REVOLUTIONARY GOVERNMENT OF ZANZIBAR

OFFICE OF CHIEF GOVERNMENT STATISTICIAN

Quarterly National Accounts Release

First Quarter (Jan – Mar), 2014

OFFICE OF CHIEF GOVERNMENT STATISTICIAN

ZANZIBAR.

May, 2014

Forward.

This First Quarter report presents one of the series of 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 first quarter of 2014.

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 place 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 invites comments and suggestions for improvement on the report and enters process of quarterly GDP estimates. All comments should be sent to the address below.

Thank you,

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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 first series of the QNA estimates released by the OCGS for the year 2014. 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 Head of Economic Statistics Section. The National Accounts Statistics Section member of staff involved in this assignment are Mr Khalid Chum Haji; Manager of National Accounts Unit, Fadhil A. Hassan, Bakari K. Makame, Faida Saleh, Hamisa S. Faki, Fahima M. Issa 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 like to thank for their vital contributions and for the role they played which enable to release this quarterly report in timely manner.

The data producers from both private and public sectors also deserves special thanks for their 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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First 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 First quarter of 2014 which comprise of the month of January to March 2014. 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.

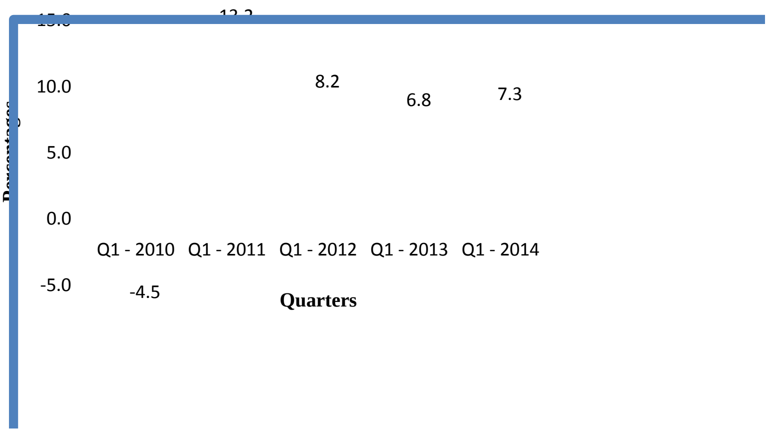
1.1 The GDP Growth Rate increased to 7.3 Per cent in First Quarter 2014

Zanzibar Gross Domestic Product (GDP) increased by 7.3 percent in the First quarter (Q1) of 2014 compared to growth of 6.8 per cent observed in the same quarter 2013 (figure 1).

The results revealed that the increase of the rate of 7.3 percent was mainly associated with the significant rise in Hotel and Restaurants and Transport and Communication. (Table 3.0)

Other economic activities which show a remarkable growth are Financial, Financial Intermediation and Education

Figure 1: GDP Growth Rates for First Quarter 2010 to 2014



2.0 Comparative Analysis between the First Quarters of 2013 and 2014

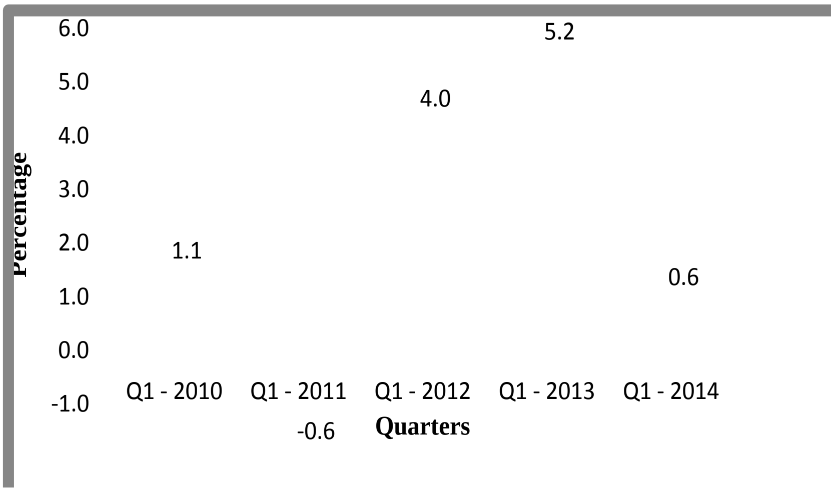
The GDP growth rates of the economic activities in quarterly basis are presented in table 3.0, while the GDP at constant prices are presented in table 2.0.

2.1 Agriculture

The analysis of the GDP at constant prices for agriculture sectors for the First quarter of 2013 and 2014 presented in figure 2 cover three main sub sectors namely crops activities, livestock sectors and forestry and hunting economic activities.

Table 3.0 indicates that the percentage change of agriculture slightly increased by 0.6 per cent in the First quarter of 2014 compared to growth of 5.2 in the corresponding quarter of 2013.

Figure 2: Percentage Growth for Agriculture Sector First Quarter 2010 – 2014.



2.2 Fishing

The GDP for fishing activities increased by 3.8 in the First quarter of 2014 compared to a growth of 2.4 per cent registered in First quarter of 2013.

The increase of GDP growth for fishing was mainly due to the increase of a volume of fish catches from 7,089 tons recorded in First quarter of 2013 to 7,560 tons in same quarter of 2014 (Figure 3).

2.3 Industry

The industry activities include Mining and Quarrying products, Manufacturing activities, Electricity, gas, water supply and Construction. Figure 3 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 sector increased by 1.4 per cent in the First quarter of 2014 compared to a decline of 0.7 percent reported in the same quarter of 2013.

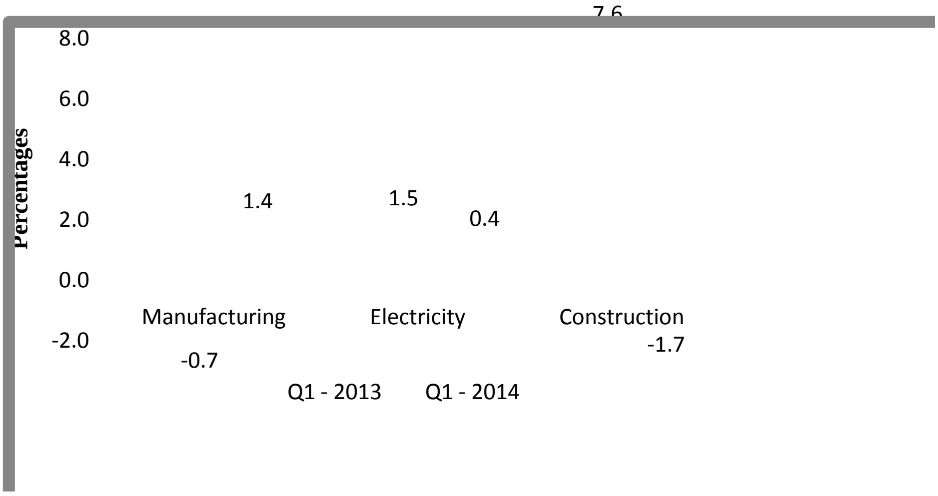
The rate of increasing of manufacturing activities in First quarter 2014 was mainly due to the increase on production of the volume of mineral water from 2,757 litres in First quarter 2013 to 3,083 litres in 2014 which is an increase of 11.8 per cent.

The Mining and Quarrying activities grew slightly by 0.9 percent in the First quarter of 2014 compared to the growth of 20.8 percent recorded in the same quarter of 2013.

The quarterly 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 sectors grew by 0.4 percent in the First quarter of 2014 compared to the growth of 1.5 percent recorded in the corresponding quarter of 2013.

The GDP of construction activities declined by 1.7 percent in the First quarter 2014 compared to the growth of 7.6 percent recorded in the same quarter in 2013.

Figure 3: Percentage Growth of Manufacturing, Electricity and Construction Industries Q1 2013 and Q1 2014



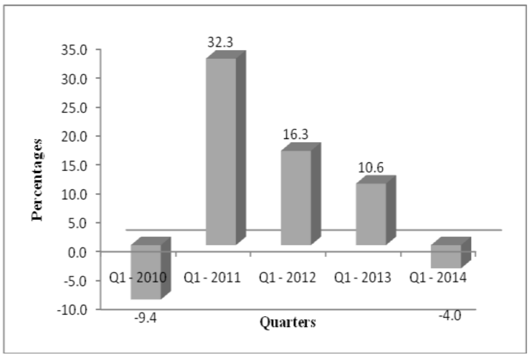
2.4 Services

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.

Figure 4: Percentage Growth of Whole Sales and Retail Trade First Quarter 2010 – 2014

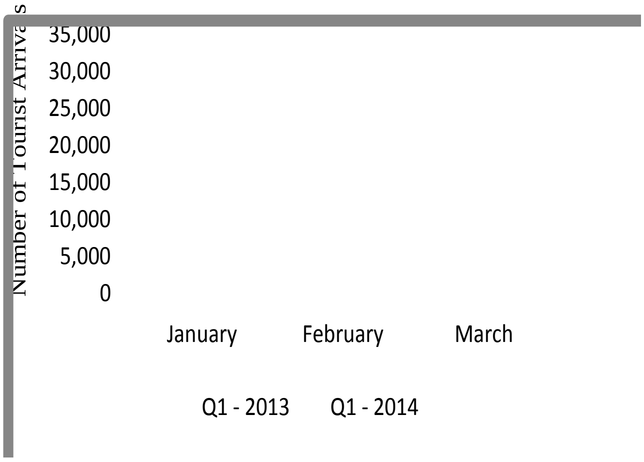


Wholesale and Retail Trade declined by 4.0 percent in the First quarter of 2014 compared to 10.6 percent growth in the corresponding quarter of 2013.

2.4.2 Hotel and Restaurants

The quarterly GDP growth of hotels and restaurants for both 2013 and 2014 are presented in Figure 5. The results indicate that in the First quarter of 2014 the sector highly increased by 19.6 percent compared to the growth of 5.9 percent reported in similar quarter of 2013. This increase may be associated with the increase on number of tourists' arrivals from 54,276 in 2013 to 81,499 in 2014.

Figure 5: Number of Tourists Arrival in Zanzibar First Quarter 2013 – 2014



2.4.3 Transport and Communication

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

Transport and Communication activities for First quarter 2014 increased by 21.4 percent compared to 5.7 percent growth of the same quarter 2013.

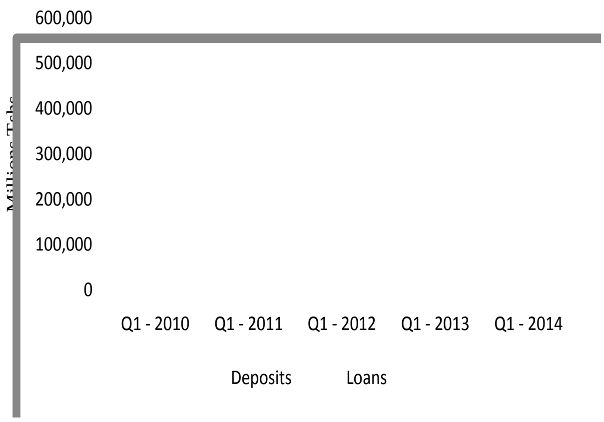
This increase of growth rate may be due to increase on sales of air times in mobile companies between referenced quarters.

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 registered an increase of 3.3 percent in the First quarter of 2014 compared to growth of 4.8 percent recorded in the corresponding quarter of 2013.

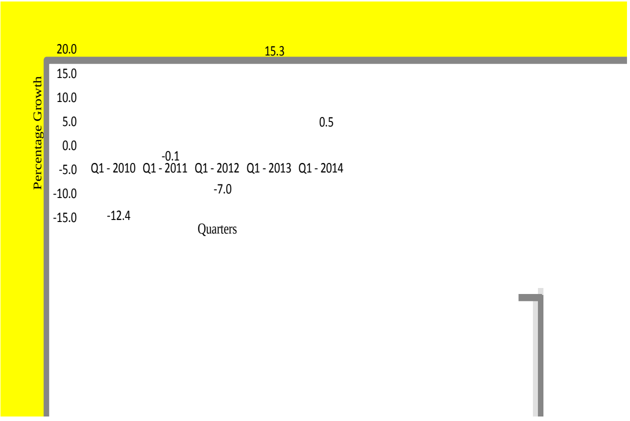
Figure 6: Trends of Deposits and Loans for First Quarter 2010 – 2014



2.4.5 Public Administration

The quarterly estimate of Value Added for public administration has been calculated based on the salary and wage trends in the public sector. The GDP growth rate of Public administration sector for the First quarter 2014 has slightly increased by 0.5 percent compared to 15.3 percent growth observed in the same quarter of 2013.

Figure 7: Percentage Growth of Public Administration First Quarter 2010 – 2014



2.4.6 Education

The GDP growth rate of education increased by 4.3 percent in First quarter 2014 compared to a growth of 1.7 percent recorded in the similar quarter of 2013.
This may be due to increase of number of student’s enrolment observed at primary and secondary schools and tertiary for both Government and Private.

2.4.7 Health and Other Social Services

The GDP growth rate of these activities increased by 1.5 percent in the First quarter of 2014 compared to decline of 0.9 percent observed in the same quarter of 2013.

Table 1.0: Quarterly GDP Estimated at Constant Price from Q1 2001 to Q4 2013

(Million Tshs)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
First quarter	50,442	53,562	62,775	65,491	68,910	71,675	77,376	86,111	82,277	93,134	100,789	107,689	115,556
Second quarter	47,971	54,321	59,815	57,918	66,659	72,341	69,432	72,932	81,250	80,649	88,787	93,329	
Third quarter	68,848	72,583	74,759	83,166	84,591	90,952	95,936	106,751	118,117	121,367	128,712	140,265	
Fourth quarter	74,128	75,364	75,137	79,117	82,679	87,409	96,504	96,151	103,392	113,907	119,964	129,356	
Year	**241,389**	**255,830**	**272,486**	**285,692**	**302,839**	**322,377**	**339,249**	**361,945**	**385,036**	**409,058**	**438,252**	**470,639**	

Table 2.0: Quarterly GDP Percentage Growth Rates from Q1 2002 to Q4 2013

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
First quarter	6.18%	17.20%	4.33%	5.22%	4.01%	7.95%	11.29%	-4.45%	13.20%	8.22%	6.85%	7.31%
Second quarter	13.24%	10.11%	-3.17%	15.09%	8.52%	-4.02%	5.04%	11.41%	-0.74%	10.09%	5.11%	
Third quarter	5.43%	3.00%	11.25%	1.71%	7.52%	5.48%	11.27%	10.65%	2.75%	6.05%	8.98%	
Fourth quarter	1.67%	-0.30%	5.30%	4.50%	5.72%	10.40%	-0.37%	7.53%	10.17%	5.32%	7.83%	
Year	6.00%	6.50%	4.80%	6.00%	6.50%	5.20%	6.70%	6.40%	6.70%	7.00%	7.40%	

Table 3.0: The GDP Growth Rates by Activity – Percentage Changes Q1 2009 – Q4 2013

Year	Quarter	Agriculture	Fishing	Mining and Quarrying	Manufacturing	Electricity	Construction	Wholesale and Retail Trade	Hotels and Restaurants	Transport and Communication
2010	1	1.1	-24.8	-4.2	5.2	-31.8	0.1	-9.4	-15.2	8.2
	2	-0.9	5.8	3.9	3.9	6.8	10.2	21.1	2.8	27.9
	3	12.9	3.7	9.9	2.9	6.2	1.6	15.6	-0.2	24.1
	4	-6.1	26.0	13.0	0.6	19.7	-6.1	0.5	25.6	18.2
2011	1	-0.6	31.4	10.7	-1.0	63.3	-10.5	32.3	34.3	21.9
	2	-0.1	-9.0	12.4	2.5	3.6	-18.5	2.9	12.2	8.4
	3	4.5	8.8	19.3	0.0	4.7	-6.3	7.7	9.6	-2.5
	4	-3.0	23.1	52.0	8.6	8.4	32.8	45.9	-6.8	12.0
2012	1	4.0	1.4	26.9	4.1	6.3	18.5	16.3	5.4	18.6
	2	4.9	10.5	22.5	4.6	4.8	28.5	4.3	18.7	21.0
	3	-2.1	15.9	25.7	1.2	4.0	27.4	12.2	-7.7	19.5
	4	6.4	-15.6	-1.7	-8.3	3.8	-7.6	7.8	-4.5	18.1
2013	1	5.2	2.4	20.8	-0.7	1.5	7.6	10.6	5.9	5.7
	2	3.1	6.7	4.8	9.0	4.1	-2.9	6.5	1.3	10.0
	3	-0.2	0.8	21.1	0.3	4.5	21.4	12.6	-2.5	33.0
	4	8.8	8.4	14.7	4.9	4.9	14.1	1.3	19.3	10.4
2014	1	0.6	3.8	0.9	1.4	0.4	-1.7	-4.0	19.6	21.4

Table 3.0: The GDP Growth Rates by Activity – Percentage Changes from Q1 2009 – Q4 2013

Year	Quarter	Financial Intermediation	Public Administration	Education	Other Services	All Industries at Basic Prices	Taxes on Products	GDP at Market Prices	GDP Seasonally Adjusted
2010	1	17.9	-12.4	4.4	4.0	-3.3	-10.0	-4.5	-4.8
	2	29.1	2.4	5.0	3.8	10.1	18.8	11.4	13.0
	3	22.2	7.6	4.9	3.0	10.8	9.8	10.6	9.5
	4	26.9	15.1	5.1	3.7	7.2	9.5	7.5	7.8
2011	1	9.1	-0.1	4.3	1.4	11.7	21.0	13.2	13.1
	2	-0.2	-2.6	3.8	-2.6	0.5	-7.2	-0.7	0.2
	3	11.3	8.0	2.7	16.9	4.3	-6.0	2.8	2.1
	4	-3.1	-5.0	0.3	-14.7	8.7	17.7	10.2	10.3
2012	1	13.4	-7.0	0.6	-9.4	8.4	7.4	8.2	8.2
	2	5.1	1.3	-0.3	25.0	11.2	3.5	10.1	10.7
	3	6.4	-5.9	1.1	0.0	5.0	12.7	6.1	5.8
	4	16.1	13.1	3.5	5.9	5.5	4.5	5.3	5.3
2013	1	4.8	15.3	1.7	-0.9	6.5	8.6	6.8	6.8
	2	19.0	1.5	4.4	-1.4	5.1	5.3	5.1	5.3
	3	13.0	-3.3	3.7	1.8	8.8	10.2	9.0	9.0
	4	-2.0	2.4	4.3	19.7	8.4	5.1	7.8	7.7
2014	1	3.3	0.5	4.3	1.5	6.9	9.1	7.3	7.3