



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

MAY 2006

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1.0 Inflation Developments

Inflation increases further in April 2006

Annual headline inflation continued to increase, reaching 6.9 percent in April 2006 from 6.5 percent in March 2006. The increase was largely caused by drought-related food supply shortages and price increases in some non-food items especially oil and oil products. The increase was also reflected in month-to-month inflation, which rose to 0.7 percent compared with 0.2 percent registered in a similar month in the preceding year. Using seasonally adjusted indices, the month-on-month headline inflation decreased from 1.1 percent in March 2006 to 0.9 percent in April 2006, thus confirming the seasonal pressure on the month-on-month headline inflation.

Annual food inflation increased in April 2006 to 11.2 percent, from 10.7 percent in March 2006. Similarly, food prices increased by 0.9 percent between March and April 2006, mainly as a result of price increases in most of food items such as cereals, starch roots, fruits, beans, beef and cooking oils.

The annual non-food inflation increased by a percentage point to 1.8 percent in April 2006, mainly due to increase in average prices of fuel, transportation, drinks and tobacco. Similarly, the month-to-month non-food prices rose by 0.3 percent, following a rise in prices of fuel, beverages and some school items

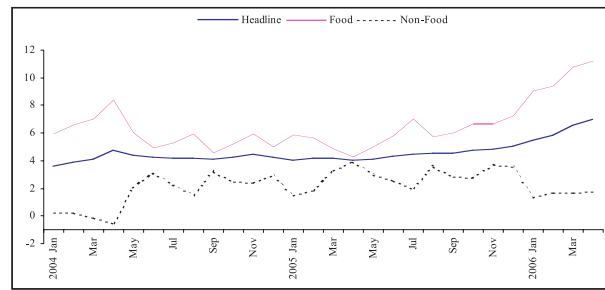
Table 1.1: Tanzania: Percentage Change in Consumer Price Index (All-Urban)

Base: 2001=100

Major Commodity Group	Weight (%)	2004			2005			2006		
		Feb	Mar	Apr	Feb	Mar	Apr	Feb	Mar	Apr
Headline/Overall	100.0	3.8	4.0	4.7	4.1	4.1	4.0	5.8	6.5	6.9
Food	55.9	6.6	7.0	8.4	5.7	4.9	4.3	9.4	10.7	11.2
Non-food	44.1	0.2	-0.1	-0.5	1.8	3.3	3.9	1.7	1.7	1.8
Transportation	9.7	2.0	-0.8	-1.3	2.2	5.7	6.9	3.3	3.4	3.2
Fuel, Power and Water	8.5	-5.4	-2.5	1.7	5.9	9.4	6.8	4.5	4.9	4.5
Drinks and Tobacco	6.9	-0.6	0.7	-1.0	1.8	0.3	2.9	2.5	2.6	2.9
Clothing & Footwear	6.4	4.8	2.0	-1.9	-1.7	1.7	3.3	-1.9	-2.4	-2.4
Education	2.6	3.7	-0.2	-3.8	-0.6	1.4	2.1	-0.3	-0.3	0.6
Furniture & Household Equip.	2.1	0.3	-1.6	-1.5	0.2	-2.3	0.4	0.5	0.9	1.1
H/h Operations Maintenance	2.1	-0.3	-1.4	-1.1	2.4	2.3	2.5	-1.5	-1.8	-1.2
Personal Care & Health	2.1	-2.8	3.0	-0.4	6.0	0.1	4.9	0.0	-0.7	0.3
Rents	1.4	2.9	4.3	4.3	-2.8	-4.6	-5.3	0.6	0.6	0.6
Recreation & Entertainment	0.8	5.4	2.2	-1.9	-3.3	-2.5	1.5	0.5	-0.6	-0.4
Misc. Goods & Services	1.5	1.9	-0.9	3.1	-1.5	0.4	-4.7	-1.1	-1.3	-0.1

Source: National Bureau of Statistics (NBS)

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



Food Supply Situation

During April 2006, the food shortage started to ease up in some areas owing to various government measures to address the problem, coupled with harvests following good performance of long rains. In some regions like Mbeya, Iringa, Ruvuma, and Rukwa, fresh produce such as green maize, legumes and tubers were ready for harvesting. Meanwhile, the government continued to distribute relief food. During the period under review, 6,909 tons of cereals were distributed, leading to cumulative distribution of 80,806 tons. Private traders as well as local and foreign donors also contributed to the government's efforts to alleviate food shortage in the country.

- Following waiver of import duty on maize, private traders had imported a total of 166,533 tons of maize by the end of April 2006 more than 160,000 tons initially planned.
- Reduction of import duty on rice from 75 percent to 50 percent March-May 2006 also encouraged private traders to import more rice. Under this arrangement rice amounting to 13,597 tons were imported by the end-April 2006.
- By end of April 2006, local institutions and individuals had contributed a total of TZS 6.0 billion, while international community provided financial assistance equivalent to TZS 10.0 billion towards provision of relief food.

Wholesale prices of maize, beans and potatoes started to decline during April 2006 reflecting the increased market supplies of fresh produce and government efforts. The average wholesale price of maize declined to TZS 31,390 per 100 Kg in April 2006 as compared to TZS 32,046 recorded in March 2006. The price of beans and potatoes decreased by 9 percent and 1 percent, respectively in April 2006 as compared to prices recorded in March 2006. However, the prices of food items on annual basis remained high in April 2006 compared to April 2005. Wholesale prices for maize almost doubled from TZS 15,500 per 100 Kgs in April 2005 to TZS 31,390 in April 2006. The prices of other crops also increased in April 2006 as compared to prices recorded in the corresponding month last year (Table 1.2).



Table 1.2: National average Wholesale Prices for Selected Food Items

TZS per 100 Kgs

Crop	Apr-03	Apr-04	Apr-05	2006		Percentage change	
				Mar	Apr	Apr-06	Apr-05
				Mar-06	Mar-05	Mar-06	Mar-05
Maize	14,089	21,154	15,500	32,046	31,390	103	-2
Rice	36,541	58,360	52,139	75,221	92,363	77	23
Beans	38,486	34,420	45,633	69,587	63,300	39	-9
Sorghum	15,802	26,467	19,916	36,822	41,909	110	14
Potatoes	20,553	20,769	27,535	33,095	32,675	19	-1

Source: Ministry of Agriculture, Food Security and Cooperatives

Strategic Grain Reserve Stock

By the end of April 2006, the SGR stock stood at 3,165 tons, representing a decline of 61 percent from a stock level of 8,055 tons recorded at the end of March 2006, owing to distribution of relief food to deficit areas. As compared to the corresponding period last year, the SGR stock declined by 97 percent in April 2006 (Table 1.3). The SGR stock is expected to increase slightly next month, as the government plans to import of 42,000 tons of maize to replenish the SGR stock.

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

Tons

	2000	2001	2002	2003	2004	2005	2006	% Change	
								2005-2006	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			
June	72,000	47,225	47,100	51,060	37,091	112,823			
July	63,976	46,290	44,787	50,661	39,195	112,323			
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 computations

2.0 Monetary and Financial Developments

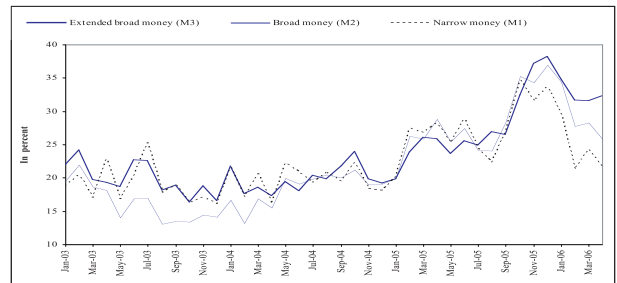
Money Supply

Annual growth rate of extended money supply (M3) edged upward to 32.3 percent in April 2006 compared with 31.5 percent recorded in March 2006 (Chart 2.1). The main driver of this development was a moderate increase in foreign currency denominated deposits that emanated mainly from the valuation changes following depreciation of the shilling.

On the other hand, the growth rate of broad money supply (M2) decelerated to 25.9 percent from 28.2 percent during the same period, mainly due to slowdown in the growth rate of currency in circulation as well as local currency

denominated deposits. The decline in currency in circulation is seasonal (low crop selling season) whereby farmers have little to sell, while that of local currency denominated deposits is partly linked to the shift in preferences in favour of government securities that have relative higher return compared to bank deposits.

Chart 2.1: Tanzania - Annual Growth Rates of Monetary aggregates



On the assets side, the annual growth of money supply was reflected in increases in net foreign assets of the banking system that recorded a growth rate of 31.1 percent compared with 26.4 percent in March 2006, and a substantial increase in credit to the private sector that recorded a growth of 36.8 percent compared with 33.5 percent attained in the preceding month. The expansion in net foreign assets was mainly due to increase in foreign program assistance, while that of private sector credit is concurrent with the expansion in economic activities, partly stimulated by the ongoing initiatives by the Government in promoting economic growth, as well as the implementation of National Strategy for Growth and Reduction of Poverty.

Table 2.1: Tanzania - Selected Money Supply Components

Billions of TZS

Components	2006		Change	Annual growth (%)			
	March	April		Apr-06 - Mar-06	Apr-05	Apr-04	Apr-05
Extended broad money	4,109.0	4,081.1	-27.9	19.3	17.2	25.8	31.5
Broad money	2,836.2	2,806.3	-29.9	18.1	15.5	28.8	28.2
Currency in circulation	807.2	790.1	-17.0	8.7	20.9	24.3	25.1
Demand deposits	921.9	916.4	-5.5	38.3	12.1	31.8	23.7
Time deposits	444.6	438.1	-6.6	8.1	7.9	37.6	30.1
Savings deposits	662.5	661.7	-0.8	12.7	18.9	24.8	38.3
Foreign currency deposits	1,272.8	1,274.7	2.0	22.2	21.8	18.7	39.5
<i>In millions of USD</i>	1,040.0	1,040.0	0.0	13.7	13.0	20.2	25.9
Total deposits in commercial banks	3,489.6	3,473.9	-15.7	22.5	19.4	27.8	33.3
Private sector deposits in commercial banks	3,301.9	3,290.9	-10.9	22.4	16.3	26.3	33.2
Government sector deposits in commercial banks	187.7	183.0	-4.8	28.6	166.4	60.8	35.8
Net foreign assets of the banking system	3,113.2	3,091.6	-21.6	21.9	27.9	10.1	26.4
Bank of Tanzania	2,344.9	2,380.5	35.5	40.7	36.0	18.4	34.1
Commercial banks	768.3	711.1	-57.1	-1.8	13.1	-8.0	7.6
Net domestic assets of the banking system	1,605.0	1,598.7	-6.3	21.0	5.2	54.5	34.7
Domestic credit	1,966.8	1,951.7	-15.1	45.8	7.9	26.9	65.7
Claims on government by the banking system	981.1	977.6	-3.5	19.6	-3.6	8.8	88.0
Government deposits in the banking system	545.7	600.7	54.9	-12.8	72.4	19.4	13.3
Claims on the private sector	1,531.4	1,574.8	43.4	39.5	38.4	33.9	33.5

Source: Bank of Tanzania

On month-to-month basis, all monetary aggregates declined, save for foreign currency deposits, as opposed to the increase registered in the preceding month. The slowdown was mainly reflected in currency in circulation which is seasonal, which decline by TZS 17.0 billion. Also, time and demand deposits registered a decline of about TZS 7 billion and TZS 6 billion, respectively, partly reflecting the shift in preference by depositors for high returns in government securities.

Credit Developments

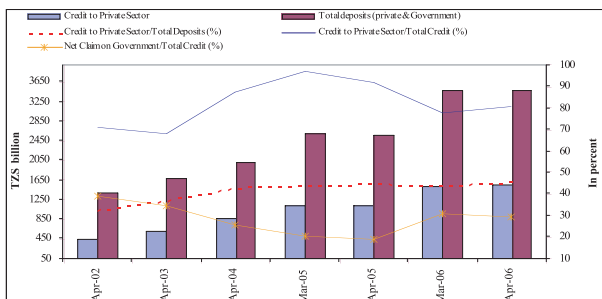
On the credit front, private sector loans continued to register



a robust performance. In the year ending April 2006, private sector credit grew at 36.8 percent, significantly higher than 33.5 percent and 33.9 percent recorded in March 2006 and April 2005, respectively. The strong growth is associated with ongoing reforms by the Government that had led to substantial recovery in private economic activities, coupled with a noticeable increase in the number of credit-worthy clients and improvement in the business environment following ongoing reforms. During the month under review, about TZS 43 billion were loaned to the private sector, pushing the outstanding stock of private sector loans to TZS 1,574.8 billion. Trade activities continued to be the largest borrower holding about 26 percent of total private sector credit, followed by manufacturing (19.3 percent), agriculture and transportation (8.2 percent).

Meanwhile, the flow of funds between the Central Government and depository corporations during April 2006 produced a positive effect for private sector credit on a net basis. Net claims on the Central Government decreased by TZS 58.4 billion compared with a decline of TZS 4.2 billion in the preceding month. This was mainly due to an increase in government deposits in the banking system plus government initiative in repaying some of its claims. The corresponding period of the preceding year registered a different scenario whereby net claim on government registered a significant increase of about TZS 64 billion. The recent decline in Government liabilities towards the banking system implies that the Government had been using other sources of finance for its operations while providing more room for private sector credit growth.

Chart 2.2: Tanzania – Total Deposits and Credit of the Banking System



Interest rates Developments

Interest rates on Treasury bills fell during the month under review, while the rates on other financial instruments were mixed. The average savings deposits and 12-months deposits rates, each rose by 0.2 percentage points to 2.8 percent and 7.6 percent, respectively, while the overall time deposits rate fell to 5.7 percent from 6.0 percent registered a month earlier. Likewise, the negotiated deposits rates on prime depositors increased to 11.5 percent from 10.4 percent in March 2006. While the average prime lending rates declined to 11.2 percent from 11.6 percent registered in the previous month in line with

the trend in Treasury bills rates, the case was different for short term lending rate and overall lending rate which went up to 16.3 percent and 14.7 percent, respectively, from 15.3 percent and 14.6 percent registered in the preceding month (**Table 2.2**). Consequently, the spread between the 12-months deposits rate and the short term lending rate widened by 0.83 percentage points to 8.7 percent in the review period.

Table 2.2: Tanzania – Weighted Average Interest Rates Structure

	2005			2006			
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
364-day T-bill	15.0	15.6	15.7	15.6	15.8	13.9	11.9
Overall Treasury bills	13.6	13.6	14.8	14.9	13.7	13.4	12.0
Savings deposits rate	2.6	2.6	2.6	2.7	2.6	2.6	2.8
Overall Time deposits	5.1	5.2	5.3	5.6	6.1	6.0	5.7
12 months Time deposits	6.5	6.9	7.7	8.1	7.5	7.4	7.6
Negotiated deposits	8.7	9.3	10.6	10.6	10.4	10.4	11.5
Overall Lending	15.4	15.5	15.0	14.7	14.7	14.6	14.7
Short term lending (up to 1 year)	16.0	15.7	15.7	15.5	15.4	15.3	16.3
Negotiated Lending	11.5	11.5	11.1	11.4	13.4	11.6	11.2

Source: Commercial banks and Bank of Tanzania

Financial Market Operations

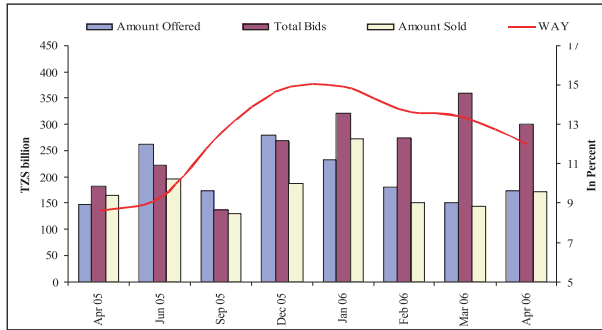
Treasury bills market

During April 2006, Treasury bills market remained liquid with demand surpassing the supply of Treasury bills and the ultimate decline in yields. Treasury bills worth TZS 174 billion were offered in April 2006, compared with TZS 150 billion in the preceding month. The demand stood at TZS 299.4 billion reflecting an over subscription of about TZS 125 billion. Bids worth TZS 172.1 billion were successful, significantly higher than TZS 143.2 billion sold in the previous month. Consistent with the increase in demand for debt instruments, the interest rates on Treasury bills for all maturities declined from the levels of the previous month, leading the overall average yield to close at 12 percent from 13.4 percent registered in the preceding month (Chart 2.3). The market was dominated by commercial banks, which accounted for over 60 percent of the total sales, while the balance was absorbed by the private sector and other financial institutions.

Holdings of outstanding Treasury bills by commercial and insurance companies rose to TZS 995 billion and TZS 96.4 billion respectively from TZS 993 billion and 93.5 billion recorded in March 2006. Holding by the Bank of Tanzania for special funds declined by 41.2 percent to TZS 38.9 billion, where as those of non-bank financial institutions, pension funds, private sector and state enterprises, altogether, went down by 4.6 percent to TZS 235.1 billion.



Chart 2.3: Tanzania - Treasury Bills Market Developments



Treasury bonds market

During the month under review, demand for Treasury bond improved significantly to TZS 60.8 billion from TZS 54.5 billion in the preceding month. Owing to the existence of some outlier bids, the Bank of Tanzania accepted bids worth TZS 16.7 billion, against the offered amount of TZS 16.0 billion. Following these market developments, overall average yield declined to 17.4 percent in April 2006 from 18.1 percent registered in the month before. In particular, the yield for 10-year bond went up slightly to 20.6 percent from 20.3 percent in the preceding month, while that of 2-year decelerated to 14.3 percent from 16.1 percent in March 2006. Likewise, yield for the 5-year bond fell to 17.2 percent from 17.8 percent, where as for the 7 year bond, it closed at 17.6 percent from 18.1 percent.

3.0 Government Budgetary Operations

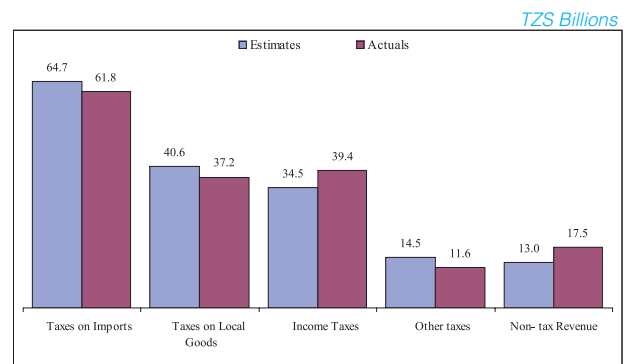
During the month of April 2006, government budgetary operations recorded a deficit of TZS 21.0 billion. Total resources that were available for the month from domestic revenue and grants amounted to TZS 202.0 billion, while expenditure (excluding cheques not yet presented for payment) amounted to TZS 223.0 billion. The deficit was financed through government borrowing from both foreign and domestic sources.

Total revenue collected during the period amounted to TZS 161.3 billion in line with the target of TZS 160.8 billion. Tax revenue collections that amounted to TZS 143.9 billion, was below the target by TZS 4.0 billion. Non-tax revenues performed well and exceeded the target by TZS 4.5 billion. There was underperformance in tax revenue collections from taxes on imports, taxes on local goods and other taxes categories. (Chart 3.1).



The shortfall in collections from taxes on imports followed a decrease in the value imports of both dry and wet cargo from USD 244.7 million in March 2006 to USD 228.4 million in April 2006. The under-performance in taxes on local goods, VAT and excise duty, was attributed to lesser tax remittances by some large taxpayers due to low production levels arising from power rationing problems experienced during the month.

Chart 3.1: Government Revenue Performance in April 2006



During the month under review, total government expenditure cheques written (excluding amortization) amounted to TZS 335.2 billion, out of which recurrent expenditure was TZS 195.3 billion, while development expenditures amounted to TZS 139.9 billion.

Cumulative from July 2005 to April 2006, government expenditure was below the target at TZS 3,289.5 billion, compared to the cumulative estimate of TZS 3,376.1 billion. The actual expenditure up to the end of April 2006 is comprised of TZS 2,168.7 billion in recurrent expenses and TZS 1,120.8 billion in development.

4.0 External Sector Developments

During April 2006, the current account deficit narrowed to US\$ 93.1 million from a deficit of US\$ 122.6 million recorded in the previous month, largely due to improved performance in exports of goods and services as well as an increase in official current transfers. Conversely, during the year ending April 2006, the current account balance deteriorated to a deficit of US\$ 860.7 million compared with a deficit of US\$ 321.6 million in 2005, mainly due to the increase in imports and a decline in current transfers (Table 4.1).

Table 4.1: Tanzania: Current Account Balance

Millions of USD

	April		Year Ending April				
	2003	2004	Mar-06	Apr-06	2005 ^P	2006 ^P	% Change
Goods Account (net)	-67.1	-60.6	-119.9	-101.2	-902.9	-1,068.5	18.3
Exports	95.5	102.2	124.8	127.2	1,359.8	1,724.9	10.6
Imports	162.6	162.9	244.7	228.4	2,462.7	2,793.4	13.4
Services Account (net)	0.8	9.4	3.4	-9.3	71.9	-24.1	-133.5
Receipts	62.2	72.6	89.6	82.1	1,077.3	1,194.9	10.9
Payments	61.4	63.2	86.3	91.5	1,005.3	1,219.0	21.2
Goods and services (net)	-66.3	-51.2	-116.6	-110.5	-831.0	-1,092.6	31.5
Exports of goods and services	157.7	174.8	214.4	209.4	2,637.1	2,919.8	10.7
Imports of goods and services	224.0	226.1	331.0	319.9	3,468.0	4,012.4	15.7
Income Account (net)	-12.7	-15.4	-15.0	-9.8	-188.5	-228.4	21.2
Receipts	2.8	3.1	6.2	9.0	75.7	83.2	9.8
Payments	15.5	18.5	21.2	18.8	264.2	311.6	17.9
Current Transfers (net)	16.8	30.2	9.0	27.3	697.9	514.3	-26.3
Inflows	22.1	35.8	16.6	35.4	764.3	597.4	-21.8
o/w General Government	16.5	30.2	10.3	29.3	695.9	526.3	-24.4
Outflows	5.3	5.6	7.5	8.2	66.4	83.2	25.2
Current Account Balance	-62.2	-36.4	-122.6	-93.1	-321.6	-806.7	--

Note:

P = Provisional

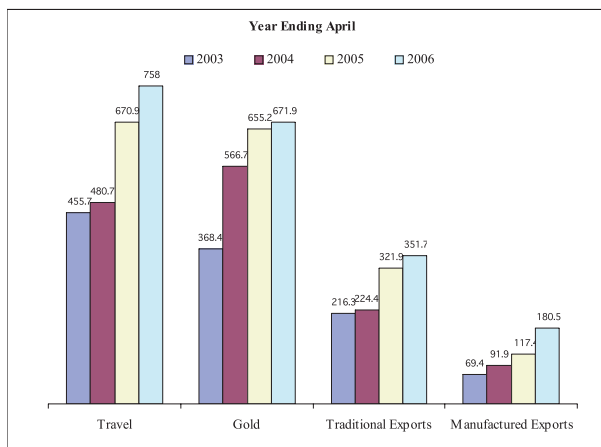
Source: Bank of Tanzania

Exports Performance

During the year ending April 2006, Tanzania exported goods and services worth US\$ 2,919.8 million, an improvement of 10.7 percent over the previous year's performance. The development is attributed to the improved performance of all major categories of exports. However, travel and gold remained the dominant export categories accounting for about half of the total export earnings followed by traditional exports. Chart 4.1 summarizes the performance for selected export items during the past four years.

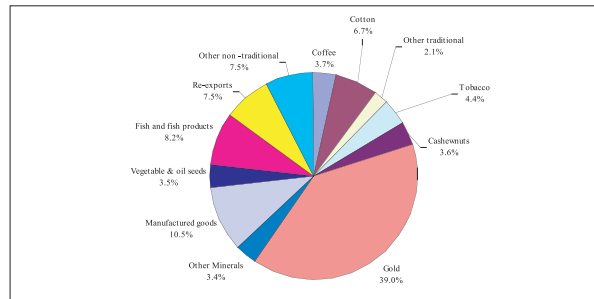
Chart 4.1: Tanzania: Contribution of Selected Items to Total Exports of Goods and Services

Millions of USD



Goods exports increased by 10.6 percent to US\$ 1,724.9 million compared to the level recorded in the previous corresponding period. Traditional exports grew but at a decreasing rate largely due to a significant fall in export volumes of coffee, tea and sisal. As a result, the share of traditional exports to total exports dropped from 20.7 percent in the previous to 20.5 percent. Conversely, manufactured goods maintained its improved performance with its share to total exports increasing to 10.5 percent from a share of 7.5 percent during the year ending April 2005. The performance of goods exports for the year ending April 2006 is summarized in **chart 4.2**.

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



Note:

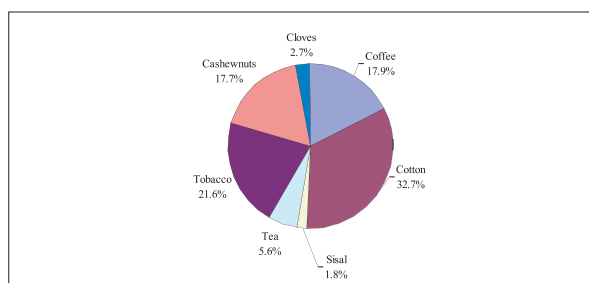
1. Other non-traditional include horticultural products and other exports
2. Other traditional exports include sisal, tea and cloves
3. Other minerals include Tanzanites, rubies, sapphires, emeralds, copper, silver and other precious stones.
4. Re-exports refers to goods that are imported and later exported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

Traditional Exports

In April 2006, traditional exports went down by 25.3 percent to US\$ 14.7 million, as export season was approaching an end. With the exception of tea, all other traditional exports recorded a decline in export volumes during the month under review. On the other hand, there were mixed developments regarding the export unit prices. While coffee, sisal, tea and cashew recorded increases in export unit prices, cotton, tobacco and cloves recorded declines.

On annual basis, total traditional exports increased to US\$ 351.6 million compared to US\$ 321.9 million recorded during the corresponding period last year following good performance of cotton, tobacco and clove exports. The improvement in Cotton and cloves was largely attributed to the increase in export volumes. The surge in export volumes of cotton is largely associated with timely usage of agricultural inputs. On the other hand, the performance of tobacco exports is largely explained by the increase in export unit prices that went up by 34.4 percent to US\$ 2,935.2 per ton. In the last three years, traditional exports have been improving partly due to favourable weather conditions, improved access to agricultural inputs and increase in commodity prices in the world market. The performance of traditional exports for the year ending April 2006 is reflected on **Chart 4.3**.

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

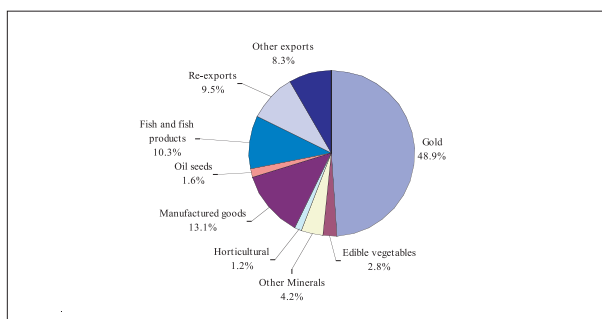


Non-Traditional Exports

Non-traditional exports increased by 7.1 percent to US\$ 112.5 million in April 2006 owing largely to an increase in exports of manufactured goods.

For the year ending April 2006, non-traditional exports went up by 10.9 percent to US\$ 1,373.3 million with notable improvement in exports of manufactured goods and other exports. The increase in manufactured exports is largely attributed to the growth of the manufacturing sector and successful implementation of the investment policy reforms in Tanzania. The manufacturing sector is estimated to grow at over 8 percent compared to the rate of less than 5 percent in the last five years. The manufactured goods that are exported include textile apparels, plastic items, glass and glassware, soap and footwear. Most of the manufactured goods are exported to the neighbouring countries including Burundi, Rwanda, the Democratic Republic of Congo and Malawi. The surge in category of other exports is partly attributed to the performance of edible vegetables whose exports rose to US\$ 38.0 million from US\$ 24.9 million in the previous year. Meanwhile, gold exports continued to dominate the non-traditional exports, accounting for about 49 percent of total non-traditional exports, followed by manufactured goods. The persistent increase in gold prices in the world market as well as expansion of the gold mining activities in the country have resulted into an improvement in gold exports. During the review period, the gold prices in the world market increased to US\$ 610.70 per troy ounce in April 2006 compared to US\$ 429.2 per troy ounce in April 2005. Chart 4.4 depicts the performance of non-traditional exports for the year ending April 2006.

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

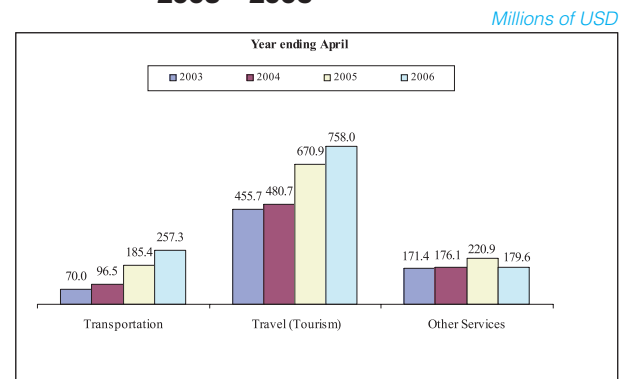


Services Export

During March 2006, export of services declined by 7.4 percent. During April 2006, export of services decreased to US\$ 82.1 million from US\$ 89.6 million recorded in the previous month, following the decline in travel (tourism) as low peak tourist season progresses. Likewise, transportation receipts dropped by 11.2 percent to US\$ 23.5 million. On

annual basis, services receipts increased by 10.9 percent to US\$ 1,194.9 million mainly due to the rise in travel and transportation receipts. The surge in travel (tourism) receipts to US\$ 758.0 million during the year ending April 2006, is consistent with the increased investments in the tourism sector coupled with enhanced promotional measures by the Government and other stakeholders. Currently, Tanzania Tourist Board (TTB) is actively involved in preparation of the International Tourism Fairs which are going to be hosted in ten countries namely USA, Britain, S. Africa, India, China, Japan, Korea, Australia and Austria. With these developments, TTB is intended to focus on maintaining traditional sources of tourism at the same time look for new markets. On the other hand, the surge in transportation receipts is largely attributed to the improved services at the Dar es Salaam port that has led to increase in transit cargo to and from the neighboring countries. In the past four years, travel activity dominated the service sector as depicted on **Chart 4.5**.

Chart 4.5: Tanzania: Service Receipts 2003 – 2006



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

Goods Imports

Goods imports decreased to US\$ 228.4 million in April 2006 from US\$ 244.7 million recorded in the previous month following the decline in imports of capital and consumer goods. The capital goods imports went down by 26.6 percent to US\$ 73.1 million with motor vehicles, iron and steel products as well as machinery and mechanical appliances accounting more for the decline. Likewise, importation of consumer goods decreased by 18.3 percent to US\$ 58.3 million following a fall in imports of food and foodstuffs, and other consumer goods. On the other hand, intermediate goods imports increased to US\$ 97.0 million from US\$ 73.8 million in the previous month largely due to the surge in oil imports. During the month under review, oil imports went up by 43.0 percent to US\$ 70.9 million amid increase in oil prices in the world market coupled with a large increase in the volume. In April 2006, a total of 132,000 tons of oil were imported compared to 93,600 tons that were imported in the previous month (**Table 4.2**).



Table 4.2: Tanzania imports

Millions of USD

	April		2006 ^a		Year Ending April ^P		% Change
	2004	2005 ^P	Mar-06	Apr-06	2005	2006	
CAPITAL GOODS	46.7	72.5	99.6	73.1	952.2	1,135.3	19.2
Transport Equipment	20.1	17.0	30.6	22.5	237.5	321.1	35.2
Building and Constructions Equipment	15.5	15.7	19.3	13.4	208.8	265.6	27.2
Machinery	11.1	39.8	49.7	37.2	506.0	548.6	8.4
INTERMEDIATE GOODS	54.9	47.4	73.8	97.0	762.2	872.0	14.4
Oil imports	38.1	34.0	49.6	70.9	473.8	536.4	13.2
Fertilizers	1.0	2.6	0.9	1.3	65.2	53.5	-17.9
Industrial raw materials	15.9	10.8	23.2	24.8	223.1	282.0	26.4
CONSUMER GOODS	60.9	42.9	71.3	58.3	748.3	786.2	5.1
Food and foodstuffs	16.7	7.3	29.3	20.8	204.4	210.0	2.7
All other consumer goods ¹	44.2	35.6	42.0	37.5	543.9	576.2	5.9
GRAND TOTAL (F.O.B)	162.6	162.9	244.7	228.4	2,462.7	2,793.4	13.4

Note: Oil imports refers to refined petroleum products

P = provisional data

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

Source: Bank of Tanzania and Tanzania Revenue Authority

Food imports

In April 2006, food imports recorded a decline of 29.0 percent to US\$ 20.8 million largely due to a fall in importation of sugar and sugar confectionaries to about 5,823 tons compared to a total of 29,714 tons that were imported last month. Importation of cereals went up marginally to US\$ 17.7 million from US\$ 16.8 million in March 2006, following mixed developments on imports of maize, rice and wheat. While the volume of imported wheat increased by more than two folds from 25,601 tons in March 2006 to 54,108 tons, maize and rice recorded declines in imported volumes. During the period under review, the volume of maize imports went down by 64.1 percent to 19,154 tons. Similarly, rice imports declined by 64.7 percent to 3,546 tons in April 2006. **Table 4.3** summarizes the trend of selected cereal imports the past four months beginning January 2006.

Table 4.3: Summary of food imports

	Jan-06	Feb-06	Mar-06	Apr-06	% Change (Mar - Apr)
Maize					
Tons	27,329	35,539	53,339	19,154	-64.1
Value (Mill. US\$)	5.5	7.9	10.0	5.1	-49.6
Rice					
Tons	7,800	5,086	10,051	3,546	-64.7
Value (Mill. US\$)	2.5	1.4	2.4	1.0	-57.7
Wheat					
Tons	38,535	34,655	25,601	54,108	111.3
Value (Mill. US\$)	6.4	5.8	4.3	11.6	168.6

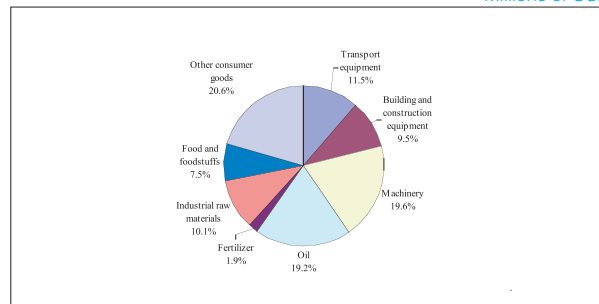
Source: Bank of Tanzania and Tanzania Revenue Authority

On annual basis, total goods imports went up by 11.1 percent to US\$ 2,793.4 million following the increase in all major categories of imports. Capital goods imports went up by 19.2 percent to US\$ 1,135.3 million following a huge increase in importation of transport, building and construction equipment; and machinery. Likewise, importation of intermediate goods increased from US\$ 762.2 million last year to US\$ 872.0 million. The increase in capital and intermediate goods is partly attributed to the expansion of manufacturing, construction and tourism activities. In addition, the notable increase in intermediate goods imports was also attributed to a surge in oil prices in the world market.

Consumer goods imports recorded a 5.1 percent marginal increase to US\$ 786.2 million following a rise in imports of food and foodstuff as well as other consumer goods. The increase in other consumer goods was mainly driven by an increase in importation of pharmaceutical products, books and plastic articles. The contribution of individual subcategories to total imports for year ending April 2006 is summarised in **Chart 4.6**.

Chart 4.6: Contribution to total imports for the year ending April 2006

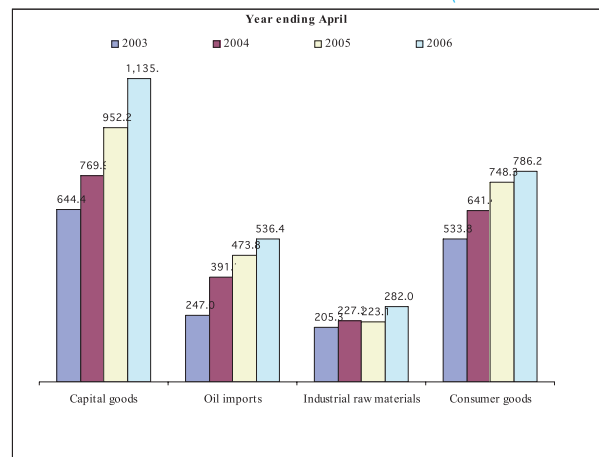
Millions of USD



During the past four years, capital goods dominated the total imports followed by consumer goods. The trend of imports over the past four years is shown in **Chart 4.7**

Chart 4.7: Tanzania: Total Merchandise Imports: 2003-2006

(In Millions of USD)



Services Imports

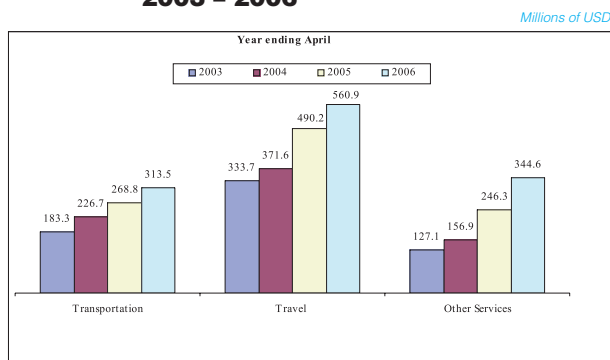
During the month under review, services payments rose to US\$ 91.5 million from US\$ 86.3 million recorded in March 2006, following the rise in construction and other business service payments.

On annual basis, services payments increased by 21.2 percent to US\$ 1,219.0 million, largely on account of the increase in payments for construction, freight charges, travel and insurance services. While the increase in freight payments is in line with the increase in merchandise imports, the surge in insurance payments is partly due



to the increase in Foreign Direct Investment (FDIs), which resulted into the growth of re-insurance activity. On the other hand, the rise in construction payments is largely associated with the expansion in construction activities in the country. The rise in travel payments is mainly attributed to the increase in number of travellers on education, business and medical grounds. The performance of the major service payment categories in the past four years is illustrated on **Chart 4.8**.

Chart 4.8: Tanzania: Service Payments 2003 – 2006



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

World Commodity Prices

In April 2006, the prices of **coffee** (Arabica) and (Robusta) went up slightly to US\$ 2.6 per kg and US\$ 1.3 per kg, respectively. Similarly, the prices of **tea** (Average price) and (Mombasa Auction), increased by 9.7 percent to US\$ 1.9 per kg and 7.5 percent to US\$ 2.0 per kg, respectively largely due to a shortfall in tea production as the result of unfavourable conditions in East Africa and Sri-lanka. The prices of **clove**, **cotton** (A- Index) and (Memphis) slightly declined to US\$ 4,162.5 per metric ton, US\$ 1.2 per kg and US\$ 1.3 per kg, respectively. On the other hand, the price of sisal remained stable at US\$ 885.0 per metric ton, as per the recommendations by FAO Committee in 2004 that the indicative prices for East Africa UG fibre should range between US\$ 840 to US\$ 900 per ton.

During the period under review, the prices of crude oil (average of U.K. Brent, Dubai, and West Texas Intl.), Dubai (f. o. b.) and white petroleum products recorded notable increases as shown on table 5. Similarly, the price of white products that mainly consist of gasoline and jet/kerosene went up during the view period. The price of gasoline and jet/kerosene rose by about 10.4 percent and 17.7 percent, respectively to about US\$ 678 per ton. The surge in oil prices was largely driven by the concerns regarding supply disruptions in Iran following its resumption on the nuclear plans. Regarding gold, the price rose to US\$ 610.7 per troy ounce from US\$557.1 per troy ounce largely due to investors decisions to diversify from investing in stocks into precious metal as a hedge against global tensions, rising energy prices and uncertainty on the US dollar outlook.

On annual basis, the average prices of coffee increased substantially when compared to the year ending April 2005 driven by a strong coffee demand coupled with supply constraints. The decline in supply of coffee was largely attributed to the effects of the hurricanes on coffee growing regions in Central America and drought conditions in Vietnam. The prices of **sisal** and **tea** (Average price) remained stable at US\$ 885.0 per metric ton and US\$ 1.3 per kg, respectively. During the period under review, the prices of tea (Mombasa Auction), cloves, cotton (A Index) and (Memphis") went up as shown on Table 5. The rise in tea (Mombasa Auction) was largely attributable to shortfalls in tea supply due to unfavourable weather conditions coupled with the improved demand from Egypt, UK and Pakistan. Likewise, the prices of crude oil (average of U.K. Brent, Dubai, and West Texas Intl.), Dubai (f. o. b.) and white petroleum products increased substantially during the year ending April 2006. The surge in oil prices was largely on account of supply disruptions following geographical tensions in the Middle East and Iran, and civil unrests in Nigeria. The price of gold rose by 18.2 percent to USD 491.7 per troy ounce as investors diversified from investing in stocks because of global insecurity (**Table 4.4**).

Table 4.4: World Commodity Prices

COMMODITY	Units	2006			% Change	Year ending Apr		% Change
		Feb	March	April		2005	2006	
Robusta Coffee	US \$ per kg	1.39	1.31	1.34	2.29	0.85	1.24	45.88
Arabica Coffee	US \$ per kg	2.63	2.51	2.55	1.59	1.90	2.50	31.58
Tea (Average price)	US \$ per kg	1.95	1.75	1.92	9.71	1.71	1.71	0.00
Tea (Mombasa auction)	US \$ per kg	2.45	1.87	2.01	7.49	1.52	1.66	9.21
Cotton, "A Index"	US \$ per kg	1.34	1.29	1.24	-3.88	1.23	1.25	1.63
Cotton, Memphis"	US \$ per kg	1.35	1.36	1.34	-1.47	1.22	1.32	8.20
Sisal (UG)	US \$ per metric ton	885.00	885.00	885.00	0.00	885.00	885.00	0.00
Cloves	US \$ per metric ton	3,675.00	4,300.00	4,162.50	-3.20	3,262.63	3,291.32	0.88
Crude oil*	US \$ per barrel	59.70	60.93	67.97	11.55	42.67	58.53	37.17
Crude oil**	US \$ per barrel	57.58	57.65	64.06	11.12	37.86	54.81	44.77
White products***	US \$ per ton	548.81	578.39	651.53	12.65	427.05	567.03	32.78
Jet/Kerosene	US \$ per ton	590.49	614.89	678.51	10.35	435.15	596.97	37.19
Premium Gasoline	US \$ per ton	538.40	575.91	678.05	17.74	424.92	563.02	32.50
Heat Oil	US \$ per ton	527.54	554.36	598.04	7.88	420.33	540.43	28.57
Gold	US \$ per troy ounce	555.00	557.10	610.70	9.62	416.05	491.71	18.19

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

** f. o. b. Dubai

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

Source: Various Trade Publications

5.0 National Debt

The National debt stock, comprising of both external and domestic debts, as at the end of April 2006 stood at USD 9,582.3 million. The position represents an increase of USD 130.9 million (1.4 percent) from USD 9,451.4 million recorded at the end of March 2006. The HIPC debt relief realised from multilateral institutions, in the form of debt service reduction, amounted to USD 4.0 million.

External Debt

External debt stock amounted to USD 8,149.9 million at the end of April 2006, showing an increase of USD 126.7 million (1.6 percent) from USD 8,023.2 million registered at the end of previous month due to accumulation of arrears

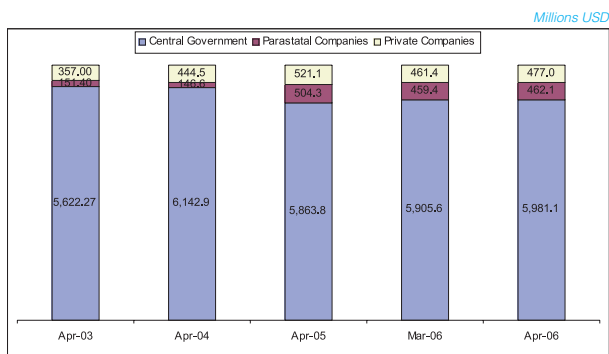


on non-Paris Club creditors, exchange rate fluctuations and recording of non-previously disbursed amounts. Out of this, USD 6,920.2 million (84.9 percent) was Disbursed Outstanding Debt (DOD) and the remaining balance of USD 1,229.7 million (15.1 percent) was interest arrears.

Profile of Disbursed Outstanding Debt (DOD)

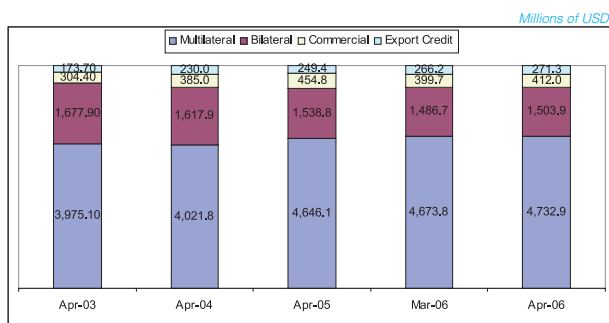
The profile of disbursed and outstanding debt reveals that the Central Government was the largest borrower with a total debt of USD 5,981.1 million (86.4 percent) followed by the private sector with USD 477.0 million (6.9 percent). Debts owed by Parastatal companies stood at USD 462.1 million or 6.7 percent of the total disbursed outstanding debt (Chart 5.1).

Chart 5.1: The DOD By Borrower Category



Debt owed to multilateral institutions amounted to USD 4,732.9 million (68.4 percent), while the amount of debt owed to bilateral creditors was USD 1,503.9 million (21.7 percent). The remaining debts amounting to USD 412.0 million (6.0 percent) and USD 271.3 million (3.9 percent) was in the form of commercial and export credits respectively (Chart 5.2).

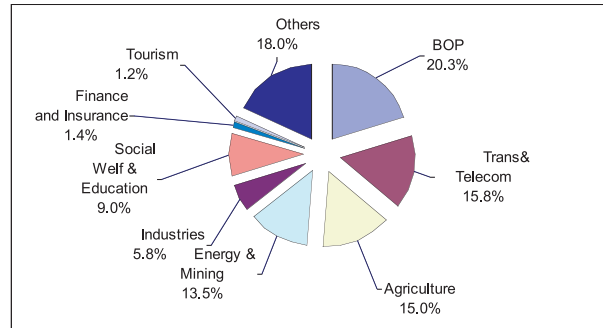
Chart 5.2: DOD by Creditor Category



Analysis of disbursed outstanding debt by use of funds indicates that USD 1,401.5 million (20.3 percent) was disbursed in the form of Balance of Payments Support while Transport & Telecommunication debt was USD 1,091.5 million (15.8 percent). Agriculture accounted for USD 1,035.0 million (15.0 percent), Energy & Mining USD 937.2 million (13.5 percent), Social Welfare & Education

USD 403.4 million (5.8 percent), Industries USD 624.3 million (9.0 percent), Finance and insurance USD 98.7 million (1.4 percent) and Tourism accounted for USD 81.0 million or 1.2 percent of the total disbursed outstanding debt. The remaining USD 1,247.0 million (18.0 percent) was disbursed for other activities.

Chart 5.3: DOD By Use of Funds



External Debt Service Payments

Actual external debt service payments during the period under review amounted to USD 6.1 million, out of which principal repayment amounted to USD 2.2 million while USD 3.9 million was interest payment.

Debt Relief

During the month under review Tanzania realised multilateral debt relief in the form of debt service reduction amounting to USD 4.0 million. Out of this amount, USD 3.9 million was from IDA and the remaining balance of USD 0.14 million was realised from the African Development Fund. Cumulatively, debt relief realised from multilateral institutions as at the end of April 2006 amounted to USD 428.5 million (Table 5.1).

Table 5.1: Multilateral Debt Relief

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06		TOTAL
							Quarter 1-3	Apr 2006	
IDA	9.12	39.78	41.24	43.45	47.79	47.74	35.15	3.90	268.17
AfDB	4.51	9.63	-	8.02	10.00	9.99	9.73	0.14	52.02
IMF	6.33	17.55	23.36	7.23	11.10	10.72	4.01	-	83.00
IFAD	-	-	0.53	1.34	0.82	1.43	1.47	-	5.59
NORTF	-	-	-	2.61	1.51	2.83	0	-	6.95
NODF	-	-	-	-	-	0.24	0.2	-	0.44
EIB	-	-	-	-	0.24	9.29	3.77	-	13.30
EADB*	-	-	-	-	-	1.30	0	-	1.30
TOTAL	19.96	66.96	65.13	62.65	71.46	83.54	54.76	4.04	428.50

* Stock Reduction

Source: Bank of Tanzania

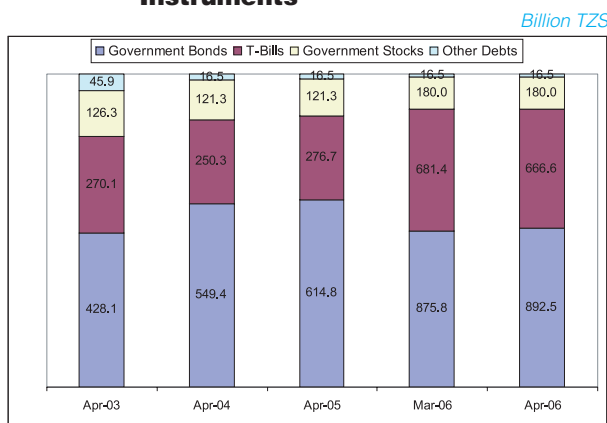
Debt relief received from bilateral creditors remained at the level of USD 1,043.3 million as it was at the end of February 2006. Out of this amount, USD 858.7 million was debt cancellation by Paris Club creditors and the remaining USD 184.6 million was received from Non Paris Club creditors.



Domestic Debt

The stock of domestic debt as at the end of April 2006 amounted to TZS 1,755.7 billion depicting a slight increase of TZS 1.9 billion (0.1 percent) compared to level recorded at the end of March 2006. Government securities amounted to TZS 1,739.1 billion (99.1 percent), out of which, Government Bonds, Treasury bills, Government stocks and Tax Reserve Certificates were TZS 892.5 billion, TZS 666.6 billion, TZS 180.0 billion and TZS 0.1 billion respectively. Other debts amounted to TZS 16.5 billion (1.0 percent) which was at the same level as reported previously (Chart 5.4).

Chart 5.4: Government Domestic Debt by Instruments



In terms of holder category, commercial banks remained the leading government creditor, holding 44.9 percent of total domestic debt followed by Pension Funds with 24.7 percent, Bank of Tanzania 18.0 percent, Other Official Entities 6.1 percent and Insurance companies 3.1 percent. Non-Bank Financial Institutions BOT Special Funds and private sector, combined, held the remaining portion around to 3.2 percent of domestic debt stock.

6.0 Economic Developments in Zanzibar

Overall Performance

Zanzibar Government budgetary performance on cheques issued basis; during April 2006, recorded an overall deficit of TZS 3.8 billion before grants. After considering grants to the tune of TZS 1.2 billion, the deficit declined to TZS 2.5 billion. However the overall budget deficit on cheques cleared basis amounted to TZS 3.2 billion.



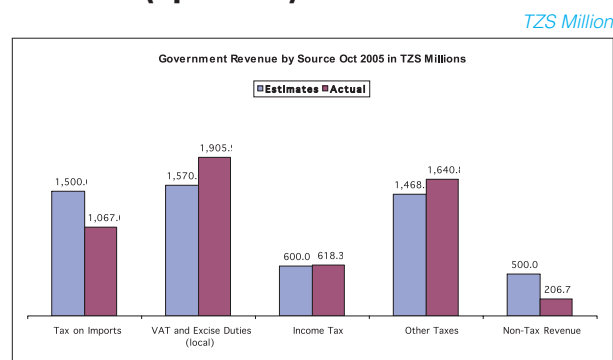
Revenue

During April 2006 actual revenue outturn amounted to TZS 5.4 billion, slightly below the target of TZS 5.6 billion. The underperformance was mainly attributed to low collection of import duties and non-tax sources. Tax revenue amounted to TZS 5.2 billion, accounting for 96.3 percent of total revenue while non-tax sources fetched TZS 0.2 billion or 3.7 percent of total revenue.

Collection from import duties amounted to TZS 1.1 billion, below the target TZS 1.5 billion, associated with declining in taxable imports and partially impact rehabilitation activities of Zanzibar port in progress. VAT and exercise duty (local) collections amounted to TZS 1.9 billion surpassing the target of TZS 1.6 billion as a result of pursuance of collection of arrears and tax audit efforts. Income tax collections fetched TZS 0.6 billion were in line with the target. Other taxes collections reached TZS 1.6 billion surpassing the target TZS 1.5 billion, mainly due to enhanced collection efforts by tax authority (ZRB). Revenue from non-tax sources amounted to TZS 0.2 billion, was below the target of TZS 0.5 billion, partially due to delays in depositing collections to banking systems.

Cumulatively, total revenue collection from July 2005 to April 2006 amounted to TZS 58.0 billion, slightly above the target of TZS 57.2 billion. (Chart 6.1).

Chart 6.1: Government Revenue by Source (April 2006) in TZS Million



Expenditure

During April 2006, the government actual expenditure amounted to TZS 9.2 billion, above target of TZS 8.8 billion, attributed to more than expected amount of donor funded inflows. Out of the total expenditure, recurrent expenditure amounted to TZS 5.8 billion being 63.6 percent of total expenditure, while development expenditure amounted to TZS 3.3 billion being 36.4 percent of total expenditure.

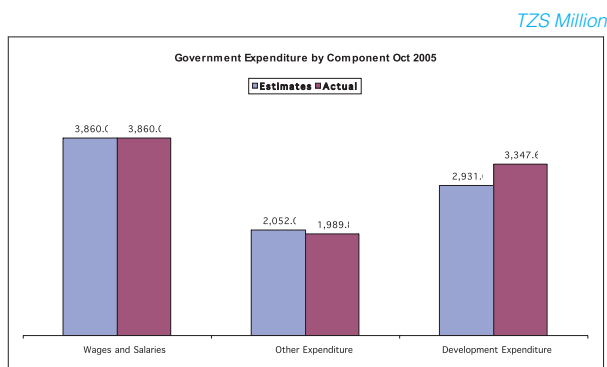
Out of recurrent expenditures, wages and salaries amounted to TZS 3.9 billion within set target; and accounted for 67.2 percent of total recurrent expenditure or 42.4 percent of

total expenditure. Other expenditures amounted to TZS 2.0 billion closely in line with projected amount, accounting for 34.5 percent of recurrent expenditure or 21.7 percent of total expenditure.

Development expenditure amounted to TZS 3.3 billion above target of TZS 2.9 billion, mainly due to unexpected increase in donor funds. Local component amounted to TZS 0.2 billion or 4.8 percent of total development expenditures while donor funded expenditure amounted to TZS 3.2 billion or 95.2 percent of development expenditure. (Chart 6.2).

On cumulative basis, during July 2005 to April 2006, the government expenditure amounted to TZS 111.0 billion, against the projected TZS 89.7 billion mainly due to the impact of enhanced donor funded disbursements above monthly projections.

Chart 6.2: Government Expenditure by Components (April 2006)



Financing

During April 2006, the budget deficit was exclusively financed from external sources; mainly donor development funds to the tune of TZS 3.2 billion.

Debt Developments

Zanzibar public debt as at the end of April 2006 stood at TZS 177.8 billion, having declined from TZS 185.9 billion registered in the previous month. The decline was associated with repayment of debt due to Peoples' Bank of Zanzibar. The external debt remained at TZS 111.2 billion or 63.1 percent of total debt, while domestic debt amounted to TZS 66.6 billion accounting for 36.9 percent

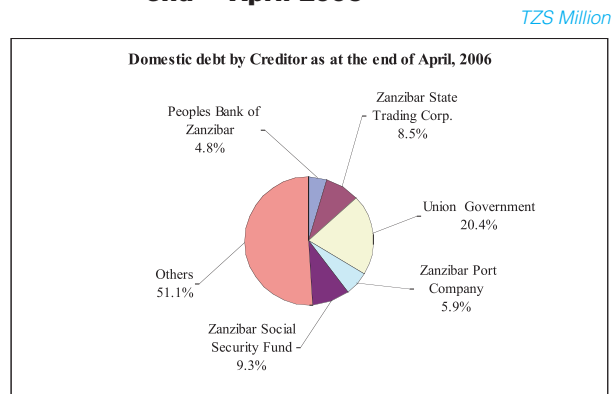
Domestic Debt

During April 2006, domestic debt declined by 11.0 percent to TZS 66.6 billion from TZS 74.9 billion recorded in previous month, largely attributed to servicing of outstanding claims due to the Peoples Bank of Zanzibar.

Domestic Debt by Creditor

Analysis of domestic debt by creditor shows that Claims by other creditors (domestic suppliers and pensioners) remained at the lead amounting to TZS 34.0 billion; representing 51.1 percent of total domestic debt. Union Government debt stood at TZS 13.6 billion accounting for 20.4 percent of total domestic debt, while Zanzibar Social Security Fund (ZSSF) claims stood at TZS 6.2 billion accounting for 9.3 percent of total domestic debt. Zanzibar State Trading Company (ZSTC) debt amounted to TZS 5.6 billion or 8.5 percent, while Zanzibar Port Company (ZPC) claims amounted to TZS 4.0 billion or 5.9 percent of total domestic debt. Peoples Bank of Zanzibar (PBZ) debt slumped by 71.9 percent to TZS 3.2 billion, accounting for 4.8 percent of total domestic debt (Chart 6.3).

Chart 6.3: Domestic debt by Creditor as at end - April 2006



Domestic Debt by instruments

Government loans increased to TZS 21.5 billion from TZS 11.4 billion due to re-categorization of debt instruments; representing 32.3 percent of total domestic debt. Government stocks amounted to TZS 10.0 billion or 15.0 percent of total domestic debt. Debt raised by treasury bills amounted to TZS 7.2 billion representing 10.9 percent of total domestic debt. Treasury bonds debt amounted to TZS 8.9 billion or 13.3 percent of total domestic debt; while debts contracted using other debts instruments (suppliers' credits and pensioners), declined by 49.0 percent to TZS 19.0 billion representing 28.6 percent of total domestic debt mainly due to re-categorization of debt instruments.

Domestic debt by maturity

Debt maturing in less than a year declined by 52.0 percent to TZS 7.6 billion representing 11.4 percent of total domestic debt. Debt with maturity of between 1 to 2 years stood at TZS 11.7 billion representing 17.6 percent of total domestic debt. Debt maturing between 2 - 5 years remained as TZS 5.1 billion or 7.6 percent of total domestic



debt. Debt with "undetermined maturity" (gratuity, pension, and domestic suppliers' claims) declined marginally by 0.1 percent to TZS 42.2 billion representing 63.4 percent of the total domestic debt.

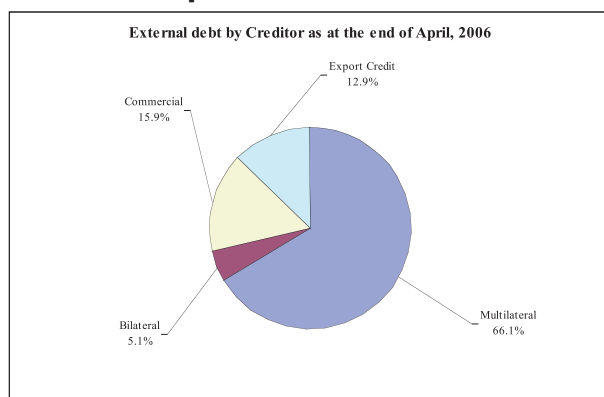
External Debt

Zanzibar external debt as at the end of April 2006 remained and stood at USD 90.7 million as registered in previous month. External debt with Union government guarantee stood at USD 61.9 million or 68.2 percent of total external debt. The non-guaranteed debt amounted to USD 28.8 million or 31.8 percent of total external debt.

External Debt by Creditor Category

Multilateral creditors are dominant in the Zanzibar's external debt; amounting to USD 60.0 million (TZS 73.5 billion), accounting for 66.1 percent of total external debt. Claims by bilateral creditors stood at USD 4.6 million (TZS 5.7 billion) or 5.1 percent. Commercial and export credit claims amounted to USD 14.5 million (TZS 17.7 billion), and USD 11.7 million (TZS 14.3 billion), accounting for 15.9 percent and 12.9 percent of total external debt, respectively (Chart 6.4).

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



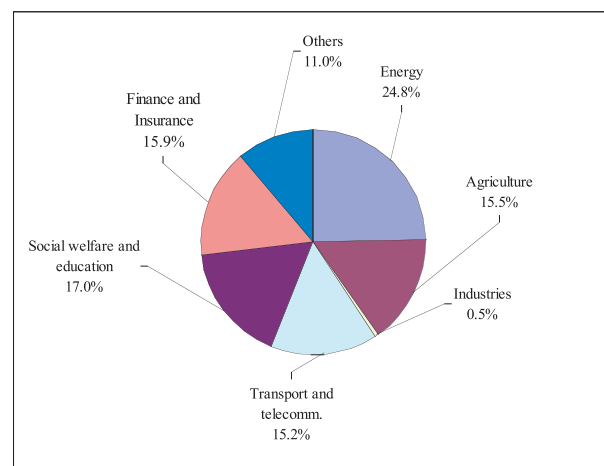
External Debt by Maturity

The profile of external debt by maturity shows that, debts maturing beyond 20 years period accounted for USD 56.4 million or 62.1 percent of total external debt. Debt maturing between 5 to 10 years was USD 29.5 million or 32.5 percent of total external debt, while debt maturing between 10 to 20 years stood at USD 4.9 million represents 5.4 percent of total external debt.

External debt - Disbursements by Use of Funds

The external debt by use of funds indicates similar disbursement trend as in the preceding month as there was no new loans. The energy sector maintained absorption of USD 22.5 million or 24.8 percent of total disbursements. Social welfare and education sectors maintained receipt of USD 15.5 million or 17.0 percent of total disbursements. Finance and insurance sector absorbed USD 14.5 million or 15.9 percent of total external debt, while agriculture sector received USD 14.0 million or 15.5 percent of total external debt. Transport and telecommunications sector retained USD 13.8 millions or 15.2 percent of total disbursements. The industry sector retained USD 0.5 million or 0.5 percent, while other sectors utilised USD 10.0 million or 11.0 percent of total disbursements. (Chart 6.5).

Chart 6.5: External debt by Use of Funds as at the end of April 2006



Trade Developments

Trade Deficit Widens

During April 2006, Zanzibar's trade balance (goods and services) deficit worsened by 42.3 percent to USD 3.7 million, from USD 2.6 million recorded in March 2006. The decline was largely driven by notable decrease in goods exports, specifically cloves, coupled with increase in imports bill. On year-to-year basis; the deficit rose by 12.1 percent to USD 48.65 million from USD 43.38 million recorded during the corresponding period in 2005. The relative lower rise was due to increase in imports mainly oil imports which accounted for 28.0 percent of total imports. (Table 6.1).



Table 6.1: Trade Account Balance

Millions of USD

ITEM	2005			2006p			Year Ending April			Monthly	Annual	
	March	April	Dec	Jan	Feb	March	April	2004	2005	2006p	%Change	%Change
Exports	5.185	4.801	6.654	8.874	6.806	6.871	6.494	52.331	60.443	91.151	-5.5	50.8
Goods	0.265	0.202	0.520	2.234	0.415	0.483	0.243	14.071	9.010	12.505	-49.7	38.8
Services	4.920	4.598	6.134	6.639	6.391	6.388	6.251	38.259	51.434	78.646	-2.1	52.9
Imports	8.870	9.606	7.578	10.313	10.918	9.508	10.230	92.751	103.827	139.798	7.6	34.6
Goods (f.o.b)	6.401	6.507	3.589	5.801	6.393	5.166	5.787	64.585	75.600	78.060	12.0	3.3
Services	2.469	3.099	3.989	4.512	4.526	4.342	4.444	28.166	28.228	61.738	2.3	118.7
Trade Balance	-3.685	-4.805	-0.924	-1.440	-4.112	-2.637	-3.736	-40.420	-43.384	-48.647	41.7	12.1

Source: Tanzania Revenue Authority.

P = Provisional

Exports

During the month under review, export of goods and services declined by 4.4 percent to USD 6.5 million from USD 6.8 million recorded in previous month. The latter was mainly driven by slump in cloves exports due to seasonality factors culminating into lack of stocks for export. On year - to - year basis, exports of goods and services surged by 50.8 percent, to USD 91.1 million from USD 60.4 million for the preceding corresponding period in 2005; mainly driven by services receipts of USD 78.6 million, accounting for 86.3 percent of total export receipts. Clove exports realised USD 9.4 million or 10.4 percent of total export receipts, while seaweeds exports fetched USD 1.9 million or 2.1 percent of total exports receipts. Other exports including manufactured goods and fish & fish produce contributed USD 1.1 million or 1.2 percent of total export receipts.

Imports

During the month of April 2006, Zanzibar goods imports (c.i.f) rose by 11.5 percent to USD 5.8 million from USD 5.2 million registered in March 2006. The rise emanated from increase in importation of capital and intermediate goods to cater for machinery and oil demands for new projects established in Zanzibar and impact of hike in world oil; imports. There was also increase in transport equipments dominated by vehicles on transit to mainland. Oil imports went up by 17.7 percent to USD 2.6 million accounting for 34.0 percent of total imports mainly on account of persistent rise of world prices. Consumer goods imports declined marginally to USD 1.5 million largely influenced by slowdown in importation of all other consumer goods - clothing and footwear items normally consumed during festival seasons. On year-to-year basis, imports increased by 3.3 percent to USD 78.1 million from USD 75.6 million, recorded in the previous corresponding period in 2005, mainly due to higher imports bill. The rise was dominated imports of oil and oil products, which surged by 33.0 percent to USD 23.8 million accounting for 27.7 percent of total imports. Capital goods increased to USD 33.1 million from USD 30.5 million influenced by rise in imports of machinery, building and construction imports to cater for booming construction activities. The latter accounted for 28.0 percent of total imports. (Table 6.2).

Table 6.2: Zanzibar Imports by Major Categories

Millions of USD

IMPORT CATEGORY	2005			2006p			Year Ending April			Monthly	Annual	
	March	April	Dec	Jan	Feb	March	April	2004	2005	2006p	%Change	%Change
CAPITAL GOODS	3.516	3.09	1.148	2.036	2.727	1.940	2.234	24.413	30.570	33.152	13.2	8.4
Transport Equipments	1.838	0.89	0.405	0.749	1.149	0.572	0.823	11.44	8.75	9.027	44.0	3.2
Building and Constructions	0.522	0.50	0.211	0.527	0.363	0.537	0.475	2.558	7.47	7.985	-11.5	6.8
Machinery	1.156	1.70	0.532	0.760	1.216	0.831	0.936	10.41	14.35	16.140	12.6	12.5
INTERMEDIATE GOODS	1.635	2.09	1.341	2.937	2.701	2.214	2.617	15.985	24.362	28.289	18.2	16.1
Oil imports	1.404	1.71	1.01	2.475	2.150	1.828	2.151	11.59	17.914	23.83	17.7	33.0
Fertilizers	0.000	0.00	0.00
Industrial raw materials	0.231	0.38	0.33	0.463	0.551	0.386	0.466	4.395	6.448	4.46	20.9	-30.8
CONSUMER GOODS	1.883	1.97	1.454	1.402	1.597	1.523	1.507	30.574	28.144	24.340	-1.1	-13.5
Food and food stuffs	1.264	1.13	0.79	0.192	0.925	0.565	0.561	20.2	15.485	13.43	-0.8	-13.3
All other consumer goods	0.619	0.83	0.66	1.209	0.672	0.958	0.947	10.38	12.658	10.91	-1.2	-13.8
GRAND TOTAL (CIF)	7.034	7.15	3.944	6.375	7.025	5.677	6.359	70.972	83.076	85.780	12.0	3.3
GRAND TOTAL (FOB)	6.401	6.507	3.589	5.801	6.393	5.166	5.787	64.585	75.600	78.060	12.0	3.3

P = provisional

... = Very small value

Source: Tanzania Revenue Authority

Services Account

During the month of April 2006, services account balance (net), worsened by 14.2 percent to USD 1.8 million from USD 2.1 million recorded in March 2006. The slow down was linked to the slower increase in services receipts, coupled with increase in foreign payments. Services payments increased to USD 4.4 million from USD 4.3 million recorded in preceding month, while receipts decreased to USD 6.2 million from USD 6.3 million registered in previous month. The decline in service receipts was experience of off-season period for tourism activities. On annual basis, the services account recorded a surplus of USD 16.9 million compared to USD 23.2 million recorded in the corresponding period in 2005; largely associated with the surge in foreign payments. The said payments amounted to USD 61.7 million, substantially influenced by travel related payments accounted for 64.0 percent of all payments effected.



Table A1: Tanzania Selected Economic Indicators

Item	Unit	1998	1999	2000	2001	2002	2003	2004
1. National Accounts and Prices								
1.1 Change in GDP at Factor Cost--Current Prices	Percent	19.7	16.6	12.2	13.7	14.1	12.8	14.8
1.2 Change in GDP at Factor Cost--Constant 1992 Prices ²	Percent	4.0	4.7	4.9	5.7	6.2	5.7	6.7
1.3 GDP Per Capita--Current Prices ¹	TZS	170,831.0	193,456.0	210,231.0	231,751.0	258,925.0	286,888.0	320,000.0
1.4 GDP Per Capita--Current Prices ¹	US\$	257.0	259.7	262.7	264.4	267.9	276.2	303.0
1.5 Change in Consumer Price Index (Inflation)	Percent	12.8	7.9	5.9	5.2	4.5	3.5	4.1
1.6 Saving to GNDI Ratio ³	Percent	6.5	6.8	11.6	11.1	12.7	11.8	12.3
2. Money Credit and Interest Rates								
2.1 Change in Extended Broad Money Supply (M3)	Percent	10.8	18.6	14.8	17.1	25.1	16.1	19.3
2.2 Change in Broad Money Supply (M2)	Percent	11.1	15.0	12.5	12.3	18.5	14.2	19.2
2.3 Change in Narrow Money Supply (M1)	Percent	10.5	16.0	9.9	10.2	25.2	16.1	18.2
2.4 Change in Reserve Money	Percent	14.7	21.5	9.4	5.0	19.1	12.6	23.6
2.5 Total Credit to GDP Ratio ¹	Percent	9.4	10.5	9.8	7.6	8.8	8.7	8.5
2.6 Private Sector Credit to GDP Ratio ¹	Percent	4.3	4.7	4.6	4.9	6.1	5.2	8.9
2.7 Ratio of Private Credit to Total Credit	Percent	45.7	44.6	46.6	63.7	69.2	71.6	104.7
2.8 Average Deposit Rate (12-Month)	Percent	11.5	10.4	8.6	6.0	5.7	5.0	5.8
2.9 Weighted Average Treasury Bill Rate	Percent	10.1	15.5	5.7	3.9	4.5	7.7	9.6
2.10 Average Medium- and Long-Term Lending Rate	Percent	22.0	20.6	21.2	15.8	13.2	12.5	14.0
3. Balance of Payments								
3.1 Exports (f.o.b)	Mill. USD	588.5	543.3	663.3	776.4	902.5	1,129.2	1,334.9
3.2 Imports (f.o.b)	Mill. USD	1,382.1	1,415.4	1,367.6	1,560.3	1,511.3	1,933.5	2,281.2
3.3 Trade Balance	Mill. USD	-793.6	-872.1	-704.3	-783.9	-608.3	-804.2	-946.3
3.4 Balance on Current Account	Mill. USD	-901.9	-846.2	-495.8	-436.7	-214.7	-384.2	-456.7
3.5 Overall Balance	Mill. USD	-567.2	-128.4	-86.3	-809.6	-112.2	69.9	-98.1
3.7 Gross Official Reserves	Mill. USD	599.0	776.0	974.0	1,157.0	1,529.0	2,037.8	2,296.1
3.8 Reserves Months of Imports (of goods and services)	Months	3.1	4.2	5.7	6.3	8.4	8.9	8.4
3.9 Exchange Rate:								
3.9.1 Annual Average	TZS/USD	664.7	744.8	800.4	876.4	966.6	1,038.6	1,053.3
3.9.2 End of Period	TZS/USD	681.0	797.3	803.3	916.3	976.3	1,063.6	1,043.0
4 Population (TZ Mainland)	Million	30.0	30.9	31.9	32.1	33.6	34.2	34.8
5. Public Finance								
5.1 Current Revenue to GDP Ratio ¹	Percent	11.5	11.4	12.2	11.8	12.3	12.1	13.3
5.2 Grants to GDP Ratio ¹	Percent	2.8	4.1	3.7	4.3	3.2	3.7	6.7
5.2 Current Expenditure to GDP Ratio ¹	Percent	11.0	11.9	13.0	12.7	13.0	12.9	17.1
5.3 Development Expenditure to GDP Ratio ¹	Percent	2.2	5.3	3.7	3.9	3.3	3.6	8.4
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	-1.7	-5.7	-4.5	-4.8	-4.0	-4.4	-11.9
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	1.0	-1.6	-0.8	-0.5	-0.8	-0.6	-5.2
6. Total External Debt Stock								
	Mill. USD	7,669.7	7,624.8	7,482.1	7,464.0	7,268.1	7,890.7	8,291.0
Disbursed Debt	Mill. USD	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,730.8	6,990.6
Interest	Mill. USD	1,089.4	1,086.5	1,169.9	904.3	1,035.1	1,159.9	1,300.4
Total External Debt as % of GDP	Percent	82.1	89.5	80.7	78.5	75.9	78.4	77.5

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

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



Table A2 : Central Government Operations

Item	BUDGET 2005/06	Millions of TZS									
		2005						2006			
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Total Revenue	2,066,751.6	147,121.2	160,134.2	190,536.1	151,866.7	165,835.0	198,332.8	167,774.8	158,788.6	203,976.1	161,322.2
Tax Revenue	1,895,966.6	137,459.3	144,472.6	179,182.3	138,742.8	150,309.1	185,086.2	153,831.2	146,817.9	186,380.6	143,869.2
Taxes on Imports	790,801.9	67,272.4	65,645.4	68,495.4	57,279.2	68,728.1	69,657.4	67,997.8	65,667.8	68,373.7	61,770.8
Sales/VAT & Excise on-											
Local Goods	466,369.6	36,661.1	42,854.3	37,828.2	42,367.4	42,398.0	37,921.2	41,110.2	42,049.1	38,403.8	37,241.6
Refunds	-67,834.4	-6,574.3	-6,388.3	-4,118.2	-4,241.2	-6,242.9	-6,245.6	-5,926.7	-6,168.2	-6,118.3	-6,070.2
Income Taxes	549,074.3	28,155.1	31,623.2	66,613.8	33,154.6	33,661.6	71,878.9	37,995.7	34,871.1	74,072.6	39,370.5
Other taxes	157,555.2	11,945.0	10,738.0	10,363.1	10,182.8	11,764.3	11,874.3	12,654.2	10,398.1	11,648.8	11,556.5
Non- tax Revenue	170,785.0	9,661.9	15,661.6	11,353.8	13,123.9	15,525.9	13,246.6	13,943.6	11,970.7	17,595.5	17,453.0
Total Expenditure /1	4,176,050.4	162,576.8	204,826.7	462,825.0	647,547.2	323,720.7	321,857.0	251,426.6	237,412.6	348,003.2	335,192.3
Recurrent expenditure	2,790,867.3	89,159.9	155,633.8	332,494.5	321,170.9	242,745.1	259,903.9	198,018.5	161,366.1	212,895.9	195,319.3
Roadtoll fund	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	15,302.8	5,554.7	4,869.6	5,785.0	3,716.7	4,999.0	4,548.9	3,779.7	4,412.1
Wages and salaries	681,897.3	53,146.0	53,337.1	55,920.5	52,789.0	53,513.5	54,620.2	54,461.9	54,164.7	54,558.4	54,710.5
Interest payments	174,762.9	11,605.5	8,165.1	19,952.5	18,615.8	34,373.6	17,475.2	13,465.2	8,095.8	31,116.6	12,772.3
Domestic 2/	100,178.3	8,669.2	6,808.9	9,035.3	15,496.8	28,122.1	13,167.2	8,358.0	4,348.0	25,608.8	6,396.1
Foreign	74,584.6	2,936.2	1,356.2	10,917.1	3,119.0	6,251.5	4,307.9	5,107.2	3,747.8	5,507.8	6,376.2
Other goods, services & transfers	1,934,207.1	24,408.4	94,131.5	256,621.6	249,766.1	154,857.9	187,808.5	130,091.4	99,105.6	127,220.9	127,836.4
Dev. Expenditure and net lending	1,385,183.1	73,416.9	49,192.9	130,330.5	326,376.4	80,975.6	61,953.1	53,408.2	76,046.5	135,107.3	139,873.0
Local	370,037.8	0.0	200.0	71,000.0	146,000.0	0.0	0.0	2,000.0	0.0	30,000.0	21,900.0
Foreign	1,015,145.3	73,416.9	48,992.9	59,330.5	180,376.4	80,975.6	60,749.0	51,408.2	76,046.5	105,107.3	117,973.0
Overall Balance (cheque issued)- before Grants	-2,109,298.8	-15,455.6	-44,692.5	-272,288.9	-495,680.5	-157,885.7	-122,320.1	-83,651.8	-78,624.0	-144,027.1	-173,870.1
Grants	1,011,345.0	81,642.2	82,137.8	99,201.5	239,798.6	58,597.1	60,111.7	38,526.0	42,689.9	36,481.4	40,625.3
Program (CIS/OGL)	345,475.6	6,695.7	30,853.9	49,923.0	207,244.6	177.9	0.0	5,024.4	0.0	0.0	0.0
Project	340,972.4	44,640.9	44,640.9	44,640.9	28,231.2	12,103.5	16,979.8	24,232.9	24,232.9	24,232.9	10,420.0
Basket funds	231,297.0	24,424.0	0.0	0.0	191.0	38,994.5	36,574.9	3,095.2	14,268.6	4,186.1	27,599.9
HIPC Relief	93,600.0	5,881.6	6,642.9	4,637.6	4,131.8	7,321.2	6,557.1	6,173.5	4,188.3	8,062.4	2,605.5
Overall defici.(cheq.issued)- after Grants	-1,097,953.9	66,186.6	37,445.3	-173,087.5	-255,881.9	-99,288.5	-62,208.3	-45,125.8	-35,934.1	-107,545.6	-133,244.7
Expenditure float	0.0	-146,552.4	-6,873.0	-1,737.5	-748.9	-856.5	-400.1	5.2	0.0	0.0	0.3
Adjustments to cash and other items (net)	0	-43,776	-88,191	165,010	-72,857	220,336	43,878	-114,760.2	-53,412.7	-15,455.5	112,196.8
Overall Balance (cheques issued)	-1,097,953.9	-124,142.2	-57,619.1	-9,815.1	-329,487.7	120,191.4	-18,730.8	-159,880.9	-89,346.8	-123,001.1	-21,047.6
Financing:	1,097,953.9	124,142.2	57,619.1	9,815.1	329,487.7	-120,191.4	18,730.8	159,880.9	89,346.8	123,001.1	21,047.6
Foreign Financing (net)	584,888.5	275.8	-3,278.3	84,309.8	316,434.5	18,604.8	-2,716.9	15,296.7	29,451.6	67,285.9	81,630.8
Loans	713,564.9	4,352.0	4,352.0	97,462.5	323,104.2	29,877.6	7,194.4	24,080.0	37,545.0	76,688.3	79,953.2
Program loans	270,689.1	0.0	0.0	82,772.9	171,150.0	0.0	0.0	0.0	0.0	0.0	0.0
Development Project loans	341,584.4	4,352.0	4,352.0	4,352.0	151,954.2	14,100.3	7,194.4	24,080.0	32,536.5	18,328.0	13,266.6
Basket Support	101,291.4	0.0	0.0	10,337.6	0.0	15,777.3	0.0	0.0	5,008.4	58,360.3	66,686.6
Amortization	-128,676.5	-4,076.2	-7,630.2	-13,152.7	-6,669.6	-11,272.8	-9,911.2	-8,783.3	-8,093.4	-9,402.4	1,677.7
Domestic (net)	513,065.4	123,866.4	60,897.4	-74,494.7	13,053.2	-138,796.1	21,447.6	144,584.1	59,895.3	55,715.2	-60,583.2
Domestic Financing	514,905.7	123,866.4	60,897.4	-74,494.7	-20,256.0	-138,796.1	21,447.6	144,584.1	59,895.3	61,479.1	-60,583.2
Bank borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
Amortization of contingent debt	-12,260.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5,763.9	0.0
Privatization Proceeds	10,420.0	0.0	0.0	0.0	33,309.2	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance

Note:

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

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



Table A4: Interest Rate Structure

Item	2005							2006			
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Percent											
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
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
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
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
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
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
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
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
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
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
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
4.Treasury Bills Rates											
35 days	6.60	7.03	8.42	9.49	8.97	8.59	8.63	9.04	9.28	8.88	8.30
91 days	8.12	10.35	11.51	12.52	14.08	13.96	14.70	14.78	14.80	13.42	12.31
182 days	9.43	10.53	11.46	13.10	14.50	14.42	14.71	14.58	14.62	13.70	12.26
364 days	10.51	11.93	12.64	13.70	14.95	15.61	15.72	15.64	15.82	13.89	11.92
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
5. 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
5-years	12.11	13.19	15.00	15.00	15.64	16.77	17.01	16.81	17.40	17.76	17.19
7-years	13.21	13.05	13.14	13.14	18.37	18.09	18.26	17.80	18.66	18.13	17.61
10-years	14.10	14.10	14.10	14.10	16.37	16.71	17.00	20.00	20.00	20.27	20.60
6. Discount Rate	13.92	15.14	16.04	16.13	17.78	18.30	19.33	20.00	18.50	17.50	17.00
7. Savings Deposit Rate	2.61	2.60	2.59	2.63	2.62	2.62	2.60	2.65	2.55	2.58	2.76
8.Time Deposits Rates	4.41	4.48	4.53	4.77	5.14	5.20	5.28	5.61	6.07	5.86	5.71
Call Accounts	0.98	0.96	0.98	1.30	1.88	1.34	1.57	1.48	2.28	1.56	1.55
1 month	3.25	3.19	3.33	4.42	4.89	3.62	2.60	3.39	4.66	4.99	4.14
2 months	5.22	5.44	5.22	5.77	6.50	6.98	7.07	7.69	9.53	9.10	8.36
3 months	4.45	4.90	5.18	4.34	3.70	4.20	5.50	5.92	6.10	4.91	5.34
6 months	5.63	5.72	5.57	5.30	7.14	8.06	7.17	7.06	6.54	6.70	6.58
12 months	5.97	5.69	5.82	6.32	6.47	6.88	7.74	8.12	7.51	7.48	7.63
24 months	5.39	5.47	5.64	5.93	5.39	5.32	5.30	5.60	5.84	6.25	6.34
9. 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
10. Lending rates	15.51	14.97	15.07	15.08	15.39	15.45	14.98	14.69	14.67	14.57	14.65
Call Loans	14.50	14.50	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Short-term (up to 1year)	16.06	16.14	15.82	15.74	16.03	15.69	15.65	15.46	15.41	15.31	16.29
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	14.51
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
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
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
11. 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
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
Savings Deposits	0.67	0.65	0.66	0.72	0.69	0.67	0.80	0.72	0.69	0.62	0.70
Time Deposits	1.72	1.73	1.78	1.81	1.65	1.85	1.90	1.98	2.00	1.86	1.82
1-months	1.18	1.31	1.24	1.48	1.60	1.55	1.61	1.83	1.67	1.79	1.50
2-months	1.58	1.32	1.52	2.70	1.50	1.54	2.34	2.20	1.53	1.02	2.16
3-months	1.74	1.83	2.28	1.17	1.52	2.17	1.50	1.86	3.03	2.33	1.72
6-months	1.45	1.34	1.25	1.33	1.47	1.52	1.93	1.96	1.99	2.17	1.53
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. Lending Rates	8.04	7.85	7.24	7.73	8.19	8.08	8.03	8.03	8.14	8.38	8.22
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
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
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
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
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

Source: Bank of Tanzania



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

Item	2005 ^p	2006 ^p		% Change		Year Ending April ^p		
	Apr	Mar	Apr	Apr 05-Apr 06	Mar 06-Apr 06	2005	2006	% Change
Traditional Exports:								
COFFEE								
Value	5.7	7.9	5.9	3.9	-25.7	70.3	63.0	-10.4
Volume	3.6	3.4	2.4	-32.8	-30.5	47.5	35.2	-25.9
Unit Price	1,586.8	2,295.8	2,453.6	54.6	6.9	1,480.6	1,790.8	20.9
COTTON								
Value	2.5	5.0	4.0	60.2	-19.7	87.7	114.9	31.0
Volume	2.4	5.1	4.1	72.6	-18.9	85.6	117.1	36.7
Unit Price	1,043.5	978.3	968.7	-7.2	-1.0	1,023.9	980.9	-4.2
SISAL								
Value	1.2	0.9	0.6	-50.5	-29.4	7.9	6.5	-17.2
Volume	1.4	1.1	0.8	-43.3	-29.5	11.3	8.4	-25.5
Unit Price	887.4	772.7	774.2	-12.8	0.2	698.8	776.7	11.1
TEA								
Value	2.6	2.0	2.1	-16.9	8.8	29.0	19.6	-32.4
Volume	2.3	1.2	1.2	-45.5	2.2	24.1	15.1	-37.2
Unit Price	1,121.3	1,605.2	1,708.8	52.4	6.5	1,203.0	1,294.3	7.6
TOBACCO								
Value	0.5	2.7	1.4	170.1	-48.1	59.1	75.8	28.2
Volume	0.3	1.2	0.6	129.1	-48.1	27.1	25.8	-4.9
Unit Price	1,979.2	2,335.6	2,333.3	17.9	-0.1	2,178.5	2,935.2	34.7
CASHEWNUTS								
Value	0.0	1.1	0.7	53,432.4	-33.9	61.4	62.4	1.6
Volume	0.0	1.6	0.8	40,186.5	-51.0	71.3	83.5	17.1
Unit Price	708.4	697.0	941.3	32.9	35.0	861.2	747.4	-13.2
CLOVES								
Value	0.1	0.2	0.0	--	--	6.5	9.5	44.8
Volume	-	0.1	0.0	--	--	2.1	3.2	52.0
Unit Price	3,044.2	2,800.0	0.0	--	--	3,068.3	2,922.8	-4.7
Sub Total	12.5	19.7	14.7	17.7	-25.3	321.9	351.6	9.2
Non-Traditional Exports:								
Minerals	54.3	58.9	59.6	9.9	1.3	711.0	730.1	2.7
Gold	52.2	53.3	55.0	5.3	3.2	655.2	671.9	2.5
Diamond	0.1	2.8	2.3	1,732.2	-18.3	28.6	25.4	-11.4
Other minerals ¹	1.9	2.8	2.4	21.5	-16.5	27.1	32.8	20.9
Manufactured Goods	6.8	13.8	19.1	179.9	37.8	117.4	180.5	53.7
Cotton Yarn	0.3	0.1	0.2	-39.8	50.1	4.6	4.2	-9.3
Manufactured Coffee	0.0	0.1	0.0	-100.0	--	1.0	3.9	--
Manufactured Tobacco	0.0	0.4	0.0	0.0	--	0.1	1.0	-96.9
Sisal Products (Yarn & Twine)	0.5	0.1	0.2	-59.6	--	4.2	3.5	-16.8
Other manufactured Goods ²	6.0	13.1	18.7	212.0	43.1	107.5	167.8	56.1
Fish and Fish Products	14.1	10.8	11.1	-21.6	2.1	139.3	141.8	1.8
Horticultural products	1.1	1.2	1.1	5.1	-2.9	15.8	16.8	6.4
Re-exports	8.1	9.5	10.0	23.5	5.3	129.4	130.2	0.7
Others Exports ³	5.3	10.8	11.6	117.6	7.4	125.0	173.9	39.1
Sub Total	89.7	105.0	112.5	25.4	7.1	1,237.9	1,373.3	10.9
GRAND TOTAL	102.2	124.8	127.2	24.5	2.0	1,559.8	1,724.9	10.6

Note:

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

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

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

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

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

Source: Bank of Tanzania, TRA



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

Item	Millions of US \$									
	2005 ^P		2006 ^P		% Change		Year Ending April ^P		% Change	
	Apr	Mar	Apr	Mar	Apr 05-Apr 06	Mar 06-Apr 06	2005	2006	2005	2006
CAPITAL GOODS	72.5	99.6	73.1		0.7	-26.6	952.2	1,135.3		19.2
Transport Equipments	17.0	30.6	22.5		32.0	-26.6	237.5	321.1		35.2
Building and Constructions	15.7	19.3	13.4		-14.7	-30.7	208.8	265.6		27.2
Machinery	39.8	49.7	37.2		-6.6	-25.1	506.0	548.6		8.4
INTERMEDIATE GOODS	47.4	73.8	97.0		104.8	31.5	762.2	872.0		14.4
Oil imports	34.0	49.6	70.9		108.5	43.0	473.8	536.4		13.2
Fertilizers	2.6	0.9	1.3		-49.9	36.5	65.2	53.5		-17.9
Industrial raw materials	10.8	23.2	24.8		129.8	7.0	223.1	282.0		26.4
CONSUMER GOODS	42.9	71.3	58.3		35.8	-18.3	748.3	786.2		5.1
Food and food stuffs	7.3	29.3	20.8		183.4	-29.0	204.4	210.0		2.7
All other consumer goods ¹	35.6	42.0	37.5		5.3	-10.8	543.9	576.2		5.9
GRAND TOTAL (F.O.B)	162.9	244.7	228.4		40.3	-6.6	2,462.7	2,793.4		13.4
GRAND TOTAL (C.I.F)	179.0	268.9	251.0		40.3	-6.6	2,706.2	3,069.7		13.4

Note:

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

^P = Provisional data

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.



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

Millions of US\$

Item	2001 ^r	2002 ^r	2003 ^r	2004 ^r	2005 ^p
A. Current Account	-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: 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

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



Table A7 : External Debt Developments

Item	Millions of USD											
	2003/04	2004/05	2005/06									Apr-06
			Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	
1. Overall total Debt Committed ²	8,088.3	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
Disbursed outstanding debt	6,678.3	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
Undisbursed debt	1,410.0	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
2. Disbursed Debt by Creditor Category ²	6,678.3	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
Bilateral	1,483.6	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
Multilateral	4,570.0	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
Commercial	391.2	416.4	413.4	441.1	439.6	429.1	420.6	421.6	424.2	399.2	399.7	412.0
Export credits	233.5	254.5	254.3	254.5	257.0	249.0	248.5	248.8	248.9	266.2	266.2	271.3
3. Disbursed Debt by Borrower Category ²	6,678.3	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
Central Government	6,092.0	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
Parastatal Companies	149.1	477.5	501.6	490.6	488.1	485.3	470.2	467.3	470.8	459.0	459.4	462.1
Private Sector	437.2	491.5	487.3	488.4	490.1	490.8	484.2	485.0	486.3	461.2	461.4	477.0
4. Disbursed Debt by Use of Fund ²	6,678.3	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
Balance of payment support	1,275.1	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
Transport & Telecommunication	1,085.1	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
Agriculture	967.7	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
Energy & Mining	924.3	1,070.3	916.2	891.3	943.7	942.5	929.2	930.7	936.0	933.5	939.8	937.2
Industries	352.7	405.5	403.4	404.7	401.3	400.3	386.9	387.1	388.2	387.0	387.3	403.4
Social Welfare & Education	333.3	611.7	626.2	629.3	632.9	637.8	627.5	627.6	632.9	635.4	626.4	624.8
Finance and Insurance	82.3	96.6	96.2	96.4	102.5	102.4	101.7	101.9	102.3	97.9	99.0	98.7
Tourism	80.2	80.1	79.8	80.0	79.8	80.1	79.3	79.5	79.6	80.7	81.4	81.0
Others	1,577.5	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
5. Total Amount of Loan Contracted ¹	229.7	376.4	2.2	0.2	1.0	0.2	0.3	0.5	0.0	10.0	0.7	0.1
Government	209.4	335.4	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
Private	20.3	41.0	2.2	0.2	1.0	0.2	0.3	0.5	0.0	10.0	0.7	0.1
6. Disbursement ¹	234.7	190.2	117.4	4.6	2.7	0.5	2.9	1.7	0.0	0.0	0.0	0.0
Government	205.9	161.4	115.1	0.1	2.7	0.1	2.9	1.7	0.0	0.0	0.0	0.0
Parastatal Companies	2.0	0.0	0.0	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	26.8	28.8	2.3	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0
7. Scheduled Debt Service ¹	334.4	355.1	373.6	373.6	373.6	373.6	373.6	373.6	373.6	373.6	373.6	373.6
8. Actual Debt Service ¹	99.3	112.9	4.8	13.5	10.0	3.3	12.9	11.0	4.9	2.1	8.2	6.1
Principal	68.6	86.0	3.2	12.8	6.9	0.4	9.9	7.3	2.3	1.4	5.3	2.2
Interest	30.6	26.9	1.6	0.8	3.1	2.9	3.0	3.7	2.6	0.6	3.0	3.9
Others	0.1	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	106.6	77.3	103.1	-8.9	-7.3	-2.8	-10.0	-9.3	-4.9	-2.0	-8.2	-6.1
10. Total Arrears by Creditor Category ²	2,297.8	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
Principal	1,119.1	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
Bilateral	658.8	669.4	622.1	630.1	625.1	601.7	591.0	599.2	604.0	605.1	601.3	609.8
Multilateral	28.3	5.9	8.4	8.3	9.0	9.0	8.5	9.4	10.9	11.0	10.9	11.1
Commercial	240.2	249.2	252.5	256.9	261.6	250.7	246.2	250.6	255.1	189.1	196.0	198.6
Other Private Creditors	191.8	210.7	210.7	211.0	211.2	203.4	203.3	204.3	204.8	211.5	214.6	215.6
Interest	1,178.7	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
Bilateral	693.0	818.8	646.1	655.1	651.7	632.5	623.3	653.0	643.6	649.5	649.6	670.3
Multilateral*	27.3	23.4	23.8	23.8	23.8	24.3	23.8	24.9	24.1	21.1	21.0	20.8
Commercial	287.1	333.7	334.3	337.9	335.5	341.2	332.0	342.6	348.6	352.4	354.6	365.0
Other Private Creditors	171.3	159.4	159.9	160.6	160.2	162.0	166.4	167.7	169.2	170.9	171.6	173.6
11. External Debt Stock	7,856.9	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
12. Domestic Debt Stock	885.3	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
Total Debt Stock (11 + 12)	8,742.1	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
Exchange Rate TZS/USD (End of Period)	1,107.3	1,126.3	1,135.7	1,133.6	1,136.3	1,141.6	1,183.2	1,165.5	1,184.7	1,186.0	1,223.8	1,225.7

NB. Multilateral*: multilateral arrears represents private sector arrears

¹ During the period. ² End of April 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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