



**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

**OCTOBER 2005**



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# Inflation Developments

## Inflation stabilises in September 2005

Annual headline inflation was 4.5 percent in September 2005, the same rate as in August 2005, despite a rise in average price level of food items during the year. Food inflation increased to 6.0 percent in the year ending September 2005 from 5.8 percent in the year ending August 2005, while non-food inflation declined by 0.7 percentage points to 2.8 percent. The slowdown in non-food inflation was mainly caused by a deceleration in prices of clothing and footwear, furniture, and household equipments.

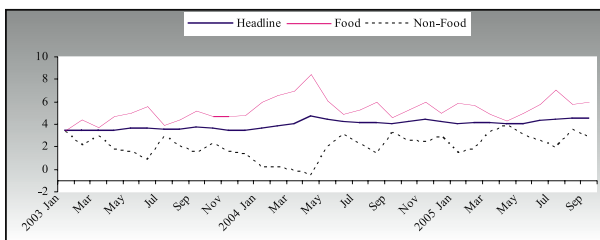
**Table 1: Tanzania: Percentage Change in Consumer Price**

(Base: 2001=100)

Major Commodity Group	(%)	2004			2005			2006					
		Jul	Aug	Sep	Jul	Aug	Sep	Jul	Aug	Sep			
<b>Headline/Overall</b>	<b>100</b>	<b>4.5</b>	<b>4.4</b>	<b>4.4</b>	<b>3.5</b>	<b>3.5</b>	<b>3.7</b>	<b>4.1</b>	<b>4.1</b>	<b>4.0</b>	<b>4.4</b>	<b>4.5</b>	<b>4.5</b>
<b>Food</b>	<b>55.9</b>	<b>3.8</b>	<b>3.6</b>	<b>3.4</b>	<b>3.9</b>	<b>4.4</b>	<b>5.2</b>	<b>5.3</b>	<b>5.9</b>	<b>4.6</b>	<b>7.0</b>	<b>5.8</b>	<b>6.0</b>
<b>Non-food</b>	<b>44.1</b>	<b>6.7</b>	<b>6.9</b>	<b>7.2</b>	<b>3.0</b>	<b>2.0</b>	<b>1.4</b>	<b>2.2</b>	<b>1.5</b>	<b>3.2</b>	<b>2.0</b>	<b>3.6</b>	<b>2.8</b>
Transportation	9.7	3.1	2.8	2.7	2.8	0.7	0.5	-1.6	1.7	3.3	5.4	5.2	4.0
Fuel, Power and Water	8.5	18.1	19.4	19.3	0.1	5.0	2.5	20.3	2.4	6.0	0.3	9.8	10.0
Drinks and Tobacco	6.9	1.3	2.2	2.4	5.2	0.3	0.4	-4.7	0.0	0.5	3.1	2.4	2.6
Clothing & Footwear	6.4	6.0	6.3	7.3	2.5	2.2	1.8	-0.1	3.1	4.5	1.3	-1.2	-2.7
Education	2.6	3.6	3.7	3.2	2.9	3.3	3.6	0.0	0.6	0.8	0.1	-1.9	-1.7
Furniture & Household Equip	2.1	4.6	4.1	4.7	2.3	2.6	1.1	-2.0	-0.4	2.9	-0.9	0.0	-2.3
H/h Operations Maintenance	2.1	1.4	1.2	1.5	1.9	0.8	0.2	-0.4	1.7	4.3	0.3	-0.6	-1.9
Personal Care & Health	2.1	4.3	3.7	4.1	4.0	3.3	3.5	-5.0	0.7	1.5	6.5	3.5	2.7
Rents	1.4	1.9	1.8	1.8	9.5	0.1	0.1	2.6	0.4	0.2	-3.9	7.5	7.6
Recreation & Entertainment	0.8	1.5	1.3	2.7	2.3	1.6	1.9	0.2	1.8	3.7	-2.1	-1.5	-2.4
Misc. Goods & Services	1.5	4.2	4.1	5.2	6.8	0.6	1.0	-5.7	-0.2	0.5	-0.8	-0.1	-1.5

Source: National Bureau of Statistics (NBS)

**Chart 1: Tanzania: Annual Headline, Food and Non-food Inflation**



## Inflation Period-gram

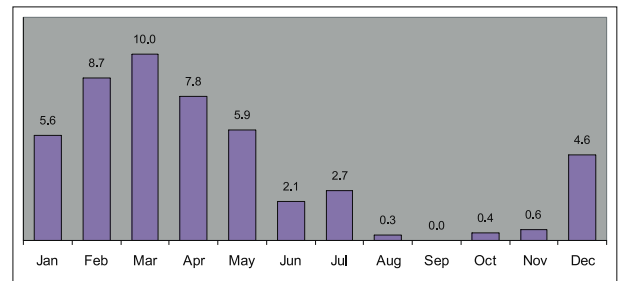
Inflation period-gram analysis over the past 5 years for Tanzania indicates a seasonal cycle of changes in consumer price indices with lowest indices in August, up to November and highest being in March. The period with lowest inflation coincides with food crop harvesting while highest price levels coincide with lowest food supply situation when most of the food crops are still maturing in the fields. In a nutshell, inflation developments in Tanzania are influenced by seasonality of food production since food weights about 56 percent in the consumer price index.



Factors affecting inflation in Tanzania are both fundamental and non-fundamental. Fundamental factors, which influence lower inflationary expectations, include a relatively balanced interaction of aggregate supply and demand, and the strengthening of the shilling exchange rate. Non-fundamental factors comprise among others, the transmission of government taxation policy towards importation of selected consumer commodities in short supply, and existence of supply shocks.

While inflation is basically a monetary phenomenon, it is noteworthy that rigidity in the process of price formation at the level of domestic producers (of consumer goods) causes a modest time lag before monetary policy can affect prices.

## Seasonality of Consumer Price Index



## Food Supply Situation

In September, food supply remained satisfactory in most parts of the country. However, an assessment of food situation conducted by Ministry of Agriculture and Food Security established that about 34 districts, which did not receive adequate rainfall, will require about 21,000 tons of maize as food assistance between November 2005 and January 2006, before the next harvest.

During September, average wholesale prices of main food crops declined, save for rice (Table 2). Compared with the corresponding period last year, average wholesale prices of all food crops declined, with the exception of beans, reflecting a relatively better harvest.

**Table 2: National average Wholesale Prices of Selected Food Items**

TZS per 100 Kgs

Crop	Sep-02	Sep-03	Sep-04	July	Aug	Sept	Sep-04 Sep-05	Aug-05 Sep-05
	Maize	10,005	17,323	16,239	16,839	16,372	16,025	-1
Rice	25,617	39,913	49,908	48,231	48,647	48,663	-2	0
Beans	31,287	40,393	44,200	46,119	46,173	44,811	1	-3
Sorghum	12,818	19,572	20,652	20,499	20,572	19,448	-6	-5
Potatoes	17,521	18,130	26,750	23,623	24,112	22,785	-15	-6

Source: Ministry of Agriculture and Food Security

## Strategic Grain Reserves

During September, the SGR stock was run down by 96 tons to 111,971 tons, following sale of maize mainly to prisons department. However, the end-September 2005 SGR stock position was much higher compared with 67,685



tons recorded in September 2004, on account of low food releases to the market (Table 3). The SGR department plans to purchase 44,000 tons of maize from surplus regions during 2005/06-crop season.

**Table 3: Tanzania: Strategic Grain Reserve (SGR) Stock**

Month	2000	2001	2002	2003	2004	2005	% Change 2004-2005
January	105,665	78,967	60,503	59,961	35,342	119,924	239
February	103,305	72,000	58,254	59,493	23,791	116,383	389
March	101,496	63,022	56,738	58,976	22,903	114,760	401
April	96,326	51,435	52,228	54,118	32,387	115,262	256
May	82,119	44,776	48,653	52,857	31,732	113,823	259
June	72,000	47,225	47,100	51,060	37,091	112,823	204
July	63,976	46,290	44,787	50,661	39,195	112,323	187
August	70,352	48,998	41,795	52,681	45,988	112,067	144
September	95,000	59,047	57,500	61,364	67,685	111,971	65
October	88,474	58,000	62,700	59,379	92,710		
November	89,882	62,388	61,773	52,054	108,448		
December	78,967	62,788	58,395	41,649	114,030		

Tons

Source: Food Security Department and BOT computation

credit to the private sector by about TZS 60 billion, as reflected by the fast increase in private sector deposits in commercial banks (Table 4).

New deposits during the month amounted to TZS 108.6 billion. The increase was largely associated with remittance of education funds for higher learning institutions, and payments of pensioners of the former EAC.

**Table 4: Tanzania: Selected Money Supply Components**

Component	Aug-05			Sep-05				
	Aug-05	Sep-05	% Change	Sep-02	Sep-03	Sep-04	Aug-05	Sep-05
Extended Broad Money	3441.4	3536.1	94.6	24.6	19	21.7	26.9	26.5
Broad Money	2401.8	2540	138.2	25.1	13.5	20	24	28.3
Currency outside the banking system	764.7	791	26.3	23.7	6.3	27.7	19.6	22.6
Demand Deposits	768.3	853.9	85.7	27.1	32.7	12.3	25.3	31
Time deposits	348.1	344.9	-3.2	26.3	-6.1	17.5	27.6	29.4
Savings Deposits	520.8	550.2	29.5	23.7	12.8	23.5	26.6	32
Foreign currency deposits	1039.6	996.1	-43.5	23.2	35.5	26	34.2	22.1
<i>In Millions of USD</i>	917.1	876.6	-40.4	13	25.7	24.1	28.3	13.9
Total private deposits	2676.8	2745.1	68.3	25	23	20	29.2	27.6
Total deposits (incl. Government)	2791.7	2900.4	108.6	23.9	26.7	20.1	28.2	28.7
Net foreign assets								
Bank of Tanzania	1587.4	1540.1	-47.4	45.1	68.9	5.9	11.7	-1.3
Commercial banks	706.7	682.9	-23.8	-1.4	27.4	18.6	-0.5	-6.4
Net domestic assets	1689.1	1844.8	155.7	29.3	-29.9	59.2	61.9	95.3
Domestic Credit	1611.6	1685.2	73.7	32.2	-15.5	40.5	35.7	64.3
Claims on government	909.5	859.4	-50.1	1.4	1.3	7.8	82.1	75.3
Government deposits	629.7	564.5	-65.2	-31.6	271.5	0.4	107.5	14.7
Claims on the private sector	1331.8	1390.3	58.5	37	39.9	34.3	34.3	35.3

Billions of TZS

Source: Bank of Tanzania

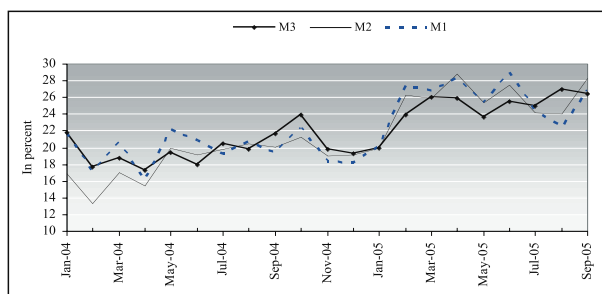
# Monetary and Financial Developments

## Money Supply grows steadily

Extended broad money (M3) expanded by 26.5 percent during the year to September 2005, slightly below the projected rate of 27 percent. The major factors behind monetary expansion included the strong increase in banks' credit to private sector and foreign exchange inflows for budget support.

The increase in money supply during the year under review was mostly reflected in banks' deposits, which recorded an annual increase of around 30 percent. On the contrary, currency in circulation and foreign currency deposits which grew faster in the recent past, slowed down in September. The slowdown in foreign currency deposits is associated with the transfer of privatisation proceeds of NMB and Celtel to government accounts in commercial banks.

**Chart 2: Tanzania: Annual Growth Rates of Monetary aggregates**



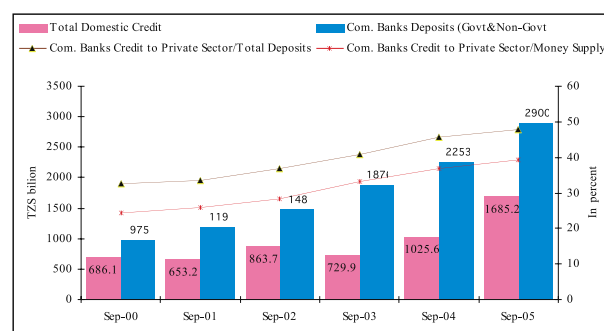
In absolute terms, money supply expanded by TZS 94.6 billion in September 2005, mainly as a result of increased

## Credit Developments

Credit to the private sector remained strong, growing at an annual rate of 35.3 percent, compared with the target of 34 percent for September 2005. In absolute terms, credit to the private sector increased by TZS 58.5 billion during the month under review to a stock level of TZS 1,390.3 billion. Most of the credit was extended to trade (accounting for 23.1 percent of total), manufacturing (22.2 percent), agriculture (13.8 percent), and transportation and communication activities (7.8 percent).

On the other hand, government position with the banking system worsened slightly. Net indebtedness of the government to banks increased by TZS 15.1 billion during the month, as delays in disbursements in donor funds necessitated increase in domestic financing of the budget.

**Chart 3: Tanzania: Commercial Banks Intermediation**



## Financial Market Operations

Reflecting the escalating need for mopping up excessive liquidity through open market operations during september, interest rates on Treasury bills increased across all maturities (Table 5). The average for all maturities increased from 11.3 percent in the previous month to 12.58 percent in September 2005.

**Table 5: Tanzania: Treasury Bills Interest Rates**

In Percent

Maturity	2004			2005		
	Jul	Aug	Sep	Jul	Aug	Sep
35 days	7.27	7.56	8.23	7.03	8.42	9.49
91 days	8.12	8.37	9.31	10.35	11.51	12.52
182 days	8.39	9.31	9.89	10.53	11.46	13.1
364 days	9.4	10.13	10.4	11.93	12.64	13.7
Overall	8.39	8.97	9.57	10.35	11.3	12.58

In the Treasury bonds market, during September 2005 only 2-year Treasury bonds were offered in the market, however demand remained unpredictable and erratic throughout the month. At the beginning of the month demand was very low at around 45 percent of the amount offered, while towards the end of the month demand increased substantially to the tune of TZS 32 billion against a market offer of TZS 2.0 billion. Treasury bonds of TZS 10.0 billion were offered for sale, whereas bids received were worth TZS 47.2 billion. The Bank accepted all the bids to complement liquidity management efforts.

The surge in demand is mainly attributed to speculations by banks to take advantage of the rise in effective yield experienced during the previous auctions. Yields on Treasury bonds increased from 14.91 percent in August 2005 to 16.89 percent.

The share of private sector credit to total deposits of commercial banks increased to 47.9 percent in September 2005, compared with a 12-month average of 45.6 percent (Chart 4). The leading bank in the extension of credit (as a percentage of its domestic deposits) was Barclays, followed by Stanbic, Stanchart and NBC. On the other hand, NMB continued to rank first in holding treasury bills relative to their respective deposits, followed by CRDB, Citibank and NBC (Table 6).

**Table 6: Tanzania: Financial Intermediation for Selected banks, end of Sep. 2005**

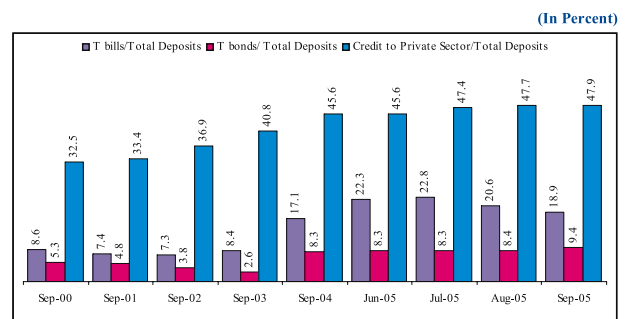
Billions of TZS

Bank	Total deposits (private and govt)	Private Sector Credit	Investment in Govt securities 1/	Shares to respective deposits		Total
				Private Sector Credit	Govt securities	
Barclays	139.3	149.3	9.8	107%	7%	114%
Stanbic	171.8	136.0	29.6	79%	17%	96%
Stanchart	337.6	196.9	47.7	58%	14%	72%
NBC	469.1	249.5	121.7	53%	26%	79%
CRDB	541.7	191.1	190.4	35%	35%	70%
Citibank	192.3	57.1	53.7	30%	28%	58%
NMB	554.3	86.8	296	16%	53%	69%

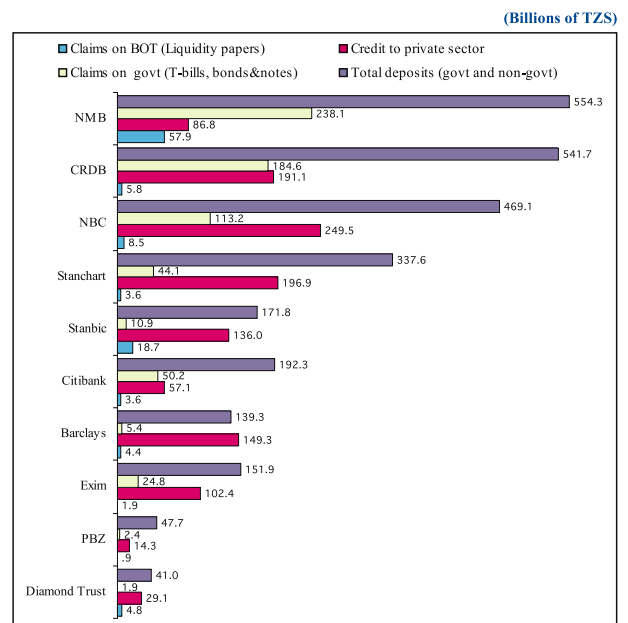
1/ Bills, Bonds & notes



**Chart 4: Tanzania: Shares of Selected Assets of Commercial Banks**



**Chart 5: Tanzania: Deposits and Assets of Selected Banks, end Sep 2005**



## Interest Rates

Commercial banks interest rates went up in line with treasury bills rates, though at a much slower pace, reflecting weak transmission of monetary policy transmission through interest rate channel (Table 7). This development is mainly associated with thinness and shallowness of the financial market in place.

Overall time deposit rate rose to 4.77 percent in September 2005 from 4.53 percent obtained in the preceding month, whereas savings deposit rate increased from 2.59 percent to 2.63 percent in the same period. Meanwhile, overall lending rate on loans and advances remained stable at around 15.1 percent, same level recorded in the previous month.

**Table 7: Tanzania: Interest Rate Structure In Percent**

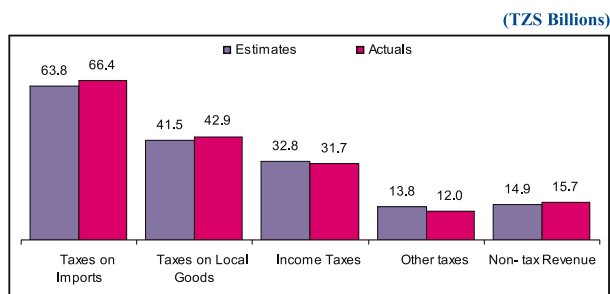
Item	In Percent											
	Sep	Oct	Nov	Dec	Mar	Apr	May	Jun	Jul	Aug	Sep	
364 days Treasury bill	10.40	10.98	10.91	10.67	9.81	9.81	9.76	10.51	11.93	12.64	13.7	
Overall Treasury bills	9.57	9.97	9.75	9.56	8.36	8.64	8.46	9.30	10.35	11.30	12.58	
Savings deposits	2.45	2.47	2.45	2.60	2.61	2.61	2.62	2.61	2.60	2.59	2.63	
Overall time deposits	4.58	4.60	4.32	4.39	4.56	4.53	4.56	4.41	4.48	4.53	4.77	
12 months time deposits	6.11	6.06	5.94	5.81	6.03	6.16	6.27	5.97	5.69	5.82	6.32	
Negotiated deposits	6.40	6.88	8.39	8.77	8.84	8.60	8.65	8.49	8.87	8.01	7.18	
Overall Lending rate	14.90	14.27	14.69	14.80	15.40	15.21	15.39	15.51	14.97	15.07	15.08	
Negotiated lending Rates	12.92	11.24	10.87	11.01	10.32	10.33	10.54	11.01	11.51	11.39	11.37	

## Government Budgetary Operations

During the month of August 2005, government budgetary operations recorded a deficit of TZS 88.8 billion. Domestic revenue plus grants amounted to TZS 207.3 billion, whilst expenditure amounted to TZS 296.1 billion. To finance this deficit, the government borrowed TZS 70.2 billion from the domestic market and the balance from external sources.

Total revenue collected during the period amounted to TZS 160.9 billion, being below the target by TZS 1.2 billion. Tax revenue collections were below the target of TZS 148.0 billion by TZS 2.0 billion. The underperformance came mainly from less than expected collections from Income Tax. The adjustments in employment taxes in which un-taxable thresholds were increased from TZS 60,000 to TZS 80,000 per month resulted in a reduction in taxable base and thus a shortfall in collection by TZS 1.1 billion. Collections from Taxes on Imports and Taxes Local Goods were slightly above the target by TZS 2.6 billion and TZS 1.4 billion respectively. Non-tax revenue collections were above the target due to better collections from other receipts by TRA Customs that exceeded the target by TZS 1.5 billion.

**Chart 6: Tanzania: Government Revenue Performance in August 2005**



During the month under review, total government expenditure (excluding float) amounted to TZS 196.2 billion, out of which recurrent expenditure was TZS 155.6 billion. Development expenditures amounted to TZS 40.6 billion.

## External Sector Performance

### Current Account

During September 2005, current account deficit widened to USD 41.3 million compared with a deficit of USD 32.8 million recorded in the previous month. The deterioration was largely explained by large service payments relative to the previous month, particularly in relation to meeting the government's foreign obligations, travel, transportation and construction. Service receipts were also slightly lower during the month under review in comparison with the previous month.

On annual basis, the current account deficit was also significantly larger in September 2005 than it was in the similar period a year earlier (Table 8), due mainly to decline in official inflows, coupled with increases in service payments of government, travel, computer and information.

**Table 8: Tanzania: Current Account Balance**

	Millions of USD						
	2003	2004	Aug	Sept	2004	2005	% Change
Goods Account (net)	-116.9	-98.5	-81.3	-74.2	-899.3	-992.5	10.4
Exports	87.4	109.3	105.7	116.9	1,269.9	1,475.3	16.2
Imports	204.3	207.8	187.0	191.1	2,169.2	2,467.9	13.8
Services Account (net)	-13.3	-6.0	1.0	-29.8	-0.9	-89.7	--
Receipts	48.6	91.6	101.5	98.1	848.7	1,096.9	29.2
Payments	61.9	97.6	100.5	127.9	849.6	1,186.6	39.7
Goods and services (net)	-130.2	-104.5	-80.3	-104.1	-900.2	-1,082.3	20.2
Exports of goods and services	136.0	200.9	207.2	215.0	2,118.7	2,572.2	21.4
Imports of goods and services	266.2	305.4	287.5	319.1	3,018.8	3,654.5	21.1
Income Account (net)	-1.3	-10.9	-1.7	-3.3	-52.6	-40.1	-23.9
Receipts	9.3	1.1	4.8	6.3	75.4	89.2	18.2
Payments	10.6	12.0	6.5	9.6	128.1	129.2	0.9
Current Transfers (net)	13.5	108.8	49.3	66.0	589.0	470.0	-20.2
Inflows	18.5	115.3	55.9	74.5	653.8	540.5	-17.3
o/w General Government	13.0	109.6	50.9	69.6	585.6	478.2	-18.3
Outflows	5.0	6.5	6.7	8.4	64.8	70.5	8.7
Current Account Balance	-118.0	-6.6	-32.8	-41.3	-363.8	-652.3	79.3

Note: P = Provisional  
Source: Bank of Tanzania

### Exports Performance

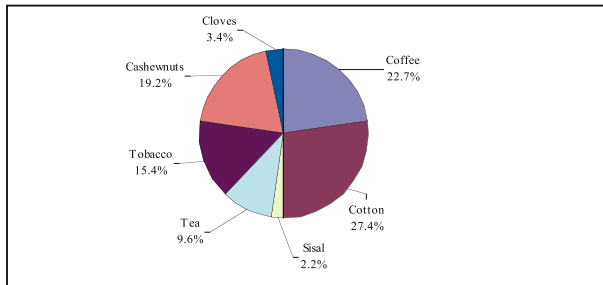
Following the onset of export season for most of agricultural commodities, foreign exchange earnings from traditional crops amounted to about USD 24 million compared with USD 15 million recorded in the previous month. Increases in export volumes were also recorded for almost all crops, except tea and cloves. During the month under review prices of cotton, tobacco and cloves recorded some increases that contributed to the increase in export value of traditional commodities.

For the year ending September 2005, foreign exchange from traditional exports amounted to USD 322.5 million, which was nearly 30 percent over the levels of the preceding year. The improvement came from cotton,



coffee, cashews, tea and cloves whose performance was caused by increases in both volume and prices. The volume factor was particularly marked on cotton and tea, owing to favourable weather conditions during the year and timely usage of agricultural inputs like pesticides for cotton. There was a recovery in prices in the world market for all traditional exports during the year caused by both supply (coffee and cloves) and demand factors.

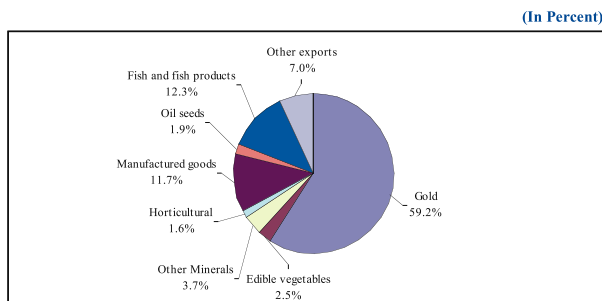
**Chart 7: Tanzania: Contribution to total traditional exports, year ending Sept-2005**



The performance of non-traditional exports improved marginally by 2.6 percent to USD 93.4 million in September 2005 compared with the previous month levels. Consequently, their contribution to total goods exports declined to around 80 percent from 86 percent in the previous month. Gold export earned a total of USD 54 million in September 2004, which was almost the same amount realised in the previous month while fish and fish products fetched USD 12 million. Other exports comprising of oil seeds, edible vegetable, raw hides and skins, cereals, woods and cocoa recorded marginal improvements during the month.

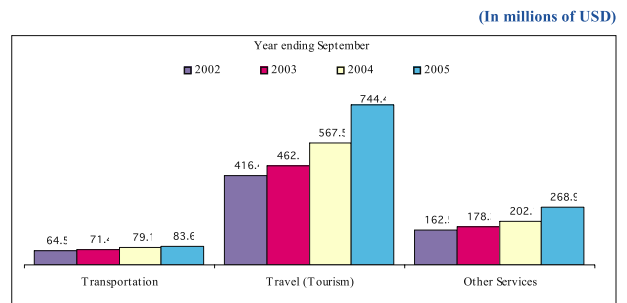
The receipts of non-traditional exports for the year ending September 2005 was USD 1,475 million, which was 12.7 percent over the corresponding period a year earlier. The improvement emanated from all export categories particularly horticultural products, fish, manufactured goods (mainly plastic items, textile apparels, manufactured coffee). Gold, continued to dominate the non-traditional exports, earning USD 683 million in the year to September 2005 compared with USD 621 million in August 2005. The performance of gold exports was largely caused by price increases in the world market.

**Chart 8: Tanzania: Contribution to total non-traditional exports, year ending Sept-2005**



During September 2005, export of services went down by 3.3 percent to USD 98.1 million following the decrease in government and other business services receipts. On annual basis, services receipts increased to USD 1,096.9 million from USD 848.7 million recorded in the previous year, on account of a rise in travel, insurance and other business services receipts. The improvement in travel receipts is partly due enhanced promotion of tourism by the government and other stakeholders, while that of insurance services was due to settlements of outstanding insurance claims during the review period.

**Chart 9: Tanzania: Service Receipts (In millions of USD)**



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

## Imports Performance

In September 2005, there was a slight increase of about USD 4 million in Tanzania's import bill of merchandise (fob) relative to previous month level, but compared with the corresponding months in the past two years, it was lower (Table 9). The import bill was dominated by capital goods that accounted for about 41 percent of total, as in the corresponding periods in the past two years. Importation of building and construction materials has been increasing steadily in tandem with the expanding construction activities in the country, while imports of machinery declined. Consumer goods imports dropped by 10.3 percent to USD 56.4 million as food imports declined in the wake of improved domestic food supply.

**Table 9: Tanzania imports**

Millions of USD

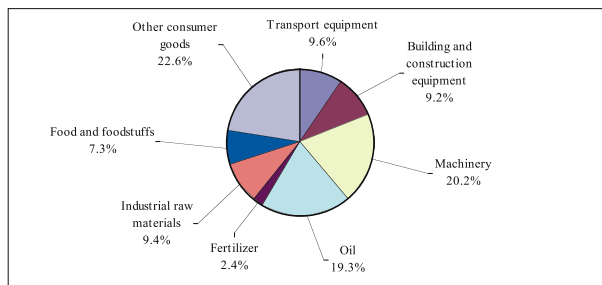
Item	2003	2004 <sup>P</sup>	2005		2004	2005	% Change
			Aug	Sept			
<b>CAPITAL GOODS</b>	78.9	86.4	77.1	77.5	811.7	962.5	18.6
Transport Equipment	19.5	20.3	21.7	19.4	232.3	236.3	1.7
Building and Constructions Equipment	15.8	15.5	17.9	18.7	160.8	227.7	41.6
Machinery	43.6	50.6	37.5	39.4	418.6	498.4	19.1
<b>INTERMEDIATE GOODS</b>	71.0	60.7	46.9	57.3	639.3	767.0	20.0
Oil imports	44.5	27.4	22.8	28.1	362.7	476.8	31.5
Fertilizers	3.4	12.6	2.9	7.6	49.0	58.7	19.8
Industrial raw materials	23.1	20.8	21.2	21.5	227.6	231.5	1.7
<b>CONSUMER GOODS</b>	54.4	60.7	63.0	56.4	718.3	738.4	2.8
Food and foodstuffs	20.7	9.1	12.8	9.9	232.0	180.2	-22.3
All other consumer goods <sup>1</sup>	33.7	51.6	50.2	46.5	486.3	558.2	14.8
<b>GRAND TOTAL (F.O.B)</b>	204.3	207.8	187.0	191.1	2,169.2	2,467.9	13.8

**Note:** P = provisional data

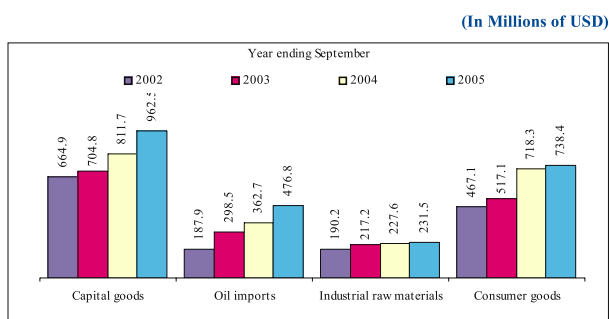
The import bill of merchandise for the year ending September 2005 amounted to USD 2,468 million, which was 14 percent higher than the previous year's level. Save for food imports, which recorded a notable decline due to improved domestic production of cereals particularly maize and rice, all major import categories increased during the year, with construction materials and oil products leading the list. The increase in oil imports was largely on account of the hike in oil prices in the world market in recent months. During the year under review, price of refined petroleum products increased by 65 percent around USD 499 per ton in September 2005.

Importation of capital goods, particularly building and construction materials and machinery was largely associated with increase in investments in manufacturing, construction, tourism and communication activities.

**Chart 10: Tanzania: Contribution to total imports, year ending Sept-2005**



**Chart 11: Tanzania: Total Merchandise Imports**



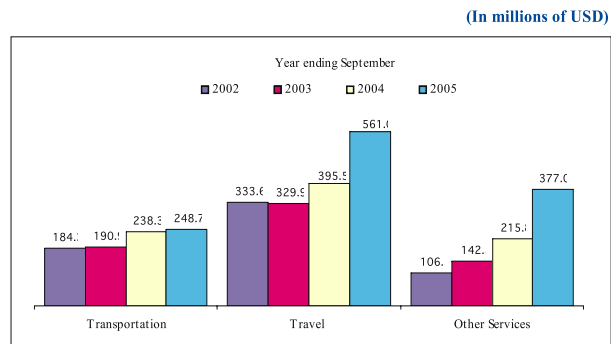
## Services Imports

During the month under review, services payments increased to USD 127.9 million from USD 100.5 million, mainly on account of the increase in payments for travel and government services.

On annual basis, services payments increased by 39.7 percent to USD 1,186.6 million largely on account of increase in payments for insurance, construction, freight charges and travel services. The rise in freight payments

reflected the increase in merchandise imports while increased foreign direct investments was the major factor underlying for the increase in payments related to insurance. Travel payments went up partly due to the increase in numbers of travellers abroad for education, business and medical trips.

**Chart 12: Tanzania: Service Payments**



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

## World Commodity Prices

During September 2005, prices of Arabica and Robusta coffee decreased from previous month levels largely due to increase in supply from Brazil and Vietnam following favourable weather conditions.

It has been observed that hurricane Katrina and Rita affected cotton plantations in the United States. This has raised expectations of reduced supply of cotton in the world market, leading to increase price of cotton during the month. The prices of tea and cloves increased slightly while that of sisal remained as it was at USD 885.0 per metric ton.

During the review period, prices of crude oil generally declined, while prices of white petroleum products went up by 8.3 percent to USD 654.33 per ton. As for gold, the price increased by 4.1 percent to USD 456.00 per troy ounce on account of the depreciation of the US dollar against the major currencies.

**Table 10: World Commodity Prices**

Item	Units	2005			% Change	% Change		
		July	Aug	Sept		2004	2005	
Robusta Coffee	US \$ per kg	1.28	1.15	1.03	-10.43	0.80	1.02	27.50
Arabica Coffee	US \$ per kg	2.42	2.39	2.19	-8.37	1.04	2.45	135.58
Tea (Average price)	US \$ per kg	1.69	1.65	1.66	0.61	1.60	1.68	5.00
Tea (Mombasa Auction)	US \$ per kg	1.45	1.50	1.52	1.33	1.59	1.47	-7.55
Cotton (A Index)	US \$ per kg	1.21	1.19	1.21	1.68	1.50	1.18	-21.33
Cotton (Memphis)	US \$ per kg	n.a	1.25	1.30	4.00	1.55	1.25	-19.35
Sisal (UG)	US \$ per metric ton	885.0	885.0	885.0	0.00	834.60	885.0	6.04
Cloves	US \$ per metric ton	3,000.0	3,012.50	3,100.0	2.90	2,495.80	3,279.29	31.39
Crude oil	US \$ per barrel	56.37	61.89	61.69	-0.32	34.40	49.92	45.12
Crude oil	US \$ per barrel	52.85	56.63	56.54	-0.16	31.45	45.01	43.12
White products	US \$ per ton	550.63	604.33	654.33	8.27	302.30	499.40	65.20
Gold	US \$ per troy ounce	424.50	437.90	456.00	4.13	398.70	431.96	8.34

Source: Various Trade Publications





## National Debt

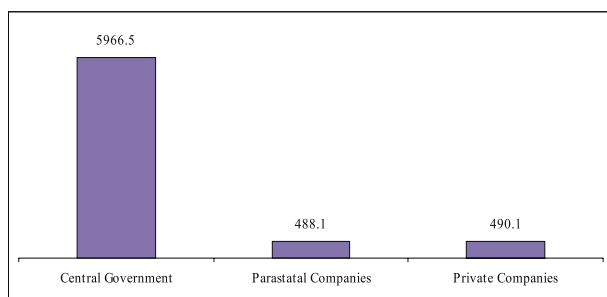
National debt stock, external and domestic, recorded at end of September 2005 was USD 9,582.7 million compared with USD 9,526.3 million registered at the end of the previous month. The slight increase in debt stock was due to government financing and disbursements of external loans. During the same period, debt relief amounting to USD 7.4 million was realized in form of debt service reduction. The relief came from multilateral institutions under the HIPC initiatives.

### External Debt

By end September 2005, external debt committed stood at USD 8,361.9 million, representing a decrease of USD 39.1 million from previous month level, due mainly to fluctuations of the value of USD against the currency in which the debt is dominated. Out of this amount, about 83 percent, equivalent to USD 6,944.7 million has been disbursed while the balance was committed undisbursed. Central Government continued to be the largest borrower, accounting about 86 percent of total debt, followed by the private sector (with 7.1 percent) and parastatal companies (7.0 percent).

**Chart 13: Holders of Outstanding External Debt - End September 2005**

(Millions of USD)



### Debt Relief

During September 2005, Tanzania realized a total saving of USD 7.4 million, being a relief from multilateral creditors under HIPC debt relief arrangements. Out of this amount, USD 6.5 million were realised from IDA, USD 0.3 million from AfDB, USD 0.1 million from NODF and USD 0.5 million from EIB. A total of USD 389.7 million has been realised from multilateral creditors, under the HIPC initiative since Tanzania qualified in 1999/2000.

Debt relief received from Paris Club bilateral creditor countries as at end September 2005 under Paris Club VII arrangement remains at the same level of USD 858.70 million as reported in the previous month. On the other hand, non - Paris Club bilateral creditors have cancelled

debt amounting to USD 174.2 million.

### Domestic Debt

Domestic debt stock as at end September 2005 stood at TZS 1,666.7 billion, representing an increase of TZS 39.0 billion (2.4 percent) from TZS 1,627.7 billion registered at the end August 2005. Out of this amount, domestic debt stock of the central Government amounted to TZS 1,649.3 billion, equivalent to 99.0 percent of total domestic debt and was realised mainly through sales of securities for government finance purposes.

Commercial banks remained the leading government creditors by holding 43.4 percent of total domestic debt, followed by pension funds with 25.8 percent, Bank of Tanzania 17.2 percent, insurance companies 5.2 percent, non-bank financial institutions 2.2 percent and Private sector 1.0 percent. Other official entities and BOT Special Funds altogether held 4.0 percent of total domestic debt.

During the month under review, domestic debt amounting to TZS 96.3 billion fell due for payment. Out of this amount, TZS 14.3 billion was interest, which was paid out of government revenue, while principal amounting to TZS 82.0 billion was rolled over.

## Zanzibar Economy

### Government Budgetary Performance

During September 2005, the Zanzibar Government budgetary performance on "cheques issued basis", recorded an overall deficit of TZS 4.3 billion before grants. The budget deficit declined to TZS 0.8 billion after considering grants amounting to TZS 3.5 billion; the same level as in the previous month. The deficit was financed by the non-bank borrowing through government securities and partly by foreign resources.

### Revenue

Revenue outturn was TZS 4.9 billion in September 2005, missing target of TZS 5.1 billion. The dismal performance was on account of low collections of VAT, excise duty (local), other taxes and non-tax revenue sources as a result of low tourism season. Tax receipts remained dominant, accounting for 97.9 percent of total revenue, while the rest was accounted for by revenue from non-tax sources.

Revenue performance by category shows that, import duties amounted to TZS 1.1 billion, being below the target of TZS 1.3 billion due to decline in taxable imports. VAT and excise duty (local) collections amounted to TZS 1.8

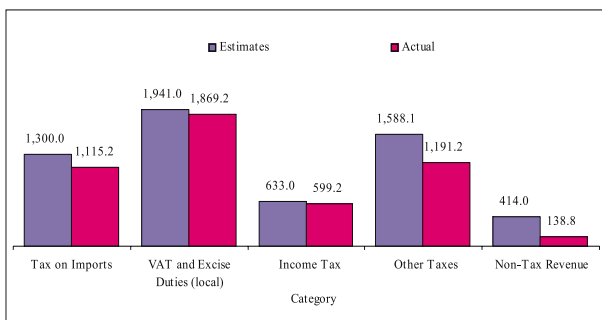


billion slightly below the target of TZS 1.9 billion. Income tax collections amounted to TZS 0.6 billion, in line with the monthly target. Revenue collections from other taxes amounted to TZS 1.2 billion, being below target of TZS 1.6 billion due to seasonal decline in tourism oriented activities.

Cumulatively, total revenue collection from July to September 2005 amounted to TZS 15.5 billion, against the target of TZS 16.6 billion (Chart 15).

**Chart 14: Government Revenue by Source September 2005**

(In Millions of TZS)



## Expenditure

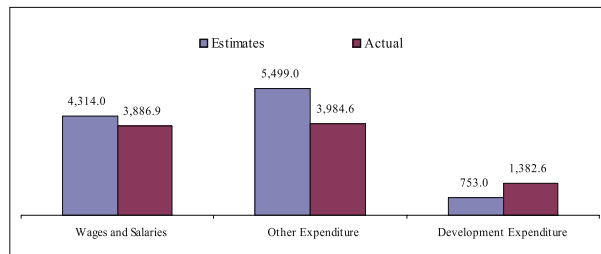
The Zanzibar Government actual expenditure during September 2005 amounted to TZS 9.3 billion, against the monthly ceiling of TZS 10.5 billion. The lower than projected expenditure was due to adherence to cash budget management. Out of the total expenditure, recurrent expenditure amounted to TZS 7.9 billion, being 84.9 percent of total expenditure; while development expenditure amounted to TZS 1.4 billion or 15.0 percent of total expenditure. Out of recurrent expenditures, wages and salaries continued to dominate, accounting for 49.4 percent of the total recurrent expenditure. Other expenditures amounted to TZS 4.0 billion being 50.6 percent of the recurrent expenditure and below target of TZS 5.5 billion.

Development expenditure reached TZS 1.4 billion, above the target of TZS 0.7 billion, following inclusion of the donor funded development projects expenditures (Chart 16).

On cumulative basis, during July–September 2005, the Government expenditure amounted to TZS 28.3 billion, against the projected ceiling of TZS 26.4 billion. The higher than targeted expenditure was made possible by resources from donors, not included in the government budgetary operations in the previous two months.

**Chart 15: Government Expenditure by Components September 2005**

(In Millions of TZS)



## Trade Developments

During the month of September 2005, the deficit in Zanzibar trade balance (goods and services) improved to USD 4.7 million, from USD 6.3 million recorded in August 2005 largely due to substantial decline in goods imports relative to exports. On annual basis, the trade account deficit for the year ended September 2005, narrowed marginally to USD 42.5 million, from USD 43.6 million due to hike in export receipts coupled with lower import bill relative to the year ending September 2004 (Table 10).

**Table 11: Zanzibar Trade Account Balance**

(In Millions of USD)

Item	2004	2005p					Year Ending Sept	Monthly	Annual	
	Sept	May	June	July	August	Sept	2004	2005p	%Change	%Change
Exports	4.238	6.370	6.127	9.032	9.908	7.787	54.567	81.077	-21.4	48.6
Goods	1.393	0.510	0.267	0.195	3.762	1.874	12.787	15.401	-50.2	20.4
Services	2.845	5.860	5.860	8.837	6.146	5.913	41.780	65.676	-3.8	57.2
Imports	8.461	13.327	13.327	10.341	16.227	12.463	98.208	123.610	-23.2	25.9
Goods (Ex.b)	6.203	5.882	5.882	5.984	9.801	6.200	69.745	79.739	-36.7	14.3
Services	2.257	7.445	7.445	4.357	6.427	6.263	28.463	43.871	-2.5	54.1
Trade Balance	-4.22	-6.96	-7.20	-1.31	-6.32	-4.68	-43.64	-42.53	-26.0	(2.5)

p = Provisional  
Source: Tanzania Revenue Authority.

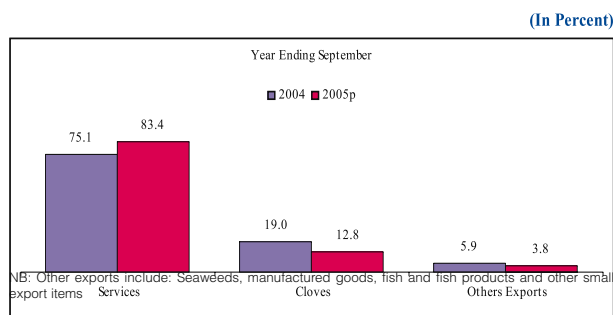
## Exports

During September 2005, exports earnings (goods and services) declined to USD 7.8 million from USD 9.9 million recorded in August 2005, largely on the account of a slump in cloves exports by over 50.0 percent due to seasonality factors. Services receipts also declined to USD 5.9 million from USD 6.1 million earned in previous month.

On annual basis, for the year ended September 2005, export proceeds improved substantially to USD 81.1 million, from USD 54.5 million registered in the year ending September 2004. The good performance was on account of buoyancy in services inflows, which amounted to USD 65.7 million (accounting for 83.4 percent of total export value) compared with USD 41.7 million in August. Cloves exports amounted to USD 10.1 million or 12.8 percent of total exports, while other exports including seaweeds, manufactured goods, fish and fish products and other small categories accounted for 3.8 percent of total exports (Chart 16).



**Chart 16: Contribution to Total Exports of Goods and Services**



## Imports

During September 2005, imports into Zanzibar declined to USD 6.2 million from USD 9.8 million recorded in August 2005, on account of slowdown in the inflow of all categories of imports with exception of transport equipment and industrial materials. The crash is associated to preparations towards general elections in October 2005. However, for the year-end September 2005, the import bill rose by 14.2 percent to USD 79.7 million from USD 69.8 million, due to surge in imports of building and construction materials to cater for development projects and industrial inputs which were concentrated in soft drinks (Table 11).

**Table 12: Zanzibar Imports by Major Categories**

In Millions of USD

IMPORT CATEGORY	2004		2005				2004		2005p	
	Sept	May	June	July	August	Sept	2004	2005p	%Change	%Change
CAPITAL GOODS	1.31	3.13	2.19	1.31	5.22	3.97	24.09	36.07	-24.00	49.80
Transport Equipments	0.51	1.08	0.55	0.46	0.84	1.12	9.55	9.72	33.20	1.80
Building and Constructions	0.16	0.40	0.44	0.31	1.60	0.53	3.76	8.69	-66.70	131.00
Machinery	0.64	1.66	1.20	0.54	2.78	2.31	10.77	17.66	-16.70	64.00
INTERMEDIATE GOODS	3.05	2.08	1.54	3.27	2.39	1.29	20.30	24.22	-46.00	19.30
Oil imports	2.61	1.69	1.21	3.09	2.16	1.00	16.08	18.23	-53.50	13.40
Fertilizers	...	...	...	...	...	0.00	...	...	...	...
Industrial raw materials	0.45	0.40	0.33	0.18	0.23	0.29	4.22	6.00	23.70	42.00
CONSUMER GOODS	2.46	1.77	2.73	2.00	3.15	1.55	32.32	27.32	-50.80	-15.50
Food and food stuffs	1.38	0.92	1.77	1.45	1.79	0.80	21.94	14.08	-55.40	-35.80
All other consumer goods	1.08	0.85	0.96	0.55	1.36	0.75	10.38	13.24	-44.70	27.50
GRAND TOTAL (CIF)	6.82	6.98	6.46	6.58	10.77	6.81	76.71	87.61	-36.70	14.20
GRAND TOTAL (FOB)	6.20	6.35	5.88	5.98	9.80	6.20	69.80	79.73	-36.70	14.20

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

## Services Account

Zanzibar services account balance during September 2005, worsened to a deficit of USD 0.4 million from a deficit of USD 0.3 million registered in the previous month. The worsening is associated with decline in services receipts. Services receipts declined to USD 5.9 million from USD 6.2 million earned during August 2005, while foreign payments amounted to USD 6.3 million.

On annual basis, the account improved remarkably to a surplus of USD 20.5 million in September 2005, up from USD 12.2 million recorded in a similar period a year earlier. Foreign receipts reached USD 68.7 million up from USD 40.8 million registered in the year to September 2004, while foreign payments reached USD 48.2 million against USD 28.6 million paid in the preceding year.





**Table A1: Selected Economic Indicators**

Item	Unit	1998	1999	2000	2001	2002	2003	2004 <sup>p</sup>
<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	170,831.0	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 <sup>1</sup>	US\$	257.00	259.70	262.70	264.40	267.90	276.20	303.00
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\$	588.53	543.30	663.32	776.40	902.50	1,129.23	1,334.90
3.2 Imports (f.o.b)	Mill. US\$	1,382.10	1,415.40	1,367.60	1,560.30	1,511.30	1,933.46	2,281.20
3.3 Trade Balance	Mill. US\$	-793.57	-872.10	-704.28	-783.90	-608.30	-804.20	-946.30
3.4 Balance on Current Account	Mill. US\$	-901.87	-846.20	-495.80	-436.70	-214.70	-384.20	-456.70
3.5 Overall Balance	Mill. US\$	-567.20	-128.40	-86.30	-809.60	-112.20	69.90	-98.10
3.7 Gross Official Reserves	Mill. US\$	599.00	776.00	974.00	1,157.00	1,529.00	2,037.80	2,296.10
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	1038.6	1,053.3
3.9.2 End of Period	TZS/US\$	681.0	797.3	803.3	916.3	976.3	1063.6	1,043.0
<b>4 Population (TZ Mainland)</b>	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 <sup>1</sup>	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\$	7,669.70	7,624.80	7,482.10	7,464.00	7,268.10	7,890.70	9,219.30
Disbursed Debt	Mill. US\$	6,580.30	6,538.30	6,312.20	6,559.70	6,233.00	6,730.80	6,990.60
Interest	Mill. US\$	1,089.40	1,086.50	1,169.90	904.30	1,035.10	1,159.90	1,300.40
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**

Millions of TZS

Item	ACTUALS		BUDGET 2005/2006	2005/2006	
	2003/2004	2004/2005		Jul-05	Aug-05
<b>Total Revenue</b>	<b>1,459,303.3</b>	<b>1,773,709.4</b>	<b>2,066,751.6</b>	<b>141,673.5</b>	<b>148,877.4</b>
Tax Revenue	1,342,798.2	1,615,247.0	1,895,966.6	141,673.5	148,643.1
Taxes on Imports	575,408.5	679,992.4	790,801.9	67,272.4	65,645.4
VAT and Excise on Local Goods	325,483.7	402,136.1	466,369.6	36,661.1	42,854.3
Refunds	48,245.1	64,376.4	67,834.4	3,553.0	3,553.0
Income Taxes	366,650.9	465,454.7	549,074.3	28,269.2	31,694.2
Other taxes	123,500.2	132,040.2	157,555.2	13,023.8	12,002.2
<b>Non- tax Revenue</b>	<b>116,505.1</b>	<b>158,462.4</b>	<b>170,785.0</b>	<b>-</b>	<b>234.3</b>
<b>Total Expenditure</b>	<b>2,516,943.1</b>	<b>3,164,215.5</b>	<b>4,176,050.4</b>	<b>120,721.1</b>	<b>196,200.4</b>
Recurrent expenditure /1	1,780,115.1	2,093,054.9	2,790,867.3	87,418.0	155,633.8
Wages and salaries (Central & Local Govt.)	462,963.9	435,780.1	681,897.3	53,146.0	53,337.1
Interest payments	108,533.8	104,290.4	174,762.9	9,526.5	8,165.1
Domestic /2	70,231.6	189,709.0	100,178.3	8,669.2	6,808.9
Foreign	38,302.3	95,055.1	74,584.6	857.2	1,356.2
Goods, Services and transfers	1,208,617.3	973,808.7	1,934,207.1	24,745.5	94,131.5
o/w Roadtoll fund	77,125.6	68,511.7	-	-	-
Retention fund	47,449.0	502,573.3	59,580.0	6,654.2	8,648.6
<b>Dev. Expenditure and net lending</b>	<b>736,828.1</b>	<b>1,071,160.6</b>	<b>1,385,183.1</b>	<b>33,303.1</b>	<b>40,566.7</b>
Local	133,041.3	239,651.1	370,037.8	-	200.0
Foreign	603,786.8	831,509.5	1,015,145.3	33,303.1	40,366.7
Overall Deficit (cheques issued) before Grants	1,057,639.8	1,390,506.2	2,109,298.8	20,952.4	47,323.0
<b>Grants</b>	<b>696,672.5</b>	<b>724,396.5</b>	<b>1,011,345.0</b>	<b>29,770.0</b>	<b>49,815.3</b>
Program	278,500.1	364,280.3	345,475.6	6,695.7	29,028.9
Project	248,325.9	131,735.2	340,972.4	11,439.1	4,446.4
Basket Support	92,429.3	156,071.6	231,297.0	7,495.5	9,697.0
HIPC Relief	77,417.3	72,309.4	93,600.0	4,139.7	6,642.9
Overall deficit (cheques issued) after grants	360,967.3	666,109.6	1,097,953.9	50,722.3	2,492.2
Expenditure Float	168,942.0	140,141.5	-	146,552.4	6,873.0
Overall Deficit including Float	192,025.3	525,968.1	1,097,953.9	95,830.1	4,380.8
Adjustments to cash and other items(net)	-38,772	-59,596	0	-38,329	-75,135
Overall deficit (cheques cleared)	399,739.5	727,075.2	1,097,953.9	134,159.3	79,516.0
<b>Financing</b>	<b>399,739.5</b>	<b>727,075.2</b>	<b>1,097,953.9</b>	<b>134,159.3</b>	<b>79,516.0</b>
Foreign Financing (net)	434,235.4	582,130.1	584,888.5	10,292.4	18,593.1
Loans	479,420.1	689,219.7	713,564.9	14,368.6	26,223.3
Program loans	216,388.5	65,395.6	270,689.1	-	-
Project loans	261,129.7	467,079.3	341,584.4	14,368.6	26,223.3
Basket support	1,901.9	156,744.7	101,291.4	-	-
Amortization	45,184.8	107,089.6	128,676.5	4,076.2	7,630.2
Domestic (net)	34,495.9	144,945.2	513,065.4	123,866.9	60,923.0
Domestic Financing	83,681.2	97,313.2	514,905.7	123,866.9	60,923.0
Bank borrowing	39,418.4	47,632.0	-	-	-
Non Bank	-	-	-	-	-
Amortization of Contingent debt	9,766.8	-	12,260.3	-	-
Privatization Fund	-	-	10,420.0	-	-

\* Provisional



Table A3: Monetary Survey

End of Period	Domestic assets (net)					M3,	Extended Broad Money						Memorandum	
	Domestic credit (net)					M2,	Broad Money						item:	
	Foreign assets (net)	Claims on government (net)	Claims on other domestic sectors (net)	Other items (net)	TOTAL sum(2-5) or sum(9-13)	TOTAL sum(9-12)	TOTAL sum(9,10)	Currency in circulation outside banks	Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum (9,15)	Base Money of which: Reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1997 January	292,886.3	283,990.8	139,222.7	86,395.5	802,495.3	667,079.7	423,838.1	239,359.6	184,478.4	129,467.5	113,774.1	135,415.6	322,651.1	83,291.5
February	296,386.1	283,283.0	140,570.4	70,559.4	790,798.9	657,295.1	409,739.2	232,179.0	177,560.2	133,284.2	114,271.7	133,503.8	322,789.2	90,610.2
March	300,165.0	296,954.9	139,865.6	65,761.9	802,747.4	669,360.3	419,532.3	234,634.0	184,898.4	132,891.5	116,936.4	133,387.1	322,343.0	87,709.1
April	314,567.3	296,856.9	140,756.1	63,314.4	815,494.8	669,842.2	414,297.0	226,680.2	187,616.4	136,190.5	119,354.7	145,652.6	326,724.3	100,043.7
May	303,980.3	303,244.2	154,019.0	67,363.0	828,606.5	682,302.0	424,128.7	232,033.2	192,095.5	134,793.7	123,379.6	146,304.5	326,904.2	94,871.0
June	372,876.4	287,546.8	130,002.3	89,537.2	879,962.6	733,205.1	472,621.3	256,915.1	215,706.2	129,668.8	130,915.0	146,757.5	337,001.7	80,086.6
July	357,111.0	293,401.1	139,553.8	109,833.3	899,899.3	733,885.7	471,893.2	271,100.3	200,792.9	132,743.3	129,249.2	166,013.6	332,705.2	61,604.9
August	346,102.4	296,143.4	151,550.2	97,277.1	891,073.1	727,141.2	470,449.4	265,120.9	205,328.6	127,969.2	128,722.6	163,931.9	356,444.0	91,323.2
September	353,331.4	281,131.3	179,956.8	87,122.5	903,542.0	733,370.7	475,663.1	270,685.5	204,977.6	127,461.6	130,245.9	170,171.4	356,829.0	86,143.5
October	394,219.5	271,245.5	178,784.3	87,248.4	931,657.7	760,989.5	501,171.1	275,461.8	225,709.3	124,327.0	135,491.4	170,668.2	366,530.0	106,068.2
November	397,849.1	272,753.3	189,866.5	59,202.6	919,671.5	749,070.7	485,867.7	277,738.6	208,129.2	127,668.5	135,534.5	170,600.8	365,911.0	88,172.5
December	398,918.6	239,457.2	182,976.9	105,716.0	927,068.9	760,353.3	493,868.7	287,877.1	205,991.7	126,269.2	140,215.3	166,715.6	364,940.0	77,062.9
1998 January	409,879.3	238,176.6	189,060.6	85,804.3	922,920.7	750,956.7	490,729.7	285,057.0	205,672.7	123,521.5	136,705.5	171,964.1	361,757.0	76,700.0
February	441,160.5	256,284.3	194,535.2	39,935.5	931,915.5	751,890.1	486,920.5	268,956.2	217,964.3	125,176.8	139,792.9	180,025.4	356,836.0	87,879.8
March	439,455.3	244,202.3	187,957.0	52,651.4	924,265.9	755,295.3	485,297.2	268,820.0	216,476.3	127,510.0	142,477.2	168,970.6	360,960.0	92,139.2
April	424,263.9	219,851.4	189,024.3	98,135.3	931,274.9	750,499.5	475,504.9	261,186.5	214,318.4	126,105.0	148,889.5	180,775.4	351,776.0	90,589.5
May	395,714.3	225,854.2	199,249.0	81,717.4	902,534.9	733,250.4	458,460.0	256,668.6	201,791.4	119,981.1	154,809.3	169,284.5	352,040.0	95,371.4
June	410,625.7	239,665.2	198,678.4	98,784.3	947,393.6	770,179.5	481,641.9	272,666.6	208,975.3	132,734.7	155,803.3	177,214.1	380,126.0	107,459.5
July	397,265.9	249,554.3	214,770.0	97,600.4	959,190.6	785,864.8	496,558.8	283,533.0	213,025.8	143,251.1	146,055.5	173,325.8	386,203.0	102,670.0
August	403,893.1	308,877.7	227,612.9	31,135.9	971,519.6	789,034.8	499,053.9	289,389.0	209,664.9	143,474.2	146,506.8	182,484.8	401,819.0	112,430.0
September	429,889.3	288,009.8	239,323.7	18,968.1	966,190.9	788,427.7	503,286.8	285,444.7	217,842.1	129,811.2	155,329.2	177,763.3	403,944.0	118,499.0
October	417,796.5	275,933.8	257,325.4	33,015.3	993,531.0	813,963.9	521,488.0	305,058.7	216,429.3	132,629.8	159,846.7	179,567.1	412,426.0	107,367.3
November	417,567.3	286,975.0	259,159.7	33,144.8	996,846.8	826,898.5	533,630.9	308,049.5	225,581.3	130,846.5	162,421.2	169,948.3	402,923.0	94,873.5
December	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.9	545,517.4	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3
1999 January	455,621.1	273,448.7	253,063.6	30,045.7	1,012,179.0	824,257.9	524,151.4	294,414.6	229,736.8	136,109.7	163,906.8	187,921.1	411,742.0	117,327.4
February	448,746.6	274,103.4	256,302.2	26,925.0	1,006,077.2	817,613.7	511,720.3	286,594.1	226,594.1	140,919.3	165,974.1	188,465.5	394,500.0	110,373.8
March	465,296.6	292,206.0	272,776.7	-13,126.2	1,021,153.0	823,014.3	511,042.5	284,346.2	226,696.3	145,049.7	166,922.1	198,138.8	398,613.0	114,266.8
April	465,367.4	299,587.8	267,220.3	-29,888.2	1,006,187.2	810,399.5	496,241.1	271,926.1	224,315.0	146,895.9	167,262.5	195,787.7	377,386.0	105,460.0
May	445,329.0	308,503.8	276,888.4	-9,994.5	1,020,726.8	825,709.5	504,888.6	275,630.0	229,258.6	147,190.4	170,964.5	195,017.3	385,289.0	109,659.0
June	472,304.2	314,109.1	279,496.8	-31,015.6	1,034,894.5	830,701.6	508,994.2	279,872.1	229,122.1	152,902.1	168,805.3	204,192.9	387,466.0	107,593.9
July	501,241.3	341,555.7	306,233.7	-82,362.8	1,066,667.9	843,188.1	514,830.5	286,825.1	228,005.4	159,100.5	169,257.0	223,479.8	392,142.0	105,316.9
August	491,763.1	368,051.0	316,489.4	-63,508.0	1,112,791.0	882,505.0	533,309.9	308,250.2	245,059.7	155,136.4	173,604.5	230,740.2	422,009.0	113,758.8
September	526,142.9	364,447.5	313,743.1	-66,053.4	1,120,280.2	877,854.1	548,919.1	309,292.2	239,626.9	152,336.5	176,598.6	242,426.1	413,625.0	104,332.8
October	569,766.6	338,298.0	313,835.7	-80,962.1	1,140,938.2	903,226.7	575,243.6	332,054.9	243,188.7	149,300.2	178,683.0	237,711.5	437,256.0	105,201.2
November	603,898.5	424,190.7	321,955.6	-156,649.2	1,193,395.5	943,656.5	608,083.0	359,128.4	248,954.6	152,373.6	183,199.9	249,739.0	488,737.0	129,608.6
December	622,886.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,840.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0
2000-Jan	653,964.3	366,441.8	304,333.1	-127,947.1	1,196,792.2	934,555.7	594,296.9	343,308.6	250,988.3	147,892.6	192,266.2	262,336.5	475,438.0	132,129.4
February	675,969.4	354,465.0	303,172.5	-146,851.3	1,186,755.6	913,275.0	574,190.4	334,536.2	239,654.2	143,828.5	195,256.1	273,480.6	481,766.0	147,229.8
March	683,594.8	371,810.9	293,598.0	-145,905.9	1,203,097.9	923,496.8	578,498.5	335,229.6	243,268.9	146,661.5	198,336.9	279,601.1	472,110.0	136,880.0
April	681,370.9	363,526.8	297,828.7	-158,314.4	1,184,411.9	907,456.2	567,180.8	322,655.5	244,525.3	143,916.5	196,358.9	276,955.7	485,525.0	162,869.5
May	670,596.7	368,603.8	293,849.8	-137,320.1	1,205,730.1	926,621.9	576,083.1	330,725.5	245,357.6	151,852.9	198,685.9	279,108.2	481,588.0	150,862.5
June	707,352.1	383,098.0	313,438.4	-144,912.6	1,258,975.9	956,504.9	601,193.0	339,890.3	261,302.7	152,290.9	203,021.0	302,471.0	463,855.0	123,964.7
July	704,687.1	377,009.3	328,057.8	-171,184.5	1,238,569.7	966,827.5	609,793.3	346,425.4	263,367.9	152,684.6	204,349.7	271,742.2	501,973.0	155,547.6
August	757,699.1	355,379.0	331,861.5	-167,121.8	1,277,817.7	993,160.8	621,031.7	358,068.8	262,962.9	160,538.8	211,590.3	284,656.9	523,301.0	165,232.0
September	772,595.5	355,294.9	330,817.3	-152,202.7	1,306,505.0	1,027,744.6	640,007.9	361,680.6	280,327.4	170,500.0	215,282.7	278,760.0	533,076.0	171,395.4
October	773,484.0	415,407.1	331,063.7	-164,307.8	1,355,647.0	1,047,678.0	656,701.4	370,565.1	286,136.4	173,042.6	217,934.0	307,969.0	534,876.0	164,311.0
November	791,452.1	400,161.2	333,420.0	-160,164.2	1,364,869.2	1,054,386.3	658,825.7	371,652.2	287,173.5	175,321.0	220,239.6	310,482.8	532,905.2	161,253.0
December	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,065.6	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.0	164,026.7
2001-Jan	818,145.8	399,352.1	345,571.7	-173,449.1	1,389,620.4	1,077,838.6	670,259.8	366,101.6	304,158.2	179,356.7	228,222.1	311,781.8	547,529.7	181,428.1
February	828,877.5	291,972.6	342,335.3	-61,106.8	1,402,078.6	1,083,471.2	659,195.9	360,667.2	298,528.7	188,866.2	235,409.2	318,607.4	533,655.9	172,988.7
March	957,511.5	250,323.3	366,537.8	-148,799.5	1,425,393.2	1,096,390.9	653,851.0	358,723.7	295,127.4	179,873.3	235,552.6	356,002.3	523,357.2	164,633.5
April	991,381.2	237,448.7	375,519.2	-176,359.2	1,427,990.0	1,069,114.1	657,002.7	350,296.3	306,706.3	178,021.5	234,089.9	358,875.8	506,853.6	156,557.3
May	991,357.5	272,178.9	370,418.6	-190,874.8	1,443,080.3	1,073,736.9	660,706.5	357,926.2	302,780.3	176,931.6	236,098.7	369,343.4	525,353.8	167,427.5
June	1,001,411.7	268,919.6	378,422.2	-175,849.6	1,472,904.0	1,099,036.1	691,254.6	375,044.9	316,209.6	171,597.7	236,183.8	373,867.9	506,847.8	131,802.9
July	1,017,517.7	254,661.1	384,937.7	-185,766.5	1,471,386.0	1,087,185.2	672,692.6	367,644.9	305,047.6	179,261.3	231,201.0	384,200.8	506,470.6	138,825.7
August	1,079,321.7	251,810.2	394,138.2	-188,257.9	1,537,012.3	1,148,964.6	714,423.5	394,117.4	320,306.1	193,735.3	240,805.7	388,047.7	563,015.0	168,897.6
September	1,090,592.3	250,013.3	403,191.8	-194,442.7	1,549,354.6	1,161,778.5	728,258.5	383,989.6	344,269.0	191,142.6				

**Table A4: TANZANIA: INTEREST RATE STRUCTURE**

	Sep-04	Oct-04	Nov-04	Dec-04	Mar-05	Apr-05	May-05	June-05	July-05	Aug-05	Sep-05
<b>Percent</b>											
<b>A: Domestic Currency</b>											
<b>1 Interbank Cash Market Rates</b>											
Overnight	6.43	8.16	6.72	4.10	4.49	5.47	4.82	5.04	4.70	7.11	6.61
2 to 7 days	6.84	8.97	7.50	4.36	4.55	5.80	5.32	5.15	5.31	7.23	7.83
8 to 14 days	7.96	7.96	7.27	8.07	5.06	6.25	5.70	5.58	6.40	8.73	7.56
15 to 30 days	7.86	9.56	10.26	6.25	6.32	6.32	6.09	6.16	6.20	8.00	9.32
31 to 60 days	8.20	9.42	9.24	8.36	6.92	7.53	6.47	5.60	7.91	8.67	10.15
61 to 90 days	8.40	8.40	9.40	9.40	9.40	7.40	7.40	7.40	8.75	10.57	10.57
91 to 180 days	9.60	10.26	6.69	9.67	8.50	9.30	8.39	8.39	10.26	11.73	11.00
181 and above	11.01	11.08	10.21	9.92	9.23	10.50	9.47	9.20	9.20	9.20	13.60
<b>Overall interbank cash market rate</b>	<b>6.73</b>	<b>8.30</b>	<b>7.42</b>	<b>4.90</b>	<b>4.76</b>	<b>5.58</b>	<b>5.20</b>	<b>5.09</b>	<b>4.97</b>	<b>7.26</b>	<b>7.23</b>
<b>2 Lombard Rate</b>	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98
<b>3 REPO Rate</b>	5.92	5.92	5.09	5.54	5.00	5.32	5.19	5.24	5.38	7.12	7.73
<b>4 Treasury Bills Rates</b>											
35 days	8.226	8.97	8.56	8.13	6.51	5.75	5.30	6.60	7.03	8.42	9.49
91 days	9.31	9.88	9.64	9.63	8.16	8.12	8.02	8.12	10.35	11.51	12.52
182 days	9.89	9.96	9.89	9.87	9.38	9.37	9.18	9.43	10.53	11.46	13.10
364 days	10.40	10.98	10.91	10.67	9.81	9.81	9.76	10.51	11.93	12.64	13.70
<b>Overall treasury bills rate</b>	<b>9.57</b>	<b>9.97</b>	<b>9.75</b>	<b>9.56</b>	<b>8.36</b>	<b>8.64</b>	<b>8.46</b>	<b>9.30</b>	<b>10.35</b>	<b>11.30</b>	<b>12.58</b>
<b>5 Treasury Bonds- 2-years</b>	11.00	11.00	12.00	12.00	14.64	11.68	13.24	15.05	14.82	14.91	16.89
<b>5-years</b>	11.46	11.66	11.66	11.66	12.62	12.94	12.11	12.11	13.19	15.00	15.00
<b>7-years</b>	10.44	10.44	10.44	10.44	13.05	12.60	13.21	13.21	13.05	13.14	13.14
<b>10-years</b>	12.61	12.61	12.61	12.61	14.10	14.10	14.10	14.10	14.10	14.10	14.10
<b>6 Discount Rate</b>	14.38	14.90	14.90	14.42	13.64	13.60	13.80	13.92	15.14	16.04	16.13
<b>7 Savings Deposit Rate</b>	2.45	2.47	2.45	2.60	2.61	2.61	2.62	2.61	2.60	2.59	2.63
<b>8 Time Deposits Rates</b>	<b>4.58</b>	<b>4.60</b>	<b>4.32</b>	<b>4.39</b>	<b>4.56</b>	<b>4.53</b>	<b>4.56</b>	<b>4.41</b>	<b>4.48</b>	<b>4.53</b>	<b>4.77</b>
Call Accounts	1.23	1.31	1.45	2.15	2.37	2.20	1.54	0.98	0.96	0.98	1.30
1 month	3.78	3.43	3.08	3.19	3.30	2.64	2.68	3.25	3.19	3.33	4.42
2 months	5.90	5.95	5.05	4.46	4.91	6.26	5.71	5.22	5.44	5.22	5.77
3 months	3.88	3.96	3.58	5.35	5.03	4.59	4.84	4.45	4.90	5.18	4.34
6 months	4.97	5.27	5.95	5.85	5.35	5.09	5.44	5.63	5.72	5.57	5.30
9 months											
12 months	6.11	6.06	5.94	5.81	6.03	6.16	6.27	5.97	5.69	5.82	6.32
24 months	6.17	6.18	5.22	3.96	4.89	4.78	5.45	5.39	5.47	5.64	5.93
<b>9 Negotiated Deposit Rates</b>	6.40	6.88	8.39	8.77	8.84	8.61	8.65	8.49	8.87	9.01	7.18
<b>10 Lending rates</b>	<b>14.90</b>	<b>14.27</b>	<b>14.69</b>	<b>14.80</b>	<b>15.40</b>	<b>15.21</b>	<b>15.39</b>	<b>15.51</b>	<b>14.97</b>	<b>15.07</b>	<b>15.08</b>
Call Loans	10.00	19.25	19.25	19.25	19.25	19.25	14.50	14.50	14.50	19.25	19.25
Short-term (up to 1 year)	15.60	15.25	14.95	14.23	15.98	15.77	16.09	16.06	16.14	15.82	15.74
Medium-term (1-2 years)	17.23	17.30	17.77	17.17	16.96	16.98	17.03	16.77	16.41	16.63	16.67
Medium-term (2-3 years)	13.75	12.76	14.12	15.32	15.43	15.87	15.84	16.21	15.39	15.05	15.52
Long-term (3-5 years)	13.21	12.78	13.36	12.59	13.27	12.81	13.37	13.87	12.72	13.52	13.25
Term Loans (over 5 years)	14.72	13.27	13.25	14.67	15.37	14.63	14.62	14.65	14.18	14.32	14.24
<b>11 Negotiated Lending Rates</b>	12.92	11.24	10.87	11.05	10.32	10.33	10.54	11.01	11.51	11.39	11.37
<b>B: Foreign Currency</b>											
<b>1 Deposits Rates</b>											
Call Accounts	0.18	0.21	0.21	0.59	0.45	0.63	0.41	0.47	0.55	0.39	0.66
<b>Savings Deposits</b>	0.75	0.86	0.74	0.65	0.72	0.87	0.67	0.67	0.65	0.66	0.72
<b>Time Deposits</b>	<b>1.11</b>	<b>1.09</b>	<b>1.11</b>	<b>1.66</b>	<b>1.37</b>	<b>1.40</b>	<b>1.61</b>	<b>1.72</b>	<b>1.73</b>	<b>1.78</b>	<b>1.81</b>
1-months	0.82	0.89	0.86	1.01	1.29	0.99	1.26	1.18	1.31	1.24	1.48
2-months	0.82	0.85	0.86	2.73	1.27	1.59	1.27	1.58	1.32	1.52	2.70
3-months	1.07	1.02	0.98	1.57	1.38	1.11	1.67	1.74	1.83	2.28	1.17
6-months	1.26	1.05	1.17	1.25	1.46	1.61	1.38	1.45	1.34	1.25	1.33
12-months	1.58	1.62	1.67	1.72	1.44	1.68	2.47	2.62	2.84	2.63	2.36
<b>2 Lending Rates</b>	<b>6.96</b>	<b>7.16</b>	<b>7.06</b>	<b>7.33</b>	<b>7.87</b>	<b>7.79</b>	<b>7.59</b>	<b>8.04</b>	<b>7.85</b>	<b>7.24</b>	<b>7.73</b>
Short-term (up to 1 year)	6.30	6.37	6.53	7.46	6.98	6.86	7.65	6.86	7.41	7.01	7.38
Medium-term (1-2 years)	8.05	8.40	8.29	7.41	8.35	7.96	7.05	7.70	7.86	6.55	6.93
Medium-term (2-3 years)	7.68	7.56	7.20	8.03	8.63	8.61	7.70	9.28	8.02	7.56	7.85
Long-term (3-5 years)	5.79	6.32	6.21	6.40	7.04	7.20	7.36	8.99	8.42	7.47	8.00
Term Loans (over 5 years)					8.37	8.31	8.20	7.36	7.54	7.61	8.48

Source: Bank of Tanzania



**Table 5 (a): TANZANIA EXPORTS BY TYPE OF COMMODITY**

	2005p		% Change	September		% Change	Year ending September <sup>p</sup>		% Change
	August	September		2004	2005 <sup>p</sup>		2004	2005	
<b>Traditional Exports</b>									
<b>COFFEE</b>									
Value	0.9	2.5	--	2.3	2.5	9.3	40.3	73.2	81.5
Volume	0.7	2.4	--	2.1	2.4	15.1	33.6	49.4	47.0
Unit Price	1,182.4	1,041.7	-11.9	1,097.7	1,041.7	-5.1	1,201.4	1,482.9	23.4
<b>COTTON</b>									
Value	8.7	11.0	26.9	14.7	11.0	-24.9	56.8	88.4	55.7
Volume	9.5	12.0	25.8	14.1	12.0	-14.6	56.1	91.2	62.6
Unit Price	908.7	916.7	0.9	1,042.5	916.7	-12.1	1,011.7	969.3	-4.2
<b>SISAL</b>									
Value	0.3	0.9	--	0.5	0.9	90.2	7.6	7.0	-8.1
Volume	0.3	1.8	--	0.9	1.8	86.7	13.6	9.2	-32.0
Unit Price	794.8	531.5	-33.1	521.8	531.5	1.9	559.0	755.6	35.2
<b>TEA</b>									
Value	1.5	1.4	-4.3	1.0	1.4	--	26.8	31.1	16.1
Volume	1.0	1.0	-2.9	0.8	1.0	--	21.8	25.4	16.5
Unit Price	1,420.5	1,400.0	-1.4	1,293.0	1,400.0	8.3	1,228.1	1,223.3	-0.4
<b>TOBACCO</b>									
Value	-	4.4	--	2.7	4.4	60.9	59.1	49.8	-15.7
Volume	-	3.4	--	1.6	3.4	107.5	29.6	24.8	-16.2
Unit Price	1,144.5	1,298.9	13.5	1,675.5	1,298.9	-22.5	1,996.9	2,006.9	0.5
<b>CASHEWNUTS</b>									
Value	-	0.9	--	0.0	0.9	--	46.3	62.0	33.9
Volume	-	1.2	--	0.0	1.2	--	73.6	71.7	-2.6
Unit Price	706.7	736.4	--	510.6	736.4	44.2	629.0	864.4	37.4
<b>CLOVES</b>									
Value	3.4	2.4	-29.4	1.2	2.4	98.1	10.6	11.1	5.2
Volume	1.2	0.8	-33.3	0.4	0.8	88.2	6.0	3.7	-37.7
Unit Price	2,833.3	3,000.0	5.9	2,851.0	3,000.0	5.2	1,771.2	2,990.2	68.8
<b>SUB TOTAL</b>	<b>14.7</b>	<b>23.5</b>	<b>60.0</b>	<b>22.4</b>	<b>23.5</b>	<b>5.0</b>	<b>247.4</b>	<b>322.5</b>	<b>30.4</b>
<b>Non-Traditional Exports</b>									
<b>Minerals</b>	<b>58.8</b>	<b>57.4</b>	<b>-2.4</b>	<b>51.0</b>	<b>57.4</b>	<b>12.6</b>	<b>672.3</b>	<b>726.0</b>	<b>8.0</b>
Gold	55.0	53.5	-2.7	44.6	53.5	20.0	621.3	682.8	9.9
Diamond	0.8	0.5	-56.0	3.5	0.5	-85.7	25.7	12.5	-51.2
Other minerals <sup>1</sup>	3.0	3.4	13.3	2.9	3.4	17.5	25.3	30.6	20.9
<b>Manufactured Goods</b>	<b>10.7</b>	<b>10.5</b>	<b>-2.1</b>	<b>10.7</b>	<b>10.5</b>	<b>-1.7</b>	<b>101.8</b>	<b>134.6</b>	<b>32.2</b>
Cotton Yarn	0.6	0.8	33.3	0.1	0.8	--	5.1	5.1	-0.9
Manufactured Coffee	0.5	0.3	-40.0	0.0	0.3	--	0.5	4.7	914.8
Manufactured Tobacco	0.2	0.2	0.0	0.0	0.2	--	1.2	0.5	-96.9
Sisal Products (Yarn & Twine)	0.4	0.4	0.0	0.3	0.4	28.5	3.2	4.4	38.6
Other manufactured Goods <sup>2</sup>	9.0	8.8	-2.5	10.2	8.8	-14.2	91.9	120.0	30.5
<b>Fish and Fish Products</b>	<b>9.6</b>	<b>11.8</b>	<b>23.0</b>	<b>11.4</b>	<b>11.8</b>	<b>3.9</b>	<b>124.5</b>	<b>142.0</b>	<b>14.1</b>
<b>Horticultural products</b>	<b>1.7</b>	<b>0.9</b>	<b>-47.1</b>	<b>0.7</b>	<b>0.9</b>	<b>30.0</b>	<b>13.7</b>	<b>19.0</b>	<b>38.2</b>
<b>Others Exports<sup>3</sup></b>	<b>10.2</b>	<b>12.8</b>	<b>25.5</b>	<b>13.2</b>	<b>12.8</b>	<b>-2.8</b>	<b>110.1</b>	<b>131.2</b>	<b>19.1</b>
<b>SUB TOTAL</b>	<b>91.0</b>	<b>93.4</b>	<b>2.6</b>	<b>86.8</b>	<b>93.4</b>	<b>7.5</b>	<b>1,022.5</b>	<b>1,152.8</b>	<b>12.7</b>
<b>GRAND TOTAL</b>	<b>105.7</b>	<b>116.9</b>	<b>10.6</b>	<b>109.3</b>	<b>116.9</b>	<b>7.0</b>	<b>1,269.9</b>	<b>1,475.3</b>	<b>16.2</b>

**NOTE:**

<sup>1</sup> Include tanzanite, rubbies, sapphires, emeralds, copper, silver and other precious stones

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

<sup>3</sup> 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 5 (b): TANZANIA IMPORTS - F.O.B Value (By Major Category)**

	Million of US\$						
	September		2005p		Year ending		% Change
	2003	2004 <sup>p</sup>	Aug	Sept	2004	2005	
<b>CAPITAL GOODS</b>							
Transport Equipment	78.9	86.4	77.1	77.5	811.7	962.5	18.6
Building and Constructions Equipment	19.5	20.3	21.7	19.4	232.3	236.3	1.7
Machinery	15.8	15.5	17.9	18.7	160.8	227.7	41.6
<b>INTERMEDIATE GOODS</b>							
Oil imports	43.6	50.6	37.5	39.4	418.6	498.4	19.1
Fertilizers	71.0	60.7	46.9	57.3	639.3	767.0	20.0
Industrial raw materials	44.5	27.4	22.8	28.1	362.7	476.8	31.5
<b>CONSUMER GOODS</b>							
Food and foodstuffs	3.4	12.6	2.9	7.6	49.0	58.7	19.8
All other consumer goods <sup>1</sup>	23.1	20.8	21.2	21.5	227.6	231.5	1.7
	54.4	60.7	63.0	56.4	718.3	738.4	2.8
	20.7	9.1	12.8	9.9	232.0	180.2	-22.3
	33.7	51.6	50.2	46.5	486.3	558.2	14.8
<b>GRAND TOTAL (F.O.B)</b>	<b>204.3</b>	<b>207.8</b>	<b>187.0</b>	<b>191.1</b>	<b>2,169.2</b>	<b>2,467.9</b>	<b>13.8</b>

**Note:**

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

Oil imports refers to refined petroleum products

p = Provisional data.

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.

Table 5 (c) : Tanzania's Balance of Payments

Item	Millions of US\$			
	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	1129.2	1334.9
Traditional	231.1	206.1	220.5	292.3
Nontraditional	545.3	696.5	908.7	1042.6
o/w Gold	254.1	341.1	502.8	629.5
Goods: imports f.o.b.	-1560.3	-1511.3	-1933.5	-2281.2
<i>Balance on Goods</i>	-783.9	-608.8	-804.2	-946.3
Services: credit	679.3	668.6	686.6	885.9
Transportation	68.4	61.1	72.8	80.1
Travel	412.8	439.2	450.3	620.7
Other	198.1	168.3	163.4	185.1
Services: debit	-642.1	-668.5	-769.5	-1002.0
Transportation	-194.2	-176.9	-214.7	-250.3
Travel	-327.3	-337.5	-353.2	-432.3
Other	-120.5	-154.1	-201.6	-319.4
<i>Balance on Services</i>	37.2	0.1	-83.0	-116.1
<i>Balance on Goods and Services</i>	-746.8	-608.7	-887.2	-1062.5
Income: credit	55.3	67.9	87.1	81.8
Income: debit	-140.5	-90.6	-131.0	-122.1
Direct investment income	-1.1	-2.0	-15.8	-13.4
Interest payments (scheduled)	-117.3	-67.6	-92.7	-80.7
Compensation of employees	-22.1	-21.1	-22.5	-28.0
<i>Balance on Income</i>	-85.2	-22.7	-43.9	-40.3
<i>Balance on Goods, Services and Income</i>	-832.0	-631.4	-931.1	-1102.8
Current transfers	395.3	416.6	546.9	646.1
Current transfers: credit	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
Current transfer: debit	-79.5	-61.3	-63.0	-65.3
<b>B. Capital Account</b>	<b>361.5</b>	<b>355.4</b>	<b>358.2</b>	<b>293.6</b>
Capital transfers: credit	361.5	355.4	358.2	293.6
General Government	339.2	325.3	320.9	253.7
Other sectors	22.3	30.1	37.3	39.9
Capital transfers:debit	0.0	0.0	0.0	0.0
Total, Groups A plus B	-75.2	140.6	-26.0	-163.1
<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 abroad	0.0	0.0	0.0	0.0
Direct investment in Tanzania	327.2	240.4	247.8	260.2
Portfolio investment	0.0	0.0	0.0	0.0
Other investment	-829.1	-240.4	-253.4	-257.0
Assets	-76.7	2.9	-59.0	-11.0
Currency and deposits	-76.7	2.9	-59.0	-11.0
Banks	-76.7	2.9	-59.0	-11.0
Other sectors	0.0	0.0	0.0	0.0
Liabilities	-752.5	-243.3	-194.4	-245.9
Trade credits	13.0	13.2	13.3	13.3
Loans	-723.1	-289.9	-185.6	-283.3
General government	-838.9	-243.5	-95.6	-160.8
Drawings	199.1	310.2	417.1	333.8
Repayments	-1038.0	-553.7	-512.7	-494.5
Scheduled payments	-264.5	-113.6	-106.6	-122.5
Debt forgiveness	-642.1	-430.3	-319.5	-265.7
Rescheduled debt	-131.4	-9.8	-86.6	-106.3
Banks	2.0	-0.8	-0.7	-0.5
Other sectors	113.9	-45.6	-89.3	-122.0
Currency and deposits	-42.4	33.4	-22.1	24.1
Total, Groups A through C	-577.1	140.6	-31.7	-159.9
<b>D. Net Errors and Omissions</b>	<b>-232.5</b>	<b>-253.0</b>	<b>101.6</b>	<b>61.8</b>
<i>Overall balance</i>	-809.6	-112.4	69.9	-98.1
<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	8,304,339	9,399,086	10,707,006	11,876,513
GDP(mp) Mill. USD	9,476	9,724	10,309	11,276
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	1,156.57	1,528.99	2,037.77	2,296.12
Months of Imports	6.3	8.4	9.0	8.4
Net International Reserves (year end)	761.2	1058.4	1533.9	1786.9
Change in Net International Reserves	-218.5	-297.2	-475.5	-253.0
Exchange rate (end of period)	916.3	976.3	1063.6	1043.0
Exchange rate (annual average)	876.4	966.6	1038.6	1089.3

**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, International Economics Department



Table A6: EXTERNAL DEBT DEVELOPMENTS

ITEM	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/6				
								Jul-05	Aug-05	Sep-05	% Change	% Share of Total
<b>1. OVERALL TOTAL DEBT</b>												
<b>COMMITTED (2)</b>	<b>7,972.9</b>	<b>7,595.7</b>	<b>7,702.3</b>	<b>8,032.8</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>(0.5)</b>	<b>100.0</b>
Disbursed outstanding debt	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5	6,845.8	6,913.8	6,944.7	0.4	83.1
Undisbursed debt	1,392.6	1,057.4	1,390.1	1,473.1	1,373.6	1,410.0	1,545.6	1,489.7	1,487.2	1,417.2	(4.7)	16.9
<b>2. DISBURSED DEBT BY CREDITOR CATEGORY (2)</b>	<b>6,580.3</b>	<b>6,538.3</b>	<b>6,312.2</b>	<b>6,559.7</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>0.4</b>	<b>100.0</b>
O/W												
Bilateral	2,791.8	2,514.1	2,289.1	2,277.1	1,633.7	1,483.6	1,502.3	1,555.4	1,578.5	1,566.1	(0.8)	22.6
Multilateral	3,330.1	3,571.5	3,530.6	3,808.5	4,088.3	4,570.0	4,626.3	4,622.7	4,639.7	4,682.0	0.9	67.4
Commercial	251.5	264.9	307.9	302.5	330.6	391.2	416.4	413.4	441.1	439.6	(0.4)	6.3
Export credits	206.9	187.8	184.7	171.6	180.5	233.5	254.5	254.3	254.5	257.0	1.0	3.7
<b>3. DISBURSED DEBT BY BORROWER CATEGORY (2)</b>	<b>6,580.3</b>	<b>6,538.3</b>	<b>6,312.2</b>	<b>6,559.7</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>0.4</b>	<b>100.0</b>
O/W												
Central Government	6,168.2	6,092.6	5,844.0	6,054.8	5,708.0	6,092.0	5,830.5	5,856.9	5,934.8	5,966.5	0.5	85.9
Parastatal Companies	165.1	183.2	172.2	153.8	152.2	149.1	477.5	501.6	490.6	488.1	(0.5)	7.0
Private Sector	247.0	262.5	296.0	351.1	372.9	437.2	491.5	487.3	488.4	490.1	0.4	7.1
<b>4. DISBURSED DEBT BY USE OF FUNDS (2)</b>	<b>6,580.3</b>	<b>6,538.3</b>	<b>6,312.2</b>	<b>0.0</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>0.4</b>	<b>100.0</b>
O/W												
Balance of payment support	1,512.2	1,648.1	1,524.2	1,639.0	1,166.0	1,275.1	1,335.1	1,432.4	1,440.2	1,426.6	(0.9)	20.5
Transport & Telecommunication	1,337.8	1,067.4	1,021.1	1,027.9	1,047.8	1,085.1	1,073.5	1,077.3	1,103.5	1,104.2	0.1	15.9
Agriculture	963.8	1,040.2	990.9	1,007.8	1,034.7	967.7	1,077.8	1,059.1	1,068.5	1,059.7	(0.8)	15.3
Energy & Mining	821.8	869.0	824.3	902.9	895.0	924.3	1,070.3	916.2	891.3	943.7	5.9	13.6
Industries	504.4	430.0	413.8	402.3	411.2	352.7	405.5	403.4	404.7	401.3	(0.8)	5.8
Social Welfare & Education	292.7	426.5	332.0	384.4	421.7	333.3	611.7	626.2	629.3	632.9	0.6	9.1
Finance and Insurance	215.5	122.8	131.2	77.9	76.9	82.3	96.6	96.2	96.4	102.5	6.4	1.5
Tourism	80.2	84.1	82.0	83.8	88.2	80.2	80.1	79.8	80.0	79.8	(0.3)	1.1
Others	851.9	850.2	992.7	1,033.7	1,091.6	1,577.5	1,048.9	1,155.1	1,200.1	1,194.0	(0.5)	17.2
<b>5. TOTAL AMOUNT OF LOANS CONTRACTED (1)</b>	<b>212.5</b>	<b>224.4</b>	<b>417.6</b>	<b>517.9</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>100.0</b>
Government	159.9	220.2	285.7	465.3	259.8	209.4	335.4	0.0	0.0	0.0		-
Parastatal Companies	4.6	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0		-
Private	48.0	4.2	131.0	52.6	17.5	20.3	41.0	2.2	0.2	1.0		100.0
<b>6. DISBURSEMENTS(1)</b>	<b>189.2</b>	<b>267.7</b>	<b>169.7</b>	<b>184.8</b>	<b>169.0</b>	<b>234.7</b>	<b>190.2</b>	<b>114.3</b>	<b>0.2</b>	<b>2.5</b>		<b>100.0</b>
Government	187.4	264.5	169.6	160.5	163.7	205.9	161.4	112.0	0.1	2.5		100.0
Parastatal Companies	1.3	-	-	0.0	0.0	2.0	0.0	0.0	0.0	0.0		-
Private	0.5	3.2	0.1	24.3	5.3	26.8	28.8	2.3	0.1	0.0		-
<b>7. SCHEDULED DEBT SERVICE (1)</b>	<b>368.9</b>	<b>428.2</b>	<b>422.0</b>	<b>400.0</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>8. ACTUAL DEBT SERVICE (1)</b>	<b>187.9</b>	<b>190.9</b>	<b>120.9</b>	<b>89.1</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>100.0</b>
Principal	112.2	140.5	100.1	47.9	86.6	68.6	86.0	3.2	12.8	6.9		69.1
Interest	75.6	49.6	20.8	41.2	25.8	30.6	26.9	1.6	0.8	3.1		30.9
Others	0.1	0.8	-	0.0	0.0	0.1	0.0	0.0	0.0	0.0		-
<b>8. ACTUAL DEBT SERVICE (1)</b>	<b>187.9</b>	<b>190.9</b>	<b>120.9</b>	<b>89.1</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>100.0</b>
Principal	112.2	140.5	100.1	47.9	86.6	68.6	86.0	3.2	12.8	6.9		69.1
Interest	75.6	49.6	20.8	41.2	25.8	30.6	26.9	1.6	0.8	3.1		30.9
Others	0.1	0.8	-	0.0	0.0	0.1	0.0	0.0	0.0	0.0		-
<b>9. NET TRANSFERS</b>	<b>1.3</b>	<b>76.8</b>	<b>48.8</b>	<b>95.7</b>	<b>51.3</b>	<b>106.6</b>	<b>77.3</b>	<b>103.1</b>	<b>-13.3</b>	<b>-7.5</b>		
<b>10. TOTAL ARREARS BY CREDITOR CATEGORY (2)</b>	<b>2,660.5</b>	<b>2,239.0</b>	<b>2,304.9</b>	<b>1,820.2</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>(0.2)</b>	<b>100.0</b>
O/W												
<b>Principal</b>	<b>1,571.1</b>	<b>1,152.5</b>	<b>1,135.0</b>	<b>915.9</b>	<b>1,021.4</b>	<b>1,119.1</b>	<b>1,135.2</b>	<b>1,093.7</b>	<b>1,106.3</b>	<b>1,106.9</b>	<b>0.1</b>	<b>48.6</b>
Bilateral	1,235.4	810.7	803.8	570.5	611.6	658.8	669.4	622.1	630.1	625.1	(0.8)	27.4
Multilateral	23.0	0.0	0.0	39.9	45.1	28.3	5.9	8.4	8.3	9.0	8.4	0.4
Commercial	132.4	185.0	165.4	152.9	203.7	240.2	249.2	252.5	256.9	261.6	1.8	11.5
Other Private Creditors	180.3	156.8	165.8	152.6	161.0	191.8	210.7	210.7	211.0	211.2	0.1	9.3
<b>Interest</b>	<b>1,089.4</b>	<b>1,086.5</b>	<b>1,169.9</b>	<b>904.3</b>	<b>1,035.1</b>	<b>1,178.7</b>	<b>1,335.3</b>	<b>1,164.1</b>	<b>1,177.4</b>	<b>1,171.2</b>	<b>(0.5)</b>	<b>51.4</b>
Bilateral	740.0	739.5	780.4	522.7	577.7	693.0	818.8	646.1	655.1	651.7	(0.5)	28.6
Multilateral*	8.3	0.0	0.0	54.1	68.4	27.3	23.4	23.8	23.8	23.8	0.0	1.0
Commercial	204.3	261.1	294.5	222.2	268.3	287.1	333.7	334.3	337.9	335.5	(0.7)	14.7
Other Private Creditors	136.8	85.9	95.0	105.3	120.7	171.3	159.4	159.9	160.6	160.2	(0.2)	7.0
<b>11. External Debt Stock</b>	<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>7,856.9</b>	<b>8,134.8</b>	<b>8,009.9</b>	<b>8,091.2</b>	<b>8,115.9</b>	<b>0.3</b>	
<b>12. Domestic Debt Stock</b>	<b>1,138.2</b>	<b>1,149.1</b>	<b>919.1</b>	<b>864.5</b>	<b>841.6</b>	<b>885.3</b>	<b>952.6</b>	<b>1,421.7</b>	<b>1,435.1</b>	<b>1,466.8</b>	<b>2.2</b>	
<b>13. Total Debt Stock</b>	<b>8,807.9</b>	<b>8,773.9</b>	<b>8,401.2</b>	<b>8,328.5</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>0.6</b>	
End Period Exchange Rate	737.0	799.5	888.0	945.9	1,047.4	1,107.3	1,126.3	1,135.7	1,133.6	1,136.3	0.2	

Source: Bank of Tanzania

NB. Multilateral\*: multilateral arrears exclude those owed by the Central Government.

1) During the period (2) End of September 2005 cumulative.

\* Disbursements for July are higher due to rescheduling arrangements of the Libyan debt





# GLOSSARY

## **Average Inflation Rate**

This is calculated as the average of the 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 Annualized 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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