



---

---

**BANK OF TANZANIA**

**Monthly Economic Review**

---

**AUGUST 2009**

# Table of Contents

---

<b>1.0</b>	<b><i>Inflation Developments</i></b> .....	<b>1</b>
<b>2.0</b>	<b><i>Monetary and Financial Developments</i></b> .....	<b>2</b>
	<i>Money Supply</i> .....	2
	<i>Credit Developments</i> .....	2
	<i>Interest Rates Developments</i> .....	3
	<i>Financial Markets Developments</i> .....	3
<b>3.0</b>	<b><i>Government Budgetary Operations</i></b> <i>Error! Bookmark not defined.</i>	
	<i>Revenue Performance</i> .....	<i>Error! Bookmark not defined.</i>
	<i>Government Expenditure</i> .....	<i>Error! Bookmark not defined.</i>
<b>4.0</b>	<b><i>External Sector Performance</i></b> .....	<b>5</b>
	<i>Current Account Balance</i> .....	5
	<i>World Commodity Prices</i> .....	8
<b>5.0</b>	<b><i>National Debt Developments</i></b> .....	<b>9</b>
	<i>External Debt</i> .....	9
	<i>Domestic Debt</i> .....	10
<b>6.0</b>	<b><i>Economic Developments in Zanzibar</i></b> .....	<b>11</b>
	<i>Inflation Developments</i> .....	11
	<i>Fiscal Performance</i> .....	11
	<i>Debt Developments</i> .....	12
	<i>External Sector Performance</i> .....	14
	<i>Exports Performance</i> .....	14
	<i>Goods Imports</i> .....	14
	<b><i>Statistical Tables</i></b> .....	<b>16</b>
	<b><i>Glossary</i></b> .....	<b>27</b>

## 1.0 Inflation Developments

**Month-to-month headline inflation rate** rose by 0.5 percent in July 2009 compared to a 0.4 percent decline recorded in June 2009. The upward trend is explained by increase in both food and non-food inflation. Likewise, excluding seasonal influences, the month-to-month headline inflation accelerated to 1.7 percent in July 2009 from negative 0.3 percent in June 2009. **Annual headline inflation rate** increased to 10.9 percent in July 2009 from 10.7 percent recorded in the previous month on account of increase in non-food inflation (**Table 1.1 and Chart 1.1**).

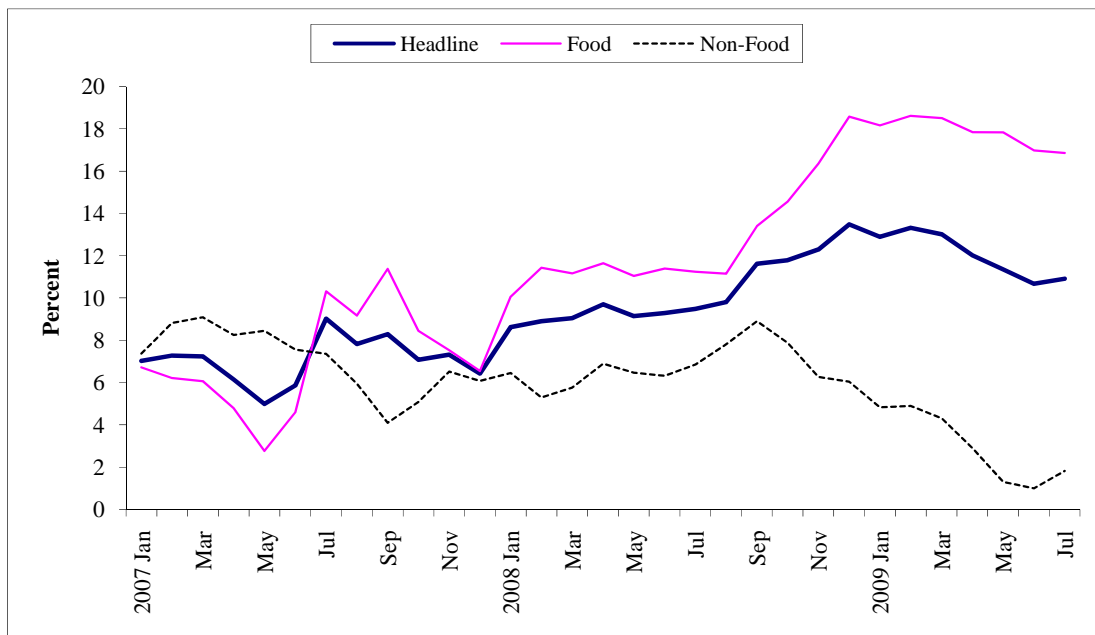
**Table 1.1: Annual Percentage Change in Consumer Price Index (ALL-Urban)**

*(Base: Dec 2001 = 100)*

Major Commodity Group	Weight (%)	2007			2008			2009		
		May	Jun	Jul	May	Jun	Jul	May	Jun	Jul
<b>Headline/Overall</b>	<b>100.0</b>	<b>5.0</b>	<b>5.9</b>	<b>9.0</b>	<b>9.1</b>	<b>9.3</b>	<b>9.5</b>	<b>11.3</b>	<b>10.7</b>	<b>10.9</b>
<b>Food</b>	<b>55.9</b>	<b>2.8</b>	<b>4.6</b>	<b>10.3</b>	<b>11.0</b>	<b>11.4</b>	<b>11.2</b>	<b>17.8</b>	<b>17.0</b>	<b>16.9</b>
<b>Non-food</b>	<b>44.1</b>	<b>8.4</b>	<b>7.6</b>	<b>7.4</b>	<b>6.5</b>	<b>6.3</b>	<b>6.9</b>	<b>1.2</b>	<b>1.0</b>	<b>1.9</b>
Transportation	9.7	8.0	5.8	6.8	6.0	6.7	6.0	-1.0	-2.0	-1.9
Fuel, Power and Water	8.5	7.5	6.4	7.3	11.7	10.6	12.0	-9.0	-10.1	-9.1
Drinks and Tobacco	6.9	13.0	12.3	10.8	7.5	7.7	7.9	6.6	6.8	9.9
Clothing & Footwear	6.4	7.4	7.3	5.5	1.1	0.9	1.3	5.0	7.2	8.5
Education	2.6	10.1	10.3	8.6	6.4	6.3	7.2	10.3	11.4	11.7
Furniture & Household Equip.	2.1	8.4	8.7	7.6	5.1	5.5	5.4	6.9	6.0	6.3
H/h Operations Maintenance	2.1	11.1	10.1	10.7	2.5	2.8	2.0	5.2	4.5	4.5
Personal Care & Health	2.1	4.7	4.2	4.5	3.9	4.0	4.9	7.1	7.7	7.1
Rents	1.4	4.2	3.2	1.7	2.1	2.1	3.5	12.2	12.2	12.6
Recreation & Entertainment	0.8	9.4	10.1	10.6	4.2	4.0	4.4	8.8	9.1	9.0
Misc. Goods & Services	1.5	2.0	2.5	2.0	0.4	0.4	1.8	4.1	3.8	3.8

Source: National Bureau of Statistics and Bank of Tanzania Computation

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



However, the 3-month moving average annual headline inflation rate decreased from 11.3 percent in June 2009 to 11.0 percent in July 2009, while the 12-months average annual headline inflation increased to 11.9 percent in July 2009 from 8.4 percent recorded in the corresponding period (August 2007 to July 2008).

**Month-to-month non-food inflation rate** increased to 1.7 percent in July 2009 from 0.7 percent recorded in June 2009, following the increase of prices of some items including clothing, rent, charcoal, education materials, kerosene, diesel, petrol, drinks and tobacco. Similarly, annual non-food inflation increased to 1.9 percent in July 2009 from 1.0 percent recorded in June 2009. The upwards movement during the period under review is associated with the increase in prices of items under Drinks and Tobacco, Clothing and Footwear subgroups. However, the 3-month moving average annual non-food inflation rate declined to 1.3 percent in July 2009 from 1.6 percent recorded in June 2009. The 12-months annual non-food inflation rate also averaged 4.8 percent in July 2009, which is lower than 6.0 percent recorded in the corresponding period (Aug 2007 to Jul 2008).

The decline in the **Month-to-month food inflation** slowed to 0.2 percent in July 2009 from a decline of 1.0 percent in June 2009, driven mainly by prices of cereals, cereal products, vegetables and meat. Similarly, annual food inflation decrease to 16.9

percent in July 2009 from 17.0 percent recorded in the year ended June 2009. The 3-month moving average annual food inflation declined to 17.2 percent in July 2009 from 17.5 percent in June 2009. However, the 12-months annual food inflation rate averaged 16.6 percent in July 2009 compared to 10.1 in the corresponding period (August 2007 to July 2008).

## Food Supply situation

Food supply situation was generally satisfactory throughout the country in July 2009. However, according to the Ministry of Agriculture Food Security and Cooperatives (MAFC) some areas had reported facing food insecurity. In response, the government and private traders had purchased 4,025 tons of maize and sorghum from the National Food Reserve Agency (NFRA) to moderate food deficit.

Wholesale prices of major food crops continued to increase in July 2009 when compared with the same period a year before (**Table 1.2**). However, on month-to-month basis, the wholesale prices for selected food items marginally increased with the exception of those of maize and sorghum.

**Table 1.2: National Average Wholesale Prices for Selected Food Items**

*TZS per 100 kg*

Item	2008	2009		Percentage Change	
	Jul	Jun	Jul	Jul 08 to Jul 09	Jun 09 to Jul 09
Maize	28,623	34,324	34,119	19.2	-0.6
Rice	85,185	98,074	99,302	16.6	1.3
Beans	83,628	87,710	88,469	5.8	0.9
Sorghum	37,095	46,537	44,323	19.5	-4.8
Potatoes	40,937	46,511	48,521	18.5	4.3

Source: Ministry of Industry, Trade and Marketing

## The National Food Reserve

The National Food Reserve Agency (NFRA) recorded a stock of 88,841 tons of maize and sorghum in July 2009, representing a decrease of 6.2 percent from 94,699 tons recorded in the preceding month (**Table 1.3**).

**Table 1.3: National Food Reserve Agency (NFRA) Stock**

Period								<i>Tons</i>
	2003	2004	2005	2006	2007	2008	2009	% Change 2008-2009
January	59,961	35,342	119,924	76,813	112,343	139,765	128,919	-7.8
February	59,493	23,791	116,383	43,593	117,838	133,898	125,430	-6.3
March	58,976	22,903	114,760	8,055	121,046	119,022	124,252	4.4
April	54,118	32,387	115,262	3,165	125,509	94,509	122,849	30.0
May	52,857	31,732	113,823	6,210	128,350	79,369	109,876	38.4
June	51,060	37,091	112,823	15,560	128,804	76,649	94,699	23.5
July	50,661	39,195	112,323	13,811	129,306	75,438	88,841	17.8
August	52,681	45,988	112,067	28,440	125,653	83,131		
September	61,364	67,685	111,971	80,248	131,937	102,225		
October	59,379	92,710	111,695	87,461	143,717	114,464		
November	52,054	108,448	106,428	100,828	142,624	122,209		
December	41,649	114,030	93,051	110,203	142,044	129,253		

**Source:** National Food Reserve Agency and BOT computation.

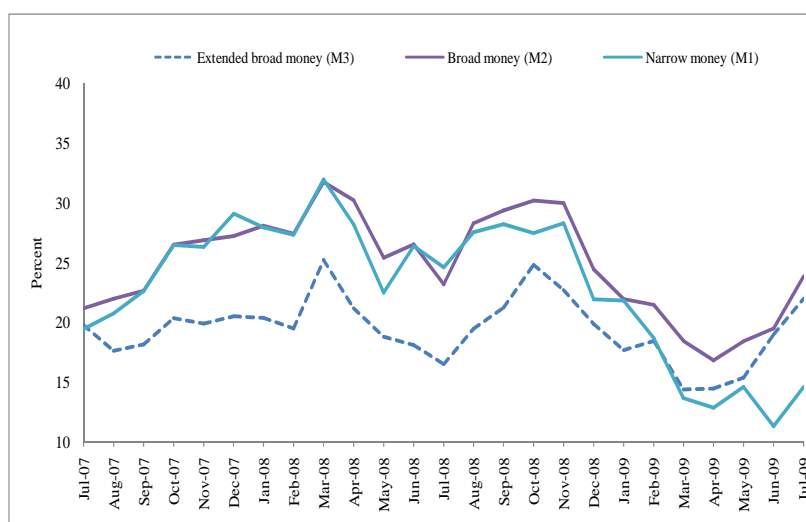
However, on annual basis the stocks were 17.8 percent higher that recorded in July 2008 due to increased purchases from the domestic market by the NFRA. The NFRA in the 2009/10 financial year planned to purchase 165,000 tons of grains from domestic market to replenish food reserves. The purchases are planed to commence in August 2009.

## 2.0 Monetary and Financial Developments

### Money Supply and Credit Developments

Annual monetary growth rates of monetary aggregates sustained an upward trend in that began in May 2009, in line with the monetary policy stance pursued by the Bank since the last quarter of 2008/09. Monetary policy targets were revised upwards in the last quarter of 2008/09 with a view to reducing the negative effects of the global economic and financial crisis on the economy. In the year ending July 2009, annual growth rate of extended broad money supply, M3, increased to 22.0 percent, which was higher than 16.5 percent recorded in July 2008 and above 19.0 percent recorded in the preceding month. Meanwhile, broad money supply, M2, recorded an annual growth rate of 23.8 percent in July 2009, slightly higher than 23.2 percent recorded in July 2008, but significantly higher than 19.5 percent recorded in June 2009 (**Chart 2.1 and Table 2.1**).

**Chart 2.1: Tanzania: Annual Growth Rates of Monetary Aggregates**



Source: Bank of Tanzania

**Table 2.1: Tanzania: Selected Money Supply Components**

	Billions of TZS									
					Monthly Change		Annual Growth			
	Jun-08	Jul-08	Jun-09	Jul-09	Jun-09	Jul-09	Jun-08	Jul-08	Jun-09	Jul-09
Net Foreign Assets of the Banking System	3,694.8	3,737.5	4,253.1	4,690.4	55.4	437.4	4.6	-7.5	15.1	25.5
Bank of Tanzania	3,125.6	3,089.7	3,451.4	3,845.2	-35.8	393.7	14.9	-7.8	10.4	24.5
Other Depository Corporations	569.2	647.8	801.7	845.3	91.2	43.6	-29.7	-6.1	40.8	30.5
Net Domestic Assets of the Banking System	2,917.3	3,031.9	3,613.0	3,566.8	199.7	-46.2	41.0	71.2	23.8	17.6
Domestic Claims	3,384.8	3,634.2	4,771.7	4,657.3	352.8	-114.5	21.1	45.2	41.0	28.2
Claims on central government (net)	(151.1)	(17.8)	61.5	(32.0)	327.5	-93.5	-162.0	-86.2	-140.7	79.9
Claims on Central Government	2,139.9	2,084.2	2,315.5	2,389.3	259.8	73.9	-4.8	-11.1	8.2	14.6
Liabilities to Central Government	2,291.0	2,102.0	2,254.0	2,421.4	-67.7	167.4	14.3	-15.0	-1.6	15.2
Claims on Other Sectors	3,535.8	3,652.0	4,710.2	4,689.3	25.3	-20.9	38.6	38.8	33.2	28.4
Extended Broad Money Supply (M3)	6,612.1	6,769.4	7,866.0	8,257.2	255.1	391.2	18.1	16.5	19.0	22.0
Foreign Currency Deposits (FCD) in National Currency	1,781.6	1,842.5	2,093.6	2,155.8	77.3	62.2	0.0	1.7	17.5	17.0
<i>FCD in millions of US dollar</i>	1,508.6	1,582.8	1,611.3	1,641.5	72.5	30.2	7.4	11.9	6.8	3.7
Broad Money Supply (M2)	4,830.6	4,927.0	5,772.4	6,101.4	177.9	329.0	26.5	23.2	19.5	23.8
Other Deposits in National Currency	2,000.7	2,010.6	2,623.3	2,759.5	108.5	136.2	26.7	21.2	31.1	37.2
Narrow Money Supply (M1)	2,829.9	2,916.3	3,149.1	3,341.8	69.4	192.8	26.4	24.6	11.3	14.6
Currency in Circulation	1,269.5	1,312.7	1,424.1	1,494.5	57.8	70.4	14.3	16.3	12.2	13.8
Transferable Deposits in National Currency	1,560.4	1,603.7	1,725.0	1,847.4	11.6	122.4	38.3	32.3	10.5	15.2

Source: Bank of Tanzania

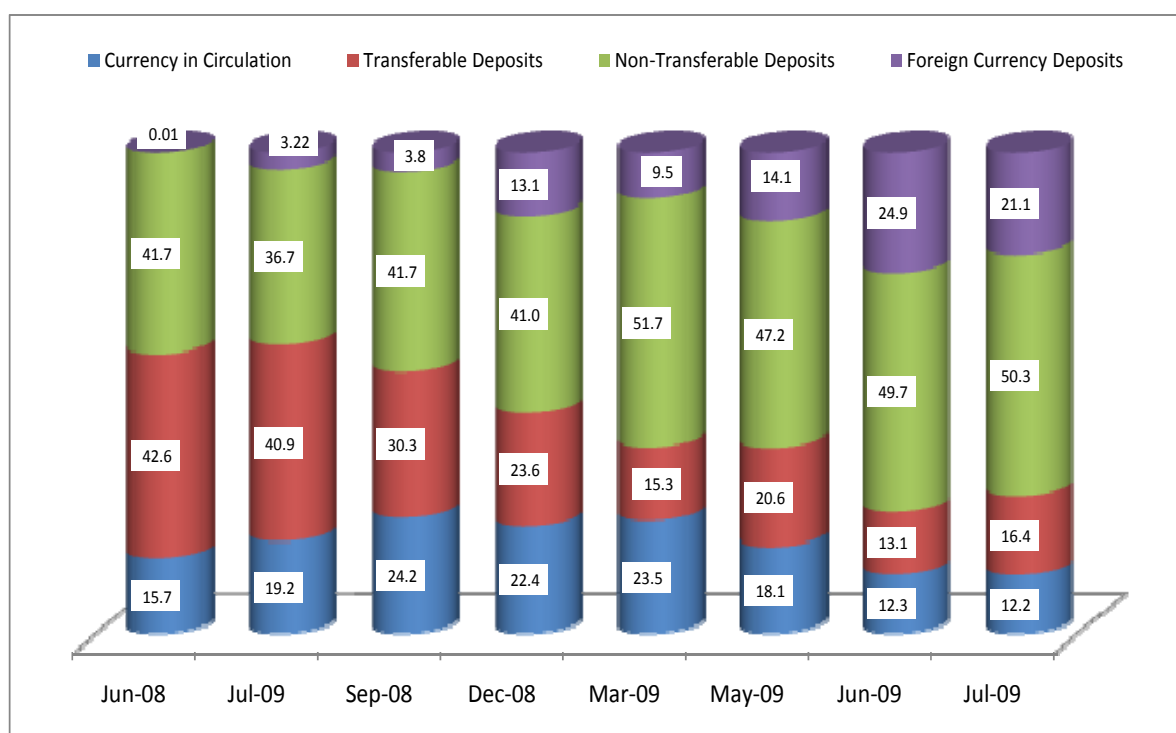
The relatively higher growth rates in monetary aggregates is mainly explained by the increase in the growth rate of net foreign assets of the banking system, partly associated with the disbursement of general budget support.

Credit to the private sector by banks continued to register sizeable growth, reaching an average of 37 percent in the past three years. However, in the year ending July 2009, the growth rate of credit to the private sector stood at 28.4 percent, lower than 33.2 percent recorded in June 2009, partly associated with cautious approach taken by banks in extending credit for crop purchase. This position is expected to change as government implements the rescue plan. Notwithstanding the slower growth rate in July 2009, it represents an annual increase of TZS 1,037.3 billion to a stock of TZS 4,689.3 billion, and is broadly in line with the targeted growth rate of 28.7 percent for 2009/10. The largest share of the outstanding credit was held in personal loans that accounted for about 20 percent, followed by trade and manufacturing activities that accounted for about 19 percent and 12 percent, respectively. Outstanding credit to the marketing of agricultural products recorded a slight improvement reaching a share of 10.9 percent of the outstanding credit from 10.4 percent recorded in the preceding month. Meanwhile, share of the outstanding credit to transport and communication activities stabilized at around 10 percent during the period under review.

The changes in money supply during July 2009 were mainly explained by a sizeable increase in non-transferable deposits (savings and time deposits) ([Chart 2.2](#)).

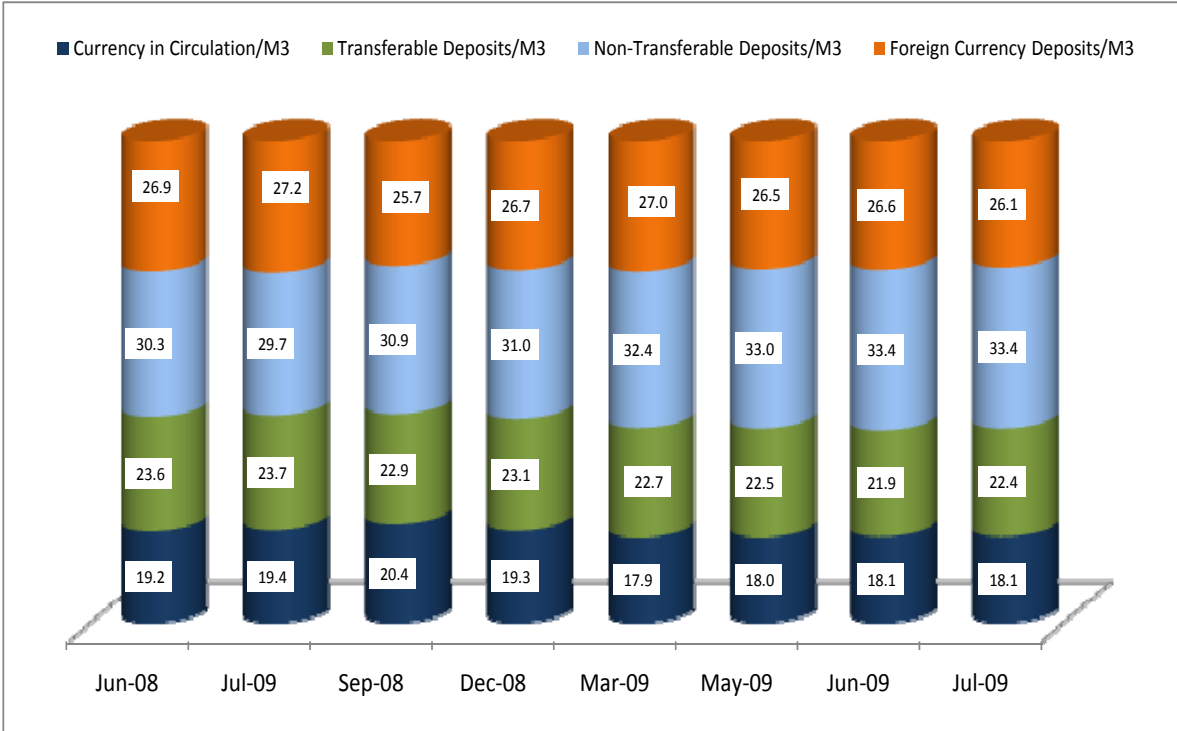


**Chart 2.2: Contribution of Components of Money Supply to 12-Month Change in M3**



Meanwhile, transferable deposits improved slightly, whereas currency in circulation edged downwards. Foreign currency deposits sustained lower contribution to changes in money supply largely due stability in the value of shilling against major foreign currencies. However, the share of non-transferable deposits to total M3 stabilized at 33.4 percent in July 2009 same level recorded in the preceding month, but well above 29.7 percent recorded in July 2008. Transferable deposits recorded some improvements while the share of foreign currency deposits declined in July 2009. Shares of other components of money supply have recorded moderate changes as presented in [Chart 2.3](#) and [Table 2.2](#).

**Chart 2.3: Components of Money Supply as Percentage of M3**



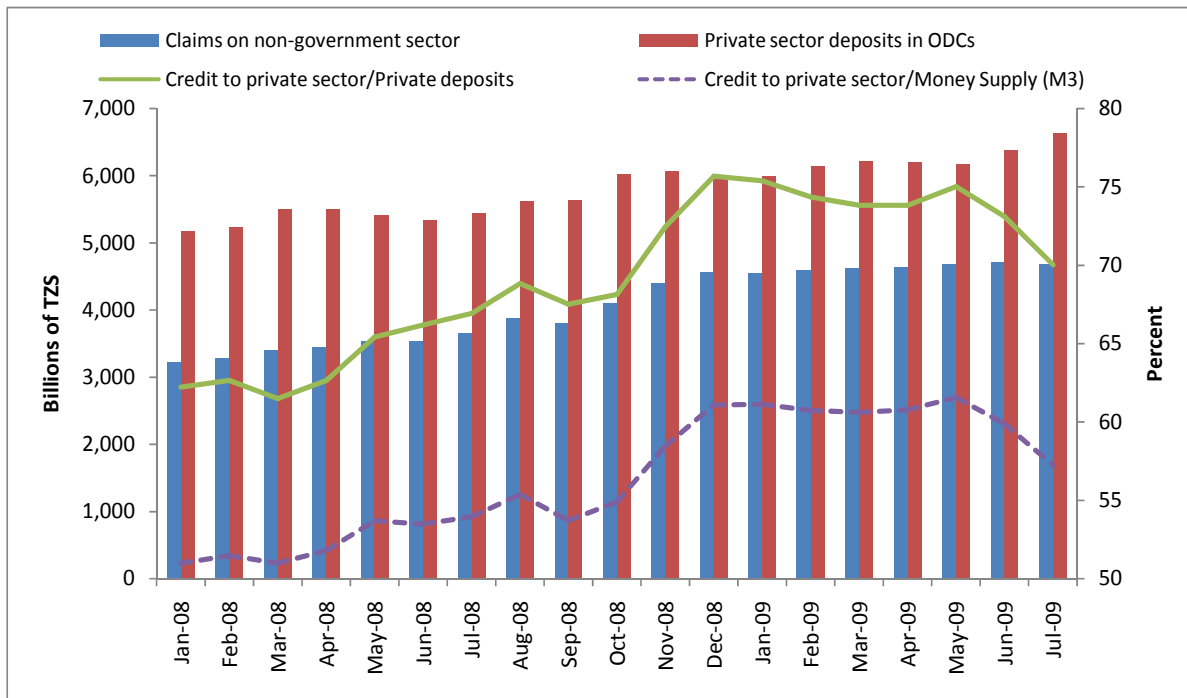
**Table 2.2: Selected Money Supply Components**

	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
Stock in billions of TZS														
M3	6,612.1	6,769.4	6,994.5	7,093.0	7,474.6	7,523.8	7,458.8	7,435.7	7,553.0	7,633.5	7,627.4	7,610.9	7,866.0	8,257.2
M2	4,830.6	4,927.0	5,217.2	5,267.2	5,483.7	5,606.9	5,468.5	5,465.7	5,531.2	5,573.5	5,552.0	5,594.5	5,772.4	6,101.4
CC	1,269.5	1,312.7	1,366.9	1,449.9	1,451.7	1,452.2	1,438.6	1,408.0	1,384.3	1,366.6	1,349.6	1,366.3	1,424.1	1,494.5
DD	1,560.4	1,603.7	1,732.1	1,626.4	1,741.4	1,783.4	1,719.7	1,788.2	1,764.1	1,731.6	1,714.0	1,713.4	1,725.0	1,847.4
TD + SD	2,000.7	2,010.6	2,118.2	2,190.9	2,290.6	2,371.2	2,310.2	2,269.6	2,382.7	2,475.3	2,488.4	2,514.9	2,623.3	2,759.5
FCD	1,781.6	1,842.5	1,777.3	1,825.8	1,990.9	1,917.0	1,990.3	1,970.0	2,021.8	2,060.0	2,075.4	2,016.4	2,093.6	2,155.8
Annual Change in Percent														
M3	18.1	16.5	19.5	21.2	24.8	22.7	19.8	17.7	18.4	14.4	14.5	15.3	19.0	22.0
M2	26.5	23.2	28.3	29.4	30.2	30.0	24.4	22.0	21.5	18.4	16.8	18.4	19.5	23.8
CC	14.3	16.3	18.2	26.1	27.5	26.7	23.8	23.5	21.7	19.8	17.0	15.5	12.2	13.8
DD	38.3	32.3	36.0	30.1	27.4	29.6	20.4	20.5	16.5	9.2	9.8	13.9	10.5	15.2
TD + SD	26.7	21.2	29.4	31.0	34.2	32.3	28.1	22.2	25.3	25.0	22.1	23.5	31.1	37.2
FCD	0.0	1.7	-0.7	2.6	12.0	5.4	8.8	7.2	10.9	4.6	8.6	7.6	17.5	17.0
Share of M3 in Percent														
M3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
M2	73.1	72.8	74.6	74.3	73.4	74.5	73.3	73.5	73.2	73.0	72.8	73.5	73.4	73.9
CC	19.2	19.4	19.5	20.4	19.4	19.3	19.3	18.9	18.3	17.9	17.7	18.0	18.1	18.1
DD	23.6	23.7	24.8	22.9	23.3	23.7	23.1	24.0	23.4	22.7	22.5	22.5	21.9	22.4
TD + SD	30.3	29.7	30.3	30.9	30.6	31.5	31.0	30.5	31.5	32.4	32.6	33.0	33.4	33.4
FCD	26.9	27.2	25.4	25.7	26.6	25.5	26.7	26.5	26.8	27.0	27.2	26.5	26.6	26.1
Share of Annual Change in M3 in Percent														
M3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
M2	100.0	96.8	101.1	96.2	85.6	92.9	86.9	88.2	83.1	90.5	82.9	85.9	75.1	78.9
CC	15.7	19.2	18.5	24.2	21.1	22.0	22.4	24.0	21.0	23.5	20.3	18.1	12.3	12.2
DD	42.6	40.9	40.3	30.3	25.2	29.3	23.6	27.3	21.2	15.3	15.9	20.6	13.1	16.4
TD + SD	41.7	36.7	42.3	41.7	39.3	41.6	41.0	36.9	41.0	51.7	46.7	47.2	49.7	50.3
FCD	0.0	3.2	(1.1)	3.8	14.4	7.1	13.1	11.8	16.9	9.5	17.1	14.1	24.9	21.1

## Financial Intermediation

Financial intermediation by banks in Tanzania continued to register favourable performance in terms of increased deposits mobilization and growth of credit to the private sector. In the year ending July 2009, deposits amounting to TZS 1,595.0 billion were mobilized compared with TZS 1,326.7 billion recorded in the year ending June 2009, leading to a stock of TZS 7,292.6 billion, out of which TZS 6,633.3 billion was in favour of private sector and TZS 659.3 billion was central government deposits. Out of the newly mobilized deposits, TZS 1,037.3 billion were extended as loans to the private sector, which accounts for about 65 percent of the newly mobilized deposits. The outstanding stock of credit to the private sector in July 2009 stood at TZS 4,689.3 billion, which accounts for about 70 percent of the stock of private sector deposits held in banks, up from 66.9 percent recorded in the corresponding month a year earlier ([Chart 2.4](#)).

**Chart 2.4: Total Deposits and Credit of the Banking System**



**Interest Rate Developments**

Interest rates of the money market instruments sustained a downward trajectory, which is broadly in line with the current monetary policy stance. This policy stance has contributed to a declining weighted average yield of Treasury bills to an overall rate of 5.81 percent in July 2009, from its peak of 13.33 percent in March 2009. In June 2009, the yield was 6.97 percent (Table 2.3).

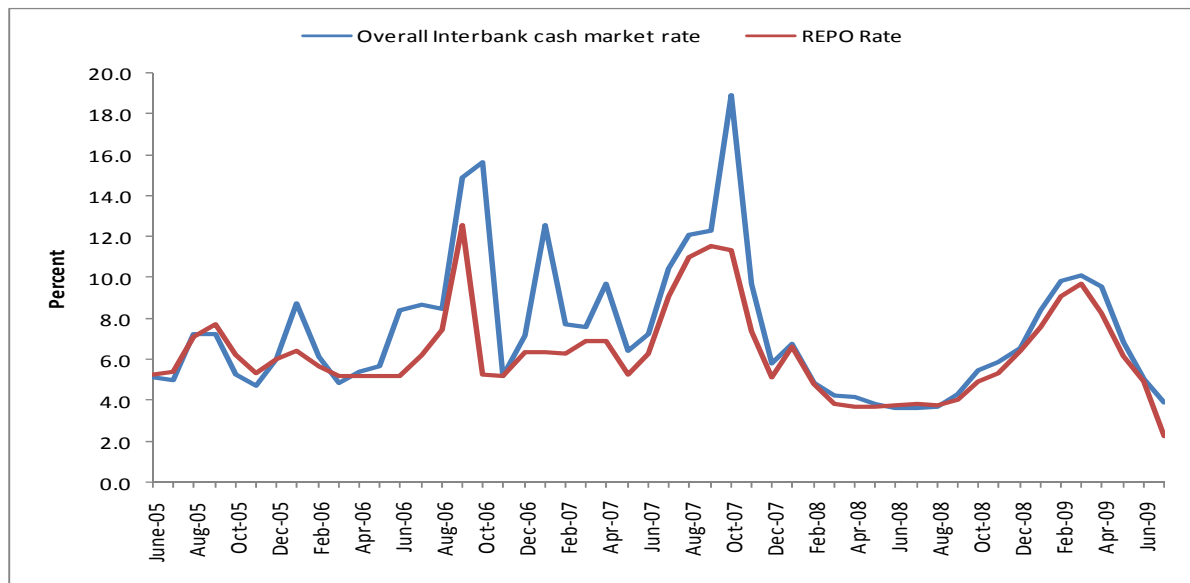
**Table 2.3: Weighted Average Interest Rates Structure**

	Percent													
	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	#####	#####	####
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
<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
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
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
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
<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
<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
<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
<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
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
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
<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
<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
<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
Overall Time Deposits Rate	6.66	6.58	5.86	6.43	6.22	6.38	6.39	6.41	6.57	6.79	6.85	6.81	6.52	6.63
<i>12 month time deposit rate</i>	8.29	8.17	7.48	8.05	8.20	8.76	8.29	8.65	8.47	8.44	8.85	9.13	8.79	8.63
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
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
<i>Short-term lending rate (up to 1year)</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
Negotiated Lending Rate	13.07	11.01	12.18	12.68	13.38	11.96	11.91	12.27	12.13	12.85	13.87	13.93	14.03	13.99
Margin between short-term lending and one-year time deposit rates	5.64	5.18	6.38	6.00	5.07	4.81	5.27	4.76	4.99	5.00	5.03	4.55	5.78	5.31

Source: Bank of Tanzania

Similar developments were observed in other domestic markets, including the inter-bank cash market, where the rate declined significantly to 3.86 percent in July 2009 from its peak of 10.10 percent in March 2009 and 5.03 percent recorded in the preceding month. Also, in the repos market the rate fell significantly to 2.23 percent in July 2009 from 9.73 percent in March 2009, and 4.90 percent recorded in June 2009, and well below the repo rate of 3.79 percent recorded in July 2008.

**Chart 2.5: Developments in Repo and Overall Interbank Cash Market Rate**



As for rates offered by banks, some recovery was registered in July 2009, which is broadly consistent with the efforts by banks in mobilizing deposits. Savings deposit rate stabilized at 2.68 percent in July 2009 as it was in the preceding month, while overall time deposits rate improved to 6.63 percent compared with 6.52 percent registered in June 2009 and 6.58 percent in July 2008. Similarly, negotiated deposit rate edged upwards to 10.52 percent from 10.13 percent in June 2009. In the same period, overall lending rate eased slightly to 15.14 percent in July 2009 from 15.48 percent recorded in June 2009, whereas the negotiated lending rate stood at 13.99 percent, down from 14.03 percent registered in the preceding month.

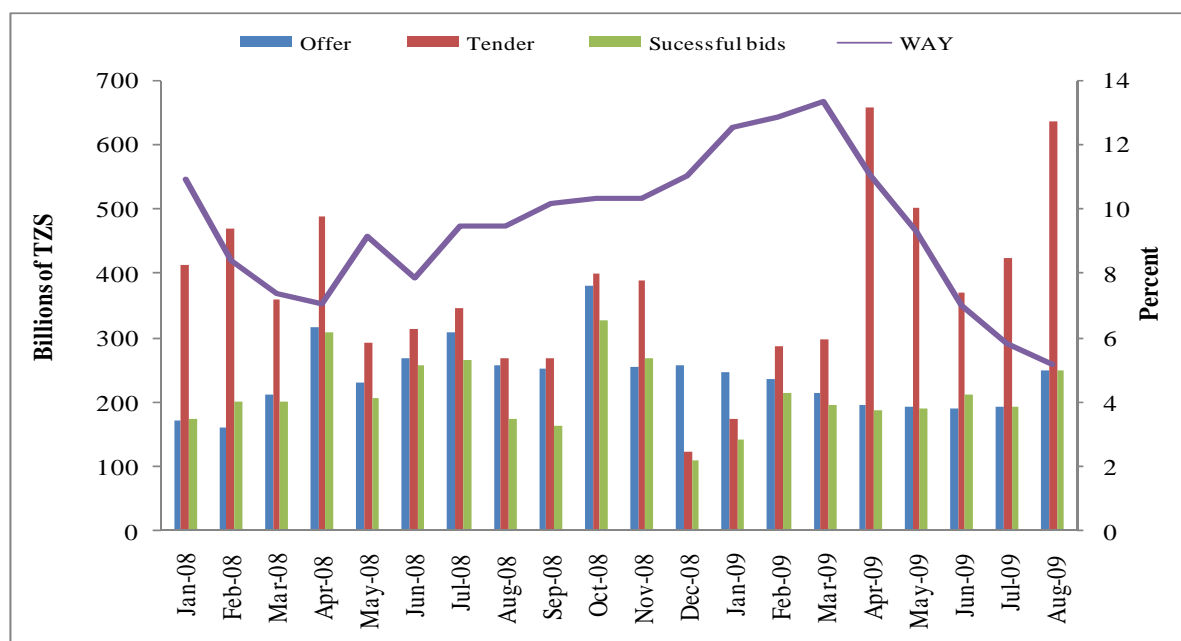
## Financial Markets Developments

### Treasury Bills

In July 2009, Treasury bills with face value of TZS 190.3 billion (or cost value of TZS 184.0 billion) were supplied to the market. Demand turned out to be TZS 423.3 billion, which was significantly higher than the amount offered. Despite the high demand, the Bank accepted Treasury bills worth TZS 190.3 billion, against Treasury bills worth TZS 260.7 billion that matured during the month under review. This operation resulted to net liquidity injection amounting to TZS 76.7 billion into the economy. In line with the continued high demand for Treasury bills, weighted average

yield (WAY) sustained a declining trend across all maturities, with overall weighted average yield dropping to 5.81 percent further down from 6.97 percent recorded in June 2009 and 9.46 percent recorded in July 2008 (**Chart 2.6**).

**Chart 2.6: Treasury Bills Market Developments**



## Treasury Bonds

In July 2009, the Bank supplied the market with a 10–Year Treasury bond worth TZS 31.0 billion, which was highly oversubscribed to the tune of TZS 29 billion. The oversubscription emanated mostly from commercial banks, another indication of high liquidity in the banking system, largely associated with cautious lending behavior exercised by banks in the wake of global financial crisis and end of year fiscal injections. During the month under review, the Bank accepted bids worth TZS 31.0 billion (or cost value of TZS 22.9 billion). Consistent with the high demand, the weighted average yield eased to 16.95 percent in July 2009 from 19.92 percent recorded in the preceding auction which was held in February 2009.

## Repurchase Agreements

In July 2009, repurchase agreements (repos) worth TZS 729.5 billion were conducted by the Bank to supplement other monetary policy instruments in the management of

liquidity in the economy. During the same period, repos worth TZS 501.5 billion matured. In line with the money market developments, the overall repo rate decreased further to an average of 2.23 percent in July 2009, from 4.90 percent recorded in the preceding month. Like the rest of interest rates in the money market, the repo rate in July 2009 was below 3.79 percent that was registered in July 2008.

### **Inter-Bank Cash Market Developments**

In the inter-bank cash market, value of transactions in July 2009 declined significantly to TZS 238.6 billion from TZS 437.0 billion recorded in June 2009, partly suggesting that most of the banks had adequate liquidity. This is also supported by substantial decline in the volume of the overnight transactions that used to account over 40 percent of the total volume traded in the preceding months, to 24 percent in July 2009. The high liquidity levels among banks was also manifested by the increase in trading activities for the longer maturity profile of the inter-bank cash market, and sustained decline in the inter-bank cash market rate from an average of 5.03 percent in May 2009 to 3.86 percent in July 2009.

### **Inter-Bank Foreign Exchange Market**

During July 2009, the total market turnover in the Inter-Bank Foreign Exchange Market (**IFEM**) declined to USD 114.72 million from USD 134.7 million recorded in the previous month. The decline could be attributed to a continuous drop in foreign exchange demand for financing imports. In order to meet the demand for foreign exchange, the Bank supplied the market with foreign exchange amounting to USD 49.95 million, a decrease from USD 67.8 million supplied in the preceding month. Commercial banks and non banks purchased USD 107.07 million and USD 7.65 million respectively. The weighted average exchange rate depreciated by 0.85% to TZS 1,324.63 per USD in July 2009 from TZS 1,313.45 per USD recorded in June 2009 (**Table 2.4**).



**Table 2.4: Inter Bank Foreign Exchange Market Developments**

Millions of USD

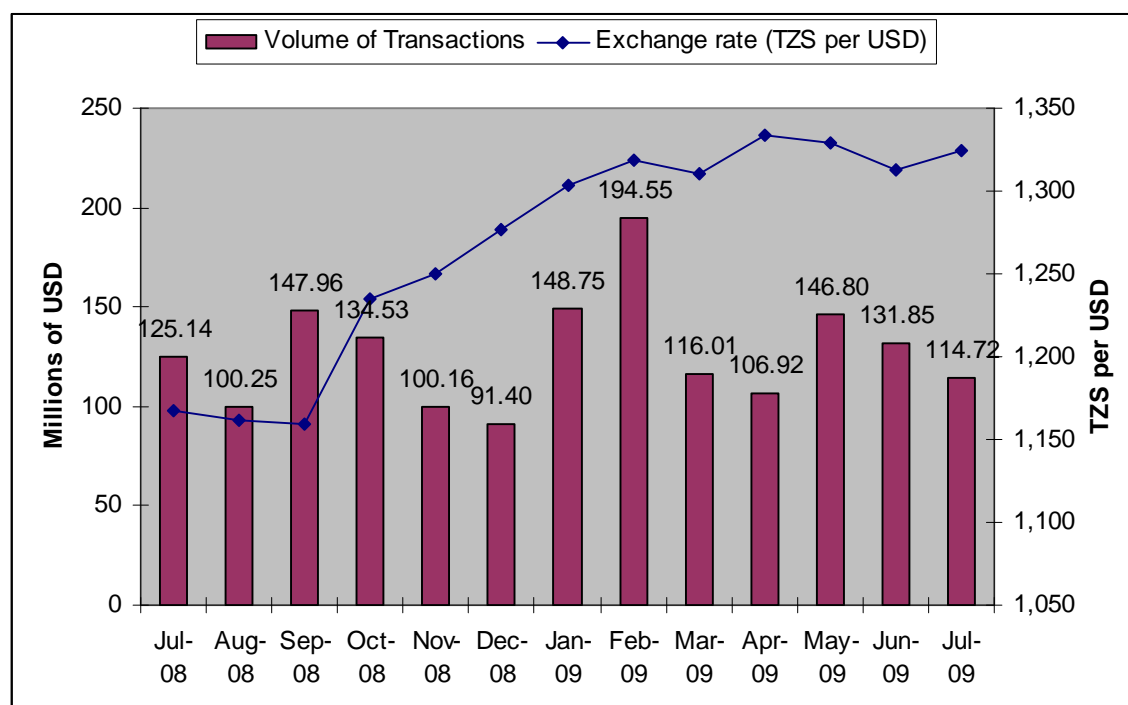
Item	2009		2008 July	% Change		Year Ending July		
	June	July		Monthly	Yearly	2008	2009	% Change
Amount offered*	134.70	114.72	125.14	14.82	9.08	1,376.76	1,659.04	20.50
Amount sold*	134.70	114.72	125.14	14.82	9.08	1,376.76	1,659.04	20.50
Exchange rate (TZS per US dollar)	1,324.45	1,324.63	1,168.49	0.85	13.46	1,198.55	1,268.06	5.80

Note: \* Millions of USD

Source: Bank of Tanzania

The inter-bank exchange rate movements and volume of transactions for the past twelve months is summarized in **Chart 2.5**.

**Chart 2.7: Inter-bank Exchange Rate Movement and Volume of Transactions**



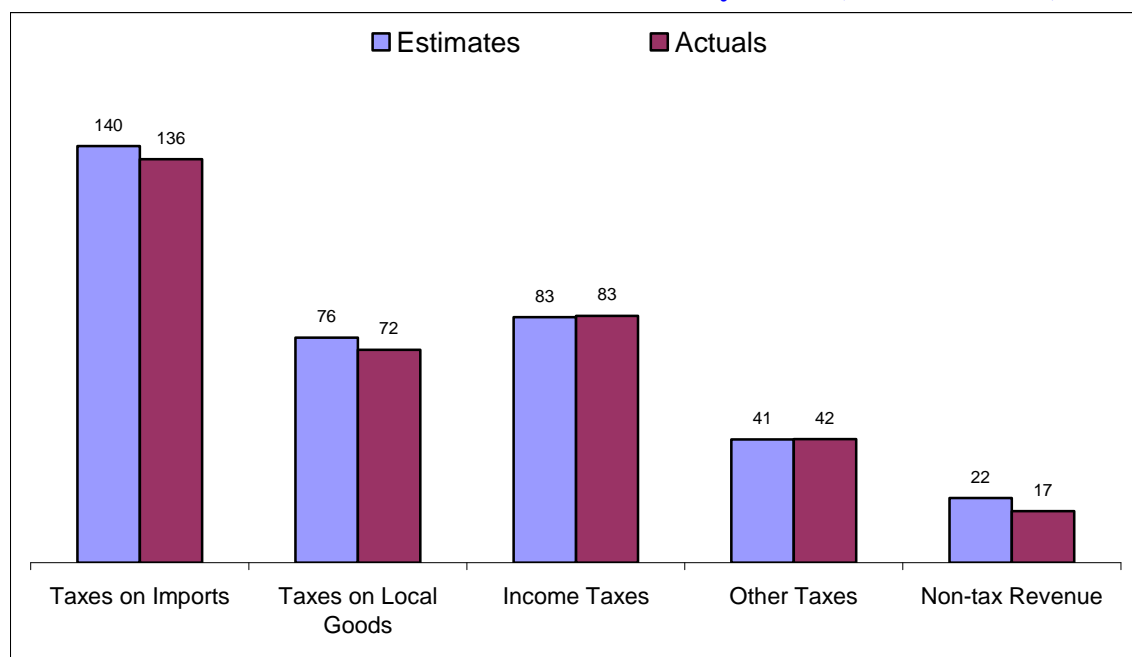
### 3.0 Government Budgetary Operations

Fiscal operations in July 2009 registered an overall surplus of TZS 72.1 billion. Domestic revenue collections amounted to TZS 349.0 billion or 96.5 percent of the budget estimate, and grants amounted to TZS 418.6 billion against the target of TZS 548.7 billion. Government expenditure, including expenditure float, amounted to TZS 703.3 billion.

#### Revenue Performance

During the month under review, tax revenue collections amounted to TZS 331.7 billion (about 97.6 percent of target), whereas non-tax revenue collection was TZS 17.3 billion, being below the target by over 20.0 percent. The shortfall in tax revenue collection was recorded in taxes on imports and on local goods, whereas collections from income taxes and other taxes categories were in line with the targets. Specifically, taxes on imports were 96.8 percent of the target, taxes on local goods (94.6 percent), income tax (100.5 percent), and other taxes (100.3 percent). During the month grants amounted to TZS 418.6 billion, which was 76.3 percent of the projection (**Chart 3.1**).

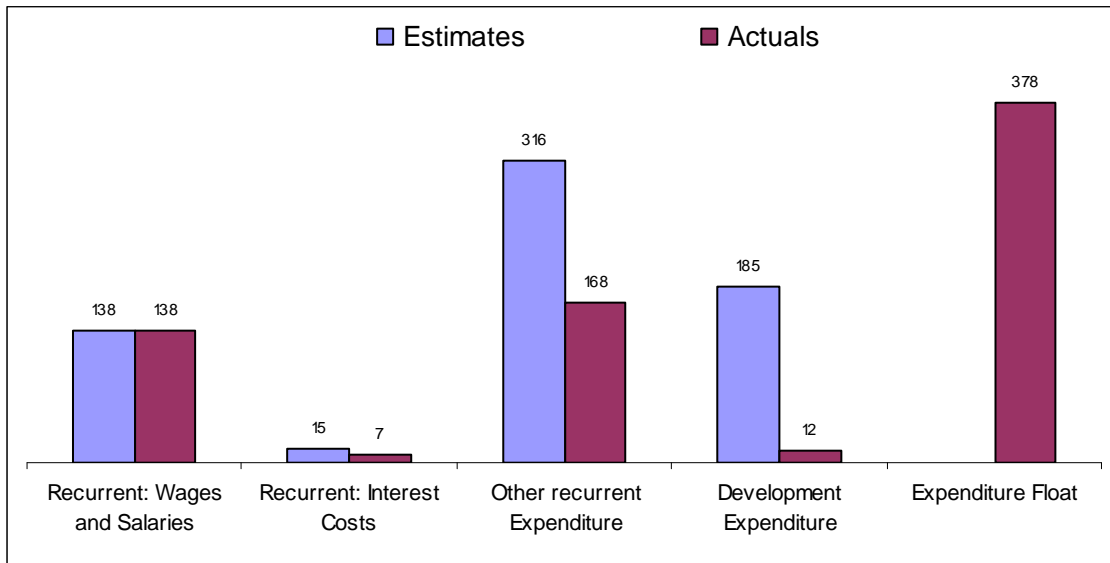
**Chart 3.1: Government Domestic Revenue in July 2009 - (Billions of TZS)**



## Government Expenditure

Government expenditure during the month under review amounted to TZS 325.3 billion, out of which recurrent expenditure amounted to TZS 312.9 billion or 66.8 percent of the target. Wages and salaries amounted to TZS 138.0 billion, equivalent to 44.0 percent of the recurrent expenditure, while interest payments during the month amounted to TZS 7.4 billion, all of which were charges on domestic debt (Table 3.2).

**Chart 3.2: Government Expenditure in July 2009 - (Billions of TZS)**



On the other hand development expenditure amounted to TZS 12.4 billion against the target of TZS 184.5 billion. The underperformance was mainly on account of the fact that this was the first month of the fiscal year and procurement processes had just begun.

## Overall Budget Position

The overall performance of the government budgetary operations (adjusted to cash) registered a surplus of TZS 72.1 billion. The surplus was used to build government reserves in the banking system. Meanwhile, net foreign borrowing during the month amounted to TZS 80.5 billion, thus fiscal operations registered a net domestic repayment of TZS 152.7 billion.

## 4.0 External Sector Performance

### Current Account Balance

During the year ending July 2009, the current account deficit narrowed by 16.8 percent to USD 2,297.5 million following a significant increase in the official current transfers. During the review period, official transfers increased from USD 320.1 million recorded in the corresponding period last year to USD 968.6 million largely due to development partners' commitment on front loading disbursements at the beginning of the financial year in order to enable the Government to effectively implement its plans as per the National Strategy for Growth and Poverty Reduction (Table 4.1).

**Table 4.1: Current Account Balance**

Items	<i>Millions of USD</i>						% Change
	July		2009		Year Ending July		
	2007	2008	June	July	2008p	2009p	
<b>Goods Account (net)</b>	<b>-190.8</b>	<b>-285.4</b>	<b>-308.1</b>	<b>-304.7</b>	<b>-3,519.4</b>	<b>-3,425.6</b>	<b>-2.7</b>
Exports	161.1	278.3	162.5	208.4	2,392.7	2,491.8	4.1
Imports	351.9	563.8	470.6	513.1	5,912.1	5,917.3	0.1
<b>Services Account (net)</b>	<b>40.50</b>	<b>47.31</b>	<b>4.58</b>	<b>20.3</b>	<b>458.2</b>	<b>194.2</b>	<b>-57.6</b>
Receipts	153.5	173.6	139.7	171.5	1,957.9	1,848.5	-5.6
Payments	113.0	126.2	135.1	151.2	1,499.7	1,654.2	10.3
<b>Goods and services (net)</b>	<b>-150.3</b>	<b>-238.1</b>	<b>-303.6</b>	<b>-284.4</b>	<b>-3,061.2</b>	<b>-3,231.3</b>	<b>5.6</b>
Exports of goods and services	314.6	451.9	302.1	379.9	4,350.6	4,340.2	-0.2
Imports of goods and services	464.9	690.0	605.7	664.3	7,411.8	7,571.6	2.2
<b>Income Account (net)</b>	<b>-9.4</b>	<b>-5.7</b>	<b>7.4</b>	<b>2.9</b>	<b>-44.8</b>	<b>-64.4</b>	<b>43.9</b>
Receipts	5.5	10.6	21.2	24.3	128.4	152.6	18.8
Payments	15.0	16.3	13.8	21.4	173.2	217.0	25.3
<b>Current Transfers (net)</b>	<b>343.5</b>	<b>1.6</b>	<b>2.9</b>	<b>313.4</b>	<b>344.0</b>	<b>998.3</b>	<b>190.2</b>
Inflows	349.2	11.8	8.9	319.9	422.3	1,066.8	152.6
o/w General Government	339.6	11.2	0.5	311.5	320.1	968.6	202.6
Outflows	5.8	10.2	6.0	6.5	78.4	68.5	-12.6
<b>Current Account Balance</b>	<b>183.7</b>	<b>-242.2</b>	<b>-293.3</b>	<b>31.9</b>	<b>-2,762.0</b>	<b>-2,297.5</b>	<b>-16.8</b>

Source: Bank of Tanzania

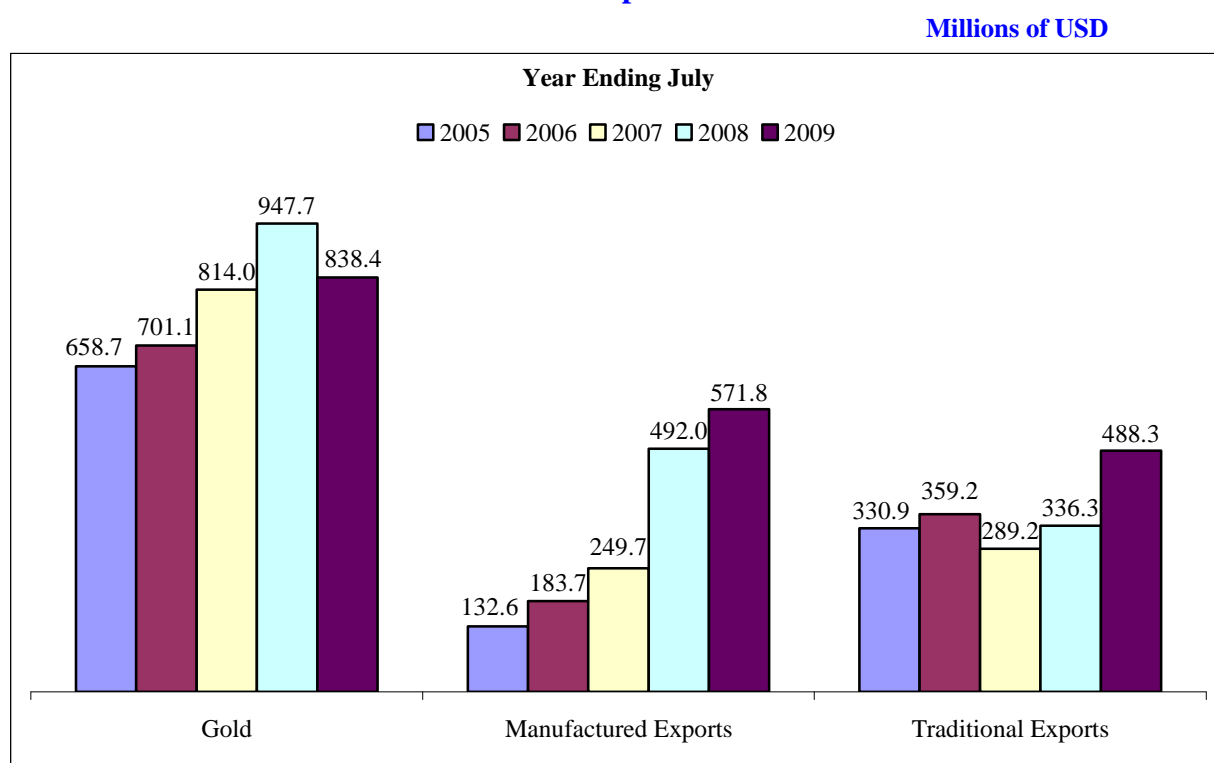
Note: P = Provisional

Totals may not add up due to rounding of numbers

## Exports Performance

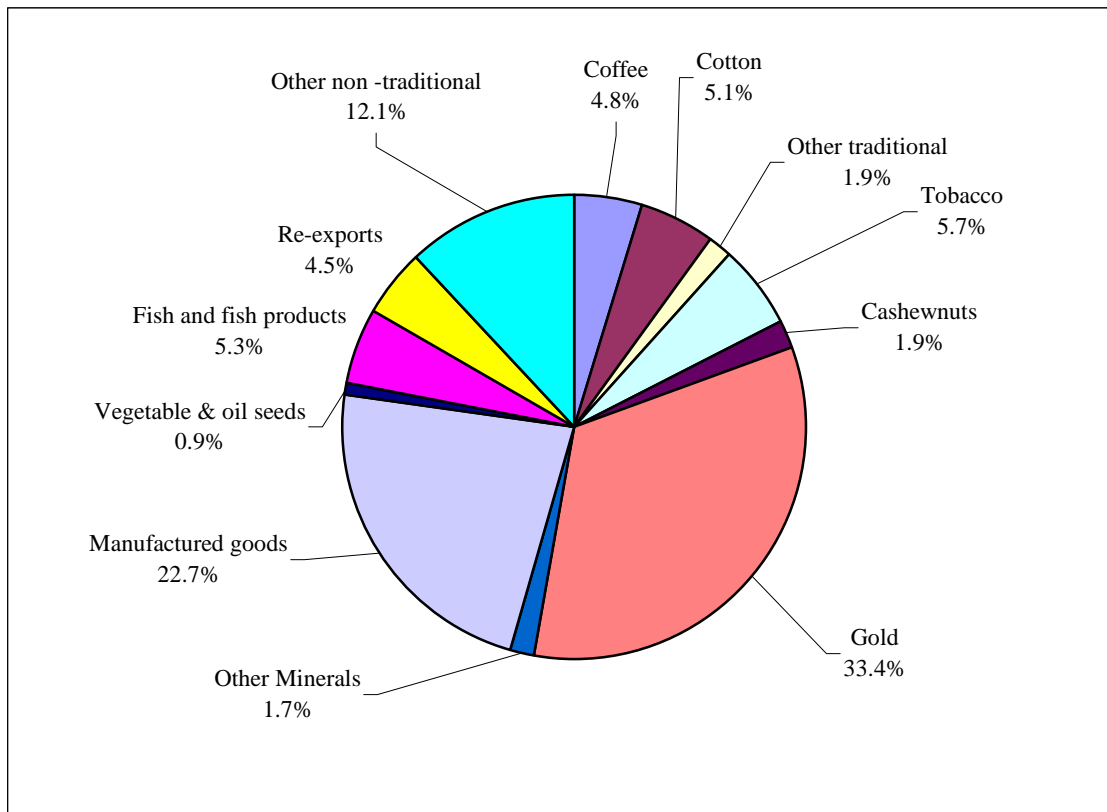
During the year to July 2009, total export of goods rose by 4.1 percent to USD 2,491.8 million with manufactured goods and other exports contributing to the increase. **Chart 4.1** summarizes the performance of selected goods export during the past four years.

**Chart 4.1: Performance of Selected Goods Export**



Meanwhile, gold and manufactured goods continued to dominate, accounting for 33.4 percent and 22.7 percent, respectively. The contribution of selected goods export for the year ending July 2009 is summarized in (**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*

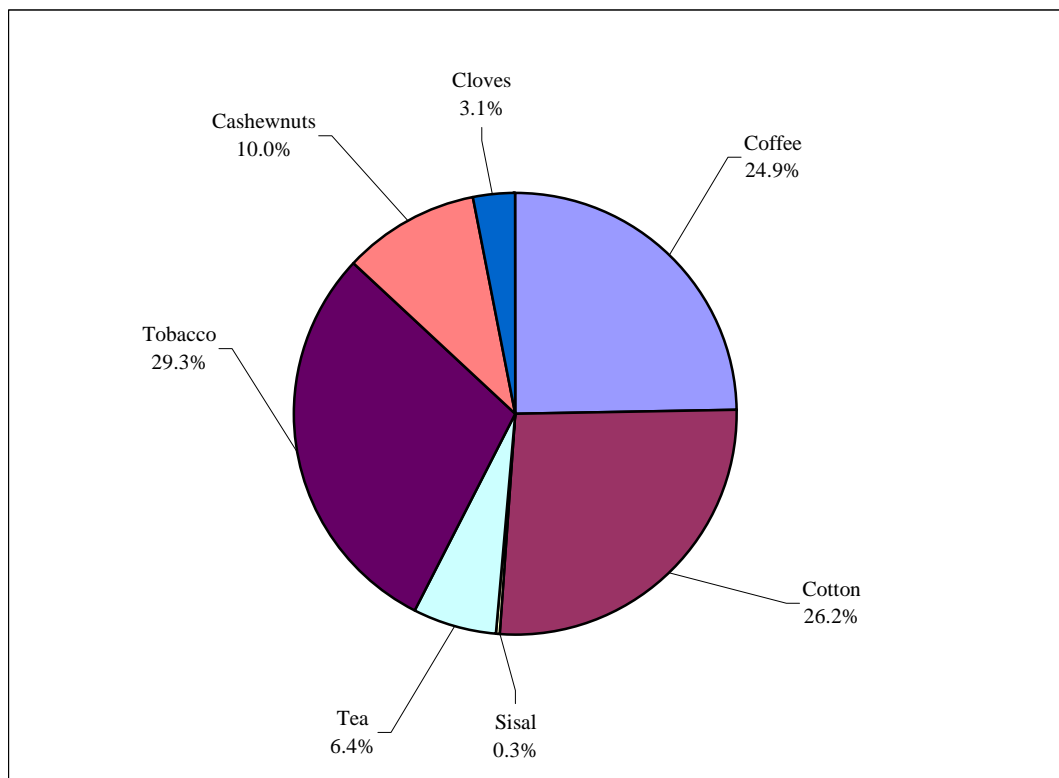
**Traditional Exports**

In July 2009, the value of traditional exports decreased by 25.9 percent to USD 13.4 million mainly on account of a decline in the export volumes of most of the traditional crops as it was off season.

On annual basis, traditional exports rose by 45.2 percent to USD 488.3 million largely due to an increase in export volumes of cotton, coffee, tobacco and cloves following favorable weather condition and availability of agricultural inputs through the Agricultural Sector Development Programme (ASDP). With the exception of cotton,

the other traditional exports recorded unit prices in line with the movements of commodity prices in the world market. **Chart 4.3** depicts the composition of traditional exports for the year ending July, 2009.

**Chart 4.3: Contribution to Total Traditional Exports for the Year  
Ending July 2009**



Source: TRA, Bank of Tanzania

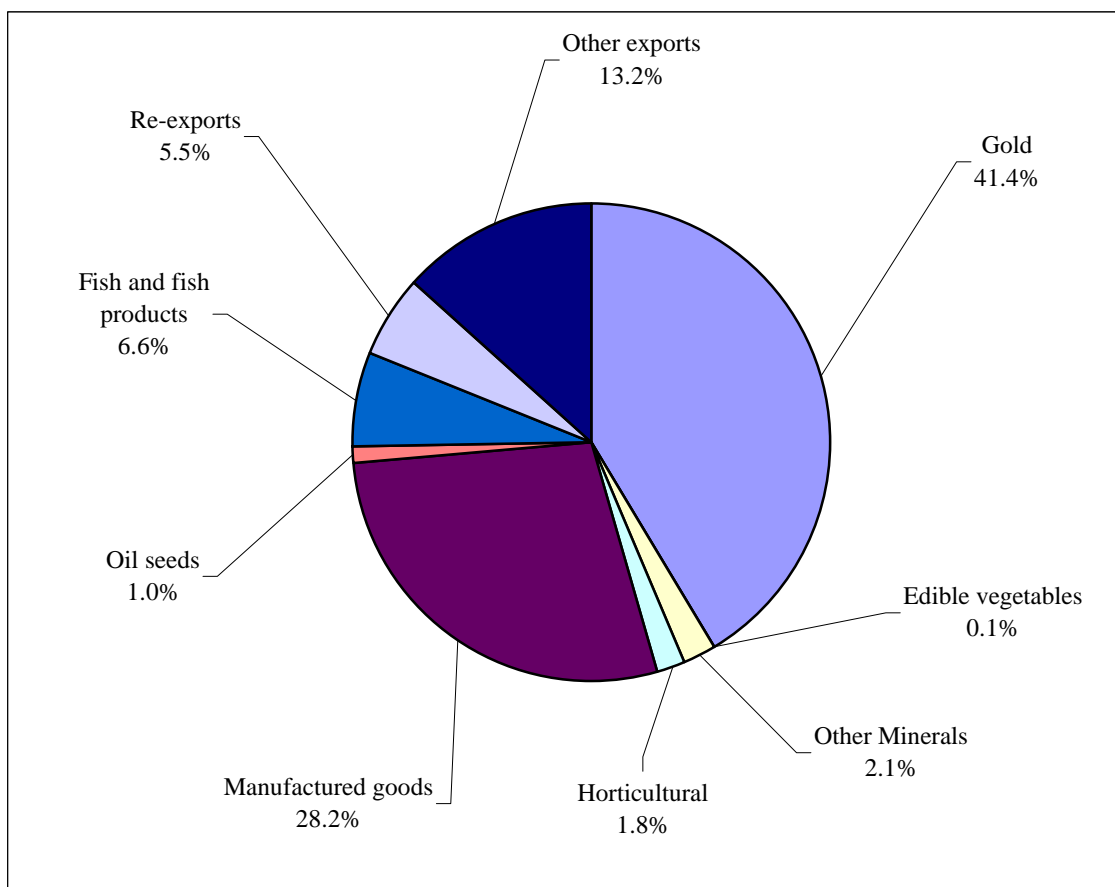
### **Non-Traditional Exports**

During the month under review, non-traditional exports rose by 35.0 percent to USD 195.0 million mainly attributed to an increase in exports of gold and manufactured goods. The increase in gold exports was largely due to an increase in export volumes as world market prices of gold declined.

On annual basis, non-traditional exports decreased by 2.6 percent to USD 2,003.5 million following a decline in export of minerals and re-exports. The decrease in the value of mineral exports is mainly attributable to a drop in gold exports which accounts for 95.1 percent of total mineral exports. The value of gold exports declined

to USD 838.4 million from USD 947.7 million recorded during the previous year following a drop in the volume of gold exports to 28.9 tons from 35.1 tons recorded in the previous period. Meanwhile, the prices of gold in the world market increased to USD 873.1 per troy ounce from USD 845.8 per troy ounce recorded in the corresponding period the year before. **Chart 4.5** depicts the composition of non-traditional exports for the year ending July 2009.

**Chart 4.5: Contribution to Total Non Traditional Exports for the Year Ending July 2009**



Source: TRA, Bank of Tanzania

### Services Export

Services receipt increased to USD 171.5 million during July 2009, compared to USD 139.7 million recorded during the previous month mainly due to an increase in travel

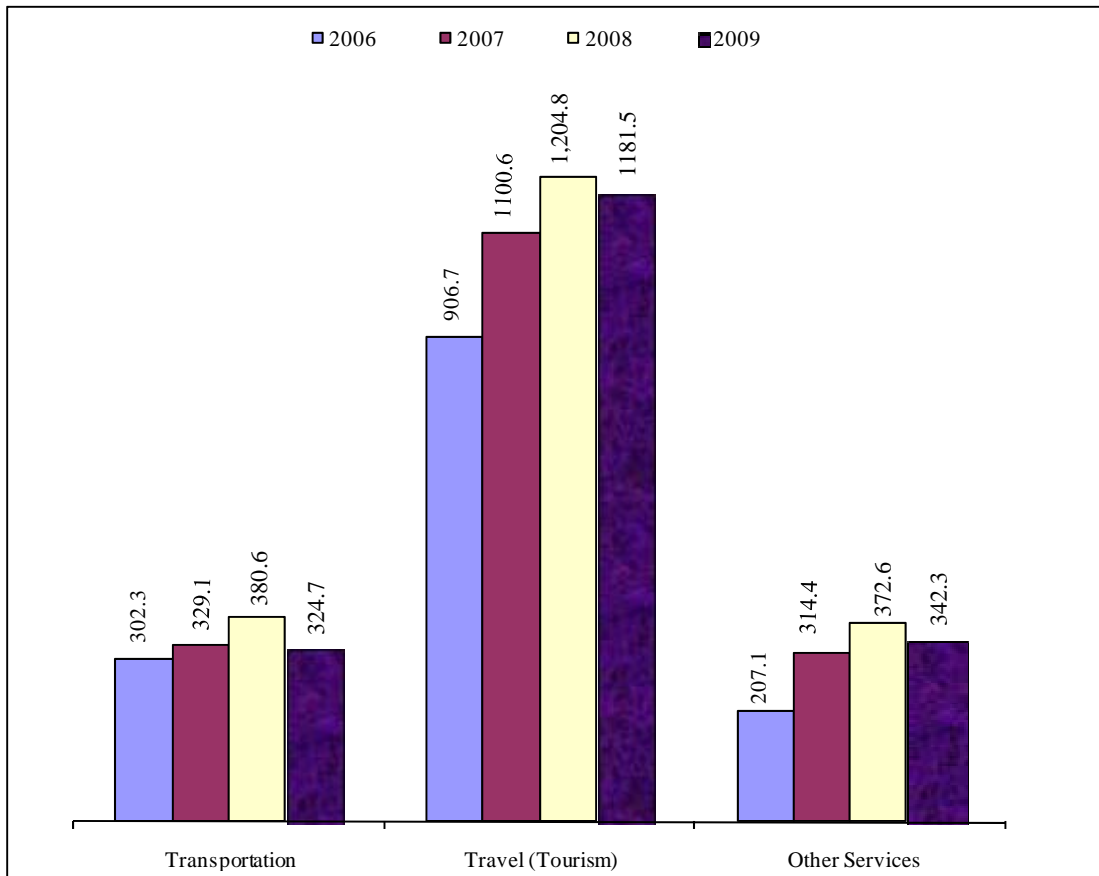


earnings following the onset of the peak tourist season which runs from July through September.

On annual basis, services receipt decreased to USD 1,848.5 million from USD 1,957.9 million recorded during the corresponding period last year following a significant drop in transportation receipts. Transport services receipt, which has been the second in prominence declined by 14.7 percent to USD 324.7 million following a drop in transit trade. Available statistics from Tanzania Port Authority show that, for the year ending June 2009 transit goods declined to 533,381 tons from 708,311 tons reported in the same period the previous year. The development is partly due to the decline in external demand owing to slow down in global economic activities. In addition, congestion at the Dar es Salaam port has forced the importers to diverge their consignments to other neighboring ports like Mombasa and Beira.

Travel, which accounts for about 60 percent of total services receipt slightly decreased to USD 1,181.5 million from USD 1,204.8 million recorded during the corresponding period in 2008. Meanwhile, available statistics from the Immigration Department indicate that the number of tourist arrivals has decreased to 720,356 during the year ending June 2009 from 767,921 reported in the same period last year. **Chart 4.7** depicts the performance of the main services receipt for the past four years.

**Chart 4.7: Services Receipt for the Year Ending July (Millions of USD)**



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

### **Imports Performance**

During July 2009, import of goods increased to USD 513.1 million from USD 470.6 million recorded during the previous month largely due to a significant increase in intermediate goods import. On annual basis, the value of goods import slightly remained unchanged at USD 5,917.3 million ([Table 4.2](#)).

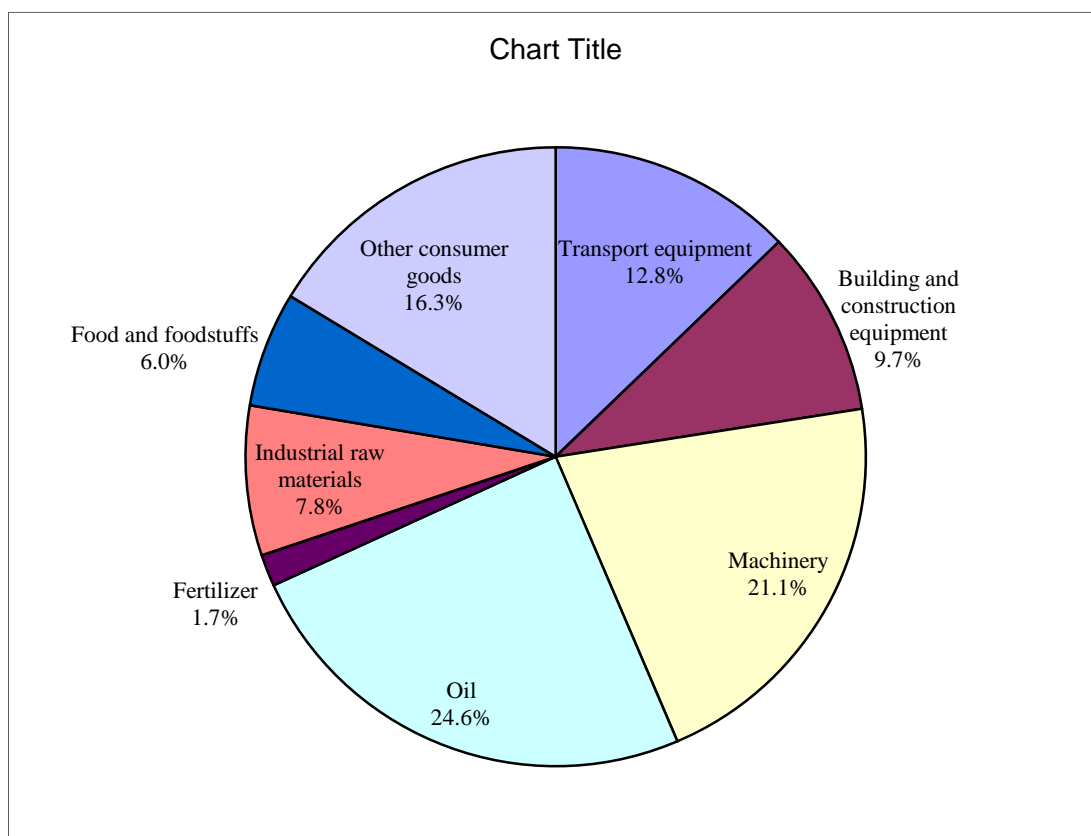
**Table 4.2: Imports****Millions of USD**

Items	2008 <sup>p</sup> July	2009		% Change		Year Ending July <sup>p</sup>		% Change
		June	July	July 08- July 09	June 09 - July 09	2008	2009	
<b>CAPITAL GOODS</b>	<b>235.2</b>	<b>209.8</b>	<b>211.6</b>	<b>-10.0</b>	<b>0.9</b>	<b>2,270.4</b>	<b>2,578.8</b>	<b>13.6</b>
Transport Equipments	72.7	57.2	71.4	-1.8	24.8	686.8	756.4	10.1
Building and Constructions	50.8	35.6	36.9	-27.3	3.7	527.1	576.1	9.3
Machinery	111.7	117.0	103.4	-7.5	-11.7	1,056.6	1,246.3	18.0
<b>INTERMEDIATE GOODS</b>	<b>232.0</b>	<b>145.7</b>	<b>212.5</b>	<b>-8.4</b>	<b>45.8</b>	<b>2,427.0</b>	<b>2,016.8</b>	<b>-16.9</b>
Oil imports	146.3	111.2	168.2	14.9	51.3	1,721.5	1,455.1	-15.5
Fertilizers	38.9	1.6	4.0	-89.7	157.1	136.8	98.6	-27.9
Industrial raw materials	46.7	33.0	40.3	-13.7	22.2	568.7	463.1	-18.6
<b>CONSUMER GOODS</b>	<b>96.6</b>	<b>115.1</b>	<b>88.9</b>	<b>-7.9</b>	<b>-22.7</b>	<b>1,214.6</b>	<b>1,321.7</b>	<b>8.8</b>
Food and food stuffs	8.9	38.5	15.0	69.2	-61.0	290.3	356.0	22.6
All other consumer goods <sup>1</sup>	87.7	76.6	73.9	-15.7	-3.5	924.3	965.7	4.5
<b>GRAND TOTAL (F.O.B)</b>	<b>563.8</b>	<b>470.6</b>	<b>513.1</b>	<b>-8.99</b>	<b>9.0</b>	<b>5,912.1</b>	<b>5,917.3</b>	<b>0.1</b>
<b>GRAND TOTAL (C.I.F)</b>	<b>619.5</b>	<b>517.2</b>	<b>563.8</b>	<b>-8.99</b>	<b>9.0</b>	<b>6,496.8</b>	<b>6,502.6</b>	<b>0.1</b>

Source: TRA, Bank of Tanzania

**Chart 4.8** summarizes the contribution of import sub-categories to total imports, which indicates that oil imports accounts for a substantial share of the Tanzania's total imports.

**Chart 4.8: Contribution to Total Imports for the Year Ending July 2009**



### **Capital Goods**

In July 2009, capital goods slightly increased to USD 211.6 million, with transport equipment recording a substantial increase while imports of machinery recorded a decline. During the year ending July 2009, import of capital goods increased to USD 2,578.8 million compared to USD 2,270.4 million recorded during the corresponding period in 2008. All the components of capital goods recorded increases as a result of growth of economic activities in the economy.

### **Consumer Goods**

In July 2009, consumer good imports declined to USD 88.9 million from USD 115.1 million recorded in the previous month owing to a significant decrease in importation of food and foodstuffs as July fall within the harvest season. Annually, importation of consumer goods went up by 8.8 percent to USD 1,321.7 million compared to the position reported in the year to July 2008. The rise in consumer goods was largely attributed to the increased importation of food and food stuff as well as other

consumer goods such as pharmaceutical products, plastic goods and paper products. The value of food imports rose from USD 290.3 million last year to USD 356.0 million partly attributed to the increase in imports of cereals to augment domestic food supply.

### Food Imports

During the month under review, cereal imports dropped to 27,697 tons from 126,587 tons reported in June 2009, largely on account of a decrease in the importation of wheat and maize. Imports of wheat and maize declined by 80.6 percent to 24,000 tons and 13.0 percent to 1,654.4 tons, respectively, (**Table 4.3**).

**Table 4.3: Summary of Selected Food Imports**

Descriptions	Apr-09	May-09	Jun-09	Jul-09	% Change (June to July 09)
<b>Maize</b>					
Tons	3,630.0	1,032.3	1,902.6	1,654.4	-13.0
Value (Mill. USD)	0.72	0.20	0.38	0.33	-13.7
Unit Price (\$/mt)	197.9	197.6	199.6	198.1	-0.7
<b>Rice</b>					
Tons	243.0	16,714.5	920.0	2,042.9	122.1
Value (Mill. USD)	0.1	8.2	0.5	1.0	113.1
Unit Price (\$/mt)	489.2	492.4	497.7	477.6	-4.0
<b>Wheat</b>					
Tons	40,667.7	82,707.2	123,764.0	24,000.0	-80.6
Value (Mill. USD)	10.032	22.176	29.709	6.1	-79.4
Unit Price (\$/mt)	246.7	268.1	240.0	254.5	6.0
<b>Total tons</b>	<b>44,541</b>	<b>100,454</b>	<b>126,587</b>	<b>27,697</b>	<b>-78.1</b>
<b>Total Value (Mill. USD)</b>	<b>10.9</b>	<b>30.6</b>	<b>30.5</b>	<b>7.4</b>	<b>-75.7</b>

Source: Tanzania Revenue Authority

### Intermediate Goods

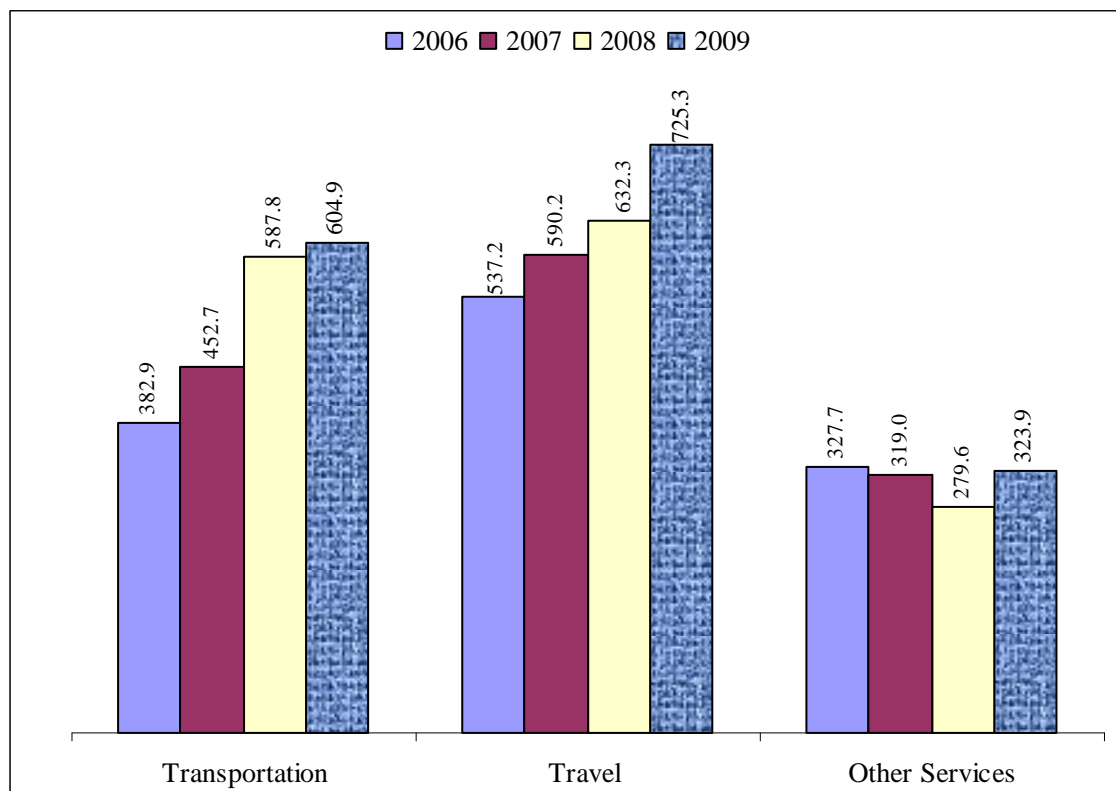
The value of intermediate goods import went up by 45.8 percent to USD 212.5 million in July 2009 largely due to a surge in importation of oil. On annual basis, intermediate goods import dropped from USD 2,427.0 million during the year ending July 2008 to USD 2,016.8 million, owing to declines in both its components.. Despite

the fact that, the volumes of imported oil increased from 1,109,449 tons to 2,974,777 tons during the year to July 2009, prices of oil in the world market dropped owing to a decline in the global demand following the financial meltdown (**Table 4.4**).

### Services Payment

During the review month, services payment went up by 11.9 percent to USD 151.1 million while on annual basis, the payments increased by 10.3 percent to USD 1,654.1 million. The rise in services payment was largely due to increase in freight, travel and other business services. **Chart 4.9** illustrates the performance of major services payment categories in the past four years.

**Chart 4.9: Services Payment for the Year Ending July (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 July 2009, the world market prices of agricultural and non-agricultural commodities recorded mixed developments. Prices of **coffee** Arabica and Robusta recorded declines to USD 3.1 per kg and USD 1.6 per kg, respectively, on expectation of large coffee output from Brazil. While the price of **cotton** (Memphis) declined slightly to USD 1.3 per kg, the price of **cotton (A- index)** recorded an increase to USD 1.4 per kg, largely on account of improvement in demand for cotton in China. Meanwhile, the prices of **tea** (Average price) and (Mombasa Auction) rose moderately to USD 3.0 per kg and USD 2.7 per kg, respectively. This development was largely on account of a shortfall in the crop amid unfavourable weather condition in Kenya and Sri Lanka. As for **clove**, the price recorded a slight decline to USD 3,883.3 per metric ton, whereas, the price of **sisal** remained unchanged at USD 1,213.0 per metric ton.

During the period under review, the average prices of **crude oil** (UK Brent), Dubai (f.o.b) and **white petroleum products** recorded notable declines to USD 64.7 per barrel, USD 65.0 per barrel and USD 575.7 per ton, respectively. This development was largely on account of the increase in crude oil stocks owing to weak global demand.

On annual basis, the price of coffee (Robusta) declined by 18.0 percent to USD 1.9 per kg. The development was largely on account of the increased production in Brazil, the world's major supplier of coffee. Similarly, the prices of cotton (A Index and Memphis) declined notably to USD 1.4 per kg on account of the decline in the global demand as a result of financial meltdown. Unlikely, the price of **tea** (Mombasa auction) rose by 10.7 percent to USD 2.2 per kg following strong demand from Russia, Middle East and Pakistan coupled with unfavourable weather condition in Kenya. The increase in the price of sisal to USD 1,213.0 per ton was largely due to a strong demand amid the increase in the usage of sisal fiber for power generation.

During the period to July 2009, the price of oil declined noticeably on account of weak global oil demand as the result of the economic crisis ([Table 4.4](#)). On the other hand, the price of **gold** rose slightly to USD 873.1 per troy ounce.

**Table 4.4: World Commodity Prices**

COMMODITY	Units	2009			% Change	Year ending July			% Change
		May	June	July		2007	2008	2009	
Robusta Coffee	USD per kg	1.67	1.63	1.58	-3.07	1.77	2.28	1.87	-18.08
Arabica Coffee	USD per kg	3.33	3.30	3.11	-5.76	2.60	3.08	2.97	-3.54
Tea (Average price)	USD per kg	2.69	2.78	2.97	6.83	1.90	2.36	2.41	2.30
Tea (Mombasa Auction)	USD per kg	2.22	2.41	2.67	10.79	1.71	2.02	2.24	10.67
Cotton, "A Index"	USD per kg	1.36	1.35	1.44	6.67	1.31	1.61	1.35	-16.28
Cotton, " Memphis"	USD per kg	1.50	1.41	1.34	-4.96	1.35	1.64	1.41	-14.42
Sisal (UG)	USD per metric ton	1,213.0	1,213.0	1,213.0	0.00	931.67	1,090.67	1,213.00	11.22
Cloves	USD per metric ton	4,050.0	3,966.7	3,883.3	-2.10	3,662.13	4,164.58	3,913.10	-6.04
Crude oil*	USD per barrel	58.15	69.15	64.67	-6.48	62.89	99.28	63.07	-36.47
Crude oil**	USD per barrel	57.40	69.21	64.97	-6.13	61.21	95.44	62.14	-34.89
White products***	USD per ton	524.07	615.73	575.70	-6.50	600.91	922.86	598.16	-35.18
Jet/Kerosine	USD per ton	501.45	603.07	563.93	-6.49	620.69	978.54	620.69	-36.57
Premium Gasoline	USD per ton	586.74	672.61	623.7	-7.27	613.12	860.78	575.08	-33.19
Heat Oil	USD per ton	484.01	571.5	539.48	-5.60	568.91	929.27	598.69	-35.57
Gold	USD per troy ounce	929.00	946.00	934.00	-1.27	641.07	845.84	873.12	3.22

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 as at the end of July 2009 stood at USD 8,844.1 million, representing an increase by 1.2 percent from USD 8,740.5 million recorded at the end of the preceding month. The increase was attributed to exchange rate fluctuations, recording of new disbursements, accumulation of interest arrears on external debt and issuance of new government bonds. Out of the total debt stock, external debt was 80.0 percent and domestic debt was 20.0 percent.

### External Debt

At the end of July 2009, external debt stock amounted to USD 7,071.9 million representing an increase of 1.0 percent from USD 6,999.4 million registered at the end of previous month. Out of the external debt stock, USD 5,483.0 million (78.3 percent)



was disbursed outstanding debt (DOD) and the remaining balance of USD 1,534.4 million was interest arrears.

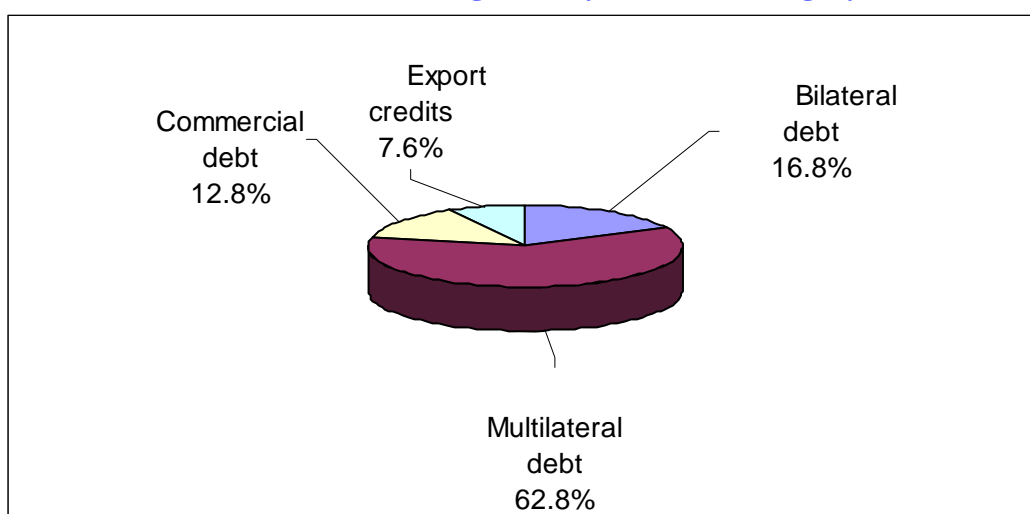
The profile of DOD by borrower category reveals that the Central Government remained the largest borrower holding debt amounting to USD 4,166.6 million (75.2 percent) followed by private companies and parastatal organisations with debt amounting to USD 978.6 million and USD 392.3 million respectively.(Table 1)

**Table 5.1. Disbursed Outstanding Debt by Borrower Category**

ITEM	2006/07	2007/08	May-09	Jun-09	Jul-09	% Change	% of Total
<b>Total</b>	<b>3,442.3</b>	<b>4,483.1</b>	<b>5,147.4</b>	<b>5,483.0</b>	<b>5,537.5</b>	<b>1.0</b>	<b>100.0</b>
Central Government	2,692.0	3,582.5	4,068.7	4,118.2	4,166.6	1.2	75.2
Parastatal Companies	167.8	156.3	149.4	392.4	392.3	0.0	7.1
Private Sector	582.5	744.4	929.3	972.4	978.6	0.6	17.7

With regard to creditor category, multilateral institutions remained the leading creditors by holding USD 3,480.3 million (62.8 percent), while the amount owed to bilateral creditors stood at USD 932.1 million. The remaining debt amounting to USD 706.2 million and USD 419.0 million 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 49.6 million. External debt service payments amounted to USD 6.0 million, out of this, principal repayments amounted to USD 3.2 million and interest payments were USD 2.8 million.

### Domestic Debt

The outstanding domestic debt stock as at end July 2009 stood at TZS 2,327.5 billion. Domestic debt recorded an increase of TZS 65.2 billion (2.9 percent) from TZS 2,262.3 billion registered at the end of preceding month mainly due to government increased issuance of government bonds. Out of total domestic debt, Government securities accounted for 99.6 percent and the rest was unsecuritized debt (Table 5.2).

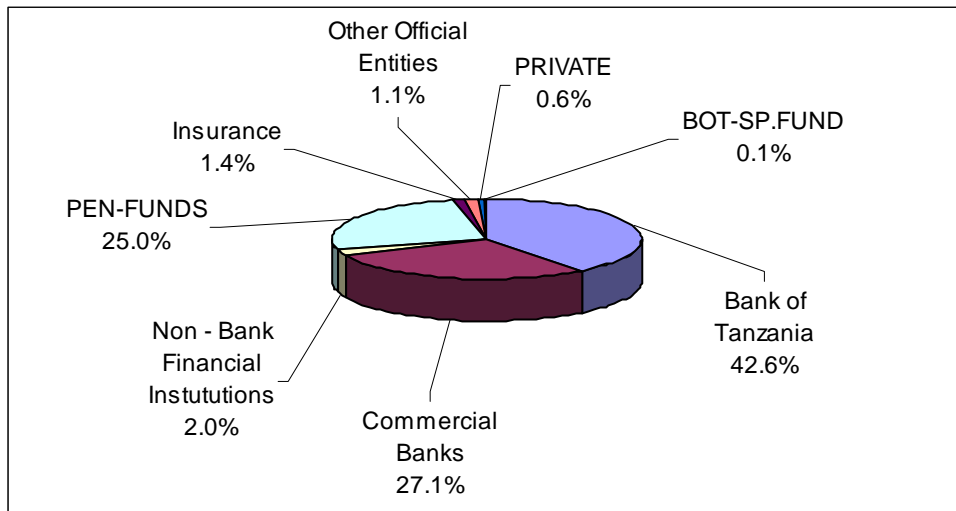
**Table 5.2: Government Domestic Debt as at End of July 2009 Billions of TZS**

	July-08	June.09	July-09	stock (%)	% Change.
<b>Government Securities</b>	<b>1976.2</b>	<b>2254.0</b>	<b>2327.5</b>	<b>99.6</b>	<b>2..9</b>
Treasury Bills	368.0	284.7	284.0	12.2	0.3
Government Stocks	312.6	310.3	259.0	11.1	16.5
Government Bonds	1287.3	1659.0	1776.2	76.3	7.1
<b>Other Government Debts</b>	<b>8.3</b>	<b>8.3</b>	<b>8.3</b>	<b>0.4</b>	<b>-</b>
Mabibo NSSF-U DSM Hostel	8.2	8.2	8.2	0.4	-
<b>Total Dom. Debt</b>	<b>1976.3</b>	<b>2262.3</b>	<b>2327.5</b>	<b>100.0</b>	<b>2.9</b>

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 42.6 percent of total domestic debt followed by commercial banks with 27.1 percent of the total domestic debt. Other creditors are Pension Funds, Non-Bank Financial Institutions, official entities, insurance companies, individual creditors and Bank of Tanzania special funds (Chart 5.2).

**Chart 5.2: Government Domestic Debt by Creditor Category**



During the month under review, domestic debt amounting to TZS 139.5 billion fell due for payment. Out of this, principal amounting to TZS 132.1 billion was rolled over and interest amounting to TZS 7.4 billion was paid out of government revenue.

## 6.0 Economic Developments in Zanzibar

### Inflation Developments

**The Annual Headline Inflation** rate in July 2009 fell to 5.3 percent from 8.1 percent recorded in June 2009. The decline in inflation rate was caused by a deceleration of non-food inflation, which outweighed the increase in food inflation. However, the **month-to-month headline** inflation rate increased to 0.6 percent from 0.1 percent recorded in month earlier, explained by acceleration in both food and non-food inflation (**Table 6.1 and Chart 6.1**).

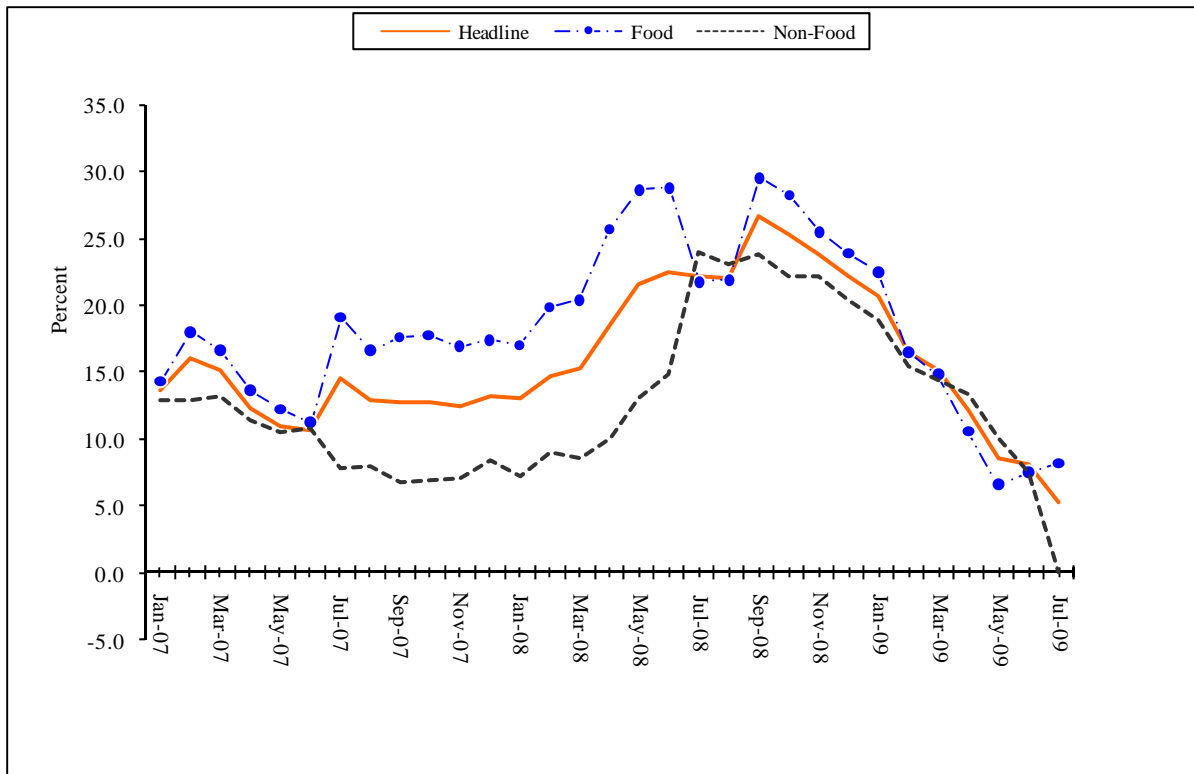
**Table 6.1.: Annual Percentage change in Consumer Price Index (CPI)**

Base: Dec.2005=100

Major Commodity Group	Weights (%)	2006	2007			2008			2009		
		Dec	May	June	July	May	June	July	May	June	July
<b>Headline/Overall</b>	<b>100</b>	<b>11.4</b>	<b>10.8</b>	<b>11.9</b>	<b>14.5</b>	<b>21.5</b>	<b>22.4</b>	<b>22.2</b>	<b>8.6</b>	<b>8.1</b>	<b>5.3</b>
<b>Food</b>	<b>57.4</b>	<b>11.6</b>	<b>12.2</b>	<b>13.7</b>	<b>19.1</b>	<b>28.7</b>	<b>28.8</b>	<b>21.8</b>	<b>6.5</b>	<b>7.4</b>	<b>8.1</b>
<b>Non-Food</b>	<b>42.6</b>	<b>11.5</b>	<b>9.9</b>	<b>10.3</b>	<b>7.7</b>	<b>13.0</b>	<b>14.8</b>	<b>24.0</b>	<b>10.0</b>	<b>7.5</b>	<b>-0.1</b>
Alcoholic Beverages,											
Tobacco & Narcotics	0.6	23.6	23.0	23.0	2.9	-0.7	-0.1	15.0	17.7	16.9	10.3
Clothing & Footwear	6.2	5.2	7.6	6.8	6.0	4.7	9.3	9.5	9.9	5.2	5.7
Housing, Water, Electricity, Gas & Other Fuels	15.6	12.8	8.3	8.4	8.3	11.2	12.7	36.3	20.3	18.6	-2.1
Furnishing, Household Equipment & Routine Household Maintenance	5.3	8.7	10.6	10.9	11.1	12.5	15.4	14.0	9.3	7.0	7.5
Health	2.1	10.2	10.1	10.1	10.1	18.6	25.1	24.6	12.0	6.1	6.6
Transport	3.4	29.1	12.9	21.5	13.8	27.7	19.9	30.3	-8.2	-10.0	-15.3
Communication	2.4	-3.9	-3.9	-5.3	-5.3	-2.3	-0.8	-0.8	0.0	0.0	0.0
Recreation & Culture	0.4	12.7	10.8	12.9	14.0	9.9	7.3	5.2	3.4	4.3	4.7
Education	1.1	1.2	12.1	12.1	12.1	7.8	7.8	7.8	4.4	4.4	4.5
Restaurants & Hotels	3.1	15.8	25.4	25.2	26.7	24.3	28.2	25.3	11.6	8.1	10.5
Miscellaneous Goods & Services	2.4	11.1	-3.3	-4.3	-5.8	21.4	26.3	19.2	9.3	5.1	12.4

Source: Office of Chief Government Statistician (OCGS)

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

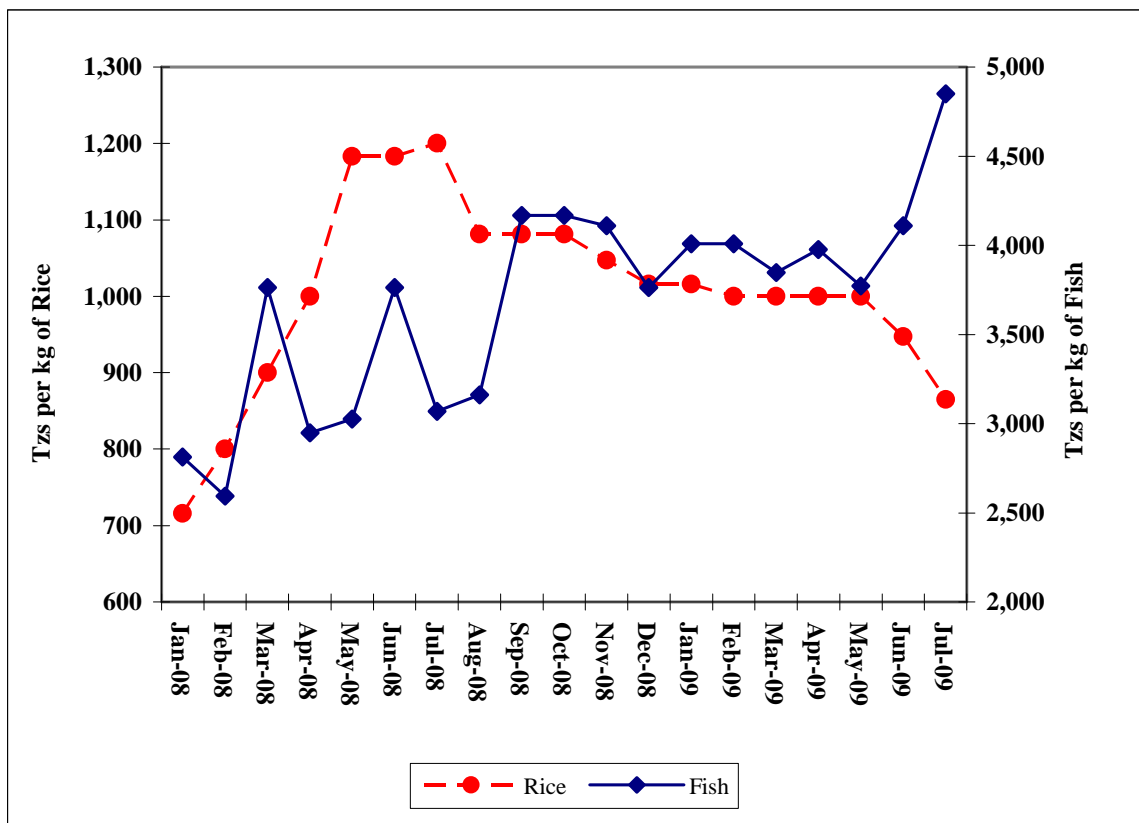


Source: Office of Chief Government Statistician (OCGS)

In July 2009, **annual food inflation** increased to 8.1 percent from 7.4 percent registered in June 2009, mainly due to a rise in average prices of fish<sup>1</sup>. Price of fish rose by 18.0 percent from TZS 4,110 per kilogram in June 2009 per kilo to TZS 4,850 per kilogram in July 2009 (**Chart 6.2**). The recent rise in the average prices of fish is associated to seasonality factor, notably commencement of high tourism season. Similarly, the **month-to-month food inflation** increased to 0.7 percent, compared to 0.2 percent recorded a month earlier, attributable to increased average prices of fish and sugar.

<sup>1</sup> In the Zanzibar consumers' basket, fish account for 13.9 percent.

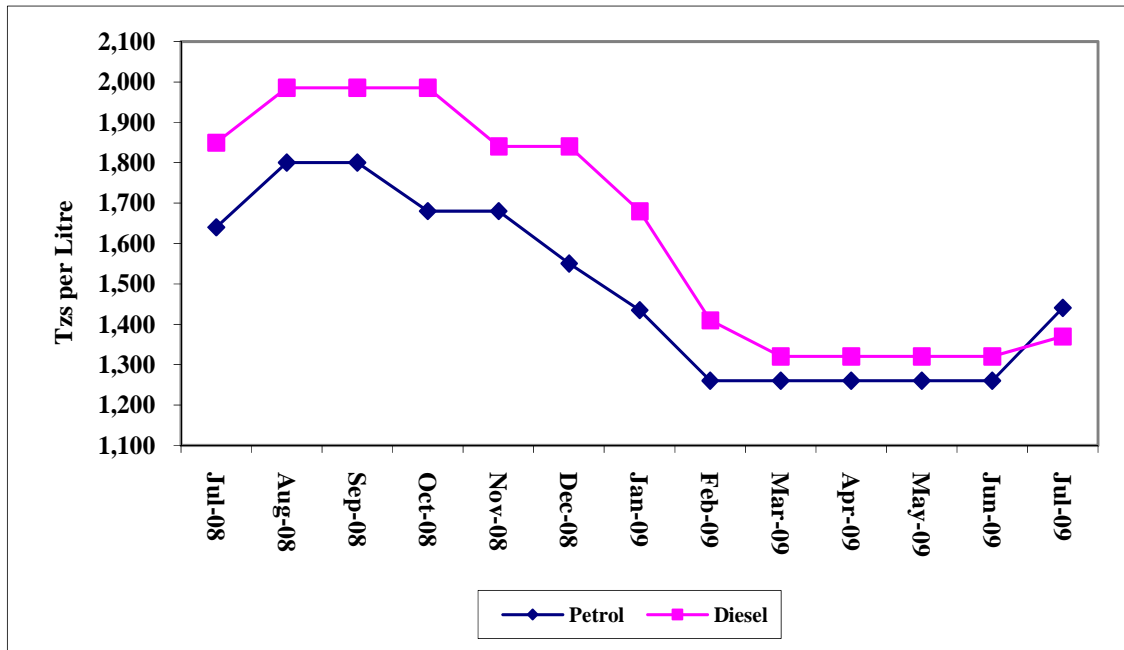
**Chart 6.2: Monthly Average Prices for Rice and Fish, TZS per kilo**



Source: Office of Chief Government Statistician (OCGS)

**Annual non-food inflation** decelerated sharply to negative 0.1 percent in July 2009, from 7.5 percent recorded in June 2009. The slow down was on account of a significant fall in pump prices of diesel, petrol and kerosene which declined by 31.0 percent, 39.4 percent and 20.0 percent, respectively. However, the **month -to-month** non-food inflation rose to 0.6 percent from 0.1 percent recorded in June 2009, on account of increased prices of gas oil, beer, cigarettes, fast ferries fares and apparel **(Chart 6.3)**.

**Chart 6.3: Monthly Average Prices for Petrol and Diesel, TZS per Litre**



Source: Office of Chief Government Statistician (OCGS)

## Fiscal Performance

Budgetary operations in July 2009, recorded a deficit after grants on cheques cleared basis of TZS 1.7 billion. Total resources in the month under review amounted to TZS 10.7 billion, which was below the target of TZS 13.5 billion by 20.7 percent. Domestic sources contributed TZS 10.0 billion, or 93.5 percent of total resources envelope, while the remaining amount of TZS 0.7 billion or 6.5 percent was foreign grants. Total expenditure during the month under review reached TZS 13.4 billion, and was below the target of TZS 16.4 billion by 18.0 percent. The budget deficit was exclusively financed through foreign sources.

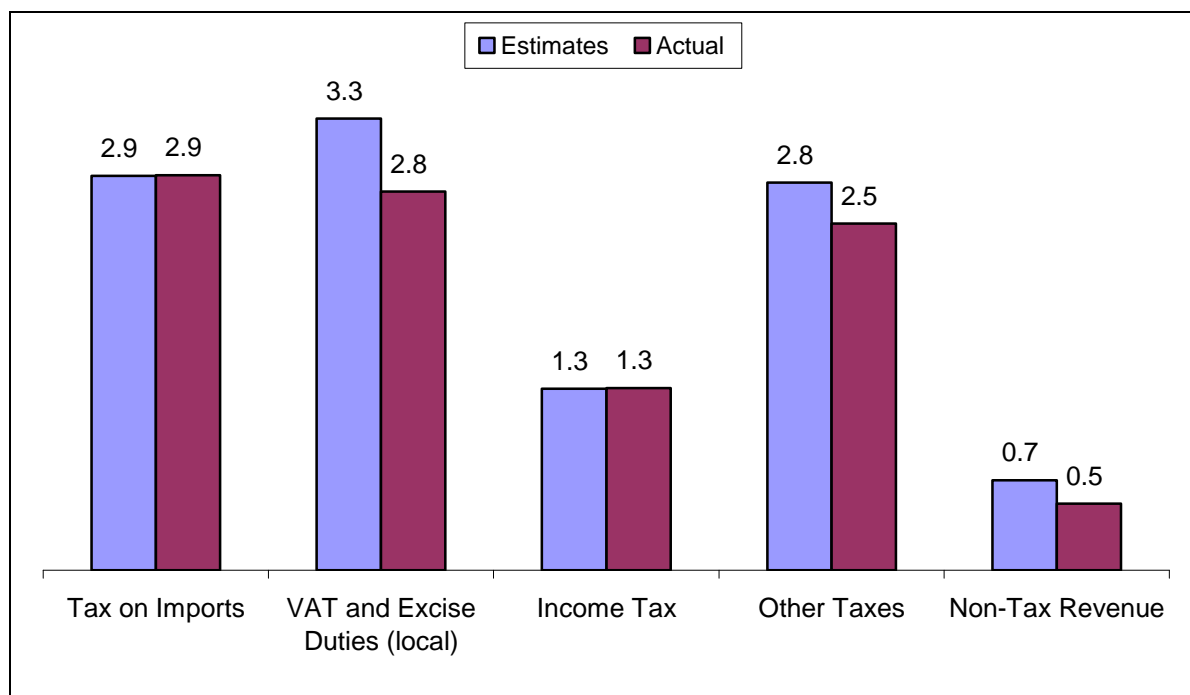
## Revenue

Total revenue collections during July 2009 amounted to TZS 10.0 billion, below the monthly target of TZS 10.9 billion. Tax revenue was TZS 9.5 billion, below the target of TZS 10.3 billion and accounted for 95.0 percent of the total revenue collections.

Non-tax revenue was TZS 0.5 billion and accounted for 5.0 percent of total revenue collections.

Revenue performance by category shows that, local VAT and excise duty collections amounted to TZS 2.8 billion, below the target of TZS 3.3 billion, and accounted for 28.0 percent of the total revenue collections. Tax on imports amounted to TZS 2.9 billion and accounted for 29.0 percent of total revenue collections. Income tax collections was TZS 1.3 billion while other taxes amounted to TZS 2.5 billion; being below the target of TZS 2.8 billion (**Chart 6.4 and 6.5**).

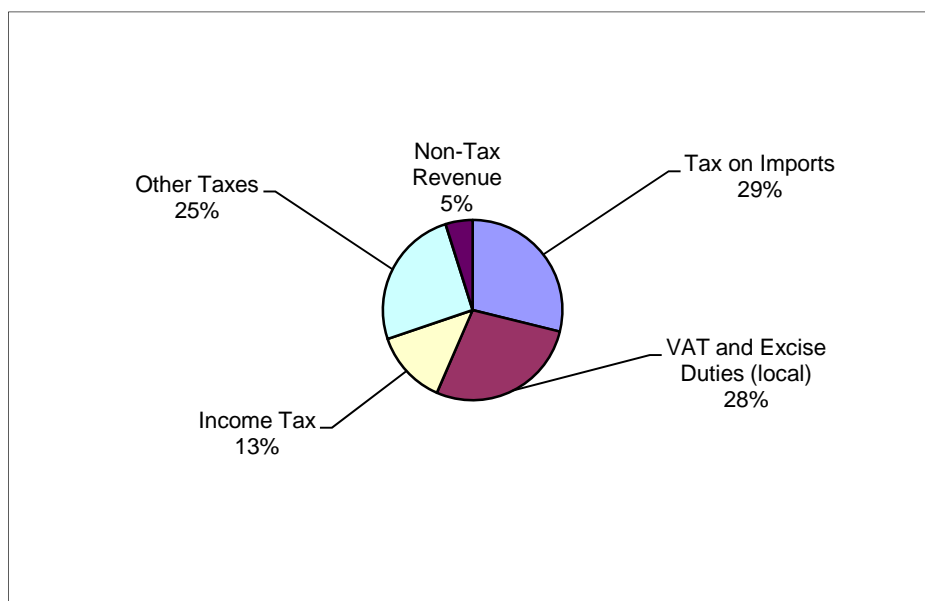
**Chart 6.4: Government Revenue by Sources, Actual versus Target – July 2009**  
Billions of TZS



**Source:** Ministry of Finance and Economic Affairs, Zanzibar.



**Chart 6.5: Government Revenue by Sources, Percentage Share to Total Revenue – July 2009**



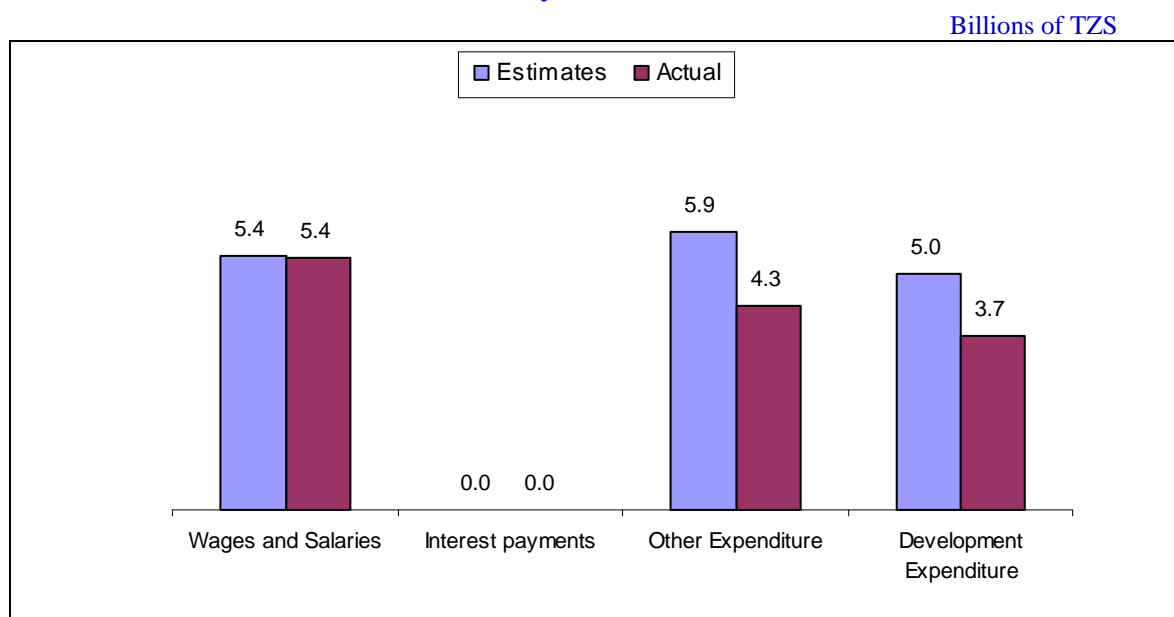
**Source:** Ministry of Finance and Economic Affairs, Zanzibar

## Expenditure

Total government expenditure in July 2009, amounted to TZS 13.4 billion, and was below the target by 18.3 percent. The underperformance was mainly on account of decline in other charges and development expenditures, especially under donor funded programs. Recurrent expenditure amounted to TZS 9.7 billion, or 72.4 percent of total expenditure, while the development expenditure amounted to TZS 3.7 billion.

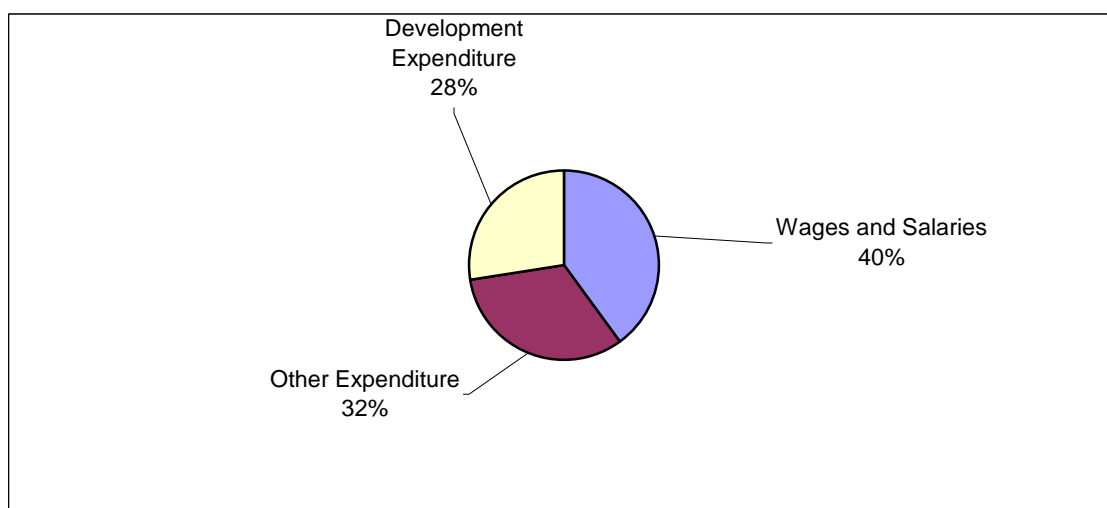
The recurrent expenditure indicated that, wages and salaries amounted to TZS 5.4 billion, and accounted for 55.7 percent of the total recurrent expenditure or 40.0 percent of the total government expenditure. Total amount spent on other charges was TZS 4.3 billion, compared with the target of TZS 5.9 billion, and accounted for 44.3 percent of the recurrent expenditure, or 32.3 percent of the total expenditure (**Chart 6.6 and Chart 6.7**).

**Chart 6.6: Government Expenditure by Components, Actual versus Target – July 2009**



Source: Ministry of Finance and Economic Affairs, Zanzibar

**Chart 6.7: Government Expenditure by Components, Percentage Share to Total Expenditure – July 2009**



Source: Ministry of Finance and Economic Affairs, Zanzibar

Government contributions to development expenditure amounted to TZS 1.2 billion which was below the target of TZS 2.5 billion and accounted for 32.4 percent. Donor fund inflows amounted to TZS 2.5 billion, same as the target, and accounted for 67.6 percent of the total development expenditure.

## Debt Developments

Total Zanzibar public debt stock as at end of July 2009, amounted to TZS 140.1 billion (USD 106.7 million), slightly up from TZS 138.3 billion (USD 106.4 million) recorded at end of June 2009. External debt stock stood at TZS 81.6 billion (USD 62.2 million), representing 58.2 percent of the total debt, while domestic debt was TZS 58.5 billion (USD 44.6 million), equivalent to 41.8 percent. Total Debt to GDP ratio stood at 18.7 percent, compared to 18.5 percent, recorded at end of June 2009.

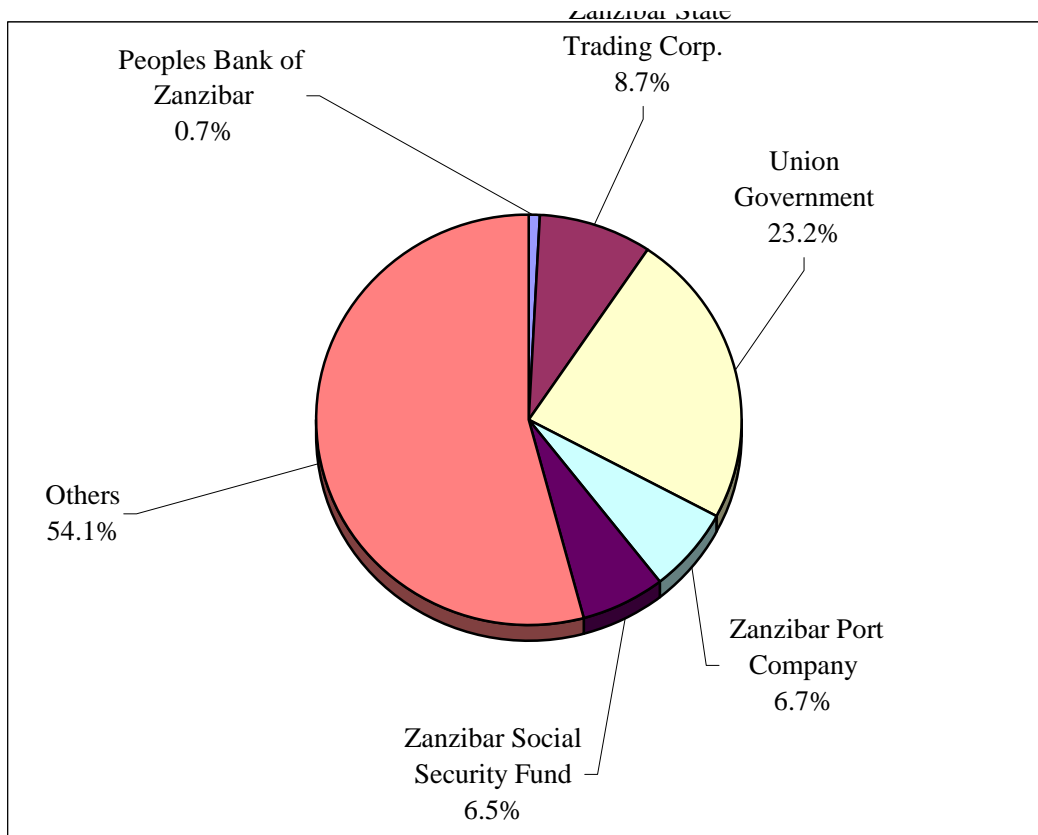
## Domestic Debt

During the month of July 2009, domestic debt stock increased to TZS 58.5 billion, from TZS 57.5 billion, reported at the end of June 2009. The increase in domestic debt was associated with a rise in claims owed to retired civil servants.

## Domestic Debt by Creditors

As at end July 2009, claims by government suppliers and pensioners increased to TZS 31.7 billion, from TZS 30.7 billion recorded at the end of the previous month and represented 54.1 percent of the total domestic debt. The Union Government debt remained at TZS 13.6 billion, or 23.2 percent of the total domestic debt. Debt owed to Zanzibar State Trading Corporation (ZSTC), and Zanzibar Ports Corporation (ZPC) was TZS 5.1 billion and TZS 3.9 billion, accounting for 8.7 percent and 6.7 percent of total domestic debt, respectively. Claims by Zanzibar Social Security Fund (ZSSF) stood at TZS 3.8 billion, equivalent to 6.5 percent of the domestic debt. Debt due to Peoples Bank of Zanzibar (PBZ) amounted to TZS 0.4 billion or 0.7 percent of total domestic debt (**Chart 6. 8**).

**Chart 6.8: Domestic Debt by Creditor as at End – July 2009**



Source: Ministry of Finance and Economic Affairs-Zanzibar

### Domestic Debt by Maturity

The classification of total domestic debt stock by maturity indicates that, debt with “undetermined maturity” (predominantly gratuity and supplier’s claims) as at the end of July 2009 amounted to TZS 31.9 billion, up from TZS 30.9 billion recorded as at the end of June 2009, and accounted for 54.5 percent of total domestic debt. During the same period, debt maturing between 2 – 5 years remained at TZS 20.2 billion, or 34.5 percent of total domestic debt, while debt maturing in less than a year stood at TZS 6.5 billion, representing 11.1 percent of total domestic debt.

### External Debt

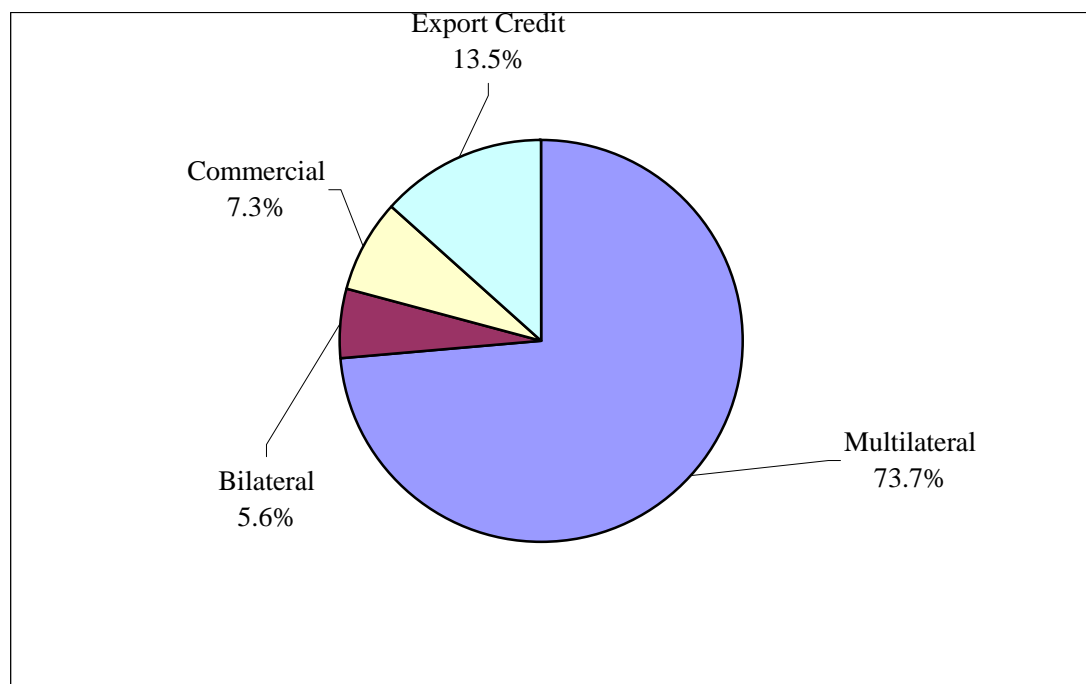
As at end of July 2009, total Zanzibar external debt stock stood at USD 62.2 million, compared to USD 62.1 million registered during the previous month. Out of the total external debt stock, debt guaranteed by the Union Government amounted to USD 46.5

million, equivalent to 74.8 percent of the external debt, while the remaining was non-guaranteed debt.

### External Debt by Creditor Category

The profile of external debt by creditor category as at end July 2009 shows that, debt due to multilateral creditors amounted to USD 45.8 million, and accounted for 73.7 percent of the total external debt followed by bilateral creditors with debt of USD 3.5 million or 5.6 percent. Commercial debt amounted to USD 4.5 million, accounting for 7.3 percent of the total external debt while export credits amounted to USD 8.4 million, equivalent to 13.5 percent of total external debt stock (Chart 6.9)

**Chart 6.9: External Debt by Creditor as at End – July 2009**



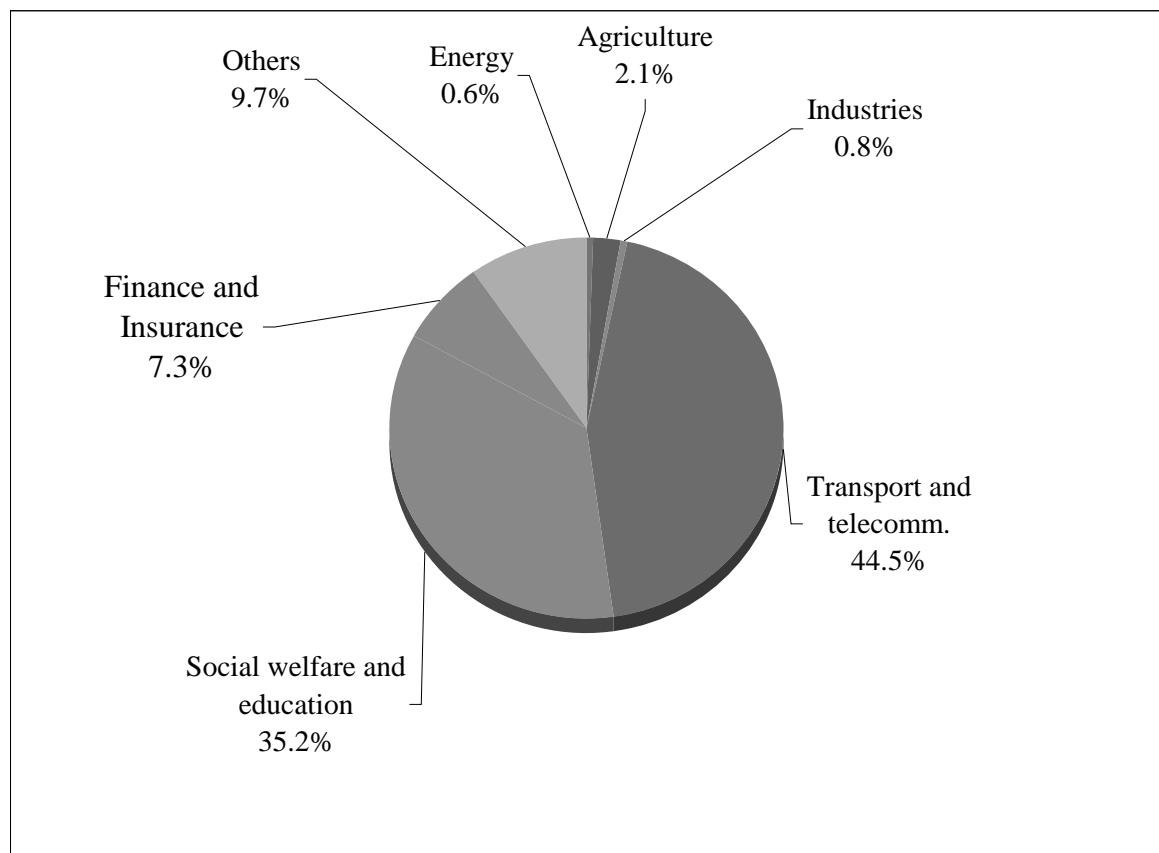
**Source:** Ministry of Finance and Economic Affairs-Zanzibar

### External Debt - Disbursements by End Use

During July 2009, transport and telecommunications sectors received external debt amounting to USD 27.6 million, or 44.4 percent of the total external debt stock. Social welfare and education sectors absorbed USD 21.8 million, equivalent to 35.2 percent

of the total disbursements followed by finance and Insurance sector USD 4.5 million. Agriculture and Energy sectors received USD 1.3 million and USD 0.4 million, equivalent to 2.1 percent and 0.6 percent of total external debt, respectively. The Industrial sector was allocated USD 0.5 million, equivalent to 0.8 percent, whereas other sectors absorbed USD 6.0 million, representing 9.7 percent of total disbursed external debt (**Chart 6.10**).

**Chart 6.10: External Debt by Use of Funds as at End – July 2009**



Source: Ministry of Finance and Economic Affairs-Zanzibar

## External Sector Performance

### Current Account

During July 2009 Zanzibar current account balance narrowed to a deficit of USD 1.3 million, from a deficit of USD 2.7 million reported in June 2009; mainly on account of improvement in goods exports, as well as donor grants. Trade account balance

recorded a deficit of USD 4.0 million, compared to a deficit of USD 4.3 million, posted during the previous month.

During the year ended July 2009, the current account posted a deficit of USD 4.7 million, having narrowed from a deficit of USD 10.2 million, recorded in the corresponding period in 2008. The improvement was largely driven by a rise in export receipts. Export of goods and services increased by 21.5 percent to USD 118.1 million, from USD 97.2 million recorded in 2008. The trade account registered a deficit of USD 69.8 million, compared to a deficit of USD 82.4 million recorded in 2008 on account of increased good exports by 25.6 percent and a decrease in good imports by 8.5 percent in the period([Table 6.2](#)).

**Table 6.2: Zanzibar Current Account Balance**

Millions of USD

Item	2008	2009p			Year Ending July		%Change	
	July	May	June	July	2008	2009p	Monthly	Annual
<b>Goods Account (net)</b>	<b>-10.40</b>	<b>-4.94</b>	<b>-4.28</b>	<b>-4.04</b>	<b>-82.42</b>	<b>-69.76</b>	<b>7.00</b>	<b>13.80</b>
Exports	1.04	2.04	1.25	1.26	16.79	21.07	8.30	25.60
Imports (fob)	11.44	6.98	5.53	5.29	99.21	90.83	-3.60	-8.50
<b>Services Account (net)</b>	<b>2.76</b>	<b>1.92</b>	<b>1.99</b>	<b>2.72</b>	<b>25.77</b>	<b>31.28</b>	<b>35.00</b>	<b>21.30</b>
Receipts	7.61	8.33	8.35	7.33	80.38	97.08	-13.10	20.80
Payments	4.85	6.41	6.36	4.61	54.61	65.80	-28.10	20.50
<b>Goods and Services (net)</b>	<b>-6.92</b>	<b>-3.01</b>	<b>-2.30</b>	<b>-1.32</b>	<b>-56.65</b>	<b>-38.49</b>	<b>43.50</b>	<b>32.10</b>
Exports of Goods and Services	8.65	10.37	9.60	8.59	97.16	118.15	-10.40	21.50
Imports of Goods and Services	15.57	13.38	11.90	9.90	153.81	156.63	-16.80	1.83
<b>Income Account (net)</b>	<b>-0.02</b>	<b>-0.53</b>	<b>-0.69</b>	<b>-0.54</b>	<b>-0.65</b>	<b>-4.68</b>	<b>28.60</b>	<b>-683.30</b>
Receipts	0.04	0.02	0.02	0.05	0.25	0.35	150.00	0.00
Payments	0.06	0.55	0.71	0.59	0.90	5.03	-14.30	455.50
<b>Current Transfers (net)</b>	<b>3.96</b>	<b>1.53</b>	<b>0.31</b>	<b>0.56</b>	<b>47.08</b>	<b>38.51</b>	<b>100.00</b>	<b>-18.20</b>
Inflows	3.96	1.53	0.31	0.56	47.08	38.51	100.00	-18.20
Outflows	0.00	0.00	0.00	0.00	0.00	0.00		
<b>Current Account Balance</b>	<b>-2.98</b>	<b>-2.01</b>	<b>-2.68</b>	<b>-1.29</b>	<b>-10.22</b>	<b>-4.65</b>	<b>51.80</b>	<b>53.90</b>

p = provisional

Source: Tanzania Revenue Authority and BOT computations.

## Exports Performance

During July 2009, total exports of goods and services amounted to USD 8.6 million, down from USD 9.6 million reported during the preceding month. Export of services fetched USD 7.3 million, down from USD 8.4 million earned during the month of June 2009, and represented 84.9 percent of total exports. During the same period,

export of goods amounted to USD 1.3 million, up from USD 1.2 million, and was equivalent to 15.1 percent of total exports. Cloves exports amounted to USD 0.2 million, compared to USD 0.1 million, and accounted for 15.4 percent of total goods exports. This was caused by an increase in the price of cloves exports from USD 3,228.4 per ton to USD 3,545.8 per ton. However, volume of cloves exports declined by 7.5 percent during the month. Other setbacks include smuggling of cloves and tendency by some farmers to abandon their farms. Seaweeds remained unchanged at USD 0.2 million, equivalent to 15.4 percent of total goods exports, while manufactured goods stabilized at USD 0.4 million or 30.8 percent of total goods exports.

During the year ended July 2009, exports of goods and services amounted to USD 118.1 million, up by 21.5 percent from USD 97.2 million reported in 2008. Services receipts stood at USD 97.1 million, compared to USD 80.4 million, and represented 82.2 percent of total exports; while goods exports amounted to USD 21.1 million, up from USD 16.8 million. Clove exports rose sharply to USD 8.7 million, from USD 4.6 million, and represented 7.4 percent of total exports, and 41.2 percent of merchandise exports. The outturn in cloves exports was driven by the crop volume increase to 2,400.0 tons, up from 1,200.0 tons. However, the export price of cloves declined by 5.8 percent from USD 3,876.4 per ton to USD 3,651.2 per ton in the reporting period. Seaweeds exports declined to USD 2.5 million from USD 2.6 million; and accounted for 2.1 percent of total exports receipts, and 11.8 percent of total merchandise exports. Manufactured goods exports amounted to USD 5.1 million, up from USD 3.9 million, and stood for 4.3 percent of total export receipts, and 24.2 percent of goods exports while export of fish remained at USD 0.2 million **(Table 6.3 and Chart 6.11).**



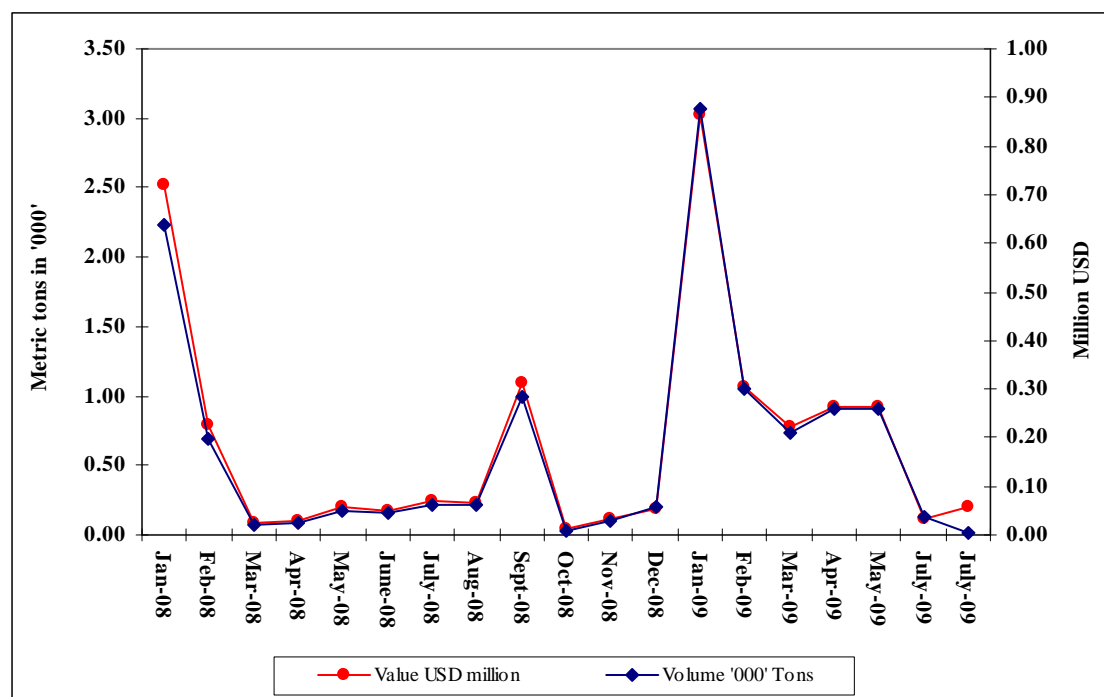
**Table 6.3: Zanzibar Goods Exports by Major Categories**

Item	Unit	2008	2009p			Year Ending July		%Change	
		July	May	June	July	2008	2009p	Monthly	Annual
<b>Traditional Cloves</b>									
Value	Millions	0.2	0.9	0.1	0.2	4.6	8.7	100.0	89.1
Volume	000 Tons	0.0	0.26	0.04	0.01	1.2	2.4	-75.0	100.0
Unit Price	USD/Ton	4304.9	3,583.4	3,228.4	3,545.8	3,876.4	3,651.2	9.8	-5.8
<b>Non-Traditional Seaweeds</b>									
Value	Millions	0.3	0.2	0.2	0.2	2.6	2.5	0.0	-3.8
Volume	000 Tons	1.0	1.0	0.9	0.8	10.3	10.6	-11.1	2.9
Unit Price	USD/Ton	264.8	237.1	235.7	245.3	255.5	234.3	4.1	-8.3
<b>Manufactured Goods</b>	<b>Millions</b>	<b>0.2</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>3.9</b>	<b>5.1</b>	<b>0.0</b>	<b>30.8</b>
<b>Fish and Fish Produce</b>	<b>Millions</b>	<b>0.02</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>
<b>Horticultural produce</b>	<b>Millions</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		
<b>Others Exports</b>	<b>Millions</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>5.4</b>	<b>4.6</b>	<b>0.0</b>	<b>-14.8</b>
<b>SUB TOTAL</b>	<b>Millions</b>	<b>0.9</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>12.2</b>	<b>12.4</b>	<b>0.0</b>	<b>1.6</b>
<b>GRAND TOTAL</b>	<b>Millions</b>	<b>1.0</b>	<b>2.0</b>	<b>1.2</b>	<b>1.3</b>	<b>16.8</b>	<b>21.1</b>	<b>8.3</b>	<b>25.6</b>

p = provisional

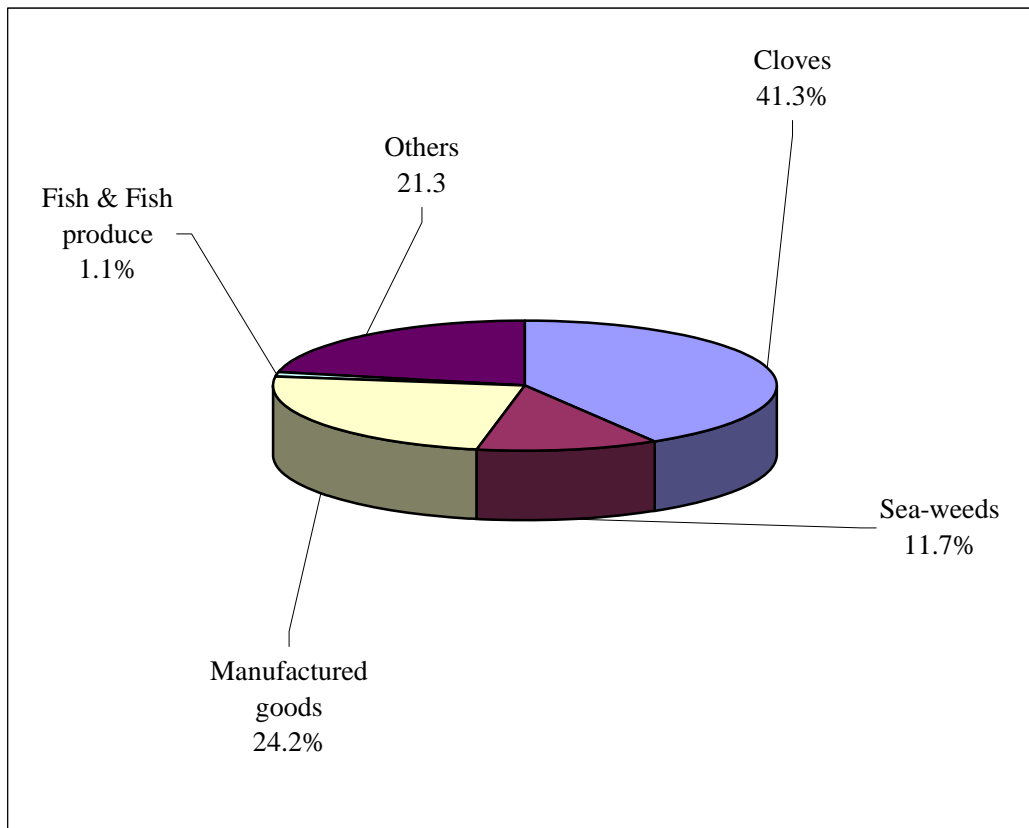
Source: Tanzania Revenue Authority and BOT computations

**Chart 6.11: Cloves Exports January 2008 to July 2009**



Source: Tanzania Revenue Authority and Zanzibar State Trading Corporation

**Chart 6.12: Zanzibar Goods Exports by Percentage Contribution for the Year Ending July 2009**



Source: Tanzania Revenue Authority and BOT computations

## Goods Imports

During July 2009, Zanzibar goods imports (c.i.f) amounted to USD 5.8 million, down from USD 6.1 million posted in June 2009; mainly on account of a decline in capital and consumer goods imports. Capital goods amounted to USD 2.0 million, down from USD 2.7 million, and accounted 34.5 percent of total goods imports. Consumer goods imports declined to USD1.5 million from USD 1.9 million, and represented 28.3 percent of total goods imports. Food and food stuffs declined from USD 0.8 million to USD 0.5 million and Intermediate goods imports amounted to USD 2.3 million, up from USD 1.5 million. Oil imports amounted to USD 2.0 million, up from USD 0.9 million, and accounted for 34.5 percent of total goods import bill.

During the year ending July 2009, total goods imports (c.i.f) amounted to USD 99.8 million, down from USD 109.0 million recorded in corresponding period in 2008. Capital goods imports amounted to USD 42.9 million, above USD 44.9 million posted

in 2008. Oil imports dropped to USD 26.5 million from USD 30.8 million, and represented 26.5 percent of total goods imports bill. Foods and food stuffs imports amounted to USD 6.7 million, down from USD 9.3 million (**Table 6.4**).

**Table 6.4: Zanzibar Imports by Major Categories**

IMPORT CATEGORY	Millions of USD							
	2008	2009p			Year Ending July		%Change	
	July	May	June	July	2008	2009p	Monthly	Annual
<b>Capital Goods</b>	<b>4.6</b>	<b>2.7</b>	<b>2.7</b>	<b>2.0</b>	<b>44.9</b>	<b>42.9</b>	<b>-25.9</b>	<b>-4.5</b>
Transport Equipment	2.8	1.3	1.4	1.3	25.5	25.3	-7.1	-0.8
Building and Constructions	0.6	0.6	0.6	0.4	6.3	8.3	-33.3	31.7
Machinery	1.2	0.7	0.7	0.3	13.1	9.3	-57.1	-29.0
<b>Intermediate Goods</b>	<b>5.2</b>	<b>3.1</b>	<b>1.5</b>	<b>2.3</b>	<b>41.8</b>	<b>34.8</b>	<b>53.3</b>	<b>-16.7</b>
Oil imports	4.3	2.5	0.9	2.0	30.8	26.5	122.2	-14.0
Industrial raw materials	0.9	0.6	0.6	0.3	10.9	8.2	-50.0	-24.8
<b>Consumer Goods</b>	<b>2.7</b>	<b>1.8</b>	<b>1.9</b>	<b>1.5</b>	<b>22.3</b>	<b>22.1</b>	<b>-21.1</b>	<b>-0.9</b>
Food and food stuffs	1.4	0.8	0.8	0.5	9.3	6.7	-37.5	-27.9
All other consumer goods	1.3	1.1	1.1	1.0	13.0	15.4	-9.1	18.5
<b>GRAND TOTAL (CIF)</b>	<b>12.6</b>	<b>7.7</b>	<b>6.1</b>	<b>5.8</b>	<b>109.0</b>	<b>99.8</b>	<b>-4.9</b>	<b>-8.4</b>
<b>GRAND TOTAL (FOB)</b>	<b>11.4</b>	<b>7.0</b>	<b>5.5</b>	<b>5.3</b>	<b>99.2</b>	<b>90.8</b>	<b>-3.6</b>	<b>-8.5</b>

p = provisional

Source: Tanzania Revenue Authority

## Services Account

During July 2009, services account registered a surplus of USD 2.7 million, compared to a surplus of USD 2.0 million posted in June 2009. Foreign receipts amounted to USD 7.3 million, compared to USD 8.4 million, while foreign payments amounted to USD 4.6 million, down from USD 6.4 million.

On year to year basis, the services account surplus amounted to USD 31.3 million, compared to a surplus of USD 25.8 million registered in 2008. Total foreign receipts amounted to USD 97.1 million, compared to USD 80.4 million reported in 2008. Total payments amounted to USD 65.8 million, up from USD 54.6 million recorded during the year ended July 2008.

## *Statistical Tables*

**Table A1: Selected Economic Indicators (Annual)**

Item	Unit	2003	2004	2005	2006r	2007r	2008P
<b>1. National Accounts and Prices</b>							
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 <sup>1</sup>	TZS	354,007.7	395,795.8	441,030.2	478,433.8	546,955.7	630,577.1
1.4 GDP Per Capita <sup>1</sup>	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 <sup>2</sup>	Percent	9.6	10.4	8.7	8.5	6.4	6.4
<b>2. Money Credit and Interest Rates*</b>							
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 <sup>1</sup>	Percent	7.3	7.4	11.6	11.3	13.5	17.0
2.6 Private Sector Credit to GDP Ratio <sup>1</sup>	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) <sup>3</sup>	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 <sup>3</sup>	Percent	12.2	12.7	13.4	14.9	16.1	16.4
<b>3. Balance of Payments</b>							
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
<b>4. Population (TZ Mainland)</b>	<b>Million</b>	<b>34.2</b>	<b>35.3</b>	<b>36.2</b>	<b>37.5</b>	<b>38.3</b>	<b>39.3</b>
<b>5. Public Finance</b>							
		<b>2003/04</b>	<b>2004/05</b>	<b>2005/06r</b>	<b>2006/07r</b>	<b>2007/08*</b>	<b>2008/09*</b>
5.1 Current Revenue to GDP Ratio <sup>1</sup>	Percent	12.1	11.8	12.5	14.1	15.9	
5.2 Grants to GDP Ratio <sup>1</sup>	Percent	3.7	4.8	6.2	4.9	6.9	
5.2 Current Expenditure to GDP Ratio <sup>1</sup>	Percent	12.9	14.0	15.7	16.1	14.9	
5.3 Development Expenditure to GDP Ratio <sup>1</sup>	Percent	3.6	7.2	7.9	6.9	7.9	
5.4 Deficit to GDP Ratio (excluding grants) <sup>1</sup>	Percent	-4.4	-9.3	-11.1	-8.9	-6.9	
5.5 Deficit to GDP Ratio (including grants) <sup>1</sup>	Percent	-0.6	-4.5	-4.9	-4.0	0.0	
<b>6. Total External Debt Stock</b>	<b>Mill. USD</b>	<b>7,857.0</b>	<b>8,134.8</b>	<b>8,229.5</b>	<b>4,660.9</b>	<b>5,846.4</b>	<b>6,999.4</b>
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	BUDGET 2009/10	Millions of TZS	
		Monthly Flows - Actuals	
		Jul-09	
		Estimates	Actuals
<b>Total Revenue</b>	<b>5,234,068.6</b>	<b>361,443.8</b>	<b>348,971.9</b>
Tax Revenue	4,840,876.8	339,685.9	331,695.6
Taxes on Imports	1,758,233.8	139,988.0	135,567.3
Sales/VAT and Excise on Local Goods	1,101,646.4	75,659.2	71,587.5
Refunds			
Income Taxes	1,428,419.9	82,560.4	82,957.1
Other taxes	552,576.7	41,478.2	41,583.7
Non- tax Revenue	255,139.4	21,757.9	17,276.3
LGA Own Sources	138,052.3	0.0	0.0
<b>Total Expenditure /1</b>	<b>8,862,272.7</b>	<b>652,971.3</b>	<b>325,324.4</b>
Recurrent expenditure	6,036,841.6	468,460.8	312,899.6
Roadtoll fund			
Retention fund	103,503.0	6,273.5	0.0
Wages and salaries	1,766,388.2	138,062.0	137,693.7
Interest payments	407,826.2	14,801.4	7,378.5
Domestic <sup>2/</sup>	354,910.0	14,415.5	7,378.5
Foreign	52,916.2	385.8	0.0
Other goods, services and transfers	3,759,124.2	309,323.9	167,827.5
<b>Dev. Expenditure and net lending</b>	<b>2,825,431.0</b>	<b>184,510.6</b>	<b>12,424.7</b>
Local	968,028.5	20,500.0	1,881.7
Foreign	1,857,402.6	164,010.6	10,543.1
<b>Overall Balance before Grants</b>	<b>-3,628,204.1</b>	<b>-291,527.6</b>	<b>23,647.5</b>
<b>Grants</b>	<b>2,090,945.9</b>	<b>548,741.9</b>	<b>418,637.8</b>
Program (CIS/OGL)	825,445.3	423,287.9	408,094.8
Project	640,708.7	53,392.4	4,763.5
Basket funds	282,848.8	43,566.4	5,779.6
HIPC Relief	341,943.1	28,495.3	0.0
<b>Overall defic.(cheq.issued) after Grants</b>	<b>-1,537,258.2</b>	<b>257,214.4</b>	<b>442,285.4</b>
Expenditure float			-377,959.5
Adjustments to cash and other items (net)			7,804.6
<b>Overall Balance (cheques issued)</b>	<b>-1,537,258.2</b>	<b>257,214.4</b>	<b>72,130.5</b>
<b>Financing:</b>	<b>1,537,258.2</b>	<b>-257,214.4</b>	<b>-72,130.5</b>
<b>Foreign Financing (net)</b>	<b>1,037,065.1</b>	<b>133,529.9</b>	<b>80,547.1</b>
Loans	800,925.0	120,483.1	81,413.7
Program loans	368,464.0	84,444.7	81,413.7
Development Project loans	432,461.0	36,038.4	0.0
Basket Support	290,075.8	13,404.3	0.0
Amortization	-53,935.7	-357.6	-866.6
<b>Domestic (net)</b>	<b>500,193.1</b>	<b>-390,744.3</b>	<b>-152,677.7</b>
<b>Bank &amp; Non Bank Financing (NDF)</b>	<b>506,193.1</b>	<b>-387,744.3</b>	<b>-152,677.7</b>
Bank borrowing	406,193.1	-387,744.3	-79,877.6
Non-Bank (net of amortization)	100,000.0	0.0	-72,800.1
Borrowing/Roll over	576,476.3	79,210.6	132,130.5
Domestic & Contingent debt Amortization	-597,476.3	-82,210.6	-132,130.5
Privatization Proceeds	15,000.0	0.0	0.0
<b>GDP (In Millions of TZS)</b>	<b>31,108,881</b>		

**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
<b>Net foreign assets</b>	<b>3,641.9</b>	<b>4,086.8</b>	<b>3,998.1</b>	<b>4,116.5</b>	<b>4,145.3</b>	<b>4,197.8</b>	<b>4,140.8</b>	<b>4,196.8</b>	<b>4,637.7</b>
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
Other Depository Corporations	633.4	494.6	548.1	660.3	688.1	651.4	710.5	801.7	845.3
<b>Net domestic assets</b>	<b>2,581.7</b>	<b>3,372.0</b>	<b>3,437.6</b>	<b>3,436.5</b>	<b>3,488.3</b>	<b>3,429.6</b>	<b>3,470.1</b>	<b>3,669.2</b>	<b>3,619.5</b>
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	4,657.3
Claims on central government (net)	-319.8	-335.0	-229.4	-218.8	-369.9	-353.0	-266.0	61.5	-32.0
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	2,389.3
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	2,421.4
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	4,689.3
<b>Broad money liabilities</b>	<b>6,223.6</b>	<b>7,458.8</b>	<b>7,435.7</b>	<b>7,553.0</b>	<b>7,633.5</b>	<b>7,627.4</b>	<b>7,610.9</b>	<b>7,866.0</b>	<b>8,257.2</b>
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	1,494.5
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	3,110.4
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	3,652.3
<i>Other items (net)</i>	<i>-249.7</i>	<i>-849.2</i>	<i>-877.3</i>	<i>-931.6</i>	<i>-768.0</i>	<i>-852.4</i>	<i>-948.9</i>	<i>-1,102.5</i>	<i>-1,037.8</i>
<b>Memorandum items:</b>									
<b>Monetary Aggregates</b>									
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
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	8,257.2
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
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
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	6,101.4
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	2,759.5
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	3,341.8
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	1,494.5
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	1,847.4

**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 <sup>p</sup>						
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>Domestic Currency</b>														
<b>Interbank Cash Market Rates</b>														
Overnight	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
2 to 7 days	3.68	3.67	3.75	4.23	5.55	5.80	6.60	8.64	9.97	10.17	9.74	7.11	5.38	4.06
8 to 14 days	3.99	3.87	3.88	4.61	5.69	5.89	6.21	8.34	10.84	10.77	9.85	7.38	5.30	4.43
15 to 30 days	4.85	4.00	4.00	4.00	4.00	5.90	5.90	5.90	5.90	11.76	10.27	7.35	5.75	4.19
31 to 60 days	4.73	5.50	5.50	6.09	6.03	6.83	8.75	8.75	11.01	11.80	11.05	7.87	5.30	4.58
61 to 90 days	5.93	5.93	5.93	5.93	5.93	5.93	11.00	11.00	12.15	12.15	12.15	12.15	12.15	12.15
91 to 180 days	5.50	5.50	8.21	10.48	10.16	11.46	11.69	11.50	12.00	12.00	12.00	9.40	8.60	9.17
181 and above	7.88	8.50	8.50	8.50	10.85	13.00	13.00	13.00	14.35	14.35	14.35	12.00	12.00	5.56
<b>Overall Interbank cash market rate</b>	<b>3.61</b>	<b>3.61</b>	<b>3.70</b>	<b>4.32</b>	<b>5.45</b>	<b>5.85</b>	<b>6.54</b>	<b>8.41</b>	<b>9.81</b>	<b>10.10</b>	<b>9.58</b>	<b>6.80</b>	<b>5.03</b>	<b>3.86</b>
<b>Lombard Rate</b>	<b>7.55</b>	<b>8.54</b>	<b>7.99</b>	<b>8.67</b>	<b>8.90</b>	<b>9.66</b>	<b>10.32</b>	<b>12.47</b>	<b>14.45</b>	<b>14.86</b>	<b>13.94</b>	<b>9.73</b>	<b>7.35</b>	<b>4.13</b>
<b>REPO Rate</b>	<b>3.75</b>	<b>3.79</b>	<b>3.76</b>	<b>4.02</b>	<b>4.89</b>	<b>5.32</b>	<b>6.42</b>	<b>7.55</b>	<b>9.09</b>	<b>9.73</b>	<b>8.25</b>	<b>6.10</b>	<b>4.90</b>	<b>2.23</b>
<b>Treasury Bills Rates</b>														
35 days	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
91 days	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
182 days	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
364 days	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
<b>Overall Treasury bills rate</b>	<b>7.84</b>	<b>9.46</b>	<b>9.47</b>	<b>10.17</b>	<b>10.30</b>	<b>10.33</b>	<b>10.99</b>	<b>12.53</b>	<b>12.85</b>	<b>13.33</b>	<b>11.01</b>	<b>9.27</b>	<b>6.97</b>	<b>5.81</b>
<b>Treasury Bonds Rates</b>														
2-years	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
5-years	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
7-years	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
10-years	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
<b>Discount Rate</b>	<b>12.84</b>	<b>14.46</b>	<b>14.47</b>	<b>15.17</b>	<b>15.30</b>	<b>15.33</b>	<b>15.99</b>	<b>17.53</b>	<b>17.85</b>	<b>18.33</b>	<b>16.01</b>	<b>13.00</b>	<b>10.31</b>	<b>6.95</b>
<b>Savings Deposit Rate</b>	<b>2.79</b>	<b>2.64</b>	<b>2.61</b>	<b>2.64</b>	<b>2.59</b>	<b>2.66</b>	<b>2.71</b>	<b>2.61</b>	<b>2.72</b>	<b>2.69</b>	<b>2.72</b>	<b>2.72</b>	<b>2.69</b>	<b>2.68</b>
<b>Overall Time Deposits Rate</b>	<b>6.66</b>	<b>6.58</b>	<b>5.86</b>	<b>6.43</b>	<b>6.22</b>	<b>6.38</b>	<b>6.39</b>	<b>6.41</b>	<b>6.58</b>	<b>6.79</b>	<b>6.85</b>	<b>6.81</b>	<b>6.52</b>	<b>6.63</b>
Call Accounts	0.80	0.76	0.75	0.76	0.83	0.64	0.65	0.45	0.71	0.89	1.04	1.05	1.04	1.06
1 month	6.05	5.96	5.79	6.10	6.48	6.24	6.53	6.49	7.03	7.36	7.07	7.22	6.24	6.11
2 months	6.90	8.69	6.79	8.14	7.07	7.31	7.96	7.26	7.61	7.96	7.75	7.11	7.15	8.51
3 months	7.92	7.11	7.36	7.30	7.22	7.80	7.38	8.06	7.68	8.46	7.81	7.39	8.28	7.81
6 months	8.97	8.91	7.03	7.61	7.25	7.93	8.20	8.06	8.61	8.79	8.88	8.92	8.08	7.70
9 months														
12 months	8.29	8.17	7.48	8.05	8.20	8.76	8.29	8.65	8.47	8.44	8.85	9.13	8.79	8.63
24 months	7.71	6.49	5.82	7.07	6.52	5.96	5.75	5.90	5.91	5.66	6.57	6.86	6.03	6.58
<b>Negotiated Deposit Rate</b>	<b>10.62</b>	<b>9.26</b>	<b>9.63</b>	<b>10.27</b>	<b>10.11</b>	<b>10.26</b>	<b>10.23</b>	<b>10.66</b>	<b>10.82</b>	<b>10.99</b>	<b>11.27</b>	<b>11.03</b>	<b>11.03</b>	<b>10.52</b>
<b>Overall Lending rate</b>	<b>14.76</b>	<b>15.05</b>	<b>14.83</b>	<b>14.91</b>	<b>14.82</b>	<b>14.30</b>	<b>16.05</b>	<b>14.93</b>	<b>14.95</b>	<b>15.12</b>	<b>15.45</b>	<b>15.39</b>	<b>15.48</b>	<b>15.14</b>
Call Loans	19.25	19.25	19.25	19.25	20.25	19.25	19.25	19.25	19.25	19.25	19.25	20.25	21.25	22.25
Short-term (up to 1 year)	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
Medium-term (1-2 years)	15.56	15.72	15.82	15.74	15.40	15.38	16.57	15.16	15.12	15.33	15.55	15.81	15.63	15.38
Medium-term (2-3 years)	14.58	15.28	15.65	15.66	15.39	14.62	17.18	14.72	14.94	14.93	15.18	15.07	15.11	14.61
Long-term (3-5 years)	16.64	16.92	15.80	15.94	16.32	15.69	16.52	15.20	15.26	15.28	15.54	15.36	15.23	15.20
Term Loans (over 5 years)	13.07	14.00	13.01	13.18	13.69	12.22	16.43	16.19	15.98	16.63	17.11	17.02	16.87	16.59
<b>Negotiated Lending Rate</b>	<b>13.07</b>	<b>11.01</b>	<b>12.18</b>	<b>12.68</b>	<b>13.38</b>	<b>11.96</b>	<b>11.91</b>	<b>12.27</b>	<b>12.13</b>	<b>12.85</b>	<b>13.87</b>	<b>13.93</b>	<b>14.03</b>	<b>13.99</b>
<b>Foreign Currency</b>														
<b>Deposits Rates</b>														
<b>Savings Deposits Rate</b>	<b>1.71</b>	<b>0.87</b>	<b>1.92</b>	<b>1.65</b>	<b>1.63</b>	<b>1.64</b>	<b>1.43</b>	<b>1.44</b>	<b>0.70</b>	<b>2.36</b>	<b>2.38</b>	<b>2.38</b>	<b>2.36</b>	<b>2.37</b>
<b>Overall Time Deposits Rate</b>	<b>4.42</b>	<b>4.43</b>	<b>2.92</b>	<b>2.93</b>	<b>3.09</b>	<b>3.24</b>	<b>3.87</b>	<b>3.74</b>	<b>4.02</b>	<b>3.83</b>	<b>2.84</b>	<b>2.81</b>	<b>2.30</b>	<b>2.36</b>
1-months	5.04	2.61	2.79	2.88	2.59	3.10	3.53	2.80	2.24	3.82	2.66	3.86	2.36	1.85
2-months	4.46	6.03	2.92	2.60	3.15	2.76	3.73	3.72	4.94	3.78	4.01	2.66	1.80	2.34
3-months	3.95	5.05	2.91	3.07	2.70	3.29	4.61	4.65	5.12	4.56	2.61	2.64	2.45	2.93
6-months	5.17	4.05	2.86	2.89	3.37	3.40	4.14	4.13	4.17	3.81	2.47	2.63	2.71	2.54
12-months	3.48	4.43	3.12	3.19	3.65	3.65	3.36	3.41	3.63	3.21	2.43	2.27	2.18	2.12
<b>Overall Lending Rate</b>	<b>8.19</b>	<b>6.94</b>	<b>7.14</b>	<b>9.49</b>	<b>9.29</b>	<b>9.68</b>	<b>9.62</b>	<b>9.38</b>	<b>7.62</b>	<b>9.48</b>	<b>9.28</b>	<b>9.68</b>	<b>9.69</b>	<b>9.69</b>
Short-term (up to 1 year)	6.74	5.60	5.43	5.33	6.37	6.35	6.29	6.28	6.53	5.88	4.86	6.92	6.96	6.94
Medium-term (1-2 years)	8.70	6.92	7.20	10.33	10.47	10.49	10.53	9.88	8.09	10.78	10.86	10.76	10.13	10.77
Medium-term (2-3 years)	8.56	6.74	6.81	10.69	8.40	10.74	10.44	9.97	8.05	9.93	10.10	10.13	10.82	10.27
Long-term (3-5 years)	8.29	7.33	7.35	10.00	10.13	10.06	10.24	10.45	7.67	10.54	10.55	10.55	10.54	10.50
Term Loans (over 5 years)	8.68	8.12	8.91	11.08	11.08	10.74	10.60	10.33	7.74	10.31	10.05	10.02	10.01	10.00

:: 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 <sup>P</sup>	2009		% Change		Year Ending July <sup>P</sup>		
	July	June	July	July 08-July 09	June 09-July 09	2008	2009	% Change
<b>Traditional Exports:</b>								
<b>COFFEE</b>								
Value	1.8	10.1	4.8	171.4	-52.2	83.7	121.4	45.1
Volume	1.1	7.4	3.1	194.7	-57.6	36.0	60.5	68.0
Unit Price	1,689.7	1,379.2	1,556.0	-7.9	12.8	2,321.8	2,005.5	-13.6
<b>COTTON</b>								
Value	8.7	5.4	6.3	-28.1	17.1	91.7	127.8	39.3
Volume	8.6	6.5	5.3	-38.3	-18.3	77.9	107.4	37.9
Unit Price	1,019.1	829.6	1,188.2	16.6	43.2	1,177.4	1,189.3	1.0
<b>SISAL</b>								
Value	0.0	0.0	0.0	--	--	4.8	1.2	-74.3
Volume	0.0	0.0	0.0	--	--	4.5	0.7	-85.1
Unit Price	-	-	-	--	--	1,046.3	1,802.4	72.3
<b>TEA</b>								
Value	2.8	1.9	2.0	-27.3	8.0	35.9	31.1	-13.4
Volume	1.8	1.2	1.2	-33.2	4.6	25.0	18.8	-24.7
Unit Price	1,537.7	1,621.3	1,673.4	8.8	3.2	1,433.9	1,649.3	15.0
<b>TOBACCO</b>								
Value	0.0	0.2	0.0	--	--	59.6	143.3	140.4
Volume	0.0	0.2	0.0	--	--	27.4	45.9	67.5
Unit Price	-	1,300.2	-	--	--	2,175.7	3,122.9	43.5
<b>CASHEWNUTS</b>								
Value	0.00	0.00	0.0	--	--	56.3	48.6	-13.7
Volume	0.00	0.00	0.0	--	--	77.4	68.0	-12.2
Unit Price	-	-	-	--	--	727.2	715.3	-1.6
<b>CLOVES</b>								
Value	0.21	0.46	0.2	12.9	-48.3	4.3	14.9	243.8
Volume	0.06	0.17	0.1	-18.3	-70.1	1.2	4.4	258.7
Unit Price	3,474.9	2,778.4	4,800.0	38.1	72.8	3,504.8	3,359.4	-4.1
<b>Sub Total</b>	<b>13.5</b>	<b>18.1</b>	<b>13.4</b>	<b>-0.9</b>	<b>-25.9</b>	<b>336.3</b>	<b>488.3</b>	<b>45.2</b>
<b>Non-Traditional Exports:</b>								
<b>Minerals</b>	<b>96.1</b>	<b>80.1</b>	<b>108.4</b>	<b>12.8</b>	<b>35.3</b>	<b>1,010.1</b>	<b>881.5</b>	<b>-12.7</b>
Gold	91.3	77.8	105.0	14.9	34.9	947.7	838.4	-11.5
Diamond	1.9	3.2	0.0	-100.0	-100.0	22.4	12.3	-45.2
Other minerals <sup>1</sup>	2.8	1.0	3.4	20.2	243.6	40.0	30.8	-22.8
<b>Manufactured Goods</b>	<b>112.8</b>	<b>30.9</b>	<b>47.8</b>	<b>-57.6</b>	<b>54.5</b>	<b>492.0</b>	<b>571.8</b>	<b>16.2</b>
Cotton Yarn	1.2	0.3	0.3	-74.2	17.7	8.4	14.9	78.5
Manufactured Coffee	0.0	0.0	0.0	-	--	1.0	0.4	-64.6
Manufactured Tobacco	0.2	0.4	0.2	-6.9	-40.9	1.0	3.2	216.8
Sisal Products (Yarn & Twine)	1.0	0.8	0.1	-90.1	--	11.6	5.8	-49.7
Other manufactured Goods <sup>2</sup>	110.4	29.5	47.2	-57.3	59.7	470.0	547.4	16.5
<b>Fish and Fish Products</b>	<b>14.4</b>	<b>9.5</b>	<b>17.6</b>	<b>22.0</b>	<b>84.6</b>	<b>148.9</b>	<b>134.2</b>	<b>-9.9</b>
<b>Horticultural products</b>	<b>2.7</b>	<b>2.8</b>	<b>2.5</b>	<b>-10.8</b>	<b>-13.9</b>	<b>24.9</b>	<b>36.2</b>	<b>45.4</b>
<b>Re-exports</b>	<b>9.7</b>	<b>3.7</b>	<b>3.6</b>	<b>-62.9</b>	<b>-2.7</b>	<b>139.4</b>	<b>112.4</b>	<b>-19.3</b>
<b>Others Exports<sup>3</sup></b>	<b>29.0</b>	<b>17.2</b>	<b>15.1</b>	<b>-47.8</b>	<b>-12.2</b>	<b>241.1</b>	<b>267.4</b>	<b>10.9</b>
<b>Sub Total</b>	<b>264.8</b>	<b>144.4</b>	<b>195.0</b>	<b>-45.5</b>	<b>35.0</b>	<b>2,056.4</b>	<b>2,003.5</b>	<b>-2.6</b>
<b>GRAND TOTAL</b>	<b>278.3</b>	<b>162.5</b>	<b>208.4</b>	<b>-41.6</b>	<b>28.3</b>	<b>2,392.7</b>	<b>2,491.8</b>	<b>4.1</b>

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 <sup>P</sup>	2009		% Change		Year Ending July <sup>P</sup>		
	July	June	July	July 08- July 09	June 09- July 09	2008	2009	% Change
<b>Capital Goods</b>	<b>235.2</b>	<b>209.8</b>	<b>211.6</b>	<b>-10.0</b>	<b>0.9</b>	<b>2,270.4</b>	<b>2,578.8</b>	<b>13.6</b>
Transport Equipments	72.7	57.2	71.4	-1.8	24.8	686.8	756.4	10.1
Building and Constructions	50.8	35.6	36.9	-27.3	3.7	527.1	576.1	9.3
Machinery	111.7	117.0	103.4	-7.5	-11.7	1,056.6	1,246.3	18.0
<b>Intermediate Goods</b>	<b>232.0</b>	<b>145.7</b>	<b>212.5</b>	<b>-8.4</b>	<b>45.8</b>	<b>2,427.0</b>	<b>2,016.8</b>	<b>-16.9</b>
Oil imports	146.3	111.2	168.2	14.9	51.3	1,721.5	1,455.1	-15.5
Fertilizers	38.9	1.6	4.0	-89.7	157.1	136.8	98.6	-27.9
Industrial raw materials	46.7	33.0	40.3	-13.7	22.2	568.7	463.1	-18.6
<b>Consumer Goods</b>	<b>96.6</b>	<b>115.1</b>	<b>88.9</b>	<b>-7.9</b>	<b>-22.7</b>	<b>1,214.6</b>	<b>1,321.7</b>	<b>8.8</b>
Food and food stuffs	8.9	38.5	15.0	69.2	-61.0	290.3	356.0	22.6
All other consumer goods <sup>1</sup>	87.7	76.6	73.9	-15.7	-3.5	924.3	965.7	4.5
<b>Grand Total (f.o.b)</b>	<b>563.8</b>	<b>470.6</b>	<b>513.1</b>	<b>-9.0</b>	<b>9.0</b>	<b>5,912.1</b>	<b>5,917.3</b>	<b>0.1</b>
<b>Grand Total (c.i.f)</b>	<b>619.5</b>	<b>517.2</b>	<b>563.8</b>	<b>-9.0</b>	<b>9.0</b>	<b>6,496.8</b>	<b>6,502.6</b>	<b>0.1</b>

Note:

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

<sup>P</sup> = 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)**

	Millions of USD				
Item	2004	2005	2006	2007r	2008p
<b>A. Current Account</b>	<b>-365.9</b>	<b>-862.8</b>	<b>-1,143.2</b>	<b>-1,578.3</b>	<b>-2,349.3</b>
<i>Balance on Goods</i>	<i>-1,001.2</i>	<i>-1,318.5</i>	<i>-1,946.5</i>	<i>-2,634.1</i>	<i>-3,447.4</i>
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
<i>Balance on Services</i>	<i>158.9</i>	<i>61.8</i>	<i>278.7</i>	<i>462.4</i>	<i>573.0</i>
Services: credit	1,133.6	1,269.2	1,528.1	1,875.7	2,168.9
Transportation	183.0	222.9	343.7	331.1	364.6
Travel	746.0	823.6	950.2	1,198.8	1,354.0
Other	204.6	222.7	234.1	345.8	450.2
Services: debit	-974.7	-1,207.3	-1,249.3	-1,413.4	-1,595.8
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	-333.0	-217.1
<i>Balance on Goods and Services</i>	<i>-842.3</i>	<i>-1,256.6</i>	<i>-1,667.8</i>	<i>-2,171.7</i>	<i>-2,874.3</i>
<i>Balance on income</i>	<i>-112.4</i>	<i>-102.0</i>	<i>-64.1</i>	<i>-58.1</i>	<i>-91.9</i>
Income: credit	81.8	80.9	80.3	107.3	121.6
Income: debit	-194.2	-182.9	-144.4	-165.4	-213.5
<i>Balance on Goods, Services and Income</i>	<i>-954.7</i>	<i>-1,358.6</i>	<i>-1,731.8</i>	<i>-2,229.8</i>	<i>-2,966.3</i>
<i>Balance on Current transfers</i>	<i>588.8</i>	<i>495.7</i>	<i>588.7</i>	<i>651.5</i>	<i>617.0</i>
Current transfers: credit	653.8	563.3	654.6	724.0	697.2
Government	581.7	477.9	559.7	626.9	594.2
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	103.0
Current transfer: debit	-65.0	-67.5	-65.9	-72.5	-80.2
<b>B. Capital Account</b>	<b>459.9</b>	<b>393.2</b>	<b>5,183.5</b>	<b>923.7</b>	<b>637.5</b>
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
<i>Total, Groups A plus B</i>	<i>94.0</i>	<i>-469.7</i>	<i>4,040.3</i>	<i>-654.6</i>	<i>-1,711.8</i>
<b>C. Financial Account, excl. reserves and related items</b>	<b>306.3</b>	<b>555.6</b>	<b>-3,954.6</b>	<b>946.0</b>	<b>1,883.3</b>
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	744.0
Portfolio investment	2.4	2.5	2.6	2.8	2.9
Other investment	-26.7	59.0	-4,554.2	296.3	1,136.4
Assets	52.3	-90.9	-187.6	34.1	181.6
Liabilities	-79.0	150.0	-4,366.6	262.2	954.9
<i>Total, Groups A through C</i>	<i>400.3</i>	<i>85.9</i>	<i>85.7</i>	<i>291.4</i>	<i>171.6</i>
<b>D. Net Errors and Omissions</b>	<b>-116.3</b>	<b>-313.7</b>	<b>374.9</b>	<b>121.2</b>	<b>-62.8</b>
<i>Overall balance</i>	<i>284.0</i>	<i>-227.8</i>	<i>460.7</i>	<i>412.6</i>	<i>108.8</i>
<b>E. Reserves and Related Items</b>	<b>-284.0</b>	<b>227.8</b>	<b>-460.7</b>	<b>-412.6</b>	<b>-108.8</b>
Reserve assets	-308.2	253.1	-126.5	-419.4	-108.3
Use of Fund credit and loans	-33.8	-50.5	-334.2	6.7	-0.4
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
<b>Memorandum items</b>					
GDP(mp) billions of TZS	13,971.6	15,965.3	17,941.3	20,948.4	25,336.9
GDP(mp) millions of USD	12,828.0	14,139.1	14,308.4	16,838.6	21,179.2
CAB/GDP	-2.9	-6.1	-8.0	-9.4	-11.1
CAB/GDP (excl. current official transfers)	-7.4	-9.5	-11.9	-13.1	-13.9
Gross Official Reserves	2,307.7	2,054.6	2,137.5	2,761.9	2,869.7
Months of Imports	8.0	5.9	5.0	5.3	4.3
Net International Reserves (year end)	1,882.6	1,707.5	2,122.0	2,736.1	2,845.7
Change in Net International Reserves	-165.6	-84.4	-11.1	-121.4	-137.6
Exchange rate (end of period)	1,043.0	1,165.5	1,261.6	1,132.1	1,280.3
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 (General Index)	Food	Non-Food											
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transpor- tation	Educ- ation	Miscel. goods & services
<b>Weight (%)</b>	<b>100.0</b>	<b>55.9</b>	<b>44.1</b>	<b>6.9</b>	<b>6.4</b>	<b>1.4</b>	<b>8.5</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>0.8</b>	<b>9.7</b>	<b>2.6</b>	<b>1.5</b>
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

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.	Transportation	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 Jan	1.0	1.7	0.1	-1.5	4.5	-2.3	-0.4	1.6	-4.3	1.2	-3.3	0.1	-2.9	6.2
Feb	0.8	1.2	0.4	1.2	0.7	-1.0	0.1	1.2	0.3	1.3	-0.1	0.2	-1.6	-0.5
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

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**

Millions of USD

Item	2008/09							2009/10
	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09
<b>1. Overall Total Debt Committed<sup>2</sup></b>	<b>7,265.7</b>	<b>7,257.8</b>	<b>7,330.3</b>	<b>7,373.0</b>	<b>7,772.4</b>	<b>7,777.0</b>	<b>8,120.1</b>	<b>8,180.4</b>
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
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
<b>2. Disbursed Debt by Creditor Category<sup>2</sup></b>	<b>4,843.7</b>	<b>4,847.2</b>	<b>4,899.8</b>	<b>4,942.5</b>	<b>5,139.2</b>	<b>5,147.4</b>	<b>5,483.0</b>	<b>5,537.5</b>
Bilateral debt	935.7	940.8	923.5	922.1	922.5	925.4	933.5	932.1
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
Commercial debt	507.4	509.0	528.1	534.1	633.4	677.3	700.3	706.2
Export credits	391.5	392.8	392.6	392.1	415.0	417.9	419.1	419.0
<b>3. Disbursed Debt by Borrower Category<sup>2</sup></b>	<b>4,843.7</b>	<b>4,847.2</b>	<b>4,899.8</b>	<b>4,942.5</b>	<b>5,139.2</b>	<b>5,147.4</b>	<b>5,483.0</b>	<b>5,537.5</b>
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
Parastatal Companies	148.6	148.4	148.0	148.0	148.5	149.4	392.4	392.3
Private Sector	726.6	729.9	749.4	753.6	885.9	929.3	972.4	978.6
<b>4. Disbursed Debt by Use of Funds<sup>2</sup></b>	<b>4,843.7</b>	<b>4,847.2</b>	<b>4,889.8</b>	<b>4,942.5</b>	<b>5,139.2</b>	<b>5,147.4</b>	<b>5,483.0</b>	<b>5,537.5</b>
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
Transport & Telecommunication	566.6	567.6	586.0	593.0	628.6	630.4	635.4	634.9
Agriculture	567.5	567.5	554.7	586.4	590.9	595.2	599.0	605.9
Energy & Mining	650.6	651.0	640.0	645.6	749.6	750.0	758.7	758.4
Industries	133.1	134.6	130.8	130.9	131.1	131.5	141.9	148.0
Social Welfare & Education	560.3	559.3	729.2	741.0	747.6	739.0	756.8	760.7
Finance and Insurance	73.3	73.3	72.3	72.8	72.9	73.1	73.8	73.7
Tourism	67.6	68.6	66.8	66.8	89.5	90.2	90.6	90.6
Others	551.2	552.8	440.0	426.5	433.5	449.6	491.7	492.7
<b>5. Total Amount of Loan Contracted<sup>1</sup></b>	<b>101.7</b>	<b>25.3</b>	<b>-</b>	<b>22.6</b>	<b>20.5</b>	<b>394.0</b>	<b>0.0</b>	<b>0.0</b>
Government	0.0	-	-	-	-	376.0	0.0	0.0
Parastatal Companies	0.0	-	-	-	-	-	0.0	0.0
Private	101.7	25.3	-	22.6	20.5	18.0	0.0	0.0
<b>6. Disbursements<sup>1</sup></b>	<b>30.7</b>	<b>41.4</b>	<b>42.5</b>	<b>36.7</b>	<b>70.5</b>	<b>2.1</b>	<b>7.7</b>	<b>49.6</b>
Government	23.6	20.2	14.6	11.3	65.6	2.1	7.7	49.6
Parastatal Companies	7.2	-	-	-	-	-	0.0	0.0
Private	-	21.2	27.9	25.4	5.0	-	0.0	0.0
<b>7. Scheduled Debt Service<sup>1</sup></b>	<b>62.8</b>	<b>27.7</b>	<b>5.9</b>	<b>9.4</b>	<b>19.9</b>	<b>11.0</b>	<b>52.0</b>	<b>46.4</b>
<b>8. Actual Debt Service<sup>1</sup></b>	<b>5.6</b>	<b>11.7</b>	<b>0.3</b>	<b>3.8</b>	<b>6.1</b>	<b>3.8</b>	<b>4.6</b>	<b>6.0</b>
Principal	1.4	7.8	0.1	0.2	2.4	1.3	2.2	3.3
Interest	4.2	3.9	0.2	3.6	3.7	2.5	2.4	2.8
Others	0.0	-	-	-	-	-	-	0.0
<b>9. Net Transfers<sup>1</sup></b>	<b>25.2</b>	<b>29.7</b>	<b>42.2</b>	<b>32.9</b>	<b>64.4</b>	<b>-1.7</b>	<b>3.1</b>	<b>43.6</b>
<b>10. Total Arrears by Creditors Category<sup>2</sup></b>	<b>2,611.2</b>	<b>2,629.6</b>	<b>2,607.7</b>	<b>2,607.3</b>	<b>2,674.4</b>	<b>2,693.2</b>	<b>2,809.8</b>	<b>2,792.1</b>
<b>Principal</b>	<b>1,186.7</b>	<b>1,197.9</b>	<b>1,187.7</b>	<b>1,189.9</b>	<b>1,222.9</b>	<b>1,218.6</b>	<b>1,293.4</b>	<b>1,257.7</b>
Bilateral	452.0	453.7	443.3	443.0	444.2	446.8	452.8	454.4
Multilateral	10.4	9.3	8.8	8.9	10.9	10.6	17.2	19.5
Commercial	378.8	383.9	384.1	385.0	384.1	389.3	449.3	459.0
Export Credits	345.5	351.1	351.5	352.9	383.6	372.0	374.1	324.7
<b>Interest</b>	<b>1,424.5</b>	<b>1,431.7</b>	<b>1,420.0</b>	<b>1,417.4</b>	<b>1,451.5</b>	<b>1,474.5</b>	<b>1,516.3</b>	<b>1,534.4</b>
Bilateral	661.8	669.1	656.4	659.5	662.7	662.9	669.5	673.1
Multilateral*	1.4	4.3	4.2	4.2	8.5	8.3	10.9	15.5
Commercial	508.8	503.6	504.5	507.9	517.6	532.0	562.0	569.6
Export Credits	252.6	254.7	254.9	245.8	262.7	271.3	274.0	276.2
<b>11. External Debt Stock</b>	<b>6,268.3</b>	<b>6,278.9</b>	<b>6,319.8</b>	<b>6,359.9</b>	<b>6,590.7</b>	<b>6,622.0</b>	<b>6,999.4</b>	<b>7,071.9</b>
<b>12. Domestic Debt Stock</b>	<b>1,504.3</b>	<b>1,474.3</b>	<b>1,488.7</b>	<b>1,465.7</b>	<b>1,673.0</b>	<b>1,711.7</b>	<b>1,741.1</b>	<b>1,772.2</b>
<b>13. Total Debt Stock</b>	<b>7,772.5</b>	<b>7,753.2</b>	<b>7,808.5</b>	<b>7,825.6</b>	<b>8,263.7</b>	<b>8,333.7</b>	<b>8,740.5</b>	<b>8,844.1</b>
<b>End Period Exchange Rate (TZS/USD)</b>	<b>1,280.3</b>	<b>1,287.0</b>	<b>1,302.5</b>	<b>1,313.7</b>	<b>1,320.4</b>	<b>1,310.4</b>	<b>1,299.4</b>	<b>1,313.3</b>

\*Multilateral arrears are those owed by the private companies

1) During the period .

(2) End of July 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 Policy,  
Bank of Tanzania, P.O. Box 2939,  
Dar-es-Salaam  
Tel: (255)- 22 223 3328/9  
<http://www.bot-tz.org>*

