CBE
CENTRAL BANK OF ESWATINI
UMNTSHOLI WEMASWATI

Recent Economic Developments

January/February 2026

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

HIGHLIGHTS ON SELECTED ECONOMIC DEVELOPMENTS	INDICATOR	CHANGE
Headline consumer price inflation fell to 2.1 per cent in January 2026, from 2.3 per cent recorded in the previous month.	Inflation Rate (% y/y)	2.1 (Dec) ▼
The discount and prime lending rates were maintained at 6.75 and 10.25 per cent, respectively, in January 2026.	Discount rate (%)	6.75 —
	Prime lending rate (%)	10.75 —
During the month of February 2026, the Lilangeni/Rand strengthened against the major trading currencies.	Exchange rate (US$)	16.00 (Feb) ▼
Credit extended to the private sector stood at E22.1 billion in January 2025, lower by 1.4 per cent month-on-month and higher by 5.4 per cent year-on-year	Private Sector Credit (% m/m)	1.4 (Jan) ▼
Broad money supply (M2) receded by 2.5 per cent month-on-month to E28.4 billion in January 2025, in line with the observed down trend in net foreign assets.	Broad Money (M2) (% m/m)	2.5 (Jan) ▼
Provisional gross official reserves registered a contraction of 15.4 per cent month-on-month and 22.2 per cent year-on-year to reach E9.5 billion at the end of February 2026.	Reserves (months of import cover)	2.2 (Feb) ▼
At the end of February 2026, the total public debt stock stood at an estimated E38.8 billion, equivalent to 40.4 per cent of GDP.	Total Public Debt (% of GDP)	40.4 (Feb) ▲
Eswatini's trade surplus improved to E162.3 million in February 2026, up from E58.7 million in January 2026.	Trade Balance (% of GDP)	0.72 (Feb) ▲

NB: The table shows the most recent available data.

1. INFLATION DEVELOPMENTS.

Eswatini's annual consumer price inflation maintained its downward trajectory for the third consecutive month, declining by 0.2 of a percentage point, to record 2.1 per cent in January 2026. Contributing to this marginal slowdown were slower increases in the price indices for 'education', 'recreation & culture'.

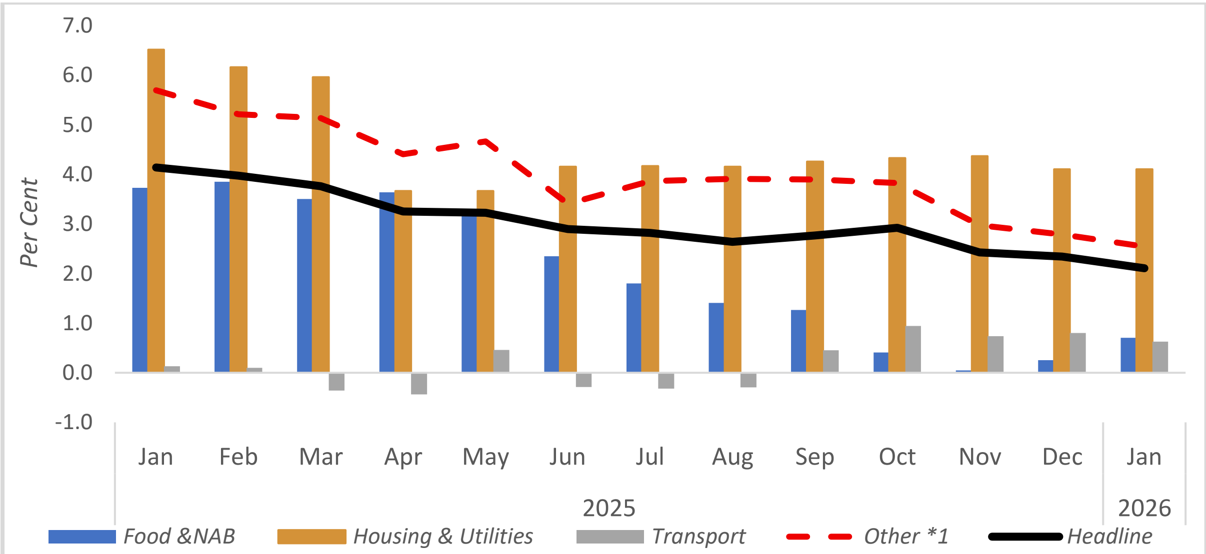
The growth rate in the price index for 'education' declined to 2.7 per cent in January 2026, from 4.6 per cent in the previous month. The moderation was attributable to slower increases in school fees at 'pre-primary & primary education', as well as 'secondary education'. The growth rate for 'pre-primary & primary education' price index fell by 3.3 percentage points to 6.2 per cent, while 'secondary education' price index declined by 2.4 percentage points to 3.1 per cent. Similarly, the growth rate in the price index for 'recreation and culture' moderated by 1.5 percentage points to 2.3 per cent in January 2026, driven by slower increases in the prices of 'audio-visual, photographic & information processing equipment', and 'other major durables for recreation & culture'.

Additionally, disinflationary pressures were observed in the price index for 'transport', which slowed by 0.2 percentage points to 0.6 per cent. This marginal moderation emanated from easing prices for 'purchasing of motor cars', which declined by 0.7 per cent, during the review period. Similarly, the index for 'miscellaneous goods & services' recorded 3.1 per cent, owing to decreases in the prices of 'hairdressing salons', 'transport insurance premiums', and 'other services'.

Contrariwise, an uptick in inflationary pressures were observed in the price indices for 'food & non-alcoholic beverages', 'alcohol beverages, tobacco, & narcotics', and 'restaurants & hotels'. Food inflation stood at 0.7 per cent in January 2026, reflecting mixed developments within the food basket. Prices of 'bread and cereals' and 'vegetables' remained in a deflationary zone, while the prices of meat (especially beef), fruits and 'sugar, jam, honey, chocolate and confectionery' prices edged higher due to supply factors. The index for 'alcohol beverages' grew by 0.8 percentage points to 5.0 per cent, reflecting higher prices for 'wine', and 'beer'. Moreover, the index for 'restaurants & hotels' grew by 7.5 percentage points to 2.1 per cent, driven by higher prices for 'accommodation services'.

On a month-on-month basis, consumer price inflation recorded 0.3 per cent in January 2026, relative to zero per cent in December 2025. Upward pressures were observed in the prices for 'education', 'miscellaneous goods & services', 'furnishing', 'recreation & culture', as well as' food & non-alcohol beverages'. Downward pressures were observed in the prices for 'alcohol beverages', 'clothing and footwear', and 'restaurants & hotels'. Core inflation (which is CPI excluding volatile items such as food, auto-fuel, and energy) declined further by 0.5 percentage points to 2.3 per cent in January 2026, while on a month-on-month basis it increased by 0.3 percentage points to record 0.3 per cent. Supply-side pressures remained subdued, as the CPI for goods fell to 2.2 per cent, reflecting a 0.1 percentage point moderation, mainly due to falling prices for durable goods.

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

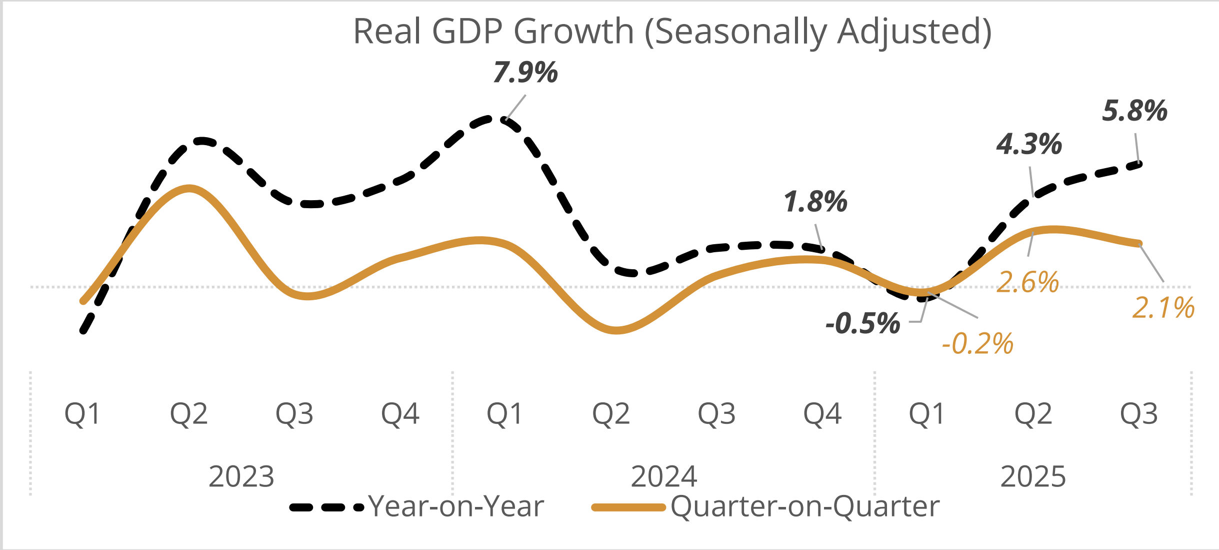


Source: *Central Statistical Office (CSO)*

2. QUARTERLY GDP DEVELOPMENTS.

Aggregate economic activity, as measured by real Gross Domestic Product (GDP) accelerated by 5.8 per cent year-on-year (seasonally adjusted) in the third quarter of 2025, relative to the revised growth of 4.3 per cent growth recorded in the previous quarter. Growth was broad-based across all three (3) sectors of the economy, anchored by a robust recovery in the primary sector, alongside sustained momentum in the secondary and tertiary sectors. On a quarter-on-quarter basis, real GDP grew at a slower pace of 2.1 per cent (seasonally adjusted), following the revised expansion of 2.6 per cent recorded in the preceding quarter.

Figure 2: Eswatini Quarterly GDP Trends; 2023Q1 to 2025Q3



Source*: *Central Statistical Office (CSO)

In a pivotal shift, the primary sector exited its recent slump, rebounding strongly with an 11.8 per cent year-on-year growth in the third quarter of 2025, thereby contributing 0.9 percentage points to the overall growth rate of total industries. The primary catalyst for this performance was the 'mining and quarrying' subsector, which expanded by 65.3 per cent in the third quarter of 2025, depicting a strong recovery from the 22.7 per cent contraction recorded in the previous quarter. This growth signifies a rebound from demand-side disruptions that had previously constrained extraction activities, signaling a resurgence in the local coal industry.

The 'agriculture and forestry subsectors' also improved, posting a year-on-year growth of 1.7 per cent in the third quarter of 2025, compared to a 9.4 per cent contraction in the second quarter of the same year. Notable growth stemmed from the 'forestry' subsector, which recovered from a 9.4 per cent decline to a growth of 13.4 per cent in the quarter under review, reflecting relatively stronger external demand for forestry products on a year-on-year basis. However, activity in the 'growing of crops' and 'animal production' subsectors remained subdued.

The secondary sector, which accounts for 37.7 per cent of total industries, rose by 9.9 per cent year-on-year in the third quarter of 2025, up from 6.8 per cent in the previous quarter. As a key anchor of the overall GDP outcome, the sector contributed 3.7 percentage points to the 5.8 per cent aggregate growth. Growth was observed in the 'manufacturing', 'electricity supply' and 'construction' subsectors, while the 'water & sewerage' subsector recorded a slight contraction.

The manufacturing sector, a key driver of industrial activity, grew by 10.0 per cent in the third quarter of 2025, compared to 6.3 per cent growth in the previous quarter. This continued recovery reflects a stabilisation in external demand for non-food export-oriented commodities.

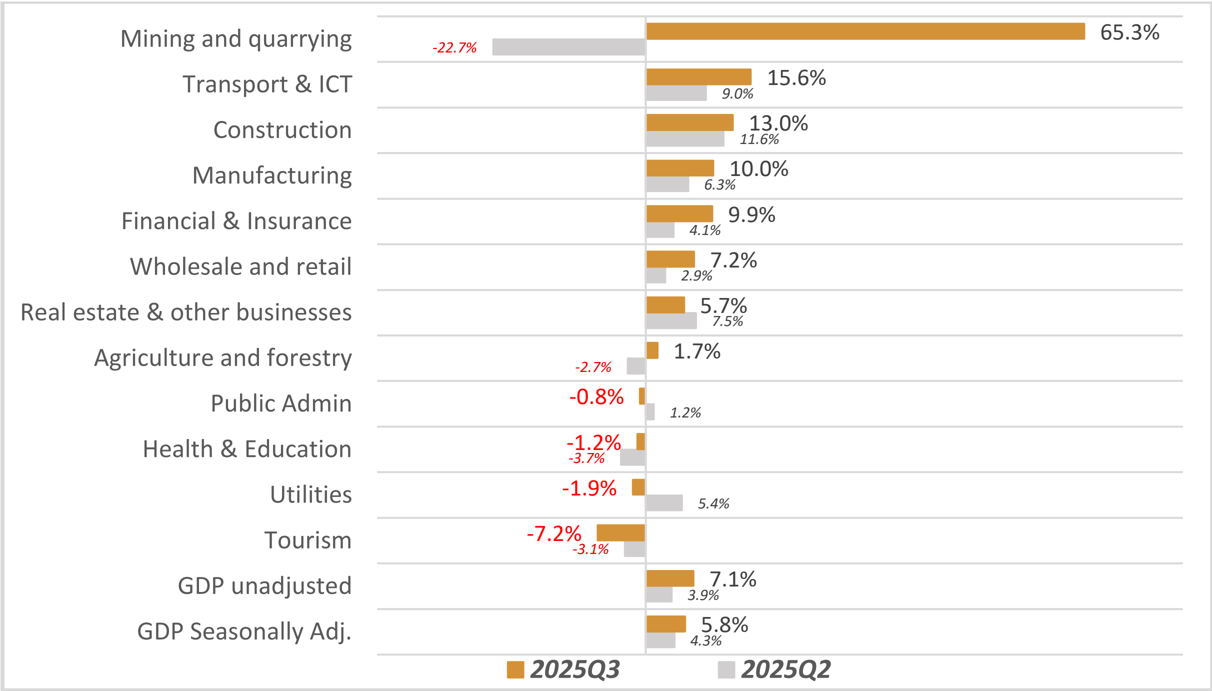
Within the utilities subsectors, ‘electricity supply’ subsector registered 5.6 per cent growth, supported by stable local generation and distribution capacity. In contrast, the ‘water supply’ subsector contracted 13.5 per cent during the quarter under review, following 4.4 per cent growth in the second quarter, partly linked to a decline in the number of treated water customers during the quarter.

The construction subsector exhibited strong momentum, expanding by 13.0 per cent during the quarter under review, compared to 11.6 per cent in the preceding quarter. Sustained double-digit growth in this subsector continues to be underpinned by the implementation of major public infrastructure projects and ongoing private sector developments across the Kingdom. Collectively, these subsectors offset moderated growth in other areas, ensuring the secondary sector remained a vital engine of economic expansion during the period.

Growth in the tertiary sector also strengthened, increasing by 6.2 per cent year-on-year, compared to 4.1 per cent growth recorded in the second quarter. Robust growth was primarily driven by the 'information and communication' subsector, which grew by 30.6 per cent, a significant acceleration from the 17.5 per cent growth registered in the quarter ending June 2025. This surge reflects the continued roll-out of innovative digital products and expanded FINTECH services nationwide. Other key drivers within the services sector included the ‘wholesale & retail’ subsector, which grew by 7.2 per cent, up from 2.9per cent in the previous quarter, while ‘financial & insurance activities’ expanded by 9.9 per cent, compared to 4.1 per cent in the preceding quarter.

While public administration and tourism-related indicators showed mixed trends, the overall tertiary sector benefitted from strong activity in core service industries, including transport and trade, ensuring the sector remained a dominant contributor to the quarterly GDP outcome.

Figure 3: Selected Sector Growth Rates (Year-on-Year)

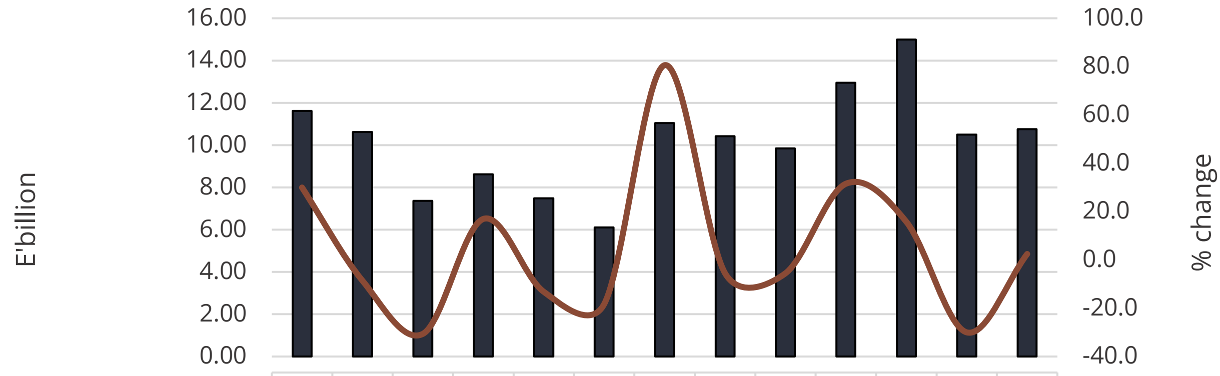


Source: *Central Statistical Office (CSO)*

3. MONEY SUPPLY AND BANKING DEVELOPMENTS.

Net foreign assets (NFAs) recorded a moderate recovery, expanding by 2.4 per cent month-on-month to E10.8 billion in January 2026; following a contraction of 30.0 per cent in December 2025. Despite the month-on-month growth, NFAs fell by 7.5 per cent year-on-year. The month-on-month growth was mainly driven by NFAs of the banking sector, which offset a decline in the NFAs of the official sector. Consequently, NFAs of the banking sector surged by 34.6 per cent month-on-month and 42.8 per cent year-on-year to E2.5 billion. The expansion was largely underpinned by an accumulation of investments within the Common Monetary Area during the month under review. In contrast, the NFAs of the official sector declined by 4.4 per cent month-on-month and 16.3 per cent year-on-year to E8.3 billion in January 2026. The month-on-month decrease was largely attributed to a net outflow of foreign exchange to meet demand from the banks, coupled with payment of Government's fiscal obligations. When valued in special drawing rights (SDR), NFAs stood at SDR486.7 million in January 2026, posting growth of 5.5 per cent month-on-month and 0.9 per cent year-on-year.

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

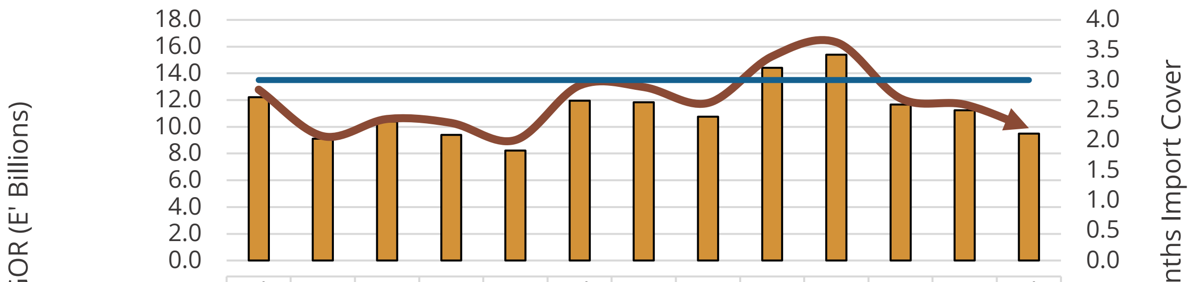


	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
NFA (E'billion))	11.62	10.62	7.37	8.62	7.48	6.11	11.03	10.43	9.85	12.95	14.99	10.49	10.75
NFA (% change)	30.0	-8.6	-30.6	16.9	-13.2	-18.3	80.6	-5.5	-5.5	31.5	15.8	-30.0	2.4

Source: Central Bank of Eswatini & Other Depository Corporations

Provisional gross official reserves declined for the third consecutive month in February 2026, largely driven by a combination of net foreign exchange outflows and the financing of fiscal expenditures. As a result, the reserves contracted notably by 15.3 per cent month-on-month and 22.8 per cent year on year, closing at E9.5 billion in February 2026. Consistent with the decline in reserves, the import cover eased to 2.2 months in February 2026, down from 2.6 months in January 2026 and below the internationally recommended threshold of 3.0 months. When valued in SDRs, the reserves decreased by 14.8 per cent month-on-month and year-on-year to close at SDR433.2 million.

Figure 5: Gross Official Reserves and Import Cover; January 2025 to January 2026

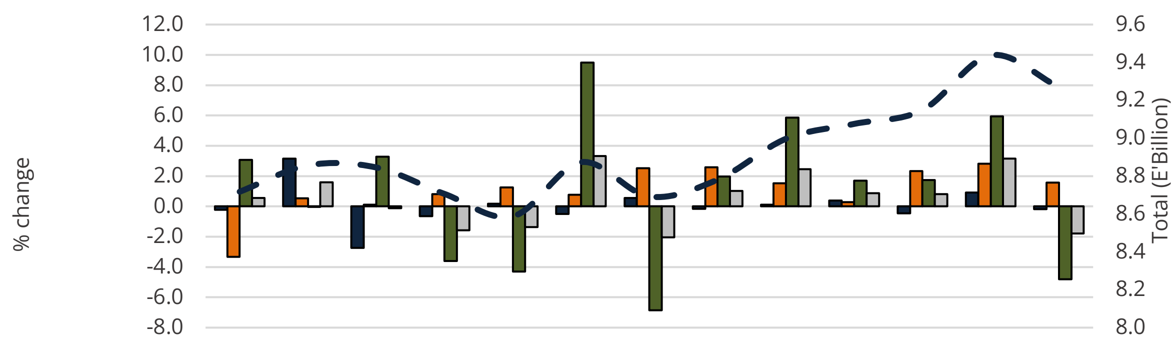


	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
GOR	12.2	9.1	10.4	9.4	8.2	11.9	11.8	10.8	14.4	15.4	11.7	11.2	9.5
Import Cover	2.8	2.1	2.4	2.3	2.0	2.9	2.9	2.6	3.4	3.6	2.7	2.6	2.2
threshold	3	3	3	3	3	3	3	3	3	3	3	3	3

Source: Central Bank of Eswatini

Credit extended to the private sector contracted by 1.4 per cent month-on-month to E22.1 billion in January 2026, reversing the 2.1 per cent expansion recorded in December 2025. Notwithstanding the month-on-month decline, private sector credit remained strong on an annual basis, increasing by 5.3 per cent year-on-year. The month-on-month decline was broad-based, with reductions observed across all credit categories, including credit to businesses, households & non-profit institutions serving households (NPISH), as well as other domestic sectors.

Figure 6: Household Credit Monthly Changes; January 2025 to January 2026.



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Housing	-0.2	3.2	-2.7	-0.6	0.2	-0.5	0.5	-0.2	0.1	0.4	-0.4	0.9	-0.2
Motor Vehicles	-3.3	0.5	0.1	0.8	1.3	0.8	2.5	2.6	1.5	0.3	2.3	2.8	1.6
Other (Unsecured)	3.1	0.0	3.3	-3.6	-4.3	9.5	-6.9	2.0	5.9	1.7	1.7	5.9	-4.8
Total	0.5	1.6	-0.1	-1.6	-1.4	3.3	-2.0	1.0	2.5	0.9	0.8	3.2	-1.8
Total (E'Billion)	8.7	8.9	8.8	8.7	8.6	8.9	8.7	8.8	9.0	9.1	9.1	9.4	9.3

Source: Central Bank of Eswatini & Other Depository Institutions.

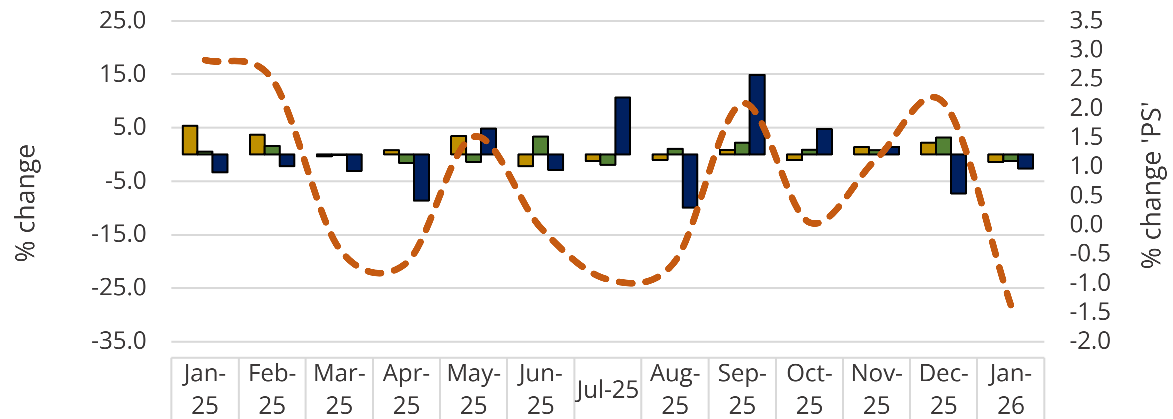
In January 2026, credit extended to the business sector recorded its first month-on-month contraction since October 2025, falling by 1.4 per cent month-on-month to E11.7 billion. However, on an annual basis, credit to businesses expanded by 5.0 per cent. Further analysis indicated that the decrease was predominantly driven by the distribution & tourism sub-sector, which declined by 10.6 per cent. Additional moderate reductions were recorded in mining & quarrying (-2.6 per cent), real estate (-2.1 per cent), and transport & communications (-0.7 per cent). In contrast, credit growth was recorded in manufacturing (12.6 per cent), construction (10.3 per cent), agriculture & forestry (6.5 per cent) and community, social & personal services (3.9 per cent).

A disaggregation of business credit by enterprise size revealed mixed trends in January 2026. Credit to small & medium enterprises (SMEs) increased by 1.5 per cent to E3.9 billion, representing 33.2 per cent of total credit to businesses. In contrast, credit to large enterprises fell by 2.8 per cent to E7.8 billion in January 2026, although it continued to account for the majority share of 66.8 per cent.

Credit to households and NPISH contracted in January 2026, breaking the sustained month-on-month expansionary trend observed since August 2025. Against this backdrop, credit extended to households and NPISH declined by 1.3 per cent month-on-month to close at E9.3 billion. However, on an annual basis, credit to households rose by 6.9 per cent. The month-on-month contraction was driven by other personal (unsecured) loans, which fell by 3.7 per cent to E3.6 billion, alongside a marginal reduction in mortgage loans of 0.2 per cent to E4.3 billion. These declines were partially offset by credit to motor vehicle loans, which grew by 1.8 per cent to E1.4 billion.

Credit to other domestic sectors receded by 2.8 per cent month-on-month and 3.3 per cent year-on-year to E1.1 billion in January 2026. The decline was recorded across all subsectors during the month under review. Credit to other financial corporations contracted by 5.4 per cent to E504.7 million, followed by credit to local government, which declined by 1.8 per cent to E84.3 million, while credit to parastatals decreased by 0.3 per cent to E498.5 million.

Figure 7: Private Sector Credit Monthly Changes; January 2025 to January 2026.



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
BCr	5.4	3.7	-0.4	0.8	3.4	-2.2	-1.2	-1.0	0.9	-1.1	1.4	2.2	-1.4
HH	0.5	1.6	-0.1	-1.6	-1.4	3.3	-1.9	1.1	2.2	0.9	0.8	3.2	-1.2
Other	-3.4	-2.2	-3.1	-8.6	4.9	-2.9	10.6	-9.9	14.9	4.7	1.4	-7.3	-2.6
Total PS	2.8	2.5	-0.4	-0.7	1.5	0.0	-0.9	-0.6	2.1	0.0	1.1	2.1	-1.4

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

Source: Central Bank of Eswatini & Other Depository Corporations

Government's net balances with the banking sector fell sharply in January 2026, declining to E885.7 million from E2.3 billion in December 2025. The decrease mainly reflected the repayment of the outstanding Central Bank advance, financed through Southern African Customs Union (SACU) receipts during the review month. As a result, claims on Government receded notably by 11.8 per cent to E7.5 billion in January 2026. Meanwhile, Government deposits rose by 6.6 per cent to E6.7 billion, supported by SACU receipts, which strengthened fiscal balances during the month under review.

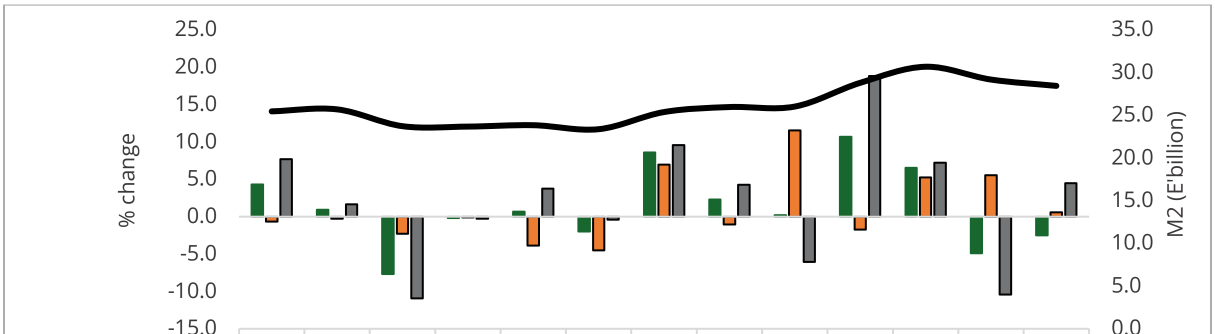
Non-performing loans (NPLs) of the banking sector fell notably by 11.6 per cent month-on-month and 18.0 per cent year-on-year to E1.1 billion in January 2026, indicating an improvement in the quality of the banks' loan book. In line with this decline, the NPL ratio decreased by 0.7 percentage points month-on-month and 1.8 percentage points year-on-year to reach 6.0 per cent. The improvement in NPLs was primarily driven by the business sector, notably the real estate, transport & communications, community & social services as well as distribution & tourism sub-sectors.

Broad money supply (M2) decreased by 2.5 per cent month-on-month to E28.4 billion in January 2026, consistent with the decrease in private sector credit. However, year-on-year, M2 rose by 11.7 per cent. The month-on-month reduction in M2 was driven by quasi money supply, which offset the expansion in narrow money supply (M1).

Quasi-money supply continued its downward trend in January 2026, contracting by 4.5 per cent month-on-month but expanded by 9.1 per cent year-on-year to settle at E17.1 billion. The month-on-month decline was driven by both components; time and savings deposits which fell by 4.7 per cent to E14.9 billion and 2.9 per cent to E2.2 billion, respectively. These developments reflected a shift in depositors' preferences towards more liquid deposits during the month under review.

Meanwhile, M1 recorded growth in January 2026, increasing by 0.6 per cent month-on-month and 15.9 per cent year-on-year to E11.3 billion. The growth was driven by a 1.6 per cent increase in transferable (demand) deposits, which rose to E10.4 billion, as households and businesses kept more funds in their bank accounts for transactional purposes. In contrast, currency outside the banking sector declined by 8.4 per cent to E954.6 million, indicating that the public continued to hold less physical cash during the month.

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



	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26
M2	4.3	0.9	-7.7	-0.2	0.7	-2.0	8.6	2.3	0.2	10.7	6.5	-4.9	-2.5
M1	-0.7	-0.3	-2.3	-0.1	-3.9	-4.5	7.0	-1.0	11.5	-1.7	5.2	5.5	0.6
Quasi	7.7	1.7	-11.0	-0.3	3.7	-0.4	9.6	4.3	-6.1	18.9	7.2	-10.4	4.5
M2 (E'billion)	25.5	25.7	23.7	23.7	23.8	23.4	25.4	26.0	26.0	28.8	30.7	29.2	28.44

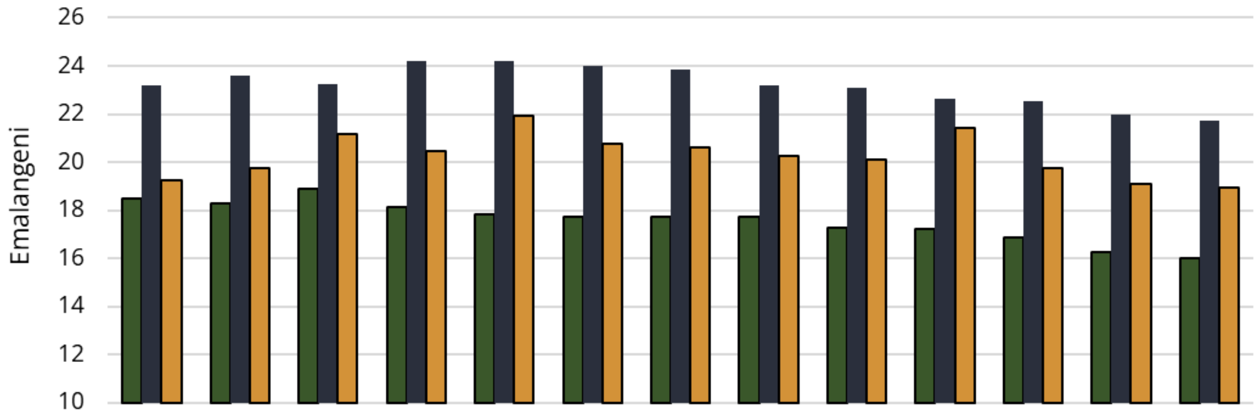
Source: Central Bank of Eswatini & Other Depository Institutions.

During the month of February 2026, the Lilangeni/Rand strengthened against the major trading currencies. The Rand, along with the Lilangeni, broke through the E16-mark against the US Dollar, driven by an improved fiscal stance in South Africa, with a firm strategy to reduce government debt levels. The Rand's strength was further enhanced by the adoption of lower inflation target by the South African Reserve Bank (SARB) to be in line with other emerging economies. Compared to January 2026, the Lilangeni appreciated by 1.7 percent against the US dollar to average E16.00 in February 2026

The South African Rand strengthened on average through the month of February 2026. Driving the appreciation, were the South African National Treasury delivering a budget that emphasized on a continued primary surplus and a deficit path narrowing over the medium term; and externally, the terms of trade channel provided support. Gold advanced strongly over the month, consistent with the safe haven bid referenced by SARB. A firmer gold price would typically support the external balance.

The Lilangeni also appreciated by 1.2 percent and 0.9 percent against the Pound Sterling and the Euro to close the month of February 2026 at averages of E21.74 and E18.93, respectively. At the end of January 2026, the domestic unit was trading at E15.92 to the US Dollar, E21.88 to the Pound Sterling and E18.97 to the Euro.

Figure 9: Average Exchange Rates; January 2025 to January 2026



	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
USD	18.50	18.29	18.91	18.11	17.84	17.75	17.73	17.74	17.28	17.23	16.87	16.28	16.00
GBP	23.18	23.60	23.25	24.20	24.18	23.99	23.83	23.17	23.08	22.63	22.55	22.00	21.74
Euro	19.26	19.75	21.18	20.44	21.91	20.75	20.61	20.24	20.12	21.44	19.74	19.10	18.93

Source: Central Bank of Eswatini.

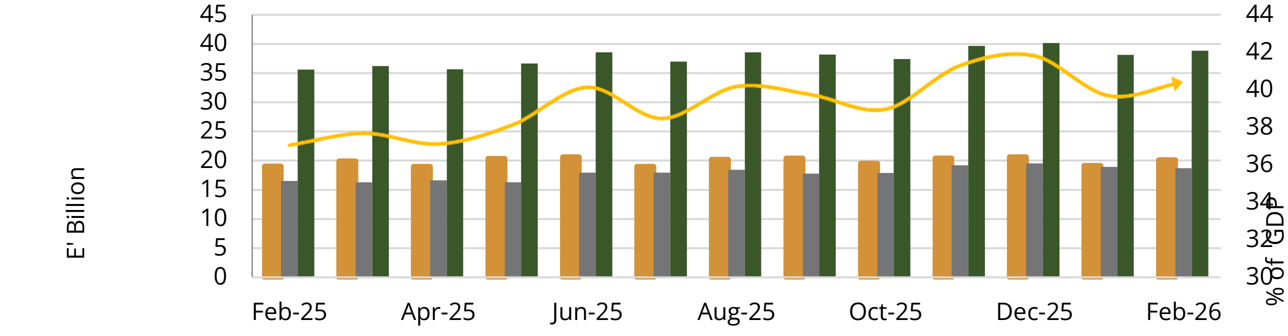
4. TOTAL PUBLIC DEBT

Preliminary figures indicate that total public debt stood at E38.8 billion, equivalent to 40.4 per cent of GDP, at the end of February 2026. This shows an increase of 1.9 per cent from the E38.1 billion recorded in January 2026. The growth was driven by a rise in domestic debt.

Public External Debt

At the end of February 2026, public external debt stood at E18.7 billion, down from E18.9 billion recorded in the previous month, denoting a decline of 1.3 per cent. The decrease was due to repayments made on external loans, coupled with a slight strengthening of the Lilangeni against major foreign currencies during the month under review.

Figure 10: Total Public Debt February 2025 to January 2026



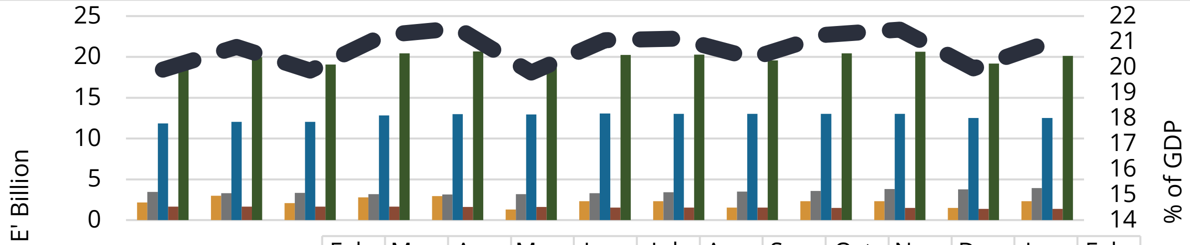
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Domestic	19.1	19.9	19.0	20.4	20.6	19.0	20.2	20.4	19.6	20.4	20.6	19.2	20.1
External	16.5	16.3	16.6	16.3	17.9	17.9	18.4	17.8	17.9	19.2	19.5	18.9	18.7
Total	35.6	36.2	35.6	36.6	38.6	37.0	38.6	38.2	37.4	39.7	40.2	38.1	38.8
% of GDP (RHS)	37.0	37.7	37.1	38.1	40.1	38.5	40.2	39.7	39.0	41.3	41.8	39.7	40.4

Source: Central Bank of Eswatini & Ministry of Finance

Domestic Debt

In February 2026, domestic debt stood at E20.1 billion, equivalent to 21 per cent of GDP. This represents an increase of 5 per cent compared to E19.2 billion recorded in January 2026. The rise was mainly driven by an additional E830 million draw-down by Government from the advance facility.

Figure 11: Outstanding Domestic Debt; February 2025 to January 2026



	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
CBE Advance	2.2	3.0	2.1	2.8	2.9	1.3	2.3	2.3	1.5	2.3	2.3	1.5	2.3
T-Bills	3.4	3.3	3.3	3.2	3.2	3.2	3.3	3.4	3.5	3.6	3.8	3.8	3.9
Bonds	11.9	12.1	12.0	12.8	13.0	12.9	13.1	13.0	13.0	13.0	13.0	12.5	12.5
Loans	1.7	1.6	1.7	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.4	1.4
Total	19.1	20.0	19.1	20.4	20.7	19.0	20.2	20.3	19.6	20.4	20.6	19.2	20.1
% of GDP (rhs)	19.9	20.8	19.9	21.3	21.5	19.8	21.1	21.1	20.4	21.3	21.5	20.0	21.0

Source: Central Bank of Eswatini

Table 1: Domestic Debt Instruments Outstanding by Holder on 28 February 2026

Holder	Treasury Bills	Government Bonds	CBE Advance	Total	Share of Holdings (%)
CBE	5.8	599.6	2,323.4	2,928.7	15.6
Commercial banks	1,857.2	3,142.7		4,999.9	26.7
NBFIs	1,571.0	6,739.4		8,371.3	44.6
Foreign Institutions	0.0	192.0		192.0	1.0
Other	349.6	1,832.3		2,269.3	12.1
TOTALS	**3,783.6**	**12,505.9**	**2323.4**	**18,761.2**	**100**

Source: Central Bank of Eswatini

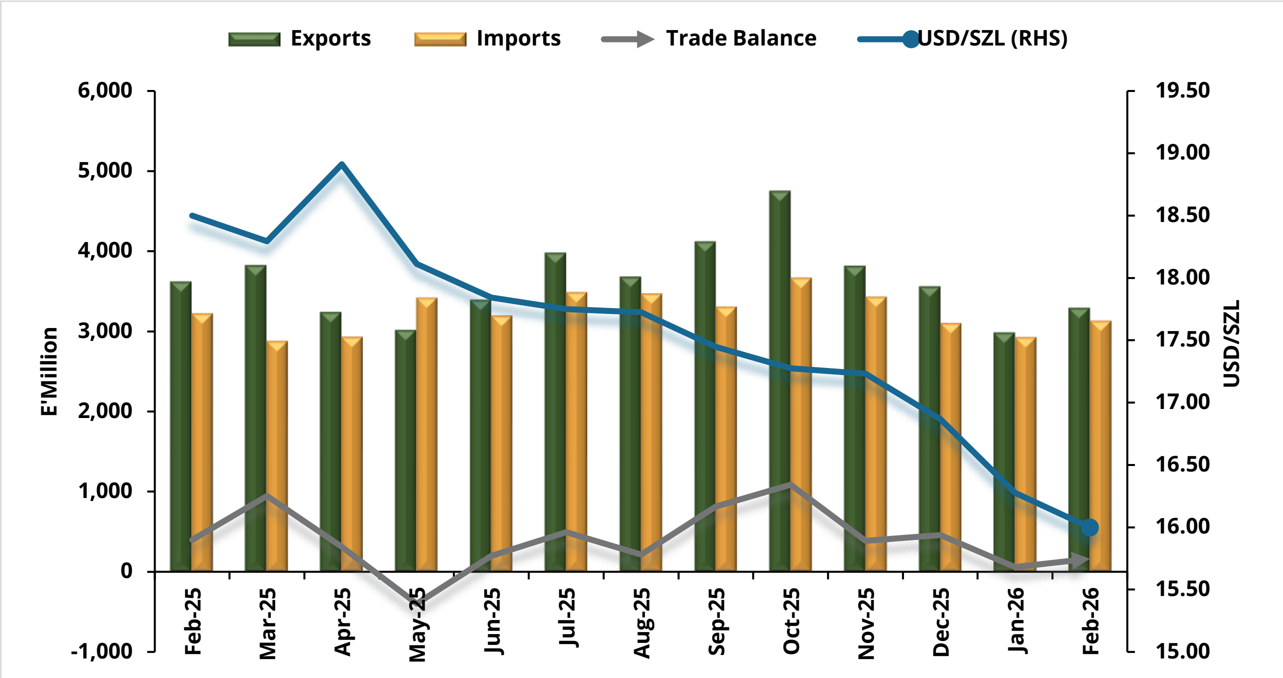
Non-bank financial institutions (NBFIs) continued to hold a significant share of long-term securities, while commercial banks maintained their holdings of short-term securities, reflecting the investment preferences within their respective portfolios.

5. THE EXTERNAL SECTOR.

Trade Flows

Eswatini's trade surplus increased to E162.3 million in February 2026, up from E58.7 million in January 2026. The increase was mainly driven by higher export growth relative to imports. Export earnings rose by 10.3 per cent month-on-month to E3.3 billion, as sugar and textile exports were higher in the month. However, exports declined by 9.0 per cent year-on-year, driven by lower sugar exports compared to February 2025. Imports reached E3.1 billion in the review month, increasing by 7.0 percent month-on-month, influenced by higher textile imports. Year-on-year, imports decreased by 2.8 per cent compared to the same period last year. Seasonally adjusted estimates indicate that exports amounted toE3.5 billion and imports were valued at E3.2 billion in February 2026, resulting in a seasonally adjusted trade surplus of E269.5 million.

Figure 12: Merchandise Trade; February 2025 – February 2026



Trade Direction

Direction of trade analysis shows that South Africa continued to be Eswatini's dominant trading partner in February 2026, accounting for **73.0 per cent of exports** and **71.8 per cent of imports**. Other notable export destinations included Kenya, Nigeria, Mozambique, Namibia, and Uganda, which collectively represented **16.1 per cent of exports**. On the import side, China, the United States of America, Germany, India, and the United Arab Emirates jointly accounted for **15.9 per cent of total imports** during the month.

Export Commodity Performance

In February 2026, **soft drink concentrates** exports amounted to E1.3 billion, declining by 1.5 per cent month-on-month and 6.2 per cent year-on-year. Exports **of sugar and sugar products** totaled E750.0 million, a notable 26.1 per cent increase compared to January 2026, as exports to South Africa were 17.7 per cent higher in the month. Year-on-year, these exports were 32.4 per cent lower as sugar prices remain depressed. Exports of **textile and textile apparel** grew to E284.6 million, rising by 27.0 per cent from the preceding month, supported by increased volumes of footwear as well as knitted and non-knitted textile fabrics. These exports grew by 1.4

per cent year-on-year. Exports of **wood and wood articles** rose to E254.9 million, increasing significantly by 21.5 percent month-on-month and 16.6 per cent year-on-year.

E209.8 million, increasing by 16.4 per cent month-on-month while recording a marginal 0.4 per cent decline year-on-year.

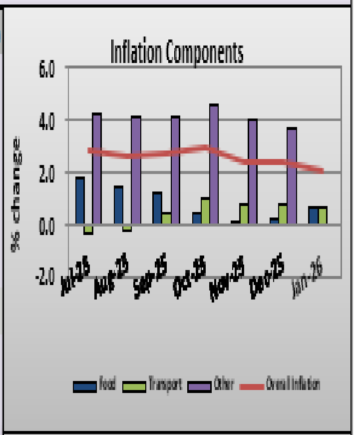
Import Commodity Performance

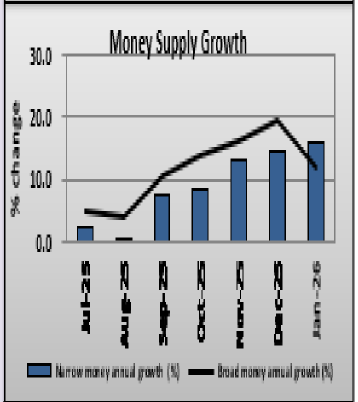
Energy products imports (i.e., fuel and electricity) were valued at E467.6 million in February 2026, declining by 5.8 per cent month-on-month and 3.2 per cent year-on-year owing to the prevailing lower fuel prices. Imports of machinery and electrical equipment totaled E372.1 million, reflecting 5.2 per cent month-on-month growth but a marginal 0.5 per cent decline compared to February 2025. Animal and vegetable products imports increased by 6.0 per cent month-on-month to E335.2 million. This was bolstered by increased imports of dairy produce, edible fruits, and other vegetable extracts in the month. However, these imports fell by 6.2 per cent year-on-year, mainly driven by reduced imports of animal products, cereals, and oil seeds. Imports of textile and textile apparel surged by 41.0 per cent from January 2026 to E247.0 million in February 2026 supported by higher imports of cotton, man-made staple fibers, knitted or crocheted fabrics, and other made-up textile articles. On a year-on-year basis, textile imports declined by 4.8 percent, influenced by lower purchases of cotton compared to the same period last year. Vehicle imports amounted to E195.8 million in the month, up 22.0 per cent month-on-month but down 3.4 per cent year-on-year.

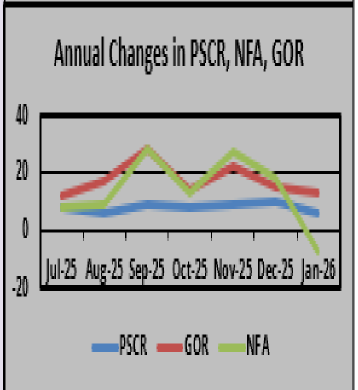
Economic Policy, Research and Statistics Department

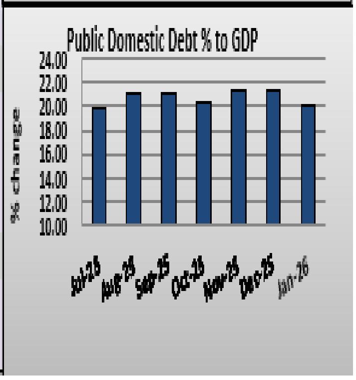
Kingdom of Eswatini Economic Indicators at a glance

Sectors	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Overall Inflation	2.8	2.6	2.8	2.9	2.4	2.3	2.1
Food	1.8	1.4	1.3	0.4	0.0	0.3	0.7
Transport	-0.3	-0.3	0.5	0.9	0.7	0.8	0.6
Other	4.3	4.1	4.1	4.6	4.0	3.7	3.0
Money and banking							
Narrow money annual growth (%)	2.4	0.3	7.7	8.4	13.1	14.4	15.9
Broad money annual growth (%)	4.9	4.0	10.3	13.9	16.3	19.6	11.7
Domestic credit (net) - E' Million	21,265.4	22,179.2	23,290.6	23,024.9	22,390.4	24,710.9	22,976.4
Government	-117.8	929.1	1,597.8	1,322.7	442.3	2,303.1	885.7
Private sector	21,383.2	21,250.2	21,692.8	21,702.2	21,948.1	22,407.8	22,090.7
Private sector credit annual growth (%)	7.7	5.9	8.9	8.2	8.5	9.8	5.3
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	9.19	9.06	8.64	8.23	8.20	8.12	8.03
Ratios							
Liquidity ratio (required = 20 %)	33.5	35.9	34.3	42.3	42.3	40.9	37.6
Loans/deposits ratio	78.2	76.7	77.2	70.9	67.6	72.4	72.5
Net foreign assets (E'million)	11,034.6	10,426.0	9,847.6	12,950.2	14,991.9	10,494.4	10,750.9
Annual % change in NFA	7.6	8.7	27.6	12.7	27.2	17.4	-7.5
Gross official foreign reserves E'Millions	11,949.0	11,836.5	10.7	14.4	15.5	11.7	11,232.74
Annual % change in GOR	12.2	16.7	27.9	14.2	22.4	15.3	12.9
In months of import cover	2.8	2.8	2.5	3.4	3.6	2.7	2.2
Exchange Rates							
US$	17.84	17.75	17.73	17.45	17.23	16.87	16.00
EURO	21.91	20.75	20.61	20.47	21.44	19.74	18.93
GBP	24.18	23.99	23.83	23.57	22.63	22.55	21.74
Public Finance							
Total public domestic debt [E' million]	19,008.00	20,168.5	20,382.4	19,554.5	20,435.8	20,629.2	19,200.0
As a % of GDP	19.79	20.99	21.22	20.35	21.27	21.47	20.00









NB: For consistency, the table shows data up to the end of December 2025.