



GOVERNMENT OF ESWATINI

MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT

Macro-economic Analysis and Research Unit

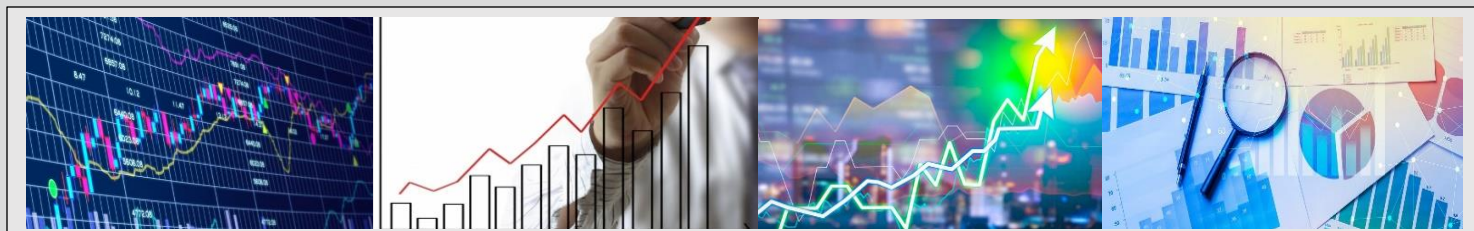
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HIGHLIGHTS FOR Third Quarter of 2019

INTERNATIONAL DEVELOPMENTS

- Global growth projections revised downward to 3.0 percent for 2019 due to higher uncertainty surrounding trade and geo-political factors and lowered productivity in advanced economies.
- Global flow of goods continued to weaken in the third quarter of 2019.
- Sub-Saharan Africa projected to grow by 3.2 percent in 2019 due to improved global oil prices favoring oil-exporting African countries.
- Global Energy and Sugar prices continue on a downward trend on an annualized basis.
- Exports grew by 26 percent from the second quarter while imports grew by 5 percent.

DOMESTIC DEVELOPMENTS

- Gross Domestic Product (GDP) for the third quarter of 2019 is estimated to have grown by 0.4 percent. This compares unfavourably with the revised growth figure of 4.5 percent from 6 percent in Q2.
- Headline inflation decelerated by 3.1 percentage points from the third quarter of 2018 due to the continued effect of freeze on utilities tariff hikes.
- Government revenue collection increased by 6 percent on a year-on-year basis.
- Gross official reserves declined by 17.5 percent compared to 2018 third quarter, sufficient to cover 2.3 months of imports.
- Merchandize trade balance surplus continued, with growth reflected on both a quarterly and yearly basis.
- Public Debt was recorded at E19.6 billion in quarter three of 2019 reflecting a 7.1 percent increase from the second quarter.

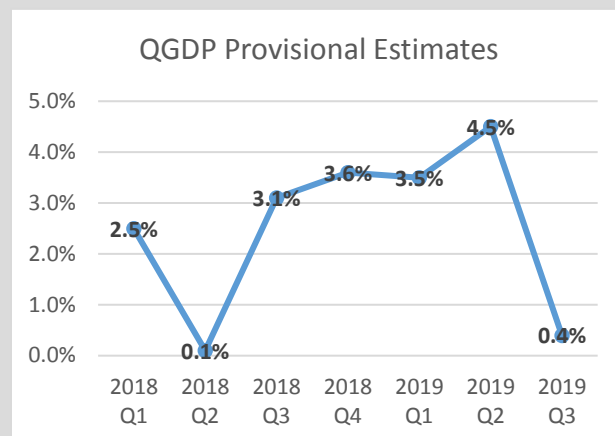
A Snapshot of Domestic Economic Activity – 2019 Quarter 3.

According to the recent release by the Central Statistics Office, Gross Domestic Product (GDP) grew by 0.4 percent in the third quarter of 2019, on a year-on-year basis. This growth is a significant drop in economic activity from the growth experienced in the second quarter which has also been revised downwards from an earlier estimated figure of 6 percent to 4.5 percent. These figures for the second quarter have been firmed up as more comprehensive data became available. Even though the third quarter figures reflect a drop in activity, the positive increase of 0.4 percent was mainly driven by improved performance in manufacturing-related activities. These revised figures were more pronounced for the manufacturing and agriculture sectors which are salient to domestic GDP. On a quarter-on-quarter comparison, third quarter GDP is down by 0.1 percent.

The manufacturing sector, which accounts for 30 percent of total GDP, contributed 3.22 percent to overall growth in the third quarter (Q3). This was mainly attributed to the significant performance of the 'manufacture of beverages' sub-sector but counteracted by the adverse performance of the 'manufacture of textile' sub-sector (-0.5 percent). Other sectors such as wholesale & retail, IT - related services and food & beverages services contributed negatively to the overall growth in the period under review.

The overall GDP growth for 2019 is estimated at 1.4 percent.

Quarterly GDP Trends



Provisional vs Revised Estimates

Industry	Preliminary	Revised Estimates	Difference
Manufacture of beverages	3,87%	3,49%	↓ -0,38%
Food and beverage service activities	-0,01%	-0,68%	↓ -0,66%
Growing of crops: Individual tenure farms	-0,22%	-0,21%	↑ 0,01%
Processing and preserving of meat	-0,26%	-0,12%	↑ 0,14%
Manufacture of textiles	-0,17%	-0,16%	↑ 0,00%
Construction	-0,89%	-0,41%	↑ 0,48%
Wholesale and retail trade and repair of motor vehicles and motorcycles	-0,75%	-0,73%	↑ 0,01%
Wholesale trade, except of motor vehicles and motorcycles	0,62%	0,65%	↑ 0,04%
Overall GDP Growth Rates	6,02%	4,58%	↓ -1,44%

1. INTERNATIONAL DEVELOPMENTS & TRADE

1.1. GLOBAL GROWTH PERFORMANCE

“Global growth projections revised downward to 3.0 percent for 2019...”

World economic output remains subdued. According to the World Economic Outlook (WEO) October 2019, the global economy has consecutively slowed down, with growth forecast for 2019 revised downwards to 3.0 percent, the lowest growth since the 2008 global financial crisis.

The subdued global economic growth is attributed to a combination of factors including, the increasing trade barriers, higher uncertainty surrounding trade and geo-political factors dampening the macroeconomic environment in numerous emerging economies as well as structural factors such as low productivity growth and aging demographics in most advanced countries.

Advanced economies, continues to lag behind with 2019 growth forecast revised down to a moderate 1.7 percent, indicating slowing performance. There is declining investment in the United States despite recovery in employment and consumption growth, whilst the Euro area suffered from deteriorating foreign demand and a drawdown of inventories due to low industrial production. The ongoing Brexit developments in the United Kingdom has brought so much uncertainty with growth anticipated to moderate at 1.2 percent.

Emerging markets and developing economies growth is expected to reach a low of 3.9 percent in 2019 owing to the continued slowed down in the Chinese economic activity and weighing heavily on global growth. The effects of the escalating tariffs and weakening external demand have exacerbated the slowdown mainly for the Asian region with growth downwards to 5.9 percent in 2019.

In the Sub-Saharan African region growth has been revised downward to 3.2 percent in 2019, owing to high and volatile oil prices affecting Nigeria and other oil-exporting economies. In addition, economic activity in the Republic of South Africa remains weak despite a moderate rebound in the second quarter. Economic growth is expected to remain subdued in 2019, following a negative first quarter, reflecting the larger than anticipated impact of labour strikes and energy supply issues in the mining sectors coupled with weak agricultural production.

While the three largest economies in Africa are projected to have a lackluster performance, other economies are projected to be experiencing a solid growth in particular, West and East Africa.

The global outlook is fragile with growth in 2020 anticipated to improve slightly to 3.4 percent, indicating a downward revision of 0.2 percentage point from the April 2019 projections.

Table 1: Global Growth estimates and outlook (%)

	2017 est.	2018 est.	2019 prj	2020 prj
World Output	3.8	3.6	3.0	3.4
Advanced Economies	2.4	2.2	1.7	1.7
<i>United States</i>	2.2	2.9	2.4	2.1
Euro Area	2.4	1.9	1.2	1.4
<i>Germany</i>	2.2	1.4	0.5	1.2
<i>France</i>	2.3	1.7	1.2	1.3
<i>Italy</i>	1.7	0.9	0.0	0.5
<i>Spain</i>	3.0	2.6	2.2	1.8
<i>United Kingdom</i>	1.8	1.4	1.3	1.4
Emerging Market and Developing Economies	4.8	4.5	3.9	4.6
<i>China</i>	6.8	6.6	6.1	5.8
Sub-Saharan Africa	2.9	3.1	3.2	3.6
<i>Nigeria</i>	0.8	1.9	2.3	2.5
<i>South Africa</i>	1.4	0.8	0.7	1.1

Source: WEO (October, 2019)

1.2. COMMODITY PRICES

“Energy and Sugar prices on a downward trend annually”

1.2.1. Energy & Coal

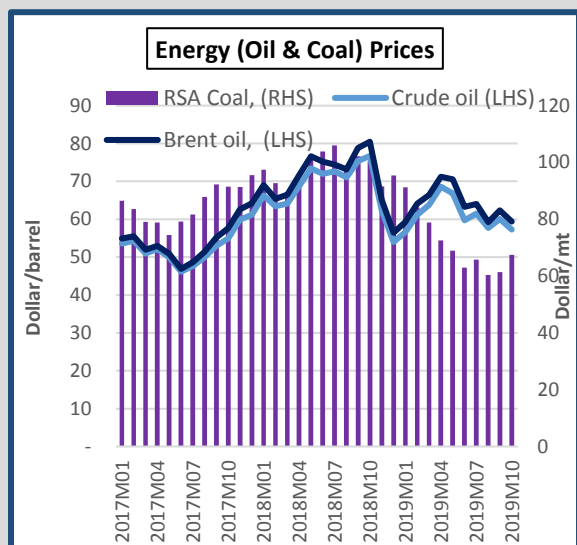
Prices for fuels particularly, Brent oil, crude oil and coal continue to be on a downward trend on an annualized basis (World Bank Pink sheets, October, 2019). Crude oil and Brent oil prices decelerated by 20.1 percent in the second quarter of 2019. The deceleration in oil prices was driven by the over-supply of fuel in the international markets. Nonetheless, there were concerns of a price increase after the drone attack on Saudi Arabia’s major oil plant which disrupted the world oil supply. Crude and Brent oil prices are important for Eswatini as the country is a net-importer of fuel. As such an increase in world fuel prices has direct transmissions to the cost of goods and services in the economy.

Coal, which is one of the country’s export commodities, experienced a price reduction of 38 percent from R102.21 per metric tonne in the

third quarter of 2018 to R63.08 per metric tonne in the third quarter of 2019.

Additionally, on a quarterly basis, comparing second quarter to the third quarter of 2019, crude oil and Brent oil decelerated marginally by 10.3 percent and 11.7 percent respectively. The same was also observed with regards to coal prices as it decelerated by 7.4 percent on a quarterly basis.

Figure 1: Global Commodity Prices- Energy



Source: World Bank Pink Sheet, Oct 2019

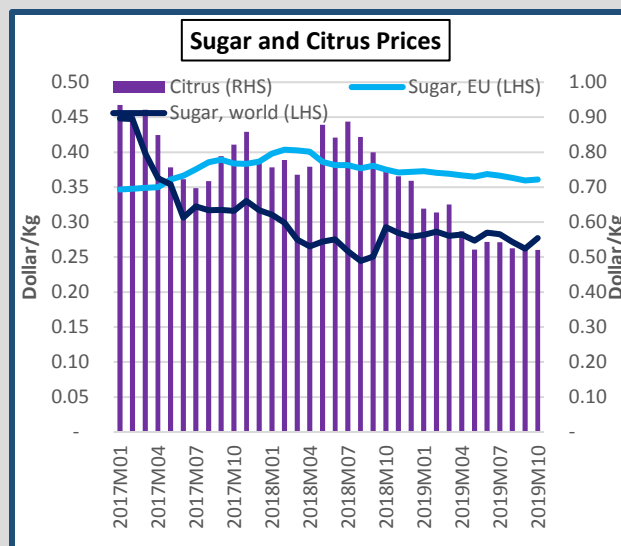
1.2.2. Sugar & Citrus

Sugar, the country’s key export to the SACU region, the European market as well as the rest of the world, on an annualised comparison, reflected mixed performance during the third quarter. EU sugar prices declined by 4.9 percent, while the world market prices accelerated by 7.4 percent. The EU sugar price declined from USD0.38 per kilogram in the third quarter of 2018 to USD0.36 per kilogram in the third quarter of 2019. On the contrary, the world price accelerated from USD0.25 per kilogram in the third quarter of 2018 to USD0.27 per kilogram in the third quarter of 2019. Whilst on a quarterly comparison, both the EU and world market sugar prices decelerated marginally by 1.6 percent and 3.6 percent respectively. The movement in the prices was mainly due to oversupply in the global market.

The price for citrus a commodity exported to European markets, was on a downward trajectory, decelerating by 38 percent from USD0.84 per kilogram in the third quarter of 2018 to USD0.54 per kilogram in the third quarter of 2019. The decline was mainly due to the over-supply and saturation of the market with citrus fruits. Furthermore, on a quarter-on-quarter basis, citrus prices remain subdued,

decelerating by 3.4 percent from USD0.55 per kilogram in the second quarter of 2019 to USD0.53 per kilogram in the third quarter of 2019.

Figure 2: Global Commodity Prices- Food



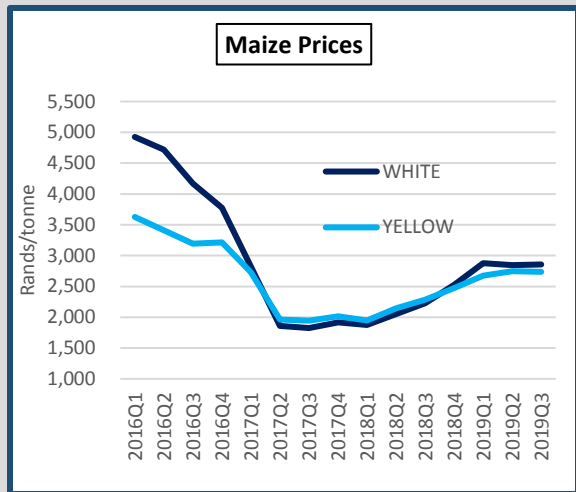
Source: World Bank Pink Sheet, Oct 2019

1.2.3. Grains

According to the South African Futures Exchange (SAFEX) for September 2019, white maize prices continued to increase significantly by 28 percent from R2 226.95 per tonne in the third quarter of 2018 to R2 856.14 per tonne in the same period in 2019. Similarly, yellow maize prices also continued to increase, by 20 percent from R2 286.34 per tonne in the third quarter of 2018 to R2 734.67 per tonne in same period in 2019. On a quarter-on-quarter basis, white maize prices were stable at R2 856.14 per tonne in the second and third quarter of 2019. On the contrary, yellow maize prices decelerated marginally by 1 percent from R2 748.65 per tonne in the second quarter to R2 734.67 per tonne in the third quarter of 2019.

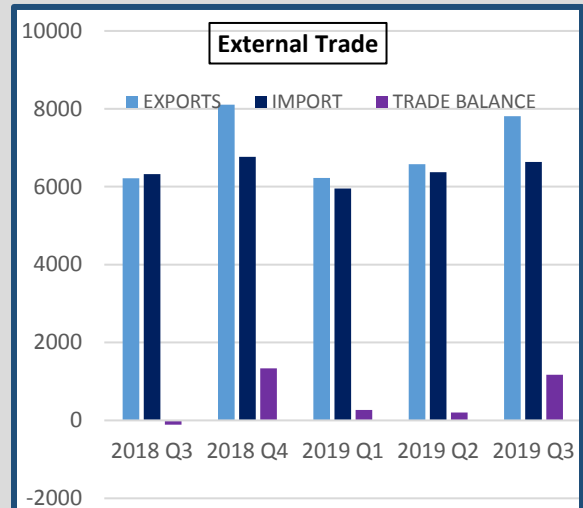
Developments in grain prices remain crucial for the domestic economy as the country is a net importer of grains including 100 percent imports for wheat. Grain prices have a direct price impact to the economy as the increase in price on the SAFEX market results in an increase in the price of grain and grain products domestically. White maize is important for the country for food security reasons as it is the staple food, whilst, yellow maize is important for the manufacture of animal feed.

Figure 1: Grain Prices



Source: SAFEX, September 2019

Figure 4: External Trade



Source: SRA Trade (October, 2019)

2. EXTERNAL TRADE

“Global flow of goods continued to weaken ...”

Eswatini’s trade with the rest of the world as recorded by Eswatini Revenue Authority (SRA) stood at E14.454 billion compared to E12.536 billion recorded in the third quarter of 2018 signalling a 15.3 percent increase in total trade on a yearly versus quarterly comparison.

Trade balance (exports minus imports) with the rest of the world for the third quarter of 2019 increased sharply to a surplus of E1.173 billion compared to a deficit of E107 million recorded in the same period in 2018.

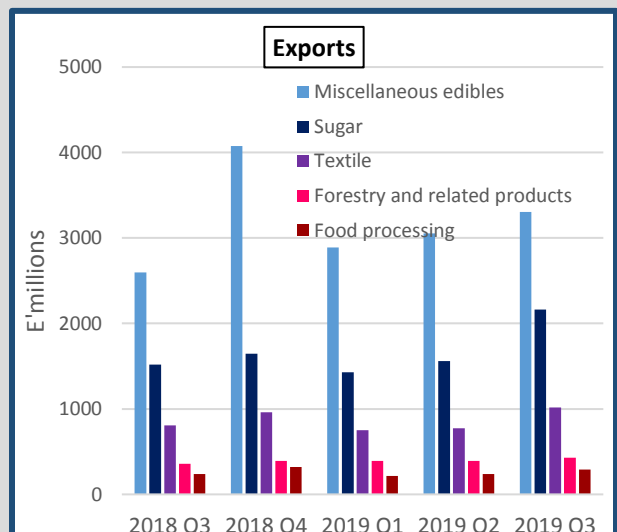
Trade partner dynamics remained relatively unchanged with SACU accounting for 67 percent of total exports. Trade with the EU and North America increased by 3.2 and 1.5 percentagepoints from the same quarter in 2018. This can be attributed to increased demand of Eswatini’s exports to these regions in particular, sugar exports that increased by 42 percent. On the other hand, trade with SSA declined by 2.7 percent.

2.1 EXPORTS

“Increased demand for Eswatini exports by 26 percent...”

Eswatini exports increased on both a yearly and quarterly basis by 26 percent and 19 percent, respectively. The improvement was mainly attributed to considerable growth in sugar exports indicating a growth of 42 percent on a year-on-year basis and 39 percent on a quarterly basis. On the same note, miscellaneous edibles and textile exports also grew considerably by 27 and 26 percent on a year-on- year basis. On a quarterly basis it also increased by 8 and 31 percent respectively due to increased demand of Eswatini’s exports.

Figure 5: Major Exports



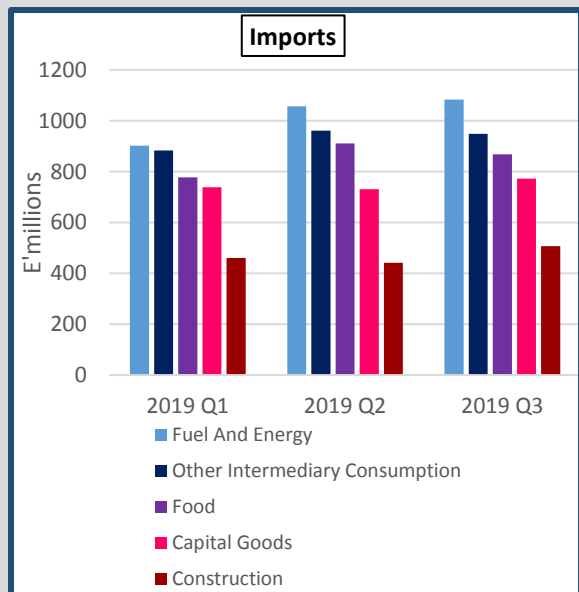
Source: SRA (October, 2019)

2.2 IMPORTS

“Eswatini’s food Imports, declined in the second quarter of 2019 indicating increased domestic production...”

Total imports grew by 5 percent from the previous quarter. Imports of construction materials reflected a 14.7 percent increase due to prioritization of key projects requiring high value inputs eg. LUSIP. Imports of fuel and energy increased from the second quarter rising from E1.057 billion to E1.084 billion, indicating a slight increase in economic activity in the third quarter of the year. On the other hand, a decline in food imports of 20.9 percent and 4.8 percent, on a yearly and quarterly basis was observed mainly attributed to improved local production.

Figure 6: Major Imports



Source: SRA (October, 2019)

3. DOMESTIC DEVELOPMENTS

3.1. PRICES

“Headline inflation decelerates by 3.1 percentage points on year-on-year basis...”

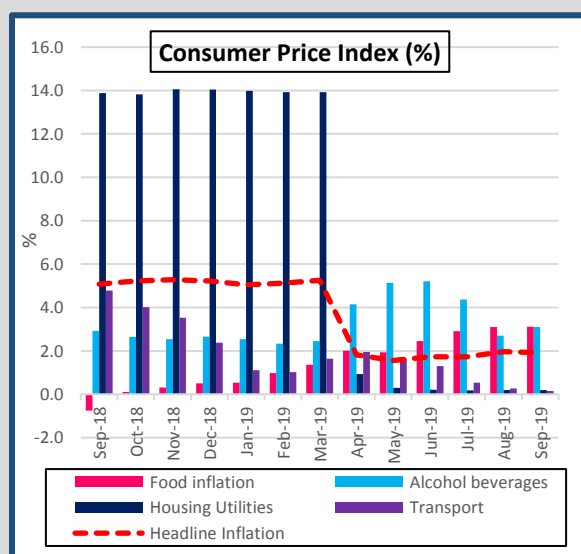
3.1.1 Headline inflation

Headline inflation averaged at 1.9 percent in the third quarter of 2019. This shows a significant decrease of 3.1 percentage points compared to the same period in 2018, where headline

inflation averaged at 5.0 percent. The notable decrease in headline inflation was driven by the continued policy effect which emanated from Government’s decision to freeze utility tariffs. The substantial decline was driven mainly by housing and utilities costs, which depicted a 13.7 percentage points decrease. Food prices, on the other hand, increased by 4.0 percentage points as the effect of the drought on domestic prices manifested

Similarly, on a quarter-on-quarter basis, headline inflation accelerated by 0.2 percentage points, from 1.7 percent in the second quarter to 1.9 percentage in the third quarter of 2019. This acceleration was mainly driven by the increase in the prices of food and non-alcoholic beverages, clothing and footwear, health, education as well as restaurants and hotel services. However, these increases were counteracted by declines in alcohol beverages, housing and utilities, and transport costs.

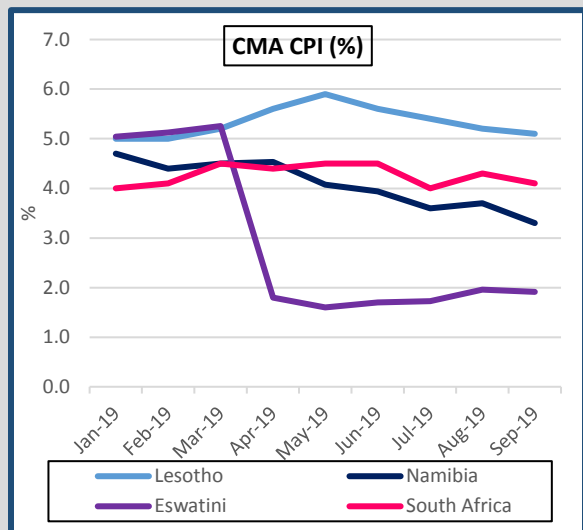
Figure 7: Headline Inflation rate



Source: CSO data (October, 2019)

The headline inflation within the Common Monetary Area (CMA) countries also increased moderately, however, all the rates fell within the 3 – 6 percent target band in the quarter under review. On average, Lesotho had the highest inflation rate in the third quarter of 2019 at 5.2 percent, showing a 0.5 percent point decrease compared to the second quarter of 2019, mainly driven by continued hikes in the prices of housing and utilities. In South Africa, headline inflation was recorded at 4.1 percent, portraying a 0.3 percentage point decrease in prices which was attributed to a reduction in transport inflation compared to the second quarter of 2019. The lowest headline inflation rate was recorded in Namibia which reported 3.5 percent in the third quarter of 2019. This shows a 0.6 percentage point decrease compared to the second quarter of 2019, driven by continued declines in clothing and footwear costs.

Figure 8: CMA countries inflation rates

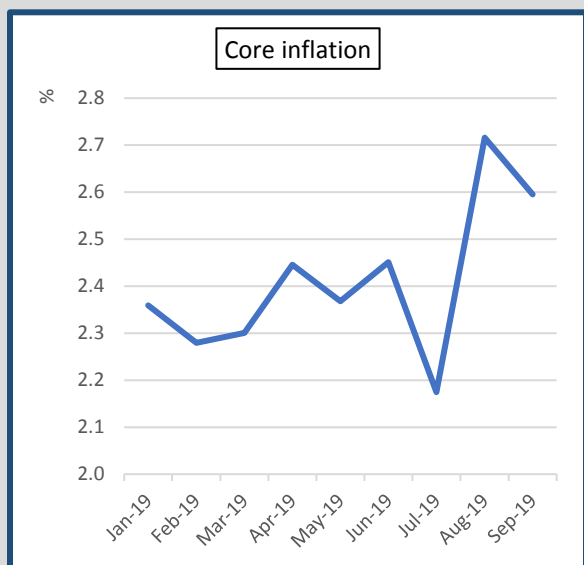


Source: CMA countries data (October)

3.1.2 Core inflation

Core inflation¹ is important because it reflects the relationship between the prices of goods and services and the level of consumer income, hence, reflecting the consumers’ purchasing power. On quarter-on-quarter comparison, core inflation was up by 0.1 percentage points from 2.4 percent in the second quarter of 2019 to 2.5 percent in the third quarter of 2019. This slight increase portrays depression of real wages signaling a deterioration of consumers purchasing power.

Figure 9: Core inflation Development



Source: CSO, Sept 2019.

¹ Core inflation is the change in the costs of goods and services but does not include those from the food and energy sectors. This measure of inflation excludes these items because their prices are much more volatile.

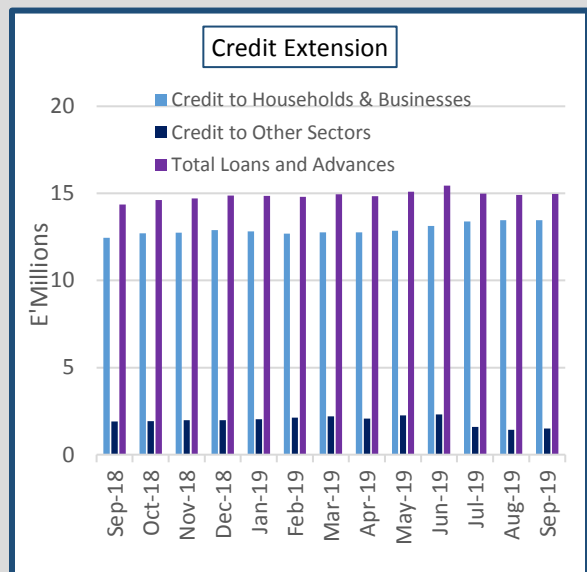
3.2. INTEREST RATES & LENDING

“Accommodative monetary policy stance persists ...”

The monetary policy stance was kept accommodative in the third quarter of 2019, with the discount rate decreased by 0.25 percentage points, from 6.75 percent to 6.5 percent. Due to the reduction in the discount rate as part of the monetary policy stance, there is a likelihood that banks will lower their rates on loans disbursed to individuals and businesses.

In line with the accommodative monetary policy stance, total credit extension to household and business was reported to be E13.5 billion in 2019 Q3. On a year-on-year basis, there was 8 percent marginal increase compared to the third quarter of 2019 where E12.4 billion was extended as credit. This increase was mainly driven by credit extension to the households which grew by 12 percent while credit extension to business remained relatively stagnant.

Figure 2: Credit Extension



Source: CBE (October, 2019)

3.3. EXCHANGE RATES

“Marginal quarterly appreciation of the Lilangeni...”

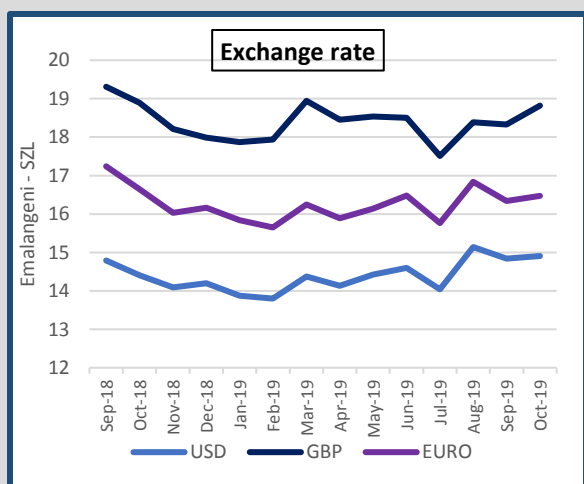
The performance of the Lilangeni is tied to the developments in the RSA economy as well as

developments in the global environment such as trade tensions between China and the USA, as well as the continued uncertainty surrounding the Brexit deal between EU and the UK.

On a quarter-on-quarter comparison against the three major currencies, the Lilangeni marginally appreciated in the third quarter compared with the second quarter of 2019. When paired against the US Dollar, Lilangeni appreciated marginally by 2.0 percent, averaging USD1.00 equivalent to E14.67 in the second quarter to E14.38 in the third quarter of 2019. The slight strengthening of the Lilangeni compared to the US Dollar's weakening is due to more markets' betting on the Federal Bank's decision to cut interest rates due to the ongoing trade wars. Consequently, the strengthening of the Lilangeni which is pegged to the Rand, benefitted a lot from RSA Government's decision to back the imminent energy plan where its cabinet also supported the energy resource plan amid load-shedding.

Similarly, when paired against the Euro, the Lilangeni appreciated by 0.9 percent averaging at EUR 16.31 in the third quarter of 2019 from the EUR 16.17 in the second quarter of 2019. However, against the Pound Sterling, Lilangeni depreciated by 2.3 percent averaging at GBP18.08 in the second quarter to GBP18.50 in the third quarter of 2019. The strengthening of the Lilangeni against the Pound Sterling and Euro was linked to the continued uncertainty over the Brexit deal weighing negatively on both currencies. This made the value of Eswatini exports to Europe become cheaper also compared to the previous quarter.

Figure 31: Exchange Rates of Major Trading Currencies(%)



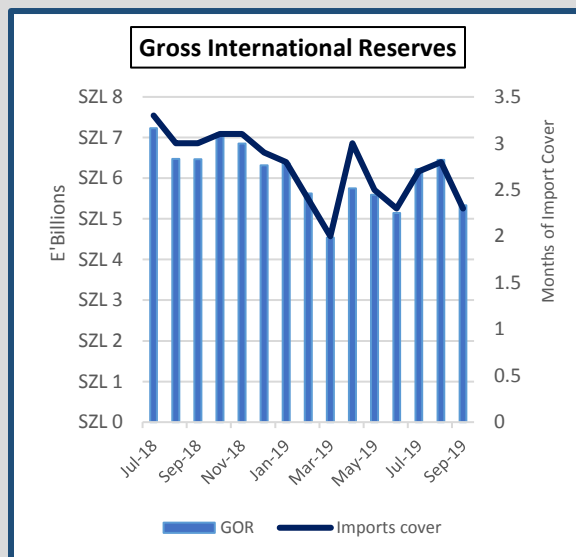
Source: CBE, Sept 2019

3.4. RESERVES

“Reserves remain below 3 months of import cover”

In the third quarter of 2019, the gross official reserves were reported to be at E5.3 billion, indicating a 17.5 percent decline from the E6.4 billion reported in the same period in 2018. On a quarter-on-quarter comparison, gross official reserves increased by 3.7 percent from E5.1 billion in the second quarter to E5.3 billion in the third quarter of 2019. This was enough to accommodate 2.3 months import cover. At this level, the reserves were below the international threshold of 3 months as well as the SADC macroeconomic convergence target of 6 months import cover. Reserves have been on an accelerated downward trend since 2018, primarily due to the on-going fiscal challenges coupled with the slow economic growth.

Figure 42: Gross International Reserves



Source: CBE, Sept 2019

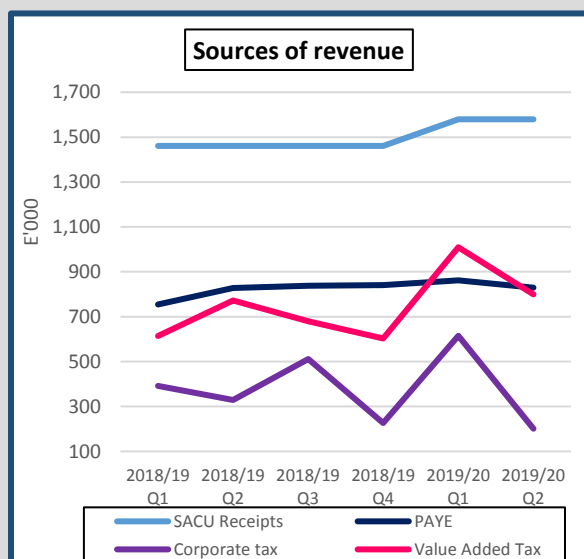
4. FISCAL DEVELOPMENTS

4.1. GOVERNMENT REVENUES

“Government revenues grew by 6 percent on a year-on-year basis”

At the end of third quarter of 2019 (FY 2019/20 – second quarter), total government revenue was reported to be at E4.2 billion, which when compared on a year-on-year basis was a 6 percent growth from the E3.9 billion reported in the same period last year. This can be mainly attributed to the increase in total revenue generated from taxes on goods and services, such as the SACU receipts and licenses, as well as non-tax revenue items like fees and fines, which the government has hiked through the partial enactment of the Finance Act. This is a move which seeks to broaden the domestic revenue base, thereby reducing the country’s over reliance on the volatile SACU receipts. Despite this being a positive move for the government, most goods and services would not be affordable to the final consumer. Corporate tax, as well as total income tax revenue, however, fell in the review period. Corporate tax revenue decelerated by 38.8 percent and was recorded at E201 million in the third quarter of 2019 as it is tax paid only once a year. As such, most companies remit to the government at the end of their financial years, which for most falls in the first quarter of the year.

Figure 53: Revenues by Source



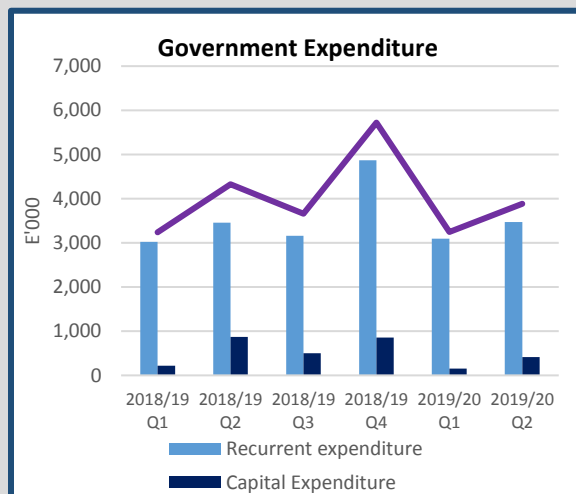
Source: MOF & SRA (Sept, 2019)

4.2. GOVERNMENT EXPENDITURE

“Government expenditures marginally increase by 0.6 percent on a year-on-year comparison....”

In the third quarter of 2019, total recurrent expenditure, which is the largest public expense, stood at E3.4 billion on a quarter-on-quarter basis, which is a 12.2 percent growth from that of the first quarter. This was mainly driven by an increase in transfer payments, as well as expenditure on goods and services. However, wages and salaries, the largest public recurrent expense, decreased marginally following the government stance of a hiring freeze. By year end, government will most likely experience higher budget execution signaling the continued need for reforms.

Figure 64: Government Expenditure



Source: MOF & SRA (October, 2019)

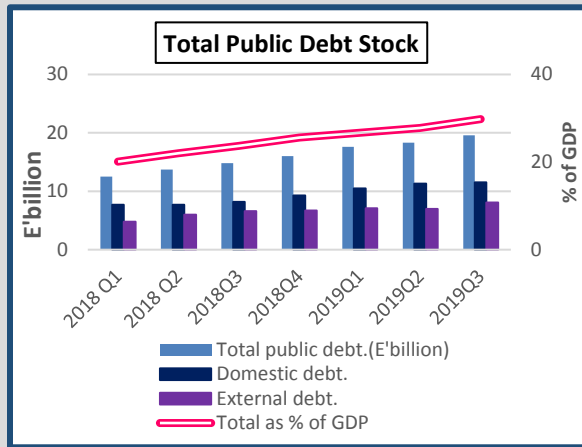
4.3. PUBLIC DEBT

Total debt increased by 7.1 percent in 2019 Q3.

According to the Central Bank preliminary figures, the total public debt stock was recorded at E19.6 billion at the end of the third quarter of 2019, which is 7.1 percent higher when compared to the previous quarter. This was equivalent to 29.8 percent of GDP, which is moving closer to the 35 percent public debt to GDP ratio threshold. Of the total public debt stock, both domestic and external debt also went up in the review period.

The growth in domestic debt was driven by an additional advance which the Central Bank of Eswatini had extended to the government while that of the external debt mainly resulted from the acquisition of loans for on-going projects. The rising public debt levels signals the need for continued reforms' implementation to ensure debt sustainability in the long run.

Figure 75: Total Public Debt



Source: MoF, Sept 2019

Sources:

Population: CSO, Population Projections
GDP at Market Prices: CSO, SNA
GDP per Capita: CSO, SNA
GDP Growth Rate: CSO, SNA
Agriculture Sector's Contribution to GDP: CSO, SNA
Manufacturing Sector's Contribution to GDP: CSO, SNA
Public (Govt) Sector's Contribution to GDP: CSO, SNA
Unemployment Rate: CSO, Labour Force Survey
HDI: UNDP
Proportion of Population Below Poverty Line (%): WFP, UNDP
Inflation Rate: Central Statistical Office: CSO
CPI: CSO
Discount Rate: CBE, BOP Section
Prime Lending Rate: CBE, BOP Section
Exchange Rate (E/US Dollar): CBE, BOP Section
Exchange Rate (E/Pound Sterling): CBE, BOP Section
Total FDI Inflows: CBS, BOP Section
Merchandise Exports and Imports: SRA
Trade Balance: Net Exports and Imports: CBE, BOP Section
Gross Official Reserves: CBE, BOP Section
Gross Official Reserves (Months of Import Cover): CBE, BOP Section
Total Revenue and Grants: MoF, MTFF as of November 2016
Total Expenditure and Net Lending: MoF, MTFF as of November 2016
Fiscal Surplus/Deficit: MoF, MTFF as of November 2016
Fiscal Surplus/Deficit as % of GDP: MoF, MTFF as of November 2016
Total External Debt: CBE
Total External Debt as % of GDP: CBE

List of Acronyms:

AGOA	African Growth and Opportunity Act
CBE	Central Bank of Eswatini
CMA	Common Monetary Area
CSO	Central Statistics Office
FY	Fiscal Year
IMF	International Monetary Fund
MEPD	Ministry of Economic Planning & Development
SACU	Southern Africa Customs Union
SRA	Eswatini Revenue Authority
SSA	Sub-Saharan Africa
US	United States of America
UK	United Kingdom
WEO	World Economic Outlook

Appendix I

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Real Sector										
Population	1,043,509	1,055,506	1,067,773	1,080,337	1,093,158	1,106,189	1,119,375	1,132,657	1,093,238	-
GDP at Market Prices (E' Million)	30,339	32,497	35,002	39,604	44,034	47,505	51,294	54,730	58,782*	62,373
GDP per Capita	29,074	30,788	32,780	36,659	40,282	42,945	45,824	48,321	49,880	53,804
GDP Growth Rate (%)	1.6	3.8	2.2	4.3	6.4	1.9	0.4	1.4	1.9*	2.4
Share of Agriculture & Forestry to GDP (%)	9.3	10.2	9.7	10.4	10.3	9.5	9.6	9.5	8.9*	8.9*
Share of Manufacturing to GDP (%)	34.8	32.5	31.7	31.4	29.8	30.8	31.8	31.4	30.4*	30.9*
Share of Tertiary Sector to GDP (%)	48.6	49.6	50.2	47.7	49.0	49.8	49.7	51.0	52.9*	52.6*
Unemployment Rate (%)	-	28.5	-	-	28.1	-	-	23	-	-
Human Development Index (HDI)	-	0.526	0.534	0.539	0.541	0.541	0.541	-	-	0.588
Proportion of Population Below Poverty Line (%)	63	-	-	-	-	-	-	58.9	-	-
Monetary Sector										
Inflation Rate (%)	7.4	4.5	6.1	8.9	5.6	5.7	5.0	7.8	6.2	4.8
Consumer Price Index (Dec-12=100)	80.7	84.3	89.5	97.5	103.0	108.8	114.2	123.2	130.8	137.1
Discount Rate (%)	6.50	5.50	5.50	5.00	5.00	5.25	5.75	7.0	7.25	6.75
Prime Lending Rate (%)	10.00	9.00	9.00	8.50	8.50	8.75	9.25	10.50	10.75	10.25
Average Exchange Rate (E/US Dollar)	8.44	7.33	7.26	8.24	9.65	10.85	12.75	14.72	13.33	13.24
Average Exchange Rate (E/Pound Sterling)	13.12	11.32	11.63	13.01	15.11	17.85	19.49	20.02	17.04	17.64
External Sector										
Merchandise Exports (E' Million)	13,269	14,378	16,820	14,274	18,292	22,676	22,175	23,062	24,006	24,345
Merchandise Imports (E' Million)	12,127	14,821	19,563	15,524	18,390	19,980	18,864	19,084	21,374	23,956
Merchandise Trade Balance (E' Million)	1,142	(443)	(2,743)	(1,249)	(98)	2,696	3,311	3,977	2,632	387
Gross Official Reserves (E' Million)	6,479	4,497	4,231	5,638	7,979	7,916	8,485	7,720	6,933	6,321
Gross Official Reserves (Months of Import Cover)	4.1	2.8	2.3	2.9	3.9	3.6	4.0	3.6	3.3	2.9
Fiscal Sector*										
Total Revenue and Grants (E' Million)	9,253	6,985	7,489	12,178	12,910	14,744	14,586	13,882	16,837	15,710
Total Expenditure (E' Million)	10,153	9,988	8,854	10,778	12,582	15,304	16,999	19,917	20,242	19,798
Fiscal Surplus/Deficit (E' Million)	(900)	(3,003)	(1,365)	1,390	328	(560)	(2,413)	(6,035)	3,406	4,087
Fiscal Surplus/Deficit as % of GDP	(3.0)	(9.2)	(3.9)	(3.5)	0.7	1.2	4.6	11.3	5.7	6.5
Total External Debt (E' Million)	2,812	2,553	2,559	2,843	3,333	3,366	3,891	5,219	5,336	6,421
Total External Debt as % of GDP	9.3	7.9	7.3	7.2	7.5	6.9	7.4	9.7	8.9	10.2

*Fiscal sector figures are in fiscal years.

*GDP numbers extracted from CSO provisional estimates