



BANK OF TANZANIA



**MONTHLY
ECONOMIC
REVIEW**

December 2005

*Happy New Year - 2006
To*



All Our Readers

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Inflation Developments

Inflation increases slightly

During the year ending November 2005, pockets of food shortages registered in some areas of the country due to inadequate rainfall led to upward pressures on food prices. Also, rising oil prices has exerted tpressure on production costs as well as transportation costs – which in turn put pressure on prices of almost all consumer good and services. Consequently, annual headline inflation increased to 4.8 percent in November 2005 from 4.4 percent recorded in November 2004. Annual food inflation rose from 5.9 percent to 6.7 percent, while annual non-food inflation rose from 2.4 percent in November 2004 to 3.7 percent.

In a bid to dampen the upward pressure on food inflation, the Government continued to facilitate availability of food supply in the country through encouraging the intra-regional trade between food surplus and deficit areas, stocking of food for Strategic Grain Reserves for future use as needs arise, and distribution of subsidized food to needy districts.

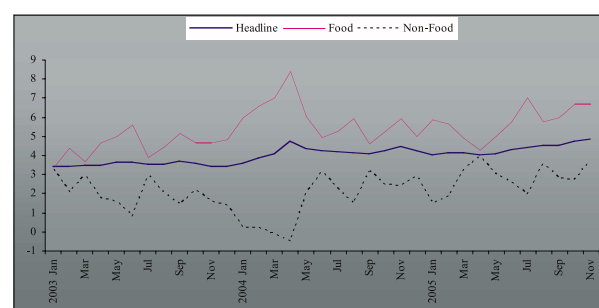
Table 1.1: Percentage Change in Consumer Price Index (All-Urban)

(Base: 2001=100)

Major Commodity Group	Weight (%)	2003			2004			2005		
		Sep	Oct	Nov	Sep	Oct	Nov	Sep	Oct	Nov
Headline/Overall	100	3.7	3.6	3.4	4	4.2	4.4	4.5	4.7	4.8
Food	55.9	5.2	4.6	4.7	4.6	5.2	5.9	6.0	6.7	6.7
Non-food	44.1	1.4	2.2	1.6	3.2	2.5	2.4	2.8	2.8	3.7
Transportation	9.7	0.5	2.9	1.6	3.3	1.1	1.7	4.0	3.5	5.0
Fuel, Power and Water	8.5	2.5	0.7	0.8	6.0	9.3	7.7	10.0	9.0	10.2
Drinks and Tobacco	6.9	0.4	1.2	1.2	0.5	-0.8	-0.2	2.6	3.1	3.3
Clothing & Footwear	6.4	1.8	2.8	2.4	4.5	3.1	1.9	-2.7	-1.9	-1.2
Education	2.6	3.6	6	0.2	0.8	-1.9	3.4	-1.7	-1.6	-1.0
Furniture & Household Equip	2.1	1.1	2.4	1.2	2.9	0.8	2.2	-2.3	-1.7	-0.8
H/h Operations Maintenance	2.1	0.2	1	1.1	4.3	1.9	1.6	-1.9	-1.1	-0.5
Personal Care & Health	2.1	3.5	2	3.9	1.5	2.6	0.0	2.7	3.6	4.4
Rents	1.4	0.1	3.4	4.3	0.2	0.1	-0.1	7.6	4.3	4.3
Recreation & Entertainment	0.8	1.9	3.7	0.9	3.7	2.1	4.0	-2.4	-3.6	-1.9
Misc. Goods & Services	1.5	1	1.1	1.5	0.5	-0.8	-1.8	-1.5	-0.3	0.0

Source: National Bureau of Statistics (NBS)

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



Food Supply Situation

Food security assessment, which was conducted by the Government during the first half of 2005/06, indicated a shortfall of 21,000 tons of maize for the period up to January 2006. The shortfall exists mostly in some districts of Arusha, Manyara, Dodoma, Kilimanjaro, Lindi, Mara, Mwanza, Shinyanga, Singida and Tabora regions where food production was below normal requirements.

In light of the shortages, the Government started to distribute subsidised maize to the deficit areas since October 2005. During November 2005, the government distributed subsidised maize to Karatu, Arumeru, Liwale, Iringa rural, and Kondoa. Moreover, during the same period, the Government sold about 6,286 tons of maize to the private traders from SGR to avail the food to the domestic market. Due to the prevailing shortage of food, wholesale prices of most food items moved upwards between October and November 2005 (Table 1.2).

Table 1.2: National Average Wholesale Prices for Selected Food Items

TZS per 100 Kgs

Item				2005			Percentage change	
	Nov-02	Nov-03	Nov-04	Sept	Oct	Nov	Nov-04 Nov-05	Oct-05 Nov-05
Maize	11,446	18,678	16,652	16,025	16,364	18,763	13	15
Rice	28,375	43,566	54,858	48,663	47,654	52,440	-4	10
Beans	38,000	41,759	51,109	44,811	43,557	48,380	-5	11
Sorghum	14,803	22,600	20,475	19,448	15,801	21,537	5	36
Potatoes	20,732	23,450	26,684	22,785	23,100	28,834	8	25

Source: Ministry of Agriculture and Food Security

Strategic Grain Reserve (SGR)

By the end of November 2005, the SGR stock dropped to 106,428 tons, from the previous month's level of 111,695 tons, following sales of maize to private traders, and the distribution of subsidized food to deficit areas. So far, the SGR department has purchased 1,725 tons of food grains, a level very much below the planned purchases of about 44,000 tons during 2005/06-crop season.



Table 3: Tanzania: Strategic Grain Reserve

(Tons)

Period	2000	2001	2002	2003	2004	2005	% CHANGE 2004-2005
January	105,665	78,967	60,503	59,961	35,342	119,924	239
February	103,305	72,000	58,254	59,493	23,791	116,383	389
March	101,496	63,022	56,738	58,976	22,903	114,760	401
April	96,326	51,435	52,228	54,118	32,387	115,262	256
May	82,119	44,776	48,653	52,857	31,732	113,823	259
June	72,000	47,225	47,100	51,060	37,091	112,823	204
July	63,976	46,290	44,787	50,661	39,195	112,323	187
August	70,352	48,998	41,795	52,681	45,988	112,067	144
September	95,000	59,047	57,500	61,364	67,685	111,971	65
October	88,474	58,000	62,700	59,379	92,710	111,695	20
November	89,882	62,388	61,773	52,054	108,448	106,428	-1.9
December	78,967	62,788	58,395	41,649	114,030		

Source: Food Security Department and BOT computation

Monetary and Financial Developments

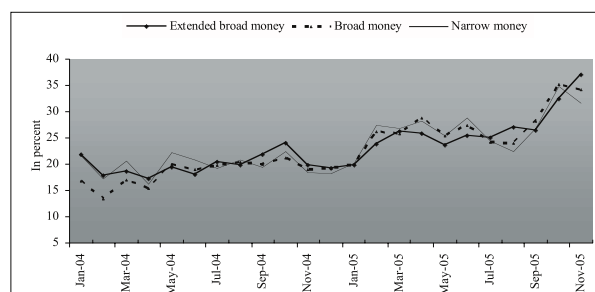
Money Supply and Cred

The monetary policy implementation in the first five months of 2005/06, continued to provide for robust increase in private sector credit, which is in line with the projected expansion in economic activities. In the year ending November 2005, extended broad money supply, M3, grew by about 37, percent being the highest in ten years, exceeding by far the growth rate of 19.4 percent in November 2004 and 32.3 percent in October 2005 (Chart 2.1).

The substantial growth of M3 was mainly due to sustained expansion in domestic credit along with the consolidation of economic activities. In particular, credit to the private sector has persistently been growing above 30 percent for the past four years now.

Meanwhile, broad money supply, M2, grew by 34.2 percent, which was also higher than its growth rate of 19 percent recorded in the previous year.

Chart 2.1: Tanzania: Annual Growth Rates of Monetary aggregates



On monthly basis, M3 increased by TZS 134.9 billion to TZS 3,914.2 billion between October and November 2005, mainly due to a sharp increase in commercial banks deposits – particularly foreign currency deposits that went up by about TZS 126 billion. In US dollars, foreign currency deposits increased by USD 64.6 million during the month of November 2005. The driving factors behind the sharp increase in foreign currency deposits include additional deposits from big corporate customers and conversion of local currency into foreign currency deposits for speculation of higher gains in future transactions.

Except for local currency demand deposits, which declined by TZS 34.6 billion, savings and time deposits increased sizeably, following banks continued initiatives in deposit mobilisation and products innovations. Overall, deposits with commercial banks increased by TZS 169.8 billion during the month, from TZS 3,126.8 billion in October 2005 to TZS 3,296.5 billion.

Table 2.1: Tanzania: Selected Money Supply Components

(Billions of TZS)

	Change			Annual growth (%)				
	Oct-05	Nov-05	Nov 05 - Oct 05	Nov-02	Nov-03	Nov-04	Oct-05	Nov-05
Extended broad money	3779.3	3914.2	134.9	24.5	18.9	19.8	32.3	37.1
Broad money	2735.7	2744.4	8.7	23.8	14.5	19.0	35.2	34.2
Currency outside the banking system	820.6	812.6	-8.0	22.3	7.5	23.7	24.0	22.0
Demand deposits	966.6	932.0	-34.6	31.3	27.4	13.5	45.3	41.3
Time deposits	361.2	396.4	35.2	12.9	0.7	19.1	35.3	44.4
Savings Deposits	587.3	603.4	16.1	24.4	17.1	20.9	36.5	35.8
Foreign currency deposits	1043.7	1169.9	126.2	26.6	31.8	21.9	25.4	44.4
In Millions of USD	914.3	978.9	64.6	18.2	23.8	20.4	16.5	28.2
Private sector deposits in commercial banks	2958.7	3101.6	142.9	25.2	22.7	18.7	34.8	41.7
Government sector deposits in commercial banks	168.0	194.9	26.9	20.3	120.3	42.2	54.6	83.2
Total deposits	3126.8	3296.5	169.8	25.1	24.8	19.6	35.8	43.7
Net foreign assets	2460.8	2664.8	204.0	21.7	47.3	11.6	5.7	12.3
Bank of Tanzania	1783.6	1897.6	114.0	49.6	51.5	15.9	11.4	12.1
Commercial banks	677.2	767.2	90.0	-11.5	38.9	2.1	-6.9	13.0
Net domestic assets	1857.0	1859.3	2.3	32.2	-22.3	46.5	89.1	93.8
Domestic Credit	1632.2	1617.9	-14.3	37.9	-5.0	29.0	51.8	49.6
Claims on Government by the banking system	859.5	890.6	31.2	14.8	-5.0	-4.4	76.5	88.3
Government deposits in the banking system	600.9	683.9	82.9	-10.3	133.2	8.2	36.0	50.9
Credit to the private sector	1373.7	1411.1	37.4	39.3	39.0	35.7	33.4	32.9

Source: Bank of Tanzania

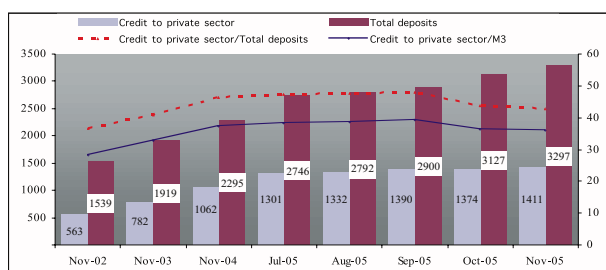


Credit Developments

As pointed out earlier, the monetary policy stance continued to provide space for robust private sector credit demand, which led to significant increase in lending to various economic activities. On annual basis, private sector credit grew by 33 percent in November 2005. The outstanding stock of private sector credit increased from TZS 1,373.7 billion in October 2005 to TZS 1,411.1 billion, whereas net claims on government by the banking system narrowed from TZS 258.5 billion to TZS 206.8 billion, providing more space for lending to private sector (Table 2.1).

Following a faster increase in deposits than the growth in credit to private sector during the month under review, the share of private sector credit to banks' deposit declined marginally to 43 percent from 44 percent in October (Chart 2.2). This implies that banks invested mostly in government securities whose share to total deposits rose from 30 percent to 33 percent.

Chart 2.2: Tanzania: Commercial Banks Intermediation



Interest Rates in Commercial Banks

Interest rates in commercial banks moved in tandem with rates in Treasury bills market. In November 2005, the weighted average lending rate stabilized at 15.3 percent as in the preceding month, while the weighted average Treasury bills rate remained unchanged at 13.6 percent for two consecutive months. Similarly, deposit rates were also maintained almost at the same level between October and November 2005. Weighted average savings and term deposit rates remained unchanged at 2.6

percent and 5.2 percent, respectively, while negotiated deposit and lending rates were put at around 8.7 percent and 11.5 percent, respectively (Table 2.2).

Table 2.2. Tanzania: Weighted Average Interest Rate Structure

(In Percent)

Item	2004				2005					
	Sep	Oct	Nov	Dec	Jun	Jul	Aug	Sep	Oct	Nov
364 days Treasury bill	10.4	11.0	10.9	10.7	10.5	11.9	12.6	13.7	15.0	15.6
Overall Treasury bills	9.6	10.0	9.8	9.6	9.3	10.4	11.3	12.6	13.6	13.6
Savings deposits	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Overall time deposits	4.6	4.6	4.3	4.4	4.4	4.5	4.5	5.0	5.1	5.2
12 months time deposits	6.1	6.1	5.9	5.8	6.0	5.7	5.8	6.3	6.5	6.9
Negotiated deposits	6.4	6.9	8.4	8.8	8.5	8.9	8.0	8.3	8.7	8.7
Overall Lending rate	14.9	14.3	14.7	14.8	15.5	15.0	15.1	15.1	15.4	15.3
Negotiated lending Rates	12.9	11.2	10.9	11.0	11.0	11.5	11.4	11.4	11.5	11.5

Source: Commercial banks and Domestic Markets, Bank of Tanzania

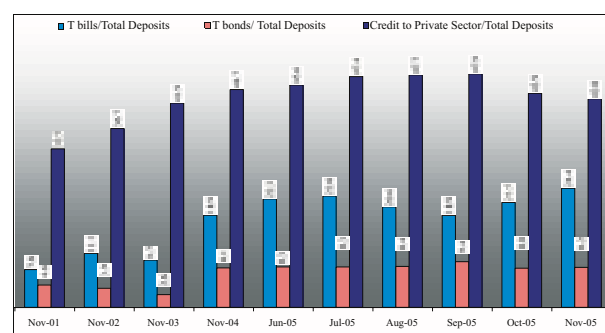
Financial Markets

During the month under review, high liquidity in the banking sector exerted pressure on interest rates. Interbank rates dropped from an average of 5 percent in October 2005 to around 4 percent in November 2005, on overnight lending.

On the contrary, government securities remained attractive as the Bank of Tanzania increased measures to keep liquidity within target. The overall weighted average yield remained high at around 13.6 percent for Treasury bills and about 17 percent for Treasury bonds. As a result, by the end of November 2005, about 33 percent of banks' deposits liabilities were invested in government securities (Chart 2.3).

Chart 2.3: Tanzania: Shares of Selected Assets of Banks to Deposits

(In Percent)



Treasury Bills Market

Following attractive returns on Treasury bills, the demand reached an unprecedented level of TZS 419.0 billion in November 2005, compared with TZS 361.4 billion in the previous month. In pursuit of tight monetary policy stance to reduce excess liquidity in the economy, Treasury bills worth TZS 343 billion were sold for the whole month compared with TZS 260.3 billion offered. Despite the increased sale of Treasury bills above the offered amounts, the weighted average yield remained at 13.6 percent, the same rate recorded in the previous month.

Treasury Bonds Market

During November 2005, the demand for Treasury bonds was lower than expected. The plan was to sell Treasury bonds worth TZS 16 billion but the Bank was able to sell only TZS 9.8 billion. In line with the low demand, the weighted average yield to maturity for Treasury bonds across all maturities were pushed upwards, except for 7-year bond whose yield declined to 18.09 percent in November 2005 from 18.37 percent recorded in the preceding month. On average, the overall weighted yield on Treasury bonds increased to 17.11 percent in November 2005 from 16.82 percent recorded in the previous month.

Repurchase Agreements

During the month under review, the Bank continued to employ repurchase agreements with commercial banks for fine tuning the level of liquidity in the banking system. Repo amounting to TZS 43 billion were traded during the month. Repo rate in November 2005 closed at an average of 5.28 percent, down from 6.23 percent in October 2005.

Foreign Exchange Market

During November 2005, total volume of foreign exchange

traded in the Inter-bank Foreign Exchange Market (IFEM) increased substantially to USD 112.95 million, following a surge in foreign exchange demand for financing imports of goods and services.

During the month, the Bank of Tanzania sold USD 85.3 million on net basis, in order to meet the demand and at the same time reduce the excess supply of shillings in the economy. The increased demand for US dollar resulted into the depreciation of the Tanzanian shilling against the US dollar to TZS 1,169.25 per US dollar in November 2005, from TZS 1,117.23 per US dollar recorded in October 2005 (Chart 2.4).

Chart 2.4: Tanzania: Inter-bank Exchange Rate Movement and Volume of Transactions



Table 2.3: Foreign Exchange Market Developments

Item	2005		2004 Nov	% Change		Year ending Nov		% Change
	Oct	Nov		2005 Oct to Nov	Nov 04 to Nov 05	2004	2005	
1. Amount offered*	53.10	112.95	79.18	112.71	42.65	974.24	731.44	-24.92
2. Amount sold*	53.10	112.95	79.18	112.71	42.65	974.24	731.44	-24.92
3. Exchange rate**	1,117.23	1,169.25	1,058.58	4.66	10.45	1,090.29	1,116.98	2.45
Bureau de Change								
1. Sales*	32.80	29.39	38.80	-10.40	-24.25	382.00	397.10	3.95
2. Purchases*	33.20	29.40	40.60	-11.45	-27.59	313.14	400.66	27.95
3. Volume of Transactions*	66.00	58.79	79.40	-10.92	-25.96	695.14	797.76	14.76
4. Buying rate**	1,130.00	1,174.25	1,076.00	3.92	9.13	1,085.20	1,110.90	2.37
5. Selling rate**	1,174.00	1,198.00	1,084.00	2.04	10.52	1,101.60	1,132.40	2.80

Sources: Bank of Tanzania

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

Government Budgetary Operations

Government expenditure ceiling for November 2005 was set at TZS 169.4 billion. However, government expenditure cheques that cleared during the month



amounted to TZS 293.3 billion, against TZS 164.5 billion revenue deposited at the Bank. Hence, government budgetary transactions during the month generated a cash deficit of TZS 128.8 billion.

Table 1.8: Tanzania: Government Budgetary Operations on Cheques Cleared (Provisional)

Billions of TZS

	Budget	Monthly Flows					Total
	2005/2006	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	
Recurrent Revenue	2,066.8	131.1	153.9	197.6	172.8	164.5	819.9
Total Expenditure	4,360.2	69.4	121.6	385.9	359.1	293.3	1,229.4
Recurrent Expenditure	2,790.9	68.9	119.0	342.2	312.6	193.7	1,036.4
Recurrent balance	-724.1	62.2	34.9	-144.5	-139.8	-29.3	-216.5
Development Expenditure	1,569.3	0.5	2.7	43.7	46.5	99.6	193.0
Overall balance	-2,293.4	61.7	32.2	-188.3	-186.3	-128.9	-409.5
Expenditure Float		146.6	6.9	1.7	0.7	0.9	156.8
Overall balance (incl. Float)		-84.9	25.4	-190.0	-187.0	-129.7	-566.3
Other items		-50.9	-93.6	245.6	-75.7	-68.8	-43.4
FINANCING	651.1	135.8	68.2	-55.6	262.7	198.5	609.7
External loans and grants	1,782.1	11.9	7.3	18.9	283.0	198.5	519.7
Domestic I/		123.9	60.9	-74.5	-20.3	78.1	90.0
Bank		30.0	-72.6	-140.6	-4.9	-266.5	-188.0
Non-bank		93.8	133.5	66.1	-15.3	344.7	278.0

Source: Bank of Tanzania

On cumulative basis, from July to November 2005, expenditure cheques written amounted to TZS 1,332.6 billion, while the amount cleared through the Bank of Tanzania was TZS 1,229.4 billion, which means there is a potential liquidity overhang of about TZS 103.2 billion waiting settlement in due course.

External Sector Performance

Current Account

During the month of November 2005, weak export performance and reduced donor funds inflow resulted into the deterioration of the current account. The current account balance recorded a deficit of USD 125.2 million representing a sharp contrast from a surplus of USD 128.2 million realized in October 2005. During the month, development partners disbursed a total of USD 38.8 million under education and health programme support compared with USD 193.1 million received in October. Moreover, total export earnings for the month, were less by about USD 25 million than in the preceding month.

On year-to-year basis, the current account recorded a deficit of USD 668.2 million during the year ending November 2005, compared to a deficit of USD 416 million recorded in the previous year. Although annual export performance was better than the preceding year, the surge in imports was the main cause for the deterioration of the current account during the year under review.

Table 4.1: Tanzania: Current Account Balance

(Million of USD)

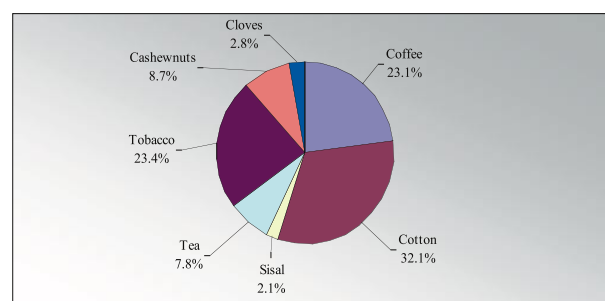
	November		2005 ^b		Year ending November ^a		
	2003	2004	Oct	Nov	2004	2005	% Change
Goods Account (net)	-70.7	-135.3	-56.2	-141.1	-1,044.1	-1,091.6	4.6
Exports	80.7	108.7	146.8	121.5	1,312.1	1,484.8	13.2
Imports	151.4	244.0	203.0	262.5	2,356.2	2,576.4	9.3
Services Account (net)	-19.8	-15.1	13.0	-14.8	-27.5	-82.0	-
Receipts	48.6	94.6	97.6	87.2	906.1	1,082.4	19.5
Payments	68.4	109.7	84.5	102.0	933.6	1,164.3	24.7
Goods and services (net)	-90.5	-150.4	-43.2	-155.9	-1,071.6	-1,173.6	9.5
Exports of goods and services	129.3	203.3	244.3	208.7	2,218.2	2,567.1	15.7
Imports of goods and services	219.8	353.7	287.5	364.6	3,289.8	3,740.7	13.7
Income Account (net)	-1.7	-0.2	-20.9	-7.5	-53.3	-63.4	18.9
Receipts	5.0	9.8	2.9	9.1	76.0	87.6	15.2
Payments	6.7	9.9	23.8	16.6	129.4	151.0	16.7
Current Transfers (net)	11.2	89.4	192.3	38.3	708.9	568.8	-19.8
Inflows	16.2	94.5	199.0	45.3	774.0	642.7	-17.0
o/w General Government	10.6	88.6	193.1	38.8	705.1	573.6	-18.6
Outflows	5.0	5.2	6.7	7.0	65.1	73.9	13.5
Current Account Balance	-81.0	-61.2	128.2	-125.2	-416.0	-668.2	60.6

Source: Bank of Tanzania

Exports

During the year ending November 2005, Tanzania export performance improved by about 16 percent over the previous year - by earning about USD 2,567 million, with gold and travel receipts (tourism) accounting for about 54 percent of total exports (Chart 4.1).

Chart 4.1: Tanzania: Contribution of Selected Items to Total Exports of Goods (Year ending November 2005)



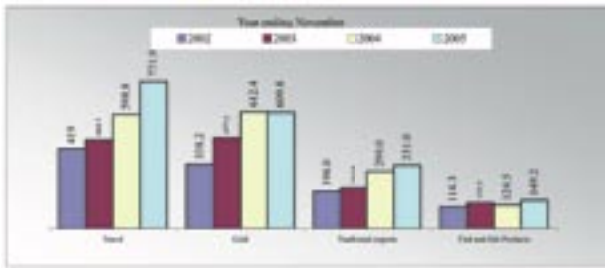
Note:

1. Other non-traditional include mainly 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.



Chart 4.2: Tanzania: Export Earnings of Selected Items

(In million of USD)

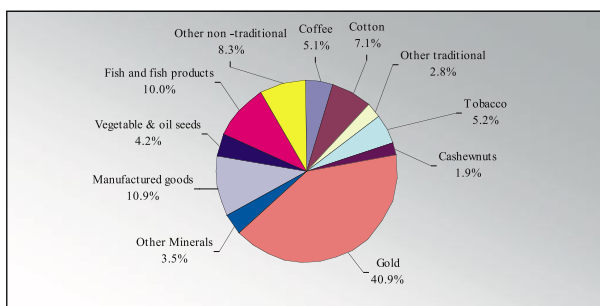


Merchandise Exports

During the month under review, traditional exports declined by 45.9 percent to USD 33.7 million compared with the level recorded in the previous month, attributed largely to seasonal effects on some exports. In October 2005, about 7,200 tons of tobaccos worth USD 31 million were exported, while there were no exports of the same commodity in November 2005.

During the year ending November 2005, traditional exports amounted to USD 331 million, being an improvement of 10.8 percent over the previous year, following the increase in export volumes of coffee, tobacco, and cotton. On the contrary, the amount of cashew exported since the beginning of the current season dropped significantly following lower prices offered by private traders compared with the indicative prices communicated by the Tanzania Cashew Board – a situation that made farmers to adopt a wait and see strategy. Only about 34,700 tons of raw cashew were so far exported compared with 96,500 tons during the same period in 2004.

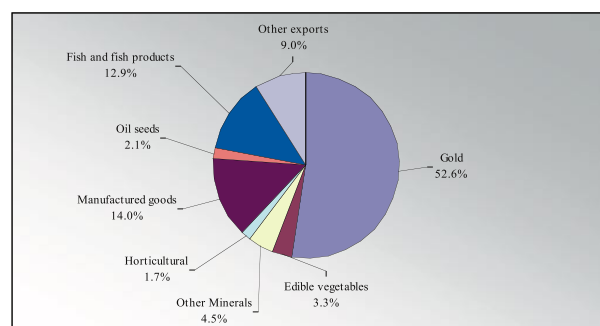
Chart 4.3: Contribution to total traditional exports for the year ending November 2005



On the other hand, non-traditional exports increased marginally during November 2005, earning USD 87.8 million compared with USD 84.4 million earned during the previous month. Although exports of manufactured goods went up during the month under review from USD 11.7 million to USD 28.4 million, other exports declined from USD 23.6 million recorded in October 2005 to USD 13.6 million. Exports of sugar to the European Union under the new quota arrangements amounted to 18,941 tons of sugar worth USD 7.4 million, mainly to Great Britain.

The performance of non-traditional exports during the year ending November 2005, improved notably by about 14 percent, as all non-traditional exports increased except minerals. Despite the increase in gold prices in the world market in recent period, gold export earnings declined to USD 609.8 million compared to USD 612.4 million received in the previous year. In total during the year under review, non-traditional exports brought in the country USD 1,153.7 million.

Chart 4.4: Contribution to total non-traditional exports for the year ending November 2005



Services Account

During the month under review, the services account posted a notable deterioration. A deficit of USD 14.8 million was recorded compared to a surplus balance of USD 13 million recorded in October 2005. The deterioration on the services account was attributed mainly to the rise in foreign payments for travel, transportation and construction services during the

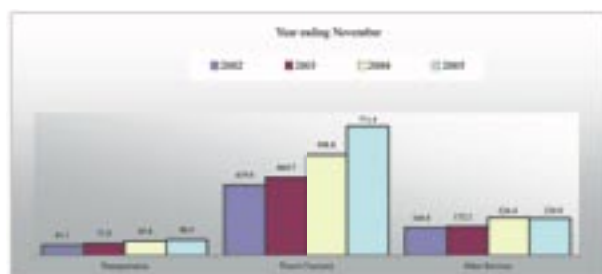


month of November 2005, coupled with decreased service receipts associated with low tourism season,

During the year ending November 2005, the services account also worsened from a deficit of USD 27.5 million to a deficit of USD 82 million. During the year, services receipts increased by 19.5 percent, which was not enough to offset a jump of about 25 percent in services payments. However, it is noteworthy that travel receipts, which is mainly tourism related receipts, increased from USD 598.8 million during the year ending November 2004 to USD 771.9 million in the reporting year (Chart 4.5).

Chart 4.5: Tanzania: Service Receipts
2002 – 2005

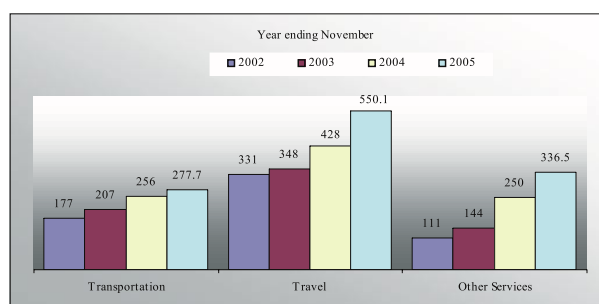
(Millions of USD)



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

Chart 4.6: Tanzania: Service Payments
2002 – 2005

(Millions of USD)



Merchandise Imports

During the month under review, goods imports increased to USD 262.5 million from USD 203.0 million registered in the previous month. The increase was mainly in imports of capital, intermediate and consumer goods. Imports

of capital goods, which include transport, construction and building equipments increased to USD 125.5 million from USD 89.1 million. Intermediate goods increased slightly from USD 20.3 million in the previous month to USD 22.5 million, while imports of consumer goods (food and foodstuffs) increased from USD 62 million to USD 75.9 million.

Table 4.2: Tanzania imports

(Millions of USD)

Item	November		2005 ^P		Year ending November ^P	
	2003	2004 ^P	Oct	Nov	2004	2005
CAPITAL GOODS	58.9	82.6	89.1	125.5	835.9	1,055.0
Transport Equipment	19.6	18.8	23.6	41.3	227.3	270.9
Building and Construction Equipment	12.2	24.4	21.4	32.7	173.2	247.2
Machinery	27.0	39.4	44.1	51.6	435.4	536.9
INTERMEDIATE GOODS	44.4	89.7	51.9	61.1	755.1	757.5
Oil imports	26.1	65.6	20.3	22.5	482.4	396.7
Fertilizers	1.0	3.3	8.3	9.4	50.3	70.1
Industrial raw materials	17.3	20.9	23.2	29.1	222.4	290.7
CONSUMER GOODS	48.1	71.7	62.0	75.9	765.2	763.8
Food and foodstuffs	18.2	21.9	9.3	17.6	248.4	169.9
All other consumer goods ¹	29.8	49.8	52.6	58.4	516.7	593.9
GRAND TOTAL (F.O.B)	151.4	244.0	203.0	262.5	2,356.2	2,576.4
						9.3

Note: Oil imports refers to refined petroleum products

P = provisional data

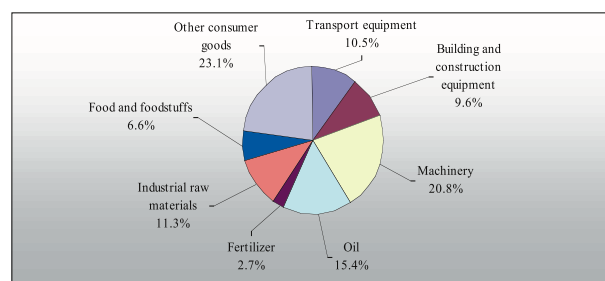
1 It includes pharmaceutical products, paper products, and plastic items, and optical/photographic materials, textile apparels.

Source: Bank of Tanzania and Tanzania Revenue Authority

During the twelve months under review, the value of merchandise imports went up by 9.3 percent to USD 2,576.4 million. The increase stemmed largely from importation of fertilizers, which went up by 39 percent and industrial raw materials, which rose by 31 percent.

Chart 4.7: Tanzania: Contribution to total imports

(In Percent)

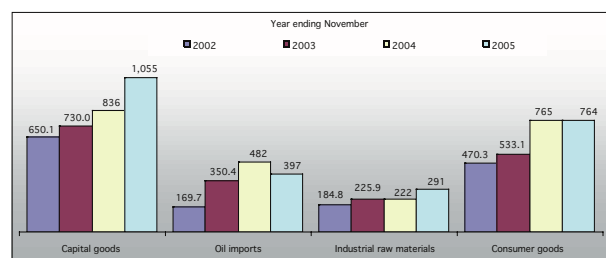


The analysis of the composition of merchandise imports to Tanzania over the past four years, indicate predominance of capital goods in line with growing economic activity in the country, while the second fastest growing import category is consumer goods—whose growth rate reflects the increase in domestic demand (Chart 4.8).



Chart 4.8: Tanzania: Total Merchandise Imports: 2002-2005

(In Millions of USD)



World Commodity Prices

During the year ending November 2005, the world commodity prices registered a mixed trend. The prices of Robusta coffee improved by about 37 percent during the year, while that of Arabica coffee more than doubled. The rise in coffee prices was largely on account of concerns about low supplies in the world market following the damage of Hurricane Wilma on coffee plantations in Brazil and heavy rains in Vietnam.

Prices of cotton declined moderately during the year, following increased supply from the bumper harvest in the USA, also prices of tea (average three auctions) and (Mombassa auctions) declined also in response to increased production resulting from favourable weather conditions in key growing regions in East Africa. Prices of cloves increased by about 15 percent to USD 3,207.42 per metric ton in the year ending November 2005. The increase in clove prices largely emanated from expectations of reduced supply of cloves in the world market, following unfavourable weather conditions in Madagascar.

As for sisal, the prices have remained fairly stable at around USD 885.0 per metric ton since August 2005. However, this was an improvement over the price of USD 852.9 per metric ton obtained during the corresponding period of 2004.

Prices of crude oil and petroleum products in November 2005 fell slightly, following reassuring weather forecast above average temperatures in the United States—a

major energy consumer in the world.

Gold prices increased during the period under review (Table 4.3), mainly on account of strong buying by investors amid a depreciating US dollar against other major currencies, and rising inflation in United States.

Table 4.3: World Commodity Prices

Item	Units	2005				% Change	Year ending Nov.		% Change
		Aug	Sept	Oct	Nov		2004	2005	
"Robusta" Coffee	US \$ per kg	1.15	1.03	1.05	1.13	7.62	0.79	1.08	36.71
"Arabica" Coffee	US \$ per kg	2.39	2.19	2.32	2.38	2.59	1.13	2.53	123.89
Tea (Average price)	US \$ per kg	1.65	1.66	1.69	1.66	-1.78	1.67	1.66	-0.60
Tea (Mombassa Auction)	US \$ per kg	1.50	1.52	1.54	1.45	-5.84	1.56	1.48	-5.13
Cotton, "A Index"	US \$ per kg	1.19	1.21	1.28	1.25	-2.34	1.44	1.24	-13.89
Cotton, "Memphis"	US \$ per kg	1.25	1.32	1.39	1.32	-5.04	1.42	1.28	-9.86
Sisal "UG"	US \$ per metric ton	885.00	885.00	885.00	885.00	0.00	852.92	885.00	3.76
Cloves	US \$ per metric ton	3,012.50	3,100.00	3,087.50	3,050.00	-1.21	2,792.67	3,207.42	14.85
Crude oil*	US \$ per barrel	61.89	61.69	58.19	55.04	-5.41	36.99	51.94	40.42
Crude oil**	US \$ per barrel	56.63	56.54	53.67	51.31	-4.40	32.93	47.72	44.91
White products***	US \$ per ton	604.33	654.33	604.24	516.20	-14.57	358.03	515.66	44.03
Gold	US \$ per troy ounce	437.90	456.00	469.90	476.70	1.45	406.31	439.19	8.09

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

National debt stock (external and domestic) recorded a decline at the end of November 2005, attributed mainly to repayments of due debts, debts relief, as well as exchange rate fluctuations. Between October and November 2005, the debt stock moved from USD 9,516.1 million to USD 9,303.1 million. During the month, Tanzania received HIPC debt relief amounting to USD 7.7 million in the form of debt service reduction from multilateral institutions, while USD 3.9 million was received in October 2005.

External Debt

External debt committed by end November 2005 amounted to USD 8,138.9 million, out of which USD 6,733.9 million (82.7 percent) was disbursed. The interest payment arrears on the disbursed external debt by end November 2005 was USD 1,145.5 million, which pushed the debt stock to USD 7,879.4 million. Interest arrears to bilateral creditors amounted to USD 623.3 million, commercial creditors –USD 332.0 million, and



the balance is owed to private sector creditors. Central Government remained the largest borrower with a total debt of USD 5,779.6 million (85.8 percent), while private sector debt stood at USD 484.2 million, and Parastatal companies held debts worth USD 470.2 million.

During the month of November 2005, the total outstanding debt declined by about 2 percent, as Government, Parastatal companies, as well as the private sector repaid part of their respective due debts. The larger portion of the outstanding disbursed debt to the Government was used for balance of payment support—i.e. importation of goods and services that were needed for development activities in the country.

As at the end of November 2005, the outstanding debt in the form of balance of payments support was USD 1,351.5 million. Meanwhile, the status of the outstanding debts directed to various sectors of the economy as at the end of November 2005 was as follows:

- Transport and Telecommunication—USD 1,053 million,
- Agricultural Sector—USD 1,040.7 million,
- Energy and Mining—USD 929.2 million,
- Social Welfare and Education—USD 627.5 million,
- Industries—USD 386.9 million,
- Finance and Insurance—USD 101.7 million,
- Tourism—USD 79.3 million.

Domestic Debt

During the month under review, the Government domestic debt stock declined by TZS 27.6 billion to reach TZS 1,684.4 billion at end November 2005. About 99 percent of Government domestic debt is in the form of Government securities—Treasury bills TZS 709 billion, Treasury bonds TZS 778.8 billion and Government stocks TZS 180 billion.

Commercial banks remained the main creditors by holding 43.7 percent of total domestic debt; Pension Funds 24 percent, and Bank of Tanzania, 17.4 percent.

During the month under review, TZS 127.5 billion was

required for domestic debt payment, whereby the principal amount was rolled over, while the accrued interest was paid straight by the Government.

Zanzibar

Economy

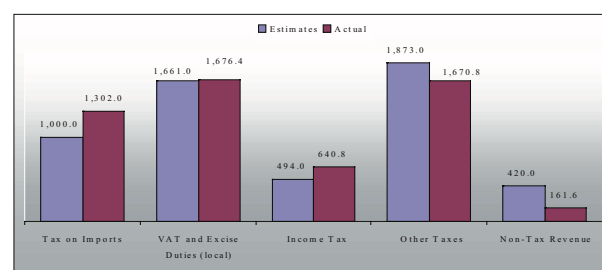
Budgetary performance

During November 2005, the Zanzibar Government budgetary performance, on cheques issued basis, recorded an overall deficit of TZS 3.5 billion after considering grants amounting to TZS 0.2 billion.

The revenue collected during the month amounted to TZS 5.5 billion, slightly above the target of TZS 5.4 billion. Tax revenue amounted to TZS 5.3 billion, exceeding the target by TZS 300 million, while non-tax revenue was TZS 0.1 billion, being below target of TZS 0.4 billion (Chart 6.1).

Cumulatively, from July 2005 to November 2005 total revenue collection amounted to TZS 27.1 billion, slightly below the target of TZS 27.7 billion.

Chart 6.1: Government Revenue by Source
November 2005 in TZS Million



On the expenditure front, Zanzibar Government spent TZS 9.1 billion during the month, slightly more than the monthly ceiling of TZS 8.8 billion, due to inclusion of expenditure on foreign funded projects. Out of the total expenditure, recurrent expenditure amounted to TZS 7.3 billion, while development expenditure amounted to TZS 1.8 billion. Development expenditure was above the ceiling of TZS 0.4 billion, on account of an increase in foreign donor resources for development projects.

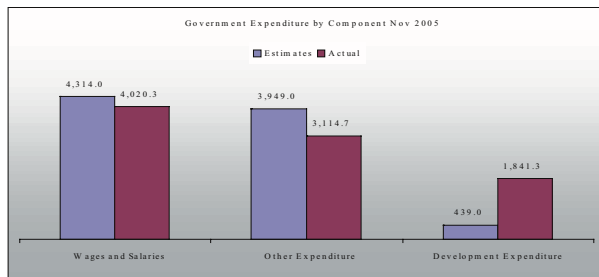
On cumulative basis, during July 2005 to November



2005, the Government expenditure amounted to TZS 48.2 billion, against the projected ceiling of TZS 46.1 billion on account of consideration of donor funded development expenditures.

Chart 6.2: Government Expenditure by Components November 2005

(In Million of TZS)



External Trade Performance

During November 2005, Zanzibar's trade balance deficit widened from USD 5.5 million in October 2005 to USD 6.8 million. This development was attributed largely to a fall in export earnings, coupled with the increase in imports. For the year-end November 2005, trade balance deficit slightly narrowed to USD 38.75 million from USD 38.83 million recorded in the previous year.

Table 6.1: Trade Account Balance

Millions of USD

Item	2004		2005p							Year Ending Nov		Annual %Change
	Nov	May	Jun	Jul	Aug	Sep	Oct	Nov	2004	2005p		
Exports	7.7	7.7	6.2	9.0	9.9	7.7	7.991	7.2	60.1	84.6	40.7	
Goods	2.8	0.5	0.3	0.2	3.7	1.8	1.3	0.8	13.8	11.4	(17.7)	
Services	4.9	7.2	5.8	8.8	6.1	5.9	6.7	6.4	46.3	73.6	58.2	
Imports	10.3	13.3	13.3	10.3	16.2	12.5	13.5	13.9	98.9	123.7	24.7	
Goods (f.o.b)	7.7	5.8	5.8	5.9	9.8	6.2	7.4	8.9	68.3	70.6	3.3	
Services	2.5	7.4	7.4	4.3	6.4	6.2	6.1	5.0	30.7	52.8	72.2	
Trade Balance	-2.6	-5.6	-7.2	-1.3	-6.3	-4.7	-5.5	-6.7	-38.8	-38.7	(0.2)	

Source: Tanzania Revenue Authority.
P = Provisional

Exports

During the month under review, export of goods and services declined by about 10 percent to USD 7.2 million from the level recorded in the previous month (Table 6.1). However, on the year-to-year basis, export earnings improved by 40.8 percent, to USD 84.63 million from USD 60.13 million recorded during the year ending November 2004. The improvement was associated with higher services receipts, mainly from tourism, which represents

about 86 percent of total export earnings. Exports of cloves fetched USD 9.05 million, accounting for 10.7 percent of total exports, while seaweeds realised USD 1.22 million, accounting for 1.4 percent of total exports.

Imports

Zanzibar goods imports (c.i.f) during November 2005 rose by 21.0 percent, to USD 9.8 million from USD 8.1 million recorded in the previous month. The rise was largely associated to a surge in importation of capital goods composed of building and construction materials, and machinery to cater for expanding economic activities. Importation of fertilizers also increased substantially during the month of November 2005.

During the year ending November 2005, imports of goods stood at USD 70.6 million, being an increase of 3 percent from the previous year.

Table 6.2: Zanzibar Imports by Major Categories

Millions of USD

Item	2004	2005p							Year Ending Nov		Annual %Change
		Nov	May	Jun	Jul	Aug	Sep	Oct	Nov	2004	2005p
Capital Goods	2.8	3.1	2.2	1.4	5.2	3.9	2.4	4.7	24.3	31.1	28.0
Transport Equipments	0.6	1.1	0.5	0.5	0.8	1.1	0.7	0.5	7.3	7.8	7.7
Building and Constructions	2.3	0.4	0.4	0.3	1.6	0.5	0.7	1.9	6.5	7.2	11.6
Machinery	0.1	1.7	1.2	0.5	2.7	2.3	0.9	2.3	10.6	16.1	51.9
Intermediate Goods	2.3	2.1	1.5	3.3	2.4	1.3	2.3	2.8	20.8	21.7	4.1
Oil imports	0.0	1.7	1.2	3.1	2.2	1.0	1.8	0.0	14.7	18.3	24.5
Fertilizers	0.0	...	...	...	...	0.0	0.0	2.5	0.0	0.00	0.0
Industrial raw materials	2.3	0.4	0.3	0.2	0.2	0.3	0.5	0.3	6.1	3.4	-44.9
Consumer Goods	3.3	1.8	2.7	2.0	3.1	1.5	3.4	2.3	29.8	24.7	-17.3
Food and food stuffs	0.3	0.9	1.7	1.4	1.8	0.8	2.5	1.1	17.4	15.1	-13.2
All other consumer goods	2.9	0.8	0.9	0.5	1.4	0.7	0.8	1.1	12.4	9.6	-22.9
Grand Total (c.i.f)	8.5	6.9	6.4	6.6	10.7	6.8	8.1	9.8	75.0	77.5	3.3
Grand Total (f.o.b)	7.7	6.4	5.8	5.9	9.8	6.2	7.4	8.9	68.3	70.6	3.3

Source: Tanzania Revenue Authority

Services Account

Zanzibar services account balance improved to a surplus of USD 1.37 million in November 2005 compared with a surplus of USD 0.60 million recorded in October 2005. Foreign payments declined by 17.8 percent to USD 5.03 million from USD 6.12 million effected in previous month. Services receipts marginally decreased to USD 6.4 million from USD 6.7 million earned in previous month. During the year to November 2005, the service account recorded a surplus of USD 20.4 million from USD 15.6 million registered in the previous corresponding period in 2004, reflecting the important contribution of tourism sector to Zanzibar economy.



Table A1: Tanzania Selected Economic Indicators

Item	Unit	1998	1999	2000	2001	2002	2003	2004 ^p
1. National Accounts and Prices								
1.1 Change in GDP at Factor Cost--Current Prices	Percent	19.7	16.6	12.2	13.7	14.1	12.8	14.8
1.2 Change in GDP at Factor Cost--Constant 1992 Prices ²	Percent	4.0	4.7	4.9	5.7	6.2	5.7	6.7
1.3 GDP Per Capita--Current Prices ¹	TZS	170,831.0	193,456.0	210,231.0	231,751.0	258,925.0	286,888.0	320,000.0
1.4 GDP Per Capita--Current Prices ¹	US\$	257.00	259.70	262.70	264.40	267.90	276.20	303.00
1.5 Change in Consumer Price Index (Inflation)	Percent	12.8	7.9	5.9	5.2	4.5	3.5	4.1
1.6 Saving to GNDI Ratio ³	Percent	6.5	6.8	11.6	11.1	12.7	11.8	12.3
2. Money Credit and Interest Rates								
2.1 Change in Extended Broad Money Supply (M3)	Percent	10.8	18.6	14.8	17.1	25.1	16.1	19.3
2.2 Change in Broad Money Supply (M2)	Percent	11.1	15.0	12.5	12.3	18.5	14.2	19.2
2.3 Change in Narrow Money Supply (M1)	Percent	10.5	16.0	9.9	10.2	25.2	16.1	18.2
2.4 Change in Reserve Money	Percent	14.7	21.5	9.4	5.0	19.1	12.6	23.6
2.5 Total Credit to GDP Ratio ¹	Percent	9.4	10.5	9.8	7.6	8.8	8.7	8.5
2.6 Private Sector Credit to GDP Ratio ¹	Percent	4.3	4.7	4.6	4.9	6.1	5.2	8.9
2.7 Ratio of Private Credit to Total Credit	Percent	45.7	44.6	46.6	63.7	69.2	71.6	104.7
2.8 Average Deposit Rate (12-Month)	Percent	11.5	10.4	8.6	6.0	5.7	5.0	5.8
2.9 Weighted Average Treasury Bill Rate	Percent	10.1	15.5	5.7	3.9	4.5	7.7	9.6
2.10 Average Medium- and Long-Term Lending Rate	Percent	22.0	20.6	21.2	15.8	13.2	12.5	14.0
3. Balance of Payments								
3.1 Exports (f.o.b)	Mill. US\$	588.53	543.30	663.32	776.40	902.50	1,129.23	1,334.90
3.2 Imports (f.o.b)	Mill. US\$	1,382.10	1,415.40	1,367.60	1,560.30	1,511.30	1,933.46	2,281.20
3.3 Trade Balance	Mill. US\$	-793.57	-872.10	-704.28	-783.90	-608.30	-804.20	-946.30
3.4 Balance on Current Account	Mill. US\$	-901.87	-846.20	-495.80	-436.70	-214.70	-384.20	-456.70
3.5 Overall Balance	Mill. US\$	-567.20	-128.40	-86.30	-809.60	-112.20	69.90	-98.10
3.7 Gross Official Reserves	Mill. US\$	599.00	776.00	974.00	1,157.00	1,529.00	2,037.80	2,296.10
3.8 Reserves Months of Imports (of goods and services)	Months	3.1	4.2	5.7	6.3	8.4	8.9	8.4
3.9 Exchange Rate:								
3.9.1 Annual Average	TZS/US\$	664.7	744.8	800.4	876.4	966.6	1038.6	1,053.3
3.9.2 End of Period	TZS/US\$	681.0	797.3	803.3	916.3	976.3	1063.6	1,043.0
4 Population (Tanzania Mainland)	Million	30.0	30.9	31.9	32.1	33.6	34.2	34.8
5. Public Finance		1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
5.1 Current Revenue to GDP Ratio ¹	Percent	11.5	11.4	12.2	11.8	12.3	12.1	13.3
5.2 Grants to GDP Ratio ¹	Percent	2.8	4.1	3.7	4.3	3.2	3.7	6.7
5.2 Current Expenditure to GDP Ratio ¹	Percent	11.0	11.9	13.0	12.7	13.0	12.9	17.1
5.3 Development Expenditure to GDP Ratio ¹	Percent	2.2	5.3	3.7	3.9	3.3	3.6	8.4
5.4 Deficit to GDP Ratio (excluding grants) ¹	Percent	-1.7	-5.7	-4.5	-4.8	-4.0	-4.4	-11.9
5.5 Deficit to GDP Ratio (including grants) ¹	Percent	1.0	-1.6	-0.8	-0.5	-0.8	-0.6	-5.2
6. Total External Debt Stock	Mill. US\$	7,669.70	7,624.80	7,482.10	7,464.00	7,268.10	7,890.70	9,219.30
Disbursed Debt	Mill. US\$	6,580.30	6,538.30	6,312.20	6,559.70	6,233.00	6,730.80	6,990.60
Interest	Mill. US\$	1,089.40	1,086.50	1,169.90	904.30	1,035.10	1,159.90	1,300.40
Total External Debt as % of GDP	Percent	82.1	89.5	80.7	78.5	75.9	78.4	77.5

Note : ¹ Calculated on the basis of GDP at market price² Calculated on the basis of GDP at factor cost³ GNDI stands for gross national disposable income^p Provisional data

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



Table A2 : Central Government Operations

Item	Actual		Budget 2005/06	2005/06*			
	2003/04	2004/05		Jul-05	Aug-05	Sep-05	Oct-05
Total Revenue	1,459,303.3	1,773,709.4	2,066,751.6	147,121.2	160,134.2	190,536.1	184,755.5
Tax Revenue	1,342,798.2	1,615,247.0	1,895,966.6	137,459.3	144,472.6	179,182.3	138,742.8
Taxes on Imports	575,408.5	679,992.4	790,801.9	67,272.4	65,645.4	68,495.4	57,279.2
VAT and Excise on Local Goods	325,483.7	402,136.1	466,369.6	36,661.1	42,854.3	37,828.2	42,367.4
Refunds	-48,245.1	-64,376.4	-67,834.4	-7,654.5	-7,654.5	-5,652.8	-5,652.8
Income Taxes	366,650.9	465,454.7	549,074.3	28,155.1	31,623.2	66,613.8	33,167.1
Other taxes	123,500.2	132,040.2	157,555.2	13,025.2	12,004.2	11,897.7	11,581.9
Non- tax Revenue	116,505.1	158,462.4	170,785.0	9,661.9	15,661.6	11,353.8	46,012.7
Total Expenditure	2,516,943.1	3,164,215.5	4,176,050.4	122,463.0	196,200.4	471,939.1	554,890.2
Recurrent expenditure /1	1,780,115.1	2,093,054.9	2,790,867.3	89,159.9	155,633.8	332,494.5	321,170.9
Wages and salaries (Central & Local Govt.)	462,963.9	435,780.1	681,897.3	53,146.0	53,337.1	55,920.5	52,789.0
Interest payments	108,533.8	104,290.4	174,762.9	11,268.3	8,165.1	16,617.2	19,241.8
Domestic /2	70,231.6	189,709.0	100,178.3	8,669.2	6,808.9	5,700.0	16,122.7
Foreign	38,302.3	95,055.1	74,584.6	2,599.1	1,356.2	10,917.1	3,119.0
Goods, Services and transfers	1,208,617.3	973,808.7	1,934,207.1	24,745.5	94,131.5	259,956.9	249,140.1
o/w Roadtoll fund	77,125.6	68,511.7		0.0	0.0	0.0	0.0
Retention fund	47,449.0	502,573.3	59,580.0	6,654.2	8,648.6	5,554.7	4,869.6
Dev. Expenditure and net lending	736,828.1	1,071,160.6	1,385,183.1	33,303.1	40,566.7	139,444.6	233,719.3
Local	133,041.3	239,651.1	370,037.8	0.0	200.0	71,000.0	146,000.0
Foreign	603,786.8	831,509.5	1,015,145.3	33,303.1	40,366.7	68,444.6	87,719.3
Overall Deficit (cheques issued) before Grants	-1,057,639.8	-1,390,506.2	-2,109,298.8	24,658.2	-36,066.2	-281,403.0	-370,134.7
Grants	696,672.5	724,396.5	1,011,345.0	31,511.8	49,815.3	89,220.0	217,156.3
Program	278,500.1	364,280.3	345,475.6	6,695.7	29,028.9	49,974.0	195,637.6
Project	248,325.9	131,735.2	340,972.4	11,439.1	4,446.4	10,105.5	17,757.2
Basket Support	92,429.3	156,071.6	231,297.0	7,495.5	9,697.0	24,503.0	191.0
HIPC Relief	77,417.3	72,309.4	93,600.0	5,881.6	6,642.9	4,637.6	3,570.5
Overall deficit (cheques issued) after grants	-360,967.3	-666,109.6	-1,097,953.9	56,170.0	13,749.0	-192,183.0	-152,978.4
Expenditure Float	168,942.0	140,141.5	0.0	-146,552.4	-6,873.0	-1,737.5	748.9
Overall Deficit including Float	-192,025.3	-525,968.1	-1,097,953.9	-90,382.4	6,876.0	-193,920.5	-152,229.5
Adjustments to cash and other items(net)	-38,772.1	-59,596.2	0.0	-43,776.9	-86,392.1	165,806.6	-144,510.3
Overall deficit (cheques cleared)	-399,739.5	-727,075.2	-1,097,953.9	-134,159.3	-79,516.0	-28,113.9	-296,739.8
Financing	399,739.5	727,075.2	1,097,953.9	134,159.3	79,516.0	28,113.9	296,739.8
Foreign Financing (net)	434,235.4	582,130.1	584,888.5	10,292.4	18,593.1	102,595.3	316,995.8
Loans	479,420.1	689,219.7	713,564.9	14,368.6	26,223.3	115,748.0	323,104.2
Program loans	216,388.5	65,395.6	270,689.1	0.0	0.0	82,772.9	171,150.0
Project loans	261,129.7	467,079.3	341,584.4	14,368.6	26,223.3	32,975.1	151,954.2
Basket support	1,901.9	156,744.7	101,291.4	0.0	0.0	0.0	0.0
Amortization	-45,184.8	-107,089.6	-128,676.5	-4,076.2	-7,630.2	-13,152.7	-6,108.3
Domestic (net)	-34,495.9	144,945.2	513,065.4	123,866.9	60,923.0	-74,481.5	-20,256.0
Domestic Financing	-83,681.2	97,313.2	514,905.7	123,866.9	60,923.0	-74,481.5	-20,256.0
Bank borrowing	39,418.4	47,632.0		0.0	0.0	0.0	0.0
Non Bank	0.0	0.0		0.0	0.0	0.0	0.0
Amortization of Contingent debt	9,766.8	0.0	-12,260.3	0.0	0.0	0.0	0.0
Privatization Fund			10,420.0	0.0	0.0	0.0	0.0

* Provisional





Table A3 : Tanzania Monetary Survey

Table A3 : Tanzania Monetary Survey																				Millions of TZS																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
End of Period	Domestic Assets (net)										Domestic Credit (net)										M3, Extended Broad Money										Memorandum item:																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
	Net										Net										M2, Broad Money										M1, Narrow Money										Currency in circulation										Foreign currency deposits										Savings deposits										Time deposits										Demand deposits										TOTAL										sum(2-5) or sum(9-13)										sum(9-12)										sum(9,10)										banks outside										banks										9										10										11										12										13										14										15																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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	Foreign assets										Claims on government										Claims on Private sectors										Other items										sum(2-5) or sum(9-13)										TOTAL										sum(9-12)										sum(9,10)										banks outside										banks										9										10										11										12										13										14										15																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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Table A4: Interest Rate Structure

	Percent					
Item	June-05	July-05	Aug-05	Sep-05	Oct-05	Nov-05
A: Domestic Currency						
1. Interbank Cash Market Rates						
Overnight	5.04	4.70	7.11	6.61	5.05	4.06
2 to 7 days	5.15	5.31	7.23	7.83	5.47	4.64
8 to 14 days	5.58	6.40	8.73	7.56	6.93	5.23
15 to 30 days	6.16	6.20	8.00	9.32	6.00	7.52
31 to 60 days	5.60	7.91	8.67	10.15	11.17	10.35
61 to 90 days	7.40	8.75	10.57	10.57	10.57	12.00
91 to 180 days	8.39	10.26	11.73	11.00	13.50	13.50
181 and above	9.20	9.20	9.20	13.60	13.60	14.80
Overall interbank cash market rate	5.09	4.97	7.26	7.23	5.25	4.73
2. Lombard Rate	10.98	10.98	10.98	10.98	10.98	10.98
3. REPO Rate	5.24	5.38	7.12	7.73	6.23	5.28
4. Treasury Bills Rates						
35 days	6.60	7.03	8.42	9.49	8.97	8.59
91 days	8.12	10.35	11.51	12.52	14.08	13.96
182 days	9.43	10.53	11.46	13.10	14.50	14.42
364 days	10.51	11.93	12.64	13.70	14.95	15.61
Overall treasury bills rate	9.30	10.35	11.30	12.58	13.60	13.63
5. Treasury Bonds- 2-years	15.05	14.82	14.91	16.89	16.89	16.89
5-years	12.11	13.19	15.00	15.00	15.64	16.77
7-years	13.21	13.05	13.14	13.14	18.37	18.09
10-years	14.10	14.10	14.10	14.10	16.37	16.71
6. Discount Rate	13.92	15.14	16.04	16.13	17.78	18.30
7. Savings Deposit Rate	2.61	2.60	2.59	2.63	2.62	2.62
8. Time Deposits Rates	4.41	4.48	4.53	4.77	5.14	5.20
Call Accounts	0.98	0.96	0.98	1.30	1.88	1.34
1 month	3.25	3.19	3.33	4.42	4.89	3.62
2 months	5.22	5.44	5.22	5.77	6.50	6.98
3 months	4.45	4.90	5.18	4.34	3.70	4.20
6 months	5.63	5.72	5.57	5.30	7.14	8.06
12 months	5.97	5.69	5.82	6.32	6.47	6.87
24 months	5.39	5.47	5.64	5.93	5.39	5.35
9. Negotiated Deposit Rates	8.49	8.87	9.01	7.18	8.69	8.71
10. Lending rates	15.51	14.97	15.07	15.08	15.39	15.28
Call Loans	14.50	14.50	19.25	19.25	19.25	19.25
Short-term (up to 1 year)	16.06	16.14	15.82	15.74	16.03	15.69
Medium-term (1-2 years)	16.77	16.41	16.63	16.67	17.07	16.84
Medium-term (2-3 years)	16.21	15.39	15.05	15.52	15.65	15.67
Long-term (3-5 years)	13.87	12.72	13.52	13.25	13.76	13.83
Term Loans (over 5 years)	14.65	14.18	14.32	14.24	14.46	14.39
11. Negotiated Lending Rates	11.01	11.51	11.39	11.37	11.47	11.50
B: Foreign Currency						
1. Deposits Rates						
Call Accounts	0.47	0.55	0.39	0.66	0.49	0.46
Savings Deposits	0.67	0.65	0.66	0.72	0.69	0.67
Time Deposits	1.72	1.73	1.78	1.81	1.65	1.81
1-months	1.18	1.31	1.24	1.48	1.60	1.62
2-months	1.58	1.32	1.52	2.70	1.50	1.53
3-months	1.74	1.83	2.28	1.17	1.52	2.16
6-months	1.45	1.34	1.25	1.33	1.47	1.41
12-months	2.62	2.84	2.63	2.36	2.15	2.34
2. Lending Rates	8.04	7.85	7.24	7.73	7.23	7.17
Short-term (up to 1 year)	6.86	7.41	7.01	7.38	6.72	6.51
Medium-term (1-2 years)	7.70	7.86	6.55	6.93	7.93	7.69
Medium-term (2-3 years)	9.28	8.02	7.56	7.85	8.72	9.12
Long-term (3-5 years)	8.99	8.42	7.47	8.00	5.05	5.06
Term Loans (over 5 years)	7.36	7.54	7.61	8.48	7.71	7.45

Source: Bank of Tanzania



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

Items	2005p			Nov.			Year ending Nov.		
	Oct	Nov	% Change	2004	2005p	% Change	2004	2005p	% Change
Traditional Exports:									
COFFEE									
Value	7.9	6.1	-22.6	7.2	6.1	-15.3	42.9	76.4	78.2
Volume	5.1	3.8	-25.3	5.5	3.8	-30.7	34.2	49.5	44.8
Unit Price	1,556.9	1,615.0	3.7	1,322.6	1,615.0	22.1	1,254.1	1,543.8	23.1
COTTON									
Value	19.5	20.2	3.3	12.4	20.2	63.2	69.5	106.1	52.7
Volume	15.5	20.6	32.8	13.1	20.6	57.2	71.8	107.7	49.9
Unit Price	1,261.3	981.0	-22.2	944.8	981.0	3.8	967.3	985.5	1.9
SISAL									
Value	0.7	0.4	-37.9	0.4	0.4	0.0	7.6	7.1	-6.6
Volume	0.9	0.6	-38.1	0.6	0.6	0.0	12.7	9.2	-27.7
Unit Price	716.7	719.3	0.4	719.3	719.3	0.0	600.1	775.4	29.2
TEA									
Value	1.7	1.5	-11.3	3.0	1.5	-49.6	28.8	25.8	-10.2
Volume	1.6	1.2	-25.4	2.4	1.2	-50.7	23.2	22.0	-5.3
Unit Price	1,098.5	1,306.4	18.9	1,277.8	1,306.4	2.2	1,239.3	1,175.5	-5.1
TOBACCO									
Value	31.1	0.0	--	9.8	0.0	--	69.1	77.3	12.0
Volume	7.2	0.0	--	3.9	0.0	--	32.9	30.1	-8.3
Unit Price	4,317.9	0.0	--	2,481.6	0.0	--	2,100.9	2,565.2	22.1
CASHEWNUTS									
Value	0.4	4.8	--	29.3	4.8	-83.7	70.3	28.9	-58.9
Volume	0.6	7.6	--	31.9	7.6	-76.3	96.5	34.7	-64.0
Unit Price	769.0	631.3	-17.9	919.7	631.3	-31.4	728.9	831.7	14.1
CLOVES									
Value	1.0	0.7	-26.9	1.5	0.7	-53.5	10.8	9.4	-12.5
Volume	0.3	0.3	-9.4	0.5	0.3	-40.1	5.4	3.2	-40.3
Unit Price	2,918.9	2,354.0	-19.4	3,037.3	2,354.0	-22.5	2,003.4	2,937.7	46.6
Sub Total	62.3	33.7	-45.9	63.7	33.7	-47.1	298.9	331.1	10.8
Non-Traditional Exports:									
Minerals	32.4	31.8	-1.7	61.6	31.8	-48.4	664.0	661.5	-0.4
Gold	30.7	30.0	-2.4	57.1	30.0	-47.5	612.4	609.8	-0.4
Diamond	0.1	0.2	70.5	2.8	0.2	--	26.3	20.2	-23.2
Other minerals ¹	1.5	1.6	5.5	1.7	1.6	-5.3	25.3	31.5	24.6
Manufactured Goods	11.7	28.4	142.8	7.6	28.9	280.1	104.7	162.3	55.0
Cotton Yarn	0.3	0.2	-33.9	0.5	0.2	-59.4	5.0	4.1	-16.2
Manufactured Coffee	0.1	0.0	-100.0	0.0	0.1	--	0.5	4.0	--
Manufactured Tobacco	0.0	0.2	--	0.0	0.2	--	0.4	0.2	-96.9
Sisal Products (Yarn & Twine)	0.4	0.2	-59.7	0.3	0.5	81.6	3.5	4.5	28.3
Other manufactured Goods ²	10.9	27.9	156.3	6.8	27.9	312.8	95.3	149.3	56.7
Fish and Fish Products	14.0	11.9	-15.4	10.7	11.9	10.3	124.5	149.2	19.9
Horticultural products	2.7	2.0	-25.8	3.0	2.0	-34.1	14.3	19.3	35.6
Others Exports ³	23.6	13.6	-42.3	12.4	13.6	10.3	105.9	161.4	52.4
Sub Total	84.4	87.8	3.9	95.4	88.2	-7.5	1,013.2	1,153.7	13.9
Grand Total	146.8	121.5	-17.2	159.0	121.9	-23.4	1,312.1	1,484.8	13.2

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.

-- = Very big value

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



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

Item	Nov.		2005p		Year ending Nov.		Million of US\$
	2003	2004p	Oct	Nov	2004p	2005p	
Capital Goods	58.9	82.6	89.1	125.5	835.9	1,055.0	26.2
Transport Equipment	19.6	18.8	23.6	41.3	227.3	270.9	19.2
Building and Constructions Equipment	12.2	24.4	21.4	32.7	173.2	247.2	42.7
Machinery	27.0	39.4	44.1	51.6	435.4	536.9	23.3
Intermediate Goods	44.4	89.7	51.9	61.1	755.1	757.5	0.3
Oil imports	26.1	65.6	20.3	22.5	482.4	396.7	-17.8
Fertilizers	1.0	3.3	8.3	9.4	50.3	70.1	39.4
Industrial raw materials	17.3	20.9	23.2	29.1	222.4	290.7	30.7
Consumer Goods	48.1	71.7	62.0	75.9	765.2	763.8	-0.2
Food and foodstuffs	18.2	21.9	9.3	17.6	248.4	169.9	-31.6
All other consumer goods ¹	29.8	49.8	52.6	58.4	516.7	593.9	14.9
Grand Total (f.o.b)	151.4	244.0	203.0	262.5	2,356.2	2,576.4	9.3

Note:

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

Oil imports refers to refined petroleum products

p = Provisional data.

Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania, TRA.



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

Millions of US\$

Item	2001	2002	2003	2004p
A. Current Account	-436.7	-214.7	-384.2	-456.7
Goods: Exports (f.o.b)	776.4	902.5	1,129.2	1,334.9
Traditional	231.1	206.1	220.5	292.3
Non - Traditional	545.3	696.5	908.7	1,042.6
o/w: Gold	254.1	341.1	502.8	629.5
Goods: Imports (f.o.b)	-1,560.3	-1,511.3	-1,933.5	-2,281.2
Balance on Goods	-783.9	-608.8	-804.2	-946.3
Services: Credit	679.3	668.6	686.6	885.9
Debit	-642.1	-668.5	-769.5	-1,002.0
Balance on Services	37.2	0.1	-83.0	-116.1
Balance on Goods and Services	-746.8	-608.7	-887.2	-1,062.5
Income: Credit	55.3	67.9	87.1	81.8
Debit	-140.5	-90.6	-131.0	-122.1
Balance on Income	-85.2	-22.7	-43.9	-40.3
Balance on Goods, Services and Income	-832.0	-631.4	-931.1	-1,102.8
Current transfers (net)	395.3	416.6	546.9	646.1
Credit	474.8	477.9	609.9	711.4
Government	418.4	427.7	543.3	641.7
o/w: Multilateral HIPC relief	71.3	68.8	68.2	73.7
Other sectors	56.4	50.2	66.6	69.7
Debit	-79.5	-61.3	-63.0	-65.3
B. Capital Account	361.5	355.4	358.2	293.6
Capital transfers: Credit	361.5	355.4	358.2	293.6
Debit	0.0	0.0	0.0	0.0
Total, Groups A plus B	-75.2	140.6	-26.0	-163.1
C. Financial Account, excl. reserves and related items	-501.9	0.0	-5.6	3.2
Direct investment in Tanzania	327.2	240.4	247.8	260.2
Other investment	-829.1	-240.4	-253.4	-257.0
Assets	-76.7	2.9	-59.0	-11.0
Liabilities	-752.5	-243.3	-194.4	-245.9
Total, Groups A through C	-577.1	140.6	-31.7	-159.9
D. Net Errors and Omissions	-232.5	-253.0	101.6	61.8
Overall balance	-809.6	-112.4	69.9	-98.1
E. Reserves and Related Items	809.6	112.4	-69.9	98.1
Reserve assets	-182.2	-372.4	-508.8	-258.4
Use of Fund credit and loans	15.6	26.0	-2.9	-33.8
Exceptional financing	976.2	458.8	441.8	390.2
Rescheduled debt	131.4	9.8	86.6	106.3
Debt forgiveness	642.1	430.3	319.5	265.7
Interest arrears	67.4	18.4	29.5	18.2
Principal arrears	135.2	0.4	6.2	0.0
Memorandum items:				
GDP(mp) Mill.TZS	8,304,338.6	9,399,085.8	10,707,006.2	11,876,513.2
GDP(mp) Mill. USD	9,475.6	9,724.0	10,309.3	11,275.6
CAB/GDP	-4.6	-2.2	-3.7	-4.1
CAB/GDP (excl. current official transfers)	-9.0	-6.6	-9.0	-9.7
Gross Official Reserves	1,156.6	1,529.0	2,037.8	2,296.1
Months of Imports	6.3	8.4	9.0	8.4
Net International Reserves (year end)	761.2	1,058.4	1,533.9	1,786.9
Change in Net International Reserves	-218.5	-297.2	-475.5	-253.0
Exchange rate TZS/USD (end of period)	916.3	976.3	1,063.6	1,043.0
Exchange rate TZS/USD (annual average)	876.4	966.6	1,038.6	1,089.3

Notes:

1) Imports data (f.o.b) for 2001 have been revised using new ratios for freight and insurance services.

2) Following changes in the ratios of freight and insurance services to the total imports (c.i.f), figures for service account have consequently been revised.

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

4) p = provisional data, subject to revision

5) Net capital account has changed following the removal of the debt forgiveness.

The exceptional financing has changed following the inclusion of the rescheduled and forgiven debt.

The changes are according to the requirement of the BPM5.

Source: Bank of Tanzania



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

Period	Headline (General Index)	Total Index		Drinks & Tobacco	Clothing & Footwear	Rent	Fuel, Power & Water	Furniture Household Equip.	Household operations	Personal care & Health	Recreation & Entertain.	Transportation	Base: June 2001 = 100	
		Food	Non-Food										Educ- ation	Miscel. goods & services
Weight (%)	100	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
2003: Jan.	3.4	3.4	3.3	3.6	2.3	3.8	7.3	1.0	3.6	4.1	-0.6	0.5	2.2	6.5
Feb.	3.4	4.4	2.1	1.4	2.4	8.0	3.6	1.1	0.1	2.8	0.4	1.6	0.2	0.3
Mar.	3.4	3.7	2.9	1.6	1.2	8.6	7.2	3.0	1.8	3.4	3.1	1.2	1.6	1.6
Apr.	3.4	4.7	1.7	1.3	1.6	9.3	0.1	2.6	1.3	2.6	3.0	1.4	4.1	2.1
May	3.6	5.0	1.6	0.6	1.8	9.3	0.8	4.9	0.0	3.6	1.5	0.8	0.7	3.5
June	3.6	5.6	0.8	0.1	0.7	9.8	0.3	1.4	0.4	0.2	3.0	0.6	0.3	0.5
July	3.5	3.9	3.0	5.2	2.5	9.5	0.1	2.3	1.9	4.0	2.3	2.8	2.9	6.8
Aug.	3.5	4.4	2.0	0.3	2.2	0.1	5.0	2.6	0.8	3.3	1.6	0.7	3.3	0.6
Sep.	3.7	5.2	1.4	0.4	1.8	0.1	2.5	1.1	0.2	3.5	1.9	0.5	3.6	1.0
Oct.	3.6	4.6	2.2	1.2	2.8	3.4	0.7	2.4	1.0	2.0	3.7	2.9	6.0	1.1
Nov.	3.4	4.7	1.6	1.2	2.4	4.3	0.8	1.2	1.1	3.9	0.9	1.6	0.2	1.5
Dec.	3.4	4.8	1.4	1.2	2.4	4.8	1.6	1.6	0.4	1.4	4.6	0.2	0.9	0.9
2004 Jan.	3.6	6.0	0.2	-2.9	1.5	7.5	-0.7	-1.1	-0.8	5.7	5.9	0.9	0.0	-3.3
Feb.	3.8	6.6	0.2	-0.6	4.8	2.9	-5.4	0.3	-0.3	-2.8	5.4	2.0	3.7	1.9
Mar.	4.0	7.0	-0.1	0.7	2.0	4.3	-2.5	-1.6	-1.4	3.0	2.2	-0.8	-0.2	-0.9
Apr.	4.7	8.4	-0.5	-1.0	-1.9	4.3	1.7	-1.5	-1.1	-0.4	-1.9	-1.3	-3.8	3.1
May	4.4	6.0	2.0	1.2	3.3	4.3	4.9	0.3	0.5	-2.7	0.9	1.3	1.4	-0.4
June	4.2	4.9	3.1	1.8	2.3	3.4	9.1	2.2	2.2	0.7	0.5	1.2	1.6	2.0
July	4.1	5.3	1.8	-4.7	-0.1	2.6	18.0	-2.0	-0.4	-5.0	0.2	-1.6	0.0	-5.7
Aug.	4.1	5.9	1.5	0.0	3.1	0.4	2.4	-0.4	1.7	0.6	1.7	1.7	0.6	-0.2
Sep.	4.0	4.6	3.2	0.5	4.5	0.2	6.0	2.9	4.3	1.5	3.7	3.3	0.8	0.5
Oct.	4.2	5.2	2.5	-0.8	3.2	0.1	9.3	0.8	1.9	2.7	2.2	1.0	-1.9	-0.8
Nov.	4.4	5.9	2.4	-0.2	1.9	-1.0	7.6	2.2	1.5	0.0	4.0	1.6	3.3	-1.7
Dec.	4.2	5.1	2.8	0.6	2.5	-1.3	7.0	0.9	2.4	3.2	0.3	2.8	2.3	0.2
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

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



Table A7 : Tanzania External Debt

Millions of USD

Item	2005/06							
	2002/03	2003/04	2004/05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05
1. Overall total Debt Committed ²	7,606.6	8,088.3	8,345.1	8,335.5	8,401.0	8,361.9	8,276.2	8,138.9
Disbursed outstanding debt	6,233.0	6,678.3	6,799.5	6,845.8	6,913.8	6,944.7	6,855.7	6,733.9
Undisbursed debt	1,373.6	1,410.0	1,545.6	1,489.7	1,487.2	1,417.2	1,420.5	1,405.0
2. Disbursed Debt by Creditor Category ²	6,233.0	6,678.3	6,799.5	6,845.8	6,913.8	6,944.7	6,855.7	6,733.9
Bilateral	1,633.7	1,483.6	1,502.3	1,555.4	1,578.5	1,566.1	1,490.5	1,465.6
Multilateral	4,088.3	4,570.0	4,626.3	4,622.7	4,639.7	4,682.0	4,687.2	4,599.3
Commercial	330.6	391.2	416.4	413.4	441.1	439.6	429.1	420.6
Export credits	180.5	233.5	254.5	254.3	254.5	257.0	249.0	248.5
3. Disbursed Debt by Borrower Category ²	6,233.0	6,678.3	6,799.5	6,845.8	6,913.8	6,944.7	6,855.7	6,733.9
Central Government	5,708.0	6,092.0	5,830.5	5,856.9	5,934.8	5,966.5	5,879.6	5,779.6
Parastatal Companies	152.2	149.1	477.5	501.6	490.6	488.1	485.3	470.2
Private Sector	372.9	437.2	491.5	487.3	488.4	490.1	490.8	484.2
4. Disbursed Debt by Use of Fund ²	6,233.0	6,678.3	6,799.5	6,845.8	6,913.8	6,944.7	6,855.7	6,733.9
Balance of payment support	1,166.0	1,275.1	1,335.1	1,432.4	1,440.2	1,426.6	1,376.5	1,351.5
Transport & Telecommunication	1,047.8	1,085.1	1,073.5	1,077.3	1,103.5	1,104.2	1,075.1	1,053.0
Agriculture	1,034.7	967.7	1,077.8	1,059.1	1,068.5	1,059.7	1,058.1	1,040.7
Energy & Mining	895.0	924.3	1,070.3	916.2	891.3	943.7	942.5	929.2
Industries	411.2	352.7	405.5	403.4	404.7	401.3	400.3	386.9
Social Welfare & Education	421.7	333.3	611.7	626.2	629.3	632.9	637.8	627.5
Finance and Insurance	76.9	82.3	96.6	96.2	96.4	102.5	102.4	101.7
Tourism	88.2	80.2	80.1	79.8	80.0	79.8	80.1	79.3
Others	1,091.6	1,577.5	1,048.9	1,155.1	1,200.1	1,194.0	1,182.8	1,163.9
5. Total Amount of Loan Contracted ¹	277.3	229.7	376.4	2.2	0.2	1.0	0.2	0.3
Government	259.8	209.4	335.4	0.0	0.0	0.0	0.0	0.0
Parastatal Companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Private	17.5	20.3	41.0	2.2	0.2	1.0	0.2	0.3
6. Disbursement ¹	169.0	234.7	190.2	117.4	4.6	2.7	0.5	0.0
Government	163.7	205.9	161.4	115.1	0.1	2.7	0.1	0.0
Parastatal Companies	0.0	2.0	0.0	0.0	4.1	0.0	0.0	0.0
Private	5.3	26.8	28.8	2.3	0.4	0.0	0.4	0.0
7. Scheduled Debt Service ¹	369.0	334.4	355.1	373.6	373.6	373.6	373.6	373.6
8. Actual Debt Service ¹	112.4	99.3	112.9	4.8	13.5	10.0	3.3	6.8
Principal	86.6	68.6	86.0	3.2	12.8	6.9	0.4	3.9
Interest	25.8	30.6	26.9	1.6	0.8	3.1	2.9	2.9
Others	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
9. Net Transfers	51.3	106.6	77.3	103.1	-8.9	-7.3	-2.8	-6.8
10. Total Arrears by Creditor Category ²	2,056.5	2,297.8	2,470.5	2,257.8	2,283.7	2,278.1	2,224.8	2,194.5
Principal	1,021.4	1,119.1	1,135.2	1,093.7	1,106.3	1,106.9	1,064.8	1,049.0
Bilateral	611.6	658.8	669.4	622.1	630.1	625.1	601.7	591.0
Multilateral	45.1	28.3	5.9	8.4	8.3	9.0	9.0	8.5
Commercial	203.7	240.2	249.2	252.5	256.9	261.6	250.7	246.2
Other Private Creditors	161.0	191.8	210.7	210.7	211.0	211.2	203.4	203.3
Interest	1,035.1	1,178.7	1,335.3	1,164.1	1,177.4	1,171.2	1,160.0	1,145.5
Bilateral	577.7	693.0	818.8	646.1	655.1	651.7	632.5	623.3
Multilateral*	68.4	27.3	23.4	23.8	23.8	23.8	24.3	23.8
Commercial	268.3	287.1	333.7	334.3	337.9	335.5	341.2	332.0
Other Private Creditors	120.7	171.3	159.4	159.9	160.6	160.2	162.0	166.4
11. External Debt Stock	7,268.1	7,856.9	8,134.8	8,009.9	8,091.2	8,115.9	8,015.7	7,879.4
12. Domestic Debt Stock	841.6	885.3	952.6	1,421.7	1,435.1	1,466.8	1,500.4	1,423.7
Total Debt Stock (11 + 12)	8,109.7	8,742.1	9,087.4	9,431.6	9,526.3	9,582.7	9,516.1	9,303.1
Exchange Rate TZS/USD (End of Period)	1,047.4	1,107.3	1,126.3	1,135.7	1,133.6	1,136.3	1,141.6	1,183.2

NB. Multilateral*: multilateral arrears represents private sector arrears

¹ During the period. ² End of November 2005 cumulative.

Source: Bank of Tanzania



GLOSSARY

Average Inflation Rate

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

Currency in Circulation Outside Banks

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

Discount Rate

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

Exchange Rate

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

Lombard Facility

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

Money Supply, M

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

M1, Narrow Money,

Consists of currency in circulation outside banks and demand deposits.

M2, Broad Money

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

M3, Extended Broad Money

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

Nominal Exchange Rate

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

Underlying Inflation Rate

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

Repurchase Agreement (REPO)

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

Reserve Money (M0)

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

Weighted Annualized Yields of Treasury Bills

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



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