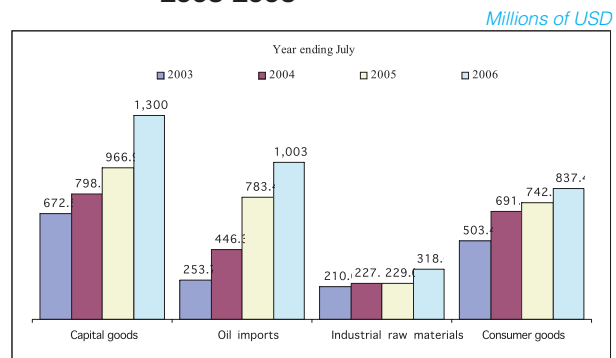


Chart 4.6: Tanzania: Goods Imports: 2003-2006

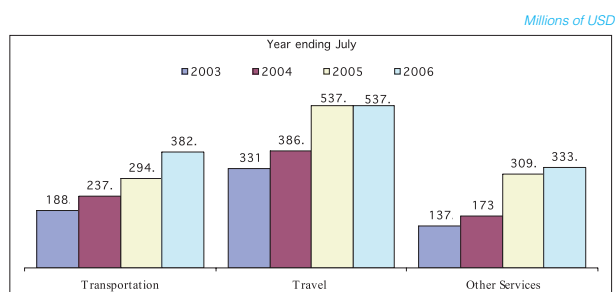


Services Imports

During the review month, services payments declined by 3.4 percent to USD 106.3 million mainly due to the fall in transportation and government services payments. On an annual basis, services payments increased to USD 1,253.4 million from USD 1,141.3 million during the previous period, mainly on account of the increase in payments for construction, freight charges, financial services and insurance services. The increase in freight payments is in line with the increase in merchandise imports, while the rise in insurance payments is partly attributed to the increase in foreign direct investment. The growth in financial services payments is largely associated with the expansion of financial and intermediary activities in the country. This includes service fees associated with letters of credit, foreign exchange and securities transactions as well as financial market operations. The performance of the major service payment categories in the past four years is shown on **Chart 4.7**.



Chart 4.7: 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

In July 2006, most of the world commodity prices were higher than previous month levels. The prices of Arabica and Robusta coffee went up by 2.2 percent and 6.8 percent largely due to supply constraints following drought in Vietnam last year. In the same period, the price of tea at Mombasa Auction increased while that of cotton (Memphis) declined slightly (Table 5). On the other hand, the prices of sisal and cotton (A- Index) remained unchanged.

As for crude oil (Brent and Dubai f.o.b), prices accelerated by 6.1 percent over the previous month levels. A similar development was observed on the price of white products with premium gasoline recording an increase of 8.2 percent to USD 772.0 per ton. The increase in oil prices was caused by strong global demand particularly in U.S, China and India, coupled with geopolitical tensions in the Middle East. The price of gold increased during the month due to high demand in the jewellery sector in India as the wedding season approaches.

On year-to-year basis, the prices of commodities in the world market were higher in July 2006 than in the corresponding period last year, save for sisal. The prices of Robusta and Arabica coffee increased largely due to low supply from Vietnam caused by drought. The price of tea (Mombasa Auction) increased because of improved demand in Egypt, United Kingdom and Pakistan, as well as low supply from East Africa following unfavourable weather condition.

During the year to July 2006, the average prices of crude oil Brent, Dubai (f. o. b.) and white petroleum products increased substantially compared to the corresponding period in the previous year. The main contributing factors were supply disruptions following global tensions in the Middle East and Iran, civil unrests in Nigeria. The price of gold also rose substantially to USD 553.7 per troy ounce as investors diversified from investing in stocks because of global insecurity thus pushing up the demand for gold as an alternative investment.

Table 4.4: World Commodity Prices

COMMODITY	Units	2006			% Change	Year ending July		% Change
		May	June	July		2005	2006	
Robusta Coffee	USD per kg	1.33	1.33	1.42	6.77	0.96	1.26	31.25
Arabica Coffee	USD per kg	2.41	2.27	2.32	2.20	2.36	2.42	2.54
Tea (Average price)	USD per kg	1.88	1.98	2.01	1.52	1.70	1.79	5.29
Tea (Mombasa auction)	USD per kg	2.10	2.15	2.16	0.47	1.49	1.84	23.49
Cotton, "A Index"	USD per kg	1.20	1.22	1.22	0.00	1.18	1.25	5.93
Cotton, Memphis"	USD per kg	1.27	1.31	1.29	-1.53	1.23	1.32	7.32
Sisal (UG)	USD per metric ton	885.00	885.00	885.00	0.00	885.00	885.00	0.00
Cloves	USD per metric ton	4,375.00	5,212.50	n.a	-	3,320.60	3,747.92	12.87
Crude oil*	USD per barrel	68.68	68.29	72.45	6.09	46.60	62.81	34.79
Crude oil**	USD per barrel	64.91	65.08	69.05	6.10	41.73	58.99	41.36
White products***	USD per ton	670.77	673.69	696.90	3.45	443.53	607.58	36.99
Jet/Kerosene	USD per ton	692.65	691.59	696.61	0.73	482.62	624.39	29.38
Premium Gasoline	USD per ton	707.09	713.59	772.00	8.19	446.46	632.25	41.61
Heat Oil	USD per ton	612.56	615.89	622.08	1.01	458.73	568.75	23.98
Gold	USD per troy ounce	675.40	596.10	633.70	6.31	424.62	553.69	30.40

Source: Various Trade Publications

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

5.0 National Debt Developments

National debt stock (external and domestic) went up to USD 9,654.5 million at end July 2006 from USD 9,635.4 million recorded at the end of June of the previous month. During the month, debt relief in the form of debt service reduction from multilateral institutions amounted to USD 5.6 million, making a total of USD 4,225.8 million realised in the form of debt service reduction and Multilateral Debt Relief Initiatives. Debt relief from bilateral creditors under the HIPC framework had amounted to USD 1,052.3 million by the end of July 2006

External Debt

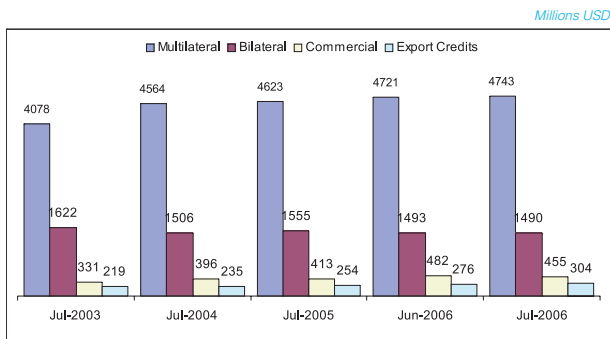
By end July 2006, the stock of external debt stood was USD 8,266.3 million, an increase of USD 36.8 million from previous month level of USD 8,229.5 million. Out of the external debt stock, USD 6,992.6 million (84.6 percent) was disbursed outstanding debt and the remaining balance of USD 1,388.2 million was interest arrears. Debt with maturity of more than ten years accounted for 92.7 percent of the total external debt while the share of concessional loans was 92.7 percent. In terms of currency composition, about 52 percent was contracted in Special Drawing Rights, 26.0 percent in US Dollars, and 12.3 percent in Japanese Yen and the balance of 10 percent was in other currencies.

The profile of disbursed and outstanding debt shows that the Central Government was the largest borrower, accounting for USD 5,988.1 million (85.6 percent). In terms of creditor category, the debt owed to multilateral institutions amounted to USD 4,743 million, being about 68 percent of



total, bilateral creditors was 1,490.0 (21.3 percent) million and the balance was in the form of commercial and export credits.

Chart 5.1: The DOD by Borrower Category



The composition of disbursed outstanding debt in terms of use of funds was as follows: Amounted disbursed for balance of payments support was USD 1,397.2 million (20.0 percent) while USD 1,086.2 million (15.5 percent) was disbursed for transport and telecommunication activities. The amount disbursed for Agricultural activities amounted to USD 1,055.2 million (15.1 percent), energy and mining USD 957.2 million (13.7 percent), social welfare and education USD 705.8 million (10.1 percent), and industries absorbed USD 409.8 million (5.9 percent). Finance and insurance absorbed USD 99.2 million (1.4 percent), tourism USD 80.8 million (1.2 percent) and USD 1,201.4 million was absorbed by other activities.

External Debt Service

During the month of July 2006, debt service amounted to USD 3.6 million, out of which, payment on principal was USD 2.2 million.

Debt Relief

During the month, Tanzania realised debt relief in the form of debt service reduction from multilateral institutions amounting to USD 5.6 million, out of which, USD 4.4 million was received from AfDB and the balance was realised from IDA (Table 5.1). Debt relief received from bilateral creditors in the form of debt cancellation amounted to USD 1,052.3 million compared to USD 1,043.3 million recorded in previous month. Out of this amount, USD 867.6 million was debt cancellation by Paris Club creditors and the remaining USD 184.6 was received from Non Paris Club creditors. Debt relief under Multilateral Debt Relief Initiative remained unchanged at USD 3,782 million.

Table 5.1: Multilateral Debt Relief

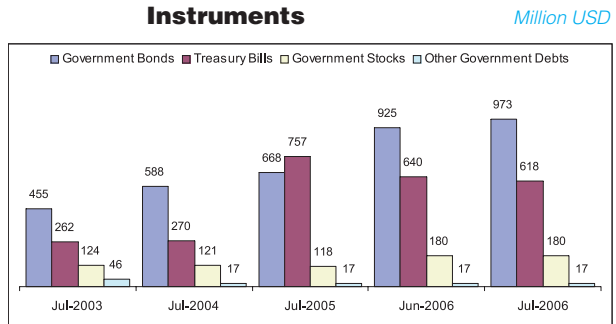
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	Jul-06	Total
IDA	9.12	39.78	41.24	43.45	47.79	47.74	48.52	1.19	278.83
AfDB	4.51	9.63	0.00	8.02	10.00	9.99	9.87	4.44	56.46
IMF	6.33	17.55	23.36	7.23	11.10	10.72	4.44	0.00	80.73
IFAD	0.00	0.00	0.53	1.34	0.82	1.43	1.47	0.00	5.59
NORTF	0.00	0.00	0.00	2.61	1.51	2.83	0.00	0.00	6.95
NODF	0.00	0.00	0.00	0.00	0.00	0.24	0.20	0.00	0.44
EIB	0.00	0.00	0.00	0.00	0.24	9.29	3.92	0.00	13.45
EADB*	0.00	0.00	0.00	0.00	0.00	1.30	0.00	0.00	1.30
TOTAL	19.96	66.96	65.13	62.65	71.46	83.54	68.42	5.63	443.75

Source: Bank of Tanzania
* Stock Reduction

Domestic Debt

The stock of domestic debt as at the end of July 2006 amounted to TZS 1,787.8 billion compared to TZS 1,761.7 recorded at the end of June 2006. The increase is mainly on account of issuance of securities for government financing. Out of the total debt, government securities amounted for TZS 1,738.4 billion (99.1 percent) and were in the form bonds TZS 973.5 billion, Treasury bills TZS 617.7 billion, stocks TZS 180.0 billion and the balance was tax reserve certificates.

Chart 5.2: Government Domestic Debt by Instruments



The analysis of domestic debt by holder category shows that commercial banks are the leading government creditors by holding 40.6 percent of total domestic debt followed by Pension Funds with 26.9 percent, Bank of Tanzania 19.7 percent, other official entities 5.9 percent and insurance companies 3.0 percent. Non-bank financial institutions, BOT special funds and private sector, combined, held the remaining portion of around to 3.8 percent of domestic debt stock.

Domestic Debt Service

During the period under review, debt amounting to TZS 70.5 billion fell due for payment. Out of this amount, TZS 10.0 billion being interest was paid out of Government revenue while principal amounting to 60.5 billion was rolled over.



6.0 Economic Developments in Zanzibar

Government Budgetary Operations

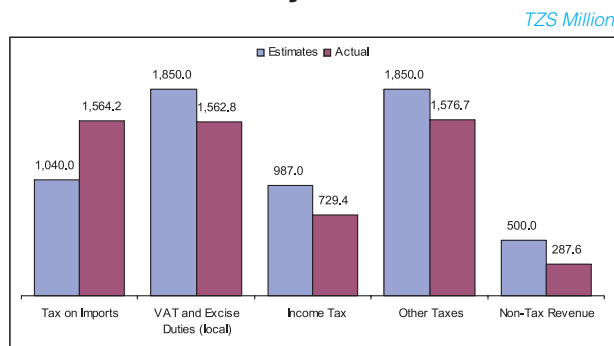
Zanzibar Government budgetary performance, on cheques issued basis, recorded an overall deficit of TZS 1.1 billion during July 2006. When grants amounting to TZS 2.2 billion are included, the deficit turned into a surplus. However, the overall budget performance on cheques cleared was a deficit of TZS 1.4 billion.

Revenue Performance

During July 2006, actual revenue outturn amounted to TZS 5.7 billion compared with the target of TZS 6.2 billion. The under-performance was on account of a decline in revenue collection from all revenue categories except import duties, which was caused by low trade and tourism related activities.

Tax revenue amounted to TZS 5.4 billion, accounting for 94.7 percent of the total revenue, while non-tax revenue amounted to TZS 0.3 billion (Chart 6.1) Tax on imports amounted to TZS 1.6 billion, above the target of TZS 1.0 billion largely on account of enhanced tax audit measures. VAT and exercise duty (local) collections amounted to TZS 1.6 billion, below the target of TZS 1.9 billion, due to decline in trade and tourism related activities. Income tax collections amounted to TZS 0.7 billion and were below the target of TZS 1.0 billion on account of low tax returns.

Chart 6.1: Zanzibar Government Revenue by Source July 2006

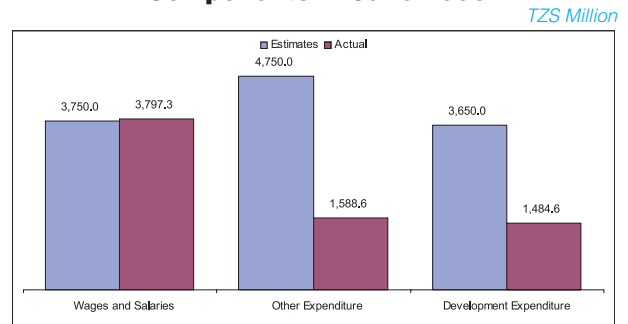


Government Expenditure

During July 2006, total government expenditure amounted to TZS 6.9 billion, below the target of TZS 12.2 billion on account of delays of funds from donor sources. Recurrent expenditure amounted to TZS 5.4 billion or 78.3 percent of total expenditure and the balance was accounted for by development projects. Out of recurrent expenditures, wages and salaries amounted to TZS 3.8 billion in line with set target.

Expenditure for development projects, which amounted to TZS 1.5 billion, was below the projected of TZS 3.7 billion on account of delays in realisation of donor support inflows. Local counterpart amounted to TZS 0.1 billion, below the target of TZS 0.6 billion and the balance was donor funds.

Chart 6.2: Government Expenditure by Components in June 2006



Zanzibar's Debt Developments

Zanzibar debt as at end July 2006, increased by 2.6 percent to TZS 186.2 billion from TZS 181.6 billion recorded during the previous month, largely due to depreciation of Tanzania Shilling against US Dollar. The external debt amounted to TZS 115.1 billion representing 61.8 percent of total public debt, while domestic debt amounted to TZS 71.1 billion, representing 38.2 percent of total debt.

Domestic Debt

Domestic debt increased marginally to TZS 71.1 billion at end July 2006 from TZS 70.7 billion recorded at end of June owing to increase in gratuity claims of civil servants. Out of the total domestic debt, claims by domestic suppliers and pensioners amounted to TZS 38.7 billion or 54.4 percent of total, Union Government TZS 13.6 billion, Claims by Zanzibar Social Security Fund TZS 6.0 billion and Zanzibar State Trading Corporation stood at TZS 5.6 billion. Debt

owed to the Zanzibar Port Company was TZS 3.9 billion while claims by Peoples Bank of Zanzibar stood at TZS 3.2 billion.

The composition of domestic debt by instruments was as follows: Union Government loans amounted to TZS 21.5 billion, suppliers' credits and pensioners' claims TZS 19.5 billion, and Treasury bonds, stocks and bills, combined, amounted to TZS 30.2 billion.

In terms of maturity profile, gratuity, pension, and domestic suppliers' claims remained dominant accounting for TZS 42.6 billion, or 60.0 percent of the total domestic debt. Debt maturing in less than a year amounted to TZS 18.0 billion or 25.4 percent total domestic debt, while debt maturing between 2 - 5 years stood at TZS 9.1 billion. Debt maturing between 1 to 2 years was TZS 1.3 billion.

External Debt

Zanzibar external debt was USD 89.4 million at the end of July 2006, out of which, Union Government guarantee debt amounted to USD 60.7 million and the balance was non-guaranteed debt.

Multilateral creditors debt remained dominant, amounting to USD 59.1 million or 66.1 percent of the total external debt. Debt owed to bilateral creditors was USD 3.7 million, lower than USD 4.7 million recorded at the end of the previous month, on account of servicing of the Union Government guaranteed debts due to Saudi Arabia and China. Commercial debt stood at USD 14.7 million while Export credit amounted USD 11.9 million.

The composition of external debt in terms of maturity was dominated by debt maturing beyond 20 years (mainly multilateral debt), which amounted to USD 59.1 million, accounting for 66.1 percent of the total external debt. Debt maturing between 5 to 10 years amounted to USD 29.3 million or 32.8 percent of total external debt, while debts maturing between 10 to 20 years amounted to USD 7.0 million, representing 7.4 percent of total external debt.

The profile of external debt by use of funds shows that social welfare and education sector maintained dominance by accounting for USD 26.4 million, accounting for 29.6 percent of total external debt. Energy, transport & telecommunications sectors absorbed USD 19.8 million and USD 17.6 million, respectively. Finance and insurance obtained USD 14.7 million while agriculture and industries sectors had USD 6.2 million and USD 0.5 million, respectively. Other sectors absorbed USD 4.2 million.

Trade Developments

During the month of July 2006, Zanzibar trade balance deficit (goods and services), narrowed to USD 3.7 million from USD 5.3 million recorded in June 2006. The improvement was associated with increase in goods exports notably non-traditional exports, coupled with decline in the imports bill. Proceeds from non-traditional exports (mainly seaweeds) amounted USD 0.23 million, up from USD 0.16 million recorded in the preceding month. The imports stood at USD 5.2 million from USD 5.9 million in June. On year-to-year basis, the trade balance deficit deteriorated by 7.4 percent to USD 50.9 million from USD 47.4 million for the corresponding period in 2005, due to increase in imports bill (**Table 6.1**).

Table 6.1: Trade Account Balance

Millions of USD

	2005			2006p		
	May	June	July	May	June	July
Cloves						
Value	0.000	0.000	0.000	0.013	0.000	0.000
Volume	0.000	0.000	0.000	0.005	0.000	0.000
Unit Price	0.00	0.00	0.00	2600.00	0.00	0.00
Seaweeds						
Value	0.430	0.177	0.061	0.099	0.065	0.112
Volume	1.709	1.000	0.320	0.431	0.304	0.563
Unit Price	251.61	176.60	192.06	230.63	212.08	199.50
Manufactured Goods	0.006	0.026	0.013	0.009	0.061	0.000
Fish and Fish Produce	0.011	0.016	0.026	0.116	0.008	0.058
Horticultural produce	0.000	0.000	0.000	0.000	-	-
Others Exports	0.064	0.049	0.095	0.067	0.027	0.051
TOTAL	0.510	0.267	0.195	0.304	0.162	0.227

P = Provisional

Source: Tanzania Revenue Authority

Exports Performance

Zanzibar total exports (goods and services) for the month of July 2006 declined to USD 7.1 million from USD 7.8 million in June 2006. The decline was on account of low services receipts attributable to a fall in tourism activities.

On year - to - year basis, exports of goods and services improved by 23.3 percent to USD 89.2 million in July 2006 from USD 72.3 million in the corresponding period last year due to increase in export receipts from both goods and services. Export of services fetched USD 77.6 million, representing 87.0 percent of total exports receipts, while cloves exports realised USD 9.3 million, or 10.4 percent of total exports. Seaweeds exports amounted to USD 1.3 million, accounting for 1.5 percent of total export earnings while fish and fish produce amounted to USD 0.2 million. Other exports amounted to USD 0.7 million, representing 0.8 percent of total exports proceeds.



Table 6.2: Zanzibar Exports

Millions of USD

	2005			2006p			Year Ending July	
	May	June	July	May	June	July	2005	2006p
Cloves								
Value	0.000	0.000	0.000	0.013	0.000	0.000	6.185	9.285
Volume	0.000	0.000	0.000	0.005	0.000	0.000	2.016	3.172
Unit Price	0.00	0.00	0.00	2600.00	0.00	0.00	3,067.90	2,927.33
Seaweeds								
Value	0.430	0.177	0.061	0.099	0.065	0.112	1.749	1.313
Volume	1.709	1.000	0.320	0.431	0.304	0.563	8.116	6.773
Unit Price	251.61	176.60	192.06	230.63	212.08	199.56	215.49	193.81
Manufactured Goods	0.006	0.026	0.013	0.009	0.061	0.006	0.309	0.180
Fish and Fish Produce	0.011	0.016	0.026	0.116	0.008	0.058	0.157	0.367
Horticultural produce	0.000	0.000	0.000	0.000	-	-	-	-
Others Exports	0.064	0.049	0.095	0.067	0.027	0.051	0.661	0.456
TOTAL	0.510	0.267	0.195	0.304	0.162	0.227	9.061	11.601

P = provisional

Source: Tanzania Revenue Authority

Zanzibar Imports

During July 2006, Zanzibar goods imports (c.i.f) declined to USD 5.2 million from USD 5.9 million registered in the previous month. Consumer goods decreased from USD 2.1 million in previous month to USD 1.3 million following a decline in clothes and electronics, which accounted for 23.4 percent of total imports. Intermediate goods totalled USD 1.5 million compared with USD 1.6 million while capital goods imports amounted to USD 2.9 million compared with USD 2.8 million of previous month. Meanwhile, importation of building and construction materials increased to USD 0.7 million from USD 0.6 million in June while imports of machinery declined to USD 1.2 million from USD 1.3 million during the same period.

On year-to-year basis, the import bill for Zanzibar stood at USD 78.2 million in July 2006 from USD 79.3 million recorded in the corresponding period in 2005. The slow down was mainly driven by decline in consumer goods imports, notably food and foodstuffs. Oil imports increased slightly to USD 20.1 million from USD 19.1 million due mainly to the increase in world oil prices. Industrial raw materials declined to USD 5.5 million from USD 6.5 million while capital goods imports increased to USD 36.4 million from USD 32.6 million on account of increased imports of machinery, building and construction materials to cater for development projects.

Table 6.3: Zanzibar Imports by Major Categories

Import Category	2005			2006p			Year Ending July		
	May	June	July	May	June	July	2004	2005	2006p
CAPITAL GOODS	3.132	2.192	1.309	3.649	2.766	2.855	23.562	32.611	36.439
Transport Equipments	1.079	0.547	0.458	1.113	0.792	0.950	11.604	8.996	10.687
Building and Constructions	0.395	0.444	0.310	1.479	0.644	0.658	3.235	7.531	9.555
Machinery	1.659	1.201	0.541	1.057	1.330	1.246	8.724	16.084	16.198
INTERMEDIATE GOODS	2.080	1.538	3.267	1.967	1.648	1.554	18.302	25.605	25.605
Oil imports	1.685	1.211	3.089	1.327	1.000	1.007	14.115	19.129	20.065
Industrial raw materials	0.395	0.327	0.177	0.640	0.648	0.548	4.186	6.477	5.540
CONSUMER GOODS	1.767	2.734	2.000	1.830	2.087	1.350	31.623	28.968	23.903
Food and food stuffs	0.916	1.772	1.445	0.559	0.671	0.421	21.298	15.867	11.515
All other consumer goods	0.851	0.961	0.554	1.271	1.415	0.929	10.325	13.101	12.387
GRAND TOTAL (CIF)	6.979	6.464	6.576	7.447	6.501	5.759	73.487	87.184	85.947
GRAND TOTAL (FOB)	6.351	5.882	5.984	6.777	5.916	5.241	66.873	79.337	78.212

P = provisional

... = Very small value

Source: Tanzania Revenue Authority

... = Very small value

Services Account Balance

During July 2006, Zanzibar services account balance (net), improved to USD 1.4 million from USD 0.4 million recorded in the preceding month. The surge was mainly linked to relative higher services receipts, coupled with lower foreign payments. Foreign payments declined to USD 5.5 million from USD 7.2 million while services receipts amounted to 6.9 million from USD 7.6 million. Travel receipts amounted to USD 6.1 million or 88.4 percent of total receipts due to increase in tourism activities.

During the year ending July, the services account deteriorated to lower surplus of USD 15.7 million from USD 22.9 million recorded in similar period in 2005. The decline resulted from hike in foreign payments by 53.3 percent to USD 61.9 million from USD 40.3 million of previous year. The travel payments amounted to USD 41.3 million, or 66.7 percent of total foreign payments, while travel receipts amounted to USD 68.0 million or 87.7 percent of total receipts.



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 (Actual)

Monthly Flows	BUDGET 2005/2006												Million of TZS
	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	
Total Revenue	2,066,751.6	147,121.2	190,536.1	151,866.7	165,835.0	198,332.8	167,774.8	158,788.6	203,976.1	161,322.2	176,213.4	242,942.6	187,768.5
Tax Revenue	1,895,966.6	137,459.3	179,182.3	138,742.8	150,309.1	185,086.2	146,817.9	146,817.9	186,380.6	143,869.2	157,520.6	222,760.8	171,495.0
Taxes on Imports	790,801.9	67,273.4	68,495.4	57,279.2	68,728.1	69,657.4	67,997.8	65,667.8	68,373.7	61,770.8	74,873.0	84,039.5	82,408.8
Sales/VAT and Excise on Local Goods	466,369.6	36,661.1	37,828.2	42,367.4	42,398.0	37,921.2	41,110.2	42,049.1	38,403.8	37,241.6	40,685.1	38,875.4	42,073.8
Refunds	-67,834.4	-6,574.3	-4,118.2	-6,241.2	-6,245.6	-6,245.6	-5,262.8	-6,168.2	-6,118.3	-6,070.2	-5,992.8	-5,874.5	-6,169.2
Income Taxes	549,074.3	28,155.1	66,613.8	33,154.6	33,661.6	71,878.9	37,995.7	34,871.1	74,072.6	39,370.5	37,258.4	92,588.3	39,943.6
Other taxes	157,555.2	11,945.0	10,363.1	10,182.8	11,764.3	11,874.3	12,654.2	10,398.1	11,648.8	11,556.5	10,696.9	13,132.1	13,338.0
Non-tax Revenue	170,785.0	9,661.9	11,353.8	13,123.9	15,525.9	13,246.6	13,943.6	11,970.7	17,595.5	17,453.0	18,692.8	20,181.8	16,273.5
Total Expenditure /1	4,035,113.8	138,739.8	477,072.5	656,396.6	317,780.4	308,845.9	251,426.6	237,412.6	292,178.8	326,729.5	328,090.1	319,971.6	222,278.1
Recurrent expenditure	2,649,930.7	89,162.9	332,496.8	321,194.0	242,708.0	259,900.1	198,018.5	161,366.1	213,258.2	188,460.5	242,053.3	257,609.3	158,204.4
Road/road fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retention fund	59,580.0	0.0	4,869.6	5,554.7	5,785.0	3,716.7	4,999.0	4,548.9	3,779.7	4,412.1	4,145.9	4,145.9	0.0
Wages and salaries	681,897.3	53,146.0	55,920.5	55,382.7	53,133.5	54,620.2	54,461.9	54,164.7	54,558.4	54,710.5	55,718.5	57,244.7	76,112.1
Interest payments	174,762.9	11,608.5	15,359.7	18,638.9	14,018.8	37,789.1	13,465.2	11,478.9	31,478.9	14,126.2	11,214.5	34,899.5	12,268.4
Domestic /2	100,178.3	8,669.2	6,808.9	9,035.3	15,496.8	33,485.0	8,385.0	4,348.0	25,608.8	6,396.1	7,275.0	30,409.1	9,921.6
Foreign	74,584.6	2,939.2	1,357.4	3,142.2	6,214.4	4,304.2	5,107.2	3,747.8	5,870.0	7,730.0	3,939.5	4,490.4	2,346.8
Other goods, services and transfers	1,793,270.4	24,408.4	94,131.5	247,172.4	175,175.7	167,490.8	130,091.4	99,105.6	127,220.9	119,623.9	175,120.2	165,465.1	69,823.9
Dev. Expenditure and net lending	1,385,183.1	49,576.9	144,575.7	335,202.6	75,072.5	48,945.8	76,046.5	76,046.5	78,920.7	138,268.9	86,036.9	62,362.3	64,073.7
Local	370,037.8	0.0	200.0	146,000.0	0.0	2,000.0	2,000.0	30,000.0	30,000.0	21,900.0	25,000.0	0.0	0.0
Foreign	1,015,145.3	49,576.9	73,575.7	189,202.6	75,072.5	48,945.8	51,408.2	76,046.5	48,920.7	116,368.9	61,036.9	62,362.3	64,073.7
Overall Balance (cheque issued) before Grants	-1,968,362.2	8,381.4	-2,86,536.4	-504,529.9	-151,945.4	-110,513.1	-83,651.8	-78,624.0	-88,202.7	-165,407.3	-151,876.7	-77,029.0	-34,509.6
Grants	1,011,345.0	57,819.9	117,251.8	244,456.5	68,089.9	65,498.7	38,326.0	42,689.9	36,843.7	42,974.2	38,357.6	59,839.7	17,053.6
Program (CIS/OGL)	345,475.6	6,705.1	50,044.1	203,000.7	0.0	19,247.8	5,024.4	0.0	0.0	0.0	0.0	12,523.0	0.0
Project	340,972.4	44,640.9	44,640.9	24,232.9	24,232.9	24,232.9	24,232.9	24,232.9	24,232.9	10,420.0	8,851.5	29,467.5	10,384.6
Basket funds	231,297.0	584.0	13,328.2	14,817.1	36,739.3	15,527.6	3,095.2	14,268.6	4,186.1	27,599.9	21,843.5	10,970.5	0.0
HIPC Relief	93,600.0	5,889.8	6,652.2	4,207.5	7,117.7	6,490.3	6,173.5	4,188.3	8,424.7	4,954.4	7,662.5	6,878.7	6,669.0
Overall deficit (cheq.issued) after Grants	-957,017.2	66,201.3	-1,69,284.6	-260,073.3	-83,855.5	-45,014.5	-45,125.8	-35,934.1	-51,359.1	-122,433.1	-113,519.2	-17,189.3	-17,456.0
Expenditure float	0.0	-146,552.4	-1,737.5	-748.9	-856.5	-400.1	5.2	0.0	0.0	0.0	0.0	0.0	-113,193.1
Adjustments to cash and other items (net)	0	-43,786	172,483	102,590	45,888	25,700	-114,760	-53,413	-15,678	107,430	23,519	-87,093	-26,584
Overall Balance (cheques issued)	-957,017.2	-124,136.9	1,461.0	-158,232.6	-38,824.2	-19,714.4	-159,880.9	-89,346.8	-67,036.6	-15,003.3	-90,000.6	-104,282.5	-157,232.9
Financing:	957,017.2	124,136.9	-1,461.0	158,232.6	38,824.2	19,714.4	159,880.9	89,346.8	67,036.6	15,003.3	90,000.6	104,282.5	157,232.9
Foreign Financing (net)	584,888.5	270.5	81,504.7	145,232.0	178,235.5	295.9	15,296.7	29,451.6	11,321.4	70,819.2	19,733.7	9,239.2	315,214.7
Loans	713,564.9	4,352.0	97,767.2	151,954.2	187,905.7	9,185.3	24,080.0	37,545.0	20,723.8	78,349.1	30,341.8	21,924.3	319,536.9
Program loans	270,689.1	0.0	83,649.6	0.0	173,805.4	0.0	0.0	0.0	22.1	0.0	0.0	0.0	265,847.8
Development Project loans	341,584.4	4,352.0	4,352.0	151,954.2	14,100.3	7,194.4	24,080.0	32,536.5	20,501.7	13,266.6	30,341.8	21,924.3	53,689.1
Basket Support	101,291.4	0.0	454.2	0.0	1,990.9	0.0	5,008.4	0.0	0.0	65,082.5	0.0	0.0	0.0
Amortization	-128,676.5	-4,081.5	-9,877.7	-6,722.2	-9,670.1	-8,889.3	-8,783.3	-8,093.4	-9,402.4	-7,529.9	-10,608.2	-12,685.2	-4,322.2
Domestic (net)	372,128.7	123,866.4	59,596.2	82,965.8	13,006.6	19,418.5	144,584.1	59,895.3	55,715.2	-55,815.9	70,267.0	95,043.3	-157,981.8
Domestic Financing	373,969.0	123,866.4	60,897.4	-74,494.7	-136,790.7	19,442.2	144,584.1	59,895.3	61,479.1	-55,815.9	71,035.3	95,043.3	-157,981.8
Bank borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-223,281.7
Non-Bank (net of amortization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	65,299.9
Amortization of contingent debt	-12,260.3	0.0	-1,301.2	-8,471.0	-52.5	-23.7	0.0	-5,763.9	0.0	-768.3	0.0	0.0	0.0
Privatization Proceeds	10,420.0	0.0	0.0	33,309.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Source: Ministry of Finance													

Note:

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

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

Table A3 : Monetary Survey

End of Period	Millions of TZS													
	Memorandum item:												Base Money	
	M3, Extended Broad Money						M1, Narrow Money							M0
	Domestic Assets (net)			Domestic Credit (net)			Currency in circulation			Foreign currency deposits			TOTAL sum(9,15)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Foreign assets	Claims on government	Claims on Private sectors*	Other items	sum(2-5) or sum(9-13)	TOTAL sum(9-12)	sum(9,10)	outside banks	Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum(9,15)	of which: Reserves (CBR)**
1997	398,918.6	239,457.5	182,976.9	105,716.0	927,068.9	760,353.3	493,868.7	287,877.1	205,991.7	126,269.2	140,215.3	166,715.6	364,940.0	77,062.9
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3
1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0
2000	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	164,026.7
2001	1,209,820.4	239,201.4	404,512.3	-216,803.4	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	172,730.2
2002	1,558,627.1	264,608.6	570,668.3	-346,221.0	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6
2003	2,182,072.0	12,937.0	817,125.2	-623,818.1	2,388,316.1	1,721,109.9	1,113,379.1	553,045.8	560,333.3	230,958.8	376,771.9	667,206.2	783,309.0	230,263.2
2004	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	303,628.0
2005	2,560,852.1	258,782.4	1,425,062.3	-309,710.2	3,934,986.6	2,808,247.6	1,758,810.2	843,157.4	915,652.8	422,269.4	627,168.0	1,126,738.9	1,236,080.6	392,923.2
2005-January	2,408,352.9	61,685.6	1,117,110.4	-606,557.6	2,980,591.4	2,089,035.9	1,342,836.9	636,932.2	705,904.7	287,300.0	458,898.9	891,555.5	960,140.8	323,208.6
February	2,482,058.1	79,889.6	1,132,519.9	-601,559.4	3,092,908.2	2,200,089.4	1,415,829.4	632,085.7	783,743.7	318,286.0	465,974.0	892,818.9	1,001,798.5	369,712.9
March	2,462,099.7	39,973.7	1,147,110.1	-525,216.0	3,123,967.5	2,211,685.5	1,390,703.8	645,241.4	745,462.4	341,842.1	479,139.7	912,281.9	977,283.9	332,042.5
April	2,357,490.8	103,952.0	1,151,142.2	-528,878.3	3,083,706.7	2,229,239.7	1,402,889.5	650,298.8	752,590.8	341,719.6	484,630.6	854,467.0	993,432.3	343,133.6
May	2,305,218.6	192,236.7	1,182,122.5	-568,218.2	3,111,359.6	2,242,841.3	1,417,403.2	668,271.2	749,132.0	336,585.8	488,852.3	868,518.3	1,012,972.0	344,700.8
June	2,279,294.3	284,637.9	1,219,374.3	-516,881.4	3,266,425.1	2,366,449.0	1,528,773.6	734,912.2	793,861.4	328,711.1	508,964.3	899,976.2	1,029,997.6	295,085.4
July	2,271,794.7	316,477.6	1,300,730.5	-496,058.9	3,392,943.9	2,383,746.1	1,556,217.6	766,285.7	789,931.9	311,839.8	515,688.6	1,009,197.8	1,036,250.2	269,964.5
August	2,294,107.8	279,759.3	1,331,809.8	-464,233.0	3,441,444.0	2,401,810.3	1,532,956.3	764,663.6	768,292.6	348,102.1	520,751.9	1,039,633.7	1,102,883.1	338,219.5
September	2,222,906.5	294,886.3	1,390,349.6	-372,077.0	3,536,065.4	2,539,977.8	1,644,905.1	790,956.7	853,948.4	344,867.1	550,205.6	996,087.6	1,128,066.9	337,110.2
October	2,460,785.1	258,534.6	1,373,672.4	-313,654.6	3,779,337.4	2,735,662.2	1,787,143.2	820,592.6	966,550.6	361,229.4	587,289.6	1,043,675.3	1,299,956.0	479,363.4
November	2,664,790.8	206,764.5	1,411,085.0	-368,316.0	3,914,324.3	2,744,464.9	1,744,522.8	812,532.5	931,990.3	396,447.7	603,494.4	1,169,859.4	1,190,125.0	377,592.6
December	2,560,852.1	258,782.4	1,425,062.3	-309,710.2	3,934,986.6	2,808,247.6	1,758,810.2	843,157.4	915,652.8	422,269.4	627,168.0	1,126,738.9	1,236,080.6	392,923.2
2006-January	3,028,147.5	410,349.6	1,450,364.7	-870,330.5	4,018,531.2	2,807,935.4	1,737,737.0	805,963.9	931,773.1	446,757.0	623,441.5	1,210,595.8	1,247,662.8	441,699.0
February	3,023,685.9	439,599.8	1,480,714.0	-870,443.8	4,073,555.9	2,809,757.6	1,717,045.5	797,537.6	919,507.9	446,517.3	646,194.8	1,263,798.4	1,285,897.7	488,360.1
March	3,113,212.4	435,385.5	1,531,395.1	-970,986.8	4,109,006.3	2,856,223.0	1,729,080.2	807,153.5	921,926.7	444,629.8	662,513.0	1,272,783.3	1,303,762.4	496,608.9
April	3,091,595.7	376,922.1	1,574,803.0	-962,242.9	4,081,077.9	2,806,330.8	1,706,568.0	790,147.8	916,420.3	438,071.2	661,691.5	1,274,747.2	1,299,704.4	509,556.7
May	3,164,944.7	420,929.5	1,597,836.3	-1,064,831.9	4,118,878.7	2,846,416.3	1,713,176.9	807,506.7	905,670.2	458,443.9	674,795.5	1,272,462.3	1,297,229.2	489,722.5
June	3,072,799.0	512,629.2	1,656,837.8	-943,215.4	4,299,050.7	2,945,528.0	1,798,840.1	856,180.5	942,659.6	455,179.7	691,508.3	1,353,522.6	1,296,486.6	440,306.2
July	3,441,889.6	272,674.0	1,777,777.0	-1,057,844.6	4,434,496.0	3,034,317.4	1,901,244.9	914,140.5	987,104.4	441,172.2	691,900.3	1,400,178.7	1,409,685.8	495,545.3

*Former "Claims on other domestic sectors"

** CBR - Commercial Bank's Reserves

Source: Bank of Tanzania



Table A4: Interest Rate Structure

Percent

Item	2005							2006						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
A: Domestic Currency														
1. Interbank Cash Market Rates														
Overnight	5.04	4.70	7.11	6.61	5.05	4.06	5.78	8.54	5.96	4.49	5.14	5.06	8.52	8.92
2 to 7 days	5.15	5.31	7.23	7.83	5.47	4.64	5.26	8.44	6.08	4.94	5.25	5.66	5.98	6.86
8 to 14 days	5.58	6.40	8.73	7.56	6.93	5.23	6.47	8.48	8.00	6.50	5.91	5.85	10.71	7.96
15 to 30 days	6.16	6.20	8.00	9.32	6.00	7.52	8.17	8.17	8.50	6.38	6.81	6.29	7.58	7.33
31 to 60 days	5.60	7.91	8.67	10.15	11.17	10.35	9.13	11.18	10.60	9.23	9.28	7.76	6.71	7.64
61 to 90 days	7.40	8.75	10.57	10.57	10.57	12.00	12.50	12.60	12.60	12.60	12.60	12.60	12.60	8.50
91 to 180 days	8.39	10.26	11.73	11.00	13.50	13.50	13.50	14.95	14.30	13.04	12.25	12.25	12.25	9.50
181 and above	9.20	9.20	9.20	13.60	13.60	14.80	14.80	15.10	15.10	14.50	12.75	11.27	8.80	11.08
Overall interbank cash market rate	5.09	4.97	7.26	7.23	5.25	4.73	5.97	8.70	6.14	4.86	5.35	5.64	8.40	8.63
2. Lombard Rate	10.98	10.98	10.98	10.98	10.98	10.98	10.98	13.56	13.91	13.31	12.45	11.00	9.66	9.96
3. REPO Rate	5.24	5.38	7.12	7.73	6.23	5.28	6.00	6.38	5.65	5.14	5.14	5.14	5.14	6.17
35 days	6.60	7.03	8.42	9.49	8.97	8.59	8.63	9.04	9.28	8.88	8.30	7.34	6.44	6.64
91 days	8.12	10.35	11.51	12.52	14.08	13.96	14.70	14.78	14.80	13.42	12.31	9.97	7.83	9.06
182 days	9.43	10.53	11.46	13.10	14.50	14.42	14.71	14.58	14.62	13.70	12.26	10.61	8.49	9.26
364 days	10.51	11.93	12.64	13.70	14.95	15.61	15.72	15.64	15.82	13.89	11.92	10.37	9.63	9.76
Overall treasury bills rate	9.30	10.35	11.30	12.58	13.60	13.63	14.78	14.92	13.71	13.36	12.02	10.21	8.25	9.17
4. Treasury Bonds- 2-years	15.05	14.82	14.91	16.89	16.89	16.89	17.97	17.71	16.91	16.11	14.31	12.74	13.39	11.87
5-years	12.11	13.19	15.00	15.00	15.64	16.77	17.01	16.81	17.40	17.76	17.19	15.76	15.76	15.76
7-years	13.21	13.05	13.14	13.14	18.37	18.09	18.26	17.80	18.66	18.13	17.61	18.05	15.31	15.35
10-years	14.10	14.10	14.10	14.10	16.37	16.71	17.00	20.00	20.00	20.27	20.60	16.35	16.00	16.96
5. Discount Rate	13.92	15.14	16.04	16.13	17.78	18.30	19.33	20.00	18.50	17.50	17.00	16.02	13.40	13.40
6. Savings Deposit Rate	2.61	2.60	2.59	2.63	2.62	2.62	2.60	2.65	2.55	2.58	2.81	2.75	2.54	2.53
7. Time Deposits Rates	4.41	4.48	4.53	4.77	5.14	5.20	5.28	5.61	6.07	5.86	5.81	5.63	6.43	6.76
Call Accounts	0.98	0.96	0.98	1.30	1.88	1.34	1.57	1.48	2.28	1.56	2.24	1.19	1.40	1.77
1 month	3.25	3.19	3.33	4.42	4.89	3.62	2.60	3.39	4.66	4.99	4.16	4.00	7.86	6.46
2 months	5.22	5.44	5.22	5.77	6.50	6.98	7.07	7.69	9.53	9.10	8.36	8.23	7.50	6.79
3 months	4.45	4.90	5.18	4.34	3.70	4.20	5.50	5.92	6.10	4.91	5.34	5.43	6.41	7.60
6 months	5.63	5.72	5.57	5.30	7.14	8.06	7.17	7.06	6.54	6.70	6.58	6.88	5.63	7.95
12 months	5.97	5.69	5.82	6.32	6.47	6.88	7.74	8.12	7.51	7.48	7.63	7.45	8.27	7.86
24 months	5.39	5.47	5.64	5.93	5.39	5.32	5.30	5.60	5.84	6.25	6.34	6.26	7.94	8.88
8. Negotiated Deposit Rates	8.49	8.87	9.01	7.18	8.69	9.26	10.61	10.59	10.37	10.39	11.50	9.98	10.07	9.13
9. Lending rates	15.51	14.97	15.07	15.08	15.39	15.45	14.98	14.69	14.67	14.57	15.02	14.40	15.44	14.77
Call Loans	14.50	14.50	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)	16.06	16.14	15.82	15.74	16.03	15.69	15.65	15.46	15.41	15.31	16.39	14.12	15.77	15.53
Medium-term (1-2 years)	16.77	16.41	16.63	16.67	17.07	16.84	15.98	16.04	15.99	14.61	16.28	16.28	17.88	18.19
Medium-term (2-3 years)	16.21	15.39	15.05	15.52	15.65	15.67	14.52	14.93	14.83	14.90	15.29	15.27	16.16	13.53
Long-term (3-5 years)	13.87	12.72	13.52	13.25	13.76	13.83	14.08	14.11	14.30	14.20	13.81	13.52	15.32	12.72
Term Loans (over 5 years)	14.65	14.18	14.32	14.24	14.46	15.21	14.68	12.90	12.83	13.83	13.34	12.82	12.08	13.87
10. Negotiated Lending Rates	11.01	11.51	11.39	11.37	11.47	11.46	11.14	11.35	13.39	11.60	11.24	11.32	11.19	11.99
B: Foreign Currency														
1. Deposits Rates														
Call Accounts	0.47	0.55	0.39	0.66	0.49	0.46	0.52	0.47	0.45	1.81	2.08	2.24	2.45	2.45
Savings Deposits	0.67	0.65	0.66	0.72	0.69	0.67	0.80	0.72	0.69	0.62	0.70	0.65	0.48	0.78
Time Deposits	1.72	1.73	1.78	1.81	1.65	1.85	1.90	1.98	2.00	1.86	1.83	1.90	2.31	2.67
1-months	1.18	1.31	1.24	1.48	1.60	1.55	1.61	1.83	1.67	1.79	1.52	2.23	1.24	2.80
2-months	1.58	1.32	1.52	2.70	1.50	1.54	2.34	2.20	1.53	1.02	2.16	1.21	2.40	2.01
3-months	1.74	1.83	2.28	1.17	1.52	2.17	1.50	1.86	3.03	2.33	1.72	2.02	1.81	2.58
6-months	1.45	1.34	1.25	1.33	1.47	1.52	1.93	1.96	1.99	2.17	1.55	1.80	2.37	2.62
12-months	2.62	2.84	2.63	2.36	2.15	2.46	2.09	2.06	1.77	1.96	2.18	2.21	3.72	3.37
2. Lending Rates	8.04	7.85	7.24	7.73	8.19	8.08	8.03	8.03	8.14	8.38	8.22	7.87	8.17	9.12
Short-term (up to 1 year)	6.86	7.41	7.01	7.38	6.72	6.51	6.58	6.70	7.20	8.87	7.65	7.91	7.46	8.15
Medium-term (1-2 years)	7.70	7.86	6.55	6.93	7.93	7.71	7.67	7.76	7.82	8.24	8.20	7.40	8.32	9.02
Medium-term (2-3 years)	9.28	8.02	7.56	7.85	9.30	9.50	9.07	8.88	9.15	8.80	8.56	8.60	8.76	9.69
Long-term (3-5 years)	8.99	8.42	7.47	8.00	7.50	7.45	7.60	7.33	7.26	7.16	8.05	7.55	8.00	9.64
Term Loans (over 5 years)	7.36	7.54	7.61	8.48	9.52	9.25	9.25	9.45	9.28	8.84	8.63	7.89	8.32	9.12

Source: Bank of Tanzania



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

Item	2005 ^P	2006 ^P		% Change		Year Ending Jul ^P		
	Jul	Jun	Jul	Jul 05-Jul 06	Jun 06-Jul 06	2005	2006	% Change
Traditional Exports:								
COFFEE								
Value	1.0	0.8	1.1	9.1	40.4	71.8	60.6	-15.6
Volume	0.8	0.4	0.6	-26.3	37.9	48.7	32.3	-33.8
Unit Price	1,246.2	1,811.1	1,844.0	48.0	1.8	1,474.4	1,878.8	27.4
COTTON								
Value	5.0	2.7	1.8	-64.8	-35.7	94.8	115.9	22.3
Volume	6.4	2.7	1.8	-72.3	-34.4	94.6	116.0	22.6
Unit Price	783.2	1,016.9	998.0	27.4	-1.9	1,001.8	999.2	-0.3
SISAL								
Value	0.3	0.0	0.0	-91.9	-43.0	6.8	6.1	-10.8
Volume	0.3	0.1	0.0	-92.5	-50.0	8.9	8.0	-10.7
Unit Price	827.4	778.7	887.9	7.3	14.0	766.3	765.3	-0.1
TEA								
Value	0.5	1.7	1.5	189.2	-12.4	27.6	20.0	-27.6
Volume	0.4	1.0	0.8	113.1	-17.2	23.4	14.0	-40.1
Unit Price	1,332.0	1,709.3	1,807.9	35.7	5.8	1,179.5	1,424.8	20.8
TOBACCO								
Value	4.0	1.3	0.0	-100.0	-100.0	61.7	75.3	22.0
Volume	1.8	0.5	0.0	-100.0	-100.0	28.0	25.0	-10.8
Unit Price	2,212.7	2,636.4	0.0	-100.0	-100.0	2,205.8	3,017.9	36.8
CASHEWNUTS								
Value	0.0	0.0	0.31	--	564.9	61.6	62.8	1.9
Volume	0.0	0.1	0.66	--	1,220.0	71.5	84.1	17.7
Unit Price	0.0	941.3	474.2	--	-49.6	861.9	746.6	-13.4
CLOVES								
Value	0.0	0.014	0.00	--	--	6.5	9.5	45.3
Volume	0.0	0.005	0.00	--	--	2.1	3.3	52.5
Unit Price	0.0	2,858.3	0.00	--	--	3,068.3	2,922.2	-4.8
Sub Total	10.8	6.7	4.7	-56.4	-29.5	330.9	350.2	5.8
Non-Traditional Exports:								
Minerals	59.0	68.4	62.5	5.8	-8.6	720.8	747.4	3.7
Gold	53.5	65.0	58.0	8.5	-10.8	665.6	693.5	4.2
Diamond	2.2	1.1	2.0	-10.7	81.7	24.8	24.0	-3.1
Other minerals ¹	3.4	2.3	2.5	-25.4	10.2	30.4	29.9	-1.6
Manufactured Goods	11.1	14.8	13.4	20.7	-9.6	132.6	183.7	38.6
Cotton Yarn	0.1	0.3	0.2	112.0	-35.9	4.3	3.8	-11.6
Manufactured Coffee	0.0	0.1	0.2	--	-	1.2	1.2	0.0
Manufactured Tobacco	0.0	0.5	0.0	--	--	-	1.8	--
Sisal Products (Yarn & Twine)	0.3	0.2	0.1	-61.6	-37.1	4.1	3.0	-26.8
Other manufactured Goods ²	10.7	13.7	12.8	20.0	-6.2	122.9	173.9	41.5
Fish and Fish Products	9.2	11.3	10.8	17.3	-4.4	141.7	138.1	-2.5
Horticultural products	1.9	1.3	1.5	-22.5	12.7	17.7	15.1	-15.0
Re-exports	13.8	9.9	10.0	-27.8	1.0	132.7	125.2	-5.6
Others Exports ³	12.5	11.9	16.2	29.4	36.3	131.9	177.1	34.2
Sub Total	107.7	117.6	114.4	6.3	-2.7	1,277.4	1,386.6	8.5
GRAND TOTAL	118.4	124.3	119.1	0.6	-2.7	1,608.3	1,736.8	8.0

Note:

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

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

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

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

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

Source: Bank of Tanzania. TRA





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

Item	Millions of USD									
	2005 ^P		2006 ^P		% Change		Year Ending		Jul ^P	
	Jul	Jun	Jul	Jun	Jul 05-Jul 06	Jun 06-Jul 06	2005	2006	% Change	% Change
CAPITAL GOODS	73.6	129.0	115.0	115.0	56.2	-10.9	966.9	1,300.6	34.5	34.5
Transport Equipments	18.8	37.9	31.1	31.1	65.1	-18.0	234.8	364.7	55.3	55.3
Building and Constructions	18.3	28.9	31.0	31.0	69.5	7.1	221.8	317.7	43.3	43.3
Machinery	36.5	62.2	52.9	52.9	45.0	-14.9	510.3	618.2	21.1	21.1
INTERMEDIATE GOODS	116.6	127.7	115.4	115.4	-1.0	-9.6	1,075.9	1,360.1	26.4	26.4
Oil imports	89.4	87.5	83.1	83.1	-7.0	-5.0	783.4	1,003.8	28.1	28.1
Fertilizers	11.0	2.7	2.4	2.4	-78.5	-12.8	63.5	38.3	-39.7	-39.7
Industrial raw materials	16.2	37.4	29.9	29.9	84.8	-20.1	229.0	318.0	38.9	38.9
CONSUMER GOODS	48.3	76.4	69.7	69.7	44.4	-8.8	742.1	837.4	12.8	12.8
Food and food stuffs	11.3	29.8	16.6	16.6	47.7	-44.1	184.6	243.6	31.9	31.9
All other consumer goods ¹	37.0	46.7	53.1	53.1	43.4	13.7	557.5	593.8	6.5	6.5
GRAND TOTAL (F.O.B)	238.4	333.1	300.1	300.1	25.9	-9.9	2,784.9	3,498.1	25.6	25.6
GRAND TOTAL (C.I.F)	262.0	366.0	329.8	329.8	25.9	-9.9	3,060.3	3,844.0	25.6	25.6

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 USD

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:	8,304,338.6	9,399,085.8	10,707,006.2	12,351,737.7	13,742,568.5
GDP(mp) Mill. TZS	9,475.6	9,724.0	10,309.3	11,338.7	12,174.1
GDP(mp) Mill. USD	-2.5	0.2	-1.1	-2.2	-5.0
CAB/GDP	-6.9	-4.2	-6.3	-7.8	-9.8
CAB/GDP (excl. current official transfers)	1,156.6	1,529.0	2,037.8	2,296.1	2,048.4
Gross Official Reserves	6.3	8.6	9.2	8.3	6.4
Months of Imports	761.2	1,058.4	1,533.9	1,786.9	1,771.7
Net International Reserves (year end)	-218.5	-297.2	-475.5	-253.0	15.2
Change in Net International Reserves	916.3	976.3	1,063.6	1,043.0	1,165.5
Exchange rate TZS/USD (end of period)					
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

Base: June 2001 = 100

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
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	-0.1
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

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	Food													Non-Food										
	Headline													Total Non-Food	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture & Household Eqipt.	Household operations	Personal care & Health	Recreation & Entertainment	Transportation	Education
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5						
2003	0.3	0.4	0.1	0.1	0.2	0.4	0.2	0.2	0.2	0.2	0.0	0.2	0.2	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	0.2	0.4	0.0	0.2	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	0.0	0.3	-0.1	0.5	-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	9.9	3.1	9.9	-0.2	2.1	1.2	2.1	1.5	4.9						
Feb	-0.3	0.3	-0.8	-1.8	-0.6	0.3	-0.5	-0.4	-2.7	-9.1	-2.7	-9.1	-0.4	1.1	0.3	1.1	1.7	-2.5						
Mar	-0.5	-0.2	-1.4	1.6	-3.7	2.0	-3.2	2.5	0.2	5.7	0.2	5.7	2.5	-3.0	-0.1	-3.0	-2.6	-2.3						
Apr	0.5	1.1	-0.5	-2.1	-2.1	0.7	3.2	-3.1	-0.4	-4.7	-0.4	-4.7	-3.1	-0.5	-4.4	-0.5	-0.8	4.9						
May	-0.5	-1.5	1.0	1.5	3.9	0.0	-2.6	4.2	1.0	0.9	1.0	0.9	4.2	1.9	1.0	1.9	2.0	-2.4						
Jun	-0.5	-1.1	0.4	0.1	-1.7	-0.3	4.1	-1.0	1.3	-1.8	1.3	-1.8	-1.0	-0.1	1.5	-0.1	-0.2	-0.8						
Jul	0.7	-0.1	1.4	-0.9	-0.8	-1.0	8.1	-1.2	-0.6	-0.1	-0.6	-0.1	-1.2	0.4	1.3	0.4	1.0	-1.1						
Aug	-0.5	0.4	-1.2	0.8	2.8	-10.5	-8.1	-0.5	1.1	3.1	1.1	3.1	-0.5	0.7	-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	1.2	2.3	0.8	1.5	0.8	0.0	1.2						
Oct	-0.1	-0.3	0.1	-0.5	-0.7	3.2	0.9	-0.6	-0.8	-0.6	-0.8	-0.6	-0.6	0.6	0.3	0.6	-0.3	-0.9						
Nov	-0.3	0.1	-0.7	0.1	-0.8	0.0	-0.9	-0.8	-0.7	-0.9	-0.7	-0.9	-0.8	-0.8	-0.8	-0.8	-0.7	-0.4						
Dec	0.1	-0.1	0.2	0.8	0.7	0.2	-0.3	-0.1	-0.2	0.9	-0.2	0.9	-0.1	-0.3	-0.3	-0.3	-0.5	0.9						
2005 Jan	5.4	7.5	2.4	1.5	1.0	3.7	5.4	-0.1	1.2	3.3	1.2	3.3	-0.1	2.6	-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	-0.9	-0.7	-1.2	0.0	-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	0.1	-0.2	-0.1	0.3	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	-0.2	-0.4	0.7	-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	-0.1	0.4	0.4	0.1	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	0.3	-0.2	-0.6	0.0	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	0.3	0.7	0.7	-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	0.2	0.1	0.4	0.6	-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	-0.2	0.5	0.0	-0.4	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	0.1	0.4	0.0	0.1	-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	-0.1	0.2	0.6	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	0.3	0.0	-0.2	0.5	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	-0.6	-0.5	-0.2	0.3	-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	-0.6	-0.5	0.3	0.2	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	-0.3	-0.8	0.3	0.4	-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	0.5	0.7	-0.2	0.5	-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	0.1	-0.6	0.1	1.1	-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	0.8	0.8	-0.1	2.1	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	-0.3	-0.9	0.9	0.8	0.1	0.8	0.8	-0.1						

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



Table A7 : External Debt Developments

Millions of USD

Item	2005/06													
	2004/05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06
1. Overall total Debt Committed ²	8,345.1	8,335.5	8,401.0	8,361.9	8,276.2	8,138.9	8,153.7	8,494.8	8,486.1	8,472.5	8,607.3	8,744.7	8,638.9	8,764.4
Disbursed outstanding debt	6,799.5	6,845.8	6,913.8	6,944.7	6,855.7	6,733.9	6,743.6	6,923.7	6,830.8	6,826.4	6,920.2	7,061.1	6,971.1	6,992.6
Undisbursed debt	1,545.6	1,489.7	1,487.2	1,417.2	1,420.5	1,405.0	1,410.1	1,571.1	1,655.3	1,646.1	1,687.1	1,683.5	1,667.7	1,771.7
2. Disbursed Debt by Creditor Category ²	6,799.5	6,845.8	6,913.8	6,944.7	6,855.7	6,733.9	6,743.6	6,923.7	6,830.8	6,826.4	6,920.2	7,061.1	6,971.1	6,992.6
Bilateral	1,502.3	1,555.4	1,578.5	1,566.1	1,490.5	1,465.6	1,473.6	1,468.6	1,497.8	1,486.7	1,503.9	1,505.7	1,492.5	1,490.0
Multilateral	4,626.3	4,622.7	4,639.7	4,682.0	4,687.2	4,599.3	4,599.6	4,782.0	4,667.6	4,673.8	4,732.9	4,801.7	4,720.6	4,743.4
Commercial	416.4	413.4	441.1	439.6	429.1	420.6	421.6	424.2	399.2	399.7	412.0	477.0	481.7	455.3
Export credits	254.5	254.3	254.5	257.0	249.0	248.5	248.8	248.9	266.2	266.2	271.3	276.7	276.4	303.9
3. Disbursed Debt by Borrower Category ²	6,799.5	6,845.8	6,913.8	6,944.7	6,855.7	6,733.9	6,743.6	6,923.7	6,830.8	6,826.4	6,920.2	7,061.1	6,971.1	6,992.6
Central Government	5,830.5	5,856.9	5,934.8	5,966.5	5,879.6	5,779.6	5,791.3	5,966.6	5,910.6	5,905.6	5,981.1	6,054.3	5,971.2	5,988.2
Parastatal Companies	477.5	501.6	490.6	488.1	485.3	470.2	467.3	470.8	459.0	459.4	462.1	457.7	445.4	447.5
Private Sector	491.5	487.3	488.4	490.1	490.8	484.2	485.0	486.3	461.2	461.4	477.0	549.1	554.6	556.9
4. Disbursed Debt by Use of Fund ²	6,799.5	6,845.8	6,913.8	6,944.7	6,855.7	6,733.9	6,743.6	6,923.7	6,830.8	6,826.4	6,920.2	7,061.1	6,971.1	6,992.6
Balance of payment support	1,335.1	1,432.4	1,440.2	1,426.6	1,376.5	1,351.5	1,363.4	1,365.0	1,368.9	1,378.8	1,401.5	1,413.7	1,392.6	1,397.2
Transport & Telecommunication	1,073.5	1,077.3	1,103.5	1,104.2	1,075.1	1,053.0	1,049.6	1,187.8	1,109.9	1,095.2	1,091.5	1,096.0	1,087.9	1,086.2
Agriculture	1,077.8	1,059.1	1,068.5	1,059.7	1,058.1	1,040.7	1,042.5	1,047.7	1,037.9	1,041.6	1,035.0	1,070.0	1,050.1	1,055.2
Energy & Mining	1,070.3	916.2	891.3	943.7	942.5	929.2	930.7	936.0	933.5	939.8	937.2	965.5	955.2	957.2
Industries	405.5	403.4	404.7	401.3	400.3	386.9	387.1	388.2	387.0	387.3	403.4	406.4	409.0	409.8
Social Welfare & Education	611.7	626.2	629.3	632.9	637.8	627.5	627.6	632.9	635.4	626.4	624.8	658.3	647.3	705.8
Finance and Insurance	96.6	96.2	96.4	102.5	102.4	101.7	101.9	102.3	97.9	99.0	98.7	99.4	98.7	99.2
Tourism	80.1	79.8	80.0	79.8	80.1	79.3	79.5	79.6	80.7	81.4	81.0	81.2	80.8	80.8
Others	1,048.9	1,155.1	1,200.1	1,194.0	1,182.8	1,163.9	1,161.3	1,184.1	1,179.5	1,176.9	1,247.0	1,270.6	1,249.8	1,201.4
5. Total Amount of Loan Contracted ¹	376.4	2.2	0.2	1.0	0.2	0.3	0.5	0.0	10.0	1.0	0.1	0.2	0.0	0.0
Government	335.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	41.0	2.2	0.2	1.0	0.2	0.3	0.5	0.0	10.0	1.0	0.1	0.2	0.0	0.0
6. Disbursement ¹	190.2	117.4	4.6	2.7	0.5	2.9	1.7	0.0	0.0	0.7	0.1	0.0	0.0	0.0
Government	161.4	115.1	0.1	2.7	0.1	2.9	1.7	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Parastatal Companies	0.0	0.0	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	28.8	2.3	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
7. Scheduled Debt Service ¹	355.1	373.6	373.6	373.6	373.6	373.6	373.6	373.6	373.6	373.6	373.6	373.6	373.6	0.0
8. Actual Debt Service ¹	112.9	4.8	13.5	10.0	3.3	12.9	11.0	4.9	2.1	8.2	6.1	6.9	6.8	3.6
Principal	86.0	3.2	12.8	6.9	0.4	9.9	7.3	2.3	1.4	5.3	2.2	3.3	5.4	2.2
Interest	26.9	1.6	0.8	3.1	2.9	3.0	3.7	2.6	0.6	3.0	3.9	3.6	1.4	1.4
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9. Net Transfers	77.3	103.1	-8.9	-7.3	-2.8	-10.0	-9.3	-4.9	-2.0	-7.6	-6.0	-6.9	-6.8	-3.6
10. Total Arrears by Creditor Category ²	2,470.5	2,257.8	2,283.7	2,278.1	2,224.8	2,194.5	2,251.7	2,260.3	2,210.6	2,219.5	2,264.9	2,360.2	2,374.7	2,412.5
Principal	1,135.2	1,093.7	1,106.3	1,106.9	1,064.8	1,049.0	1,063.5	1,074.8	1,016.7	1,022.8	1,035.2	1,108.9	1,116.4	1,138.9
Bilateral	669.4	622.1	630.1	625.1	601.7	591.0	599.2	604.0	605.1	601.3	609.8	615.7	609.0	612.5
Multilateral	5.9	8.4	8.3	9.0	9.0	8.5	9.4	10.9	11.0	10.9	11.1	11.5	11.9	12.9
Commercial	249.2	252.5	256.9	261.6	250.7	246.2	250.6	255.1	189.1	196.0	198.6	265.6	275.0	275.0
Other Private Creditors	210.7	210.7	211.0	211.2	203.4	203.3	204.3	204.8	211.5	214.6	215.6	216.1	220.4	238.5
Interest	1,335.3	1,164.1	1,177.4	1,171.2	1,160.0	1,145.5	1,188.2	1,185.5	1,193.9	1,196.8	1,229.7	1,251.2	1,258.3	1,273.6
Bilateral	818.8	646.1	655.1	651.7	632.5	623.3	653.0	643.6	649.5	649.6	670.3	679.6	682.2	686.8
Multilateral*	23.4	23.8	23.8	23.8	24.3	23.8	24.9	24.1	21.1	21.0	20.8	21.3	22.0	22.5
Commercial	333.7	334.3	337.9	335.5	341.2	332.0	342.6	348.6	352.4	354.6	365.0	370.2	372.9	375.3
Other Private Creditors	159.4	159.9	160.6	160.2	162.0	166.4	167.7	169.2	170.9	171.6	173.6	180.1	181.2	189.0
11. External Debt Stock	8,134.8	8,009.9	8,091.2	8,115.9	8,015.7	7,879.4	7,931.8	8,109.2	8,024.7	8,023.2	8,149.9	8,312.3	8,229.5	8,266.3
12. Domestic Debt Stock	952.6	1,421.7	1,435.1	1,466.8	1,500.4	1,423.7	1,452.1	1,460.7	1,464.6	1,428.2	1,432.4	1,385.7	1,405.9	1,388.2
Total Debt Stock (11 + 12)	9,087.4	9,431.6	9,526.3	9,582.7	9,516.1	9,303.1	9,383.9	9,569.9	9,489.3	9,451.4	9,582.3	9,698.0	9,635.4	9,654.5

NB. Multilateral*: multilateral arrears represents private sector arrears

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

Source: Bank of Tanzania



GLOSSARY

Average Inflation Rate

This is calculated as the average of the inflation rates during the fiscal year or the calendar year

Currency in Circulation Outside Banks

Notes and coin accepted as legal tender in the domestic economy, excluding amounts held by the banking system..

Discount Rate

The rate of interest the Bank of Tanzania charges on Loans it extends to Deposit Money Banks and government overdraft. 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

The Bank introduced Lombard facility on 1st December 2003, as an overnight facility to enable commercial banks to borrow at their own discretion, through pledging of eligible government securities as collateral.

Lombard Rate

This is the rate payable for the use of the Lombard Facility, which is also used as signalling mechanism for the Bank of Tanzania's monetary policy stance. The rate is based on prevailing discount rate, REPO or inter-bank rates, depending on whichever is higher.

Money Supply, M

The sum of currency in circulation outside the banks and deposits of Depository Corporations, are defined in various concepts of money supply in the narrower and broader sense, i.e., narrow money (M1), broad money (M2), and extended broad money (M3).

M1, Narrow Money,

Consists of currency in circulation outside banks and demand deposits.

M2, Broad Money

Is equivalent to narrow money (M1) plus time deposits and savings deposits.

M3, Extended Broad Money

Consists of broad money (M2) plus foreign currency deposits.

Nominal Exchange Rate

It is the price at which actual transactions in 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 is an important measure, which 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 Central Bank's liabilities in the form of: (1) currency in circulation outside the Bank of Tanzania and (2) deposit money banks' deposits with the BoT are referred to as Base money, or reserve money.

Seasonally Adjusted Indicators

Seasonal movements or seasonal variations, refer to identical, or almost identical, patterns, which a time series appears to follow during corresponding months (quarters) of successive years. Such movements are due to recurring events, which take place annually, e.g. the harvest season. Seasonally adjusted indicators show the impact of non-seasonal influences on a time series.

Weighted Annualised Yields of Treasury Bills of all Maturities

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



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