CENTRAL BANK OF ESWATINI
UMNTSHOLI WEMASWATI

Recent Economic Developments

December/ January 2025/6

Bek'e-Langa
Re-imagining Central Bank for a sustainable future

HIGHLIGHTS ON SELECTED ECONOMIC DEVELOPMENTS	INDICATOR	CHANGE
Headline consumer price inflation fell to 2.3 per cent in December 2025, from 2.4 per cent recorded in the previous month.	Private Sector Credit (% m/m)	2.3 (Dec)
Gross Domestic Product (GDP) accelerated by 5.8 per cent year-on-year (seasonally adjusted), in the third quarter of 2025, relative to the revised 4.3 per cent growth observed in the previous quarter.	GDP growth rate (% y/y)	5.8 (Q3 2025)
The discount and prime lending rates were maintained at 6.75 and 10.25 per cent, respectively, in January 2026.	Discount rate (%)	6.75
	Prime lending rate (%)	10.75
During the month of January 2026, the Lilangeni/Rand strengthened against the major trading currencies.	Exchange rate (US$)	16.28 (Jan)
Credit extended to the private sector stood at E22.4 billion in December 2025, higher by 2.1 per cent month-on-month and 9.8 per cent year-on-year	Private Sector Credit (% m/m)	2.1 (Dec)
Broad money supply (M2) receded by 4.9 per cent month-on-month to E29.2 billion in December 2025, in line with the observed down trend in net foreign assets.	Broad Money (M2) (% m/m)	4.9 (Dec)
Provisional gross official reserves registered a contraction of 3.8 per cent month-on-month and 12.9 per cent year-on-year to reach E11.2 billion at the end of January 2026.	Reserves (months of import cover)	2.6 (Jan)
At the end of January 2026, the total public debt stock stood at an estimated E38.1 billion, equivalent to 39.7 per cent of GDP.	Total Public Debt (% of GDP)	39.7 (Jan)
Eswatini's trade surplus narrowed sharply to E80.8 million in January 2026, down from E459.4 million in December 2025.	Trade Balance (% of GDP)	0.36 (Jan)

NB: The table shows the most recent available data.

1. INFLATION DEVELOPMENTS.

The country's annual consumer price inflation maintained a downward trajectory, declining by 0.1 of a percentage point to be recorded at 2.3 per cent in December 2025. Contributing to this slowdown were the price indices for 'housing & utilities', 'clothing & footwear', 'household furniture & maintenance' and 'recreation & culture'.

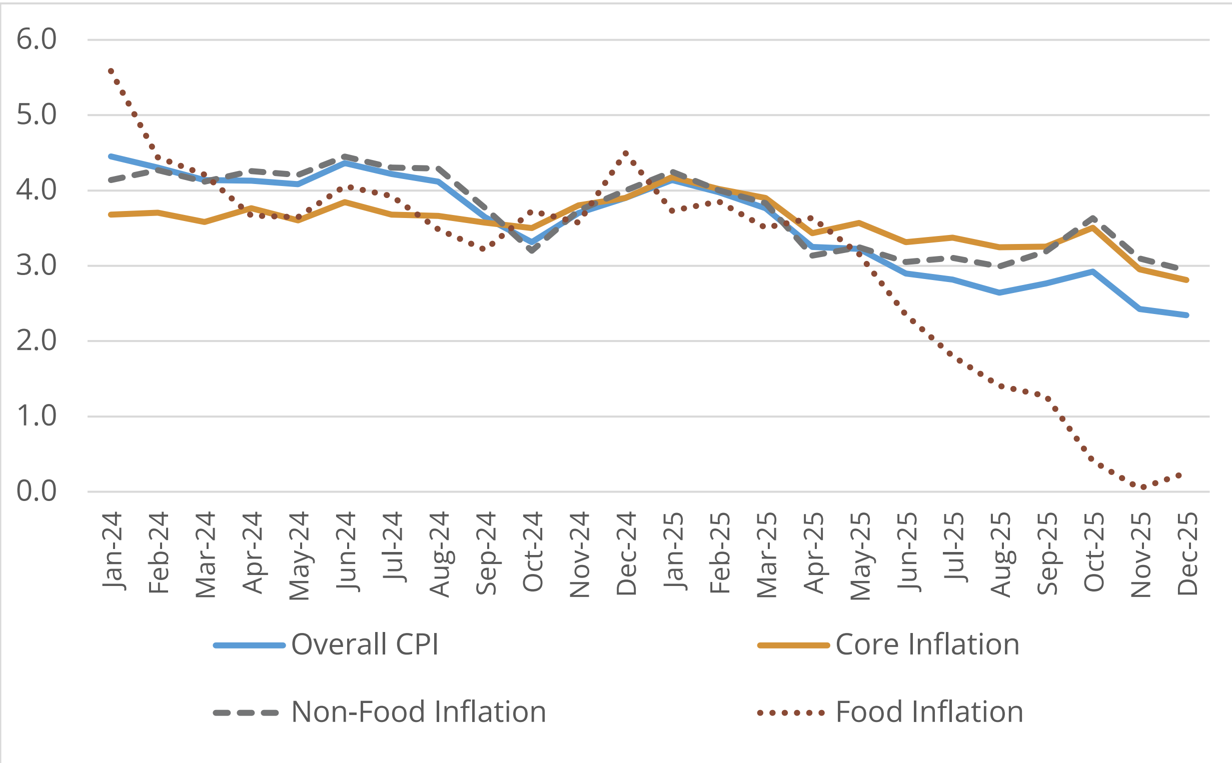
The index for 'housing & utilities' declined to 4.1 per cent in December 2025, from 4.4 per cent in the previous month, owing to decreases in the prices for 'water supply' and 'liquid fuels' on a year-on-year comparison. Notably, water supply grew by a slower 4.0 per cent in the month under review, down from 8.2 per cent in the previous month, as the second tranche of the approved multi-year tariff was not implemented this year as in the same period in the previous year. In the same tune, the price index for 'clothing & footwear', dropped by 1.1 percentage points to record at 5.9 per cent in December 2025, benefitting from decreases in the prices for 'garments, shoes & other footwear'. Other slower increases were also noted in the price indices for 'household furniture & maintenance' and 'recreation & culture', which slowed by 0.5 and 0.3 of a percentage point, respectively, between the two months under review.

Of note, increases observed in the price indices for 'food & non-alcoholic beverages & tobacco', 'transport' and 'miscellaneous goods & services' partially offset the above decreasing rates of growth. Following a seven-month elongated decline, food prices slightly picked-up by 0.3 of a percentage point to record 0.3 per cent during the month under review, as the prices for 'meat', 'oils & fats', 'fruit' and 'milk, cheese & eggs slightly increased on a year-on-year comparison. The 'transport' index also increased from 0.7 per cent to 0.8 per cent, between November and December 2025, mainly driven by a 5.9 percentage points rise in the prices for 'passenger prices by air'. Additionally, the price index for 'miscellaneous goods & services' also aided upward pressures, increasing by 0.5 of a percentage point to 5.6 per cent during the same period under review.

Month-on-month, consumer price inflation sustained a zero growth rate for the second consecutive month. On one hand, downward pressures were noted in the price indices for 'clothing & footwear', 'household furniture & maintenance' and 'recreation & culture', which fell by a cumulative 3.0 percentage point. On the other hand, increases in the price indices for 'food & non-alcoholic beverages', alcoholic beverages & tobacco' and 'transport' fully counteracted the above decreases.

Core inflation (which is CPI excluding volatile items such as food, auto-fuel, and energy) further declined by 0.2 of a percentage point to 2.8 per cent in December 2025, whilst falling from 0.2 per cent to record zero growth on a month-on-month comparison. Supply-side pressures remained on the downside as the CPI for goods fell from 2.5 per cent to 2.3 per cent, owing to declines in the prices for non-durables and semi-durables.

Figure 1: Inflation Trends and components Dec 2024 to Dec 2025



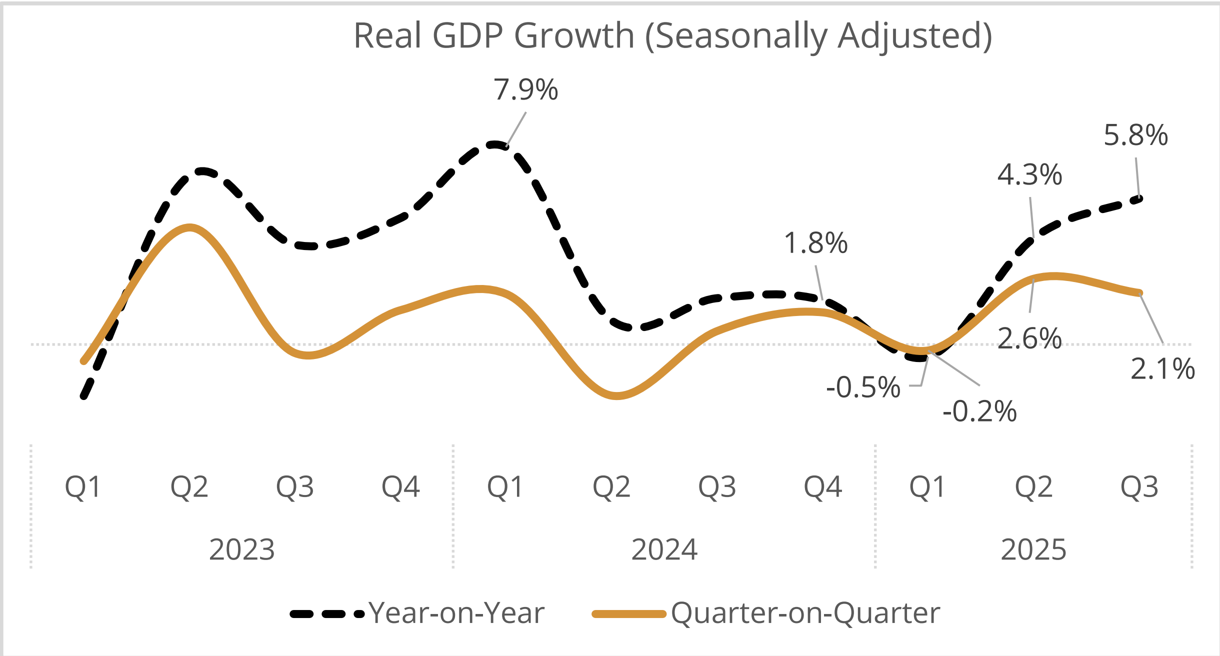
Source: *Central Statistical Office (CSO)*

2. QUARTERLY GDP DEVELOPMENTS.

Aggregate economic activity, as measured by real Gross Domestic Product (GDP) accelerated by 5.8 per cent year-on-year (seasonally adjusted), in the third quarter of 2025, relative to the revised 4.3 per cent growth observed in the previous quarter. Growth was broad based across all the three (3) sectors of the economy, anchored by a robust recovery in the primary sector, as well as the sustained momentum in the secondary and tertiary sectors.

On a quarter-on-quarter basis, real GDP grew by a slower 2.1 per cent (seasonally adjusted), following the revised 2.6 per cent expansion in the previous quarter.

Figure 2: Eswatini Quarterly GDP Trends; 2023Q1 to 2025Q3



Source: *Central Statistical Office (CSO)*

In a pivotal shift, the primary sector, exited its recent slump, rebounding strongly with a 11.8 per cent year-on-year growth in the third quarter of 2025, thereby contributing 0.9 percentage points to the observed overall growth rate of total industries. The primary catalyst for this performance was the 'mining and quarrying' subsector, which improved by 65.3 per cent in the third quarter of 2025, depicting a strong pick-up from the -22.7 per cent decline observed in the previous quarter. This growth signifies a recovery from the demand-side disruptions that previously stifled extraction activities, signalling a resurgence of activity within the local coal industry.

The ‘agriculture and forestry subsector’ also improved, posting a year-on-year growth of 1.7 per cent in the third quarter of 2025, indicating a recovery from the -9.4 per cent decline in the second quarter of the same year. Notable growth stemmed from the ‘forestry’ subsector, which recovered from the -9.4 per cent decline to a growth of 13.4 per cent in the quarter under review, reflecting relatively stronger external demand for forestry products on a year-on-year comparison. Moreover, activity in the ‘growing of crops’ and ‘animal production’ subsectors remained suppressed.

The secondary sector, which accounts for 37.7 per cent of total industries, rose by 9.9 per cent (year-on-year) in the third quarter of 2025, further increasing from the 6.8 per cent in the previous quarter. Posting as a primary anchor for the overall GDP outcome, the sector contributed 3.7 percentage points to the 5.8 per cent aggregate growth. Growth was noted in the ‘manufacturing’, ‘electricity supply’ and ‘construction’ subsectors, whilst the ‘water & sewerage’ subsector slightly declined. The manufacturing sector, a key driver of industrial activity, grew by 10.0 per cent in the third quarter of 2025, relative to the 6.3 per cent growth observed in the previous quarter. This steady recovery path continues to reflect a stabilization in external demand for non-food export-oriented commodities.

Within the utilities subsectors, the ‘electricity supply’ subsector registered a growth of 5.6 per cent, benefitting from stable local generation and distribution capacity. Conversely, the ‘water supply’ subsector contracted by 13.5 per cent in the quarter under review, following a 4.4 per cent growth in the second quarter, partly linked to a slight decline in the number of treated water customers during the quarter.

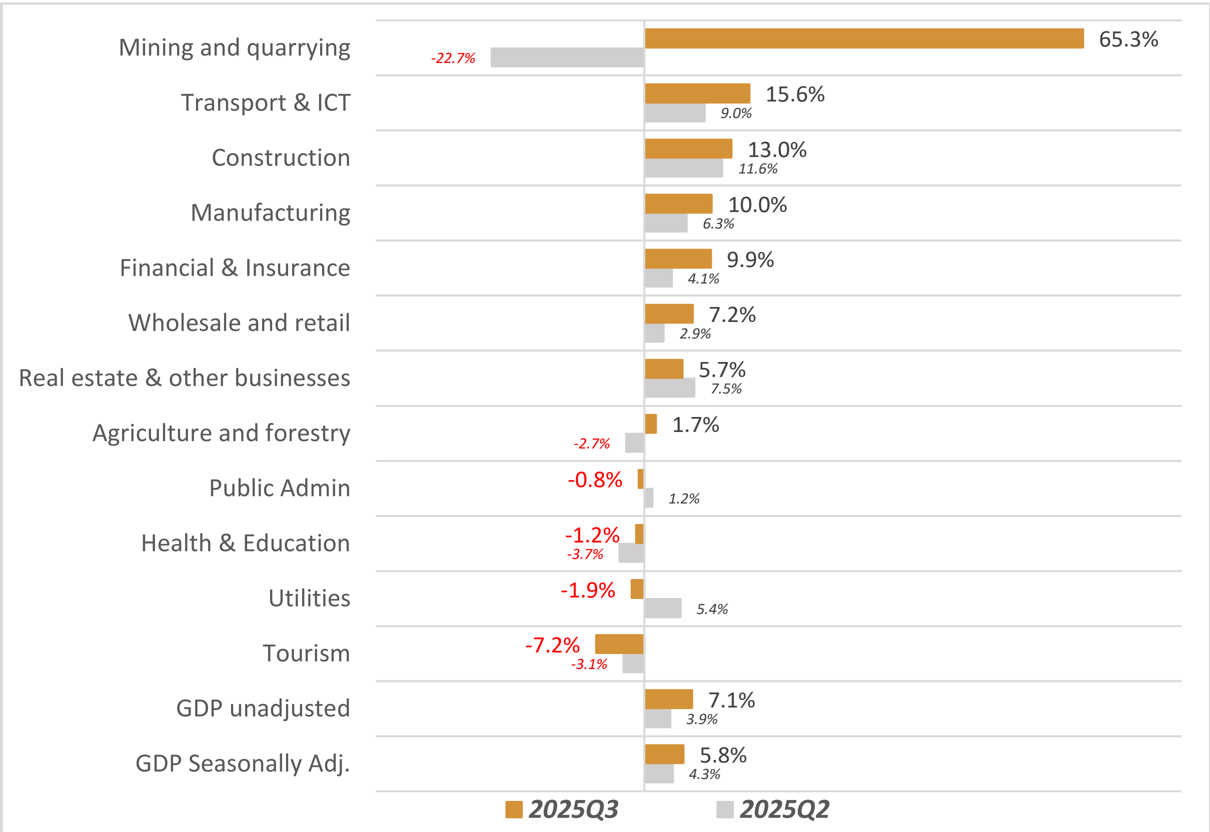
The construction subsector exhibited strong momentum, expanding by 13.0 per cent during the quarter under review, compared to 11.6 per cent in the preceding quarter. The sustained double-digit growth in this subsector remains underpinned by the continued implementation of major public infrastructure projects, and active private sector developments across the Kingdom. Collectively, these subsectors offset moderated growth in other areas, ensuring the secondary sector remained a vital engine of economic expansion during the period.

The tertiary sector’s growth remained positive, increasing by 6.2 per cent year-on-year, a further increase from the 4.1 per cent growth recorded in the second quarter. Robust growth was primarily spearheaded by the 'information and communication' subsector, which grew by 30.6

per cent, a significant acceleration from the 17.5 per cent growth registered in the quarter ending June 2025. This surge reflects the continued roll-out of innovative digital products and expanded FINTECH services nationwide. Other key drivers within the services sector include; the 'wholesale & retail' subsector that grew by 7.2 per cent, compared to 2.9 per cent in the prior quarter, while 'financial & insurance activities' expanded by 9.9 per cent, up from 4.1 per cent in the previous quarter.

Whilst public administration and tourism-related indicators showed contrasting trends, the overall tertiary sector benefited from strong activity in core service industries, including transport and trade, ensuring the sector remained a dominant contributor to the quarterly GDP outcome.

Figure 3: Selected Sector Growth Rates (Year-on-Year)

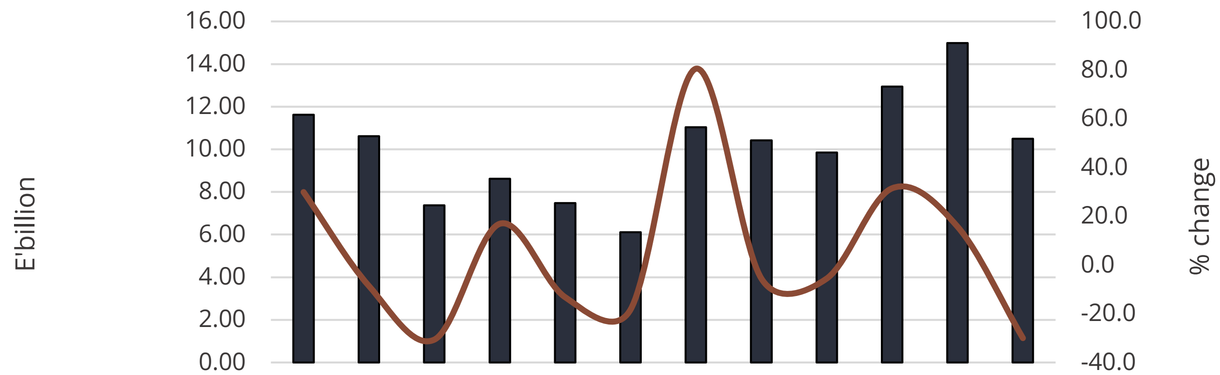


Source: *Central Statistical Office (CSO)*

3. MONEY SUPPLY AND BANKING DEVELOPMENTS

Net foreign assets (NFAs) receded sharply to E10.5 billion in December 2025 from E15.0 billion in November 2025, representing a contraction of 30.0 per cent month-on-month and an increase of 17.4 per cent year-on-year. The month-on-month decline was evident in both NFAs of the official sector and the banking sector. NFAs of the official sector fell significantly by 30.5 per cent month-on-month but recorded a strong expansion of 22.2 per cent year-on-year to reach E8.6 billion in December 2025. The month-on-month fall was largely attributed to net foreign exchange outflows from trades with the banking sector coupled with payment of Government's fiscal obligations. NFAs of the banking sector followed a similar trend, decreasing steeply by 27.7 per cent from the previous month and by 0.9 per cent year-on-year to reach E1.8 billion. This development reflected a drawdown in the banks' deposit holdings within the Common Monetary Area. When measured in special drawing rights (SDRs), NFAs recorded a sharp month-on-month contraction of 28.3 per cent and a robust year-on-year expansion of 27.0 per cent to close at SDR461.2 million in December 2025.

Figure 4: Net Foreign Assets Monthly Changes; January 2025 to December 2025

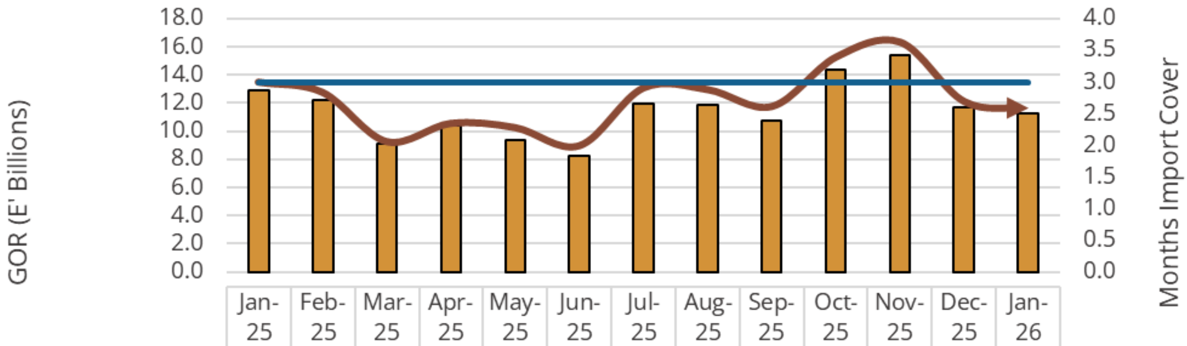


	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
NFA (E'billion))	11.62	10.62	7.37	8.62	7.48	6.11	11.03	10.43	9.85	12.95	14.99	10.49
NFA (% change)	30.0	-8.6	-30.6	16.9	-13.2	-18.3	80.6	-5.5	-5.5	31.5	15.8	-30.0

Source: Central Bank of Eswatini & Other Depository Corporations

Provisional gross official reserves registered a further contraction of 3.8 per cent month-on-month and 12.9 per cent year-on-year to reach E11.2 billion at the end of January 2026. The drawdown in reserves was largely a result of net foreign exchange outflows from trades with domestic banks and Government fiscal payments. Consequently, the import cover fell to 2.6 months in January 2026, lower than the 2.7 months registered in December 2025 and remained below the international adequacy threshold of 3.0 months. In SDR terms, the reserves stood at SDR508.4 million in January 2026, reflecting month-on-month and year-on-year declines of 0.8 per cent and 5.0 per cent, respectively.

Figure 5: Gross Official Reserves and Import Cover; January 2025 to January 2026



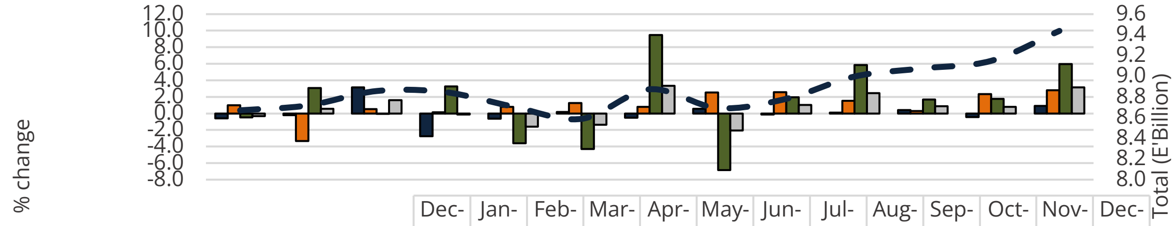
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
GOR	12.9	12.2	9.1	10.4	9.4	8.2	11.9	11.8	10.8	14.4	15.4	11.7	11.2
Import Cover	3.0	2.8	2.1	2.4	2.3	2.0	2.9	2.9	2.6	3.4	3.6	2.7	2.6
threshold	3	3	3	3	3	3	3	3	3	3	3	3	3

Source: Central Bank of Eswatini

Credit extended to the private sector stood at E22.4 billion in December 2025, higher by 2.1 per cent month-on-month and 9.8 per cent year-on-year. The expansion was supported by credit to households & Nonprofit Institutions Serving Household (NPISH), as well as businesses. In contrast, this growth was partially offset by a contraction in credit to other domestic sectors.

Credit to households and NPISH stood at E9.4 billion in December 2025, reflecting an improvement of 3.2 per cent month-on-month and 8.9 per cent year-on-year. Growth in credit to households was broad-based in December 2025, with other personal (unsecured) loans rising by 5.9 per cent to E3.8billion, followed by motor vehicle loans up by 2.8 per cent to E1.4 billion, and mortgage loans higher by 0.9 per cent to E4.3 billion.

Figure 6: Household Credit Monthly Changes; December 2024 to December 2025



	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Housing	-0.6	-0.2	3.2	-2.7	-0.6	0.2	-0.5	0.5	-0.2	0.1	0.4	-0.4	0.9
Motor Vehicles	1.0	-3.3	0.5	0.1	0.8	1.3	0.8	2.5	2.6	1.5	0.3	2.3	2.8
Other (Unsecured)	-0.5	3.1	0.0	3.3	-3.6	-4.3	9.5	-6.9	2.0	5.9	1.7	1.7	5.9
Total	-0.3	0.5	1.6	-0.1	-1.6	-1.4	3.3	-2.0	1.0	2.5	0.9	0.8	3.2
Total (E'Billion)	8.7	8.7	8.9	8.8	8.7	8.6	8.9	8.7	8.8	9.0	9.1	9.1	9.4

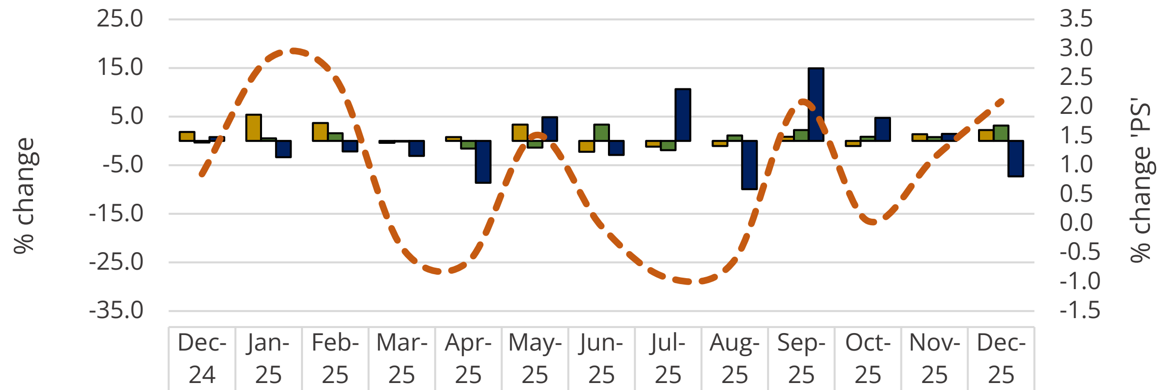
Source: Central Bank of Eswatini & Other Depository Institutions.

Credit extended to the business sector expanded by 2.2 per cent month-on-month and 12.2 per cent year-on-year to close at E11.9 billion in December 2025. The improvement was supported by credit to the following subsectors: transport & communications (14.9 per cent), manufacturing (8.7 per cent), agriculture & forestry (0.9 per cent), and real estate (0.4 per cent). These gains were partially offset by declines in credit to construction (-14.8 per cent), community, social & personal services (-5.7 per cent), distribution & tourism (-2.9 per cent), as well as mining & quarrying (-2.6 per cent) subsectors.

Business credit by enterprise size indicated growth in both small & medium enterprises (SMEs) and large enterprises. Credit to SMEs expanded by 4.9 per cent to E3.8 billion, raising their share of total business credit to 32.3 per cent. Meanwhile, credit to large enterprises edged up by 1.0 per cent to E8.0 billion, continuing to account for the bulk of business credit, with a share of 67.7 per cent.

Credit to other domestic sectors stood at E1.1 billion in December 2025, declining by 7.3 per cent month-on-month and 3.8 per cent year-on-year. The fall was attributed to a drop in credit to other financial corporations, by 19.9 per cent to E533.6 million, and credit to local government by 4.4 per cent to E85.8 million. The observed fall was partly offset by an expansion in credit to parastatals which grew by 10.7 per cent to E499.9 million in December 2025.

Figure 7: Private Sector Credit Monthly Changes; December 2024 to December 2025



	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
BCr	1.9	5.4	3.7	-0.4	0.8	3.4	-2.2	-1.2	-1.0	0.9	-1.1	1.4	2.2
HH	-0.3	0.5	1.6	-0.1	-1.6	-1.4	3.3	-1.9	1.1	2.2	0.9	0.8	3.2
Other	0.8	-3.4	-2.2	-3.1	-8.6	4.9	-2.9	10.6	-9.9	14.9	4.7	1.4	-7.3
Total PS	0.8	2.8	2.5	-0.4	-0.7	1.5	0.0	-0.9	-0.6	2.1	0.0	1.1	2.1

(BCr: Business Credit; HH: Household Credit; PS: Private Sector Credit)

Source: Central Bank of Eswatini & Other Depository Corporations

Government's net balances with the banking sector (claims on government less government's deposits with the banking sector) rose notably to E2.3 billion in December 2025 from E442.3 million in November 2025.This development indicated government's increased cashflow needs to fulfil her fiscal obligations over the month under review. Consequently, Government deposits fell sharply by 22.1 per cent to E6.2 billion while claims on Government (mostly government securities held by the banking sector) increased by 1.1 per cent to E8.5 billion.

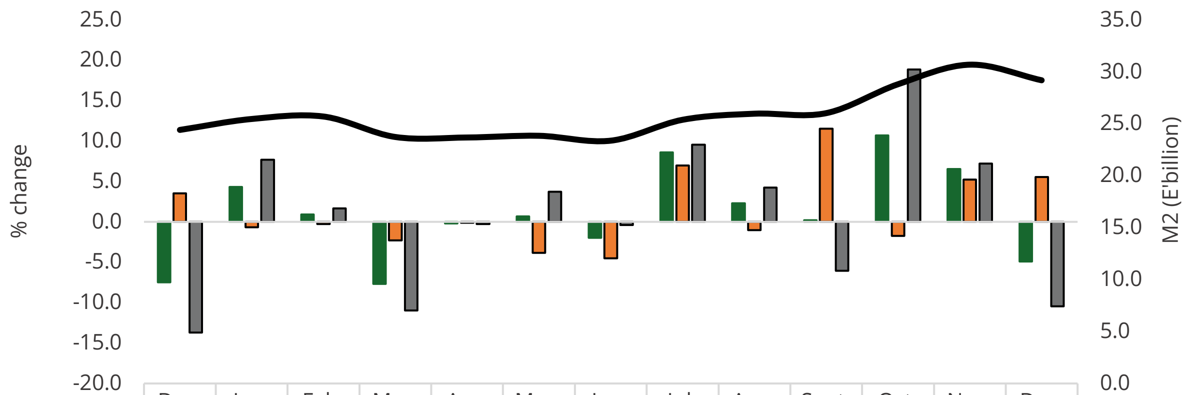
Non-performing loans (NPLs) of the banking sector edged up by 0.4 per cent month-on-month but declined by 0.2 per cent year-on-year to reach E1.3 billion in December 2025. The NPL ratio decreased slightly by 0.2 percentage points relative to the previous month and 0.8 percentage points year-on-year to close at 6.7 per cent in December 2025, mainly due to a higher increase in gross loans.

Broad money supply (M2) receded by 4.9 per cent month-on-month to E29.2 billion in December 2025, in line with the observed down trend in net foreign assets. However, year-on-year M2 registered a robust growth of 19.6 per cent. The month-on-month reduction in M2 reflected a fall in quasi money supply which outweighed the expansion in narrow money supply (M1).

Quasi money supply contracted by 10.4 per cent month-on-month but rose by 23.1 per cent year-on-year to reach E17.9 billion in December 2025. The month-on-month decrease was on account of time deposits which fell by 11.9 per cent to E15.7 billion, partly suggesting a shift of consumers' money hoarding preference towards more liquid deposits during the review month. In contrast, savings deposits improved by 1.4 per cent to E2.2 billion, reflecting a preference for more accessible savings instruments over the review month.

Conversely, M1 improved by 5.5 per cent month-on-month and 14.4 per cent year-on-year to E11.3 billion in December 2025. The improvement was supported by transferable (demand) deposits, which grew by 6.7 per cent to E10.2 billion, reflecting an increase for transactional related liquidity; in line with higher consumer expenditures during the festive season. Emalangeni outside the banking sector, on the other hand, receded by 4.9 per cent indicating weaker demand for physical cash during the month under review.

Figure 8: Money Supply Monthly Changes; December 2024 to December 2025



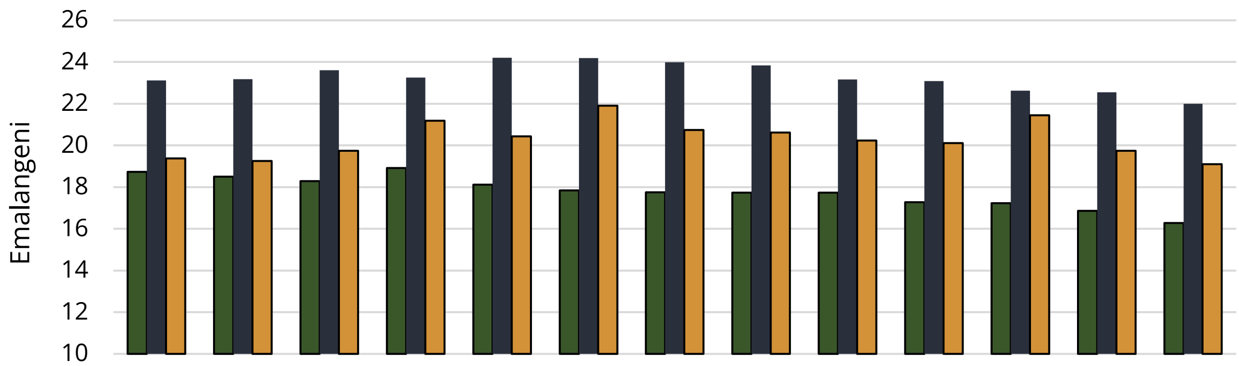
	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25
M2	-7.5	4.3	0.9	-7.7	-0.2	0.7	-2.0	8.6	2.3	0.2	10.7	6.5	-4.9
M1	3.5	-0.7	-0.3	-2.3	-0.1	-3.9	-4.5	7.0	-1.0	11.5	-1.7	5.2	5.5
Quasi	-13.7	7.7	1.7	-11.0	-0.3	3.7	-0.4	9.6	4.3	-6.1	18.9	7.2	-10.4
M2 (E'billion)	24.4	25.5	25.7	23.7	23.7	23.8	23.4	25.4	26.0	26.0	28.8	30.7	29.2

Source: Central Bank of Eswatini & Other Depository Institutions.

During the month of January 2026, the Lilangeni/Rand strengthened against the major trading currencies. The Rand, along with the Lilangeni, traded below the E15-mark against the US Dollar for the first since June 2022. This represents a continuation of the renewed strength of the Rand driven by a weakening dollar and global investors piling into gold, amid a surge in precious metal prices. Positive local data also played a key role in augmenting the gains of the Rand wherein South Africa's leading composite business cycle indicator rose during the period, signalling a robust outlook for the economy in the short to medium term. Compared to December 2025, the Lilangeni appreciated by 3.5 percent, closing the month under review at an average of E16.28 to the US Dollar.

Positive developments in the South Africa economy that supported the Rand included a credit rating upgrade from S&P Global Ratings, Eskom stability improvements, South Africa being removed from the FATF grey list, and a budget surplus in December 2025, which makes the economy a more credible borrower, and the full adoption of the new South African Reserve Bank inflation target of 3 percent. These developments augured well for the Rand/Lilangeni exchange rate not only against the US Dollar, but also against the Pound and Euro. The Lilangeni appreciated by 2.5 percent and 3.2 percent against the Pound Sterling and the Euro to close the month at averages of E22.00 and E19.10, respectively. At the end of January 2026, the domestic unit was trading at E15.92 to the US Dollar, E21.88 to the Pound Sterling and E18.97 to the Euro.

Figure 9: Average Exchange Rates; January 2025 to January 2026



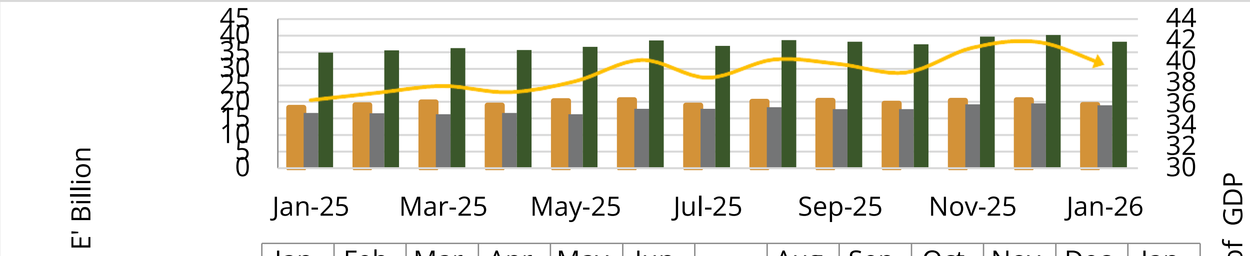
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
USD	18.73	18.50	18.29	18.91	18.11	17.84	17.75	17.73	17.74	17.28	17.23	16.87	16.28
GBP	23.12	23.18	23.60	23.25	24.20	24.18	23.99	23.83	23.17	23.08	22.63	22.55	22.00
Euro	19.38	19.26	19.75	21.18	20.44	21.91	20.75	20.61	20.24	20.12	21.44	19.74	19.10

Source: Central Bank of Eswatini.

4. TOTAL PUBLIC DEBT

At the end of January 2026, the total public debt stock stood at an estimated E38.1 billion, equivalent to 39.7 per cent of GDP. Compared to the previous month, public debt fell by 5.1 per cent from E40.2 billion recorded in December 2025. The decline was driven by reductions in both domestic and external debt.

Figure 10: Total Public Debt January 2025 to January 2026



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Domestic	18.3	19.1	19.9	19.0	20.4	20.6	19.0	20.2	20.4	19.6	20.4	20.6	19.2
External	16.7	16.5	16.3	16.6	16.3	17.9	17.9	18.4	17.8	17.9	19.2	19.5	18.9
Total	34.9	35.6	36.2	35.6	36.6	38.6	37.0	38.6	38.2	37.4	39.7	40.2	38.1
% of GDP (RHS)	36.4	37.0	37.7	37.1	38.1	40.1	38.5	40.2	39.7	39.0	41.3	41.8	39.7

Source: Central Bank of Eswatini & Ministry of Finance

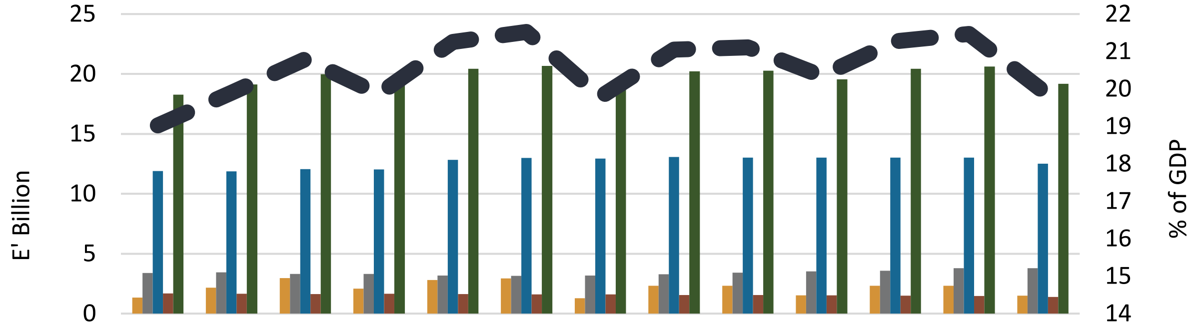
Public External Debt

At the end of January 2026, external public debt was recorded at E18.9 billion, representing a decline of 3.0 per cent from the previous month and accounting for 19.7 per cent of GDP. The decline was primarily driven by the sustained recovery of the Lilangeni against major foreign currencies in which the debt is denominated, as well as debt servicing undertaken during the month under review.

Domestic Debt

In January 2026, domestic debt declined by 7.1 per cent to E19.2 billion, down from E20.6 billion recorded in December 2025. At this level, domestic debt was equivalent to 20.0 per cent of GDP. The reduction in domestic debt was partially attributable to the government's repayment of the CBE Advance, coupled with Treasury bond maturities during the month under review. In the month under review, Treasury Bonds remained the dominant domestic debt instrument accounting for 65 percent of the total. Treasury Bill represented 20 percent, while domestic loans and the CBE Advance contributed the remaining 15 percent.

Figure 11: Outstanding Domestic Debt; January 2025 to January 2026



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
CBE Advance	1.3	2.2	3.0	2.1	2.8	2.9	1.3	2.3	2.3	1.5	2.3	2.3	1.5
T-Bills	3.4	3.4	3.3	3.3	3.2	3.2	3.2	3.3	3.4	3.5	3.6	3.8	3.8
Bonds	11.9	11.9	12.1	12.0	12.8	13.0	12.9	13.1	13.0	13.0	13.0	13.0	12.5
Loans	1.7	1.7	1.6	1.7	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.4
Total	18.3	19.1	20.0	19.1	20.4	20.7	19.0	20.2	20.3	19.6	20.4	20.6	19.2
% of GDP (rhs)	19.0	19.9	20.8	19.9	21.3	21.5	19.8	21.1	21.1	20.4	21.3	21.5	20.0

Source: Central Bank of Eswatini

Table 1: Domestic Debt Instruments Outstanding by Holder on 31 January 2026

Holder	Treasury Bills	Government Bonds	CBE Advance	Total	Share of Holdings (%)
CBE	5.8	599.6	1,493.4	2,098.7	11.8
Commercial banks	1,857.2	3,142.7		4,999.9	28.1
NBFIs	1,571.0	6,739.4		8,310.3	46.7
Foreign Institutions	0.0	192.0		192.0	1.1
Other	349.6	1,832.3		2,181.9	12.3
TOTALS	**3,783.6**	**12,505.9**	**1,493.4**	**17,782.8**	**100**

Source: Central Bank of Eswatini

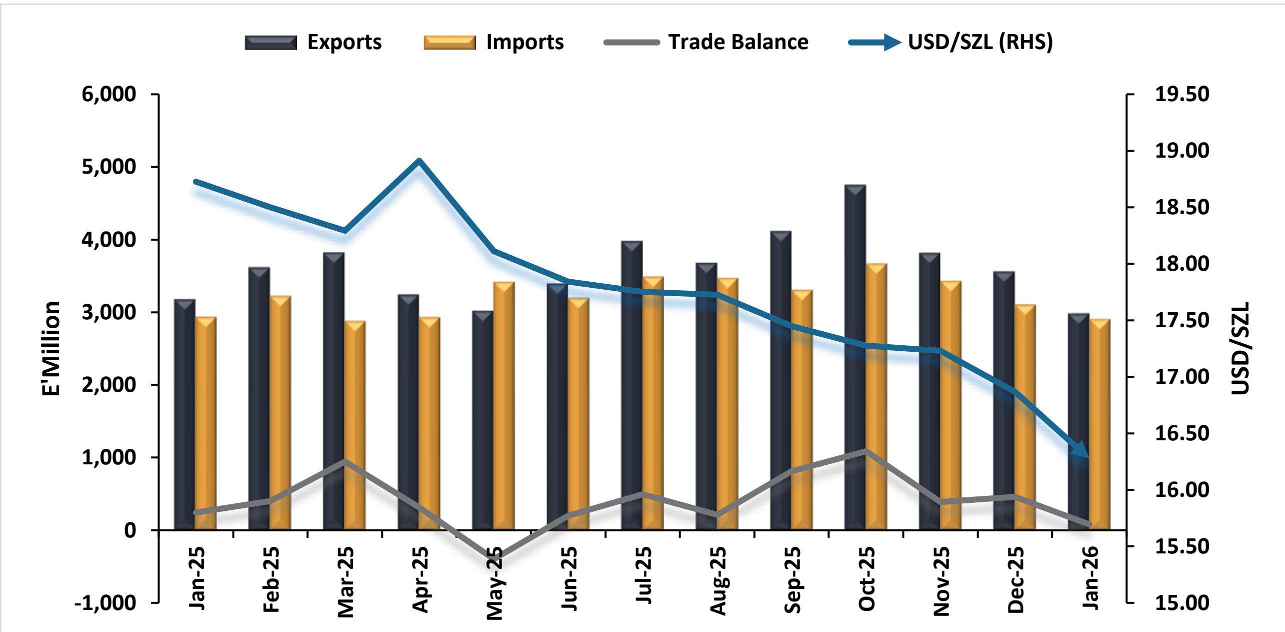
Non-bank financial institutions (NBFIs) continued to hold a significant portion of the long-term securities, while commercial banks maintained their holdings of short-term securities, reflecting the investment preferences within their respective portfolios.

5. THE EXTERNAL SECTOR.

Trade Flows

Eswatini's trade surplus narrowed sharply to E80.8 million in January 2026, down from E459.4 million in December 2025. The contraction was largely driven by a steeper decline in exports relative to imports. **Export earnings** fell by 16.2 per cent month-on-month to E3.0 billion as sugar and soft drink concentrates exports were lower in the month. On an annual basis, however, exports rose by 6.1 per cent compared to January 2025. **Imports** totalled E2.9 billion, declining by 6.4 per cent month-on-month resulting from reduced electricity and food imports in the month and declined by 1.0 per cent year-on-year. Seasonally adjusted estimates place exports at E3.6 billion and imports at E3.3 billion in January 2026 resulting in an adjusted trade surplus of E369.4 million.

Figure 12: Merchandise Trade; January 2025 – January 2026



Trade Direction

Trade direction analysis indicates that South Africa remained Eswatini's dominant trading partner in January, accounting for **70.7 per cent of exports** and **68.9 per cent of imports**. Other notable export destinations included Nigeria, Kenya, Mozambique, Zimbabwe, and Tanzania, which collectively accounted for **18.9 per cent of exports**. On the import side, China, India, the United States, Ireland, and Germany jointly contributed **17.8 per cent of total imports** during the month.

Export Commodity Performance

In January 2026, **soft drink concentrates** exports amounted to E1.4 billion, declining by 21.5 per cent month-on-month and 21.6 per cent year-on-year. Exports of **sugar and sugar products** totalled E594.7 million, a 29.5 per cent decline when compared to December 2025 but an 8.6 per cent increase year-on-year, as the value of consignments destined to South Africa and the United Kingdom was lower. Exports of **textile and textile apparel** fell sharply to E224.1 million contracting by 38.5 per cent from the preceding month. Despite this monthly decline, exports were 14.9 per cent higher year-on-year supported by increased volumes of impregnated, coated, covered, or laminated industrial textile fabrics. Exports of **wood and wood articles** rose to E209.8 million, increasing by 16.4 per cent month-on-month while recording a marginal 0.4 per cent decline year-on-year.

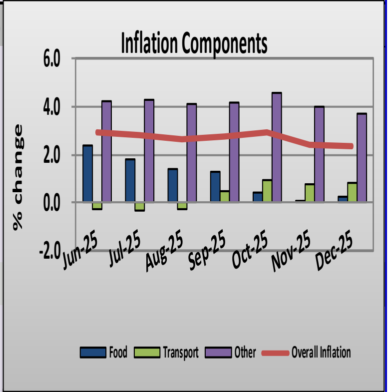
Import Commodity Performance

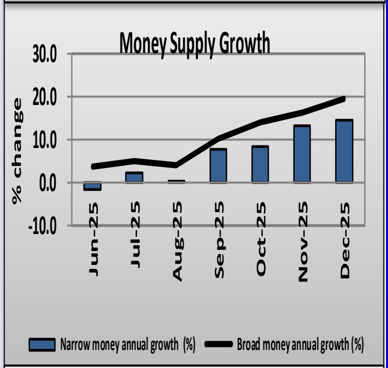
Energy product imports were valued at E474.4 million in January 2026 declining by 10.7 per cent month-on-month and 7.3 per cent year-on-year, owing to a dip in the volume of electricity imported in the month. Imports of **machinery and electrical equipment** totalled E353.6 million reflecting a 5.7 per cent monthly decline but were 26.5 per cent higher than January 2025. **Animal and vegetable product** imports contracted by 12.9 per cent month-on-month to E316.4 million and were 10.3 per cent lower year-on-year driven mainly by reduced imports of meat, dairy products, and edible vegetables. Imports of **textile and textile apparel** fell by 9.0 per cent from December 2025 to record E175.1 million, while declining by 15.8 per cent year-on-year. This was influenced by lower purchases of man-made filaments, non-knitted or non-crocheted apparel and clothing accessories, and other made-up textile articles. **Vehicle imports in the month** amounted to E160.5 million, down by 9.8 per cent month-on-month and 6.2 per cent year-on-year.

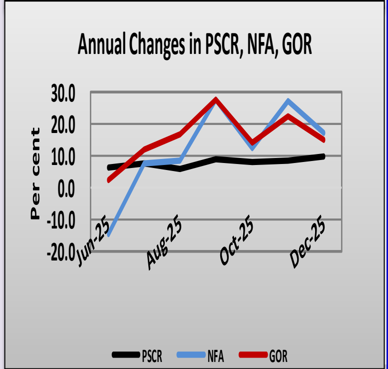
Economic Policy, Research and Statistics Department

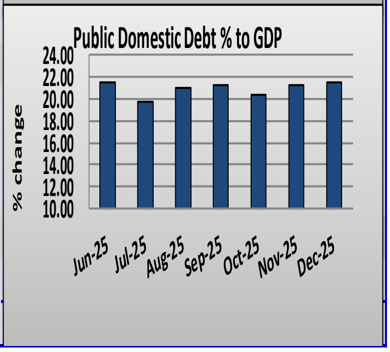
Kingdom of Eswatini Economic Indicators at a glance

Sectors	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Overall Inflation	2.9	2.8	2.6	2.8	2.9	2.4	2.3
Food	2.3	1.8	1.4	1.3	0.4	0.0	0.3
Transport	-0.3	-0.3	-0.3	0.5	0.9	0.7	0.8
Other	4.2	4.3	4.1	4.1	4.6	4.0	3.7
Money and banking							
Narrow money annual growth (%)	-1.7	2.4	0.3	7.7	8.4	13.1	14.4
Broad money annual growth (%)	3.6	4.9	4.0	10.3	13.9	16.3	19.6
Domestic credit (net) - E' Million	23,929.9	21,265.4	22,179.2	23,290.6	23,024.9	22,390.4	24,710.9
Government	2,345.1	-117.8	929.1	1,597.8	1,322.7	442.3	2,303.1
Private sector	21,584.8	21,383.2	21,250.2	21,692.8	21,702.2	21,948.1	22,407.8
Private sector credit annual growth (%)	6.5	7.7	5.9	8.9	8.2	8.5	9.8
Interest rates (% p.a)							
Prime lending	10.25	10.25	10.25	10.25	10.25	10.25	10.25
Discount rate	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Deposit rate - 31 days	2.31	2.31	2.31	2.31	2.31	2.31	2.31
- 12 months	5.03	5.03	5.03	5.03	5.03	5.03	5.03
- T. bill rate	9.21	9.19	9.06	8.64	8.23	8.20	8.12
Ratios							
Liquidity ratio (required = 20 %)	30.9	33.5	35.9	34.3	42.3	42.3	40.9
Loans/deposits ratio	86.6	78.2	76.7	77.2	70.9	67.6	72.4
Net foreign assets (E'million)	6,110.4	11,034.6	10,426.0	9,847.6	12,950.2	14,991.9	10,494.4
Annual % change in NFA	-14.5	7.6	8.7	27.6	12.7	27.2	17.4
Gross official foreign reserves E'Millions	8,221.6	11,949.0	11,836.5	10.7	14.4	15.5	11.7
Annual % change in GOR	2.4	12.2	16.7	27.9	14.2	22.4	15.3
In months of import cover	2.0	2.8	2.8	2.5	3.4	3.6	2.7
Exchange Rates							
US$	18.11	17.84	17.75	17.73	17.45	17.23	16.87
EURO	20.44	21.91	20.75	20.61	20.47	21.44	19.74
GBP	24.20	24.18	23.99	23.83	23.57	22.63	22.55
Public Finance							
Total public domestic debt [E' million]	20,625.66	19,008.00	20,168.5	20,382.4	19,554.5	20,435.8	20,629.2
As a % of GDP	21.47	19.79	20.99	21.22	20.35	21.27	21.47









NB: For consistency, the table shows data up to the end of December 2025.