



**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

**SEPTEMBER 2005**



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# Inflation Developments

## Inflation increases further in August 2005

Annual headline inflation increased by 0.1 percentage points to 4.5 percent in August 2005 compared to the level recorded in the preceding month. The increase was mainly driven by the rise in the average prices of some non-food items particularly petroleum products. On month-to-month basis, consumer prices declined by 0.4 percent in August 2005 as prices of some consumer items especially food went down. Excluding seasonal influences, consumer prices increased by 0.4 percent in August 2005 implying that the decrease in the inflation rate during the month was caused by seasonal factors.

**Food inflation** decelerated from its peak level of 7.0 percent in the year ending July 2005 to 5.8 percent in the year ended August 2005. Similarly, month-to-month food inflation decreased following decline in the average prices of maize grain, maize flour, sweet potatoes, vegetables, fish, cooking oil and fresh milk. The decrease largely reflected the increased supply of food particularly maize and potatoes in the wake of ongoing harvests and food imports.

**Annual non-food inflation** rose by 1.6 percentage points to 3.6 percent in August 2005. High increases were recorded in fuel, power, rents and transportation. On a month-to-month basis, non-food inflation slowed to 0.3 percent from 0.8 percent in the previous month. Prices increased in almost all non-food items except clothing, footwear, household operation and maintenance, recreation and entertainment and education.

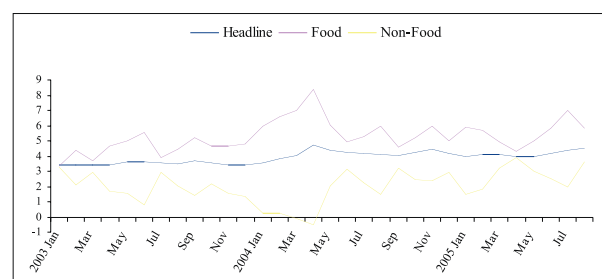
During the month prices of kerosene, petrol, diesel, cars and car tyres increased from the previous month levels. As a result of the rising prices of oil products, electricity tariffs have been increasing since February 2005.

**Table 1. Tanzania: Percentage Change in Sub-groups of Consumer Price Index (All-Urban)**

Item	Weight (%)	2004				2005								
		Aug	Sep	Oct	Nov	Jan	Feb	Mar	Apr	May	June	July	Aug	
<b>Head line/Over all</b>	<b>100</b>	<b>4.1</b>	<b>4.0</b>	<b>4.2</b>	<b>4.4</b>	<b>4.2</b>	<b>4.0</b>	<b>4.1</b>	<b>4.1</b>	<b>4.0</b>	<b>4.0</b>	<b>4.2</b>	<b>4.4</b>	<b>4.5</b>
<b>Food</b>	<b>55.9</b>	<b>5.9</b>	<b>4.6</b>	<b>5.2</b>	<b>5.9</b>	<b>5.0</b>	<b>5.9</b>	<b>5.7</b>	<b>4.9</b>	<b>4.3</b>	<b>5.0</b>	<b>5.8</b>	<b>7.0</b>	<b>5.8</b>
<b>Non-food</b>	<b>44.1</b>	<b>1.5</b>	<b>3.1</b>	<b>2.5</b>	<b>2.4</b>	<b>2.9</b>	<b>1.5</b>	<b>1.8</b>	<b>3.3</b>	<b>3.9</b>	<b>3.0</b>	<b>2.5</b>	<b>2.0</b>	<b>3.6</b>
Transportation	9.7	1.7	3.3	1.1	1.7	2.8	3.3	2.2	5.7	6.9	5.0	5.1	5.4	5.2
Fuel, Power and Water	8.5	2.4	6.0	9.3	7.7	7.1	5.4	5.9	9.4	6.8	9.5	5.6	0.3	9.8
Drinks and Tobacco	6.9	0.0	0.5	-0.8	-0.2	0.6	0.6	1.8	0.3	2.9	1.7	1.4	3.1	2.4
Clothing & Footwear	6.4	3.1	4.5	3.1	1.9	2.5	-1.2	-1.7	1.7	3.3	-0.9	0.9	1.3	-1.2
Education	2.6	0.6	0.9	-1.9	3.4	2.3	1.8	-0.6	1.4	2.1	0.2	1.2	0.1	-1.9
Furniture & Household Equip.	2.1	-0.4	2.9	0.8	2.2	0.9	1.0	0.2	-2.3	0.4	3.2	-2.8	-0.9	0.0
H/h Operations Maintenance	2.1	1.7	4.3	1.9	1.6	2.4	0.5	2.4	2.3	2.5	1.4	0.4	0.3	-0.6
Personal Care & Health	2.1	0.7	1.4	2.6	0.0	3.2	-3.0	6.0	0.1	4.9	4.4	6.1	6.5	3.5
Rents	1.4	0.4	0.3	0.1	-0.1	-1.3	-2.5	-2.8	-4.6	-5.3	-5.3	-5.0	-3.9	7.5
Recreation & Entertainment	0.8	1.8	3.7	2.1	4.0	0.4	-1.5	-3.3	-2.3	1.5	0.9	-0.2	-2.1	-1.5
Misc. Goods & Services	1.5	-0.2	0.5	-0.8	-1.8	0.2	-2.6	-1.5	0.4	-4.7	-2.4	-1.5	-0.8	-0.1



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



## Food Supply Situation

By the end of August 2005, food availability and access across the county remained broadly satisfactory as harvests continued in most parts of the country. A Rapid Vulnerability Assessment conducted in August 2005 by the Ministry of Agriculture and Food Security in collaboration with the Prime Minister's Office, Early Warning System, USAID and other stakeholders established that, about 118,900 households in Mwanza, Arusha, Shinyanga, Singida, Kilimanjaro, Tabora, Mara, Dodoma, Lindi, Mtwara and Manyara regions would require about 20,000 tons of grains from November 2005 to January 2006.

Reflecting availability of food in the country, the average wholesale price for maize declined during August 2005. The average wholesale prices for rice, beans and sorghum remained almost the same as in August 2005 as in the previous month (Table 2). When compared to corresponding period last year, the prices of maize, rice and beans were much higher in August 2005 mainly on account of higher prices in neighbouring countries due to food shortage that encouraged cross border trade; and transportation cost following the increase in prices of oil products.

**Table 2: National Average Wholesale Prices for Selected Food Items**

	2005						Percentage change	
	Aug-02	Aug-03	Aug-04	June	July	Aug	Aug-04	Jul-05
							Aug-05	Aug-05
Maize	9,237	17,215	16,069	17,072	16,839	16,372	2	-3
Rice	25,638	36,999	46,882	48,122	48,231	48,647	4	1
Beans	28,723	39,112	40,271	49,700	46,119	46,173	15	0
Sorghum	12,723	18,726	21,420	20,474	20,499	20,572	-4	0
Potatoes	18,068	19,424	24,612	26,002	23,623	24,112	-2	2

Source: Food Security Department and BOT computation

## Strategic Grain Reserves

The SGR stock stood at 112,067 at end August 2005 following sales of about 256 tons of maize to public institutions mainly prisons department and National Milling Corporation (NMC) during the month (Table 3). The SGR department plans to purchase 44,000 tons of maize from surplus regions during 2005/06-crop season. The department plans to start maize purchases from 15th October 2005 following the release of funds from the Treasury.

Cereal imports during the month of August 2005 increased to 46,308 tons from 30,179 tons imported in July 2005 while exports decrease slightly to 19,853 tons from 20,290 tons exported in July 2005.

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

	(Tons)						
	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		
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		

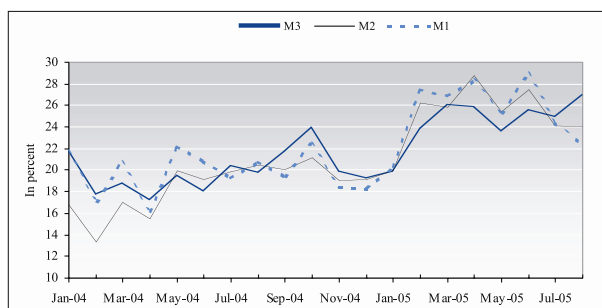
Source: Food Security Department and BOT computation

# Monetary and Financial Developments

## Money Supply Increases Steadily

During the year ending August 2005, the annual growth of extended broad money supply (M3) rose to 27 percent compared with 25 percent registered in the preceding two months and 20 percent recorded in August 2004. The growth of broad money (M2), on the other hand remained nearly the unchanged at the preceding month level (24 percent) with the difference between the growth rates of the two aggregates reflecting a marked increase in foreign currency deposits. Foreign currency deposits registered a relatively rapid annual growth of 34 percent, partly marking a recovery from unusual slow down registered in August 2004 and deposits from new investors in some privatised public enterprises. Currency in circulation, which expanded strongly in the preceding month mirroring the high seasonal demand, slowed down slightly in August 2005 (Chart 2).

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



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

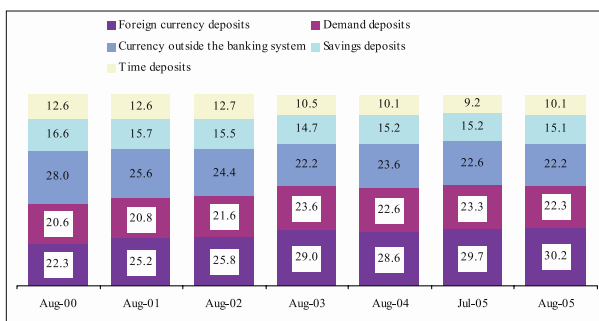
Item	2005			Billions of TZS							
	Jul-05	Aug-05	Abst. Change	Aug-00	Aug-01	Aug-02	Aug-03	Aug-04	Jul-05	Aug-05	
				Annual percentage change							
Extended broad money (M3)	3,392.9	3,441.5	48.6	14.8	20.3	24.6	18.1	19.8	24.9	26.9	
Broad money (M2)	2,383.7	2,401.9	18.1	12.6	15.7	23.7	13.1	20.5	24.2	24.0	
Currency outside the banking system	766.3	764.7	-1.6	16.2	10.1	18.4	7.9	27.0	25.2	19.6	
Demand deposits	789.9	768.3	-21.6	7.3	21.8	29.0	29.1	14.9	23.7	25.3	
Time deposits	311.8	348.1	36.3	3.5	20.7	25.9	-2.7	15.0	17.7	27.6	
Savings deposits	515.7	520.8	5.1	21.9	13.8	23.5	11.9	23.5	27.6	26.6	
Foreign currency deposits	1,009.2	1,039.6	30.4	23.4	36.3	27.4	32.6	18.1	26.8	34.2	
In Millions of USD	888.6	917.1	28.4	22.9	22.1	17.7	22.4	14.2	22.3	28.3	
Net foreign assets	2,271.8	2,303.3	31.5	54.1	42.4	22.5	43.3	12.5	6.7	8.1	
Bank of Tanzania	1,622.5	1,587.4	-35.1	87.2	48.7	37.2	60.1	10.6	14.9	11.7	
Commercial banks	649.3	715.9	66.6	29.4	35.7	5.1	17.4	16.5	-9.6	0.8	
Net domestic assets	1,660.7	1,679.9	19.2	-11.5	-0.6	30.2	-15.0	43.6	55.3	61.1	
Domestic credit	1,617.2	1,611.6	-5.6	1.5	-6.0	31.6	6.0	31.8	30.5	35.7	
Net claims on Government	316.5	279.8	-36.7	-3.4	-29.1	27.0	-46.0	13.6	29.5	42.7	
Savings on government	936.8	909.5	-27.3	13	-12.1	-3.1	4.5	10.9	82.1	82.1	
Government deposits	620.3	629.7	9.4	89.2	28.3	-42.3	149.8	9.2	129.6	107.5	
Claims on the private sector	1,300.7	1,331.8	31.1	5.7	22.1	36.2	37.4	36.1	30.7	34.3	

Source: Bank of Tanzania

The factors underlying the growth in extended broad money were the robust increase in private sector credit, as well as foreign assets of the banking system, which mainly reflected donor support inflows.

For the month of August 2005, both M3 and M2 increased by much lower rate than in the previous month (Table 4) owing mainly to the moderation in the expansion of credit to private sector and monetary policy actions taken to avert liquidity pressures. The components of money supply that contributed most to the slowdown in the increase of money supply in August were demand deposits and currency in circulation. Foreign currency deposits and time deposits registered substantial increase in August, with the former being associated with arrival of deposits from new investors in some privatised public enterprises and the latter being from corporate customers. The proportion of foreign currency deposits hit the record high level at the end of August.

**Chart 3: Tanzania: Components of Money Supply as Percentage of M3**



## Credit Developments

Credit to private sector by banks expanded by 34 percent in the year ending August 2005 compared with 31 percent recorded in the previous month. This rate compares well with the projected 34.1 percent growth by the end of September 2005. The growth of credit to the private sector contributed to about 47 percent of the annual increase in money supply in August 2005.



For the month of August 2005, credit to the private sector by banks turnaround to a steady growth after a record high in the previous month for which personal facilities used to buy shares in the Unit Trust of Tanzania accounted for the large proportion. Despite the decline, the outturn was above the preceding 12-months average increase of TZS 26 billion. The bulk of the credit went to activities such as agriculture mainly for crop purchases, trade and commerce, building and construction, manufacturing, insurance and business services.

**Table 5: Tanzania: Credit to Private Sector**

*(Billions of TZS)*

Item						2005				
	Aug-00	Aug-01	Aug-02	Aug-03	Aug-04	Apr	May	Jun	Jul	Aug
Stock of private sector credit	319	389.5	530.5	728.9	992	1,151.1	1,182.1	1,219.4	1,300.7	1,331.8
Absolute change	6.6	10.4	49.8	27	-3	4	31	37.3	81.4	31.1
Annual growth rate (%)	5.7	22.1	36.2	37.4	36.1	33.9	32.7	26.2	30.7	34.3

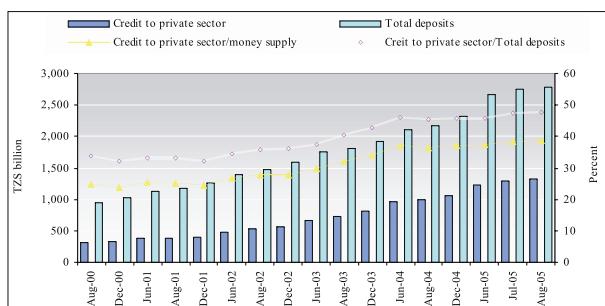
Source: Bank of Tanzania

The increase in credit to the private sector during the month accounted about 64 percent of the growth in money supply. This was also reflected in the share of private sector credit to total money supply, which has been increasing steadily from less than 20 percent in 2000 to around 39 percent in August 2005, although for nearly a year it hovered around 37 percent. Since this implies that changes in money supply are still determined by the government sector (more than 50 percent), money policy actions directed towards affecting this sector will bear much impact on money supply.

Regarding financial intermediation by banks, a notable improvement has been observed in the recent past as reflected by the rise of the ratio of outstanding private sector credit to total deposits. In August 2005, this ratio reached 48 percent from 47 percent in the preceding month (Chart 4). In December 2000, it was around 32 percent. The increase in lending to the private sector is largely associated with government's efforts to remove both structural and institutional impediments to bank lending, good performance of the economy, increased competition in the banking system and monetary policy that provided room for private sector expansion.

Concerning government position with the banking system in August 2005, its net indebtedness recorded a decline by TZS 36.7 billion. This development mainly reflected the failure to roll over in full maturing treasury bills in the wake of the recent low demand for government securities.

**Chart 4: Tanzania: Deposits and Credit of the Banks**



## Interest Rate Developments

During August 2005, commercial banks interest rates moved upward in tandem with those of treasury bills. The increase was partly in response to the liquidity shortage caused by the Unit Trust operations and the seasonal demand for currency beginning June 2005. Time deposit rates rose particularly on the longer end of the maturity spectrum, leading to a slight increase in the overall rate to 4.53 percent from 4.41 percent in June 2005. Some banks offered interest rates as high as 8.9 percent, mainly to prime customers. As for savings deposits, which are mostly preferred by small savers, the rates were pegged at almost the same level as in the previous month (2.6—4.5 percent), except for few banks that put their rates around 5 percent.

Lending rate on loans and advances increased to around 15.1 percent during the month under review from 14.9 percent in July 2005. However, the interest rates charged on prime borrowers fell slightly during the month to around 11.4 percent from 11.5 in the preceding month.

**Table 6: Tanzania: Interest Rate Structure**

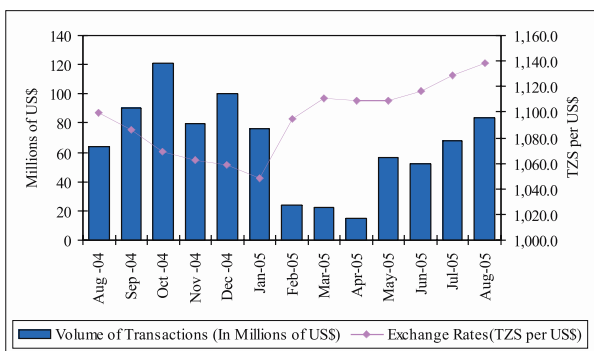
Item	2004					2005					
	Aug	Sep	Oct	Nov	Dec	Mar	Apr	May	Jun	Jul	Aug
364 days Treasury bill	10.1	10.4	11	10.9	10.7	9.8	9.8	9.8	10.5	11.9	12.6
Overall Treasury bills	9	9.6	10	9.8	9.6	8.4	8.6	8.5	9.3	10.4	11.3
Savings deposit s	2.4	2.4	2.5	2.4	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Overall time deposits	4.4	4.6	4.6	4.3	4.4	4.6	4.5	4.6	4.4	4.5	4.5
12 months time deposits	5.8	6.1	6.1	5.9	5.8	6	6.2	6.3	6	5.8	5.8
Negotiated deposit s	6.2	6.4	6.9	8.4	8.8	8.8	8.6	8.7	8.5	8.9	8.9
Overall Lending rate	14.8	14.9	14.3	14.7	14.8	15.4	15.2	15.4	15.6	15	15.1
Negotiated lending Rates	10.1	12.9	11.2	10.9	11.1	10.3	10.3	10.5	11	11.5	11.4

Source: Commercial banks and Domestic Markets, Bank of Tanzania

## Inter-Bank Foreign Exchange Market

During August 2005, the total volume traded in the Inter-bank Foreign Exchange Market (IFEM) increased by 22.6 percent from USD 68.17 million recorded in the previous month (Table 5). On net basis, commercial banks bought USD 16.53 million—USD 12.41 million from the Bank of Tanzania and USD 4.12 million from non-banks financial institutions. The weighted average exchange rate of the shilling appreciated slightly to TZS 1,128.2 per US dollar in August 2005, from TZS 1,138.2 per US dollar recorded in July 2005.

**Chart 5: Tanzania: Inter-bank Exchange Rate Movement and Volume of Transactions**



## Transactions in Bureaux de Change System Decline

The volume of transactions conducted by Bureau de Change system in August increased slightly to USD 76.20 million. The buying rate appreciated to TZS 1123.00 per USD from TZS 1130.00 per USD recorded in July. On the other hand, the selling rate remained stable at TZS 1,142.00 per US dollar. The margin between the selling and buying rate increased by 58 percent from TZS 12.0 recorded in July 2005.

**Table 7: Foreign Exchange Market Developments**

ITEM	2004		2005		% Change		Year ending Aug		% Change
	Aug	July	Aug	July to Aug 2005	Aug 04 to Aug 05	2004	2005		
<b>IFEM</b>									
Amount offered*	63.88	68.17	83.57	22.59	30.82	925.19	788.88	-14.73	
Amount sold*	63.88	68.17	83.57	22.59	30.82	925.19	788.88	-14.73	
Exchange rate**	1,085.93	1,138.20	1,128.20	-0.88	3.89	1,086.18	1,097.47	1.04	
<b>Bureau de Change</b>									
Sales*	32	38.19	37.9	-0.76	18.44	298	390.15	30.92	
Purchases*	32	36.28	38.3	5.57	19.69	277.3	397.6	43.38	
Volume of Transactions*	64	74.47	76.2	2.32	19.06	575.3	787.75	36.93	
Buying rate**	1,084.70	1,130.00	1,123.00	-0.62	3.53	1,079.40	1,089.80	0.96	
Selling rate**	1,097.00	1,142.00	1,142.00	0.0	4.1	1,096.70	1,108.70	1.09	

Source: Bank of Tanzania

Note\* Millions of USD, \*\*Tanzania Shillings (TZS) per US dollar

## Government Budgetary Operations

During the month of July 2005, government budgetary operations recorded a deficit of TZS 137.4 billion. Domestic revenue plus grants amounted to TZS 163.0 billion, whilst expenditure (including float) amounted to TZS 300.4 billion. To finance the deficit, the government borrowed TZS 123.9 billion from the domestic market and the balance from external sources.

Total revenue collected during the period amounted to TZS 137.5 billion, being below the target by TZS 14.1 billion. Whereas taxes on imports and taxes local goods were slightly above the target by TZS 3.6 billion and TZS 3.4 billion respectively. Revenue from income taxes was TZS 28.3 billion, slightly below the target of TZS 30.9 billion due

to delays in submission of tax collections from corporate taxpayers.

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



During the month under review, total government expenditure (excluding float) amounted to TZS 120.2 billion, out of which recurrent expenditure was TZS 87.0 billion and development expenditures was TZS 33.2 billion

## External Sector Performance

### Current Account Deficit Narrows

During August 2005, the current account improved by recording a smaller deficit than in the previous month largely due to an increase in donor support inflows. Official grants more than doubled to USD 50.9 million during the month (Table 1.10).

On year-to-year, the current account also improved. The deficit declined to about USD 400 million during the year ending August 2005 compared a deficit of USD 531 million recorded in the corresponding period a year ago on account of increases in exports of cotton, coffee, cashews and horticultural products, as well as receipt of large official inflows.

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

Item	August		2005 <sup>P</sup>		Year ending August <sup>P</sup>		
	2003	2004	July	August	2004	2005	% Change
<b>Goods Account (net)</b>	<b>-84.7</b>	<b>-56.8</b>	<b>-81.5</b>	<b>-81.3</b>	<b>-917.7</b>	<b>-857.5</b>	<b>-6.6</b>
Exports	79.2	108.8	102.4	105.7	1,248.1	1,469.1	17.7
Imports	163.8	165.5	183.9	187.0	2,165.8	2,326.6	7.4
<b>Services Account (net)</b>	<b>-8.7</b>	<b>12.3</b>	<b>10.4</b>	<b>3.6</b>	<b>-8.3</b>	<b>-63.1</b>	<b>660.2</b>
Receipts	56.0	87.7	105.4	103.7	805.6	1,092.6	35.6
Payments	64.7	75.4	95.0	100.1	813.9	1,155.7	42.0
<b>Goods and services (net)</b>	<b>-93.4</b>	<b>-44.4</b>	<b>-71.1</b>	<b>-77.7</b>	<b>-926.0</b>	<b>-920.6</b>	<b>-0.6</b>
Exports of goods and services	135.1	196.4	207.8	209.4	2,053.7	2,561.7	24.7
Imports of goods and services	228.5	240.9	278.9	287.1	2,979.7	3,482.3	16.9
<b>Income Account (net)</b>	<b>4.9</b>	<b>-0.4</b>	<b>-7.2</b>	<b>-1.8</b>	<b>-43.0</b>	<b>-47.6</b>	<b>10.7</b>
Receipts	9.7	3.1	3.1	4.8	83.6	84.0	0.5
Payments	4.8	3.5	10.3	6.6	126.6	131.6	3.9
<b>Current Transfers (net)</b>	<b>79.9</b>	<b>40.4</b>	<b>16.7</b>	<b>49.2</b>	<b>438.5</b>	<b>568.0</b>	<b>29.5</b>
Inflows	85.0	46.5	23.4	55.9	503.1	635.3	26.3
o/w General Government	79.5	40.7	18.7	50.9	435.1	572.2	31.5
Outflows	5.2	6.1	6.7	6.7	64.6	67.3	4.2
<b>Current Account Balance</b>	<b>-8.6</b>	<b>-4.5</b>	<b>-61.6</b>	<b>-30.3</b>	<b>-530.5</b>	<b>-400.2</b>	<b>-24.6</b>

Note:

P = Provisional

Source: Bank of Tanzania



## Exports Performance

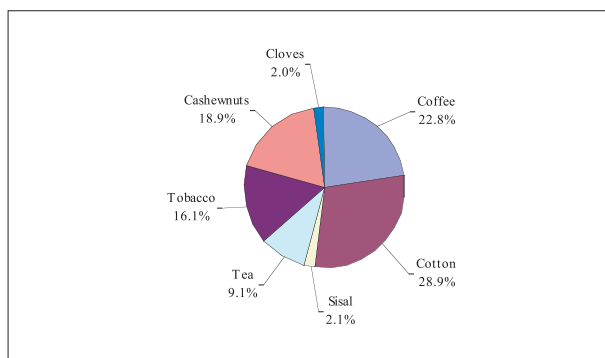
### Exports of goods

During August 2005, traditional exports amounted to about USD 15 million compared with USD 11 million registered in the previous month. The increase was largely accounted for by improved performance of cotton and cloves marking the onset of export season of these crops. As for export unit prices, increases were recorded in all crops except for coffee and tobacco.

During the year ending August 2005, traditional exports increased significantly to USD 322.8 million following good performance in cotton, coffee, cashews and tea. Exports of coffee and cotton alone, accounted for more than a half of the total value of traditional exports largely on account of increases in export volumes. The impressive performance in export volumes of the two commodities is largely attributed to increased production following favourable weather conditions coupled with timely usage of agricultural inputs such as pesticides for cotton.

During the year under review, there was a recovery in unit prices in the world market for most of the traditional exports compared with the year ending August 2004 as result of increased demand and supply shortfall from other exporting countries. The increase in coffee prices was attributed to the decline in global supply of coffee following low supply from Brazil and Vietnam, the world's leading crop producers. Clove prices rose owing to production decline in Madagascar, one of the leading clove producers in the world.

**Chart 7: Contribution to Total Traditional Exports, Year Ending August 2005**

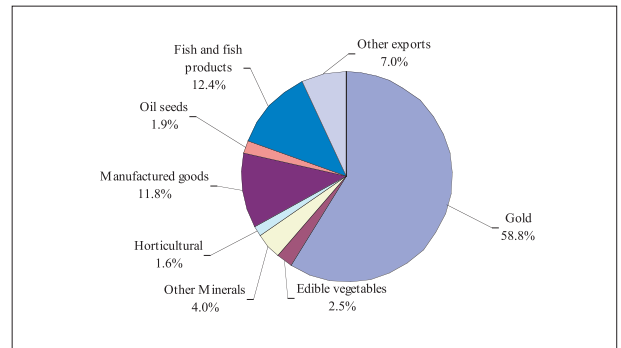


As for non-traditional exports, the value in August 2005 remained almost as in the previous month (USD 91 million). With exception of minerals (which are dominated by gold) and fish and fish products, other non-traditional exports recorded declines.

For the year ending August 2005, non-traditional exports went up by 14 percent to USD 1,146.3 million following increases in almost all export commodities. Gold remained dominant, accounting for about 60 percent of total non-traditional exports due to increase in mining activities in the country coupled with improvement in world market prices to USD 427.7 per troy ounce from USD 396.5 per troy ounce in the year ending August 2004.

During the year under review, exports of manufactured goods, fish and fish products, horticultural products increased compared to the previous year. Exports of cereals mainly maize and rice to Malawi, Zambia, The Democratic Republic of Congo, Rwanda, Burundi and Uganda also increase to about USD 17 million compared with only USD 2.3 million recorded during the year ending August 2004.

**Chart 8: Contribution to total non-traditional exports, ending Aug 2005**



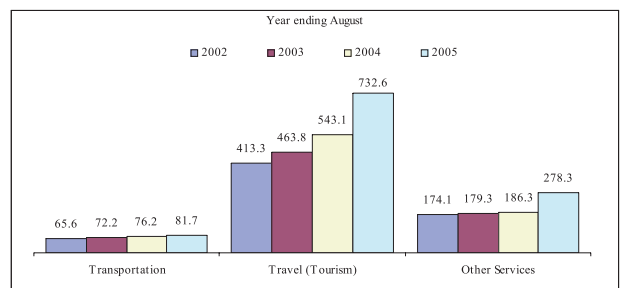
## Services Export

During August 2005, export of services remained almost unchanged at USD 104 million as in the previous month. Travel (which is mainly tourism) and transportation services, which form a big proportion of services receipts, recorded modest increases during the review month.

On annual basis, services receipts went up by nearly 36 percent to around USD 1,093 million mainly due to improvement in travel, communication, insurance and other business services receipts. The increase in travel receipts was partly associated with enhanced tourism promotional measures by the government and other stakeholders. Likewise, there was an improvement in communication services receipts in line with the growth of the communication sector in the country, while the rise in insurance services was largely on account of settlement of outstanding insurance claims during the review period.

**Chart 9: Tanzania: Service Receipts 2002 - 2005**

(In millions of USD)



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

The combined value of exports of goods and services during the year ending August 2005 was USD 2,562 million, which was an improvement of about 25 percent over the previous year. The outturn was due to a remarkable

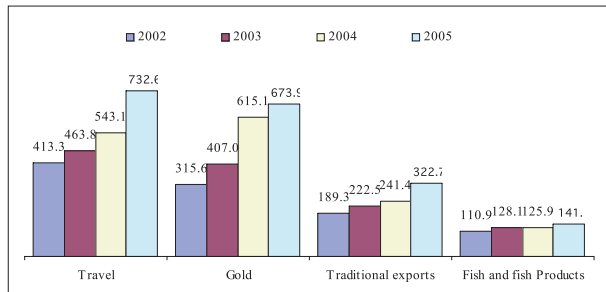




performance in the exports of crops, manufactured goods and travel receipts. The contribution to total exports of goods and services for the past four years is summarized in Chart 10.

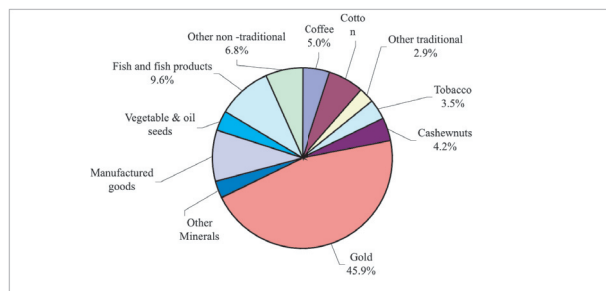
**Chart 10: Tanzania: Contributions to Total Exports of Goods and Services**

(In million of USD)



During the year under review, gold dominated the goods exports, accounting for 46 percent of the total followed by traditional exports that accounted for about 22 percent, largely due to impressive export performance of cotton and coffee. The performance of goods exports for the period under review is depicted on the chart below (Chart 11).

**Chart 11: Tanzania: Contribution of Selected Items to Total Exports of Goods**



**Note:**  
1. Other non-traditional include horticultural products and other exports  
2. Other traditional exports include sisal, tea and cloves  
3. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.

## Goods Imports

In August 2005, goods imports amounted to about USD 187 million, which was almost the same import bill for the previous month. Capital goods amounted to USD 77 million, while intermediate goods decreased slightly during the month on account of a decline in importation of fertilizers and oil, partly due to existence of stocks following large importation in the previous month.

**Table 9: Tanzania imports**

Millions of USD

Item	August		2005p		Year ending August <sup>p</sup>		
	2003	2004 <sup>p</sup>	July	August	2004	2005	% Change
<b>CAPITAL GOODS</b>	<b>66.8</b>	<b>72.6</b>	<b>73.6</b>	<b>77.1</b>	<b>804.2</b>	<b>968.0</b>	<b>20.4</b>
Transport Equipment	16.7	19.4	18.8	21.7	231.5	235.3	1.6
Building and Constructions Equipment	9.8	15.2	18.3	17.9	161.1	223.0	38.4
Machinery	40.3	38.1	36.5	37.5	411.6	509.7	23.8
<b>INTERMEDIATE GOODS</b>	<b>54.8</b>	<b>30.4</b>	<b>62.2</b>	<b>46.9</b>	<b>649.6</b>	<b>623.0</b>	<b>-4.1</b>
Oil imports	33.8	8.2	35.0	22.8	379.8	327.5	-13.8
Fertilizers	4.4	2.8	11.0	2.9	39.8	67.8	70.2
Industrial raw materials	16.6	19.5	16.2	21.2	229.9	227.7	-0.9
<b>CONSUMER GOODS</b>	<b>42.2</b>	<b>62.5</b>	<b>48.1</b>	<b>63.0</b>	<b>712.0</b>	<b>735.6</b>	<b>3.3</b>
Food and foodstuffs	11.9	18.0	11.3	12.8	243.6	179.1	-26.5
All other consumer goods <sup>1</sup>	30.3	44.4	36.8	50.2	468.4	556.5	18.8
<b>GRAND TOTAL (F.O.B)</b>	<b>163.8</b>	<b>165.5</b>	<b>183.9</b>	<b>187.0</b>	<b>2,165.8</b>	<b>2,326.6</b>	<b>7.4</b>
<b>GRAND TOTAL (C.I.F)</b>	<b>180.0</b>	<b>181.9</b>	<b>202.1</b>	<b>205.5</b>	<b>2,380.0</b>	<b>2,556.7</b>	<b>7.4</b>

**Note:**

*P = provisional data*

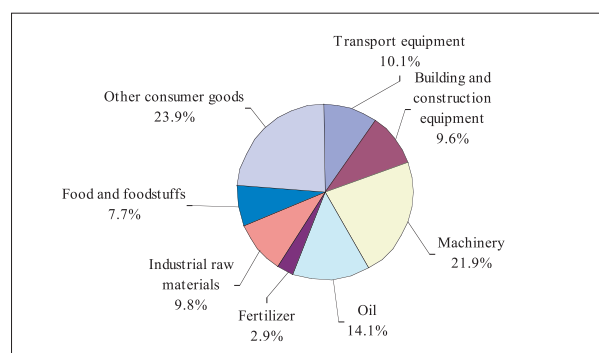
*1 It includes pharmaceutical products, paper products, and plastic items, and optical/photographic materials, textile apparels.*

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

On annual basis, goods imports went up by 7.4 percent to USD 2,326.6 million. The increase in importation of capital goods was largely associated with a rise in investments in manufacturing, construction, tourism and communication activities. Consumer good imports amounted to USD 735.6 million. Also, notable increases were recorded in the imports of pharmaceutical products, books and plastics articles. Imports of food declined due to improvement in domestic production of cereals particularly maize and rice.

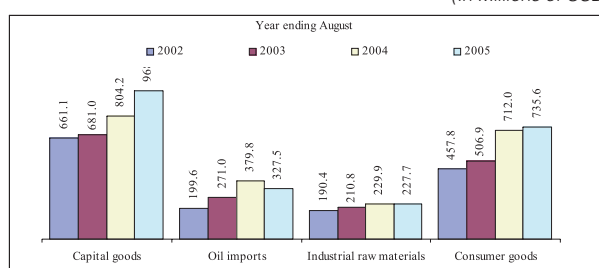
Intermediate good imports declined to USD 623.0 million from USD 649.6 million partly due to under-recording of oil imports during the period under review. The recorded volume dropped by 37.1 percent from 1,415,293 tons imported last year to 890,212 tons. The development is mainly associated with operational problems of flow meters. On the other hand, importation of fertilizers increased by 70.2 percent to USD 67.8 million following the introduction of fertilizers transport cost subsidy by the government beginning 2003/04.

**Chart 12: Tanzania: Contribution to Total Imports, Year Ending August 2005**



**Chart 13: Tanzania: Total Merchandise Imports: 2001-2005**

(In Millions of USD)

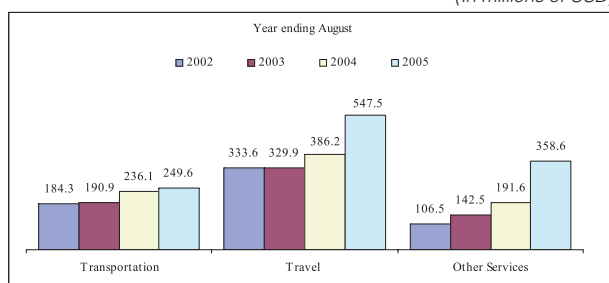


## Services Imports

During the month under review, services payments increased to about USD 100 million from USD 95 million. On annual basis, services payments increased by 42 percent to USD 1,155.7 million mainly on account of the rise in payments for insurance, construction, freight charges and travel services. The increase in freight payments reflected the increase in merchandise imports, while that of insurance payments was partly due to the increase in foreign direct investments, which resulted into the growth of re-insurance activity. Payments for construction increased as a result of the expansion in construction activities in the country while travel payments went up partly due to the increase in numbers of travellers abroad for education, business and medical purposes. The performance of services payments in the past four years is shown in Chart 14

**Chart 14: Tanzania: 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 August 2005, the prices of both Arabica and Robusta coffee decreased from the previous month levels. The decline in the prices of Robusta coffee was largely due increase in supply, following favourable weather in Vietnam.

The price of tea (average of three auctions) declined slightly, while at Mombasa Auction the price of tea improved compared to the previous month largely due to strong demand following improvement in quality of tea from Kenya, Uganda, Rwanda and Tanzania.

The price of sisal (UG) remained stable at USD 885 per metric ton while, the prices of cotton (A- Index) and cloves went up slightly during the month under review.

The prices of crude oil and petroleum products were higher in August 2005 than in the previous mainly on account of supply disruptions caused by hurricane Katrina, which led to closure of the oil refineries in the Gulf of Mexico. Gold prices increased by 3.2 percent to USD 437.9 per troy ounce during the month.

**Table 10: World Commodity Prices**

	Units	2005			% Change	Year ending Aug		% Change
		June	July	Aug		2004	2005	
Robusta Coffee	US \$ per kg	1.32	1.28	1.15	-10.16	0.81	0.99	22.22
Arabica Coffee	US \$ per kg	2.67	2.42	2.39	-1.24	1.59	2.42	52.15
Tea (Average price)	US \$ per kg	1.64	1.69	1.67	-1.18	1.62	1.69	4.58
Tea (Mombasa auction)	US \$ per kg	1.39	1.45	1.58	8.97	1.58	1.49	-5.64
Cotton, "A Index"	US \$ per kg	1.19	1.21	1.19	-1.65	1.51	1.18	-21.85
Cotton, Memphis	US \$ per kg	1.26	-	1.26	-	1.58	1.24	-21.63
Sisal, UG	US \$ per metric ton	885.00	885.00	885.00	0.00	821.25	885.00	7.76
Cloves	US \$ per metric ton	3000.00	3000.00	3012.50	0.42	2337.79	3320.61	42.04
Crude oil	US \$ per barrel	53.89	56.37	61.89	9.79	33.19	48.25	45.38
Crude oil**	US \$ per barrel	50.97	52.85	56.63	7.15	30.59	43.26	41.41
White products***	US \$ per ton	532.56	550.63	604.33	9.75	277.71	479.97	72.83
Gold	US \$ per troy ounce	430.70	424.50	437.90	3.16	396.53	427.73	7.87

**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

## National Debt

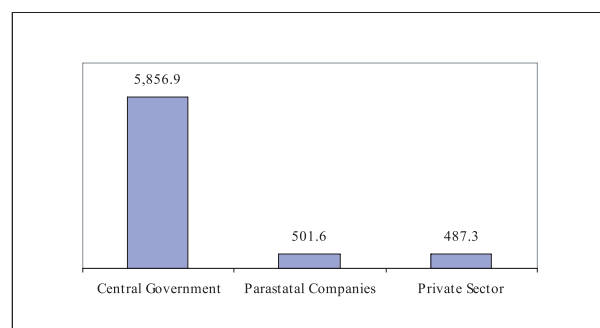
The stock of national debt (external and domestic) rose marginally to USD 9,526.3 million at the end August 2005 from USD 9,431.6 million registered at the end of July 2005. The increase in debt stock is mainly attributed to new disbursements and accumulation of arrears on Non-Paris Club Bilateral and Commercial debts. During the same period savings amounting to USD 6.3 million were realized from multilateral institutions, under the HIPC debt relief initiative..

## External Debt

External debt committed increased by USD 65. 5 million to USD 8,401.0 million as at end of August 2005. Out of this amount, about 82.3 percent – equivalent to USD 6,913.8 has been disbursed and USD 1,487.2 million, equivalent to 17.7 percent was committed undisbursed debt. Central Government continued to be the largest borrower with 85.8 percent of total debt while the parastatal companies and private sector each held 7.1 percent of the total debt.

**Chart 15: Holders of Outstanding External Debt as at 31st August 2005**

(In millions of USD)



## Debt Relief

Tanzania realized total saving of USD 6.3 million from multilateral creditors under HIPC arrangement. Out of this amount USD 3.5 million was realized from International Development Agency of the World Bank, 2.4 million from



the International Monetary Fund and USD 0.4 million from European Investment Bank A total of USD 382.2 million savings have been made with respect to multilateral creditors, under HIPC initiative since Tanzania qualified in 1999/2000.

Debt relief received from Paris Club bilateral creditor countries as at end August 2005 under Paris Club VII arrangement remains at the same level of USD 858.70 million as reported in the previous months, as no new relief was realized during the month. On the other hand Non-Paris Club Bilateral creditors have cancelled debt amounting to USD 174.2 million.

## Domestic Debt

Domestic debt stock of the central government as at end August 2005, increased by 0.76 percent to TZS 1,626.8 million, on account of sales of government securities for government financing purpose.

Commercial banks remained the leading government creditors by holding 44.3 percent of total domestic debt followed by pension funds with 25.2 percent, Bank of Tanzania 16.8 percent, Insurance companies 5.1 percent, non-bank financial institutions 2.2 percent and private sector 1.8 percent. Other official entities and BOT special funds altogether held 4.6 percent of total domestic debt.

During the month, domestic debt amounting to TZS 70.9 billion fell due, out of which TZS 6.1 billion was interest and TZS 64.8 billion was principal. The government paid the interest while the principal was rolled over.

# Economic Developments in Zanzibar

## Budgetary Operations

During August 2005, the Zanzibar Government budgetary performance on cheques issued basis recorded a deficit of TZS 1.4 billion before grants. Grants received during the month amounted to 2.0 billion, turning the deficit to a surplus of TZS 0.6 billion.

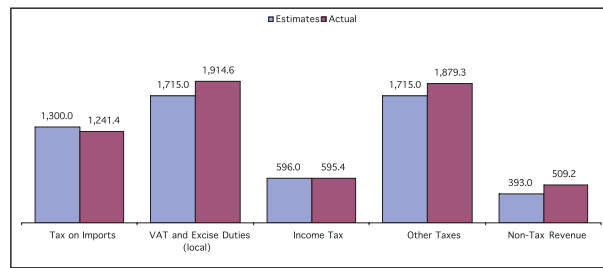
## Revenue Performance

Revenue amounted to TZS 6.1 billion, surpassing the target of TZS 5.7 billion. The impressive performance was accounted for by improvement in collection from VAT, exercise duty (local), and non-tax revenue. Tax revenue remained dominant (Chart 1.8a), accounting for TZS 5.6 billion largely due to increased tourism activities.

Revenue collection from July to August 2005 amounted to TZS 10.6 billion, slightly below the target of TZS 10.7 billion.

**Chart 16: Government Revenue by Source  
August 2005**

(In TZS Million)

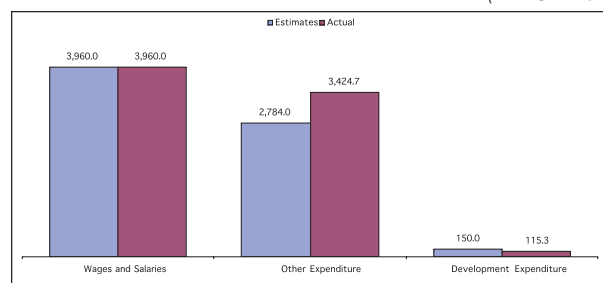


## Expenditure

Expenditure during August 2005 amounted to TZS 7.5 billion, slightly above the monthly ceiling of TZS 6.9 billion, due to payments of previous commitments. Out of total expenditure, recurrent expenditure amounted to TZS 7.4 billion and the balance represented development expenditure (excluding donor funds). Out of recurrent expenditures, wages and salaries dominated, accounting for about TZS 4.0 billion—in line with ceiling for the month - and 54 percent of total recurrent expenditure. From July to August 2005, the Government had spent TZS 16.0 billion against the projected expenditure of TZS 15.8 billion.

**Chart 17: Government Expenditure by  
Components August 2005**

(In TZS Million)



## Public Debt

The Zanzibar debt stock stood at TZS 188.6 billion at the end of August, 2005, slightly down from TZS 188.9 billion recorded in July, 2005. Out of the total debt, external debt accounted for 64.2 percent, while the remaining 35.8 percent was domestic debt.

## External Debt

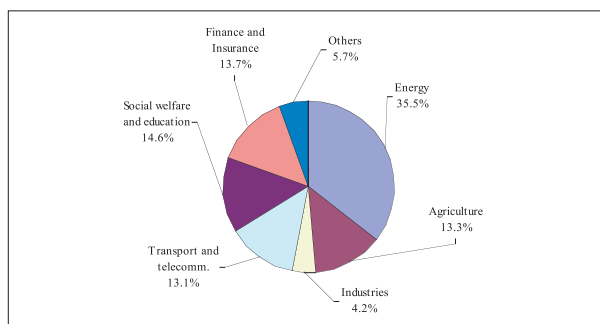
During the month of August 2005, Zanzibar's external debt declined marginally by 1.0 percent from USD 106.8 million recorded in the previous month mainly on account of servicing multilateral debts. The composition of external debt by creditor show that: Multilateral creditor's debt accounted for 56.7 percent of total external debt, bilateral debts accounted for 4.4 percent of total external debt, commercial debts 1.9 percent while export credits accounted for 4.7 percent of total external debt



In terms of maturity, more than half of the Zanzibar's external debt matures beyond 20 years period while debt maturing between 5 to 10 years for 42.0 percent of total external debt.

In terms of the distribution of disbursed funds, energy sector accounted for 37.5 percent of total external debt followed by; Social welfare and education 14.6 percent, finance and insurance sectors 13.7 percent, agriculture 13.3 percent, transport and telecommunication 13.1 percent, and industrial sector 4.2 percent. Other sectors accounted for 5.7 percent of the total external debt (Chart 2c).

**Chart 18: External debt by Use of Funds as at end – August, 2005**



## Domestic Debt

Domestic debt declined slightly to TZS 67.5 billion from TZS 67.9 billion recorded in the preceding month. Long-term loans amounting to TZS 11.2 billion, represented 16.6 percent of total domestic debt. Government stocks and treasury bills amounted to TZS 5.7 billion or 8.5 percent, and TZS 1.7 billion or 2.4 percent of total debt respectively. Treasury bonds stood at TZS 10.8 billion, accounting for 16.0 percent of total domestic debt, while other debt instruments represented 56.5 percent of total domestic debt.

## External Sector Performance

During August 2005, Zanzibar trade balance (goods and services) worsened to a deficit of USD 6.31 million, from a deficit of USD 1.31 million registered in the preceding month. The deterioration was mainly due to a decline in earnings from services coupled with an increase in the imports bill. On year-to-year basis, trade account deficit narrowed in August 2005 relative to the previous year (Table 1.1) owing largely to improved export performance and lower import bill.

**Table 11: Trade Account Balance**

*Millions of USD*

Item	2004		2005p				Year Ending August		Monthly %Change	Annual %Change
	August	May	June	July	August	2004	2005p			
<b>Exports</b>	<b>3.159</b>	<b>6.370</b>	<b>6.127</b>	<b>9.032</b>	<b>9.908</b>	<b>54.567</b>	<b>81.077</b>	<b>9.7</b>	<b>48.6</b>	
Goods	0.196	0.510	0.267	0.195	3.762	12.787	15.401	1824.5	20.4	
Services	2.963	5.860	5.860	8.837	6.146	41.780	65.676	-30.4	57.2	
<b>Imports</b>	<b>11.661</b>	<b>13.327</b>	<b>13.327</b>	<b>10.341</b>	<b>16.227</b>	<b>98.208</b>	<b>123.610</b>	<b>56.9</b>	<b>25.9</b>	
Goods (f.o.b)	9.390	5.882	5.882	5.984	9.801	69.745	79.739	63.8	14.3	
Services	2.271	7.445	7.445	4.357	6.427	28.463	43.871	47.5	54.1	
<b>Trade Balance</b>	<b>-8.50</b>	<b>-6.96</b>	<b>-7.20</b>	<b>-1.31</b>	<b>-6.32</b>	<b>-43.64</b>	<b>-42.53</b>	<b>382.4</b>	<b>(2.5)</b>	

Source: Tanzania Revenue Authority.  
P = Provisional



## Exports

During the month of August 2005, exports proceeds (goods and services) remained almost at the same level of about USD 9.9 million. The foreign exchange came mainly from cloves following the onset of export season.

For the year ending August 2005, total exports amounted to USD 81.1 million compared with USD 54.6 million recorded in the previous year. Services proceeds were dominant at USD 65.6 million and accounted for 81 percent of total export proceeds. Cloves and seaweeds exports amounted to USD 10.7 million and USD 3.1 million, respectively.

## Imports

During August 2005, Zanzibar import bill stood at around USD 9.1 million compared with USD 6 million recorded in the previous month, on account of an increase in capital goods mainly building and construction materials to cater for major projects including rehabilitation of Zanzibar port. On year-to-year basis, the import bill was USD 79.7 million compared with USD 69.76 million. The increase was mainly accounted for oil products following the increase in world oil prices, as well as increases in importation of building and construction materials for development projects (Table 12).

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

*Millions of USD*

Item	2004		2005p				Year Ending Aug		Monthly %Change	Annual %Change
	August	May	June	July	August	2004	2005p			
<b>CAPITAL GOODS</b>	<b>4.415</b>	<b>3.132</b>	<b>2.192</b>	<b>1.309</b>	<b>5.222</b>	<b>24.741</b>	<b>33.418</b>	<b>298.9</b>	<b>35.1</b>	
Transport Equipments	0.721	1.079	0.547	0.458	0.842	9.674	9.116	83.8	-5.8	
Building and Constructions	0.822	0.395	0.444	0.310	1.604	3.957	8.314	417.8	110.1	
Machinery	2.871	1.659	1.201	0.541	2.777	11.110	15.989	412.8	43.9	
<b>INTERMEDIATE GOODS</b>	<b>2.004</b>	<b>2.080</b>	<b>1.538</b>	<b>3.267</b>	<b>2.394</b>	<b>18.560</b>	<b>25.985</b>	<b>-26.7</b>	<b>40.0</b>	
Oil imports	1.459	1.685	1.211	3.089	2.161	14.202	19.830	-30.1	39.6	
Industrial raw materials	0.545	0.395	0.327	0.177	0.233	4.358	6.155	31.6	41.2	
<b>CONSUMER GOODS</b>	<b>3.899</b>	<b>1.767</b>	<b>2.734</b>	<b>2.000</b>	<b>3.154</b>	<b>33.342</b>	<b>28.222</b>	<b>57.7</b>	<b>-15.4</b>	
Food and food stuffs	3.006	0.916	1.772	1.445	1.793	23.084	14.657	24.1	-36.5	
All other consumer goods	0.893	0.851	0.961	0.554	1.361	10.257	13.565	145.5	32.2	
<b>GRAND TOTAL (CIF)</b>	<b>10.318</b>	<b>6.979</b>	<b>6.464</b>	<b>6.576</b>	<b>10.770</b>	<b>76.643</b>	<b>87.625</b>	<b>63.8</b>	<b>14.3</b>	
<b>GRAND TOTAL (FOB)</b>	<b>9.390</b>	<b>6.351</b>	<b>5.882</b>	<b>5.984</b>	<b>9.801</b>	<b>69.745</b>	<b>79.739</b>	<b>63.8</b>	<b>14.3</b>	

## Services Account

Zanzibar services account balance deteriorated during August 2005 to a deficit of USD 0.28 million from a surplus of USD 1.59 million, as a result of decline in services receipts, coupled with upswing in foreign payments. Foreign receipts declined to USD 6.1 million from USD 8.8 million earned in previous month, while payments increased from USD 4.4 million in the previous month to USD 6.4 million.

On year-to-year basis, the account recorded a surplus of USD 21.81 million in August 2005, compared to USD 13.32 million registered in the year ending August 2004. Receipts amounted to USD 65.6 million against payments of USD 43.8 million. Out of total receipts travel receipts represented 86.1 percent of total receipts, while out of total payments, 65.4 percent were associated with travelling.

## Selected Economic Indicators

Item	Unit	1998	1999	2000	2001	2002	2003	2004 <sup>a</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>								
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			
	<i>ACTUALS</i>		<i>BUDGET</i>	<i>2005/2006*</i>
	2003/2004	2004/2005	2005/2006	Jul-05
<b>Total Revenue</b>	<b>1,459,303.3</b>	<b>1,773,709.4</b>	<b>2,066,751.6</b>	<b>147,233.8</b>
Tax Revenue	1,342,798.2	1,615,247.0	1,895,966.6	137,571.9
Taxes on Imports	575,408.5	679,992.4	790,801.9	67,272.3
VAT and Excise on Local Goods	325,483.7	402,136.1	466,369.6	36,661.1
Refunds	- 48,245.1 -	64,376.4 -	67,834.4 -	7,654.5
Income Taxes	366,650.9	465,454.7	549,074.3	28,269.2
Other taxes	123,500.2	132,040.2	157,555.2	13,023.8
<b>Non- tax Revenue</b>	<b>116,505.1</b>	<b>158,462.4</b>	<b>170,785.0</b>	<b>9,661.9</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>
Recurrent expenditure	1,780,115.1	2,093,054.9	2,790,867.3	87,418.0
Wages and salaries (Central & Local Govt.)	462,963.9	435,780.1	681,897.3	53,146.0
Interest payments	108,533.8	104,290.4	174,762.9	9,526.5
Domestic	70,231.6	189,709.0	100,178.3	8,669.2
Foreign	38,302.3	95,055.1	74,584.6	857.2
Goods, Services and transfers	1,208,617.3	973,808.7	1,934,207.1	24,745.5
o/w Roadtoll fund	77,125.6	68,511.7	-	-
Retention fund	47,449.0	502,573.3	59,580.0	-
<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>
Local	133,041.3	239,651.1	370,037.8	-
Foreign	603,786.8	831,509.5	1,015,145.3	33,303.1
Overall Deficit (cheques issued) before Grants	- 1,057,639.8 -	1,390,506.2 -	2,109,298.8	26,512.7
<b>Grants</b>	<b>696,672.5</b>	<b>724,396.5</b>	<b>1,011,345.0</b>	<b>25,630.2</b>
Program	278,500.1	364,280.3	345,475.6	6,695.7
Project	248,325.9	131,735.2	340,972.4	11,439.1
Basket Support	92,429.3	156,071.6	231,297.0	7,495.5
HIPC Relief	77,417.3	72,309.4	93,600.0	-
Overall deficit (cheques issued) after grants	- 360,967.3 -	666,109.6 -	1,097,953.9	52,142.9
Expenditure Float	168,942.0	140,141.5	-	146,552.4
Overall Deficit including Float	- 192,025.3 -	525,968.1 -	1,097,953.9 -	94,409.5
Adjustments to cash and other items(net)	-38,772	-59,596	0	-43,100
Overall deficit (cheques cleared)	- 399,739.5 -	727,075.2 -	1,097,953.9 -	137,509.2
<b>Financing</b>	<b>399,739.5</b>	<b>727,075.2</b>	<b>1,097,953.9</b>	<b>137,509.2</b>
Foreign Financing (net)	434,235.4	582,130.1	584,888.5	13,642.3
Loans	479,420.1	689,219.7	713,564.9	14,368.6
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
Basket support	1,901.9	156,744.7	101,291.4	-
Amortization	- 45,184.8 -	107,089.6 -	128,676.5 -	726.3
Domestic (net)	- 34,495.9 -	144,945.2	513,065.4	123,866.9
Domestic Financing	- 83,681.2 -	97,313.2	514,905.7	123,866.9
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 item						
	Domestic credit (net)					TOTAL sum(2-5) or sum(9-13)	M2, Broad Money		M1, Narrow Money			TOTAL sum (9,15)	of which: Reserves		
	Foreign assets (net)	Claims on government (net)	Claims on other domestic sectors (net)	Other items (net)	TOTAL		TOTAL	TOTAL	Currency in circulation outside banks	Demand deposits	Time deposits			Savings deposits	Foreign currency deposits
1990	6,393.5	54,180.9	145,461.4	-35,839.6	170,196.2	166,674.8	111,084.9	57,919.1	53,165.8	35,002.6	20,587.3	3,521.4	247,752.2	-33,143.9	
1991	20,050.1	39,717.8	198,152.6	-40,580.3	217,340.2	211,579.0	135,925.8	63,604.6	72,321.2	43,383.5	32,269.7	5,761.2	142,003.8	78,399.2	
1992	58,322.8	82,201.2	39,144.6	122,257.3	301,925.9	284,968.3	185,876.2	95,454.5	90,421.7	62,459.1	36,633.0	16,957.6	112,750.2	17,295.7	
1993	33,889.4	184,089.3	245,784.1	-43,127.2	420,635.6	367,094.8	247,091.1	122,166.7	124,924.4	69,607.5	50,396.2	53,540.8	152,320.8	30,154.1	
2000-Jan	653,964.3	366,441.8	304,333.1	-127,947.1	1,196,792.2	934,455.7	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	136,880.4	
April	681,370.9	369,526.8	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	303,849.8	-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	463,855.0	123,964.7	
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	501,973.0	185,547.6	
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	523,301.0	165,232.2	
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	555,476.0	171,395.4	
September	772,595.5	355,204.9	330,817.3	-152,202.7	1,306,505.0	1,027,744.6	642,007.9	361,680.6	280,327.4	170,508.0	215,228.7	278,760.4	534,076.0	164,311.0	
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	695,006.0	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	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	700,259.8	366,101.6	304,158.2	179,356.2	228,222.1	311,781.8	547,529.7	181,428.7	
February	828,877.5	291,972.6	342,335.3	-61,106.8	1,402,078.6	1,083,471.2	695,195.9	360,667.2	298,528.7	188,866.2	235,409.7	318,607.4	533,655.9	172,988.7	
March	957,511.5	250,323.3	366,537.8	-148,979.5	1,425,393.2	1,069,390.9	653,851.0	358,723.7	295,127.4	179,987.2	235,526.6	356,003.2	523,357.2	164,633.0	
April	991,381.2	237,448.7	375,519.2	-176,359.2	1,427,990.0	1,069,114.1	667,002.7	350,296.3	306,706.3	178,021.5	234,089.9	358,875.8	506,853.6	156,557.3	
May	991,355.7	272,178.9	370,418.6	-190,874.8	1,443,080.3	1,073,736.9	660,706.0	357,926.2	302,780.3	176,931.2	232,780.7	369,343.4	525,353.8	162,427.5	
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	384,973.7	-185,766.5	1,471,386.0	1,087,185.2	672,962.6	367,644.9	305,047.6	179,261.6	235,231.0	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	1,161,170.7	728,258.5	383,989.6	344,269.0	191,742.6	247,769.6	388,183.9	562,575.5	178,586.0	
October	1,139,114.8	257,683.9	399,971.2	-203,504.5	1,593,265.4	1,178,716.9	733,014.4	392,763.3	340,251.1	198,020.0	247,682.5	414,548.6	577,715.6	184,952.3	
November	1,185,337.3	253,030.2	405,040.6	-215,182.2	1,610,225.9	1,211,966.0	756,501.4	409,503.0	347,446.6	202,702.0	252,313.9	398,259.9	558,180.7	148,977.3	
December	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	170,730.2	
2002-Jan	1,244,572.3	211,117.3	424,034.3	-203,937.2	1,675,787.2	1,249,011.9	772,079.0	389,698.9	383,081.8	218,710.6	267,775.0	426,775.3	590,552.6	200,853.7	
February	1,358,005.5	149,568.8	431,266.2	-229,564.0	1,709,664.4	1,262,854.6	787,086.3	391,993.3	395,093.1	209,448.3	266,320.0	446,809.8	587,741.7	195,304.5	
March	1,365,588.3	157,637.1	441,943.7	-220,217.8	1,744,951.3	1,267,737.6	776,040.4	402,948.8	373,091.8	213,470.3	278,228.7	477,213.7	550,253.6	147,748.9	
April	1,354,456.8	183,484.9	445,125.3	-230,578.7	1,752,488.2	1,268,835.8	766,271.1	398,186.6	368,084.5	212,907.8	289,656.9	483,652.5	583,662.4	185,475.8	
May	1,308,437.7	191,092.9	455,432.1	-178,860.6	1,776,103.0	1,307,466.2	791,212.9	409,639.8	382,573.1	219,535.4	296,719.9	468,636.8	609,930.0	200,290.8	
June	1,293,645.0	202,879.0	482,041.4	-180,675.5	1,779,899.9	1,333,524.2	815,576.3	429,383.9	386,192.4	218,602.1	299,345.8	464,365.7	573,088.0	143,704.1	
July	1,136,101.9	250,064.6	480,721.1	-207,437.0	1,839,450.6	1,369,608.8	837,331.5	433,054.4	404,277.1	236,120.0	296,157.3	469,841.8	633,397.5	200,743.0	
August	1,322,133.4	319,811.7	530,484.4	-256,744.1	1,915,685.4	1,421,212.7	879,946.7	466,750.3	413,196.4	243,819.8	297,446.2	494,472.6	704,007.0	237,256.7	
September	1,354,621.1	316,963.1	546,722.1	-287,258.4	1,931,047.9	1,452,980.7	912,428.8	474,990.5	437,438.2	241,421.9	299,130.0	478,067.2	795,812.5	320,822.0	
October	1,440,512.5	276,827.5	561,301.4	-299,789.5	1,978,852.0	1,471,851.2	932,828.8	488,790.9	444,037.9	232,950.6	306,071.7	507,088.0	807,000.0	300,000.0	
November	1,442,965.9	319,900.7	562,604.4	-321,205.3	2,004,263.8	1,499,957.7	957,111.4	500,899.4	456,212.0	228,941.6	313,904.7	504,306.1	807,000.0	300,000.0	
December	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	201,059.7	
2003-Jan	1,651,202.9	257,045.5	580,247.7	-447,855.8	2,040,640.2	1,490,504.1	918,121.1	471,090.0	447,031.1	239,917.6	332,465.4	550,136.1	680,510.8	209,420.8	
February	1,655,007.2	306,398.7	582,609.9	-422,656.0	2,121,359.8	1,537,802.9	948,324.8	461,323.0	447,001.9	240,674.6	348,803.4	583,556.9	678,757.9	217,434.9	
March	1,707,928.0	272,871.6	598,111.4	-491,261.2	2,087,649.8	1,502,204.6	908,801.0	447,867.7	460,934.1	239,653.3	353,749.5	585,445.2	649,571.0	201,703.3	
April	1,674,904.9	295,633.3	621,068.4	-501,654.3	2,089,952.3	1,498,745.2	941,951.6	432,855.8	509,095.8	230,242.1	326,551.5	591,207.1	695,283.1	262,427.3	
May	1,725,548.0	294,589.7	645,351.3	-557,846.1	2,107,643.0	1,490,711.8	925,455.0	446,842.6	478,612.3	238,579.8	326,677.1	616,931.2	681,295.7	234,453.1	
June	1,871,286.6	199,679.4	658,524.6	-523,596.0	2,205,894.0	1,558,784.9	981,147.7	473,703.5	507,442.2	246,719.6	383,292.4	647,109.1	639,661.8	165,958.3	
July	1,909,018.8	185,139.7	701,909.0	-540,408.9	2,255,658.6	1,602,637.6	1,049,006.7	495,295.6	553,711.1	224,169.8	329,461.1	653,020.9	776,307.4	281,011.8	
August	2,085,236.8	172,642.0	728,882.9	-533,587.0	2,263,174.7	1,607,279.1	1,037,088.8	503,545.3	533,543.5	237,208.4	332,981.9	655,895.6	767,473.8	263,928.4	
September	2,087,692.5	-35,083.4	764,967.9	-520,451.2	2,297,125.8	1,649,505.4	1,085,306.0	517,258.6	580,378.3	226,730.3	337,469.1	647,620.4	687,925.1	182,997.4	
October	2,116,418.7	9,810.7	783,154.0	-605,331.7	2,304,051.6	1,669,610.4	1,083,761.2	517,258.6	566,502.6	232,258.4	353,590.8	634,441.2	763,852.8	246,594.0	
November	2,125,383.8	55,935.6	782,188.2	-580,810.4	2,382,697.2	1,718,191.4	1,120,008.9	538,666.2	581,342.7	230,462.5	367,720.0	664,505.8	790,141.2	251,475.0	
December	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	230,958.5	376,771.9	667,206.2	783,309.0	230,263.2	
2004-Jan	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		

Table A4: Tanzania: Interest Rate Structure

	Percent									
	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	June-05	July-05	Prov. August-05
<b>A: Domestic Currency</b>										
<b>1 Interbank Cash Market Rates</b>										
Overnight	6.72	4.10	5.69	5.19	4.49	5.47	4.82	5.04	4.70	7.11
2 to 7 days	7.50	4.36	5.74	5.55	4.55	5.80	5.32	5.15	5.31	7.23
8 to 14 days	7.27	8.07	6.00	5.84	5.06	6.25	5.70	5.58	6.40	8.73
15 to 30 days	10.26	6.25	7.79	7.87	6.32	6.32	6.09	6.16	6.20	8.00
31 to 60 days	9.24	8.36	8.74	8.02	6.92	7.53	6.47	5.60	7.91	8.67
61 to 90 days	9.40	9.40	9.40	9.40	9.40	7.40	7.40	7.40	8.75	10.57
91 to 180 days	6.69	9.67	10.05	9.06	8.50	9.30	8.39	8.39	10.26	11.73
181 and above	10.21	9.92	10.00	8.70	9.23	10.50	9.47	9.20	9.20	9.20
<b>Overall interbank cash market rate</b>	<b>7.42</b>	<b>4.90</b>	<b>6.12</b>	<b>5.83</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>2 Lombard Rate</b>	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>	5.09	5.54	5.48	5.12	5.00	5.32	5.19	5.24	5.38	7.12
<b>4 Treasury Bills Rates</b>										
35 days	8.56	8.13	8.23	7.76	6.51	5.75	5.30	6.60	7.03	8.42
91 days	9.64	9.63	9.64	8.82	8.16	8.12	8.02	8.12	10.35	11.51
182 days	9.89	9.87	10.22	9.82	9.38	9.37	9.18	9.43	10.53	11.46
364 days	10.91	10.67	10.84	10.38	9.81	9.81	9.76	10.51	11.93	12.64
<b>Overall treasury bills rate</b>	<b>9.75</b>	<b>9.56</b>	<b>9.72</b>	<b>9.40</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>5 Treasury Bonds- 2-years</b>										
	12.00	12.00	13.00	13.31	14.64	11.68	13.24	15.05	14.82	14.91
<b>5-years</b>	11.66	11.66	11.66	11.66	12.62	12.94	12.11	12.11	13.19	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
<b>10-years</b>	12.61	12.61	12.61	12.61	14.10	14.10	14.10	14.10	14.10	14.10
<b>6 Discount Rate</b>										
	14.90	14.42	14.73	14.40	13.64	13.60	13.80	13.92	15.14	16.04
<b>7 Savings Deposit Rate</b>										
	2.45	2.60	2.61	2.59	2.61	2.61	2.62	2.61	2.60	2.59
<b>8 Time Deposits Rates</b>										
<b>4.32</b>	<b>4.39</b>	<b>4.73</b>	<b>4.72</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>	
Call Accounts	1.45	2.15	2.03	2.32	2.37	2.20	1.54	0.98	0.96	0.98
1 month	3.08	3.19	2.92	3.48	3.30	2.64	2.68	3.25	3.19	3.33
2 months	5.05	4.46	6.26	5.16	4.91	6.26	5.71	5.22	5.44	5.22
3 months	3.58	5.35	5.50	4.78	5.03	4.59	4.84	4.45	4.90	5.18
6 months	5.95	5.85	6.08	5.32	5.35	5.09	5.44	5.63	5.72	5.57
9 months										
12 months	5.94	5.81	5.90	5.50	6.03	6.16	6.27	5.97	5.69	5.82
24 months	5.22	3.96	4.46	6.45	4.89	4.78	5.45	5.39	5.47	5.64
<b>9 Negotiated Deposit Rates</b>										
	8.39	8.77	8.79	8.78	8.84	8.60	8.65	8.49	8.87	9.01
<b>10 Lending rates</b>										
<b>14.69</b>	<b>14.80</b>	<b>14.99</b>	<b>15.56</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>	
Call Loans	19.25	19.25	19.25	19.25	19.25	19.25	14.50	14.50	14.50	19.25
Short-term (up to 1 year)	14.95	14.23	15.06	16.23	15.98	15.77	16.09	16.06	16.14	15.82
Medium-term (1-2 years)	17.77	17.17	17.23	16.98	16.96	16.98	17.03	16.77	16.41	16.63
Medium-term (2-3 years)	14.12	15.32	15.18	15.13	15.43	15.87	15.84	16.21	15.39	15.05
Long-term (3-5 years)	13.36	12.59	12.77	14.17	13.27	12.81	13.37	13.87	12.72	13.52
Term Loans (over 5 years)	13.25	14.67	14.74	15.30	15.37	14.63	14.62	14.65	14.18	14.32
<b>11 Negotiated Lending Rates</b>										
	10.87	11.05	11.33	10.29	10.32	10.33	10.54	11.01	11.51	11.39
<b>B: Foreign Currency</b>										
<b>1 Deposits Rates</b>										
Call Accounts	0.21	0.59	0.51	0.61	0.45	0.63	0.41	0.47	0.55	0.39
<b>Savings Deposits</b>	<b>0.74</b>	<b>0.65</b>	<b>0.73</b>	<b>0.72</b>	<b>0.72</b>	<b>0.87</b>	<b>0.67</b>	<b>0.67</b>	<b>0.65</b>	<b>0.66</b>
<b>Time Deposits</b>	<b>1.11</b>	<b>1.66</b>	<b>1.63</b>	<b>1.17</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>
1-months	0.86	1.01	1.17	0.98	1.29	0.99	1.26	1.18	1.31	1.24
2-months	0.86	2.73	1.71	1.26	1.27	1.59	1.27	1.58	1.32	1.52
3-months	0.98	1.57	1.93	1.10	1.38	1.11	1.67	1.74	1.83	2.28
6-months	1.17	1.25	1.41	1.19	1.46	1.61	1.38	1.45	1.34	1.25
12-months	1.67	1.72	1.90	1.35	1.44	1.68	2.47	2.62	2.84	2.63
<b>2 Lending Rates</b>										
<b>7.06</b>	<b>7.33</b>	<b>7.67</b>	<b>7.69</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>	
Short-term (up to 1 year)	6.53	7.46	7.30	6.88	6.98	6.86	7.65	6.86	7.41	7.01
Medium-term (1-2 years)	8.29	7.41	7.98	8.09	8.35	7.96	7.05	7.70	7.86	6.55
Medium-term (2-3 years)	7.20	8.03	7.89	8.20	8.63	8.61	7.70	9.28	8.02	7.56
Long-term (3-5 years)	6.21	6.40	7.36	7.34	7.04	7.20	7.36	8.99	8.42	7.47
Term Loans (over 5 years)			7.82	7.94	8.37	8.31	8.20	7.36	7.54	7.61

Source: Bank of Tanzania





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

	2004		% Change	2005p		% Change	Year ending August <sup>p</sup>		% Change
	July	August		July	August		2004	2005	
<b>Traditional Exports</b>									
<b>COFFEE</b>									
Value	0.8	0.7	-4.5	1.0	0.9	-13.7	40.7	73.5	80.6
Volume	0.6	0.8	27.0	0.8	0.7	-8.8	33.9	49.8	46.9
Unit Price	1,224.8	920.5	-24.8	1,250.0	1,182.4	-5.4	1,199.6	1,475.1	23.0
<b>COTTON</b>									
Value	3.9	11.4	--	5.0	8.7	73.3	48.5	93.4	92.7
Volume	3.6	10.9	--	6.4	9.5	49.0	47.8	96.4	101.7
Unit Price	1,072.3	1,046.6	-2.4	781.3	908.7	16.3	1,013.8	968.5	-4.5
<b>SISAL</b>									
Value	0.7	0.6	-14.7	0.3	0.3	-14.4	7.6	6.8	-11.2
Volume	1.1	0.8	-20.8	0.4	0.3	-19.3	13.6	8.7	-36.0
Unit Price	628.8	677.0	7.7	750.0	794.8	6.0	561.9	779.6	38.7
<b>TEA</b>									
Value	0.8	0.9	13.9	0.5	1.5	192.5	26.7	29.4	10.4
Volume	0.6	0.8	30.8	0.4	1.0	157.4	21.8	24.7	13.3
Unit Price	1,326.7	1,154.6	-13.0	1,250.0	1,420.5	13.6	1,225.0	1,193.4	-2.6
<b>TOBACCO</b>									
Value	1.1	13.6	--	4.0	-	--	61.3	52.1	-14.9
Volume	0.7	4.9	--	1.8	-	--	30.1	24.9	-17.3
Unit Price	1,553.3	2,760.5	77.7	2,222.2	1,114.5	-49.8	2,038.0	2,097.2	2.9
<b>CASHEWNUTS</b>									
Value	0.0	0.6	--	0.0	-	--	47.2	61.0	29.2
Volume	0.0	1.0	--	0.0	-	--	75.0	70.4	-6.1
Unit Price	0.0	539.2	--	0.0	706.7	--	629.4	866.6	37.7
<b>CLOVES</b>									
Value	0.00	0.0	0.0	0.00	3.44	0.00	9.4	6.5	-30.1
Volume	0.00	0.0	0.0	0.00	1.18	0.00	5.5	2.1	-61.5
Unit Price	0.00	0.0	0.0	0.00	2,923.15	0.00	1,688.4	3,068.3	81.7
<b>SUB TOTAL</b>	<b>7.2</b>	<b>27.8</b>	<b>284.7</b>	<b>10.8</b>	<b>14.7</b>	<b>36.2</b>	<b>241.4</b>	<b>322.8</b>	<b>33.8</b>
<b>Non-Traditional Exports</b>									
<b>Minerals</b>	<b>65.3</b>	<b>51.6</b>	<b>-21.1</b>	<b>56.8</b>	<b>58.8</b>	<b>3.5</b>	<b>661.0</b>	<b>719.6</b>	<b>8.9</b>
Gold	56.8	46.7	-17.8	53.5	55.0	2.9	615.1	673.9	9.6
Diamond	4.3	1.6	-62.5	-	0.8	-56.0	22.2	15.5	-30.2
Other minerals <sup>1</sup>	4.3	3.3	-22.8	3.4	3.0	-10.5	23.6	30.1	27.4
<b>Manufactured Goods</b>	<b>8.2</b>	<b>8.5</b>	<b>4.2</b>	<b>11.1</b>	<b>10.7</b>	<b>-3.5</b>	<b>98.1</b>	<b>134.8</b>	<b>37.4</b>
Cotton Yarn	0.3	0.5	79.0	0.1	0.6	485.6	5.4	4.4	-18.1
Manufactured Coffee	0.1	0.0	-41.2	0.0	0.5	--	0.5	4.4	793.9
Manufactured Tobacco	0.0	0.0	0.0	0.0	0.2	--	1.1	0.3	-96.9
Sisal Products (Yarn & Twine)	0.3	0.2	-28.3	0.3	0.4	25.9	3.2	4.3	36.2
Other manufactured Goods <sup>2</sup>	7.5	7.7	2.9	10.7	9.0	-15.9	88.0	121.4	38.1
<b>Fish and Fish Products</b>	<b>12.2</b>	<b>9.7</b>	<b>-20.4</b>	<b>9.2</b>	<b>9.6</b>	<b>4.2</b>	<b>125.9</b>	<b>141.6</b>	<b>12.5</b>
<b>Horticultural products</b>	<b>0.8</b>	<b>0.7</b>	<b>-12.9</b>	<b>1.9</b>	<b>1.7</b>	<b>-12.2</b>	<b>13.7</b>	<b>18.8</b>	<b>37.0</b>
<b>Others Exports<sup>3</sup></b>	<b>12.8</b>	<b>10.6</b>	<b>-17.3</b>	<b>12.5</b>	<b>10.2</b>	<b>-18.7</b>	<b>108.1</b>	<b>131.6</b>	<b>21.8</b>
<b>SUB TOTAL</b>	<b>99.2</b>	<b>81.0</b>	<b>-18.4</b>	<b>91.6</b>	<b>91.0</b>	<b>-0.6</b>	<b>1,006.7</b>	<b>1,146.3</b>	<b>13.9</b>
<b>GRAND TOTAL</b>	<b>106.4</b>	<b>108.8</b>	<b>2.2</b>	<b>102.4</b>	<b>105.7</b>	<b>3.2</b>	<b>1,248.1</b>	<b>1,469.1</b>	<b>17.7</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 A5 (b): Tanzania Imports (By Major Category) - f.o.b. Value**

	Million of US\$												
	2004				2005p				Year ending August <sup>p</sup>				
	July	August	% change	July	August	% change	2004	2005	% Change	2004	2005	% Change	
<b>CAPITAL GOODS</b>													
Transport Equipment	79.9	72.6	-9.1	73.6	77.1	4.8	804.2	968.0	20.4	804.2	968.0	20.4	
Building and Constructions Equipment	21.0	19.4	-7.7	18.8	21.7	15.3	231.5	235.3	1.6	231.5	235.3	1.6	
Machinery	11.0	15.2	37.8	18.3	17.9	-1.8	161.1	223.0	38.4	161.1	223.0	38.4	
<b>INTERMEDIATE GOODS</b>													
Oil imports	48.0	38.1	-20.5	36.5	37.5	2.7	411.6	509.7	23.8	411.6	509.7	23.8	
Fertilizers	37.8	30.4	-19.4	62.2	46.9	-24.6	649.6	623.0	-4.1	649.6	623.0	-4.1	
Industrial raw materials	18.6	8.2	-56.0	35.0	22.8	-35.1	379.8	327.5	-13.8	379.8	327.5	-13.8	
<b>CONSUMER GOODS</b>													
Food and foodstuffs	7.0	2.8	-60.5	11.0	2.9	-73.2	39.8	67.8	70.2	39.8	67.8	70.2	
All other consumer goods <sup>1</sup>	12.2	19.5	59.7	16.2	21.2	31.2	229.9	227.7	-0.9	229.9	227.7	-0.9	
<b>GRAND TOTAL (F.O.B)</b>	51.5	62.5	21.4	48.1	63.0	30.9	712.0	735.6	3.3	712.0	735.6	3.3	
	12.0	18.0	50.6	11.3	12.8	13.5	243.6	179.1	-26.5	243.6	179.1	-26.5	
	39.5	44.4	12.5	36.8	50.2	36.3	468.4	556.5	18.8	468.4	556.5	18.8	
<b>GRAND TOTAL (C.I.F)</b>	169.1	165.5	-2.1	183.9	187.0	1.7	2,165.8	2,326.6	7.4	2,165.8	2,326.6	7.4	
	185.9	181.9	-2.1	202.1	205.5	1.7	2,380.0	2,556.7	7.4	2,380.0	2,556.7	7.4	

**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 A5 (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>	<i>-783.9</i>	<i>-608.8</i>	<i>-804.2</i>	<i>-946.3</i>
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>	<i>37.2</i>	<i>0.1</i>	<i>-83.0</i>	<i>-116.1</i>
<i>Balance on Goods and Services</i>	<i>-746.8</i>	<i>-608.7</i>	<i>-887.2</i>	<i>-1062.5</i>
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
Balance on Income	-85.2	-22.7	-43.9	-40.3
Balance on Goods, Services and Income	-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>	<i>-809.6</i>	<i>-112.4</i>	<i>69.9</i>	<i>-98.1</i>
<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.TZ\$	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: Tanzania: Interest Rate Structure

	Percent									
	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	June-05	July-05	Prov. August-05
<b>A: Domestic Currency</b>										
<b>1 Interbank Cash Market Rates</b>										
Overnight	6.72	4.10	5.69	5.19	4.49	5.47	4.82	5.04	4.70	7.11
2 to 7 days	7.50	4.36	5.74	5.55	4.55	5.80	5.32	5.15	5.31	7.23
8 to 14 days	7.27	8.07	6.00	5.84	5.06	6.25	5.70	5.58	6.40	8.73
15 to 30 days	10.26	6.25	7.79	7.87	6.32	6.32	6.09	6.16	6.20	8.00
31 to 60 days	9.24	8.36	8.74	8.02	6.92	7.53	6.47	5.60	7.91	8.67
61 to 90 days	9.40	9.40	9.40	9.40	9.40	7.40	7.40	7.40	8.75	10.57
91 to 180 days	6.69	9.67	10.05	9.06	8.50	9.30	8.39	8.39	10.26	11.73
181 and above	10.21	9.92	10.00	8.70	9.23	10.50	9.47	9.20	9.20	9.20
<b>Overall interbank cash market rate</b>	<b>7.42</b>	<b>4.90</b>	<b>6.12</b>	<b>5.83</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>2 Lombard Rate</b>	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>	5.09	5.54	5.48	5.12	5.00	5.32	5.19	5.24	5.38	7.12
<b>4 Treasury Bills Rates</b>										
35 days	8.56	8.13	8.23	7.76	6.51	5.75	5.30	6.60	7.03	8.42
91 days	9.64	9.63	9.64	8.82	8.16	8.12	8.02	8.12	10.35	11.51
182 days	9.89	9.87	10.22	9.82	9.38	9.37	9.18	9.43	10.53	11.46
364 days	10.91	10.67	10.84	10.38	9.81	9.81	9.76	10.51	11.93	12.64
<b>Overall treasury bills rate</b>	<b>9.75</b>	<b>9.56</b>	<b>9.72</b>	<b>9.40</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>5 Treasury Bonds- 2-years</b>										
5-years	12.00	12.00	13.00	13.31	14.64	11.68	13.24	15.05	14.82	14.91
7-years	11.66	11.66	11.66	11.66	12.62	12.94	12.11	12.11	13.19	15.00
10-years	10.44	10.44	10.44	10.44	13.05	12.60	13.21	13.21	13.05	13.14
	12.61	12.61	12.61	12.61	14.10	14.10	14.10	14.10	14.10	14.10
<b>6 Discount Rate</b>	14.90	14.42	14.73	14.40	13.64	13.60	13.80	13.92	15.14	16.04
<b>7 Savings Deposit Rate</b>	2.45	2.60	2.61	2.59	2.61	2.61	2.62	2.61	2.60	2.59
<b>8 Time Deposits Rates</b>										
Call Accounts	4.32	4.39	4.73	4.72	4.56	4.53	4.56	4.41	4.48	4.53
1 month	1.45	2.15	2.03	2.32	2.37	2.20	1.54	0.98	0.96	0.98
2 months	3.08	3.19	2.92	3.48	3.30	2.64	2.68	3.25	3.19	3.33
3 months	5.05	4.46	6.26	5.16	4.91	6.26	5.71	5.22	5.44	5.22
6 months	3.58	5.35	5.50	4.78	5.03	4.59	4.84	4.45	4.90	5.18
9 months	5.95	5.85	6.08	5.32	5.35	5.09	5.44	5.63	5.72	5.57
12 months	5.94	5.81	5.90	5.50	6.03	6.16	6.27	5.97	5.69	5.82
24 months	5.22	3.96	4.46	6.45	4.89	4.78	5.45	5.39	5.47	5.64
<b>9 Negotiated Deposit Rates</b>										
	8.39	8.77	8.79	8.78	8.84	8.60	8.65	8.49	8.87	9.01
<b>10 Lending rates</b>										
Call Loans	14.69	14.80	14.99	15.56	15.40	15.21	15.39	15.51	14.97	15.07
Short-term (up to 1 year)	19.25	19.25	19.25	19.25	19.25	19.25	14.50	14.50	14.50	19.25
Medium-term (1-2 years)	14.95	14.23	15.06	16.23	15.98	15.77	16.09	16.06	16.14	15.82
Medium-term (2-3 years)	17.77	17.17	17.23	16.98	16.96	16.98	17.03	16.77	16.41	16.63
Long-term (3-5 years)	14.12	15.32	15.18	15.13	15.43	15.87	15.84	16.21	15.39	15.05
Term Loans (over 5 years)	13.36	12.59	12.77	14.17	13.27	12.81	13.37	13.87	12.72	13.52
	13.25	14.67	14.74	15.30	15.37	14.63	14.62	14.65	14.18	14.32
<b>1 Deposits Rates</b>										
Call Accounts	0.21	0.59	0.51	0.61	0.45	0.63	0.41	0.47	0.55	0.39
<b>Savings Deposits</b>	0.74	0.65	0.73	0.72	0.72	0.87	0.67	0.67	0.65	0.66
<b>Time Deposits</b>	<b>1.11</b>	<b>1.66</b>	<b>1.63</b>	<b>1.17</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>
1-months	0.86	1.01	1.17	0.98	1.29	0.99	1.26	1.18	1.31	1.24
2-months	0.86	2.73	1.71	1.26	1.27	1.59	1.27	1.58	1.32	1.52
3-months	0.98	1.57	1.93	1.10	1.38	1.11	1.67	1.74	1.83	2.28
6-months	1.17	1.25	1.41	1.19	1.46	1.61	1.38	1.45	1.34	1.25
12-months	1.67	1.72	1.90	1.35	1.44	1.68	2.47	2.62	2.84	2.63
<b>2 Lending Rates</b>										
Short-term (up to 1 year)	7.06	7.33	7.67	7.69	7.87	7.79	7.59	8.04	7.85	7.24
Medium-term (1-2 years)	6.53	7.46	7.30	6.88	6.98	6.86	7.65	6.86	7.41	7.01
Medium-term (2-3 years)	8.29	7.41	7.98	8.09	8.35	7.96	7.05	7.70	7.86	6.55
Long-term (3-5 years)	7.20	8.03	7.89	8.20	8.63	8.61	7.70	9.28	8.02	7.56
Term Loans (over 5 years)	6.21	6.40	7.36	7.34	7.04	7.20	7.36	8.99	8.42	7.47
			7.82	7.94	8.37	8.31	8.20	7.36	7.54	7.61

Source: Bank of Tanzania



**Table A7: External Debt Developments**

ITEM	1998/99	2003/04	2004/05	2005/6		% Change	% Share of Total
				Jul-05	Aug-05		
<b>1. Overall debt committed (2)</b>	<b>7,972.9</b>	<b>8,088.3</b>	<b>8,345.1</b>	<b>8,335.5</b>	<b>8,401.0</b>	<b>0.8</b>	<b>100.0</b>
Disbursed outstanding debt	<b>6,580.3</b>	<b>6,678.3</b>	<b>6,799.5</b>	<b>6,845.8</b>	<b>6,913.8</b>	<b>1.0</b>	<b>82.3</b>
Undisbursed debt	<b>1,392.6</b>	<b>1,410.0</b>	<b>1,545.6</b>	<b>1,489.7</b>	<b>1,487.2</b>	<b>(0.2)</b>	<b>17.7</b>
<b>1. Disbursed debt by creditor category (2)</b>	<b>6,580.3</b>	<b>6,678.3</b>	<b>6,799.5</b>	<b>6,845.8</b>	<b>6,913.8</b>	<b>1.0</b>	<b>100.0</b>
Bilateral	2,791.8	1,483.6	1,502.3	1,555.4	1,578.5	1.5	22.8
Multilateral	3,330.1	4,570.0	4,626.3	4,622.7	4,639.7	0.4	67.1
Commercial	251.5	391.2	416.4	413.4	441.1	6.7	6.4
Export credits	206.9	233.5	254.5	254.3	254.5	0.1	3.7
<b>3. Disbursed Debt by borrower category (2)</b>	<b>6,580.3</b>	<b>6,678.3</b>	<b>6,799.5</b>	<b>6,845.8</b>	<b>6,913.8</b>	<b>1.0</b>	<b>100.0</b>
Central Government	6,168.2	6,092.0	5,830.5	5,856.9	5,934.8	1.3	85.8
Parastatal Companies	165.1	149.1	477.5	501.6	490.6	(2.2)	7.1
Private Sector	247.0	437.2	491.5	487.3	488.4	0.2	7.1
<b>4. Disbursed debt by use of funds (2)</b>	<b>6,580.3</b>	<b>6,678.3</b>	<b>6,799.5</b>	<b>6,845.8</b>	<b>6,913.8</b>	<b>1.0</b>	<b>100.0</b>
Balance of payment support	1,512.2	1,275.1	1,335.1	1,432.4	1,440.2	0.5	20.8
Transport & Telecommunication	1,337.8	1,085.1	1,073.5	1,077.3	1,103.5	2.4	16.0
Agriculture	963.8	967.7	1,077.8	1,059.1	1,068.5	0.9	15.5
Energy & Mining	821.8	924.3	1,070.3	916.2	891.3	(2.7)	12.9
Industries	504.4	352.7	405.5	403.4	404.7	0.3	5.9
Social Welfare & Education	292.7	333.3	611.7	626.2	629.3	0.5	9.1
Finance and Insurance	215.5	82.3	96.6	96.2	96.4	0.1	1.4
Tourism	80.2	80.2	80.1	79.8	80.0	0.3	1.2
Others	851.9	1,577.5	1,048.9	1,155.1	1,200.1	3.9	17.4
<b>5. Total amount of loans contracted (1)</b>	<b>212.5</b>	<b>229.7</b>	<b>376.4</b>	<b>0.0</b>	<b>0.2</b>		-
Government	159.9	209.4	335.4	0.0	0.0	-	-
Parastatal Companies	4.6	0.0	0.0	0.0	0.0	-	-
Private	48.0	20.3	41.0	0.0	0.2	-	-
<b>6. Disbursement (1)</b>	<b>189.2</b>	<b>234.7</b>	<b>190.2</b>	<b>107.9</b>	<b>0.1</b>		-
Government	187.4	205.9	161.4	107.9	0.0	-	-
Parastatal Companies	1.3	2.0	0.0	0.0	0.0	-	-
Private	0.5	26.8	28.8	0.0	0.1	-	-
<b>7. Scheduled debt services (1)</b>	<b>368.9</b>	<b>334.4</b>	<b>355.1</b>	<b>373.6</b>	<b>373.6</b>		-
<b>8. Actual debt service (1)</b>	<b>187.9</b>	<b>99.3</b>	<b>112.9</b>	<b>4.8</b>	<b>13.5</b>		-
Principal	112.2	68.6	86.0	3.2	12.8	-	-
Interest	75.6	30.6	26.9	1.6	0.8	-	-
Others	0.1	0.1	0.0	0.0	0.0	-	-
<b>9. Net transfers</b>	<b>1.3</b>	<b>106.6</b>	<b>77.3</b>	<b>103.1</b>	<b>-13.4</b>		-
<b>10. Total arrears by creditor category (2)</b>	<b>2,660.5</b>	<b>2,297.8</b>	<b>2,470.5</b>	<b>2,257.8</b>	<b>2,283.7</b>	<b>1.1</b>	<b>100.0</b>
<b>Principal</b>	<b>1,571.1</b>	<b>1,119.1</b>	<b>1,135.2</b>	<b>1,093.7</b>	<b>1,106.3</b>	<b>1.2</b>	<b>48.4</b>
Bilateral	1,235.4	658.8	669.4	622.1	630.1	1.3	27.6
Multilateral	23.0	28.3	5.9	8.4	8.3	(1.2)	0.4
Commercial	132.4	240.2	249.2	252.5	256.9	1.7	11.2
Other Private Creditors	180.3	191.8	210.7	210.7	211.0	0.1	9.2
<b>Interest</b>	<b>1,089.4</b>	<b>1,178.7</b>	<b>1,335.3</b>	<b>1,164.1</b>	<b>1,177.4</b>	<b>1.1</b>	<b>51.6</b>
Bilateral	740.0	693.0	818.8	646.1	655.1	1.4	28.7
Multilateral*	8.3	27.3	23.4	23.8	23.8	(0.0)	1.0
Commercial	204.3	287.1	333.7	334.3	337.9	1.1	14.8
Other Private Creditors	136.8	171.3	159.4	159.9	160.6	0.4	7.0
<b>11. External Debt Stock</b>	<b>7,669.7</b>	<b>7,856.9</b>	<b>8,134.8</b>	<b>8,009.9</b>	<b>8,091.2</b>	<b>1.0</b>	<b>84.9</b>
<b>12. Domestic Debt Stock</b>	<b>1,138.2</b>	<b>885.3</b>	<b>952.6</b>	<b>1,421.7</b>	<b>1,435.1</b>	<b>0.9</b>	<b>15.1</b>
<b>13. Total Debt Stock</b>	<b>8,807.9</b>	<b>8,742.1</b>	<b>9,087.4</b>	<b>9,431.6</b>	<b>9,526.3</b>	<b>1.0</b>	<b>100.0</b>
<b>End Period Exchange Rate</b>	<b>737.0</b>	<b>1,107.3</b>	<b>1,126.3</b>	<b>1,135.7</b>	<b>1,133.6</b>	<b>(0.2)</b>	

Source: Bank of Tanzania

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

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



# 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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