

PRESS RELEASE

SUMMARY REPORT OF QUARTERLY GROSS DOMESTIC PRODUCT FOURTH QUARTER (October –December) 2011

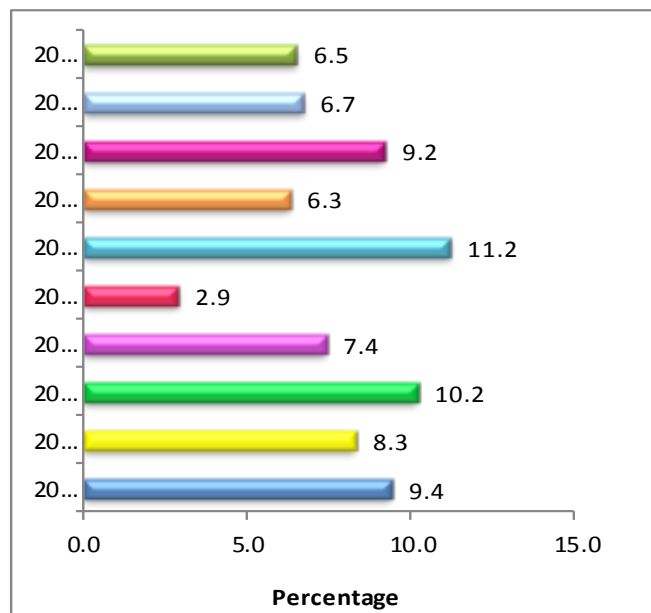
Quarterly Gross Domestic Product measures the value of all goods and services produced within a country out of economic activities. This report is for the period of October to December, 2011.

The Real Gross Domestic Product at market prices is estimated to have increased at a growth rate of 6.5 percent in the fourth quarter of 2011 compared to growth rate of 6.7 percent recorded in the fourth quarter of 2010. This is a decrease of growth rate by 0.2 percent during the period under review.

In absolute terms, the QGDP for the quarter under review was 4,304,352 million shillings in 2011 compared to 4,042,655 million shillings in 2010.

During the period under review, there have been a number of challenges that had negative impacts on the economy, especially manufacturing and electricity activities. The challenges include, decrease in electricity generation which had negative effect on manufacturing activities.

Chart 1: GDP Percentage Growth Rates for the Fourth Quarter, 2011



ECONOMIC PERFORMANCE BY ACTIVITY

AGRICULTURE

Gross Domestic Product for this activity (crops, livestock and forestry) recorded a growth rate of 3.0 percent in the fourth quarter of 2011 compared to 3.3 percent recorded in the similar period of 2010. The performance was on account of favourable rainfall received in the regions that are potential for agricultural production during the period under review.



FISHING

Fishing activity recorded a growth rate of 1.5 percent in the fourth quarter of 2011 compared to a negative growth of 3.0 percent in the same quarter of 2010. The growth rate is mainly attributed to increase of demand for fish and fish products both at local and foreign markets.



MINING AND QUARRYING

The activity recorded a growth rate of 1.2 percent in the fourth quarter of 2011 compared to a growth rate of negative 9.1 percent in the corresponding fourth quarter of 2010. The growth rate was attributed to the increase in gold production as a result of favourable gold prices in the world market during the quarter under review.



MANUFACTURING

The activity recorded a growth rate of 6.6 percent in the fourth quarter of 2011 compared to 9.9 percent in the corresponding quarter of 2010. This is a decrease in growth rate by 3.3 percent during the period under review. The main reasons was power outages.



ELECTRICITY, GAS AND WATER

The growth rate of electricity was negative 1.7 percent in the fourth quarter of 2011 compared to 9.7 percent in the similar quarter of 2010. The decline in growth rate by 11.4 percent was attributed to the decrease in electricity generation from hydro due to low water level at the hydro dams and a decrease in electricity generated from gas due to the maintenance of gas turbines.



CONSTRUCTION

Construction activity grew at a rate of 8.1 percent in the fourth quarter of 2011 compared to a growth rate of 1.0 percent in the corresponding quarter of 2010. The growth rate is attributed to increase in the construction activities during the reference period. The construction activities include construction of a bridge across Malagarasi river, road construction between Ruaha and Iringa Municipal, Songea to Tunduru, Songea to Mbamba Bay and Singida to Babati.



WHOLESALE AND RETAIL TRADE

This activity recorded a growth of 7.1 percent in the fourth quarter of 2011 compared to 7.1 percent recorded in the similar quarter of 2010. The growth rate is attributed to a slight increase in traded goods.



HOTELS AND RESTAURANTS

Hotels and restaurants recorded a growth rate of 6.3 percent in the fourth quarter of 2011 compared to 6.5 percent in the corresponding quarter of 2010. The decrease in growth rate of 0.2 percent was attributed to slight increase in the number of visitors in hotels.



TRANSPORT AND COMMUNICATION

The activity recorded a growth rate of 10.8 percent in the fourth quarter of 2011 compared to 17.2 percent in the same quarter of 2010. The performance is attributed to slight increase in the volume of cargo handled during the period.



FINANCIAL INTERMEDIATION

The activity recorded a growth rate of 13.3 percent in the fourth quarter of 2011 compared to 6.0 percent in the same quarter of 2010. The performance is attributed to an increase in levels of deposits and lending by commercial banks.



PUBLIC ADMINISTRATION

The activity recorded a growth rate of 8.8 percent in the fourth quarter of 2011 compared to 5.8 percent in the fourth quarter of 2010. The growth rate is attributed to the recruitment of new employees and provision of related services by the government during the reference period.



EDUCATION

The activity recorded a growth rate of 8.2 percent in the fourth quarter of 2011 compared to 8.3 percent in the corresponding quarter of 2010. The growth rate was due to increase in the number of pupils/students enrolled and related services provided in 2011 compared to 2010.



REAL ESTATE AND BUSINESS SERVICES

The activity recorded a growth rate of 4.5 percent in the fourth quarter of 2011 compared to a growth rate of 5.2 percent in the same quarter of 2010. The growth rate is attributed to slight increase in the number of renters during the period under review.



HEALTH, OTHER SOCIAL, COMMUNITY AND PERSONAL SERVICE

The activity recorded a growth rate of 4.6 percent in the fourth quarter of 2011 compared to 5.2 percent in a similar quarter of 2010. The growth rate is attributed to improved other social, community and personal services during the period under review.

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