



BANK OF TANZANIA

Monthly Economic Review

October 2009

TABLE OF CONTENTS

1.0 INFLATION DEVELOPMENTS.....	2
FOOD SUPPLY SITUATION.....	4
2.0 MONETARY AND FINANCIAL DEVELOPMENTS.....	5
MONEY SUPPLY AND CREDIT DEVELOPMENTS	5
INTEREST RATE DEVELOPMENTS.....	9
FINANCIAL MARKETS DEVELOPMENTS.....	11
3.0 GOVERNMENT BUDGETARY OPERATIONS	13
REVENUE PERFORMANCE.....	13
GOVERNMENT EXPENDITURE.....	14
4.0 EXTERNAL SECTOR PERFORMANCE	15
BALANCE OF PAYMENTS PERFORMANCE.....	15
EXPORTS PERFORMANCE	16
IMPORTS PERFORMANCE.....	20
WORLD COMMODITY PRICES	24
5.0 NATIONAL DEBT DEVELOPMENTS	26
EXTERNAL DEBT	26
DOMESTIC DEBT.....	28
6.0 ECONOMIC DEVELOPMENTS IN ZANZIBAR.....	31
INFLATION DEVELOPMENTS	31
FISCAL PERFORMANCE	34
DEBT DEVELOPMENTS	38
EXTERNAL SECTOR PERFORMANCE.....	40
<i>STATISTICAL TABLES</i>	45

1.0 Inflation Developments

Month-to-month headline inflation rate increased to 2.2 percent in September 2009 compared to 0.4 percent recorded in August 2009. The increase is explained by rise in both food and non-food inflation. Similarly, the seasonally adjusted month-to-month headline inflation accelerated to 2.1 percent in September 2009 from 1.5 percent in August 2009. Meanwhile, **Annual headline inflation rate** remained at 12.1 percent in September 2009 same as recorded in the preceding month (**Table 1.1 and Chart 1.1**).

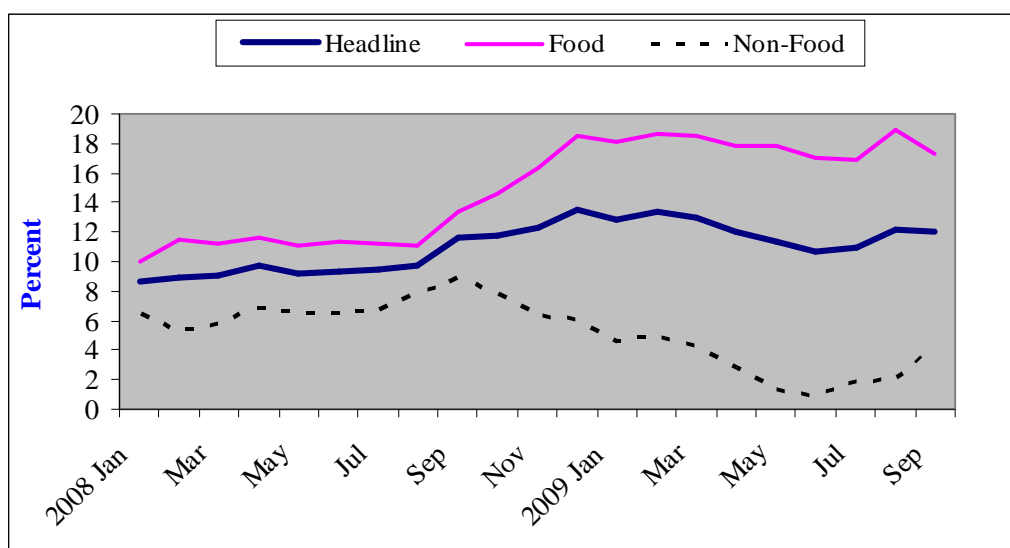
Table 1.1: Annual Percentage Change in Consumer Price Index (All-Urban)

(Base: Dec 2001 = 100)

Major Commodity Group	Weight (%)	2007			2008			2009		
		Jul	Aug	Sep	Jul	Aug	Sep	Jul	Aug	Sep
Headline/Overall	100	9	7.8	8.3	9.5	9.8	11.6	10.9	12.1	12.1
Food	55.9	10.3	9.2	11.4	11.2	11.1	13.4	16.9	18.9	17.3
Non-food	44.1	7.4	6.0	4.1	6.9	7.8	8.9	1.8	2.0	4.0
Transportation	9.7	6.8	6.5	4.3	6.0	9.9	9.7	-1.9	-4.9	-2.0
Fuel, Power and Water	8.5	7.3	4.2	1.4	12	12.7	15	-9.1	-7.2	-0.9
Drinks and Tobacco	6.9	10.8	7.3	6.2	7.9	8.6	8.8	9.9	10.9	11.3
Clothing & Footwear	6.4	5.5	6.4	4.5	1.3	-0.1	2.2	8.5	9.8	8.1
Education	2.6	8.6	8.8	9.2	7.2	7.9	8.3	11.7	10.3	9.5
Furniture & Household Equip.	2.1	7.6	6.9	4.1	5.4	6.9	8.2	6.3	6.5	7.0
H/h Operations Maintenance	2.1	10.7	9.5	6.5	2	1.1	3.4	4.5	6.3	5.2
Personal Care & Health	2.1	4.5	3.5	2.2	4.9	5.9	6.9	7.1	7.5	7
Rents	1.4	1.7	2.1	2.8	3.5	3.1	2.4	12.6	12.6	12.6
Recreation & Entertainment	0.8	10.6	10.8	9.7	4.4	5.2	6.9	9	8.4	9.1
Misc. Goods & Services	1.5	2.0	0.0	-0.8	1.8	1.5	3.4	3.8	5.0	3.1

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

Chart 1.1: Annual Headline, Food and Non-food Inflation



The 3-month moving average annual headline inflation rate rose to 11.7 percent in September 2009 from 11.2 percent in August 2009; also, the 12-month average annual headline inflation increased to 12.2 percent in September 2009 from 8.9 percent recorded in the corresponding period (October 2007 to September 2008).

Month-to-month non-food inflation rate increased to 2.2 percent in September 2009 from 1.0 percent recorded in August 2009 owing to rise in prices of electricity, fuel and charcoal. Likewise, annual non-food inflation increased to 4.0 percent in September 2009 from 2.0 percent in August 2009. The upward movement during the year (past 12 months) is associated with the increase in prices all non-food items except those under Transportation and Fuel, Power and Water subgroups. The 3-month moving average annual non-food inflation rate also increased to 2.6 percent in September 2009 from 1.6 percent recorded in August 2009. On the other hand, the 12-months annual non-food inflation rate averaged 3.9 percent in September 2009 which is lower than 6.5 percent recorded in the corresponding period (October 2007 to September 2008).

Month-to-month food inflation increased to 2.3 percent in September 2009 from 0.1 percent in August 2009, driven mainly by increases in prices of cereals, cassava, sweet potatoes, fruits, fish, cowpeas, sugar, coconut and meals from restaurants. The 3-month moving average annual food inflation increased slightly to 17.7 percent in

September 2009 from 17.6 percent in August 2009; also the 12-months annual food inflation rate was at an average of 17.5 percent in September 2009 compared to 10.4 in the corresponding period (October 2007 to September 2008). However, annual food inflation declined to 17.3 percent in September 2009 from 18.9 percent recorded in August 2009.

Food Supply situation

In September 2009, food situation in the country was unsatisfactory following incidences of food shortages/insecurity in some districts. Subsequent to the food insecurity situation, the Government and private traders purchased some 20,237 tons of maize and 260 tons of sorghum from the National Food Reserve Agency (NFRA) for distribution to deficit areas at subsidized prices or freely to ease food shortages.

On annual basis, wholesale prices for major food crops continued to increase with exception of beans that declined by 7 percent in September 2009 when compared with the similar period a year before (**Table 1.2**). However, on month to month basis, the wholesale prices for the same items increased slightly mainly due to rise in transportation costs.

Table 1.2: National Average Wholesale Prices for Selected Food Items

TZS per 100 kg

Item	2008	2009		Percentage change	
	Sep	Aug	Sep	Sep 08 to Sep-09	Aug -09 to Sep-09
Maize	29,062	35,044	36,791	26.6	5.0
Rice	95,472	98,648	99,425	4.1	0.8
Beans	99,455	88,459	92,476	-7.0	4.5
Sorghum	42,826	46,819	47,233	10.3	0.9
Potatoes	38,959	52,322	52,428	34.6	0.2

Source: Ministry of Industry, Trade and Marketing

The National Food Reserve

The National Food Reserve Agency (NFRA) held a stock of 110,278 tons of maize and sorghum as at end September 2009, which is an increase of 18.3 percent from 93,231 tons recorded in the preceding month (**Table 1.3**). On annual basis the stocks were 7.9 percent higher than the stocks recorded in September 2008 following NFRA

purchases from the domestic market. As at end September 2009, the NFRA purchased 25,752 tons of maize out of the estimated 165,000 tons for 2009/10.

Table 1.3: National Food Reserve Agency (NFRA) Stock

Period						Tons
	2005	2006	2007	2008	2009	% Change 2008-2009
January	119,924	76,813	112,343	139,765	128,919	-7.8
February	116,383	43,593	117,838	133,898	125,430	-6.3
March	114,760	8,055	121,046	119,022	124,252	4.4
April	115,262	3,165	125,509	94,509	122,849	30.0
May	113,823	6,210	128,350	79,369	109,876	38.4
June	112,823	15,560	128,804	76,649	94,699	23.5
July	112,323	13,811	129,306	75,438	88,841	17.8
August	112,067	28,440	125,653	83,131	93,231	12.1
September	111,971	80,248	131,937	102,225	110,278	7.9
October	111,695	87,461	143,717	114,464		
November	106,428	100,828	142,624	122,209		
December	93,051	110,203	142,044	129,253		

Source: National Food Reserve Agency and BOT computation.

2.0 Monetary and Financial Developments

Money Supply and Credit Developments

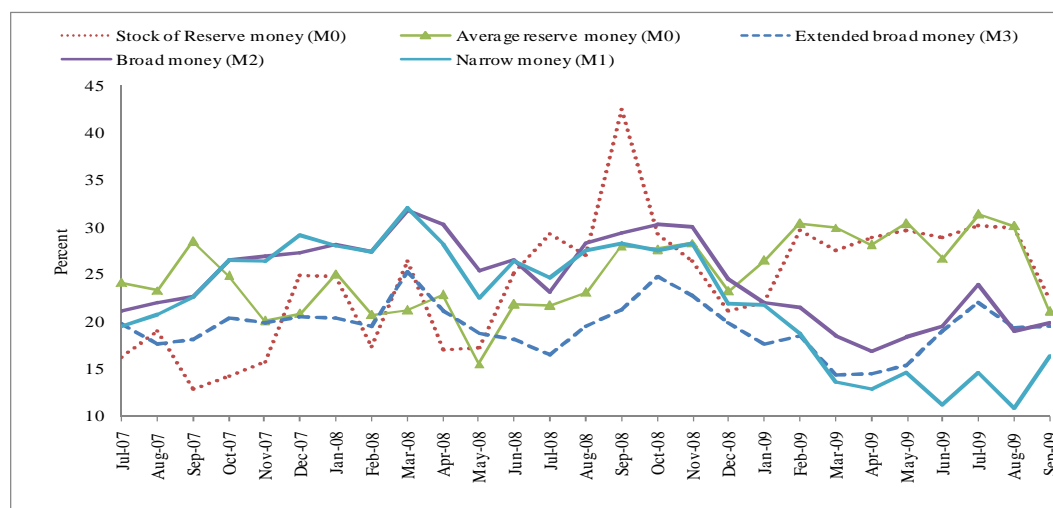
During the year ending September 2009, growth rate of extended broad money supply (M3) was 19.5 percent almost the same as the rate recorded in the preceding month, but lower than 21.2 percent recorded in the year ending September 2008. Meanwhile, the annual growth rate of broad money supply (M2) rose slightly to 19.9 percent in September 2009 from 19.0 percent recorded in the preceding month, but was markedly lower than 29.4 percent recorded in September 2008. The moderate growth rate of monetary aggregates is mainly explained by deceleration in the growth rate of credit (Table 2.1 and Chart 2.1).

Table 2.1: Selected Money Supply Components

	Billions of TZS													
					Monthly Change		Annual Growth							
	Aug-08	Sep-08	Aug-09	Sep-09	Aug-09	Sep-09	Jun-08	Jul-08	Aug-08	Sep-08	Jun-09	Jul-09	Aug-09	Sep-09
Net Foreign Assets of the Banking System	3,441.2	3,559.6	4,717.4	4,864.2	79.7	146.8	4.7	-7.9	-8.5	-10.1	15.7	26.5	37.1	36.7
Bank of Tanzania	2,875.9	3,069.6	3,843.1	3,897.1	50.6	54.1	15.2	-8.2	-9.6	-9.0	11.0	25.6	33.6	27.0
Other Depository Corporations	565.3	490.0	874.4	967.1	29.1	92.7	-29.7	-6.1	-2.4	-16.4	40.8	30.5	54.7	97.4
Net Domestic Assets of the Banking System	3,553.3	3,533.4	3,633.4	3,611.9	9.9	-21.5	39.8	69.3	69.7	86.7	23.0	16.8	2.3	2.2
Domestic Claims	3,899.7	3,783.3	4,494.9	4,744.4	-165.7	249.5	21.1	45.2	44.8	50.0	41.0	28.2	15.3	25.4
Claims on central government (net)	26.3	(26.1)	(277.2)	(80.0)	-244.8	197.2	-162.0	-86.2	-130.8	-92.9	-140.7	82.1	-115.1	207.0
Claims on Central Government	2,052.9	2,123.7	2,555.3	2,656.7	165.9	101.4	-4.8	-11.1	-13.8	-11.0	8.2	14.6	24.5	25.1
Liabilities to Central Government	2,026.6	2,149.7	2,832.5	2,736.7	410.7	-95.8	14.3	-15.0	-17.9	-22.0	-1.6	15.2	39.8	27.3
Claims on Other Sectors	3,873.4	3,809.3	4,772.1	4,824.4	79.1	52.3	38.6	38.8	39.4	31.8	33.2	28.5	23.2	26.6
Extended Broad Money Supply (M3)	6,994.5	7,093.0	8,350.9	8,476.2	89.6	125.3	18.1	16.5	19.5	21.2	19.0	22.0	19.4	19.5
Foreign Currency Deposits (FCD) in National Currency	1,777.3	1,825.8	2,141.7	2,162.7	-14.1	21.0	0.0	1.7	-0.7	2.6	17.5	17.0	20.5	18.5
FCD in millions of US dollar	1,525.9	1,561.9	1,645.1	1,660.1	3.7	15.0	7.4	11.9	8.8	8.0	6.8	3.7	7.8	6.3
Broad Money Supply (M2)	5,217.2	5,267.2	6,209.1	6,313.5	103.7	104.3	26.5	23.2	28.3	29.4	19.5	23.9	19.0	19.9
Other Deposits in National Currency	2,118.2	2,190.9	2,775.0	2,734.7	11.6	-40.3	26.7	21.2	29.4	31.0	31.1	37.4	31.0	24.8
Narrow Money Supply (M1)	3,099.0	3,076.3	3,434.1	3,578.8	92.1	144.6	26.4	24.6	27.5	28.2	11.3	14.6	10.8	16.3
Currency in Circulation	1,366.9	1,449.9	1,543.7	1,519.4	49.5	-24.3	14.3	16.3	18.2	26.1	12.2	13.8	12.9	4.8
Transferable Deposits in National Currency	1,732.1	1,626.4	1,890.5	2,059.4	42.6	168.9	38.3	32.3	36.0	30.1	10.5	15.2	9.1	26.6

Source: Bank of Tanzania

Chart 2.1: Annual Growth Rates of Monetary Aggregates



Source: Bank of Tanzania

Annual growth rate of reserve money decelerated significantly to 22.3 percent during the year ending September 2009 compared with the rate of 29.9 percent recorded in the year ending August 2009 and the rate of 42.4 percent recorded in September 2008. This development was largely explained by good performance of monetary policy instruments, coupled with moderate government expenditure. Consequently, annual growth rate of average reserve money declined to 21.1 percent in September 2009 from 30.1 percent recorded in the preceding month and 28.0 percent in September 2008.

Non-transferable deposits (savings and time deposits) and transferable deposits (demand deposits) were the dominant components of changes in the monetary aggregates during the year ending September 2009. This development is in line with efforts taken by banks in mobilizing deposits, coupled with improved provision of financial services that has increased the use of banking services by the general public. The contribution of currency in circulation to total money supply change decreased significantly in the year ending September 2009 (**Chart 2.2 and Chart 2.3**).

Chart 2.2: Contribution of Components of Money Supply to 12-Month Change in M3

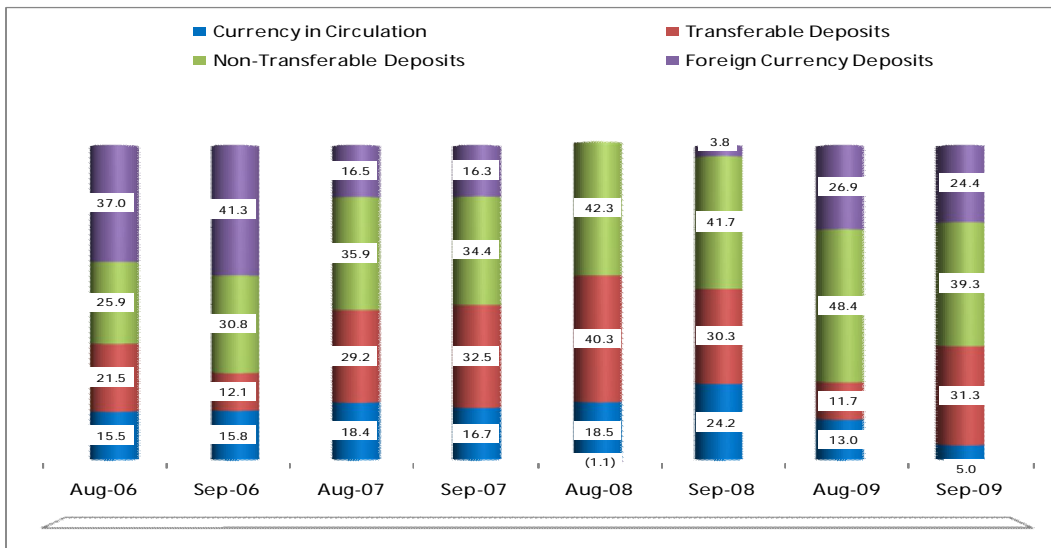
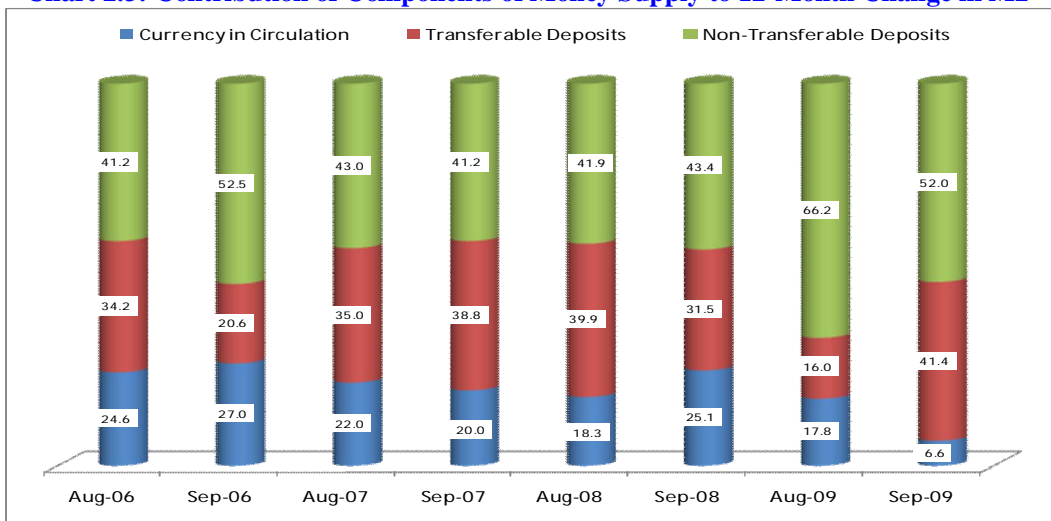
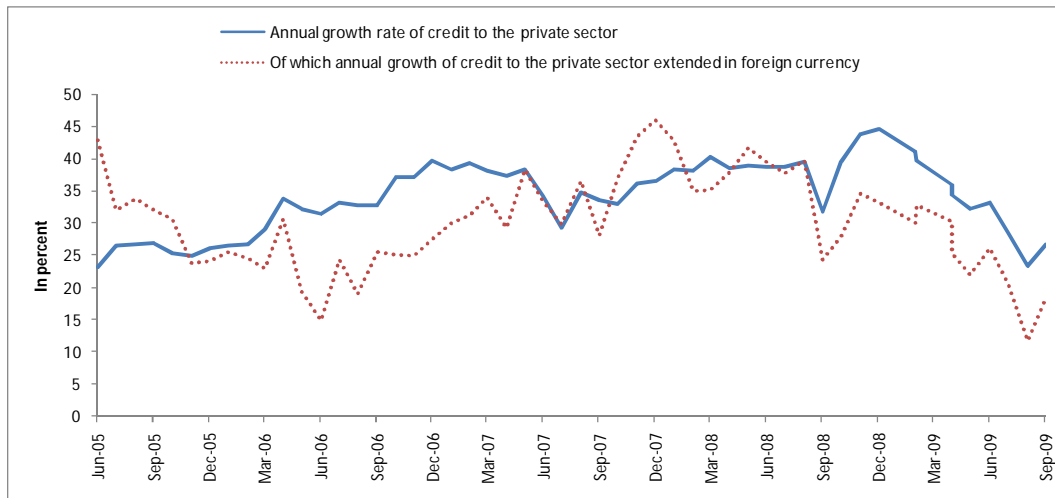


Chart 2.3: Contribution of Components of Money Supply to 12-Month Change in M2



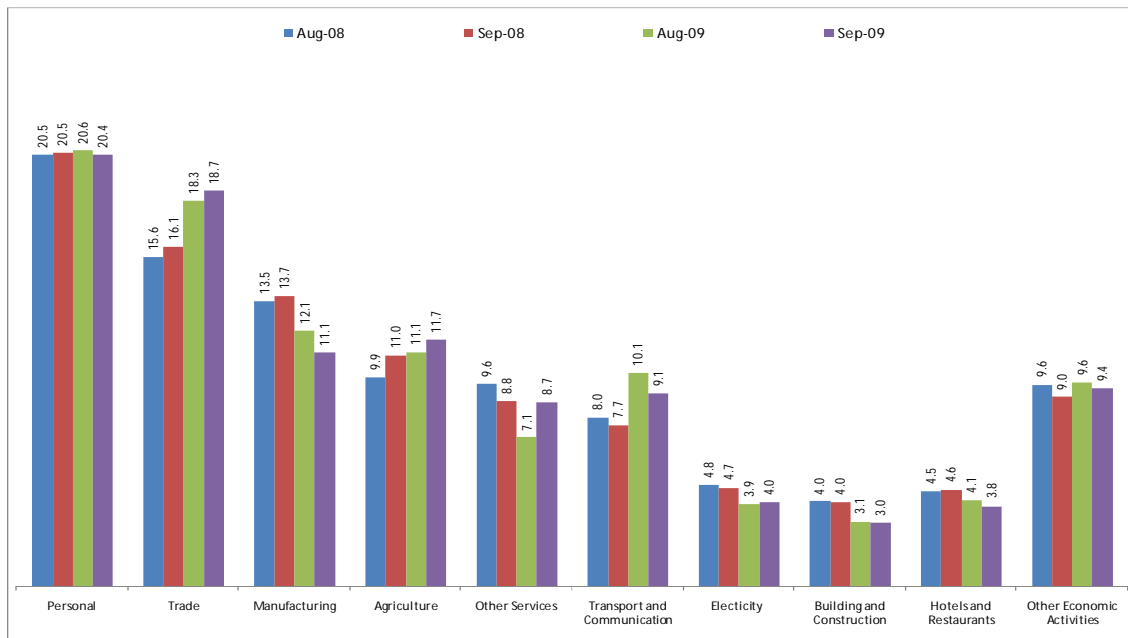
Banks' have continued diversifying their portfolios as they hedge against the perceived credit risk following the global economic and financial crisis. This is vividly observed in the recent increased preference on investing in Treasury securities particularly those with long term maturity despite the continued decline in the yields (Chart 2.4).

Chart 2.4: Pattern of Annual Growth of Credit to the Private Sector by banks



During the year ending September 2009, growth of credit to the private sector was 26.6 percent, being above 23.2 percent recorded in the preceding month but lower than 31.8 percent recorded in the corresponding month in 2008. Notwithstanding the moderation in the growth rate of credit to the private sector, it represented an annual increase of TZS 1,015.1 billion to a stock of TZS 4,824.4 billion in the year ending September 2009, compared with an increase of TZS 920.0 billion in the corresponding period in 2008. During the period under review there was no significant change in the share of outstanding credit to various activities. Personal loans continued to dominate accounting for 20.4 percent. The second largest share was in trade activities followed by manufacturing, agriculture, transport and communications, and other services (Chart 2.5).

Chart 2.5: Outstanding Percentage Share of Banks' Credit to Various Activities



Interest Rate Developments

Weighted average interest rates of short-term money market instruments remained at single digit during September 2009, which is broadly in line with the money market developments. Treasury bills overall weighted average yield reached historical low of 4.52 percent in September 2009, a rate that was lastly recorded in December 2002. This was down from 5.16 percent recorded in the preceding month. The current level of Treasury bill yields are significantly lower compared with 10.17 percent and 9.47 percent recorded in September 2008 and August 2008, respectively ([Table 2.2](#)).

Table 2.2: Weighted Average Interest Rates Structure

	Percent															
	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Overall Interbank cash market rate	3.61	3.61	3.70	4.32	5.45	5.85	6.54	8.41	9.81	10.10	9.58	6.80	5.03	3.86	1.42	1.34
<i>Overnight interbank cash market</i>	3.45	3.49	3.64	4.19	5.23	5.51	6.27	8.31	9.63	9.90	9.29	6.49	4.46	2.44	0.82	1.04
REPO Rate	3.75	3.79	3.76	4.02	4.89	5.32	6.42	7.55	9.09	9.73	8.25	6.10	4.90	2.23	1.21	1.12
Discount Rate	12.84	14.46	14.47	15.17	15.30	15.33	15.99	17.53	17.85	18.33	16.01	13.00	10.31	6.95	4.40	3.70
Overall Treasury bills rate	7.84	9.46	9.47	10.17	10.30	10.33	10.99	12.53	12.85	13.33	11.01	9.27	6.97	5.81	5.16	4.52
<i>35 days</i>	5.03	5.70	5.33	5.78	5.93	6.44	6.88	7.43	7.54	7.62	7.03	6.40	4.81	3.45	2.65	2.07
<i>91 days</i>	5.76	7.93	8.62	10.36	10.39	10.76	11.20	11.60	11.99	12.43	10.55	8.25	5.56	4.14	3.53	2.97
<i>182 days</i>	7.63	8.51	10.11	10.53	10.81	11.00	12.13	13.28	14.64	14.86	12.04	10.20	7.86	6.27	5.46	4.84
<i>364 days</i>	10.00	11.15	11.48	11.56	11.63	11.97	12.79	15.32	14.74	14.99	12.57	10.69	9.11	8.28	7.72	7.79
Savings Deposit Rate	2.79	2.70	2.67	2.67	2.66	2.66	2.74	2.64	2.75	2.72	2.72	2.72	2.69	2.68	2.68	2.66
Treasury Bonds Rates																
<i>2-years</i>	12.87	12.87	12.87	13.20	13.20	14.35	14.35	14.35	14.35	15.28	15.28	15.28	11.51	11.51	11.51	11.51
<i>5-years</i>	14.49	14.49	14.49	14.49	16.39	16.39	16.39	17.32	17.32	17.32	17.32	16.58	16.58	16.58	16.58	13.45
<i>7-years</i>	17.18	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.06	17.06	17.06	17.06	14.14	14.14
<i>10-years</i>	17.09	17.09	19.47	19.47	19.47	19.47	19.47	19.47	19.92	19.92	19.92	19.92	19.92	16.95	16.95	16.95
Overall Time Deposits Rate	6.78	6.74	6.01	6.59	6.40	6.57	6.63	6.78	7.00	7.10	7.08	6.77	6.94	6.87	6.63	6.63
<i>12 month time deposit rate</i>	8.45	8.47	7.76	8.25	8.38	8.95	8.48	8.79	8.59	8.56	8.98	9.41	9.06	9.04	9.02	8.20
Negotiated Deposit Rate	10.62	9.26	9.63	10.27	10.11	10.26	10.23	10.66	10.82	10.99	11.27	11.03	10.13	10.52	10.47	9.29
Overall Lending rate	14.76	15.05	14.83	14.91	14.82	14.30	16.05	14.93	14.95	15.12	15.45	15.39	15.48	15.14	15.12	14.90
<i>Short-term lending rate (up to 1 year)</i>	13.93	13.35	13.86	14.04	13.27	13.57	13.56	13.41	13.45	13.44	13.87	13.68	14.57	13.94	13.77	13.98
Negotiated Lending Rate	13.07	11.15	12.42	12.91	13.60	12.11	12.05	12.42	12.26	13.01	14.03	14.17	14.28	14.26	14.24	13.81
Margin between short-term lending and one-year time deposit rates	5.48	4.88	6.09	5.79	4.89	4.62	5.07	4.61	4.86	4.88	4.90	4.27	5.51	4.89	4.74	5.78

Source: Bank of Tanzania

Likewise, the overall interbank cash market rate registered a low rate of 1.34 percent in September 2009, a rate that was lastly reached in October 2001. Overnight interbank rate rose slightly to 1.04 percent during the month under review from a lowest rate ever recorded in the market of 0.82 percent that was recorded in August 2009. The repo rate edged downwards to 1.12 percent in September from 1.21 percent recorded in August 2009.

As for the rates offered by banks, overall time deposits rate reached at 6.63 percent in September 2009, an increase from 6.59 percent recorded in September 2008. Negotiated deposit rate declined to 9.29 percent from 10.27 percent registered in the corresponding period in the preceding year. Meanwhile, savings deposit rate stabilized at 2.7 percent for the past two years. On the other hand, lending rates have remained moderate reaching 14.90 percent in September 2009, same rate that was recorded in September 2008, whereas the negotiated lending rate edged up to 13.81 percent from 12.91 percent registered in the corresponding month in 2008. However, on **month to month** basis, rates charged by banks have recorded significant decline (**Table 2.2**). The margin between short term lending rate and one year time deposit

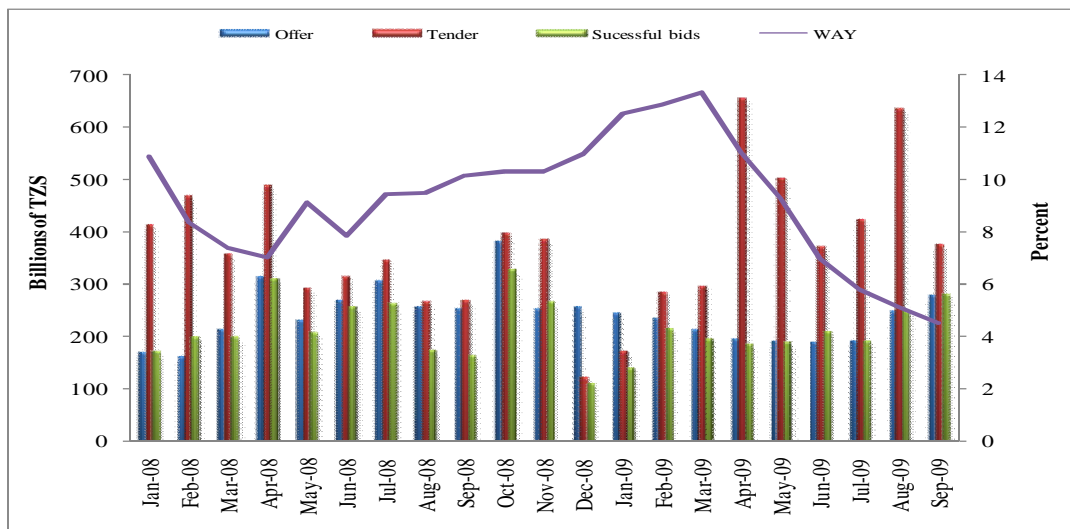
rate stabilized at 5.78 percentage points in September 2009, same level as recorded in the corresponding month in 2008.

Financial Markets Developments

Treasury Bills

In September 2009, Treasury bills market continued to be characterized by strong demand well above the amount supplied. Consequently, weighted average yields across all maturities maintained downward trend leading to an overall weighted average yield of 4.52 percent (Chart 2.6).

Chart 2.6: Treasury Bills Market Developments



During the month under review the market was supplied with Treasury bills worth TZS 278.5 billion, higher than TZS 248.5 billion supplied in the preceding month and TZS 251.5 billion in September 2008. Demand for Treasury bills stood at TZS 375.1 billion in September 2009, mainly emanating from banks. The Bank sold Treasury bills with face value of TZS 279.8 billion, being higher than TZS 248.5 billion sold in the preceding month and TZS 210.2 billion in a corresponding month in 2008. During September 2009, Treasury bills worth TZS 278.4 billion matured, compared with TZS 184.8 billion in the preceding month.

Treasury Bonds

In the Treasury bond market, the performance was somehow matching with that of Treasury bills market. During the period under review, the market was supplied with a 5-year Treasury bond worth TZS 38.5 billion. Demand was dominated by banks and pension funds reaching a record high of TZS 110.2 billion. During the month, the Bank intervened and accepted bids worth TZS 74.5 billion (or cost value of TZS 63.2 billion) representing about 68 percent of the total market demand. Consistent with the high demand, the weighted average yield eased to 13.45 percent in September 2009, from 16.58 percent recorded in the previous auction held in May 2009.

Repurchase Agreements

During the month under review, repos worth TZS 610.1 billion were conducted against TZS 665.9 billion that matured in the same period. In line with the market developments, the overall repo rate edged down to an average rate of 1.12 percent in September 2009, from 1.21 percent registered in the preceding month. Like the rest of interest rates in the money market, the repo rate in September 2009 was well below the rate of 4.02 percent registered in the corresponding month in 2008.

Inter-Bank Cash Market Developments

During September 2009, total value of interbank cash market transactions reached TZS 421.5 billion, well above TZS 229.5 billion recorded in August 2009. Much of the transactions were dominated in overnight contracts. Developments of interest rates in the interbank cash market were consistent with those of other segments of money markets. Overall weighted average interbank cash market rate sustained a downward trend reaching 1.34 percent in September 2009, from 1.42 percent in August 2009 and 4.32 percent in September 2008.

Inter-Bank Foreign Exchange Market

Stability continued to be registered in the foreign exchange market, partly due to effective participation of the Bank of Tanzania towards maintaining an orderly market.

In September 2009, total volume traded in the inter-bank foreign exchange market (IFEM) amounted to USD 157.6 million, compared with USD 167.0 million traded in the previous month. The Bank supplied the market with foreign exchange worth USD 100 million, a decrease from USD 110 million settled in the preceding month. Weighted average exchange rate appreciated to TZS 1,308.82 per USD in September 2009, from a weighted average rate of TZS 1,319.34 per USD recorded in August 2009.

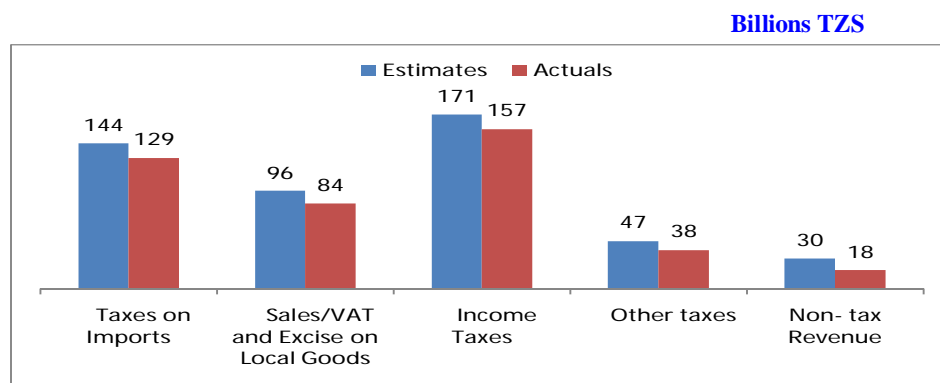
3.0 Government Budgetary Operations

Fiscal operations in September 2009 recorded an overall deficit of TZS 293.6 billion. Domestic revenue collections amounted to TZS 426.6 billion or 81.7 percent of the budget estimate and grants amounted to TZS 1.2 billion against the target of TZS 128.6 billion. Government expenditure excluding expenditure float, amounted to TZS 842.0 billion.

Revenue Performance

During the month under review, tax revenue collections amounted to TZS 408.5 billion (or 89.2 percent of target), while non-tax revenue collection was TZS 18.1 billion being below the target by 39.3 percent (**Chart 3.1**). During the month, the government received grants amounting to TZS 1,204 million which is only 1 percent of the target.

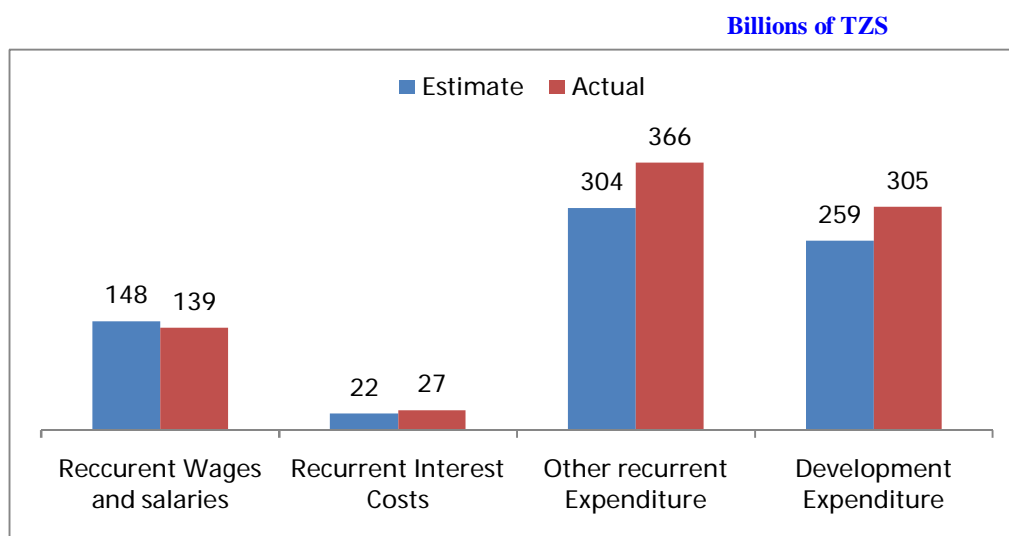
Chart 3.1: Government Revenue by Source– September 2009



Government Expenditure

Total expenditure during September 2009, amounted to TZS 842.0 billion against the target of TZS 742.0 billion. Recurrent expenditure during the month amounted to TZS 536.6 being above the budget estimate by about 11 percent. The increased expenditure above the estimate mainly emanated from expenditure on other goods, services and transfers which was 20.4 percent above the target reaching TZS 365.6 billion. Also, development expenditure and net lending was 18.1 percent above the target reaching TZS 305.5 billion (**Chart 3.2**).

Chart 3.2: Government Expenditure in September 2009



Overall Position

The overall performance of the government budgetary operations (adjusted to cash) recorded a deficit of TZS 293.6 billion due to shortfall in resources (both domestic revenue and grants). The deficit was financed through net foreign borrowing amounting to TZS 389.4 billion, part of which was used to finance domestic repayments amounting to TZS 95.9 billion.

4.0 External Sector Performance

Balance of Payments Performance

During the year ending September 2009, the overall Balance of Payments recorded a surplus of USD 620.4 million - from a deficit of USD 115.1 million recorded in the preceding a year. The development is largely attributed to the reduction in the current account deficit which resulted from an increase in export of goods coupled with a decline in import bill. Moreover, there was a surge in official current transfers to USD 832.7 million from USD 432.8million recorded in the corresponding period last year which resulted into the improved performance in the current account balance ([Table 4.1](#)).

Table 4.1: Current Account Balance

Item	Sep		2009		Year Ending September		% Change
	2007	2008	Aug	Sep	2008p	2009p	
Goods Account (net)	-267.8	-428.9	-247.8	-248.6	-3,777.7	-3,097.3	-18.0
Exports	148.4	185.0	246.1	287.2	2,476.1	2,671.7	7.9
Imports	416.2	613.9	493.9	535.8	6,253.8	5,769.0	-7.8
Services Account (net)	44.30	48.79	67.28	45.1	440.5	247.6	-43.8
Receipts	161.5	178.5	212.1	201.0	1,987.6	1,934.9	-2.6
Payments	117.2	129.7	144.8	155.9	1,547.1	1,687.3	9.1
Goods and services (net)	-223.5	-380.1	-180.5	-203.6	-3,337.2	-2,849.6	-14.6
Exports of goods and services	309.9	363.5	458.1	488.1	4,463.7	4,606.6	3.2
Imports of goods and services	533.4	743.6	638.7	691.7	7,800.9	7,456.2	-4.4
Income Account (net)	-6.9	-4.5	-9.2	-6.1	-66.3	-72.5	9.3
Receipts	9.3	13.4	8.4	9.9	132.5	148.2	11.9
Payments	16.2	17.8	17.6	16.0	198.8	220.7	11.0
Current Transfers (net)	91.7	216.1	49.0	7.7	453.0	861.4	90.2
Inflows	97.3	223.2	55.9	15.6	533.1	931.9	74.8
o/w General Government	89.4	215.3	47.5	7.2	432.8	832.7	92.4
Outflows	5.6	7.1	6.9	7.9	80.1	70.4	-12.1
Current Account Balance	-138.7	-168.5	-140.7	-201.9	-2,950.4	-2,060.7	-30.2

Note: P = Provisional

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania

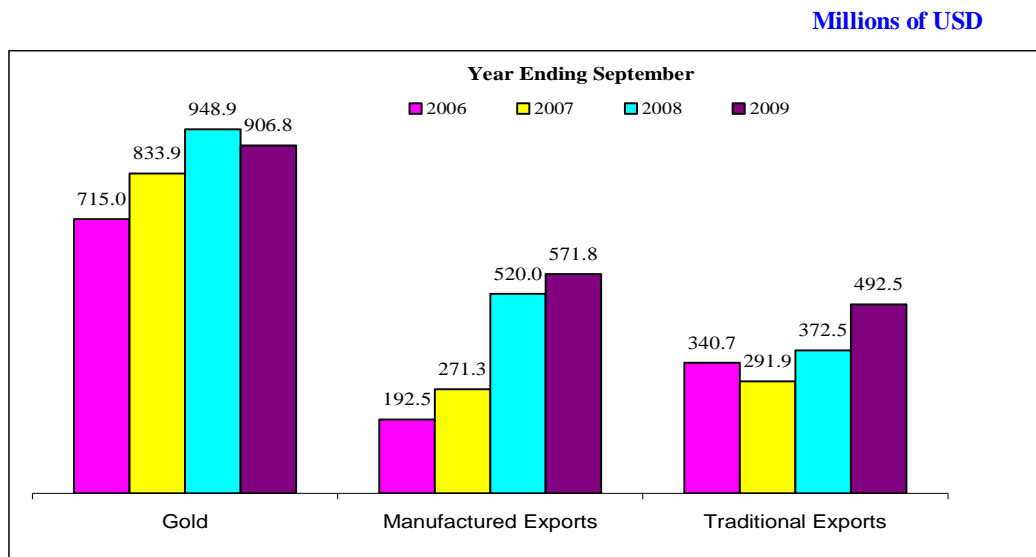
Consequently, the reduction in the current account deficit coupled with disbursements of funds under the Exogenous Shock Facility (ESF) and the allocation of Special Drawing Rights (SDR) by the IMF led to the improvement of country's gross reserves position. The gross international reserves rose to USD 3,560.3 million as at end September 2009 from USD 2,692.9 million recorded in the corresponding period a

year ago. This level of reserves was enough to cover about 5.7 months of imports of goods and services.

Exports Performance

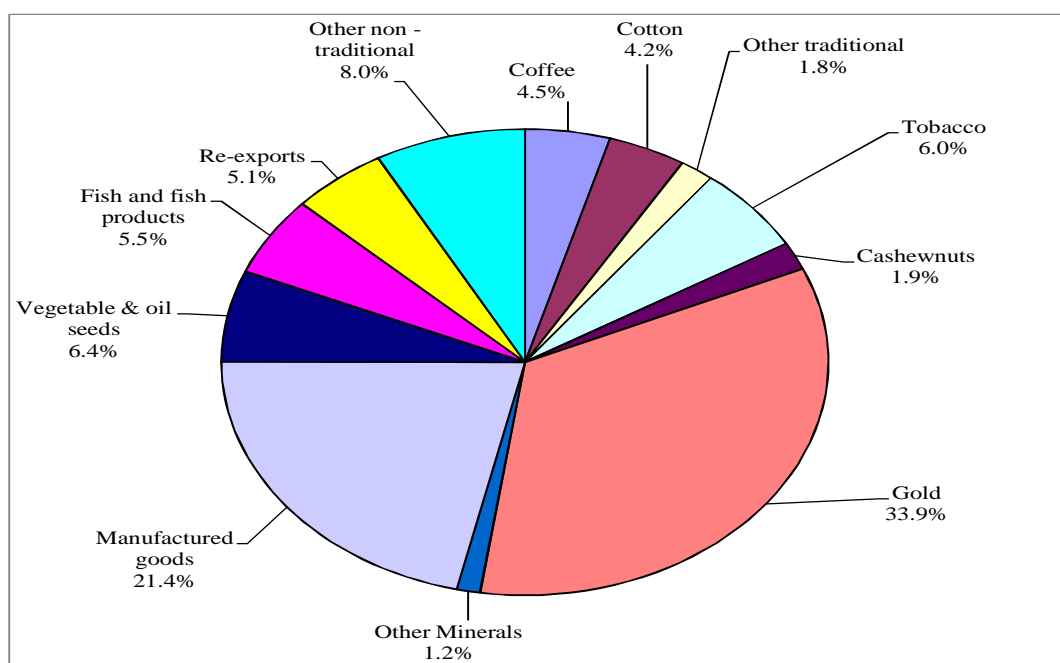
During the year ending September 2009, export of goods rose by 7.9 percent to USD 2,671.7 million largely due to increase in export of traditional goods that went up by 32.2 percent to USD 492.5 million. Improved exports performance was also recorded in manufactured goods, horticultural products, fish and fish products. Conversely, the export value of gold declined by 4.4 percent to USD 906.8 million following a fall in the export volumes. **Chart 4.1** summarizes the performance of selected goods export during the past four years.

Chart 4.1: Performance of Selected Goods Export



During the period under review, exports of gold and manufactured goods took the lead as they accounted for 33.9 percent and 21.4 percent of goods export, respectively (**Chart 4.2**).

Chart 4.2: Contribution of Selected Items to Total Exports of Goods



Note:

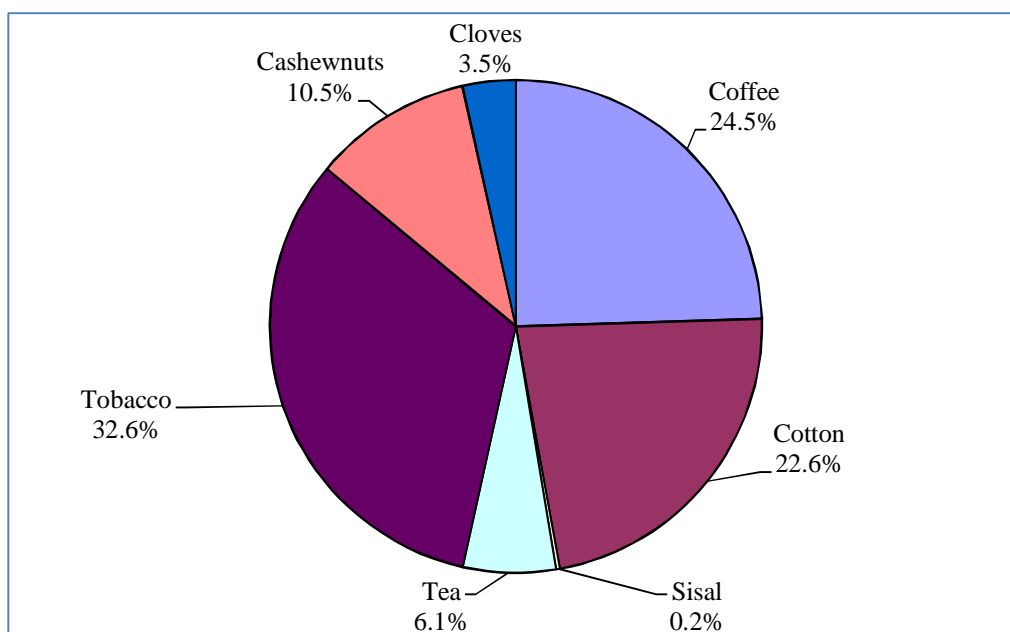
- 1. Other non-traditional include horticultural products and other exports*
- 2. Other traditional exports include sisal, tea and cloves*
- 3. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.*
- 4. Re-exports refer to goods that are imported and later exported to neighboring countries. Major items in this category are wheat and refined petroleum products*

Traditional Exports

In September 2009, the value of traditional exports increased to USD 45.0 million from USD 37.5 million recorded in the previous month mainly on account of a rise in the export volumes of cotton, coffee and cloves. The increase is largely attributed to seasonality factors reflecting the onset of the export season for traditional exports.

During the year to September 2009, the value of traditional exports rose to USD 497.2 million from USD 372.4 million recorded in the corresponding period in 2008, largely due to the surge in the export volumes of coffee, tobacco and cloves). With the exception of tea, tobacco and cashewnuts which recorded increases in the export unit prices, other traditional exports recorded declines in prices. **Chart 4.3** depicts the composition of traditional exports for the year ending September, 2009.

Chart 4.3: Contribution to Traditional Exports - Year Ending September 2009



Source: TRA, Bank of Tanzania

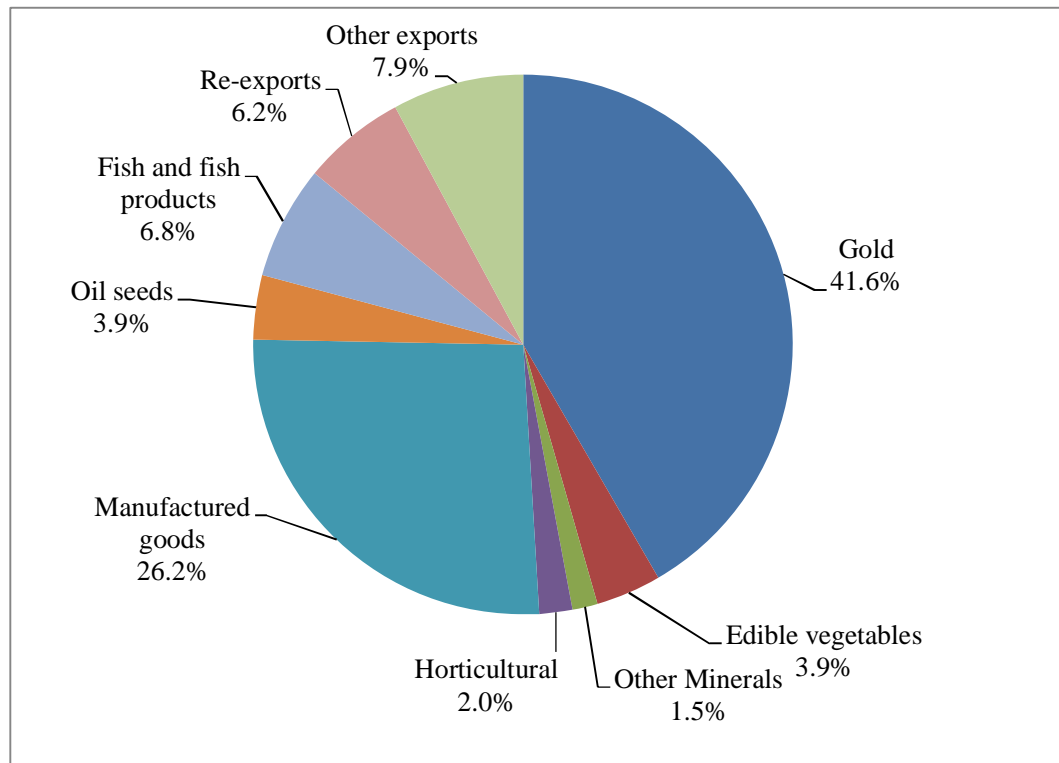
Non-Traditional Exports

During the month under review, non-traditional exports rose by 16.1 percent to USD 242.1 million mainly due to a significant increase in other exports in particular wood and wood products as well as edible vegetables.

On annual basis, non-traditional exports increased to USD 2,179.2 million from USD 2,103.7 million recorded in the previous year largely due to increase in manufactured goods, horticultural products, re-exports and other exports. The export values of manufactured goods and horticultural products increased to USD 571.8 million and USD 43.3 million from USD 520.0 million and 27.2 million, respectively during the previous year. The development in horticultural exports that mainly consist of fresh cut flowers was largely due to the increased investment in horticultural production Likewise, other exports particularly edible vegetables and fruits increased by 31.3 percent to USD 341.0 million compared to the level recorded in the corresponding period in the preceding year. Conversely, the export value of minerals particularly gold declined to USD 906.8 million from USD 948.9 million recorded during the previous year, on account of a fall in the export volumes of gold to 30.4 tons from

33.7 tons recorded in the corresponding period in 2008. . Meanwhile, the prices of gold in the world market increased to USD 882.28 per troy ounce from USD 860.31 per troy ounce recorded in the corresponding period the year before. **Chart 4.4** depicts the composition of non-traditional exports for the year ending September 2009.

Chart 4.4: Contribution to Non Traditional Exports Year Ending September 2009



Source: TRA, Bank of Tanzania

Services Export

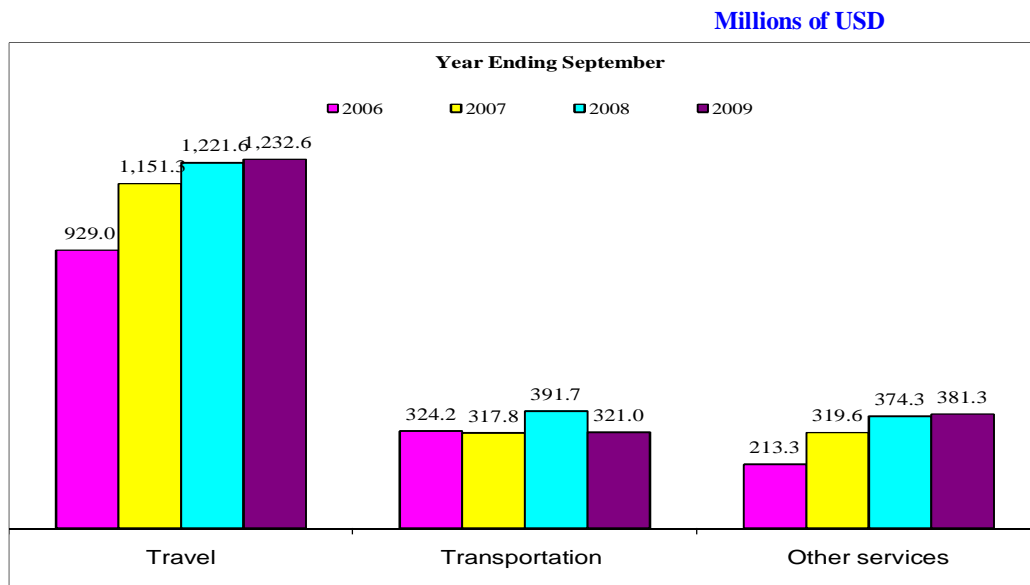
In September 2009, services receipt declined to USD 201.0 million from USD 212.1 million recorded in the previous month largely due to a decrease in receipts from transportation and other business services.

On annual basis, services receipt decreased by 2.6 percent to USD 1,934.9 million from the level recorded during the corresponding period last year following a notable decline in transportation receipts from USD 391.7 million during the previous year to USD 321.0 million due to a drop in transit trade. The volume of transit goods went down to 673,000 tons from 917,000 tons recorded in the corresponding period in

2008. The decline in transit trade is partly associated with the global financial and economic crisis that had affected the demand for commodities in the neighbouring countries.

Travel which accounts for about 60 percent of services receipt recorded a marginal increase to USD 1,232.6 million compared to USD 1,221.6 million recorded during the year ending September 2009. **Chart 4.5** depicts the performance of the main services receipt for the past four years.

Chart 4.5: Services Receipt



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

Imports Performance

During September 2009, import of goods went up by 8.5 percent to USD 535.8 million from the amount that was recorded in August 2009 due to an increase in imports of capital and intermediate goods. On annual basis, the value of goods import declined to USD 5,769.0 million from USD 6,253.8 million recorded in the previous year largely due to a drop in imports of intermediate goods particularly oil imports (**Table 4.2**).

Table 4.2: Imports

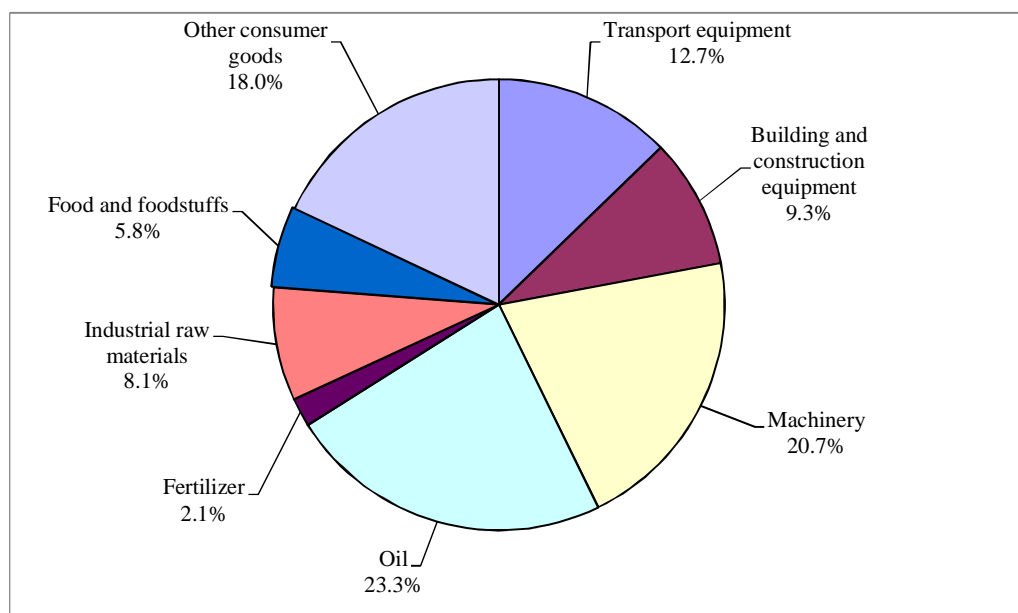
Millions of USD

Items	2008 ^P Sep	2009		% Change		Year Ending September ^P		% Change
		Aug	Sep	Sep 08- Sep 09	Aug 09 - Sep 09	2008	2009	
Transport Equipment	61.5	58.1	63.6	3.4	9.4	744.2	734.6	-1.3
Building and Constructions	57.7	33.1	42.2	-27.0	27.2	560.7	536.9	-4.2
Machinery	128.6	112.6	107.2	-16.7	-4.8	1,182.5	1,194.8	1.0
INTERMEDIATE GOODS	230.2	144.2	210.3	-8.7	45.8	2,464.1	1,932.1	-21.6
Oil imports	179.0	95.0	143.3	-19.9	50.9	1,774.1	1,344.5	-24.2
Fertilizers	4.8	11.6	14.3	196.1	23.4	117.5	118.7	1.0
Industrial raw materials	46.4	37.7	52.7	13.6	39.9	572.6	468.9	-18.1
CONSUMER GOODS	135.9	145.8	112.6	-17.1	-22.7	1,302.3	1,370.6	5.2
Food and food stuffs	47.6	17.4	27.6	-42.0	59.1	327.1	334.0	2.1
All other consumer goods ¹	88.4	128.4	85.0	-3.8	-33.8	975.2	1,036.6	6.3

Source: TRA, Bank of Tanzania

Chart 4.6 summarizes the contribution of import sub-categories to total imports, which indicates that oil imports continue to account for a substantial share of the Tanzania’s total imports.

Chart 4.6: Contribution to Total Imports for the Year Ending September 2009



In September 2009, capital goods increased to USD 212.9 million from USD 203.9 million recorded in the previous month with transport equipment, building and construction imports registering significant increase. Likewise, the value of

intermediate goods import increased by 45.8 percent to USD 210.3 million with oil imports taking the lead. The value of oil imports rose from USD 95.0 million in the previous month to USD 143.3 million following a rise in the volume. The volume of oil imports increased by 38.8 percent to 275,197 tons during the month under review while the price of oil in the world market declined by 8.3 percent to USD 588.3 per ton.

On the other hand, the value of consumer good imports declined by 22.7 percent to USD 112.6 million due to a fall in importation of other consumer goods as food and food stuffs recorded an increase. The value of imported food and food stuff rose to USD 27.6 million from USD 17.4 million recorded in the previous month with cereals accounting for larger portion of imported food. During the month under review, the volume of imported cereals increased to 84,772 tons from 39,921 tons recorded in August 2009, largely due to an increase in importation of wheat by more than two folds to 73,361 tons (Table 4.3). It should be noted that part of the imported wheat is re-exported and some is milled and exported as wheat flour to the neighboring countries.

Table 4.3: Summary of Selected Food Imports

Descriptions	Jun-09	Jul-09	Aug-09	Sep-09	% Change (Aug to Sep 09)
Maize					
Tons	1,902.6	1,654.4	5,059.0	11,169.0	120.8
Value (Mill.)	0.38	0.33	1.0	2.2	128.2
Unit Price	199.6	198.1	192.3	198.8	3.4
Rice					
Tons	920.0	2,042.9	361.1	241.7	-33.1
Value (Mill.)	0.5	1.0	0.2	0.1	-31.6
Unit Price	497.7	477.6	466.2	476.7	2.2
Wheat					
Tons	123,764.0	24,000.0	34,501.0	73,361.5	112.6
Value (Mill.)	29.709	6.1	8.4	18.3	118.3
Unit Price	240.0	254.5	243.2	249.7	2.7
Total tons	126,587	27,697	39,921	84,772	112
Total Value	30.5	7.4	9.5	20.7	116.7

Source: Tanzania Revenue Authority

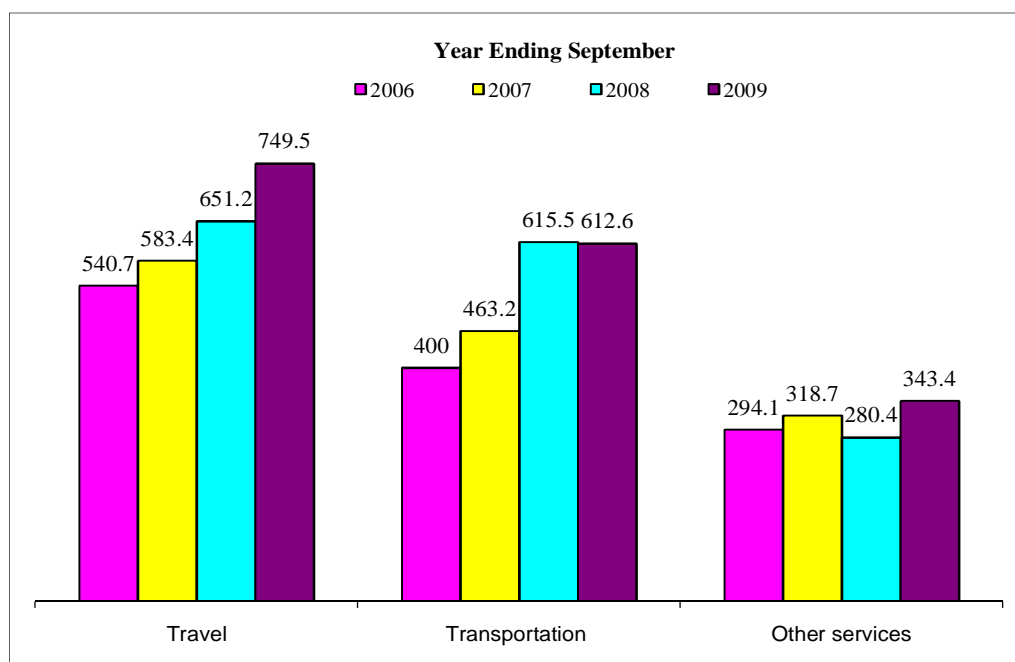
On annual basis, import of capital goods recorded a decline to USD 2,466.4 million compared to USD 2,487.4 million recorded during the year ending September 2008. The value of intermediate goods import went down to USD 1,932.1 million from USD 2,464.1 million recorded in the corresponding period in 2008, following a decline in oil imports. During the period under review, the value of oil imports declined by 24.2 percent to USD 1,344.5 million largely due to a fall in oil prices in the world market as import volumes increased. The world market prices of white products went down to USD 533.7 per ton from USD 977.0 per ton last year, as a result of global crisis. Meanwhile, the volume of imported oil increased from 2,165,347 tons last year to 2,855,202 tons during the year to September 2009. Importation of consumer goods went up by 5.2 percent to USD 1,370.6 million following an increase in the value of other consumer good imports from USD 975.2 million in 2008 to USD 1,036.6 million. Likewise, the value of food and food imports rose from USD 327.1 million recorded last year to USD 334.0 million to augment domestic food supply.

Services Payment

During the review month, services payment increased to USD 155.9 million from USD 147.5 million recorded in August 2009 following increase in payments for travel and transportation services. On annual basis, during the year ending September 2009, services payments rose by 10.2 percent to USD 1,705.5 million from the level that was registered in the corresponding period in 2008. The rise in services payment was largely explained by a surge in payment for travel and other business services. **Chart 4.7** shows the performance of major services payment categories in the past four years.

Chart 4.7: Services Payment

Millions of USD



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

World Commodity Prices

During September 2009, the world market prices of agricultural and non-agricultural commodities recorded mixed developments . The price of **coffee** Arabica recorded a small decline to USD 3.3 per kg, while the price of coffee Robusta slightly rose to USD 1.6 per kg. The prices of **tea** (Average price) and (Mombasa Auction) rose by 5.7 percent and 7.5 percent to USD 3.2 per kg and USD 3.0 per kg, respectively. The increase in tea prices was largely attributable to the decline in supplies following unfavourable weather condition in Kenya, India and Sri Lanka. Moreover, there was disruption in tea production as a result of labour strikes in Sri Lanka. The price of **cotton** (A-index) slightly declined to USD 1.4 per kg, while the price of **cotton** (Memphis) increased slightly to USD 1.6 per kg. Meanwhile, the price of **sisal** remained unchanged at USD 1,213 per metric ton, whereas, the price of **cloves** recorded a slight increase to USD 3,933.0 per metric ton.

During the period under review, the average prices of **crude oil** (U.K Brent), Dubai (f.o.b) and **white petroleum products** modestly went down to USD 68.4 per barrel, USD 67.9 per barrel and USD 588.2 per ton, respectively. The decline in oil prices was largely on account of the increase in crude oil stocks in the United States. As for **gold**, the rise in price by 5.0 percent to USD 997.0 per troy ounce was largely due to the weakness in dollar against other major currencies that boosted the appeal of the precious metal as an alternative investment.

On annual basis, the prices of coffee (Robusta) and (Arabica) declined to USD 1.7 per kg and USD 3.0 per kg, respectively, largely on account of the increased production in Brazil. Similarly, the prices of cotton (A Index and Memphis) declined notably to USD 1.3 per kg and 1.4 per kg, respectively. This development largely emanated from the decline in the global demand for cotton following the global financial meltdown. Conversely, the price of **tea** (Mombasa auction) rose by 5.5 percent to USD 2.3 per kg following a strong demand of tea from Russia, Middle East and Pakistan coupled with unfavourable weather condition in Kenya. On the other hand, the increase in the price of sisal from USD 1,122.0 per ton during the year to September 2008 to USD 1,213.0 per ton was largely due to a strong demand of sisal following the increase in the usage of sisal fibre for power generation. The price of oil significantly declined mainly on account of a weak global oil demand as the result of the financial crisis. Meanwhile, the price of **gold** rose slightly to USD 896.2 per troy ounce (**Table 4.4**).

Table 4.4: World Commodity Prices

COMMODITY	Units	2009			% Change	Year ending Sept			% Change
		July	Aug	Sept		2007	2008	2009	
Robusta Coffee	USD per kg	1.58	1.60	1.63	1.87	1.83	2.35	1.74	-26.00
Arabica Coffee	USD per kg	3.11	3.30	3.28	-0.61	2.65	3.15	2.99	-5.21
Tea (Average price)	USD per kg	2.96	2.99	3.16	5.69	1.92	2.46	2.49	0.85
Tea (Mombasa Auction)	USD per kg	2.67	2.80	3.01	7.50	1.67	2.17	2.29	5.52
Cotton, "A Index"	USD per kg	1.43	1.42	1.41	-0.70	1.33	1.64	1.30	-20.48
Cotton, " Memphis"	USD per kg	1.42	1.53	1.55	1.31	1.37	1.67	1.38	-17.52
Sisal (UG)	USD per metric ton	1,213.00	1,213.00	1,213.00	0.00	942.50	1,122.00	1,213.00	8.11
Cloves	USD per metric ton	3,883.00	3,900.00	3,933.33	0.85	3,459.00	4,430.21	3,777.33	-14.74
Crude oil*	USD per barrel	64.67	71.63	68.35	-4.58	63.97	104.89	56.88	-45.77
Crude oil**	USD per barrel	64.97	71.32	67.91	-4.78	62.20	101.16	56.97	-43.68
White products***	USD per ton	575.70	641.82	588.26	-8.34	609.09	977.04	533.73	-45.37
Jet/Kerosine	USD per ton	563.93	626.00	593.22	-5.24	623.10	1045.78	542.39	-48.14
Premium Gasoline	USD per ton	623.70	696.76	632.02	-9.29	623.59	899.26	533.21	-40.71
Heat Oil	USD per ton	539.48	602.70	539.55	-10.48	580.59	986.08	525.58	-46.70
Gold	USD per troy ounce	934.20	949.40	997.00	5.01	653.34	870.08	896.22	3.00

Note: * Average of U. K. Brent, Dubai and West Texas Intl

** f. o. b. Dubai

*** f.o.b. West Mediterranean

Source: <http://www//Worldbank.org/Prospects>, World Bank Public Ledger, Bloomberg.

5.0 National Debt Developments

The national debt stock at the end of September 2009 stood at USD 9,330.9 million, representing an increase of USD 163.8 million (5.5 percent) from USD 9,167.1 million recorded at the end of the preceding month. The increase was attributed to recording of new disbursements and accumulation of interest arrears from external debt and issuance of new government bonds in terms of domestic debt. Out of the total debt stock, external debt was 80.1 percent and domestic debt was 19.9 percent.

External Debt

At the end of September 2009, external debt stock amounted to USD 7,474.8 million representing an increase of 5.7 percent from USD 7,357.8 million registered at the end of previous month. Out of the external debt stock, USD 5,932.8 million (79.4 percent)

was disbursed outstanding debt (DOD) and the remaining balance of USD 1,541.9 million (20.6 percent) was interest arrears.

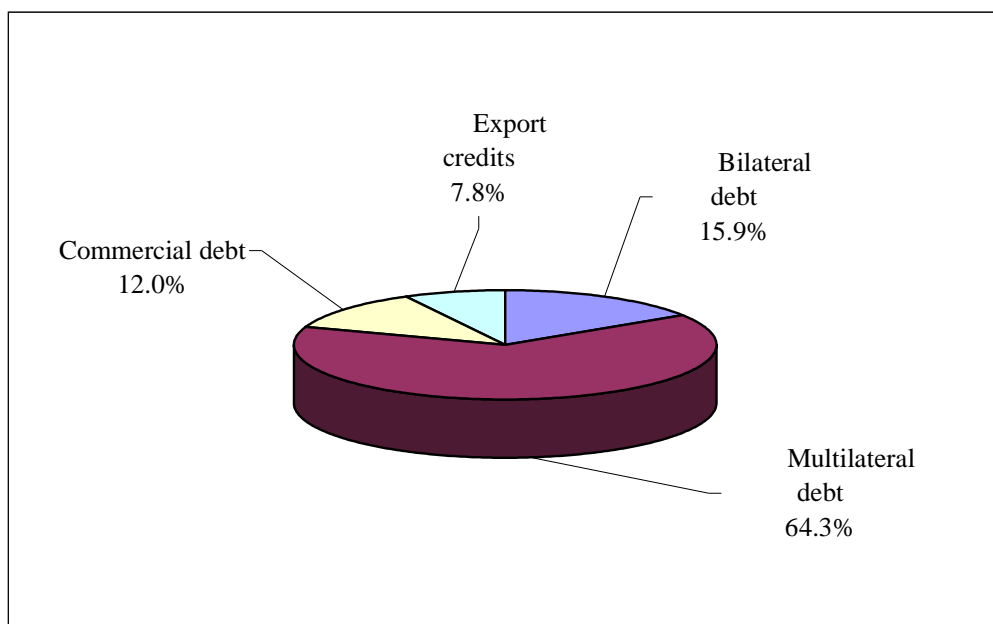
The profile of DOD by borrower category reveals that the Central Government remained the largest borrower holding debt amounting to USD 4,510.7 million (76.0 percent) followed by private companies and parastatal organisations with debt amounting to USD 1,025.4 million (17.3 percent) and USD 396.7 million (6.7 percent) respectively, ([Table 5.1](#)).

Table 5.1: Disbursed Outstanding Debt by Borrower Category

Item	2006/07	2007/08	Jun-09	Aug-09	Sep -09	% Change	% of Total
Total:	3,442.3	4,483.1	5,483.0	5,828.5	5,932.8	7.1	100.0
Central Government	2,692.0	3,582.5	4,118.2	4,460.1	4,510.7	8.3	76.0
Parastatal Companies	167.8	156.3	392.4	394.6	396.7	1.1	6.7
Private Sector	582.5	744.4	972.4	973.9	1,025.4	4.8	17.3

With regard to creditor category, multilateral institutions remained the leading creditors by holding USD 3,815.2 million (64.3 percent), while the amount owed to bilateral creditors stood at USD 944.3 million (15.9 percent). The remaining debt amounting to USD 709.2 million (12.0 percent) and USD 464.1million (7.8 percent) were owed to commercial and export creditors respectively, ([Chart 5.1](#)).

Chart 5.1: Disbursed Outstanding Debt by Creditor Category



During the month under review, disbursements received and recorded amounted to USD 20 million while external debt service payments amounted to USD 4.0 million. Out of this, principal repayments amounted to USD 3.3 million and interest payments were USD 0.7 million.

Domestic Debt

The outstanding domestic debt stock as at the end September 2009 stood at TZS 2,418.1 billion. The stock recorded an increase of TZS 62.7 billion (2.7 percent) from TZS 2,355.4 billion registered at the end of preceding month. The increase was due to government financing through issuance of marketable government bonds. Out of total domestic debt, Government securities accounted for 99.7 percent ([Table 5.2](#)).

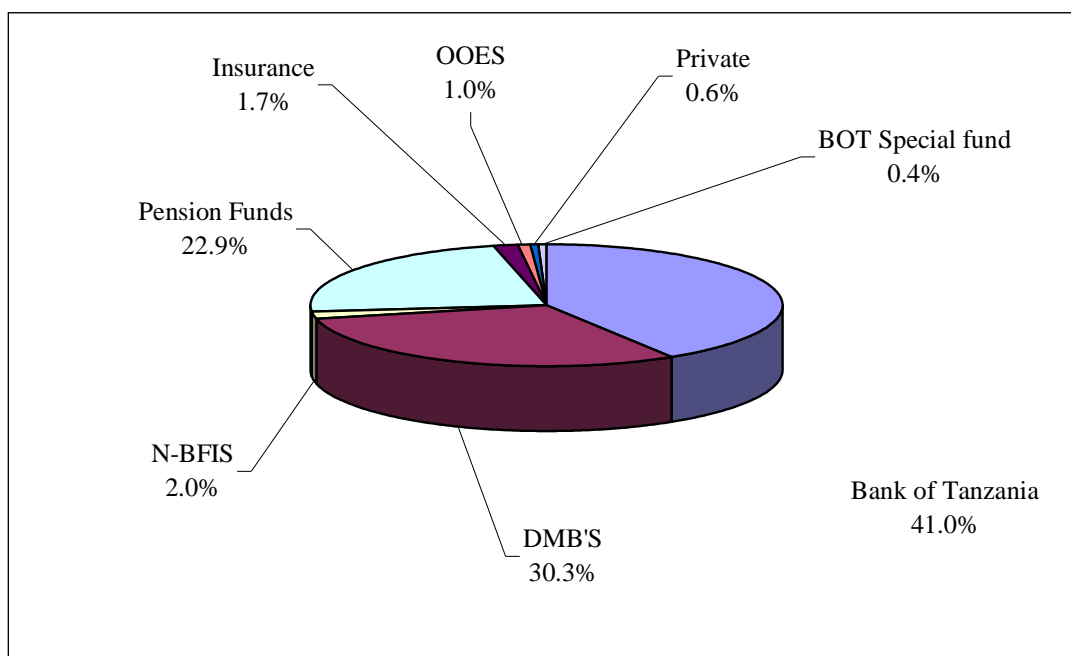
Table 5.2: Government Domestic Debt as at End of September 2009

Item	Billions of TZS				
	Sep- 08	Aug - 09	Sep - 09	Stock (%)	Sep – Aug 09 % Change.
Government Securities:	606.27	2,347.2	2,409.8	99.7	2.7
Treasury Bills	-	294.7	298.7	12.4	1.4
Government Stocks	115.53	257.9	257.9	10.7	0.0
Government Bonds	178.62	1,794.6	1,853.2	76.6	3.3

Source: Bank of Tanzania and Treasury

The profile of domestic debt by holder category shows that Bank of Tanzania is the leading creditor to the Government holding 41.0 percent of total domestic debt followed by commercial banks with 30.3 percent of the total domestic debt. Other creditors are Pension Funds, Non-Bank Financial Institutions (N-BFIs) and other official entities, holding 22.9 percent, 2.0 percent and 1.0 percent respectively. The remaining portion of 2.8 percent was held by insurance companies, private sector creditors and BOT special fund (Chart 5.2).

Chart 5.2: Government Domestic Debt by Creditor Category



During the month, domestic debt amounting to TZS 46.2 billion fell due for payment. Out of this, principal amounting to TZS 34.0 billion was rolled over and interest amounting to TZS 12.2 billion was paid out of government revenue.

6.0 Economic Developments in Zanzibar

Inflation Developments

Annual Headline Inflation rate in September 2009 declined to 4.3 percent from 5.1 percent recorded in August 2009, attributable to deceleration of food and non-food inflation. However, the **month-to-month headline** inflation rate increased to 3.8 percent from negative 0.1 recorded in August 2009 (**Table 6.1 and Chart 6.1**).

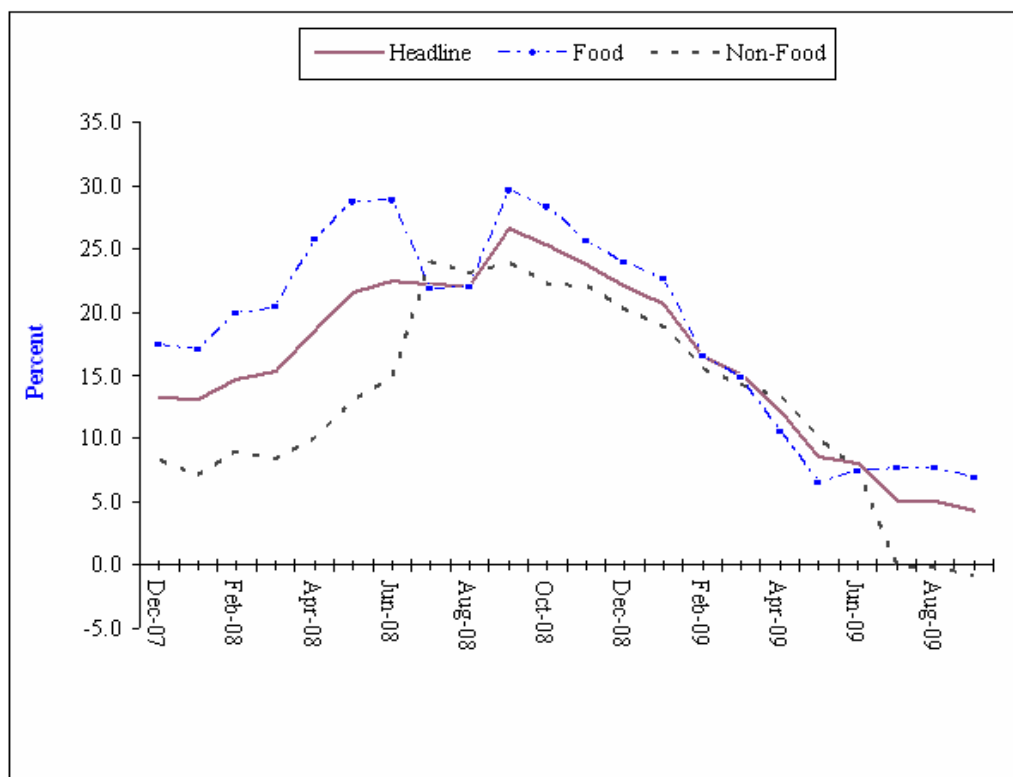
Table 6.1: Zanzibar Annual Percentage Change in Consumer Price Index (CPI)

Base: Dec.2005=100

Major Commodity Group	Weights (%)	2007			2008			2009		
		Jul	Aug	Sep	Jul	Aug	Sep	Jul	Aug	Sep
Headline/Overall	100	14.5	12.9	12.8	22.2	22	26.6	5.3	5.1	4.3
Food	57.4	19.1	16.6	17.6	21.8	21.9	29.5	8.1	7.7	6.9
Non-Food	42.6	7.7	7.9	6.7	24	23.1	23.9	-0.1	-0.1	-0.8
Alcoholic Beverages, Tobacco & Narcotics	0.6	2.9	2.9	2.9	15	14	14.8	10.3	11.2	9.3
Clothing & Footwear	6.2	6	4.7	6.4	9.5	9.7	10.4	5.7	6.3	5.7
Housing, Water, Electricity, Gas & Other Fuels	15.6	8.3	7.5	4.8	36.3	36.2	37.4	-2.1	-2.3	-3.2
Furnishing, Household Equipment & Routine Household Maintenance	5.3	11.1	10.7	10.8	14	14.2	15.1	7.5	7	5.1
Health	2.1	10.1	20.7	20.3	24.6	14.5	14.8	6.6	6.1	7.4
Transport	3.4	13.8	8.2	7.6	30.3	28.4	25.8	-	-	-
Communication	2.4	-5.3	-4.5	-4.5	-0.8	-0.8	-2.4	0	0	1.6
Recreation & Culture	0.4	14	13.2	12.8	5.2	6.5	6.1	4.7	4.7	3.5
Education	1.1	12.1	12.1	12.1	7.8	7.8	7.8	4.5	4.5	4.5
Restaurants & Hotels	3.1	26.7	28.6	17	25.3	24.6	28.7	10.5	9.5	8
Miscellaneous Goods & Services	2.4	-5.8	-6.4	-7.4	19.2	17.9	19.8	12.4	13.9	12.6

Source: Office of Chief Government Statistician (OCGS)

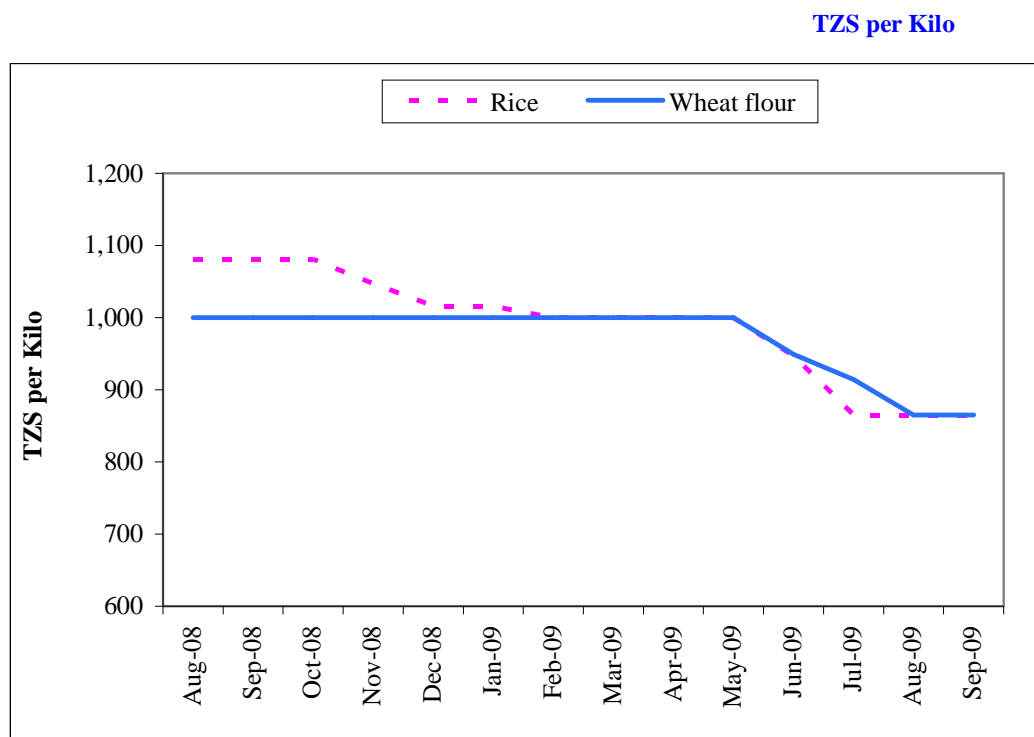
Chart 6.1: Zanzibar Annual Headline, Food and Non-food Inflation



Source: Office of Chief Government Statistician (OCGS)

Annual food inflation decreased to 6.9 percent in September 2009 from 7.7 percent registered in August 2009, mainly due to a fall in average prices of rice and wheat flour. Average prices of rice and wheat flour declined from TZS 1,081 and TZS 1,000 in September 2008 to TZS 865 and TZS 865 per kilo in September 2009, respectively (**Chart 6.2**). However, the **month-to-month food inflation rate** increased to 6.3 percent from negative 0.2 percent recorded in August 2009, mainly associated with food price hikes during the Holy month of Ramadan.

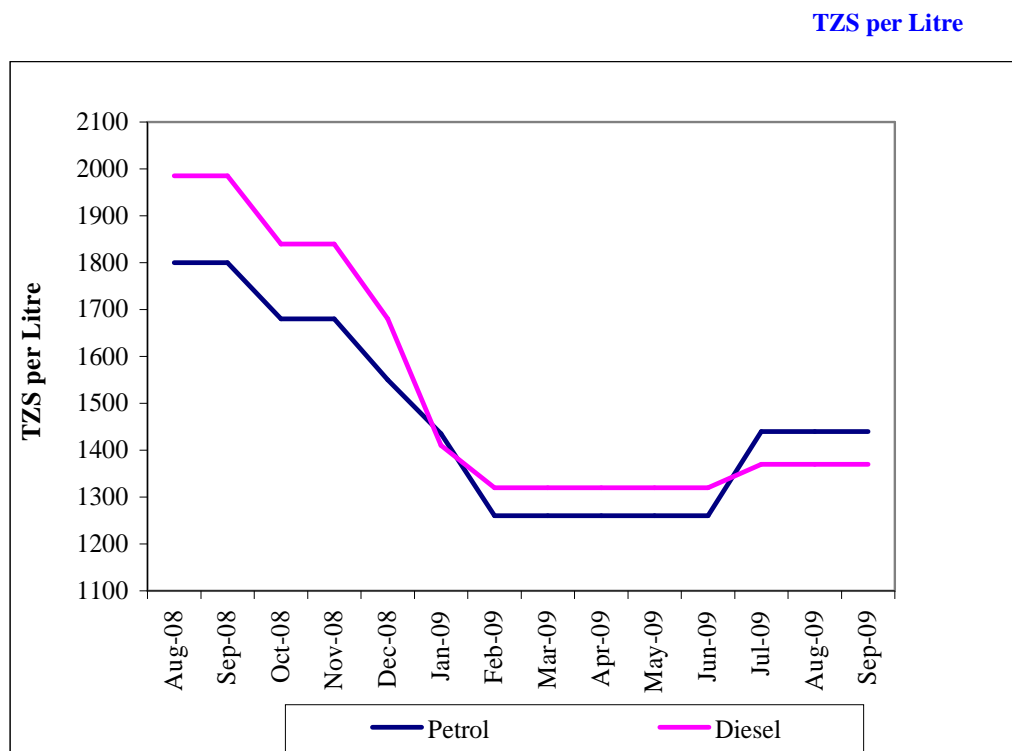
Chart 6.2: Zanzibar: Monthly Average Prices for Rice and Wheat flour



Source: Office of Chief Government Statistician (OCGS)

Annual non-food inflation rate dropped to negative 0.8 percent in September 2009 from negative 0.1 registered in the preceding month, reflecting decline in pump prices of petroleum products. During the period, the average price of diesel, petrol and kerosene prices dropped by 31.0 percent, 20.0 percent and 39.4 percent, respectively (**Chart 6.3**). The **month -to-month** non-food inflation increased to 0.6 percent from 0.1 percent recorded in August 2009, mainly on account of increased prices of clothing and footwear items during the Holy month of Ramadan.

Chart 6.3: Zanzibar Monthly Average Prices for Petrol and Diesel



Source: Office of Chief Government Statistician (OCGS)

Fiscal Performance

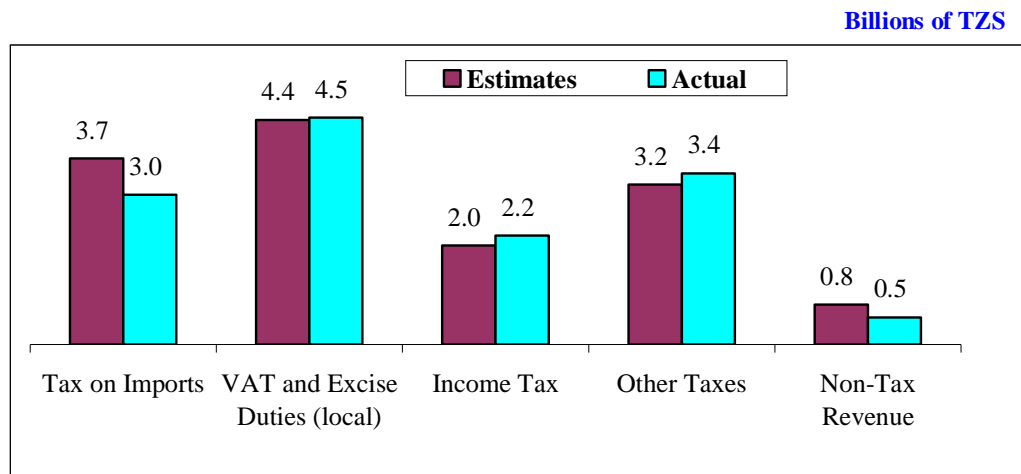
Government budgetary operations during September 2009, registered a surplus after grants on cheques issued of TZS 10.8 billion. However, after adjustment to cash and other items, the fiscal operations recorded a deficit of TZS 1.2 billion. Total resources during the month amounted to TZS 38.7 billion, exceeding the target of TZS 31.2 billion. Domestic sources contributed TZS 13.5 billion, or 34.9 percent and foreign grants TZS 25.2 billion or 65.1 percent of total resources. Total expenditure during the month amounted to TZS 27.9 billion, above the estimated TZS 24.9 billion. The budget deficit was exclusively financed through foreign sources.

Revenue

Total revenue collections during the period under review amounted to TZS 13.5 billion, below the monthly estimate of TZS 14.1 billion. Tax collections amounted to TZS 13.0 billion, below the estimated TZS 13.3 billion and accounted for 96.3 percent of the total revenue collections. Non-tax revenue sources amounted to TZS 0.5 billion or 3.7 percent of total revenue collections.

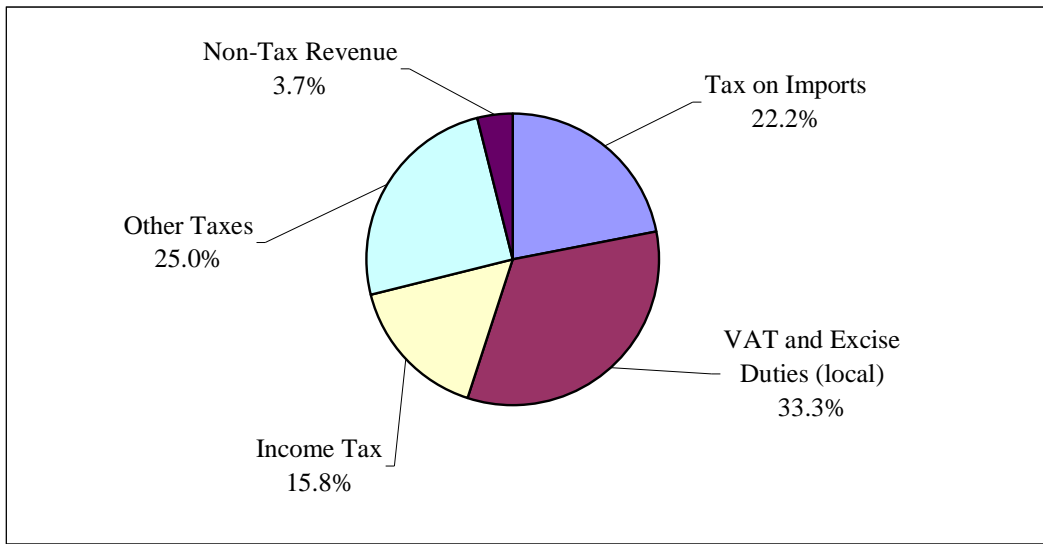
Revenue collections by category showed that, local VAT and excise duty collections amounted to TZS 4.5 billion, slightly above the targeted amount of TZS 4.4 billion while tax on imports amounted to TZS 3.0 billion, below the target of TZS 3.7 billion. Revenue from other taxes amounted to TZS 3.4 billion, above the estimated TZS 3.2 billion (Chart 6.4 and Chart 6.5).

Chart 6.4: Zanzibar Revenue by Sources – September 2009



Source: Ministry of Finance and Economic Affairs, Zanzibar

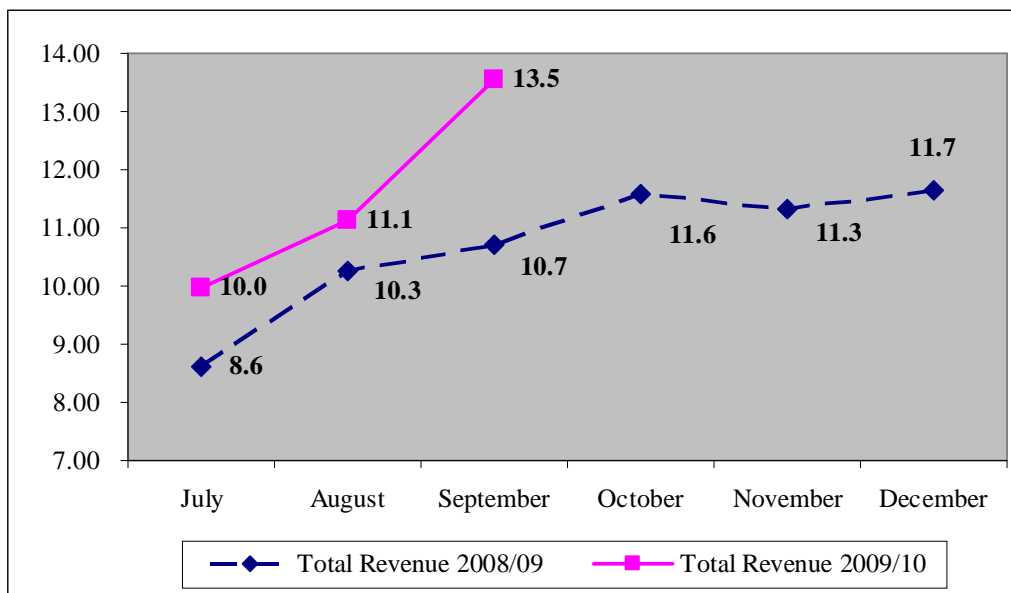
Chart 6.5: Zanzibar: Revenue by Sources, Percentage Share – September 2009



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Chart 6.6: Zanzibar Revenue Collections Trend

Billions of TZS



Source: Ministry of Finance and Economic Affairs, Zanzibar

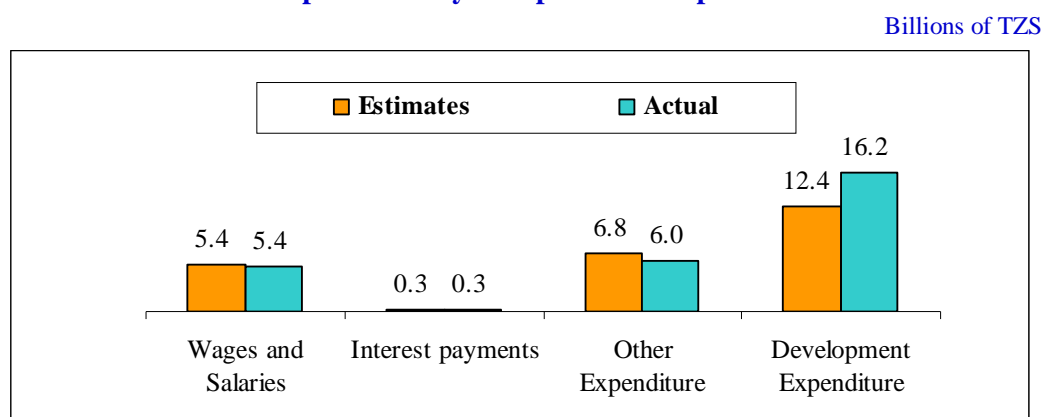
Cumulatively, revenue collections for the period July-September 2009 amounted to TZS 34.6 billion or 21.7 percent of the annual estimate of TZS 159.7 billion. The collected amount exceeded TZS 29.6 billion recorded in the corresponding period in 2008.

Expenditure

Total expenditure during September 2009, amounted to TZS 27.9 billion, and was above the estimated TZS 24.9 billion mainly associated with expenditure on development projects. Recurrent expenditure was TZS 11.7 billion, or 42.0 percent of total expenditure, while development expenditure amounted to TZS 16.2 billion.

Wages and salaries amounted to TZS 5.4 billion, and accounted for 46.2 percent of the total recurrent expenditure or 19.4 percent of the total expenditure. Expenditure on other charges was TZS 6.0 billion, below the estimated TZS 6.8 billion, and accounted for 51.3 percent of the recurrent expenditure. Interest payment was TZS 0.3 billion (Chart 6.7).

Chart 6.7: Zanzibar Expenditure by Components – September 2009



Source: Ministry of Finance and Economic Affairs, Zanzibar.

Development expenditure was TZS 16.2 billion above the budgeted TZS 12.4 billion; of which TZS 5.3 billion was financed domestically while TZS 10.9 billion was donor funded.

On cumulative basis, Government expenditure during July – September 2009, amounted to TZS 60.8 billion, or 14.7 percent of the annual budget of TZS 412.6 billion.

Debt Developments

Zanzibar total debt stock as at end September 2009, increased to USD 107.2 million from USD 106.7 million at end August 2009. Total external debt stock amounted to USD 63.0 million, equivalent to 58.8 percent of the total debt. The remaining was domestic debt, which amounted to USD 44.2 million.

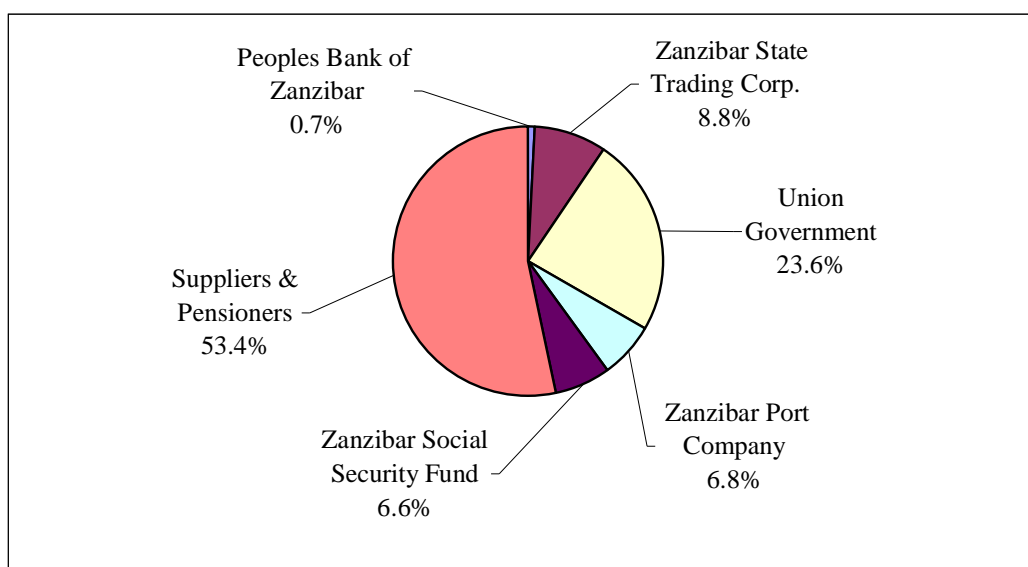
Domestic Debt

As at the end of September 2009, domestic debt stock amounted to TZS 57.6 billion, slightly up from TZS 57.5 billion, recorded at the end of August 2009 which was mainly linked with roll-over of matured Treasury bill.

Domestic Debt by Creditors

Claims by government suppliers and pensioners amounted to TZS 30.7 billion as at end September 2009, slightly up from TZS 30.6 billion, recorded in the preceding month and accounted for 53.5 percent of the total domestic debt. The profile of domestic debt by creditor indicates that the Union Government was a leading creditor accounting for 23.6 percent of the total domestic debt. Other creditors were the Zanzibar State Trading Corporation (ZSTC), Zanzibar Ports Corporation (ZPC), Zanzibar Social Security Fund (ZSSF) and the Peoples Bank of Zanzibar (PBZ). **Chart 6.8** summarizes the distribution of total debt stock by creditor as at end September 2009.

Chart 6.8: Zanzibar Domestic Debt by Creditor as at End – September 2009



Source: Ministry of Finance and Economic Affairs-Zanzibar

Domestic Debt by Maturity

The profile of total domestic debt stock by maturity shows that, debt with “undetermined maturity” (old government loans) amounted to TZS 30.8 billion, equivalent to 53.4 percent of total domestic debt stock. Debt maturing between 2 – 5 years was TZS 20.2 billion; the same as reported in the previous month, and accounted for 35.1 percent of total domestic debt, while debt maturing in less than a year stood at TZS 6.6 billion, or 11.5 percent of total domestic debt.

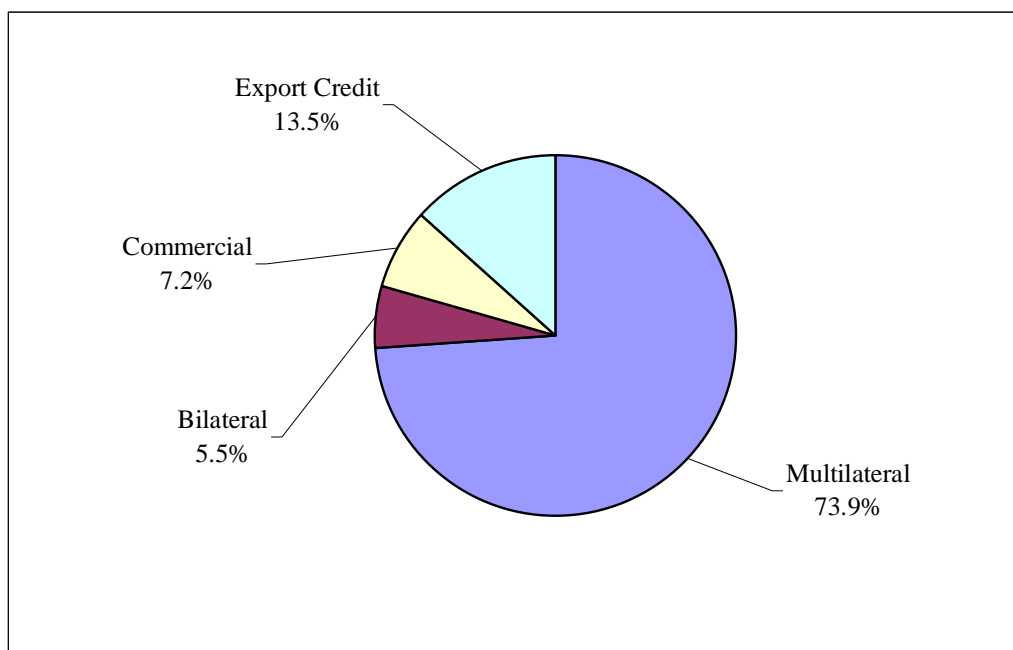
External Debt

As at end September 2009, Zanzibar external debt stock remained unchanged at USD 63.0 million as recorded during the preceding month, out of which, debt guaranteed by the Union Government amounted to USD 47.3 million, and accounted for 75.1 percent of the external debt, while the remaining USD 15.7 million was non-guaranteed debt.

External Debt by Creditor Category

Breakdown of external debt by creditor shows that; debt owed to multilateral creditors was USD 46.6 million followed by Export credits, Commercial and bilateral creditors with claims amounting to USD 8.4 million, USD 4.5 million and USD 3.5 million, respectively. The distribution of external debt stock by creditor category is summarized in **Chart 6.9**.

Chart 6.9: Zanzibar External Debt by Creditor as at End – September 2009



Source: Ministry of Finance and Economic Affairs-Zanzibar

External Sector Performance

Current Account

During the month of September 2009, Zanzibar current account balance recorded a surplus of USD 13.8 million, compared to a surplus of USD 12.2 million registered in August 2009, mainly due to increased current transfers. Trade account balance recorded a deficit of USD 6.9 million, up from a deficit of USD 4.3 million recorded in the preceding month.

During the year ending September 2009, current account balance recorded a surplus of USD 25.1 million, compared to a deficit of USD 21.6 million recorded in the corresponding period in 2008. The improvement was mainly due to increase in current transfers and exports of goods and services. Disbursements of official current transfers increased to USD 69.3 million from USD 35.9 million, while export of goods and services increased by 21.5 percent to USD 123.7 million (**Table 6.2**).

Table 6.2: Zanzibar Current Account Balance

Item	Millions of USD								
	2008	2009p			Year Ending September			% Change	
	Sep	Jul	Aug	Sep	2007	2008	2009p	Monthly	Annual
Goods Account (net)	-5.58	-4.81	-4.28	-6.92	-66.95	-84.90	-66.48	60.50	-21.70
Exports	2.38	1.46	3.08	4.61	16.89	18.21	25.85	48.00	41.80
Imports (fob)	7.96	6.27	7.36	11.54	83.84	103.11	92.32	55.40	-10.46
Services Account (net)	3.18	1.99	2.16	2.01	46.52	28.03	28.28	-9.10	1.10
Receipts	8.46	8.35	8.28	8.32	91.40	83.59	97.85	0.00	17.07
Payments	5.28	6.36	6.12	6.31	44.88	55.56	69.58	3.30	25.23
Goods and Services (net)	-2.40	-2.83	-2.12	-4.91	-20.43	-56.87	-38.20	133.30	-32.90
Exports of Goods and Services	10.84	9.81	11.36	12.94	108.30	101.79	123.70	21.10	21.52
Imports of Goods and Services	13.24	12.63	13.48	17.85	128.73	158.66	161.90	32.60	2.04
Income Account (net)	-0.01	-0.64	-0.62	-0.65	0.05	-0.64	-5.98	16.70	900.00
Receipts	0.06	0.05	0.03	0.03	0.18	0.29	0.36	0.00	33.30
Payments	0.07	0.69	0.65	0.68	0.13	0.93	6.34	0.00	600.00
Current Transfers (net)	6.22	0.56	14.98	19.32	62.84	35.87	69.31	28.70	93.00
Inflows	6.22	0.56	14.98	19.32	62.84	35.87	69.31	28.70	93.00
Outflows	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Current Account Balance	3.81	-2.90	12.24	13.76	42.46	-21.64	25.12	13.00	216.20

p = provisional

Source: Tanzania Revenue Authority and BOT computations.

Exports Performance

During September 2009, total exports of goods and services increased to USD 12.9 million, from USD 11.4 million recorded in August 2009. Service receipts remained unchanged at USD 8.3 million, and accounted for 60.1 percent of total exports. Goods exports rose to USD 4.6 million, from USD 3.1 million largely due to increase in clove exports which increased to USD 3.1 million, from USD 1.9 million, following a surge in export volume, coupled with rise in export price. Export volume of cloves went up to 900 metric tons from 600 metric tons, while the average export price amounted to USD 3,500.0 per ton, up from USD 3,243.6 per ton recorded in August

2009. The increase in cloves average export price was mainly due to high demand and limited supply in the world market. Seaweed exports declined to USD 0.2 million, from USD 0.3 million, mainly due to a fall in crop export volume by 20.0 percent to 800 tons. Average export price was USD 275.6 per metric ton, compared to USD 271.9 per ton in August 2009. Manufactured goods increased to USD 0.6 million, from USD 0.4 million, while the value of other exports (mainly souvenirs and spices) increased to USD 0.6 million from USD 0.5 million.

During the year ending September 2009, exports of goods and services increased to USD 123.7 million, from USD 101.8 million recorded during the corresponding period in 2008. Services receipts increased to USD 97.9 million, from USD 83.6 million, while goods exports increased by 41.7 percent to USD 25.8 million. The developments in the goods export is largely attributed to cloves which accounted for 48.1 percent of goods export. Clove exports rose to USD 12.4 million from USD 5.9 million due to increase in export volumes and higher export prices (Table 6.3 and Chart 6.10).

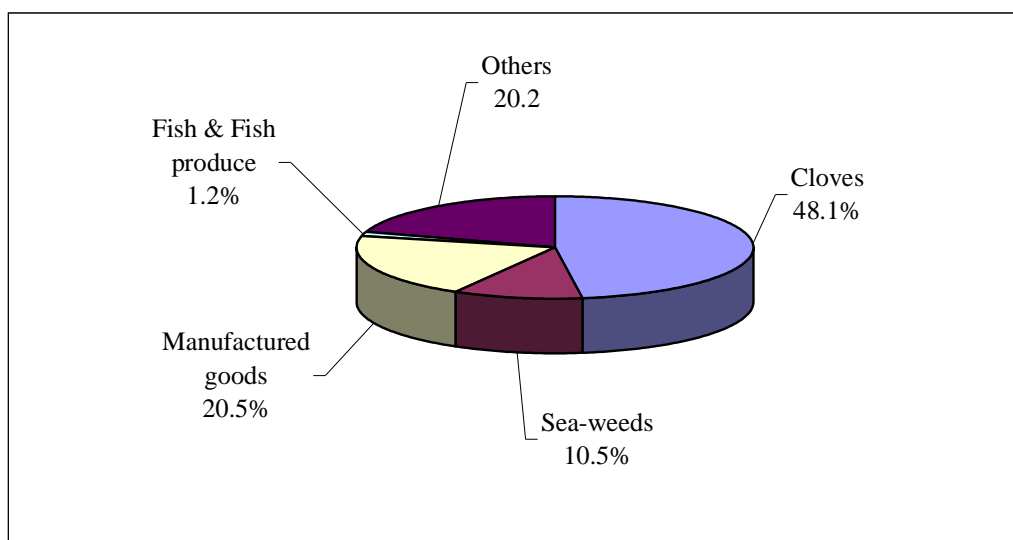
Table 6.3: Zanzibar Goods Exports by Major Categories

Item	Units	Millions of USD									
		2008	2009p				Year Ending September			%Change	
		Sep	Jul	Aug	Sep	2007	2008	2009p	Monthly	Annual	
Traditional:											
Cloves											
Value	Millions	1.1	0.2	1.9	3.1	9.7	5.9	12.4	63.0	110.0	
Volume	000 Tons	0.3	0.0	0.6	0.9	3.0	1.5	3.5	50.0	133.3	
Unit Price	USD/Ton	3,893.6	3,545.8	3,243.6	3,500.0	3,203.6	3,883.5	3,520.9	8.0	-9.3	
Non-Traditional:											
Seaweeds											
Value	Millions	0.2	0.3	0.3	0.2	1.7	2.7	2.7	-33.3	0.0	
Volume	000 Tons	0.6	1.0	1.0	0.8	8.6	9.3	11.4	-20.0	22.6	
Unit Price	USD/Ton	364.5	299.0	271.9	275.6	200.7	287.2	238.5	1.4	-17.0	
Manufactured Goods	Millions	0.5	0.4	0.4	0.6	3.6	3.8	5.3	50.0	39.5	
Fish and Fish Produce	Millions	0.0	0.0	0.0	0.1	0.2	0.2	0.3	-	50.0	
Horticultural produce	Millions	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
Others Exports	Millions	0.5	0.6	0.5	0.6	1.7	5.7	5.2	20.0	-8.8	
SUB TOTAL	Millions	1.1	1.3	1.2	1.5	7.2	12.3	13.5	25.0	9.8	
GRAND TOTAL	Millions	2.4	1.5	3.1	4.6	16.9	18.2	25.8	48.0	41.8	

p = provisional

Source: Tanzania Revenue Authority and BOT computations

Chart 6.10: Zanzibar Goods Export Contribution - Year Ending September 2009



Source: Tanzania Revenue Authority and BOT computations

Goods Imports

Zanzibar goods import (c.i.f) during September 2009, increased to USD 11.5 million from USD 7.4 million registered in August 2009; mainly driven by an increase in import of capital items. Capital goods rose to USD 7.1 million, from USD 2.9 million largely due to importation of sea-transport vessels by investors. Intermediate goods declined slightly to USD 3.2 million from USD 3.4 million recorded in the August 2009 following a decline of oil imports by 17.2 percent to USD 2.4 million. Consumer goods import increased to USD 2.3million from USD 1.8 million, mainly due to a surge in importation of other consumer items (clothing and footwear) valued at USD 1.7 million, up from USD 1.1 million in the previous month. Conversely, importation of food and foods stuffs was remained unchanged at USD 0.7 million,

During the year ending September 2009, total goods imports (c.i.f) declined by 10.4 percent to USD 101.5 million, from the level recorded during the corresponding period in 2008. The decline is attributed to a drop in import of capital and intermediate goods which declined to USD 43.5 million and USD 35.5 million from USD 49.6 million, and USD 42.0 million , respectively. The decline in importation of intermediate goods was partly explained by a drop in oil imports **(Table 6.4)**.

Table 6.4: Zanzibar Imports by Major Categories

Millions of USD

Import Category	2008	2009p			Year Ending September			%Change	
	Sep	Jul	Aug	Sep	2007	2008	2009p	Monthly	Annual
Capital Goods	5.1	2.7	2.9	7.1	44.5	49.6	43.5	144.8	-12.3
Transport Equipment	3.2	1.3	1.4	4.2	15.2	28.7	24.3	200.0	-15.3
Building and Constructions	0.9	0.4	0.6	0.9	12.8	7.5	8.1	50.0	8.0
Machinery	1.0	1.0	0.9	2.0	16.5	13.5	11.0	122.2	-18.5
Intermediate goods	1.9	2.5	3.4	3.2	25.7	42.0	35.5	-5.9	-15.5
Oil imports	1.2	2.2	2.9	2.4	20.7	30.8	27.4	-17.2	-11.0
Industrial raw materials	0.7	0.3	0.5	0.8	5.0	11.1	8.1	60.0	-27.0
Consumer Goods	1.8	1.7	1.8	2.3	22.0	21.8	22.5	27.8	3.2
Food and food stuffs	0.2	0.5	0.7	0.7	7.1	7.5	7.5	0.0	0.0
All other consumer goods	1.5	1.2	1.1	1.7	14.9	14.3	15.0	54.5	4.9
GRAND TOTAL (CIF)	8.7	6.9	8.1	12.7	92.1	113.3	101.5	56.8	-10.4
GRAND TOTAL (FOB)	8.0	6.3	7.4	11.5	83.8	103.1	92.3	55.4	-10.5

p = provisional

Source: Tanzania Revenue Authority

Services Account

In September 2009, services account registered a surplus of USD 2.0 million, compared to a surplus of USD 2.2 million, recorded in August 2009 largely attributed to increase in service payments. During the month under review, service payments increased to USD 6.3 million, up from USD 6.1 million while services receipt remained unchanged at USD 8.3 million, recorded during the preceding month.

During the year ending in September 2009, the services account registered a surplus of USD 28.3 million, compared to a surplus of USD 28.0 million recorded in the corresponding period a year before. Both services receipt and payment increased to USD 97.9 million and USD 69.6 million, up from USD 83.6 million and USD 55.6 million, respectively recorded during the year ending September 2008.

Statistical Tables

Table A1: Selected Economic Indicators (Annual)

Item	Unit	2003	2004	2005	2006r	2007r	2008P
1. National Accounts and Prices							
1.1 Change in GDP at Market Prices--Current Prices	Percent	15.9	15.4	14.3	12.4	16.8	18.3
1.2 Change in GDP at Market Prices-Constant 2001 Prices	Percent	6.9	7.8	7.4	6.7	7.1	7.4
1.3 GDP Per Capita ¹	TZS	354,007.7	395,795.8	441,030.2	478,433.8	546,955.7	630,577.1
1.4 GDP Per Capita ¹	USD	340.9	363.3	392.8	382.2	443.7	527.1
1.5 Change in Consumer Price Index (Inflation)	Percent	3.5	4.2	4.4	7.3	7.0	10.3
1.6 Saving to GNDI Ratio ²	Percent	9.6	10.4	8.7	8.5	6.4	6.4
2. Money Credit and Interest Rates*							
2.1 Change in Extended Broad Money Supply (M3)	Percent	18.0	13.5	34.8	21.5	20.5	19.8
2.2 Change in Broad Money supply (M2)	Percent	17.8	19.8	33.9	16.7	27.2	24.4
2.3 Change in Narrow Money Supply (M1)	Percent	17.7	22.7	31.8	12.0	29.1	21.9
2.4 Change in Reserve Money	Percent	18.3	21.1	28.5	17.1	24.9	21.1
2.5 Total Credit to GDP Ratio ¹	Percent	7.3	7.4	11.6	11.3	13.5	17.0
2.6 Private Sector Credit to GDP Ratio ¹	Percent	8.2	9.4	10.4	12.9	15.0	18.4
2.7 Ratio of Private Credit to Total Credit	Percent	112.3	126.2	89.6	113.9	111.3	107.9
2.8 Average Deposit Rate (12-Month) ³	Percent	5.3	5.7	6.2	8.3	9.3	8.7
2.9 Weighted Average Treasury Bill Rate	Percent	7.7	9.6	14.8	15.0	11.4	11.0
2.10 Average Long-Term Lending Rate ³	Percent	12.2	12.7	13.4	14.9	16.1	16.4
3. Balance of Payments							
3.1 Exports of goods (f.o.b)	Mill. USD	1,220.9	1,481.6	1,679.1	1,917.6	2,226.6	3,036.7
3.2 Imports of goods (f.o.b)	Mill. USD	-1,933.5	-2,482.8	-2,997.6	-3,864.1	-4,860.6	-6,483.4
3.3 Trade Balance	Mill. USD	-712.6	-1,001.2	-1,318.5	-1,946.5	-2,634.1	-3,446.7
3.4 Balance on Current Account	Mill. USD	-118.1	-365.9	-862.8	-1,143.2	-1,580.3	-2,350.7
3.5 Overall Balance	Mill. USD	389.1	284.0	-227.8	460.7	412.6	108.8
3.7 Gross Official Reserves	Mill. USD	2,037.8	2,307.7	2,054.6	2,137.5	2,761.9	2,869.7
3.8 Reserves Months of Imports (of goods and services)	Months	7.1	6.6	4.8	4.1	4.1	4.4
3.9 Exchange Rate:							
3.9.1 Annual Average	TZS/USD	1,038.9	1,089.1	1,129.2	1,251.9	1,232.8	1,196.3
3.9.2 End of Period	TZS/USD	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1	1,280.3
4. Population (TZ Mainland)							
	Million	34.2	35.3	36.2	37.5	38.3	39.3
5. Public Finance							
5.1 Current Revenue to GDP Ratio ¹	Percent	12.1	11.8	12.5	14.1	15.9	
5.2 Grants to GDP Ratio ¹	Percent	3.7	4.8	6.2	4.9	6.9	
5.2 Current Expenditure to GDP Ratio ¹	Percent	12.9	14.0	15.7	16.1	14.9	
5.3 Development Expenditure to GDP Ratio ¹	Percent	3.6	7.2	7.9	6.9	7.9	
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	-4.4	-9.3	-11.1	-8.9	-6.9	
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	-0.6	-4.5	-4.9	-4.0	0.0	
6. Total External Debt Stock							
	Mill. USD	7,857.0	8,134.8	8,229.5	4,660.9	5,846.4	6,999.4
Disbursed Debt	Mill. USD	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1	5,483.0
Interest	Mill. USD	1,178.7	1,335.3	1,258.3	1,218.6	1,363.3	1,516.3
Total External Debt as % of GDP	Percent	64.2	60.2	57.6	29.8	30.2	

Note:

1 Calculated on the basis of GDP at Market Prices (Current Prices)

2 GNDI stands for gross national disposable income

3 Annual Average

* Data have been revised after adoption of Standard Reporting Format (SRF)

r Revised

P = Provisional

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

Table A2: Central Government Operations - Tanzania Mainland

Item	Millions of TZS				
	BUDGET 2009/10	Monthly Flows			
		Actuals		Sep-09	
		Jul-09	Aug-09	Estimates	Actual
Total Revenue	5,234,068.6	348,971.9	331,594.2	522,252.2	426,595.8
Tax Revenue	4,840,876.8	331,695.6	314,395.1	457,901.2	408,506.4
Taxes on Imports	1,758,233.8	135,567.3	127,386.4	143,522.5	129,164.7
Sales/VAT and Excise on Local Goods	1,101,646.4	71,587.5	70,931.2	96,319.4	84,246.3
Income Taxes	1,428,419.9	82,957.1	83,264.3	171,413.2	157,359.2
Other taxes	552,576.7	41,583.7	32,813.2	46,646.0	37,736.1
Non- tax Revenue	255,139.4	17,276.3	17,199.1	29,838.0	18,089.4
LGA Own Sources	138,052.3	0.0	0.0	34,513.1	0.0
Total Expenditure /1	8,862,272.7	432,711.7	714,221.0	742,052.5	842,005.8
Recurrent expenditure	6,036,841.6	312,899.6	494,081.1	483,407.8	536,555.8
Retention fund	103,503.0	0.0	8,464.2	8,860.1	4,742.1
Wages and salaries	1,766,388.2	137,693.7	138,315.9	148,493.5	139,418.7
Interest payments	407,826.2	7,378.5	620.5	22,281.6	26,762.4
Domestic 2/	354,910.0	7,378.5	0.0	16,396.4	1,330.4
Foreign	52,916.2	0.0	620.5	5,885.2	25,432.0
Other goods, services and transfers	3,759,124.2	167,827.5	346,680.4	303,772.6	365,632.6
Dev. Expenditure and net lending	2,825,431.0	119,812.0	220,139.9	258,644.7	305,450.0
Local	968,028.5	1,881.7	30,954.9	104,058.7	173,200.8
Foreign	1,857,402.6	117,930.4	189,185.0	154,586.0	132,249.2
Overall Balance before Grants	-3,628,204.1	-83,739.8	-382,626.8	-219,800.3	-415,410.0
Grants	2,090,945.9	413,078.1	79,400.1	128,583.5	1,203.8
Program (CIS/OGL)	825,445.3	408,094.8	21,140.4	26,218.4	0.0
Project	640,708.7	4,983.3	3,803.6	53,392.4	68.2
Basket funds	282,848.8	0.0	40,924.5	20,477.4	1,135.6
HIPC Relief	341,943.1	0.0	13,531.6	28,495.3	0.0
Overall defc.(cheq.issued) after Grants	-1,537,258.2	329,338.3	-303,226.7	-91,216.9	-414,206.1
Expenditure float		-380,082.2	-27,753.7		-15,655.9
Adjustments to cash and other items (net)		105,536.2	55,997.6		136,306.5
Overall Balance (cheques issued)	-1,537,258.2	54,792.3	-274,982.8	-91,216.9	-293,555.5
Financing:	1,537,258.2	-54,792.3	274,982.8	91,216.9	293,555.5
Foreign Financing (net)	1,037,065.1	112,080.5	225,643.4	83,574.8	389,449.3
Loans	800,925.0	112,947.0	164,613.0	61,608.5	381,639.6
Program loans	368,464.0	0.0	81,186.5	25,570.1	258,404.0
Development Project loans	432,461.0	112,947.0	83,426.5	36,038.4	123,235.6
Basket Support	290,075.8	0.0	61,030.4	27,068.7	7,809.7
Amortization	-53,935.7	-866.6	0.0	-5,102.5	0.0
Domestic (net)	500,193.1	-166,872.8	49,339.5	7,642.1	-95,893.7
Bank & Non Bank Financing (NDF)	506,193.1	-166,872.8	49,339.5	-4,357.9	-93,938.7
Bank borrowing	406,193.1	-93,925.9	56,773.5	-4,357.9	-104,343.3
Non-Bank (net of amortization)	100,000.0	-72,946.9	-7,434.0	0.0	10,404.5
Borrowing/Roll over	576,476.3	132,130.5	0.0	79,210.6	0.0
Domestic & Contingent debt Amortization	-597,476.3	-132,130.5	0.0	-82,210.6	-1,955.0
Privatization Proceeds	15,000.0	0.0	0.0	15,000.0	0.0
GDP (In Million TZS)	31,108,881				

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, Bank of Tanzania and National Bureau of Statistics

Table A3: Depository Corporations Survey (Provisional)

Item	Billions of TZS										
	Dec-07	Dec-08	2009						Prov.		
			Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Net foreign assets	3,641.9	4,086.8	3,998.1	4,116.5	4,145.3	4,197.8	4,140.8	4,196.8	4,637.7	4,717.4	4,864.2
Bank of Tanzania	3,008.5	3,592.1	3,450.0	3,456.2	3,457.1	3,546.4	3,430.3	3,395.1	3,792.4	3,843.1	3,897.1
Other Depository Corporations	633.4	494.6	548.1	660.3	688.1	651.4	710.5	801.7	845.3	874.4	967.1
Net domestic assets	2,581.7	3,372.0	3,437.6	3,436.5	3,488.3	3,429.6	3,470.1	3,669.2	3,623.5	3,633.4	3,611.9
Domestic claims	2,831.4	4,221.2	4,314.9	4,368.1	4,256.3	4,282.0	4,419.0	4,771.7	4,660.6	4,797.9	4,744.4
Claims on central government (net)	-319.8	-335.0	-229.4	-218.8	-369.9	-353.0	-266.0	61.5	-32.4	25.8	-80.0
Claims on central government	2,271.3	2,197.8	2,092.3	2,002.9	2,052.7	2,070.7	2,055.7	2,315.5	2,389.4	2,668.0	2,656.7
Liabilities to central government	2,591.2	2,532.7	2,321.7	2,221.7	2,422.6	2,423.6	2,321.6	2,254.0	2,421.8	2,642.2	2,736.7
Claims on non-government sector	3,151.2	4,556.2	4,544.3	4,586.9	4,626.2	4,634.9	4,684.9	4,710.2	4,693.0	4,772.1	4,824.4
Broad money liabilities	6,223.6	7,458.8	7,435.7	7,553.0	7,633.5	7,627.4	7,610.9	7,866.0	8,261.2	8,350.9	8,476.2
Currency outside depository corporations	1,162.5	1,438.6	1,408.0	1,384.3	1,366.6	1,349.6	1,366.3	1,424.1	1,494.1	1,543.7	1,519.4
Transferable deposits	2,418.3	2,851.1	2,913.6	2,899.9	2,915.8	2,968.4	2,889.0	2,949.9	3,110.9	3,156.4	3,328.6
Other deposits	2,642.8	3,169.0	3,114.2	3,268.8	3,351.2	3,309.4	3,355.7	3,492.1	3,656.2	3,650.8	3,628.2
Other items (net)	-249.7	-849.2	-877.3	-931.6	-768.0	-852.4	-948.9	-1,102.5	-1,037.0	-1,164.5	-1,132.5
Memorandum items:											
Monetary Aggregates											
Reserve money (M0)	1,879.0	2,276.4	2,489.5	2,451.4	2,478.5	2,558.6	2,550.2	2,679.0	2,874.6	2,887.3	2,890.7
Extended broad money (M3)	6,223.6	7,458.8	7,435.7	7,553.0	7,633.5	7,627.4	7,610.9	7,866.0	8,261.2	8,350.9	8,476.2
Deposits in foreign currency	1,829.0	1,990.3	1,970.0	2,021.8	2,060.0	2,075.4	2,016.4	2,093.6	2,155.8	2,141.7	2,162.7
FCD in millions of USD	1,615.6	1,554.6	1,530.7	1,552.3	1,568.0	1,571.8	1,538.8	1,611.3	1,641.5	1,645.1	1,660.1
Broad money (M2)	4,394.6	5,468.5	5,465.7	5,531.2	5,573.5	5,552.0	5,594.5	5,772.4	6,105.4	6,209.1	6,313.5
Other deposits in national currency (i.e. savings and time deposits)	1,804.1	2,310.2	2,269.6	2,382.7	2,475.3	2,488.4	2,514.9	2,623.3	2,763.4	2,775.0	2,734.7
Narrow money (M1)	2,590.5	3,158.3	3,196.1	3,148.4	3,098.2	3,063.6	3,079.7	3,149.1	3,342.0	3,434.1	3,578.8
Currency in circulation	1,162.5	1,438.6	1,408.0	1,384.3	1,366.6	1,349.6	1,366.3	1,424.1	1,494.1	1,543.7	1,519.4
Transferable deposits in national currency	1,428.0	1,719.7	1,788.2	1,764.1	1,731.6	1,714.0	1,713.4	1,725.0	1,847.9	1,890.5	2,059.4

Note: Data reflect new series based on the IMF's 2000

Monetary and Financial Statistics Manual.

Source: Bank of Tanzania; and Fund's staff calculations

Table A4 : Interest Rate Structure

Item	Percent												
	2008				2009 ^p								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
A: Domestic Currency													
Interbank Cash Market Rates													
Overnight	4.19	5.23	5.51	6.27	8.31	9.63	9.90	9.29	6.49	4.46	2.44	0.82	1.04
2 to 7 days	4.23	5.55	5.80	6.60	8.64	9.97	10.17	9.74	7.11	5.38	4.06	1.44	1.28
8 to 14 days	4.61	5.69	5.89	6.21	8.34	10.84	10.77	9.85	7.38	5.30	4.43	1.90	1.55
15 to 30 days	4.00	4.00	5.90	5.90	5.90	5.90	11.76	10.27	7.35	5.75	4.19	1.54	2.28
31 to 60 days	6.09	6.03	6.83	8.75	8.75	11.01	11.80	11.05	7.87	5.30	4.58	2.82	2.69
61 to 90 days	5.93	5.93	5.93	11.00	11.00	12.15	12.15	12.15	12.15	12.15	12.15	12.15	12.15
91 to 180 days	10.48	10.16	11.46	11.69	11.50	12.00	12.00	12.00	9.40	8.60	9.17	3.27	3.68
181 and above	8.50	10.85	13.00	13.00	13.00	14.35	14.35	14.35	12.00	12.00	5.56	7.05	6.47
Overall Interbank cash market rate	4.32	5.45	5.85	6.54	8.41	9.81	10.10	9.58	6.80	5.03	3.86	1.42	1.34
Lombard Rate	8.67	8.90	9.66	10.32	12.47	14.45	14.86	13.94	9.73	7.35	4.13	3.18	2.48
REPO Rate	4.02	4.89	5.32	6.42	7.55	9.09	9.73	8.25	6.10	4.90	2.23	1.21	1.12
Treasury Bills Rates													
35 days	5.78	5.93	6.44	6.88	7.43	7.54	7.62	7.03	6.40	4.81	3.45	2.65	2.07
91 days	10.36	10.39	10.76	11.20	11.60	11.99	12.43	10.55	8.25	5.56	4.14	3.53	2.97
182 days	10.53	10.81	11.00	12.13	13.28	14.64	14.86	12.04	10.20	7.86	6.27	5.46	4.84
364 days	11.56	11.63	11.97	12.79	15.32	14.74	14.99	12.57	10.69	9.11	8.28	7.72	7.79
Overall Treasury bills rate	10.17	10.30	10.33	10.99	12.53	12.85	13.33	11.01	9.27	6.97	5.81	5.16	4.52
Treasury Bonds Rates													
2-years	13.20	13.20	14.35	14.35	14.35	14.35	15.28	15.28	11.51	11.51	11.51	11.51	11.51
5-years	14.49	16.39	16.39	16.39	17.32	17.32	17.32	17.32	16.58	16.58	16.58	16.58	13.45
7-years	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.06	17.06	17.06	17.06	14.14	14.14
10-years	19.47	19.47	19.47	19.47	19.47	19.92	19.92	19.92	19.92	19.92	16.95	16.95	16.95
Discount Rate	15.17	15.30	15.33	15.99	17.53	17.85	18.33	16.01	13.00	10.31	6.95	4.40	3.70
Savings Deposit Rate	2.64	2.59	2.66	2.71	2.61	2.72	2.69	2.72	2.72	2.69	2.68	2.68	2.66
Overall Time Deposits Rate	6.43	6.22	6.38	6.39	6.41	6.58	6.79	6.85	6.81	6.52	6.94	6.87	6.72
Call Accounts	0.76	0.83	0.64	0.65	0.45	0.71	0.89	1.04	1.05	1.04	1.10	1.14	1.13
1 month	6.10	6.48	6.24	6.53	6.49	7.03	7.36	7.07	7.22	6.24	6.44	6.47	6.08
2 months	8.14	7.07	7.31	7.96	7.26	7.61	7.96	7.75	7.11	7.15	8.86	8.15	7.77
3 months	7.30	7.22	7.80	7.38	8.06	7.68	8.46	7.81	7.39	8.28	8.37	7.79	8.15
6 months	7.61	7.25	7.93	8.20	8.06	8.61	8.79	8.88	8.92	8.08	8.20	8.45	8.29
9 months													
12 months	8.05	8.20	8.76	8.29	8.65	8.47	8.44	8.85	9.13	8.79	9.04	9.02	8.82
24 months	7.07	6.52	5.96	5.75	5.90	5.91	5.66	6.57	6.86	6.03	6.58	7.09	6.79
Negotiated Deposit Rate	10.27	10.11	10.26	10.23	10.66	10.82	10.99	11.27	11.03	11.03	10.52	10.47	10.60
Overall Lending rate	14.91	14.82	14.30	16.05	14.93	14.95	15.12	15.45	15.39	15.48	15.14	15.12	14.90
Call Loans	19.25	20.25	19.25	19.25	19.25	19.25	19.25	19.25	20.25	21.25	22.25	22.25	23.25
Short-term (up to 1year)	14.04	13.27	13.57	13.56	13.41	13.45	13.44	13.87	13.68	14.57	13.94	13.77	13.98
Medium-term (1-2 years)	15.74	15.40	15.38	16.57	15.16	15.12	15.33	15.55	15.81	15.63	15.38	15.74	15.27
Medium-term (2-3 years)	15.66	15.39	14.62	17.18	14.72	14.94	14.93	15.18	15.07	15.11	14.61	14.75	14.69
Long-term (3-5 years)	15.94	16.32	15.69	16.52	15.20	15.26	15.28	15.54	15.36	15.23	15.20	14.98	14.91
Term Loans (over 5 years)	13.18	13.69	12.22	16.43	16.19	15.98	16.63	17.11	17.02	16.87	16.59	16.36	15.62
Negotiated Lending Rate	12.68	13.38	11.96	11.91	12.27	12.13	12.85	13.87	13.93	14.03	14.26	14.24	13.81
B: Foreign Currency													
Deposits Rates													
Savings Deposits Rate	1.65	1.63	1.64	1.43	1.44	0.70	2.36	2.38	2.38	2.36	2.37	1.53	1.46
Overall Time Deposits Rate	2.93	3.09	3.24	3.87	3.74	4.02	3.83	2.84	2.81	2.30	2.36	2.26	3.68
1-months	2.88	2.59	3.10	3.53	2.80	2.24	3.82	2.66	3.86	2.36	1.85	2.09	3.68
2-months	2.60	3.15	2.76	3.73	3.72	4.94	3.78	4.01	2.66	1.80	2.34	2.49	3.46
3-months	3.07	2.70	3.29	4.61	4.65	5.12	4.56	2.61	2.64	2.45	2.93	2.10	4.24
6-months	2.89	3.37	3.40	4.14	4.13	4.17	3.81	2.47	2.63	2.71	2.55	2.15	3.95
12-months	3.19	3.65	3.65	3.36	3.41	3.63	3.21	2.43	2.27	2.18	2.12	2.49	3.07
Overall Lending Rate	9.49	9.29	9.68	9.62	9.38	7.62	9.48	9.28	9.68	9.69	9.69	9.76	9.72
Short-term (up to 1year)	5.33	6.37	6.35	6.29	6.28	6.53	5.88	4.86	6.92	6.96	6.94	6.94	6.95
Medium-term (1-2 years)	10.33	10.47	10.49	10.53	9.88	8.09	10.78	10.86	10.76	10.13	10.77	11.03	11.03
Medium-term (2-3 years)	10.69	8.40	10.74	10.44	9.97	8.05	9.93	10.10	10.13	10.82	10.27	10.28	10.23
Long-term (3-5 years)	10.00	10.13	10.06	10.24	10.45	7.67	10.54	10.55	10.55	10.54	10.50	10.52	10.41
Term Loans (over 5 years)	11.08	11.08	10.74	10.60	10.33	7.74	10.31	10.05	10.02	10.01	10.00	10.01	10.01

Note: The Lombard rate is 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 50% of the highest rate.

Source: Bank of Tanzania

Table A5(a): Exports by Type of Commodity

Item	2008 ^p	2009		% Change		Year Ending Sep ^p		
	Sep	Aug	Sep	Sep08-Sep 09	Aug 09-Sep 09	2008	2009	% Change
Traditional Exports:								
COFFEE								
Value	5.3	2.1	4.8	-8.1	129.0	85.0	120.8	42.2
Volume	2.6	1.4	3.5	34.5	158.2	36.8	61.4	66.9
Unit Price	2,016.0	1,552.5	1,377.2	-31.7	-11.3	2,310.4	1,967.5	-14.8
COTTON								
Value	27.4	8.1	15.6	-42.8	92.3	114.7	111.4	-2.9
Volume	19.8	6.8	13.3	-32.5	95.1	93.0	95.4	2.6
Unit Price	1,385.3	1,189.8	1,172.3	-15.4	-1.5	1,232.9	1,166.9	-5.4
SISAL								
Value	0.0	0.0	0.0	0.0	0.0	3.4	1.2	-63.9
Volume	0.0	0.0	0.0	0.0	0.0	3.2	0.7	-78.9
Unit Price	-	-	-	-	-	1,054.9	1,802.4	70.9
TEA								
Value	2.5	1.6	1.4	-44.9	-10.6	37.6	30.0	-20.2
Volume	1.3	0.8	0.6	-51.3	-17.9	25.3	18.3	-27.7
Unit Price	1,927.4	2,002.4	2,180.5	13.1	8.9	1,486.6	1,641.2	10.4
TOBACCO								
Value	13.2	24.2	20.5	54.9	--	69.8	160.4	130.0
Volume	3.1	8.6	8.2	163.7	--	27.2	55.7	104.7
Unit Price	4,222.5	2,823.0	2,479.4	-41.3	--	2,562.9	2,879.7	12.4
CASHEWNUTS								
Value	0.00	0.00	0.0	--	--	55.8	51.5	-7.7
Volume	0.00	0.00	0.0	--	--	76.6	68.2	-11.1
Unit Price	0.0	0.0	0.0	--	--	728.5	755.7	3.7
CLOVES								
Value	1.17	1.48	2.7	131.9	82.9	6.2	17.2	175.7
Volume	0.29	0.52	0.9	203.6	71.9	1.7	5.4	215.2
Unit Price	4,011.7	2,881.6	3,064.9	-23.6	6.4	3,664.7	3,205.3	-12.5
Sub Total	49.6	37.5	45.0	-9.1	20.3	372.4	492.5	32.2
Non-Traditional Exports:								
Minerals								
Gold	78.2	103.5	108.9	39.2	5.2	1,019.1	940.1	-7.8
Diamond	74.5	101.9	107.6	44.6	5.6	948.9	906.8	-4.4
Other minerals ¹	0.3	0.2	0.1	-76.2	-67.5	20.6	15.1	-26.8
Manufactured Goods	3.5	1.4	1.2	-66.5	-16.7	49.6	18.2	-63.3
Cotton Yarn	53.0	32.7	35.1	-33.7	7.4	520.0	571.8	10.0
Manufactured Coffee	2.8	1.6	0.8	-70.6	--	15.8	8.7	-45.2
Manufactured Tobacco	0.0	0.0	0.2	-	--	1.1	0.5	-56.0
Sisal Products (Yarn & Twine)	0.3	0.4	0.3	-9.8	-24.1	1.6	3.2	96.9
Other manufactured Goods ²	1.0	1.0	0.6	-41.3	--	11.6	6.4	-45.0
Fish and Fish Products	48.9	29.8	33.3	-31.9	11.9	519.8	503.7	-3.1
Horticultural products	14.1	29.8	10.4	-25.9	-65.0	148.6	147.8	-0.6
Re-exports	3.1	10.9	1.8	-41.7	-83.6	27.2	43.3	59.0
Others Exports ³	3.5	5.4	25.6	631.1	377.8	129.1	135.3	4.8
Sub Total	33.2	26.4	60.3	81.6	128.8	259.7	341.0	31.3
GRAND TOTAL	234.6	246.1	287.2	4.9	16.7	2,476.1	2,671.7	7.9

Note:

¹ Include tanzanite, rubbies, sapphires, emeralds, copper, silver and other precious stones

² Include plastic items, textile apparels iron/steel and articles thereof

³ Include edible vegetables, oil seeds, cereals, cocoa, raw hides and skins, woods and articles thereof

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 USD; Unit Price in USD/T

Source: Bank of Tanzania, TRA

Table A5(b): Imports (f.o.b value) by Major Category

Import Category	Millions of USD							
	2008 ^P	2009		% Change		Year Ending Sep ^P		
	Sep	Aug	Sep	Sep 08- Sep 09	Aug 09- Sep 09	2008	2009	% Change
Capital Goods	247.8	203.9	212.9	-14.1	4.4	2,487.4	2,466.4	-0.8
Transport Equipments	61.5	58.1	63.6	3.4	9.4	744.2	734.6	-1.3
Building and Constructions	57.7	33.1	42.2	-27.0	27.2	560.7	536.9	-4.2
Machinery	128.6	112.6	107.2	-16.7	-4.8	1,182.5	1,194.8	1.0
Intermediate Goods	230.2	144.2	210.3	-8.7	45.8	2,464.1	1,932.1	-21.6
Oil imports	179.0	95.0	143.3	-19.9	50.9	1,774.1	1,344.5	-24.2
Fertilizers	4.8	11.6	14.3	196.1	23.4	117.5	118.7	1.0
Industrial raw materials	46.4	37.7	52.7	13.6	39.9	572.6	468.9	-18.1
Consumer Goods	135.9	145.8	112.6	-17.1	-22.7	1,302.3	1,370.6	5.2
Food and food stuffs	47.6	17.4	27.6	-42.0	59.1	327.1	334.0	2.1
All other consumer goods ¹	88.4	128.4	85.0	-3.8	-33.8	975.2	1,036.6	6.3
Grand Total (f.o.b)	613.9	493.9	535.8	-12.7	8.5	6,253.8	5,769.0	-7.8
Grand Total (c.i.f)	674.6	542.7	588.8	-12.7	8.5	6,872.3	6,339.5	-7.8

Note:

¹ It includes pharmaceutical products, paper products, plastic items, optical/photographic materials, textile apparels

^P = Provisional data

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania, TRA.

Table A5.(c): Tanzania's Balance of Payments (Revised)

Item	Millions of USD				
	2004	2005	2006	2007r	2008p
A. Current Account	-365.9	-862.8	-1,143.2	-1,578.3	-2,349.3
Balance on Goods	-1,001.2	-1,318.5	-1,946.5	-2,634.1	-3,447.4
Goods: Exports (f.o.b.)	1,481.6	1,679.1	1,917.6	2,226.6	3,036.0
Traditional	297.8	354.5	267.1	319.7	417.7
Nontraditional	1,183.9	1,324.6	1,476.2	1,704.5	2,270.6
o/w Gold	629.9	655.1	786.4	788.2	932.4
Unrecorded trade			174.3	202.4	347.8
Goods: Imports f.o.b.	-2,482.8	-2,997.6	-3,864.1	-4,860.6	-6,483.4
Balance on Services	158.9	61.8	278.7	462.1	392.9
Services: credit	1,133.6	1,269.2	1,528.1	1,875.7	1,998.8
Transportation	183.0	222.9	343.7	331.1	364.6
Travel	746.0	823.6	950.2	1,198.8	1,288.7
Other	204.6	222.7	234.1	345.8	345.4
Services: debit	-974.7	-1,207.3	-1,249.3	-1,413.7	-1,605.8
Transportation	-267.1	-319.5	-418.3	-485.0	-658.0
Travel	-445.3	-553.8	-534.5	-595.3	-720.7
Other	-262.3	-334.0	-296.6	-333.4	-227.1
Balance on Goods and Services	-842.3	-1,256.6	-1,667.8	-2,172.0	-3,054.4
Balance on income	-112.4	-102.0	-64.1	-58.1	-90.8
Income: credit	81.8	80.9	80.3	107.3	121.6
Income: debit	-194.2	-182.9	-144.4	-165.4	-213.5
Balance on Goods, Services and Income	-954.7	-1,358.6	-1,731.8	-2,230.1	-3,145.2
Balance on Current transfers	588.8	495.7	588.7	651.5	602.8
Current transfers: credit	653.8	563.3	654.6	724.0	682.4
Government	581.7	477.9	559.7	626.9	581.9
o/w Multilateral HIPC relief	73.7	75.7	42.1	36.7	0.0
Other sectors	72.1	85.4	94.9	97.1	100.5
Current transfer: debit	-65.0	-67.5	-65.9	-72.5	-79.6
B. Capital Account	459.9	393.2	5,183.5	923.7	637.5
Capital transfers: credit	459.9	393.2	5,183.5	923.7	637.5
General Government	420.0	350.1	5,135.0	870.5	577.7
Project	253.7	238.0	173.3	347.5	577.7
Debt forgiveness (including MDRI)	166.3	112.1	4,961.7	523.0	0.0
Other sectors	39.9	43.1	48.6	53.2	59.8
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	94.0	-469.7	4,040.3	-654.6	-1,905.0
C. Financial Account, excl. reserves and related items	306.3	555.6	-3,954.6	946.0	1,745.7
Direct investment abroad	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	330.6	494.1	597.0	647.0	679.3
Portfolio investment	2.4	2.5	2.6	2.8	2.9
Other investment	-26.7	59.0	-4,554.2	296.3	1,063.5
Assets	52.3	-90.9	-187.6	34.1	181.7
Liabilities	-79.0	150.0	-4,366.6	262.2	881.8
Total, Groups A through C	400.3	85.9	85.7	291.4	-159.2
D. Net Errors and Omissions	-116.3	-313.7	374.9	121.5	267.7
Overall balance	284.0	-227.8	460.7	412.6	108.8
E. Reserves and Related Items	-284.0	227.8	-460.7	-412.6	-108.8
Reserve assets	-308.2	253.1	-126.5	-419.4	-108.2
Use of Fund credit and loans	-33.8	-50.5	-334.2	6.8	-0.3
Exceptional financing	58.0	25.1	0.0	0.0	0.0
Interest arrears	21.9	25.1	0.0	0.0	0.0
Principal arrears	36.2	0.0	0.0	0.0	0.0
Memorandum items					
GDP(mp) billions of TZS	13,971.6	15,965.3	17,941.3	20,948.4	24,617.4
GDP(mp) millions of USD	12,828.0	14,139.1	14,308.4	16,838.6	20,577.8
CAB/GDP	-2.9	-6.1	-8.0	-9.4	-12.4
CAB/GDP (excl. current official transfers)	-7.4	-9.5	-11.9	-13.1	-15.2
Gross Official Reserves	2,307.7	2,054.6	2,137.5	2,753.7	2,912.0
Months of Imports	6.6	4.8	4.1	4.1	4.5
Net International Reserves (year end)	1,883.9	1,707.6	2,122.0	2,727.9	2,887.6
Change in Net International Reserves	-314.3	176.4	-414.4	-605.9	-159.7
Exchange rate (end of period)	1,043.0	1,165.5	1,261.6	1,132.1	1,258.7
Exchange rate (annual average)	1,089.1	1,129.2	1,253.9	1,244.1	1,196.3

Notes:

1. Revision is based on new data obtained from the completion of Private Capital Flows and tourism survey and adoption of new data sources for some other items in the services account

2. Change in gross official reserves will not necessarily be equal to reserve assets since a new methodology of computing reserve assets which nets out the impact of valuation was introduced beginning January 2006

r = Revised

p = Provisional

O/W = Of Which

Source: Bank of Tanzania, International Economics Department

Table A6 (a): National Consumer Price Index (All - Urban), Percentage Change on the Previous Year

Period	Headline	Non-Food												
	(General Index)	Food	Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Education	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2004	4.2	5.9	1.6	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	1.0	0.6	-0.5
2005	4.4	5.9	2.9	2.1	-0.5	-0.4	7.7	-1.1	0.5	3.5	-1.5	4.7	-0.1	-1.4
2006	7.3	7.0	7.6	7.7	7.0	5.5	8.5	7.8	2.0	11.2	5.0	9.1	2.5	8.0
2007	7.0	7.0	7.0	10.5	5.9	3.6	6.2	7.9	8.7	2.9	8.9	7.0	9.7	0.8
2008	10.3	12.7	6.7	8.2	1.5	2.4	10.7	6.0	3.2	5.0	5.5	6.9	7.0	1.8
2007-Jan	7.0	6.7	7.4	11.9	6.1	4.9	4.8	10.3	9.6	2.0	5.6	8.8	10.0	-1.8
Feb	7.3	6.2	8.8	11.2	6.3	6.0	9.6	11.0	10.8	0.9	7.5	9.8	11.8	-0.4
Mar	7.2	6.1	9.1	11.8	7.2	5.8	9.3	10.4	11.1	3.4	9.2	9.1	13.0	1.6
Apr	6.1	4.8	8.2	14.7	6.7	4.3	5.0	10.5	11.8	3.6	9.4	8.3	11.8	1.9
May	5.0	2.8	8.4	13.0	7.4	4.2	7.5	8.4	11.1	4.7	9.4	8.0	10.1	2.0
Jun	5.9	4.6	7.6	12.3	7.3	3.2	6.4	8.7	10.1	4.2	10.1	5.8	10.3	2.5
Jul	9.0	10.3	7.4	10.8	5.5	1.7	7.3	7.6	10.7	4.5	10.6	6.8	8.6	2.0
Aug	7.8	9.2	6.0	7.3	6.4	2.1	4.2	6.9	9.5	3.5	10.8	6.5	8.8	0.0
Sep	8.3	11.4	4.1	6.2	4.5	2.8	1.4	4.1	6.5	2.2	9.7	4.3	9.2	-0.8
Oct	7.1	8.4	5.1	7.0	5.4	2.8	3.8	4.6	5.8	1.6	10.5	5.6	7.8	0.3
Nov	7.3	7.5	6.5	10.0	5.2	2.8	6.8	6.6	4.8	2.1	7.6	6.2	7.8	1.7
Dec	6.4	6.6	6.1	10.3	2.5	2.8	8.0	6.2	3.0	1.9	6.1	5.4	6.8	0.8
2008-Jan	8.6	10.1	6.4	10.4	1.1	2.4	10.1	4.9	3.6	3.7	5.9	5.7	5.6	2.1
Feb	8.9	11.4	5.3	10.2	0.3	2.4	6.8	4.1	2.9	3.4	4.0	4.9	5.6	1.8
Mar	9.0	11.2	5.8	9.1	1.0	1.7	8.3	4.9	2.9	3.1	3.5	6.0	5.6	1.0
Apr	9.7	11.6	6.9	8.6	1.1	2.1	11.3	4.9	2.8	3.3	4.2	7.6	6.1	1.5
May	9.1	11.0	6.5	7.5	1.1	2.1	11.7	5.1	2.5	3.9	4.2	6.0	6.4	0.4
Jun	9.3	11.4	6.3	7.7	0.9	2.1	10.6	5.5	2.8	4.0	4.0	6.7	6.3	0.4
Jul	9.5	11.2	6.8	7.9	1.3	3.5	12.0	5.4	2.0	4.9	4.4	6.0	7.2	1.8
Aug	9.8	11.1	7.8	8.6	-0.1	3.1	12.7	6.9	1.1	5.9	5.2	9.9	7.9	1.5
Sep	11.6	13.4	8.9	8.8	2.2	2.4	15.0	8.2	3.4	6.9	6.9	9.7	8.3	3.4
Oct	11.8	14.6	7.9	8.3	1.8	2.4	12.9	7.9	4	5.9	6.9	7.9	7.9	3.9
Nov	12.3	16.3	6.3	5.5	2.5	2.4	8.7	7.0	4.7	7.3	8.3	6.9	8.5	2.1
Dec	13.5	18.6	6.0	5.5	4.3	2.4	8.1	6.8	5.4	8.0	8.7	5.1	8.5	1.9
2009-Jan	12.9	18.2	4.8	5.4	3.4	12.5	2.6	7.1	4.8	7.7	9.6	4.2	9.1	3.1
Feb	13.3	18.6	4.9	5.3	4.6	12.6	2.5	6.9	5.1	7.6	10.9	3.4	9.9	3.6
Mar	13.0	18.5	4.3	5.7	4.4	12.6	0.3	7.1	4.7	7.7	10.5	3.2	11.2	3.5
Apr	12.0	17.8	2.9	6.1	4.9	12.2	-4.1	7.3	4.6	7.5	9.2	0.4	10.8	5.6
May	11.3	17.8	1.3	6.6	5.0	12.2	-9.0	6.9	5.2	7.1	8.8	-1.0	10.3	4.1
Jun	10.7	17.0	1.0	6.8	7.2	12.2	-10.1	6.0	4.5	7.7	9.1	-2.0	11.4	3.8
Jul	10.9	16.9	1.9	9.9	8.5	12.6	-9.1	6.3	4.5	7.1	9.0	-1.9	11.7	3.8
Aug	12.1	18.9	2.0	10.9	9.8	12.6	-7.2	6.5	6.3	7.5	8.4	-4.9	10.3	5.0
Sep	12.1	17.3	4.0	11.3	8.1	12.6	-0.9	7.0	5.2	7.0	9.1	-2.0	9.5	3.1

Note: Base (1) 2001=100 up to 2005 (2) Dec 2001=100 from January 2006.

Source: National Bureau of Statistics

Table A6 (b): National Consumer Price Index, Percentage Change on the Previous Month (Month-on-Month)

Period	Headline (General Index)	Food	Non-Food											
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household	Household operations	Personal care & Health	Recreation & Entertain.	Transpor- tation	Educ- ation	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2006 Mar	0.8	1.3	0.0	1.3	-1.0	0.9	0.1	-0.3	0.0	-1.9	-0.7	0.2	-0.7	-1.0
Apr	0.9	1.1	0.7	-1.8	0.3	1.5	3.2	0.1	0.2	0.1	-0.3	0.7	1.1	-0.5
May	1.7	1.9	1.4	2.7	0.1	0.1	0.8	2.6	1.5	-1.2	0.3	2.4	1.8	0.7
Jun	-0.7	-2.4	1.9	0.7	0.6	1.0	4.2	0.1	1.2	0.5	0.1	2.5	0.4	-0.4
Jul	-2.9	-5.1	0.4	1.5	1.1	1.6	-0.7	1.1	-0.1	-0.1	0.3	0.2	1.7	-0.3
Aug	0.2	-0.5	1.2	2.7	-0.5	0.0	2.6	0.4	0.6	1.3	0.3	0.0	0.6	1.2
Sep	0.2	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2
Oct	1.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6
Nov	0.8	2.3	-0.7	0.2	0.3	0.0	-2.8	-0.8	0.6	-0.1	1.8	-0.2	0.0	-0.6
Dec	2.1	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6
2007 Jan	1.3	1.8	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6
Feb	1.1	0.7	1.7	0.5	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9
Mar	0.7	1.2	0.2	1.9	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	-0.5	0.4	0.9
Apr	-0.1	-0.1	-0.1	0.7	-0.1	0.0	-0.9	0.2	0.9	0.3	-0.1	-0.1	0.1	-0.1
May	0.6	-0.1	1.6	1.2	0.8	0.0	3.3	0.6	0.8	0.0	0.4	2.1	0.3	0.8
Jun	0.1	-0.6	1.0	0.1	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.5	0.6	0.0
Jul	0.1	0.1	0.2	0.1	-0.6	0.1	0.2	0.2	0.4	0.2	0.7	1.1	0.2	-0.7
Aug	-0.9	-1.6	-0.2	-0.6	0.4	0.4	-0.4	-0.4	-0.4	0.3	0.5	-0.3	0.8	-0.8
Sep	0.6	1.7	-0.9	0.4	-1.1	0.7	-2.3	-1.1	-0.9	-0.3	-0.6	-0.7	0.5	-0.6
Oct	0.4	-0.1	1.0	1.4	1.2	0.0	1.1	1.1	0.4	1.1	1.1	0.9	0.4	0.5
Nov	1.1	1.5	0.6	2.9	0.1	0.0	0.0	1.0	-0.4	0.4	-0.8	0.4	0.0	0.8
Dec	1.3	2.0	0.1	0.6	-0.8	0.0	-0.6	1.1	0.1	0.2	0.4	0.4	0.9	-0.3
2008- Jan	3.4	5.2	0.9	0.8	0.0	0.4	1.9	0.7	0.7	0.8	0.9	0.7	1.3	0.7
Feb	1.4	1.9	0.6	0.4	0.1	0.0	1.6	1.0	0.6	0.0	-0.1	0.4	0.0	0.6
Mar	0.9	0.9	0.7	0.8	0.5	0.0	1.2	0.0	0.3	0.2	0.4	0.6	0.4	0.1
Apr	0.5	0.3	1.0	0.3	0.1	0.4	1.8	0.2	0.8	0.5	0.6	1.4	0.7	0.4
May	0.1	-0.6	1.2	0.1	0.8	0.0	3.6	0.8	0.4	0.5	0.4	0.5	0.6	-0.3
Jun	0.2	-0.3	1.0	0.3	0.3	0.0	2.1	0.8	0.6	0.1	0.5	1.1	0.5	0.0
Jul	0.3	-0.1	0.7	0.3	-0.2	1.5	1.5	0.1	-0.3	1.0	1.2	0.4	1.1	0.7
Aug	-0.7	-1.6	0.7	0.0	-1.0	0.0	0.2	1.1	-1.3	1.2	1.2	3.4	1.4	-1.1
Sep	2.2	3.7	0.1	0.6	1.1	0.0	-0.3	0.1	1.4	0.7	1.0	-0.9	0.9	1.3
Oct	0.6	1.0	0.0	0.9	0.8	0.0	-0.7	0.8	1.0	0.2	1.0	-0.7	0.0	1.1
Nov	1.5	3.1	-0.8	0.3	0.7	0.0	-3.7	0.2	0.3	1.7	0.5	-0.6	0.5	-0.9
Dec	2.3	4.0	-0.2	0.5	1.0	0.0	-1.2	0.8	0.8	0.8	0.8	-1.3	0.9	-0.6
2009-Jan	2.9	4.8	-0.2	0.7	-0.8	10.4	-3.3	1.0	0.2	0.5	1.8	-0.2	1.9	1.9
Feb	1.7	2.3	0.6	0.3	1.2	0.1	1.5	0.9	0.9	-0.1	1.1	-0.4	0.7	1.0
Mar	0.6	0.8	0.2	1.2	0.4	0.0	-0.9	0.2	-0.1	0.3	0.0	0.4	1.5	0.0
Apr	-0.4	-0.3	-0.5	0.8	0.5	0.1	-2.6	0.4	0.7	0.3	-0.6	-1.3	0.3	2.4
May	-0.5	-0.6	-0.4	0.5	0.8	0.0	-1.7	0.4	1.0	0.2	0.0	-1.0	0.1	-1.6
Jun	-0.4	-1.0	0.7	0.5	2.4	0.0	0.9	0.0	-0.1	0.6	0.8	0.1	1.5	-0.4
Jul	0.5	-0.2	1.6	3.3	1.0	1.8	2.6	0.4	-0.4	0.5	1.1	0.6	1.3	0.7
Aug	0.4	0.1	0.9	0.9	0.1	0.0	2.4	1.2	0.5	1.6	0.6	0.2	0.1	0.1
Sep	2.2	2.3	2.2	1.0	-0.4	0.0	6.4	0.5	0.3	0.2	1.6	2.1	0.2	-0.6

Note: Base (1) 2001=100 up to 2005 (2) Dec 2001=100 from January 2006

Source: National Bureau of Statistics

Table A7: National Debt Developments

Item	2008/09							Millions of USD 2009/10		
	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
1. Overall Total Debt Committed²	7,265.7	7,257.8	7,330.3	7,373.0	7,772.4	7,777.0	8,120.1	8,180.4	8,412.6	8,535.5
Disbursed outstanding debt	4,843.7	4,847.2	4,899.8	4,942.5	5,139.2	5,147.4	5,483.0	5,537.5	5,828.5	5,932.8
Undisbursed debt	2,422.0	2,410.6	2,430.5	2,430.5	2,633.3	2,629.6	2,637.1	2,642.9	2,584.1	2,602.7
2. Disbursed Debt by Creditor Category²	4,843.7	4,847.2	4,899.8	4,942.5	5,139.2	5,147.4	5,483.0	5,537.5	5,828.5	5,932.8
Bilateral debt	935.7	940.8	923.5	922.1	922.5	925.4	933.5	932.1	938.5	944.3
Multilateral debt	3,009.1	3,004.6	3,055.7	3,094.3	3,168.2	3,126.8	3,430.1	3,480.3	3,769.1	3,815.2
Commercial debt	507.4	509.0	528.1	534.1	633.4	677.3	700.3	706.2	702.0	709.2
Export credits	391.5	392.8	392.6	392.1	415.0	417.9	419.1	419.0	418.8	464.1
3. Disbursed Debt by Borrower Category²	4,843.7	4,847.2	4,899.8	4,942.5	5,139.2	5,147.4	5,483.0	5,537.5	5,828.5	5,932.8
Central Government	3,968.6	3,968.9	4,002.4	4,040.9	4,104.8	4,068.7	4,118.2	4,166.6	4,460.1	4,510.7
Parastatal Companies	148.6	148.4	148.0	148.0	148.5	149.4	392.4	392.3	394.6	396.7
Private Sector	726.6	729.9	749.4	753.6	885.9	929.3	972.4	978.6	973.9	1,025.4
4. Disbursed Debt by Use of Funds²	4,843.7	4,847.2	4,889.8	4,942.5	5,139.2	5,147.4	5,483.0	5,537.5	5,828.5	5,932.8
BOP & Budget Support	1,673.7	1,672.7	1,669.9	1,679.6	1,695.6	1,688.3	1,935.2	1,972.6	1,842.9	1,851.8
Transport & Telecommunication	566.6	567.6	586.0	593.0	628.6	630.4	635.4	634.9	656.2	705.5
Agriculture	567.5	567.5	554.7	586.4	590.9	595.2	599.0	605.9	609.8	614.3
Energy & Mining	650.6	651.0	640.0	645.6	749.6	750.0	758.7	758.4	816.1	820.4
Industries	133.1	134.6	130.8	130.9	131.1	131.5	141.9	148.0	148.6	152.9
Social Welfare & Education	560.3	559.3	729.2	741.0	747.6	739.0	756.8	760.7	815.6	829.9
Finance and Insurance	73.3	73.3	72.3	72.8	72.9	73.1	73.8	73.7	73.9	80.2
Tourism	67.6	68.6	66.8	66.8	89.5	90.2	90.6	90.6	90.7	90.7
Others	551.2	552.8	440.0	426.5	433.5	449.6	491.7	492.7	774.8	787.1
5. Total Amount of Loan Contracted¹	101.7	25.3	-	22.6	20.5	394.0	0.0	0.0	3.5	13.7
Government	0.0	-	-	-	-	376.0	0.0	0.0	3.5	13.7
Parastatal Companies	0.0	-	-	-	-	-	0.0	0.0	0.0	0.0
Private	101.7	25.3	-	22.6	20.5	18.0	0.0	0.0	0.0	0.0
6. Disbursements¹	30.7	41.4	42.5	36.7	70.5	2.1	7.7	49.6	157.6	20.0
Government	23.6	20.2	14.6	11.3	65.6	2.1	7.7	49.6	157.6	19.9
Parastatal Companies	7.2	-	-	-	-	-	0.0	0.0	0.0	0.0
Private	-	21.2	27.9	25.4	5.0	-	0.0	0.0	0.0	0.1
7. Scheduled Debt Service¹	62.8	27.7	5.9	9.4	19.9	11.0	52.0	46.4	8.6	13.5
8. Actual Debt Service¹	5.6	11.7	0.3	3.8	6.1	3.8	4.6	6.0	2.4	4.0
Principal	1.4	7.8	0.1	0.2	2.4	1.3	2.2	3.3	2.0	3.3
Interest	4.2	3.9	0.2	3.6	3.7	2.5	2.4	2.8	0.5	0.7
Others	0.0	-	-	-	-	-	-	0.0	0.0	0.0
9. Net Transfers¹	25.2	29.7	42.2	32.9	64.4	-1.7	3.1	43.6	155.2	16.0
10. Total Arrears by Creditors Category²	2,611.2	2,629.6	2,607.7	2,607.3	2,674.4	2,693.2	2,809.8	2,792.1	2,791.8	2,807.9
Principal	1,186.7	1,197.9	1,187.7	1,189.9	1,222.9	1,218.6	1,293.4	1,257.7	1,262.5	1,266.0
Bilateral	452.0	453.7	443.3	443.0	444.2	446.8	452.8	454.4	460.4	468.3
Multilateral	10.4	9.3	8.8	8.9	10.9	10.6	17.2	19.5	19.5	20.0
Commercial	378.8	383.9	384.1	385.0	384.1	389.3	449.3	459.0	454.0	456.4
Export Credits	345.5	351.1	351.5	352.9	383.6	372.0	374.1	324.7	328.6	321.3
Interest	1,424.5	1,431.7	1,420.0	1,417.4	1,451.5	1,474.5	1,516.3	1,534.4	1,529.2	1,541.9
Bilateral	661.8	669.1	656.4	659.5	662.7	662.9	669.5	673.1	680.7	689.0
Multilateral*	1.4	4.3	4.2	4.2	8.5	8.3	10.9	15.5	15.5	16.0
Commercial	508.8	503.6	504.5	507.9	517.6	532.0	562.0	569.6	558.7	562.2
Export Credits	252.6	254.7	254.9	245.8	262.7	271.3	274.0	276.2	274.3	274.8
11. External Debt Stock	6,268.3	6,278.9	6,319.8	6,359.9	6,590.7	6,622.0	6,999.4	7,071.9	7,357.8	7,474.8
12. Domestic Debt Stock	1,504.3	1,474.3	1,488.7	1,465.7	1,673.0	1,711.7	1,741.1	1,772.2	1,809.4	1,856.2
13. Total Debt Stock	7,772.5	7,753.2	7,808.5	7,825.6	8,263.7	8,333.7	8,740.5	8,844.1	9,167.1	9,330.9
End Period Exchange Rate (TZS/USD)	1,280.3	1,287.0	1,302.5	1,313.7	1,320.4	1,310.4	1,299.4	1,313.3	1,301.8	1,302.7

*Multilateral arrears are those owed by the private companies

1) During the period .

(2) End of September 2009. All cumulative

Source: Bank of Tanzania

Glossary

Currency in Circulation Outside Banks

Notes and coins of Tanzanian shillings circulating outside the banking system, i.e. outside the Bank of Tanzania and deposit money banks.

Discount Rate

The rate of interest the Bank of Tanzania charges on Loans it extends to Deposit Money Banks and overdrafts to government. 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 unit of a currency can be purchased with another currency, e.g. TZS per US dollar.

Lombard Facility

An overnight facility established to enable commercial banks to borrow at their own discretion, by pledging eligible government securities as collateral.

Lombard Rate

This is the rate payable for the use of the Lombard Facility. The rate is based on the prevailing 35-days Treasury bill yield, REPO rate and overnight inter-bank rate, whichever is higher.

Money Supply, M

The sum of currency circulating outside banks and Tanzanian residents' deposits with depository corporations, are defined at various levels of aggregation as money supply narrowly and broadly defined. That is, narrow money (M1), broad money (M2), and extended broad money (M3).

M1, Narrow Money

Consists of, currency in circulation outside banks and demand deposits of Tanzanian residents with deposit money banks.

M2, Broad Money

Is equivalent to narrow money (M1) plus time and savings deposits of the Tanzanian residents with deposit money banks.

M3, Extended Broad Money

Consists of, broad money (M2) plus foreign currency deposits of the Tanzanian residents with deposit money banks.

Non-Food or Underlying Inflation Rate

This is a measure of price movements caused by factors other than food prices. It 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 for the BOT to purchase/sale 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 Bank of Tanzania's liabilities in the form of: (1) currency in circulation outside the Bank of Tanzania and (2) deposit money banks' deposits with the Bank of Tanzania. Reserve money is also referred to as base money, or high-powered money.

Seasonally Adjusted Series

Seasonal movements or seasonal variations, refer to identical, or almost identical patterns, which a time series appears to follow during corresponding months or quarters of each year. Such movements are due to recurring events, which take place annually, e.g. the harvest season. Seasonally adjusted series are series that have been processed to remove the impact of seasonal factors.

Weighted Annualized Yields of Treasury Bills of all Maturities

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.

ISSN 0856 – 6844

**For any enquiries please contact:
Director of Economic Research and Policy,
Bank of Tanzania, P.O. Box 2939,
Dar-es-Salaam
Tel: (255)- 22 223 3328/9
<http://www.bot-tz.org>**

