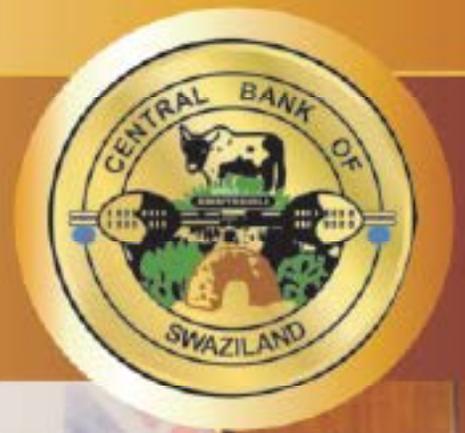


UMNTSHOLI

A Bi-annual Newsletter of the Central Bank of Swaziland



June 2013



**SOUTH AFRICAN RESERVE BANK AND CENTRAL BANK OF SWAZILAND
LAUNCH "MANDELA" BANKNOTES**



**ANNUAL MONETARY
POLICY STATEMENT 2013**



POST BUDGET SEMINAR



PERSPECTIVE

**SWAZILAND'S ROAD TO
ECONOMIC RECOVERY**

PUBLIC WARNING!

Check Your Banknotes Carefully

FEEL - LOOK - TILT

Banknote counterfeiting is a worldwide phenomenon and affects almost any currency. The Central Bank of Swaziland would like to warn members of the public, especially traders, that the incidence of attempts to forge banknotes usually increases during the festive season. It has come to the attention of the Central Bank of Swaziland that there are a few poor quality forged notes in circulation. These poor quality forgeries are easily recognisable as they do not have the basic security features of the banknotes produced by the Central Bank of Swaziland.

The public is urged to always be vigilant and on the look-out for suspicious-looking notes and to report these to the police immediately. Everyone is requested to familiarise themselves with the security features of the new banknotes to increase confidence in our money. Know the features, check them and make sure that you have a genuine note. The poor quality forged notes can easily be discernible to the public provided they follow the FEEL - LOOK - TILT principle.



FEEL

Special printing makes the ink feel raised or thicker on some sections of the banknotes. These include the hair and features on the main image of the His Majesty King Mswati III, the 'CENTRAL BANK OF SWAZILAND' lettering and the value numerals on the front of the banknotes. To feel the raised print, run your finger over it or scratch it gently with your fingernail.



LOOK

Hold the banknote against the light. You will see the watermark, the security thread and the see-through number. (1) The watermark shows the portrait of His Majesty King Mswati III with a highlighted necklace. (2) The security thread is a metallic-looking strip near the centre of the banknote. When viewed from the front, the strip appears broken, but when viewed from the back, it appears continuous. The strip has "CENTRAL BANK OF SWAZILAND" printed in it, which can be seen when viewed from the back or front. For the E10 and E20, the colour is silver, for the E50, E100 and E200 the colour is bright pink when tilted. (3) The See-through Register, located next to the Watermark, shows the value of the note and aligned and result in a complete image e.g 10,20,50,100 or 200. All three features are visible on both sides of the banknote.



TILT

Tilt the banknote - the image of the shield will change colour from green to blue. The shield contains the value of the banknote. The shield is located next to the coat of arms and signature.

For more information please contact:

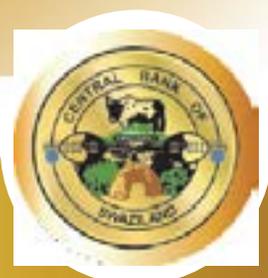
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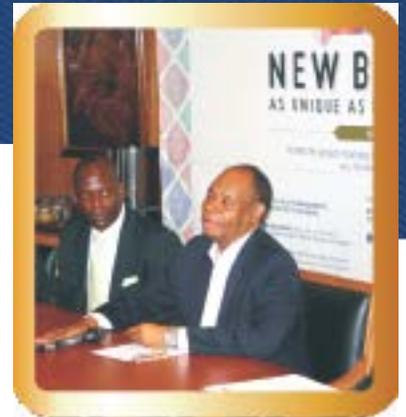
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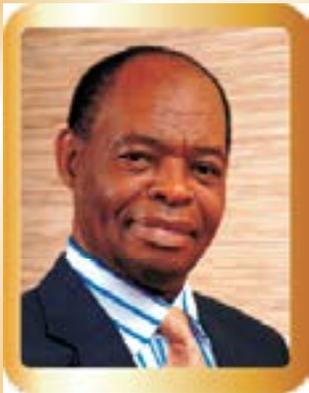


CONTENTS

Governor's Foreword	4
From the Editor	4
CBS and SRA sign MOU	5
CBS launch new Mandela Notes	8
CBS bids Farewell to Assistant Governor	12
Christmas Party	14
Conferences, Meetings and Workshops	16
Central Bank at the Trade Fair	20
Risk Management Simplified	24
Governor's Award Winner 2012	25
Is there Money Laundering in Swaziland?	26
Educational Roadshows	27
Project Risk Management - Keeping Projects on track	28
Inflation Concerns - Where will inflation go in 2013?	29
SWEET holds First Annual General Meeting	30
New Appointments	32
People and Places	36
Swaziland's Road to Recognition	38



Governors Foreword



The economic outlook for Swaziland is not optimistic, although the country's economic activity is expected to record a slight recovery in 2013, in tandem with expected subdued global and regional economic outlook. GDP was estimated to have grown by a meagre 0.2 percent in 2012 compared to a revised estimate of 0.7 percent in 2011. There are mixed signs about the recovery as some economic fundamentals do not point to sustained growth. The country's fiscal crisis, which has adversely affected the tertiary sector, remains unresolved despite the E7.1 billion SACU revenue for the 2012/13 financial year. There will be a need for government to take policy

decisions that will reduce the country's dependency on customs revenue, reign-in public expenditure and enforce fiscal discipline. In addition, focus will have to be on long term public investment which will entail government investing in infrastructure that will enhance employment creation and sustainable economic growth. In terms of sectoral growth, agriculture followed by manufacturing should be the prime targets for growth in the coming years. The Central Bank continued with its endeavour to contribute towards economic growth and supported government policy towards this goal. However, despite the Central Bank maintaining an accommodative monetary policy stance throughout the year 2012, credit extended to the private sector, particularly to the business sector, remained subdued. The decline in demand for credit designated for investment purpose, despite the low interest rates environment, is a major concern to the Central Bank because such credit is an integral part to economic growth.

The Bank continues to work tirelessly in playing its role as adviser and banker to

government, mainly by assisting to fill the financing gaps through a domestic issuance programme. It is anticipated that the momentum on the issuance programme will be maintained by systematically issuing smaller amounts for longer duration, thereby restoring confidence of institutional investors. These developments put the Bank's financial position at unfavourable levels. Our income continues to decrease and we therefore need to continue implementing cost-containment measures.

In 2012, the Bank completed its three year Strategic Plan cycle which began in 2009. We have since begun another strategic planning cycle which ends in 2015. We continue to review our strategic objectives, mission and vision. In our last strategic planning review early this year, we focussed on the Bank's values and underscored the importance of living by our values at all levels. I am pleased that we have agreed on the implementation of a programme that will ensure that we live by the CBS values. It is vital to deliberate upon the core values and internalise them since they form a premise of our culture.

Umntsholi is an in-house publication of the Central Bank of Swaziland. It is published twice a year by the Corporate Communications Division in the Office of the Governor.

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Welcome to our mid-year edition of Umntsholi, the in-house newsletter of the Central Bank of Swaziland. There have been a number of developments since our last publication that it is even impossible to include all of them in this book. Apart from capturing the Bank's activities, this is also a platform for the Bank's employees to contribute articles aimed at educating internal and external/stakeholders about the work

From the Editor

they do, or explaining key financial and economic concepts.

We take this opportunity to congratulate the Bank in achieving key milestones in the financial 2012/13 in line with its corporate strategic objectives. These include the establishment of the Financial Stability Unit and the Debt Unit at the Ministry of Finance.

This newsletter remains one of our key platforms for engaging with our stakeholders. We are however maximizing our engagement through online platforms such as the intranet and website which are more interactive, frequent and appealing.

Enjoy your read!

Governor Delivers Annual Monetary Policy Statement to Stakeholders



Governor of the Central Bank of Swaziland, Mr. Martin G. Dlamini delivered his Annual Monetary Policy Statement address to stakeholders of the Bank at the Happy Valley Resort on 4 April 2013.

The event was attended by over 200 people comprising leaders from the financial sector, private sector, tertiary education and the public sector.

During the event, the Governor noted that the outlook for Swaziland's economy remains uncertain as any optimism will be derived from several reforms that have to be implemented to create a positive investment climate and introduce fiscal discipline based on the Investor Roadmap and Fiscal Adjustment Roadmap initiatives respectively.

The Governor further observed that the global economic rebound remains a mirage with down side risks aggravated by continued imbalances despite a flicker of hope shown by the economic recovery in the United States of America. He revealed that in Sub-Saharan Africa economic fortunes depend on external demand particularly from the emerging economies of China and India which if favourable will provide an upward trajectory in growth for these economies.

The Governor also expressed concern that local banks have been reluctant to extend credit to the private sector despite that the Central Bank has been easing interest rates. In particular, the Governor was worried that local banks tended to invest their excess liquidity outside Swaziland, warning that such a practice was negatively affecting economic growth. The Central Bank has kept interest rates at 5% since July 2012.

On the issue of bank rates, the Governor presented that the decline in demand for credit designated for investment purpose, despite the low interest rates environment, is a major concern to the Central Bank because such credit is an integral part to economic growth, saying that banks also adjusted their lending rates to 8.5% in 2012. However credit extension to the private sector, especially the business sector, dropped from 36.7% in 2011 to 3.7% at the end of 2012. He indicated that the decline was discernible particularly in the agriculture, manufacturing and construction sectors.

The agriculture sub-sector recorded an overall decline of 1.3 percent in 2012 after expanding by 8.5 percent in the previous year. Significant decreases were noted in maize, citrus and livestock production. Sugarcane production continued to benefit from the completion of the Lower Usuthu.

Smallholder Irrigation Project (LUSIP) and the Komati Downstream Development Project (KDDP). Cane production, however, increased by a slower rate of 6 percent in 2012 compared to 12 percent in 2011. On the other hand, the forestry sector portrayed signs of recovery from the prolonged negative effects of the 2008 forest fires.

For the full Annual Monetary Policy Statement download at www.centralbank.org.sz or contact the Corporate Communications Division at info@centralbank.org.sz, or call (+268) 2408 2147 / 2408 2160

Don't put your money in illegal deposit taking entities!



public by prohibiting illegal deposit taking schemes.

“No person or entity is allowed to receive, accept, take,

the continued existence of the schemes and this will result in prosecution under the Financial Institutions Act, 2005.



SADC / CMA Payment Systems Integration Workshop

The National Payments Division of the Central Bank of Swaziland held the Southern African Development Community / Common Monetary Area (SADC/CMA) payment systems integration workshop at the Imfundo Conference Room at Mountain Inn on 11th April 2013 to report on progress of the project which has been planned to go live on 22 July 2013.

The workshop was attended by Chairman of the SADC Banking Association, Arthur Cousins and SADC Payment System Project Team Magedi-Titus Thokwane, Chairman of the Swaziland Banker's Association, Tim Nhleko, Central Bank of Swaziland Acting Assistant Governor, Masotja Vilakati and National Payment System management and staff and representatives from all the five commercial banks including the Swaziland Building Society.

During his presentation, Thokwane clarified that the The SADC/CMA Payment Systems Integration project is a development driven by a sub-Committee of the Committee of Central Bank Governors (CCBG).

He further explained that the

SADC Banking Association has been mandated to represent the interests of commercial banks in the project and to develop the required regional payment instruments.

The integration project will allow all inter-bank settlements to be settled in ZAR through the regional RTGS called SIRESS - SADC Integrated Regional Electronic Settlement System and its aim is to eliminate the inter-bank settlement risk inherent in cross-border payments. It also creates necessary infrastructure should SADC region decide on a single currency for the region. As part of the SIRESS project plan, the project team also held SIRESS

Roadshows in the CMA countries, which included SIRESS training as well as discussions on the technical and business readiness of CMA SIRESS participants for production implementation. In Swaziland, the road show was held on 13th May 2013 at the Central Bank of Swaziland Recreation Hall.

The training included participants from all Swazi commercial banks including the Swaziland Building Society. During the training, participants were taken through the SIRESS Settlement schedule, principles, message flows, instructions and roles and responsibilities in preparation for the going live date in July.



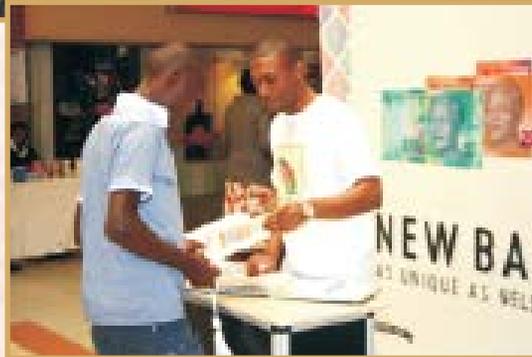
UMINTSHO!

TWO HUNDRED RAND

South African Reserve Bank and Central Bank of Swaziland Launch Mandela Banknotes



“The Governor further assured all present that the CBS will also assist the process of public education and raising awareness on the security features of the notes”



The Governor further assured all present that the CBS will also assist the process of public education and raising awareness on the security features of the notes.

In November 2012, the CBS supported the SARB to launch the new SA Banknotes. The Governor of the Central Bank of Swaziland together with a team from the South Africa Reserve Bank launched the new South African banknotes during a media briefing in November 2012 at the CBS boardroom.

The Governor explained to journalists that there are education campaigns put in place to raise awareness on the new notes popularly known as “Mandela notes”, and noted that the CBS would be involved in the education campaigns by virtue of Swaziland being part of the Common Monetary area (CMA) that allows free circulation of SA currency in the country.

He urged the public to take note of the features to prevent being conned into accepting counterfeits.

Speaking on behalf of the SARB, Strategy and Communications, Hlengani Mathebula warned the public to be on the lookout for people who might deceive them into thinking the current notes are no longer allowed to circulate as a result of the new notes, explaining to journalists that the current notes continue to be legal tender and circulate at the same value as the new ones.

The notes are set to start circulating in the country from Tuesday, next week and will be issued in all countries where the Rand is in circulation, countries being: Mozambique, Lesotho, Namibia, Zimbabwe and Angola to name but a few.

The SARB also had time to raise awareness at the Bhunu Mall and Mbabane Bus Rank, where the public was introduced to the new notes and got time to write messages to Former President Nelson Mandela on a register that was availed by the SARB Communications Team for the first democratically elected president of South Africa.



STAKEHOLDER TRAINING

on New South African 'Mandela' Banknotes Series

As part of the New Mandela Banknotes Series Launch, the South African Reserve Bank also trained stakeholders from the local banking industry on the new banknotes honouring former President Nelson Mandela.

ATTENDANCE

All local banks were represented during the one day training held at the Central Bank of Swaziland Recreation Room. Excitement filled the room as the new banknotes featuring an image of South Africa's first democratically elected president Nelson Mandela were presented. The training came after a hyped up launch of the banknotes by SARB Governor Gill Marcus in early September 2012, where she also launched a campaign themed "One of a Kind", aimed at educating and raising public awareness of the new banknotes, which came into circulation in November 2012.

SECURITY FEATURES

The Security features of this new series are similar to the features introduced by the Central Bank of Swaziland in the new Swazi series of banknotes introduced in 2010. SARB has also adopted the LOOK-FEEL-TILT principle which the CBS ran with during public awareness campaigns of its new series banknotes in 2010.



POST BUDGET SEMINAR



The Corporate Skills Centre (CSC), in collaboration with the Ministry of Finance, successfully hosted a Post-Budget Seminar on the 2013/14 National Budget presented by Minister of Finance, Mr. Majosi Sithole on 22 February 2013. The theme of the budget speech was “Jump-starting Economic Growth: Bringing Prosperity to the People of Swaziland.” The Seminar was held at the Royal Villas, Ezulwini, on 22nd March 2013.

The main objective of the seminar was to provide a forum for professionals from both the private and public sector to share views on the national budget. The seminar was officially opened by Central Bank of Swaziland Governor, Mr. Martin Dlamini. Hon. Minister of Finance, Mr. Majosi Sithole delivered a key note address, focusing on the highlights of the budget speech.

Other speakers were the President of the Federation of Swaziland Employers and Chamber of Commerce (FSE-CC), Ms Fikile Nkosi and Chairman of the Swaziland Bankers Association, Mr. Tim Nhleko. Discussants included FSE-CC Chief Executive Officer, Ms Zodwa Mabuza,

Central Bank of Swaziland General Manager Economic Policy Research and Statistics, Dr. Bhadala Mamba and University of Swaziland Economics Lecturer, Mrs. Winnie Kalamandua, while Chief Economist in the Ministry of Economic Planning, Mrs. Lonkhululeko Magagula was the programme director.

In his opening remarks, the Governor noted that the theme of the seminar, is a challenge given the hostile international economic environment, low government resource base and limited support from the economic community in the budget.

The Governor reiterated the financial sector’s commitment to supporting government’s initiatives of reviving the economy. He stated that although Swaziland suffered the full effects of the global economic meltdown, he was encouraged by reports from the USA, which is the largest economy in the world, indicating a nascent economic recovery.

He noted that these developments give hope that the global economy will be resuscitated.

“Jump-starting Economic Growth: Bringing Prosperity to the People of Swaziland.”



The Governor explained that the seminar was building from the success of a similar held in the previous year. He stated that he was encouraged by the participation of stakeholders, particularly the banks who he said were part of organizing the seminar.

In his address, Hon. Sithole stated that government was working on strategies to reduce the country's heavy reliance on receipts from the Southern African Customs Union (SACU). He noted that government

expected to collect E12.8 Billion in the current financial year.

This amount includes SACU receipts which have increased by E90 Million from the last financial year. He said SRA collections were expected to be over E600 Million.

The Minister expressed appreciation to the nation for the courage displayed during government's cashflow crisis in the previous financial years. He thanked civil servants for accepting a wage freeze and

Christians for praying for the financial situation to improve. Mr. Sithole also revealed that government was working on reducing public debt to be less than 35% of the Gross Domestic Product (GDP).

CSC Chairperson, Ms Sibongile Mdluli, who is also the CBS Deputy Governor, stated that the organization was encouraged by the good turnout and promised that it will be an annual event to assist stakeholders engage of the national budget and related matters.

CBS BIDS FAREWELL

TO ASSISTANT GOVERNOR

PHIL MNISI



On Thursday, 25th October 2012, Central Bank of Swaziland Governor, Mr. Martin Dlamini organized a function for the management and staff members to bid farewell to former Assistant Governor, Mr. Phil Mnisi who is now the Chief Executive of Standard Bank Swaziland.

Mr. Mnisi left the Central Bank after serving for four years. The Governor extended well wishes to Mr. Mnisi as he took a senior position in one of the leading banks in the country. He said he was confident that Mr. Mnisi would make the work of the Central Bank easy because he now understands central banking.

“Sometimes the wrong people are hired in these positions. We are happy that Mr. Mnisi understands central banking and would make our role as supervisors of banks very easy,” he said, to amusement of all present.

The Governor further noted that the Central Bank has been grooming leaders of the financial sector. “People like SwaziBank MD, PSPF CEO and SNPF CEO are from the Central Bank. This goes on to show that our investment in grooming talent does not go to waste.



CBS BIDS FAREWELL

TO ASSISTANT GOVERNOR

PHIL MNISI



CBS end of year



awards ceremony



and Workshops

The Task Team Meeting on SACU Trade Data Reconciliation

The EPRS General Manager attended this meeting which was held on the 29th and 30th October 2012 at the Garden Court Hotel in Johannesburg, South Africa. Also in attendance from Swaziland were officials from Swaziland Revenue Authority, Ministry of Finance, Ministry of Economic Planning and Development, and Central Statistics Office.

The 7th Meeting of the Financial System Development and Stability Sub-Committee

COMESA Monetary Institute with the mandate of the Governors organized a meeting on selected topics on Financial System Stability which could enhance the capacity of member central banks to produce Financial Stability Reports. The Meeting was held at the Kenya School of Monetary Studies on the 3rd November 2012. The Central Bank of Swaziland was represented by Mr. Wellington Motsa from Financial Regulation Department together with Mrs. Rejoice Dlamini from the EPRS Department.

CMA Exchange Control Quarterly Meeting

During the quarter under review the CMA Exchange Control Quarterly Meeting was held at the Reserve Bank of South Africa on the 22nd November 2012. In attendance were delegates from all CMA Member States and deliberations were centered on matters of mutual interest in the area. The Central Bank of Swaziland was represented by Mr. S.L. Simelane, General Manager Financial Regulation together with Mrs. B. Gilbert, Exchange Control Manager.

Training: Workshops & Courses

Mr. W. N. Nxumalo from the Real Sector Unit in the EPRS Department attended Regional Course on Consumer Price Index held at the Intercontinental Hotel, Balaclava, Mauritius from the 4th to 7th December 2012.

Ms. Z. Mabuza, in the Real Sector Unit EPRS Department attended a Regional Course on Financial Programming and Policies held at

Umubano Hotel in Kigali, Rwanda from the 24th September to 5th October 2012.

Mr. S. Dlamini, Economist in the Economic Policy Research and Statics (EPRS) Department, PRAMA Unit attended a Joint Partnership (IMF and African Development Bank) Macroeconomic Diagnostic Course held in Tunis, Tunisia from the 1st to 12th October 2012.

Mr. V. B. Khumalo from the EPRS Department attended a workshop on the Mid-Term Review of Macroeconomic Convergence Targets for 2012 held in Gaborone, Botswana on the 11th October 2012.

Mr. B. P. Dlamini, Economist in the EPRS Department, Modelling and forecasting Unit attended a MEFMI Regional Course on Economic Modelling and Forecasting held in Lilongwe, Malawi from the 5th to 19th October 2012.

Mr. S. F. Mkhonta, Senior Economist in the EPRS Department, Modelling and Forecasting Unit attended a Training of Trainers Workshop on Modelling the Macroeconomic Impact of Shocks hosted by COMESA at the Kenya School for Monetary Studies in Nairobi, Kenya from the 22nd to 26th October 2012.

Mr. W. Motsa together with Mrs. Rejoice Dlamini from Financial Regulation & Economic Policy, Research and Statistics departments respectively attended a five day workshop organized by COMESA Monetary Institute on Preparation of Forward Looking Financial System Stability Reports by member countries held at the Kenya School Monetary Studies from the 29th October to 2nd November 2012.

Ms. F. Z. Sibiya, Economist in the EPRS Department, Monetary and Financial statistics Unit attended a workshop on Harmonization of Monetary and Financial Statistics for SADC held in Cape Town, South Africa from the 27th to 29th November 2012.

ATTENDANCE AT CONFERENCES, SEMINARS, MEETINGS, WORKSHOPS AND COURSES.

The Southern African Development Community (SADC) Committee of Central Bank Governors (CCBG) Macroeconomic Subcommittee Meeting

On the 14 and 15 February 2013, the General Manager, Dr Bhadala T. Mamba attended the Macroeconomic Subcommittee meeting which is a Committee of Central Bank Governors in SADC which was held in Mahe, Seychelles.

The Committee delved on several issues from the SADC Secretariat namely; Peer Review Panel, Finance and Investment Protocol; Regional Indicative Strategic Development Plan; amongst other SADC matters.

The SADC CCBG Project Leaders and Working Group Meeting

SADC CCBG Project Leaders and Working Group met at the South African Reserve Bank in Pretoria, South Africa from the 25th to 26th February 2013 to be interviewed by SADC Consultant who was doing a Mid Term Review for the Regional Indicative Strategic Development Plan.

The meeting was attended by all SADC CCBG Subcommittee Leaders namely: Legal Committee, IT Forum, Bank Supervision, Macroeconomic Convergence, Financial Markets and Training Forum. The Central Bank of Swaziland was represented by Dr. Bhadala Mamba (General Manager - EPRS) and Mr. Samuel Dlamini (Economist - Policy Research Unit).

The SADC CCBG Working Group Meeting

The SADC CCBG Working Group met at the South African Reserve Bank (SARB), in South Africa on 26th to 28th March 2013, to review progress on all pending issues that are undertaken by the SADC Sub-committees and to finalize the Annotated Agenda for the CCBG meeting to be held at the South African Reserve Bank (SARB) on the 26th April 2013. The Central Bank of Swaziland was represented by the EPRS General Manager and Mr Samuel Dlamini also from the EPRS Department.

African Alliance Seminar 'Africa Rising: Unlocking the Continent's Potential'

Mr. Vusi Mabilisa, Senior Economist in the EPRS Department, attended a seminar organized by

African Alliance Asset management entitled 'Africa Rising: Unlocking the Continent's Potential' on the 13th March 2013 at the Melrose Arch Hotel, Johannesburg, South Africa. The seminar went beyond the usual discussion about growth prospects on the continent and focused on factual content about latest trends, available investment opportunities and practical challenges of investing on the continent.

THE BIS/SADC Seminar on Financial Stability Frameworks and Governance Arrangements at Central Banks: Issues of Relevance to Africa

The 3 day seminar which was held from the 18th to 20th March 2013 was hosted by the SADC CCBG Training and Development Forum in collaboration with the Bank of International Settlements (BIS) at the SARB Conference Centre in Pretoria, South Africa. The main objective of the seminar was to familiarize participants with the concepts of financial stability, central bank mandates, macro-prudential instruments and frameworks and making financial stability frameworks operational. Representing the Central Bank of Swaziland were Mr Wellington Motsa, BSD Manager, Off-site Unit together with Mrs Rejoice Dlamini, Senior Economist EPRS Department.

Global Business Round table (GBR) Conference and Gala dinner

The Deputy Governor, Mrs. S.G. Mdluli attended the Annual Business Conference and Gala Dinner, held on the 15th March 2013 at Sandton Convention Centre Johannesburg, South Africa.

The high level networking event was attended by GBR members, governments, churches, businesses and NGOs and provided a platform for attending to priority economic, spiritual, social and political areas affecting all GBR members in all the countries where GBR is represented.

The conference aimed to inform policy- and decision makers at the highest level of business, government and religious leaders on economic, political, spiritual as well as social issues pertaining to the challenges facing all member states, in achieving all the objectives of GBR. and Ministers of Finance Meetings.

Management Charts the way for Living by the CBS Values



The Central Bank of Swaziland is inculcating a culture of living by its values. The strategy review session held at Pigg's Peak Hotel on 27th February to 2nd March 2013 underscored the importance of "Living by the CBS Values" to achieve strategic goals of the Bank.

The Bank's values are, INTEGRITY, TRUST, RESPECT, EXCELLENCE, ACCOUNTABILITY AND TRANSPARENCY.

Mr. Titsetso Tsukudu from Tsukudu and Associates in South Africa facilitated a review of the Bank's strategy by members of the management team and the Board of Directors. His main role was to critique strategic objectives prepared in the previous year and measure progress thus far. In addition, a motivational speaker, Mr. Luke van Warren from 4 Runners Consultancy, made a graphic presentation and interpretation of the Bank's values during the gala dinner.

Following a personal invitation from the Governor, Dr. Caleb Fundanga, a former Governor of the Bank of Zambia, shared his perspectives on strategy implementation and the importance of living in driving strategy. Dr. Fundanga also facilitated a Board Governance session with the CBS Board.

During the review session, the management team developed a tool to measure the adoption of the Bank's values.

Following this strategic review, the Bank is in the process of implementing a Bank-wide programme of "Living by the CBS Values" in 2013/14 Financial year. The Governor has already presented the outcome of the strategy review to all staff and the cascading process is on-going in Departments.

During the strategy session, management also reviewed all departmental objectives to ensure that they are aligned to the PESTLE and SWOT Analysis developed at the start of the strategic planning cycle in 2009.

In his remarks, the Governor noted that it was necessary to review the CBS culture in terms of relating to one another and the manner the team executes day-to-day responsibilities.

He added that it was vital to deliberate upon the core values and internalise them since they form a premise of one bank's culture.

The Governor stated that even though surveys have been used to measure values, Management still has to inculcate self actualisation coupled with personal and team commitment through meaningful engagement and participation that shall be cascaded to all levels.

CENTRAL BANK

at the TRADE FAIR

The Central Bank of Swaziland gave a twist to the exhibition of products and services at the Swaziland International Trade Fair 2012, the bank carried out a survey to ascertain visitor profiles and general knowledge about the functions of the Bank.

This was coupled with promoting the Central Bank brand and provided a platform for visitors to probe and be educated about products, policies and services of the Central Bank.

A total of approximately 400 people visited the stand during the duration; a majority of these being employees of the public services sector and agricultural and small business sector.

Education activities bothered around Investing in Treasury Bills and Bonds, the Small Scale Credit Guarantee Scheme, the Swaziland Stock Exchange, Mutilated Bank Notes, Pyramid and Ponzi Schemes, Money Laundering, National Payment Systems, Banking and Currency Operations and other Central Bank products, services and focus areas.

Stand visitors were provided a forum to probe on issues pertaining to the Bank and its functions.

Pyramid Schemes a hot topic at the CBS Trade Fare Stand

It will come not as a surprise that during the Swaziland International Trade Fare, the Central Bank of Swaziland team was faced with numerous enquiries on pyramid schemes.

This comes after the infamous Channel S Club, Aloe Fund, and other pyramid debacles that ended on the negative for the public who lost their 'investments' after liquidation of these illegal schemes.

Visitors also had a keen interest in knowing about other pyramid scheme matters such as Diamond Africa and Sharemax Investments.

Worth noting is that from data collected, it was realised that the understanding that pyramid schemes are illegal and may come in so many forms which may be difficult to recognise immediately still remains a bit of a challenge; with people not realising that anything that sounds too good to be true, probably is - too good to be true.

Fraudsters behind pyramid schemes may go to great lengths to make the program look like a legitimate multi-level marketing program while it is purely a pyramid scheme.

The Central Bank continues in its education endeavours to caution the public against investing in get rich quick schemes and to emphasize that when you hand over your money to another person who then loses the money, steals it or goes bankrupt, you only have an unsecured claim against that person or their estate and you might not get all your money back. Grow your money safely and wisely, speak to an authorized financial services provider for guidance in investing safely.





CBS AND SRA SIGN MOU

The Central Bank of Swaziland (CBS) and the Swaziland Revenue Authority (SRA) signed a Memorandum of Understanding (MOU) in October 2012, to facilitate co-operation between the Financial Intelligence Unit (FIU) and the SRA relating to anti-money laundering and counter financing of terrorism.

The MOU extends to the exchange of intelligence and financial information, personnel and cooperation on operational issues and is governed by the Money Laundering and Financing of Terrorism (Prevention) Act of 2011.

About the Money Laundering and Financing of Terrorism (Prevention) Act, 2011

The Money Laundering and Financing of Terrorism (Prevention) Act, 2011 states that all persons entering or leaving Swaziland with cash or negotiable bearer instruments valued at more than E15,000.00 (Fifteen Thousand Emalangeni or equivalent) are required to declare this amount to the police and Customs officials at the border at which they are entering or leaving.

The E15, 000.00 value applies to the total amount of cash or negotiable bearer instruments.

The requirement to declare cannot be avoided by the fact that a person is carrying several different currencies or classes of negotiable instruments which separately amount to less than the equivalent of E15, 000.00.

Offence and Confiscation

The act also states that it is an offence to not declare or to under declare, the punishment for failing to declare or under declaring is a fine not exceeding E30,000 (Thirty Thousand Emalangeni) or imprisonment for a period not exceeding 5 (five) years.

Failure to declare or under declare may also render the Cash or negotiable bearer instruments subject to confiscation.

What to do:

***DECLARE!** To the Police and Customs Officials at the border any; cash or documents representing ownership of debts or obligations, including cheques, bills of exchange, promissory notes or certificates or deposit whether made payable to the bearer or not, valued at more than E15,000 (Fifteen Thousand Emalangeni or equivalent) when entering or leaving Swaziland.*

PRETORIA GAMES

PRETORIA GAMES

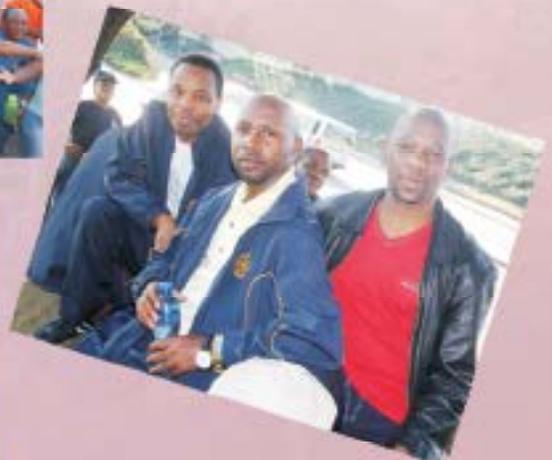


The South African Reserve Bank (SARB) extended an invitation to the Central Bank of Swaziland to be part of the Four Nations Easter Weekend Games, together with Botswana and Lesotho. The main aim of the games was to strengthen the relationship between the four nations and networking between Central Bankers.

The games took place on the 29th and 30th March 2013 at the Tshwane University of Technology Sports Grounds. The following sporting codes were played concurrently: soccer, netball, volleyball, darts, lawn tennis, table tennis and pool. All the games were played at the Tshwane University of Technology Sports Grounds.

The Central Bank of Swaziland team fared quite well and was in 2nd place in the overall performance after South Africa. In regard to the different sporting codes, the Central Bank of Swaziland team performed as below:

Team	Position
Netball	1
Soccer	2
Lawn Tennis	2
Table Tennis	Eliminated in the Second Round
Volley Ball	3
Darts	4
Pool	2



Risk Management Simplified



By Zandile Ndlela
Senior Risk Operational Analyst

- 1. BUSINESS**
Directed internally and responsive to external pressure
- 2. BUSINESS PROCESSES**
Understanding the process flow helps identify imminent problems and provide spot on solutions
- 3. KEY RISK INDICATOR**
Point in time metric that shows the status of a business process/activity if managed and monitored correctly, helps identify potential risks before they occur
- 4. BUSINESS UNIT CHAMPION**
Owners of the business process and in control. need to be aware of what lies ahead as well as what is coming from behind the destiny is in his hands.



LESSONS FROM THE EU FOR SADC

This paper was presented to the SADC Governor on the 14th September 2012

The primary objective of this paper was to trace the source and evolution of the European Union debt crisis in order to identify lessons for SADC and potential problems SADC should avoid as it works towards the establishment of a monetary union.

With regards to EU fiscal sustainability, it is evident that results generated from the indicators that are used by the EC are not able to provide adequate information to track fiscal sustainability in the EU since they are based on a mechanical and partial equilibrium examination. Such projections are sensitive to the underlying assumptions and in some cases demonstrate highly accentuated profiles which do not give a true picture of what is happening on the ground.

The study also reveals the following limitations on EU fiscal rules: they do not deal with country-specific circumstances in a consistent manner; their rigid adherence to annual deficit targets can impart a procyclical bias to fiscal policy through contractionary measures to buttress revenues in a downswing and a temptation to spend windfall tax receipts in an upswing; the mechanism permitted pro-cyclical loosening of fiscal policy during the good times; the process is complicated and not consistent, and it has been difficult to communicate effectively with the media, markets, and the public on how the EU Stability and Growth Pact (SGP) works; the measurements of potential output and budgetary elasticity have led to confusion.

It is evident that failure to apply sanctions to Germany and France after defaulting demotivated other member states to keep their fiscal affairs on track.

Also, in the absence of a fiscal union at EU level it is difficult if not impossible to coordinate fiscal and monetary policy.

Using past and current literature on monetary unions and fiscal policy as applied to the Eurozone, this paper provides evidence that the EU is not an optimal currency area (OCA) and it was not from inception. Furthermore, some member states failed to meet the Maastricht convergence targets before the adoption of the euro.

In SADC, it remains a precondition to observe the following conditions before adopting a single currency: the OCA criteria; SADC macroeconomic convergence targets; establishing a fiscal union at the same level as the SADC monetary union; to design rules that will allow for country-specific circumstances; and to implement a system that will ensure quality data and adherence to regional standards.



**Governors Award
Winner 2012
Samuel Dlamini**



**Governor's Award Winner 2012 Samuel Dlamini,
captured with Governor's Award Winner 2011
Dr. Bhadala Mam**

Is there Money Laundering in Swaziland?



By Bheki Khumalo
Money Laundering
Reporting Officer

The question that people have been asking themselves is what is money laundering. The papers in the past months ran an article about a gazette that was issued by the Government of Swaziland formalizing members of the National Task Force on Anti-Money Laundering/Combating Financing of Terrorism. In some people's minds its one of those committees set up just to cash in because there is no such thing as money laundering.

The question is, what is money laundering, in simple terms, it is trying to hide the true origin of ill-gotten money. Then I ask, is there money laundering in Swaziland and I say a big YES. This question is like you are asking, are there criminal activities occurring in Swaziland, because money laundering comes after or is the product of more than 20 criminal activities like armed robbery, theft, fraud, corruption, human trafficking, environmental crimes etc .

In the past we have seen a lot of people arrested for some of the crimes mentioned above and they serve their terms but when they come out they begin to enjoy their wealth from the crime they committed before going to prison. Have you not seen a person straight from prison living in a nice beautiful house and driving top of the range cars.

The challenge is people are only arrested and charged for the predicate crimes; those being fraud, extortion, armed robbery etc, but nobody measure or follow up on the proceeds or gains they receive from those crimes.

The other issue is the fines or punishments these people receive, they are not deterrent and thus people continue to commit those crimes.

If you talk about an effective system of disarming criminals, I believe even the gains or profits from the crime committed by these criminals should

also be forfeited to the state. This is where the Money Laundering/Terrorist Financing (Prevention) Act, 2011 should come in.

This Act has forfeiture provision, which means, one a person has been convicted of money laundering and the proceeds should also be forfeited to the State. In Swaziland a lot of people have been arrested and charged with Fraud, theft etc. but none or only a few have been convicted on money laundering.

The question would be why is that? One of the reasons would be after being arrested once the people get bail; they continue to enjoy the gains from the fraud or armed robbery or theft. What would be the solution, one of them would be for the prosecutor to apply for restraint order against goods or properties that the suspect has acquired after committing the crime so that the person would not be able to enjoy the fruits of the crime.

Then if that person is convicted of the crime the prosecutor can apply for the forfeiture order against those goods or properties. So next time you think about committing a crime be assured that your gains might also be confiscated by the state.

With the above assertion I believe you all have been persuaded that there is money laundering in Swaziland and all of us have a role to play in preventing this criminal act to be minimized. You ask me what will be individual's role, my answer would be we live with these people in our communities and some of them are our friends or relatives, we have a duty to report such acts to the Royal Swaziland Police.

On a parting note I'm happy that already there are few people who have been charged and convicted on Money Laundering, I believe what we saw in the year 2012 was beginning of good things in the fight against money laundering.



LOOK - FEEL - TILT

EDUCATIONAL ROADSHOWS

By Lindokuhle Sithole Nxumalo
Corporate Communications officer

Communications and Currency Division ran educational roadshows around the country to raise awareness and educate the public on the new South African 'Mandela Notes' and Swazi banknotes security features.

The aim of the educational roadshows was to inform cash handlers on the new banknotes circulating in the country - the South African Rand and Local Emalangenzi Currencies, and to emphasise the importance of carefully checking for security features in banknotes using the Look-Feel-Tilt principle.

This occurred at the backdrop of poor quality counterfeit notes which had been discovered in circulation. It was also aimed at educating the public on the effects of counterfeits on the economy and to encourage the public to report incidences of counterfeiting to the police.

The educational roadshows formed the second phase of an educational campaign targeted at certain groups that handle cash on a day to day basis.

First, the Central Bank team trained bank representatives, public transport management, including Commercial Amadoda representatives, large retailers (Pick n Pay, Buy and Save, Spar Group, Shoprite Group) and fuel retailers (Total, Galp, Engine and Exel Fuel representatives) through inhouse trainings conducted within the Bank.

The educational roadshows were targeted at market, street vendors, and bus operators who might find themselves victims of accepting forged notes during the festive busy season.

Over 1000 market vendors, bus operators were reached during the educational roadshows in six days of face to face education and raising awareness by the Central Bank of Swaziland team.

The CBS team comprised of Currency Division's Nengah Msibi, Corporate Communications' Sbusiso Mngadi, Lindokuhle Sithole, Zanele Mkhonta and Queen Mavimbela.

Markets and Bus ranks reached include; Madlangempisi, Mahlanya, Manzini, Mahlangatsha and Mbabane Markets, Matsamo Boarder Gate, Buhleni, Pigg's Peak Bus Rank, Hlathikhulu, Nhlanguano, Lavumisa, Mankayane, Big Bend, Siphofaneni, Siteki and Luve Bus Ranks.



PROJECT RISK MANAGEMENT

KEEPING PROJECTS ON TRACK

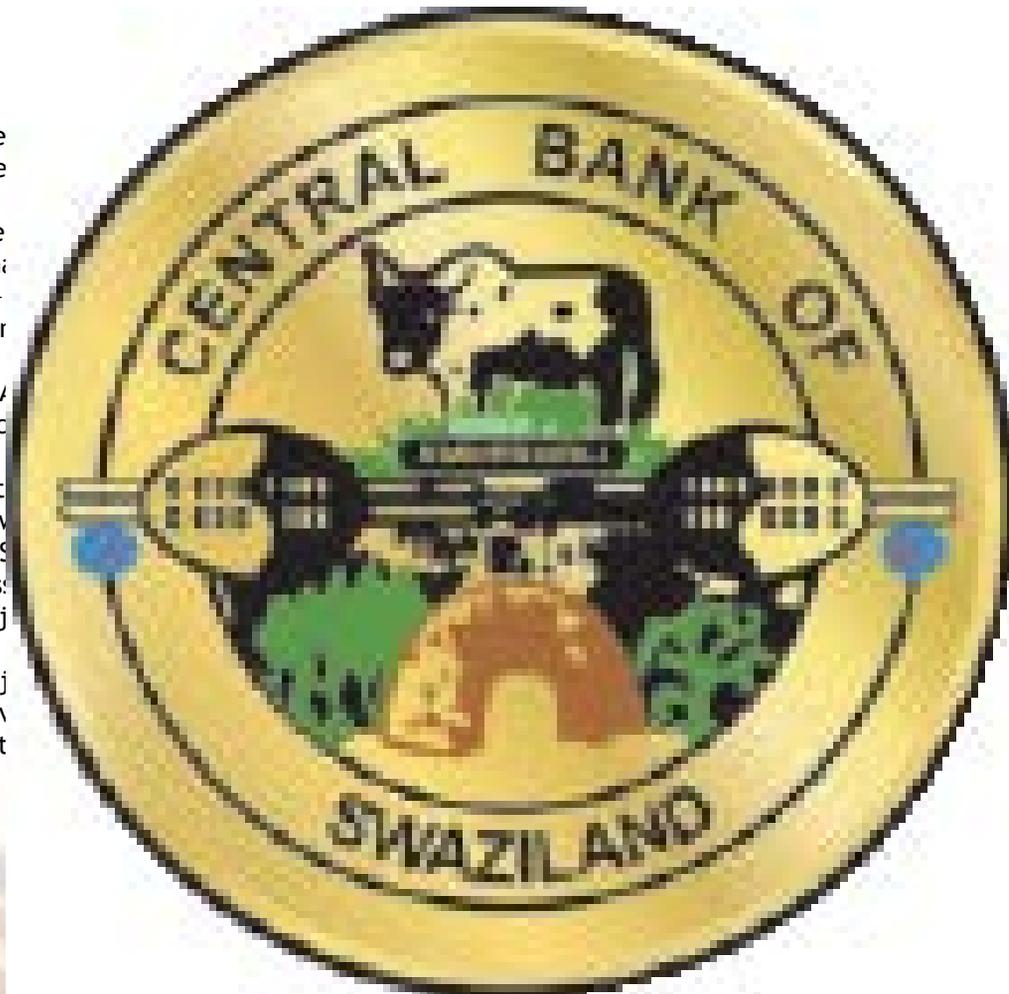
The following quote
December newsletter

He states that, "One
of major projects th
into these projects -
mitigated. This offer

He goes on to say," A
not the huge varianc

He asserts that mist
and mitigated in nev
standards such as IS
management proces
the dynamics of proj

He adds that "As proj
We also need to hav
strategies between t



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; to scheduling.
nd contracting
r."

**which specializes in Project risk Management
among other disciplines.**

INFLATION CONCERNS

Where will inflation go in 2013?

Inflation is defined as the general increase in prices over a given period. Inflation is dubbed the 'Number one Enemy' to every person's financial decisions ranging from the cost of groceries every month, the yields on money markets mutual funds, investment for a child's education and every pay-check receivable.

Inflation erodes the value of money - its purchasing power. Take the price of bread and fuel for instance: In January 2003, the price of a white loaf of bread was around E4.70 whilst a litre of unleaded petrol costed E3.80; ten years later a loaf of bread cost E7.80 while the price of petrol stands at E11.15. Most certainly, E10.00 in 2003 would have purchased twice the number of goods (bread or petrol) compared to current price levels.

In fact, E10.00 in 2013 is not enough to purchase a litre of petrol. This is one of the critical reasoning that dominates cost of living adjustments talks between employers and employees every year.

Inflation Developments in 2012

A number of developments took place in 2012 in relation to price developments. Geopolitical concerns led to a surge in international crude oil prices keeping them above US\$100/barrel for the entire year. International food prices skyrocketed in the start of the second half of 2012 in response to a drought experienced in the US.

Adding salt to the souring international prices was the weakening of the Rand/Lilangeni against the US Dollar as it depreciated by more than 13 percent in the last quarter of 2012.

Needlessly to say, these international developments filtered through to our domestic inflation outcomes especially because Swaziland is a net importer for most of its goods (including food and fuel) mainly via South Africa. On the domestic front, there was the introduction of Value Added tax (VAT) which replaced the sales tax in April 2012.

The immediate effect was that prices of commodities that attracted VAT but previously excluded in the sales tax schedule increased by almost 14 percent. The combination of international developments and domestic developments led to inflation averaging 8.9 percent in 2012, significantly higher than 6.1 percent in 2011 or 4.5 percent in 2010.

What's in Store for 2013?

With all the preceding information the real begging interest is 'Where will inflation go in 2013?' Like any other economic question, the quick answer that fits every shoe is "IT DEPENDS". International oil prices are set to remain high buoyed by increasing geopolitical tensions in the Middle East and the projected 4 to 6 percent increase in China's demand for oil in 2013.



By Welcome Nxumalo
Assistant Economist
- Real Sector

S.W.E.E.T.

THE SWAZILAND WOMEN ECONOMIC EMPOWERMENT TRUST

Holds First Annual General Meeting

The Swaziland Women Economic Empowerment Trust (SWEET) held its first Annual General Meeting on the 15th December 2012 at Prince Mfananyana Hall, Manzini. The Deputy Governor of the Central bank of Swaziland in her capacity as Chairperson of SWEET presented the financials for the period 2011/12. She noted that there are 1, 300 registered members of SWEET and savings have accumulated to E150, 000.00. The Chairperson also informed those in attendance that 10 university graduates have been identified that will train women in SME on basic business and bookkeeping skills.

This meeting was attended by UNAIDS, Micro Finance Unit, UN Women, MTN Mobile Money unit, Lutsanyane and LwakaNgwane representatives. The meeting was graced by Dr. MutuaWaema, Regional Director of The International Cooperative Alliance based in Nairobi Kenya. Dr. Waema said he was impressed with the great attendance for the meeting. He shared with all the women in Kenya and India have mobilized resources to establish similar institutions. He encouraged the women to continue to save.

All attendees were able to give brief presentations during the meeting. UNAIDS representative, ThembisileDlami gave a motivational speech where she encouraged women to believe in themselves and to have conviction that their businesses will succeed.

MTN Mobile Money representative Portia Dlami informed the women in the meeting about the new partnership that SWEET and MTN Mobile Money has signed. Registered mobile money clients that are members of SWEET will now be able to make monthly savings via Mobile Money at no cost.



SWEET Chairperson
Deputy Governor Sbongile Mdluli

MALI

Hhe.....! naw'nemali uyadvwala,
Ngoba uyatsenga, uyanotsa njalo nje,
Cha! kona mali umuhle mani,
Utsandvwa ngisho bantfwana,
Kute longakufuni wena yeMali.

Kahle bo! Mali naw'khona yinjabulo yodvwa nemakhaya,
Tihlatsi tivakashela tindlebe,
Kusho kona nje kutsi Mali ukhona,
Nemkhaba uyaphumela ebaleni,
Kuvele ngisho emalundza entsanyeni,
Bangani babuya batsi fu!

YeMali aw'ngitjele ke! yini lokulingana,
Imigulukudvu ite ikhokhe imphefumulo,
Tigelekece setite tikwakhe ngansense,
Labanye bate batibhadele ngaphandle kwemvumo,
Eyi! nawe Mali.

Labatsi Mali uyimphandze yesono bacinisile,
Ubonakele wonisa labanye, ngisho labangcwele,
Kone ngisho bakhohlwa livi lemdali,
Bakhuthuzi batsi letsa isheledi, nabangakasho kutsi lijumphana,
Wala ligotjwa liyababa, bavula sisu uwaphatse ngesandla.

Kodvwa yeMali yini ke! lolokwentako,
Ucabanisa umcashi netisebenti, akusabukwana,
Yingwe nenja buklemklemu emehlo abovu, nako enkantolo,
Titaladi kuyaphitsitela, yitoyitoyi
Mali kantsi yini, yini vele?

Uyati yeMali uyangenyanyisa mine,
Ingani ungaphela kushayeka kodvwa,
Kulamba yidlala, Mali aw'kho,
Kubuye kugula kube njeya,
Lapho ke aw'kho wena Mali.

Nakuke longakwati wena yeMali,
Kudla yimali, kutichaza yimali, wenta inhloko yimali,
Bate batsi kunemtselweso wesono wabhema, yimali,
Kugula yimali, kulamba yimali, kupaka yimali,
Angati kutsi sengingatsini ngawe yeMali.

NB: Simo semnotfo sibi kulamalanga kutotetimali ikhulu, akusaphileki njengenjwayelo.

New Appointments



Phepsile Dlamini

POSITION: Graduate Trainee
DIVISION: Accounts
DEPARTMENT: Internal Finance

We have pleasure in announcing the appointment of Ms Phepsile Thwala as a Graduate Trainee (Nostro Reconciliation Clerk) within the Accounts Division in the Internal Finance Department with effect from 10 December 2012.

BACKGROUND

Phepsile holds a Bachelor of Commerce Degree with specialisation in Accounting from the University of Swaziland.

She began her career with the National Census in the Government of Swaziland where she held the position of supervisor. As a fulfilment to the requirements of the University of Swaziland, she was accorded the opportunity to be a part of the internship program for the year 2012 in the Bank. After completing school she was engaged by First National Bank of Swaziland as a teller a position she held for three months before being promoted to bulk teller a position which she held until she joined the Bank.



Samson Ngozo

POSITION: Porter Messenger
DIVISION: Currency
DEPARTMENT: Operations

We have pleasure in announcing the appointment of Mr Samson Ngozo as a Porter Messenger within the Currency Division in the Operations Department with effect from 01 August 2012.

BACKGROUND

Samson holds a GCE O'Level Certificate.

He began his career with Coverall Gleaning Concepts and has held various positions. His final position with the organisation was that of messenger, a position he has held until joining the Bank.

Please join me in welcoming Samson and wishing him all the very best and success in his new position.



Kwanele Dlamini

POSITION: Trainee Dealer
DIVISION: Financial Markets
DEPARTMENT: Financial Markets

We have pleasure in announcing the appointment of Mr Kwanele Dlamini as a Trainee Dealer within the Financial Markets Department with effect from 01 November 2012.

BACKGROUND

Kwanele holds a Bachelor of Arts in Social Sciences from the University of Swaziland where he achieved the Best Monetary Economics Student Award for 2012.

He was first introduced to the Bank as an intern in the Financial Markets Department in 2011. In 2009, he was engaged by African Alliance as an intern in the Fund Management Division. After completing school he joined the bank to his current position of Trainee Dealer. He is affiliated to professional bodies such as the Statistical Association of Swaziland, the Economics Society of the University of Swaziland and the UNISWA Statistics and Demography Society.

Staff Movements

NAME: Nkosinathi Sibandze
 FROM: Porter/Messenger
 TO: Note Processor
 DEPARTMENT: Operations
 EFFECTIVE DATE: May 2013

NAME: Nontsikelelo Mabuza
 FROM: Examiner
 DEPARTMENT: Financial Regulation
 EFFECTIVE DATE: April 2013

NAME: Patrick Ndzinisa
 FROM: Manager Policy Research & Macro
 TO:
 DEPARTMENT:
 EFFECTIVE DATE:

NAME: Menzi Mamba
 FROM: Examination Officer

NAME:
 FROM:
 TO:
 DEPARTMENT:
 EFFECTIVE DATE:

NAME:
 FROM: Research Assistant
 TO: Assistant Economist - Domestic Economy Office
 DEPARTMENT: Economic Policy Research & Statistics
 EFFECTIVE DATE: April 2013

NAME:
 FROM: SWIF SERVICES Operator
 TO: Supervisor Ledgers & Clearing
 DEPARTMENT: Operations
 EFFECTIVE DATE: November 2012

NAME: Nonhlanhla Simelane
 FROM: Research Assistant
 TO: Assistant Economist - Balance of Payments
 DEPARTMENT: Economic Policy Research & Statistics
 EFFECTIVE DATE: April 2013

NAME: Dr. Bhadala Mamba
 FROM: Executive Assistant to the Governor
 TO: General Manager Economic Policy Research & Statistics
 DEPARTMENT: Economic Policy Research & Statistics
 EFFECTIVE DATE: September 2012

NAME: Nqobile Motsa
 FROM: Examiner
 TO: Senior Examiner
 DEPARTMENT: Financial Regulation
 EFFECTIVE DATE: April 2013



h Clerk
 or

1 Clerk

strator
 ã Clearing

CBS WELCOMES UNISWA INTERNS

this is what our interns had to say during their first week of attachment



**Timanga
Tsabedze**

ATTACHED BY: Internal Audit Division
QUALIFICATION PURSUED: Bachelor of Commerce- Accounting and Finance.
EXPECTATIONS: "To gain more knowledge and learn more especially on the practical aspect. I am sure I will go back to complete my studies and be a better person."
PRE - IMPRESSION OF THE BANK: "This is a place to be".
FIRST WEEK IMPRESSIONS OF THE BANK: "It requires one to work hard and add value to everything you have learnt at school."
INTERESTS: Reading.



**Simangele
Sukati**

ATTACHED BY: Operations Department
QUALIFICATION PURSUED: Bachelor of Commerce- Accounting.
EXPECTATIONS: "I am hoping to gain more experience in the financial sector. The theory I have attained at school will make me adapt easier to the bank."
FIRST IMPRESSION OF THE BANK: "The staff is very welcoming."
INTERESTS: Aerobics.



**Nompilo
Mlapha**

ATTACHED BY: General Services Department
QUALIFICATION PURSUED: Bachelor of Commerce- Accounting.
EXPECTATIONS: "To be able to merge what I have done in class with what I will be doing here at the bank."
PRE - IMPRESSION OF THE BANK: **FIRST WEEK IMPRESSION OF THE BANK:** "The culture is different from Uniswa, the staff is very professional and that makes it different from our peers at the University. This is a more mature environment."
FIRST WEEK IMPRESSION OF THE BANK: "The culture is different from Uniswa, the staff is very professional and quite different from our peers at the University. This is a more mature environment."
INTERESTS: Ballroom dance.



**Khetsiwe
Mmema**

ATTACHED BY: Corporate Communications Division.
QUALIFICATION PURSUED: BA JMC - Public Relations and Advertising.
EXPECTATIONS: "To be able to bridge the gap between the theoretical knowledge that I have gained from my studies and the practical aspect of communications and Public Relations. Again I expect to expand my network in the corporate sector."
PRE - IMPRESSION OF THE BANK: "The Corporate sector has a myriad of challenges so for me is to commit myself and learn so that I am always on the right track."
FIRST WEEK IMPRESSION OF THE BANK: "This is a very welcoming environment for me to learn and be a competitive person in the outside world. The company values make this environment a conducive place to learn. This is my new home."
INTERESTS: reading, music.



**Nondumiso
Nhleko**

ATTACHED BY: Internal Finance Division
QUALIFICATION PURSUED: Bachelor of Commerce -Accounting and Finance
EXPECTATIONS: "To gain as much accounting and finance practical knowledge as possible and to know more about the corporate world. I will also be able to apply the theoretical knowledge that I have gained from my studies."
PRE- IMPRESSION OF THE BANK: "It is a challenging but conducive environment for learning at the same time."
FIRST WEEK IMPRESSIONS OF THE BANK: "The staff is very welcoming and it is very professional."
INTERESTS: Music.



**Linda
Shiba**

ATTACHED BY: Financial Markets Division.
QUALIFICATION PURSUED: BA Social Science- Economics and Statistics
EXPECTATIONS: "To be able to merge my theoretical knowledge with the practical since the theory is more relevant to what I will be doing in my department."
PRE - IMPRESSION OF THE BANK: I thought the bank kept money and maybe gold.
FIRST WEEK IMPRESSION OF THE BANK: "School is more about theory but here the focus is more practical. Unlike school, where we interact with our lecturers, the bank will enable us to interact with the outside world."
INTERESTS: Car racing and fashion.



**Nolwazi
Mabuza**

ATTACHED BY: Economic Policy Research and Statistics Department.
QUALIFICATION PURSUED: BA Social Science-Economics and Statistics.
EXPECTATIONS: "To relate what I have been taught in class with what I will be assigned to do. The department I am in is even giving me more ideas on what to specialise on during my final year of study."
PRE-IMPRESSION OF THE BANK: "I perceived it the Alpha of banks - where everything about banks is conceptualised."
FIRST WEEK IMPRESSIONS OF THE BANK: "It is highly professional and it requires more responsibility than university. The company values are very important to know and apply on your day to day duties."
INTERESTS: Basketball and reading.

RETIREMENTS & RESIGNATIONS

Retirements

Alex Mavimbela:
Solomon Mavuso:
Edmund Hillary:
John Mazibuko:

M
P
E
M

Resignations

Mbongiseni Nkambule:
Themba Mamba:
Philemon Mnisi:
Thobile Dlamini:

M
C
A
P



**Swaziland's First Colour coin
production marking the
30th Annivesary of Independence**



SWAZILAND'S ROAD TO RECOVERY; THERE IS LIGHT AT THE END OF THE TUNNEL, OURS IS TO TAKE THE RIGHT DIRECTION



By Bongani Pointer Dlamini
Economist Policy Research

Swaziland's economy is growing, but lagging behind other middle-income countries which are more or less in the same state of economic development. Economic growth remains below regional levels, in particular in the Common Monetary Area (CMA) counter parts and far below the required level to halve poverty by 2015, as envisaged by the Millennium Development Goals and the National Development Plan.

Throughout the period from 2007 to 2011 economic growth has lagged behind the rest of the Sub Saharan region.

Over this period, Swaziland's GDP growth averaged 1.9 percent compared with 4.5 percent for Lesotho, 3.8 for Namibia, and 2.7 percent for South Africa, and 3.5 percent for the Southern African Customs Union (SACU) region. Swaziland suffered from the second round effects of the global financial crisis which were felt in 2008 and the subsequent years thereafter, with growth falling to 2.4 percent in 2008 and 1.2 in 2009 from

3.5 percent in 2007. On the global front, economic growth prospects in a number of the major advanced economies or regions remain constrained.

Downside risks to the outlook persist as the structural problems in many countries; and in the Eurozone in particular, are still unresolved.

The Eurozone developments have major repercussions for the Swaziland and South African economies as it is their major trading partner.

The prevailing challenges in the South African economy are likely to dampen growth in Swaziland.

Despite the generally positive markets' reactions to the ANC elective conference; the on-going labour conflicts, the proposed scaling down of mining operations and credit ratings agencies downgrading of the

sovereign debt, and the depreciation and volatility of the rand are symptomatic of the challenges the South African economy is facing.



SACU receipts have improved somewhat and stabilized in the current year providing temporary reprieve to the fiscus.

Due to the 2008/09 economic crisis, global trade fell dramatically, resulting in a record low of E1.96 billion receipts for Swaziland in the 2011/12 financial year.

The country's SACU receipts had averaged E7 billion in the 2012/13 and 2013/14 financial years respectively.

This improvement in receipts coupled with the improved tax collection by the Swaziland Revenue Authority, supported by the introduction of VAT, provides a glimmer of hope for the government and the Swazi economy in general.

SWAZILAND'S ROAD TO RECOVERY; THERE IS LIGHT AT THE END OF THE TUNNEL, OURS IS TO TAKE THE RIGHT DIRECTION

In light of the precipitous fall in the 20011/12 receipts, government adopted a tight fiscal policy stance resulting in major cuts in expenditure of up to 25 per cent in most ministries and departments. The capital expenditure was reduced by 10 per cent.

These cuts led to the cancellation of projects being completed. The 2002 budget, 19.2 per cent below the 2001 budget, was drafted with a 10 per cent reduction in expenditure, with international reserves remaining at 80.2 per cent of GDP, which is recurrent expenditure. More than 50 percent of the budget is service wage bill, which has increased to about 18 percent of GDP, the highest in SSA and the world.

The country has one of the lowest debt service ratios and its debt service is the lowest compared to other countries in the region.

Total public debt is 14.6 percent of GDP, of which is external debt. The country one with the lowest

ratio to GDP in the region. With such low debt ratios, external financing of economic development programs is not a problem.

To resuscitate the economy, the authorities have developed the Economic Recovery Strategy (ERS), which is a Structural Adjustment and Investor Incentive Strategy.



The ERS aims at macro-economic revival, create a private strategy. The ERS over three years, an average growth rate of at least 5 per cent. This growth strategy focuses on ten key areas. The first three together have contributed to the economic revival.

The ERS is based on the revised FAR which, over the next three years, focuses on key priorities in the macro-economic strategy and sought more investment. The strategy is based on meeting the needs of the people, increase savings, and improve the investment environment.

The ERS aims to improve Foreign Direct Investment (FDI) inflows into the country.

KNOW YOUR CURRENCY

The South African Reserve Bank is issuing new Banknotes that Honour Nelson Mandela and everything he stands for.

FEEL - LOOK - TILT

NEW BANKNOTES

AS UNIQUE AS NELSON MANDELA HIMSELF

LOOK

WHEN YOU HOLD THE NEW BANK NOTE, YOU SHOULD SEE THE FOLLOWING:

1. **WATERMARK:** When held to the light, a shadow image of Nelson Mandela will appear on the left hand side.
2. **ANIMAL:** When held to the light, the animal on the back of the banknote will be seen as a see-through feature on the banknote.
3. **MICRO-PRINTING:** The denomination numeral appears in micro-lettering in the animals to the left of the image of former President Nelson Mandela. This feature can only be seen using a magnifying glass. Micro-printing also appears on the back of the new banknote.
4. **UNIQUE NUMBERING:** The unique serial numbers, consisting of letters and numbers, are printed on the back of all new banknotes. A vertical number is on the left-hand side and a horizontal number on the top right. The horizontal number is conical, that is, it grows in height from left to right.

FEEL

WHEN YOU TOUCH THE NEW BANKNOTE, YOU SHOULD FEEL THE FOLLOWING:

5. **RAISED PRINTING:** The raised features on the new banknote include the denomination numeral, main motif on the front of the new banknote (image of former President Nelson Mandela), words "South African Reserve Bank" Coat of Arms and motif on the back of the new banknote.
6. **FEATURE FOR THE VISUALLY IMPAIRED:** Raised lines on the bottom left and right-hand sides on the front of the new banknote.

TILT

WHEN YOU TILT THE NEW BANKNOTE, YOU SHOULD SEE THE FOLLOWING:

7. **SECURITY THREAD:** The security thread colour will change to the colour of the respective banknote. In the security thread, you will see the number, the coat of Arms as well as the words "SARB" and "Rand"
8. **COLOUR-CHANGING INK:** The number on the bottom of the R10 and R20 has colour-changing ink, while the R50, R100 and R200 have SPARK colour-changing ink that has a rolling-bar effect.
9. **HIDDEN IMAGE:** When a new banknote is held almost horizontally to your eyes, the denomination numeral appears in the band below the image of former President Nelson Mandela.

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Issued By The South African Reserve Bank



Central Bank of Swaziland

umntsholi wemaswati

18.5mm



Central Bank of Swaziland releases new 20 cents coin

The Central Bank of Swaziland has released a new 20 cents coin to replace the one in the coin series issued in November 2011. The other coins in the “new coin series” have not been affected.

The Bank replaced the 20 cents coin following feedback suggesting that it was of the same size as the E2 coin, making it susceptible to misuse and fraud.

The Bank has since minted a new 20 cents coin to address these concerns. The new coins were released at the beginning of June 2013. The size of the new 20 cents coin has been reduced but it remains silver.

All the 20 cents released in 2011 have been withdrawn and the Bank requests the public and business community to redeem these “replaced coins” with any commercial bank and/or the Central Bank of Swaziland.