



Bank of Tanzania

Monetary Policy Report

April 2026

Bank of Tanzania Monetary Policy Framework

The Bank of Tanzania is mandated to formulate and implement monetary policy, among others. Monetary policy involves actions or decisions taken to influence the amount of money circulating in the economy, which contributes to the determination of interest rates banks and financial institutions offer to customers.

Monetary policy's objectives are to maintain price stability, defined as a low and stable inflation rate over time, and to support economic growth. Inflation is measured as an annual change in the consumer price index, expressed in percentage. In the medium term (up to 5 years), the inflation target is 3-5 percent.

To fulfil these objectives, the Monetary Policy Committee (MPC) assesses economic conditions and determines the policy rate—Central Bank Rate (CBR)—which is consistent with maintaining low and stable inflation and supporting economic growth. The CBR is set to influence other interest rates in the economy. This influences consumers' and firms' decisions, thereby affecting inflation and output growth. The Bank of Tanzania implements monetary policy by steering the 7-day interbank interest rate, which is the operating target variable, along the CBR.

To align the operating target with the policy rate, the Bank uses a variety of monetary policy instruments. The main instruments are repurchase agreements (repo and reverse repo), 35-day and 91-day Treasury bills, statutory minimum reserve requirement ratio (SMR), and sale or purchase of foreign currency in the inter-bank foreign exchange market. There are also standing lending facilities—intraday and Lombard loans—that are granted to all banks on demand to facilitate smooth and efficient settlement of payments.

In implementing the Monetary Policy, the Bank exercises a high degree of transparency in its actions and decisions. The decisions of the MPC, which include setting policy rates, are communicated to banks through post-MPC meetings with Chief Executive Officers of banks and the public through the media. In addition, the Bank publishes MPC meeting statements, Monetary Policy Report, and other periodic reports containing outcomes of monetary policy implementation, monetary policy stance, decisions on policy rate, and the performance of the economy at large. The reports are available on the Bank of Tanzania website (www.bot.go.tz).

Contents

Summary	iv
Chapter 1: Monetary Policy	1
Chapter 2: Global economy.....	6
2.1 Economic growth	6
2.2 Inflation.....	7
2.3 Commodity prices.....	8
2.4 Global financial markets.....	9
Chapter 3: Domestic Economy.....	11
3.1 Output performance.....	11
3.2 Inflation.....	13
3.3 Monetary conditions.....	16
3.4 Banking sector and payment systems performance.....	21
3.5 Fiscal policy.....	22
3.6 External sector performance.....	25
3.7 Foreign Reserves	29

Summary

MPC maintains the Central Bank Rate at 5.75 percent

At its meeting held on 1st April 2026, the Monetary Policy Committee (MPC) maintained the Central Bank Rate (CBR) at 5.75 percent for the second quarter of 2026. The MPC decision reflects a cautious policy stance aimed at balancing the risks to inflation and economic growth outlook, in the face of the current unprecedented geopolitical tensions in the Middle East, which is undermining global trade, investment flows, and economic stability.

Additionally, to further improve the effectiveness of monetary policy in delivering low inflation and fostering economic growth, the MPC decided to narrow the CBR corridor from 200 basis points to 150 basis points, effective from April 2026. In line with this decision, the target band for the 7-day interbank rate will be +/-150 basis points of the CBR, which is 4.25-7.25 percent, for the second quarter of 2026. The Bank will therefore implement monetary policy to ensure the 7-day interbank interest rate evolves within the corridor.

Assessment of the global economy

Global growth in 2026 was forecast to remain resilient. However, the recent heightened geopolitical tensions in the Middle East have disrupted supply chains and increased volatility in commodity prices, threatening the outlook. Inflation remained relatively low in most countries, although risks to the outlook have intensified due to elevated energy prices and transportation costs. For instance, crude oil prices, which had been projected to moderate around USD 60 per barrel in the first quarter of 2026, surged above USD 100 per barrel. Against this backdrop, central banks might consider adjusting policy rates to contain inflationary pressures should the conflicts in the Middle East persist or escalate further.

Assessment of the domestic economy

The ongoing geopolitical tension in the Middle East has profound implications for the domestic economy. However, thus far, the economy has demonstrated resilience, with growth in the first quarter of 2026 estimated at 6.2 percent in Mainland Tanzania and 6.7 percent in Zanzibar, driven by construction, agriculture, financial and insurance services, and tourism. Private sector credit growth has been steady at 22.8 percent on the back of accommodative monetary policy and strong demand by businesses and households. The outlook in the second quarter of 2026 also remains resilient and robust, with GDP growth projected at 6.1 percent in Mainland Tanzania and

6.6 percent in Zanzibar. However, a prolonged or intensification of the conflict in the Middle East could undermine the pace of growth going forward.

Inflation remained low, averaging 3.3 percent in the first quarter of 2026 in Mainland Tanzania and 4.5 percent in Zanzibar, reinforced by prudent monetary policy and stable food and energy prices. This implies a delayed direct (first round) impact of the recent increase in energy prices and transportation costs on inflation. Inflation is expected to remain within the target range of 3 to 5 percent in the second quarter of 2026, with upward pressure from energy and transportation costs expected to be offset by low food prices and exchange rate stability.

The banking sector remained stable, with strong liquidity and adequate capital buffers. Loan portfolio continued to improve, supported by a stable business environment and prudent credit risk management. The non-performing loans ratio recorded a recent year low of 2.9 percent, significantly below the 5 percent tolerable threshold. The payment and settlement systems continued to operate smoothly.

The external sector demonstrated resilience, with the current account deficit of 2.2 percent of GDP in the year ending March 2026, down from 2.4 percent in 2025, despite mounting pressures from geopolitical conflicts. The improvement was driven by stronger export performance, particularly in gold, tourism, and agricultural products. The Zanzibar economy continued to record a current account surplus, supported by strong tourism receipts. The exchange rate remained broadly stable, owing to adequate level of foreign reserves exceeding USD 6.2 billion and subdued import growth. The reserves were sufficient to cover 4.8 months of imports, consistent with the statutory threshold of at least 4 months and the EAC convergence benchmark of at least 4.5 months.

The performance of fiscal operations was satisfactory, whereby tax revenue exceeded targets, reflecting the expansion in economic activity and continued improvements in tax administration efficiency and compliance. Expenditure remained aligned with available resources.

Chapter 1: Monetary Policy

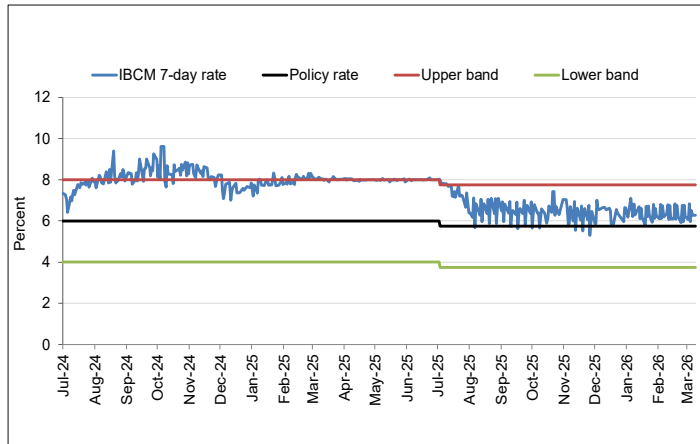
Liquidity remains adequate, 7-day interbank rate aligned with CBR

The Monetary Policy Committee (MPC) convened on Wednesday, 1st April 2026 to review the monetary policy implementation in the preceding quarter, alongside recent global and domestic economic developments and assess its outlook. It also decided on the Central Bank Rate (CBR) for the quarter ending June 2026, with the objective of keeping inflation within the target while supporting economic growth.

During the January 2026 meeting, the MPC expected global growth in the first quarter of the year to expand steadily, despite facing lingering uncertainties. Inflation was expected to continue declining across most economies, though at a slower pace than in the preceding period, due to the potential escalation of geopolitical conflicts, and central banks were anticipated to continue cutting policy rates. The easing inflation was expected to lower domestic import costs and lessen pressures on the exchange rate in Tanzania. Meanwhile, the gold price was projected to continue rising, and oil prices to moderate, thereby reducing pressures on domestic foreign currency demand and the exchange rate. Domestic economic conditions were expected to be favourable, with GDP growth remaining strong and inflation expectations were well-anchored within the target of 3-5 percent. Risks to inflation forecast were viewed to be low. Accordingly, the MPC decided to maintain the CBR at 5.75 percent for the first quarter of 2026. In line with this, the Bank was to implement monetary policy to keep the 7-day interbank rate within the band of 3.75 to 7.75 percent, thereby anchoring inflation expectations within the target, while supporting economic growth through credit expansion.

The implementation of monetary policy in the first quarter of 2026 was successful despite headwinds from the recent escalation of geopolitical tensions in the Middle East, which have disrupted global supply chains and increased volatility in commodity prices. Against this backdrop, liquidity in the interbank market remained adequate, with the 7-day interbank rate evolving within the CBR band, averaging 6.3 percent during the quarter (Chart 1.1). Monetary policy operations were primarily conducted through reverse repos, alongside the issuance of 35-day, 91-day, 182-day Treasury bills, as well as foreign exchange operations. These measures ensured that policy implementation continued to anchor inflation expectations while supporting economic growth.

Chart 1.1: 7-day interbank rate

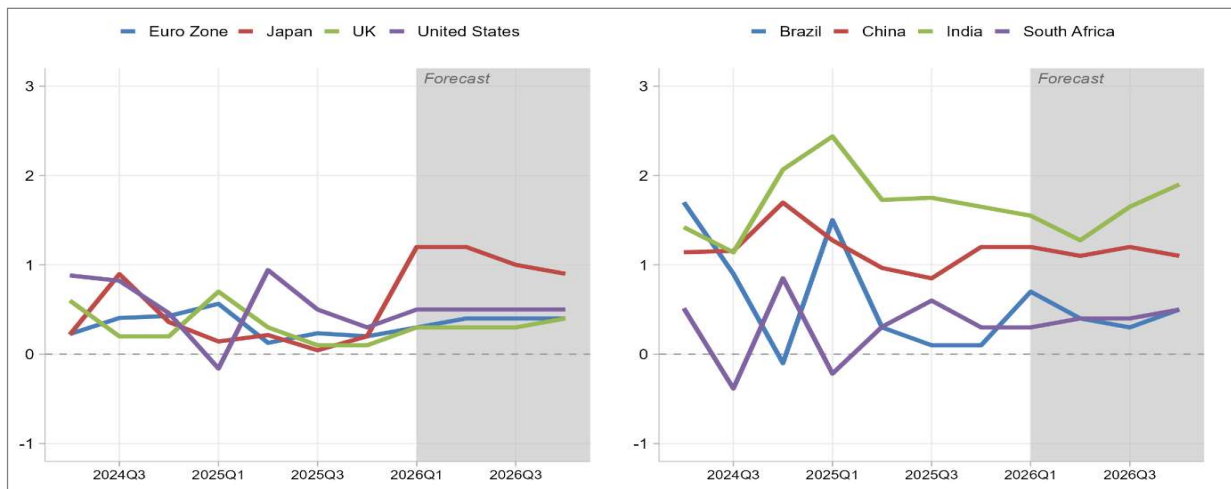


Source: Bank of Tanzania

Global economic outlook

On the outlook of the global economy, the MPC noted that early forecasts indicated a strong global growth in 2026, with broadly stable inflation across advanced and emerging economies (Chart 1.2). This outlook, however, could be undermined by the recent escalation of geopolitical tensions, which have disrupted global supply chains, heightened volatility in energy markets, and increased freight-related costs and risks.

Chart 1.2: Growth Projection in Select Advanced and Emerging Market Economies (quarter on quarter) Percent

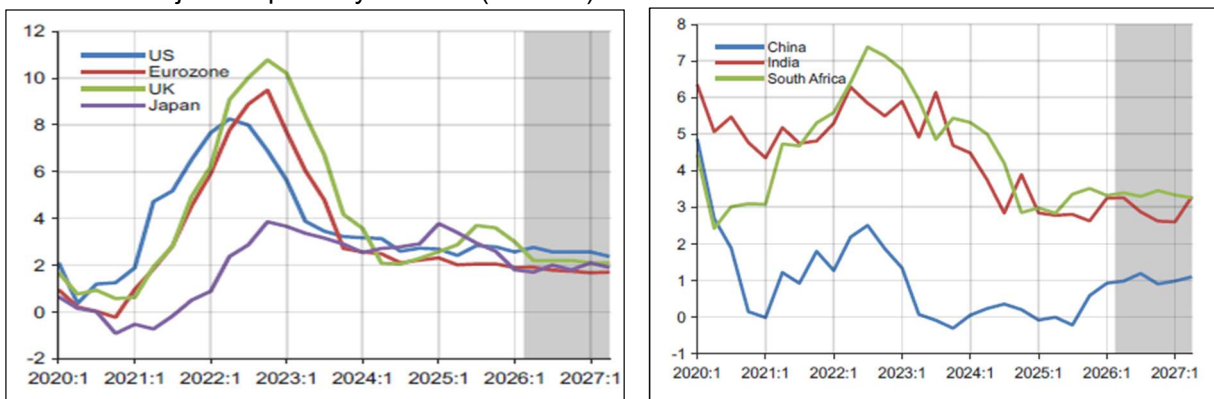


Note: Bloomberg forecast accessed in March 2026

Risks to the inflation outlook has elevated, due to the geopolitical crisis in the Middle East, which has raised energy prices, with Brent crude projected to average USD 94 per barrel in the second quarter of 2026 (Chart 1.3). Shaped by market fundamentals and heightened global uncertainties,

the price of gold is expected to remain high, reaching USD 4,950 per ounce in 2026, supported by strong safe-haven demand from central banks and investors. Although projections point to a potential increase in inflation, most central banks adopted a ‘wait-and-see’ stance in March 2026, keeping policy rates unchanged. This cautious approach reflects considerable uncertainty regarding the extent and duration of the geopolitical conflict in the Middle East.

Chart 1.3: Projected quarterly inflation (Percent)

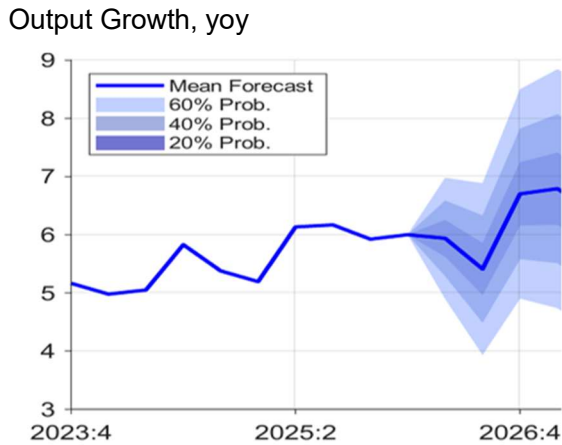


Note: Bloomberg forecast accessed in March 2026

Domestic economic outlook

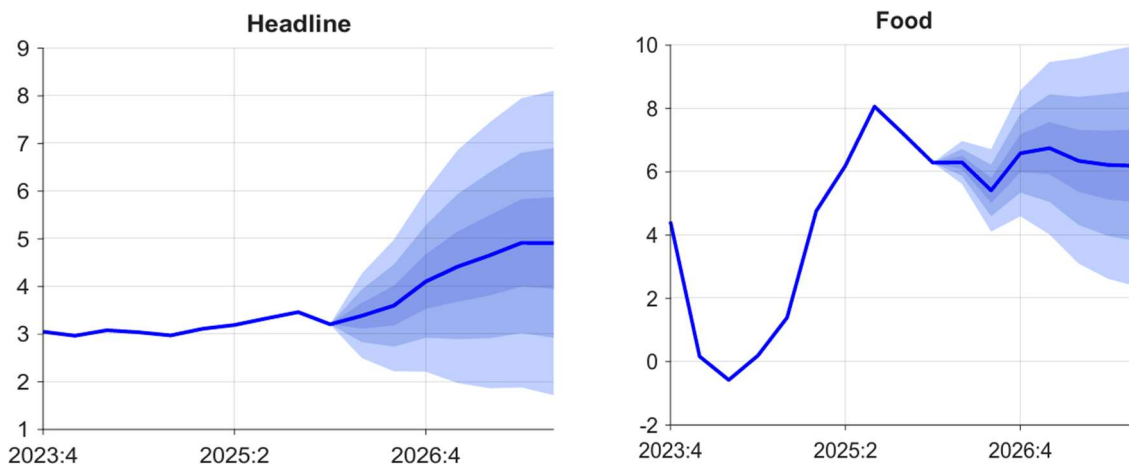
The domestic growth projection is conditional on the global economic outlook as well as domestic economic factors. The impact of ongoing global developments on the domestic economy is expected to be moderate due to the diversified nature of the economy. Growth is expected to be supported by: adequate rainfall which will boost agricultural production; supportive fiscal policy; improved activities in the mining sector; stable power supply; as well as strong sentiments as indicated by the March 2026 CEOs and Market Perception. In addition, the prudent monetary policy is expected to contribute to a robust private sector credit growth above 20 percent, year-on-year. Based on these assumptions, growth in Mainland Tanzania is forecast to reach 6.1 percent, while Zanzibar economy is expected to grow at 6.6 percent in the second quarter of 2026.

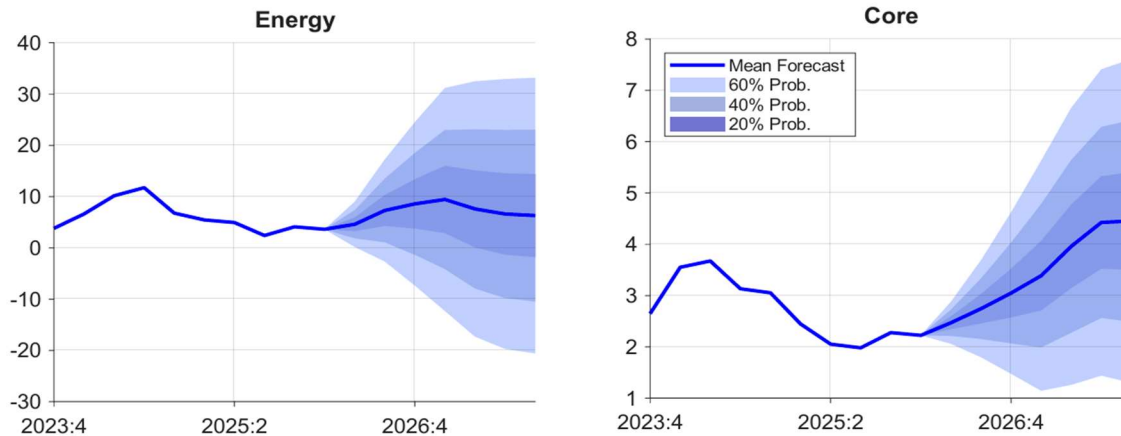
Chart 1.4: Quarterly GDP forecast



The inflation outlook is also dependent on global and domestic factors. On the global front, the risk of inflation has increased after the outbreak of the crisis in the Middle East. Meanwhile, sufficient food availability backed by adequate rainfall, and stability of the exchange rate owing to adequate foreign reserves, are expected to offer relief to the inflation outlook. Based on these assumptions, inflation is forecast to reach 3.4 percent in Mainland Tanzania in the second quarter of 2026 and remain within the medium-term target range of 3-5 percent in 2026 (Chart 1.5). Headline inflation in Zanzibar is projected to average about 5.4 percent.

Chart 1.5: Quarterly inflation forecasts





Given the global and domestic inflation and growth outlook, the MPC decided to maintain the CBR at 5.75 percent for the quarter ending June 2026. The decision was deemed appropriate for balancing the risk to inflation and output. This ‘wait-and-see’ stance is a cautious strategy intended to: (i) prevent inflationary pressures in the evolving uncertain environment, and (ii) avoid committing to policy adjustment until adequate data are available to assess the long-term impact of geopolitical tensions on inflation and output growth.

In addition, the MPC decided to **narrow the policy corridor from ± 200 to ± 150 basis points around the CBR, to strengthen monetary policy transmission and keep the 7-day IBCM rate closely aligned with the CBR.** The adjustment of the corridor represents a measured step towards enhancing the effectiveness of the monetary policy framework, given the success of keeping interbank market interest rates stable. Furthermore, this demonstrates the Bank’s commitment to maintaining orderly interest rate movements and strengthening monetary policy credibility. Accordingly, monetary policy will be implemented to ensure the 7-day IBCM rate evolves within the range of 4.25 to 7.25 percent of the CBR.

Chapter 2: Global economy

2.1 Economic growth

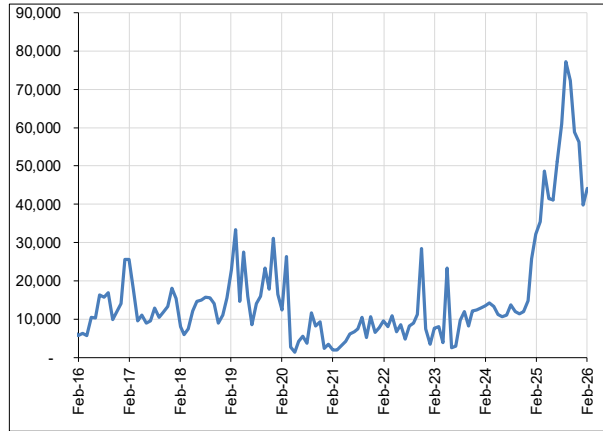
Economic growth increases moderately amid headwinds

The IMF growth forecasts released in January 2026 indicate global activity to expand by 3.3 percent in 2026, the same as in the preceding year, reflecting lingering uncertainties. Bloomberg forecasts published in December 2025 indicated that, in the first quarter, growth in advanced and emerging market economies would be significantly uneven but higher than in the previous quarter, due to monetary policy easing, progress in trade negotiations, and moderation in policy uncertainty. Projections also indicate strong growth in most sub-Saharan African economies.

Bloomberg's forecast for March 2026 indicates that global economic activity will expand moderately in the first quarter of 2026, despite headwinds from escalating geopolitical tensions, which have disrupted supply chains, heightened volatility in global energy markets, and pushed up freight-related costs. These challenges have also increased trade and policy uncertainties (Charts 2.1a and 2.1b)¹. Growth in advanced economies was modest, supported by AI-driven investments, continued fiscal measures, and improving industrial output. Emerging market economies exhibited comparatively stronger growth, underpinned by domestic demand, infrastructure spending, policy support, and investment in technology and export-oriented sectors, although performance remained uneven across countries. In sub-Saharan Africa, growth remained broadly resilient, supported by domestic activity and ongoing investment, but continued to face headwinds from high debt burdens, external financing constraints, climate-related shocks, and global uncertainty (Charts 2.2a and 2.2b).

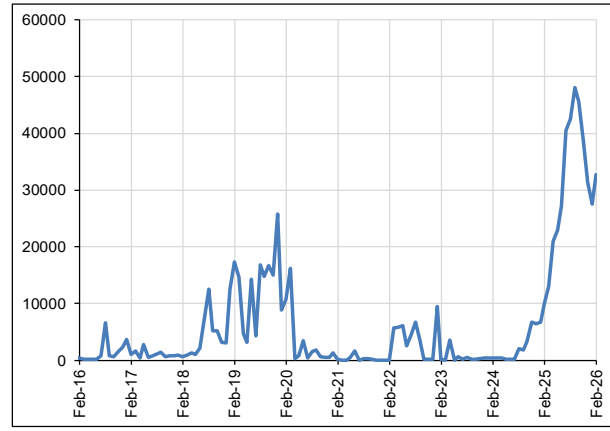
¹ World Uncertainty Index, 2025. *Global Economic Policy Uncertainty Index*. <https://worlduncertaintyindex.com/> and PolicyUncertainty.com, 2025. *Trade Policy Uncertainty Index*. https://www.policyuncertainty.com/trade_cimpr.html

Chart 2.1a Global economic policy uncertainty index



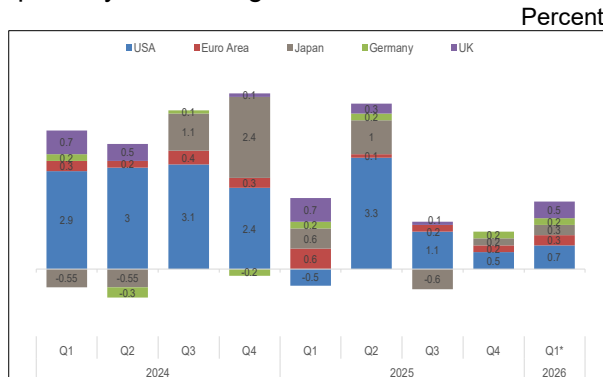
Source: <https://worlduncertaintyindex.com/>

Chart 2.1b Trade policy uncertainty index



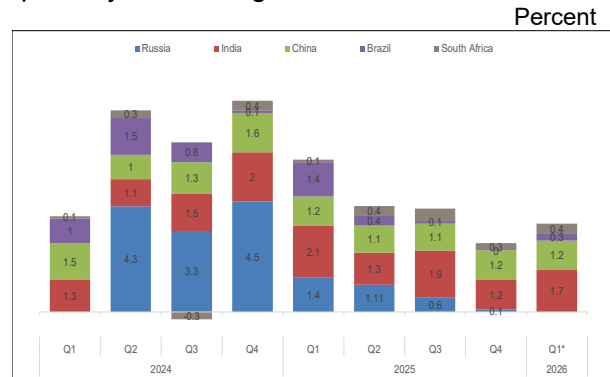
Source: https://www.policyuncertainty.com/trade_cimpr.html

Chart 2.2a: Select Advanced Economies quarterly real GDP growth



Source: Bloomberg, March 2026

Chart 2.2b: Select Emerging Economies quarterly real GDP growth



2.2 Inflation

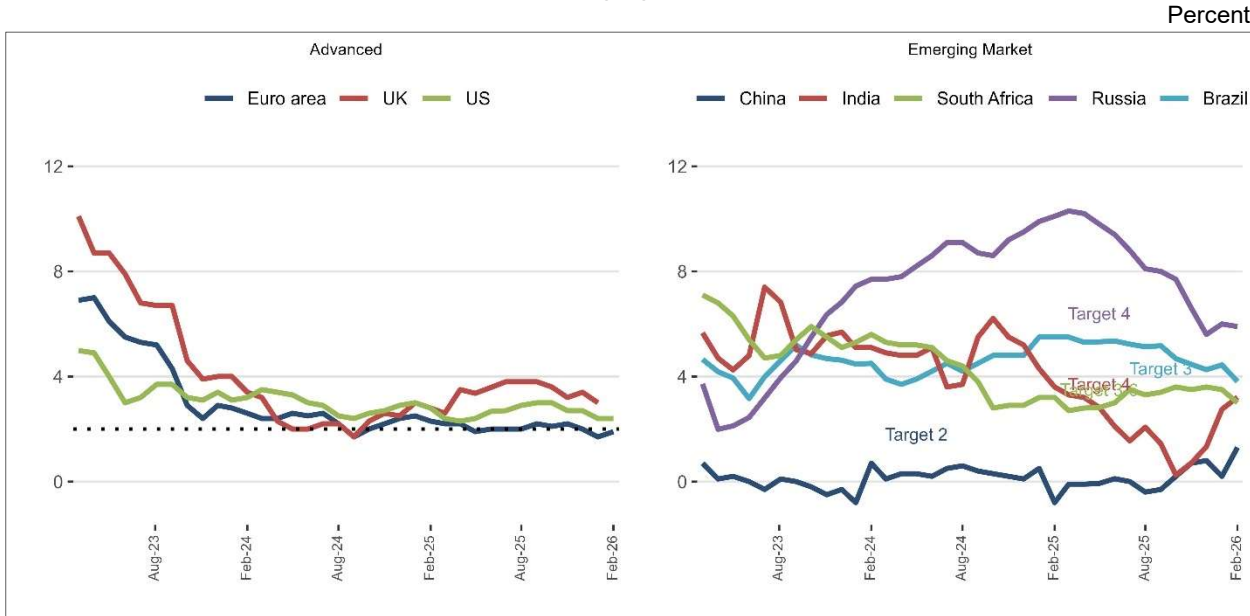
Disinflation is slowing and uneven.

Forecasts released in early January 2026 indicated that inflation would continue to decline in most economies, though at a slower pace, reaching levels close to or below central bank targets. This was attributable to low energy prices at the beginning of the first quarter of 2026 and the lagged impact of monetary policy tightening. The outturn has broadly been in line with projections; however, the ongoing conflict in the Middle East poses a risk. In advanced economies, inflation remained moderate, though still slightly above central bank targets in some cases, reflecting persistent services inflation, especially in sectors such as housing, medical care, and transport. In the euro area, inflation edged up slightly in February 2026, driven mainly by higher service and food prices, while underlying risks also continued to stem from possible energy price increases

and tighter supply conditions (Chart 2.3). In emerging market economies, inflation remained on an easing path, supported by improved supply conditions and earlier monetary policy tightening. China continued to experience relatively subdued inflation, although temporary upward pressure was observed in February 2026, largely associated with seasonal food price movements during the festive season. In sub-Saharan Africa, inflation was relatively contained within targets in many economies, particularly in the EAC and SADC regions.

Low inflation among Tanzania's trading partners in the first two months of 2026 helped contain imported inflationary pressures in the country. However, the escalation of geopolitical conflicts in the Middle East in March 2026 might have partially offset the benefits gained, due to increases in oil prices and shipping costs.

Chart 2.3 Inflation in Select Advanced and Emerging Market Economies



Source: Bloomberg

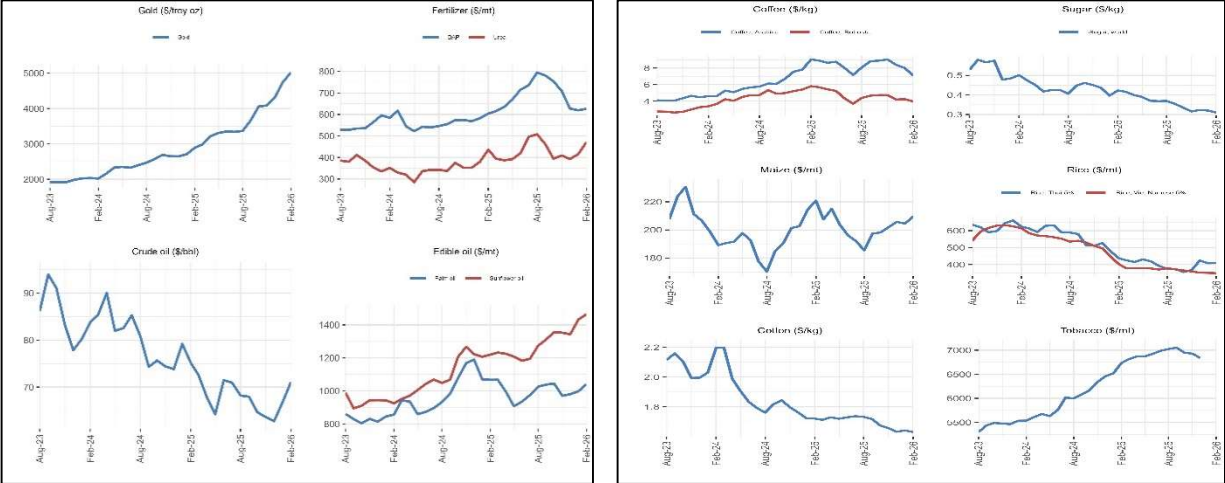
2.3 Commodity prices

Soaring oil prices, volatile gold prices amid intensifying geopolitical tensions

Crude oil prices were projected to moderate, hovering between USD 62-65 per barrel during the first quarter of 2026. However, following the escalation of geopolitical conflicts in the Middle East, the prices soared, which could also lead to higher domestic pump prices, while the price of gold

was much more volatile². Agricultural commodity prices remained mixed due to both supply and demand conditions. Consumer goods such as edible oil and wheat prices increased, while sugar prices declined due to prospects of increased supply (Chart 2.4).

Chart 2.4: World Commodity Prices (Monthly average)



Source : <http://www.worldbank.org/prospects>

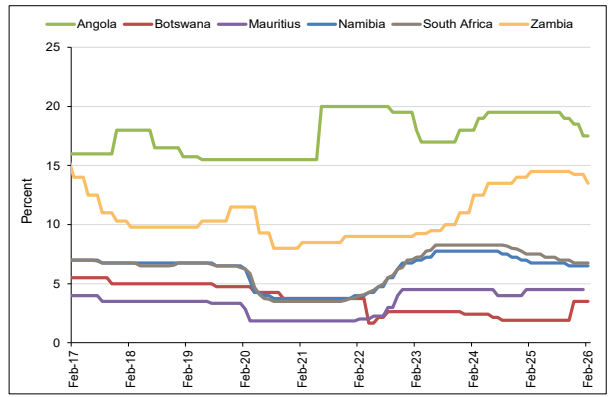
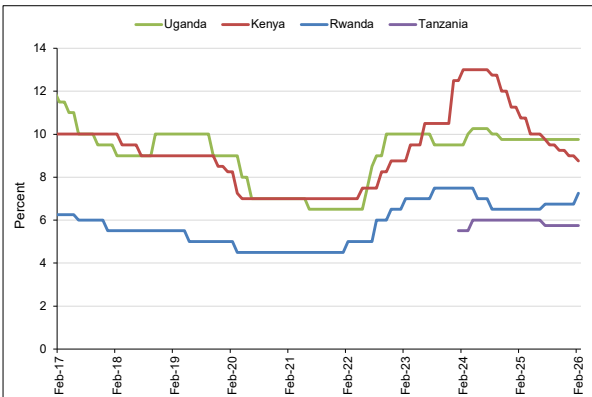
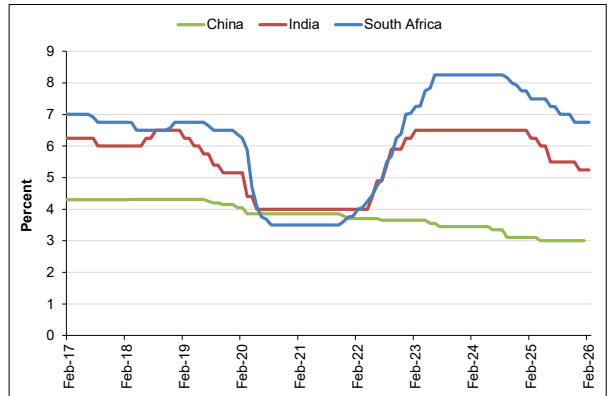
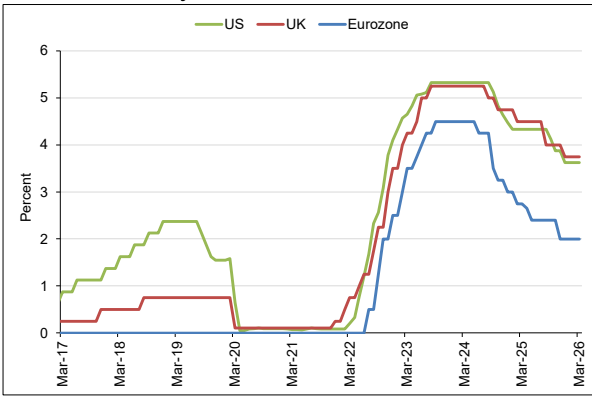
2.4 Global financial markets

Central banks adopt ‘a wait-and-see stance’ despite elevated risk to inflation outlook

Global financial markets remained volatile in the first quarter of 2026, reflecting heightened geopolitical risks and evolving expectations on monetary policy across major economies. The Federal Reserve maintained its policy rate at the March FOMC meeting, while the European Central Bank and the Bank of England also kept their policy rates unchanged, signaling a cautious and data-dependent stance amid increased global uncertainty. In contrast, the People’s Bank of China continues to pursue a supportive policy orientation through targeted liquidity measures. These developments have contributed to fluctuations in global bond yields, exchange rates, and capital flows, alongside increased demand for safe-haven assets such as U.S. Treasuries and gold. Although most major central banks have maintained their policy rates, they remain cautious and stand ready to tighten policy if geopolitical risks persist, particularly in the event of further increases in energy prices and renewed inflationary pressures (Chart 2.5).

² Dubai index oil prices reached record highs of USD 137.82 per barrel on 19th March 2026, while gold prices averaged USD 4,855.54 per ounce in March 2026 compared to USD 5,019.97 per ounce in the preceding month.

Chart 2.5: Policy rates for select economies



Source: Respective central banks and BIS policy rate tracker

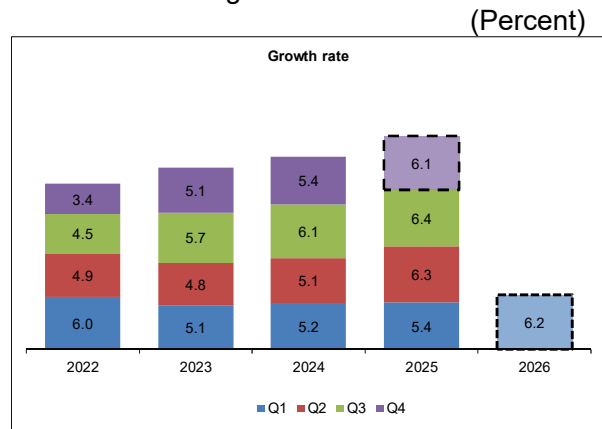
Chapter 3: Domestic Economy

3.1 Output performance

Output growth remains robust despite global headwinds

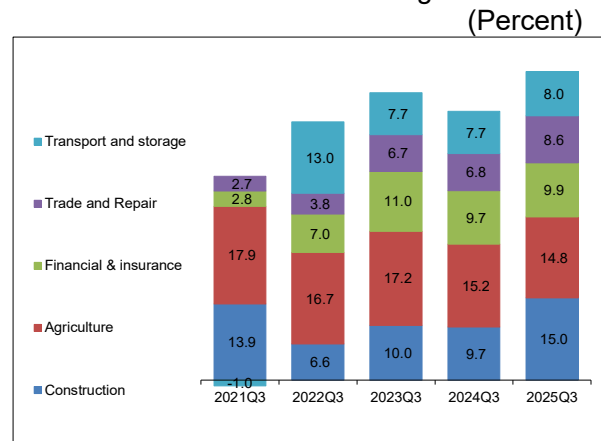
In January 2026, the Bank had estimated the GDP growth for the first three quarters of 2025 at 5.9 percent. The National Bureau of Statistics released GDP data up to the third quarter of 2025, which shows a 6.0 percent growth outturn, stronger than the previous estimate, and higher than the 5.5 percent recorded in the corresponding period of 2024, on the back of broad-based growth across major sectors. The strong growth was supported by sustained private and public investment, continued growth in private sector credit, and a reliable energy supply. Specifically, for the third quarter of 2025, growth was 6.4 percent, higher than the earlier estimation of 5.8 percent, driven by strong performance in construction, agriculture, and financial and insurance (Charts 3.1a and 3.1b).

Chart 3.1a: GDP growth



Source: National Bureau of Statistics, Bank of Tanzania computations

Chart 3.1b: Contribution to GDP growth

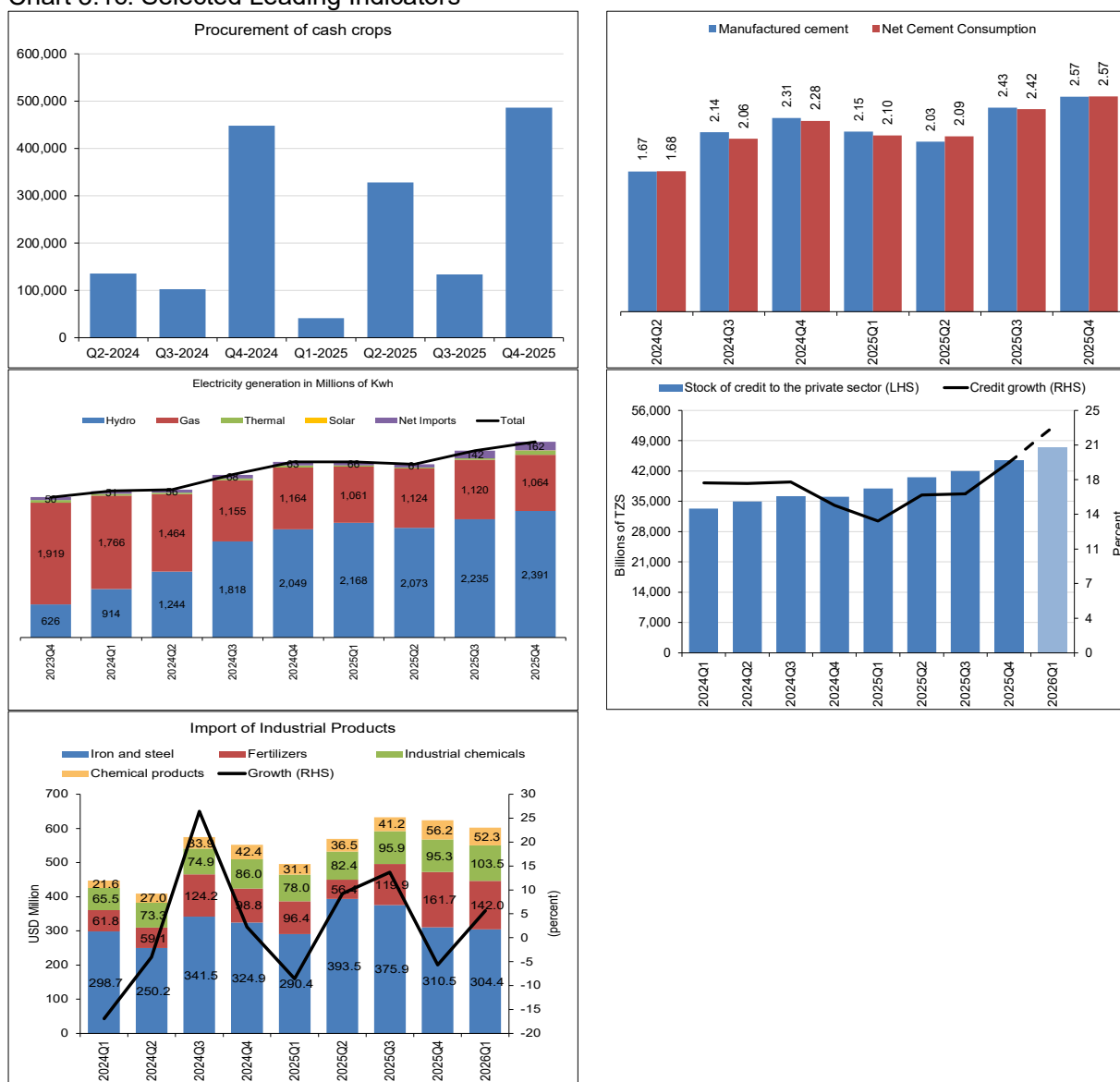


The Bank also revised upwards its January 2026 growth estimations for the fourth quarter of 2025 from 5.8 percent to 6.1 percent. In addition, the Bank estimates GDP outturn of 6.2 percent for the first quarter of 2026, higher than January 2026 projections of 6.1 percent. The upward revision is underpinned by favorable rainfall conditions that supported agricultural production and stronger performance across selected leading indicators than in corresponding periods in previous years³. Notably, the procurement of traditional export crops, the import of industrial materials, and

³ National accounts data for the fourth quarter of 2025 and the first quarter of 2026, are yet to be released by the National Bureau of Statistics.

manufactured exports recorded strong growth, suggesting improved performance in agricultural and manufacturing activities. Cement consumption also increased, signaling continued strength in construction activity. Meanwhile, electricity generation maintained good performance, indicating improved power stability and supportive energy policies. In addition, credit to the private sector has grown strongly, reflecting robust economic activity (Chart 3.1c).

Chart 3.1c: Selected Leading Indicators



Source: National Bureau of Statistics, Crop Boards, TANESCO, Tanzania Mining Commission and BoT Computations

The Zanzibar economy remained strong, growing at an average of 6.7 percent in the first three quarters of 2025, from 7 percent recorded in the corresponding period a year earlier. This performance was driven by accommodation and food services, suggesting the sustained

improvement in tourism activities and construction (Charts 3.2a and 3.2b). For the fourth quarter of 2025 and the first quarter of 2026, growth is estimated to remain broadly in line with the recent trend, growing at 6.8 percent and 6.7 percent, respectively.

Chart 3.2a: GDP performance

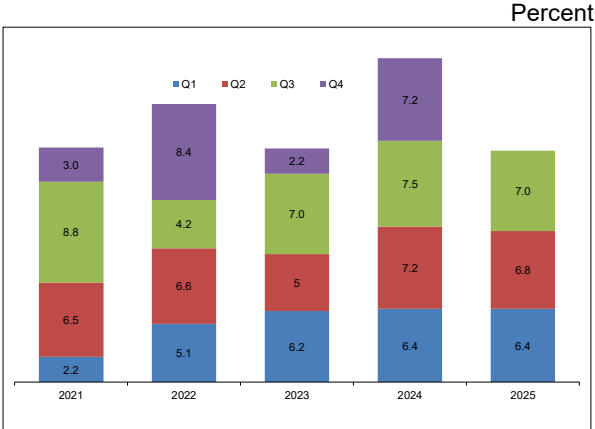
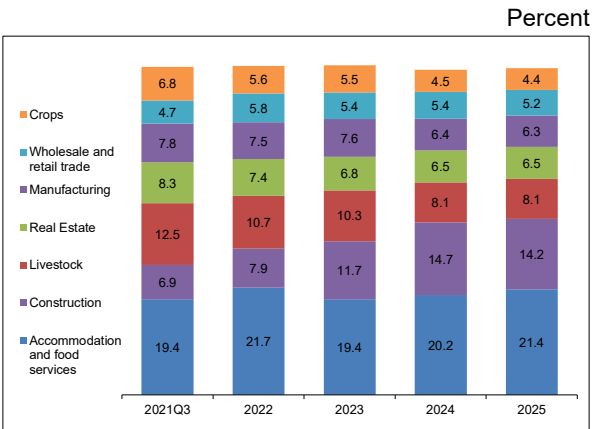


Chart 3.2b: Contribution to growth



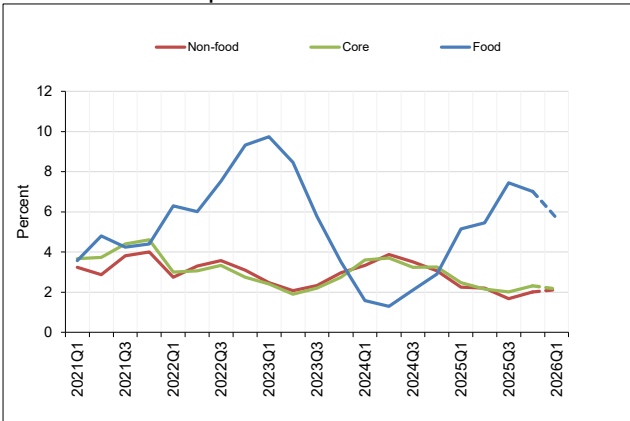
Source: Office of the Chief Government Statistician and BOT computations

3.2 Inflation

Inflation remained low within targets

Headline inflation in Mainland Tanzania averaged 3.3 percent during the first quarter of 2026, slightly higher than 3.2 percent in the corresponding quarter of 2025. This development is mainly attributed to the implementation of prudent monetary policy and lower energy prices for the first two months of 2026 (Charts 3.3a and 3.3b). Across the EAC and SADC regional blocs, most economies-maintained inflation within respective convergence criteria (Charts 3.3c and 3.3d).

Chart 3.3a: Components of inflation



Source: NBS and BOT computations

Chart 3.3b: Headline inflation and targets

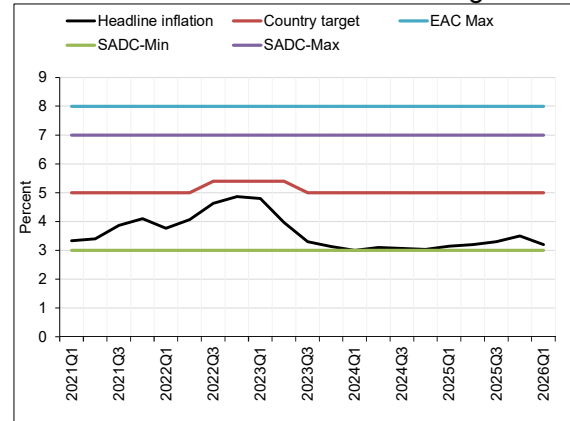


Chart 3.3c: Inflation in EAC countries



Source: Respective National Statistics Offices
Notes: The dotted lines indicate the targets

Chart 3.3d: Inflation in SADC countries



Core inflation averaged 2.2 percent in the first quarter of 2026, lower than 2.5 percent in the similar quarter in 2025⁴. Consistent with this moderation, the contribution of core inflation to headline inflation also slowed, reflecting a decrease in non-food prices rather than in energy and fuel prices (Chart 3.4). Similarly, energy and fuel inflation eased to 3.9 percent, from 5.6 percent, primarily due to the moderation of global oil prices in January and February 2026.

Food inflation increased to an average of 5.7 percent compared with 5.3 percent in the corresponding period in 2025. The increase was mainly associated with below-average rainfall in some regions during the *Vuli* season, resulting in higher prices for unprocessed foods, particularly

⁴ Core inflation is measured by the change of consumer price index that excludes unprocessed food and fuel.

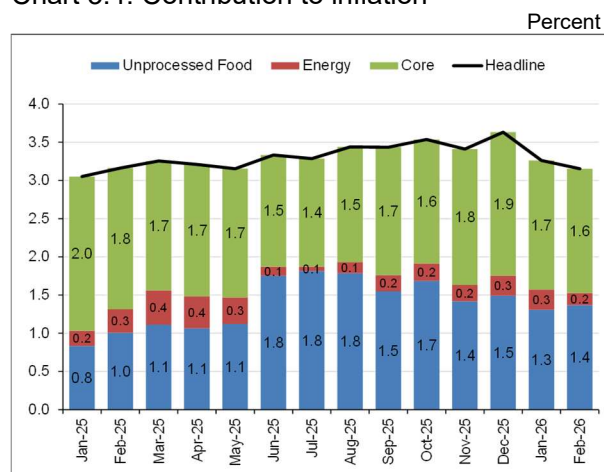
maize, rice, sorghum, round potatoes, finger millet, and wheat (Tables 3.1 and 3.2). To mitigate food price pressures, the National Food Reserve Agency (NFRA) released 17,369 tonnes of food to traders in January and February 2026. With this intervention, NFRA's reserves stood at 560,008 tonnes at the end of February 2026, slightly below the stock at the end of January 2026 (Table 3.3).

Table 3.1: Quarterly inflation developments

Main groups	Weight	2025				2026
		Q1	Q2	Q3	Q4	Q1
Food and non-alcoholic beverages	28.2	5.3	6.0	7.5	6.9	5.7
Alcoholic beverages and tobacco	1.9	3.5	3.4	3.2	3.5	2.2
Clothing and footwear	10.8	2.0	2.0	1.8	2.0	1.1
Housing, water, electricity, gas and other fuels	15.1	3.0	3.0	1.9	2.3	2.0
Furnishings, household equipment and routine household maintenance	7.9	2.2	2.2	2.5	3.0	2.6
Health	2.5	1.3	1.7	1.4	1.3	1.0
Transport	14.1	2.6	1.8	1.6	2.9	4.1
Information and communication	5.4	0.3	0.1	0.3	0.4	1.0
Recreation, sports and culture	1.6	1.7	1.5	1.1	0.6	0.6
Education services	2.0	4.3	3.5	3.0	3.0	0.3
Restaurants and accommodation services	6.6	1.7	1.6	1.0	1.0	1.4
Insurance and financial services	2.1	0.7	0.7	0.5	0.4	0.4
Personal care, social protection and miscellaneous goods and services	2.1	3.2	2.3	2.2	1.5	3.2
All items-(headline inflation)	100.0	3.2	3.2	3.4	3.5	3.3
Other selected groups						
Core	73.9	2.5	2.0	2.0	2.3	2.2
Non-core	26.1	5.0	6.1	7.0	6.7	5.9
Energy, fuel and utilities	5.7	5.6	5.2	2.4	4.2	3.7
Services	37.2	1.1	1.0	1.0	1.5	2.1
Goods	62.8	4.3	4.4	4.7	4.6	3.8
Education services and products ancillary to education	4.1	4.0	3.3	2.7	2.4	0.4
All items less food and non-alcoholic beverages	71.8	2.3	2.0	1.7	2.1	2.1

Source: NBS and BOT computations

Chart 3.4: Contribution to inflation



Source: NBS and BOT computations

Table 3.2: Wholesale prices of main food crops

Food crop	TZS per 100 kgs			
	Mar-25	Sep-25	Dec-25	Mar-26
Maize	80,581.8	83,028.0	82,443.7	87,254.8
Rice	224,071.9	242,749.7	247,969.9	260,532.6
Beans	282,177.0	269,044.1	267,143.6	267,506.6
Sorghum	138,660.2	144,319.6	148,131.8	154,167.0
Round potatoes	98,957.2	91,757.0	91,310.8	106,680.7
Finger millet	214,582.0	245,300.7	242,606.5	244,055.4
Wheat	171,525.7	197,985.3	185,902.0	193,562.6

Source: Ministry of Industry and Trade

Table 3.3: Food stocks held by NFRA

Period	Tonnes					
	2021	2022	2023	2024	2025	2026
Jan	110,398	207,899	124,736	270,984	646,480	567,469
Feb	110,389	203,297	106,881	326,172	619,659	560,008
Mar	109,231	200,626	80,123	336,099	587,062	
Apr	109,231	190,366	63,808	340,102	557,228	
May	108,284	149,402	51,367	340,002	509,990	
Jun	107,384	141,576	46,665	340,479	477,923	
Jul	107,384	140,695	94,088	368,855	485,930	
Aug	123,635	144,410	210,020	489,187	537,571	
Sep	150,057	149,044	244,169	651,403	570,519	
Oct	192,408	151,794	244,289	708,399	593,485	
Nov	209,057	147,401	244,223	702,502	590,425	
Dec	214,968	137,655	248,282	677,115	577,376	

Source: National Food Reserve Agency

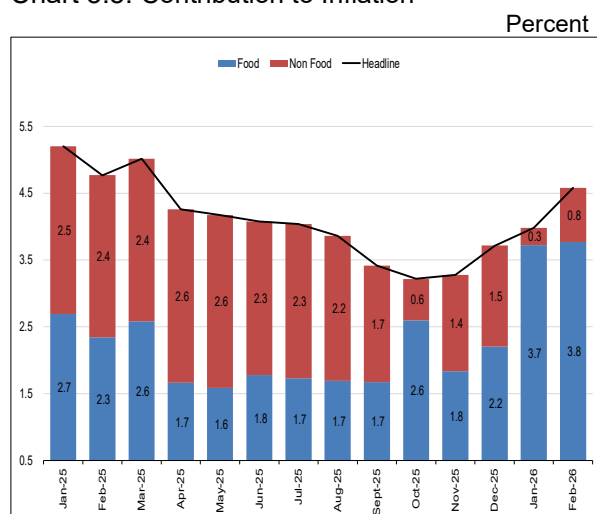
Headline inflation in Zanzibar is estimated to moderate to an average of 4.5 percent lower than 5.1 percent recorded in the corresponding period of 2025 (Table 3.4). The decline was largely driven by lower prices of non-food items, particularly diesel, petrol, and gas in cylinders (Chart 3.5).

Table 3.4: Zanzibar Headline Inflation

Main groups	Weight	2025				2026
		Q1	Q2	Q3	Q4	Q1
Food and non-alcoholic beverages	41.9	6.8	4.7	4.8	6.2	9.1
Alcoholic beverages, tobacco and narcotics	0.2	6.9	-0.9	2.9	5.4	4.9
Clothing and footwear	6.3	3.4	4.7	5.4	5.0	3.1
Housing, water, electricity, gas and other fuels	25.8	5.2	4.6	2.5	-0.9	-1.2
Furnishings, household equipment and routine household maintenance	4.8	3.4	3.7	3.9	2.9	2.9
Health	1.3	-1.3	1.1	1.6	1.9	1.4
Transport	9.1	1.4	2.2	2.1	2.9	2.1
Information and communication	4.2	3.2	2.3	2.7	1.0	-0.1
Recreation, sport and culture	1.1	3.5	4.8	4.9	5.8	4.1
Education	1.6	2.6	2.8	3.8	1.7	1.9
Restaurants and accommodation services	1.4	0.7	0.6	1.6	2.0	7.1
Insurance and financial services	0.5	0.0	0.0	0.0	0.0	0.0
Personal care, social protection and miscellaneous goods and services	1.7	3.5	4.4	5.4	4.9	2.0
All items (Headline inflation)	100.0	5.1	4.2	3.8	3.5	4.5
Selected groups						
Food	40.5	6.3	4.1	4.2	5.5	9.2
Non-food	59.5	4.1	4.2	3.5	2.0	0.9

Source: Office of the Chief Government Statistician

Chart 3.5: Contribution to Inflation

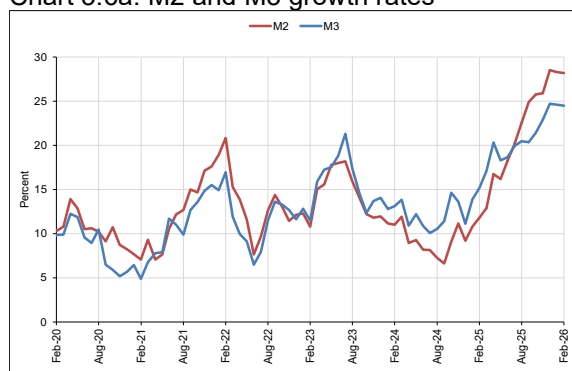


3.3 Monetary conditions

Steady money supply and private sector credit growth

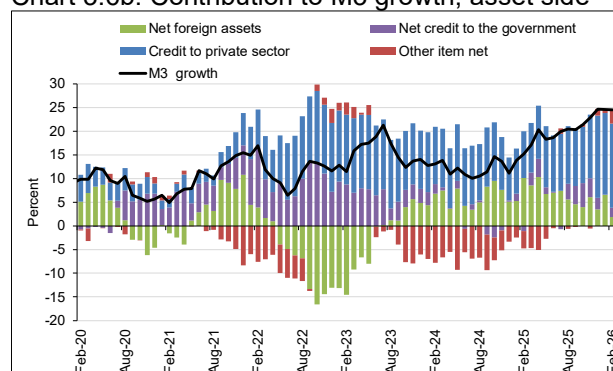
Money supply continued to expand steadily during the quarter ending March 2026, broadly aligned with improving business and investment conditions. Growth of extended broad money (M3) registered a moderate uptick, reaching 24.6 percent in the quarter ending March 2026, compared with 23 percent in the corresponding period in 2025 (Chart 3.6a). The observed M3 growth continued to be underpinned by strong private-sector credit (Chart 3.6b).

Chart 3.6a: M2 and M3 growth rates



Source: Banks and Bank of Tanzania computations

Chart 3.6b: Contribution to M3 growth, asset side



Private sector credit grew steadily in the quarter ending March 2026, rising by 22.8 percent, up from 19.2 percent in the preceding quarter (Chart 3.7a). The stock of credit to the private sector is estimated to be TZS 46 trillion, equivalent to around 22 percent of GDP, reflecting sustained demand from businesses and households. The trend was broadly consistent with most of the EAC

and SADC countries, though the pace varied across economies, reflecting diverse domestic conditions (Charts 3.7b and 3.7c).

Chart 3.7a: Growth of private sector credit
Percent

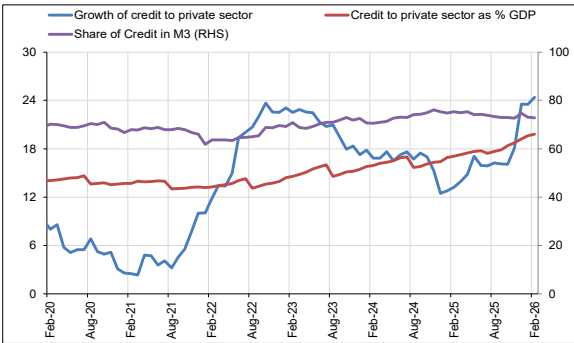


Chart 3.7b: Private sector credit growth in select EAC countries

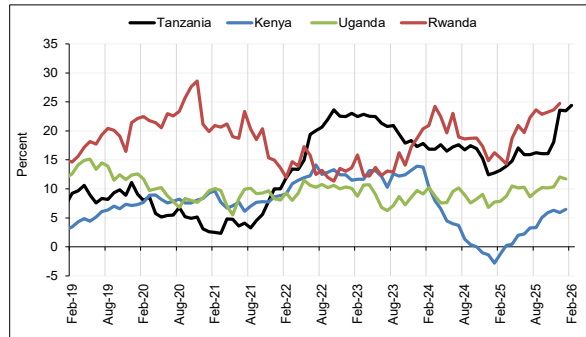
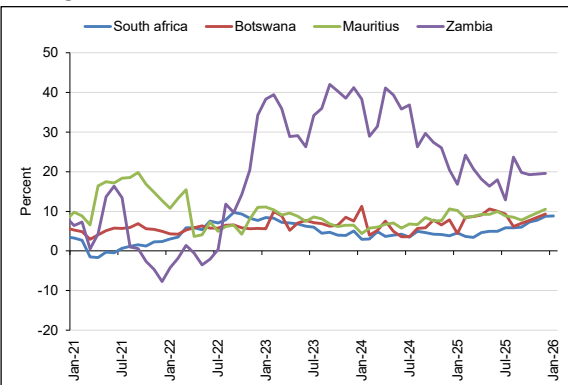


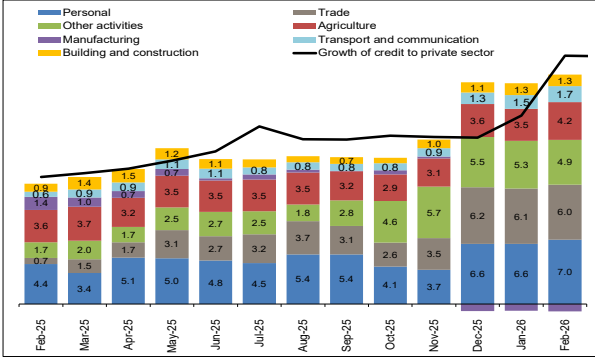
Chart 3.7c: Private sector credit growth in select SADC countries



Source: Source: Bank of Tanzania computations and respective central banks

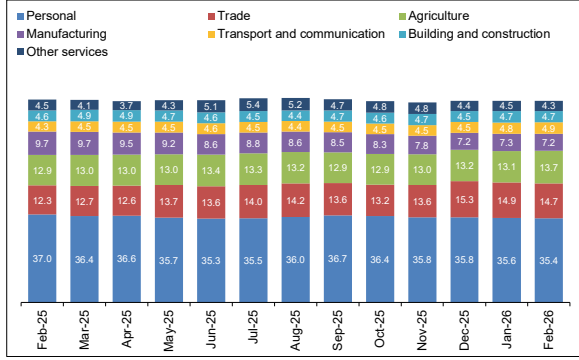
Personal loans, largely extended to small and medium enterprises (SMEs), remained the largest component and driver of private-sector credit, followed by trade and agriculture (Charts 3.8a and 3.8b). Mining and quarrying sustained the highest credit growth, accelerating relative to its previous pace. This development is attributed to the base effect and measures taken by the Government to modernize the mining sector and promote access to credit to artisanal and small-scale miners through flexible collateral. Agriculture also recorded strong credit uptake, supported partly by the TZS 1 Trillion Special Loan facility and SMR relief provided by the Bank aimed at stimulating affordable credit to this sector.

Chart 3.8a: Contribution to credit growth (Percent)



Source: Banks and Bank of Tanzania computations

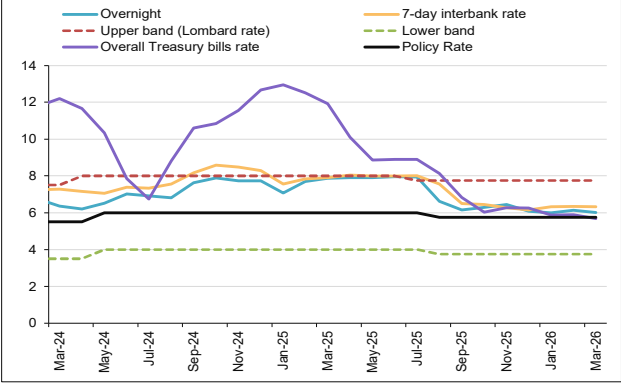
Chart 3.8b: Share of credit by economic activities (Percent)



Money market interest rates have converged towards the CBR

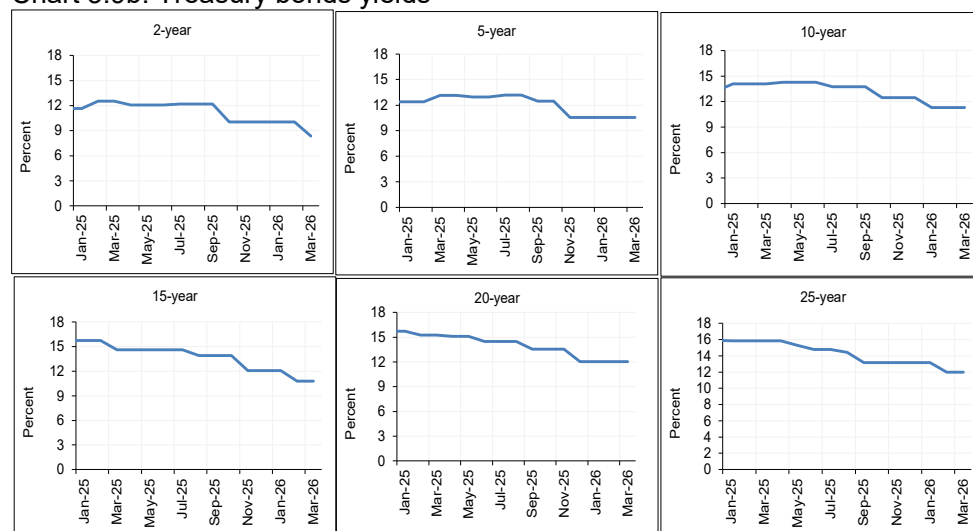
Since July 2025, the monetary policy stance has remained relatively accommodative. This stance has been reflected in the movements in money market rates and Treasury securities yields, which have increasingly converged towards the CBR. Treasury bond yields trended downward over the same period (Charts 3.9a and 3.9b). This development reflects improved transmission of policy signals and well-anchored inflation expectations in financial markets.

Chart 3.9a: Money market interest rates



Source: Bank of Tanzania

Chart 3.9b: Treasury bonds yields



Source: Bank of Tanzania

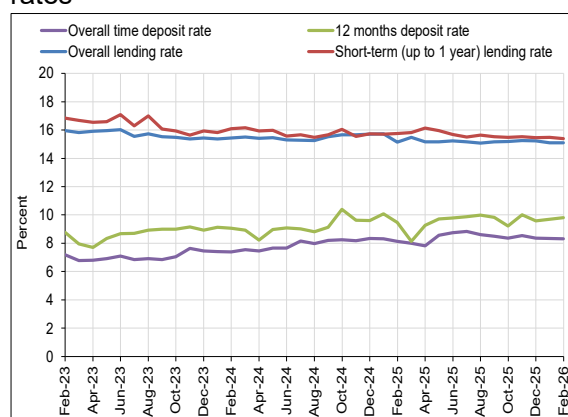
Sticky interest rates on loans and deposits

The transmission of monetary policy to longer-term interest rates is still weak, with lending and deposit rates remaining largely sticky despite the accommodative stance⁵. During the quarter, lending rates averaged around 15 percent while deposit rates stood at approximately 8 percent (Chart 3.10a). Negotiated lending rate charged to prime customers stood at around 12 percent, while negotiated deposit rate averaged 11 percent. These rates broadly mirror trends observed in peer EAC economies (Chart 3.10b).

The Bank, in collaboration with other stakeholders, continues to implement reforms to reduce credit risk and improve credit market efficiency, ensuring that bank interest rates align with the monetary policy stance. These reforms include broadening the scope of eligible collateral, promoting the use of credit bureau data, and strengthening consumer protection and customer identification frameworks. Complementary initiatives in financial literacy and inclusion, alongside judicial reforms to expedite the resolution of loan defaults, are expected to improve loan recoveries and further reduce credit risk.

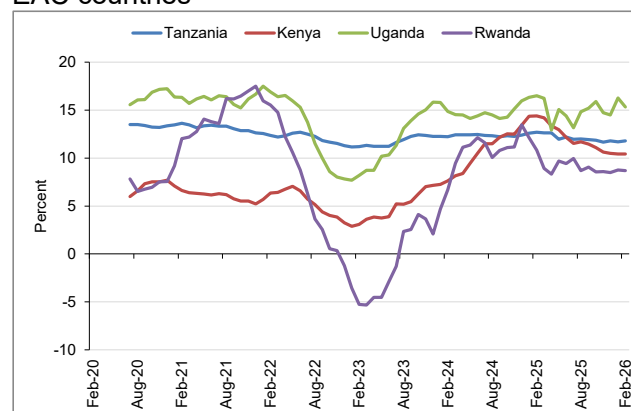
⁵ Similar results were also found in studies by Mbowe et al. (2019) and Kimolo et al. (2019).

Chart 3.10a: Lending and deposit interest rates



Source: Banks and Bank of Tanzania computations

Chart 3.10b: Real lending interest rates in select EAC countries

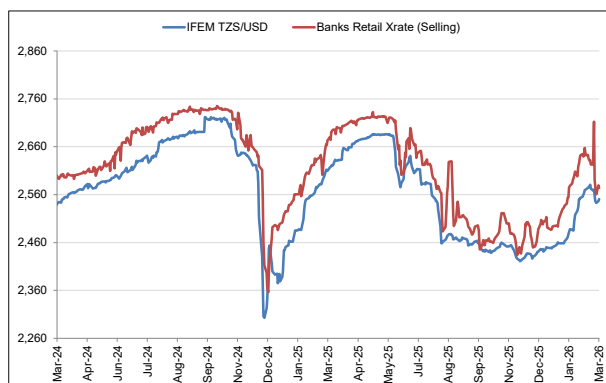


Source: Central Banks across EAC

Foreign exchange market and exchange rate remained stable

During the first quarter of 2026, the foreign exchange market was mainly characterized by earnings from gold, driven by higher global prices amid ongoing international uncertainties. The exchange rate recorded a modest and short-lived depreciation. During the quarter, the Bank intervened in the foreign exchange market in line with Foreign Exchange Intervention Policy to contain excessive volatility in the exchange rate. The shilling traded at an average of TZS 2,543.80 per USD, slightly higher than TZS 2,452.71 per USD in the quarter ending December 2025, but broadly similar to TZS 2,532.11 per USD in the first quarter of 2025. This represents a depreciation of 3.71 percent quarter-on-quarter and 0.46 year-on-year (Chart 3.11a). The nominal and real effective exchange rates (NEER and REER) are also appreciated, while remaining broadly aligned with underlying economic fundamentals, thereby indicating no loss in export competitiveness. (Charts 3.11b and 3.11c).

Chart 3.11a: Daily TZS/USD exchange rates



Source: Bank of Tanzania

Chart 3.11b: Real and nominal effective exchange rate (REER)

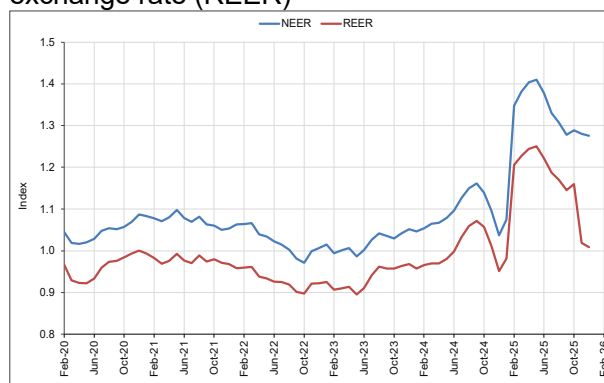
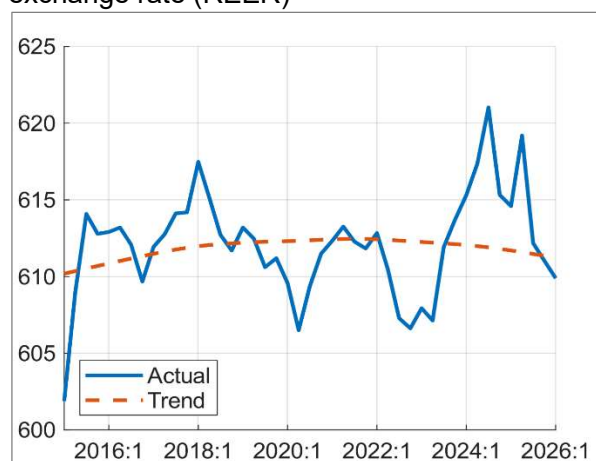


Chart 3.11c: Long run trend of the real effective exchange rate (REER)



Source: Bank of Tanzania

3.4 Banking sector and payment systems performance

The banking sector remained stable and resilient to short-term shocks.

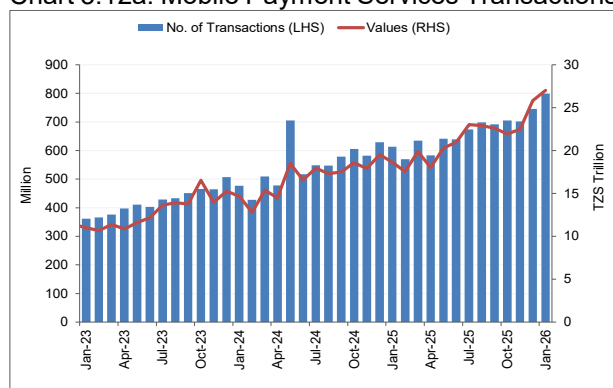
The banking sector remained sound and stable in terms of liquidity, capital adequacy and profitability⁶. The sector continues to register growth in deposits and assets, supported by increased uptake of agent banking services, innovation in financial products, and the widespread adoption of digital banking solutions. Loan portfolio growth was further reinforced by a favourable business environment coupled with low credit risk, as reflected in the decline of the non-

⁶ Banking sector accounts for over 70 percent of the financial sector

performing loans ratio to 2.9 percent in February 2026, well below the desirable threshold of 5 percent.

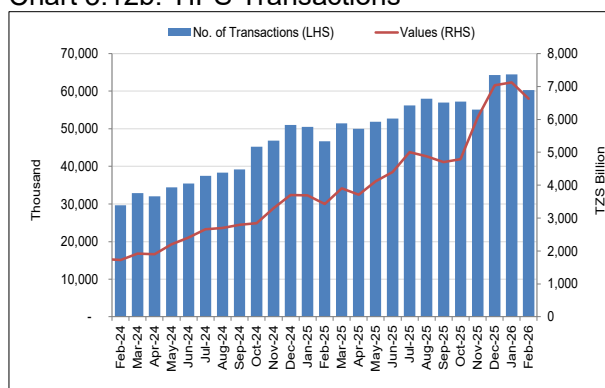
Payment systems operated efficiently during the period, supporting effective implementation of monetary policy, with strong growth observed across all platforms. Transactions through the Tanzania Interbank Settlement System (TISS), mobile money services, and the Tanzania Instant Payment System (TIPS) increased significantly in both volume and value compared to the corresponding period in 2025. The expansion was particularly notable in mobile money and instant payments, reflecting continued digitalization of financial services. This overall growth was driven by wider adoption of digital payment channels, increased use of TIPS for government transactions, and rising merchant acceptance of electronic payments (Charts 3.12a and 3.12b).

Chart 3.12a: Mobile Payment Services Transactions



Source: Mobile Electronic Money Issuers
 Note: LHS refers to the left-hand scale, and RHS is right-hand scale.

Chart 3.12b: TIPS Transactions



Source: Bank of Tanzania

3.5 Fiscal policy

Fiscal policy in the third quarter of 2025/26 remained anchored on supporting economic growth, enhancing revenue mobilization, strengthening debt sustainability, and maintaining expenditure discipline. Overall, fiscal performance was satisfactory. Tax revenue exceeded the quarterly target by 1.3 percent, reaching TZS 7,964.2 billion, with over performance registered in all major tax categories (Charts 3.13a). This signals expansion of economic activities and continuous improvements in tax administration efficiency and enhanced compliance. Non-tax revenue amounted to TZS 1,439.3 billion, which is 14.3 percent below the target, largely associated with lower than the projected number of tourists visiting the country (Chart 3.13b).

Chart 3.13a: Tax revenue performance

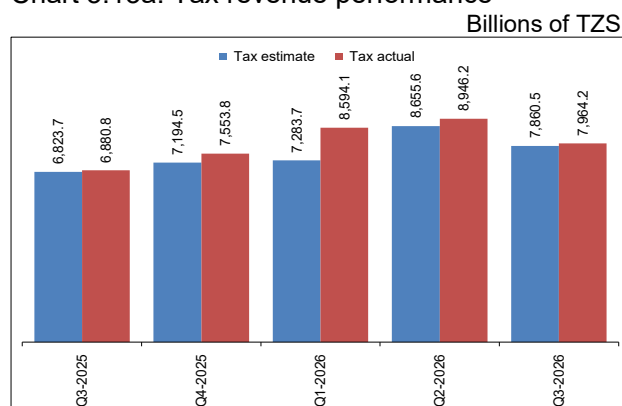
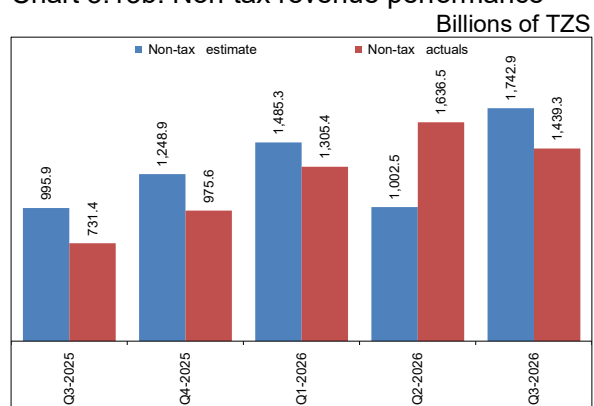


Chart 3.13b: Non-tax revenue performance



Source: Ministry of Finance

Note: Q denotes quarter; years follow the fiscal-year format, meaning that 2026 refers to FY 2025/26; and data for Q3-2026 are estimates.

Government expenditure was executed in line with available resources, amounting to TZS 10,842.6 billion compared with the estimate of TZS 12,766.7 billion. Of this total, 73.2 percent was recurrent spending, largely covering wage obligations and interest payments on both domestic and external debt.

Public debt stabilizes

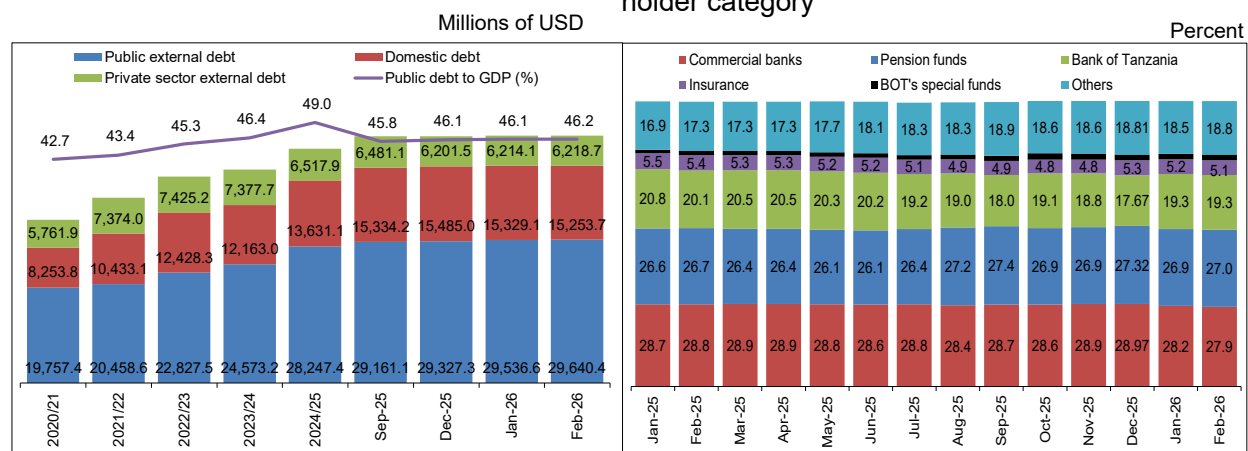
Public debt amounted to USD 44,894.1 million at the end of February 2026, of which 66.8 percent was external debt (Chart 3.14a). The external debt was mainly owed to multilateral institutions and commercial creditors, which together accounted for 94.4 percent of the total. Disbursed outstanding external debt remained largely concentrated on balance of payments and budget support (26.9 percent), transport and telecommunications (23.5 percent), and social welfare and education (22.9 percent). Meanwhile, private sector external debt stood at USD 6,218.7 million, slightly higher than the level recorded at the end of December 2025 and was predominantly owed to commercial lenders (85 percent), followed by export credits (10.6 percent).

The stock of domestic debt was TZS 38,781.7 billion at the end of February 2026, marking a 2.3 percent increase from the end of the preceding quarter. Domestic debt stock was equivalent to 15.7 percent of GDP, with Treasury bonds dominating, at 67.5 percent. During the third quarter of 2025/26, the Government borrowed a total of TZS 1,393.1 billion through the issuance of government securities, comprising TZS 918.9 billion from Treasury bonds and TZS 474.2 billion from Treasury bills. All auctions were oversubscribed, indicating strong investor appetite and confidence on the instruments. Reflecting the high demand, yields declined across all maturities.

Approximately three-quarters of the total stock was owed to commercial banks, pension funds, and the Bank (Chart 3.14b).

Chart 3.14a: Debt developments

Chart 3.14b: Composition of domestic debt by holder category



Source: Ministry of Finance and Bank of Tanzania

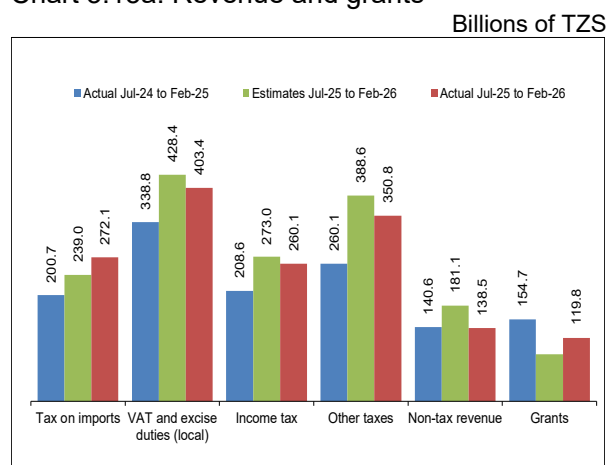
Note: Others include public institutions, private companies, individuals, and non-residents

Zanzibar fiscal performance remained satisfactory, with revenue collection target attained.

Domestic revenue and grants amounted to TZS 1,544.7 billion, equivalent to 96.6 percent of the target (Chart 3.15a)⁷. Tax revenue reached TZS 1,286.4 billion, equivalent to 96.6 percent of the target and remaining the dominant source of domestic revenue at 90.3 percent (Chart 3.15 b). Non-tax revenue totaled TZS 138.5 billion, equivalent to 76.5 percent of the target. Government spending amounted to TZS 2,798.9 billion, of which 54.1 percent was development expenditure (Chart 3.16). Of the total development expenditure, 80 percent was financed locally, reflecting the government's commitment to self-sustainability and reliance on domestic resources. The overall fiscal deficit reached TZS 1,374 billion in the period under review and was financed through domestic borrowing. Stock of domestic debt stood at TZS 2,557.4 billion at the end of February 2026, up from TZS 2,394.3 billion at the end of December 2025. Out of which, commercial Banks accounted for 51.1 percent, followed by Government securities, mainly Treasury bonds, at 47.3 percent and the balance being loans from pension funds.

⁷ Cumulative data from July 2025 to February 2026.

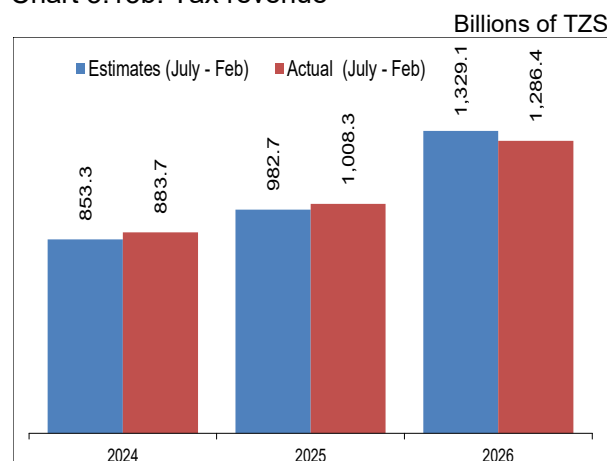
Chart 3.15a: Revenue and grants



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

Note: Other taxes include hotel and restaurant levies, tour operator levies, revenue stamps, airport and seaport service charges, road development fund, and petroleum levy

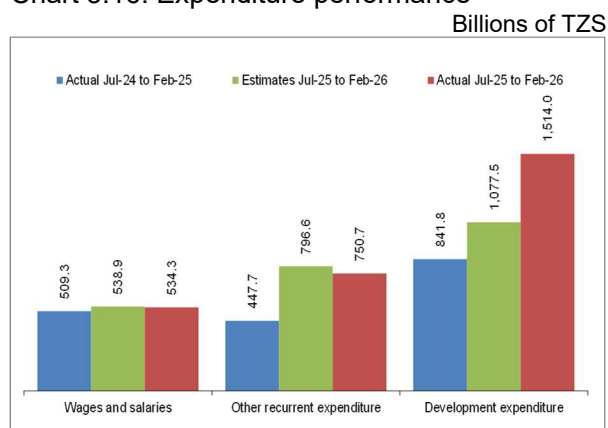
Chart 3.15b: Tax revenue



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

Note: Cumulative data from July of preceding year.

Chart 3.16: Expenditure performance



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

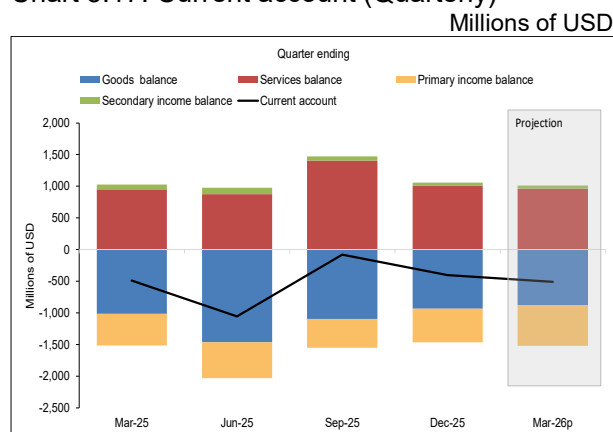
Note: Other expenditure includes transfers, domestic debt interest payment, consolidated fund service, and other charges

3.6 External sector performance

The current account remained resilient amidst increased pressures from global geopolitical conflicts and supply chain disruptions. The current account deficit is estimated at USD 509.6 million in the quarter ending March 2026, compared with USD 488.4 million in the same period in 2025, with a much larger increase in imports, particularly capital and intermediate goods (Chart 3.17 and Table 3.5). On an annual basis, the current account deficit amounted to USD 2,050.4 million in the year ending March 2026 (equivalent to 2.2 percent of GDP) compared

to USD 1,993 million (equivalent to 2.4 percent of GDP) in the corresponding period in the preceding year.

Chart 3.17: Current account (Quarterly)



Source: TRA and BOT computation

Note: p denotes provisional data

Table 3.5: Current account

	Year Ending March		Quarter ending		
	2025	2026	Mar-25	Dec-25	Mar-26 ^p
Goods account balance	-4,512.1	-4,377.5	-1,014.8	-935.3	-880.0
Exports	9,606.0	11,108.0	2,154.4	3,111.3	2,986.9
Imports	-14,118.1	-15,485.4	-3,169.3	-4,046.6	-3,866.9
Services account balance	3,976.1	4,254.8	949.4	1,010.6	960.8
Receipts	6,905.0	7,625.6	1,686.1	1,861.3	1,834.3
Payments	-2,928.9	-3,370.9	-736.8	-850.8	-873.5
Goods and services balance	-535.9	-122.7	-65.5	75.3	80.8
Exports of goods and services	16,511.0	18,733.6	3,840.6	4,972.6	4,821.2
Imports of goods and services	-17,047.0	-18,856.3	-3,906.0	-4,897.3	-4,740.4
Primary income account balance	-1,987.5	-2,186.5	-503.1	-526.6	-639.5
Receipts	308.0	293.0	72.6	64.3	59.4
Payments	-2,295.6	-2,479.5	-575.7	-590.9	-698.9
Secondary income account balance	530.5	258.8	80.2	47.2	49.1
Inflows	1,118.4	904.3	229.8	221.1	235.0
o/w Official transfers	128.2	38.2	1.2	1.5	19.7
Outflows	-587.9	-645.5	-149.6	-173.9	-185.9
Current account balance	-1,993.0	-2,050.4	-488.4	-404.1	-509.6

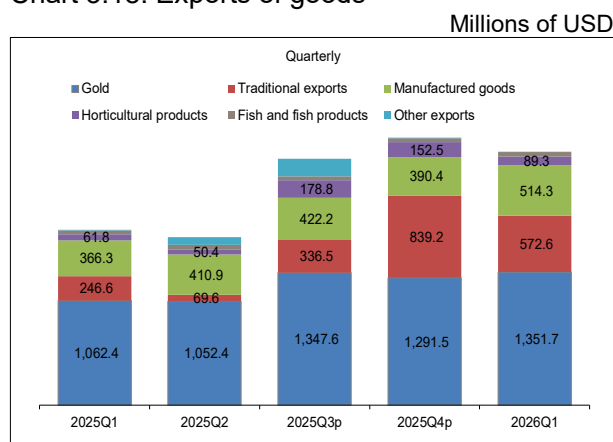
Exports performance

Exports of goods and services are estimated at USD 4,821.2 million in the quarter ending March 2026, up from USD 3,840.6 million in the corresponding period in 2025. This performance is largely attributable to higher exports of gold, tourism, and manufactured goods, as well as traditional exports, particularly tobacco and coffee (Chart 3.18). Gold exports have benefited from increased production and favorable prices, while stronger demand from the neighbouring countries has supported the increase in manufactured exports.

On an annual basis, exports of goods and services are estimated at USD 18,733.6 million in the year ending March 2026, a significant increase of 13.5 percent from USD 16,511 million in the same period in 2025 (Table 3.6). This growth was driven by higher exports of gold, tourism, manufactured goods, and traditional crops, particularly cashew nuts, tobacco and coffee. Gold exports rose by 33.7 percent, reaching USD 5,043.2 million from USD 3,771.1 million, supported by both elevated global gold prices and domestic production. Meanwhile, tourism earnings increased to USD 4,436.1 million, from USD 3,967.7 million, consistent with the rise in international tourist arrivals, which rose by 7 percent to 2,298,895 from 2,148,427 in the year ending March 2025⁸.

⁸ The number of international tourist arrivals for the year ending March 2026 is provisional.

Chart 3.18: Exports of goods



Source: Bank of Tanzania and Tanzania Revenue Authority

Note: p denotes provisional data; and Q, quarter

Table 3.6: Exports of goods and services

Millions of USD

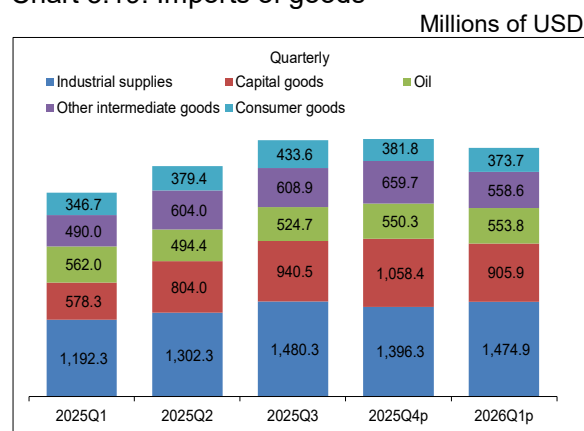
	Year Ending March		Quarter ending		
	2025	2026	Mar-25	Dec-25	Mar-26 ^p
Traditional	1,486.3	1,817.8	246.6	839.2	572.6
o/w Cashew nut	527.9	513.3	34.0	364.1	148.5
Tobacco	517.2	683.2	80.0	255.3	202.1
Non-traditional	7,712.0	8,951.1	1,851.0	2,160.1	2,326.5
Minerals	4,525.2	5,729.2	1,224.1	1,449.6	1,551.5
o/w Gold	3,771.1	5,043.2	1,062.4	1,291.5	1,351.7
Horticultural	505.2	471.0	61.8	152.5	89.3
Manufactured	1,369.0	1,737.8	366.3	390.4	514.3
Cereals	351.4	174.1	78.8	21.5	21.9
Fish and fish products	172.7	166.9	38.9	38.3	44.6
Oil seeds	299.5	269.1	5.9	8.0	3.6
Other exports	244.0	238.9	46.9	63.5	52.1
Services receipts	6,905.0	7,625.6	1,686.1	1,861.3	1,834.3
o/w Travel	3,967.7	4,436.1	1,012.8	1,082.2	1,038.3
Transportation	2,404.3	2,742.6	582.3	662.4	677.3
Goods and services	16,511.0	18,733.6	3,840.6	4,972.6	4,821.2

Imports

Imports of goods and services are estimated at USD 4,740.4 million in the quarter ending March 2026, representing a 21.4 percent increase from USD 3,906 million recorded in the corresponding quarter of 2025 (Table 3.7). The increase is mainly attributable to higher imports of industrial supplies and capital goods, reflecting continued public and private investment. Imports of petroleum products are estimated at USD 553.8 million, slightly lower than USD 562 million recorded in the corresponding period of 2025, benefiting from lower prices at the beginning of the quarter. Nevertheless, global oil prices are anticipated to increase amid escalating geopolitical conflicts in the Middle East, which continue to exert upward pressure on energy markets.

On an annual basis, total imports are estimated to have increased by 10.6 percent, reaching USD 18,856.3 million in the year ending March 2026, up from USD 17,047 million in the corresponding period in 2025 (Chart 3.19). The increase mainly came from imports of industrial supplies and transport equipment, machinery and mechanical appliances, and parts and accessories. However, imports of white petroleum products decreased to USD 2,123.1 million from USD 2,514 million, benefiting from the moderation of global oil prices before the Middle East conflict.

Chart 3.19: Imports of goods



Source: Bank of Tanzania

Note: p denote provisional data; Q, quarter

Table 3.7: Imports of goods and services

Millions of USD

	Year Ending March		Quarter ending		
	2025	2026	Mar-25	Dec-25	Mar-26 ^p
Capital	2,925.1	3,708.8	578.3	1,058.4	905.9
Machinery and mechanical appliances	1,057.2	1,264.2	229.8	309.2	354.8
Industrial transport equipment	1,095.5	1,296.5	197.6	339.9	273.4
Intermediate	9,762.0	10,205.9	2,243.8	2,605.8	2,586.7
Industrial supplies	4,781.5	5,653.8	1,192.3	1,396.3	1,474.9
Fuel and lubricants	2,678.9	2,166.9	564.5	570.0	563.1
o/w Refined white products	2,514.0	2,123.1	562.0	550.3	553.8
Parts and accessories	1,108.0	1,136.5	237.4	290.1	269.1
Food and beverages for industrial use	819.5	831.8	159.1	231.2	214.8
o/w Wheat grain	315.5	362.2	72.2	110.7	81.5
Motor cars for household	372.0	410.8	90.0	112.4	64.9
Consumer	1,428.8	1,568.6	346.7	381.8	373.7
Food and beverages mainly for household	218.4	192.6	65.7	50.3	46.6
Non-industrial transport equipment	165.1	211.5	35.9	60.9	38.5
Other consumer goods	1,047.6	1,164.4	245.1	270.6	288.6
Services payment	2,928.9	3,370.9	736.8	850.8	873.5
o/w Transportation	1,405.1	1,577.5	304.8	407.9	415.0
Goods and services	17,047.0	18,856.3	3,906.0	4,897.3	4,740.4

Zanzibar's current account balance continues to record a surplus, supported by higher tourism receipts.

The current account surplus is estimated at USD 236.5 million in the first quarter of 2026, up from USD 229.4 million in the similar quarter of 2025 (Table 3.8). In the year ending March 2026, the current account surplus is estimated at USD 877.4 million, compared with USD 706.5 million recorded in the similar period in 2025 (Table 3.9). This performance was largely driven by higher service receipts, particularly from tourism, which accounted for 96.4 percent of total exports of goods and services. Tourist arrivals rose by 25.1 percent in the year ending March 2026 from 767,483 in 2025, underpinned by sustained tourism promotion and investment in infrastructure, notably airports and roads.

Table 3.8: Current account

Millions of USD

Description	Quarter ending				
	Mar-25	Jun-25	Sept-25	Dec-25	Mar-26 ^p
Goods account (net)	-126.2	-145.2	-179.7	-128.7	-192.9
Exports	4.7	6.1	15.1	21.9	22.1
Imports (fob)	131.0	151.3	194.7	150.6	215.0
Services account (net)	353.3	245.4	451.5	353.5	412.0
Receipts	377.1	269.2	478.2	384.6	447.9
Payments	23.8	23.8	26.7	31.1	35.9
Goods and services (net)	227.1	100.2	202.0	224.8	219.1
Exports of goods and services	381.9	275.3	423.4	406.5	470.0
Imports of goods and services	154.8	175.0	221.4	181.7	250.9
Primary Income account (net)	2.1	1.4	0.7	8.1	14.8
Receipts	2.9	1.9	0.9	10.9	17.8
Payments	0.8	0.5	0.2	2.8	2.9
Secondary income (net)	0.2	0.2	0.1	1.2	2.5
Inflows	0.5	0.3	0.1	2.0	3.7
Outflows	0.2	0.1	0.1	0.8	1.2
Current account balance	229.4	101.8	202.8	234.1	236.5

Source: TRA and BOT computation

Note: p denotes provisional data

Table 3.9: Current account

Millions of USD

Description	Year ending				
	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26 ^p
Goods account (net)	-484.4	-503.9	-525.2	-531.0	-593.0
Exports	34.1	33.3	30.5	36.2	58.3
Imports (fob)	518.4	537.2	555.7	567.2	651.3
Services account (net)	1,174.5	1,088.5	1,189.2	1,409.9	1,397.0
Receipts	1,274.2	1,167.1	1,290.0	1,509.1	1,579.9
Payments	99.7	78.7	100.9	99.2	117.5
Goods and services (net)	690.1	584.6	664.0	813.4	869.5
Exports of goods and services	1,308.3	1,200.4	1,320.5	1,545.4	1,638.2
Imports of goods and services	618.1	615.9	656.5	666.5	768.7
Primary Income account (net)	14.5	23.3	18.8	18.8	6.7
Receipts	21.0	33.9	27.4	27.6	8.4
Payments	6.5	10.7	8.6	8.8	1.7
Secondary income (net)	1.8	3.3	2.8	1.9	1.2
Inflows	3.5	5.6	4.9	4.7	1.4
Outflows	1.7	2.4	2.1	2.8	0.6
Current account balance	706.5	611.1	685.6	834.1	877.4

Exports of goods and services are estimated at USD 470 million in the quarter ending March 2026, up from USD 381.9 million in the corresponding period in 2025, with goods exports registering a notable increase. Exports of goods rose to USD 22.1 million from USD 4.7 million in the corresponding quarter in 2025, mainly driven by the export of cloves (Table 3.10). In the year ending March 2026, exports of goods and services are estimated at USD 1,638.2 million, up from USD 1,308.3 million in the corresponding period in 2025. The improvement was driven by higher service receipts, particularly from tourism-related activities.

Imports of goods and services are estimated at USD 250.9 million in the quarter ending March 2026, up from USD 154.8 million in the corresponding period in 2025, with goods imports increasing to USD 215 million, from USD 131 million. This growth was largely attributed to increased importation of capital goods, mainly industrial transport equipment and consumer goods (Table 3.11). In the year ending March 2026, imports of goods and services are estimated at USD 768.5 million, compared to USD 618.1 million during the corresponding period in 2025, mainly driven by capital, intermediate and consumer goods.

Table 3.10: Export of goods

Description	Units	Year ending March		Quarter ending		
		2025	2026 ^p	Mar-25	Dec-25	Mar-26 ^p
Traditional exports						
Clove						
Value	'000' of USD	3,888.8	34,583.1	408.4	16,839.7	12,521.27
Volume	'000' Tonnes	0.9	5.1	0.1	2.5	1.82
Unit price	USD/Tonne	4,412.7	6,755.8	4,072.9	6,818.0	6,862.1
Non-traditional exports						
Seaweeds						
Value	'000' of USD	3,748.8	1,647.7	793.1	218.1	85.38
Volume	'000' Tonnes	6.7	3.0	1.4	0.4	0.16
Unit price	USD/Tonne	557.0	550.2	582.4	578.1	1,493.83
Manufactured goods	'000' of USD	14,005.8	11,050.9	2,300.9	2,316.0	2,634.11
Fish and fish products	'000' of USD	1,754.4	610.2	127.4	124.8	241.49
Others exports	'000' of USD	10,667.4	10,370.5	1,105.6	2,394.2	6,596.19
Sub-total	'000' of USD	30,176.4	23,679.3	4,327.0	5,053.1	9,557.17
Grand-total	USD ('000')	34,065.2	58,262.4	4,735.4	21,892.8	22,078.4

Source: TRA and BOT computation

Note: p denotes provisional data

Table 3.11: Import of goods

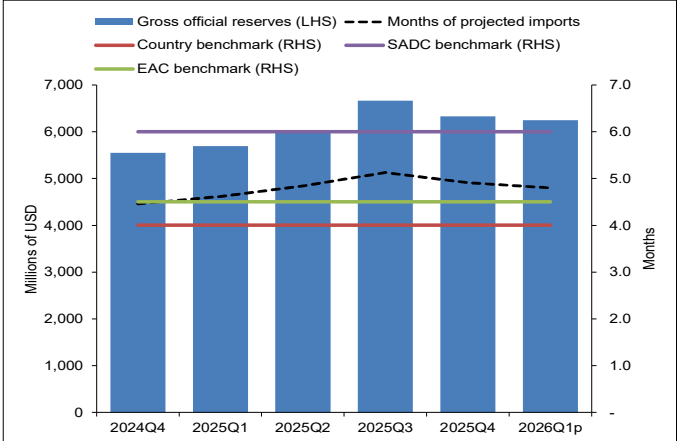
Description	Millions of USD				
	Year ending March		Quarter ending		
	2025	2026 ^p	Mar-25	Dec-25	Mar-26 ^p
Capital	63.1	150.3	13.9	28.6	81.1
Machinery and mechanical appliances	23.3	46.6	4.9	11.2	18.8
Industrial transport equipment	20.8	51.9	3.9	3.4	40.0
Electrical machinery and equipment	13.3	38.5	3.2	10.1	18.2
Other capital goods	5.8	13.4	2.0	3.9	4.1
Intermediate	386.5	404.0	101.4	93.1	107.6
Industrial supplies	113.7	181.9	34.7	43.1	56.2
Fuel and lubricants	162.7	110.6	37.5	21.4	31.8
Parts and accessories	15.9	29.8	3.3	11.0	7.4
Food and beverages for industrial use	0.0	3.3	21.9	0.0	9.3
Motor cars for household	20.3	14.8	4.1	3.5	2.8
Consumer	68.9	96.9	15.6	28.9	26.3
Food and beverages mainly for household consumption	17.2	18.1	3.8	4.8	5.3
Non-industrial transport equipment	2.1	2.9	0.5	0.9	0.7
Other consumer goods	49.5	72.6	11.3	23.2	17.0
Total (f.o.b)	518.4	651.3	131.0	150.6	215.0

3.7 Foreign Reserves

Foreign exchange reserves remained broadly adequate, supported by improved export performance, particularly in gold, tourism, and manufactured goods, as well as the Bank's gold purchase program. Consistent with this trend, reserves were projected to remain above the country's minimum threshold. In line with these expectations, foreign reserves stood at USD 6,243.6 million in February 2026, equivalent to about 4.8 months of import cover, exceeding both

the national benchmark of 4 months and the EAC convergence criterion of 4.5 months (Chart 3.20). In the second quarter of 2026, the reserve position is expected to remain above USD 6 billion, supported by the continued gold purchase program, thereby enhancing resilience to external shocks.

Chart 3.20: Foreign reserves and import cover



Source: Bank of Tanzania
 Notes: LHS refers to left-hand scale; and RHS, right-hand scale

Appendices

Appendix 1: Word commodity price developments

	Crude oil average (USD per barrel)	Crude oil Brent (USD per barrel)	Crude oil Dubai (USD per barrel)	White products (USD per tonne)	Coffee Arabica (USD per kg)	Coffee Robusta (USD per kg)	Tea average (USD per kg)	Tea Mombasa (USD per kg)	Palm oil (USD per tonne)	Wheat (hard) (USD per tonne)	Tobacco (USD per tonne)	Cotton, A index (USD per kg)	DAP (USD per tonne)	Urea (USD per tonne)	Maize (USD per tonne)	Rice (USD per tonne)	Sugar (USD per tonne)	Gold (USD per troy oz)
Jan/23	80.4	83.1	80.0	908.9	4.6	2.1	2.8	2.3	942.0	380.4	4,475.6	2.2	631.0	443.8	302.8	517.0	416.0	1,897.7
Feb/23	80.3	82.7	81.2	826.7	5.1	2.3	2.7	2.3	950.0	394.8	4,492.3	2.2	612.5	357.5	298.2	492.0	446.0	1,854.5
Mar/23	76.5	78.5	77.5	823.6	4.9	2.3	2.7	2.4	972.1	369.9	4,525.7	2.1	606.0	313.5	282.5	476.0	452.4	1,912.7
Apr/23	82.5	84.1	83.8	809.3	5.1	2.6	3.0	2.3	1,005.2	378.2	4,586.6	2.1	637.0	313.4	291.1	501.0	529.3	1,999.8
May/23	74.1	75.7	75.1	744.2	4.9	2.7	2.7	2.2	934.1	367.7	4,786.8	2.1	510.0	329.3	268.1	510.0	560.0	1,992.1
Jun/23	73.3	74.9	74.7	763.2	4.6	2.9	2.7	2.1	817.0	345.5	5,064.7	2.0	454.6	287.5	266.9	514.0	542.1	1,942.9
Jul/23	79.0	80.1	80.5	826.1	4.3	2.8	2.5	2.1	878.5	345.5	5,098.2	2.1	458.8	334.6	242.4	547.0	521.2	1,951.0
Aug/23	84.7	86.2	86.6	922.2	4.1	2.7	2.8	2.2	860.8	315.8	5,295.8	2.1	528.8	385.6	207.6	635.0	528.0	1,918.7
Sep/23	92.2	94.0	93.1	939.0	4.1	2.7	2.9	2.3	829.6	314.7	5,437.4	2.2	527.9	380.0	223.8	620.0	579.6	1,916.0
Oct/23	89.1	91.1	90.6	853.7	4.1	2.6	2.8	2.2	804.3	298.1	5,488.2	2.1	534.8	411.4	230.7	590.0	567.0	1,916.3
Nov/23	81.4	83.2	83.5	801.5	4.4	2.7	2.7	2.2	830.5	283.6	5,475.3	2.0	535.6	385.5	211.3	598.0	575.0	1,984.1
Dec/23	75.7	77.9	77.2	755.4	4.7	3.0	2.7	2.2	813.5	291.1	5,461.8	2.0	563.8	354.0	206.6	644.0	478.2	2,026.2
Jan/24	77.7	80.2	78.7	777.8	4.5	3.3	2.7	2.2	844.9	283.9	5,533.8	2.0	596.3	335.4	198.6	660.0	484.6	2,034.0
Feb/24	80.5	83.8	81.2	816.6	4.6	3.4	2.7	2.2	856.9	278.5	5,535.0	2.2	583.8	351.3	189.1	624.0	501.6	2,023.2
Mar/24	83.5	85.4	84.7	833.8	4.6	3.7	2.7	2.2	942.9	274.8	5,608.2	2.2	617.5	330.0	190.6	613.0	475.1	2,158.0
Apr/24	88.0	90.1	89.4	840.3	5.3	4.2	3.0	2.3	935.7	272.3	5,674.5	2.0	545.0	320.0	191.7	592.0	451.1	2,331.5
May/24	81.4	82.0	83.5	776.6	5.1	4.0	3.2	2.2	859.2	289.4	5,629.9	1.9	522.0	284.8	197.8	628.0	417.8	2,351.1
Jun/24	81.2	82.6	82.2	773.0	5.5	4.5	3.2	2.1	873.7	265.6	5,754.6	1.8	543.0	336.3	192.5	632.0	425.3	2,326.4
Jul/24	83.3	85.3	83.9	784.7	5.7	4.7	3.3	2.2	896.1	260.3	6,015.5	1.8	539.4	342.5	177.4	590.0	425.9	2,398.2
Aug/24	78.1	80.9	78.0	708.7	5.8	4.7	3.2	2.2	932.6	250.9	5,998.6	1.8	546.0	342.5	170.3	589.0	405.7	2,470.2
Sep/24	72.4	74.3	73.4	649.5	6.1	5.3	3.3	2.1	982.8	269.7	6,078.9	1.8	554.8	337.5	185.0	580.0	448.0	2,570.6
Oct/24	74.0	75.7	74.7	673.7	6.1	4.9	3.1	2.1	1,077.3	272.9	6,166.3	1.8	573.4	374.8	190.3	515.0	461.6	2,690.0
Nov/24	72.3	74.4	72.8	670.5	6.7	5.0	3.1	2.2	1,168.6	253.8	6,338.6	1.8	574.5	352.3	201.3	511.0	450.4	2,651.1
Dec/24	72.3	73.8	73.3	661.7	7.6	5.2	3.0	2.2	1,189.7	252.2	6,458.3	1.8	568.3	352.0	202.6	527.0	436.3	2,648.0
Jan/25	78.2	79.2	80.1	713.5	7.8	5.4	2.7	2.2	1,070.3	254.1	6,519.4	1.7	582.7	380.5	214.4	478.0	396.2	2,709.7
Feb/25	73.8	75.2	75.0	713.5	9.0	5.8	2.7	1.8	1,067.3	264.6	6,735.8	1.7	603.8	436.5	220.9	437.0	422.8	2,894.7
Mar/25	70.7	72.6	71.7	687.0	8.9	5.7	2.7	2.2	1,069.0	255.4	6,813.0	1.7	615.1	394.5	207.4	425.0	416.5	2,983.3
Apr/25	65.9	67.7	66.9	655.8	8.6	5.4	2.9	2.1	994.4	249.6	6,870.9	1.7	635.0	386.9	215.0	415.0	368.8	3,217.6
May/25	62.7	64.2	63.0	649.8	8.8	5.2	3.0	1.9	907.6	237.0	6,924.0	1.7	669.2	392.0	203.9	431.0	368.5	3,309.5
Jun/25	69.1	71.5	68.5	691.9	8.0	4.3	3.0	2.0	935.4	240.1	6,986.5	1.7	715.4	420.5	196.1	419.0	368.8	3,352.7
Jul/25	69.2	71.0	69.2	700.7	7.2	3.7	3.0	2.1	976.4	235.0	7,025.3	1.7	736.0	496.0	192.0	392.0	368.2	3,340.2
Aug/25	66.7	68.2	67.9	677.2	8.1	4.4	3.0	2.1	1,026.0	231.1	7,054.1	1.7	795.1	507.7	185.5	375.0	369.1	3,368.0
Sep/25	66.5	68.0	67.8	679.3	8.8	4.7	2.9	2.1	1,038.4	233.8	6,949.3	1.7	780.6	461.1	197.4	374.0	354.1	3,667.7
Oct/25	63.0	64.7	64.3	660.2	8.9	4.7	3.0	2.2	1,045.0	230.8	6,929.8	1.7	754.0	394.4	198.1	356.0	335.3	4,058.3
Nov/25	62.3	63.6	63.8	695.8	9.1	4.7	3.0	2.3	983.4	245.9	6,838.6	1.7	708.3	409.3	202.0	368.0	315.5	4,087.2
Dec/25	60.9	62.7	62.0	628.3	8.4	4.2	2.9	2.3	980.1	242.8	6,924.0	1.6	627.5	392.5	205.7	424.0	323.2	4,309.2
Jan/26	63.7	66.8	63.9	648.5	8.0	4.2	2.7	2.3	1,004.7	249.9	...	1.6	619.2	415.4	204.5	408	320.1	4,752.8
Feb/26	68.0	71.1	68.4	708.8	7.1	4.0	2.7	2.3	1,041.6	257.6	...	1.6	626.5	472.0	209.6	409.0	307.1	5,020.0
2023		82.6			4.5	2.6	2.7		886.0	340.0	5,016.0	2.1	550.0	358.0	253.0	554.0	520.0	1,943.0
2024		80.7			5.6	4.4	3.0		963.4	268.7	5,899.4	1.9	563.7	338.3	190.6	598.0	448.6	2,387.7
2025		69.0			8.5	4.9	2.9		1,007.8	243.3	6,880.9	1.7	685.2	422.7	203.2	407.8	367.1	3,441.5

Source: World Bank – Pink Sheet

Appendix 2: Summary of the depository corporation survey

Billions of TZS

Items	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Net foreign assets	14,706.2	15,442.1	14,658.6	14,028.1	15,509.5	15,726.1	15,766.0	15,896.7	15,715.4	16,298.6	15,286.5	15,950.0	15,652.8
Bank of Tanzania	13,020.1	13,217.7	12,273.9	11,844.6	13,623.0	13,884.0	13,933.2	14,467.3	13,334.3	13,892.1	13,707.3	13,987.7	13,992.5
Other depository corporations	1,686.1	2,224.4	2,384.7	2,183.6	1,886.5	1,842.1	1,832.8	1,429.3	2,381.1	2,406.5	1,579.1	1,962.3	1,660.3
Net domestic assets	35,942.2	36,699.8	38,679.1	39,313.4	39,973.8	40,565.0	41,689.9	41,957.4	44,073.3	44,560.0	45,702.6	46,155.7	47,416.5
Domestic claims	48,836.1	50,109.3	51,989.3	52,813.1	52,139.4	52,548.3	54,561.2	54,854.2	56,509.3	57,629.3	57,229.9	57,872.1	58,849.3
Claims on central government (net)	11,853.4	12,110.0	13,233.5	13,021.1	11,590.4	11,576.1	13,030.4	12,854.4	14,122.4	14,243.8	12,626.9	12,700.8	12,841.9
Claims on non-government sector	36,982.7	37,999.3	38,755.8	39,792.0	40,549.0	40,972.2	41,530.9	41,999.9	42,386.9	43,385.5	44,603.1	45,171.4	46,007.4
Broad money liabilities	50,648.4	52,141.9	53,337.7	53,341.5	55,483.3	56,291.1	57,455.9	57,854.0	59,788.6	60,858.6	60,989.1	62,105.7	63,069.3
Currency outside depository corporations	6,954.5	7,190.0	7,024.1	7,438.9	7,874.8	8,122.1	8,036.4	7,730.8	8,410.1	8,545.0	8,492.1	8,102.1	8,151.8
Transferable deposits	23,777.1	24,483.7	25,351.5	25,031.6	25,988.3	26,155.4	27,442.8	28,352.1	29,032.2	28,992.7	29,049.1	30,023.9	30,521.3
Non-transferable (other) deposits	19,916.7	20,468.2	20,962.1	20,871.0	21,620.3	22,013.5	21,976.7	21,771.2	22,346.4	23,320.9	23,447.8	23,979.7	24,396.2
Reserve money (M0)	12,078.7	11,793.1	11,878.9	11,800.7	12,451.7	13,423.8	13,537.9	13,717.6	15,068.7	15,135.7	14,508.3	15,225.1	14,990.0
Extended broad money (M3)	50,648.4	52,141.9	53,337.7	53,341.5	55,483.3	56,291.1	57,455.9	57,854.0	59,788.6	60,858.6	60,989.1	62,105.7	63,069.3
Deposits in foreign Currency (FCD)	12,818.2	13,605.9	13,846.3	13,543.4	13,769.3	13,653.2	13,696.3	13,337.2	13,882.1	14,056.5	13,255.7	14,103.2	14,569.7
FCD in millions of USD	4,951.9	5,120.7	5,169.1	5,045.8	5,286.6	5,369.8	5,560.2	5,462.9	5,662.4	5,768.4	5,410.2	5,600.8	5,730.6
Broad money (M2)	37,830.2	38,536.0	39,491.4	39,798.1	41,714.0	42,637.9	43,759.6	44,516.8	45,906.5	46,802.2	47,733.4	48,002.5	48,499.6
Other deposits in national currency (i.e. savings and time deposits)	14,711.5	14,994.3	15,478.3	15,583.2	16,060.1	16,406.3	16,357.2	16,600.4	16,848.4	17,618.1	17,919.5	18,229.5	18,541.9
Narrow money (M1)	23,118.8	23,541.7	24,013.1	24,214.9	25,653.9	26,231.6	27,402.4	27,916.4	29,058.1	29,184.1	29,813.8	29,773.0	29,957.7
Currency in circulation	6,954.5	7,190.0	7,024.1	7,438.9	7,874.8	8,122.1	8,036.4	7,730.8	8,410.1	8,545.0	8,492.1	8,102.1	8,151.8
Transferable deposits in national currency	16,164.2	16,351.7	16,989.0	16,776.0	17,779.1	18,109.4	19,366.0	20,185.6	20,648.0	20,639.0	21,321.7	21,670.9	21,805.9

Source: Bank of Tanzania

Appendix 3: Interest rates structure

Items	Percent												
	2025											2026	
	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
A: Domestic currency													
1. Interbank cash market rates													
Overnight	7.87	7.91	7.90	7.95	7.93	6.62	6.15	6.29	6.45	6.08	6.00	6.13	6.01
2 to 7 days	8.02	8.02	7.98	7.96	7.96	7.43	6.52	6.43	6.29	6.19	6.30	6.34	6.31
8 to 14 days	8.62	8.21	8.08	8.28	8.12	7.57	6.71	6.93	6.92	6.84	6.26	6.74	6.83
15 to 30 days	8.77	8.44	8.37	8.35	6.95	7.12	6.87	7.35	7.07	7.23	6.40	7.06	6.96
31 to 60 days	8.00	9.83	8.53	8.53	8.53	8.53	6.90	7.50	7.28	7.00	7.20	7.23	7.00
61 to 90 days	7.00	9.83	9.11	9.14	9.14	9.14	9.14	9.14	9.14	7.00	8.11	9.96	7.00
91 to 180 days	10.42	10.08	12.00	12.00	12.00	11.39	7.00	7.00	9.75	8.89	8.89	6.75	7.00
181 and above	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93	10.93	12.00
Overall interbank cash market rate	8.06	8.12	8.00	7.98	7.94	7.35	6.48	6.45	6.38	6.30	6.29	6.40	6.34
2. Lombard rate													
3. REPO rate	8.00	8.00	8.00	8.00	8.00	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.75
4. Reverse REPO rate	5.30	5.30	5.30	5.30	5.30	5.30	5.30	4.79	4.79	4.79	5.75	5.75	5.75
5. Treasury bills rates													
35 days	7.21	7.21	7.21	7.21	7.21	5.77	5.78	5.76	5.76	5.77	5.75	5.75	5.75
91 days	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.20	5.94	5.64	5.38	5.36	4.75
182 days	7.76	7.42	7.50	7.50	7.50	7.46	7.36	6.81	6.21	6.08	5.93	5.73	4.97
364 days	8.20	8.20	8.47	8.24	8.24	8.24	7.46	6.56	6.41	5.92	5.91	5.85	5.85
Overall treasury bills rate	11.99	10.11	8.92	8.92	8.92	8.13	6.79	5.99	6.00	6.45	6.24	6.21	6.20
6. Treasury bonds rates													
2-years	11.93	10.10	8.86	8.89	8.89	8.13	6.83	6.03	6.27	6.25	5.87	5.89	5.68
5-years	12.55	12.55	12.08	12.08	12.08	12.17	12.17	12.17	10.05	10.05	10.05	10.05	10.05
7-years	12.41	13.14	13.14	12.94	12.94	13.18	13.18	12.48	12.48	10.54	10.54	10.54	10.54
10-years	9.71	9.71	9.71	9.71	9.71	9.71	9.71	9.71	9.71	9.71	9.71	9.71	9.71
15-years	14.08	14.08	14.26	14.26	14.26	13.74	13.74	13.74	12.45	12.45	12.45	11.30	11.30
20-years	15.76	14.63	14.63	14.63	14.63	14.63	13.91	13.91	13.91	12.08	12.08	12.08	10.78
25-years	15.28	15.28	15.11	15.11	14.50	14.50	14.50	13.55	13.55	13.55	12.02	12.02	12.02
7. Discount rate	15.84	15.84	15.84	15.29	14.80	14.80	14.42	13.19	13.19	13.19	13.19	13.19	11.99
8. Savings deposit rate	8.50	8.50	8.50	8.50	8.50	8.25	8.25	8.25	8.25	8.25	8.25	8.25	8.25
9. Overall time deposits rate	2.98	2.86	2.89	2.52	2.90	2.90	2.90	2.92	2.93	2.88	3.02	2.94	2.98
1 month	8.13	8.00	7.82	8.58	8.74	8.83	8.61	8.50	8.36	8.54	8.36	8.33	8.32
2 months	9.90	9.88	7.94	10.47	9.90	11.50	10.70	9.65	9.10	9.31	9.35	8.96	9.10
3 months	9.02	8.81	8.78	9.25	9.85	10.75	10.07	9.28	10.09	9.67	9.34	9.56	9.16
6 months	9.24	9.42	9.43	9.85	11.12	10.19	8.59	9.61	9.38	9.42	9.70	9.43	9.03
12 months	9.40	9.68	9.36	9.82	10.28	10.28	10.44	10.12	10.06	10.01	9.96	10.20	10.26
24 months	9.48	8.14	9.27	9.72	9.79	9.88	9.99	9.84	9.21	10.02	9.58	9.70	9.82
10. Negotiated deposit rate	6.94	6.90	6.66	7.49	6.95	5.99	7.16	7.63	7.05	7.92	7.21	7.11	7.35
11. Overall lending rate	11.40	10.35	10.52	10.64	11.21	10.72	10.99	11.05	11.22	11.67	11.66	11.74	11.48
Short-term (up to 1 year)	15.14	15.50	15.16	15.18	15.23	15.16	15.07	15.18	15.19	15.27	15.24	15.10	15.11
Medium-term (1-2 years)	15.77	15.83	16.15	15.96	15.69	15.51	15.64	15.52	15.50	15.53	15.46	15.49	15.41
Medium-term (2-3 years)	16.06	16.56	16.33	16.35	16.49	16.41	16.45	16.26	16.42	16.42	16.42	16.73	16.70
Long-term (3-5 years)	15.53	16.44	15.25	15.24	15.38	15.22	15.01	15.19	15.13	15.18	15.43	14.97	15.27
Term Loans (over 5 years)	14.09	14.32	13.88	14.19	14.35	14.39	14.02	14.26	14.24	14.43	14.29	14.05	13.95
12. Negotiated lending rate	14.25	14.36	14.19	14.17	14.25	14.28	14.22	14.66	14.68	14.79	14.61	14.24	14.20
13.42	12.94	12.88	12.99	12.68	12.56	12.72	12.84	12.40	12.61	12.38	12.25	12.19	
B: Foreign currency													
1. Deposits rates													
Savings deposits rate	0.76	0.77	0.53	1.33	0.89	0.83	0.93	0.98	1.75	0.57	0.87	0.77	0.70
Overall time deposits rate	3.66	2.98	2.94	3.65	3.60	3.75	4.11	3.94	4.17	4.03	3.67	4.18	4.29
1-months	3.52	3.01	2.43	2.46	2.47	2.50	2.46	2.46	2.44	2.45	2.45	2.52	2.45
2-months	3.50	2.34	2.08	3.54	3.52	3.02	4.02	4.98	4.93	6.12	2.96	4.97	4.85
3-months	3.31	2.23	3.62	3.53	3.03	4.31	4.98	2.56	4.55	2.87	4.92	4.95	4.94
6-months	4.11	3.81	3.55	4.61	4.92	4.94	4.60	5.10	5.05	5.25	4.82	4.66	4.80
12-months deposit rate	3.88	3.50	3.01	4.10	4.06	4.00	4.47	4.61	3.86	3.47	3.19	3.82	4.43
2. Overall deposit rate	8.97	8.93	8.89	8.81	8.70	8.82	8.59	8.43	8.71	8.52	8.61	8.57	8.61
Short-term (up to 1 year)	9.93	9.99	9.97	9.99	9.93	9.91	9.89	9.89	9.88	9.89	9.91	10.00	10.00
Medium-term (1-2 years)	7.64	7.94	8.16	8.39	8.22	8.23	8.11	7.49	7.73	7.65	7.68	7.68	7.72
Medium-term (2-3 years)	8.57	8.28	8.23	8.49	6.88	7.03	7.16	7.25	7.43	7.49	8.31	8.35	8.23
Long-term (3-5 years)	9.11	8.61	8.36	8.17	9.43	9.42	9.30	9.16	9.23	9.30	8.50	8.64	8.83
Term loans (over 5 years)	9.62	9.83	9.70	9.01	9.06	9.52	8.49	8.35	9.28	8.28	8.66	8.17	8.28

Source: Bank of Tanzania

Appendix 4: Banking financial soundness indicators

Particulars	Percent						
	Dec-21	Dec-22	Dec-23	Dec-24	Feb-25	Dec-25	Feb-26
Capital Adequacy							
Core Capital/TRWA+OBSE	17.2	18.0	17.7	19.4	21.3	19.3	
Core capital/Total Deposit	17.5	17.5	17.2	18.9	20.7	18.1	
Tier1 Capital/TRWA+OBSE						17.7	18.3
Total capital/TRWA+OBSE	18.1	18.9	18.4	20.0	21.9	18.8	19.7
Total capital/Total Assets	13.1	12.9	12.5	13.4	14.8	13.2	0.0
Asset Quality							
Gross non-performing Loans/gross Loans	9.4	5.8	4.4	3.4	3.4	2.8	2.9
NPLs net of provisions/Total Capital	36.6	23.5	19.8	14.1	12.8	12.1	12.0
Earnings							
Return on Assets-ROA	1.9	3.5	4.4	5.2	5.5	4.7	4.6
Return on Equity-ROE	7.6	14.6	20.5	23.7	25.0	20.6	20.4
Interest Margin to Total Income	55.6	53.8	52.1	51.4	49.2	49.3	48.9
Non Interest Expenses/Total Income	53.8	43.7	40.4	37.3	36.4	35.8	35.2
Personnel Expenses/Non-Interest Expenses	50.0	51.4	49.1	48.5	50.4	49.0	52.1
Liquidity							
Liquidity Coverage Ratio (LCR)						219.2	281.2
Liquid Assets/Demand Liabilities	30.7	26.4	28.8	28.6	30.2	27.2	26.5
Liquid Assets/Total Assets	24.6	23.1	23.2	23.9	24.9	23.5	22.7
Liquid assets/Customer Deposits Liabilities	37.0	34.8	35.2	36.5	37.7	35.1	33.4
Total Loans/Customer Deposits	86.8	89.3	92.5	92.5	90.4	90.8	89.4
Access to Lending							
Claims on the private sector to GDP	12.5	16.7	19.9	22.6	22.8	28.1	24.3
Claims on non-government sector to GDP	13.1	17.3	21.0	24.0	24.3	29.8	25.8
Sensitivity to Market Risk							
Net Open Positions in FX/Total Capital	9.0	7.8	2.5	4.7	4.2	4.0	1.8

Source: Bank of Tanzania