



BANK OF TANZANIA



MONTHLY ECONOMIC REVIEW

JUNE 2005

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Inflation Developments

Annual headline inflation stabilized at 4.0 percent for two consecutive months since April 2005. This development was a result of a drop in prices of non-food items. On a month-to-month basis, the inflation declined by 0.5 percent between April and May 2005, on account of a general slowdown in prices during the month.

Annual food inflation reversed its downward trend, which started in January 2005, rising to 5.0 percent in May 2005. Following the onset of harvest season price declines were observed in various foodstuffs including maize, rice, potatoes, vegetables and fruits, thus decelerating the month-to-month food inflation.

On year to year, non-food inflation eased from 3.9 percent in April 2005 to 3.0 percent in May 2005, despite the increase in prices of oil products and domestic power tariffs during the period of review.

Items whose prices declined significantly and thus dampening the impact of the increase in energy prices included clothing, footwear, furniture and rent.

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

Base: 2001=100

	Weight (%)	2004											2005				
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May			
Headline/Overall inflation	100	4.4	4.2	4.1	4.1	4.0	4.2	4.4	4.2	4.0	4.1	4.1	4.0	4.0			
Food	55.9	6.0	4.9	5.3	5.9	4.6	5.2	5.9	5.0	5.9	5.7	4.9	4.3	5.0			
Non-food	44.1	2.0	3.1	2.2	1.5	3.1	2.5	2.4	2.9	1.5	1.8	3.3	3.9	3.0			
Transportation	9.7	1.3	1.2	-1.6	1.7	3.3	1.1	1.7	2.8	3.3	2.2	5.7	6.9	5.0			
Fuel, Power and Water	8.5	4.9	9.1	18.3	2.4	6.0	9.3	7.7	7.1	5.4	5.9	9.4	6.8	9.5			
Drinks and Tobacco	6.9	1.2	1.8	-4.7	0.0	0.5	-0.8	-0.2	0.6	0.6	1.8	0.3	2.9	1.7			
Clothing & Footwear	6.4	3.3	2.3	-0.1	3.1	4.5	3.1	1.9	2.5	-1.2	-1.7	1.7	3.3	-0.9			
Education	2.6	1.4	1.6	0.0	0.6	0.9	-1.9	3.4	2.3	1.8	-0.6	1.4	2.1	0.2			
Furniture & Household Equip.	2.1	0.3	2.2	-2.0	-0.4	2.9	0.8	2.2	0.9	1.0	0.2	-2.3	0.4	-3.2			
H/h Operations Maintenance	2.1	0.5	2.2	-0.4	1.7	4.3	1.9	1.6	2.4	0.5	2.4	2.3	2.5	1.4			
Personal Care & Health	2.1	-2.7	0.7	-5.0	0.7	1.4	2.6	0.0	3.2	-3.0	6	0.1	4.9	4.4			
Rents	1.4	4.3	3.4	2.6	0.4	0.3	0.1	-0.1	-1.3	-2.5	-2.8	-4.6	-5.3	-5.3			
Recreation & Entertainment	0.8	0.9	0.5	0.2	1.8	3.7	2.1	4.0	0.4	-1.5	-3.3	-2.3	1.5	0.9			
Misc. Goods & Services	1.5	-0.4	2.0	-5.7	-0.2	0.5	-0.8	-1.8	0.2	-2.6	-1.5	0.4	-4.7	-2.4			

Source: National Bureau of Statistics (NBS)

Food Supply Situation

Food supply in the country remained satisfactory following good harvest of food crops in the current season, although pockets of food deficits still exist in few regions that received inadequate rains. Preliminary field survey conducted by the Ministry of Agriculture and Food Security in May 2005 estimated food production at 9.8 million tons in 2004/05, compared with 9.0 million tons in the previous season. Cereal production was estimated at 5.4 million tons compared with 4.9 million tons in the previous season. The improvement in cereal production reduced pressure on cereal prices (Table 2).

Table 2: Wholesale Prices for Selected Food Items

TZS per 100 Kg

Item	2005						May-04 to May-05 (%)	
	May-02	May-03	May-04	Mar	Apr	May	May-04 to May-05 (%)	May-05 to May-06 (%)
Maize	10,987	14,333	15,855	14,656	15,500	16,020	1	3
Rice	32,474	36,381	54,855	51,906	52,139	50,974	-7	-2
Beans	26,347	39,311	32,007	43,950	45,633	50,009	56	10
Sorghum	13,944	16,228	28,150	20,385	19,916	21,010	-25	5
Potatoes	20,694	21,039	20,411	20,950	27,535	28,142	38	2

Source: Ministry of Agriculture and Food Security

To address the deficit, the government released 1,439 tons of maize to the market from SGR in May 2005, thus reducing the stock to 113,823 tons. Also, private traders sold 35,000 tons out of 152,158 tons held at end April 2005. During the month, food imports amounted to 60,576 tons compared with 14,951 tons in April 2005. Wheat accounted for 98 percent (59,545 tons) of the total food imports.

Table 3: Tanzania: Strategic Grain Reserve Stock

Tons

	2000						% Change	
	2000	2001	2002	2003	2004	2005	2004-2005	2005-2006
January	105,665	78,967	60,503	59,961	35,342	119,924	239	
February	103,305	72,000	58,254	59,493	23,791	116,383	389	
March	101,496	63,022	56,738	58,976	22,903	114,760	401	
April	96,326	51,435	52,228	54,118	32,387	115,262	256	
May	82,119	44,776	48,653	52,857	31,732	113,823	259	
June	72,000	47,225	47,100	51,060	37,091			
July	63,976	46,290	44,787	50,661	39,195			
August	70,352	48,998	41,795	52,681	45,988			
September	95,000	59,047	57,500	61,364	67,685			
October	88,474	58,000	62,700	59,379	92,710			
November	89,882	62,388	61,773	52,054	108,448			
December	78,967	62,788	58,395	41,649	114,030			

Source: Food Security Department and BOT computation



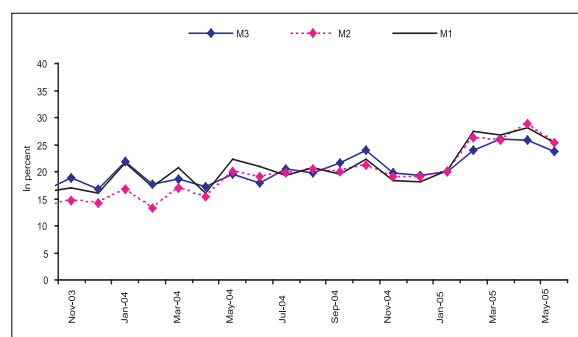
Monetary and Financial Developments

Money supply

Extended broad money supply (M3) expanded by 23.6 percent in the year ended May 2005 following a sharp increase in currency in circulation and deposits in commercial banks (Chart 1). For the month of May 2005, M3 rose by TZS 27.7 billion to TZS 3,111.4 billion. The main factors behind the monetary expansion during the month included increased government spending on priority sectors, private sector borrowing, and the depreciation of the Tanzania shilling following an upward valuation of foreign currency deposits.

Nonetheless, the increase in liquidity was dampened by the contraction in the net foreign assets of the banking system (Table 4).

Chart 1: Annual Growth Rates of Monetary Aggregates



Credit to private sector

Private sector credit remained robust, growing at more than 30 percent. Over 45 percent of commercial banks' deposits were transformed into loans and advances. During the month, commercial banks extended loans to the tune of TZS 31 billion to the private sector. By end May 2005, the outstanding credit to the sector was TZS 1,182 billion, which represented 38 percent of total money supply. Credit to the private sector was mostly directed to tourism and manufacturing activities.

Table 4: Tanzania: Selected Money Supply Component

	2004		2005		Abs. Change	Annual % Changes		
	Apr	May	Apr	May		May-04	Apr-05	May-05
Extended broad money (M3)	2,450.4	2,517.1	3,083.7	3,111.4	27.7	19.4	25.8	23.6
Broad money (M2)	1,730.5	1,788.6	2,229.2	2,242.8	13.6	20.0	28.8	25.4
Currency in circulation	523.1	532.8	650.3	668.3	18.0	19.2	24.3	25.4
Demand deposits	570.8	598.4	752.6	749.1	-3.5	25.0	31.8	25.2
Time deposits	248.3	266.7	341.7	336.6	-5.1	11.8	37.6	26.2
Savings deposits	388.2	390.7	484.6	488.9	4.2	19.6	24.8	25.1
Foreign currency deposits	719.9	728.6	854.5	868.5	14.1	18.1	18.7	19.2
In Millions of USD	643.1	652.6	773.3	772.8	-0.4	10.8	20.2	18.4
Total non government deposits	1,927.3	1,984.4	2,433.4	2,443.1	9.7	19.5	26.3	23.1
Net foreign assets	2,141.5	2,114.5	2,357.5	2,305.2	-52.3	22.5	10.1	9.0
Bank of Tanzania	1,466.3	1,458.9	1,736.3	1,694.1	-42.1	32.2	18.4	16.1
Commercial banks	675.2	655.6	621.2	611.1	-10.2	5.4	-8.0	-6.8
Net domestic assets	814.8	917.7	1,258.7	1,338.4	79.7	19.9	54.5	45.8
Domestic Credit	989.3	1,046.8	1,255.1	1,374.4	119.3	11.4	26.9	31.3
Net claims on government	129.7	155.9	104.0	192.3	88.3	-47.1	-19.8	23.4
Claims on government	482.3	511.1	524.8	528.9	4.1	1.4	8.8	3.5
Government deposits	352.6	355.2	420.8	336.6	-84.2	69.5	19.4	-5.2
Claims on the private sector	859.6	890.9	1,151.1	1,182.1	31.0	38.1	33.9	32.7

Source: Bank of Tanzania

Interest Rates

Although interest rates on Treasury bills declined in line with excess liquidity in the economy during the month, interest rates on deposits remained almost unchanged (Table 5a). Savings rates ranged between 2.6 percent and 5 percent, while 12-month deposit rate was between 4 percent and 11 percent. Short-term deposits of 3-month and 6-month earned interest between 2.5 percent and 10 percent.

Despite the excess liquidity in the economy during the month, average lending rate remained around 15 percent, although few banks charged as low as 8 percent.

Table 5a: Tanzania: Interest Rate Structure

Percent per annum

	2004										2005				
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		Jan	Feb	Mar	Apr	May
Overnight	3.6	3.4	3.2	5.5	6.8	6.4	8.2	6.7	4.1		5.7	5.2	4.5	5.5	4.8
REPO rate	4.0	4.3	5.1	5.3	5.3	5.9	5.9	5.1	5.5		5.5	5.1	5.0	5.3	5.2
364 days Treasury bill rate	8.1	8.0	8.2	9.4	10.1	10.4	11.0	10.9	10.7		10.8	10.4	9.8	9.8	9.8
Overall Treasury bills rate	7.9	7.7	7.8	8.4	9.0	9.6	10.0	9.8	9.6		9.7	9.4	8.4	8.6	8.5
Savings Deposit Rate	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.6		2.6	2.6	2.6	2.6	2.6
Time Deposits Rates	4.0	4.2	4.3	4.4	4.4	4.6	4.6	4.3	4.4		4.7	4.7	4.6	4.5	4.6
12-Month Time Deposit Rate	5.3	5.4	5.8	5.8	5.8	6.1	6.1	5.9	5.8		5.9	5.5	6.0	6.2	6.3
Negotiated deposit rates	7.8	6.7	6.8	6.7	6.2	6.4	6.9	8.4	8.8		8.8	8.8	8.8	8.6	8.7
Lending rates	13.3	13.9	14.2	14.2	14.8	14.9	14.3	14.7	14.8		15.0	15.6	15.4	15.2	15.4
Negotiated Lending Rates	8.4	9.7	9.4	9.4	10.1	12.9	11.2	10.9	11.1		11.3	10.3	10.3	10.3	10.5

Source: Bank of Tanzania and commercial banks



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Financial Markets Operations

The demand for Treasury bills during May 2005 was strong as bids at TZS 275.6 billion exceeded the amount offered. Owing to the high demand, interest rates declined from 8.64 percent in the previous month to an average of 8.46 percent. Demand for Treasury bonds was however lower in May 2005 compared with the previous month. Bids worth TZS 10.4 billion were received against the previous TZS 12.6 billion. Out of the total bids in May 2005, only TZS 7.9 billion was accepted.

Due to the excess liquidity, the Bank of Tanzania conducted repurchase agreements of between 7 and 14 days amounting to TZS 79 billion during the month to supplement sale of Treasury bills and bonds in the conduct of its monetary policy.

Table 5b: Treasury Bills Interest Rates

Percent per annum

	2004							2005				
	Jun	Jul	Aug	Sep	Oct-04	Nov-04	Dec-04	Jan	Feb	Mar	Apr	May
35 days	6.74	7.27	7.56	8.23	8.97	8.56	8.13	8.23	7.76	6.51	5.75	5.30
91 days	7.67	8.12	8.37	9.31	9.88	9.64	9.63	9.64	8.82	8.16	8.12	8.02
182 days	8.03	8.39	9.31	9.89	9.96	9.89	9.87	10.22	9.82	9.38	9.37	9.18
364 days	8.22	9.40	10.13	10.40	10.98	10.91	10.67	10.84	10.38	9.81	9.81	9.76
Overall	7.83	8.39	8.97	9.57	9.97	9.75	9.56	9.72	9.45	9.40	8.64	8.46

Source: Bank of Tanzania

Foreign Exchange Market Operations

The volume traded in the inter-bank foreign exchange market surged from USD 14.7 million in April 2005 to USD 56.4 million in May 2005 (Table 6). The Bank of Tanzania sold USD 12.0 million to bridge the supply gap. The exchange rate of the shilling moved in tandem with the increase in demand for foreign exchange, from TZS 1,115.3 to TZS 1,116.5 per US dollar.

Transactions in the bureaux de change picked up by 18 percent during the month to USD 70 million. The buying rate hovered around TZS 1,110 per US dollar, and the selling rate at around TZS 1,128 per US dollar.

Table 6: Foreign Exchange Market Developments

ITEM	2005		2004 May	% Change		Year ending May		% Change
	April	May		April to May 2005	May 2004 to May 2005	2004	2005	
IFEM								
Amount offered*	14.68	56.43	51.37	284.40	9.85	887.46	739.65	-16.66
Amount sold*	14.68	56.43	51.37	284.40	9.85	887.46	739.65	-16.66
Exchange rate**	1,105.60	1,116.47	1,115.27	0.98	0.11	1,074.58	1,087.26	1.18
Bureau de Change								
Sales*	29.51	33.00	30.00	11.83	10.00	261.00	328.10	25.71
Purchases*	29.53	37.20	21.80	25.97	70.64	245.70	337.50	37.36
Volume of Transactions*	59.04	70.20	51.80	18.90	35.52	506.70	665.60	31.36
Buying rate**	1,096.00	1,110.00	1,107.00	1.28	0.27	1,067.36	1,080.70	1.25
Selling rate**	1,119.00	1,128.00	1,123.00	0.80	0.45	1,085.73	1,099.27	1.25

*Note** Millions of USD, **** Tanzania Shillings (TZS) per US dollar

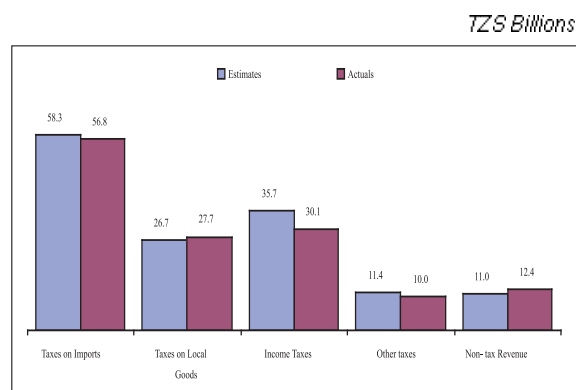
Sources: Bank of Tanzania

Government Budgetary Operations

During the month of May 2005, government budgetary operations recorded a deficit of TZS 132.9 billion. Domestic revenue plus grants amounted to TZS 155.1 billion, whilst expenditure amounted to TZS 288 billion. To finance this deficit, the government borrowed TZS 99.8 billion from the domestic market and the balance from external sources.

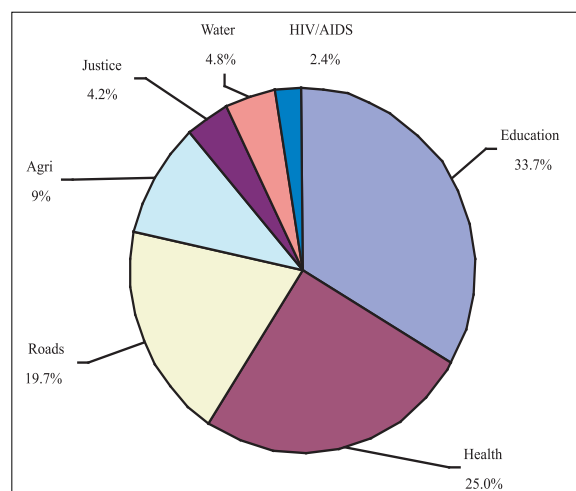
Government revenue collection in May 2005 was TZS 137 billion, being short of the target by TZS 5.9 billion. Tax collections on local goods were on target, whereas import and income taxes under-performed mainly due to delays in collection (Chart 2). Between July 2004 and May 2005, revenue collection summed to TZS 1,591 billion, exceeding the anticipated amount by TZS 20.7 billion.



**Chart 2: Government Revenue Performance
in May 2005**

Recurrent payments amounted to TZS 191.5 billion, against the target of TZS 222.1 billion. Interest payments amounted to TZS 12.2 billion as projected. Interest payment on maturing treasury bonds and bills was TZS 9 billion and the balance was paid on external debt. Expenditure on priority sectors was TZS 52.2 billion for the month, out of the quarterly allocation of TZS 79.9 billion. During the month, the government spent TZS 53.3 billion on development projects.

Cumulative government expenditure from July 2004 amounted to TZS 2,814.5 billion. Foreign resources to finance development projects amounted to TZS 786.7 billion. Domestic expenditure on priority sectors was TZS 369.5 billion, out of which education sector received TZS 124.7 billion. Health and roads were allocated TZS 92.5 billion and TZS 72.7 billion, respectively.

**Chart 3: Expenditure on Priority Sectors,
July 2004 to May 2005**

External Sector Performance

In May 2005, the current account deficit widened to USD 71.4 million from USD 29.6 million recorded in the previous month, mainly because of a rise in imports of goods and increased service payments.

On a year-to-year basis, the growth in exports and official transfers resulted in an improvement in the current account relative to the previous year. A deficit of USD 350.2 million was recorded in the year to May 2005, compared with a deficit of USD 448.6 million recorded in the previous year.

Table 7: Tanzania: Current Account Balance

Million of USD

	May		2005		Year ending May ^a		% Change
	2003	2004	Apr ^a	May ^a	2004	2005	
Goods Account (net)	-64.4	-76.7	-44.7	-66.1	-887.0	-873.9	-1.5
Exports	86.1	86.4	94.1	89.1	1,168.1	1,431.0	22.5
Imports	150.5	163.2	138.8	155.2	2,055.1	2,305.0	12.2
Services Account (net)	-5.9	-2.0	4.3	-12.5	-27.5	-65.1	136.8
Receipts	51.8	60.5	79.0	96.1	731.3	1,005.1	37.4
Payments	57.7	62.5	74.7	108.5	758.8	1,070.2	41.0
Goods and services (net)	-70.3	-78.8	-40.4	-78.6	-914.5	-939.0	2.7
Exports of goods and services	137.9	146.9	173.1	185.2	1,899.4	2,436.1	28.3
Imports of goods and services	208.2	225.7	213.5	263.8	2,813.9	3,375.2	19.9
Income Account (net)	2.0	-4.0	-3.5	-0.6	-41.8	-40.9	-2.3
Receipts	7.8	2.7	4.0	5.3	90.9	78.3	-13.8
Payments	5.8	6.8	7.5	6.0	132.7	119.2	-10.2
Current Transfers (net)	62.8	12.8	14.3	7.8	507.7	629.7	24.0
Inflows	68.2	17.8	19.9	13.5	569.6	696.8	22.3
o/w General Government	62.7	12.1	19.1	12.3	502.0	651.8	29.8
Outflows	5.4	5.0	5.6	5.7	61.9	67.1	8.5
Current Account Balance	-5.5	-70.0	-29.6	-71.4	-448.6	-350.2	-21.9

Note: p = Provisional, R = Revised

Source: Bank of Tanzania

Exports

Reflecting the seasonal pattern of export crops, the value of traditional exports dropped from USD 44 million in December 2004, to USD 12.5 million in April and down to USD 7.9 million in May 2005.

During the year ending May 2005, the value of export crops went up by 46 percent to USD 321.7 million, with coffee and cotton accounting for more than 50 percent of the earnings. The impressive performance was a



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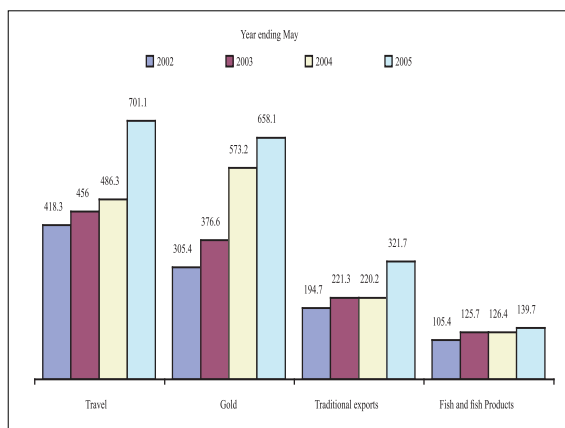
result of a recovery in export volumes, especially those of cotton, which more than doubled to earn USD 89 million, and coffee, which increased by 34 percent in volume fetching USD 71 million.

Besides the increase in export volumes, there was a strong improvement in export prices of all crops during the year, save for tea. Major improvements were recorded in the cases of cloves, cashews and coffee. Clove prices shot up by 80 percent to USD 3,068 per ton, while that of cashews by 36 percent to USD 861 and coffee by 28 percent to USD 1,482.

The increase in clove prices was partly attributed to low supply in the world market, following a decline in production in Madagascar, one of the leading clove producers in the world. Despite the increase in price, foreign exchange earnings from cloves were lower than in the previous year owing to a sharp decline in volume.

Chart 4: Tanzania: Exports of Goods and Services

Million of USD



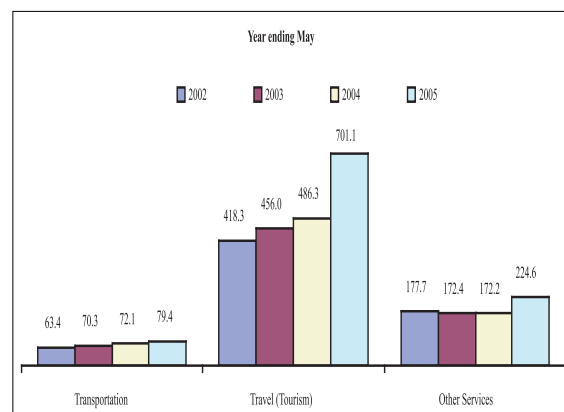
Exports of minerals, manufactured goods, fish and horticultural products increased during the month. A total of USD 82 million was exported, compared with USD 78 million in the same month of the preceding year.

During the year ending May 2005, the value of these exports went up by 17 percent to USD 1,109 million. There was also a notable improvement in exports of textile apparels, oil seeds, cereals, cocoa and animal hides.

Earnings from services stood at USD 96 million in May, up from USD 79 million in the previous month, mainly on account of increased travel inflows. On a year-to-year basis, services receipts increased to USD 1,005 million from USD 731 million of the previous year.

Chart 5: Tanzania: Service Receipts

Millions of USD



Imports

During the month under review, merchandise imports increased by 12 percent from the previous month to USD 155 million, reflecting mainly increases in food imports which more than doubled to USD 17 million (Table 8). Imports of wheat accounted for about 67 percent of food imports during the month. A total of 59,545 tons of wheat were imported in May as compared to 14,573 tons in April 2005.

During the year under review, the import bill went up by about 20 percent to USD 3,375 million. Importation of building and construction equipment increased by nearly 30 percent in line with the expansion in construction activities. Imports of machinery increased by 30 percent, depicting expansion in economic activities, especially in the mining, manufacturing and telecommunications sectors.

Imports of intermediate goods declined, with the exception of fertilizers. The volume of fertilizers imports during the year more than doubled to USD 65 million, reflecting the positive impact of subsidy on fertilizers.

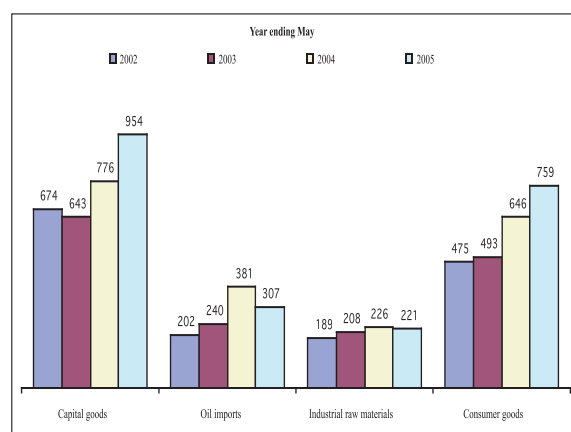


Table 8: Tanzania imports*Millions of USD*

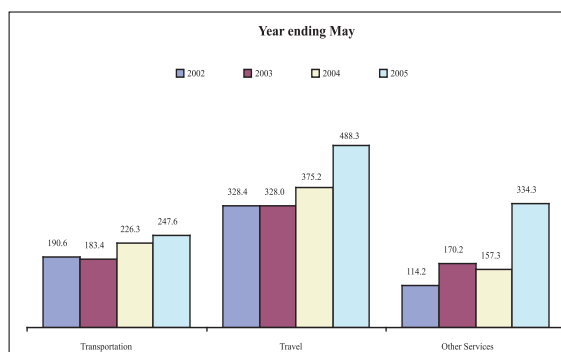
	May 2005 ^p				Year ending May ^p		
	2003	2004 ^p	Apr	May	2004	2005	% Change
CAPITAL GOODS	61.3	67.6	72.5	68.8	776.3	953.5	22.8
Transport Equipment	14.1	19.6	17.0	16.7	223.4	234.6	5.0
Building and Constructions Equipment	15.4	15.3	15.7	14.0	158.9	207.4	30.5
Machinery	31.7	32.7	39.8	38.1	393.9	511.4	29.8
INTERMEDIATE GOODS	45.1	46.9	23.5	27.0	632.8	592.7	-6.3
Oil imports	25.0	28.1	10.1	10.7	381.2	306.8	-19.5
Fertilizers	1.1	1.1	2.6	0.8	25.8	64.9	151.9
Industrial raw materials	19.0	17.6	10.8	15.4	225.9	221.0	-2.2
CONSUMER GOODS	44.2	48.7	42.7	59.4	646.0	758.8	17.5
Food and foodstuffs	11.6	14.9	7.3	17.3	215.2	206.8	-3.9
All other consumer goods ¹	32.5	33.8	35.4	42.1	430.8	552.0	28.2
GRAND TOTAL (F.O.B)	150.5	163.2	138.8	155.2	2,055.1	2,305.0	12.2
GRAND TOTAL (C.I.F)	165.4	179.3	152.5	170.6	2,258.4	2,532.9	12.2

Source: Bank of Tanzania and Tanzania Revenue Authority

Note: p = provisional data

Chart 6: Tanzania: Merchandised Imports: 2001-2005*Millions of USD*

Freight and other cargo related payments went up significantly, following the increase in imports during the month as reported earlier. As a result, total service payments rose by 18 percent to USD 108.5 million in May 2005. For the whole year, services payments increased by 41 percent to USD 1,070 million.

Chart 7: Tanzania: Service Payments, 2002 – 2005*Millions of USD*

World Commodity Prices

During the month, most commodity prices declined from previous month levels. Price of Arabica coffee decreased slightly, while those of Robusta coffee showed improvement, largely following expectations of low supply from Vietnam. Prices of tea dropped during the month, due to increases in supplies from India, Sri Lanka and Kenya. Prices of cotton declined due to import restrictions on Chinese textiles to the United States, thus pushing down the demand for cotton.

Prices of **petroleum products** which have been rising in recent months, eased slightly in May 2005, mainly due to the increase in the U.S. oil inventories. **Gold** prices were negatively affected by the appreciation of U.S dollar against other major currencies during the month.

Table 9: World Commodity Prices*Value in USD*

Units		2004		2005				% Change Apr 05 to May 2005
		Dec	Jan	Feb	Mar	Apr	May	
Robusta Coffee	US \$ per kg	0.81	0.82	0.91	1.09	1.12	1.24	10.71
Arabica Coffee	US \$ per kg	2.30	2.36	2.66	2.97	2.86	2.84	-0.70
Tea, Average price	US \$ per kg	1.73	1.63	1.59	1.60	1.73	1.61	-6.94
Tea, Mombasa Auction	US \$ per kg	1.51	1.51	1.48	1.49	1.47	1.41	-4.08
Cotton, A Index	US \$ per kg	1.07	1.13	1.16	1.24	1.26	1.23	-2.38
Cotton, Memphis	US \$ per kg	1.16	1.23	1.19	1.32	1.35	1.33	-1.48
Sisal, UG	US \$ per metric ton	885	885	885	885	885	885	0.00
Cloves	US \$ per metric ton	3496	3418	3450	3500	3375	3000	-11.11
Crude oil	US \$ per barrel	39.04	42.97	44.82	50.94	50.64	47.83	-5.55
Crude oil	US \$ per barrel	34.26	37.81	40.94	45.58	47.1	45.00	-4.46
White products	US \$ per ton	396.91	404.37	426.32	501.22	522	474.86	-9.03
Gold	US \$ per troy ounce	442.1	424	423.4	433.90	429.20	421.9	-1.70

Note: Various Trade Publications



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National Debt

National debt, external and domestic, increased by USD 70.5 million in May 2005 reaching a stock of USD 9,209.4 million at end of the month. Accumulation of interest arrears and variations in exchange rate between various currencies in which the external debt is denominated, were the main factors behind the increase. Domestic debt increased due to issuance of new special bonds and Treasury bills.

External Debt

By end May 2005, committed external debt had reached USD 8,507.8 million, out of which USD 6,955.5 was disbursed. Total debt stock comprising the disbursed amount plus interest arrears stood at USD 8,275.8 million at end May 2005. Of the total debt, multilateral accounted for around 68 percent, bilateral around 22 percent, while the remaining portion was owed to commercial and export creditors.

New concessional loans were contracted to finance expenditure in social sectors, particularly education and health. As a result, the share of debt contracted for these sectors increased from 5.0 percent at the end of June 2004 to around 9 percent by May 2005. Debt service during the month was USD 9.4 million.

Debt Relief

During the month under review, HIPC debt relief amounted to USD 6.6 million, out of which, IDA provided USD 4.9 million, and IMF - USD 1.6 million. By end May 2005, total debt relief received from multilateral creditors amounted to USD 363.6 million, while debt relief from Paris Club creditors was USD 858.7 million.

Domestic Debt

During the month under review, domestic debt stock increased by TZS 19.8 billion to TZS 1,049.2 billion from April stock position. More than 85 percent of the debt stock was in the form of treasury bills and bonds.

Composition of domestic debt by creditor category was as follows: commercial banks 39 percent, pension funds 35 percent, and the Bank of Tanzania 19.5 percent. Domestic debt service during the month amounted to TZS 3.2 billion.

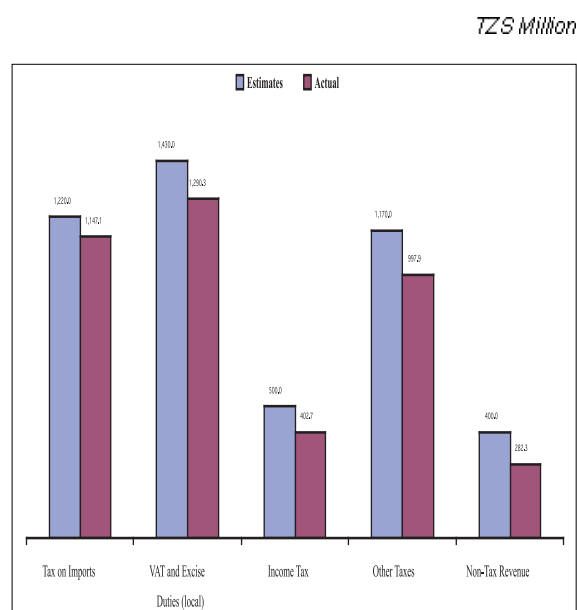
Zanzibar Economy

Budgetary Operations

During May 2005, Zanzibar government budgetary operations recorded an overall deficit of TZS 2.6 billion before grants. However, after considering grants amounting to TZS 1.8 billion, the deficit narrowed to TZS 0.9 billion.

Revenue collection during the month was TZS 4.1 billion, against the target of TZS 4.7 billion. The low monthly collection was partly a seasonal reflection of tourism activities. Collection from tax sources amounted to TZS 3.8 billion, against the target of TZS 4.3 billion, while non-tax revenue was TZS 0.3 billion (Chart 8). Cumulatively revenue collection from July 2004, amounted to TZS 54.0 billion, exceeding the target of TZS 52.4 billion.

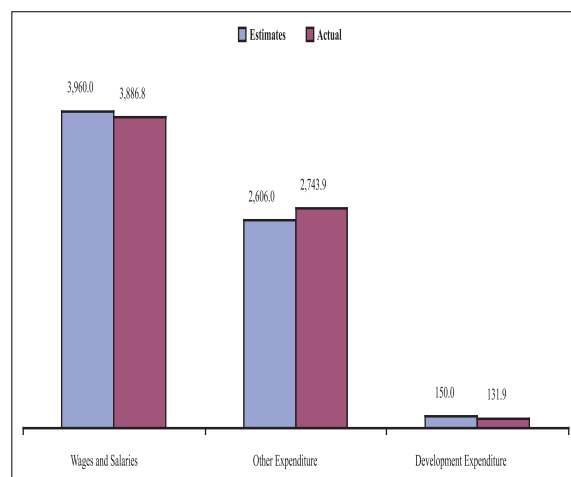
Chart 8: Government Revenue in May 2005



Government expenditure during the month was on target at TZS 6.7 billion. Recurrent expenditure amounted to TZS 6.6 billion, and development expenditure of TZS 100 million (excluding donor resources) (Chart 9). From July 2004 to May 2005, the government had spent TZS 68.5 billion, out of the projected TZS 70 billion.

Chart 9: Government Expenditure in May 2005

Millions of TZS



National Debt

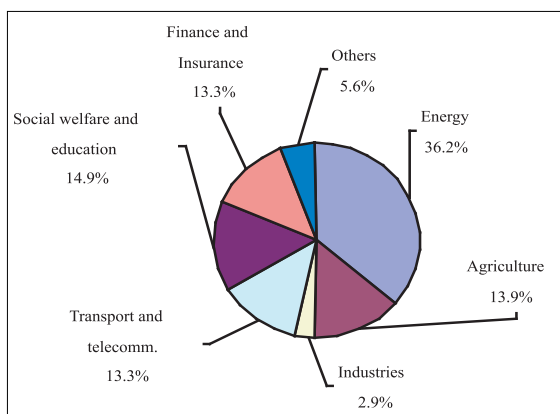
Zanzibar debt stock stood at USD 162.8 million at end of May 2005. In Tanzania Shilling terms, the debt increased marginally from TZS 180.5 billion in April to TZS 182.9 billion, due to exchange rate variations. External debt accounted for about 65 percent of the total debt.

External Debt

Zanzibar's external debt was USD 106.8 million at end May 2005. Multilateral debt amounted to USD 62.6 million, representing 59 percent of total external debt. Export credit was USD 25.4 million, while commercial debt stood at USD 14.2 million. Bilateral creditors' claims amounted to USD 4.5 million.

The major portion of the external debt (USD 58.5 million) matures in more than 20 years, while that maturing in 10 to 20 years was USD 5.3 million and that within 5 to 10 years was USD 42.9 million. The sectors that benefited from the loans are as shown in Chart 10.

Chart 10: External debt by Beneficiaries at End May 2005



Domestic Debt

During the review period, domestic debt increased slightly to TZS 62.9 billion, from TZS 62.5 billion at end April 2005, mainly due to accumulation of pension arrears and suppliers' claims. The composition of domestic debt shows that, long-term loans and government stocks together amounted to TZS 16.9 billion, treasury bills and bonds amounted to TZS 8.6 billion, while other debts stood at TZS 37.4 billion.

External Sector Performance

Zanzibar trade deficit narrowed to USD 4.2 million in May, from USD 4.8 million in the preceding month. On annual basis, the trade deficit deteriorated to USD 45.8 million from USD 41.3 million recorded during the corresponding period in 2004, following the increase in imports and lower export earnings (Table 10).

Table 10: Zanzibar: Trade Balance

Millions of USD

	2004	2005		Year Ending May		Annual Change
	May	April	May	2004	2005p	
Exports	2.49	4.80	7.68	51.32	65.63	27.88
Goods	0.43	0.20	0.51	13.06	9.09	(30.40)
Services	2.06	4.60	7.16	38.25	56.54	47.82
Imports	4.28	9.61	11.87	92.63	111.42	20.29
Goods (f.o.b)	2.90	6.51	6.35	64.59	79.05	22.39
Services	1.38	3.10	5.52	28.04	32.36	15.41
Trade Balance	-1.79	-4.81	-4.20	-41.31	-45.79	10.84

Source: Tanzania Revenue Authority.

P = Provisional



BANK OF TANZANIA

Exports

Export earnings increased from USD 4.8 million in April 2005 to USD 7.7 million during the month. The remarkable improvement was mainly on account of increase in receipts from tourist-related activities, which accounted for about 93 percent of total earnings.

For the year ending May 2005, exports were USD 65.6 million, compared with USD 51.3 million in the previous year. The main contributors to the outturn were services receipts and cloves, which earned USD 56.5 million and USD 6.2 million, respectively.

Imports

Zanzibar imported slightly less in May 2005 as compared to the previous month. However, for the whole year, imports increased significantly to USD 79 million from USD 64.6 million in the previous year. The main cause of the increase was the hike in world oil prices.

In May 2005, the services account recorded a surplus of USD 1.6 million. The account registered a remarkable surplus of USD 24.2 million in the year to May 2005, compared with USD 10.2 million recorded in the preceding year. The higher performance was mainly attributed to a strong growth of activities in tourism in response to the increased tourism promotion by the government and the other stakeholders.

Table 11: Zanzibar Imports

Millions of USD

	2004	2005		Year Ending April		% Annual Change
	May	April	May	2004	2005p	
CAPITAL GOODS	1.07	3.09	3.13	24.41	32.63	33.67
Transport Equipments	0.65	0.89	1.08	11.44	9.17	-19.84
Building and Constructions	0.16	0.50	0.39	2.56	7.71	201.17
Machinery	0.26	1.70	1.66	10.41	15.75	51.30
INTERMEDIATE GOODS	1.16	2.09	2.08	15.99	25.28	58.10
Oil imports	0.82	1.71	1.69	11.59	18.78	62.04
Fertilizers	0.00	0.00	0.00	0.00	0.00	0.00
Industrial raw materials	0.34	0.38	0.39	4.40	6.50	47.72
CONSUMER GOODS	0.95	1.97	1.77	30.57	28.96	-5.27
Food and food stuffs	0.36	1.13	0.92	20.20	16.04	-20.59
All other consumer goods	0.59	0.83	0.85	10.38	12.92	24.50
GRAND TOTAL (CIF)	3.19	7.15	6.98	70.97	86.87	22.40
GRAND TOTAL (FOB)	2.90	6.51	6.35	64.59	79.05	22.40

Source: Tanzania Revenue Authority



Table A1: Selected Economic Indicators (Revised)

Item	Unit	1995	1996	1997	1998	1999	2000	2001	2002	2003p	2004p
1. Population (TZ Mainland)	Million	27.5	28.3	29.1	30.0	30.9	31.9	32.8	33.6	34.2	35.2
2. Gross Domestic Product (GDP)											
2.1 At Current Prices f.c (Nominal)	Mill. TZS	2,796,640.1	3,452,558.9	4,281,600.0	5,125,310.9	5,977,698.8	6,706,381.0	7,624,615.0	8,699,887.0	9,830,906.0	11,287,319.0
	Mill. US\$	4,865.8	5,952.9	6,994.7	7,710.9	8,024.8	8,377.2	8,711.4	8,927.1	9,465.5	10,362.9
2.2 At Constant 1992 Prices (Real)	Mill. TZS	1,345,247.3	1,401,711.9	1,448,213.0	1,505,826.9	1,577,292.0	1,654,320.0	1,749,358.0	1,857,174.0	1,962,040.0	2,094,516.0
	Mill. US\$	2,340.5	2,416.8	2,365.9	2,265.5	2,117.5	2,066.9	1,996.1	1,921.3	1,889.1	1,923.0
3. Income per Capita											
3.1 Nominal (Current Prices)	TZS	101,799.2	122,205.0	147,312.0	170,843.7	193,453.0	210,231.0	232,458.0	251,666.0	287,453.0	320,426.0
	US\$	177.1	210.7	240.7	257.0	259.7	262.7	265.2	260.4	276.8	294.2
3.2 Real (1992 Prices)	TZS	48,918.0	49,530.0	49,767.0	50,194.0	51,045.0	51,860.0	53,334.0	53,723.0	57,370.0	59,459
	US\$	85.2	85.5	81.3	75.5	68.5	64.8	60.8	57.2	55.2	54.6
4. Price Index (1994=100)*											
4.1 Consumer Price Index (CPI)	Gen. Index	115.8	140.1	162.6	183.5	197.9	209.7	220.4	232.3	104.5	108.9
4.2 Percentage Change	Per cent	28.4	21.0	16.1	12.8	7.9	5.9	5.1	4.6	3.5	4.1
4.3 Retail Price Index - Wage Earners (Dar es Salaam)											
4.4 Percentage Change	Gen. Index	108.6	128.7	137.4	146.8	149.8	150.6	163.4	175.6	184.2	199.3
4.5 GDP Implicit deflator	Per cent	26.7	18.5	6.8	6.8	2.1	0.5	8.5	7.5	4.9	8.2
4.6 GDP Implicit deflator	Index	207.9	246.3	295.6	340.4	379.0	405.4	435.9	468.4	501.1	538.9
	Per cent	27.1	18.5	20.0	15.1	11.3	7.1	7.5	6.5	7.0	7.5
5. Balance of Payments Position											
5.1 Exports (fob)	Mill. US\$	682.9	763.8	752.6	588.5	543.3	663.3	776.4	902.5	1,129.2	1,325.2
5.2 Imports (f.o.b)	"	1,340.5	1,212.6	1,148.0	1,382.2	1,415.4	1,560.3	1,511.3	1,511.3	1,933.5	2,273.4
5.3 Balance of Visible Trade	"	-657.6	-448.9	-395.4	-793.7	-872.1	-704.3	-783.9	-608.8	-804.2	-948.2
5.4 Balance on Current Account	"	-646.4	-461.3	-403.4	-905.4	-829.5	-495.8	-436.7	-214.7	-384.2	-538.4
5.5 Overall Balance	"	-329.5	-146.9	-199.8	-505.8	-109.0	-40.8	-163.9	327.5	535.0	104.6
5.6 Exchange Rate :											
5.6.1 Annual Average	TZS/US\$	574.8	580.0	612.1	664.7	744.9	800.4	876.4	966.6	1,038.6	1,089.2
5.6.2 End of Period	TZS/US\$	550.4	595.6	624.6	681.0	797.3	803.3	916.3	976.3	1,063.6	1,048.1
6.0 Broad Money Supply (M2) **											
6.1 Percentage Change	Mill. TZS	613,695.3	684,990.6	760,353.3	844,929.4	972,088.6	1,093,610.9	1,233,667.0	1,507,386.5	1,721,109.9	2,242,841.3
6.2 Currency in Circulation Outside Banks	Per cent	26.1	11.6	11.0	11.1	15.0	12.5	12.8	22.2	20.5	25.4
6.3 Demand Deposits	Mill. TZS	244,313.7	257,662.8	287,877.1	307,798.7	384,848.0	392,404.2	411,638.9	495,445.6	553,045.8	668,271.2
6.4 Quasi-Money (Time, Savings and Foreign Currency deposits)	"	183,971.4	191,550.5	205,991.7	237,718.3	247,723.2	302,602.3	354,381.0	463,340.9	560,333.3	749,132.0
	"	324,626.4	368,849.7	433,200.2	481,467.7	585,055.6	702,682.3	870,710.8	1,088,896.5	1,274,937.0	1,693,956.4
7. Public Finance											
7.1 Recurrent Revenue	"	448,372.9	572,029.7	619,083.1	689,325.3	777,644.7	929,624.0	1,042,955.1	1,217,517.0	1,459,303.3	1,867,264.4
7.2 Recurrent Expenditure	"	415,139.8	486,493.7	543,750.6	680,182.7	808,865.4	1,018,782.1	1,121,526.0	1,488,640.8	1,780,115.1	1,788,225.1
7.3 Development Expenditure	"	5,382.3	28,895.6	215,107.2	136,523.9	359,913.4	286,253.2	344,610.9	500,897.0	736,828.1	1,009,746.6
7.4 Adjustment to cash and other items (net)	"	-96,001.9	-60,916.8	-47,720.9	-22,510.9	-2,444.3	-25,447.4	3,203.8	-16,662.9	190,125.3	-265,284.8
7.5 Financing:											
7.5.1 Domestic Financing	"	56,169.0	-41,926.6	3,669.2	-5,740.0	7,854.4	-2,494.4	-22,606.6	-36,513.9	-44,262.7	-16,212.2
7.5.2 Foreign Loans (net)	"	-34,899.5	-49,065.3	64,468.1	-18,683.7	105,417.3	90,354.2	121,842.5	172,016.5	374,393.0	534,816.4
8. Total External Debt Stock****											
Disbursed Debt	Mill. US\$	8,003.8	7,754.1	7,578.5	7,384.7	7,669.7	7,624.8	7,464.0	7,268.1	7,857.0	8,275.8
Interest	"	6,917.5	6,623.3	6,600.3	6,435.9	6,580.3	6,538.3	6,559.7	6,233.0	6,678.3	6,889.2
	"	1,086.3	1,130.8	978.2	948.8	1,089.4	1,086.5	904.3	1,035.1	1,178.7	1,320.3

Source: Bank of Tanzania and National Bureau of Statistics

Note: p: Provisional data; * From 2003 figures have been rebased to 2001 ** For the Current year, position is at end-May 2005

*** cumulative Up to May 2005

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



BANK OF TANZANIA



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

Item	BUDGET												Millions of TZS				
	2004/05			2004			2005										
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May						
Total Revenue	1,739,288.0	136,004.9	157,830.2	133,423.9	138,036.0	167,078.0	135,596.4	439,565.5	145,569.3	139,399.2	137,078.0						
Tax Revenue	1,599,010.0	125,974.6	147,887.6	123,777.9	123,236.9	157,273.5	124,097.2	404,763.6	134,855.2	125,539.4	124,728.0						
Taxes on Imports	702,846.0	54,294.1	58,143.3	55,987.1	55,709.6	59,154.8	54,353.2	174,918.5	59,734.1	55,719.7	56,805.0						
Sales/VAT and Excise on Local Goods	372,255.0	28,663.7	35,704.2	31,916.2	36,851.2	34,789.6	32,034.1	96,804.1	34,958.3	34,958.3	32,449.0						
Refunds	-47,798.0	-3,890.4	-6,142.4	-4,285.0	-7,410.3	-6,005.9	-4,471.8	-13,074.6	-3,983.2	-6,005.9	-4,664.0						
Income Taxes	422,196.0	25,962.9	51,716.7	30,511.0	28,601.8	58,935.2	30,766.6	117,687.3	34,328.6	28,877.2	30,057.0						
Other taxes	149,511.0	11,107.8	11,389.6	9,648.6	9,484.6	11,754.2	11,415.1	28,428.3	10,689.3	11,990.1	10,081.0						
Non-tax Revenue	140,278.0	21,544.8	9,942.6	9,646.0	14,799.1	9,804.5	11,499.2	34,801.9	10,714.1	13,859.8	12,350.0						
Total Expenditure /1	3,198,152.0	215,529.9	252,873.1	431,831.0	298,625.2	254,388.1	236,189.6	231,624.4	244,081.6	199,394.1	244,875.0						
Recurrent expenditure	2,106,561.0	134,085.2	132,649.3	191,628.0	164,164.8	175,304.7	182,654.5	127,610.6	151,390.2	164,514.1	191,531.0						
Road/toll fund	78,182.0	6,616.1	5,706.2	5,988.5	4,298.9	3,607.2	5,380.2	8,389.1	8,077.8	8,389.6	11,496.0						
Retention fund	44,450.0	6,882.7	3,391.3	4,371.4	3,920.4	2,605.8	4,427.8	4,586.2	3,858.4	4,531.4	4,191.0						
Wages and salaries	551,159.0	44,048.2	44,422.5	45,681.4	48,121.4	45,297.2	47,765.9	44,975.6	45,870.9	46,299.6	48,728.0						
Interest payments	168,438.0	2,431.4	3,701.6	19,179.6	8,193.0	14,265.9	11,861.8	5,933.0	12,489.0	20,347.4	12,244.0						
Domestic 2/	94,946.0	0.0	1,555.8	16,122.7	2,414.3	10,653.3	9,048.8	4,008.5	11,229.7	11,278.0	9,002.0						
Foreign	73,492.0	2,431.4	2,145.8	3,056.9	5,778.7	3,612.7	2,813.0	1,924.6	11,259.4	9,069.4	3,242.0						
Other goods, services and transfers	1,386,964.0	127,369.4	77,823.0	126,766.9	107,850.4	115,741.7	123,026.8	76,702.0	93,030.3	97,867.1	130,559.0						
Dev. Expenditure and net lending	1,091,591.0	42,837.2	120,223.8	240,203.1	134,460.4	79,083.4	53,535.1	104,013.8	92,691.4	34,880.0	53,344.0						
Local	233,705.0	28,842.1	500.0	10,000.0	30,000.0	49,083.4	45,000.0	19,475.4	45,000.0	11,352.5	0.0						
Foreign	857,886.0	23,361.8	119,723.8	230,203.1	104,460.4	29,840.7	8,529.4	84,538.4	47,691.4	23,527.5	53,344.0						
Overall Balance (cheque issued) before Grants	-1,458,864.0	-52,554.7	-95,042.9	-298,407.2	-160,589.2	-87,310.1	-100,593.2	207,941.1	-98,512.3	-59,994.9	-107,797.0						
Grants	807,810.0	41,626.3	217,884.0	61,993.5	75,237.0	73,248.5	17,161.1	15,279.7	33,478.9	7,846.8	18,084.0						
Program (CIS/OGL)	266,176.0	22,134.2	146,650.6	30,569.0	3,481.2	42,328.6	9,757.6	5,518.4	0.0	0.0	0.0						
Project	306,482.0	5,083.4	44,309.8	18,990.5	12,548.7	6,470.1	1,845.3	8,146.3	4,214.5	4,695.3	10,299.0						
Basket funds	160,488.0	3,339.8	10,602.8	8,577.4	53,918.0	19,453.8	0.0	0.0	20,688.3	0.0	502.0						
HIPC Relief	74,664.0	5,482.5	3,806.0	3,856.6	5,289.0	4,996.0	5,558.2	1,615.0	8,576.1	3,151.6	7,283.0						
Overall defic.(cheq.issued) after Grants	-651,054.0	-10,928.4	122,841.1	-236,413.6	-85,352.3	-14,061.7	-83,432.0	223,220.8	-65,033.4	-52,148.1	-89,713.0						
Expenditure float	0.0	-8,805.7	-1,771.5	-710.5	-425.0	-271.4	-4.9	-0.4	0.0	0.0	0.0						
Adjustments to cash and other items (net)	0	55,619	-32,784	4,934	33,915	76,939	-10,837	-334,666	63,925	-23,973	-43,238						
Overall Balance (cheques issued)	-651,054.0	35,885.4	88,285.2	-232,190.4	-51,862.3	62,605.8	-94,274.0	-111,445.8	-1,108.6	-76,121.3	-132,950.6						
Financing:	651,054.0	-35,885.4	-88,285.2	232,190.4	51,862.3	-62,605.8	94,274.0	111,445.8	1,108.6	76,121.3	132,950.6						
Foreign Financing (net)	423,768.0	4,278.8	108,812.1	196,178.6	161,938.6	14,800.2	4,480.3	20,433.2	7,206.4	10,965.9	33,761.0						
Loans	559,215.0	9,946.1	121,359.3	202,635.2	170,511.2	23,159.5	6,684.1	22,788.6	20,516.2	18,832.3	42,543.0						
Program loans	168,300.0	0.0	65,395.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
Development Project loans	280,959.0	9,946.1	55,963.6	184,606.7	51,371.6	15,329.8	5,223.6	22,788.6	20,516.2	18,832.3	42,543.0						
Basket Support	109,956.0	0.0	0.0	18,028.5	119,139.6	7,829.7	1,460.4	0.0	0.0	0.0	0.0						
Amortization	-133,447.0	-4,223.6	-5,667.3	-12,547.2	-8,572.5	-8,359.3	-2,203.8	-2,355.4	-13,309.8	-7,866.4	-8,782.0						
Domestic (net)	225,286.0	-40,164.2	-197,097.3	36,011.9	-110,076.4	-77,406.0	89,793.7	91,012.7	-6,097.8	65,155.4	99,189.6						
Domestic Financing	231,110.0	132,655.8	-40,164.2	36,011.9	-110,076.4	-77,406.0	89,793.7	91,012.7	-6,097.8	65,155.4	99,189.6						
Bank borrowing	0.0	-58,386.4	-183,601.9	30,976.2	-110,183.5	-83,142.2	93,826.5	92,020.0	-8,021.8	61,500.0	86,803.1						
Non-Bank (net of amortization)	0.0	18,222.2	-13,495.3	5,035.6	107.2	5,736.2	-4,032.7	-1,007.3	1,923.9	3,655.4	12,386.5						
Amortization of contingent debt	-15,939.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
Privatization Proceeds	10,115.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						

Note:

/1 Exclude amortization and Expenditure Float, includes Road fund and Retention expenditures.

/2 Domestic Interest payments and amortization include Cash and Non cash

Source: Ministry of Finance

Table A3: Tanzania Monetary Survey

End of Period	Millions of TZS															
	Broad Money										Memorandum item:					
	M2, Extended					M3, Domestic assets (net)					M0					
	M1, Broad Money					Domestic credit (net)					Base Money					
End of Period	Net					TOTAL	Currency in circulation					Foreign currency deposits			TOTAL sum (9,15)	of which: Reserves (CBR)**
	Foreign assets	Claims on government	Claims on Private sectors*	Other items	sum (2-5) or sum (9-13)		sum (9-12)	sum (9,10)	9	10	11	12	13			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15		
1995	165,813.5	279,257.9	247,846.0	59,994.1	752,911.5	613,695.3	428,285.1	244,313.7	183,971.4	91,210.2	94,199.9	139,216.3	314,885.1	70,571.4		
1996	290,319.8	295,822.8	141,341.0	90,579.4	818,063.0	684,990.6	449,213.3	257,662.8	191,550.5	122,436.6	113,340.7	133,072.4	335,768.0	78,105.3		
1997	398,918.6	239,457.5	182,976.9	105,716.0	927,068.9	760,353.3	493,868.7	287,877.1	205,991.7	126,269.2	140,215.3	166,715.6	364,940.0	77,062.9		
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3		
1999	622,286.8	366,596.2	311,533.0	-82,789.1	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0		
2000	842,755.0	375,146.0	340,628.1	-160,840.2	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	164,026.7		
2001	1,209,820.4	239,201.4	404,512.3	-216,803.4	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	172,730.2		
2002	1,558,627.1	264,608.6	570,668.3	-346,221.0	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6		
2003	2,182,072.0	12,937.0	817,125.2	-623,818.1	2,388,316.1	1,721,109.9	1,113,379.1	553,045.8	560,333.3	230,958.8	376,771.9	667,206.2	783,309.0	230,263.2		
2004	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	303,628.0		
2004-January	2,312,919.5	-126.1	856,793.0	-683,565.0	2,486,021.4	1,741,293.0	1,116,903.1	538,830.7	578,072.4	249,553.6	374,836.3	744,728.5	769,091.2	230,260.5		
February	2,318,994.8	34,856.7	844,586.5	-700,965.8	2,497,472.3	1,742,942.7	1,110,654.6	519,962.7	590,691.9	248,995.7	383,292.4	754,529.5	743,811.5	223,848.8		
March	2,178,747.4	91,076.2	847,977.4	-640,149.8	2,477,651.2	1,757,204.8	1,096,558.7	523,607.8	572,950.9	270,684.3	389,961.8	720,446.4	802,863.9	279,256.1		
April	2,141,542.4	129,701.5	859,629.3	-680,463.8	2,450,409.3	1,730,493.8	1,093,912.9	523,110.5	570,802.4	248,346.7	388,234.2	719,915.5	805,102.5	281,992.1		
May	2,114,512.7	155,789.2	890,926.8	-644,154.5	2,517,074.1	1,788,489.3	1,131,063.0	532,770.1	598,292.9	266,743.5	390,682.8	728,584.8	794,842.2	262,072.1		
June	2,134,182.7	157,606.9	965,980.9	-654,835.7	2,602,934.8	1,856,326.3	1,186,063.1	590,441.0	595,622.1	269,132.9	401,130.3	746,608.5	800,399.6	209,958.6		
July	2,128,834.6	244,329.6	994,969.8	-652,298.2	2,715,835.9	1,919,971.4	1,250,869.2	612,242.3	638,626.9	264,971.5	404,130.8	795,864.5	893,742.3	281,500.0		
August	2,131,384.3	196,074.0	991,955.1	-608,426.0	2,710,987.4	1,936,449.4	1,252,535.2	639,586.9	612,948.3	272,726.8	411,187.5	774,537.9	922,959.0	283,372.1		
September	2,289,760.4	-1,703.5	1,027,300.4	-519,405.4	2,795,951.9	1,979,892.9	1,296,585.1	644,921.5	651,663.5	266,479.5	416,828.3	816,059.0	863,635.1	218,713.5		
October	2,328,838.7	45,108.0	1,029,789.8	-547,703.1	2,856,033.4	2,023,549.3	1,326,121.5	661,621.9	664,499.6	267,067.6	430,360.2	832,484.1	976,377.9	314,756.0		
November	2,372,331.9	19,621.9	1,061,773.5	-599,041.3	2,854,686.0	2,044,777.6	1,325,884.4	666,288.9	659,595.6	274,470.5	444,422.7	809,908.4	990,940.6	324,651.7		
December	2,379,909.3	-47,719.7	1,060,077.3	-544,146.8	2,848,120.0	2,050,886.0	1,315,739.4	664,148.0	651,591.3	276,396.4	458,750.2	797,234.1	967,776.0	303,628.0		
2005- January	2,408,352.9	61,685.6	1,117,110.4	-606,557.6	2,980,591.4	2,089,035.9	1,342,836.9	636,932.2	705,904.7	287,300.0	458,898.9	891,555.5	960,140.8	323,208.6		
February	2,482,058.1	80,373.5	1,132,519.9	-601,587.7	3,093,363.7	2,200,544.9	1,415,829.4	632,085.7	783,743.7	318,741.5	465,974.0	892,818.9	1,001,798.5	369,712.9		
March	2,462,099.7	40,733.4	1,147,110.1	-525,244.4	3,124,698.9	2,212,312.9	1,390,875.7	645,241.4	745,634.2	342,297.6	479,139.7	912,385.9	977,283.9	332,042.5		
April	2,357,490.8	104,593.7	1,151,142.2	-528,906.6	3,084,320.1	2,229,853.1	1,403,047.4	650,298.8	752,748.7	342,175.1	484,630.6	854,467.0	993,432.3	343,133.6		
May	2,305,218.6	192,265.0	1,182,122.5	-568,246.6	3,111,359.6	2,242,841.3	1,417,403.2	668,271.2	749,132.0	336,585.8	488,852.3	868,518.3	1,012,972.0	344,700.8		

* Former "Claims on other domestic sectors"

** CBR-Commercial Banks Reserves

Source: Bank of Tanzania



BANK OF TANZANIA

Table A4: Tanzania: Interest Rate Structure

Item	Percent									
	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Prov. May-05
A Domestic Currency										
1 Interbank Cash Market Rates										
Overnight	5.47	6.79	6.43	8.16	6.72	4.10	5.69	5.19	4.49	5.47
2 to 7 days	5.59	7.21	6.84	8.97	7.50	4.36	5.74	5.55	4.55	5.80
8 to 14 days	7.18	7.18	7.96	7.96	7.27	8.07	6.00	5.84	5.06	6.25
15 to 30 days	6.79	7.50	7.86	9.56	10.26	6.25	7.79	7.87	6.32	6.32
31 to 60 days	7.81	7.86	8.20	9.42	9.24	8.36	8.74	8.02	6.92	7.53
61 to 90 days	7.87	8.40	8.40	8.40	9.40	9.40	9.40	9.40	9.40	7.40
91 to 180 days	8.24	9.73	9.60	10.26	6.69	9.67	10.05	9.06	8.50	9.30
181 and above	8.49	10.08	11.01	11.08	10.21	9.92	10.00	8.70	9.23	10.50
Overall interbank cash market rate	5.68	7.14	6.73	8.30	7.42	4.90	6.12	5.83	4.76	5.58
2 Lombard Rate	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98	10.98
3 REPO Rate	5.33	5.33	5.92	5.92	5.09	5.54	5.48	5.12	5.00	5.32
4 Treasury Bills Rates										
35 days	7.27	7.56	8.23	8.97	8.56	8.13	8.23	7.76	6.51	5.75
91 days	8.12	8.37	9.31	9.88	9.64	9.63	9.64	8.82	8.16	8.12
182 days	8.39	9.31	9.89	9.96	9.89	9.87	10.22	9.82	9.38	9.37
364 days	9.40	10.13	10.40	10.98	10.91	10.67	10.84	10.38	9.81	9.81
Treasury bills rate	8.39	8.97	9.57	9.97	9.75	9.56	9.72	9.40	8.36	8.64
5 Treasury Bonds- 2-years	9.71	10.86	11.00	11.00	12.00	12.00	13.00	13.31	14.64	11.68
5-years	10.34	10.49	11.46	11.66	11.66	11.66	11.66	11.66	12.62	12.94
7-years	10.92	11.16	10.44	10.44	10.44	10.44	10.44	10.44	13.05	12.60
10-years	12.39	12.39	12.61	12.61	12.61	12.61	12.61	12.61	14.10	14.10
6 Discount Rate	13.23	13.74	14.38	14.90	14.90	14.42	14.73	14.40	13.64	13.60
7 Savings Deposit Rate	2.41	2.40	2.45	2.47	2.45	2.60	2.61	2.59	2.61	2.61
8 Time Deposits Rates	4.38	4.40	4.58	4.60	4.32	4.39	4.73	4.72	4.56	4.53
Call Accounts	1.63	1.34	1.23	1.31	1.45	2.15	2.03	2.32	2.37	2.20
1 month	3.45	3.67	3.78	3.43	3.08	3.19	2.92	3.48	3.30	2.64
2 months	5.56	6.20	5.90	5.95	5.05	4.46	6.26	5.16	4.91	6.26
3 months	4.23	4.18	3.88	3.96	3.58	5.35	5.50	4.78	5.03	4.59
6 months	5.10	4.60	4.97	5.27	5.95	5.85	6.08	5.32	5.35	5.09
9 months										
12 months	5.76	5.76	6.11	6.06	5.94	5.81	5.90	5.50	6.03	6.16
24 months	4.91	5.02	6.17	6.18	5.22	3.96	4.46	6.45	4.89	4.78
9 Negotiated Deposit Rates	6.73	6.22	6.40	6.88	8.39	8.77	8.79	8.78	8.84	8.61
10 Lending rates	14.19	14.80	14.90	14.27	14.69	14.80	14.99	15.56	15.40	15.21
Call Loans	13.99	10.00	10.00	19.25	19.25	19.25	19.25	19.25	19.25	19.25
Short-term (up to 1 year)	15.53	15.69	15.60	15.25	14.95	14.23	15.06	16.23	15.98	15.77
Medium-term (1-2 years)	17.04	18.89	17.23	17.30	17.77	17.17	17.23	16.98	16.96	16.98
Medium-term (2-3 years)	12.24	12.18	13.75	12.76	14.12	15.32	15.18	15.13	15.43	15.87
Long-term (3-5 years)	12.67	12.48	13.21	12.78	13.36	12.59	12.77	14.17	13.27	12.81
Term Loans (over 5 years)	13.45	14.78	14.72	13.27	13.25	14.67	14.74	15.30	15.37	14.63
11 Negotiated Lending Rates	9.36	10.11	12.92	11.24	10.87	11.05	11.33	10.29	10.32	10.33
B Foreign Currency										
1 Deposits Rates										
Call Accounts	0.14	0.18	0.18	0.21	0.21	0.59	0.51	0.61	0.45	0.63
Savings Deposits	0.80	0.76	0.75	0.86	0.74	0.65	0.73	0.72	0.72	0.87
Time Deposits	1.03	1.10	1.11	1.09	1.11	1.66	1.63	1.17	1.37	1.40
1-months	0.76	0.74	0.82	0.89	0.86	1.01	1.17	0.98	1.29	0.99
2-months	0.70	0.95	0.82	0.85	0.86	2.73	1.71	1.26	1.27	1.59
3-months	1.12	1.35	1.07	1.02	0.98	1.57	1.93	1.10	1.38	1.11
6-months	1.09	1.00	1.26	1.05	1.17	1.25	1.41	1.19	1.46	1.61
12-months	1.51	1.47	1.58	1.62	1.67	1.72	1.90	1.35	1.44	1.68
2 Lending Rates	8.65	7.08	6.96	7.16	7.06	7.33	7.67	7.69	7.87	7.79
Short-term (up to 1 year)	6.16	6.27	6.30	6.37	6.53	7.46	7.30	6.88	6.98	6.86
Medium-term (1-2 years)	7.99	8.03	8.05	8.40	8.29	7.41	7.98	8.09	8.35	7.96
Medium-term (2-3 years)	8.69	7.86	7.68	7.56	7.20	8.03	7.89	8.20	8.63	8.61
Long-term (3-5 years)	11.76	6.17	5.79	6.32	6.21	6.40	7.36	7.34	7.04	7.20
Term Loans (over 5 years)							7.82	7.94	8.37	8.31



Table A5 (a) Tanzania Exports by Type of Commodity

Item	2004		% Change	2005		% Change	Year ending May ^p		%
	Apr	May		Apr	May		2004	2005	% Change
Traditional Exports:									
COFFEE									
Value	3.81	2.78	-27.1	5.66	3.11	-45.1	41.43	70.63	70.4
Volume	2.85	2.14	-24.9	3.57	2.30	-35.4	35.75	47.65	33.3
Unit Price	1,339.73	1,301.25	-2.9	1,586.80	1,348.62	-15.0	1,158.97	1,482.30	27.9
COTTON									
Value	0.63	0.69	10.2	2.51	2.00	-20.3	38.11	88.99	133.5
Volume	0.50	0.50	0.9	2.40	1.99	-17.0	40.61	87.13	114.6
Unit Price	1,257.29	1,373.45	9.2	1,043.46	1,002.60	-3.9	938.42	1,021.38	8.8
SISAL									
Value	0.53	0.81	52.3	1.21	0.68	-44.2	7.33	7.76	5.8
Volume	0.84	1.65	95.9	1.37	0.79	-42.3	13.82	10.44	-24.5
Unit Price	634.38	493.34	-22.2	887.41	858.87	-3.2	530.52	743.37	40.1
TEA									
Value	2.77	3.16	14.1	2.55	1.65	-35.5	27.11	27.45	1.3
Volume	2.22	2.50	12.6	2.28	1.56	-31.3	22.11	23.14	4.7
Unit Price	1,247.41	1,264.83	1.4	1,121.25	1,052.73	-6.1	1,225.90	1,186.22	-3.2
TOBACCO									
Value	0.98	0.42	-57.2	0.52	0.00	-100.0	47.96	58.72	22.4
Volume	0.59	0.45	-23.9	0.26	0.00	-100.0	24.74	26.70	7.9
Unit Price	1,657.95	932.49	-43.8	1,979.23	0.00	-100.0	1,938.70	2,199.57	13.5
CASHEWNUITS									
Value	0.06	0.23	284.8	0.00	0.45	33,228.1	48.79	61.64	26.3
Volume	0.10	0.39	285.8	0.00	0.63	33,197.9	76.85	71.57	-6.9
Unit Price	600.99	599.34	-0.3	708.42	709.06	0.1	634.88	861.25	35.7
CLOVES									
Value	0.02	0.00	-100.0	0.08	0.00	-100.0	9.51	6.54	-31.2
Volume	0.01	0.00	-100.0	0.03	0.00	-100.0	5.61	2.13	-62.0
Unit Price	2,037.70	0.00	-100.0	3,044.20	0.00	-100.0	1,695.29	3,068.25	81.0
SUB TOTAL									
	8.80	8.09	-8.1	12.53	7.88	-37.1	220.24	321.73	46.1
Non-Traditional Exports									
Minerals	51.09	50.76	-0.6	54.29	53.31	9.2	616.68	711.44	60.8
Gold	49.26	47.17	-4.2	52.23	50.05	-4.2	573.18	658.09	14.8
Diamond	0.38	2.07	447.0	0.12	0.06	-51.2	22.34	24.53	9.8
Other minerals	1.45	1.52	4.8	1.94	3.19	64.6	21.16	28.81	36.1
Manufactured Goods	7.23	8.78	21.4	6.82	8.62	26.5	92.21	117.22	27.1
Cotton Yarn	0.11	0.56	430.0	0.33	0.41	24.1	4.89	4.43	-9.6
Manufactured Coffee	-	0.02	-	0.04	0.05	0.0	0.44	0.99	127.3
Manufactured Tobacco	0.00	0.02	0.0	0.00	0.00	0.0	1.12	0.07	-93.3
Sisal Products (Yarn & Twine)	0.20	0.26	31.3	0.45	0.65	42.7	2.70	4.59	70.0
Other manufactured Goods	6.93	7.92	14.3	5.99	7.52	25.5	83.06	107.13	29.0
Fish and Fish Products	10.02	10.11	0.9	14.10	10.53	-25.3	126.44	139.71	10.5
Horticultural products	0.91	2.66	190.6	1.07	1.38	29.1	13.80	14.55	5.5
Others Exports	3.79	6.02	58.9	5.33	7.39	38.8	98.74	126.39	28.0
Sub Total	73.08	78.33	7.2	81.60	81.23	-0.5	947.87	1,109.31	17.0
GRAND TOTAL									
	81.88	86.42	5.5	94.13	89.11	-5.3	1,168.10	1,431.04	22.5

NOTE:

p = Provisional data.

Volume in '000 Tons; Value in '000,000 US\$; Unit Price in US\$/Ton

Source: Bank of Tanzania, TRA



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Table A5 (b): Tanzania Imports (By Major Category) – f.o.b. Value

Item	Millions of US\$					
	2004		2005		Year ending May ^p	
	Apr	May	% Change	Apr	May	% Change
CAPITAL GOODS						
Transport Equipment	61.72	67.60	9.52	69.90	68.84	-1.52
Building and Constructions Equipment	22.04	19.57	-11.18	16.15	16.73	3.58
Machinery	14.84	15.33	3.33	14.95	14.02	-6.24
	24.85	32.70	31.59	38.79	38.09	-1.81
INTERMEDIATE GOODS						
Oil imports	47.71	46.86	-1.77	19.21	27.00	40.60
Fertilizers	30.81	28.14	-8.68	7.48	10.71	43.27
Industrial raw materials	1.01	1.14	13.81	2.49	0.85	-66.03
	15.89	17.58	10.65	9.23	15.44	67.22
CONSUMER GOODS						
Food and foodstuffs	46.03	48.71	5.81	40.93	59.39	45.08
All other consumer goods	16.72	14.93	-10.76	7.51	17.28	129.94
	29.31	33.78	15.26	33.42	42.11	26.00
GRAND TOTAL (f.o.b.)	155.46	163.17	4.96	130.04	155.23	19.37
GRAND TOTAL (c.i.f)	170.84	179.31	4.96	142.90	170.58	19.37

Note:

Oil imports refers to refined petroleum products

p = Provisional data.

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.

Table A5 (c): Tanzania Balance of Payment

Millions of US \$

<i>Item</i>	2001	2002	2003p	2004p
A. Current Account	-436.69	-214.73	-384.23	-538.39
Goods: Exports f.o.b.	776.40	902.55	1,129.23	1,325.25
Traditional	231.06	206.08	220.49	292.12
Nontraditional	545.34	696.47	908.74	1,033.13
o/w Gold	254.07	341.07	502.85	626.59
Goods: Imports f.o.b.	-1,560.34	-1,511.32	-1,933.46	-2,273.41
Balance on Goods	-783.94	-608.78	-804.23	-948.16
Services: Credit	679.26	668.56	686.57	859.20
Transportation	68.43	61.10	72.80	80.08
Travel	412.76	439.21	450.34	595.03
Other	198.07	168.25	163.43	184.09
Services: Debit	-642.08	-668.45	-769.52	-994.42
Transportation	-194.24	-176.93	-214.67	-249.24
Travel	-327.34	-337.46	-353.22	-427.44
Other	-120.50	-154.06	-201.63	-317.73
Balance on Services	37.18	0.11	-82.95	-135.22
Balance on Goods and Services	-746.76	-608.67	-887.18	-1,083.38
Income: Credit	55.30	67.93	87.09	80.68
Income: Debit	-140.51	-90.64	-131.03	-122.10
Direct investment income	-1.09	-1.98	-15.84	-13.40
Interest payments (scheduled)	-117.35	-67.56	-92.65	-80.70
Compensation of employees	-22.07	-21.09	-22.54	-28.01
Balance on Income	-85.21	-22.70	-43.93	-41.42
Balance on Goods, Services and Income	-831.97	-631.37	-931.12	-1,124.81
Current transfers (Net)	395.28	416.65	546.89	586.42
Current transfers: Credit	474.78	477.95	609.90	651.71
Government	418.40	427.73	543.30	582.03
o/w Multilateral HIPC relief	71.30	68.81	68.15	73.73
Other sectors	56.38	50.22	66.60	69.68
Current transfer: Debit	-79.50	-61.30	-63.01	-65.29
B. Capital Account	361.50	355.39	358.20	288.54
Capital transfers: Credit	361.50	355.39	358.20	288.54
General Government	339.20	325.29	320.90	248.60
Project	339.20	325.29	320.90	248.60
Other sectors	22.30	30.10	37.30	39.94
Capital transfers: debit	0.00	0.00	0.00	0.00
Total, Groups A plus B	-75.19	140.66	-26.03	-249.85
C. Financial Account, excl. reserves and related items	271.65	440.00	395.89	404.48
Direct investment abroad	0.00	0.00	0.00	0.00
Direct investment in Tanzania	327.23	240.40	247.80	260.19
Portfolio investment	0.00	0.00	0.00	0.00
Other investment	-55.58	199.60	148.09	144.29
Assets	-76.65	2.86	-59.04	15.01
Currency and deposits	-76.65	2.86	-59.04	15.01
Banks	-76.65	2.86	-59.04	15.01
Liabilities	21.07	196.75	207.13	129.29
Total, Groups A through C	196.46	580.66	369.86	154.64
D. Net Errors and Omissions	-232.49	-253.12	165.17	-50.04
Overall balance (Total, Groups A through D)	-36.03	327.54	535.02	104.60
E. Reserves and Related Items	36.03	-327.54	-535.02	-104.60
Reserve assets	-182.21	-372.41	-508.78	-43.00
Use of Fund credit and loans	15.60	26.00	-2.90	-33.80
Exceptional financing	202.63	18.87	-23.34	-27.80
Interest arrears	67.45	18.37	-29.53	-27.80
Principal arrears	135.19	0.50	6.19	0.00
Financing gap	0.00	0.00	0.00	0.00
Memorandum items				
GDP(mp) Mill. TZS	8,304,339	9,399,086	10,709,405	11,822,921
GDP(mp) Mill. US\$	9,475.59	9,724.01	10,311.60	10,761.77
CAB/GDP	-4.6	-2.2	-3.7	-5.0
CAB/GDP (excl. current official transfers)	-9.0	-6.6	-9.0	-10.4
Gross Official Reserves	1,156.57	1,528.99	2,037.77	2,080.77
Months of Imports	6.3	8.4	9.0	7.6
Net International Reserves (year end)-Mill. US\$	761.25	1,058.40	1,533.89	1,700.50
Change in Net International Reserves-Mill. US\$	-218.55	-297.15	-475.49	-166.61
Exchange rate (end of period)-TZS/US\$	916.3	976.3	1,063.6	1,133.6
Exchange rate (annual average)- TZS/US\$	876.4	966.6	1,038.6	1,098.6

Notes:

- 1) Imports data (f.o.b) for 2001 have been revised using new ratios for freight and insurance services.
- 2) Following changes in the ratios of freight and insurance services to the total imports (c.i.f), figures for service account have consequently been revised.
- 3) GDP-Gross Domestic Product, mp-Market price, CAB-Current Account Balance, p = provisional
- 4) p = provisional data, subject to revision

Source: Bank of Tanzania



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

Period	Unadjusted				Seasonally Adjusted				Percent	Base:2001=100		
	Year-on-Year		Month-on-Month		6-Months Annualised		Month-on-Month					
	Headline ¹⁾	Non-Food ²⁾	Food	Headline ¹⁾	Non-Food ²⁾	Food	Headline ¹⁾	Non-Food ²⁾				
2003-Jan	3.4	3.3	3.4	5.4	5.0	5.5	3.9	6.2	2.3	0.2	1.2	-0.3
Feb	3.4	2.1	4.4	-0.5	-0.8	-0.3	3.5	3.1	3.8	0.2	-0.2	0.3
Mar	3.4	2.9	3.7	-0.8	-1.1	-0.6	3.4	3.7	2.9	0.2	0.6	0.0
Apr	3.4	1.7	4.7	-0.2	-0.1	-0.2	3.1	3.3	3.1	0.2	-0.6	0.6
May	3.6	1.6	5.0	-0.2	-1.5	0.7	3.2	1.4	4.1	0.4	-0.4	0.8
Jun	3.6	0.8	5.6	-0.3	-0.7	0.0	3.0	-0.4	5.4	0.3	-0.7	1.2
Jul	3.5	3.0	3.9	0.8	2.8	-0.4	3.2	-0.4	5.4	0.4	1.1	-0.3
Aug	3.5	2.0	4.4	-0.5	-0.9	-0.3	3.4	1.1	5.2	0.3	0.5	0.3
Sep	3.7	1.4	5.2	0.3	-1.1	1.2	3.9	-0.6	7.5	0.4	-0.2	0.9
Oct	3.6	2.2	4.6	-0.3	0.8	-0.9	4.4	1.1	6.3	0.4	0.3	0.2
Nov	3.4	1.6	4.7	-0.5	-0.6	-0.6	3.8	2.0	5.3	0.2	0.1	0.2
Dec	3.4	1.4	4.8	0.3	-0.3	0.7	3.9	3.4	4.4	0.4	-0.1	0.8
2004-Jan	3.6	0.2	6.0	5.6	3.8	6.7	4.0	0.7	6.4	0.3	-0.2	0.7
Feb	3.8	0.2	6.6	-0.3	-0.8	0.3	4.2	-0.7	8.1	0.5	-0.2	1.0
Mar	4.0	-0.1	7.0	-0.5	-1.4	-0.2	4.1	0.3	6.6	0.8	0.2	0.3
Apr	4.7	-0.5	8.4	0.5	-0.5	1.1	4.9	-2.0	10.5	0.7	-0.9	2.0
May	4.4	2.0	6.0	-0.5	1.0	-1.5	4.8	2.1	6.9	0.8	2.2	-1.4
Jun	4.2	3.1	4.9	-0.5	0.4	-1.1	4.5	2.7	5.5	0.2	0.3	0.1
Jul	4.1	1.8	5.3	0.7	1.4	-0.1	4.3	3.9	4.2	0.5	0.4	0.2
Aug	4.1	1.5	5.9	-0.5	-1.2	0.4	4.1	3.7	3.8	0.3	-0.4	0.7
Sep	4.0	3.2	4.6	0.2	0.6	-0.1	3.9	4.1	2.7	0.6	0.5	-0.2
Oct	4.2	2.5	5.2	-0.1	0.1	-0.3	3.1	7.1	0.2	0.4	0.6	0.7
Nov	4.4	2.4	5.9	-0.3	-0.7	0.1	3.9	2.4	5.0	0.8	-0.1	0.9
Dec	4.2	2.9	5.1	0.1	0.2	-0.1	3.7	2.7	4.6	0.2	0.4	-0.1
2005-Jan	4.0	1.5	5.9	5.4	2.4	7.5	3.7	-0.9	7.6	0.2	-1.4	1.6
Feb	4.1	1.8	5.7	-0.2	-0.5	0.1	4.1	-0.1	7.6	0.5	0.1	0.8
Mar	4.1	3.3	4.9	-0.5	0.0	-0.9	4.4	2.4	7.1	0.5	1.7	-0.4
Apr	4.0	3.9	4.3	0.4	0.2	0.5	5.0	0.6	8.6	0.6	-0.3	1.4
May	4.0	3.0	5.0	-0.5	0.1	-0.8	4.2	3.5	5.1	0.1	1.2	-0.8

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

1) Total NCPI. 2) Non-Food NCPI.

Table A7: External Debt Developments

Millions of US\$													
Item	2004/05												
	2002/03	2003/04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05
1. Overall Total Debt Committed¹	7,606.60	8,088.30	8,173.50	8,210.50	8,226.76	8,325.45	8,660.96	8,740.28	8,566.71	8,581.10	8,681.60	8,614.10	8,507.75
Disbursed outstanding debt	6,233.00	6,678.30	6,700.50	6,734.30	6,748.16	6,834.05	6,931.86	6,990.58	6,856.61	6,857.70	6,918.60	6,889.20	6,955.45
Undisbursed debt	1,373.60	1,410.00	1,473.00	1,476.20	1,478.60	1,491.40	1,729.10	1,749.70	1,710.10	1,723.40	1,763.00	1,724.90	1,552.30
2. Disbursed Debt by Creditor Category²	6,233.00	6,678.30	6,700.50	6,734.80	6,748.16	6,834.05	6,931.86	6,990.58	6,856.61	6,857.67	6,918.60	6,889.19	6,955.45
o/w: Bilateral debt	1,633.70	1,483.60	1,505.90	1,504.60	1,505.37	1,495.35	1,512.08	1,520.11	1,513.89	1,498.99	1,600.94	1,538.83	1,517.72
Multilateral debt	4,088.30	4,570.00	4,564.40	4,601.70	4,613.52	4,693.85	4,772.32	4,820.50	4,697.12	4,711.58	4,640.68	4,646.12	4,711.17
Commercial debt	330.60	391.20	395.70	395.70	396.17	397.99	399.63	401.74	398.22	399.61	428.57	454.85	471.92
Export credits	180.50	233.50	234.60	232.80	233.10	246.86	247.83	248.22	247.38	247.49	248.41	249.39	254.65
3. Disbursed Debt by Borrower Category²	6,233.00	6,678.30	6,700.50	6,734.30	6,748.16	6,834.10	6,931.90	6,990.60	6,856.64	6,857.69	6,918.58	6,889.20	6,955.45
O/w: Central Government	5,708.00	6,092.00	6,096.40	6,110.40	6,122.16	6,222.40	5,909.46	5,961.93	5,885.41	5,886.70	5,921.90	5,863.80	5,914.56
Parastatal Companies	152.20	149.10	155.80	155.30	156.30	150.40	556.70	561.25	506.80	505.62	502.80	504.30	495.78
Private Sector	372.90	437.20	448.30	468.60	469.70	461.30	465.74	467.42	464.43	465.37	493.88	521.10	545.11
4. Disbursed Debt by Use of Funds²	6,233.00	6,678.30	6,700.52	6,734.30	6,748.55	6,834.07	6,866.86	6,990.58	6,856.60	6,857.67	6,918.63	6,889.23	6,955.50
O/w: Balance of payment support	1,166.00	1,275.10	1,253.09	1,300.90	1,305.36	1,327.62	1,354.97	1,361.60	1,351.51	1,345.35	1,383.55	1,376.46	1,353.15
Transport & Telecommunication	1,047.80	1,085.10	1,009.50	1,195.10	1,132.35	1,114.19	1,120.60	1,130.42	1,113.27	1,112.97	1,131.74	1,103.75	1,088.36
Agriculture	1,034.70	967.70	962.79	962.23	972.33	980.85	1,062.82	1,066.33	956.62	991.00	1,013.95	1,102.22	1,086.16
Energy & Mining	895.00	924.30	920.55	908.23	917.18	928.24	945.52	950.63	939.53	940.45	961.43	986.59	1,017.18
Industries	411.20	352.70	351.14	350.57	350.57	366.23	354.66	422.11	362.21	362.20	358.49	413.50	408.98
Social Welfare & Education	421.70	333.30	330.72	331.25	332.95	338.64	345.91	347.88	342.46	344.06	341.61	565.88	641.83
Finance and Insurance	76.90	82.30	81.88	81.71	81.90	82.76	84.19	84.69	83.62	83.60	83.43	83.43	97.37
Tourism	88.20	80.20	80.27	79.21	79.40	81.14	81.73	81.91	81.12	81.80	81.62	81.62	80.44
Others	1,091.60	1,577.50	1,710.58	1,525.10	1,576.51	1,614.40	1,516.46	1,545.02	1,626.28	1,596.30	1,562.81	1,175.80	1,182.00
5. Total Amount of Loans Contracted¹	277.30	229.69	296.69	59.91	0.50	0.00	5.53	0.83	0.95	0.00	9.09	0.35	1.00
Government	259.80	209.40	175.29	59.66	0.00	0.00	5.43	0.00	0.00	0.00	0.00	0.00	0.00
Parastatal Companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private	17.50	20.29	121.40	0.25	0.50	0.00	0.10	0.83	0.95	0.00	9.09	0.35	1.00
6. Disbursements¹	169.00	234.70	6.80	3.50	3.40	1.40	3.30	28.00	0.30	0.00	0.10	0.00	0.20
Government	163.70	205.90	6.60	3.00	3.10	1.40	2.70	25.00	0.30	0.00	0.10	0.00	0.20
Parastatal Companies	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private	5.30	26.80	0.20	0.50	0.30	0.00	0.60	3.00	0.00	0.00	0.00	0.00	0.00
7. Scheduled Debt Service¹	369.00	334.40	355.10	355.10	355.10	355.10	355.10	355.10	355.10	355.10	355.10	355.10	355.10
8. Actual Debt Service¹	112.40	99.30	10.80	12.20	11.47	4.96	10.91	9.39	6.09	15.09	7.79	11.87	9.41
Principal	86.60	68.60	8.50	11.20	9.51	3.36	9.58	7.34	4.77	13.96	4.10	7.87	7.60
Interest	25.80	30.60	2.40	1.00	1.96	1.60	1.33	2.05	1.32	1.13	3.74	4.00	1.81
Others	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9. Net Transfers	51.30	106.60	-9.90	-8.70	-8.07	-3.56	-7.61	18.62	-5.79	-15.09	-7.69	-11.87	-9.21
10. Total Arrears by Creditor Category²	2,056.50	2,297.80	2,297.40	2,287.20	2,289.10	2,346.40	2,359.10	2,430.50	2,436.10	2,438.40	2,443.90	2,454.00	2,454.00
O/w: Principal	1,021.40	1,119.10	1,111.70	1,128.90	1,128.30	1,156.90	1,103.40	1,130.10	1,133.80	1,131.40	1,135.70	1,135.90	1,133.70
Bilateral	611.60	658.80	651.80	654.60	650.80	669.40	674.80	682.80	685.30	684.20	685.80	682.60	674.20
Multilateral	45.10	28.30	23.00	38.30	33.90	39.90	7.00	8.30	8.60	5.00	5.50	7.70	7.00
Commercial	203.70	240.20	244.90	245.50	252.20	253.80	227.20	234.60	235.90	237.70	237.90	239.00	246.10
Other Private Creditors	161.00	191.80	192.00	190.50	191.40	193.80	194.40	204.40	204.00	204.50	206.50	206.60	206.40
Interest	1,035.10	1,178.70	1,185.70	1,158.30	1,160.80	1,189.50	1,255.70	1,300.40	1,302.30	1,307.00	1,308.20	1,318.10	1,320.30
Bilateral	577.70	693.00	697.00	698.30	697.80	712.50	782.00	812.60	813.50	813.70	816.00	818.10	812.20
Multilateral*	68.40	27.30	26.00	27.90	27.80	28.30	21.60	22.80	22.30	22.40	22.70	23.30	23.20
Commercial	268.30	287.10	290.50	291.40	294.30	303.80	302.30	313.80	314.50	318.20	317.10	322.20	326.30
Other Private Creditors	120.70	171.30	172.20	140.70	140.90	144.90	149.80	151.20	152.00	152.70	152.40	154.50	158.60
11. External Debt Stock	7,268.10	7,856.90	7,886.20	7,892.60	7,908.96	8,023.60	8,187.56	8,290.98	8,158.91	8,164.70	8,226.80	8,207.30	8,275.75
12. Domestic Debt Stock	841.60	885.30	906.90	923.50	913.62	926.33	912.31	928.31	894.59	900.50	925.57	931.61	933.61
13. Total Debt Stock	8,109.70	8,742.10	8,793.20	8,816.10	8,822.58	8,949.93	9,099.87	9,219.29	9,053.49	9,065.20	9,152.37	9,138.91	9,209.40
End Period Exchange Rate	1,047.39	1,107.30	1,097.32	1,083.23	1,060.45	1,060.52	1,060.98	1,042.96	1,102.03	1,117.57	1,104.29	1,105.00	1,123.80

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

¹⁾ During the period. ²⁾ End of May 2005 cumulative.

Source: Bank of Tanzania



BANK OF TANZANIA

GLOSSARY

Average Inflation Rate

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

Currency in Circulation Outside Banks

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

Discount Rate

The rate of interest charged by the Bank of Tanzania on loans it extends to deposit money banks (DMBs) and government overdraft. It is derived from the weighted average yield of Treasury bills of all maturities plus five-percentage points

Exchange Rate

This is the price at which one currency can be purchased with another currency, e.g. TZS per US dollar.

Lombard Facility

It is an overnight loan to enable commercial banks to borrow at their own discretion, through pledging of eligible government securities as collateral.

Money Supply, M

The sum of currency in circulation outside banks and deposits of deposit money banks, are defined in various concepts of money supply in the narrower and broader sense, i.e., narrow money (M1), broad money (M2), and extended broad money (M3).

M1, Narrow Money,

Consists of currency in circulation outside banks and demand deposits.

M2, Broad Money

Is equivalent to narrow money (M1) plus time deposits and savings deposits.

M3, Extended Broad Money

Consists of broad money (M2) plus foreign currency deposits.

Nominal Exchange Rate

It is the price at which actual transactions in foreign exchange markets occur.

Underlying Inflation Rate

Also referred to as non-food inflation is a measure of price movements caused by factors other than food prices.

Repurchase Agreement (REPO)

These are agreements to sell government securities by the BOT to financial institutions at agreed rate for a specified period, with an understanding that the financial institutions will sell back the securities at the end of the period, and vice versa.

Reserve Money (M0)

The Central Bank's liabilities in the form of: (1) currency in circulation outside the Bank of Tanzania and (2) DMBs' deposits with the BOT.

Weighted Annualised Yields of Treasury Bills

This is the average yield of Treasury bills, which is weighted by the volume sold, expressed in percentage per year.



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