GOVERNMENT OF ESWATINI

MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT

Macro-economic Analysis and Research Unit

Quarterly Economic Bulletin

Quarter 1, 2020

EXECUTIVE SUMMARY

"Global output dived and a worse economic fallout anticipated due to the COVID-19 crisis".

The world's output continued to suffer in the first quarter of 2020 as several economies struggle with lingering economic challenges which was amplified by the outbreak of Novel Corona Virus (COVID–19). Available data indicated an unprecedented decline in global activity in the first quarter due to macroeconomic supply and demand shocks fueled by this crisis. As the COVID-19 intensified in several economies (particularly in the Advanced Economies) containment measures had to be exercised and these included stringest lockdowns, quarantines, social distancing, and travel restrictions resulting in massive demand and supply chain disruptions. Consequently, global output growth forecast have been revised down, with a 3.0 percent contraction now anticipated compared to an earlier forecast of 3.3 percent (WEO, April 2020).

There were also disruptions in the demand and supply of global commodities resulting in enormous price shocks, in particular for crude oil production. Oil prices fell sharply during the quarter owing to factors such as uncertaininty in resolving the trade wars between China and the United States, the falling demand in China (the worlds's economic giant) due to COVID-19 outbreak as well as the standoff between major oil producers (i.e. Russia and OPEC) which resulted in a surge in oil production.

"Economic growth contracts for second successive period in the domestic economy".

Quarterly real sector data indicated a slump in economic activity in the first quarter of 2020 due to weaker demand and supply disruptions as COVID-19 intensified in some of the major trading partners. Moreover, travel bans and restrictions significantly impacted the performance of tourism related sectors.

Price developments indicated continued subdued inflationary pressures in the period as overall prices mirrored the trends in the 'housing and utilities' category. As a result, the country pursued an accommodative monetary policy with the discount rate cut by 125 basis points in the period. However, weaker transmission effects were noted in credit extension toward households and businesses, as credit grew marginally by 0.1 percent in the period.

On the fiscal front, fiscal pressures continued to mount, owing to persistent cash flow challenges, and the increased expenditure pressures in anticipation of the COVID-19 outbreak. This continued to exert pressure on financing and resultantly the rapid drawdown of reserves which remained below the acceptable benchmark of 3 months of import cover.

1. INTERNATIONAL DEVELOPMENTS & TRADE

1.1. GLOBAL GROWTH PERFORMANCE

"Global growth strained due to the effects of the COVID-19 pandemic"

Global growth was strained in the first quarter of 2020 amid the global outbreak of the COVID-19 pandemic. Resultantly, world output is expected to contract sharply to -3.0 percent in 2020 compared to an earlier optimistic projection of 3.3 percent (WEO: IMF, April 2020). The COVID-19 outbreak enforced the implementation of containment measures in several countries (such as quarantines, lockdowns, and isolations) and consequently aggregate demand dwingled as production levels fell below normal capacity in a number of sectors. Additionally, there was increased disruptions on global supply chains and demand for key commodities.

Advanced economies are now expected to decline by -6.1 percent from an earlier projection of 1.6 percent, following the COVID-19 induced effects which have compounded protracted economic challenges in the region. Most countries struggled with waning impact of fiscal stimulus, trade policy uncertainty, and weak manufacturing activity.

Table 1: Global Economic growth Estimates & Outlook

	January Projections		Revised Projections
	2019 (est.)	2020 (For.)	2020 (For.)
World Output	2.9	3.3	–3.0
Advanced Economies	1.7	1.6	–6.1
United States	2.3	2	–5.9
Euro Area	1.2	1.3	–7.5
Germany	0.6	1.1	–7.0
Japan	0.7	0.7	–5.2
UK	1.4	1.4	–6.5
Emerging & Developing Economies	3.7	4.4	–1.0
China	6.1	6	1.2
India	4.2	5.8	1.9
Sub-Saharan Africa	3.1	3.5	–1.6
Nigeria	2.2	2.5	–3.4
South Africa	0.2	0.8	–5.8

Source: IMF's World Economic Outlook (April 2020)

Supply disruptions, affected the first quarter performance for emerging and developing economies as well as the Sub-Saharan Africa's (SSA) region, with economic activity now projected to contract to -1.0 percent (earlier projected at 4.4 percent) and -1.6 percent (earlier projected at 3.5 percent), respectively. The induced effects of COVID-19 on these regions amplied existing challenges particularly the SSA which suffered from weak domestic economic activity due to structural issues and disruptions in demand and supply for commodities.

The developments in the global economy is anticipated to affect export-oriented and net importing countries like Eswatini (particularly small open economies) due to disruptions in supply and demand value chains.

1.2. COMMODITY PRICES

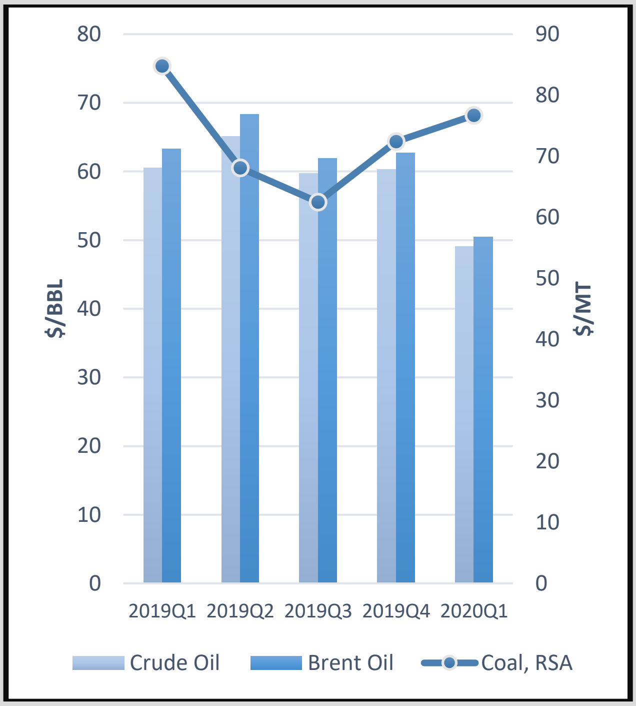
"Economic disruptions partly due to the COVID-19 pandemic causes commodity prices to plummet"

1.2.1. Energy & Coal

The decline in global economic activity was also reflected in the commodity prices for unrefined oil. On a year-on-year basis, the prices of crude oil and brent oil declined by 19 percent and 20 percent, respectively. For crude oil, this reflected a drop in the price per barrel from USD 60.5 in the first quarter of 2019 to USD 49.1 in the same period of 2020, whilst, Brent oil, the prices fell from USD 63.3 to USD 50.5 during the period.

There was increased production pressures during the period attributing to oil price shock including the unresolved trade tensions and slowdown in China's economic growth, coupled with a surge in the supply of oil by key producers. Following a disagreement between OPEC and Russia in March on oil production quotas, this resulted in a surge in the supply of the commodity at a period when global demand was waning. Similarly the price outcomes of other energy commodities fell during the period with coal prices declining by 10 percent on a year-on-year basis.

Figure 1: Global Oil & Coal prices



Source: The World Bank Group's Pink Sheet (2020)

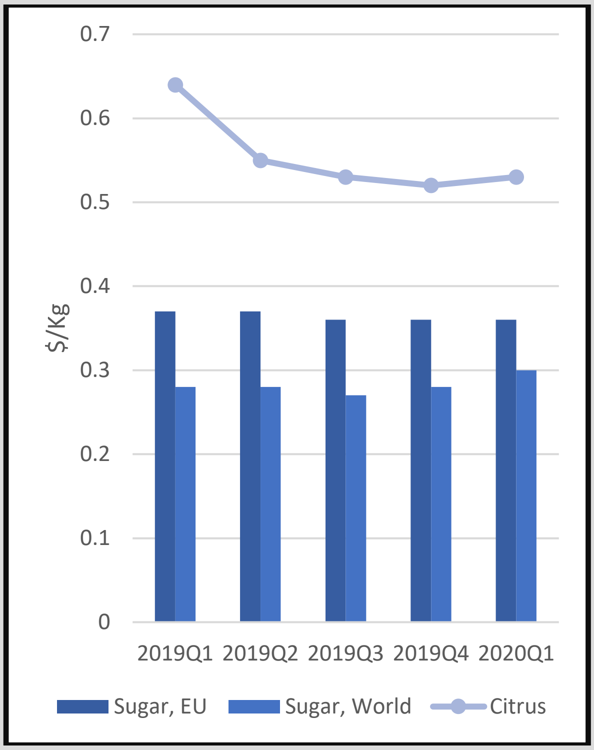
1.2.2. Sugar and Citrus

The performance of sugar prices at the world market surged while that of the EU witnessed a slight decline during the period. From USD 0.28 per kilogram in 2019 Q1, world sugar prices increased to USD 0.30 per kilogram in 2020 Q1, reflecting a 7.0 percent increase. Conversely, EU quoted prices for the commodity reflected a 3.0 percent decline over the same period. The increase in world sugar prices emanated from a fallin sugar production by major suppliers.

The global sugar price increase was beneficial sugar producers including Eswatini. Eswatini has a reliable market in the EU via some preferential trade agreements and EU sugar prices are comparatively higher than those of the world market.

Prices of citrus unlike those of sugar, witnessed a severe decline during the period. The commodity's price was recorded at USD 0.53 for the 2020 Q1 compared with USD 0.64 in the same period in 2019, reflecting an over-supply in the market. As one of Eswatini's export commodity, the decline in price could contribute to a reduction in export revenues.

Figure 2: Global Sugar & Citrus prices

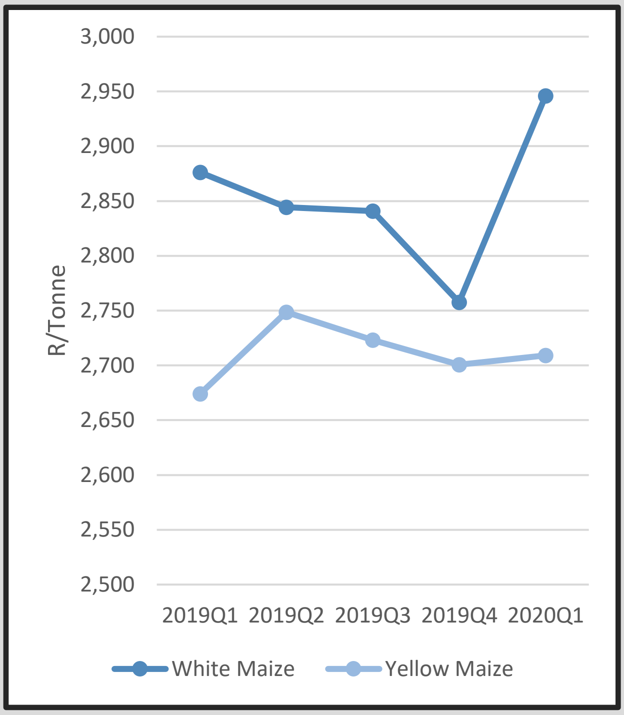


Source: The World Bank Group's Pink Sheet (2020)

1.2.3.Grains

Data from the South African Futures Exchange (SAFEX) indicate that the prices of white and yellow maize in South Africa, on average, saw a small uptick on a year-on-year basis. The price of a ton of white maize increased from R2,876.18 in 2019 Q1 to R2,946.12 in the same period in 2020, reflecting a gain of 2.4 percentage point. Yellow maize prices increased from R2,673.94 to R2,708.99 over the same period was, implying a gain of 1.3 percentage points. The moderate rise in maize prices stemmed from tight supply conditions, unfavourable weather conditions, and concerns over planting delays.

Figure 3: SAFEX Grain prices



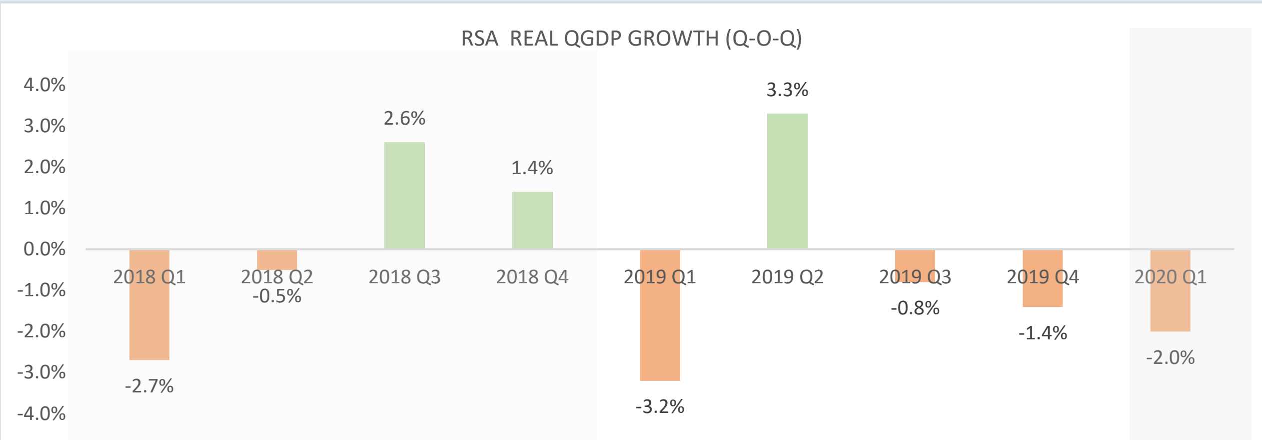
Source: SAFEX (March 2020)

Prices of maize in Eswatini mimicked trends in RSA maize prices as the country's main supplier of the commodity.

Information Box 1 : RSA GDP GROWTH TO CONTRACT IN 2020

Prior to the global outbreak of the novel corona virus of 2019 (COVID-19) pandemic, GDP growth for the RSA economy was projected to increase to 0.9 percent in 2020 from the 0.3 percent estimated in 2019, mainly supported by structural reforms which will improve the management of state-owned enterprise, including substantial changes in the network industries to reduce costs and encourage investments across the economy. However, due to the COVID-19 outbreak GDP growth has been significantly revised downwards to -7.2 percent (RSA treasury; -7.1% SARB) for 2020 in light of: global value chain disruptions; local production disruptions due to the lockdowns as well as work place closure and other containment measures; weakened domestic and external demand, travel restriction; heightened uncertainty and a fall in commodity prices amongst other things. Collectively, these factors are anticipated to have an adverse effect on business confidence, investment appetite, and the ability of firms to invest over the medium and long-term. Significant lay-off (employment losses) particularly in the private sector and reduced real wage growth as well as real disposal income are anticipated to put pressure on consumer spending and demand.

RSA CONTRACTS BY 2.0 PERCENT IN THE 2020Q1



Source: STATSA (June 2020)

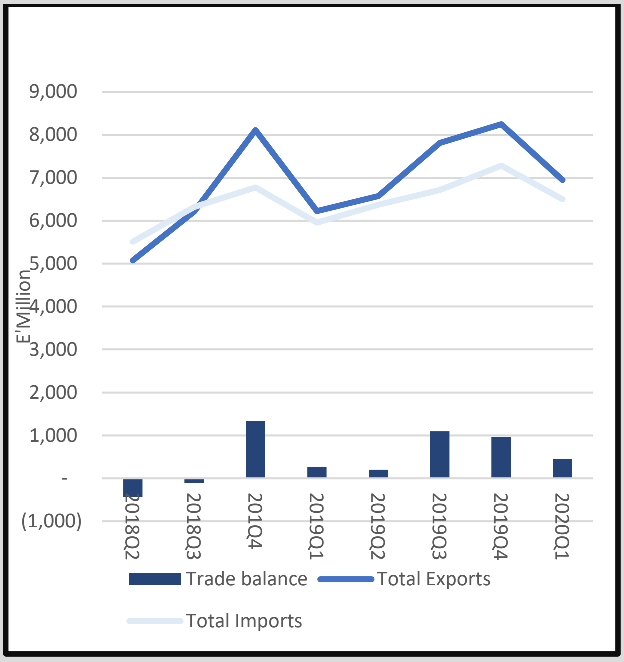
The RSA economic activity for the first quarter of 2020 contracted by 2.0 percent (q-o-q) comparison. This marked the third consecutive quarter contraction following the 1.4 percent decline in 2019 Q4 and a contraction of 0.8 percent in 2019Q3. The weakened performances for the RSA economy can be attributed to the manufacturing and mining subsectors, which fell by 8.5 percent and 21.5 percent, respectively. The decline can be attributed to demand and supply disruptions following weakened trade channels as the COVID-19 pandemic intensified in several major trading partners. Overall there was mixed performance across the three sectors of the economy, with the primary and secondary sector contracting by 11.8 percent and 7.5 percent respectively, whilst tertiary sector moderated the decline with a 1.3 percent growth.

With so much uncertainty in the global outlook, economic activity in the RSA economy is anticipated to remain depressed in the second quarter of the year as stringent lockdowns are implemented with uncertainity on the length of the outbreak. The weak economic activity in RSA will also have daunting effects on Eswatini as a major trading partner for the economy.

2. *EXTERNAL TRADE*

"Eswatini maintained a merchandise trade surplus in the first quarter."

Figure 4: Merchandise Trade Balance



SRA trade data (March 2020)

Trade statistics reflected a sixth consecutive trade balance surplus in 2020 Q1 as export of goods continued to exceed the imports of goods. This indicated condusive trade environment for the economy with anticipated increase in export revenues.

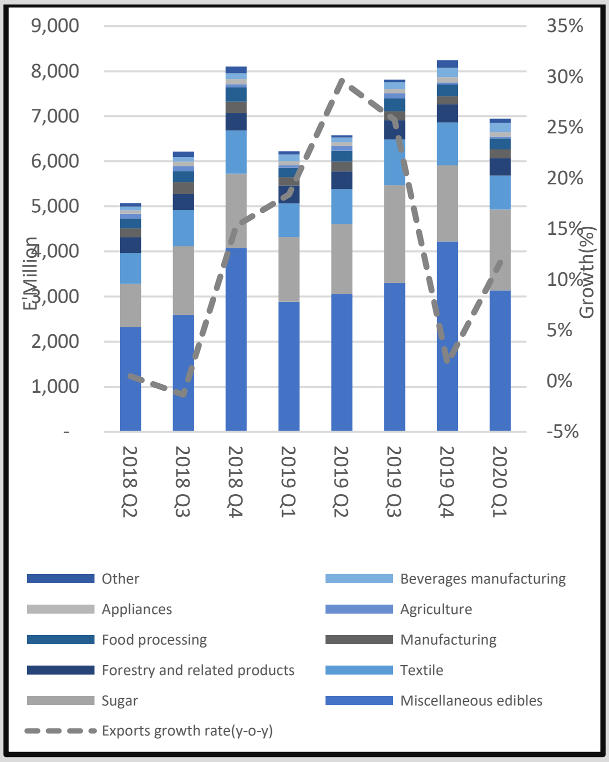
2.1 EXPORTS

"Increased external demand for Eswatini based products amid COVID-19 threat."

Total merchandise exports stood at E6.947 billion, depicting a modest growth of 11.7 percent in 2020 Q1 compared to E6.222 billion recorded in 2019 Q1. This growth in exports was mainly spurred by; an increase in sugar cane exports (25.6 percent), growth in miscellaneous edibles (8.5 percent) as well as growth in beverages manufacturing exports (42.3 percent), portraying improved external demand for these locally produced commodities. On the contrary, forestry exports and agricultural exports declined by -1.6 percent and -8.4 percent, respectively illustrating weak external demand for these products and thereby moderating the overall growth.

In terms of trading partners and exports destination, the SACU region, particularly RSA predominately continued to be a major export destination for Eswatini products absorbing about 68 percent of the total merchandise exports. However, this was moderately lower compared to the 73 percent of Eswatini exports absorbed during the same period in 2019. The SSA region followed absorbing 24 percent of the merchandise exports. The EU absorbed 8 percent of the total merchandise products during this period, indicating a slight increase compared to the 6 percent export absorption in the 2019 Q1.

Figure 5: Merchandise Exports



Source: SRA trade data (2020)

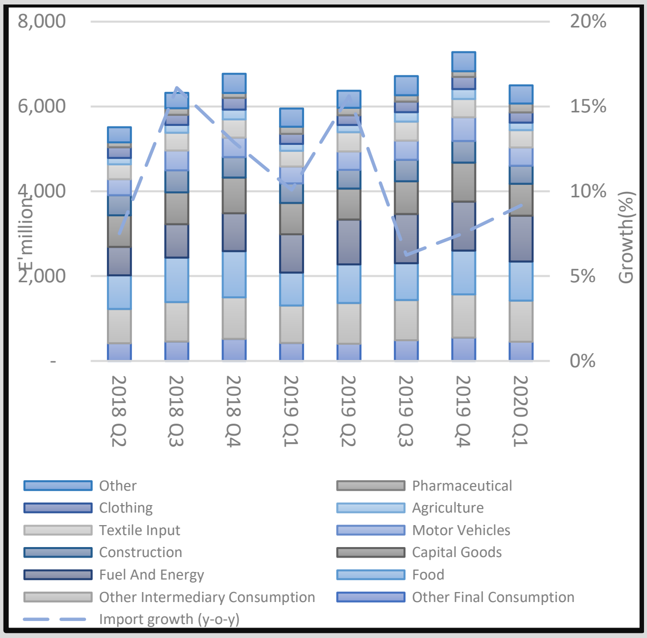
2.2 IMPORTS

"Total merchandise imports on the rise"

On an annualized comparison total merchandise imports grew modestly by 9.0 percent to E6.498 billion in 2020 Q1 from the E5.952 billion recorded in 2019 Q1. This growth was mainly attributed to; a 20 percent growth in fuel and energy imports, a 19 percent growth in food imports, a 10 percent growth in other intermediary consumption as well as a 24 percent growth in pharmaceutical imports. The growth in food imports signalled substitution effect as falling domestic production was being balance up by increasing imports. On the other hand, the growth in fuel and energy imports as well as other intermediary consumption depicted increased productivity in the manufacturing sector as both products are used as production inputs. Moreover, the growth in pharmacetical imports was in anticipation to the COVID-19 outbreak which resulted in the increase in stocking of medical related goods. On the contrary, to moderate the growth in imports was an 8 percent decline in construction imports during the review period.

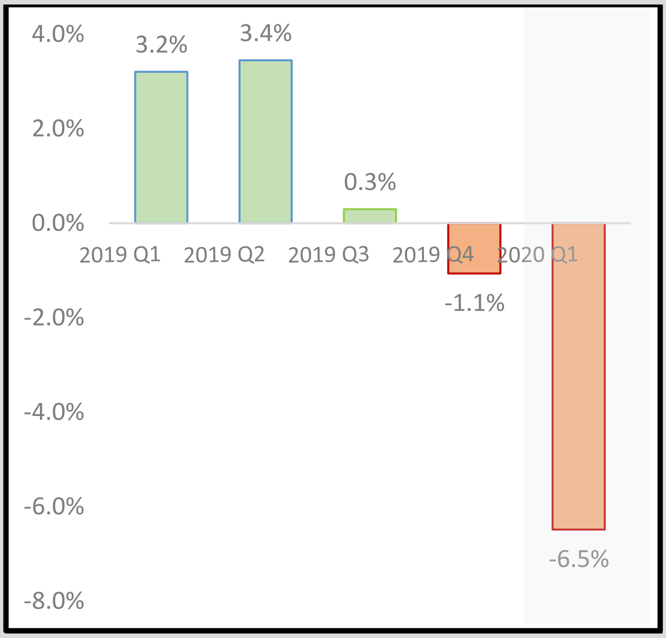
In terms of imports sources, the SACU region continued to be major source of imports contributing 72 percent of total imports in 2020 Q1. Additionally, the Asian region contributed 17 percent to total imports, and this was relatively higher than the 13 percent which was recorded during the same period in 2019 Q1. While, the EU region continued to account for 5 percent of Eswatini imports similar to 2019 Q1.

Figure 6: Merchandise Imports



Source: SRA Trade data (2020)

Figure 7: QGDP by Economic Activity Seasonally Adjusted



Source: CSO (June 2020)

3. DOMESTIC DEVELOPMENTS

3.1. REAL SECTOR DEVELOPMENTS

"Eswatini's economy activity contracts by 6.5 percent."

Eswatini's Quarterly GDP recorded its second consecutive decline as economic activity decreased by 6.5 percent on a year on year comparison in the 2020 Q1 (National Accounts, CSO). The follows from a decline of 1.1 percent estimated in 2019 Q4.

Major negative contributors to the contraction in QGDP were the manufacturing subsector that reflected a decline in economic activity of 18 percent, the construction subsector which declined by 29 percent, the wholesale and retail subsector which declined by 2 percent as well as the leisure sectors being accommodation and food service activities as well as arts, entertainment and recreation fell drastically by 66 percent and 72 percent respectively. Moreover, the transport subsector indicated a decline from 7 percent in the previous quarter to 1 percent in the period under review. Overall, the economy suffered from weakened demand and supply chains disruptions as a result of COVID-19 induced effects in the major trading partners for the economy.

3.2. PRICES

"Headline inflation deccelarates by 2.3 percentage points on year-on-year basis..."

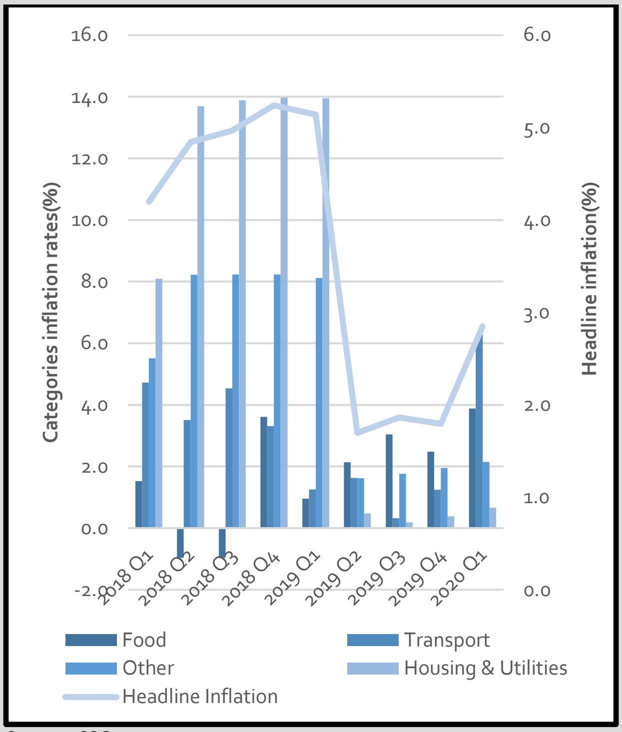
3.2.1 Inflation Developments

Overall annualized inflation averaged 2.8 percent in 2020 Q1, indicating a 2.3 percentage points decline compared to the 5.1 percent recorded in the same period in 2019 Q1. The continued decline in domestic prices during the period mirrored the fall in prices of the housing and utility category in view of the pronouncement to freezing utility tariff hikes as well as a non-increase in housing rentals in since April 2019.

On the contrary, the decline in overall inflation was counteracted by marginal increases in the prices of food (3.9 percent) and transport (6.3 percent), owing to general increases in the food basket and the hike in the fuel levy by 85 cents resulting in a 25 percent increase in transport fare, respectively.

On a quarterly comparison, the headline inflation increased marginally by 1.1 percentage points from the 1.8 percent in recorded in 2019 Q4, driven by the increases in the prices of food and transport costs. However, this was counteracted by a fall in clothing and footwear prices, which averaged 1.1 percent in 2020 Q1, compared to 2.1 percent in 2019 Q4.

Figure 8: Headline Inflation

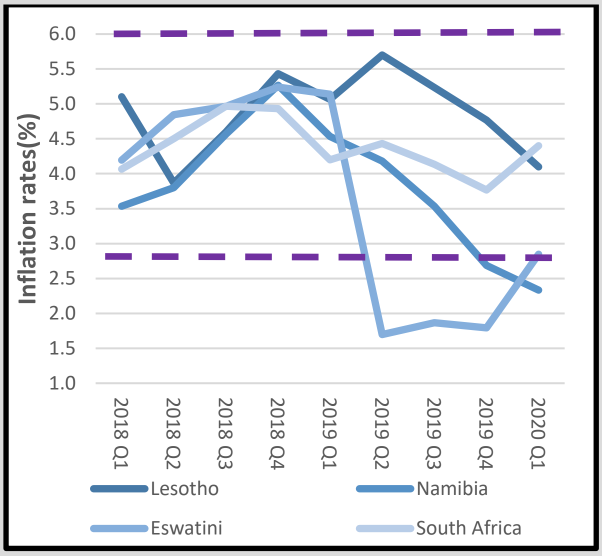


Source: CSO

In the Common Monetary Area (CMA), inflationary pressures were mixed in the period between 2019 Q4 and 2020 Q1, but all the member countries with the exception of Namibia's headline inflation rates fell within the 3-6 percent target band. South Africa recorded the highest inflation rate at 4.4 percent in 2020 Q1, reflecting 0.6 percentage points higher than that of 2019 Q4 as a result increases in food prices, prices of miscellaneous goods and services as well as transport costs. Lesotho recorded a headline inflation rate of 4.1 percent in 2020 Q1, which was 0.7 percentage points lower than in 2019 Q4, due to a fall in food prices. Lastly, Namibia had the lowest inflation, at 2.3 percent in 2020

Q1 which was 0.4 percentage points lower than in 2019 Q4. This decline was due to a fall in the costs of housing and utilities.

Figure 9: CMA Inflation Rates

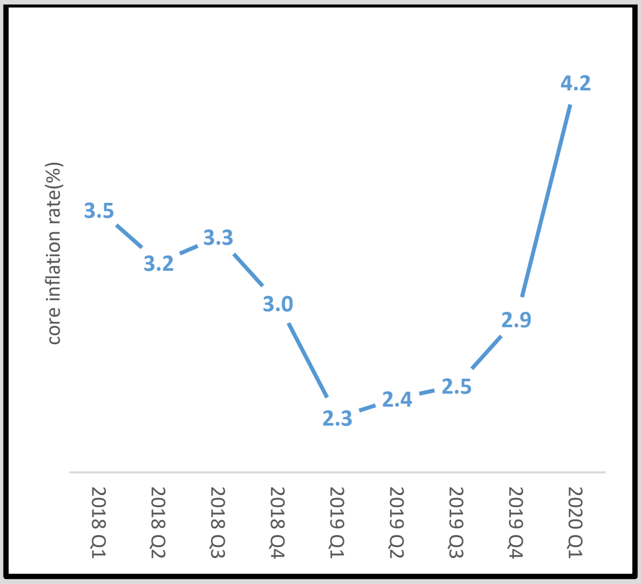


Source: CMA countries

3.2.2 Core inflation

Core inflation, defined as a the change in prices for a basket of non volatile products, reflects the relationship between the prices of goods and services and the level of consumer income. In Eswatini, core inflation averaged 4.2 in 2020 Q1, which was 1.3 percentage points higher than in the preceding quarter. This slight increase reflected the erosion of consumers real wage as it remained depressed, hence, consumers had less purchasing power.

Figure 10: Core Inflation Rate



Source: CSO

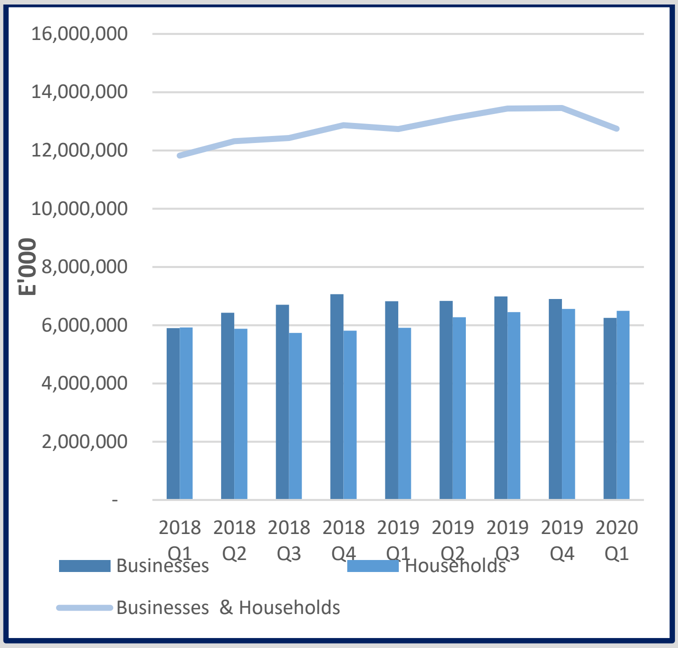
3.3. Interest Rates & Lending

"Accommodative monetary policy stance taken as discount rate is slashed…"

In the period under review, the Central Bank maintained an accommodative monetary policy stance, with discount rate slashed by 125 basis points from 6.75 percent in 2019 Q1 to 5.5 percent in 2020 Q1. This was done in consideration of global, regional and domestic economic conditions such as the weakened RSA economic performance, the China-US trade tensions and the continued spread of the coronavirus pandemic which has slowed down economic activity. On the back of these developments, the prime lending rate followed a similar path going down from 10.25 percent in 2019 Q1 to 9 percent in 2020 Q1.

In line with the accommodative stance, the total credit extended to both businesses and households grew by 0.1 percent, from E12.73 billion in 2019 Q1 to E12.75 billion in 2020 Q1. This can be attributed to a 9.9 percent modest growth in credit extended to households recording an estimate of E6.5 billion in 2020 Q1 compared to E5.9 billion recorded in 2019, as unsecured personal loans surged during the period. On the other hand, credit extended to businesses, fell by a modest 8.4 percent during the period, and was recorded at E6.3 billion in 2020 Q1, conteracting the growth in credit extended to household. This was noted in sectors such as ''distribution and tourism", "community, social and personal services" as well as "other unclassified credit" sectors, where the credit extended went down by 43.5 percent, 43 percent and 4.2 percent, respectively. Similarly, on a quarter-on-quarter basis credit extension was on a downward trend.

Figure 11: Credit Extention



Source: CBE (2020)

3.4. *Exchange Rates*

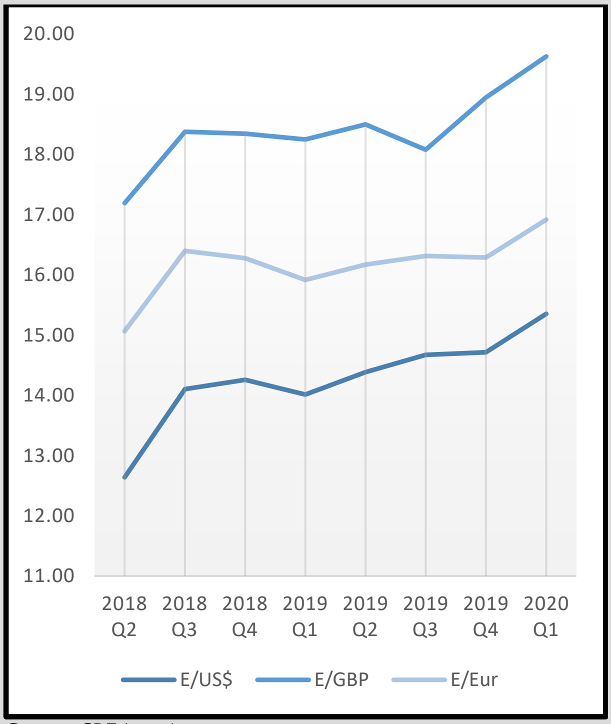
"Lilangeni depreciates compared to major currencies"

The performance of the Lilangeni, which is pegged to the South African Rand through a fixed exchange rate regime, is linked to developments in the South African as well as the rest of the global economy. The Lilangeni when paired against the three major currencies (i.e. the US Dollar, British Pound and the Euro), depreciated both on a year-on-year and quarter-on-quarter comparison. Against the US Dollar it weakend by 9.6 percent, to average 15.35/USD. Against the British Pound the Lilangeni was down by 7.5 percent, to averaged E19.63/GBP and compared to

E18.25/GBP in 2019 Q1. Finally, against the Euro, the Lilangeni fell by 6.3 percent, to average E16.92/EUR, compared to E15.91/EUR in 2019 Q1.

The reason for the depreciation of the Lilangeni against the 3 major currencies was attributed to the Moody's and Fitch downgrade of the South African economy to "junk" status as well as the signing of "phase one" of the US-China trade deal which eased the trade tensions thus pushing investors into buying the US treasury securities, particularly for the US dollar. The advent of the corona virus was an additional factor to the currency depreciation.

Figure 12: Exchange Rate Developments



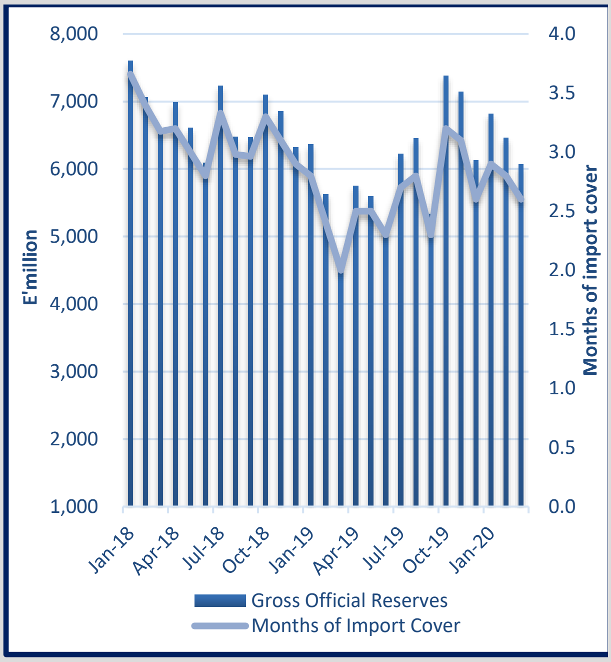
Source: CBE (2020)

3.5. Reserves

"Reserves remain below 3 months of import cover"

The stock of gross official reserves was recorded at E6.07 billion in 2020 Q1, which was enough to cover 2.6 months of imports during the period. On a year-on-year basis, this was a 33.7 percent growth compared to the E4.5 billion recorded in the same period in 2019. On a quarter-on-quarter basis, however, reserves were down by 0.9 percent amounting to E6.12 billion in 2019 Q4 and enough to cover 2.6 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. This can be attributed to the continued fiscal challenges, which have led to a rapid drawdown of the reserves, and the lack of replenishing, which could be worsened by increased government spending on fighting and mitigating the effects of the novel corona virus.

Figure 13: Gross Official Reserves



Source: CBE

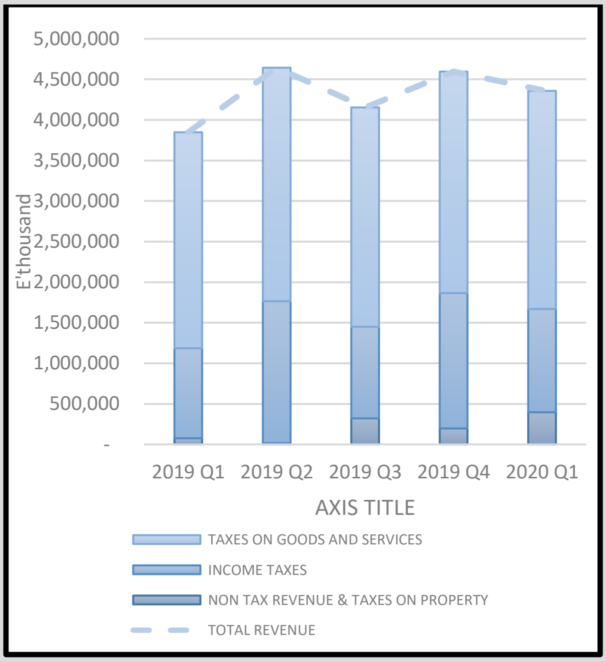
4. Fiscal Developments

4.1. Government Revenues

"Government revenues on an upward trend"

Total government revenue stood at E4.37 billion during the period. This reflected a modest increase on an annualised basis compared to the revenue which was collected during the same period in 2019. In terms of the revenue streams, mixed performance was observed during the period with taxes on goods and services increasing by 61.7 percent, whilst income taxes rose by 29.2 percent and non- tax revenue recorded a 9.0 percent growth. On the contrary, taxes on property was on a declining trend. The growth in income taxes was attributed to a modest increase in both company taxes and individual taxes. Whereas, the growth in taxes on goods and services was attributed to a modest growth in value added tax, fuel tax as well as an exponential growth on the road toll levy and lotteries and gaming levies.

Figure 14: Government Revenue

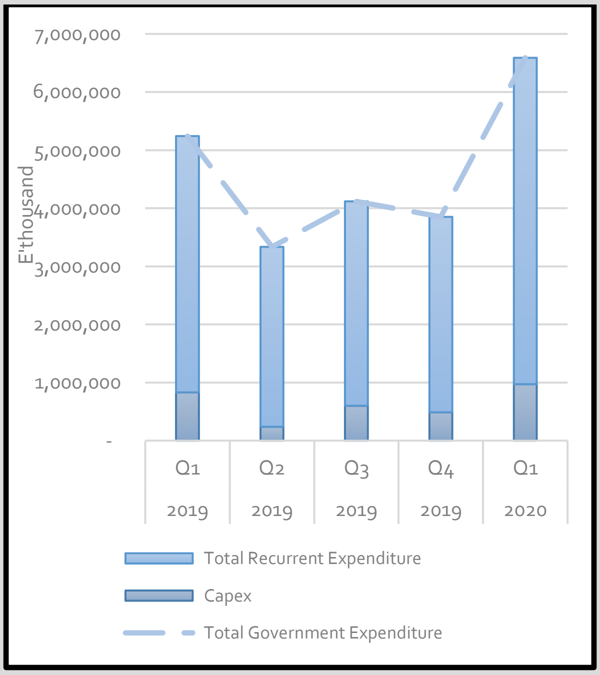


Ministry of Finance (M.O.F)

4.2. Government Expenditures

"Government spending on the rise as spending on goods and services increases"

Total government spending increased by 26 percent in 2020Q1 compared to 2019 Q1. The increase in government spending was largely attributed to high spending on recurrent expenditures such as goods & services and transfers during the period. The increased expenditures on goods and services was in response to the covid-19 pandemic as the government braced itself for the health outbreak. Whilst, expenditures on wages and salaries decreased marginally due to the continued hiring freeze stance by the government. In line with the recurrent expenditures, total capital expenditure also realized a modest growth due to continued implementation of the government's capital program.



Ministry of Finance (M.O.F)

THE NOVEL CORONA VIRUS OF 2019 (COVID-19); ANTICIPATED IMPLICATIONS ON THE DOMESTIC ECONOMY

Like most African countries, Eswatini has seen an increase in the number of COVID-19 cases. From the first recorded case of the virus on March 26, to June 30, Eswatini's total cases stood at 812 with 408 recoveries and 11 deaths. To contain the spread of the virus and alleviate its social as well as economic tolls, the government implemented containment measures beginning on March 27th 2020. These containment measures, as well as deteriorating external conditions, have impaired economic activity in Eswatini.

At the domestic front, the virus has diminished demand by causing job losses, dwindling incomes thus execibating extreme poverty, and heightening precautionary savings. This effect has been more pronounced for demand-dependent sectors such as wholesale and retail, transportation, tourism, as well as construction.

Furthermore, supply constraints also induced by the COVID-19 complemented reduced demand to exert a further toll on the economy. Disruptions to global supply chains have posed a challenge to the production abilities of domestic firms that rely on imported inputs. This effect has been more acute for the country's manufacturing sector, which is the second largest. Additionally, imposed social distancing measures have contributed to a reduction in the supply of labour for firms to harness their optimal capacity therefore resulting in low productivity. Finally, enterprises have had to cut back on investments due to reduced revenues and heightened uncertainty surrounding demand for their produce.

At the external front, the pandemic has also resulted in dire economic conditions that exacerbate the adverse domestic conditions (dwindled demand and supply constraints). The decline in global economic activity has caused a reduction in the demand for commodities as well as their prices, hence, impairing the country's external trade activity. Additionally, FDI inflows and remittances from abroad, which are both vital sources of foreign exchange to the country, are both on the decline. Finally, travel restrictions have led to a reduction in tourists' arrivals.

For 2020, it is expected that the economic downturn recorded in the first six months will be more acute due to the relatively more stringent containment measures implemented around that period. However, the pandemic's adverse effect on the economy is expected to persist at least for the remaining six months of the year.

The pandemic's continued hampering of the economy will emanate from the persistence in the containment measures until herd immunity is attained or pharmaceutical treatment is available. Additionally, enterprises which have had to adapt to social distancing standards could continue to witness subdued productivity. Moreover, demand is expected to remain subdued as it will take a while for jobs to reemerge; wages to rise; and for consumers to regain the confidence to spend. Finally, certain underlying conditions in Eswatini which predate the advent of the COVID-19 will also influence the country's economic recovery path.

As in many other developing countries, a significant share of jobs cannot be done from home. Government's limited fiscal space will also pose a challenge to providing financial support to vulnerable persons and enterprises. Moreover, with nontrivial tourism and exporting sectors, the country's recovery is vulnerable to external shocks especially those emerging from South Africa. Finally, owing to the significance of the informal sector, the government's efforts to support financial reprieve to vulnerable persons and enterprises could be challenged.

Despite the country's potential to see a steady recovery from the pandemic at least in the second phase of 2020, in a likely scenario where there is a pronounced second wave effect and or Africa's case count surges out of control, a severe economic downturn could emerge instead.

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	2019
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	65,932
GDP per Capita	29,074	30,788	32,780	36,659	40,282	42,945	45,824	48,321	49,880	53,804	56,235
GDP Growth Rate (%)	1.6	3.8	2.2	4.3	6.4	1.9	0.4	1.4	2.0	2.4	1.3
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*	8.4
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*	32.8
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*	51.3
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	2.6
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	140.7
Discount Rate (%)	6.50	5.50	5.50	5.00	5.00	5.25	5.75	7.0	7.25	6.75	6.50
Prime Lending Rate (%)	10.00	9.00	9.00	8.50	8.50	8.75	9.25	10.50	10.75	10.25	10.00
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	14.40
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	19.00
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	28,856
Merchandise Imports (E' Million)	12,127	14,821	19,563	15,524	18,390	19,980	18,864	19,084	21,374	23,956	26,452
Merchandise Trade Balance (E' Million)	1,142	(443)	(2,743)	(1,249)	(98)	2,696	3,311	3,977	2,632	568	2,431
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	6,126
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	2.6
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	16,006	17,691
Total Expenditure (E' Million)	10,153	9,988	8,854	10,778	12,582	15,304	16,999	19,917	20,242	19,798	22,231

Fiscal Surplus/Deficit (E' Million)	(900)	(3,003)	(1,365)	1,390	328	(560)	(2,413)	(6,035)	(3,406)	(3,791)	(4,540)
Fiscal Surplus/Deficit as % of GDP	(3.0)	(9.2)	(3.9)	(3.5)	0.7	1.2	4.6	11.3	5.7	6.0	6.9
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	8,284
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	12.6

*Fiscal sector figures are in fiscal years.

*GDP numbers extracted from CSO provisional estimates