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PRESS RELEASE

SECOND QUARTER GROSS DOMESTIC PRODUCT (APRIL - JUNE) 2015

INTRODUCTION

The National Bureau of Statistics is responsible for the collection, compilation and dissemination of Official Statistics in the country including Quarterly Gross Domestic Product estimates (QGDP). You may recall, in the speech of the Minister for Finance Hon. Saada Salumu Mkuya (MP) during the Parliament Budget Session for 2015/2016 Fiscal Year that GDP estimates for 2014 was TZS. 79.4 trillion compared to 70.9 trillion for 2013. Also, according to the Financial Programming Group, GDP at current price for 2015 is forecasted to increase to TZS 89.0 Trillion and forecasted per Capita GDP of TZS. 1,828,022.

According to official releases, GDP estimates for the period of January – June 2015 registered TZS. 45.5 trillion compared to TZS. 39.0 trillion registered in the corresponding period of 2014.

The official GDP estimates for January – June 2015 is TZS. 45.5 trillions compared to January – December 2015 forecast which is TZS. 89.0 trillions. It is envisaged that the actual GDP estimates for 2015 by the end of the year will be close to the forecasted GDP estimates for 2015. Therefore if there is no shock to the economy it's expected that the actual estimated value of the GDP for 2015 will be greater than TZS. 89.0 trillions.

The main purpose for the media is to educate stakeholders on second quarterly GDP that;

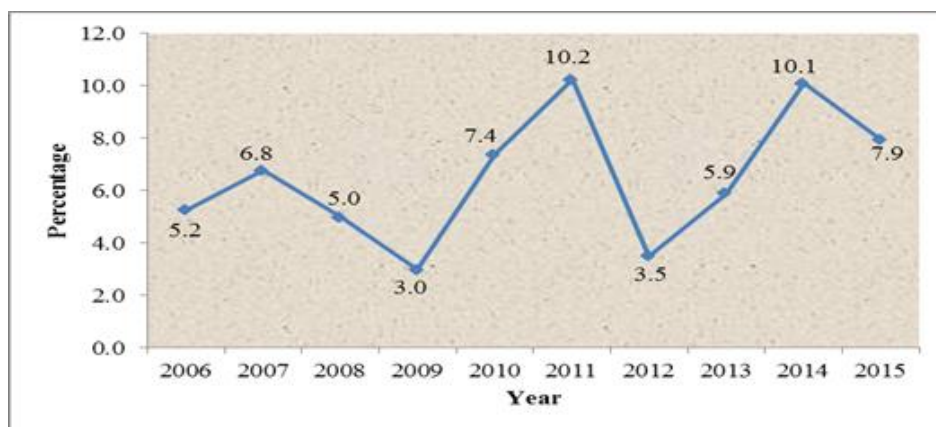
- ❖ They have produced and available for use for the formulation of different policies and programs in the country
- ❖ They are official statistics of second quarter GDP of 2015.

SECOND QUARTER GDP 2015

Quarterly Gross Domestic Product is measured as a value of goods and services produced by resident producers in three months period, namely January – March, April – June, July – September and October – December.

The value of Gross Domestic Product at current prices in absolute terms is TZS 23.6 trillion compared to TZS 20.4 trillion recorded in the corresponding period in 2014. However, the value of QGDP at constant prices was TZS 11.1 trillion in 2015 compared to TZS 10.3 trillion for the corresponding quarter of 2014, equivalent to 7.9 percent increase compared to 10.1 percent for the corresponding period of 2014.

Chart 1: GDP Growth Rates for the 2nd Quarters, April – June, 2006-2015



ECONOMIC GROWTH BY ECONOMIC ACTIVITY:

Compilation of Gross Domestic Product follows the System of National Accounts. Economic activities have been divided into different groups by using International Standard Industrial Classification (ISIC). The growth rates of second quarter GDP of 2015 as follows;

Agriculture Sector

The agriculture sector registered a growth rate of 4.2 percent in the second quarter of 2015 compared to 3.8 percent recorded in the similar quarter of 2014.

The growth in Agriculture sector was attributed to favourable rain for crop production in major producing regions during the long rainfall season for the agricultural year 2014/15 and monitoring of livestock and livestock products at markets.

During the period under review, the quantity of maize harvested increased from 1.59 million tonnes in the second quarter of 2014 to 1.64 million tonnes in the second quarter of 2015. Paddy harvested increased from 0.79 million tonnes in the second quarter of 2014 to 0.86 million tonnes in the corresponding quarter of 2015. Beans harvested increased from 262 thousand tonnes in 2014 to 280 thousand tonnes in 2015.

Industry and Construction Sector

Mining and Quarrying activity recorded a growth rate of 8.3 percent in the second quarter of 2015 compared to 6.4 percent in the similar quarter of 2014. Gold production in the second quarter of 2015 was 10,682 Kgs compared to 9,917 Kgs produced in the corresponding quarter in 2014. Diamond production in the second quarter of 2015 was 52,928 carats compared to 50,277 carats in the second quarter of 2014. Copper production in the second quarter of 2015 was 3,854,305 Kgs compared to 3,686,401 Kgs produced in the corresponding quarter of 2014.

Manufacturing activity recorded a growth rate of 6.9 percent in the second quarter of 2015 compared to 10.1 percent in the second quarter of 2014. The growth was attributed to a general increase in the production of industrial goods. Noticeable increase was realized from non- food industries including textiles and wearing apparel, chemical products, furniture, rubber and plastic products.

Electricity and Water increased by a growth rate of 5.3 percent in the second quarter of 2015 compared to 2.0 percent in the corresponding quarter of 2014. The reasons for electricity growth were attributed to an increase in electricity generated from hydro, thermal and gas plants. The electricity generated in the second quarter of 2015 was 1,588.1 million Kwh compared to 1,489.0 million Kwh generated in the corresponding quarter in 2014.

Construction activity includes construction of residential and non-residential buildings; roads and bridges; and other civil works recorded a growth rate of 13.2 percent in the second quarter of 2015 compared to 37.5 percent recorded in the corresponding quarter of 2014.

Service Sector

Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles, Personal and Household Goods recorded a growth rate of 9.5 percent in the second quarter of 2015 compared

to 12.3 percent recorded in the second quarter of 2014. **Transport and Storage** activity recorded a growth rate of 8.8 percent in the period under review compared to 9.7 percent in the second quarter of 2014.

Accommodation and Food Services increased by 2.1 percent in the second quarter of 2015 compared to a growth rate of 3.0 percent in the corresponding quarter of 2014. **Information and Communication** recorded a growth rate of 17.4 percent in the second quarter of 2015 compared to 18.4 percent in the second quarter of 2014.

Financial Intermediation and Insurance recorded a growth rate of 10.4 percent in the second quarter of 2015 compared to 14.2 percent in the second quarter of 2014. **Real Estate** increased by 2.2 percent in the second quarter of 2015 compared to 2.1 percent recorded in the corresponding quarter of 2014.

Professional, Scientific and Technical Activities; Administrative and Support Services; increased by 13.6 percent in the second quarter of 2015 compared to 11.0 percent in the second quarter of 2014.

Public Administration and Defence increased by 8.2 percent in the second quarter of 2015 compared to a growth of 6.2 percent recorded in the corresponding quarter of 2014. **Education** increased by 6.7 percent in the second quarter of 2015 compared to 5.4 percent in the corresponding quarter of 2014. **Health** increased by 8.1 percent in 2015 compared to 8.3 percent in the second quarter of 2014. **Arts; Entertainment and Recreation** increased by 6.6 percent in 2014 compared to 7.0 percent in the corresponding quarter of 2014. **Other Personal Services** increased by 6.9 percent in the second quarter of 2015 compared to 6.7 percent recorded in the second quarter of 2014. **Activities of Households as Employer** recorded a growth rate of 2.6 percent in the second quarter of 2015 compared to 2.7 percent in the corresponding quarter of 2014.

The overall growth in the Service Sector slowed down due to slight increase in the manufacturing activity and imports of merchandise goods for re-sale.

THE HISTORY OF ECOCOMIC GROWTH

The state of GDP growth for selected years is as follows;

- i. For the year 1985, the value of GDP at current market prices was TZS. 108.1 billions, the population was 21,162,000 and the GDP per capita was TZS. 5,107;
- ii. For the year 1995, the value of GDP at current market prices was TZS. 2,796.6 billions, the population was 27,472,111 and the GDP per capita was TZS. 101,799;
- iii. For the year 2005, the value of GDP at current market prices was TZS. 15,965.3 billions, the population was 36,197,312 and the GDP per capita was TZS. 441,063; and
- iv. For the year 2015, the forecasted value of GDP at current market prices is TZS. 89,055.0 billions, the expected population is 48, 716,617 and the GDP per capita to be TZS. 1,828,022.

CONCLUSION

The National Bureau of Statistics has finished the compilation of official second quarter 2015 GDP estimates and we urge the public to use these estimates for short term economic planning, monitoring and socio-economic policy formulation. For further more these statistics are available on the National Bureau of Statistics website, www.nbs.go.tz.

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