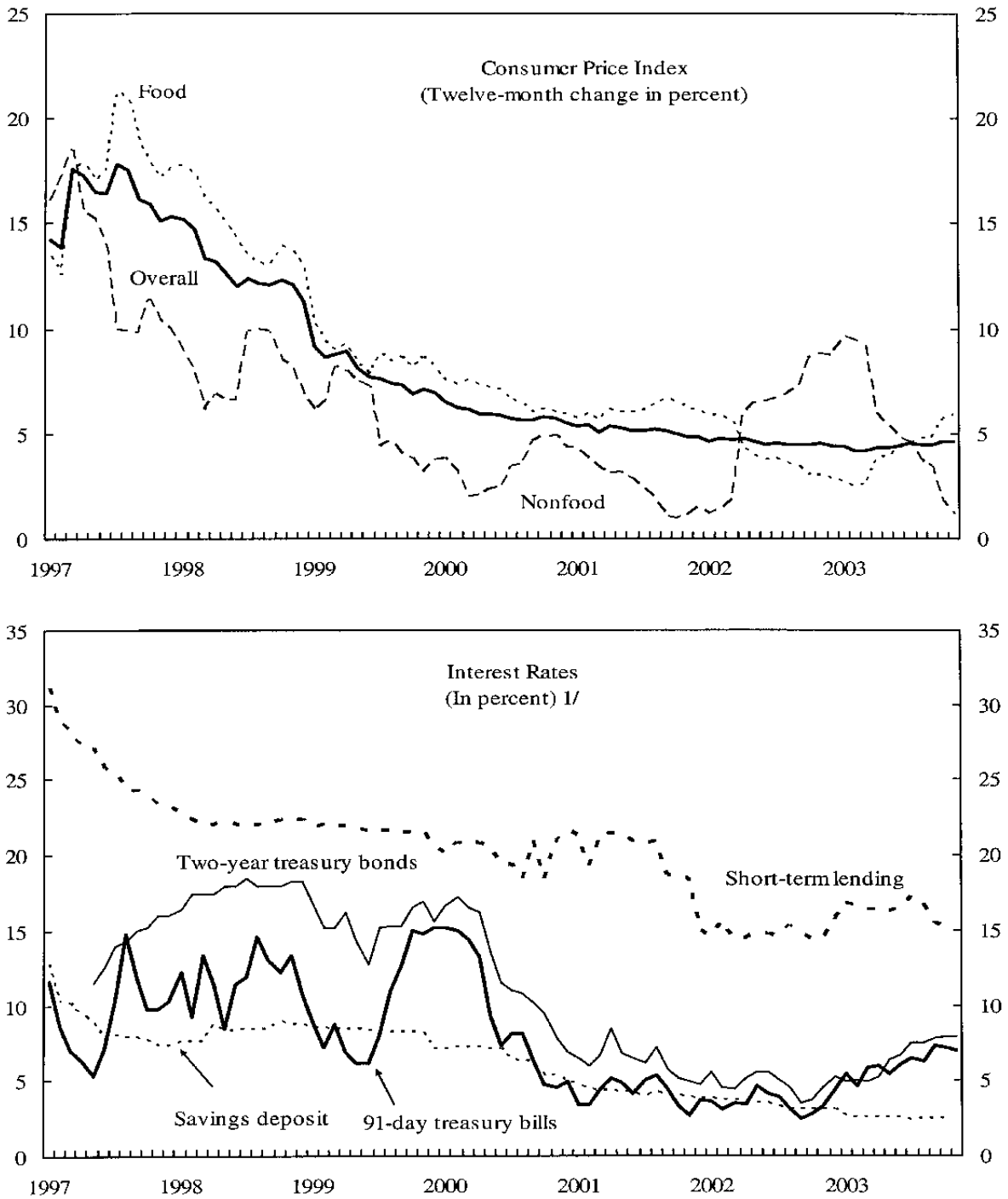


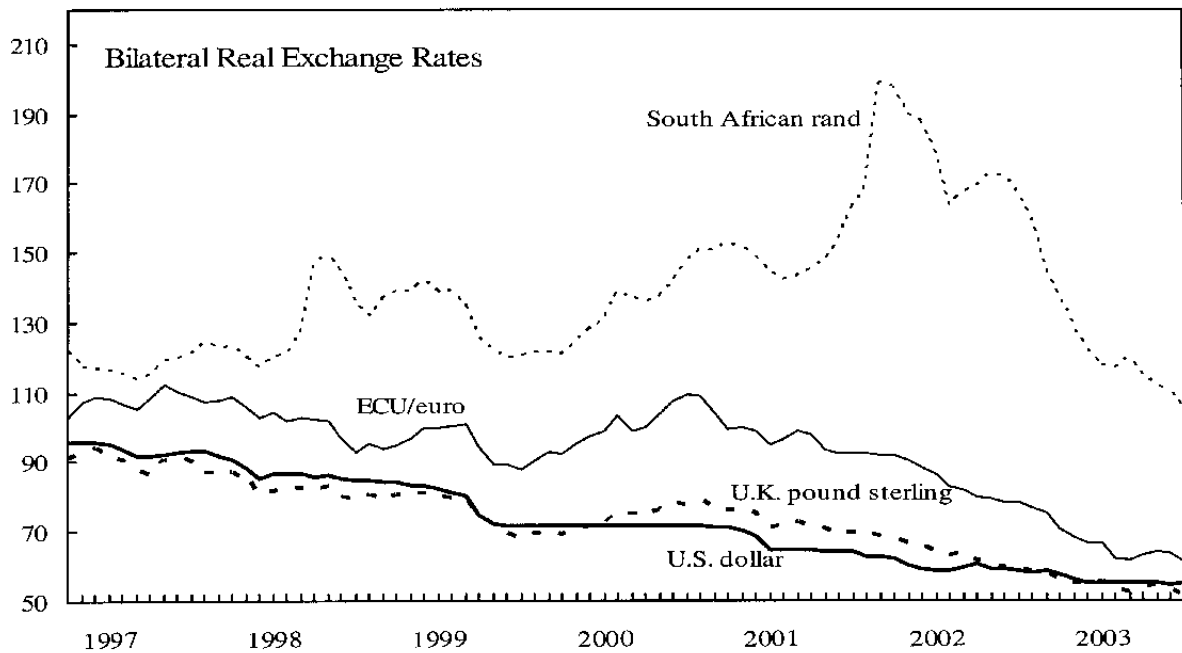
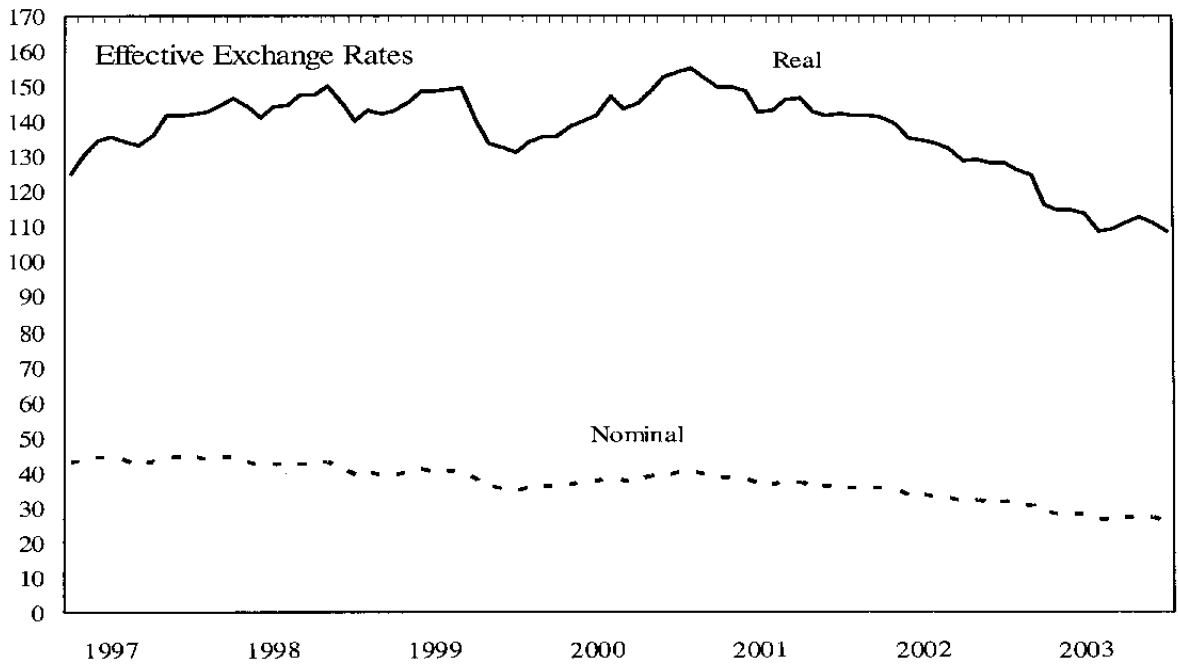
Figure 1. Tanzania: Prices and Interest Rates, January 1997-November 2003



Source: Tanzanian authorities.

1/ Savings and short-term lending rates information up to October 2003.

Figure 2. Tanzania: Exchange Rates, January 1997-October 2003  
(1995=100; foreign currency per Tanzania shilling)



Sources: Tanzanian authorities; and IMF, Information Notice System.

Table 1. Tanzania: Phasing of Performance Criteria, Reviews, and Disbursements Under the Poverty Reduction and Growth Facility (PRGF) Arrangement, 2003 -06

Expected Date	Expected Disbursement		Event
	Millions of SDRs	Percent of quota	
August 2003	2.8	1.4	Effectiveness of PRGF arrangement
September 2003	...	...	Test date for quantitative performance criteria for first review
February 2004	2.8	1.4	Completion of first review
March 2004	...	...	Test date for quantitative performance criteria for second review
August 2004	2.8	1.4	Completion of second review
September 2004	...	...	Test date for quantitative performance criteria for third review
February 2005	2.8	1.4	Completion of third review
March 2005	...	...	Test date for quantitative performance criteria for fourth review
August 2005	2.8	1.4	Completion of fourth review
September 2005	...	...	Test date for quantitative performance criteria for fifth review
February 2006	2.8	1.4	Completion of fifth review
March 2006	...	...	Test date for quantitative performance criteria for sixth review
August 2006	2.8	1.4	Completion of sixth review

Source: Fund staff.

Table 2. Tanzania: Selected Economic and Financial Indicators, 2001/02-2003/04

	2001/02	2002/03	2003/04	
			Prog.	Proj.
(Annual percentage change, unless otherwise specified)				
National income and prices <sup>1/</sup>				
Nominal GDP (billions of Tanzania shillings)	9,068	10,030	11,163	11,163
Real GDP growth	6.2	5.5	6.3	6.3
Real GDP per capita	4.2	3.5	4.0	4.0
Consumer prices (period average)	4.6	4.5	5.0	5.0
Consumer prices (end of period)	4.4	5.5	4.0	4.0
External sector				
Export, f.o.b (in U.S. dollars)	816.1	1,010.1	1,169.7	1,141.3
Imports, c.i.f. (in U.S. dollars)	-1,687.7	-1,823.6	-2,335.3	-2,351.8
Export volume	15.0	15.1	10.0	5.9
Import volume	2.6	1.8	14.6	20.5
Terms of trade	-6.0	-1.6	2.7	-0.3
Nominal effective exchange rate (end of period, depreciation -)	-12.3	-19.1	...	...
Real effective exchange rate (end of period, depreciation -)	-9.5	-17.4	...	...
Public finance				
Revenue (excluding grants)	12.2	16.7	14.7	15.0
Total expenditure	15.7	30.7	8.4	26.1
Current expenditure	18.7	27.1	12.0	29.1
Development expenditure and net lending	1.8	71.9	-3.1	17.2
Money and credit				
Broad money	22.1	22.7	17.2	19.1
Net foreign assets	31.4	46.2	9.7	11.3
Net domestic assets	4.4	-33.0	69.9	59.5
Credit to government <sup>2/</sup>	-34.4	-3.4	-136.8	28.4
Credit to nongovernment sector	27.4	36.6	24.5	32.2
Velocity of money (GDP/M3: average)	5.3	4.8	4.5	4.4
Treasury bill interest rate (in percent; end of period) <sup>3/</sup>	4.6	6.1	...	...
(In percent of GDP)				
Public finance				
Revenue (excluding grants)	12.1	12.8	13.1	13.2
Total grants	4.5	6.5	6.3	6.5
Expenditure	17.6	20.8	22.5	23.7
Overall balance (including grants)	-1.1	-1.7	-3.1	-4.0
Domestic financing <sup>4/</sup>	-0.3	-0.4	0.4	0.8
Savings and investment <sup>1/</sup>				
Resource gap	-8.1	-9.9	-10.4	-10.8
Investment	16.7	18.2	18.8	18.9
Government	3.3	4.4	5.1	5.1
Nongovernment	13.4	13.8	13.8	13.8
Gross domestic savings	8.6	8.4	8.4	8.0
External sector				
Current account balance (excluding official transfers)	-8.9	-7.7	-11.7	-12.2
Current account balance (including official transfers)	-4.8	-2.5	-6.1	-6.3
(In millions of U.S. dollars, unless otherwise indicated)				
Balance of payments current account balance (excluding grants; deficit -)	-832.4	-735.0	-1,161.5	-1,193.5
Overall balance of payments (deficit -)	-27.0	440.2	150.6	164.0
Gross official reserves	1,212.7	1,670.4	1,818.7	1,831.3
In months of imports of goods and nonfactor services	6.0	6.7	7.0	7.0

Sources: Tanzanian authorities; and Fund staff estimates and projections.

<sup>1/</sup> Data are on calendar-year basis. 2001/02 data are for calendar-year 2002.

<sup>2/</sup> The substantial increase in net credit to government in 2003 represents a net repayment to the banking system.

<sup>3/</sup> Weighted-average yield of 91-, 182-, and 364-day treasury bills.

<sup>4/</sup> Excluding new debt issued to recapitalize government-owned banks.

Table 3. Tanzania: Central Government Operations, 2001/02-2003/04 1/

	2001/02	2002/03		2003/04	
		Program	Actual	Prog.	Proj.
(In billions of Tanzania shillings)					
Total revenue	1,042.9	1,194.7	1,217.5	1,393.0	1,400.6
Tax revenue	938.5	1,088.6	1,105.4	1,275.2	1,273.2
Import duties	88.9	103.4	106.4	123.4	126.7
Value-added tax (VAT)	352.3	410.0	424.3	471.9	498.6
Excises	177.6	186.9	187.3	221.2	223.8
Income taxes	228.4	276.7	275.9	321.9	307.6
Other taxes	91.3	111.6	111.5	136.8	116.5
Nontax revenue	104.5	106.0	112.1	117.8	127.4
Total expenditure	1,521.9	1,869.4	1,989.5	2,383.3	2,509.6
Recurrent expenditure	1,171.4	1,426.6	1,488.6	1,803.4	1,922.4
Wages and salaries	342.0	411.5	397.8	464.1	464.1
Interest payments	121.1	114.5	99.8	149.4	152.8
Domestic	64.6	48.9	57.0	71.9	73.6
Foreign	56.5	65.7	42.8	77.6	79.2
Goods and services and transfers	708.3	900.6	991.1	1,189.9	1,305.5
Clearance of domestic arrears	59.1	0.0	0.0	0.0	0.0
Development expenditure	291.3	442.7	500.9	579.9	587.2
Domestically financed	50.2	95.7	95.7	140.1	140.1
Foreign financed	241.1	347.1	405.2	439.8	447.1
Adjustment to cash 2/	0.6	79.4	13.5	0.0	0.0
Overall balance, before grants	-479.5	-754.1	-785.5	-990.2	-1,109.0
Grants	385.2	505.9	622.3	666.0	684.8
Program (including basket grants) 3/	183.0	305.6	293.9	362.3	378.2
Project	140.2	148.9	255.5	223.9	223.2
HIPC grant relief	62.0	51.4	72.9	79.8	83.3
Overall balance after grants	-94.3	-248.2	-163.2	-324.3	-424.2
Financing	94.3	248.2	163.2	324.3	424.2
Foreign (net)	118.5	272.7	199.7	279.0	341.9
Foreign loans	187.4	358.6	301.1	408.9	447.1
Program (including basket loans) 3/	86.5	160.4	151.3	193.0	223.2
Project	100.9	198.2	149.7	215.9	223.8
Amortization	-68.9	-86.0	-101.3	-129.9	-105.1
Domestic (net)	-22.6	-14.4	-36.3	42.7	82.7
Bank financing	-59.2	-23.4	-10.3	42.7	45.8
Nonbank financing	36.6	9.0	-26.0	0.0	36.9
Amortization of parastatal debt	-1.6	-10.0	-0.3	-14.4	-14.4
Privatization proceeds	0.0	0.0	0.0	17.0	14.0
Memorandum items:					
Primary balance (excluding grants and foreign-financed development expenditure)	-117.3	-213.1	-280.5	-401.0	-509.1
Expenditure on defense and national service	118.6	...	...	...	...

Table 3. Tanzania: Central Government Operations, 2001/02-2003/04 1/ (concluded)

	2001/02	2002/03		2003/04	
		Prog.	Actual	Prog.	Proj.
(In percent of GDP, unless otherwise indicated)					
Total revenue	12.1	12.5	12.8	13.1	13.2
Tax revenue	10.9	11.4	11.6	12.0	12.0
Import duties	1.0	1.1	1.1	1.2	1.2
VAT	4.1	4.3	4.4	4.5	4.7
Excises	2.1	2.0	2.0	2.1	2.1
Income taxes	2.6	2.9	2.9	3.0	2.9
Other taxes	1.1	1.2	1.2	1.3	1.1
Nontax revenue	1.2	1.1	1.2	1.1	1.2
Total expenditure	17.6	19.6	20.8	22.5	23.7
Recurrent expenditure	13.6	14.9	15.6	17.0	18.1
Wages and salaries	4.0	4.3	4.2	4.4	4.4
Interest payments	1.4	1.2	1.0	1.4	1.4
Domestic	0.7	0.5	0.6	0.7	0.7
Foreign	0.7	0.7	0.4	0.7	0.7
Goods and services and transfers	8.2	9.4	10.4	11.2	12.3
Clearance of domestic arrears	0.7	0.0	0.0	0.0	0.0
Development expenditure	3.4	4.6	5.2	5.5	5.5
Domestically financed	0.6	1.0	1.0	1.3	1.3
Foreign financed	2.8	3.6	4.2	4.2	4.2
Adjustment to cash 2/	0.0	0.8	0.1	0.0	0.0
Overall balance, before grants	-5.6	-7.9	-8.2	-9.3	-10.5
Grants	4.5	5.3	6.5	6.3	6.5
Program (including basket grants) 3/	2.1	3.2	3.1	3.4	3.6
Project	1.6	1.6	2.7	2.1	2.1
HIPC grant relief	0.7	0.5	0.8	0.8	0.8
Overall balance after grants	-1.1	-2.6	-1.7	-3.1	-4.0
Financing	1.1	2.6	1.7	3.1	4.0
Foreign (net)	1.4	2.9	2.1	2.6	3.2
Foreign loans	2.2	3.8	3.2	3.9	4.2
Program (including basket loans) 3/	1.0	1.7	1.6	1.8	2.1
Project	1.2	2.1	1.6	2.0	2.1
Amortization	-0.8	-0.9	-1.1	-1.2	-1.0
Domestic (net)	-0.3	-0.2	-0.4	0.4	0.8
Bank financing	-0.7	-0.2	-0.1	0.4	0.4
Nonbank financing	0.4	0.1	-0.3	0.0	0.3
Amortization of parastatal debt	0.0	-0.1	0.0	-0.1	-0.1
Privatization proceeds	0.0	0.0	0.0	0.2	0.1
Memorandum items:					
Primary balance (excluding grants and foreign-financed development expenditure)	-1.4	-2.2	-2.9	-3.8	-4.8
Share of expenditures financed from foreign sources (percent) 4/	36.0	44.2	44.2	42.8	43.3
Share of current expenditures financed from foreign sources (percent) 5/	23.0	32.7	29.9	30.8	31.3
Ratio of recurrent expenditures to domestic revenues (percent)	112.3	119.4	122.3	129.5	137.3
Priority sector spending	8.8	10.1	10.2	11.5	10.8
Expenditure on defense and national service	1.4	...	...	...	...
Nominal GDP (market prices; billions of Tanzania shillings)	8,627	9,549	9,549	10,594	10,594
Foreign grants and loans (net)	5.8	8.2	8.6	8.9	9.7

Sources: Ministry of Finance; and Fund staff projections.

1/ Fiscal years run from July to June.

2/ Unidentified financing (-)/expenditure (+). Includes expenditure carryover from the previous fiscal year.

3/ Basket funds are sector-specific accounts established by the government for channeling donor support to fund specific activities in different sectors.

4/ Defined as a ratio of gross grant and loan inflows to a sum of total expenditures and amortization payments.

5/ Defined as a ratio of current expenditures to a sum of program grants and loans (including basket funding).

Table 4. Tanzania: Central Government Expenditure on Priority Sectors, 2001/02 - 2003/04 1/

(In billions of Tanzania shillings, unless otherwise indicated)

	2001/02	2002/03		2003/04	
		Prog.	Actual	Prog.	Proj. 4/
Total expenditure in priority sectors	761.9	966.2	973.7	1,219.9	1,139.5
(in percent of GDP)	8.8	10.1	10.2	11.5	10.8
(in percent of total expenditure)	52.1	51.7	48.9	51.2	45.4
Education	344.9	414.8	436.2	480.6	490.1
Health	142.1	172.3	186.7	231.2	210.1
Water	32.5	58.5	51.9	81.5	61.6
Agriculture (research and extension)	31.9	62.6	60.2	118.7	90.5
Lands	8.1	21.2	20.1	6.0	6.0
Roads	179.6	208.4	190.2	249.6	228.5
Judiciary	18.8	23.8	23.2	32.2	32.3
TACAIDS 2/	4.0	4.5	5.3	20.1	20.3
Recurrent expenditure in priority sectors	497.6	681.6	724.6	808.3	824.3
(in percent of GDP)	5.8	7.1	7.6	7.6	7.8
(in percent of total recurrent expenditure)	42.5	47.8	48.7	44.8	42.9
Education	282.1	400.0	422.9	453.9	460.6
Health	90.9	128.6	149.1	170.7	175.6
Water	15.5	16.9	16.5	17.4	17.5
Agriculture (research and extension)	17.2	34.2	36.0	47.6	47.7
Lands	7.4	4.8	4.8	5.4	5.4
Roads	65.7	73.6	71.9	84.3	84.5
Judiciary	14.8	18.9	18.9	24.8	24.9
TACAIDS 2/	4.0	4.5	4.5	4.3	8.1
Development expenditure in priority sectors	264.2	284.6	249.1	411.6	315.2
(in percent of GDP)	3.1	3.0	2.6	3.9	3.0
(in percent of total development expenditure)	90.7	64.3	49.7	71.0	53.7
Education	62.8	14.8	13.3	26.8	29.5
Health	51.2	43.7	37.6	60.5	34.5
Water	17.0	41.6	35.4	64.1	44.2
Agriculture (research and extension)	14.7	28.4	24.2	71.1	42.7
Lands	0.7	16.4	15.3	0.6	0.6
Roads	113.9	134.8	118.3	165.3	144.0
Judiciary	4.0	4.9	4.2	7.4	7.4
TACAIDS 2/	0.0	0.0	0.8	15.8	12.2
Memorandum items:					
Total expenditure 3/	1,462.8	1,869.4	1,989.5	2,383.3	2,509.6
Recurrent expenditure	1,171.4	1,426.6	1,488.6	1,803.4	1,922.4
Development expenditure	291.3	442.7	500.9	579.9	587.2
GDP (market prices)	8,627	9,563	9,563	10,594	10,594

Source: Ministry of Finance.

1/ Fiscal year runs from July to June.

2/ Government agency created in 2001 to coordinate AIDS-related interventions.

3/ Excludes clearance of domestic arrears and recapitalization of banks.

4/ Priority sector expenditures have been revised downwards, mainly due to corrections to the earlier estimate of foreign-financed development expenditure.

Table 5. Tanzania: Summary Accounts of the Bank of Tanzania, December 2002 - June 2004  
(In billions of shillings; end of period)

	2002		2003				2004				
	Dec.	June	Act.	Prog.	Act.	Dec.	Est.	Mar.	June	Est.	
	Act.	Est.		Act.	Prog.	Prog.		Prog.	Prog.		
Net foreign assets	991.3	1,249.3	1,191.8	1,348.1	1,436.6	1,360.3	1,556.7	1,387.6	1,510.9	1,411.8	1,411.9
Net international reserves	1,033.2	1,291.1	1,233.6	1,389.9	1,478.4	1,402.2	1,598.5	1,429.5	1,552.7	1,453.7	1,453.8
(in millions of U.S. dollars)	1,057.9	1,195.5	1,178.8	1,287.0	1,415.2	1,298.3	1,480.1	1,323.6	1,437.7	1,346.0	1,346.1
Medium- and long-term foreign liabilities	-41.8	-41.8	-41.8	-41.8	-41.8	-41.8	-41.8	-41.8	-41.8	-41.8	-41.8
Net domestic assets	-295.6	-556.6	-552.2	-584.4	-748.7	-534.2	-730.6	-579.4	-702.6	-583.9	-599.4
Credit to government (net, excl. liquidity paper) 1/	-101.7	-133.5	-155.7	-326.8	-282.2	-284.0	-350.0	-295.1	-200.0	-96.4	-100.0
Liquidity paper 2/	-244.9	-292.6	-312.1	-127.6	-380.3	-120.4	-280.2	-154.0	-402.3	-357.0	-399.1
Other items (net)	50.9	-130.5	-84.4	-130.0	-86.2	-129.8	-100.3	-130.3	-100.3	-130.4	-100.3
Reserve money	695.7	692.7	639.7	763.7	687.9	826.1	826.1	808.3	808.3	828.0	812.5
Currency outside banks	495.4	490.8	473.7	543.3	504.9	590.4	590.4	591.5	580.3	605.8	570.1
Bank reserves	200.3	202.0	166.0	220.5	183.0	235.8	235.8	216.8	228.0	222.2	242.4
Currency in banks	51.2	53.2	48.9	53.5	58.7	53.7	50.8	55.6	59.7	56.1	61.1
Deposits	149.1	148.8	117.1	167.0	124.3	182.1	184.9	161.2	168.3	166.1	181.4
Required reserves (calculated) 3/	129.6	141.0	148.8	152.0	149.9	161.6	163.1	161.0	160.1	165.4	175.2
Excess reserves (calculated)	19.4	7.8	-31.7	15.0	-25.6	20.4	21.9	0.2	8.2	0.7	6.2

Sources: Bank of Tanzania; and Fund staff estimates and projections.

1/ Changed December and March projections reflect the changed profile of inflows of foreign donor assistance and of drawdowns of government deposits at the BoT

2/ Upward revision of liquidity paper reflects BoT's decision for a more extensive use of market operations.

3/ Calculated as reserve requirement times banks' deposits minus half of bank cash in vault.



Table 6. Tanzania: Monetary Survey, December 2002 - June 2004  
(In billions of shillings, unless otherwise indicated; end of period)

	2002		2003				2004				
	Dec.	June	Sep.		Dec.	March		June			
	Act.	Prog.	Actual	Prog.	Act.	Prog.	Prog.	Proj.	Prog.	Proj.	
Net foreign assets	1,527.7	1,842.4	1,848.1	1,941.2	2,051.9	1,969.6	2,192.8	1,996.9	2,147.0	2,021.1	2,056.7
Net domestic assets	520.0	324.0	357.8	389.3	245.3	505.7	282.5	483.1	333.0	518.8	570.5
Domestic credit	802.8	744.2	820.0	652.8	706.8	695.8	670.9	846.9	843.4	941.2	1,077.7
Credit to government (net) 1/	232.1	143.7	161.5	-6.3	-58.2	-1.3	-142.2	111.7	6.8	186.4	207.4
Credit to nongovernment sector	570.7	600.5	658.5	659.1	765.0	697.1	813.0	735.2	836.6	754.8	870.3
Other items (net)	-282.8	-420.2	-462.2	-263.5	-461.5	-190.1	-388.4	-363.7	-510.4	-422.4	-507.2
Of which : liquidity paper (issued by BoT)	-244.9	-292.6	-312.1	-127.6	-380.3	-120.4	-280.2	-154.0	-402.3	-357.0	-399.1
M3	2,047.7	2,166.5	2,205.9	2,330.6	2,297.1	2,475.3	2,475.3	2,480.0	2,480.0	2,539.9	2,627.2
Foreign currency deposits	540.3	564.2	647.1	588.0	647.6	673.2	691.2	738.0	702.0	707.6	734.4
M2	1,507.4	1,602.3	1,558.8	1,742.5	1,649.5	1,802.1	1,784.1	1,742.0	1,778.0	1,832.2	1,892.8
Currency in circulation	495.4	490.8	473.7	543.3	504.9	590.4	590.4	591.5	580.3	605.8	570.1
Deposits (in Tanzania shillings)	1,011.9	1,111.5	1,085.1	1,199.3	1,144.6	1,211.8	1,193.7	1,150.6	1,197.7	1,226.5	1,322.7
Memorandum items:											
M3 growth (12-month percent change)	25.1	20.5	22.7	20.7	19.0	20.9	20.9	18.8	18.8	17.2	19.1
Foreign currency deposits ( 12-month percent change)	34.0	21.5	39.4	23.0	35.5	24.6	27.9	26.1	19.9	25.4	13.5
M2 growth (12-month percent change)	22.2	20.2	16.9	19.9	13.5	19.6	18.4	16.0	18.4	14.4	21.4
Credit to nongovernment sector (12-month percent change)	41.1	24.6	36.6	20.6	39.9	22.2	42.5	22.9	39.9	25.7	32.2
Reserve money (12-month percent change)	19.1	20.9	11.6	-4.0	-13.6	18.7	18.7	24.4	24.4	19.5	27.0
Currency/M3 (in percent)	24.2	22.7	21.5	23.3	22.0	23.9	23.9	23.9	23.4	23.9	21.7
Reserve money multiplier (M3/reserves)	2.9	3.1	3.4	3.1	3.3	3.0	3.0	3.1	3.1	3.1	3.2
Velocity of money (M3; average) 2/	4.9	4.8	4.8	...	...	...	...	...	...	...	...
Velocity of money (M3; end-period)	4.4	4.4	4.3	...	...	...	...	...	...	...	...
Net foreign currency position (DMBs; in foreign currency)	160.2	222.1	175.1	191.9	165.7	99.4	107.6	39.4	97.6	2.4	2.3

Sources: Bank of Tanzania (BoT); and Fund staff estimates and projections.

1/ Changed December and March projections largely reflect new information on the timing of donor assistance.

2/ Percentage changes of June 2003 program figures refer to the estimated outcome for June 2003, reported in the Country Report No. 03/238.

Table 7. Tanzania: Balance of Payments, 2001/02-2007/08  
(In millions of U.S. dollars, unless otherwise indicated)

	2001/02	2002/03	2003/04	2003/04	2004/05	2005/06	2006/07	2007/08
	Act.	Act.	Prog			Proj.		
Current account	-454.8	-239.7	-606.9	-619.4	-513.9	-514.1	-515.3	-507.5
Trade balance	-737.9	-649.6	-957.8	-999.0	-963.8	-966.3	-934.3	-950.2
Exports, f.o.b.	816.1	1,010.1	1,169.7	1,141.3	1,262.7	1,375.9	1,470.1	1,585.4
Traditional	194.3	223.7	244.6	258.2	264.1	289.2	314.7	340.2
Nontraditional	621.8	786.4	925.1	883.1	998.7	1,086.8	1,155.3	1,245.2
Imports, f.o.b.	-1,554.0	-1,659.7	-2,127.5	-2,140.3	-2,226.5	-2,342.2	-2,404.3	-2,535.6
Services (net)	-23.0	-52.9	-174.1	-150.0	-126.7	-126.2	-131.8	-139.2
Income (net)	-71.5	-32.5	-29.5	-44.5	-36.4	-32.9	-72.9	-70.7
Of which: interest payments due	-113.5	-73.5	-90.2	-101.7	-81.5	-67.1	-65.4	-62.4
Of which: interest on public debt	-88.9	-62.2	-74.6	-86.7	-66.6	-56.1	-57.5	-56.2
Of which: interest on central govt. debt	-69.9	-43.5	-61.7	-73.6	-59.5	-50.5	-51.8	-50.5
Current transfers (net)	377.6	495.3	554.5	574.1	612.9	611.3	623.7	652.5
Of which: official transfers	407.9	488.3	550.1	572.0	613.5	651.3	663.7	692.5
Of which: program grants	184.6	290.3	335.5	353.5	390.4	408.9	428.8	449.4
Of which: HIPC Initiative relief grants	64.0	68.6	73.9	78.0	79.7	96.2	86.0	92.0
Capital account	322.5	294.5	307.8	306.2	289.3	298.3	304.9	306.8
Of which: project grants 4/	294.3	264.4	268.9	268.9	254.3	263.3	269.9	271.8
Financial account	98.8	356.2	449.7	477.2	421.4	414.2	431.2	450.8
Direct investment	283.8	244.1	254.0	254.0	266.7	280.0	294.1	301.2
Portfolio investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other investment	-185.0	112.1	195.7	223.2	154.7	134.1	137.1	149.6
Of which: government scheduled amortization	-208.2	-108.7	-121.3	-114.6	-110.7	-112.7	-109.6	-109.6
Of which: central government amortization (actual)	-59.8	-100.1	-107.0	-97.7	-105.9	-101.4	-98.6	-98.6
Errors and omissions	6.5	29.2	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance	-27.0	440.2	150.6	164.0	196.8	198.3	220.7	250.1
Financing	27.0	-440.2	-150.6	-164.0	-196.8	-198.3	-220.7	-250.1
BoT reserve assets (increase, -)	-231.5	-458.0	-147.5	-160.9	-156.0	-145.1	-161.5	-192.3
Use of Fund credit	48.6	4.6	-3.1	-3.1	-40.8	-53.2	-59.2	-57.7
Exceptional financing	209.9	13.2	0.0	0.0	0.0	0.0	0.0	0.0
Change in arrears (increase +) 1/	111.7	13.2	0.0	0.0	0.0	0.0	0.0	0.0
Debt rescheduled	98.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items:								
Gross official reserves (BoT)	1,212.7	1,670.4	1,818.7	1,831.3	1,987.3	2,132.5	2,294.0	2,486.3
In months of imports of goods and services (next year)	6.0	6.7	7.0	7.0	7.3	7.6	7.8	7.7
Current account deficit (as percent of GDP)								
Excluding official current transfers	-8.9	-7.7	-11.7	-12.2	-10.4	-9.4	-8.8	-8.3
Including official current transfers	-4.8	-2.5	-6.1	-6.3	-4.7	-4.3	-4.0	-3.6
World oil price (U.S.dollar/barrel) 2/	24.6	25.7	25.0	25.0	23.5	22.8	21.8	21.5
Aid dependency 3/ 4/	9.5	10.7	10.1	12.8	11.3	10.5	9.9	9.5
Direct foreign investment (as percentage of GDP) 5/	3.0	2.6	2.6	2.6	2.5	2.3	2.3	2.2
GDP	9,378	9,557	9,956	9,809	10,869	11,984	12,917	13,949

Sources: Tanzanian authorities; and Fund staff estimates and projections.

1/ Arrears are on non-Paris Club official and commercial debt, which is subject to rescheduling.

2/ Oil price is average of spot prices for U.K. Brent, Dubai, and West Texas Intermediate.

3/ Program and project assistance (BOP definition) as percentage of GDP.

4/ Project assistance series revised in 2001/02.

5/ Decline in foreign direct investment ratio in 2001/02 is partly due to data coverage issues.

Table 8. Tanzania: Disbursements of Program Assistance, 2002/03- 2003/04 1/  
(In millions of U.S. dollars)

	2002/03				2003/04								FY 2003/04	
	Sep.	Dec.	March	June	Sep.		Dec.	March		June		Prog.	Rev.	
	Act.	Act.	Act.	Act.	Prog.	Act.	Prog.	Rev.	Prog.	Rev.				
Grants	35.2	122.3	42.4	90.3	141.7	159.5	77.3	106.9	67.8	52.1	48.6	35.0	335.5	353.5
Multilateral	0.0	0.0	0.0	42.8	32.0	32.0	0.0	29.1	29.1	0.0	0.0	0.0	61.1	61.1
EU PRBS grants 2/	0.0	0.0	0.0	42.8	0.0	0.0	0.0	29.1	29.1	0.0	0.0	0.0	29.1	29.1
EU grants for arrears' clearance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
World Bank	0.0	0.0	0.0	0.0	32.0	32.0	0.0	0.0	0.0	0.0	0.0	0.0	32.0	32.0
Bilateral	35.2	122.3	42.4	47.5	109.7	127.5	77.3	77.8	38.7	52.1	48.6	35.0	274.3	292.4
PRBS 2/	14.7	101.5	27.3	7.1	98.8	101.1	55.7	65.9	8.9	8.9	0.0	0.0	163.4	175.9
Sweden	12.8	0.0	0.0	0.0	12.1	13.1	0.0	0.0	0.0	0.0	0.0	0.0	12.1	13.1
Netherlands	0.2	15.2	0.0	0.0	0.0	0.1	15.5	23.8	0.0	0.0	0.0	0.0	15.5	23.9
Ireland	0.0	5.9	8.3	0.0	0.0	0.0	0.0	0.0	8.9	8.9	0.0	0.0	8.9	8.9
United Kingdom	0.0	54.7	16.1	0.0	64.7	66.9	30.7	30.7	0.0	0.0	0.0	0.0	95.4	97.6
Norway	0.0	13.7	0.0	0.0	8.2	10.6	5.5	2.7	0.0	0.0	0.0	0.0	13.7	13.3
Finland	1.7	0.0	0.0	0.0	1.6	1.8	0.0	0.0	0.0	0.0	0.0	0.0	1.6	1.8
Denmark	0.0	11.0	0.0	0.0	5.5	6.2	4.0	4.0	0.0	0.0	0.0	0.0	9.5	10.2
Switzerland	0.0	0.0	0.0	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Germany	0.0	0.0	0.0	0.0	4.7	0.0	0.0	4.7	0.0	0.0	0.0	0.0	4.7	4.7
Japan	0.0	1.0	2.9	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Canada	0.0	0.0	0.0	1.0	2.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.1
Sectoral baskets	20.5	20.8	15.1	40.4	10.9	26.3	21.7	11.9	29.8	43.2	48.6	35.0	110.9	116.5
Belgium	0.0	0.0	0.0	0.0	0.0	4.3	0.0	0.0	3.8	0.0	0.0	0.0	3.8	4.3
Canada	0.3	0.3	7.4	0.0	0.6	0.0	0.6	0.0	13.6	10.0	0.0	4.7	14.7	14.7
Denmark	3.8	0.0	2.9	0.0	5.3	4.3	0.0	0.9	4.1	4.2	0.0	0.0	9.4	9.4
EU	0.0	0.0	0.0	14.0	0.0	0.0	0.0	0.0	0.0	10.0	17.6	7.6	17.6	17.6
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.0	0.5	2.0	0.0	2.0	2.0
Ireland	1.9	3.6	0.0	1.2	1.6	2.4	3.0	2.5	0.0	1.5	1.4	1.6	7.9	7.9
Netherlands	4.1	10.0	0.0	17.2	3.2	9.4	7.7	2.1	0.0	9.9	15.5	10.0	26.4	31.3
Norway	0.0	3.4	3.4	0.0	0.0	3.5	4.8	2.1	4.8	3.4	0.0	0.7	9.6	9.6
Sweden	0.0	0.0	0.0	6.3	0.0	0.0	0.0	0.3	0.0	0.0	10.2	9.9	10.2	10.2
Switzerland	0.0	2.0	0.5	0.0	0.0	1.8	3.7	0.0	0.0	1.4	0.0	0.5	3.7	3.7
United Kingdom	10.2	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	2.4	0.0	0.0	2.4	2.4
Germany	0.2	1.5	0.9	0.0	0.3	0.7	1.9	2.6	1.1	0.0	0.0	0.0	3.3	3.3
Loans	2.4	0.0	45.1	98.3	125.0	104.0	0.0	53.6	54.6	51.9	0.0	0.0	179.6	209.6
Multilateral	2.4	0.0	45.1	98.3	125.0	104.0	0.0	53.6	54.6	51.9	0.0	0.0	179.6	209.6
World Bank 3/	2.4	0.0	45.1	98.3	100.0	104.0	0.0	0.0	54.6	51.9	0.0	0.0	154.6	155.9
African Development Bank	0.0	0.0	0.0	0.0	25.0	0.0	0.0	53.6	0.0	0.0	0.0	0.0	25.0	53.6
Bilateral	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total program assistance	37.6	122.3	87.5	188.7	266.7	263.5	77.3	160.6	122.4	104.1	48.6	35.0	515.1	563.1
Cumulative from beginning of fiscal year	37.6	160.0	247.4	436.1	266.7	263.5	344.0	424.0	466.5	528.1	515.1	563.1	...	...

Sources: Tanzanian authorities; and donors.

1/ Fiscal years run from July to June.

2/ Poverty reduction budget support.

3/ Including loan baskets.

Table 9. Tanzania: Status of HIPC Initiative Agreements by Creditor

	Debt Relief in Nominal Terms (Millions of U.S. dollars)	Agreement to Provide Relief Beyond HIPC?	Comments
<b>Multilateral creditors</b>			
IMF	120	n.a.	Provided grants through PRGF-HIPC Trust Fund. Average of 48 percent of debt-service payments.
AfDB/AfDF	190.7	n.a.	Debt service reduction of 80 percent annually until debt relief is delivered.
IDA/IBRD	1,157.1	n.a.	Debt-service relief of 69.1 percent and 63.6 percent on debts outstanding at end-June 1999 and 2001, respectively.
IFAD	24.5	n.a.	Reduction of 100 percent of debt -service due
BADEA	14.7	n.a.	Concessional rescheduling of the debt and reduced interest rate.
OPEC	9.8	n.a.	Concessional loan and restructuring of existing debt.
NDF	3.2	n.a.	Contribution to HIPC Initiative Trust Fund , to pay 100 percent debt service.
EADB	0.6	n.a.	Reduced interest rate and extension of repayment period.
EU	37.9	n.a.	Provided grants at the completion point to pay off outstanding loans.
<b>Paris Club creditors</b>			
Austria	31.3	Yes	Bilateral agreement for PC VII was signed on May 7, 2002.
Belgium	74.3	No	Bilateral agreement for PC VII was signed on November 29, 2002.
Brazil	0.0	Pending	Reminder letter to submit draft agreement for PC VII sent June 2, 2003. Awaiting reply.
Canada	31.1	No	Bilateral agreement for PC VII was signed on October 16, 2002.
France	89.9	Yes	Bilateral agreement for PC VII was signed on March 6, 2003.
Germany	56.2	Yes	Bilateral agreement for PC VII was signed on April 29, 2003.
Italy	132.0	Yes	Bilateral agreement for PC VII was signed on May 7, 2002.
Japan	0.0	Pending	Awaiting agreement on PC VI and VII.
Norway	11.1	Yes	Bilateral agreement for PC VII was signed on December 5, 2002.
Netherlands	99.1	Yes	Bilateral agreement for PC VII was signed on March 17, 2002.
Russia	69.6	No	Bilateral agreement for PC VII was signed on July 18, 2003.
United Kingdom	129.2	Yes	Letter dated July 4, 2002 indicating amount of relief under PC VII.
United States	21.3	Yes	Bilateral agreement for PC VII was signed on July 4, 2002.
<b>Non-Paris Club bilateral creditors</b>			
Algeria	0	No	Request letter for debt relief under PC VII terms sent April 17, 2002. Awaiting reply.
Angola	0	No	Request letter for debt relief under PC VII terms sent April 17, 2002. Awaiting reply.
Bulgaria	0	No	Tanzanian delegation is conducting active negotiations.
China	37.7	n.a.	15 interest-free loans maturing December 31, 1999 cancelled.
Czech Republic	0	No	The debt has been assigned to Lazard.
Egypt	0	No	Request letter for debt relief under PC VII terms sent April 17, 2002. Awaiting reply.
Hungary	0	No	Request letter for debt relief under PC VII terms sent April 17, 2002. Awaiting reply.
Iran	0	No	Tanzanian delegation is currently conducting active negotiations.
Iraq	0	No	Request letter for debt relief under PC VII terms sent April 17, 2002. Awaiting reply.
Kuwait	n.a.	n.a.	Signed bilateral agreement on March 8, 2003. Rescheduled 9 pre-cutoff-date loans on concessional terms.
Libya	0	No	Tanzanian delegation is conducting active negotiations.
Romania	0	No	Request letter for debt relief under PC VII terms sent April 17, 2002. Awaiting reply.
United Arab Emirate	0	No	Request letter for debt relief under PC VII terms sent April 17, 2002. Awaiting reply.
Yugoslavia	0	No	Request letter for debt relief under PC VII terms sent April 17, 2002. Awaiting reply.
Zambia	0	No	Request letter for debt relief under PC VII terms sent April 17, 2002. Awaiting reply.
Zimbabwe	0	No	Diminimus clause

Source: Bank of Tanzania.

Table 10. Tanzania: External Debt Indicators, 2001/02–2011/12 1/  
After bilateral relief beyond the enhanced HIPC Initiative

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
	(In percent)										
<b>Debt Indicators at the HIPC Completion Point 2/</b>											
NPV of debt-to-GDP ratio	14.2	14.7	14.8	14.8	14.9	15.1	15.1	15.1	15.0	14.9	14.9
NPV of debt-to-exports ratio 3/ 4/	105.2	112.1	115.6	117.0	117.3	117.5	116.8	116.2	115.2	114.3	114.4
NPV of debt-to-revenue ratio 5/	126.5	125.2	124.4	123.4	120.7	118.7	116.8	113.5	110.5	106.5	103.9
Debt-service-to-export ratio 6/	6.4	5.7	6.2	6.9	6.4	5.7	5.6	5.3	5.6	5.6	4.9
Debt service-to-revenue ratio 5/	8.0	6.6	7.1	7.9	7.1	6.3	6.0	5.6	5.8	5.6	4.8
<b>Updated Debt Indicators 7/</b>											
NPV of debt-to-GDP ratio	14.8	15.7	16.4	16.2	15.6	15.8	15.6	16.3	14.7	14.3	14.2
NPV of debt-to-exports ratio 3/ 4/	98.3	97.0	96.4	94.5	93.0	94.7	95.2	93.8	91.2	89.2	89.9
NPV of debt-to-revenue ratio 5/	122.3	124.5	124.1	118.4	109.3	106.3	104.6	107.1	97.0	94.3	93.3
Debt-service-to-export ratio 6/	6.0	4.8	5.2	5.9	5.5	5.0	5.0	4.5	4.9	4.9	4.4
Debt service-to-revenue ratio 5/	8.0	6.9	7.4	8.0	6.9	6.0	5.8	5.6	5.6	5.5	4.7
<b>Memorandum items:</b>											
	(In millions of U.S. dollars)										
NPV of debt after bilateral debt relief beyond enhanced HIPC Initiative assistance	1,386	1,500	1,628	1,763	1,871	2,041	2,183	2,318	2,437	2,555	2,724
Debt service after bilateral relief beyond enhanced HIPC Initiative assistance	90	83	97	119	119	115	122	122	140	149	139
GDP	9,378	9,557	9,956	10,869	11,984	12,917	13,949	14,206	16,533	17,829	19,217
Exports of goods and services	1,495	1,716	1,853	2,029	2,155	2,285	2,439	2,689	2,883	3,027	3,178
Exports of goods and services (3-year mvg. avg.)	1,411	1,547	1,688	1,866	2,012	2,156	2,293	2,471	2,670	2,866	3,029
Government revenue	1,134	1,205	1,312	1,489	1,712	1,920	2,087	2,165	2,513	2,710	2,921
Projected disbursements of new loans	...	314	352	385	275	418	365	348	350	354	443

Sources: Tanzanian authorities; and IMF staff estimates.

1/ All debt indicators refer to public and publicly guaranteed debt and are defined after rescheduling, unless otherwise indicated. All years on July-June basis.

2/ Estimated in November 2001 based on end-June 2001 debt data.

3/ Based on a three-year average of exports (e.g., export average over 1999/00–2001/02 for NPV of debt-to-exports ratio in 2001/02).

4/ Assuming full delivery of HIPC Initiative assistance at end-June 2001.

5/ Revenue is defined as central government revenue, excluding grants.

6/ Based on current year exports.

7/ Estimated in Jan. 2004 based on completion point debt data, new disbursements and other macroeconomic developments.