



**DISSEMINATION OF THE  
REVISED NATIONAL ACCOUNTS  
BASE YEAR 2007  
TANZANIA MAINLAND**

**19<sup>th</sup> December, 2014**

**Karimjee Hall  
Dar es Salaam, Tanzania**

**National Bureau of Statistics, Ministry of Finance**



# Presentation Plan

- ❖ Introduction
- ❖ GDP Revision
- ❖ Scope and coverage
- ❖ Main Findings
- ❖ Way Forward



# Introduction

- ❖ National accounts statistics give consolidated estimates of Gross Domestic Product (GDP) and other aggregates;
- ❖ The compilation of national accounts statistics follows the United Nations internationally agreed guideline known as the System of National Accounts (SNA);
- ❖ The SNA facilitates the compilation of coherent, consistent and integrated set of macro-economic statistics based on internationally agreed concepts, definitions, classifications and accounting rules;



# Introduction cont...

- ❖ When guidelines are internationally revised, countries are recommended to accommodate the revisions accordingly;
- ❖ Overtime, the national accounts estimates are also revised to incorporate changes in the economy due to social, technological and economic developments.



# GDP Revision

- ❖ The present GDP is based on a 2001 benchmark which is outdated and does not reflect the structural changes that have occurred in the economy, particularly patterns of production, consumption and investment;
- ❖ As the 2001 base year becomes remote, certain products over the period have become irrelevant;



# GDP Revision cont...



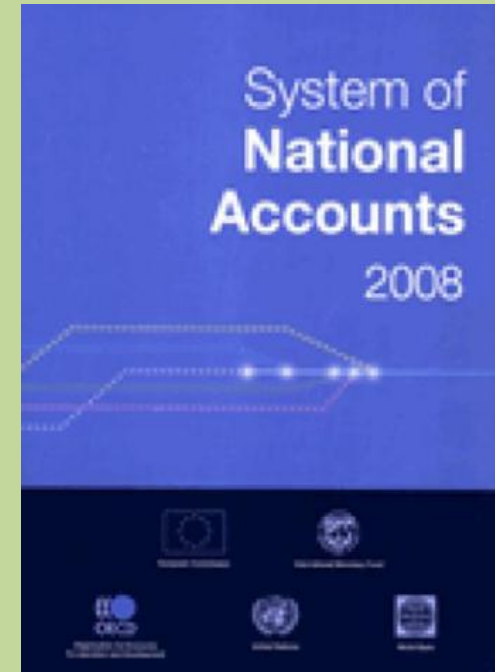
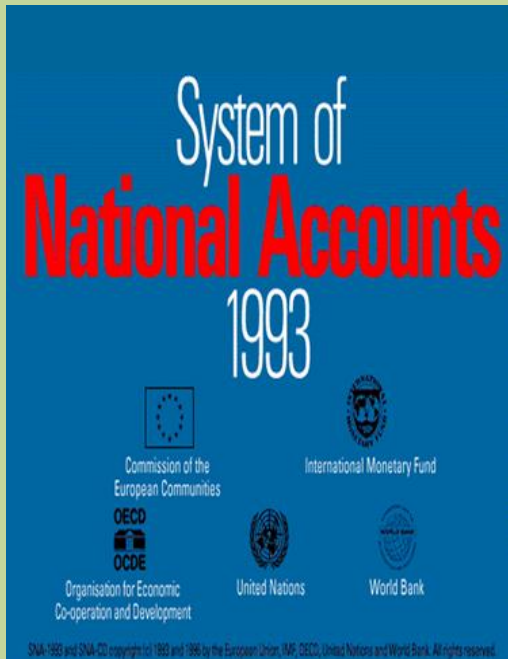
## ❖ GDP revision included:

- Changing the base year from 2001 to 2007
- Integrating new and improved products that entered the economy
- Removing obsolete products



# GDP Revision cont...

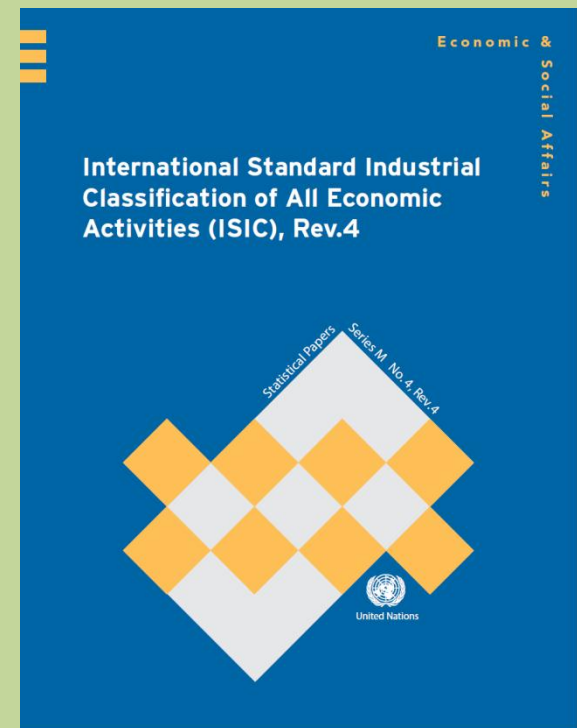
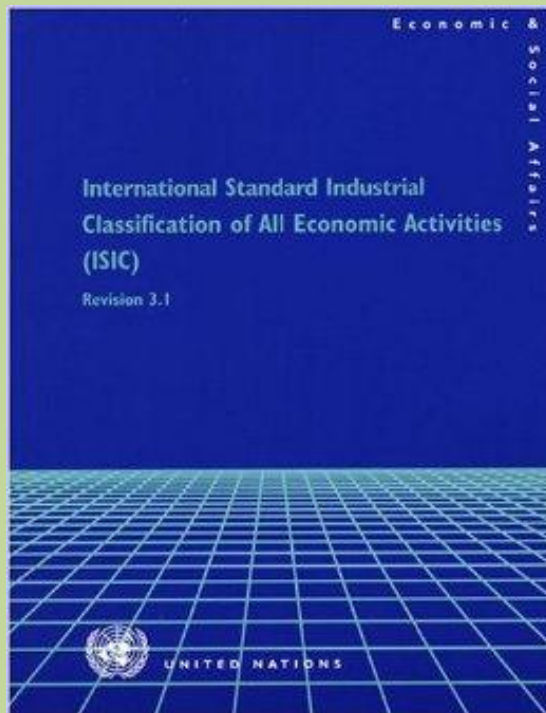
- Upgrading the method for GDP compilation





# GDP Revision cont...

- Upgrading the classification of economic activities





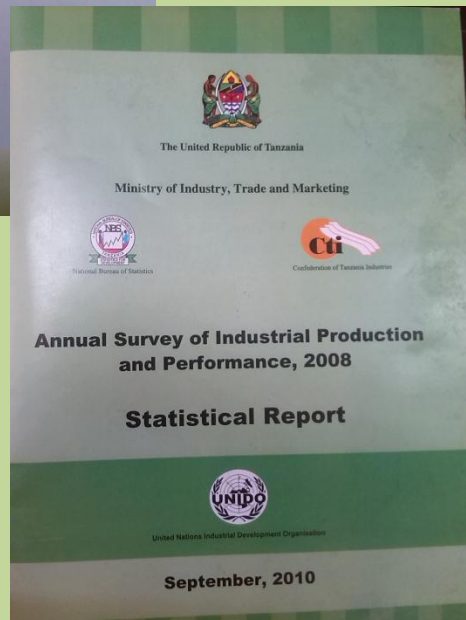
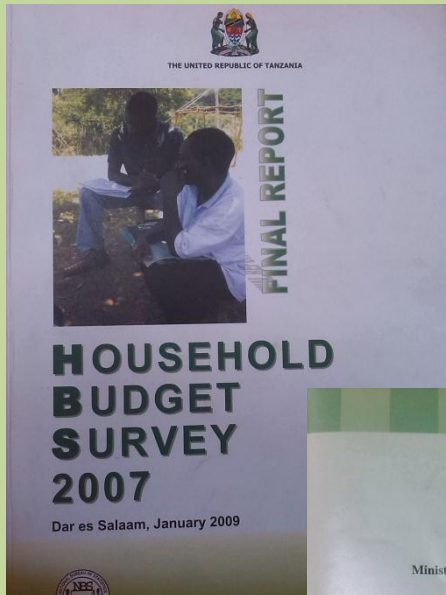


# Comparison Between ISIC Rev. 4 and Rev.3

ISIC REV.4	ISIC REV.3
Agriculture, forestry and fishing	Agriculture, Hunting and Forestry
Crops	Crops
Livestock	Livestock
Forestry and Hunting	Forestry and Hunting
Fishing	Fishing
Mining and quarrying	Mining and quarrying
Manufacturing	Manufacturing
Electricity and gas supply	Electricity, gas
Water supply; sewerage, waste management	Water supply
Construction	Construction
Wholesale and retail trade; repairs	Trade and repairs
Transport and storage	Transport
Hotels and restaurants	Hotels and restaurants
Information and communication	Communications
Financial and insurance activities	Financial intermediation
Real estate	Real estate and business services
Professional, scientific and technical activities	
Administrative and support service activities	
Public administration and defence	Public administration and defence
Education	Education
Human health and social work activities	Health
Arts, entertainment and recreation	
Other service activities	Other social and personal services
Activities of households as employers;	
FISIM	FISIM
All economic activities	All economic activities
Taxes on products	Taxes on products
<b>GDP at market prices</b>	<b>GDP at market prices</b>



# GDP Revision cont...



- Incorporating available survey data:
  - ✓ HBS 2007
  - ✓ ASIP 2007
  - ✓ Agriculture Sample Census 2007/08
- Incorporating administrative data:
  - ✓ VAT turnover
  - ✓ Government finance
  - ✓ Import and export of goods and services



# Scope and coverage

- The revision of national accounts is for Tanzania Mainland;
- The revision covers all economic activities; and
- The base year is 2007.



# Main Findings



- ❖ The new GDP estimates at current prices for 2007 is Tshs. 26.7 trillion equivalent to USD 21.7 billion;
- ❖ For the same year, the old GDP estimates at current prices is Tshs. 20.9 trillion equivalent to USD 16.9 billion;
- ❖ The level increased by 27.8 percent.



# GDP by economic activity for 2007 (Shs. Million)

Economic Activity	2007 Prices	2001 Prices	Level Change
Agriculture, Hunting and Forestry	6,756,585	5,413,257	24.8
Fishing	424,772	277,189	53.2
Mining and quarrying	935,412	742,932	25.9
Manufacturing	1,908,283	1,625,504	17.4
Electricity, gas	232,622	335,898	(30.7)
Water supply	219,511	84,982	158.3
Construction	2,117,074	1,641,741	29.0
Trade and repairs	2,740,461	2,416,506	13.4
Hotels and restaurants	481,997	559,722	(13.9)
Transport	1,600,183	886,844	80.4
Communications	481,416	487,132	(1.2)
Financial intermediation	756,075	345,000	119.2
Real estate and business services	2,737,640	1,982,107	38.1
Public administration	2,249,818	1,652,556	36.1
Education	851,208	289,617	193.9
Health	438,415	327,658	33.8
Other social and personal services	419,072	129,482	223.7
FISIM	-401,656	-208,281	92.8
Taxes on products	1,821,544	1,958,559	(7.0)
<b>GDP</b>	<b>26,770,432</b>	<b>20,948,403</b>	<b>27.8</b>

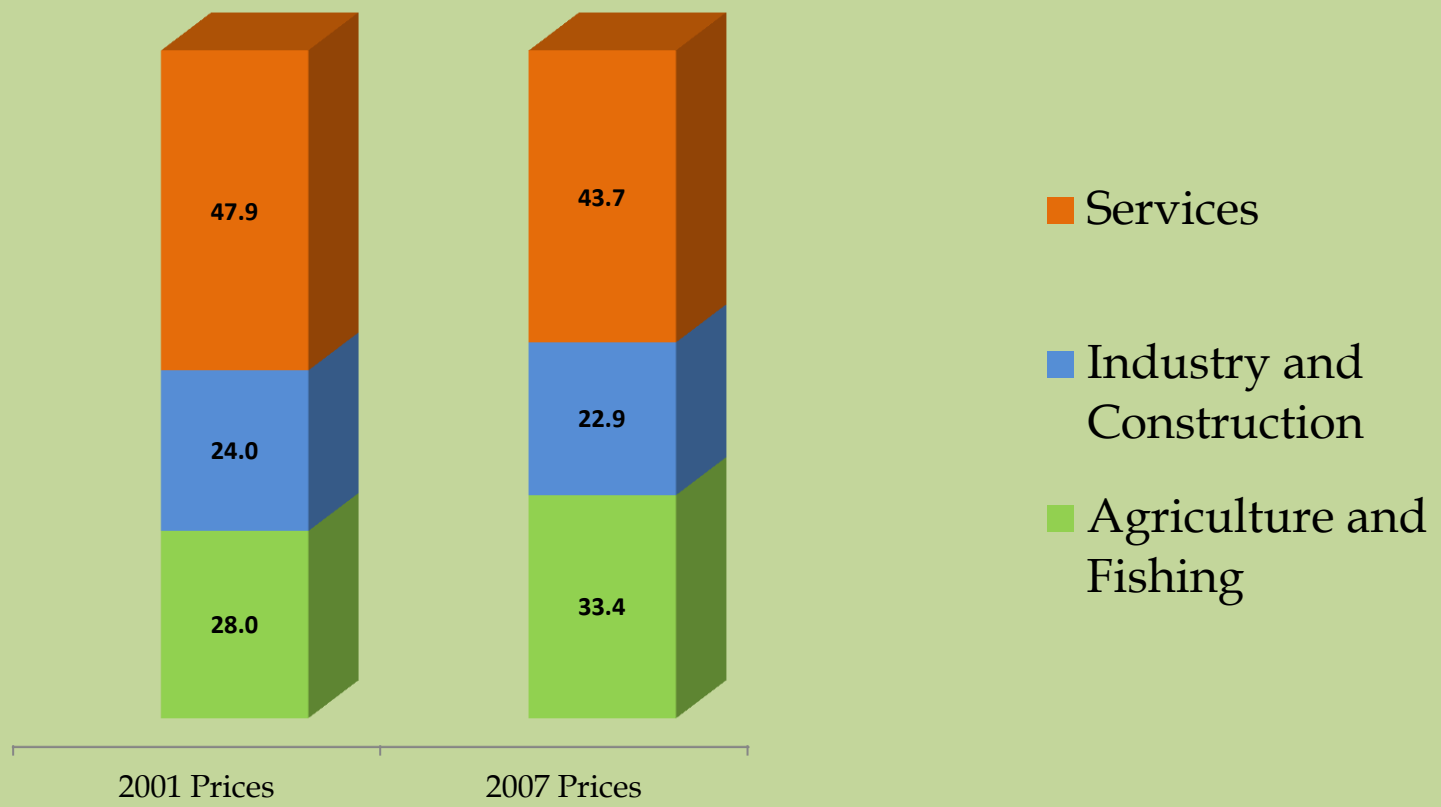


## Level changes by activity at benchmark year 2007

- ❖ The highest level changes were observed for:
  - ✓ Other Social and Personal Services (232.1%)
  - ✓ Education (193.9 %)
  - ✓ Water Supply (158.3%)
  
- ❖ Negative level changes were observed for:
  - ✓ Electricity and Gas (30.7%)
  - ✓ Hotel and Restaurants (13.9%)
  - ✓ Taxes on Products (7.0%)



# Percentage share of GDP by Broad Economic Categories 2013 old and new series





# Per Capita GDP



- ❖ Per Capita GDP for 2013 in the new series is TShs. 1,561,050/= equivalent to USD 977;
- ❖ Per Capita GDP for 2013 in the old series was TShs. 1,186,200/= equivalent to USD 742;
- ❖ This is an increase of 31.6 percent.





# Percentage share of GDP by expenditure in 2013

Item	2007 Prices	2001 Prices
Government Final Expenditure	16.4	18.9
Household Final Expenditure	68	65.8
Gross Capital Formation	29.3	32.5
Changes in Inventories	-0.4	0.6
Exports of Goods and Services	17.5	24.6
Imports of Goods and Services	-30.8	-42.4



# GDP estimates for the new benchmark year 2007

- ❖ The new GDP estimates are presented showing gross output, intermediate consumption and value added by economic activity;
- ❖ This is the first time that gross output and intermediate consumption are presented with GDP estimates;

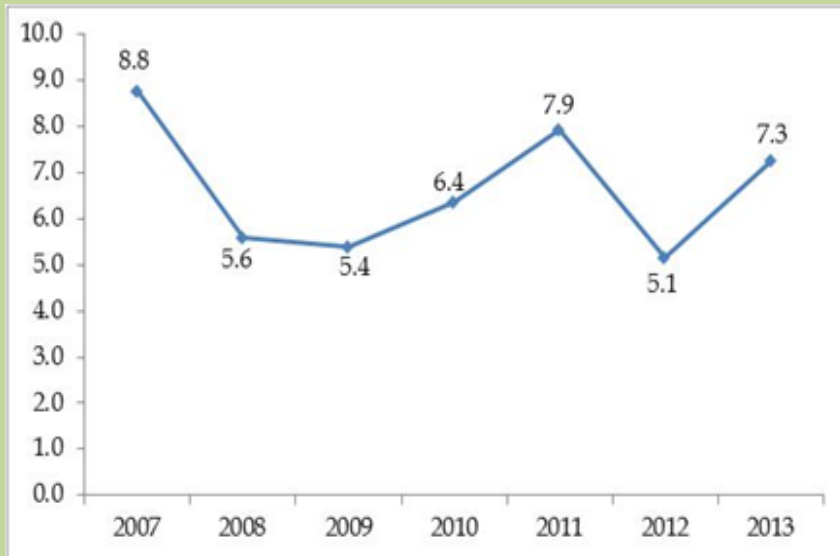


**Gross output, Intermediate Consumption and Value Added for the Benchmark year 2007**

	<b>Economic Activity</b>	<b>Gross Output</b>	<b>Intermediate Consumption</b>	<b>Value Added</b>
A	<b><i>Agriculture, forestry and fishing</i></b>	<b>8,852,114</b>	<b>1,670,757</b>	<b>7,181,357</b>
	Crops	4,442,365	838,826	3,603,539
	Livestock	3,127,696	614,412	2,513,284
	Forestry	735,513	95,752	639,762
	Fishing	546,539	121,767	424,772
	<b><i>Industry and Construction</i></b>	<b>17,235,972</b>	<b>11,829,934</b>	<b>5,406,038</b>
B	Mining and quarrying	1,587,292	651,880	935,412
C	Manufacturing	8,727,059	6,847,027	1,880,032
D	Electricity supply	441,833	209,211	232,622
E	Water supply; sewerage, waste	367,713	126,815	240,898
F	Construction	6,112,074	3,995,001	2,117,074
	<b><i>Service</i></b>	<b>21,434,182</b>	<b>8,741,687</b>	<b>12,692,496</b>
G	Wholesale and retail trade; repair	4,311,532	1,666,185	2,645,347
H	Transport and storage	3,036,942	1,464,088	1,572,854
I	Hotels and restaurants	1,266,411	784,414	481,997
J	Information and communication	1,107,628	492,562	615,066
K	Financial and insurance activities	1,301,081	545,006	756,075
L	Real estate	1,820,429	219,163	1,601,266
M	Professional, scientific and technical	587,367	268,691	318,677
N	Administrative and support services	1,643,671	850,561	793,110
O	Public administration and defence	3,692,765	1,513,601	2,179,164
P	Education	1,243,381	392,174	851,208
Q	Human health and social work	733,555	295,140	438,415
R	Arts, entertainment and recreation	127,067	35,540	91,527
S	Other service activities	469,025	214,562	254,462
T	Activities of households as employers	93,329	0	93,329
	Total Gross Value Added before adjustment	47,522,267	22,242,378	25,279,890
	FISIM, unallocated		0	331,002
	Total Gross Value Added adjusted for FISIM	47,522,267	22,242,378	<b>24,948,888</b>
	Taxes on products		0	1,821,544
	<b>GDP at market prices</b>			<b>26,770,432</b>
	Per Capita GDP			699,127



# Real growth rates



- ❖ Real growth rate measures the percentage change of GDP between the current year and the previous year at constant prices;
- ❖ 2013 GDP growth rate is 7.3 percent;
- ❖ Average growth between 2007 and 2013 is 6.6 percent;
- ❖ 2007 recorded the highest growth (8.8 %) during this period.

# Implicit Price Deflators (IPD)

- ❖ Implicit Price Deflator is the ratio of current price value to its corresponding constant price value;
- ❖ It shows price movement overtime;



# Implicit Price Deflators (IPDs)

<b>GDP BY ACTIVITY AT CURRENT PRICES</b>		2007	2008	2009	2010	2011	2012	2013
A	Agriculture, forestry and fishing	100	122	141	157	180	215	241
	Crops	100	129	147	171	195	238	259
	Livestock	100	113	127	137	155	173	191
	Forestry	100	113	126	133	154	195	268
	Fishing	100	133	185	195	228	279	332
B	Mining and quarrying	100	117	107	166	235	246	236
C	Manufacturing	100	109	118	127	158	166	170
D	Electricity supply	100	122	135	137	107	182	165
E	Water supply; sewerage, waste management	100	100	103	99	95	103	119
F	Construction	100	118	123	128	143	160	174
G	Wholesale and retail trade; repairs	100	113	129	139	157	174	190
H	Transport and storage	100	123	136	134	138	133	129
I	Hotels and restaurants	100	112	135	138	135	153	152
J	Information and communication	100	105	105	106	106	101	100
K	Financial and insurance activities	100	108	112	119	130	144	152
L	Real estate	100	105	116	121	132	149	149
M	Professional, scientific and technical activities	100	108	115	116	124	131	139
N	Administrative and support service activities	100	109	115	115	123	129	138
O	Public administration and defence	100	112	124	139	150	165	188
P	Education	100	108	117	127	128	131	148
Q	Human health and social work activities	100	115	134	143	152	153	156
R	Arts, entertainment and recreation	100	108	115	117	124	131	139
S	Other service activities	100	109	121	121	127	139	147
T	Activities of households as employers;	100	110	114	120	124	132	136
	FISIM, unallocated	100	82	77	82	99	112	153
	All economic activities	100	116	128	138	155	172	183
	Taxes on products	100	114	115	126	130	153	154
	<b>GDP at market prices</b>	100	115	127	138	153	171	181

# Implicit Price Deflators cont...

- ❑ IPDs for Agriculture, trade and construction activities show a faster movement of prices as you moves away from the base year. Possible reasons is the supply in the market is below the demand of the same commodity;
- ❑ IPD for Information and communication activity show a slow price movement as you move away from the base year.



# Way Forward

- ❖ The revised GDP series, base year 2007, will be official GDP estimates for Tanzania mainland after this official launching;
- ❖ Policies and programs which uses GDP estimates as an indicator will have to be updated accordingly;
- ❖ After today's launch, NBS will continue to disseminate the revised GDP series to other levels; and
- ❖ The next revision will be in 2015.





**Thank You.**