

# Monthly Statistical Release

JULY/AUGUST 2020



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**CENTRAL BANK  
OF ESWATINI**  
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
<b>Gross official reserves</b> reached E8.5 billion at the end of August 2020, 8.1 per cent and 31.1 per cent higher than the previous month and year, respectively. The reserves were sufficient to cover 3.5 months of imports of goods and services.	8.1 ▲	31.1 ▲
<b>Credit extended to the private sector</b> improved by 1.7 per cent over the month of July 2020 but contracted by 1.9 per cent over the year to settle at E14.7 billion at the end of July 2020.	1.7 ▲	1.9 ▼
<b>Broad money supply (M2)</b> closed at E18.5 billion at the end of July 2020, 1.4 per cent higher than the previous month and 7.9 per cent higher than the previous year.	1.4 ▲	7.9 ▲
<b>Domestic liquid assets</b> amounted to E6.2 billion at the end of July 2020, reflecting a fall of 4.5 per cent month-on-month and an increase of 16.7 per cent year-on-year.	4.5 ▼	16.7 ▲
	PERCENT	
<b>Discount Rate:</b> the discount rate was at 3.75 per cent in August 2020.		3.75
<b>Prime Lending Rate:</b> the prime lending rate was at 7.25 per cent in August 2020.		7.25

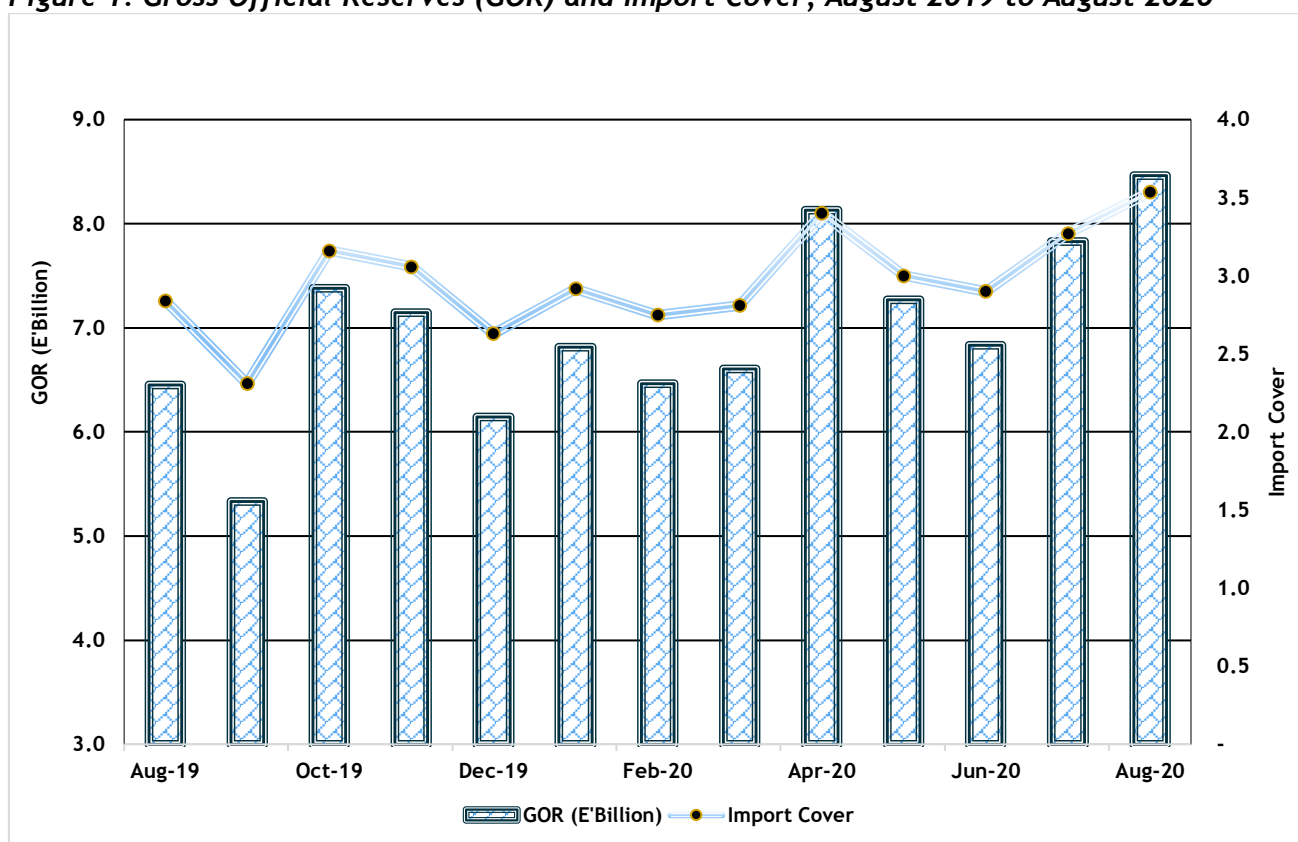
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**Gross official reserves** reflected an increase of 8.1 per cent over the month and 31.1 year-on-year to close at E8.5 billion at the end of August 2020. Contributing to the improvement in reserves was an inflow of net Rand purchases from commercial banks over the review period. In line with the rise in reserves, the import cover increased to 3.5 months from 3.3 months at the end of July 2020.

**Valued in special drawing rights (SDRs)**, the reserves amounted to SDR357.9 million at the end of August 2020, higher than the SDR325.7 million registered the previous month. This was equivalent to growth of 9.9 percent month-on-month and 15.8 per cent over the year.

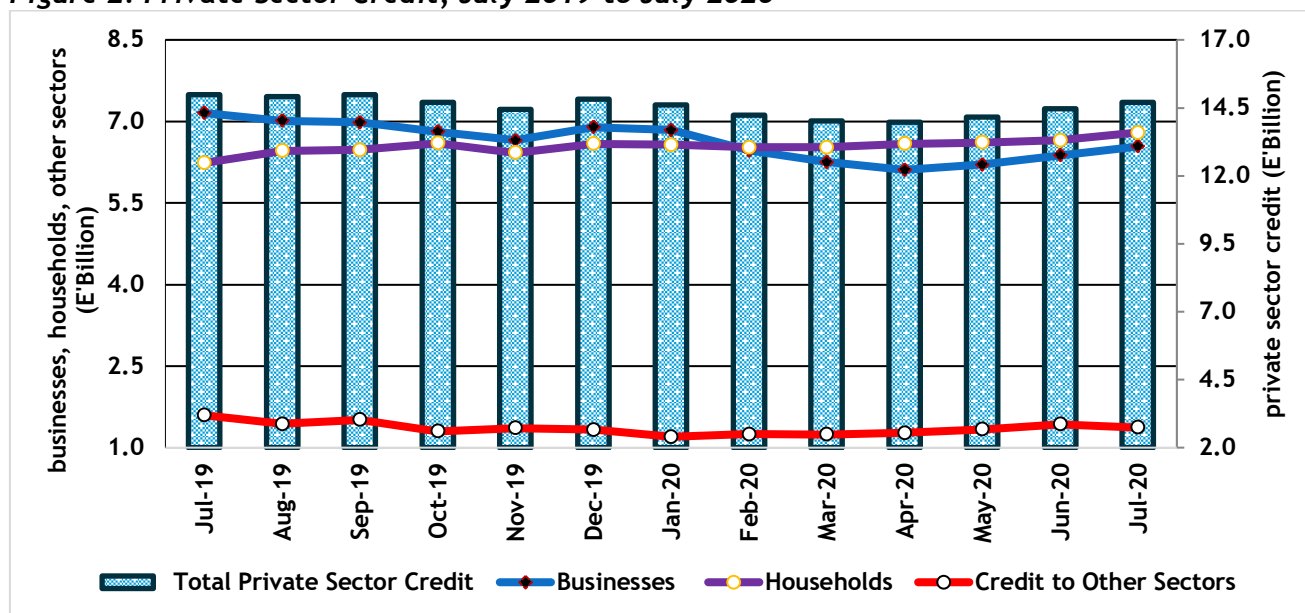
**Figure 1: Gross Official Reserves (GOR) and Import Cover; August 2019 to August 2020**



Source: Central Bank of Eswatini

**Credit extended to the private sector** amounted to E14.7 billion at the end of July 2020 reflecting a month-on-month increase of 1.7 per cent but declined by 1.9 per cent over the year. The improvement was evident in credit to businesses and households & non-profit institutions serving households (NPISH). However, credit to other sectors contracted over the review month.

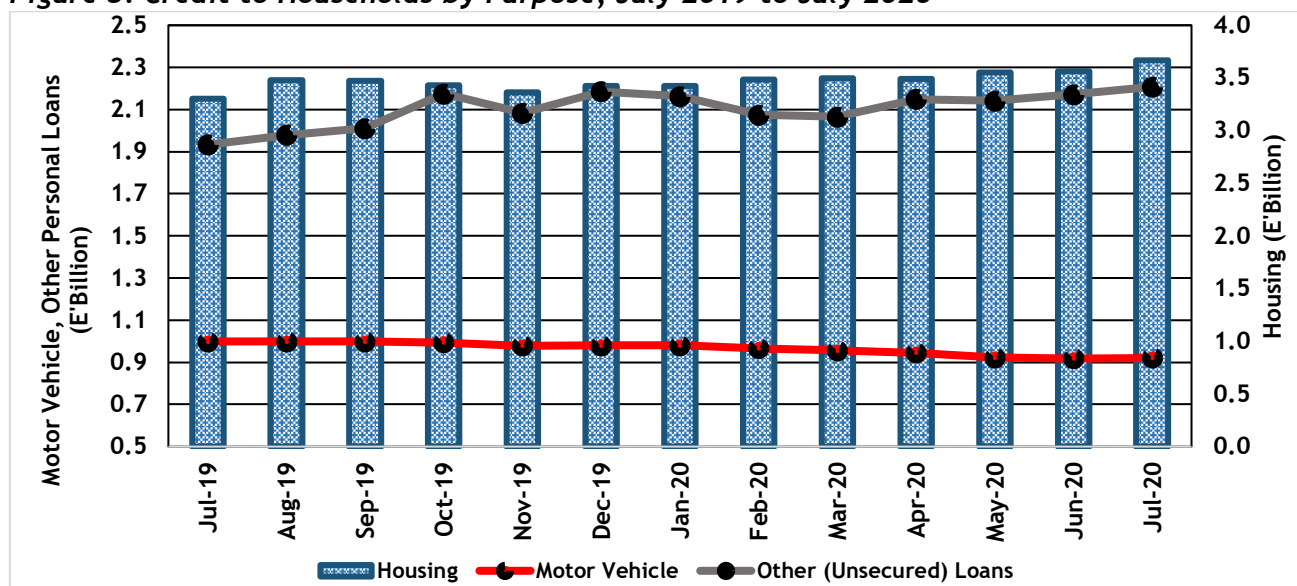
Figure 2: Private Sector Credit; July 2019 to July 2020



Source: Central Bank of Eswatini & Other Depository Corporations

**Credit extended to businesses** reflected an increase of 2.5 per cent month-on-month and a decline of 8.6 per cent year-on-year to close at E6.5 billion at the end of July 2020. Explaining the increase was credit to these subsectors; manufacturing (8.8 per cent), distribution & tourism (6.3 per cent) and agriculture & forestry (5.6 per cent). However, a fall was observed in these subsectors; transport & communication (-6.9 per cent), community, social & personal services (-2.1 per cent), real estate (-1.2 per cent) as well as construction (-0.05 per cent).

**Credit extended to households & NPISH** improved to E6.8 billion at the end of July 2020, 2.2 per cent and 9.0 per cent higher than the previous month and year, respectively. The month-on-month rise was discernible in all the components as mortgage loans increased by 3.0 per cent to E3.7 billion, other (unsecured) loans by 1.6 per cent to E2.2 billion and motor vehicle loans by 0.3 per cent to E920.6 million at the end of July 2020.

**Figure 3: Credit to Households by Purpose; July 2019 to July 2020**

Source: Central Bank of Eswatini & Other Depository Corporations

**Credit extended to other sectors** contracted by 4.3 per cent over the month and 14.1 per cent over the year to settle at E1.4 billion at the end of July 2020. Contributing to the decline were all its components; credit to other financial corporations (-4.7 per cent), credit to parastatals (-3.8 per cent) and credit to local government (-0.4 per cent).

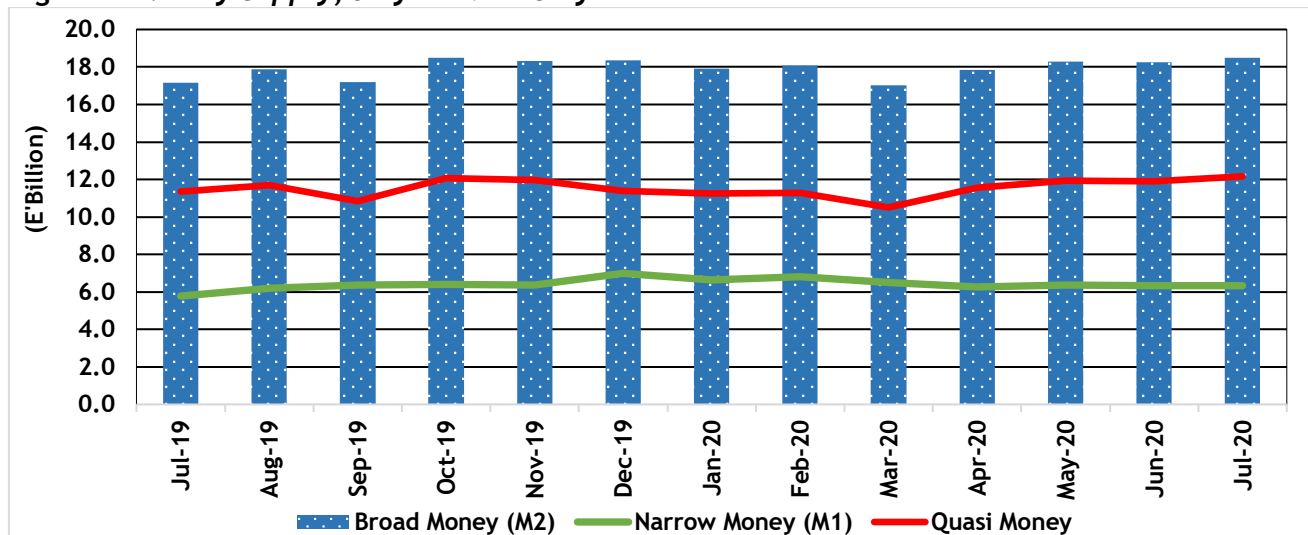
**Net claims on government by the banking sector** stood at E588.1 million at the end of July 2020, reflecting a fall of 68.6 per cent month-on-month and 55.8 per cent over the year. The month-on-month decrease was attributed to a decline of 18.5 per cent in claims on government, as the government settled part of its advance from the Central Bank. On the other hand, government deposits increased by 2.3 per cent over the review month, in line with the quarterly inflow of SACU receipts.

**Broad money supply (M2)** amounted to E18.5 billion at the end of July 2020, depicting an increase of 1.4 per cent over the month and 7.9 per cent over the year. The increase was in line with the rise in credit extended to the private sector over the month. Notably, quasi money supply increased whilst narrow money supply (M1) declined over the review month.

**Quasi money supply** grew by 2.2 per cent month-on-month and by 7.0 per cent annually to close at E12.2 billion at the end of July 2020. The increase was driven by both savings and time deposits, which increased by 2.8 per cent to E2.1 billion and by 2.1 per cent to E10.1 billion, respectively.

M1 amounted to E6.3 billion at the end of July 2020, showing a fall of 0.1 per cent compared to last month but 9.6 per cent higher than the previous year. The month-on-month decline in M1 was due to transferable (demand) deposits, which fell by 1.0 per cent to reach E5.5 billion whilst Emalangeni outside depository corporations grew by 6.0 per cent to reach E858.9 million at the end of July 2020.

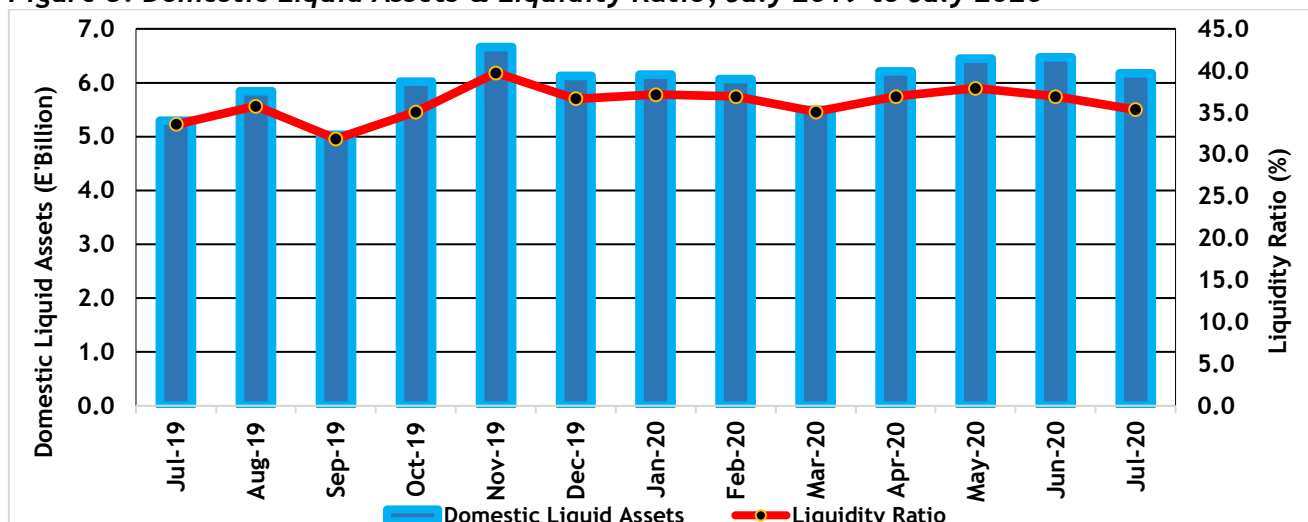
Figure 4: Money Supply; July 2019 to July 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Banks' liquid assets fell by 4.5 per cent over the month ended July 2020 but increased by 16.7 per cent over the year to close at E6.2 billion. The month-on-month fall was observed in banks' cash holdings and balances held with the Central Bank of Eswatini. Consequently, the liquidity ratio fell from 36.9 per cent in June 2020 to 35.4 per cent at the end of July 2020.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; July 2019 to July 2020



Source: Central Bank of Eswatini & Other Depository Corporations



## RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Jul-20	Jun-20	Jul-19
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
<b>CENTRAL BANK OF ESWATINI</b>			
Claims on Non-residents	9 862 448	8 686 226	7 765 681
Claims on Domestic Economy	1 844 312	3 036 155 *	1 820 565 *
Government	1 812 854	3 005 525	1 792 214
Other Depository Corporations	2 082	2 082	2 082
Other Resident Sectors	29 376	28 547	26 268
Other Assets	532 526	529 317	536 874
<b>Total Assets/Liabilities</b>	<b>12 239 285 *</b>	<b>12 251 698</b>	<b>10 123 119 *</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBE	3 130 269	3 378 755	3 073 688
Net Balances with Banks Outside Eswatini	1 569 895	1 215 300	752 799
Loans and advances	13 913 118	13 620 044	13 958 979
Government Securities	3 360 479	3 356 144	2 536 663
Treasury Bills	2 379 087	2 425 326	1 615 610
Government Bonds	981 392	930 818	921 053
Other	-	-	-
<b>Total Deposits</b>	<b>19 463 682 *</b>	<b>19 178 077 *</b>	<b>17 460 580</b>
Transferable/Demand	5 923 916	6 080 758	5 386 064
Savings	2 121 347	2 065 198	1 980 013
Time	11 418 420	11 032 120	10 094 503
Capital and Reserves	4 238 603	4 214 737	4 001 170
<b>Total Assets/Liabilities</b>	<b>25 869 083</b>	<b>25 823 291</b>	<b>24 217 115</b>
Total Liquid Assets (Banks only)	6 174 382	6 467 705	5 292 000
Required Liquidity (Banks only)	3 454 309	3 467 080	3 880 222
Surplus/ Deficiency (-) (Banks only)	2 720 073	3 000 625	1 411 778
<b>RATIOS (%)</b>			
Actual Liquidity to Domestic Liabilities (Banks Only)	35,4	36,9	33,6
Loans and Advances to Deposits	71,5	71,0	79,9



DEPOSITORY CORPORATIONS SURVEY		Jul-20	Jun-20	Jul-19	
<b>Net Foreign Assets (E)</b>		<b>9,577,339</b>	<b>8,325,877</b>	<b>6,622,957</b>	
<b>Net Official Assets</b>		<b>6,880,283 *</b>	<b>5,688,546</b>	<b>5,372,118 *</b>	
Foreign Assets - Central Bank of Eswatini		9,888,690	8,712,469	7,791,924	
Foreign Liabilities - Central Bank of Eswatini		3,008,408	3,023,923	2,419,805	
<b>Net Other Depository Corporations Foreign holdings (ODC)</b>		<b>2,697,056</b>	<b>2,637,331</b>	<b>1,250,839</b>	
Foreign Assets - ODC		2,975,278	2,849,042	2,008,478	
Foreign Liabilities - ODC		278,222	211,711	757,639	
<b>Net Foreign Assets (SDR)</b>		<b>398,417</b>	<b>348,855</b>	<b>339,095</b>	
<b>Net Domestic Claims</b>		<b>15,294,041</b>	<b>16,332,258</b>	<b>16,319,049 *</b>	
<b>Net Claims on Government</b>		<b>588,057 *</b>	<b>1,871,672 *</b>	<b>1,331,768</b>	
Claims on Central Government		5,201,798	6,381,122	4,370,315	
Government Deposits		4,613,742	4,509,449	3,038,547	
<b>Claims on other sectors</b>		<b>14,705,984</b>	<b>14,460,586</b>	<b>14,987,280</b>	
Other nonfinancial corporations (Industry)		6,538,976	6,377,846	7,155,192	
Other resident sectors (Households & NPISH)		6,795,970	6,650,785	6,236,651	
Other sectors		1,371,038	1,431,955	1,595,437	
<b>Broad Money Supply (M2)</b>		<b>18,501,116 *</b>	<b>18,250,939 *</b>	<b>17,153,714</b>	
<b>Narrow Money Supply (M1)</b>		<b>6,335,721 *</b>	<b>6,345,062 *</b>	<b>5,781,957</b>	
Currency outside depository corporations (E)		858,942	810,248	663,784	
Transferable (demand) deposits		5,476,778	5,534,813	5,118,173	
<b>Quasi Money</b>		<b>12,165,396</b>	<b>11,905,878 *</b>	<b>11,371,757 *</b>	
Savings Deposits		2,077,656	2,021,913	1,942,499	
Time Deposits		10,087,740	9,883,964	9,429,259	
Shares and Other Equity		6,800,274	6,719,663	6,105,592	
Central Bank Of Eswatini		1,988,186	1,935,693	1,535,122	
Other Depository Corporations		4,812,088	4,783,970	4,570,470	
<b>Other Items (net)</b>		<b>-430,011</b>	<b>-312,467</b>	<b>-317,301</b>	
<b>GROSS OFFICIAL RESERVES</b>		<b>Aug-20</b>	<b>Jul-20</b>	<b>Jun-20</b>	<b>Jul-19</b>
		<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
		<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>
<b>Total Official (Gross) - Emalangeni E</b>		<b>8,460,765</b>	<b>7,828,245</b>	<b>6,830,071</b>	<b>6,221,328</b>
Special Drawing Rights (SDR)		357,890	325,654	268,915	318,531
<b>Central Bank</b>		<b>8,460,765</b>	<b>7,828,245</b>	<b>6,830,071</b>	<b>6,221,328</b>
<b>Government</b>		<b>26,243</b>	<b>26,243</b>	<b>26,243</b>	<b>26,243</b>
<b>Import Cover (reserves to months of estimated imports)</b>		<b>3.5</b>	<b>3.3</b>	<b>2.9</b>	<b>2.7</b>
<b>Net Bank Holdings</b>		<b>2,697,056</b>	<b>2,637,331</b>	<b>1,250,839</b>	<b>1,324,853</b>

**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.
- 5.Import cover figures are subject to revision as import figures used have a 3 month lag.
- 6.\* Owing to the rounding of figures , the sum of separate items will sometimes differ in the final digit from the total shown.