CBE
CENTRAL BANK OF ESWATINI
UMNTSHOLI WEMASWATI

Bek'e-Langa
Re-imagining Central Bank for a sustainable future

Recent Economic Developments

June/July 2026

HIGHLIGHTS ON SELECTED ECONOMIC DEVELOPMENTS	INDICATOR	CHANGE
The country's annual consumer inflation grew by a slower 2.6 per cent in June 2026, 0.1 of a percentage point lower than the rate observed in May 2026.	Inflation Rate (% y/y)	2.6 (June)
The discount and prime lending rates were maintained at 6.75 and 10.25 per cent, respectively, in July 2026.	Discount rate (%)	6.75
	Prime lending rate (%)	10.75
During the month of July 2026, the Rand/Lilangeni exchange rate depreciated against the US Dollar and the Pound Sterling, while it appreciated against the Euro.	Exchange rate (US$)	16.46 (July)
At the end of June 2026, credit extended to the private sector recorded its first month-on-month contraction since February 2026.	Private Sector Credit (% m/m)	0.5 (June)
Broad money supply (M2) expanded to E27.7 billion in June 2026, registering month-on-month and year-on-year growth of 4.3 per cent and 18.4 per cent, respectively.	Broad Money (M2) (% m/m)	4.3 (June)
Provisional gross official reserves recorded a strong recovery in July 2026, rising by 23.1 per cent month-on-month to reach E10.0 billion.	Reserves (months of import cover)	2.3 (July)
Preliminary figures indicate that total public debt stood at E41.6 billion, equivalent to 39.9 per cent of GDP, at the end of July 2026.	Total Public Debt (% of GDP)	39.9 (June)
Following two consecutive periods of trade deficits, Eswatini's external trade position improved markedly in July 2026, recording a trade surplus of E33.0 million, compared to a deficit of E153.7 million in June 2026.	Trade Balance (% of GDP)	0.03 (July)

NB: The table shows the most recent available data.

1 INFLATION DEVELOPMENTS

The country's annual consumer inflation grew by a slower 2.6 per cent in June 2026, 0.1 of a percentage point lower than the rate observed in May 2026. Notable downside pressures came from the price indices for 'housing & utilities', 'alcoholic beverages & tobacco' and 'clothing & footwear'.

The index for 'housing & utilities' decelerated by 0.5 of a percentage point to 6.1 per cent in June 2026, benefitting from slower growth in the price of 'liquid fuels'. The price of 'liquid fuels' fell by 3.6 percentage points to 44.6 per cent, owing to a E2.90 cents per litre decrease in the price for illuminating paraffin, effective 5 June 2026. Other decreases were noted in the prices for 'actual rentals for housing' and 'maintenance & repair of dwelling', which fell by 0.3 and 6.7 percentage points, respectively, between the two months under review.

Further downside pressure emanated from the price index for 'alcoholic beverages & tobacco', which fell from 4.5 per cent in May 2026 to 3.2 per cent during the month under review, due to a 4.8 percentage points decline in the price of 'wine' on a year-on-year comparison. Similarly, the index for 'clothing & footwear' slowed by 0.5 of a percentage point to record 5.3 per cent during the same period under review.

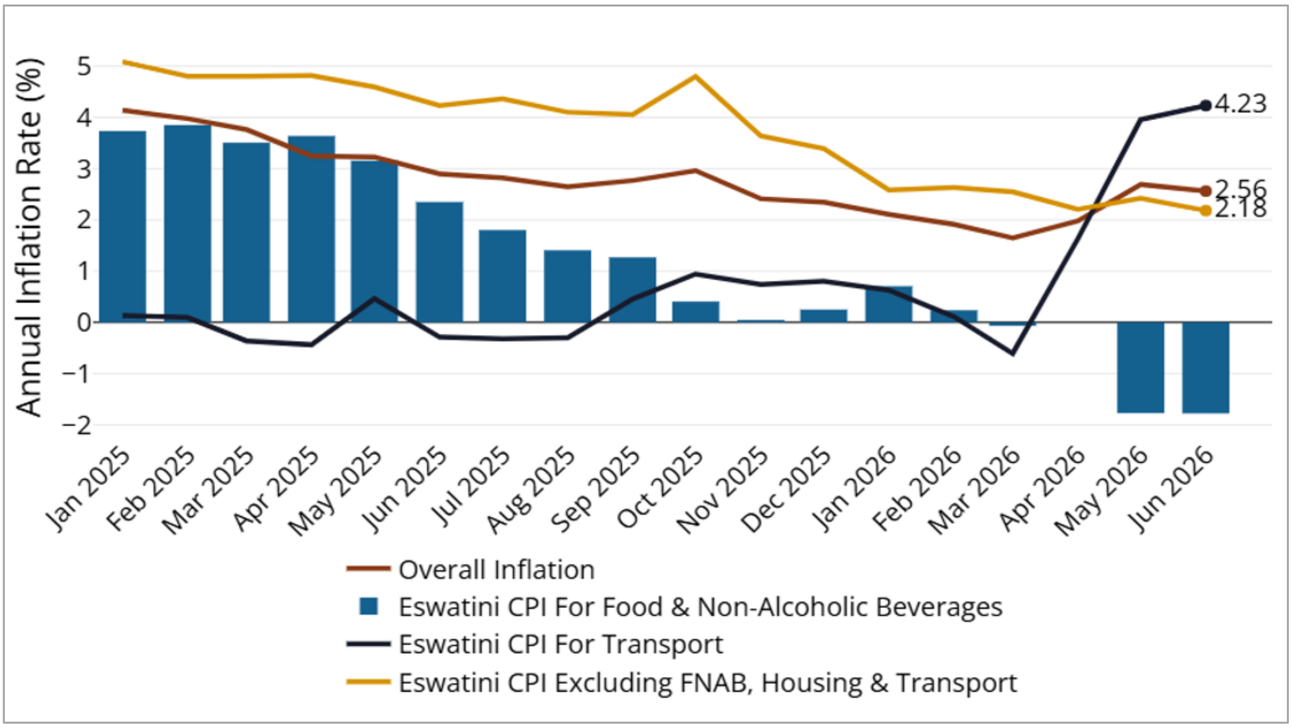
Food prices also remain contained, with food inflation remaining at 1.8 per cent for the consecutive month. The sustained decline reflected continued deflation in 'bread & cereals', together with lower prices for 'fish & seafood', 'fruit', and 'vegetables' on a year-on-year basis.

In contrast, there were increases in the price indices for 'transport', 'miscellaneous goods & services' and 'recreation & culture'. Transport inflation rose by 0.2 of a percentage point to 4.2 per cent in June 2026, mainly driven by a 90 cent per litre increase in the domestic unleaded petrol price, effective on 5 June 2026. Meanwhile, the price indices for 'miscellaneous goods & services' and 'recreation & culture' grew by 0.7 and 0.3 of a percentage point, respectively.

Month-on-month, consumer price inflation slowed to 0.1 per cent in June 2026 compared to the 0.8 per cent growth in the previous month. Disinflationary pressures were noted in the price indices for 'housing & utilities', 'transport' and 'restaurants & hotels', which fell by 1.8, 2.5 and 10.9 percentage points, respectively. In contrast, food prices rebounded by 1.2 percentage points to increase by 0.4 per cent during the month under review, coupled with a 0.8 of a percentage point increase observed in the price index for 'household furniture & maintenance' on a month-on-month comparison.

Core inflation (which is CPI excluding volatile items such as food, auto-fuel, and energy), slowed by 0.3 of a percentage point to 1.9 per cent in June 2026, whilst falling by 0.9 of a percentage point to record a 0.2 per cent deflation on a month-on-month comparison. Notably, the CPI for both goods and services fell by 0.1 of a percentage point to record 3.1 per cent and 1.8 per cent, respectively, suggesting easing price pressures from both supply and demand sides of the economy.

Figure 1: Inflation Trends and components Jan 2025 to June 2026

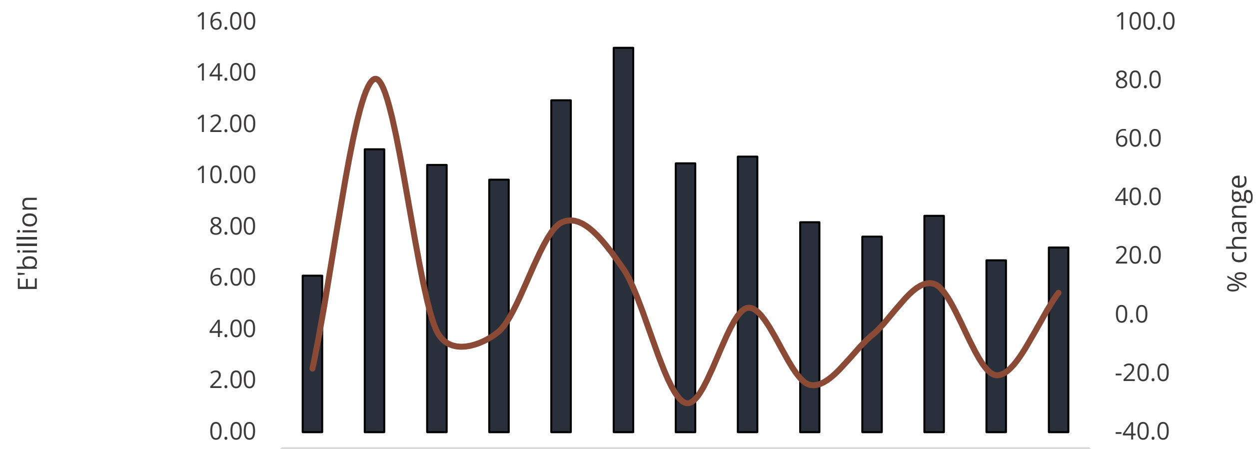


Source: Central Statistical Office (CSO)

2 MONEY SUPPLY AND BANKING DEVELOPMENTS

In June 2026, Eswatini's net foreign assets (NFAs) increased by 7.6 per cent month-on-month and 18.0 per cent year-on-year to close at E7.2 billion. The improvement was driven by a strong recovery in NFAs of the banking sector, which more than offset a decline in NFAs of the official sector. The NFAs of the banking sector rose sharply by 152.5 per cent from the previous month to E2.0 billion, reflecting increased investments within the Common Monetary Area and higher holdings of foreign securities. Meanwhile, NFAs of the official sector contracted by 11.5 per cent month-on-month but grew by 2.5 per cent year-on-year to reach E5.2 billion in June 2026. The month-on-month contraction was largely attributed to drawdowns in foreign assets to meet commercial banks' foreign exchange requirements, as well as fiscal-related disbursements. Expressed in special drawing rights (SDR), total NFAs increased to SDR324.5 million in June 2026, representing month-on-month and year-on-year growth of 7.6 per cent and 29.9 per cent, respectively.

Figure 2: Net Foreign Assets Monthly Changes; June 2025 to June 2026



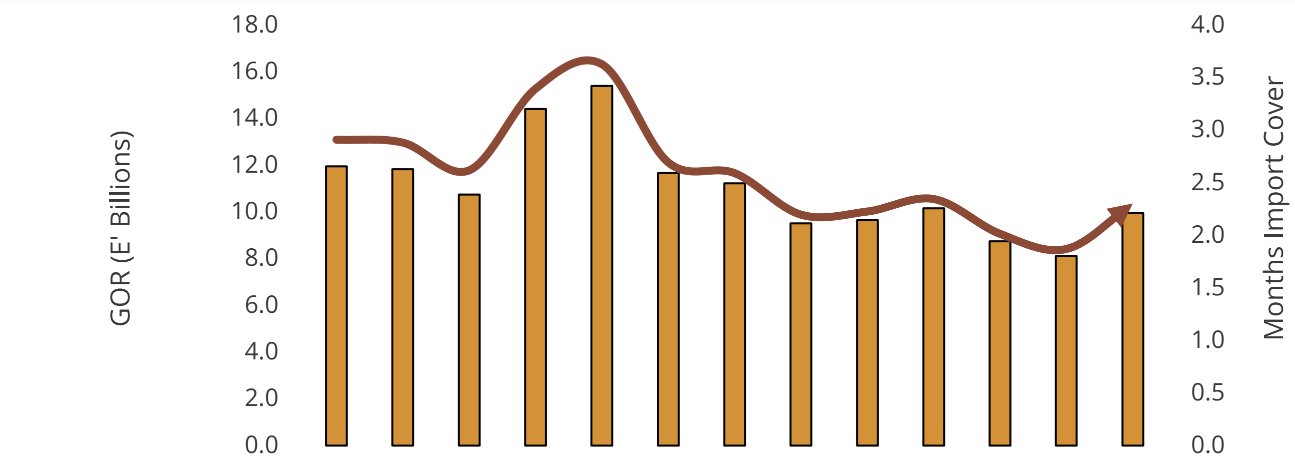
	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
NFA (E'billion))	6.1	11.0	10.4	9.8	13.0	15.0	10.5	10.8	8.2	7.6	8.4	6.7	7.2
NFA (% change)	-18.3	80.6	-5.5	-5.5	31.5	15.8	-30.0	2.4	-23.8	-6.9	10.6	-20.5	7.6

Source: Central Bank of Eswatini & Other Depository Corporations.

Provisional[1] gross official reserves recorded a strong recovery in July 2026, rising by 23.1 per cent month-on-month to reach E10.0 billion. Despite the monthly improvement, reserves remained 16.7 per cent lower than their level a year earlier. The month-on-month improvement was largely supported by the quarterly disbursement of the Southern African Customs Union revenue, which significantly boosted the country's foreign reserve position. Consequently, the import cover rose from 1.9 months in June 2026 to 2.3 months in July 2026. Expressed in special drawing rights (SDR) terms, the reserves stood at SDR440.1 million in July 2026, reflecting an increase of 20.9 per cent from the previous month, although they remained 9.6 per cent lower than in July 2025.

[1] Provisional reserves pending the official closure of CBE accounts.

Figure 3: Gross Official Reserves and Import Cover; July 2025 to July 2026



	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
GOR	11.9	11.8	10.8	14.4	15.4	11.7	11.2	9.5	9.6	10.2	8.7	8.1	10.0
Import Cover	2.9	2.9	2.6	3.4	3.6	2.7	2.6	2.2	2.2	2.3	2.0	1.9	2.3

Source: Central Bank of Eswatini.

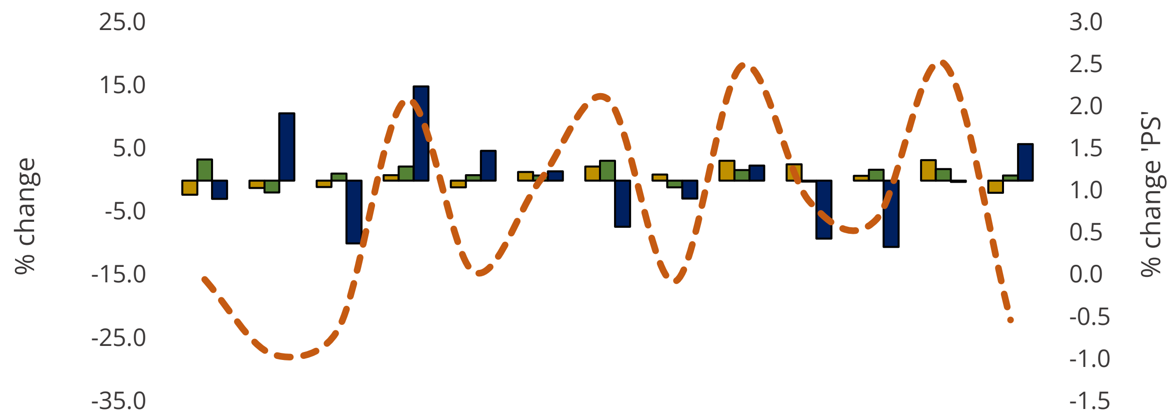
At the end of June 2026, credit extended to the private sector recorded its first month-on-month contraction since February 2026. Consequently, private sector credit fell by 0.5 per cent month-on-month but remained 10.1 per cent higher than a year earlier, closing at E23.8 billion. The month-on-month decline was entirely attributed to weaker lending to the business sector, which more than offset continued growth in credit to households & non-profit institutions serving households (NPISH), as well as other sectors of the domestic economy.

Credit extended to the business sector declined by 1.9 per cent month-on-month, although it remained 10.2 per cent higher than a year earlier at E12.9 billion. The month-on-month decline was largely driven by a significant reduction in lending to the manufacturing sector, which contracted by 27.1 per cent, mainly reflecting lower borrowing by the sugar industry. Additional declines were recorded in agriculture & forestry (-5.7 per cent), community, social & personal services (-2.5 per cent), and transport & communications (-1.5 per cent) subsectors. These contractions outweighed gains in credit to the distribution & tourism (27.4 per cent), mining & quarrying (7.4 per cent), construction (4.6 per cent), and real estate (1.2 per cent) subsectors.

A breakdown of credit to businesses by enterprise size shows that the overall monthly decline was concentrated among small & medium enterprises (SMEs), offsetting a modest increase in lending to large enterprises. Credit to SMEs declined by 7.5 per cent month-on-month to E3.8

billion, reducing their share of total credit to businesses to 29.7 per cent. In contrast, credit to large enterprises increased marginally by 0.6 per cent to E9.1 billion, raising their share to 70.3 per cent of credit to businesses in June 2026.

Figure 4: Private Sector Credit Monthly Changes; June 2025 to June 2026



	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
BCr	-2.2	-1.2	-1.0	0.9	-1.1	1.4	2.2	1.0	3.1	2.6	0.7	3.2	-1.9
HH	3.3	-1.9	1.1	2.2	0.9	0.8	3.2	-1.1	1.7	-0.1	1.7	1.8	0.8
Other	-2.9	10.6	-9.9	14.9	4.7	1.4	-7.3	-2.8	2.4	-9.2	-10.5	-0.2	5.8
Total PS	0.0	-0.9	-0.6	2.1	0.0	1.1	2.1	-0.1	2.5	0.9	0.7	2.5	-0.5

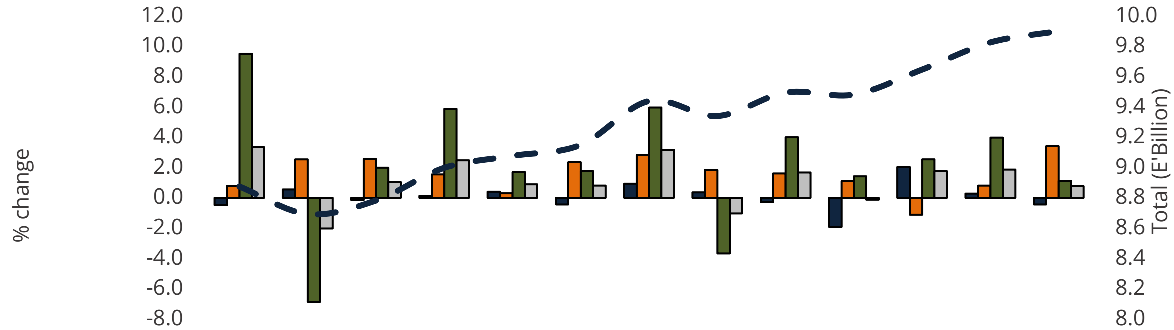
(BCr: Business Credit; HH: Household Credit; PS: Private Sector Credit)

Source: Central Bank of Eswatini & Other Depository Corporations.

Credit to other sectors of the domestic economy recovered in June 2026, increasing by 5.8 per cent month-on-month to E955.3 million after three consecutive months of contraction. However, compared over the year, credit to other sectors remained 3.7 per cent lower than its level a year earlier. The month-on-month recovery was solely driven by credit to other financial corporations, which increased by 22.2 per cent to E513.1 million. In contrast, credit to local government and public enterprises declined by 12.2 per cent to E73.6 million and 7.7 per cent to E368.6 million, respectively.

Credit to the households & NPISH sector continued to expand, increasing by 0.8 per cent month-on-month and 11.6 per cent year-on-year to reach E9.9 billion in June 2026. The month-on-month increase was supported by higher demand for motor vehicle loans and other personal (unsecured) loans, which grew by 3.4 per cent to E1.5 billion and 1.1 per cent to E4.1 billion, respectively. However, the increase in credit to households & NPISH sector was partly offset by a slight decline in housing loans, which contracted by 0.4 per cent to E4.3 billion in June 2026.

Figure 5: Household Credit Monthly Changes; June 2025 to June 2026



	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Housing	-0.5	0.5	-0.2	0.1	0.4	-0.4	0.9	0.3	-0.3	-1.9	2.0	0.3	-0.4
Motor Vehicles	0.8	2.5	2.6	1.5	0.3	2.3	2.8	1.8	1.6	1.1	-1.1	0.8	3.4
Other (Unsecured)	9.5	-6.9	2.0	5.9	1.7	1.7	5.9	-3.7	4.0	1.4	2.5	4.0	1.1
Total	3.3	-2.0	1.0	2.5	0.9	0.8	3.2	-1.1	1.7	-0.1	1.7	1.9	0.8
Total (E'Billion)	8.9	8.7	8.8	9.0	9.1	9.1	9.4	9.3	9.5	9.5	9.6	9.8	9.9

Source: Central Bank of Eswatini & Other Depository Institutions.

Net claims on Government increased by 8.7 per cent from the previous month but remained 4.8 per cent lower than a year earlier, closing at E2.2 billion. The monthly increase was largely due to a 4.7 per cent rise in claims on Government to E8.8 billion, following the extension of an additional Central Bank advance. At the same time, Government deposits rose by 3.5 per cent to E6.6 billion, as the proceeds from the advance were credited to Government accounts to finance fiscal obligations.

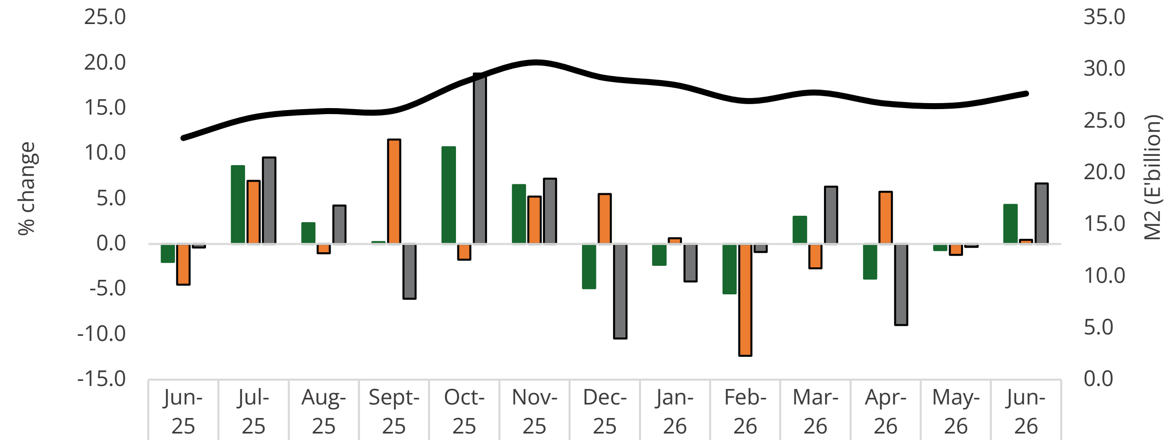
The banking sector's non-performing loans (NPLs) contracted by 3.5 per cent month-on-month to E1.4 billion in June 2026, indicating an improvement in the quality of the banks' assets. On a year-on-year basis, however, NPLs increased by 6.2 per cent. Despite the annual increase, the NPL ratio improved, declining by 0.2 percentage points from the previous month and 0.3 percentage points from a year earlier to 6.8 per cent in June 2026.

Broad money supply (M2) expanded to E27.7 billion in June 2026, registering month-on-month and year-on-year growth of 4.3 per cent and 18.4 per cent, respectively. Growth was consistent with the increase in NFAs, underscoring the significant contribution of external sector developments to domestic liquidity during the review month. The improvement was observed across both components of M2, namely quasi money supply and narrow money supply (M1).

Quasi money supply improved in June 2026, expanding by 6.7 per cent month-on-month and 19.8 per cent year-on-year to reach E17.5 billion. The expansion was supported by time deposits which rose by 8.1 per cent to E15.3 billion. Meanwhile, savings deposits declined by 2.2 per cent to E2.2 billion in June 2026.

Similarly, M1 increased by 0.4 per cent month-on-month and 16.1 per cent year-on-year to reach E10.1 billion in June 2026. The increase was supported by transferable (demand) deposits, which rose by 1.4 per cent to E9.3 billion. In contrast, Emalangeni in circulation declined by 8.6 per cent to close the month under review at E869.6 million.

Figure 6: Money Supply Monthly Changes; June 2025 to June 2026



	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
M2	-2.0	8.6	2.3	0.2	10.7	6.5	-4.9	-2.3	-5.4	3.0	-3.8	-0.7	4.3
M1	-4.5	7.0	-1.0	11.5	-1.7	5.2	5.5	0.6	-12.3	-2.7	5.8	-1.2	0.4
Quasi	-0.4	9.6	4.3	-6.1	18.9	7.2	-10.4	-4.2	-0.9	6.4	-9.0	-0.3	6.7
M2 (E'billion)	23.4	25.4	26.0	26.0	28.8	30.7	29.2	28.5	27.0	27.8	26.7	26.5	27.7

Source: Central Bank of Eswatini & Other Depository Institutions.

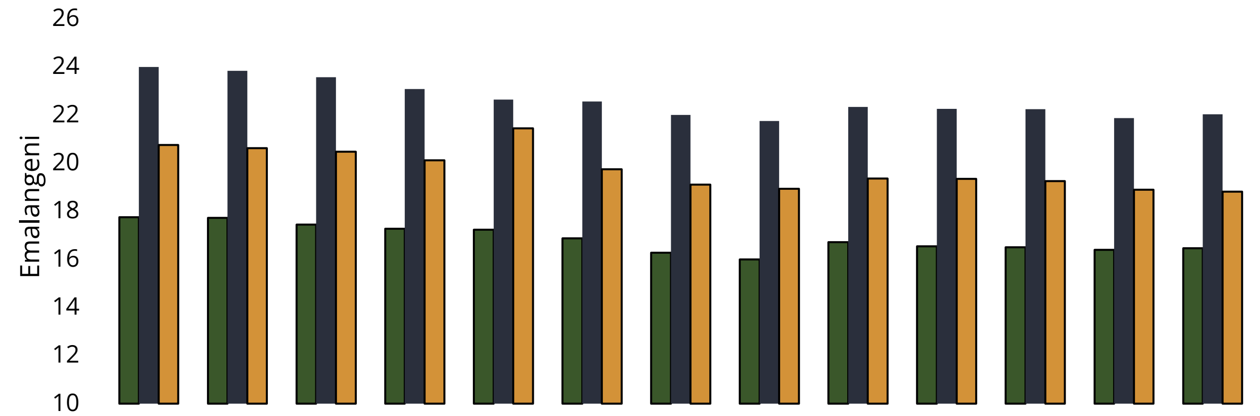
During the month of July 2026, the Rand/Lilangeni exchange rate depreciated against the US Dollar and the Pound Sterling, while it appreciated against the Euro. Compared to the previous month, the domestic unit experienced heightened volatility, largely reflecting increased uncertainty in global financial markets and shifting investor sentiment towards emerging market assets.

The depreciation was primarily driven by escalating geopolitical tensions in the Middle East following renewed US strikes on Iran and retaliatory missile attacks on US military installations in the region. The heightened conflict triggered a broad risk-off sentiment among global investors, prompting capital outflows from emerging markets into traditional safe-haven assets, particularly the US Dollar. Consequently, the Rand weakened during the month, averaging R16.46 to the US Dollar compared to the E16.40 recorded in June 2026.

Domestic developments in South Africa (SA) also contributed to the weaker exchange rate. This was mainly on account of the weaker-than-expected manufacturing production data which reinforced concerns over the pace of SA's economic recovery and the SARB's decision to maintain interest rates against the market's expectation of a 25-basis-point hike. Furthermore, the SARB revised its inflation projections for 2026 downward, reinforcing market expectations that monetary policy would remain accommodative in the near term.

The domestic unit also depreciated against the Pound Sterling by 0.7 percent and appreciated by 0.4 percent against the Euro closing the month under review at averages of E22.02 and E18.80, respectively. The domestic unit closed the month of July 2026 trading at E16.49 to the US Dollar, E22.18 to the Pound Sterling and E18.99 to the Euro. The exchange rate is expected to remain sensitive to developments in global financial markets, geopolitical risks, commodity price movements, and the outlook for SA's economic growth and inflation.

Figure 7: Average Exchange Rates; July 2025 to July 2026



	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
USD	17.75	17.73	17.45	17.28	17.23	16.87	16.28	16.00	16.72	16.54	16.50	16.40	16.46
GBP	23.99	23.83	23.57	23.08	22.63	22.55	22.00	21.74	22.33	22.25	22.24	21.86	22.02
Euro	20.75	20.61	20.47	20.12	21.44	19.74	19.10	18.93	19.35	19.35	19.25	18.89	18.80

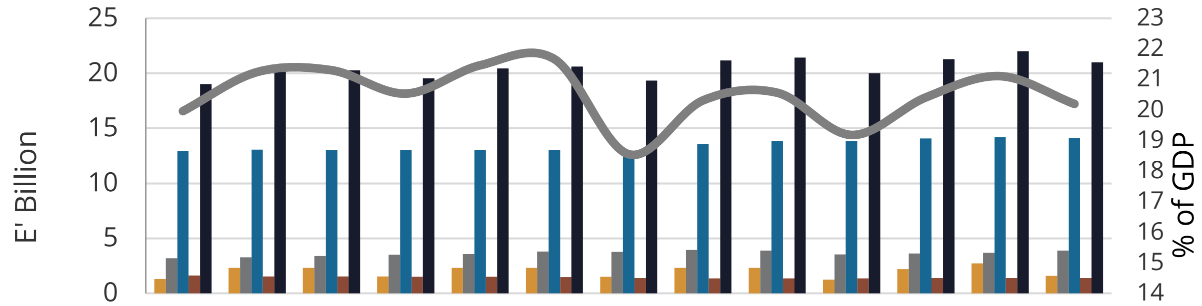
Source: Central Bank of Eswatini.

3 TOTAL PUBLIC DEBT

Preliminary figures indicate that total public debt stood at E41.6 billion, equivalent to 39.9 per cent of GDP, at the end of July 2026. This represented a month-on-month decline of 2.2 per cent from the revised E42.5 billion recorded at the end of June 2026. The decrease was primarily attributed to a reduction in domestic debt, which more than offset a marginal increase in external debt.

At the end of July 2026, public external debt stood at E20.5 billion, equivalent to 19.7 per cent of GDP. This represented a marginal increase of 0.1 per cent from the level recorded at the end of June 2026. The increase was primarily driven by the slight depreciation of the Lilangeni against major foreign currencies in which the debt is denominated, particularly the US dollar.

Figure 8: Total Public Debt; July 2025 to July 2026

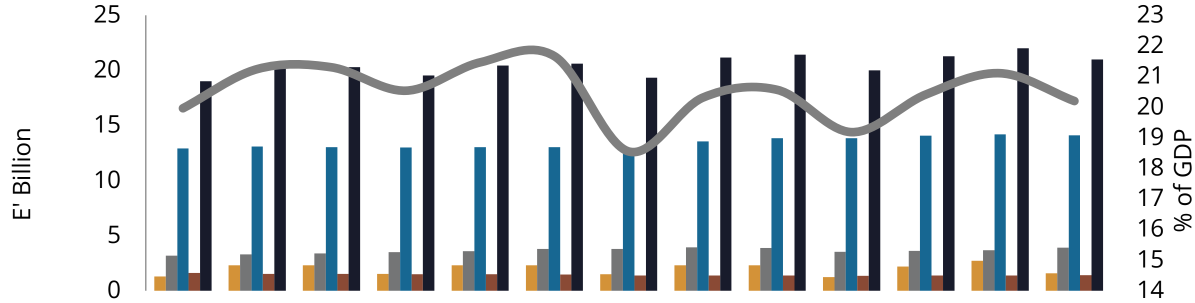


	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
CBE Advance	1.3	2.3	2.3	1.5	2.3	2.3	1.5	2.3	2.3	1.2	2.2	2.7	1.6
T-Bills	3.2	3.3	3.4	3.5	3.6	3.8	3.8	3.9	3.9	3.5	3.6	3.7	3.9
Bonds	12.9	13.1	13.0	13.0	13.0	13.0	12.7	13.5	13.9	13.9	14.1	14.2	14.1
Loans	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Total	19.0	20.2	20.3	19.6	20.4	20.6	19.3	21.2	21.4	20.0	21.3	22.0	21.0
% of GDP (rhs)	20.0	21.2	21.3	20.5	21.5	21.7	18.6	20.3	20.6	19.2	20.4	21.1	20.2

Source: Central Bank of Eswatini & Ministry of Finance.

Domestic debt stood at E21.0 billion, equivalent to 20.2 per cent of GDP, at the end of July 2026. This represented a 4.3 per cent decline from the E22.0 billion recorded at the end of June 2026. The decrease was mainly driven by the partial repayment of the Central Bank advance by Government, together with the maturity of domestic bonds during the month under review. However, the decline was partially offset by a modest increase in Treasury bill issuances over the same period.

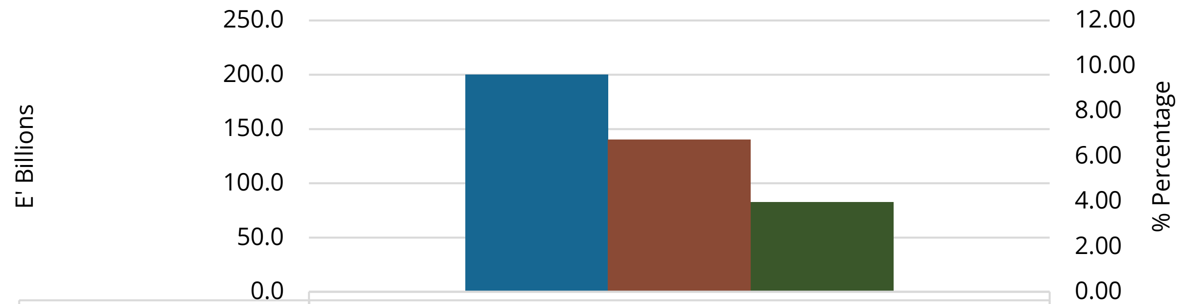
Figure 9: Outstanding Domestic Debt; July 2025 to July 2026



	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
CBE Advance	1.3	2.3	2.3	1.5	2.3	2.3	1.5	2.3	2.3	1.2	2.2	2.7	1.6
T-Bills	3.2	3.3	3.4	3.5	3.6	3.8	3.8	3.9	3.9	3.5	3.6	3.7	3.9
Bonds	12.9	13.1	13.0	13.0	13.0	13.0	12.7	13.5	13.9	13.9	14.1	14.2	14.1
Loans	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Total	19.0	20.2	20.3	19.6	20.4	20.6	19.3	21.2	21.4	20.0	21.3	22.0	21.0
% of GDP (rhs)	20.0	21.2	21.3	20.5	21.5	21.7	18.6	20.3	20.6	19.2	20.4	21.1	20.2

Source: Central Bank of Eswatini & Ministry of Finance.

Figure 10: Infrastructure Bond Action Summary (July 2026)



Offered	200.0
Received	140.1
Allotted	83.1
Coupon Rate (RHS)	10.75
Wtd Avg Yield (RHS)	10.75

Source: Central Bank of Eswatini

In July 2026, the Central Bank issued an infrastructure bond under the Government Bond Programme. An amount of E200 million was offered, against bids amounting to E140.1 million, reflecting moderate investor appetite as indicated by a bid-to-cover ratio of 70.3 per cent. Total allotments amounted to E83.1 million, representing an allotment ratio of 41.5 per cent. The amount allotted was lower than the value of bids received, as some of the bids were rejected due to being priced above the acceptable yield levels.

Table 1: Domestic Debt Instruments Outstanding by Holder on 31 July 2026

Holder	Treasury Bills	Government Bonds	CBE Advance	Total	Share of Holdings (%)
CBE	4.3	753.0	1,628.38	2,385.61	12.1
Commercial banks	1,357.0	3,783.9		5,140.9	26.2
NBFIs	2,148.8	7,392.0		9,540.8	48.5
Foreign Institutions		326.3		326.3	1.7
Other	411.8	1,852.5		2,264.2	11.5
TOTALS	**3,921.8**	**14,107.7**	**1,628.4**	19,657.8	**100**

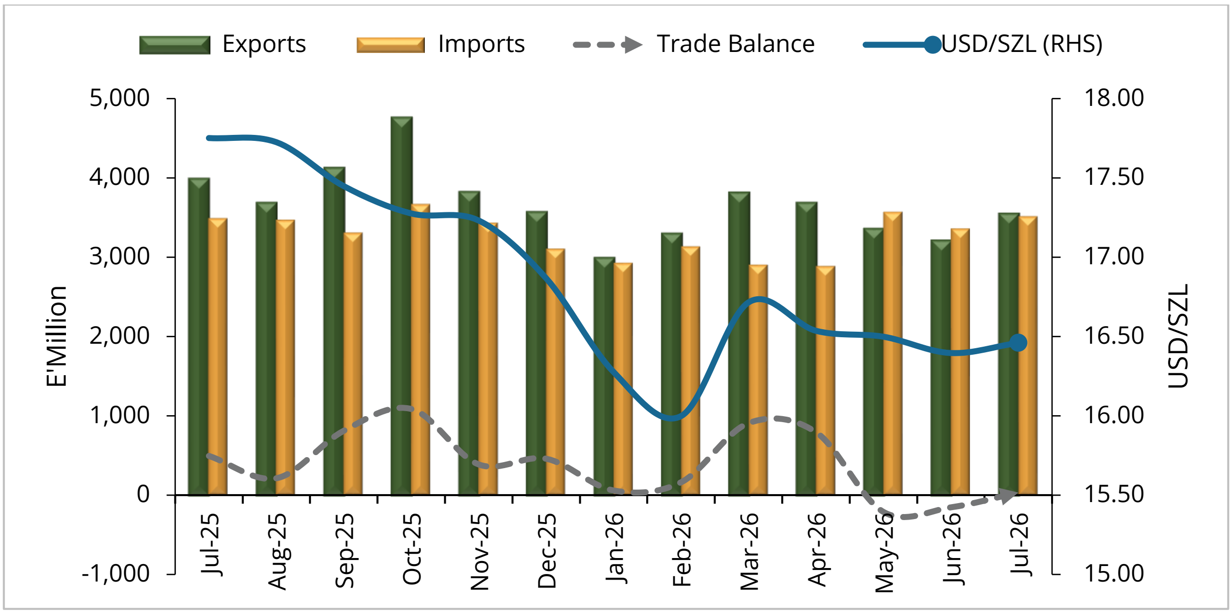
Source: Central Bank of Eswatini.

Non-bank financial institutions (NBFIs) continued to hold a significant share of long-term securities, while commercial banks maintained their holdings of short-term securities, reflecting the investment preferences within their respective portfolios. However, in recent months, NBFIs have steadily increased their holdings of short-term securities, with their share now surpassing that of commercial banks.

4 THE EXTERNAL SECTOR

Following two consecutive periods of trade deficits, Eswatini's external trade position improved markedly in July 2026, recording a trade surplus of E33.0 million, compared to a deficit of E153.7 million in June 2026. The turnaround was driven by export growth outpacing import growth, largely supported by increased earnings from sugar exports. Exports rose by 10.7 per cent month-on-month to E3.54 billion, although 11.0 per cent lower year-on-year. The improvement in export performance was further underpinned by higher exports of wood and wood products. Imports increased by 4.6 per cent to E3.51 billion during the month and were 0.7 per cent higher on a year-on-year basis. The seasonally adjusted (sa) trade balance for July 2026 registered a trade deficit of E8.3 million, with both seasonally adjusted (sa) exports and imports amounting to E3.4 billion.

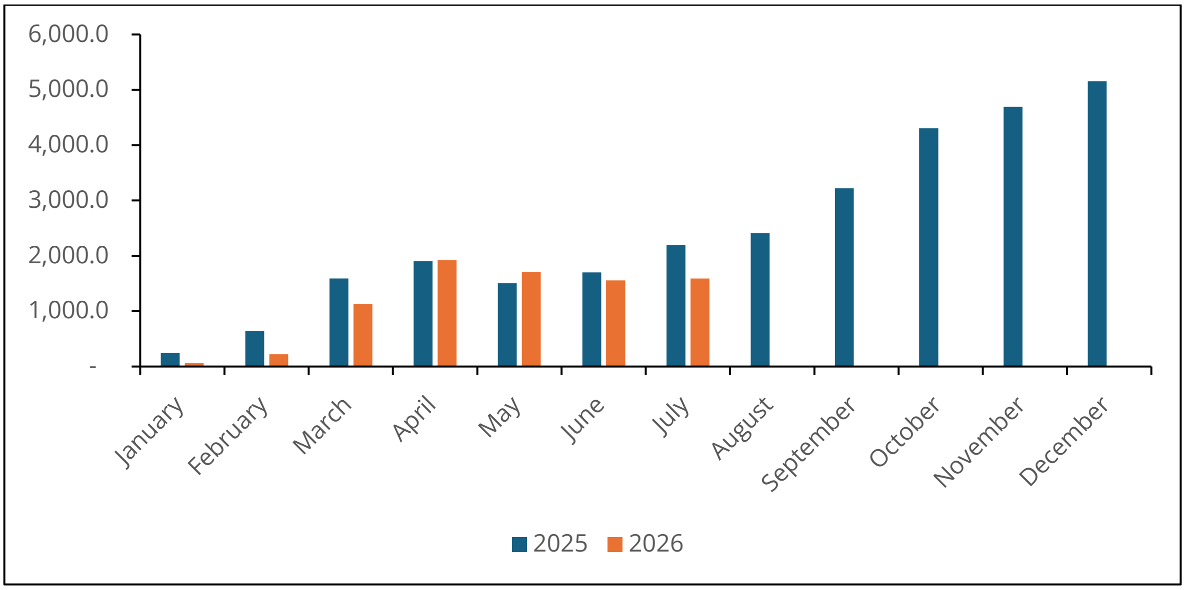
Figure 11: Merchandise Trade; June 2025 to June 2026



Source: Central Bank of Eswatini and Eswatini Revenue Services.

Year-to-date trade statistics show that Eswatini recorded a trade surplus of E1.6 billion during the Jan-July 2026 period, lower than the E2.2 billion trade surplus registered during the corresponding period in 2025 (Figure 12). Exports remained broadly flat, declining marginally by 1.6 per cent to E23.8 billion from E24.2 billion recorded Jan-July 2025. Imports for Jan-July 2026 were also flat, increasing by 1.0 per cent year-on-year to E22.3 billion, compared to E22.0 billion of the corresponding period in 2025.

Figure 12: Cumulative Trade Balance; 2025 vs 2026



Source: Central Bank of Eswatini and Eswatini Revenue Services.

According to trade direction data, South Africa continues to be Eswatini's leading trading partner, receiving 68.2 per cent of the country's exports and a total of 17.6 per cent of exports were destined to Kenya (4.6 per cent; sugar, concentrates, wood, textiles), Mozambique (4.1 per cent; beverages, concentrates, animal feed), Nigeria (3.4 per cent; concentrates), Zimbabwe (3.3 per cent; concentrates, noodles), and Tanzania (2.2 per cent; concentrates). Eswatini sourced 71.4 per cent of imports from South Africa in the month, and a combined 15.9 per cent originated from China (8.0 per cent; machinery, textiles), Germany (2.8 per cent; machinery, chemicals, vehicles), United States (2.1 per cent; machinery, chemicals), India (1.8 per cent; cereals, vehicles), and Oman (1.2 per cent; fuel).

Furthermore, Eswatini's trade profile continues to be largely driven by regional integration arrangements, with the strongest performance recorded within SADC (excluding South Africa) and COMESA. During the review period, exports to SADC excluding South Africa accounted for 17.2 per cent of total exports, compared with 1.5 per cent of total imports, resulting in a substantial trade surplus of E556.9 million. Likewise, trade with COMESA remained favourable, with the bloc contributing 13.0 per cent of exports against 0.7 per cent of imports, generating a trade surplus of E436.9 million. Trade with SACU member countries (excluding South Africa) also recorded a positive trade balance, as exports represented 3.7 per cent of total exports while imports accounted for 0.2 per cent, yielding a surplus of E122.2 million. In contrast, net trade with the EU bloc remained negative, with imports comprising 5.2 per cent of total imports compared to exports of 1.8 per cent, leading to a trade deficit of E120.3 million. These trade patterns reinforce Eswatini's strong export orientation towards regional African markets, while highlighting the country's reliance on extra-regional partners as key sources of imports.

Exports

The performance of Eswatini's four main export commodities, which collectively accounted for 79.4 per cent of total exports, was mixed in July 2026. Export earnings from soft drink concentrates, the country's leading export product, increased by 5.5 per cent month-on-month to E1.4 billion, while decreasing by 11.5 percent year-on-year, owing to an exclusion of some markets as issues of exchange rate shortages persist. Likewise, sugar and sugar products exports rose by 11.5 per cent month-on-month to E819.0 million, supported by stronger export volumes; however, earnings were 4.2 per cent lower on a year-on-year basis, reflecting the continued weakened international sugar prices during the review period. Exports of textiles and textile apparel increased significantly in July 2026 by 34.0 per cent month-on-month, largely driven by higher shipments of non-knitted and non-crocheted garments. Year-on-year, exports fell by 4.7 per cent. Wood and wood article exports reached E301.8 million, the highest earning since August last year, registering a 17.6 per cent increase month-on-month and 7.3 per cent year-on-year.

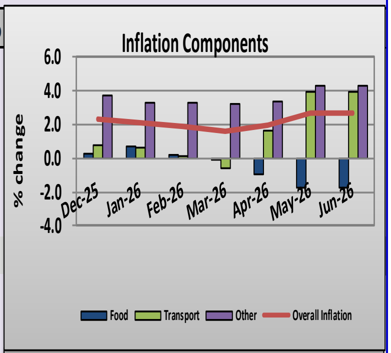
Imports

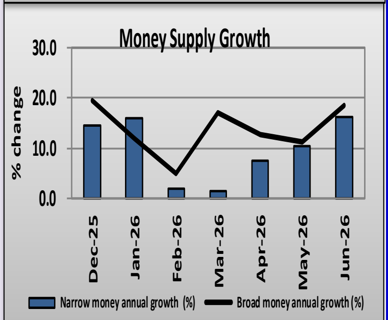
Energy products imports declined by 6.3 per cent in July 2026, due to continuous lower diesel imports in the month and fell by 0.8 per cent on a year-on-year basis. Machinery and electrical equipment imports increased in July 2026 compared to June 2026, largely reflecting higher demand from the manufacturing and construction sectors. These imports amounted to E398.8 million, reflecting a growth of 10.5 per cent month-on-month and 8.8 per cent year-on-year. Similarly, unprocessed food imports increased significantly to E350.7 million, mainly driven by higher imports of cereals, dairy produce and oilseeds. Imports of these products expanded by 24.3 per cent relative to the preceding month and by 19.8 per cent compared to the corresponding month in 2025. Textiles and textile apparel imports declined by 3.1 per cent month-on-month to E226.5 million in July 2026 and were 9.5 per cent lower on a year-on-year basis due to a decrease of cotton, man-made staple fibres, and knitted fabrics imports. Vehicles imports increased notably by 24.4 per cent month-on-month, and 1.8 per cent year-on-year to E252.0 million in the month of July 2026.

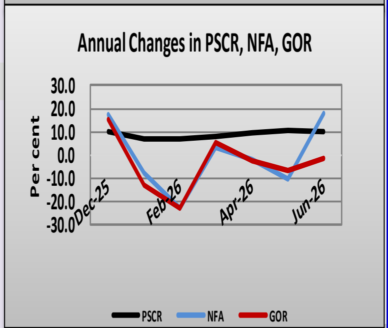
Economic Policy, Research and Statistics Department

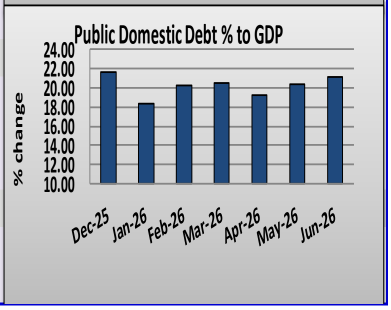
Kingdom of Eswatini Economic Indicators at a glance

Sectors	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Overall Inflation	2.3	2.1	1.9	1.6	2.0	2.7	2.7
Food	0.3	0.7	0.2	-0.1	-0.9	-1.8	-1.8
Transport	0.8	0.6	0.1	-0.6	1.6	4.0	4.0
Other	3.7	3.3	3.3	3.2	3.4	4.3	4.3
Money and banking							
Narrow money annual growth (%)	14.4	15.9	1.9	1.5	7.5	10.4	16.1
Broad money annual growth (%)	19.6	12.0	4.9	17.1	12.8	11.3	18.4
Domestic credit (net) - E' Million	24,710.9	23,352.2	24,998.1	25,064.8	24,322.5	25,945.5	25,997.6
Government	2,303.1	960.8	2,049.4	1,913.6	1,018.1	2,053.7	2,232.2
Private sector	22,407.8	22,391.4	22,948.7	23,151.2	23,304.4	23,891.8	23,765.4
Private sector credit annual growth (%)	9.8	6.7	6.7	8.1	9.5	10.6	10.1
Interest rates (% p.a)							
Prime lending	10.25	10.25	10.25	10.25	10.25	10.25	10.25
Discount rate	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Deposit rate - 31 days	2.3	2.3	2.3	2.3	2.3	2.3	2.3
- 12 months	5.0	5.0	5.0	5.0	5.0	5.0	5.0
- T. bill rate	8.1	8.1	8.0	7.9	7.9	7.9	7.9
Ratios							
Liquidity ratio (required = 20 %)	40.9	37.6	34.5	38.4	34.5	33.0	32.0
Loans/deposits ratio	72.4	73.5	78.9	77.9	81.4	84.1	79.9
Net foreign assets (E'million)	10,494.4	10,750.9	8,190.5	7,625.5	8,435.8	6,702.9	7,211.8
Annual % change in NFA	17.4	-7.5	-22.9	3.5	-2.1	-10.4	18.0
Gross official foreign reserves E'Millions	11,672.1	11,232.7	9,518.6	9,648.3	10,165.0	8,742.2	8,089.8
Annual % change in GOR	15.3	-12.9	-22.7	5.5	-2.7	-6.9	-1.6
In months of import cover	2.7	2.6	2.2	2.2	2.4	2.0	1.9
Exchange Rates							
US$	16.87	16.28	16.00	16.72	16.54	16.50	16.46
EURO	19.16	19.10	18.93	19.35	19.35	19.25	18.89
GBP	22.54	22.32	22.02	22.75	22.65	22.61	22.35
Public Finance							
Total public domestic debt [E' million]	20,629.19	19,169.00	21,173.58	21,435.60	19,995.40	21,277.48	22,002.35
As a % of GDP	21.67	18.39	20.31	20.56	19.18	20.41	21.11









NB: For consistency, the table shows data up to the end of June 2026.