Recent Economic Developments

DECEMBER 2021/JANUARY 2022

CENTRAL BANK OF ESWATINI

Umntsholi Wemaswati

MAJOR HIGHLIGHTS

• Economic activity grew by a slower 3.1 per cent on a year-on-year basis (seasonally adjusted) in the third quarter of 2021, compared to a revised growth of 19.3 per cent in the second quarter of 2021.	Quarterly GDP (% y/y)	3.1 (Sept) △
• Following a persistent increase in consumer prices for the past three (3) months, annual inflation rose by 0.5 of a percentage point to record 3.5 per cent in December 2021.	Inflation rate (% y/y)	3.5 (Dec) △
• Discount and prime lending rates were increased in January 2022.	Prime Lending (%)	7.50 △
	Discount rate (%)	4.00 △
• In the month of January 2022, the Lilangeni/Rand exchange rate appreciated against the major trading currencies.	Exchange rate (US$)	15.54 (Jan) △
• Credit extended to the private sector amounted to E16.1 billion at the end of December 2021, up by 0.8 per cent from the previous month and 1.8 per cent year-on-year.	Private Sector Credit (% m/m)	0.8 (Dec) △
• Broad money supply (M2) depicted an improvement in January 2022 of 4.9 per cent from the preceding month and 0.3 per cent over the year to close the review month at E21.3 billion.	Broad Money (M2) (% m/m)	4.9 (Dec) △
• Gross official reserves stood at E8.8 billion at the end of January 2022 reflecting a decline of 2.0 per cent compared to December 2021.	Reserves (months of import cover)	3.4 (Jan) ▽
• Preliminary figures for the end of January 2022 show that total public debt is estimated at E27.3 billion, an equivalent of 39.1 per cent of GDP.	Total Public Debt (% of GDP)	38.8 (Jan) ▽
• The country opened the year with a fairly balanced trade account, recording a trade surplus of E18.8 million in January 2022, much lower than the E155.4 million trade surplus recorded in the same period the previous year.	Trade Balance (% of GDP)	0.03 (Jan) ▽

NB: The table shows the most recent available data.

1 GDP DEVELOPMENTS

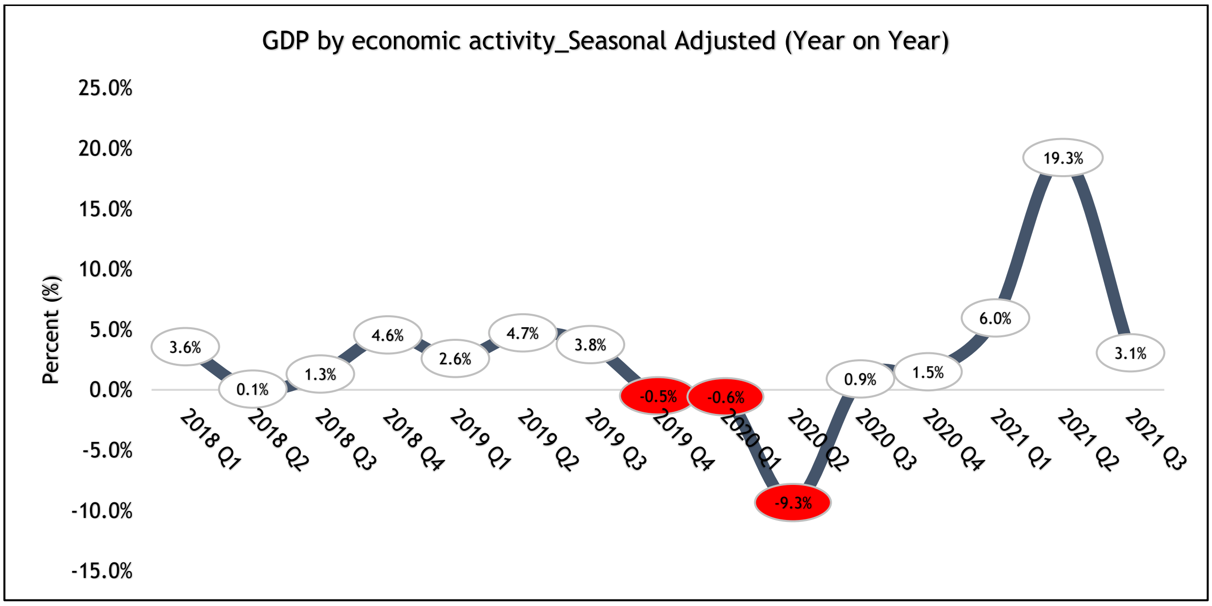
Quarterly GDP figures, published by the Central Statistics Office (CSO) indicate that economic activity grew by a slower 3.1 per cent on a year-on-year basis (seasonally adjusted) in the third quarter of 2021, compared to a revised growth of 19.3 per cent in the second quarter of 2021. An observed moderation and stabilisation of activity in most industries in the economy following eased restrictions, resulted in the primary, secondary and tertiary sectors of the economy recording positive growth between the quarters under review. On a quarter-on-quarter basis, GDP contracted by 2.1 per cent (seasonally adjusted) in the third quarter of 2021 from a 1.5 per cent growth in the previous quarter. The decline on a quarter-on-quarter basis can be partially attributed to the negative impacts of social unrests as well as the impact of the third wave of COVID-19, which was associated with curfew hours that limited trading activity in the quarter under review.

The primary sector increased by 8.8 per cent year-on-year, in the third quarter of 2021, from a higher 20.9 per cent growth recorded in the second quarter of 2021. Notably, the 'animal production' and 'forestry' subsectors continued to remain resilient during the quarter under review, driving positive growth of the sector as a whole. Favourable weather conditions coupled with continuous restocking, particularly for cattle, resulted in the 'animal production' sub sector expanding by 9.9 per cent in the third quarter of 2021. The 'forestry' subsector grew by 35.1 per cent in the third quarter of 2021, benefitting from vibrant export markets, eased lockdown restrictions and industries fully operational post Covid.

Economic activity from the secondary sector expanded by 5.7 per cent, on a year-on-year basis, in the quarter ended September 2021 from a higher growth of 45.9 per cent in the previous quarter. Improvements were noted in the 'manufacturing' and 'electricity' subsectors during the quarter under review. A recovery in external demand, supported export-oriented manufacturing activities. Manufacturing subsectors that ` recorded positive growth included; the 'manufacture of food products excluding sugar', 'manufacture of beverages' and 'manufacture of wood and wood products'. Sugar processing suffered labour disruptions in the quarter under review and this resulted in a 10.3 per cent decline in sugar output on a year-on-year comparison in the third quarter of 2021. Electricity supply recorded robust growth of 54.3 per cent year-on-year in the third quarter of 2021, benefitting from the good dam water levels, supporting effective hydro-power generation in the domestic economy. After two quarters of notable growth, the construction sector retreated by 7.5 per cent, on a year-on-year basis in the quarter under review compared to a growth of 17.2 per cent in the previous quarter. This reflects a scaling down in construction activity as public infrastructure projects near completion with minimal scope of commencement of newer mega-projects.

The tertiary sector, which accounts for 53.0 per cent of the economy's total output grew by 0.5 per cent on a year-on-year basis, during the quarter under review, from 8.1 per cent in the previous quarter. Sectors that recorded notable positive performance include, 'accommodation and food service activities', 'information and communication' and 'financial and insurance services'. Accommodation and food service activities depicted modest signs of continued recovery post-COVID-19, as it recorded a growth of 9.1 per cent in the third quarter of 2021 following a significant 71.7 per cent growth the previous quarter. The 'information and communication' subsector remained on a positive trajectory as it continued to benefit from the increased usage of digital platforms (termed as the new normal) and record positive performance. On the contrary, poor performance was noted in the services for 'wholesale and retail', 'transportation and storage' and 'human health and social work activities'. The 'Wholesale and retail trade' subsector contracted by 5.9 per cent year-on-year, in the quarter under review, from a notable high of 19.5 per cent in the previous quarter. The poor performance in the 'wholesale and retail' subsector can be attributed to the negative impacts of social riots, third wave impact of COVID-19 through tighter curfews that limited trading and weak domestic demand in the period under review.

Figure 1: Quarterly GDP Trends; 2018Q1 to 2021Q3



Source: *Central Statistics Office*

2 PRICE DEVELOPMENTS

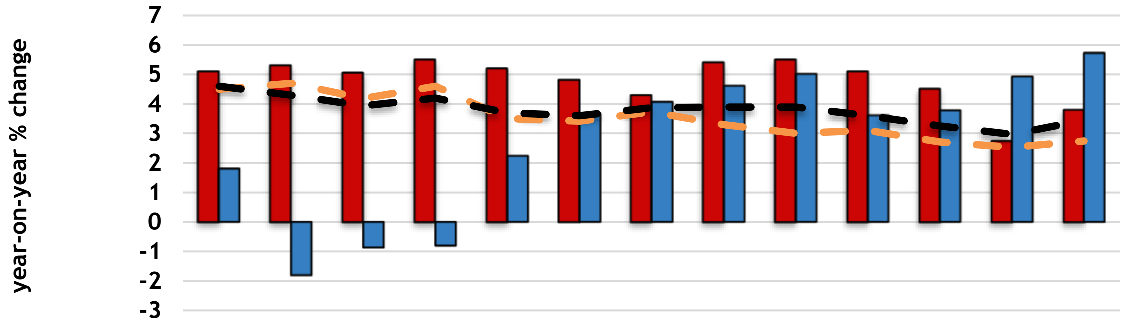
Following a persistent slowdown in consumer prices for the past three (3) months, annual inflation rose by 0.5 of a percentage point to record 3.5 per cent in December 2021. Inflationary pressures emanated from the price indices for 'food and non-alcoholic beverages', 'transport' and 'housing and utilities'. Food inflation accelerated to 3.8 per cent in December 2021, picking up from 2.7 per cent in November 2021. Contributing to this growth were observed increases in the price for 'cereals', 'fish and seafood' and 'meat'. Transport inflation remained on the upside, further increasing by 0.8 of a percentage point to 5.7 per cent in December 2021, owing to a 90 cents per litre increase in the price of domestic fuel, effected during the same month under review. Furthermore, the price index for 'housing and utilities' (weighing the highest in the consumer basket) grew by 3.9 per cent in December 2021, compared to 3.5 per cent in the previous month. This was driven by a continuous increase in the prices for 'liquid and solid fuels'.

The above increases were partially offset by decreasing rates of growth in the price indices for 'miscellaneous goods and services' and 'household furniture and maintenance'. The price index for 'miscellaneous goods and services' grew by a slower 1.9 per cent in December 2021 from a higher 3.3 per cent in the previous month, benefitting from decreases in the prices for 'personal care'. In addition, the 'household furniture and maintenance' price index declined by 0.3 of a percentage point to 1.2 per cent during the period under review.

On month-on-month comparison, consumer prices grew by 0.4 per cent in December 2021, from 0.3 per cent recorded in October 2021. Increases were noted in the price indices for 'food and non-alcoholic beverages' and 'recreation and culture', which grew by 0.9 and 1.4 percentage points to 0.9 and 0.8 per cent, respectively, between the two months under review. However, these increases were slightly counteracted by decreasing rates of growth in the price indices for 'transport' and 'household furniture and maintenance'. Transport prices slowed to 0.8 per cent in December 2021 from 1.1 per cent in November 2021, while the price index for 'household furniture and maintenance' decreased to a 0.2 per cent deflation from a growth of 0.4 per cent, during the same period.

Core inflation, which is CPI excluding volatile items such as food, fuel and energy, further fell to 1.4 per cent in November 2021 from 1.7 per cent in the previous month. The CPI for goods declined to 4.9 per cent in November 2021 from 5.4 per cent in October 2021. On a month-on-month basis, core inflation slowed to record zero growth in November 2021.

Figure 2: Inflation Trends: December 2020 to December 2021



	Dec -20	Jan -21	Feb -21	Mar -21	Apr -21	May -21	Jun -21	Jul-21	Aug -21	Sep -21	Oct -21	Nov -21	Dec -21
Food	5.1	5.3	5.1	5.5	5.2	4.8	4.3	5.4	5.5	5.1	4.5	2.7	3.8
Transport	1.8	-1.8	-0.9	-0.8	2.2	3.6	4.1	4.6	5	3.6	3.8	4.9	5.7
Other	4.5	4.7	4.2	4.6	3.5	3.4	3.7	3.3	3	3.1	2.7	2.5	2.7
Overall	4.6	4.3	3.9	4.2	3.7	3.6	3.9	3.9	3.9	3.6	3.3	3.0	3.5

Source: Central Statistical Office and Central Bank of Eswatini

3 MONEY SUPPLY AND BANKING DEVELOPMENTS

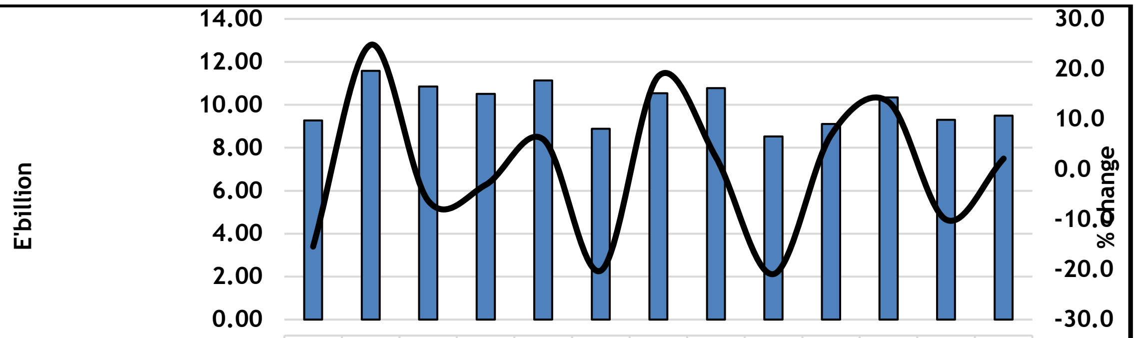
The country's net foreign assets reflected growth of 2.1 per cent month-on-month and 2.4 per cent year-on-year to settle at E9.5 billion at the end of December 2021. Growth was observed in both net foreign assets of the official sector and other depository corporations.

Net foreign official assets increased by 2.8 per cent from November 2021 and 0.7 per cent over the year to close at E6.7 billion at the end of December 2021. Growth in net foreign official assets was mainly due to the purchase of Rands by the Central Bank from domestic banks during the month under review.

Net foreign holdings of other depository corporations rose by 0.6 per cent over the review month and 6.8 per cent from December 2020 to reach E2.8 billion at the end of December 2021. The increase was largely driven by lower liabilities to Common Monetary Area banks.

In Special Drawing Rights (SDRs) net foreign assets were valued at SDR437.0 million at the end of December 2021, 6.0 per cent higher than the preceding month, however, compared year-on-year fell by 0.5 per cent.

Figure 3: Net Foreign Assets Monthly Changes: December 2020 to December 2021

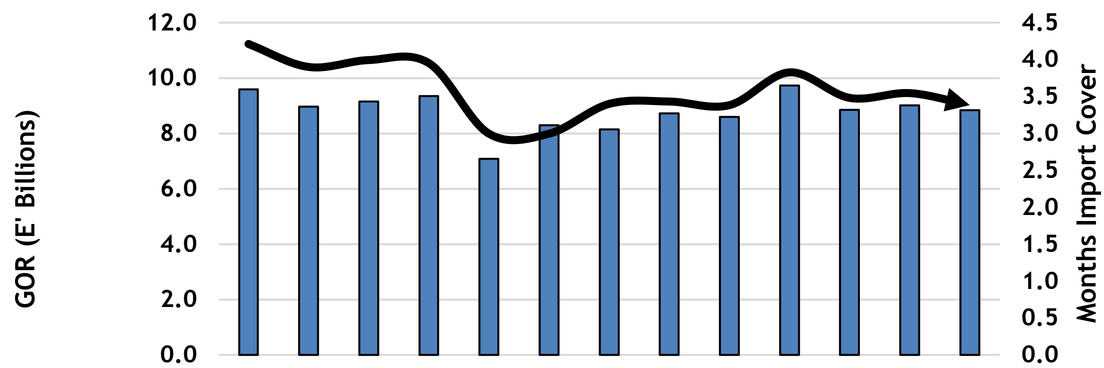


	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
NFA (E'billion))	9.3	11.6	10.9	10.5	11.1	8.9	10.5	10.8	8.5	9.1	10.3	9.3	9.5
NFA (% change)	-15.4	24.8	-6.3	-3.1	6.0	-20.2	18.6	2.4	-20.9	6.8	13.4	-10.1	2.1

Source: Other Depository Corporations and Central Bank of Eswatini

Gross official reserves stood at E8.8 billion at the end of January 2022 reflecting a decline of 2.0 per cent compared to December 2021 and 8.6 per cent over the year. The reduction in reserves was largely due to an outflow of Rands sold to commercial banks over the month under review. Consequently, the reserves were enough to cover 3.4 months of imports compared to the 3.5 months import cover observed the previous month. When valued in special drawing rights (SDRs), the reserves amounted to SDR410.1 million at the end of January 2021, lower by 1.1 per cent month-on-month and 8.2 per cent over the year.

Figure 4: Gross Official Reserves and Import Cover: January 2021 to January 2022



	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
GOR	9.6	9.0	9.2	9.3	7.1	8.3	8.1	8.7	8.6	9.7	8.9	9.0	8.8
Import Cover	4.2	3.9	4.0	4.0	3.0	3.0	3.4	3.4	3.4	3.8	3.5	3.5	3.4

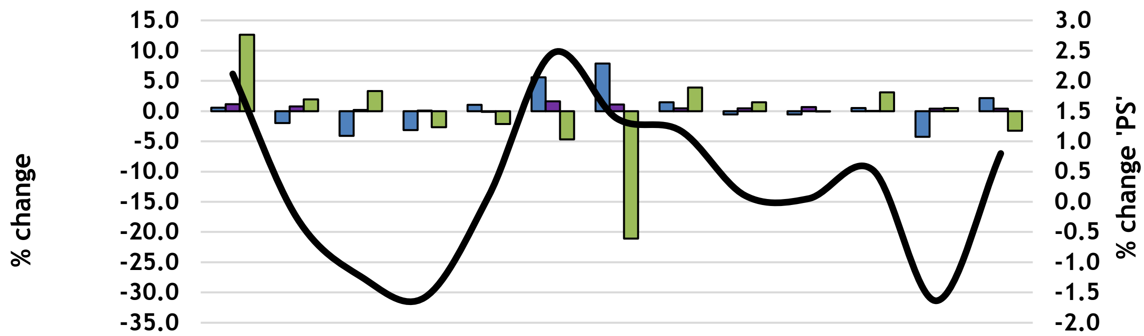
Source: Central Bank of Eswatini

Credit extended to the private sector amounted to E16.1 billion at the end of December 2021, up by 0.8 per cent from the previous month and 1.8 per cent year-on-year. Growth in private sector credit was evident in credit to businesses and credit to households & non-profit institutions serving households (NPISH). Credit to other sectors however, trended in the opposite direction and contracted over the month under review.

Credit extended to businesses closed the month under review at E7.0 billion, reflecting an expansion of 2.1 per cent month-on-month and 3.4 per cent over the year. The rise in credit to businesses emanated from the following subsectors; agriculture & forestry (14.5 per cent), community, social & personal services (5.6 per cent), distribution & tourism (4.0 per cent), construction (1.8 per cent), and real estate (1.1 per cent). Partly offsetting the increase was a reduction in credit to these subsectors; manufacturing (-14.0 per cent), mining & quarrying (-5.2 per cent) as well as transport & communication (-0.7 per cent).

Credit extended to other sectors stood at E1.5 billion at the end of December 2021, representing a contraction of 3.2 per cent month-on-month and 20.3 per cent year-on-year. The decline was driven by credit to local government and other financial corporations, which decreased by 92 per cent and 8.7 per cent, respectively. Credit to public nonfinancial corporations, on the other hand, grew by 12.2 per cent over the review month.

Figure 5: Private Sector Credit Monthly Changes: December 2020 to December 2021



	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
BCr	0.6	-2.0	-4.1	-3.1	1.0	5.6	7.9	1.4	-0.5	-0.5	0.5	-4.3	2.1
HH	1.1	0.8	0.2	0.1	-0.1	1.6	1.1	0.4	0.5	0.6	0.0	0.4	0.4
Other	12.6	2.0	3.3	-2.7	-2.1	-4.7	-21.1	3.9	1.5	-0.1	3.1	0.5	-3.2
Total PS	2.1	-0.3	-1.2	-1.6	0.1	2.5	1.4	1.2	0.1	0.1	0.5	-1.6	0.8

Source: Central Bank of Eswatini

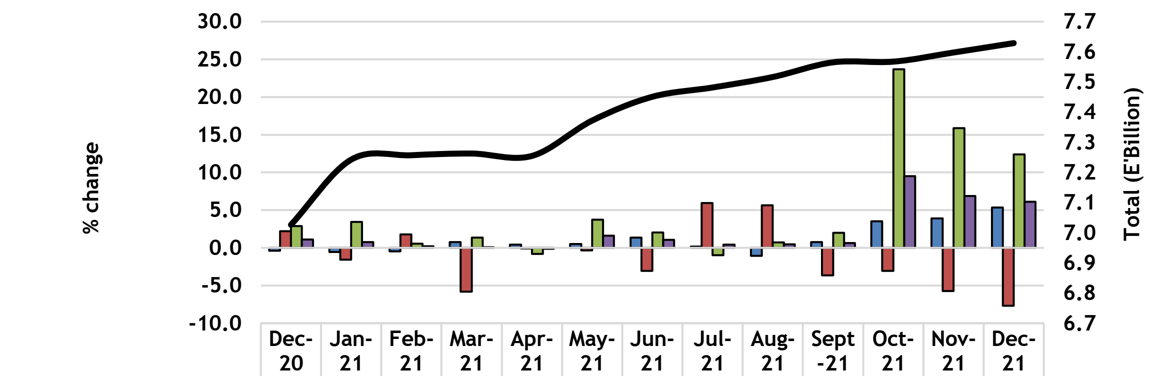
(BCr: Business Credit HH: Household Credit PS: Private Sector Credit)

Credit extended to households & NPISH went up by 0.4 per cent from previous month and 6.1 per cent year-on-year to reach E7.6 billion at the end of December 2021. The increase emanated from growth in all components with the exception of other (unsecured) personal loans. As a result, housing and motor vehicle loans improved by 1.0 per cent to

E3.8 billion and 0.1 per cent to E904.9 million, respectively. In contrast, other (unsecured) personal loans went down by 0.2 per cent to E2.9 billion at the end of December 2021.

Net claims on government with other depository corporations expanded by 31.3 per cent month-on-month and 97.9 per cent over the year to reach E2.5 billion at the end of December 2021. Claims on government depicted an expansion of 8.2 per cent month-on-month to E8.1 billion at the end of December 2021; mainly attributed to the advance from the Central Bank. Government deposits also rose slightly by 0.5 per cent from the previous month to E5.6 billion.

Figure 6: Household Credit Monthly Changes: December 2020 to December 2021



	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sept-21	Oct-21	Nov-21	Dec-21
Housing	-0.4	-0.6	-0.5	0.7	0.4	0.5	1.4	0.1	-1.1	0.8	3.5	3.9	5.4
Motor Vehicles	2.2	-1.6	1.8	-5.8	-0.1	-0.3	-3.1	6.0	5.7	-3.7	-3.0	-5.7	-7.7
Other (Unsecured)	2.9	3.4	0.5	1.3	-0.8	3.7	2.0	-1.0	0.7	2.0	23.7	15.9	12.4
Total	1.1	0.8	0.2	0.1	-0.1	1.6	1.1	0.4	0.5	0.6	9.5	6.9	6.1
Total (E'Billion)	7.0	7.2	7.3	7.3	7.3	7.4	7.5	7.5	7.5	7.6	7.6	7.6	7.6

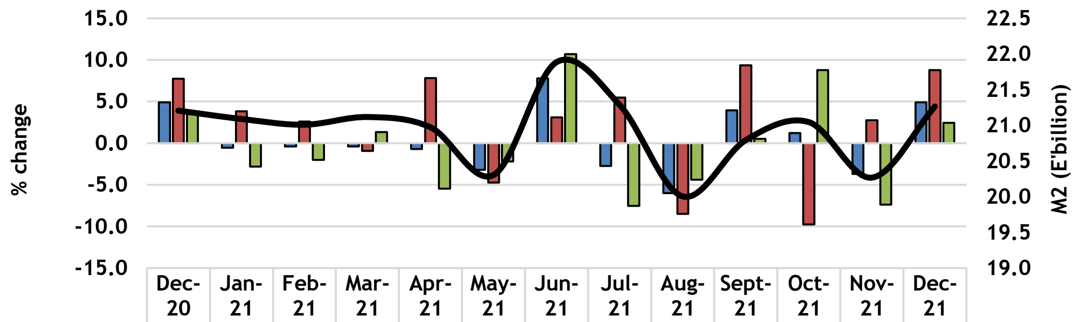
Source: Central Bank of Eswatini and Other Depository Institutions

Broad money supply (M2) depicted an improvement of 4.9 per cent from the preceding month and 0.3 per cent over the year to close the review month at E21.3 billion. The rise was on account of both components; narrow money supply (M1) and quasi money supply.

Narrow money supply (M1) settled at E8.5 billion at the end of December 2021, higher by 8.8 per cent month-on-month and 18.9 per cent year-on-year, on account of transferrable (demand) deposits. As a result, transferable (demand) deposits improved by 11.2 per cent month-on-month to reach E7.8 billion at the end of December 2021. Emalangeni outside depository corporations on the contrary, decelerated by 11.1 per cent over the month to reach E768.5 million at the end of December 2021.

Quasi money supply settled at E12.7 billion at the end of December 2021, registering a month-on-month expansion of 2.5 per cent but fell by 9.3 per cent over the year. The month-on-month growth emanated from both time and savings deposits, which grew by 2.6 per cent to E10.7 billion and 1.6 per cent to E2.0 billion, respectively.

Figure 7: Money Supply Monthly Changes: December 2020 to December2021



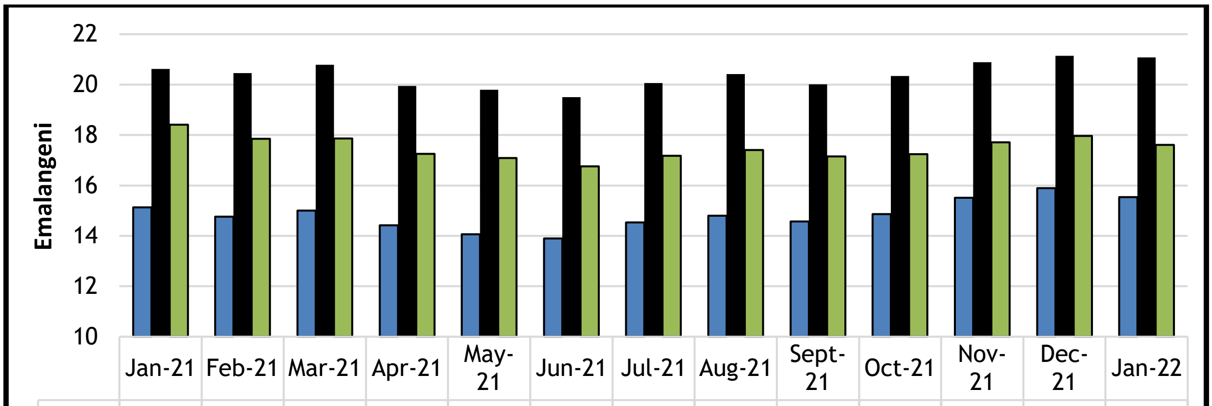
	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sept-21	Oct-21	Nov-21	Dec-21
M2	4.9	-0.5	-0.4	-0.4	-0.7	-3.2	7.8	-2.7	-6.0	3.9	1.2	-3.7	4.9
M1	7.7	3.8	2.6	-0.9	7.8	-4.7	3.1	5.5	-8.5	9.3	-9.8	2.8	8.8
Quasi	3.5	-2.8	-2.0	1.4	-5.5	-2.2	10.7	-7.5	-4.4	0.5	8.8	-7.4	2.5
M2 (E'billion)	21.2	21.1	21.0	21.1	21.0	20.3	21.9	21.3	20.0	20.8	21.0	20.3	21.3

Source: Other Depository Institutions and Central Bank of Eswatini

During the month of January 2022, the Rand/Lilangeni recovered from previous months' losses and appreciated against the major trading currencies. The domestic currency gained by over 2 per cent from its value in December 2021 and traded at a month average of E15.54 to 1 US Dollar. The boost in the performance of the Rand/Lilangeni during the month is attributed to monetary policy, trade and covid-19 developments. In the month under review, the South African Reserve Bank hiked the interest rate from 3.75 per cent to 4 per cent, causing the Rand hence Lilangeni to be attractive to traders in the market. This second time hike from that of November 2021 also came with a warning of possible future hikes that were partially backed by the upwardly revised South African inflation forecasts. Owing to the stronger commodity prices, especially gold prices, since the end of 2021 through to 2022, South Africa's terms of trade records some improvement, also making the Rand more attractive. Furthermore, the Rand gained some ground as the fourth wave of the covid-19 pandemic receded, allaying investors' fears of possible stricter lockdown measures. Investor confidence also grew with the news of possible end of the state of emergency in South Africa that could end the existing covid-19 containment measures, unlocking full economic activities in the country. With regards to the Pound Sterling, the Lilangeni appreciated and traded at an average of E21.08 to a Pound unit and traded at E17.61 to the Euro.

At the end the month, the Rand/Lilangeni traded at E15.40 to the US Dollar, at E20.65 to the Pound Sterling and at E17.24 to the Euro. Looking ahead, the performance of the Rand/Lilangeni rests on the South African Reserve Bank's future policy decisions, implementation of the set growth reforms and South Africa's stance on the pandemic state of emergency.

Figure 8: Average Exchange Rates: January 2021 to January 2022



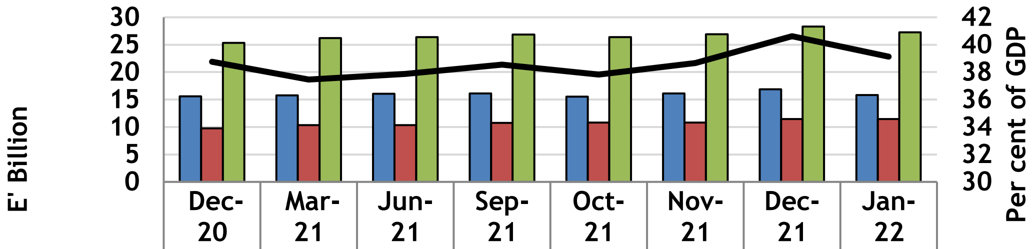
	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sept-21	Oct-21	Nov-21	Dec-21	Jan-22
USD	15.12	14.76	15.00	14.42	14.07	13.90	14.53	14.79	14.58	14.87	15.51	15.89	15.54
GBP	20.63	20.45	20.79	19.95	19.80	19.50	20.06	20.42	20.02	20.34	20.89	21.14	21.08
Euro	18.42	17.86	17.86	17.25	17.08	16.75	17.17	17.41	17.15	17.24	17.71	17.96	17.61

Source: Central Bank of Eswatini

4 TOTAL PUBLIC DEBT

Preliminary figures for the end of January 2022 show that total public debt is estimated at E27.3 billion, an equivalent of 39.1 per cent of GDP. This shows a decrease of 3.5 per cent from E28.3 billion recorded in December 2021. The decrease is because of a fall in domestic debt.

Figure 9: Total Public Debt: December 2020 to January 2022



	Dec-20	Mar-21	Jun-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
Domestic	15.6	15.8	16.1	16.1	15.6	16.1	16.9	15.8
External	9.8	10.4	10.3	10.7	10.8	10.8	11.4	11.4
Total	25.4	26.2	26.4	26.9	26.4	26.9	28.3	27.3
% of GDP (RHS)	38.8	37.5	37.9	38.5	37.8	38.7	40.6	39.1

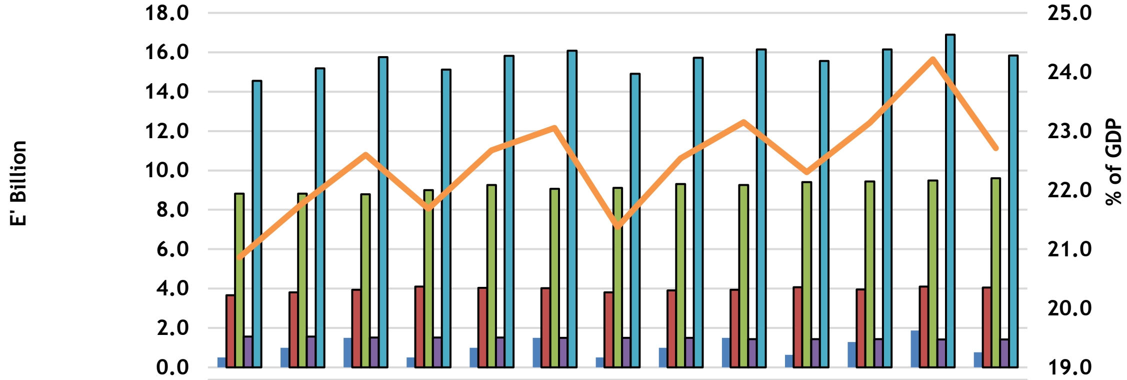
Source: Ministry of Finance & Central Bank of Eswatini

Preliminary figures show that external public debt stood at a revised E11.4 billion from E10.8 billion which, was previously recorded in December 2021. External public debt therefore remained constant in the period under review. The upward revision comes from drawdowns made on project loans which drawdowns were not available in December 2021.

As at end January 2022, outstanding public domestic debt stood at E15.8 billion an equivalent of 22.7 per cent of GDP. This depicts a decrease of 6.5 per cent from E16.9

billion recorded in the previous month. The decline is attributed to repayment of the CBE Advance by government. While government fully repaid the advance in January, a further E500 million was again extended to government during the same month.

Figure 10: Outstanding Domestic Debt: January 2021 to January 2022

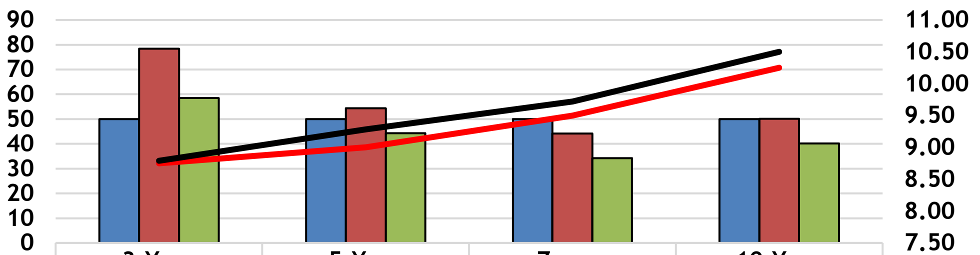


	Jan -21	Feb -21	Mar -21	Apr -21	May -21	Jun -21	Jul- 21	Aug -21	Sep -21	Oct -21	Nov -21	Dec -21	Jan -22
CBE Advance	0.5	1.0	1.5	0.5	1.0	1.5	0.5	1.0	1.5	0.6	1.3	1.9	0.8
T-Bills	3.7	3.8	3.9	4.1	4.0	4.0	3.8	3.9	3.9	4.1	4.0	4.1	4.0
Bonds & Promissory Notes	8.8	8.8	8.8	9.0	9.3	9.1	9.1	9.3	9.3	9.4	9.4	9.5	9.6
Loans	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4
Total	14.5	15.2	15.8	15.1	15.8	16.1	14.9	15.7	16.1	15.6	16.1	16.9	15.8
Per cent of GDP (RHS)	20.9	21.8	22.6	21.7	22.7	23.1	21.4	22.5	23.2	22.3	23.1	24.2	22.7

Source: Ministry of Finance & Central Bank of Eswatini

Four bonds were re-opend during the month of January 2022. The total amount offered was E200 million, with tenures of 3, 5, 7, and 10 years. The bid cover-ratio for this auction stood at 114 per cent while the allotment ratio stood at 88.5 per cent.

Figure 11: Summarised Details of the Auctions: January 2022



	3-Year	5-Year	7-year	10-Year
Offered	50	50	50	50
Received	78	54	44	50
Allotted	58	44	34	40
Coupon Rate	8.75	9.00	9.50	10.25
Wtd Avg Yield	8.79	9.28	9.72	10.50

Source: Ministry of Finance & Central Bank of Eswatini

While commercial banks continued to dominate participation in Government securities on the shorter end of the yield curve, non-bank financial institutions dominate on the longer-term securities.

Table 1: Domestic Debt Instruments Outstanding by Holder as at 31 January 2022 (E' Million)

Holder	Treasury Bills	Government Bonds	Promissory Notes	CBE Advance	Total	Share of Holdings (%)
CBE	5.3	1,293.9		639.0	1,938.2	13.5
Commercial banks	2,508.3	1.838.0			4,346.3	30.2
NBFIs	1,408.3	5,198.6			6,606.9	45.9
Other	124.5	1.289.4	77.0		1,490.9	10.4
Total	**4,046.4**	**9,619.9**	**77.0**	**639.0**	**14,382.3**	

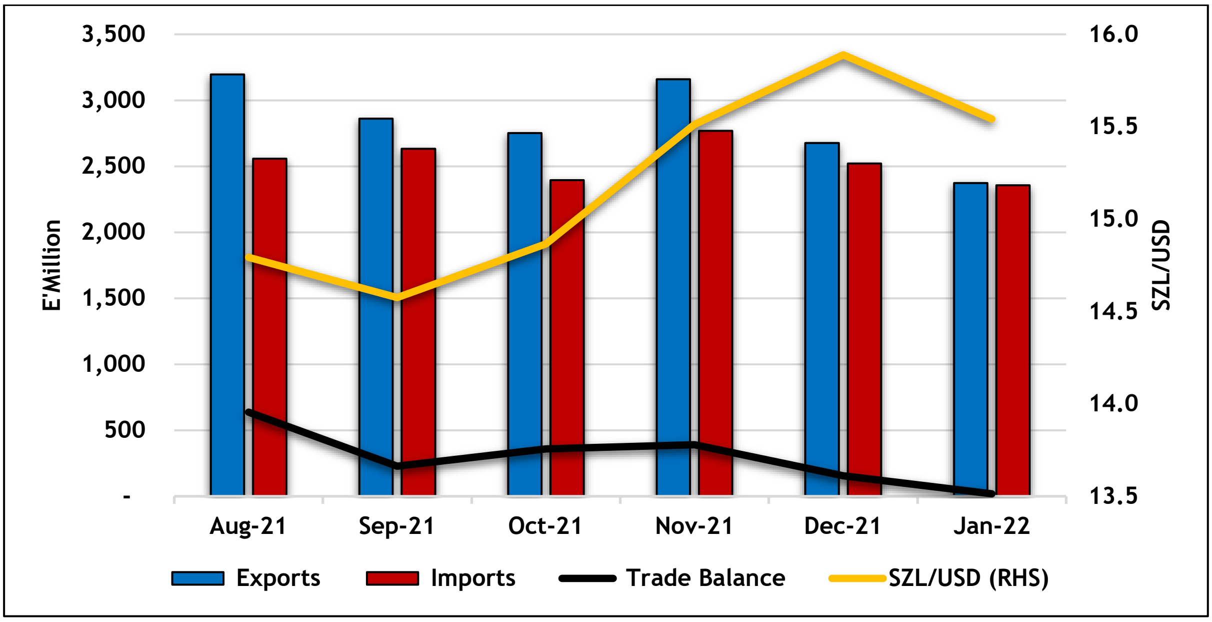
Source: Ministry of Finance & Central Bank of Eswatini

5 THE EXTERNAL SECTOR

The country opened the year with a much lower trade surplus of E18.8 million in January 2022 compared to, the E155.4 million trade surplus recorded in the same period the previous year. January 2022 exports were E2.374 billion, 11.3 per cent lower than exports of December 2021. Imports for the month amounted to E2.355 billion, reflecting a decline of 6.6 per cent when compared to the imports recorded in the preceding month.

Exports for the month of January 2022, were 15.3 per cent higher when compared to exports of January 2021. Imports on the other hand, were subdued, 6.2 per cent lower in January 2022 when compared to January 2021. South Africa remains the major trading partner for Eswatini, with 73.3 per cent of exports destined for that market and 73.3 per cent of imports originating from the same market.

Figure 12: Merchandise Trade; August 2021 – January 2022



Source: Central Bank of Eswatini

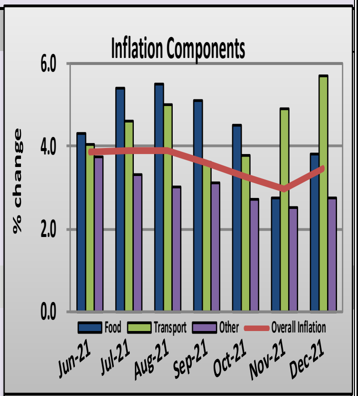
In the month, January 2022, 52.2 per cent of export earnings were generated from the exports of 'soft drink concentrates', which amounted to E1.238 billion, lower month-on-month by 13.6 per cent and higher year-on-year by 30.4 per cent. Exports of 'sugar and sugar products' plunged by 27.0 per cent month-on-month and by 15.5 per cent year-on-year to total E426.4 million. 'Wood and wood article' exports recorded increased numbers in the month, up by 28.3 per cent month-on-month and 16.4 per cent year-on-year. 'Textile and wearing apparel' export figures were flat month-on-month, reported at E187.4 million, and elevated year-on-year by 24.9 per cent.

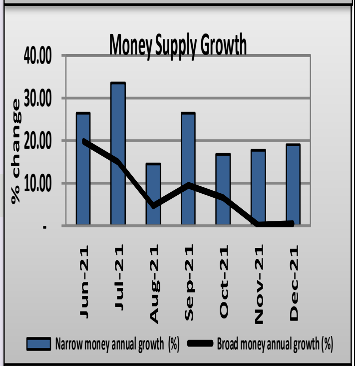
Data on imports for Eswatini in January 2022, indicate that invoices for the importation of 'energy products' amounted to E350.4 million, down month-on-month by 15.2 per cent and up year-on-year by 17.6 per cent. Imports of 'Textile and wearing apparel', which were E272.0 million in January 2022, increased by 27.9 per cent when compared to December 2021, and by 21.0 per cent when compared to January 2021. Imports of 'machinery and electrical equipment' which, are inputs to the manufacturing sector, totalled E244.7 million in the review month, reflecting a 9.3 per cent decline compared to the previous month and a 32.3 per cent growth compared to January last year. 'Animal and vegetable products' imports were E234.4 million in the month, lower month-on-month by 13.8 per cent and higher year-on-year by 33.3 per cent. Imports of 'vehicles' which were E97.1 million, declined by 5.0 per cent in the reporting month when compared to the preceding month, registering an increase of 5.2 per cent when compared to January 2021.

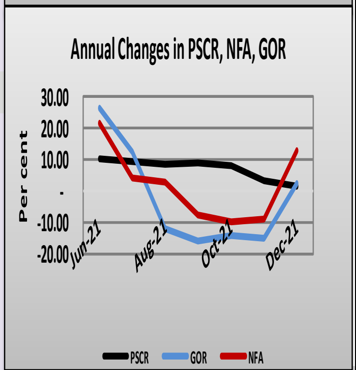
Economic Policy, Research and Statistics Department

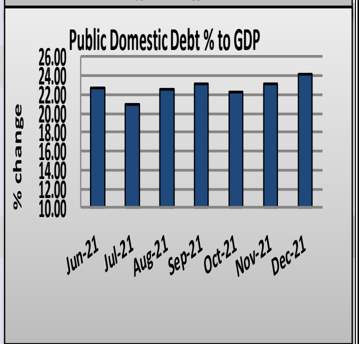
Kingdom of Eswatini Economic Indicators at a glance

Sectors	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Overall Inflation	3.9	3.9	3.9	3.6	3.3	3.0	3.5
Food	4.3	5.4	5.5	5.1	4.5	2.7	3.8
Transport	4.1	4.6	5.0	3.6	3.8	4.9	5.7
Other	3.7	3.3	3.0	3.1	2.7	2.5	2.7
Money and banking							
Narrow money annual growth (%)	26.57	33.71	14.5	26.6	16.8	17.8	18.9
Broad money annual growth (%)	19.92	15.05	4.7	9.5	6.5	0.3	0.3
Domestic credit (net) - E' Million	17,292.01	16,619.14	17,082.9	17,925.9	17,339.0	17,825.7	18,538.3
Government	1,366.70	506.95	953.6	1,788.0	1,116.1	1,868.3	2,453.4
Private sector	15,925.31	16,112.19	16,129.3	16,137.9	16,222.9	15,957.4	16,084.9
Private sector credit annual growth (%)	10.13	9.56	8.6	9.1	8.4	3.1	1.8
Interest rates (% p.a)							
Prime lending	7.25	7.25	7.3	7.3	7.3	7.3	7.3
Discount rate	3.75	3.75	3.8	3.8	3.8	3.8	3.8
Deposit rate - 31 days	1.26	1.26	1.3	1.3	1.3	1.3	1.3
- 12 months	2.13	2.13	2.1	2.1	2.1	2.1	2.1
- T. bill rate	4.81	5.10	5.0	5.0	5.3	5.4	5.4
Ratios							
Liquidity ratio (required = 20 %)	38.04	35.17	37.8	38.9	39.5	37.9	40.1
Loans/deposits ratio	63.25	66.89	69.8	67.3	67.0	67.9	65.7
Net foreign assets (E'million)	10,537.84	10,791.73	8,533.7	9,115.7	10,341.1	9,301.5	9,499.1
Annual % change in NFA	26.57	12.68	-11.9	-15.9	-14.1	-15.2	2.4
Gross official foreign reserves E'Millions	8,300.78	8,147.99	8,724.9	8,599.2	9,729.2	8,850.1	9,015.2
Annual % change in GOR	21.53	4.08	3.1	-7.8	-9.9	-8.7	13.0
In months of import cover	3.51	3.45	3.4	3.4	3.8	3.5	3.5
Exchange Rates							
US$	13.90	14.53	14.8	14.6	14.9	15.5	15.9
EURO	16.75	17.17	17.4	17.2	17.2	17.7	18.0
GBP	19.50	20.06	20.4	20.0	20.3	20.9	21.1
Public Finance							
Total public domestic debt [E' million]	16,074.53	14,906.57	15,714.4	16,143.5	15,553.3	16,134.9	16,884.6
As a % of GDP	22.64	20.99	22.5	23.2	22.3	23.1	24.2









NB: For consistency, the table shows data up to the end of December 2021.