



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org

18788

95p.
taken
copy

FIRST DRAFT

UNITED REPUBLIC
of
TANZANIA

Report for the Preparation of
NATIONAL PROGRAMME
for
THE SECOND IDDA

56

Prepared by: AYHAN CILINGIROGLU - CONSULTANT

Industop. eff: Mr. Koyunlu
PPD/AREA/IDDA

January 1991 - Ankara

CONTENTS

	<u>Page No.</u>
INTRODUCTION	1
PART A	
1- BRIEF OVERVIEW OF THE ECONOMY	
Historical Background	2
Geography	2
Population	3
Political Background	4
International Relations	5
Structure and Performance of the Economy	6
Socialism and Self-reliance	7
Capital Formation	8
Development Plans	8
Structural Adjustment Programmes	9
Public and Private Sector	11
Foreign Trade and Foreign Investment	11
Foreign Debt	11
The Resource Base	12
- Agriculture	12
- Livestock	12
- Fishing	12
- Forest	12
- Mining	13
- Energy Resources	13
- Financial Resources	13
Role of Technical Co-operation in Industrial Development	14
Balance of Payment	15
2. THE MANUFACTURING SECTOR	16

- Structure and Performance	16
- Production	16
- Institutional Framework	17

3. INDUSTRIAL POLICIES AND STRATEGIES	18

- Current Industrial Development Plans	18
- Industrial Investment Promotion	19
- Export Promotion	20

PART B

4. ASSESMENT OF THE IMPLEMENTATION OF THE FIRST IDDA PROGRAMME	20

5. PROGRAMME FOR THE SECOND IDDA	20

a) Industrial Objectives, Strategies and Policies for the Second IDDA	21
b) Programme of Consolidation	21
- Rehabilitation of Existing Industrial Enterprises	24
- Programme of Preventive Maintenance and Domestic Production of Spare Parts	25
- Revitalization of Public Enterprise Sector	25
- Programmes to Strengthen Human Resources and Technical Capabilities	26
- Development Banks	27
- Aid Coordination	28

6. MODALITIES FOR FORMULATION AND IMPLEMENTATION	

Modalities for Formulation	28
Modalities for Implementation	29

Annex I Utilization of and Potential for Some Crops

Annex II List of Persons Contacted

Annex III Selected References

Annex IV Terms of Reference

Annex V Annexed Tables

Annex Table 1 : United Republic of Tanzania Gross Domestic Product at Factor Cost by Industrial Origin (Current Prices)

Annex Table 2 : United Republic of Tanzania Gross Domestic Product at Factor Cost by Industrial Origin Mainland-Zanzibar (Current Prices)

Annex Table 3 : United Republic of Tanzania Gross Domestic Product at Factor Cost by Industrial Origin Relative Importances of Mainland and Zanzibar.

Annex Table 4 : Gross Domestic Product of Mainland Tanzania at Factor Cost by Industrial Origin (At 1976 Prices)

Annex Table 5 : Gross Domestic Product of Zanzibar at Factor Cost by Industrial Origin (At 1976 Prices)

Annex Table 6 : Average Annual Rates of Growth of GDP at 1976 Prices - Mainland

Annex Table 7 : Selected Production Indices Production of Major Export Products

Annex Table 8 : Selected Production Indices Production in Selected Industries

Annex Table 9 : Capital Formation by Type of Assets, Mainland (Current Prices)

Annex Table 10: Government Capital Formation by Type of Assets, Zanzibar (Current Prices)

Annex Table 11: The National Consumer Price Index

Annex Table 12: The National Consumer Price Index for 1988 and 1989 by Categories

Annex Table 13: Foreign Trade Summary

- Annex Table 14: Tanzania's Foreign Trade
- Annex Table 15: Tanzania Exports 1988-1989
- Annex Table 16: Tanzania's Exports by Major Commodity Groups Since 1980
- Annex Table 17: Tanzania's Imports
- Annex Table 18: Tanzania's Imports by Major Commodity Groups
- Annex Table 19: Production of Major Export Crops
- Annex Table 20: Volume of Officially Marketed Production of Principal Food and Export Crops, 1985/86-1988/89
- Annex Table 21: Mineral Production 1985-1989
- Annex Table 22: Tanzania-Balance of Payments
- Annex Table 23: Balance of Payments Summary
- Annex Table 24: Structure of Value Added 1980-1990
- Annex Table 25: Structure of Value Added 1980-1988
- Annex Table 26: Employment by Industrial Sub-sectors 1980-1988
- Annex Table 27: Employment by Industrial Sub-sectors 1980-1988
- Annex Table 28: Share of Manufactured Exports in Total Exports (1980-1989)
- Annex Table 29: Production of Selected Commodities
- Annex Table 30: Labour Productivity
- Annex Table 31: Capacity Utilization in Selected Industries
- Annex Table 32: Production indices of selected industries 1980-1987
- Annex Table 33: Share of Growth of Industrial Sector During 1980-1989

INTRODUCTION

The First Industrial Development Decade for Africa was launched by the United Nations General Assembly 1/ by adopting resolution 35/66B of December 5, 1980.

In the light of the experiences gained during 1980's the Secretariats of OAU, ECA and UNIDO were requested to prepare, in consultation with the working group of government experts, a framework to assist Member States in the elaboration of their national and sub-regional programmes for the second IDDA at the ninth meeting of the Conference of African Ministers of Industry held at Harare, Zimbabwe May 29-June 1, 1989. 2/

This report which is written after a consultancy assignment of 3 weeks in Dares Salaam and Zanzibar in October and November 1990 in accordance with the Terms of References given in Annex IV will briefly review: Tanzania's economic environment before 1990; recent experiences in the improvement of industrial climate and the settings in which the industrial sector is currently placed. It will then try to elaborate some options which are open to the Government.

This can be used for the preparation of a programme for the second IDDA.

1/ UNIDO. A Programme for Industrial Development Decade for Africa. Guidelines for the Preparatory Phase (1982-1984) Vienna 1983.

2/ Framework and Guidelines for Action at the National and Subregional levels for the Preparation of the Programme for the Second Industrial Development Decade for Africa (1981-2000)
UNIDO-PPD.161 April 19, 1990

PART A

1) BRIEF OVERVIEW OF THE ECONOMY

Historical Background

1. Tanzania is a Union Republic of Tanganyika and Zanzibar. Zanzibar was declared a British Colony in 1890 while Tanganyika was a German Colony from 1891 to 1918 when it was occupied by Britain during the First World War. After that war Tanganyika was mandated to Britain by the League of Nations. In 1945 it was placed under the United Nations Trusteeship Council.
2. Tanganyika became independent from the United Kingdom on December 9, 1961 and a republic on December 9, 1962 with Dr. Julius Nyerere, the leader of the independence movement, as First President who held the presidency from that date until November 1985 when Ali Hassan Mwinyi, former vice president was inaugurated as president.
3. Zanzibar became independent on December 10, 1963. Following the overthrow of the Sultan in 1964, a treaty of unity was signed with Tanganyika and the two countries became the United Republic of Tanzania. Zanzibar, however being represented in the National Assembly and governments, has its own president, cabinet, assembly and administration. Thus The United Republic became effective on April 26, 1964 and the name Tanzania was adopted on October 29, 1964.

Geography

4. The Union of Tanzanian Republic, the islands of Zanzibar, Pemba, Mafia and the large compact of land in Eastern Africa between great lakes namely Lake Victoria, Lake Tanganyika and Lake Nyasa and the Indian Ocean just below the equator, is in a region that is currently undergoing rapid socio-economic and political transformation. It is bordered on the North by Kenya and Uganda, on the West by Rwanda Burindi and Zaire and on the South by Zambia, Malawi, Mozambique.
5. The country lies between latitudes 1 and 11 South and between longitudes 30 00 and 40 00 with a total area of 939.701 square kilometres. Zanzibar consists of Island of Zanzibar, Pemba and a number of small islands with a total area of about 1658 km² lying about 35 km off the Mainland.
6. Tanzania is a country of striking differences geographically, historically, socially and culturally. On the Mainland the coastal plains give way to the eastern plateaus followed by the eastern rift valley. The central plateaus, southern highlands and western rift valley and Kilimanjaro, the highest mountain in Afrika (5890 m), Meru Mountain (4572 m) are all parts of these contrasts. The country besets with several rivers Great Ruaha, Malagarasi, Kagera, Ruvuma, Pangani, Ruvu, and Wami.

7. Declared capital of the country since 1973 has been Dodoma, population 25 000 but completion is expected to take at least another 10 years. Principal city is Dar es Salaam with 1.5 million inhabitants which is the commercial centre and still the acting capital. Other important towns include Tanga, Arusha, Mwanza, Ubeya and Zanzibar.

Population

8. Tanzanian population was 24.728.000 according to the population census of 1988 which is estimated to be 25 627 000 in 1989 1/ with a population growth of 3.5 % between these two years. The population of Zanzibar according to the Population Census of 1988 was 640 578.
9. The population of Dar es Salaam grew rapidly in the 1960s and early 1970s to reach 870,020 in 1978. Efforts to slow the rural-urban drift restrained the population to an estimated 1.1 million by 1985. Dodoma, which currently shares the status of capital-city with Dar es Salaam but is intended ultimately to be the single
10. The authorities still plan to develop Dodoma in the central region as the new capital. However, despite detailed plans to transfer key ministries, the government has fallen increasingly behind its targets on the project. Dodoma lacks basic infrastructure and communications, and many observers regard the scheme as impractical given the country's current economic difficulties. The Government, however, seems to be determined to go ahead with it.
11. 95 percent of the population is Bantu but that means more than 120 tribes with a common language: Kiswahili which is also spoken in neighbouring countries. There are small minorities of Indians, Pakistanis, Arabs and Europeans.

1/ World Bank News. Vol. IX No: 37

capital, had a population of some 25 000 in 1985 according to UN estimates. The estimates make Mwanza the second largest town, with a population of 252,000 in 1985, followed by Tabora with 214,000, Mbeya with 194,000 and Tanga with 172,000 in the same year. The urban population of the mainland is now some 4 million (on the basis of projections made at the time of the 1978 census), but on Zanzibar and Pemba over a quarter of the population is urban.

Political Background

12. Tanzania is a one party state. The original mainland party, The Tanganyika African National Union (Tanu), merged in 1977 with Zanzibar's Afro Shirazi Party to form Chama Cha Mapinduzi (the Revolutionary Party), known as CCM. A new constitution agreed at the same time established the party supremacy in policy making. The party structure, culminating in the National Executive Committee (NEC), parallels the National Assembly and the Cabinet. Since the CCM is constitutionally supreme, the NEC can, if necessary, overrule the government on major issues. Therefore, while the President Mwinyi has considerable executive powers Dr. Nyerere who held the chair of CCM until October 1990 as he did while he was president had continued to exercise influence over the country's political and economic strategy formally until Mr. Mwinyi began to hold the both posts after the recent elections of October 28, 1990. Dr. Nyerere's informal influence, however, continues.
13. Elections to the assembly and the national and Zanzibar presidencies must take place every five years. The last elections were held on October 28, 1990. There is a choice of candidates in the constituencies, but all candidates must be approved by the NEC. The National Assembly thus closely follows the line set by the Party, but dissent by assembly members has occurred on a number of occasions.
14. The transition from the presidency of Dr Nyerere to that of Mr Mwinyi was achieved smoothly and represents one of the few peaceful presidential successions to have occurred in independent Africa. President Mwinyi (who was the President of Zanzibar and the vice president of the Union from 1984) has been a loyal supporter of Dr Nyerere.
15. There is little evidence of any organised opposition to the party's supremacy on the mainland, although there is a small exile group based in London. Economic decline has resulted in considerable disgruntlement among ordinary people, but the political atmosphere on the mainland has remained remarkably calm in the face of economic austerity. In December 1985 nine people (mainly junior army officers) were given life sentences for plotting to overthrow the government in January, 1983. However, the attempt was poorly organised and the plotters were quickly discovered.
16. However, the last five years have shown that there is considerable resentment among ordinary people in Zanzibar of the degree of control exercised by the mainland over the islands' affairs. In 1984 Aboud Jumbe, then Zanzibari president, was forced to resign following his inability to control the rising separatist sentiment. Support for breaking from the Union declined after Mr. Mwinyi became President of Zanzibar and introduced a popular series of economic and political reforms. In May 1988 there were serious demonstrations in Zanzibar, and, then President Idris Wakil sacked his chief minister, Seif Shariff Hamad, and some other ministers, alleging a coup plot against him. There are several exiled groups pressing for an end to one party rule in Zanzibar and for a referendum on the Union with the mainland, but their effectiveness is limited by fragmentation into Muslim and

secular groupings. However, The islands' new president, Mr. Salmin Amour is a long time associate of Mr. Mwinyi and supports the Union.

17. By comparison with many other African countries, Tanzania has a relatively free judicial system and a good record on human rights. Although the Preventive Detention Act empowers the president to authorise detention without trial, this has not been used on a large scale. In addition the act has been reformed to grant new rights to detainees and judicial system of Zanzibar has been overhauled and liberalised. In Zanzibar civil law and sharia are applied depending upon cases. Strict penalties are imposed on those guilty of "economic sabotage" mainly black marketeering, were instituted during the early 1980s. The Human Resources Development Act also empowers urban authorities to return the urban unemployed to their villages or allocate them work.
18. Although at present the party CCM has absolute power in the country but there is very wide public debate for the introduction of multiparty system. The achievement in economic and social life of the country realized through one party system has been an issue of the public debates especially in recent years. The social philosophy of the party in power as regards to state ownership has already been under attack even by some party members as well.
19. The elections of October 28, 1990 has not brought any substantial changes in the Government but it was important because of participation of public in the political process. The elections of October 28, 1990 has witnessed active campaigning not because of existence of several parties but because of the desire for the participation of general public in political process as well as to receive a public approval for the past policies and to make individual politicians subject to the political will of their constituents.
20. No matter what the motives of the Governments might be the concern about the public feeling as regards to policies is evident; thus it seems that the pressure for a multiparty parliamentary system based on free elections will be increased not so much because of insistence of donor countries / agencies but because of the will of Tanzanian people. If the transition from one party authoritarian government to public service oriented elected government of a multiparty political system is made easily through the blessing and support of existing party the political environment will be more suitable for development in general, industrial development in particular.
21. In addition to the continuous interaction between the Party, CCM and the administration in the formulation/implementation of policies, one has to be aware of several layers within the state mechanism, in order to understand the setting in which industry is placed in Tanzania.

International Relations

22. The key principles of Tanzania's foreign policy have always been non-alignment and opposition to colonialism and

apartheid. The country has considerable influence within the non-aligned movement and in the Third World in general. Dr Nyerere has been regarded as one of Africa's elder statesmen and in 1984 he was chairman of the Organisation of African Unity (OAU). Political and economic relations have been particularly warm with the Scandinavian countries and with China which gave considerable economic assistance to Tanzania in the 1970s, most notably when the Tazara railway linking Tanzania with Zambia was built. The East European countries, the USSR and North Korea have maintained a high diplomatic profile in Tanzania until recently and CCM officials have been guests at party congresses in the USSR. Some economic assistance is provided by the former Eastern bloc countries. West Germany also has close links with Tanzania, since the mainland was a German colony before 1918, and relations have improved recently with the USA. Relations with the UK have generally remained close, despite the temporary severance of diplomatic relations after Rhodesia's unilateral declaration of independence in 1965. Tanzania provides active support to the South African Liberation Movement. It provided similar support in the past to liberation movements in Angola, Mozambique, Namibia and Zimbabwe.

23. In October 1978 Uganda, then ruled by President Amin, invaded the Kagera district of Tanzania. The Tanzanian army expelled the invaders, and three months of border warfare followed, after which 20,000 Tanzanian troops and a small group of Ugandan exiles invaded Uganda. By mid-April 1979 they had established a provisional government in Kampala, and the end of the year controlled the whole country. Although the overthrow of the Amin regime was a moral as well as a military triumph, the financial costs of the war were very heavy, totalling at least about US \$ 500 million. Tanzania maintained close relations with the second Obote administration in Uganda, but in 1985 the overthrow of Dr Obote - a close friend of Dr Nyerere - again created considerable alarm in Tanzania, although relations with the present administration of Uganda are now good.
24. Diplomatic relations with Zaire remain cool after claims by Zaire that Tanzania has given support to Zairean insurgents. There has recently been increased economic cooperation with Malawi, although Tanzania has always viewed with disfavour Malawi's links with South Africa. Relations with Kenya have meanwhile improved considerably, after a long dispute over the break up of the East African Community (EAC), which resulted in the closure of the border for a period of time.
25. Tanzania is a member of both the Southern African Development Coordination Conference (SADCC) and the Preferential Trade Area (PTA) for East and Southern Africa.

Structure and Performance of the Economy

26. The Gross Domestic Product of the United Republic of Tanzania was about Tshs 360 billion in 1989 as shown in detail on Annex Table 1. About 58,7 percent of the GDP originates from agriculture, forestry, fishing and hunting while manufacturing

provides only 8,5 percent of the GDP. The bulk of the GDP originates from the mainland (97.6 percent) while Zanzibar provides only 2.4 percent. (See Annex Table 2).

27. Total GNP for the mainland Tanzania was US \$ 3,775 billion in 1988 and US \$ 3,079 billion in 1989 thus a decline of about 18 % was recorded in 1989. The real growth rate between 1987-1989 was however 1.8 % and 0.1 between 1987-89. Per capita GNP was US \$ 150 in 1988 and US \$ 120 in 1989. The GDP of Zanzibar was US \$ US \$ in 1989. (For the relative importance of various sectors in the GDP of the Mainland and Zanzibar see Annex Table 3).

Since the beginning of 1980s, Tanzania has faced a series of severe economic problems -falling production, shortage of foreign exchange, fiscal deficits, high rate of inflation, declining real per capita income, transportation bottle-necks, growing debt servicing obligations, sustained deterioration in terms of trade, and intermittent droughts. The country suffered a long decline in output and export earnings, a reduction in the domestic savings rate, and a sharp fall in import volumes. The Gross Domestic Product (GDP) grew at an average annual rate of 0.8 percent between 1981 and 1985, recovering somewhat to 3.9 percent between 1986 and 1988. (See Annex Table 4 for the GDP by kind of activity at 1976 prices for the Mainland and Annex Table 5 for Zanzibar). The GDP has not shown any substantial increase in real terms in Zanzibar between 1985 and 1989 because of adverse general conditions internationally for the exports of cloves, coconuts, the traditional products of Zanzibar. For the annual average growth rates of the GDP for the mainland See Annex Table 6.

28. The performance of key sectors was also unsatisfactory. Agriculture, the mainstay of the economy grew at first 3.0 percent. The mining sector declined -1.5 percent. Industrial activities suffered an average annual fall in production of -4.9 percent. The construction sector declined by -5.9 percent. (See Selected Production Indices on Annex Table 7 and Annex Table 8)
29. The problems which beset the economy affected the social sector as well. Hospitals, health centres faced critical shortages of medicines, schools lacked teaching materials and facilities and clean water projects broke down for lack of spare parts. A combination of external shocks, inappropriate domestic policies and long-run under-performance since the early 1970s has produced chronic economic disequilibrium. Large gap has opened up between the aspirations of policy makers and the capacity of the public sector to translate aspirations into effective programmes. The purchasing power of public sector salaries is now far below the level of the early 1970s.

Socialism and self-reliance

30. In 1967 the Tanzanian leadership officially set the country on a course of "socialism and selfreliance" as expressed in the Arusha Declaration of that year. The government then embarked on extending the state's role to all areas of the economy. In consequence, the banking and insurance system were nationalised and large private trading companies were taken over. The

industrial sector became dominated by mixed companies in which the government had a majority shareholding. However, some companies were, and still are, owned outright and controlled through the National Development Corporation, which acts in close cooperation with the Ministry of Industries and Trade. Importing was confined to state trading companies. A leadership code was also introduced, barring party officials from engaging in private business. This code is now widely circumvented on a small scale, although it has been successful in preventing a large scale accumulation of businesses by politicians.

31. Planned economic and social development has been the policy of Tanzania and has been pursued systematically and regularly after the Arusha declaration in 1967. A new strategy for rural development was also a key element of the socialist programme. Large foreign owned estates in sisal, tea and coffee were nationalised. In the late 1960s the government began increasingly to promote the grouping of scattered small villages and homesteads into what were termed "ujamaa villages". Such villages were to develop communal farming, and eventually this was expected to displace private farming as the primary village activity. Slow progress in developing voluntary ujamaa villages led the government to initiate compulsory villagisation in the early 1970s. This resulted in the resettlement of rural population within a very short period of time, and the inadequate planning of the villages caused severe disruption to the rural economy. While ujamaa socialism is still occasionally used as a political slogan, the leadership has backtracked on the programme, and the bulk of agricultural production continues to be private subsistence farming by peasant families.

Capital Formation

32. The ratio of capital formation of GDP was 26.5 % in Mainland in 1989 and 12.1 % in Zanzibar. Annex Table 9 shows capital formation in Mainland over the years in current prices. Annex Table 10 shows capital formation over the years in Zanzibar. In 1989 total capital formation for the Union was Tsh 100752 million of which Tsh 99752 was in Mainland and Tsh 1028 million in Zanzibar.
33. The greater part of the increase in capital formation in 1989 is attributed to purchase of machinery and equipment which was the consequence of the government policy of liberalizing trade under the Economic Recovery Programme. In mainland the increase in capital formation in 1989 reversed the declining trend experienced from 1985 to 1988, a fall by 10,2 % from Tsh 7635 million in 1985 (with 1976 constant prices) to Tsh 6854 million in 1988. The total capital formation of Tsh 7500 million in 1989 (with 1976 constant prices) was below that in 1985.

Development Plans

34. Tanzania prepared a Long-Term Perspective Plan (for 1981-2000) envisaging 6 percent grow of GDP and the First-Union-Five-Year Plan (1981/82 - 1985/86). During late 1970's the performance of the economy was very poor and in early years of 1980s it became evident that the plan target could not be attained. In order to

arrest the economic crisis facing the economy, the Government initiated a special programme, the National Economic Survival Programme (NESP) which was implemented during the calendar years 1981 (NESPI) and 1982 (NESPII). NESP was essentially a self-help drive to deal with the emergency. On the whole, NESP made little headway in solving the problems. In June 1982 the Government adopted a three year comprehensive Structural Adjustment Programme (SAP 1982/83 - 1984/85) to rehabilitate the economy with the assistance of various donors.

Structural Adjustment Programmes

35. In June 1986 the Government of Tanzania launched its Economic Recovery Program (ERP), a comprehensive programme of measures aimed at arresting the decline of Tanzanian economy, checking inflation, channeling resources to key rehabilitation priorities, and improving producer incentives, with the overall objective of achieving sustainable growth over the medium term.
36. The principal measures adopted were a substantial devaluation of the exchange rate, followed by continued gradual adjustment, the adoption of tight fiscal and monetary targets, large increases in producer prices of the country's main export crops, a timetable for the progressive reduction in price and distribution controls.
37. In August 1986, the Government of Tanzania reached agreement with the IMF concerning an eighteen month stand-by arrangement and in November 1986 the World Bank approved a multisector rehabilitation credit (MSRC) comprising US \$ 130 million of IDA facility for general balance of payment support.
38. The SAP paved the way for the preparation of the Economic Recovery Programme (beginning in 1986) and the Second Union Five year Development Plan (beginning in 1988). That programme which ended on 30th June 1989 was designed to stop economic decline which had persisted from the late 1970s and through the first part of the 1980s. ERP received the support of the donor community through a World Bank managed consultative group. The major objectives of ERP were:
 - a) To increase the output of food and export crops through the introduction of appropriate incentives for production, improvements in marketing structures and an increase in the resources available to agriculture;
 - b) To rehabilitate the physical infrastructure of the country in support of directly productive activities;
 - c) To increase capacity utilization in industry through the allocation of scarce foreign exchange to priority sectors and firms; and
 - d) To restore internal and external balance by pursuing prudent fiscal, monetary and trade policies.
39. The Economic Recovery Programme was aimed at the following targets:

- a) To engender an average rate of economic growth of 4 to 5 percent per annum, which would correspond to a positive growth in per capita income of 1 to 2 percent;
 - b) To bring about a progressive reduction in the rate of inflation to less than 10 percent by 1988/89 from over 30 percent in 1985;
 - c) To improve the external trade position through an increase in reserves and faster export growth as to pave the way for the restoration of a sustainable balance-of-payments position in the 1990s;
 - d) To raise utilization rates in the manufacturing sector from 20 to 30 percent in 1988 to 60 to 70 percent by the end of 1989; and
 - e) To raise export earnings by an average of 16 percent per annum over the programme period.
40. Over the three-year ERP period, total output performance, as measured by Gross Domestic Product (GDP), has been relatively impressive. GDP increased by 3.6 percent in 1986, 3.9 percent in 1987 and 4.1 percent in 1988. This contrasts sharply with an average growth of about 1 percent during the 1980-1985 period. The revival in GDP growth was accounted for mainly by the impressive performance of the agricultural sector.
41. Export earnings rose from US \$ 347.6 million in 1985/86, US \$ 318 million in 1986/87 to US \$ 362 million in 1987/88 and US \$ 395 million in 1988/89. Non-traditional exports, including those of manufactured goods increased from \$ US 88 million in 1985/86 to \$ US 168 million in 1987/88 and about US \$ 191 million in 1988/89.
42. Inflation target, however, was not met and the inflation rate of 1989 was about 28 percent as against 10 % of the ERP target (See Annex Table 11 and Annex Table 12 for the National Consumer Price Index). In view of the problems and the prolonged economic crisis the Government decided to continue to pursue further changes in the context of a successor programme to ERP, thus the Economic and Social Action Programme (ESAP) was adopted which aims at further sustenance and development of the major objectives and policies that were initiated through ERP. The major objectives of ESAP are the following, which are not too different than those of ERP.
- a) To restore efficiency in the mobilization and the utilization of domestic resources;
 - b) To rehabilitate the physical infrastructure, in particular transport and communications in support of directly productive activities;
 - c) To restore internal and external balances by pursuing appropriate fiscal, monetary and trade policies;
 - d) To reduce the rate of domestic inflation from about 28 percent in 1988/1989 to below 10 percent in 1991/1992;

- e) To revamp the industrial sector;
- f) To rehabilitate the social services sector by identifying and designing appropriate strategies and programmes that would enhance people's participation in the operation and management of these services.

43. Main features of ESAP can be summarized as follows: The target of growth in real GDP during the three years of ESAP is 5 percent per annum. The major contribution to the growth in output is expected to come from Agriculture. The growth target implies that per capita output would rise by about 2 percent per annum.

Public and Private Sectors

44. Out of 699 manufacturing establishment 203 are in the public ownership and 496 under the private ownership. About 65 percent of the gross manufacturing output provided in the public sector and 35 percent in the private sector. Out of 111 667 manufacturing workforce 75 847 thus about 68 percent are engaged in the public sector.

Foreign Trade and Foreign Investment

43. Tanzanian economy is characterized by exports of limited number of agricultural and mineral products but heavy dependency on imports of many goods. Annex Table 13, indicates Tanzania's Foreign Trade summary. Tanzanian Exports (see Annex Table 15.) is mainly composed of coffee, cotton, sisal, colves, cashewnuts, tea, tobacco and diamonds. Annex Table 14 shows Tanzania's Foreign Trade over the years. Annex Table 16 shows Tanzania's Exports by major commodity groups since 1980. Tanzania is dependent on import to increase domestic output of agriculture, industry and services as shown on Annex Table 17 and Annex Table 18.

44. Foreign aid and investment is an increasingly important source of industrial financing in Tanzania. Foreign direct investment has mainly taken place in modern and often relatively large-scale enterprises with imported technology and machinery. Foreign aid has partly been distributed to the development of small industries through SIDO. One problem is that the majority of foreign-assisted firms are very import-dependent. This has raised considerably the demand for foreign exchange. Due to the difficult foreign exchange situation, which is likely to prevail over the next few years, investment possibilities in new ventures will be limited and whatever foreign funds can be secured will have to be redirected to support the import of raw materials, intermediate goods and machinery spares to already existing enterprises. This, as has been noted earlier, can create problems for the restructuring of aid and investment patterns.

Foreign Debt

45. At the end of 1987 external debt totalled \$ 4.3 billion, of which \$ 4.1 bn was long term. The bulk of this (\$ 3.6 billion) was owed to official creditors. Among private creditors, suppliers accounted for \$ 254 million of long term debt.

Arrears on trade credits have eased since the launch of the Economic Recovery Programme.

The Resource Base

Agriculture

46. Agriculture, the dominant sector in the economy, had a particularly disappointing performance from the late 1960s onwards resulting migration to urban areas. During the late 1960s and early 1970s, as mentioned above the Government concentrated on institutional reforms aimed at moving the rural sector towards communal production in small, self-reliant villages, through the ujamaa village movement (launched in 1968), the decentralization of Government in 1972 and the multi-purpose village cooperatives. The specialized marketing boards were transformed into parastatal crop authorities with much wider functions and responsibilities. The independent cooperative movement was put increasingly under Government control and then replaced by parastatals. This succession of institutional reforms repeatedly altered the framework of agricultural production and imposed considerable costs on the peasant farmer.

47. Available land encompasses 65 percent of the total area in Tanzania. However, at present only 8 percent is under cultivation. It is planned to increase this to 10 percent by 1995. Annex Table 19 production of Major Export Crops presents over the period 1980/81-1988/89. Volume of Officially Marketed Production of Principal Food and Export Crops is shown on Annex Table 20.

An overview of the utilization of and potentials for each crop is provided in Annex I.

Livestock

48. Tanzania has abundant livestock resources and ranks among the three most important exporters of cattle hides in Africa and among the four principal exporters of goat skins. Leather goods factories for production of shoes, handbags, etc. have recently been constructed and may be able to improve performance in the livestock industry, which has been disappointing recently.

Fishing

49. Fishing possibilities in Lake Tanganyika are relatively under-utilized, but efforts (with FAO and UNDP) are being made to increase the activities in this sector. Fishing around Zanzibar and Pemba provide stable protein supply to the islands' population with some exports to the Mainland and abroad.

Forest

50. Of the total land area, 43 percent is covered by forests, but the largest part is not exploited commercially. The wood processing industry is dominated by saw milling with a total installed capacity estimated at 250,000 cubic meters, of which a little less than half is under the State-owned Tanzania Wood Industries Company (TWICO). The wood industry faces a number of

problems such as old and worn-out machinery and equipment, low efficiency of operation due to inadequate log supply mainly because of transport problems, lack of spare parts, poor quality of products and difficulties in finding markets on a continuous sales basis.

Mining

51. Currently mining accounts for about 0.5 percent of GDP. The Government's mining policy is to give priority to:
- a) minerals used by the local industries, like limestone, clays and sands;
 - b) foreign exchange earners or savers like diamonds, gold and coal as fuel substitute for oil; and
 - c) mineral industries with linkage possibilities like iron, chemical industries and coal.
52. Mineral production of known mineral reserves are provided in Annex Table 21. The production of diamonds has declined significantly in recent years. Gold production on the other hand has revived and a new mine started production in 1985. Salt and tin production has also increased. Attempts at increasing the utilization of phosphate, iron ore and uranium deposits are also under way.

Energy resources

53. The principal energy source is wood, accounting for over 90 percent of total consumption. Total coal reserves are estimated at 360 million tons. The Government plans to expand production to about 170,000 tons per annum (current coal production is about 12,000 tons).
54. Small reserves of oil and natural gas have been discovered on Kilwa Island and at Kimji. The Dar-es-Salaam refinery has a capacity of 750,000 tons per annum and is currently working at about a capacity utilization rate of 66 percent. Import of crude oil was reduced by about 50 percent in value from 1980 to 1981 by the institution of strict petroleum rationing -in 1982 energy imports were once again allowed to increase.
55. Total electricity generated has increased by 28 percent over the period 1977-83. Further major developments of power generation in the pipeline are expected to significantly increase the local supply of electricity.

Financial resources

56. Investment in industry increased from 15.4 percent of total investment to 24 percent in the Five Year Plan which was to cover the period 1977-81. Allocation to industry was increased to 25 percent of total investment in the subsequent Plan (1981-86). The continuing balance-of-payments crisis has meant that government investments have been seriously curtailed and although a few important new projects are going ahead the emphasis is on consolidation and improving industrial efficiency.

57. No direct evidence on the rate of savings within the manufacturing sector is available. Investment have substantially exceeded net operating profits among the parastatal group. Domestic financial institutions -mainly Tanzania Investment Bank (TIB) and Tanzania Development Finance Co. Ltd. (TDFC) - have channelled resources to the manufacturing sector. Commercial Banks lending to manufacturing and mining increased from Tshs 658 million in 1980 to Tshs 6568 million in June 1989.

Role of Technical Co-operation in Industrial Development

58. The SAP estimated in 1982 that a total of TShs. 586 million worth of foreign exchange would be required for the Technical Assistance for the rehabilitation of the manufacturing sector and a further TShs. 3,947 million would be required as capital assistance on an annual basis. The considerable demand for foreign exchange allocations to industry, and Tanzania's weakened ability to earn it are likely to continue over the next few years. Investment possibilities in new ventures will be limited to those which could improve the foreign exchange earning capability, and whatever foreign funds can be secured will have to be redirected to support the import requirements of existing industries.
59. The crucial question remains as to whether foreign aid donors will maintain the considerable aid inflow in order to support operating costs instead of development costs. Parallel to that, intensive efforts would need to be made to improve productivity and quality, develop managerial and technical skills, improve the wage, price, incentives and distribution systems, and develop the infrastructure.
60. UNIDO assistance is currently being provided for the establishment of an ammonia urea plant utilizing natural gas, the strengthening of the textile industry, the establishment of an iron foundry, and preparation for establishing industrial estates in Zanzibar, etc. UNIDO has also been involved in examining the possibility of the establishment of a major steel work in the Tringa region. Progress in this case has been relatively slow.
61. International technical assistance can play an important role by facilitating the development of a comprehensive rehabilitation programme for Tanzanian industry. Such a rehabilitation programme could provide a framework for the transfer of human and capital resources from inefficient, import-dependent industries to branches that have a high domestic resource content and can be internationally competitive and capable of earning significant levels of foreign exchange. The revitalization of Tanzanian industry could also imply the development of viable schemes of regional co-operation in specific branches and project areas. This is necessary to realize sizeable economies of scale. Tanzania has been an enthusiastic supporter of regional co-operation ventures and as mentioned above it is a member of both the Southern African Development Coordinating Committee (SADCC) and the Preferential Trade Area (PTA). Efforts are also being made to revive the East African Community. Technical assistance

geared to facilitating a harmonization of industrial policy within a regional framework can therefore be of significant benefit to Tanzania.

Balance of Payment

62. During the coming years, the current account deficit of the balance of payments (excluding Government transfers) is likely to remain roughly unchanged. Estimated at \$ US 841 million in 1988/1989, the deficit is expected to average \$ US 890 million during 1989/1990-1992. However, as a percentage of merchandise export, the current account deficit will decline from 213 percent in 1988/1989 to 164 percent in 1991/1992. Although more rapid progress towards a sustainable balance-of-payments position would be preferred, it would not be tenable to have a sharper contraction without adverse effects on output growth and per capita income. Further, given the Government intention to increase the level of reserves, the financing gap, including debt arrears will remain large (see Annex Table 22 and Annex Table 23).

Controls on foreign trade have been relaxed, to allow the private sector a more active role in manufacturing and trade.

2) THE MANUFACTURING SECTOR

Structure and Performance

63. At the time of independence, Tanzania had only a rudimentary industrial structure. The largest subsector was cotton ginning. The manufacturing sector employed about 25,000 people and accounted for a very small contribution to GDP. Without a significant break from past trends in the evolution of manufacturing sector, a somewhat more ambitious industrial program was undertaken after 1964. The major departure in terms of strategy and implementation was to take place in 1974 when the Government adopted the Basic Industrial Strategy (BIS) where industry was to be seen as the principal agent of structural transformation and self-reliance for the Tanzanian economy.
64. The Arusha Declaration of 1967 set the principle that most industries would be publicly owned and most new investment would come from the public sector instead of private sources, domestic or foreign. The Second Five Year Plan (1969-1974) published two years after the Arusha Declaration, set a target rate of growth for manufacturing which was double of the target rate for the total GDP, which differed little from the First Plan. The stated goal was to restructure production in order to eliminate external dependence. The manufacturing sector would have priority over agriculture. The strategy emphasized the production of producer goods. Steel, chemicals, glass and rubber were to be produced using imported raw materials. The basic minimal needs of all consumers were to determine production priorities for consumer goods. The reduction of the share of international trade in production was an important goal of the strategy. The strategy thus had an explicit import substitution bias. The structure of manufacturing value added is dominated by the food-beverages and tobacco and the textiles and leather groups jointly contributing 40-50 % of the manufacturing value added. (See Annex Table 24 and Annex Table 25.) The share of industry in total wage employment has ranged from 14-18 %. (See Annex Table 26 and Annex Table 27). The contribution made by industry to total exports averaged 13.9 % between 1980 and 1989. (See Annex Table 28).

Production

65. Industrial production is neither very diversified nor very large. Because Tanzania has very modest industrial base in spite of very ambitious expectations the production can be summarized in a simple table in terms of quantities of production. Annex Table 29 gives quantities of production of some selected commodities over the last five years.
66. Except some few industries such as textiles, leather, wood and paper, non-metallics and fabricated steel the production in 1988 was lower than that of 1985. Total industrial index was only 107 in 1987 and 115 in 1989 as against 100 of the base year of 1976. The value added per employee in industrial sector has been declining consistently from 1980 to 1989. (See Annex Table 30). It declined from Tshs 25,847 in 1980 to Tshs 17,853 per employee in 1989 at 1976 prices. This is mainly because of

low level capacity utilization the labour force has not declined. (For the capacity utilization in manufacturing See Annex Table 31). In fact the production index given on Annex Table 32 proves the same point. As mentioned above the share of manufacturing in GDP has dropped considerably between 1980 and 1989. (See Annex Table 33).

Institutional Framework

67. The national industries licencing and Registration Act of 1967 subsequently amended in 1977 and 1982 defines manufacturing industry as that industry which employs more than 10 people and has a share capital exceeding Tsh 500.000. Any industrial establishment fitting the above definition by law has to be registered. Industries manufacturing prescribed items and exceeding share capital of Tsh 5 million require an industrial license.
68. Foreign Investment (Protection) Act of 1963 provides statutory guarantees to foreign investors. The Minister of Finance is empowered to issue FIPA Certificate which provides the authority deciding the amount of foreign assets to be inserted.
69. Tanzania have assigned the public sector the leading role in the economy. Since the Arusha Declaration in 1967, the public sector has had a special prominence and public expenditures have been seen as a principal means to transforming the economy. The state has played a central role in economy and created an extensive array of government and semi-government bodies.

3) INDUSTRIAL POLICIES AND STRATEGIES

Current Industrial Development Plans

70. In July 1986, the Government launched a three year Economic Recovery Programme (ERP) in response to economic crisis conditions experienced during the late 1970s and early 1980s. The basic objectives of ERP were to revive output, to restore internal and external balance and to reduce domestic inflation.
71. Fiscal year 1988/89 ending in June 1989 was the third and last year of the medium term Economic Recovery Programme. At the end of ERP in industrial sector, while many enterprises continue to operate at very low rates of capacity utilization there are considerable signs of revival as reflected in the fast growth of industrial exports. The major objectives of the ERP as concerned the industry were to increase capacity utilization through the allocation of scarce foreign exchange to priority (sub)sectors and firms. However, most industries continue to operate at low level of capacity utilization. There has been some improvements in the level of production especially for those industries which have benefitted from import support schemes, thereby being assured of availability of raw materials and spares. However the improvement in capacity utilization envisaged during the programme (20-30 percent to 60-70 percent) was difficult to achieve, given the magnitude of resources required for recurrent inputs because of poor management. Industries that have shown encouraging sign of recovery during the ERP period include cement, tyres and tubes, radios, soft drinks, soap making, corrugated iron sheets, aluminium products, cooking oils, paper products and gunny bags.
72. The structure of the industrial sector essentially remains the same with heavy dependency on imported inputs. This situation causes concern over the future development of this sector, particularly given the low capacity of the economy in generating foreign exchange. During the period of economic hardships, and also during the implementation of ERP, there has been some achievement in developing local substitutes for imports, for example: leather factories are using tanning pint manufactured locally from wattle; the brewing plants have started using barley from local production; soap manufacturers have increased the utilization of domestically available caustic soda and oil seeds; and General Tyre uses some local rubber. These initiatives are in the right direction and they need to be strengthened and expanded in the coming years, but not to significant in terms of overall of foreign-exchange need of the sector.
73. In the next three years the Government intends to intensify the measures initiated under ERP including more efficient utilization of foreign exchange and place special emphasis on:
- i) industries which make use of locally available raw materials and/or produce for exports;
 - ii) industries which produce basic and essential requirements for the population;

iii) establishments which support other sectors and increase capacity utilization in the economy; and

iv) small scale enterprises by developing and providing the needed skills, and improving efficiency in the sector.

74. The ongoing studies under IRTAC for restructuring the industrial sector expected to provide basis for action in this area. Studies have been completed for the restructuring of leather, textile and agroprocessing industries by consulting groups. These studies are being reviewed by the Government and implementation of a major restructuring programmes for leather has already started. Measures are being taken for the implementation of the restructuring programme for textiles and agro-processing industries. Similar studies will be undertaken for the remaining sectors, in particular those which support the agricultural and transport sectors as well as those with high potential for export production, with a view to complete the implementation of the rehabilitation and restructuring of the whole industrial sector. The restructuring of the sector will include consolidation and streamlining of activities, rehabilitation of plant and machinery and, when appropriate, the phasing out inefficient activities. Joint ventures and the role of the private sector will also be encouraged. The term "restructuring" are being used in Tanzania to correspond to the efforts which would be understood under the term "privazation" elsewhere.

Industrial Investment Promotion

75. Industrial investment strongly sported in 1970s but after 1980 the problem has been how to keep the present capacity in operation rather for creation of new production capacity. The Government and industrialists have been mainly concerned to be able to procure spare parts, raw material for existing plants thus the climate for industrial investment has not been suitable in recent years. The ERP and ESAP both have emphasized as a major goal the increase in capacity utilization.

76. Because of shortage of spare parts and poor level of maintenance as well as technological advances in certain branches of industry there has been a great need for rehabilitation. An investment act has passed and an Investment Promotion Body is created but there has not been yet a generous industrial investment encouragement mentality.

Export Promotion

77. Poor quality of products combined with the overvalued exchange rate and poor state of transportation and high demand for industrial goods in domestic market are all disincentives for export. Although earning from industrial exports in 1988/89 amounted to US \$ 93 million as compared to US \$ 75 million in 1987/88 except few agroprocessing industry the export performance of Tanzanian industry has been very poor. Because Tanzanian industry was established with explicite aim of import substitution the present industry can only be able to export if heavily subsidized. The exports have been mainly limited to neighbouring countries.

PART B

4) ASSESSMENT OF THE IMPLEMENTATION OF THE FIRST IDDA PROGRAMME

78. The changing perception of industrial development on the part of African political leaders, and later policy makers and planners from 1980 should be mentioned here. The first IDDA had not the characteristics appropriate to a particular situation. The programme neglected or paid too little attention to certain critical areas. It failed to identify the means of acquiring the resources required for its implementation. Expectations of resource availability and of progress in economic co-operation were over optimistic. The government had to adopt national policies to cope with the crisis of the 1980's which shifted the focus from IDDA.
79. The petroleum crisis affected the allocation of resources, changed priorities in governmental action and entailed many sacrifices to keep the economy going. During the last years of the first IDDA Tanzania was in the midst of readjusting from a downfall economic conditions to a growth environment, while maintaining vigilance to keep political and social balances and safe guard its national security and integrity.

5) PROGRAMME FOR THE SECOND IDDA

80. In order to increase efficiency in public management, particularly in industrial production management it is imperative to pursue an increasing streamlining of public administration and the public enterprise sector. Aware of this need, the Government announced and commenced in implementing a series of measures, within the ERP especially in 1988-1989 called "administrative improvements". However, according to the declarations recently made the basic philosophy of Tanzanian leadership has not changed. Socialism is the basic ideology. The public sector remains a leading force in the economy. The CCM, the party in power, has based its development strategy on industrialization through state ownership and state management.
81. To be enduring, the efforts to increase industrial value added and economic efficiency have to be in harmony with the country's cultural, political and social genius. According to very recent statements of some leaders the Tanzanian development priorities will be reoriented towards agriculture by reallocation of some misutilized resources away from industry. Efforts will be made for the removal of crucial infrastructural bottlenecks in water, power and transportation which have seriously hampered industrial performance.
82. A successful reorientation of industry will require the channeling of resources towards productive enterprises at the expense of inefficient enterprises. Large enterprises which are currently and potentially efficient will be supported so will be medium and smaller scale firms. Due emphasis will be given to domestic resource based industry and those which will be vehicle of human and technological capability development. The scarce resources that will be available to industry primarily will be allocated to financing recurrent input needs in the

most productive firms so that the significant idle capacity is better used. A share of the resources should also finance rehabilitation needs in viable enterprises.

Industrial Objectives, Strategies and Policies for the Second IDDA

83. For the 2nd Industrial Development Decade Tanzania would encourage export industries based on locally available forestry and agricultural resources. In addition low wages in Tanzania could enable certain industries to be internationally competitive. Outward orientation aiming at markets in Eastern Africa and Southern Middle East would be encouraged. The Government has been advised by international donor community that the industrial potential of the country could be best explored through private enterprise, domestic and foreign. The aim of restructuring, in fact meaning privatization, would be pursued to enable competitive production.

Programme of Consolidation

84. The aim is to make the optimum use of the existing capacity. For this comprehensive studies of existing plant and equipment as well as industrial institutions should be made. There are already efforts to make such studies by approaching some donor agencies for receiving support which would enable the respective agencies to do so.
85. The present institutional framework, the existence of parastatals, have not proved to be successful. Therefore a restructuring of institutional arrangements are more important to long term growth of the industry than the rehabilitation of plant and equipment.
86. The objectives will be,
- a greater role for the private sector in manufacturing, tourism and transport pari passu with improved efficiency in large public sector enterprises
 - encouraging increased agricultural efficiency and output through private farming and gradual relaxation of controls on agricultural pricing, supply and food distribution mechanisms
 - stimulating efficiency in public administration by eliminating of bureaucratic layers, speeding decision taking and implementation processes, as well as by an overall improvement in the managerial efficiency of the civil service.
 - transforming authoritarian public administration to the public service oriented one.
87. The overall Tanzanian development efforts inevitably will be reoriented to secure access of the agricultural sector and the infrastructure to a large share of resources while industry will have a supportive role. Within the industrial sector, efficient firms will be supported while inefficient firms, regardless their nature will be let alone.

88. Resources will be directed towards recurrent and rehabilitation needs away from new investments at the beginning of the second IDDA. Special support will be given to export oriented programs and efforts, while private initiative shall gradually replace parastatals throughout of the decade. Smaller firms will also be supported.
89. By the adjustment of exchange-rate to equilibrium rate by a substantial devaluation in short span of time the reallocation of current resources to the most efficient activities in economy can be realized. The liberalization of imports and interest rate and eliminating price controls will be made parallel to the adjustment of exchange-rate. By introduction of the equilibrium exchange-rate based on market mechanism comprehensive liberalisation of imports will be possible. Institutional measures complementary to policy measures have to be taken.
90. A comprehensive Public Sector Industrial Investment Execution Programme (P.S.I.E.P) will be worked out. The P.S.I.E.P. will include all investment and recurrent needs of ongoing investments and the investments in new industrial capacity will be kept to an absolute minimum during the beginning of the decade. The priority will be given to the provision of inputs and rehabilitation in existing efficient industries while channeling sufficient resources to other sectors complementary to industry. In order to reorient resources towards agriculture and infrastructure it is essential to reduce investment in new ventures.
91. Because it has proven that an across-the-board increase in capacity utilization in industry is producing only small productivity gains because of structural problems of the industry the sector will be only supported in a selective manner. In short run fewer industrial activities may be able to operate than at present but they will be most efficient activities and they reach higher level of capacity utilisation.
92. The aim is to change the structure of production by reallocation of resources away from negative value added activities towards efficient activities throughout the sector and restructuring of some potentially viable but currently negative value added activities. In addition to policy reforms in the exchange rate, trade and pricing regimes sub-sectoral and firm specific rehabilitation and restructuring efforts will be made in order to complement the macro economic and trade reforms.
93. The practice of creating condition of the creation and/or confirmation of operation of inefficient units through quantitative restrictions and administrative allocation of foreign exchange, price controls and accompanied over valuation of the currency, will be seized. Implicite subsidies because of purchase of industrial inputs at the official exchange rate which is considerably lower than the parallel market rate will be eliminated. Similarly by allowing competing imports and applying realistic exchange rates the consumer will be protected against industries which aim at charging prices significantly above boarder prices of equivalent goods.

94. By reducing administrative control of foreign exchange allocation and quantitative restrictions substantial saving in the cost of administration will be realized and also rent-seeking activities will be reduced. A balanced approach between import substitution and export promotion will be followed. While continuing to provide its population many goods currently produced efficiently such as food products, beverage and some textiles incentives will be given to export of items which would be net earners of foreign exchange for the country.
95. In brief, in order to reduce the implicate subsidy to many inefficient enterprises, thereby providing an incentive transforming unproductive activities into productive ones and for reallocating resources from inefficient to efficient uses exchange rate will be adjusted as well as trade and pricing regimes will be reformed to grant a uniform and moderate protection to the industry. This will also provide incentives for efficient exports and reduce anti-export bias. The aim is also to provide incentives and resources to the agricultural sector which should support industry.
96. An industrial reorientation drive will be set to develop technological capability by an appropriate set of price, trade and industrial policies. The measures will be taken in order for better utilization of expatriate personnel with emphasis on training. Preventive maintenance programmes will be developed and strictly applied.
97. In light of the substantial over extension of industry, the vastly under utilized capacity and urgent rehabilitation and recurrent input needs of the sector, new investment will be undertaken with a strict screening, while ongoing investments shall be critically reviewed. The first objective of the industrial sector in Tanzania is to increase its productivity and value added, rather than maximizing short-term sectoral response in gross output. The resource allocation will be improved to generate higher manufacturing value added.
98. Promotion of small scale development will be undertaken because smaller firms have proved to be more flexible in adjusting to the varying economic circumstances and they have generally been more efficient in Tanzania. Although medium and large scale enterprises should continue to play a very important role in Tanzania's industrialisation, the reallocation of resources within the industrial sector will ensure that a larger share of the available resources are channeled to smaller firms.
99. In resource allocation a gradual shift from inefficient parastatals to efficient private sector and normal set of policies and incentives will allow efficient enterprises to have equal access to resources, whether parastatal or private. In particular, equal access to foreign exchange and domestic credit will be given to both sectors. The objectives of the reforms is to establish correct price signals in the economy including the movement towards an equilibrium exchange rate, achieving positive real interest rates and improving the real level of agricultural prices. The Government is determined

- To introduce institutional changes to encourage private sector and foreign capital and enterprerial in flow.

- To eliminate current distortions and to lay the foundation for economic recovery. The gradual adjustment policies which have been followed so far have not provided required results and are not responding to the changing external economic forces. Therefore quick actions will be preferred.

100. The policy is all relative prices and particularly the exchange rate would reflect the true scarcity of goods and services and foreign exchange and to give adequate incentives to benefit from foreign trade by appropriately pricing imports and exports. By doing so the windfall rents to importers will be eliminated resulting efficient allocation of resources among producers and promoting exports.

101. In order to have a sustained industrial growth the rules and regulations for periodic maintenance and industrial discipline should be laid down. Presently a series of measures are being taken to reduce bureaucracy, encourage private companies to enter manufacturing by purchasing existing state owned plants or investing in new ventures and increase their industrial assets. In summary the policies in general aim at the following ends:

- The private sector to have an increased role in the economy.
- to leave Agricultural production largely to individual private farmers and market discipline. This can encourage informed public participation in production and in social and economic decision making.
- abolition of most parastatals in manufacturing, which effectively constituted an entire major blocks to effective industrial growth
- An attractive law, providing guarantees against nationalization and any take over.

Rehabilitation of Existing Industrial Enterprises

102. It is recognized that the rehabilitation is clearly of much higher priority for Tanzania than setting up new manufacturing facilities. A rationalized efficient rehabilitation program will be worked out by the Ministry of Industry and Trade by the end of 1991 to include also technical, organizational, managerial and training inputs needed for efficient operation in addition to physical rehabilitation requirements.

103. In order to minimize investment expenditures and to have a better industrial investment programme institutional and technical changes will be made to improve investment decision making process by strengthening central investment approval process. Every public investment will be subject to a rigorous economic financial and technical scrutiny. It is expected that the donor countries and multi-lateral organizations will play an active supportive role in the improved investment decision-making process by improving aid coordination and untying aid, away from specific equipment sources and capital intensive new investments towards current and rehabilitation needs of the potentially efficient enterprises.

104. In order to accelerate the pace of technological development the provision of indigenous skilled, technically trained manpower will be increased. The effectiveness of the use of expatriates will be increased for fast growth and so will be the training of local personnel.
105. The most critical input, the industrial management will receive special attention and will be imported from industrially advanced countries wherever necessary. The overall policy improvement will be complemented by firm specific interventions in parastatal sector. After having firm level in depth reviews, the most appropriate programmes of rehabilitation, stream lining of operation and phasing out will be designed and implemented with the mandat to discontinue operations of units which have no potential viability. By doing so, the role of parastatal sector in industry, however, will be diminished. The results of studies undertaken in leather, textiles, cement are already being implemented without delay. The studies on metal products, iron and steel and chemicals will also serve as basis for restructuring (privatization) of these sectors.

Programme of Preventive Maintenance and Domestic Production of Spare Parts

106. Given the complex nature of the manufacturing facilities and high cost of investments in industry to keep the facilities in tact by periodic, preventive and thorough maintenance is essential for an healthy industrial growth anywhere, especially in Africa. But the level of industrial sophistication in Tanzania and understanding of value of maintenance, like many similar countries is very low. In order to bring about a change in the attitude as regards to maintenance it is essential to train a special group of people as manufacturing-maintenance-officers and to lauch general maintenance manuals and guidelines.
107. The variety of industrial equipment in terms of purposes, makes, origin, sizes etc. makes the domestic production of all spare parts very costly if not impossible. But the ability to repair must be created. Unless there is a rationalization of equipment local production of only some common parts is possible in a general mechanical shop by very talented mechanics, technicians. The efforts will be made to train maintenance personnel rather to establish plants for production of parts. Basic facilities, however, such as a general purpose foundary, a general steel fabrication shop, a foregoing plant and a general purpose mashine shop may be very useful in undertaking production of big spare parts which any how would be tailor made.

Revitalization of Public Enterprise Subsector

108. In Tanzania public enterprise sector is large and diversified. In addition to the parastatal manufacturing holding companies dealing directly with production a number of other institutions have been set up to support manufacturing in the fields of industrial promotion, consultancy, training, research, development and finance.

109. When the Government changes its basic philosophy the aim could be the privatization of all parastatals within 5 years. For this a special body attached to the President should be created and given a mandate to work out a time-table for the privatization. In any event the parastatal sector will be run by the principal of cost consciousness and managers will receive monetary incentives according to their competence and profits of the organization. Institutional shortcomings will be addressed by a well defined programme to develop an organizational structure for holding companies, to introduce salary and incentive systems to provide rewards in proper relation to achieved results.
110. The functions of the Ministry of Industry and Trade and other Government institutions including the Treasury with regard to supervision of parastatals will be redefined with the aim of simplification of the decision making and elimination of proliferated control levels with inadequately defined responsibility and insufficient authority. The parastatals will be autonomous in running their day-to-day operations.

Programmes to Strengthen Human Resources and Technical Capabilities

111. Tanzania has a small and fragmented domestic market, a poor infrastructure, a small entrepreneurial cadre and a scarcity in skilled labor. The human capital constraint has been very important bottleneck in Tanzania's industrial development. Tanzania did not develop the ability to substitute foreign expertise effectively. The striking example in this respect is the cement industry which was under the Danish expatriate management for sometime afterwards it was turned to Tanzanian management three years ago, resulting sharp decline in production and deterioration of plant and equipment in spite of heavy training expenses and efforts made previously. In view of decreasing production and strategic importance of the sector in construction, housing and industry a new foreign management had to be brought in 1988 with a contract of 5 years.
112. Tanzania embarked on industrial activities demanding skills and know how not available in the country but the essential development of local capabilities did not materialize, with few exceptions. Industry today is significantly over-extended in relation to the country's technological, skilled labor and managerial capabilities. Its human resource base regardless the technological capabilities can not handle the development of manufacturing aimed at.
113. In order to overcome these deficiencies the country has no programme to develop new skills and capabilities. The constraint of capabilities have become more pronounced as the manufacturing sector enlarges in terms of plant number, plant sizes and product mixes leading most industries to remain uncompetitive and to suffer deteriorations in quality of production and equipment in recent years.
114. Training new people to high levels is a high Government priority. Training is costly and takes a great deal of time to show effective results. At this stage therefore equal attention should also be given to the effective utilization of the high

levels of skills already available in the society. Future tasks will be more than the elimination of superfluous procedures, organizations and staff. They will call for significant modifications or even replacement, of some of the existing institutional arrangements and mechanisms.

Development Banks:

115. Both TDFL and TIB have important roles to play in the Tanzanian economy. However, their ability to carry out their roles has been severely curtailed by various constraints prevailing in a difficult economic environment, by some institutional problems and by lending for non-economic projects. Prospects for improving the effectiveness of Banks in the promotion and development of productive economic activities will depend on the improvement of macroeconomic, financial and industrial policies significantly. Both institutions have good management and qualified staff. However, staff training will be strengthened in the areas of project appraisal and supervision, loan recovery efforts will be intensified and their portfolios will be restructured. These institutions will consider in the near future: (i) full recognition of the large financial losses incurred by the lack of productivity of many of their client firms; (ii) in the short to medium term, consolidation of the portfolios through rehabilitation and restructuring of the viable existing projects, and financing of spare parts and imported raw materials to increase capacity utilization; and (iii) possible infusion of equity to strengthen the financial standing of these intermediaries in the future.

116. A commission appointed by the President has already completed its report for the reorganization of the whole financial sector. The mainline of the restructuring suggested is terminating the monopoly enjoyed in finance by the National Bank of Commerce and introducing proper competition in the banking system. The NBC will be replaced by three institutions and private capital, domestic and foreign, will be allowed in the banking sector. However the change will not be made suddenly and a gradual change during the coming five years is proposed. The present inefficiency of the NBC and the total commercial and industrial finance however calls for speedy and drastic changes. The commission has advised a gradual transformation of commercial banking and promotion of special institution for special sectors such as agriculture, industry, tourism etc. A parallel reform is even more required in the Banking system in Zanzibar which has its own Bank Popular of Zanzibar acting at the same time as a central bank to Zanzibari Government along its ordinary activities as a deposit and credit bank.

117. While the comprehensive reform program will be implemented, the DFC's, as well as NBC and Bank Popular of Zanzibar, which will also undergo important institutional reforms, ought to play an important role in the provision of credit for working capital and rehabilitation investments for economically viable industrial activities. The provision of credit for these activities is also important in light of the possible contractionary risks of an adjustment programme. Since overall credit expansion will be restricted, the two development banks and NBC or any institution replacing it will have to be

particularly selective in only supporting productive activities while credit should cease to be channeled to ventures without potential. Particular emphasis will have to be given, therefore, to rigorous financial and economic evaluation of ongoing and new projects.

Aid Coordination

118. Reorientation of the nature and direction of aid flows should have a significant impact on the restructuring of industry and for improving resource allocation in the sector. Tied funds from donors for new investments should be minimized and the emphasis should increasingly lie on import support for higher capacity utilization and aid coordination.

6) MODALITIES FOR FORMULATION AND IMPLEMENTATION

Modalities for Formulation

119. The Tanzanian National Programme for the Second IDDA has been formulated from the Long-Term Industrial Plan (1975-1995) and the Second Five Year Union Development Plan (1988/89 - 1992/93) which puts more emphasis on the rehabilitation and restructuring programmes.

Modalities for Formulating Industrial Rehabilitation and Restructuring Programmes

120. In 1986, the government of Tanzania approached the World Bank to assist in the rehabilitation and restructuring of the Industrial Sector as part of the strategy to implement the Economic Recovery Programme (ERP I-1986-1989). The World Bank decided to undertake a study of the sector in order to understand the Tanzania's industrial set-up.

121. After finalizing the study, it was agreed that sectoral and firm specific diagnosis be made to determine rehabilitation and restructuring requirements of each sub-sector.

122. The consulting Firms comprising both foreign and local consultants have been invited to do the job.

123. The Consultants have to carry out a diagnostic study of each sub-sector, propose corrective measures in the form of an action programme with timetables for implementation of the proposed action programmes.

124. An Inter-Ministrial Technical Committee (ITC) has been formed in order to follow up the progress of the consultants work. The main duty of ITC is to scrutinize the reports of the consultants and advise the government accordingly. The ITC is composed of the members from the following institutions:

- Ministry of Industries and Trade (Leader and Secretariat)
- Planning Commission
- Ministry of Finance
- Ministry of Agriculture and Livestock Development
- Tanzania Investment Bank
- Tanzania Chamber of Commerce, Industry and Agriculture

- Parastatals whose activities relate to the sector under consideration.

125. The Meeting of ITC is preceded by a meeting of Technical Working Group (TWG). TWG submit their observations / recommendations / comments to ITC. The members of TWG are drawn from:

- The Ministry of Industries and Trade
- Parastatals whose activities relate to the sector under consideration.
- Private Institutions relevant to the sector
- Individuals whose Technical/Professional competence merit cooption

The programme has started with three sectors of leather, textiles and edible oils.

Modalities for Formulation of Long-Term Industrial Plan

126. As stated above, Tanzania's Long-term Industrial Strategy (Basic Industry Strategy (BIS)) and IDDA programme have similar objectives and priorities.

127. The preparation of BIS was guided by the Party and a Planning Commission Chaired by Prime Minister. The Commission was assisted by working parties which were formed to deal with specific sub-sectors. Members of these parties included members of parliament, experts politicians including Ministers, Civil servants and academicians.

128. The working parties reviewed the situation of each sub-sector and initiated targets and objectives of each sector. The targets and objectives were initiated in conjunction with directly responsible operating or sectoral Ministries, Parastatals and Regions.

129. Each working party prepared draft programmes which were submitted to a co-ordinating working party. The co-ordinating Party integrated the programmes into a plan (draft). The draft plan was then submitted to the Parliament and to the Party for adoption.

MODALITIES FOR IMPLEMENTATION

Modalities for Implementation of the Programmes for Rehabilitation and Restructuring of the Industrial Sector:

130. A Task Force has been established to implement the rehabilitation and restructuring programmes. The main responsibility of the Task Force is to work out appropriate arrangement and procedure for identifying genuine investors from within and outside Tanzania for the purpose of carrying out negotiations and concluding joint venture agreements under terms and conditions acceptable within Tanzania's broad policies and laws.

131. The Task Force is being supported by the Core Technical Team which is undertaking work requiring specialized expert inputs to facilitate the work of the Task Force.

132. The Task Force is composed by the members from the following institutions:

- Ministry of Industries and Trade
- Ministry of Finance
- Ministry of Agriculture and Livestock Development
- Attorney General Chambers
- Planning Commission
- Parastatals/Companies whose activities relate to the sector under consideration
- Financial Expert.

133. The Core Technical Team is composed by the members from the following institutions:

- Ministry of Industries and Trade
- Consulting Firm (Tanzania Industrial Studies and Consulting Organization (TISCO)).

Modalities for Implementation of Long-Term Industrial Plan:

134. The implementation of Long-Term Industrial Plan is done by preparing Five Year Plans and Annual Plans. The Third Five Year Plan (1976/77 - 1981/82) was the first implementation phase of 20 year industrial plan. The actual planning authority is the National Planning Commission which is chaired by the President.

135. In preparing the five year plans and annual plans, the Planning Commission circulates the guidelines to the implementing agencies basically Ministries, Parastatals, Regions and Tanzania Chamber of Commerce, Industry and Agriculture.

136. These implementing agencies initiate projects based on the long-term industrial plan. These projects are then submitted to the Sectoral Ministries for scrutiny and analysis in order to find if they comply to the guidelines before submitting to the Planning Commission. The Planning Commission holds the review meetings, the Planning Commission integrates all the plans and submit to the cabinet. When endorsed by the cabinet, the plans are submitted to the parliament for approval.

137. In the case of annual plans, each Ministry submits physical and financial implementation reports after every three months to the Planning Commission. After six months there is a Mid-Year Review exercise for all projects included in the plan to ascertain which projects are progressing well and which are not as planned. In this way the Planning Commission and the Sectoral Ministries are in a position to review the implementation of the projects.

ANNEXES

ANNEX I

Annex 1 Utilization of and Potentials for some Crops

Cotton

The production of cotton which increased considerably in the 1960s as a result of expanded acreage, stagnated in the 1970s in spite of rising producer prices. In the first half of the 1970s annual production was over 200,000 tons (350,000 bales), but the second half has seen a drop to an average of just over 170,000 tons. Exports have halved. Decline in production has continued during the first half of the 1980s. Shortage of labour, repeated cultivation on the same plots without adequate application of fertilizers, limitations on research and extension capacities and erratic climate conditions are some of the major problems affecting cotton production.

Sisal

Production of sisal has declined from 200,000 tons in 1964/65 to only 45,000 tons in 1984. In the 1960s the decline was due mainly to the collapse of the world (export) price. Consequently most producers either abandoned their farms or opted for the cultivation of other crops and most of the labour force was laid off. When prices began to improve in the 1970s production could not be increased automatically because of an acute shortage of the labour force, especially sisal cutters. Sisal, being a perennial crop, takes a long time (at least 5 years) to grow. A revival of the sisal output would also require significant infrastructural investment. The international market has remained depressed and output levels have continued to fall during the 1980s.

Sugar

Production of sugar remained fairly constant in the 1970s. This has not been enough to satisfy the growing domestic market. There was a recovery in the early 1980s but bad weather and production bottlenecks at the sugar factories have led to a fall in output during both 1984 and 1985/86. A number of reasons, especially an inadequate supply of sugarcane, on a continuous basis, machine breakdowns and transport problems of sugar from the mills to the distribution centres, have resulted in under utilization of capacity of the sugar mills. International sugar prices have plummeted due to the breakdown of the International Sugar Agreement in 1985.

Coffee

The peak production of coffee was recorded in 1980/81 when 67,000 tons were produced. Since then production has fluctuated around 55,000 tons. With an adequate supply of fertilizers, farm machinery and equipment, proper control of pests, diseases, and an adequate transport and marketing system, it is believed by the Tanzania Coffee Authority that coffee production could be doubled. Besides, production could be increased if new areas which are suitable for growing the crop were exploited, particularly in Morogoro, Mara and West Lake Regions. Increase in producers' prices seem to have a positive impact

on coffee production. However, international developments have been very minimal. World price for Tanzanian coffee has fallen by more than 40 percent during the present financial year according to government estimate, and the International Coffee Organization has reduced Tanzania's quota from 766.901 bags in 1984/85 to 726.000 bags in 1985/86 - a fall of almost 6 percent.

Tea

Production of tea increased from 9.000 tons in 1970/71 to 20.000 tons in 1984/85. Production increase was mainly due to expansion of planted hecterage, thanks to the World Bank (IDA Credit) small-holder tea development projects under which producers were provided with establishment credit in the form of planting materials and fertilizers through the Tanzania Rural Development Bank. Inadequate transport facilities to the mountainous areas where tea is grown and frequent breakdowns of the processing factories are the major problems facing the tea industry in the country. Green leaf must be carried daily and promptly from the collection centres at which producers sell their tea to the processing plant and must be processed as soon as possible or else the leaves wilt and are lost.

Cashew nuts

Production of cashew nuts dropped drastically from 145.000 tons in 1973/74 to the recent levels of around 34.000 tons. The slackening of crop husbandry practices, particularly weeding, is believed to be the most important contributor to this downward trend in production. Poor price is another contributing factor. Producers' prices have been raised and a cashew nut rehabilitation programme involving a modernization of the twelve cashew nut factories is envisaged but its activation is conditional on revival of cashew nut production.

Pyrethrum

Production of this crop fell from about 4.000 tons in the early 1970s to 1600 in 1984/85. The main reason given by the Pyrethrum Development Board for the decline is that, due to the opening of the Uhuru Railway Lines along the major producing areas, the farmers have become increasingly aware of more profitable and less tedious crop production alternatives.

Tobacco

Production of tobacco wet leaves has declined from 18.000 tons in 1974/75 to about 12.000 tons currently. Exports have all dropped steadily. In spite of increases in prices and adequate supply of fertilizers the production decline has continued. This may be due to poor extension and fertilizer credit supervision leading to some of the fertilizers not being used or misused or applied to other crops such as maize.

Other food crops

Like the cash crops, other food crops output has not responded vigorously to the increase in producer prices. The country remains dependent on a high level of cereal imports.

ANNEX I I

ANNEX II
LIST OF PERSONS CONTACTED
(Tanzania, November/1990)

Mr.Alexandre Krassiakov
Unido Country Director
P.O.Box 9182
Dar es Salaam-Tanzania
Tel:
Telex: 41284

Mr.Toon Vissers
Deputy Resident Representative,
U.N.D.P.
Dar es Salaam - Tanzania

Dr.A.Babatunde Thomas
Chief Economist
U.N.D.P.
Dar es Salaam - Tanzania

Mr.John Peter Moll
Industrial Development officer
UNIDO
A-1400 Vienna, Austria
Tel: 21131-3835

Mr.Victor Zakharian
Regional and Country Studies Branch
UNIDO
A-1400 Vienna, Austria
Tel: 21131 - 3362

Mr.Niels G. Biering
Chief, Non-Metallic Minerals
UNIDO
A-1400 Vienna, Austria
Tel: 21131 - 3937

Mr. Rainer Kaulfersch
Industrial Development Officer, UNIDO
A-1400 Vienna, Austria
Tel: (431) 21131 - 4586

Mr. W.L. Nyachia
Director General for Investments and Project Implementation
Ministry Industries and Trade
P.O. Box 9503 Dar es Salaam - Tanzania
Tel: 23691
Telex: 41689 Indis

Mr. A.J. Chillumange
Director of Statistics, Ministry of Industries and Trade
P.O. Box 9503
Dar es Salaam - Tanzania
Tel: 23691 22775
Telex: 41689 Indis

Mr. J. T. Uiso
Manager, Statistic Department, Bank of Tanzania
P.O. Box 2939
Dar es Salaam - Tanzania
Tel: 21291
Telex: 41024

Mr. Chris E. Taji
Manager
Public Relation Protocol Dept., Bank of Tanzania
Tel: 35565

Mr. O.M.S. Bendera
Ag. Director - Industrial Sector
President's Office, Planning Commission
P.O. Box 9242
Dar es Salaam - Tanzania
Tel: (051) 29411
Telex: 41651 Deplari T2

Mrs. C.K. Ruhara
Economist
President's office
Planning Commission
Dar es Salaam - Tanzania

Mr. Abdulla Juma Khatib
Commissioner for Investments
Ministry of Finance Planning
P.O. Box 874
Zanzibar - Tanzania
Tel: 31169
Telex: 57105 Finance

Mr. M.M. Takrīma
General Manager
Jitegemee Small Scale Industrial Estate
P.O. Box 784
Zanzibar - Tanzania
Tel : 30710
Telex: 57204

Mr. Nassor S. Nassor
General Manager
The People's Bank of Zanzibar Ltd.
P.O. Box 1173
Zanzibar - Tanzania
Tel : 32268
31118
Telex : 57365 PBZL TZ

Mr. Sherali M. Champsī
General Secretary
Zanzibar Chamber of Commerce
P.O. Box 1029
Zanzibar - Tanzania
Tel : 30224
Telex: 57209

...H.E.Christel Steffler
Botschafter der Bundesrepublik Deutschland
Dar es Salaam - Tanzania

Mr.Darius Mans
Senior Resident Economist
World Bank-- Resident Mission
P.O.Box 2054
Dar es Salaam - Tanzania
Tel : (255-51) 36240
(255-51) 23543
Telefax: (255-51) 36410

Mr.Cleas Leijon
Senior Programme Officer, Industry
SIDA
P.O.Box 9303
Dar es Salaam
Tel: (255-51) 23501
Telex: 41013 swensk
Telefax:(255-51) 33998

Mr.Jens Claussen
Economist
Senior Programme Officer
NORAD
P.O.Box 2646
Dar es Salaam - Tanzania
Tel: (255-51) 22 301
(255-51) 25 195
Telex: 41221 Noram B
Telefax: (255-51) 36544

Mr.Dr.Leifole Manager
Researsch fellow
Centre for Development Studies
University of Bergen
Bergen Norway
Tel : 47-5-213305
Telefax: 2421 - 441023 UIBTA

Mr.A.Birger Lorentzen
Counsellor
Danida Mission
P.O.Box 9171
Dar es Salaam - Tanzania
Tel : (255-51) 29086
(255-51) 27077

Mr.Rudolf Mutschler
Director
Deutsche Gesellschaft für Technische
Zusammenarbeit (GTZ) GmbH.
P.O.Box 1519
Tel: (255-51) 31481
(255-51) 33252
Telex:41252 despart
Telefax: (255-51) 33546

./..

Mr. E. L. Kamuzora
Director General
Tanzania Industrial Studies and Consulting
Organization (TISCO)
P.O.Box 2650
Dar es Salaam - Tanzania
Tel : 21523
31421
32981
Telex : 41182
Telefax: 30420

Mr. C. A. Mandara
Senior Consultant
TISCO

Mr. Gibbons Mwaikambo
General Manager
Tanzania Investment Bank
P.O.Box 9373
Dar es Salaam - Tanzania
Tel : 28581
Tele : 41259

Mr. A. B. C. Kilewo
Chairman and Managing Director
National Development Corporation
P.O.Box 2669
Dar es Salaam - Tanzania
Tel : 26271
23806
Telex: 41068

Mr. Kuringe I.T.
Ag. General Manager
Tanzania Wood Industry Corporation
P.O.Box 9160
Dar es Salaam - Tanzania
Tel : 26609
28271
Telex: 41577 Twico TZ

Mr. L.M. Salema
General Manager
National Engineering Co. Ltd.
P.O.Box 1186
Dar es Salaam - Tanzania
Tel: (255 - 51) 64 334
(255 - 51) 62 331

Mr. F.M. Kimariu
Expert, Agro-Industries Projects
Development Finance Co. of
Tanzania
Dar es Salaam - Tanzania

Mr. B.C. Mwenda
Managing Director
Meas International Ltd.
P.O.Box 6324
Dar es Salaam - Tanzania
Tel: (255-51) 37370
(255-51) 37757
Telex: 81010 ASI
41617 FIDCO
Telefax: (255-51) 35201
(255-51) 37682

Mr. Spencer E. Balmer
General Manager
Southern Paper Mills Co. Ltd.
P.O. Box 1
Mgololo - Tanzania
Tel : (255-61) 20422
(255-61) 20410
Telex: 52227 Tansom
Telefax: (255-61) 20426

Mr. Tonny Baek
Managing Director
Cowiconsult
P.O. Box 1007
Dar es Salaam - Tanzania
Tel: (255-51) 20006
Telex: 41083
Telefax: (255-51) 25281

Mr. Christian Borst
Electrical Engineer
Cowiconsult

ANNEX III

Annex III
Selected References

- The United Republic of Tanzania, Economic Recovery Programme II (Economic and Social Action Programme) 1989/90- 1991/92 Dar es Salaam, January 1991
- Jamhuri Ya Muungano wa Tanzania, Mpango wa Pili Wa Muungano wa Maen deleo wa Miaka Mitano 1988/89 - 1992/93 Second Five Year Development Plan for the Union Government, March 1989
- Jamhuri Ya Muungano Wa Tanzania, Hali ya Uchumi wa Taifa katika Mwaka 1989, Dar es Salaam, June 1990
- Bureau of Statistics, Ministry of Finance, Economic Affairs and Planning Dar es Salaam, March 1989 Foreign Trade Statistics 1987,
- Bank of Tanzania, Economic Bulletin for the quarter ended, 31 st December, 1989 Vol. XIX No.3
- Jamhuri Ya Muungano wa Tanzania, Kitabu Cha Nne, Makadirio ya Fedha za Serikali (Sehemu A) Mipango yu Meandalo ya Wizarana Mikoa Estimates for the Government Expenditures - Section A, Development Budget for Ministries and Regions, Dar es Salaam 1 st July 1990 - 30 st June 1991
- Bureau of Statistics, Ministry of Finance, Planning and Economic Affairs, Survey of Industrial Production, Dar es Salaam, August 1989
- The United Republic of Tanzania, the Economic Survey July 1989-June 1990, Translated into English by Dr.A.V.Y.Mbelle, Dar es Salaam, 11 th June 1990

- Zanzibar Government, Investment Act. 1986 and Guide lines for Investors, Zanzibar, 19 th February, 1985
- The People's Bank of Zanzibar Ltd. Quarterly Report for the Period Ending March 1987, Zanzibar June 1988
- Department of Statitics, President's Office Ministry of State (Planning), Zanzibar Revolutionary Government, Industrial Census 1988, May 1990
- Depatment of Statitics, President's Office Permanent Planning Commission, Zanzibar Statitcal Abstract 1984
- United Nations, United Republic of Tanzania, 1990 Second United Nations Conference on the Least Developed Countries, 9 th March 1990
- UNDP, Development Co-operation, Tanzania, 1988 Report Dar es Salaam, July 1989
- ECA/UNIDO, Report of the Ninth Meeting of the Conference of African Ministers of Industry Harare, Zimbabwe, 29-31 May 1989
- ECA/UNIDO, Report of the Meeting of the Intergovernmental Committee of Experts of the Whole Industrialization in Africa Harare, Zimbabwe, 22-26 May 1989
- UNIDO, United Republic of Tanzania, Industrial Development Review Series, Vienna 1986
- UNIDO, Revised Integrated Industrial Promotion Programme for the Eastern and Southern African Subregion, Vienna 16 th January 1989

- United Nations, United Republic of Tanzania 1990
- C.I. Martin, Briefing Notes on Tanzania, UNIDO Internal document, 14 th September, 1990
- UNIDO, The Agro-Based Industries in Tanzania: Key Characteristics and Rehabilitation Issues: Studies on the Rehabilitation of African Industry No.8, Vienna 11 th July 1989
- UNIDO, Draft Report, Industrial Development Strategies for African Agricultural Machinery Industrial Systems, November 1989
- UNIDO, Draft Report, Indicative Programme for the Integrated Development of the Fertilizer Industrial System in the United Republic of Tanzania, Vienna 19 th August, 1990
- UNIDO, Industrial Development Strategies for Fertilizer Industrial Systems in Africa, Vienna 14 th July, 1990
- UNIDO, Technical Report: Technical Recommendations for all operations in the garment factory, Vienna, 9 th February, 1984
- UNIDO, Assistance to Kurasini Women Tailoring Society, Vienna, 11th August 1986
- UNIDO, Draft Report, Indicative Programme for the Integrated Development of the Metal and Engineering Industries for the Production of Agricultural Machinery and Equipment in Tanzania, Vienna July 1990
- UNIDO, Draft Report, Industrial Development Strategies for Pesticide Industrial Systems in Africa, February 1990

- UNIDO, Atlas of African Industry, Iron and Steel Vienna 1989
- UNIDO, Draft Consultant Report, Ferenc Kovats, Indicative Programme for the Development of the Pesticides Industrial Systems in Tanzania, 31 st January 1990
- T. Fukuchi, Rehabilitation of Sub-Saharan Countries, the Case of the United Republic of Tanzania, Draft-Vienna 17 th Oktober, 1990
- World Bank, Tanzania: An Agenda for Industrial Recovery (in Two Volumes), Washington D.C. June 30, 1987
- World Bank, Tanzania Public Expenditure Review (in three Volumes), Washington D.C. May 22, 1981
- Ministry of Industries and Trade and SIDA Agreed Minutes, 13 th Joint Annual Industry Trade Sector Review, Dar es Salaam, March 6-14, 1989
- Cowi Consult, Major Industrial and Building Projects in Tanzania, Dar es Salaam, May 1990
- NORAF, Iltakoversikt (alle tiltak) Tanzania 26 th June 1990
- GTZ Activities, Documentation on German Technical Cooperation with Tanzania, Special Print 1/84
- Tanzania Industrial Studies and Consulting Organization, (TISCO) Annual Report and Accounts July 1, 1989 - June 30, 1990

- TISCO, Industrial Directory, Tanzania 1983
- TISCO, Consulting Services in various stages of the project cycle
- National Development Corporation, 24 th Annual Report, 1988
- NDC Group in the Export Market, 1990
- NDC, The History of NDC
- TIB, Annual Report July 1987 to June 1988
- National Engineering Company Limited, Company Profile, 1990
- EIU Country Profile - Tanzania 1989 - 90
- EIU Country Report 3, 1990 Tanzania, Mozambique, July 24, 1990.
- The Courier No 110 , Tanzania, July - August 1988
- Antonius Bruses, Pages 32 - 41, Tanzania's Economy - at the Crossroads of Economic Reform, The Courier no.110 Pages: 42-50

ANNEX IV

(0802b)

ANNEX IV

TERMS OF REFERENCE
for a consultancy assignment for
the preparation of national programmes for the
second Industrial Development Decade for Africa (IDDA)
RB-E-02902-044-0
Mr Ayhan Cilingiroglu
(Turkey)

Purpose

To assist the Government of Tanzania in the preparation of its national programme for the second IDDA (1991-2000) in co-operation with national experts, national IDDA co-ordinator and national working group on IDDA. The programme will be based on national industrial development strategies and policies in the light of the overall goals and objectives adopted for the second IDDA^{1/}.

The expert will make full use of existing studies and surveys of the industrial sector or individual subsectors, and to the extent possible, the expert mission will be co-ordinated with other UNIDO programming and study missions. The following list of activities will be adjusted to take into account the Government's priorities for its national programme for the second IDDA.

Functions

1. To compile an analytical survey of the industrial sector in the country on the basis of existing documents, including UNIDO Industrial Development Reviews, industry sector and programming mission reports, surveys on rehabilitation needs of the manufacturing industry, other studies and reports from various international organizations and national sources.

As outlined in the "Framework and Guidelines"^{1/} the survey should address the following issues:

- Structure and characteristics of the industrial sector (MVA, its share in GDP, productivity, capacity utilization, employment, markets, etc.);
- Main constraints and weaknesses of the industrial sector and its environment;
- Present conditions of industrial enterprises; rehabilitation and investment needs;
- Availability of raw materials, skilled manpower, technology and other inputs;
- Present state of physical and institutional industrial infrastructure and requirements for expansion.

^{1/} For details see "Framework and Guidelines for action at the national and subregional levels for the preparation of the programme for the second Industrial Development Decade for Africa (1991-2000)", PPD.161, 19 April 1990, UNIDO, Vienna.

2. To review Government macro-economic and industrial policy issues, such as structural adjustment policies (where applicable), including foreign investment policy, etc.
3. To identify national industrial potential and priorities including potential for the development of export-oriented industries.
4. To make a thorough examination of problems and constraints which arose in implementing the first IDDA programme as well as to identify the main bottlenecks and constraints likely to hinder the implementation of the programme for the second IDDA, and to recommend measures to address them.
5. To review programmes of multilateral and bilateral assistance relating to industrialization operating in the country.
6. To make recommendations on the establishment of national industrial development priorities, strategy and policies in the context of the goals of the second IDDA.
7. To prepare the report outlined below.

Output

A report to UNIDO and the Government comprising a draft national programme for the second IDDA following the "Framework and Guidelines for Action at the National and Subregional Levels for the Second Industrial Development Decade for Africa (1991-2000)". As specified in the Framework and Guidelines, it should include:

- A. Analysis of the industrial sector;
- B. National programme for the second IDDA, including:
 - (a) Programmes of consolidation;
 - (b) Programmes of industrial expansion and new investments;
 - (c) Support programmes.
- C. Modalities for formulation and implementation;
- D. Financing and major factor inputs.

This report will serve the Government as a basis for the preparation of its national programme and will thus provide the UNIDO secretariat with input for the preparation of the draft programme for the second IDDA.

ANNEXED TABLES

Annex Table 1

United Republic of Tanzania
Gross Domestic Product at Factor Cost by
Industrial Origin (Current Prices)
million Tshs

	1985	1986	1987	1988	1989
Agriculture, Forestry, Fishing and Hunting	62973	86412	120084	182319	211147
Mining & Quarrying	258	483	662	742	1159
Manufacturing	6848	8658	11951	24691	30738
Electricity and water	1096	1522	3001	4133	4864
Construction	2152	3298	3741	5015	6301
Wholesale, Retail Trade, Hotels, Restaurants	14844	20356	26942	45855	55489
Transport, storage and communication	7123	7910	11936	15759	25613
Finance Insurance, Real estates and other services	6868	8890	12605	14323	21305
Public Administration	11215	10838	14137	18230	23744
Less Imputed Bank Service Charges	1926	3198	7762	12953	18282
Gross Domestic Product	112442	145169	200299	297515	359701

Sources: - The Economic Survey
- Department of Statistics, Ministry of Finance and Planning
Zanzibar.

Annex Table 2

United Republic of Tanzania
Gross Domestic Product at Factor Cost by
Industrial Origin Mainland-Zanzibar
 (Current Prices)
 million Tshs

		1985	1986	1987	1988	1989
Agriculture, Forestry, Fishing and Hunting	Mainland	61231	84153	117982	178760	107059
	Zanzibar	1742	2259	2102	3559	4088
	Total	62973	86412	120084	182319	211147
Mining and Quarrying	Mainland	251	474	643	723	1129
	Zanzibar	7	9	19	19	30
	Total	258	483	662	742	1159
Manufacturing	Mainland	6665	8551	11792	24453	30453
	Zanzibar	173	107	159	238	285
	Total	6848	8658	11951	24691	30738
Electricity and Water	Mainland	1071	1488	2963	4103	4831
	Zanzibar	25	34	36	30	33
	Total	1096	1522	3001	4133	4864
Construction	Mainland	2061	3131	3543	4800	5904
	Zanzibar	91	167	198	215	397
	Total	2152	3298	3741	5015	6301
Wholesale, Retail Trade, Hotels, Restaurants	Mainland	14195	19476	25963	43800	53572
	Zanzibar	649	380	979	1455	1917
	Total	14844	20356	26942	45255	55489
Transport Storage and Communication	Mainland	7021	7797	11815	15621	23345
	Zanzibar	103	113	121	138	268
	Total	7123	7910	11936	15759	25613
Finance, Insurance Real estates and other services	Mainland	6659	8127	11061	14132	20641
	Zanzibar	209	763	1544	191	394
	Total	6868	8890	12605	14323	21305
Public Administration	Mainland	10735	10214	13291	17163	22437
	Zanzibar	480	624	846	1067	1307
	Total	11215	10838	14137	18230	23744
Less inputed Bank service charges	Mainland	1806	2544	6444	12888	18043
	Zanzibar	120	654	1318	65	239
	Total	1926	3198	7762	12953	18282

		<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
G.D.P.	Mainland	109083	140866	195611	290667	351228
	Zanzibar	3359	4303	4689	6848	8473
	Total	112442	145169	200299	297515	359701

Source: - The Economic Survey 1989
- Department of Statistics, Ministry of Finance and Planning,
Zanzibar

Annex Table 3

United Republic of Tanzania
Gross Domestic Product at Factor Cost by
Industrial Origin Relative Importances of Mainland and Zanzibar
(At 1976 Prices)
in million Tshs

**Agriculture, Hunting,
Forestry and Fishing**
=====

Relative Share
of Mainland &
Zanzibar (1989)

	1985	1986	1987	1988	1989	
Mainland	10931	11707	12066	12609	13153	97.1
Zanzibar	414	429	426	444	383	2.9
Total	11345	12136	12492	13053	12536	100.0

Mining and Quarrying
=====

Mainland	174	154	149	138	139	99.3
Zanzibar	-	-	-	-	1	0.7
Total	174	154	149	138	140	100.0

Manufacturing
=====

Mainland	2075	1991	2075	2187	2299	99.0
Zanzibar	37	41	40	29	23	1.0
Total	2112	2032	2115	2116	2322	100.00

**Electricity and
Water Supply**
=====

Mainland	461	482	522	537	588	98.0
Zanzibar	10	11	12	12	12	2.0
Total	471	493	534	549	600	100.0

**Whole sale and
Retail Trade,
Restaurants and
Hotels**
=====

Mainland	2662	2958	3112	3236	3378	94.3
Zanzibar	119	133	131	142	189	5.7
Total	2781	3091	3243	3378	3567	100.0

**Finance and Insurance
Real Estate and
Business Services**
=====

Mainland	3046	3318	3395	3500	3632	99.3
Zanzibar	25	34	165	31	25	0.7
Total	3071	3342	3560	3500	3632	100.0

Public Administration
and other services

=====

Mainland	3616	3225	3243	3343	3442	96.7
Zanzibar	20	66	90	93	119	3.3
Total	3636	3291	3333	3436	3561	100.0

Less Imputed Bank
Service Charges

=====

Mainland	797	886	862	920	940	97.4
Zanzibar	20	19	180	15	26	2.6
Total	817	905	1042	935	966	100.0

G.D.P. at Factor Costs

=====

Mainland	24278	21158	25972	27039	28272	97.3
Zanzibar	711	734	731	768	785	2.7
Total	24989	25892	26703	27807	29057	100.0

Source: Economic Survey 1989
and Zanzibar Bureau of Statistics.

ANNEX TABLE 4:
GROSS DOMESTIC PRODUCT OF MAINLAND-TANZANIA AT FACTOR BY
INDUSTRIAL ORIGIN (At 1976 Prices)

(In Million T.Shs.)

Industry	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	% Growth 1988/89
Agriculture, Hunting, Forestry and Fishing	9,046	9,160	8,998	9,066	9,418	9,511	9,639	9,914	10,312	10,931	11,707	12,066	12,608	13,153	4.6
Mining and Quarrying	214	231	189	200	189	193	193	174	186	174	154	149	138	138	0.7
Manufacturing	2,811	2,841	2,730	2,821	2,663	2,382	2,304	2,103	2,159	2,075	1,991	2,075	2,187	2,299	5.1
Electricity and Water Supply	219	244	286	318	400	417	420	413	439	461	462	522	537	568	2.4
Construction	894	915	783	879	932	880	930	849	660	601	705	721	757	821	6.3
Wholesale and Retail Trade Rest & Hotels	2,839	2,782	2,797	2,839	2,839	2,725	2,668	2,612	2,640	2,662	2,958	3,112	3,236	3,378	4.7
Transport, Storage and Communication	1,666	1,652	1,699	1,634	1,818	1,852	1,894	1,473	1,482	1,509	1,504	1,551	1,662	1,730	4.7
Finance, Insurance, Real Estate and Business Services	2,036	2,069	2,208	2,336	2,483	2,529	2,702	2,817	2,984	3,046	3,318	3,386	3,500	3,632	3.8
Public Administration & Other Services	2,342	2,487	2,967	3,255	3,188	3,551	3,556	3,543	3,549	3,616	3,225	3,243	3,343	3,442	3.0
Less: Imputed bank Service Charges	424	462	486	601	531	549	667	716	755	797	866	862	820	840	2.2
GDPe_t Factor Cost	21,652	21,739	22,202	22,649	23,419	23,301	23,439	22,862	23,656	24,278	25,156	25,972	27,038	28,272	4.4

SOURCE: Economic Survey 1989

ANNEX TABLE 5
NATIONAL ACCOUNTS OF ZANZIBAR
GROSS DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRIAL
ORIGIN (CURRENT YEARS)

Table A.1	(Millions of shillings)				
Industry	1985	1986	1987	1988	1989
Agriculture, Hunting,					
Forestry and Fishing	1743.5	2059.7	2102.0	2559.1	4088.2
Mining and Quarrying	7.2	8.6	18.5	19.1	30.0
Manufacturing and Handicraft	173	167	159.7	228.2	283.0
Electricity and Water Supply	24.5	33.9	38.2	38.4	31.6
Construction	91	167.1	198.8	217.4	297.9
Wholesale and retail trade					
restaurants and hotels	648.6	979.3	973.6	1455.1	1917.0
Transport and Communication	103.4	113.4	121.4	138.0	266.2
Finance and Insurance	203.9	262.5	1544.2	191.4	394.0
Public Administration	479.6	622.6	843.5	1067.0	1307.9
Less imputed Bank Charges	119.7	653.7	1317.6	65.0	299.0
G.D.P. at Factor cost	3359.4	4305.3	4687.3	6248.1	8473.4
Subsistence Production:					
Agriculture, Hunting,					
Forestry and Fishing	743.7	719.2	734.8	1251.1	1729.0
Construction	9.2	16.1	11.2	12.2	13.6
Other Grouped dwellings	60.5	62.2	63.3	66.0	67.0
Total Subsistence Production	813.4	797.5	809.3	1329.3	1810.6
Total Monetary Production	2546	3511.8	3878.0	4918.8	6662.8
Total Production (Monetary and Subsistence)	3359.4	4309.3	4687.3	6248.1	8473.4

Note: - Nil

Source: Department of Statistics, Ministry of Finance and Planning, Zanzibar.

ANNEX TABLE 6

AVERAGE ANNUAL RATES OF GROWTH OF GDP AT 1976 PRICES (%p)
(Mainland)

1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
21652	21739	22202	22849	23419	23901	23439	22882	23656	24278
1976	0.40	1.26	1.81	1.98	1.48	1.33	0.79	1.11	1.28
1977		2.13	2.52	2.51	1.75	1.52	0.86	1.21	1.59
1978			2.91	2.70	1.62	1.76	0.61	1.06	1.29
1979				2.49	0.90	0.85	0.04	0.70	1.02
1980					0.50	0.04	-0.77	0.25	0.72
1981						0.59	-0.96	0.51	1.03
1982							-2.38	0.46	1.18
1983								3.38	3.01
1984									2.63
1985									
1986									
1987									
1988									

1986	1987	1988	1989
25070	26049	27085	28272
1.48	1.68	1.89	2.07
1.60	1.83	2.02	2.21
1.53	1.79	2.01	2.22
1.34	1.65	1.91	2.15
1.14	1.53	1.83	2.11
1.47	1.88	2.17	2.45
1.70	2.13	2.44	2.71
3.09	3.23	3.43	3.59
2.95	3.26	3.44	3.63
3.26	3.58	3.71	3.88
	3.91	3.94	4.09
		3.98	4.18
			4.38

Annex Table 7: Selected Production Indices

Production of Major Export Crops

(Base: 1970 = 100)

COMMODITY	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89
Cotton.....	79.0	76.5	58.1	56.0	61.4	67.8	46.8	73.5	76.1	82.0
Coffee.....	104.2	135.9	103.2	108.3	99.7	98.7	110.7	108.7	99.2	99.6
Sisal.....	40.3	42.5	35.7	29.7	19.9	18.8	16.0	14.9	7.9	7.4
Tea.....	204.7	198.7	188.2	206.1	140.1	197.3	182.4	165.9	162.3	183.5
Cashewnuts.....	37.0	57.6	38.8	29.9	42.3	29.1	18.4	15.8	21.8	17.2
Pyrethrum.....	60.9	86.6	43.5	69.3	60.6	60.6	60.6	60.6	52.2	56.5
Tobacco.....	159.2	135.0	128.3	113.6	91.9	111.9	104.2	135.0	107.5	97.7

Annex Table 8: Production in Selected Industries

(Base: 1970 = 100)

COMMODITY	1970	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Aluminium.....	100.0	148.5	165.1	116.0	112.2	55.5	85.2	48.1	74.9	96.2	55.1
Beer.....	100.0	165.4	166.5	166.3	170.5	180.0	179.8	168.9	152.3	137.3	139.2
Cement.....	100.0	161.5	222.3	206.1	240.3	205.9	210.9	270.5	300.3	338.2	332.8
Cigarettes.....	100.0	182.2	148.7	100.6	147.8	138.5	84.7	105.7	98.2	107.2	109.5
Iron Sheets.....	100.0	99.1	57.8	91.8	116.1	131.5	124.1	46.8	98.5	88.4	121.7
Fishnets.....	100.0	36.0	40.6	19.1	25.1	25.7	17.5	24.8	31.4	38.6	37.3
Petroleum.....	100.0	90.2	76.2	73.8	73.4	93.1	83.6	73.5	70.9	88.2	90.2
Shoes.....	100.0	196.8	116.4	105.8	92.8	94.3	93.3	65.7	27.5	27.1	26.0
Pyrethrum Extract.....	100.0	41.8	35.5	32.7	40.9	27.2	36.4	30.0	36.4	40.0	31.8
Textiles.....	100.0	142.1	146.1	96.0	91.0	116.3	89.4	89.0	66.6	66.6	70.3

Source: Bank of Tanzania.

Annex Table 9
Capital formation by type of assets - Current Prices,
Mainland (millions of Tshs)

ASSETS	1977	1978	1979	1980	1981
<hr/>					
Buildings:					
Residential	160	183	203	213	427
Rural own-account	315	363	420	496	574
Non-residential	846	749	943	1126	1446
<hr/>					
SUB-TOTAL	1321	1295	1565	1835	2447
<hr/>					
Other Works:					
Land development	168	112	167	165	358
Roads, bridges	208	190	450	664	444
Water	207	198	212	213	287
Other	1340	1255	1172	1482	1141
<hr/>					
SUB-TOTAL	1923	1755	2001	2524	2230
<hr/>					
Equipment:					
Transport	978	1140	2591	1150	1516
Other	2441	3140	2435	3121	2439
<hr/>					
SUB-TOTAL	3419	4280	5026	4271	3955
<hr/>					
Gross fixed capital formation	5663	7330	8592	8630	10825
Increase in stocks	861	764	966	1055	1498
Gross capital formation total	7524	8094	9458	9685	10130
<hr/>					

Source: Bureau of Statistics

Annex Table 11: The National Consumer Price Index
(Base: 1977 = 100)

Period	General Index	Food	Drinks and Tobacco	Rents	Fuel Light water	Clothing and Footwear	Furniture and Utensils	Household Operations	Personal care and Health	Recreation and Entertainment	Transportation
Weights	100.0	64.2	2.5	4.9	7.6	9.9	1.4	3.4	3.4	0.7	4.1
1977	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1978	106.6	126.1	84.2	102.9	110.6	110.0	133.2	82.0	66.2	110.2	131.9
1979	120.3	140.1	100.6	113.4	125.1	125.5	135.1	89.0	81.7	115.3	153.1
1980	156.7	178.2	164.2	115.9	173.1	157.8	187.0	106.6	115.4	152.4	199.3
1981	196.9	220.1	208.4	150.9	236.8	212.1	249.6	147.3	147.8	193.5	224.0
1982	253.9	292.1	294.2	188.4	286.5	283.3	355.4	198.5	194.9	276.1	253.3
1983	322.6	371.7	301.4	164.1	391.5	326.4	497.4	249.5	228.7	326.6	318.2
1984	438.2	461.2	418.9	181.2	501.4	411.9	735.7	300.0	518.1	357.1	338.2
1985	585.4	581.7	517.0	217.0	679.3	638.7	1,053.6	538.2	763.4	400.0	453.7
1986	775.2	803.5	812.0	217.0	817.5	786.7	1,344.7	895.6	1,152.0	450.0	554.3
1987	1,007.4	1,048.4	1,285.0	217.0	1,025.0	925.4	1,576.6	1,139.7	1,492.3	707.2	906.1
1988	1,321.6	1,413.7	1,670.0	217.0	1,152.3	1,221.5	1,887.5	1,326.5	1,536.6	1,146.4	1,142.1
1989	1,653.2	1,766.2	2,261.0	286.0	1,527.0	1,505.0	2,382.2	1,957.4	1,646.2	1,314.3	1,697.6
1985-March	542.6	548.1	476.0	217.0	565.8	546.5	942.9	470.6	753.8	400.0	446.3
June	567.8	563.9	524.0	217.0	717.1	564.6	985.2	488.2	753.8	400.0	456.1
September	580.6	572.6	528.0	217.0	717.1	698.0	1,114.3	555.9	753.8	400.0	456.1
December	680.3	682.2	640.0	217.0	717.1	745.5	1,171.4	638.2	792.3	400.0	456.1
1986-March	717.3	781.2	888.0	217.0	871.1	745.5	1,228.6	697.1	938.5	428.6	461.0
June	715.8	730.1	824.0	217.0	888.2	755.6	1,342.9	714.7	953.8	428.6	551.6
September	788.0	811.4	876.0	217.0	772.4	777.8	1,378.6	1,085.3	428.6	428.6	565.9
December	879.8	911.4	886.0	217.0	892.1	867.7	1,428.6	1,085.3	1,446.3	514.3	639.0
1987-March	938.4	987.9	986.0	217.0	892.1	898.0	1,535.1	1,097.1	1,484.6	514.3	739.0
June	947.7	988.6	1,204.0	217.0	936.8	916.2	1,557.1	1,097.1	1,484.6	514.3	929.3
September	1,008.5	1,031.3	1,236.0	217.0	1,128.9	939.4	1,564.3	1,120.6	1,500.0	728.6	975.6
December	1,134.0	1,207.0	1,424.0	217.0	1,142.1	944.4	1,650.0	1,344.1	1,500.0	1,071.4	980.0
1988-March	1,230.7	1,315.1	1,486.0	217.0	1,142.1	1,148.5	1,771.4	1,370.6	1,500.0	1,071.4	1,036.6
June	1,238.8	1,375.1	1,486.0	217.0	1,142.1	1,169.7	1,771.4	1,485.4	1,500.0	1,071.4	1,061.0
September	1,380.2	1,480.9	1,708.0	217.0	1,142.1	1,320.2	1,900.0	1,514.7	1,500.0	1,142.9	1,119.5
December	1,463.6	1,570.1	1,884.0	217.0	1,182.9	1,247.5	2,107.1	1,735.3	1,646.2	1,300.0	1,351.2
1989-March	1,673.1	1,715.7	1,884.0	277.0	1,182.9	1,434.3	2,228.6	1,820.6	1,646.2	1,300.0	1,351.2
June	1,586.8	1,737.1	1,887.0	277.0	1,182.9	1,434.3	2,228.6	1,820.6	1,646.2	1,300.0	1,351.2
September	1,882.9	1,730.0	2,524.0	278.8	1,871.1	1,434.3	2,535.7	2,094.1	1,646.2	1,328.6	2,043.4
December	1,800.0	1,842.1	2,782.0	390.2	1,871.1	1,717.2	2,535.7	2,094.1	1,646.2	1,328.6	2,043.9

Source: Bureau of statistics

ANNEX TABLE 12: NATIONAL CONSUMER PRICE INDEX FOR 1988 and 1989 BY CATEGORIES

	WEIGHTS	1988			1989				
		%	IQ	IIQ	IIIQ	IVQ	IQ	QII	QIII
1. Food	64.2	1,315.1	1,308.4	1,460.9	1,570.2	1,715.7	1737.1	1730.0	1,842.1
2. Drinks and Tobacco	2.5	1,496.0	1,582.0	1,708.0	1,894.0	1,884.0	1884.0	2524.0	2,782.0
3. Rents	4.9	217.0	217.0	217.0	217.0	277.0	277.0	278.8	310.2
4. Fuel, Light, Water	7.6	1,142.1	1,142.1	1,142.1	1,182.9	1,182.9	1182.9	1871.1	1,871.1
5. Clothing, Footwear	9.9	1,148.5	1,189.7	1,320.2	1,247.8	1,434.3	1434.3	1434.3	1,717.2
6. Furniture, Utensils	1.4	1,771.4	1,771.4	1,900.0	2,107.1	2,228.6	2228.6	2535.7	2,535.7
7. Household Operations	3.4	1,370.8	1,486.3	1,514.7	1,735.3	1,820.6	1820.6	2084.1	2,084.1
8. Personal Care and Health	1.3	1,500.0	1,500.0	1,500.0	1,646.2	1,646.2	1646.2	1646.2	1,646.2
9. Recreation/Entertainment	0.7	1,071.4	1,071.4	1,142.9	1,300.0	1,300.0	1,300.0	1328.8	1,328.8
10. Transportation	4.1	1,036.8	1,061.0	1,119.5	1,351.2	1,351.2	1,351.2	2043.9	2,043.9
TOTAL INDEX	100.0	1,233.7	1,238.8	1,360.2	1,453.6	1,573.1	1,566.8	1,682.9	1,800.0
ANNUAL CHANGE (%)		31.5	30.7	34.7	26.2	27.5	28.1	24.5	23.8
QUARTERLY CHANGE %		8.8	0.4	9.8	6.9	8.2	0.9	6.7	6.3

12

SOURCE: Bureau of Statistics.

FOREIGN TRADE SUMMARY

(Million US \$)

	OCTOBER - DECEMBER		% CHANGE	JANUARY - DECEMBER		% CHANGE
	1988	1989		1988	1989	
EXPORTS	92.72	83.26	-10.2	380.16	415.07	9.18
IMPORTS	312.45	291.83	-6.5	1192.38	1230.00	3.15
BALANCE	-219.73	-208.57		-812.22	-814.93	

SOURCE: BANK OF TANZANIA

ANNEX TABLE 14: Tanzania's Foreign Trade

(Millions of Shillings)

Period	Domestic Exports	Re-Exports	Total Exports	Imports	Trade Balance
1980.....	4,681.3	86.4	4,167.7	10,377.9	-6,140.2
1981.....	4,984.7	102.4	5,087.1	10,147.2	-4,960.1
1982.....	4,098.6	112.4	4,230.1	10,519.2	-6,289.1
1983.....	4,138.6	131.5	4,270.1	8,547.4	-4,277.3
1984.....	3,582.7	772.2	4,354.9	9,652.8	-5,297.9
1985.....	4,154.7	111.2	4,265.9	15,287.8	-11,021.9
1986.....	10,475.1	852.4	11,327.5	30,577.1	-19,249.6
1987.....	17,919.0	583.1	18,512.1	59,340.1	-40,828.0
1988*.....	26,243.6	797.9	27,041.5	80,828.1	-53,786.6
1988 - 1st Quarter.....	8,288.7	287.4	8,576.1	19,324.0	-10,747.9
2nd Quarter.....	7,041.5	139.0	7,180.5	21,532.9	-14,352.4
3rd Quarter.....	4,622.8	224.2	4,847.0	21,178.9	-16,331.9
4th Quarter.....	6,290.6	147.3	6,437.9	18,792.3	-12,354.4
1989 - 1st Quarter.....	14,671.0	74.1	14,745.1	21,428.9	-6,683.8
2nd Quarter.....	10,434.8	285.0	10,699.8	27,158.3	-16,458.5
1989* - January.....	2,753.5	171.9	2,925.4	6,286.4	-3,361.0
February.....	2,651.8	3.5	2,655.3	6,345.8	-3,690.5
March.....	2,883.4	112.0	2,995.4	6,891.8	-3,896.4
April.....	2,331.4	13.3	2,344.7	7,161.9	-4,817.2
May.....	2,295.6	59.0	2,354.6	6,556.8	-4,202.2
June.....	2,414.5	66.7	2,481.2	7,814.2	-5,333.0
July.....	1,785.0	75.0	1,860.0	5,942.7	-4,082.7
August.....	1,865.0	58.5	1,923.5	9,878.6	-8,154.5
September.....	1,172.2	90.7	1,262.9	5,357.6	-4,094.7
October.....	1,805.1	28.3	1,833.4	6,531.0	-4,697.6
November.....	2,455.0	4.9	2,459.9	6,585.4	-4,135.5
December.....	2,230.5	114.1	2,344.6	5,665.9	-3,321.3
1989 - January.....	6,023.9	24.7	6,048.6	8,287.3	-2,238.7
February.....	4,385.2	8.1	4,393.3	10,389.8	-6,006.5
March.....	4,261.9	41.3	4,303.2	2,741.8	1,561.4
April.....	4,108.4	102.4	4,210.8	8,386.7	-4,175.9
May.....	3,716.9	50.2	3,767.1	8,051.5	-4,284.4
June.....	2,609.5	112.4	2,721.9	10,720.1	-7,998.2

Source: Customs and Sales Tax Dept.

*Provisional

Figures for March 1989 exclude those of the Dar es Salaam Long-Room.

ANNEX Table 15: TANZANIA EXPORTS (1988-1989)

(Million US\$)

COMMODITIES	OCTOBER—DECEMBER		% CHANGE	JANUARY—DECEMBER		% CHANGE
	1988	1989		1988	1989	
COFFEE						
Value	21.6	10.50	-51.3	96.7	110.2	13.96
Quantity	9.10	8.10	11.0	38.67	50.0	29.3
Unit Price	2376.0	1307.0	-45.0	2493.0	2204.0	-11.6
COTTON						
Value	22.80	10.5	-54.0	75.26	66.0	-12.3
Quantity	16.7	7.20	-56.9	51.76	48.10	-6.96
Unit Price	1369.0	1455.60	6.3	1455	1372.0	-5.7
SISAL						
Value	1.0	1.0	—	4.86	4.3	-11.5
Quantity	2.30	2.0	-13.04	11.19	8.6	-23.14
Unit Price	443.0	500.0	12.86	435.0	500.0	14.94
TEA						
Value	3.60	6.30	75.0	16.03	19.4	21.0
Quantity	2.40	3.10	29.16	11.19	11.60	3.66
Unit Price	1497.0	2031.6	35.7	1433	1672.0	16.68
TOBACCO						
Value	7.40	7.30	-1.35	15.35	11.90	-22.47
Quantity	3.90	4.00	2.5	9.79	7.6	-22.37
Unit Price	1892.0	1823.0	-3.6	1569	1566.0	-0.2
CASHEWNUTS						
Value	3.0	0.00	-100	16.05	7.40	-53.9
Quantity	3.10	0.00	-100	16.25	9.10	-44.0
Unit Price	941	0.00	-100	987	813	-17.6
CLOVES						
Value	8.12	8.86	9.1	8.12	25.28	211.3
Quantity	2.6	4.5	64.7	2.64	13.50	411.3
Unit Price	3079.0	1968.9	36.05	3081	1873	-39.2
SUB - TOTAL	67.52	44.46	34.15	232.37	244.48	5.21
Petroleum Prod.	3.40	3.10	-8.8	12.21	15.0	22.85
Minerals	1.40	2.40	71.4	15.92	12.9	-18.97
Manuf. goods	11.50	18.20	58.26	72.10	88.6	22.9
Other Exports	8.90	15.10	69.66	47.56	54.10	13.75
SUB - TOTAL	25.20	38.80	53.96	147.79	170.6	15.43
GRAND TOTAL	92.72	83.26	-10.2	380.16	415.08	9.18

ANNEX TABLE 16: : Tanzania's Exports By Major Commodity Groups Since 1960

(Millions of Shillings)

Period	Cotton	Coffee	Sisal	Cloves	Cashew-nuts	Petro- lium Products	Minerals	Manufac- tured Products	Other	Re-exports	Total
1960	359.2	1,119.3	246.3	251.3	80.2	198.5	289.9	788.6	783.0	85.4	4,167.7
1961	646.7	1,386.7	280.6	434.2	285.6	133.6	537.7	485.7	804.0	102.4	5,087.1
1962	522.9	1,238.0	223.7	412.1	91.8	125.7	485.9	397.9	688.7	112.4	4,230.1
1963	688.8	1,440.1	145.8	88.3	72.4	144.8	485.7	485.7	883.6	131.5	4,270.1
1964	289.2	1,821.3	118.6	113.6	341.4	280.8	252.5	485.1	548.1	772.2	4,354.9
1965	483.4	1,824.9	77.4	278.7	178.5	250.5	357.8	351.3	588.0	111.2	4,285.9
1966	1,508.8	5,385.0	170.6	388.1	423.2	1.2	364.6	1,115.6	1,567.8	852.4	11,327.5
1967	2,381.8	5,782.6	328.8	380.2	712.9	535.7	882.7	3,736.9	1,880.2	583.1	18,512.1
1968*	6,429.0	7,880.8	376.5	173.0	226.3	435.8	1,185.3	5,148.4	4,267.6	787.9	27,041.5
1968* - 1st Quarter	1,883.0	1,903.1	122.8	152.3	226.3	128.5	316.3	1,878.2	970.8	287.4	8,576.1
2nd quarter	1,835.9	2,115.0	87.5	34.8	-	176.1	288.9	1,523.5	553.0	138.0	7,180.5
3rd quarter	784.6	1,264.4	113.3	18.6	-	91.0	520.3	676.0	1,182.6	224.2	4,847.0
4th quarter	1,844.7	1,778.8	52.9	3.1	-	38.4	119.8	871.7	1,581.2	147.3	6,437.9
1969 - 1st quarter	3,888.1	4,426.9	188.8	256.7	388.0	425.7	30.3	2,533.2	2,344.3	74.1	14,745.1
2nd quarter	2,786.1	3,358.5	80.3	7.4	-	308.4	274.9	2,811.6	1,616.6	285.0	10,889.8
1969* - January	681.2	880.4	48.8	10.0	88.2	36.5	0.2	731.3	316.8	171.9	2,925.4
February	718.4	888.2	80.7	2.2	-	77.9	312.8	643.7	284.7	3.5	2,655.3
March	884.2	714.5	23.3	140.2	137.1	15.1	3.3	883.2	448.7	112.0	2,885.4
April	821.9	380.2	28.3	3.1	-	-	106.3	888.4	153.7	13.3	2,344.7
May	867.8	731.9	21.8	3.8	-	-	2.2	888.1	235.6	58.0	2,354.6
June	646.2	1,802.9	37.4	-	-	176.9	180.4	387.8	183.7	86.7	2,481.2
July	322.5	884.7	26.1	1.2	-	11.9	95.7	78.4	883.5	75.0	1,880.0
August	342.1	222.1	8.7	8.2	-	31.4	375.6	275.2	400.3	58.5	1,724.1
September	120.0	387.6	78.5	9.2	-	47.7	48.0	322.4	178.8	80.7	1,282.9
October	884.2	114.9	22.2	3.1	-	38.4	189.9	410.1	312.3	28.3	1,633.4
November	841.0	858.8	11.5	-	-	-	3.3	288.5	551.9	4.9	2,458.9
December	888.5	705.1	18.2	-	-	-	6.6	173.1	717.0	114.1	2,344.6
1969 - January	2,284.2	1,288.4	84.3	237.2	-	77.7	11.6	1,877.6	882.9	24.7	6,048.6
February	678.6	1,886.3	81.4	1.8	-	188.3	15.2	883.1	800.5	8.1	4,383.3
March	785.3	1,882.2	3.1	16.7	388.8	238.7	3.5	852.5	550.9	41.2	4,303.2
April	1,321.1	1,830.6	38.3	8.2	-	185.3	142.2	734.3	885.4	102.4	4,210.8
May	711.1	1,525.3	37.2	3.5	-	143.1	5.3	727.2	594.2	50.2	3,787.1
June	742.9	880.6	14.8	3.7	-	-	127.4	880.1	387.0	112.4	2,721.9

Source: Customs and Sales Tax Dept.

*Provisional
Figures for March 1969 exclude those of the Dar es Salaam Long-Room.

ANNEX TABLE 17: TANZANIA—IMPORTS

(Millions of US\$)

	1988	1989	% Change
CAPITAL GOODS	405.82	480.70	15.57
Transport Equipment	81.31	197.50	58.83
Building & Construction	185.60	170.10	-9.1
Machinery	138.91	113.10	-22.8
INTERMEDIATE GOODS	510.53	556.00	8.17
Oil	146.80	152.40	3.67
Crude Oil	84.52	91.30	7.4
Petroleum Products	62.28	61.10	-1.9
Fertilizers	3.96	5.00	20.8
Industrial Raw materials	359.77	398.60	9.7
CONSUMER GOODS	275.67	190.80	-44.48
Textile and Apparel	45.37	49.02	7.44
Food and Foodstuffs	106.65	54.78	-94.68
Other Consumer goods	123.65	87.00	-42.12
MISCELLANEOUS GOODS	0.36	2.50	85.6
TOTAL	1,192.38	1,230.00	3.05

SOURCE:

1. Customs and Sales Tax Department
2. TPDC — Oil Imports
3. 1988 & 1989 — BoT Estimates

ANNEX TABLE 18: —Tanzania's Imports by Major Commodity Groups

Millions of Shillings

Period	Machinery	Metals	Motor Car	All other transport equipment	Textile and apparel	Food, beverages and tobacco	Fuel	All other	Total
1980	2,371.5	689.5	70.8	1,886.9	340.3	1,319.9	2,537.7	2,073.1	10,307.9
1981	2,798.4	738.0	55.5	1,129.5	221.7	970.4	2,530.7	1,643.0	10,047.2
1982	2,806.8	911.9	58.8	706.1	316.8	1,141.8	2,352.4	2,045.0	10,519.2
1983	2,838.2	911.1	58.5	717.8	235.9	982.7	1,762.8	1,880.1	8,547.4
1984	2,785.6	1,078.2	109.3	1,112.1	263.3	1,253.5	1,619.8	2,111.8	9,652.8
1985	1,434.3	1,523.0	144.1	1,721.9	513.3	1,240.2	2,894.9	4,015.8	15,287.8
1986	6,493.7	2,985.5	331.1	4,884.1	1,387.2	2,537.9	4,955.0	7,846.1	30,577.1
1987	15,782.4	6,578.3	809.8	9,489.9	1,586.3	3,978.8	235.7	21,677.9	58,340.1
1988 +	21,536.4	5,043.4	1,873.4	10,746.3	2,302.5	5,198.6	4,234.9	30,884.4	80,828.1
1988 + — 1st Quarter	4,975.6	1,856.0	194.1	2,748.4	673.2	2,088.4	2,233.6	4,538.7	15,324.0
2nd Quarter	5,948.2	1,946.8	294.7	2,286.4	434.3	886.6	1,282.2	9,383.7	21,532.9
3rd Quarter	5,815.7	1,088.6	21.8	2,864.6	641.8	738.1	738.1	9,035.1	21,178.9
4th Quarter	4,786.9	821.5	328.8	2,834.9	867.2	1,484.5	-	7,958.5	18,792.3
1989 — 1st Quarter	5,153.2	2,489.1	2,557.1	788.9	608.2	1,829.6	1,677.5	7,143.2	21,428.9
2nd Quarter	6,834.9	2,842.8	2,826.9	843.5	828.3	675.2	3,886.6	8,620.0	27,158.3
1989 + — January	1,412.4	1,136.4	80.1	703.3	288.8	919.9	84.0	1,700.5	6,286.4
February	1,948.6	417.3	88.4	1,178.2	228.1	234.8	1,582.1	708.3	6,345.8
March	1,813.6	301.3	85.6	888.9	180.3	843.7	887.5	2,129.9	6,881.8
April	1,504.9	350.8	78.1	784.7	280.7	138.6	10.0	4,033.0	7,181.9
May	2,871.5	384.7	98.9	864.9	184.3	284.4	-	2,985.1	6,956.8
June	2,371.8	532.8	156.7	864.8	89.3	442.6	1,252.2	2,144.0	7,814.2
July	1,805.8	424.7	107.7	724.8	217.9	327.0	-	2,334.8	5,842.7
August	2,329.6	435.3	108.3	434.8	338.4	278.1	-	4,985.3	9,678.6
September	1,880.3	228.6	41.8	715.2	85.5	133.0	738.2	1,735.0	5,367.8
October	1,522.7	308.2	86.3	872.7	161.5	919.9	-	2,588.7	6,531.0
November	1,771.5	803.4	124.8	1,061.5	183.2	485.2	-	2,466.8	6,585.4
December	1,582.7	8.9	117.7	800.7	212.5	78.4	-	2,844.0	5,886.9
1989 — January	1,834.0	1,051.4	1,111.9	185.8	189.7	485.8	489.4	2,888.3	8,287.3
February	2,722.2	1,121.8	841.8	803.4	388.6	388.6	636.1	3,716.3	10,388.8
March	487.0	325.9	803.4	88.8	41.9	183.2	882.0	628.6	2,741.8
April	1,846.7	832.0	885.7	181.4	281.2	401.8	1,584.9	2,523.2	8,386.7
May	3,085.1	811.4	730.5	88.5	282.7	151.2	801.9	2,288.2	8,051.5
June	2,123.1	888.4	1,088.8	882.6	275.4	322.4	1,519.8	3,787.6	10,720.1

Source: Customs and Sales Tax Dept.

+ Provisional

Figures for March 1989 exclude those of the Dar es Salaam Long-Room.

ANNEX TABLE 19:

Production of Major Export Crops

Metric Tons (1000)

COMMODITY	1980/81	1981/82	1982/83	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89
Cotton.....	58.6	44.5	42.9	47.0	51.9	35.7	55.3	58.3	63.0
Coffee.....	67.5	51.3	53.8	48.5	49.0	55.0	54.0	49.3	48.5
Sisal.....	85.0	72.1	80.0	40.2	38.0	32.4	30.2	33.2	15.0
Tea.....	16.9	16.0	17.5	11.9	16.8	15.5	14.1	13.8	15.6
Cashewnuts.....	64.0	43.2	32.5	47.0	32.4	28.5	16.6	24.2	19.3
Pyrethrum.....	2.0	1.0	1.6	1.4	1.4	1.4	1.4	1.2	1.3
Tobacco.....	16.8	17.2	13.9	11.8	13.4	12.5	14.2	12.9	-11.7

*For sisal and Tea the Figures relate to calendar Year—hence 1980/81 will refer to Calendar year 1980. For the other commodities the figures refer to the crop year for that particular commodity.

✓ (iii) Production in Selected Industries

COMMODITY	UNIT	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Aluminium.....	Tonnes	4,010	4,480	3,132	2,433	1,515	2,283	1,299	2,024	1,910	1,489
Batteries.....	000 pieces	79,248	77,390	88,464	47,400	41,380	44,077	44,289	26,320	23,941	35,476
Blankets.....	000 pieces	791	751	713	612	514	561	478	531	574	483
Cement.....	000 Tonnes	323	386	370	272	384	373	431	489	595	589
Cigarettes.....	000'000 Pieces	4,735	3,885	4,882	3,841	3,576	2,886	2,748	2,552	2,785	2,948
Fertiliser.....	Tonnes	80,852	71,836	13,882	31,237	51,589	41,387	47,032	19,276	5,983	26,172
Fishnets.....	Tonnes	211	125	64	76	78	53	80	95	119	113
Iron Sheets.....	Tonnes	17,322	10,105	16,044	20,287	23,012	21,672	8,181	17,214	15,459	21,275
Petroleum.....	000 Tonnes	617	521	805	582	637	572	503	425	605	617
Rollad Steel.....	Tonnes	18,841	16,473	12,338	9,487	7,223	16,829	11,382	9,888	10,486	15,327
Steel Ropes.....	Tonnes	31,616	13,246	20,885	13,415	14,838	10,201	12,270	13,772	18,488	11,946
Shoes.....	000 Pairs	4,178	2,523	2,201	1,948	1,979	1,955	1,401	578	570	545
Soap.....	Tonnes	6,882	6,883	10,408	10,231	23,572	13,004	14,823	22,029	21,804	25,384
Textiles.....	000 Sq. Metres	90,137	84,772	79,322	85,785	88,022	88,072	40,315	39,084	38,916	41,169
Tyres & Tubes.....	000 Pieces	372	313	231	185	189	186	241	302	259	347
Wheat Flour.....	Tonnes	33,743	28,889	32,110	31,519	33,274	42,785	40,021	24,743	30,088	18,347
Beer.....	000 Litres	63,828	64,292	64,189	65,841	68,533	76,143	65,179	98,775	52,906	53,728
Kibuku.....	Mill. Litres	13.4	15.5	15.3	18.5	15.3	10.9	13.2	12.3	15.2	18.2
Konyagi.....	000 Litres	485	510	785	837	872	682	834	973	1,105	1,164
Radio.....	000 Sets	233	185	110	48	40	68	48	123	180	52
Radiators.....	Pieces	5,384	4,029	6,109	3,913	5,810	8,215	6,881	5,885	4,820	3,627
Leather.....	Mill Sq. ft	13.0	10.9	10.4	10.2	9.5	5.2	3.6	3.0	2.7	2.4
Sugar.....	000M/Tons	121.4	121.7	115.9	128.7	112.4	99.7	98.2	108.6	98.2	95.2
Paints.....	000 Litres	1,364	1,474	1,138	1,075	851	1,127	1,470	1,877	1,989	1,841
Containers.....	Mill. Pcs	75.4	82.5	88.6	53.8	38.9	41.8	103.0	101.4	80.8	129.8
Bicycles (M/ve)	Pieces	29,976	21,082	29,889	14,182	-	13,983	22,133	27,088	22,583	31,882
Bicycle Tyres & Tubes	000 Pcs	779	383	672	676	415	321	129	154	270	85

Sources. Respective Industries

ANNEX TABLE 207- VOLUME OF OFFICIALLY MARKETED PRODUCTION
OF PRINCIPAL FOOD AND EXPORT CROPS 1965/66-1988/89 (IN
'000 TONS)

CROP	YEAR	PEAK PRODUCTION	1965/66	1966/67	1967/68	1968/69	1969/80 up to DEC. 1969	ESTIMATES 1988/89
FOOD GRAINS								
Maize	1967/68	229.4						
Rice ¹	1970/71	60.8	174.8	172.8	229.4 ²	112.9 ²		
Wheat	1971/72	56.7	15.9	21.8	40.3	46.4	117.8 ²	160.0 ²
Beans	1967/68	31.5	80.3	33.7	42.8	44.0	16.0	60.4
			6.0	29.0	31.5	2.8	46.9	47.9
							7.0	20.0
EXPORT CROPS								
Coffee	1980/81	66.8						
Cotton	1972/73	75.2	65.0	64.0	48.3	48.5	18.3	
Tea	1977/78	18.5	32.5	56.0	66.3	63.3	22.8	62.0
Cashewnut	1973/74	143.3	15.6	14.1	13.8	15.6	7.8	55.0
Tobacco	1976/77	19.1	20.5	17.8	24.2	18.9	6.6	15.0
Sisal ³	1964	230.0	12.5	14.0	7.4	10.7	11.1	25.0
			32.4	30.2	33.2	33.3	30.2	12.2
								32.0

SOURCE: Marketing Boards and Co-operative Unions
¹Paddy converted to rice at 85 per cent
²Calendar year basis
³Excluding SGR.

ANNEX TABLE '21 MINERAL PRODUCTION 1985-1989

MINERAL	UNIT	1985	1986	1987	1988	1989*	% CHANGE 1988/89
Diamond ¹	Gms	46653.12	24045.63	23985.13	8781.05	7704.19 ¹	-12.10
Gemstone coloured	Kgs.	77.86	13.37	701.87	514.48	1305.36	153.73
Lime and Limestone	Mt.	273491.50	246425.70	367542.52	685265.78	9130114.45	1232.35
Mica Sheets	Mt.	0.29	0.02	-	-	-	-
Salt	Mt.	8683.72	10783.40	21364.15	25184.87	22926.04	-8.01
Tin	Mt.	1.71	1.97	1629.25	3576.28	6489.50	83.50
Gypsum ²	Mt.	11988.00	12106.00	15769.00	9030.00	5838.00	-35.35
Gold	Gms	42406.84	45360.35	48024.00	54996.94	27852.28	-48.36

11 SOURCE: Ministry of Energy, Minerals and Water.

¹Excluding Williamson Diamond Ltd. for 1988 for which information was not available.

²Data up to September for 1987 and 1988.

*Provisional figures.

Annex Table 22
Tanzania - Balance of Payments
(In millions of US Dollars)

	1988/89	1989/90	1990/91	1991/92
Exports	394	420	480	559
Imports	1.277	1.330	1.421	1.510
Net services	-191	-168	-158	-156
Resource balance		-1.974	-1.077	-
1.099	-1.107			
MLT amortization	180	187	161	157
+Reserve -Arrears	+178	+60	+47	+51
Required Financing	1.432	1.325	1.307	1.315
Private transfers	233	221	208	191
Grant	517	523	523	523
MLT-World Bank	132	224	264	259
MLT-Other	69	66	68	71
Net suppliers credit	-2	-1	-1	4
Net IMF	44	9	-28	-14
Other capital flows	-65	-17	3	5
Total Capital Flows	928	1.025	1.037	1.038
Gap	-504	-300	-269	-277
Eligible for rescheduling a/	504	293	244	232
Financing gap (after rescheduling)	0	-7	-26	-45
Memo item :				
Current account deficit	-841	-857	-891	-915

a/ Includes debt already rescheduled

ANNEX TABLE 23
BALANCE OF PAYMENTS SUMMARY

(Million US\$)

	1985	1986	1987	1988	1989
A. Trade Account					
Exports	325.60	366.30	353.20	380.20	415.10
Imports	999.20	1047.50	1150.00	1192.38	1230.00
B. Services, net					
Receipts	108.10	110.00	108.60	119.75	122.69
Payments	176.20	195.10	207.70	315.80	327.28
O/W interest	97.30	112.80	99.40	187.80	206.40
C. Transfers, net					
Inflows	394.30	501.00	610.00	643.00	682.00
O/W Govt.	134.40	227.00	272.00	392.70	480.00
Outflows	27.60	28.00	27.00	21.70	29.80
CURRENT ACCOUNT	-375.00	-293.30	-312.90	386.93	-367.29
D. Capital Account					
MLT	-18.50	-21.00	-7.00	39.60	32.30
Inflows	200.00	165.00	213.00	226.00	245.60
Outflows	218.50	186.00	220.00	186.40	213.30
E. Suppliers Credit (Net)	-32.00	-55.40	5.00	-4.80	-1.30
F. Imp. Support & Exch. Fin.	60.00	83.00	42.70	100.70	130.00
C. Errors & Omission	-29.10	-96.90	-8.90	-6.47	-42.26
H. OVERALL BALANCE	-394.60	-383.60	-281.10	-257.90	-248.55
I. Monetary Movements	394.60	383.60	281.10	257.90	248.55

Source: Bank of Tanzania

ANNEX TABLE 24
STRUCTURE OF VALUE ADDED 1980 - 1990

(T.SHS. MILL)

SUB - SECTOR	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Food, Beverages & Tobacco	635	774	1117	1103	1425	1653	1603	2792	4564		
Textiles and Leather	979	911	621	1130	1007	989	973	1851	3235		
Wood, Wood Products, Pulp, Paper and Paper Products.	298	340	277	304	451	497	652	897	1458		
Chemicals	407	674	946	488	209	774	1323	2938	4661		
Metals and Engineering	445	452	480	609	730	951	1336	1870	3195		
Non - Metal	96	130	138	178	73	75	496	681	2138		
Other	20	26	23	28	22	28	30	33	57		
T C T A L -	2910	3307	3202	3840	3917	4967	6413	11062	18308		

Source: (1) Maziku, A.K.: The Basic Industry Strategy: Ten Years After (July, 1986) for 1980 & 1981.

(2) Economic Surveys, for 1982-1989.

ANNEX TABLE 25

STRUCTURE OF VALUE-ADDED 1980-1988 (PERCENT):

SECTOR	1980	1981	1982	1983	1984	1985	1986	1987	1988
Food, Beverages and Tobacco	21.8	23.4	34.9	28.7	36.4	32.3	25.0	25.2	24.9
Textiles and Leather	33.6	27.5	12.4	25.4	25.7	13.5	15.2	16.7	17.7
Wood, Wood Product, pulp, paper, paper products.	9.9	10.3	6.7	6.0	11.5	10.0	10.2	9.1	8.0
Chemicals	15.4	20.4	17.0	17.7	5.3	17.6	20.6	26.5	25.8
Metals and Engineering.	15.3	13.7	15.0	15.9	18.5	15.1	20.8	15.9	17.4
Non-metal	3.3	3.9	4.3	4.2	1.9	1.5	7.7	6.2	5.2
Other	0.7	0.8	0.7	0.7	0.6	0.6	0.5	0.3	0.3
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

source: Calculated from Annex Table 24

ANNEX TABLE 26
EMPLOYMENT BY INDUSTRIAL SECTORS 1980 - 19 (%)

	1980	1982	1984	1986	1988
Food, Beverages Tobacco	30.517	31.409	26.678	36.394	38.643
Tekstiles and Leather	39.000	37.100	39.673	41.108	42.135
Wood, wood products, pulp paper and paper products,	12.248	9.400	9.450	9.866	10.027
Chemicals	6.228	8.080	7.186	6.577	6.759
Metals and Engineering	11.000	10.800	10.828	9.646	10.024
Non - Metal	2.900	2.700	3.248	5.042	4.393
Other	1.868	1.600	1.382	990	682
	103.800	101.089	98.445	109.623	112.663

Course: (1) Maziku, A.K.: The Basic Industry Strategy : Ten Years After (July, 1986) for 1980
(2) Economic Surveys, for 1982 - 1989.

ANNEX TABLE 27: EMPLOYMENT BY INDUSTRIAL SUB-SECTORS 1980-1988 (%)

SECTORS	1980	1981	1982	1983	1984	1985	1986	1987	1988
Food, Beverages and Tobacco.	29.4	31.7	31.2	29.1	27.6	23.0	23.0	34.2	34.3
Textiles & Leather	37.6	36.4	37.1	40.0	40.3	40.5	37.5	37.4	37.4
Wood, Wood Products, Pulp, Paper and Paper products.	11.8	10.5	9.4	9.7	9.6	9.8	9.0	9.0	8.5
Chemicals	6.0	6.6	8.0	7.5	7.3	6.1	6.0	6.0	6.0
Metals and Engineering	10.6	10.5	10.8	10.9	11.0	10.9	8.8	8.6	8.6
Non Metal	2.8	2.6	2.7	2.0	3.3	3.7	4.6	3.9	3.8
Other	1.8	1.7	0.0	0.8	0.5	0.9	0.9	0.9	0.9
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Calculated from Annex Table 26

ANNEX TABLE 28: SHARE OF MANUFACTURED EXPORTS IN TOTAL EXPORTS (1980-1989): 1/

YEAR	TOTAL EXPORTS (USD/TSHS MILL)	MANUFACTURED EXPORTS (USD/TSHS MILL)	%
1980	Shs. 4,167.7	Shs. 760.5	10.25
1981	" 5,087.1	" 495.7	9.74
1982	" 4,230.1	" 397.9	9.41
1983	" 4,270.1	" 495.7	11.61
1984	" 4,354.9	" 466.1	10.70
1985	" 4,265.9	" 351.3	8.24
1986	" 11,327.5	" 1,115.6	9.85
1987	" 18,512.1	" 3,736.9	20.19
1988	USD 380.2	72.10	18.96
1989	" 395.2	85.76	21.70

Source: (1) Bank of Tanzania, Economic and Operations Report, June, 1988 Table 22(a) for the years 1980-1987.

(2) Economic survey 1989 and Ministry of Industry Budget Speech, 1990/91 for the years 1988 & 1989.

1/ Export figures are extremely unreliable in the sense that almost each source gives different figures. For example Bank of Tanzania figures differ from those obtained from the Customs Office.

**Annex Table 29.
Production of Selected Commodities**

	1985 -----	1986 -----	1987 -----	1988 -----	1989 -----
Tobacco, cured 000 MT	10.24	10.13	11.63	10.20	9.34
Woven Fabrics	54.20	47.77	59.65	44.07	46.46
Cotton 000 MT	29.94	45.27	54.49	75.03	50.43
Canvas 000 M	2887.80	3903.20	4130.60	12009.82	5452.03
Textile bags 000	2251.80	2729.30	3578.94	3501.01	3213.37
Blankets 000	676.50	571.20	548.22	565.33	492.24
Knitted fabrics Mill sq.m.	11.42	14.02	15.31	20.26	20.79
Socks and stockings 000 pairs	611.00	576.00	362.38	415.71	313.69
Sisal Carpet 000 sq.m.	107.80	61.20	20.90	45.71	30.13
Sisal Ropes and twines 000 mt	14.50	19.19	16.37	18.49	18.57
Fishnet and Products mt	96.00	124.30	160.25	232.36	164.64
Leather, tanned 000 sq.ft.	5407.30	3804.50	3836.02	2526.32	1920.66
Hides and skin processed 000 pcs	608.00	481.00	414.03	473.54	430.47
Shoes 000 pairs	1323.70	1259.80	608.55	568.96	445.47
Timber, sawn 000 cu.m	52.21	69.08	95.10	99.62	100.29
Plywood	1589.40	1937.90	2093.75	2249.79	1687.23
Wooden Crates 000	250.70	207.30	309.41	266.09	217.12

Hardboard mt	3535.00	5347	5010.00	4827.00	5028.00
Chipboard	2423.00	2701.00	2325.30	4451.85	2463.83
Paper mt	7553.00	16555.00	29375.00	27063.00	30946.70
Watte extract mt	5026.00	2902.90	3497.50	3350.60	4111.62
Pyrethium extract mt	38.90	40.30	40.63	43.97	39.99
Ind. and med.gases 000 cu.m.	1057.00	1097.00	1374.09	1433.25	1385.30
Fertilizers 000 mt	41.40	47.04	19.27	5.99	27.17

Production

Production of some selected commodities is given an Annex Table 5

	1985	1986	1987	1988	1989
	-----	-----	-----	-----	-----
Meat canned mt.	128.60	108.70	131.71	41.59	34.28
Milk, standardized mill lts	31.12	30.51	24.44	23.38	23.50
Butter	189.48	142.77	115.95	89.55	53.59
Ghee	53.24	50.53	36.55	12.46	5.53
Baby Food	179.00	224.00	362.69	385.34	66.18
Fruits and vegetables canned mt.	1849.90	2147.00	2477.64	1499.20	1391.84
Vegetable oil and fats	6516.00	5014.10	6534.78	10003.96	7853.9
Flour, maize 000 mt	53.45	27.88	30.70	25.63	20.45
Flour, wheat 000 mt	38.91	39.78	22.37	30.19	17.29
Rice, polished mt	4102.00	3116.00	7616.70	17890.50	13797.80

Biscuits and pasta mt	989.00	2048.00	1410.98	1964.73	1315.32
Sugar, refined 000 mt	111.71	99.62	20.90	97.93	91.54
Tea, black 000 mt	16.30	13.74	14.61	14.98	17.43
Tea blended 000 mt	5973.00	4973.00	5151.00	6934.00	4125.00
Coffee beans cured	55.42	57.29	52.41	60.73	55.89
Coffee Instant	246.00	438.00	301.40	4000.42	268.66
Animal feeds 000 mt	37.77	31.16	26.79	18.66	13.07
Spirits, distilled	962.00	951.40	941.99	1172.17	1314.86
Wine 000 lts	387.50	477.30	411.43	78.21	182.53
Beer Mill.lts	10.93	12.98	12.39	15.29	16.26
Soft drinks Mill.lts	48.23	47.15	48.95	62.23	50.28
Cigarettes million	2666.00	2748.00	2635.00	2785.05	2845.90
Bazarblades million	30.50	18.50	30.09	22.13	17.25
Metal containers million	50.01	74.83	250.00	27.56	32.45
Aluminium wares	576.50	613.80	449.30	296.18	335.01
Wire products mt	422.00	335.20	856.38	4219.86	2616.33
Industrial Machines Units	940.00	1199.00	1346.00	845.00	504.00
Electric Motors Units	615.00	507.00	421.00	431.00	355.00
Transformers Units	456.00	514.00	548.00	946.00	722.00
Electric Cookers Units	9533.00	12674.00	12628.00	4540.00	3345.00

Radias 000	69.00	47.70	71.64	102.58	55.97
Dry cells million	44.10	26.80	26.30	24.20	35.47
Batteries auto	15.20	25.00	27.56	23.58	31.51
Cables and wires electric mt	357.60	523.60	712.90	644.42	629.29
Lamps and bulbs electric 000	450.40	1206.30	369.70	729.87	574.01
Assembled busses and lorries units	481.00	353.00	333.00	341.00	307.00
Assembled tractors units	729.00	262.00	403.00	106.00	333.00
Radiators units	8217.00	6656.00	5655.00	4920.00	3527.00
Diamond polished 000 carats	19.30	20.90	15.40	13.40	13.52
Powder insecticide/ pesticide mt	1589.40	1813.60	1889.71	867.12	1147.31
Liquid insecticide/ pesticide 000 hes	1208.00	375.30	642.00	617.15	347.09
Paints 000 ltr	1364.30	1659.00	2373.84	2078.63	2145.49
Soap and detergents 000 mt	13.87	14.92	18.62	20.77	19.29
Safety matches 000 gros	2331.00	2443.00	1830.78	1047.32	2034.14
Mosquits coils 000 cartons	126.30	36.00	67.19	76.00	35.74
Adhesives and detergents m.t	1324.30	763.40	1105.13	866.88	995.37
Petroleum fuels	395.40	370.50	371.60	438.19	410.68
Petroleum residue 000 m.t.	124.60	105.90	86.60	113.30	130.19
Tyres, auto 000	112.90	138.50	197.37	187.52	213.36

Tyres Bicycle						
000	193.00	56.60	78.12	70.31	24.35	
Tubes, auto						
000	60.20	110.80	106.01	111.63	133.03	
Tubes bicycle						
000	137.70	71.60	75.90	166.96	71.80	
Rubber articles						
mt	100.10	115.00	126.78	301.36	254.60	
Plastic articles						
mt	1940.00	2075.70	2071.67	1776.51	2834.29	
Glasswares						
000 mt	10.26	14.43.	12.16	11.31	11.60	
Cement						
000 mt	375.96	434.91	498.29	591.74	565.16	
Lime						
mt	3385.30	4645.80	4976.50	4585.30	4274.38	
Asbestos sheets						
mt	3598.00	1212.00	2619.00	2378.00	3309.00	
Rolled steel						
000 mt	11.30	11.27	9.61	9.94	14.90	
Corrugated Iron sheets						
000 mt	21.67	8.41	16.56	14.71	20.24	
Steel sheets/billets						
000 mt	31.40	17.45	25.40	21.80	32.56	
Galvanized pipes						
000 mt	6.83	3.28	7.39	3.91	5.97	
Aluminium sheets						
circiles mt	2407.00	14866.00	2699.00	1913.00	1489.00	
Hoes						
000	1381.80	1639.80	1888.90	1945.49	1513.05	
Ploughs						
000	7.00	5.80	275.00	18.00	193.80	

ANNEX TABLE 30 LABOUR PRODUCTIVITY - (IN SHS. AT 1976 PRICES)

YEAR	TOTAL VALUE-ADDED (VA) - (SHS.MILL.)	TOTAL EMPLOYEES	VA PER EMPLOYEE (SHS)
1980	2,683	103,800	25,847.7
1981	2,382	109,800	21,693.9
1982	2,304	100,671	22,886.4
1983	2,103	103,620	20,295.3
1984	2,159	98,445	21,931.0
1985	2,075	94,208	22,025.7
1986	1,991	109,623	18,162.2
1987	2,075	111,056	18,684.2
1988	2,187	112,663	19,411.8
1989	2,233	128,769	17,353.6

ANNEX TABLE 31
CAPACITY UTILIZATION IN SELECTED INDUSTRIES (%)

SECTOR/PRODUCT	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Textile	46.6	48.1	43.2	29.9	34.6	22.3	22.8	-	20.0	22.4
Fertilizers	38.0	51.5	10.2	23.3	38.5	30.9	34.9	-	5.4	24.7
Processed Leather	40.0	33.5	31.7	31.4	31.2	17.7	13.7	-	9.5	6.6
Cement	22.9	29.3	24.7	18.3	27.3	28.5	35.0	-	43.8	41.0
Cigarettes	80.3	66.1	81.4	64.4	61.0	47.5	49.2	-	50.7	58.5
Tyres and Tubes (Automobile)	74.5	54.1	54.3	67.8	34.3	36.9	37.7	-	-	-

Source: Ministry of Industries and Trade Budget Speeches.

ANNEX TABLE 32

PRODUCTION INDICES OF SELECTED INDUSTRIES 1980 - 1987

(1976 = 100)

SECTOR/PRODUCT	1976	1980	1981	1982	1983	1984	1985	1986	1987
Canned Meat	100	65	45	20	11	10	8	7	8
Wheat Flour	100	43	36	38	67	49	54	44	31
Biscuits	100	81	51	33	277	306	254	204	363
Konyagi (Spirits)	100	102	107	161	176	183	143	150	170
Beer	100	96	97	97	99	104	114	98	89
Cigarette	100	129	105	128	104	98	73	75	72
Textiles	100	113	116	104	72	69	76	75	81
Sisal Rope	100	75	31	49	41	53	34	45	31
Fishing Nets	100	85	71	46	49	27	30	50	65
Ply - Wood	100	108	28	96	214	235	197	202	200
Pyrethrum	100	34	28	26	33	23	28	29	30
Fertilizer	100	121	164	33	74	122	98	112	46
Paints	100	45	49	38	24	21	46	56	80
Petroleum	100	79		68	61	81	53	50	50
Cement	100	125	160	137	101	151	154	178	204
Metals	100	175	157	115	115	90	108	108	91
GCI-sheets	100	65	38	62	94	87	84	34	64

Source: Takwimu za mapitio ya vigezo muhimu vya Uchumi kwa kipindi cha
1961 - 1987. Kambatisho cha Mpango wa Pili wa Muungano wa miaka
Mitano 1992/89 - 1992/93 Machi, 1993. JIJDAI YA. 18.

ANNEX TABLE 33
SHARE AND GROWTH OF THE INDUSTRIAL SECTOR DURING

1980 - 1989

(IN CONSTANT 1976 PRICES - TSHS MILL)

YEAR	GDP SHS MILL	SHARE OF INDUSTRY		ANNUAL GROWTH RATE %
		(SHS. MILL)	%	
1980	23,419	2,683	11.46	-
1981	23,301	2,382	10.22	-11.2
1982	23,439	2,304	9.83	- 3.3
1983	22,882	2,103	9.19	- 8.7
1984	23,656	2,159	9.13	- 2.7
1985	24,278	2,075	8.55	- 3.9
1986	25,070	1,991	7.91	- 4.0
1987	26,049	2,075	7.97	+ 4.2
1988	27,085	2,187	8.07	+ 5.4
1989	28,272	2,299	8.13	+ 5.1

Source: Economic Survey, 1989.

