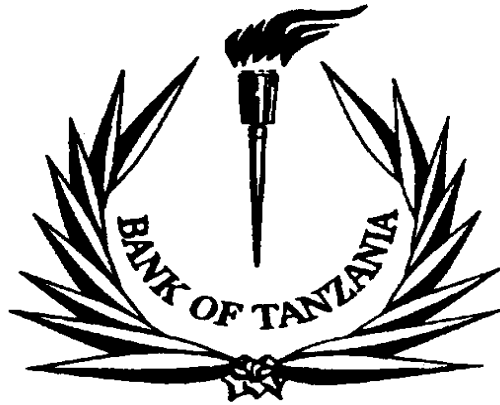


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**ECONOMIC BULLETIN
FOR THE QUARTER ENDED
MARCH 31, 2003
VOL. XXXIV NO. 1**



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BOARD OF DIRECTORS

D.T.S. Ballali	Governor, Chairman
M.H. Mbaye	Deputy Governor, Deputy Chairman
G. Mgonja	Senior Permanent Secretary to the Treasury (URT)
J.B. Raphael	Permanent Secretary to the Treasury (SMZ)
A.R. Mohamed	Director
M.N. Shirima	Director
Prof. L. Rutashobya	Director
Prof. J. Semboja	Director
Prof. B.J. Ndunguru	Director
B. Kimela	Ag Secretary

ABBREVIATIONS AND SYMBOLS

e	estimates
p	Provisional
pe	partly estimated
r	revised
.	figure not meaningful or not to be published
-	no figure available
...	available at later date
o	less than .5 but more than nil
---	change within a time series, causing a break in continuity
R	seasonal factors recalculated

Selected Economic Indicators

Item	Unit	1998	1999	2000	2001	2002*
1. National Accounts and Prices						
1.1 Change in GDP at Factor Cost--Current Prices	Percent	19.7	16.6	12.2	13.2	13.0
1.2 Change in GDP at Factor Cost--Constant 1992 Prices ²	Percent	4.0	4.7	4.9	5.7	6.2
1.3 GDP Per Capita--Current Prices ¹	TZS	185,601	207,879	228,145	252,536	279,863
1.4 GDP Per Capita--Current Prices ¹	USD	272.5	281.2	285.0	288.2	289.5
1.5 Change in Consumer Price Index (Inflation)	Percent	12.8	7.9	5.9	5.2	4.5
1.6 Saving to GNDI Ratio ³	Percent	6.5	6.8	11.6	11.1	12.7
2. Money Credit and Interest Rates						
		0	0			
2.1 Change in Extended Broad Money Supply (M3)	Percent	10.8	18.6	14.8	17.1	25.1
2.2 Change in Broad Money Supply (M2)	Percent	11.1	15.0	12.5	12.3	18.5
2.3 Change in Narrow Money Supply (M1)	Percent	10.5	16.0	9.9	10.2	25.2
2.4 Change in Reserve Money	Percent	14.7	21.5	9.4	5.0	19.1
2.5 Total Credit to GDP Ratio ¹	Percent	9.4	10.5	9.8	7.6	8.8
2.6 Private Sector Credit to GDP Ratio ¹	Percent	4.3	4.7	4.6	4.9	6.1
2.7 Ratio of Private Credit to Total Credit	Percent	45.7	44.6	46.6	63.7	69.2
2.8 Average Deposit Rate (12-Month)	Percent	11.5	10.4	8.6	6.0	5.7
2.9 Weighted Average Treasury Bill Rate	Percent	10.1	15.5	5.7	3.9	4.5
2.10 Average Medium- and Long-Term Lending Rate	Percent	22.0	20.6	21.2	15.8	13.2
3. Balance of Payments						
3.1 Exports (f.o.b)	Mill. USD	588.5	543.3	663.3	776.4	902.5
3.2 Imports (f.o.b)	Mill. USD	1,382.1	1,415.4	1,367.6	1,560.3	1,511.3
3.3 Trade Balance	Mill. USD	(793.6)	(872.1)	(704.3)	(715.7)	(715.7)
3.4 Balance on Current Account	Mill. USD	(921.3)	(860.1)	(469.6)	(480.0)	(325.3)
3.5 Overall Balance	Mill. USD	(461.9)	(111.8)	57.7	(14.9)	285.3
3.7 Gross Official Reserves	Mill. USD	599.0	776.0	974.0	1,157.0	1,529.0
3.8 Reserves Months of Imports (of goods and services)	Months	3.2	4.5	5.7	6.4	8.3
3.9 Exchange Rate:						
3.9.1 Annual Average	TZS/USD	664.7	744.8	800.4	876.4	966.6
3.9.2 End of Period	TZS/USD	681.0	797.3	803.3	916.3	976.3
4 Population (TZ Mainland)	Million	30.0	30.9	31.9	32.1	33.6
5. Public Finance		1998/99	1999/00	2000/01	2001/02	2002/03
5.1 Current Revenue to GDP Ratio ¹	Percent	11.5	11.4	12.2	11.8	--
5.2 Grants to GDP Ratio ¹	Percent	2.8	4.1	3.7	4.3	--
5.2 Current Expenditure to GDP Ratio ¹	Percent	11.0	11.9	13.0	12.7	--
5.3 Development Expenditure to GDP Ratio ¹	Percent	2.2	5.3	3.7	3.9	--
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	(1.7)	(5.7)	(4.5)	(4.8)	--
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	1.0	(1.6)	(0.8)	(0.5)	--
6. Total External Debt Stock		Mill. USD	7,384.7	7,669.7	7,624.8	7,464.0
Disbursed Debt	Mill. USD	6,435.9	6,580.3	6,538.3	6,559.7	6,413.4
Interest	Mill. USD	948.8	1,089.4	1,086.5	904.3	971.3
Total External Debt as % of GDP	Percent	82.1	89.5	80.7	78.5	75.9

Note:

¹ Calculated on the basis of GDP at market price

² Calculated on the basis of GDP at factor cost

³ GNDI stands for gross national disposable income

* Provisional data

Source: BoT, BoS (Economic Survey, National Accounts)

1.0 Summary of Economic Conditions

Despite the slowdown in world economic activities, the performance of the Tanzanian economy continued to show positive trends during the year 2002. Revised statistics indicate that **real Gross Domestic Product (GDP)** grew by 6.2 percent in 2002 up from 5.7 percent attained in 2001. All major sectors of the economy contributed positively towards this growth, with agricultural sector, which accounts for the largest share of GDP, growing at the rate of 5.8 percent. Manufacturing sector grew by 8.0 percent, compared with 5.0 percent recorded in 2001, while mining sector grew by 15.0 percent, compared to 13.5 percent recorded a year before.

During the quarter ending March 2003, **Consumer Price Inflation** averaged 4.3 percent, from an average of 4.5 percent recorded during the preceding quarter. The decline was due to the slowing down in food inflation. However, non-food inflation increased substantially from an average of 1.2 percent in the quarter ending March 2002 to an average of 9.5 percent during the quarter under review. The increase follows revision of electricity tariffs and increase in fuel prices caused by the war in Iraq.

Monetary Developments during the quarter continued to show encouraging results with Broad Money supply (M2) decreasing by TZS 5.2 billion compared with an increase of TZS 1,507.4 billion recorded at end of December 2002. The decrease in M2 was mainly due to the decline in net domestic assets (NDA) of the banking system, coupled with an increase in valuation account attributed by exchange rate fluctuations.

With regard to the **interest rate structure**, the margin between lending and savings deposit rates narrowed down slightly to 12.2 percent during

the quarter ending March 2003, compared to the margin of 12.6 percent, recorded during the quarter ended December 2002.

There was a remarkable deterioration of **the external sector** during the quarter ending March 2003, with exports declining by 22.9 percent while imports increasing by 5.1 percent. The trade account deficit also widened significantly.

The **Tanzanian shilling on average depreciated** against the dollar by 3.7 percent, moving from TZS 979.9 per US dollar during the quarter ending December 2002, to TZS 1,016.1 per US dollar during the quarter ending March 2003.

The **overall central government** budget deficit (after grants) recorded a deficit of TZS 91.5 billion during the quarter ending March 2003, compared with a surplus of TZS 50.5 billion during the quarter ending December 2002. Revenue collections amounted to TZS 307.3 billion, slightly less than TZS 307.9 billion recorded in the previous quarter, but higher than the targeted TZS 303.3 billion for the review period. Total expenditure (excluding amortization) amounted to TZS 485.5 billion or 5.9 percent of GDP. This expenditure was however 3.8 percent below the planned amount of TZS 504.7 billion for the quarter.

Total government debts stood at USD 7916.2 million as at the end of March 2003, or 4.4 percent lower than the stock of debt registered during the preceding quarter. The decline in the debt stock emanated mainly from cancellation of external debts, worth USD 619.3 million following implementation of Paris Club VII Agreement.

The **Tanzania Zanzibar Government budgetary operations** recorded an overall deficit before grants of TZS 4.0 billion during the quarter

ending March 2003, and even after considering grants, an overall deficit of TZS 0.8 billion was recorded.

The Tanzania Zanzibar Trade account recorded a deficit of USD 6.0 million, compared with a deficit of USD 6.1 million recorded during the corresponding period in 2002. The improvement was largely attributed to an increase in the value of exports that outweighed the increase in the value of imports.

2.0 International Outlook

The quarter ending March 2003 was characterized by mixed developments in the global economy. GDP growth rates for Japan and two countries in the Euro Area namely Germany and Italy stagnated during the period, while those for the United States and Canada recorded some improvements, when compared with the levels recorded in the previous quarter (**Table 2.1**). The reported stagnation in economic activities was mainly associated with the threat of the United States led war against Iraq as well as the fall in consumer and business confidence.

Output growth in Japan stagnated due to a number of factors including the decline in exports, a fall in residential investments and the strength of the Japanese yen against major currencies, which in turn made Japanese exports more expensive. The unemployment rate however remained at the same level of 5.4 percent as in the preceding quarter, with inflation rising to minus 0.2 percent from minus 0.5 percent recorded in the previous quarter.

Output growth in the Euro Area also stagnated due to several factors including weak domestic consumption, decline in business investments, decline in exports and a rise in imports. The strength of the Euro against the dollar made European exports more expensive and its imports cheaper. The fall in output was more pronounced in Germany and Italy where GDP declined by 0.2 percent and 0.1 percent, respectively. The UK economy slowed down mainly due to the reduction in the growth of the services sector and the decline in industrial production. The overall slowdown in economic activities increased the reluctance of employers to hire extra workers thus leading to a rise in unemployment rates in the region.

The US economy on the other hand recorded growth of 1.6 percent during the quarter largely due to increase in personal consumer expenditures and residential investments. The recovery in economic activities also contributed to the slight decline in the unemployment rate from 5.9 percent recorded in the previous quarter to 5.8 percent. Despite the increase in output growth, the US trade deficit widened by 3.0 percent to USD 136.4 billion, mainly due to decline in exports of goods and services. Inflation rate also rose by 0.7 percentage points to 2.9 percent.

In Canada, the increase in final domestic demand, resulting from an increase in housing and consumer spending, contributed to the 0.6 percent rise in output growth during the first quarter of 2003.

Key world interest rates remained on the same levels as those reported during the quarter ending December 2002. The UK Repo Rates remained the highest at 4.0 percent, the Japanese Overnight Rate was 0.0 percent, the USA Federal Fund Rate was 1.25 percent, Canadian Overnight Rate was 2.75 percent and the Euro Main Refinancing Rate was 2.75 percent.

In South Africa, the economy slowed down to 1.5 percent from 2.4 percent recorded in the previous quarter, largely due to the reduction in output of the manufacturing industry and the slowdown in growth rate of output of mining and quarrying industry. The strengthening of the Rand against some major currencies, and the lower rate of increase in the prices of food also contributed to the decline in the rate of inflation to 9.5 percent during the quarter under review, from 14.5 percent recorded in the previous quarter.

Table 2.1: World Economic Indicators

Country	GDP Growth Rates (%)		Unemployment (%)		Inflation (%)		Interest Rate
	2002-Q4	2003-Q1	2002-Q4	2003-Q1	2002-Q4	2003-Q1	
Britain	0.4	0.2	3.1	3.1	2.6	2.9	4.00
Germany	0.0	-0.2	10.0	10.5	1.2	1.2	0.00
Japan	0.5	0.0	5.4	5.4	-0.5	-0.2	0.00
USA	1.4	1.6	5.9	5.8	2.2	2.9	1.25
Italy	0.4	-0.1	8.9	9.0	2.8	2.7	0.00
France	-0.1	0.3	9.0	9.2	2.1	2.4	0.00
Canada	0.4	0.6	7.5	7.4	3.8	4.5	2.75
Euro Zone	0.1	0.0	8.5	8.6	2.3	2.3	2.75

Source: Bloomberg System

3.0 Real Sector and Price Developments

3.1 Overall Economic Performance

The Tanzanian economy continued to show good performance during 2002, though slow, of all major sectors despite the marked deterioration in the terms of trade, volatility in world energy prices, general slow down of the world economy that started in 2001 and episodes of bad weather. Inflationary pressures also continued to remain subdued despite increasing growth in monetary aggregates.

3.2 Sectoral Developments

3.2.1 Primary Sector

Overall performance of three major sectors namely, agriculture, mining and manufacturing during the year 2002, was encouraging. The agricultural sector, accounting for almost 48 percent of GDP continued to show a positive trend, with value added of the sector estimated to have increased by 5.0 percent. Manufacturing also grew by 8.0 percent, compared to 5.0 percent recorded a year before, while Mining sector grew by 15.0 percent compared to 13.5 recorded in the 2001. Positive growth rates in the named sectors have been driven mostly by the gains in efficiency that have come as a result of persistent macroeconomic and structural reforms pursued by the government. Also, increased efficiency resulting from reduction of structural impediments in marketing, banking, legal and other bureaucratic arrangements, have also contributed to this improvement.

3.2.2 Secondary Sector

During the year 2002, positive growth rates have been recorded in the secondary and tertiary economic activities namely; trade, hotels, and restaurants (including tourism), construction, transport and communication, financial and business services. Value added in the trade, hotels and restaurants sector (including tourism), was estimated to have increased by 7.0 percent during 2002 compared with an increase of 6.2 percent recorded in 2001.

3.3 Food Security Situation

During the quarter ending March 2003, the **Strategic Grain Reserves (SGR)** stock position increased to 58,976 tons from 58,395 tons recorded during the quarter ending December 2002. The increase resulted from a net purchase of 581 tons of maize grain for SGR stocks by the Food Security Department. Following the poor and unreliable rainfall situation in most parts of the country during this season, it is anticipated that food production will decline thus calling for the Food Security Department to maintain higher levels of SGR stocks, to cater for the possibility of food shortages in the future.

Table 3.1: Food Security, SGR Stocks

	Tons			
	2000	2001	2002	2003
January	105,665	78,967	60,503	59,961
February	103,305	72,000	58,254	59,493
March	101,496	63,022	56,738	58,976
April	96,326	51,435	52,228	
May	82,119	44,776	48,653	
June	72,000	47,225	47,100	
July	63,976	46,290	44,787	
August	70,352	48,998	41,795	
September	95,000	59,047	57,500	
October	88,474	58,000	62,700	
November	89,882	62,388	61,773	
December	78,967	62,788	58,395	

Source: Food Security Department and BOT computations.

3.4 Price Developments

Headline Inflation

During the quarter ending March 2003, the quarterly year-to-year inflation rate declined to an average of 4.3 percent, from the rate of 4.5 percent recorded in the previous quarter. When compared with the corresponding quarter in 2002, quarterly average headline inflation declined by 0.4 percentage points, from an average of 4.7 percent. The decline in headline inflation emanated from a slow down in food inflation during the quarter.

Non-food inflation

Non-food inflation, increased from an average 1.2 percent during the quarter ending March 2002, to an average of 9.5 percent during the quarter ending March 2003. The increase is attributed to a one-time increase in electricity tariffs in April 2002, and an increase in fuel prices between January and March 2003 on account of the US led war in Iraq.

Food Inflation

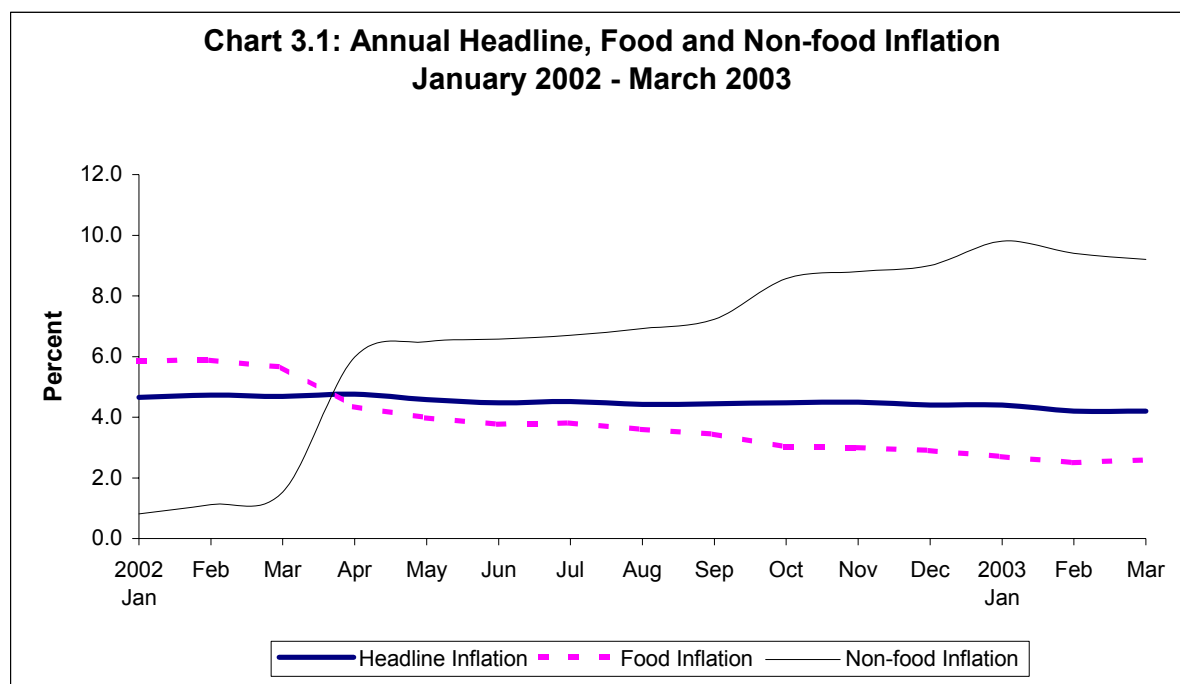
Food inflation rate declined significantly to 2.6 percent, from an average of 5.8 percent recorded during the corresponding quarter in 2002. The decline was mainly explained by the improved supply of basic foodstuffs, arising from good production in the previous season.

Table 3.2: Quarterly Percentage Change in the Sub-groups of the National Consumer Price Index (All-urban)

(Base: December 1994=100)

Sub-groups	Weight %		% Change		
	Jan – Mar 2002	Jan – Mar 2003	Jan – Mar 2002	Jan – Mar 2003	
			2001vs2002	2002vs2003	
Food	71.2	250.6	257.1	5.8	2.6
Drinks and tobacco	4.4	176.8	185.1	2.3	4.7
Rents	3.9	200.0	207.7	1.2	3.8
Fuel, Power and Water	4.7	271.6	339.7	-2.0	25.1
Clothing and Footwear	3.7	196.4	210.0	6.0	6.9
Furniture & Household Equipment	2.5	194.8	204.4	2.0	4.9
Household Operations & Maintenance	1.5	159.5	167.4	-0.6	5.0
Personal Care & Health	2.2	148.4	160.2	1.5	8.0
Recreational & Entertainment	1.2	172.5	175.7	1.9	1.9
Transportation	1.2	241.2	250.1	-0.1	3.7
Education	1.5	200.2	211.1	3.3	5.4
Miscellaneous Goods & services	2.0	157.8	162.0	4.1	2.7
TOTAL	100.0	235.8	245.8	4.7	4.2

Source: National Bureau of Statistics (NBS)



4.0 Monetary and Financial Developments

4.1 Money and Credit

The quarter ending March 2003 was marked by a small decline in the growth of money supply. Broad money supply (M2), fell by TZS 5.2 billion or 0.3 percent compared with an increase of 3.6 percent in the previous quarter. The decrease in money supply resulted from a decline in net domestic assets (NDA) of the banking system, coupled with an increase in the valuation account attributed to exchange rate fluctuations. NDA fell from TZS 775.3 billion in December 2002 to TZS 721.8 billion in March 2003, following the decline in other items net (OIN) by TZS 89.2 billion, which more than offset the rise in domestic credit by TZS 35.7 billion. Specifically, credit to the private sector by commercial banks increased by TZS 27.4 billion during the quarter ending March 2003, compared with an increase of TZS 23.9 billion during the quarter ending December 2002. Similarly, net claims on government by the banking system rose by TZS 8.3 billion, from TZS 264.6 billion in December 2002, to TZS 272.9 billion in March 2003. Explicitly, net claims on government by the Bank of Tanzania rose by TZS 13.9 billion, largely due to decline in deposits at the Bank of Tanzania by the same amount. However, the repayment by government of TZS 5.6 billion to commercial banks, following low demand of Treasury bonds, partly dampened the government indebtedness by the banking system. As a result of these developments, the share of credit to the government to total credit fell by a margin of 0.4 of a percentage point to 31.3 percent from 31.7 percent recorded in December 2002. The share of private sector credit to total credit also increased marginally to 68.7 percent at end-March 2003, from 68.3 percent recorded in the previous quarter.

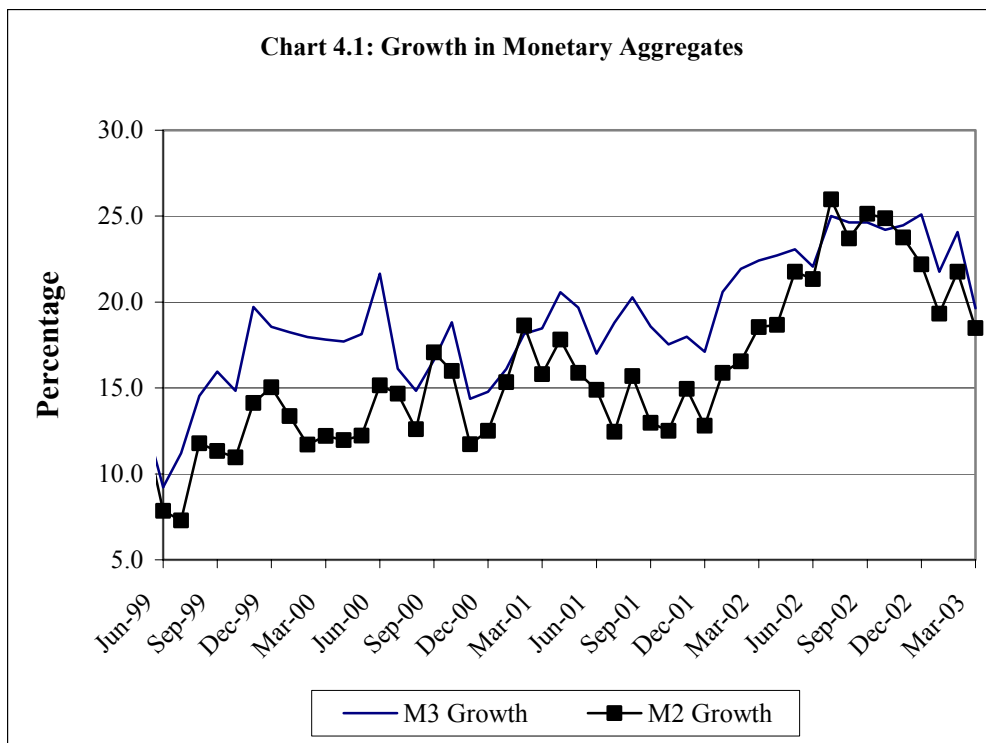
The liquidity of commercial banks, as measured by the change in their net foreign assets, showed improvement during the quarter ending March 2003. NFA of the banking system increased from TZS 1,018.3 billion to TZS 1,122.5 billion, representing a quarterly increase of 10.2 percent. The increase in the net foreign assets of the banking system during the quarter, may be attributed to the surge in both net international reserves (NIR) of the Bank of Tanzania, and net foreign assets holdings of commercial banks. The purchase of donor funds from the government by the Bank of Tanzania, coupled with exchange rate variations of the shilling were the main reasons for the increase in NIR. As a result, gross official reserves of the Bank of Tanzania rose from the level of USD 1,528.4 million recorded in December 2002 to USD 1,546.1 million in March 2003, equivalent to 7.3 months of imports of goods and non factor services. At the same time, commercial banks' net purchase of foreign exchange in the Inter-bank Foreign Exchange Market (IFEM), plus exchange rate variations also contributed to the increase in commercial banks net holding of foreign assets, from USD 585.2 million to USD 600.4 million.

During the review period, currency outside the banking system decreased by 9.6 percent from TZS 495.4 billion in December 2002 to TZS 447.9 billion in March 2003. The decline follows the process of issuing new currency notes by the Bank of Tanzania, which led to currency outside banks being deposited at commercial banks. Subsequently, savings and time deposits also increased by TZS 29.0 billion and TZS 15.8 billion respectively, while demand deposits fell by TZS 2.4 billion.

Extended Broad money (M3), increased by TZS 39.9 billion to TZS 2,087.6 billion during the quarter ending March 2003, from TZS 2,047.7 billion recorded in the preceding quarter. During the same period, foreign currency deposits of commercial banks increased by TZS 45.1 billion,

compared with an increase of TZS 62.2 billion during the previous quarter. The decline in foreign currency deposits is partly explained by the portfolio diversification made by some economic agents from foreign to domestic assets, following exchange rate speculations. However, foreign currency deposits as a percentage of extended broad money, rose to 28.0 percent in March 2003 from 26.4 percent recorded in December 2002. Also, during the same period, foreign currency deposits as a percentage of total commercial bank deposits increased from 34.8 percent in December 2002 to 35.7 percent in March 2003.

During the quarter under review, annual growth rates of all monetary aggregates decelerated from the rates attained in December 2002 (**Chart 4.1**), mainly due to efforts by the Bank of Tanzania, to mop up part of the excess liquidity through open market operations and sale of foreign exchange in the Inter-bank Foreign Exchange Market (IFEM). Consequently, M2 grew by 18.5 percent only in the year ending March 2003, compared with the growth of 22.2 percent in the year ending December 2002, while M3 grew by 19.6 percent during the year ending March 2003, compared with 25.1 percent recorded in the year ending December 2002.



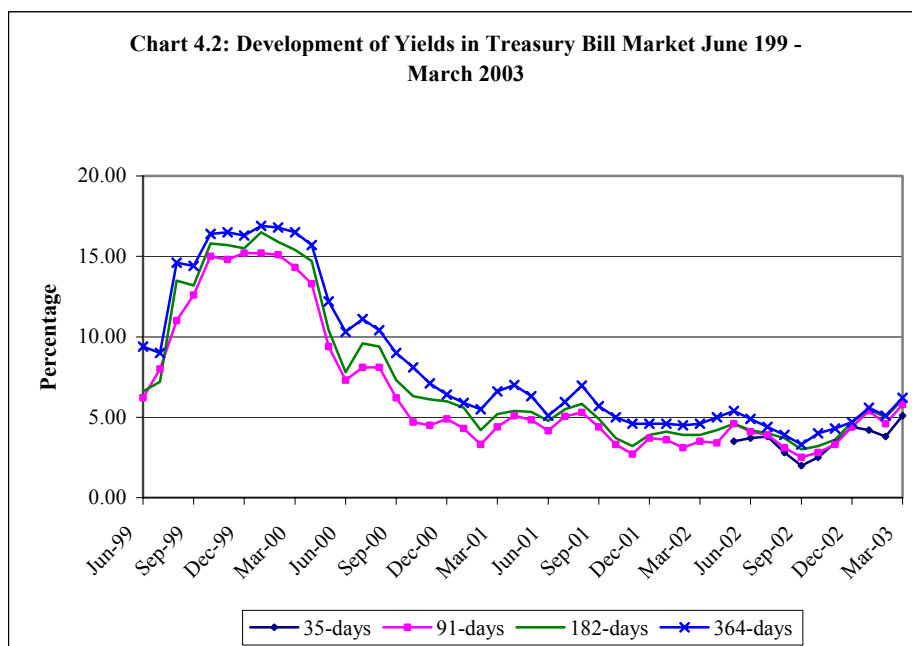
4.2 Financial Markets

4.2.1 Treasury Bills Market

During the quarter ending March 2003, Treasury bills worth TZS 333.3 billion were sold in the market, compared with TZS 385.7 billion sold in the preceding quarter. Demand for treasury bills declined during the quarter partly due to the liquidity squeeze in the banking system following Bank of Tanzania's endeavour to mop up part of excess liquidity from the economy.

The weighted average yields increased across all maturities during the quarter under review. Specifically, the average yields for 35-day and 91-day T.bills increased from 4.4 percent each to 5.1 percent and 5.8 percent respectively. Also yields for 182-days and 364-days T.bills both increased from 4.7 percent each to 6.1 percent and 6.2 percent respectively. As a result, the overall weighted average yield for all

maturities increased from 4.5 percent, recorded in the preceding quarter to 5.9 percent during the quarter ending March 2003 (**Chart 4.2**).



4.2.2 Treasury bonds

During the quarter ending March 2003, the 2-year, 5-year, 7-year and 10-year Treasury bonds all amounting TZS 16.5 billion were sold compared with TZS 55.0 billion sold in the preceding quarter. The decline in total sales was partly due to investment portfolio diversification by major institutional investors, including pension funds that opted to venture into real estate business. The weighted average yields (WAY) for the 2-year and 7-year Treasury bonds decreased from an average of 5.3 percent and 6.9 percent, to 5.0 percent and 6.6 percent respectively. Those for 5-year and 10-year Treasury bonds increased, from 5.6 percent and 7.2 percent to 6.1 percent and 7.6 percent, respectively.

4.2.3 Repurchase Agreements (REPOs)

During the quarter under review, Bank of Tanzania employed only the 2-day and 14-day REPOs for fine tuning liquidity in the economy. REPOs

worth TZS 17.8 billion were transacted between BOT and commercial banks, but were far lower than those transacted during the preceding quarter which amounted to TZS 37.5 billion. REPO rates across all maturities, increased from an average of 4.4 percent in the preceding quarter, to 6.5 percent during the quarter ending March 2003.

4.2.4 Discount Rate Policy

During the quarter under review, there was no borrowing from the discount window by either government or commercial banks. However the discount rate rose to 10.4 percent, from 9.2 percent recorded in the preceding quarter.

4.2.5 Inter-bank Cash Market

Total value of transactions in the inter-bank cash market increased by 69.1 percent, from TZS 749.7 billion traded during the quarter ending December 2002, to TZS 1,267.7 billion. Overnight transactions accounted for 83.7 percent of the total inter-bank transactions, compared with 77.0 percent traded in the previous quarter. The overall inter-bank cash market rates increased from 3.5 percent recorded at the end of December 2002, to 5.4 percent. Likewise, the overnight rates went up to 5.4 percent, from 3.4 percent recorded in the preceding quarter.

4.2.6 Interest rate structure

During the quarter ending March 2003, the spread between lending rate and savings deposits rates narrowed down by 0.4 basis points reaching 12.2 percent, from 12.6 percent recorded during the quarter ending December 2002.

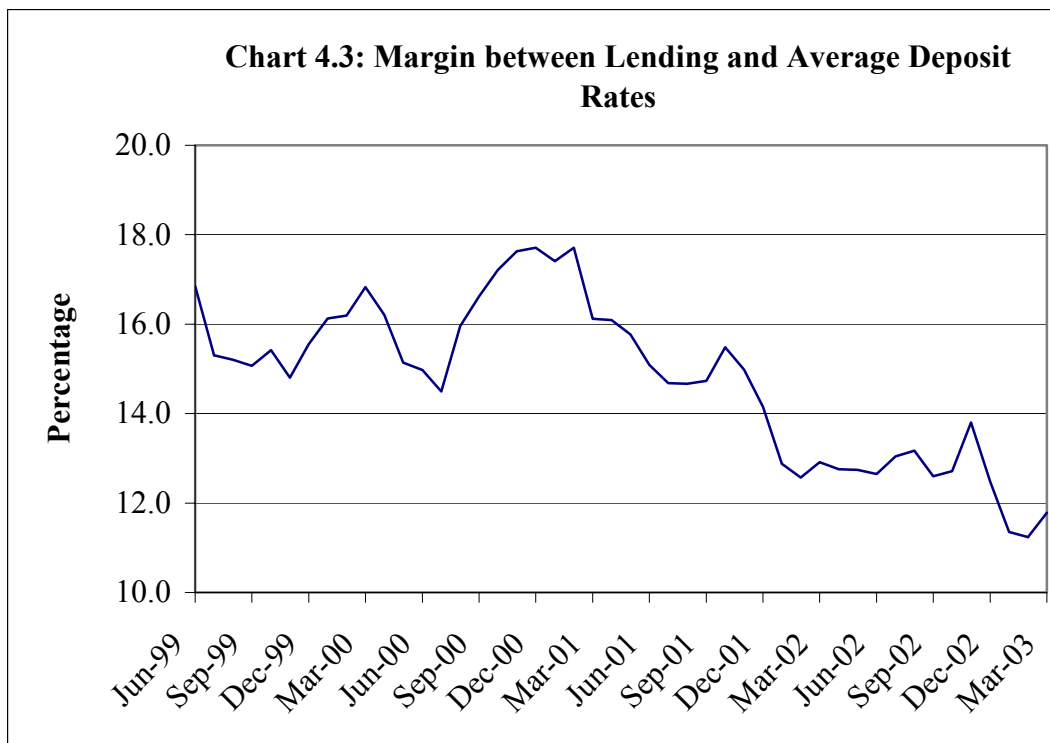
Average interest rates quoted by commercial banks on domestic currency denominated deposits increased across the board, except those for savings deposit rates and the 3-month time deposit rates, which dropped from 3.1 percent and 3.0 percent in December 2002 to 2.8 percent and 2.5 percent in March 2003, respectively. However, the overall weighted average time deposit rates increased from 3.4 percent to 3.7 percent during the same period.

Lending rates quoted by commercial banks on all domestic currency denominated loans declined, except those for short-term loans of up to 1-year, which increased from 15.9 percent in December 2002, to 16.4 percent in March 2003. However, the overall weighted average lending rates fell from an average of 15.7 percent in December 2002, to 15.0 percent as at end of March 2003.

With regard to foreign currency denominated deposits and lending rates, the overall weighted average deposits rates increased from 1.2 percent recorded at the end of December 2002, to 1.3 percent during the end of March 2003, while the overall weighted average lending rates remained stable at 7.2 percent (**Table 4.1**).

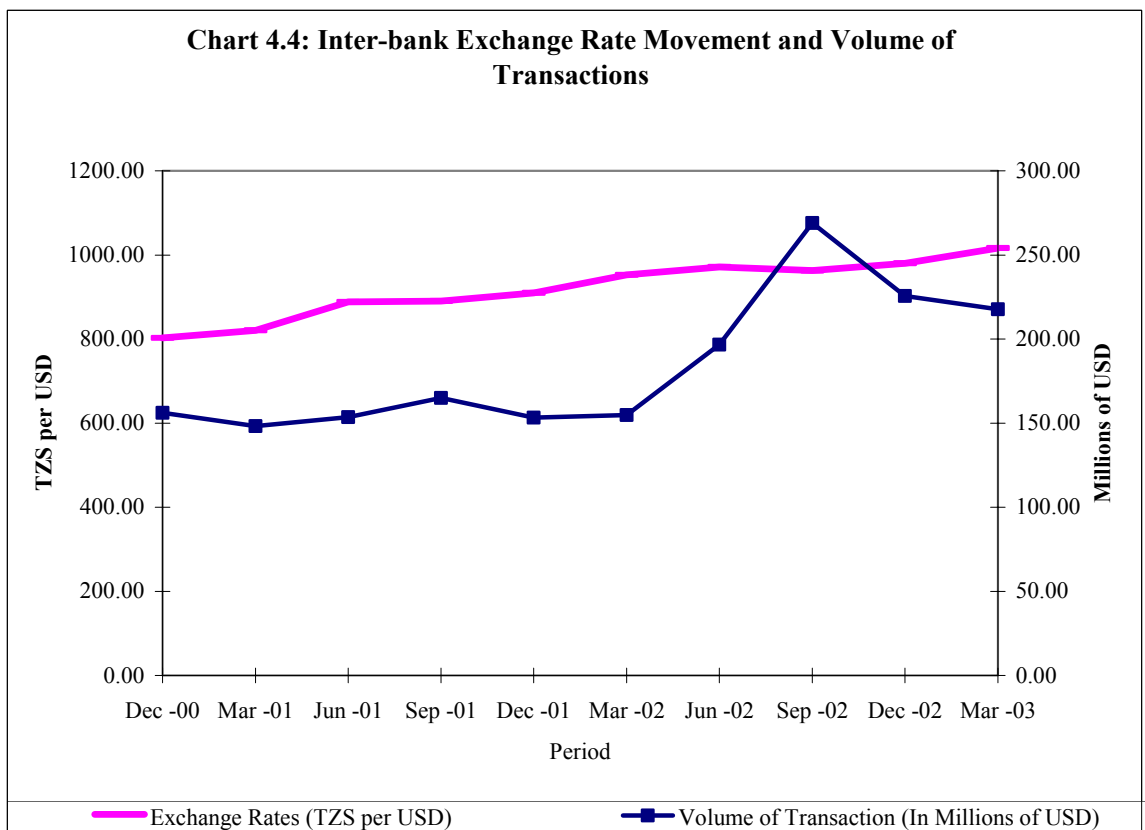
Table 4.1: Weighted Average Interest Rates of Commercial Banks (percentage per annum)

	Jun-02	Sep-02	Dec-02	Mar-03
A Domestic Currency				
1 Interbank Cash Market Rates				
Overnight	2.21	1.26	3.36	5.39
2 to 7 days	2.98	1.38	3.70	5.56
8 to 14 days	2.82	1.45	3.77	4.50
15 to 30 days	3.36	3.80	4.50	4.79
31 to 60 days	3.75	3.90	4.35	5.69
61 to 90 days	5.50	3.27	2.65	3.75
91 to 180 days	4.41	3.07	4.52	4.67
181 and above	4.91	4.04	6.02	6.91
Overall interbank cash market rate	2.41	1.57	3.47	5.42
2 REPO Rate	2.86	2.00	4.35	6.46
3 Treasury Bills Rates				
35 days	3.7	2.00	4.40	5.10
91 days	4.10	2.50	4.40	5.80
182 days	4.20	3.00	4.70	6.10
364 days	4.90	3.30	4.70	6.20
Treasury bills rate	4.20	2.60	4.50	5.90
4 Treasury Bonds- 2-years	5.59	3.44	5.25	4.95
5-years	6.22	4.99	5.63	6.10
7-years		6.79	6.93	6.63
10-years			7.22	7.60
5 Discount Rate	9.35	7.95	9.18	10.35
7 Savings Deposit Rate	3.16	2.77	2.71	2.53
8 Time Deposits Rates	4.02	3.42	3.41	3.65
Call Accounts	1.15	1.26	0.66	2.17
1 month	4.11	1.83	2.15	2.45
2 months	4.11	3.73	3.93	4.05
3 months	3.44	3.01	2.97	2.47
6 months	4.74	3.85	4.13	4.20
12 months	6.19	5.88	5.68	5.80
24 months	4.37	4.40	4.33	4.44
9 Lending rates	16.40	15.86	15.71	15.03
Call Loans	23.65	23.65	23.65	23.65
Short-term (up to 1yr)	14.83	14.76	15.85	16.41
Medium-term (1-2 yrs)	16.59	14.45	15.83	15.84
Medium-term (2-3 yrs)	15.02	12.61	13.80	12.32
Long-term (3-5 yrs)	17.18	17.45	13.23	12.05
Term Loans (over 5 yrs)	18.38	20.02	19.83	18.54
B Foreign Currency				
1 Deposits Rates	1.50	1.39	1.15	1.26
Call Accounts	0.66	0.48	0.47	0.69
Savings Deposits	2.05	0.97	0.84	0.93
Time Deposits				
1-months	1.09	1.31	1.17	0.87
2-months	2.23	2.23	1.84	2.56
3-months	1.30	1.37	0.79	1.07
6-months	1.54	1.64	1.37	1.25
12-months	1.64	1.73	1.53	1.47
2 Lending Rates	5.55	6.29	7.19	7.16
Short-term (up to 1yr)	4.89	7.43	7.90	7.60
Medium-term (1-2 yrs)	4.45	5.45	5.91	5.98
Medium-term (2-3 yrs)	5.12	6.95	7.80	8.24
Long-term (3-5 yrs)	7.75	5.34	7.16	6.81



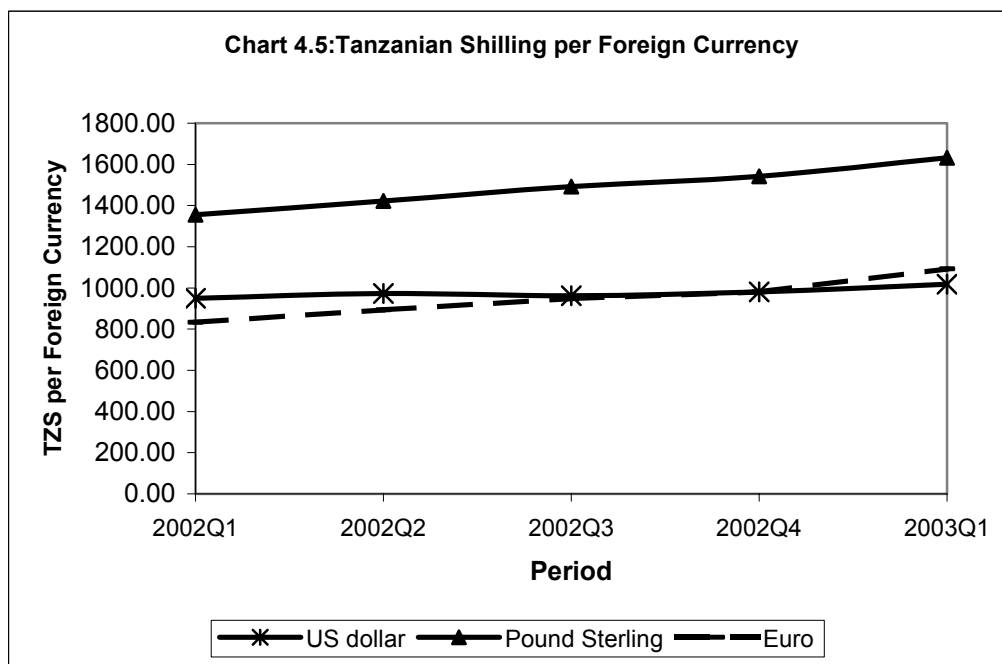
4.2.7 Inter-bank Foreign Exchange Market (IFEM)

During the quarter ending March 2003, the total amount traded at the Inter-bank Foreign Exchange Market (IFEM) declined by 3.5 percent to USD 217.7 million, compared with USD 225.6 million traded during the previous quarter (Table 4.2). Commercial banks dominated both supply and demand sides of the market, supplying USD 106.0 million, or 48.7 percent of total amount traded, and purchasing USD 182.8 million or 84.0 percent of total amount traded. Non-bank financial institutions supplied USD 14.5 million or 6.7 percent of total amount traded and purchased USD 4.6 million or 2.1 percent. Bank of Tanzania's intervention in the market resulted in a net supply of USD 66.9 million or 30.7 percent of the total amount traded.



Exchange Rate

During the quarter under review, the Tanzanian shilling on average depreciated against the US dollar by 3.7 percent, moving from TZS 979.9 per US dollar as at the end of December 2002, to TZS 1,016.1 per US dollar.



Bureaux de Change Operations

The total volume of transactions conducted by the Bureau de change system, increased during the quarter under review by 25.8 percent to USD 118.4 million, from USD 94.1 million transacted in the previous quarter. The Bureau buying and selling rates also followed the depreciation pattern exhibited by the shilling in the IFEM, and depreciated by 3.2 percent and 3.0 percent respectively (**Table 4.2**).

Table 4.2: Foreign Exchange Market Developments

MARKETS	2002/03		
	Q2	Q3	% Change
IFEM			
Amount offered*	225.6	217.7	-3.5
Amount sold*	225.6	217.7	-3.5
Exchange rate**	979.9	1,016.1	3.7
Bureau de Change			
Amount of sales*	44.1	58.4	32.4
Amount of purchases*	50.0	60.0	20.0
Volume of Transactions*	94.1	118.4	25.8
Buying rate**	973.3	1,004.0	3.2
Selling rate**	992.5	1,022.3	3.0

Source: Foreign Markets Dept. and Bank Supervision- Bureau de Change Section

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

5.0 Public Finance

5.1 Government Finance

The fiscal position is estimated to have recorded an overall deficit before grants of TZS 178.1 billion or 1.9 percent of GDP¹ during the third quarter of 2002/2003, compared with a slightly lower deficit before grants of TZS 115.4 billion or 1.2 percent of GDP recorded in the preceding quarter. However, the deficit was further reduced to TZS 91.5 billion after considering grants amounting to TZS 86.6 billion.

¹ GDP estimates for 2002/03 is TZS 9,547.5 billion

Revenue collections amounted to TZS 307.3 billion or 3.2 percent of GDP, being TZS 4.0 billion above the targeted TZS 303.3 billion for the review period. This same trend was exhibited in all preceding quarters of the 2002/03 financial year, reflecting increased government tax collection efforts.

Total expenditure (excluding amortization) amounted to TZS 485.5 billion or 5.9 percent of GDP. The expenditure was however 3.8 percent below the planned amount of TZS 504.7 billion for the quarter. Out of the total expenditure, TZS 365.7 billion or 72.5 percent was for recurrent, while TZS 119.7 billion or 27.5 percent, was for development expenditure.

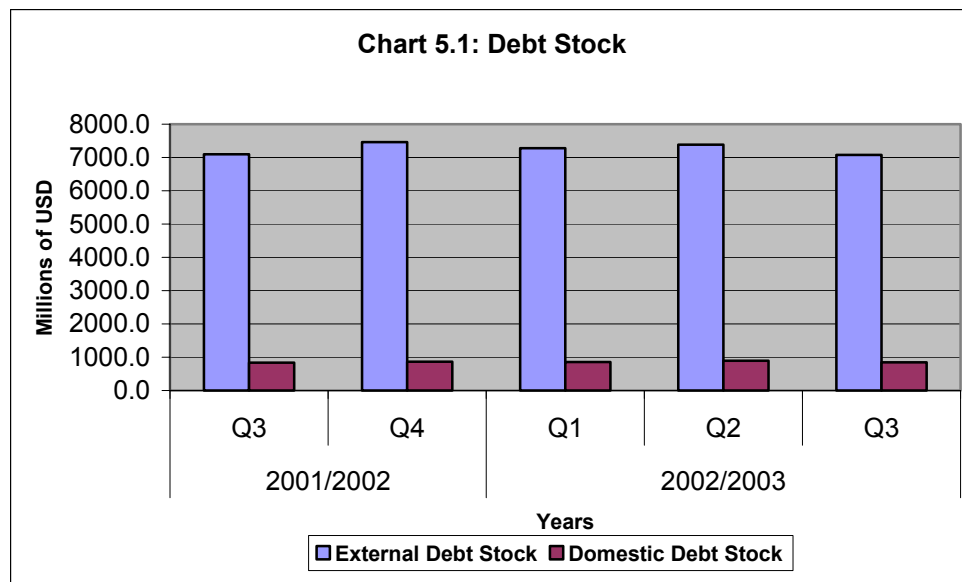
During January-March 2003, the government received external grants amounting to TZS 86.6 billion, which were less by TZS 38.9 billion than the targeted amount of TZS 125.5 billion. Out of the total grants received, HIPC relief was TZS 12.7 billion, being TZS 0.5 billion below the estimated amount of TZS 13.2 billion. Program and project grants amounted to TZS 73.4 billion against TZS 112.3 billion planned during the review period. The lower than expected amount of grants is partly due to unavailability of sufficient data on direct to project funds.

During the third quarter of 2002/2003, the budget registered an overall deficit (adjusted for cash and other items) amounting to TZS 96.0 billion, which was entirely met through borrowing from foreign and domestic sources to the tune of TZS 74.1 billion and TZS 21.9 billion, respectively.

5.2 Central Government Debt

Total debt stock (both domestic and external) stood at USD 7,916.2 million as at the end of March 2003 or 4.4 percent lower than the stock

registered at the end of December 2002 of USD 8,276.3² million. The decline was largely due to contraction of external debt during the review period. Also when compared to the corresponding quarter of last year, total debt declined by 0.2 percent.



External debt

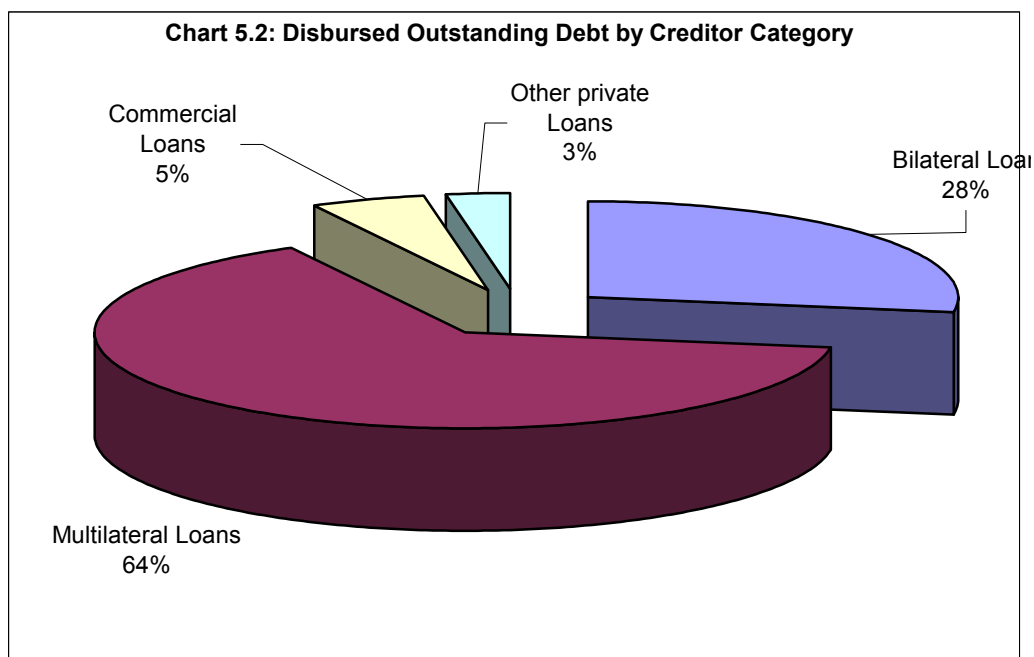
Total external debt declined by 4.2 percent from USD 7,384.7 million recorded as at the end of December 2002 to USD 7072.5 million during the period under review. The decline was mainly associated with the implementation of Paris Club V11 Agreed Minutes by the Government, which led to conclusion of bilateral agreements with the governments of Austria, Belgium, Norway, USA, Canada, Italy, France, United Kingdom, and Netherlands, culminating into cancellation of debts worth USD 619.3³ million. Other reasons for the decline include net debt flows and exchange rate fluctuations.

² The amount was underestimated by USD 21.00 in the Economic Bulletin for the quarter ended December 2002.

³ Includes cancellation of future inflows.

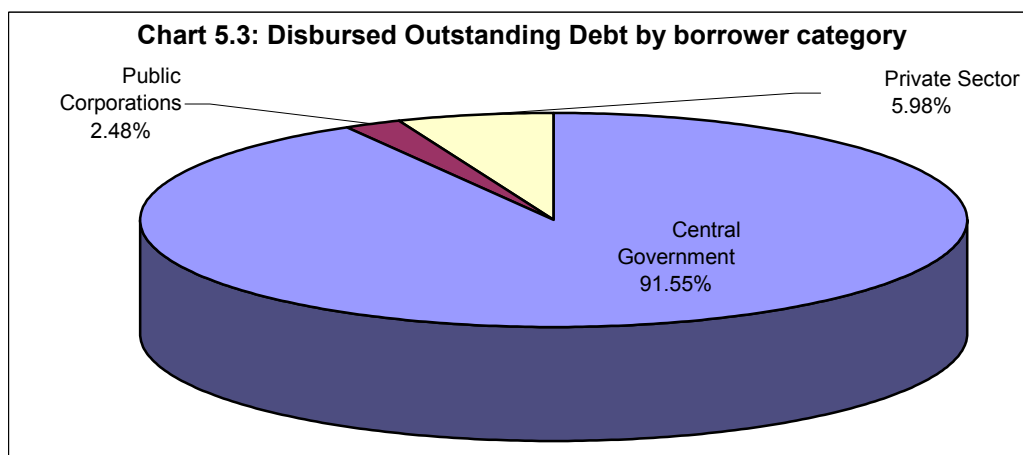
The Profile of External Debt

The profile of disbursed outstanding debt by creditor category indicates that, 64.0 percent of total debt is owed to multilateral creditors, 28.0 percent is owed to bilateral creditors, 5.0 percent to commercial creditors and the remaining 3.0 percent to private sources (**Chart 5.2**).



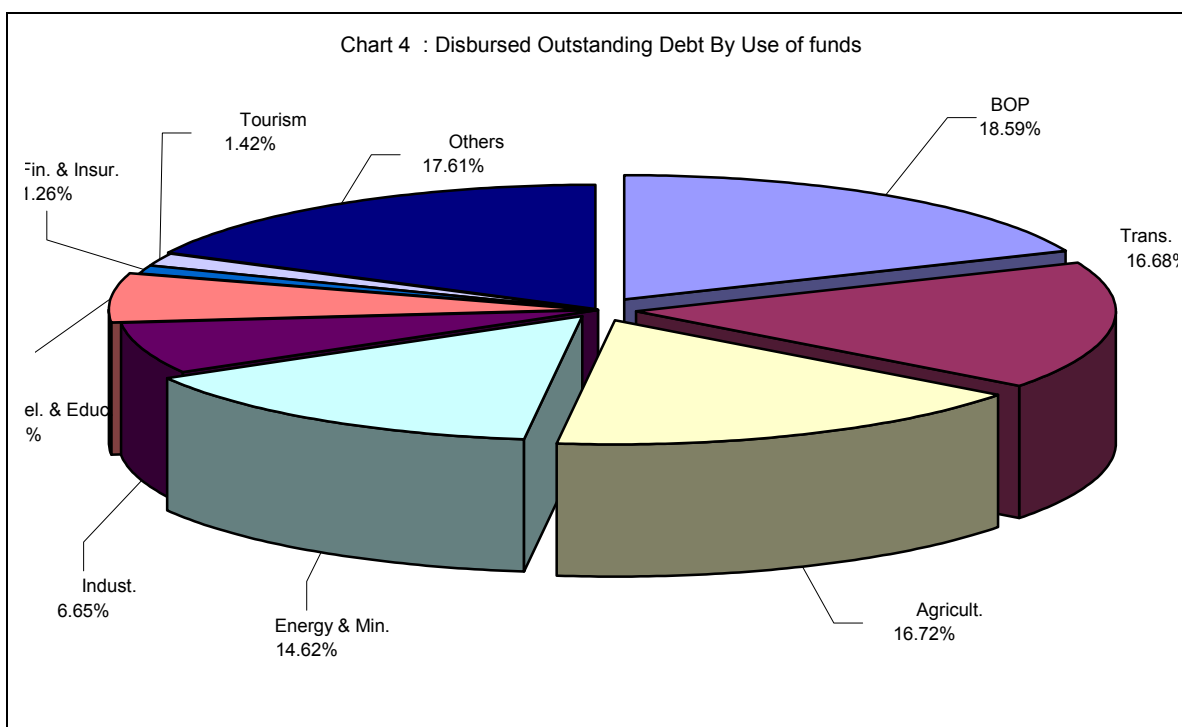
Source: Debt Department – BOT

Disbursed outstanding debt by borrower category shows that, the central government is the largest borrower, accounting for 92.0 percent of the total debt. The proportion of public and private sector in the total debt was 2.5 and 6.0 percent respectively (**Chart 5.3**).



Source: Debt Department – BOT

Classified by utilization of funds, 18.6 percent of the debt was disbursed in the form of Balance of Payments Support, while Transport and Telecommunications Sector received 16.7 percent. Agriculture received 16.7 percent, followed by Energy and Mining that received 14.6 percent. Industries absorbed 6.7 percent, while Social Welfare & Education, Finance and Insurance and Tourism received 6.4, 1.3 and 1.4 percent, respectively. The remaining 17.6 percent of debt was absorbed by other sectors (**Chart 5.4**).



Source: Debt Department - BOT

Debt contracted, disbursements and payments.

During the quarter under review, new loans contracted and recorded reached USD 2.0 million, all of which went to the private sector. During the same period, disbursements amounted to USD 69.1 million while total debt service amounted to USD 31.0 million, thus resulting to a net inflow of USD 38.1 million.

Enhanced Highly Indebted Poor Countries (HIPC) Debt Relief

During the third quarter of 2002/2003, Tanzania received a total of USD 14.5 million as HIPC debt relief from multilateral institutions. Out of which, USD 8.8 million came from International Development Association (IDA), USD 0.7 million from the International Food and Agriculture Development Fund (IFAD) and USD 5.0 million from the African Development Bank Group (ADB).

Debt Buyback Scheme

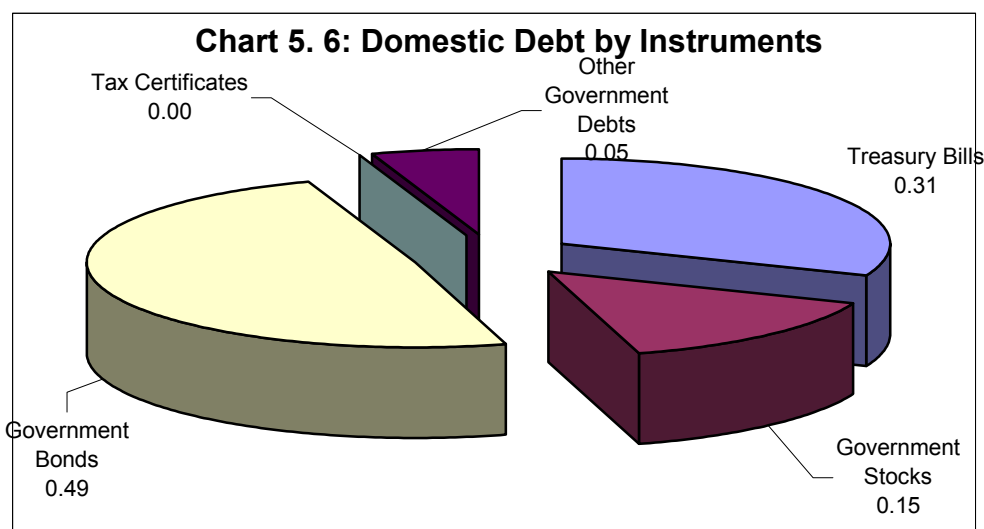
The second and final closing of the scheme could not take place in November 2002 as planned earlier but is now expected to take place during the third quarter of the calendar year 2003. Debts worth USD 31.8 billion made up of both principal and interest are expected to be cancelled.

Domestic debt

The level of domestic debt declined during the quarter under review, falling by TZS 1.4 billion or 0.2 percent to TZS 869.1 billion as at the end of March 2003. However, when compared with the corresponding quarter of 2002 total domestic debt increased TZS 51.8 billion or 6.3 percent. Domestic debt accounted for about 10.7 percent of total debt. Also in terms of its composition, government securities, consisting of treasury bills, government stocks and bonds, accounted for about 94.7 percent of total domestic debt, or 4.6 percent higher than the amount recorded in the previous quarter.

Domestic Debt by Instruments

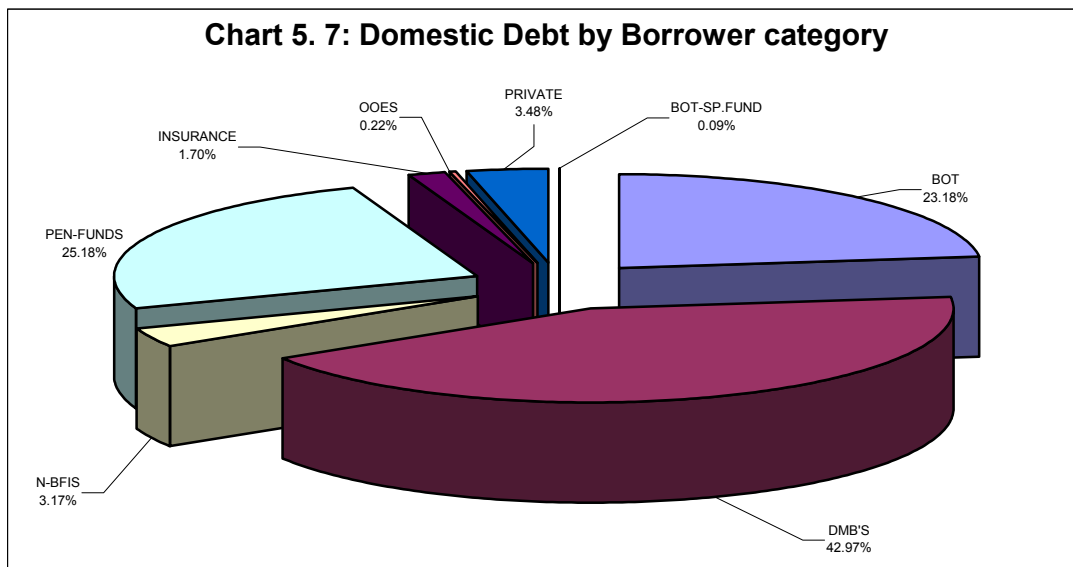
Analysis of domestic debt stock by instruments shows that, government securities, consisting of treasury bills, government stocks and bonds accounted for about 94.7 percent of total domestic debt, rising by TZS 36.32 billion or 4.6 percent from TZS 786.81 billion recorded in the previous quarter **Chart 5.6**).



Source: Debt Department - BOT

Domestic Debt by Creditor category

As at end of March 2003, Commercial Banks were the largest creditors, holding claims worth TZS 373.5 billion or 43.0 percent of the total domestic debt stock. Pension Funds ranked second, with claims amounting TZS 218.9 billion or 25.2 percent. Bank of Tanzania and Private Investors each held claims amounting TZS 201.5 billion and TZS 30.3 billion or 23.2 percent and 3.5 percent respectively. Non Bank Financial Institutions and Insurance Companies claims accounted for 3.2 and 1.7 percent, each respectively. Other Official Entities and BOT-Special Fund altogether held 0.3 percent of total claims (**Chart 5.7**).



S

Source: Debt Department – BOT.

Domestic Debt Service

A total of TZS 128.5 billion, fell due for payment during the third quarter of 2002/2003. Out of the total amount, TZS 110.9 billion or 86.3 percent was principal which was rolled over, while the remaining TZS 17.5 billion or 13.7 percent was interest that was paid out of government revenue.

Table 5.1: Total Debt

	2001/02		2002/2003		Q2	% age Change	Q3	% age Change
	Q3	Q4	Q1	% age Change				
A.External Debt Stock (A.1+A.2)	7099.6	7464.0	7281.7	-2.44	7384.7	1.41	7072.5	-4.23
A.1. Disbursed debt by Creditor (DOD mill.USD)	6263.3	6559.7	6366.0	-2.95	6413.4	0.74	6095.2	-4.96
1. Bilateral Loans	2184.5	2277.1	2097.9	-7.87	2104.7	0.32	1676.7	-20.34
2. Multilateral Loans	3626.1	3808.5	3791.5	-0.45	3827.6	0.95	3941.6	2.98
3. Commercial Loans	278.2	302.5	304.5	0.66	306.6	0.69	303.4	-1.04
4. Other private Loans	174.5	171.6	172.1	0.29	174.5	1.39	173.5	-0.57
A.2. Interest Arrears (million USD)	836.3	904.3	915.7	1.26	971.3	6.07	977.3	0.62
5. Bilateral Loans	483.5	522.7	524.3	0.31	553.1	5.49	556.8	0.67
6. Multilateral Loans	44.8	54.1	55.3	2.22	62.1	12.30	57.6	-7.25
7. Commercial Loans	207.5	222.2	229.7	3.38	242.6	5.62	249.2	2.72
8. Other private Loans	100.5	105.3	106.4	1.04	113.5	6.67	113.7	0.18
B. Domestic Debt Stock (USD Equiv. million)	832.87	864.48	851.68	-1.48	891.64	4.69	843.70	-5.38
(9:11, TZS. billion)	817.28	818.60	825.67	0.86	870.51	5.43	869.14	-0.16
9. Government Securities(9.1:9.4)	786.81	788.13	796.13	1.02	823.88	3.49	823.13	-0.09
9.1 Treasury Bills	169.89	172.73	196.49	13.76	267.61	36.20	270.73	1.17
9.2 Government Stocks	227.80	227.80	208.61	-8.42	126.31	-39.45	126.31	0.00
9.3 Government Bonds	389.06	387.54	390.97	0.89	429.90	9.96	426.03	-0.90
9.4 Tax Certificates	0.06	0.06	0.06	0.00	0.06	0.00	0.06	0.00
10. Other Government Debts	30.39	30.39	29.45	-3.09	45.92	55.93	45.92	0.00
11. Interest Arrears	0.08	0.08	0.09	12.50	0.71	688.89	0.09	-87.32
C. Total Debt Stock (A+ B)	7932.5	8328.5	8133.4	-2.3	8276.3	1.8	7916.2	-4.4
GDPfc USD (mill)	8739.0	8739.0	9099.0		9099.0		9099.0	
D. Total Debt % of GDP	90.8	95.3	89.4		91.0		87.0	

SOURCE: BOT AND TREASURY

6.0 External Sector Developments

The balance of payments for Tanzania during the first quarter of 2003 was characterized by a widening current account deficit, that reduced substantially the overall balance from a surplus of USD 174.8 million recorded during the previous quarter, to a deficit of USD 5.4 million (Table 6.1). However, when compared with the corresponding quarter of 2002, the current account deficit improved by 41.3 percent mainly due to improved performance in both trade and current transfers. The capital and financial account also recorded an improvement of 64.4 percent during the review quarter compared with an improvement of 105.5 percent recorded during the quarter ending December 2002.

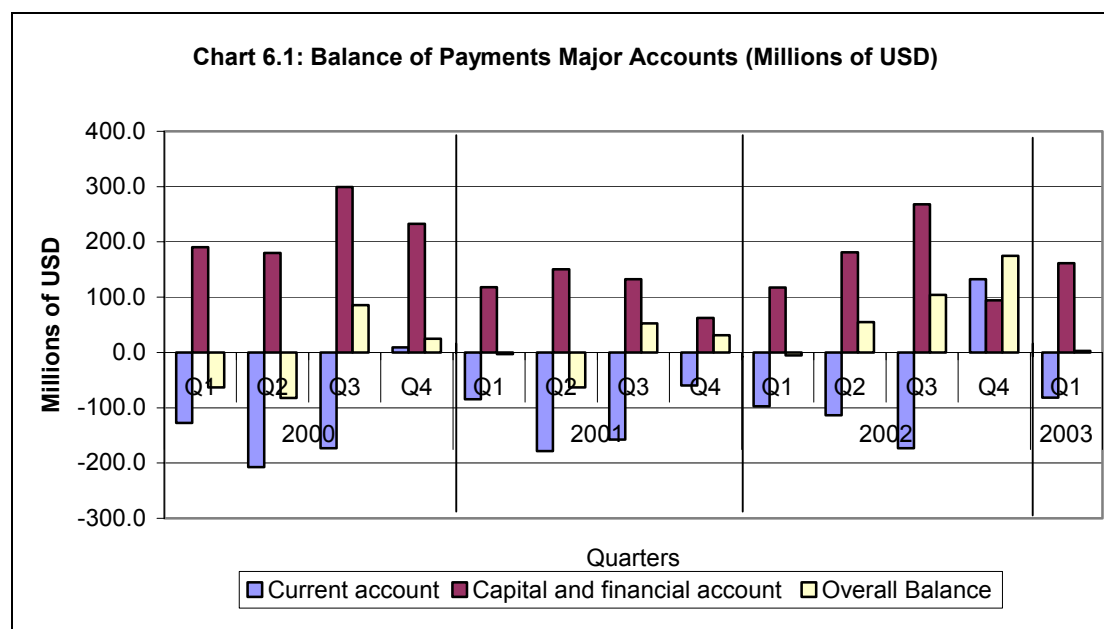


Table 6.1: Tanzania's Quarterly Balance of Payments

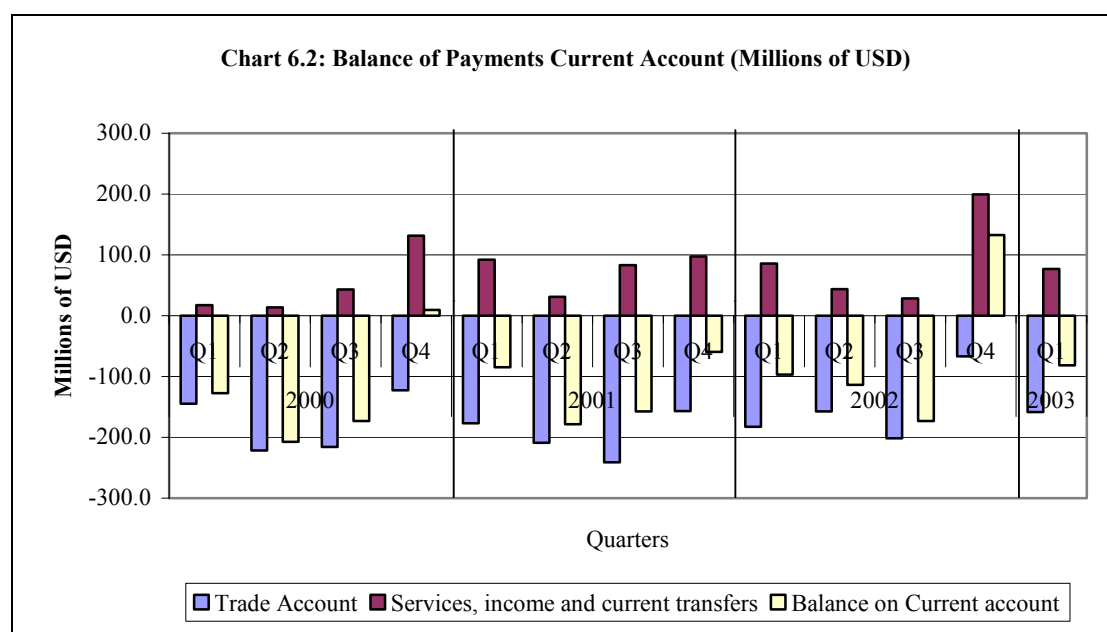
Millions of USD

	Q4-2002	Q1-2003	%change	Q1-2002	Q1-2003	%change	
A. Current Account	133.3	-56.7	-142.5	-96.5	-56.7	-41.3	
Goods: exports f.o.b.	315.1	243.1	-22.9	191.6	243.1	26.9	
Traditional	111.8	55.9	-50.0	50.2	55.9	11.4	
Nontraditional	203.3	187.2	-8.0	141.4	187.2	32.3	
Goods: imports f.o.b.	-382.0	-401.5	5.1	-374.4	-401.5	7.2	
<i>Balance on Goods</i>	<i>-66.9</i>	<i>-158.4</i>	<i>136.7</i>	<i>-182.8</i>	<i>-158.4</i>	<i>-13.4</i>	
Services: credit	192.7	179.4	-6.9	151.3	179.4	18.6	
Transportation	16.1	24.6	52.6	14.5	24.6	69.1	
Travel	121.9	109.8	-9.9	100.0	109.8	9.9	
Other	54.7	45.0	-17.7	36.8	45.0	22.3	
Services: debit	-156.8	-198.7	26.7	-166.7	-198.7	19.1	
Transportation	-41.9	-47.1	12.4	-43.6	-47.1	8.1	
Travel	-75.1	-79.5	5.9	-81.9	-79.5	-2.9	
Other	-39.8	-72.0	80.9	-41.2	-72.0	74.8	
<i>Balance on Services</i>	<i>35.9</i>	<i>-19.3</i>	<i>-153.6</i>	<i>-15.4</i>	<i>-19.3</i>	<i>24.7</i>	
<i>Balance on Goods and Services</i>	<i>-31.0</i>	<i>-177.7</i>	<i>472.3</i>	<i>-198.3</i>	<i>-177.7</i>	<i>-10.4</i>	
Income: credit	15.3	18.3	19.9	18.3	18.3	-0.1	
Income: debit	-18.9	-34.2	80.5	-22.2	-34.2	53.9	
Direct investment income	-1.4	-5.8	314.2	0.0	-5.8	-	
Interest payments (scheduled)	-13.2	-23.5	78.5	-16.4	-23.5	43.6	
Compensation of employees	-4.3	-4.8	10.8	-5.8	-4.8	-17.3	
<i>Balance on income</i>	<i>-3.7</i>	<i>-15.9</i>	<i>331.3</i>	<i>-3.9</i>	<i>-15.9</i>	<i>306.9</i>	
Balance on Goods, Services and Income	-34.7	-193.6	457.3	-202.2	-193.6	-4.3	
Current transfers	168.0	136.8	-18.6	105.6	136.8	29.5	
Current transfers: credit	181.1	150.2	-17.0	118.7	150.2	26.6	
Government	169.8	134.1	-21.0	107.4	134.1	24.8	
o/w Multilateral HIPC relief	17.2	17.0	-1.0	17.2	17.0	-1.0	
Other Sectors	11.3	16.2	43.0	11.3	16.2	43.0	
Current transfer: debit	-13.1	-13.4	2.4	-13.1	-13.4	2.5	
Capital and Financial account	94.0	193.2	105.5	117.6	193.2	64.4	
B. Capital Account	88.5	91.0	2.8	88.5	91.0	2.8	
Capital transfers	88.5	91.0	2.8	88.5	91.0	2.8	
General Government	81.0	80.2	-1.0	81.0	80.2	-1.0	
Project	81.0	80.2	-1.0	81.0	80.2	-1.0	
Program	0.0	0.0	-	0.0	0.0	-	
Debt forgiveness	0.0	0.0	-	0.0	0.0	-	
Other sectors	7.5	10.8	43.3	7.5	10.8	43.3	
Capital transfers:debit	0.0	0.0	-	0.0	0.0	-	
Total, Groups A plus B	221.8	34.3	-84.5	-8.0	34.3	-528.9	
C. Financial Account, excl. reserves and related items	5.5	102.2	1761.9	29.0	102.2	252.2	
Direct investment abroad	0.0	0.0	-	0.0	0.0	-	
Direct investment in Tanzania	60.1	62.0	3.1	60.1	62.0	3.1	
Portfolio investment	0.0	0.0	-	0.0	0.0	-	
Other investment	-54.6	40.3	-173.7	-31.1	40.3	-229.6	
Assets	-55.9	-15.0	-73.2	-53.5	-15.0	-72.0	
Currency and deposits	-55.9	-15.0	-73.2	-53.5	-15.0	-72.0	
Banks	-55.9	-15.0	-73.2	-53.5	-15.0	-72.0	
Other sectors	0.0	0.0	-	0.0	0.0	-	
Liabilities	1.2	55.2	4353.4	22.4	55.2	146.3	
Trade credits	3.3	3.3	0.0	3.3	3.3	2.0	
Loans	-10.8	40.4	-474.7	19.8	40.4	103.7	
General government	9.3	51.4	452.3	19.6	51.4	162.3	
Drawings	44.3	73.2	65.4	44.3	73.2	65.4	
Repayments	-34.9	-21.8	-37.6	-24.7	-21.8	-11.6	
Scheduled p	-34.9	-21.8	-37.6	-24.7	-21.8	-11.6	
Rescheduled	0.0	0.0	-	0.0	0.0	-	
Banks	-0.1	-0.9	753.5	-1.1	-0.9	-20.1	
Other sectors	-20.0	-10.1	-49.3	1.3	-10.1	-859.8	
Drawings	0.5	0.0	-100.0	10.7	0.0	-100.0	
Repayments	-20.5	-10.1	-50.5	-9.4	-10.1	8.1	
Scheduled p	-20.5	-10.1	-50.5	-9.4	-10.1	8.1	
Currency and deposits	8.7	11.5	32.6	-0.7	11.5	-1854.1	
Other liabilities	0.0	0.0	-	0.0	0.0	-	
<i>Total, Groups A through C</i>	<i>227.3</i>	<i>136.5</i>	<i>-39.9</i>	<i>21.0</i>	<i>136.5</i>	<i>549.3</i>	
D. Net Errors and Omissions	-52.5	-141.9	170.5	-26.1	-141.9	443.3	
<i>Overall balance (Total, Groups A through D)</i>	<i>174.8</i>	<i>-5.4</i>	<i>-103.1</i>	<i>-5.1</i>	<i>-5.4</i>	<i>6.2</i>	
E. Reserves and Related Items	-174.8	5.4	-103.1	5.1	5.4	6.2	
Reserve assets	-192.4	-17.1	-91.1	-2.6	-17.1	562.9	
Use of Fund credit and loans	6.5	2.5	-61.8	6.5	2.5	-61.8	
Exceptional financing	11.1	20.1	81.3	1.2	20.1	1595.9	
Rescheduled debt	0.0	0.0	-	0.0	0.0	-	
Debt forgiveness	0.0	0.0	-	0.0	0.0	-	
Interest arrears	5.3	14.6	174.2	2.0	14.6	-	
Principal arrears	5.8	5.5	-4.5	-0.8	5.5	-782.3	

Source:Bank of Tanzania

6.1 Current account

The current account balance during the quarter under review, is estimated to have decreased from a surplus of USD 133.3 million in the previous quarter to a deficit of USD 56.7 million. The deterioration of the current account balance was largely due to poor performance of the goods and services account. Net current transfers also declined by almost 18.6 percent from the level of USD 168.0 million recorded during the previous quarter to USD 136.8 million.



6.2 Goods Export

During the quarter under review, total goods exports declined by 22.9 percent to USD 243.1 million from USD 315.1 million recorded in quarter ending December 2002. This was attributed to poor performance in both traditional and non-traditional exports. However, when compared with the corresponding quarter of 2002, total exports increased by 26.9 percent.

Table 6.2: Tanzania Exports by type of Commodity

Traditional Commodities	Millions of USD					
	October-December	January-March	%	January-March		%
	2002	2003	change	2002	2003p	Change
COFFEE						
Value	14.7	20.1	36.7	12.8	20.1	57.0
Volume	14.6	16.0	9.6	13.1	16.0	22.1
Unit Price	1,006.8	1,256.3	24.8	977.1	1,256.3	28.6
COTTON						
Value	16.3	11.8	-27.6	4.4	11.8	168.2
Volume	18.8	13.2	-29.8	4.6	13.2	187.0
Unit Price	867.0	893.9	3.1	956.5	893.9	-6.5
SISAL						
Value	1.9	1.5	-21.1	1.6	1.5	-6.3
Volume	3.5	3.0	-14.3	3.4	3.0	-11.8
Unit Price	542.9	500.0	-7.9	470.6	500.0	6.2
TEA						
Value	9.1	8.3	-8.8	8.2	8.3	1.2
Volume	7.6	7.0	-7.9	6.7	7.0	4.5
Unit Price	1,197.4	1,185.7	-1.0	1,223.9	1,185.7	-3.1
TOBACCO						
Value	27.8	8.1	-70.9	17.9	8.1	-54.7
Volume	11.3	4.5	-60.2	8.9	4.5	-49.4
Unit Price	2,460.2	1,800.0	-26.8	2,011.2	1,800.0	-10.5
CASHEWNUTS						
Value	39.4	2.9	-92.6	5.2	2.9	-44.2
Volume	66.9	4.9	-92.7	8.1	4.9	-39.5
Unit Price	588.9	591.8	0.5	642.0	591.8	-7.8
CLOVES						
Value	2.5	3.4	36.0	0.2	3.4	1,600.0
Volume	0.7	1.5	114.3	0.03	1.5	4,900.0
Unit Price	3,571.4	2,266.7	-36.5	6,666.7	2,266.7	-66.0
SUB TOTAL	111.7	56.1	-49.8	50.3	56.1	11.5
Non-Traditional Exports						
Minerals	104.3	101.3	-2.9	81.3	101.3	24.6
Gold	91.2	87.5	-4.1	75.1	87.5	16.5
Diamond	7.5	9.9	32.0	2.0	9.9	395.0
Other minerals	5.6	3.9	-30.4	4.2	3.9	-7.1
Non-Minerals	99.1	85.8	-13.4	60.1	85.8	42.8
Manufactured Goods	23.2	14.9	-35.8	11.9	14.9	25.2
Cotton Yarn	1.5	0.7	-53.3	0.8	0.7	-12.5
Manufactured Coffee	0.1	0.2	100.0	0.2	0.2	0.0
Manufactured Tobacco	0.0	0.2	--	0.0	0.2	0.0
Sisal Products (Yarn & T	0.6	0.5	-16.7	0.5	0.5	0.0
Other manufactured Goo	21.0	13.3	-36.7	10.4	13.3	27.9
Fish and Fish Products	27.1	30.3	11.8	25.9	30.3	17.0
Horticultural products	3.5	4.5	28.6	2.5	4.5	80.0
Others Exports	45.3	36.1	-20.3	19.8	36.1	82.3
SUB TOTAL	203.4	187.1	-8.0	141.4	187.1	32.3
GRAND TOTAL	315.1	243.2	-22.8	191.7	243.2	26.9

* Year ending February

NOTE:

p = Provisional data.

Volume in '000 Tons; Value in '000,000 USD; Unit Price in USD/Ton

-- implies very large number

SOURCE: Bank of Tanzania, TRA

Overall, all traditional exports declined by almost 50.0 percent, mainly due to price and volume factors, except for coffee and cloves. However, export volume for cloves was exceptionally high owing to resumption of

crop purchasing by the Zanzibar State Trading Corporation (ZSTC) in December 2002. Also export unit prices for coffee improved by 28.6 percent in line with developments in the world market.

Non-traditional exports also declined by almost 8.0 percent mainly due to poor performance in minerals, manufactured and other exports. During the quarter under review, gold exports decreased by 4.1 percent from the previous quarter levels while other exports declined by 20.3 percent.

6.3 Goods Import

During the quarter under review, total imports (f.o.b) increased by 5.1 percent to USD 401.5 million, from USD 382.0 million recorded in the preceding quarter. This was mainly due to increased importation of capital goods that went up by 12.7 percent. The increase in capital goods imports mainly associated with the surge in the importation of transport equipment.

Conversely, intermediate goods import declined marginally by 0.6 percent while consumer goods imports remained virtually unchanged at 0.1 percent.

Table 6.3: Tanzania Imports (By Major Categories)

IMPORT CATEGORY	October-December	January-March	% change	January-March		% change
	2002	2003		2002	2003p	
CAPITAL GOODS	158.2	178.3	12.7	181.4	178.3	-1.7
Transport Equipment	49.1	72.7	48.1	62.5	72.7	16.3
Building and Construction Equipment	37.4	31.2	-16.6	27.7	31.2	12.6
Machinery	71.7	74.4	3.8	91.2	74.4	-18.4
INTERMEDIATE GOODS	101.7	101.1	-0.6	85.8	101.1	17.8
Oil imports	40.7	48.1	18.2	42.8	48.1	12.4
Fertilizers	7.5	1.6	-78.7	1.2	1.6	33.3
Industrial Raw materials	53.5	51.4	-3.9	41.8	51.4	23.0
CONSUMER GOODS	122.2	122.3	0.1	107.3	122.3	14.0
Food and foodstuffs	29.9	31.4	5.0	33.4	31.4	-6.0
All other consumer goods	92.3	90.9	-1.5	73.9	90.9	23.0
GRAND TOTAL (F.O.B)	382.1	401.7	5.1	374.5	401.7	7.3
GRAND TOTAL (C.I.F.)	419.9	441.4	5.1	411.5	441.4	7.3

Note: Oil imports refers to refined petroleum products

p = Provisional data

Source: Bank of Tanzania, TRA

6.4 Services Account

The Services account recorded a deficit of USD 19.3 million during the review period, down from a surplus of USD 35.9 million recorded during the preceding quarter. This development was attributed to decreased services receipts coupled with increased services payments. The decline in service receipts was largely associated with a fall in travel receipts on account of the fact that the quarter under review was an off-season period for tourism activities.

6.5 Income Account

The income account worsened significantly during the review period mainly scheduled interest payments that rose from USD 13.2 million during the quarter ending December 2002, to USD 23.5 million in the review quarter (**Table 6.4**).

Inflows of official current transfers declined by 21.0 percent during the quarter ending March 2003 to USD 134.1 million from USD 169.8 million recorded in the previous quarter. The inflows of official current transfers were exceptionally high during the quarter ending December 2002 due to the relatively higher donor disbursements for program assistance under Poverty Reduction Budget Support (PRBS) and sectoral basket funds.

Table 6.4: Tanzania - Services and Income Sector Developments

Millions of USD

		January - March		
		2002	2003 ^P	%change
A. Services Account	Net	-15.5	-19.3	24.2
	Receipt	151.3	179.4	18.6
	Payment	166.8	198.7	19.1
1. Transportation	Receipt	14.5	24.6	69.1
	Payment	43.7	47.1	7.9
<i>o/w freight payment</i>	Payment	36.0	38.4	6.9
2. Travel	Receipt	100.0	109.8	9.9
	Payment	81.9	79.5	-2.9
3. Communication Services	Receipt	2.5	4.8	93.5
	Payment	7.3	24.4	--
4. Construction services	Receipt	0.0	0.0	0.0
	Payment	0.7	4.1	--
5. Insurance Services	Receipt	4.4	4.3	-1.8
	Payment	8.9	7.8	-13.1
6. Financial Services	Receipt	0.6	1.0	89.3
	Payment	0.2	2.1	--
7. Computer and Information Services	Receipt	0.4	0.0	-98.2
	Payment	0.5	0.0	-90.8
8. Royalties and License fees	Receipt	0.0	0.0	0.0
	Payment	0.1	0.4	--
9. Other Business Services	Receipt	15.3	17.6	15.2
	Payment	8.9	13.2	47.9
10. Personal, Cultural and Recreational Service	Receipt	0.0	3.3	--
	Payment	0.0	0.8	--
11. Government Services n.i.e	Receipt	13.7	13.9	1.2
	Payment	14.6	19.3	31.8
B. Income Account	Net	-6.9	-15.9	--
	Receipt	18.3	18.3	-0.1
	Payment	25.2	34.2	35.8
1. Compensation of Employees	Receipt	1.4	1.5	8.8
	Payment	5.8	4.8	-17.3
2. Investment Income	Receipt	17.0	16.8	-0.8
	Payment	19.4	29.4	51.8
<i>o/w interest payment</i>	Payment	19.4	23.5	21.6

Source: Commercial Banks, Non-bank Financial Institutions, BoT.

^P provisional figures

Note:

- = Small value

-- = Very big value

--- = Information not available

6.6 Capital and financial account

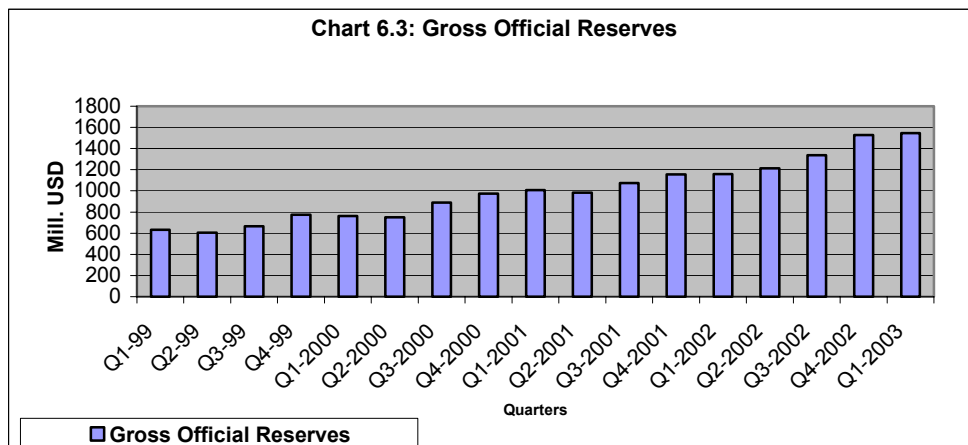
The balance on the capital and financial account improved from a surplus of USD 94.0 million recorded in the previous quarter, to a surplus of USD 193.2 million. The main contributing factor towards this improvement was the relative decline in banks foreign assets⁴ from USD 55.9 million during the preceding quarter, to USD 15.0 million during the quarter under review. The relatively higher level of banks foreign assets during the quarter ending December 2002 was partly associated with the proceeds from the privatization of Air Tanzania Corporation (ATC) through which TZS. 20 billion or USD 20.0 million was realized.

Other long-term investments, dominated by government debt recorded a net surplus of USD 40.4 million, during the period under review compared with a deficit of USD 10.8 million recorded during the previous quarter. The improvement was largely explained by the decline in government debt service obligations, resulting from the debt relief received under the HIPC initiative in 2002.

⁴ A negative represents increase in foreign assets while a decrease in assets is represented by a positive in the balance of payments.

6.7 Gross Reserves

During the review period, total stock of international reserves in USD terms increased by 1.1 percent to USD 1,546.1 million from USD 1,529.0 million recorded in the quarter ending December 2002. However, when compared with the corresponding quarter in 2002, international reserves increased by 33.4 percent.



7.0 Economic Developments in Tanzania Zanzibar

7.1 Government Finance

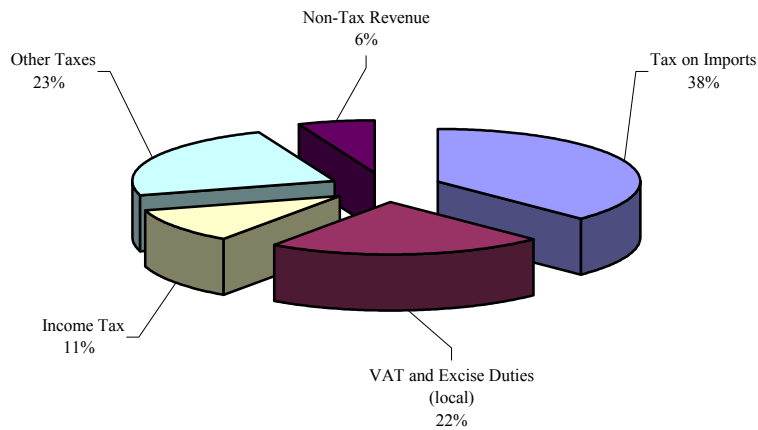
Overall Performance

During the third quarter of the fiscal year 2002/03, the Zanzibar Government budgetary operations, on cheque issues basis recorded an overall deficit of TZS 4.0 billion before grants, slightly lower than the deficit of TZS 4.2 billion recorded in the previous quarter ending December 2002. After considering grants amounting to TZS 3.1 billion, the budget registered an overall deficit of TZS 0.8 billion.

Revenue Performance

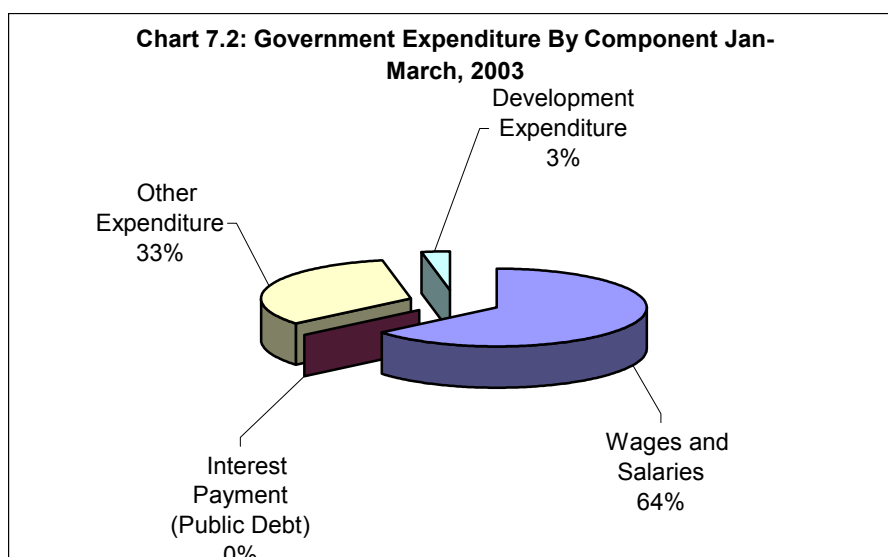
Total revenue collections decreased by 7.8 percent to TZS 11.6 billion from the amount of TZS 12.6 billion registered in the preceding quarter. Both tax and non-tax revenue sources declined by 6.9 percent and 20.1 percent respectively, due to reduced trade and tourism activities. Cumulatively, between July and March 2003, total revenue collections amounted to TZS 35.2 billion, or 53.0 percent of the annual target TZS 66.5 billion.

Chart 7.1: Government Revenues By Source Jan-March, 2003



Government Expenditure

During the quarter ending March 2003, total expenditure slightly declined by 7.6 percent, from TZS 16.8 billion recorded during the previous quarter to TZS 15.5 billion. Recurrent expenditure amounted to TZS 15.1 billion accounting for 97.0 percent of total government expenditure. Development expenditure amounted to TZS 0.5 billion or 3.0 percent. The decrease in recurrent expenditure was mainly attributed to decreases in other expenditures, including the non servicing of the public debt.



Financing

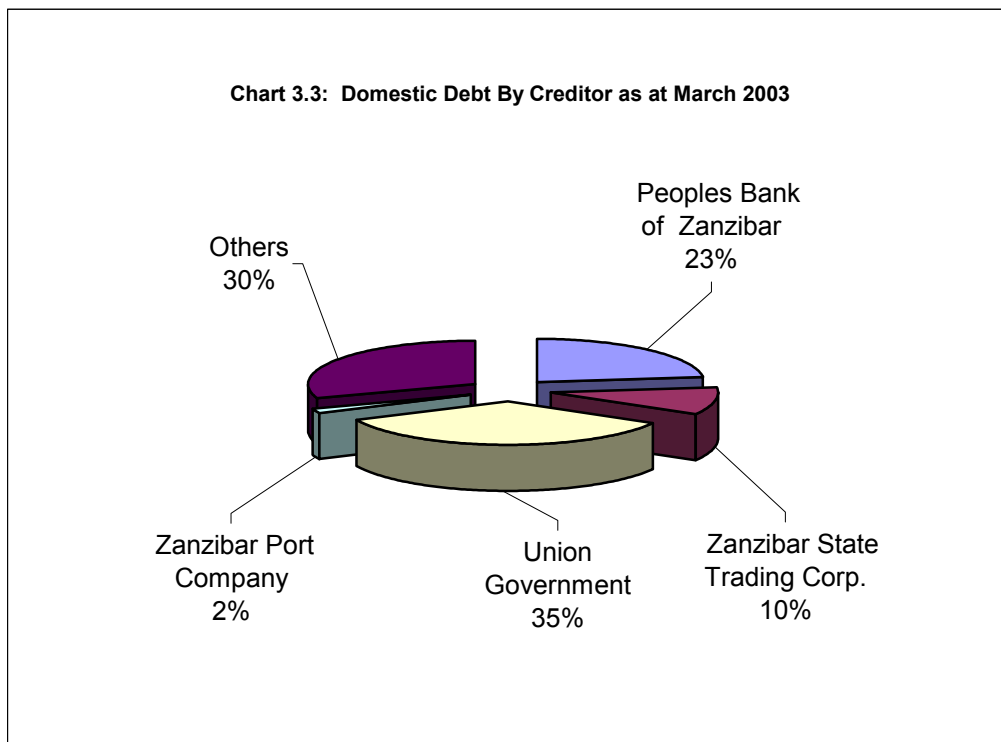
During the quarter under review, the government financed its expenditure from domestic sources and grants from the Union Government to the tune of TZS 3.1 billion. It also borrowed from non-bank sources (treasury bills) to the tune of TZS 1.8 billion.

7.2 Debt Developments

Total debt stock (external and domestic) as at the end of March 2003, stood at TZS 110.0 billion equivalent to USD 104.6 million. External debt stood at TZS 70.6 billion or USD 67.2 million, accounting for 64.2 percent of total debt, while domestic debt stood at TZS 39.3 billion or USD 37.4 million, accounting for 35.8 percent.

Domestic Debt

During the quarter ending March 2003, domestic debt increased by 61.7 percent, from TZS 24.3 billion recorded during the corresponding period in 2002 to TZS 39.3 billion. The increase was mainly due to new government borrowing, outstanding interest payments, and debts due to domestic suppliers and outstanding pension claims.



Domestic Debt by Creditors

Domestic debt by creditor shows that, the Zanzibar Government owed the Union Government to the tune of TZS 13.6 billion, accounting for 34.6 percent of the total domestic debt. The People’s Bank of Zanzibar (PBZ) claims amounted to TZS 9.1 billion or 23.1 percent of total domestic debt. The Zanzibar State Trading Corporation (ZSTC) was owed TZS 4.1 billion, accounting for 10.3 percent of total domestic debt. Zanzibar Port Company (ZPC) claims amounted to TZS 0.7 billion, or 1.8 percent. Other creditor claims amounted to TZS 11.9 billion, or 30.2 per cent of the total domestic debt.

Domestic Debt by Instruments

Domestic debt by instruments shows that, the Zanzibar Government’s advances or overdrafts from the Union Government amounted to TZS

13.6 billion or 34.6 per cent of total domestic debt. Long-term loans amounted to TZS 9.1 billion or 23.1 per cent. Government stocks amounted to TZS 4.1 billion or 10.3 per cent. Treasury bills amounted to TZS 3.1 billion or 8.0 per cent. Short-term loans amounted to TZS 0.7 billion or 1.8 percent and other instruments amounted to TZS 8.7 billion, or 22.2 per cent.

The quarterly debt analysis indicates that, long-term borrowing increased by 26.0 percent to TZS 9.1 billion, from TZS 7.2 billion recorded during the quarter ended March 2002, mainly due to accrued interest arrears. Government stocks however, increased substantially following conversion of short-term loans into stocks, and inclusion of interest arrears.

Table 7.1: Zanzibar Domestic Debt By Instrument in Millions of TZS

Instrument	Mar-02	Mar-03	% Composition	% Change
Advances by SMT	13,604.04	13,604.04	34.57	0.00
Short term Loan	2,870.69	709.47	1.80	-75.29
Long term loans	7,221.43	9,099.01	23.12	26.00
Government stocks	632.31	4,050.31	10.29	540.56
Treasury bills	0.00	3,145.59	7.99	0.00
Other Instrument	0.00	8,740.99	22.21	0.00
TOTAL	24,328.47	39,349.41	100.00	61.74

GDP TZS 208,085 mn

Domestic Debt/GDP 18.9%

Source: Ministry of Finance Zanzibar.

Domestic Debt by Maturity

Debts with maturity of less than two years amounted to TZS 7.3 billion or 18.5 percent of total domestic debt. Those with maturity of between 2 to

5 years amounted to TZS 9.1 billion or 23.1 percent. Pension claims amounted to TZS 23.0 billion or 58.4 percent. Arrears amounted to TZS 2.9 billion or 0.01 percent.

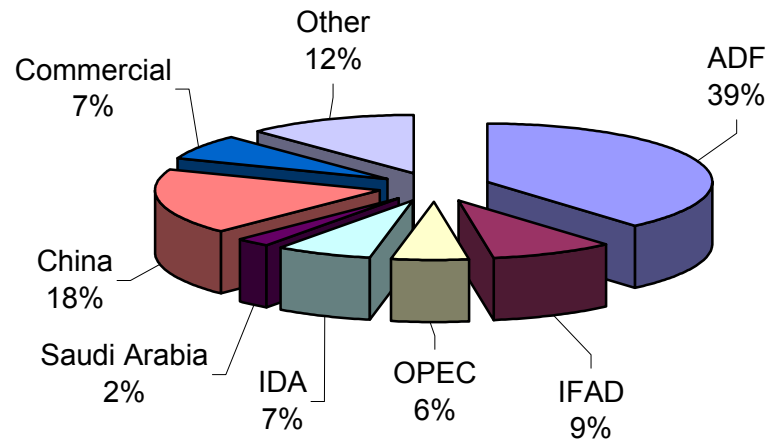
External Debt

The Zanzibar Government external debt as at end March 2003, increased by 16.4 percent to USD 67.2 million, from USD 57.8 million recorded in the corresponding quarter in 2002. The increase was a result of the on going reconciliation of the external debt database by both the Union Government sources and the Zanzibar Government. There was however, no new external borrowing during the review period.

External Debt by Creditor Category

The external debt portfolio shows that, multilateral debts amounted to USD 40.4 million or 60.4 per cent of total external debt. African Development Fund (ADF) debts alone amounted to USD 26.0 billion or 64.2 percent of total multilateral debt. Bilateral debts amounted to USD 13.9 million or 20.8 per cent with China's debt accounting for 88.2 percent of total bilateral debt. Commercial debts and other debts amounted to USD 4.6 million, and USD 8.5 million accounting for 6.7 percent and 12.1 percent respectively.

Chart 7.4: External Debt composition by creditors as at March 2003



External Debt by Maturity

Debts with maturity of above 20 years amounted to USD 40.7 million or 60.5 per cent. Those with maturity of between 10 to 20 years amounted to USD 5.0 million or 7.4 per cent. Debts with maturity of between 5 to 10 years amounted to USD 8.2 million or 12.1 percent. Arrears amounted to USD 13.4 million or 20.0 per cent.

Table 7.2: External Debt – By Maturity in Millions of USD

PERIOD	Millions of USD			
	Mar-02	Mar-03	Composition	% Change
-				
Arrears	13.36	13.36	19.89	0.00
5-10 Years	7.03	8.15	12.13	15.93
10-20 Years	4.60	5.00	7.44	8.70
-				
>20 Years	32.73	40.67	60.54	24.26
TOTAL	57.72	67.18	100	16.39

GDP TZS 208,085 mn

External Debt/ GDP 27.07%

Source: Ministry of Finance Zanzibar.

7.3 Foreign Trade Developments

Trade balance

During January-March 2003, the trade account (goods and services) recorded a slightly lower deficit of USD 6.0 million, compared with the deficit of USD 6.1 million, recorded during the corresponding period in 2002. The improvement was due to the relative higher change in the value of exports, which outweighed the change in value of imports of goods and services.

Table 7.1: Trade Account (Goods and services)

Trade account	Millions of USD			
	Item	January-March		% Change
		2002	2003	
Exports	10.03	11.90	18.66	
Goods	1.02	3.38	231.55	
Services	9.01	8.52	-5.44	
Imports	16.09	17.85	10.94	
Goods (fob)	10.78	12.34	14.47	
Services	5.31	5.51	3.77	
Trade Balance	-6.06	-5.95	-1.85	

Source: Tanzania Revenue Authority and ZSTC

Goods account

During the period under review, the Zanzibar's goods account deteriorated by 7.6 percent, to a deficit of USD 9.0 million, from a deficit of USD 8.4 million recorded during the corresponding period in 2002. The deterioration is explained by a much higher value of imports relative to exports.

Table 7.2: Goods Account

Millions of USD

Item	January-March		% Change
	2002	2003	
Exports	1.02	3.38	231.55
Imports (fob)	9.38	12.34	31.56
Trade Balance	-8.36	-8.96	7.16

Source: Tanzania Revenue Authority and ZSTC.

Exports

During the period under review, total exports increased from USD 1.0 million recorded during the corresponding period in 2002 to USD 3.4 million. Traditional exports contributed more to this improvement following increased clove exports.

The volume of clove exports increased substantially from 30.0 tons exported in corresponding period in 2002 to 1,300.0 tons during the period under review. However despite the increase in volume, unit prices for cloves declined from USD 5,560.2 per ton recorded during the corresponding period in 2002 to USD 2,069.2 per ton. The decline in unit prices was attributed to the surge in clove production in Indonesia (major clove importer), which also restricted clove imports.

Non-traditional exports declined by 10.8 percent to USD 0.19 million from USD 0.21 million recorded during the corresponding quarter in 2002. Manufactured goods declined most, followed by fish and fish produce while other non-traditional exports rose significantly.

Table 7.3: Zanzibar Exports by type of Commodity

Traditional Commodities	2002	2003	%Change
Cloves			
Value *	0.17	3.33	1,512.66
Volume *	0.03	0.22	4,233.33
Unit Price *	5,560.17	2,069.23	-62.78
Seaweeds			
Value	0.64	0.50	-21.70
Volume	2.90	2.50	-13.74
Unit Price	749.96	200.16	-73.31
SUB TOTAL	0.81	3.19	295.59
Non-Traditional Exports			
Manufactured Goods	0.16	0.05	-65.14
Fish and Fish Produce	0.03	0.02	-43.40
Horticultural produce	0.00	0.00	
Others Exports	0.03	0.12	314.93
SUB TOTAL	0.21	0.19	-10.79
GRAND TOTAL	1.02	3.38	231.37

* As per ZSTC.

SOURCE: TRA, Customs Department and ZSTC.

Notes

* Provisional data subject to revision

NOTE: Volume in '000 Tons; Value in '000,000 USD; Unit Price in USD/Ton

Imports

During the period under review, overall imports (c.i.f.) increased by 31.5 percent to USD 14.2 million, from USD 10.8 million recorded during the corresponding period in 2002. Capital goods imports increased most, followed by consumer goods imports. Intermediate goods imports however declined with industrial raw materials declining most.

Table 7.4: Zanzibar Imports (C.I.F By Major Categories)

IMPORT CATEGORY	2002	2003	% Change
CAPITAL GOODS	2.60	4.76	82.98
Transport Equipments	1.13	1.99	76.66
Building and Constructions	0.21	0.51	144.48
Machinery	1.27	2.26	78.43
INTERMEDIATE GOODS	4.22	3.62	-14.14

Oil imports	3.00	2.89	-3.54
Fertilizers	0.00	0.00	
Industrial raw materials	1.22	0.73	-40.20
CONSUMER GOODS	3.96	5.79	46.34
Food and food stuffs	1.80	3.36	87.14
All other consumer goods	2.16	2.43	12.48
Imports fob	9.38	12.34	31.52
GRAND TOTAL	10.78	14.18	31.52

Source: TRA, Customs Department

Note: Imports estimated on the basis of SBE forms from TRA,
Value in Millions of USD

Combined Services and Income Account

During the period under review, the combined income and services account (net) declined by 18.2 percent, from USD 3.7 million recorded during the corresponding period in 2002 to USD 3.1 million. The decline was attributed to increase in foreign payments coupled with a decline in foreign receipts. The decline in foreign receipts followed a fall in the flow of tourists to Zanzibar resulting from the fear of terrorist attacks as cautioned by US and UK authorities.

Service Account

The non-factor services account (net) recorded a surplus of USD 3.0 million, which was lower than the surplus of USD 3.7 million recorded during the corresponding quarter in 2002. The deterioration was due to an increase in non-factor service payments coupled with the decline in non-factor services receipts.

Income Account

The income account improved slightly by recording a surplus of USD 0.05 million, compared with a surplus of USD 0.04 million recorded during the corresponding period in the 2002. This was due to increased income receipts.

Table 7.5 : Service and Income Sector Developments

Millions of USD

		January-March		
		2002	2003*	% Change
Service And Income Account	Net	3.74	3.06	-18.18
	Receipt	9.05	8.57	-5.30
	Payment	5.31	5.51	3.77
A. Services Account	Net	3.7	3.01	-18.65
	Receipt	9.01	8.52	-5.44
	Payment	5.31	5.51	3.77
B. Income Account	Net	0.04	0.05	25.00
	Receipt	0.04	0.05	25.00
	Payment	0	0	0.00

Source: Commercial Banks, Non-bank Financial Institutions, and BOT

MANAGEMENT LIST

		Telephone
		Direct
D. T. S. Ballali	Governor	2112879
M. H. Mbaye	Deputy Governor	2112880

1. DIRECTORATE OF GOVERNOR'S OFFICE

J. S. Mhando	Director	2119312
J. B. Kimaro	Deputy Director, Communications	2135567
M. Mugo	Deputy Director, Special Duties	2138390
A.V. Haule	Deputy Director, Special Duties	2121429

2. DIRECTORATE OF PERSONNEL AND ADMINISTRATION

A. J. Liyumba	Director	2112701
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Personnel Management Department

J. N. S Makindi	Deputy Director	2115058
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Training and Development Department

S. Mahembe	Deputy Director	2110033
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Estate Management Department

P. Mutoni	Deputy Director	2114785
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Administrative Services Department

G. Maganga	Deputy Director	2115612
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3. DIRECTORATE OF BANKING

L. Kisarika	Director	2112703
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Banking Department

S. E. Balele	Deputy Director	2110750
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Currency Department

K.T. Mkango	Deputy Director	2118491
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Systems Operations Department

S.E. Jengo	Deputy Director	2137484
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4. DIRECTORATE OF BANK SUPERVISION

I. H. Mkila	Director	2118021
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Banks Supervision Department

H.B. Kessy	Deputy Director	2111294
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Non-Banks Department

M. Gasabile	Deputy Director	2114695
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**Operations & Policy
Review Department**

A.E.Kobello Deputy Director 2127467

5. DIRECTORATE OF ECONOMIC POLICY

P. M. Noni Director 2116612

A.J.Mengo Associate Director 2115614

Monetary & Financial Affairs Department

Dr. J. L. Masawe Deputy Director 2119405

International Economics Department

G. Mwakibolwa Deputy Director 2114900

Debt Management Department

T. Mwakilema Deputy Director 2115087

Macroeconomic & Financial Programs Department

P.L. Kadesha Deputy Director 2114901

Trade, Finance and Investment Policies Department

S.S. Mrutu Deputy Director 2121437

Real Sector Department

C. Kiliaki Deputy Director 2112704

6. DIRECTORATE OF FINANCE

E.P. Issangya Director 2114784

Domestic Accounts Department

J. Angello Deputy Director 2110096

Foreign Accounts Department

E. M. Boaz Deputy Director 2117901

7.DIRECTORATE OF FINANCIAL MARKETS

K. S. Mbatia Director 2112704

2118194

Domestic Markets Department

J. C. Ndissi Deputy Director 2114770

Foreign Markets Department

J. Mpelembwa Deputy Director 2112412

8. DIRECTORATE OF MANAGEMENT INFORMATION SYSTEMS

E. Makwaia Director 2115124

L. Katawanya Deputy Director

Systems Analysis and Administration Department

C. M. Kitwanga Deputy Director 2118162

Networks and Office Automation Department

T. N. Kalinjuna Deputy Director 2110505

9. DIRECTORATE OF MICROFINANCE

G. Rubambey Director 2138384

Micro-Finance Analysis and Policy Department

W. Tawe Deputy Director 2121781

Micro-Finance Operations Department

Deputy Director 2121785

10. DIRECTORATE OF NATIONAL PAYMENTS SYSTEMS

I. H. Kilato Director 2119346

Payment System Project Management Department

Deputy Director 2121742

J. M. B. Massawe

Payment System Oversight and Policy Department

Deputy Director 2127954

L. Kinunda

11. DIRECTORATE OF INTERNAL AUDIT

L. Chingwile Director 112704

Internal Audit I Department

R. Mwanga Deputy Director 2114901

Internal Audit II Department

O. Kitine	Deputy Director	2121437
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12. OFFICE OF THE SECRETARY TO THE BANK

Secretary to the Bank		2118163
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Legal & Contracts Department

B. Kimela	Deputy Director	2118032
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Investigation & Internal Security Department

	Deputy Director	2119314
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13. BANK OF TANZANIA TRAINING INSTITUTE MWANZA

W. Mgimwa	Principal	500027
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John Mlay	Director of Studies	500982
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A. C. Rukoijo	Deputy Director, Estate	
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B. A. Mbanga	Deputy Director Administration	
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14. BRANCH OFFICES

Arusha Branch

A.F. Bakari	Director	2502928
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F.N. Mrosso	Deputy Director, Operations	2508243
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V. Mulebya	Deputy Director, Economics	2508243
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Mbeya Branch

A.H.M. Mtengeti	Director	2504158
O. Katundu	Deputy Director, Operations	2503321
F. Rugemalira	Deputy Director, Economics	2503321
D. Mwakitalu	Deputy Director, Administration	2502700

Mwanza Branch

E. Semainda	Director	
S. Ajali	Deputy Director, Operations	2500074
D. Thewa	Deputy Director, Economics	2500074
A. Ndalaha	Deputy Director, Administration	2500024

Zanzibar Branch

B.N. Msami	Director	2230415
K.J. Jurango	Deputy Director Operations	2230803
S. Chiguma	Deputy Director, Economics	2230803
C. Kiponda	Deputy Director, Administration	2232687