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20pc plunge in air cargo volume triggers concern

Cargo volume dropped by 20 per cent between 2015 and 2016, a new report has established. The document, titled 'Civil Aviation Statistics of Tanzania, 2016,' shows that the cargo tonnage decreased from 30,021 to 24,030 during the period. The volume of domestic cargo fell by 15.7 per cent, to 2,042 tonnes while international cargo dwindled by 20.3 per cent, to 21,988 tonnes. The Tanzania Civil Aviation Authority (TCAA) report associates the drop to factors such as the lack of business attractiveness and facilities at main airports and high airway transport costs. Others are the decrease in the volume of business activities in the country and a fall in food exports from Tanzania to the Comoros. "Unfavourable business environments at Julius Nyerere, Kilimanjaro and Abeid Amani Karume and Mwanza airports are to blame for the drop in airfreight," reads the report in part. *"The Citizen, Business week Pg.13"*

Barrick Gold to book \$429m Q4 charges on mired project

Major miner Barrick Gold expects to book a pre-tax impairment in the fourth quarter ended December 31 of about \$429 million at its stalled Pascua-Lama copper/gold project, which straddles the border between Chile and Argentina. The NYSE- and TSX-listed company advised that it is reclassifying about 14-million ounces of gold in the proven and probable reserve categories back to the measured and indicated resource categories, which are not considered viable to base a mine plan on. Barrick stopped the project in 2013 after investing \$5 billion in it. In addition to permitting issues, cost overruns and a sharp drop in bullion prices; it faced strong and organized opposition by the local indigenous communities. The Pascua-Lama open pit project was originally expected to cost no more than \$3-billion when construction was approved in 2009. The cost of the project had since escalated to more than \$8.5-billion. *"The Citizen, Business week Pg.13"*

Lending rates escalate, new BoT report shows

Borrowers paid more to obtain loans from banks in December 2017, compared with the rate in a similar month in 2016. The Bank of Tanzania economic review for January this year showed that overall lending rates jumped to 18.42 per cent in December last year from 15.66 per cent in December 2016. However, the December rates were slightly lower than 18.46 per cent recorded in September this year. According to the central bank review data from selected banks, negotiated lending rates also were up at 16.82 per cent in December last year from 12.54 per cent in December 2016. The December 2017 rate was lower than 17.02 per cent in November last year. The lending rates for periods of up to one year were also up at 18.24 per cent in December last year from 12.87 per cent charged during similar month in 2016. However, the rate was lower than those recorded in July to October this year. With the increased lending rates, loan seekers also faced a hard moment to obtain loans during last year, as banks reduced their lending due to rising nonperforming loans. During the whole last year, the banks' credit to the private sector grew by less than 8 per cent, from a growth of more than 20 per cent in 2015 and early 2016. *"The Citizen, Businesszone Pg.21"*

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