

PRESS RELEASE

SUMMARY REPORT OF QUARTERLY GROSS DOMESTIC PRODUCT, THIRD QUARTER (July –Sept) 2011

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

The Real Gross Domestic Product at market price is estimated to have increased at a growth rate of 6.4 percent in the third quarter, 2011 compared to growth rate of 6.7 percent in the third quarter, 2010. This is a decrease of 0.3 percent growth rate during the period under review.

In absolute terms, the QGDP for the quarter was 5,265,049 million shillings in 2011 compared to 4,946,678 million shillings in 2010.

During the period under review, there have been quite a number of challenges that had negative impacts on the economy, especially on the manufacturing and electricity activities. The challenges include, power outages, escalating prices of fuel and the depreciation of the shilling against major currencies.

ECONOMIC PERFORMANCE BY ACTIVITY

AGRICULTURE

Gross Domestic Product for this activity (crops, livestock and forestry) recorded a growth rate of 5.8 percent in the third quarter of 2011 compared to 6.3 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 reference period.

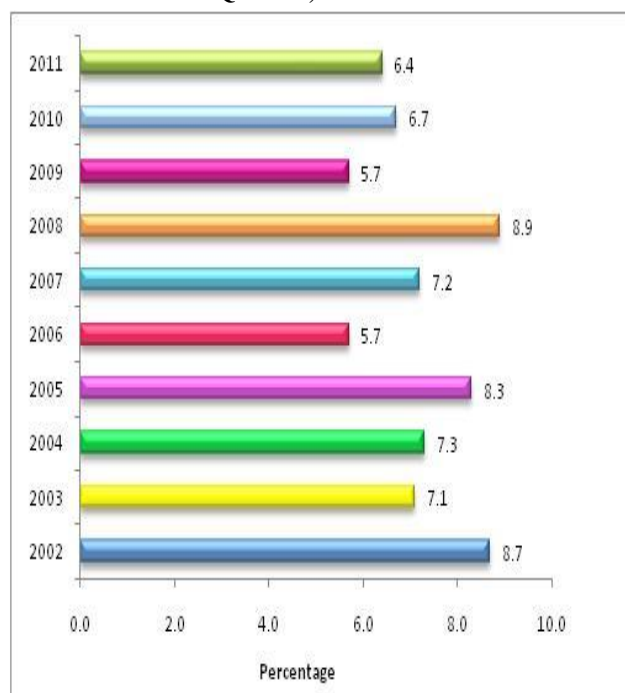
FISHING

Fishing activity recorded a growth rate of 1.9 percent in the third quarter of 2011 compared to a negative growth of 1.5 percent in the same quarter of 2010. The growth rate was mainly due to an increase of more demand for fish and fish products both at local and foreign markets.

MINING AND QUARRYING

The activity recorded a growth rate of 1.5 percent in the third quarter of 2011 compared to a negative growth rate of 12.3 percent in the corresponding third quarter of 2010. The growth was influenced by more production of gold as a result of favourable gold prices in the world market during the quarter.

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



MANUFACTURING

The activity recorded a growth rate of 8.3 percent in the third quarter of 2011 compared to 9.0 percent in the corresponding quarter of 2010. This is a 0.7 percent decrease in growth during the period. Main reasons being power outages and escalating prices of fuel in the country.



ELECTRICITY, GAS AND WATER

The growth rate of electricity was negative 9.7 percent in the third quarter of 2011 compared to a growth rate of 13.0 percent in the similar quarter of 2010. The decline in growth was attributed to the decrease in electricity generation from hydro due to low water levels at the hydro dams and a decrease in electricity generated from gas due to major repairs and maintenance of gas turbines.



CONSTRUCTION

Construction activity grew at a rate of 8.0 percent in the third quarter of 2011 compared to a growth rate of 13.2 percent in the corresponding quarter of 2010. The growth was attributed to increase in the construction activities during the reference period. They include construction of a bridge across the Malagarasi river, road construction between Ruaha and the Iringa Municipal and Singida to Babati road.



WHOLESALE AND RETAIL TRADE

This activity recorded a growth rate of 7.0 percent in the third quarter of 2011 compared to a growth rate of 7.4 percent in the similar quarter of 2010. The growth was due to slight increase in traded goods.



HOTELS AND RESTAURANTS

Hotels and restaurants recorded a growth rate of 4.9 percent in the third quarter of 2011 compared to a growth rate of 7.0 percent in the corresponding quarter of 2010. The decrease in growth rate of 2.1 percent was caused by a slight increase in the number of visitors in hotels.



TRANSPORT AND COMMUNICATION

The activity recorded a growth rate of 15.3 percent in the third quarter of 2011 compared to a growth rate of 12.9 percent in the same quarter of 2010. The performance is attributed to an increase in the use of mobile phones and volume of cargo handled during the period.



FINANCIAL INTERMEDIATION

The activity recorded a growth rate of 11.5 percent in the third quarter of 2011 compared to 10.1 percent in the same quarter of 2010. The performance was due to the increase in levels of deposits and lending by commercial banks.



PUBLIC ADMINISTRATION

The activity recorded a growth rate of 7.1 percent in the third quarter, of 2011 compared to a growth rate of 6.7 percent in the third 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 7.2 percent in the third quarter of 2011 compared to a growth rate of 7.8 percent in the corresponding quarter of 2010. The growth was due to the increase in the number of pupils/students enrolled and the related services provided in 2011 compared to 2010.



REAL ESTATE AND BUSINESS SERVICES

The activity recorded a growth rate of 5.8 percent in the third quarter of 2011 compared to a growth rate of 3.8 percent in the same quarter of 2010. The growth is attributed to the increase in the number of renters and the increase of buildings for renting.



HEALTH, OTHER SOCIAL, COMMUNITY AND PERSONAL SERVICE

The activity recorded a growth rate of 5.0 percent in the third quarter of 2011 compared to 6.1 percent in a similar quarter of 2010. The growth was due to improved other social, community and personal services during the period under review.

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