GOVERNMENT OF ESWATINI

MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT

Macro-economic Analysis and Research Unit

# Economic Bulletin

## Quarter 4, 2019

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## ***HIGHLIGHTS FOR 4TH QUARTER 2019***

***INTERNATIONAL DEVELOPMENTS***

- IMF revises global growth projections to 3.3 percent in 2020 in light of slow performance in emerging market economies.
- Growth in the Sub-Sahara region anticipated to strengthen to 3.5 percent despite weakened economic performance major economies such as the Republic of South Africa.
- Major commodity prices slump; fuel and sugar prices continue to be on a downward trend on an annualized basis.

***DOMESTIC DEVELOPMENTS***

- Eswatini records a positive trade balance for the fifth consecutive quarter as exports continue to exceed import levels.
- Headline inflation remained below the 3 percent mark as the discount rate and prime lending rate remained unchanged at 6.5 and 10.0 percent respectively.
- Government fiscal pressures continued to persist during the review period.

***BOX 1: THE GLOBAL ECONOMIC IMPACT OF THE COVID-19 CORONAVIRUS OUTBREAK***

# 1. INTERNATIONAL DEVELOPMENTS & TRADE

## *1.1. GLOBAL GROWTH PERFORMANCE*

*"Easing trade war but weighed down by emerging of coronavirus (Covid-19) brings uncertainty to global growth forecasts.*

There is huge uncertainty for global output in in the short to medium term. Amid the gradual global recovery observed in the 4th quarter of 2019 following the waning of global trade war, the global spread of the novel-coronavirus has crushed any hopes for stronger growth in 2020. Global output is anticipated to be at its slowest pace ever since the 2008-2009 financial crisis.

In January 2020, IMF reported that global growth will rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021 (WEO, January 2020). Market sentiments showed improvements, at the back of recovering manufacturing activity and global trade, in the last half of the year. Moreover, there was a broad-based shift towards accommodative monetary policy following the favorable news on US-China trade negotiations and lessened uncertainty on the no-deal Brexit.

On the contrary, negative surprises to economic activity, partly fueled by the impact of increased social unrest, was observed in few emerging market economies, especially India, which led to a re-evaluation of growth forecasts.

Advanced economies, growth is projected to stabilize at 1.6 percent in 2020 and 2021; emerging market and developing economies group growth is expected to increase to 4.4 percent in 2020 and 4.6 percent in 2021; and the Sub-Saharan Africa growth is expected to strengthen to 3.5 percent in 2020 and 2021.

However the quick spreading of the coronavirus around the globe is a major downside risk to these global growth prospects. Whilst the magnitude of the impact has not been quantified as yet, it is expected that a number of sectors, particularly those dependent on global supply chains and consumer spending, are at high risk including tourism, automotive industries, energy supply (with falling demand in China), transportation, amongst others. Oil prices took a dive of 31 percent driven by decreased demand due to concerns surrounding the outbreak.

In the South Africa economy, economic activity remains exposed to structural constraints coupled with deteriorating public finances which are holding back business confidence and private investment. Growth in the 4th of 2019 for the economy contracted by 1.4 percent owing to poor activity in major sectors including wholesale & trade, transport & communication, manufacturing, construction amongst others. In 2020, growth is expected to reach 0.8 percent (WEO, Jan 2020)

***Table 1: Global Growth estimates and outlook (%)***

| | 2018 | 2019e | 2020f | 2021f |
|---|---|---|---|---|
| **World Output** | **3.6** | **2.9** | **3.3** | **3.4** |
| **Advanced Economies** | **2.2** | **1.7** | **1.6** | **1.6** |
| USA | 2.9 | 2.3 | 2.0 | 1.7 |
| Euro Area | 1.9 | 1.2 | 1.3 | 1.4 |
| Germany | 1.5 | 0.5 | 1.1 | 1.4 |
| France | 1.7 | 1.3 | 1.3 | 1.3 |
| Italy | 0.8 | 0.2 | 0.5 | 0.7 |
| Spain | 2.4 | 2.0 | 1.6 | 1.6 |
| United Kingdom | 1.3 | 1.3 | 1.4 | 1.5 |
| **Emerging market and developing economy** | **4.5** | **3.7** | **4.4** | **4.6** |
| Emerging and Developing Asia | 6.4 | 5.6 | 5.8 | 5.9 |
| China | 6.6 | 6.1 | 6.0 | 5.8 |
| India | 6.8 | 4.8 | 5.8 | 6.5 |
| ASEAN | 5.2 | 4.7 | 4.8 | 5.1 |
| Sub-Saharan Africa | 3.2 | 3.3 | 3.5 | 3.5 |
| Nigeria | 1.9 | 2.3 | 2.5 | 2.5 |
| South Africa | 0.8 | 0.4 | 0.8 | 1.0 |

***Source: WEO (January, 2020)***

The global outlook is not favourable for small economies such as Eswatini which are entirely dependent on trade. Slowing external demand for commodities will result in reduced production, falling export revenues, retrenchments etc. In addition, most of these economies thrive on tourism related activities which will suffer from reduced travelling.

### *1.2. COMMODITY PRICES*

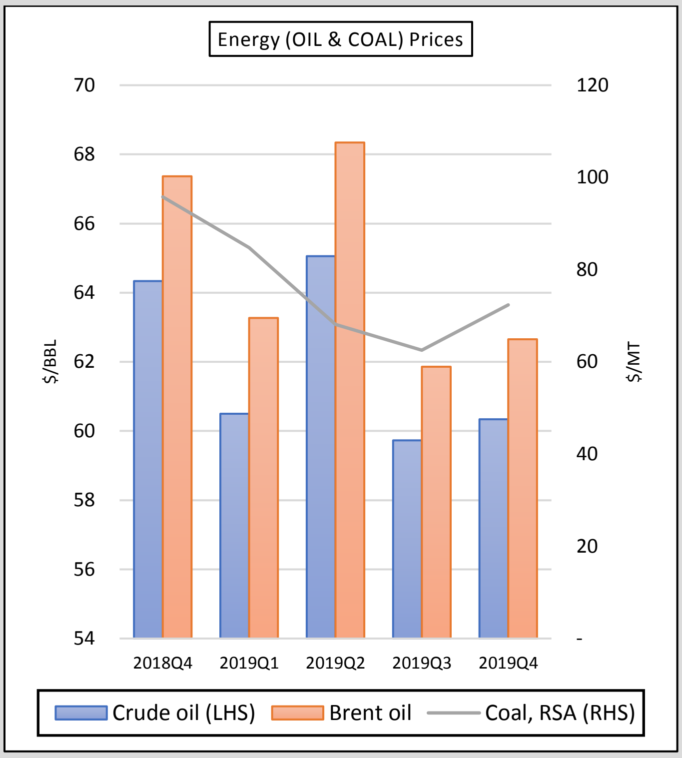
*"Energy and Sugar prices on a downward trend"*

#### *1.2.1.Energy & Coal*

On a year on year comparison, all energy commodity price indexes fell in 2019 Q4, led by Brent oil price, which declined by 7 percent. Trade tensions and weakening global trade, manufacturing, and output growth are weighing on commodity demand. In line with subdued global growth prospects, most price forecasts have been revised down. Crude oil prices are forecast to average USD 60 USD and 58 per barrel in 2020 respectively —a sharp downward revision since April. Amid heightened risks of a sharper-than-expected global downturn, the likelihood of a further slowdown in oil demand, and therefore lower oil prices, has risen. Furthermore, the impact of the coronavirus on the global economy is anticipated to slow down global demand particularly in major industrial economies such as China. This has the potential of reducing the demand for energy products such as fuel which are major input for the production of goods and services. Crude oil prices went down by 6 percent from USD 64.34 per barrel to USD 60.34. Similarly, Brent oil prices were also down by 7 percent from USD 67.37 per barrel to USD 62.65 per barrel. Additionally, coal prices were also down by 24 percent from USD 95.78 per metric ton to USD 72.36 per metric ton.

The recent decline in global oil prices was not felt by Eswatini consumer due to the cushioning effect in fuel prices aimed at protecting consumers from price volatility.

***Figure 1: Global energy prices***



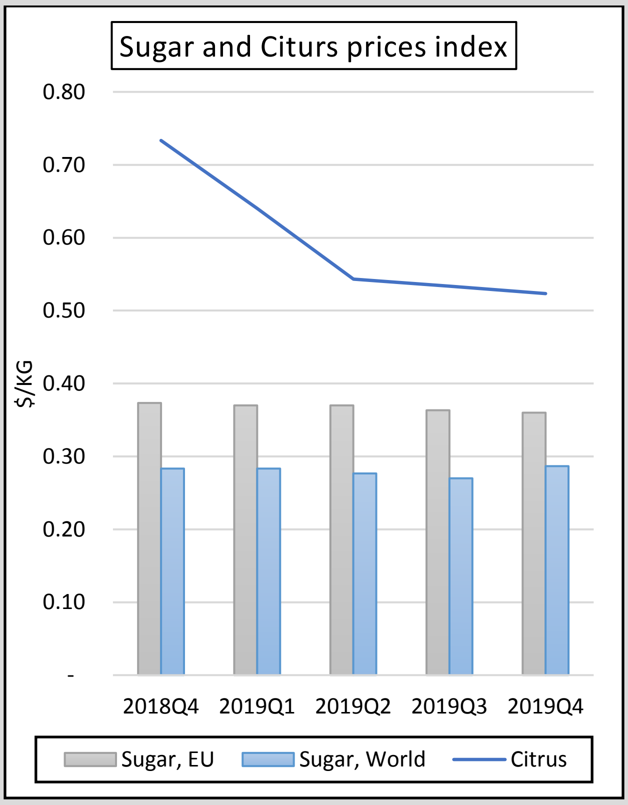

***Source: World Bank Pink Sheet (January, 2020)***

#### *1.2.2. Sugar & Citrus*

Sugar remains the country's second major export commodity and it is mainly exported to the SACU region, the European (EU) market as well as the African growth and Opportunity Act (AGOA) market. On an annualised comparison, there was mixed performance during 2019 Q4. EU sugar prices declined by 3.6 percent, while the world market prices accelerated by 1.2 percent. The EU sugar price declined from USD 0.37 per kilogram in 2018 Q4 to USD 0.36 per kilogram in 2019 Q4. On the contrary, the world price accelerated from USD 0.28 per kilogram in 2018 Q4 to USD 0.29 per kilogram in 2019 Q4. Similarly, on a quarterly comparison, there was mixed performance with the EU market sugar prices decelerating marginally by 0.9 percent while, the world market prices grew by 6.2 percent. The movement in the prices was mainly due to oversupply in the global market dragged down the prices of sugar in some markets. The EU sugar prices are critical for Eswatini sugar export because they are the preferred markets and the prices are slightly higher compared to the world prices.

The price of citrus, a commodity exported to European markets, was on a downward trajectory decelerating by 28.6 percent from USD 0.73 per kilogram in 2018 Q4 to USD 0.52 per kilogram in 2019 Q4. 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 2 percent from USD 0.55 per.

***Figure 2: Sugar and Citrus prices***

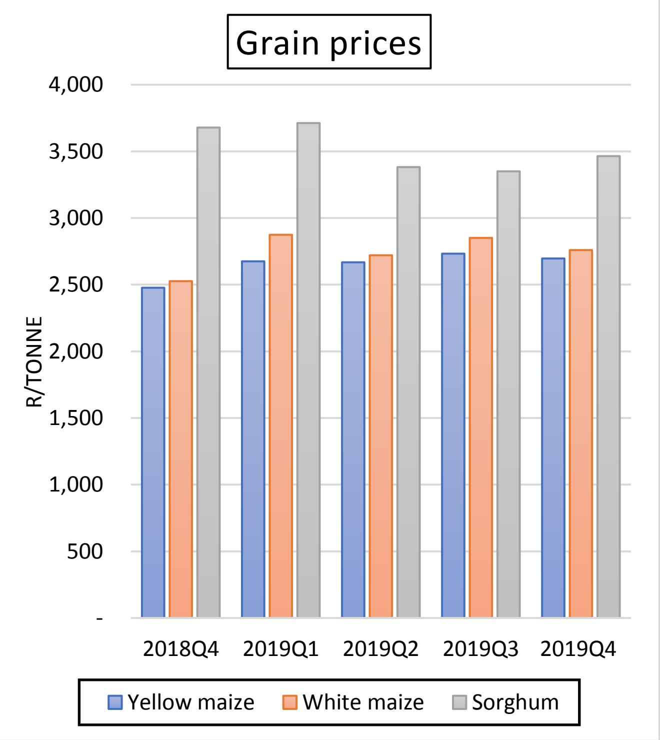



***Source: World Bank Pink Sheet (January 2020)***

*1.2.3.Grains*

According to the South African Futures Exchange (SAFEX) for January 2020, yellow maize increased by 9 percent from R2, 477.43 to R2, 697.03 per ton, on average y-o-y basis. Likewise, white maize continued to increase from R2, 526.68 to R2, 759.78 per ton signaling a 9.2 percent increase. These increases in both yellow maize and white maize prices manifested domestically, through increases in prices of animal feed (yellow maize) and maize meal products (white maize). On the contrary, sorghum performed poorly in the period under review. On an averaged y-o-y basis, sorghum prices declined by 5.8 percent, moving from R3678.90 to R3464.54.

***Figure 3: Grain prices***




***Source: SAFEX (January 2020)***

## *2. EXTERNAL TRADE*

*"Eswatini sustains a positive trade balance...."*

According to the Eswatini Revenue Authorities (SRA) trade statistics, total merchandise trade (export plus imports) stood at E15.53 billion in 2019 Q4. This was a marginal increase of 4 percent compared to 2018 Q4 where total merchandise trade was reported at E14.88 billion. Moreover, during the review period, the country sustained a positive trade balance for the fifth consecutive quarter, with a trade surplus of E965 million. This signals that trade continued to be favorable for the economy, as exports were more than imports. Despite this, imports were growing as a faster rate compared to exports.

## *2.1 EXPORTS*

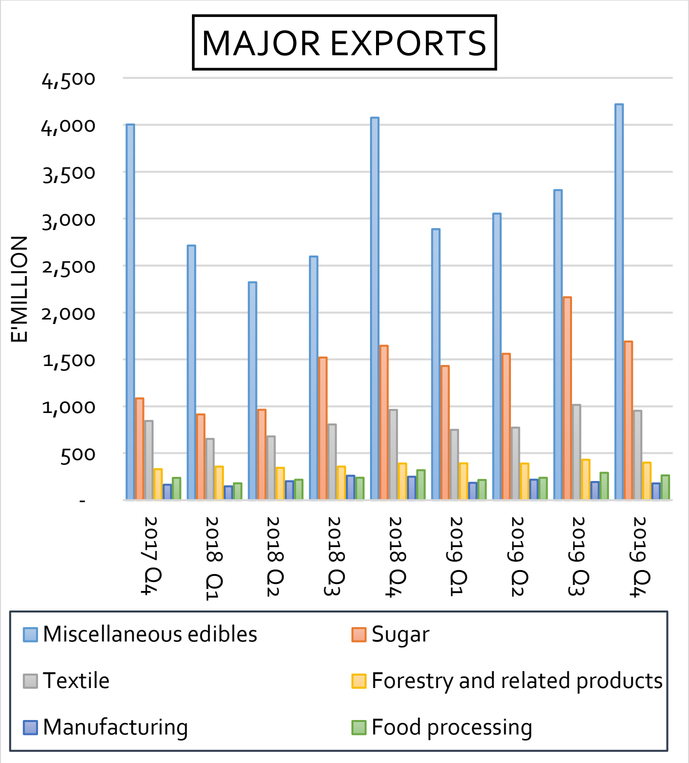
*"Reduced external demand for Eswatini products… "*

On a yearly comparison, total exports grew marginally by 1.7 percent from E8.11 billion in 2018 Q4 to E8.25 billion in 2019 Q4. This growth was attributed to a 3 percent increase in miscellaneous edible exports, a 2.7 percent increase in sugar exports, as well as 2.4 percent increase in forestry exports. On the contrary, to moderate the growth, exports of textile products, food processing products as well as other manufactured products declined by 1 percent, 17.4 percent and 28.5 percent respectively. This portrays a slow-down in external demand for Eswatini products during 2019 Q4 which is linked to the reduced demand due to weaker performance in the RSA economy

Similarly, on a quarter on quarter (q-o-q) basis total exports grew by 6 percent driven by a massive growth of 28 percent in miscellaneous edible exports. On the contrary, overall export growth was weighed down by a 22 percent decline in sugar exports, a 6 percent decline in textile exports as well as a 7 percent decline in forestry products.

In terms of trading partners and exports destinations, the SACU region particularly the Republic of South Africa continues to be a major trading partner for Eswatini absorbing 71 percent of total merchandise exports. While, the Sub-Saharan region absorbed 24 percent of exported products and the European Union (EU) absorbed 4 percent of total merchandise exports.

***Figure 4: Major Exports***




***Source: SRA (December, 2019)***

## *2.2 IMPORTS*

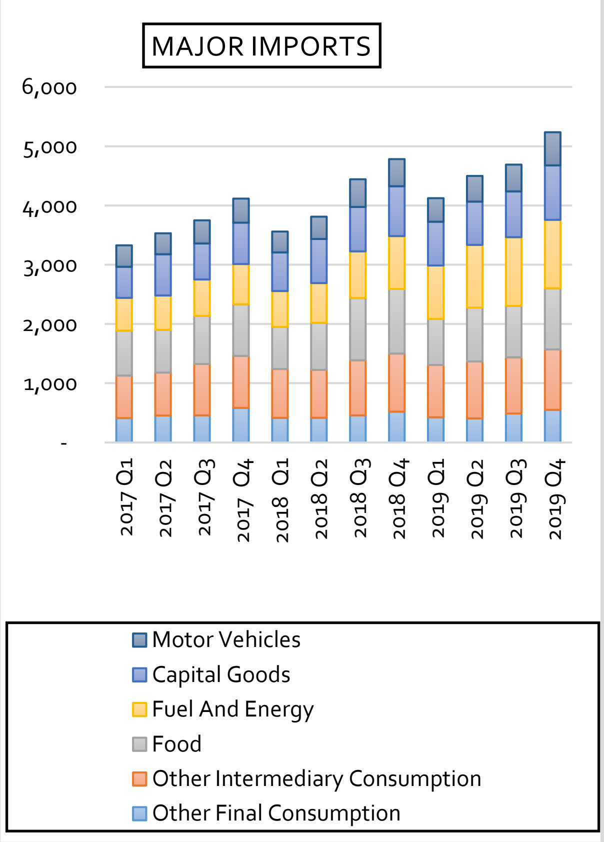
*"Food imports maintained downwards"*

On an annualized basis total imports grew by 8 percent from E6.77 billion in 2018 Q4 to E7.28 billion in 2019 Q4. This growth was attributed to a 29 percent increase in fuel and energy imports, a 22 percent increase in motor vehicle imports as well as a 9 percent increase in capital goods imports due to increased demand during the period. On the contrary, food imports declined by 5 percent due to improved local agricultural production.

Similarly, total merchandise imports grew by 8 percent in 2019 Q4 compared to 2019 Q3 driven by a 19 percent growth in capital goods which signaled increased construction activity in the last quarter of the year. Moreover, there was a 24 percent growth in motor vehicle imports whilst food imports grew by 19 percent in the same period. The growth in food imports can be linked to accumulation in food stocks to close the gap brought about by the depletion of food reserves during the period. On the contrary there was zero growth fuel and energy imports, which are one of the major imports for the domestic economy, weighing down on total imports growth.

In terms of import destinations and trading partners, the SACU region particularly the Republic of South Africa, continues to be a major source of imports for Eswatini contributing 74 percent of total imports. It is followed by the Asia contributing 13 percent and the European Union (EU) contributing 5 percent of Eswatini's imports.

***Figure 5: Major Imports***




**Source: SRA (December, 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*

In the period under review, overall inflation was on average 1.8 percent compared to an average of 5.3 percent in 2018 Q4. During the period, housing and utility prices remained supressed, increasing by 0.4 percent compared to a 14 percent increase in 2018. This continues to reflect the effects of the policy on the freezing of utility tariffs.

However, this was counteracted by marginal increases in the prices of food and costs of education which, on average, had gone up by 2.5 and 9.6 percent, respectively at the end of 2019 Q4. Moreover, Food prices increased during the period owing to the rise in the prices of bread and cereals following the pronouncement of price hikes in bread. In the same period, the cost of education increased by an average of 9.6 percent driven by an escalation in the cost of tertiary education (18.1 percent in 2019 Q4 compared to 0.5 percent in 2018 Q4). On a quarterly comparison, headline inflation recorded a marginal decline to reach 1.8 percent in 2019 Q4 compared to 1.9 percent in 2019 Q3.

## BOX 1: THE GLOBAL ECONOMIC IMPACT OF THE COVID-19 CORONAVIRUS OUTBREAK

The coronavirus causes a disease known as COVID-19. The outbreak isn't just a massive health crisis but an economic crisis as well. Businesses across the world are faltering as China, one of the nerve centers of the global economy, struggled to cope with the epidemic. China's economy is deeply intertwined with the world's economy – a 17 percent share of global GDP with trade accounting for 34 percent of domestic GDP. There are now over 382, 000 confirmed cases of COVID-19 and over 16,500 deaths globally (as of March 24th, 2020) with more than 195 countries affected. Globally, cities are on lockdown, travel restrictions in place and manufacture plant closures are mounting. The United States of America cut their interests rates to zero as means to stimulate economic activity through the financial sector during the Coronavirus pandemic. Only developed countries can take monetary policy stances of this nature since in developing countries such as Eswatini, a reduction in interest rates could render them increasingly unattractive to FDI and also discourage reinvestment of existing FDI investment. China is the world's biggest oil importer due to their decreased economic activity, demanded less fuel globally triggering a series of price cuts as talks over how much to restrict oil production between Russia and Saudi Arabia collapsed. According to Business Insider dated March 9th, 2020 global oil prices fell by 34 percent -a record low since the Gulf War in 1991.

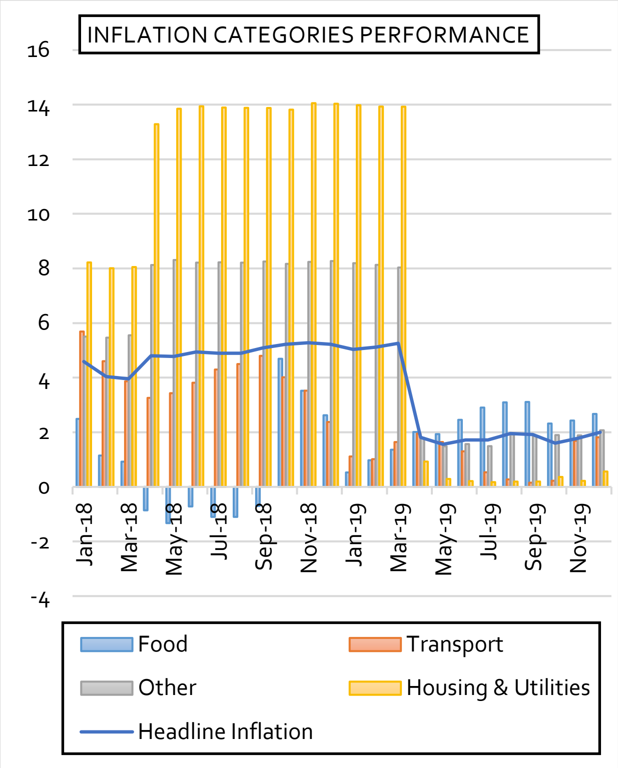
The coronavirus' impact on Eswatini's economy will be felt from multiple aspects. On the demand side, the Eswatini economy is very vulnerable to potential market shocks surrounding the coronavirus as it is heavily dependent on the service sector. The Eswatini Government declared a State of Emergency for 2 months with cautionary measures to curb infection rates being put in place. These include; cancellation of national events e.g. Army day, King's Birthday celebration, Good Friday and Easter services; cancellation of social events e.g. MTN Bushfire Festival, Intervarsity Games etc.; closure of schools and tertiary institutions, social gatherings to not exceed 50 people, travel ban of travelers from high risk countries and limitation of unnecessary travel within the country, educational program publications, continued screening and contact tracing etc. Although these measures are necessary, they will adversely affect sectors such as Tourism, Transport and Wholesale & Retail activity as people comply with gathering restrictions and practice social distancing. On the other hand, a shift in consumer patterns can be anticipated from expenditure on social activities to increased bulk spending on food and hygiene products and well as increased expenditure on telecommunication and data usage.

On the supply side, Eswatini's own exposure to China's reduced economic activity is twofold. From the country's own trade with China as some local manufacturing companies source inputs emanating from China as well as trade through RSA, which is Eswatini's major source of imports. (RSA major trade partner is China with a share of 19% and 16 percent of total imports and exports to that country annually (OEC, March 2020). China saw success in curbing the spread of coronavirus infections as they took aggressive measures such as shutting down industries for months. Resumption of operation in some of these picking up however still at lowered levels. Demand of China's exports thus decreased as countries including RSA found alternative sources elsewhere. Also, as the pandemic spreads and intensifies across the globe, demand of Eswatini's exports to RSA will likely decline further. RSA economic activity was weakened even prior to the outbreak and with increasing cases of infection to mounting to 402 as at 23rd March 2020. The RSA government declared a state of National Emergency with plans to implement a 21 day lockdown from 26th March, 2020 with only food stores, pharmacies and banks remaining open so as to fundamentally disrupt the chain of transmission across society. A stimulus package will be rolled out to support the most vulnerable people and businesses as to alleviate strain to RSA's economic activity.

The World Health Organization (WHO) declared the rapidly spreading COVID-19 outbreak as a global pandemic on the 11th of March 2020. Eswatini, with a populace of a little over 1 million is increasingly vulnerable as 80 percent live in the rural areas where access to clean water and sanitation is limited. Also, due to the relatively low levels of health related infrastructure compared with urban areas, the adverse effects of the virus on rural dwellers could be as high if not more as that which could be realized in the urban areas. On the contrary, the spacing between homesteads could contain cases of transmissions although collective gatherings such as in churches could counter this. Increased transmission in urban areas is likely as they are more densely populated. Industrial housing settlements are also high-risk. Of concern is the country's readiness to handle a potential COVID-19 outbreak as RSA's confirmed cases continue to mount. As such, Public Expenditure directed to heath will likely rise with increased spending on awareness, health protective wear, provision of hygiene products, standard biosafety level 4 laboratory for testing, increased capacity for treatment and quarantine and tracing measures for those infected.

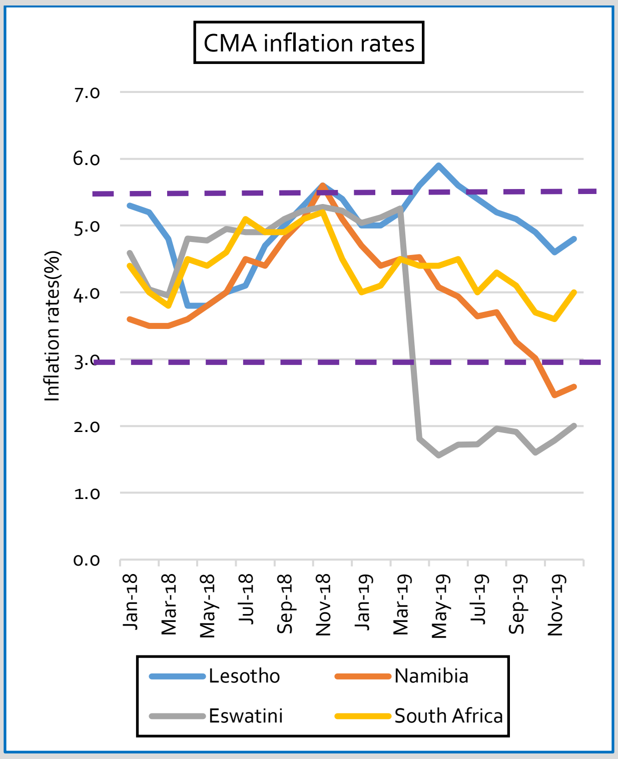
The coronavirus outbreak will likely lead to increased inflation due to higher costs of import prices. It will also pose detrimental effects on Eswatini's revenue streams. Anticipated reduced economic activity in the manufacturing sector will result in a fall in profits and thus a decline in company taxes. Also, reduced economic activity in RSA will likely lead to a greater than expected fall in the SACU pool worsening that country's economic stance and significantly reducing Eswatini's share further. This will compound strain on the fiscal position and on the country's economic activity.

***Figure 6: Headline Inflation rate***




***Source: CSO (December 2019)***

***Figure 8: CMA countries inflation rates***



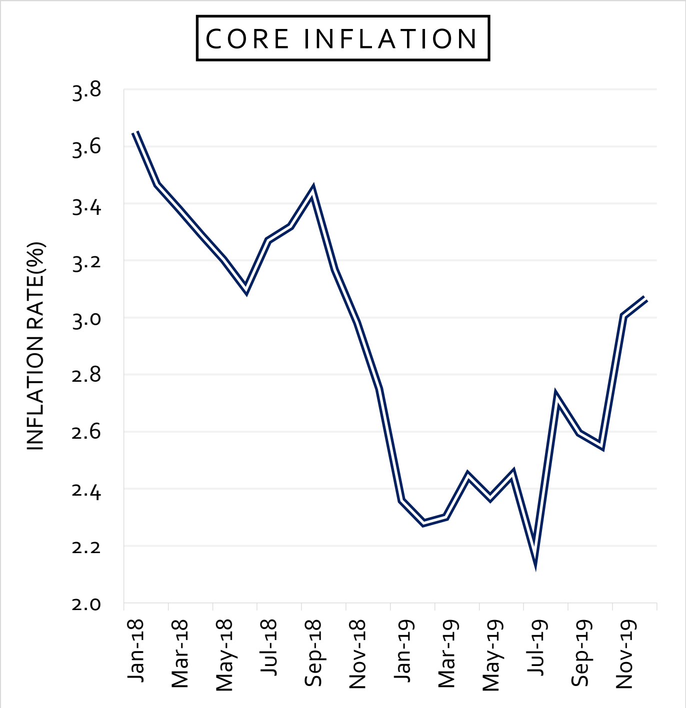

***Source: CMA countries data (December 2019)***

In the Common Monetary Area (CMA), inflationary pressures increased marginally in the last quarter of 2019. However, all the headline inflation rates for the member states fell within the 3-6 percent target band in this period. On average, Lesotho had the highest inflation rate of 4.8 percent in 2019 Q4. This was mainly driven by reductions in the costs of housing and utilities. In South Africa, the headline inflation averaged 3.8 percent in 2019 Q4, attributable to a fall in transport inflation. Namibia had the lowest inflation rate, at 2.7 percent in 2019 resulting from a fall in transport inflation.

### *3.1.2 Core inflation*

Core inflation averaged 2.9 percent in 2019 Q4, which was a 0.4 percentage points higher than previous quarter. The continued increase in core inflation since 2019 Q2 is reflecting that consumers continue to spend more on essential items due to eroded purchasing power.

***Figure 9: Core inflation Development***




***Source: CSO (December 2019).***

### 3.2. *Interest Rates & Lending*

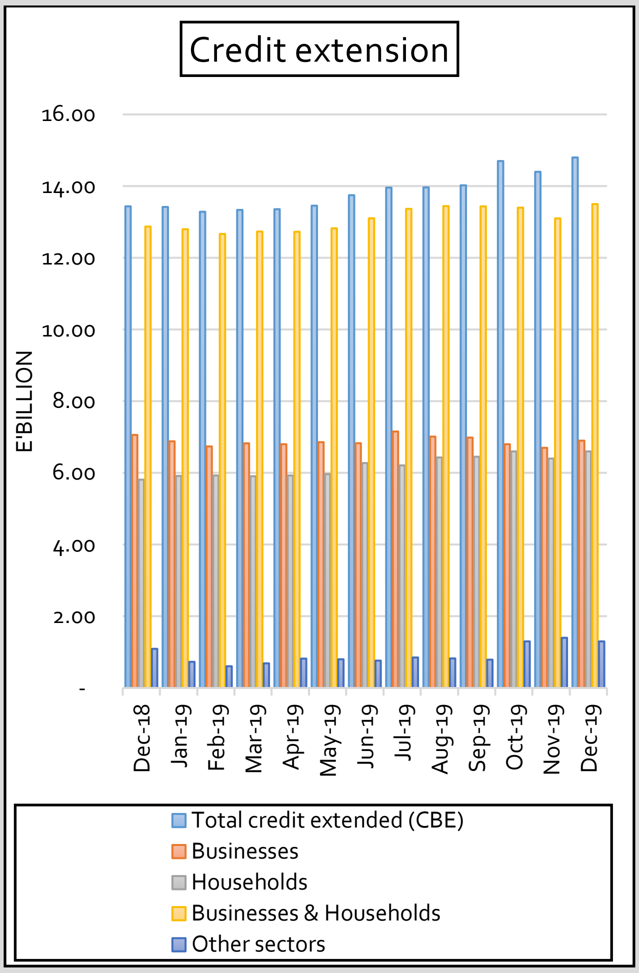
*"Accommodative monetary policy stance persists …"*

Monetary policy remained accommodative in the period. The Central Bank of Eswatini in its monetary policy statement maintained the discount rate unchanged at 6.5 percent in 2019 Q4. This rate was now at par with the RSA repo rate. The policy stance was inconsideration of the domestic developments including the low inflation rate and slowing economic activity and was implemented with a view to stimulate economic activity.

In line with the accommodative policy stance, total credit extended to households and businesses (non-financial) increased during the period. Total credit extension was estimated at E13.5 billion, reflecting 4.7 percent increase compared to the same period in 2018. This was mainly driven by credit extended to households, which went up by 13.8 percent as a result of an increase in unsecured personal loans.

Credit extension to businesses (non-financial) on the other hand was down by 2.8 percent despite the reduced cost of doing business. This indicated a poor transmission effect of the loosened monetary policy.

***Figure 10: Credit Extension***



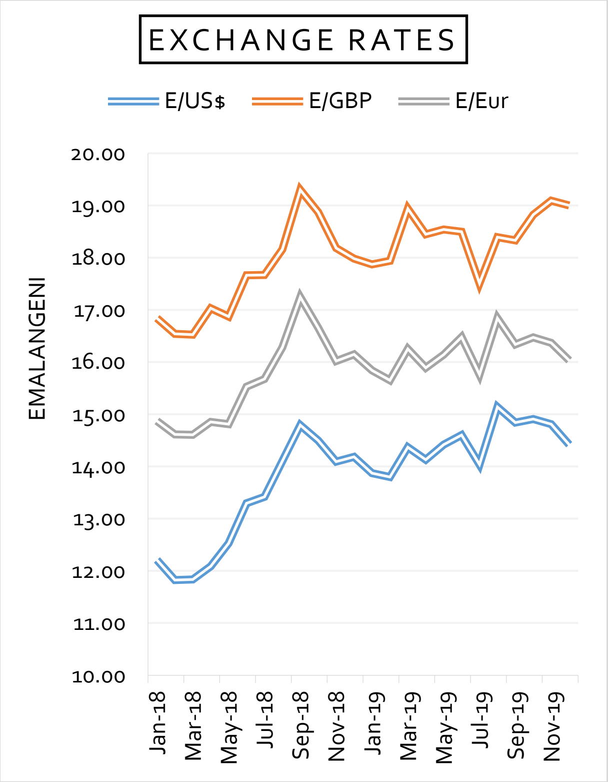

***Source: CBE (December 2019)***

### 3.3. *Exchange Rates*

*"Marginal quarterly appreciation of the Lilangeni… "*

The Lilangeni, which is pegged to the Rand, depreciated when paired against the three major currencies on an annual comparison. Against the US Dollar, the Lilangeni weakened by 3.2 percent, averaging E14.71 per US dollar at the end of 2019 Q4 (compared to E14.26 in the same period of 2018). This was be attributed to weakened economic performance in RSA as well as eased trade tensions between the US and China which shifted investors focus to the US.

***Figure 11: Exchange Rates of Major Trading Currencies (%)***




***Source: CBE***

Against the British Pound Sterling, the Lilangeni depreciated by 3.4 percent, averaging E18.97 per Pound Sterling, compared to E18.35 per Pound Sterling in 2018 Q4. Finally, against the Euro, it depreciated by 0.1 percent, averaging E16.29 per Euro in 2019 Q4 compared to E16.28 in 2018 Q4. This could be attributed to the reduced uncertainties surrounding Brexit following the Conservative Party's general election victory in December 2019.

On a quarterly basis, however, there were mixed performances. The local currency depreciated against the US Dollar and the British Pound sterling but appreciated against the Euro.

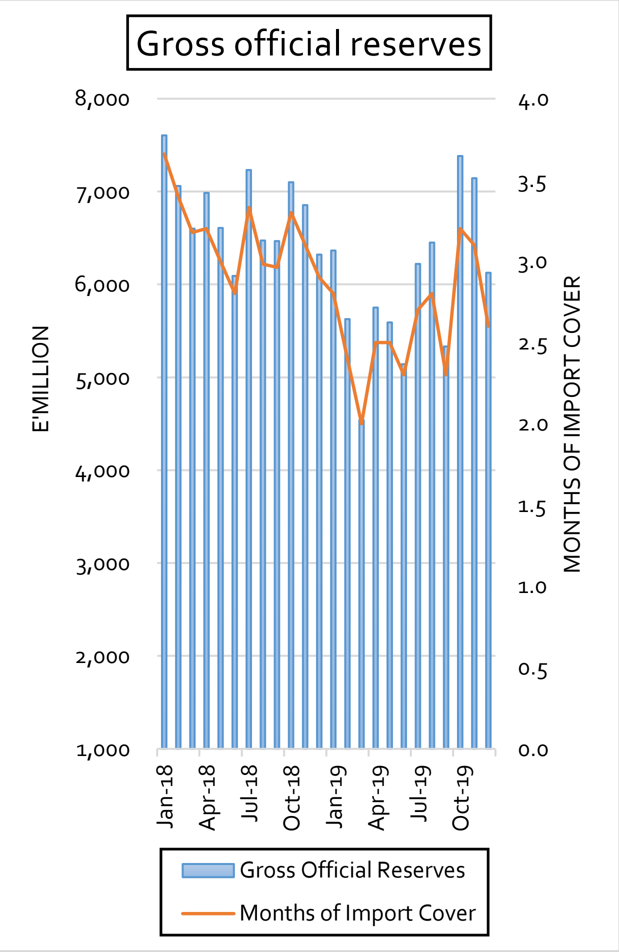
### *3.4. RESERVES*

*"Reserves remain below 3 months of import cover"*

At the end of 2019 Q4, the stock of gross official reserves (GOR) was reported to be at E6.1 billion which was enough to cover 2.8 months of imports. On a year-on-year basis, this was a 3.1 percent decline compared to the same period in 2018.

On a quarterly basis, however, GOR grew by 14.9 percent from E5.3 billion recorded in 2019 Q3 enough to cover 2.3 months of imports. At these levels, 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 22: Gross International Reserves***




***Source: CBE (December 2019)***

## *4. FISCAL DEVELOPMENTS*

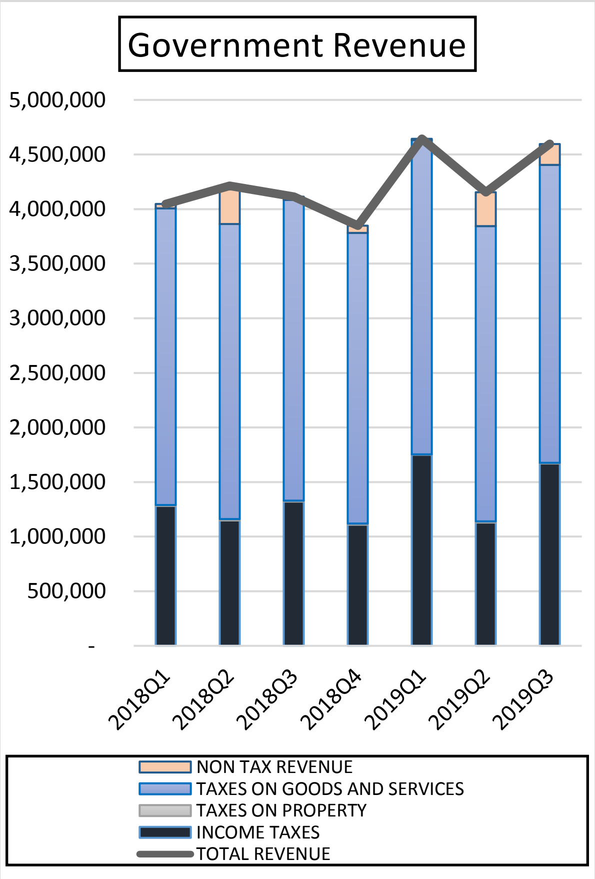
### *4.1. GOVERNMENT REVENUES*

*"Mixed performance in the government revenue streams"*

In 2019 Q3 total government revenue was estimated at E4.59 billion. During the period under review, there was mixed performance for the different revenue streams. Taxes on goods and services as well as income taxes remained the most significant contributors to government revenue.

On a quarterly basis, there was an improvement in total government revenue benefiting from increases in taxes on incomes and tax on goods and services.

***Figure 13: Government Revenue***



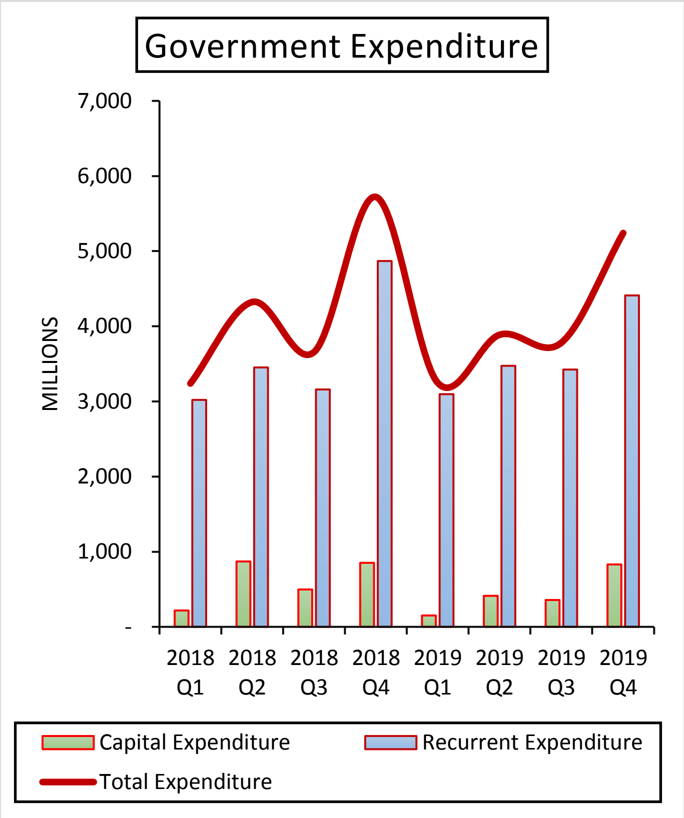

**Source: MOF (December 2019)**

## *4.2. Government Expenditures*

*"Government spending on a downward trend as the country struggles with fiscal pressures"*

In general, government spending continued to decline owing to the liquidity constraints, which in turn necessitated fiscal consolidation. In conformity with recent historical expenditure patterns, recurrent expenditure continued to dominate government spending as opposed to capital expenditure, and decelerated by about 8 percent on a year-on-year basis. However, wages and salaries increased by 5 percent from the last quarter of 2018 to that of 2019 due to recruitment that occurred in the Ministry of Health who were granted a waiver on the hiring freeze to replace critical skills positions. Capital expenditure, on the other hand, declined on a year-on-year basis mainly due to continued fiscal challenges that have slowed down the implementation rate for government sponsored capital projects.

***Figure 14: Expenditure***




**Source: Ministry of Finance (M.O.F)**

## *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**