CBE
CENTRAL BANK OF ESWATINI
UMNTSHOLI WEMASWATI

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

Recent Economic Developments

May/June 2026

HIGHLIGHTS ON SELECTED ECONOMIC DEVELOPMENTS	INDICATOR	CHANGE
In the first quarter of 2026, economic momentum rebounded, with seasonally adjusted Quarterly Gross Domestic Product (QGDP) expanding by 6.1 per cent year-on-year, up from a revised 5.8 per cent in the fourth quarter of 2025.	Growth(%y/y)	6.1 (2026, Q1) ▲
Headline consumer inflation accelerated by 0.7 of a percentage point to 2.7 per cent in May 2026.	Inflation Rate (% y/y)	2.7 (May) ▲
The discount and prime lending rates were maintained at 6.75 and 10.25 per cent, respectively, in May 2026.	Discount rate (%)	6.75 —
	Prime lending rate (%)	10.75 —
During the month of June 2026, the Rand/Lilangeni exchange rate appreciated against major trading currencies.	Exchange rate (US$)	16.40 (June) ▼
Credit extended to the private sector amounted to E23.9 billion at the end of May 2026, reflecting growth of 2.5 per cent month-on-month and 10.6 per cent year-on-year.	Private Sector Credit (% m/m)	2.5 (May) ▲
Broad money supply (M2) declined by 0.7 per cent month-on-month but grew by 11.3 per cent year-on-year to close at E26.5 billion at the end of May 2026.	Broad Money (M2) (% m/m)	0.7 (May) ▼
Provisional data indicates that the country's gross official reserves declined by 7.2 per cent month-on-month and 1.3 per cent year-on-year to close at E8.1 billion at the end of June 2026.	Reserves (months of import cover)	1.9 (June) ▼
Preliminary figures indicate that total public debt stood at E42.1 billion, equivalent to 40.4 per cent of GDP, at the end of June 2026.	Total Public Debt (% of GDP)	40.4 (June) ▲
In June 2026, the country's trade deficit narrowed marginally to E198.8 million, from E211.4 million recorded in the previous month.	Trade Balance (% of GDP)	0.2 (May) ▲

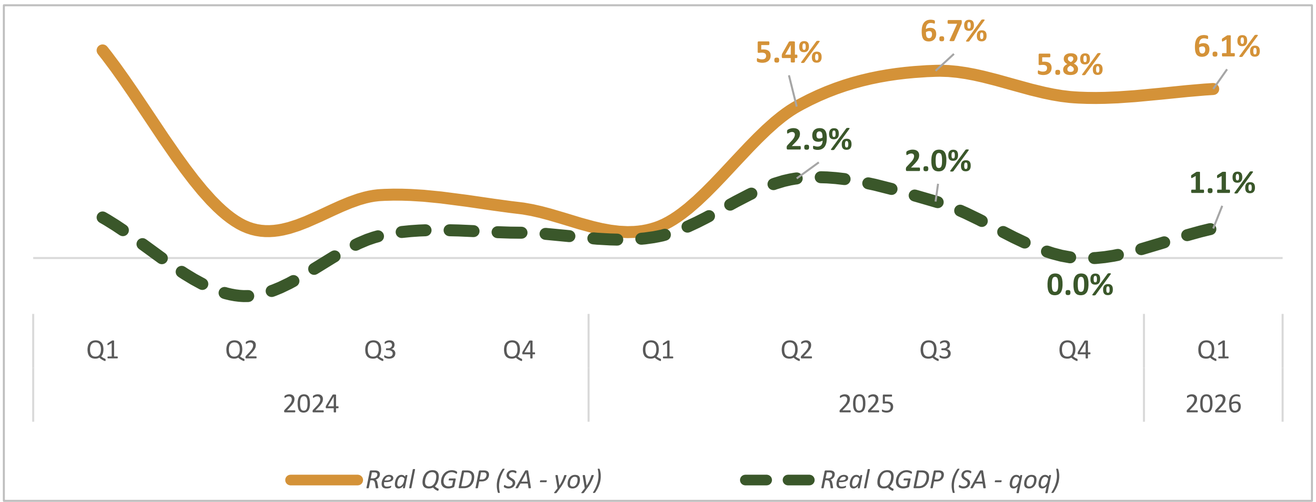
NB: The table shows the most recent available data.

1 GDP DEVELOPMENTS

In the first quarter of 2026, economic momentum rebounded, with seasonally adjusted Quarterly Gross Domestic Product (QGDP) expanding by 6.1 per cent year-on-year, up from a revised 5.8 per cent in the fourth quarter of 2025. The 0.3 percentage point acceleration in annual growth was driven by improved performance in the secondary sector, while the primary and tertiary sectors remained resilient despite mixed performance across their respective sub-sectors.

On a quarter-on-quarter basis, seasonally adjusted economic activity expanded by 1.1 per cent in the first quarter of 2026, compared with a revised growth rate of 0.0 per cent in the fourth quarter of 2025.

Figure 1: Eswatini Quarterly GDP (Seasonally Adjusted); 2024Q1 - 2026Q1



Source: Central Statistical Office (CSO).

Following the revised marginal contraction of 0.4 per cent in the fourth quarter of 2025, the secondary sector staged a robust cyclical recovery, accelerating sharply to 13.9 per cent growth in the first quarter of 2026. At this rate, the secondary sector contributed 4.5 percentage points to overall quarterly GDP growth. The sector's expansion was driven by stronger performance in the 'manufacturing', 'electricity supply, water & sewerage', and 'construction' subsectors. Manufacturing activity rebounded to 12.4 per cent, from a decline of 1.2 per cent in 2025Q4. The growth was attributed to increased output in' food manufacturing' (fruit processing and cocoa), 'chemicals & chemical products', 'wood & wood products', 'paper products', and 'textiles & wearing apparel', reflecting stronger external demand for these export-oriented products. In addition, the 'manufacture of non-metallic mineral products' and 'fabricated metal products' benefited from sustained construction activity. However, weaker performance was recorded in other manufacturing activities, particularly 'food manufacturing' excluding fruit processing, cocoa, and grain mill products.

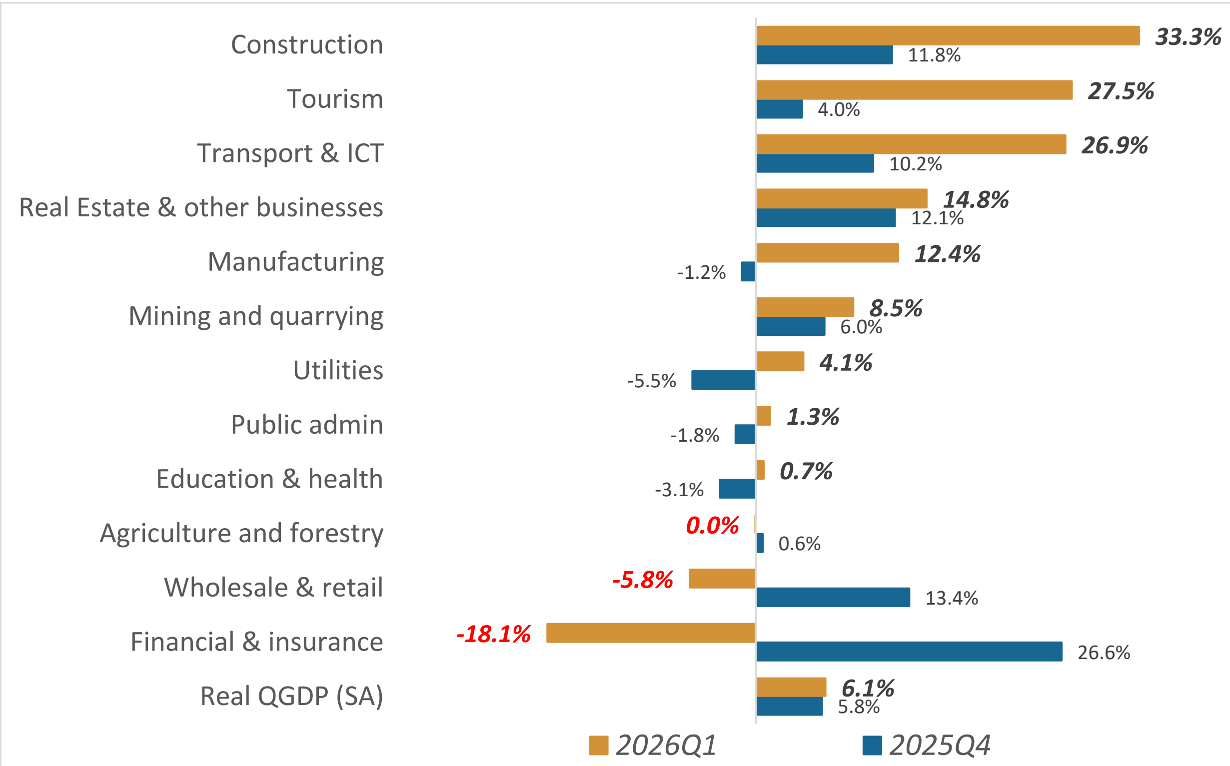
The 'electricity supply; subsector recorded a marginal growth of 1.8 per cent, compared with a revised contraction of 4.2 per cent in the previous quarter, partly reflecting above-average rainfall during the first quarter of 2026, which supported hydroelectric power generation. Similarly, the 'water and sewerage' subsector rebounded to record growth of 8.1 per cent, following a decline of 7.6 per cent in the preceding quarter.

The primary sector maintained its growth momentum in the first quarter of 2026, recording growth of 2.0 per cent, compared with 1.6 per cent in the previous quarter. Consequently, the sector contributed 0.1 percentage point to overall quarterly GDP growth. The 'mining and quarrying' subsector remained on an expansionary path, growing by 8.5 per cent in 2026Q1, compared with 6.0 per cent in 2025Q4. This performance was largely supported by a remarkable 158.8 per cent increase in 'quarry stone' production, driven by heightened construction activity during the period. While 'gold' production increased by 3.0 per cent in 2026Q1, coal production declined by 6.7 per cent as increased rainfall adversely affected mining operations.

The 'agriculture and forestry' subsector stagnated at 0.0 per cent, from marginal growth of 0.6 per cent recorded in the previous quarter, reflecting mixed developments across its components. 'Animal' production remained on a declining trajectory, contracting further by 22.1 per cent in the first quarter of 2026, compared with a decline of 21.7 per cent in the previous quarter, reflecting the continued impact of foot-and-mouth disease on livestock production. In contrast, forestry activity rebounded to grow by 14.6 per cent, following a contraction of 5.4 per cent in the previous quarter. Likewise, crop' production accelerated to 5.6 per cent, from 3.4 per cent in the preceding quarter.

The tertiary sector, which contributed 1.5 percentage points to overall quarterly GDP growth, expanded at a slower rate of 2.8 per cent in the first quarter of 2026, compared with a revised 9.5 per cent in the previous quarter. Growth was supported by the 'information & communication', 'accommodation & food' services, 'real estate', and 'professional, scientific & technical' services subsectors. The 'information & communication' subsector maintained its strong expansionary momentum, recording robust growth of 59.6 per cent during the review period, compared with a revised growth of 16.8 per cent in the previous quarter, indicating sustained demand for ICT-related services. Similarly, the 'accommodation & food' services sector grew by 27.2 per cent, up from a revised 3.6 per cent in the previous quarter. The 'real estate' subsector remained resilient, recording growth of 6.7 per cent in 2026Q1, broadly unchanged from 6.8 per cent in the previous quarter, supported by market-priced real estate activities. 'Professional, scientific & technical' services expanded by 19.4 per cent in the first quarter of 2026, compared with 10.8 per cent in the previous quarter, partly reflecting sustained construction activity across the economy. Conversely, transportation & storage' activity slowed to marginal growth of 0.6 per cent in 2026Q1, from 4.7 per cent in the previous quarter, reflecting the lingering second-round effects of geopolitical developments on rail and air transport services. Offsetting these gains, 'wholesale & retail' trade contracted by 5.8 per cent, compared with growth of 13.4 per cent in the previous quarter. Likewise, 'financial & insurance' services recorded a notable contraction of 18.1 per cent in 2026Q1, following growth of 26.6 per cent in the previous quarter. This decline mainly reflected the deterioration in the value of foreign investment portfolios held by retirement funds and insurance companies during the first quarter of 2026.

Figure 2: Production Sectors' Growth Rates; 2025Q4 vs. 2026Q1



Source: Central Statistical Office (CSO)

2 INFLATION DEVELOPMENTS

Headline consumer inflation accelerated by 0.7 of a percentage point to 2.7 per cent in May 2026. The increase was mainly driven by higher indices for 'housing & utilities' and 'transport' categories, which contributed 1.8 and 0.7 percentage points to headline inflation, respectively.

The index for 'housing & utilities', which carries a weight of approximately 27.7 per cent in the consumer basket, increased from 4.6 per cent in April 2026 to 6.6 per cent in May 2026. Contributing to this increase was a 24.9 percentage points jump in the prices for 'liquid fuels', which rose to 48.2 per cent on a year-on-year basis. Notably, rising global oil costs amid Middle East tensions resulted in the Ministry of Natural Resources and Energy implementing a steep price hike for illuminating paraffin, increasing by E6.78 per litre to E26.28/litre. In addition, 'actual rentals for housing' also exerted upward pressure to the index, increasing by 2.5 percentage points to record 3.3 per cent between the two months under review.

Similarly, the supply-chain disruptions posed by the ongoing geopolitical crisis pushed transport inflation further upwards, increasing by 2.3 percentage points to record 4.0 per cent in May 2026. As a result, fuel prices grew by a significant 14.3 percentage points to 23.2 per cent year-on-year, following the announcement by the Ministry of Natural Resources and Energy, wherein petrol prices increased by E2.92/litre, while diesel prices hiked by E6.40/litre effective 7 May 2026. Additionally, the pressures from the Middle East affected the services side, as the prices for 'air transport services' increased by 9.1 percentage points to record in 20.8 per cent inflation during the same period under review.

More modest increases were recorded in the price indices for 'clothing & footwear', 'recreation & culture', 'alcoholic beverages & tobacco' and 'education', which collectively grew by 1.0 percentage point between April and May 2026.

In contrast, 'food' inflation remained on a deflationary path, recording a third consecutive month of negative growth. Food inflation recorded a 1.8 per cent deflation in May 2026, following a 0.9 per cent decline in the previous month. Categories contributing to the decline included 'bread & cereals', 'oils & fats', and 'vegetables' all of which were cheaper than in the corresponding period of the previous year. Downward pressures on inflation emanated from the 'household furniture

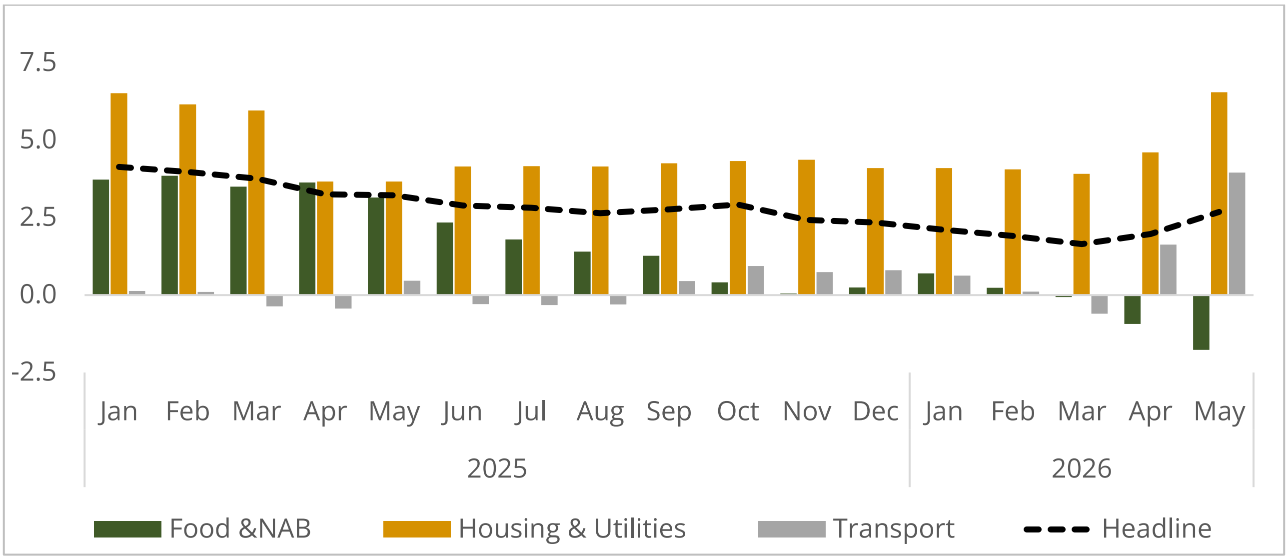
& maintenance', whose inflation rate fell by 0.4 of a percentage point, as well as 'restaurants & hotels', which recorded a decline of 0.5 of a percentage point.

On a month-on-month basis, consumer price inflation grew by a slower 0.8 per cent in May 2026, relative to 1.2 per cent in the previous month. Contributing to the moderation were the price indices for 'housing & utilities', and 'miscellaneous goods & services', which fell by 2.0 and 0.1 percentage points, respectively. These developments were partly offset by stronger price increases recorded in the 'transport' and 'recreation & culture' indices.

Core inflation (which is CPI excluding volatile items such as food, auto-fuel, and energy), rebounded to 2.2 per cent in May 2026, relative to 1.6 per cent recorded in the previous month. Upside pressures were from both the demand and supply side, as CPI services increased by 0.9 of a percentage point to 1.9 per cent, while CPI for goods rose by 0.6 of a percentage point to 3.2 per cent, driven by higher prices for non-durable goods, and semi-durables.

On a month-on-month basis, core inflation increased to 0.7 per cent during the month under review from 0.1 per cent in April 2026.

Figure 3: Inflation Trends and components; January 2025 to May 2026

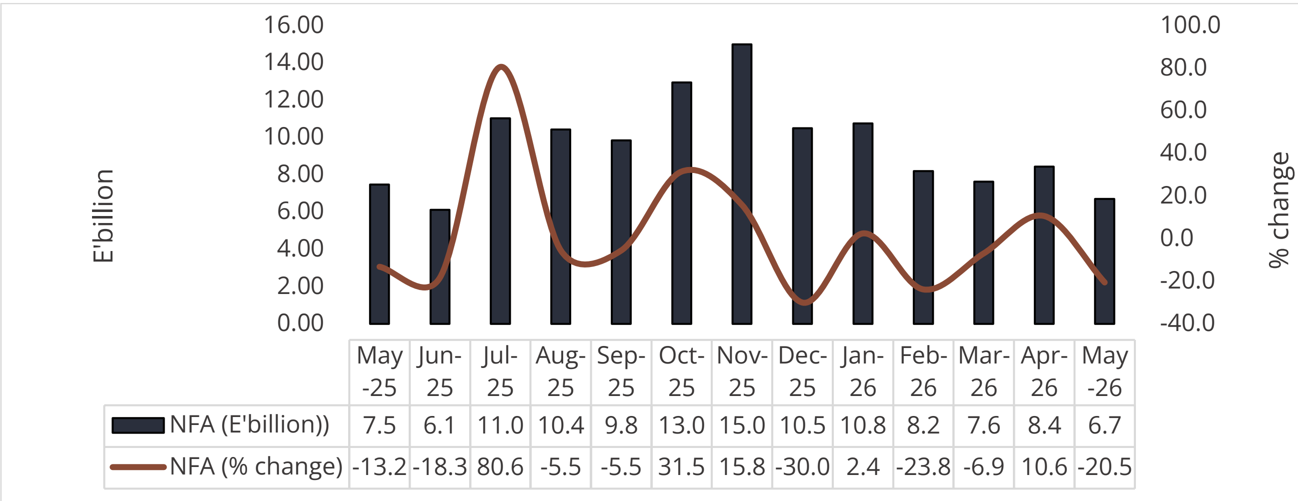


Source: Central Statistical Office (CSO)

3 MONEY SUPPLY AND BANKING DEVELOPMENTS

Eswatini's net foreign assets (NFAs) stood at E6.7 billion at the end of May 2026, reflecting a month-on-month decline of 20.5 per cent and a year-on-year contraction of 10.4 per cent year-on-year. The reduction was observed in the net foreign assets of both the banking industry and the official sector. The banking industry's NFAs contracted by 31.0 per cent from the previous month to E781.1 million, due to a fall in investments within the Common Monetary Area (CMA) and abroad. Similarly, NFAs of the official sector declined by 18.9 per cent month-on-month and 6.3 per cent year-on-year to close at E5.9 billion in May 2026. This fall was attributable to rand outflows arising from trades with commercial banks, government drawdowns to meet budgetary obligations, and modest exchange rate losses resulting from the appreciation of the Lilangeni against major trading currencies during the review month. In special drawing rights (SDR) terms, NFAs amounted to SDR301.6 million, reflecting decreases of 17.8 per cent month-on-month and 1.6 per cent year-on-year.

Figure 4: Net Foreign Assets Monthly Changes; May 2025 to May 2026



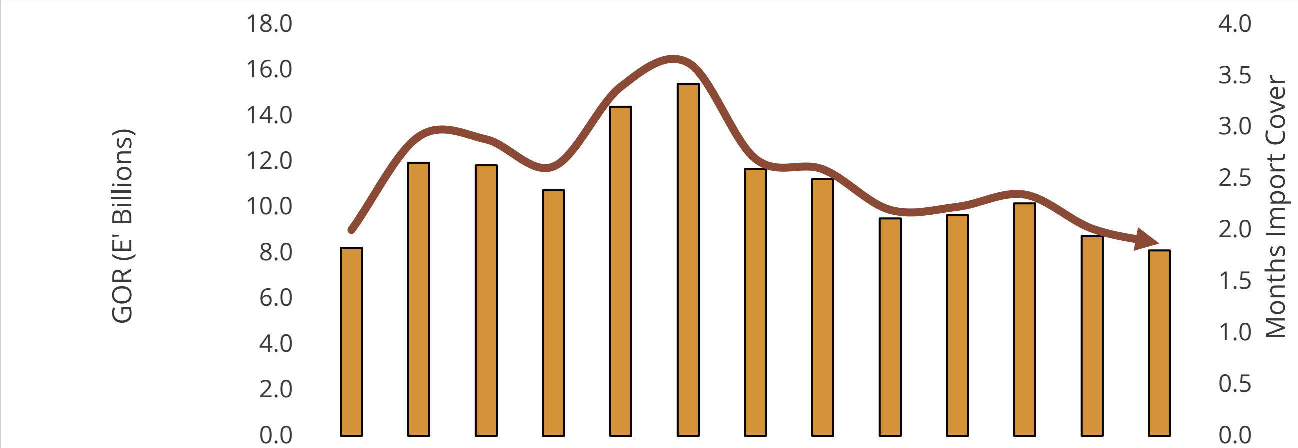
	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
NFA (E'billion))	7.5	6.1	11.0	10.4	9.8	13.0	15.0	10.5	10.8	8.2	7.6	8.4	6.7
NFA (% change)	-13.2	-18.3	80.6	-5.5	-5.5	31.5	15.8	-30.0	2.4	-23.8	-6.9	10.6	-20.5

Source: Central Bank of Eswatini & Other Depository Corporations.

Provisional[1] data indicates that the country's gross official reserves declined by 7.2 per cent month-on-month and 1.3 per cent year-on-year to close at E8.1 billion at the end of June 2026. The month-on-month reduction was mainly driven by net Rand outflows arising from trades with local banks and the settlement of fiscal obligations during the review month. Consequently, the reserves were enough to cover 1.9 months of imports, down from 2.0 months recorded in May 2026.

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

Figure 5: Gross Official Reserves and Import Cover; 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
GOR	8.2	11.9	11.8	10.8	14.4	15.4	11.7	11.2	9.5	9.6	10.2	8.7	8.1
Import Cover	2.0	2.9	2.9	2.6	3.4	3.6	2.7	2.6	2.2	2.2	2.3	2.0	1.9

Source: Central Bank of Eswatini.

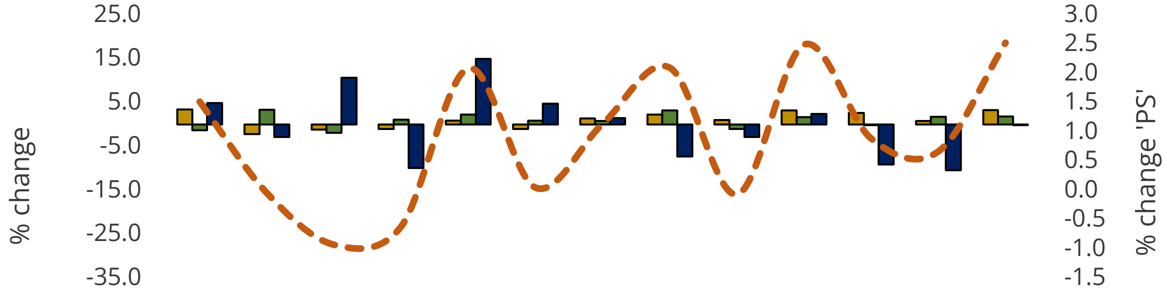
Credit extended to the private sector amounted to E23.9 billion at the end of May 2026, reflecting growth of 2.5 per cent month-on-month and 10.6 per cent year-on-year. The increase was driven by higher credit uptake by the households & non-profit institutions serving households (NPISH) sector, as well as the business sector. However, credit to the other sectors of the economy declined during the review month.

Credit extended to the business sector increased by 3.2 per cent month-on-month and 9.8 per cent year-on-year to close at E13.2 billion at the end of May 2026. The growth was driven by increased lending to the agriculture & forestry (12.9 per cent), construction (11.4 per cent), distribution & tourism (6.9 per cent), Transport & Communication (0.4 per cent) and manufacturing (0.2 per cent) sectors. However, credit to the mining & quarrying (-3.0 per cent), community, social & personal services (-2.3 per cent), and real estate (-0.5 per cent) sectors declined during the review month.

Analysed by business size, the month-on-month increase in credit to businesses was driven by lending to large enterprises, while credit extended to small & medium enterprises (SMEs) declined slightly. Credit to large enterprises rose by 7.3 per cent month-on-month and 9.0 per cent year-on-year to close at E9.0 billion in May 2026. In contrast, credit to SMEs declined by 4.7

per cent month-on-month but remained 11.6 per cent higher than a year earlier, closing at E4.1 billion.

Figure 6: Private Sector Credit Monthly Changes; May 2025 to May 2026



	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
BCr	3.4	-2.2	-1.2	-1.0	0.9	-1.1	1.4	2.2	1.0	3.1	2.6	0.7	3.2
HH	-1.4	3.3	-1.9	1.1	2.2	0.9	0.8	3.2	-1.1	1.7	-0.1	1.7	1.8
Other	4.9	-2.9	10.6	-9.9	14.9	4.7	1.4	-7.3	-2.8	2.4	-9.2	-10.5	-0.2
Total PS	1.5	0.0	-0.9	-0.6	2.1	0.0	1.1	2.1	-0.1	2.5	0.9	0.7	2.5

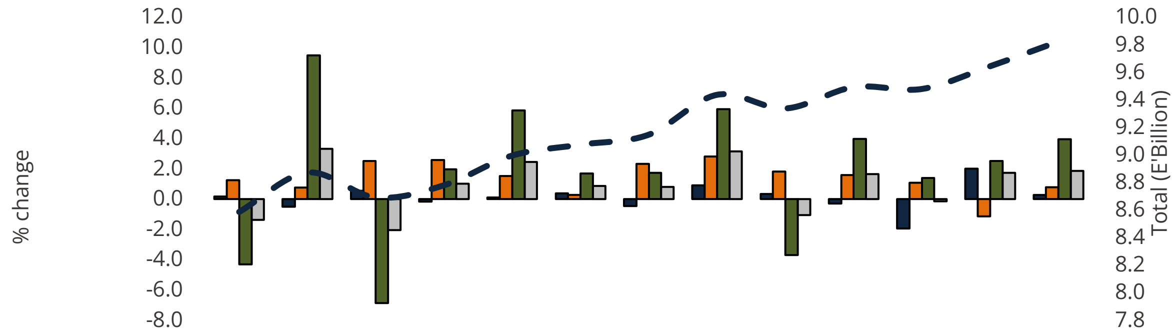
(BCr: Business Credit; HH: Household Credit; PS: Private Sector Credit)

Source: Central Bank of Eswatini & Other Depository Corporations.

Credit extended to other sectors of the domestic economy remained subdued, declining for the third consecutive month. Credit to other sectors decreased by 0.2 per cent month-on-month and 11.6 per cent year-on-year to close at E903.2 million in May 2026. The month-on-month decline was due to lower credit to other financial corporations and public enterprises, while credit extended to local government increased. Credit to other financial corporations fell by 0.5 per cent to E420.0 million, while credit to public enterprises declined by 0.1 per cent to E399.4 million. In contrast, credit extended to local government grew by 0.7 per cent to E83.9 million.

Credit extended to the households & NPISH sector rose by 1.9 per cent month-on-month and 14.4 per cent year-on-year to reach E9.8 billion in May 2026. The month-on-month increase was broad-based across all components. Other personal loans grew by 4.0 per cent to E4.1 billion, motor vehicle loans rose by 0.8 per cent to E1.4 billion, while housing loans recorded a marginal increase of 0.3 per cent to E4.3 billion.

Figure 7: Household Credit Monthly Changes; May 2025 to May 2026



	May -25	Jun-25	Jul-25	Aug -25	Sep-25	Oct-25	Nov -25	Dec-25	Jan-26	Feb-26	Mar -26	Apr-26	May -26
Housing	0.2	-0.5	0.5	-0.2	0.1	0.4	-0.4	0.9	0.3	-0.3	-1.9	2.0	0.3
Motor Vehicles	1.3	0.8	2.5	2.6	1.5	0.3	2.3	2.8	1.8	1.6	1.1	-1.1	0.8
Other (Unsecured)	-4.3	9.5	-6.9	2.0	5.9	1.7	1.7	5.9	-3.7	4.0	1.4	2.5	4.0
Total	-1.4	3.3	-2.0	1.0	2.5	0.9	0.8	3.2	-1.1	1.7	-0.1	1.7	1.9
Total (E'Billion)	8.6	8.9	8.7	8.8	9.0	9.1	9.1	9.4	9.3	9.5	9.5	9.6	9.8

Source: Central Bank of Eswatini & Other Depository Institutions.

Net claims on government rose to E1.0 billion in April 2026 to E2.1 billion in May 2026, reflecting an increase of 101.7 per cent month-on-month. However, net claims remained 7.4 per cent lower than the level recorded in May 2025. The month-on-month increase was driven by a 14.3 per cent rise in claims on government, reflecting an additional advance from the Central Bank. Government deposits, on the other hand, improved marginally by 0.3 per cent to E6.4 billion in May 2026.

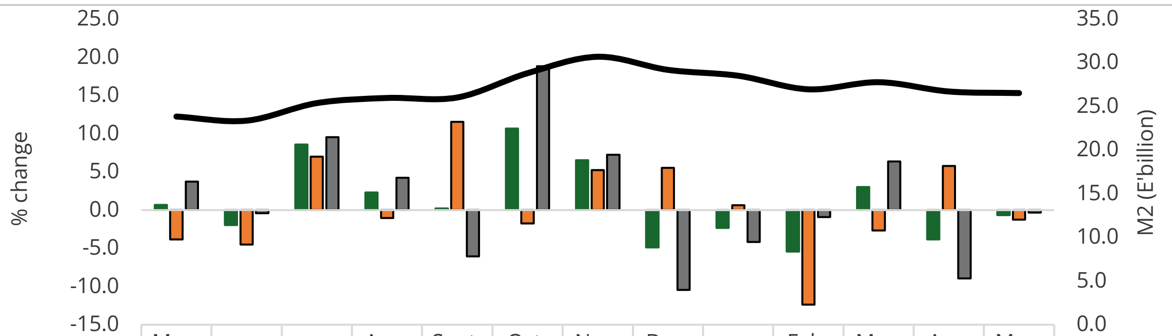
Non-performing loans (NPLs) amounted to E1.4 billion in May 2026, reflecting a month-on-month increase of 1.4 per cent and a year-on-year increase of 7.1 per cent. Despite the increase in the value of the NPLs, the NPL ratio decreased marginally by 0.1 percentage point month-on-month and 0.3 percentage points year- on-year to 6.93 per cent, showing that total loan growth outpaced the increase in non-performing loans.

Broad money supply (M2) declined by 0.7 per cent month-on-month but grew by 11.3 per cent year-on-year to close at E26.5 billion at the end of May 2026. The month-on-month fall was reflected in both narrow money supply (M1) and quasi money supply.

Narrow money supply contracted by 1.2 per cent month-on-month but grew by 10.4 per cent year-on-year to E10.1 billion in May 2026. The month-on-month decrease was attributable to a 1.6 per cent fall in transferable (demand) deposits, to E9.1 billion. Meanwhile, Emalangeni in circulation grew by 2.3 per cent to E951.4 million during the review month.

Quasi money supply amounted to E16.4 billion in May 2026, depicting a marginal decrease of 0.3 per cent month-on-month and 11.8 per cent higher than a year earlier. The month-on-month contraction was broad-based, with savings deposits declining by 0.6 per cent to E2.3 billion and time deposits falling by 0.3 per cent to E14.2 billion.

Figure 8: Money Supply Monthly Changes; May 2025 to May 2026



	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
M2	0.7	-2.0	8.6	2.3	0.2	10.7	6.5	-4.9	-2.3	-5.4	3.0	-3.8	-0.7
M1	-3.9	-4.5	7.0	-1.0	11.5	-1.7	5.2	5.5	0.6	-12.3	-2.7	5.8	-1.2
Quasi	3.7	-0.4	9.6	4.3	-6.1	18.9	7.2	-10.4	-4.2	-0.9	6.4	-9.0	-0.3
M2 (E'billion)	23.8	23.4	25.4	26.0	26.0	28.8	30.7	29.2	28.5	27.0	27.8	26.7	26.5

Source: Central Bank of Eswatini & Other Depository Institutions.

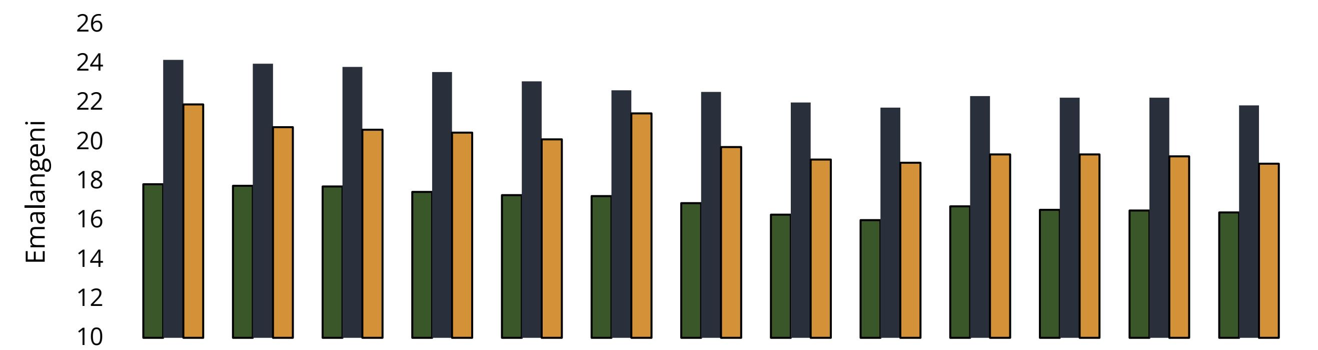
During the month of June 2026, the Rand/Lilangeni exchange rate appreciated against the US Dollar, the Pound Sterling and the Euro. Compared with the previous month, the domestic currency appreciated against the US Dollar, strengthening from an average of E16.50 per US Dollar in May 2026 to an average of E16.40 per US Dollar during June 2026. The Rand remained resilient during the month despite some moderation in precious metal prices, which had previously supported its performance. However, uncertainty surrounding the Strait of Hormuz continued to be a key risk, as negotiations on a Memorandum of Understanding (MoU) between the United States and Iran progressed slowly.

On the regional front, the Rand remained stable ahead of the planned protests against illegal (undocumented) immigrants in South Africa. This followed assurances by President Ramaphosa that, while the right to protest is protected under the South African Constitution, demonstrations must be conducted within the confines of the law. These assurances, together with the commitment of law enforcement authorities to ensure public order, helped sustain investor confidence and supported market stability.

Externally, the decision by the US Federal Reserve to maintain its policy interest rate reduced support for the US Dollar, contributing to the Rand's appreciation during the review period. Nevertheless, the risk of future interest rate increases remained elevated, as US inflation continued to persist above the Federal Reserve's 2.0 per cent target.

During the review period, the Lilangeni also appreciated against the Pound Sterling and the Euro by 1.7 per cent and 1.9 per cent, respectively, averaging E21.86 per Pound Sterling and E18.89 per Euro. By the end of June 2026, the Lilangeni was trading at E16.43 per US Dollar, E21.76 per Pound Sterling, and E18.74 per Euro.

Figure 9: Average Exchange Rates; 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
USD	17.84	17.75	17.73	17.45	17.28	17.23	16.87	16.28	16.00	16.72	16.54	16.50	16.40
GBP	24.18	23.99	23.83	23.57	23.08	22.63	22.55	22.00	21.74	22.33	22.25	22.24	21.86
Euro	21.91	20.75	20.61	20.47	20.12	21.44	19.74	19.10	18.93	19.35	19.35	19.25	18.89

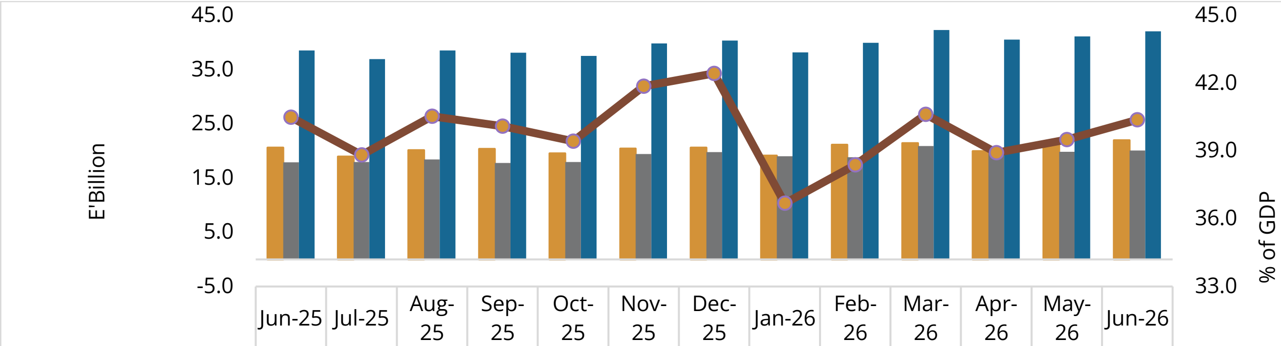
Source: Central Bank of Eswatini.

4 TOTAL PUBLIC DEBT

Preliminary figures indicate that total public debt stood at E42.1 billion, equivalent to 40.4 per cent of GDP, at the end of June 2026. This represented a month-on-month increase of 2.2 per cent from the E41. 2 billion recorded at the end of May 2026. The increase was attributable to growth in both domestic and external debt.

At the end of June 2026, public external debt amounted to E20.1 billion, equivalent to 19.3 per cent of GDP. This reflected a marginal increase of 1.0 per cent from the E19.9 billion recorded in May 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 10: Total Public Debt; June 2025 to June 2026

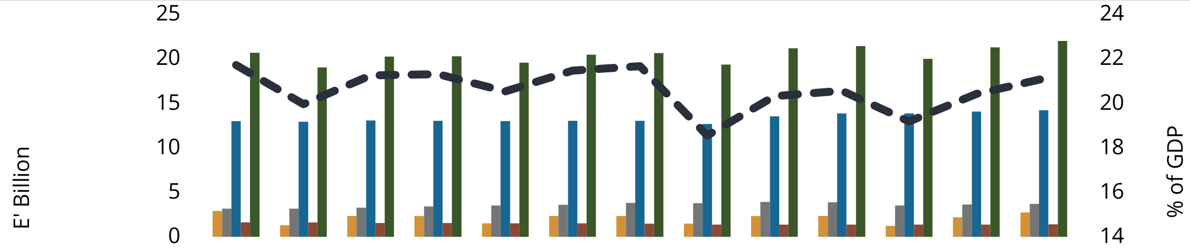


	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Domestic	20.6	19.0	20.2	20.4	19.6	20.4	20.6	19.2	21.2	21.4	20.0	21.3	22.0
External	17.9	18.0	18.4	17.8	18.0	19.4	19.8	19.1	18.8	20.9	20.6	19.9	20.1
Total Stock	38.6	37.0	38.6	38.2	37.6	39.9	40.4	38.2	40.0	42.3	40.6	41.2	42.1
% of GDP (RHS)	40.5	38.8	40.5	40.1	39.4	41.9	42.4	36.7	38.4	40.6	38.9	39.5	40.4

Source: Central Bank of Eswatini & Ministry of Finance.

Domestic debt totalled E22.0 billion, equivalent to 21.1 per cent of GDP, at the end of June 2026. This represented an increase of 3.4 per cent when compared to E21.3 billion recorded in May 2026. The rise was driven by an additional advance of E500 million extended to Government, coupled with higher issuances of Treasury bills and privately placed Government bonds during the month under review.

Figure 11: Outstanding Domestic Debt; April 2025 to April 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
CBE Advance	2.9	1.3	2.3	2.3	1.5	2.3	2.3	1.5	2.3	2.3	1.2	2.2	2.7
T-Bills	3.2	3.2	3.3	3.4	3.5	3.6	3.8	3.8	3.9	3.9	3.5	3.6	3.7
Bonds	13.0	12.9	13.1	13.0	13.0	13.0	13.0	12.7	13.5	13.9	13.9	14.1	14.2
Loans	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4
Total	20.7	19.0	20.2	20.3	19.6	20.4	20.6	19.3	21.2	21.4	20.0	21.3	22.0
% of GDP (rhs)	21.7	20.0	21.2	21.3	20.5	21.5	21.7	18.6	20.3	20.6	19.2	20.4	21.1

Source: Central Bank of Eswatini.

Non-bank financial institutions (NBFIs) continued to hold a significant share of long-term securities, while commercial banks remained the primary holders of short-term securities, reflecting the distinct investment preferences if their respective portfolios.

Table 1: Domestic Debt Instruments Outstanding by Holder on 30 June 2026

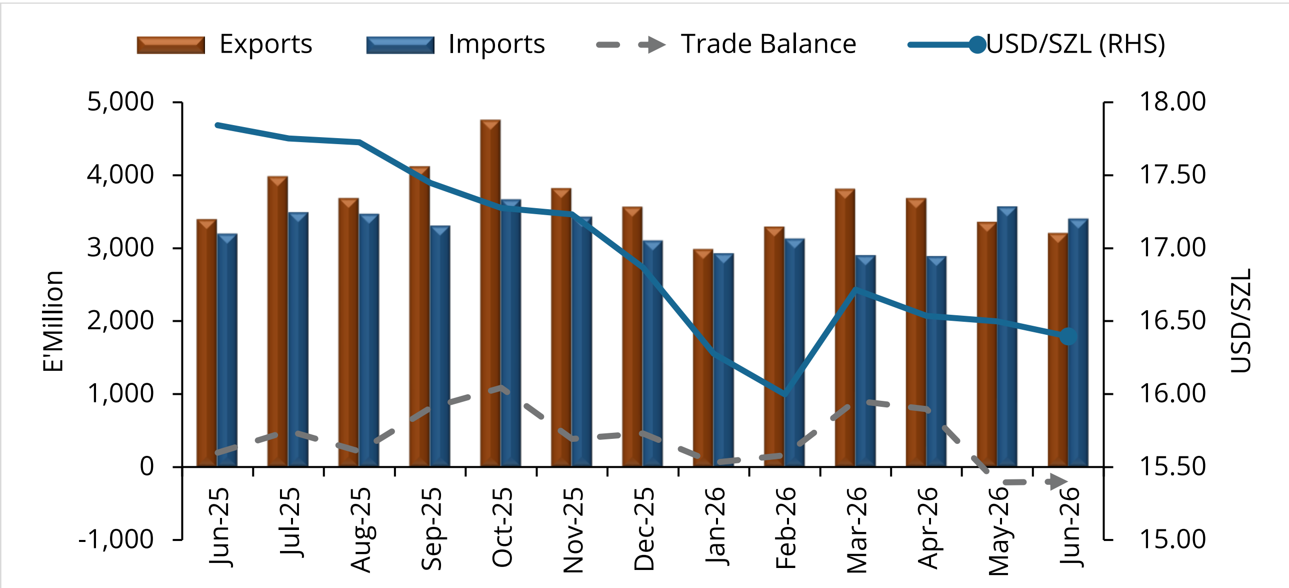
Holder	Treasury Bills	Government Bonds	CBE Advance	Total	Share of Holdings (%)
CBE	4.05	753.0	2,723.38	3,480.41	16.9
Commercial banks	1,334.2	3,784.6		5,118.8	24.8
NBFIs	1,938.0	7,462.5		9,400.5	45.6
Foreign Institutions	-	326.3		326.3	1.6
Other	412.0	1,867.5		2,279.5	11.1
TOTALS	**3,688.2**	**14,193.8**	**2,723.4**	20,605.4	**100**

Source: Central Bank of Eswatini.

5 THE EXTERNAL SECTOR

In June 2026, the country's trade deficit narrowed marginally to E198.8 million, from E211.4 million recorded in the previous month. Exports declined for the third consecutive month, falling by 4.6 per cent to E3.2 billion in June 2026, representing a 5.6 per cent decline compared with the corresponding month of the previous year. Persistently weak sugar prices continued to weigh on export earnings. Import activity was also subdued during the month, consistent with the traditionally lower production levels observed in June. Consequently, imports declined by 4.6 per cent month-on-month to E3.4 billion. On an annual basis, however, imports were 6.5 per cent higher than in June 2025. On a seasonally adjusted basis, the trade balance recorded a surplus of E309.1 million in June 2026, with seasonally adjusted exports amounting to E3.7 billion and seasonally adjusted imports totalling E3.4 billion.

Figure 12: Merchandise Trade; June 2025 to June 2026



Source: Central Bank of Eswatini.

Exports of soft drink concentrates amounted to E1.3 billion in June 2026, declining by 5.6 per cent month-on-month, reflecting a more conservative production approach in response to softening demand and changing market dynamics. On an annual basis, however, exports increased by 4.5 per cent. Sugar and sugar product exports totalled E724.8

million, increasing by 6.8 per cent compared with the previous month and by 2.7 per cent year-on-year. The monthly increase was largely driven by higher export volumes to Botswana and the European Union. Textile and apparel exports declined by 27.2 per cent during June 2026, mainly reflecting lower knitwear consignments to South Africa. Despite the monthly decline, exports remained 2.9 per cent higher than in the corresponding month of the previous year. Exports of wood and wood articles amounted to E256.5 million, declining by 2.3 per cent on a month-on-month basis and by 1.4 per cent compared with June 2025.

The destination of the country's exports remained broadly unchanged during the month, with South Africa accounting for 70.6 per cent of total exports. The remaining 17.4 per cent was destined for the other leading export markets, namely Mozambique (5.1 per cent), Kenya (4.5 per cent), Zimbabwe (3.9 per cent), Nigeria (2.2 per cent), and Uganda (1.7 per cent).

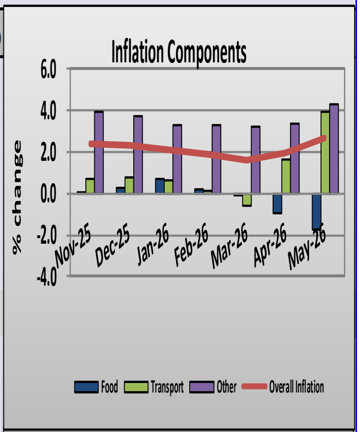
Imports of energy products declined by 8.0 per cent in June 2026, mainly reflecting lower diesel imports during the month. On an annual basis, however, energy imports were 14.9 per cent higher than in June 2025. Machinery and electrical equipment imports increased compared with May 2026, as manufacturers and wholesalers imported more equipment for production upgrades and the fulfilment of orders. These imports amounted to E361.3 million, representing increases of 13.8 per cent month-on-month and 2.9 per cent year-on-year. Imports of unprocessed food totalled E282.1 million during the month, declining significantly by 20.9 per cent compared with May 2026 and by 13.3 per cent when compared to June 2025. The decline was mainly driven by lower imports of cereals, particularly soya beans and maize. Textile and apparel imports amounted to E233.8 million in June 2026, down from E263.0 million in May 2026. Despite the monthly decline, these imports were 9.1 per cent higher than in the corresponding month of the previous year. Vehicle imports increased by 6.2 per cent month-on-month and by 4.0 per cent year-on-year to E207.1 million in June 2026.

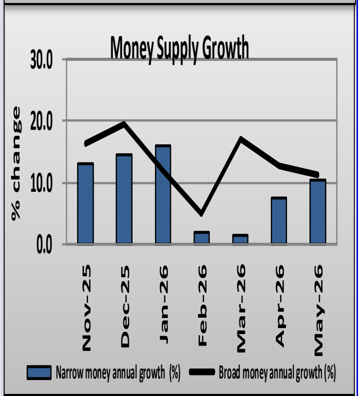
South Africa remained Eswatini's principal source of imports, accounting for 68.4 per cent of the total during the month. A further 17.8 per cent originated from China (8.8 per cent), Ireland (4.0 per cent), India (2.2 per cent), Oman (1.4 per cent), and the United Kingdom (1.3 per cent). These imports largely comprised intermediate and capital goods used in the country's agricultural, manufacturing, mining, and construction sectors.

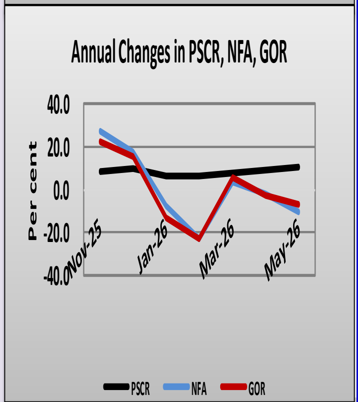
Economic Policy, Research and Statistics Department

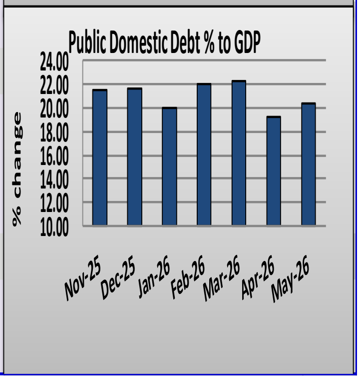
Kingdom of Eswatini Economic Indicators at a glance

Sectors	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Overall Inflation	2.4	2.3	2.1	1.9	1.6	2.0	2.7
Food	0.0	0.3	0.7	0.2	-0.1	-0.9	-1.8
Transport	0.7	0.8	0.6	0.1	-0.6	1.6	4.0
Other	4.0	3.7	3.3	3.3	3.2	3.4	4.3
Money and banking							
Narrow money annual growth (%)	13.1	14.4	15.9	1.9	1.5	7.5	10.4
Broad money annual growth (%)	16.3	19.6	12.0	4.9	17.1	12.8	11.3
Domestic credit (net) - E' Million	22,390.4	24,710.9	23,352.2	24,998.1	25,064.8	24,322.5	25,945.5
Government	442.3	2,303.1	960.8	2,049.4	1,913.6	10,180.5	2,053.7
Private sector	21,948.1	22,407.8	22,391.4	22,948.7	23,151.2	23,304.4	23,891.8
Private sector credit annual growth (%)	8.5	9.8	6.7	6.7	8.1	9.5	10.6
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	2.31	2.31	2.31	2.31	2.31	2.31	2.31
- 12 months	5.03	5.03	5.03	5.03	5.03	5.03	5.03
- T. bill rate	8.20	8.12	8.03	7.98	7.94	7.88	7.91
Ratios							
Liquidity ratio (required = 20 %)	42.3	40.9	37.6	34.5	38.4	34.5	33.0
Loans/deposits ratio	67.6	72.4	73.5	78.9	77.9	81.4	84.1
Net foreign assets (E'million)	14,991.9	10,494.4	10,750.9	8,190.5	7,625.5	8,435.8	6,702.9
Annual % change in NFA	27.2	17.4	-7.5	-22.9	3.5	-2.1	-10.4
Gross official foreign reserves E'Millions	15,475.6	11,672.1	11,232.7	9,518.6	9,648.3	10,165.0	8,742.2
Annual % change in GOR	22.4	15.3	-12.9	-22.7	5.5	-2.7	-6.9
In months of import cover	3.6	2.7	2.6	2.2	2.2	2.3	2.0
Exchange Rates							
US$	17.23	16.87	16.28	16.00	16.72	16.54	16.50
EURO	21.44	19.74	19.10	18.93	19.35	19.35	19.25
GBP	22.63	22.55	22.00	21.74	22.33	22.25	22.24
Public Finance							
Total public domestic debt [E' million]	20,435.77	20,629.20	19,169.00	21,173.60	21,435.60	19,995.40	21,277.48
As a % of GDP	21.46	21.70	20.00	22.00	22.30	19.18	20.41









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