



# Monthly Economic Review

June 2022



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## 1.0 Prices and Food Stocks

### 1.1 Inflation

Commodity prices in the world market remained high in May 2022 due to demand-supply mismatch caused by war in Ukraine and residual effects of COVID-19 pandemic. This unprecedented condition contributed to increase in prices of some imports. As a result, twelve-month headline inflation increased to 4 percent in May 2022 from 3.8 percent in the preceding month (**Chart 1.1a**). Much of the increase manifested in prices of oil, transport and iron sheets. Nonetheless, the inflation rate remained within the target of 3-5 percent for 2021/22, and in line with EAC and SADC convergence criteria (**Chart 1.1b**)<sup>1</sup>.

Annual food inflation (food and non-alcoholic beverages) decreased to 5.5 percent from 6.6 percent in April 2022, but was higher than 4.9 percent in May 2021, due to delayed short rains and rising demand in neighbouring countries. This was more noticeable in prices of maize and beans.

Core inflation, whose index accounts for the largest share in the consumer price index (CPI) basket, rose slightly to 3 percent in May 2022 from 2.8 percent in the preceding month and 3.7 percent in the corresponding period in 2021. The increase was on account of an increase in prices of recreation, sports and cultural items, accommodation, garments, footwear<sup>2</sup>, iron sheets and transport.

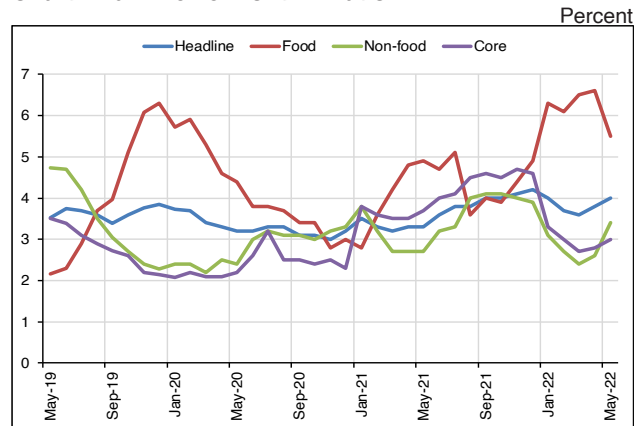
Reflecting high oil prices in the world market, inflation of energy, fuel, and utilities sub-group increased to 13.5 percent in May 2022 from 9.9 percent in the preceding month and was significantly higher compared with 2.1 percent in the corresponding month in 2021.

Non-food inflation increased to 3.4 percent, compared with 2.7 percent in May 2021, and 2.6 percent recorded in the preceding month (**Table 1.1**) mainly due to increase in the cost of transport associated with high fuel prices.

<sup>1</sup> EAC convergence criteria is inflation not exceeding 8 percent, and SADC is between 3-7 percent.

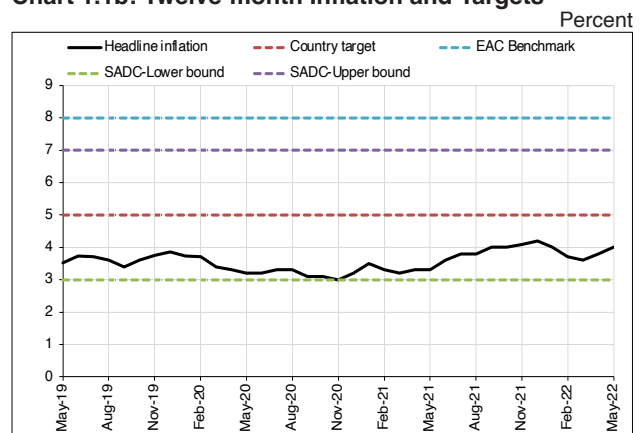
<sup>2</sup> Core inflation excludes unprocessed food, maize flour, energy, fuel, and utilities.

**Chart 1.1a: Twelve-month Inflation**



Source: National Bureau of Statistics, Bank of Tanzania computations.

**Chart 1.1b: Twelve-month Inflation and Targets**



Source: National Bureau of Statistics, Bank of Tanzania computations.

Note: Data from January 2020 are rebased, base year 2020.

**Table 1.1: Inflation Rates**

Main Groups	Weight	Month-to-month inflation			Annual inflation		
		May-21	Apr-22	May-22	May-21	Apr-22	May-22
Food and non-alcoholic beverages	28.2	1.2	1.4	0.1	4.9	6.6	5.5
Alcoholic beverages and tobacco	1.9	-0.1	0.2	0.0	2.5	1.2	1.2
Clothing and footwear	10.8	-0.1	-0.1	-0.2	4.4	2.3	2.1
Housing, water, electricity, gas and other fuels	15.1	-0.5	1.2	-0.1	3.5	3.9	4.3
Furnishings, household equipment and routine household maintenance	7.9	0.0	0.1	0.4	2.8	2.8	3.3
Health	2.5	0.0	0.0	0.1	2.6	1.3	1.5
Transport	14.1	0.1	1.0	3.3	1.2	3.9	7.2
Information and communication	5.4	0.0	0.0	0.1	1.7	0.6	0.7
Recreation, sports and culture	1.6	0.0	-0.1	0.0	2.3	1.0	1.1
Education services	2.0	-0.1	0.0	0.0	1.1	0.2	0.3
Restaurants and accommodation services	6.6	0.0	0.2	0.0	5.4	2.1	2.0
Insurance and financial services	2.1	0.0	0.0	0.0	0.3	0.2	0.2
Personal care, social protection and miscellaneous goods and services	2.1	0.0	0.0	0.2	2.6	2.4	2.6
<b>All items (headline inflation)</b>	<b>100.0</b>	<b>0.3</b>	<b>0.7</b>	<b>0.5</b>	<b>3.3</b>	<b>3.8</b>	<b>4.0</b>
Other selected groups							
Core	73.9	0.3	0.5	0.5	3.7	2.8	3.0
Non-core	26.1	0.2	1.4	0.5	2.8	6.5	6.8
Energy, fuel and utilities	5.7	-1.1	4.5	2.2	2.1	9.9	13.5
Services	37.2	0.0	0.2	0.9	2.3	1.7	2.7
Goods	62.8	0.4	1.0	0.3	4.1	5.0	4.8
Education services and products ancillary to education	4.1	0.0	0.0	0.0	3.2	1.4	1.5
<b>All items less food and non-alcoholic beverages</b>	<b>71.8</b>	<b>-0.1</b>	<b>0.5</b>	<b>0.7</b>	<b>2.7</b>	<b>2.6</b>	<b>3.4</b>

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

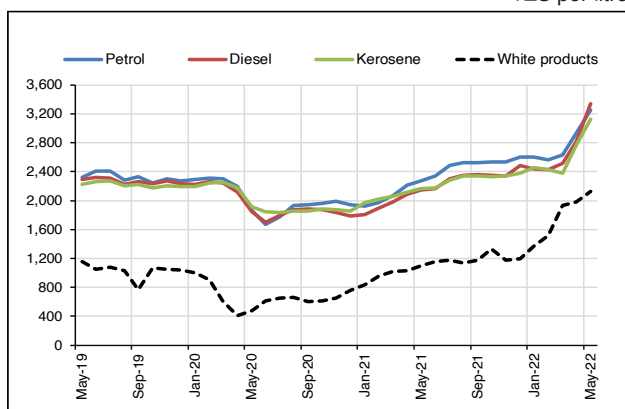
Note: n.a. denotes not available. Data from January 2020 are rebased with base year 2020.



## 1.2 Fuel Prices

In May 2022, domestic prices of diesel, petrol, and kerosene increased by 55.8 percent, 43.2 percent, and 44.4 percent, respectively, relative to the corresponding period in 2021. The increase in prices of petroleum products, as in many countries, is mainly due to rising oil prices in the world market prompted by limited supply, which is associated with residual effects of the COVID-19 pandemic and the Russia-Ukraine fallout.

**Chart 1.2: Domestic Prices of Petroleum Products**  
TZS per litre



Source: National Bureau of Statistics

Note: White products imply average world market prices of oil.

## 1.3 Prices of Food Crops

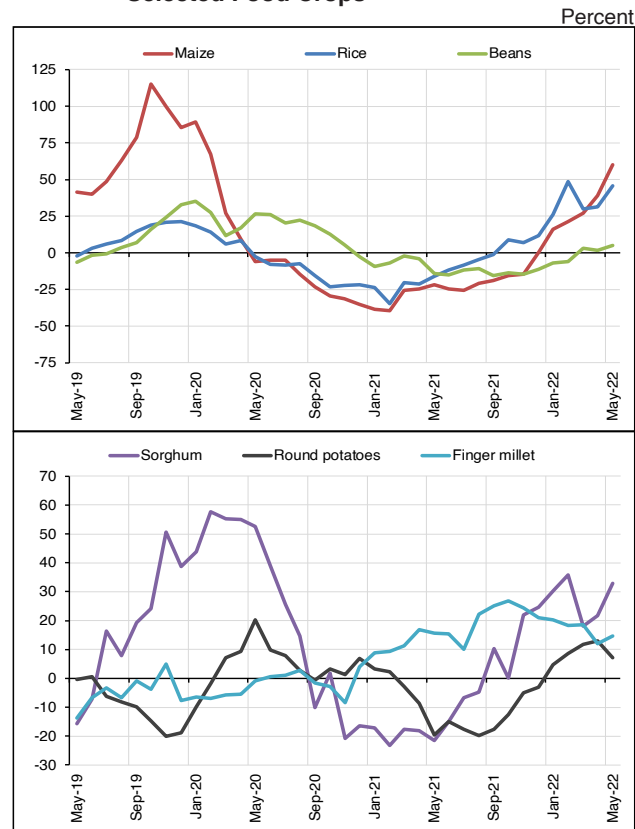
Wholesale prices of major food crops were higher in comparison to May 2021. The increase in prices is associated with high demand for food from neighbouring countries and expectation of low harvests as a result of delayed short rains. On month-to-month basis, prices of selected food crops increased when compared to the preceding month except for round potatoes (**Chart 1.3** and **Table 1.2**).

**Table 1.2: Wholesale Prices of Selected Food Crops**  
TZS per 100kg

Food crop	May-21	Feb-22	Mar-22	Apr-22	May-22
Maize	43,545.8	62,326.5	60,996.1	62,542.0	69,771.2
Rice	136,447.6	185,774.1	184,460.6	188,079.8	199,082.1
Beans	177,437.9	184,175.3	186,497.7	185,343.1	186,074.9
Sorghum	92,144.1	121,141.6	114,425.8	116,560.9	122,373.7
Round potatoes	68,464.7	82,214.5	79,420.1	76,241.1	73,331.9
Finger millet	153,415.0	166,730.5	167,479.2	168,811.8	176,012.0

Source: Ministry of Industry and Trade, and Bank of Tanzania computations.

**Chart 1.3: Annual Change in Wholesale Prices of Selected Food Crops**  
Percent



Source: Ministry of Industry and Trade, and Bank of Tanzania computations.

## 1.4 Food Stocks

Food stocks held by the National Food Reserve Agency (NFRA) comprising of maize, paddy and sorghum amounted to 149,402 tonnes in May 2022 compared with 108,284 tonnes in the corresponding period in 2021 (**Table 1.3**). During the month, NFRA sold 40,963.3 tonnes of maize to grain traders and millers.

**Table 1.3: Food Stocks Held by National Food Reserve Agency**

Period	2018	2019	2020	2021	2022
January	91.947	93.037	43.597	110.398	207.899
February	91.313	85.525	41.231	110.389	203.297
March	83.650	78.336	39.597	109.231	200.626
April	73.468	68.748	38.053	109.231	190.366
May	68.893	68.058	38.291	108.284	149.402
June	63.844	67.336	52.725	107.384	
July	62.288	67.410	90.255	107.384	
August	62.317	68.407	92.991	123.635	
September	78.224	61.711	109.733	150.057	
October	87.435	55.853	110.895	192.408	
November	92.402	52.727	110.289	209.057	
December	95.534	52.498	110.398	214.968	

Source: National Food Reserve Agency.



## 2.0 Money and Credit

### 2.1 Money Supply

#### 220<sup>TH</sup> MONETARY POLICY STATEMENT

The Monetary Policy Committee (MPC) met on 6th June 2022 to assess the conduct of monetary policy in March and April 2022, as well as recent global and domestic economic situation. The Committee was satisfied with the implementation of monetary policy and the outcome thereof. Liquidity in banks remained adequate and interbank interest rate stabilized at low levels, creating a favourable environment for lending to private sector at affordable cost.

The MPC observed that since its last meeting in March 2022, the global economy continued to face challenges of rising inflation, high commodity prices, resurgence of COVID-19, and supply-chain disruptions caused by war in Ukraine and sanctions on Russia. The challenges have increased risks to the recovery of global and domestic economic activities.

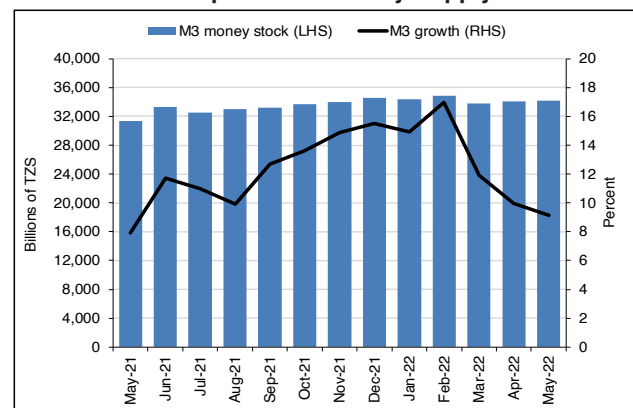
Domestic economic activity was satisfactory in 2021, growing at 4.9 percent compared with the target of 5 percent in Tanzania Mainland, and 5.1 percent in Zanzibar compared with the target of 5.2 percent. Inflation was higher in 2021/22 than in the preceding year, due to rising commodity prices, especially oil and consumer goods. Money supply expanded in line with the target, bolstered by accommodative monetary policy and improving business conditions. Private sector credit growth was 13.4 percent, consistent with the target of at least 10.6 percent; and fiscal operations were on track, with revenue collection recovering consistent with economic activities and improved tax compliance. The external sector faced global challenges, but foreign exchange reserves remained adequate at around USD 5.5 billion. The exchange rate was stable, depreciating gradually by less than one percent, year-on-year.

The MPC also took note of the passing of the Foreign Exchange Regulations, 2022, in May, which permits residents of SADC countries, in addition to those in EAC, to participate in government securities. The Regulations also permit Tanzania residents to invest in SADC countries without seeking waiver from the Bank of Tanzania. This is expected to increase investor base and competition in government securities market.

Based on the assessment of current and future macroeconomic situation, the MPC approved the Bank of Tanzania to sustain accommodative monetary policy in May and June 2022, in order to continue safeguarding the recovery of economic activities. The decision is also based on the projected inflation remaining within the target. The Bank will closely monitor the risks for inflation and recovery of the economy arising from high world commodity prices, and take appropriate measures, including gradual reduction of monetary policy accommodation.

As in many countries, the conduct of monetary policy was challenged by rising inflationary pressures emanating from high commodity prices in the world market. Despite this challenging environment, money supply continued to expand adequately in response to prudent accommodative monetary policy implemented to safeguard growth. Extended broad money supply (M3) grew at 9.1 percent in May 2022 compared with 10 percent in the preceding month and 7.9 percent in May 2021. The growth pattern was consistent with the target of 10 percent for 2021/22 (**Chart 2.1** and **Table 2.1**). Likewise, broad money supply (M2) grew by 11.6 percent, compared with 13.9 percent and 7.7 percent. The sturdy growth of money supply was also contributed to by improvement in private sector credit growth.

**Chart 2.1: Developments in Money Supply**



Source: Bank of Tanzania and banks.

Note: LHS denotes left hand scale; and RHS, right hand scale.

**Table 2.1: Money Supply and its Main Components**

	Outstanding stock (Billion of TZS)			Annual growth (%)		
	May-21	Apr-22	May-22	May-21	Apr-22	May-22
Net foreign assets	11,778.3	10,908.5	10,542.3	2.9	3.0	-10.5
Bank of Tanzania	11,312.0	11,342.6	10,748.0	-1.3	4.1	-5.0
Banks	466.3	-434.1	-205.7	---	46.8	---
Net domestic assets	19,547.5	23,179.4	23,644.2	11.2	13.6	21.0
Domestic claims	26,895.3	32,185.1	32,880.4	8.0	17.0	22.3
o/w Securities held by banks	5,970.2	6,981.2	7,203.1	6.0	19.6	20.7
Claims on the private sector	20,708.0	23,422.5	23,807.1	4.7	13.4	15.0
Other items (net)	-7,347.8	-9,005.7	-9,236.3	0.4	26.7	25.7
Extended broad money (M3)	31,325.9	34,087.8	34,186.5	7.9	10.0	9.1
Foreign currency deposits	7,479.7	7,226.4	7,581.2	8.7	-2.6	1.4
Broad money supply (M2)	23,846.2	26,861.5	26,605.3	7.7	13.9	11.6
Other deposits	8,737.9	10,017.9	10,151.7	6.4	16.0	16.2
Narrow money supply (M1)	15,108.3	16,843.6	16,453.6	8.4	12.7	8.9
Currency in circulation	4,404.5	4,913.3	4,980.5	8.0	12.7	13.1
Transferable deposits	10,703.7	11,930.3	11,473.1	8.6	12.6	7.2

Source: Bank of Tanzania, banks; Bank of Tanzania computations.

Note: "----" denotes a change that exceeds 100 percent.

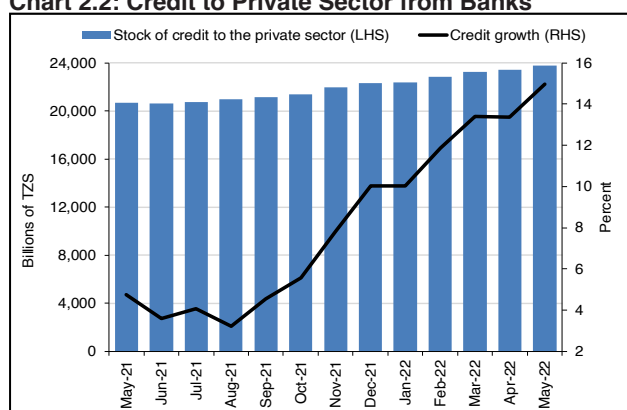
Domestic credit extended to the private sector and central government by the banking system grew by 22.3 percent in the year ending May 2022, compared with 8 percent in May 2021.



Private sector credit growth was 15 percent in May 2022, year-on-year, up from 13.4 percent in the preceding month and 4.7 percent in May 2021 (Table 2.1 and Chart 2.2). The growth was attributed to improved business conditions, coupled with supportive monetary and fiscal policies.

During the period under review, growth of credit to the private sector was more pronounced in mining; micro, small and medium enterprises—personal loans, trade and manufacturing activities (Table 2.2). Meanwhile, personal loans continued to hold the largest share of the outstanding stock of private sector credit, followed by trade, manufacturing and agriculture (Chart 2.3).

Chart 2.2: Credit to Private Sector from Banks



Source: Bank of Tanzania, banks and Bank of Tanzania computations

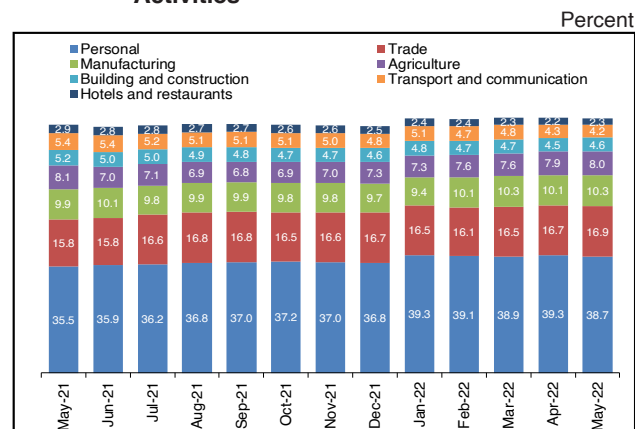
Note: LHS denotes left hand scale; and RHS, right hand scale.

Table 2.2: Annual Growth of Credit to Selected Economic Activities

	Percent									
	May-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	
Mining and quarrying	-3.2	0.7	1.8	10.4	10.9	25.1	31.8	27.8	37.9	
Personal	19.1	20.4	19.4	18.5	24.6	24.3	25.8	26.8	26.6	
Trade	-2.3	12.6	14.2	19.7	19.5	18.3	23.2	21.7	24.4	
Manufacturing	-8.7	4.0	7.1	12.4	6.8	17.4	20.8	14.8	20.8	
Agriculture	7.6	-14.0	-12.4	-7.7	-4.8	2.2	6.2	13.9	14.7	
Building and construction	0.0	-10.5	-6.5	-6.9	-1.3	-1.3	3.5	1.7	3.9	
Transport and communication	0.3	-7.1	-5.7	-7.8	-3.0	-6.6	-0.7	-9.1	-8.9	
Hotels and restaurants	3.3	-4.9	-2.5	-1.2	-8.0	-6.9	-8.2	-10.1	-9.1	

Source: Banks and Bank of Tanzania computations

Chart 2.3: Share of Credit to Selected Economic Activities



Source: Banks and Bank of Tanzania computations.

## 2.2 Interest Rates

Interest rates charged on loans by banks remained broadly unchanged in May 2022, with the overall lending rate averaging 16.25 percent compared with 16.31 percent registered in the preceding month and 16.61 percent recorded in May 2021. Meanwhile, negotiated lending rates charged to prime customers averaged 14.4 percent, compared with 14.12 percent and 13.64 percent recorded in the preceding month and May 2021, respectively.

Interest rates offered by banks on deposits recorded a marginal decrease in May 2022, with overall deposit rate averaging 6.69 percent, compared with 6.81 percent and 6.89 percent recorded in the preceding month and in the corresponding period in 2021, respectively (Table 2.3). Meanwhile, negotiated deposits rates averaged 9.73 percent compared with 9.73 percent and 9.33 percent.

Table 2.3: Selected Banks' Lending and Deposits Interest Rates

	Percent							
	May-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
Savings deposit rate	2.15	1.61	1.60	1.61	1.59	1.56	1.41	1.42
Overall lending rate	16.61	16.40	16.37	16.30	16.29	16.25	16.31	16.25
Short-term lending rate (Up to 1 year)	16.14	16.83	16.60	16.70	16.59	16.68	17.14	16.61
Negotiated lending rate	13.64	13.66	14.06	13.68	13.99	13.80	14.12	14.40
Overall time deposit rate	6.89	6.80	6.79	6.79	7.02	7.02	6.81	6.69
12-months deposit rate	8.75	7.63	7.87	7.87	8.39	8.37	8.28	8.03
Negotiated deposit rate	9.23	9.78	9.82	9.92	9.74	9.68	9.73	9.63
Margin between one year lending and deposit rates	7.39	9.21	8.74	8.83	8.20	8.31	8.86	8.57

Source: Banks and Bank of Tanzania computations.



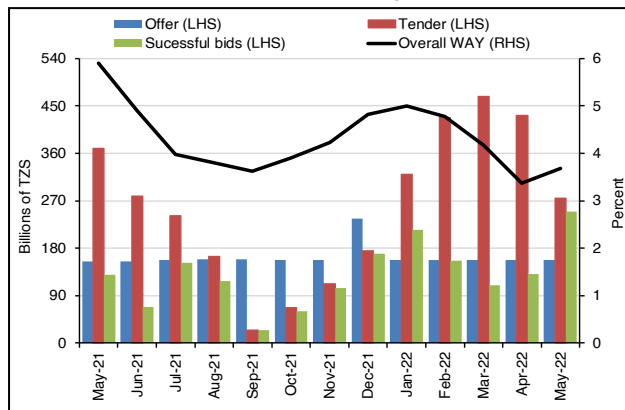
## 2.3 Financial Markets

In line with the implementation of accommodative monetary policy and supportive fiscal policy measures, supply of shilling liquidity in banks remained adequate. Money market interest rates stabilized at low levels creating favourable conditions for decline in cost of credit intermediation. Foreign exchange market remained active and liquid, with the shilling remaining stable against major global trading currencies.

### 2.3.1 Treasury Bills Market

The Bank of Tanzania conducted two Treasury bills auctions in May 2022, maintaining the tender size at TZS 78.9 billion per auction, mainly for central government budgetary operations with a small amount allotted for market development. The auctions were oversubscribed, receiving bids worth TZS 275.2 billion, of which TZS 249.2 billion were successful. Overall weighted average yield was 3.68 percent, compared with 3.37 percent recorded in the preceding month (**Chart 2.5**).

**Chart 2.5: Performance in Treasury Bills Market**



Source: Bank of Tanzania.

Note: LHS denotes left hand scale; and RHS, right hand scale.

### 2.3.2 Treasury Bonds Market

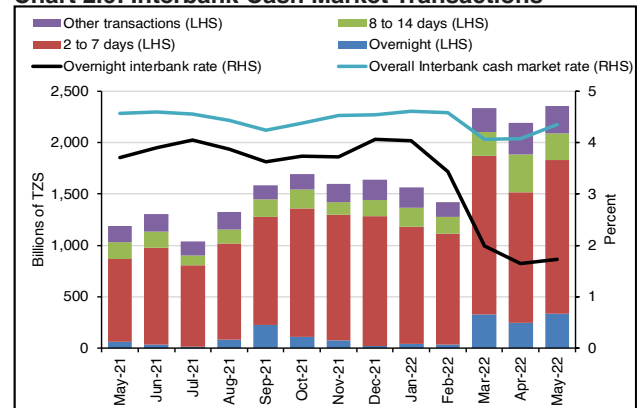
The Bank of Tanzania auctioned 5- and 25- year Treasury bonds on behalf of the Governments, with a tender size of TZS 117 billion and TZS 135.5 billion in May 2022, respectively. The auctions were oversubscribed, with total bids amounting to TZS 305.1 billion, of which TZS 221.9 billion were successful. Yields to maturity for the 5-year Treasury bond decreased to 8.94 percent from 9.08 percent registered in the preceding auction, while for the

25-year bond, it increased to 12.36, up from 11.71 percent.

### 2.3.3 Interbank Cash Market

Transactions in the interbank cash market (IBCM) remained high, amounting to TZS 2,360 billion in May 2022, compared with TZS 2,192.5 billion traded in the preceding month (**Chart 2.6**). Overnight placements accounted for 14.2 percent of the market turnover, while transactions for 2-7 days remained dominant at 63.4 percent. In line with adequate shilling liquidity in the banking system, overnight IBCM interest rate remained low at an average of 1.72 percent in May 2022, compared with 1.65 percent in the preceding month. Overall and 2-7 day interbank rate averaged 4.35 percent and 4.64 percent, compared with 4.08 percent and 4.33 percent in April 2022, respectively.

**Chart 2.6: Interbank Cash Market Transactions**



Source: Bank of Tanzania

Note: LHS denotes left hand scale; and RHS, right hand Scale

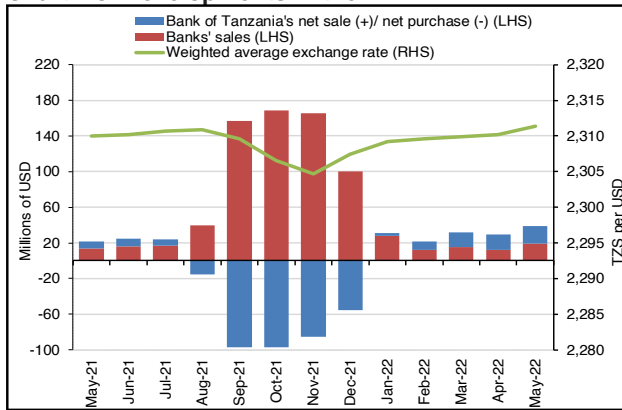
### 2.3.4 Interbank Foreign Exchange Market

The value of transactions in the interbank foreign exchange market (IFEM) amounted to USD 39.3 million in May 2022, compared with USD 29.1 million transacted in the preceding month. The Bank participated in the market by selling USD 20 million, mainly to support imports demand and ensure orderly foreign exchange market operations. The shilling remained stable, trading at an average of TZS 2,311.34 per US dollar, compared with TZS 2,310.14 per US dollar in the preceding month (**Chart 2.7**). On annual basis, the shilling depreciated marginally by 0.06 percent from TZS 2,309.97 per US dollar in May 2021.





Chart 2.8: Developments in the IFEM

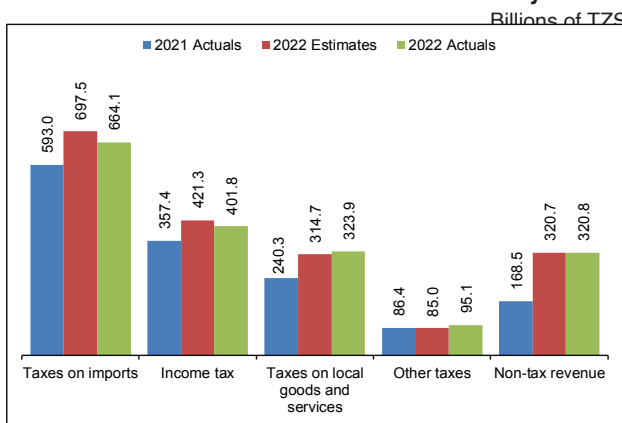


Source: Bank of Tanzania  
Note: LHS denotes left hand scale; and RHS, right hand Scale

### 3.0 Government Budgetary Operations

Revenue collection remained satisfactory, close to the target in the first 11 months of 2021/22. In May 2022, domestic revenue collection amounted to TZS 1,863.1 billion, or 97.8 percent of the monthly target and was 21.6 percent higher than collections in the corresponding month in 2021. Of the amount, central government collection was TZS 1,805.8 billion, and collection from local government own sources was TZS 57.3 billion. Tax revenue amounted to TZS 1,485 billion, or 97.8 percent of the monthly target and 16.3 percent higher than the corresponding month in 2021. The good performance was mainly observed in taxes on local goods and services which surpassed the target by 3 percent, reflecting an increase in economic activities and improved compliance (Chart 3.1). During the month, loans and grants worth TZS 125.1 billion and TZS 775 million, respectively, were received.

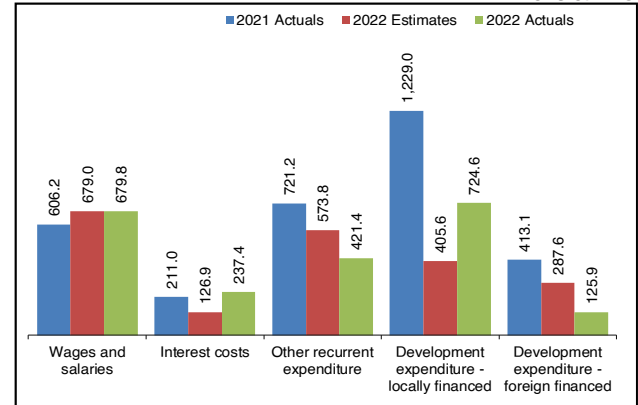
Chart 3.1: Central Government Revenue in May



Source: Ministry of Finance and Planning, and Bank of Tanzania computations

Expenditure amounted to TZS 2,189 billion, of which TZS 1,338.5 billion and TZS 850.5 billion were for recurrent and development expenditure, respectively (Chart 3.2). Locally financed development expenditure was TZS 724.6 billion which is 85.2 percent of the total development expenditure.

Chart 3.2: Central Government Expenditure in May



Source: Ministry of Finance and Planning, and Bank of Tanzania computations

### 4.0 Debt Developments

National debt stock, comprising of public (external and domestic) debt and private sector external debt, increased by USD 146 million to USD 38,085.7 million at the end of May 2022. The debt stock also increased by USD 5,376.3 million compared to the amount recorded at the end of the corresponding period in 2021. External debt, constituting public and private sector debt, accounted for 73.9 percent of the national debt stock.

#### 4.1 External Debt

External debt (public and private) decreased to USD 28,149.6 million in May 2022 from USD 28,192.2 million recorded in the preceding month. The decrease was mainly explained by more repayments relative to disbursements and appreciation of the USD against other currencies in which the debt is denominated. During the month, USD 52.8 million was disbursed, all in favour of the Central Government. Debt service payments amounted to USD 198.1 million, of which USD 137.5 million was principal repayment and the balance was interest payments. Central government debt continued to dominate the profile of external debt by borrower category, accounting for 72.4 percent (Table 4.1).



**Table 4.1: External Debt Stock by Borrowers**

Borrower	Millions of USD					
	Mav-21		Apr-22 <sup>r</sup>		Mav-22 <sup>p</sup>	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Central government	19,492.4	77.1	20,443.7	72.5	20,385.0	72.4
DOD	18,428.1	72.8	19,344.8	68.6	19,285.0	68.5
Interest arrears	1,064.3	4.2	1,098.9	3.9	1,100.0	3.9
Private sector	5,752.0	22.7	7,719.2	27.4	7,735.2	27.5
DOD	4,578.9	18.1	6,388.8	22.7	6,394.3	22.7
Interest arrears	1,173.1	4.6	1,330.4	4.7	1,340.9	4.8
Public corporations	53.9	0.2	29.3	0.1	29.4	0.1
DOD	37.1	0.1	23.6	0.1	23.7	0.1
Interest arrears	16.8	0.1	5.7	0.0	5.7	0.0
<b>External debt stock</b>	<b>25,298.3</b>	<b>100.0</b>	<b>28,192.2</b>	<b>100.0</b>	<b>28,149.6</b>	<b>100.0</b>

Source: Ministry of Finance and Planning, and Bank of Tanzania  
Note: DOD denotes disbursed outstanding debt; r, revised; and p, provisional data.

Multilateral institutions and commercial creditors continued to dominate the external debt portfolio accounting for 44.4 and 31.9 percent, respectively (**Table 4.2**). In terms of use of funds, the trend remained fairly stable, whereby transport and telecommunication activities continued to dominate the Disbursed Outstanding Debt (DOD)<sup>3</sup> accounting for 22.2 percent, followed by social welfare and education, and energy and mining (**Table 4.3**). Composition of external debt by currency shows that the largest share of the portfolio was denominated in United States dollars (69.8 percent), followed by Euro (**Table 4.4**).

**Table 4.2: External Debt Stock by Creditors**

Creditor category	Millions of USD					
	Mav-21		Apr-22 <sup>r</sup>		Mav-22 <sup>p</sup>	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Multilateral	11,794.2	46.6	12,488.1	44.3	12,505.9	44.4
DOD	11,743.4	46.4	12,425.6	44.1	12,442.9	44.2
Interest arrears	50.8	0.2	62.5	0.2	63.0	0.2
Bilateral	2,240.6	8.9	2,197.5	7.8	2,242.0	8.0
DOD	1,176.3	4.6	1,098.6	3.9	1,142.0	4.1
Interest arrears	1,064.3	4.2	1,098.9	3.9	1,100.0	3.9
Commercial	8,497.2	33.6	9,054.3	32.1	8,970.2	31.9
DOD	7,867.6	31.1	8,355.2	29.6	8,249.5	29.3
Interest arrears	629.6	2.5	699.1	2.5	720.7	2.6
Export credit	2,766.3	10.9	4,452.3	15.8	4,431.5	15.7
DOD	2,256.8	8.9	3,877.8	13.8	3,868.6	13.7
Interest arrears	509.5	2.0	574.5	2.0	562.9	2.0
<b>External debt stock</b>	<b>25,298.3</b>	<b>100.0</b>	<b>28,192.2</b>	<b>100.0</b>	<b>28,149.6</b>	<b>100.0</b>

Source: Ministry of Finance and Planning, and Bank of Tanzania.  
Note: DOD denotes disbursed outstanding debt; r, revised; and p, provisional data.

**Table 4.3: Disbursed Outstanding Debt by Use of Funds**

Activity	Millions of USD					
	Mav-21		Apr-22 <sup>r</sup>		Mav-22 <sup>p</sup>	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Balance of Payments and budget support	3,131.1	13.6	3,002.2	11.7	2,995.3	11.7
Transport and telecommunication	6,044.0	26.2	5,808.0	22.5	5,706.8	22.2
Agriculture	1,387.0	6.0	1,358.9	5.3	1,364.6	5.3
Energy and mining	3,175.0	13.8	4,141.0	16.1	4,141.9	16.1
Industries	805.0	3.5	1,244.0	4.8	1,256.3	4.9
Social welfare and education	4,098.0	17.8	4,154.0	16.1	4,158.1	16.2
Finance and insurance	1,227.2	5.3	1,433.0	5.6	1,429.7	5.6
Tourism	193.4	0.8	214.0	0.8	233.8	0.9
Real estate and construction	1,740.4	7.6	1,782.0	6.9	1,792.6	7.0
Other	1,243.0	5.4	2,620.1	10.2	2,623.9	10.2
<b>Total</b>	<b>23,044.1</b>	<b>100.0</b>	<b>25,757.2</b>	<b>100.0</b>	<b>25,703.0</b>	<b>100.0</b>

Source: Ministry of Finance and Planning, and Bank of Tanzania.  
Note: BOP denotes balance of payments; r, revised and p, provisional data.

**Table 4.4: Disbursed Outstanding Debt by Currency Composition**

Currency	Mav-21		Apr-22 <sup>r</sup>		Mav-22 <sup>p</sup>	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
United States Dollar	14,687.9	63.7	17,795.7	69.1	17,710.6	68.9
Euro	4,056.7	17.6	3,778.8	14.7	3,817.3	14.9
Chinese Yuan	1,693.9	7.4	1,452.1	5.6	1,436.8	5.6
Other	2,605.6	11.3	2,730.5	10.6	2,738.3	10.7
<b>Total</b>	<b>23,044.1</b>	<b>100.0</b>	<b>25,757.2</b>	<b>100.0</b>	<b>25,703.0</b>	<b>100.0</b>

Source: Ministry of Finance and Planning, and Bank of Tanzania.

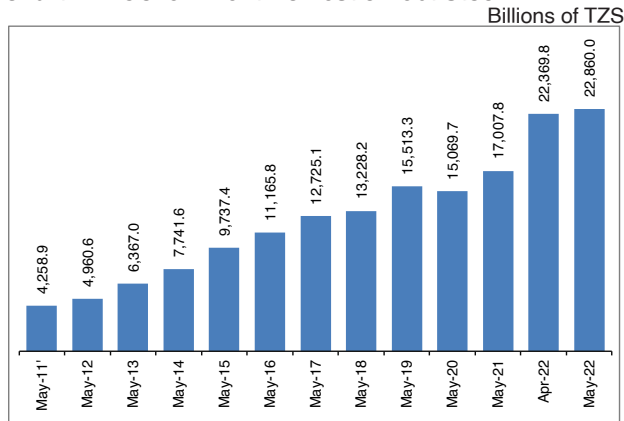
## 4.2 Domestic Debt

Domestic debt was TZS 22,860.1 billion at the end of May 2022, representing an increase of TZS 490.2 billion and TZS 5,852.2 billion from the preceding month and the corresponding period in 2021, respectively (**Chart 4.1**). The monthly increase was due to borrowing through Treasury securities and increase in utilization of overdraft facility. Treasury bonds and stocks accounted for 81.8 percent of domestic debt stock (**Table 4.5**), which reflects investors strong preference to longer tenure debt instruments. Pension funds and banks remained the dominant creditors, both holding 62.4 percent of total domestic debt (**Table 4.6**).

<sup>3</sup> DOD excludes interest arrears (i.e. external debt stock minus interest arrears)

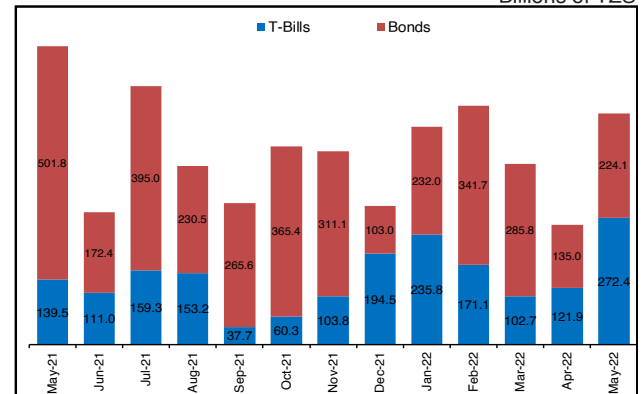


Chart 4.1: Government Domestic Debt Stock



Source: Ministry of Finance and Planning, and Bank of Tanzania.

Chart 4.2: Issued Government Securities for Financing



Source: Bank of Tanzania.

Table 4.5: Government Domestic Debt by Borrowing Instruments

Instruments	May-21		Apr-22		May-22	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Government securities	16,391.1	96.4	20,049.7	89.6	20,394.1	89.2
Treasury bills	1,663.8	9.8	1,573.0	7.0	1,693.2	7.4
Government stocks	252.7	1.5	252.7	1.1	252.7	1.1
Government bonds	14,474.4	85.1	18,223.9	81.5	18,448.0	80.7
Tax certificates	0.1	0.0	0.1	0.0	0.1	0.0
Non-secured debt	616.7	3.6	2,320.1	10.4	2,465.9	10.8
Other Liabilities*	18.4	0.1	18.4	0.1	18.4	0.1
Overdraft	598.4	3.5	2,301.7	10.3	2,447.6	10.7
Total domestic debt (without liquidity papers)	17,007.8	100.0	22,369.8	100.0	22,860.0	100.0

Source: Ministry of Finance and Planning, and Bank of Tanzania.

Note: \* includes NMB bank Plc standard loan and duty drawback.

Table 4.6: Government Domestic Debt by Creditor

Holders	May-21		Apr-22		May-22	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Commercial banks	5,889.6	34.6	6,530.3	29.2	6,758.1	29.6
Bank of Tanzania	1,828.8	10.8	3,396.9	15.2	3,542.8	15.5
Pension funds	4,705.1	27.7	7,472.4	33.4	7,514.4	32.9
Insurance	1,378.8	8.1	1,412.1	6.3	1,436.0	6.3
BOT's special funds	364.7	2.1	399.6	1.8	396.6	1.7
Others	2,840.9	16.7	3,158.5	14.1	3,212.1	14.1
Total	17,007.8	100.0	22,369.8	100.0	22,860.0	100.0

Source: Ministry of Finance and Planning, and Bank of Tanzania.

Note: BOT denotes Bank of Tanzania; and 'others' include other public institutions, private companies and individuals.

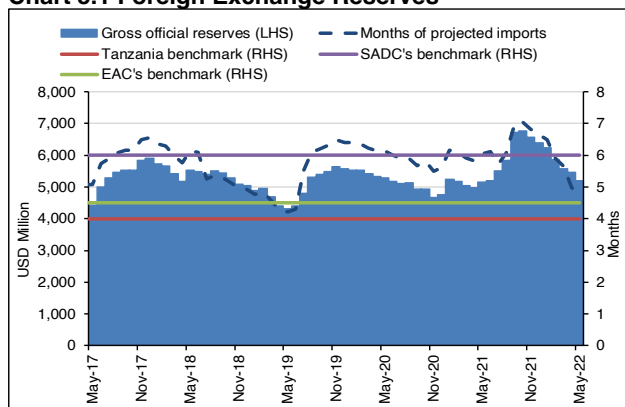
In May 2022, Treasury securities worth TZS 496.5 billion were issued to finance budgetary operations, of which Treasury bills amounted to TZS 272.4 billion and the balance was Treasury bonds (Chart 4.2). Domestic debt service payments, excluding overdraft from the Bank of Tanzania, amounted to TZS 334.2 billion, of which TZS 194.7 billion was interest payments and the balance was principal repayments.

## 5.0 External Sector Performance

The external sector of the economy continued to experience global challenges of high commodity prices and residual effects of the pandemic. During the year ending May 2022, the current account recorded a deficit of USD 3,713.7 million compared to a deficit of USD 1,707.5 million in the corresponding period in 2021, owing to higher imports relative to exports. However, the balance of payments recorded a surplus of USD 242.5 million compared to a deficit of USD 73 million, on account of receipt of loans and grants. Foreign reserves amounted to USD 5,206.7 million at the end of May 2022. Owing to high commodity prices in the world market, the reserves covered about 4.7 months of projected imports of goods and services. The reserves were in line with the country and EAC benchmarks of at least 4 months and 4.5 months of imports, respectively (Chart 5.1). It is worthy noting that the import cover is subject to the level of foreign reserves and value of imports (developments in volume and prices of imports); therefore, it is expected to improve once import prices decline from current projections.



**Chart 5.1 Foreign Exchange Reserves**



Source: Bank of Tanzania.

Note: LHS denotes left hand scale; and RHS, right hand scale.

**Table 5.1 Current Account**

Items	Millions of USD						Percentage change
	May-21	Apr-22	May-22	Year ending May			
				2020	2021	2022 <sup>4</sup>	
<b>Goods account</b>	-272.0	-398.6	-511.7	-2,600.0	-1,982.1	-4,284.1	---
Exports*	507.9	592.8	582.9	5,853.8	6,319.3	7,105.2	12.4
Imports	779.9	991.5	1,094.6	8,453.8	8,301.4	11,389.2	37.2
<b>Services account</b>	82.11	72.6	48.8	1,970.4	1,039.2	1,355.2	30.4
Receipts	205.2	323.3	339.1	3,706.7	2,298.3	3,721.8	61.9
Payments	123.1	250.7	290.3	1,736.3	1,259.1	2,366.6	88.0
<b>Goods and services</b>	-189.9	-326.0	-462.9	-629.6	-943.0	-2,928.9	---
Export of goods and services	713.1	916.2	922.0	9,560.5	8,617.6	10,826.9	25.6
Import of goods and services	903.0	1,242.2	1,385.0	10,190.2	9,560.6	13,755.8	43.9
<b>Primary income account</b>	-102.4	-147.0	-123.2	-1,103.9	-1,239.4	-1,331.5	7.4
Receipts	6.3	17.1	18.3	199.6	66.8	149.4	---
Payments	108.7	164.1	141.5	1,303.5	1,306.2	1,480.9	13.4
<b>Secondary income account</b>	49.0	60.7	41.2	429.5	474.9	546.7	15.1
Inflows	55.9	70.6	52.5	482.3	534.0	654.7	22.6
o/w General government	9.8	15.4	0.1	161.3	117.0	69.9	---
Outflows	7.0	9.9	11.3	52.9	59.1	108.0	82.9
<b>Current account balance</b>	-243.3	-412.3	-544.9	-1,304.1	-1,707.5	-3,713.7	---

Source: Tanzania Revenue Authority, banks, and Bank of Tanzania computations.

Note: p denotes provisional data; o/w, of which; and \* includes adjustments for informal cross border export.

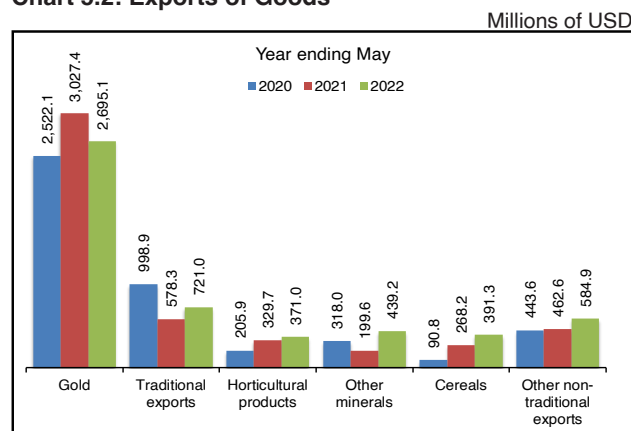
## 5.1 Exports<sup>4</sup>

Exports of goods and services increased to USD 10,826.9 million during the year ending May 2022 from USD 8,617.6 million in the corresponding period in 2021, driven by non-traditional exports and services receipts. The exports of goods rose by 12.4 percent to USD 7,105.2 million, with both traditional and non-traditional exports rising by 24.7 and 10 percent, respectively. A large increase in non-traditional exports emanated from textiles, paper products, iron and steel, horticultural products and cereals

<sup>4</sup> The Bank of Tanzania has recently revised its trade classification of goods in order to align with the United Nations International Classification, whereas goods are categorised according to Broad Economic Categories (BEC). **Chart 5.2** and **Table 5.3** reflect these changes

particularly, maize and rice. Gold exports, which account for about 37.9 percent of goods exports, declined to USD 2,695.1 million from USD 3,027.4 million (**Chart 5.2**). Exports of traditional goods amounted to USD 721 million compared to USD 578.3 million, on account of improvement in export volume of cloves, cotton and tobacco. The rise was also reinforced by high prices in the world market. On a monthly basis, traditional exports doubled to USD 33.2 million from USD 15.9 million in May 2021, while non-traditional exports amounted to USD 518 million compared to USD 467.9 million.

**Chart 5.2: Exports of Goods**



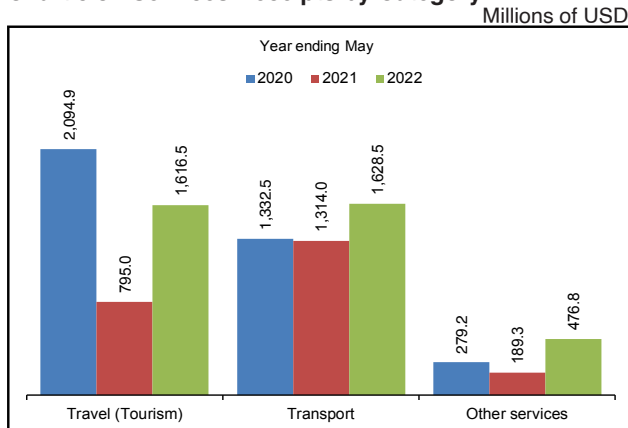
Source: Tanzania Revenue Authority and Bank of Tanzania Computations.

Note: Other minerals mainly include mineral concentrates, tanzanite and diamond; and other non-traditional exports include oil seeds, cereals, cocoa, raw hides and skins, and wood.

Services receipts amounted to USD 3,721.8 million in the year ending May 2022 compared with USD 2,298.3 million in the year ending May 2021, mainly supported by receipts from travel (which is mainly tourism) and transport (**Chart 5.3**). Travel receipts rose to USD 1,616.5 million from USD 795 million, driven by a rise in the number of tourists by 81 percent to 1,063,470. The increase in travel earnings signals a steady recovery in the tourism sector, although still threatened by geo-political tensions in Eastern Europe. On a monthly basis, services receipts were USD 339.1 million compared to USD 205.2 million in May 2021.



Chart 5.3: Services Receipts by Category



Source: Banks and Bank of Tanzania computations.

Note: Other services include construction, insurance, financial, telecommunication, computer and information, charges for the use of intellectual property, government, personal and other business services.

## 5.2 Imports

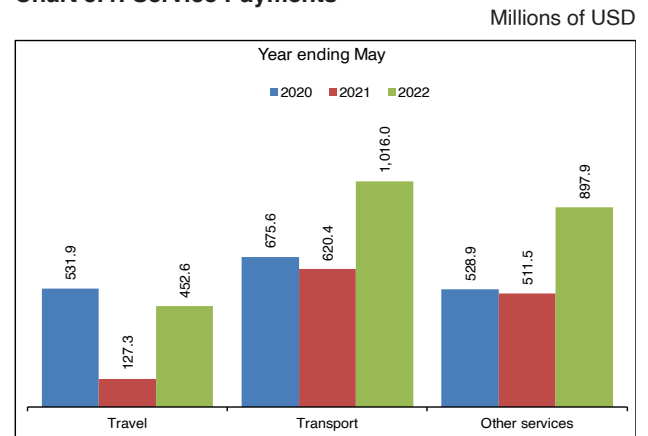
Imports of goods and services rose by USD 4,195.3 million to USD 13,755.8 million in the year ending May 2022. Much of the increase was observed in intermediate goods, especially white petroleum products and industrial supplies such as iron and steel and plastic products (Table 5.2). Imports of oil surged to USD 2,331.3 million from USD 1,346.9 million, on account of both import volume and price effects. It is noteworthy that the war in Ukraine exacerbated significantly the increase in oil price. The war has also contributed to increase in prices of edible oil, wheat grain and fertilizers. Services payments increased to USD 2,366.6 million from USD 1,259.1 million in the year ending May 2021, on account of a rise in freight payments, consistent with the surge in imports (Chart 5.4). Month-on-month, services payments amounted to USD 290.3 million in May 2022 compared with USD 123.1 million in May 2021.

Table 5.2: Goods Imports

Items	May-21	Apr-22	May-22	Year ending May		Percentage change
				2021	2022 <sup>a</sup>	
Capital goods	114.9	193.0	198.8	1,517.4	1,895.8	24.9
Machinery and mechanical appliances	43.6	95.6	93.4	676.3	830.5	22.8
Industrial transport equipment	32.1	47.5	53.5	374.1	510.7	36.5
Electrical machinery and equipment	19.2	26.5	30.3	230.0	319.8	39.0
Other capital goods	19.9	23.4	21.6	236.9	234.9	-0.9
Intermediate goods	552.1	782.2	768.8	5,659.9	8,199.4	44.9
Industrial supplies	289.0	350.6	377.8	2,795.6	3,920.1	40.2
O/w Iron and steel and articles thereof	79.8	81.4	87.8	696.8	1,013.4	45.4
Plastic and articles thereof	45.4	70.6	67.4	464.0	699.0	50.7
Fertilisers	8.3	36.9	17.3	151.3	238.7	57.7
Fuel and lubricants	150.2	295.9	214.8	1,437.4	2,439.5	69.7
O/w Refined white products	140.8	291.6	207.0	1,346.9	2,331.3	73.1
Parts and accessories	72.1	78.5	68.6	740.5	968.7	30.8
Food and beverages for industrial use	47.0	37.0	85.8	485.9	651.2	34.0
O/w Wheat grain	25.6	6.6	59.8	162.5	284.0	74.8
Edible oil and its fractions not refined	3.7	5.7	7.0	179.1	155.8	-13.0
Sugar for industrial use	9.0	12.1	11.2	79.0	123.8	56.7
Motor cars for household	13.8	20.1	21.8	200.3	214.8	6.9
Consumer goods	112.8	129.9	126.9	1,121.9	1,291.8	15.1
Food and beverages mainly for household consumption	19.2	20.1	25.5	136.6	184.1	34.8
Non-industrial transport equipment	9.3	13.8	13.3	91.9	127.5	38.6
O/w Motorcycles and cycles fitted with an auxiliary motor	8.6	12.0	11.9	81.6	112.5	37.8
Other consumer goods	84.3	95.9	88.0	893.4	980.2	9.7
O/w Pharmaceutical products	40.3	42.1	30.6	353.6	337.5	-4.6
Insecticides, rodenticides and similar products	8.2	11.4	11.6	99.7	123.8	24.1
Soap and detergents	5.7	6.0	5.6	55.7	68.3	22.6
Textiles apparel	3.2	4.6	5.3	42.8	54.2	26.7
Footwear and other products	3.3	3.7	4.4	40.3	48.1	19.3
Paper and paper products	0.7	1.3	1.6	24.1	26.9	24.2
<b>Total</b>	<b>779.9</b>	<b>1,105.2</b>	<b>1,094.6</b>	<b>8,301.4</b>	<b>11,389.2</b>	<b>37.2</b>

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Chart 5.4: Service Payments



Source: Banks and Bank of Tanzania computations.

Note: Other services include construction, insurance, financial, telecommunication, computer and information, government, personal and other business services.

The primary income account recorded a deficit of USD 1,311.5 million in the year ending May 2022, compared to a deficit of USD 1,239.4 million in 2021, on account of an increase in interest payments. On a monthly basis, a deficit of USD 123.2 million was recorded compared with USD 102.4 million in May 2021.

The surplus in the secondary income account increased to USD 546.7 million in the year ending May 2022, compared with USD 474.9 million in a similar period of 2021, due to a rise in private transfers. On a monthly basis, a surplus of USD 41.2 million was



recorded in May 2022 compared with USD 49 million in May 2021.

### 5.3 World Commodity Prices

During May 2022, prices of most commodities increased (**Table 5.3**). The price of crude oil increased to USD 110.34 per barrel from USD 104.23 per barrel in April 2022, as global oil supply remained low, partly associated with the geo-political tensions in Eastern Europe. Gold price declined to USD 1,848.50 per troy ounce, owing to interest rate hike by the US Central Bank (Federal Reserve Bank) in a bid to reduce inflation. The price of fertilizers also decreased, after extended period of increase in most part of 2021/22.

Prices of most agricultural products rose, except for coffee and tea. The price of coffee declined due to depreciation of the national currency in Brazil whereas that of tea decreased due to excess output in India. Brazil and India are among the major producers of coffee and tea in the world, respectively.

On annual basis, commodity prices generally increased (**Table 5.3**). The high prices of oil and agricultural products, in particular, were due to global demand recovery and supply shortage largely caused by geo-political tensions in Eastern Europe.

**Table 5.3: World Commodity Prices**

Commodity	Unit of measure	Year ending May		Percent change	Year ending May		Percent change
		Apr-22	May-22		2021	2022	
Crude oil average	USD per barrel	103.41	110.10	6.5	50.31	85.41	69.8
Crude oil*	USD per barrel	105.78	112.37	6.2	51.35	87.15	69.7
Crude oil**	USD per barrel	102.88	108.32	5.5	50.51	84.93	68.2
White products***	USD per tonne	1,120.28	1,205.12	7.6	447.26	818.81	83.1
Cotton, "A Index"	USD per kg	3.42	3.61	5.4	1.77	2.74	54.8
Robusta Coffee	USD per kg	2.29	2.27	-0.8	1.58	2.27	43.4
Arabica Coffee	USD per kg	5.85	5.74	-1.9	3.54	5.40	52.6
Tea (Average prices)	USD per kg	3.24	2.99	-7.7	2.80	2.81	0.4
Tea (Mombasa auction)	USD per kg	2.53	2.38	-5.9	1.95	2.36	20.8
DAP fertiliser	USD per metric tonne	954.00	842.50	-11.7	415.49	732.53	76.3
Urea	USD per metric tonne	925.00	707.50	-23.5	272.00	690.12	153.7
Wheat (hard)	USD per metric tonne	495.28	522.29	5.5	261.26	385.12	47.4
Wheat (soft)	USD per metric tonne	672.48	650.66	-3.2	247.01	390.85	58.2
Gold	USD per troy ounce	1,936.86	1,848.50	-4.6	1,841.50	1,833.12	-0.5

Source : World Bank, Bloomberg and Tanzania Sisal Board

Note: \* denotes crude oil Brent; \*\* crude oil Dubai f.o.b; and \*\*\* average of jet/kerosene, premium gasoline and heat oi

## 6.0 Economic Performance in Zanzibar

### 6.1 Inflation

Inflation remained moderate and consistent with the medium-term target of 5 percent, despite the recent increase in commodity prices in the world market. Specifically, twelve-month headline inflation was 3.7 percent in May 2022 compared with 4.1 percent in the preceding month (**Table 6.1** and **Chart 6.1**). The inflation rate was, however, significantly higher compared with 0.8 percent in May 2021, partly reflecting the effects of high commodity prices in the world market. On month-to-month basis, headline inflation was 0.7 percent in May 2022 compared with 1.1 percent in the corresponding period in 2021. Annual food inflation was 3.2 percent compared to 4.3 percent in April 2022, and much higher than 0.4 percent in May 2021. Non-food inflation edged up to 4.1 percent from 4 percent and 1 percent.

**Table 6.1: Inflation Developments**

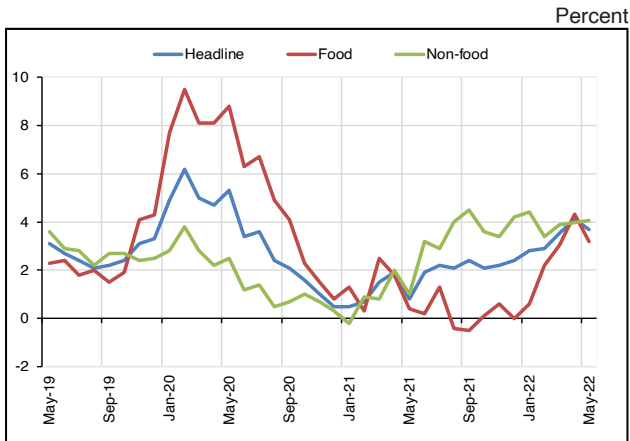
Base: Jan 2017=100

Main groups	Weight	Monthly change			Annual change		
		May-21	Apr-22	May-22	May-21	Apr-22	May-22
Food and non-alcoholic beverages	43.6	2.3	2.3	1.2	0.4	4.3	3.2
Alcoholic beverages, tobacco and narcotics	0.2	0.0	0.0	0.0	0.2	0.0	0.0
Clothing and footwear	6.9	1.0	1.3	0.3	1.2	2.4	1.8
Housing, water, electricity, gas and other fuels	18.4	0.2	-0.1	-0.5	-1.4	3.0	2.3
Furnishing, household equipment	5.5	0.2	2.5	0.3	3.5	9.7	9.9
Health	2.1	0.0	0.0	0.0	4.2	0.7	0.6
Transport	9.6	0.4	2.6	2.0	3.2	6.4	8.1
Communication	4.2	0.0	0.0	0.0	0.1	1.7	1.7
Recreation and culture	1.3	0.0	0.0	1.1	-1.8	2.7	3.8
Education	1.9	0.0	0.0	0.0	10.7	0.0	0.0
Restaurants and hotels	3.9	0.0	0.0	0.0	0.0	1.2	1.2
Miscellaneous goods and services	2.3	-0.2	0.0	0.5	0.1	10.1	10.9
<b>All items (Headline inflation)</b>	<b>100.0</b>	<b>1.1</b>	<b>1.5</b>	<b>0.7</b>	<b>0.8</b>	<b>4.1</b>	<b>3.7</b>
<b>Selected groups</b>							
Food	42.7	2.3	2.3	1.2	0.4	4.3	3.2
Non-food	57.3	0.2	0.9	0.3	1.0	4.0	4.1

Source: Office of the Chief Government Statistician



Chart 6.1: Annual Inflation Rates

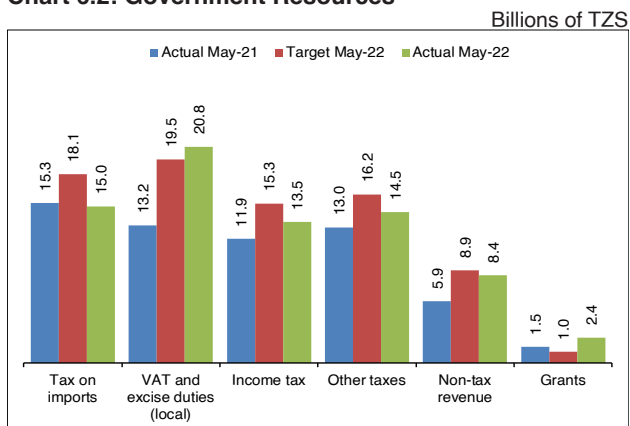


Source: Office of the Chief Government Statistician

## 6.2 Government Budgetary Operations

Government resource envelope comprising of domestic revenue and grants amounted to TZS 74.7 billion in May 2022 compared with TZS 60.9 billion recorded in the corresponding month in 2021. Domestic revenue was TZS 72.3 billion and foreign grants amounted to TZS 2.4 billion. Domestic revenue collection was 92.7 percent of the target for the month, with all revenue categories performing slightly below the targets, except Value Added Tax (VAT) and Excise Duties (local) which recorded collections 6.4 percent above the target. Out of the domestic revenue, tax revenue was TZS 63.9 billion which is 7.6 percent below the target while non-tax revenue was TZS 8.4 billion equivalent to 94.6 percent of the target (Chart 6.2).

Chart 6.2: Government Resources



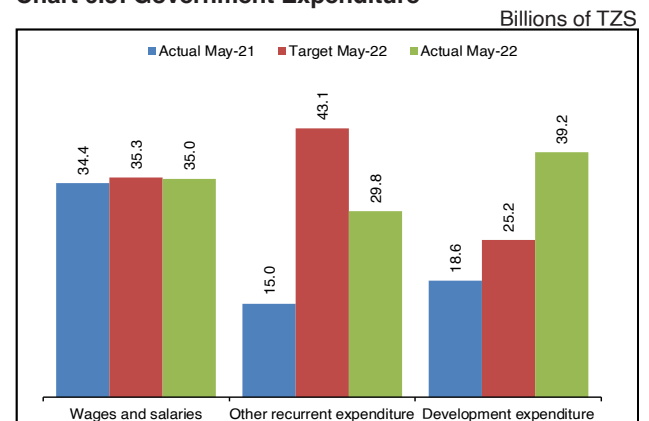
Source: President's Office, Finance and Planning, Zanzibar

Note: Other taxes include hotel and restaurant levies, tour operator levy, revenue stamps, airport and seaport

service charges, road development fund and petroleum levy.

Government expenditure during May 2022 amounted to TZS 104 billion, of which TZS 64.8 billion was recurrent expenditure and TZS 39.2 billion was expenditure on development projects. Foreign resources accounted for 65.1 percent of the amount spent for investment projects and the balance was from domestic sources. An overall deficit of TZS 9.7 billion was registered in May 2022, and was financed through external loans (Chart 6.3).

Chart 6.3: Government Expenditure



Source: President's Office, Finance and Planning, Zanzibar

Note: 'Other recurrent expenditure' includes transfers, domestic debt interest payments, consolidated fund service and other charges

## 6.3 External Sector Performance

### 6.3.1 Current Account

Current account balance widened to a deficit of USD 243.6 million in the year ending May 2022 from a deficit of USD 224.3 million registered in the corresponding period in 2021. This was largely on account of an increase in imports which outweighed exports (Table 6.2).

Table 6.2: Current Account

	Millions of USD					Percentage change
	May-21	Apr-22	May-22 <sup>P</sup>	Year ending May 2021	Year ending May 2022 <sup>P</sup>	
Goods account (net)	-20.0	-34.7	-32.8	-249.5	-293.8	17.8
Exports	1.3	2.1	1.8	23.7	86.0	..
Imports (fob)	21.3	36.8	34.6	273.1	379.8	39.0
Services account (net)	-7.3	3.7	5.3	-18.7	37.2	..
Receipts	2.7	14.0	17.3	77.2	118.4	53.3
Payments	10.0	10.2	12.0	95.9	81.1	-15.4
Goods and services (net)	-27.3	-31.0	-27.5	-268.1	-256.5	-4.3
Exports of goods and services	4.0	16.1	19.0	100.9	204.4	..
Imports of goods and services	31.3	47.1	46.5	369.0	460.9	24.9
Primary Income account (net)	0.3	-0.1	-0.2	4.8	2.0	-57.3
Receipts	0.8	0.1	0.1	8.8	4.4	-50.3
Payments	0.5	0.2	0.3	4.1	2.4	-42.3
Secondary income (net)	-0.3	0.1	0.1	39.0	11.0	-71.9
Inflows	0.5	0.2	0.2	45.9	13.7	-70.1
Outflows	0.8	0.1	0.1	6.9	2.7	-60.0
Current account balance	-27.2	-31.0	-27.6	-224.3	-243.6	8.6



Source: Tanzania Revenue Authority, banks and Bank of Tanzania computations

Note: p denotes provisional data; and fob, free on board

### 6.3.2 Exports

Exports of goods and services doubled to USD 204.4 million during the year ending May 2022 compared with the level recorded in the year ending May 2021, largely on account of increase in exports of good and service receipts, in particular, cloves and tourism (Table 6.2). Specifically, service receipts increased by 53.3 percent to USD 118.4 million, while cloves exports rose significantly to USD 62.8 million from USD 1 million in the corresponding period in 2021 due to cyclical nature of the crop (Table 6.3). On month-to-month basis, goods exports rose to USD 1.8 million in May 2022 compared to USD 1.3 million in May 2021.

**Table 6.3: Exports of Goods**

	Units	Year ending May					Percentage change
		May-21	Apr-22 <sup>p</sup>	May-22 <sup>p</sup>	2021	2022 <sup>p</sup>	
<b>Traditional exports</b>							
<b>Clove</b>							
Value	'000' of USD	1.5	760.0	11.2	1,029.0	62,766.5	--
Volume	'000' Tonnes	0.0	0.1	1.1	0.2	9.5	--
Unit price	USD/Tonne	15,100.0	7,600.0	10,180.9	6,097.0	6,591.7	8.1
<b>Non-traditional exports</b>							
<b>Seaweeds</b>							
Value	'000' of USD	503.6	262.1	662.5	12,706.1	5,995.4	-52.8
Volume	'000' Tonnes	1.2	0.7	1.1	16.7	13.9	-16.6
Unit price	USD/Tonne	435.3	352.0	594.4	760.3	430.3	-43.4
Manufactured goods	'000' of USD	585.5	1,009.4	193.1	6,671.8	10,440.8	56.5
Fish and fish products	'000' of USD	190.9	76.7	133.5	1,468.6	1,286.6	-12.4
Others exports	'000' of USD	9.5	9.9	792.3	1,799.2	5,528.9	--
<b>Sub-total</b>	<b>'000' of USD</b>	<b>1,289.5</b>	<b>1,358.1</b>	<b>1,781.3</b>	<b>22,645.7</b>	<b>23,251.7</b>	<b>2.7</b>
<b>Grand-total</b>	<b>USD ('000)</b>	<b>1,291.0</b>	<b>2,118.1</b>	<b>1,792.5</b>	<b>23,674.7</b>	<b>86,018.1</b>	<b>--</b>

Source: Tanzania Revenue Authority and Bank of Tanzania computations.

Note: Other exports mainly include souvenirs and spices; p, denotes provisional data; and "--", change that exceeds 100 percent.

### 6.3.3 Imports

Imports of goods and services rose to USD 460.9 million in the year ending May 2022 from USD 369 million recorded in the year ending May 2021, following an increase in imports of intermediate and consumer goods (Table 6.2). Intermediate goods imports amounted to USD 294.2 million compared with USD 163.5 million, largely driven by imports of industrial supplies, white petroleum products, edible oil and wheat. The rise in imports of consumer goods was more pronounced in food and beverage for household consumption (Table 6.4). On month-to-month basis, imports (f.o.b) amounted to USD 34.6 million in May 2022, compared to USD 21.3 million in May 2021 and USD 36.8 million in April 2022.

**Table 6.4: Imports of Goods**

	Millions of USD					Percentage change
	May-21	Apr-22 <sup>p</sup>	May-22 <sup>p</sup>	Year ending May 2021	2022 <sup>p</sup>	
Capital	2.2	5.4	3.6	75.5	34.7	-54.0
Machinery and mechanical appliances	0.8	1.6	1.6	32.3	13.4	-58.5
Industrial transport equipment	0.5	0.8	0.5	20.5	5.8	-71.8
Electrical machinery and equipment	0.5	0.6	0.7	11.4	5.9	-48.3
Other capital goods	0.4	2.4	0.9	11.3	9.7	-14.5
Intermediate	15.8	26.7	26.7	163.5	294.2	79.9
Industrial supplies	4.6	7.6	9.6	67.4	112.6	66.9
o/w Iron and steel and articles thereof	0.6	1.4	1.6	9.9	22.8	--
Plastic and articles thereof	0.5	0.5	0.4	4.0	15.4	--
Fertilizers	0.0	0.0	0.0	0.2	0.0	-98.9
Fuel and lubricants	5.9	10.5	12.3	41.7	100.6	--
o/w Refined white products	5.9	10.5	12.3	41.7	100.6	--
Parts and accessories	0.9	0.8	1.4	21.2	15.7	-25.8
Food and beverages for industrial use	4.0	7.3	2.9	28.0	58.6	--
o/w Wheat grain	0.0	4.8	0.0	7.2	21.9	--
Edible oil and its fractions not refined	2.2	1.7	2.4	14.2	22.0	55.2
Sugar for industrial use	1.5	0.0	0.0	2.6	2.8	5.9
Motor cars for household	0.5	0.5	0.6	5.2	6.7	27.4
Consumer	3.3	4.6	4.2	34.1	50.8	48.9
Food and beverages mainly for household consumption	1.0	1.0	1.0	7.6	11.5	50.2
Non-industrial transport equipment	0.1	0.2	0.1	0.9	1.5	65.1
o/w Motorcycles and cycles fitted with an auxiliary motor	0.0	0.1	0.1	0.4	0.6	48.5
Other consumer goods	2.2	3.4	3.0	25.6	37.8	48.0
o/w Pharmaceutical products	0.0	0.1	0.1	1.1	1.1	5.1
Insecticides, rodenticides and similar products	0.0	0.0	0.0	0.6	0.4	-29.4
Soap and detergents	0.2	0.3	0.1	2.0	2.6	30.1
Textiles apparels	0.3	0.4	0.6	2.8	4.9	74.6
Footwear and other products	0.1	0.2	0.1	1.5	2.2	41.3
Paper and paper products	0.0	0.1	0.1	1.5	1.2	-20.7
<b>Total (f.o.b)</b>	<b>21.3</b>	<b>36.8</b>	<b>34.6</b>	<b>273.1</b>	<b>379.8</b>	<b>39.0</b>

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: p denotes provisional data; "--", change that exceeds 100 percent in absolute terms.





## Statistical Tables

**Table A1: Selected Economic Indicators**

	Unit	2017	2018	2019	2020 <sup>f</sup>	2021 <sup>p</sup>
<b>National accounts and prices</b>						
1.1 Annual change in GDP at current prices	Percent	9.6	8.7	8.2	8.3	6.9
1.2 Annual change in GDP at constant 2015 prices	Percent	6.8	7.0	7.0	4.8	4.9
1.3 GDP per capita-current prices (TZS)	'000' TZS	2,327.4	2,452.4	2,573.3	2,653.8	2,753.4
1.4 GDP per capita-current prices (USD)	USD	1,044.2	1,083.2	1,126.5	1,156.8	1,198.3
1.5 Annual change in consumer price index (Inflation)	Percent	5.3	3.5	3.4	3.3	3.7
1.6 Saving to GNDI ratio <sup>f</sup>	Percent	17.5	18.3	18.8	17.5	n.a
<b>Money, credit and interest rates</b>						
2.1 Annual change in extended broad money supply (M3)	Percent	8.0	4.5	9.6	5.7	15.5
2.2 Annual change in broad money supply (M2)	Percent	10.4	3.8	11.8	8.2	17.6
2.3 Annual change in narrow money supply (M1)	Percent	10.6	5.1	13.7	7.5	23.1
2.4 Annual change in reserve money (M0)	Percent	1.5	0.6	6.8	-4.0	17.3
2.5 Annual change in credit to the private sector	Percent	1.7	4.9	11.1	3.1	10.0
2.6 Total credit to GDP ratio <sup>1</sup>	Percent	17.0	17.2	16.9	17.6	20.2
2.7 Non-government sector credit to GDP ratio <sup>1</sup>	Percent	14.2	13.7	14.1	13.7	15.0
2.8 Ratio of credit to non-government sector to total credit	Percent	83.8	79.8	83.5	77.7	74.4
2.9 12-Months deposit rate <sup>2</sup>	Percent	11.7	8.8	8.8	8.3	8.3
2.10 Overall treasury bill rate <sup>2</sup>	Percent	11.1	6.4	7.7	4.4	4.8
2.11 Long-term lending rate (3-5 years) <sup>2</sup>	Percent	17.9	17.4	16.6	16.2	16.0
<b>Balance of payments</b>						
3.1 Exports of goods (f.o.b)	Mill. USD	4,510.8	4,292.7	5,377.6	6,371.7	6,755.6
3.2 Imports of goods (f.o.b)	Mill. USD	-7,551.7	-8,298.6	-8,793.1	-7,656.7	-10,018.7
3.3 Trade balance	Mill. USD	-3,041.0	-4,005.9	-3,415.5	-1,285.0	-3,263.1
3.4 Current account balance	Mill. USD	-1,827.1	-2,050.2	-1,490.9	-994.8	-2,089.4
3.5 Overall balance	Mill. USD	1,669.6	-784.0	587.0	-764.9	1,852.1
3.6 Gross official reserves	Mill. USD	5,900.3	5,044.6	5,567.6	4,767.7	6,386.0
3.7 Reserves months of imports (of goods and services) (excluding FDI related imports)	Months	6.6	4.9	6.4	5.6	6.6
3.8 Exchange rate:						
Annual average	TZS/USD	2,228.9	2,263.8	2,288.2	2,294.1	2,297.8
End of period	TZS/USD	2,230.1	2,281.2	2,287.9	2,298.5	2,297.6
		2017/18	2018/19	2019/20	2020/21 <sup>f</sup>	2021/22 <sup>p</sup>
<b>Public finance</b>						
4.1 Current revenue to GDP ratio <sup>1</sup>	Percent	14.6	13.9	14.7	13.3	n.a
4.2 Grants to GDP ratio <sup>1</sup>	Percent	0.8	0.7	0.6	0.4	n.a
4.3 Current expenditure to GDP ratio <sup>1</sup>	Percent	10.5	10.4	9.9	9.6	n.a
4.4 Development expenditure to GDP ratio <sup>1</sup>	Percent	6.2	6.4	6.5	7.5	n.a
4.5 Budget balance to GDP ratio (excluding grants) <sup>1</sup>	Percent	-2.1	-2.9	-1.7	-3.9	n.a
4.5 Overall Budget balance to GDP ratio <sup>1,3</sup>	Percent	-1.7	-2.5	-2.0	-3.9	n.a
Total external debt stock	Mill. USD	20,503.0	21,920.9	22,952.7	25,537.5	n.a
5.1 Disbursed debt	Mill. USD	18,765.1	20,029.3	20,958.4	23,269.1	n.a
5.2 Interest Arrears	Mill. USD	1,737.9	1,891.7	1,994.3	2,268.4	n.a

Source: Ministry of Finance and Planning; Bank of Tanzania; and Tanzania Revenue Authority

Note: <sup>1</sup> Calculated on the basis of GDP at current market prices; <sup>2</sup> annual average; <sup>3</sup> includes grants, expenditure float, adjustment to cash and other items (net); GDP denotes gross domestic product; GNDI, gross national disposable income; r, revised data; p, provisional data and n.a, not available

The National Bureau of Statistics has revised national account statistics using 2015 as the base year



**Table A2: Central Government Operations (Cheques Issued) – Tanzania Mainland**

	Million of TZS				
	Budget	Julv 2021 - May 2022		May 2022	
	2021/22	Estimate	Actual	Estimate	Actual
Total revenue (including LGAs)	25,525,371.1	23,323,727	21,849,435	1,904,702	1,863,091
Central government revenue	24,661,513.1	22,534,045	21,033,120	1,839,114	1,805,789
Tax revenue	20,288,207.7	18,387,226	17,955,680	1,518,434	1,484,980
Taxes on imports	7,787,567.1	7,103,847	7,164,440	697,467	664,133
Sales/VAT and excise on local goods	4,415,818.9	4,114,797	3,171,265	314,709	323,915
Income taxes	6,866,152.4	6,038,848	6,517,416	421,299	401,828
Other taxes	1,218,669.2	1,129,735	1,102,559	84,958	95,104
Non- tax revenue	4,373,305.5	4,146,819	3,077,440	320,680	320,809
LGA own sources	863,858.0	789,682	816,315	65,588	57,302
Total expenditure <sup>1</sup>	31,778,875.5	29,770,475	28,292,238	2,072,912	2,189,011
Recurrent expenditure	17,474,024.5	16,053,696	14,693,699	1,379,749	1,338,519
Wages and salaries	8,150,509.0	7,471,473	7,407,223	679,036	679,755
Interest payments	2,676,728.9	2,522,977	2,527,317	126,883	237,356
Domestic	1,796,994.3	1,722,871	1,810,692	74,123	93,563
Foreign	879,734.6	800,105	716,624	52,760	143,793
Other goods, services and transfers	6,646,786.6	6,059,246	4,759,159	573,830	421,408
Development expenditure and net lending	14,304,851.1	13,716,779	13,598,539	693,163	850,492
Local	11,360,874.9	11,040,589	10,732,908	405,572	724,629
Foreign	2,943,976.1	2,676,191	2,865,631	287,591	125,863
Balance before grants	-6,253,504.4	-6,446,748	-6,442,803	-168,210	-325,920
Grants	1,138,076.3	1,104,831	596,024	34,308	775
Program	0.0	0	52,186	0	0
Project	915,506.3	886,847	457,870	34,308	436
Basket funds	222,570.0	217,984	85,967	0	339
Balance (cheques issued) after grants	-5,115,428.1	-5,341,917	-5,846,780	-133,902	-325,145
Expenditure float	0.0	0	-2	0	0
Adjustments to cash and other items (net)	166,329.2	0	595,135	0	52,231
Overall balance	-4,949,098.9	-5,341,917	-5,251,647	-133,902	-272,914
Financing	4,949,098.9	5,341,917	5,251,647	133,902	272,914
Foreign financing (net)	3,110,302.7	2,961,943	2,907,828	162,811	-195,784
Loans	6,161,657.0	5,626,717	5,253,622	551,907	125,089
Program loans	1,310,650.2	1,310,650	1,310,650	0	0
Development project loans	4,803,218.0	4,268,278	3,936,211	551,907	125,089
o/w: Non-concessional borrowing	3,045,106.9	2,744,707	1,809,494	298,624	0
Basket support	47,788.8	47,789	6,760	0	0
Amortization	-3,051,354.3	-2,664,774	-2,345,793	-389,096	-320,872
Domestic (net) <sup>2</sup>	1,838,796.2	2,379,974	2,343,818	-28,910	468,698
Bank and non-bank financing	1,838,796.2	2,379,974	2,343,818	-28,910	468,698
Bank borrowing	1,638,796.2	2,121,111	1,460,064	-25,765	310,725
Non-bank (net of amortization)	200,000.1	258,862	883,754	-3,144	157,973
Borrowing/roll-over	3,150,336.7	2,905,258	2,579,532	245,079	86,006
Domestic and contingent debt amortization	-3,150,336.7	-2,905,258	-2,579,532	-245,079	-86,006

Source: Ministry of Finance and Planning

Note: <sup>1</sup> Exclude amortization and expenditure float, includes road fund and retention expenditure

<sup>2</sup> Positive value means financing and a negative value means repayment/ build up of deposits

LGA stands for Local Government Authority; VAT, value added tax

NDF, net domestic financing; and o/w, of which



**Table A3: Depository Corporations Survey**

Items	Billions of TZS												
	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
Net foreign assets	11,778.3	12,144.6	12,757.9	12,751.4	14,129.9	13,754.6	12,715.9	13,966.0	13,201.8	12,683.2	11,815.8	10,908.5	10,542.3
Bank of Tanzania	11,312.0	11,700.7	12,367.1	11,940.4	13,960.7	13,424.5	13,058.5	13,219.1	12,979.8	12,145.2	11,578.5	11,342.6	10,748.0
Other depository corporations	466.3	443.9	390.8	811.0	169.2	330.1	-342.6	746.8	222.0	538.1	237.3	-434.1	-205.7
Net domestic assets	19,547.5	21,189.2	19,810.3	20,222.6	19,036.6	19,986.8	21,311.5	20,592.1	21,193.8	22,181.4	21,935.8	23,179.4	23,644.2
Domestic claims	26,895.3	28,214.7	27,408.5	28,011.1	26,973.8	28,121.3	29,680.7	30,030.5	30,081.5	31,318.5	31,447.3	32,185.1	32,880.4
Claims on central government (net)	6,187.3	7,613.2	6,675.9	7,041.5	5,846.4	6,719.7	7,700.7	7,686.4	7,718.7	8,495.3	8,222.2	8,762.6	9,073.3
Claims on central government	13,663.0	12,670.5	12,509.0	12,993.6	13,321.4	14,215.4	14,614.1	14,775.4	14,820.5	15,850.4	15,978.5	16,275.0	17,405.2
Liabilities to central government	7,475.7	5,057.3	5,833.1	5,952.1	7,475.0	7,495.7	6,913.4	7,089.0	7,101.7	7,355.1	7,756.2	7,512.4	8,331.9
Claims on non-government sector	20,708.0	20,601.5	20,732.6	20,969.6	21,127.4	21,401.6	21,980.0	22,344.1	22,362.7	22,823.2	23,225.1	23,422.5	23,807.1
Other items (net)	-7,347.8	-7,025.5	-7,598.2	-7,788.5	-7,937.2	-8,134.5	-8,369.1	-9,438.4	-8,887.7	-9,137.0	-9,511.5	-9,005.7	-9,236.3
Broad money liabilities	31,325.9	33,333.8	32,568.2	32,974.0	33,166.6	33,741.5	34,027.5	34,558.0	34,395.6	34,864.7	33,751.6	34,087.8	34,186.5
Currency outside depository corporations	4,404.5	4,700.5	4,811.7	4,945.0	4,963.9	5,034.0	4,996.5	5,012.0	4,798.6	4,727.3	4,769.0	4,913.3	4,980.5
Transferable deposits	15,553.3	16,793.2	16,120.4	16,318.0	16,453.6	16,559.3	16,879.9	17,421.4	17,483.2	17,622.6	16,312.5	16,408.7	16,157.1
Non-transferable (other) deposits	11,368.1	11,840.2	11,636.1	11,711.0	11,749.1	12,148.2	12,151.1	12,124.7	12,113.8	12,514.8	12,670.1	12,765.8	13,048.9
Memorandum Items:													
Monetary aggregates													
Reserve money (M0)	7,477.5	8,568.2	7,990.1	7,785.7	8,110.0	8,189.2	8,398.7	8,407.3	8,286.2	8,320.9	8,382.3	8,684.2	8,550.2
Extended broad money (M3)	31,325.9	33,333.8	32,568.2	32,974.0	33,166.6	33,741.5	34,027.5	34,558.0	34,395.6	34,864.7	33,751.6	34,087.8	34,186.5
Deposits in foreign Currency (FCD)	7,479.7	7,678.4	7,255.6	7,474.0	7,532.5	7,371.7	7,192.9	7,469.7	7,333.4	7,353.2	7,247.0	7,226.4	7,581.2
FCD in millions of USD	3,254.0	3,339.9	3,155.7	3,250.2	3,279.4	3,214.2	3,136.3	3,251.1	3,191.0	3,199.4	3,152.9	3,143.4	3,295.0
Broad money (M2)	23,846.2	25,655.4	25,312.6	25,500.0	25,634.1	26,369.8	26,834.6	27,088.4	27,062.2	27,511.5	26,504.6	26,861.5	26,605.3
Other deposits in national currency (i.e. savinas and time deposits)	8,737.9	8,945.5	8,940.1	8,964.4	9,036.8	9,378.6	9,424.7	9,462.8	9,410.7	9,782.4	9,918.8	10,017.9	10,151.7
Narrow money (M1)	15,108.3	16,710.0	16,372.5	16,535.6	16,597.3	16,991.2	17,409.9	17,625.5	17,651.5	17,729.1	16,585.7	16,843.6	16,453.6
Currency in circulation	4,404.5	4,700.5	4,811.7	4,945.0	4,963.9	5,034.0	4,996.5	5,012.0	4,798.6	4,727.3	4,769.0	4,913.3	4,980.5
Transferable deposits in national currency	10,703.7	12,009.5	11,560.8	11,590.6	11,633.4	11,957.1	12,413.4	12,613.5	12,852.9	13,001.8	11,816.7	11,930.3	11,473.1

Note: P = Provisional

Source: Bank of Tanzania



**Table A4: Interest Rates Structure**

Items	2021								2022					Percent
	May	June	July	August	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May <sup>p</sup>	
<b>A: Domestic currency</b>														
<b>1. Interbank cash market rates</b>														
Overnight	3.71	3.90	4.05	3.88	3.63	3.73	3.72	4.07	4.03	3.43	1.99	1.65	1.72	
2 to 7 days	4.47	4.56	4.47	4.43	4.23	4.35	4.48	4.52	4.56	4.54	4.39	4.33	4.64	
8 to 14 days	4.87	4.70	4.90	4.65	4.44	4.57	4.73	4.75	4.68	4.68	4.36	4.61	4.79	
15 to 30 days	4.51	4.67	5.00	4.31	4.69	4.07	4.39	4.40	4.29	4.66	4.34	4.21	4.37	
31 to 60 days	4.56	4.45	4.25	4.50	4.57	4.93	5.07	4.44	5.72	5.22	4.81	3.91	4.25	
61 to 90 days	6.00	6.00	7.20	7.20	6.00	6.00	6.00	8.20	6.60	6.72	6.50	6.55	6.50	
91 to 180 days	5.29	5.57	6.65	6.05	7.18	6.49	6.50	6.50	8.00	8.00	6.48	6.50	7.35	
181 and above	8.54	8.75	7.90	12.50	8.33	8.00	8.75	11.33	8.00	8.00	8.00	11.00	10.00	
Overall interbank cash market rate	4.57	4.59	4.56	4.43	4.24	4.38	4.54	4.54	4.61	4.58	4.07	4.08	4.35	
<b>2. Lombard rate</b>														
5.56 5.85 6.08 5.81 5.44 5.60 5.58 6.10 6.05 5.15 2.99 2.47 2.59														
<b>3. REPO rate</b>														
4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50														
<b>4. Reverse REPO rate</b>														
6.32 5.33 6.46 5.06 4.31 4.56 6.25 5.87 5.37 6.29 6.29 6.29 6.29														
<b>5. Treasury bills rates</b>														
35 days	2.93	2.93	2.93	2.93	2.93	2.43	2.43	2.43	2.47	2.51	2.50	2.43	2.30	
91 days	3.30	3.30	3.00	2.02	2.02	2.66	2.66	2.88	2.94	2.86	2.63	2.72	2.55	
182 days	3.72	3.57	3.35	3.18	3.05	3.04	3.04	3.37	3.56	3.56	3.44	3.36	2.24	
364 days	5.96	5.03	4.01	3.84	3.66	4.00	4.24	4.84	5.06	4.88	4.28	3.41	3.73	
Overall treasury bills rate	5.90	4.90	3.98	3.80	3.62	3.91	4.23	4.82	5.00	4.78	4.17	3.37	3.68	
<b>6. Treasury bonds rates</b>														
2-years	7.89	7.89	7.55	7.55	7.55	7.55	7.65	7.65	7.65	7.65	4.40	4.40	4.40	
5-years	9.10	9.10	9.10	9.10	9.37	9.37	9.37	9.37	9.08	9.08	9.08	9.08	8.94	
7-years	10.14	10.14	10.14	10.10	10.10	10.10	10.10	9.89	9.89	9.89	9.89	9.33	9.33	
10-years	11.60	11.60	11.60	11.60	11.70	11.70	11.70	11.25	11.25	11.25	11.25	10.34	10.34	
15-years	13.60	13.61	13.61	13.61	13.53	13.57	13.57	13.57	13.57	11.97	11.97	11.97	11.97	
20-years	15.41	15.41	15.41	15.41	15.41	15.41	14.75	14.75	14.75	11.98	11.98	11.60	11.60	
25-years	16.34	16.34	16.34	16.34	16.34	15.49	15.49	15.49	13.82	13.82	13.82	11.71	12.36	
<b>7. Discount rate</b>														
5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00														
<b>8. Savings deposit rate</b>														
2.15 2.16 1.55 1.55 1.55 1.56 1.61 1.60 1.61 1.59 1.56 1.41 1.42														
<b>9. Overall time deposits rate</b>														
1 month	6.89	7.05	7.35	6.64	6.60	6.29	6.80	6.79	6.79	7.02	7.02	6.81	6.69	
2 months	7.35	7.16	7.97	7.12	6.36	7.57	6.80	7.06	6.86	6.32	7.03	6.75	6.00	
3 months	7.20	7.98	7.86	6.81	7.48	6.70	7.18	7.04	6.62	7.56	7.90	6.37	6.56	
6 months	7.39	7.32	7.48	6.88	6.57	6.73	7.11	6.59	7.00	7.57	6.22	6.78	6.96	
12 months	8.17	8.26	8.06	7.00	7.27	7.33	7.70	7.50	7.56	7.42	7.68	7.63	7.66	
24 months	8.75	8.69	9.12	7.86	7.72	7.13	7.63	7.87	7.87	8.39	8.37	8.28	8.03	
<b>10. Negotiated deposit rate</b>														
9.23 9.37 9.17 9.66 9.59 9.71 9.78 9.82 9.92 9.74 9.68 9.73 9.63														
<b>11. Overall lending rate</b>														
Short-term (up to 1 year)	16.61	16.69	16.57	16.75	16.55	16.65	16.40	16.37	16.30	16.29	16.25	16.31	16.25	
Medium-term (1-2 years)	16.14	16.76	16.81	16.89	16.69	16.75	16.83	16.60	16.70	16.59	16.68	17.14	16.61	
Medium-term (2-3 years)	18.30	17.98	17.70	17.95	17.92	18.01	17.59	17.49	17.58	17.46	17.42	17.34	17.47	
Long-term (3-5 years)	16.69	16.78	16.76	16.85	16.54	16.84	16.50	16.58	16.25	16.54	16.37	16.40	16.28	
Term Loans (over 5 years)	16.10	16.04	16.01	16.11	15.95	16.01	15.74	15.84	15.79	15.84	15.74	15.66	15.90	
<b>12. Negotiated lending rate</b>														
15.82 15.91 15.59 15.96 15.66 15.63 15.34 15.32 15.20 15.02 15.03 15.02 14.99														
<b>13. Negotiated lending rate</b>														
13.64 13.98 13.83 14.44 14.07 13.65 13.66 14.06 13.68 13.99 13.80 14.12 14.40														
<b>B: Foreign currency</b>														
<b>1. Deposits rates</b>														
Savings deposits rate	0.40	0.38	0.38	0.35	0.33	0.31	0.34	0.34	0.33	0.29	0.37	0.26	0.36	
Overall time deposits rate	3.42	3.27	3.06	3.15	3.23	3.24	3.21	4.21	3.48	3.32	3.22	3.38	3.22	
1-months	4.45	3.09	3.04	3.06	3.05	3.34	3.12	2.34	3.59	2.31	1.42	2.22	2.25	
2-months	3.43	3.98	3.31	3.61	3.82	3.05	2.33	4.06	3.24	3.57	3.46	4.03	3.42	
3-months	2.99	3.18	2.08	2.21	2.41	2.59	3.40	3.99	3.27	3.47	4.02	3.31	3.82	
6-months	3.10	3.00	3.27	3.45	3.50	3.46	3.44	5.83	3.78	3.93	3.92	3.91	3.34	
12-months deposit rate	3.14	3.10	3.58	3.40	3.37	3.76	3.79	4.82	3.53	3.35	3.27	3.40	3.25	
<b>2. Overall lending rate</b>														
Short-term (up to 1 year)	8.19	8.22	8.19	8.17	8.18	8.15	8.23	8.22	8.17	8.08	8.20	8.19	8.14	
Medium-term (1-2 years)	8.63	8.78	8.73	8.62	8.64	8.65	8.88	8.90	8.62	8.17	8.70	8.66	8.42	
Medium-term (2-3 years)	8.82	8.82	8.72	8.72	8.78	8.78	8.78	8.73	8.74	8.74	8.82	8.82	8.82	
Long-term (3-5 years)	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.06	
Term loans (over 5 years)	8.88	8.88	8.88	8.88	8.86	8.72	8.88	8.88	8.88	8.87	8.88	8.87	8.87	
Term loans (over 5 years)	7.55	7.55	7.55	7.55	7.55	7.55	7.54	7.54	7.54	7.54	7.55	7.55	7.55	

Note: p denotes Provisional data.

Commercial bank rates have been revised from November 2012 backwards  
Source: Bank of Tanzania



**Table A5: Tanzania Balance of Payments**

	Millions of USD				
Item	2017 <sup>r</sup>	2018 <sup>r</sup>	2019 <sup>r</sup>	2020 <sup>r</sup>	2021 <sup>p</sup>
<b>A. Current Account</b>	-1,485.5	-2,308.7	-1,340.2	-1,459.9	-2,465.8
Goods: exports f.o.b.	4,510.8	4,292.7	5,377.6	6,371.7	6,755.6
Traditional	1,021.8	667.5	817.7	808.1	627.9
Nontraditional	3,078.9	3,234.9	4,186.0	5,253.3	5,763.0
o/w Gold	1,541.1	1,541.9	2,215.1	2,957.5	2,743.1
Unrecorded trade	410.1	390.2	373.8	310.4	364.8
Goods: imports f.o.b.	-7,293.0	-8,519.7	-8,615.2	-7,831.7	-10,003.4
<b>Balance on Goods</b>	-2,782.3	-4,227.0	-3,237.6	-1,460.0	-3,247.7
Services: credit	3,831.9	4,014.7	4,281.0	2,183.8	3,152.3
Transport	1,137.4	1,222.1	1,350.1	1,281.7	1,415.7
Travel	2,250.3	2,449.4	2,604.5	714.5	1,402.5
Other	444.2	343.2	326.4	187.5	334.1
Services: debit	-2,001.4	-1,925.7	-1,788.4	-1,319.0	-1,717.7
Transport	-757.2	-609.5	-683.5	-607.0	-810.4
Travel	-807.3	-738.1	-651.1	-203.8	-238.9
Other	-436.9	-578.2	-453.9	-508.2	-668.3
<b>Balance on Services</b>	1,830.5	2,088.9	2,492.5	864.7	1,434.7
<b>Balance on Goods and Services</b>	-951.8	-2,138.0	-745.0	-595.2	-1,813.0
Primary Income: credit	125.3	155.9	212.4	111.2	103.2
o/w Investment income	86.1	108.5	150.4	97.7	80.2
Compensation of employees	39.3	47.4	62.1	13.5	23.0
Primary Income: debit	-1,061.0	-795.2	-1,226.2	-1,375.7	-1,321.3
o/w Direct investment income	-700.0	-439.0	-766.3	-913.3	-938.7
Interest payments	-306.1	-302.1	-398.3	-383.7	-295.5
Compensation of employees	-45.0	-37.6	-37.9	-34.9	-35.8
<b>Balance on Primary Income</b>	-935.7	-639.2	-1,013.7	-1,264.5	-1,218.0
<b>Balance on Goods, Services and Primary Income</b>	-1,887.4	-2,777.3	-1,758.7	-1,859.8	-3,031.1
Secondary Income: credit	485.2	535.8	474.9	452.6	650.7
Government	121.8	170.3	103.5	139.9	104.4
Financial corporations, nonfinancial corporations, households and NPISHs	363.4	365.5	371.4	312.7	546.3
o/w Personal transfers	363.4	365.5	371.4	312.7	546.3
Secondary Income: debit	-83.2	-67.3	-56.4	-52.7	-85.4
<b>Balance on Secondary Income</b>	402.0	468.5	418.5	399.9	565.3
<b>B. Capital Account</b>	376.8	464.1	481.2	385.8	417.9
Capital transfers credit	376.8	464.1	481.2	385.8	417.9
General Government	313.6	400.3	416.8	311.9	352.6
Other Capital Transfer (Investment grant)	287.8	394.3	416.8	297.6	341.2
Debt forgiveness (including MDRI)	25.8	6.0	0.0	14.3	11.4
Financial corporations, nonfinancial corporations, households and NPISHs	63.2	63.8	64.4	73.9	65.3
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0
<b>Total, Groups A plus B</b>	-1,108.7	-1,844.7	-859.0	-1,074.1	-2,048.0
<b>C. Financial Account, excl. reserves and related items</b>	2,147.7	1,621.2	2,505.8	884.0	2,965.0
<b>Direct Investments</b>	-937.7	-971.6	-1,217.2	-943.8	-1,032.9
Direct investment abroad	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	937.7	971.6	1,217.2	943.8	1,032.9
Portfolio investment	2.9	-3.7	36.8	-2.1	-7.7
Other investment	1,207.0	653.3	1,251.8	-57.7	1,939.8
Assets	117.8	-149.8	-31.8	-24.4	-55.7
Loans (Deposit-taking corporations, except the central bank)	34.5	-35.2	-60.8	-167.3	71.6
Currency and deposits	83.4	-114.5	34.9	145.2	-126.9
Deposit-taking corporations, except the central bank	4.9	-206.9	-32.4	-34.0	-197.9
Other sectors	78.5	92.4	67.3	179.2	71.0
Other assets	-0.1	0.0	-5.9	-2.3	-0.3
Liabilities	1,089.2	803.1	1,283.6	-33.3	1,995.5
Trade credits	9.7	21.4	-8.9	10.1	-1.7
Loans	1,096.6	744.2	1,317.3	-15.3	1,988.7
Monetary Authority	0.0	0.0	0.0	0.0	543.0
SDR allocation	0.0	0.0	0.0	0.0	543.0
General government	699.7	408.5	1,323.4	-75.0	1,771.5
Drawings	1,094.7	1,115.0	2,087.4	911.1	2,762.7
Repayments	-395.0	-706.5	-764.0	-986.1	-991.3
o/w Debt forgiveness	-25.8	-6.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	176.1	-32.2	88.2	37.2	-10.7
Other sectors	220.8	367.9	-94.3	22.4	227.9
Drawings	318.9	467.6	365.2	281.8	387.1
Repayments	-98.1	-99.7	-459.5	-259.4	-159.2
Currency and deposits	-17.1	37.6	-24.7	-28.1	8.5
<b>Total, Groups A through C</b>	1,038.9	-223.5	1,646.8	-190.1	917.0
<b>D. Net Errors and Omissions</b>	630.7	-560.6	-1,059.8	-574.8	935.1
<b>Overall balance (Total, Groups A through D)</b>	1,669.6	-784.0	587.0	-764.9	1,852.1
<b>E. Reserves and Related Items</b>	-1,669.6	784.0	-587.0	764.9	-1,852.1
Reserve assets	-1,598.7	871.9	-525.0	790.1	-1,840.2
<b>Use of Fund credit and loans</b>	-70.9	-87.9	-62.0	-25.2	-11.9
<b>Memorandum items</b>					
GDP(mp) billions of TZS	118,744.5	129,043.9	139,641.9	151,166.4	161,525.8
GDP(mp) millions of USD	53,275.9	57,003.7	61,026.7	65,892.2	70,298.0
CAB/GDP	-2.8	-4.1	-2.2	-2.2	-3.5
Gross Official Reserves	5,900.3	5,044.6	5,567.6	4,767.7	6,386.0
Months of Imports(Excluding FDI related imports)	6.8	5.8	7.3	4.9	5.4
Exchange rate (end of period)	2,230.1	2,281.2	2,287.9	2,298.5	2,297.6
<b>Exchange rate (annual average)</b>	2,228.9	2,263.8	2,288.2	2,294.1	2,297.7

Source: Bank of Tanzania, International Economics Department

r = Revised

p = Provisional

O/W = Of Which



Table A6(i): Consumer Price Index (Urban and Rural), Twelve-Month Percentage Change (Main Groups), New Series

Base: Dec. 2020=100

Weight (%)	Headline	Food and non-alcoholic beverages	Alcoholic beverages and tobacco	Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishings, household equipment and routine household maintenance	Health	Transport	Information and communication	Recreation, sport and culture	Education services	Restaurants and accommodation services	Insurance and financial services	Personal care, social protection and miscellaneous goods and services
2021 - Jan	3.5	2.8	1.8	3.7	7.3	3.1	2.2	0.9	2.4	1.6	0.9	3.0	0.1	2.1
Feb	3.3	3.6	2.0	4.0	4.4	3.2	2.8	1.0	2.0	2.1	1.1	4.1	0.3	2.4
Mar	3.2	4.3	1.9	4.5	3.7	3.2	2.9	0.5	2.1	2.2	1.2	4.9	0.3	2.8
Apr	3.3	4.8	2.7	4.6	4.1	3.1	2.7	0.2	1.8	2.3	1.2	5.4	0.3	2.7
May	3.3	4.9	2.5	4.4	3.5	2.8	2.6	1.2	1.7	2.3	1.1	5.4	0.3	2.6
Jun	3.6	4.7	1.9	4.4	3.2	2.9	2.7	3.8	1.9	2.3	1.3	5.6	0.3	2.0
Jul	3.8	5.1	1.9	4.5	3.5	2.9	2.6	4.3	1.8	2.2	1.1	4.9	0.3	2.7
Aug	3.8	3.6	2.4	4.7	4.2	3.1	2.8	5.7	1.8	2.3	1.1	5.0	0.3	2.8
Sep	4.0	4.0	2.4	4.8	4.1	3.2	2.8	5.9	1.8	4.1	1.1	5.0	0.3	2.8
Oct	4.0	3.9	2.5	4.9	3.8	3.2	2.9	5.6	1.9	3.7	1.1	5.0	0.3	2.9
Nov	4.1	4.4	2.7	5.5	4.0	3.6	3.0	5.4	1.4	3.8	1.1	5.3	0.3	3.5
Dec	4.2	4.9	2.2	4.5	3.9	4.1	2.9	5.9	1.5	3.8	1.1	4.9	0.3	3.5
2022 - Jan	4.0	6.3	1.9	3.1	3.5	3.0	1.9	4.4	1.3	1.9	1.0	3.7	0.3	2.2
Feb	3.7	6.1	1.8	2.8	3.5	3.0	1.3	3.7	1.2	1.4	0.3	2.7	0.2	2.1
Mar	3.6	6.5	1.8	2.4	3.2	2.8	1.3	2.9	1.0	1.1	0.2	2.4	0.2	2.5
Apr	3.8	6.6	1.2	2.3	3.9	2.8	1.3	3.9	0.6	1.0	0.2	2.1	0.2	2.4
May	4.0	5.5	1.2	2.1	4.3	3.3	1.5	7.2	0.7	1.1	0.3	2.0	0.2	2.6

Source: National Bureau of Statistics  
Note: r denotes revised data



**Table A6(ii): Consumer Price Index (Urban and Rural), Twelve-Month  
Percentage Change (Other Selected Groups), New series**

Base: 2020 = 100, since Jan 2021

	Core	Non-Core	Energy, Fuel and Utilities	Services	Goods	Education services and products ancillary to education	All items Less Food and Non- Alcoholic Beverages
Weight (%)	73.9	26.1	5.7	37.2	62.8	4.1	71.8
2021 - Jan	3.8	1.5	1.6	2.9	3.4	2.5	3.8
Feb	3.6	2.1	1.4	2.3	3.7	2.5	3.2
Mar	3.6	2.5	1.1	1.9	4.1	2.7	2.7
Apr	3.5	3.1	2.3	2.1	4.2	3.2	2.7
May	3.7	2.8	2.1	2.3	4.1	3.2	2.7
Jun	4.0	2.7	3.2	3.0	4.1	3.1	3.2
Jul	4.1	3.4	3.6	3.1	4.3	3.3	3.3
Aug	4.5	1.8	5.1	3.7	3.9	3.3	4.0
Sep	4.6	2.3	4.6	4.0	4.0	3.3	4.1
Oct	4.5	2.3	4.2	3.9	4.0	3.1	4.1
Nov	4.7	2.5	3.4	4.0	4.3	3.3	4.0
Dec	4.6	3.4	4.4	3.8	4.5	3.3	3.9
2022-Jan	3.3	6.0	7.3	2.9	4.7	2.3	3.1
Feb	3.0	5.6	5.8	2.4	4.4	2.2	2.7
Mar	2.7	6.1	6.3	1.9	4.5	2.0	2.4
Apr	2.8	6.5	9.9	1.7	5.0	1.4	2.6
May	3.0	6.8	13.5	2.7	4.8	1.5	3.4

Source: National Bureau of Statistics

Note: r denotes revised data



Table A6(iii): Consumer Price Index (Urban and Rural), Month-on-Month Percentage Change (Main Groups), New Series

Base: Dec 2020=100

Weight (%)	Food and non-alcoholic beverages		Alcoholic beverages and tobacco		Clothing and footwear		Housing, water, electricity, gas and other fuels		Furnishings, household equipment and routine household maintenance		Health		Transport		Information and communication		Recreation, sport and culture		Education services		Restaurants and accommodation services		Insurance and financial services		Personal care, social protection and miscellaneous goods and services			
	Headline	28.2	alcoholic beverages	1.9	alcoholic beverages and tobacco	10.8	clothing and footwear	15.1	housing, water, electricity, gas and other fuels	7.9	furnishings, household equipment and routine household maintenance	2.5	health	14.1	transport	5.4	information and communication	1.6	recreation, sport and culture	2.0	education services	6.6	restaurants and accommodation services	2.1	insurance and financial services	2.1	personal care, social protection and miscellaneous goods and services	
2021 - Jan	0.8	-0.4	0.6	0.6	1.9	1.1	1.1	2.2	1.0	1.5	0.2	3.2	0.3	1.6	0.1	0.3	1.6	0.1	0.3	0.3	1.6	0.1	0.1	0.1	0.1	2.2	2.2	
Feb	0.9	1.8	0.2	0.2	0.5	0.6	0.1	0.1	0.7	0.7	0.1	0.5	0.7	1.3	0.1	0.7	1.3	0.2	0.3	0.7	1.3	0.2	0.2	0.3	0.3	0.3	0.3	
Mar	0.9	1.6	0.0	0.0	0.7	1.1	0.3	0.1	1.2	0.2	0.2	0.3	0.1	0.7	0.2	0.1	0.7	0.0	0.1	0.1	0.7	0.0	0.0	0.0	0.1	0.1	0.1	
Apr	0.5	1.2	0.8	0.8	0.0	0.5	0.1	0.0	0.0	0.1	0.4	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	
May	0.3	1.2	-0.1	-0.1	-0.1	-0.5	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.1	0.0	0.0	0.0	0.0	-0.1	0.1	0.1	0.7	0.2	0.1	0.0	0.2	0.2	0.2	0.1	0.0	0.0	0.2	0.2	0.2	0.2	0.2	-0.1	0.2	0.2	0.2	0.2
Jul	0.0	-0.3	0.0	0.0	0.1	0.2	0.1	0.1	0.0	0.2	0.1	0.0	0.2	0.2	0.2	0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2
Aug	-0.5	-2.5	0.5	0.5	0.3	0.5	0.2	0.2	0.1	0.6	0.0	0.1	0.6	0.6	0.6	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2
Sep	-0.1	-0.2	-0.2	-0.2	-0.1	-0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1
Oct	-0.1	-0.1	0.1	0.1	0.0	-0.3	-0.1	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.5	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Nov	0.5	0.8	0.2	0.2	0.6	0.4	0.4	0.4	0.1	0.4	0.3	0.2	0.2	0.1	0.1	0.3	0.2	0.2	0.2	0.0	0.0	0.3	0.3	0.0	0.0	0.3	0.3	0.3
Dec	0.8	1.9	0.0	0.0	0.2	0.4	0.5	0.5	0.0	0.5	0.1	0.0	0.0	1.1	1.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2022-Jan	0.6	1.0	0.3	0.3	0.5	0.7	1.1	1.1	0.1	1.1	0.0	1.3	0.2	0.4	0.1	0.0	0.0	1.3	0.2	0.2	0.4	0.4	0.4	0.0	0.0	0.9	0.9	0.9
Feb	0.6	1.5	0.2	0.2	0.1	0.5	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1
Mar	0.8	1.9	0.0	0.0	0.6	0.8	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.0	0.0	0.5	0.5	0.5
Apr	0.7	1.4	0.2	0.2	-0.1	1.2	0.1	0.1	0.0	0.1	0.0	-0.1	1.0	1.0	1.0	0.0	0.0	-0.1	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0
May	0.5	0.1	0.0	0.0	-0.2	-0.1	0.4	0.4	0.1	0.4	0.1	0.0	3.3	3.3	3.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2

Source: National Bureau of Statistics

Note: r denotes revised data





**Table A6(iv): National Consumer Price Index (Urban and Rural), Month-on-Month Percentage Change (Other Selected Groups), New Series**

Base: 2020 = 100, since Jan 2021

	Core	Non-Core	Energy, Fuel and Utilities	Services	Goods	Education services and products ancillary to education	All items Less Food and Non- Alcoholic Beverages
Weight (%)	73.9	26.1	5.7	37.2	62.8	4.1	71.8
2021 - Jan	1.7	-1.3	-1.7	1.2	0.7	2.1	1.3
Feb	0.5	2.0	1.8	0.6	1.0	0.2	n.a
Mar	0.7	1.8	1.8	0.7	1.1	0.3	0.7
Apr	0.3	1.0	1.1	0.4	0.6	0.6	0.2
May	0.3	0.2	-1.1	0.0	0.4	0.0	-0.1
Jun	0.1	0.0	0.1	0.0	0.1	0.1	0.1
Jul	-0.1	0.2	1.0	0.0	0.0	-0.1	0.1
Aug	0.2	-2.6	1.5	0.2	-0.9	0.0	0.3
Sep	0.0	-0.2	-0.5	0.0	-0.1	0.0	0.0
Oct	-0.1	-0.2	-0.7	0.0	-0.2	-0.2	-0.1
Nov	0.4	0.7	0.0	0.2	0.6	0.2	0.3
Dec	0.4	2.1	1.0	0.3	1.1	0.1	0.4
2022-Jan	0.4	1.2	1.0	0.3	0.9	1.1	0.5
Feb	0.2	1.5	0.4	0.2	0.8	0.1	0.2
Mar	0.3	2.2	2.3	0.2	1.2	0.1	0.4
Apr	0.5	1.4	4.5	0.2	1.0	0.0	0.5
May	0.5	0.5	2.2	0.9	0.3	0	0.7

Source: National Bureau of Statistics





## Glossary

### **Broad money (M2)**

A definition of money that comprises narrow money (M1) plus domestic currency time and savings deposits of residents with banks in the country.

### **Currency in circulation outside banks**

Notes and coins of Tanzanian shillings circulating outside the banking system, i.e., outside the Bank of Tanzania and other depository corporations.

### **Core inflation**

This measures the rate of change in prices of goods and services other than energy, utilities and unprocessed food, over a specified period of time. The unprocessed food items, energy and utilities are excluded since they are volatile and hence may be affected by non-monetary events, which do not constitute the underlying monetary inflation.

### **Disbursed outstanding debt**

This is the amount of debt that has been disbursed but yet to be paid back or forgiven.

### **Discount rate**

The rate of interest that the Bank of Tanzania charges on loans it extends to banks. It uses Treasury bills rate as a base plus a loaded factor, which can be changed from time to time depending on the liquidity situation in the market.

### **Exchange rate**

The price at which one unit of a currency can be purchased with another currency, for instance TZS per US dollar.

### **Extended broad money (M3)**

A definition of money that consists of broad money (M2) plus foreign currency deposits of residents with banks in the country.

### **External debt stock**

The stock of a country's debt that is borrowed from foreign lenders through private commercial banks, foreign governments, or international financial institutions. It is the sum of public, publicly guaranteed,

and private non-guaranteed long-term debt, use of IMF credit, and short-term debt, which includes all debt having an original maturity of one year or less and interest in arrears on long-term debt.

### **Food inflation**

This is a measure of the rate of change of price of food both processed and unprocessed.

### **Gross official reserves**

Gross official reserves consist of external assets that are readily available to, and controlled by the Bank of Tanzania for direct financing of balance of payments, and for indirectly regulating the magnitude of balance of payments imbalances through intervention in foreign exchange markets. Gross official reserves comprise the Bank of Tanzania's holdings of monetary gold, Special Drawing Rights (SDRs), reserve position in the International Monetary Fund, and foreign exchange resources, available to the Bank of Tanzania for meeting external financing needs.

### **Inflation**

The rate at which the average level of prices of a basket of selected goods and services in an economy is increasing over a period of time. It is often expressed as a percentage. Inflation indicates a decrease in the purchasing power of a nation's currency.

### **Interbank cash market**

A money market in which banks extend loans to one another for a specified term of not more than 90 days. Each transaction represents an agreement between the banks to exchange the agreed amounts of currency at the specified rate on a fixed date.

### **Lombard facility**

An overnight facility established to enable banks to borrow from the Bank of Tanzania at their own discretion, by pledging eligible government securities as collateral.



### **Lombard rate**

The rate the Bank of Tanzania charges a bank for borrowing through the use of a Lombard Facility. This rate is computed based on the prevailing weighted average yield of 35-day T-bill, repo or overnight inter-bank rate, whichever is higher in the market plus a margin.

### **Money supply**

The sum of currency circulating outside the banking system and deposits of residents with banks defined in various levels of aggregation. In Tanzania, three aggregates of money supply are compiled and reported, namely; narrow money (M1), broad money (M2), and extended broad money (M3).

### **Non-food inflation**

This is a measure of price movements caused by factors other than food prices.

### **Narrow money (M1)**

Consists of currency in circulation outside banking system plus demand deposits (cheque account) of residents with banks in the country.

### **National debt**

Total national debt obligations that include public debt and private sector external debt.

### **Public debt**

Debt payable or guaranteed by the Government. Tanzania's public debt has two main components, domestic debt (which is incurred principally to finance fiscal deficit) and external debt (which is raised primarily to finance development projects). It comprises the debt central government owes to foreign creditors and external obligations of government departments and agencies that are guaranteed for repayment by the Government).

### **Primary income account**

It comprises income from compensation of employees, interest income, dividends and retained earnings from capital investments, rental income from the use of natural resources and other types of primary income including those that relate to insurance policy holders and pension funds.

### **Secondary income account**

It entails transfers between residents and non-residents that correspond to the provision of a good, service, financial asset, or other non-produced asset with no corresponding return of an item of economic value.

### **Overnight interbank cash market**

The component of the money market involving the shortest-term loan. Lenders agree to lend borrowers funds only "overnight" i.e. the borrower must repay the borrowed funds plus interest at the start of business the next day.

### **Repurchase agreements (repo)**

An arrangement involving sale of securities at a specified price with commitment to repurchase the same or similar securities at a fixed price on a specified future date.

### **Reverse repo**

An arrangement involving buying of securities at a specified price with commitment to resale the same or similar securities at a fixed price on a specified future date.

### **Reserve money (M0)**

The Bank of Tanzania's liabilities in the form of currency in circulation outside the banking system, cash held by banks in their vaults and deposits of banks kept with the Bank of Tanzania in national currency. Reserve money is also referred to as base money, or monetary base or high-powered money.

### **Weighted yields of Treasury bills**

This is the average yield of Treasury bills, which is weighted by the volume sold of 35-day, 91-day, 182-day, and 364-day Treasury bills, expressed in percentage per year.





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