



**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

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## Inflation Developments

### Inflation increases slightly in February 2005

Annual headline inflation in March 2005 was 4.1 percent, same as it was in the preceding month. This stability in inflation was caused by a fall in food inflation that dampened the upward movement in the inflation of non-food items. However, on month-to-month basis, the overall price level decreased by 0.5 percent in March 2005 as prices of most consumer items, particularly food tumbled.

Annual food inflation continued with its downward trend, moving to 4.9 percent in March from 5.7 percent recorded in the previous month. Average prices of the main food items such as rice, maize grain, legumes, vegetables, fruits and fish declined following the good harvests relative to the previous cropping season.

The month-on-month food inflation also eased in March 2005, largely due to improvement in food supply following on-set of harvesting season in some parts of the country, as well as release, by the government, of stocks from Strategic Grain Reserves to deficit areas.

Annual non-food inflation rose by 1.4 percentage points to 3.2 percent in March 2005 from the level recorded in the previous month, largely because of the increase in the prices of petroleum products and electricity tariffs, which exerted pressure on prices of items in the fuel, power and water, and transportation sub-groups.

The price level of fuel, power and water sub-group recorded the highest annual increase of 9.4 percent, while the transportation sub-group recorded an annual increase of 5.7 percent as commuter bus and taxi fares went up. Meanwhile, the exchange rate stabilized at around TZS 1,108 per USD between January and March 2005, thus helped to dampen the pressure on prices of imported consumer items.

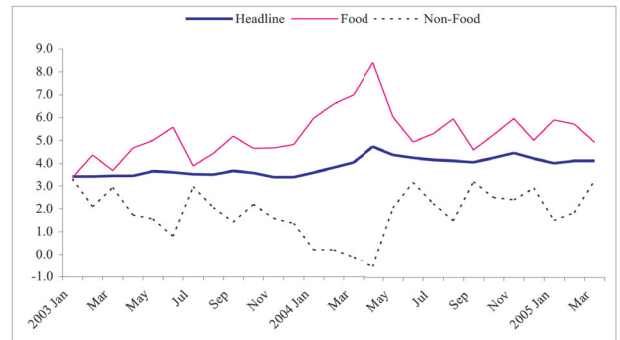
**Table 1: Tanzania: Percentage Change in Sub-groups of Consumer Price Index**

(All-Urban)

Major Commodity Group	Weight (%)	2004											2005		
		Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Headline/Overall	100	4.0	4.7	4.4	4.2	4.1	4.1	4.0	4.2	4.4	4.2	4.0	4.1	4.1	
Food	55.9	7.0	8.4	6.0	4.9	5.3	5.9	4.6	5.2	5.9	5.0	5.9	5.7	4.9	
Non-food	44.1	-0.1	0.5	2.0	3.1	2.2	1.5	3.1	2.5	2.4	2.9	1.5	1.8	3.2	
Transportation	9.7	-0.8	1.3	1.3	1.2	-1.6	1.7	3.3	1.1	1.7	2.8	3.3	2.2	5.7	
Fuel, Power and Water	8.5	-2.5	1.7	4.9	9.1	20.3*	2.4	6.0	9.3	7.7	7.1	5.4	5.9	9.4	
Drinks and Tobacco	6.9	0.7	1.0	1.2	1.8	-4.7	0.0	0.5	-0.8	-0.2	0.6	0.6	1.8	0.3	
Clothing & Footwear	6.4	2.0	1.9	3.3	2.3	-0.1	3.1	4.5	3.1	1.9	2.5	-1.2	-1.7	1.7	
Education	2.6	-0.2	3.8	1.4	1.6	0.0	0.6	0.9	-1.9	3.4	2.3	1.8	-0.6	1.4	
Furniture & Household Equip.	2.1	-1.6	1.5	0.3	2.2	-2.0	-0.4	2.9	0.8	2.2	0.9	1.0	0.2	-2.3	
H/h Operations Maintenance	2.1	-1.4	1.1	0.5	2.2	-0.4	1.7	4.3	1.9	1.6	2.4	0.5	2.4	2.3	
Personal Care & Health	2.1	3.0	0.4	-2.7	0.7	-5.0	0.7	1.4	2.6	0.0	3.2	-3.0	6	0.1	
Rents	1.4	4.3	4.3	4.3	3.4	2.6	0.4	0.3	0.1	-0.1	-1.3	-2.5	-2.8	-4.6	
Recreation & Entertainment	0.8	2.2	1.9	0.9	0.5	0.2	1.8	3.7	2.1	4.0	0.4	-1.5	-3.3	-2.3	
Misc. Goods & Services	1.5	-0.9	3.1	-0.4	2.0	-5.7	-0.2	0.5	-0.8	-1.8	0.2	-2.6	-1.5	0.4	

Source: National Bureau of Statistics (NBS)

**Char1: Tanzania: Annual Headline, Food, and Non-food inflation**



## Monetary Money and Credit Developments

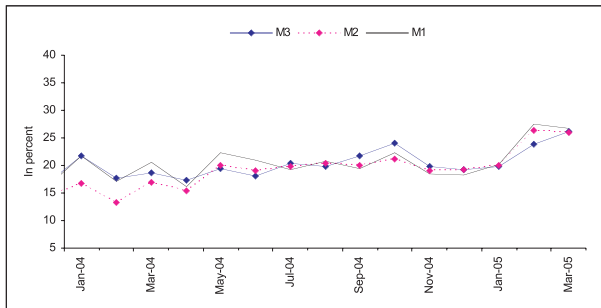
### Money Supply

The growth rate of money supply was relatively high in the year ending March 2005. Both, extended broad money supply (M3) and broad money (M2) expanded by about 26 percent, being above the ceiling target of 24 percent for 2004/05 (Table 2). This expansion in money supply was a reflection of a strong growth of credit to private sector to meet the demands of expanding economic activities, high demand for cash to finance seasonal crop marketing transactions following a relatively good crop harvest in 2004, and substantial foreign exchange inflows to finance development projects.

The analysis of sources of monetary expansion show that, private sector deposits in commercial banks increased by about 27 percent during the year to March 2005, a large increase compared to an annual average of less than 20 percent recorded in the recent months. Currency in circulation outside banks rose by 23 percent in the year to March 2005, slightly above the level attained in the month before.



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



## Banks' Credit to Private Sector

Commercial banks credit to private sector remained strong, reaching an average annual growth rate of 39 percent during 2004, but slowed to an annual growth of about 35 percent at end March 2005. This was nevertheless still above the target growth rate of 34 percent for 2004/05. High growth of credit to the private sector currently experienced in the country is attributed to increased competition in the banking sector; an increase in the number of credit-worthy borrowers; and the ongoing efforts by the government and the private sector to improve the business environment. As at end March 2005, about 44 percent of commercial banks' deposits were extended to private sector as credit (Chart 3).

**Table 2: Tanzania: Selected Money Supply Components**

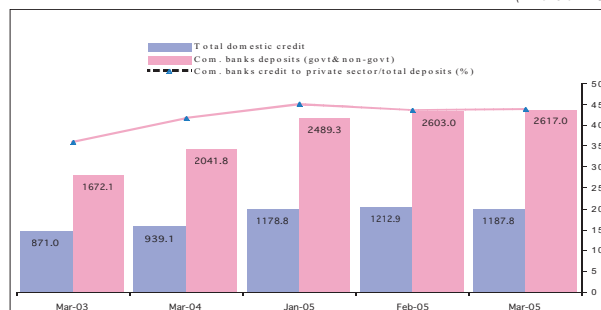
(Billions of TZS)

Item	2004		2005		Absolute change	Mar-04	Feb-05	Mar-05
	Feb	Mar	Feb	Mar				
Extended broad money (M3)	2,497.5	2,477.7	3,093.4	3,124.7	31.3	18.7	23.9	26.1
Broad money (M2)	1,742.9	1,757.2	2,200.5	2,212.3	11.8	17.0	26.3	25.9
Current in circulation	520.0	523.6	632.1	645.2	13.2	16.9	21.6	23.2
Demand deposits	599.7	573.0	783.7	745.6	-38.1	24.3	32.7	30.1
Time deposits	249.0	270.7	318.7	342.3	23.6	12.9	28.0	26.5
Savings deposits	383.3	390.0	466.0	479.1	13.2	10.2	21.6	22.9
Foreign currency deposits	754.5	720.5	892.8	912.4	19.6	23.1	18.3	26.6
Total non-government deposits	1,977.5	1,954.0	2,461.3	2,479.5	18.2	19.2	24.5	26.9
Net foreign assets	2,319.0	2,178.8	2,482.1	2,462.1	-20.0	27.6	7.0	13.0
Bank of Tanzania	1,619.8	1,505.2	1,795.5	1,748.4	-47.1	37.9	10.8	16.2
Commercial banks	699.2	673.6	686.6	713.7	27.1	9.2	-1.8	6.0
Net domestic assets	700.7	801.8	1,180.2	1,192.0	11.7	11.1	68.4	48.7
Domestic credit	879.4	939.1	1,212.9	1,187.8	-25.1	7.8	37.9	26.5
Net claims on government	34.9	91.1	80.4	40.7	-39.6	-66.6	130.6	-55.3
Claims on government	507.5	503.4	510.6	521.8	11.2	0.3	0.6	3.7
Government deposits	472.6	412.3	430.3	481.1	50.8	80.1	-9.0	16.7
Claims on the private sector	844.6	848.0	1,132.5	1,147.1	14.6	41.8	34.1	35.3

Source: Bank of Tanzania

**Chart 3: Tanzania: Total Deposits and Credit of the Banking System**

(Billions of TZS)



## Interest Rate Developments

Commercial banks and non-bank financial institutions' interest rates have continued to be relatively high. Nonetheless, various initiatives are being implemented with the objective of improving efficiency in the banking system, reducing interest rates to competitive levels and enhancing contribution of the banking system in facilitating growth of the economy. These initiatives include among others, the recently introduced legal framework governing the use of land as collateral, and measures to reduce risks associated with lending to private sector for instance through establishment of credit guarantee schemes and the establishment of a credit reference bureau. In addition, the on-going privatisation/restructuring of the remaining public banks is expected to facilitate healthy competition in the banking sector to the advantage of interest rate structure.

Treasury bills rates recorded an upward trend during the review period, eventually influencing lending rates in commercial banks (Table 3). The average lending rate went up from 14.2 percent at end June 2004 to 14.9 percent in September 2004, and climbed to 15.6 percent in March 2005. Negotiated lending rate, on average, also registered an upward trend, but remained significantly below the non-negotiated rates throughout the year to March 2005. Deposit rate moved up gradually though at a slower pace than the movements in Treasury bills rates. The average rate paid on savings deposits remained at 2.6 percent over the last four months, after having remained around 2.5 percent for more than a year.

**Table 3: Tanzania: Interest Rate Structure**

(In percent)

Item	2004												2005		
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
<b>Treasury bills</b>															
35 days	6.8	7.4	7.0	6.7	7.3	7.6	8.2	9.0	8.6	8.1	8.2	7.8	6.5		
91 days	7.5	8.0	7.7	7.7	8.1	8.4	9.3	9.9	9.6	9.6	9.6	8.8	8.2		
182 days	6.5	8.1	8.0	8.0	8.4	9.3	9.9	10.0	9.9	9.9	10.2	9.8	9.4		
364 days	6.4	8.1	8.0	8.2	9.4	10.1	10.4	11.0	10.9	10.7	10.8	10.4	9.8		
<b>Over all T-bills rate</b>	<b>7.6</b>	<b>7.9</b>	<b>7.7</b>	<b>7.8</b>	<b>8.4</b>	<b>9.0</b>	<b>9.6</b>	<b>10.0</b>	<b>9.8</b>	<b>9.6</b>	<b>9.7</b>	<b>9.4</b>	<b>8.4</b>		
<b>Treasury Bonds</b>															
2-years	7.4	9.0	7.8	8.8	9.7	10.9	11.0	11.0	12.0	12.0	13.0	13.3	14.6		
5-years	10.2	9.6	9.6	6.7	10.3	10.5	11.5	11.7	11.7	11.7	11.7	11.7	12.6		
7-years	11.1	10.5	10.7	10.7	10.9	11.2	10.4	10.4	10.4	10.4	10.4	10.4	13.1		
10-years	11.8	11.6	11.7	11.7	12.4	12.4	12.6	12.6	12.6	12.6	12.6	12.6	14.1		
<b>Savings deposit rates</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.5</b>	<b>2.4</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>		
<b>Over all time deposits rates</b>	<b>4.1</b>	<b>4.0</b>	<b>4.2</b>	<b>4.3</b>	<b>4.4</b>	<b>4.4</b>	<b>4.6</b>	<b>4.6</b>	<b>4.3</b>	<b>4.4</b>	<b>4.7</b>	<b>4.7</b>	<b>4.5</b>		
1 month	3.0	3.1	3.6	3.5	3.4	3.7	3.8	3.4	3.1	3.2	2.9	3.5	3.3		
3 months	3.9	3.5	4.5	4.0	4.2	4.2	3.9	4.0	3.6	5.4	5.5	4.8	4.9		
6 months	5.1	4.7	4.8	5.0	5.1	4.6	5.0	5.3	5.9	5.8	6.1	5.3	5.4		
12 months	5.6	5.3	5.4	5.8	5.8	5.8	6.1	6.1	5.9	5.8	5.9	5.5	5.9		
<b>Negotiated deposit rate</b>	<b>7.9</b>	<b>7.8</b>	<b>6.7</b>	<b>6.8</b>	<b>6.7</b>	<b>6.2</b>	<b>6.4</b>	<b>6.9</b>	<b>8.4</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>	<b>8.8</b>		
<b>Lending rates</b>															
Up to -year	15.6	14.7	15.9	15.7	15.5	15.7	15.6	15.2	14.9	14.2	15.1	16.2	16.2		
2-3 years	9.9	11.4	11.3	11.9	12.2	12.2	13.8	12.8	14.1	15.3	15.2	15.1	15.2		
3-5 years	12.5	12.2	13.1	13.1	12.7	12.5	13.2	12.8	13.4	12.6	12.8	14.2	14.3		
<b>Over all lending rate</b>	<b>13.5</b>	<b>13.3</b>	<b>13.9</b>	<b>14.2</b>	<b>14.2</b>	<b>14.8</b>	<b>14.9</b>	<b>14.3</b>	<b>14.7</b>	<b>14.8</b>	<b>15.0</b>	<b>15.6</b>	<b>15.6</b>		
<b>Negotiated lending rate</b>	<b>7.5</b>	<b>8.4</b>	<b>9.7</b>	<b>9.4</b>	<b>9.4</b>	<b>10.1</b>	<b>12.9</b>	<b>11.2</b>	<b>10.9</b>	<b>11.1</b>	<b>11.3</b>	<b>10.3</b>	<b>10.3</b>		

Source: Bank of Tanzania



## Government Government budget records a surplus

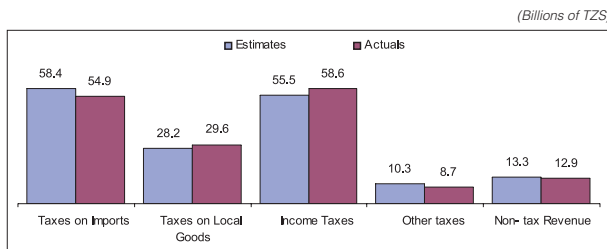
### Fiscal operations remains within the target

Statement of Government Operations for March 2005 shows that the government recorded an overall surplus of TZS 14.2 billion against a deficit projection of TZS 42.8 billion. Total resources (domestic revenue and grants) including adjustment to cash (i.e. float revenue cheques) amounted to TZS 240.6 billion, whilst total expenditure amounted to TZS 226.5 billion.

Total domestic revenue recorded during the month was largely on target at TZS 164.8 billion. Collections from income tax and taxes on local goods were slightly above the targets of TZS 55.5 billion and 28.2 billion by TZS 3.1 billion and TZS 1.4 billion respectively. This came about as a result of improvement in compliance rate of large taxpayers in order to avoid penalties imposed on late tax payments, and amendment of upward provisional returns from large taxpayers. Performance in taxes on imports was however below projections by TZS 3.5 billion, mainly due to decline in importation of consumer goods, and exemptions accorded capital goods.

Total revenue collection on cumulative basis over the July-March period amounted to TZS 1,314.5 billion, ahead of the target of TZS 1,281.7 billion. The realized collection makes three-quarters of the annual revenue target of TZS 1,739.3 billion.

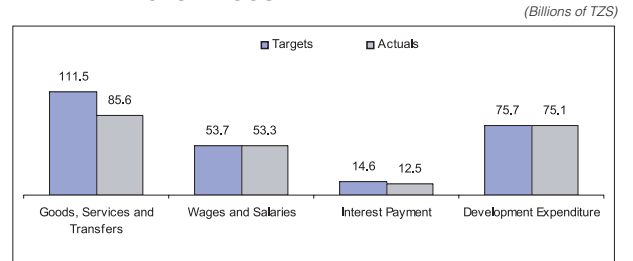
#### Chart 4: Tanzania: Government Recurrent Revenue Performance in March 2005



On expenditure side, about TZS 226.5 billion comprising recurrent and development expenditure of TZS 151.4 billion and 75.1 billion, respectively, were utilized during the period under review. The development expenditure, comprising local and foreign component of TZS 45.0 billion and TZS 30.1 billion respectively, was generally on target, whereas recurrent expenditure was below the target by TZS 30.0 billion because of delayed payment of domestic interest arrears and lower spending on goods and services. Expenditures on priority sectors were on target at TZS 41.8 billion, one-third of which constituted expenditure on health.

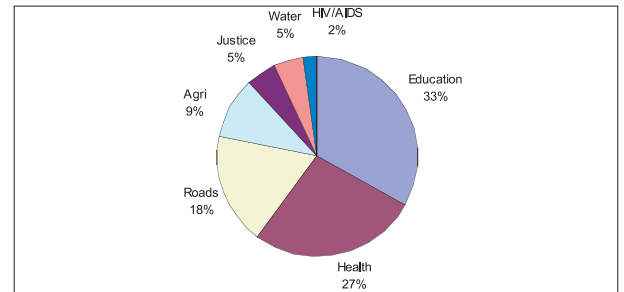


#### Chart 5: Tanzania: Government Expenditure in March 2005



Cumulatively, from July to March 2005, government expenditure amounted to TZS 2,318.1 billion. The actual expenditure comprised of TZS 1,432.2 billion in recurrent expenses and TZS 886.0 billion in development expenditure. Domestic expenditure on priority sectors was TZS 290.7 billion, out of which education sector received TZS 98.1 billion, while Health and Roads sectors were allocated TZS 77.2 billion and TZS 52.9 billion, respectively.

#### Chart 6: Tanzania: Priority Sector Expenditures from July 2004 to March 2005



During the month under review, the government recorded a reduction in its domestic debt obligations of TZS 6.1 billion following build up of its deposits in the banking system.

## External Sector Developments

### Current Account Weakens

During March 2005, the current account balance worsened to a deficit of US\$ 53.1 million compared to a deficit of US\$ 41.2 million recorded in the previous month, largely due to a substantial increase in imports, coupled with a slight decline in exports.

During the same period, machinery worth US\$ 12 million, fertilizers worth US\$ 7.5 million, transport, building and construction equipment worth about US\$ 6 million were imported in the country. Food imports, however, declined by US\$ 5 million between February and March as domestic food supply situation continued to improve. In total, the import bill (C.I.F) of goods for the month stood at US\$ 210.3 million. On the export side, goods and services worth US\$ 192.2 million were exported in March 2005, only slightly lower than the amount exported in the previous month. On annual basis, the current account balance improved modestly to a deficit of US\$ 452.5 million in March 2005, down from a deficit of US\$ 464.3 million recorded in the year to March 2004. The improvement stemmed mainly

from improvement in net current transfers, which amounted to US\$ 665.4 million during the year, compared to the previous year's level of about US\$ 544.5 million (Table 4).

**Table 4: Tanzania: Current Account Balance**

(Million of US\$)

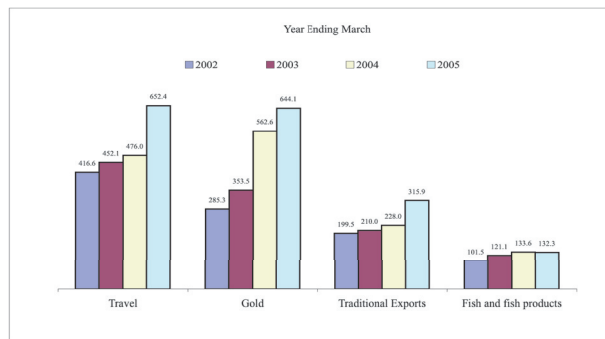
Item	March		2005 <sup>p</sup>		Year ending March <sup>p</sup>		% Change
	2003	2004	Feb	Mar	2004	2005	
<b>Goods Account (net)</b>	<b>-46.4</b>	<b>-89.9</b>	<b>-51.3</b>	<b>-79.4</b>	<b>-898.6</b>	<b>-901.7</b>	<b>0.3</b>
Exports	70.6	90.6	119.6	112.0	1,176.8	1,401.6	19.1
Imports	117.0	180.6	170.9	191.4	2,075.5	2,303.3	11.0
<b>Services Account (net)</b>	<b>-0.4</b>	<b>4.4</b>	<b>-7.7</b>	<b>-4.8</b>	<b>-77.2</b>	<b>-158.7</b>	<b>105.6</b>
Receipts	65.1	66.4	74.7	80.2	712.5	911.9	28.0
Payments	65.5	62.0	82.4	85.0	789.7	1,070.6	35.6
<b>Goods and services (net)</b>	<b>-46.8</b>	<b>-85.5</b>	<b>-59.0</b>	<b>-84.2</b>	<b>-975.8</b>	<b>-1,060.4</b>	<b>8.7</b>
Exports of goods and services	135.7	157.0	194.3	192.2	1,889.4	2,313.5	22.4
Imports of goods and services	182.5	242.6	253.3	276.4	2,865.2	3,373.9	17.8
<b>Income Account (net)</b>	<b>-4.0</b>	<b>6.4</b>	<b>-2.1</b>	<b>-6.1</b>	<b>-33.0</b>	<b>-57.5</b>	<b>74.1</b>
Receipts	9.1	15.6	2.1	4.0	95.5	65.7	-31.2
Payments	13.1	9.2	4.2	10.1	128.5	123.2	-4.2
<b>Current Transfers (net)</b>	<b>35.7</b>	<b>27.5</b>	<b>19.9</b>	<b>37.2</b>	<b>544.5</b>	<b>665.4</b>	<b>22.2</b>
Inflows	41.1	32.6	25.3	42.9	606.5	732.1	20.7
o/w General Government	35.4	26.6	19.2	36.7	539.4	661.6	22.7
Outflows	5.4	5.1	5.4	5.7	62.0	66.7	7.6
<b>Current Account Balance</b>	<b>-15.1</b>	<b>-51.6</b>	<b>-41.2</b>	<b>-53.1</b>	<b>-464.3</b>	<b>-452.5</b>	<b>-2.6</b>

Note:  
p = Provisional data.  
Source: Bank of Tanzania

Traditional exports during March 2005 totalled about US\$ 25 million, being the highest earnings for the corresponding months in the past five years, mainly due to improvement in export volumes. Export volumes of cotton and coffee during the period were more than double the volumes exported during the corresponding month in the last four years. On the other hand, export volumes of cashew nuts, tobacco and cloves were the lowest in March 2005 compared to the levels exported in March of the previous four years, although their respective unit prices moved upwards. The performance of selected export items for the past four years is shown in **Chart 7**.

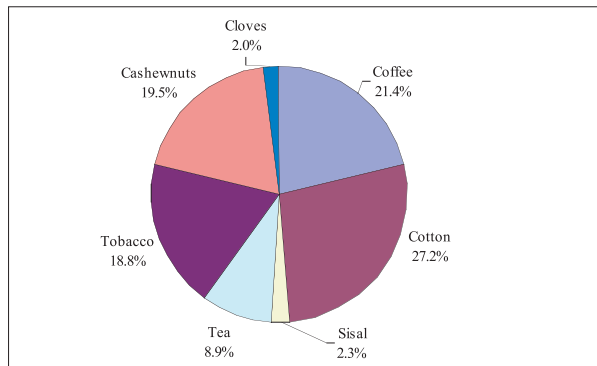
**Chart 7: Tanzania: Selected Exports of Goods and Services**

(Millions of US\$)



During the year ending March 2005, traditional exports rose by about 39 percent to US\$ 315.9 million, mainly on account of improvement in both - export prices and volumes. During the same period cotton and coffee, together, accounted for about 49 percent of total earnings from exporting traditional exports (**Chart 8**).

**Chart 8: Tanzania: Contribution to total traditional exports for the year ending March 2005**



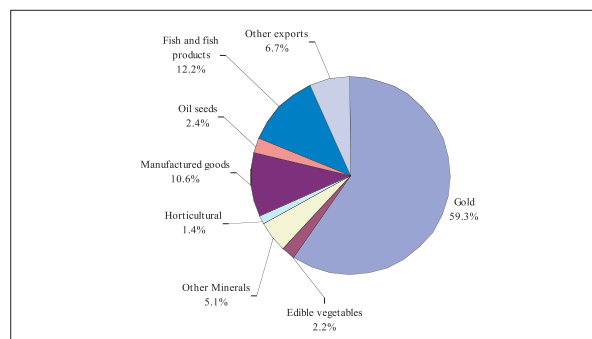
## Non-Traditional Exports

In March 2005, gold exports stood at US\$ 58.4 million, up from US\$ 48 million recorded in the previous month, while exports of other minerals declined. Gold exports were more than double the level recorded in March 2003, mainly on account of increase in export volume as well as rise in gold export price.

Exports of Manufactured goods and fish products have also been on the upward trend. During the month under review, manufactured goods worth US\$ 9 million and fish products worth US\$ 11.2 million were exported, compared to US\$ 7.5 million and US\$ 9.6 million exported in February 2005. In total, non-traditional exports during the month of March 2005 stood at US\$ 87 million.

Improvements were also seen in the performance of non-traditional exports during the year ending March 2005. Non-traditional exports stood at US\$ 1,086 million compared to US\$ 949 million recorded in the preceding year. Exports of gold accounted for about 60 percent of non-traditional exports (**Chart 9**), and 45 percent of total value of goods exports.

**Chart 9: Tanzania: Contribution to Non-traditional exports for the year ending March 2005**



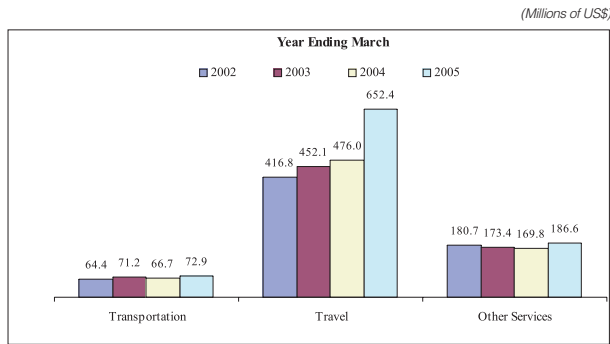
## Export of Services

During March 2005, export of services increase to US\$ 80.0 million from US\$ 74.7 million in the previous month, mainly from tourism and transportation receipts. On annual basis, services receipts went up by 28.0 percent to about US\$ 912 million, out of which, travel receipts (mainly tourism) accounted for US\$ 652 million (Chart 10). Tourism earnings have been on the increase in recent years due to tourism promotional efforts by the Government. The share



of tourism receipts to total export earnings has, however, remained at around 30 percent in the recent past.

**Chart 10: Tanzania: Service Receipts  
2002 – 2005**



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

## Imports of Goods and Services

During the year ending March 2005, the annual import bill (C.I.F) stood at about US\$ 3,374 million, representing an increase of about 18 percent or US\$ 509 million over the previous year. The surge in imports during the year was mainly driven by a sharp increase in goods imports by US\$ 227 million and services payments abroad by US\$ 281 million over the year.

Whilst food imports rose slightly by only US\$ 5 million during the year under review as domestic food supply improved, capital goods imports went up by US\$ 148 million, and fertilizer imports rose by US\$ 37 million during the year, all reflecting increase in economic activity in agriculture as well as in the industrial sector (Table 5).

**Table 5: Tanzania Imports**

(Millions of US\$)

Item	March		2005p		Year ending March <sup>P</sup>		% Change
	2003	2004 <sup>P</sup>	Feb	Mar	2004	2005	
<b>CAPITAL GOODS</b>	<b>48.2</b>	<b>57.4</b>	<b>78.8</b>	<b>90.0</b>	<b>779.3</b>	<b>927.0</b>	<b>19.0</b>
Transport Equip ment	16.5	16.7	25.1	22.0	215.2	240.2	11.6
Building and Construction Equip ment	7.3	13.1	15.5	18.2	157.9	204.2	29.3
Machinery	24.4	27.7	38.2	49.8	406.2	482.6	18.8
<b>INTERMEDIATE GOODS</b>	<b>31.2</b>	<b>52.7</b>	<b>35.1</b>	<b>44.5</b>	<b>668.9</b>	<b>631.6</b>	<b>-5.6</b>
Oil imports	12.6	35.7	16.6	19.5	410.1	341.1	-16.8
Fertilizers	0.5	0.6	0.4	7.8	27.2	63.5	133.1
Industrial raw materials	18.2	16.4	18.0	17.2	231.5	227.0	-1.9
<b>CONSUMER GOODS</b>	<b>37.6</b>	<b>70.4</b>	<b>57.0</b>	<b>56.9</b>	<b>627.3</b>	<b>744.7</b>	<b>18.7</b>
Food and food stuffs	9.1	34.6	14.7	9.9	208.1	213.3	2.5
All other consumer goods	28.4	35.8	42.3	47.0	419.1	531.4	26.8
<b>GRAND TOTAL (F.O.B)</b>	<b>117.0</b>	<b>180.6</b>	<b>170.9</b>	<b>191.4</b>	<b>2,075.5</b>	<b>2,303.3</b>	<b>11.0</b>
<b>GRAND TOTAL (C.I.F)</b>	<b>128.6</b>	<b>198.4</b>	<b>187.8</b>	<b>210.3</b>	<b>2,280.7</b>	<b>2,531.1</b>	<b>11.0</b>

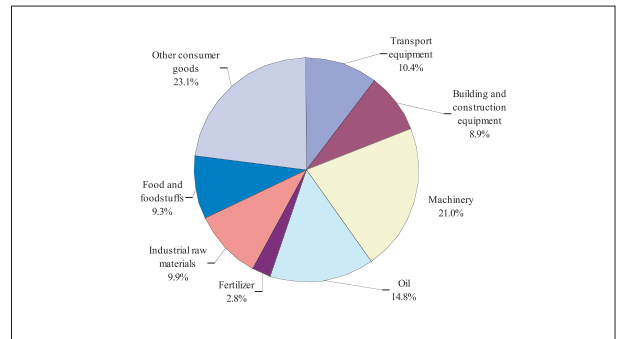
**Note:** Oil imports refers to refined petroleum products

<sup>P</sup> = Provisional data Totals may not add up due to rounding of numbers.

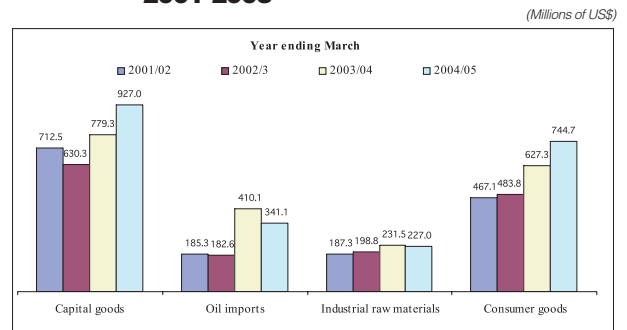
**Source:** Bank of Tanzania and the Tanzania Revenue Authority (TRA).

On the other hand, the surge in services payment during the year ending March 2005 was mainly attributed to a substantial increase in travel and education allowances – US\$ 95 million, construction service payments – US\$ 70 million, and communication service charges, which went up by US\$ 50 million, in line with expansion in communication and construction sectors.

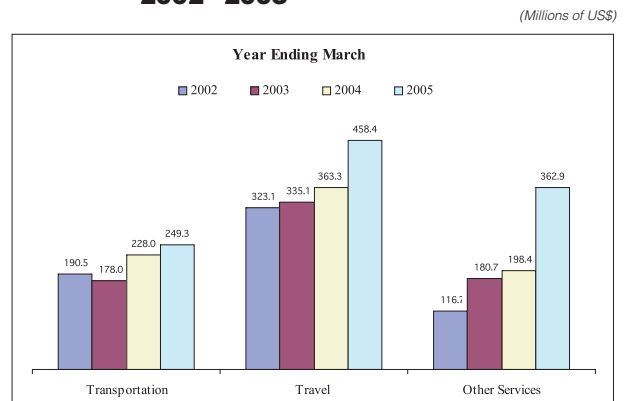
**Chart 11: Tanzania: Contribution to Goods Imports for the year Ending March 2005.**



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



**Chart 13: Tanzania: Service Payments, 2002 – 2005**



## World Commodity Prices

Most of commodity prices improved during March 2005 compared to the preceding month's performance (See Table 6). Coffee prices, for both Arabica and Robusta, went up following expectations of low supply in 2005/06 coffee season, whereas prices of cotton went up due to high demand for the same in major textile exporting countries particularly in China and Pakistan, in line with increased production in textile industries in these countries. During the same period, prices of oil went up significantly, mainly due to a surge in global oil demand, partly signalled by the coming winter season in Northern hemisphere and partly reflecting the expansion in global industrial activities. Gold prices continued to rise although at a slower pace than in the previous months, mainly on account of concerns over depreciation of the U.S dollar against other major currencies.





**Table 6: World Commodity Prices**

Item	Unit Prices	2004			2005			% Change Feb 05 to Mar 2005
		Oct	Nov	Dec	Jan	Feb	Mar	
Coffee "Robusta"	US \$ per kg	0.7	0.72	0.81	0.82	0.91	1.09	19.78
Coffee "Arabica"	US \$ per kg	1.78	1.99	2.3	2.36	2.66	2.97	11.65
Tea "Average price"	US \$ per kg	1.79	1.78	1.73	1.63	1.59	1.6	0.63
Tea "Mombasa Auction"	US \$ per kg	1.51	1.45	1.51	1.51	1.48	1.49	0.68
Cotton, "A Index"	US \$ per kg	1.16	1.08	1.07	1.13	1.16	1.24	6.90
Cotton, "Memphis"	US \$ per kg	1.18	1.15	1.16	1.23	1.19	1.32	10.92
Sisal "UG"	US \$ per metric ton	885	885	885	885	885	885	0.00
Cloves	US \$ per metric ton	3,500.00	3,500.00	3,496.00	3,418.00	3,450.00	3,500.00	1.45
Crude oil*	US \$ per barrel	46.88	42.13	39.04	42.97	44.82	50.94	13.65
Crude oil**	US \$ per barrel	37.58	34.88	34.26	37.81	40.94	45.58	11.33
White products***	US \$ per ton	479.42	445.8	396.91	404.37	426.32	501.22	17.57
Gold	US \$ per troy ounce	420.5	439.4	442.1	424	423.4	433.9	2.48

Note: \* Average of U. K. Brent, Dubai and West Texas Intl.\*\* f. o. b. Dubai\*\*\* Average of Premium gasoline, Gas oil and Jet/Kerosene, f.o.b. West Mediterranean

Source: <http://www.imf.org> and <http://worldbank.org/prospects>, World Bank Public Ledger, Bloomberg Professional

## Debt Developments

Total national debt stock, comprising of external and domestic debt, as at end March 2005 stood at US\$ 9,152.4 million, US\$ 87.2 million higher than the stock of debt as at end February 2005. The increase in debt stock during the period under review came, partly, as a result of sales of Government Securities and accumulation of interest arrears. During the same period the country realized savings under the HIPC arrangement, amounting to US\$ 10.1 million from multilateral institutions.

### External Debt

The total external debt committed increased to US\$ 8,681.6 as at end-March 2005 from US\$ 8,581.1 million recorded at end February 2005. US\$ 6,918.6 million of the stock at end-March 2005 was disbursed outstanding debt (DOD), while US\$ 1,763.0 million was undisbursed balance. Interest arrears increased marginally from US\$ 1,307.0 million recorded at end of February 2005 to US\$ 1,308.2 million at end-March 2005. The external debt stock also increased slightly from US\$ 8,164.7 million recorded at the end of February 2005 to US\$ 8,226.8 million as at end of March 2005 outstanding debt by use of funds.

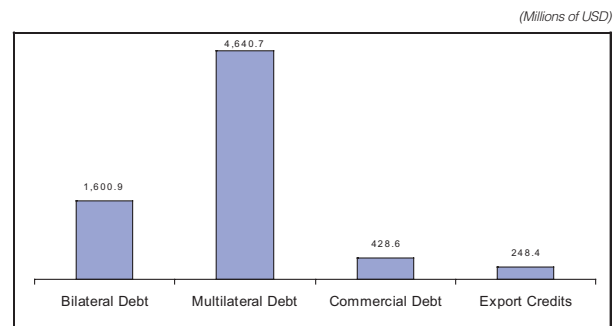
### Disbursed Outstanding Debt (DOD)

During the period under review debt service payments amounted to US\$ 15.1 million against projected amount of US\$ 21.0 million. The shortfall in debt service payments is attributed to savings made through multilateral HIPC debt relief and partly by non-servicing of some of the Non-Paris Club bilateral loans whose creditors have not yet offered debt relief under the HIPC arrangement.

The profile of disbursed outstanding debt by borrower category shows that the share of Central Government decreased slightly to 85.6 percent from 85.8 percent at the end of February 2005, while that of private sector increased to 7.1 percent from 6.8 percent. The share of parastatal sector remained nearly unchanged at 7.3 percent during the period. The share of private sector in foreign debt has been on the increase in the recent past, consistent with expansion of private sector activities.

Analysis of disbursed outstanding debt by creditor category shows that, the share of multilateral debt declined to 68.0 percent at end-March 2005 from 68.7 percent at end of February 2005, while that of bilateral creditors increased to 22.2 percent from 21.9 percent. The share of commercial debt increased to 6.2 percent from 5.8 percent and that of Export credits remained unchanged at 3.6 percent. The share of multilateral debt is higher reflecting the government's policy of borrowing concessional loans, mainly offered by multilateral institutions.

**Chart 14: Tanzania: Disbursed Outstanding Debt by Creditor Category**



The UK announced that from 1st January 2005, it would cover 10 percent of the payments owed by Tanzania to IDA and the African Development Fund on all debts incurred before 1st January 2004. The intention is to increase the resources that are available to Tanzania for spending on poverty reduction and to facilitate the attainment of the Millennium Development Goals. It is projected that US\$ 49.95 million will be realised as UK relief up to 2015 (Table 9).

In terms of use of funds, 20.0 percent of the total debt at the end of March 2005 was in the form of Balance of Payments Support. Transport sector accounted for 16.4 percent, Agriculture 14.7 percent, and Energy & Mining accounted for 13.9 percent. Industries accounted for 5.2 percent, Education 4.9 percent, Finance 1.2 percent, and Tourism 1.2 percent. The remaining 22.6 percent was directed to other activities including rural development, water supply, defence, fisheries, forestry, housing and urban development, irrigation, and computer technology.

### Disbursements, Debt Service Payments and Debt Commitments

During the period under review there were no new loans contracted and/or disbursed. During the same period recorded debt service payments amounted to US\$ 7.8 million against projected amount of US\$ 16.5 million. Lower debt service payments are partly due to non-servicing of some of the Non-Paris Club bilateral loans whose creditors have not yet offered debt relief under HIPC arrangement



## HIPC Debt Relief

### Multilateral Debt Relief

During the period under review Tanzania received HIPC debt relief amounting to US\$ 10.1 million out of which relief from IDA was US\$ 7.4 million and NODF US\$ 1.5 million. The remaining debt relief amounting to US\$ 1.2 million came from European Investment Bank (EIB), African Development Bank (AfDB) and IFAD. As at end March 2005 total debt relief received from multilateral creditors since 1999/2000 stood at US\$ 353.2 million.

**Table 7: Tanzania: Multilateral Debt Relief**

<i>(Millions of US\$)</i>				
Item	Jan-2005	Feb-2005	Mar-2005	TOTAL
IDA	0.7	3.5	7.4	11.6
AfDB	4.5	0	0.3	4.8
IMF	0	3.1	0	3.1
IFAD	0.7	0	0.3	1.0
NODF	0	0	1.5	1.5
EIB	0	0.6	0.5	1.1
<b>TOTAL</b>	<b>5.9</b>	<b>7.2</b>	<b>10.1</b>	<b>23.1</b>

Source: Bank of Tanzania

### Bilateral Debt Relief

During March 2005, no debt relief was received from bilateral creditors. Total debt relief received so far from Paris Club bilateral creditors, thus, remained at level of US\$ 858.70 million recorded at the end of September 2004. Efforts are under way to have the remaining bilateral agreements for debt relief signed with Brazil and other Japanese agencies namely EID/MITI and Japanese Food Agency.

As for relief from non-Paris Club bilateral creditors, the government had received debt relief from Bulgaria, India and Kuwait in line with HIPC framework as at end March 2005. Bulgaria offered debt relief by cancelling debt amounting US\$ 15.1 million, and India offered relief by cancelling all her intergovernmental loans amounting to US\$ 19.7 million. Kuwait, on the other hand, offered debt rescheduling of US\$ 31.8 million under terms that provided debt relief equivalent to 90 percent cancellation in NPV terms. China offered debt relief outside HIPC framework by cancelling debts worth US\$ 37.7 million. Dialogue between the government and Abu Dhabi Fund, Hungary, Libya and Iran is going on but no firm commitments have been made to date.

### Domestic Debt

As at end March 2005 domestic debt stock stood at TZS 1,022.0 billion. The debt stock grew by TZS 15.8 billion (1.57 percent) from TZS 1006.2 billion registered at the end of February 2005. The increase in domestic debt stock is mainly attributed to new sales of government securities.

## Domestic Debt by Creditor Category

Commercial banks continue to be the main lenders to the government, holding 39.1 percent of total domestic debt, followed by pension funds that held 33.8 percent, Bank of Tanzania 19.7 percent, non-bank financial institutions 2.2 percent, insurance companies 2.5 percent, and private sector 1.9 percent. Other official entities and BOT special funds altogether were holding 0.8 percent of total domestic debt.

### Domestic Debt Service

During the month under review, domestic debt worth TZS 31.9 billion, being principal and interest fell due for payment. Out of total amount due, TZS 1.9 billion was interest and was paid out of government revenues. The remaining part, TZS 30.0 billion—which is principal—was rolled over.

## Other Economic Developments

### Food Supply Situation remains satisfactory

Food supply in the country continued to be favourable in March 2005, except for some few districts where the 2004/05 short rains 'vuli' performed poorly, particularly in Ngorongoro and Monduli in Arusha Region as well as some parts of Tanga, Manyara and Kilimanjaro regions. A Rapid Vulnerability Assessment (RVA) conducted by Food Security Information Team (FSIT) between February and March 2005 in five regions namely Manyara, Kilimanjaro, Coast, Tanga and Arusha regions established that, about 253,519 people in 13 districts (i.e. Simanjiro, Same, Rombo, Hai, Moshi, Bagamoyo, Handeni, Korogwe, Lushoto, Karatu, Monduli, Arumeru, and Ngorongoro districts) are facing food shortage of about 6,100 tons. The government is planning to distribute the said amount at a subsidized price to these districts early April 2005.

In a bid to improve food availability in the food deficit areas, the Prime Minister's Office (PMO) released 500 tons of maize from the Strategic Grain Reserve (SGR) in March 2005 for distribution to Ngorongoro (300 tons) and Monduli (200 tons) districts, making a total release of 2,123 tons of subsidized maize to various food deficit districts since December 2004.

The average wholesale prices for major staples, such as maize, rice, sorghum and potatoes went down in March 2005 compared to prices recorded in March 2004 (Table 8). The decrease in prices was largely due to prospects of forthcoming harvesting season coupled with release of stocks held by private traders to the market.



**Table 8: Tanzania: Average Wholesale Prices for Selected Food Items**

(TZS per 100 Kg)

Period	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		
May	82,119	44,776	48,653	52,857	31,732		
June	72,000	47,225	47,100	51,060	37,091		
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	108,448		
December	78,967	62,788	58,395	41,649	114,030		

Source: Ministry of Agriculture and Food Security

## Strategic Grain Reserves still satisfactory

The SGR stock as at end-March 2005 declined to 114,760 tons from 116,383 tons recorded at the end of February 2005 largely on account of sales of maize to Monduli and Ngorongoro districts as well as prisons department (Table 9). Food grains held by large private traders decreased from 193,926 tons at the end of February 2005 to 172,662 tons at the end of March 2005. The end-March 2005 private traders stock comprised of 46,315 tons of maize, 59,391 tons of rice and 66,956 tons of wheat. This brings the total stock of food grains to 287,422 tons at end-March, 2005.

**Table 9: Tanzania: SGR Stocks**

(Tons)

Crop	Mar-02	Mar-03	Mar-04	2005			% Change	
				Jan	Feb	March	Mar-04	Feb-05
Maize	15,267	13,028	25,816	16,221	14,298	14,656	-43.2	3
Rice	32,823	32,101	56,008	57,464	54,606	51,906	-7.3	-5
Beans	27,133	35,921	36,824	52,128	47,982	43,950	19.4	-8
Sorghum	17,626	14,796	27,664	21,797	19,835	20,385	-26.3	3
Potatoes	17,230	18,431	21,248	22,842	21,479	20,850	-1.9	-3

Source: Food Security Department and BOT computation

## Economic Developments in Zanzibar

### Budget Performance

During March 2005, Zanzibar Government budgetary performance on (cheques issued basis), recorded a deficit of TZS 1.3 billion before grants. After consideration of grants worth TZS 2.0 billion, the budget turned into a surplus of TZS 0.7 billion.

### Revenue target surpassed

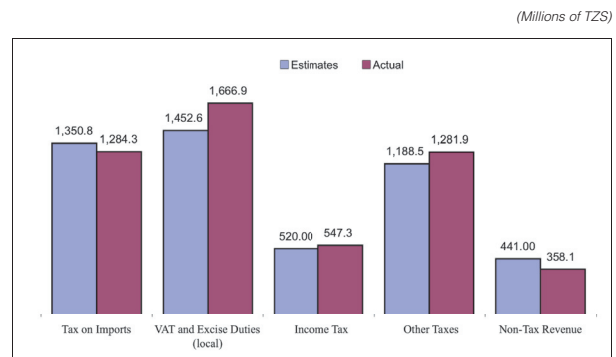
During March 2005, total revenue collections reached TZS 5.1 billion, above the targeted TZS 4.9 billion. The improved performance was associated with increase in trading and tourism activities, coupled with enhanced revenue collections efforts by Zanzibar Revenue Board and Tanzania Revenue Authority. Collections from tax sources

amounted to TZS 4.8 billion, surpassing the target of TZS 4.5 billion by 6.7 percent. The non-tax sources however under performed, fetching about TZS 0.3 billion which was lower than the targeted collections of TZS 0.4 billion.

In terms of tax categories, collections from VAT and exercise duty (local), income tax and other taxes category surpassed their respective targets for the month, while import duties collections fell below the target due to decline in imports (Chart 15).

On cumulative basis, total revenue collection for July 2004 up to March 2005 amounted to TZS 44.8 billion, surpassing the targeted outturn of TZS 42.8 billion by 4.7 percent

**Chart 15: Zanzibar: Government Revenue by Source March 2005**

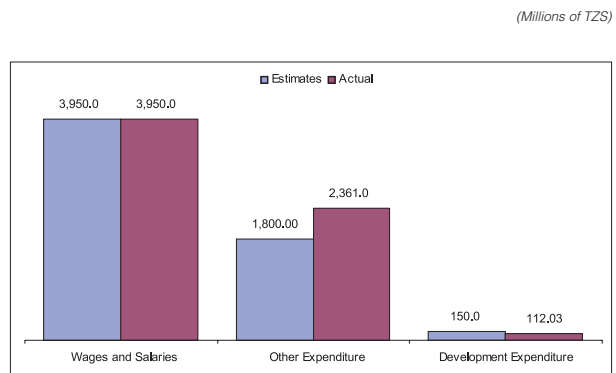


## Expenditure

During the month under review, the Zanzibar Government expenditure amounted to TZS 6.4 billion, surpassing the ceiling of TZS 5.9 billion for the month by 8.5 percent, as a result of payment of previous obligations. Recurrent expenditure amounted to TZS 6.3 billion accounting for 98.4 percent of total expenditure, while development expenditure (excluding donor funds) amounted to TZS 0.11 billion or 1.7 percent of total expenditure. Recurrent expenditure analysis shows that, the expenditure exceeded the ceiling of TZS 5.7 billion by 9.8 percent. Expenditure on wages and salaries continued to dominate, amounting to TZS 4.0 billion or 62.5 percent of total recurrent expenditure.

On cumulative basis, during July 2004 up to March 2005, government expenditure amounted to TZS 55.3 billion, accounting for 97.5 percent of the projected expenditure of TZS 56.7 billion. (Chart: 16).

**Chart 16: Zanzibar: Government Expenditure by Components March 2005**



## Financing

During the month of March 2005, government expenditures were exclusively accommodated by use of internal resources and grants from the Union government.

## Debt Developments

### Zanzibar's Debt Almost the Same

The Zanzibar total debt as at end-March 2005, stood at TZS 177.7 billion (US\$ 160.9 million) having slightly declined from TZS 179.7 billion (US\$ 160.8 million), registered in previous month. The latter was largely due to inclusion of previously unrecorded government obligations. Domestic debt stood at TZS 60.3 billion representing 33.9 percent of total debt, while external debt stood at TZS 117.4 billion, accounting for 66.1 percent of total debt

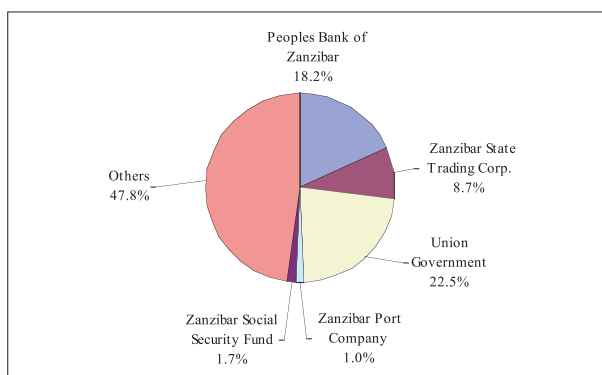
### Domestic Debt

During the month under, domestic debt increased marginally to TZS 60.3 billion, from TZS 59.9 billion as at end February 2005, due to new and accruing gratuity claims of retired civil servants.

### Domestic Debt by Creditor

The profile of domestic debt by creditor shows that; debt due to the Union Government continued to dominate stood at TZS 13.6 billion or 22.5 percent of total domestic debt. The Peoples Bank of Zanzibar (PBZ) debt remained at TZS 11.0 billion or 18.2 percent of total domestic debt. Claims by Zanzibar State Trading Corporation (ZSTC), Zanzibar Social Security Fund (ZSSF), and Zanzibar Port Company (ZPC) amounted to TZS 5.3 billion, TZS 1.0 billion, and TZS 0.6 billion, accounting for 8.7 percent, 1.7 percent, and 1.0 percent of total domestic debt respectively. Other creditors claims stood at TZS 28.8 billion or 47.8 percent of total domestic debt (Chart 17).

**Chart 17: Zanzibar: Domestic debt by Creditor as at end – March 2005**



## Domestic Debt by Instruments

As at end of February, 2005, Zanzibar external dThe profile of domestic debt by instruments shows that, debt in terms of long-term loans remained at TZS 11.0 billion, accounting for 18.2 percent of total domestic debt. Borrowing through government stocks increased by 3.6 percent, to TZS 5.7 billion or 9.5 percent, due to accumulation of interest arrears. Debt by treasury bills and treasury bonds stood at TZS 7.1 billion and TZS 3.2 billion, representing 11.8 percent and 5.4 percent of total domestic debt respectively. Other debt instruments amounted to TZS 33.3 billion or 55.2 percent of total domestic debt.

### Domestic debt by maturity

As at end of March 2005, debt maturing in less than a year stood at TZS 5.7 billion or 9.5 percent total domestic debt. Debt maturing within 1 to 2 years amounted to TZS 15.6 billion, representing 26.0 percent of total domestic debt. Debt maturing between 2 and 5 years stood at TZS 1.0 billion or 1.7 percent of total domestic debt, while debt with "undetermined maturity" (mainly gratuity and domestic suppliers' claims) were worth TZS 38.0 billion accounting for 63.0 percent of total Zanzibar's domestic debt.

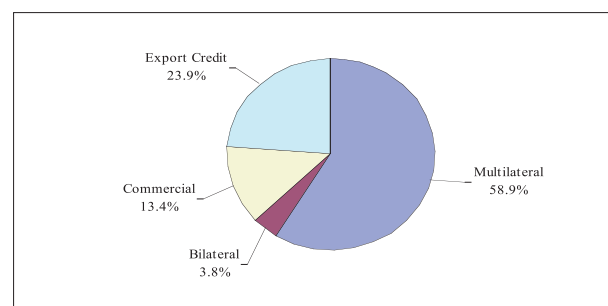
## External Debt

As at end of the March 2005, the Zanzibar's external debt declined marginally by 0.8 percent, to US\$ 106.3 million from US\$ 107.0 million recorded in February 2005. The latter was attributed to effecting due payments.

### External Debt by Creditor Category

The creditor category analysis shows that, as at end-March 2005, debts due to multilateral creditors continued to dominate, stood at US\$ 62.6 million representing 58.9 percent of total external debt. Bilateral creditors' claims stood at US\$ 4.0 million or 3.8 percent of total external debt. Commercial debt remained at US\$ 14.2 million, representing 13.4 percent of total external debt. Export credit amounted to US\$ 25.4 million or 23.9 percent of total external debt (Chart 18).

**Chart 18: Zanzibar: External debt by Creditor as at end – March 2005**



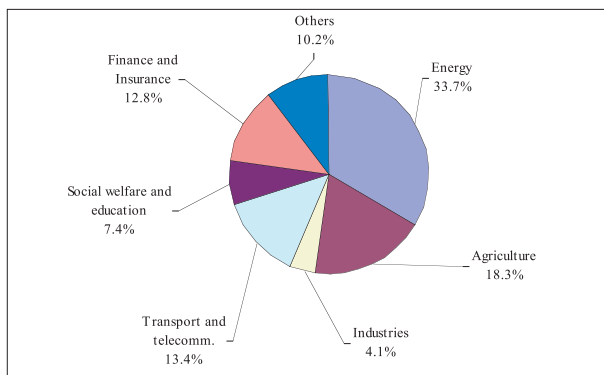
## External Debt by Maturity

The profile of external debt by maturity shows that, debts maturing within 5 to 10 years were dominant, stood at US\$ 46.3 million or 43.5 percent of total external debt. Debt with maturity above 20 years stood at US\$ 45.3 million, representing 42.6 percent of total external. Debts with maturity within 10-20 years stood at US\$ 14.7 million, and accounted for 13.9 percent of total external debt.

## External debt: Zanzibar: Disbursements by Use of Funds

During the review period, disbursements remained as before due to the fact that there was no new foreign debt. The Energy Sector maintained US\$ 35.9 million or 33.7 percent of total external debt. The agriculture sector maintained US\$ 19.6 million, representing 18.3 percent of total external debt. The share of Transport and telecommunications sector remained at US\$ 14.2 million or 13.3 percent, while Industries sector absorbed US\$ 4.4 million, or 4.1 percent of total external debt. Social welfare and education sectors maintained US\$ 7.9 million or 7.4 percent of total external debt. Finance and Insurance sectors sustained the US\$ 13.6 million or 12.8 percent of total disbursements. Other sectors maintained US\$ 10.8 million or 10.2 percent of total external debt (Chart 19).

**Chart 19: Zanzibar: External debt by Use of Funds as at end – March 2005**



## Trade Developments

### Overall Trade Balance improves Marginally

During March 2005, Zanzibar overall trade balance (goods and services) improved to a deficit of US\$ 4.89 million, from a deficit of US\$ 5.13 million recorded in the preceding month due to large exports and lower imports relative to the previous month. The trade balance in March 2005 was also lower than a deficit of US\$ 6.66 million recorded in corresponding month in 2004. However, on the year to March 2005, the trade balance was larger (deficit of US\$ 56.9 million) than it was in the year to March 2004 (a deficit of US\$ 38.9 million), largely due to a surge in imports (Table 10).

**Table 10: Zanzibar: Trade Account Balance**

*Millions of USD*

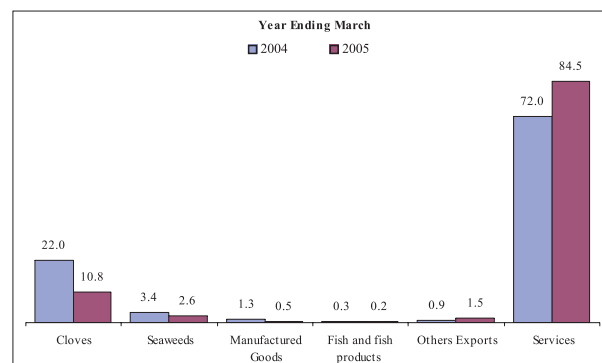
ITEM	2004	2005p		Year Ending March		Annual % Change
	March	Feb	Mar	2004	2005p	
Exports	3.64	4.93	5.51	55.20	57.63	4.39
Goods	0.45	0.58	0.26	15.44	8.95	(42.03)
Services	3.19	4.35	5.24	39.77	48.67	22.38
Imports	10.30	10.06	10.40	94.10	114.53	21.71
Goods (f.o.b)	8.13	6.14	6.40	66.24	79.66	20.26
Services	2.16	3.92	4.00	27.86	34.87	25.16
Trade Balance	-6.66	(5.13)	(4.89)	(38.90)	(56.90)	46.29

Source: Tanzania Revenue Authority.  
P = Provisional

## Exports

During the month of March 2005, Zanzibar exported goods and services worth US\$ 5.51 million, being higher than US\$ 4.93 million exported in the previous month, mainly on account of a seasonal increase in tourist-oriented services, specifically transportation services. Similarly, on annual basis, total exports increased to US\$ 57.63 million from US\$ 55.20 million recorded in the previous corresponding period, due to improved earnings from services. Services receipts amounted to US\$ 48.67 million, and represented 84.5 percent of total export earnings, clove exports fetched US\$ 6.21 million (10.8 percent) seaweeds, US\$ 1.47 million (2.6 percent) other exports, US\$ 0.89 million (1.5 percent). Manufactured goods amounted to US\$ 0.27 million, and represented 0.5 percent of total exports, while earnings from export of fish and fish products amounted to US\$ 0.12 million or 0.2 percent of total export receipts (Chart 20).

**Chart 20: Zanzibar: Percentage Contribution to Total Exports of Goods and Services**



## Imports

During March 2005, Zanzibar imports (f.o.b.) rose by 4.23 percent, to US\$ 6.40 million from US\$ 6.14 million registered in February 2005. The increase was mainly on account of importation of transport equipments, building and construction goods to cater for expansion of transport and construction activities. On annual basis, the imports increased by 20.3 percent to US\$ 79.7 million in March 2005, largely driven by impact of hike in world oil prices and more imports for flourishing construction activities, partially impact of more donor funds to Zanzibar (**Table 11**).

**Table 11: Zanzibar Imports by Major Categories**

(Millions of US\$)

Import Category	2004		2005p		Year Ending March		Annual %Change
	March	Feb	Mar	2004	2005 <sup>p</sup>		
CAPITAL GOODS	1.73	2.79	3.52	24.21	32.76	35.31	
Transport Equipments	0.77	0.50	1.84	11.40	8.88	-22.11	
Building and Constructions	0.30	0.16	0.52	2.41	8.64	258.51	
Machinery	0.66	2.12	1.16	10.40	15.23	46.44	
INTERMEDIATE GOODS	1.81	2.51	1.63	17.03	26.33	54.61	
Oil imports	1.36	1.95	1.40	12.47	21.54	72.73	
Fertilizers	0.00	0.00	0.00	0.00	0.00	0.00	
Industrial raw materials	0.44	0.57	0.23	4.56	4.80	5.26	
CONSUMER GOODS	5.40	1.45	1.88	31.56	28.44	-9.89	
Food and food stuffs	4.27	0.35	1.26	21.22	17.24	-18.00	
All other consumer goods	1.13	1.10	0.62	10.33	11.20	8.42	
GRAND TOTAL (CIF)	8.94	6.75	7.03	72.80	87.53	20.23	
GRAND TOTAL (FOB)	8.13	6.14	6.40	66.24	79.66	20.26	

*P = provisional*

**Source:** Tanzania Revenue Authority

## Services Account

During March 2005, the services account (net) recorded a higher surplus of US\$ 1.25 million compared to US\$ 0.43 million for the previous month. The outturn resulted from increased services receipts from tourism related activities in particular transport services. On annual basis, the services account registered an improvement by 15.9 percent, to a surplus of US\$ 13.8 million from US\$ 11.91 million for the corresponding period in 2004, being largely due to increase in foreign exchange receipts from tourism.



Table A1: Selected Economic Indicators (Revised)

Item	Unit	2000	2001	2002	2003p	2004p
<b>1. Population (TZ Mainland)</b>	Million	31.9	32.8	33.6	34.2	35.2
<b>2. Gross Domestic Product (GDP)</b>						
2.1 At Current Prices f.c (Nominal)	Mill. TZS	6,706,381.0	7,624,615.0	8,699,887.0	9,830,906.0	11,287,319.0
	Mill. US\$	8,377.2	8,711.4	8,927.1	9,465.5	10,362.9
2.2 At Constant 1992 Prices (Real)	Mill. TZS	1,654,320.0	1,749,358.0	1,857,174.0	1,962,040.0	2,094,516.0
	Mill. US\$	2,066.9	1,996.1	1,921.3	1,889.1	1,923.0
<b>3. Income per Capita</b>						
3.1 Nominal (Current Prices)	TZS	210,231.0	232,458.0	251,666.0	287,453.0	320,426.0
	US\$	262.7	265.2	260.4	276.8	294.2
3.2 Real (1992 Prices)	TZS	51,860.0	53,334.0	53,723.0	57,370.0	59,459
	US\$	64.8	60.8	57.2	55.2	54.6
<b>4. Price Index (1994=100)*</b>						
4.1 Consumer Price Index (CPI)	Gen. Index	209.7	220.4	232.3	104.5	108.9
4.2 Percentage Change	Per cent	5.9	5.1	4.6	3.5	4.1
4.3 Retail Price Index - Wage Earners (Dar es Salaam)	Gen. Index	150.6	163.4	175.6	184.2	199.3
4.4 Percentage Change	Per cent	0.5	8.5	7.5	4.9	8.2
4.5 GDP Implicit deflator	Index	405.4	435.9	468.4	501.1	538.8986764
4.6 GDP Implicit deflator	Per cent	7.1	7.5	6.5	7.0	7.5
<b>5. Balance of Payments Position</b>						
5.1 Exports (fob)	Mill. US\$	663.3	776.4	902.5	1,129.2	1,325,249256
5.2 Imports (f.o.b)	"	1,367.6	1,560.3	1,511.3	1,933.5	2,273.4
5.3 Balance of Visible Trade	"	-704.3	-783.9	-608.8	-804.2	-948.2
5.4 Balance on Current Account	"	-495.8	-436.7	-214.7	-384.2	-538.3897753
5.5 Overall Balance	"	-408	-163.9	327.5	535.0	104.6
5.6 Exchange Rate :						
5.6.1 Annual Average	TZS/US\$	800.4	876.4	966.6	1,038.6	1,089.2
5.6.2 End of Period	TZS/US\$	803.3	916.3	976.3	1,063.6	1,048.1
<b>6.0 Broad Money Supply (M2) **</b>						
6.1 Percentage Change	Per cent	12.5	12.8	22.2	20.5	25.9
6.2 Currency in Circulation Outside Banks	Mill. TZS	392,404.2	411,638.9	495,445.6	553,045.8	645,241.4
6.3 Demand Deposits	"	302,602.3	354,381.0	463,340.9	560,333.3	745,634.2
6.4 Quasi-Money (Time, Savings and Foreign Currency deposits)	"	702,682.3	870,710.8	1,088,896.5	1,274,937.0	1,733,823.2
<b>7. Public Finance</b>						
7.1 Recurrent Revenue	"	2000/01	2001/02	2002/03	2003/04	2004/05***
7.2 Recurrent Expenditure	"	929,624.0	1,042,955.1	1,217,517.0	1,459,303.3	1,590,787.2
7.3 Development Expenditure	"	1,018,782.1	1,121,526.0	1,488,640.8	1,780,115.1	1,432,180.0
7.4 Adjustment to cash and other items (net)	"	286,253.2	344,610.9	500,897.0	736,828.1	921,522.6
7.5 Financing:	"	-25,447.4	3,203.8	-16,662.9	190,125.3	-198,074.0
7.5.1 Domestic Financing	"	-2,494.4	-22,606.6	-36,513.9	-44,262.7	-81,367.6
7.5.2 Foreign Loans (net)	"	90,354.2	121,842.5	172,016.5	374,393.0	523,850.6
<b>8. Total External Debt Stock****</b>	Mill. US\$	7,624.8	7,464.0	7,268.1	7,857.0	8,226.8
Disbursed Debt	"	6,538.3	6,559.7	6,233.0	6,678.3	6,918.6
Interest	"	1,086.5	904.3	1,035.1	1,178.7	1,308.2

Source: Bank of Tanzania and National Bureau of Statistics

Note: p Provisional data, \*\*Figures starting 2003 have been rebased to 2001 \*\* For the Current year, position is at end-March 2005

\*\*\* cumulative Up to March 2005

\*\*\*\* Debt position is given on financial year basis (end of period). For 2004/05, it is at end-March 2005



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

Item	Millions of TZS											
	2004/2005	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05		
<b>BUDGET</b>												
<b>Total Revenue</b>	<b>1,739,288.0</b>	<b>137,683.0</b>	<b>136,004.9</b>	<b>157,830.2</b>	<b>133,423.9</b>	<b>138,036.0</b>	<b>167,078.0</b>	<b>135,596.4</b>	<b>439,565.5</b>	<b>145,569.3</b>		
Tax Revenue	1,599,010.0	116,138.1	125,974.6	147,887.6	123,777.9	123,236.9	157,273.5	124,097.2	404,763.6	134,855.2		
Taxes on Imports	702,846.0	54,294.1	54,828.5	58,143.3	55,987.1	55,709.6	59,154.8	54,353.2	174,918.5	59,734.1		
Sales/VAT and Excise on Local Goods	372,255.0	28,663.7	35,704.2	32,789.6	31,916.2	36,851.2	33,005.2	32,034.1	96,804.1	34,086.4		
Refunds	-47,798.0	-3,890.4	-3,424.0	-6,142.4	-4,285.0	-7,410.3	-6,005.9	-4,471.8	-13,074.6	-3,983.2		
Income Taxes	422,196.0	25,962.9	27,476.2	51,716.7	30,511.0	28,601.8	58,935.2	30,766.6	117,687.3	34,328.6		
Other taxes	149,511.0	11,107.8	11,389.6	11,380.4	9,648.6	9,484.6	11,754.2	11,415.1	28,428.3	10,689.3		
<b>Non-tax Revenue</b>	<b>140,278.0</b>	<b>21,544.8</b>	<b>10,030.3</b>	<b>9,942.6</b>	<b>9,646.0</b>	<b>14,799.1</b>	<b>9,804.5</b>	<b>11,499.2</b>	<b>34,801.9</b>	<b>10,714.1</b>		
<b>Total Expenditure /1</b>	<b>3,198,152.0</b>	<b>215,529.9</b>	<b>188,559.6</b>	<b>252,873.1</b>	<b>431,831.0</b>	<b>298,625.2</b>	<b>254,388.1</b>	<b>236,189.6</b>	<b>231,624.4</b>	<b>244,081.6</b>		
Recurrent expenditure	2,106,561.0	172,692.7	134,085.2	132,649.3	191,628.0	164,164.8	175,304.7	182,654.5	127,610.6	151,390.2		
Road/toll fund	78,182.0	4,784.5	6,616.1	5,706.2	5,988.5	4,298.9	3,607.2	5,380.2	8,389.1	8,077.8		
Retention fund	44,450.0	3,959.3	6,882.7	3,391.3	4,371.4	3,920.4	2,605.8	4,427.8	4,586.2	3,858.4		
Wages and salaries	551,159.0	42,891.9	44,048.2	44,422.5	45,681.4	48,121.4	45,297.2	47,765.9	44,975.6	45,870.9		
Interest payments	168,438.0	2,431.4	3,701.6	10,403.8	19,179.6	8,193.0	14,265.9	11,861.8	5,933.0	12,489.0		
Domestic <sup>2/</sup>	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		
Foreign	73,492.0	2,431.4	2,145.8	7,206.9	3,056.9	5,778.7	3,612.7	2,813.0	1,924.6	11,259.4		
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	76,702.0	93,030.3		
<b>Dev. Expenditure and net lending</b>	<b>1,091,591.0</b>	<b>42,837.2</b>	<b>54,474.4</b>	<b>120,223.8</b>	<b>240,203.1</b>	<b>134,460.4</b>	<b>79,083.4</b>	<b>53,535.1</b>	<b>104,013.8</b>	<b>92,691.4</b>		
Local	233,705.0	19,475.4	28,842.1	500.0	10,000.0	30,000.0	30,000.0	45,005.7	19,475.4	45,000.0		
Foreign	857,886.0	23,361.8	25,632.3	119,723.8	230,203.1	104,460.4	49,083.4	8,529.4	84,538.4	47,691.4		
<b>Overall Balance (cheque issued) before Grants</b>	<b>-1,458,864.0</b>	<b>-77,846.9</b>	<b>-52,554.7</b>	<b>-95,042.9</b>	<b>-298,407.2</b>	<b>-160,589.2</b>	<b>-87,310.1</b>	<b>-100,593.2</b>	<b>207,941.1</b>	<b>-98,512.3</b>		
<b>Grants</b>	<b>807,810.0</b>	<b>122,738.9</b>	<b>41,626.3</b>	<b>217,884.0</b>	<b>61,993.5</b>	<b>75,237.0</b>	<b>73,248.5</b>	<b>17,161.1</b>	<b>15,279.7</b>	<b>33,478.9</b>		
Program (CIS/OGL)	266,176.0	103,840.7	22,134.2	146,650.6	30,569.0	3,481.2	42,328.6	9,757.6	5,518.4	0.0		
Project	306,482.0	10,075.9	5,083.4	44,309.8	18,990.5	12,548.7	6,470.1	1,845.3	8,146.3	4,214.5		
Basket funds	160,488.0	3,339.8	10,602.8	19,450.3	8,577.4	53,918.0	19,453.8	0.0	0.0	20,688.3		
HIPC Relief	74,664.0	5,482.5	3,806.0	7,473.2	3,856.6	5,289.0	4,996.0	5,558.2	1,615.0	8,576.1		
<b>Overall defici.(cheq.issued) after Grants</b>	<b>-651,054.0</b>	<b>44,891.9</b>	<b>-10,928.4</b>	<b>122,841.1</b>	<b>-236,413.6</b>	<b>-85,352.3</b>	<b>-14,061.7</b>	<b>-83,432.0</b>	<b>223,220.8</b>	<b>-65,033.4</b>		
Expenditure float	0.0	-128,152.1	-8,805.7	-1,771.5	-710.5	-425.0	-271.4	-4.9	-334,666	63,925		
Adjustments to cash and other items (net)	0	-55,118	55,619	-32,784	4,934	33,915	76,939	-10,837	-111,445.8	-1,108.6		
<b>Overall Balance (cheques issued)</b>	<b>-651,054.0</b>	<b>-138,378.3</b>	<b>35,885.4</b>	<b>88,285.2</b>	<b>-232,190.4</b>	<b>-51,862.3</b>	<b>62,605.8</b>	<b>-94,274.0</b>	<b>111,445.8</b>	<b>1,108.6</b>		
<b>Financing:</b>	<b>651,054.0</b>	<b>138,378.3</b>	<b>-35,885.4</b>	<b>-88,285.2</b>	<b>232,190.4</b>	<b>51,862.3</b>	<b>-62,605.8</b>	<b>94,274.0</b>	<b>111,445.8</b>	<b>1,108.6</b>		
Foreign Financing (net)	425,768.0	5,722.5	4,278.8	108,812.1	196,178.6	161,938.6	14,800.2	4,480.3	20,433.2	7,206.4		
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		
Program loans	168,300.0	0.0	0.0	65,395.6	0.0	0.0	0.0	0.0	0.0	0.0		
Development Project loans	280,959.0	9,946.1	9,946.1	55,963.6	184,606.7	170,511.2	23,159.5	6,684.1	22,788.6	20,516.2		
Basket Support	109,956.0	0.0	0.0	0.0	18,028.5	119,139.6	7,829.7	1,460.4	0.0	0.0		
Amortization	-133,447.0	-4,223.6	-5,667.3	-12,547.2	-6,456.6	-8,572.5	-8,359.3	-2,203.8	-2,355.4	-13,309.8		
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		
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		
Bank borrowing	0.0	117,987.9	-58,386.4	-183,601.9	30,976.2	-110,183.5	-83,142.2	93,826.5	92,020.0	-8,021.8		
Non-Bank (net of amortization)	0.0	14,668.0	18,222.2	-13,495.3	5,035.6	107.2	5,736.2	-4,032.7	-1,007.3	1,923.9		
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		
Privatization Proceeds	10,115.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

**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





Table A3: Tanzania Monetary Survey

End of Period	Millions of TZS															
	Domestic assets (net)											Memorandum item:				
	Domestic credit (net)															
	M3, Extended Broad Money			M2, Broad Money			M1, Narrow Money					M0	Base Money			
End of Period	Foreign assets (net)	Claims on government (net)	Claims on 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			Demand deposits	Time deposits	Savings deposits	Foreign currency deposits	TOTAL sum(9,15)	of which: Reserves
								9	8	7						
1995	165,813.5	279,257.9	247,846.0	59,994.1	752,911.5	613,695.3	428,285.1	244,313.7	183,971.4	91,210.2	94,199.9	139,216.3	314,885.1	70,571.4		
1996	290,319.8	295,822.8	141,341.0	90,579.4	818,063.0	684,990.6	449,213.3	257,662.8	191,550.5	122,436.6	113,340.7	133,072.4	335,768.0	78,105.3		
1997	398,918.6	239,457.5	182,976.9	105,716.0	927,068.9	760,353.3	493,868.7	287,877.1	205,991.7	126,269.2	140,215.3	166,715.6	364,940.0	77,062.9		
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3		
1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0		
2000	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	164,026.7		
2001	1,209,820.4	239,201.4	404,512.3	-216,803.4	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	172,730.2		
2002	1,558,627.1	264,608.6	570,668.3	-346,221.0	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6		
2003	2,182,072.0	12,937.0	817,125.2	-623,818.1	2,388,316.1	1,721,109.9	1,113,379.1	553,045.8	560,333.3	230,958.8	376,771.9	667,206.2	783,309.0	230,263.2		
2004	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	303,628.0		
2004-January	2,312,919.5	-126.1	856,793.0	-683,565.0	2,486,021.4	1,741,293.0	1,116,903.1	538,830.7	578,072.4	249,553.6	374,836.3	744,728.5	769,091.2	230,260.5		
February	2,318,994.8	34,856.7	844,586.5	-700,965.8	2,497,472.3	1,742,942.7	1,110,654.6	519,962.7	590,691.9	248,995.7	383,292.4	754,529.5	743,811.5	223,848.8		
March	2,178,747.4	91,076.2	847,977.4	-640,149.8	2,477,651.2	1,757,204.8	1,096,558.7	523,607.8	572,950.9	270,684.3	389,961.8	720,446.4	802,863.9	279,256.1		
April	2,141,542.4	129,701.5	859,629.3	-680,463.8	2,450,409.3	1,730,493.8	1,093,912.9	523,110.5	570,802.4	248,346.7	388,234.2	719,915.5	805,102.5	281,992.1		
May	2,114,512.7	155,789.2	890,926.8	-644,154.5	2,517,074.1	1,788,489.3	1,131,063.0	532,770.1	598,292.9	266,743.5	390,682.8	728,584.8	794,842.2	262,072.1		
June	2,134,182.7	157,606.9	965,980.9	-654,835.7	2,602,934.8	1,856,326.3	1,186,063.1	590,441.0	595,622.1	269,132.9	401,130.3	746,608.5	800,399.6	209,958.6		
July	2,128,834.6	244,329.6	994,969.8	-652,298.2	2,710,835.9	1,919,971.4	1,250,869.2	612,242.3	638,626.9	264,971.5	404,130.8	795,864.5	893,742.3	281,500.0		
August	2,131,384.3	196,074.0	991,955.1	-519,405.4	2,795,951.9	1,979,892.9	1,296,585.1	644,921.5	651,663.5	266,479.5	416,828.3	816,059.0	863,635.1	218,713.5		
September	2,289,760.4	-1,703.5	1,027,300.4	-519,405.4	2,795,951.9	1,979,892.9	1,296,585.1	644,921.5	651,663.5	266,479.5	416,828.3	816,059.0	863,635.1	218,713.5		
October	2,328,838.7	45,108.0	1,029,789.8	-547,703.1	2,856,033.4	2,023,549.3	1,326,121.5	661,621.9	664,499.6	267,067.6	430,360.2	832,484.1	976,377.9	314,756.0		
November	2,372,331.9	19,621.9	1,061,773.5	-599,041.3	2,854,686.0	2,044,777.6	1,325,884.4	666,288.9	659,595.6	274,470.5	444,422.7	809,908.4	990,940.6	324,651.7		
December	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	303,628.0		
2005-January	2,408,352.9	61,685.6	1,117,110.4	-606,557.6	2,980,591.4	2,089,035.9	1,342,836.9	636,932.2	705,904.7	287,300.0	458,898.9	891,555.5	960,140.8	323,208.6		
February	2,482,058.1	80,373.5	1,132,519.9	-601,587.7	3,093,363.7	2,200,544.9	1,415,829.4	632,085.7	783,743.7	318,741.5	465,974.0	892,818.9	1,001,798.5	369,712.9		
March	2,462,099.7	40,733.4	1,147,110.1	-525,244.4	3,124,698.9	2,212,312.9	1,390,875.7	645,241.4	745,634.2	342,297.6	479,139.7	912,385.9	977,283.9	332,042.5		

\* Credit to private sectors  
Source: Bank of Tanzania



**Table A4: Weighted Average Interest Rates Structure of Commercial Banks**

(percentage per annum)

Item	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
<b>A. Domestic Currency</b>										
<b>1 Interbank Cash Market Rates</b>										
Overnight	3.2	5.5	6.8	6.4	8.2	6.7	4.1	5.7	5.2	4.5
2 to 7 days	3.8	5.6	7.2	6.8	9.0	7.5	4.4	5.7	5.6	4.6
8 to 14 days	4.4	7.2	7.2	8.0	8.0	7.3	8.1	6.0	5.8	5.1
15 to 30 days	7.7	6.8	7.5	7.9	9.6	10.3	6.3	7.8	7.9	6.3
31 to 60 days	7.0	7.8	7.9	8.2	9.4	9.2	8.4	8.7	8.0	6.9
61 to 90 days	8.3	7.9	8.4	8.4	8.4	9.4	9.4	9.4	9.4	9.4
91 to 180 days	7.5	8.2	9.7	9.6	10.3	6.7	9.7	10.1	9.1	8.5
181 and above	7.5	8.5	10.1	11.0	11.1	10.2	9.9	10.0	8.7	9.2
<b>Overall interbank cash market rate</b>	<b>3.6</b>	<b>5.7</b>	<b>7.1</b>	<b>6.7</b>	<b>8.3</b>	<b>7.4</b>	<b>4.9</b>	<b>6.1</b>	<b>5.8</b>	<b>4.8</b>
<b>2 Lombard Rate</b>	11.1	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
<b>3 REPO Rate</b>	5.1	5.3	5.3	5.9	5.9	5.1	5.5	5.5	5.1	5.0
<b>4 Treasury Bills Rates</b>										
35 days	6.7	7.3	7.6	8.2	9.0	8.6	8.1	8.2	7.8	6.5
91 days	7.7	8.1	8.4	9.3	9.9	9.6	9.6	9.6	8.8	8.2
182 days	8.0	8.4	9.3	9.9	10.0	9.9	9.9	10.2	9.8	9.4
364 days	8.2	9.4	10.1	10.4	11.0	10.9	10.7	10.8	10.4	9.8
<b>Treasury bills rate</b>	<b>7.8</b>	<b>8.4</b>	<b>9.0</b>	<b>9.6</b>	<b>10.0</b>	<b>9.8</b>	<b>9.6</b>	<b>9.7</b>	<b>9.4</b>	<b>8.4</b>
<b>5 Treasury Bonds- 2-years</b>										
	8.8	9.7	10.9	11.0	11.0	12.0	12.0	13.0	13.3	14.6
<b>5-years</b>	6.7	10.3	10.5	11.5	11.7	11.7	11.7	11.7	11.7	12.6
<b>7-years</b>	10.7	10.9	11.2	10.4	10.4	10.4	10.4	10.4	10.4	13.1
<b>10-years</b>	11.7	12.4	12.4	12.6	12.6	12.6	12.6	12.6	12.6	14.1
<b>6 Discount Rate</b>										
	12.6	13.2	13.7	14.4	14.9	14.9	14.4	14.7	14.4	13.6
<b>7 Savings Deposit Rate</b>										
	2.4	2.4	2.4	2.4	2.5	2.4	2.6	2.6	2.6	2.6
<b>8 Time Deposits Rates</b>										
Call Accounts	1.7	1.6	1.3	1.2	1.3	1.5	2.1	2.0	2.3	2.4
1 month	3.5	3.4	3.7	3.8	3.4	3.1	3.2	2.9	3.5	3.3
2 months	5.9	5.6	6.2	5.9	6.0	5.1	4.5	6.3	5.2	4.9
3 months	4.0	4.2	4.2	3.9	4.0	3.6	5.4	5.5	4.8	4.9
6 months	5.0	5.1	4.6	5.0	5.3	5.9	5.8	6.1	5.3	5.4
9 months										
12 months	5.8	5.8	5.8	6.1	6.1	5.9	5.8	5.9	5.5	5.9
24 months	4.6	4.9	5.0	6.2	6.2	5.2	4.0	4.5	6.4	4.9
<b>10 Negotiated Deposit Rates</b>										
	6.8	6.7	6.2	6.4	6.9	8.4	8.8	8.8	8.8	8.8
<b>11 Lending rates</b>										
Call Loans	14.2	14.2	14.8	14.9	14.3	14.7	14.8	15.0	15.6	15.6
Short-term (up to 1 year)	14.0	14.0	10.0	10.0	19.3	19.3	19.3	19.3	19.3	19.3
Medium-term (1-2 years)	15.7	15.5	15.7	15.6	15.2	14.9	14.2	15.1	16.2	16.2
Medium-term (2-3 years)	17.3	17.0	18.9	17.2	17.3	17.8	17.2	17.2	17.0	17.1
Long-term (3-5 years)	11.9	12.2	12.2	13.8	12.8	14.1	15.3	15.2	15.1	15.2
Term Loans (over 5 years)	13.1	12.7	12.5	13.2	12.8	13.4	12.6	12.8	14.2	14.3
	13.1	13.4	14.8	14.7	13.3	13.2	14.7	14.7	15.3	15.4
<b>12 Negotiated Lending Rates</b>										
	9.4	9.4	10.1	12.9	11.2	10.9	11.1	11.3	10.3	10.3
<b>B. Foreign Currency</b>										
<b>1 Deposits Rates</b>										
Call Accounts	0.2	0.1	0.2	0.2	0.2	0.2	0.6	0.5	0.6	0.5
Savings Deposits	0.9	0.8	0.8	0.8	0.9	0.7	0.6	0.7	0.7	0.7
<b>Time Deposits</b>	<b>1.1</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.7</b>	<b>1.6</b>	<b>1.2</b>	<b>1.4</b>
1-months	0.9	0.8	0.7	0.8	0.9	0.9	1.0	1.2	1.0	1.3
2-months	0.9	0.7	0.9	0.8	0.8	0.9	2.7	1.7	1.3	1.3
3-months	1.1	1.1	1.3	1.1	1.0	1.0	1.6	1.9	1.1	1.4
6-months	1.0	1.1	1.0	1.3	1.0	1.2	1.2	1.4	1.2	1.5
12-months	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.9	1.3	1.5
<b>2 Lending Rates</b>										
Short-term (up to 1 year)	8.4	8.6	7.1	7.0	7.2	7.1	6.1	6.4	6.0	7.9
Medium-term (1-2 years)	6.1	6.2	6.3	6.3	6.4	6.5	4.8	4.7	4.6	7.0
Medium-term (2-3 years)	7.2	8.0	8.0	8.1	8.4	8.3	7.2	7.8	7.6	8.3
Long-term (3-5 years)	8.4	8.7	7.9	7.7	7.6	7.2	6.3	6.2	5.7	8.6
Term Loans (over 5 years)	11.8	11.8	6.2	5.8	6.3	6.2	6.2	5.6	5.7	7.0
								7.8	6.5	8.4

Source: BoT



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

Item	2004		%	2005 <sup>p</sup>		%	Year ending March <sup>p</sup>		%
	Feb	Mar		Feb	Mar		2004	2005	
<b>Traditional Exports</b>									
<b>COFFEE</b>									
Value	5.6	4.6	-18.0	9.6	13.1	36.1	46.0	67.6	47.0
Volume	4.3	3.4	-19.6	5.8	7.8	34.0	43.0	46.3	7.8
Unit Price	1304.8	1,330.1	1.9	1,653.6	1,680.2	1.6	1,069.9	1,459.3	36.4
<b>COTTON</b>									
Value	1.9	2.0	6.6	6.2	6.4	4.0	42.4	85.8	102.5
Volume	1.6	1.8	13.8	6.1	6.3	3.5	39.8	83.5	110.0
Unit Price	1203.4	1,127.2	-6.3	1,009.9	1,014.2	0.4	1,065.2	1,027.1	-3.6
<b>SISAL</b>									
Value	0.7	0.8	15.8	0.8	0.6	-29.5	7.1	7.2	0.7
Volume	1.1	1.6	43.9	1.1	0.8	-27.8	13.6	10.7	-21.1
Unit Price	596.2	479.9	-19.5	734.4	717.3	-2.3	524.3	669.4	27.7
<b>TEA</b>									
Value	1.5	3.1	110.6	2.9	3.7	26.6	22.9	28.1	22.6
Volume	1.3	2.4	89.5	2.6	3.0	15.5	19.1	23.0	20.8
Unit Price	1149.5	1,277.8	11.2	1,112.1	1,219.6	9.7	1,200.9	1,219.3	1.5
<b>TOBACCO</b>									
Value	5.3	3.7	-31.3	5.6	1.00	-82.4	48.2	59.5	23.4
Volume	3.3	2.6	-21.3	4.0	0.60	-85.1	24.5	26.2	6.9
Unit Price	1631.0	1,424.4	-12.7	1,414.3	1,672.0	18.2	1,966.2	2,269.9	15.5
<b>CASHEWNUTS</b>									
Value	0.4	0.5	25.0	0.0	0.1	71.6	49.2	61.5	25.0
Volume	0.5	0.8	52.7	0.1	0.1	71.8	77.2	70.6	-8.6
Unit Price	719.3	588.9	-18.1	753.7	753.0	-0.1	637.2	871.3	36.7
<b>CLOVES</b>									
Value	2.5	0.2	-91.7	0.4	0.08	-80.5	12.1	6.2	-48.9
Volume	1.2	0.09	-92.6	0.13	0.03	-80.2	6.7	2.0	-69.9
Unit Price	2030.6	2258.7	11.2	3080.5	3,026.0	-1.8	1,807.2	3,071.1	69.9
<b>SUB TOTAL</b>	<b>17.9</b>	<b>14.9</b>	<b>-16.9</b>	<b>25.6</b>	<b>24.9</b>	<b>-2.6</b>	<b>228.0</b>	<b>315.9</b>	<b>38.6</b>
<b>Non-Traditional Exports</b>									
<b>Minerals</b>	<b>50.1</b>	<b>52.7</b>	<b>5.1</b>	<b>53.5</b>	<b>60.1</b>	<b>-30.9</b>	<b>608.5</b>	<b>699.6</b>	<b>56.2</b>
Gold	45.9	48.1	4.9	50.1	58.4	16.6	562.6	644.1	14.5
Diamond	2.9	1.5	-47.4	2.3	0.0	-98.2	23.2	31.6	35.8
Other minerals	1.4	3.1	120.3	1.1	1.7	50.6	22.6	24.0	5.9
<b>Manufactured Goods</b>	<b>7.6</b>	<b>7.5</b>	<b>-1.7</b>	<b>8.8</b>	<b>9.0</b>	<b>1.8</b>	<b>91.9</b>	<b>115.2</b>	<b>25.4</b>
Cotton Yarn	0.3	0.5	46.0	0.5	0.2	-61.3	5.1	3.9	-23.1
Manufactured Coffee	0.0	0.0	-	0.0	0.1	0.0	0.4	1.0	137.4
Manufactured Tobacco	0.3	0.0	0.0	0.0	0.0	0.0	1.1	0.1	-93.2
Sisal Products (Yarn & Twine)	0.2	0.2	41.8	0.4	0.3	-18.8	3.4	3.6	5.3
Other manufactured Goods	6.9	6.8	-1.1	7.9	8.4	6.3	81.8	106.6	30.3
<b>Fish and Fish Products</b>	<b>7.4</b>	<b>9.6</b>	<b>28.7</b>	<b>13.5</b>	<b>11.2</b>	<b>-16.8</b>	<b>133.6</b>	<b>132.3</b>	<b>-1.0</b>
<b>Horticultural products</b>	<b>1.2</b>	<b>0.6</b>	<b>-46.9</b>	<b>2.5</b>	<b>0.7</b>	<b>-72.8</b>	<b>12.6</b>	<b>15.2</b>	<b>20.2</b>
<b>Others Exports</b>	<b>3.7</b>	<b>5.4</b>	<b>44.6</b>	<b>15.8</b>	<b>6.2</b>	<b>-60.9</b>	<b>102.4</b>	<b>123.4</b>	<b>20.6</b>
<b>SUB TOTAL</b>	<b>70.1</b>	<b>75.8</b>	<b>8.1</b>	<b>94.0</b>	<b>87.1</b>	<b>-7.4</b>	<b>948.9</b>	<b>1,085.7</b>	<b>14.4</b>
<b>GRAND TOTAL</b>	<b>88.0</b>	<b>90.6</b>	<b>3.0</b>	<b>119.6</b>	<b>112.0</b>	<b>-6.3</b>	<b>1,176.8</b>	<b>1,401.6</b>	<b>19.1</b>

**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 - F.O.B Value (By Major Category)

Item	2004		2005 <sup>p</sup>		% Change		Year ending March <sup>p</sup>		% Change	
	Feb	Mar	Feb	Mar	Change	Mar	2004	2005	Change	% Change
<b>CAPITAL GOODS</b>	<b>63.4</b>	<b>57.4</b>	<b>80.7</b>	<b>90.0</b>	<b>-9.4</b>	<b>90.0</b>	<b>779.3</b>	<b>927.0</b>	<b>11.5</b>	<b>19.0</b>
Transport Equipment	18.5	16.7	24.4	22.0	-9.7	22.0	215.2	240.2	-9.8	11.6
Building and Constructions Equipment	12.4	13.1	14.9	18.2	5.3	18.2	157.9	204.2	21.8	29.3
Machinery	32.5	27.7	41.4	49.8	-14.9	49.8	406.2	482.6	20.3	18.8
<b>INTERMEDIATE GOODS</b>	<b>43.7</b>	<b>52.7</b>	<b>33.0</b>	<b>44.5</b>	<b>20.4</b>	<b>44.5</b>	<b>668.9</b>	<b>631.6</b>	<b>35.0</b>	<b>-5.6</b>
Oil imports	22.7	35.7	15.2	19.5	57.4	19.5	410.1	341.1	28.7	-16.8
Fertilizers	1.2	0.6	0.4	7.8	-54.6	7.8	27.2	63.5	1762.9	133.1
Industrial raw materials	19.8	16.4	17.4	17.2	-17.2	17.2	231.5	227.0	-1.0	-1.9
<b>CONSUMER GOODS</b>	<b>47.3</b>	<b>70.4</b>	<b>55.8</b>	<b>56.9</b>	<b>48.8</b>	<b>56.9</b>	<b>627.3</b>	<b>744.7</b>	<b>1.9</b>	<b>18.7</b>
Food and foodstuffs	16.7	34.6	14.7	9.9	106.9	9.9	208.1	213.3	-32.4	2.5
All other consumer goods	30.6	35.8	41.2	47.0	17.0	47.0	419.1	531.4	14.1	26.8
<b>GRAND TOTAL (F.O.B)</b>	<b>154.5</b>	<b>180.6</b>	<b>169.5</b>	<b>191.4</b>	<b>16.9</b>	<b>191.4</b>	<b>2,075.5</b>	<b>2,303.3</b>	<b>12.9</b>	<b>11.0</b>
<b>GRAND TOTAL (C.I.F)</b>	<b>169.8</b>	<b>198.4</b>	<b>186.3</b>	<b>210.3</b>	<b>16.9</b>	<b>210.3</b>	<b>2,280.7</b>	<b>2,531.1</b>	<b>12.9</b>	<b>11.0</b>

**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 U.S. dollars

Item	2001	2002	2003p	2004p
<b>A. Current Account</b>	<b>-436.7</b>	<b>-214.7</b>	<b>-384.2</b>	<b>-538.4</b>
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
<i>Balance on Goods</i>	-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
<i>Balance on Services</i>	37.2	0.1	-83.0	-135.2
<i>Balance on Goods and Services</i>	-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>B. Capital Account</b>	<b>361.5</b>	<b>355.4</b>	<b>358.2</b>	<b>288.5</b>
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
<b>C. Financial Account, excl. reserves and related items</b>	<b>271.7</b>	<b>440.0</b>	<b>395.9</b>	<b>404.5</b>
Direct investment abroad	0.0	0.0	0.0	0.0
Direct investment in Tanzania	327.2	240.4	247.8	260.2
Portfolio investment	0.0	0.0	0.0	0.0
Other investment	-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
Total, Groups A through C	196.5	580.7	369.9	154.6
<b>D. Net Errors and Omissions</b>	<b>-232.5</b>	<b>-253.1</b>	<b>165.2</b>	<b>-50.0</b>
<i>Overall balance (Total, Groups A through D)</i>	-36.0	327.5	535.0	104.6
<b>E. Reserves and Related Items</b>	<b>36.0</b>	<b>-327.5</b>	<b>-535.0</b>	<b>-104.6</b>
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
<b>Memorandum items</b>				
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

SOURCE: Bank of Tanzania, International Economics Department

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



**Table A7: External Debt Developments**

Item	Millions of US\$										
	2002/03	2003/04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
<b>1. Overall Total Debt Committed</b> <sup>1</sup>	<b>7,606.60</b>	<b>8,088.30</b>	<b>8,173.50</b>	<b>8,210.50</b>	<b>8,226.76</b>	<b>8,325.45</b>	<b>8,660.96</b>	<b>8,740.28</b>	<b>8,566.71</b>	<b>8,581.10</b>	<b>8,681.60</b>
Disbursed outstanding debt	6,233.00	6,678.30	6,700.50	6,734.30	6,748.16	6,834.05	6,931.86	6,990.58	6,856.61	6,857.70	6,918.60
Undisbursed debt	1,373.60	1,410.00	1,473.00	1,476.20	1,478.60	1,491.40	1,729.10	1,749.70	1,710.10	1,723.40	1,763.00
<b>2. Disbursed Debt by Creditor Category</b> <sup>2</sup>	<b>6,233.00</b>	<b>6,678.30</b>	<b>6,700.50</b>	<b>6,734.80</b>	<b>6,748.16</b>	<b>6,834.05</b>	<b>6,931.86</b>	<b>6,990.58</b>	<b>6,856.61</b>	<b>6,857.67</b>	<b>6,918.60</b>
o/w: Bilateral debt	1,633.70	1,483.60	1,505.90	1,504.60	1,505.37	1,495.35	1,512.08	1,520.11	1,513.89	1,498.99	1,600.94
Multilateral debt	4,088.30	4,570.00	4,564.40	4,601.70	4,613.52	4,693.85	4,772.32	4,820.50	4,697.12	4,711.58	4,640.68
Commercial debt	330.60	391.20	395.70	395.70	396.17	397.99	399.63	401.74	398.22	399.61	428.57
Export credits	180.50	233.50	234.60	232.80	233.10	246.86	247.83	248.22	247.38	247.49	248.41
<b>3. Disbursed Debt by Borrower Category</b> <sup>2</sup>	<b>6,233.00</b>	<b>6,678.30</b>	<b>6,700.50</b>	<b>6,734.30</b>	<b>6,748.16</b>	<b>6,834.10</b>	<b>6,931.90</b>	<b>6,990.60</b>	<b>6,856.64</b>	<b>6,857.69</b>	<b>6,918.58</b>
O/w: Central Government	5,708.00	6,092.00	6,096.40	6,110.40	6,122.16	6,222.40	5,909.46	5,961.93	5,885.41	5,886.70	5,921.90
Parastatal Companies	152.20	149.10	155.80	155.30	156.30	150.40	556.70	561.25	506.80	505.62	502.80
<b>Private Sector</b>	<b>372.90</b>	<b>437.20</b>	<b>448.30</b>	<b>468.60</b>	<b>469.70</b>	<b>461.30</b>	<b>465.74</b>	<b>467.42</b>	<b>464.43</b>	<b>465.37</b>	<b>493.88</b>
<b>4. Disbursed Debt by Use of Funds</b> <sup>2</sup>	<b>6,233.00</b>	<b>6,678.30</b>	<b>6,700.52</b>	<b>6,734.30</b>	<b>6,748.55</b>	<b>6,834.07</b>	<b>6,866.86</b>	<b>6,990.58</b>	<b>6,856.60</b>	<b>6,857.67</b>	<b>6,918.63</b>
O/w: Balance of payment support	1,166.00	1,275.10	1,253.09	1,300.90	1,305.36	1,327.62	1,354.97	1,361.60	1,351.51	1,345.35	1,383.55
Transport & Telecommunication	1,047.80	1,085.10	1,009.50	1,195.10	1,132.35	1,114.19	1,120.60	1,130.42	1,113.27	1,112.97	1,131.74
Agriculture	1,034.70	967.70	962.79	962.23	972.33	980.85	1,062.82	1,066.33	956.62	991.00	1,013.95
Energy & Mining	895.00	924.30	920.55	908.23	917.18	928.24	945.52	950.63	939.53	940.45	961.43
Industries	411.20	352.70	351.14	350.57	350.57	366.23	354.66	422.11	362.21	362.20	358.49
Social Welfare & Education	421.70	333.30	330.72	331.25	332.95	338.64	345.91	347.88	342.46	344.06	341.61
Finance and Insurance	76.90	82.30	81.88	81.71	81.90	82.76	84.19	84.69	83.62	83.60	83.43
Tourism	88.20	80.20	80.27	79.21	79.40	81.14	81.73	81.91	81.12	81.80	81.62
Others	1,091.60	1,577.50	1,710.58	1,525.10	1,576.51	1,614.40	1,516.46	1,545.02	1,626.28	1,596.30	1,562.81
<b>5. Total Amount of Loans Contracted</b> <sup>1</sup>	<b>277.30</b>	<b>229.69</b>	<b>296.69</b>	<b>59.91</b>	<b>0.50</b>	<b>0.00</b>	<b>5.53</b>	<b>0.83</b>	<b>0.10</b>	<b>0.00</b>	<b>0.50</b>
Government	259.80	209.40	175.29	59.66	0.00	0.00	5.43	0.00	0.00	0.00	0.00
Parastatal Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private	17.50	20.29	121.40	0.25	0.50	0.00	0.10	0.83	0.10	0.00	0.50
<b>6. Disbursements</b> <sup>1</sup>	<b>169.00</b>	<b>234.70</b>	<b>6.80</b>	<b>3.50</b>	<b>3.40</b>	<b>1.40</b>	<b>3.30</b>	<b>28.00</b>	<b>0.30</b>	<b>0.00</b>	<b>0.10</b>
Government	163.70	205.90	6.60	3.00	3.10	1.40	2.70	25.00	0.30	0.00	0.10
Parastatal Companies	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private	5.30	26.80	0.20	0.50	0.30	0.00	0.60	3.00	0.00	0.00	0.00
<b>7. Scheduled Debt Service</b> <sup>1</sup>	<b>369.00</b>	<b>334.40</b>	<b>355.10</b>	<b>355.10</b>	<b>355.10</b>	<b>355.10</b>	<b>355.10</b>	<b>355.10</b>	<b>355.10</b>	<b>355.10</b>	<b>355.10</b>
<b>8. Actual Debt Service</b> <sup>1</sup>	<b>112.40</b>	<b>99.30</b>	<b>10.80</b>	<b>12.20</b>	<b>11.47</b>	<b>4.96</b>	<b>10.91</b>	<b>9.39</b>	<b>6.09</b>	<b>15.09</b>	<b>7.79</b>
Principal	86.60	68.60	8.50	11.20	9.51	3.36	9.58	7.34	4.77	13.96	4.10
Interest	25.80	30.60	2.40	1.00	1.96	1.60	1.33	2.05	1.32	1.13	3.74
Others	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>9. Net Transfers</b>	<b>51.30</b>	<b>106.60</b>	<b>-9.90</b>	<b>-8.70</b>	<b>-8.07</b>	<b>-3.56</b>	<b>-7.61</b>	<b>18.62</b>	<b>-5.79</b>	<b>-15.09</b>	<b>-7.69</b>
<b>10. Total Arrears by Creditor Category</b> <sup>2</sup>	<b>2,056.50</b>	<b>2,297.80</b>	<b>2,297.40</b>	<b>2,287.20</b>	<b>2,289.10</b>	<b>2,346.40</b>	<b>2,359.10</b>	<b>2,430.50</b>	<b>2,436.10</b>	<b>2,438.40</b>	<b>2,443.90</b>
O/w: Principal	1,021.40	1,119.10	1,111.70	1,128.90	1,128.30	1,156.90	1,103.40	1,130.10	1,133.80	1,131.40	1,135.70
Bilateral	611.60	658.80	651.80	654.60	650.80	669.40	674.80	682.80	685.30	684.20	685.80
Multilateral	45.10	28.30	23.00	38.30	33.90	39.90	7.00	8.30	8.60	5.00	5.50
Commercial	203.70	240.20	244.90	245.50	252.20	253.80	227.20	234.60	235.90	237.70	237.90
Other Private Creditors	161.00	191.80	192.00	190.50	191.40	193.80	194.40	204.40	204.00	204.50	206.50
Interest	1,035.10	1,178.70	1,185.70	1,158.30	1,160.80	1,189.50	1,255.70	1,300.40	1,302.30	1,307.00	1,308.20
Bilateral	577.70	693.00	697.00	698.30	697.80	712.50	782.00	812.60	813.50	813.70	816.00
Multilateral*	68.40	27.30	26.00	27.90	27.80	28.30	21.60	22.80	22.30	22.40	22.70
Commercial	268.30	287.10	290.50	291.40	294.30	303.80	302.30	313.80	314.50	318.20	317.10
Other Private Creditors	120.70	171.30	172.20	140.70	140.90	144.90	149.80	151.20	152.00	152.70	152.40
11. External Debt Stock	7,268.10	7,856.90	7,886.20	7,892.60	7,908.96	8,023.60	8,187.56	8,290.98	8,158.91	8,164.70	8,226.80
12. Domestic Debt Stock	841.60	885.30	906.90	923.50	913.62	926.33	912.31	928.31	894.59	900.50	925.57
13. Total Debt Stock	8,109.70	8,742.10	8,793.20	8,816.10	8,822.58	8,949.93	9,099.87	9,219.29	9,053.49	9,065.20	9,152.37
End Period Exchange Rate	1,047.39	1,107.30	1,097.32	1,083.23	1,060.45	1,060.52	1,060.98	1,042.96	1,102.03	1,117.57	1,104.29

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

<sup>1)</sup> During the period. <sup>2)</sup> End of March 2005 cumulative.

Source: Bank of Tanzania



# GLOSSARY

## **Average Inflation Rate**

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

## **Currency in Circulation Outside Banks**

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

## **Discount Rate**

The rate of interest the Bank of Tanzania charges on Loans it extends to Deposit Money Banks 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**

The Bank introduced Lombard facility on 1st December 2003, as an overnight facility to enable commercial banks to borrow at their own discretion, through pledging of eligible government securities as collateral.

## **Lombard Rate**

This is the rate payable for the use of the Lombard Facility, which is also used as signalling mechanism for the Bank of Tanzania's monetary policy stance. The rate is based on prevailing discount rate, REPO or inter-bank rates, depending on whichever is higher.

## **Money Supply, M**

The sum of currency in circulation outside the banks and deposits of Depository Corporations, 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.

## **Non-Food or Underlying Inflation Rate**

This is a measure of price movements caused by factors other than food prices. It is an important measure, which provides better indication of the effectiveness of monetary policy on inflation since price movements in these items are caused largely by monetary policy.

## **Repurchase Agreement (REPO)**

This is an agreement to purchase or sale government securities between the BoT and financial institutions at an agreed rate for a specified period, with an understanding that the transactions will be reversed at the end of the agreed period.

## **Reserve Money (M0)**

The Central Bank's liabilities in the form of: (1) currency in circulation outside the Bank of Tanzania and (2) deposit money banks' deposits with the BoT are referred to as Base money, or reserve money.

## **Seasonally Adjusted Indicators**

Seasonal movements or seasonal variations, refer to identical, or almost identical, patterns, which a time series appears to follow during corresponding months (quarters) of successive years. Such movements are due to recurring events, which take place annually, e.g. the harvest season. Seasonally adjusted indicators show the impact of non-seasonal influences on a time series.

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

This is the average yield of Treasury bills, which is weighted by the volume sold of 91-day, 182-day, and 364-day Treasury bills, expressed in percentage per year.





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