

# Monthly Statistical Release

JUNE / JULY 2019



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**CENTRAL BANK  
OF ESWATINI**  
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
<b>Gross Official Reserves</b> increased by 18.3 per cent to E6.1 billion at the end of July 2019, due to SACU revenues. The Reserves were equivalent to 2.7 months of imports of goods and services. Year-on-year, Gross Official Reserves contracted by 15.9 per cent.	18.3 ▲	-15.9 ▼
<b>Credit Extended to the Private Sector</b> grew by 2.3 per cent to close at E15.5 billion at the end of June 2019 from E15.1 billion the previous month. The increase emanated from credit to Households and Other Sectors while credit to Businesses declined. Year-on-year, Private Sector credit improved by 6.6 per cent.	2.3 ▲	6.6 ▲
<b>Broad Money Supply (M2)</b> amounted to E17.4 billion at the end of June 2019, reflecting an increase of 1.0 per cent compared to May 2019. Growth in M2 was supported by Narrow Money Supply while Quasi Money Supply contracted. Compared to the previous year, M2 rose by 2.1 per cent.	1.0 ▲	2.1 ▲
<b>Domestic Liquid Assets</b> closed at E5.0 billion at the end of June 2019, up by 0.5 per cent from the previous month. The Banks' liquidity ratio closed at 31.5 per cent at the end of June 2019. Year-on-year, Domestic Liquid Assets increased by 13.9 per cent.	0.5 ▲	13.9 ▲
	PER CENT	
<b>Discount Rate:</b> The Central Bank of Eswatini lowered its discount rate by 25 basis points to 6.5 per cent at the end of July 2019.	6.50	
<b>Prime Lending Rate:</b> Commercial Banks also reduced their prime lending rate to 10.0 per cent at the end of July 2019.	10.00	

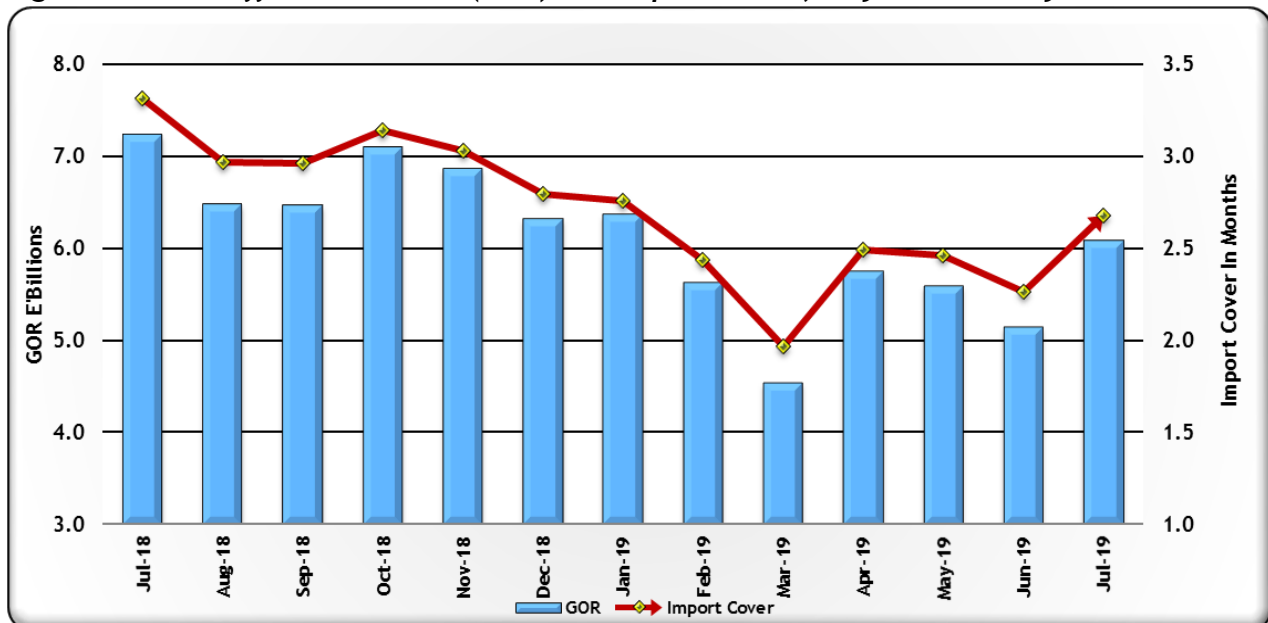
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**Gross Official Reserves** recorded an increase of 18.3 per cent from E5.1 billion in June 2019 to E6.1 billion at the end of July 2019. The growth in Reserves was due to the quarterly inflow of Southern African Customs Union (SACU) revenues during the first week of July 2019. The Reserves were equivalent to 2.7 months of imports of goods and services, higher than the 2.3 months recorded in June 2019. Compared to July 2018, Gross Official Reserves were 15.9 per cent lower.

**Valued in Special Drawing Rights (SDRs)**, the Reserves amounted to SDR311.4 million, 19.0 per cent higher than the SDR261.7 million observed the previous month. Year-on-year, the SDR value reflected a decline of 20.6 per cent.

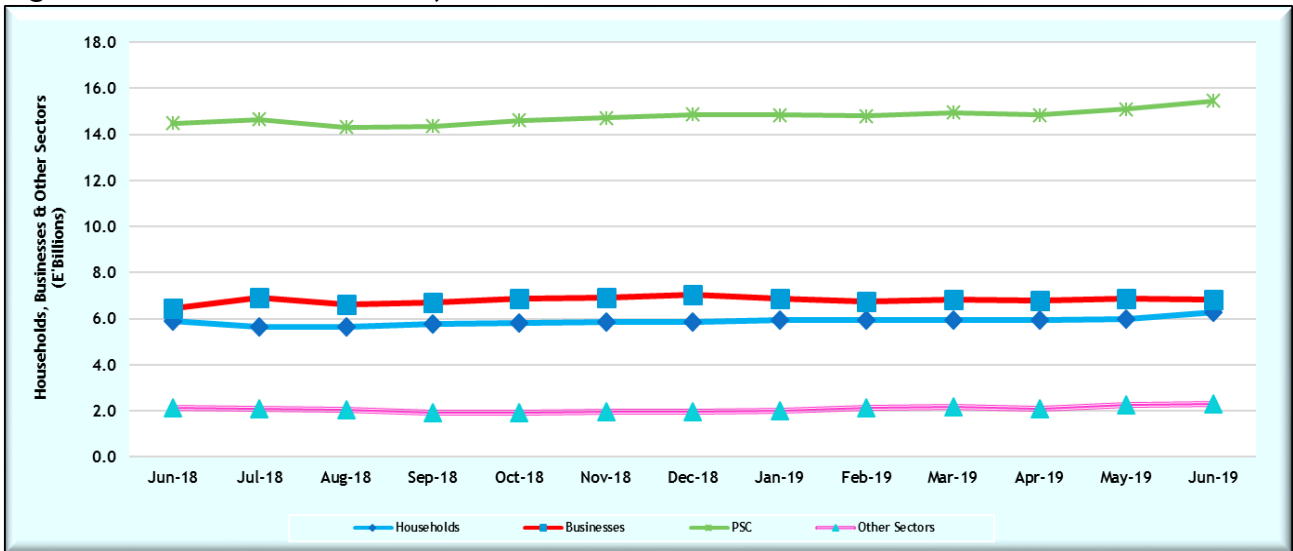
**Figure 1: Gross Official Reserves (GOR) and Import Cover; July 2018 to July 2019**



Source: Central Bank of Eswatini

**Credit Extended to the Private Sector** amounted to E15.5 billion at the end of June 2019, 2.3 per cent higher than the E15.1 billion observed the previous month. The increase was on account of credit to Households & Non-Profit Institutions Serving Households (NPISH) and Other Sectors. Credit to Businesses, on the other hand, trended downwards over the review month. Compared to the previous year, Private Sector Credit increased by 6.6 per cent.

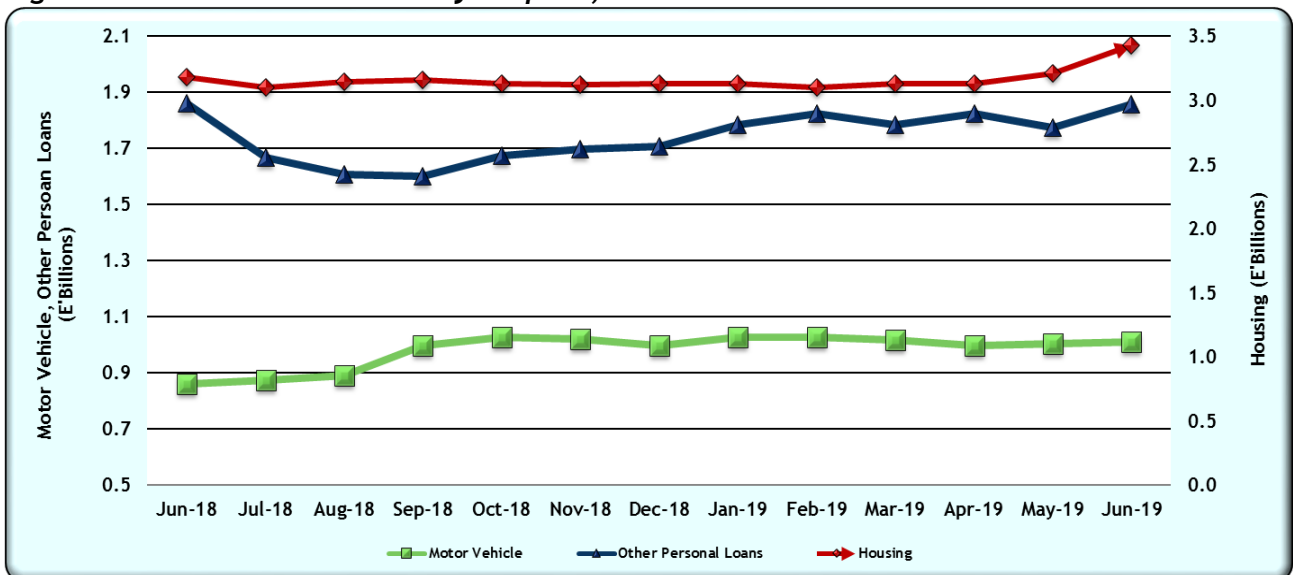
**Figure 2: Private Sector Credit; June 2018 to June 2019**



Source: Other Depository Corporations & Central Bank of Eswatini

**Credit Extended to Households & NPISH** amounted to E6.3 billion at the end of June 2019, depicting an increase of 5.1 per cent from E6.0 billion in May 2019. Owing to this development was an increase of 6.8 per cent in Housing Loans to close at E3.4 billion, a 4.7 per cent rise in Other Personal (Unsecured) Loans to close at E1.9 billion and a growth of 0.7 per cent in Motor Vehicle Loans to close at E1.0 billion.

**Figure 3: Credit to Households by Purpose; June 2018 to June 2019**



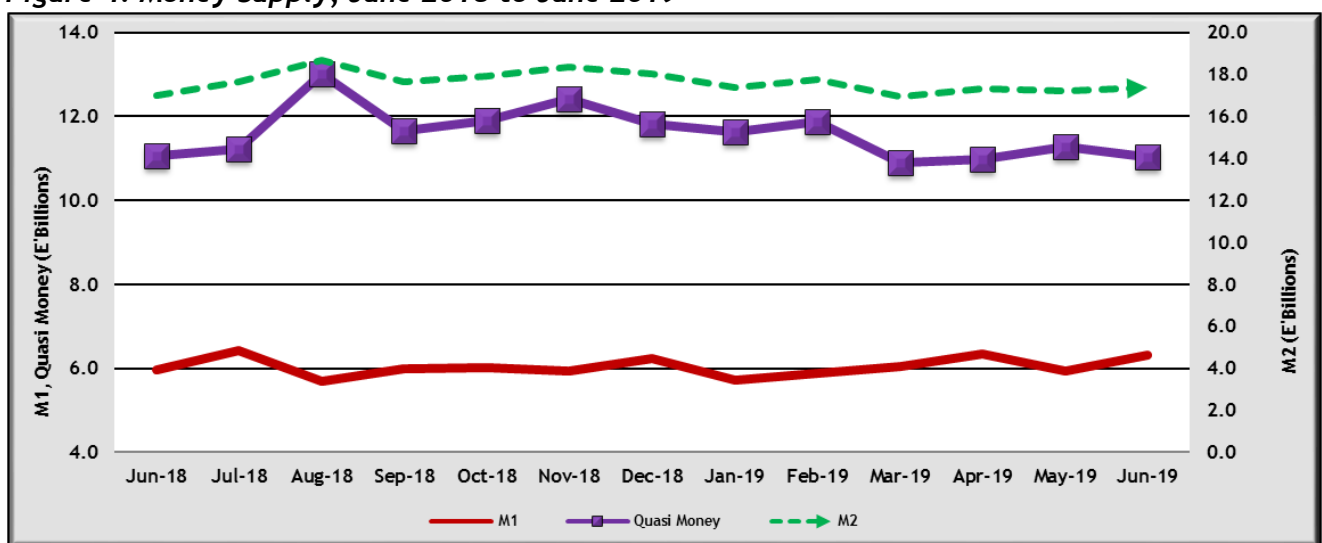
Source: Other Depository Corporations & Central Bank of Eswatini

**Credit Extended to Other Sectors** grew by 3.1 per cent to close at E2.3 billion at the end of June 2019 from E2.3 billion the previous month. This development was due to higher demand for credit in all its components namely; Other Financial Corporations, Local Government and Public Non-Financial Corporations. Credit to Other Financial Corporations grew by 3.8 per cent followed by credit to Local Government at 1.9 per cent and lastly credit to Public Non-Financial Corporations at 1.1 per cent.

**Credit Extended to Businesses** depicted a month-on-month decline of 0.4 per cent to close at E6.8 billion in June 2019 from E6.9 billion the previous month. Explaining the contraction were the following sectors; Real Estate (-17.1 per cent), Construction (-3.9 per cent), Agriculture & Forestry (-2.8 per cent) and Manufacturing (-0.4 per cent). On the other hand, an expansion was observed in the following sectors; Distribution & Tourism (14.5 per cent), Mining & Quarrying (3.9 per cent), Transport & Communication (2.3 per cent) as well as the Community, Social & Personal Services (0.2 per cent).

**Net Claims on Government by the banking sector** registered a month-on-month contraction of 3.8 per cent to settle at E3.1 billion in June 2019 from E3.2 billion the previous month. The contraction emanated from an increase of 5.3 per cent in Government Deposits coupled with a 0.2 per cent rise in claims on Government. Year-on-year, net claims on Government recorded a notable increase.

**Figure 4: Money Supply; June 2018 to June 2019**



Source: Other Depository Corporations & Central Bank of Eswatini

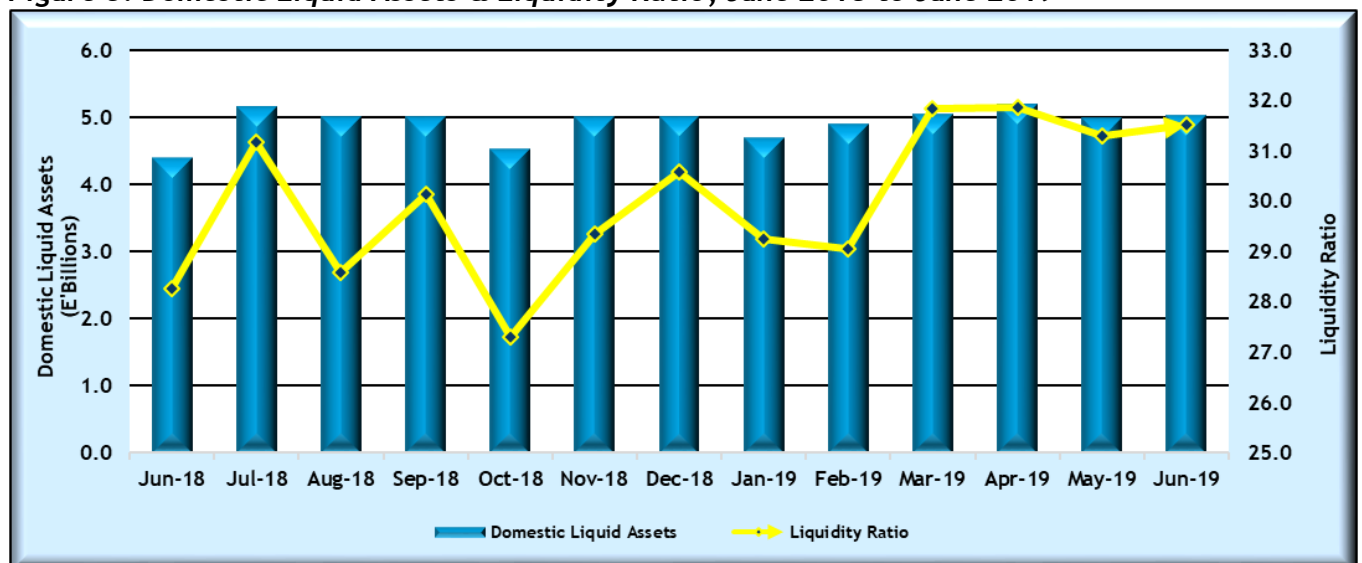
**Broad Money Supply (M2)** stood at E17.4 billion at the end of June 2019, depicting an expansion of 1.0 per cent from E17.2 billion in May 2019. Owing to this expansion was Narrow Money Supply. Quasi Money Supply, on the other hand, declined over the month under review. Year-on-year, M2, rose by 2.1 per cent.

**Narrow Money Supply (M1)** expanded by 6.6 per cent from E5.9 billion in May 2019 to E6.3 billion at the end of June 2019. The growth in M1 was explained by both Transferable (Demand) Deposits and Emalangenzi Outside Depository Corporations, which grew by 6.9 per cent to E5.6 billion and 4.4 per cent to E717.8 million, respectively.

**Quasi Money Supply** decelerated by 2.0 per cent to close at E11.0 billion at the end of June 2019, from E11.3 billion the previous month. Explaining the downswing was a 2.8 per cent fall in Time Deposits to close at E9.2 billion. However, Savings Deposits rose by 2.4 per cent to settle at E1.9 billion.

**The Overall Liquidity Position of the Banking Industry** grew by 0.5 per cent to close at E5.0 billion at the end of June 2019. Explaining the development was a rise in interbank holdings and balances with the Central Bank of Eswatini. Consequently, the Liquidity ratio rose from 31.3 per cent in May 2019 to 31.5 per cent in June 2019. Year-on-year, the Liquidity Position of the Banking industry grew by 13.9 per cent.

**Figure 5: Domestic Liquid Assets & Liquidity Ratio; June 2018 to June 2019**



Source: Other Depository Corporations & Central Bank of Eswatini

## RELEASE OF MONEY AND BANKING STATISTICS

### Notes:

- 1.Data supplied in this Monthly Release represent an abstract of those provided regularly in the Central Bank's Quarterly Review.
- 2.This Release is issued every month.
- 3.All figures shown are subject to revision.
- 4.For definitions of concepts used reference should be made to the relevant notes in the Central Bank's Quarterly Review.

ITEM	Jun-19	May-19	Jun-18
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
<b>CENTRAL BANK OF ESWATINI</b>			
Claims on Non-residents	6,554,851	7,042,347	7,491,605
Claims on Domestic Economy	3,099,819	3,060,406	1,355,249
Government	3,071,639	3,030,724	1,322,329
Other Depository Corporations	2,064	2,064	2,088
Other Resident Sectors	26,115	27,618	30,832
Other Assets	481,638	481,532	506,734
<b>Total Assets/Liabilities</b>	<b>10,136,307</b>	<b>10,584,285</b>	<b>9,353,588</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBS	2,630,870	2,551,882	1,911,860
Net Balances with Banks Outside Eswatini	1,266,192	1,576,082	1,750,373
Loans and advances	13,748,366	13,455,265	13,766,352
Government Securities	2,676,617	2,712,819	2,707,776
Treasury Bills	1,758,696	1,773,583	1,753,667
Government Bonds	917,921	939,236	954,108
Other	0	0	0
<b>Total Deposits</b>	<b>17,537,205</b>	<b>17,385,548</b>	<b>16,809,548</b>
Transferable/Demand	5,806,199	5,424,919	5,301,527
Savings	1,927,898	1,883,073	1,672,073
Time	9,803,108	10,077,557	9,835,948
Capital and Reserves	3,954,186	3,931,721	3,715,437
<b>Total Assets/Liabilities</b>	<b>24,042,041</b>	<b>23,870,884</b>	<b>22,809,612</b>
<b>Total Liquid Assets (Banks only)</b>	<b>5,010,798</b>	<b>4,986,813</b>	<b>4,397,759</b>
Required Liquidity (Banks only)	3,916,805	3,925,577	3,838,332
Surplus/ Deficiency (-) (Banks only)	1,093,992	1,061,236	559,427
<b>RATIOS (%)</b>			
Actual Liquidity to Domestic Liabilities (Banks Only)	31.5	31.3	28.3
Loans and Advances to Deposits	78.4	77.4	81.9



<i>DEPOSITORY CORPORATIONS SURVEY</i>		Jun-19	May-19	Jun-18	
<i>Net Foreign Assets (E)</i>		5,187,383	6,158,954	6,879,064	
<i>Net Official Assets</i>		4,036,861	4,672,620	5,133,305	
Foreign Assets - Central Bank of Eswatini		6,581,094	7,068,590	7,517,848	
Foreign Liabilities - Central Bank of Eswatini		2,544,233	2,395,970	2,384,543	
<i>Net Other Depository Corporations Foreign holdings (ODC)</i>		1,150,522	1,486,335	1,745,759	
Foreign Assets - ODC		1,607,734	1,981,654	2,077,937	
Foreign Liabilities - ODC		457,211	495,319	332,178	
<i>Net Foreign Assets (SDR)</i>		264,037	305,484	354,271	
<i>Net Domestic Claims</i>		18,565,353	18,338,289	16,022,230	
<i>Net Claims on Government</i>		3,116,530	3,238,066	1,530,696	
Claims on Central Government		5,790,812	5,778,508	4,030,756	
Government Deposits		2,674,281	2,540,442	2,500,061	
<i>Claims on other sectors</i>		15,448,822	15,100,223	14,491,535	
Other nonfinancial corporations (Industry)		6,829,191	6,858,246	6,432,588	
Other resident sectors (Households & NPISH)		6,300,989	5,993,323	5,904,029	
Other sectors		2,318,643	2,248,654	2,154,918	
<i>Broad Money Supply (M2)</i>		17,371,611	17,201,331	17,019,943	
<i>Narrow Money Supply (M1)</i>		6,325,766	5,934,962	5,955,723	
Currency outside depository corporations (E)		717,843	687,770	685,399	
Transferable (Demand) deposits		5,607,923	5,247,191	5,270,324	
<i>Quasi Money</i>		11,045,845	11,266,369	11,064,221	
Savings Deposits		1,890,809	1,846,426	1,635,572	
Time Deposits		9,155,037	9,419,943	9,428,649	
Shares and Other Equity		6,671,068	7,508,741	6,462,589	
Central Bank Of Eswatini		2,129,085	2,997,262	2,222,969	
Other Depository Corporations		4,541,982	4,511,479	4,239,619	
<i>Other Items (net)</i>		-289,943	-212,829	-581,238	
<i>GROSS OFFICIAL RESERVES</i>	Jul-19	Jun-19	May-19	Jun-18	Jul-18
	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)
<i>Total Official (GSoss) - Emalangeni E</i>	6,082,413	5,141,525	5,591,980	6,091,782	7,232,424
<i>Special Drawing Rights (SDR)</i>	311,419	261,703	277,362	313,726	391,997
<i>Central Bank</i>	6,082,413	5,141,525	5,591,980	6,091,782	7,232,424
<i>Government</i>	26,243	26,243	26,243	26,243	26,243
<i>Import Cover (Reserves to months of estimated imports)</i>	2.7	2.3	2.5	2.8	3.3
Net Bank Holdings		1,150,522	1,486,335	1,745,759	1,932,996
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5.Import cover figures are subject to revision as import figures used have a 3 month lag.					

