Eswatini Inflation Forecasts 2025 - 2027

Updated September 2025

Forecasts notes

The Bank's forecasts for the short term have been slightly revised downwards owing to the sustained moderation in food inflation. While the lower-than-expected inflation in recent months has contributed to the downward shift in the trajectory of inflation going forward, slight changes in the assumptions guiding the forecasts led to the downward revision. From an external perspective, the global oil prices are expected to remain stable around the previous US$ 67 per barrel, augmenting the stable domestic inflation outlook.

The recent rally of the Rand against the greenback has further supported the moderation in headline inflation. The appreciation in the Rand is generally attributable to a weaker US dollar, amid a surge in the global prices of precious metals and renewed economic volatility surrounding US tariff policy. Despite the volatility during this period, the sustained inflow of capital into higher-yielding emerging market economies has benefited the Rand. Consequently, the Rand/Lilangeni improved to average E17.73 per US dollar in August 2025 from E17.84 per US dollar in June 2025.

Developments in core inflation (CPI excluding volatile items such as food, auto-fuel, and energy) have seen it continue to move in tandem with headline inflation. The outcome for the month of July 2025 came out marginally lower (at 3.37 per cent), than the Bank's forecast of 3.68 per cent at the time of the previous meeting. Looking ahead, moderation in services and food inflation, key indicators of the movements in core inflation, situates the outlook on the downside in the short-term. Consequently, the third quarter of 2025 is revised down to 3.5 per cent from 3.7 per cent, and the fourth quarter revised down to 3.3 per cent form 3.4 per cent.

The South African headline inflation forecast for the short remains unchanged and lower than the SARB's mid-point target. The lower inflation in South Africa, which mainly transmit via importation of finished goods, is therefore anticipated to influence headline inflation in Eswatini to the downside. Consequently, the third quarter of 2025 is revised down to 3.14 per cent (from

In the medium term, the oil prices are expected to remain stable driven primarily by the widthrawal of excess suplly in the global market. From the Bank's assessment, the stability of oil prices is expected to have a muted impact on domestic headline inflation, particularly the transport and food components. Domestically, the revision of the forecasts continue to rely on the downward review of the multi-year electricity tariffs (announced in March 2025) which is expected to exert downward pressure on overall inflation. As a result, the forecast for 2026 is revised down 3.92 per cent (from 3.95 per cent), while the forecast for 2027 is revised down to 3.70 per cent (from 3.71 per cent).

2025 HEADLINE/CORE INFLATION FORECASTS (% y/y)

Date	Jul-25		Sep-25	
	Headline inflation	Core inflation	**Headline inflation**	Core inflation
Quarter 1 Average	3.94	4.03	3.94	4.03
Quarter 2 Average	3.13	3.42	3.13	3.42
Quarter 3 Average	3.39	3.73	2.85	3.49
Quarter 4 Average	3.52	3.42	3.04	3.30
Annual Average	3.49	3.65	3.24	3.56

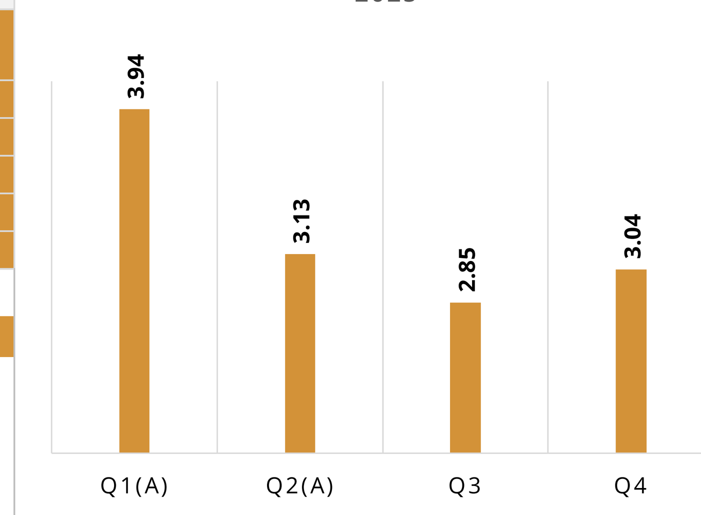
2026 INFLATION FORECASTS (% y/y)

Date	Jul-25	Sep-25
Quarter 1 Average	3.46	3.02
Quarter 2 Average	4.10	3.66
Quarter 3 Average	4.28	4.37
Quarter 4 Average	3.95	4.06
Annual Average	3.95	3.78

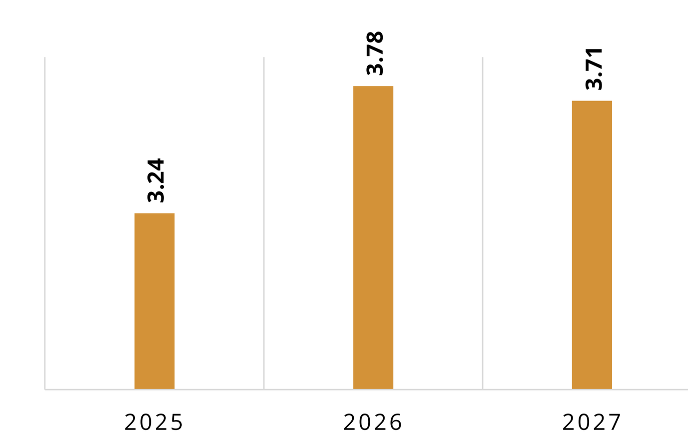
SHORT-MEDIUM TERM INFLATION FORECASTS (% y/y)

Date	Jul-25	Sep-25
2025	3.49	3.24
2026	3.95	3.78
2027	3.71	3.71

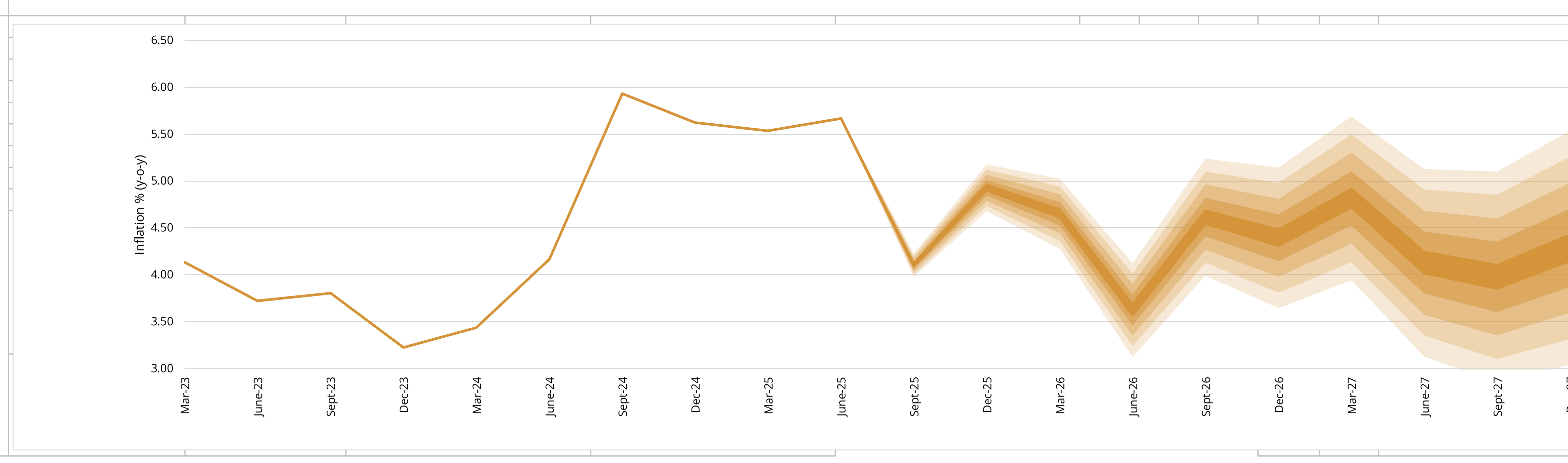
QUARTERLY INFLATION FORECASTS 2025



ANNUAL INFLATION FORECASTS



FAN CHART FOR THE INFLATION PROJECTIONS



Note: the Central Bank of Eswatini will not be held liable for any eventualities resulting from the use of this information. For any quiries please contact the Research Department at 2408 2244/2415.