

Monthly Statistical Release

JULY/AUGUST 2022



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
Gross official reserves amounted to E7.1 billion at the end of August 2022, reflecting a decline of 10.6 per cent month-on-month and 18.8 per cent year-on-year.	10.6 ▼	18.8 ▼
Credit extended to the private sector grew by 0.2 per cent month-on-month and 3.4 per cent year-on-year to reach E16.7 billion at the end of July 2022.	0.2 ▲	3.4 ▲
Broad money supply (M2) amounted to E20.5 billion in July 2022, down by 2.0 per cent from the previous month and 3.8 per cent over the year.	2.0 ▼	3.8 ▼
Domestic liquid assets amounted to E6.4 billion at the end of July 2022, lower by 15.7 per cent month-on-month and 11.2 per cent year-on-year.	15.7 ▼	11.2 ▼
		PERCENT
Discount Rate: the discount rate was at 5.0 per cent in August 2022.		5.00
Prime Lending Rate: the prime lending rate was at 8.50 per cent in August 2022.		8.50

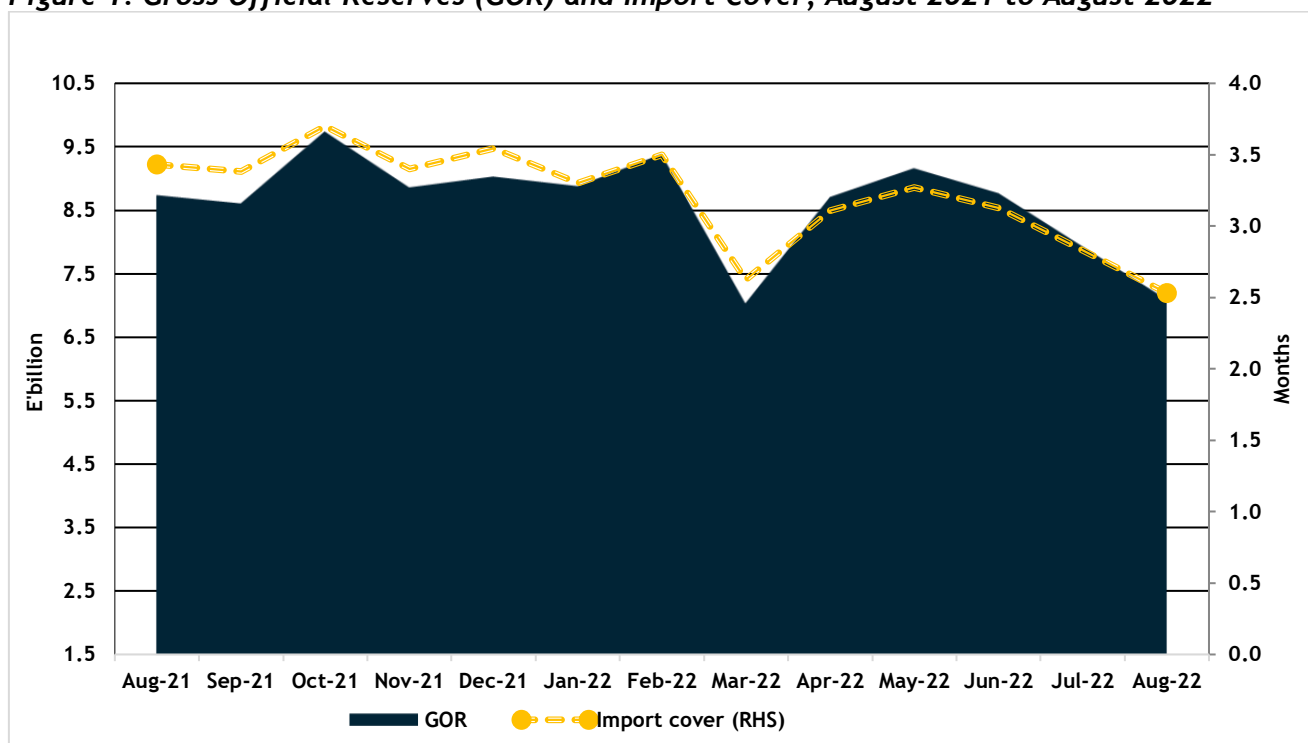
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Preliminary gross official reserves stood at E7.1 billion at the end of August 2022, reflecting a fall of 10.6 per cent from July 2022 and 18.8 per cent over the year. The decline was mainly attributed to a net outflow of foreign currency from trades with local banks coupled with payment of government's fiscal obligations over the month under review. The reserves were therefore, sufficient to cover 2.5 months of imports of goods and services, lower than the 2.8 months covered in July 2022.

Valued in special drawing rights (SDR), the reserves amounted to SDR319.4 million, lower by 12.2 per cent month-on-month and 24.3 per cent year-on-year.

Figure 1: Gross Official Reserves (GOR) and Import Cover; August 2021 to August 2022



Source: Central Bank of Eswatini

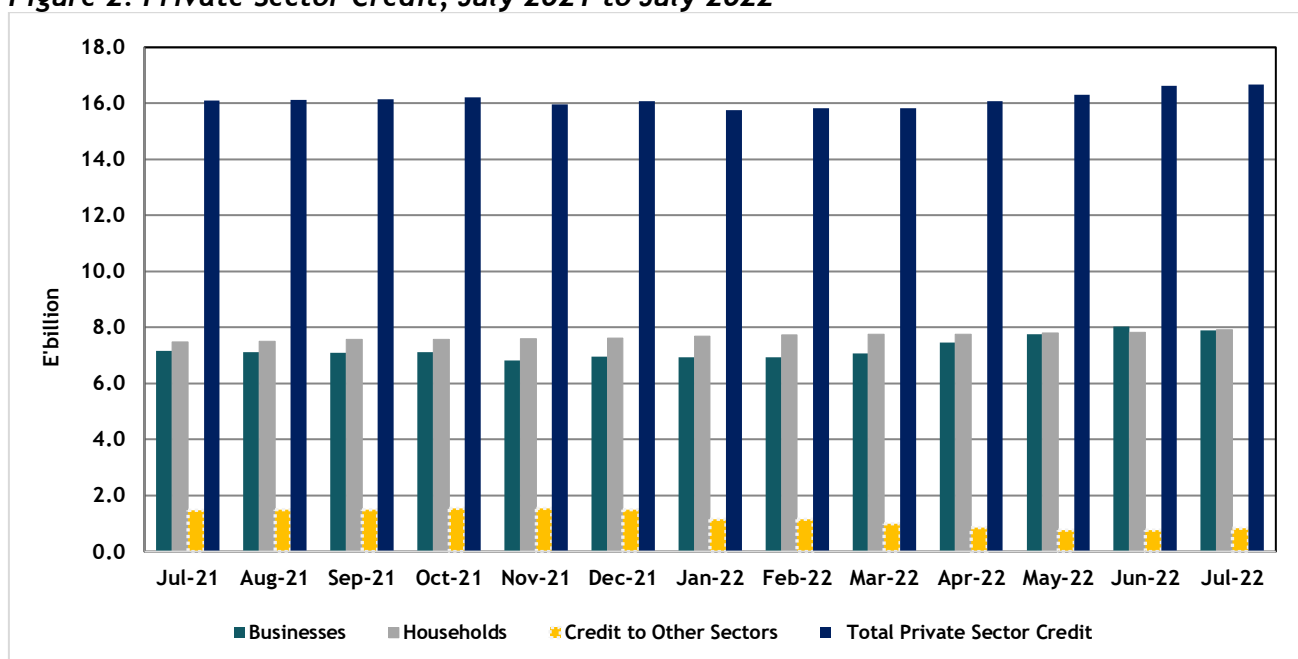
Credit extended to the private sector grew by 0.2 per cent month-on-month and 3.4 per cent year-on-year to reach E16.7 billion at the end of July 2022. Growth was registered in credit to other sectors of the domestic economy as well as households & non-profit institutions serving households (NPISH). On the other hand, credit to businesses declined.

Credit extended to other sectors stood at E844.5 million at the end of July 2022, representing an improvement of 11.2 per cent from June 2022 and a fall of 42.4 per cent over the year. The rise was supported by credit to other financial corporations, which grew by 23.2 per cent over the month under review. In contrast, credit to public nonfinancial

corporations and local government contracted by 6.0 per cent and 1.7 per cent, respectively.

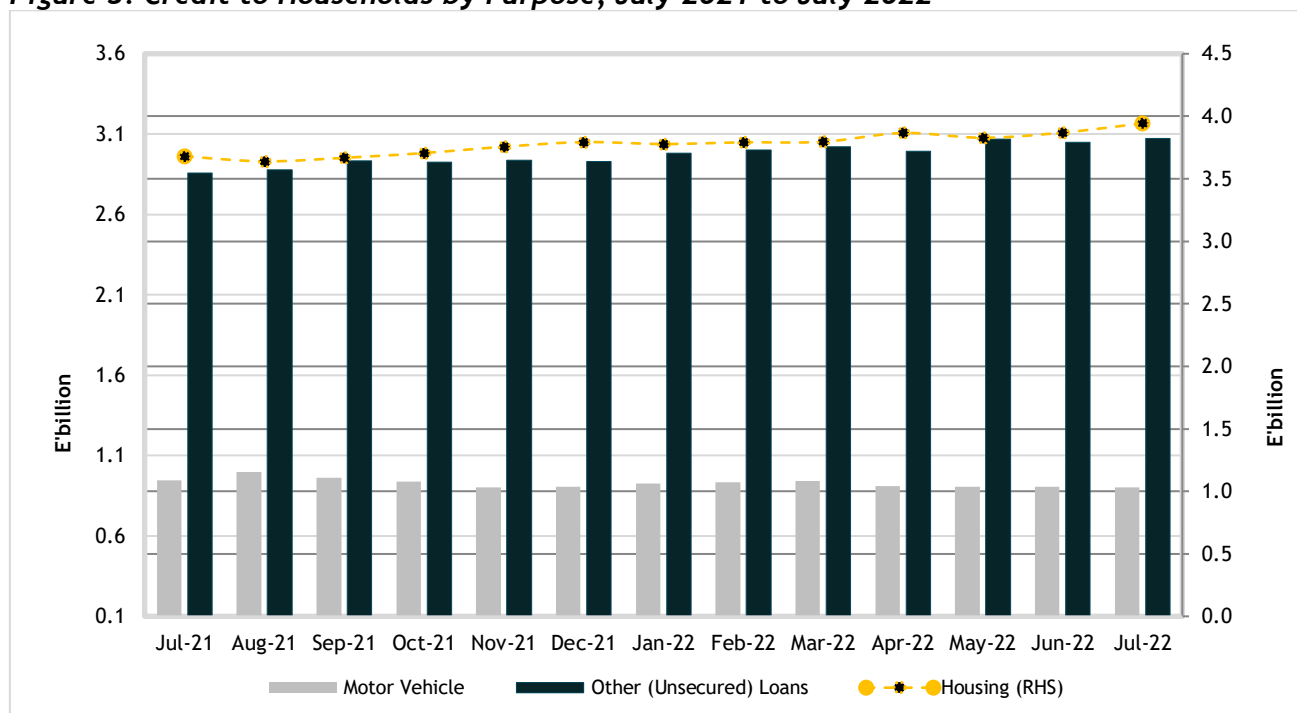
Credit extended to businesses amounted to E7.9 billion at the end of July 2022, depicting a decline of 1.8 per cent from the previous month and growth of 10.3 per cent year-on-year. The month-on-month decrease was evident in credit to the following subsectors; distribution & tourism (-6.3 per cent), manufacturing (-5.3 per cent), agriculture & forestry (-3.4 per cent) as well as mining & quarrying (-3.2 per cent). An increase was however, observed in the following subsectors; construction (2.9 per cent), real estate (1.8 per cent), transport & communication (0.7 per cent) and community, social & personal services (0.1 per cent).

Figure 2: Private Sector Credit; July 2021 to July 2022



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH stood at E7.9 billion at the end of July 2022, reflecting an increase of 1.2 per cent month-on-month and 5.8 per cent over the year. Accounting for the growth were housing and other personal (unsecured) loans, which expanded by 1.9 per cent to E3.9 billion and 0.8 per cent to E3.1 billion, respectively. However, the rise was partly dampened by a fall of 0.3 per cent in motor vehicle loans to E903.4 million.

Figure 3: Credit to Households by Purpose; July 2021 to July 2022

Source: Central Bank of Eswatini & Other Depository Corporations

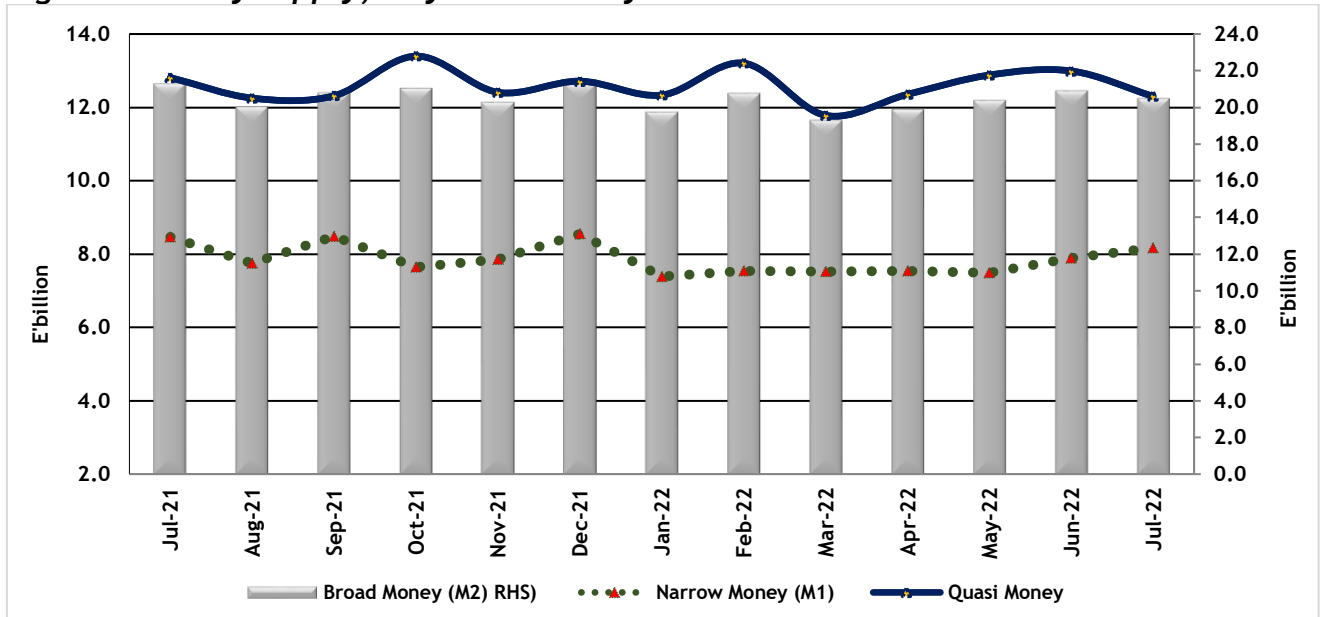
Net claims on government held by the banking sector went down to E2.0 billion at the end of July 2022 from E2.2 billion in June 2022. The aforementioned development was largely attributed to a fall of 15.0 per cent in claims on government as government reduced its advance from the Central Bank. Similarly, government deposits fell by 17.1 per cent compared to June 2022.

Broad money supply (M2) stood at E20.5 billion at the end of July 2022, lower by 2.0 per cent from June 2022 and 3.8 per cent over the year. The reduction in M2 was driven by quasi money supply whilst narrow money supply (M1) increased.

Quasi money supply contracted by 5.3 per cent month-on-month and 4.0 per cent year-on-year to close the review month at E12.3 billion, driven by time deposits. Time deposits decreased by 6.7 per cent to E10.2 billion at the end of July 2022. Savings deposits on the other hand, grew by 2.0 per cent month-on-month to reach E2.1 billion.

Narrow money supply (M1) increased by 3.5 per cent from the previous month and fell by 3.5 per cent over the year to settle at E8.2 billion at the end of July 2022. The month-on-month improvement was supported by both components, Emalangeni outside depository corporations and transferable (demand) deposits. As a result, Emalangeni outside depository corporations and transferable (demand) deposits rose by 10.8 per cent to E765.4 million and 2.8 per cent to E7.4 billion at the end of July 2022.

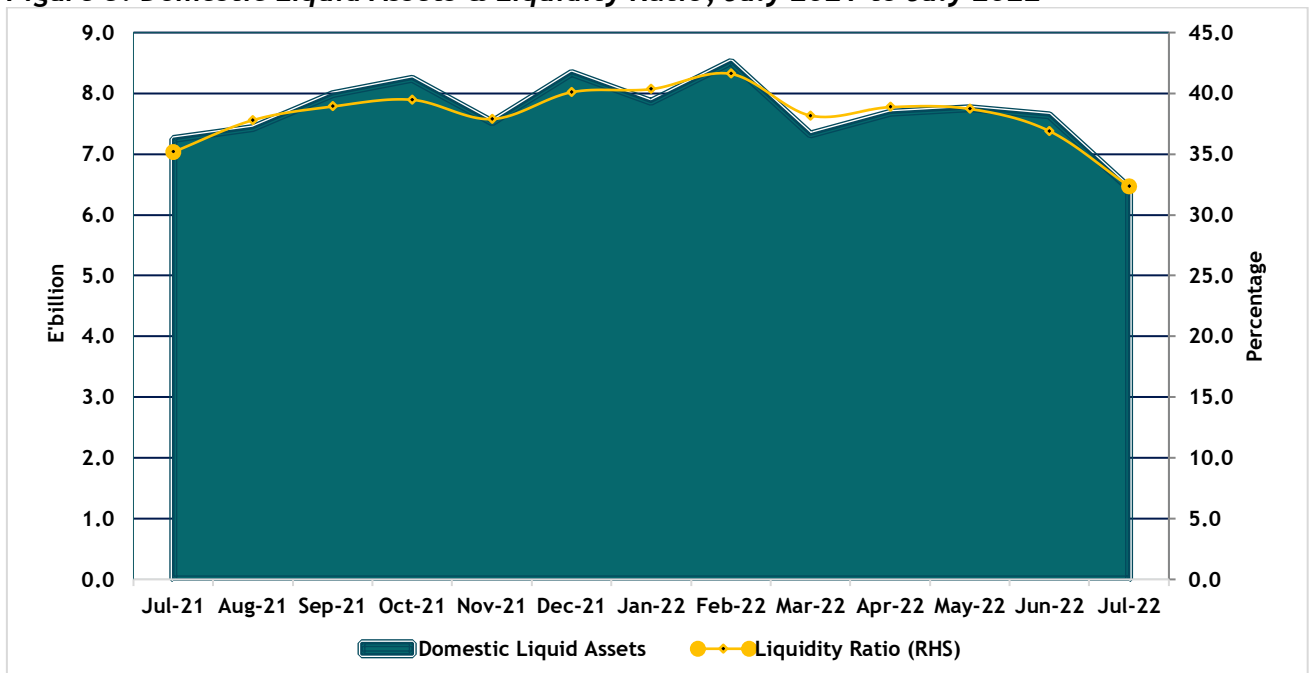
Figure 4: Money Supply; July 2021 to July 2022



Source: Central Bank of Eswatini & Other Depository Corporations

Overall liquidity position of banks decelerated by 15.7 per cent month-on-month and 11.2 per cent year-on-year to E6.4 billion at the end of July 2022. The reduction was depicted in banks’ balances held with the Central Bank, their cash holdings as well as investment in government securities. The banks’ liquidity ratio fell from 36.9 per cent recorded in the preceding month to 32.3 per cent at the end of July 2022.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; July 2021 to July 2022



Source: Central Bank of Eswatini & Other Depository Corporations



RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Jul-22	Jun-22	Jul-21
	Amount (E'000)	Amount (E'000)	Amount (E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	9,488,752	10,320,887	9,648,261
Claims on Domestic Economy	2,444,328	3,207,638 *	1,929,375 *
Government	2,407,312	3,173,957	1,896,400
Other Depository Corporations	2,082	2,082	2,082
Other Resident Sectors	34,934	31,600	30,892
Other Assets	915,210	548,915	724,127
Total Assets/Liabilities	12,848,290	14,077,440	12,301,763
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	2,499,161	3,374,612	3,213,434
Net Balances with Banks Outside Eswatini	3,163,205	2,210,465	2,851,775
Loans and advances	16,194,445	16,272,871	15,242,529
Government Securities	4,214,094	4,613,327	4,341,836
Treasury Bills	1,923,603	2,293,425	2,314,475
Government Bonds	2,290,491	2,319,902	2,027,361
Other	-	-	-
Total Deposits	21,831,744	22,545,578	22,785,978 *
Transferable/Demand	7,771,867	7,734,236	8,118,259
Savings	2,116,636	2,074,456	2,001,160
Time	11,943,241	12,736,886	12,666,560
Capital and Reserves	4,719,124	4,725,799	4,411,996
Total Assets/Liabilities	29,884,392	30,184,275	29,378,505
Total Liquid Assets (Banks only)	6,437,907	7,639,919	7,250,117
Required Liquidity (Banks only)	3,932,691	4,094,739	4,083,897
Surplus/ Deficiency (-) (Banks only)	2,505,217 *	3,545,179 *	3,166,220
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	32.3	36.9	35.2
Loans and Advances to Deposits	74.2	72.2	66.9

DEPOSITORY CORPORATIONS SURVEY				<i>Jul-22</i>	<i>Jun-22</i>	<i>Jul-21</i>
Net Foreign Assets (E)		8,744,103	9,074,754	10,791,733		
Net Official Assets		5,536,004	6,349,848	7,452,927		
Foreign Assets - Central Bank of Eswatini		9,514,995	10,347,129	9,674,504		
Foreign Liabilities - Central Bank of Eswatini		3,978,991	3,997,281	2,221,577		
Net Other Depository Corporations Foreign holdings (ODC)		3,208,098 *	2,724,906	3,338,806 *		
Foreign Assets - ODC		4,677,001	3,785,009	3,734,319		
Foreign Liabilities - ODC		1,468,902	1,060,103	395,514		
Net Foreign Assets (SDR)		401,354	416,531	517,463		
Net Domestic Claims		18,619,937	18,783,047	16,619,141 *		
Net Claims on Government		1,955,344	2,154,644	506,951		
Claims on Central Government		6,659,515	7,831,681	6,283,886		
Government Deposits		4,704,171	5,677,037	5,776,935		
Claims on other sectors		16,664,593	16,628,403	16,112,191 *		
Other nonfinancial corporations (Industry)		7,900,913	8,044,541	7,165,151		
Other resident sectors (Households & NPISH)		7,919,198	7,824,359	7,481,657		
Other sectors		844,482	759,503	1,465,382		
Broad Money Supply (M2)		20,471,587	20,888,734	21,284,776		
Narrow Money Supply (M1)		8,171,439	7,894,902	8,471,401		
Currency outside depository corporations (E)		765,390	690,503	874,484		
Transferable (demand) deposits		7,406,049	7,204,399	7,596,917		
Quasi Money		12,300,148	12,993,832 *	12,813,375		
Savings Deposits		2,070,647	2,030,109	1,924,612		
Time Deposits		10,229,501	10,963,722	10,888,763		
Shares and Other Equity		7,637,206	7,633,610	7,027,222		
Central Bank Of Eswatini		2,214,519	2,204,276	1,945,616		
Other Depository Corporations		5,422,688	5,429,334	5,081,606		
Other Items (net)		-744,753	-664,543	-901,123		
GROSS OFFICIAL RESERVES						
	<i>Aug-22</i>	<i>Jul-22</i>	<i>Jun-22</i>	<i>Jul-21</i>	<i>Aug-21</i>	
	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	
	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>	
Total Official (Gross) - Emalangeni E	7,081,099	7,921,472	8,753,606	8,147,987	8,724,939	
Special Drawing Rights (SDR)	319,358	363,595	401,790	390,695	421,851	
Central Bank	7,081,099	7,921,472	8,753,606	8,147,987	8,724,939	
Government	26,243	26,243	26,243	26,243	26,243	
Import Cover (reserves to months of estimated imports)	2.5	2.8	3.1	3.2	3.4	
Net Bank Holdings		3,208,098	2,724,906	3,338,806	2,331,449	

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.