ECONOMISTS TALK

Business and Economic Magazine

What's Next For Tanzania Economy?

Economic Research Center 2024

Tanzania Economic Updates

Invest In Tanzania

TICGL-Economic Consulting Group

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ECONOMIC RESEARCH CENTER

ECONOMISTS TALK MAGAZINE

Monthly Edition

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Economic Insights: Analyzing Key Indicators in Tanzania - Inflation, Current Account, Money Supply, Exports & Imports, Budget, and National Debts

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"I hope this message finds you well. We are excited to extend an invitation to your esteemed organization to partner with us as a sponsor for our upcoming research initiative in 2024. Our project aims to delve into the intricacies of doing business in Tanzania, focusing on the challenges and opportunities faced by small businesses (MSME's), Tax Reforms and Policy Planning as well as conducting a comprehensive evaluation of public investment and budgetary measures in the region" ….

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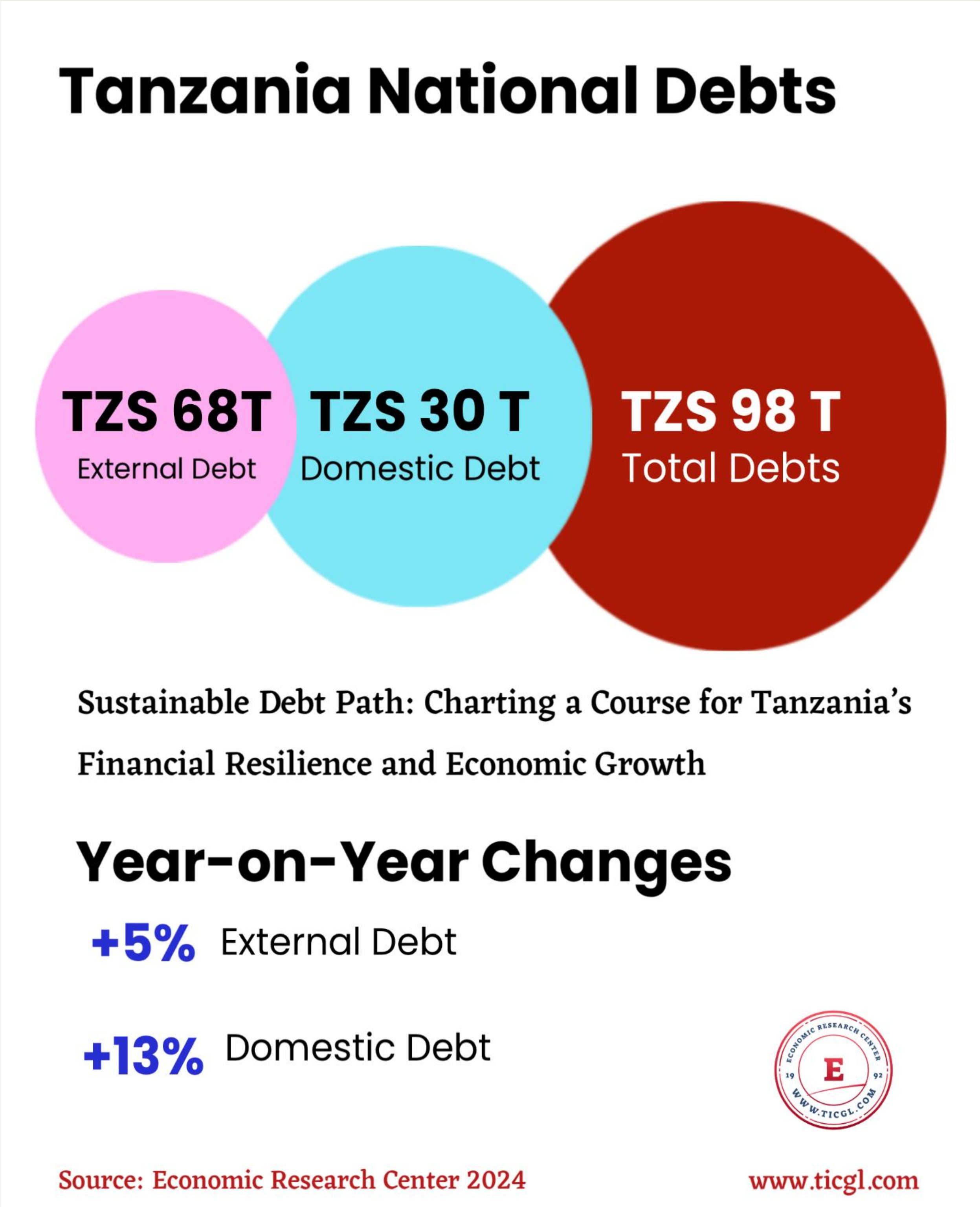
Tanzania National Debts
TZS 68T
External Debt
TZS 30 T
Domestic Debt
TZS 98 T
Total Debts
Sustainable Debt Path: Charting a Course for Tanzania's Financial Resilience and Economic Growth
Year-on-Year Changes
+5% External Debt
+13% Domestic Debt
Source: Economic Research Center 2024
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CONTENTS

INTRODUCTION

Monthly economic growth figures are discussed in "Economists Talk," along with the research done by the TICGL Economic Research and Data Development Center. Although a monthly comprehensive assessment of the Tanzanian economy is still lacking, "Economist Talk" organizes information on both short- and long-term economic data that is available on a monthly basis. An accurate way to pinpoint turning points in project development, investment, and the economic cycle is to employ a monthly overall indicator, which provides a very relevant and current picture of the Tanzanian economy. The newly created indicator is constructed from the supply side of the economy, combining structural data from the national accounts and monthly year-over-year volume growth rates for various industries. Regarding some industries (industry, construction, mining and quarrying, energy, and water supply etc).

"Economists Talk" analyzes and assesses the performance of monthly economic indicators and provides discussion and analysis on a number of financial and economic statistics pertaining to the Tanzanian economy. The performance of the economy and other aspects of the Tanzania economy are thoroughly reviewed and evaluated in "Economists Talk."

TANZANIA ECONOMIC UPDATES

INFLATION RATE:

Tanzania's inflation rates, assessed across various sectors in December 2023, indicate a varied economic landscape. While the overall inflation rate stands at 113.34, showing a 3% increase over the year, certain sectors, such as clothing and footwear, witnessed significant month-to-month and year-to-year fluctuations. The data suggests that inflationary pressures are present, but the impact varies across different segments of the economy, potentially influenced by factors like supply chain disruptions or sector-specific dynamics.

CURRENT ACCOUNT:

The data on Tanzania's current account for November 2023 presents a mixed economic picture. While the services sector exhibits a surplus, the goods account and the overall goods and services balance reflect deficits, contributing to an overall current account deficit. The year-on-year changes underscore the dynamic nature of Tanzania's economic conditions, influenced by global trade patterns, commodity prices, and income flows. Policymakers may need to focus on strategies to address trade imbalances and ensure the sustainability of the current account position.

MONEY SUPPLY:

Tanzania's money supply in October 2023 reveals dynamic changes in both net foreign assets and net domestic assets. Notably, there was a substantial increase in extended broad money (M3), while narrow money supply (M1) experienced a decrease. This suggests fluctuations in the liquidity of the financial system, potentially influenced by changes in foreign reserves, domestic claims, and deposit dynamics. Policymakers may need to carefully monitor these trends for insights into economic stability and financial health.

EXPORT AND IMPORT RATE:

Examining Tanzania's export-to-import rates for November 2023 reveals a positive growth trajectory in both exports and imports, with a notable increase in the balance of payments. Despite a minor decline in the export of goods and services, the import sector remained resilient, resulting in a decrease in the trade deficit. This data highlights the importance of assessing both export and import dynamics to understand the overall trade performance and economic resilience of the country.

BUDGET ANALYSIS:

The government budget performance evaluation for October 2023 provides insights into Tanzania's financial management. While development expenditure increased by 50%, indicating a focus on long-term projects, revenue challenges were evident, particularly with a decrease in income tax collections. The expansion of the budget deficit by 44% raises concerns about fiscal sustainability, requiring policymakers to refine strategies for revenue mobilization, cost management, and aligning expenditures with national priorities. The data suggests a nuanced view of both successes and challenges in the government's fiscal approach during this period.

NATIONAL DEBTS:

Tanzania's national debts development for November 2023 shows incremental growth in both external and domestic debts. External debt increased by 1%, while domestic debt saw a similar uptick. The total national debt reached 98,802,876.00 USD, reflecting a 7% increase over the year. Policymakers must carefully manage the country's debt levels, ensuring borrowed funds contribute to sustainable economic development and that the overall debt burden remains manageable over the long term.

BUDGET ANALYSIS

Navigating Fiscal Realities: Tanzania's Government Budget Performance

The evaluation reveals a mixed budget performance in October 2023, with notable variations in expenditure and revenue categories. The increase in development expenditure and the budget deficit may prompt policymakers to assess the effectiveness of spending in achieving economic objectives, while deviations in revenues indicate potential challenges in tax collections. Policymakers should consider these insights for future budget planning and adjustments in fiscal policies.

The Government Budget Performance Evaluation for October 2023 provides a comprehensive overview of the Tanzanian government's financial activities, comparing actual operations with budget estimates for various expenditure and revenue categories.

Government Expenditure:

1. Wages and Salaries:

The actual expenditure on wages and salaries in October 2023 was 824.7 billion TZS, representing a -13% deviation from the budget estimate of 947.9 billion TZS. This decrease indicates that the government spent less than initially planned on employee compensation during this period.

2. Interest Costs:

Interest costs for October 2023 amounted to 288.3 billion TZS, showing a significant -29% deviation from the budget estimate of 405.4 billion TZS. The decrease suggests lower-than-expected interest payments, potentially influenced by favorable borrowing conditions or effective debt management strategies.

3. Development Expenditure:

Development expenditure saw a substantial increase, reaching 1,684.3 billion TZS in October 2023. This represents a notable 50% deviation from the budget estimate of 1,122.4 billion TZS, indicating higher investment in developmental projects during the period.

4. Other Recurrent Expenditure:

Other recurrent expenditure for October 2023 was 560.3 billion TZS, reflecting a -15% deviation from the budget estimate of 659.4 billion TZS. The reduction in other recurrent expenses suggests cost-saving measures or adjustments in spending priorities.

5. Total Government Expenditure:

The total government expenditure for October 2023 amounted to 3,358 billion TZS, indicating a 7% deviation from the budget estimate of 3,135 billion TZS. The overall increase in expenditure could be attributed to higher development spending, partially offset by reduced recurrent costs.

Government Revenues:

1. Taxes on Imports:

Taxes on imports generated 847.6 billion TZS in October 2023, showing a 3% deviation from the budget estimate of 826.6 billion TZS. The modest increase suggests stability in import-related tax revenues.

2. Income Tax:

Income tax revenues amounted to 512.1 billion TZS in October 2023, reflecting a -7% deviation from the budget estimate of 552.7 billion TZS. The decrease indicates a potential reduction in income tax collections compared to the budget forecast.

3. Tax on Local Goods and Services:

Tax on local goods and services generated 454.4 billion TZS in October 2023, indicating an -8% deviation from the budget estimate of 495.9 billion TZS. This decrease may be attributed to lower-than-expected tax collections from local transactions.

4. Other Tax and Non-Tax Revenues:

Other tax revenues and non-tax revenues amounted to 160.2 billion TZS and 310.8 billion TZS, respectively, in October 2023. Other tax revenues showed an 18% deviation from the budget estimate, while non-tax revenues decreased by -18%. These variations may reflect changes in economic activities impacting tax collections.

Deficit:

The overall budget deficit for October 2023 was -1072.5 billion TZS, indicating a 44% deviation from the budget estimate of -745.5 billion TZS. The increase in the deficit suggests that government expenditures exceeded revenues during the period.

Percentage Change Between Actual and Estimated:

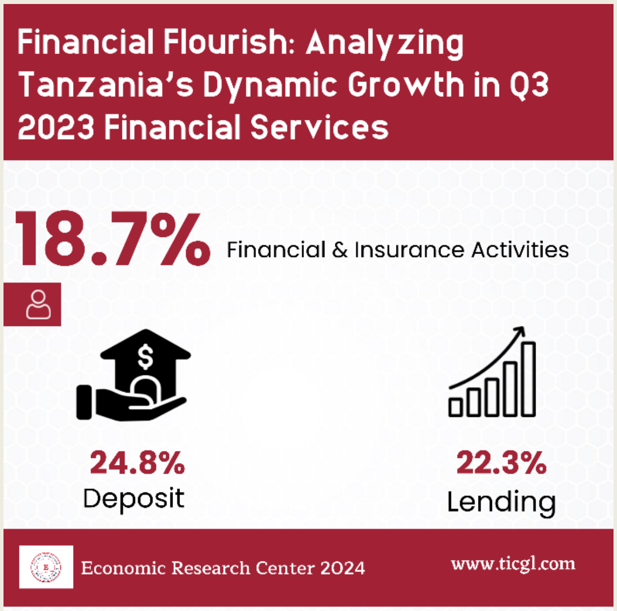
The percentage changes between actual and estimated figures highlight the deviations in various expenditure and revenue categories. Notable negative deviations indicate areas where actual figures fell below budget estimates, while positive deviations suggest areas where actual figures surpassed initial forecasts.

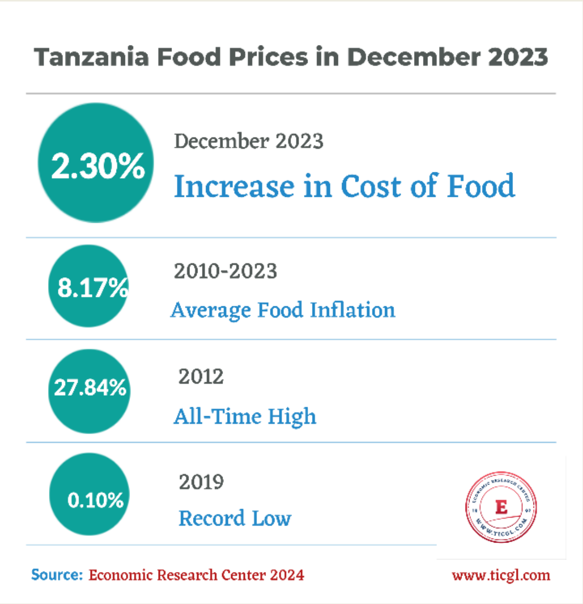
The Government Budget Performance Evaluation for October 2023 provides several key insights into the financial dynamics of the Tanzanian government during that period

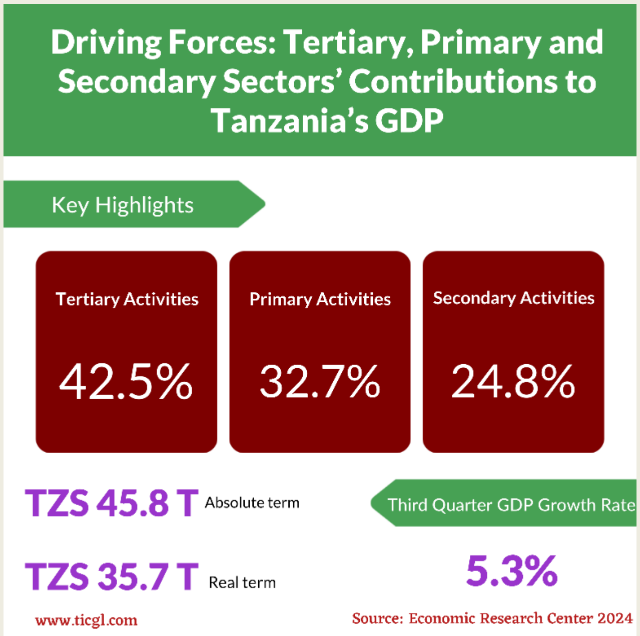
The evaluation provides a nuanced view of the government's financial management during October 2023. While there are positive indicators such as increased investment in development, challenges in revenue collection and the expansion of the budget deficit require careful consideration. Policymakers may need to refine strategies for revenue mobilization, cost management, and aligning expenditures with national priorities for sustainable fiscal health.

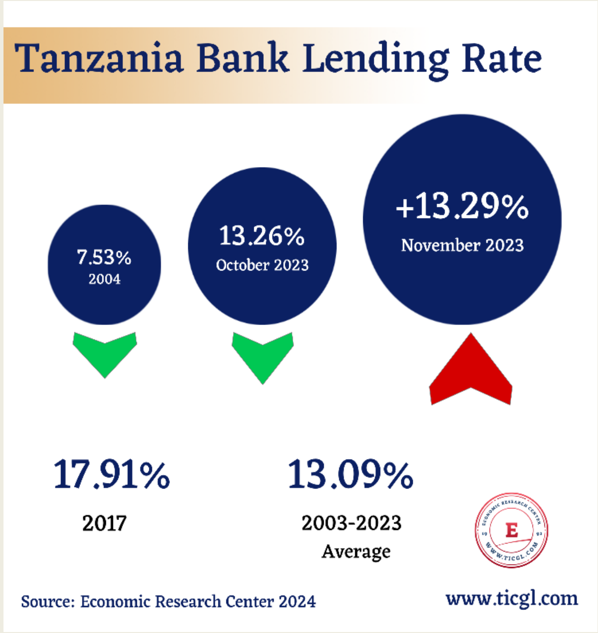
1. Expenditure Management:
   - The government effectively managed wages and salaries, with actual expenditures coming in 13% below the budget estimate. This suggests prudent human resource management or potential cost-saving measures in the compensation sector.
   - Interest costs, on the other hand, saw a significant reduction of 29% compared to the budget estimate. This may be attributed to favorable borrowing conditions or strategic debt management efforts.
   - Development expenditure experienced a substantial increase of 50%, indicating a proactive approach to investment in developmental projects during the specified period.
   - Other recurrent expenditure, though reduced by 15%, reflects potential adjustments in spending priorities or cost-saving measures in non-specified areas.
2. Revenue Challenges:
   - Income tax revenues fell 7% below the budget estimate, suggesting challenges in achieving the projected income tax collections. Policymakers may need to review tax policies and economic conditions impacting income tax.
   - Tax on local goods and services also showed an 8% decrease compared to the budget estimate, indicating potential challenges in collecting taxes from local transactions.
   - Other tax revenues experienced an 18% deviation from the budget estimate, emphasizing the need to assess the factors affecting tax collection from various sources.
   - Non-tax revenues decreased by 18%, signaling potential challenges in generating revenue from non-tax sources. This could include areas such as fees, fines, and other government income streams.
3. Budget Deficit Expansion:
   - The overall budget deficit expanded by 44%, indicating that government expenditures surpassed revenues during October 2023. This could raise concerns about fiscal sustainability and prompt a review of budgetary priorities and revenue-generation strategies.
4. Strategic Investment in Development:
   - The significant increase in development expenditure suggests a strategic focus on investing in long-term projects and infrastructure. This approach may contribute to economic growth and development in the medium to long term.
5. Variance in Revenues and Expenditures:

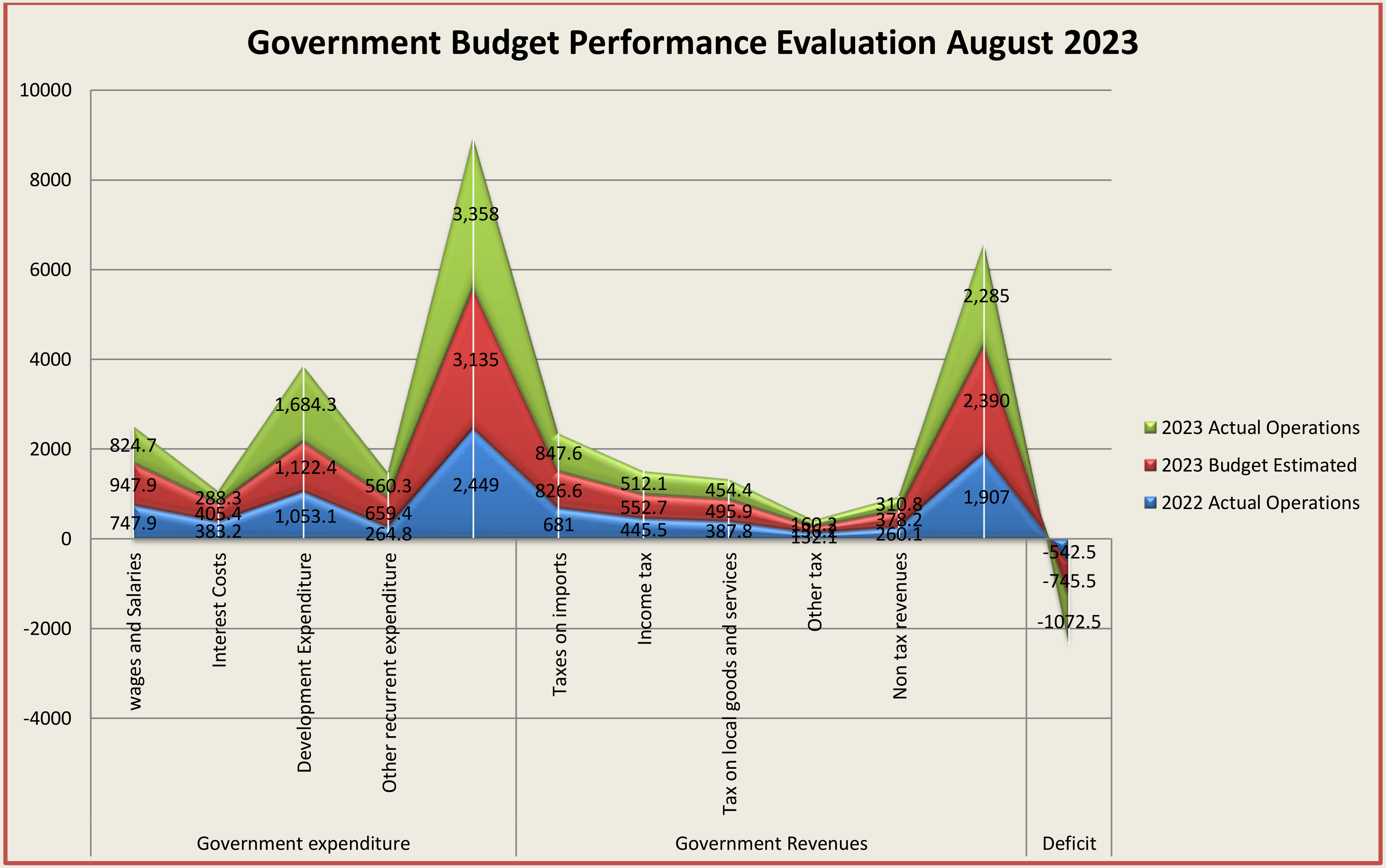
- The percentage changes between actual and estimated figures highlight areas of variance in both revenues and expenditures. Negative deviations indicate areas where actual figures fell short of budget estimates, while positive deviations highlight areas of overperformance.










Government Budget Performance Evaluation August 2023
10000
8000
6000
4000
2000
0
-2000
-4000
824.7
947.9
747.9
288.3
405.4
383.2
1,684.3
1,122.4
1,053.1
560.3
659.4
264.8
3,358
3,135
2,449
847.6
826.6
681
512.1
552.7
445.5
454.4
495.9
387.8
160.2
132.1
310.8
378.2
260.1
2,285
2,390
1,907
-542.5
-745.5
-1072.5
wages and Salaries
Interest Costs
Development Expenditure
Other recurrent expenditure
Taxes on imports
Income tax
Tax on local goods and services
Other tax
Non tax revenues
Government expenditure
Government Revenues
Deficit
2023 Actual Operations
2023 Budget Estimated
2022 Actual Operations

TANZANIA’S INFLATION PROJECTIONS FOR 2024

Forecasting Economic Trends: Tanzania's Inflation Projections for 2024

The inflation rates in Tanzania have displayed a certain degree of stability and a gradual decrease over the specified time period. In January 2022, the inflation rate stood at 4.8%, followed by a marginal increase to 4.9% in February and March, and then a return to 4.8% in April. This period showcased a relatively steady inflationary trend.

Moving to 2023, the inflation rates continued to decline, starting with 4.9% in January and gradually decreasing to 3% in December. Notable drops occurred in May (4%), June (3.6%), and July (3.3%). The latter part of the year demonstrated a consistent inflation rate of around 3%, indicating a trend towards lower inflationary pressures.

Looking ahead to the forecast for 2024, the inflation rates are projected to remain relatively low. In January, the forecast anticipates a slight increase to 3.1%, followed by a gradual upward trend in the subsequent months: 3.3% in February, 3.5% in March, 3.7% in April, 4.0% in May, and 4.3% in June. These forecasts suggest a cautious but moderate rise in inflation rates throughout the year, indicating a measured economic environment.

Tanzania has experienced a period of stable and gradually decreasing inflation rates from 2022 to the end of 2023. The forecast for 2024 suggests a modest uptick in inflation, but overall, the trend appears to be one of controlled inflationary pressures. Economic conditions and various factors will play a crucial role in determining whether these forecasts hold true.

Tanzania's inflation rates convey insights about the country's economic conditions over the specified time frame.

The trends and forecasts in Tanzania's inflation rates suggest a generally stable and well-managed economic environment. Policymakers and analysts can use this information to make informed decisions and adjustments to ensure sustained economic stability in the country.

Stability and Gradual Decline:

The inflation rates in Tanzania have exhibited a degree of stability, with minor fluctuations. From January 2022 to December 2023, there is a consistent trend of gradual decline. This can be indicative of effective economic management and policies aimed at controlling inflationary pressures.

Measured Economic Environment:

The inflation rates, especially in the later months of 2023 and the forecast for 2024, suggest a measured economic environment. The gradual decline followed by a modest forecasted increase indicates that inflation is being managed within a controlled range. This is generally positive for economic stability, as sharp spikes in inflation can lead to various economic challenges.

Forecasted Uptick in 2024:

While the trend is generally downward in the earlier years, the forecast for 2024 shows a slight increase in inflation rates. This may be an indication that certain economic factors or policy changes are expected to contribute to a moderate rise in inflation. However, the forecasted values remain relatively low, suggesting a cautious and manageable trajectory.

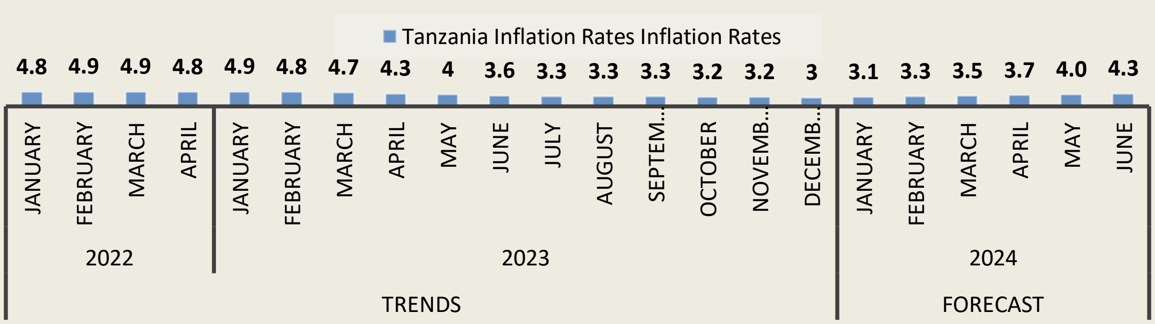
Economic Predictability:

The fact that inflation rates are forecasted well into the future indicates a degree of economic predictability. Policymakers, businesses, and individuals can use this information to make informed decisions about investments, savings, and consumption.

Factors Influencing Inflation:

Understanding the specific factors driving inflation is crucial. Economic events, changes in government policies, global economic conditions, and domestic economic activities can all influence inflation rates. Analyzing these factors can provide a more comprehensive understanding of the economic landscape.

Tanzania Inflation Rates Inflation Rates



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INFLATION RATE

Inflation Chronicles: A Sector-by-Sector Breakdown in Tanzania's Economy (December 2022 - December 2023)

This research outlines the inflation rates in Tanzania across various categories for December 2022, November 2023, and December 2023, with a focus on the 1-month and 12-month changes.

In the food and non-alcoholic beverages category, there was a 0.6% increase from November 2023 to December 2023, resulting in a 2.3% rise over the 12-month period. Alcoholic beverages and tobacco experienced a 0.1% increase in the same time frame, contributing to a 4.1% rise over the year.

Clothing and footwear, however, exhibited a significant decrease of -89.4% from November 2023 to December 2023, leading to an -89.1% change over the 12 months. Housing, water, electricity, gas, and other fuels, as well as furnishings, household equipment, and routine household maintenance, collectively saw a 1.5% increase from the previous month, contributing to a 4.0% rise over the year.

Health, transport, information and communication, recreation, sports and culture, education services, restaurants and accommodation services, and insurance and financial services all experienced moderate increases in the 1-month and 12-month periods. Personal care, social protection, and miscellaneous goods and services showed a 1.2% increase in the 1-month period, contributing to a 4.8% rise over the year.

The overall inflation rate for Tanzania was 113.34 in December 2023, representing a 0.6% increase from November 2023 and a 3.0% rise over the 12-month period. This data provides a comprehensive overview of how inflation rates have fluctuated across different sectors in Tanzania, offering insights into the country's economic trends.

Tanzania's inflation rates reveal the changing dynamics within the country's economy across various sectors:

This research shows a mixed economic landscape in Tanzania, with varying inflation rates across different sectors. While some sectors experience inflation, others witness deflation or moderate changes. These fluctuations may be influenced by a combination of domestic and international economic factors, making it essential for policymakers and businesses to consider a nuanced approach to economic management and decision-making.

Sectoral Variations:

Different sectors of the economy experience distinct inflation rates. For instance, while food and non-alcoholic beverages, as well as alcoholic beverages and tobacco, saw moderate increases, clothing and footwear exhibited a substantial decrease. This suggests that economic factors impacting these sectors vary, potentially influenced by factors like supply chain disruptions, consumer demand, or government policies.

Volatility in Consumer Goods:

The significant decrease in inflation for clothing and footwear stands out, indicating a potential deflationary trend in this sector. This could be due to factors like seasonal sales, changes in consumer preferences, or increased competition among retailers.

Housing and Utilities:

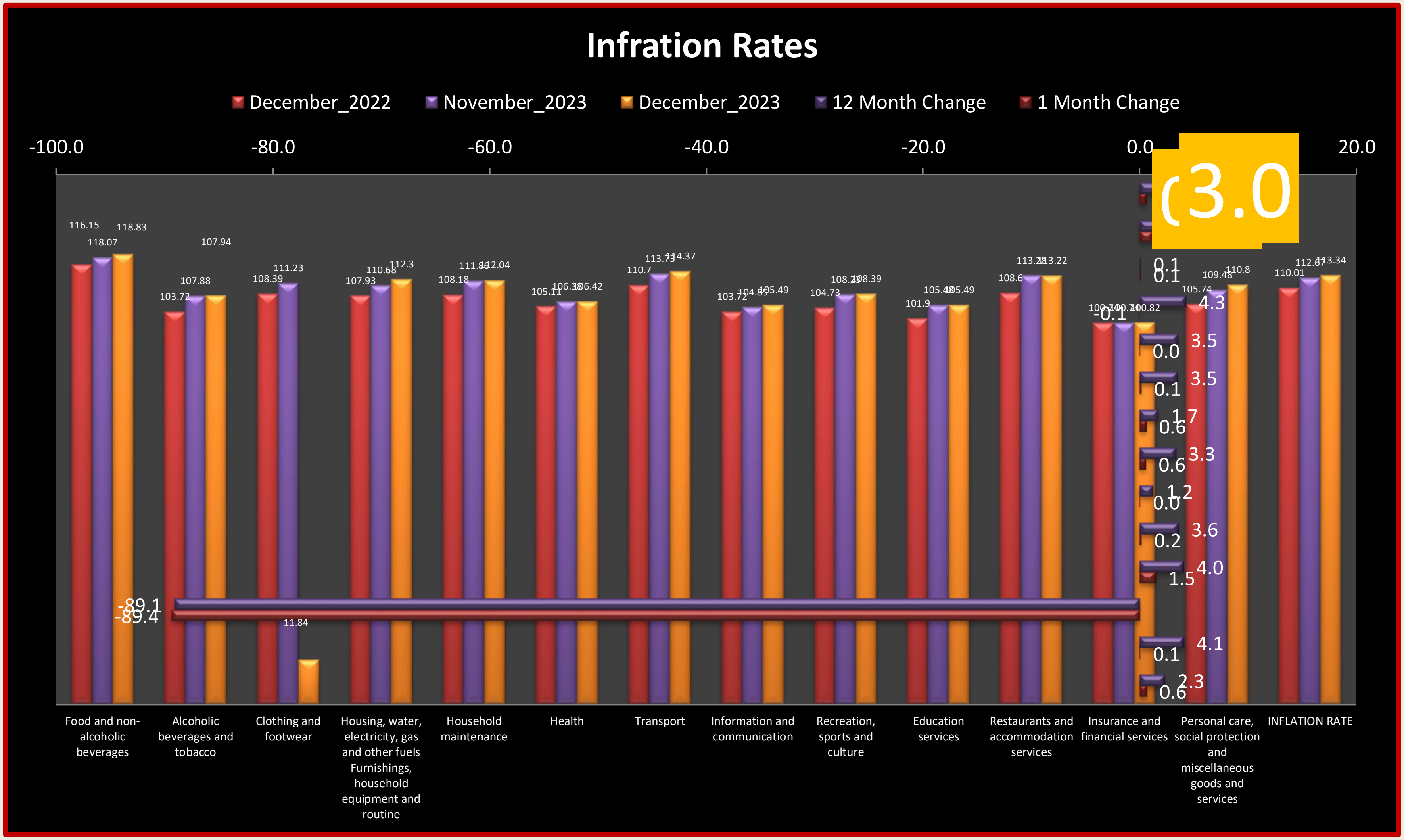
The housing, water, electricity, gas, and other fuels category, along with furnishings and household maintenance, experienced a consistent increase. This suggests that costs related to housing and maintaining a household are on the rise, which could have implications for the cost of living for Tanzanian households.

Moderate Increases in Various Sectors:

Health, transport, information and communication, recreation, education services, restaurants and accommodation services, insurance, and financial services all saw moderate increases. This indicates a general upward trend in prices across a broad range of services and goods.

Overall Inflation Rate:

The overall inflation rate for Tanzania increased by 0.6% from November 2023 to December 2023. Over the 12-month period, there was a 3.0% rise in the inflation rate. This provides a comprehensive view of the cumulative impact of inflation across all sectors, reflecting the overall economic climate in the country.


Infration Rates
December_2022
November_2023
December_2023
12 Month Change
1 Month Change
-100.0
-80.0
-60.0
-40.0
-20.0
0.0
20.0
Food and non-alcoholic beverages
Alcoholic beverages and tobacco
Clothing and footwear
Housing, water, electricity, gas and other fuels
Furnishings, household equipment and routine
Household maintenance
Health
Transport
Information and communication
Recreation, sports and culture
Education services
Restaurants and accommodation services
Insurance and financial services
Personal care, social protection and miscellaneous goods and services
INFLATION RATE

CURRENT ACCOUNT

Economic Jigsaw: Piecing Together the Components of Tanzania's Current Account Puzzle

This research shows a mixed economic picture for Tanzania's current account in November 2023. While the services account showed a surplus, the goods account and the overall goods and services balance recorded deficits, contributing to a negative current account balance. Policymakers and analysts may need to examine the factors driving these trends, including trade dynamics, income flows, and secondary income sources, to formulate strategies for achieving a more balanced and sustainable current account position.

Tanzania's Current Account in millions of USD for November 2023 provides a comprehensive overview of the country's economic transactions and financial health.

Goods Account:

In November 2023, the goods account recorded a deficit of -570.4 million USD, representing an 11% decrease from the previous month (October 2023) and a 9.42% increase from the same period last year (November 2022). The negative value indicates that Tanzania imported more goods than it exported during this period.

Services Account:

The services account showed a surplus of 319.6 million USD in November 2023. This marks a significant 125.02% increase from the previous month (October 2023) but reflects a notable -21.90% decrease compared to November 2022. The positive value suggests that Tanzania earned more from services, such as tourism and other service-related activities, than it spent.

Goods and Services:

The combined goods and services account registered a deficit of -250.8 million USD in November 2023. This represents a substantial -72.25% decrease from the previous month and a significant 123.73% increase from the same period last year. The negative balance indicates an overall trade deficit in both goods and services.

Primary Income Account:

The primary income account recorded a deficit of -127.4 million USD in November 2023. This reflects a -39.43% decrease from the previous month and a 46.77% increase compared to November 2022. The primary income account involves income earned and paid on investments and employment abroad, contributing to the overall current account balance.

Secondary Income Account:

The secondary income account had a surplus of 50.1 million USD in November 2023. This represents a -16.92% decrease from the previous month but a marginal 1.01% increase compared to the same period last year. The secondary income account typically includes transfers such as remittances and foreign aid.

Current Account Balance:

The overall current account balance for Tanzania in November 2023 stood at -328.1 million USD. This reflects a substantial -69.37% decrease from the previous month and a notable 119.76% increase compared to November 2022. The negative value indicates an overall current account deficit, with expenditures exceeding receipts.

The provided data on Tanzania's Current Account for November 2023 reveals several important insights into the country's economic transactions and financial health

Tanzania faces challenges in achieving a balanced current account, primarily driven by trade imbalances in goods. While the services sector remains resilient, policymakers may need to focus on strategies to address trade deficits, possibly by promoting export diversification, enhancing competitiveness, and managing external economic factors. Additionally, attention to income flows, both primary and secondary, is crucial for a comprehensive understanding of the country's external financial position.

1. Trade Imbalance:

The Goods Account, representing the trade in physical goods, shows a deficit of -570.4 million USD in November 2023. This indicates that Tanzania imported more goods than it exported during this period. While there was a decrease in the deficit from the previous month, the overall trade imbalance persists.

2. Services Sector Resilience:

The Services Account exhibits a surplus of 319.6 million USD, highlighting the resilience of the services sector. This surplus is particularly notable as it includes income from activities such as tourism, which may have rebounded after earlier challenges.

3. Combined Goods and Services Deficit:

The combined Goods and Services account still reflects a deficit of -250.8 million USD, indicating an overall imbalance when considering both physical goods and services. The decrease in the deficit from the previous month suggests some stabilization in the trade situation.

4. Primary and Secondary Income Dynamics:

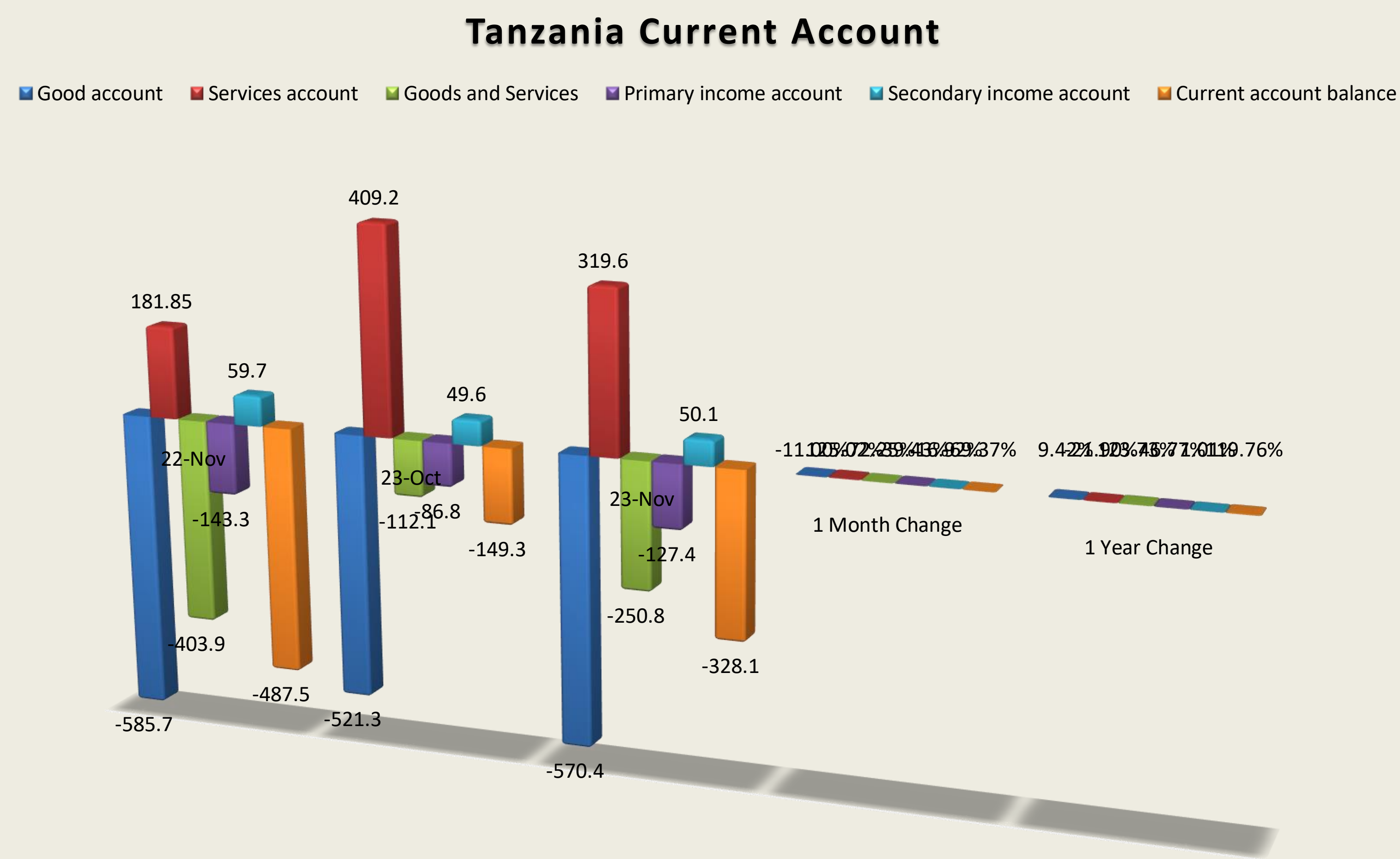
The Primary Income Account, related to income earned and paid on investments and employment abroad, shows a deficit of -127.4 million USD. This is coupled with a surplus in the Secondary Income Account (which includes remittances and foreign aid) at 50.1 million USD. These components contribute to the overall financial flows in and out of the country.

5. Overall Current Account Deficit:

The Current Account Balance for November 2023 is -328.1 million USD, indicating an overall deficit in the country's current account. While there was a decrease in the deficit from the previous month, the figure is substantially higher compared to the same period last year.

6. Year-on-Year Changes:

The year-on-year changes reveal significant fluctuations, with both positive and negative percentage changes across various components. This underscores the dynamic nature of Tanzania's economic conditions, influenced by factors such as global trade patterns, commodity prices, and external economic shocks.


Tanzania Current Account
Good account
Services account
Goods and Services
Primary income account
Secondary income account
Current account balance
22-Nov
-585.7
181.85
-403.9
-143.3
59.7
-487.5
23-Oct
-521.3
409.2
-112.1
-86.8
49.6
-149.3
23-Nov
-570.4
319.6
-250.8
-127.4
50.1
-328.1
1 Month Change
1 Year Change

Telecom Subscription Dynamic 2023

Analyzed Growth and Trends Across Airtel, Hallotel, Tigo, TTCL and Vodacom

70.2 million
Number of Telecom Subscribers

4.7%

52.8 million
Number of Mobile Money Subscribers

2.9%

The data reflects a dynamic and competitive market where telecom and market money services providers are actively working to attract and retain users. The observed trends highlight the important of understanding consumer preferences and adapting strategies to meet evolving market demands

Source: Economic Research Center 2024

www.ticgl.com

Overview of Tanzania's Food Inflation (2022-2024)

A Dynamic Economic Landscape

This research provides insights into the changing economic dynamics and the potential trajectory of food prices in Tanzania over the analyzed period

Forecast for 2024

9.7%
December 2022

2.3%
December 2023

3.7%, 4.0%, 4.3%, 4.9%, 5.8%, 6.9%

Source: Economic Research Center 2024

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MONEY SUPPLY

Unraveling the Financial Landscape: Trends and Transitions in Tanzania's Money Supply Dynamics

This research indicates a complex interplay of factors influencing Tanzania's money supply in October 2023, with notable changes in both domestic and foreign components. Fluctuations in net foreign assets, the central bank's position, and various money supply categories suggest a dynamic economic environment that may require careful monitoring and analysis by policymakers and financial institutions.

The outlines the money supply in Tanzania for October 2023, offering insights into various components, changes over the past month, and a comparison over the past year.

Net Foreign Assets:

In October 2023, net foreign assets experienced a significant change, declining from 14.9 to -38.6. This represents a 46% decrease from the previous month and a substantial 239% decrease over the past year. The negative value indicates that foreign liabilities exceed foreign assets, reflecting potential challenges in the external economic balance.

Bank of Tanzania:

The Bank of Tanzania's position shifted from 4.3 to -28.9, indicating a 71% decrease in a month and a 298% decrease over the past year. This suggests a notable decrease in the central bank's net foreign assets, potentially impacting its ability to manage currency stability.

Net Domestic Assets:

The net domestic assets category witnessed a decrease from 11.7 to 43.3, marking a 16% decline over the month and a substantial 329% decrease over the past year. This negative trend suggests challenges in the domestic economic landscape.

Domestic Claims:

Domestic claims decreased slightly from 16.3 to 29.4, showing a 3% decrease over the past month and an 85% decrease over the past year. This might reflect changes in the domestic banking sector's lending and investment activities.

Securities Held by Banks:

Securities held by banks experienced a marginal decline from 16.4 to 16.6, representing a 3% decrease over the past month and a 4% decrease over the past year. This component indicates the value of securities held by banks, which can impact their overall financial stability.

Claims on the Private Sector:

Claims on the private sector increased slightly from 17.9 to 22.6, reflecting a 2% increase over the past month but a 23% decrease over the past year. This suggests fluctuations in the banking sector's exposure to private sector borrowing.

Extended Broad Money (M3):

The extended broad money (M3) increased from 12.4 to 13.7, marking a 9% increase over the past month and a 7% increase over the past year. This indicates a growth in the overall money supply, encompassing various forms of money and near-money assets.

Foreign Currency Deposits:

Foreign currency deposits increased from 13 to 20.4, showing a 36% increase over the past month and a 16% increase over the past year. This suggests a rise in foreign currency holdings within the economy.

Broad Money Supply (M2):

The broad money supply (M2) decreased from 12.2 to 11.8, representing a 3% decrease over the past month but a 3% increase over the past year. This indicates a nuanced trend in the overall money supply.

Other Deposits:

Other deposits increased slightly from 14.6 to 15, reflecting a 3% increase over the past month but a 42% decrease over the past year. This component includes various deposits within the economy.

Narrow Money Supply (M1):

The narrow money supply (M1) decreased from 10.7 to 9.8, indicating a 9% decrease over the past month but a 38% increase over the past year. This suggests changes in the more liquid forms of money in the economy.

Currency in Circulation:

Currency in circulation increased from 10.1 to 12.1, marking a 17% increase over the past month but a 14% decrease over the past year. This component represents physical currency in the hands of the public.

Transferable Deposits:

Transferable deposits decreased from 11 to 8.8, reflecting a 25% decrease over the past month but a 66% increase over the past year. This component includes deposits that can be transferred between parties.

Tanzania's money supply for October 2023 provides several insights into the country's economic dynamics, financial health, and potential challenges.

This research reveals a mix of challenges and growth within Tanzania's monetary landscape. The significant decline in foreign assets and the central bank's position suggest potential vulnerabilities in managing external financial stability. The growth in the overall money supply, coupled with fluctuations in different components, emphasizes the need for careful economic monitoring and policy adjustments to address emerging trends and challenges. Policymakers and financial institutions should pay close attention to these indicators to ensure stability and sustainable economic growth.

1. Foreign Asset Volatility:

Net foreign assets experienced a significant decline of 46% in just one month, reaching a negative value. This suggests challenges in managing external balances, potentially impacted by factors such as trade imbalances or changes in foreign investment.

2. Central Bank's Position:

The Bank of Tanzania's net foreign assets decreased by 71% in a month, signaling potential challenges in managing the country's foreign exchange reserves. A 298% decrease over the past year raises concerns about the central bank's ability to maintain stability in the currency.

3. Domestic Economic Challenges:

Net domestic assets saw a substantial decline of 16%, indicating challenges within the domestic economic landscape. This includes changes in domestic claims, securities held by banks, and claims on the private sector, collectively pointing towards shifts in the banking sector's activities and economic dynamics.

4. Money Supply Growth:

The extended broad money (M3) increased by 9% over the month, reflecting growth in the overall money supply. This growth might be influenced by factors such as increased economic activity, changes in lending practices, or shifts in consumer behavior.

5. Foreign Currency Holdings:

Foreign currency deposits surged by 36% over the month, indicating an increased presence of foreign currencies within the economy. This might be influenced by changes in international trade or foreign investment.

6. Narrow Money Contractions:

The narrow money supply (M1) decreased by 9%, primarily driven by a reduction in transferable deposits. This may signify decreased liquidity in more immediate and liquid forms of money, potentially impacting short-term spending and economic transactions.

7. Broad Money Fluctuations:

The broad money supply (M2) experienced a nuanced trend, with a 3% decrease over the month but a 3% increase over the year. This suggests a complex interplay of various monetary components within the economy.

8. Currency in Circulation Dynamics:

Currency in circulation increased by 17% over the month, possibly indicating changes in consumer behavior, preferences for physical cash, or shifts in transaction patterns.

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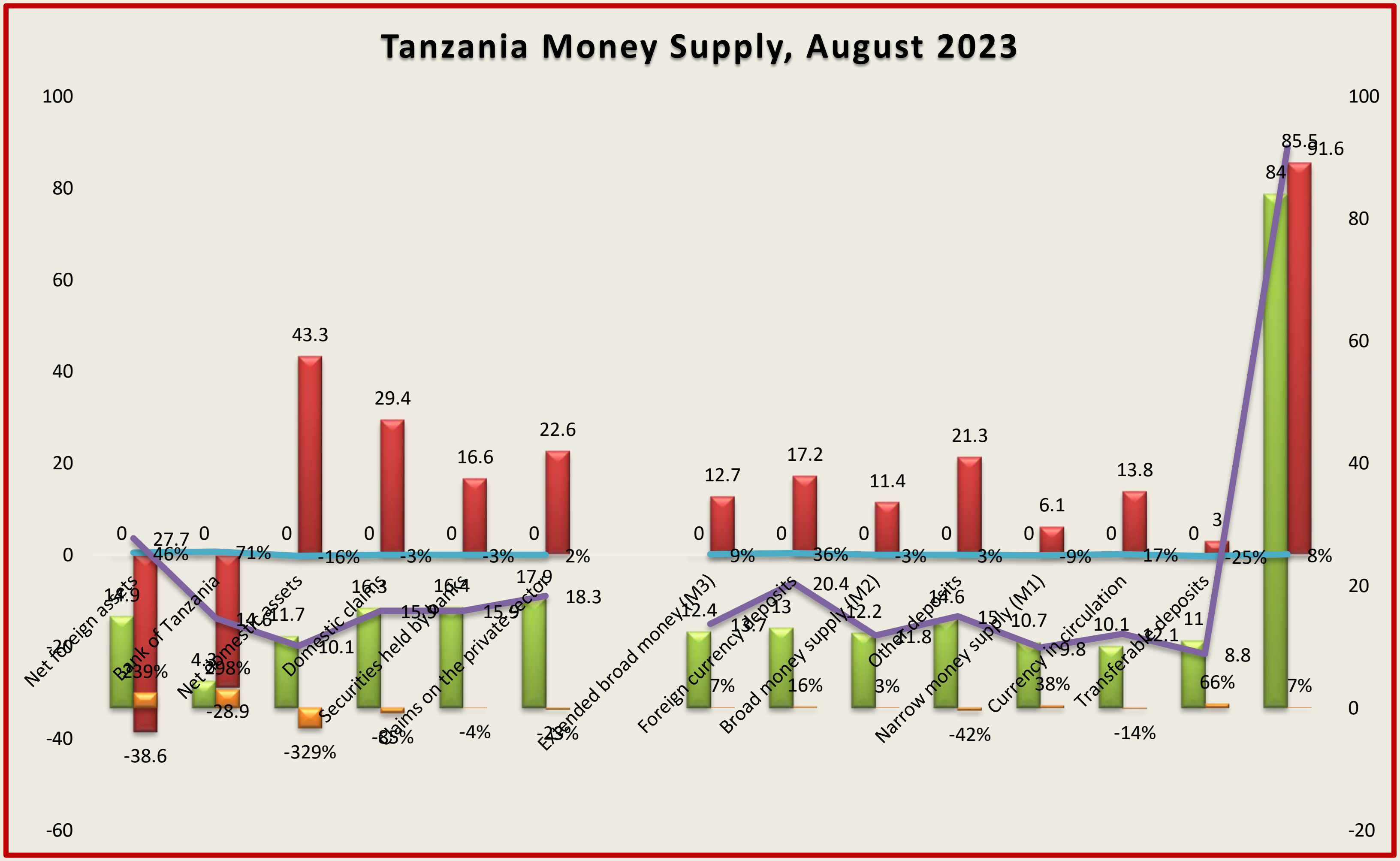

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EXPORT AND IMPORT

Export Surge, Import Resilience: Understanding Tanzania's Trade Performance Over Two Years

This research shows a mixed scenario for Tanzania's trade dynamics in November 2023. While there is notable growth in both exports and imports over the two-year period, the short-term decrease in the balance of payment raises questions about the sustainability of the trade deficit. Policymakers and analysts may need to delve deeper into the specific sectors contributing to this balance, exploring potential implications for the overall economic health and strategies to address trade imbalances.

Tanzania's Export to Import Rate for November 2023, showcasing figures for the years 2021, 2022, and 2023, along with the 1-year and 2-year changes in percentage terms.

Export of Goods and Services:

In November 2023, Tanzania's export of goods and services amounted to 13,949, marking an 18% increase from the previous year (2022) and a substantial 43% increase over the past two years (from 2021). This upward trend suggests a positive growth trajectory in the country's export sector during the specified period.

Import of Goods and Services:

The import of goods and services for November 2023 totaled 16,222, showing a marginal decrease of -1% compared to the previous year (2022) but still reflecting a significant 45% increase over the past two years (from 2021). While there was a slight contraction in the short term, the long-term trend indicates a substantial rise in the importation of goods and services.

Balance of Payment:

The balance of payment for November 2023 stood at -2273.3, representing a 49% decrease from the previous year (2022) and a considerable 54% decrease over the past two years (from 2021). The negative value indicates that Tanzania's imports exceeded its exports during this period. The declining trend in the balance of payment may raise concerns about the country's trade deficit, signaling a potential need for measures to address the imbalance.

Tanzania's Export to Import Rate for November 2023 offers insights into the country's trade dynamics and economic health.

This research indicates a dynamic and evolving trade scenario in Tanzania. While there is commendable growth in both exports and imports, the trade deficit warrants attention. Policymakers may need to implement measures that foster a more sustainable balance, taking into account the broader economic context and global trade dynamics.

1. Export Growth:

Tanzania's export of goods and services has shown a positive trajectory, increasing by 18% in the short term (from 2022) and by a substantial 43% over the past two years (from 2021). This growth suggests a potential expansion in the country's capacity to sell goods and services internationally.

2. Import Expansion:

The import of goods and services also exhibited notable growth, with a 45% increase over the two-year period from 2021. Although there was a marginal decrease of -1% from 2022 to 2023, the overall trend indicates a rising demand for imported goods and services within Tanzania.

3. Trade Imbalance:

The balance of payment, however, paints a less positive picture. With a value of -2273.3, indicating a trade deficit, there was a 49% decrease in the balance from the previous year (2022) and a significant 54% decrease over the past two years (from 2021). This suggests that Tanzania's imports exceeded its exports during this period, potentially contributing to economic challenges such as a current account deficit.

4. Need for Trade Policy Evaluation:

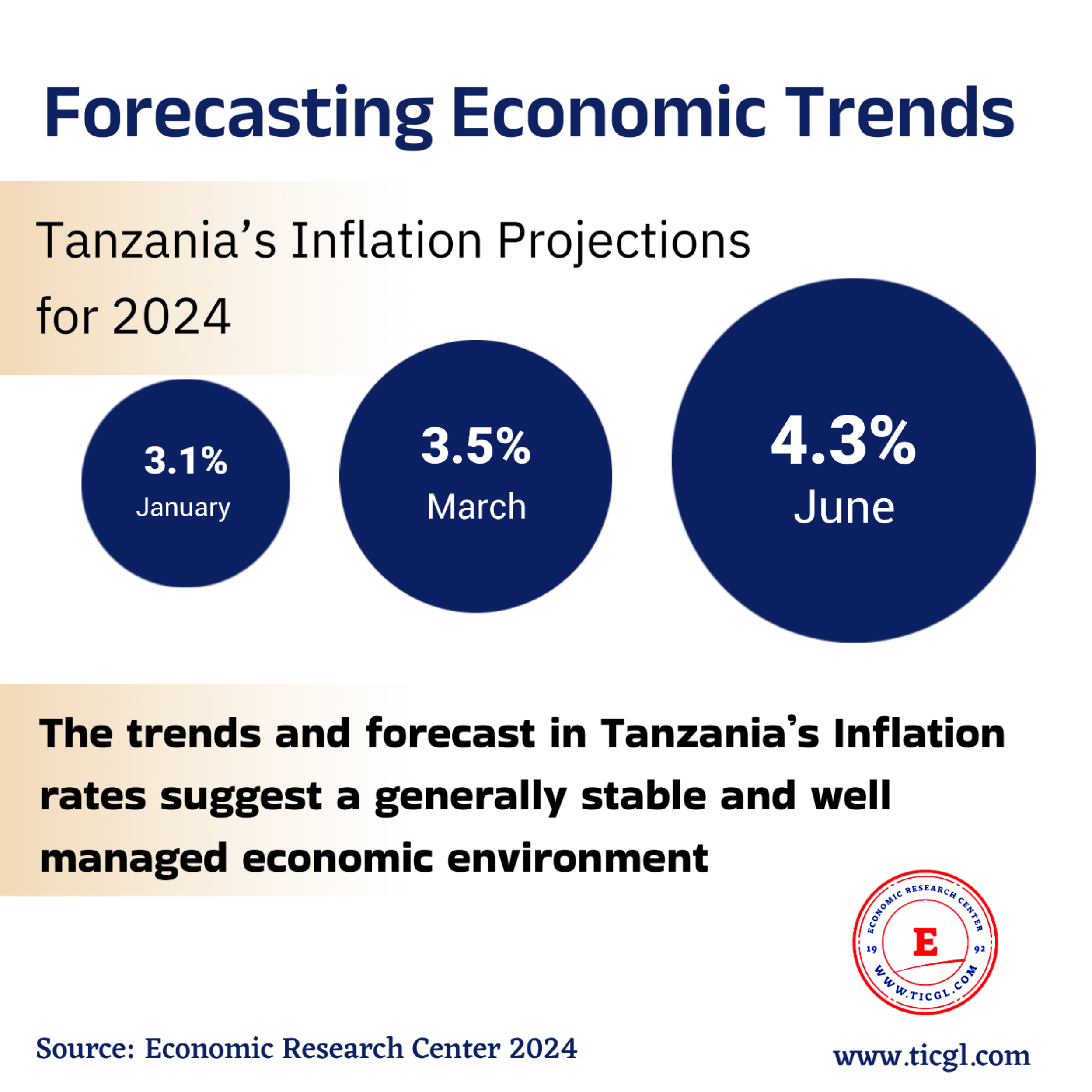
The negative balance of payment and its substantial decrease over the years may prompt policymakers to evaluate and potentially recalibrate trade policies. Strategies to enhance export competitiveness, diversify export products, or address trade barriers could be explored to achieve a more balanced and sustainable trade position.

5. Economic Resilience Considerations:

While trade imbalances can pose challenges, the overall growth in both exports and imports signals economic activity. Policymakers may need to strike a balance between encouraging trade growth and ensuring the resilience of the economy, particularly in managing external vulnerabilities.

6. Global and Domestic Factors:

The data underscores the importance of considering both global and domestic factors influencing trade dynamics. Changes in global demand, commodity prices, and domestic economic conditions all play a role in shaping the trade balance.



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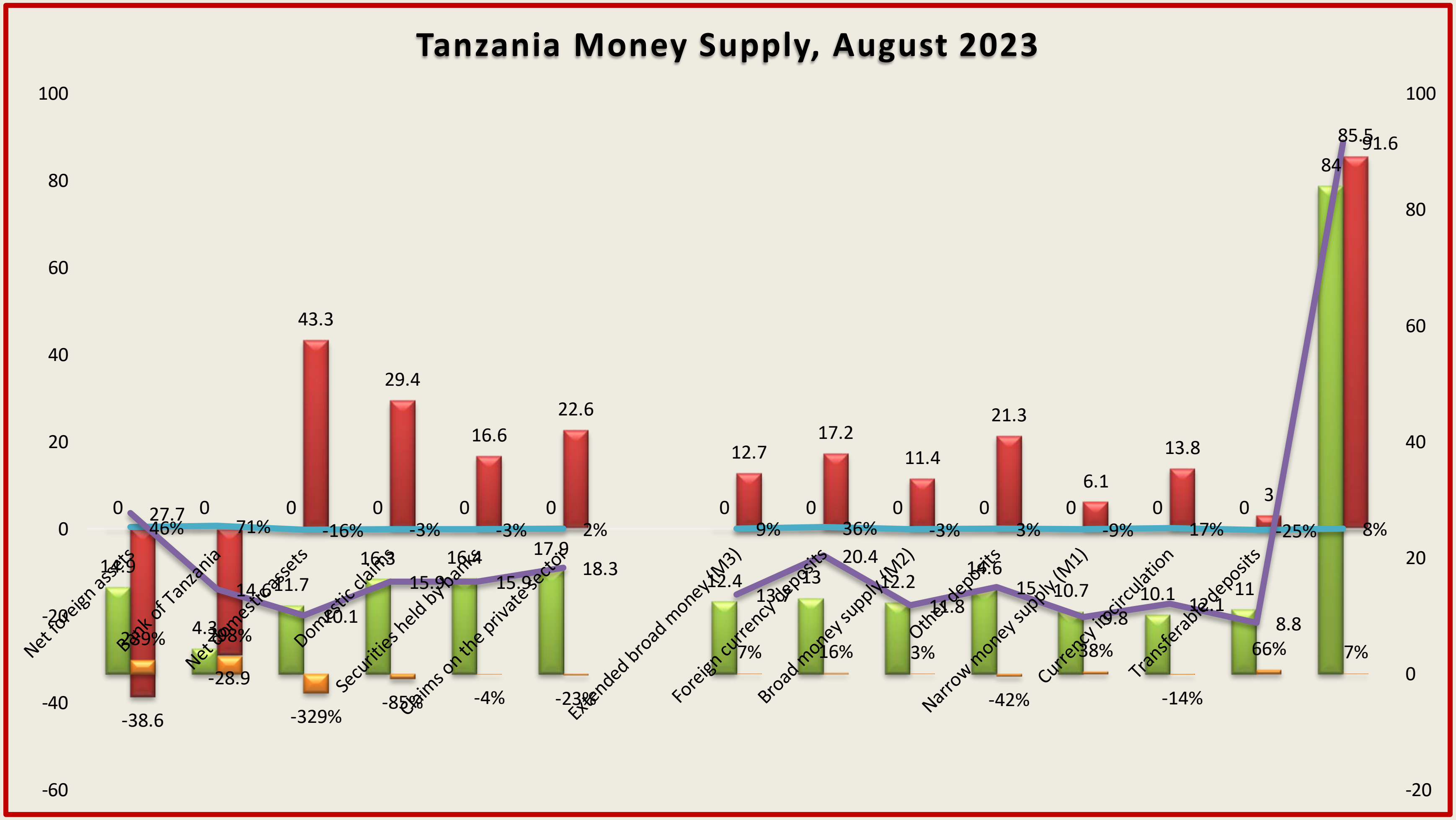

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NATIONAL DEBTS DEVELOPMENT

Sustainable Debt Path: Charting a Course for Tanzania's Financial Resilience and Economic Growth

This research provided data on National Debts Development for November 2023 presents an overview of Tanzania's external and domestic debts, highlighting changes over the past month (October 2023) and the past year (November 2022):

Tanzania's national debts have experienced incremental growth, both in terms of external and domestic components. While borrowing can be a tool for financing development, policymakers need to ensure that the debt remains manageable and aligns with the country's economic objectives. A detailed analysis of the composition of debt, its purpose, and the terms of borrowing is crucial for informed decision-making regarding fiscal policies and economic development strategies.

External Debt:

As of November 2023, Tanzania's external debt stands at 68,611,976.00 USD. This reflects a 1% increase from the previous month (October 2023) and a 5% increase compared to the same period last year (November 2022). The rise in external debt may be attributed to borrowing from international sources for various development projects, infrastructure initiatives, or budgetary support.

Domestic Debt:

The domestic debt for November 2023 is recorded at 30,190,900.00 USD, indicating a 1% increase from the previous month and a more substantial 13% increase compared to the same period last year. Domestic debt often includes funds borrowed from domestic sources such as banks, financial institutions, and the central bank. The increase in domestic debt may be influenced by government borrowing to finance public expenditures.

Total Debts:

The total national debt, combining both external and domestic debts, is 98,802,876.00 USD for November 2023. This represents a 1% increase from the previous month and a 7% increase from the same period last year. The total debt figure provides a comprehensive view of the country's indebtedness, encompassing both international and domestic financial obligations.

Monthly Changes:

The 1% increase in both external and domestic debts, as well as the total debts, suggests ongoing borrowing activities or debt management strategies implemented by the government. These changes may be influenced by factors such as economic development projects, budgetary requirements, or the need to address fiscal challenges.

Year-on-Year Changes:

The 5% increase in external debt, 13% increase in domestic debt, and 7% increase in total debts over the past year indicate a growth in Tanzania's overall indebtedness. Policymakers may need to carefully assess the reasons behind these changes, considering the impact on the country's fiscal sustainability and economic development.

Tanzania's National Debts Development for November 2023 provides important insights into the country's financial landscape and borrowing trends.

Tanzania is actively managing its financial needs through a combination of external and domestic borrowing. Policymakers should continue to monitor and manage the country's debt levels carefully, ensuring that borrowed funds contribute to sustainable economic development and that the overall debt burden remains manageable over the long term.

Steady Increase in External Debt:

Tanzania's external debt has experienced a 1% increase from October 2023 to November 2023 and a 5% increase compared to November 2022. This suggests that the country is actively engaging in external borrowing, possibly to finance infrastructure projects, development initiatives, or address fiscal gaps. It's essential for policymakers to monitor the purposes and terms of external borrowing to ensure sustainable debt levels.

Growth in Domestic Debt:

The domestic debt has also shown a 1% increase from October 2023 to November 2023 and a more substantial 13% increase compared to November 2022. This points to a rise in borrowing from domestic sources, which may include financial institutions and the central bank. Policymakers should assess the reasons behind this growth, considering implications for interest payments and the overall fiscal health of the country.

Total Debt Burden:

The total national debt, combining external and domestic debts, has increased by 1% from October 2023 to November 2023 and by 7% compared to November 2022. The growth in total debts highlights the cumulative effect of both international and domestic borrowing. Policymakers need to carefully manage the total debt burden to avoid potential risks to fiscal sustainability.

Monthly and Yearly Changes:

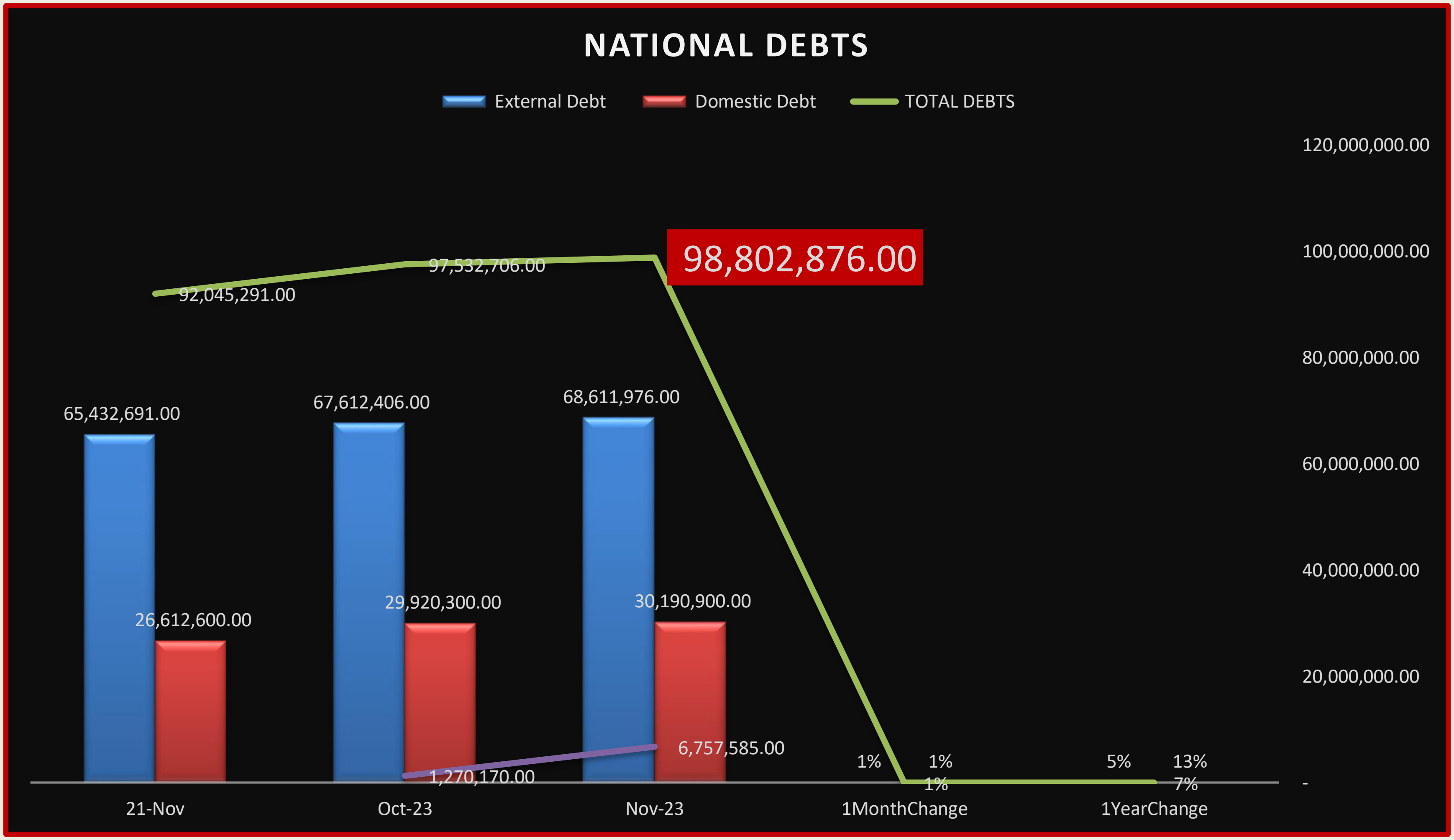
The monthly changes indicate ongoing borrowing activities or debt management strategies. The 1% increase in one month may be a reflection of short-term financial needs or planned borrowings. The yearly changes reveal a consistent upward trend, emphasizing the importance of monitoring the trajectory of debt accumulation over a more extended period.

Strategic Debt Management:

While borrowing is a common practice for financing development, policymakers should ensure that the debt is used strategically and that the borrowed funds contribute to sustainable economic growth. A clear understanding of the purpose, terms, and impact of the debt is crucial for effective debt management.

Potential Fiscal and Economic Implications:

The data prompts policymakers to consider the potential fiscal and economic implications of increased indebtedness. It's important to strike a balance between leveraging debt for development and maintaining a sustainable fiscal position to avoid potential challenges in debt servicing and overall economic stability.


NATIONAL DEBTS
External Debt
Domestic Debt
TOTAL DEBTS
120,000,000.00
100,000,000.00
80,000,000.00
60,000,000.00
40,000,000.00
20,000,000.00
-
98,802,876.00
92,045,291.00
97,532,706.00
65,432,691.00
67,612,406.00
68,611,976.00
26,612,600.00
29,920,300.00
30,190,900.00
6,757,585.00
1,270,170.00
1%
1%
1%
5%
13%
7%
21-Nov
Oct-23
Nov-23
1MonthChange
1YearChange

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