

# Monthly Statistical Release

AUGUST/SEPTEMBER 2021



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CENTRAL BANK  
OF ESWATINI

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HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
<b>Gross official reserves</b> receded by 0.7 per cent month-on-month and by 7.1 per cent year-on-year to close at E8.7 billion at the end of September 2021.	0.7 ▼	7.1 ▼
<b>Credit extended to the private sector</b> settled at E16.1 billion in August 2021, depicting growth of 0.1 per cent month-on-month and 8.6 per cent over the year.	0.1 ▲	8.6 ▲
<b>Broad money supply (M2)</b> fell by 6.0 per cent month-on-month and grew by 4.7 per cent year-on-year to close at E20.0 billion in August 2021.	6.0 ▼	4.7 ▲
<b>Domestic liquid assets</b> stood at E7.4 billion in August 2021, up by 2.4 per cent month-on-month and 6.5 per cent year-on-year.	2.4 ▲	6.5 ▲
	PERCENT	
<b>Discount Rate:</b> the discount rate remained unchanged at 3.75 per cent in September 2021.		3.75
<b>Prime Lending Rate:</b> the prime lending rate remained unchanged at 7.25 per cent in September 2021.		7.25

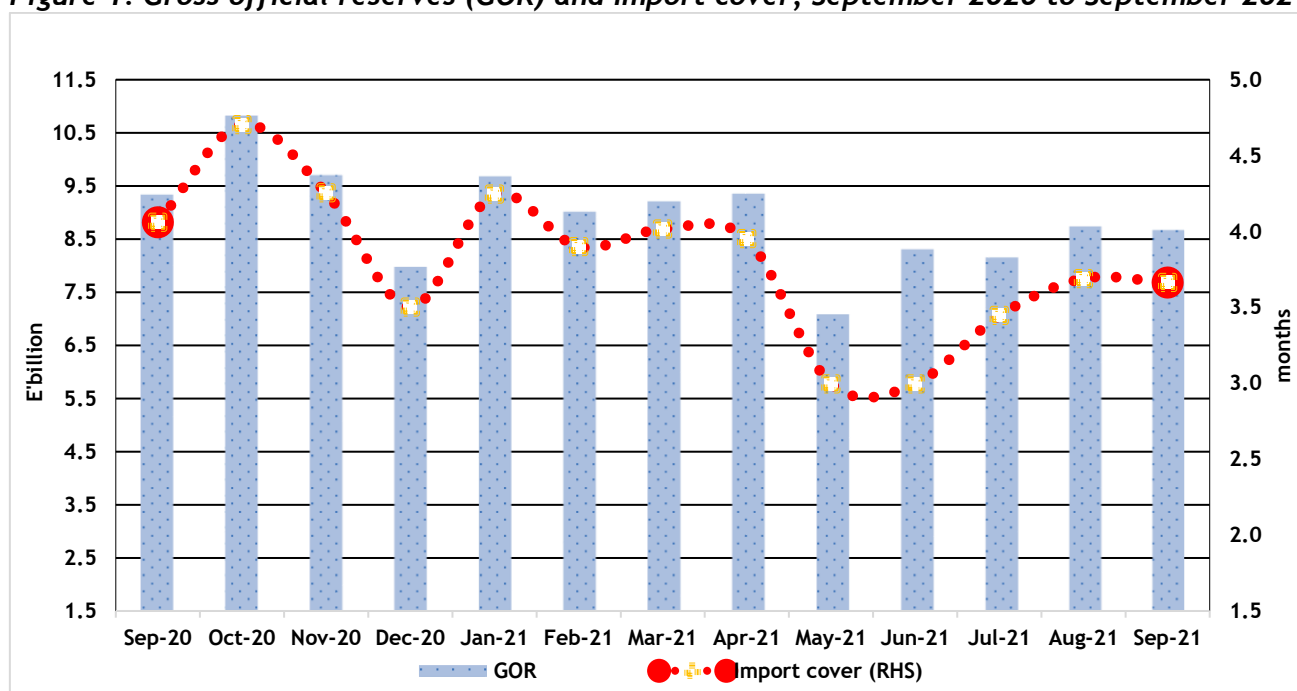
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**Gross official reserves** stood at E8.7 billion at the end of September 2021, depicting a decrease of 0.7 per cent compared to the previous month and 7.1 per cent compared to the previous year. Consequently, the import cover remained unchanged at 3.7 months of goods and services over the review period.

**Valued in special drawing rights (SDR)**, the reserves amounted to SDR408.1 million at the end of September 2021, reflecting a contraction of 3.3 per cent over the month but an expansion of 3.0 per cent over the year.

**Figure 1: Gross official reserves (GOR) and Import cover; September 2020 to September 2021**



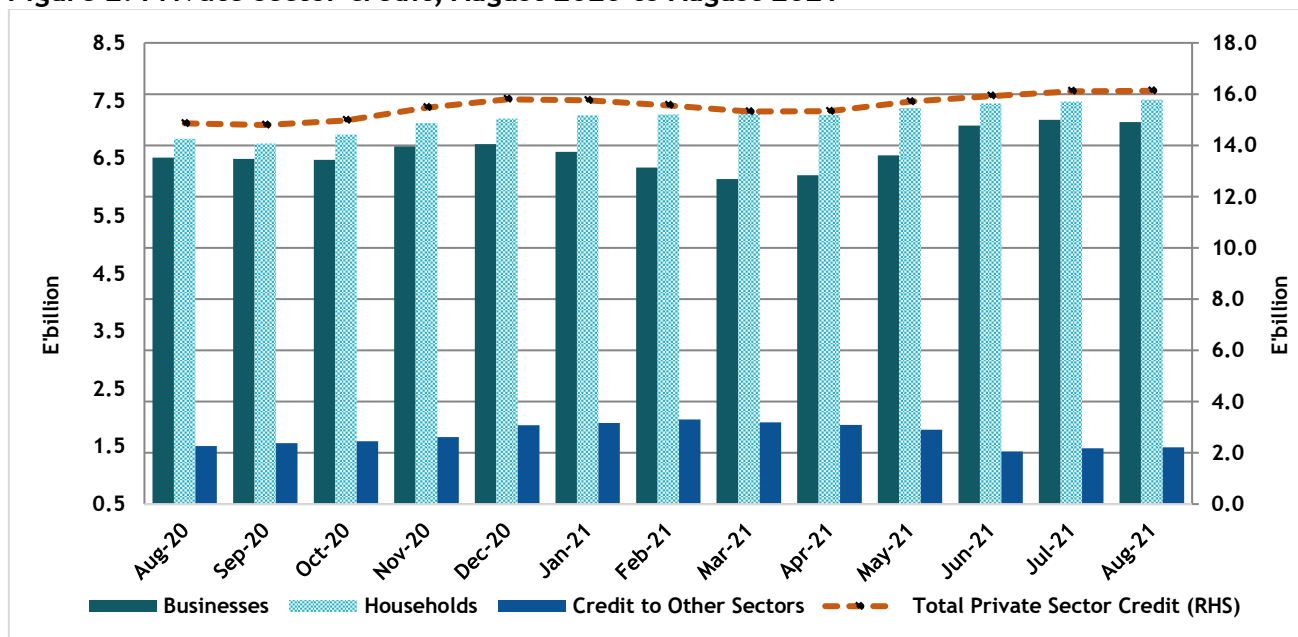
Source: Central Bank of Eswatini

**Credit extended to the private sector** increased by 0.1 per cent from the previous month and 8.6 per cent over the year to settle at E16.1 billion at the end of August 2021. The improvement in private sector credit was driven by credit to other sectors and households & non-profit institutions serving households (NPISH)). Partly dampening the growth was a fall in credit to businesses.

**Credit extended to other sectors** expanded by 1.5 per cent over the month under review, however, compared to August 2020 declined by 1.2 per cent to reach E1.5 billion at the end of August 2021. Accounting for the month-on-month growth was an increase in all components of credit to other sectors. Consequently, credit to local government, public nonfinancial corporations and other financial corporations rose by 9.7 per cent, 1.3 per cent and 1.2 per cent, respectively.

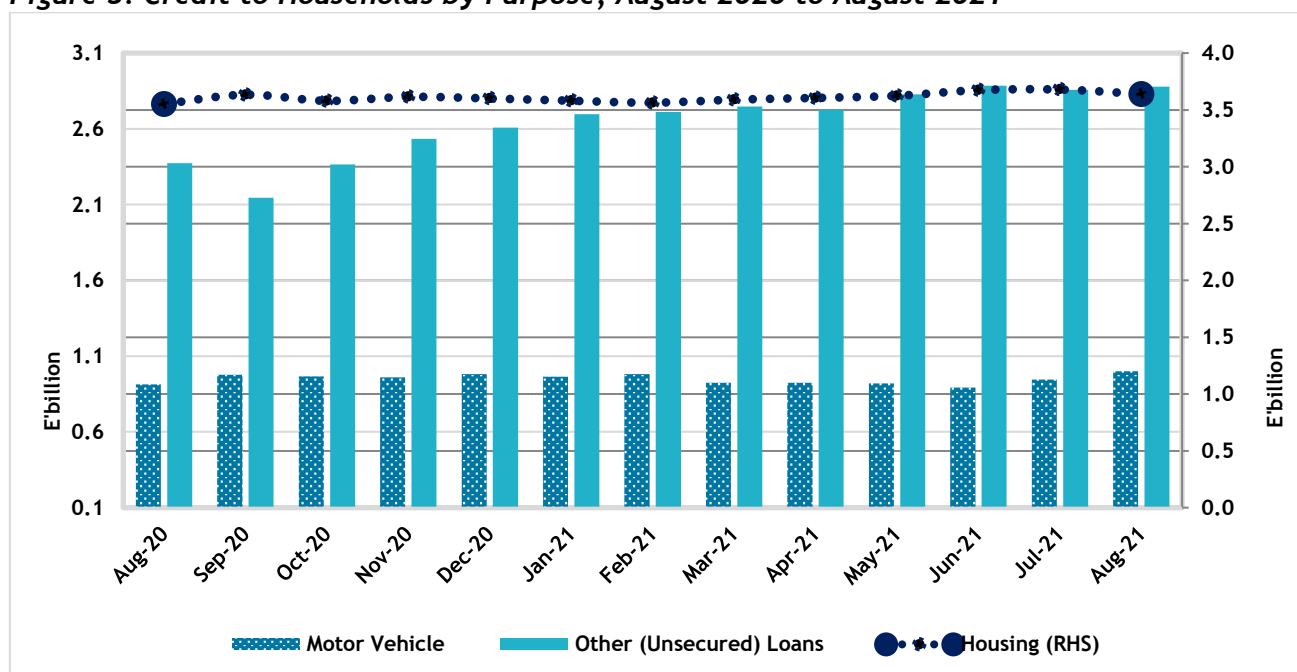
**Credit extended to businesses** settled at E7.1 billion at the end of August 2021, down by 0.5 per cent month-on-month and higher by 9.5 per cent year-on-year. The following subsectors accounted for the month-on-month decline; community, social & personal services (-27.0 per cent), manufacturing (-18.9 per cent), agriculture & forestry (-7.5 per cent) as well as mining & quarrying (-0.7 per cent). Credit to these subsectors, on the other hand, increased over the review period; distribution & tourism (10.9 per cent), transport & communication (7.4 per cent), real estate (4.3 per cent) and construction (1.4 per cent).

**Figure 2: Private sector credit; August 2020 to August 2021**



Source: Central Bank of Eswatini & Other Depository Corporations

**Credit extended to households & NPISH** amounted to E7.5 billion at the end of August 2021, reflecting an increase of 0.5 per cent month-on-month and 9.9 per cent year-on-year. Contributing to the growth was motor vehicle finance and other personal (unsecured) loans, which improved by 5.7 per cent to E1.0 billion and 0.7 per cent to E2.9 billion, respectively. Mortgage loans on the contrary, receded by 1.1 per cent to reach E3.6 billion at the end of August 2021.

**Figure 3: Credit to Households by Purpose; August 2020 to August 2021**

Source: Central Bank of Eswatini & Other Depository Corporations

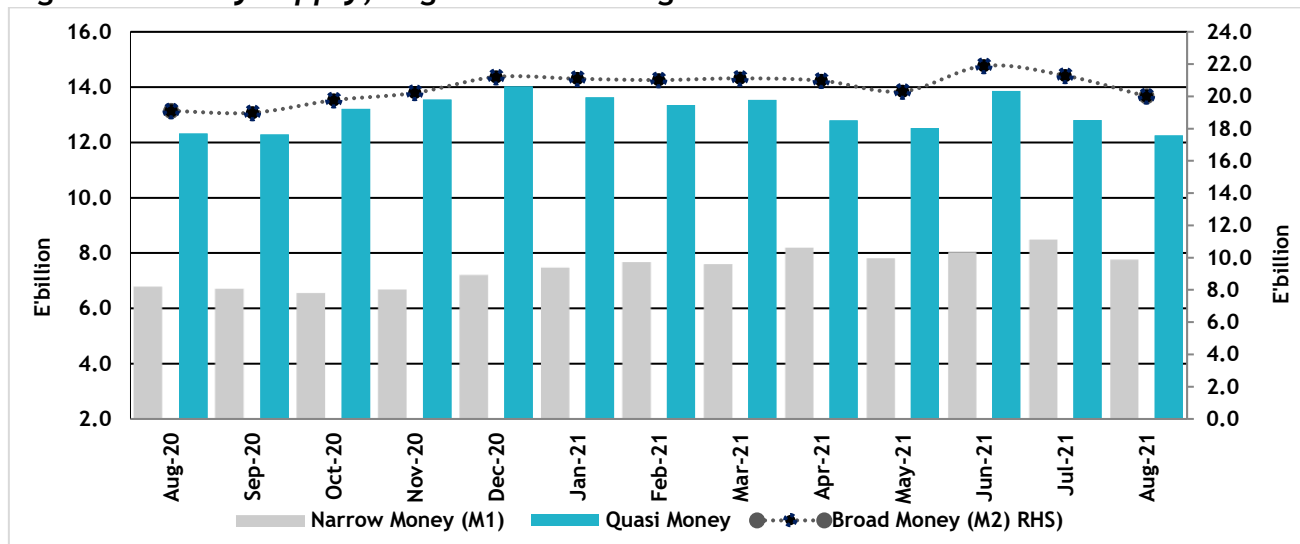
**Net claims on government** with the banking sector stood at E953.6 million at the end of August 2021, higher than the E507.0 billion observed in July 2021. The rise was largely on account of an advance from the Central Bank over the month under review. As a result, a notable month-on-month growth of 11.6 per cent was observed in claims on government. Government deposits also increased, albeit, at a lower rate of 4.9 per cent compared to July 2021.

**Broad money supply (M2)** reached E20.0 billion at the end of August 2021, reflecting a decline of 6.0 per cent month-on-month and a rise of 4.7 per cent year-on-year. The month-on-month contraction in M2 was in line with the prevailing weak economic conditions faced by the country, which to a large extent are exacerbated by the effects of the COVID-19 pandemic. The fall in M2 was reflected in both components; narrow money supply (M1) and quasi money supply.

**Narrow money supply (M1)** settled at E7.8 billion at the end of August 2021, 8.5 per cent lower compared to July 2021 and 14.5 per cent higher over the year. The month-on-month decline was underpinned by a fall in transferable (demand) deposits and Emalangeni outside depository corporations by 9.2 per cent to E6.9 billion and 2.2 per cent to E854.9 million, respectively.

**Quasi money supply** fell by 4.4 per cent month-on-month and 0.6 per cent year-on-year to close at E12.3 billion at the end of August 2021. An analysis of the components of quasi money supply revealed that time and savings deposits shrank by 5.0 per cent to E10.3 billion and 0.7 per cent to E1.9 billion, respectively.

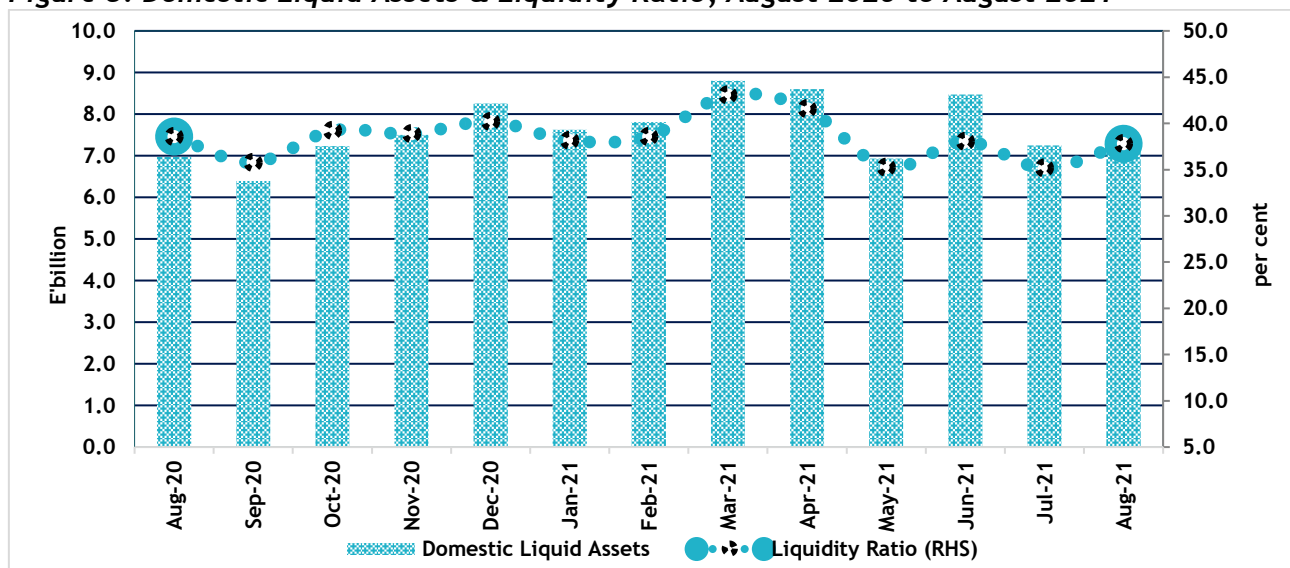
**Figure 4: Money Supply; August 2020 to August 2021**



Source: Central Bank of Eswatini & Other Depository Corporations

**Overall liquidity position of banks' assets** amounted to E7.4 billion at the end of August 2021, reflecting an increase of 2.4 per cent month-on-month and 6.5 per cent over the year. Growth was attributed to a rise in the banks' investments in Central Bank bills, government securities as well as their cash holdings. Consequently, the banks' liquidity ratio, rose to 37.8 per cent at the end of August 2021 from 35.2 per cent observed in July 2021.

**Figure 5: Domestic Liquid Assets & Liquidity Ratio; August 2020 to August 2021**



Source: Central Bank of Eswatini & Other Depository Corporations





## RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Aug-21	Jul-21	Aug-20
	Amount (E'000)	Amount (E'000)	Amount (E'000)
<b>CENTRAL BANK OF ESWATINI</b>			
Claims on Non-residents	10,212,803	9,648,261	10,161,431
Claims on Domestic Economy	2,408,586	1,929,375 *	2,536,348 *
Government	2,375,279	1,896,400	2,503,898
Other Depository Corporations	2,082	2,082	2,512
Other Resident Sectors	31,225	30,892	29,939
Other Assets	519,659	724,127	552,241
<b>Total Assets/Liabilities</b>	<b>13,141,048</b>	<b>12,301,763</b>	<b>13,250,020</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBE	3,020,062	3,213,434	3,901,443
Net Balances with Banks Outside Eswatini	1,967,094	2,851,775	1,369,799
Loans and advances	15,247,664	15,242,529	13,978,947
<b>Government Securities</b>	<b>4,590,933 *</b>	<b>4,341,836</b>	<b>3,385,147 *</b>
Treasury Bills	2,441,484	2,314,475	2,389,768
Government Bonds	2,149,450	2,027,361	995,380
Other	-	-	-
<b>Total Deposits</b>	<b>21,845,511</b>	<b>22,785,978 *</b>	<b>20,087,680</b>
Transferable/Demand	7,460,661	8,118,259	6,419,454
Savings	1,985,641	2,001,160	2,133,145
Time	12,399,209	12,666,560	11,535,081
<b>Capital and Reserves</b>	<b>4,483,876</b>	<b>4,411,996</b>	<b>4,283,774</b>
<b>Total Assets/Liabilities</b>	<b>28,435,574</b>	<b>29,378,505</b>	<b>26,662,883</b>
Total Liquid Assets (Banks only)	7,423,601	7,250,117	6,970,731
Required Liquidity (Banks only)	3,889,098	4,083,897	3,575,324
Surplus/ Deficiency (-) (Banks only)	3,534,503	3,166,220	3,395,407
<b>RATIOS (%)</b>			
Actual Liquidity to Domestic Liabilities (Banks Only)	37.8	35.2	38.6
Loans and Advances to Deposits	69.8	66.9	69.6



<b>DEPOSITORY CORPORATIONS SURVEY</b>					
	Aug-21	Jul-21	Aug-20		
<b>Net Foreign Assets (E)</b>	<b>8,533,734</b>	<b>10,791,733</b>	<b>9,689,493</b>		
<b>Net Official Assets</b>	<b>6,202,285</b>	<b>7,452,927</b>	<b>7,220,933</b>		
Foreign Assets - Central Bank of Eswatini	10,239,045	9,674,504	10,187,674		
Foreign Liabilities - Central Bank of Eswatini	4,036,760	2,221,577	2,966,741		
<b>Net Other Depository Corporations Foreign holdings (ODC)</b>	<b>2,331,449</b>	<b>3,338,806 *</b>	<b>2,468,560</b>		
Foreign Assets - ODC	2,841,996	3,734,319	2,887,590		
Foreign Liabilities - ODC	510,547	395,514	419,030		
<b>Net Foreign Assets (SDR)</b>	<b>412,607</b>	<b>517,463</b>	<b>409,865</b>		
<b>Net Domestic Claims</b>	<b>17,082,899</b>	<b>16,619,141 *</b>	<b>16,009,289</b>		
<b>Net Claims on Government</b>	<b>953,632 *</b>	<b>506,951</b>	<b>1,156,345</b>		
Claims on Central Government	7,012,663	6,283,886	5,897,471		
Government Deposits	6,059,032	5,776,935	4,741,126		
<b>Claims on other sectors</b>	<b>16,129,267 *</b>	<b>16,112,191 *</b>	<b>14,852,944 *</b>		
Other nonfinancial corporations (Industry)	7,125,970	7,165,151	6,508,232		
Other resident sectors (Households & NPISH)	7,516,404	7,481,657	6,839,539		
Other sectors	1,486,892	1,465,382	1,505,172		
<b>Broad Money Supply (M2)</b>	<b>20,004,417</b>	<b>21,284,776</b>	<b>19,097,978</b>		
<b>Narrow Money Supply (M1)</b>	<b>7,751,470</b>	<b>8,471,401</b>	<b>6,771,809</b>		
Currency outside depository corporations (E)	854,884	874,484	986,869		
Transferable (demand) deposits	6,896,586	7,596,917	5,784,940		
<b>Quasi Money</b>	<b>12,252,947 *</b>	<b>12,813,375</b>	<b>12,326,169 *</b>		
Savings Deposits	1,910,968	1,924,612	2,090,039		
Time Deposits	10,341,978	10,888,763	10,236,131		
Shares and Other Equity	6,502,559	7,027,222	7,054,878		
Central Bank Of Eswatini	1,346,357	1,945,616	2,172,353		
Other Depository Corporations	5,156,203	5,081,606	4,882,525		
<b>Other Items (net)</b>	<b>-890,343</b>	<b>-901,123</b>	<b>-454,074</b>		
<b>GROSS OFFICIAL RESERVES</b>	<b>Sep-21</b>	<b>Aug-21</b>	<b>Jul-21</b>	<b>Aug-20</b>	<b>Sep-20</b>
	<b>Amount</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>(E'000)</b>
<b>Total Official (Gross) - Emalangen E</b>	<b>8,664,028</b>	<b>8,724,939</b>	<b>8,147,987</b>	<b>8,460,765</b>	<b>9,321,947</b>
<b>Special Drawing Rights (SDR)</b>	<b>408,076</b>	<b>421,851</b>	<b>390,695</b>	<b>357,890</b>	<b>396,183</b>
<b>Central Bank</b>	<b>8,664,028</b>	<b>8,724,939</b>	<b>8,147,987</b>	<b>8,460,765</b>	<b>9,321,947</b>
<b>Government</b>	<b>26,243</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>3.7</b>	<b>3.7</b>	<b>3.4</b>	<b>3.7</b>	<b>4.1</b>
<b>Net Bank Holdings</b>	<b>2,331,449</b>	<b>3,338,806</b>	<b>2,468,560</b>	<b>2,753,221</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.

