



Monthly Statistical Release

May/June 2023



**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati

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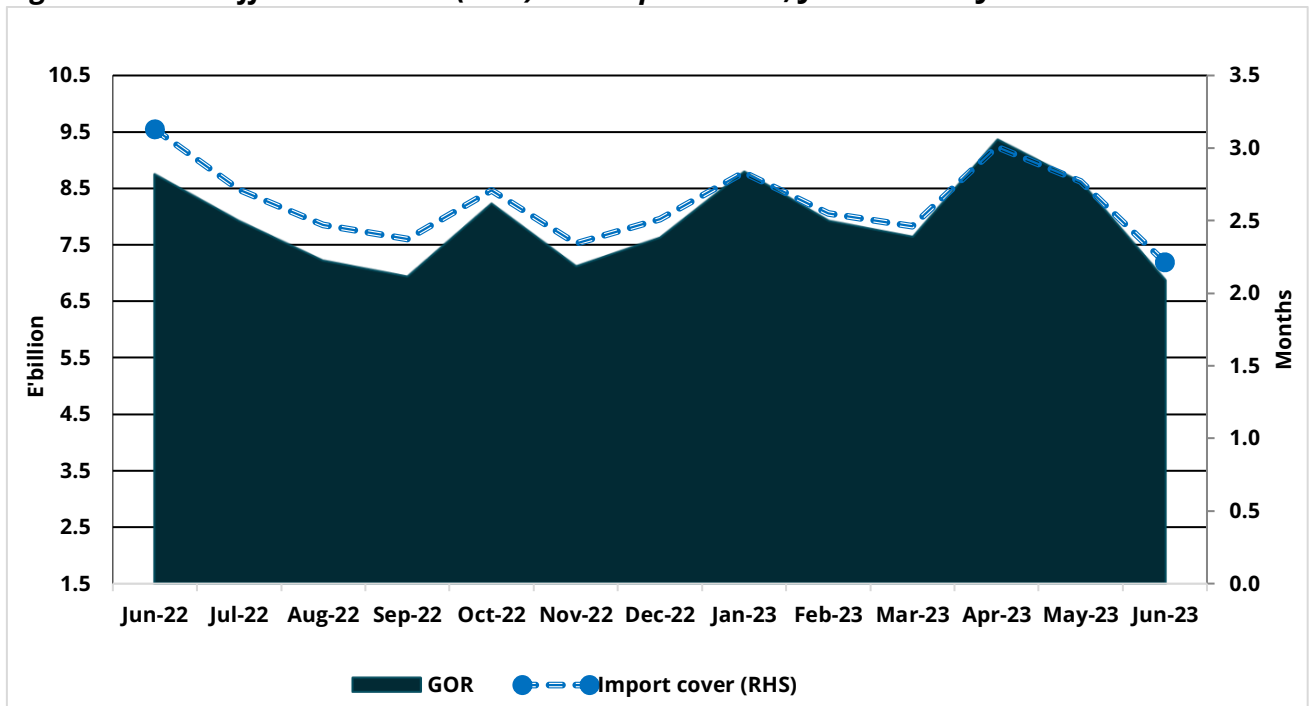
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Preliminary gross official reserves declined by 20.1 per cent month-on-month and 21.5 per cent year-on-year to reach E6.9 billion at the end of June 2023.	20.1 ▼	21.5 ▼
Credit extended to the private sector stood at E17.8 billion in May 2023, higher by 0.7 per cent from April 2023 and 9.4 per cent over the year.	0.7 ▲	9.4 ▲
Broad money supply (M2) reached E21.0 billion in May 2023, decreasing by 0.9 per cent month-on-month and increasing by 3.3 per cent year-on-year.	0.9 ▼	3.3 ▲
Domestic liquid assets declined by 4.6 per cent month-on-month and 6.2 per cent year-on-year to settle at E7.3 billion.	4.6 ▼	6.2 ▼
	PERCENT	
Discount rate: the discount rate was at 7.75 per cent in June 2023.	7.75	
Prime lending rate: the prime lending rate stood at 11.25 per cent in June 2023.	11.25	

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Preliminary gross official reserves amounted to E6.9 billion at the end of June 2023, showing a significant decline of 20.1 per cent from May 2023 and 21.5 per cent year-on-year. The contraction 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, enough to cover up to 2.2 months’ worth of imports of goods and services, lower than the 2.8 months covered in May 2023.

Valued in special drawing rights (SDR), the reserves stood at SDR 274.2 million at the end of June 2023, registering a fall of 16.5 per cent month-on-month and 31.8 per cent year-on-year.

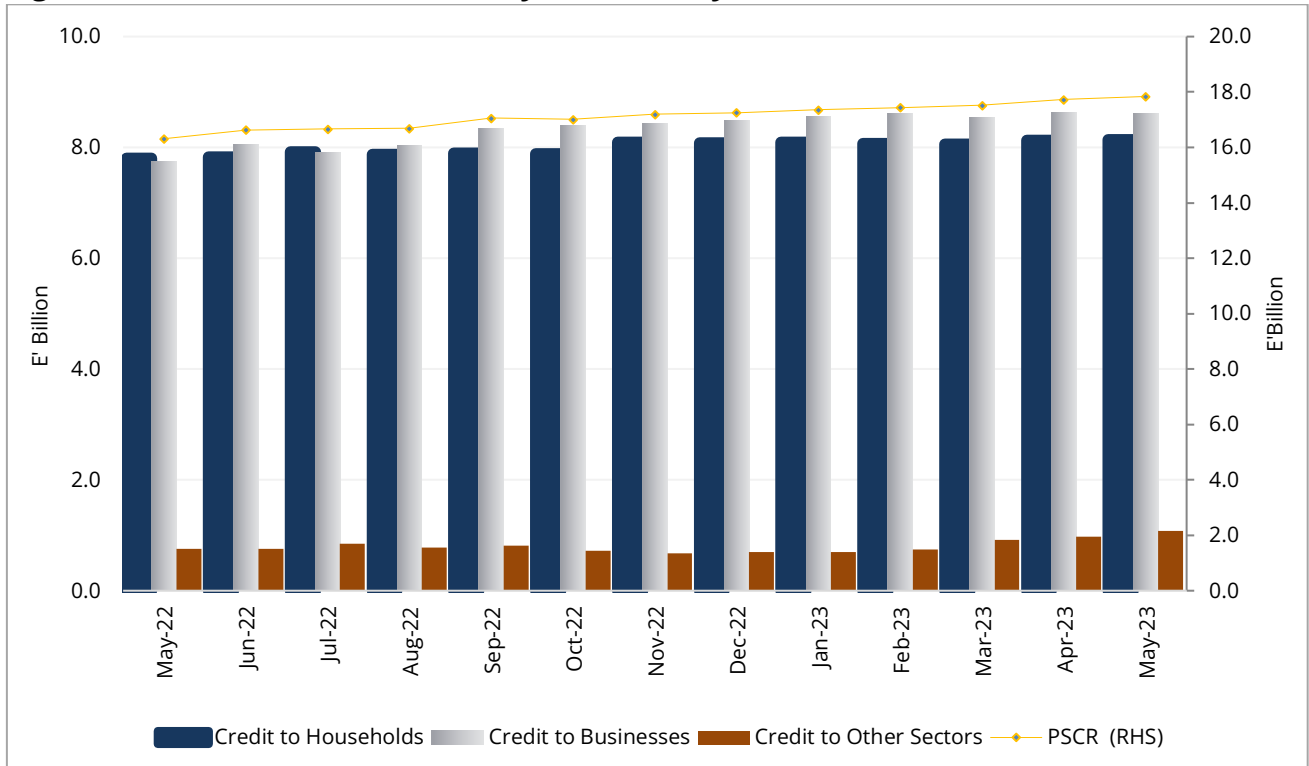
Figure 1: Gross Official Reserves (GOR) and Import Cover; June 2022 to June 2023



Source: Central Bank of Eswatini

Credit extended to the private sector stood at E17.8 billion at the end of May 2023, reflecting an increase of 0.7 per cent month-on-month and 9.4 per cent year-on-year. Growth in private sector credit emanated from credit to other sectors of the domestic economy and credit to the households & non-profit institutions serving households (NPISH). However, credit to businesses contracted over the review month.

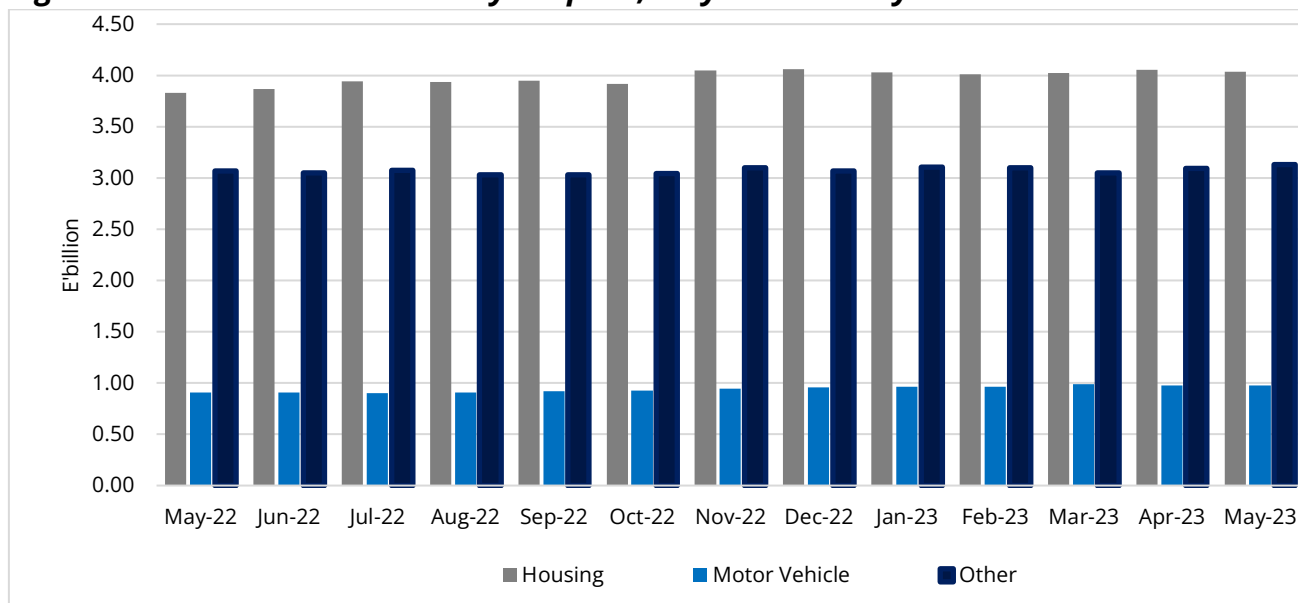
Figure 2: Private Sector Credit; May 2022 to May 2023



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to other sectors stood at E1.1 billion at the end of May 2023, registering an expansion of 11.2 per cent from April 2023 and 42.6 per cent year-o-year. The improvement stemmed from credit to other financial corporations and public nonfinancial corporations, which grew by 13.4 per cent to E677.0 million and 11.2 per cent to E341.6 million, respectively. Credit to local government on the contrary, decelerated by 7.9 per cent.

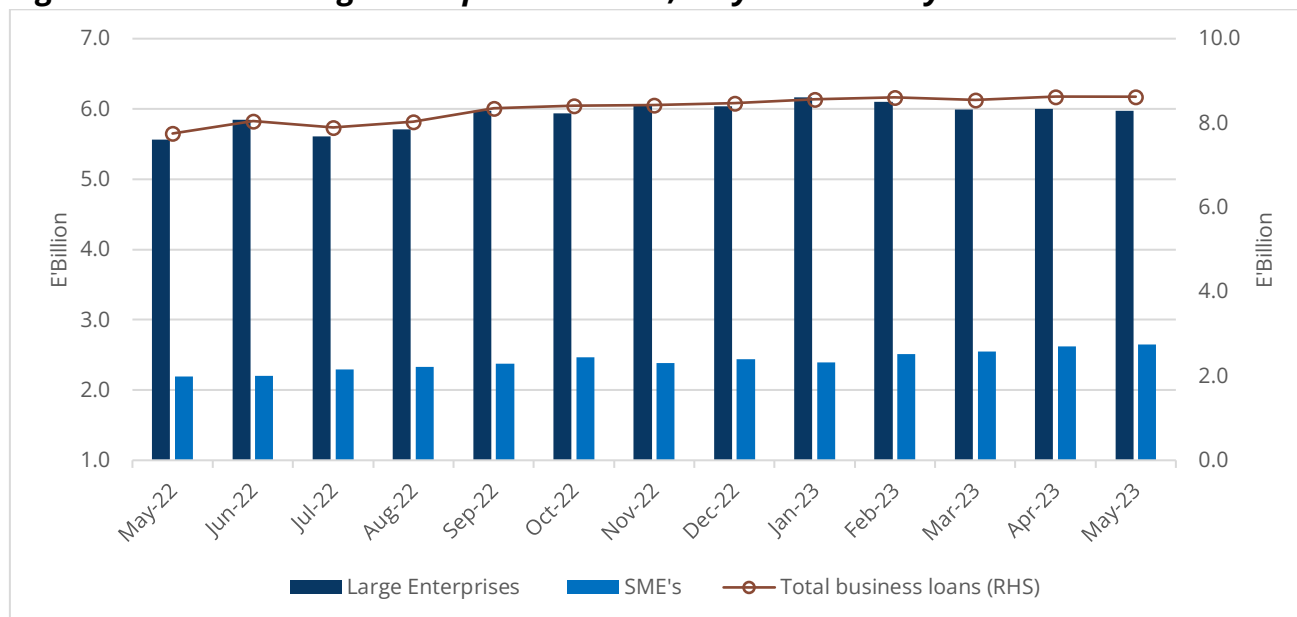
Credit extended to households & NPISH edged upward by 0.2 per cent compared to April 2023 and 4.3 per cent year-on-year to close the month under review at E8.1 billion. The improvement was solely on account of other personal (unsecured) loans, which rose by 1.2 per cent to E3.1 billion. Housing and motor vehicle loans, on the other hand, decelerated by 0.5 per cent to E4.0 billion and 0.2 per cent to E975.0 million, respectively.

Figure 3: Credit to Households by Purpose; May 2022 to May 2023

Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to businesses closed the review month at E8.6 billion, down by 0.1 per cent relative to April 2023 and higher by 11.2 per cent year-on-year. The month-on-month contraction in credit to businesses was mainly accounted for by the following subsectors; agriculture & forestry (-10.4 per cent), manufacturing (-5.5 per cent), community, social and personal services (-0.7 per cent) as well as construction (-0.4 per cent). The decline was partially offset by growth in the following subsectors; distribution & tourism (11.2 per cent), real estate (3.5 per cent), transport & communication (1.8 per cent) and mining & quarrying (1.4 per cent).

A further analysis of the business sector revealed that credit extended to large enterprises amounted to E6.0 billion at the end of May 2023, representing a month-on-month contraction of 0.5 per cent and year-on-year growth of 7.4 per cent. The month-on-month decline was mainly observed in the following sectors; agriculture & forestry, manufacturing, mining & quarrying as well as community, social & personal services. However, credit extended to small and medium enterprises (SMEs) grew slightly by 0.9 per cent month-on-month and 21.0 per cent year-on-year closing the month under review at E2.6 billion. Accounting for the rise were largely construction and real estate sectors.

Figure 4: Credit to Large Enterprises & SMEs; May 2022 to May 2023

Source: Central Bank of Eswatini & Other Depository Corporations

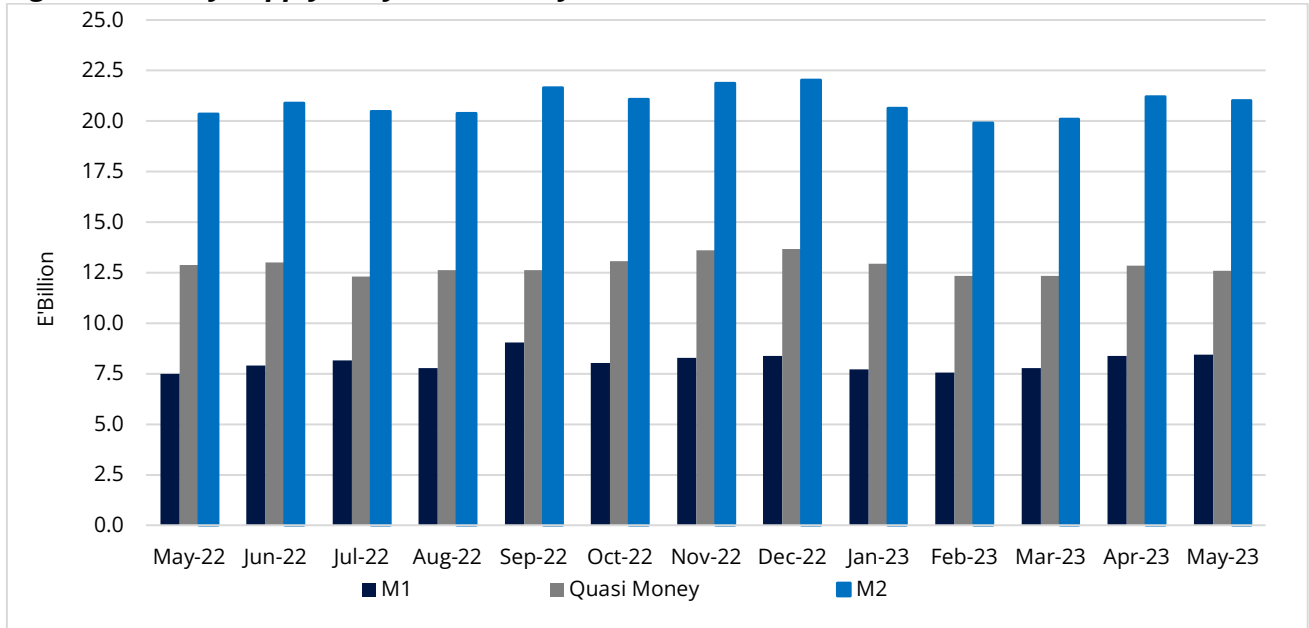
Net claims on government with the banking sector stood at E3.2 billion at the end of May 2023 relative to the E2.2 billion observed in April 2023. Accounting for the increase was an advance from the Central Bank over the month under review. Hence, claims on government rose by 9.2 per cent month-on-month to E7.4 billion. Government deposits on the contrary, receded by 7.8 per cent from April 2023 to E4.2 billion at the end of May 2023.

Broad money supply (M2) closed the review month at E21.0 billion, posting a reduction of 0.9 per cent relative to the previous month and growth of 3.3 per cent over the year. The month-on-month contraction was underpinned by quasi money supply while narrow money supply (M1) increased.

Quasi money supply stood at E12.6 billion at the end of May 2023, reflecting a contraction of 1.9 per cent month-on-month and 2.2 per cent year-on-year. The reduction was registered in both components; time and savings deposits, which fell by 1.9 per cent to E10.6 billion and 1.4 per cent to E1.9 billion, respectively.

M1 closed the month under review at E8.4 billion, reflecting growth of 0.6 per cent month-on-month and 12.7 per cent year-on-year. The improvement in M1 was on account of transferable (demand) deposits, which rose by 2.1 per cent to E7.8 billion. Emalangeni outside depository corporations, on the other hand, decelerated by 14.0 per cent to E681.1 million.

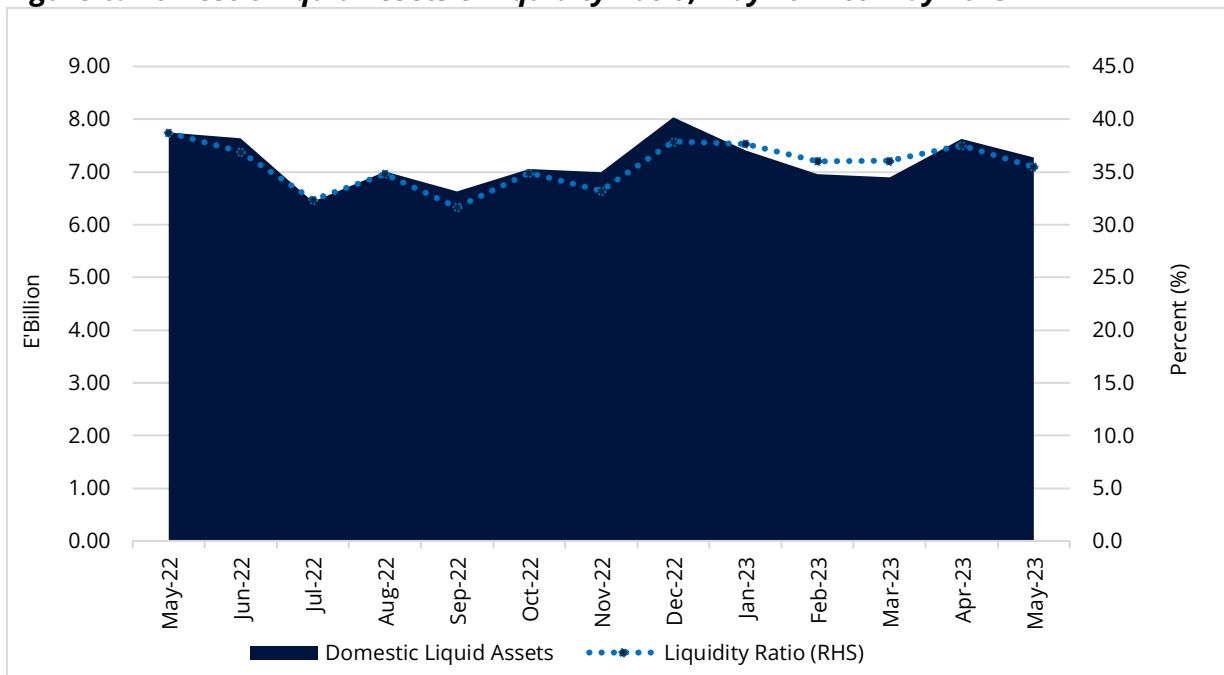
Figure 5: Money Supply; May 2022 to May 2023



Source: Central Bank of Eswatini & Other Depository Corporations

The overall liquidity position of the banking industry decelerated by 4.6 per cent month-on-month and 6.2 per cent year-on-year to close the review month at E7.3 billion. Accounting for the decline was a fall in the banks’ balances with the Central Bank and investment in government securities. An improvement was however, observed in the banks’ cash holdings. The liquidity ratio stood at 35.5 per cent at the end of May 2023, lower than the 37.5 per cent observed in April 2023.

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



Source: Central Bank of Eswatini & Other Depository Corporations

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RELEASE OF MONEY AND BANKING STATISTICS

ITEM	May-23 Amount (E'000)	Apr-23 Amount (E'000)	May-22 Amount (E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	10,482,647	11,137,226	10,667,718
Claims on Domestic Economy	2,840,520 *	2,109,047	2,834,847
Government	2,785,117	2,060,408	2,801,274
Other Depository Corporations	2,082	2,082	2,082
Other Resident Sectors	53,322	46,557	31,491
Other Assets	514,114	524,167	610,617
Total Assets/Liabilities	13,837,281	13,770,439 *	14,113,182
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	2,956,768	3,230,090	3,499,925
Net Balances with Banks Outside Eswatini	2,027,528	1,702,542	1,845,345
Loans and advances	17,313,100	17,277,662	15,961,946
Government Securities	4,532,467	4,638,482	4,650,874
Treasury Bills	1,872,554	1,940,941	2,309,891
Government Bonds	2,659,913	2,697,541	2,340,983
Other	-	-	-
Total Deposits	22,374,833 *	22,461,618	22,029,598
Transferable/Demand	8,128,174	8,143,851	7,249,140
Savings	2,002,567	2,027,679	2,069,042
Time	12,244,091	12,290,088	12,711,416
Capital and Reserves	5,057,150	5,191,902	4,764,768
Total Assets/Liabilities	31,381,792	31,565,729	29,296,048
Total Liquid Assets (Banks only)	7,268,937	7,621,063	7,751,584
Required Liquidity (Banks only)	4,471,336	4,434,101	3,957,416
Surplus/ Deficiency (-) (Banks only)	2,797,601	3,186,962	3,794,168
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	35.5	37.5	38.7
Loans and Advances to Deposits	77.4	76.9	72.5

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DEPOSITORY CORPORATIONS SURVEY		May-23	Apr-23	May-22	
Net Foreign Assets (E)		8,145,445	8,642,229	9,205,484	
Net Official Assets		5,949,969 *	6,837,417	6,817,931 *	
Foreign Assets - Central Bank of Eswatini		10,508,890	11,163,469	10,693,961	
Foreign Liabilities - Central Bank of Eswatini		4,558,922	4,326,052	3,876,029	
Net Other Depository Corporations Foreign holdings (ODC)		2,195,477	1,804,812 *	2,387,553	
Foreign Assets - ODC		4,135,866	3,951,460	3,121,069	
Foreign Liabilities - ODC		1,940,389	2,146,647	733,516	
Net Foreign Assets (SDR)		311,156	350,010	436,341	
Net Domestic Claims		21,007,116 *	19,916,346	17,761,670	
Net Claims on Government		3,167,295	2,193,364	1,447,830	
Claims on Central Government		7,356,546	6,738,723	7,496,258	
Government Deposits		4,189,251	4,545,359	6,048,428	
Claims on other sectors		17,839,820 *	17,722,982 *	16,313,840	
Other nonfinancial corporations (Industry)		8,620,292	8,626,389	7,750,725	
Other resident sectors (Households & NPISH)		8,138,467	8,124,480	7,804,790	
Other sectors		1,081,062	972,112	758,325	
Broad Money Supply (M2)		21,028,422	21,214,881	20,363,605 *	
Narrow Money Supply (M1)		8,433,408	8,381,802	7,481,177 *	
Currency outside depository corporations (E)		681,058	791,835	672,836	
Transferable (demand) deposits		7,752,350	7,589,967	6,808,342	
Quasi Money		12,595,014	12,833,079	12,882,427 *	
Savings Deposits		1,947,815	1,974,665	2,021,261	
Time Deposits		10,647,199	10,858,414	10,861,167	
Shares and Other Equity		8,781,917	8,289,228	7,502,421	
Central Bank Of Eswatini		3,053,726	2,434,462	2,036,203	
Other Depository Corporations		5,728,191	5,854,765	5,466,218	
Other Items (net)		-657,777	-945,533	-898,872	
GROSS OFFICIAL RESERVES					
		Jun-22	May-23	Apr-23	May-22
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E		6,871,155	8,599,449	9,360,975	9,150,034
Special Drawing Rights (SDR)		274,159	328,499	379,119	433,713
Central Bank		6,871,155	8,599,449	9,360,975	9,150,034
Government		26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		2.2	2.8	3.0	3.3
Net Bank Holdings		2,195,477	1,804,812	2,387,553	2,724,906

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.