



REVOLUTIONARY GOVERNMENT OF ZANZIBAR



OFFICE OF CHIEF GOVERNMENT STATISTICIAN

Quarterly National Accounts Analysis

First Quarter (Jan – March), 2011

OFFICE OF CHIEF GOVERNMENT STATISTICIAN

ZANZIBAR.

July, 2011

Forward

This report presents the analysis of Quarterly National Accounts (QNA) estimate in summary form. This gives the summary in the Quarterly National Accounts in a 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.

The Quarterly National Accounts provide the quarterly estimation of Gross domestic Product (GDP) 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 2011.

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 below address.

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Acknowledgment

The need for Quarterly National Accounts (QNA) has gained high priority in recent years; the broad objective is to measure the short-term economic performance. This report is the first series of the QNA estimates released by the OCGS for the year 2011. The report contains the results on time series data of Gross Domestic Product (GDP) estimates from first quarter of 2001 to first quarter of 2011 at constant prices, with 2001 as the base year. 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 was undertaken under the supervision of Mr. Abdul Ramadhan Abeid; Acting Head of Economic Statistics Section. The national accounts statistics unit member of staff involved in this assignment are Messrs Khalid Chum; Acting Head of National Accounts Unit, Fadhil A. Hassan, Bakari K. Makame, Suleiman D. Juma 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. I 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 both private and public sector organizations deserves special acknowledgement 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 the report are very much appreciated.

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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 economies. 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 focus on the quarterly constant GDP estimates is 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.

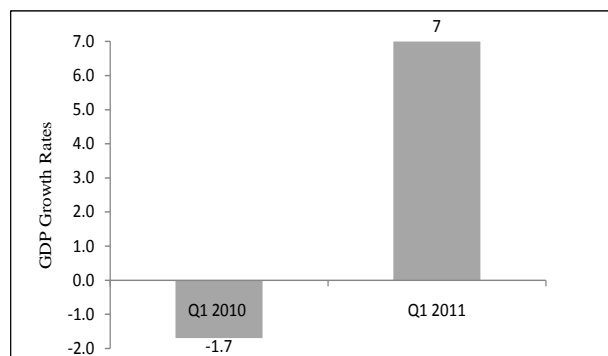
The purpose of this report is to summarise the results of the quarterly estimation of Gross Domestic Product (GDP) for the first quarter of 2011 which comprise the month of January to March 2011. The result presented in this report is useful to a wider range of data users including the compilers of annual 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 Reach 7.0 Percent in First Quarter 2011

Zanzibar Gross Domestic Product (GDP) grew by 7.0 percent in the first quarter (Q1) of 2011 which is higher compare with a decline of 1.7 percent observed in the same quarter 2010 (figure 1).

Other economic activities which show a remarkable growth are Agriculture, Mining and quarrying, Constructions and Other Services.

Figure 1: Quarterly GDP – Percentage Change for 2010 and 2011



The results revealed that increase of 7.0 percent were mainly associated with significant growth on specific economic activities which are Fishing, Electricity, Wholesale and Retail Trades, Hotels and Restaurants, Financial Intermediation and Public Administration. (Table 3.0)

2.0 Comparative Analysis Between the First Quarter of 2010 and First Quarter of 2011

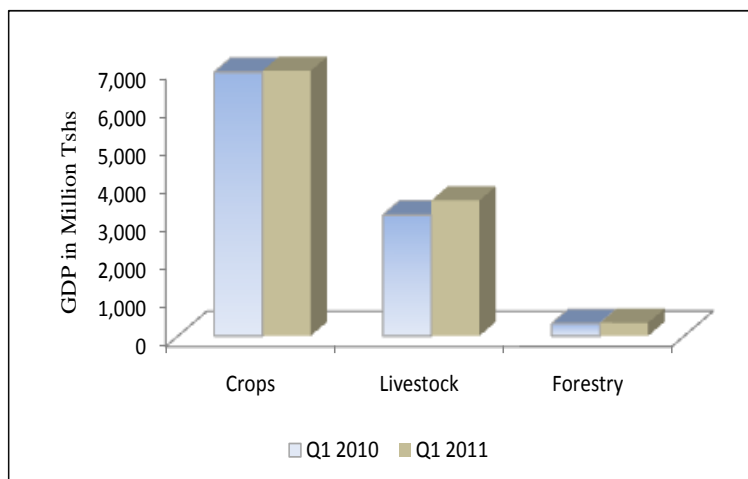
The detail analysis for GDP growth rates of the economic activities in quarterly basis are presented in table 3.0, while the GDP at constant prices are presented in table 2.0.

2.1 Agriculture

The analysis of the GDP at constant prices for agriculture sectors for the first quarter of 2010 and 2011 presented in figure 2 cover three main sub sectors namely crops activities, livestock sectors and forestry and hunting economic activities.

Table 3.0 shows that the percentage change of agriculture grew by 4.2 percent in the first quarter of 2011 compare with 1.9 percent growth recorded in first quarter of 2010. These results are higher as compared with result recorded in same quarter of 2010.

Figure 2: GDP at Constant Prices for Agriculture Sectors

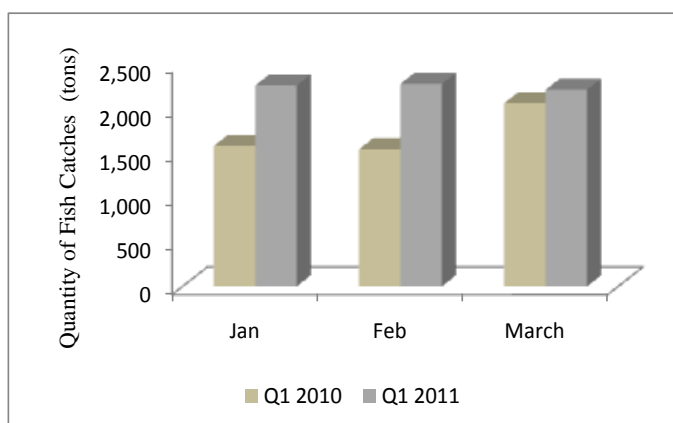


2.2 Fishing

The GDP for fishing activities grew very significant by 30.3 in first quarter of 2011 compare with a decline of 24.8 percent registered in first quarter of 2010.

This large increase of GDP growth for fishing was mainly due to the massive increase of a volume of fish catches from 5,196 tons recorded in first quarter of 2010 to 6,770 tons in same quarter of 2011 (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 on 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 grew by 2.0 percent in the first quarter of 2011 which is lower rate as compared with a growth of 4.3 percent reported in the same quarter of 2010.

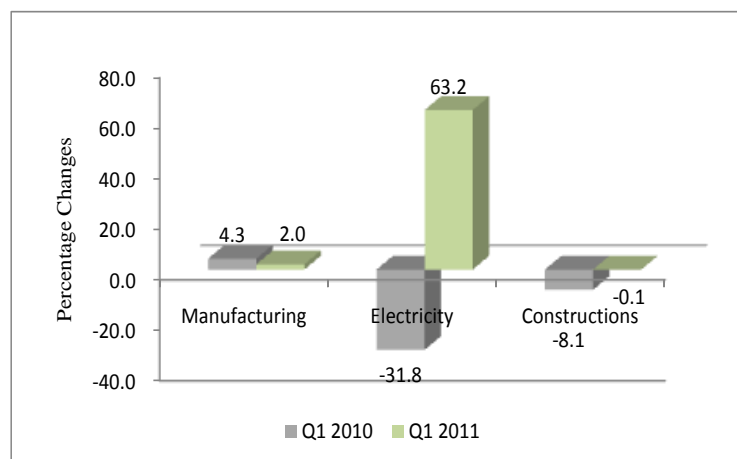
This lower rate growth of manufacturing activities in first quarter 2011 was mainly due to the decrease on production of the volume term for beverages and soft drinks from 1,609 litres recorded in first quarter of 2010 to 1,333 litres reported in first quarter of 2011 which is a decrease of 17.2 percent.

The Mining and Quarrying activities grew by 7.9 percent in the first quarter of 2011 which is significantly higher as compared with the decline of 3.5 percent recorded in the same quarter of 2010.

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 63.2 percent in the first quarter 2011 which is significantly higher as compared with the decline of 31.8 percent that was recorded in the same quarter of 2010.

The GDP of construction activities declined by 0.1 percent in first quarter 2011, however it is higher as compared with the heavy decline of 8.1 percent recorded in the same quarter in 2010.

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



2.4 Services

The Services Activities have more components compared to Agriculture and Industry. Those components 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

These economic activities are estimated based on imports from 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 grew by 13.3 percent in the first quarter of 2011 which is significantly large as compared to decline of 10.6 percent in the first quarter of 2010.

2.4.2 Hotel and Restaurants

The trends of quarterly GDP growth of hotels and restaurants for both 2010 and 2011 are presented in figure 6; the results show that the first quarter for 2011 has highly increased to reach 34.8 percent as compared with the heavy decline of 15.3 reported in similar quarter of 2010. This increase is contributed by increase in number of tourists' arrivals from 36,369 in 2010 to 49,011 in 2011.

2.4.3 Transport and Communication

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

For seven years passed, this sector has shown significant growing due to massive increase on consumption of telecommunication services particularly cellular phones.

However in recent periods the activity has been growing in decreasing rates, as for first quarter 2011 the activity declined by 4.4 percent as compared 25.7 growth of the same quarter 2010.

Figure 5: Percentage Growth of Trade Activities

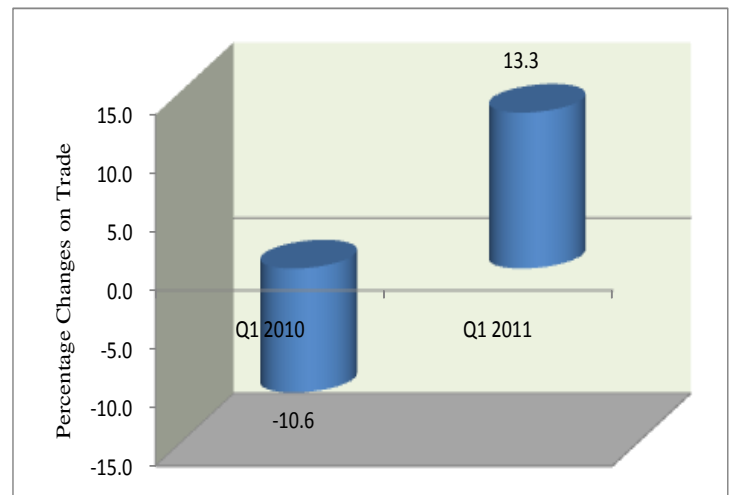
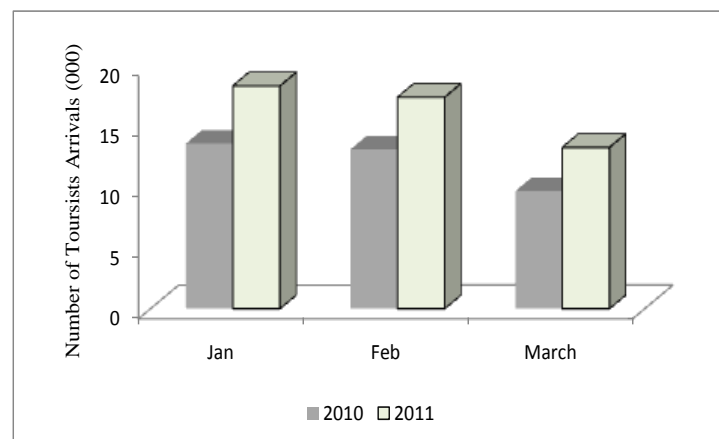


Figure 6: Number of Tourists Arrival in Zanzibar



This decline was contributed by heavy decrease on petroleum importation (a proxy indicator used to estimate land transport) for first quarter 2011 as compared to the same quarter in 2010 during which the demand for the product was very high due to lack of electricity throughout the quarter.

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 a growth of 21.6 percent in the first quarter of 2011 compared to 14.9 percent recorded in the first quarter of 2010.

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 2011 has increased by 16.1 percent compared with a decline of 14.7 percent observed in the first quarter of 2010.

2.4.6 Education

The quarterly estimate of Value Added for the Education activities has been calculated based on the students' enrolment for government and private schools which includes primary, secondary and tertiary levels.

The GDP growth rate of education grew at rate of 3.7 percent in 2011 which is lower as compared with the growth of 4.3 percent recorded in the first quarter of 2010.

This lower rate of growth for first quarter 2011 is due to fall on number of students at government's secondary schools from 78,731 (2010) down to 75,629 (2011) representing a decline of 3.9 percent for secondary schools students.

2.4.7 Other Services

The Other Services category covers a variety of service activities such as other social and community services, real estate and health. In most of cases, quarterly estimates are derived using trends in related indicators.

However, this computation is based on annual estimates distributed equally across the quarters. The synthetic procedure is used for estimating the Value Added for other social and community services and real estate due to the absence of appropriate indicator while health services used their salary and wage trends.

The GDP growth rate of the other service activities grew by 6.1 percent in the first quarter of 2011 compared with a growth of 2.7 percent observed in the same quarter of 2010.

Table 1.0: Quarterly GDP Estimated at Constant Price from 2001 to First Quarter of 2011

(Million Tshs)

Years	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
First Quarter	43,716	50,442	53,562	62,775	65,491	68,910	71,675	77,327	86,401	84,961	90,905
Second Quarter	47,935	47,971	54,321	59,815	57,918	66,659	72,341	69,396	73,138	79,545	
Third Quarter	61,103	68,848	72,583	74,759	83,166	84,591	90,952	95,941	106,734	117,330	
Fourth Quarter	69,624	74,128	75,364	75,137	79,117	82,679	87,409	96,585	95,671	103,529	
Year	222,379	241,389	255,830	272,486	285,691	302,839	322,377	339,249	361,945	385,364	

Table 2.0: Quarterly GDP Percentage Growth Rates from 2002 to First Quarter of 2011

Years	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
First Quarter		15.4%	6.2%	17.2%	4.3%	5.2%	4.0%	7.9%	11.7%	-1.7%	7.0%
Second Quarter		0.1%	13.2%	10.1%	-3.2%	15.1%	8.5%	-4.1%	5.4%	8.8%	
Third Quarter		12.7%	5.4%	3.0%	11.2%	1.7%	7.5%	5.5%	11.2%	9.9%	
Fourth Quarter		6.5%	1.7%	-0.3%	5.3%	4.5%	5.7%	10.5%	-0.9%	8.2%	
Year		8.5%	6.0%	6.5%	4.8%	6.0%	6.5%	5.2%	6.7%	6.5%	

Table 3.0: The GDP Growth Rates by Activity – Percentage Changes from 2006 - 2011

Year	Quarter	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 industries at basic prices	Taxes on products
2006	1	30.0	5.9	-7.8	11.8	6.2	19.3	14.3	4.6	-7.6	-12.8	-17.4	5.6	3.1	4.7	7.9
	2	16.5	-0.6	-31.0	15.3	6.3	12.4	60.2	26.6	4.4	-11.4	-20.7	5.7	2.2	8.5	58.3
	3	17.1	3.8	39.8	5.5	5.3	60.5	-23.0	-1.1	-0.3	-8.9	-16.3	7.6	5.0	4.4	-12.2
	4	30.6	-11.6	22.9	-16.6	2.3	40.8	-19.7	21.5	7.8	-7.8	-18.5	2.6	11.3	7.0	-8.6
2007	1	-2.5	-1.6	47.8	-3.2	3.1	22.2	-2.6	7.0	29.2	18.1	-6.0	2.3	2.7	5.0	-0.7
	2	16.5	5.8	20.9	-15.1	7.0	20.2	3.9	8.3	51.4	21.1	-2.8	-0.6	1.3	10.3	0.5
	3	0.5	-12.2	-15.1	-5.6	8.7	5.2	22.8	3.2	38.5	31.5	1.2	-0.2	2.9	6.3	15.2
	4	-10.0	18.5	-3.6	31.3	11.2	-14.6	17.1	2.1	30.9	14.1	12.9	3.7	15.6	4.8	11.4
2008	1	16.3	-0.7	5.4	-0.9	9.4	0.8	-4.4	18.8	25.4	17.7	-8.4	3.2	6.6	7.2	11.1
	2	-12.5	-14.6	15.9	6.3	-10.4	-16.2	-15.9	-2.7	21.9	4.3	-7.3	7.2	8.5	-4.2	-3.5
	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
	4	11.9	10.3	39.2	-3.5	3.3	27.9	7.3	-10.3	33.8	7.1	5.6	8.5	-4.0	10.7	9.5
2009	1	2.9	26.8	18.0	2.8	1.5	19.3	9.8	-9.2	28.7	-6.9	34.9	7.0	4.8	12.1	10.1
	2	3.2	29.7	24.8	3.3	19.2	19.2	-12.1	4.7	14.3	7.0	15.0	4.9	4.5	8.1	-7.6
	3	20.3	-6.9	4.3	0.3	4.3	-8.2	20.5	14.4	25.8	11.2	-10.1	5.4	5.0	10.5	15.6
	4	-9.8	-27.6	1.9	3.3	-12.1	-10.1	-2.4	12.7	20.3	1.1	-12.1	5.2	-0.7	-2.2	6.8
2010	1	1.9	-24.8	-3.5	4.3	-31.8	-8.1	-10.6	-15.3	25.9	14.9	-14.7	4.3	2.7	-1.7	-1.7
	2	0.2	5.8	4.6	3.4	6.9	8.2	12.3	2.8	23.0	26.1	0.4	4.9	2.9	8.0	13.0
	3	15.1	3.7	9.9	3.0	6.2	1.4	12.6	-0.2	19.2	22.0	7.7	5.4	3.2	10.5	6.7
	4	-4.1	26.0	11.4	1.9	19.6	4.6	-1.9	25.7	12.4	32.1	19.5	4.7	5.8	8.0	9.4
2011	1	4.2	30.3	7.9	2.0	63.2	-0.1	13.3	34.8	-4.4	21.6	16.1	3.7	6.1	1.7	-2.6