



KINONDONI ROAD,  
1<sup>ST</sup> FLOOR, TOGO TOWER  
P.O. BOX 4441,  
DAR ES SALAAM-TANZANIA  
TEL: +255 22 266 6031  
EMAIL: [info@optimacorporate.co.tz](mailto:info@optimacorporate.co.tz)  
WEBSITE: [www.optimacorporate.co.tz](http://www.optimacorporate.co.tz)

## JPM outlines why Tanzania will continue borrowing

Tanzania will keep borrowing to finance its mega infrastructure projects, President John Magufuli has declared, dismissing arguments that the national debt would soon be unmanageable. "Tanzania still has room for further borrowing...What matters are the projects into which we invest the borrowed money," Dr Magufuli said. He was responding to some issues raised by the Controller and Auditor General (CAG) Prof Mussa Assad who cautioned that the skyrocketing national debt would soon be out of hand. Presenting the audit report for the 2016/17 financial year, Prof Assad said the liability which stood at Sh41 trillion during the 2015/16 financial year rose to Sh46 trillion as of 2016/17 financial year. This, he said, was raising doubts that the debt was increasing speedily and that if left unchecked, it would see Tanzania plunging into a debt stress. But in a rejoinder, the head of state said Tanzania's debt, measured by all sustainability factors, remained very sustainable and that the country still had room for further borrowing. "I know of countries which have debts of more than three times of our gross domestic product (GDP)," he said, insisting that the most important thing is the management of the borrowed money and specific projects into which the money is injected. *"The Citizen, CAG 2016/17 Report"*

## DSE indices start week strongly

The Dar es salaam Stock Exchange's All Shares Index (DSEI) closed up on Monday in green after gaining to 2,369.33 points, up from 2,356.98 points on Friday. The situation was caused by gains in share prices of cross listed companies such as Kenya Airways (KA), KCB, Jubilee Holdings Ltd. (JHL) and Acacia (ACA). However, the Tanzania Share Index (TSI), which measures the performance of locally listed companies, remained at 3,923.33 points on Monday. The report shows that share prices of Uchumi Supermarkets (USL), Nation Media Group (NMG) and East Africa Breweries fell during the end of the week. Total turnover of Sh43.89 million was reached of which of which 100 per cent were floated by local investors, while 67.4 per cent and 34.6 per cent were bought by foreign and local investors respectively. *"The Citizen, Businesszone Pg.21"*

## BancABC announces plans to make borrowing inexpensive

BancABC, which is part of London-listed entity Atlas Mara, has announced a reduction in lending rates aimed at easing the repayment burden and increasing borrowing for existing and new customers with effect from April 1. Speaking in Dar es Salaam, BancABC managing director Dana Botha said they would be reducing their lending rates for term loans, overdrafts and mortgages for customers of a good standing. "Last year, most banks experienced liquidity challenges, which ultimately affected their lending capabilities. For a couple of months now the government through BoT has stepped up and has been advocating the reduction of lending rates from commercial banks through reducing regulatory requirements such as statutory minimum reverse, discount rates, treasury bills and lending to banks at lower rates. This has made lending more affordable for individuals, SMEs and corporate, thereby boosting their businesses. We're glad to be amongst the first banks to announce this move," he said. "High lending rates have been a challenge to majority of Tanzanians, especially the middle class, but we now believe even those who could not borrow can use this opportunity to boost their businesses and improve lives," he noted. *"The Citizen, Businesszone Pg.22"*

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