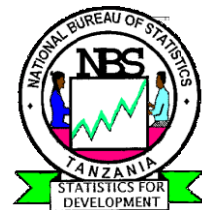




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## **PRESS RELEASE**

### **THIRD QUARTER GROSS DOMESTIC PRODUCT, 2013**

#### **Introduction**

The Gross Domestic Product is a value of goods and services produced by resident producers out of economic activities for a specified period of time. Annual Gross Domestic Product measures the value of goods and services produced by resident producers out of economic activities for the period of January to December, whereas Quarterly Gross Domestic Product is prepared for the period of three months that is January – March, April – June, July – September and October – December in a year. This release is for the period of July to September 2013.

#### **System and Classification Used**

The Compilation of GDP follows the United Nations System of National Accounts that provides a framework and a comprehensive set of concepts, definitions and classifications for national accounting. Furthermore, GDP follows the International Standard Industrial Classification of all economic activities - Rev.3.

#### **Methodology**

The compilation of GDP estimates for Tanzania to a large extent uses production and expenditure approaches. Data used for the compilation of GDP are production of goods and services, collected from all economic activities in the country as per specified reference period.

The compilation of Quarterly GDP follows the same approach as Annual GDP. The difference between Quarterly GDP and annual GDP is on coverage. Quarterly GDP is normally based on less comprehensive data than the Annual GDP.

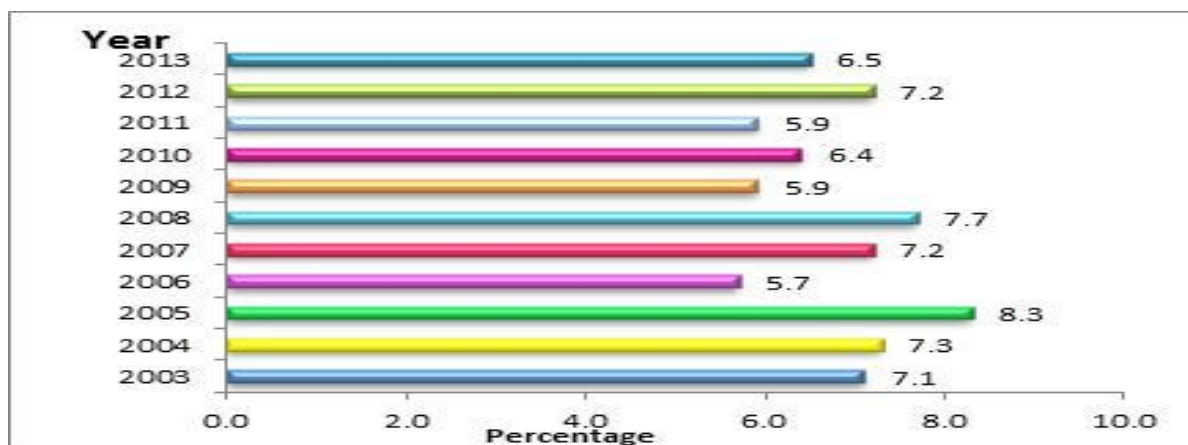
Quarterly GDP estimates do facilitate frequent and appropriate policy interventions by providing reliable and timely reports on recent and short term economic development. The current Quarterly GDP estimates are revised when necessary using data from different sources.

#### **Economic Performance**

During the period under review, real Gross Domestic Product at market prices is estimated to have increased at a growth rate of 6.5 percent in the third quarter of 2013 compared to growth rate of 7.2 percent recorded in the third quarter of 2012 (**Chart 1**).

In absolute terms, the Quarterly Gross Domestic Product for the quarter under review was 5.9 trillion shillings in 2013 compared to 5.6 trillion shillings for the third quarter of 2012.

**Chart 1: Growth Rates for the Third Quarter, 2003-2013**



## **Economic Performance by Activity**

### **(i) Agriculture**

Agriculture activity covers production of food and cash crops, livestock, forestry and hunting. This activity recorded a growth rate of 6.1 percent in the third quarter of 2013 compared to 5.7 percent recorded in the similar period of 2012. During the period, quantity of maize harvested increased by 7.1 percent, from 5.1 million tons in the third quarter of 2012 compared to 5.5 million tons in the similar quarter for 2013. Paddy harvested increased by 7.5 percent from 1.5 million tons in the third quarter of 2012 to 1.6 million tons in the corresponding quarter of 2013. Sorghum and Millet harvested increased by 13.0 percent from 1.0 million tons in the third quarter of 2012 to 1.1 million tons in the corresponding quarter of 2013. Cassava harvested increased by 9.4 percent from 3.9 million tons in the third quarter of 2012 to 4.3 million tons in the corresponding quarter of 2013. The performance was on account of good rainfall received in regions that are potential for agricultural production and the Government efforts of improving agriculture production through provision of subsidized farm implements.

### **(ii) Fishing**

Fishing activity covers harvesting of fish from fresh water (lakes, rivers and dams) and marine water. The activity recorded a growth rate of 3.1 percent in the third quarter of 2013 compared to a growth of 1.5 percent in the corresponding quarter of 2012. The growth rate was mainly attributed to the increase in demand of fish and fish products in the domestic and international markets.

### **(iii) Mining and Quarrying**

Mining and quarrying covers activity of extracting metals, precious stones and other minerals from the sub soil as well as minerals that occur naturally on the surface. The activity recorded

a growth rate of 10.4 percent in the third quarter of 2013 compared to a growth rate of 1.3 percent in the similar quarter of 2012. During the period under review, 10,189 Kilograms of Gold was produced in 2013 compared to 9,509 Kilograms for the third quarter of 2012. Tanzanite produced in the third quarter of 2013 increased to 5,140 Kilograms from 3,913 Kilograms in the corresponding period in 2012. The growth rate was attributed to increased production of Gold and Tanzanite.

#### **(iv) Manufacturing**

Manufacturing activity covers processing of raw materials to finished or semi-finished goods. The finished or semi-finished goods can be for final use or intermediate input for further processing. The activity recorded a growth rate of 5.8 percent in the third quarter of 2013 compared to 11.6 percent in the similar period of 2012. The decrease in growth rate was due to slight increase in the production of other food products, chemicals and cement.

#### **(v) Electricity, Gas and Water**

Electricity activity covers generation of electric power from thermal, hydro, solar, wind, biomass, geothermal, and biogas. The growth rate of the activity was 2.3 percent in the third quarter of 2013 compared to a growth rate of 7.6 percent in corresponding quarter of 2012. The decrease in growth rate by 5.3 points was caused by a decrease in generated electricity from Songo Songo natural gas plants due to a temporary closure for maintenance.

#### **(vi) Construction**

Construction activity covers clearing of sites and building of infrastructure such as roads, bridges, dams, airports, railways, buildings and utilities' infrastructure. This activity increased at a growth rate of 7.3 percent in the third quarter of 2013 compared to a growth rate of 6.5 percent in the corresponding quarter of 2012. The construction activities done include the work in progress of road construction projects such as Dar es Salaam Bus Rapid Transport Network, Iringa – Mafinga, Mwenge – Tegeta, Puge – Tabora, Nzega – Tabora, Isaka – Ushirombo, Iringa – Dodoma, Kidahwe – Uvinza and Mwigumbi - Maswa - Bariadi – Lamadi.

#### **(vii) Wholesale and Retail Trade**

This covers purchasing of domestic manufactured goods and imported merchandised goods for resale. The activity also covers repair of motor vehicles, motor cycles and personal and household goods. The activity recorded a growth of 7.0 percent in the third quarter of 2013 compared to 6.1 percent recorded in the similar quarter of 2012. The growth was due to an increase in traded domestic manufactured goods and imported merchandized goods.

#### **(viii) Hotel and Restaurants**

This activity covers accommodation services, food, beverages, beers and spirits served to visitors. The activity recorded a growth rate of 4.2 percent in the third quarter of 2013

compared to 6.4 percent in the corresponding quarter of 2012. The growth rate was attributed to the increase of domestic and international visitors. The number of domestic hotel visitors increased to 180,877 in the third quarter of 2013 from 169,703 in the corresponding quarter of 2012. The number of international hotel visitors increased to 210,196 during the third quarter of 2013 from 205,522 in the corresponding quarter of 2012.

#### **(ix) Transport and Communication**

Transport activity relates to transportation of passengers, handling of cargo and storage services while communication covers telephone, posts and courier services. The activity recorded a growth rate of 11.6 percent in the third quarter of 2013 compared to 10.6 percent in the similar quarter of 2012. The performance was attributed to the increase in the number of passengers and volume of cargo handled during the period and increased airtime used by mobile phone customers.

#### **(x) Financial Intermediation**

This activity involves services provided by central bank, commercial banks, bureau de changes and insurance companies. The activity recorded a growth rate of 11.6 percent in the third quarter of 2013 compared to 11.3 percent in the similar quarter of 2012. The performance was a result of increased levels of deposits and lending by commercial banks and the services provided by insurance companies.

#### **(xi) Public Administration**

This activity covers provision of both collective and individual services by the government to the public. The activity recorded a growth rate of 5.1 percent in the third quarter of 2013 compared to 5.5 percent in the corresponding quarter of 2012. The growth rate was attributed to improved provision of Government services to the public such as security and increased wages and salaries.

#### **(xii) Education**

This comprises services provided by public and private owned schools. It includes all levels of schooling from pre-primary level to higher learning level. The activity recorded a growth rate of 5.4 percent in the third quarter of 2013 compared to 6.7 percent in the corresponding quarter of 2012. The growth rate was attributed to increase in school enrolments in 2013 compared to 2012.

#### **(xiii) Real Estate and Business Services**

Real estate includes renting of buildings and structures for residential, commercial and storage purposes while business services cover provision of professional services such as accounting and legal services. The activity recorded a growth rate of 5.3 percent in the third quarter of 2013 compared to a growth rate of 5.0 percent in the corresponding quarter of

2012. The growth rate was attributed to increase in the demand of accommodation and business services.

#### **(xiv) Health, Other Social, Community and Personal Services**

This activity covers services provided by both public and private owned health facilities. It includes dispensaries, health centres, district hospitals, regional hospitals, referral hospitals and the Muhimbili National Hospital. Other social, community and personal services such as spiritual services and library services are covered here. The activity recorded a growth rate of 4.8 percent in the third quarter of 2013 compared to 5.4 percent in a similar quarter of 2012. The growth rate was attributed to increase in the provision of health services and improved other social, community and personal services to the public during the period under review.

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