



**BANK OF TANZANIA**



**MONTHLY  
ECONOMIC  
REVIEW**

**MARCH 2005**



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## Inflation Developments

### Inflation increases slightly in February 2005

Annual headline inflation moved upwards by 0.1 percentage point to 4.1 percent in February 05 compared to the level recorded in the preceding month. The main underlying factor for the increase was the rise in the prices of some non-food items, particularly, electricity, kerosene, petrol, charcoal, and drinks during the year under review.

Food inflation. The continuing improvement in domestic food supply caused a slow down in annual food inflation to 5.7 percent in February 2005 from 5.9 percent recorded in the previous month.

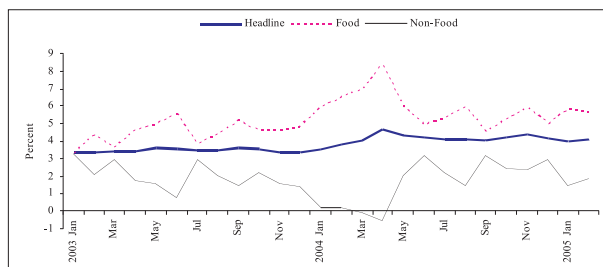
On the contrary, a pass-through effect of increasing fuel prices into other consumer price categories pushed annual non-food inflation up by 0.3 percentage points to 1.8 percent in February 2005 from the level recorded in the previous month.

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

Major Commodity Group	Weight (%)	2005		2004											
		Jan	Feb	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Headline/Over all	100	4.0	4.1	3.6	3.8	4.0	4.7	4.4	4.2	4.1	4.1	4.0	4.2	4.4	4.2
Food	55.9	5.9	5.7	6.0	6.6	7.0	8.4	6.0	4.9	5.3	5.9	4.6	5.2	5.9	5.0
Non-food	44.1	1.5	1.8	0.2	0.2	-0.1	-0.5	2.0	3.1	2.2	1.5	3.1	2.5	2.4	2.9
Transportation	9.7	3.3	2.2	0.9	2.0	-0.8	-1.3	1.3	1.2	-1.6	1.7	3.3	1.1	1.7	2.8
Fuel, Power and Water	8.5	5.4	5.9	-0.7	-5.4	-2.5	1.7	4.9	9.1	20.3	2.4	6.0	9.3	7.7	7.1
Drinks and Tobacco	6.9	0.6	1.8	-2.9	-0.6	0.7	-1.0	1.2	1.8	-4.7	0.0	0.5	-0.8	-0.2	0.6
Clothing & Footwear	6.4	-1.2	-1.7	1.5	4.8	2.0	-1.9	3.3	2.3	-0.1	3.1	4.5	3.1	1.9	2.5
Education	2.6	1.8	-0.6	0.0	3.7	-0.2	-3.8	1.4	1.6	0.0	0.6	0.9	-1.9	3.4	2.3
Furniture & Household Equip.	2.1	1.0	0.2	-1.1	0.3	-1.6	-1.5	0.3	2.2	-2.0	-0.4	2.9	0.8	2.2	0.9
H/h Operations	2.1	0.5	2.4	-0.8	-0.3	-1.4	-1.1	0.5	2.2	-0.4	1.7	4.3	1.9	1.6	2.4
Maintenance	2.1	-3.0	6.0	5.7	-2.8	3.0	-0.4	-2.7	0.7	-5.0	0.7	1.4	2.6	0.0	3.2
Personal Care & Health	1.4	-2.5	-2.8	7.5	2.9	4.3	4.3	4.3	3.4	2.6	0.4	0.3	0.1	-0.1	-1.3
Rents	0.8	-1.5	-3.3	5.9	5.4	2.2	-1.9	0.9	0.5	0.2	1.8	3.7	2.1	4.0	0.4
Recreation & Entertainment	1.5	-2.6	-1.5	-3.3	1.9	-0.9	3.1	-0.4	2.0	-5.7	-0.2	0.5	-0.8	-1.8	0.2

Source: National Bureau of Statistics (NBS)

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



However, price changes in some of non-food sub-category showed higher rates of change:

Fuel, power and water subgroup, which consist of electricity, charcoal, kerosene and water, continued to register the fastest growth (5.9 percent in February) averaging 5.5 percent for the year. The price change in this category was largely attributed to the increase in power tariffs, and prices of both kerosene and charcoal during the review period. The price change in transportation group, which includes among others, gasoline, car and bicycle purchase, bus fare, and car insurance was much lower at 2.2 percent in February 2005, with annual average of 1.3 percent, mainly because the price of other items in the group remained almost unchanged during the review period.

Price movements for clothing and footwear were strongly influenced by fluctuations in the exchange rate since most of these items are imported. During the year ending February 2005, the price level for these items declined by 1.7 percent, reflecting the appreciation of the shilling in nominal terms, during the period.

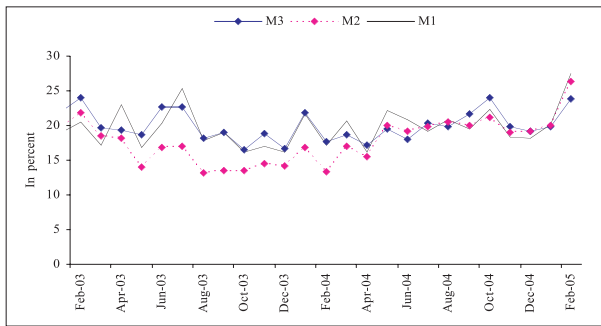
## Monetary and Financial Developments

### Money Supply and Credit Developments Money supply increases but remains within targets

Extended broad money supply (M3) grew by 23.9 percent during the year ending February 2005 from 19.9 percent in the preceding month compared with the annual target of 24 percent. Meanwhile, the annual growth rate of broad money supply (M2) rose to 26.3 percent, being above its target of 20.0 percent (Chart 2). The expansion in M3, the highest since December 2002, occurred mainly in demand deposits (that increased by TZS 77.8 billion in February) and in fixed deposits following the transfer of funds for direct donor funded projects (education and health projects) to commercial banks, as well as a surge in corporate customers receipts from various economic activities (Table 2). It was as in January 2004 (around 30 percent), implying that components of broad money supply (M2) increased roughly by the same rate in the year ending January 2005 (Chart 3).



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



The high growth in money supply during the year to February 2005 is in line with expansion of economic activities experienced during the year. The increase in demand deposits during the month under review subsequently changed the composition of the same in total money supply, from 23.7 percent in January 2005 to 25.3 percent (Chart 3).

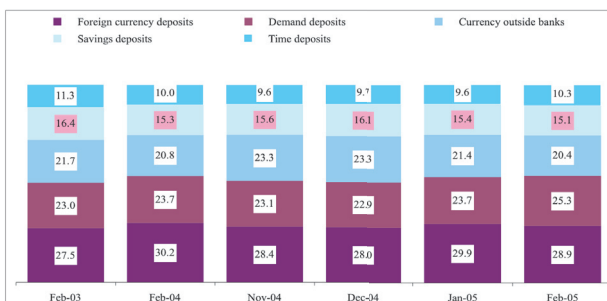
**Table 2: Tanzania: Selected Money Supply Components**

(Billions of TZS)

Item	2004		2005		Absolute Change Jan-Feb 2005	Annual Change (%)		
	Jan	Feb	Jan	Feb		Feb-04	Jan-05	Feb-05
<b>Extended broad money (M3)</b>	<b>2,486.0</b>	<b>2,497.5</b>	<b>2,980.6</b>	<b>3,093.4</b>	<b>112.8</b>	<b>17.7</b>	<b>19.9</b>	<b>23.9</b>
<b>Broad money (M2)</b>	<b>1,741.3</b>	<b>1,742.9</b>	<b>2,089.0</b>	<b>2,200.5</b>	<b>111.5</b>	<b>13.3</b>	<b>20.0</b>	<b>26.3</b>
Currency in circulation	538.8	520.0	636.9	632.1	-4.8	12.7	18.2	21.6
Demand deposits	578.1	590.7	705.9	783.7	77.8	21.3	22.1	32.7
Time deposits	249.6	249.0	287.3	318.7	31.4	3.5	15.1	28.0
Savings deposits	374.8	383.3	458.9	466.0	7.1	9.9	22.4	21.6
Foreign currency deposits	744.7	754.5	891.6	892.8	1.3	29.3	19.7	18.3
Total non government deposits	1,947.2	1,977.5	2,343.7	2,461.3	117.6	19.1	20.4	24.5
<b>Total gov &amp; non government deposits</b>	<b>2,058.1</b>	<b>2,064.0</b>	<b>2,489.3</b>	<b>2,603.0</b>	<b>113.7</b>	<b>21.9</b>	<b>20.9</b>	<b>26.1</b>
<b>Net foreign assets</b>	<b>2,312.9</b>	<b>2,319.0</b>	<b>2,408.4</b>	<b>2,482.1</b>	<b>73.7</b>	<b>40.1</b>	<b>4.1</b>	<b>7.0</b>
Bank of Tanzania	1,581.1	1,619.8	1,697.2	1,795.5	98.3	52.2	7.3	10.8
Commercial banks	731.8	699.2	711.1	686.6	-24.6	18.3	-2.8	-1.8
<b>Net domestic assets</b>	<b>676.7</b>	<b>700.7</b>	<b>1,100.8</b>	<b>1,180.2</b>	<b>79.4</b>	<b>-13.0</b>	<b>62.7</b>	<b>68.4</b>
Domestic credit	855.1	879.4	1,178.8	1,212.9	34.1	-1.1	37.9	37.9
Net claims on government	-1.7	34.9	61.7	80.4	18.7	-88.6	-3,691.7	130.6
Claims on government	479.7	507.5	489.1	510.6	21.6	-9.5	1.9	0.6
Government deposits	481.5	472.6	427.4	430.3	2.9	148.1	-11.2	-9.0
<b>Claims on the private sector</b>	<b>856.8</b>	<b>844.6</b>	<b>1,117.1</b>	<b>1,132.5</b>	<b>15.4</b>	<b>45.0</b>	<b>30.4</b>	<b>34.1</b>

Source: Bank of Tanzania

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



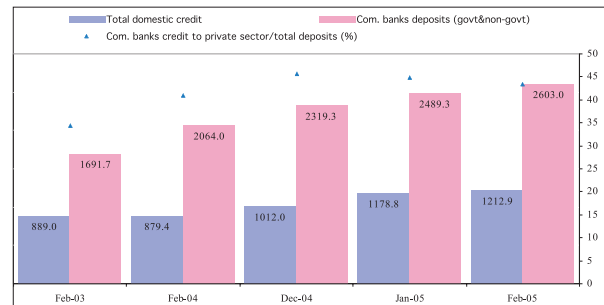
## Credit to Private Sector Increases in February 2005

CGrowth in commercial banks' credit to private sector continued to strengthen, picking up to 34 percent during the year to February 2005, from 30.4 percent recorded in the previous month. New loans extended to the private sector in February 2005 amounted to TZS 15.4 billion, making the total outstanding credit of TZS 1,132.5 billion at the end of February. The main activities which took a lion's share of total stock of credit include trade which accounted for 28.7 percent of total, followed by manufacturing (22.4 percent), agriculture (13.9 percent) and transport activities (8.4 percent).

On the other hand, government borrowing from commercial banks through issuance of government securities led to an increase in commercial banks claims on the government by TZS 25.5 billion, during the review month. Of this increase, new issuance of Treasury bills constituted TZS 21.5 billion, while the remainder—TZS 4 billion—was associated with a draw down of its deposits

**Chart 4: Tanzania: Total Deposits and Credit of the Banking System**

(Billions of TZS)



## Interest Rates in Commercial Banks

During February 2005, deposit rates remained broadly the same as in the previous month. Overall savings rate remained at 2.6 percent, whereas overall time deposit and negotiated rates respectively remained at 4.7 percent and 8.8 percent as in January 2005 levels. The overall lending rate on the other hand, moved up slightly from 15.0 percent in January 2005 to 15.6 percent. As a result, the interest rates spread widened from 10.7 percent to 10.9 percent (Table 3). However, negotiated lending rate moved downward, from around 11.3 percent to 10.3 percent in February 2005.

**Table 3: Tanzania: Interest Rates**

(In percent per annum)

Item	2004						2005	
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Savings deposits rate	2.4	2.4	2.5	2.5	2.4	2.6	2.6	2.6
Overall Time deposits rate	4.4	4.4	4.6	4.6	4.3	3.9	4.3	4.7
1-month	3.5	3.7	3.8	3.4	3.1	3.2	2.9	3.5
35-day T-bill yield	7.3	7.6	8.2	9.0	8.6	8.1	8.2	7.8
3-months	4.2	4.2	3.9	4.0	3.6	5.4	5.5	4.8
91-day T-bill yield	8.1	8.4	9.3	9.9	9.6	9.6	9.6	8.8
6-months	5.1	4.6	5.0	5.3	5.9	5.8	6.17	5.3
182-day T-bill yield	8.4	9.3	9.9	10.0	9.9	9.9	10.2	9.8
12-months	5.8	5.8	6.1	6.1	5.9	5.8	5.9	5.5
364-day T-bill yield	9.4	10.1	10.4	11.0	10.9	10.7	10.8	10.4
<b>Negotiated deposits</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>
Overall lending rates	14.2	14.8	14.9	14.3	14.7	14.8	15.0	15.6
Up to 1-year	15.5	15.7	15.6	15.2	14.9	14.2	15.1	16.2
2-3 years	12.2	12.2	13.8	12.8	14.1	15.3	15.2	15.1
<b>Negotiated rates Lending</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>Discount Rate of the BoT</b>	<b>13.2</b>	<b>13.7</b>	<b>14.4</b>	<b>14.9</b>	<b>14.9</b>	<b>14.4</b>	<b>14.7</b>	<b>14.4</b>

Source: Commercial Banks and Bank of Tanzania Computations

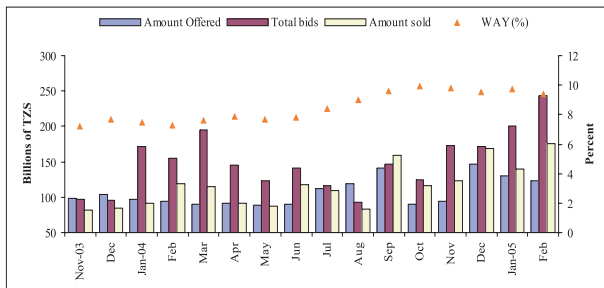


## Financial Markets Operations

### Open market operation

During February 2005, Treasury bills market experienced higher demand than it was in the preceded month, reflecting high liquidity in commercial banks emanating primarily from donor support inflows and redemption of Treasury bills. Value of bids for Treasury bills totalled TZS 243 billion, being TZS 42.0 billion higher than the value of bids received in the previous month, and higher also than the amount of Treasury bills offered by the Bank of Tanzania by about TZS 119 billion. The Bank of Tanzania accepted bids worth TZS 176 billion. The high demand for Treasury bills led to a decline in interest rates across all T-bills maturities in February when compared to levels recorded in January 2005 (**Table 4**).

**Chart 5: Tanzania: Treasury Bills Market Developments**



### Demand for Treasury bonds improves

Contrary to the low demand that persisted in the Treasury bonds market during the recent months, January 2005 turned out differently. During the month, the BOT offered 2-year and 5-year bonds worth TZS 8.0 billion all together. While no bids were received for the 5-year bonds, bids received for 2-year bonds were worth TZS 6.1 billion being TZS 3.8 billion higher than bids received during December 2004 (Chart 6). The Bank accepted all bids on the 2-year bonds at an interest rate of around 13.0 percent, which was higher by 0.8 percent for the bids received in December 2004.

**Table 4: Tanzania: Treasury Bills Interest Rates**

(In percent)

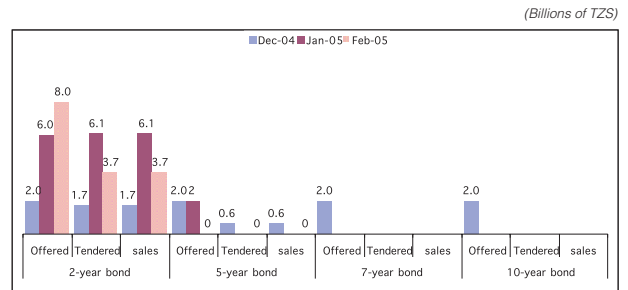
	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05
35 days	7.56	8.23	8.97	8.56	8.13	8.23	7.76
91 days	8.37	9.31	9.88	9.64	9.63	9.64	8.82
182 days	9.31	9.89	9.96	9.89	9.87	10.22	9.82
364 days	10.13	10.40	10.98	10.91	10.67	10.84	10.38
<b>Overall</b>	<b>8.97</b>	<b>9.57</b>	<b>9.95</b>	<b>9.75</b>	<b>9.56</b>	<b>9.72</b>	<b>9.40</b>

Source: Bank of Tanzania

## Treasury Bonds Market

Performance in the bonds market was not as good as that in the Treasury bills market. Low demand for Treasury bonds that has been observed in recent months continued during February 2005. During February, the Bank of Tanzania, on behalf of the government, offered 2-year Treasury bonds worth TZS 8 billion but bids received were far below the amount offered, and also lower than the amount of bids received in the previous month (Chart 6). The Bank accepted all bids it received at an interest rate of 13.1 percent (yield to maturity).

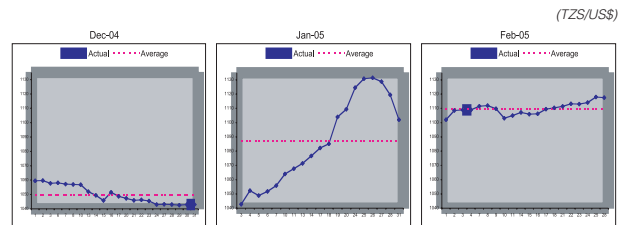
**Chart 6: Tanzania: Performance in T- bonds Market**



### Inter-bank foreign exchange transactions decrease in February 2005

The volume of transactions in the interbank foreign exchange market (IFEM) stood at US\$ 24.1 million, being significantly lower than US\$ 76.1 million transacted in the preceding month. Bank of Tanzania supplied US\$ 0.7 million for sale in the market. With regard to exchange rate developments, the shilling weakened slightly against the US dollar by about 1.4 percent, in nominal terms, from an average of TZS 1,094.60 per dollar in January to TZS 1,110.46 per dollar in February 2005. Despite the depreciation, there were no undue volatilities in the exchange rate movements during the month of February 2005 as it was in January (**Chart 7**).

**Chart 7: Tanzania: Daily Developments in Exchange Rate**

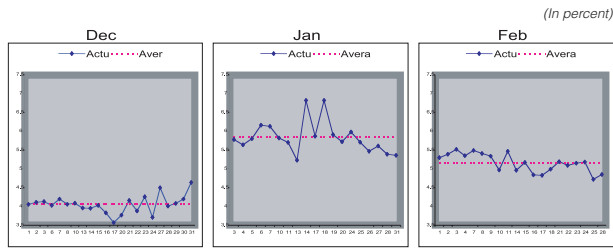


### Inter-bank Transactions

During February 2005, transactions in the inter-bank cash market amounted to TZS 196.9 billion compared with TZS 150.5 billion recorded in the preceding month. The weighted average overnight rates fluctuated narrowly between 4.7 and 5.5 percent compared to 5.3 and 6.2 percent in January, suggesting a relatively high liquidity in commercial banks (**Chart 8**).



**Chart 8: Tanzania: Overnight Inter bank Rates**



# Government Budgetary Developments

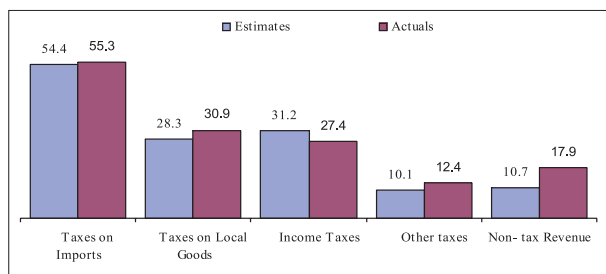
## Fiscal operations remains within the target

Statement of Government Operations for February 2005 showed that the government incurred an overall deficit of TZS 93.9 billion, a slight improvement compared to deficit of TZS 94.3 billion recorded in the previous period. Total resources from domestic revenue and grants amounted to TZS 159.3 billion, whilst total expenditure including cheques written but not yet presented (adjustment to cash) amounted to TZS 253.2 billion.

Total revenue collected during the month amounted to TZS 144.0 billion—above the target by TZS 9.4 billion. The performance of major categories of taxes however showed a mixed trend. Whereas taxes on imports were largely on target, collections from taxes on local goods amounted to TZS 30.9 billion, exceeding the target by TZS 2.6 billion, largely due to increase in VAT collections from petroleum products whose market prices have increased considerably. Performance in income tax was below expectations explained by low volume of transactions liable to withholding tax and rental tax. Also the repeal of the withholding tax on goods and services, insurance commission and transport earnings effective 1st January 2005 under the new Income Tax law contributed to actual collections falling short of the projections. The good performance recorded in non-tax revenue category came from Treasury collections that surpassed the target of TZS 2.5 billion by TZS 7.1 billion.

Total revenue collection on cumulative basis over the July-February period amounted to TZS 1,149.5 billion, ahead of the target of TZS 1,115.9 billion. The realized collection makes two-thirds of the annual revenue target of TZS 1,739.3 billion.

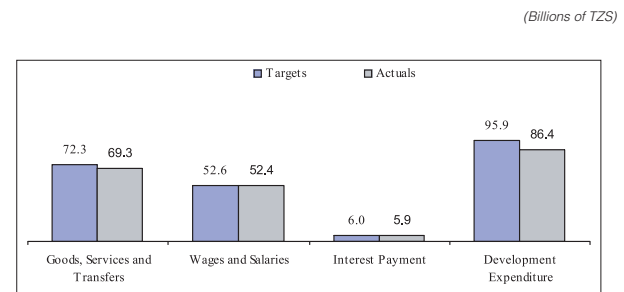
**Chart 9: Tanzania: Government Recurrent Revenue Performance in February 2005**



to TZS 214.1 billion, of which the recurrent expenditure was TZS 127.6 billion—slightly below the target of TZS 130.9 billion. Expenditures on priority sectors were TZS 18.9 billion out of the quarterly allocation of TZS 81.7 billion. About 50 percent of priority sector expenditures for the month under review were in roads construction, and one-fourth was spent in the provision of education.

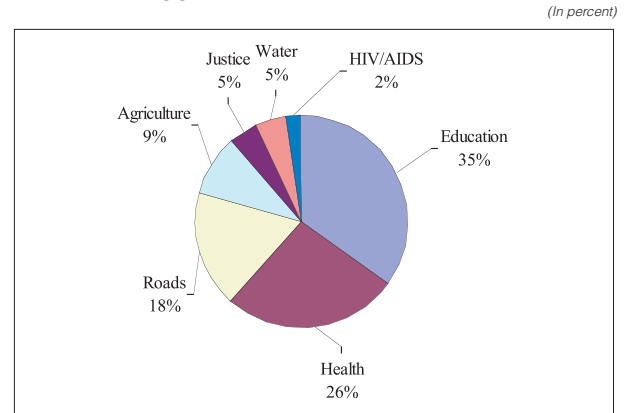
Development expenditure during the review period was TZS 86.5 billion, which was lower than the estimate of TZS 95.9 billion. Expenditures met from local resources were on target at TZS 19.5 billion. Foreign component of the development expenditure was however TZS 9.4 billion below the target of TZS 76.4 billion due to non-disbursement of basket funds.

**Chart 10: Tanzania: Government Expenditure in February 2005**



Cumulative value of government expenditure from July to February amounted to TZS 2,090.5 billion, and was below the projected expenditure for the period by TZS 45.9 billion. The actual expenditure comprised of TZS 1,279.7 billion in recurrent expenses and TZS 810.8 billion in development expenditure. Domestic expenditure on priority sectors was TZS 249.0 billion, out of which education sector received TZS 87.2 billion, while Health and Roads sectors were allocated TZS 65.2 billion and TZS 44.8 billion, respectively. Chart 11 below depicts composition of priority expenditure to each sector from July 2004 to February 2005 in percent. On the financing side, the government's net domestic financing (NDF) recorded a net borrowing of TZS 91.0 billion for the month of February.

**Chart 11: Tanzania: Priority Sector Expenditures Cumulative from July 2004**





## External Sector Developments

### Current account deteriorates in February 2005

The current account deficit widened further in February 2005 to US\$ 60 million from a deficit of US\$ 55 million recorded in the previous month as exports declined more drastically than the fall in imports (Table 5). On annual basis, the deficit stood at US\$ 462.5 million in February 2005 compared to a deficit of US\$ 424.7 million recorded in the year ending February 2004. The main factors behind the annual deterioration in current account balance were massive increases in imports of goods and services that offset the effects of the marginal increase in exports and current transfers (Table 5). During the year ending February 2005, Tanzania exports amounted to US\$ 2,236.3 million, an increase of about 20 percent over the previous year, mainly due to increase in tourism earnings and gold exports, which together, accounted for about 57 percent of total (Chart 12). Total imports during the year, on the other hand grew by 18 percent to US\$ 3,311.3 million, mainly on account of increased food and oil imports. Table 4: Tanzania

**Table 5: Tanzania: Developments in Current Account Balance**

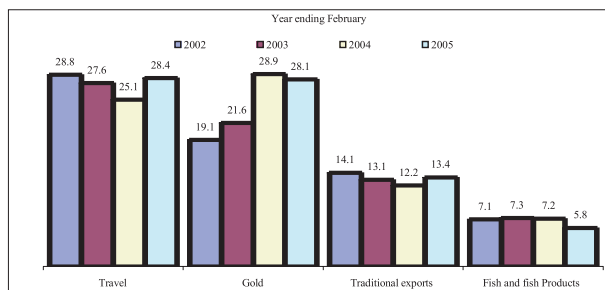
(Millions of US\$)

Item	2004 <sup>p</sup>		2005 <sup>p</sup>		% Change		Year ending February <sup>p</sup>		
	Feb	Jan	Feb	Jan-05	Feb-04	Feb-05	2004	2005	% Change
<b>Goods Account (net)</b>	<b>-66.6</b>	<b>-56.7</b>	<b>-72.2</b>	<b>27.5</b>	<b>8.5</b>	<b>-855.1</b>	<b>-934.1</b>	<b>9.2</b>	
Exports	88.0	122.4	97.3	-20.5	10.6	1,156.8	1,356.5	17.3	
Imports	154.5	179.1	169.5	-5.3	9.7	2,011.9	2,290.5	13.8	
<b>Services Account (net)</b>	<b>-5.3</b>	<b>-10.3</b>	<b>-5.4</b>	<b>-47.4</b>	<b>2.4</b>	<b>-82.0</b>	<b>-140.9</b>	<b>71.8</b>	
Receipts	63.9	73.6	69.2	-6.0	8.2	711.2	879.9	23.7	
Payments	69.2	83.9	74.6	-11.1	7.8	793.2	1,020.8	28.7	
<b>Goods and services (net)</b>	<b>-71.9</b>	<b>-67.0</b>	<b>-77.7</b>	<b>15.9</b>	<b>8.1</b>	<b>-937.1</b>	<b>-1,075.0</b>	<b>14.7</b>	
Exports of goods and services	151.9	196.0	166.5	-15.1	9.6	1,868.0	2,236.3	19.7	
Imports of goods and services	223.8	263.0	244.1	-7.2	9.1	2,805.1	3,311.3	18.0	
<b>Income Account (net)</b>	<b>-0.2</b>	<b>-9.5</b>	<b>-2.1</b>	<b>-77.7</b>	<b>904.0</b>	<b>-43.5</b>	<b>-41.7</b>	<b>-4.0</b>	
Receipts	4.1	7.8	2.1	-72.9	-47.9	89.1	80.5	-9.6	
Payments	4.3	17.3	4.2	-75.6	-1.0	132.5	122.2	-7.8	
<b>Current Transfers (net)</b>	<b>14.8</b>	<b>21.6</b>	<b>19.9</b>	<b>-7.8</b>	<b>34.2</b>	<b>555.9</b>	<b>654.1</b>	<b>17.7</b>	
Inflows	19.9	27.2	25.3	-6.8	27.3	618.1	720.3	16.5	
o/w General Government	14.0	21.0	19.2	-8.6	36.9	548.2	650.1	18.6	
Outflows	5.0	5.6	5.4	-2.9	6.9	62.2	66.2	6.4	
<b>Current Account Balance</b>	<b>-57.2</b>	<b>-54.9</b>	<b>-59.9</b>	<b>9.1</b>	<b>4.6</b>	<b>-424.7</b>	<b>-462.5</b>	<b>8.9</b>	

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

**Chart 12: Tanzania: Contribution of Goods and Services to Total Exports, 2002-2005**

(In Percent)



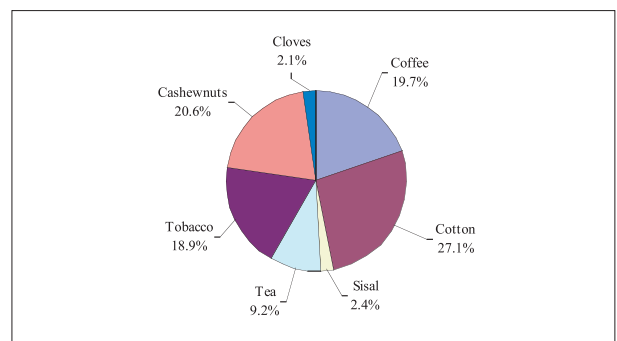
## Traditional Exports

During the month under review, traditional exports registered a decline of about US\$ 15.0 million from the performance level of US\$ 34.7 million recorded in January 2005. The low export performance is attributed to seasonal factors mainly for cashewnuts, cloves and coffee crops whose export volumes went down.

For the year ending February 2005 however, traditional exports registered a better performance than in the preceding year with an increase of 32 percent compared to 6.9 percent recorded in the year ending February 2004. This is attributed to both high export prices and volumes for coffee, cotton, tea and tobacco (Chart 13).

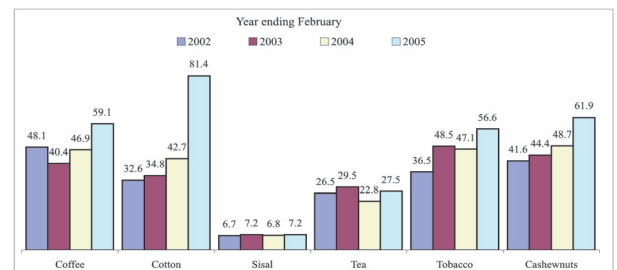
**Chart 13: Tanzania: Composition of Traditional Exports in the Year Ending February 2005**

(In percent)



**Chart 14: Tanzania: Performance of Traditional Exports, 2001 - 2005**

(Million of US\$)



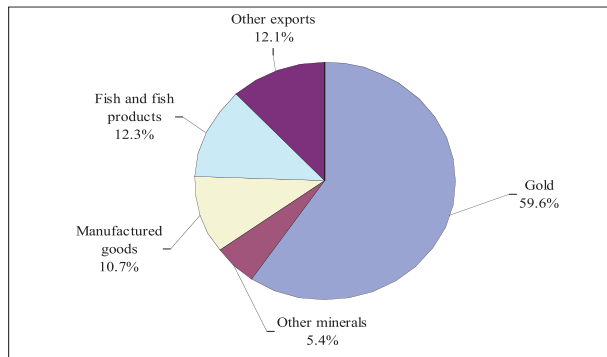
## Non-traditional Exports

Following the increase in gold prices in the world market and the modest increase in export volumes of non-mineral exports, particularly textiles, cement and plastics, the annual value of non-traditional exports rose to US\$ 1,056.5 million in the year ending February 2005, from US\$ 929 million recorded in the previous year. Gold continued to dominate the value of non-traditional exports, accounting for about 60 percent in the year ending February 2005.





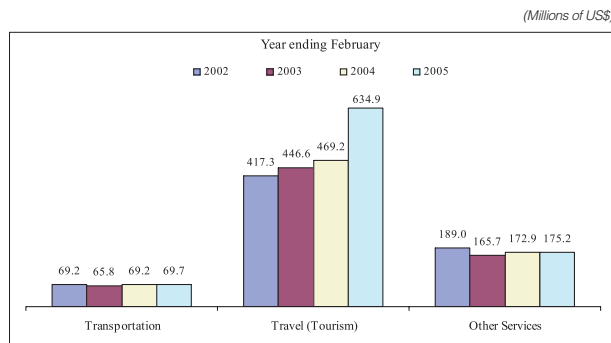
**Chart 15: Tanzania: Composition of Non-Traditional Exports for the Year Ending February 2005**



## Export of Services

During February 2005, services receipts declined to US\$ 69.2 million from US\$ 74 million recorded in the previous month. The decline is associated with seasonal slowdown in tourism activities in the country following the onset of the low season since early 2005. However on annual basis, services receipts went up by 24 percent fetching US\$ 880 million compared to US\$ 711 million during the year ending February 2004 reflecting growth in tourism industry in the country. Travel receipts, the bulk of which is tourism, accounted for more than 60 percent of total service receipts.

**Chart 16: Tanzania: Service Receipts, 2002-2005**



## Merchandise imports decline in February 2005

When compared to the previous month, goods imports during February 2005 went down by 5.3 percent to US\$ 169.5 million following a decline in importation of oil, fertilizers and industrial raw materials. Volume of oil imports fell to 37,861 tons in February from 43,324 tons in January

**Table 6: Tanzania: Merchandise Imports**

(Millions of US\$)

Item	2004		2005p		% Change		Year ending February		
	Feb	Jan	Feb	Jan	Feb-05	Feb-04	2004	2005p	% Change
<b>CAPITAL GOODS</b>	<b>63.4</b>	<b>80.3</b>	<b>80.7</b>	<b>0.5</b>	<b>27.2</b>	<b>27.2</b>	<b>770.0</b>	<b>896.3</b>	<b>16.4</b>
Transport Equipment	18.5	16.6	24.4	47.0	32.0	215.1	234.1	8.9	
Building and Constructions Equipment	12.4	23.4	14.9	-36.2	20.1	152.0	198.5	30.6	
Machinery	32.5	40.3	41.4	2.6	27.3	402.9	463.6	15.1	
<b>INTERMEDIATE GOODS</b>	<b>43.7</b>	<b>43.6</b>	<b>33.0</b>	<b>-24.3</b>	<b>-24.6</b>	<b>647.4</b>	<b>637.7</b>	<b>-1.5</b>	
Oil imports	22.7	18.0	15.2	-15.4	-33.0	387.0	355.8	-8.1	
Fertilizers	1.2	4.1	0.4	-89.9	-66.1	27.2	56.3	107.2	
Industrial raw materials	19.8	21.5	17.4	-19.2	-12.5	233.3	225.6	-3.3	
<b>CONSUMER GOODS</b>	<b>47.3</b>	<b>55.2</b>	<b>55.8</b>	<b>1.2</b>	<b>17.9</b>	<b>594.4</b>	<b>756.5</b>	<b>27.3</b>	
Food and foodstuffs	16.7	13.3	14.7	10.1	-12.3	182.6	238.0	30.3	
All other consumer goods	30.6	41.8	41.2	-1.6	34.5	411.8	518.5	25.9	
<b>GRAND TOTAL (F.O.B)</b>	<b>154.5</b>	<b>179.1</b>	<b>169.5</b>	<b>-5.3</b>	<b>9.7</b>	<b>2,011.9</b>	<b>2,290.5</b>	<b>13.8</b>	
<b>GRAND TOTAL (C.I.F)</b>	<b>169.8</b>	<b>196.8</b>	<b>186.3</b>	<b>-5.3</b>	<b>9.7</b>	<b>2,210.9</b>	<b>2,517.1</b>	<b>13.8</b>	

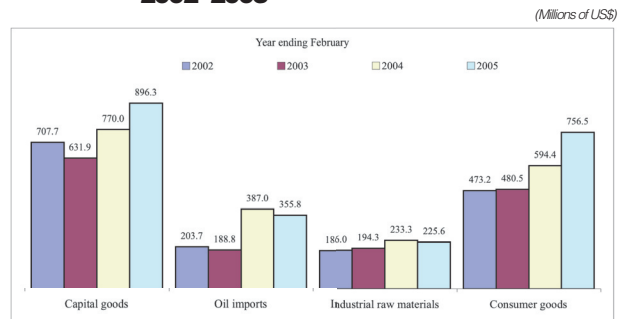
Note: Oil imports refers to refined petroleum products  
P = Provisional data.  
Source: Bank of Tanzania, TRA.

Meanwhile, annual import bill went up by 14 percent to US\$ 2,290.5 million, reflecting increases in imports of consumer goods, capital goods and fertilizers (Table 6). The increase in capital goods imports was a result of increased investments in manufacturing, mining and tourism sectors. Importation of fertilizer doubled to US\$ 56.3 million during the year, partly in association with the government move of subsidizing transportation of fertilizers as stipulated in the 2004/05 budget.

## Imports of Services

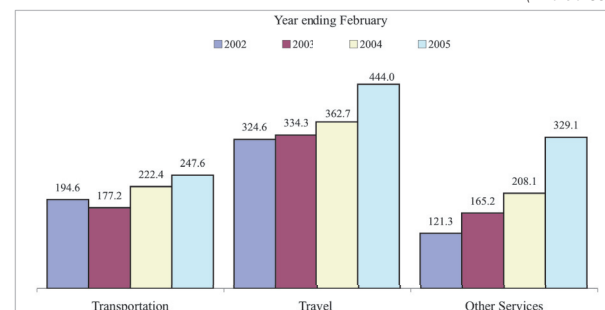
During the month under review, services payments declined mainly on account of decrease in freight payments. On annual basis however, services payments went up for travel abroad, of which foreign travel allowances, education and medical related expenses constituted the main components. During the year, services payments amounted to US\$ 444 million (Chart 17).

**Chart 17: Tanzania: Total Merchandise Imports: 2002-2005**



**Chart 18: Tanzania: Service Payments, 2002-2005**

(Millions of US\$)



## World Commodity Prices

During February 2005, world commodity prices exhibited a mixed trend. While Prices of coffee, cloves, and cotton (A index) increased, following expectations of low supply and high demand of these commodities, prices for tea on the other hand fell on account of increased supply from the key producing countries resulting from good weather conditions.

**Crude oil and white petroleum products** went up partly on account of increased demand associated with cold weather in the Northern Hemisphere. The ongoing supply events in the Oil Producing and Exporting Countries (OPEC) also contributed to increase in oil prices.

**Table 7: World Commodity Prices**

Item	Units	2004				2005		% Change Jan 05 to Feb 2005
		Sept	Oct	Nov	Dec	Jan	Feb	
Coffee "Robusta"	US \$ per kg	0.76	0.70	0.72	0.81	0.82	0.91	10.98
Coffee "Arabica"	US \$ per kg	1.78	1.78	1.99	2.30	2.36	2.66	12.71
Tea "Average price"	US \$ per kg	1.81	1.79	1.78	1.73	1.63	1.59	-2.45
Tea "Mombasa Auction"	US \$ per kg	1.64	1.51	1.45	1.51	1.51	1.49	-1.32
Cotton, "A Index"	US \$ per kg	1.24	1.16	1.08	1.07	1.13	1.16	2.65
Cotton, "Memphis"	US \$ per kg	1.22	1.18	1.15	1.16	1.23	1.12	-8.94
Sisal "UG"	US \$ per metric ton	885	885	885	885	885	885	0
Cloves	US \$ per metric ton	3,600	3,500	3,500	3,496	3,418	3,450	0.94
Crude oil*	US \$ per barrel	41.60	46.88	42.13	39.04	42.97	44.82	4.31
Crude oil**	US \$ per barrel	35.48	37.58	34.88	34.26	37.81	40.94	8.28
White products***	US \$ per ton	421.22	479.42	445.80	396.91	404.37	426.32	5.43
Gold	US \$ per troy ounce	405.30	420.50	439.40	442.10	424.00	423.40	-0.14

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

### National debt registers a marginal increase

At end of February 2005, total national debt stood at US\$ 9,065.2 million, being slightly higher than the stock of US\$ 9,053.5 million recorded at end of the previous month. The increase in debt stock during the review month was largely due to recording of new loans worth US\$ 9.6 million and exchange rate fluctuations. During the same period, Tanzania made savings under HIPC debt relief, amounting to US\$ 7.17 million from multilateral institutions.

### External Debt

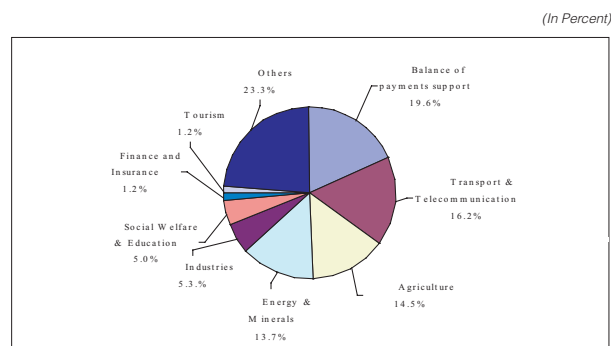
Total external debt committed increased to US\$ 8,581.1 million at end-February 2005 from US\$ 8,566.7 million recorded at end-January 2005. Out of the committed amount, US\$ 6,857.7 million was disbursed outstanding debt and the balance (US\$ 1,723.4 million) was undisbursed. Interest arrears increased slightly by US\$ 4.7 million to US\$ 1,307.0 million.

The central government continued to hold the largest share of disbursed outstanding debt, accounting for 85.8 percent (US\$ 5,886.7 million) of total debt. The private sector debt stood at US\$ 465.6 million, equivalent to 6.8 percent, while parastatal sector held US\$ 505.6 million. From the creditors' side, multilateral debt was US\$ 4,711.6 million (68.7 percent), bilateral debt was US\$ 1,499.0 million (21.9 percent), whereas Commercial and Export

credits were US\$ 399.6 million (5.8 per cent) and US\$ 247.5 million (3.6 percent) respectively. The high share of multilateral debt is a reflection of the government policy of borrowing concessional loans, mainly offered by multilateral institutions.

In terms of use of funds, 19.6 percent of the total debt was in the form of balance of payments support; transport sector accounted for 16.2 percent; agriculture 14.5 percent, while energy & mining accounted for 13.7 percent. Chart 19 gives a complete breakdown of composition of disbursed outstanding debt by use of funds.

**Chart 19: Tanzania: Disbursed Outstanding Debt By Use of Funds**



## Debt Service Payments

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.

### HIPC Debt Relief

During the month under review Tanzania received HIPC debt relief from International Development Association amounting to US\$ 3.47 million, US\$ 3.10 million from the International Monetary Fund, and US\$ 0.60 million from the European Investment Bank making a total debt relief of US\$ 7.17 (Table 8). During the corresponding period of the preceding year debt relief received amounted to US\$ 5.39 million in which US\$ 3.50 million was received from IDA and US\$ 1.89 from IMF. As at end February 2005 Tanzania had received debt relief worth US\$ 343.17.0 million from multilateral creditors under the HIPC arrangement.

**Table 8: Multilateral Debt Relief**

(Millions of US\$)

Creditor	October 2004	November 2004	December 2004	Januar y 2005	Februar y 2005
IDA	3.49	4.89	4.79	0.70	3.47
AfDB	0.15	0.00	0.00	4.54	0.00
IMF	0.00	1.66	1.17	0.00	3.10
IFAD	0.00	0.05	0.00	0.68	0.00
NODF	0.00	0.00	0.11	0.00	0.00
EIB	5.91	1.83	0.00	0.00	0.60
<b>TOTAL</b>	<b>9.54</b>	<b>8.43</b>	<b>6.07</b>	<b>5.92</b>	<b>7.17</b>

Source: Bank of Tanzania

At 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).

**Table 9: Projected UK Debt Service Relief from Jan 2005 to Dec 2015**

(Millions of US\$)

Year	TOTAL AMOUNT DUE			IDA			ADF			Total amount of UK debt service relief	Total amount of debt service payable net of UK debt service relief
	IDA	ADF		Amount of debt service net of 69.1% HIPC debt service relief	Less 10% UK debt service relief	Amount of debt service payable net of UK debt service relief	Amount of debt service net of 80% HIPC debt service relief	Less 10% UK debt service relief	Amount of debt service payable net of UK debt service relief		
2005	93.60	8.85		28.92	2.89	26.03	1.77	0.18	1.59	3.07	27.62
2006	100.14	15.29		30.94	3.09	27.85	3.06	0.31	2.75	3.40	30.60
2007	110.16	15.63		34.04	3.40	30.64	3.13	0.31	2.81	3.71	33.45
2008	116.98	18.64		36.15	3.61	32.53	3.73	0.37	3.36	3.98	35.89
2009	120.82	19.49		37.33	3.73	33.60	3.90	0.39	3.51	4.12	37.11
2010	135.78	20.43		41.96	4.20	37.76	4.09	0.41	3.68	4.61	41.44
2011	143.50	21.64		44.34	4.43	39.91	4.33	0.43	3.90	4.86	43.81
2012	151.54	23.08		46.83	4.68	42.14	4.62	0.46	4.15	5.14	46.29
2013	161.10	26.29		49.78	4.98	44.80	5.26	0.53	4.73	5.51	49.53
2014	167.41	26.90		51.73	5.17	46.56	5.38	0.54	4.84	5.70	51.40
2015	170.99	26.79		52.84	5.28	47.55	5.36	0.54	4.82	5.82	52.37
Total	1472.02	223.03		454.85	45.49	409.37	44.61	4.46	40.15	49.95	449.52

Source: Bank of Tanzania

## Bilateral Debt Relief

The government did not receive any debt relief from bilateral creditors during the month under review, and therefore total debt relief from Paris Club bilateral creditors remained at the level of US\$ 858.70 million as in January 2004. Meanwhile, dialogue continues with Abu Dhabi Fund, Hungary, Libya and Iran although no firm commitments have been made so far regarding relief that can be expected.

## Domestic Debt

During February 2005 domestic debt increased by TZS 20.45 billion to TZS 1,006.31 billion. The increase was mainly attributed to new Treasury bills sales during the month. Commercial banks remained the largest category of government creditors, holding 39.0 percent of total domestic debt, followed by pension funds, holding 34.2 percent, and Bank of Tanzania, which held 19.8 percent. Other categories of creditors to the government included, non-bank financial institutions, which held 2.1 percent, insurance companies 2.4 percent, and Private sector 1.8 percent of total domestic debt. Other official entities and BOT special funds altogether were holding 0.8 percent of total government domestic debt as at end February.

## Domestic Debt Service

About TZS 12.94 billion in domestic debt fell due for payment at the end of February 2005, of which TZS 9.28 billion was principal and TZS 3.66 billion was interest cost. The government paid the entire amount of interest that fell due, but rolled over the principal.

## Other Economic Developments

### Food Supply

The SGR stock at end-January 2005 amounted to 1 Ministry of Agriculture and Food Security (MAFS) reports show that food supply situation improved slightly but pockets of food shortages continued to exist in few locations, including Kilimanjaro, Arusha, Manyara, Tanga and Coast regions. Accordingly, MAFS disbursed subsidized maize from the Strategic Grain Reserves (SGR) to these areas.

The slight improvement in food supply situation was partly due to the beginning of crop harvests in some regions in the country, which received short rains, namely; Kigoma, Kagera, and Kilimanjaro, as well as release of stocks held by private traders. As a result, average wholesale prices for all main food items fell between January and February 2005 as shown Table 10 below. The MAFS continue to monitor food supply situation in the regions with the objective of taking intervention measures as necessary.

**Table 10: Tanzania: Average Wholesale Prices for Selected Food Items**

(TZS per 100 Kg)

Item	2004				2005		% Change	% Change
	Jan	Feb	Nov	Dec	Jan	Feb	Feb-04 Feb-05	Jan-Feb-2005
Maize	25,260	25,957	16,652	16,467	16,221	14,298	-45	-12
Rice	50,635	54,761	54,858	56,165	57,464	54,640	0	-5
Beans	41,878	39,870	51,109	52,956	52,128	48,055	21	-8
Sorghum	27,892	29,685	20,475	20,375	21,797	19,837	-33	-9
Potatoes	25,295	22,445	26,684	25,330	22,842	21,495	-4	-6

## Strategic Grain Reserves (SGR)

The SGR stock as at end-February 2005 stood at 116,383 tons, from 119,924 tons recorded at the end of January 2005 (Table 11), after a disbursement of 3,541 tones of maize to food deficit areas. By end February 2005, the SGR department had purchased 96,203 tons of maize against the target of 100,000 tons for 2004/05.

The stock of food grains held by private traders stood at 193,926 tons at end February 2005, the same level recorded at the end of the previous month. This stock comprised of 63,180 tons of maize, rice 64,104 tons and wheat 66,642 tons.

**Table 11: Tanzania: SGR Stocks**

(In tons)

Month	2000	2001	2002	2003	2004	2005	% Change 2004-2005
January	105,665	78,967	60,503	59,961	35,342	119,924	239
February	103,305	72,000	58,254	59,493	23,791	116,383	389
March	101,496	63,022	56,738	58,976	22,903		
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: Food Security Department and BOT computation



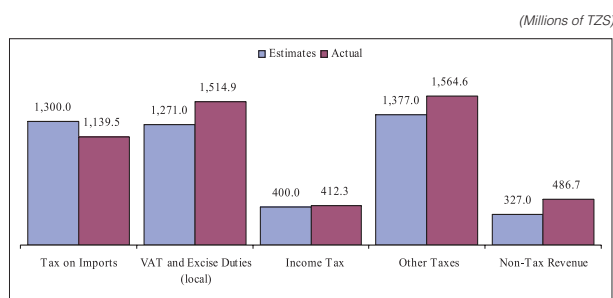
## Economic Developments in Zanzibar

### Budgetary Operations

During February 2005, Zanzibar Government budgetary resources (both recurrent and grants) exceeded expenditure by about TZS 100 million, implying a budget surplus of the same amount.

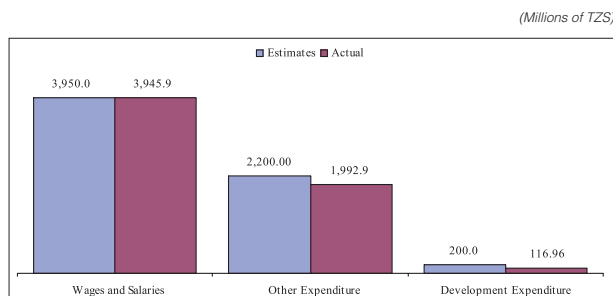
During the review month, the government collected revenue of TZS 5.1 billion, exceeding the target by about TZS 400 million, following the good performance in trading and tourism activities coupled with enhanced revenue collections efforts put up by responsible authorities. With the exception of tax on imports, which fell short of its target, all other revenue categories performed above their targets (Chart 20). After adding grants of TZS 1.0 billion received during the month, the resource envelope for the government stood at TZS 6.1 billion. On cumulative basis, total revenue collection from July 2004 to February 2005 amounted to TZS 39.7 billion, being modestly above the target of TZS 37.8 billion for the period.

**Chart 20: Zanzibar: Revenue by Source, February 2005**



During the month under review, the government spent a total of TZS 6.0 billion on both recurrent and development obligations. Recurrent expenditures were met as planned, while development expenditure fell short of the projections due to insufficiency of resources (Chart 21). Government expenditure for the period July 2004–February 2005 amounted to TZS 48.9 billion, slightly below the projected expenditure of TZS 50.8 billion.

**Chart 21: Zanzibar: Government Expenditure by Components,**



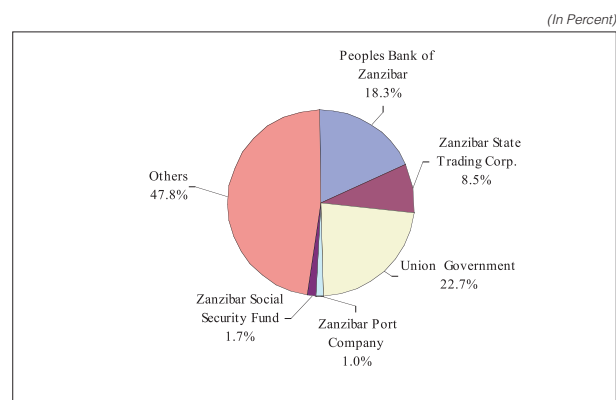
## Debt Developments in Zanzibar

As at the end February 2005, Zanzibar total debt stood at TZS 179.7 billion (US\$ 160.8 million), being 1.6 percent higher than the level recorded as at end of previous month. Inclusion of government obligations on domestic suppliers, new gratuity claims by retired civil servants, and records of debt following reconciliation of debt data between the Zanzibar Government and Union Government were the reasons for the increase in the debt stock. Out of the total debt, external debt was TZS 119.8 billion; making 67 percent of total debt, while the remainder TZS 59.9 billion was domestic.

### Domestic Debt

During the review period, domestic debt increased by 7.7 percent to TZS 59.9 billion from TZS 55.7 billion at end-January 2005, as a result of the new gratuity claims by retired civil servants and domestic suppliers' claims. Debt owed to the Union Government stood at TZS 13.6 billion; Peoples Bank of Zanzibar TZS 10.9 billion; Zanzibar State Trading Corporation TZS 5.1 billion; Zanzibar Social Security Fund 1.0 billion; and Zanzibar Port Authority TZS. 0.6 billion. Other creditors claims stood at TZS 28.6 billion represented 48 percent of total domestic debt. Chart 21 gives a breakdown of composition of domestic debt by creditor category as at end February 2005.

**Chart 21 Zanzibar: Domestic debt by Creditor as at end-Feb 2005**



### Domestic Debt by Instruments

The profile of domestic debt by instruments reveals that long-term loans represented 20.3 percent of the total domestic debt, while Treasury bills and Treasury bonds stood at TZS 7.1 billion and 3.2 billion, respectively, accounting for 11.8 percent and 5.4 percent of total domestic debt. Other debt instruments stood at TZS 31.9 billion making up 53.2 percent of total domestic debt. Following re-categorisation of TZS 5.5 billion percent of total domestic debt during reconciliation of debt data records between Zanzibar government and Union government, Zanzibar government debt stock position fell by 17.8 percent from the level recorded in the previous month.

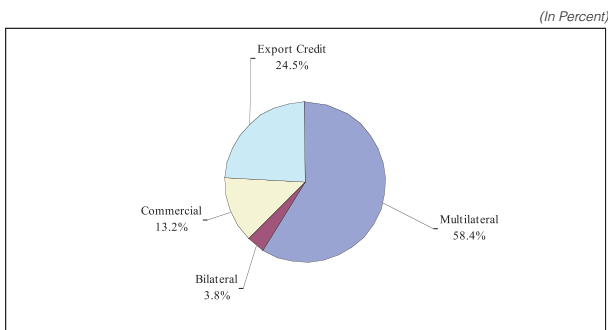
## Domestic debt by maturity

As at end February 2005, debt maturing in less than a year was TZS 5.7 billion or 9.5 percent of total domestic debt; debt maturing between 1-2 years amounted to TZS 15.6 billion accounting for 26.0 percent; debt maturing in 2-5 years stood at TZS 1.0 billion, making up 1.7 percent; where as debt with "undetermined maturity" mainly gratuity and domestic suppliers' claims, amounted to TZS 37.6 billion, and constituted 62.7 percent of total domestic debt.

## External Debt

As at end of February, 2005, Zanzibar external debt increased slightly to US\$ 107.2 million from US\$ 107.0 million at end January 2005 as a result of reconciliation of debt data records between the Zanzibar Government and Union Government. Multilateral debt remained the dominant category, accounting for US\$ 62.6 million, about 58 percent of total external debt. Multilateral debt stock however fell by 32.1 percent between January and February 2005, mainly on account of receipts of debt relief under ADF HIPC arrangement. Claims by bilateral creditors decreased to US\$ 4.1 million from US\$ 7.2 million, because of debt forgiveness by Chinese Government to Zanzibar Government. Claims of commercial creditors on the other hand surged to US\$ 14.2 million from US\$ 0.3 million recorded during the previous period, due to inclusion of outstanding interest arrears on Bankers' Trust line of credit to Peoples Bank of Zanzibar. Export credit stood at US\$ 26.3 million at the end of the review month. Char 23 below depicts composition of external debt by creditor category as at end-February 2005.

**Chart 23: External debt by Creditor as at end-Feb 2005**



## External Debt by Maturity

Debt with maturity above 20 years accounted for 43.1 percent of total external debt (about US\$ 46.2 million), while debt maturing between 5- 10 years accounted for 43.2 percent (about US\$ 46.3 million), making the two dominant categories in debt by maturity. Debt maturing between 10-20 years amounted to US\$ 14.7 million, making up 13.7 percent of total external debt.

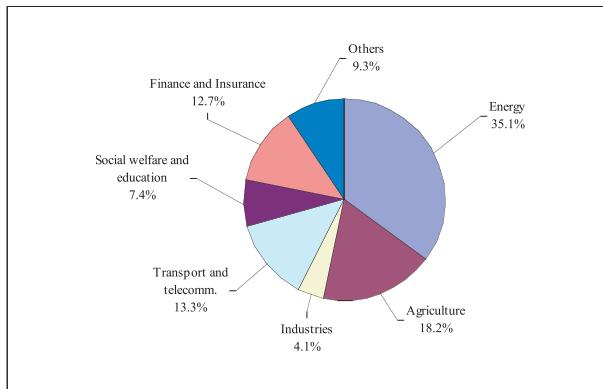
## External debt by Use of Funds

In terms of use of funds, disbursements to the energy sector stood at US\$ 37.6 million of total external debt; the agriculture sector constituted US\$ 19.6 million; while transport and telecommunications had US\$ 14.2 million.

With respect to other use of funds categories, industries absorbed US\$ 4.4 million; social welfare and education, US\$ 7.9 million; finance and insurance absorbed US\$ 13.6 million while other sectors accounted for US\$ 10.0 million. Chart 24 gives a breakdown of external debt by use of funds in percent

**Chart 24: Zanzibar: External debt by Use of Funds as at end - Feb. 2005**

(In Percent)



## External Sector Developments

### Trade Balance

During February 2005, Zanzibar trade balance improved slightly following a larger decline in imports compared to the marginal decline in exports. The trade balance in February 2005 recorded a surplus of US\$ 1.95 million, compared to a deficit of US\$ 3.9 million recorded in the preceding month. On annual basis however, trade account deficit widened to US\$ 51.64 million from a deficit of US\$ 35.43 million recorded during the year ending February 2004 mainly on account of sharp increase in imports of food to address domestic food shortage during the year

**Table 12: Zanzibar: Trade Account**

	2004		2005*			Year ending Feb		
	Jan	Feb	Jan	Feb	Change	2004	2005*	Change
					%			%
<b>Exports</b>	<b>7.01</b>	<b>6.05</b>	<b>6.04</b>	<b>4.93</b>	<b>(18.38)</b>	<b>54.36</b>	<b>55.92</b>	<b>2.87</b>
Goods	2.8	2.66	0.73	0.58	(20.55)	15.45	9.30	(39.80)
Services	4.21	3.38	5.31	4.35	(18.08)	38.92	46.62	19.80
<b>Imports</b>	<b>7.2</b>	<b>4.10</b>	<b>11.23</b>	<b>10.06</b>	<b>(10.42)</b>	<b>89.80</b>	<b>107.57</b>	<b>19.78</b>
Goods (f.o.b)	4.57	2.35	6.97	6.14	(11.91)	62.20	74.53	(19.82)
Services	2.63	1.75	4.25	3.92	(7.76)	27.59	33.04	19.75
<b>Trade Balance</b>	<b>-0.2</b>	<b>1.95</b>	<b>(5.18)</b>	<b>(5.13)</b>	<b>(0.97)</b>	<b>(35.43)</b>	<b>(51.64)</b>	<b>45.75</b>

\*Provisional  
Source: Tanzania Revenue Authority.

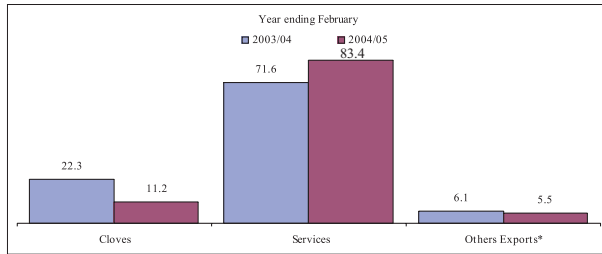




## Exports

Zanzibar exports value amounted to US\$ 4.93 million in February 2005, lower than US\$ 6.04 million recorded in the preceding month, due to seasonality factor in clove export and tourism receipts. For the year ending February 2004, total exports stood at US\$ 55.92 million, up from US\$ 54.36 million registered in the year before, with services receipts accounting for about 80 percent of total export earnings. Cloves exports accounted for 11.2 percent, and seaweed exports contributed about 3 percent (Chart 25).

**Chart 20: Zanzibar: Percentage Contribution of Total Exports**



## Imports

During the month under review, Zanzibar imports bill (f.o.b.) declined by 12 percent to US\$ 6.14 million from the level recorded in the previous month, following decline in food imports as domestic food supply continued to improve. On annual basis however, the import bill went up by almost 20 percent, mainly reflecting the impact of oil prices hike and increase in imports of industrial raw materials..

**Table 13: Zanzibar: Imports by Major Categories**

(Millions of US\$)

Item	2004		2005*			Year ending February		
	Jan	Feb	Jan	Feb	% Change	2004	2005	% Change
<b>CAPITAL GOODS</b>	<b>2.3</b>	<b>1.08</b>	<b>2.98</b>	<b>2.79</b>	<b>-6.48</b>	23.95	27.07	<b>13.02</b>
Transport Equipments	0.661	0.46	0.34	0.50	47.06	11.37	7.35	<b>-35.36</b>
Building and Constructions	0.245	0.15	0.81	0.16	-80.25	2.27	7.02	<b>209.25</b>
Machinery	1.426	0.47	1.82	2.12	16.48	10.31	12.70	<b>23.18</b>
<b>INTERMEDIATE GOODS</b>	<b>1.05</b>	<b>0.70</b>	<b>2.12</b>	<b>2.51</b>	<b>18.40</b>	<b>16.16</b>	<b>23.91</b>	<b>47.96</b>
Oil imports	0.711	0.54	1.77	1.95	10.17	11.74	17.33	<b>47.61</b>
Fertilizers	0.0001	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>
Industrial raw materials	0.336	0.16	0.35	0.57	62.86	4.42	6.58	<b>48.87</b>
<b>CONSUMER GOODS</b>	<b>1.6</b>	<b>0.81</b>	<b>2.56</b>	<b>1.45</b>	<b>-43.36</b>	<b>28.25</b>	<b>30.92</b>	<b>9.45</b>
Food and food stuffs	0.928	0.17	1.78	0.35	-80.34	18.18	17.62	<b>-3.08</b>
All other consumer goods	0.712	0.63	0.79	1.10	<b>39.24</b>	10.07	13.30	<b>32.08</b>
<b>GRAND TOTAL (CIF)</b>	<b>5.0</b>	<b>2.58</b>	<b>7.66</b>	<b>6.75</b>	<b>-11.88</b>	<b>68.36</b>	<b>81.90</b>	<b>19.81</b>
<b>GRAND TOTAL (FOB)</b>	<b>4.6</b>	<b>2.35</b>	<b>6.97</b>	<b>6.14</b>	<b>-11.91</b>	<b>62.20</b>	<b>74.53</b>	<b>19.82</b>



**Table A1: Tanzania Monetary Survey**

End of Period	Millions of TZS															Reserves		
	Memorandum item:																	
	Domestic assets (net)			Domestic credit (net)			M3, Extended Broad Money			M2, Broad Money			M1, Narrow Money				M0 Base Money	
	Foreign assets (net)	Claims on government (net)	Claims on domestic sectors (net)*	Other items (net)	TOTAL 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			
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	760,333.3	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	2,715,835.9	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	-608,426.0	2,710,987.4	1,936,449.4	1,252,535.2	639,586.9	612,948.3	272,726.8	411,187.5	774,537.9	922,959.0	283,372.1				
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				

\* Credit to private sectors  
Source: Bank of Tanzania





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

Item	Millions of TZS							
	BUDGET 2004/2005	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05
<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>
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
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
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	33,435.2	32,034.1
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
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
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
<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>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>
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
Roadtoll 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
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
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
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
Domestic 2/	94,946.0	0.0	1,555.8	3,196.9	16,122.7	2,414.3	10,653.3	9,048.8
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
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
<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>
Local	233,705.0	19,475.4	28,842.1	500.0	10,000.0	30,000.0	30,000.0	45,005.7
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
<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>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>
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
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
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
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
<b>Overall defic.(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>
Expenditure float	0.0	-128,152.1	-8,805.7	-1,771.5	-710.5	-425.0	-271.4	-4.9
Adjustments to cash and other items (net)	0	-55,118	55,619	-32,784	4,934	33,915	76,939	-10,837
<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>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>
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
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
Program loans	168,300.0	0.0	0.0	65,395.6	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	51,371.6	15,329.8	5,223.6
Basket Support	109,956.0	0.0	0.0	0.0	18,028.5	119,139.6	7,829.7	1,460.4
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
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
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
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
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
Amortization of contingent debt	-15,939.0	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

**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 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
<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
2 to 7 days	3.8	5.6	7.2	6.8	9.0	7.5	4.4	5.7	5.6
8 to 14 days	4.4	7.2	7.2	8.0	8.0	7.3	8.1	6.0	5.8
15 to 30 days	7.7	6.8	7.5	7.9	9.6	10.3	6.3	7.8	7.9
31 to 60 days	7.0	7.8	7.9	8.2	9.4	9.2	8.4	8.7	8.0
61 to 90 days	8.3	7.9	8.4	8.4	8.4	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
181 and above	7.5	8.5	10.1	11.0	11.1	10.2	9.9	10.0	8.7
<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>2 Lombard Rate</b>	11.1	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
<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
91 days	7.7	8.1	8.4	9.3	9.9	9.6	9.6	9.6	8.8
182 days	8.0	8.4	9.3	9.9	10.0	9.9	9.9	10.2	9.8
364 days	8.2	9.4	10.1	10.4	11.0	10.9	10.7	10.8	10.4
<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>5 Treasury Bonds- 2-years</b>									
5-years	6.7	10.3	10.5	11.5	11.7	11.7	11.7	11.7	11.7
7-years	10.7	10.9	11.2	10.4	10.4	10.4	10.4	10.4	10.4
10-years	11.7	12.4	12.4	12.6	12.6	12.6	12.6	12.6	12.6
<b>6 Discount Rate</b>									
12.6	13.2	13.7	14.4	14.9	14.9	14.4	14.7	14.4	
<b>7 Savings Deposit Rate</b>									
2.4	2.4	2.4	2.4	2.5	2.4	2.6	2.6	2.6	
<b>8 Time Deposits Rates</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>	
Call Accounts	1.7	1.6	1.3	1.2	1.3	1.5	2.1	2.0	2.3
1 month	3.5	3.4	3.7	3.8	3.4	3.1	3.2	2.9	3.5
2 months	5.9	5.6	6.2	5.9	6.0	5.1	4.5	6.3	5.2
3 months	4.0	4.2	4.2	3.9	4.0	3.6	5.4	5.5	4.8
6 months	5.0	5.1	4.6	5.0	5.3	5.9	5.8	6.1	5.3
9 months									
12 months	5.8	5.8	5.8	6.1	6.1	5.9	5.8	5.9	5.5
24 months	4.6	4.9	5.0	6.2	6.2	5.2	4.0	4.5	6.4
<b>10 Negotiated Deposit Rates</b>									
6.8	6.7	6.2	6.4	6.9	8.4	8.8	8.8	8.8	
<b>11 Lending rates</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>	
Call Loans	14.0	14.0	10.0	10.0	19.3	19.3	19.3	19.3	19.3
Short-term (up to 1year)	15.7	15.5	15.7	15.6	15.2	14.9	14.2	15.1	16.2
Medium-term (1-2 years)	17.3	17.0	18.9	17.2	17.3	17.8	17.2	17.2	17.0
Medium-term (2-3 years)	11.9	12.2	12.2	13.8	12.8	14.1	15.3	15.2	15.1
Long-term (3-5 years)	13.1	12.7	12.5	13.2	12.8	13.4	12.6	12.8	14.2
Term Loans (over 5 years)	13.1	13.4	14.8	14.7	13.3	13.2	14.7	14.7	15.3
<b>12 Negotiated Lending Rates</b>									
9.4	9.4	10.1	12.9	11.2	10.9	11.1	11.3	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
Savings Deposits	0.9	0.8	0.8	0.8	0.9	0.7	0.6	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>
1-months	0.9	0.8	0.7	0.8	0.9	0.9	1.0	1.2	1.0
2-months	0.9	0.7	0.9	0.8	0.8	0.9	2.7	1.7	1.3
3-months	1.1	1.1	1.3	1.1	1.0	1.0	1.6	1.9	1.1
6-months	1.0	1.1	1.0	1.3	1.0	1.2	1.2	1.4	1.2
12-months	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.9	1.3
<b>2 Lending Rates</b>									
<b>8.4</b>	<b>8.6</b>	<b>7.1</b>	<b>7.0</b>	<b>7.2</b>	<b>7.1</b>	<b>6.1</b>	<b>6.4</b>	<b>6.0</b>	
Short-term (up to 1year)	6.1	6.2	6.3	6.3	6.4	6.5	4.8	4.7	4.6
Medium-term (1-2 years)	7.2	8.0	8.0	8.1	8.4	8.3	7.2	7.8	7.6
Medium-term (2-3 years)	8.4	8.7	7.9	7.7	7.6	7.2	6.3	6.2	5.7
Long-term (3-5 years)	11.8	11.8	6.2	5.8	6.3	6.2	6.2	5.6	5.7
Term Loans (over 5 years)								7.8	6.5

Source: BoT



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

Item	2004		%	2005 <sup>p</sup>		%	Year ending February <sup>p</sup>		%
	Jan	Feb		Jan	Feb		2004	2005	
<b>Traditional Exports</b>									
<b>COFFEE</b>									
Value	5.9	5.6	-6.0	11.2	9.6	-13.9	46.9	59.1	25.9
Volume	5.2	4.3	-17.2	7.0	5.8	-16.8	43.9	42.0	-4.3
Unit Price	1149.5	1304.8	13.5	1,598.3	1,653.6	3.5	1,070.3	1,407.8	31.5
<b>COTTON</b>									
Value	3.7	1.9	-48.2	6.2	6.2	-0.5	42.7	81.4	90.4
Volume	2.8	1.6	-43.2	5.9	6.1	3.5	40.9	79.0	93.2
Unit Price	1320.0	1203.4	-8.8	1,049.9	1,009.9	-3.8	1,045.1	1,030.2	-1.4
<b>SISAL</b>									
Value	0.6	0.7	12.6	0.6	0.8	39.7	6.8	7.2	6.4
Volume	1.2	1.1	-10.8	0.8	1.1	41.2	12.9	11.3	-12.1
Unit Price	472.4	596.2	26.2	742.7	734.4	-1.1	528.0	638.8	21.0
<b>TEA</b>									
Value	1.8	1.5	-16.0	3.1	2.9	-7.6	22.8	27.5	20.3
Volume	1.5	1.3	-14.8	2.7	2.6	-2.0	19.2	22.4	16.4
Unit Price	1165.4	1149.5	-1.4	1,179.1	1,112.1	-5.7	1,186.3	1,226.4	3.4
<b>TOBACCO</b>									
Value	5.2	5.3	3.3	9.53	5.64	-40.8	47.1	56.6	20.0
Volume	3.3	3.3	-1.5	4.89	3.99	-18.4	23.4	25.4	8.8
Unit Price	1554.9	1631.0	4.9	1,949.55	1,414.3	-27.5	2,016.6	2,224.7	10.3
<b>CASHEWNUTS</b>									
Value	9.3	0.4	-95.8	3.4	0.0	-98.7	48.7	61.9	27.0
Volume	14.8	0.5	-96.4	3.8	0.1	-98.4	76.5	72.2	-5.6
Unit Price	626.6	719.3	14.8	896.9	753.7	-16.0	637.5	857.1	34.4
<b>CLOVES</b>									
Value	2.4	2.5	3.5	0.6	0.39	-34.7	12.5	6.3	-49.2
Volume	1.3	1.2	-7.5	0.2	0.13	-37.0	6.8	2.1	-69.5
Unit Price	1814.9	2030.6	11.9	2,973.9	3,080.5	3.6	1,823.8	3,035.8	66.5
<b>SUB TOTAL</b>	<b>28.8</b>	<b>17.9</b>	<b>-38.0</b>	<b>34.7</b>	<b>25.6</b>	<b>-26.1</b>	<b>227.7</b>	<b>300.0</b>	<b>31.8</b>
<b>Non-Traditional Exports</b>									
<b>Minerals</b>	<b>54.8</b>	<b>50.1</b>	<b>-8.4</b>	<b>57.1</b>	<b>53.5</b>	<b>-0.9</b>	<b>585.3</b>	<b>686.0</b>	<b>69.2</b>
Gold	53.2	45.9	-13.8	53.3	50.1	-6.0	540.5	629.2	16.4
Diamond	0.2	2.9	1,557.9	3.0	2.3	-21.8	24.4	31.6	29.8
Other minerals	1.4	1.4	2.3	0.9	1.1	26.9	20.4	25.1	23.0
<b>Manufactured Goods</b>	<b>8.0</b>	<b>7.6</b>	<b>-4.1</b>	<b>9.9</b>	<b>8.8</b>	<b>-11.4</b>	<b>90.0</b>	<b>113.2</b>	<b>25.7</b>
Cotton Yarn	0.5	0.3	-36.6	0.3	0.5	53.7	4.8	3.9	-17.8
Manufactured Coffee	0.0	0.0	-	0.1	0.0	0.0	0.5	0.9	69.6
Manufactured Tobacco	0.0	0.3	0.0	0.0	0.0	0.0	1.1	0.1	-93.6
Sisal Products (Yarn & Twine)	0.4	0.2	-54.1	0.3	0.4	21.1	3.4	3.4	1.0
Other manufactured Goods	7.1	6.9	-2.6	9.2	7.9	-14.5	80.2	104.8	30.7
<b>Fish and Fish Products</b>	<b>10.7</b>	<b>7.4</b>	<b>-30.3</b>	<b>11.1</b>	<b>13.5</b>	<b>21.9</b>	<b>134.7</b>	<b>129.7</b>	<b>-3.8</b>
<b>Horticultural products</b>	<b>1.6</b>	<b>1.2</b>	<b>-28.1</b>	<b>1.1</b>	<b>2.5</b>	<b>121.0</b>	<b>12.9</b>	<b>14.9</b>	<b>15.7</b>
<b>Others Exports</b>	<b>4.9</b>	<b>3.7</b>	<b>-24.2</b>	<b>8.6</b>	<b>15.8</b>	<b>84.4</b>	<b>106.2</b>	<b>112.7</b>	<b>6.2</b>
<b>SUB TOTAL</b>	<b>79.9</b>	<b>70.1</b>	<b>-12.3</b>	<b>87.8</b>	<b>94.0</b>	<b>7.1</b>	<b>929.1</b>	<b>1,056.5</b>	<b>13.7</b>
<b>GRAND TOTAL</b>	<b>108.7</b>	<b>88.0</b>	<b>-19.1</b>	<b>122.4</b>	<b>119.6</b>	<b>-2.3</b>	<b>1,156.8</b>	<b>1,356.5</b>	<b>17.3</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	Million of US\$												
	2004		2005 <sup>p</sup>		2004		2005		Year ending February <sup>p</sup>				
	Jan	Feb	Jan	Feb	Jan	Feb	2004	2005	2004	2005			
<b>CAPITAL GOODS</b>													
Transport Equipment	72.2	63.4	-12.2	80.3	80.7	0.5	770.0	896.3	16.4				
Building and Constructions Equipment	18.5	18.5	-0.3	16.6	24.4	47.0	215.1	234.1	8.9				
Machinery	12.2	12.4	1.8	23.4	14.9	-36.2	152.0	198.5	30.6				
	41.5	32.5	-21.6	40.3	41.4	2.6	402.9	463.6	15.1				
<b>INTERMEDIATE GOODS</b>													
Oil imports	55.2	43.7	-20.7	43.6	33.0	-24.3	647.4	637.7	-1.5				
Fertilizers	32.9	22.7	-31.0	18.0	15.2	-15.4	387.0	355.8	-8.1				
Industrial raw materials	1.1	1.2	15.1	4.1	0.4	-89.9	27.2	56.3	107.2				
	21.2	19.8	-6.5	21.5	17.4	-19.2	233.3	225.6	-3.3				
<b>CONSUMER GOODS</b>													
Food and foodstuffs	57.0	47.3	-16.9	55.2	55.8	1.2	594.4	756.5	27.3				
All other consumer goods	22.1	16.7	-24.3	13.3	14.7	10.1	182.6	238.0	30.3				
	34.9	30.6	-12.2	41.8	41.2	-1.6	411.8	518.5	25.9				
<b>GRAND TOTAL (F.O.B)</b>	<b>184.4</b>	<b>154.5</b>	<b>-16.2</b>	<b>179.1</b>	<b>169.5</b>	<b>-5.3</b>	<b>2,011.9</b>	<b>2,290.5</b>	<b>13.8</b>				
<b>GRAND TOTAL (C.I.F)</b>	<b>202.6</b>	<b>169.8</b>	<b>-16.2</b>	<b>196.8</b>	<b>186.3</b>	<b>-5.3</b>	<b>2,210.9</b>	<b>2,517.1</b>	<b>13.8</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

<i>Item</i>	<b>2001</b>	<b>2002</b>	<b>2003p</b>	<b>2004p</b>
<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>	<i>-783.9</i>	<i>-608.8</i>	<i>-804.2</i>	<i>-948.2</i>
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>	<i>37.2</i>	<i>0.1</i>	<i>-83.0</i>	<i>-135.2</i>
<i>Balance on Goods and Services</i>	<i>-746.8</i>	<i>-608.7</i>	<i>-887.2</i>	<i>-1083.4</i>
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
<i>Total, Groups A through C</i>	<i>196.5</i>	<i>580.7</i>	<i>369.9</i>	<i>154.6</i>
<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>	<i>-36.0</i>	<i>327.5</i>	<i>535.0</i>	<i>104.6</i>
<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

**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

Source: Bank of Tanzania, International Economics Department



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

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



**Table A7: External Debt Developments**

Item	Millions of US\$									
	2004/05									
	2002/03	2003/04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-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>
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
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
<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>
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
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
Commercial debt	330.60	391.20	395.70	395.70	396.17	397.99	399.63	401.74	398.22	399.61
Export credits	180.50	233.50	234.60	232.80	233.10	246.86	247.83	248.22	247.38	247.49
<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>
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
Parastatal Companies	152.20	149.10	155.80	155.30	156.30	150.40	556.70	561.25	506.80	505.62
<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>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>
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
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
Agriculture	1,034.70	967.70	962.79	962.23	972.33	980.85	1,062.82	1,066.33	956.62	991.00
Energy & Mining	895.00	924.30	920.55	908.23	917.18	928.24	945.52	950.63	939.53	940.45
Industries	411.20	352.70	351.14	350.57	350.57	366.23	354.66	422.11	362.21	362.20
Social Welfare & Education	421.70	333.30	330.72	331.25	332.95	338.64	345.91	347.88	342.46	344.06
Finance and Insurance	76.90	82.30	81.88	81.71	81.90	82.76	84.19	84.69	83.62	83.60
Tourism	88.20	80.20	80.27	79.21	79.40	81.14	81.73	81.91	81.12	81.80
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
<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>
Government	259.80	209.40	175.29	59.66	0.00	0.00	5.43	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
Private	17.50	20.29	121.40	0.25	0.50	0.00	0.10	0.83	0.10	0.00
<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>
Government	163.70	205.90	6.60	3.00	3.10	1.40	2.70	25.00	0.30	0.00
Parastatal Companies	0.00	2.00	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
<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>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>
Principal	86.60	68.60	8.50	11.20	9.51	3.36	9.58	7.34	4.77	13.96
Interest	25.80	30.60	2.40	1.00	1.96	1.60	1.33	2.05	1.32	1.13
Others	0.00	0.10	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>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>
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
Bilateral	611.60	658.80	651.80	654.60	650.80	669.40	674.80	682.80	685.30	684.20
Multilateral	45.10	28.30	23.00	38.30	33.90	39.90	7.00	8.30	8.60	5.00
Commercial	203.70	240.20	244.90	245.50	252.20	253.80	227.20	234.60	235.90	237.70
Other Private Creditors	161.00	191.80	192.00	190.50	191.40	193.80	194.40	204.40	204.00	204.50
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
Bilateral	577.70	693.00	697.00	698.30	697.80	712.50	782.00	812.60	813.50	813.70
Multilateral*	68.40	27.30	26.00	27.90	27.80	28.30	21.60	22.80	22.30	22.40
Commercial	268.30	287.10	290.50	291.40	294.30	303.80	302.30	313.80	314.50	318.20
Other Private Creditors	120.70	171.30	172.20	140.70	140.90	144.90	149.80	151.20	152.00	152.70
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
12. Domestic Debt Stock	841.60	885.30	906.90	923.50	913.62	926.33	912.31	928.31	894.59	900.50
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
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

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

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





# 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)**

These are agreements to purchase/sale by the BoT government securities from/to financial institutions at agreed rate for a specified period, with an understanding that the financial institutions will repurchase/resell the securities to the BoT at the end of the 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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