

**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

**FEBRUARY 2006**



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# 1.0 Inflation Developments

## Inflation increases further in January 2006

Inflation continued to move upwards in January 2006 mainly due to drought related food shortages and rising prices of oil products. The overall inflation rose gradually from 4.5 percent in the year ending September to 5.0 percent in December 2005 and reached 5.4 percent in January 2006. On month-to-month, the general price level also went up during January 2006, reflecting normal seasonal influences and the weak domestic food supply.

**Annual food inflation** increased to 9.1 percent in January from 7.2 percent in the previous month. For the month of January, an upward trend in food prices was also observed particularly on such items as cereals, starch roots, vegetables, fruits, sugar, legumes, beef and fish largely due the drought related supply shortages.

In a bid to ease the rising food prices, the Government continued to facilitate availability of food supply in the country by distributing subsidised food to needy districts, waived import duties on maize and reduced import duty for rice to encourage importation by private traders. Also, the Government has requested Development Partners to provide food assistance.

Non-food inflation declined from 3.5 percent in the year ending December 2005 to 1.3 percent in January 2006, mainly due to decrease in average prices of clothing and footwear, household operations and maintenance, and educational related items (**Table 1.1 and Chart 1.1**).

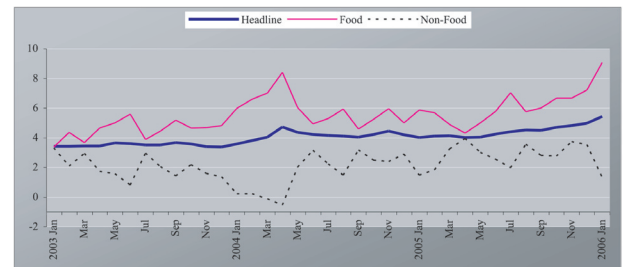
**Table 1.1: Percentage Change in Consumer Price Index (All-Urban)**

Base: 2001=100

Major Commodity Group	Weight (%)	2003			2004			2005			2006
		Jan	Nov	Dec	Jan	Nov	Dec	Jan	Nov	Dec	Jan
<b>Headline/Overall</b>	<b>100.0</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.6</b>	<b>4.4</b>	<b>4.2</b>	<b>4.0</b>	<b>4.8</b>	<b>5.0</b>	<b>5.4</b>
<b>Food</b>	<b>55.9</b>	<b>3.4</b>	<b>4.7</b>	<b>4.8</b>	<b>6.0</b>	<b>5.9</b>	<b>5.1</b>	<b>5.9</b>	<b>6.7</b>	<b>7.2</b>	<b>9.1</b>
<b>Non-food</b>	<b>44.1</b>	<b>3.3</b>	<b>1.6</b>	<b>1.4</b>	<b>0.2</b>	<b>2.4</b>	<b>2.9</b>	<b>1.5</b>	<b>3.7</b>	<b>3.5</b>	<b>1.3</b>
Transportation	9.7	0.5	1.6	0.2	0.9	1.6	2.8	3.3	5.0	5.5	3.1
Fuel, Power and Water	8.5	7.3	0.8	1.6	-0.7	7.6	7.0	5.4	10.2	10.7	5.2
Drinks and Tobacco	6.9	3.6	1.2	1.2	-2.9	-0.2	0.6	0.6	3.3	2.5	1.7
Clothing & Footwear	6.4	2.3	2.4	2.4	1.5	1.9	2.5	-1.2	-1.2	-2.0	-3.1
Education	2.6	2.2	0.2	0.9	0.0	3.3	2.3	1.8	-1.0	-0.6	-1.1
Furniture & Household Equip.	2.1	1.0	1.2	1.6	-1.1	2.2	0.9	1.0	-0.8	-0.9	-1.0
H/h Operations Maintenance	2.1	3.6	1.1	0.4	-0.8	1.5	2.4	0.5	-0.5	0.0	-1.7
Personal Care & Health	2.1	4.1	3.9	1.4	5.7	0.0	3.2	-3.0	4.4	3.5	-0.3
Rents	1.4	3.8	4.3	4.8	7.5	-1.0	-1.3	-2.5	4.3	4.1	0.4
Recreation & Entertainment	0.8	-0.6	0.9	4.6	5.9	4.0	0.3	-1.5	-1.9	-1.1	-1.2
Misc. Goods & Services	1.5	6.5	1.5	0.9	-3.3	-1.7	0.2	-2.6	0.0	-0.9	-1.9

Source: National Bureau of Statistics (NBS)

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



## Food Supply Situation

During January 2006, the Government carried out food assessment in 77 districts and established that 3,764,843 people would require 99,676 tons of relief food between February and April 2006. Out of the total food insecure population, 564,727 were found to be destitute and will need 14,951 tons of free food from the Strategic Grain Reserve.

Based on these findings, the following measures were taken to address food shortages in the country:

- The government waived import duties for maize between January and April 2006 to allow private traders to import more food. As a result of this, about 160,000 tons are expected to be imported.
- The government announced that it will import about 42,000 tons of maize through tender system to replenish the SGR stocks, which stood at 76,813 tons of maize by end of January 2006, and
- Requested the international community to provide about 100,000 tons of food relief and 3,434 tons of various types of seeds.

Meanwhile, the government started to distribute food relief to the needy areas. During January 2006, about 7,538 tons of maize were distributed, leading to cumulative distribution of 9,189 tons out of the 21,000 tons allocated for food relief.

Reflecting the domestic supply shortage, food prices have been going up steadily in the recent months. Wholesale prices of maize increased to TZS 29,945 per 100 Kg compared with TZS 16,221 recorded in January 2005. The prices of rice, beans, sorghum, and potatoes also increased significantly from price levels in the preceding months (**Table 1.2**).



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

*TZS per 100 Kgs*

	Jan-03	Jan-04	Jan-05	Dec-05	Jan-06	Percentage change	
						Jan-06 Jan-05	Jan-06 Dec-05
Maize	13,471	25,260	16,221	22,099	29,945	85	36
Rice	30,508	50,635	57,464	54,461	61,391	7	13
Beans	39,066	41,878	52,128	50,920	56,128	8	10
Sorghum	15,114	27,892	21,797	23,470	28,902	33	23
Potatoes	19,035	25,295	22,842	31,933	38,221	67	20

Source: Ministry of Agriculture, Food Security and Cooperatives

## Strategic Grain Reserve

By the end of January 2006, the SGR stock stood at 76,813 tons, representing a decline of about 17 percent from a stock of 93,051 tons recorded at the end of December 2005 owing to distribution of food relief to deficit areas (Table 1.3). The Stock held by registered large private traders amounted to about 144,045 tons. The stock comprised of: maize 57,133 tons, rice 18,737 tons, and wheat 68,175 tons. Thus, the combined stock of cereals by SGR and private traders amounted to 220,861 tons at the end of January 2006.

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

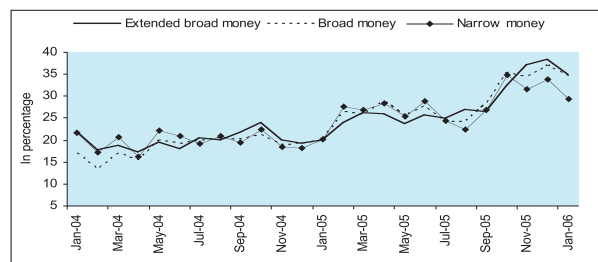
*Tons*

Period	2000	2001	2002	2003	2004	2005	2006
January	105,665	78,967	60,503	59,961	35,342	119,924	76,813
February	103,305	72,000	58,254	59,493	23,791	116,383	
March	101,496	63,022	56,738	58,976	22,903	114,760	
April	96,326	51,435	52,228	54,118	32,387	115,262	
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 computation

year ending January 2006 compared with the year ending December 2005. The annual growth rate of extended broad money supply (M3) slowed down to 34.8 percent in January from 38.2 percent in December 2005, but remained high compared with the growth of 19.9 percent in the year ending January 2005. Likewise, the growth of broad money supply (M2) slowed to 34.4 percent from 36.9 percent in December but again was higher than the growth rate of 20.9 percent at the end of January 2005. Developments in money supply were mirrored in the annual growth of credit to the private sector, which also slowed in January 2006 compared to December 2005.

**Chart 2.1: Tanzania: Annual Growth Rates of Monetary Aggregates**



For the period between December 2005 and January 2006, M3 increased by TZS 83.5 billion compared to an increase of TZS 20.7 billion recorded between November and December 2005. In contrast, M2 decreased slightly by TZS 0.3 billion in the same month (Table 2.1).

## 2.0 Monetary and Financial Developments

### Money Supply

#### Expansion of money supply slows down

Owing to contractionary monetary policy efforts to reduce currency in circulation in the economy, the growth rate of money supply slowed down in the



**Table 2.1: Tanzania: Selected Money Supply Components**

	Dec-05	Jan-06	Change		Annual growth (%)			
			Dec 05 - Jan 06	Jan-03	Jan-04	Jan-05	Dec-05	Jan-06
Broad money	3935.0	4018.5	83.5	21.8	21.8	19.9	38.2	34.8
Currency outside the banking system	2808.2	2807.9	-0.3	19.3	16.8	20.0	36.9	34.4
Demand deposits	843.2	806.0	-37.2	20.9	14.4	18.2	27.0	26.5
Time deposits	915.7	931.8	16.1	16.7	29.3	22.1	40.5	32.0
Savings deposits	422.3	446.8	24.5	9.7	4.0	15.1	52.8	55.5
Foreign currency deposits	627.2	623.4	-3.7	29.1	12.7	22.4	36.7	35.9
<i>In millions of USD</i>	1126.7	1210.6	83.9	28.9	35.4	19.7	41.3	35.8
Commercial bank deposit liabilities	966.7	1,021.8	55.1	18.5	24.3	20.5	26.5	26.3
of which government	3279.0	3385.9	106.8	21.7	28.9	20.9	41.4	36.0
Net foreign assets	187.2	173.3	-13.9	2.9	311.8	31.2	38.2	19.0
Bank of Tanzania	2560.9	3028.1	467.3	32.7	40.1	4.1	7.6	25.7
Commercial banks	1780.4	2244.4	463.9	52.5	47.2	7.3	3.8	32.2
Net domestic assets	780.4	783.8	3.4	6.8	26.8	-2.8	17.4	10.2
Domestic Credit	1983.3	1599.6	-383.8	9.7	-6.7	62.7	112.7	45.3
Claims on government by banks	1683.8	1860.7	176.9	31.8	2.1	37.9	66.3	57.8
Government deposits in banks	887.5	934.9	47.3	13.5	-0.8	1.9	85.8	91.2
Claims on the private sector	628.8	524.5	-104.2	5.3	112.4	-11.2	19.7	22.7
	1425.1	1450.4	25.3	36.8	47.7	30.4	34.4	29.8

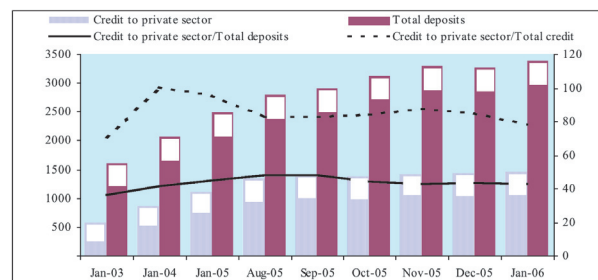
The increase in M3 was mainly due to a rise in foreign currency deposits following seasonal inflows of foreign exchange to the corporate sector, small and medium scale enterprises (SMEs) and the non-Governmental projects.

## Developments

In the year ending January 2006, credit to private sector grew by 29.8 percent, below an annual growth rate of 34.4 percent recorded in the preceding month. The decrease in the growth rate of credit to private sector was in line with the rising yields on Treasury bills that attracted most banks to extend credit to government. The slow down in the growth rate of credit to private sector resulted in a decline in the share of bank credit to private sector to 78 percent from 85 percent in December 2005 (Chart 2.2). During the month, a total credit of TZS 25.3 billion was extended to private sector by commercial banks compared to a low increase of TZS 14.0 billion recorded in December 2005. Most of the credit in January went to trading companies and other financial institutions.

During the month under review, the government liabilities to commercial banks rose by TZS 41.7 billion while its deposits declined by TZS 13.9 billion. Similarly, government liabilities to BOT increased by TZS 5.6 billion accompanied with a government draw down of deposit by TZS 90.3 billion. The borrowing and draw down of deposits by the Government led to an increase of its net indebtedness to the banks by TZS 151.6 billion.

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



## Interest Rates

Interest rates on most financial instruments exhibited an upward trend during January 2006, which was in line with a rise in the overall Treasury bills yield emanating from monetary policy efforts to contain liquidity in the economy. The overall average savings rate increased by 10 basis points to 2.7 percent, whereas the average time deposit rate rose by 30 basis points to 5.6 percent. As for interest rate to prime customer deposits, it remained unchanged at 10.6 percent.

The overall average lending rate of commercial banks however took an opposite direction relative to Treasury bills rate, dropping 30 basis points to 14.7 percent in January 2006. Except for interest rate of call loan and short-term loan of up to 1-year, rates on loans of all other loans maturities indicated an increase in the month under review. In the same period, negotiated lending rate increased by 30 basis points to 11.4 percent (Table 2.2).



**Table 2.2: Tanzania: Interest Rates**

*In Percent*

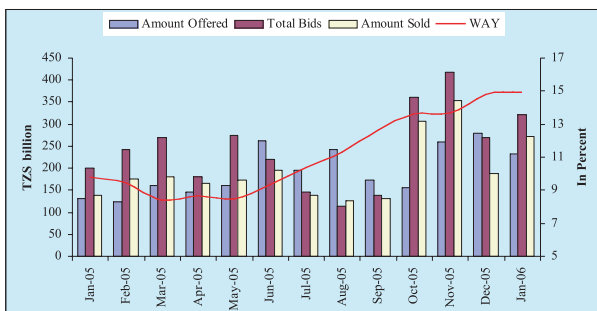
	2005						2006
	July	Aug	Sep	Oct	Nov	Dec	Jan
364-day T-bill	11.9	12.6	13.7	15.0	15.6	15.7	15.6
Overall Treasury bills	10.4	11.3	12.6	13.6	13.6	14.8	14.9
Savings deposits rate	2.6	2.6	2.6	2.6	2.6	2.6	2.7
Overall Time deposits	4.5	4.6	5.0	5.1	5.2	5.3	5.6
12 months Time deposits	5.7	5.8	6.3	6.5	6.9	7.7	8.1
Negotiated deposits	8.9	9.0	8.3	8.7	9.3	10.6	10.6
Overall Lending	15.0	15.0	15.1	15.4	15.5	15.0	14.7
Negotiated Lending	11.5	11.4	11.4	11.5	11.5	11.1	11.4

**Source:** Commercial banks and BoT (Domestic Markets)

## Financial Market Operations Open Market Operations

During January 2006, Treasury bills market experienced an increase in demand to TZS 322.1 billion, which was above the previous month level by TZS 52.7 billion. The amount tendered (bids) surpassed that offer by TZS 89.1 billion, with all maturities recording over-subscriptions. The Bank intervened to eliminate outlier bids and accepted bids worth TZS 272.0 billion, about 84 percent of the total bids. Redemptions during the month amounted to TZS 154.4 billion. The 35-day and 91-day Treasury bill rates increased to 9.0 percent and 14.8 percent, respectively, while the rates for other maturities dropped marginally in the month under review.

**Chart 2.3: Tanzania - Treasury Bills Market Developments**



During January 2006, the demand for Treasury bonds amounted to TZS 23.2 billion, which was lower than the previous month level of TZS 33.1 billion. The Bank sold the bonds as tendered. Developments in individual interest rates on Treasury bonds were mixed during January 2006, with some maturities attracting interest rates higher than those charged by commercial banks on private sector loans. The rate for 2- year bond was 17.7 percent, 5- year bond 16.8 percent, 7- year bond 17.8 percent and 10- year bond 20.0 percent.

The Bank conducted 7-day repurchase agreements (repos) worth TZS 33.0 billion in the last week of the month to complement open market operations in liquidity

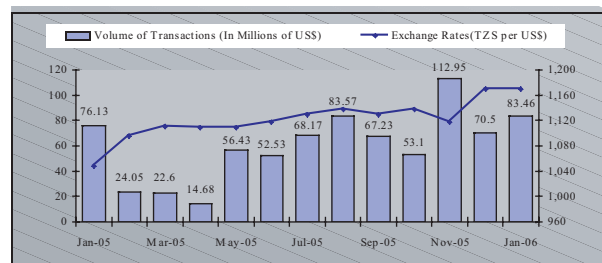
management. Compared with the redemption of TZS 31.8 billion earlier in the month, repo transactions mopped up only TZS 1.2 billion during the month.

## Foreign Exchange Market Operations

During January 2006, the volume of foreign exchange in the inter-bank foreign exchange market (IFEM) amounted to USD 83.5 million, being an increase of about 18.4 percent over the previous month level. The Bank of Tanzania sold USD 20 million to meet market demand in the first week of the month. Towards the end of the month there was seemingly high demand for Shillings by some banks, which caused them to sell foreign exchange amounting to USD 39 million to the Bank of Tanzania.

The Shilling depreciated against the US dollar during January 2006, trading at TZS 1,183.4 per US dollar at the end of January, from TZS 1,166.1 per US dollar at the end of the previous month. The average exchange rate was TZS 1,166.73 per US dollar in January 2006 (Chart 2.4).

**Chart 2.4: Tanzania: Transaction Volume and Exchange Rate in the IFEM**



During the month under review, the volume of transactions conducted by Bureaus de Change declined slightly to USD 81.3 million from USD 83.7 million recorded in the previous month. Both the buying and selling rates depreciated relative to the previous month, from TZS 1,161 per US dollar to TZS 1,168 per USD and from TZS 1,182 per US dollar to TZS 1,189.00 per USD, respectively.





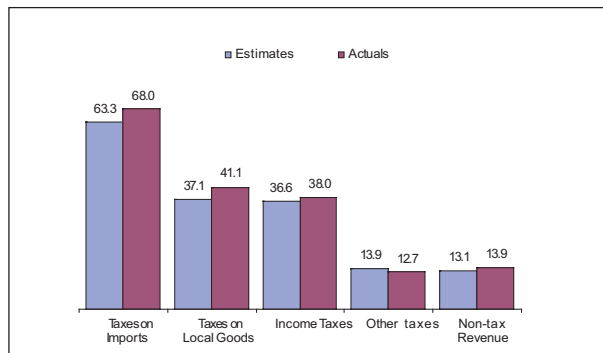
## 3.0 Government Budgetary Operations

During the month of January 2006, government budgetary operations recorded a deficit of TZS 50.2 billion. Total resources that were available for the month from domestic revenue and grants amounted to TZS 174.6 billion, whilst expenditure amounted to TZS 224.8 billion. The deficit was financed through government borrowing from both foreign and domestic sources.

Total revenue collected during the period was above the target of TZS 162.2 billion by TZS 5.6 billion. While Tax revenue collections that amounted to TZS 153.8 billion, was above the target by TZS 4.7 billion, Non tax revenue slightly surpassed the target of TZS 13.1 billion to reach TZS 13.9 billion. The good performance in tax revenue collections came from income taxes and taxes on imports mainly due to improvement in tax administration. Specifically, TRA has improved tax audit procedures and techniques including close monitoring of non-filers by issuing automatic assessments. Also, more efforts have been directed towards collection of tax arrears (Chart 3.1).

**Chart 3.1: Government Revenue Performance in December 2005**

(TZS Billions)



During the month under review, total government expenditure (excluding amortization) amounted to TZS 224.8 billion, out of which recurrent expenditure was TZS 198.0 billion, while development expenditures amounted to TZS 26.8 billion.

Cumulative from July to January 2006, government expenditure was above target at TZS 2,348.2 billion, compared to the cumulative estimate of TZS 2,245.0 billion. The actual expenditure up to the end of January 2006 comprised of TZS 1,599.0 billion in recurrent expenses and TZS 749.0 billion in development.

## 4.0 External Sector Performance

### Current Account

During January 2006, the current account balance widened to a deficit of about USD 89 million compared with a deficit of USD 74 million recorded in the previous month. The deterioration was largely due to low performance of traditional exports (particularly cashew, tea and cotton), decline in services receipts and in official current transfers. On year-to-year, the current account balance deteriorated to a deficit of USD 505.8 million in January 2006 compared with a deficit of USD 226.1 million in the year ending January 2005, on account of increases in imports and low official current transfers (Table 4.1).

**Table 4.1: Current Account Balance**

	January		Dec-05		Year Ending January		% Change
	2004	2005	Jan-06	2005 <sup>P</sup>	2006 <sup>P</sup>		
<b>Goods Account (net)</b>	<b>-68.3</b>	<b>-97.4</b>	<b>-76.8</b>	<b>-85.5</b>	<b>-895.7</b>	<b>-965.7</b>	<b>7.8</b>
Exports	118.6	130.8	162.6	153.9	1,485.2	1,699.5	14.4
Imports	187.0	228.2	239.4	239.4	2,380.9	2,665.1	11.9
<b>Services Account (net)</b>	<b>18.4</b>	<b>1.3</b>	<b>-5.3</b>	<b>-7.7</b>	<b>47.4</b>	<b>-4.1</b>	<b>-</b>
Receipts	90.1	87.4	96.7	94.2	1,038.7	1,189.0	14.5
Payments	71.7	86.1	101.9	101.8	991.3	1,193.2	20.4
<b>Goods and services (net)</b>	<b>-49.9</b>	<b>-96.2</b>	<b>-82.1</b>	<b>-93.2</b>	<b>-848.3</b>	<b>-969.8</b>	<b>14.3</b>
Exports of goods and services	208.7	218.2	259.3	248.1	2,523.9	2,888.5	14.4
Imports of goods and services	258.7	314.3	341.4	341.3	3,372.2	3,858.3	14.4
<b>Income Account (net)</b>	<b>-22.6</b>	<b>-9.5</b>	<b>-25.1</b>	<b>-5.6</b>	<b>-39.8</b>	<b>-92.5</b>	<b>132.4</b>
Receipts	7.1	7.8	10.7	6.6	82.4	78.6	-4.7
Payments	29.7	17.3	35.8	12.2	122.3	171.1	39.9
<b>Current Transfers (net)</b>	<b>18.6</b>	<b>34.7</b>	<b>33.3</b>	<b>9.8</b>	<b>662.1</b>	<b>556.5</b>	<b>-15.9</b>
Inflows	23.6	40.2	39.6	17.3	727.6	633.4	-13.0
o/w General							
Government	17.8	34.7	33.7	11.2	658.6	563.9	-14.4
Outflows	5.0	5.5	6.3	7.4	65.6	76.9	17.3
<b>Current Account Balance</b>	<b>-53.9</b>	<b>-71.0</b>	<b>-73.9</b>	<b>-88.9</b>	<b>-226.1</b>	<b>-505.8</b>	<b>123.8</b>

Note: -- = Very large number

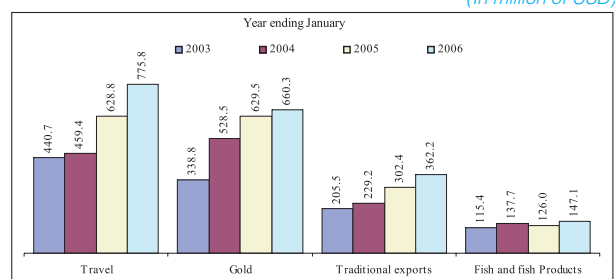
P = Provisional

Source: Bank of Tanzania

During the year ending January 2006, Tanzania exported goods worth USD 2,888.5 million, which was an improvement of 14.4 percent over the previous year's performance. Gold and travel (tourism) dominated the performance by accounting for about half of the total annual export earnings. Traditional exports maintained an upward trend for the past four years, reaching USD 362.3 million during the year ending January 2006 up from USD 205.5 million recorded in 2003 (Chart 4.1).

**Chart 4.1: Contribution of Exports to Total Exports of Goods and Services**

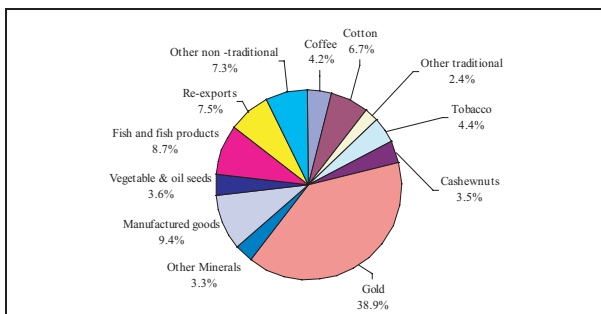
(In million of USD)





During the year under review, the performance in traditional exports was dominated by cotton, tobacco and coffee. However, gold remained the dominant export followed by manufactured exports as shown by Chart 4.2. The improvement in manufactured exports was partly attributable to the investment policy reforms and political stability in the neighbouring countries where most of manufactured items are exported. Re-exports, accounted for 7.5 percent of total goods exports in the year ending January 2006. The major items under re-exports are wheat and refined petroleum products, which are mainly exported to the neighbouring countries.

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



Note:

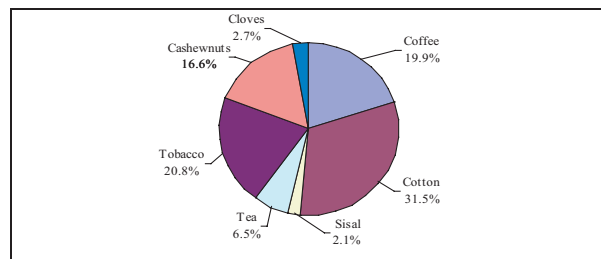
1. Other non-traditional include horticultural products and other exports
2. Other traditional exports include sisal, tea and cloves
3. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.
4. Re-exports refers to goods that are imported and later exported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

## Traditional Exports

In January 2006, traditional exports earned USD 42.4 million compared to USD 61.6 million recorded in the previous month, on account of a fall in export volumes of coffee, cotton and cashews. Developments in export prices were mixed. While prices of coffee, tea, cloves and cashewnuts improved, prices of other export crops dropped.

The performance of traditional exports during the year ending January 2006 improved, by 14.4 percent to USD 362.3 million compared to the levels recorded in the preceding year (Chart 4.1). The improvement came from increased in export volumes of coffee, cotton and cashews, which is attributed to favourable weather conditions and timely usage of agricultural inputs particularly pesticides for cotton and cashew. There was also noticeable improvement in performance of export price of coffee and tobacco. In recent years performance traditional exports improved largely due to favourable weather conditions and improvement in the world market prices.

**Chart 4.3: Shares to total exports, year ending January 2006**



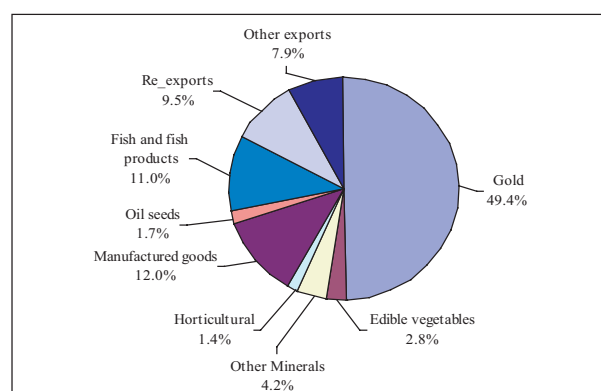
## Non-Traditional Exports

Non-traditional exports went up by 10.5 percent to USD 111.6 million in the month of January 2006 owing to improved performance in the exports of manufactured goods and minerals particularly gold. The increase in the manufactured exports was on account a rise in footwear exports to USD 4.3 million up from USD 0.4 million recorded in the previous month. On the other hand, improvement in gold exports emanates from an increase in the world market prices during the month.

For the year ending January 2006, non-traditional exports increased by about 13 percent to USD 1,337 million. Gold exports led the list by accounting for about 50 percent of the total, followed by manufactured goods, fish and fish products, and other exports. The improved performance of gold exports was a result of increases prices in the world market as well as in production. During the review period, average world price of gold was USD 455.4 per troy ounce compared to USD 410.1 per troy ounce during the year ending January 2005. The composition of non traditional exports is shown in Chart 4.4.

Exports of manufactured goods increased during the year reflecting the impact of implementation of investment policy reforms in Tanzania, which has led to growth of the manufacturing sector. Major manufactured exports included textile apparels, iron and steel, and plastic articles. Most of the manufactured goods were exported to the neighbouring countries particularly Burundi, Rwanda, Democratic Republic of Congo, Uganda, and Malawi.

**Chart 4.4: Shares to Total Non-traditional Exports, the Year Ending January 2006**

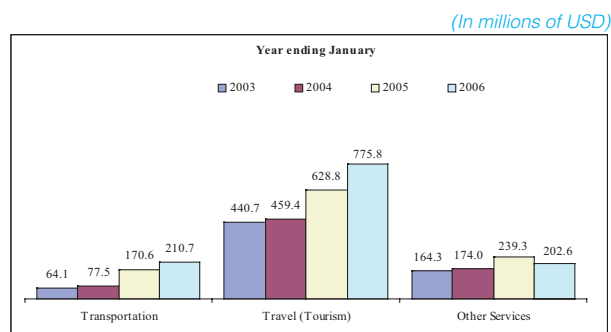


## Services Export

During January 2006, export of services decreased to USD 94.2 million, following the decline in travel, insurance and government services receipts.

On annual basis, services receipts increased to around USD 1,189 million from USD 1,039 million recorded in the previous year on account of a rise in travel and transportation service receipts. Receipts from travel rose by 23.4 percent to USD 775.8 million during the year ending January 2006, reflecting the ongoing investments in the tourism related activities, improved infrastructure and enhanced promotional measures by the Government and other stakeholders. The increase in transportation receipts is associated with the increase in transportation of cereals to the neighboring countries. **Chart 4.5** summarizes the trend.

**Chart 4.5: Service Receipts 2002 – 2005**



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

## Goods Imports

During the month under review, goods imports decreased marginally to USD 231.9 million from USD 239.4 million in the previous month (Table 4.2). Capital goods imports remained almost unchanged, while imports of intermediate and consumer goods declined on account of a drop in imports of oil products to 64,100 tons from 91,904 tons the previous month. Consumer goods declined during the month following a fall in imports of both food and foodstuffs particularly wheat and other consumer goods.

However, imports of maize and rice increased during the month under review reflecting the drought related shortfall in domestic supply. A total of 27,330 tons of maize were imported compared with only 40 tons in December 2005. As for the importation of rice, about 7,800 tons were imported compared to 3,300 tons imported in the previous month. The import bill for maize and rice for January 2006 was USD 5.5 million and USD 2.5 million, respectively.

**Table 4.2: Tanzania Imports**

Millions of USD

	January				Year Ending January <sup>P</sup>		
	2004	2005	Dec-05	Jan-06	2005	2006	% Change
<b>CAPITAL GOODS</b>	<b>71.9</b>	<b>80.3</b>	<b>106.5</b>	<b>106.5</b>	<b>868.4</b>	<b>1,104.3</b>	<b>27.2</b>
Transport Equipment	18.2	16.6	36.1	29.0	227.4	302.0	32.8
Building and Constructions Equipment	12.2	23.4	30.1	28.3	196.7	262.1	33.2
Machinery	41.5	40.3	40.3	49.2	444.3	540.2	21.6
<b>INTERMEDIATE GOODS</b>	<b>58.1</b>	<b>92.5</b>	<b>66.3</b>	<b>63.2</b>	<b>747.3</b>	<b>800.9</b>	<b>7.2</b>
Oil imports	35.8	66.9	40.7	33.7	462.9	478.0	3.3
Fertilizers	1.1	4.1	1.5	1.2	57.1	61.7	8.0
Industrial raw materials	21.2	21.5	24.1	28.2	227.2	261.1	14.9
<b>CONSUMER GOODS</b>	<b>56.9</b>	<b>55.4</b>	<b>66.6</b>	<b>62.2</b>	<b>765.3</b>	<b>760.0</b>	<b>-0.7</b>
Food and foodstuffs <sup>1</sup>	22.1	13.3	20.6	18.9	240.0	174.0	-27.5
All other consumer goods <sup>1</sup>	34.9	42.0	46.0	43.3	525.2	586.0	11.6
<b>GRAND TOTAL (F.O.B)</b>	<b>187.0</b>	<b>228.2</b>	<b>239.4</b>	<b>231.9</b>	<b>2,380.9</b>	<b>2,665.1</b>	<b>11.9</b>

Oil imports refers to refined petroleum products

<sup>P</sup> = provisional data

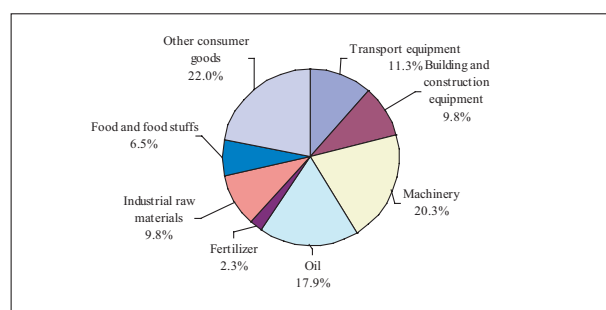
<sup>1</sup> It includes pharmaceutical products, paper products, and plastic items, and optical/photographic materials, textile apparels.

**Source:** Bank of Tanzania and Tanzania Revenue Authority

On annual basis, goods imports went up by 11.9 percent over the previous year level to USD 2,665.1 million. There was a huge increase imports of transportation, building and construction equipment, machinery and oil products during the year, largely reflecting increased demand related to the growth in economic activities in the country. Oil imports was due to rising oil prices in the world market, while the growth in imports of industrial raw materials was consistent with the increase in the activities in the manufacturing sector.

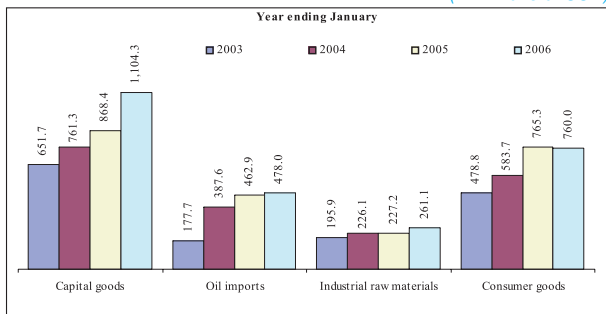
During the reporting year, consumer goods recorded a marginal decline following a drop in imports of food and foodstuff, mainly cereals. The decline was more pronounced in importation of maize and rice following improved domestic production in the country in 2004/05 farming season relative to the previous year. During the same period, imports of pharmaceutical products, books and plastic articles increased by 11.6 percent over the preceding year levels to USD 586.0 million. Chart 4.6 shows the structure of Tanzania imports.

**Chart 4.6: Contribution to Total Imports for the Year Ending January 2006**



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

(In Millions of USD)



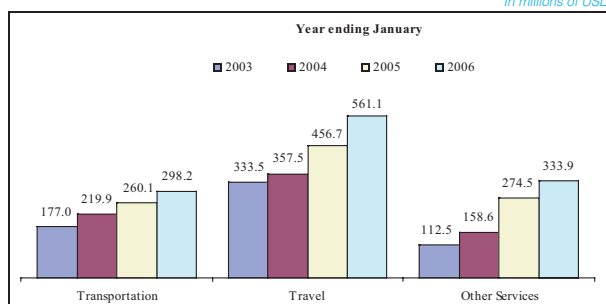
## Services Imports

During the month under review (January 2006), total services payments were almost at the same level as December 2005 though payments for travel services and freight charges declined.

On annual basis, services payments also increased by 20.4 percent to USD 1,193.2 million, largely on account of the increase in payments for construction, freight charges, travel and government services. High freight payments during the year were due to the increase in merchandise imports, while those of construction payments is largely associated with the expansion in construction activities in the country. The rise in travel payments was mainly attributed to the increase in number of travellers on education, business and medical grounds.

**Chart 4.8: Service Payments 2002 – 2005**

(In millions of USD)



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

## World Commodity Prices

During January 2006, prices of coffee (Arabica) and (Robusta) increased from previous month levels. The increase in coffee prices was largely due to strong seasonal demand during winter season coupled with shortfall in supply following unfavourable weather conditions in Vietnam. Prices of tea (Mombasa Auction) and (average price) also increased during the month due decline in supply caused by unfavourable weather in East Africa.

The price of cotton (A- Index) increased, while that of cotton (Memphis) declined slightly during January 2006. Prices of sisal and cloves remained unchanged at previous month levels of USD 885.00 per metric ton and USD 3050.00 per metric ton, respectively. Notably, the price of sisal has remained stable at USD 885.0 per metric ton for about twelve months in line with the recommendations made by FAO Committee in December 2004 to maintain the price of East African UG fibres between USD 840 to USD 900 per ton (**Table 4.3**).

During the review month, the price of crude oil and white petroleum products increased partly due to supply disruptions following the dispute between Iran and United States over nuclear program. As for gold, the price rose by 7.8 percent to USD 549.90 per troy ounce largely due to the inflationary concerns amidst rising energy costs and global security concerns.

On annual basis, the average prices of coffee increased substantially when compared to the corresponding period a year ago, driven by a rise in the demand for coffee coupled with supply constraints. The decline in supply was associated with the effects of the Hurricanes on coffee growing regions in Central America and drought conditions in Vietnam. Prices of crude oil and white petroleum products increased substantially following supply disruptions in Nigeria, Russia and the Middle East. Moreover, there was a surge in oil demand in the United States, India and China. The price of gold also increased during the year, as investors diversified from investing in stocks because of global security concerns. As the result, the demand for gold as an alternative investment increased.

**Table 4.3: World Commodity Prices**

COMMODITY	Units	2005		2006	% Change	Year ending Jan		% Change
		Nov	Dec	Jan		2005	2006	
Robusta Coffee	US \$ per kg	1.13	1.24	1.41	13.71	0.79	1.16	46.84
Arabica Coffee	US \$ per kg	2.38	2.33	2.75	18.03	1.24	2.57	107.26
Tea (Average price)	US \$ per kg	1.65	1.65	1.69	2.42	1.69	1.66	-1.78
Tea (Mombasa auction)	US \$ per kg	1.47	1.51	1.67	10.60	1.54	1.49	-3.25
Cotton, "A Index"	US \$ per kg	1.25	1.25	1.30	4.00	1.39	1.23	-11.51
Cotton, Memphis"	US \$ per kg	1.33	1.33	1.32	-0.75	1.32	1.31	-0.76
Sisal (UG)	US \$ per metric ton	885.00	885.00	885.00	0.00	871.25	885.00	1.58
Cloves	US \$ per metric ton	3050.00	3050.00	3050.00	0.00	3065.33	3140.28	2.45
Crude oil*	US \$ per barrel	55.04	56.43	62.46	10.69	38.70	55.02	42.17
Crude oil**	US \$ per barrel	51.31	53.13	58.31	9.75	34.22	51.00	49.04
White products***	US \$ per ton	516.20	520.22	568.26	9.23	388.18	539.60	39.01
Gold	US \$ per troy ounce	476.70	510.00	549.90	7.82	410.08	455.35	11.04

**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

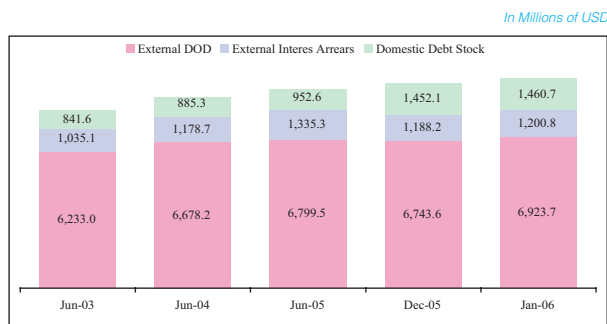
## 5.0 National Debt

By end of January 2006, national debt stock (external and domestic) was USD 9,585.2 million, representing an increase of USD 201.3 million from previous month level. The increase was on account of recording of previously



contracted loans, accumulation of arrears and new loans. Of the stock at the end of January, USD 8,124.5 million was external—made up of USD 1,200.8 interest arrears and USD 6,923.7 million disbursed outstanding debt (**Chart 5.1**). During the reporting month, debt relief under HIPC arrangement from multilateral institutions amounting to USD 5.9 million was realized in the form of debt service reduction.

**Chart 5.1: The Stock of National Debt**



## External Debt

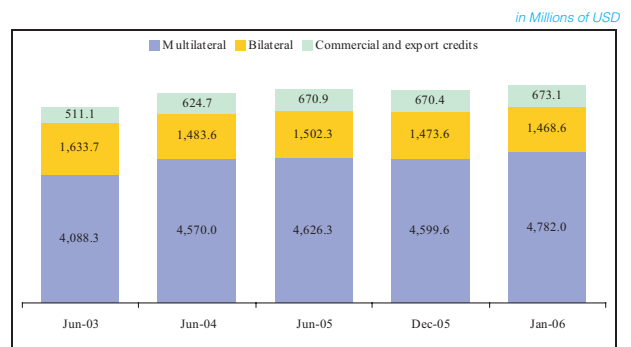
External debt committed amounted to USD 8,494.8 million at end of January 2006, representing an increase of USD 341.1 million from the level recorded at the end of December 2005. Disbursed outstanding debt was USD 6,923.7 million or 81.5 percent of total committed debt and the balance was undisbursed. Between December 2005 and January 2006, external debt stock increased by USD 192.7 million to USD 8,124.5 million, on account of recording of previously contracted loans and accumulation of arrears.

## Disbursed Outstanding Debt

The profile of disbursed outstanding debt (DOD) shows that central government was the largest borrower with a total debt of USD 5,966.6 million, rising from USD 5,791.3 million at the end of December 2005. The debt owed by private and parastatal companies changed little in January with their combined share to total external debt remaining around 15 percent.

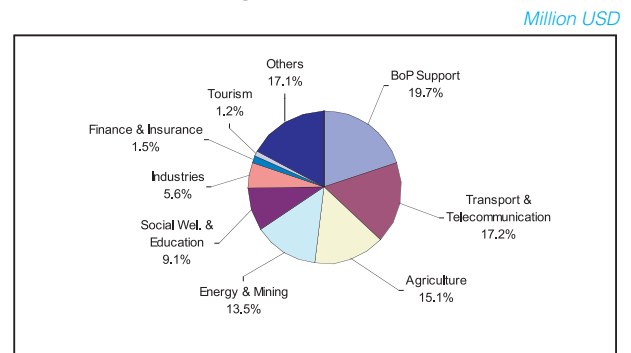
In terms of creditor category, the amount owed to multilateral creditors rose to USD 4,782 million or 69.1 percent while that owed to bilateral creditors declined marginally to USD 1,468.6 million. Commercial and export credits, combined, amounted to USD 673.1 million (Chart 5.2).

**Chart 5.2: DOD by Creditor Category**



Debt amounting to USD 1,365.0 million was in the form of balance of payments support, while transport & telecommunication activities held USD 1,187.8 million. Agricultural sector accounted for USD 1,047.7 million, energy and mining USD 936.0 million, social welfare and education USD 632.9 million, industries USD 388.2 million, finance and insurance USD 102.3 million, and tourism accounted for USD 79.6 million. The remaining USD 1,118.1 million was accounted for by other activities (**Chart 5.3**).

**Chart 5.3: DOD by Use of Funds, end of January 2006**



## External Debt Service

During the month under review, external debt service payments amounted to USD 4.9 million against the scheduled amount of USD 14.1 million. The lower than projected debt service payments was explained by the HIPC relief and accumulation of arrears on non-serviced debts.

## HIPC Debt Relief Multilateral Debt Relief

During the month under review, Tanzania realised debt relief under HIPC arrangement amounting to USD 5.8 million. The relief was provided by AfDB (USD 4.5 million) IDA (USD 0.7 million) and IFAD (USD 0.6 million).



**Table 5.1: Multilateral Debt Relief**

Million of USD

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06			TOTAL
							Quarter 1	Quarter 2	Jan-06	
IDA	9.12	39.78	41.24	43.45	47.79	47.74	10.74	13.12	0.70	253.68
AIDB	4.51	9.63	0.00	8.02	10.00	9.99	4.79	0.14	4.50	51.58
IMF	6.33	17.55	23.36	7.23	11.10	10.72	2.38	2.06	0.00	80.73
IFAD	0.00	0.00	0.53	1.34	0.82	1.43	0.66	0.02	0.60	5.40
NORTF	0.00	0.00	0.00	2.61	1.51	2.83	0.00	0.00	0.00	6.95
NODF	0.00	0.00	0.00	0.00	0.00	0.24	0.10	0.10	0.00	0.44
EIB	0.00	0.00	0.00	0.00	0.24	9.29	0.88	2.10	0.00	12.51
EADB*	0.00	0.00	0.00	0.00	0.00	1.30	0.00	0.00	0.00	1.30
<b>TOTAL</b>	<b>19.96</b>	<b>66.96</b>	<b>65.13</b>	<b>62.65</b>	<b>71.46</b>	<b>83.54</b>	<b>19.55</b>	<b>17.54</b>	<b>5.80</b>	<b>412.59</b>

\* Stock Reduction

## Bilateral Debt Relief

By the end of January 2006, total debt relief received from Paris Club bilateral creditors under various arrangements amounted to USD 858.7 million, which was the same level recorded in the previous month. Debt relief received from non Paris Club bilateral creditors also remained as it was in December 2005 at USD 184.6 million

## Domestic Debt

During the reporting month, domestic debt financing of government operations amounted to TZS 38.0 billion, leading an increase in domestic debt stock, from TZS 1,692.5 billion recorded at the end of December 2005 to TZS 1,730.4 billion by the end of January 2006. Government securities accounted for TZS 1,713.9 billion or 99 percent of total domestic debt. Government bonds were TZS 825.2 billion, Treasury bills TZS 708.6 billion, and stocks accounted for TZS 180.0 billion. Debts in other forms including tax reserve certificates amounted to TZS 16.5 billion.

Commercial banks remained the largest government creditors by holding 46.2 percent of total domestic debt followed by pension funds with 24.3 percent, and other entities including Bank of Tanzania, insurance companies and non-bank financial institutions accounted for 29.5 percent.

## Domestic Debt Service

During the month under review, debt worth TZS 60.2 billion matured. Out of this amount, TZS 8.1 billion was interest and was paid out of government revenue, while principal amounting to TZS 52.1 billion was rolled over.

# 6.0 Zanzibar Economy

## Budgetary Operations

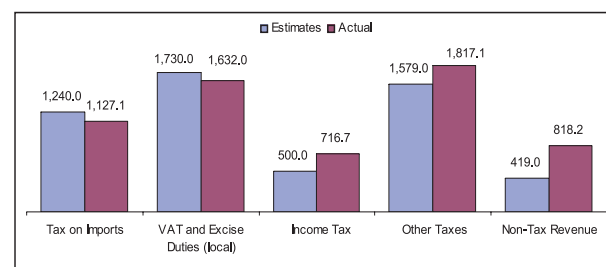
During January 2006, fiscal operations of the Government of Zanzibar recorded an overall deficit of TZS 6.7 billion before grants. After considering grants of TZS 0.6 billion, the deficit declined to TZS 6.1 billion. On cheques cleared basis, government operations generated a deficit of TZS 4.9 billion, which was financed through foreign resources.

Revenue outturn amounted to TZS 6.1 billion, above the target of TZS 5.5 billion, owing to good performance from income tax and non-tax. During the month under review, tax revenue amounted to TZS 5.3 billion, above the target TZS 5.0 billion and accounted for about 87 percent of total revenue. The balance, that is TZS 0.8 billion, represented non-tax revenue. The target of collections from non-tax sources for the month was TZS 0.4 billion.

Revenue performance by category indicates that collections from import duties, VAT and excise duty were below targets (**Chart 6.1**). The lower than projected collections from import duties was due to a decline in taxable imports largely as a result of construction activities at the Zanzibar port, while that of excise duty on locally produced goods were associated with a slack in trading activities. On the other hand, revenue from income tax surpassed the target due to increased efforts by TRA to ensure duly compliance. Cumulatively, total revenue collection from July 2005 to January 2006 amounted to TZS 39.1 billion against the target of TZS 39.4 billion.

**Chart 6.1: Zanzibar: Government Revenue by Source During January 2006**

(In TZS Million)



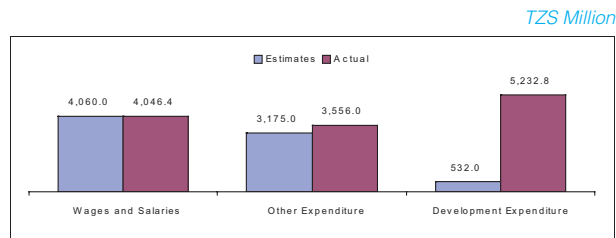
On the expenditure side, a total of TZS 12.8 billion was used for both recurrent and development expenditures. The amount was above the ceiling of TZS 7.8 billion for the month on account of receipt of donor funds for development projects, which were not part of the ceiling. Out of the total expenditure, recurrent expenditure amounted to TZS 7.6 billion. Payments for wages and salaries amounted to TZS 4.0 billion, about half of total recurrent expenditure. Foreign financing of development projects was TZS 4.6 billion while local component amounted to TZS 0.3 billion (Chart 6.2).





Cumulative July 2005 to January 2006, expenditure amounted to TZS 78.2 billion, against the projected ceiling of TZS 61.6 billion on account of disbursement of funds for projects by development partners.

**Chart 6.2: Zanzibar: Government Expenditure by Components in January 2006**



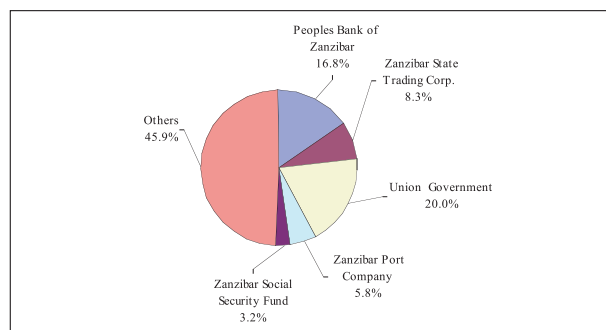
## Zanzibar Debt

Zanzibar total public debt as at end January 2006 stood at TZS 175.5 billion, which was almost the level recorded at the end of the previous month. The external debt was TZS 107.4 billion, accounting for 61.2 percent of total debt, and the balance was domestic.

## Domestic Debt

During the period under review, domestic debt declined to TZS 68.1 billion from TZS 69.7 billion registered in the preceding period; due to payment of matured government securities. Claims by domestic suppliers and pensioners amounted to TZS 31.3 billion or 45.9 percent of total domestic debt, followed by Union Government TZS 13.6 billion or 20.0 percent of total domestic debt, Peoples Bank of Zanzibar TZS 11.4 billion and Zanzibar State Trading Company accounted for TZS 5.6 billion. Claims by Zanzibar Port Company amounted to TZS 4.0 billion while debt due to Zanzibar Social Security Fund was TZS 2.2 billion. Chart 6.3 shows the composition of Zanzibar government domestic debt as at end-January 2006.

**Chart 6.3: Zanzibar: Shares in Total Domestic debt by Creditor as at end January 2005**



and pensioners claims dominated by accounting for TZS 37.4 billion or 55.0 percent of total domestic debt, followed by long-term loans by TZS 11.4 billion. Treasury bonds amounted TZS 8.9 billion, stocks TZS 6.0 billion and Treasury bills accounted for TZS 4.4 billion.

## External Debt

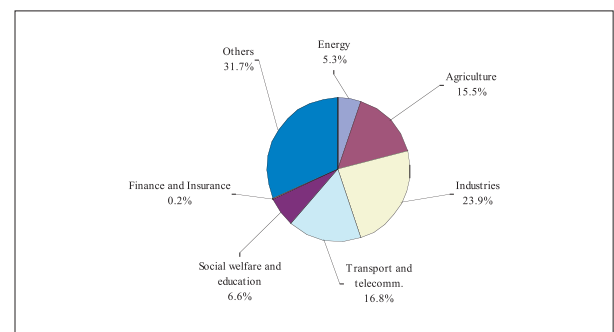
As indicated earlier, Zanzibar's external debt was TZS 107.5 billion or USD 90.7 million at end of January 2006, the same level as in the preceding month.

Debt owed to multilateral institutions amounted to USD 60.0 million, accounting for 66.1 percent of total external debt. Claims due to bilateral and commercial creditors were USD 4.6 million and USD 14.5 million, respectively. Export credit amounted to USD 11.7 million.

Debt maturing further than 20 years stood at USD 56.4 million, accounting for 62.1 percent of total external debt. Debt maturing between 5 to 10 years ranked second and amounted to USD 29.5 million, while that of between 10 to 20 years amounted to USD 4.9 million (**Chart 6.4**).

In terms of use of funds, debt owed by industrial activities was USD 21.7 million while USD 15.2 million was held transport and telecommunications. Agricultural activities owed USD 14.0 million, energy USD 4.8 million, and social welfare and other sectors combined, USD 35.0 million. External debt - Disbursements by Use of Funds

**Chart 6.4: Zanzibar: External debt by Use of Funds as at end – January 2005**



## External sector Performance

During month of January 2006, Zanzibar's trade balance (goods and services) worsened to a deficit of USD 1.44 million, from USD 0.92 million recorded during the previous month as imports of goods increased. On year-to-year basis, the trade account balance was a deficit of USD 51.1 million in January 2006 compared with a deficit of USD 39.8 million recorded in the corresponding period in 2005, due mainly to increases in foreign payments particularly services (**Table 6.1**).



In terms of composition of domestic debt, suppliers credits

**Table 6.1: Zanzibar: Trade Account Balance**

Millions of USD

	2005				2006p	Year Ending Jan			Monthly	Annual
	Sept	Oct	Nov	Dec	Jan	2004	2005	2006p	%Change	%Change
Exports	7.79	7.99	7.21	6.65	8.87	57.92	56.95	82.71	33.4	45.2
Goods	1.87	1.26	0.80	0.52	2.23	13.45	11.39	12.50	329.8	9.8
Services	5.91	6.73	6.40	6.13	6.64	44.47	45.57	70.21	8.2	54.1
Imports	12.46	13.49	13.96	7.58	10.31	94.43	96.78	133.82	36.1	38.3
Goods (f.o.b)	6.20	7.37	8.93	3.59	5.80	68.33	70.73	79.77	61.6	12.8
Services	6.26	6.12	5.03	3.99	4.51	26.11	26.05	54.05	13.1	107.5
Trade Balance	-4.68	-5.50	-6.76	-0.92	-1.44	-36.51	-39.83	-51.11	55.9	28.3

Source: Tanzania Revenue Authority.  
P = Provisional

## Exports Performance

During the month under review, export of goods and services increased by 33.4 percent to USD 8.87 million from USD 6.65 million earned in the previous month. The improvement emanated mainly from increase in services receipts, from USD 6.1 million earned in previous month to USD 6.6 million, accounting for 75.0 percent of total receipts. Goods exports increased from USD 0.52 million as at previous month to USD 2.2 million, out which cloves exports fetched USD 1.9 million.

On year-to-year basis, exports of goods and services amounted to USD 82.71 million in January 2006, higher than USD 57.0 million recorded in the preceding year. Services receipts, which mainly emanated from tourism-related activities dominated, amounting to USD 70.2 million or 85.0 percent of total foreign receipts. Goods exports amounted to USD 12.5 million from USD 11.4 million in corresponding period in 2005. Exports of cloves realised USD 9.44 million, representing 11.4 percent of total exports receipts, while seaweeds fetched USD 1.92 million, accounting for 2.3 percent of total exports.

## Imports Performance

Zanzibar goods imports (c.i.f) during January 2006 increased to USD 5.80 million from USD 3.59 million recorded in December 2005. The increase was on account of increases in importation of intermediate goods, which were dominated by oil imports (about 43 percent of total imports). This was largely caused by increases in world oil prices. Imports of capital goods amounted to USD 2.04 million from USD 1.15 million mainly due to higher imports of building and construction materials to cater for construction boom in Zanzibar.

Consumer goods imports declined slightly to USD 1.40 million from USD 1.45 million due to slow down of food and foodstuffs following relatively high imports in the previous months (Table 6.2).

During the year-ended January 2006, imports increased to USD 79.77 million from USD 70.73 million. There was remarkable decline in consumer goods from USD 30.3 million in corresponding period in 2005 to USD 25.0 million associated with political concerns related to 2005 general elections.

## Services Account

Zanzibar services account balance (net) registered a lower surplus of USD 0.5 million in December 2005 compared with USD 1.4 million recorded in the previous year, largely due to decline in services receipts from tourism sector coupled with an increase in foreign payments. Specifically, service payments increased by 15.4 percent to USD 5.8 million from USD 5.0 million, while services receipts declined by 0.8 percent to USD 6.3 million from USD 6.4 million. On annual basis, as at end of December 2005, the services account recorded a surplus of USD 17.3 million as opposed USD 18.4 million registered in the previous corresponding period.

**Table 6.2: Zanzibar Imports by Major Categories**

IMPORT CATEGORY	2006p						Year Ending Jan			Monthly	Annual	
	July	Aug	Sept	October	Nov	Dec	Jan	2004	2005	2006p	%Change	%Change
CAPITAL GOODS	1.31	5.22	3.97	2.42	4.72	1.15	2.04	24.72	25.37	35.65	77.3	40.5
Transport Equipments	0.46	0.84	1.12	0.75	0.53	0.41	0.75	7.633	7.31	9.72	85.0	32.9
Building and Constructions	0.31	1.60	0.53	0.71	1.88	0.21	0.53	6.433	7.00	7.79	149.0	11.3
Machinery	0.54	2.78	2.31	0.96	2.31	0.53	0.76	10.65	11.05	18.13	42.9	64.1
INTERMEDIATE GOODS	3.27	2.39	1.29	2.32	2.81	1.34	2.94	21.01	22.09	27.00	119.0	22.2
Oil imports	3.09	2.16	1.00	1.80	2.52	1.01	2.48	14.86	15.92	22.75	145.8	42.9
Fertilizers	...	...	...	...	...	...	...	...	...	...	...	...
Industrial raw materials	0.18	0.23	0.29	0.52	0.28	0.33	0.46	6.149	6.17	4.25	38.3	-31.2
CONSUMER GOODS	2.00	3.15	1.55	3.36	2.29	1.45	1.40	29.35	30.27	25.01	-3.6	-17.4
Food and food stuffs	1.45	1.79	0.80	2.52	1.15	0.79	0.19	16.59	17.44	14.13	-75.7	-19.0
All other consumer goods	0.55	1.36	0.75	0.84	1.14	0.66	1.21	12.76	12.83	10.88	82.5	-15.2
<b>GRAND TOTAL (CIF)</b>	<b>6.58</b>	<b>10.77</b>	<b>6.81</b>	<b>8.09</b>	<b>9.82</b>	<b>3.94</b>	<b>6.38</b>	<b>75.08</b>	<b>77.73</b>	<b>87.66</b>	<b>61.6</b>	<b>12.8</b>
<b>GRAND TOTAL (FOB)</b>	<b>5.98</b>	<b>9.80</b>	<b>6.20</b>	<b>7.37</b>	<b>8.93</b>	<b>3.59</b>	<b>5.80</b>	<b>68.33</b>	<b>70.73</b>	<b>79.77</b>	<b>61.6</b>	<b>12.8</b>

P = provisional

Source: Tanzania Revenue Authority







**Table A1: Tanzania Selected Economic Indicators**

Item	Unit	1998	1999	2000	2001	2002	2003	2004
<b>1. National Accounts and Prices</b>								
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 <sup>2</sup>	Percent	4.0	4.7	4.9	5.7	6.2	5.7	6.7
1.3 GDP Per Capita--Current Prices <sup>1</sup>	TZS	170,831	193,456	210,231	231,751	258,925	286,888	320,000
1.4 GDP Per Capita--Current Prices <sup>1</sup>	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 <sup>3</sup>	Percent	6.5	6.8	11.6	11.1	12.7	11.8	12.3
<b>2. Money Credit and Interest Rates</b>								
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 <sup>1</sup>	Percent	9.4	10.5	9.8	7.6	8.8	8.7	8.5
2.6 Private Sector Credit to GDP Ratio <sup>1</sup>	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
<b>3. Balance of Payments</b>								
3.1 Exports (f.o.b)	Mill. US\$	588.5	543.3	663.3	776.4	902.5	1,129.2	1,334.9
3.2 Imports (f.o.b)	Mill. US\$	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. US\$	-793.6	-872.1	-704.3	-783.9	-608.3	-804.2	-946.3
3.4 Balance on Current Account	Mill. US\$	-901.9	-846.2	-495.8	-436.7	-214.7	-384.2	-456.7
3.5 Overall Balance	Mill. US\$	-567.2	-128.4	-86.3	-809.6	-112.2	69.9	-98.1
3.7 Gross Official Reserves	Mill. US\$	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/US\$	664.7	744.8	800.4	876.4	966.6	1,038.6	1,053.3
3.9.2 End of Period	TZS/US\$	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
<b>5. Public Finance</b>								
		<b>1998/99</b>	<b>1999/00</b>	<b>2000/01</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>
5.1 Current Revenue to GDP Ratio <sup>1</sup>	Percent	11.5	11.4	12.2	11.8	12.3	12.1	13.3
5.2 Grants to GDP Ratio	Percent	2.8	4.1	3.7	4.3	3.2	3.7	6.7
5.2 Current Expenditure to GDP Ratio <sup>1</sup>	Percent	11.0	11.9	13.0	12.7	13.0	12.9	17.1
5.3 Development Expenditure to GDP Ratio <sup>1</sup>	Percent	2.2	5.3	3.7	3.9	3.3	3.6	8.4
5.4 Deficit to GDP Ratio (excluding grants) <sup>1</sup>	Percent	-1.7	-5.7	-4.5	-4.8	-4.0	-4.4	-11.9
5.5 Deficit to GDP Ratio (including grants) <sup>1</sup>	Percent	1.0	-1.6	-0.8	-0.5	-0.8	-0.6	-5.2
<b>6. Total External Debt Stock</b>								
	Mill. US\$	<b>7,669.7</b>	<b>7,624.8</b>	<b>7,482.1</b>	<b>7,464.0</b>	<b>7,268.1</b>	<b>7,890.7</b>	<b>8,291.0</b>
Disbursed Debt	Mill. US\$	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,730.8	6,990.6
Interest	Mill. US\$	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: <sup>1</sup> Calculated on the basis of GDP at market price

<sup>2</sup> Calculated on the basis of GDP at factor cost

<sup>3</sup> GNDI stands for gross national disposable income

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



**Table A2: Central Government Operations (Actual)**

Monthly Flows	Million TZS							
	<i>BUDGET</i>							
Item	2005/2006	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06
<b>Total Revenue</b>	<b>2,066,751.6</b>	<b>147,121.2</b>	<b>160,134.2</b>	<b>190,536.1</b>	<b>151,866.7</b>	<b>165,851.8</b>	<b>198,332.8</b>	<b>167,774.8</b>
Tax Revenue	1,895,966.6	137,459.3	144,472.6	179,182.3	138,742.8	150,325.9	185,086.2	153,831.2
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
Sales/VAT and 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
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
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
Other taxes	157,555.2	11,945.0	10,738.0	10,363.1	10,182.8	11,781.1	11,874.3	12,654.2
<b>Non- tax Revenue</b>	<b>170,785.0</b>	<b>9,661.9</b>	<b>15,661.6</b>	<b>11,353.8</b>	<b>13,123.9</b>	<b>15,525.9</b>	<b>13,246.6</b>	<b>13,943.6</b>
<b>Total Expenditure /1</b>	<b>4,176,050.4</b>	<b>162,576.8</b>	<b>204,826.7</b>	<b>462,825.0</b>	<b>647,547.2</b>	<b>323,720.7</b>	<b>321,857.0</b>	<b>224,809.4</b>
Recurrent expenditure	2,790,867.3	89,159.9	155,633.8	332,494.5	321,170.9	242,745.1	259,903.9	198,008.2
Roadtoll fund	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
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
Interest payments	174,762.9	11,605.5	8,165.1	19,952.5	18,615.8	34,373.6	17,475.2	13,454.9
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
Foreign	74,584.6	2,936.2	1,356.2	10,917.1	3,119.0	6,251.5	4,307.9	5,096.9
Other goods, services and 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
<b>Dev. Expenditure and net lending</b>	<b>1,385,183.1</b>	<b>73,416.9</b>	<b>49,192.9</b>	<b>130,330.5</b>	<b>326,376.4</b>	<b>80,975.6</b>	<b>61,953.1</b>	<b>26,801.2</b>
Local	370,037.8	73,416.9	49,192.9	130,330.5	326,376.4	80,975.6	61,953.1	26,801.2
Foreign	1,015,145.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Overall Balance (cheque issued) before Grants</b>	<b>-2,109,298.8</b>	<b>-15,455.6</b>	<b>-44,692.5</b>	<b>-272,288.9</b>	<b>-495,680.5</b>	<b>-157,868.9</b>	<b>-123,524.2</b>	<b>-57,034.6</b>
<b>Grants</b>	<b>1,011,345.0</b>	<b>81,642.2</b>	<b>82,137.8</b>	<b>99,201.5</b>	<b>239,798.6</b>	<b>58,597.1</b>	<b>61,315.8</b>	<b>6,857.0</b>
Program (CIS/OGL)	345,475.6	6,695.7	30,853.9	49,923.0	207,244.6	177.9	0.0	0.0
Project	340,972.4	44,640.9	44,640.9	44,640.9	28,231.2	12,103.5	18,183.9	525.0
Basket funds	231,297.0	24,424.0	0.0	0.0	191.0	38,994.5	36,574.9	196.2
HIPC Relief	93,600.0	5,881.6	6,642.9	4,637.6	4,131.8	7,321.2	6,557.1	6,135.8
<b>Overall defic.(cheq.issued) after Grants</b>	<b>-1,097,953.9</b>	<b>66,186.6</b>	<b>37,445.3</b>	<b>-173,087.5</b>	<b>-255,881.9</b>	<b>-99,271.7</b>	<b>-62,208.3</b>	<b>-50,177.6</b>
Expenditure float	0.0	-146,552.4	-6,873.0	-1,737.5	-748.9	-856.5	-400.1	0.0
Adjustments to cash and other items (net)	0	-43,776	-88,191	165,010	-72,857	220,320	43,878	-109,346
<b>Overall Balance (cheques issued)</b>	<b>-1,097,953.9</b>	<b>-124,142.2</b>	<b>-57,619.1</b>	<b>-9,815.1</b>	<b>-329,487.7</b>	<b>120,191.4</b>	<b>-18,730.8</b>	<b>-159,523.1</b>
<b>Financing:</b>	<b>1,097,953.9</b>	<b>124,142.2</b>	<b>57,619.1</b>	<b>9,815.1</b>	<b>329,487.7</b>	<b>-120,191.4</b>	<b>18,730.8</b>	<b>159,523.1</b>
Foreign Financing (net)	584,888.5	275.8	-3,278.3	84,309.8	316,434.5	18,604.8	-2,716.9	15,324.1
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
Program loans	270,689.1	0.0	0.0	82,772.9	171,150.0	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
Basket Support	101,291.4	0.0	0.0	10,337.6	0.0	15,777.3	0.0	0.0
Amortization	-128,676.5	-4,076.2	-7,630.2	-13,152.7	-6,669.6	-11,272.8	-9,911.2	-8,755.9
Domestic (net)	513,065.4	123,866.4	60,897.4	-74,494.7	13,053.2	-138,796.1	21,447.6	144,199.0
Domestic Financing	514,905.7	123,866.4	60,897.4	-74,494.7	-20,256.0	-138,796.1	21,447.6	144,199.0
Bank borrowing	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
Amortization of contingent debt	-12,260.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatization Proceeds	10,420.0	0.0	0.0	0.0	33,309.2	0.0	0.0	0.0

Source: Ministry of Finance

**Note:**

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

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



Table A3 : Monetary Survey

End of Period	Millions of TZS																												
	Domestic Assets (net)										Memorandum item:																		
	Domestic Credit (net)										M0																		
	Net										Base Money																		
1	Foreign assets			Claims on government		Claims on Private sectors*		Other items		sum(2-5) or sum(9-13)		TOTAL			M2, Broad Money			M1, Narrow Money			M0								
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25					
1996	290,319.8	295,822.8	141,341.0	90,579.4	818,063.0	684,990.6	449,213.3	257,662.8	191,550.5	122,436.6	113,340.7	133,072.4	335,768.0	78,105.3	1997	398,918.6	239,457.5	182,976.9	103,716.0	927,068.9	760,353.3	493,868.7	287,877.1	205,991.7	126,269.2	140,215.3	166,715.6	364,940.0	77,062.9
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.1	165,011.4	182,055.2	418,734.0	110,935.3	1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0
2000	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	164,026.7	2001	1,209,820.4	239,201.4	404,512.3	-216,803.4	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	172,730.2
2002	1,558,627.1	264,608.6	570,668.3	-346,221.0	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6	2003	2,182,072.0	12,937.0	817,125.2	-623,818.1	2,388,316.1	1,721,109.9	1,113,379.1	553,045.8	560,333.3	230,958.8	376,771.9	667,206.2	783,309.0	230,263.2
2004	2,379,909.3	47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	303,628.0	2005	2,560,852.1	258,782.4	1,425,062.3	-309,710.2	3,934,986.6	2,808,247.6	1,758,810.2	843,157.4	915,652.8	422,269.4	627,168.0	1,126,738.9	1,236,080.6	392,923.2
2004-January	2,312,919.5	-126.1	856,793.0	-683,565.0	2,486,021.4	1,741,293.0	1,116,903.1	538,830.7	578,072.4	249,553.6	374,836.3	744,728.5	769,091.2	230,260.5	February	2,318,994.8	34,856.7	844,586.5	-700,965.8	2,497,472.3	1,742,942.7	1,110,654.6	519,962.7	590,691.9	248,995.7	383,292.4	754,529.5	743,811.5	223,848.8
March	2,178,747.4	91,076.2	847,977.4	-640,149.8	2,477,651.2	1,757,204.8	1,096,558.7	523,607.8	572,950.9	270,684.3	389,961.8	720,446.4	802,863.9	279,256.1	April	2,141,542.4	129,701.5	859,629.3	-680,463.8	2,450,409.3	1,730,493.8	1,093,912.9	523,110.5	570,802.4	248,346.7	388,234.2	719,915.5	805,102.5	281,992.1
May	2,114,512.7	155,789.2	890,926.8	-644,154.5	2,517,074.1	1,788,489.3	1,131,063.0	532,770.1	598,292.9	266,743.5	390,682.8	794,842.2	262,072.1	209,958.6	June	2,134,182.7	157,606.9	965,980.9	-654,835.7	2,602,934.8	1,856,326.3	1,186,063.1	590,441.0	595,622.1	269,132.9	401,130.3	746,608.5	800,399.6	281,500.0
July	2,128,834.6	244,329.6	994,969.8	-652,298.2	2,715,835.9	1,919,971.4	1,250,869.2	612,242.3	638,626.9	264,971.5	404,130.8	795,864.5	893,742.3	285,000.0	August	2,131,384.3	196,074.0	991,955.1	-608,426.0	2,710,987.4	1,936,449.4	1,252,535.2	639,586.9	612,948.3	272,726.8	411,187.5	774,537.9	922,959.0	283,372.1
September	2,289,760.4	-1,703.5	1,027,300.4	-519,405.4	2,795,951.9	1,979,892.9	1,296,585.1	644,921.5	651,663.5	266,479.5	416,828.3	816,059.0	863,635.1	218,713.5	October	2,328,838.7	45,108.0	1,029,789.8	-547,703.1	2,856,033.4	2,023,549.3	1,326,121.5	661,621.9	664,499.6	267,067.6	430,360.2	832,484.1	976,377.9	314,756.0
November	2,372,331.9	19,621.9	1,061,773.5	-599,041.3	2,854,686.0	2,044,777.6	1,325,884.4	666,288.9	659,595.6	274,470.5	444,422.7	809,908.4	990,940.6	324,651.7	December	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	303,628.0
2005-January	2,408,352.9	61,685.6	1,117,110.4	-606,557.6	2,980,591.4	2,089,035.9	1,342,836.9	636,932.2	705,904.7	287,300.0	458,898.9	891,555.5	960,140.8	323,208.6	February	2,482,058.1	79,889.6	1,132,519.9	-601,559.4	3,092,908.2	2,200,089.4	1,415,829.4	632,085.7	783,743.7	318,286.0	465,974.0	892,818.9	1,001,798.5	369,712.9
March	2,462,099.7	39,973.7	1,147,110.1	-525,216.0	3,123,967.5	2,211,685.5	1,390,703.8	645,241.4	745,462.4	341,842.1	479,139.7	912,281.9	977,283.9	332,042.5	April	2,357,490.8	103,952.0	1,151,142.2	-528,878.3	3,083,706.7	2,229,239.7	1,402,889.5	650,298.8	752,590.8	341,719.6	484,630.6	854,467.0	993,432.3	343,133.6
May	2,305,218.6	192,236.7	1,182,122.5	-568,218.2	3,111,359.6	2,242,841.3	1,417,403.2	668,271.2	749,132.0	336,585.8	488,852.3	868,518.3	1,012,972.0	344,700.8	June	2,279,294.3	284,637.9	1,219,374.3	-516,881.4	3,266,425.1	2,566,449.0	1,528,773.6	734,912.2	793,861.4	328,711.1	508,964.3	899,976.2	1,029,997.6	295,085.4
July	2,271,794.7	316,477.6	1,300,730.5	-496,058.9	3,392,943.9	2,383,746.1	1,556,217.6	766,285.7	789,931.9	311,839.8	515,688.6	1,009,197.8	1,036,250.2	269,964.5	August	2,294,107.8	279,759.3	1,331,809.8	-464,233.0	3,441,444.0	2,401,810.3	1,532,956.3	764,663.6	768,292.6	348,102.1	520,751.9	1,039,633.7	1,102,883.1	338,219.5
September	2,222,906.5	294,886.3	1,390,349.6	-372,077.0	3,536,065.4	2,539,977.8	1,644,905.1	790,956.7	853,948.4	344,867.1	550,205.6	996,087.6	1,128,066.9	337,110.2	October	2,460,785.1	258,534.6	1,373,672.4	-313,654.6	3,779,337.4	2,735,662.2	1,787,143.2	820,592.6	966,550.6	361,229.4	587,289.6	1,043,675.3	1,299,956.0	479,363.4
November	2,664,790.8	206,764.5	1,411,085.0	-368,316.0	3,914,324.3	2,744,464.9	1,744,522.8	812,532.6	931,990.3	396,447.7	603,494.4	1,169,859.4	1,190,125.0	377,592.6	December	2,560,852.1	258,782.4	1,425,062.3	-309,710.2	3,934,986.6	2,808,247.6	1,758,810.2	843,157.4	915,652.8	422,269.4	627,168.0	1,126,738.9	1,236,080.6	392,923.2
2006-January	3,028,147.5	410,349.6	1,450,364.7	-870,330.5	4,018,531.2	2,807,935.4	1,737,737.0	805,963.9	931,773.1	446,757.0	623,441.5	1,210,595.8	1,247,662.8	441,699.0															

\*Former "Claims on other domestic sectors"

\*\* CBR - Commercial Bank's Reserves

Source: Bank of Tanzania



**Table A4: Interest Rate Structure**

Item	2005							Percent
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2006 Jan-06
<b>A: Domestic Currency</b>								
<b>1. Interbank Cash Market Rates</b>								
Overnight	5.04	4.70	7.11	6.61	5.05	4.06	5.78	8.54
2 to 7 days	5.15	5.31	7.23	7.83	5.47	4.64	5.26	8.44
8 to 14 days	5.58	6.40	8.73	7.56	6.93	5.23	6.47	8.48
15 to 30 days	6.16	6.20	8.00	9.32	6.00	7.52	8.17	8.17
31 to 60 days	5.60	7.91	8.67	10.15	11.17	10.35	9.13	11.18
61 to 90 days	7.40	8.75	10.57	10.57	10.57	12.00	12.50	12.60
91 to 180 days	8.39	10.26	11.73	11.00	13.50	13.50	13.50	14.95
181 and above	9.20	9.20	9.20	13.60	13.60	14.80	14.80	15.10
<b>Overall interbank cash market rate</b>	<b>5.09</b>	<b>4.97</b>	<b>7.26</b>	<b>7.23</b>	<b>5.25</b>	<b>4.73</b>	<b>5.97</b>	<b>8.70</b>
<b>2. Lombard Rate</b>	<b>10.98</b>	<b>10.98</b>	<b>10.98</b>	<b>10.98</b>	<b>10.98</b>	<b>10.98</b>	10.98	13.56
<b>3. REPO Rate</b>	<b>5.24</b>	<b>5.38</b>	<b>7.12</b>	<b>7.73</b>	<b>6.23</b>	<b>5.28</b>	6.00	6.38
<b>4. Treasury Bills Rates</b>								
35 days	6.60	7.03	8.42	9.49	8.97	8.59	8.63	9.04
91 days	8.12	10.35	11.51	12.52	14.08	13.96	14.70	14.78
182 days	9.43	10.53	11.46	13.10	14.50	14.42	14.71	14.58
364 days	10.51	11.93	12.64	13.70	14.95	15.61	15.72	15.64
<b>Overall treasury bills rate</b>	<b>9.30</b>	<b>10.35</b>	<b>11.30</b>	<b>12.58</b>	<b>13.60</b>	13.63	14.78	14.92
<b>5. Treasury Bonds- 2-years</b>								
5-years	12.11	13.19	15.00	15.00	15.64	16.77	17.01	16.81
7-years	13.21	13.05	13.14	13.14	18.37	18.09	18.26	17.80
10-years	14.10	14.10	14.10	14.10	16.37	16.71	17.00	20.00
<b>6. Discount Rate</b>	<b>13.92</b>	<b>15.14</b>	<b>16.04</b>	<b>16.13</b>	<b>17.78</b>	18.30	19.33	20.00
<b>7. Savings Deposit Rate</b>	<b>2.61</b>	<b>2.60</b>	<b>2.59</b>	<b>2.63</b>	<b>2.62</b>	2.62	2.60	2.65
<b>8. Time Deposits Rates</b>								
Call Accounts	0.98	0.96	0.98	1.30	1.88	1.34	1.57	1.48
1 month	3.25	3.19	3.33	4.42	4.89	3.62	2.60	3.39
2 months	5.22	5.44	5.22	5.77	6.50	6.98	7.07	7.69
3 months	4.45	4.90	5.18	4.34	3.70	4.20	5.50	5.92
6 months	5.63	5.72	5.57	5.30	7.14	8.06	7.17	7.06
12 months	5.97	5.69	5.82	6.32	6.47	6.88	7.74	8.12
24 months	5.39	5.47	5.64	5.93	5.39	5.32	5.30	5.60
<b>9. Negotiated Deposit Rates</b>	<b>8.49</b>	<b>8.87</b>	<b>9.01</b>	<b>7.18</b>	<b>8.69</b>	9.26	10.61	10.58
<b>10. Lending rates</b>								
Call Loans	14.50	14.50	19.25	19.25	19.25	19.25	19.25	19.25
Short-term (up to 1 year)	16.06	16.14	15.82	15.74	16.03	15.69	15.65	15.46
Medium-term (1-2 years)	16.77	16.41	16.63	16.67	17.07	16.84	15.98	16.04
Medium-term (2-3 years)	16.21	15.39	15.05	15.52	15.65	15.67	14.52	14.93
Long-term (3-5 years)	13.87	12.72	13.52	13.25	13.76	13.83	14.08	14.11
Term Loans (over 5 years)	14.65	14.18	14.32	14.24	14.46	15.21	14.68	12.90
<b>11. Negotiated Lending Rates</b>	<b>11.01</b>	<b>11.51</b>	<b>11.39</b>	<b>11.37</b>	<b>11.47</b>	11.46	11.14	11.35
<b>B: Foreign Currency</b>								
<b>1. Deposits Rates</b>								
Call Accounts	0.47	0.55	0.39	0.66	0.49	0.46	0.52	0.47
Savings Deposits	0.67	0.65	0.66	0.72	0.69	0.67	0.80	0.72
Time Deposits	1.72	1.73	1.78	1.81	1.65	1.84	1.90	1.99
1-months	1.18	1.31	1.24	1.48	1.60	1.56	1.62	1.83
2-months	1.58	1.32	1.52	2.70	1.50	1.53	2.33	2.33
3-months	1.74	1.83	2.28	1.17	1.52	2.15	1.53	1.82
6-months	1.45	1.34	1.25	1.33	1.47	1.52	1.93	1.94
12-months	2.62	2.84	2.63	2.36	2.15	2.46	2.09	2.04
<b>2. Lending Rates</b>	<b>8.04</b>	<b>7.85</b>	<b>7.24</b>	<b>7.73</b>	<b>8.19</b>	<b>8.08</b>	<b>8.03</b>	<b>8.02</b>
Short-term (up to 1 year)	6.86	7.41	7.01	7.38	6.72	6.51	6.58	6.70
Medium-term (1-2 years)	7.70	7.86	6.55	6.93	7.93	7.71	7.67	7.73
Medium-term (2-3 years)	9.28	8.02	7.56	7.85	9.30	9.50	9.07	8.89
Long-term (3-5 years)	8.99	8.42	7.47	8.00	7.50	7.45	7.60	7.33
Term Loans (over 5 years)	7.36	7.54	7.61	8.48	9.52	9.25	9.25	9.45

Source: Bank of Tanzania



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

Item	Dec <sup>p</sup>	Jan <sup>p</sup>		Year Ending Jan <sup>p</sup>		
	2005	2005	2006	2005	2006	% Change
<b>Traditional Exports:</b>						
<b>COFFEE</b>						
Value	8.7	11.2	8.9	55.1	72.1	30.9
Volume	4.8	7.0	4.5	40.5	43.6	7.8
Unit Price	1,800.0	1,598.3	1,972.3	1,361.1	1,653.4	21.5
<b>COTTON</b>						
Value	13.4	6.2	8.7	77.1	114.0	47.8
Volume	12.6	5.9	8.5	74.7	115.4	54.5
Unit Price	1,062.7	1,049.9	1,030.4	1,032.7	987.8	-4.3
<b>SISAL</b>						
Value	0.7	0.6	1.0	7.2	7.7	6.5
Volume	0.9	0.8	1.3	11.5	9.8	-14.8
Unit Price	777.8	742.7	769.2	626.5	783.2	25.0
<b>TEA</b>						
Value	2.1	3.1	0.9	30.3	23.4	-22.7
Volume	1.6	2.7	0.6	24.6	19.7	-19.8
Unit Price	1,329.1	1,179.1	1,491.2	1,232.5	1,188.0	-3.6
<b>TOBACCO</b>						
Value	3.4	9.5	4.0	62.0	75.2	21.3
Volume	1.0	4.9	1.2	28.8	27.4	-4.7
Unit Price	3,430.0	1,949.5	3,426.6	2,155.9	2,743.0	27.2
<b>CASHEWNUTS</b>						
Value	33.1	3.4	16.9	62.2	60.0	-3.5
Volume	43.9	3.8	22.2	72.6	80.3	10.6
Unit Price	753.1	896.9	762.6	856.8	747.3	-12.8
<b>CLOVES</b>						
Value	0.3	0.6	1.9	8.5	9.8	16.0
Volume	0.1	0.2	0.6	3.2	3.4	5.3
Unit Price	2,890.0	2,973.9	3,179.5	2,644.2	2,913.3	10.2
<b>SUB TOTAL</b>	<b>61.6</b>	<b>34.7</b>	<b>42.4</b>	<b>302.4</b>	<b>362.3</b>	<b>19.8</b>
<b>Non-Traditional Exports:</b>						
Minerals	53.9	57.1	62.8	682.6	717.0	5.0
Gold	50.0	53.3	58.0	629.5	660.3	4.9
Diamond	2.0	3.0	2.5	28.8	23.9	-17.0
Other minerals <sup>1</sup>	1.9	0.9	2.3	24.3	32.8	35.0
Manufactured Goods	12.7	9.9	14.3	113.6	160.5	41.3
Cotton Yarn	0.3	0.3	0.4	4.5	4.3	-3.8
Manufactured Coffee	0.0	0.1	0.1	0.9	3.8	--
Manufactured Tobacco	0.1	0.0	0.0	0.4	0.3	-96.9
Sisal Products (Yarn & Twine)	0.3	0.3	0.2	3.8	4.2	10.9
Other manufactured Goods <sup>2</sup>	12.0	9.2	13.7	104.0	147.8	42.2
Fish and Fish Products	11.0	11.1	10.7	126.0	147.1	16.7
Horticultural products	1.1	1.1	1.0	13.8	18.2	31.9
Re-exports	9.2	8.4	9.0	135.2	127.7	-5.6
Others Exports <sup>3</sup>	13.0	8.6	13.8	111.6	166.8	49.4
<b>SUB TOTAL</b>	<b>100.9</b>	<b>87.8</b>	<b>111.6</b>	<b>1,182.8</b>	<b>1,337.2</b>	<b>13.1</b>
<b>GRAND TOTAL</b>	<b>162.6</b>	<b>122.4</b>	<b>153.9</b>	<b>1,485.2</b>	<b>1,699.5</b>	<b>14.4</b>

**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	Million of US\$				
	Dec <sup>p</sup> 2005	2005 Jan <sup>p</sup>	2006 Jan <sup>p</sup>	2005 Year Ending Jan <sup>p</sup> 2006	% Change
<b>CAPITAL GOODS</b>	<b>106.5</b>	<b>80.3</b>	<b>106.5</b>	<b>868.4</b>	<b>27.2</b>
Transport Equipment	36.1	16.6	29.0	227.4	32.8
Building and Constructions Equipment	30.1	23.4	28.3	196.7	33.2
Machinery	40.3	40.3	49.2	444.3	21.6
<b>INTERMEDIATE GOODS</b>	<b>66.3</b>	<b>92.5</b>	<b>63.2</b>	<b>747.3</b>	<b>7.2</b>
Oil imports	40.7	66.9	33.7	462.9	3.3
Fertilizers	1.5	4.1	1.2	57.1	8.0
Industrial raw materials	24.1	21.5	28.2	227.2	14.9
<b>CONSUMER GOODS</b>	<b>66.6</b>	<b>55.4</b>	<b>62.2</b>	<b>765.3</b>	<b>-0.7</b>
Food and foodstuffs	20.6	13.3	18.9	240.0	-27.5
All other consumer goods <sup>1</sup>	46.0	42.0	43.3	525.2	11.6
<b>GRAND TOTAL (F.O.B)</b>	<b>239.4</b>	<b>228.2</b>	<b>231.9</b>	<b>2,380.9</b>	<b>11.9</b>
<b>GRAND TOTAL (C.I.F)</b>	<b>263.1</b>	<b>250.8</b>	<b>254.8</b>	<b>2,616.4</b>	<b>11.9</b>

**Note:**

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

Oil imports refers to petroleum products

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	2002	2003	2004p
<b>A. Current Account</b>	<b>-436.7</b>	<b>-214.7</b>	<b>-384.2</b>	<b>-456.7</b>
Goods: Exports (f.o.b)	776.4	902.5	1,129.2	1,334.9
Traditional	231.1	206.1	220.5	292.3
Non - Traditional	545.3	696.5	908.7	1,042.6
o/w: Gold	254.1	341.1	502.8	629.5
Goods: Imports (f.o.b)	-1,560.3	-1,511.3	-1,933.5	-2,281.2
<i>Balance on Goods</i>	-783.9	-608.8	-804.2	-946.3
Services: <b>Credit</b>	679.3	668.6	686.6	885.9
<b>Debit</b>	<b>-642.1</b>	<b>-668.5</b>	<b>-769.5</b>	<b>-1,002.0</b>
<b>Balance on Services</b>	<b>37.2</b>	<b>0.1</b>	<b>-83.0</b>	<b>-116.1</b>
<b>Balance on Goods and Services</b>	<b>-746.8</b>	<b>-608.7</b>	<b>-887.2</b>	<b>-1,062.5</b>
Income: <b>Credit</b>	55.3	67.9	87.1	81.8
<b>Debit</b>	-140.5	-90.6	-131.0	-122.1
<i>Balance on Income</i>	-85.2	-22.7	-43.9	-40.3
<b>Balance on Goods, Services and Income</b>	<b>-832.0</b>	<b>-631.4</b>	<b>-931.1</b>	<b>-1,102.8</b>
<b>Current transfers (net)</b>	<b>395.3</b>	<b>416.6</b>	<b>546.9</b>	<b>646.1</b>
<b>Credit</b>	474.8	477.9	609.9	711.4
Government	418.4	427.7	543.3	641.7
o/w: Multilateral HIPC relief	71.3	68.8	68.2	73.7
Other sectors	56.4	50.2	66.6	69.7
<b>Debit</b>	<b>-79.5</b>	<b>-61.3</b>	<b>-63.0</b>	<b>-65.3</b>
<b>B. Capital Account</b>	<b>361.5</b>	<b>355.4</b>	<b>358.2</b>	<b>293.6</b>
Capital transfers: <b>Credit</b>	361.5	355.4	358.2	293.6
<b>Debit</b>	0.0	0.0	0.0	0.0
<b>Total, Groups A plus B</b>	<b>-75.2</b>	<b>140.6</b>	<b>-26.0</b>	<b>-163.1</b>
<b>C. Financial Account, excl. reserves and related items</b>	<b>-501.9</b>	<b>0.0</b>	<b>-5.6</b>	<b>3.2</b>
Direct investment in Tanzania	327.2	240.4	247.8	260.2
Other investment	-829.1	-240.4	-253.4	-257.0
Assets	-76.7	2.9	-59.0	-11.0
Liabilities	-752.5	-243.3	-194.4	-245.9
<b>Total, Groups A through C</b>	<b>-577.1</b>	<b>140.6</b>	<b>-31.7</b>	<b>-159.9</b>
<b>D. Net Errors and Omissions</b>	<b>-232.5</b>	<b>-253.0</b>	<b>101.6</b>	<b>61.8</b>
<b>Overall balance</b>	<b>-809.6</b>	<b>-112.4</b>	<b>69.9</b>	<b>-98.1</b>
<b>E. Reserves and Related Items</b>	<b>809.6</b>	<b>112.4</b>	<b>-69.9</b>	<b>98.1</b>
Reserve assets	-182.2	-372.4	-508.8	-258.4
Use of Fund credit and loans	15.6	26.0	-2.9	-33.8
Exceptional financing	976.2	458.8	441.8	390.2
Rescheduled debt	131.4	9.8	86.6	106.3
Debt forgiveness	642.1	430.3	319.5	265.7
Interest arrears	67.4	18.4	29.5	18.2
Principal arrears	135.2	0.4	6.2	0.0
<b>Memorandum items:</b>				
GDP(mp) Mill.TZS	8,304,338.6	9,399,085.8	10,707,006.2	11,876,513.2
GDP(mp) Mill. USD	9,475.6	9,724.0	10,309.3	11,275.6
CAB/GDP	-4.6	-2.2	-3.7	-4.1
CAB/GDP (excl. current official transfers)	-9.0	-6.6	-9.0	-9.7
Gross Official Reserves	1,156.6	1,529.0	2,037.8	2,296.1
Months of Imports	6.3	8.4	9.0	8.4
Net International Reserves (year end)	761.2	1,058.4	1,533.9	1,786.9
Change in Net International Reserves	-218.5	-297.2	-475.5	-253.0
Exchange rate TZS/USD (end of period)	916.3	976.3	1,063.6	1,043.0
Exchange rate TZS/USD (annual average)	876.4	966.6	1,038.6	1,089.3

**Notes:**

- 1) Imports data (f.o.b) for 2001 have been revised using new ratios for freight and insurance services.
  - 2) Following changes in the ratios of freight and insurance services to the total imports (c.i.f), figures for service account have consequently been revised.
  - 3) GDP-Gross Domestic Product, mp-Market price, CAB-Current Account Balance, p = provisional
  - 4) p = provisional data, subject to revision
  - 5) Net capital account has changed following the removal of the debt forgiveness.
- The exceptional financing has changed following the inclusion of the rescheduled and forgiven debt.
- The changes are according to the requirement of the BPM5.

**Source:** Bank of Tanzania





Table A6: 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.	Transpor- tation	Educ- ation	Miscel. goods & services
		Food	Non-Food	Weight (%)											
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	
June	4.2	4.9	3.1	1.8	2.3	3.4	9.1	2.2	2.2	0.7	0.5	1.2	1.6	2.0	
July	4.1	5.3	1.8	-4.7	-0.1	2.6	18.0	-2.0	-0.4	-5.0	0.2	-1.6	0.0	-5.7	
Aug.	4.1	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	-1.7	-0.3	-1.2	3.1	-1.1	-1.9	

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

**Table A7 : External Debt Developments**

Millions of USD

Item	2002/03	2003/04	2004/05	2005/06						
				Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06
<b>1. Overall total Debt Committed <sup>2</sup></b>	<b>7,606.6</b>	<b>8,088.3</b>	<b>8,345.1</b>	<b>8,335.5</b>	<b>8,401.0</b>	<b>8,361.9</b>	<b>8,276.2</b>	<b>8,138.9</b>	<b>8,153.7</b>	<b>8,494.8</b>
Disbursed outstanding debt	6,233.0	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
Undisbursed debt	1,373.6	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
<b>2. Disbursed Debt by Creditor Category <sup>2</sup></b>	<b>6,233.0</b>	<b>6,678.3</b>	<b>6,799.5</b>	<b>6,845.8</b>	<b>6,913.8</b>	<b>6,944.7</b>	<b>6,855.7</b>	<b>6,733.9</b>	<b>6,743.6</b>	<b>6,923.7</b>
Bilateral	1,633.7	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
Multilateral	4,088.3	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
Commercial	330.6	391.2	416.4	413.4	441.1	439.6	429.1	420.6	421.6	424.2
Export credits	180.5	233.5	254.5	254.3	254.5	257.0	249.0	248.5	248.8	248.9
<b>3. Disbursed Debt by Borrower Category <sup>2</sup></b>	<b>6,233.0</b>	<b>6,678.3</b>	<b>6,799.5</b>	<b>6,845.8</b>	<b>6,913.8</b>	<b>6,944.7</b>	<b>6,855.7</b>	<b>6,733.9</b>	<b>6,743.6</b>	<b>6,923.7</b>
Central Government	5,708.0	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
Parastatal Companies	152.2	149.1	477.5	501.6	490.6	488.1	485.3	470.2	467.3	470.8
Private Sector	372.9	437.2	491.5	487.3	488.4	490.1	490.8	484.2	485.0	486.3
<b>4. Disbursed Debt by Use of Fund <sup>2</sup></b>	<b>6,233.0</b>	<b>6,678.3</b>	<b>6,799.5</b>	<b>6,845.8</b>	<b>6,913.8</b>	<b>6,944.7</b>	<b>6,855.7</b>	<b>6,733.9</b>	<b>6,743.6</b>	<b>6,923.7</b>
Balance of payment support	1,166.0	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
Transport & Telecommunication	1,047.8	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
Agriculture	1,034.7	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
Energy & Mining	895.0	924.3	1,070.3	916.2	891.3	943.7	942.5	929.2	930.7	936.0
Industries	411.2	352.7	405.5	403.4	404.7	401.3	400.3	386.9	387.1	388.2
Social Welfare & Education	421.7	333.3	611.7	626.2	629.3	632.9	637.8	627.5	627.6	632.9
Finance and Insurance	76.9	82.3	96.6	96.2	96.4	102.5	102.4	101.7	101.9	102.3
Tourism	88.2	80.2	80.1	79.8	80.0	79.8	80.1	79.3	79.5	79.6
Others	1,091.6	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
<b>5. Total Amount of Loan Contracted <sup>1</sup></b>	<b>277.3</b>	<b>229.7</b>	<b>376.4</b>	<b>2.2</b>	<b>0.2</b>	<b>1.0</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>0.0</b>
Government	259.8	209.4	335.4	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
Private	17.5	20.3	41.0	2.2	0.2	1.0	0.2	0.3	0.5	0.0
<b>6. Disbursement <sup>1</sup></b>	<b>169.0</b>	<b>234.7</b>	<b>190.2</b>	<b>117.4</b>	<b>4.6</b>	<b>2.7</b>	<b>0.5</b>	<b>2.9</b>	<b>1.7</b>	<b>0.0</b>
Government	163.7	205.9	161.4	115.1	0.1	2.7	0.1	2.9	1.7	0.0
Parastatal Companies	0.0	2.0	0.0	0.0	4.1	0.0	0.0	0.0	0.0	0.0
Private	5.3	26.8	28.8	2.3	0.4	0.0	0.4	0.0	0.0	0.0
<b>7. Scheduled Debt Service <sup>1</sup></b>	<b>369.0</b>	<b>334.4</b>	<b>355.1</b>	<b>373.6</b>	<b>373.6</b>	<b>373.6</b>	<b>373.6</b>	<b>373.6</b>	<b>373.6</b>	<b>373.6</b>
<b>8. Actual Debt Service <sup>1</sup></b>	<b>112.4</b>	<b>99.3</b>	<b>112.9</b>	<b>4.8</b>	<b>13.5</b>	<b>10.0</b>	<b>3.3</b>	<b>12.9</b>	<b>11.0</b>	<b>4.9</b>
Principal	86.6	68.6	86.0	3.2	12.8	6.9	0.4	9.9	7.3	2.3
Interest	25.8	30.6	26.9	1.6	0.8	3.1	2.9	3.0	3.7	2.6
Others	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>9. Net Transfers</b>	<b>51.3</b>	<b>106.6</b>	<b>77.3</b>	<b>103.1</b>	<b>-8.9</b>	<b>-7.3</b>	<b>-2.8</b>	<b>-10.0</b>	<b>-9.3</b>	<b>-4.9</b>
<b>10. Total Arrears by Creditor Category <sup>2</sup></b>	<b>2,056.5</b>	<b>2,297.8</b>	<b>2,470.5</b>	<b>2,257.8</b>	<b>2,283.7</b>	<b>2,278.1</b>	<b>2,224.8</b>	<b>2,194.5</b>	<b>2,251.7</b>	<b>2,274.5</b>
Principal	1,021.4	1,119.1	1,135.2	1,093.7	1,106.3	1,106.9	1,064.8	591.0	599.2	604.0
Bilateral	611.6	658.8	669.4	622.1	630.1	625.1	601.7	591.0	599.2	604.0
Multilateral	45.1	28.3	5.9	8.4	8.3	9.0	9.0	8.5	9.4	9.8
Commercial	203.7	240.2	249.2	252.5	256.9	261.6	250.7	246.2	250.6	255.1
Other Private Creditors	161.0	191.8	210.7	210.7	211.0	211.2	203.4	203.3	204.3	204.8
Interest	1,035.1	1,178.7	1,335.3	1,164.1	1,177.4	1,171.2	1,160.0	1,145.5	1,188.2	1,200.8
Bilateral	577.7	693.0	818.8	646.1	655.1	651.7	632.5	623.3	653.0	658.9
Multilateral*	68.4	27.3	23.4	23.8	23.8	23.8	24.3	23.8	24.9	24.1
Commercial	268.3	287.1	333.7	334.3	337.9	335.5	341.2	332.0	342.6	348.6
Other Private Creditors	120.7	171.3	159.4	159.9	160.6	160.2	162.0	166.4	167.7	169.2
11. External Debt Stock	7,268.1	7,856.9	8,134.8	8,009.9	8,091.2	8,115.9	8,015.7	7,879.4	7,931.8	8,124.5
12. Domestic Debt Stock	841.6	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
<b>Total Debt Stock (11 + 12)</b>	<b>8,109.7</b>	<b>8,742.1</b>	<b>9,087.4</b>	<b>9,431.6</b>	<b>9,526.3</b>	<b>9,582.7</b>	<b>9,516.1</b>	<b>9,303.1</b>	<b>9,383.9</b>	<b>9,585.2</b>
<b>Exchange Rate TZS/USD (End of Period)</b>	<b>1,047.4</b>	<b>1,107.3</b>	<b>1,126.3</b>	<b>1,135.7</b>	<b>1,133.6</b>	<b>1,136.3</b>	<b>1,141.6</b>	<b>1,183.2</b>	<b>1,165.5</b>	<b>1,184.7</b>

NB. Multilateral\*: multilateral arrears represents private sector arrears

<sup>1</sup> During the period. <sup>2</sup> End of January 2006 cumulative.

Source: Bank of Tanzania



## GLOSSARY

### **Average Inflation Rate**

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

### **Currency in Circulation Outside Banks**

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

### **Discount Rate**

The rate of interest charged by the Bank of Tanzania on loans it extends to deposit money banks (DMBs) 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**

It is an overnight loan to enable commercial banks to borrow at their own discretion, through pledging of eligible government securities as collateral.

### **Money Supply, M**

The sum of currency in circulation outside banks and deposits of deposit money banks, 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.

### **Underlying Inflation Rate**

Also referred to as non-food inflation is a measure of price movements caused by factors other than food prices.

### **Repurchase Agreement (REPO)**

These are agreements to sell government securities by the BOT to financial institutions at agreed rate for a specified period, with an understanding that the financial institutions will sell back the securities at the end of the period, and vice versa.

### **Reserve Money (M0)**

The Central Bank's liabilities in the form of: (1) currency in circulation outside the Bank of Tanzania and (2) DMBs' deposits with the BOT.

### **Weighted Annualised Yields of Treasury Bills**

This is the average yield of Treasury bills, which is weighted by the volume sold, expressed in percentage per year.





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