



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

JULY 2005



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Inflation

Developments

Annual headline inflation went up slightly to 4.2 percent in June 2005 compared to 4.0 percent recorded in the preceding month as a result of an increase in food inflation. Meanwhile, month-on-month general price level decreased by 0.3 percent in June 2005, mainly on account of seasonal factors. The decline in inflation in June 2005, though was smaller than the decline of 0.5 percent observed in June 2004, signifying an underlying upward movement, which was manifested in seasonally adjusted month-to-month headline inflation, that rose by 0.4 percent in June 2005 (**vide annex- table A6**).

Annual **food inflation** rose to 5.8 percent in June 2005 following increase in prices of some food items such as maize flour, rice, beans and round potatoes. On month-to-month basis food prices registered a seasonal decline following decrease in prices of sweet potatoes, bananas, vegetables, oranges, fish, cooking oil and margarine.

The annual **non-food inflation** slowed to 2.5 percent in June 2005 from 3.0 percent in May, mainly due to decrease in average rent. Likewise, the month-to-month non-food inflation slowed from 0.1 percent to a stand still in June 2005, following decline in prices of tea, hard drinks, furniture, charcoal stoves, plastic plates, thermos flasks, toilet soap, toothpaste, hair and shaving creams.

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

(Base: 2001=100)

Major or Commodity Group	Weight (%)	2004							2005					
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Headline/Over all	100	4.2	4.1	4.1	4.0	4.2	4.4	4.2	4.0	4.1	4.1	4.0	4.0	4.2
Food	55.9	4.9	5.3	5.9	4.6	5.2	5.9	5.0	5.9	5.7	4.9	4.3	5.0	5.8
Non-food	44.1	3.1	2.2	1.5	3.1	2.5	2.4	2.9	1.5	1.8	3.3	3.9	3.0	2.5
Transportation	9.7	1.2	-1.6	1.7	3.3	1.1	1.7	2.8	3.3	2.2	5.7	6.9	5.0	5.1
Fuel, Power and Water	8.5	9.1	20.3	2.4	6.0	9.3	7.7	7.1	-5.4	5.9	9.4	6.8	9.6	5.6
Drinks and Tobacco	6.9	1.8	-4.7	0.0	0.5	-0.8	-0.2	0.6	0.6	1.8	0.3	2.9	1.7	1.4
Clothing & Footwear	6.4	2.3	-0.1	3.1	4.5	3.1	1.9	2.5	-1.2	-1.7	1.7	3.3	-0.9	0.9
Education	2.6	1.6	0.0	0.6	0.9	-1.9	3.4	2.3	1.8	-0.6	1.4	2.1	0.2	1.2
Furniture & Household Equip.	2.1	2.2	-2.0	-0.4	2.9	0.8	2.2	0.9	1.0	0.2	-2.3	0.4	-3.2	-2.8
H/h Operations Maintenance	2.1	2.2	-0.4	1.7	4.3	1.9	1.6	2.4	0.5	2.4	2.3	2.5	1.4	0.4
Personal Care & Health	2.1	0.7	-5.0	0.7	1.4	2.6	0.0	3.2	-3.0	6.0	0.1	4.9	4.4	6.1
Rents	1.4	3.4	2.6	0.4	0.3	0.1	-0.1	-1.3	-2.5	-2.8	-4.6	-5.3	-5.3	-5.0
Recreation & Entertainment	0.8	0.5	0.2	1.8	3.7	2.1	4.0	0.4	-1.5	-3.3	-2.5	1.5	0.9	-0.2
Misc. Goods & Services	1.5	2.0	-5.7	-0.2	0.5	-0.8	-1.8	0.2	-2.6	-1.5	0.4	-4.7	-2.4	-1.5

Source: National Bureau of Statistics (NBS)

Food Supply Situation

In general, food supply remained satisfactory in June 2005 as harvests of food crops continued in most parts of the country. Reflecting this development, the average wholesale prices for rice, sorghum, beans and potatoes decreased during June 2005 from previous month levels (**vide table 2**). However, prices of maize increased slightly during the month partly reflecting increased exports of the cereal to neighbouring countries.

Table 2: National average Wholesale Prices for Selected Food Items

(TZS per 100 Kgs)

Item	Jun-02	Jun-03	Jun-04	2005			Percentage change		
				Apr	May	June	Jun-04 Jun-05	May-05 Jun-05	
Maize	9,035	15,025	13,400	15,500	16,020	17,072	27		7
Rice	25,637	35,560	44,663	52,139	50,974	48,122	8		-6
Beans	26,440	39,292	33,848	45,633	50,009	49,700	47		-1
Sorghum	13,697	17,113	22,582	19,916	21,010	20,474	-9		-3
Potatoes	19,475	21,055	21,666	27,535	28,142	26,002	20		-8

Source: Ministry of Agriculture and Food Security

During the month under review, the Strategic Grain Reserve (SGR) stocks declined to 112,823 tons at the end of June 2005 from 113,825 tons at end May 2005 following sales of maize to Prisons Department. The government is expecting to purchase 44,000 tons of maize from food surplus regions during 2005/06 crop season to add to the SGR stocks.

Table 3: Tanzania: 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		
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	98,448		
December	78,967	62,788	58,395	41,649	140,300		

Source: Food Security Department and BOT computation

Monetary

Money and Credit Developments

Money Supply

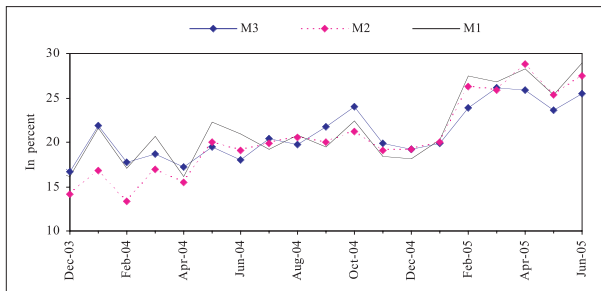
During the year ending June 2005, money supply grew by slightly more than the anticipated rate of 24 percent owing to increased demand for financing the expanding economic activities, particularly building and construction, agriculture (crop purchase) and poverty reduction related government expenditures. Extended broad money supply (M3) grew by 25 percent compared with 18 percent in the year ending June 2004, while broad money supply (M2) recorded a growth rate of 27 percent compared to 19 percent during the year ending June 2004 (**vide chart 1**).

The expansion in money supply was dominated by demand deposits that grew by 33 percent during the year ending June 2005 compared to the growth of 17 percent in the previous year, partly reflecting increases in credit. Similarly,



other deposits registered accelerated growth as a result of rising income from the expanding economic activities and increased travel and exports receipts. The annual rate of expansion of currency in circulation remained roughly unchanged at 25 percent, as it was in June 2004.

Chart 1: Tanzania: Annual Growth Rates of Monetary aggregates



M3 increased by TZS 155 billion in June 2005, with most of the increases being in the form of currency in circulation and demand deposits. The rise in currency in circulation and demand deposits is associated with a drawdown of government deposits from the Bank and an increase in private sector credit (vide table 4). The impact of credit on money supply was, however, moderated by net foreign assets of the Bank, which declined following sales of foreign exchange in the interbank foreign exchange market by the Bank.

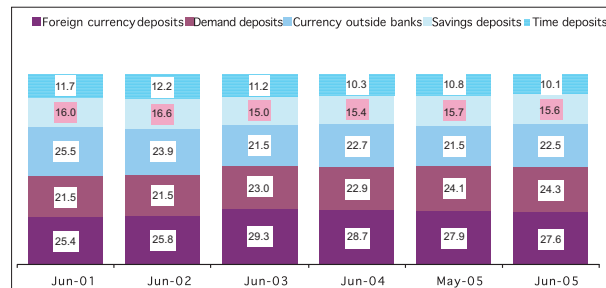
Table 4: Tanzania: Selected Money Supply Components

(Billions of TZS)

Item	2004		2005		Absolute Change	Annual % Changes		
	May	Jun	May	Jun		Jun-04	May-05	Jun-05
Extended broad money (M3)	2,517.1	2,602.9	3,111.4	3,266.5	155.1	18.0	23.6	25.5
Broad money (M2)	1,788.6	1,856.3	2,242.8	2,366.5	123.7	19.1	25.4	27.5
Currency in circulation	532.8	590.4	668.3	734.9	66.6	24.6	25.4	24.5
Demand deposits	598.4	595.6	749.1	793.9	44.8	17.4	25.2	33.3
Time deposits	266.7	269.1	336.6	328.7	-7.9	9.1	26.2	22.1
Savings deposits	390.7	401.1	488.9	509.0	20.1	21.2	25.1	26.9
Foreign currency deposits	728.6	746.6	868.5	900.0	31.5	15.4	19.2	20.5
In million of US-dollar	652.6	674.2	772.8	799.1	26.2	9.0	18.4	18.5
Total non government deposits	1,984.4	2,012.5	2,443.1	2,531.6	88.5	16.2	23.1	25.8
Net foreign assets	2,114.5	2,134.2	2,305.2	2,279.3	-25.9	14.0	9.0	6.8
Bank of Tanzania	1,458.9	1,468.9	1,694.1	1,666.0	-28.1	20.9	16.1	13.4
Commercial banks	655.6	665.3	611.1	613.3	2.2	1.4	-6.8	-7.8
Net domestic assets	917.7	962.9	1,338.4	1,511.1	172.7	35.6	45.8	56.9
Domestic Credit	1,046.8	1,123.6	1,374.4	1,504.1	129.7	30.9	31.3	33.9
Net claims on government	155.9	157.6	192.3	284.7	92.5	-21.1	23.4	80.6
Claims on government	511.1	515.2	528.9	551.1	22.3	5.2	3.5	7.0
Government deposits	355.2	357.6	336.6	266.4	-70.2	23.2	-5.2	-25.5
Claims on the private sector	890.9	966.0	1,182.1	1,219.4	37.3	46.7	32.7	26.2

Source: Bank of Tanzania

Chart 2: Tanzania: Components of Money Supply as Percentage of M3

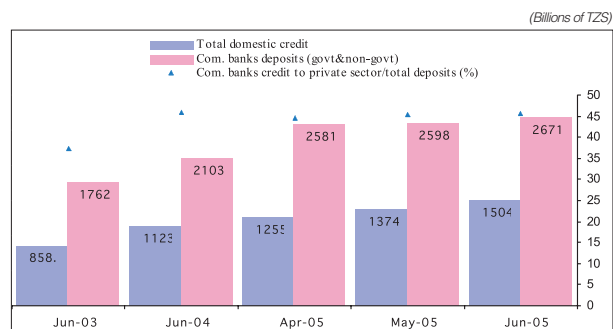


Domestic Credit

In June 2005, commercial banks' credit to the private sector increased by TZS 37.3 billion, compared with TZS 31 billion in May 2005. The credit was extended mostly to the agricultural, transport and to the communication sector.

During the year ending June 2005, credit to the private sector grew by 26.2 percent compared to 32.7 percent recorded in the year ending May. However, the ratio of private sector credit to deposits remained almost unchanged at the rate of 45.5 percent (vide chart 3).

Chart 3: Total Deposits and Credit of the Banking System



Interest Rates in Commercial Banks

Developments in interest rates offered by commercial banks on deposits were mixed during June 2005. Interest rates on savings deposits averaged 2.6 percent although some banks offered rates of up to 5 percent. The average interest rate on time deposits declined to 4.4 percent from 4.6 percent in May 2005. However, some banks offered negotiated rates as high as 8 to 10 percent.

During the month under review, average lending rate increased slightly to 15.6 percent from 15.4 percent in May 2005. Nevertheless, some banks charged interest rates as low as 10.5 to 12 percent on their prime borrowers.



Table 5: Tanzania: Interest Rate Structure

(Percent per Annum)

Item	2004							2005					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
364 days Treasury bill	8.2	9.4	10.1	10.4	11.0	10.9	10.7	10.8	10.4	9.8	9.8	9.8	10.5
Overall Treasury bills	7.8	8.4	9.0	9.6	10.0	9.8	9.6	9.7	9.4	8.4	8.6	8.5	9.3
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	4.7	4.6	4.5	4.6	4.4
12 months time deposits	5.8	5.8	5.8	6.1	6.1	5.9	5.8	5.9	5.5	6.0	6.2	6.3	6.0
Negotiated deposit s	6.8	6.7	6.2	6.4	6.9	8.4	8.8	8.8	8.8	8.8	8.6	8.7	8.5
Overall Lending rate	14.2	14.2	14.8	14.9	14.3	14.7	14.8	15.0	15.6	15.4	15.2	15.4	15.6
Negotiated lending Rates	9.4	9.4	10.1	12.9	11.2	10.9	11.1	11.3	10.3	10.3	10.3	10.5	11.0

Source: Commercial banks and Domestic Markets, Bank of Tanzania

Financial Markets Operations

Demand for Treasury bills declined during June 2005 from the previous month level. Bids worth TZS 220.7 billion were received compared with TZS 275.6 billion recorded in the preceding month. In order to attain a level of liquidity that is consistent with monetary policy targets, the Bank accepted bids worth TZS 195.1 billion.

In the days leading to the end of the month under review, the interest rates on Treasury bills trended upwards reflecting liquidity tightness associated to the end of quarter submission of corporate income tax. The average weighted Treasury bills rate rose to 9.3 percent in June 2005 from an average of 8.5 percent in May 2005 (vide table 5).

Table 5: Treasury Bills Interest Rates

(Percent per Annum)

Item	2004							2005					
	Jun	Jul	Aug	Sep	Oct-04	Nov-04	Dec-04	Jan	Feb	Mar	Apr	May	Jun
35 days	6.74	7.27	7.56	8.23	8.97	8.56	8.13	8.23	7.76	6.51	5.75	5.30	6.60
91 days	7.67	8.12	8.37	9.31	9.88	9.64	9.63	9.64	8.82	8.16	8.12	8.02	8.12
182 days	8.03	8.39	9.31	9.89	9.96	9.89	9.87	10.22	9.82	9.38	9.37	9.18	9.43
364 days	8.22	9.40	10.13	10.40	10.98	10.91	10.67	10.84	10.38	9.81	9.81	9.76	10.51
Overall	7.83	8.39	8.97	9.57	9.97	9.75	9.56	9.72	9.45	9.40	8.64	8.46	9.30

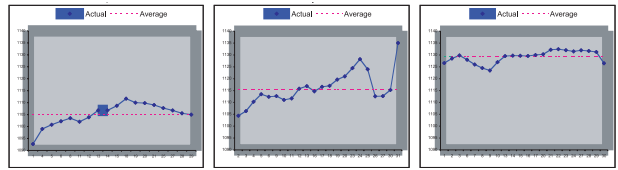
Source: Bank of Tanzania

Foreign Exchange Market Operations

The month of June continued to be characterized by high demand for foreign exchange to finance increased importation during the month. The volume of foreign exchange transacted in the inter-bank foreign exchange market totaled USD 52.5 million. As a result of high demand for foreign exchange relative to the available supply in the market, the Bank of Tanzania intervened by making a net sale of USD 24.5 million, compared to a net sale of USD 12.0 million in May 2005.

In light of the high demand for foreign exchange, the shilling depreciated against the US dollar from an average of TZS 1,116.84 per US dollar in May 2005 to an average of TZS 1,129.19 per US dollar in June. The exchange rate however remained more stable in June as compared to the situation in the preceding two months (vide chart 4)

Chart 4: Daily Developments in Exchange Rate (TZS/USD)



During the same period, the volume of transactions conducted in Bureau de Change system went down by 13.8 percent to USD 60.55 million. This reflected a slight decrease in demand for USD relative to supply as the shilling registered a minor appreciation against the USD (see table 6). The margin between the selling and buying rate during the month under review increased by 3.8 percent from TZS 18.0 in May 2005.

Table 6: Foreign Exchange Market Developments

ITEM	2005		2004	% Change		Year ending June		% Change
	May	June	June	May to Jun 2005	June 04 to June 05	2004	2005	
IFFEM								
Amount offered*	56.43	52.53	51.37	-6.91	2.26	953.97	792.18	-16.96
Amount sold*	56.43	52.53	51.37	-6.91	2.26	953.97	792.18	-16.96
Exchange rate**	1116.47	1129.19	1115.27	1.14	1.25	1077.74	1090.75	1.21
Bureau de Change								
Sales*	33.00	29.50	25.90	-10.61	13.90	286.90	357.60	24.64
Purchases*	37.20	31.05	26.90	-16.53	15.43	272.60	368.53	35.19
Volume of Transactions*	70.20	60.55	52.80	-13.75	14.68	559.50	726.13	29.78
Buying rate**	1110.00	1103.00	1109.67	-0.63	-0.60	1070.89	1082.56	1.09
Selling rate**	1128.00	1121.70	1124.01	-0.56	-0.21	1088.92	1101.14	1.12

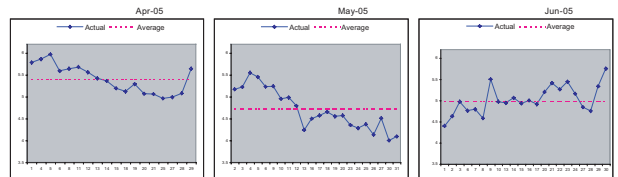
Note: *Millions of USD, **Tanzania Shillings (TZS) per US dollar

Source: Bank of Tanzania

Inter-bank Cash Market

During June 2005, transactions in the inter-bank cash market amounted to TZS 141.0 billion compared with TZS 319.4 billion recorded in the preceding month. Overnight transactions continued to dominate, accounting for about 88 percent of the total transactions. The daily average inter-bank rates ranged between 4.4 percent and 5.8 percent in the month under review compared with the range of 4.1 percent and 5.5 percent recorded in the preceding month (vide chart 5).

Chart 5: Overnight Inter bank Rates

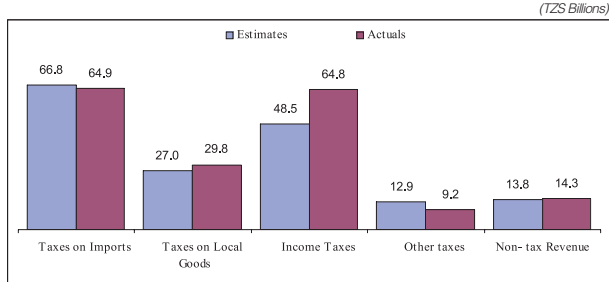


Government Budgetary Developments

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 strong 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.

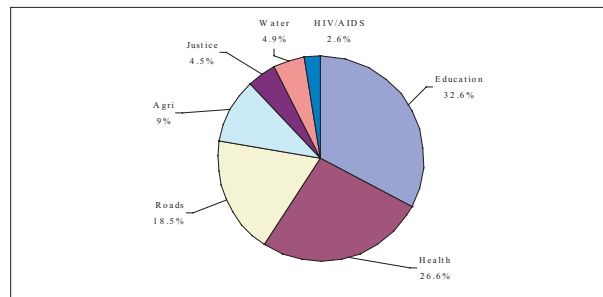
Chart 6: Tanzania: Government Revenue Performance in June 2005



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 Performance

During June 2005, the current account deficit widened to USD 114.9 million from USD 73.3 million recorded in the previous month, mainly on account of increases in the value of imports, particularly oil, fertilizers and industrial raw materials.

During the year ending June 2005, the current account deficit shrunk by more than half of what it was in the preceding year. The main factors for this development were the improvement in exports performance and increases in official transfers. The USD value of exports of goods and services was nearly 30 percent more than the value realized in the preceding year. This development was largely attributed to the improved performance of travel receipts, agricultural crop exports and official transfers, which rose by more than 40 percent (vide table 7).

Table 7: Tanzania: Current Account Balance

(Million of USD)

Item	June		2005 ^P		Year ending June ^P		% Change
	2003	2004	May	June	2004	2005	
Goods Account (net)	-56.1	-146.8	-66.1	-99.5	-97.7	-811.9	-17.0
Exports	78.0	90.6	89.1	95.2	1,180.7	1,435.7	21.6
Imports	134.1	237.4	155.2	194.7	2,158.4	2,247.5	4.1
Services Account (net)	12.6	-4.8	-18.5	-13.2	-48.8	-67.2	37.7
Receipts	61.5	73.5	91.8	96.8	743.3	1,053.4	41.7
Payments	48.9	78.4	110.3	110.0	792.1	1,120.5	41.5
Goods and services (net)	-43.6	-151.7	-84.6	-112.7	-1,026.5	-879.0	-14.4
Exports of goods and services	139.5	164.1	180.9	192.0	1,924.0	2,489.0	29.4
Imports of goods and services	183.1	315.8	265.6	304.7	2,950.5	3,368.0	14.2
Income Account (net)	-1.2	1.1	-0.6	-13.6	-39.6	-55.5	40.4
Receipts	10.9	9.0	5.3	13.6	88.9	82.9	-6.7
Payments	12.1	7.9	6.0	27.2	128.5	138.5	7.8
Current Transfers (net)	57.2	12.8	11.9	11.5	461.3	651.1	41.1
Inflows	62.5	17.8	17.6	16.8	523.8	717.7	37.0
o/w General Government	57.0	12.1	12.3	12.3	456.2	653.0	43.1
Outflows	5.4	5.0	5.7	5.3	62.5	66.5	6.4
Current Account Balance	12.4	-137.8	-73.3	-114.9	-604.7	-283.4	-53.1

Note:

P = Provisional

Source: Bank of Tanzania

Exports Performance

Reflecting seasonal pattern, earnings from traditional exports decreased for a sixth month in a row with earnings in June 2005 being lower than that of the proceeding month by 14 percent.

During the year ending June 2005, earnings from export crops went up by 46 percent to USD 322.6 million. There were large increases in export volumes of cotton and coffee, while recoveries were recorded in the export prices

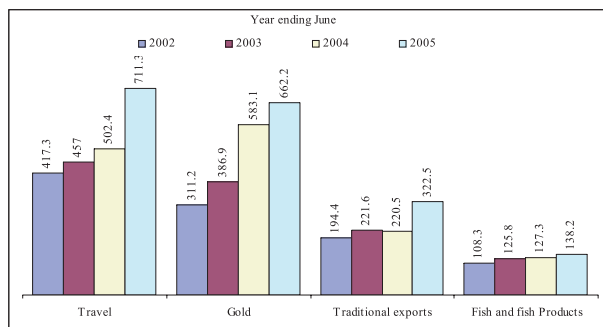


of cloves, sisal and cashew. The rise in export volumes of cotton and coffee reflected the good harvests following favourable weather conditions. During the year, there was also notable improvement in export prices of coffee following low supply from Brazil and Vietnam- the world leading coffee producers of the crop. Clove prices rose slightly owing to the production declines in Madagascar- one of the leading clove producers in the world.

During June 2005, the value of non-traditional exports totalled USD 88.4 million compared with USD 81 million in the preceding month and USD 84 in June 2004. A modest increase was also recorded in the exports of gold, manufactured coffee, and cotton yarn. There were a notable increases in exports of textile apparels, oil seeds, cereals, cocoa and animal hides.

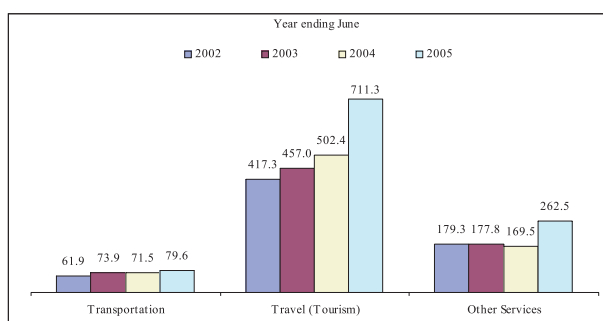
During the year ending June 2005, **non-traditional exports** went up by 16 percent to USD 1,113 million. Gold exports accounted for more than 50 percent of total exports of goods following increases in both volumes and prices, while fish and fish products accounted for 12 percent. A notable improvement was recorded in the exports of steel, plastic articles, textile apparels, oil seeds, cereals, cocoa and raw hides and skins.

Chart 8: Tanzania: Contribution to Total Exports of Goods and Services



Earnings from services amounted to USD 96.8 million in June 2005 compared with USD 91.8 million of the previous month, largely due to increases in receipts from travel and transportation services. On year-to-year basis, services receipts went up by 41.7 percent to USD 1,053.4 million largely on account of a rise in receipts from travel (mainly tourism), insurance and business services (see chart 9).

Chart 9: Tanzania: Service Receipts 2002 - 2005



Imports

During the month under review, imports of goods increased by 25.5 percent to USD 194.7 million. Imports of petroleum products more than doubled following completion of servicing of the flow meters at the Dar es Salaam port. Imports of fertilizers also increased in line with the preparations for 2005/06 farming season.

During the year ending June 2005, goods imports went up by 4.1 percent to USD 2,248 million. Large increases occurred in importation of building and construction equipment, fertilizers, machinery and consumer goods particularly pharmaceutical products and plastic articles. Importation of fertilizers amounted by 47.6 percent compared with USD 37.8 million in the year ending June 2004, reflecting partly the subsidies granted by the government.

During the year, food imports decreased 19.9 percent to USD 187.3 million reflecting improved domestic supplies, especially maize which declined substantially to USD 3.2 million compared with USD 25.6 million during the year ending June 2004. Imports of petroleum products dropped by more than half to 801,784 tons compared with 1,624,680 tons imported in the previous year, partly due to operational problems of the flow meters at the port of entry.

Table 8: Tanzania Imports

(Millions of USD)

Item	June		2005 p		Year ending June ^P		
	2003	2004 ^P	May	June	2004	2005	% Change
CAPITAL GOODS	59.7	70.8	68.8	76.1	787.4	951.9	20.9
Transport Equipment	17.3	18.0	16.7	19.8	224.1	234.6	4.7
Building and Construction Equipment	15.3	15.6	14.0	17.5	159.3	207.8	30.5
Machinery	27.1	37.2	38.1	38.8	404.0	509.5	26.1
INTERMEDIATE GOODS	29.0	86.1	27.0	51.7	690.0	557.0	-19.3
Oil products	10.3	49.1	10.7	22.8	420.0	278.3	-33.7
Fertilizers	2.5	14.5	0.8	6.0	37.8	55.8	47.6
Industrial raw materials	16.2	22.4	15.4	23.0	232.1	222.9	-4.0
CONSUMER GOODS	45.4	80.4	59.4	66.9	681.0	738.6	8.5
Food and foodstuffs	16.4	35.0	17.3	18.2	233.8	187.3	-19.9
All other consumer goods ¹	29.0	45.4	42.1	48.7	447.2	551.3	23.3
GRAND TOTAL (E.O.B)	134.1	237.4	155.2	194.7	2,158.4	2,247.5	4.1
GRAND TOTAL (C.I.F)	147.4	260.9	170.6	214.0	2,371.8	2,469.8	4.1

Note:

P = provisional data

Source: Bank of Tanzania and Tanzania Revenue Authority

Chart 10: Tanzania: Contribution to Total Imports for the Year Ending June 2005

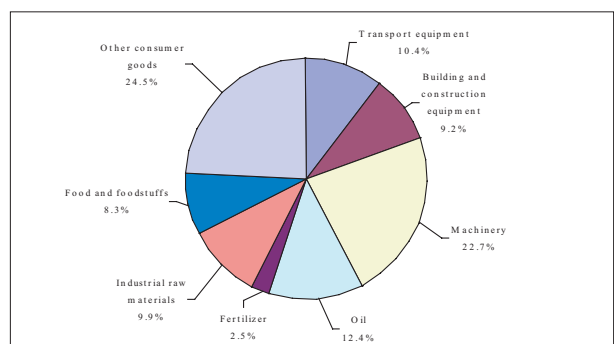
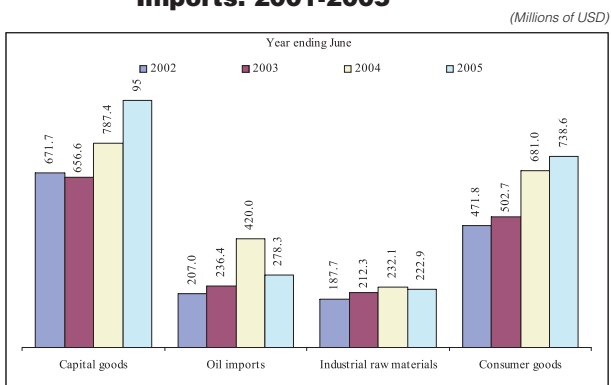
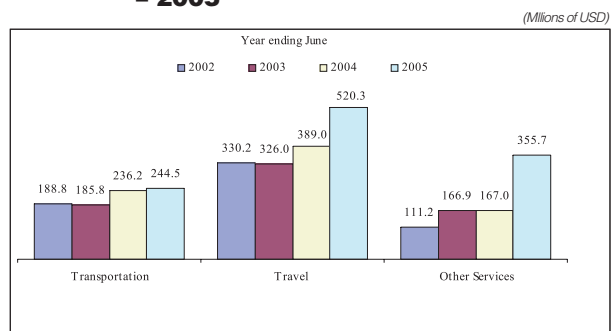


Chart 11: Tanzania: Total Merchandise Imports: 2001-2005



Service payments, which are mainly freight and insurance, increased by 41 percent to USD 1,121 million during the year ending June 2005 on account of a rise in payments for freight charges, travel, construction and insurance services.

Chart 12: Tanzania: Service Payments 2002 - 2005



World Commodity Prices

During June 2005, developments in most commodity prices were mixed. Prices of **Arabica coffee** decreased largely due to the increased supply of the commodity following favourable weather conditions in Brazil. Prices of Robusta coffee improved owing to low supply from Vietnam caused by droughts. Average prices of tea increased during the month, although at Mombasa Auction prices decreased.

The recently introduced quota on Chinese textiles by the United States and the European Union caused a decrease in the demand for cotton, leading to a fall in prices during the month. Prices of sisal and cloves remained at previous months levels.

Prices of petroleum products rose largely due to increased demand in the United States. Prices of gold also increased to USD 430.7 per troy ounce in June 2005 as compared to USD 421.9 of May 2005. On annual basis, the price of gold increased by 8.5 percent largely on account of depreciation of the US dollar against other major currencies.

Table 9: World Commodity Prices

Item	Units	2005			% Change	Year ending June		
		April	May	June		2004	2005	% Change
Robusta Coffee	US \$ per kg	1.12	1.24	1.32	6.45	0.81	0.92	13.58
Arabica Coffee	US \$ per kg	2.86	2.84	2.67	-5.99	1.55	2.29	47.74
Average price of Tea	US \$ per kg	1.73	1.62	1.65	1.85	1.59	1.70	6.92
Tea, Mombasa Auction	US \$ per kg	1.47	1.41	1.39	-1.42	1.59	1.50	-5.66
Cotton, A Index	US \$ per kg	1.26	1.23	1.19	-3.25	1.53	1.19	-22.22
Cotton, Memphis	US \$ per kg	1.35	1.32	1.26	-4.55	1.61	1.23	-23.60
Sisal	US \$ per metric ton	885	885	885	0.0	786.25	885	12.56
Cloves	US \$ per metric ton	3375	3000	3000	0.0	2166.63	3290.75	51.88
Crude oil	US \$ per barrel	50.64	47.83	53.89	12.67	31.38	45.06	43.59
Crude oil	US \$ per barrel	47.10	45.00	50.97	13.27	29.05	40.20	38.38
White products	US \$ per ton	522.00	474.86	532.56	12.15	231.08	450.09	94.78
Gold	US \$ per troy ounce	429.20	421.90	430.70	2.09	389.21	422.42	8.53

Source: Various Trade Publications

Public Debt

Public debt, both external and domestic public liabilities, stood at USD 9,087.5 million at the end of June 2005, which was slightly lower than USD 9,209.4 million recorded at the end of May 2005. The decrease was due to the debt relief from multilateral institutions under HIPC arrangement amounting to USD 6.1 million, as well as variations in exchange rates of the various currencies in which external debt is denominated.

External Debt

Committed external debt decreased to USD 8,345.1 million at the end of June 2005 from USD 8,507.8 million recorded at the end of May 2005, mainly due to variations in exchange rates. Out of the committed debt at the end of June 2005, about USD 6,801.3 was disbursed outstanding debt (DOD).

By end June 2005, total debt stock comprising of disbursed and interest arrears stood at USD 8,134.8 million, which was USD 156 million lower than the stock at the end of May 2005.

During the month under review, new loans contracted and recorded amounted to USD 1.0 million but no disbursements were made. Debt service payments during the month amounted to USD 9.0 million against the scheduled debt service payments of US 15.6 million, partly due to non payment of some of non-Paris Club bilateral loans whose creditors have not yet offered debt relief under HIPC arrangement.

Debt Relief

During the month under review, Tanzania realized savings under HIPC debt relief arrangement amounting to USD 6.2 million, out of which IDA provided USD 4.8 million, IMF (USD 1.1 million), EIB (USD 0.2 million) and NODF (USD 0.1 million). By the end of June 2005, the cumulative debt relief from multilateral creditors had reached USD 369.7 million since 1999, while relief from Paris Club bilateral creditors and non-Paris Club countries had reached USD 858.70 million and USD 72.5 million, respectively.

In an effort to assist highly indebted poor countries overcome their debt problems, the G8 Finance Ministers announced a proposal on debt cancellation in June 2005. The proposal envisages 100 percent debt cancellation of HIPCs' outstanding debt to the IMF, World Bank and African Development Bank.



Domestic Debt

Domestic debt increased by TZS 23.7 billion to TZS 1,072.9 billion at the end of June 2005 from the stock recorded at the end of the previous month on account of issuance of government securities to meet financing needs. Out of the total domestic debt stock, government securities accounted for TZS 1,056.5 billion, equivalent to 98.5 percent, which included bonds worth TZS 660.4 billion, Treasury bills (TZS 278.4) billion, and stocks represented TZS 117.6 billion.

In terms of debt by creditor category, commercial banks represented 38.5 percent of total domestic debt, pension funds with 34.7 percent, Bank of Tanzania (19.5 percent) and other creditor comprising of non-bank financial institutions, insurance companies, private sector held the balance.

During the review period, TZS 46.87 billion fell due for payment. Out of this, TZS 12.96 billion was interest amount and was paid out of government revenue, while the principal amount of TZS 33.96 billion was rolled over.

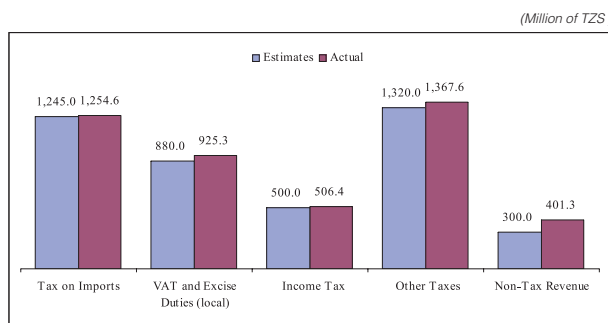
Zanzibar Economy

Budgetary Operations

During June 2005, Zanzibar government budgetary operations recorded a deficit of TZS 3.0 billion before grants, and a deficit of TZS 1.0 billion after grants. The deficit was financed through issuance of government securities.

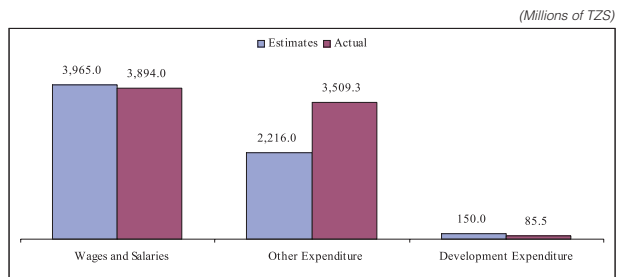
Revenue collection during the month amounted to TZS 4.5 billion, which was above estimation of TZS 4.2 billion for the month. The improved performance was due to increased collections from tourism related activities, following the onset of the tourism season. Collection from tax sources was TZS 4.1 billion, against the target of TZS 3.9 billion, while non-tax revenue was TZS 400 million (**vide chart 13**). Cumulative revenue collection for the year ending June 2005 amounted to TZS 59.8 billion, exceeding the target by 5.6 percent.

Chart 13: Zanzibar Revenue by Source June 2005



The Zanzibar government spent TZS 7.5 billion on both **recurrent and development** transactions during June 2005, which was higher than the ceiling of TZS 6.3 billion. This development was due to payment of obligations of the previous month. Recurrent expenditure amounted to TZS 7.4 billion, while development expenditure financed by domestic resources was about TZS 100 million. Expenditure for the year ending June 2005 was within its target of TZS 77.6 billion.

Chart 14: Government Expenditure by Components June 2005



Zanzibar Debt

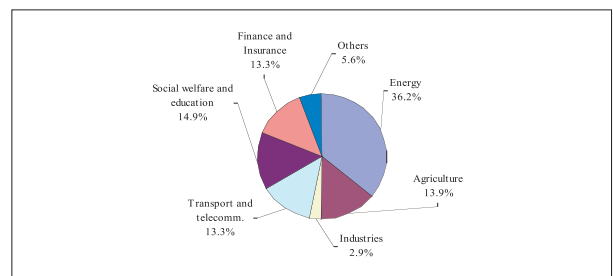
Zanzibar's total debt was TZS 188.3 billion by the end of June 2005 compared with TZS 182.9 billion recorded at the end of May 2005. The slight increase in the debt was a result of new domestic borrowing through non-bank sources and an increase of pensioners' claims. External debt accounted for nearly 64 percent of the total debt and the balance was on domestic debt.

External Debt

By the end of June 2005, Zanzibar external debt stood at USD 106.8 million just as it was at the end of the previous month. The debt stock was composed of multilateral debt amounting to USD 62.6 million, of which about half was owed to the African Development Bank. Debt in the form of export credit amounted to USD 25.4 million, while claims due to commercial creditors and bilateral creditors stood at USD 14.2 million and USD 4.5 million, respectively.

Debt maturing in more than 20 years accounted for USD 58.5 million, which was about 55 percent of the total external debt stock. Debt maturing within 5 to 10 years was USD 43 million while that of between 10 to 20 years stood at USD 5.3 million. The sectors, which benefited from the loans were as shown in Chart 14.

Chart 17: External debt by Use of Funds, end - June, 2005



Domestic Debt

During June 2005, domestic debt rose slightly to TZS 68.1 billion from TZS 62.9 billion at end May 2005. Debt owed to the Union Government was about TZS 14 billion, Peoples Bank of Zanzibar (TZS 11.2 billion) and other creditors accounted for TZS 43.1 billion.

With regard to debt by instruments, long-term loans and government stocks were TZS 11.2 billion and TZS 5.7 billion, respectively, at the end of June 2005. Treasury bonds and Treasury bills, together, amounted to TZS 12.2 billion, while other debt instruments were about TZS 38 billion.

External Sector Performance

During June 2005, Zanzibar trade deficit worsened to USD 7.85 million, from USD 4.81 million in the proceeding month, mainly due to increased imports. For the year ending June 2005, exports of cloves declined and the import bill increased, leading to a trade deficit of USD 49.62 million compared to USD 40.21 million in the year ending June 2004 (vide table 10).

Table 10: Trade Account Balance

(Millions of USD)

Item	2004		2005		Year Ending June		Annual Change
	June	May	June	2004	2005 p		
Exports	3.74	7.68	6.12	52.48	68.01		29.6
Goods	0.25	0.51	0.26	13.06	9.11		(30.2)
Services	3.49	7.16	5.86	39.42	58.91		49.4
Imports	7.77	11.87	13.97	92.69	117.63		26.9
Goods (f.o.b)	6.07	6.35	6.46	64.34	79.45		23.5
Services	1.70	5.52	7.51	28.35	38.18		34.7
Trade Balance	-4.03	-4.20	-7.85	-40.21	-49.62		23.4

Source: Tanzania Revenue Authority.

P = Provisional

Exports performance

Export earnings declined by 21 percent in June 2005 from USD 7.7 million recorded in the proceeding month. For the year ending June 2005, exports improved to USD 68 million compared to USD 52.5 million recorded in the previous year. Out of the export earnings, service receipts, which are mainly tourism activities accounted for USD 59 millions, cloves (USD 6 million), seaweeds (USD 1.8 million) while the balance represented manufactured goods and fish.

Imports

During June 2005, Zanzibar imports were slightly higher compared with the previous month (see table 11). For the year ending June 2005, a total of USD 79.5 million were imported compared with USD 64.3 million recorded in the previous year. Large increases in imports were recorded in oil products as a result of the rise in world prices and increased demand in manufacturing activities.

Table 11: Zanzibar Imports by Major Categories

(Millions of USD)

Item	2004		2005		Year Ending June		Annual Change
	June	May	June	2004	2005		
CAPITAL GOODS	1.36	3.13	3.10	22.51	34.37		52.7
Transport equipment	0.61	1.08	0.93	11.47	9.49		-17.3
Building and Constructions	0.25	0.39	0.48	2.65	7.94		199.6
Machinery	0.50	1.66	1.69	8.38	16.94		102.1
INTERMEDIATE GOODS	1.66	2.08	2.07	16.48	25.71		56.0
Oil products	1.43	1.69	1.69	12.26	19.05		55.4
Fertilizers	0.00	0.00	0.00		0.0
Industrial raw materials	0.23	0.39	0.39	4.22	6.66		57.8
CONSUMER GOODS	3.66	1.77	1.93	31.72	27.23		-14.2
Food and food stuffs	3.17	0.92	1.09	21.51	13.96		-35.1
All other consumer goods	0.49	0.85	0.84	10.21	13.27		30.0
GRAND TOTAL (CIF)	6.67	6.98	7.10	70.71	87.31		23.5
GRAND TOTAL (FOB)	6.07	6.35	6.46	64.34	79.45		23.5

P = provisional

Source: Tanzania Revenue Authority

Services Account

During June 2005, the services account recorded a deficit of USD 1.7 million compared with a surplus of USD 1.6 million recorded in May 2005 mainly due to an increase in travel and freight payments. On annual basis, the account recorded a remarkable surplus of USD 20.7 million compared with USD 11 million in the year ending June 2004 largely on account of a good tourism season.



STATISTICAL ANNEXES



Table A1: Selected Economic Indicators

Item	Unit	1998	1999	2000	2001	2002	2003	2004 [*]
1. National Accounts and Prices								
1.1 Change in GDP at Factor Cost--Current Prices	Percent	19.7	16.6	12.2	13.7	14.1	12.8	14.8
1.2 Change in GDP at Factor Cost--Constant 1992 Prices ²	Percent	4.0	4.7	4.9	5.7	6.2	5.7	6.7
1.3 GDP Per Capita--Current Prices ¹	TZS	170,831.0	193,456.0	210,231.0	231,751.0	258,925.0	286,888.0	320,000.0
1.4 GDP Per Capita--Current Prices ¹	USD	257.0	259.7	262.7	264.4	267.9	276.2	303.0
1.5 Change in Consumer Price Index (Inflation)	Percent	12.8	7.9	5.9	5.2	4.5	3.5	4.1
1.6 Saving to GNDI Ratio ³	Percent	6.5	6.8	11.6	11.1	12.7	11.8	12.3
2. Money Credit and Interest Rates								
2.1 Change in Extended Broad Money Supply (M3)	Percent	10.8	18.6	14.8	17.1	25.1	16.1	19.3
2.2 Change in Broad Money Supply (M2)	Percent	11.1	15.0	12.5	12.3	18.5	14.2	19.2
2.3 Change in Narrow Money Supply (M1)	Percent	10.5	16.0	9.9	10.2	25.2	16.1	18.2
2.4 Change in Reserve Money	Percent	14.7	21.5	9.4	5.0	19.1	12.6	23.6
2.5 Total Credit to GDP Ratio ¹	Percent	9.4	10.5	9.8	7.6	8.8	8.7	8.5
2.6 Private Sector Credit to GDP Ratio ¹	Percent	4.3	4.7	4.6	4.9	6.1	5.2	8.9
2.7 Ratio of Private Credit to Total Credit	Percent	45.7	44.6	46.6	63.7	69.2	71.6	104.7
2.8 Average Deposit Rate (12-Month)	Percent	11.5	10.4	8.6	6.0	5.7	5.0	5.8
2.9 Weighted Average Treasury Bill Rate	Percent	10.1	15.5	5.7	3.9	4.5	7.7	9.6
2.10 Average Medium- and Long-Term Lending Rate	Percent	22.0	20.6	21.2	15.8	13.2	12.5	14.0
3. Balance of Payments								
3.1 Exports (f.o.b)	Mill. USD	588.5	543.3	663.3	776.4	902.5	1,129.2	1,334.9
3.2 Imports (f.o.b)	Mill. USD	1,382.1	1,415.4	1,367.6	1,560.3	1,511.3	1,933.5	2,281.2
3.3 Trade Balance	Mill. USD	(793.6)	(872.1)	(704.3)	(783.9)	(608.3)	(804.2)	(946.3)
3.4 Balance on Current Account	Mill. USD	(901.9)	(846.2)	(495.8)	(436.7)	(214.7)	(384.2)	(456.7)
3.5 Overall Balance	Mill. USD	(567.2)	(128.4)	(86.3)	(809.6)	(112.2)	69.9	(98.1)
3.7 Gross Official Reserves	Mill. USD	599.0	776.0	974.0	1,157.0	1,529.0	2,037.8	2,296.1
3.8 Reserves Months of Imports (of goods and services)	Months	3.1	4.2	5.7	6.3	8.4	8.9	8.4
3.9 Exchange Rate:								
3.9.1 Annual Average	TZS/USD	664.7	744.8	800.4	876.4	966.6	1,038.6	1,053.3
3.9.2 End of Period	TZS/USD	681.0	797.3	803.3	916.3	976.3	1,063.6	1,043.0
4 Population (TZ Mainland)	Million	30.0	30.9	31.9	32.1	33.6	34.2	34.8
5. Public Finance								
		1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
5.1 Current Revenue to GDP Ratio ¹	Percent	11.5	11.4	12.2	11.8	12.3	12.1	13.3
5.2 Grants to GDP Ratio ¹	Percent	2.8	4.1	3.7	4.3	3.2	3.7	6.7
5.2 Current Expenditure to GDP Ratio ¹	Percent	11.0	11.9	13.0	12.7	13.0	12.9	17.1
5.3 Development Expenditure to GDP Ratio ¹	Percent	2.2	5.3	3.7	3.9	3.3	3.6	8.4
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	(1.7)	(5.7)	(4.5)	(4.8)	(4.0)	(4.4)	(11.9)
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	1.0	(1.6)	(0.8)	(0.5)	(0.8)	(0.6)	(5.2)
6. Total External Debt Stock								
	Mill. USD	7,669.7	7,624.8	7,482.1	7,464.0	7,268.1	7,890.7	9,219.3
Disbursed Debt	Mill. USD	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,730.8	6,990.6
Interest	Mill. USD	1,089.4	1,086.5	1,169.9	904.3	1,035.1	1,159.9	1,300.4
Total External Debt as % of GDP	Percent	82.1	89.5	80.7	78.5	75.9	78.4	77.5

Note:

¹ Calculated on the basis of GDP at market price

² Calculated on the basis of GDP at factor cost

³ GNDI stands for gross national disposable income

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



A2: Central Government Operations (Actual)

Monthly Flows	BUDGET													
	2004/2005													
Item	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05
Total Revenue	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0	1,739,288.0
Tax Revenue	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0	1,599,010.0
Taxes on Imports	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0	702,255.0
Sales/VAT and Excise on Local Goods	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0	47,798.0
Refunds	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0	422,196.0
Income Taxes	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0	149,511.0
Other taxes	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0
Non-tax Revenue	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0	140,278.0
Total Expenditure /1	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0	3,198,152.0
Recurrent expenditure	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0	2,106,561.0
Road/toll fund	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0	78,182.0
Retention fund	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0	44,450.0
Wages and salaries	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0	551,159.0
Interest payments	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0	168,438.0
Domestic /2	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0	94,946.0
Foreign	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0	73,492.0
Other goods, services and transfers	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0	1,386,964.0
Dev. Expenditure and net lending	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0	1,091,591.0
Local	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0	233,705.0
Foreign	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0	857,886.0
Overall Balance (cheque issued) before Grants	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0	-1,458,864.0
Grants	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0	807,810.0
Program (CIS/OGL)	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0	266,176.0
Project	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0	306,482.0
Basket funds	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0	160,488.0
HIPC Relief	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0	74,664.0
Overall defc. (cheq.issued) after Grants	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0
Expenditure float	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjustments to cash and other items (net)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overall Balance (cheques issued)	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0	-651,054.0
Financing:	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0	651,054.0
Foreign Financing (net)	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0	425,768.0
Loans	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0	559,215.0
Program loans	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0	168,300.0
Development Project loans	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0	280,950.0
Basket Support	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0	109,956.0
Amortization	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0	-133,447.0
Domestic (net)	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0	225,286.0
Domestic Financing	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0	231,110.0
Bank borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Bank (net of amortization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of contingent debt	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0	-15,939.0
Privatization Proceeds	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0	10,115.0

Note:

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

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

Source: Ministry of Finance



Millions of TZS

Table A3: Tanzania Monetary Survey

End of Period	Domestic assets (net)											Domestic credit (net)			Memorandum item:				
	M3, Extended Broad Money					M2, Broad Money			M1, Narrow Money			M0		Base Money					
	Foreign assets (net)	Claims on government (net)	Claims on other domestic sectors (net)	Other items (net)	TOTAL sum(2-5) or sum(9-13)	TOTAL sum(9-12)	TOTAL sum(9,10)	Currency in circulation outside banks	Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum (9,15)	of which: Reserves 15					
1994	115,765.70	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	50,133.17					
1995	165,813.50	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	70,571.35					
1996	290,319.79	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	78,105.26					
1997	398,918.55	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	77,062.92					
1998	458,003.63	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	134,401.04	165,011.38	182,055.24	418,734.00	110,935.26					
1999	622,286.78	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	123,826.03					
2000	842,754.98	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	164,026.71					
2001	1,209,820.45	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	172,730.25					
2002	1,558,627.15	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	200,255.60					
2003	2,182,072.03	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	230,263.17					
2004	2,379,909.25	-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	303,627.97					
Jan-04	2,312,919.48	-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	230,260.51					
February	2,318,994.79	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	223,848.82					
March	2,178,747.39	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	279,256.14					
April	2,141,542.38	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	281,992.05					
May	2,114,512.66	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	262,072.09					
June	2,134,182.69	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	209,958.59					
July	2,128,834.59	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	281,499.98					
August	2,131,384.34	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	283,372.06					
September	2,289,760.41	-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	218,713.55					
October	2,328,838.73	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	976,377.89	314,755.96					
November	2,372,331.89	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	324,651.72					
December	2,379,909.25	-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	303,627.97					
Jan-05	2,408,352.88	61,685.64	1,117,110.42	-606,557.59	2,980,591.36	2,089,035.85	1,342,836.94	636,932.21	705,904.72	287,299.99	458,898.92	891,555.51	960,140.76	323,208.55					
February	2,482,058.13	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	369,712.85					
March	2,462,099.70	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	332,042.48					
April	2,357,490.81	103,980.31	1,151,142.19	-528,906.62	3,083,706.70	2,229,239.73	1,402,889.53	650,298.75	752,590.78	341,719.62	484,630.58	854,466.97	993,432.32	343,133.57					
May	2,305,218.64	192,265.04	1,182,122.48	-568,246.56	3,111,359.60	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	344,700.82					
June	2,279,294.32	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	295,085.41					

Source: Monetary and Financial Affairs Department, 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	June-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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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	2.60
8 Time Deposits Rates	4.38	4.40	4.58	4.60	4.32	4.39	4.73	4.72	4.56	4.53	4.56	4.41
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
1 month	3.45	3.67	3.78	3.43	3.08	3.19	2.92	3.48	3.30	2.64	2.68	3.26
2 months	5.56	6.20	5.90	5.95	5.05	4.46	6.26	5.16	4.91	6.26	5.71	5.23
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
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
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	5.96
24 months	4.91	5.02	6.17	6.18	5.22	3.96	4.46	6.45	4.89	4.78	5.45	5.40
9 Negotiated Deposit Rates	6.73	6.22	6.40	6.88	8.39	8.77	8.79	8.78	8.84	8.61	8.65	8.49
10 Lending rates	14.19	14.80	14.90	14.27	14.69	14.80	14.99	15.56	15.40	15.21	15.39	15.56
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
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
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	17.02	16.79
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	16.24
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	14.06
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	14.63
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
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
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
Time Deposits	1.03	1.10	1.11	1.09	1.11	1.66	1.63	1.17	1.37	1.40	1.61	1.70
1-months	0.76	0.74	0.82	0.89	0.86	1.01	1.17	0.98	1.29	0.99	1.26	1.17
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
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
6-months	1.09	1.00	1.26	1.05	1.17	1.25	1.41	1.19	1.46	1.61	1.38	1.35
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 Lending Rates	8.65	7.08	6.96	7.16	7.06	7.33	7.67	7.69	7.87	7.79	7.19	8.04
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	6.22	6.86
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
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
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	6.77	8.99
Term Loans (over 5 years)							7.82	7.94	8.37	8.31	8.20	7.36



Table A5 (a) Tanzania Exports by Type of Commodity

Item	2004			2005 ^P			Year ending June ^P		% Change
	May	June	% Change	May	June	% Change	2004	2005	
Traditional Exports:									
COFFEE									
Value	2.78	1.2	-55.6	3.11	1.9	-39.1	41.42	71.28	72.1
Volume	2.14	0.9	-56.5	2.30	1.4	-39.2	35.12	48.12	37.0
Unit Price	1,301.25	1,327.3	2.0	1,348.62	1,350.0	0.1	1,179.52	1,481.45	25.6
COTTON									
Value	0.69	1.5	112.9	2.00	1.2	-39.8	38.16	88.73	132.5
Volume	0.50	1.4	187.1	1.99	1.2	-39.8	40.41	86.89	115.0
Unit Price	1,373.45	1,018.5	-25.8	1,002.60	1,003.0	0.0	944.39	1,021.18	8.1
SISAL									
Value	0.81	0.7	-18.4	0.68	0.8	14.1	7.63	7.87	3.1
Volume	1.65	1.0	-41.1	0.79	0.9	14.1	13.98	10.37	-25.8
Unit Price	493.34	683.7	38.6	858.87	859.0	0.0	546.00	758.99	39.0
TEA									
Value	3.16	1.9	-39.3	1.65	1.6	-4.0	27.28	27.12	-0.6
Volume	2.50	1.5	-40.3	1.56	1.5	-4.1	22.22	23.15	4.2
Unit Price	1,264.83	1,284.6	1.6	1,052.73	1,053.0	0.0	1,227.90	1,171.25	-4.6
TOBACCO									
Value	0.42	0.6	42.2	0.00	1.0	-	47.91	59.11	23.4
Volume	0.45	0.5	5.2	0.00	0.5	-	24.94	26.72	7.2
Unit Price	932.49	1,259.9	35.1	0.00	1,980.0	-	1,921.21	2,212.17	15.1
CASHEWNUTS									
Value	0.23	0.0	-81.2	0.45	0.4	-20.9	48.57	61.95	27.5
Volume	0.39	0.1	-80.6	0.63	0.5	-21.0	76.62	71.99	-6.0
Unit Price	599.34	581.9	-2.9	709.06	710.0	0.1	633.98	860.49	35.7
CLOVES									
Value	0.00	0.0	-	0.00	0.0	-	9.51	6.54	-31.2
Volume	0.00	0.0	-	0.00	0.0	-	5.61	2.13	-62.0
Unit Price	0.00	0.0	-	0.00	0.0	-	1,695.29	3,068.25	81.0
SUB TOTAL									
	8.09	5.9	-26.8	7.88	6.8	-13.8	220.48	322.60	46.3
Non-Traditional Exports									
Minerals									
Gold	50.76	55.5	9.3	53.31	56.5	6.0	625.17	712.46	14.0
Diamond	47.17	50.1	6.2	50.05	54.2	8.3	583.07	659.09	13.0
Other minerals	2.07	4.1	96.8	0.06	0.1	68.0	23.02	23.67	2.9
Other minerals	1.52	1.3	-13.9	3.19	2.2	-31.0	19.09	29.70	55.6
Manufactured Goods									
Cotton Yarn	8.78	6.8	-22.1	8.62	9.6	10.8	94.20	119.93	27.3
Manufactured Coffee	0.56	0.5	-14.5	0.41	0.5	16.2	5.07	4.42	-12.9
Manufactured Tobacco	0.02	0.1	192.6	0.05	0.1	132.0	0.42	1.03	146.1
Manufactured Tobacco	0.02	0.0	-90.0	0.00	0.2	-	1.12	0.24	-78.8
Sisal Products (Yarn & Twine)	0.26	0.4	71.4	0.65	0.3	-52.5	3.03	4.45	46.9
Other manufactured Goods	7.92	5.8	-26.2	7.52	8.5	13.0	84.55	109.79	29.8
Fish and Fish Products									
	10.11	12.1	20.1	10.53	10.6	0.9	127.28	138.18	8.6
Horticultural products									
	2.66	0.8	-71.5	1.38	1.2	-13.7	13.70	14.98	9.4
Others Exports									
	6.02	9.4	56.4	7.39	10.5	42.3	99.84	127.50	27.7
Sub Total	78.3	84.6	8.0	81.23	88.4	8.8	960.18	1,113.06	15.9
GRAND TOTAL									
	86.42	90.6	4.8	89.11	95.2	6.8	1,180.67	1,435.66	21.6

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			2005			Year ending June ^p		
	May	June	% Change	May	June	% Change	2004	2005	% Change
	CAPITAL GOODS	67.60	70.81	4.74	68.84	76.11	10.55	787.4	951.92
Transport Equipment	19.57	18.00	-8.06	16.73	19.78	18.23	224.1	234.64	5.02
Building and Constructions Equipment	15.33	15.64	2.01	14.02	17.55	25.15	159.3	207.77	30.51
Machinery	32.70	37.17	13.68	38.09	38.78	1.81	404.0	509.51	29.83
INTERMEDIATE GOODS	46.86	86.13	83.80	27.00	51.73	91.56	690.0	557.03	-6.34
Oil imports	28.14	49.14	74.66	10.71	22.75	112.37	420.0	278.32	-19.52
Fertilizers	1.14	14.54	1,171.25	0.85	5.98	605.47	37.8	55.84	151.88
Industrial raw materials	17.58	22.45	27.68	15.44	23.00	48.94	232.1	222.87	-2.16
CONSUMER GOODS	48.71	80.44	65.15	59.39	66.88	12.61	681.0	738.57	17.46
Food and foodstuffs	14.93	34.99	134.43	17.28	18.15	5.06	233.8	187.30	-3.94
All other consumer goods	33.78	45.45	34.54	42.11	48.72	15.70	447.2	551.28	28.15
GRAND TOTAL (f.o.b.)	163.17	237.38	45.48	155.23	194.71	25.43	2,158.4	2,247.52	12.16
GRAND TOTAL (c.i.f)	179.31	260.86	45.48	170.58	213.96	25.43	2,371.8	2,469.80	12.16

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 USD

Item	2001	2002	2003p	2004p
A. Current Account	-436.7	-214.7	-384.2	-538.4
Goods: exports f.o.b.	776.4	902.5	1129.2	1325.2
Traditional	231.1	206.1	220.5	292.1
Nontraditional	545.3	696.5	908.7	1033.1
o/w Gold	254.1	341.1	502.8	626.6
Goods: imports f.o.b.	-1560.3	-1511.3	-1933.5	-2273.4
Balance on Goods	-783.9	-608.8	-804.2	-948.2
Services: credit	679.3	668.6	686.6	859.2
Transportation	68.4	61.1	72.8	80.1
Travel	412.8	439.2	450.3	595.0
Other	198.1	168.3	163.4	184.1
Services: debit	-642.1	-668.5	-769.5	-994.4
Transportation	-194.2	-176.9	-214.7	-249.2
Travel	-327.3	-337.5	-353.2	-427.4
Other	-120.5	-154.1	-201.6	-317.7
Balance on Services	37.2	0.1	-83.0	-135.2
Balance on Goods and Services	-746.8	-608.7	-887.2	-1083.4
Income: credit	55.3	67.9	87.1	80.7
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	-41.4
Balance on Goods, Services and Income	-832.0	-631.4	-931.1	-1124.8
Current transfers	395.3	416.6	546.9	586.4
Current transfers: credit	474.8	477.9	609.9	651.7
Government	418.4	427.7	543.3	582.0
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	288.5
Capital transfers: credit	361.5	355.4	358.2	288.5
General Government	339.2	325.3	320.9	248.6
Project	339.2	325.3	320.9	248.6
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	140.7	-26.0	-249.8
C. Financial Account, excl. reserves and related items	271.7	440.0	395.9	404.5
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	-55.6	199.6	148.1	144.3
Assets	-76.7	2.9	-59.0	15.0
Currency and deposits	-76.7	2.9	-59.0	15.0
Banks	-76.7	2.9	-59.0	15.0
Other sectors	0.0	0.0	0.0	0.0
Liabilities	21.1	196.7	207.1	129.3
Trade credits	13.0	13.2	13.3	13.2
Loans	50.5	150.1	215.9	122.8
General government	-65.4	196.6	310.4	191.0
Drawings	199.1	310.2	417.1	333.8
Repayments	-264.5	-113.6	-106.6	-142.7
Scheduled payments	-264.5	-113.6	-106.6	-142.7
Banks	2.0	-0.8	-0.7	-0.5
Other sectors	113.9	-45.6	-93.9	-67.7
Drawings	171.6	17.2	11.0	22.2
Repayments	-57.7	-62.8	-104.8	-89.9
Scheduled payments	-57.7	-62.8	-104.8	-89.9
Currency and deposits	-42.4	33.4	-22.1	-6.7
Total, Groups A through C	196.5	580.7	369.9	154.6
D. Net Errors and Omissions	-232.5	-253.1	165.2	-50.0
Overall balance (Total, Groups A through D)	-36.0	327.5	535.0	104.6
E. Reserves and Related Items	36.0	-327.5	-535.0	-104.6
Reserve assets	-182.2	-372.4	-508.8	-43.0
Use of Fund credit and loans	15.6	26.0	-2.9	-33.8
Exceptional financing	202.6	18.9	-23.3	-27.8
Interest arrears	67.4	18.4	-29.5	-27.8
Principal arrears	135.2	0.5	6.2	0.0
Financing gap	0.0	0.0	0.0	0.0
Memorandum items				
GDP(mp) Mill.TZS	8,304,339	9,399,086	10,709,405	11,822,921
GDP(mp) Mill. USD	9,476	9,724	10,312	10,762
CAB/GDP	-4.6	-2.2	-3.7	-5.0
CAB/GDP (excl. current official transfers)	-9.0	-6.6	-9.0	-10.4
Gross Official Reserves	1,156.57	1,528.99	2,037.77	2,080.77
Months of Imports	6.3	8.4	9.0	7.6
Net International Reserves (year end)	761.2	1058.4	1533.9	1700.5
Change in Net International Reserves	-218.5	-297.2	-475.5	-166.6
Exchange rate (end of period)	916.3	976.3	1063.6	1133.6
Exchange rate (annual average)	876.4	966.6	1038.6	1098.6

Notes:

- Imports data (f.o.b) for 2001 have been revised using new ratios for freight and insurance services.
- 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.
- GDP-Gross Domestic Product, mp-Market price, CAB-Current Account Balance, p = provisional
- p = provisional data, subject to revision





Table A6: Actual and Seasonally Adjusted Inflation Rates, Tanzania Mainland

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

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

1) Total NCPI. ²⁾ Non-Food NCPI.

Table A7: External Debt Developments

ITEM	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
1. OVERALL TOTAL DEBT							
COMMITTED (2)	7,972.9	7,595.7	7,702.3	8,032.8	7,606.6	8,088.3	8,345.1
Disbursed outstanding debt	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5
Undisbursed debt	1,392.6	1,057.4	1,390.1	1,473.1	1,373.6	1,410.0	1,545.6
2. DISBURSED DEBT BY CREDITOR	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5
CATEGORY (2)							
O/W							
Bilateral debt	2,791.8	2,514.1	2,289.1	2,277.1	1,633.7	1,483.6	1,502.3
Multilateral debt	3,330.1	3,571.5	3,530.6	3,808.5	4,088.3	4,570.0	4,626.3
Commercial debt	251.5	264.9	307.9	302.5	330.6	391.2	416.4
Export credits	206.9	187.8	184.7	171.6	180.5	233.5	254.5
3. DISBURSED DEBT BY BORROWER	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5
CATEGORY (2)							
O/W							
Central Government	6,168.2	6,092.6	5,844.0	6,054.8	5,708.0	6,092.0	5,830.5
Parastatal Companies	165.1	183.2	172.2	153.8	152.2	149.1	477.5
Private Sector	247.0	262.5	296.0	351.1	372.9	437.2	491.5
4. DISBURSED DEBT BY USE OF FUNDS (2)	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0	6,678.3	6,799.5
O/W							
Balance of payment support	1,512.2	1,648.1	1,524.2	1,639.0	1,166.0	1,275.1	1,335.1
Transport & Telecommunication	1,337.8	1,067.4	1,021.1	1,027.9	1,047.8	1,085.1	1,073.5
Agriculture	963.8	1,040.2	990.9	1,007.8	1,034.7	967.7	1,077.8
Energy & Mining	821.8	869.0	824.3	902.9	895.0	924.3	1,070.3
Industries	504.4	430.0	413.8	402.3	411.2	352.7	405.5
Social Welfare & Education	292.7	426.5	332.0	384.4	421.7	333.3	611.7
Finance and Insurance	215.5	122.8	131.2	77.9	76.9	82.3	96.6
Tourism	80.2	84.1	82.0	83.8	88.2	80.2	80.1
Others	851.9	850.2	992.7	1,033.7	1,091.6	1,577.5	1,048.9
5. TOTAL AMOUNT OF LOANS CONTRACTED (1)	212.5	224.4	417.6	517.9	277.3	229.7	376.4
Government	159.9	220.2	285.7	465.3	259.8	209.4	335.4
Parastatal Companies	4.6	-	-	0.0	0.0	0.0	0.0
Private	48.0	4.2	131.0	52.6	17.5	20.3	41.0
6. DISBURSEMENTS(1)	189.2	267.7	169.7	184.8	169.0	234.7	190.2
Government	187.4	264.5	169.6	160.5	163.7	205.9	161.4
Parastatal Companies	1.3	-	-	-	0.0	2.0	0.0
Private	0.5	3.2	0.1	24.3	5.3	26.8	28.8
7. SCHEDULED DEBT SERVICE (1)	368.9	428.2	422.0	400.0	369.0	334.4	355.1
8. ACTUAL DEBT SERVICE (1)	187.9	190.9	120.9	89.1	112.4	99.3	112.9
Principal	112.2	140.5	100.1	47.9	86.6	68.6	86.0
Interest	75.6	49.6	20.8	41.2	25.8	30.6	26.9
Others	0.1	0.8	-	0.0	0.0	0.1	0.0
9. NET TRANSFERS	1.3	76.8	48.8	95.7	51.3	106.6	77.3
10. TOTAL ARREARS BY CREDITOR	2,660.5	2,239.0	2,304.9	1,820.2	2,056.5	2,297.8	2,470.5
CATEGORY (2)							
O/W							
Principal	1,571.1	1,152.5	1,135.0	915.9	1,021.4	1,119.1	1,135.2
Bilateral	1,235.4	810.7	803.8	570.5	611.6	658.8	669.4
Multilateral	23.0	0.0	0.0	39.9	45.1	28.3	5.9
Commercial	132.4	185.0	165.4	152.9	203.7	240.2	249.2
Other Private Creditors	180.3	156.8	165.8	152.6	161.0	191.8	210.7
Interest	1,089.4	1,086.5	1,169.9	904.3	1,035.1	1,178.7	1,335.3
Bilateral	740.0	739.5	780.4	522.7	577.7	693.0	818.8
Multilateral*	8.3	0.0	0.0	54.1	68.4	27.3	23.4
Commercial	204.3	261.1	294.5	222.2	268.3	287.1	333.7
Other Private Creditors	136.8	85.9	95.0	105.3	120.7	171.3	159.4
11. External Debt Stock	7,669.7	7,624.8	7,482.1	7,464.0	7,268.1	7,856.9	8,134.8
12. Domestic Debt Stock	1,138.2	1,149.1	919.1	864.5	841.6	885.3	952.6
13. Total Debt Stock	8,807.9	8,773.9	8,401.2	8,328.5	8,109.7	8,742.1	9,087.4
End Period Exchange Rate	737.0	799.5	888.0	945.9	1,047.4	1,107.3	1,126.3

Source: Bank of Tanzania

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

1) During the period (2) End 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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