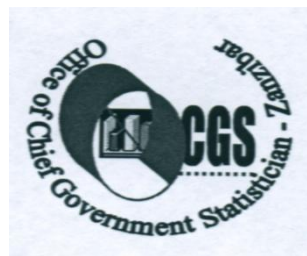




REVOLUTIONARY GOVERNMENT OF ZANZIBAR



OFFICE OF CHIEF GOVERNMENT STATISTICIAN

Quarterly National Accounts Release

Second Quarter (April – June), 2013

OFFICE OF CHIEF GOVERNMENT STATISTICIAN

ZANZIBAR.

October 2013

Forward

This Second Quarter report presents the analysis of Quarterly National Accounts (QNA) estimate in summary form. Brief description of estimation of GDP on Agriculture, Fishing, Industry, Services, Whole Sale and Retail Trade, Hotel and Restaurants, Transport and Communication, Financial Intermediation, Public Administration, Education, Other services and Taxes and Subsidies has been presented.

The Quarterly National Accounts provide the quarterly estimation of Gross Domestic Product (GDP) at constant prices for each economic activity which can serve a wider range of purposes. These time series results are essential for planning on the economy development, monitoring and evaluation of sound economic programs on a short term basis.

The National Accounts form a comprehensive framework within which economic and social data can be presented in a coherent, consistent manner. In the mean time, the estimates of National Accounts of Zanzibar developed into quarterly series and cover the period of 2001 to second quarter of 2013.

The Office of Chief Government Statistician (OCGS) in collaboration with various line Ministries engage on data collection process as well as compilation. It is our belief that the quarterly estimation of GDP is necessary input which enabling to put in places the environment for national development and improves the ability of government to formulate appropriate policies, manage the economic and social development process and monitor improvements of the living standards of the people.

The Office of Chief Government Statistician invite comments and suggestions for improvement on the report and enter process of quarterly GDP estimates, and should be send to the address below.

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Acknowledgments

The need for Quarterly National Accounts (QNA) has gained high priority in recent years with the broad objective of measuring the short-term economic performance. This report is the second series of the QNA estimates released by the OCGS for the year 2013. The comprehensive set of national accounts tables are given by the industrial economic activities as recommended by the 1993 System of National Accounts (SNA – 1993).

The compilation of this report was undertaken under the supervision of Mr. Abdul Ramadhan Abeid; Acting Director of Economic Statistics Section. The National Accounts Statistics Section member of staff involved in this assignment are Messrs Khalid Chum; Manager of National Accounts Section, Fadhil A. Hassan, Bakari K. Makame, Faida Saleh and Suleiman A. Hamad; particularly their dedication and efforts they put into this piece of work is highly appreciated.

The success on production of this report was mainly due to the timely supply of the required input indicators solely provided by the member of staff from all statistics unit in the OCGS. The office would wish to thank for their vital contributions and for the role they played which enable to release this quarterly report in timely manner.

The data sources from both private and public sectors also deserves special thanks for valuable efforts on supplied inputs; acknowledgements also go to the many individuals who helped in collection and processing of the data. It is only through their diligence that we have been able to produce this valuable report.

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Fourth Quarter National Accounts Analysis in Brief

1.0 Introduction

National Accounts data provide the most comprehensive overview of the country's economic performance and the status of the existing of developments in the national economy. In recent years quarterly national accounts have seen a substantial evolution and emerge a useful input for monitoring and evaluating the country economic performance inform monetary policy decisions in short term basis.

The compilation of Zanzibar Quarterly National Accounts focuses on the quarterly constant GDP estimates, also it compiled in line with the annual estimates in terms of its methodology as well as the input indicators used for mostly all industrial activities for which reliable and quick related data are available. Since key statistical data on the relevant quarter will necessarily take some time to collect, revisions will have to be made more frequently, accordingly.

The purpose of this report is to summarize the results of the quarterly estimation of Gross Domestic Product (GDP) for the second quarter of 2013 which comprise of the month of April to June 2013. The result presented in this report is useful to a wider range of data users including the compilers of annual national accounts estimates. In the mean time, the reports focus on comprehensive estimates for the constant GDP for each economic activity.

1.1 The GDP Growth Rate declined to 9.0 Per cent in second Quarter 2013

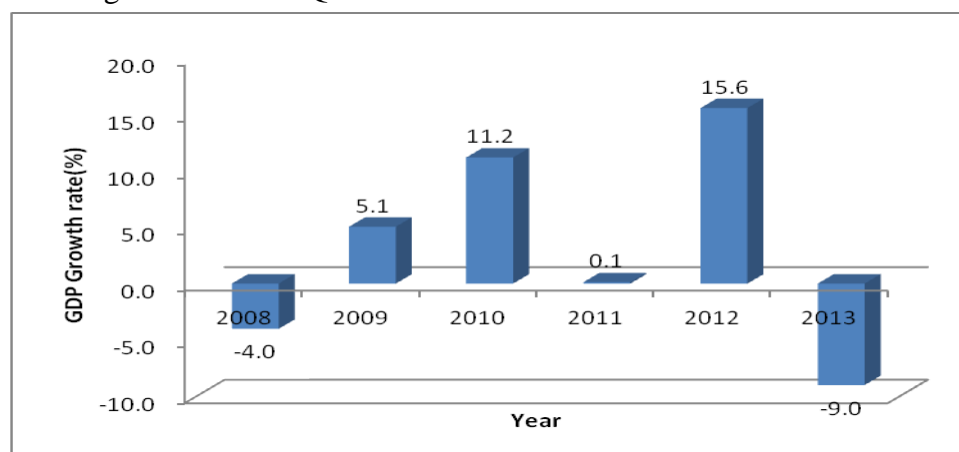
Zanzibar Gross Domestic Product (GDP) declined by 9.0 percent in the second quarter of 2013 compared 15.6 per cent observed in the corresponding quarter of 2012 (figure 1).

The poor performance of the second quarter of 2013

was mainly associated with the decline Mining and Quarrying, Wholesale and Retail trade, Construction and Transport and Communication (Table 3.0)

Other economic activities which show a remarkable growth are Fishing, Financial Intermediation, Manufacturing and Public Administration.

Figure 1: Second Quarter GDP Growth Rates from 2008 to 2013



2.0 Comparative Analysis between the Second Quarter of 2012 and Second Quarter of 2013

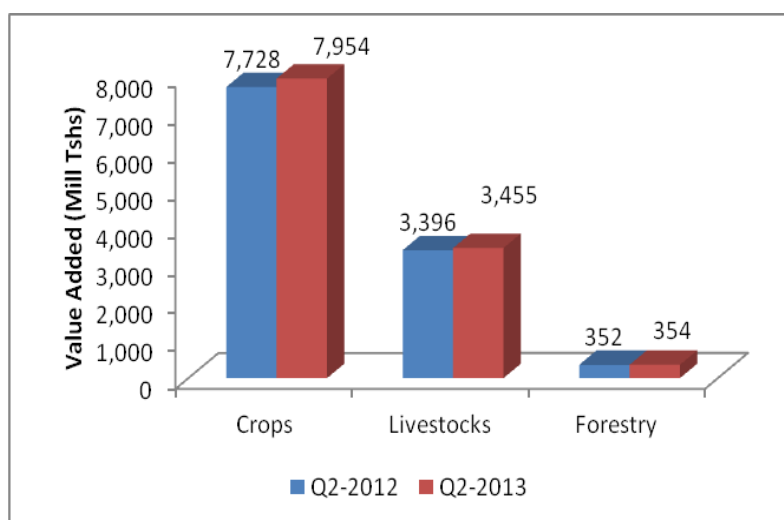
The GDP growth rates of the economic activities in quarterly basis are presented in table 3.0, while the GDP at constant prices are presented in table 2.0.

2.1 Agriculture

The performance of the Gross Value Added (GVA) at constant prices for agriculture activities for the second quarters of 2013 and 2012 presented in figure 2 cover three main sub activities namely crops, livestock and forestry and hunting economic activities.

Table 3.0 indicates that the growth rate of agriculture increased by 2.5 per cent in the second quarter of 2013 compared to the growth of 10.2 percent recorded in corresponding quarter of 2012.

Figure 2: GVA at Constant Prices for Agriculture activities

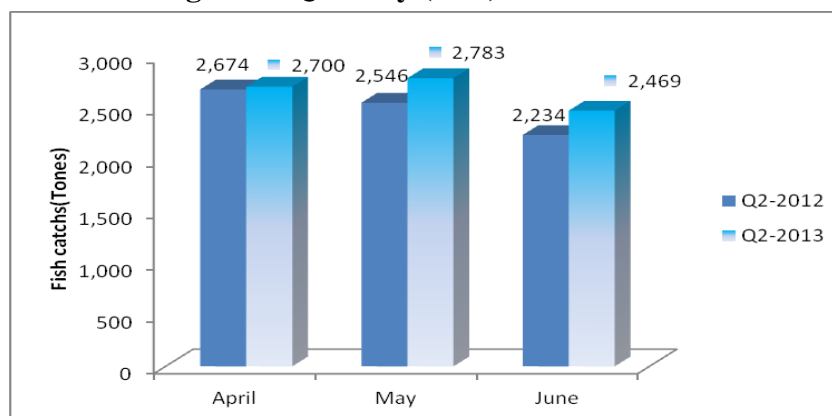


2.2 Fishing

The fishing activities grew by 6.7 in the second quarter of 2013 compared to the growth of 10.5 per cent registered in similar quarter of 2012.

The performance growth for fishing was mainly due to the increase of a volume of fish catches from 7,454 tons recorded in second quarter of 2012 to 7,952 tons in corresponding quarter of 2013 (Figure 3).

Figure 3: Quantity (tons) of Fish Catch.



2.3 Industry

The industry activities include Mining and Quarrying products, Manufacturing activities, Electricity, gas, water supply and Construction. Figure 4 presents the results of percentage changes of manufacturing activities, electricity and construction activities.

The gross value added of manufacturing activities is estimated by applying quarterly volume of production of manufacturing goods. Manufacturing activities increased by 5.9 per cent in the second quarter of 2013 compared to the growth of 5.0 percent reported in the same quarter of 2012.

The performance of manufacturing activities in second quarter 2013 was mainly due to the increases on production of the volume for mineral water from 1,733 litres recorded in second quarter of 2012 to 2,506 litres reported in second quarter of 2013 which is an increase of 3.6 per cent.

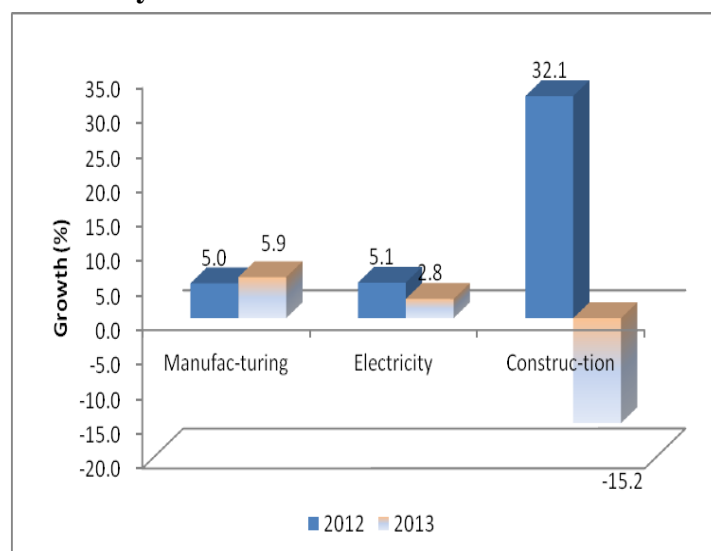
The Mining and Quarrying activities fell by 4.0 percent in the second quarter of 2013 compared to the growth of 23.4 percent recorded in the corresponding quarter of 2012. The performance was associated with the decrease of quarrying activities in various areas of Zanzibar.

The quarterly Gross Value Added at constant prices for Electricity, gas and water compiled by using the monthly quantity of electricity distribution and annual figure of water are distributed across the quarters. Electricity and related activities grew by 2.8 percent in the second quarter of 2013 compared to the growth of 5.1 percent that was recorded in the same quarter of 2012.

The GDP of construction activities declined by 15.2 percent in the second

quarter 2013 which is compared to growth of 32.1 percent recorded in the similar quarter in 2012.

Figure 4: Percentage Growth of Manufacturing, Electricity and Construction Industries



The performance of the electricity activities are attributed to the increases of quantity of electricity distributed.

2.4 Services

The Service Industry includes wholesale and retail trade and repair, hotel and restaurant, transport and communication, financial intermediation, real estate, public administration, education, health and other social and community services.

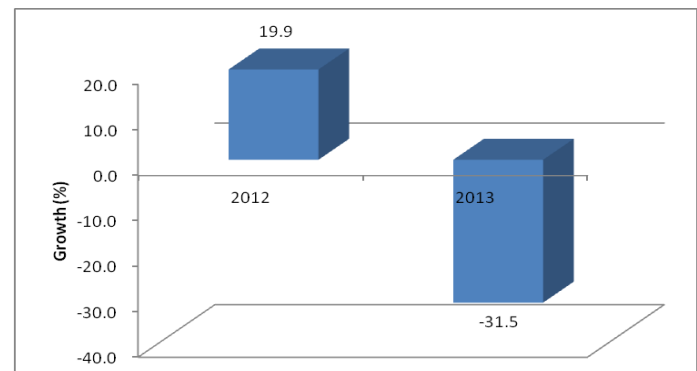
2.4.1 Wholesale and Retail Trade

The economic activities are estimated using imports from the rest of the world as well as items imported from Tanzania Mainland. The estimates of marketed on domestic production are also included.

Wholesale and Retail Trade activities has declined by 31.5 per cent in the second quarter of 2013 compared to the growth of 19.9 percent in the corresponding quarter of 2012.

Poor performance of the activities has attributed to the fell of Machinery and equipment appliances as well as electricity appliances for the second quarter of 2013 compared to the higher volume of imports

Figure 5: Percentage Growth of Whole Sales and Retail Trade Activities



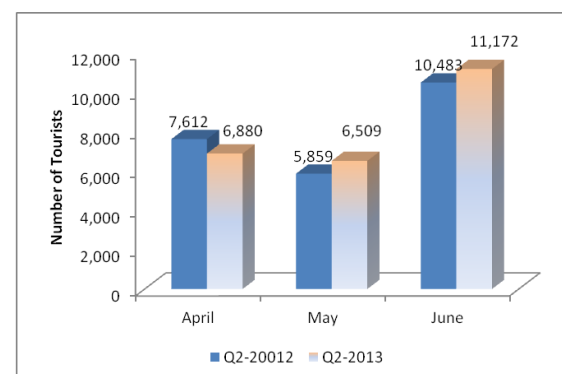
of the same items in 2012 due to the completion of major instalment of electricity of national grid and building materials for Airport construction.

2.4.2 Hotel and Restaurants

The Gross Value Added for hotels and restaurants has increased by 2.9 percent in the second quarter of 2013 compared to the growth of 18.5 of similar quarter of 2012.

The performance has attributed by the increase of number of tourist arrival from 23,954 in 2012 to 24,561 in 2013.

Figure 6: Number of Tourists Arrival in Zanzibar



2.4.3 Transport and Communication

The transport activity comprises of land, air and sea transports while the communication includes telecommunication services.

The Gross Value Added for Transport and Communication activities for Second quarter 2013 declined by negative 15.7 percent compared to the 27.5 percent growth of the corresponding quarter of 2012.

This decline of growth rate may be due to decrease on sales of air times in telecommunication Companies between referenced quarters.

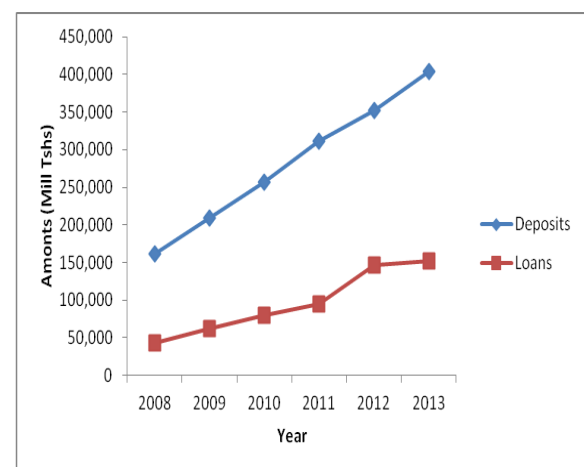
2.4.4 Financial Intermediation

This economic industry includes banking activities, insurance and bureau de change. The compilation of quarterly value added is generated using deposit and loan as indicators.

Financial intermediation activities recorded a growth of 17.6 percent in the Second quarter of 2013 compared to the growth of 5.3 percent recorded in the similar quarter of 2012.

The performance of the activity has attributed by increases of deposits and loans in various financial system

Figure 7: Second Quarter Trends of Deposits and Loans 2008 – 2013

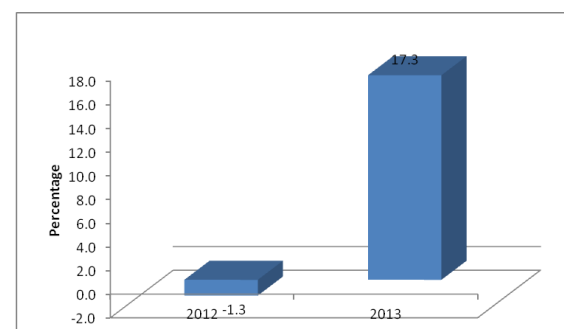


2.4.5 Public Administration

The quarterly estimate of Gross Value Added for public administration has been calculated based on the salary and wage trends in the public sector. The GVA growth rate of Public administration sector for the Second quarter 2013 has increased by 17.3 percent compared to the decline of 1.3 percent observed in the same quarter of 2012.

The performance of these activities as been attributed due to the increase of services delivered by government

Figure 8: Second Quarter Growth Rates of Public Administration



2.4.6 Education

The GDP growth rate of education grew 2.1 percent in Second quarter of 2013 compared to the growth of 0.3 percent recorded in the similar quarter of 2012.

This rate of growth may be due to increase of educational services delivered to the student observed at Primary schools, secondary schools and tertiary students for both government and Private.

2.4.7 Health and Other Social Services

The Gross Value Added growth of these activities declined by negative 1.4 percent in the Second quarter of 2013 compared to the growth 29.4 percent observed in the same quarter of 2012.

Table 1.0: Quarterly GDP Estimated at Constant Price from First Quarter 2001 to Second Quarter 2013**(Million Tshs)**

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
First Quarter	43,716	50,442	53,562	62,775	65,491	68,910	71,675	77,376	86,124	82,128	93,817	100,081	99,456
Second Quarter	47,935	47,971	54,321	59,815	57,918	66,659	72,341	69,432	72,940	81,109	81,207	93,870	85,408
Fourth Quarter	61,103	68,848	72,583	74,759	83,166	84,591	90,952	95,936	106,750	118,112	121,783	132,992	
Fourth Quarter	69,624	74,128	75,364	75,137	79,117	82,679	87,409	96,504	96,130	103,687	113,949	112,454	
Year	222,378	241,389	255,830	272,486	285,691	302,839	322,378	339,249	361,945	385,036	410,756	439,398	

Table 2.0: Quarterly GDP Percentage Growth Rates from 2002 to Second Quarter of 2013

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
First Quarter	15.4%	6.2%	17.2%	4.3%	5.2%	4.0%	8.0%	11.3%	-4.6%	14.2%	6.7%	-0.6%
Second Quarter	0.1%	13.2%	10.1%	-3.2%	15.1%	8.5%	-4.0%	5.1%	11.2%	0.1%	15.6%	-9.0%
Fourth Quarter	12.7%	5.4%	3.0%	11.2%	1.7%	7.5%	5.5%	11.3%	10.6%	3.1%	9.2%	
Fourth Quarter	6.5%	1.7%	-0.3%	5.3%	4.5%	5.7%	10.4%	-0.4%	7.9%	9.9%	-1.3%	
Year	8.5%	6.0%	6.5%	4.8%	6.0%	6.5%	5.2%	6.7%	6.4%	6.7%	7.0%	

Table 3.0: The GDP Growth Rates by Activity – Percentage Changes from Q1,2008 – Q2,2013

Year	Quarters	Agriculture	Fishing	Mining and quarrying	Manufacturing	Electricity	Construction	Wholesale and retail trade	Hotels and restaurants	Transport and communication	Financial intermediation	Public administration	Education	Other services	All indust. at basic prices	Taxes on products	GDP at market prices
2008	1	16.3	-0.7	5.4	-0.9	9.4	1.0	-4.3	18.8	25.7	17.7	-8.4	3.2	6.6	7.3	11.2	8.0
	2	-12.5	-14.6	15.9	6.3	-10.4	-16.0	-15.8	-2.7	22.1	4.3	-7.3	7.2	8.5	-4.1	-3.4	-4.0
	3	6.2	28.9	34.6	4.1	1.2	-7.3	-3.3	-7.8	14.1	-11.6	24.9	6.7	8.5	5.7	4.0	5.5
	4	12.0	10.3	39.2	-3.5	3.3	27.5	7.2	-10.3	33.5	7.1	5.6	8.5	-4.0	10.6	9.3	10.4
2009	1	3.1	26.8	18.0	2.6	1.5	17.5	9.2	-9.2	28.0	-7.3	34.7	6.9	4.6	11.7	9.3	11.3
	2	3.4	29.7	24.8	3.3	19.2	17.8	-12.5	4.7	13.5	6.5	15.0	4.9	4.3	7.8	-8.2	5.1
	3	20.4	-6.9	4.2	0.4	4.3	-8.1	20.5	14.4	25.7	11.1	-10.0	5.5	5.0	10.5	15.5	11.3
	4	-10.1	-27.6	1.9	3.5	-12.1	-7.8	-1.6	12.7	21.6	1.9	-12.0	5.3	-0.3	-1.8	8.0	-0.4
2010	1	1.2	-24.8	-2.4	5.2	-31.9	-0.8	-10.0	-15.2	8.2	17.9	-12.4	4.4	4.1	-3.4	-10.6	-4.6
	2	-0.8	5.8	5.5	3.9	6.7	9.4	20.3	2.8	27.9	29.1	2.4	5.0	3.9	10.0	18.1	11.2
	3	13.0	3.7	9.8	2.9	6.2	1.7	15.5	-0.2	24.1	22.2	7.6	4.9	3.0	10.8	9.7	10.6
	4	-6.3	26.0	9.4	0.6	19.9	-4.6	1.7	25.6	18.1	26.9	15.1	5.1	3.6	7.3	10.7	7.9
2011	1	-1.1	31.4	2.2	-1.2	63.7	-7.5	37.0	34.4	20.6	9.5	1.4	4.1	0.9	12.2	25.2	14.2
	2	-0.7	-9.0	1.0	2.3	3.6	-14.1	6.4	12.2	7.3	-0.2	-1.9	3.7	-2.9	0.9	-4.2	0.1
	3	4.0	8.8	7.1	0.0	4.6	-0.1	9.0	9.6	-2.6	11.1	7.6	2.7	17.0	4.5	-5.0	3.1
	4	-1.5	23.1	40.3	8.8	8.3	41.8	39.7	-6.9	14.0	-3.3	-6.5	0.6	-14.0	9.3	13.0	9.9
2012	1	7.6	1.4	23.9	4.8	6.4	25.7	2.4	5.1	25.9	13.0	-10.6	1.3	-7.4	9.1	-4.7	6.7
	2	10.2	10.5	23.4	5.0	5.1	32.1	19.9	18.5	27.5	5.3	-1.3	0.3	29.4	15.5	16.4	15.6
	3	-8.6	15.9	27.3	1.1	4.2	25.7	29.6	-7.7	19.5	6.7	-5.5	1.0	3.8	5.2	34.6	9.2
	4	9.4	-15.6	-2.7	-9.2	3.3	-13.1	-13.0	-4.0	8.5	16.0	18.8	2.2	-6.8	1.1	-13.7	-1.3
2013	1	6.9	2.4	13.6	-2.9	0.5	-3.9	-5.7	7.2	-13.9	3.9	28.6	0.4	-0.6	0.2	-5.0	-0.6
	2	2.5	6.7	-4.0	5.9	2.8	-15.2	-31.5	2.9	-15.7	17.6	17.3	2.1	-1.4	-5.5	-28.6	-9.0