



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

OCTOBER 2006

Table of Contents

| | | |
|------------|--|-----------|
| 1.0 | Inflation Developments | 1 |
| 2.0 | Monetary and Financial Developments | 2 |
| | Money Supply | 2 |
| | Credit Developments | 3 |
| | Interest Rates | 3 |
| | Financial Markets | 3 |
| 3.0 | Government Budgetary Operations | 4 |
| 4.0 | External Sector Performance | 5 |
| | Exports Performance | 5 |
| | Imports Performance | 7 |
| | World Commodity Prices | 8 |
| 5.0 | National Debt Developments | 9 |
| | External Debt | 9 |
| | Domestic Debt | 10 |
| 6.0 | Economic Developments in Zanzibar | 11 |
| | Budgetary Performance | 11 |
| | Debt Developments | 11 |
| | External Sector Performance | 12 |
| | Statistical Tables | 14 |
| | Glossary | 25 |
| | | |
| | | |
| | | |
| | | |



1.0 Inflation Developments

Improved Consumer Price Index Adopted

In an effort to improve the assessment of domestic price movements of goods and services in Tanzania, the National Bureau of Statistics (NBS) has adopted an improved data processing system and a new methodology for compilation of CPI series. Also, in order to allow for better month-on-month comparison the base price has been changed to December 2001, instead of the previously used average of the whole year 2001.

On the basis of the improved consumer price index, the year-on-year **headline inflation** increased to 5.8 percent in September 2006 from 5.5 percent in August, on account of price increases for most of consumer products (**Table 1**). The highest increases in price level during the year ending september was registered for items under furniture and household - where average prices rose by 13.6 percent, and transportation whose price index went up by 12.3 percent.

The **annual food inflation** went up to 3.6 percent in September from 2.6 percent in August, following modest price increases for rice, beans and potatoes, mainly linked with high transportation cost to move these products from production areas to market centres.

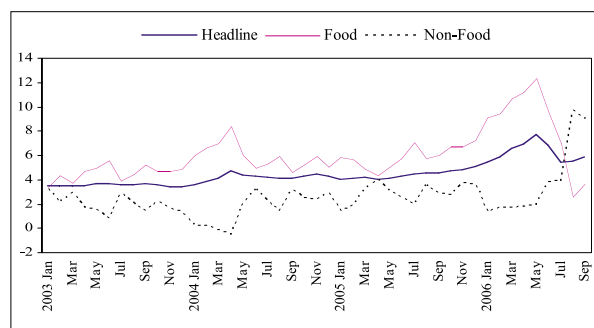
Table 1: Tanzania: Percentage Change in Consumer Price Index (All-Urban)

Base: Dec 2001=100

| Major Commodity Group | Weight (%) | 2004 | | | 2005 | | | 2006 | | |
|-----------------------------|------------|------|------|-----|------|------|------|------|------|------|
| | | Jul | Aug | Sep | Jul | Aug | Sep | Jul | Aug | Sep |
| Headline/Overall | 100 | 4.1 | 4.1 | 4 | 4.4 | 4.5 | 4.5 | 5.4 | 5.5 | 5.8 |
| Food | 55.9 | 5.3 | 5.9 | 4.6 | 7.0 | 5.8 | 6.0 | 7.0 | 2.6 | 3.6 |
| Non-food | 44.1 | 2.2 | 1.5 | 3.1 | 2.0 | 3.6 | 2.8 | 3.9 | 9.7 | 9 |
| Transportation | 9.7 | -1.6 | 1.7 | 3.3 | 5.4 | 5.2 | 4.0 | 6.5 | 9.3 | 12.3 |
| Fuel, Power and Water | 8.5 | 18.3 | 2.4 | 6 | 0.3 | 9.8 | 10.0 | 7.9 | 13.9 | 9.6 |
| Drinks and Tobacco | 6.9 | -4.7 | 0 | 0.5 | 3.1 | 2.4 | 2.6 | 5.7 | 10.6 | 10.7 |
| Clothing & Footwear | 6.4 | -0.1 | 3.1 | 4.5 | 1.3 | -1.2 | -2.7 | -1.1 | 8.1 | 3.8 |
| Education | 2.6 | 0 | 0.6 | 0.9 | 0.1 | -1.9 | -1.7 | 1.1 | 4.6 | 6.1 |
| Furniture & Household Equip | 2.1 | -2 | -0.4 | 2.9 | -0.9 | 0.0 | -2.3 | 1.5 | 8.2 | 13.5 |
| H/h Operations Maintenance | 2.1 | -0.4 | 1.7 | 4.3 | 0.3 | -0.6 | -1.9 | 0.0 | 1.9 | 4.2 |
| Personal Care & Health | 2.1 | -5 | 0.7 | 1.4 | 6.5 | 3.5 | 2.7 | -0.8 | 14 | 5.3 |
| Rents | 1.4 | 2.6 | 0.4 | 0.3 | -3.9 | 7.5 | 7.6 | 0.5 | 3.5 | 3.2 |
| Recreation & Entertainment | 0.8 | 0.2 | 1.8 | 3.7 | -2.1 | -1.5 | -2.4 | -0.5 | 5.5 | 10.3 |
| Misc. Goods & Services | 1.5 | -5.7 | -0.2 | 0.5 | -0.8 | -0.1 | -1.5 | -0.5 | 8.7 | 9.9 |

Source: National Bureau of Statistics (NBS)

Chart 1: Tanzania: Annual Headline, Food, and Non-food inflation



Food Supply Situation

During September 2006, food supply situation in the country was satisfactory, except for 29 districts. A Rapid Vulnerability Assessment report of the government indicates that about 651,655 people in these districts would require about 15,622 tons of subsidized food during the month of November and December 2006. Meanwhile, private traders have been encouraged to buy food from surplus areas and sell in deficit areas to complements government efforts.

During the month prices of food items were mixed depending on availability and the cost of transporting food to markets around the country. Average wholesale prices of rice, beans and potatoes rose by varrying magnitudes, while price of maize and sorghum decined (**Table 2**). With domestic food supply still encouraging, the relatively high food price this year is partly explained by the *pass through effects* of the hike in oil prices on food.

Table 2: Tanzania: National Average Wholesale Prices

TZS per 100 Kgs

| Item | Percentage change | | | | | |
|----------|-------------------|--------|--------|------------------|------------------|--|
| | Sep-05 | Aug-06 | Sep-06 | Sep-05 to Sep-06 | Aug-06 to Sep-06 | |
| Maize | 16,402 | 20,530 | 19,705 | 20 | -4.0 | |
| Rice | 49,806 | 66,778 | 68,447 | 37 | 2.5 | |
| Beans | 45,861 | 50,696 | 54,651 | 19 | 7.8 | |
| Sorghum | 20,544 | 29,604 | 23,642 | 15 | -20.1 | |
| Potatoes | 23,692 | 27,928 | 29,661 | 25 | 6.2 | |

Source: Ministry of Agriculture, Food Security and Cooperatives

The Strategic Grain Reserves

During September 2006, the government, through the Strategic Grain Reserve (SGR) Department purchased food grains (maize and sorghum) amounting to 51,805 tons, making cumulative purchases of 77,418 tons since the exercise started in August 2006. The Department plans



to boost the stocks through importation of about 30,000 tons, as well as purchases from surplus areas within the country.

Table 3: Tanzania: Strategic Grain Reserve (SGR) Stock

| Period | 2004 | 2005 | 2006 |
|-----------|---------|---------|-------------|
| | | | <i>Tons</i> |
| January | 35,342 | 119,924 | 76,813 |
| February | 23,791 | 116,383 | 43,593 |
| March | 22,903 | 114,760 | 8,055 |
| April | 32,387 | 115,262 | 3,165 |
| May | 31,732 | 113,823 | 6,210 |
| June | 37,091 | 112,823 | 15,560 |
| July | 39,195 | 112,323 | 13,811 |
| August | 45,988 | 112,067 | 28,440 |
| September | 67,685 | 111,971 | 80,248 |
| October | 92,710 | 111,695 | |
| November | 108,448 | 106,428 | |
| December | 114,030 | 93,051 | |

Source: Food Security Department and BOT computation.

2.0 Monetary and Financial Developments

Money Supply

In the year ending September 2006, money supply expanded at a much slower pace compared with the recent trend. Extended broad money supply, M3, grew at an annual rate of 28.6 percent in September compared with 33.6 percent in August, while broad money supply, M2, grew by 20.1 percent compared with 29.1 percent. The slow down was largely due to payment of corporate taxes for the quarter ending September, which caused a proportionate withdrawal of liquidity from the economy. On the other hand, the growth of time and foreign currency deposits increased during the year. Foreign currency deposits registered significant increase partly reflecting strong demand for foreign exchange induced by depreciation of the Shilling in the recent months.

Chart 2: Tanzania: Annual Growth Rates of Monetary Aggregates

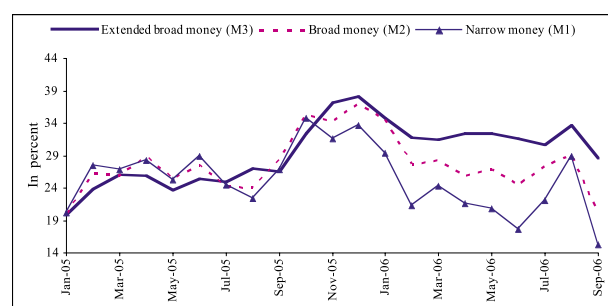


Table 4: Tanzania: Selected Money Supply Components

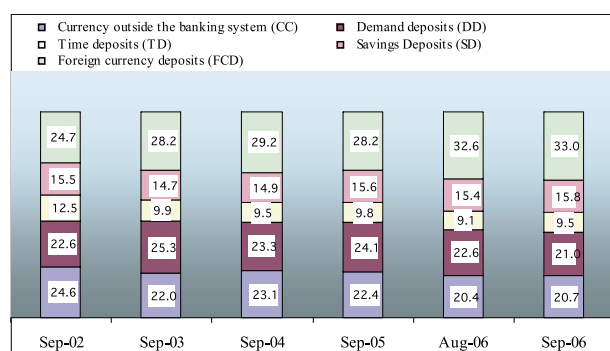
| Item | 2006 | | | Annual Growth Rate (%) | | |
|---|---------|---------|-----------------|------------------------|--------|--------|
| | Aug | Sep | Absolute Change | Sep-05 | Aug-06 | Sep-06 |
| Extended broad money supply (M3) | 4,598.0 | 4,549.1 | -48.9 | 26.5 | 33.6 | 28.6 |
| Broad money supply (M2) | 3,099.7 | 3,050.0 | -49.7 | 28.3 | 29.1 | 20.1 |
| Currency in circulation (CC) | 939.1 | 941.0 | 1.9 | 22.6 | 22.8 | 19.0 |
| Demand deposits (DD) | 1,038.3 | 956.0 | -82.3 | 31.0 | 35.1 | 11.9 |
| Time deposits (TD) | 416.2 | 432.6 | 16.3 | 29.4 | 19.6 | 25.4 |
| Savings Deposits (SD) | 706.1 | 720.4 | 14.4 | 32.0 | 35.6 | 30.9 |
| Foreign currency deposits (FCD) | 1,498.3 | 1,499.2 | 0.8 | 22.1 | 44.1 | 50.5 |
| FCD in millions of USD | 1,133.1 | 1,177.9 | 42.9 | 13.9 | 23.8 | 34.4 |
| Total deposits in the commercial banks | 3,853.8 | 3,839.8 | -14.0 | 28.7 | 38.0 | 32.4 |
| Private sector deposits | 3,658.9 | 3,608.0 | -50.9 | 27.6 | 36.7 | 31.4 |
| Government sector deposits | 194.9 | 231.8 | 36.9 | 51.5 | 69.6 | 49.3 |
| Net foreign assets of the banking system | 3,787.6 | 3,479.6 | -308.0 | -2.9 | 65.1 | 56.5 |
| Bank of Tanzania | 2,792.0 | 2,535.1 | -256.9 | -1.3 | 75.9 | 64.6 |
| Commercial banks | 995.6 | 944.5 | -51.1 | -6.4 | 40.9 | 38.3 |
| Net domestic assets of the banking system | 1,419.6 | 1,678.7 | 259.1 | 95.3 | -16.0 | -9.0 |
| Domestic credit | 1,832.4 | 1,967.4 | 134.9 | 64.3 | 13.7 | 16.7 |
| Claims on govt by the banking system | 934.2 | 923.1 | -11.1 | 75.3 | 2.7 | 7.4 |
| Govt deposits in the banking system | 912.2 | 861.8 | -50.4 | 14.7 | 44.9 | 52.7 |
| Claims on the private sector | 1,810.4 | 1,906.1 | 95.7 | 35.3 | 35.9 | 37.1 |

Source: Bank of Tanzania

On month-to-month basis, money supply recorded a turnaround in September after having expanded for four month in a row. M3 decline by about TZS 49 billion in September compared with an increase of TZS 164 billion in the previous month. Likewise, M2 recorded a decline of TZS 49.7 billion compared with an increase of TZS 65 billion. The decline was largely explained by the seasonal payment of corporate taxes that led to a decline in private sector deposits in commercial banks. With this developments, outstanding stock of private sector deposits stood at TZS 3,608.0 billion at the end of September 2006 (out of which TZS 1,499.2 billion was foreign currency denominated deposits).



Chart 3: Tanzania: Components of Money Supply as Percentage of M3



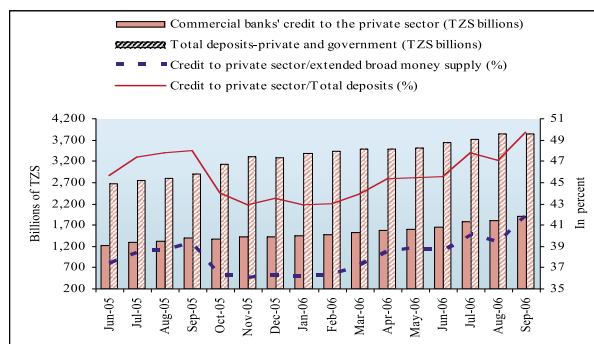
Credit Developments

During the year ending September 2006, credit to the private sector by banks grew at a faster rate than recent months. Specifically, the growth of credit was around 37 percent compared with 35.9 percent in the year ending August 2006. By the end of September, outstanding private sector credit was TZS 1,906.1 billion, which was about 42 percent of the total money supply compared with 39 percent of the preceding month, and out of this stock, about 65 percent was extended in Shillings. The level of intermediation, as reflected by the share of private sector credit to deposits, has also been improving to about 50 percent in September 2006 (Chart 4). These developments the highest in more than a decade, is in tandem with the reforms that have undertaken by the government in removing impediments to bank lending.

Activities that benefited most include manufacturing activities, which accounted for about 21 percent of total outstanding credit, trade (20 percent), agriculture (11.3 percent), transport and communication (8.7 percent), and electricity 5.8 percent.

New loans extended during the month of September 2006 amounted to TZS 95.7 billion, which is almost three times of the previous month level and nearly twice the amount extended in the corresponding month last year. The large part of the credit in September was for importation of electricity generation equipments.

Chart 4: Tanzania: Commercial Banks Intermediation



Interest Rates

Developments in commercial banks' interest rates were mixed during September 2006. Savings deposit rates remained almost unchanged at around 2.6 percent, time deposit rates dropped and lending rates edged upwards (Table 5). Few banks offered negotiated deposit rates as high as 10 percent to their prime customers, while negotiated lending rates were around 11 percent.

Table 5: Tanzania: Interest Rates Structure

Percent

| Item | 2006 | | | | | |
|---------------------------------------|-------|-------|-------|-------|-------|-------|
| | Apr | May | Jun | Jul | Aug | Sep |
| Overall Interbank cash market rates | 5.35 | 5.64 | 8.40 | 8.63 | 8.47 | 14.87 |
| Savings deposit rates | 2.81 | 2.75 | 2.54 | 2.54 | 2.58 | 2.59 |
| Overall time deposit rates | 5.94 | 5.88 | 6.63 | 6.98 | 7.04 | 6.91 |
| 12 months time deposit rates | 8.44 | 8.00 | 8.70 | 8.01 | 9.03 | 8.20 |
| Negotiated deposit rates | 11.50 | 9.98 | 10.07 | 9.13 | 9.78 | 10.11 |
| Overall lending rates | 15.02 | 14.40 | 15.44 | 16.18 | 16.51 | 16.71 |
| Short-term lending rate up to 1-year | 16.39 | 14.12 | 15.77 | 16.61 | 15.64 | 15.90 |
| Medium-term lending rates (2-3 years) | 15.29 | 15.27 | 16.16 | 16.32 | 16.05 | 16.46 |
| Long-term lending rates (3-5 years) | 13.81 | 13.52 | 15.32 | 14.28 | 16.16 | 16.65 |
| Term Loans (over 5 years) | 13.34 | 12.82 | 12.08 | 14.72 | 15.62 | 15.59 |
| Negotiated Lending Rates | 11.24 | 11.32 | 11.19 | 11.99 | 10.80 | 10.51 |

Source: Commercial banks and Domestic Markets, Bank of Tanzania

Financial Markets

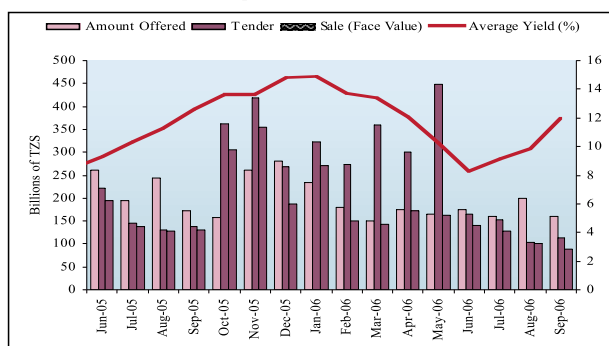
Trade in government securities during September 2006 was as low as it was in the preceding month, partly because most investors were sparing their shillings for payment of corporate taxes for the quarter ending september.

In the Treasury bills market, about TZS 160 billion worth of Treasury bills were offered for rolling over maturing obligations and partly for keeping liquidity in the economy at desirable level. Demand turned out to be 70.6 percent of the amount offered. Treasury bills worth TZS 88.6 billion (about 55 percent of the amount offered) were successfully sold in September 2006, which compares with TZS 101.8



billion sold in August 2006 (equivalent to 51 percent of the total amount offered in the same month).

Chart 5: Tanzania: Treasury Bills Market Developments



Reflecting the low demand for Treasury bills during the month under review, interest rates on Treasury bills increased across all maturities (**Table 6**). The average for all maturities increased from 9.89 percent in August 2006 to 11.98 percent in September 2006.

Table 6: Tanzania: Treasury Bills Interest Rates

| Duration (Days) | 2005 | | | 2006 | | | |
|--------------------|-------|-------|-------|------|------|-------|-------|
| | Jul | Aug | Sep | Jun | Jul | Aug | Sep |
| 35 | 7.03 | 8.42 | 9.49 | 6.44 | 6.64 | 8.29 | 10.56 |
| 91 | 10.35 | 11.51 | 12.52 | 7.83 | 9.06 | 9.70 | 11.13 |
| 182 | 10.53 | 11.46 | 13.10 | 8.49 | 9.26 | 9.97 | 11.69 |
| 364 | 11.93 | 12.64 | 13.70 | 9.63 | 9.76 | 10.41 | 12.97 |
| Overall | 10.35 | 11.30 | 12.58 | 8.25 | 9.17 | 9.89 | 11.98 |

Source: Bank of Tanzania

In the Treasury bonds market, demand remained satisfactory in most of the auctions conducted during the period under review. During September 2006, Treasury bonds worth TZS 16.0 billion were offered, while demand turned out to be TZS 26.3 billion. This compares with TZS 20.0 billion offered in August 2006 whereby demand was TZS 19.6 billion, which accounts for about 98 percent of the amount offered.

In recognition of the low demand in the Treasury bills market, the Bank intervened and sold Treasury bonds worth TZS 18.2 billion in September 2006. This amount accounts for about 114 percent of the offered amount and 69.2 percent of the total tendered. The amount traded during the month attracted average interest rates of 17.42 percent compared with 16.94 percent registered in the preceding month.

In September 2006, the Bank of Tanzania employed **repurchase agreements (repo)** for liquidity management amounting to TZS 35.0 billion, which was well below TZS

79.0 billion traded in the preceding month. The relatively low conduct of repo in September unlike August 2006, is the result of substantial sale of foreign exchange that helped to mop up liquidity from the banking system to targeted levels. Overall repo rate increased significantly to 12.58 percent in September 2006 from 7.42 percent in August.

Interbank cash market transactions in September 2006, experienced a significant increase in overnight rates, which almost doubled to 15.22 percent from August, reflecting the needs for liquidity by some banks associated with payment of taxes by corporate customers. Total interbank cash market transactions amounted to TZS 249.5 billion, out of which TZS 199.6 billion – about 80 percent of the total – were overnight transactions.

In the **interbank foreign exchange market**, volume of trade went up significantly by 16.9 percent to USD 156.4 million from the previous month level of USD 133.7 million. The Bank of Tanzania made a net sale of USD 92.9 million compared with USD 86.1 million sold on net basis in the preceding month. Despite the intervention, the shilling/US dollar exchange rate depreciated during the month from an average of TZS 1,306.18 per US dollar in August 2006 to TZS 1,310.41 in September 2006.

3.0 Government Budgetary Operations

Fiscal operations

During the month of September 2006, government budgetary operations recorded a deficit of TZS 71.0 billion. Total resources that were available for the month from domestic revenue and grants amounted to TZS 288.1 billion, while expenditure amounted to TZS 452.8 billion.

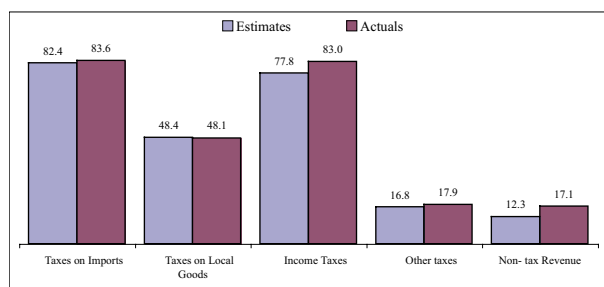
Total revenue collected during the period was above the target of TZS 229.5 billion by TZS 12.6 billion. Tax revenue collections amounted to TZS 224.9 billion, exceeding the target by TZS 7.8 billion. The good performance in tax revenue collections came from all major tax categories



of taxes on imports, income taxes, and other taxes. The good performance in income tax was partly explained by an upward salary adjustments made by the Government, leading to a collection of TZS 30.1 billion from Pay-As-You Earn (PAYE), against the target of TZS 27.5 billion. In addition, corporate income tax collections surpassed the target of TZS 38.7 billion by TZS 4.2 billion, mainly due to compliance by the taxpayers through timely submission of tax returns and payments. Non-tax revenues surpassed the target of TZS 12.3 billion by TZS 4.8 billion.

Chart 6: Government Revenue Performance in September 2006

Billions of TZS



During the month under review, total government expenditure on the basis of cheques written (excluding amortization) amounted to TZS 452.8 billion, out of which recurrent expenditure was TZS 295.9 billion, while development expenditures amounted to TZS 156.9 billion. Cumulatively, from July to September 2006, government expenditure amounted to TZS 976.0 billion, consisting of TZS 643.3 billion for recurrent expenses and TZS 332.7 billion for development projects.

4.0 External Sector Performance

In September 2006, the current account registered a deficit after a surplus that was realized in August on account of frontloaded official current transfers. The inflow of official current transfers shrunk to 28.9 million in September from USD 199.6 million in August (Table 7). For the year ending September 2006, the current account balance deteriorated compared with the preceding year. Large increases in the country's import bill of merchandise and services of about 18 percent, together with lower export growth of 5.7 percent explained the deterioration.

Table 7: Tanzania: Current Account Balance

Millions of USD

| Item | Sep | | 2006 | | Year Ending September ^P | | |
|-------------------------------|--------|--------|--------|--------|------------------------------------|----------|----------|
| | 2004 | 2005 | Aug | Sep | 2005 | 2006 | % Change |
| Goods Account (net) | -104.4 | -147.7 | -190.1 | -239.9 | -1,231.6 | -1,932.7 | 56.9 |
| Exports | 123.2 | 151.8 | 128.2 | 128.9 | 1,675.2 | 1,685.7 | 0.6 |
| Imports | 227.5 | 299.5 | 318.3 | 368.8 | 2,906.9 | 3,618.4 | 24.5 |
| Services Account (net) | 11.9 | -21.5 | 31.6 | 7.7 | 55.0 | 165.8 | -- |
| Receipts | 109.5 | 113.4 | 142.2 | 136.1 | 1,259.9 | 1,416.1 | 12.4 |
| Payments | 97.6 | 134.8 | 110.7 | 128.4 | 1,204.8 | 1,250.3 | 3.8 |
| Goods and services (net) | -92.5 | -169.2 | -158.5 | -232.3 | -1,176.6 | -1,766.9 | 50.2 |
| Exports of goods and services | 232.7 | 265.1 | 270.5 | 265.0 | 2,935.1 | 3,101.8 | 5.7 |
| Imports of goods and services | 325.1 | 434.3 | 428.9 | 497.2 | 4,111.7 | 4,868.8 | 18.4 |
| Income Account (net) | -23.5 | -13.1 | -13.5 | -8.2 | -155.9 | -187.9 | 20.6 |
| Receipts | 1.1 | 6.5 | 6.1 | 7.7 | 89.8 | 81.3 | -9.4 |
| Payments | 24.6 | 19.7 | 19.6 | 15.9 | 245.6 | 269.3 | 9.6 |
| Current Transfers (net) | 159.0 | 63.0 | 199.6 | 22.9 | 413.8 | 593.1 | 43.3 |
| Inflows | 164.3 | 68.4 | 205.0 | 27.9 | 480.2 | 658.6 | 37.1 |
| o/w General Government | 158.5 | 64.6 | 201.8 | 25.1 | 414.4 | 611.5 | 47.6 |
| Outflows | 5.3 | 5.4 | 5.4 | 5.0 | 66.4 | 65.4 | -1.5 |
| Current Account Balance | 43.0 | -119.4 | 27.7 | -217.6 | -918.7 | -1,361.8 | -- |

Note: -- = Very large number

P = Provisional. Totals may not add up due to rounding of numbers

Source: Bank of Tanzania

Exports Performance

During the year ending September 2006, export (goods and services) performance was dismal, amounting to about USD 3,102 million, which is an increase of 5.7 percent over the previous year. Earnings from non-traditional exports, which account for more than 40 percent of the total export earnings, grew by around 4 percent, while export crops earned 11 percent less than previous year levels. Decreases in production levels of coffee, sisal and tea, following drought during the year, contributed greatly to the dismal performance of crop exports.

During the year under review, travel (which is mainly tourism related activities) and gold exports, increased, albeit at a lower pace than recent years (Chart 7) but remained dominant in the country's exports (accounting for about 52 percent).

Chart 7: Tanzania: Contribution to Total Exports of Goods and Services

Millions of USD

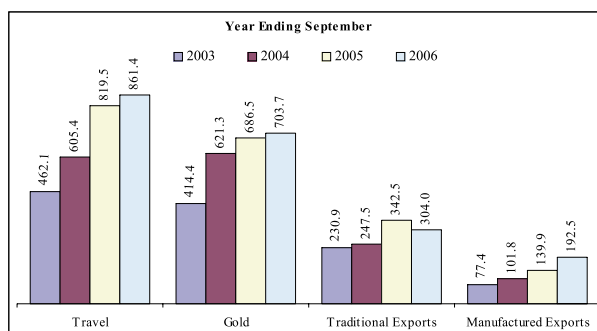
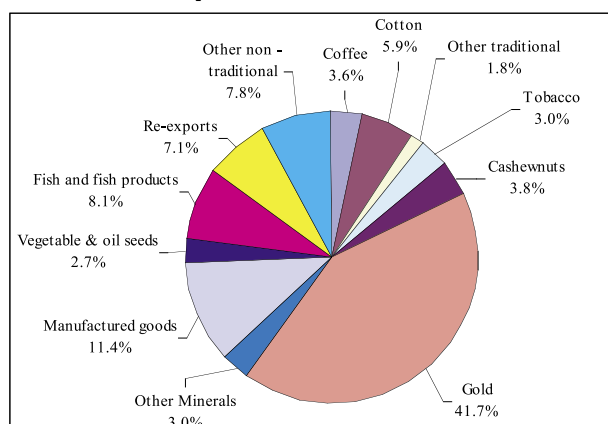


Chart 8: Tanzania: Contribution to Total Exports of Goods



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 refers to goods that are imported and later exported to neighbouring countries.
Major items in this category include wheat and refined petroleum products

Traditional Exports

Export proceeds from traditional exports (agricultural exports) improved to USD 8.5 million in September from USD 6.9 million in August 2006 following the onset of export season for most of them. Both quantity and price contributed to the improvement for all but tobacco and cotton. The decline in cotton exports is partly linked to delays in commencement of procurement of cotton that starts around mid June. This year, procurement season started in July due to late harvesting following delays in rainfalls.

For the year ending September 2006, traditional exports earned much less foreign exchange (USD 304 million) than in previous year (USD 343 million). The dismal performance is largely attributed to unfavourable weather conditions that affected production of most of the traditional crops. In contrast, cashewnuts, which can survive dry conditions better, improved largely on account of timely usage of agricultural inputs, particularly pesticides.

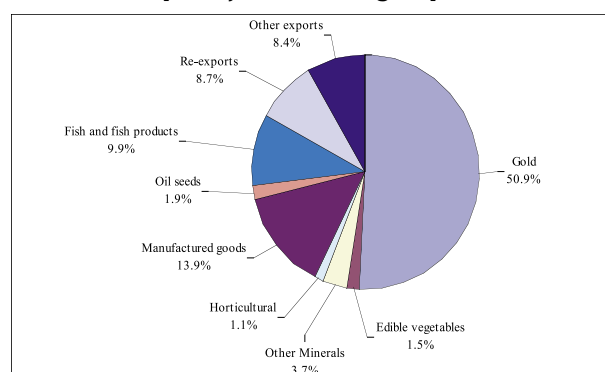
Non-Traditional Exports

During September 2006, non-traditional exports earned about USD 121 million, almost as in the previous month. The performance for the year ending September, compared with the previous year, was also not encouraging. A total of USD 1,381.6 million was realized, which is about 4 percent over the previous year. The growth came from manufactured goods, which rose by 37.6 percent to USD 192.5 million, reflecting the improvement in private business environment in the country. Manufactured exports

include textile apparels, iron and steel, and plastic articles, most of which are exported to Burundi, Rwanda and the Democratic Republic of Congo.

Gold exports amounted to USD 703.7 million during the year to September 2006 compared with USD 686.58 million recorded in the preceding year. The increase was on account of price movements in the world market, otherwise export volume has been declining. The average price of gold in the world market went up to USD 585.2 troy ounce from USD 431.9 per troy ounce in the previous year, while the volume declined to 42.7 tons from 56.7 tons, in the same period. The decline in export volume was on account of a fall in production by Geita Gold Company (which is the largest gold exporter) caused by low quality ore. Despite the setback, Gold exports remained dominant in total non-traditional exports, followed by manufactured goods and fish and fish products (**Chart 9**). Gold from Tanzania is mostly exported to the United Kingdom.

Chart 9 : Contribution to Total Non-Traditional Exports, Year ending September 2006



Services Export

During September 2006, export of services decreased to USD 136.1 million from USD 142.2 million in the previous month, owing to the fall in travel and government services receipts. The decrease in travel receipts is linked with the end of peak tourist season in the country.

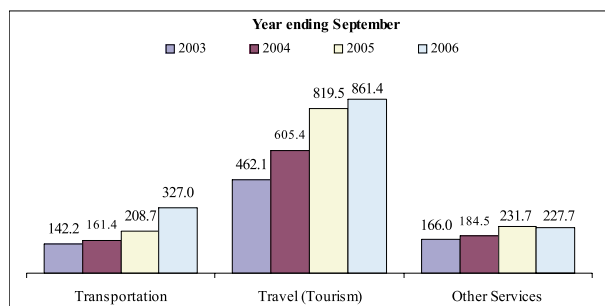
On annual basis, services receipts amounted to USD 1,416.1 million in September 2006 compared with USD 1,259.9 million recorded in the preceding year. Travel receipts totalled USD 861.4 million compared with USD 819.5 million of the previous year. The improvement is partly a reflection of the ongoing promotional measures by the government and other stakeholders. In the same period, transportation receipts totalled USD 327.0 million from USD 208.7 million during the year ending September 2005, partly linked with the improvement at the Dar es



Salaam port that has led to increase in transit cargo to and from the neighbouring countries.

**Chart 10: Tanzania: Service Receipts
2003 – 2006**

Millions of USD



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

Imports Performance

During September, Tanzania's import bills of goods (f.o.b.) amounted to USD 368.8 million compared with USD 318.3 million recorded in the previous month. Large increases were recorded in machinery, particularly telecommunications equipment and electric generators, fertilizers and oil products. The increase in fertilizers imports is seasonal-linked with the preparation for the farming season in 2006/07, coupled with the Government's policy of providing subsidy on transporting fertilizers. It is projected that a total of 110,000 tons of fertilizers will be made available compared to 53,000 tons last year. The oil import bill increased to USD 108.4 million, which is about by 39 percent over the previous month level. The quantity effect was the major contributory factor, from 110,658 tons imported in the previous month to 178,033 tons.

Table 8: Tanzania Imports

Millions of USD

| Item | 2005 ^P | | 2006 ^P | | % Change | | Year Ending September ^P | |
|---------------------------------------|-------------------|-------|-------------------|-----|---------------|---------------|------------------------------------|---------|
| | Sep | Aug | Sep | Aug | Sep 05-Sep 06 | Aug 06-Sep 06 | 2005 | 2006 |
| Capital Goods | 102.9 | 123.3 | 138.7 | | 34.7 | 12.5 | 996.9 | 1,373.6 |
| Transport Equipments | 24.1 | 34.7 | 30.4 | | 26.4 | -12.4 | 244.4 | 380.8 |
| Building and Constructions | 20.9 | 26.8 | 27.4 | | 31.3 | 2.1 | 232.0 | 331.0 |
| Machinery | 58.0 | 61.8 | 80.9 | | 39.4 | 30.9 | 520.5 | 661.8 |
| Intermediate Goods | 110.5 | 117.9 | 160.8 | | 45.6 | 36.4 | 1,136.6 | 1,415.5 |
| Oil imports | 78.3 | 77.9 | 108.4 | | 38.5 | 39.2 | 841.3 | 1,025.2 |
| Fertilizers | 7.2 | 3.8 | 18.2 | | 152.0 | 373.7 | 57.5 | 50.9 |
| Industrial raw materials | 25.0 | 36.2 | 34.3 | | 37.2 | -5.4 | 237.8 | 339.4 |
| Consumer Goods | 86.1 | 77.0 | 69.3 | | -19.4 | -10.0 | 773.4 | 829.3 |
| Food and food stuffs | 19.1 | 21.0 | 16.4 | | -14.5 | -22.2 | 189.9 | 248.5 |
| All other consumer goods ¹ | 66.9 | 56.0 | 53.0 | | -20.8 | -5.4 | 583.4 | 580.8 |
| Grand Total (f.o.b) | 299.5 | 318.3 | 368.8 | | 23.2 | 15.9 | 2,906.9 | 3,618.4 |
| Grand Total (c.i.f) | 329.1 | 349.8 | 405.3 | | 23.2 | 15.9 | 3,194.3 | 3,976.3 |

Note: Oil imports refers to refined petroleum products

^P = provisional data

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

Source: Bank of Tanzania and Tanzania Revenue Authority

Food Imports

In September 2006, food imports declined to USD 16.4 million from USD 21.0 million in the previous month. Much of the decrease occurred in cereals, particularly wheat, which declined by 26.0 percent to USD 12.8 million. .

Table 9: Selected Food Imports

| Item | 2006 | | | % Change Aug - Sep |
|-------------------|--------|--------|--------|-----------------------|
| | Jul | Aug | Sep | |
| Maize | | | | |
| Tons | 8.00 | 127 | 224 | 76.4 |
| Value (Mill. USD) | 0.002 | 0.116 | 0.2 | 72.4 |
| Rice | | | | |
| Tons | 10,854 | 595 | 54 | -90.9 |
| Value (Mill. USD) | 2.5 | 0.147 | 0.03 | -79.6 |
| Wheat | | | | |
| Tons | 57,861 | 96,714 | 58,505 | -39.5 |
| Value (Mill. USD) | 11.6 | 17.3 | 12.8 | -26.0 |

Source: Bank of Tanzania and Tanzania Revenue Authority

The import bill of goods went up by 24.5 percent in the year ending September 2006 compared to the previous year. The increase was manifested in capital goods particularly transport equipment, building and construction, and machinery imports. Machinery imports accounted for about 48 percent of total capital goods imports that were mainly directed to the mining, communication and manufacturing sectors, consistent with the increased investments in the three sectors.

Intermediate goods imports went up by about 25 percent to USD 1,415.5 million in the year under review as importation of oil products and industrial raw materials increased. The increase in oil imports was due to movements in both world market price and quantity. During the review period, the price of refined oil (white petroleum products) increased from an average of USD 499.4 per ton for the year ending September 2005 to an average of USD 606.98 per ton in September 2006. The increase in imports of industrial raw materials is partly associated with the growth of the manufacturing sector in the country in the wake of the ongoing economic reforms and improved private business environment. As for consumer goods imports, an increase of 7.2 percent was recorded, largely reflecting the impact of drought on domestic food supply in the first half of 2005/06.



Chart 11: Tanzania: Contribution to Total Imports, Year Ending September 2006

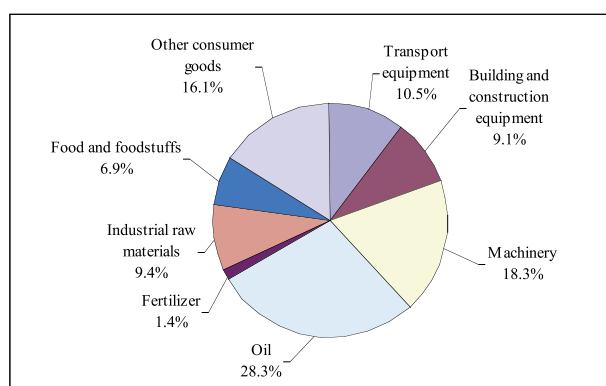
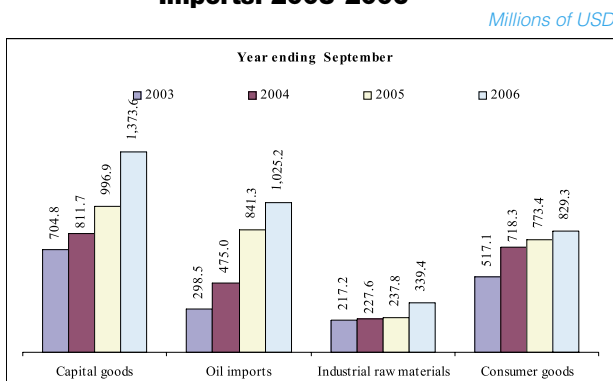


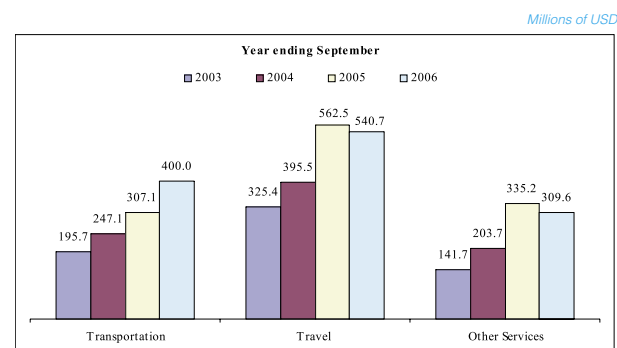
Chart 12: Tanzania: Total Merchandise Imports: 2003-2006



Services Imports

During the review month, services payments went up by 16.0 percent to USD 128.4 million mainly due to the rise in transportation and construction services payments. For the year ending September, services payments totalled USD 1,250.3 million compared with USD 1,204.8 million recorded in the preceding year, largely on account of increases in payments for freight, financial services and insurance services. The increase in freight payments is in line with the increase in merchandise imports, while that of insurance is associated with the re-insurance activities related to foreign direct investments. The rise in financial services payments is largely associated with the expansion of financial and intermediary activities in the country such as service fees associated with letters of credit, foreign exchange and securities transactions.

Chart 13: Tanzania: Service Payments 2003 – 2006



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

World Commodity Prices

With the exception of Robusta coffee and sisal, the prices of most of the traditional commodities went down during September 2006 (Table 10). The price of Arabica coffee declined slightly while that of Robusta coffee increased from previous month levels. The price change for Robusta coffee was due to supply constraints caused by unfavourable weather condition particularly in Vietnam. The price of sisal was USD 885 per metric ton, as in the previous month. Price of tea (Mombassa auction) went down on account of good weather in Kenya.

The easing of the geopolitical tensions in the Middle East and building up of oil stocks in the US led to improvement in the prices of oil products between August and September 2006. Average prices of crude oil (Brent) and Dubai (f.o.b) declined by around 13 percent each, to USD 62.1 per barrel and USD 59.8 per barrel, respectively. Similar developments were also observed on the price of white products with premium gasoline recording a notable decline in price to USD 546.3 per ton. The world market price of gold declined by 5.4 percent to USD 598.2 per troy ounce in September 2006 partly on account of the speculation of the further declines in crude oil prices hence low inflationary pressure. The movement of the price of gold is influenced by, among others, the price of oil as investors opt for the precious metal to hedge against inflation when oil prices increase.

During the year ending September 2006, developments in the prices of most traditional commodities went up with exception of Arabica coffee. The price of Robusta coffee and tea increased significantly due to tight global supply as a result of unfavourable weather condition in Vietnam and East Africa.



Prices of cloves and cotton (A Index) and (Memphis") went up, the later being largely due to strong demand from China and the former due to decline supply from Indonesia. Prices of crude oil and white petroleum products were higher than those in 2005, due mainly to supply disruptions following tensions in the Middle East and Iran, coupled with civil unrests in Nigeria. The price of gold also rose substantially to USD 585.2 per troy ounce as investors diversified from investing in stocks because of global security concerns. As a result, the demand for gold as an alternative investment increased, pushing up the price (Table 10).

Table 10: World Commodity Prices

| Commodity | Units | 2006 | | % Change | Year ending Sep | | % Change |
|-----------------------|--------------------|----------|----------|-------------|-----------------|----------|-------------|
| | | Aug | Sep | | 2005 | 2006 | |
| Robusta Coffee | USD per kg | 1.62 | 1.70 | 4.94 | 1.02 | 1.36 | 33.33 |
| Arabica Coffee | USD per kg | 2.46 | 2.42 | -1.63 | 2.45 | 2.45 | -0.20 |
| Tea (Average price) | USD per kg | 1.96 | 1.91 | -2.55 | 1.68 | 1.84 | 9.52 |
| Tea (Mombasa auction) | USD per kg | 2.09 | 1.87 | -10.53 | 1.47 | 1.91 | 29.93 |
| Cotton, "A Index" | USD per kg | 1.32 | 1.31 | -0.76 | 1.18 | 1.27 | 7.63 |
| Cotton, Memphis" | USD per kg | 1.40 | 1.38 | -1.43 | 1.25 | 1.34 | 7.20 |
| Sisal (UG) | USD per metric ton | 885.00 | 885.00 | 0.00 | 885.00 | 885.00 | 0.00 |
| Cloves | USD per metric ton | 4,450.00 | 4,262.50 | -4.21 | 3,279.98 | 3,579.88 | 9.14 |
| Crude oil* | USD per barrel | 71.72 | 62.12 | -13.39 | 49.92 | 63.67 | 27.54 |
| Crude oil** | USD per barrel | 68.78 | 59.77 | -13.10 | 45.01 | 60.28 | 33.93 |
| White products*** | USD per ton | 679.33 | 575.37 | -15.30 | 499.40 | 606.98 | 21.54 |
| Jet/Kerosene | USD per ton | 706.97 | 615.52 | -12.94 | 518.44 | 627.41 | 21.02 |
| Premium Gasoline | USD per ton | 697.65 | 546.29 | -21.70 | 488.21 | 627.02 | 28.43 |
| Heat Oil | USD per ton | 633.36 | 564.29 | -10.91 | 490.92 | 569.97 | 16.10 |
| Gold | USD per troy ounce | 632.60 | 598.20 | -5.44 | 431.97 | 585.19 | 35.47 |

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

** f. o. b. Dubai

*** Average of Premium gasoline Gas oil and Jet/Kerosene f. o. b. West Mediterranean

Source: Various Trade Publications

National Debt Developments

By end September 2006, the national debt stock stood at USD 9,664.5 million compared to USD 9,682.1 million registered at the end of previous month. Out of total debt stock, USD 8,278.1 million (85.7 percent) was external debt and the rest was domestic.

External Debt

External debt stock decreased stood at USD 8,278.1 million at end September, being slightly less than previous month level by about 0.7 percent. Out of this, USD 7,010.5 million (84.7 percent) was disbursed outstanding debt and the balance was interest arrears. Concessional loans accounted for 87.3 of the Tanzania's external debt portfolio.

Profile of Disbursed Outstanding Debt

The profile of disbursed outstanding debt (DOD) in terms of maturity shows that debt with maturity of beyond ten years amounted to USD 5,217.3 million, representing 74.9 percent, followed by debt with maturity of less than one year which accounted for 11.4 percent. The remaining portion (13.7 percent) was made up of debt with maturity of between one and ten years (Table 11). In terms of currency composition, 50.4 percent of external debt was in Special Drawing Rights, 26.7 percent in US dollars, 11.8 percent in Japanese Yen, and 11.0 percent in other currencies.

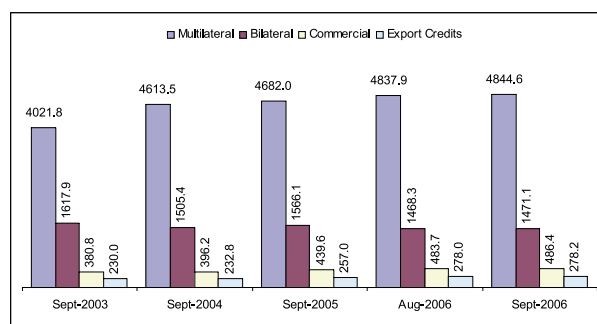
Table 11: Disbursed Outstanding Debt by Maturity

Millions USD

| Maturity | Government | Public Corporation | Private | Total | % of Total |
|-------------------|----------------|--------------------|--------------|----------------|--------------|
| 0 - 1 Year | 444.8 | 142.9 | 214.0 | 801.7 | 11.4 |
| Over 1 - 5 Years | 94.4 | 160.1 | 237.3 | 491.8 | 7.0 |
| Over 5 - 10 Years | 262.7 | 108.8 | 96.0 | 467.5 | 6.7 |
| Over 10 Years | 5,217.3 | 16.6 | 15.4 | 5,249.3 | 74.9 |
| Total | 6,019.2 | 428.4 | 562.7 | 7,010.3 | 100.0 |

The profile of disbursed outstanding debt also shows that Central Government was the largest borrower accounting for USD 6,019.7 million, which is 85.7 percent of the total DOD. Multilateral institutions remained the leading creditors, accounting for USD 4,844.6 million, or 68.2 percent of the total DOD, followed by bilateral creditors by USD 1,471.1 million (21.1 percent) and the balance of USD 764.6 million was owed to commercial creditors (Chart 14). In terms of use of funds, the largest share (19.8 percent) was disbursed in the form of Balance of Payments Support, followed by transport and telecommunication 15.7 percent, agricultural activity 15.3 percent, energy and mining was 13.6 percent, and social welfare and education absorbed 10.1 percent.

Chart 14: DOD by Creditor Category



External Debt Service

During September 2006, external debt service amounted to USD 3.8 million, out of which principal payment was USD 1.1 million and interest payment was USD 2.8 million.

Debt Relief

As at end September, cumulative debt relief from Paris Club bilateral creditors amounted to USD 867.6 million. In August 2006, United Arab Emirates signed an agreement to reschedule its debt worth USD 12.2 million, bringing the cumulative debt relief realized from non-Paris Club bilateral creditors in the form of debt cancellation and rescheduling to USD 184.6 million and USD 171.2 million, respectively.

Domestic Debt

The stock of domestic debt declined marginally to TZS 1,764.4 billion at end September 2006 from TZS 1,772.2 billion recorded at the end of previous month. Out of this, government securities (treasury bills, bonds and stock) accounted for 99.1 percent.

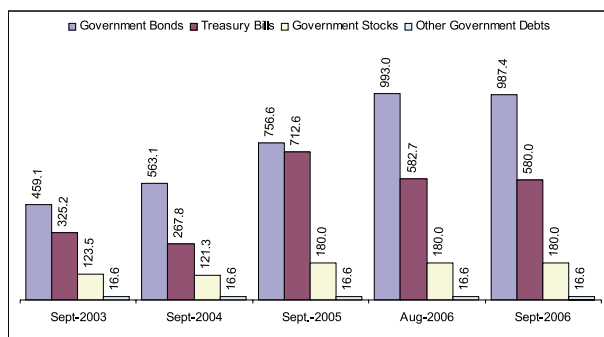
The profile of domestic debt by holder category was as follows: commercial banks were the leading creditors to the Union Government by accounting for 39.7 percent of the total domestic debt, followed by pension funds 27.4 percent, Bank of Tanzania 21.7 percent, other official entities 4.7 percent, and insurance companies accounted for 4.3 percent. Non-bank financial institutions and private sector, combined, held the remaining portion of around to 2.5 percent of domestic debt stock.

Domestic Debt Service

During the month under review, domestic debt amounting to TZS 102.0 billion fell due, out of which, TZS 85.3 billion, which was principal, was rolled over while interest amounting to TZS 16.7 billion was paid out of government revenue.

Chart 15: Government Domestic Debt by Instruments

Billions of TZS



6.0 Economic Developments in Zanzibar

Budgetary Performance

During the month of September, 2006 Zanzibar budgetary operations recorded deficit of TZS 2.0 billion. Total resources amounted to TZS 22.1 billion, out of which TZS 13.9 billion were grants while expenditure including float amounted to TZS 24.1 billion. The deficit was financed through domestic non -bank sources mainly government securities.

Revenue Performance

Revenue outturn was TZS 8.2 billion, compared to a target of TZS 7.2 billion. Good performance occurred in all revenue categories, which exceeded their respective targets, largely due to increased tax efforts by the Zanzibar Revenue Board and Tanzania Revenue Authority.

Tax revenue amounted to TZS 7.5 billion surpassing target TZS 6.6 billion and accounting for 92.3 percent of the total revenue. Non-tax revenue amounted to TZS 0.6 billion surpassing target of TZS 0.5 billion. Tax on imports amounted to TZS 1.9 billion, surpassing the target of TZS 1.3 billion due to introduction of new excise duty on aged non utility vehicles, coupled with the seasonal rise in imports of consumer goods for Eid-el Fitr festival. VAT and exercise duty collections amounted to TZS 2.5 billion against target TZS 2.4 billion while income tax outturn was in line with the target of TZS 0.9 billion. Collections from other taxable activities reached TZS 2.2 billion surpassing target TZS 2.0 billion.

Cumulatively, total revenue collection from July to September 2006 amounted to TZS 21.1 billion in line with target and accounted for 25.3 percent of annual target.

Expenditure

Total expenditure during September 2006 amounted to TZS 9.1 billion, much lower than the target of TZS 21.8 billion, mainly due to non-realisation of donor support funds. Recurrent expenditure amounted to TZS 8.0 billion being 87.4 percent of the total expenditure and far below

the target of TZS 17.3 billion due to the less than projected budget support funds. Wages and salaries amounted to TZS 3.8 billion, accounting for 41.8 percent of the total expenditure. Other expenditures amounted to TZS 4.1 billion and accounted for 51.8 percent of the recurrent expenditure or 45.0 percent of total expenditure. Interest payments amounted to TZS 0.05 billion.

Development expenditure amounted to TZS 1.1 billion being far below the target of TZS 4.4 billion, This outturn was largely caused by a shortfall in foreign funds, which amounted to TZS 0.9 billion against target TZS 3.6 billion.. Local funds amounted to TZS 0.3 billion against the target TZS 0.8 billion,.

Cumulative from July to September 2006, government expenditure amounted to TZS 28.8 billion, which was 61.5 percent of the estimated TZS 46.8 billion or 12.5 percent of the projected annual expenditure.

Debt Developments

Zanzibar public debt stock declined to TZS 192.2 billion at end September 2006 from TZS 193.2 billion recorded at the end of previous month, due to valuation changes. Out of this, external debt amounted to TZS 113.7 billion, which was about 59.2 percent of total public debt and the balance of TZS 78.5 billion was domestic debt.

Domestic Debt

Domestic debt stood at TZS 78.5 billion at end September, up from TZS 74.9 billion registered at end August due to non- bank borrowing to finance budget deficit. Out of the total domestic debt, about TZS 46.3 billion (58.9 percent) was owed to domestic suppliers and pensioners. The Union Government debt stood at TZS 13.6 billion, constituting 17.3 percent of total domestic debt, while debt due to the Zanzibar Social Security Fund was TZS 5.9 billion. Claims due to Zanzibar State Trading Corporation (ZSTC), was TZS 5.6 billion, Zanzibar Port Company TZS 3.9 billion and debt due to Peoples Bank of Zanzibar was TZS 3.2 billion.

The composition of domestic debt by instruments was dominated by government loans to the tune of TZS 21.5 billion or 27.4 percent. Suppliers' credits and pensioners' claims was TZS 21.0 billion, treasury bonds TZS 18.9 billion, government stocks stood TZS 9.9 billion, and treasury bills amounted to TZS 7.2 billion.



The profile of domestic debt in terms of maturity was as follows: debt with undetermined maturity (gratuity, pension, and domestic suppliers' claims) remained dominant by accounting for TZS 44.2 billion, which as equivalent to 56.3 percent of the total domestic debt. Debt maturing in less than a year stood at TZS 19.3 billion, accounting for 24.6 percent; while debt maturing between 2 - 5 years amounted to TZS 15.0 billion, accounting for 15.4 percent of the total domestic debt.

External Debt

By end September 2006, external debt stood at USD 89.3 million, having declined marginally from USD 89.6 million recorded at the end of August due variations in exchange rates in which the debt is dominated. Debt under Union Government guarantee amounted to USD 60.7 million, representing 67.9 percent of total external debt while the non-guaranteed debt was USD 28.6 million, accounting for 32.1 percent of total external debt.

As in the previous month, multilateral institutions remained the main creditors by accounting for USD 59.0 million, which was about 66 percent of the total external debt. Debt due to bilateral creditors stood at USD 3.7 million, commercial debt was USD 14.7 million and export credit amounted to USD 11.9 million.

The profile of external debt by maturity was such that maturity of over 20 years (mainly multilateral debt was USD 53.4 million, or 59.8 percent of the total external debt. Debt maturing between 5 to 10 years stood at USD 29.3 million, representing 32.8 percent of total external debt, while debts maturing between 10 to 20 years summed to USD 6.6 million, or 7.4 percent of total external debt. This profile was almost as reported in the previous month.

The composition of external debt by use of funds was led by social welfare and education sectors, which absorbed USD 20.1 million or 22.5 percent of external debt. Energy sector received TZS 19.7 million (22.1 percent), transport & telecommunications was USD 17.6 million (19.7 percent), while finance & insurance absorbed USD 14.7 million (16.5 percent). The agriculture and industries sectors absorbed USD 12.5 million and USD 0.5 million, respectively.



External Sector Performance

Zanzibar current account balance improved to a surplus of USD 9.3 million in September 2006 from USD 2.9 million recorded in the previous month. The improvement was largely accounted for by donor support inflows coupled with a slight decline in import bill. The current account balance position for the year to September 2006 improved to a deficit of USD 12.9 million compared with a deficit of USD 34.2 million recorded in the preceding year. The improvement was propelled by increase in donor support inflows and receipts from services.

Table 12: Zanzibar Current Account Balance

Millions of USD

| Item | 2005 Sep | 2006 | | Year Ending September ^P | | % Change | |
|--------------------------------|-------------|------------|------------|---------------------------------------|--------------|--------------|-------------|
| | | Aug | Sep | 2005 | 2006 | Monthly | Annual |
| Goods Account (net) | -4.3 | -3.4 | -4.7 | -66.7 | -63.7 | 38.2 | -4.5 |
| Exports | 1.9 | 0.7 | 0.4 | 13.0 | 7.4 | -42.8 | -42.9 |
| Imports | 6.2 | 4.1 | 5.1 | 79.7 | 71.2 | 24.4 | -10.7 |
| Services Account (net) | -0.4 | 1.7 | 2.4 | 20.5 | 25.8 | 41.2 | 26.0 |
| Receipts | 5.8 | 9.4 | 8.6 | 68.6 | 87.2 | -8.5 | 27.1 |
| Payments | 6.1 | 7.7 | 6.2 | 48.1 | 61.4 | -19.5 | 27.6 |
| Goods and Services (net) | -4.7 | -1.7 | -2.3 | -46.2 | -37.9 | 35.3 | -17.9 |
| Exports of Goods and Services | 7.6 | 10.1 | 9.0 | 81.6 | 94.6 | -10.9 | 15.9 |
| Imports of Goods and Services | 12.3 | 11.8 | 11.3 | 127.8 | 132.5 | -4.2 | 3.7 |
| Income Account (net) | 0.01 | 0.04 | 0.02 | 0.41 | 0.19 | -50.0 | -53.7 |
| Receipts | 0.01 | 0.05 | 0.03 | 0.43 | 0.20 | -40.0 | -53.5 |
| Payments | 0.00 | 0.01 | 0.01 | 0.02 | 0.01 | -100.0 | -23.9 |
| Current Transfers (net) | 2.2 | 4.5 | 11.6 | 11.6 | 24.9 | 157.8 | 114.7 |
| Inflows (Grants) | 2.2 | 4.5 | 11.6 | 9.4 | 15.4 | 157.8 | 114.7 |
| Outflows | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | |
| Current Account Balance | -2.5 | 2.9 | 9.3 | -34.2 | -12.9 | 220.7 | 62.3 |

P = Provisional

Source: Tanzania Revenue Authority

Export Performance

During September 2006, exports of goods and services from Zanzibar amounted to USD 9.0 million from USD 10.1 million registered in August. Exports of goods were USD 0.4 million while receipts from services were USD 8.6 million.

For the year ending September 2006, exports of goods and services totalled USD 94.6 million, an improvement of about 16 percent over the level recorded in the preceding year. The increase came mainly from services, which amounted to USD 87.2 million. Clove and seaweeds exports realised USD 4.2 million and USD 1.4 million or 56.7 percent and 18.9 percent of total value of goods exports respectively. Exports of fish and fish produce amounted to USD 0.4 million, while other exports fetched USD 0.7 million.

Table 13: Zanzibar Exports by Major Categories

| Item | 2005 | 2006 | | Year Ending ^p September | | % Change | |
|----------------------------|------|------|-----|---------------------------------------|------|----------|--------|
| | Sep | Aug | Sep | 2005 | 2006 | Monthly | Annual |
| Capital Goods | 4.0 | 2.2 | 2.6 | 36.1 | 32.0 | 18.2 | -11.3 |
| Transport Equipments | 1.1 | 1.1 | 1.0 | 9.7 | 10.8 | -9.1 | 10.2 |
| Building and Constructions | 0.5 | 0.2 | 0.5 | 8.7 | 8.1 | 150.0 | -6.8 |
| Machinery | 2.3 | 0.8 | 1.1 | 17.7 | 13.1 | 37.5 | -25.9 |
| Intermediate Goods | 1.3 | 1.6 | 1.6 | 24.2 | 24.8 | 0.0 | 2.6 |
| Oil imports | 1.0 | 1.0 | 1.0 | 18.2 | 18.9 | 0.0 | 3.8 |
| Fertilizers | 0.0 | ... | ... | ... | ... | | |
| Industrial raw materials | 0.3 | 0.6 | 0.6 | 6.0 | 5.9 | 0.0 | -1.3 |
| Consumer Goods | 1.6 | 0.8 | 1.4 | 27.3 | 21.3 | 75.0 | -21.9 |
| Food and food stuffs | 0.8 | 0.1 | 0.4 | 14.1 | 9.4 | 300.0 | -33.3 |
| All other consumer goods | 0.8 | 0.7 | 1.0 | 13.2 | 11.9 | 42.8 | -9.8 |
| Grand Total (c.i.f) | 6.8 | 4.5 | 5.6 | 87.6 | 78.2 | 24.4 | -10.7 |
| Grand Total (f.o.b) | 6.2 | 4.1 | 5.1 | 79.7 | 71.2 | 24.4 | -10.7 |

P = provisional

Source: Tanzania Revenue Authority

Zanzibar Imports

Zanzibar goods imports (c.i.f) amounted to USD 5.6 million in September 2006, up from USD 4.5 million registered in the previous month. The increase was marked in the imports of capital and consumer goods. Imports of capital goods increased to USD 2.6 million from USD 2.2 million on account of increases in building and construction materials in line with the ongoing construction projects. Consumer goods amounted USD 1.4 million compared with USD 0.8 million of the previous month, mainly due to imports of food and other consumer goods (clothing and foot-ware) to cater for Eid-El-Fitr festival.

On annual basis, imports declined to USD 78.2 million in the year to September 2006 compared with USD 87.6 million of the preceding year. The slump was due to 21.9 percent decline in consumer goods imports on account of increase in availability of food following improvement in weather condition. Oil imports recorded a slight increase of 3.8 percent and constituted 24.2 percent of total import bill, partly due to world prices increases.

Table 14: Zanzibar Imports by Major Categories

| Commodities | 2005 | 2006 | | Year Ending ^p September | | %Change | |
|------------------------|------------|------------|------------|---------------------------------------|------------|--------------|--------------|
| | Sep | Aug | Sep | 2005 | 2006 | Monthly | Annual |
| Traditional | | | | | | | |
| Cloves | | | | | | | |
| Value | 1.7 | 0.0 | 0.0 | 10.0 | 4.2 | | -58.4 |
| Volume | 0.6 | 0.0 | 0.0 | 3.3 | 1.4 | | -57.5 |
| Unit Price | 2,871.7 | 0.0 | 0.0 | 3014.2 | 2,953.6 | | -2.0 |
| Sub Total | 1.7 | 0.0 | 0.0 | 10.0 | 4.2 | | -58.4 |
| Non-Traditional | | | | | | | |
| Seaweeds | | | | | | | |
| Value | 0.1 | 0.1 | 0.1 | 1.8 | 1.4 | | -22.2 |
| Volume | 0.6 | 0.5 | 0.6 | 8.5 | 7.4 | 20.0 | -12.9 |
| Unit Price | 191.2 | 227.4 | 206.9 | 217.8 | 194.2 | -9.9 | -10.8 |
| Manufactured Goods | 0.0 | 0.4 | 0.2 | 0.3 | 0.7 | -50.0 | 133.3 |
| Fish and Fish Produce | 0.0 | 0.0 | 0.0 | 0.2 | 0.4 | | 100.0 |
| Others Exports | 0.0 | 0.2 | 0.1 | 0.7 | 0.7 | -50.0 | |
| Sub Total | 0.2 | 0.7 | 0.4 | 3.0 | 3.3 | -42.8 | 10.0 |
| Grand Total | 1.9 | 0.7 | 0.4 | 13.0 | 7.4 | -42.8 | -49.2 |

p = provisional

... = Very small value

Source: Tanzania Revenue Authority

Services Account Balance Deteriorates

Zanzibar services account balance (net) as of August 2006, slumped to USD 1.7 million from USD 5.0 million recorded in July 2006. Due to a substantial increase in foreign payments to USD 7.7 million from USD 3.7 million attributed to travel payments. Travel receipts remained relatively high, amounting to USD 8.8 million and representing 94.0 percent of total receipts, reflecting increase in tourism activities. On annual basis, the services account surplus slightly increased by 7.6 percent to USD 23.0 million from USD 21.4 million registered in the previous year. This resulted from increased foreign receipts by 28.5 percent, to USD 84.4 million from USD 65.7 million recorded in the year ending August 2005. The travel payments were USD 44.3 million, accounting for 72.1 percent of total foreign payments, while travel receipts amounted to USD 74.4 million representing 88.1 percent of total receipts.



STATISTICAL TABLES



Table A1: Selected Economic Indicators

| Item | Unit | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 ^p |
|---|-----------|----------------|----------------|----------------|----------------|----------------|-------------------|
| 1. National Accounts and Prices | | | | | | | |
| 1.1 Change in GDP at Factor Cost--Current Prices | Percent | 12.2 | 13.7 | 14.1 | 12.8 | 14.8 | 14.3 |
| 1.2 Change in GDP at Factor Cost--Constant 1992 Prices ² | Percent | 4.9 | 5.7 | 6.2 | 5.7 | 6.7 | 6.9 |
| 1.3 GDP Per Capita--Current Prices ¹ | TZS | 210,231 | 231,751 | 258,925 | 286,888 | 320,000 | 356,275 |
| 1.4 GDP Per Capita--Current Prices ¹ | USD | 262.7 | 264.4 | 267.9 | 276.2 | 303.0 | 317.8 |
| 1.5 Change in Consumer Price Index (Inflation) | Percent | 5.9 | 5.2 | 4.5 | 3.5 | 4.1 | 4.4 |
| 1.6 Saving to GNDI Ratio ^{3*} | Percent | 11.6 | 11.1 | 12.7 | 11.8 | 12.3 | 12.5 |
| 2. Money Credit and Interest Rates | | | | | | | |
| 2.1 Change in Extended Broad Money Supply (M3) ^{**} | Percent | 14.8 | 17.1 | 25.1 | 16.6 | 19.3 | 38.2 |
| 2.2 Change in Broad Money Supply (M2) ^{***} | Percent | 12.5 | 12.8 | 22.3 | 14.2 | 19.2 | 36.9 |
| 2.3 Change in Narrow Money Supply (M1) | Percent | 9.9 | 10.2 | 25.2 | 16.1 | 18.2 | 33.7 |
| 2.4 Change in Reserve Money | Percent | 9.4 | 5.0 | 19.1 | 12.6 | 23.6 | 27.7 |
| 2.5 Total Credit to GDP Ratio ¹ | Percent | 9.8 | 7.6 | 8.8 | 8.7 | 8.5 | 9.4 |
| 2.6 Private Sector Credit to GDP Ratio ¹ | Percent | 4.6 | 4.9 | 6.1 | 5.2 | 8.9 | 11.0 |
| 2.7 Ratio of Private Credit to Total Credit | Percent | 46.6 | 63.7 | 69.2 | 98.4 | 104.7 | 84.6 |
| 2.8 Average Deposit Rate (12-Month) | Percent | 8.6 | 6.0 | 5.7 | 5.0 | 5.8 | 6.2 |
| 2.9 Weighted Average Treasury Bill Rate | Percent | 5.7 | 3.9 | 4.5 | 7.7 | 9.6 | 10.8 |
| 2.10 Average Medium- and Long-Term Lending Rate | Percent | 21.2 | 15.8 | 13.2 | 12.5 | 14.0 | 15.5 |
| 3. Balance of Payments**** | | | | | | | |
| 3.1 Exports (f.o.b) | Mill. USD | 733.7 | 851.3 | 979.6 | 1,216.1 | 1,473.1 | 1,676.3 |
| 3.2 Imports (f.o.b) | Mill. USD | 1,367.6 | 1,560.3 | 1,511.3 | 1,933.5 | 2,339.7 | 2,661.8 |
| 3.3 Trade Balance | Mill. USD | -689.6 | -444.1 | -244.2 | -495.3 | -714.7 | -949.9 |
| 3.4 Balance on Current Account | Mill. USD | -485.9 | -237.4 | 22.3 | -111.0 | -246.5 | -605.8 |
| 3.5 Overall Balance | Mill. USD | -86.3 | -809.6 | -112.2 | 54.5 | 43.4 | -437.5 |
| 3.7 Gross Official Reserves | Mill. USD | 974.0 | 1,157.0 | 1,529.0 | 2,037.8 | 2,296.1 | 2,048.4 |
| 3.8 Reserves Months of Imports (of goods and services) | Months | 5.7 | 6.3 | 8.6 | 9.2 | 8.3 | 6.4 |
| 3.9 Exchange Rate: | | | | | | | |
| 3.9.1 Annual Average | TZS/USD | 800.4 | 876.4 | 966.6 | 1,038.6 | 1,089.2 | 1,128.8 |
| 3.9.2 End of Period | TZS/USD | 803.3 | 916.3 | 976.3 | 1,063.6 | 1,043.0 | 1,165.5 |
| 4 Population (TZ Mainland) | Million | 31.9 | 32.1 | 33.6 | 34.2 | 34.8 | 35.4 |
| 5. Public Finance | | 2000/01 | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06* |
| 5.1 Current Revenue to GDP Ratio ¹ | Percent | 12.2 | 11.8 | 12.3 | 12.1 | 13.3 | 13.5 |
| 5.2 Grants to GDP Ratio ¹ | Percent | 3.7 | 4.3 | 3.2 | 3.7 | 6.7 | 6.1 |
| 5.2 Current Expenditure to GDP Ratio ¹ | Percent | 13.0 | 12.7 | 13.0 | 12.9 | 17.1 | 16.7 |
| 5.3 Development Expenditure to GDP Ratio ¹ | Percent | 3.7 | 3.9 | 3.3 | 3.6 | 8.4 | 8.6 |
| 5.4 Deficit to GDP Ratio (excluding grants) ¹ | Percent | -4.5 | -4.8 | -4.0 | -4.4 | -11.9 | -11.8 |
| 5.5 Deficit to GDP Ratio (including grants) ¹ | Percent | -0.8 | -0.5 | -0.8 | -0.6 | -5.2 | -5.7 |
| 6. Total External Debt Stock | Mill. USD | 7,482.1 | 7,464.0 | 7,268.1 | 7,857.0 | 8,134.8 | 7,931.8 |
| Disbursed Debt | Mill. USD | 6,312.2 | 6,559.7 | 6,233.0 | 6,678.3 | 6,799.5 | 6,743.6 |
| Interest | Mill. USD | 1,169.9 | 904.3 | 1,035.1 | 1,178.7 | 1,335.3 | 1,188.2 |
| Total External Debt as % of GDP | Percent | 80.7 | 78.5 | 75.9 | 83.5 | 77.5 | 72.0 |

Note:

1 Calculated on the basis of GDP at market price

2 Calculated on the basis of GDP at factor cost

3 GNDI stands for gross national disposable income

p Provisional

* Revised from 2001

** Revised 2003

*** revised 2001-2002

**** revised from 2000

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



Table A2 : Central Government Operations

| Item | Actual 2005/06 | BUDGET 2006/07 | Millions of TZS | | |
|--|---------------------|---------------------|-------------------|-------------------|-------------------|
| | | | 2006 | | |
| | | | Jul | Aug | Sep |
| Total Revenue | 2,124,843.7 | 2,460,994.9 | 188,494.6 | 204,402.1 | 242,020.6 |
| Tax Revenue | 1,946,432.6 | 2,269,578.8 | 171,495.0 | 186,445.9 | 224,927.5 |
| Taxes on Imports | 819,800.5 | 979,788.3 | 81,591.1 | 84,145.0 | 83,570.5 |
| Sales/VAT and Excise on Local Goods | 478,395.4 | 566,935.2 | 42,073.8 | 49,333.4 | 48,150.8 |
| Refunds | -69,961.0 | -133,484.4 | -7,654.6 | -7,654.6 | -7,654.6 |
| Income Taxes | 581,243.8 | 657,763.5 | 39,943.6 | 44,480.3 | 82,984.1 |
| Other taxes | 136,954.0 | 198,576.2 | 15,541.1 | 16,141.8 | 17,876.7 |
| Non- tax Revenue | 178,411.1 | 191,416.1 | 16,999.6 | 17,956.2 | 17,093.1 |
| Total Expenditure /1 | 3,873,254.8 | 4,788,496.6 | 235,352.5 | 287,879.1 | 452,753.6 |
| Recurrent expenditure | 2,661,862.5 | 3,054,030.0 | 158,204.4 | 189,211.7 | 295,874.8 |
| Roadtoll fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Retention fund | 61,260.2 | 50,000.0 | 6,796.0 | 4,267.1 | 5,225.2 |
| Wages and salaries | 656,788.5 | 1,003,881.0 | 76,112.1 | 79,232.6 | 82,754.3 |
| Interest payments | 218,861.3 | 112,000.0 | 12,268.4 | 11,729.3 | 19,496.4 |
| Domestic 2/ | 163,694.8 | 72,000.0 | 9,921.6 | 8,465.0 | 16,649.5 |
| Foreign | 55,166.5 | 40,000.0 | 2,346.8 | 3,264.3 | 2,846.9 |
| Other goods, services and transfers | 1,786,212.7 | 1,938,149.0 | 69,823.9 | 98,249.8 | 193,624.1 |
| Dev. Expenditure and net lending | 1,211,392.2 | 1,734,466.6 | 77,148.2 | 98,667.4 | 156,878.8 |
| Local | 296,100.0 | 641,766.0 | 9,360.2 | 56,308.2 | 90,000.0 |
| Foreign | 915,292.2 | 1,092,700.6 | 67,787.9 | 42,359.2 | 66,878.8 |
| Overall Balance (cheque issued) before Grants | -1,748,411.0 | -2,327,501.7 | -46,857.9 | -83,477.0 | -210,733.0 |
| Grants | 1,000,160.2 | 1,438,852.0 | 23,459.1 | 302,579.8 | 46,044.4 |
| Program (CIS/OGL) | 331,024.6 | 471,025.0 | 0.0 | 245,074.1 | 16,806.0 |
| Project | 416,771.0 | 422,950.6 | 10,384.6 | 20,279.0 | 15,009.7 |
| Basket funds | 175,975.3 | 216,016.3 | 3,714.2 | 13,129.2 | 14,228.8 |
| HIPC Relief | 76,389.3 | 328,860.0 | 9,360.2 | 24,097.5 | 0.0 |
| Overall defic.(cheq.issued) after Grants | -748,250.9 | -888,649.7 | -23,398.9 | 219,102.8 | -164,688.6 |
| Expenditure float | 69,713.1 | 0.0 | -113,193.1 | -8,399.8 | -6,091.3 |
| Adjustments to cash and other items (net) | -245,875 | 0.0 | -20,641.0 | 31,364.8 | 99,808.4 |
| Overall Balance (cheques issued) | -924,412.5 | -888,649.7 | -157,232.9 | 242,067.8 | -70,971.4 |
| Financing: | 924,412.5 | 888,649.7 | 157,232.9 | -242,067.8 | 70,971.4 |
| Foreign Financing (net) | 561,219.0 | 736,171.9 | 315,214.7 | 5,232.4 | 36,146.3 |
| Loans | 668,934.5 | 787,262.9 | 319,536.9 | 8,951.0 | 37,640.4 |
| Program loans | 257,677.1 | 333,529.3 | 265,847.8 | 0.0 | 0.0 |
| Development Project loans | 328,955.7 | 362,812.0 | 53,689.1 | 8,951.0 | 26,695.1 |
| Basket Support | 82,301.8 | 90,921.6 | 0.0 | 0.0 | 10,945.2 |
| Amortization | -107,715.5 | -51,091.0 | -4,322.2 | -3,718.6 | -1,494.1 |
| Domestic (net) | 363,193.5 | 152,477.8 | -157,981.8 | -247,300.2 | 34,825.1 |
| Domestic Financing | 348,885.7 | 163,477.8 | -157,981.8 | -247,300.2 | 34,825.1 |
| Bank borrowing | 129,644.6 | 0.0 | -223,281.7 | -230,998.6 | 33,984.2 |
| Non-Bank (net of amortization) | 219,241.1 | 0.0 | 65,299.9 | -16,301.5 | 840.9 |
| Amortization of contingent debt | -19,001.4 | -11,000.0 | 0.0 | 0.0 | 0.0 |
| Privatization Proceeds | 33,309.2 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Ministry of Finance

Note:

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

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



| End of Period | Domestic Credit (net) | | | | | | | | | | ML, Broad Money | | | | | ML, Narrow Money | | | | | item: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------|-----------------------|----------------------|------------------|---|-------------|-----------------------|-----------|-----------|-----------|-------------|-------------------------|---------------|------------------|---------------------------|------------------|----------------------------|---|---|---|---|-------|------------|---|----|----|----|----|----|----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | Net | | | | | TOTAL | | | | | Currency in circulation | | | | | Money | | | | | M0 | Base Money | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Foreign assets | Claims on government | Claims | | Other items | sum(2-5) or sum(9-13) | sum(9-12) | sum(9,10) | sum(9-10) | circulation | Demand deposits | Time deposits | Savings deposits | Foreign currency deposits | TOTAL sum (9,15) | of which: Reserves (CBR)** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Private sectors* | 4 | | | | | | | | | | | | | 5 | 6 | 7 | 8 | | | 9 | 10 | 11 | 12 | 13 | 14 | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

* CBR - Commercial Bank's Reserves

Former "Claims on other domestic sectors"

Source: Bank of Tanzania



Table A4: Interest Rate Structure

| Item | 2005 | | | | | 2006 | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|------------------|
| | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug ^p | Sep ^p |
| A: Domestic Currency | | | | | | | | | | | | | | |
| 1. Interbank Cash Market Rates | | | | | | | | | | | | | | |
| Overnight | 7.11 | 6.61 | 5.05 | 4.06 | 5.78 | 8.54 | 5.96 | 4.49 | 5.14 | 5.06 | 8.52 | 8.92 | 8.41 | 15.22 |
| 2 to 7 days | 7.23 | 7.83 | 5.47 | 4.64 | 5.26 | 8.44 | 6.08 | 4.94 | 5.25 | 5.66 | 5.98 | 6.86 | 8.87 | 14.05 |
| 8 to 14 days | 8.73 | 7.56 | 6.93 | 5.23 | 6.47 | 8.48 | 8.00 | 6.50 | 5.91 | 5.85 | 10.71 | 7.96 | 8.81 | 14.00 |
| 15 to 30 days | 8.00 | 9.32 | 6.00 | 7.52 | 8.17 | 8.17 | 8.50 | 6.38 | 6.81 | 6.29 | 7.58 | 7.33 | 7.33 | 7.33 |
| 31 to 60 days | 8.67 | 10.15 | 11.17 | 10.35 | 9.13 | 11.18 | 10.60 | 9.23 | 9.28 | 7.76 | 6.71 | 7.64 | 8.01 | 8.44 |
| 61 to 90 days | 10.57 | 10.57 | 10.57 | 12.00 | 12.50 | 12.60 | 12.60 | 12.60 | 12.60 | 12.60 | 12.60 | 8.50 | 8.50 | 8.50 |
| 91 to 180 days | 11.73 | 11.00 | 13.50 | 13.50 | 13.50 | 14.95 | 14.30 | 13.04 | 12.25 | 12.25 | 12.25 | 9.50 | 9.50 | 9.50 |
| 181 and above | 9.20 | 13.60 | 13.60 | 14.80 | 14.80 | 15.10 | 15.10 | 14.50 | 12.75 | 11.27 | 8.80 | 11.08 | 11.08 | 13.50 |
| Overall interbank cash market rate | 7.26 | 7.23 | 5.25 | 4.73 | 5.97 | 8.70 | 6.14 | 4.86 | 5.35 | 5.64 | 8.40 | 8.63 | 8.47 | 14.87 |
| 2. Lombard Rate | 10.98 | 10.98 | 10.98 | 10.98 | 10.98 | 13.56 | 13.91 | 13.31 | 12.45 | 11.00 | 12.78 | 13.38 | 12.62 | 22.83 |
| 3. REPO Rate | 7.12 | 7.73 | 6.23 | 5.28 | 6.00 | 6.38 | 5.65 | 5.14 | 5.14 | 5.14 | 5.14 | 6.17 | 7.42 | 12.58 |
| 35 days | 8.42 | 9.49 | 8.97 | 8.59 | 8.63 | 9.04 | 9.28 | 8.88 | 8.30 | 7.34 | 6.44 | 6.64 | 8.29 | 10.56 |
| 91 days | 11.51 | 12.52 | 14.08 | 13.96 | 14.70 | 14.78 | 14.80 | 13.42 | 12.31 | 9.97 | 7.83 | 9.06 | 9.70 | 11.13 |
| 182 days | 11.46 | 13.10 | 14.50 | 14.42 | 14.71 | 14.58 | 14.62 | 13.70 | 12.26 | 10.61 | 8.49 | 9.26 | 9.97 | 11.69 |
| 364 days | 12.64 | 13.70 | 14.95 | 15.61 | 15.72 | 15.64 | 15.82 | 13.89 | 11.92 | 10.37 | 9.63 | 9.76 | 10.41 | 12.97 |
| Overall treasury bills rate | 11.30 | 12.58 | 13.60 | 13.63 | 14.78 | 14.92 | 13.71 | 13.36 | 12.02 | 10.21 | 8.25 | 9.17 | 9.89 | 11.98 |
| 5. Treasury Bonds- 2-years | 14.91 | 16.89 | 16.89 | 16.89 | 17.97 | 17.71 | 16.91 | 16.11 | 14.31 | 12.74 | 13.39 | 11.87 | 14.05 | 16.94 |
| 5-years | 15.00 | 15.00 | 15.64 | 16.77 | 17.01 | 16.81 | 17.40 | 17.76 | 17.19 | 15.76 | 15.76 | 15.76 | 16.18 | 17.43 |
| 7-years | 13.14 | 13.14 | 18.37 | 18.09 | 18.26 | 17.80 | 18.66 | 18.13 | 17.61 | 18.05 | 15.31 | 15.35 | 16.55 | 17.40 |
| 10-years | 14.10 | 14.10 | 16.37 | 16.71 | 17.00 | 20.00 | 20.00 | 20.27 | 20.60 | 16.35 | 16.00 | 16.96 | 16.94 | 17.42 |
| 7. Savings Deposit Rate | 2.59 | 2.63 | 2.62 | 2.62 | 2.60 | 2.65 | 2.55 | 2.58 | 2.81 | 2.75 | 2.54 | 2.54 | 2.58 | 2.59 |
| 8. Time Deposits Rates | 4.53 | 4.77 | 5.14 | 5.20 | 5.28 | 5.61 | 6.07 | 5.86 | 5.81 | 5.63 | 6.43 | 6.98 | 7.04 | 6.91 |
| Call Accounts | 0.98 | 1.30 | 1.88 | 1.34 | 1.57 | 1.48 | 2.28 | 1.56 | 2.24 | 1.19 | 1.40 | 2.07 | 1.41 | 1.41 |
| 1 month | 3.33 | 4.42 | 4.89 | 3.62 | 2.60 | 3.39 | 4.66 | 4.99 | 4.16 | 4.00 | 7.86 | 6.57 | 6.85 | 8.41 |
| 2 months | 5.22 | 5.77 | 6.50 | 6.98 | 7.07 | 7.69 | 9.53 | 9.10 | 8.36 | 8.23 | 7.50 | 6.90 | 7.83 | 7.24 |
| 3 months | 5.18 | 4.34 | 3.70 | 4.20 | 5.50 | 5.92 | 6.10 | 4.91 | 5.34 | 5.43 | 6.41 | 7.86 | 7.75 | 6.83 |
| 6 months | 5.57 | 5.30 | 7.14 | 8.06 | 7.17 | 7.06 | 6.54 | 6.70 | 6.58 | 6.88 | 5.63 | 8.35 | 8.17 | 8.61 |
| 12 months | 5.82 | 6.32 | 6.47 | 6.88 | 7.74 | 8.12 | 7.51 | 7.48 | 7.63 | 7.45 | 8.27 | 8.01 | 9.03 | 8.20 |
| 24 months | 5.64 | 5.93 | 5.39 | 5.32 | 5.30 | 5.60 | 5.84 | 6.25 | 6.34 | 6.26 | 7.94 | 9.10 | 8.21 | 7.68 |
| 9. Negotiated Deposit Rates | 9.01 | 7.18 | 8.69 | 9.26 | 10.61 | 10.59 | 10.37 | 10.39 | 11.50 | 9.98 | 10.07 | 9.13 | 9.78 | 10.11 |
| 10. Lending rates | 15.07 | 15.08 | 15.39 | 15.45 | 14.98 | 14.69 | 14.67 | 14.57 | 15.02 | 14.40 | 15.44 | 16.18 | 16.51 | 16.71 |
| Call Loans | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 | 19.25 |
| Short-term (up to 1 year) | 15.82 | 15.74 | 16.03 | 15.69 | 15.65 | 15.46 | 15.41 | 15.31 | 16.39 | 14.12 | 15.77 | 16.61 | 15.64 | 15.90 |
| Medium-term (1-2 years) | 16.63 | 16.67 | 17.07 | 16.84 | 15.98 | 16.04 | 15.99 | 14.61 | 16.28 | 16.28 | 17.88 | 18.96 | 19.05 | 18.93 |
| Medium-term (2-3 years) | 15.05 | 15.52 | 15.65 | 15.67 | 14.52 | 14.93 | 14.83 | 14.90 | 15.29 | 15.27 | 16.16 | 16.32 | 16.05 | 16.46 |
| Long-term (3-5 years) | 13.52 | 13.25 | 13.76 | 13.83 | 14.08 | 14.11 | 14.30 | 14.20 | 13.81 | 13.52 | 15.32 | 14.28 | 16.16 | 16.65 |
| Term Loans (over 5 years) | 14.32 | 14.24 | 14.46 | 15.21 | 14.68 | 12.90 | 12.83 | 13.83 | 13.34 | 12.82 | 12.08 | 14.72 | 15.62 | 15.59 |
| 11. Negotiated Lending Rates | 11.39 | 11.37 | 11.47 | 11.46 | 11.14 | 11.35 | 13.39 | 11.60 | 11.24 | 11.32 | 11.19 | 11.99 | 10.80 | 10.51 |
| B: Foreign Currency | | | | | | | | | | | | | | |
| 1. Deposits Rates | | | | | | | | | | | | | | |
| Savings Deposits | 0.66 | 0.72 | 0.69 | 0.67 | 0.80 | 0.72 | 0.69 | 0.62 | 0.70 | 0.65 | 0.48 | 0.78 | 0.48 | 0.58 |
| Time Deposits | 1.78 | 1.81 | 1.65 | 1.85 | 1.90 | 1.98 | 2.00 | 1.86 | 1.83 | 1.90 | 2.31 | 2.84 | 2.86 | 2.64 |
| 1-months | 1.24 | 1.48 | 1.60 | 1.55 | 1.61 | 1.83 | 1.67 | 1.79 | 1.52 | 2.23 | 1.24 | 2.80 | 2.99 | 2.64 |
| 2-months | 1.52 | 2.70 | 1.50 | 1.54 | 2.34 | 2.20 | 1.53 | 1.02 | 2.16 | 1.21 | 2.40 | 2.52 | 2.93 | 2.72 |
| 3-months | 2.28 | 1.17 | 1.52 | 2.17 | 1.50 | 1.86 | 3.03 | 2.33 | 1.72 | 2.02 | 1.81 | 2.76 | 2.61 | 2.60 |
| 6-months | 1.25 | 1.33 | 1.47 | 1.52 | 1.93 | 1.96 | 1.99 | 2.17 | 1.55 | 1.80 | 2.37 | 2.73 | 2.73 | 2.24 |
| 12-months | 2.63 | 2.36 | 2.15 | 2.46 | 2.09 | 2.06 | 1.77 | 1.96 | 2.18 | 2.21 | 3.72 | 3.37 | 3.03 | 2.98 |
| 2. Lending Rates | 7.24 | 7.73 | 8.19 | 8.08 | 8.03 | 8.03 | 8.14 | 8.38 | 8.22 | 7.87 | 8.17 | 9.13 | 8.63 | 9.13 |
| Short-term (up to 1 year) | 7.01 | 7.38 | 6.72 | 6.51 | 6.58 | 6.70 | 7.20 | 8.87 | 7.65 | 7.91 | 7.46 | 8.17 | 7.47 | 9.27 |
| Medium-term (1-2 years) | 6.55 | 6.93 | 7.93 | 7.71 | 7.67 | 7.76 | 7.82 | 8.24 | 8.20 | 7.40 | 8.32 | 9.02 | 8.75 | 8.58 |
| Medium-term (2-3 years) | 7.56 | 7.85 | 9.30 | 9.50 | 9.07 | 8.88 | 9.15 | 8.80 | 8.56 | 8.60 | 8.76 | 9.70 | 8.20 | 8.07 |
| Long-term (3-5 years) | 7.47 | 8.00 | 7.50 | 7.45 | 7.60 | 7.33 | 7.26 | 7.16 | 8.05 | 7.55 | 8.00 | 9.64 | 9.65 | 9.84 |
| Term Loans (over 5 years) | 7.61 | 8.48 | 9.52 | 9.25 | 9.25 | 9.45 | 9.28 | 8.84 | 8.63 | 7.89 | 8.32 | 9.12 | 9.09 | 9.91 |

Source: Bank of Tanzania



Table A5(a): Tanzania Exports by Type of Commodity

| Item | 2005 ^p | 2006 ^p | | % Change | | Year Ending Sep ^p | | |
|---------------------------------------|-------------------|-------------------|--------------|---------------|---------------|------------------------------|----------------|--------------|
| | Sep | Aug | Sep | Sep 05-Sep 06 | Aug 06-Sep 06 | 2005 | 2006 | % Change |
| Traditional Exports: | | | | | | | | |
| COFFEE | | | | | | | | |
| Value | 3.4 | 1.9 | 2.0 | -41.4 | 1.9 | 73.4 | 60.0 | -18.2 |
| Volume | 2.2 | 1.0 | 1.3 | -41.8 | 23.4 | 48.9 | 31.5 | -35.6 |
| Unit Price | 1,543.5 | 1,883.0 | 1,555.5 | 0.8 | -17.4 | 1,480.4 | 1,905.4 | 28.7 |
| COTTON | | | | | | | | |
| Value | 14.0 | 3.4 | 3.3 | -76.1 | -1.2 | 91.8 | 99.5 | 8.4 |
| Volume | 16.9 | 3.7 | 3.4 | -80.0 | -7.5 | 97.6 | 95.1 | -2.6 |
| Unit Price | 823.2 | 923.1 | 986.3 | 19.8 | 6.8 | 977.0 | 1,046.5 | 7.1 |
| SISAL | | | | | | | | |
| Value | 0.9 | 0.1 | 0.2 | -73.3 | 138.9 | 7.3 | 4.9 | -32.2 |
| Volume | 1.1 | 0.1 | 0.3 | -75.8 | 142.4 | 9.1 | 6.4 | -29.1 |
| Unit Price | 774.7 | 865.3 | 852.8 | 10.1 | -1.5 | 775.8 | 767.6 | -1.1 |
| TEA | | | | | | | | |
| Value | 0.8 | 1.2 | 1.6 | 116.1 | 40.9 | 28.2 | 20.2 | -28.2 |
| Volume | 0.6 | 0.6 | 0.8 | 25.4 | 21.6 | 23.8 | 13.5 | -43.4 |
| Unit Price | 1,212.3 | 1,802.4 | 2,088.4 | 72.3 | 15.9 | 1,187.7 | 1,503.0 | 26.5 |
| TOBACCO | | | | | | | | |
| Value | 15.3 | 0.0 | 0.0 | -99.9 | -19.4 | 70.2 | 50.5 | -28.1 |
| Volume | 6.6 | 0.0 | 0.0 | -99.9 | -18.6 | 32.2 | 14.2 | -55.8 |
| Unit Price | 2,324.5 | 2,886.0 | 2,857.1 | 22.9 | -1.0 | 2,118.7 | 3,550.1 | 67.6 |
| CASHEWNUTS | | | | | | | | |
| Value | 0.0 | 0.3 | 1.3 | -- | 333.2 | 61.2 | 64.5 | 5.4 |
| Volume | 0.0 | 0.3 | 1.3 | -- | 318.5 | 70.6 | 85.5 | 21.1 |
| Unit Price | 0.0 | 935.5 | 968.4 | -- | 3.5 | 866.2 | 754.2 | -12.9 |
| CLOVES | | | | | | | | |
| Value | 1.7 | 0.0 | 0.0 | -97.2 | -- | 10.4 | 4.4 | -57.5 |
| Volume | 0.6 | 0.0 | 0.0 | -98.3 | -- | 3.5 | 1.5 | -56.7 |
| Unit Price | 2,859.6 | 0.0 | 4,616.6 | 61.4 | -- | 3,016.7 | 2,957.0 | -2.0 |
| Sub Total | 36.0 | 6.9 | 8.5 | -76.4 | 23.5 | 342.5 | 304.1 | -11.2 |
| Non-Traditional Exports: | | | | | | | | |
| Minerals | 57.8 | 64.3 | 66.9 | 15.7 | 4.0 | 742.2 | 754.7 | 1.7 |
| Gold | 54.2 | 60.0 | 62.4 | 15.1 | 4.0 | 686.5 | 703.7 | 2.5 |
| Diamond | 0.1 | 2.3 | 2.2 | 2,232.3 | -4.3 | 22.8 | 25.4 | 11.0 |
| Other minerals ¹ | 3.5 | 2.0 | 2.3 | -34.9 | 15.0 | 32.8 | 25.6 | -21.9 |
| Manufactured Goods | 11.7 | 18.8 | 16.4 | 40.6 | -12.9 | 139.9 | 192.5 | 37.6 |
| Cotton Yarn | 0.2 | 0.4 | 0.6 | 180.8 | 30.6 | 4.5 | 4.0 | -11.9 |
| Manufactured Coffee | 0.1 | 0.0 | 0.1 | -- | - | 1.3 | 1.1 | 0.0 |
| Manufactured Tobacco | 0.1 | 0.0 | 0.0 | -- | -- | 0.1 | 1.7 | -- |
| Sisal Products (Yarn & Twine) | 0.5 | 0.2 | 0.3 | -47.7 | 41.9 | 4.6 | 2.5 | -44.9 |
| Other manufactured Goods ² | 10.8 | 18.2 | 15.5 | 44.0 | -14.7 | 129.4 | 183.2 | 41.6 |
| Fish and Fish Products | 12.2 | 11.3 | 11.1 | -8.7 | -1.8 | 144.6 | 136.6 | -5.6 |
| Horticultural products | 1.1 | 1.3 | 1.4 | 30.3 | 7.7 | 18.4 | 15.7 | -15.0 |
| Re-exports | 15.2 | 12.0 | 11.0 | -27.4 | -8.3 | 137.5 | 119.9 | -12.8 |
| Others Exports ³ | 17.9 | 13.6 | 13.6 | -24.2 | 0.0 | 150.2 | 162.3 | 8.1 |
| Sub Total | 115.8 | 121.3 | 120.4 | 4.0 | -0.8 | 1,332.8 | 1,381.6 | 3.7 |
| Grand Total | 151.8 | 128.2 | 128.9 | -15.1 | 0.5 | 1,675.2 | 1,685.7 | 0.6 |

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 US\$; Unit Price in US\$/Ton

Source: Bank of Tanzania, TRA



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

| Item | 2005 ^p Sep | 2006 ^p | | % Change | | Millions of US \$ | | |
|---------------------------------------|--------------------------|-------------------|--------------|---------------|---------------|-------------------|----------------|-------------|
| | | Aug | Sep | Sep 05-Sep 06 | Aug 06-Sep 06 | 2005 | 2006 | % Change |
| Capital Goods | 102.9 | 123.3 | 138.7 | 34.7 | 12.5 | 996.9 | 1,373.6 | 37.8 |
| Transport Equipments | 24.1 | 34.7 | 30.4 | 26.4 | -12.4 | 244.4 | 380.8 | 55.8 |
| Building and Constructions | 20.9 | 26.8 | 27.4 | 31.3 | 2.1 | 232.0 | 331.0 | 42.7 |
| Machinery | 58.0 | 61.8 | 80.9 | 39.4 | 30.9 | 520.5 | 661.8 | 27.1 |
| Intermediate Goods | 110.5 | 117.9 | 160.8 | 45.6 | 36.4 | 1,136.6 | 1,415.5 | 24.5 |
| Oil imports | 78.3 | 77.9 | 108.4 | 38.5 | 39.2 | 841.3 | 1,025.2 | 21.9 |
| Fertilizers | 7.2 | 3.8 | 18.2 | 152.0 | 373.7 | 57.5 | 50.9 | -11.4 |
| Industrial raw materials | 25.0 | 36.2 | 34.3 | 37.2 | -5.4 | 237.8 | 339.4 | 42.7 |
| Consumer Goods | 86.1 | 77.0 | 69.3 | -19.4 | -10.0 | 773.4 | 829.3 | 7.2 |
| Food and food stuffs | 19.1 | 21.0 | 16.4 | -14.5 | -22.2 | 189.9 | 248.5 | 30.9 |
| All other consumer goods ¹ | 66.9 | 56.0 | 53.0 | -20.8 | -5.4 | 583.4 | 580.8 | -0.5 |
| Grand Total (f.o.b) | 299.5 | 318.3 | 368.8 | 23.2 | 15.9 | 2,906.9 | 3,618.4 | 24.5 |
| Grand Total (c.i.f) | 329.1 | 349.8 | 405.3 | 23.2 | 15.9 | 3,194.3 | 3,976.3 | 24.5 |

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

| Millions of US\$ | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Item | 2001 ^r | 2002 ^r | 2003 ^r | 2004 ^r | 2005 ^p |
| A. Current Account Balance | -237.4 | 22.3 | -111.0 | -246.5 | -605.8 |
| Goods: Exports (f.o.b.) | 851.3 | 979.6 | 1,216.1 | 1,473.1 | 1,676.3 |
| Traditional | 231.1 | 206.1 | 220.5 | 297.8 | 354.5 |
| Non-traditional | 620.2 | 773.5 | 995.7 | 1,175.3 | 1,321.8 |
| o/w: Gold | 254.1 | 341.1 | 502.8 | 629.4 | 655.5 |
| Goods: Imports (f.o.b.) | -1,560.3 | -1,511.3 | -1,933.5 | -2,339.7 | -2,661.5 |
| Balance on Goods | -709.0 | -531.8 | -717.3 | -866.6 | -985.2 |
| Services: Credit | 914.6 | 920.1 | 947.8 | 1,117.4 | 1,199.0 |
| : Debit | -649.7 | -632.5 | -725.7 | -965.5 | -1,163.7 |
| Balance on Services | 264.9 | 287.6 | 222.1 | 151.9 | 35.2 |
| Balance on Goods and Services | -444.1 | -244.2 | -495.3 | -714.7 | -949.9 |
| Income: Credit | 55.3 | 67.9 | 87.1 | 81.8 | 79.7 |
| Debit | -243.8 | -218.1 | -249.7 | -259.6 | -316.9 |
| Balance on Income | -188.5 | -150.1 | -162.6 | -177.8 | -237.2 |
| Balance on Goods, Services and Income | -632.6 | -394.3 | -657.9 | -892.6 | -1,187.1 |
| Current transfers (net) | 395.3 | 416.6 | 546.9 | 646.1 | 581.3 |
| Credit | 474.8 | 477.9 | 609.9 | 711.1 | 656.3 |
| Government | 418.4 | 427.7 | 543.3 | 641.7 | 587.4 |
| o/w: Multilateral HIPC relief | 71.3 | 68.8 | 68.2 | 73.7 | 79.4 |
| Other sectors | 56.4 | 50.2 | 66.6 | 69.4 | 68.9 |
| Debit | -79.5 | -61.3 | -63.0 | -65.0 | -74.9 |
| B. Capital Account | 361.5 | 355.4 | 358.2 | 293.6 | 504.9 |
| Capital transfers: Credit | 361.5 | 355.4 | 358.2 | 293.6 | 504.9 |
| Debit | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total, Groups A plus B | 124.1 | 377.7 | 247.2 | 47.1 | -100.9 |
| C. Financial Account, excl. reserves and related items | -353.7 | 191.6 | 256.9 | 382.8 | 46.4 |
| Direct investment in Tanzania | 467.2 | 429.8 | 526.8 | 469.9 | 325.0 |
| Portfolio investment | 8.2 | 2.2 | 2.7 | 2.4 | 2.5 |
| Other investment | -829.1 | -240.4 | -272.6 | -89.5 | -281.1 |
| Assets | -76.7 | 2.9 | -59.0 | -11.0 | -92.0 |
| Liabilities | -752.5 | -243.3 | -213.6 | -78.5 | -189.1 |
| Total, Groups A through C | -229.6 | 569.3 | 504.0 | 429.9 | -54.5 |
| D. Net Errors and Omissions | -580.0 | -681.6 | -449.6 | -386.6 | -383.0 |
| Overall balance | -809.6 | -112.4 | 54.5 | 43.4 | -437.5 |
| E. Reserves and Related Items | 809.6 | 112.4 | -54.5 | -43.4 | 437.5 |
| Reserve assets | -182.2 | -372.4 | -508.8 | -258.4 | 247.7 |
| Use of Fund credit and loans | 15.6 | 26.0 | -2.9 | -33.8 | -50.5 |
| Exceptional financing: | 976.2 | 458.8 | 457.2 | 248.8 | 240.3 |
| Rescheduled debt | 131.4 | 9.8 | 86.9 | 0.0 | 0.0 |
| Debt forgiveness | 642.1 | 430.3 | 334.6 | 166.3 | 112.1 |
| Interest arrears | 67.4 | 18.4 | 29.5 | 18.2 | 42.1 |
| Principal arrears | 135.2 | 0.4 | 6.2 | 64.3 | 86.1 |
| Memorandum items: | | | | | |
| GDP(mp) Mill. TZS | 8,304,338.6 | 9,399,085.8 | 10,707,006.2 | 12,351,737.7 | 13,742,568.5 |
| GDP(mp) Mill. USD | 9,475.6 | 9,724.0 | 10,309.3 | 11,338.7 | 12,174.1 |
| CAB/GDP | -2.5 | 0.2 | -1.1 | -2.2 | -5.0 |
| CAB/GDP (excl. current official transfers) | -6.9 | -4.2 | -6.3 | -7.8 | -9.8 |
| Gross Official Reserves | 1,156.6 | 1,529.0 | 2,037.8 | 2,296.1 | 2,048.4 |
| Months of Imports | 6.3 | 8.6 | 9.2 | 8.3 | 6.4 |
| Net International Reserves (year end) | 761.2 | 1,058.4 | 1,533.9 | 1,786.9 | 1,771.7 |
| Change in Net International Reserves | -218.5 | -297.2 | -475.5 | -253.0 | 15.2 |
| Exchange rate TZS/USD (end of period) | 916.3 | 976.3 | 1,063.6 | 1,043.0 | 1,165.5 |
| Exchange rate TZS/USD (annual average) | 876.4 | 966.6 | 1,038.6 | 1,089.3 | 1,128.8 |

Notes:

1) Balance of Payments (BOP) statistics have changed from previous publications due to adoption of Private Capital Flows (PCF) and Tourism surveys' results and some other data sources.

2) GDP-Gross Domestic Product, mp-Market price, CAB-Current Account Balance, p = provisional, r = revised

3) Data for direct investment are provisional

Source: Bank of Tanzania





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

Base: June 2001 = 100

| Period | Headline (General Index) | Total Index | | Drinks & Tobacco | Clothing & Footwear | Rent | Fuel, Power & Water | Furniture | Household Equip. operations | Personal care & Health | Recreation & Entertain. | Transportation | Education | Miscel. goods & services |
|------------|-----------------------------|-------------|----------|---------------------|------------------------|------|------------------------|-----------|--------------------------------|---------------------------|----------------------------|----------------|-----------|-----------------------------|
| | | Food | Non-Food | | | | | | | | | | | |
| 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 |
| 2002 | 4.6 | 4.1 | 5.9 | 2.7 | 1.6 | 14.5 | 6.4 | 3.9 | 1.5 | 3.5 | 1.8 | 2.1 | 3.6 | 4.4 |
| 2003 | 3.5 | 4.5 | 2.0 | 1.5 | 2.0 | 5.9 | 2.5 | 2.1 | 1.1 | 2.9 | 2.1 | 1.2 | 2.2 | 2.2 |
| 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 | -0.1 | 7.7 | -1.1 | 0.5 | 3.6 | -1.5 | 4.7 | -0.1 | -1.3 |
| 2005 - Jan | 4.0 | 5.9 | 1.5 | 0.6 | -1.2 | -2.5 | 5.4 | 1.0 | 0.5 | -3.0 | -1.5 | 3.3 | 1.8 | -2.6 |
| Feb | 4.1 | 5.7 | 1.8 | 1.8 | -1.7 | -2.8 | 5.9 | 0.2 | 2.4 | 6.0 | -3.3 | 2.2 | -0.6 | -1.5 |
| Mar | 4.1 | 4.9 | 3.2 | 0.3 | 1.7 | -4.6 | 9.4 | -2.3 | 2.3 | 0.1 | -2.5 | 5.7 | 1.4 | 0.4 |
| Apr | 4.0 | 4.3 | 3.9 | 2.9 | 3.3 | -5.3 | 6.8 | 0.4 | 2.5 | 4.9 | 1.5 | 6.9 | 2.1 | -4.7 |
| May | 4.0 | 5.0 | 3.0 | 1.7 | -0.9 | -5.3 | 9.6 | -3.2 | 1.4 | 4.4 | 0.9 | 5.0 | 0.2 | -2.4 |
| Jun | 4.2 | 5.8 | 2.6 | 1.4 | 0.9 | -5.0 | 5.6 | -2.8 | 0.4 | 6.1 | -0.2 | 5.1 | 1.2 | -1.5 |
| Jul | 4.4 | 7.0 | 1.9 | 3.1 | 1.3 | -3.9 | 0.3 | -0.9 | 0.3 | 6.5 | -2.1 | 5.4 | 0.1 | -0.8 |
| Aug | 4.5 | 5.8 | 3.5 | 2.4 | -1.2 | 7.5 | 9.8 | 0.0 | -0.6 | 3.5 | -1.5 | 5.2 | -1.9 | -0.1 |
| Sep | 4.5 | 6.0 | 2.8 | 2.6 | -2.7 | 7.6 | 10.0 | -2.3 | -1.9 | 2.7 | -2.4 | 4.0 | -1.7 | -1.5 |
| Oct | 4.7 | 6.7 | 2.8 | 3.1 | -1.9 | 4.3 | 9.0 | -1.7 | -1.1 | 3.6 | -3.3 | 3.5 | -1.6 | -0.3 |
| Nov | 4.8 | 6.7 | 3.7 | 3.3 | -1.2 | 4.3 | 10.2 | -0.8 | -0.5 | 4.4 | -1.9 | 5.0 | -1.0 | 0.0 |
| Dec | 5.0 | 7.7 | 3.5 | 2.5 | -2.0 | 4.1 | 10.7 | -0.9 | 0.0 | 3.5 | -1.1 | 5.5 | -0.6 | -0.9 |
| 2006 - Jan | 5.4 | 9.1 | 1.3 | 1.7 | -3.1 | 0.4 | 5.2 | -1.0 | -1.7 | -0.3 | -1.2 | 3.1 | -1.1 | -1.9 |
| Feb | 5.8 | 9.4 | 1.7 | 2.5 | -1.9 | 0.6 | 4.5 | 0.5 | -1.5 | 0.0 | 0.5 | 3.3 | -0.3 | -1.1 |
| Mar | 6.5 | 10.7 | 1.7 | 2.6 | -2.4 | 0.6 | 4.9 | 0.9 | -1.8 | -0.7 | -0.6 | 3.4 | -0.3 | -1.3 |
| Apr | 6.9 | 11.2 | 1.8 | 2.9 | -2.4 | 0.6 | 4.5 | 1.1 | -1.2 | 0.3 | -0.4 | 3.2 | 0.6 | -0.1 |
| May | 7.7 | 12.3 | 2.0 | 2.6 | -2.0 | 0.6 | 4.9 | 0.8 | -0.9 | -0.6 | -1.3 | 4.2 | 0.6 | -0.7 |
| Jun | 6.8 | 9.6 | 3.8 | 2.9 | -2.2 | 0.7 | 10.4 | 1.3 | -0.4 | 0.4 | -1.3 | 6.3 | 0.2 | -0.8 |
| Jul | 5.4 | 7.0 | 3.9 | 5.7 | -1.1 | 0.5 | 7.9 | 1.5 | 0.0 | -0.8 | -0.5 | 6.5 | 1.1 | -0.5 |
| Aug | 5.5 | 2.6 | 9.7 | 10.6 | 8.1 | 3.5 | 13.9 | 8.2 | 1.9 | 14.0 | 5.5 | 9.3 | 4.6 | 8.7 |
| Sep | 5.8 | 3.6 | 9.0 | 10.7 | 3.8 | 3.2 | 9.6 | 13.5 | 4.2 | 5.3 | 10.3 | 12.3 | 6.1 | 9.9 |

Note: Figures for Aug and Sep. 2006 have been improved to Base December 2001 = 100

Source: National Bureau of Statistics (NBS) and Bank of Tanzania

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

Base: June 2001 = 100

| General Period | Headline | Food | | Non-Food | | | | | | | | | | | Transportation | Education | Miscel. goods & services |
|----------------|----------|----------------|------|------------------|---------------------|------|---------------------|-----------------------------|----------------------|------------------------|----------------------------|------|------|------|----------------|-----------|--------------------------|
| | | Total Non-Food | | Drinks & Tobacco | Clothing & Footwear | Rent | Fuel, Power & Water | Furniture & Household Eqpt. | Household operations | Personal care & Health | Recreation & Entertainment | | | | | | |
| 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 | | | |
| 2003 | 0.3 | 0.4 | 0.1 | 0.1 | 0.2 | 0.4 | 0.2 | 0.2 | 0.0 | 0.2 | 0.4 | 0.0 | 0.1 | 0.2 | | | |
| 2004 | 0.4 | 0.4 | 0.2 | 0.1 | 0.2 | 0.0 | 0.7 | 0.1 | 0.2 | 0.4 | 0.0 | 0.2 | 0.2 | 0.0 | | | |
| 2005 | 0.4 | 0.6 | 0.3 | 0.2 | -0.2 | 0.3 | 0.9 | -0.1 | 0.0 | 0.3 | -0.1 | 0.5 | 0.0 | -0.1 | | | |
| 2005 Jan | 5.4 | 7.5 | 2.4 | 1.5 | 1.0 | 3.7 | 5.4 | -0.1 | 1.2 | 3.3 | -0.7 | 2.6 | 1.0 | 1.9 | | | |
| Feb | -0.2 | 0.1 | -0.5 | -0.7 | -1.1 | 0.0 | 0.0 | -1.2 | -0.9 | -0.7 | -1.5 | 0.0 | -0.7 | -1.5 | | | |
| Mar | -0.5 | -0.9 | 0.0 | 0.1 | -0.4 | 0.0 | 0.0 | -0.1 | 0.1 | -0.2 | 0.7 | 0.3 | -0.7 | -0.4 | | | |
| Apr | 0.4 | 0.5 | 0.2 | 0.4 | -0.7 | 0.0 | 0.8 | -0.4 | -0.2 | -0.2 | -0.5 | 0.7 | -0.1 | -0.5 | | | |
| May | -0.5 | -0.8 | 0.1 | 0.3 | -0.2 | 0.0 | 0.0 | 0.4 | -0.1 | 0.4 | 0.4 | 0.1 | 0.1 | 0.0 | | | |
| Jun | -0.3 | -0.3 | 0.0 | -0.2 | 0.0 | 0.0 | 0.3 | -0.6 | 0.3 | -0.2 | 0.4 | 0.0 | 0.8 | 0.2 | | | |
| Jul | 0.9 | 1.1 | 0.8 | 0.8 | -0.4 | 0.2 | 2.7 | 0.7 | -0.7 | 0.3 | -0.7 | 0.7 | -0.1 | -0.4 | | | |
| Aug | -0.4 | -0.8 | 0.3 | 0.1 | 0.3 | 0.1 | 0.6 | 0.4 | 0.2 | 0.1 | -0.3 | 0.6 | -0.8 | -0.2 | | | |
| Sep | 0.2 | 0.2 | -0.1 | -0.1 | -0.4 | 0.0 | 0.2 | 0.0 | -0.2 | 0.5 | 0.7 | -0.4 | 0.2 | -0.2 | | | |
| Oct | 0.1 | 0.3 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.4 | -0.7 | 0.1 | -0.2 | 0.3 | | | |
| Nov | -0.2 | 0.1 | 0.3 | 0.3 | -0.2 | 0.0 | 0.2 | 0.2 | -0.1 | -0.1 | 0.6 | 0.6 | 0.0 | -0.1 | | | |
| Dec | 0.3 | 0.4 | 0.0 | 0.0 | -0.1 | 0.0 | 0.2 | -0.2 | 0.3 | 0.0 | 0.5 | 0.2 | -0.1 | 0.0 | | | |
| 2006 Jan | 5.8 | 9.3 | 0.2 | 0.8 | -0.1 | 0.0 | 0.2 | -0.2 | -0.6 | -0.5 | -0.8 | 0.3 | 0.5 | 0.8 | | | |
| Feb | 0.2 | 0.4 | -0.1 | 0.1 | 0.1 | 0.3 | -0.7 | 0.3 | -0.6 | -0.5 | 0.2 | 0.2 | 0.1 | -0.6 | | | |
| Mar | 0.2 | 0.3 | 0.0 | 0.2 | -0.9 | 0.0 | 0.3 | 0.3 | -0.3 | -0.8 | -0.4 | 0.4 | -0.7 | -0.6 | | | |
| Apr | 0.7 | 0.9 | 0.3 | 0.7 | -0.7 | 0.0 | 0.4 | -0.2 | 0.5 | 0.7 | -0.3 | 0.5 | 0.8 | 0.7 | | | |
| May | 0.2 | 0.2 | 0.4 | 0.0 | 0.2 | 0.0 | 0.4 | 0.1 | 0.2 | -0.6 | -0.5 | 1.1 | 0.1 | -0.6 | | | |
| Jun | -1.1 | -2.7 | 1.7 | 0.1 | -0.2 | 0.1 | 5.5 | -0.1 | 0.8 | 0.8 | 0.4 | 2.1 | 0.4 | 0.1 | | | |
| Jul | -0.5 | -1.3 | 0.9 | 3.5 | 0.8 | 0.0 | 0.3 | 0.9 | -0.3 | -0.9 | 0.1 | 0.8 | 0.8 | -0.1 | | | |
| Aug | 0.2 | -0.5 | 1.2 | 2.6 | -0.4 | 0.0 | 2.6 | 0.4 | 0.7 | 1.2 | 0.3 | 0.0 | 0.6 | 1.3 | | | |
| 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 | | | |

Note: Figures for Aug and Sep. 2006 have been improved to Base **December 2001 = 100**

Source: National Bureau of Statistics (NBS) and Bank of Tanzania



Table A7 : External Debt Developments

| Item | June | | Millions of US\$ | | |
|--|----------------|----------------|------------------|----------------|----------------|
| | 2004/05 | 2005/06 | Jul-06 | Aug-06 | Sep-06 |
| 1. Overall total Debt Committed ² | 8,345.1 | 8,638.9 | 8,849.6 | 8,856.0 | 8,898.8 |
| Disbursed outstanding debt | 6,799.5 | 6,971.1 | 7,077.9 | 7,067.9 | 7,010.5 |
| Undisbursed debt | 1,545.6 | 1,667.7 | 1,771.7 | 1,788.1 | 1,888.3 |
| 2. Disbursed Debt by Creditor Category ² | 6,799.5 | 6,972.3 | 7,077.9 | 7,067.9 | 7,010.5 |
| Bilateral | 1,502.3 | 1,492.5 | 1,491.6 | 1,468.3 | 1,471.1 |
| Multilateral | 4,626.3 | 4,720.6 | 4,826.1 | 4,837.9 | 4,774.6 |
| Commercial | 416.4 | 481.1 | 482.1 | 483.7 | 486.4 |
| Export credits | 254.5 | 278.2 | 278.1 | 278.0 | 278.4 |
| 3. Disbursed Debt by Borrower Category ² | 6,799.5 | 6,971.1 | 7,077.9 | 7,067.9 | 7,010.5 |
| Central Government | 5,830.5 | 5,971.2 | 6,072.4 | 6,059.7 | 6,019.7 |
| Parastatal Companies | 477.5 | 445.4 | 447.5 | 449.2 | 428.4 |
| Private Sector | 491.5 | 554.6 | 558.0 | 559.0 | 562.4 |
| 4. Disbursed Debt by Use of Fund ² | 6,799.5 | 6,971.1 | 7,077.9 | 7,067.9 | 7,010.5 |
| Balance of payment support | 1,335.1 | 1,392.6 | 1,397.2 | 1,398.6 | 1,399.1 |
| Transport & Telecommunication | 1,073.5 | 1,087.9 | 1,095.9 | 1,107.5 | 1,107.5 |
| Agriculture | 1,077.8 | 1,050.1 | 1,080.8 | 1,084.7 | 1,025.5 |
| Energy & Mining | 1,070.3 | 955.2 | 957.2 | 958.1 | 955.6 |
| Industries | 405.5 | 409.0 | 409.8 | 409.8 | 408.1 |
| Social Welfare & Education | 611.7 | 647.3 | 715.8 | 716.1 | 714.3 |
| Finance and Insurance | 96.6 | 98.7 | 99.2 | 99.2 | 98.7 |
| Tourism | 80.1 | 80.8 | 80.8 | 80.7 | 80.9 |
| Others | 1,048.9 | 1,249.8 | 1,241.4 | 1,213.2 | 1,220.8 |
| 5. Total Amount of Loan Contracted ¹ | 376.4 | 241.9 | 0.4 | 0.0 | 0.0 |
| Government | 335.4 | 147.0 | 0.0 | 0.0 | 0.0 |
| Parastatal Companies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Private | 41.0 | 94.9 | 0.4 | 0.0 | 0.0 |
| 6. Disbursement ¹ | 190.2 | 210.0 | 2.0 | 6.7 | 0.0 |
| Government | 161.4 | 182.4 | 2.0 | 6.3 | 5.7 |
| Parastatal Companies | 0.0 | 4.1 | 0.0 | 0.0 | 0.0 |
| Private | 28.8 | 23.5 | 0.0 | 0.4 | 0.3 |
| 7. Scheduled Debt Service ¹ | 355.1 | 373.6 | 15.6 | 26.7 | 33.2 |
| 8. Actual Debt Service ¹ | 112.9 | 90.7 | 3.6 | 5.4 | 3.8 |
| Principal | 86.0 | 61.4 | 2.2 | 2.6 | 1.1 |
| Interest | 26.9 | 29.3 | 1.4 | 2.8 | 2.6 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 9. Net Transfers | 77.3 | 119.3 | -1.6 | 1.4 | -3.8 |
| 10. Total Arrears by Creditor Category ² | 2,470.5 | 2,391.1 | 2,412.5 | 2,402.1 | 2,405.2 |
| Principal | 1,135.2 | 1,132.7 | 1,138.9 | 1,130.6 | 1,137.7 |
| Bilateral | 669.4 | 609.0 | 612.5 | 603.5 | 599.9 |
| Multilateral | 5.9 | 11.9 | 12.9 | 12.4 | 13.1 |
| Commercial | 249.2 | 273.4 | 275.0 | 276.2 | 285.8 |
| Other Private Creditors | 210.7 | 238.5 | 238.5 | 238.5 | 238.9 |
| Interest | 1,335.3 | 1,258.3 | 1,273.6 | 1,271.5 | 1,267.5 |
| Bilateral | 818.8 | 682.2 | 686.8 | 682.4 | 675.0 |
| Multilateral* | 23.4 | 22.0 | 22.5 | 22.4 | 22.9 |
| Commercial | 333.7 | 372.9 | 375.3 | 377.1 | 379.9 |
| Other Private Creditors | 159.4 | 181.2 | 189.0 | 189.5 | 189.7 |
| 11. External Debt Stock | 8,134.8 | 8,229.5 | 8,351.5 | 8,339.4 | 8,278.0 |
| 12. Domestic Debt Stock | 952.6 | 1,405.9 | 1,388.2 | 1,342.7 | 1,386.4 |
| Total Debt Stock (11 + 12) | 9,087.4 | 9,635.4 | 9,739.7 | 9,682.1 | 9,664.4 |
| 13. End Period Exchange Rate TZS/US \$ | 1,126.3 | 1,253.1 | 1,287.9 | 1,320.0 | 1,272.7 |

NB. Multilateral*: multilateral arrears represents private sector arrears

¹ During the period. ² End of September 2006 cumulative.

Source: Bank of Tanzania



GLOSSARY



Currency in Circulation Outside Banks

Notes and coins of Tanzanian shillings circulating in the domestic economy, excluding amounts held by 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 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.

Nominal Exchange Rate

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

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 to purchase/sale by the BOT 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.



Bring your investment into the
ideal growth environment

TANZANIA



For any enquiries contact:
Directorate of Economic Policy
Bank of Tanzania, P.O. Box 2939, Dar es Salaam
Tel: 255 22 21 14905, Fax: 255 22 21 23294
<http://www.bot-tz.org>