



Governor's Annual Monetary Policy Statement Address 2024

Royal Villas, 13 June 2024

Programme Director, the Deputy Governor

Honourable Minister for Finance

Members of both Houses of Parliament

Senior Government Officials

Central Bank of Eswatini Board of Directors

Members of the Monetary Policy Consultative Committee

Heads and representatives of banks and other financial institutions

CEOs and representatives of private sector companies

Management & staff of CBE

Representatives of the media

Distinguished Guests

Ladies and Gentlemen, all protocol observed. Good Morning!

INTRODUCTION

1. It is my honour to present to you this year's Governor's Annual Monetary Policy Statement under the theme "**The Bank in pursuit of price and financial stability with excellence and lightning speed: Nkwe – creating a success story for the next 50 years.**"
2. Distinguished ladies and gentlemen, last month the Bank celebrated its 50th anniversary in an event that was graced by His Majesty, SADC Central Bank Governors and some of you present here today. This huge milestone would not have been possible without the continuous support from you as our key stakeholders. We are grateful for your continuous support of our initiatives. This helps us as the Central Bank of Eswatini, to fulfil our primary mandate of achieving



price and financial stability that is conducive to economic growth and development in the country.

3. Programme director, the year 2023 was a challenging year to the global economy with subdued growth owing to a number of factors which I will allude to later on. Even though inflation has broadly moderated at different speeds across economies, risks still persist, and interest rates remain steady at restrictive levels.
4. My address this morning shall outline some of the key international, regional, and domestic economic developments that influenced the Bank's monetary policy decisions over the past year. I will further provide insight on the monetary policy outlook for the 2024/25 financial year.

GLOBAL ECONOMY

Programme director, distinguished ladies and gentlemen, let me start by highlighting developments in the global economy.

5. The IMF's World Economic Outlook published in April 2024 estimates global growth at 3.2% for 2023 and it is projected to be steady at the same level in 2024 and 2025. The pace of growth is slow by historical standards, due to both near-term factors, such as elevated borrowing costs, withdrawal of fiscal support and longer-term effects from the COVID-19 pandemic, the Russia/Ukraine conflict, weak growth in productivity and increasing geo-economic fragmentation.
6. The IMF highlights that risks to the global outlook are broadly balanced, implying a fair equilibrium between positive and negative factors that could impact economic growth going forward. Negative factors to growth outlook include geo-political shocks, high interest rates while positive factors include a faster moderation in inflation which could see interest rates cuts being pushed forward, and the embracement of artificial intelligence and stronger structural reforms than anticipated.

7. According to the IMF, global inflation is expected to decline to 5.9% in 2024 from an annual average of 6.8% in 2023. In 2025, global inflation is expected to fall further to 4.5%, noting that across the global economy, inflation is projected to fall at different speeds.

SOUTH AFRICA ECONOMIC DEVELOPMENTS

Ladies and gentlemen, let me now turn to economic developments in the neighbouring South Africa which is Eswatini's major trading partner.

8. According to the Statistics Agency of South Africa, real GDP contracted by a marginal 0.1% in the first quarter of 2024. This followed a revised 0.3% increase in the fourth quarter of 2023. Weaker manufacturing, mining, and construction drove much of the downward momentum on the production (supply) side of the economy, while the expenditure (demand) side witnessed a decline across all components.
9. The IMF forecasts a slow and steady climb for the South African economy, with a 0.9% growth rate in 2024 before edging up to 1.2% in 2025. This modest growth is attributable to weaker external demand, power shortages, and structural constraints.
10. South Africa's annual inflation rate slowed down to an average of 5.9% in 2023 from 6.9% in 2022. During the year 2023, South Africa's inflation rate has been pressured by imported goods, that rose significantly, and remained sensitive to currency weakness. Over the opening four months of 2024, South Africa's inflation averaged 5.4%, within the SARB's target range of 3 to 6% but above the midpoint of 4.5% which they aim for.
11. Since January 2023, the South African Reserve Bank increased the repo rate by a cumulative 125 basis points (bps) from 7% to 8.25% by May 2023 citing inflationary pressures. The repo rate has been maintained at 8.25% to date.

12. The SARB forecasts inflation to urge lower to 5.1% in 2024 and 4.5% in 2025. Risks to the inflation outlook are assessed to be broadly balanced.

MONETARY POLICY DEVELOPMENTS

Programme director, let me now shift focus to monetary policy developments in the domestic economy.

13. Let me start by reaffirming the mandate of the Bank as enshrined in the Central Bank Order of 1974 (as amended), which is the formulation and implementation of sound monetary policy in order to attain price and financial stability.
14. Monetary policy formulation in Eswatini is largely influenced by the country's membership to the Common Monetary Area. In that regard, the intermediate goal for monetary policy in Eswatini is to maintain the fixed exchange rate with the South African Rand, not inflation targeting as some people believe. However, in response to domestic and regional economic developments, the Central Bank has the liberty to use the discount rate as a major policy instrument to fight domestic inflationary pressures and curb capital flight.
15. Programme director, in determining the monetary policy decisions, the Bank consults with the Monetary Policy Consultative Committee (MPCC), whom I can applaud for a job well done during their term in office. Over the review period, the MPCC met six times to determine the monetary policy stance of the Bank.
16. Overall, the Bank pursued a restrictive monetary policy stance in 2023, increasing the discount rate by a cumulative 100 bps from 6.5% in December 2022 to the current level of 7.5%. The Bank was responding to inflationary pressure in Eswatini in-line with the anchor economy which is South Africa.

17. The Bank first increased the discount rate by 25bps to 6.75% in January 2023 which was followed by a 50bps hike in March 2023 to 7.25%. The Bank further increased the discount rate by another 50bps in May 2023 to 7.75% after which the Bank adopted an easing stance and reduced the discount rate by 25bps to 7.5% in July 2023. This stance has been maintained for the remainder of the review period and up to date.

DOMESTIC ECONOMIC DEVELOPMENTS

Distinguished guests, let me now turn to the developments in the domestic economy.

18. According to the Macro Forecasting Team, as of January 2024, the country's economic output, as measured by GDP, is estimated to have increased by 4.8% in 2023, up from 0.5% in 2022. The improvement in economic activity was largely accounted for by the strong performance from the tertiary sector, which accounted for 4.4 percentage points of the overall GDP outcome.
19. On the fiscal sector, the Southern African Customs Union receipts grew by over 100% from E5.8 billion in 2022/23 to E11.8 billion in 2023/24. The rise supported the government in implementing its programmes on both current and capital expenditures - thereby supporting growth in the subsectors of the economy.
20. On the other hand, Quarterly Gross Domestic Product, grew by 7.0% year-on-year (seasonally adjusted) in Q4-2023, slightly higher than the revised growth of 6.8% recorded in Q3-2023. Growth largely emanated from the tertiary sector, while both the primary and secondary sectors contracted.
21. Real GDP growth is expected to marginally increase to 4.9% in 2024, from 4.8% recorded in 2023. In the medium term, growth is expected to be broad-based, driven by all three sectors of the economy.
22. Programme director, consumer price inflation averaged 5.0% in 2023, marginally higher than the 4.8% recorded in 2022. The inflation trajectory during

the year under review depicted elevated price increases in the first half of the year and a gradual moderation in the second half of the year - broadly in line with food inflation developments.

23. In the first four months of 2024, inflation averaged 4.27%, which is lower than the 5.59% average registered in the same period the previous year.

Ladies and gentlemen, I will now talk about monetary sector developments in the domestic economy.

24. On a year-on-year basis, credit extended to the private sector grew by 10% in 2023, compared to an average of 4.2% in 2022. The growth in credit was mainly visible in the business sector; reinforced by persistent economic recovery in most industries.
25. During the first three months of 2024, private sector credit continued to rise, reflecting year-on-year growth of 10.3% at the end of March 2024. The increase continued to be driven largely by the business sector which reflected year-on-year growth of 13.8% at the end of March 2024.
26. In the short to medium term, private sector credit growth is likely to remain positive, supported by continuing economic recovery locally, regionally and globally as well as possible interest rate easing. On the other hand, credit growth may be reduced by economic uncertainties as well as unpredictable weather patterns which may negatively affect agricultural production.
27. Gross official reserves improved markedly in 2023 from the relatively lower levels observed in 2022. This development was attributed to higher SACU receipts during the 2023/2024 fiscal year. Notably, the reserves accelerated to reach a high of E9.4 billion, covering 3.0 months of imports in April 2023. In

terms of imports, the reserves were within the international threshold of 3 months of import cover. At this level, the reserves indicated a significant improvement from a low of E7.6 billion and import cover of 2.5 months in December 2022.

28. During the first three months of 2024, the reserves maintained higher levels but due to rising imports, the import cover remained below the 3 months threshold. At the end of March 2024, the reserves amounted to E7.8 billion and sufficient to cover 2.2 months of imports (based of revised imports figures).
29. As at last week Friday, 7th June 2024, the Gross Official Reserves stood at E9.4 billion, equivalent to 2.6 months of import cover. In the short to medium term, the reserves position is expected to remain high, owing to a 11.2% increase in SACU receipts over the current fiscal year.

Programme director, ladies and gentlemen, I will now turn to developments in the fiscal sector.

30. On the fiscal side, a key initiative developed by Government in collaboration with the Bank is the establishment of the Revenue Stabilization Fund, which is meant to serve as a buffer considering the volatility of SACU receipts. This Fund currently hold E1.28 billion.
31. Government has committed to add a total of E1.5 billion in the current 2024/25 budget cycle. Already, E375 million was deposited into the Fund in April 2024 when SACU revenue was received.
32. Coming to public debt, total public debt stood at E34.4 billion as at the end of March 2024, translating to an equivalent of 37.1% of GDP, and this indicates a growth of 4.2% from E33.0 billion recorded in March 2023. The growth can be attributed to a continued exercise by the Government to issue Securities, while

external debt remained almost stationary. At the end of April 2024, total public debt stood at E33.3 billion, an equivalent of 36.0% of GDP.

Programme director, distinguished ladies and gentlemen, allow me to walk you through the developments in Financial Markets.

33. The Central Bank actively participated in the domestic market by purchasing foreign currency acquired through export proceeds from the local banks in an endeavour to build reserves and to provide a buffer against the effects of net outflows.
34. Since inception of the strategic initiative to build up foreign reserves, an equivalent of E24.6 billion has been settled as at 31 May 2024. The total value of trades conducted over the financial year 2023/2024 amounted to E6.47 billion.
35. Ladies and gentlemen, the Johannesburg Stock Exchange (JSE) Listing process of a ZAR4 billion programme has been completed. The first issuance under this programme was undertaken in May 2024 and a total of R400 million was raised for a period of 3 years at a yield of 11.875% per annum maturing on 8 May 2027. Subsequent to the first issuance, a “ringing of the bell” ceremony was held at the JSE to formally introduce the Government of the Kingdom of Eswatini as a sovereign borrower in the South African market.

Ladies and gentlemen allow me to turn to developments in the external sector.

36. Preliminary data shows that Eswatini’s balance of payments recorded a surplus of E2.0 billion in 2023, following a revised deficit of E2.1 billion in the previous year.
37. In 2023, Eswatini recorded a positive trade balance of E3.1 billion. The balance reflects a significant increase of more than double the trade surplus recorded in

2022, with total exports growing by 12.5% year-on-year to E37.5 billion and imports growing at a slower pace of 6.8% to E34.4 billion.

38. In the year ended December 2023, the external value of the Rand/Lilangeni significantly depreciated against the major trading currencies. Compared to the value of the currency in 2022, the Lilangeni fell sharply by 12.7% against the USD to trade on at an average of E18.45 in 2023 from an average of E16.37 per USD unit recorded in 2022.

39. The significant depreciation in the domestic currency was largely due to a mixture of global and regional factors which led to significant capital outflows in South Africa. From a regional perspective, the Rand along with the Lilangeni were under pressure as South Africa continued to be confronted by the persistent threat of non-stable electricity supply.

40. The first quarter of 2024 was characterized by volatility in the local unit where it lost some ground in February to trade above the E19.00 mark before recovering in March 2024. The local unit opened the year at an average of E18.80 to the USD and closed the first quarter at E18.85 to the USD. The depreciation of the exchange rate was mainly on account of elevated U.S. Treasury yields and concerns over South Africa's economic outlook, including sluggish growth and fiscal challenges that weighed on investors' sentiments leading to capital outflows.

41. The Rand/Lilangeni's outlook remains volatile. Vulnerability is expected from several factors including the low probability of interest rate cuts in developed economies and a significant escalation of the Middle East conflict all pose as risks.

Programme director, distinguished ladies and gentlemen, allow me to talk about the inflation outlook and monetary policy stance.

42. The Bank has revised down its short to medium term inflation forecasts. Downside pressures to the short-term inflation outlook are expected to come mainly from the lower South African inflation outlook which remains muted when compared to the previous period. While there are inflationary pressures coming mainly from higher crude oil prices and a weaker exchange rate, overall domestic food inflation outlook outweighs the upward pressures. In the medium term, oil prices are expected to moderate gradually, coupled with an appreciation in the exchange rate.
43. In May 2024, the Bank revised down the annual average inflation forecasts to 4.50 % (from 4.91%) for 2024, 5.13% (from 5.21%) for 2025 and 4.92% (from 5.37%) for 2026.
44. In the short to medium term, monetary policy is likely to be maintained at the current restrictive level for some time before a gradual easing is considered. This is in line with the prevailing risks to the inflation outlook. Negative risks largely emanate from the impact of adverse weather conditions in the Southern African region (extreme heat during the first quarter of 2024) on food production leading to higher food prices, persistent conflict in the Middle East causing trade disruptions and oil market volatility, and the increase in administered prices. The positive inflation outlook is largely supported by continued global disinflation arising from easing global international food prices and the lower inflation in South Africa.

Programme director, I will now turn to Bank Supervision.

45. Banks complied with minimum capital and liquidity requirements during the review period. The average industry-wide regulatory tier 1 capital adequacy

ratio and total capital adequacy ratio stood at 16.25% and 18.38% at end of March 2024, from 16.3% and 18.6% recorded in March 2023, respectively.

46. On the other hand, the industry's liquidity ratio stood at 33.4%, from the 36.0% recorded in March 2023, affirming the sector's robust liquidity position.

47. The banking sector's asset quality, as represented by Non-performing Loans (NPLs), slightly improved as they decreased from 7.2% in March 2023 to 7.1% in March 2024. Household NPLs were 7.0% of total household loans while businesses NPLs were 8.2% of total business loans.

48. The Bank has successfully implemented Basel II regulations, along with certain elements of Basel III. Banks diligently submit their Internal Capital Adequacy Assessment Process documents and fulfil their Pillar III disclosure obligations. Currently, efforts are underway to enhance the Supervisory Review & Evaluation Process template, drawing insights from global best practices.

Programme director, I will now turn to Policy, Conduct and Enforcement (PCE).

49. The Bank (through the PCE Division) discharges its functions for licensing, policy formulation & regulatory framework development, market conduct supervision and enforcement to uphold its financial stability mandate.

50. The year 2023 saw the Bank finalizing and issuing guidelines to supervised institutions under its regulatory and supervisory purview. These are the:

- i) AML/CFT Risk Based Approach Guideline No.1 of 2023;
- ii) Loan Portfolio Management Guideline;
- iii) CBE Corporate Code of Conduct Guideline No. 3 of 2023; and the
- iv) CBE Arrears and Foreclosures Guidelines for Banks No. 4 of 2023.

Programme director, I will now speak on the National Payments Systems.

51. The Bank continued to monitor, coordinate, and participate in payment systems' developments in the Eswatini payments ecosystem. This development included promulgation of the National Payments System Bill 2022 into law in June 2023. This law mainly addresses identified barriers to entry of non-bank payment service providers, supports innovation and financial technology (FinTech) developments. The review of the legal framework is aligned to the SADC Payments System Model Law and to international standards.
52. The Bank continued to monitor payment operations in the Eswatini ecosystem and conducted inspections on designated payment systems and mobile money transfer services. Based on the regulatory framework, no material exceptions were observed during the period under review.
53. The CBE continued to implement the National Payments Switch featuring a Fast/Instant Payments, Open Banking, Card-based Point of Sale and Card-based Automated Teller Machine Modules. This payments switch will facilitate system interconnectedness and interoperability among and between banks and non-bank financial service providers; enhance customer experience through heightened digitalization and to extend financial inclusion to the underserved sectors.
54. In line with phased implementation approach, the Fast/Instant Payments Module is scheduled to go live by the end of July 2024. The project life cycle is planned to be fully implemented by March 2025.

Programme director, allow me to now talk about FINTECH developments.

55. The Bank is continuing with its research and development of a central bank digital currency (CBDC) journey. The Digital Lilangeni is a retail CBDC that is

designed to ensure that Emaswati continue to have access to central bank money even when transacting digitally.

56. As part of the process, the Project Team conducted a proof of concept (PoC) with Bank staff to gain real life user experience of the CBDC. The PoC afforded the Bank an opportunity to test the G+D CBDC platform and to also test the design features of the digital lilangeni. The PoC was extended to the Eswatini International Trade Fair where Emaswati got an opportunity to learn about CBDCs and got first-hand experience on the practical usage of CBDCs.
57. Two Financial Service providers who were able to develop and integrate their CBDC platforms with the G+D Fila platform also got an opportunity to conduct tests in the PoC environment in readiness for the pilot.
58. Following a successful PoC, the project then moved to the pilot phase. This marked a significant milestone for the Bank as this meant using the CBDC in a live environment. The pilot programme was conducted with one financial service provider, and merchants. This collaborative effort provided the Bank with invaluable hands-on experience in developing a CBDC solution. The Bank has made significant progress in understanding CBDCs and will continue with the research and capacity building.
59. Programme director, the Bank continues to research and monitor developments in cryptocurrencies. In this vein, the Bank commissioned a study to understand consumer interaction with cryptocurrencies, including their attitudes, awareness, and comprehension of the technology and its associated risks. This study was conducted in partnership with the Eswatini Economic Policy Analysis and Research Centre.
60. The study revealed that the number of participants engaging on cryptocurrencies in the country is somewhat low, with only 8.6% of respondents

reporting involvement primarily through exchanges based in neighbouring countries. The study also found that 48.4% of respondents have limited comprehension of cryptocurrencies. About 45% of the participants reported having been scammed previously.

61. In response to these findings, the Bank will continue to provide educational materials on the risks associated with cryptocurrencies and on how to avoid digital financial services scams. The report is available on the Bank's website.
62. May I emphasise that virtual service providers are currently unregulated in the country and therefore no virtual asset service providers have been authorized to offer financial services. The Bank is working collaboratively with the Ministry of Finance and other relevant stakeholders to develop a national policy position on cryptocurrencies.

Programme director, ladies and gentlemen, I will now move forward to touch on Financial Surveillance.

63. It is worth highlighting that Eswatini has successfully implemented the CMA Cross Border Foreign Exchange Transactions Reporting System, which connects all banks and foreign exchange bureaus to the Central Bank for purposes of reporting foreign transactions with the rest of the world. This new version, Version 3, now captures more transactions, which boasts of more coverage in the transactions between Eswatini and the rest of the world. This initiative would not have been achieved without the good collaboration between the Bank and its key stakeholders in the banking sector, hence we are grateful for this milestone.

Programme director, ladies and gentlemen, I will now move forward to touch on Financial Integrity.

64. The Bank continues to collaborate with other stakeholders locally and regionally in its pursuit to contribute towards the strengthening of the country's Anti-Money Laundering and Counter Terrorist Financing and Proliferation Financing (AML/CFT/PF) regime. This has resulted in Anti-Money Laundering and Counter Financing of Terrorism indaba that took place in July 2023, an initiative that brought together all AML/CFT stakeholders, parliamentarians, media, public, etc to discuss the AML/CFT/PF agenda. The Bank has successfully obtained technical assistance from the Eastern and Southern Africa Anti Money Laundering Group to train AML/CFT/PF stakeholders on combating Terrorist Financing and Targeted Financial Sanctions.

65. The Bank has participated in reviewing the country's Anti Money Laundering and Counter Terrorist Financing and Proliferation Financing Omnibus Law to ensure technical compliance with the 40 Financial Action Task Force (FATF) standards to qualify for re-rating of the Mutual Evaluation outcomes. The Bank also participated in the recently concluded AML/CFT/PF national risk assessment, an exercise that enables the country to understand its Money Laundering and Terrorist Financing (ML/TF) threats and vulnerabilities. Moreover, the Bank is continuously enhancing the Anti Money Laundering and Counter Terrorist Financing and Proliferation Financing regulatory framework to ensure a robust and effective AML/CFT/PF regulation and supervision.

Programme director, ladies and gentlemen, I will now move forward to touch on Financial Inclusion.

66. It is worth highlighting that the Bank is currently participating in the implementation of the National Financial Inclusion Strategy (2023-2028). This aligns with the Bank's financial inclusion strategic objectives where we want everyone included in the formal financial system. As a Bank, we see the risk of financial exclusion as more harmful to the integrity and soundness of the

financial system.

67. CBE in consultation with the Eswatini Bankers Association developed and approved the inaugural Sex- Disaggregated Data (SDD) Framework and respective templates in November 2023. The implementation of the SDD framework underpins the Bank's endeavour to advance the financial inclusion discourse, in particular women financial inclusion. The Framework is a tool for the collection and analysis of the Sex-Disaggregated Data which is a central idea for CBE's financial inclusion imperatives as espoused from the National Financial Inclusion Strategy.

68. The Bank is also spearheading the inclusion for Forcibly Displaced Persons into the formal financial system. In collaboration with the relevant stakeholders, the Bank, pursuant to a diagnostic study and an in-depth ML/TF risk assessment, have delivered on a know your customer (KYC) checklist for financial institutions that will guide them in the onboarding process of Forcibly Displaced Persons into the financial system, as informed by the understanding of the peculiarity of the sector. This will create an enabling environment for the participation of Forcibly Displaced Persons in the financial sector.

69. Following the launch of the National Financial Inclusion Strategy II (2023-2028) in May 2024 by the Minister for Finance, the CBE will continue to drive and support the financial inclusion agenda for the country in various aspects in addition to the already mentioned.

Ladies and gentlemen, I will now move on to speak about currency developments.

70. During the review period ending 31st March 2024, notes issued amounted to E6.8 billion, same value as issued in the previous year. Coins issued over the period amounted to E38 million, indicating an increase from the E34 million reported in the prior year. As at the end of March 2024, currency in circulation was E1.35 billion, indicating an increase from the E1.24 billion reported in the previous year.

71. The Bank reprinted the E200 banknote, and it was released on 6th September 2023. There were mainly three features of the E200 banknote that were updated and they were as follows;
- i) the signatures of the current Governor and the Honourable Minister for Finance;
 - ii) the Bank's name, following the country's name conversion from Swaziland to Eswatini, on the reverse side of the banknote at the top right, there is "CENTRAL BANK OF ESWATINI" in capital letters instead of "CENTRAL BANK OF SWAZILAND"; and
 - iii) the printing date of the banknote 6.09.2023.
72. The Bank has noted a decline in discovery of the uncontrolled dye-stained banknotes resulting from ATM bombings. The Bank continues to publish notices on social media platforms, educating the public about dye-stained banknotes. The public is reminded that dye-stained banknotes are presumed to be proceeds of crime and is advised not to accept dye-stained banknotes and to report such notes to the CBE or the nearest police station.
73. The coin management efficiency project yielded positive results since the pilot of the coin vending machine at a retail outlet in 2021. A total of E6.5 million worth of coins was collected during the 2023/24 financial year, and since the rollout of the coin vending machine, in December 2021, a total of E14.7 million has been collected. The public deposits coins in the coin vending machine, which produces a receipt that they utilize inside the shop to buy goods. The public is reminded and encouraged to use coins in their possession for purchasing goods and services to ensure the effective recirculation of coins.

74. During the 2023/24 financial year, the Bank designed and produced E50 commemorative banknotes and coins which were launched during the CBE's 50th Anniversary held last month. However, the E50 COIN is not for circulation. On the other hand, the E50 banknote is meant for circulation and has been gazetted and will soon be in circulation.

Ladies and gentlemen, allow me to make some remarks on financial sector stability.

75. Looking at the ever changing and complex financial landscape, the CBE remains attentive to the challenges that may arise in the near to medium term as these have the potential to pose risks to the financial system and weaken its resilience. Consequently, the Bank engages in continuous monitoring of economic developments to ensure that emerging risks are promptly addressed to preserve financial stability in the Kingdom of Eswatini. In the past year, the financial system demonstrated resilience as risks were broadly contained.

CONCLUSION

Programme director, distinguished guests, in conclusion, let me emphasise that;

76. The year 2023 presented a number of challenges at global and regional level which had a spillover effect to the domestic economy. Even though inflation moderated at a faster rate than expected last year, risks persisted and therefore monetary authorities kept interest rates steady at restrictive levels.

77. Domestically, inflation has fairly moderated and the outlook points to a further moderation. However, risks to the outlook persist, and the global environment remains highly fluid.

78. The Bank will continue to monitor developments at global, regional, and domestic level, and use all the instruments at its disposal, in pursuit of its price and financial stability objective, in order to ensure an environment conducive for sustainable economic growth is realised.

79. Finally, I would like to extend my sincere thanks and appreciation to the Minister for Finance, the PS, Government Officials, the Bank's Board of Directors, members of the MPCC, Financial Institutions, all staff of the Bank as well as other key stakeholders for their cooperation, commitment and dedication to the attainment of price and financial stability that is conducive to the economic development of the Kingdom of Eswatini. I have no doubt that I can continue to rely on them for unwavering support and dedication in the execution of our mandate in the interest of all Emaswati.

I thank you all Ladies and Gentlemen!!!