



Monthly Statistical Release

July/August 2023



**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati

www.centralbank.org.sz



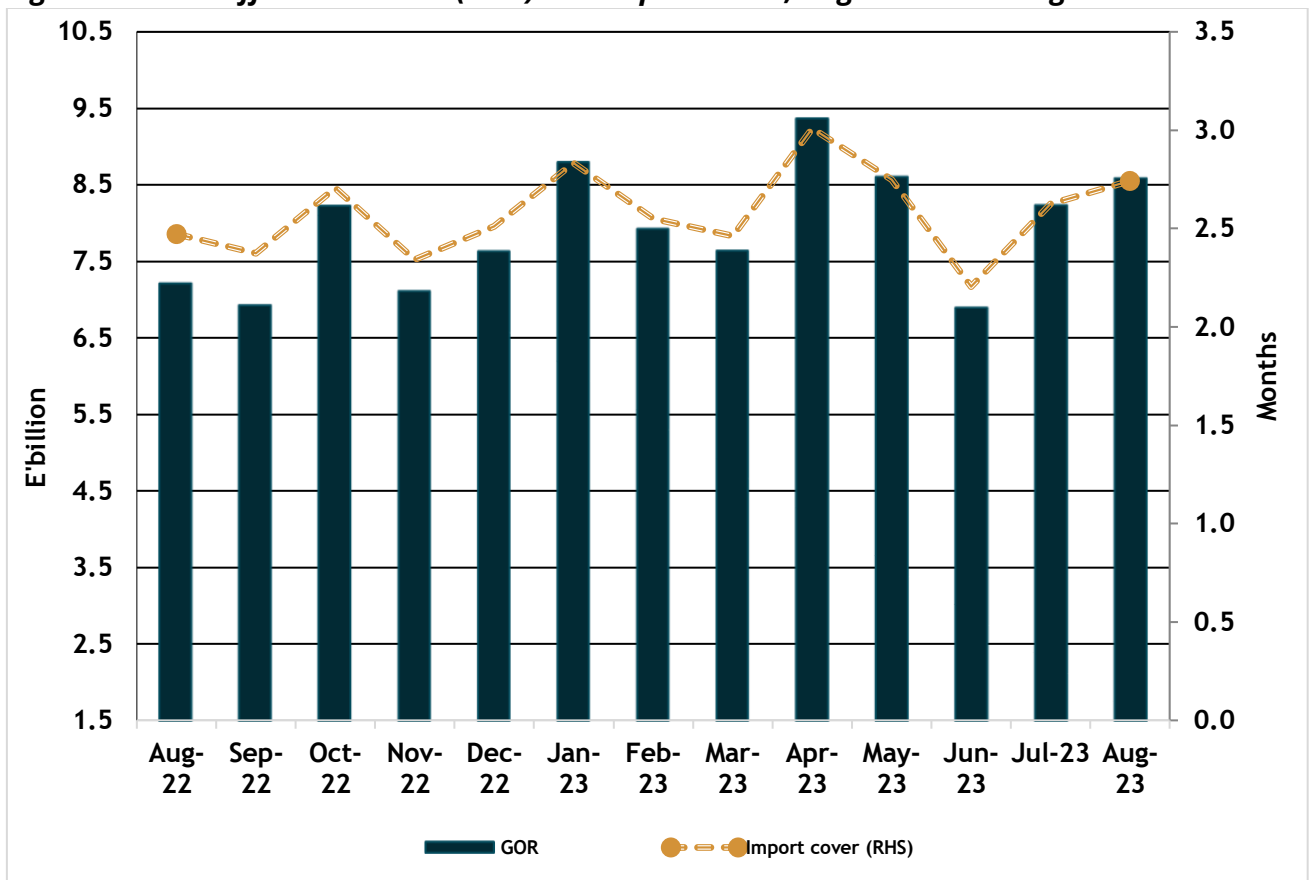
| HIGHLIGHTS ON MAJOR MONETARY AGGREGATES | MONTHLY % CHANGE | ANNUAL % CHANGE |
|--|------------------|-----------------|
| Preliminary gross official reserves for the month of August 2023 stood at E8.6 billion, higher by 4.2 per cent month-on-month and 19.0 per cent year-on-year. | 4.2 ▲ | 19.0 ▲ |
| Credit extended to the private sector rose by 0.8 per cent month-on-month and 9.7 per cent year-on-year to reach E18.3 billion in July 2023. | 0.8 ▲ | 9.7 ▲ |
| Broad money supply (M2) amounted to E21.4 billion in July 2023, depicting an increase of 5.0 per cent month-on-month and 4.8 per cent year-on-year. | 5.0 ▲ | 4.8 ▲ |
| Domestic liquid assets accelerated by 5.7 per cent month-on-month and 5.9 per cent year-on-year to stand at E6.8 billion in July 2023. | 5.7 ▲ | 5.9 ▲ |
| | PERCENT | |
| Discount rate: the discount rate stood at 7.50 per cent in August 2023. | 7.50 | |
| Prime lending rate: the prime lending rate was at 11.00 per cent in August 2023. | 11.00 | |

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Preliminary gross official reserves amounted to E8.6 billion at the end of August 2023, reflecting an improvement of 4.2 per cent from July 2023 and 19.0 per cent year-on-year. The increase in reserves mainly emanated from purchases of foreign currency from local banks over the month under review. The reserves were therefore, enough to cover 2.7 months' worth of imports of goods and services, higher than the 2.6 months covered in July 2023.

Valued in special drawing rights (SDR), the reserves contracted by 0.5 per cent month-on-month whereas year-on-year grew by 5.5 per cent to reach SDR343.3 million at the end of August 2023.

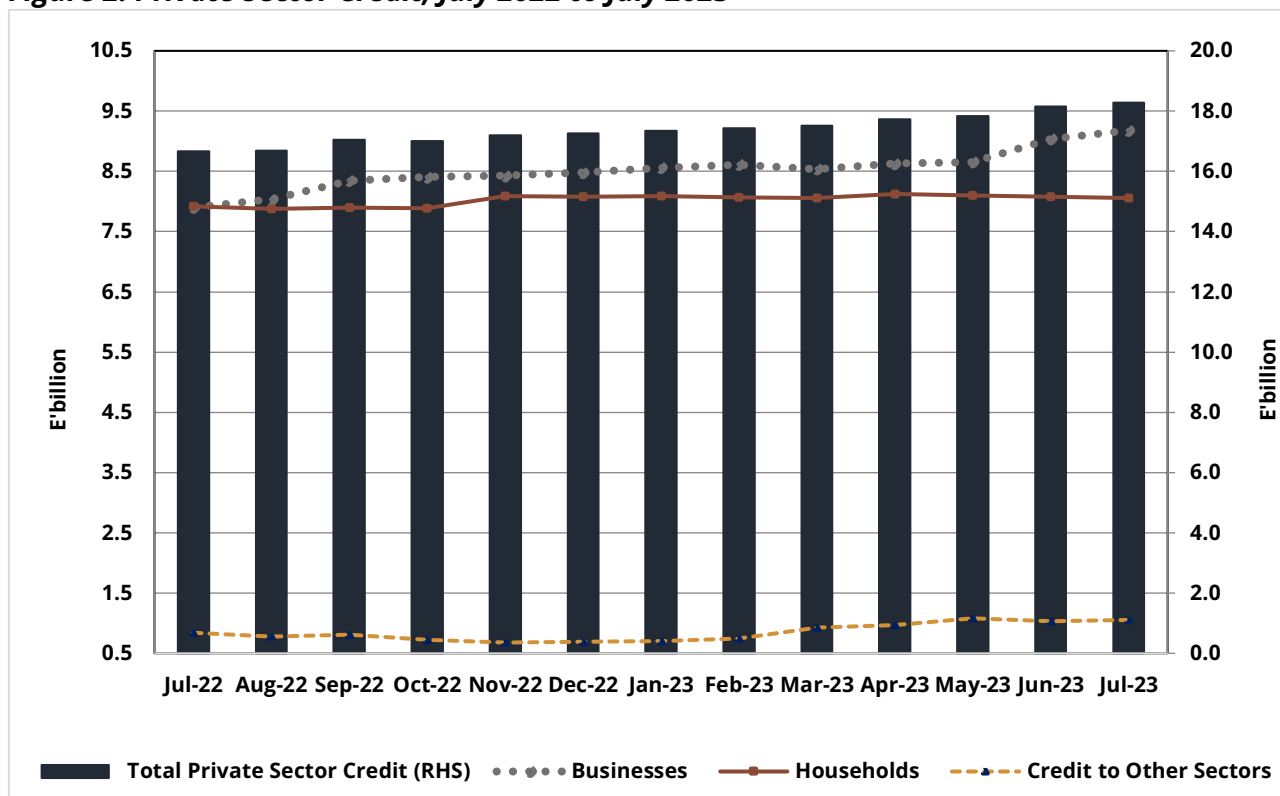
Figure 1: Gross Official Reserves (GOR) and Import Cover; August 2022 to August 2023



Source: Central Bank of Eswatini

Credit extended to the private sector reached E18.3 billion at the end of July 2023, higher by 0.8 per cent month-on-month and 9.7 per cent year-on-year. Accounting for the increase were credit to other sectors of the domestic economy and businesses. Credit to households & non-profit institutions serving households (NPISH) on the other hand, contracted.

Figure 2: Private Sector Credit; July 2022 to July 2023



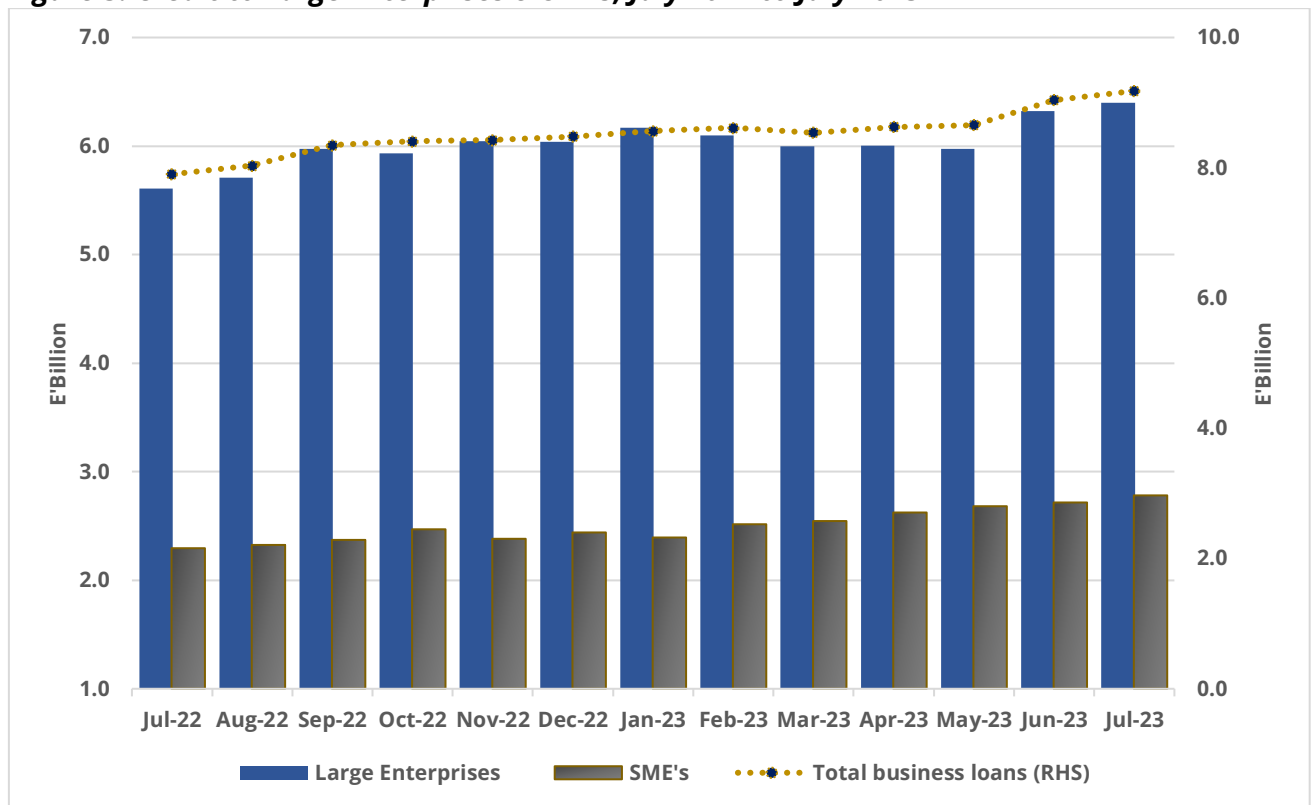
Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to other sectors accelerated by 2.3 per cent month-on-month and 25.1 per cent year-on-year to close the month under review at E1.1 billion. The improvement was supported by credit to other financial corporations, which grew by 15.4 per cent to reach E742.5 million. Credit to public nonfinancial corporations and local government, on the other hand, fell by 21.9 per cent to E253.8 million and 6.3 per cent to E60.5 million, respectively.

Credit extended to businesses closed the review month at E9.2 billion, representing an increase of 1.5 per cent relative to June 2023 and 16.2 per cent year-on-year. The expansion in credit to businesses was on account of the following subsectors; distribution & tourism (10.9 per cent), manufacturing (8.5 per cent), transport & communication (0.9 per cent), real estate (0.7 per cent) and community, social & personal services (0.3 per cent). Credit to the following subsectors, however, declined; construction (-16.3 per cent), mining & quarrying (-7.3 per cent) as well as agriculture & forestry (-2.4 per cent).

A further breakdown of credit to businesses showed that credit extended to small and medium enterprises (SMEs) rose by 2.4 per cent month-on-month and 21.2 per cent year-on-year to reach E2.8 billion at the end of July 2023. The improvement was registered in credit to real estate, manufacturing, transport & communication as well as community, social & personal services. Credit extended to large enterprises grew by 1.2 per cent month-on-month and 14.1 per cent year-on-year to settle at E6.4 billion at the end of July 2023. The expansion was explained by growth in credit to the distribution & tourism, and manufacturing sectors.

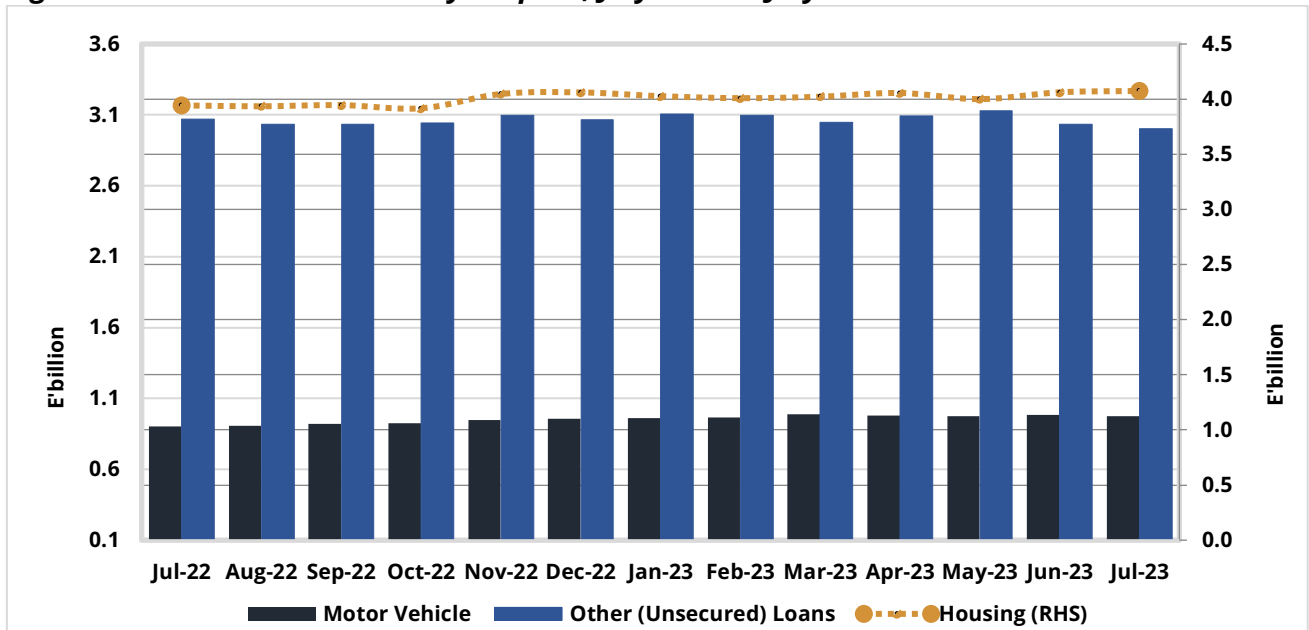
Figure 3: Credit to Large Enterprises & SMEs; July 2022 to July 2023



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH closed the month under review at E8.1 billion, reflecting a contraction of 0.3 per cent month-on-month and growth of 1.7 per cent year-on-year. The month-on-month reduction was driven by other personal (unsecured) and motor vehicle loans, which receded by 1.0 per cent to E3.0 billion and 0.7 per cent to E1.0 billion, respectively. Mortgage loans, on the contrary, improved by 0.3 per cent to close the month under review at E4.1 billion.

Figure 4: Credit to Households by Purpose; July 2022 to July 2023



Source: Central Bank of Eswatini & Other Depository Corporations

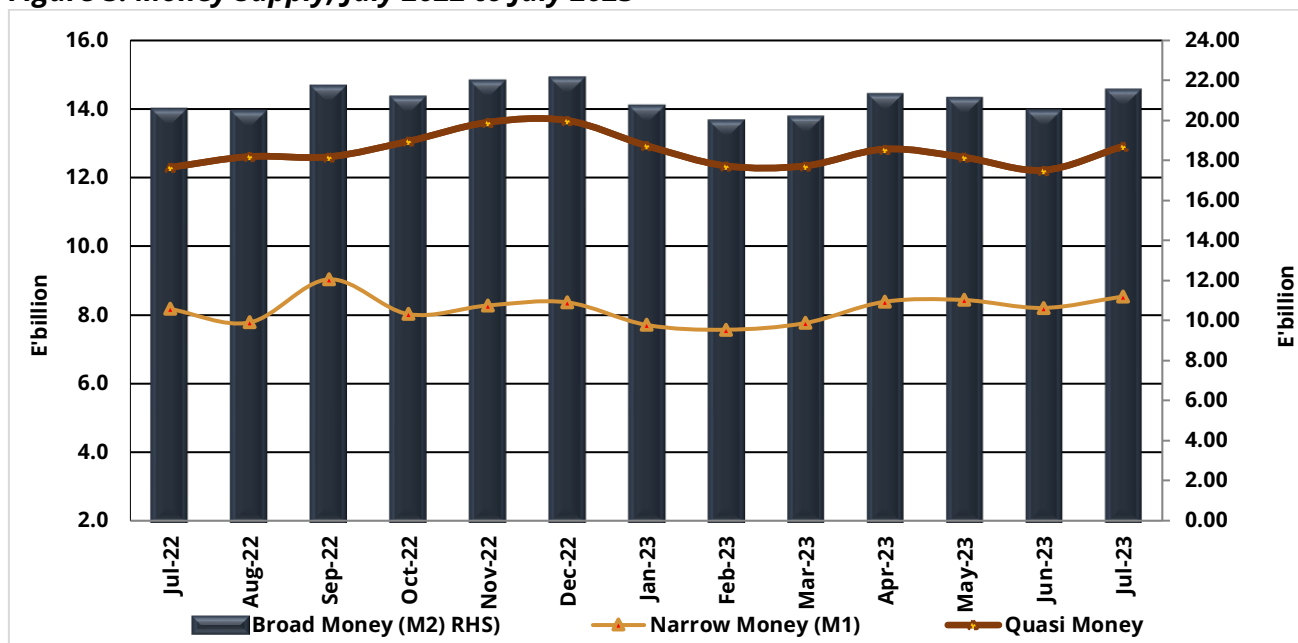
Net claims on government with the banking sector closed the month under review at E2.0 billion, reflecting a decline of 43.4 per cent month-on-month and growth of 2.6 per cent year-on-year. The month-on-month contraction was on account of government partly repaying the advance from the Central Bank; in line with the inflow of SACU receipts. As a result, claims on government decreased by 15.0 per cent to E6.3 billion. On the other hand, government deposits accelerated by 11.0 per cent to close the month under review at E4.3 billion.

Broad money supply (M2) settled at E21.4 billion at the end of July 2023, reflecting a month-on-month and year-on-year growth of 5.0 per cent and 4.8 per cent, respectively. The growth was supported by the rise in net foreign assets and private sector credit. Both components; quasi money supply and narrow money supply (M1) registered increases.

Quasi money supply registered an improvement of 5.7 per cent month-on-month and 5.0 per cent year-on-year to reach E12.9 billion at the end of July 2023. The expansion in quasi money was observed in both time and savings deposits, which rose by 6.4 per cent to E10.9 billion and 1.8 per cent to E2.0 billion, respectively.

M1 amounted to E8.5 billion at the end of July 2023, depicting a month-on-month and year-on-year improvement of 4.0 per cent and 4.4 per cent, respectively. The increase was recorded in transferable (demand) deposits, which accelerated by 4.8 per cent to E7.8 billion. Emalangen outside depository corporations, on the other hand, contracted by 3.4 per cent to E760.9 million.

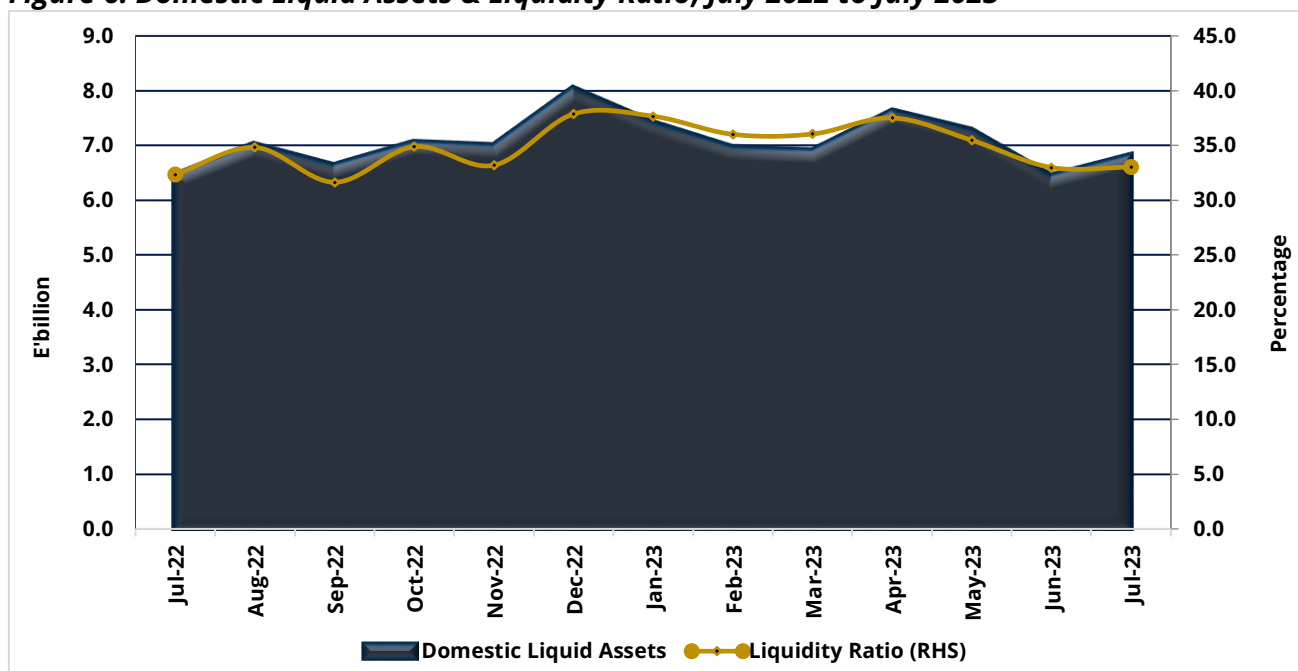
Figure 5: Money Supply; July 2022 to July 2023



Source: Central Bank of Eswatini & Other Depository Corporations

The overall liquidity position of the banking industry closed the month under review at E6.8 billion, representing a month-on-month and year-on-year growth of 5.7 per cent and 5.9 per cent, respectively. The increase was attributed to an accumulation in the banks' cash holdings, balances held with the Central Bank and investment in government securities. The liquidity ratio closed the month under review at 33.0 per cent, maintaining the same level as observed in the previous month.

Figure 6: Domestic Liquid Assets & Liquidity Ratio; July 2022 to July 2023



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

| | Jul-23 | Jun-23 | Jul-22 |
|-----------------------------------|-------------------|---------------------|-------------------|
| ITEM | Amount | Amount | Amount |
| | (E'000) | (E'000) | (E'000) |
| CENTRAL BANK OF ESWATINI | | | |
| Claims on Non-residents | 9,949,138 | 8,700,649 | 9,488,752 |
| Claims on Domestic Economy | 2,130,870 | 3,205,875 | 2,444,328 |
| Government | 2,075,140 | 3,150,242 | 2,407,312 |
| Other Depository Corporations | 2,082 | 2,082 | 2,082 |
| Other Resident Sectors | 53,648 | 53,551 | 34,934 |
| Other Assets | 487,015 | 492,132 | 915,210 |
| Total Assets/Liabilities | 12,567,023 | 12,398,655 * | 12,848,290 |

OTHER DEPOSITORY CORPORATIONS

| | | | |
|---|-------------------|-------------------|-------------------|
| Cash and Deposits with CBE | 2,821,240 | 2,435,269 | 2,499,161 |
| Net Balances with Banks Outside Eswatini | 2,297,717 | 1,641,526 | 3,163,205 |
| Loans and advances | 17,669,715 | 17,647,241 | 16,194,445 |

| | | | |
|------------------------------|--------------------|------------------|------------------|
| Government Securities | 4,202,466 * | 4,236,264 | 4,214,094 |
| Treasury Bills | 1,495,173 | 1,525,360 | 1,923,603 |
| Government Bonds | 2,707,292 | 2,710,904 | 2,290,491 |
| Other | - | - | - |

| | | | |
|-----------------------|-------------------|-------------------|-------------------|
| Total Deposits | 22,627,950 | 21,582,552 | 21,831,744 |
| Transferable/Demand | 8,194,339 | 7,892,210 | 7,771,867 |
| Savings | 2,049,575 | 2,018,878 | 2,116,636 |
| Time | 12,384,036 | 11,671,464 | 11,943,241 |

| | | | |
|---------------------------------|-------------------|-------------------|-------------------|
| Capital and Reserves | 5,191,881 | 5,139,191 | 4,719,124 |
| Total Assets/Liabilities | 31,711,179 | 30,738,393 | 29,884,392 |

| | | | |
|---|------------------|------------------|------------------|
| Total Liquid Assets (Banks only) | 6,815,942 | 6,445,477 | 6,437,907 |
|---|------------------|------------------|------------------|

| | | | |
|--|------------------|------------------|------------------|
| Required Liquidity (Banks only) | 4,387,969 | 4,261,224 | 3,932,691 |
|--|------------------|------------------|------------------|

| | | | |
|---|--------------------|------------------|------------------|
| Surplus/ Deficiency (-) (Banks only) | 2,427,972 * | 2,184,253 | 2,505,217 |
|---|--------------------|------------------|------------------|

| DEPOSITORY CORPORATIONS SURVEY | DEPOSITORY CORPORATIONS SURVEY | Jul-23 | Jun-23 | Jul-22 | | |
|---|---------------------------------------|---------------------|--------------------|--------------------|------------------|------------------|
| Net Foreign Assets (E) | | 7,678,778 | 6,087,811 | 8,744,103 | | |
| Net Official Assets | | 5,233,943 | 4,294,943 * | 5,536,004 | | |
| Foreign Assets - Central Bank of Eswatini | | 9,975,381 | 8,726,891 | 9,514,995 | | |
| Foreign Liabilities - Central Bank of Eswatini | | 4,741,438 | 4,431,949 | 3,978,991 | | |
| Net Other Depository Corporations Foreign holdings (ODC) | | 2,444,835 | 1,792,868 | 3,208,098 * | | |
| Foreign Assets - ODC | | 4,459,116 | 3,969,920 | 4,677,001 | | |
| Foreign Liabilities - ODC | | 2,014,281 | 2,177,052 | 1,468,902 | | |
| Net Foreign Assets (SDR) | | 321,741 | 242,903 | 401,354 | | |
| Net Domestic Claims | | 20,295,291 * | 21,696,482 | 18,783,047 | | |
| Net Claims on Government | | 2,006,065 | 3,545,561 | 2,154,644 | | |
| Claims on Central Government | | 6,315,695 | 7,426,388 | 7,831,681 | | |
| Government Deposits | | 4,309,630 | 3,880,827 | 5,677,037 | | |
| Claims on other sectors | | 18,289,227 | 18,150,921 | 16,664,593 | | |
| Other nonfinancial corporations (Industry) | | 9,179,458 | 9,039,778 | 7,900,913 | | |
| Other resident sectors (Households & NPISH) | | 8,052,915 | 8,077,857 | 7,919,198 | | |
| Other sectors | | 1,056,854 | 1,033,286 | 844,482 | | |
| Broad Money Supply (M2) | | 21,446,586 | 20,420,206 | 20,471,587 | | |
| Narrow Money Supply (M1) | | 8,533,803 | 8,202,341 | 8,171,439 | | |
| Currency outside depository corporations (E) | | 760,927 | 787,923 | 765,390 | | |
| Transferable (demand) deposits | | 7,772,876 | 7,414,418 | 7,406,049 | | |
| Quasi Money | | 12,912,783 | 12,217,865 | 12,300,148 | | |
| Savings Deposits | | 1,996,554 | 1,961,941 | 2,070,647 | | |
| Time Deposits | | 10,916,229 | 10,255,924 | 10,229,501 | | |
| | | 10,916,229 | | | | |
| Shares and Other Equity | | 7,500,960 | 8,592,298 | 7,637,206 | | |
| Central Bank Of Eswatini | | 1,636,825 | 2,778,894 | 2,214,519 | | |
| Other Depository Corporations | | 5,864,135 | 5,813,404 | 5,422,688 | | |
| Other Items (net) | | -973,476 | -1,228,211 | -744,753 | | |
| GROSS OFFICIAL RESERVES | | Aug-23 | Jul-23 | Jun-23 | Jul-22 | Aug-22 |
| | | Amount | Amount | Amount | Amount | Amount |
| | | (E'000) | (E'000) | (E'000) | (E'000) | (E'000) |
| Total Official (Gross) - Emalangen E | | 8,581,898 | 8,232,236 | 6,897,687 | 7,921,472 | 7,212,285 |
| Special Drawing Rights (SDR) | | 343,276 | 344,931 | 275,217 | 363,595 | 325,275 |
| Central Bank | | 8,581,898 | 8,232,236 | 6,897,687 | 7,921,472 | 7,212,285 |
| Government | | 26,243 | 26,243 | 26,243 | 26,243 | 26,243 |
| Import Cover (reserves to months of estimated imports) | | 2.7 | 2.6 | 2.2 | 2.7 | 2.5 |
| Net Bank Holdings | | 2,444,835 | 1,792,868 | 3,208,098 | 2,884,155 | |

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.
- 7.*The figures of total assets/liabilities reflected in this table includes all assets/liabilities however, only selected assets/liabilities are listed in the table above.