



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

AUGUST 2005

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Inflation Developments

Inflation rises slightly in July 2005

The economy usually experiences some seasonal inflationary pressures during July, mainly coming from food prices which move upwards during the period (a few months before the start of food crop harvesting season) when food supply is at low levels (Chart 1.0). This year however, the pressure has been a bit higher due to inadequate rainfall received in some parts of the country compared to last year- thus exacerbating the normal seasonal food supply shortage.

Annual headline inflation increased by 0.2 percentage points to 4.4 percent in July 2005 from June 2005 while in the previous year there was a decline of about 0.1 percent. Also on month-to-month basis, headline inflation increased by 0.9 percent between June and July 2005, reflecting mainly the seasonal food supply shortages towards the beginning of harvesting season. Excluding seasonal influences, month-on-month headline inflation dropped by 0.3 percent in July 2005, confirming that the increase in the inflation rate in July 2005 was driven by seasonal factors.

Reflecting the inadequate rainfall in some parts of the country, annual food inflation moved upwards (since May 2005) reversing its downward trend, which started in January 2005. Annual food inflation moved from 5.0 percent in May to 5.8 percent in June and hiked to 7.0 percent in July 2005.

On the other hand, movements in non-food inflation are mostly influenced by prices of petrol, diesel, kerosene, power tariffs and transportation costs, including commuter bus fares. Even though prices of petroleum products have been rising, subsequently causing transportation costs (and bus fares) to move in tandem, non-food inflation slowed to 1.5 percent during the year ending July 2005. from its highest level so far of 3.9 percent recorded in April 2005. The dampening effect on non-food inflationary pressures emanated from a notable slow-down in the prices of most non-food items including clothing, footwear, education, furniture, rent, recreational and entertainment services, which more than off-set the impact of price increase in petroleum products.

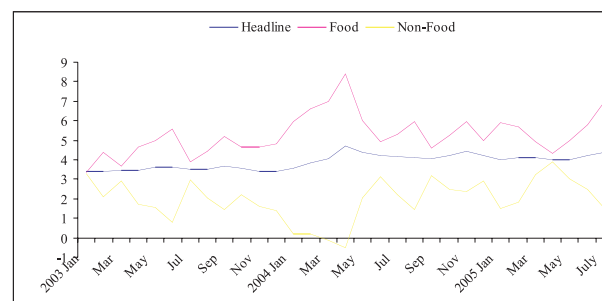
Table 1: Percentage Change in the Sub-groups of the Consumer Price Index (All-Urban)

(Base: 2001=100)

Major Commodity Group	Weight (%)	2004						2005						
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Head line/Over all	100	4.1	4.1	4.0	4.2	4.4	4.2	4.0	4.1	4.1	4.0	4.0	4.2	4.4
Food	55.9	5.3	5.9	4.6	5.2	5.9	5.0	5.9	5.7	4.9	4.3	5.0	5.8	7.0
Non-food	44.1	2.2	1.5	3.1	2.5	2.4	2.9	1.5	1.8	3.3	3.9	3.0	2.5	1.5
Transportation	9.7	-1.6	1.7	3.3	1.1	1.7	2.8	3.3	2.2	5.7	6.9	5.0	5.1	5.4
Fuel, Power and Water	8.5	18.3	2.4	6.0	9.3	7.7	7.1	5.4	5.9	9.4	6.8	9.5	5.6	0.3
Drinks and Tobacco	6.9	-4.7	0.0	0.5	-0.8	-0.2	0.6	0.6	1.8	0.3	2.9	1.7	1.4	3.1
Clothing & Footwear	6.4	-0.1	3.1	4.5	3.1	1.9	2.5	-1.2	-1.7	1.7	3.3	-0.9	0.9	1.3
Education	2.6	0.0	0.6	0.9	-1.9	3.4	2.3	1.8	-0.6	1.4	2.1	0.2	1.2	0.1
Furniture & Household Equip.	2.1	-2.0	-0.4	2.9	0.8	2.2	0.9	1.0	0.2	-2.3	0.4	3.2	-2.8	-0.9
H/h Operations Maintenance	2.1	-0.4	1.7	4.3	1.9	1.6	2.4	0.5	2.4	2.3	2.5	1.4	0.4	0.3
Personal Care & Health	2.1	-5.0	0.7	1.4	2.6	0.0	3.2	-3.0	6.0	0.1	4.9	4.4	6.1	6.5
Rents	1.4	2.6	0.4	0.3	0.1	-0.1	-1.3	-2.5	-2.8	-4.6	-5.3	-5.3	-5.0	-3.9
Recreation & Entertainment	0.8	0.2	1.8	3.7	2.1	4.0	0.4	-1.5	-3.3	-2.3	1.5	0.9	-0.2	-2.1
Misc. Goods & Services	1.5	-5.7	-0.2	0.5	-0.8	-1.8	0.2	-2.6	-1.5	0.4	-4.7	-2.4	-1.5	-0.8

Source: National Bureau of Statistics (NBS)

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



Food Supply Situation

Harvesting of food crops commenced towards the end of July in most parts of the country. However, reflecting the impact of inadequate rainfall received on domestic supply, the average wholesale price of maize, rice, beans, and potatoes were up by between 7 and 23 percent during the year ending July 2005 (Table 1.2). In addition to the impact of inadequate rains, other factors which are considered to have influenced prices relative to the previous year's level include cross border trade with neighbouring countries and transportation costs in view of increased prices of oil products.

Table 2: National average Wholesale Prices for Selected Food Items

(TZS per 100 Kgs)

Crop	Jul-02	Jul-03	Jul-04	2005			Percentage change	
				May	June	July	Jul-04	Jul-05
							Jul-05	Jul-05
Maize	9,190	16,347	13,997	16,020	17,072	16,839	17	-1
Rice	25,638	36,054	44,908	50,974	48,122	48,231	7	0
Beans	27,108	40,158	35,510	50,009	49,700	46,119	23	-8
Sorghum	13,930	17,910	21,042	21,010	20,474	20,499	-3	0
Potatoes	18,685	19,707	22,007	28,142	26,002	23,623	7	-10

Source: Food Security Department and BOT computation



Strategic Grain Reserves

- The opening stock on the 1st July 2005, was 112,823 tons, following sales of 500 tons of maize to Prisons department and National Milling Corporation.
- During 2005/06, the government is expecting to purchase 44,000 tons of maize for the Strategic Grain Reserves (SGR).
- Food exports to neighbouring countries in July 2005, amounted to 41,046 tons, while food imports amounted to 145 tons.

Table 3: Strategic Grain Reserve (SGR) Stock

Month	(Tons)					% Change 2004-2005
	2000	2001	2002	2003	2004	
January	105,665	78,967	60,503	59,961	35,342	119,924
February	103,305	72,000	58,254	59,493	23,791	116,383
March	101,496	63,022	56,738	58,976	22,903	114,760
April	96,326	51,435	52,228	54,118	32,387	115,262
May	82,119	44,776	48,653	52,857	31,732	113,823
June	72,000	47,225	47,100	51,060	37,091	112,823
July	63,976	46,290	44,787	50,661	39,195	112,323
August	70,352	48,998	41,795	52,681	45,988	
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: Ministry of Agriculture and Food Security and BOT computation

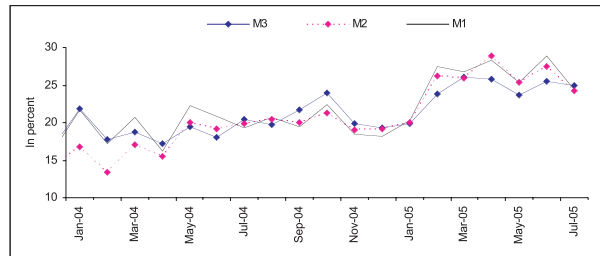
Monetary and Financial Developments

Money Supply

July 2005, was characterised by seasonal increase in demand for currency for crop purchases and elections related expenditures. However, monetary policy actions eased the growth in money supply during the month. Monetary policy actions through open market operations during the month caused a slight upward movement in interest rates particularly those of Treasury bills, while the supply of foreign exchange by the Bank to meet market demand eased pressures on the exchange rate so that towards the end of the month there was a turnaround in the exchange rate after a notable depreciation of the shilling in the mid of the month.

Year-to-year growth in money supply also slowed down on account of the Bank's efforts to maintain liquidity in the economy within a reasonable level. The annual growth of extended broad money hovered around 25 percent for the months of June and July 2005, being below the projected annual growth path of 27.7 percent for 2005/06.

Chart 2: Tanzania: Annual Growth Rates of Monetary aggregates



The growth in money supply during the year was mostly manifested in increases in currency in circulation, foreign currency and savings deposits. The increase in currency in circulation amidst increased banking products is a normal pattern in every election year. However, this year, the demand for currency has been much higher compared to the other years, suggesting that other factors such as a relatively good harvests season this year compared with the previous years. The increase in foreign currency deposits during the review month is largely explained by the improved travel, exports proceeds and partly foreign exchange transfers.

Table 4: Tanzania: Selected Money Supply Components

Item	2005			Jul-95	Jul-00	Jul-02	Jul-03	Jul-04	Jun-05	Jul-05
	Jun	Jul	Absolute Change							
	Annual % Changes									
Extended broad money (M3)	3,266.5	3,392.9	126.5	41.4	16.1	25.0	22.6	20.4	25.5	24.9
Broad money (M2)	2,366.5	2,383.7	17.2	34.7	14.7	26.0	17.0	19.8	27.5	24.2
Currency in circulation	734.9	766.3	31.4	44.5	20.8	17.8	14.4	23.6	24.5	25.2
Demand deposits	793.9	789.9	-4.0	19.9	15.5	32.5	37.0	15.3	33.3	23.7
Time deposits	328.7	311.8	-16.9	36.4	-4.0	31.7	-5.1	18.2	22.1	17.7
Savings deposits	509.0	515.7	6.7	42.3	20.7	25.9	11.2	22.7	26.9	27.6
Foreign currency deposits	900.0	1,009.2	109.2	80.7	21.6	22.3	39.0	21.9	20.5	26.8
In million of US\$	799.1	888.6	89.6	53.8	20.2	14.4	27.1	16.1	18.5	22.3
Total non government deposits	2,531.6	2,626.7	95.1	40.1	14.4	27.4	25.2	19.5	25.8	24.9
Net foreign assets	2,279.3	2,271.8	-7.5	104.5	40.6	29.3	45.1	11.5	6.8	6.7
Bank of Tanzania	1,666.0	1,622.5	-43.5	-77.5	58.9	45.4	65.6	10.0	13.4	14.9
Commercial banks	613.3	649.3	36.0	162.0	27.4	11.7	15.6	14.7	-7.8	-9.5
Net domestic assets	1,511.1	1,660.7	149.6	24.7	-1.6	19.3	-8.8	51.1	56.9	55.3
Domestic Credit	1,504.1	1,617.2	113.1	19.8	8.7	15.3	21.4	39.7	33.9	30.5
Net claims on government	284.7	316.5	31.8	37.0	10.4	-1.8	-26.0	32.0	80.6	29.5
Claims on government	551.1	936.8	385.7	38.2	21.4	-9.5	14.0	11.3	7.0	82.1
Government deposits	266.4	620.3	353.9	41.7	68.0	-19.7	78.3	-2.5	-25.5	129.6
Claims on the private sector	1,219.4	1,300.7	81.4	3.6	6.7	26.8	46.0	41.8	26.2	30.7

Source: Bank of Tanzania

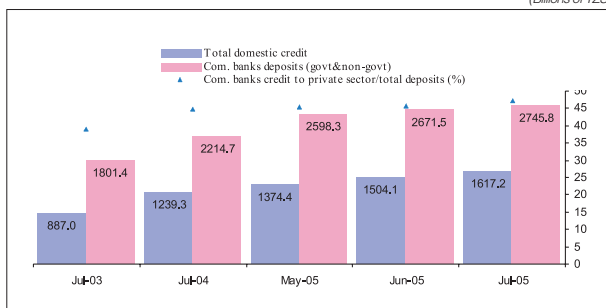
Credit Developments

Credit extended to the private sector by commercial banks increased by about TZS 81 billion in July 2005, to a stock level of TZS 1,300.7 billion. This growth was the most rapid for the past five years following two months of a steady increase of about TZS 30 billion. The bulk of the growth in credit was in personal facilities, which were used to buy shares in the Unit Trust of Tanzania, agriculture (mainly for crop purchases) and manufacturing activities. However, as a result of BOT's open market and foreign exchange operations, the substantial increase in credit during the month under review was not felt in the growth in money supply.



The year-on-year credit growth rate was 31 percent in July 2005, as compared to 26 percent in the previous month. The ratio of outstanding private sector credit to total deposits went up to around 47 percent in July 2005, from 45.6 percent in the preceding month (**Chart 4**).

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



Interest Rate Developments

Commercial banks responded to monetary policy actions in July 2005, albeit slightly, by altering interest rates. Time deposit rates rose slightly particularly on the longer hand of the maturity spectrum, leading to an increase in the overall rate to 4.5 percent from 4.4 percent in June 2005. Some banks offered interest rates as high as 8.5 percent, mainly to prime customers. Savings deposits, which are mostly preferred by small savers however, earned the same interest 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 remained at around 15 percent during the month under review. Prime borrowers however, had their cost of funds increased to around 11.5 percent from 11 percent in the preceding month, partly in response to the increased demand for credit for crop purchases.

Table 5: Tanzania: Interest Rate Structure

Item	2004						2005						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Feb	Mar	Apr	May	Jun	Jul
364 days Treasury bill	8.2	9.4	10.1	10.4	11.0	10.9	10.7	10.4	9.8	9.8	9.8	10.5	11.9
Overall Treasury bills	7.8	8.4	9.0	9.6	10.0	9.8	9.6	9.4	8.4	8.6	8.5	9.3	10.4
Savings deposit s	2.4	2.4	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	4.3	4.4	4.4	4.6	4.6	4.3	4.4	4.7	4.6	4.5	4.6	4.4	4.5
12 months time deposits	5.8	5.8	5.8	6.1	6.1	5.9	5.8	5.5	6.0	6.2	6.3	6.0	5.8
Negotiated deposit s	6.8	6.7	6.2	6.4	6.9	8.4	8.8	8.8	8.8	8.6	8.7	8.5	8.9
Overall Lending rate	14.2	14.2	14.8	14.9	14.3	14.7	14.8	15.6	15.4	15.2	15.4	15.6	15.0
Negotiated lending Rates	9.4	9.4	10.1	12.9	11.2	10.9	11.1	10.3	10.3	10.3	10.5	11.0	11.5

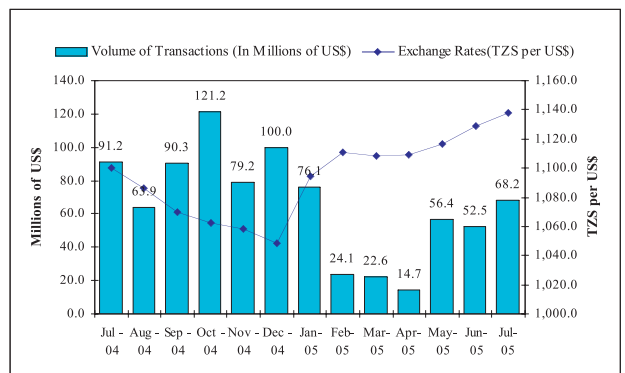
Source: Commercial banks and Domestic Markets, Bank of Tanzania

Foreign Exchange Market Operations

In July 2005, the total volume traded in the inter-bank foreign exchange market increased to USD 68.2 million, from USD 52.5 million recorded in the previous month (Chart 5). On net

basis, commercial banks purchased USD 37.1 million, out of which USD about 35 million were supplied by the Bank of Tanzania owing to increased demand and the balance was accounted for by non-bank financial institutions. On average, the Shilling/US dollar exchange rate depreciated slightly to TZS 1,138.2 per US dollar in July 2005, from TZS 1,129.2 per US dollar in the previous month.

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



In the Bureau de Change system, the volume of transactions by declined by 10.3 percent to USD 74.5 million. The buying and selling rates depreciated slightly to TZS 1,130.00 per US dollar and TZS 1,142.00 per US dollar, respectively (Table 6). However, the margin between the selling and buying rate decreased to TZS 12.00 in July from TZS 15.00 recorded in the preceding month.

Table 6: Foreign Exchange Market Developments

Item	2005		2004 July	% Change		Year ending July		% Change
	June	July		June to July 2005	July 04 to July 05	2004	2005	
IFEM								
Amount offered*	52.53	68.17	91.16	29.77	-25.22	943.34	769.19	-18.46
Amount sold*	52.53	68.17	91.16	29.77	-25.22	943.34	769.19	-18.46
Exchange rate**	1,129.19	1,138.20	1,099.81	0.80	3.49	1,082.77	1,093.95	1.03
Bureau de Change								
Sales*	41.30	38.19	23.70	-7.53	61.14	288.90	384.26	33.01
Purchases*	41.70	36.28	23.80	-13.00	52.44	269.10	391.26	45.40
Volume of Transactions*	83.00	74.47	47.50	-10.28	56.78	558.00	775.52	38.98
Buying rate**	1,119.00	1,130.00	1,098.00	0.98	2.91	1,075.81	1,086.56	1.00
Selling rate**	1,134.00	1,142.00	1,109.00	0.71	2.98	1,093.25	1,104.92	1.07

Sources: Bank of Tanzania

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

Government Budgetary Operations

During the month of June 2005, government budgetary operations recorded a deficit of TZS 125.6 billion. Domestic revenue plus grants amounted to TZS 194.6 billion, whilst expenditure amounted to TZS 320.2 billion. To finance this deficit, the government borrowed TZS 145 billion from the domestic market and the balance from external sources.

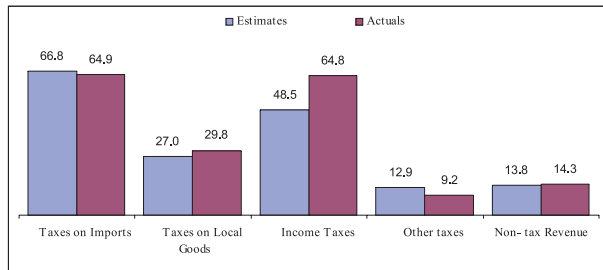
Government revenue collection in June 2005, was TZS 182.9 billion, being TZS 13.9 billion above the target. Tax collections on income and local goods were strong and



also above the target. The good performance in income taxes resulted from coordinated tax administration efforts and increased compliance by the taxpayers through timely submission of tax returns and payments. Taxes on imports under-performed mainly due to delays in collection. Revenue collection for the whole of 2004/05 reached TZS 1,773.7 billion, exceeding the budget for the year by TZS 34.4 billion.

Chart 6: Tanzania: Government Revenue Performance in June 2005

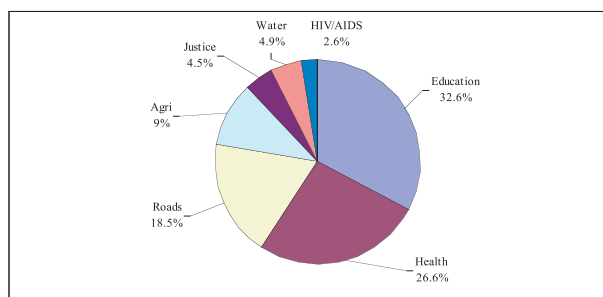
(TZS Billions)



Recurrent payments amounted to TZS 304.8 billion in June 2005, against the target of TZS 191.5 billion due to expenditures carried over from the previous month. Interest payments amounted to TZS 22.2 billion as projected. Interest payment on maturing Treasury bonds and bills was TZS 6.6 billion and the balance was paid on external debt. Expenditure on priority sectors was TZS 61.3 billion for the month, out of the quarterly allocation of TZS 79.9 billion. During the month, the government spent TZS 15.3 billion on development projects.

Cumulative government expenditure from July 2004, amounted to TZS 3,134.2 billion. Foreign resources to finance development projects amounted to TZS 801.5 billion. Domestic expenditure on priority sectors was TZS 430.5 billion, out of which education sector received TZS 140.5 billion. Health and roads were allocated TZS 114.4 billion and TZS 79.6 billion, respectively.

Chart 7: Tanzania: Expenditure on Priority Sectors, July 2004 to June 2005



External Sector Developments

During July 2005, the current account recorded a smaller deficit than in the previous month largely on account of a decrease in imports particularly sugar, building and construction, machinery and food. As a result of the decline in imports, insurance and freight payments also declined thus contributing further to the narrowing of the deficit.

For the year ending July 2005, the balance in the current account improved relative to its level in the corresponding period in 2004 (Table 7) mainly due to increases in exports, particularly of cotton, coffee, cashew nuts, horticultural products and travel receipts. Official inflows also increased during the year thus contributing to the improvement in the current account balance.

Table 7: Tanzania: Current Account Balance

(In Millions of USD)

Item	July		2005 ^P		Year ending July ^P		% Change
	2003	2004	June	July	2004	2005	
Goods Account (net)	-95.0	-62.9	-94.9	-81.5	-945.5	-837.6	-11.4
Exports	68.6	106.5	117.5	102.4	1,218.5	1,467.2	20.4
Imports	163.6	169.3	212.3	183.9	2,164.0	2,304.7	6.5
Services Account (net)	2.7	16.3	-14.0	13.9	-29.1	-52.6	80.5
Receipts	68.9	94.1	97.9	106.6	774.1	1,076.4	39.0
Payments	66.2	77.8	111.9	92.7	803.3	1,129.0	40.5
Goods and services (net)	-92.3	-46.6	-108.9	-67.7	-974.6	-890.1	-8.7
Exports of goods and services	137.5	200.5	215.4	208.9	1,992.6	2,543.6	27.7
Imports of goods and services	229.8	247.2	324.3	276.6	2,967.3	3,433.7	15.7
Income Account (net)	-18.1	-16.3	-13.6	-7.1	-37.7	-46.3	22.7
Receipts	2.5	3.8	13.6	3.2	90.2	82.3	-8.8
Payments	20.6	20.1	27.2	10.2	128.0	128.6	0.5
Current Transfers (net)	92.0	10.8	11.5	16.7	478.0	559.1	17.0
Inflows	97.4	16.7	16.8	23.4	541.6	625.8	15.5
o/w General Government	91.9	11.1	12.3	18.7	473.9	562.0	18.6
Outflows	5.4	5.9	5.3	6.7	63.6	66.8	5.0
Current Account Balance	-18.4	-52.1	-111.0	-58.0	-534.4	-377.4	-29.4

Note: P = Provisional

Source: Bank of Tanzania

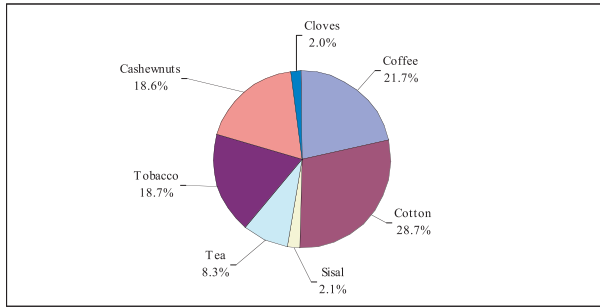
Exports Performance

During July 2005, value of traditional exports stabilized at USD 10.8 million after having decreased for six months in a row. With the exception of sisal and tobacco exports that recorded marginal increases, other export crops declined mainly reflecting seasonal pattern. In the same period, export prices for most of the export crops improved save for cotton and coffee that recorded price declines.

During the year ending July 2005 however, earnings from crop exports increased by about 50 percent to USD 330.9 million compared to the level recorded in the previous year. Save for sisal and cloves, export values of all other export crops increased, with cotton and coffee accounting for more than a half of the total value of export crops. The increase in value of the two crops emanated from improvement in both volumes and export prices. Prices for other traditional exports also recorded a recovery during the review period compared to the year ending July 2004. Increase in cotton exports volume is largely attributed to the favourable weather conditions and timely usage of inputs particularly pesticides during 2004 that led to higher production during the year. Tea and tobacco also recorded increases in export volumes.



Chart 6: Composition of traditional exports for the year ending July 2005

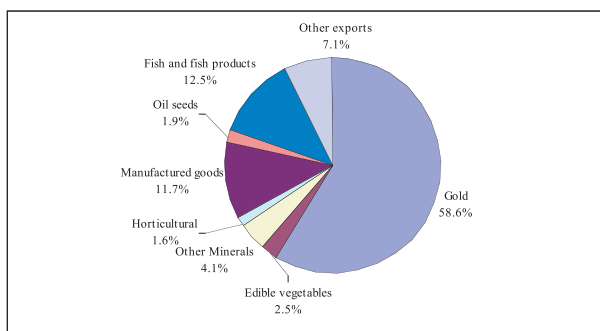


During July 2005, export values of all non-traditional commodities were lower than the levels of the preceding month, except gold and sisal products (yarn and twine), which increased. As a result, non-traditional exports earned USD 91.6 million during the month under review, which was 14.2 percent lower than the levels recorded in the previous month.

During the year ending July 2005, non-traditional exports increased by about 14 percent to USD 1,136.3 million. Just like in the previous year, gold exports remained dominant by accounting for about 60 percent of the total earnings from non-traditional exports although its rate of increase slowed down slightly. This performance was due to increase in mining activities in the country and improved prices in the world market, due mainly to the weakening of the US dollar. The price of gold increased to USD 424.6 per troy ounce in the year under review compared with USD 393.1 per troy ounce in the previous year.

A notable improvement was also recorded in the exports of fish and fish products, horticultural products and other exports. The increase in other exports was dominated by cereals (maize and rice), which were exported to Malawi, Zambia, Democratic Republic of Congo, Rwanda, Burundi and Uganda. Cereal exports increased to USD 17.3 million compared to USD 2.3 million in the year ending July 2004.

Chart 7: Composition of non-traditional exports for the year ending July 2005



The export value of goods, combined with that of services amounted to USD 2,543.6 million in the year ending July 2005, representing an increase of about 28 percent from last year. Travel receipts (most of which are from tourism), gold and crop exports have improved noticeably since 2002 (Chart 8). During the year ending July 2005, gold exports improved moderately although its share in total exports remained at the same level of around 45 percent over the past four years.

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

Chart 8: Tanzania: Composition of Total Exports of Goods and Services

(In million of USD)

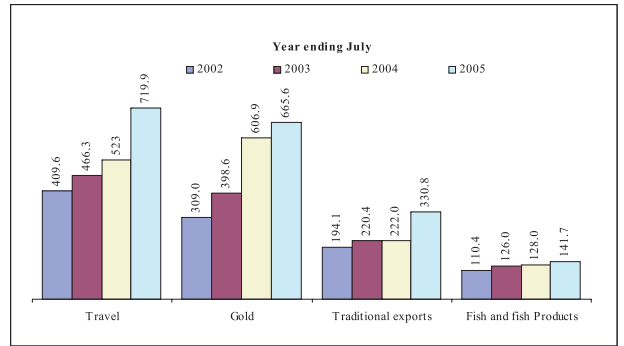
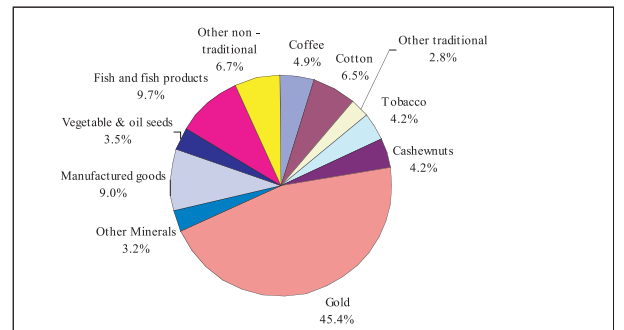


Chart 9: Tanzania: Shares of Goods and Services in Total Exports for the year ended July 2005



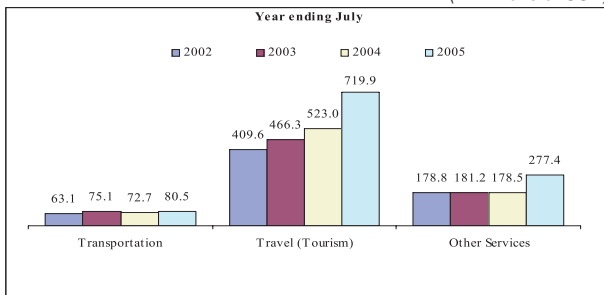
Value of service exports in July 2005 increased to USD 106.8 million from USD 98.6 million in the previous month largely on account of increases in receipts from travel, transportation and government services. The increase in travel receipts marked the onset of the high season tourism, which runs through July to September.

On annual basis, services receipts amounted to USD 1,077.9 million in July 2005, which was about 39 percent higher than the value of the same in the corresponding period last year. Large increases were recorded on travel, communication, and insurance and business related services receipts. The rise in travel receipts mirrored the increased tourism related activities facilitated by promotional measures by the government and other stakeholders. Following measures to promote tourism in the country, more hotels have been established in the country. Total number of hotels in the country has increased gradually from 326 in 2000 to 476 in 2004. Likewise, there was an improvement in communication services receipts partly due to the growth of the communication sector in the country. Earnings from insurance services increased partly on account of payment of outstanding claims. Travel related activities continue to dominate the service sector Chart 10.



Chart 10: Tanzania: Service Receipts 2002-2005

(In millions of USD)



Imports

The **import bill of goods** in July 2005 was USD 183.9 million compared with USD 212.3 million in the previous month. The decline in import bill was largely on account of a slow down in importation of building and construction equipment, machinery, food and foodstuffs, plastic items, and pharmaceutical products. The decline in food and foodstuff was particularly manifested in a fall in sugar imports that decreased by about 50 percent to USD 1.5 million. In the same period, imports of industrial raw materials also declined, largely due to a decline in importation of animal and vegetable oils following large importation in the previous month. In contrast, imports of oil products increased slightly to 73,025 tons in July compared to 73,755 in June 2005.

Table 8: Tanzania imports

(in Millions of USD)

Item	July		2005p		Year ending July ^p		
	2003	2004 ^p	June	July	2004	2005	% Change
CAPITAL GOODS	68.9	79.9	86.1	73.6	798.3	966.9	21.1
Transport Equipment	16.2	21.0	19.6	18.8	228.9	234.8	2.6
Building and Constructions Equipment	14.5	11.0	22.3	18.3	155.7	221.8	42.4
Machinery	38.2	48.0	44.2	36.5	413.7	510.3	23.3
INTERMEDIATE GOODS	53.8	37.8	60.8	62.2	673.9	596.3	-11.5
Oil imports	33.1	18.6	26.5	35.0	405.4	303.8	-25.1
Fertilizers	3.3	7.0	9.0	11.0	41.5	63.5	52.9
Industrial raw materials	17.3	12.2	25.3	16.2	227.0	229.0	0.9
CONSUMER GOODS	40.9	51.6	65.5	48.1	691.8	741.6	7.2
Food and foodstuffs	8.4	12.0	13.5	11.3	237.5	184.6	-22.3
All other consumer goods ¹	32.6	39.7	51.9	36.8	454.3	557.0	22.6
GRAND TOTAL (F.O.B)	163.6	169.3	212.3	183.9	2,164.0	2,304.7	6.5

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 totalled USD 2,304.7 million, being about 6.5 percent higher than the previous year's level. Large increases were recorded in the imports of building and construction equipment, machinery, plastics articles and pharmaceutical products. The increase in importation of building and construction equipment, and machinery was largely associated with investment in manufacturing, mining, tourism, and communication activities. Similarly, importation of fertilizer increased by nearly 53 percent to USD 63.5 million partly in light of the government's decision to subsidize transport cost of fertilizers.

Food and foodstuff imports recorded a noticeable decline during the year under review due to improved domestic supply of cereals particularly maize and rice. Imports of maize and rice declined substantially to USD 2.3 million

and USD 21.7 million compared to USD 25.4 million and USD 49.3 million, respectively, during the previous year. Imports of intermediate goods also declined to USD 596.3 million in the year to July 2005 from USD 673.9 million in the corresponding period last year.

Chart 11: Tanzania: Contribution to total imports for the year ending July 2005

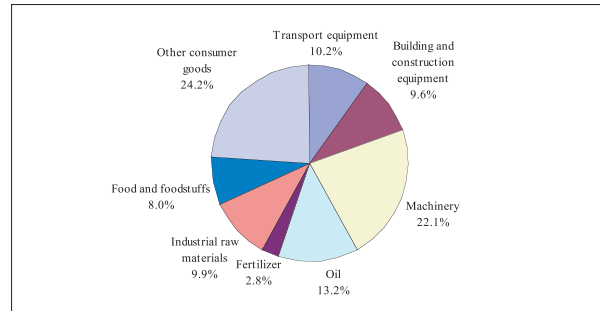
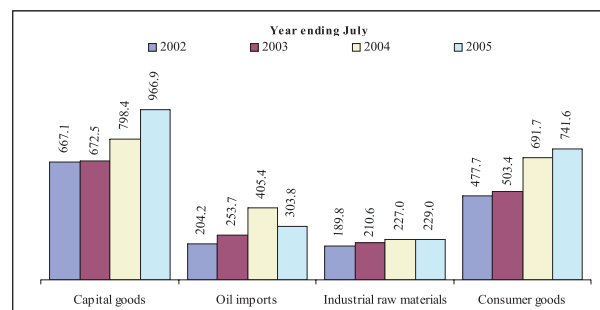


Chart 12: Tanzania: Total Merchandise Imports: 2001-2005

(In Millions of USD)

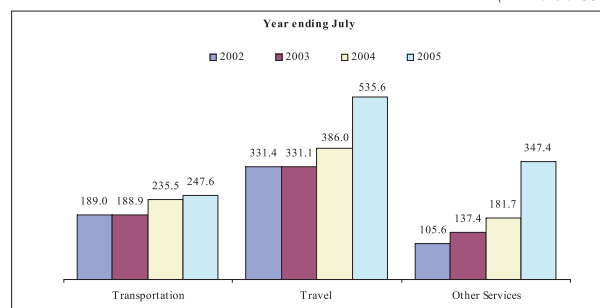


During the month under review, services payments decreased to USD 94.3 million from USD 111.9 million recorded in the previous month owing to a decline in transportation, construction and government services. The decrease in transportation services payment was due to the decline in freight payments associated with the decrease in imports.

On annual basis however, services payments increased by 41 percent to USD 1,130.8 million mainly on account of the rise in payments for freight charges, travel, construction and insurance services. While the increase in freight payments is in line with increase in merchandise imports, the rise in insurance payments is partly due to the increase in foreign direct investments, which require insurance coverage. The increase in construction payments is largely explained by the increase in construction activities in the country.

Chart 13: Tanzania: Service Payments

(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 July 2005, there were speculations about increase in supply of Arabica and Robusta coffee following favourable weather conditions in Brazil and Vietnam, which led to a decline in their prices in the world market.

As for tea, the prices increased during the month due to a decrease in supply, which was largely caused by unfavourable weather conditions in major tea producing countries. The price of sisal remained unchanged at around USD 885 per metric ton, while that of cotton (A-Index) increased slightly during the month.

Crude oil prices went up mainly due to a decline in crude oil inventories in the U.S, coupled with supply disruptions following occurrence of storms in the Gulf of Mexico. Gold was traded at USD 424.5 per troy ounce during the month compared with 430.7 per troy in the previous month.

Table 9: World Commodity Prices

Item	Units	2005			% Change	Year ending July		
		May	June	July		2004	2005	% Change
Robusta Coffee	USD per kg	1.24	1.32	1.28	-3.03	0.81	0.96	18.52
Arabica Coffee	USD per kg	2.83	2.67	2.42	-9.36	1.58	2.36	49.37
Tea, (Average price)	USD per kg	1.62	1.65	1.74	5.45	1.60	1.7	6.25
Tea (Mombasa auction)	USD per kg	1.41	1.39	1.45	4.32	1.58	1.49	-5.7
Cotton, A Index	USD per kg	1.23	1.19	1.21	1.68	1.53	1.18	-22.88
Cotton, Memphis	USD per kg	1.32	1.26	n.a	-	1.61	1.23	-23.6
Sisal (UG)	USD per metric ton	885	885	885	0.0	803.75	885	10.11
Cloves	USD per metric ton	3,000	3,000	n.a	-	2,229.13	3,319.92	48.93
Crude oil	USD per barrel	47.83	53.89	56.37	4.6	32.15	46.6	44.95
Crude oil	USD per barrel	45.0	50.97	52.85	3.69	29.7	41.7	40.4
White products	USD per ton	474.86	532.56	550.63	3.39	253.7	463.53	82.71
Gold	USD per troy ounce	421.9	430.7	424.5	-1.44	393.13	424.62	8.01

Source: World Trade Statistics (Various)

Debt Developments

National debt stock (external and domestic) recorded at end July 2005 was USD 9,431.6 million, which was lower than USD 9,087.4 million registered at the end of the previous month. The increase in debt stock was on account of an increase in domestic debt during the month that emanated from government deficit financing. During the same period, HIPC debt relief amounting to USD 6.25 million was realised in the form of debt service reduction from multilateral institutions.

External Debt

The total external debt committed decreased slightly from USD 8,345.1 million recorded at end-June 2005 to USD 8,335.5 million at end of July 2005, mainly due to exchange rates variations. Out of this amount, USD 6,845.8 was disbursed outstanding debt and USD 1,489.7 million was committed undisbursed debt. External debt stock decreased by USD 124.9 million, from USD 8,134.8 million recorded at the end of June 2005 to USD 8,009.9 million at end of July 2005 on account of HIPC debt relief from Libya, debt service payments and partly due to exchange rate variations. Principal and interest arrears were USD 1,093.7 million and USD 1,164.1 million, respectively.

The profile of disbursed outstanding debt by borrower category shows that the central government accounted for USD 5,856.9 million of total, followed by the parastatal companies with USD 501.6 million. The private sector held

debts worth USD 487.3 million. By the end of July 2005, disbursed outstanding debt owed to multilateral debt amounted to USD 4,622.7 million and bilateral debt was USD 1,555.4 million while commercial and export credits accounted for USD 667.7 million.

Analysis of the use of fund shows that, about USD 1,432 was in the form of Balance of Payments Support, transport sector absorbed USD 1,077.3 million, agricultural sector (USD 1,059.1 million), and energy and mining absorbed USD 916.2 million. Other sectors, which benefited included education, which accounted for USD 626.2 million, industries USD 403.4 million, finance USD 96.2 million and tourism USD 79.8 million. The remaining USD 1,155.1 million was used for other activities.

Disbursements, Debt Service Payments and Debt Commitments

During the month under review, no records were made of disbursements and/or new loans. Debt service payments amounted to USD 4.8 million against the scheduled debt service payments of US 10.7 million due to HIPC debt relief from multilateral creditors and accumulation of arrears on Non – Paris Club bilateral debt and commercial debts.

Debt Relief

During the month under review Tanzania received HIPC debt relief amounting to USD 6.25 million from multilateral creditors. Cumulative debt relief received from multilateral creditors since 1999/2000 amounted to USD 375.9 million by the end of July 2005. Debt relief from Paris Club bilateral creditors remained at the same level of USD 858.70 million as reported in the previous months. Cumulative debt relief from non-Paris Club Bilateral creditors, on the other hand amounted to USD 174.2 million out of which USD 101.7 million was provided by Libya in July 2005.

Domestic Debt

Domestic debt stock as at the end of July 2005 stood at TZS 1,614.6 million, representing an increase of TZS 537 billion (49.9 percent) from TZS 1,077.0 billion registered at the end of June 2005. The increase in domestic debt during the month under review was due to government financing.

Out of the domestic debt stock, Government securities amounting to TZS 1,598.1 billion (98.98 percent) while other debts amounted to TZS 16.5 billion (1.02 percent). Government securities comprised Bonds worth TZS 660.3 billion, Treasury Bills worth TZS 757.1 billion, Government stocks worth TZS 180.7 billion and Tax Reserve Certificates worth TZS 0.1 billion.

Domestic Debt by Creditor Category

Commercial banks remained the leading government creditors by holding 46.9 percent of total domestic debt followed by Pension Funds with 25.4 percent, Bank of Tanzania 16.7 percent, Insurance companies 5.1 percent, Non-Bank Financial Institutions 2.4 percent and Private sector 1.9 percent. Other official entities and BOT Special Funds altogether held 1.8 percent of total domestic debt.



Domestic Debt Service

During the month under review, TZS 30.8 billion fell due for payment. Out of this amount, interest worth TZS 4.9 billion was paid out of government revenue, while the principal component worth TZS 25.9 billion was rolled over.

Economic Developments in Zanzibar

Budgetary Operations

During July 2005, the Zanzibar Government budgetary performance on cheques issued basis recorded an overall deficit of TZS 4.0 billion before grants. The deficit amounted to TZS 2.0 billion after consideration of grants to the tune of TZS 2.0 billion. This deficit was accommodated through internal resources.

Revenue Performance

Revenue collection during the month amounted to TZS 4.4 billion against the target of TZS 5.0 billion, as collection from both tax and non-tax sources declined. Tax revenue amounted to TZS 4.2 billion compared with the target of TZS 4.6 billion, while non-tax collections amounted to TZS 0.18 billion short of target TZS 0.38 billion accounting for 47.3 percent of target. With exception of income tax, all other revenue targets were not met (Chart 14) as both trading activities and imports were relatively low during the month.

Revenue performance by category shows that, import duties amounted to TZS 1.0 billion, VAT and excise duty (local) collection amounted to TZS 1.1 billion, income tax collections amounted to TZS 0.60 billion, while revenue from "other taxes" category amounted to TZS 1.4 billion.

Chart 14: Government Revenue by Source July 2005

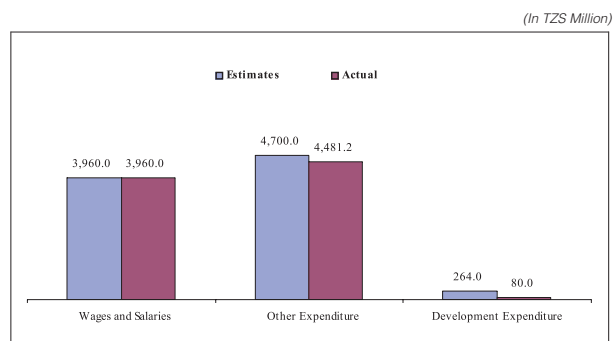


Reflecting the lower than projected revenue collection, the Zanzibar Government expenditure during July 2005 amounted to TZS 8.5 billion, slightly below the monthly ceiling of TZS 8.9 billion. Out of total expenditure, recurrent expenditure amounted to TZS 8.4 billion (about

98.8 percent of total expenditure) while development expenditure (excluding donor funds) amounted to TZS 0.1 billion.

Out of recurrent expenditures, wages and salaries amounted to TZS 4.0 billion, which was in line with the government target and accounted for 47.6 percent of recurrent expenditure. Other expenditures amounted to TZS 4.5 billion being 52.4 percent of the recurrent expenditure but were slightly below the projected TZS 4.7 billion. Development expenditure during the month was only about 30.3 percent of the monthly ceiling of TZS 264.0 million (Chart 15).

Chart 15: Government Expenditure by Components July 2005



Debt Developments

Zanzibar debt stock fell marginally to TZS 189.1 billion at end July 2005 from TZS 189.3 billion recorded during the preceding month. The decline resulted from repayment of interest, and gratuity suppliers' claims. Out of the total debt stock, external debt amounted to TZS 121.2 billion, representing 64.1 percent, while the remainder (TZS 68.1 billion) was in form of domestic debt. In comparison to the debt stock in the corresponding period in 2004, the level of public debt had increased by 65.9 percent as at the end of July 2005 from TZS 114.0 billion in July 2004 mainly due to new borrowings, accumulation of interest arrears, gratuity, and domestic suppliers' claims.

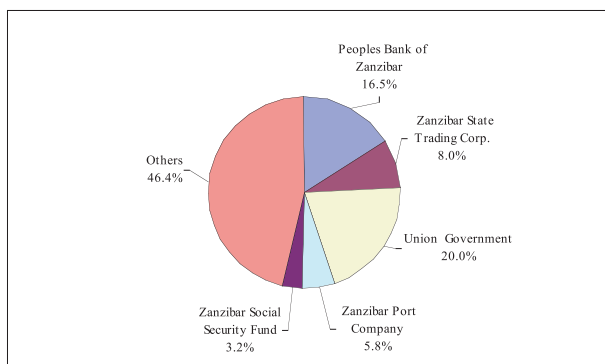
Domestic Debt

During the month under review, domestic debt declined by 0.3 percent to TZS 67.7 billion, following payment by the government of interest arrears, gratuity, and domestic suppliers' claims.

The profile of domestic debt by creditor indicates that debt owed to the Union Government stood at TZS 13.6 billion, representing 20.0 percent of total domestic debt. Claims by the Peoples Bank of Zanzibar, Zanzibar State Trading Corporation and Zanzibar Port Company remained at TZS 11.2 billion, TZS 5.4 billion, and TZS 3.9 billion, and represented 16.5 percent, 8.0 percent and 5.8 percent of total domestic debt, respectively. Debt by Zanzibar Social Security Fund declined by 1.4 percent to TZS 2.2 billion or 3.2 percent. Similarly, other creditors claims declined by 0.6 percent to TZS 31.5 billion, accounting for 46.4 percent of the total domestic debt (Chart 16).



Chart 16: Domestic debt by Creditor as at end July 2005



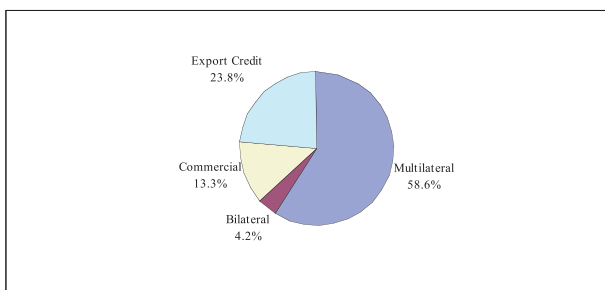
Analysis of the composition of domestic debt by instruments shows that long-term loans remained at TZS 11.2 billion or 16.5 percent while government stocks, treasury bills, and treasury bonds were TZS 5.7 billion, TZS 2.0 billion, and TZS 10.8 billion, standing for 8.5 percent, 2.9 percent, and 15.9 percent of total domestic debt, respectively. Other debt instruments amounted to TZS 38.1 billion, accounting 56.2 percent of total domestic debt.

As at the end of July 2005, debt maturing in less than a years' time was TZS 16.4 billion or 24.2 percent of total domestic debt; while debt maturing within 1 to 2 years stood at TZS 7.5 billion, and accounted for 11.1 percent of total domestic debt. Debt maturing between 2 and 5 years stood at TZS 1.0 billion or 1.5 percent. Debt with "undetermined maturity" (gratuity, pension claims, and domestic suppliers' claims), stood at TZS 42.8 billion, and accounted for 63.1 percent of the total domestic debt.

External Debt

During the review period there were no new borrowings hence external debt position for Zanzibar remained at USD 106.8 million, the same level as in the previous month. The profile of external debt by creditor category shows that, as at end July 2005, multilateral credits USD 62.6 million, representing 58.6 percent of total external debt. Of the total multilateral debt, USD 32.2 million was from African Development Fund (ADF). Debt due to bilateral creditors amounted to USD 4.5 million or 4.2 percent, while commercial and export credit represented 13.3 percent and 23.8 percent of total external debt, respectively (Chart 17).

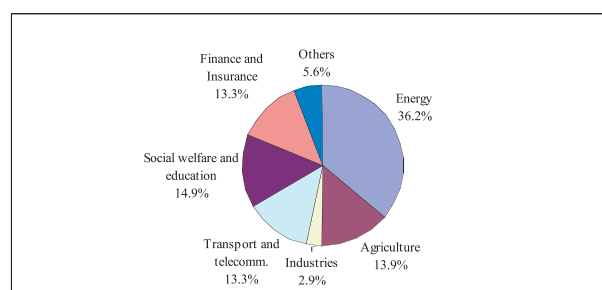
Chart 17: External debt by Creditor as at end July 2005



Analysis of external debt by maturity shows that, debts maturing beyond 20 years time accounted for 54.8 percent of total external debt, followed by debt maturing between 5 to 10 years that amounted to USD 42.9 million or 40.2 percent. Debts with maturity between 10 to 20 years remained at USD 5.3 million, and represented 5.0 percent of total external debt.

During the July 2005, the profile of external debt by use of funds remained unaffected. Accordingly, the energy sector accounted for 36.2 percent of total external debt, while the agriculture sector had USD 14.8 million or 13.9 percent. Industrial sector utilised USD 3.1 million, accounting for 2.9 percent of total external debt. Transport and telecommunication sector's share stood at USD 14.2 million or 13.3 percent, while social welfare and education maintained at USD 15.9 million, representing 14.9 percent of total external debt. Similarly, finance and insurance sectors had USD 14.2 million or 13.3 percent, while other sectors utilised USD 6.0 million, and accounted for 5.6 percent of total external debt (Chart 18).

Chart 18: External debt by Use of Funds as at end July, 2005



Trade Developments

For the month of July 2005, Zanzibar trade balance (goods and services) improved remarkably to a deficit of USD 1.31 million from a deficit of USD 7.20 million recorded in June 2005. This was due to a substantial growth in foreign receipts following the onset of high tourism season coupled with lower imports bill. However, for the year ended July 2005, the deficit worsened by 13.5 percent, from USD 41.56 million to USD 47.19 million, mainly driven by higher import bill, against declining foreign receipts from goods exports, particularly cloves (Table 10).

Table 10: Trade Account Balance

(in Millions of USD)

Item	2004	2005p			Year Ending June		Annual %Change
	July	May	June	July	2004	2005p	
Exports	4.70	6.37	6.13	9.03	53.94	72.34	34.1
Goods	0.24	0.51	0.27	0.20	12.93	9.06	(29.9)
Services	4.46	5.86	5.86	8.84	41.01	63.28	54.3
Imports	7.78	13.33	13.33	10.34	95.50	119.53	25.2
Goods (Fo.b)	5.51	5.88	5.88	5.98	66.87	79.34	18.6
Services	2.27	7.45	7.45	4.36	28.62	40.19	40.4
Trade Balance	-3.08	-6.96	-7.20	-1.31	-41.56	-47.19	13.5

Source: Tanzania Revenue Authority.
P = Provisional

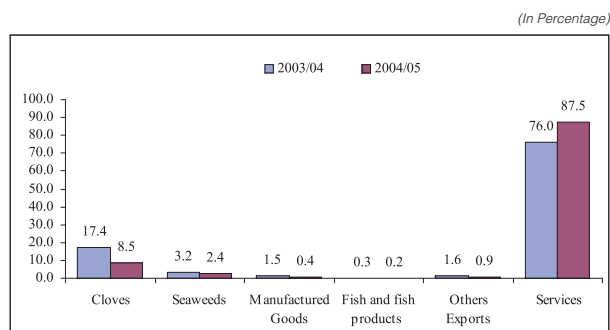
Exports Performance

During the month of July 2005, Zanzibar exports of goods and services increased by 47.3 percent, to USD 9.03 million, from USD 6.13 million recorded in previous month. The latter was attributed to increased services receipt,

particularly tourism related activities that increased by 50.8 percent from USD 5.86 million earned in June 2005 to USD 8.84 million.

Comparative performance on annual basis shows that exports receipts as at end July 2005 were higher than receipts in the corresponding period in 2004. Receipts amounted to USD 72.34 million against USD 53.94 of 2004 as a result of dominance of services receipts largely from tourism; which accounted for 87.5 percent of total exports receipts. Export of cloves and seaweeds fetched USD 6.19 million and USD 1.75 million, accounting for 8.5 percent and 2.4 percent of total exports, respectively. Manufactured goods realised USD 0.31 million or 0.4 percent, while fish and fish exports had USD 0.16 million. Other exports amounted to USD 0.66 million, represented 0.9 percent of total exports.

Chart 19: Contribution to Total Exports of Goods and Services for the Year ended July 2005



Services Account

During the month of July 2005, the services account balance (net), recorded a surplus of USD 4.58 million, edging up sharply from a deficit of USD 1.59 million registered in June 2005. The latter resulted from higher services receipts, associated with the onset of high season for tourism, that hiked to USD 8.84 million from USD 5.86 million, against foreign payments that declined from USD 7.45 million in previous month to USD 4.36 million in July.

On annual basis, as at end July 2005, the balance in the services account registered a surplus of USD 23.09 million, which was almost twice as much as the surplus registered in the corresponding period last year. Receipts from travel services accounted for 86.7 percent of total services receipts, while receipts from other business services, and construction services respectively contributed 5.0 percent and 4.5 percent of total receipts.

Zanzibar Goods Imports

During the month of July 2005, Zanzibar goods imports (f.o.b.) rose by 1.7 percent to USD 5.98 million, from USD 5.88 million recorded in June 2005. The increase was due to rise in intermediate goods imports, mainly driven by oil imports responding to spiralling world oil prices. On annual basis as at end July 2005, goods imports rose by 18.6 percent to USD 79.34 million from USD 66.87 million; on account of higher oil prices; and increase of construction of houses and implementation of development projects. Capital goods rose by 38.4 percent to USD 32.61 million, while intermediate goods edged up by 39.9 percent to USD 26.61 million. However, importation of consumer goods slowed down by 8.4 percent to USD 28.97 million due to decline in food and food stuffs imports (Table 11).

Table 11: Zanzibar Merchandise Imports by Major Categories

(Millions of USD)

Import Category	2004		2005p		Year Ending July		Annual %Change
	July	May	June	July	2004	2005 ^p	
CAPITAL GOODS	2.16	3.13	2.19	1.31	23.56	32.61	38.4
Transport Equipments	0.57	1.08	0.55	0.46	11.60	9.00	-22.4
Building and Constructions	0.68	0.39	0.44	0.31	3.23	7.53	133.1
Machinery	0.91	1.66	1.20	0.54	8.72	16.08	84.4
INTERMEDIATE GOODS	2.82	2.08	1.54	3.27	18.30	25.61	39.9
Oil imports	2.52	1.69	1.21	3.09	14.12	19.13	35.5
Fertilizers
Industrial raw materials	0.30	0.39	0.33	0.18	4.19	6.48	54.6
CONSUMER GOODS	1.07	1.77	2.73	2.00	31.62	28.97	-8.4
Food and food stuffs	0.22	0.92	1.8	1.4	21.30	15.87	-25.5
All other consumer goods	0.84	0.85	1.0	0.6	10.32	13.10	26.9
GRAND TOTAL (CIF)	6.05	6.98	6.46	6.58	73.49	87.18	18.6
GRAND TOTAL (FOB)	5.51	6.35	5.88	5.98	66.87	79.34	18.6

P = provisional
Source: Tanzania Revenue Authority





Item	Unit	1995	1996	1997	1998	1999	2000
1. Population (TZ Mainland)	Million	27.5	28.3	29.1	30.0	30.9	31.9
2. Gross Domestic Product (GDP)							
2.1 At Current Prices f.c (Nominal)	Mill. TZS	2,796,642.0	3,452,558.0	4,281,600.0	5,124,925.0	5,977,700.0	6,706,381.0
	Mill. USD	4,865.8	5,952.9	6,994.7	7,710.4	8,024.8	8,378.8
2.2 At Constant 1992 Prices (Real)	Mill. TZS	1,345,246.0	1,404,711.0	1,448,090.0	1,505,827.0	1,577,292.0	1,654,319.0
3. Income per Capita							
3.1 Nominal (Current Prices)	TZS	101,696.1	121,998.5	147,134.0	170,830.8	193,453.1	210,231.4
	USD	176.9	210.3	240.4	257.0	259.7	262.7
3.2 Real (1992 Prices)	TZS	48,918.0	49,530.4	49,762.5	50,194.2	51,045.0	51,859.5
	USD	85.1	85.4	81.3	75.5	68.5	64.8
4. Price Index (1994=100)*							
4.1 Consumer Price Index (CPI)	Gen. Index	115.8	140.1	162.6	183.5	197.9	209.7
4.2 Percentage Change	Per cent	28.4	21.0	16.1	12.8	7.9	5.9
4.3 Retail Price Index - Wage Earners (Dar es Salaam)	Gen. Index	108.6	128.7	137.4	146.8	149.8	150.6
4.4 Percentage Change	Per cent	26.7	18.5	6.8	6.8	2.1	0.5
4.5 GDP Implicit deflator	Index	207.9	245.8	295.7	340.3	379.0	405.4
4.6 GDP Implicit deflator	Per cent	27.1	18.2	20.3	15.1	11.4	7.0
5. Balance of Payments Position							
5.1 Exports (f.o.b)	Mill. USD	682.9	763.8	732.6	588.5	543.3	663.3
5.2 Imports (f.o.b)	"	1,340.5	1,212.6	1,148.0	1,382.2	1,415.4	1,367.6
5.3 Balance of Visible Trade	"	-657.6	-448.9	-395.4	-793.7	-872.1	-704.3
5.4 Balance on Current Account	"	-646.4	-461.3	-403.4	-901.8	-846.2	-495.8
5.5 Overall Balance	"	-329.5	-146.9	-199.8	-567.2	-128.4	-86.3
5.6 Exchange Rate :							
5.6.1 Annual Average	TZS/USD	574.8	580.0	612.1	664.7	744.9	800.4
5.6.2 End of Period	TZS/USD	550.4	595.6	624.6	681.0	797.3	803.3
6.0 Broad Money Supply (M2) **							
6.1 Percentage Change	Mill. TZS	613,695.3	684,990.6	760,353.3	844,929.4	972,088.6	1,093,610.9
6.2 Currency in Circulation Outside Banks	Per cent	26.1	11.6	11.0	11.1	15.0	12.5
6.3 Demand Deposits	Mill. TZS	244,313.7	257,662.8	287,877.1	307,798.7	384,848.0	392,404.2
6.4 Quasi-Money (Time, Savings and Foreign Currency deposits)	"	183,971.4	191,550.5	205,991.7	237,718.3	247,723.2	302,602.3
	"	324,626.4	368,849.7	433,200.2	481,467.7	585,055.6	702,682.3
7. Public Finance ^r							
7.1 Recurrent Revenue	"	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
7.2 Recurrent Expenditure	"	448,372.9	572,029.7	619,083.1	689,325.3	777,644.7	929,624.0
7.3 Development Expenditure	"	415,139.8	486,493.7	543,750.6	680,182.7	808,865.4	1,018,782.1
7.4 Adjustment to cash and other items (net)	"	5,382.3	28,895.6	215,107.2	136,523.9	359,913.4	286,253.2
7.5 Financing:	"	-96,001.9	-60,916.8	-47,720.9	-22,510.9	-2,444.3	-25,447.4
7.5.1 Domestic Financing	"	56,169.0	-41,926.6	3,669.2	-5,740.0	7,854.4	-2,494.4
7.5.2 Foreign Loans (net)	"	-34,899.5	-49,065.3	64,468.1	-18,683.7	105,417.3	90,354.2
8. Total External Debt Stock****	Mill. USD	8,003.8	7,541.1	7,578.5	7,384.7	7,669.7	7,624.8
Disbursed Debt	"	6,917.5	6,623.3	6,600.3	6,435.9	6,580.3	6,538.3
Interest	"	1,086.3	1,130.8	978.2	948.8	1,089.4	1,086.5

Source: Bank of Tanzania and National Bureau of Statistics

Table A2: Central Government Operations (Actual)

Item	BUDGET 2004/2005												Million TZ
	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05		
Total Revenue	1,739,288.0	136,004.9	157,830.2	133,423.9	138,036.6	167,078.0	135,596.4	144,039.6	164,831.8	139,399.2	136,885.9		
Tax Revenue	1,599,010.0	125,974.6	147,887.6	123,777.9	125,709.6	157,273.5	124,097.7	126,106.0	151,892.0	125,539.4	124,689.1		
Taxes on Imports	702,846.0	54,294.1	54,828.5	55,987.1	55,709.6	59,154.8	54,353.2	55,280.6	54,863.3	55,719.7	56,764.4		
Sales/VAT and Excise on Local Goods	372,255.0	28,663.7	32,789.6	31,916.2	36,851.2	33,435.2	32,034.1	35,281.5	33,905.7	34,958.3	32,576.5		
Refunds	-47,798.0	-3,424.0	-6,142.4	-4,283.0	-7,410.3	-6,005.9	-4,471.8	-6,005.9	-4,723.0	-6,005.9	-6,005.9		
Income Taxes	422,196.0	25,962.9	27,476.2	30,511.0	28,601.8	58,935.2	30,766.6	29,144.7	58,642.3	28,877.2	30,063.5		
Other taxes	149,511.0	11,389.6	11,380.4	9,648.6	9,484.6	11,754.2	11,415.1	12,403.1	11,754.2	11,990.1	11,290.6		
Non-tax Revenue	140,278.0	21,544.8	9,942.6	9,646.0	14,799.1	9,804.5	11,499.2	17,933.6	12,939.8	13,859.8	12,196.8		
Total Expenditure /1	3,198,152.0	188,559.6	252,873.1	435,828.2	298,625.2	259,056.4	236,189.6	234,055.1	244,081.6	204,802.8	244,373.0		
Recurrent expenditure	2,106,561.0	172,692.7	132,649.3	191,628.0	164,164.8	175,304.7	182,654.5	127,610.6	151,390.2	164,514.1	191,531.3		
Road/roll fund	78,182.0	4,784.5	5,706.2	5,988.5	6,611.1	6,882.7	5,380.2	5,389.1	8,077.8	8,370.3	11,577.2		
Retention fund	44,450.0	3,959.3	3,391.3	4,371.4	3,920.4	2,605.8	4,427.8	4,586.2	3,858.4	4,531.4	4,191.1		
Wages and salaries	551,159.0	42,891.9	44,422.5	45,681.4	48,121.4	45,297.2	47,765.9	44,975.6	45,870.9	46,299.6	48,728.1		
Interest payments	168,438.0	2,431.4	3,701.6	10,403.8	8,193.0	14,265.9	11,861.8	5,935.0	12,489.0	20,347.4	12,244.3		
Domestic /2	94,946.0	0.0	1,555.8	3,196.9	16,122.7	2,414.3	10,653.3	9,048.8	4,008.5	1,229.7	11,278.0		
Foreign	73,492.0	2,431.4	2,145.8	7,206.9	5,778.7	3,612.7	2,813.0	1,924.6	11,259.4	9,069.4	3,241.8		
Other goods, services and transfers	1,386,964.0	127,369.4	86,335.4	77,823.0	126,766.9	107,850.4	115,741.7	123,026.8	93,030.3	97,867.1	130,538.9		
Dev. Expenditure and net lending	1,091,591.0	42,837.2	120,223.8	244,256.7	134,460.4	83,751.7	53,535.1	106,444.6	92,691.4	40,288.7	52,841.7		
Local	233,705.0	19,475.4	500.0	10,000.0	30,000.0	30,000.0	30,000.0	45,000.7	19,475.4	45,000.0	11,352.5		
Foreign	857,886.0	23,361.8	119,723.8	234,256.7	104,460.4	53,751.7	8,529.4	86,969.1	47,691.4	28,936.2	52,841.7		
Overall Balance (cheque issued) before Grants	-1,458,864.0	-77,846.9	-95,042.9	-302,460.8	-160,589.2	-91,978.4	-100,593.2	-90,015.5	-79,249.9	-65,403.6	-107,487.1		
Grants	807,810.0	22,738.9	220,093.1	66,047.1	77,044.8	79,138.8	17,161.1	21,060.3	36,958.8	13,255.5	17,581.8		
Program (CIS/OGL)	266,176.0	103,840.7	146,650.6	30,569.0	3,481.2	42,328.6	9,757.6	5,518.4	0.0	0.0	0.0		
Project	306,482.0	10,075.9	5,083.4	44,309.8	18,990.5	6,470.1	1,845.3	8,146.3	4,214.5	4,695.3	10,299.1		
Basket funds	160,488.0	3,339.8	10,602.8	19,450.3	12,631.0	53,918.0	24,122.1	0.0	24,168.1	5,408.7	0.0		
HIPC Relief	74,664.0	5,482.5	3,806.0	9,684.3	3,856.6	7,096.8	6,218.0	5,558.2	4,964.9	8,576.1	7,282.7		
Overall deficit (cheq.issued) after Grants	-651,054.0	-44,891.9	-102,864.4	-236,413.6	-83,544.5	-12,839.6	-83,432.0	-68,955.2	-42,291.0	-52,148.1	-89,905.3		
Expenditure float	0.0	-128,152.1	-8,803.7	-1,771.5	-710.5	-425.0	-271.4	-4.9	0.0	0.0	0.0		
Adjustments to cash and other items (net)	0	-55,118	55,619	-32,748	4,934	76,939	-7,446	-39,140	41,182	-23,973	-43,045		
Overall Balance (cheques issued)	-651,054.0	-138,378.3	35,885.4	-232,190.4	-50,054.4	63,827.8	-90,882.7	-108,095.9	-11,088.6	-76,121.3	-132,950.4		
Financing:	651,054.0	138,378.3	-90,532.7	232,190.4	50,054.4	-63,827.8	90,882.7	108,095.9	1,108.6	76,121.3	132,950.4		
Foreign Financing (net)	425,768.0	5,722.5	4,278.8	106,564.6	196,178.6	160,130.8	1,089.0	17,083.2	7,206.4	10,965.9	33,760.8		
Loans	559,215.0	9,946.1	9,946.1	121,359.3	202,635.2	170,511.2	23,159.5	6,684.1	22,788.6	20,516.2	42,542.6		
Program loans	168,300.0	0.0	0.0	65,395.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Development	280,959.0	9,946.1	9,946.1	55,963.6	184,606.7	51,371.6	15,329.8	5,223.6	22,788.6	20,516.2	18,832.3		
Basket Support	109,956.0	0.0	0.0	18,028.5	119,139.6	7,829.7	1,460.4	0.0	0.0	0.0	0.0		
Amortization	-133,447.0	-4,223.6	-5,667.3	-14,794.7	-6,456.6	-9,581.4	-5,595.1	-8,705.3	-13,309.8	-7,866.4	-8,781.9		
Domestic (net)	225,286.0	132,655.8	-40,164.2	-197,097.3	36,011.9	-110,076.4	-77,406.0	89,793.7	91,012.7	-6,097.8	99,189.6		
Domestic Financing	231,110.0	132,655.8	-40,164.2	-197,097.3	36,011.9	-110,076.4	-77,406.0	89,793.7	91,012.7	-6,097.8	99,189.6		
Bank borrowing	0.0	117,987.9	-58,386.4	-183,601.9	30,976.2	-83,142.2	93,826.2	92,020.0	-8,021.8	61,500.0	86,803.1		
Non-Bank (net of amortization)	0.0	14,668.0	18,222.2	-13,495.3	5,035.6	107.2	-4,037.7	-1,007.3	1,923.9	3,655.4	12,386.5		
Amortization of contingent debt	-15,939.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Privatization Proceeds	10,115.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Source: Ministry of Finance

Note:

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

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



Table A3: Tanzania Monetary Survey

End of Period	M3, Extended Broad Money													M1, Broad Money		M0		Millions of TZS Memorandum item:					
	Domestic assets (net)			Domestic credit (net)			Claims on other domestic sectors (net)	Claims on government (net)	Foreign assets (net)	Foreign claims on government (net)	Other items (net)	TOTAL sum(2-5) or sum(9-13)	TOTAL sum(9-12)	TOTAL sum(9,10)	Narrow Money		Currency in circulation outside banks		Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum (9,15)
	1	2	3	4	5	6									7	8							
1994	115,765.70	181,055.61	181,055.61	280,158.64	-7,236.74	569,743.21	486,489.20	329,624.76	176,308.23	153,316.53	84,799.54	72,064.90	83,254.01	226,441.40									
1995	165,813.50	279,257.91	279,257.91	247,846.01	59,994.12	752,911.54	613,695.27	428,285.14	244,313.71	183,971.43	91,210.22	94,199.91	139,216.27	314,885.06									
1996	290,319.79	295,822.83	295,822.83	141,340.97	90,579.39	818,062.98	684,990.61	449,213.25	257,662.76	191,550.49	122,436.63	113,340.73	133,072.37	335,768.02									
1997	398,918.55	239,457.47	239,457.47	182,976.94	105,715.97	927,068.93	760,353.29	493,868.73	287,877.08	205,991.65	126,269.25	140,215.31	166,715.64	364,940.00									
1998	458,003.63	276,586.72	276,586.72	248,276.19	44,118.12	1,026,984.66	844,929.42	545,517.00	307,798.74	237,718.26	134,011.38	165,011.38	182,055.24	418,734.00									
1999	622,286.78	366,596.20	366,596.20	311,532.96	-82,789.09	1,217,626.85	972,088.57	632,571.21	384,847.97	247,723.24	149,257.10	190,260.26	245,538.28	508,674.00									
2000	842,754.98	375,145.96	375,145.96	340,628.06	-160,840.24	1,397,688.75	1,093,610.89	695,006.46	392,404.19	302,602.27	170,051.63	228,552.80	304,077.87	556,430.90									
2001	1,209,820.45	239,201.43	239,201.43	404,512.29	-216,803.44	1,636,730.73	1,233,667.02	766,019.90	411,638.86	354,381.03	208,101.43	259,545.69	403,063.71	584,369.11									
2002	1,558,627.15	264,608.62	264,608.62	570,668.25	-346,220.96	2,047,683.06	1,507,386.54	958,786.56	495,445.63	463,340.93	223,898.73	324,701.25	540,296.52	695,701.23									
2003	2,182,072.03	12,936.96	12,936.96	817,125.19	-623,818.11	2,388,316.08	1,721,109.85	1,113,379.11	553,045.83	560,333.28	230,958.84	376,771.89	667,206.23	783,309.00									
2004	2,379,909.25	-47,719.74	-47,719.74	1,060,077.31	-544,146.78	2,848,120.05	2,050,885.98	1,315,739.36	664,148.03	651,591.33	276,396.39	458,750.23	797,234.07	967,776.00									
Jan-04	2,312,919.48	-126.10	-126.10	856,793.05	-683,565.01	2,486,021.42	1,741,292.96	1,116,903.12	538,830.71	578,072.41	249,553.58	374,836.26	744,728.46	769,091.22									
February	2,318,994.79	34,856.73	34,856.73	844,586.54	-700,965.79	2,497,472.28	1,742,942.73	1,110,654.61	519,962.70	590,691.91	248,995.71	383,292.41	754,529.55	743,811.52									
March	2,178,747.39	91,076.17	91,076.17	847,977.42	-640,149.82	2,477,651.16	1,757,204.81	1,096,558.70	523,607.80	572,950.90	270,684.31	389,961.80	720,446.35	802,863.94									
April	2,141,542.38	129,701.48	129,701.48	859,629.27	-680,463.80	2,450,409.33	1,730,493.78	1,093,912.85	523,110.48	570,802.37	248,346.71	388,234.22	719,915.55	805,102.53									
May	2,114,512.66	155,789.16	155,789.16	890,926.80	-644,154.49	2,517,074.13	1,788,489.31	1,131,063.01	532,770.12	598,292.89	266,743.45	390,682.85	728,584.82	794,842.21									
June	2,134,182.69	157,606.91	157,606.91	965,980.89	-654,835.70	2,602,934.79	1,856,326.29	1,186,063.14	590,441.02	595,622.12	269,132.88	401,130.27	746,608.50	800,399.61									
July	2,128,834.59	244,329.64	244,329.64	994,969.84	-652,298.19	2,715,835.89	1,919,971.40	1,250,869.16	612,242.27	638,626.88	264,971.48	404,130.76	795,864.49	893,742.25									
August	2,131,384.34	196,073.96	196,073.96	991,955.06	-608,425.96	2,710,987.39	1,936,449.45	1,252,535.18	639,586.90	612,948.28	272,726.77	411,187.50	774,537.94	922,958.96									
September	2,289,760.41	-1,703.50	-1,703.50	1,027,300.36	-519,405.36	2,795,951.91	1,979,892.87	1,296,585.07	644,921.52	651,663.54	266,479.55	416,828.26	816,059.04	863,635.07									
October	2,328,838.73	45,107.99	45,107.99	1,029,789.83	-547,703.13	2,856,033.42	2,023,549.32	1,326,121.55	661,621.93	664,499.61	267,067.57	430,360.20	832,484.10	976,377.87									
November	2,372,331.89	19,621.91	19,621.91	1,061,773.47	-599,041.28	2,854,685.99	2,044,777.63	1,325,884.43	666,288.86	659,595.56	274,470.48	444,422.73	809,908.35	990,940.58									
December	2,379,909.25	-47,719.74	-47,719.74	1,060,077.31	-544,146.78	2,848,120.05	2,080,885.98	1,315,739.36	664,148.03	651,591.33	276,396.39	458,750.23	797,234.07	967,776.00									
Jan-05	2,408,352.88	61,685.64	61,685.64	1,117,110.42	-606,557.59	2,980,591.36	2,089,035.85	1,342,856.96	636,932.21	705,904.72	287,299.99	458,898.92	891,555.51	960,140.76									
February	2,482,058.13	79,917.93	79,917.93	1,132,519.87	-601,587.72	3,092,908.22	2,200,089.37	1,415,829.38	632,085.66	783,743.72	318,285.98	465,974.00	892,818.85	1,001,798.51									
March	2,462,099.70	40,002.02	40,002.02	1,147,110.09	-525,244.35	3,123,967.46	2,211,685.52	1,390,703.77	645,241.42	745,462.35	341,842.06	479,139.69	912,281.95	977,283.91									
April	2,357,490.81	103,980.31	103,980.31	1,151,142.19	-528,906.62	3,083,706.70	2,242,239.73	1,402,809.53	650,298.75	752,590.78	341,719.60	484,630.58	854,466.97	993,432.32									
May	2,305,218.64	192,265.04	192,265.04	1,182,122.48	-568,246.56	3,139,590.60	2,242,841.32	1,417,403.24	668,271.22	749,132.02	336,585.80	488,852.29	868,518.28	1,012,972.04									
June	2,279,294.32	284,702.91	284,702.91	1,219,374.33	-516,881.41	3,266,490.14	2,366,507.98	1,528,832.57	734,912.19	793,920.39	328,711.11	508,964.30	899,982.16	1,029,997.60									
July	2,271,794.70	316,477.56	316,477.56	1,300,730.51	-496,058.88	3,392,943.89	2,383,746.12	1,556,217.64	766,285.70	789,931.94	311,839.83	515,688.65	1,009,197.78	1,036,250.20									

Source: Bank of Tanzania



Table A4: Tanzania Interest Rate Structure

	Percent												
Item	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05
A: Domestic Currency													
1 Interbank Cash Market Rates													
Overnight	5.47	6.79	6.43	8.16	6.72	4.10	5.69	5.19	4.49	5.47	4.82	5.04	4.70
2 to 7 days	5.59	7.21	6.84	8.97	7.50	4.36	5.74	5.55	4.55	5.80	5.32	5.15	5.31
8 to 14 days	7.18	7.18	7.96	7.96	7.27	8.07	6.00	5.84	5.06	6.25	5.70	5.58	6.40
15 to 30 days	6.79	7.50	7.86	9.56	10.26	6.25	7.79	7.87	6.32	6.32	6.09	6.16	6.20
31 to 60 days	7.81	7.86	8.20	9.42	9.24	8.36	8.74	8.02	6.92	7.53	6.47	5.60	7.91
61 to 90 days	7.87	8.40	8.40	8.40	9.40	9.40	9.40	9.40	9.40	7.40	7.40	7.40	8.75
91 to 180 days	8.24	9.73	9.60	10.26	6.69	9.67	10.05	9.06	8.50	9.30	8.39	8.39	10.26
181 and above	8.49	10.08	11.01	11.08	10.21	9.92	10.00	8.70	9.23	10.50	9.47	9.20	9.20
Overall interbank cash market rate	5.68	7.14	6.73	8.30	7.42	4.90	6.12	5.83	4.76	5.58	5.20	5.09	4.97
2 Lombard Rate													
	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98
3 REPO Rate													
	5.33	5.33	5.92	5.92	5.09	5.54	5.48	5.12	5.00	5.32	5.19	5.24	5.38
4 Treasury Bills Rates													
35 days	7.27	7.56	8.23	8.97	8.56	8.13	8.23	7.76	6.51	5.75	5.30	6.60	7.03
91 days	8.12	8.37	9.31	9.88	9.64	9.63	9.64	8.82	8.16	8.12	8.02	8.12	10.35
182 days	8.39	9.31	9.89	9.96	9.89	9.87	10.22	9.82	9.38	9.37	9.18	9.43	10.53
364 days	9.40	10.13	10.40	10.98	10.91	10.67	10.84	10.38	9.81	9.81	9.76	10.51	11.93
Overall treasury bills rate	8.39	8.97	9.57	9.97	9.75	9.56	9.72	9.40	8.36	8.64	8.46	9.30	10.35
5 Treasury Bonds- 2-years													
	9.71	10.86	11.00	11.00	12.00	12.00	13.00	13.31	14.64	11.68	13.24	15.05	14.82
5-years	10.34	10.49	11.46	11.66	11.66	11.66	11.66	11.66	12.62	12.94	12.11	12.11	13.19
7-years	10.92	11.16	10.44	10.44	10.44	10.44	10.44	10.44	13.05	12.60	13.21	13.21	13.05
10-years	12.39	12.39	12.61	12.61	12.61	12.61	12.61	12.61	14.10	14.10	14.10	14.10	14.10
6 Discount Rate													
	13.23	13.74	14.38	14.90	14.90	14.42	14.73	14.40	13.64	13.60	13.80	13.92	15.14
7 Savings Deposit Rate													
	2.41	2.40	2.45	2.47	2.45	2.60	2.61	2.59	2.61	2.61	2.62	2.61	2.60
8 Time Deposits Rates													
Call Accounts	1.63	1.34	1.23	1.31	1.45	2.15	2.03	2.32	2.37	2.20	1.54	0.98	0.96
1 month	3.45	3.67	3.78	3.43	3.08	3.19	2.92	3.48	3.30	2.64	2.68	3.25	3.19
2 months	5.56	6.20	5.90	5.95	5.05	4.46	6.26	5.16	4.91	6.26	5.71	5.22	5.44
3 months	4.23	4.18	3.88	3.96	3.58	5.35	5.50	4.78	5.03	4.59	4.84	4.45	4.90
6 months	5.10	4.60	4.97	5.27	5.95	5.85	6.08	5.32	5.35	5.09	5.44	5.63	5.72
9 months													
12 months	5.76	5.76	6.11	6.06	5.94	5.81	5.90	5.50	6.03	6.16	6.27	5.97	5.69
24 months	4.91	5.02	6.17	6.18	5.22	3.96	4.46	6.45	4.89	4.78	5.45	5.39	5.47
9 Negotiated Deposit Rates													
	6.73	6.22	6.40	6.88	8.39	8.77	8.79	8.78	8.84	8.60	8.65	8.49	8.87
10 Lending rates													
Call Loans	13.99	10.00	10.00	19.25	19.25	19.25	19.25	19.25	19.25	19.25	14.50	14.50	14.50
Short-term (up to 1 year)	15.53	15.69	15.60	15.25	14.95	14.23	15.06	16.23	15.98	15.77	16.09	16.06	16.14
Medium-term (1-2 years)	17.04	18.89	17.23	17.30	17.77	17.17	17.23	16.98	16.96	16.98	17.03	16.77	16.41
Medium-term (2-3 years)	12.24	12.18	13.75	12.76	14.12	15.32	15.18	15.13	15.43	15.87	15.84	16.21	15.39
Long-term (3-5 years)	12.67	12.48	13.21	12.78	13.36	12.59	12.77	14.17	13.27	12.81	13.37	13.87	12.72
Term Loans (over 5 years)	13.45	14.78	14.72	13.27	13.25	14.67	14.74	15.30	15.37	14.63	14.62	14.65	14.18
11 Negotiated Lending Rates													
	9.36	10.11	12.92	11.24	10.87	11.05	11.33	10.29	10.32	10.33	10.54	11.01	11.51
B: Foreign Currency													
1 Deposits Rates													
Call Accounts	0.14	0.18	0.18	0.21	0.21	0.59	0.51	0.61	0.45	0.63	0.41	0.47	0.55
Savings Deposits	0.80	0.76	0.75	0.86	0.74	0.65	0.73	0.72	0.72	0.87	0.67	0.67	0.65
Time Deposits													
1-months	0.76	0.74	0.82	0.89	0.86	1.01	1.17	0.98	1.29	0.99	1.26	1.18	1.31
2-months	0.70	0.95	0.82	0.85	0.86	2.73	1.71	1.26	1.27	1.59	1.27	1.58	1.32
3-months	1.12	1.35	1.07	1.02	0.98	1.57	1.93	1.10	1.38	1.11	1.67	1.74	1.83
6-months	1.09	1.00	1.26	1.05	1.17	1.25	1.41	1.19	1.46	1.61	1.38	1.45	1.34
12-months	1.51	1.47	1.58	1.62	1.67	1.72	1.90	1.35	1.44	1.68	2.47	2.62	2.84
2 Lending Rates													
	8.65	7.08	6.96	7.16	7.06	7.33	7.67	7.69	7.87	7.79	7.59	8.04	7.85
Short-term (up to 1 year)	6.16	6.27	6.30	6.37	6.53	7.46	7.30	6.88	6.98	6.86	7.65	6.86	7.41
Medium-term (1-2 years)	7.99	8.03	8.05	8.40	8.29	7.41	7.98	8.09	8.35	7.96	7.05	7.70	7.86
Medium-term (2-3 years)	8.69	7.86	7.68	7.56	7.20	8.03	7.89	8.20	8.63	8.61	7.70	9.28	8.02
Long-term (3-5 years)	11.76	6.17	5.79	6.32	6.21	6.40	7.36	7.34	7.04	7.20	7.36	8.99	8.42
Term Loans (over 5 years)							7.82	7.94	8.37	8.31	8.20	7.36	7.54

Source: Bank of Tanzania



Table A5 (a) Tanzania Exports by Type of Commodity

Item	2004 ^p		% Change	2005 ^p		% Change	Year ending July ^p		% Change
	June	July		June	July		2004	2005	
Traditional Exports:									
COFFEE									
Value	1.2	0.8	-35.2	1.9	1.0	-47.1	40.94	71.84	75.5
Volume	0.9	0.6	-35.5	1.4	0.8	-42.9	34.25	48.72	42.3
Unit Price	1,327.3	1,333.3	0.5	1,350.0	1,250.0	-7.4	1,195.32	1,474.45	23.4
COTTON									
Value	1.5	3.9	165.9	1.2	5.0	315.4	40.83	94.76	132.1
Volume	1.4	3.6	150.0	1.2	6.4	433.3	42.59	94.59	122.1
Unit Price	1,018.5	1,083.3	6.4	1,003.0	781.3	-22.1	958.50	1,001.83	4.5
SISAL									
Value	0.7	0.7	5.5	0.8	0.3	-61.2	7.68	6.85	-10.9
Volume	1.0	1.1	13.3	0.9	0.4	-55.6	13.87	8.93	-35.6
Unit Price	683.7	636.4	-6.9	859.0	750.0	-12.7	553.85	766.28	38.4
TEA									
Value	1.9	0.8	-58.3	1.6	0.5	-68.3	26.61	27.58	3.7
Volume	1.5	0.6	-59.8	1.5	0.4	-73.3	21.65	23.39	8.0
Unit Price	1,284.6	1,333.3	3.8	1,053.0	1,250.0	18.7	1,228.91	1,179.48	-4.0
TOBACCO									
Value	0.6	1.1	83.8	1.0	4.0	304.0	48.97	61.73	26.1
Volume	0.5	0.7	47.3	0.5	1.8	260.0	25.63	27.99	9.2
Unit Price	1,259.9	1,571.4	24.7	1,980.0	2,222.2	12.2	1,910.78	2,205.85	15.4
CASHEWNUTS									
Value	0.0	0.0	-100.0	0.4	0.0	-100.0	47.65	61.59	29.3
Volume	0.1	0.0	-100.0	0.5	0.0	-100.0	75.53	71.46	-5.4
Unit Price	581.9	0.0	-100.0	710.0	0.0	-100.0	630.90	861.93	36.6
CLOVES									
Value	0.0	0.0	-	0.0	0.0	-	9.41	6.54	-30.5
Volume	0.0	0.0	-	0.0	0.0	-	5.56	2.13	-61.7
Unit Price	0.0	0.0	-	0.0	0.0	-	1,690.70	3,068.25	81.5
SUB TOTAL	5.9	7.3	23.3	6.8	10.8	59.0	222.08	330.90	49.00
Non-Traditional Exports									
Minerals									
Gold	55.5	65.3	17.7	56.5	56.8	0.5	652.60	712.32	9.2
Diamond	50.1	56.8	13.3	54.2	53.5	-1.4	606.88	665.61	9.7
Other minerals	4.1	4.3	5.0	0.1	-	-	23.88	16.32	-31.6
Manufactured Goods									
Cotton Yarn	1.3	4.3	226.3	2.2	3.4	52.2	21.85	30.39	39.1
Manufactured Coffee	6.8	8.2	19.9	9.6	11.1	16.1	96.11	132.60	38.0
Manufactured Tobacco	0.5	0.3	-36.2	0.5	0.1	-78.2	5.14	4.34	-15.5
Sisal Products (Yarn & Twine)	0.1	0.1	10.6	0.1	0.0	-100.0	0.49	3.95	710.4
Other manufactured Goods	0.0	0.0	2103.9	0.2	0.0	-100.0	1.16	-	-
Fish and Fish Products									
Other manufactured Goods	12.1	12.2	0.6	10.6	9.2	-13.3	127.97	141.72	10.7
Horticultural products									
Others Exports	0.8	0.8	-0.6	1.2	1.9	62.8	13.67	17.71	29.5
Sub Total									
Sub Total	9.4	12.8	35.4	10.5	12.5	19.2	106.06	131.93	24.4
Sub Total	84.6	99.2	17.3	88.4	91.6	3.6	996.41	1,136.28	14.04
GRAND TOTAL	90.6	106.5	17.7	95.2	102.4	7.6	1,218.48	1,467.17	20.41

NOTE:

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 US\$; Unit Price in US\$/Ton

Source: Bank of Tanzania, TRA



Table A5 (b): Tanzania Imports (By Major Category) - f.o.b. Value

Millions of US\$

Item	2004 ^p			2005 ^p			Year ending July ^p		
	June	July	% Change	June	July	% Change	2004	2005	% Change
	CAPITAL GOODS	70.81	79.94	12.89	86.1	73.61	-14.50	798.3	966.90
Transport Equipment	18.00	20.96	16.47	19.6	18.82	-4.15	228.9	234.85	2.60
Building and Constructions Equipment	15.64	11.02	-29.51	22.3	18.27	-17.99	155.7	221.79	42.45
Machinery	37.17	47.95	29.00	44.2	36.52	-17.34	413.7	510.26	23.34
INTERMEDIATE GOODS	86.13	37.75	-56.17	60.8	62.21	2.35	673.9	596.28	-11.52
Oil imports	49.14	18.57	-62.21	26.5	35.04	32.19	405.4	303.80	-25.06
Fertilizers	14.54	6.97	-52.05	9.0	10.98	22.40	41.5	63.47	52.93
Industrial raw materials	22.45	12.21	-45.63	25.3	16.19	-36.02	227.0	229.02	0.89
CONSUMER GOODS	80.44	51.64	-35.80	65.5	48.09	-26.54	691.8	741.56	7.19
Food and foodstuffs	34.99	11.98	-65.76	13.5	11.26	-16.83	237.5	184.61	-22.27
All other consumer goods	45.45	39.66	-12.75	51.9	36.83	-29.07	454.3	556.95	22.60
GRAND TOTAL (f.o.b.)	237.38	169.33	-28.67	212.3	183.91	-13.39	2,164.0	2,304.74	6.50
GRAND TOTAL (c.i.f)	260.86	186.07	-28.67	233.3	202.10	-13.39	2,378.0	2,532.68	6.50

Note:

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 Balance of Payment

	Millions of US\$			
Item	2001	2002	2003	2004p
A. Current Account	-436.7	-214.7	-384.2	-456.7
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. Capital Account	361.5	355.4	358.2	293.6
Capital transfers: credit	361.5	355.4	358.2	293.6
Capital transfers:debit	0.0	0.0	0.0	0.0
Total, Groups A plus B	-75.2	140.6	-26.0	-163.1
C. Financial Account, excl. reserves and related it	-501.9	0.0	-5.6	3.2
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
<i>Total, Groups A through C</i>	<i>-577.1</i>	<i>140.6</i>	<i>-31.7</i>	<i>-159.9</i>
D. Net Errors and Omissions	-232.5	-253.0	101.6	61.8
<i>Overall balance</i>	<i>-809.6</i>	<i>-112.4</i>	<i>69.9</i>	<i>-98.1</i>
E. Reserves and Related Items	809.6	112.4	-69.9	98.1
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
Memorandum items				
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 tr	-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 ei	761.2	1058.4	1533.9	1786.9
Change in Net International Reser	-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: Actual and Seasonally Adjusted Inflation Rates, Tanzania Mainland

Period	Unadjusted						Seasonally Adjusted						Percent	
	Year-on-Year		Month-on-Month		6-Months Annualised		Year-on-Year		Month-on-Month		6-Months Annualised		Month-on-Month	
	Headline ¹⁾	Non-Food ²⁾	Food	Headline ¹⁾	Non-Food ²⁾	Food	Headline ¹⁾	Non-Food ²⁾	Food	Headline ¹⁾	Non-Food ²⁾	Food	Headline ¹⁾	Non-Food ²⁾
2003-Jan	3.4	3.3	3.4	5.4	5.0	5.5	3.9	6.2	2.3	0.2	1.2	0.2	0.2	-0.3
Feb	3.4	2.1	4.4	-0.5	-0.8	-0.3	3.5	3.1	3.8	0.2	-0.2	0.2	0.2	0.3
Mar	3.4	2.9	3.7	-0.8	-1.1	-0.6	3.4	3.7	2.9	0.2	0.6	0.2	0.2	0.0
Apr	3.4	1.7	4.7	-0.2	-0.1	-0.2	3.1	3.3	3.1	0.2	-0.6	0.2	0.2	0.6
May	3.6	1.6	5.0	-0.2	-1.5	0.7	3.2	1.4	4.1	0.4	-0.4	0.4	0.4	0.8
Jun	3.6	0.8	5.6	-0.3	-0.7	0.0	3.0	-0.4	5.4	0.3	-0.7	0.3	0.3	1.2
Jul	3.5	3.0	3.9	0.8	2.8	-0.4	3.2	-0.4	5.4	0.4	1.1	0.4	0.4	-0.3
Aug	3.5	2.0	4.4	-0.5	-0.9	-0.3	3.4	1.1	5.2	0.3	0.5	0.3	0.3	0.3
Sep	3.7	1.4	5.2	0.3	-1.1	1.2	3.9	-0.6	7.5	0.4	-0.2	0.4	0.4	0.9
Oct	3.6	2.2	4.6	-0.3	0.8	-0.9	4.4	1.1	6.3	0.4	0.3	0.4	0.4	0.2
Nov	3.4	1.6	4.7	-0.5	-0.6	-0.6	3.8	2.0	5.3	0.2	0.1	0.2	0.2	0.2
Dec	3.4	1.4	4.8	0.3	-0.3	0.7	3.9	3.4	4.4	0.4	-0.1	0.4	0.4	0.8
2004-Jan	3.6	0.2	6.0	5.6	3.8	6.7	4.0	0.7	6.4	0.3	-0.2	0.3	0.3	0.7
Feb	3.8	0.2	6.6	-0.3	-0.8	0.3	4.2	-0.7	8.1	0.5	-0.2	0.5	0.5	1.0
Mar	4.0	-0.1	7.0	-0.5	-1.4	-0.2	4.1	0.3	6.6	0.8	0.2	0.8	0.8	0.3
Apr	4.7	-0.5	8.4	0.5	-0.5	1.1	4.9	-2.0	10.5	0.7	-0.9	0.7	0.7	2.0
May	4.4	2.0	6.0	-0.5	1.0	-1.5	4.8	2.1	6.9	0.8	2.2	0.8	0.8	-1.4
Jun	4.2	3.1	4.9	-0.5	0.4	-1.1	4.5	2.7	5.5	0.2	0.3	0.2	0.2	0.1
Jul	4.1	1.8	5.3	0.7	1.4	-0.1	4.3	3.9	4.2	0.5	0.4	0.5	0.5	0.2
Aug	4.1	1.5	5.9	-0.5	-1.2	0.4	4.1	3.7	3.8	0.3	-0.4	0.3	0.3	0.7
Sep	4.0	3.2	4.6	0.2	0.6	-0.1	3.9	4.1	2.7	0.6	0.5	0.6	0.6	-0.2
Oct	4.2	2.5	5.2	-0.1	0.1	-0.3	3.1	7.1	0.2	0.4	0.6	0.4	0.4	0.7
Nov	4.4	2.4	5.9	-0.3	-0.7	0.1	3.9	2.4	5.0	0.8	-0.1	0.8	0.8	0.9
Dec	4.2	2.9	5.1	0.1	0.2	-0.1	3.7	2.7	4.6	0.2	0.4	0.2	0.2	-0.1
2005-Jan	4.0	1.5	5.9	5.4	2.4	7.5	3.7	-0.9	7.6	0.2	-1.4	0.2	0.2	1.6
Feb	4.1	1.8	5.7	-0.2	-0.5	0.1	4.1	-0.1	7.6	0.5	0.1	0.5	0.5	0.8
Mar	4.1	3.3	4.9	-0.5	0.0	-0.9	4.4	2.4	7.1	0.5	1.7	0.5	0.5	-0.4
Apr	4.0	3.9	4.3	0.4	0.2	0.5	5.0	0.6	8.6	0.6	-0.3	0.6	0.6	1.4
May	4.0	3.0	5.0	-0.5	0.1	-0.8	4.2	3.5	5.1	0.1	1.2	0.1	0.1	-0.8
Jun	4.2	2.5	5.8	-0.3	0.0	-0.3	4.8	2.9	7.0	0.4	0.1	0.4	0.4	0.1
Jul	4.4	2.0	7.0	0.9	0.8	1.1	5.1	3.9	6.5	0.4	-0.9	0.4	0.4	1.3

Source: National Bureau of Statistics and Bank of Tanzania Computations.

1) Total NCPI. ²⁾ Non-Food NCPI.



Table A7: External Debt Developments

Millions of USD

Item	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
							Jun-05	Jul-05
1. Overall Total Debt Committed ²	7,972.90	7,595.70	7,702.30	8,032.80	7,606.60	8,088.30	8,345.10	8,335.50
Disbursed outstanding debt	6,580.30	6,538.30	6,312.20	6,559.70	6,233.00	6,678.30	6,799.50	6,845.80
Undisbursed debt	1,392.60	1,057.40	1,390.10	1,473.10	1,373.60	1,410.00	1,545.60	1,489.70
2. Disbursed Debt by Creditor Category ²	6,580.30	6,538.30	6,312.20	6,559.70	6,233.00	6,678.30	6,799.50	6,845.82
o/w: Bilateral debt	2,791.80	2,514.10	2,289.10	2,277.10	1,633.70	1,483.60	1,502.30	1,555.40
Multilateral debt	3,330.10	3,571.50	3,530.60	3,808.50	4,088.30	4,570.00	4,626.30	4,622.74
Commercial debt	251.50	264.90	307.90	302.50	330.60	391.20	416.40	413.42
Export credits	206.90	187.80	184.70	171.60	180.50	233.50	254.50	254.26
3. Disbursed Debt by Borrower Category ²	6,580.30	6,538.30	6,312.20	6,559.70	6,233.00	6,678.30	6,799.45	6,845.82
o/w: Central Government	6,168.20	6,092.60	5,844.00	6,054.80	5,708.00	6,092.00	5,830.45	5,856.92
Parastatal Companies	165.10	183.20	172.20	153.80	152.20	149.10	477.50	501.61
Private Sector	247.00	262.50	296.00	351.10	372.90	437.20	491.50	487.28
4. Disbursed Debt by Use of Funds ²	6,580.30	6,538.30	6,312.20	6,559.70	6,233.00	6,678.30	6,799.50	6,845.81
o/w: Balance of payment support	1,512.20	1,648.10	1,524.20	1,639.00	1,166.00	1,275.10	1,335.10	1,432.42
Transport & Telecommunication	1,337.80	1,067.40	1,021.10	1,027.90	1,047.80	1,085.10	1,073.50	1,077.34
Agriculture	963.80	1,040.20	990.90	1,007.80	1,034.70	967.70	1,077.80	1,059.14
Energy & Mining	821.80	869.00	824.30	902.90	895.00	924.30	1,070.30	916.17
Industries	504.40	430.00	413.80	402.30	411.20	352.70	405.50	403.42
Social Welfare & Education	292.70	426.50	332.00	384.40	421.70	333.30	611.70	626.21
Finance and Insurance	215.50	122.80	131.20	77.90	76.90	82.30	96.60	96.23
Tourism	80.20	84.10	82.00	83.80	88.20	80.20	80.10	79.77
Others	851.90	850.20	992.70	1,033.70	1,091.60	1,577.50	1,048.90	1,155.10
5. Total Amount of Loans Contracted ¹	212.50	224.37	417.60	517.94	277.30	229.69	376.40	0.00
Government	159.90	220.17	285.70	465.32	259.80	209.40	335.40	0.00
Parastatal Companies	4.60	-	-	0.00	0.00	0.00	0.00	0.00
Private	48.00	4.20	131.00	52.61	17.50	20.29	41.00	0.00
6. Disbursements ¹	189.20	267.70	169.70	184.83	169.00	234.70	190.20	0.00
Government	187.40	264.50	169.60	160.50	163.70	205.90	161.40	0.00
Parastatal Companies	1.30	-	-	-	0.00	2.00	0.00	0.00
Private	0.50	3.20	0.10	24.33	5.30	26.80	28.80	0.00
7. Scheduled Debt Service ¹	368.90	428.20	422.00	400.00	369.00	334.40	355.10	373.61
8. Actual Debt Service ¹	187.90	190.89	120.90	89.09	112.40	99.30	112.88	4.82
Principal	112.20	140.53	100.10	47.91	86.60	68.60	86.03	3.23
Interest	75.60	49.56	20.80	41.18	25.80	30.60	26.85	1.59
Others	0.10	0.80	-	0.00	0.00	0.10	0.00	0.00
9. Net Transfers	1.30	76.81	48.80	95.74	51.30	106.60	77.32	-4.82
10. Total Arrears by Creditor Category ²	2,660.50	2,239.00	2,304.90	1,820.20	2,056.50	2,297.80	2,470.50	2,257.80
o/w: Principal	1,571.10	1,152.50	1,135.00	915.90	1,021.40	1,119.10	1,135.20	1,093.70
Bilateral	1,235.40	810.70	803.80	570.50	611.60	658.80	669.40	622.10
Multilateral	23.00	0.00	0.00	39.90	45.10	28.30	5.90	8.40
Commercial	132.40	185.00	165.40	152.90	203.70	240.20	249.20	252.50
Other Private Creditors	180.30	156.80	165.80	152.60	161.00	191.80	210.70	210.70
Interest	1,089.40	1,086.50	1,169.90	904.30	1,035.10	1,178.70	1,335.30	1,164.10
Bilateral	740.00	739.50	780.40	522.70	577.70	693.00	818.80	646.10
Multilateral*	8.30	0.00	0.00	54.10	68.40	27.30	23.40	23.80
Commercial	204.30	261.10	294.50	222.20	268.30	287.10	333.70	334.30
Other Private Creditors	136.80	85.90	95.00	105.30	120.70	171.30	159.40	159.90
11. External Debt Stock	7,669.70	7,624.80	7,482.10	7,464.00	7,268.10	7,856.90	8,134.80	8,009.90
12. Domestic Debt Stock	1,138.20	1,149.10	919.10	864.50	841.60	885.30	952.60	1,421.72
13. Total Debt Stock	8,807.90	8,773.90	8,401.20	8,328.50	8,109.70	8,742.10	9,087.40	9,431.62
End of Period Exchange Rate	737.00	799.50	888.00	945.90	1,047.40	1,107.30	1,126.30	1,135.67

Source: Bank of Tanzania

NB. Multilateral*: multilateral arrears are those owed by the private sector.

¹During the period ²End of July 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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