

THE UNITED REPUBLIC OF TANZANIA



MINISTRY OF FINANCE

**QUARTERLY ECONOMIC REVIEW AND BUDGET EXECUTION REPORT
FOR FISCAL YEAR 2014/15**

JULY – SEPTEMBER 2014

NOVEMBER 2014

SUMMARY

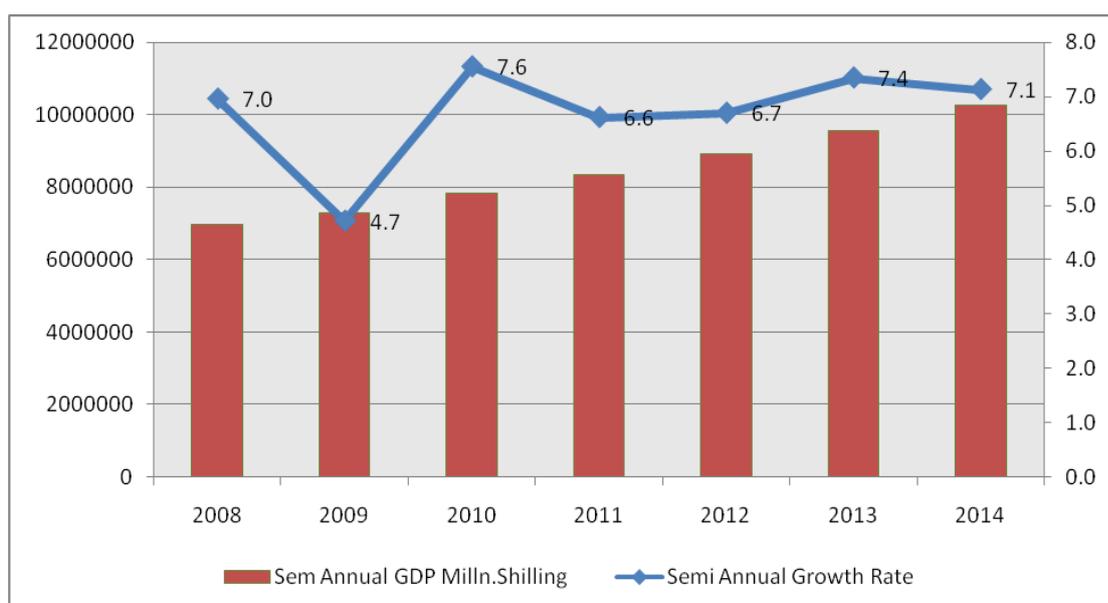
- The 2014/15 budget take into account the priorities set in the Annual Development Plan of 2014/15, National Strategy for Growth and Poverty Reduction phase two (MKUKUTA II), the Millennium Development Goals (MDGs) 2015 and the ruling party Election manifesto of 2010. The goal is to realise the objectives of the Tanzania Development Vision 2025.
- The semi-annual real GDP grew by 7.1 percent in 2014 compared to 7.4 percent in the corresponding period in 2013. The growth was attributed to favourable weather condition and increased investment in transport and communication infrastructure. The highest growth was recorded in transport and communication, financial intermediation, electricity, manufacturing and trade activities which grew at 16.7, 13.6, 10.1, 7.7 and 7.6 percent respectively).
- Overall performance for the first quarter of budget 2014/15 was below the target for both revenue collection and expenditure. Revenue performance was 87 percent of the estimate with low performance emanating from excise tax and non-tax collection. Overall Government operations resulted in a drawdown of Government deposits amounting to TShs 872.8 billion. The summary of Central Government operations is presented in **Annex A**.
- During the first quarter of the year 2014/15, total revenue collection was Tshs. 2,637.0 billion which is 87 percent of the estimate of Tshs. 3,035.0 billion. Tax revenue collections amounted to Tshs. 2,401.2 billion or 89 percent of estimated TShs. 2700.7 billion. Non-tax revenue continued to perform significantly below the estimates during this period whereas the actual revenue collection from this category was Tshs. 143.0 billion against the estimates of Tshs. 220.0 billion. Details of revenue in major components are presented in **Annex B**.
- In the first quarter of 2014/15, total expenditure amounted to TShs 3,630.4 billion, with an execution level of 87 percent of quarter-estimate and 27 percent higher than in the corresponding period in 2013/14. Out of the total expenditure, TShs 2,262.5 billion (75 percent of estimate) was expenditure on recurrent items excluding Consolidated Fund Services (CFS) and TShs 1,482.5 billion was for development expenditure including foreign financed projects... Details of Expenditure by category are presented in **Annex C**.
- During the financial year 2013/14 the Government has planned to raise commercial loan worth Tshs 1,320 billion equivalent to USD 800 million to finance infrastructure development. Negotiations with a number of International Financial Institutions are on-going. Details of grants and financing categories are presented in **Annex D**.

RECENT MACROECONOMIC PERFORMANCE

Real GDP Growth

1. The semi-annual real GDP grew by 7.1 percent in 2014 compared to 7.4 percent in the corresponding period in 2013. The growth was attributed to favourable weather condition and increased investment in transport and communication infrastructure. The highest growth was recorded in transport and communication, financial intermediation, electricity, manufacturing and trade activities which grew at 16.7, 13.6, 10.1, 7.7 and 7.6 percent respectively.

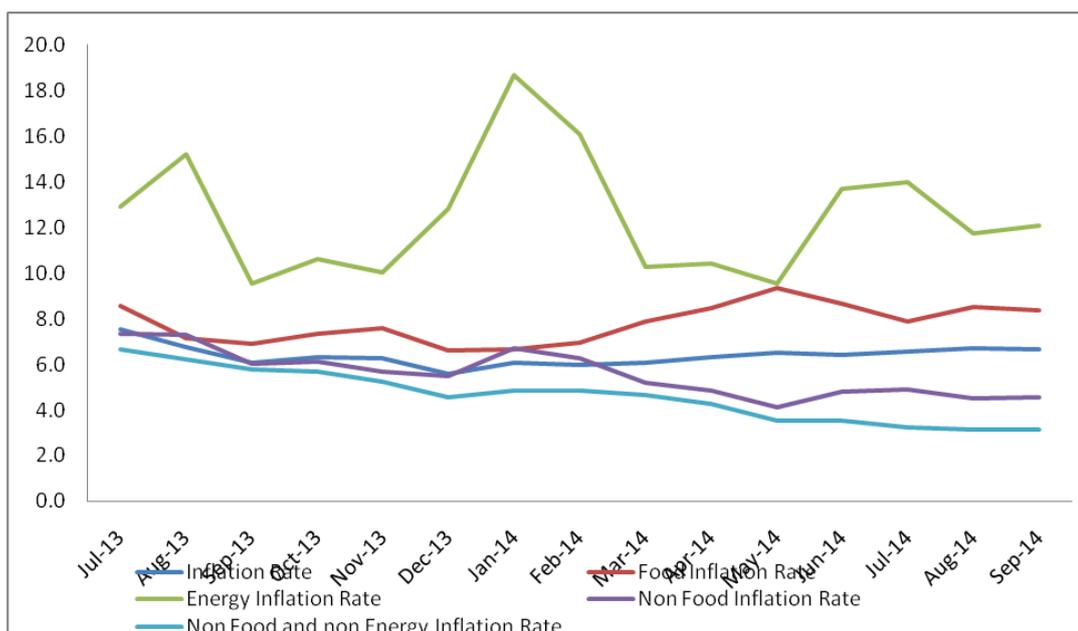
Chart I: Semi Annual GDP Trend



Inflation

2. In the year ended September 2014, inflation rate decreased slightly to 6.6 percent from 6.7 percent in August 2014, mainly on account of slowdown in the general prices of items under alcohol and tobacco, housing, water, electricity, gas and other fuel groups. Food inflation eased to 8.3 percent in September 2014 from 9.3 percent recorded in May 2014 while non food inflation increased to 4.6 percent from 4.1 percent in the same timeframe. Annual inflation for energy increased to 12.1 percent from a single digit of 9.6 percent September 2013. The core inflation (non food and non energy) decreased to 3.1 percent in September 2014 from 5.8 percent in September 2013.

Chart II: Price Movement



External Trade

3. During the year ending September 2014, current account balance recorded a deficit of USD 4,557.7 million compared with a deficit of USD 4,764.7 million recorded in the corresponding period in 2013. This outturn was mainly attributed by increase in exports of goods and services and a slight decline in imports.

4. The value of export of goods and services increased by 5.0 percent to USD 8,659.4 million, compared to USD 8,244.5 million recorded in the corresponding period in 2013 largely on account of an increase in travel and manufactured goods. The value of traditional exports declined to USD 810.9 million in the year ending September 2014, from USD 821.2 million recorded in the year ending September 2013. This decline was largely driven by a decrease of coffee, cashewnuts and tea where recorded in export volume and unit prices. The decrease in price was consistent with movements of commodity prices in the world market.

5. The value of non-traditional export increased by 3.4 percent during the year ending September 2014 to USD 3,849.5 million from USD 3,722.4 million recorded a year earlier. This was mainly driven by low value of non-traditional

export earnings. During the period, export of manufactured goods increased by 36.8 percent to USD 1,347.9 million, with a notable increase recorded in edible oil, textile apparels, plastic goods, fertilizers and paper products. Value of gold which is the leading non-traditional exports declined by 21.3 percent and accounted for 36 percent of total non-traditional exports.

Table I: Current Account Balance

Million of USD

Items	SEPTEMBER			Year Ending September		% Change
	2012	2013	2014	2013	2014 ^P	
Goods Account (net)	-496.4	-839.6	-425.7	-5,623.8	-5,468.8	-2.8
Exports*	404.9	311.5	467.6	5,225.2	5,359.5	2.6
Imports	901.3	1151.0	893.3	10,848.9	10,828.2	-0.2
Services Account (net)	69.66	86.15	56.68	570.98	682.83	19.6
Receipts	276.4	324.8	272.2	3,019.4	3,300.0	9.3
Payments	206.8	238.6	215.5	2,448.4	2,617.2	6.9
Goods and services (net)	-426.7	-753.4	-369.0	-5,052.8	-4,785.9	-5.3
Export of goods and services	681.3	636.2	739.8	8,244.5	8,659.4	5.0
Import of goods and services	1,108.0	1,389.7	1,108.8	13,297.3	13,445.4	1.1
Income Account (net)	-47.0	-37.0	-24.3	-475.8	-381.4	-19.8
Receipts	7.3	11.3	9.9	132.8	118.5	-10.7
Payments	54.2	48.4	34.2	608.6	500.0	-17.8
Current Transfers (net)	110.5	55.0	47.7	763.9	609.7	-20.2
Inflows	118.2	63.5	52.6	838.9	658.5	-21.5
o/w General Government	89.5	33.3	23.3	491.8	299.4	-39.1
Outflows	7.7	8.5	4.9	75.0	48.8	-34.9
Current Account Balance	-363.2	-735.5	-345.7	-4,764.7	-4,557.7	-4.3

Source: Bank of Tanzania

*Include adjustment of unrecorded Exports

P Provisional Data

6. Service receipts increased by 9.3 percent to USD 3,300 million compared with the amount recorded in the preceding year. The increase was mainly driven by increase in travel and transportation receipts. Travel receipts increased by 12.1 percent to USD 1,981.3 million from USD 1,767.7 million recorded in the corresponding period in 2013. Transport receipts grew by 11.4 percent to USD 832.4 million owing to an increase in transit goods to neighbouring countries.

7. Import of goods and services amounted to USD 13,445.4 million, equivalent to an increase of 1.1 percent compared with the value recorded in the preceding year. The increase was observed in imports of consumer goods particularly pharmaceutical, paper and plastic products. During the period, service payments increased by 6.9 percent to USD 2,617.2 million from value recorded in the year ending 2013. Payments for transportation, particularly

freight, which constitutes the largest share of service payments, grew by 2.3 percent during the review period.

Money Supply

8. Annual growth of extended broad money (M3) increased by 14.7 percent in September 2014 compared with 13.6 percent recorded in September 2013. The growth in money supply is mainly explained by expansion in domestic credit, particularly private sector credit which grew by 20.7 percent compared with 15.3 percent in the year ending September 2013. The Net Foreign Assets (NFA) of the banking system decreased by 4.8 percent in the year ending September 2014, compared to the annual growth rate of 5.0 percent in September 2013 while Banks NFA contracted by 22.1 percent compared with a contraction of 47.2 percent in the same timeframe.

GOVERNMENT OPERATIONS

DOMESTIC REVENUE

9. The Government has taken various policy and administrative measures to enhance domestic revenues with a view to reduce foreign dependence. These measures include increasing domestic revenue collection by strengthening existing sources and identify new potential sources of revenue; and strengthening the effective use of Electronic Fiscal Devices – EFDs which are linked to TRA database to ensure that the Government gets appropriate tax revenue.

10. During the first quarter of the year 2014/15, total revenue collection was Tshs. 2,637.0 billion which is 87 percent of the estimate of Tshs. 3,035.0 billion. Tax revenue collections amounted to Tshs. 2,401.2 billion or 89 percent of estimated TShs. 2700.7 billion. Non-tax revenue continued to perform significantly below the estimates during this period whereas the actual revenue collection from this category was Tshs. 143.0 billion against the estimates of Tshs. 220.0 billion, equivalent to 65 percent only.

REVENUE BY SOURCE

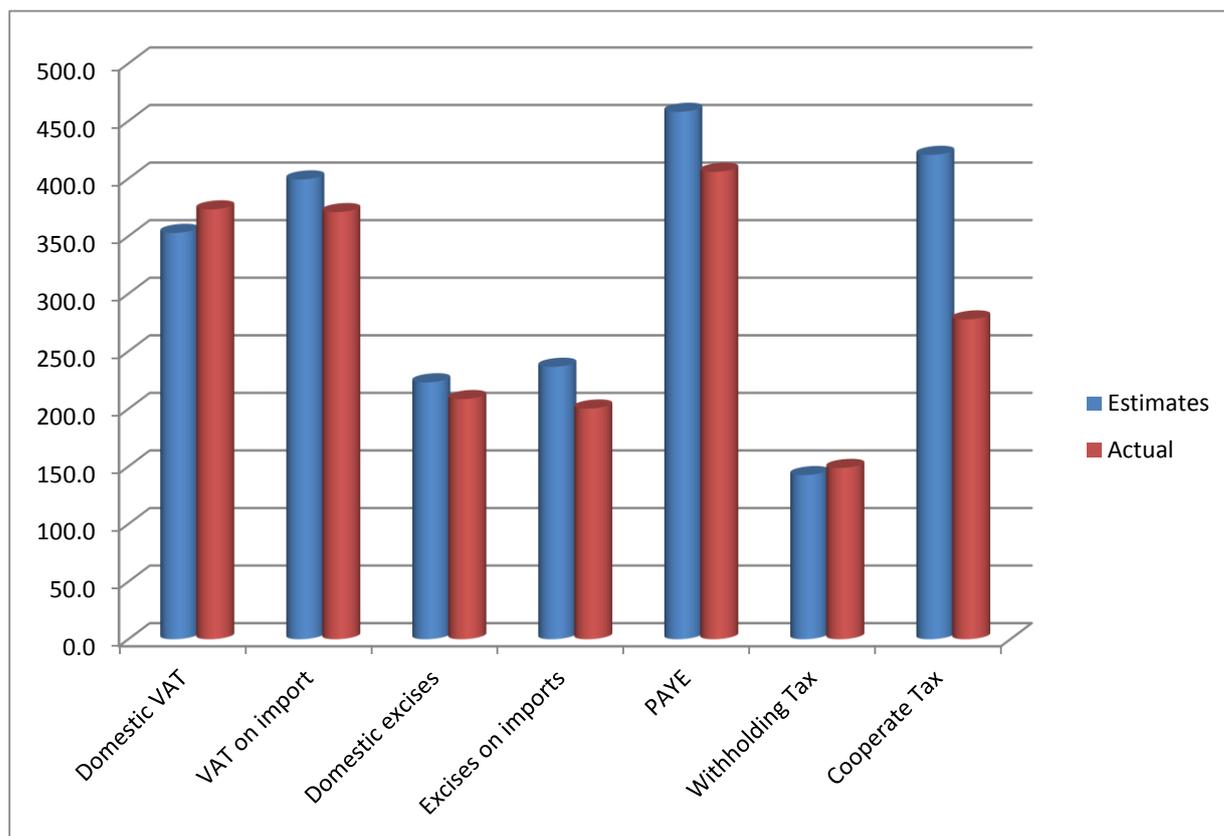
Taxes on Imports

11. During the first quarter of the fiscal year 2014/15, collections on imports taxes and duties were Tshs. 775.6 billion reflecting a performance of 90 percent of estimated TShs. 864.0 billion. The gross collection for the period was 6 percent higher than collection in the year 2013/14. All taxes and duties on importation performed below targets except of VAT on import which amounted to Tshs. 373 billion being 106 percent of the target to collect Tshs. 352.9 billion. Import duty collection was Tshs. 404.4 billion being 89 percent of collecting Tshs. 229.0 billion; and fuel levies collection was Tshs. 153.9 billion being 83 percent of collecting Tshs. 184.6 billion.

Income Tax

12. The overall Income tax collection during the first quarter of fiscal year 2014/15 was TShs. 879.3 billion which is 82 percent of the target to collect Tshs. 1,074.6 billion. However, this is an increase of 15 percent of a collection registered in the same period in 2013/14 fiscal year. A good performance was demonstrated on Withholding tax and whose collections were 104 and 119 percent respectively while PAYE, Corporate and parastatals, individuals and rental income tax underperformed during the period. Under performance of income tax collected is caused by decline in oil and gold prices in the world market while operating expenses still was increasing subsequently leading to reduction of the taxable amounts.

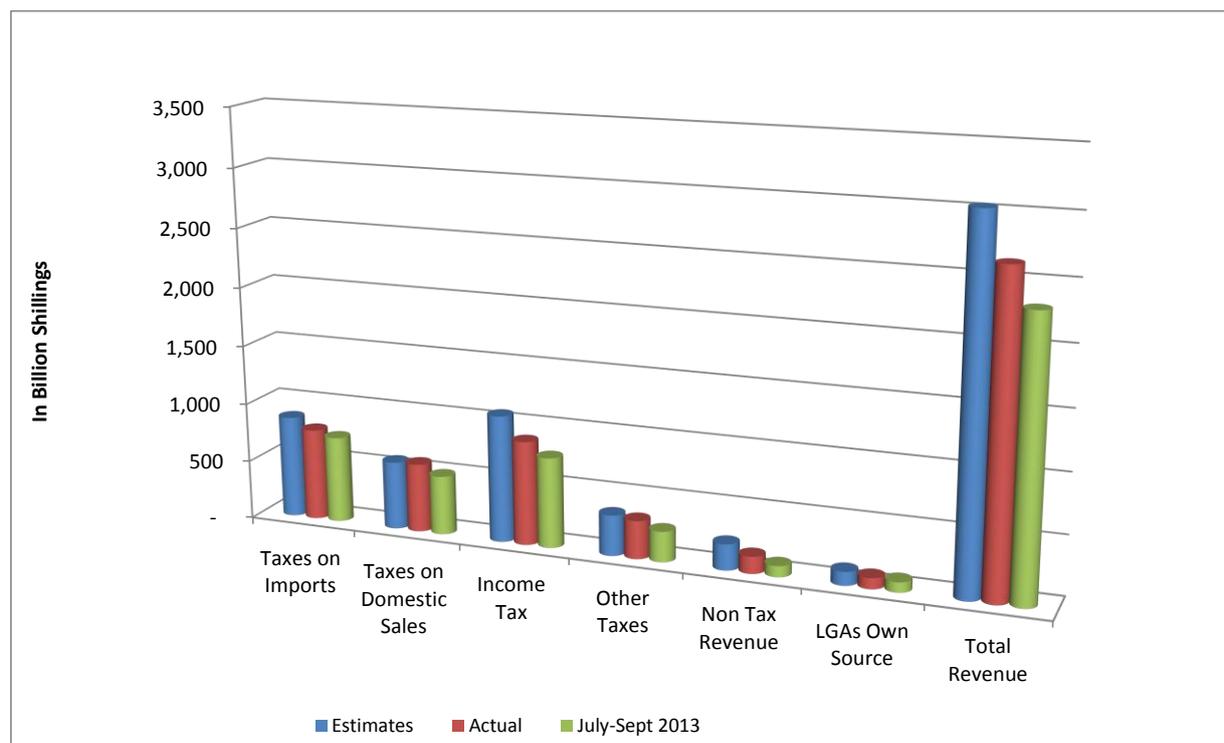
Figure 1: Revenue Performance by major Tax Item July – September 2014



Other taxes

13. During the quarter ending September 2014, actual collections from this category amounted to TShs. 322.8 billion, which was 94 percent of estimates. Business Skill Development levy recorded Tsh. 50.3 billion out of Tsh. 50.5 billion, which was equivalent to 99 percent of estimates. Fuel levy and transit fees indicated a good performance of 94 percent whereas the actual collection was Tshs. 169.7 billion. Collections from departure service charge also recorded a good performance of 113 percent with the actual collection being Tshs. 14.3 billion. Stamp duty; motor vehicle taxes; and treasury voucher cheque indicated a performance of 131 percent, 85 percent and 12 percent respectively.

Figure 2: Revenue performance July – September 2014 compared to July – September 2013



Source: Ministry of Finance

Non tax revenue

14. Collections of non-tax revenue were 65 percent of the estimates to collect Tshs. 220.0 billion for the period; this is an increase of 53 percent when compared with the corresponding period in 2013/14. The underperformance is explained by poor collection systems, lack of enforcement, and capacity from the implementing bodies. During the first quarter of the period 2014/15, LGAs own source revenue collection performance has improved and recorded Tshs. 92.2 billion, being 80 percent of the target. However, this collection is under the target. This can be explained by existence of poor system in management and monitoring of collections.

EXPENDITURE POLICIES AND PERFORMANCE

15. Budget execution for the financial year 2014/15 is strategically carried out based on the following expenditure policies: Releases of funds will be subject to requests received and submissions of quarterly performance expenditure reports by MDAs; Aligning expenditures to expected revenues; Strengthening public expenditure management and control including preparation of the Budget Act; Government Institutions and Agencies must use the e-Government Agency instead of consultants in installing their ICT systems in order to minimize costs; Government payments to be made through single Treasury Account at the Bank of Tanzania; Budget deficit (including grants) not exceeding 4.9 percent of Gross Domestic Product (GDP); and Votes to abide by planned expenditures and the ceilings approved by the Parliament.

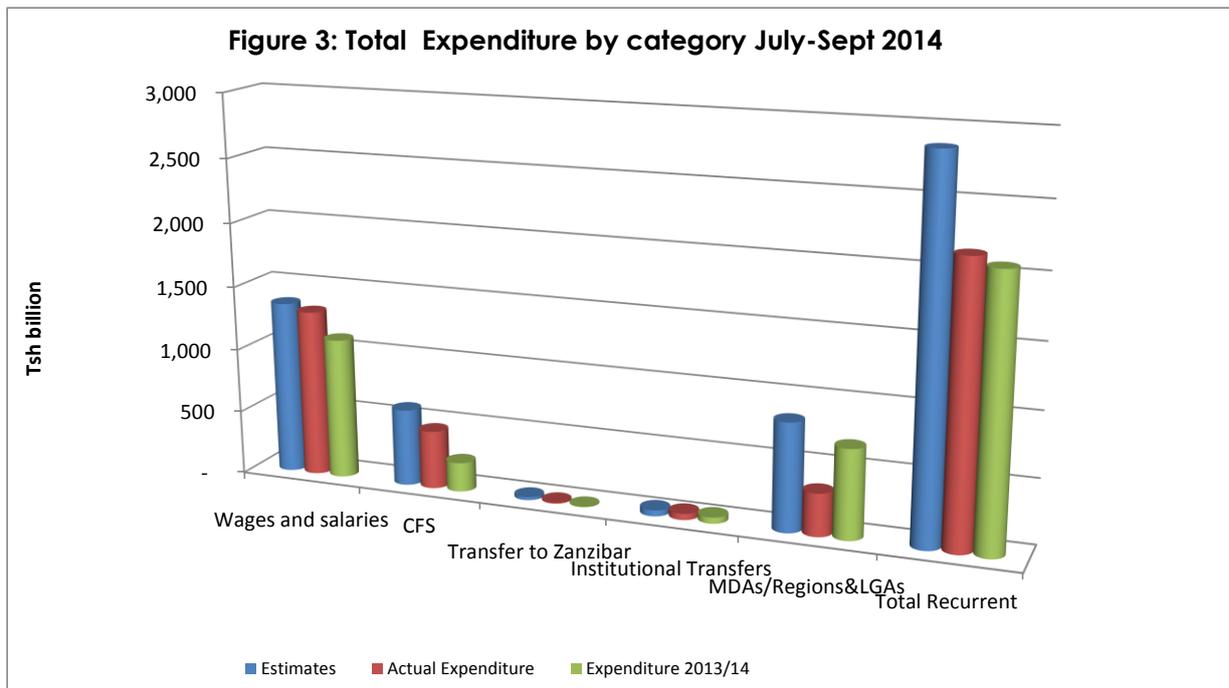
16. In the first quarter of 2014/15, total expenditure amounted to TShs 3,630.4 billion, with an execution level of 87 percent of quarter-estimate and 27 percent higher than in the corresponding period in 2013/14. Out of the total expenditure, TShs 2,262.5 billion (75 percent of estimate) was expenditure on recurrent items excluding Consolidated Fund Services (CFS) and TShs 1,482.5 billion was for development expenditure including foreign financed projects. Slow execution of expenditure on goods and services were due to under performance of domestic revenue both tax and non-tax. As mentioned earlier the Government continues to implement its budget on the cash budget system.

17. During the first quarter of 2014/15, a total of TShs 136.2 billion was paid as domestic interest while foreign interest payment amounted to TShs 91.3 billion. The interest payments were 68 and 98 percent of the estimates, respectively. Total interest payment was 77 percent of the estimates and was the same amount of what was paid over the corresponding period in the previous year. The increase in interest payments was mainly attributed by the decision made by the Government to borrow from commercial sources which is very expensive after unavailability of concessional sources so as to finance development projects. Expenditure on CFS others was TShs 226.2 billion being

74 percent of the estimated amount for the first quarter of 2014/15 and 30 percent more than what has been paid in the corresponding period in 2013/14.

18. Expenditure on wages and salaries (including parastatal wages) was TShs 1,304.7 billion, which was 96 percent of the estimates. Based on Year-on-year comparison, wages and salaries grew by 18 percent in the first quarter of 2014/15 when compared to the first quarter of 2013/14. This increase was due to increase of minimum wage for Government employee effective from July 2014.

19. During the quarter under review, development expenditure amounted to Tshs 1,482.5 billion being 114 percent of the estimate for the period. Good level of execution in development spending especially locally financed was mainly due to Government decision in frontloading domestic borrowing budgeted in a year. Due to this, locally financed development expenditures was TShs 953.3 billion, which was 110 percent of the estimates and 159 percent more than amount spent in the corresponding period of the preceding financial year. Meanwhile, foreign financed development expenditure was TShs 529.2 billion equivalent to 121 percent of the estimates. **Figure 3** below depicts expenditure performance for major recurrent expenditure categories for the first quarter of 2014/15.



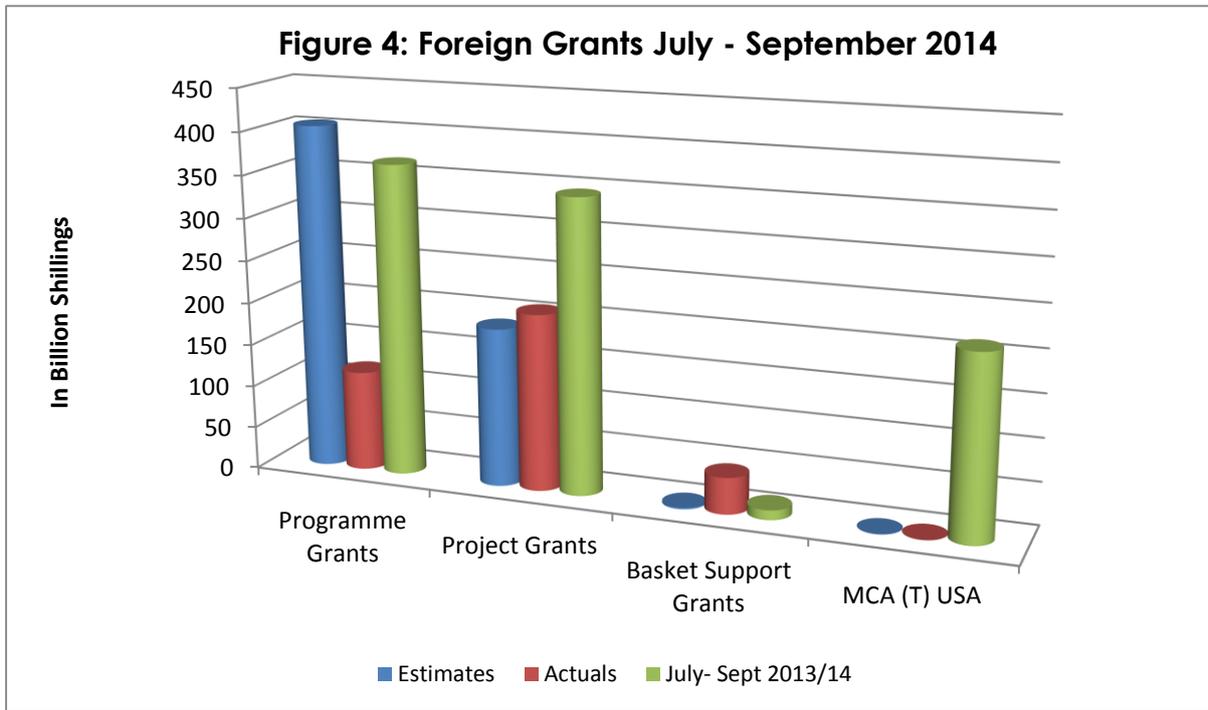
Source: Ministry of Finance

Grants and Financing

20. The Government continued to mobilize foreign grants and concessional loans from development partners and international financial institutions to complement Government efforts to finance development programmes. Total grants received during July- September 2014 amounted to Tshs 368.4 billion, which was 62 percent of the estimated amount of Tshs 593 billion and 61 percent lower the amount received in the corresponding quarter of 2013/14.

21. The programme grants received during the quarter amounted to Tshs 117.8 billion equivalent to 29 percent of the estimates. There was a delay in the disbursement of program grants during the quarter which is against GBS arrangement of frontloading.

22. During the quarter under review Tshs 207.7 billion was received as project grants equivalent to 115 percent of estimates. Tshs 42.9 billion has been received as basket grants for the quarter.

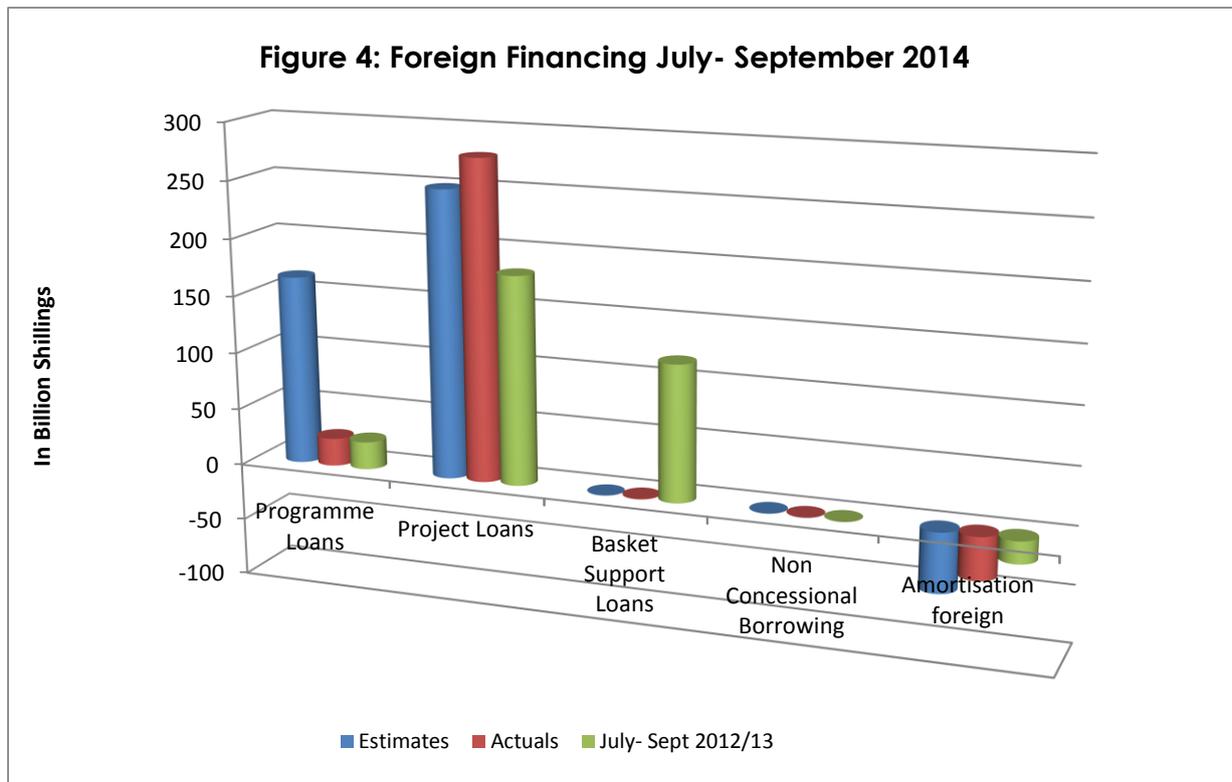


23. In the first quarter of 2014/15, Government budgetary operations recorded an overall deficit after grants amounting to Tshs 625.1 billion, which was financed by foreign and domestic borrowing.

24. Total financing during the quarter reached Tshs 1,138.5 billion compared to the estimates of Tshs 540.1 billion. Net foreign financing contributed to Tshs 265.7 billion while net domestic financing amounted to Tshs 872.8 billion.

25. Foreign programme loan financing during the first quarter of 2014/15 tottalled Tshs 24.2 billion equivalent to 24.2 percent of estimates and nothing was received as basket support loans.

26. The Government estimated domestic borrowing for financing development expenditure as well as rollover of maturing obligation. During the period under review, Tshs. 471 billion was for rollover and Tshs 872.8 billion was domestic financing. Figure 5 below presents a summary of financing by components during the quarter under review.



NATIONAL DEBT DEVELOPMENT

NATIONAL DEBT DEVELOPMENT

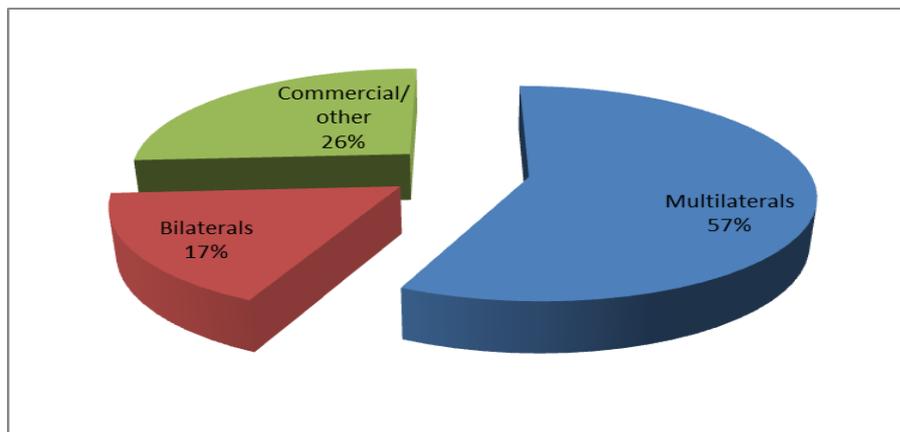
27. The National Debt Stock which comprises public and private debt as at September 2014 stood at USD 18,811.12 million compared to USD 15,093.5 million as at end September 2013, equivalent to an increase of 24.6 per cent. Public external debt was USD 13,694.9million equivalent to 72.8 per cent of total public debt stock while domestic debt was USD 5,116.2 million. The upturn was caused by new disbursements from concessional and non-concessional sources and accumulation of interest arrears for some bilateral creditors whose rescheduling agreements have not been concluded.

External Debt Stock

28. External debt stock as at end September 2014 stood at USD 13,694.9 million compared to USD 12,751.2 million recorded in September 2013 equivalent to 7.4 per cent increase. Out of total external debt stock, public debt was USD 11,385.4 million, and private debt was USD 2,309.47 million. Out of USD 11,385.4 million, Disbursed Outstanding Debt was USD 11,385.4 and USD

816.4 million was interest arrears. The increase was largely contributed by new borrowing to finance development projects. Concessional multilateral loans have been the major source of external financing which accounted for 57 per cent of total external debt. Bilateral creditors accounted for 17 per cent and Export credit/ Commercial Bank accounted for 26 per cent of total external debt stock.

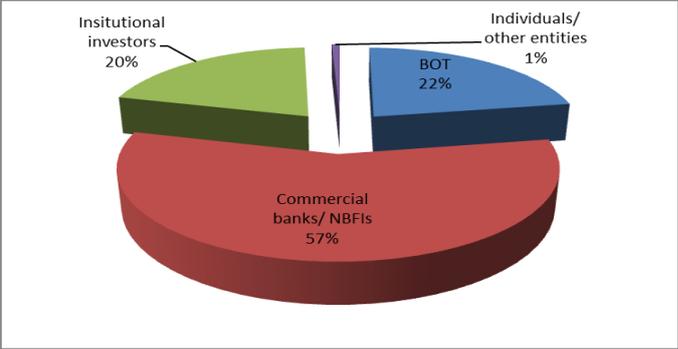
Chart 4: Disbursed Outstanding Debt by Creditor Category



Domestic Debt Stock

29. Domestic Debt Stock (including BoT liquidity paper) as of end of September, 2014 stood at TZS 8,561.2 billion compared to TZS 7,197.1 billion in the quarter ending September 2013 equivalent to an increase of 18.9 percent. The increase was largely contributed by new borrowing to finance development projects. The analysis of Government securities (excluding BoT liquidity paper) by holder category shows that Commercial Banks/Non-Bank Financial institutions are the leading creditors, holding 57 percent of the total, followed by Bank of Tanzania 22 percent, the institutional investors 20 percent and other entities 1 percent. The relatively low investment risk in government securities and expansion of the banking sector explains the dominance of commercial banks in securities market.

Chart 5: Domestic Debt by Holder Category



NON Concessional Borrowing

30. 4. During the financial year 2014/15 the Government has planned to borrow from commercial sources amount worth Tshs 1,320.0 billion equivalent to USD 800 million to finance infrastructure development. Negotiation with China Development Bank (CDB) has been concluded, where the Government expect to receive USD 300 million. Either, negotiation with a number of financial institutions for the remaining USD 500 is at advanced stage.

Annex A: Summary of Central Government Operations July - September 2014

Billion Shillings

	Budget Estimate	July - September 2014			July - September 2013/14 Actual	Year on year % change
		Estimate	Actual	Percent of Estimate		
Total Domestic Revenue	12,637	3,035	2,637	87%	2,313	14%
Tax Revenue	11,297	2,701	2,401	89%	2,133	13%
Taxes on Imports	3,472	865	776	90%	731	6%
Taxes on Domestic Sales	2,474	576	582	101%	501	16%
Income Tax	4,603	1,075	879	82%	766	15%
Other taxes	1,386	344	323	94%	259	25%
Net refunds	(637)	(159)	(159)	100%	(124)	28%
Non tax revenue	881	220	143	65%	94	53%
LGAs own source	458	115	92	80%	86	7%
Total Expenditure	17,194	4,168	3,630	87%	3,100	17%
Recurrent expenditure (Excl. CFS)	9,026	2,262	1,744	77%	1,673	4%
Wages & salaries(Central & Local Gov't)	4,733	1,194	1,148	96%	962	19%
Goods and services and Transfers	4,994	1,374	823	60%	886	-7%
TRA	188	47	48	103%	43	11%
Parastatal wages	701	160	157	98%	140	12%
Retention scheme	360	90	59	66%	52	15%
Other goods and services	3,745	1,077	558	52%	650	-14%
Development Expenditure	6,473	1,306	1,433	110%	1,024	40%
Domestic	4,454	868	903	104%	368	146%
Foreign	2,019	438	529	121%	656	-19%
Interest payment	995	294	227	77%	228	0%
Domestic	652	202	136	68%	159	-15%
Foreign	342	93	91	98%	69	32%
CFS (Other)	701	305	226	74%	175	30%
<i>Overall Deficit (before grants)</i>	(4,558)	(1,133)	(994)	88%	(786)	26%
Grants	1,481	593	368	62%	723	-49%
Programme	547	405	118	29%	367	-68%
Project	745	186	208	111%	131	58%
Basket grants	189	2	43	2440%	11	275%
MCA (T) - USA	-	-	-	0%	214	-100%
<i>Overall Deficit (after grants)</i>	(3,076)	(540)	(625)	116%	(63)	884%
Expenditure Float	-	-	(246)		(611)	-60%
<i>Adjustment to cash & other items</i>	-	-	(268)		97	-376%
<i>Overall balance</i>	(3,076)	(540)	(1,139)	211%	(577)	97%
Financing	3,076	540	1,139	211%	577	97%
Foreign (net)	2,390	363	266	73%	478	-44%
Programme loans	375	165	24	15%	24	0%
Project loans	1,000	250	278	111%	181	53%
Basket loans	85	-	1		118	-99%
Non-Concessional Borrowing	1,320	-	-		173	-100%
Amortization	(390)	(52)	(37)	72%	(19)	94%
Domestic (net)	686	177	873	494%	99	781%
Bank Borrowing	618	177	824	466%	96	758%
Non-Bank Borrowing	69	-	49		3	1540%
Borrowing/Roll over	(2,262)	(512)	(472)	92%	322	-247%
Amortisation of contingent debt	(3)	(2)	-	0%	-	
Domestic amortisation/Rollover	2,262	512	472	92%	(322)	-247%

Source: Ministry of Finance

Revenue Performance July - September 2014

Billion Shillings

	Budget Estimates	July - September 2014			July-Sept 2013/14 Actual	Year on year % change
		Estimates	Actual	Percent of estimate		
Revenue (Including LGAs own sources)	12,636.5	3,035.3	2,636.8	87%	2,313.2	14%
Revenue (Excluding LGAs own sources)	12,178.0	2,920.7	2,544.6	87%	2,227.0	14%
Tax Revenue	11,297.3	2,700.7	2,401.2	89%	2,133.4	13%
Taxes on Imports	3,472.0	864.9	775.6	90%	731.5	6%
Import Duty	919.3	229.0	204.4	89%	197.4	4%
Petroleum	741.0	184.6	153.9	83%	152.2	1%
Excise	741.0	184.6	153.9	83%	152.2	1%
Others	1,811.7	451.3	417.4	92%	382.0	9%
Excise	208.7	52.0	46.5	89%	36.2	28%
VAT on Non-Petroleum imports	1,603.0	399.3	370.9	93%	345.8	7%
Taxes on Domestic Sales	2,473.6	576.0	581.9	101%	500.9	16%
Excise	958.5	223.1	208.6	93%	171.6	22%
Value Added Tax (VAT)	1,515.1	352.9	373.3	106%	329.4	13%
Income Tax	4,602.9	1,074.6	879.3	82%	765.8	15%
PAYE	1,864.2	458.1	406.0	89%	367.8	10%
Corporate and Parastatals	1,829.9	420.7	277.7	66%	229.3	21%
Individuals	152.8	29.1	22.3	76%	19.2	16%
Withholding Taxes	635.6	142.5	148.8	104%	120.3	24%
Rental Tax	79.2	16.4	15.2	93%	24.9	-39%
Other Income	41.1	7.9	9.3	119%	4.3	117%
Other Taxes	1,385.7	344.4	322.8	94%	258.8	25%
Business Skill Development Levy	203.6	50.5	50.3	99%	27.6	82%
Fuel Levy and transit fee	722.8	180.1	169.7	94%	144.4	18%
Stamp Duty	10.3	2.6	3.4	131%	1.7	99%
Departure Service Charges	51.1	12.6	14.3	113%	11.0	29%
Motor vehicle taxes	212.3	52.3	44.7	85%	31.3	43%
Treasury Voucher Cheque	43.2	10.8	1.3	12%	4.3	-70%
The Use of Telecommunication Traffing	0.0	0.0	0.0	0%	10.9	
Transter to REA	142.5	35.5	39.3	111%	27.7	42%
Refunds	-636.9	-159.2	-158.6	100%	-123.6	28%
Refunds - VAT	-608.2	-152.1	-151.4	100%	-103.3	47%
Refunds - other	-28.7	-7.2	-7.2	100%	-20.4	-65%
Non Tax Revenue	880.8	220.0	143.4	65%	93.6	53%
Parastatal Dividends	142.4	35.6	17.0	48%	3.6	376%
Other Treasury collections	2.7	0.7	0.2	23%	6.0	-97%
Ministries and Regions	714.8	178.7	121.8	68%	81.0	50%
TRA Non Tax	20.9	5.0	4.5	90%	3.1	47%
LGAs own source	458.5	114.6	92.2	80%	86.2	7%

Source: Ministry of Finance

Expenditure by Category July - September 2014 (in billions of Tshs)

Billion Shillings

	Budget Estimate	July - September 2014			July-September 2013/14 Actual	Year on Year % Change
		Estimate	Actual Expenditure	Percent of Estimate		
Total Expenditure	17,194.1	4,168.5	3,630.4	87%	2,859.7	27%
Recurrent Expenditure (Excl. CFS)	9,025.6	2,262.5	1,694.2	75%	1,672.9	1%
Wages and salaries	4,732.6	1,193.5	1,147.5	96%	962.0	19%
Goods, services and transfers	4,293.0	1,069.0	546.7	51%	710.9	-23%
TRA	188.0	47.0	48.4	103%	43.5	11%
Parastatal wages	700.9	160.2	157.2	98%	140.1	12%
Retention scheme	360.3	90.1	59.4	66%	51.5	15%
Other goods and services	3,043.8	771.6	281.7	37%	475.8	-41%
Transfer to Zanzibar (BGS)	30.1	18.2	5.3	29%	-	
Transfer to Zanzibar (PAYE)	21.0	5.3	5.3	100%	5.3	0%
TANESCO (IPTL- Capacity Charge)	-	-	-	0%	4.5	-100%
Treasury Voucher Scheme	36.0	9.0	9.0	100%	6.0	49%
Other charges	2,956.7	739.2	262.2	35%	465.3	-44%
Development Expenditure	6,473.0	1,306.1	1,482.5	114%	783.8	89%
Domestic	4,453.6	868.0	953.3	110%	367.6	159%
o/w Fuel Levy - Road Fund	751.7	179.7	180.3	100%	144.4	25%
Transfer to HESLB - SDL	122.1	30.3	32.4	107%	34.8	-7%
Transfer to HESLB -BUDGET	186.2	91.9	82.0	89%	91.9	-11%
Transfer to REA	269.2	39.1	39.8	102%	17.6	125%
Foreign	2,019.4	438.1	529.2	121%	416.1	27%
o/w basket grants	189.1	1.8	5.2	295%	11.4	-55%
o/w basket loans	85.0	-	0.6		61.3	-99%
o/w MCA (T)- USA	0.0	0.0	0.0		37.7	-100%
Interest	994.5	294.5	227.5	77%	228.4	0%
Domestic	652.4	201.6	136.2	68%	159.4	-15%
Foreign	342.1	92.9	91.3	98%	69.0	32%
CFS others	700.9	305.4	226.2	74%	174.6	30%

Source: Ministry of Finance

Foreign Grants and Financing July - September 2014

Billion Shillings

	Budget Estimates	July - September 2014			July - September 2013/14 Actual	Year on year % change
		Estimate	Actual	Percent of estimate		
Overall deficit before grants	(4,557.6)	(1,133.1)	(993.5)	87.7%	(786.4)	26.3%
Grants	1,481.2	593.1	368.4	62.1%	936.5	-60.7%
Programme	546.7	405.0	117.8	29.1%	366.5	-67.9%
Project	745.3	186.3	207.7	111.5%	345.0	-39.8%
Basket Support	189.1	1.8	42.9	2439.6%	11.4	275.5%
MCA(T) - USA	0.0	0.0	0.0		213.6	-100.0%
Overall deficit after grants	(3,076.4)	(540.1)	(625.1)	115.7%	150.1	-516%
Expenditure Float	0.0	0.0	-245.6		-610.6	-60%
Overall Balance	(3,076.4)	(540.1)	(870.7)	161.2%	(577.0)	51%
Financing	3,076.4	540.1	1,138.5	210.8%	577.0	97%
Foreign (net)	2,390.0	363.3	265.7	73.1%	478.0	-44%
Programme (Loans)	375.5	165.0	24.2	14.7%	24.1	0%
Project (Loans)	1,000.0	250.0	277.9	111.2%	181.4	53%
Basket Support	85.0	0.0	0.6		118.2	-99%
Non-Concessional Borrowing	1,320.0	0.0	0.0		173.3	-100%
Amortisation Foreign (outflow)	-390.4	-51.7	-37.0	71.6%	-19.1	94%
Domestic (net)	686.4	176.7	872.8	493.8%	99.0	
Bank Borrowing	617.7	176.7	824.2	466.3%	96.1	758%
Non-Bank Borrowing	68.6	0.0	48.6		3.0	1540%
Borrowing/Roll over	-2,262.5	-512.4	-471.8	92.1%	-321.9	47%
Amortisation of contingent debt	-3.2	-1.6	-3.2	200.0%	0.0	
Domestic amortisation/Rollover	2,262.5	512.4	471.8	92.1%	321.9	47%
Source: Ministry of Finance						