



BANK OF TANZANIA

Monthly Economic Review

SEPTEMBER 2009

Table of Contents

1.0	Inflation Developments	2
	Food Supply situation.....	4
2.0	Monetary and Financial Developments	5
	Money Supply and Credit Developments	5
	Financial Intermediation.....	9
	Interest Rate Developments	9
	Financial Markets Developments.....	11
3.0	Government Budgetary Operations.....	13
	Revenue Performance.....	14
	Government Expenditure.....	14
4.0	External Sector Performance.....	15
	Balance of Payments Developments.....	15
	Exports Performance	17
	Imports Performance	21
	World Commodity Prices	25
5.0	National Debt Developments.....	27
	External Debt	27
	Domestic Debt.....	29
6.0	Economic Developments in Zanzibar	31
	Inflation Developments	31
	Fiscal Performance	34
	Debt Developments	38
	External Sector Performance	41
	<i>Statistical Tables</i>	Error! Bookmark not defined.

1.0 Inflation Developments

Month-to-month headline inflation rate declined to 0.4 percent in August 2009 compared to 0.5 percent recorded in July 2009. The decrease was associated with slow down in non-food inflation. Similarly, the seasonally adjusted month-to-month headline inflation decelerated to 1.5 percent in August 2009 from 1.7 percent in July 2009. Conversely, **annual headline inflation** increased to 12.1 percent in August 2009 from 10.9 percent recorded in the previous month on account of increase in both food and non-food inflation (**Table 1.1 and Chart 1.1**).

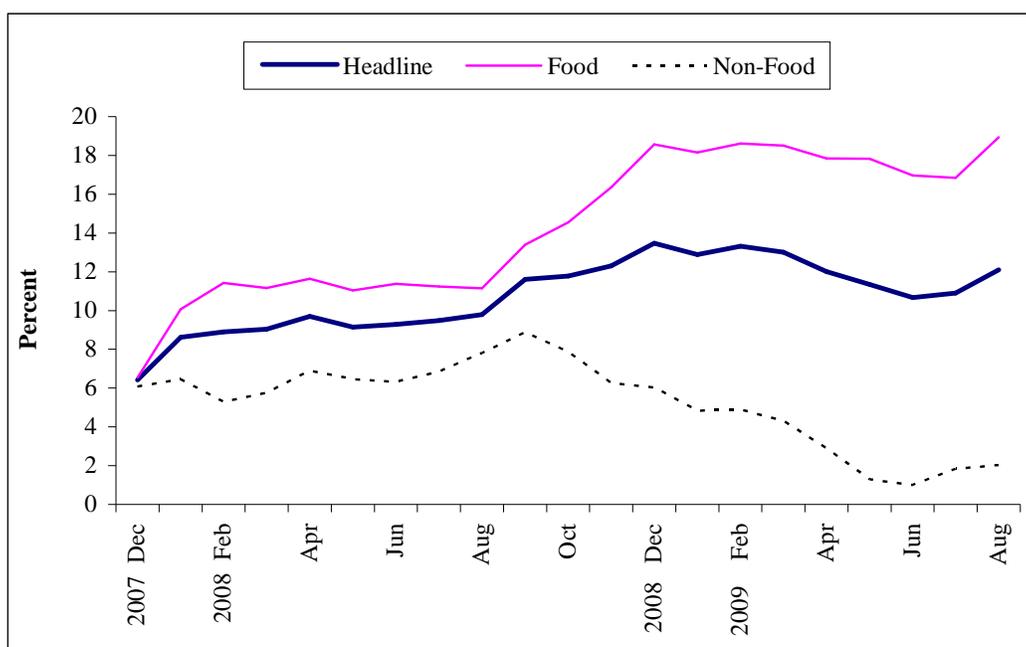
Table 1.1: Annual Percentage Change in Consumer Price Index (All-Urban)

(Base: Dec 2001 = 100)

Major Commodity Group	Weight (%)	2008			2009		
		Jun	Jul	Aug	Jun	Jul	Aug
Headline/Overall	100.0	9.3	9.5	9.8	10.7	10.9	12.1
Food	55.9	11.4	11.2	11.1	17.0	16.9	18.9
Non-food	44.1	6.3	6.9	7.8	1.0	1.8	2.0
Transportation	9.7	6.7	6.0	9.9	-2.0	-1.9	-4.9
Fuel, Power and Water	8.5	10.6	12.0	12.7	-10.1	-9.1	-7.2
Drinks and Tobacco	6.9	7.7	7.9	8.6	6.8	9.9	10.9
Clothing & Footwear	6.4	0.9	1.3	-0.1	7.2	8.5	9.8
Education	2.6	6.3	7.2	7.9	11.4	11.7	10.3
Furniture & Household Equip.	2.1	5.5	5.4	6.9	6.0	6.3	6.5
H/h Operations Maintenance	2.1	2.8	2.0	1.1	4.5	4.5	6.3
Personal Care & Health	2.1	4.0	4.9	5.9	7.7	7.1	7.5
Rents	1.4	2.1	3.5	3.1	12.2	12.6	12.6
Recreation & Entertainment	0.8	4.0	4.4	5.2	9.1	9.0	8.4
Misc. Goods & Services	1.5	0.4	1.8	1.5	3.8	3.8	5.0

Source: National Bureau of Statistics and Bank of Tanzania Computation

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



The 3-month moving average annual headline inflation rate also showed an increasing trend, from 11.0 percent in July 2009 to 11.2 percent in August 2009. The 12-months average annual headline inflation, increased to 12.1 percent in August 2009 from 8.6 percent recorded in the corresponding period (September 2007 to August 2008).

Month-to-month non-food inflation rate decreased to 0.9 percent in August 2009 from 1.7 percent recorded in July 2009. During the period, annual non-food inflation increased to 2.0 percent from 1.9 percent. The upward movement was associated with increase in prices of all non-food items except those under transportation and fuel, power and water subgroups. Similarly, the 3-month moving average annual non-food inflation rate increased to 1.6 percent from 1.4 percent. Conversely, the 12-months annual non-food inflation rate decreased to an average of 4.3 percent in August 2009 from 6.1 percent recorded in the corresponding period (September 2007 to August 2008).

Month-to-month food inflation increased to 0.1 percent in August 2009 from negative 0.2 percent in July 2009, driven mainly by increase in prices of cereals, cassava, potatoes, cooking banana, fruits, fish, coconut and milk. Likewise, annual food inflation increase to 18.9 percent from 16.9 percent. The 3-month moving

average annual food inflation increased to 17.6 percent in August 2009 from 17.2 percent in July 2009. The 12-months annual food inflation rate averaged 17.2 percent in August 2009 compared to 10.2 in the corresponding period (September 2007 to August 2008).

Food Supply situation

Following unsatisfactory food situation in the country, the Government and private traders purchased 13,077 tons of maize and sorghum from the National Food Reserve Agency (NFRA) for distribution to deficit areas at a subsidized price or freely to ease food shortages.

Wholesale prices of major food crops continued to increase in August 2009 when compared with levels recorded in the preceding month and corresponding period a year before ([Table 1.2](#)).

Table 1.2: National Average Wholesale Prices for Selected Food Items

TZS per 100 kg

Item	2008	2009		Percentage Change	
	Aug	Jul	Aug	Aug 08 to Aug 09	Jul 09 to Aug 09
Maize	28,623	34,119	35,044	22.4	2.7
Rice	85,185	99,302	98,648	15.8	-0.7
Beans	83,628	88,469	88,459	5.8	0.0
Sorghum	37,095	44,323	46,819	26.2	5.6
Potatoes	40,937	48,521	52,322	27.8	7.8

Source: Ministry of Industry, Trade and Marketing

The National Food Reserve

As at the end of August 2009, the stock of grains (maize and sorghum) maintained by the National Food Reserve Agency (NFRA) increased to 93,231 tons from 88,841 tons and 83,131 tons recorded at the end of the preceding month and corresponding period in 2008, respectively ([Table 1.3](#)). As at end August 2009, the NFRA purchased 17,435.2 tons out of the estimated 165,000 tons for 2009/10.

Table 1.3: National Food Reserve Agency (NFRA) Stock

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

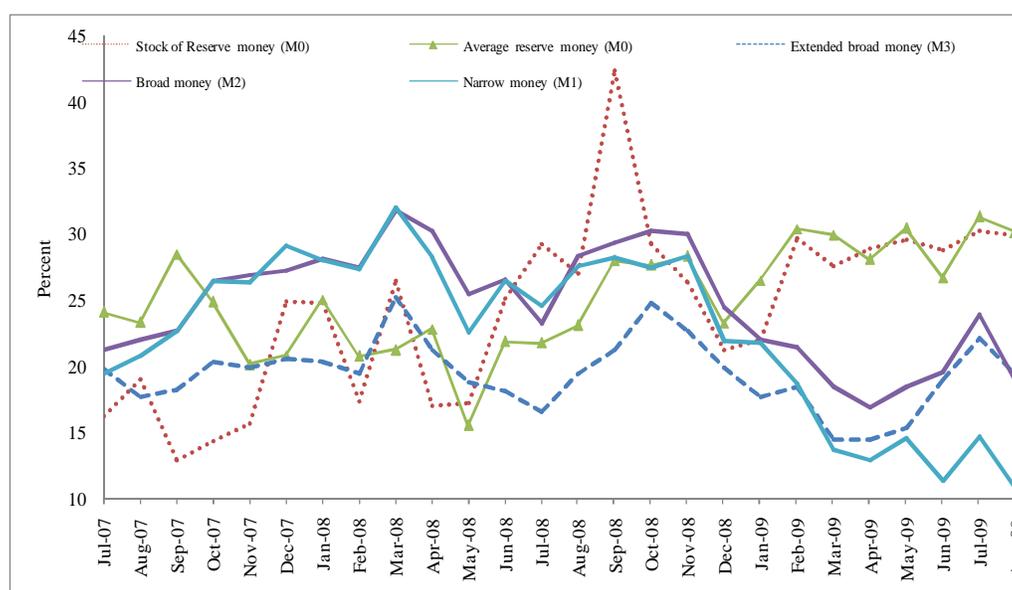
Source: National Food Reserve Agency and BOT computation

2.0 Monetary and Financial Developments

Money Supply and Credit Developments

During the year ending August 2009, the growth rate of extended broad money supply (M3) decelerated to 19.4 percent from 22.0 percent recorded in the year ending July 2009. The annual growth rate recorded in August 2009 was however, nearly the same as the rate of 19.5 percent recorded in the year ending August 2008. Meanwhile, broad money supply (M2) recorded an annual growth rate of 19.0 percent in August 2009, down from 23.9 percent recorded in the preceding month and 28.3 percent recorded in August 2008 (**Table 2.1 and Chart 2.1**).

Chart 2.1.: Annual Growth Rates of Monetary Aggregates



Source: Bank of Tanzania

Table 2.1: Selected Money Supply Components

	Billions of TZS												
						Monthly Change		Annual Growth					
	Jun-08	Jul-08	Aug-08	Jul-09	Aug-09	Jul-09	Aug-09	Jun-08	Jul-08	Aug-08	Jun-09	Jul-09	Aug-09
Net Foreign Assets of the Banking System	3,628.8	3,666.3	3,441.2	4,637.7	4,717.4	440.9	79.7	4.7	-7.9	-8.5	15.7	26.5	37.1
Bank of Tanzania	3,059.6	3,018.4	2,875.9	3,792.4	3,843.1	397.3	50.6	15.2	-8.2	-9.6	11.0	25.6	33.6
Other Depository Corporations	569.2	647.8	565.3	845.3	874.4	43.6	29.1	-29.7	-6.1	-2.4	40.8	30.5	54.7
Net Domestic Assets of the Banking System	2,983.3	3,103.2	3,553.3	3,623.5	3,632.8	-45.7	9.2	39.8	69.3	69.7	23.0	16.8	2.2
Domestic Claims	3,384.8	3,634.2	3,899.7	4,660.6	4,797.9	-111.2	137.4	21.1	45.2	44.8	41.0	28.2	23.0
Claims on central government (net)	(151.1)	(17.8)	26.3	(32.4)	25.8	-93.9	58.3	-162.0	-86.2	-130.8	-140.7	82.1	-1.7
Claims on Central Government	2,139.9	2,084.2	2,052.9	2,389.4	2,555.3	73.9	165.9	-4.8	-11.1	-13.8	8.2	14.6	24.5
Liabilities to Central Government	2,291.0	2,102.0	2,026.6	2,421.8	2,529.4	167.8	107.7	14.3	-15.0	-17.9	-1.6	15.2	24.8
Claims on Other Sectors	3,535.8	3,652.0	3,873.4	4,693.0	4,772.1	-17.2	79.1	38.6	38.8	39.4	33.2	28.5	23.2
Extended Broad Money Supply (M3)	6,612.1	6,769.4	6,994.5	8,261.2	8,350.2	395.2	89.0	18.1	16.5	19.5	19.0	22.0	19.4
Foreign Currency Deposits (FCD) in National Currency	1,781.6	1,842.5	1,777.3	2,155.8	2,141.7	62.2	-14.1	0.0	1.7	-0.7	17.5	17.0	20.5
<i>FCD in millions of US dollar</i>	1,508.6	1,582.8	1,525.9	1,641.5	1,645.1	30.2	3.7	7.4	11.9	8.8	6.8	3.7	7.8
Broad Money Supply (M2)	4,830.6	4,927.0	5,217.2	6,105.4	6,208.5	333.0	103.1	26.5	23.2	28.3	19.5	23.9	19.0
Other Deposits in National Currency	2,000.7	2,010.6	2,118.2	2,763.4	2,774.4	140.1	11.0	26.7	21.2	29.4	31.1	37.4	31.0
Narrow Money Supply (M1)	2,829.9	2,916.3	3,099.0	3,342.0	3,434.1	192.9	92.1	26.4	24.6	27.5	11.3	14.6	10.8
Currency in Circulation	1,269.5	1,312.7	1,366.9	1,494.1	1,543.7	70.1	49.5	14.3	16.3	18.2	12.2	13.8	12.9
Transferable Deposits in National Currency	1,560.4	1,603.7	1,732.1	1,847.9	1,890.5	122.9	42.6	38.3	32.3	36.0	10.5	15.2	9.1

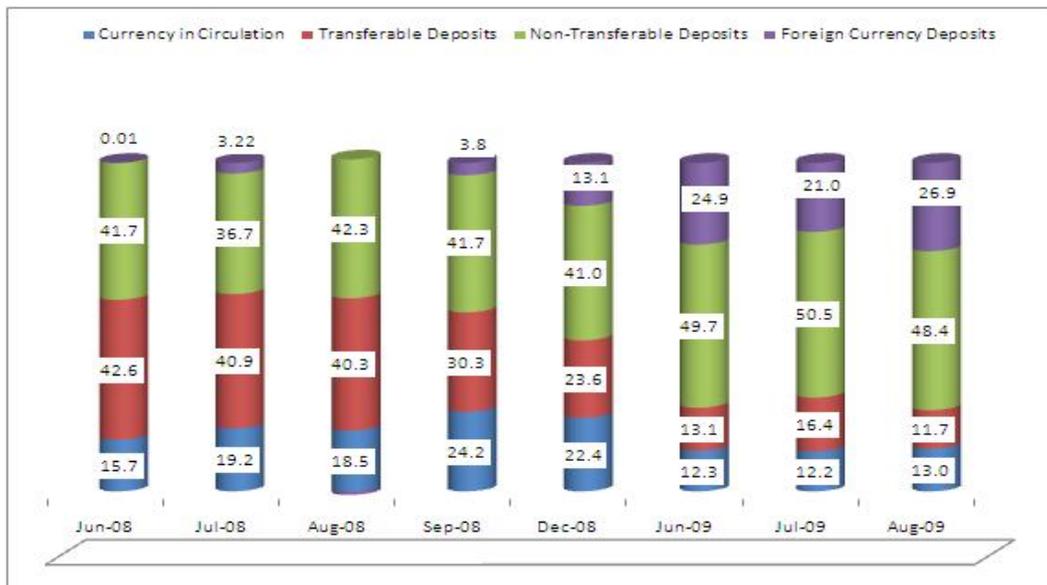
Source: Bank of Tanzania

The slowdown in the growth rate of monetary aggregates is mainly explained by decline in the growth rate of credit.

Meanwhile, annual growth rate of average reserve money in the year ending August 2009 was on the higher side compared with similar period in the previous year, but was in line with the monetary policy stance. The annual growth of average reserve money slowed slightly to 30.3 percent, from 31.3 percent recorded in the year ending July 2009, but was much higher than 23.1 percent recorded in August 2008.

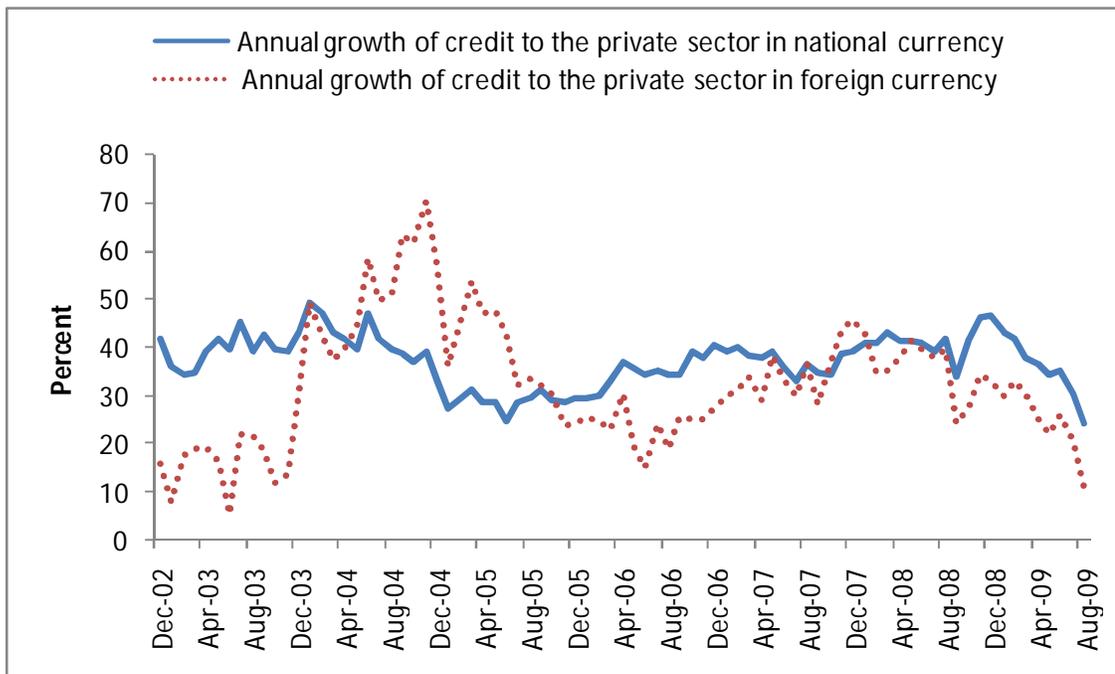
During the year ending August 2009, the composition of the change in extended broad money supply continued to be dominated by non-transferable deposits (savings and time deposits - [Chart 2.2](#)). On the other hand, transferable deposits (demand deposits) which used to be the dominant factor in the past, maintained a declining trend in the recent months largely associated with the deceleration in the growth of credit to the private sector.

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



The increase in banks' consciousness to lending, following the global financial crisis has been vivid in the change in the banks' portfolios in favour of Treasury securities and repurchase agreements and away from credit to the private sector. The fears have also resulted to a decline in the growth of the foreign currency component of credit to the private sector from an annual growth of 39.7 percent in August 2008 to only 11.7 percent in August 2009 ([Chart 2.3](#)).

Chart 2.3: Pattern of Annual Growth of Credit to the Private Sector by banks



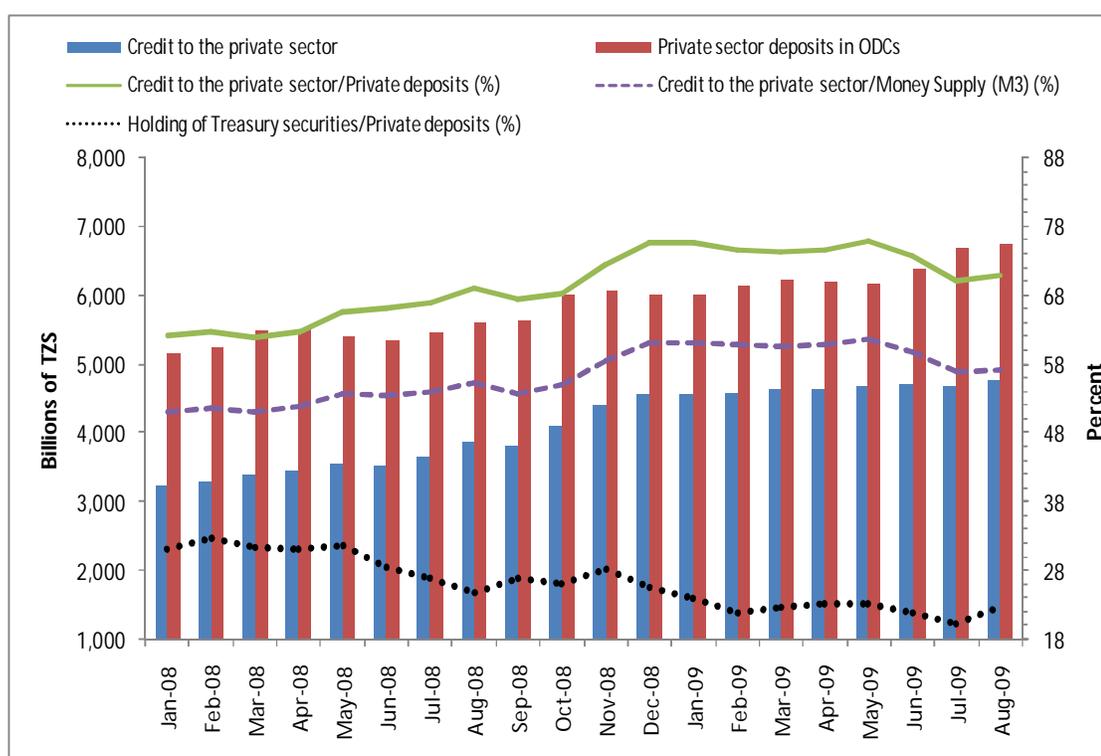
Annual growth rate of credit to the private sector decelerated to 23.2 percent from 28.5 percent recorded in the year ending July 2009 and well below 39.4 percent recorded in the corresponding month in 2008 (Chart 2.3). Notwithstanding the decelerated growth rate, in absolute terms credit to the private sector increase by TZS 898.7 billion, to a stock of TZS 4,772.1 billion during that period.

Personal loans, mostly used to purchase imported consumer durables, remained the dominant component of the outstanding credit to the private sector accounting for 20 percent, same as recorded in the preceding month. The second largest share of outstanding credit to the private sector was trade, followed by manufacturing that accounted for 18.0 percent and 11.9 percent, respectively. Outstanding credit to the marketing of agricultural products sustained a share of 11.0 percent as it was in the preceding month, whereas the share of transport and communication increased slightly to 10.0 percent, from 9.7 percent recorded in the preceding month.

Financial Intermediation

During the year ending August 2009, change in private sector deposits declined to TZS 1,121.7 billion, compared with TZS 1,254.4 billion recorded in the year ending July 2009 partly associated with the decline in credit to the private sector. In the same period, TZS 898.7 billion were extended as credit to the private sector, which was significantly lower than TZS 1,037.3 billion extended in the year ending July 2009. Nonetheless, the outstanding stock of credit to the private sector in August 2009 stood at TZS 4,772.1 billion accounting for 70.1 percent of the stock of private sector deposits held in banks, up from 68.8 percent recorded in the corresponding period in 2008 (**Chart 2.4**).

Chart 2.4: Total Deposits and Credit of the Banking System



Interest Rate Developments

During August 2009, interest rates of the money market instruments sustained a downward trend, mainly reflecting the change in banks' preference in favor of money market instruments. Weighted average yield of Treasury bills declined to 5.16 percent

in August 2009, compared with 9.47 percent recorded in the corresponding month in 2008 (**Table 2.2**). Likewise, the overall interbank cash market rate declined significantly to 1.42 percent in August 2009, compared with 3.70 percent in August 2008, whereas the overnight rate dropped to 0.82 percent from 2.44 percent in July 2009 and 3.64 percent in August 2008. Repos rate stood at 1.21 percent in August 2009, compared with 3.76 percent recorded in the corresponding month in 2008 and 2.23 percent registered in July 2009.

Table 2.2: Weighted Average Interest Rates Structure

	Percent														
	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09
Overall Interbank cash market rate	3.61	3.61	3.70	4.32	5.45	5.85	6.54	8.41	9.81	10.10	9.58	6.80	5.03	3.86	1.42
<i>Overnight interbank cash market</i>	3.45	3.49	3.64	4.19	5.23	5.51	6.27	8.31	9.63	9.90	9.29	6.49	4.46	2.44	0.82
REPO Rate	3.75	3.79	3.76	4.02	4.89	5.32	6.42	7.55	9.09	9.73	8.25	6.10	4.90	2.23	1.21
Discount Rate	12.84	14.46	14.47	15.17	15.30	15.33	15.99	17.53	17.85	18.33	16.01	13.00	10.31	6.95	4.40
Overall Treasury bills rate	7.84	9.46	9.47	10.17	10.30	10.33	10.99	12.53	12.85	13.33	11.01	9.27	6.97	5.81	5.16
<i>35 days</i>	5.03	5.70	5.33	5.78	5.93	6.44	6.88	7.43	7.54	7.62	7.03	6.40	4.81	3.45	2.65
<i>91 days</i>	5.76	7.93	8.62	10.36	10.39	10.76	11.20	11.60	11.99	12.43	10.55	8.25	5.56	4.14	3.53
<i>182 days</i>	7.63	8.51	10.11	10.53	10.81	11.00	12.13	13.28	14.64	14.86	12.04	10.20	7.86	6.27	5.46
<i>364 days</i>	10.00	11.15	11.48	11.56	11.63	11.97	12.79	15.32	14.74	14.99	12.57	10.69	9.11	8.28	7.72
Savings Deposit Rate	2.79	2.70	2.67	2.67	2.66	2.66	2.74	2.64	2.75	2.72	2.72	2.72	2.69	2.68	2.68
Treasury Bonds Rates															
<i>2-years</i>	12.87	12.87	12.87	13.20	13.20	14.35	14.35	14.35	14.35	15.28	15.28	15.28	11.51	11.51	11.51
<i>5-years</i>	14.49	14.49	14.49	14.49	16.39	16.39	16.39	17.32	17.32	17.32	17.32	16.58	16.58	16.58	16.58
<i>7-years</i>	17.18	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.06	17.06	17.06	17.06	14.14
<i>10-years</i>	17.09	17.09	19.47	19.47	19.47	19.47	19.47	19.47	19.92	19.92	19.92	19.92	19.92	16.95	16.95
Overall Time Deposits Rate	6.78	6.74	6.01	6.59	6.40	6.57	6.63	6.63	6.78	7.00	7.10	7.08	6.77	6.94	6.87
<i>12 month time deposit rate</i>	8.45	8.47	7.76	8.25	8.38	8.95	8.48	8.79	8.59	8.56	8.98	9.41	9.06	9.04	9.02
Negotiated Deposit Rate	10.62	9.26	9.63	10.27	10.11	10.26	10.23	10.66	10.82	10.99	11.27	11.03	10.13	10.52	10.47
Overall Lending rate	14.76	15.05	14.83	14.91	14.82	14.30	16.05	14.93	14.95	15.12	15.45	15.39	15.48	15.14	15.12
<i>Short-term lending rate (up to 1 year)</i>	13.93	13.35	13.86	14.04	13.27	13.57	13.56	13.41	13.45	13.44	13.87	13.68	14.57	13.94	13.77
Negotiated Lending Rate	13.07	11.01	12.18	12.68	13.38	11.96	11.91	12.27	12.13	12.85	13.87	13.93	14.03	13.99	13.95
Margin between short-term lending and one-year time deposit rates	5.48	4.88	6.09	5.79	4.89	4.62	5.07	4.61	4.86	4.88	4.90	4.27	5.51	4.89	4.74

Source: Bank of Tanzania

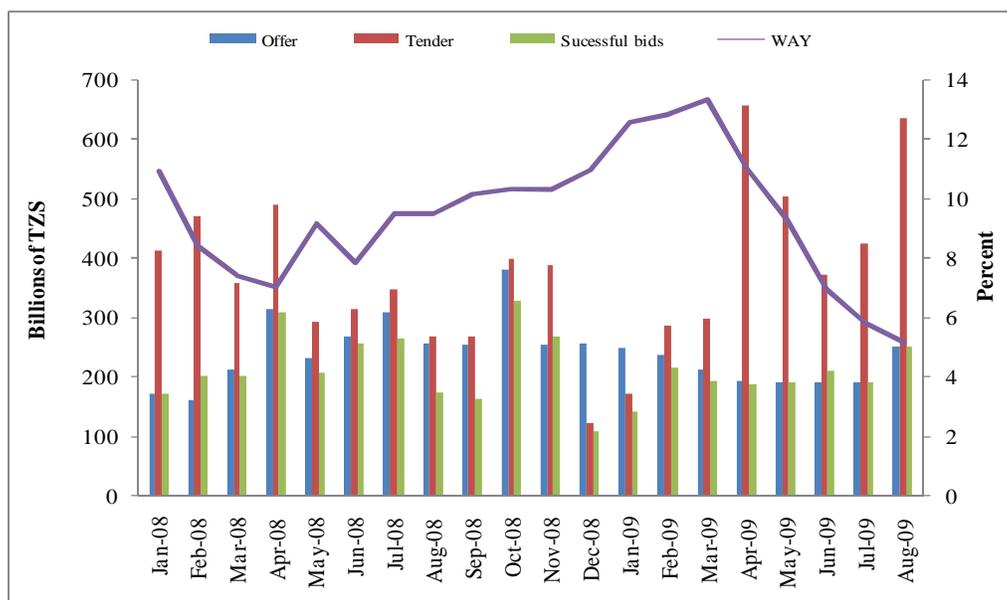
The overall time deposits rate stood at 6.87 percent, compared with 6.01 percent registered in August 2008. Similarly, negotiated deposit rate increased to 10.47 percent from 9.63 percent in the same period. On the other hand, the overall lending rate stood at 15.12 percent in August 2009, slightly higher than 14.83 percent recorded in August 2008, whereas the negotiated lending rate rose to 13.95 percent from 12.18 percent registered in the corresponding month in 2008. However, on month to month basis, rates charged by banks have recorded some decline though by a small margin. The margin between short term lending and one year time deposit rate narrowed to 4.74 percentage points in August 2009, compared with 6.09 percentage points recorded in the corresponding month in 2008.

Financial Markets Developments

Treasury Bills

The Treasury bills market, experienced oversubscription in August 2009, where total demand amounted to TZS 635.4 billion, against a total supply of TZS 248.5 billion. The Bank accepted Treasury bills with cost value of TZS 314.0 billion, against TZS 184.8 billion that matured. In line with the high demand for Treasury bills, the weighted average yield (WAY) declined across all maturities ([Table 2.2 and Chart 2.5](#)).

Chart 2.5: Treasury Bills Market Developments



Treasury Bonds

During August 2009, the market was supplied with a 7-year Treasury bond worth TZS 28.0 billion, but registered a record high demand of TZS 97.0 billion. The market was dominated mainly by banks and pension funds. During the month, the Bank intervened and accepted bids worth TZS 43.6 billion (or cost value of TZS 35.9 billion). Consistent with the high demand, the weighted average yield eased to 14.14 percent in August 2009, from 17.06 percent recorded in the previous 7-year bond auction held in April 2009.

Repurchase Agreements

In August 2009, repos worth TZS 761.5 billion were conducted against TZS 846.7 billion that matured in the same period. The overall repo rate declined to an average rate of 1.21 percent in August 2009, from 2.23 percent registered in the preceding month. Like the rest of interest rates in the money market, the repo rate in August 2009 was well below the rate of 3.76 percent registered in the corresponding month in 2008.

Inter-Bank Cash Market Developments

In the interbank cash market, total value of transactions sustained a downward trend to TZS 229.5 billion in August 2009, compared with TZS 238.6 billion transacted in July 2009 and TZS 437.0 billion traded in June 2009. The pattern suggests that most of the banks had enough liquidity to run day to day business during the month under review and no bank accessed the Bank of Tanzania standby facilities. The high liquidity level among banks was also manifested in the accumulation of excess reserves, and continued decline in the interbank cash market rate from an average of 3.86 percent in July 2009 to 1.42 percent in August 2009.

Inter-Bank Foreign Exchange Market

During August 2009, the total market turnover in the Inter-Bank Foreign Exchange Market (IFEM) increased to USD 167.0 million, from USD 114.7 million recorded in the previous month. This development is attributed to increase in foreign exchange demand partly for financing imports. The Bank of Tanzania supplied the market with USD 110 million, an increase from USD 50.0 million supplied in the preceding month. Commercial banks and non banks purchased USD 151.3 million and USD 15.7 million respectively. The weighted average exchange rate appreciated to TZS 1,319.3 per USD in August 2009, from TZS 1,324.6 per USD recorded in July 2009 (**Table 2.3**).

Table 2.3: Inter Bank Foreign Exchange Market Developments

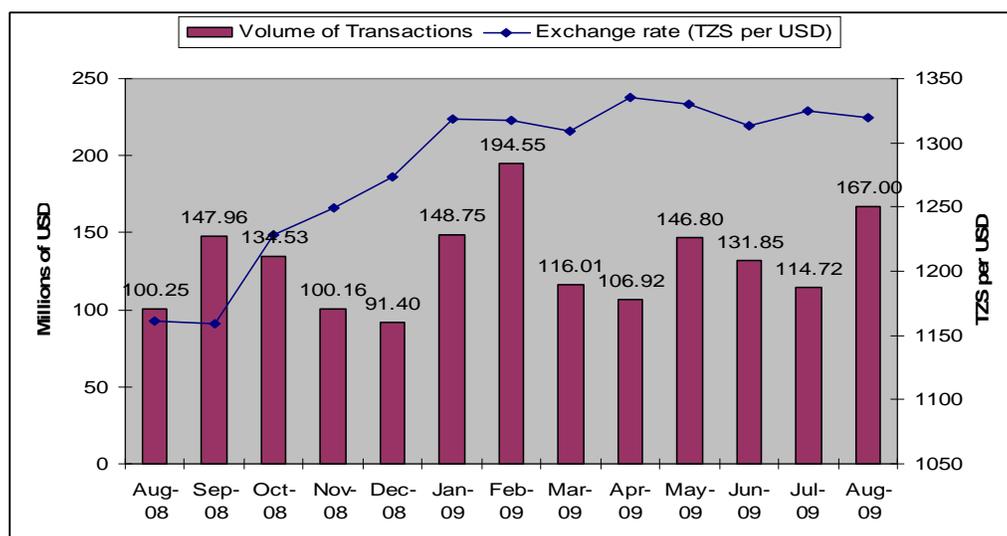
Item	2009		2008 Aug	% Change		Year Ending August		
	Jul	Aug		Monthly	Yearly	2008	2009	% Change
Amount offered*	114.72	167.00	100.25	45.57	66.58	1,361.02	1,664.22	22.28
Amount sold*	114.72	167.00	100.25	45.57	66.58	1,361.02	1,664.22	22.28
Exchange rate (TZS per US dollar)	1,324.63	1,319.34	1,161.16	-0.40	13.62	1,189.60	1,280.02	7.60

Note: * Millions of USD

Source: Bank of Tanzania

The interbank exchange rate movements and volume of transactions for the past twelve months is summarized in **Chart 2.6**.

Chart 2.6: Inter-bank Exchange Rate Movement and Volume of Transactions



3.0 Government Budgetary Operations

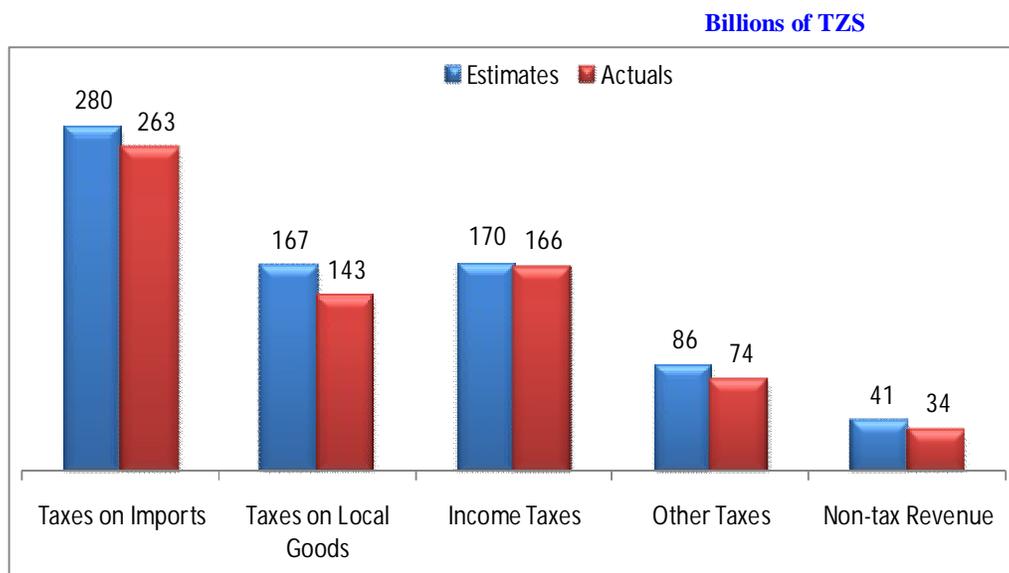
Fiscal operations in August 2009 registered an overall deficit of TZS 193.8 billion. Domestic revenue collections amounted to TZS 331.6 billion and grants amounted to TZS 67.5 billion. Government expenditure, including expenditure float, amounted to TZS 729.5 billion. On cumulative basis (July–August 2009), revenue collections

amounted to TZS 680.6 billion, while grants were TZS 478.9 billion. During the period, total expenditure was TZS 1,133.4 billion.

Revenue Performance

In August 2009, tax revenue collections amounted to TZS 314.4 billion, while non-tax revenue collection was TZS 17.2 billion. As depicted in **Chart 3.1**, the shortfall in tax revenue collections was recorded in all major tax categories. Specifically, revenue from taxes on imports was 90.9 percent of the estimate, while income tax was 95.6 percent, and taxes on local goods 77.8 percent.

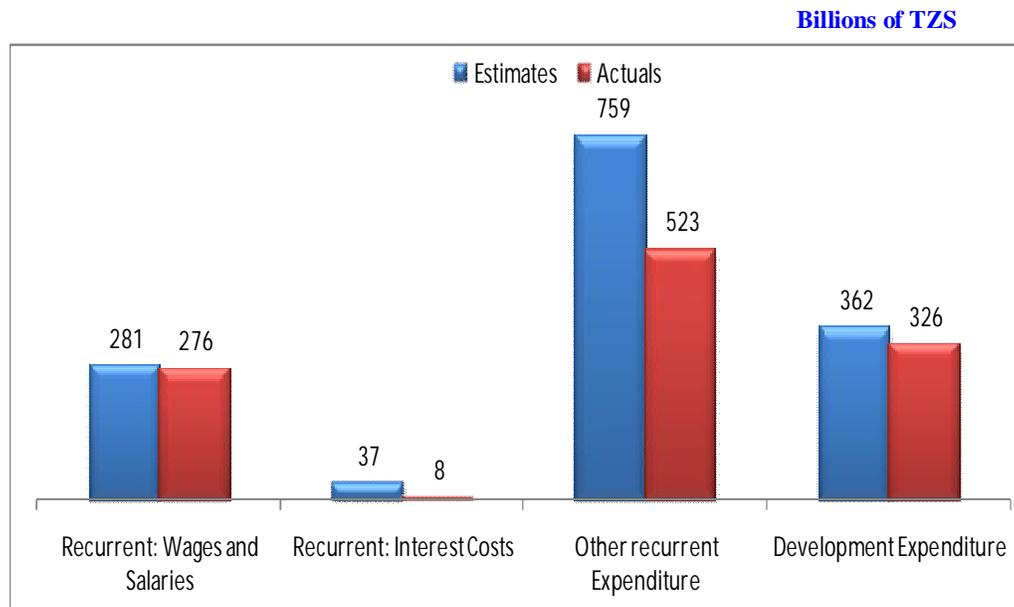
Chart 3.1: Government Revenue Performance, July – August 2009



Government Expenditure

Government total expenditure during the month of August amounted to TZS 700.7 billion, against the estimate of TZS 786.9 billion. Recurrent expenditure amounted to TZS 494.1 billion, out of which 28.1 percent was wage bill and interest costs. Development expenditure amounted to TZS 206.6 billion, exceeding the estimate of TZS 177.7 billion, mainly on account of carry-over of expenditures planned for July. On cumulative basis (July - August 2009) total expenditure amounted to TZS 1,133.4 billion, or 78.7 percent of the estimated TZS 1,439.9 billion (**Chart 3.2**).

Chart 3.2: Government Expenditure, July – August 2009



Overall Budget Position

The overall performance of the government budgetary operations in August 2009 (adjusted to cash) registered a deficit of TZS 193.8 billion, which is about 76.1 percent of the budgeted amount. The government financed the deficit by borrowing TZS 144.5 billion from foreign and TZS 49.3 billion from domestic sources. On cumulative basis, fiscal operations (adjusted to cash) registered an overall deficit of TZS 220.4 billion that was financed through foreign borrowing.

4.0 External Sector Performance

Balance of Payments Developments

During the year ending August 2009, the overall Balance of Payments recorded a surplus of USD 221.0 million up from a surplus of USD 43.8 million recorded in the corresponding period a year ago. The development is attributed to the reduction in

the current account deficit which resulted from an increase in official current transfers. In view of that, the gross international reserves rose to USD 3,497.2 million as at end August 2009 from USD 2,535.9 million recorded in the corresponding period a year ago. This level of reserves was enough to cover about 5.5 months of imports of goods and services.

During the year ending August 2009, the current account deficit decreased to USD 2,103.9 million from a deficit of USD 2,768.8 million recorded a year before. This development was largely due to a significant increase in official transfers from USD 306.9 million recorded in the corresponding period last year to USD 1,040.8 million (Table 4.1).

Table 4.1: Current Account Balance

Millions of USD

Items	August 2009						% Change
	2007	2008	July	August	2008p	2009p	
Goods Account (net)	-284.9	-386.3	-341.1	-254.3	-3,464.7	-3,354.2	-3.2
Exports	159.9	200.6	208.4	239.4	2,448.5	2,585.7	5.6
Imports	444.9	586.9	549.5	493.7	5,913.2	5,939.9	0.5
Services Account (net)	40.50	47.31	43.24	67.3	436.0	251.4	-42.4
Receipts	153.5	173.6	202.3	212.1	1,970.6	1,912.4	-3.0
Payments	113.0	126.2	159.1	144.8	1,534.6	1,661.0	8.2
Goods and services (net)	-244.4	-339.0	-297.8	-187.0	-3,028.6	-3,102.8	2.4
Exports of goods and services	313.4	374.2	410.7	451.5	4,419.2	4,498.1	1.8
Imports of goods and services	557.9	713.1	708.5	638.5	7,447.8	7,600.9	2.1
Income Account (net)	-9.4	0.2	5.8	-9.2	-68.8	-70.9	3.1
Receipts	5.5	13.2	28.3	8.4	128.4	151.7	18.1
Payments	15.0	13.0	22.4	17.6	197.2	222.6	12.9
Current Transfers (net)	343.5	3.8	313.4	49.0	328.6	1,069.8	225.6
Inflows	349.2	9.6	319.9	55.9	407.2	1,139.5	179.9
o/w General Government	339.6	0.0	311.5	47.5	306.9	1,040.8	239.2
Outflows	5.8	5.8	6.5	6.9	78.6	69.7	-11.3
Current Account Balance	89.6	-334.9	21.5	-147.2	-2,768.8	-2,103.9	-24.0

Note: P = Provisional

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania

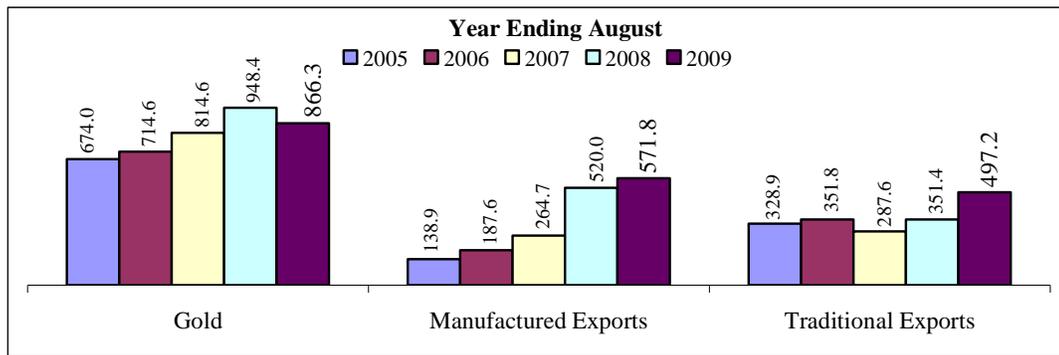
Most of the development partners released funds during the beginning of the financial year to enable the Government implement its plans as per the National Strategy for Growth reduction popularly known in Swahili acronym as MKUKUTA.

Exports Performance

During the year to August 2009, total export of goods rose by 5.6 percent to USD 2,585.7 million largely due to improvement in export of traditional goods, manufactured goods, horticultural products and other exports. **Chart 4.1** summarizes the performance of selected goods export during the past four years.

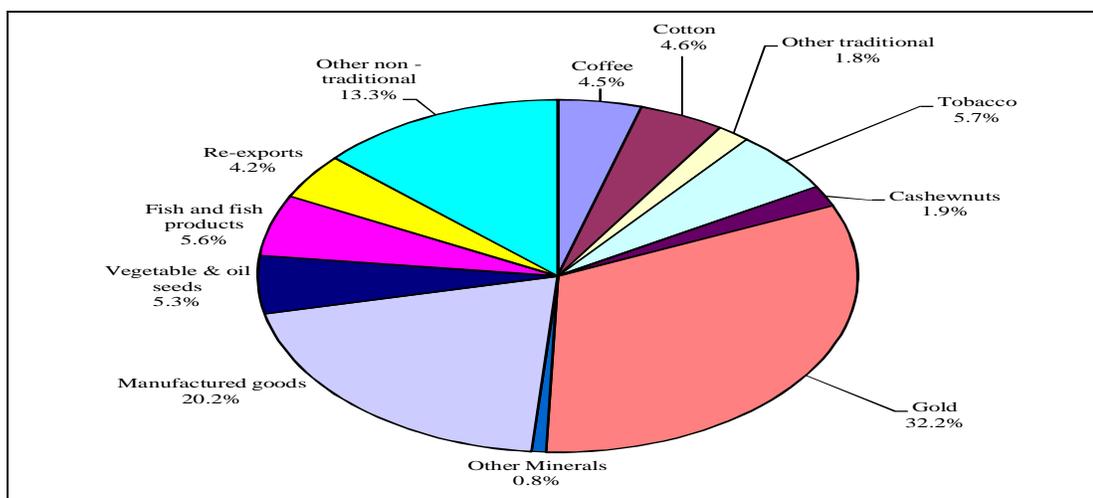
Chart 4.1: Performance of Selected Goods Export

Millions of USD



Gold and manufactured goods took the lead as they accounted for 32.2 percent and 20.2 percent of total exports, respectively (**Chart 4.2**).

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



Note:

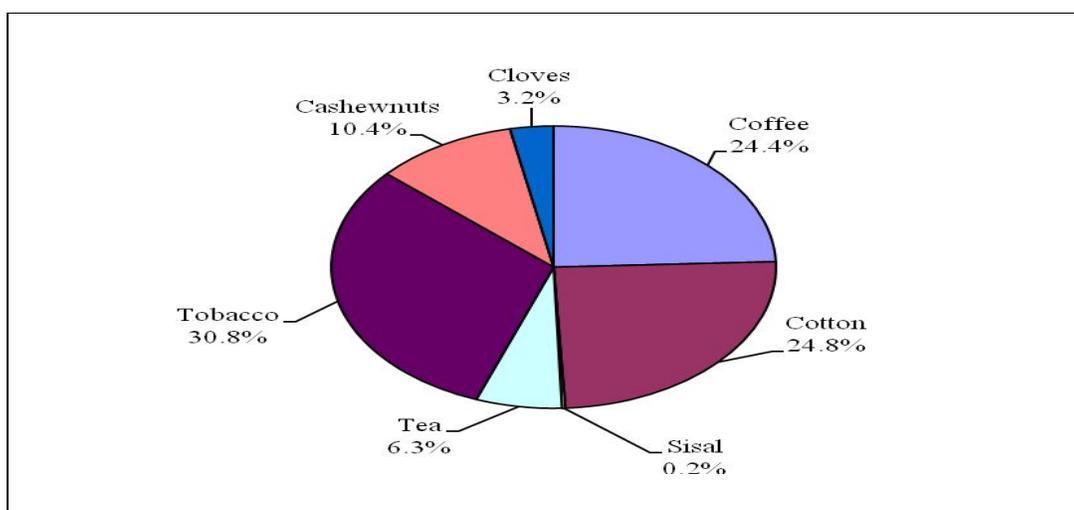
- 1. Other non-traditional include horticultural products and other exports*
- 2. Other traditional exports include sisal, tea and cloves*
- 3. Other minerals include Tanzanite, rubies, sapphires, emeralds, copper, silver and other precious stones.*
- 4. Re-exports refer to goods that are imported and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

Traditional Exports

In August 2009, the value of traditional exports went up to USD 37.5 million from USD 13.4 million recorded in the previous month mainly on account of a rise in the export values of cotton, cloves and tobacco.

During the year to August 2009, traditional exports rose by 41.5 percent to USD 497.2 million largely due to an increase in export volumes of cotton, coffee, tobacco and cloves following increased production that resulted from favorable weather condition and availability of agricultural inputs through the Agricultural Sector Development Programme (ASDP). On the other hand, mixed developments were recorded in export unit prices in line with movements of commodity prices in the world market. **Chart 4.3** depicts the composition of traditional exports for the year ending August, 2009.

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



Source: TRA, Bank of Tanzania

Non-Traditional Exports

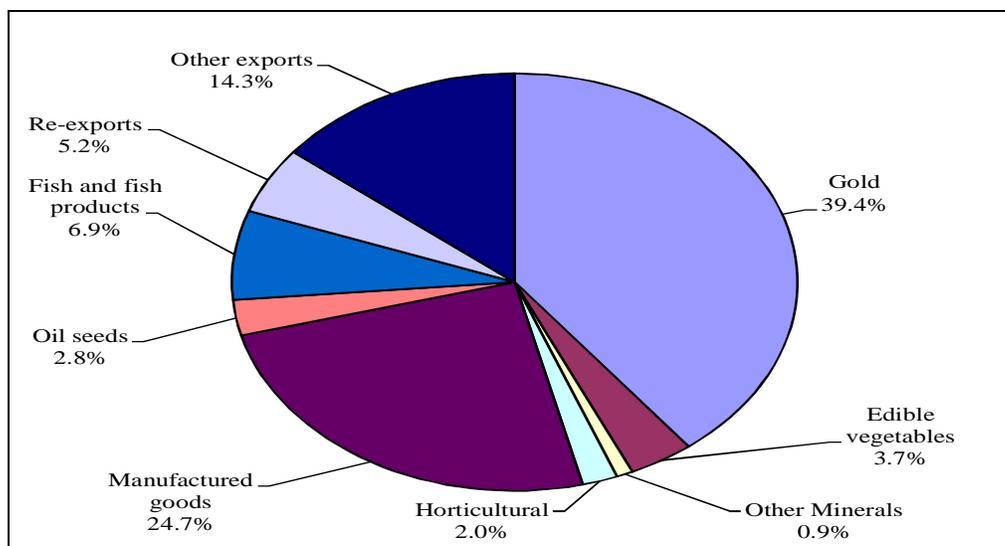
During the month under review, non-traditional exports rose by 2.0 percent to USD 199.0 million mainly due to a significant increase in exports of horticultural products.

On annual basis, non-traditional exports decreased marginally to USD 2,088.5 million from USD 2,097.1 million recorded in the previous year largely due to a fall in export of minerals. The decline in the value of mineral exports from USD 1,019.9 million during the previous year to USD 893.6 million is mainly attributable to a drop in gold exports which accounts for over 90 percent of total mineral exports. The value of gold exports declined to USD 866.3 million from USD 948.4 million recorded during the previous year largely due to a fall in the export volumes of gold. The volume of gold exports went down to 29.7 tons from 34.3 tons recorded in the corresponding period a year ago. The decline in the volumes of gold exports was partly attributable to disruption in gold production in North Mara and Bulyankhulu mines. There was also gold depletion in Tulawaka mines.

Meanwhile, the prices of gold in the world market increased to USD **896.2** per troy ounce from **USD 870.1** per troy ounce recorded in the corresponding period the year before. On the other hand, notable improvement was recorded in manufactured goods, horticultural products and other exports. The value of manufactured exports

increased from USD 520.0 million during the previous year to USD 571.8 million. The value of horticultural exports that mainly consist of fresh cut flowers went up by 73.8 percent to USD 44.5 million. Likewise other exports mainly consisted of edible vegetables and fruits increased by 25.3 percent to USD 314.0 million. **Chart 4.4** depicts the composition of non-traditional exports for the year ending August 2009.

Chart 4.4: Contribution to Non Traditional Exports - Year Ending August 2009



Source: TRA, Bank of Tanzania

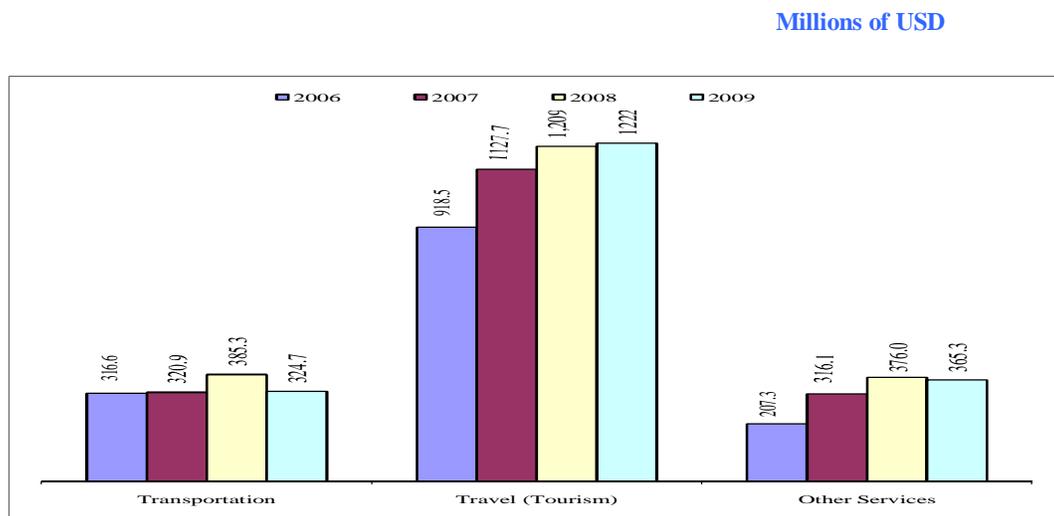
Services Export

Services receipt increased by 4.8 percent to USD 212.1 million during August 2009, from the level recorded in the previous month mainly due to an increase in transportation receipts.

On annual basis, services receipt decreased to USD 1,912.4 million from USD 1,970.6 million recorded during the corresponding period last year following a significant drop in transportation receipts, which declined by 15.7 percent to USD 324.7 million following a drop in transit trade. Statistics from the Tanzania Port Authority show that transit goods went down to 642,867 tons during the year under review from 892,557 tons recorded in the corresponding period a year ago. This was partly due to the decline in demand in the neighboring countries owing to slow down in global economic activities.

Travel which accounts for about 60 percent of total services receipt slightly increased to USD 1,222.4 million as tourism slowed down following the global financial crisis. Statistics from Immigration Department indicate that the number of tourist arrivals declined to 641,526 during the year ending August from 746,442 recorded in the corresponding period last period. It is worthy noting that major tourist source markets to Tanzania are the United States and Europe which have been under recession. **Chart 4.5** depicts the performance of the main services receipt for the past four years.

Chart 4.5: Services Receipt for the Year Ending August 2009



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

Imports Performance

During August 2009, import of goods decreased to USD 493.7 million from USD 549.5 million recorded during the previous month largely due to a significant decline in intermediate goods import. On annual basis, the value of goods import increased slightly to USD 5,939.9 million compared to USD 5,913.2 million recorded in the previous year largely due to the rise in imports of capital and consumer goods (**Table 4.2**).

Table 4.2: Imports

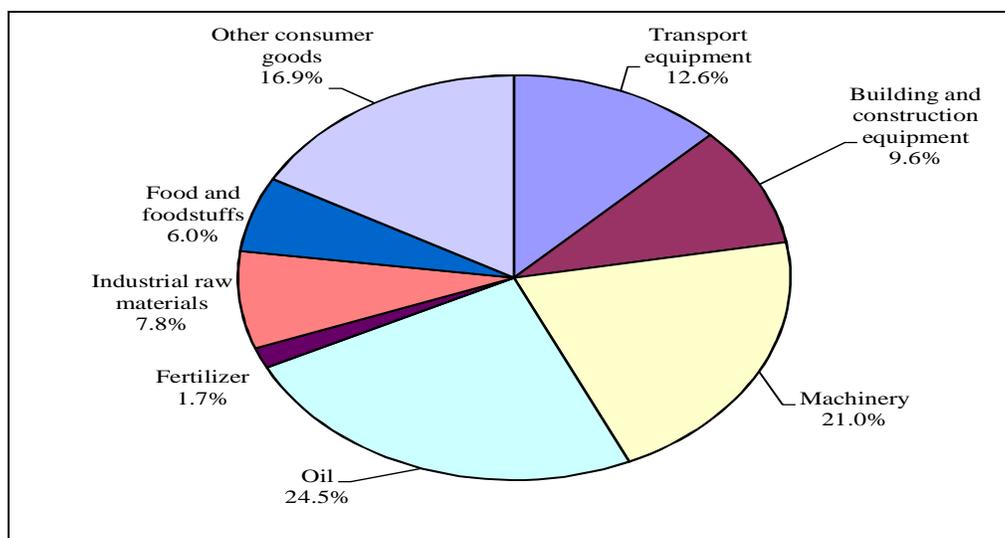
Millions of USD

Items	2008 ^p Aug	2009		% Change		Year Ending Aug ^p		% Change
		July	Aug	Aug 08- Aug 09	July 09 - Aug 09	2008	2009	
CAPITAL GOODS	266.5	211.6	203.9	-23.5	-3.7	2,270.4	2,563.9	12.9
Transport Equipments	72.0	71.4	58.1	-19.3	-18.6	686.8	746.4	8.7
Building and Constructions	51.8	36.9	33.1	-36.0	-10.3	527.1	571.2	8.4
Machinery	142.8	103.4	112.6	-21.1	9.0	1,056.6	1,246.4	18.0
INTERMEDIATE GOODS	209.0	212.5	144.2	-31.0	-32.2	2,427.0	2,016.8	-16.9
Oil imports	169.9	168.2	95.0	-44.1	-43.5	1,721.5	1,455.2	-15.5
Fertilizers	1.0	4.0	11.6	1,029.8	188.4	136.8	98.7	-27.9
Industrial raw materials	38.1	40.3	37.7	-1.1	-6.7	568.7	463.0	-18.6
CONSUMER GOODS	111.3	125.3	145.6	30.8	16.2	1,215.8	1,359.2	11.8
Food and food stuffs	19.5	15.0	17.4	-11.2	15.4	290.3	356.1	22.7
All other consumer goods ¹	91.8	110.3	128.2	39.7	16.3	925.5	1,003.0	652.5
GRAND TOTAL (F.O.B)	586.9	549.5	493.7	-15.88	-10.2	5,913.2	5,939.9	0.5
GRAND TOTAL (C.I.F)	644.9	603.8	542.5	-15.88	-10.2	6,498.1	6,527.4	0.5

Source: TRA, Bank of Tanzania

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

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



Capital Goods

During the month under review, capital goods decreased to USD 203.9 million, with transport equipment recording a substantial decline to USD 58.1 million while imports of machinery recorded a modest increase. On annual basis, import of capital goods increased to USD 2,563.9 million compared to USD 2,270.4 million recorded during the corresponding period in 2008 as all items recorded increases in line with growth of economic activities in the economy.

Consumer Goods

Consumer good imports also increased to USD 145.6 million from USD 125.3 million recorded in the previous month owing to a notable increase in importation of other consumer goods in particular pharmaceutical products, plastic goods, paper products and photographic materials. On annual basis, importation of consumer goods went up by 11.8 percent to USD 1,359.2 million in the year ending August 2008. The rise in consumer goods was largely attributed to the increase in importation of other consumer goods from USD 925.5 million to USD 1,003.0 million. Likewise, the value of food and food imports rose from USD 290.3 million recorded last year to USD 356.1 million to augment domestic food supply.

Food Imports

During the month under review, cereal imports increased to 39,921 tons from 27,697 tons recorded in July 2009, largely on account of an increase in importation of wheat. Imports of wheat went up by 43.8 percent to 34,501 tons during the month under review (**Table 4.3**). It should be noted that part of the wheat imports is re exported in the neighboring countries.

Table 4.3: Summary of Selected Food Imports

Descriptions	May-09	Jun-09	Jul-09	Aug-09	% Change (July to August 09)
Maize					
Tons	1,032.3	1,902.6	1,654.4	5,059.0	205.8
Value (Mill. USD)	0.20	0.38	0.33	1.0	196.8
Unit Price (USD \$/mt)	197.6	199.6	198.1	192.3	-2.9
Rice					
Tons	16,714.5	920.0	2,042.9	361.1	-82.3
Value (Mill. USD)	8.2	0.5	1.0	0.2	-82.1
Unit Price (USD \$/mt)	492.4	497.7	477.6	484.2	1.4
Wheat					
Tons	82,707.2	123,764.0	24,000.0	34,501.0	43.8
Value (Mill. USD)	22.176	29.709	6.1	8.4	37.4
Unit Price (USD \$/mt)	268.1	240.0	254.5	243.2	-4.4
Total tons	100,454.1	126,586.5	27,697.3	39,921.1	44.1
Total Value (Mill. USD)	30.6	30.5	7.4	9.5	28.7

Source: Tanzania Revenue Authority

Intermediate Goods

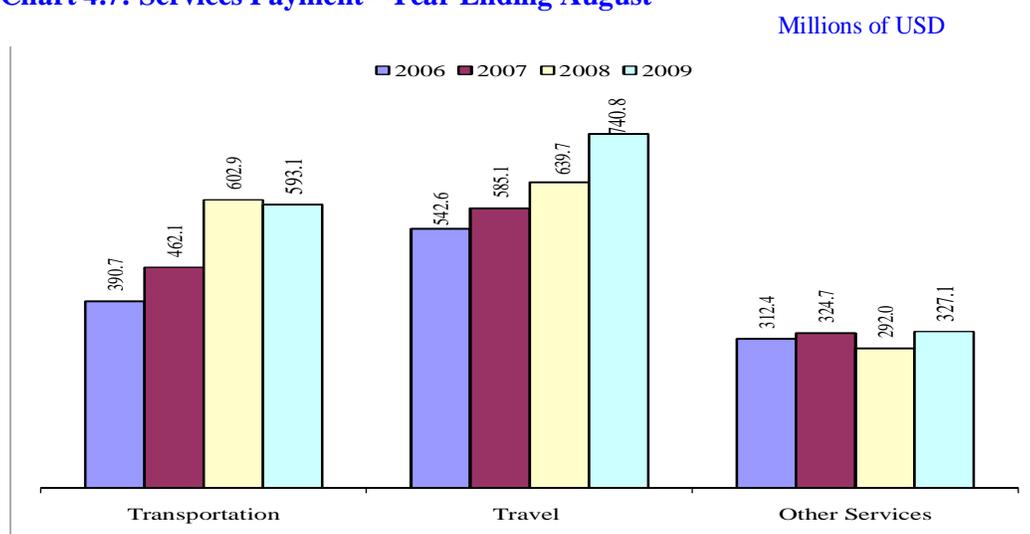
The value of intermediate goods import declined by 31.0 percent to USD 144.2 million in August 2009 largely due to a fall in importation of oil. The value of oil import went down by 44.1 percent to USD 95.0 million mainly due to the fall in volume of oil imports that went down by 12.5 percent to 328,221 tons.

On annual basis, intermediate goods import went down to USD 2,016.8 million from USD 2,427.0 million recorded in the corresponding period a year ago as all categories under intermediate goods dropped. Import of oil went down by 15.5 percent to USD 1,455.2 million due to a fall in oil prices in the world market. During the year under review, the world market prices of white products went down to USD 564.5 - per ton from USD 956.9 - per ton recorded in the corresponding period a year ago. The volumes of imported oil increased from 1,109,449 tons last year to 2,974,777 tons. Similarly, the value of fertilizer imports went down by 27.9 percent to USD 98.7 million during the year ending August 2009 largely due to the fall in prices of fertilizers in the world market. The prices of fertilizers (UREA) declined to USD 299.9 per ton from USD 497.8 per ton recorded in the corresponding year. However, import volume of fertilizer went up to 203,157 tons from 196,851 tons recorded in the previous year

Services Payment

During the review month, services payment went down by 9.0 percent to USD 144.8 million. On annual basis, services payments increased by 8.2 percent to USD 1,661.0 million. The rise in services payment was largely due to increase in payment for travel and other business services. **Chart 4.7** shows the performance of major services payment categories in the past four years.

Chart 4.7: Services Payment - Year Ending August



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

World Commodity Prices

During August 2009, the world market prices of most of agricultural and non-agricultural commodities went up with the exception of **cotton** (A- index) and **sisal** (**Table 4.4**). The prices of **coffee** Arabica and Robusta rose to USD 3.3 per kg and USD 1.6 per kg, respectively. The increase in coffee prices emanated from the expectation of a shortfall in coffee production in Brazil and Vietnam owing to unfavorable weather condition. The prices of **tea** (Average price) and (Mombasa Auction) rose slightly to USD 3.0 per kg and USD 2.8 per kg, respectively. While the price of **cotton** (A- index) slightly declined to USD 1.4 per kg, the price of **cotton** (Memphis) increased by 9.1 percent to USD 1.6 per kg. The increase in the price of cotton was largely a result of a shortfall in production of cotton in China (the biggest

producer and consumer of cotton) India and Pakistan. Meanwhile, the price of sisal remained unchanged at USD 1,213 per metric ton, whereas, the price of **cloves** recorded a slight increase to USD 3,900 per metric ton. During the review period, the average prices of **crude oil** (U.K Brent), Dubai (f.o.b) and **white petroleum products** increased modestly to USD 71.6 per barrel, USD 71.3 per barrel and USD 641.8 per to, respectively. The rise in oil prices was largely due to the decline in oil stocks in the United States which is the biggest energy consumer.

On annual basis, the price of coffee (Robusta) declined by 22.9 percent to USD 1.8 per kg, largely on account of the increased production in Brazil. Similarly, the prices of cotton (A Index and Mermphis) declined notably to USD 1.3 per kg and 1.4 per kg, respectively. The decline in cotton prices emanated from the decline in the global demand plummeted following the global financial meltdown. Conversely, the price of **tea** (Mombasa auction) rose by 7.2 percent to USD 2.3 per kg following a strong demand of tea from Russia, Middle East and Pakistan coupled with unfavorable weather condition in Kenya. On the other hand, the increase in the price of sisal to USD 1,213.0 per ton was largely due to a strong demand of sisal amid the increase in the usage of sisal fibre for power generation.

During the year ending August 2009, the price of oil declined noticeably mainly on account of a weak global oil demand as the result of the financial crisis (**Table 4.4**). The price of **gold** rose slightly to USD 882.3 per troy ounce.

Table 4.4: World Commodity Prices

COMMODITY	Units	2009			% Change	Year ending August			% Change
		June	July	Aug		2007	2008	2009	
Robusta Coffee	USD per kg	1.63	1.58	1.60	1.27	1.80	2.32	1.79	-22.85
Arabica Coffee	USD per kg	3.30	3.11	3.30	6.11	2.62	3.12	2.98	-4.67
Tea (Average price)	USD per kg	2.78	2.96	2.99	1.01	1.91	2.42	2.44	0.86
Tea (Mombasa Auction)	USD per kg	2.41	2.67	2.80	4.87	1.67	2.11	2.26	7.12
Cotton, "A Index"	USD per kg	1.35	1.43	1.42	-0.70	1.32	1.63	1.32	-18.94
Cotton, "Memphis"	USD per kg	1.41	1.42	1.55	9.15	1.36	1.66	1.40	-16.00
Sisal (UG)	USD per metric ton	1,213.00	1,213.00	1,213.00	0.00	937.50	1,106.33	1,213.00	9.64
Cloves	USD per metric ton	3,966.67	3,883.00	3,900.00	0.44	3,549.63	4,318.75	3,825.60	-11.42
Crude oil*	USD per barrel	69.15	64.67	71.63	10.76	62.75	102.99	59.49	-42.23
Crude oil**	USD per barrel	69.21	64.97	71.32	9.77	61.08	99.27	58.64	-40.92
White products***	USD per ton	615.73	575.70	641.82	11.48	597.46	956.89	564.45	-41.01
Jet/Kerosine	USD per ton	603.07	563.93	626.00	11.01	613.35	1,020.91	578.91	-43.29
Premium Gasoline	USD per ton	672.61	623.70	696.76	11.71	609.59	885.59	553.73	-37.47
Heat Oil	USD per ton	571.50	539.48	602.70	11.72	569.44	964.16	560.71	-41.84
Gold	USD per troy ounce	945.70	934.20	949.40	1.63	643.80	860.31	882.28	2.55

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

** f. o. b. Dubai

*** f.o.b. West Mediterranean

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

5.0 National Debt Developments

National debt stock as at the end of August 2009 stood at USD 9,167.1 million, representing an increase of USD 323.0 million (3.7 percent) from USD 8,844.1 million recorded at the end of the preceding month. The increase was attributed to recording of external debt disbursements and issuance of new government bonds. External debt was 80.3 percent of total debt while domestic debt was 19.7 percent.

External Debt

External debt stock as at the end of August 2009 was USD 7,357.8 million representing an increase of 4.0 percent from USD 7,071.9 million registered at the end of previous month. Out of the external debt stock, USD 5,828.5 million or 79.2 percent was Disbursed Outstanding Debt (DOD) and USD 1,529.3 million was interest arrears.

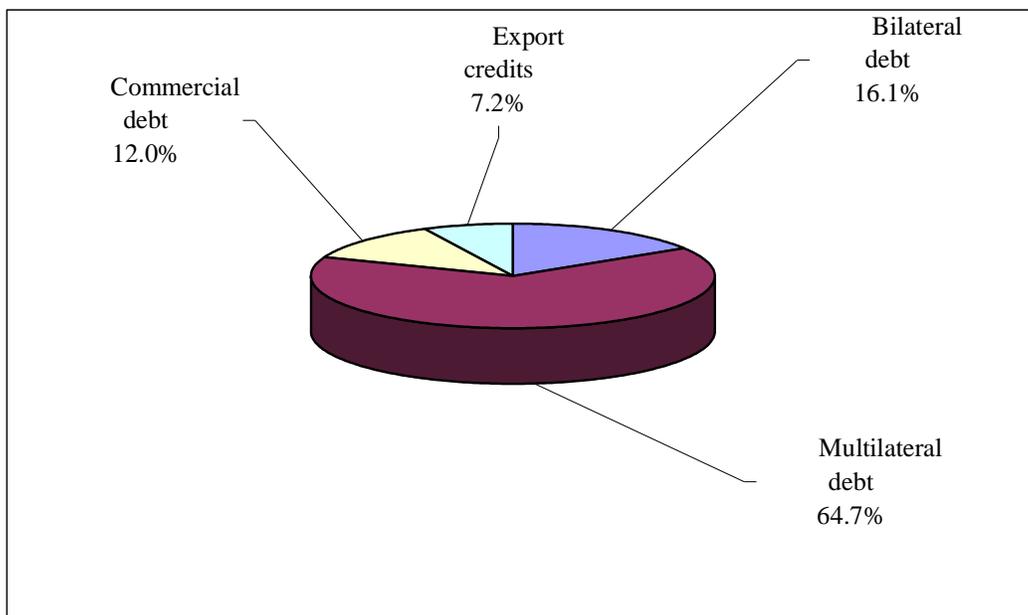
The profile of DOD by borrower category revealed that the Central Government remained the largest borrower holding debt worth USD 4,460.1 million or 76.5 percent followed by private companies and parastatals that held USD 973.9 million and USD 394.6 million, respectively (Table 5.1).

Table 5.1: Disbursed Outstanding Debt by Borrower Category

Item	2006/07	2007/08	Jun-09	Jul-09	Aug-09	% Change	% of Total
Total:	3,442.3	4,483.1	5,483.0	5,537.5	5,828.5	5.3	100.0
Central Government	2,692.0	3,582.5	4,118.2	4,166.6	4,460.1	7.0	76.5
Parastatal Companies	167.8	156.3	392.4	392.3	394.6	0.6	6.8
Private Sector	582.5	744.4	972.4	978.6	973.9	-0.5	16.7

Classification of DOD by creditor category showed that multilateral institutions were the largest creditors claiming USD 3,769.1 million or 64.7 percent, followed by bilateral creditors' debt that stood at USD 938.5 million. Debts worth USD 702.0 million and USD 418.8 million were owed to commercial and export creditors, respectively (Chart 5.1).

Chart 5.1 Disbursed Outstanding Debt by Creditor Category



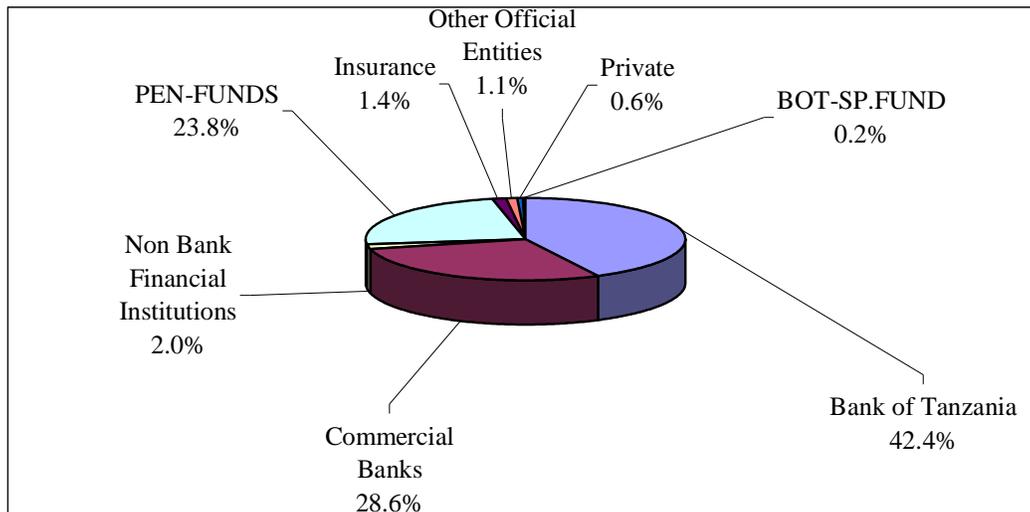
During the month under review, recorded disbursements amounted to USD 157.6 million while external debt service payments amounted to USD 2.4 million, out of which principal was USD 1.9 million and interest payments were USD 0.5 million.

Domestic Debt

Domestic debt stock as at end August 2009 stood at TZS 2,355.5 billion, recording an increase of TZS 28.0 billion from TZS 2,327.5 billion registered at the end of preceding month. The increase was due to issuance of Treasury bonds for financing.

Profile of domestic debt by holder category showed that Bank of Tanzania was the leading creditor to the Government holding 42.4 percent of total domestic debt followed by commercial banks with 28.6 percent. Other creditors namely; Pension Funds, Non-Bank Financial Institutions (N-BFIs) and other official entities, held 23.8 percent, 2.0 percent and 1.1 percent of domestic debt, respectively. **Chart 5.2** summarizes domestic debt by creditor.

Chart 5.2: Domestic Debt by Creditor Category



During the month under review, domestic debt amounting to TZS 55.1 billion matured, out of which principal of TZS 41.6 billion was rolled over and interest amounting to TZS 13.5 billion was paid out of government revenue.

6.0 Economic Developments in Zanzibar

Inflation Developments

The **Annual Headline Inflation** rate in August 2009 declined to 5.1 percent from 5.3 percent recorded in the year ended July 2009. The decline in inflation rate was attributed to deceleration in food inflation. Similarly, the **month-to-month headline** inflation rate decreased to negative 0.1 percent from 0.6 percent recorded in the preceding month (**Table 6.1 and Chart 6.1**).

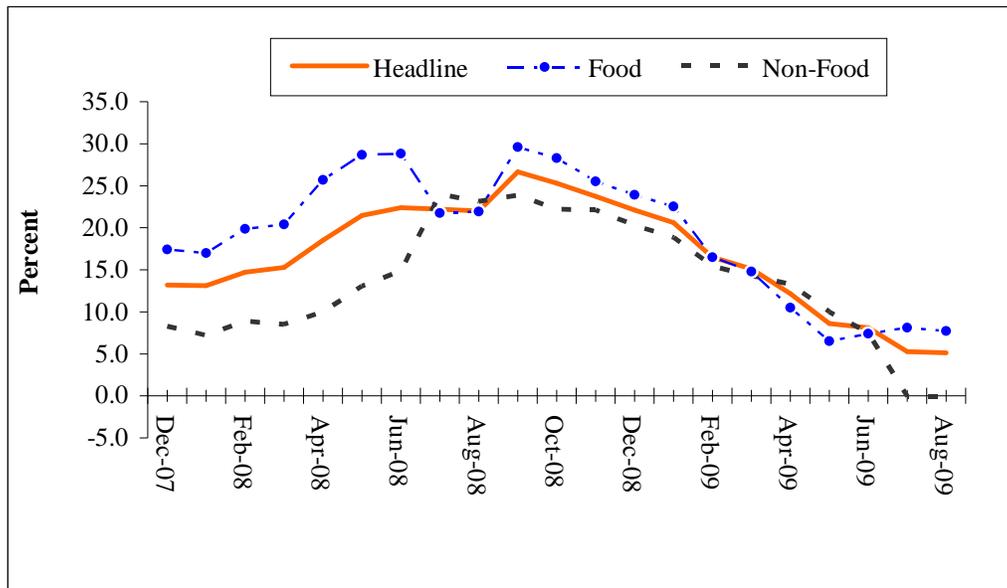
Table 6.1: Annual Percentage change in Consumer Price Index (CPI)

Base: Dec.2005=100

Major Commodity Group	Weights (%)	2008			2009		
		June	July	Aug	June	July	Aug
Headline/Overall	100	22.4	22.2	22.0	8.1	5.3	5.1
Food	57.4	28.8	21.8	21.9	7.4	8.1	7.7
Non-Food	42.6	14.8	24.0	23.1	7.5	-0.1	-0.1
Alcoholic Beverages, Tobacco & Narcotics	0.6	-0.1	15.0	14.0	16.9	10.3	11.2
Clothing & Footwear	6.2	9.3	9.5	9.7	5.2	5.7	6.3
Housing, Water, Electricity, Gas & Other Fuels	15.6	12.7	36.3	36.2	18.6	-2.1	-2.3
Furnishing, Household Equipment & Routine Household Maintenance	5.3	15.4	14.0	14.2	7.0	7.5	7.0
Health	2.1	25.1	24.6	14.5	6.1	6.6	6.1
Transport	3.4	19.9	30.3	28.4	-10.0	-15.3	-14.0
Communication	2.4	-0.8	-0.8	-0.8	0.0	0.0	0.0
Recreation & Culture	0.4	7.3	5.2	6.5	4.3	4.7	4.7
Education	1.1	7.8	7.8	7.8	4.4	4.5	4.5
Restaurants & Hotels	3.1	28.2	25.3	24.6	8.1	10.5	9.5
Miscellaneous Goods & Services	2.4	26.3	19.2	17.9	5.1	12.4	13.9

Source: Office of Chief Government Statistician (OCGS)

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

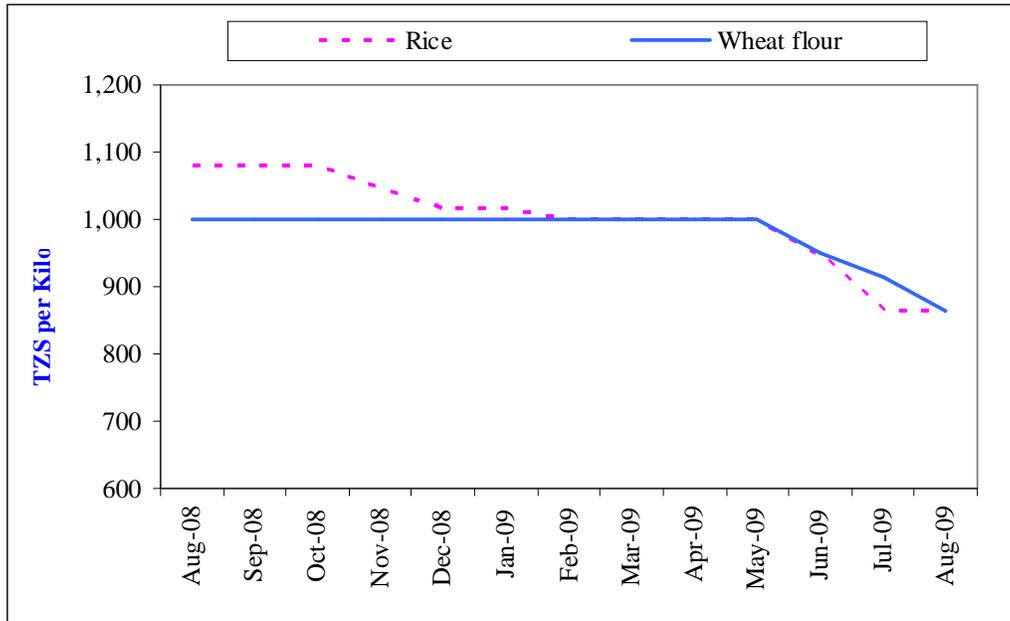


Source: Office of Chief Government Statistician (OCGS)

Annual food inflation decreased to 7.7 percent in August 2009 from 8.1 percent recorded in the preceding month, mainly on account of decline in average prices of rice and bakery products that declined from TZS 1,081 and TZS 1,000 to TZS 865 and TZS 865 per kilo, respectively (**Chart 6.2**). Similarly, the **month-to-month food inflation** decreased to negative 0.2 percent, compared to 0.7 percent recorded in July 2009.

Chart 6.2: Monthly Average Prices for Rice and Wheat flour

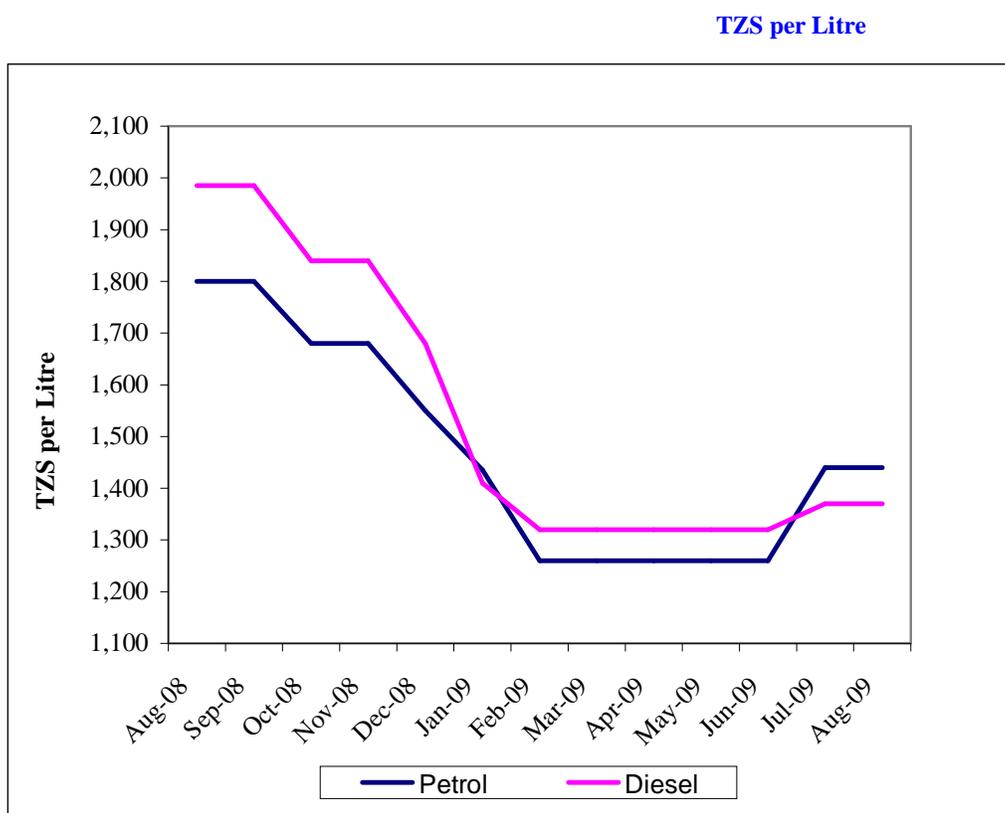
TZS per Kilo



Source: Office of Chief Government Statistician (OCGS)

The annual non-food inflation in August 2009 was negative 0.1 percent, the same rate recorded in July 2009. The low rate of inflation was associated with fall in pump prices of diesel, petrol and kerosene that declined by 31.0 percent, 20.0 percent and 39.4 percent, respectively (**Chart 6.3**). The **month -to-month** non-food inflation decelerated to 0.1 percent from 0.6 percent recorded in July 2009.

Chart 6.3: Monthly Average Prices for Petrol and Diesel



Source: Office of Chief Government Statistician (OCGS)

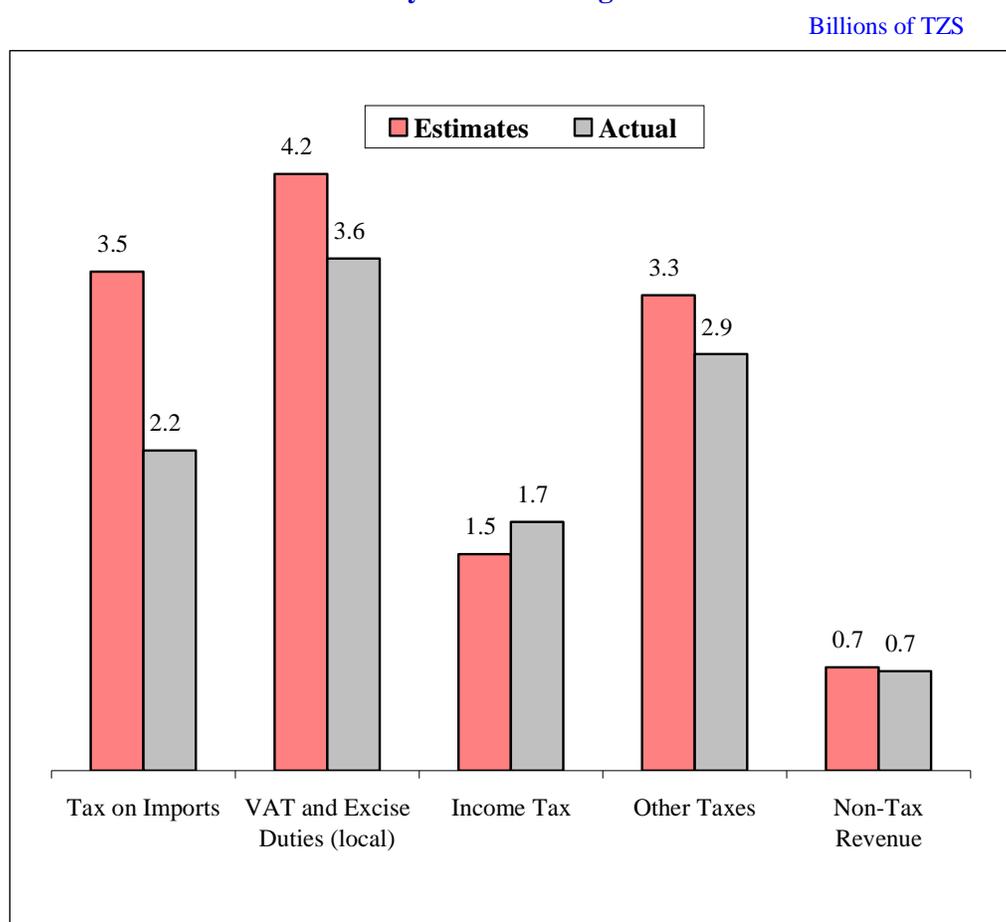
Fiscal Performance

During September 2009, Government budgetary operations registered a surplus after grants on cheques issued of TZS 11.2 billion. The surplus was however reduced to a deficit of TZS 0.9 billion after considering adjustments to cash and other items. Total resources in the month amounted to TZS 30.6 billion, slightly below the target of TZS 30.8 billion, where domestic sources contributed TZS 11.1 billion, or 36.3 percent and foreign grants TZS 19.5 billion or 63.7 percent. Total expenditure during the period amounted to TZS 19.5 billion, below the estimated TZS 21.4 billion. The budget deficit was exclusively financed through foreign sources.

Revenue

Total revenue collections during the month under review amounted to TZS 11.1 billion, below the estimated TZS 13.2 billion. Tax revenue amounted to TZS 10.4 billion and accounted for 93.7 percent of the total revenue collections, whereas non-tax revenue was TZS 0.7 billion. Classification of revenue collection by category showed that, with an exception of income tax, collections from other categories were below the estimates [Chart 6.4](#).

Chart 6.4: Zanzibar: Revenue by Sources – August 2009

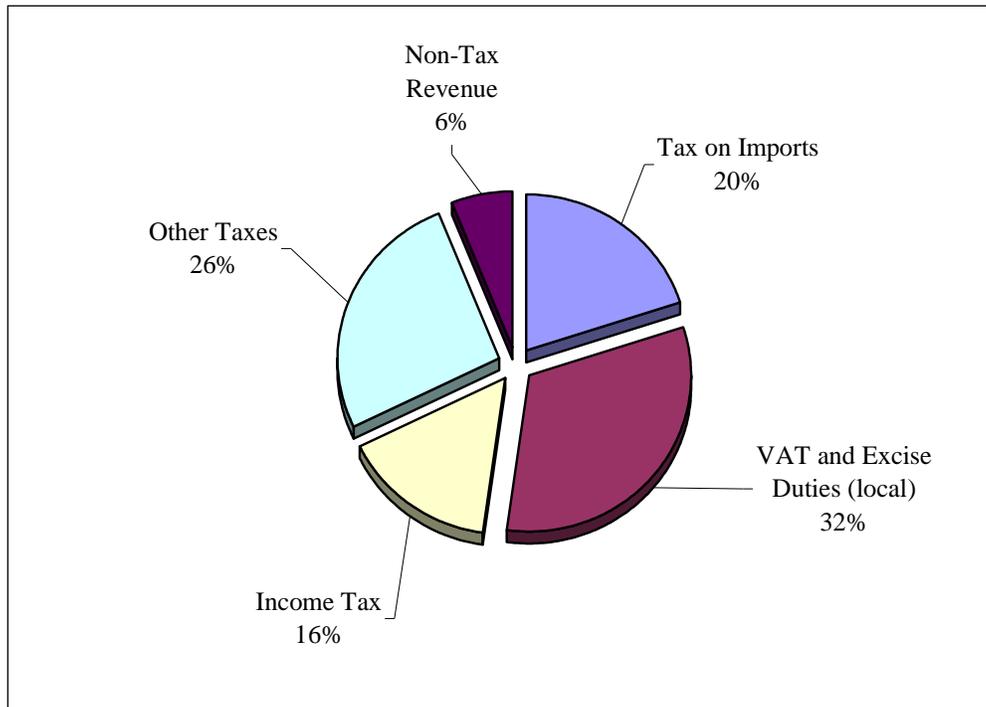


Source: Ministry of Finance and Economic Affairs, Zanzibar.

The underperformance was mainly due to low VAT collections, specifically from hotels and decline in taxable imports. Local VAT and excise duty collections accounted for 32.0 percent of the total revenue collections followed by tax collections on imports that accounted for 20.0 percent. Income tax collections amounted to TZS

1.7 billion, above the target of TZS 1.5 billion following increased income tax returns (Chart 6.5).

Chart 6.5: Zanzibar: Composition of Government Revenue – August 2009



Source: Ministry of Finance and Economic Affairs, Zanzibar

On cumulative basis, Government revenue collections during July -August 2009, amounted to TZS 21.1 billion and accounted for 13.2 percent of the annual target of TZS 159.7 billion.

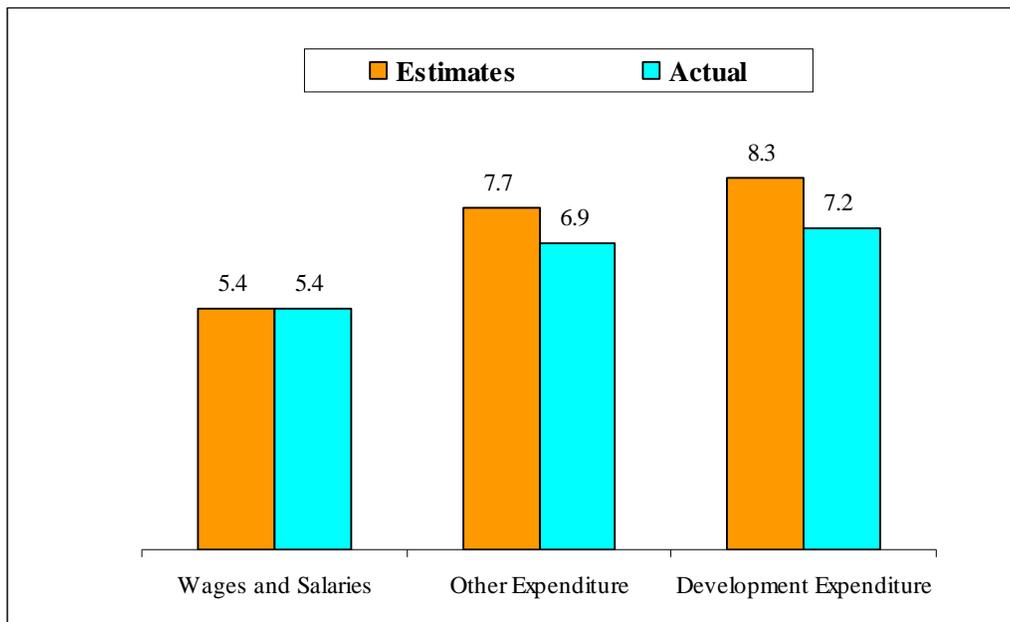
Expenditure

Total government expenditure during August 2009, amounted to TZS 19.5 billion, and was below estimate by 8.9 percent, mainly on account of low other charges and development expenditures. Total recurrent expenditure amounted to TZS 12.3 billion, and the remaining TZS 7.2 billion was development expenditure.

Categorization of recurrent expenditure indicated that, wages and salaries was in line with the monthly target of TZS 5.4 billion, and accounted for 43.9 percent of the total recurrent expenditure. Expenditure on other charges was TZS 6.9 billion, compared with budgeted TZS 7.7 billion, and accounted for 56.1 percent of the recurrent expenditure (Chart 6.6).

Chart 6.6: Composition of Government Expenditure – August 2009

Billions of TZS



Source: Ministry of Finance and Economic Affairs, Zanzibar.

During the month under review, TZS 4.0 billion or 55.6 percent of development expenditure was financed from domestic sources. Foreign sources contributed TZS 3.2 billion or 44.4 percent.

Cumulatively, total Government expenditure for the period July - August 2009, amounted to TZS 32.9 billion, and accounted for 8.0 percent of the annual target of TZS 412.6 billion.

Debt Developments

Zanzibar debt stock as at end of August 2009 was USD 106.7 million, slightly below USD 106.8 million recorded at end of July 2009. External debt stock stood at USD 62.5 million, representing 58.6 percent of the total debt, while domestic debt was equivalent to USD 44.2 million.

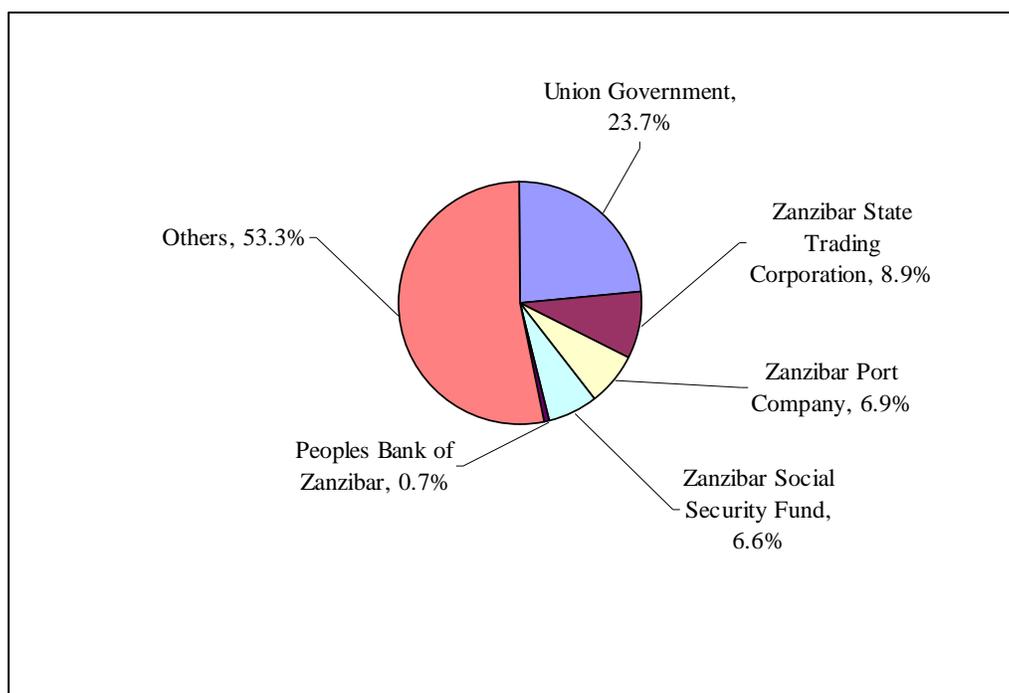
Domestic Debt

During the month of August 2009, domestic debt stock decreased to TZS 57.5 billion, from TZS 58.5 billion reported at the end of July 2009 following settlement of retired civil servants claims.

Domestic Debt by Creditors

Claims by government suppliers and pensioners decreased from TZS 31.7 billion recorded at the end of July 2009 to TZS 30.6 billion representing 53.3 percent of the total domestic debt at end August 2009. Union Government debt was TZS 13.6 billion or 23.7 percent of the total domestic debt. Debt owed to Zanzibar State Trading Corporation (ZSTC), and Zanzibar Ports Corporation (ZPC) was TZS 5.1 billion and TZS 3.9 billion, respectively. Claims by Zanzibar Social Security Fund (ZSSF) and Peoples Bank of Zanzibar (PBZ) amounted to TZS 3.8 billion and TZS 0.4 billion, respectively (**Chart 6. 7**).

Chart 6.7: Domestic Debt by Creditor as at End – August 2009



Source: Ministry of Finance and Economic Affairs-Zanzibar

Domestic Debt by Maturity

Domestic debt stock by maturity indicated that, debt with “undetermined maturity” (predominantly gratuity and supplier’s claims) decreased to TZS 30.8 billion, from TZS 31.9 billion, and accounted for 53.6 percent of total domestic debt. Debt maturing between 2 – 5 years was TZS 20.2 billion, or 35.1 percent of total domestic debt, while those maturing in less than a year amounted to TZS 6.5 billion.

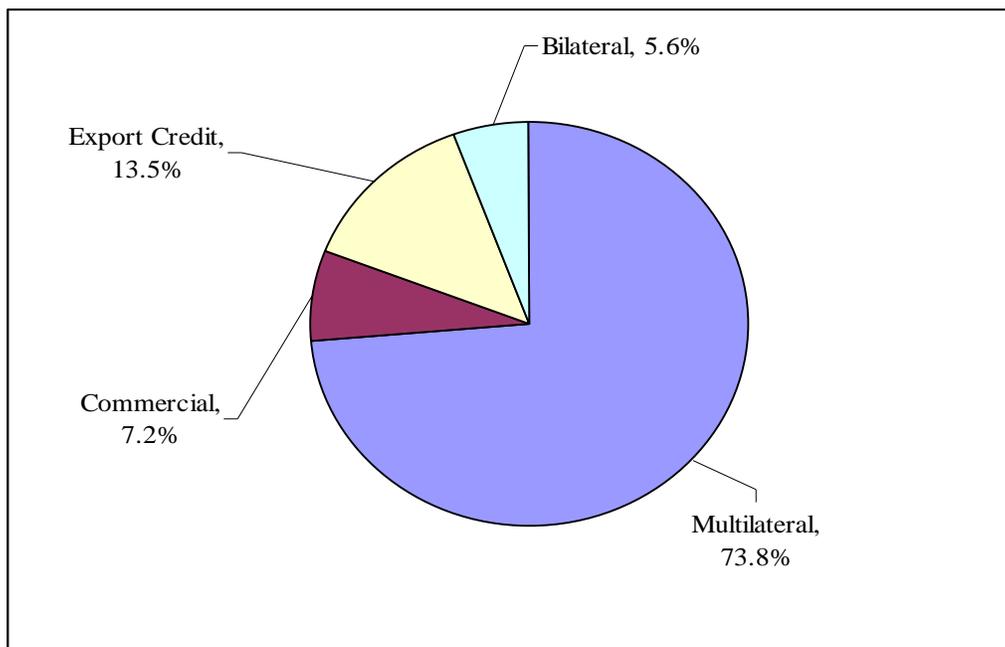
External Debt

As at end of August 2009, Zanzibar external debt stock stood at USD 62.5 million, compared to USD 62.2 million registered at the end of previous month. Out of the total external debt stock, debt guaranteed by the Union Government accounted for 74.9 percent, while the remaining was non-guaranteed debt.

External Debt by Creditor Category

Profile of external debt by creditor category at end August 2009 indicated that, debt owed to multilateral creditors was USD 46.1 million while commercial debt was USD 4.5 million. Bilateral creditors and export credit were USD 3.5 million and USD 8.4 million, respectively (Chart 6.8)

Chart 6.8: External Debt by Creditor as at End – August 2009

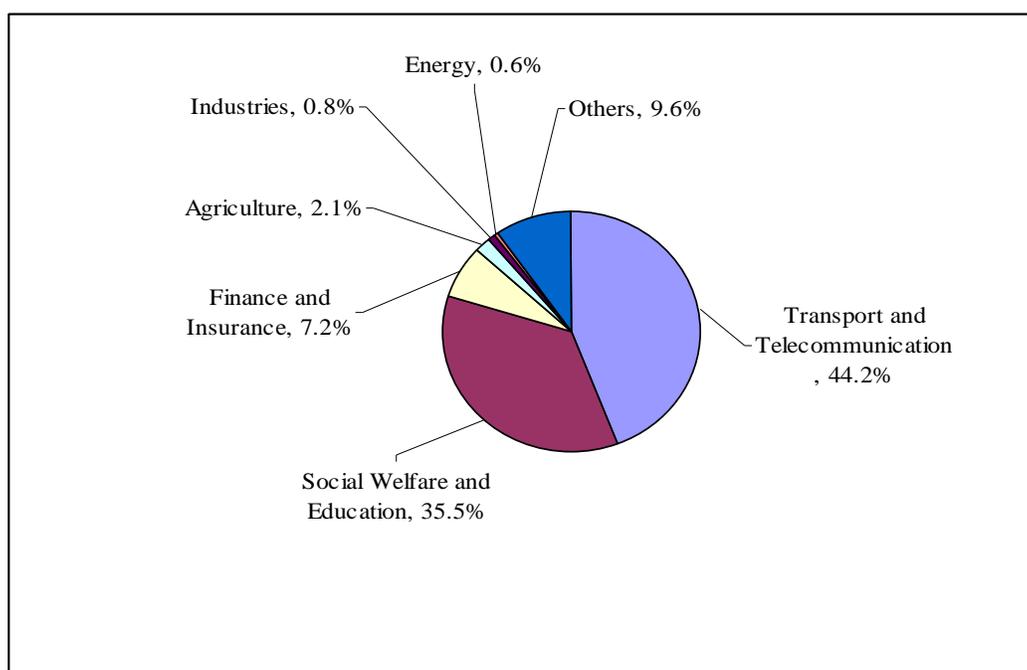


Source: Ministry of Finance and Economic Affairs-Zanzibar

External Debt - Disbursements by End Use

During August 2009, transport and telecommunications sectors received debt amounting to USD 27.6 million or 44.2 percent of the total external debt whereas social welfare and education sectors received USD 22.2 million, or 35.5 percent. Finance and Insurance sector received USD 4.5 million, or 7.2 percent. Agriculture and Energy sectors received USD 1.3 million and USD 0.4 million, respectively (Chart 6.9).

Chart 6.9: External Debt by Use of Funds as at End August 2009



Source: Ministry of Finance and Economic Affairs-Zanzibar

External Sector Performance

Current Account

During August 2009, Zanzibar current account recorded a surplus of USD 12.6 million, from a deficit of USD 1.9 million in July 2009. The improvement was associated with increase in net current transfers and goods export. Trade account balance narrowed to a deficit of USD 3.8 million, from USD 4.0 million recorded in July 2009.

On annual basis, the current account balance recorded a surplus of USD 10.0 million in August 2009, compared to a deficit of USD 18.1 million recorded during the corresponding period in 2008, mainly on account of increased current transfers and export receipts. Net foreign transfers increased to USD 50.6 million from USD 41.5 million, while export of goods and services increased to USD 121.6 million, from USD 98.9 million recorded in August 2008. The trade account narrowed to a deficit

of USD 64.8 million, from USD 85.8 million recorded in 2008. During the period, goods import declined by 13.7 percent ([Table 6.2](#)).

Table 6.2: Zanzibar Current Account Balance

Millions of USD

Item	2008	2009			Year Ending August			%Change	
	Aug	Jun	Jul	Aug	2007	2008	2009p	Monthly	Annual
Goods Account (net)	-4.00	-4.28	-4.04	-3.79	-65.34	-85.84	-64.83	5.00	24.50
Exports	0.88	1.25	1.26	3.08	16.48	16.69	23.62	138.50	41.30
Imports (fob)	4.88	5.53	5.29	6.87	81.83	102.53	88.46	30.20	-13.73
Services Account (net)	1.97	1.99	2.16	2.02	47.29	26.95	29.59	-9.10	10.00
Receipts	6.53	8.35	8.28	8.32	93.38	82.23	97.97	0.00	19.20
Payments	4.55	6.36	6.12	6.30	46.09	55.28	68.38	3.30	23.69
Goods and Services (net)	-2.03	-2.30	-1.87	-1.76	-18.05	-58.89	-35.24	5.30	40.20
Exports of Goods and Services	7.40	9.60	9.54	11.40	109.86	98.92	121.59	20.00	22.92
Imports of Goods and Services	9.43	11.90	11.41	13.16	127.91	157.81	156.83	15.80	-0.62
Income Account (net)	-0.02	-0.69	-0.64	-0.62	0.15	-0.66	-5.37	0.00	-971.40
Receipts	0.00	0.02	0.05	0.03	0.24	0.27	0.36	-100.00	33.30
Payments	0.02	0.71	0.69	0.65	0.09	0.93	5.73	-14.30	533.30
Current Transfers (net)	10.60	0.31	0.56	14.98	68.44	41.48	50.60	2400.00	21.90
Inflows	10.60	0.31	0.56	14.98	68.44	41.48	50.60	2400.00	21.90
Outflows	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
Current Account Balance	8.56	-2.68	-1.95	12.60	50.53	-18.08	9.99	563.10	44.70

p = provisional

Source: Tanzania Revenue Authority and BOT computations.

Exports Performance

During the month of August 2009, exports of goods and services amounted to USD 11.4 million, from USD 9.5 million, recorded in July 2009, driven by cloves exports that rose to USD 1.9 million from USD 0.2 million, respectively. Export of services was USD 8.3 million, same level recorded in the preceding month and accounted for 72.8 percent of total exports.

The volume of cloves export increased to 600 tons, from 10 tons in the preceding period reflecting seasonality pattern of the crop. However, the average export price declined to USD 3,206.8 per ton in August 2009, compared to USD 3,243.6 per ton in July 2009. Seaweeds exports amounted to USD 0.3 million, from USD 0.2 million, on account of increase in export volume and prices. Manufactured goods export

remained at USD 0.4 million, the same level recorded in the previous month, and accounted for 12.9 percent of total goods export.

During the year ended August 2009, exports of goods and services rose to USD 121.6 million, from USD 98.9 million recorded in the corresponding period in 2008. Services receipts increased to USD 98.0 million, from USD 82.24 million while goods exports amounted to USD 23.6 million. Similarly, clove exports rose to USD 10.4 million, from USD 4.8 million, following increase in exports volume to 2,900.0 tons, from 1,200.0 tons, despite the decline in average export price from USD 3879.3 to USD 3,567.6 per ton. Seaweeds exports amounted to USD 2.7 million, slightly above USD 2.6 million registered in 2008. Manufactured goods exports increased to USD 5.2 million from USD 3.9 million (Table 6.3, and Chart 6.10).

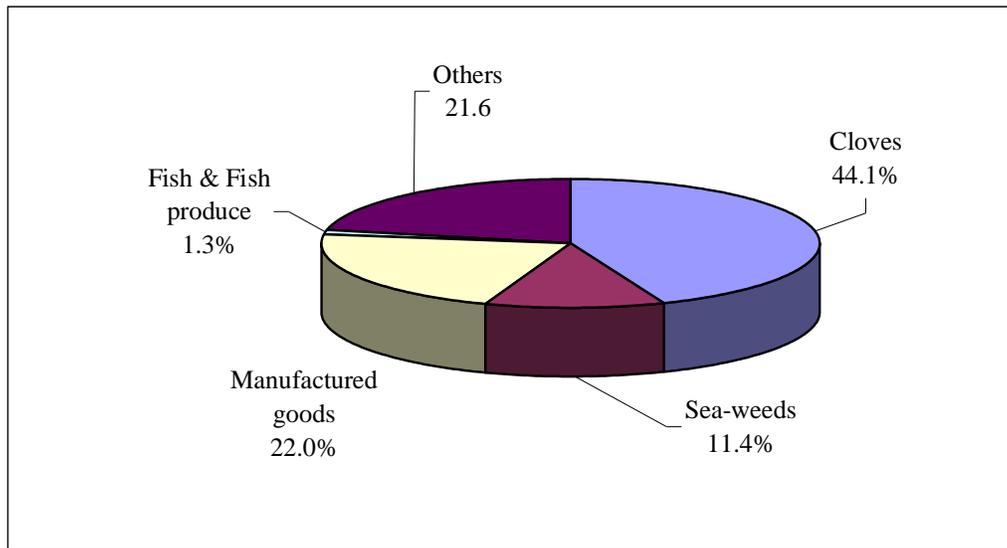
Table 6.3: Zanzibar Goods Exports by Major Categories

Item	Units	Millions of USD								
		2008 Aug	2009			Year Ending August			% Change	
		Aug	Jun	Jul	Aug	2007	2008	2009p	Monthly	Annual
Traditional :										
Cloves										
Value	Millions	0.2	0.1	0.2	1.9	9.7	4.8	10.4	850.0	116.7
Volume	000 Tons	0.1	0.04	0.01	0.6	3.0	1.2	2.9	5,900.0	141.7
Unit Price	USD/Ton	3,980.4	3,228.4	3,545.8	3,243.6	3,206.8	3,879.3	3,567.6	-8.5	-8.0
Non-Traditional :										
Seaweeds										
Value	Millions	0.1	0.2	0.2	0.3	1.7	2.6	2.7	50.0	3.8
Volume	000 Tons	0.5	0.9	0.8	1.0	7.6	10.2	11.2	25.0	9.8
Unit Price	USD/Ton	282.7	235.7	245.3	271.9	224.0	255.6	242.8	10.8	-5.0
Manufactured Goods	Millions	0.4	0.4	0.4	0.4	3.2	3.9	5.2	0.0	33.3
Fish and Fish Produce	Millions	0.00	0.0	0.0	0.0	0.2	0.2	0.3	0.0	50.0
Horticultural produce	Millions	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Others Exports	Millions	0.5	0.5	0.5	0.5	1.7	5.2	5.1	0.0	-1.9
SUB TOTAL	Millions	1.0	1.1	1.1	1.2	6.8	11.9	13.2	9.1	10.9
GRAND TOTAL	Millions	1.2	1.2	1.3	3.1	16.5	16.7	23.6	138.5	41.3

p = provisional

Source: Tanzania Revenue Authority and BOT computations

Chart 6.10: Zanzibar Goods Export by Category - Year Ending August 2009



Source: Tanzania Revenue Authority and BOT computations

Goods Imports

Zanzibar goods imports (c.i.f) during August 2009, amounted to USD 7.5 million, up from USD 5.8 million recorded during the preceding month. Capital and intermediate goods import bill increased to USD 2.7 million and USD 3.1 million, from USD 2.0 million and USD 2.3 million, respectively. The increase in intermediate imports was driven by oil imports. Similarly, consumer goods imports increased to USD 1.7 million from USD 1.5 million whereas importation of food and foods stuffs, and all other consumer items rose by 20.0 percent and 10.0 percent, respectively, mainly associated with increased demand during the holy month of Ramadan.

On annual basis, total goods import (c.i.f) in August 2009 decreased to USD 97.2 million, from USD 112.7 million, reported during the corresponding period in 2008, associated with decline in import of capital and intermediate goods. Capital and intermediate goods imports decreased to USD 41.2 million and USD 33.8 million from USD 47.5 million and USD 43.2 million, respectively. Oil imports fell to USD 25.7 million, from USD 32.1 million, and accounted for 26.4 percent of total merchandise imports. Foods and foods stuffs imports also declined to USD 7.1 million from USD 8.5 million (**Table 6.4**).

Table 6.4: Zanzibar Imports by Major Categories

Millions of USD

Import Category	2008	2009			Year Ending August			% Change	
	Aug	Jun	Jul	Aug	2007	2008	2009p	Monthly	Annual
Capital Goods	4.7	2.7	2.0	2.7	44.3	47.5	41.2	35.0	-13.3
Transport Equipment	3.2	1.4	1.3	1.3	14.2	27.2	23.2	0.0	-14.7
Building and Constructions	0.7	0.6	0.4	0.5	13.0	6.8	8.1	25.0	19.1
Machinery	0.8	0.7	0.3	0.8	17.0	13.5	10.0	166.7	-25.9
Intermediate Goods	5.1	1.5	2.3	3.1	24.2	43.2	33.8	34.8	-21.7
Oil imports	3.5	0.9	2.0	2.6	19.3	32.1	25.7	30.0	-19.9
Industrial raw materials	1.5	0.6	0.3	0.5	4.9	11.1	8.1	66.7	-27.0
Consumer Goods	1.8	1.9	1.5	1.7	21.5	22.0	22.2	13.3	0.9
Food and food stuffs	0.5	0.8	0.5	0.6	5.9	8.5	7.1	20.0	-16.5
All other consumer goods	1.3	1.1	1.0	1.1	15.5	13.5	15.0	10.0	11.1
GRAND TOTAL (CIF)	11.6	6.1	5.8	7.5	89.9	112.7	97.2	29.3	-13.7
GRAND TOTAL (FOB)	10.5	5.5	5.3	6.9	81.8	102.5	88.5	30.2	-13.7

p= provisional

Source: Tanzania Revenue Authority

Services Account

During the period under review, services account registered a surplus of USD 2.0 million, slightly lower than USD 2.2 million registered in July 2009. The decline was mainly on account of rise in foreign payments compared with foreign receipts that remained at the levels attained in the preceding month.

On year to year basis, services account amounted to USD 29.6 million, having increased from USD 26.9 million recorded in the corresponding period in 2008. The improvement emanated mainly from rise in foreign receipts to USD 98.0 million, from USD 82.2 million.

Statistical Tables

Table A1: Selected Economic Indicators (Annual)

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

Note:

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

2 GNDI stands for gross national disposable income

3 Annual Average

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

r Revised

P = Provisional

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

Table A2: Central Government Operations - Tanzania Mainland

Item	Millions of TZS		
	BUDGET 2009/10	Monthly Flows	
		Actuals	
		Jul-09	Aug-09
Total Revenue	5,234,068.6	348,971.9	331,594.2
Tax Revenue	4,840,876.8	331,695.6	314,395.1
Taxes on Imports	1,758,233.8	135,567.3	127,386.4
Sales/VAT and Excise on Local Goods	1,101,646.4	71,587.5	70,931.2
Income Taxes	1,428,419.9	82,957.1	83,264.3
Other taxes	552,576.7	41,583.7	32,813.2
Non- tax Revenue	255,139.4	17,276.3	17,199.1
LGA Own Sources	138,052.3	0.0	0.0
Total Expenditure /1	8,862,272.7	432,711.7	714,221.0
Recurrent expenditure	6,036,841.6	312,899.6	494,081.1
Retention fund	103,503.0	0.0	8,464.2
Wages and salaries	1,766,388.2	137,693.7	138,315.9
Interest payments	407,826.2	7,378.5	620.5
Domestic 2/	354,910.0	7,378.5	0.0
Foreign	52,916.2	0.0	620.5
Other goods, services and transfers	3,759,124.2	167,827.5	346,680.4
Dev. Expenditure and net lending	2,825,431.0	119,812.0	220,139.9
Local	968,028.5	1,881.7	30,954.9
Foreign	1,857,402.6	117,930.4	189,185.0
Overall Balance before Grants	-3,628,204.1	-83,739.8	-382,626.8
Grants	2,090,945.9	413,078.1	79,400.1
Program (CIS/OGL)	825,445.3	408,094.8	21,140.4
Project	640,708.7	4,983.3	3,803.6
Basket funds	282,848.8	0.0	40,924.5
HIPC Relief	341,943.1	0.0	13,531.6
Overall defc. (cheq. issued) after Grants	-1,537,258.2	329,338.3	-303,226.7
Expenditure float		-380,082.2	-27,753.7
Adjustments to cash and other items (net)		105,536.2	55,997.6
Overall Balance (cheques issued)	-1,537,258.2	54,792.3	-274,982.8
Financing:	1,537,258.2	-54,792.3	274,982.8
Foreign Financing (net)	1,037,065.1	112,080.5	225,643.4
Loans	800,925.0	112,947.0	164,613.0
Program loans	368,464.0	0.0	81,186.5
Development Project loans	432,461.0	112,947.0	83,426.5
Basket Support	290,075.8	0.0	61,030.4
Amortization	-53,935.7	-866.6	0.0
Domestic (net)	500,193.1	-166,872.8	49,339.5
Bank & Non Bank Financing (NDF)	506,193.1	-166,872.8	49,339.5
Bank borrowing	406,193.1	-93,925.9	56,773.5
Non-Bank (net of amortization)	100,000.0	-72,946.9	-7,434.0
Borrowing/Roll over	576,476.3	132,130.5	0.0
Domestic & Contingent debt Amortization	-597,476.3	-132,130.5	0.0
Privatization Proceeds	15,000.0	0.0	0.0
GDP (In Millions TZS)	31,108,881		

Note:

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

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

Source: Ministry of Finance, Bank of Tanzania and National Bureau of Statistics

Table A3: Depository Corporations Survey (Provisional)

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

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

Monetary and Financial Statistics Manual.

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

Table A4 : Interest Rate Structure

Item	Percent												
	2008					2009 ^p							
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
A: Domestic Currency													
Interbank Cash Market Rates													
Overnight	3.64	4.19	5.23	5.51	6.27	8.31	9.63	9.90	9.29	6.49	4.46	2.44	0.82
2 to 7 days	3.75	4.23	5.55	5.80	6.60	8.64	9.97	10.17	9.74	7.11	5.38	4.06	1.44
8 to 14 days	3.88	4.61	5.69	5.89	6.21	8.34	10.84	10.77	9.85	7.38	5.30	4.43	1.90
15 to 30 days	4.00	4.00	4.00	5.90	5.90	5.90	5.90	11.76	10.27	7.35	5.75	4.19	1.54
31 to 60 days	5.50	6.09	6.03	6.83	8.75	8.75	11.01	11.80	11.05	7.87	5.30	4.58	2.82
61 to 90 days	5.93	5.93	5.93	5.93	11.00	11.00	12.15	12.15	12.15	12.15	12.15	12.15	12.15
91 to 180 days	8.21	10.48	10.16	11.46	11.69	11.50	12.00	12.00	12.00	9.40	8.60	9.17	3.27
181 and above	8.50	8.50	10.85	13.00	13.00	13.00	14.35	14.35	14.35	12.00	12.00	5.56	7.05
Overall Interbank cash market rate	3.70	4.32	5.45	5.85	6.54	8.41	9.81	10.10	9.58	6.80	5.03	3.86	1.42
Lombard Rate	7.99	8.67	8.90	9.66	10.32	12.47	14.45	14.86	13.94	9.73	7.35	4.13	3.18
REPO Rate	3.76	4.02	4.89	5.32	6.42	7.55	9.09	9.73	8.25	6.10	4.90	2.23	1.21
Treasury Bills Rates													
35 days	5.33	5.78	5.93	6.44	6.88	7.43	7.54	7.62	7.03	6.40	4.81	3.45	2.65
91 days	8.62	10.36	10.39	10.76	11.20	11.60	11.99	12.43	10.55	8.25	5.56	4.14	3.53
182 days	10.11	10.53	10.81	11.00	12.13	13.28	14.64	14.86	12.04	10.20	7.86	6.27	5.46
364 days	11.48	11.56	11.63	11.97	12.79	15.32	14.74	14.99	12.57	10.69	9.11	8.28	7.72
Overall Treasury bills rate	9.47	10.17	10.30	10.33	10.99	12.53	12.85	13.33	11.01	9.27	6.97	5.81	5.16
Treasury Bonds Rates													
2-years	12.87	13.20	13.20	14.35	14.35	14.35	14.35	15.28	15.28	15.28	11.51	11.51	11.51
5-years	14.49	14.49	16.39	16.39	16.39	17.32	17.32	17.32	17.32	16.58	16.58	16.58	16.58
7-years	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.04	17.06	17.06	17.06	17.06	14.14
10-years	19.47	19.47	19.47	19.47	19.47	19.47	19.92	19.92	19.92	19.92	19.92	16.95	16.95
Discount Rate	14.47	15.17	15.30	15.33	15.99	17.53	17.85	18.33	16.01	13.00	10.31	6.95	4.40
Savings Deposit Rate	2.61	2.64	2.59	2.66	2.71	2.61	2.72	2.69	2.72	2.72	2.69	2.68	2.68
Overall Time Deposits Rate	5.86	6.43	6.22	6.38	6.39	6.41	6.58	6.79	6.85	6.81	6.52	6.94	6.87
Call Accounts	0.75	0.76	0.83	0.64	0.65	0.45	0.71	0.89	1.04	1.05	1.04	1.10	1.14
1 month	5.79	6.10	6.48	6.24	6.53	6.49	7.03	7.36	7.07	7.22	6.24	6.44	6.47
2 months	6.79	8.14	7.07	7.31	7.96	7.26	7.61	7.96	7.75	7.11	7.15	8.86	8.15
3 months	7.36	7.30	7.22	7.80	7.38	8.06	7.68	8.46	7.81	7.39	8.28	8.37	7.79
6 months	7.03	7.61	7.25	7.93	8.20	8.06	8.61	8.79	8.88	8.92	8.08	8.20	8.45
9 months													
12 months	7.48	8.05	8.20	8.76	8.29	8.65	8.47	8.44	8.85	9.13	8.79	9.04	9.02
24 months	5.82	7.07	6.52	5.96	5.75	5.90	5.91	5.66	6.57	6.86	6.03	6.58	7.09
Negotiated Deposit Rate	9.63	10.27	10.11	10.26	10.23	10.66	10.82	10.99	11.27	11.03	11.03	10.52	10.47
Overall Lending rate	14.83	14.91	14.82	14.30	16.05	14.93	14.95	15.12	15.45	15.39	15.48	15.14	15.12
Call Loans	19.25	19.25	20.25	19.25	19.25	19.25	19.25	19.25	19.25	20.25	21.25	22.25	22.25
Short-term (up to 1 year)	13.86	14.04	13.27	13.57	13.56	13.41	13.45	13.44	13.87	13.68	14.57	13.94	13.77
Medium-term (1-2 years)	15.82	15.74	15.40	15.38	16.57	15.16	15.12	15.33	15.55	15.81	15.63	15.38	15.74
Medium-term (2-3 years)	15.65	15.66	15.39	14.62	17.18	14.72	14.94	14.93	15.18	15.07	15.11	14.61	14.75
Long-term (3-5 years)	15.80	15.94	16.32	15.69	16.52	15.20	15.26	15.28	15.54	15.36	15.23	15.20	14.98
Term Loans (over 5 years)	13.01	13.18	13.69	12.22	16.43	16.19	15.98	16.63	17.11	17.02	16.87	16.59	16.36
Negotiated Lending Rate	12.18	12.68	13.38	11.96	11.91	12.27	12.13	12.85	13.87	13.93	14.03	14.26	14.24
B: Foreign Currency													
Deposits Rates													
Savings Deposits Rate	1.92	1.65	1.63	1.64	1.43	1.44	0.70	2.36	2.38	2.38	2.36	2.37	1.53
Overall Time Deposits Rate	2.92	2.93	3.09	3.24	3.87	3.74	4.02	3.83	2.84	2.81	2.30	2.36	2.26
1-months	2.79	2.88	2.59	3.10	3.53	2.80	2.24	3.82	2.66	3.86	2.36	1.85	2.09
2-months	2.92	2.60	3.15	2.76	3.73	3.72	4.94	3.78	4.01	2.66	1.80	2.34	2.49
3-months	2.91	3.07	2.70	3.29	4.61	4.65	5.12	4.56	2.61	2.64	2.45	2.93	2.10
6-months	2.86	2.89	3.37	3.40	4.14	4.13	4.17	3.81	2.47	2.63	2.71	2.55	2.15
12-months	3.12	3.19	3.65	3.65	3.36	3.41	3.63	3.21	2.43	2.27	2.18	2.12	2.49
Overall Lending Rate	7.14	9.49	9.29	9.68	9.62	9.38	7.62	9.48	9.28	9.68	9.69	9.69	9.76
Short-term (up to 1 year)	5.43	5.33	6.37	6.35	6.29	6.28	6.53	5.88	4.86	6.92	6.96	6.94	6.94
Medium-term (1-2 years)	7.20	10.33	10.47	10.49	10.53	9.88	8.09	10.78	10.86	10.76	10.13	10.77	11.03
Medium-term (2-3 years)	6.81	10.69	8.40	10.74	10.44	9.97	8.05	9.93	10.10	10.13	10.82	10.27	10.28
Long-term (3-5 years)	7.35	10.00	10.13	10.06	10.24	10.45	7.67	10.54	10.55	10.55	10.54	10.50	10.52
Term Loans (over 5 years)	8.91	11.08	11.08	10.74	10.60	10.33	7.74	10.31	10.05	10.02	10.01	10.00	10.01

Note: The Lombard rate is based on the prevailing weighted average yield of 35-day T-bill, Repo or overnight inter-bank rate whichever is higher in the market plus 50% of the highest rate.

Source: Bank of Tanzania

Table A5(a): Exports by Type of Commodity

Item	2008 ^p	2009		% Change		Year Ending Aug ^p		
	Aug	Jul	Aug	Aug 08-Aug 09	Jul 09-Aug 09	2008	2009	% Change
Traditional Exports:								
COFFEE								
Value	2.3	4.8	2.1	-7.3	-56.4	84.4	121.3	43.7
Volume	1.4	3.1	1.4	-2.5	-56.3	36.5	60.4	65.8
Unit Price	1,633.8	1,556.0	1,552.5	-5.0	-0.2	2,314.1	2,006.4	-13.3
COTTON								
Value	12.8	6.3	8.1	-36.6	29.5	95.2	123.2	29.3
Volume	12.4	5.3	6.8	-45.0	29.3	80.5	98.5	22.5
Unit Price	1,031.9	1,188.2	1,189.8	15.3	0.1	1,183.8	1,250.1	5.6
SISAL								
Value	0.0	0.0	0.0	--	--	3.9	1.2	-68.4
Volume	0.0	0.0	0.0	--	--	3.7	0.7	-81.6
Unit Price	-	-	-	--	--	1,050.8	1,802.4	71.5
TEA								
Value	1.5	2.0	1.6	6.0	-22.7	36.4	31.2	-14.3
Volume	0.7	1.2	0.8	19.5	-35.4	25.0	19.0	-24.1
Unit Price	2,257.6	1,673.4	2,002.4	-11.3	19.7	1,457.0	1,644.8	12.9
TOBACCO								
Value	14.3	0.0	24.2	69.3	--	70.2	153.2	118.3
Volume	3.9	0.0	8.6	119.6	--	29.8	50.5	69.4
Unit Price	-	0.0	2,823.0	--	--	2,352.0	3,030.6	28.9
CASHEWNUTS								
Value	0.00	0.00	0.0	--	--	56.3	51.5	-8.5
Volume	0.00	0.00	0.0	--	--	77.4	68.2	-11.9
Unit Price	-	-	-	--	--	727.2	755.4	3.9
CLOVES								
Value	0.78	0.24	1.5	90.5	518.3	5.1	15.7	207.4
Volume	0.19	0.05	0.5	175.4	930.0	1.4	4.7	233.7
Unit Price	4,165.8	4,800.0	2,881.6	-30.8	-40.0	3,593.4	3,310.6	-7.9
Sub Total	31.6	13.4	37.5	18.4	179.3	351.4	497.2	41.5
Non-Traditional Exports:								
Minerals	86.5	108.4	93.9	8.5	-13.4	1,019.9	893.6	-12.4
Gold	72.3	105.0	92.3	27.6	-12.1	948.4	866.3	-8.7
Diamond	2.5	0.0	0.2	-92.6	512.1	22.3	6.7	-70.0
Other minerals ¹	11.7	3.4	1.4	-88.0	-59.1	49.1	20.6	-58.0
Manufactured Goods	61.8	47.8	32.7	-47.0	-31.5	520.0	571.8	10.0
Cotton Yarn	5.9	0.3	1.6	-72.7	--	13.6	41.7	205.7
Manufactured Coffee	0.1	0.0	0.0	-	--	1.1	1.9	75.8
Manufactured Tobacco	0.3	0.2	0.4	10.2	68.5	1.3	2.8	111.3
Sisal Products (Yarn & Twine)	0.0	0.1	1.0	--	--	11.1	6.3	-43.0
Other manufactured Goods ²	55.5	47.2	29.8	-46.3	-36.9	492.9	490.4	-0.5
Fish and Fish Products	12.5	17.6	29.8	137.5	69.1	147.7	151.4	2.6
Horticultural products	2.5	2.5	10.9	330.1	345.2	25.6	44.5	73.8
Re-exports	8.5	3.6	5.4	-37.0	48.8	133.4	113.2	-15.2
Others Exports³	28.7	15.1	26.4	-8.3	74.0	250.5	314.0	25.3
Sub Total	200.6	195.0	199.0	-2.8	2.0	2,097.1	2,088.5	-0.4
GRAND TOTAL	232.3	208.4	236.4	-10.3	13.4	2,448.5	2,585.7	5.6

Note:

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

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

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

p = Provisional data.

- = Small value

-- = Very big value

--- = Information not available

Totals may not add up due to rounding of numbers.

Volume in '000 Tons; Value in '000,000 USD; Unit Price in USD/T

Source: Bank of Tanzania, TRA

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

Import Category	Millions of USD							
	2008 ^P	2009		% Change		Year Ending Aug ^P		
	Aug	Jul	Aug	Aug 08- Aug 09	Jul 09-Aug 09	2008	2009	% Change
Capital Goods	266.5	211.6	203.9	-23.5	-3.7	2,270.4	2,563.9	12.9
Transport Equipments	72.0	71.4	58.1	-19.3	-18.6	686.8	746.4	8.7
Building and Constructions	51.8	36.9	33.1	-36.0	-10.3	527.1	571.2	8.4
Machinery	142.8	103.4	112.6	-21.1	9.0	1,056.6	1,246.4	18.0
Intermediate Goods	209.0	212.5	144.2	-31.0	-32.2	2,427.0	2,016.8	-16.9
Oil imports	169.9	168.2	95.0	-44.1	-43.5	1,721.5	1,455.2	-15.5
Fertilizers	1.0	4.0	11.6	1,029.8	188.4	136.8	98.7	-27.9
Industrial raw materials	38.1	40.3	37.7	-1.1	-6.7	568.7	463.0	-18.6
Consumer Goods	111.3	125.3	145.6	30.8	16.2	1,215.8	1,359.2	11.8
Food and food stuffs	19.5	15.0	17.4	-11.2	15.4	290.3	356.1	22.7
All other consumer goods ¹	91.8	110.3	128.2	39.7	16.3	925.5	1,003.0	652.5
Grand Total (f.o.b)	586.9	549.5	493.7	-15.9	-10.2	5,913.2	5,939.9	0.5
Grand Total (c.i.f)	644.9	603.8	542.5	-15.9	-10.2	6,498.1	6,527.4	0.5

Note:

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

^P = Provisional data

Totals may not add up due to rounding of numbers

Source: Bank of Tanzania, TRA.

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

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

Notes:

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

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

r = Revised

p = Provisional

O/W = Of Which

Source: Bank of Tanzania, International Economics Department

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

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

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

Source: National Bureau of Statistics

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

Period	Headline (General Index)	Food	Non-Food											
			Total	Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household	Household operations	Personal care & Health	Recreation & Entertain.	Transpor- tation	Educ- ation	Miscel. goods & services
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2006 Jan	1.0	1.7	0.1	-1.5	4.5	-2.3	-0.4	1.6	-4.3	1.2	-3.3	0.1	-2.9	6.2
Feb	0.8	1.2	0.4	1.2	0.7	-1.0	0.1	1.2	0.3	1.3	-0.1	0.2	-1.6	-0.5
Mar	0.8	1.3	0.0	1.3	-1.0	0.9	0.1	-0.3	0.0	-1.9	-0.7	0.2	-0.7	-1.0
Apr	0.9	1.1	0.7	-1.8	0.3	1.5	3.2	0.1	0.2	0.1	-0.3	0.7	1.1	-0.5
May	1.7	1.9	1.4	2.7	0.1	0.1	0.8	2.6	1.5	-1.2	0.3	2.4	1.8	0.7
Jun	-0.7	-2.4	1.9	0.7	0.6	1.0	4.2	0.1	1.2	0.5	0.1	2.5	0.4	-0.4
Jul	-2.9	-5.1	0.4	1.5	1.1	1.6	-0.7	1.1	-0.1	-0.1	0.3	0.2	1.7	-0.3
Aug	0.2	-0.5	1.2	2.7	-0.5	0.0	2.6	0.4	0.6	1.3	0.3	0.0	0.6	1.2
Sep	0.2	-0.4	0.9	1.4	0.7	0.0	0.4	1.5	1.9	1.0	0.3	1.4	0.2	0.2
Oct	1.6	2.6	0.0	0.6	0.4	0.0	-1.2	0.6	1.1	1.7	0.4	-0.3	1.7	-0.6
Nov	0.8	2.3	-0.7	0.2	0.3	0.0	-2.8	-0.8	0.6	-0.1	1.8	-0.2	0.0	-0.6
Dec	2.1	2.9	0.4	0.3	1.8	0.0	-1.7	1.4	1.8	0.4	1.8	1.1	1.8	0.6
2007 Jan	1.3	1.8	0.6	0.7	1.5	0.9	-0.1	1.9	0.1	-0.9	1.2	0.4	2.6	-0.6
Feb	1.1	0.7	1.7	0.5	0.9	0.0	4.7	1.8	1.4	0.3	1.7	1.1	0.0	0.9
Mar	0.7	1.2	0.2	1.9	-0.2	0.7	-0.2	-0.8	0.3	0.5	0.9	-0.5	0.4	0.9
Apr	-0.1	-0.1	-0.1	0.7	-0.1	0.0	-0.9	0.2	0.9	0.3	-0.1	-0.1	0.1	-0.1
May	0.6	-0.1	1.6	1.2	0.8	0.0	3.3	0.6	0.8	0.0	0.4	2.1	0.3	0.8
Jun	0.1	-0.6	1.0	0.1	0.5	0.0	3.2	0.4	0.3	0.0	0.7	0.5	0.6	0.0
Jul	0.1	0.1	0.2	0.1	-0.6	0.1	0.2	0.2	0.4	0.2	0.7	1.1	0.2	-0.7
Aug	-0.9	-1.6	-0.2	-0.6	0.4	0.4	-0.4	-0.4	-0.4	0.3	0.5	-0.3	0.8	-0.8
Sep	0.6	1.7	-0.9	0.4	-1.1	0.7	-2.3	-1.1	-0.9	-0.3	-0.6	-0.7	0.5	-0.6
Oct	0.4	-0.1	1.0	1.4	1.2	0.0	1.1	1.1	0.4	1.1	1.1	0.9	0.4	0.5
Nov	1.1	1.5	0.6	2.9	0.1	0.0	0.0	1.0	-0.4	0.4	-0.8	0.4	0.0	0.8
Dec	1.3	2.0	0.1	0.6	-0.8	0.0	-0.6	1.1	0.1	0.2	0.4	0.4	0.9	-0.3
2008- Jan	3.4	5.2	0.9	0.8	0.0	0.4	1.9	0.7	0.7	0.8	0.9	0.7	1.3	0.7
Feb	1.4	1.9	0.6	0.4	0.1	0.0	1.6	1.0	0.6	0.0	-0.1	0.4	0.0	0.6
Mar	0.9	0.9	0.7	0.8	0.5	0.0	1.2	0.0	0.3	0.2	0.4	0.6	0.4	0.1
Apr	0.5	0.3	1.0	0.3	0.1	0.4	1.8	0.2	0.8	0.5	0.6	1.4	0.7	0.4
May	0.1	-0.6	1.2	0.1	0.8	0.0	3.6	0.8	0.4	0.5	0.4	0.5	0.6	-0.3
Jun	0.2	-0.3	1.0	0.3	0.3	0.0	2.1	0.8	0.6	0.1	0.5	1.1	0.5	0.0
Jul	0.3	-0.1	0.7	0.3	-0.2	1.5	1.5	0.1	-0.3	1.0	1.2	0.4	1.1	0.7
Aug	-0.7	-1.6	0.7	0.0	-1.0	0.0	0.2	1.1	-1.3	1.2	1.2	3.4	1.4	-1.1
Sep	2.2	3.7	0.1	0.6	1.1	0.0	-0.3	0.1	1.4	0.7	1.0	-0.9	0.9	1.3
Oct	0.6	1.0	0.0	0.9	0.8	0.0	-0.7	0.8	1.0	0.2	1.0	-0.7	0.0	1.1
Nov	1.5	3.1	-0.8	0.3	0.7	0.0	-3.7	0.2	0.3	1.7	0.5	-0.6	0.5	-0.9
Dec	2.3	4.0	-0.2	0.5	1.0	0.0	-1.2	0.8	0.8	0.8	0.8	-1.3	0.9	-0.6
2009-Jan	2.9	4.8	-0.2	0.7	-0.8	10.4	-3.3	1.0	0.2	0.5	1.8	-0.2	1.9	1.9
Feb	1.7	2.3	0.6	0.3	1.2	0.1	1.5	0.9	0.9	-0.1	1.1	-0.4	0.7	1.0
Mar	0.6	0.8	0.2	1.2	0.4	0.0	-0.9	0.2	-0.1	0.3	0.0	0.4	1.5	0.0
Apr	-0.4	-0.3	-0.5	0.8	0.5	0.1	-2.6	0.4	0.7	0.3	-0.6	-1.3	0.3	2.4
May	-0.5	-0.6	-0.4	0.5	0.8	0.0	-1.7	0.4	1.0	0.2	0.0	-1.0	0.1	-1.6
Jun	-0.4	-1.0	0.7	0.5	2.4	0.0	0.9	0.0	-0.1	0.6	0.8	0.1	1.5	-0.4
Jul	0.5	-0.2	1.6	3.3	1.0	1.8	2.6	0.4	-0.4	0.5	1.1	0.6	1.3	0.7
Aug	0.4	0.1	0.9	0.9	0.1	0.0	2.4	1.2	0.5	1.6	0.6	0.2	0.1	0.1

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

Source: National Bureau of Statistics

Table A7: National Debt Developments

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

*Multilateral arrears are those owed by the private companies

1) During the period.

(2) End of August 2009. All cumulative

Source: Bank of Tanzania

Glossary

Currency in Circulation Outside Banks

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

Discount Rate

The rate of interest the Bank of Tanzania charges on Loans it extends to Deposit Money Banks and overdrafts to government. It is derived from the weighted average yield of Treasury bills of all maturities plus five-percentage points.

Exchange Rate

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

Lombard Facility

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

Lombard Rate

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

Money Supply, M

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

M1, Narrow Money

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

M2, Broad Money

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

M3, Extended Broad Money

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

Non-Food or Underlying Inflation Rate

This is a measure of price movements caused by factors other than food prices. It provides better indication of the effectiveness of monetary policy on inflation since price movements in these items are caused largely by monetary policy.

Repurchase Agreement (REPO)

These are agreements for the BOT to purchase/sale government securities from/to financial institutions at agreed rate for a specified period, with an understanding that the financial institutions will repurchase/resell the securities to the BoT at the end of the period.

Reserve Money (M0)

The Bank of Tanzania's liabilities in the form of: (1) currency in circulation outside the Bank of Tanzania and (2) deposit money banks' deposits with the Bank of Tanzania. Reserve money is also referred to as base money, or high-powered money.

Seasonally Adjusted Series

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

Weighted Annualized Yields of Treasury Bills of all Maturities

This is the average yield of Treasury bills, which is weighted by the volume sold of 35-day, 91-day, 182-day, and 364-day Treasury bills, expressed in percentage per year.

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