Ministry of Economic Planning and Development

Macroeconomic Analysis and Research Division

E-Bulletin No.26, Q2 2018

Disclaimer: Any views expressed in this publication are those of the authors and should not be interpreted as those of MEPD or the Government. Any errors are also our own.

Comments, criticisms and recommendations for improvement are most welcome. Please email: macrodivision.gos@gmail.com

2018Q2 Highlights

International

- The global Gross Domestic Product is estimated to grow by 3.7 percent in 2017 and is forecasted to grow by 3.9 percent consecutively in 2018 and 2019.
- Increasing trade tensions and concerns could slow the growth prospects in the medium term.
- Emerging economies and developing economies experience powerful cross winds due to increasing oil prices, appreciation of the US dollar, trade tensions and geopolitical conflicts.

Domestic

- Overall inflation rate averaged at 4.5 percent in 2018Q2, 35 percent lower than the same period in 2017.
- The Central Bank of Eswatini maintains the discount rate at 6.57 percent at the end of 2018Q2 and the prime lending rate unchanged at 10.25 percent similar to 2018Q1.
- Lilangeni and Rand depreciate relative to other major currencies in 2018Q2.
- Gross official reserves drop alarmingly low, below the 3 months of import cover. Lowest levels recorded in recent history, reflecting increasing fiscal and government cash-flow challenges.
- Imports increase as exports remain stagnant resulting in a merchandise trade deficit of E0.5 billion in 2018Q2.

1. International Developments

1.1 Global Growth Performance

According to the July 2018 World Economic Outlook (WEO), the global Gross Domestic Product (GDP) is estimated to have grown by 3.7 percent in 2017 and is expected to reach 3.9 percent in 2018 and 2019 respectively, similar to the World Economic Outlook forecast for April 2018. Strong growth momentum and accommodative financial conditions are expected to drive this growth. However, risks such as the escalating trade tensions and concerns could depress medium-term growth prospects, both through their direct impact on resource allocation and productivity as well as by increasing uncertainty therefore taking a toll on investment.

In terms of year-on year projections, GDP growth for advanced economies is expected to remain constant at 2.4 percent in 2018, when compared to 2017. This estimate is 0.1 percentage points lower than that published in April 2018 and reflects greater-than-expected growth moderations in the European Union region and Japan after several quarters of above potential growth. In the United States, near-term momentum in the economy is expected to strengthen temporarily in line with the April WEO forecast, with growth projected at 2.9 percent in 2018 and 2.7 percent in 2019. Substantial fiscal stimulus together with an already-robust private final demand, will lift output further above potential and lower the unemployment rate below levels last registered 50 years ago, creating additional inflationary pressures. Economic growth in the Euro area is projected to slow gradually from 2.4 percent in 2017 to 2.2 percent in 2018 and to 1.9 percent in 2019 (a downward revision of 0.2 percentage point for 2018 and 0.1 percentage point for 2019 compared with the April WEO due to the reflection of negative surprises to activity in early 2018).

Emerging markets and developing economies have experienced powerful crosswinds in recent months due to rising oil prices, higher yields in the United States, dollar appreciation, trade tensions and geopolitical conflict. The outlook for regions and individual economies thus varies depending on how these global forces interact with domestic distinctive factors. Financial conditions remain generally supportive of growth, though there has been differentiation across countries based on economic fundamentals and political uncertainty. With the elevated growth on oil exporters benefiting from higher oil prices, which however is largely offset by the combined drag on other economies from the forces described above, the group's overall 2018 and 2019 growth forecasts remain unchanged from the April WEO at 4.9 and 5.1 percent, respectively.

The recovery in Sub-Saharan Africa is set to continue, supported by the rise in commodity prices. For the region, growth is expected to increase from 2.8 percent in 2017 to 3.4 percent in the current year, rising further to 3.8 percent in 2019 (0.1 percentage point higher for 2019 than forecast in the April WEO). The upgraded forecast reflects improved prospects for Nigeria's economy. Its growth is set to increase from 0.8 percent in 2017 to 2.1 percent in 2018 and 2.3 percent in 2019 (0.4 percentage point higher than in the April WEO for 2019) on the back of an improved outlook for oil prices. Despite the weaker-than-expected first quarter outturn in South Africa (in part due to temporary factors), the economy is expected to recover somewhat over the remainder of 2018 and into 2019 as confidence improvements associated with the new leadership are gradually reflected in strengthening private investment.

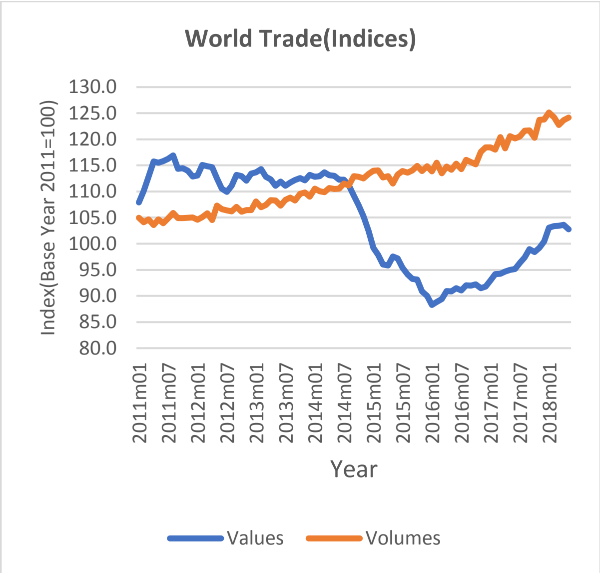
	Apr-18			July-18		
	2017	2018	2019	2017	2018	2019
World Output	3.8	3.9	3.9	3.7	3.9	3.9
Advanced Economies	2.3	2.5	2.2	2.4	2.4	2.2
US	2.3	2.9	2.7	2.3	2.9	2.7
UK	1.8	1.6	1.5	1.7	1.4	1.5
Emerging Economies	4.8	4.9	5.1	4.7	4.9	5.1
China	6.9	6.6	6.4	6.9	6.6	6.4
SSA	2.8	3.4	3.7	2.4	3.4	3.8
Nigeria	0.8	2.1	1.9	0.8	2.1	2.3
RSA	1.3*	1.5	1.7	1.3*	1.5	1.7

*Source: WEO, July 2018; * - Stats SA and SARB*

In South Africa, Eswatini's major trading partner, real Gross Domestic Product declined by 2.2 percent in 2018Q1 despite a notable improvement in domestic business and consumer confidence. According to the STATSSA, the manufacturing sector as well as the mining and quarry sectors were the largest negative contributors in GDP growth in 2018Q1. The manufacturing sector decreased by 6.4% and contributed negative 0.8 percentage point to GDP growth. This was due to a sharp contraction in the production of non-durable goods. The mining and quarry sectors contracted by 9.9 percent and also contributed negative 0.8 of a percentage point to GDP growth due to decreased production in gold and other metal ores, predominantly the platinum group metals and iron ore. The agriculture, forestry and fishing sector on the other hand, contracted by 24.2percent and contributed negative 0.7 of a percentage point to GDP growth. The decrease was mainly driven by a drop in the production of field crops and horticultural products. The tertiary sector, however, had a slow growth due to a contraction in the real Gross Value Added (GVA) in the commerce sector, while output growth moderated in both the finance and transport sectors.

1.2 World Trade

Global trade recovered strongly in 2017, after 2 years of weakness, to record an estimated real growth rate of 5.1 percent, a 0.2 percentage point upward revision from the April 2018 estimates. This is up from the 2.2 percent growth rate of 2016. Global trade is expected to continue to decline in 2018 due to the escalating trade tensions, which could undermine business and financial market sentiment, thereby denting investment and trade. This decline will be more pronounced in emerging markets and developing economies (with trade growth rising from 6.7 percent in 2017 to 5.7 percent in 2018). According to the IMF, global commodity prices are rapidly increasing, rising by an average of 16.0 percent between February 2017 and early June 2018. The increase was driven primarily by rising oil prices. Prices of agricultural commodities have increased marginally, reflecting diminishing excess supply.



Source: CPB World Trade Monitor

THE EFFECTS THE OF USA'S PROTECTIONISM ON DEVELOPING ECONOMIES

Over the past few months protectionism has taken centre stage in the global trade arena as the President of the United States of America Mr Donald Trump issued two presidential proclamations. These two proclamations, would apply an import levy of 25 percent on steel and a 10 percent import duty on aluminium imports to the USA after the 23rd of March. From the Trump administrations perspective, the aim of the special levies on steel and aluminium was to offer domestic support to steel and aluminium manufacturing industries. This was implemented to provide an incentive to increase the sector utilization of available and productive capacity by ensuring greater long-term sustainability as well as ultimately to serve the US security.

The second presidential proclamation was mainly directed to the Republic of China which is the world second largest economy after the US. The US imposed a USD 34 billion tariff on selected Chinese imports coming into their boarders. The US justification for the import tariff on Chinese goods was to penalize China for their unfair trade practises by forcing foreign businesses to hand over their valued technological secretes to Chinese companies in exchange for access to their domestic markets. The claim was that China was applying protectionism by forcing other countries to reveal their technology in order to get access to their markets.

The 25 percent tariff hike on Chinese goods was designed to make Chinese products more expensive for American consumers and businesses to purchase. The logic was that if Chinese products become more expensive, consumers would be forced to purchase those products somewhere else and thus Chinese businesses would lose billions of dollars. In response to the US tariff hikes the Chinese government retaliated by applying a counter US$ 34 billion import tariff on a selected products of US origin. This has started a tit-for-tat trade war between the US and China.

To solidify their resolve of not backing down on the trade war with China, the US announced a broad outline of agreements with the European Union, designed to side-line Europe from the dispute between China and the US. This was done to allow the US to focus solely on China during the course of the trade war.

The effects of the protectionism on steel and aluminium products by the US as well as the trade war between the US and China has shown to have global ramifications on some of the world economies. This is particularly evident in Africa, specifically in the Republic of South Africa and Egypt where they are experiencing the effects of the steel and aluminium tariffs imposed by the US with the situation likely to get worse if, a full trade war takes place. As the African proverb states, "when the bulls fight, it is the grass that suffers". The Trump administrations protectionism has spread to other countries and has negatives externalities for African infant industries.

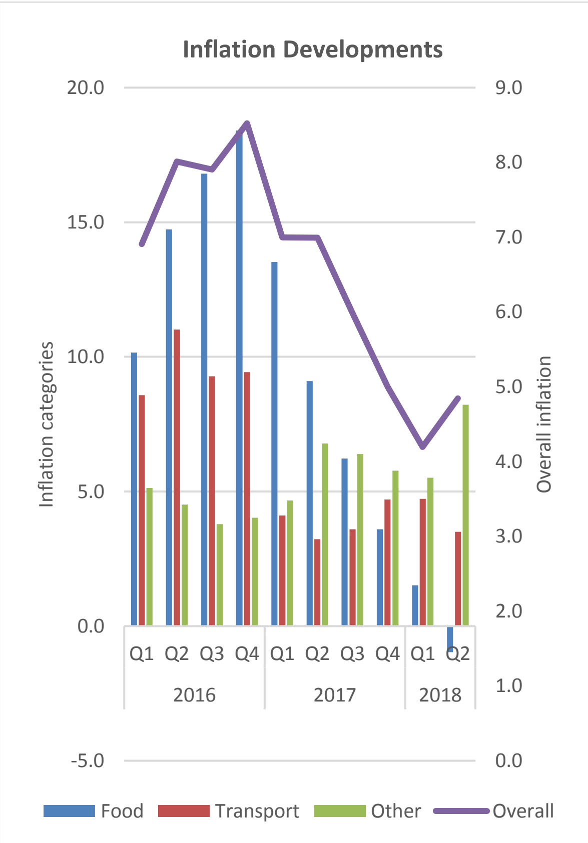
Such is the case for RSA, as the 25 percent tariff hike on steel and 10 percent hike on aluminium by the US is projected to negatively affect 7 500 jobs and reduce their export revenues. South Africa exports about 330 000 tonnes of steel which is 5 percent of South Africa's annual steel production to the US, benefiting from the African Growth and Opportunity Act (AGOA, US, 2000). SA steel exports to the US amounted to USD 950 million and aluminium exports were USD 375 million in 2017[1]. Although, they represent only about 1.4 percent of total US imports, but a quarter of all South African US exports.

The loss of the steel and aluminium export market in the US for SA as a result of the increased protectionism measures effected by the Trump administration, will have a huge baring of the struggling SA economy. Additionally, this might act as a negative risk to the SACU receipt pool as SA is a member state of the South African Custom Union and the major contributor to that SACU pool. This will also have an impact on the other SACU member states because of the reduced SACU pool and share of the pie. However, this will only apply if the trade war becomes full blown causing the amount of imports to South Africa to decline, thereby reducing the SACU receipts.

2. Domestic Developments

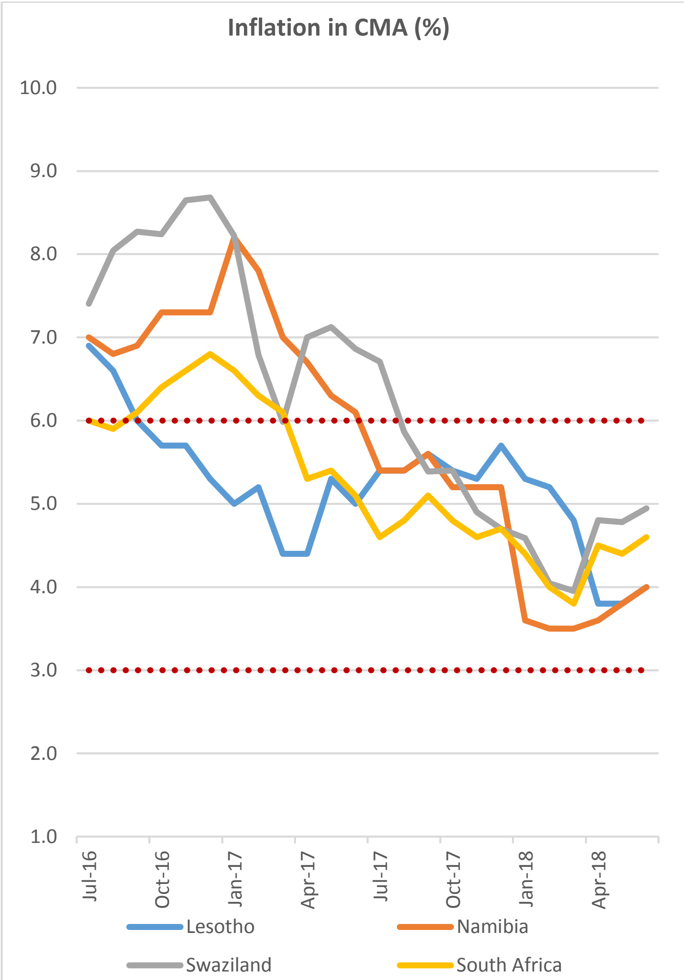
2.1 Prices

The overall inflation rate of Eswatini averaged at 4.5 in 2018Q2, 35 percent lower than the same period in 2017. Inflation has subsided substantially over the last several quarters and is falling very comfortably within the 3 percent to 6 percent target band of the Common Monetary Area (CMA) countries. The recovery from the drought has continued to moderate food inflation, with food prices even experiencing a decline in June. Transport inflation has also remained moderate over the period, averaging below 4 percent due to fuel price reductions. On the other hand, other inflation categories have increased, driven by utilities inflation (including fuel and energy prices) which have spiked to almost 14 percent. The two key factors for the increase in this category of inflation are, the 16 percent increase in global oil prices in recent months and the 15 percent hike in domestic electricity levy effected at the end of 2018Q1.



Source: CBS-CSO

Inflation across all CMA countries has followed a similar trend, all falling well within the target band. The story is similar for the other countries, particular as the whole CMA region was affected by the drought. Inflation across the region is also largely dependent on inflation within SA, considering the size of the South African economy and the level of imports that the other countries source from SA. Any inflation that occurs within SA will spill-over to the neighbouring CMA countries. The peg to the Rand also limits monetary policy autonomy as well as the exchange rates from adjusting to account for inflation differentials.



Source: National Statistics Offices of Member States

2.2 Interest Rates

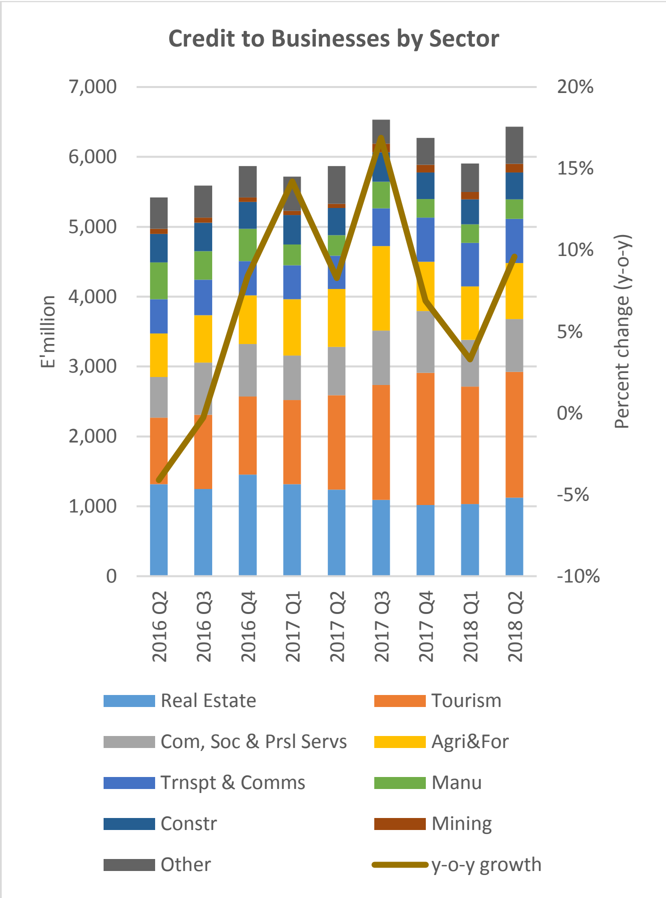
The Central Bank of Eswatini maintained the discount rate unchanged at 6.75 at the end of

2018Q2. The South African repo rate was also unchanged at 6.5, maintaining the 0.25 positive interest rate spread between Eswatini and SA. Increasing the discount rate could place further strain on the economy, which is showing signs of slowing down. On the other hand, there are still inflationary concerns, despite inflation subsiding recently. Furthermore, there are global and regional apprehensions, such as the rising trade tensions and inflationary pressures that prompt a more cautionary monetary policy stance. In line with the unchanged discount rate, the prime lending rate was recorded at 10.25, which is similar to 2018Q1.

2.3 Lending

Total credit extension to households and businesses rose to E12.3 billion in 2018Q2. This is relatively flat compared to the same quarter last year, once accounting for inflation, but it is a 4.3 percent increase on credit extension in 2018 Q1. The increase is mainly driven by credit extension to businesses, whereas credit extension to households remained constant. This has resulted in credit extension to businesses overtaking household credit extension, totaling E6.4 billion and E5.9 billion respectively. Household credit extension specifically towards financing of motor vehicles experienced a substantial decline this quarter, while other categories of financing for households were largely flat.

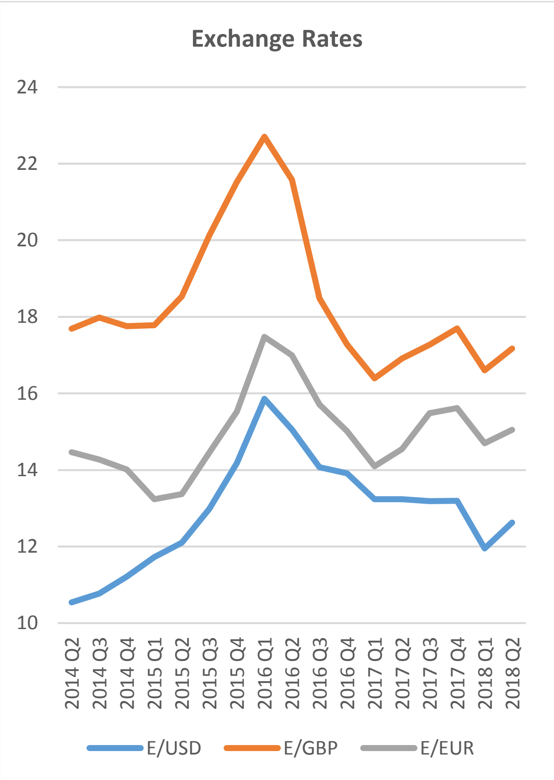
The increase in credit extension to businesses is largely driven by increased financing for the tourism sector as well as the transport and communications sectors. There have been several ongoing projects and initiatives in the tourism sector as well as the transport and communications sector that are driving the 33.5 percent y-o-y increase in tourism financing and the 32.5 percent y-o-y increase in financing for the transport and communications sectors. Financing for the mining sector also increased substantially, although financing for this sector only makes up 2 percent of total business credit extension. On the other hand, lending to the real estate sector has continued to decline off of a high-base in 2017, falling by 9.5 percent in 2018Q2 compared to 2017Q2. Further, lending to the agriculture and forestry sectors declined y-o-y by 3.2 percent. This is likely due to unfavorable international and regional market conditions, including the fall in world sugar prices and the initial strengthening of the Rand.



Source: CBS

2.4 Exchange Rates

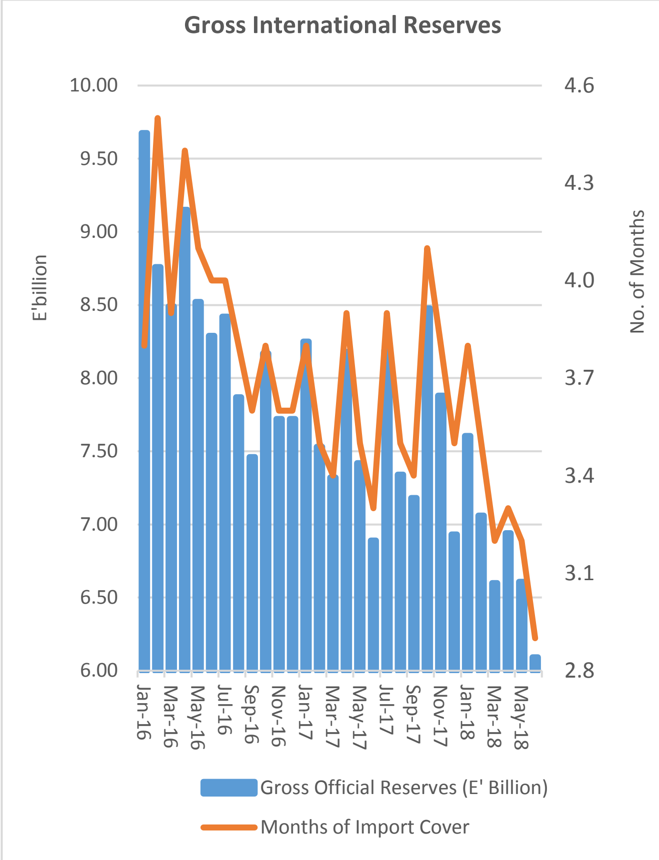
The Lilangeni, which is pegged to the Rand, had strengthened significantly relative to most major currencies in 2018Q1. This was particularly as a result of the reduced political uncertainty and improved economic outlook in South Africa. However, following the poor first quarter economic growth results for SA, much of the gain of the Rand has reverted in 2018Q2 to the 2017Q4 levels. The Rand weakened relatively more against USD, falling q-o-q by 5.6 percent to an average of 12.62 for the quarter. The USD has been gaining on many major currencies following positive economic forecasts. There is also greater uncertainty in the Euro around ECB policies and the UK, given the unknown around BREXIT strategies. Nevertheless, the Lilangeni and the Rand weakened q-o-q against the EURO and the GBP by 2.4 percent and 3.4 percent respectively, falling to an average of 15.05 and 17.17 for 2018Q2.



Source: CBS

2.5 Reserves

Gross official reserves have alarmingly dropped below 3 months of import cover. Reserves fell to E6.09 billion at the end of 2018Q2, the lowest level reserves have been for many years. This reflects growing fiscal and government cash-flow challenges. Sufficient levels of reserves are critical for a country that has pegged its currency with other countries in order to maintain the peg. The 3 months of import cover is the international benchmark but a peg can be maintained with a lower level of reserves, as Eswatini has done in the past. Nevertheless, a lower level of reserves greatly increases the risk of losing the peg given further shocks to the economy. An income of SACU receipts in July will help to bolster reserves temporarily.



Source: CBS

3. External Trade

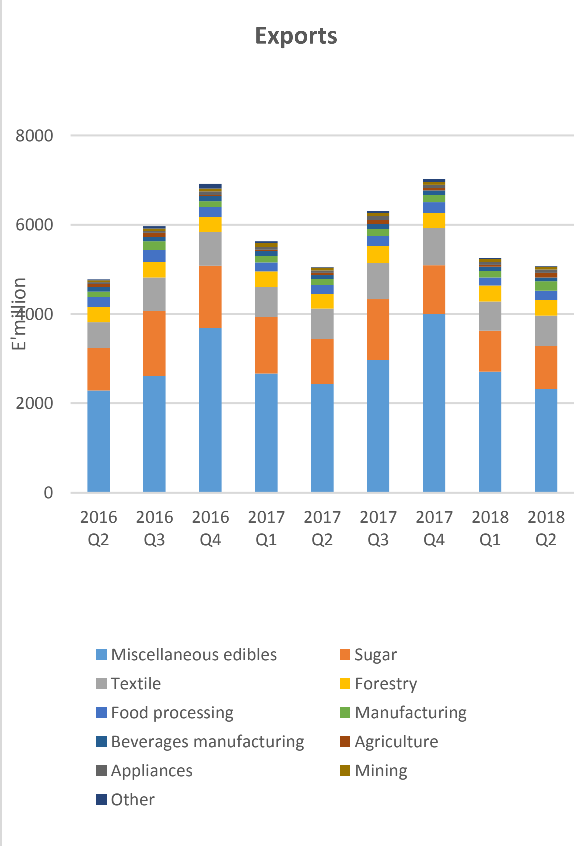
3.1 Exports

Exports have continued to decline in real terms in 2018Q2, according to Swaziland Revenue Authority (SRA) trade data. Total nominal exports for 2018Q2 were recorded at E5.07 billion, which was nearly flat when compared to the E5.05 billion reported in 2017Q2. Once accounting for inflation, total real exports have not been this low in the second quarter for several years. This indicates a potential slowdown in the economic growth of Eswatini in 2018.

The first key driver for this fall in exports is the decline in the South African economy, which is the destination for over 65 percent of Eswatini exports. Overall exports to SA declined by 2 percent in 2018Q2 compared to 2017Q2. Miscellaneous edible exports were the hardest hit product group, falling by 4.5 percent compared to the same period last year. The decline in the SA mining sector and primary sector overall has also had a particularly significant impact on the demand for raw materials from Eswatini, resulting in flat nominal growth for several related categories of exports.

Sugar exports have also suffered in the first two quarters of this year, falling by 5 percent in 2018Q2 compared to 2017Q2 (the 2018 Q1 y-o-y decline was even more significant). There was an initial strengthening of the Rand at the start of the year at the same time as world sugar prices fell substantially, resulting in Eswatini sugar exports becoming relatively more expensive. World prices fell as a result of the flooding of Brazilian sugar into the world market and the EU began to produce a surplus of sugar following the removal of the EU sugar quota regime. Eswatini sugar exports to the EU, which used to account for over 15 percent of sugar exports, fell by 80 percent as a result. A further reduction in sugar exports should be mitigated by the recent weakening of the Rand, a proposed increase in the SACU tariffs for sugar, and an increase in sugar exports to China.

A continued recovery from the drought has eased supply constraints on related products and buffered against a further decline in overall exports. Food processing products grew by 6 percent y-o-y in 2018Q2 and were destined particularly for the SACU market, although they also experienced a rapid growth to North America and other parts of Sub-Saharan Africa. The growth in food processing exports was despite the EU ban on Eswatini beef imports late in 2017, resulting in a 54 percent drop in food processing exports destined to the EU. Agricultural exports saw the largest growth of any export category, growing y-o-y by over 80 percent. The increase in agricultural exports were destined to the Asian, EU and MENA markets.



Source: SRA

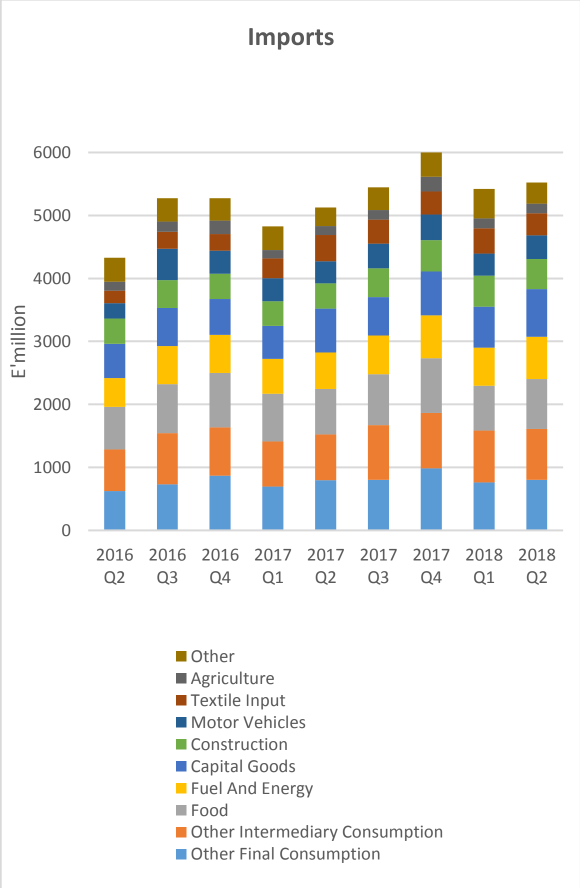
3.2 Imports

Nominal imports totalled E5.52 billion in 2018Q2. This was a 7.7 percent increase on 2017Q2 imports, which stood at E5.13 billion. This follows a growing trend in Eswatini of nominal imports growing faster than inflation, whereas nominal exports have been falling in real terms. Almost every category of imports, except for other final consumption goods and textile inputs, increased this quarter.

Furniture and construction imports experienced the largest increase in 2018Q2 compared to 2017Q2, growing by 58.4 and 18.6 percent respectively. A number of large private construction projects begun late in 2017, increasing the need for construction imports. Furthermore, there are a number of public and private construction projects nearing completion and therefore required furnishing. Capital goods and intermediate consumption imports were also high in 2018Q2. Despite the slowdown in export growth, it appears that Eswatini companies are continuing to invest. The story isn't the same for the textile industry, where the closure of factories has resulted in a 16 percent decline in textile inputs in 2018Q2 compared to 2017Q2.

Final consumption imports decreased substantially by 8.3 percent y-o-y in 2018Q2. This signals that disposable incomes may be under strain. Nevertheless, imports of inelastic final consumption goods, such as food, continued to increase. Fuel and energy imports in particular increased substantially in nominal terms in 2018. However, much of this increase can be attributed to a substantial rise in inflation for these items.

There has been a steady trend of imports increasingly being sourced from other locations other than South Africa and SACU. Nevertheless, this quarter opposed this trend, with 78 percent of imports sourced from the SACU region, compared to 75 percent in 2018Q1 and 77 percent in 2017Q2. There was also a substantial increase in imports from the EU region. On the other hand, imports from Asia declined by 18 percent compared to 2017Q2 figures, bringing the proportion of Asian imports down to 12 percent of total imports.



Source: SRA

3.3 Trade balance and current account

The 7.7 percent increase in nominal imports, together with stagnant export growth, resulted in a merchandise trade deficit for the quarter close E0.5 billion. A large trade deficit in a single period is not necessarily negative, but it should be monitored along with other key indicators over time. A persistent trade imbalance could potentially signal weaknesses in the economy. Nevertheless, Eswatini has had trade surpluses relatively frequently in the last several years and this is the first time since 2013 that there has been a trade deficit for two quarters in a row.

4. Fiscal Developments

4.1 Government Revenue

In the FY 2018/19 total revenue is forecast to amount to E16, 240 million compared to E16, 135 million collected in FY 2017/18. This slight increase in the total resource envelope budget is mainly attributed an anticipated 15 percent increase in Income Tax revenue collections in the FY 2018/19 to E5, 382 million, up from E4, 661 million collected in 2017/18. Taxes on goods and services (including SACU and VAT) are projected to decline by 5 percent in 2018/19 to E10, 322 million. This decline is mainly attributed to an anticipated 18 percent decline in SACU revenue in FY 2018/19 to E5, 844 million, VAT collections on the other hand are budgeted to increase by 16 percent to E2, 937 million.

E'Millions	2017/18	2018/19 (Budget)
Taxes on goods and Services	10,865	10,322
Income Taxes	4,661	5,382
Non-Tax Revenue	569	498
Taxes on property	40	38
Total Revenue	**16,135**	**16,240**

Source: Ministry of Finance (MFA)

In the first quarter of FY 2018/19 total revenue amounted to E3, 636 million, which is equivalent to 22 percent of total annual revenue budget for the period. This is a 10 percent decline in total revenue compared to E4, 047 million collected in Q1 2017/18 (25 percent of revenue budget).

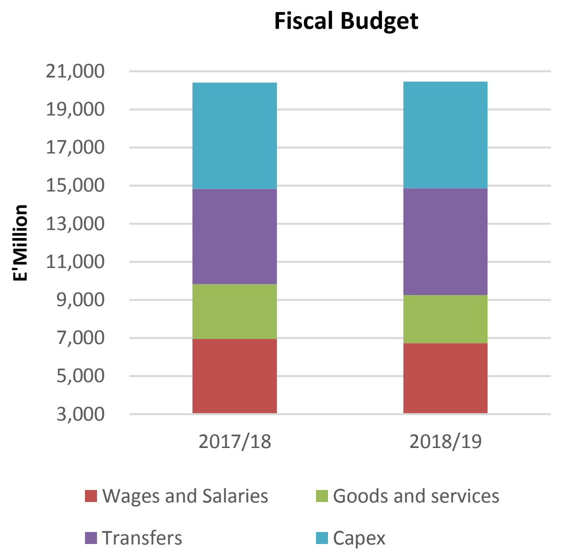
Domestic tax revenue collected amounted to E2, 138 million in the first quarter of FY 2018/19, a 4 percent decline compared to E2, 230 million collected in Q1 2017/18. This was mainly explained by the decline in all domestic tax revenue streams of Income Taxes, Taxes on Property and Taxes on Goods and Services by 3 percent, 35 percent and 5 percent respectively in Q1 FY 2018/19. Corporate tax revenue collected recorded a decline of 14 percent compared to the same period in 2017/18. PAYE on the other hand recorded an increase of 3 percent compared to FY 2017/18 Q1. VAT revenue was down by 9 percent in the period under review while fuel tax revenue collected was up by 4 percent.

SACU revenue received amounted to E1, 462 million in 2018/19 Q1, a decline of 18 percent y-o-y, down from E1, 777 million in 2017/18. Against an annual budget of E5, 844 million Q1 SACU receipts were equivalent to 25 percent of the annual revenue budget.

Source: SRA

4.2 Government Budget and Expenditure

In the FY 2018/19 the total fiscal budget is E20, 448 million a 0.2 percent increase compared the total budget of E20, 399 in the FY 2017/18. The marginal increase in the budget was mainly attributed to the marginal increase in both recurrent and capital expenditure which both grew by 0.2 and 0.3 percent respectively.



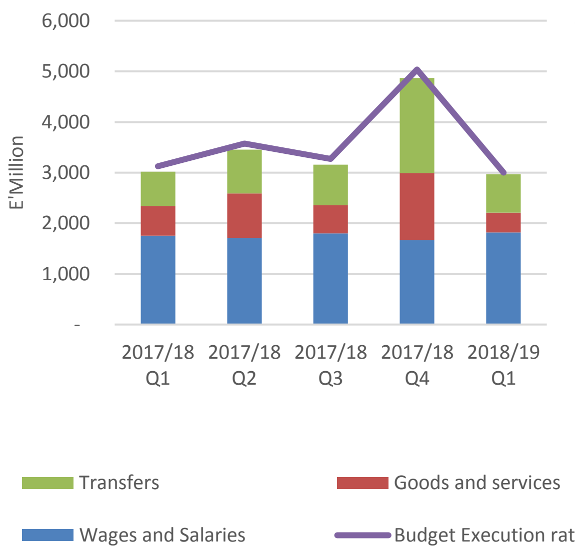
Source: Ministry of Finance (BEAD)

In the FY 2018/19 the total recurrent budget is E14, 851 million, compared to a budget of E14, 819 million in 2017/18. This marginal increase was mainly attributed to an increase in budget for transfer payments from E4, 998 million in 2017/18 to E5, 600 million in 2018/19. The recurrent budget for wages and salaries (E6, 755 million) and goods and services (E6, 952 million) declined by 3 percent and 12 percent respectively compared to the previous FY 2017/19. Capital expenditure budget for the FY 2018/19 on the other hand marginally increased by 0.03 percentage points amounting to E5, 597 million compared to E5, 579 million in the FY

2017/18. However, this budget might be reduced as a cost cutting measure amid the fiscal challenges faced by the country.

Government expenditure at the end of FY 2018/19 Q1 amounted to E3, 122 million, a 4 percent y-o-y decline compared to the same period in FY 2017/18 down from E3, 239 million. This decline was mainly due to a decline in goods and services and Capital expenditures by 34 percent and 31 percent respectively. Wages and salaries expenditure in FY 2018/19 Q1 amounted to E1,821 million, a 4 percent increase compared to actual expenditure of E1, 756 million in 2017/18 Q1. Transfers expenditure increased by 12 percent in Q1 2018/19 to E762 million compared to actual expenditure in the same period in FY 2017/18. The total recurrent expenditure budget execution rate at the end of FY 2018/19 Q1 stood at 20 percent compared to 21 percent recorded in FY2017/18 Q1.

Recurrent Expenditure



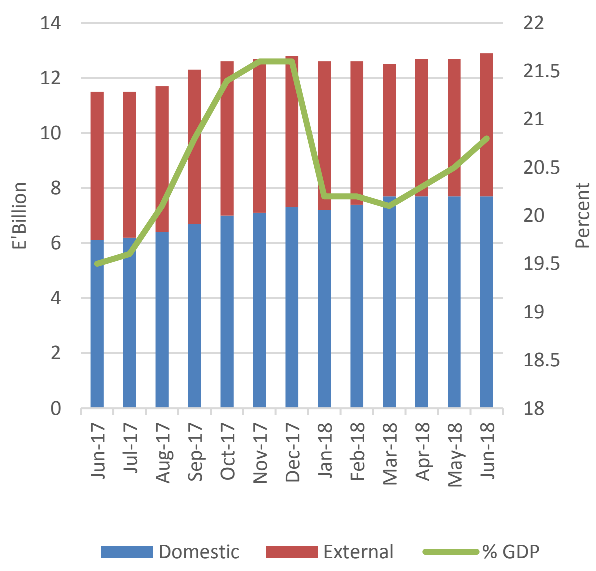
Source: Ministry of Finance (BEAD)

4.3 Government Financing

At the close of June 2018 public debt amounted to E12, 900 million, a 12 percent increase compared to the same period in 2017. The increase in public debt in the period was driven by a rapid increase in domestic debt by 26 percent on annual basis. This rapid increase was mainly attributed increase in the issuance of government long term and short term securities including the most recent E150 million infrastructure bonds and treasury bills. Bonds closed at E5, 400 million at the end of June having increased from E3, 400 million in June 2017. Treasury bills grew from E1, 600 million in June 2017 to E2, 300 million in June 2018. At the close of June 2018, Domestic debt amounted to E7.7 billion compared to E6.1 billion in June 2017.

External debt on the other hand recorded a decline on annual basis when compared to the same period in 2017, falling from E5, 400 million in June 2017 to close at E5, 200 million in June 2018.

Public Debt



Source: CBE

Annex 1 – Key Economic Indicators

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Real Sector										
Population	1,031,747	1,043,509	1,055,506	1,067,773	1,080,337	1,093,158	1,106,189	1,119,375	1,132,657	-
GDP at Market Prices (E' Million)	27,213	30,339	32,497	35,002	39,604	44,034	47,505	51,294	54,730	58,782*
GDP per Capita	26,376	29,074	30,788	32,780	36,659	40,282	42,945	45,824	48,321	-
GDP Growth Rate (%)	0.8	1.6	3.8	2.2	4.3	6.4	1.9	0.4	1.4	1.9*
Share of Agriculture & Forestry to GDP (%)	10.0	9.3	10.2	9.7	10.4	10.3	9.5	9.6	9.5	8.9*
Share of Manufacturing to GDP (%)	34.6	34.8	32.5	31.7	31.4	29.8	30.8	31.8	31.4	30.4*
Share of Tertiary Sector to GDP (%)	48.5	48.6	49.6	50.2	47.7	49.0	49.8	49.7	51.0	52.9*
Unemployment Rate (%)	-	-	28.5	-	-	28.1	-	-	-	-
Human Development Index (HDI)	0.518	-	0.526	0.534	0.539	0.541	0.541	0.541	-	-
Proportion of Population Below Poverty Line (%)	-	63	-	-	-	-	-	-	-	54
Monetary Sector										
Inflation Rate (%)	12.7	7.4	4.5	6.1	8.9	5.6	5.7	5.0	7.8	6.2
Consumer Price Index (Dec-12=100)	75.1	80.7	84.3	89.5	97.5	103.0	108.8	114.2	123.2	130.8
Discount Rate (%)	11.00	6.50	5.50	5.50	5.00	5.00	5.25	5.75	7.0	7.25
Prime Lending Rate (%)	14.50	10.00	9.00	9.00	8.50	8.50	8.75	9.25	10.50	10.75
Average Exchange Rate (E/US Dollar)	8.26	8.44	7.33	7.26	8.24	9.65	10.85	12.75	14.72	13.33
Average Exchange Rate (E/Pound Sterling)	15.14	13.12	11.32	11.63	13.01	15.11	17.85	19.49	20.02	17.04
External Sector										
Merchandise Exports (E' Million)	11,170	13,269	14,378	16,820	14,274	18,292	22,676	22,175	23,062	24,006
Merchandise Imports (E' Million)	10,942	12,127	14,821	19,563	15,524	18,390	19,980	18,864	19,084	21,374
Merchandise Trade Balance (E' Million)	228	1,142	(443)	(2,743)	(1,249)	(98)	2,696	3,311	3,977	2,632
Gross Official Reserves (E' Million)	7,065	6,479	4,497	4,231	5,638	7,979	7,916	8,485	7,720	6,933
Gross Official Reserves (Months of Import Cover)	4.6	4.1	2.8	2.3	2.9	3.9	3.6	4.0	3.6	3.3
Fiscal Sector+										
Total Revenue and Grants (E' Million)	9,611	9,253	6,985	7,489	12,178	12,910	14,744	14,586	13,882	-
Total Expenditure (E' Million)	9,242	10,153	9,988	8,854	10,778	12,582	15,304	16,999	19,917	-
Fiscal Surplus/Deficit (E' Million)	369	(900)	(3,003)	(1,365)	1,390	328	(560)	(2,413)	(6,035)	-
Fiscal Surplus/Deficit as % of GDP	1.4	(3.0)	(9.2)	(3.9)	(3.5)	0.7	1.2	4.6	11.3	-
Total External Debt (E' Million)	3,605	2,812	2,553	2,559	2,843	3,333	3,366	3,891	5,219	-
Total External Debt as % of GDP	13.2	9.3	7.9	7.3	7.2	7.5	6.9	7.4	9.7	-

Note: Data according to CSO report from October 2017. * - estimate. + - data in fiscal year (April 01-March 31) e.g. data under 2007 shows data for FY 2007

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: CBS, BOP Section

Prime Lending Rate: CBS, BOP Section

Exchange Rate (E/US Dollar): CBS, BOP Section

Exchange Rate (E/Pound Sterling): CBS, BOP Section

Total FDI Inflows: CBS, BOP Section

Merchandise Exports and Imports: SRA

Trade Balance: Net Exports and Imports: CBS, BOP Section

Gross Official Reserves: CBS, BOP Section

Gross Official Reserves (Months of Import Cover): CBS, 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: CBS

Total External Debt as % of GDP: CBS

List of Acronyms

AGOA	African Growth and Opportunity Act
CBS	Central Bank of Swaziland
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	Swaziland Revenue Authority
SSA	Sub-Saharan Africa
US	United States of America
UK	United Kingdom
WEO	World Economic Outlook