

**IMMEDIATE
ATTENTION**

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March 12, 2004

To: Members of the Executive Board

From: The Secretary

Subject: **Tanzania—Report on the Observance of Standards and Codes—
Data Module—Response by the Authorities**

Attached for the **information** of the Executive Directors is the response by the authorities to the data module of the report on the observance of standards and codes for Tanzania (SM/04/90, 3/12/04).

It is expected that this report will be posted on the Fund's external website after March 19, 2004.

Questions may be referred to Mr. Ayales, STA (ext. 36063).

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

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INTERNATIONAL MONETARY FUND

TANZANIA

Report on the Observance of Standards and Codes (ROSC)—Data Module

Response by the Authorities

March 12, 2004

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I. INTRODUCTION/BACKGROUND

This report is based on the findings of the IMF's Statistics Department mission that visited Tanzania from 8–23 October 2002. The mission's objective was to assess the country's data dissemination practices against the IMF's General Data Dissemination System (GDDS). Bank of Tanzania (BOT), the Ministry of Finance (MOF) and the National Bureau of Statistics (NBS) have noted with satisfaction the results of the mission that prepared the data module of the Report on the Observance of Standards and Codes (ROSC). The report reveals a number of problems related with the data compiled by the BOT, MOF and NBS.

The reported data problems include; lack of disclosure, deviations from international standards in terms of classification and sectorization, delays in completion of compilation and dissemination, inadequate/poor coverage, deficiencies in accuracy and reliability, inconsistencies and errors, problems of layout and format of data tables, insufficient accessibility, problems of timeliness and periodicity and problems of concepts and definitions in accordance with relevant manuals.

This response of the authorities presents below clarifications concerning selected sections of the data ROSC. The intention is to provide information on actions taken and plans formulated following the October 2002 ROSC mission. The report also recommends actions to be undertaken by the three main data agencies to improve their respective areas including the timeframe. It further identifies the technical assistance needs of each of the three institutions.

II. COMMENTS (BY SECTIONS OF THE ROSC)

A. Executive Summary

Following the ROSC mission, authorities in Tanzania have taken measures to remove some of the identified data problems and have future plans in a number of areas.

BOT

BOT has extended the coverage of Monetary Statistics to include other Depository Corporations. Beginning with the Bank of Tanzania Economic and Operations Report of 2002, the coverage has been extended to include nonbank financial institutions and rural banks. The problem of slippage in the monthly publication cycle for the Monthly Economic Review has also been rectified.

The layout and formats of BOP data tables have also been improved and the procedure for document review has been reinforced and all documents are currently being reviewed and approved by relevant authorities prior to release for publication. Also, in its efforts to improve the sources of BOP statistics, BOT commissioned in November 2002, a survey on Private Flows and plans are underway to conduct another survey of embassies and international organizations during 2003/04. However, despite all these efforts, there still

remains a number of impediments that hinder full compliance of international standards in the compilation of BOP statistics. The absence of a legal mandate for collection of BOP statistics from other economic agents other than financial institutions is one such example.

Requirements

BOT needs technical assistance in the area of debt recording to be able to comply with the BPM5. The debt data software currently in use i.e., CSDRMS does not provide for treatment of debt arrears as required in the BPM5. BOT has consulted COMSEC in order to upgrade the debt data software so that it can provide debt data that will accommodate BPM5 requirements.

NBS

NBS have also taken several measures in the different problem areas of National Accounts as identified by the mission. Beginning August 2003, NBS has formed a task force on GDSS which includes members from BOT, MOF and other stakeholders to conduct the benchmarking and rebasing of GDP. Subsequently, a notice to users on benchmarking and rebasing of GDP will be given before end of December 2003. Measures for implementation of the 1993 SNA have also begun since October 2003, starting with classification of household consumption expenditures which will be followed by introduction of institutional sectoral accounts and revision of national accounts to include the 2000 business surveys. NBS expects to be in full compliance with the 1993 SNA in three years time. Zanzibar statistics are still excluded and will continue to be excluded from the national accounts because they are not part of the union affairs. NBS have also since August 2003, revised the industrial production surveys from ISIC Rev.2 to ISIC Rev. 3. It has also completed compilation of social accounts matrix for the year 2000, which also includes input-output tables that can be used for consistency checks. The recent creation of the post of information/publicity officer will remove the problem of contact person at the NBS. Meanwhile, NBS has developed a brochure for enlightening users of Consumer Price Index (CPI), has started posting the Producer Price Index (PPI) on the national website and is working on a mechanism for issuing release calendars of the PPI and CPI.

Requirements

NBS currently receives technical assistance from the IMF AFRITAC office in the areas of PPI. However, additional technical assistance will be required to facilitate the preparation of quarterly national accounts and implementation of the 1993 SNA. NBS further needs to recruit additional staff (statisticians) for strengthening of its department of national accounts.

MOF

With respect to Government Finance Statistics (GFS) the identified problems are largely caused by the system of Central Government Operations (CGO) currently used by MOF, which does not conform with the GFSM 2001. The problems will disappear once MOF

implements measures aimed at shifting from CGO reporting system to GFSM 2001. It is estimated that this plan will take about three years to implement.

Requirements

Technical assistance will be required by MOF to implement this plan. This will also include the provision of training on GFS for MOF staff and establishing a centralized database system.

B. Assessment of Data Dissemination Practices and the GDDS

Tanzania meets the GDDS recommendations for the coverage, periodicity, and timeliness of the core statistics. However, the mission on ROSC observed that metadata are only presented on the IMF's Dissemination Standards Bulletin Board (DSBB) but generally not in national publications or website. NBS is committed to ensuring that metadata is posted on the national website after completion of the ongoing exercise of updating the same before the end of 2003.

The ROSC report further notes that data dissemination is a cross-cutting problem to all the three main data agencies. This requires for concrete plans to disseminate data including the introduction of release calendars, which show the dates and the type of data to be disseminated to the public.

C. Summary Data Quality Assessment

Prerequisites of quality: The Public Finance Act, 2001 and Regulations does not specifically assign MOF responsibility to compile and disseminate Government Finance Statistics in line with international standards. This law requires urgent amendment to be adapted to current reality. Likewise, the responsibility and legal mandate for compiling balance of payments statistics is not specified in the BOT Act. This also calls for amendment of the BOT Act to accommodate this requirement.

Methodological Soundness: Adoption of the 1993 SNA by NBS will reduce, if not eliminate most of the problems identified in national accounts data. On the part of the MOF, modification of the current reporting system of CGO and/or complete migration to the GFSM 2001 can enable the MOF analytical framework to be in line with international standards.

Accuracy and Reliability: All statistics other than monetary, exhibit deficiencies in accuracy and reliability. National accounts suffer from inadequate business register, lack of sources for informal and service sectors wide spread extrapolation from earlier estimates. For price indices, the base year is obsolete and quality changes are not taken into account. CPI pricing items are also not well specified and price quotations are misreported. NBS has started including in the budget Central Register of Business establishment as one of the core statistics beginning 2002/2003. This move will enable the business register to be updated regularly. The National Accounts are undergoing a revision, which will resolve the problem

of extrapolation. The base year will be reviewed after the review of the CPI weights and basket has been completed.

Serviceability: The needs of nongovernment users are not monitored and no regular contacts with such users are maintained. Advance notice of major changes in methodology is generally not provided. To rectify these problems the BOT, MOF and NBS all need to establish mechanisms of providing advance notice to users when there are major changes in methodology.

Accessibility: Compiling agencies have no catalogs of publications for their users. BOT has already taken steps to improve the access of monetary statistics by posting it on its website. The problem however is on updating of the relevant web pages which is not done regularly. Other publications of BOT are available for the public, although some are released with delays. NBS have also taken steps to have the metadata posted on the national website. This will improve access of metadata by all users including the public.

D. Fund Staff Recommendations

To further enhance Tanzania's adherence to international statistical standards, the BOT, MOF and NBS need to publicly identify internal government access to data prior to release, provide advance release calendars and release statistics simultaneously to all users. They also need to make known to the public their revision policies, conduct surveys among users to receive feedback on the quality of statistics and regularly update and enhance the GDDS metadata posted on the DSBB for all sectors.

National Accounts: The shift from the 1968 SNA to 1993 SNA needs to be done urgently. Beginning October 2003, NBS has started the classification of household consumption expenditure, which will be followed by the introduction of institutional sectoral accounts. Full compliance with 1993 SNA would take about three years.

Consumer and Producer Price Indices: NBS needs to introduce procedures to identify and correct for quality changes including strengthening of the current validation procedures, particularly for CPI. Rebased the PPI to make it representative of all establishments in mining, manufacturing and public utilities is also of outmost importance. However, the compilation and dissemination of price statistics for the full Tanzanian territory is not feasible because statistics is not a union affair.

Government Finance Statistics: The problems related with Government Finance Statistics will be resolved after the MOF has adopted the GFS 2001 manual. MOF needs therefore to modify its current CGO analytical framework and develop a migration plan to the GFSM 2001.

Monetary and Financial Statistics: The inclusion of all depository corporations in the coverage of the depository corporations survey has started and will be disseminated starting

with the 2002/03 annual report. The change of valuation policy on foreign securities to market prices is also another challenge for BOT to implement.

Balance of Payments Statistics: Deficiencies in the BOT's legal mandate for compiling balance of payments statistics need to be addressed. Bringing the methodology for debt arrears in accordance with BPM5 needs to be worked upon.

E. Detailed Assessments Using the Data Quality Assessment Framework

National Accounts

0.2 Resources

Resources are somewhat limited to undertake extensive analysis or expand the statistical system (e.g., quarterly accounts, implementing 1993 SNA).

The government has improved support to core-statistics, which includes support of national accounts compilation. During financial year 2002/03, the government released all funds budgeted for core statistics. NBS will continue to request the government to give more priority to statistics in terms of funding so as to broaden its statistical coverage. Furthermore, the National Accounts Department of NBS needs to be strengthened by employing more statisticians. NBS also needs technical assistance for preparation of quarterly national accounts and implementation of the Systems of National Accounts.

1.2 Transparency

Government access to national accounts data prior to release is not fully identified. No advance notice of major changes is given.

Since many institutions are involved in the process of collection and compilation of National Accounts data, it becomes difficult to deny them access of such data prior to release of the same to the government. However, NBS will be giving out GDP releases through its website as well as through the government website beginning end of December 2003. However, NBS needs to introduce a release calendar of GDP data prior to posting the same on its website.

A notice of major changes is currently under preparation. To this end, a task force on GDDS involving officials from BOT, MOF, NBS and other stakeholders was formed in August 2003. A notice to users on benchmarking and rebasing GDP is expected to be issued before the end of December 2003.

2.1 Concepts and definitions

Concepts and definition are based on 1968 SNA, some elements of 1993 SNA are implemented.

The NBS is committed to the implementation of the 1993 SNA. Beginning October 2003, NBS has started with the classification of household consumption expenditures which will be followed by the introduction of institutional sectoral accounts. While revising the national accounts, NBS will also include the 2002 business survey. It is estimated that full compliance with the 1993 SNA would take about three years. In the process, NBS would need to recruit two additional statisticians and seek for Technical Assistance.

2.2 Scope

Zanzibar is not included. Production and asset boundaries do not meet 1993 SNA recommendations (e.g., intangible assets are not included).

Exclusion of Zanzibar statistics in the National Accounts is due to the fact that such statistics are not part of the Union Affairs. However, there are ongoing consultations between the Mainland and Zanzibar data compilers with a view to harmonizing the methodology and concepts that are used in preparing the National Accounts.

2.3 Classifications and sectorization

Household final consumption expenditure is not classified by purpose (e.g., by using (COICOP). Economic activities of producer units are based on ISIC Rev 2. Institutional sector accounts are not compiled.

The ongoing revision of the national account based on the 2002 business survey, will shift the SNA classification from 1968 to 1993 and accommodate all the necessary changes. However, the industrial production survey has since August 2003, been revised to ISIC Rev.3 thus surpassing the ISIC Rev.2.

2.4 Basis for recording

Output is valued at factor costs, and government and external transactions are recorded on a cash basis.

Output will continue to be valued at factor cost, and government and external transactions shall still be recorded on a cash basis, until the ongoing revision of the national accounts that will shift the SNA classification from 1968 to 1993 is completed.

3.1 Source data

Problems include adequate business register, lack of sources for informal sector and service production, as well as household final consumption expenditure.

Beginning financial year 2002/03, NBS has started including in the budget the Central Register of Establishment (CRE) as one of the core statistics. This move will enable the business register to be updated regularly.

Lack of sources for informal sector and services production, as well as household final consumption expenditure, will be updated during the ongoing revision of national accounts.

3.2 Statistical techniques

Extrapolation is widely used and constant price estimates are not in line with good practice (e.g., single indicator method used to estimate GDP at constant prices, government expenditures are deflated by overall CPI and CPI is not used for deflating household final consumption expenditure).

NBS is committed to resolving the problems associated with extrapolation techniques through the ongoing revision of the national accounts.

3.4 Assessment and validation of intermediate data and statistical outputs

No supply and use framework is used to investigate discrepancies.

This problem is no longer there. NBS has already compiled a social accounting matrix for the year 2000, which also includes input-output tables that can be used for consistency checks.

3.5 Revision studies

Revision studies are not carried out on a regular basis.

Plans are underway to address this problem. NBS has developed a rolling strategic plan for economic statistics covering the period 2003–2012. The plan will provide the necessary data that will facilitate revision studies on regular basis.

4.4 Revision policy and practice

Provisional data are not identified in the national accounts publication.

This problem has been addressed by NBS. Beginning with the national accounts for year 2002, provisional data will now be shown by subscripts.

5.2 Metadata accessibility

Metadata are not widely publicized.

This problem will be addressed soon. NBS will start posting a copy of the GDDS metadata on the national website after completion of the exercise for updating GDDS metadata before the end of 2003.

5.3 Assistance of users

Information on how to obtain user assistance is incomplete, and no catalog of products is available.

NBS has concrete plans to resolve this problem in the near future. NBS has established the post of an information/publicity officer, which has already been advertised in the local newspapers. Once recruited, the officer is expected to commence work immediately.

Price Statistics (Consumer Price Index)

1.2 Transparency

Internal government access is only partially identified. Advance notice of major changes in methodology, sources, and techniques is not routinely provided.

This problem is there. To resolve it, NBS needs to develop a procedure of giving advance notice of major changes in methodology in its statistical series as soon as possible.

2.2 Scope

Rural areas and Zanzibar are not covered.

NBS plans to cover the rural areas after reviewing the CPI basket¹ and HBS weights. Since statistics is not a union matter, Zanzibar is not covered by NBS. However regular consultations aimed at harmonizing CPI methodologies on Mainland and Zanzibar have been taking place. At the same time, Zanzibar is currently planning to undertake new HBS.

2.4 Basis for recording

Prices for fresh food items are not representative of the full month.

NBS should undertake to obtain quotations for fresh food items at least once every week in order to get a good representation of the prices for the month. NBS currently obtains quotations of fresh food items only at the beginning of the month. This procedure undermines the quality of prices quoted for respective months.

3.2 Statistical techniques

¹ A National Technical Committee has been established since August 2003 to periodically review the basket and related matters. The committee comprises of Members from BOT, Treasury, Planning and Privatisation, UDSM and EASTC.

Base year obsolete. Item replacement without quality adjustment. Population used as weights. Incomplete documentation.

NBS needs technical assistance to be able to address the problem of item replacement without quality adjustments. However the problem of using population as weights has already been addressed in the new HBS. Likewise the ongoing revision of CPI weights and basket will also address the problem of incomplete documentation.

3.3 Assessment and validation of source data

Problems persist with misreported prices.

NBS has no mechanism in place to verify physically the reported prices from its regional centres. A mechanism needs to be put in place in the medium term where the staff of NBS will be required to travel to the different locations country-wide to verify the reported data.

4.1 Relevance

There is no regular monitoring of user needs.

This problem has already been resolved. NBS has developed a brochure which is used to enlighten the users on what the CPI is. In addition, NBS conducted two educational workshops during 2003 for users and producers on data needs. Plans are underway to organise more users/producers workshops as well as conducting surveys using user feedback questionnaires.

5.3 Assistance to users

No catalogs. No specific contact is publicised for CPI data.

NBS has developed a brochure for easy data accessibility by users. Meanwhile, release calendar is currently under preparation and the NBS website will be further developed to cater for data needs of various users.

Price Statistics (Producer Price Index)

1.2 Transparency

Internal government access is only partially identified. Advance notice of major changes in methodology, sources, and techniques is not given.

NBS has started posting the Producer Price Index (PPI) on the national website since August 2003. NBS is also developing a mechanism for release of the PPI calendar, which will facilitate internal government access. NBS, should examine the possibility of using the media to provide advance notice of major changes and developments of PPI without further delays.

2.2 Scope

Only manufacturing is covered. The survey is limited to large establishments. Zanzibar is excluded.

The coverage of PPI is currently limited to manufacturing and large establishments. NBS needs to take actions to expand it to include other sectors like mining and quarrying, electricity and water. Also the new NBS strategic plan provides for census of industrial production to be conducted during 2004/05–2005/06.

2.2 Classification/sectorization

ISIC Rev. 2 is used instead of ISIC Rev. 3.

The changes from ISIC Rev. 2 to Rev. 3 to be effective in January 2004.

2.2 Basis for recording

Prices are not clearly defined.

Measures have already been taken to rectify the situation. NBS has put in place a program for backstopping visits to the regions whenever the problems of misreporting of prices arise.

3.1 Source data

Quality changes are not distinguished from price changes. Collection of data is quarterly instead of monthly.

These problems are still there. To resolve them, NBS needs to initiate training programs on the quality issues that will also address the quality change. NBS has expressed their need for technical assistance to verify the standards and cut-off points for the different products. Also NBS through its strategic plan, expects to start collecting price statistics on monthly basis beginning with financial years 2004/05–2005/06.

3.2 Statistical techniques

Base year obsolete. No regular introduction of new products. Last quotes are carried forward if prices are missing. Documentation incomplete.

These problems are currently being addressed. The revision of base year from 1999 to 2000 is ongoing with the support of AFRITAC. This also includes revising the questionnaires and the baskets for commodities. The method for estimation of the missing values will also be reviewed during 2003/04 in accordance with the PPI manual as well as Technical Assistance

from an IMF AFRITAC advisor. The documentation of PPI is expected to be completed by end of 2003/04.

3.5 Revision studies

Analysis of revisions does not feed into imputation process.

This is currently not done. However, NBS needs to take action and examine the possibility of including the analysis of the revision in the imputation process and prepare time schedule for publishing final report after provisional results are out. This could be done in the medium term by setting aside the necessary budgetary resources. There are no indications for technical assistance needs in this work.

4.1 Relevance

There is no periodic monitoring of user needs.

This problem is there. However, NBS needs to work together with users while reviewing the basket so as to take onboard their concerns. Users feedback questionnaire should also be developed and disseminated during the user/producer workshops which are planned for financial year 2004/05.

4.2 Timeliness and periodicity

There is no dissemination to the general public.

This problem has been resolved. Beginning August 2003, NBS has started posting the PPI on the national website. PPI news release are available. PPI booklets are to be prepared and made available for the public to purchase by March 2004.

4.4 Revision policy and practice

Preliminary data are not identified. There are no studies made on the occasion of major revisions.

NBS has plans to address these problems in the medium term. However, it appears NBS will need technical assistance to put in place a mechanism for revision of preliminary data. Where major revisions have occurred, NBS should be able to find ways of explaining them to both producers and users.

5.1 Data accessibility

There is semi-exclusive provision of data to preferred users. There is no preannounced release schedule.

These problems will be resolved in the near future once the ongoing exercises by NBS of preparing a release calendar for the PPI is completed.

5.2 Metadata accessibility

Availability of documentation is not publicized. There are no metadata for nonspecialist users.

These problems are there, but can be resolved quickly if NBS starts posting the metadata on the national website, and publishes a separate document which includes definitions of concepts and methodologies for nonspecialist users.

5.3 Assistance to users

There are no catalogs. No specific contact is publicized for PPI data.

The missing catalogs need to be published by NBS so that they can be used by the public. NBS's decision to establish a post of information/publicity officer will very much assist in facilitating contacts and publicity for PPI data which is currently unavailable.

Government Finance Statistics

0.2 Resources

No resources are specifically assigned to the compilation of GFS. There is lack of formal training in GFS, accountancy and technical computer knowledge. Available financial and computing resources limit further development.

It is true that the resources for GFS compilation at the MOF are still limited. The Ministry should however, take the necessary measures to ensure allocation of sufficient resources for GFS compilation starting with the 2004/2005 Medium-Term Expenditure Framework (MTEF).

With regard to formal training in GFS, this is still a problem at the MOF. Since this is a specialized course, MOF will need to approach the IMF for technical assistance in this area. On the other hand, training in accountancy and technical computer knowledge is ongoing for the Ministry staff within the budgetary resources.

1.2 Transparency

Monthly reports on government finances are made available to the public on request without disclosing the availability to the general public. Internal government access to reports is not disclosed in publications.

Currently monthly reports on GFS are prepared but not disseminated. Only domestic debt reports, are disseminated quarterly to the public. The MOF therefore needs to put in place immediately a mechanism to disseminate the monthly GFS reports as well. The MOF has however established a unit for information reporting purposes which will be operational soon. The unit is expected to improve public awareness and access of government finance statistics.

2.1 Concepts and definitions

The analytical framework is not in line with GFSM 1986. Published aggregates deviate in significant ways from the international standard.

This problem is still there and will be addressed once the reporting framework of Central Government Operations (CGO), which is currently on use at the MOF, is modified to comply with the GFS 2001. The MOF estimates that this plan requires about three years to be implemented and the Ministry will need technical assistance support to implement the plan.

2.2 Scope

At an aggregated level data cover the central government operations but do not include details on expenditure of extrabudgetary units and development expenditure. Full scope of data as presented by GFSM 1986 tables is not available.

These problems are there because CGO reporting system currently used by MOF, does not show in detail the expenditure of extrabudgetary units. Foreign components for development expenditure are also not included in the CGO. The problems will disappear once MOF implements measures aimed at shifting from the existing reporting system to GFSM 2001.

2.3 Classification/sectorization

Classification of transactions differs from the GFS in significant ways. Transactions of the subsectors of the government, as well as transactions with local governments are neither clearly identified nor treated in accordance with the GFS. There is no clear demarcation between units of government.

Problems of classifications of transactions by sub-sectors of central and local governments are caused by the CGO classification currently used by MOF, which is based on functions instead of economic classification codes. The shifting from CGO to GFSM 2001 is the only solution to these problems.

2.4 Basis for recording

Development revenue includes transactions in kind. Lending minus repayment and activities of departmental enterprises are presented on gross basis.

The identified problems are associated with the method currently used by MOF of including grants in kind as a source of revenue, while lending minus payments is presented on a gross basis. These problems can be eliminated through modification of the reporting system of CGO in order to be in line with the GFS 2001. The proposed modification does not need to wait for the complete shift from CGO to GFSM 2001.

3.1 Source of data

Economic classification of expenditure by extrabudgetary units and development expenditure is not available.

The problem of economic classification of expenditure by extrabudgetary units is currently, being addressed through the Integrated Financial Management System (IFMS), which will be extended to all regions to include extrabudgetary units. The problem of economic classification of expenditure by development expenditure shall however remain until MOF implements the shift from the current system to GFS 2001.

3.4 Assessments and validation of intermediate data and statistical outputs

Various publications contain differently defined aggregates. Data on grants are subject to frequent revisions. Investigation of discrepancies is limited.

Efforts have started to address some of these problems. The MOF has embarked on a monthly reconciliation exercise to eliminate the data inconsistencies in various government publications. MOF shall however need to reinforce capturing and reconciliation of data on grants to remove the problem of frequent revisions.

4.1 Relevance

Data are relevant for use within government. However, the framework and classifications limit their usefulness in international comparisons. Needs of other users are not monitored.

MOF reporting system of CGO is not compatible with the GFS 2001 hence limits usefulness of data in international comparisons. This problem will be addressed once MOF shifts away from the CGO to GFSM 2001 reporting system. However in the medium term, MOF needs to put in place a system of getting feedback from the public on fiscal data.

4.3 Consistency

Data sets on government finance contained in the various publications differ due to differences in the analytical framework used. Causes of differences are not disclosed. Reconciliation with other datasets is hampered by differences in coverage.

The problems of data inconsistencies will be addressed if MOF puts in place a centralised data base system. MOF considers that it will take them about two years to establish a centralized database system for which they will also need to get technical assistance support.

4.4 *Revision policy and practice*

Only the annual data revision follows a regular cycle and is published in the audit reports. No indications of the preliminary or final status of data is given.

MOF needs technical assistance particularly on GFS 2001 training, to be able to introduce a revision schedule or calendar. MOF considers that if the necessary support is secured, MOF can release the first calendar to the public beginning January 2004.

5.1 *Data accessibility*

Although there is no preannounced release schedule, data are released at regular times. Data are not released simultaneously to all users. Availability of nonpublished data is not disclosed.

These problems will disappear once MOF puts in place a mechanism for dissemination of data to the public and getting feedback from users. The mechanism can include publishing of catalogs, release calendar, newsletters, etc. This should be able to be done within the next year or so.

5.2 *Metadata accessibility*

Metadata are only disseminated on DSBB.

It is possible for the metadata to be posted on the national website even before the end of 2003. What is required is for MOF to coordinate with NBS and POPP to ensure timely availability of metadata.

5.3 *Assistance to users*

Contact details are only available on DSBB. No catalog of MOF publications is available.

To resolve the problem of contact details, MOF should immediately start indicating names of contact persons on the specific data disseminated in its various publications. Meanwhile, plans are underway at the MOF to have a centralized information system for data monitoring and management and to have a catalog of all MOF publications by 2004/05.

Monetary and Financial Statistics

1.2 Transparency

Pre-release access to data by the Minister of Finance is not publicly identified. BOT is not identified on a consistent basis as a source of monetary statistics in its publications. Advance notice on major changes in methodology, source data and statistical changes is not provided.

In order to resolve the identified problems, BOT needs to do the following;

- Introduce a release calendar of all information disseminated to government and public.
- Indicate source of monetary data in its various publications.
- Introduce a mechanism for giving advance notice on major changes in methodology, source data and statistical changes.

All these measures can be implemented beginning January 2004, within this year's budgetary resources without any need for technical assistance.

2.1 Concepts and definitions

The full range of sectors and categories of financial instruments not identified.

These problems will disappear once BOT completes the migration from activity/industrial classification, to the new classification according to the *Monetary and Financial Statistics Manual (MFSM)*. It is expected that the shift will be completed during financial year 2004/05.

2.2 Scope

Coverage of the depository corporations survey is limited to commercial banking sector.

This problem is no longer there. Beginning with the Bank of Tanzania Economic and Operations Report of 2002, the coverage has been extended to include other depository corporations namely non-bank and rural banks. Depository corporations surveys will subsequently be posted on the BOT website after release of the 2002 Annual Report.

2.3 Classification/sectorization

Monetary statistics do not provide adequate information on sectoral distribution of domestic credit, and no information on sectoral distribution of accrued interest.

To resolve these problems, BOT needs to modify the current form 16 used by financial institutions for reporting data to the BOT, or should introduce a separate form that gives

detailed breakdown of domestic credit, as well as accrued interest, by all appropriate sectors. This should be done within the next financial year 2004/05.

2.4 Basis for recording

Foreign securities are not valued at market prices.

To implement this, BOT should consider changing its valuation policy on securities and put in place a system that will capture the market price of foreign securities on daily basis. This can be implemented beginning January 2004.

3.1 Source data

Source data do not provide adequate information on sectoral distribution of domestic credit.

In order to capture information on sectoral distribution of domestic credit, BOT needs to re-design its form 16, or issue another form that provides adequate information on sectoral distribution of domestic credit. This can be done in the short term beginning January 2004.

3.5 Revision studies

No revision studies are undertaken.

BOT needs to undertake regular studies on major statistical changes and inform users. The studies can start during the financial year 2004/05.

3.6 Timeliness and periodicity

Slippage in the Monthly Economic Review occasionally occur.

Currently this problem has been rectified.

4.1 Relevance

User surveys are not conducted.

There is a need for BOT to introduce user survey questionnaires and conduct users workshops at least once a year beginning financial year 2004/05.

4.4 Revision policy and practice

Preliminary data are not identified on a consistent basis.

BOT should put in place a mechanism of informing users of monetary statistics on major revision and revision cycles beginning January 2004.

5.1 Data accessibility

Advance calendar for the release of data is not disseminated.

Such a calendar is nonexistent. BOT should consider introducing a calendar, which will inform the public on the dates and type of data to be released by the Bank beginning financial year 2004/05.

5.2 Metadata accessibility

No metadata is available from national publications.

Currently metadata is available on the GDDS (IMF website) only. BOT should liaise with NBS to ensure metadata is also posted on the national website beginning January 2004.

Balance of Payments Statistics

0.1 Legal and institutional environment

Responsibility and legal mandate for compiling balance of payments statistics is not specified in the BOT Act.

BOT considers amending the BOT Act (1995) so that it clearly specifies mandate for compiling balance of payments statistics. This should be done within financial year 2004/05.

0.2 Quality awareness

Quality control processes are in place but are not effective.

The procedure for document review has been reinforced and all documents are currently being reviewed and approved by the relevant authorities in the Bank prior to release or publication.

1.2 Transparency

Notice of major changes in methodology and data sources is not given in advance.

This hasn't been done. BOT is working on putting in place a mechanism to inform in advance users of data and the public on major changes in methodology.

2.1 Concepts and definitions

Treatment of debt arrears and reserve assets is not in accordance with BPM5.

Reserve assets treatment is in accordance with the BPM5. BOT has consulted COMSEC with the view to upgrading CSDRMS software so as to enable recording of data on arrears as required by the BPM5. Also BOT will need Technical Assistance or training on proper recording of debt data according to the BPM5. These actions need to be implemented beginning financial year 2004/05.

2.2 Scope

There are gaps in data coverage such as unrecorded trade.

These problems are still there. However, in order to address them, there is need for the BOT to commission a joint study with NBS and TRA to determine the magnitude of unrecorded trade and design an appropriate method of estimation. This should take place in 2005/06.

2.3 Classification/sectorization

Sectorization of debt transactions, and classification of current transfer debits, technical assistance and income items, are incorrect. There are also problems with misclassification by banks of ITRS data.

Misclassification by banks in respect of the ITRS data is mainly caused by differences in definitions and treatment of transfers, which can be addressed in the form of training to the staff responsible in preparing the data. BOT also needs to consider undertaking regular training to compilers of relevant statistics within the financial institutions starting 2004/05.

2.4 Basis for recording

Data are on a cash basis. Some transactions, such as inter-company and communications transactions, are on a net, rather than a gross, basis.

This is particularly a problem on items in the services account. To address this problem, BOT should arrange to conduct regular surveys in the services account in order to reduce dependency on recording on cash basis, thus moving towards accrued basis recording. This should be done beginning 2003/04.

3.1 Source data

Present data sources for travel, investment income and flows, transfers, transactions of embassies and international organizations, and workers' remittances are inadequate.

These problems are currently being addressed through the ongoing survey on Private Capital Flows and the Tourism Survey. Results of the survey on Private Capital Flows that started in November 2002 are expected to provide information for 2000 and 2001 by end of 2003/04. Results of the Tourism Survey, which was conducted by BOT in 2001, will be out during 2003/04. The results of the two surveys will improve coverage in the identified areas. BOT

plans to conduct another survey of Embassies and International Organizations during 2003/04. This will also improve coverage. BOT however, needs to examine the possibility of conducting more field surveys in future to improve coverage.

3.2 Statistical techniques

There are numerous examples of errors in disseminated data, and no adjustments are made for unrecorded trade.

The problems of errors in data have been brought to a minimum. However, BOT needs to continue reinforcing the procedure of reviewing all statistics prior to approval as a way of minimising errors. With regard to unrecorded trade data, a joint study between BOT, NBS and TRA to determine the magnitude of unrecorded trade data would assist to resolve the problem. This study could be done beginning 2005/06.

3.4 Assessment and validation of intermediate data and statistical outputs

Behaviour of related data series is not routinely crosschecked and investigated, such as the debt arrears, and changes in net errors and omission following the migration of historical data to new compilation program.

To address this problem, BOT is now routinely crosschecking data with related series and other publications.

3.5 Revision studies

No revision studies are undertaken

BOT is working to put in place a mechanism for revision studies whenever major changes affecting statistical aggregates occur. This should start immediately as well.

4.1 Relevance

User surveys are not conducted.

It is true that user surveys are not conducted. BOT is instituting a mechanism for feedback from users of BOP statistics in order to check relevance of data. This should start during 2004.

4.3 Consistency

There are inconsistencies between the Debt Management Department data on debt arrears stocks, POPP data on balance of payments and MOF data on transfers.

The inconsistencies in data identified above still exist. To remove them, BOT, NBS, MOF and POPP are working on establishing a formal working arrangement of harmonizing and removing the identified inconsistencies. Explanatory notes will be included wherever there appears to be obvious variations or inconsistencies.

4.4 Revision policy and practice

Revisions are frequent, but are not identified or explained. Revision policy is not disseminated.

These problems are currently being addressed. BOT is preparing a revision policy, which is expected to be in place at the end of FY 2003/04. The policy will provide for revision of data once a year at the end of June.

5.1 Data accessibility

There are numerous problems with layout and format of data tables. Disseminated data are highly aggregated and insufficient to meet user needs. The timeliness is variable, and there is no pre announced schedule of release. Nonpublished, nonconfidential, detailed data are not available upon request.

BOT has already taken steps to improve the layout and formats. BOT will ensure the exercise becomes permanent.

5.2 Metadata accessibility

Metadata are not disseminated in national publications, or on BOT the website.

Drafting of the methodology document is in progress and will be completed before the end of FY 2003/04. Once finalised, the methodology metadata will be incorporate in all BOT publications and on the BOT website.