



KINGDOM OF ESWATINI

MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT



Quarterly Economic Bulletin: January - March

2026Q1



INTRODUCTION

The Eswatini Economic e-Bulletin is a quarterly report that provides an in-depth analysis of recent domestic economic trends and significant global and regional economic events.

This report features sections on global and regional developments, with a particular focus on the South African economy, Eswatini's main trading partner. Additionally, it delves into key domestic economic indicators, including GDP, inflation, credit extension, Gross Official Reserves, and government revenue and expenditure. Importantly, the report highlights trends from January to March 2026, with GDP data reflecting a one-quarter lag relative to the available sources.



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KEY HIGHLIGHTS

1. The global economy is once again facing a precarious situation, driven by rising tensions in the Middle East and dimming growth prospects.



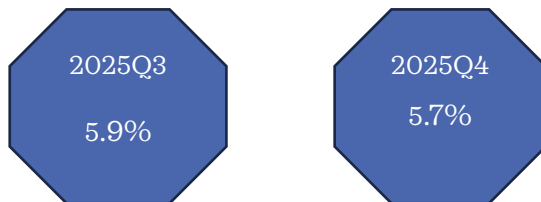
4. An accommodative monetary stance was maintained in line with moderated inflationary pressure. MPC kept the policy rate unchanged in the period.



Discount rate at 6.75%

Prime lending Rate at 10.25%

2. Domestic economy reflected resilience however heightened uncertainty pose threat to near term prospects.



Real GDP Growth –(y-o-y)

5. Private sector credit increased by 3.3%, with businesses recording a 6.9% increase.



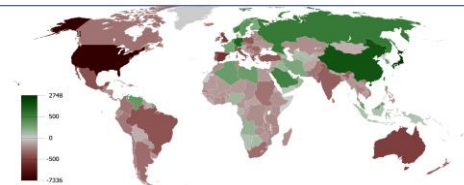
- 2026Q1 total credit extension amounted to E23.2B
- Credit to businesses was E12.7B
- Demand in key sectors such as manufacturing and construction.

3. Inflation remains contained, averaging 1.9% in 2026Q1, driven by moderated food prices and housing & utilities. Risks are on the negative side.



Transport inflation averaged 0.04% against 0.8 in the preceding quarter.

6. A trade deficit was recorded in the review period, as imports outpaced exports. Exports=E10.045B; Imports=E10.065B



7. Whilst the Lilangeni appreciated against major currencies

US\$=E16.32

£ = E22.02

€ = E19.13



1. Global Economy

1.1. Economic growth

The global economy is showing stable growth despite challenges such as shifting trade policies and geopolitical conflicts. In 2025, global economic activity rose by 3.4 percent, exceeding earlier forecasts, as nations adjusted to the new landscape. Favorable conditions for tech investments, along with supportive financial policies, have helped mitigate the impact of trade barriers. However, ongoing conflict in the Middle East threatens this growth. Projections indicate world output will grow by 3.1 percent in 2026 and 3.2 percent in 2027, reflecting a downward revision of 0.2 percentage points for 2026.

Advanced Economies

Economic growth in Advanced Economies (AEs) is projected to remain flat at 1.8 percent in 2026 and 1.7 percent in 2027, down from an estimated 1.9 percent in 2025. The impact of the Middle East conflict is expected to be modest. The US economy is forecasted to grow by 2.3 percent in 2026, driven by improved fiscal policies and the effects of 2025's monetary policy rate cuts. Meanwhile, GDP in the Euro Area is anticipated to decline by 1.1 percent in 2026 and 1.2 percent in 2027, following an estimated growth of 1.4 percent in 2025.

Emerging Market and Developing Economies

Economic growth in Emerging Market and Developing Economies (EMDEs) is projected to slow to 3.9 percent in 2026 and rise to 4.2 percent in 2027. The ongoing Middle East crisis is expected to adversely affect developing economies through

various channels, including financial flows, remittances, and energy dependence. China, however, is expected to grow by 4.4 percent due to stimulus measures that mitigate the impact of the conflict.

Sub-Saharan Africa

Growth in Sub-Saharan Africa is projected to remain steady at 4.3 percent in 2026 and 4.4 percent in 2027. However, oil-importing countries are likely to face challenges due to the ongoing energy crisis in the Middle East. On a positive note, key economies like Nigeria are expected to benefit from improved macroeconomic stability, sustaining a growth rate of 4.1 percent in 2026. In contrast, South Africa's economic growth is forecasted decline, largely due to disruptions from the Middle East conflict. Growth in the South African economy is projected at 1.0 percent in 2026, with a rebound to 1.3 percent in 2027.

1.2. Global Commodity Prices

1.2.1. Global Inflation

At the global scale, inflation has declined significantly from the peaks observed in 2022 and 2023, with most regions converging toward pre-pandemic averages. According to the 2026 WEO April Update, global headline inflation is estimated at 4.1 percent in 2025 and projected to increase to 4.4 percent in 2026 before declining to 3.7 percent in 2027, reflecting upward revisions of 0.6 percent and 0.3 percent for 2025 and 2026, respectively, relative to the January 2026 estimates.



Table 1: Global growth trends (percent)

Countries	Est 2025	Proj. 2026	Proj. 2027
World Output	3.4	3.1	3.2
AE's	1.9	1.8	1.7
US	2.1	2.3	2.1
EU	1.4	1.1	1.2
UK	1.3	0.8	1.3
EMDE's	4.4	3.9	4.2
China	5.0	4.4	4.0
India	7.6	6.5	6.5
SSA	4.5	4.3	4.4
Nigeria	4.0	4.1	4.3
South Africa	1.1	1.0	1.3

Source: IMF WEO, April 2026

On a year-on-year (y-o-y) basis, global headline inflation is projected to fall to 3.8 percent in 2026, down from 5.6 percent in 2025. While headline inflation is showing signs of moderation, core inflation remains elevated in advanced economies. This trend can be attributed to sustained wage growth and ongoing pressures within the service sector. Core inflation is expected to decline more gradually, reflecting sticky service prices and tight labor markets. Inflation is declining globally; however, the pace of this decline varies across regions, and potential risks persist.

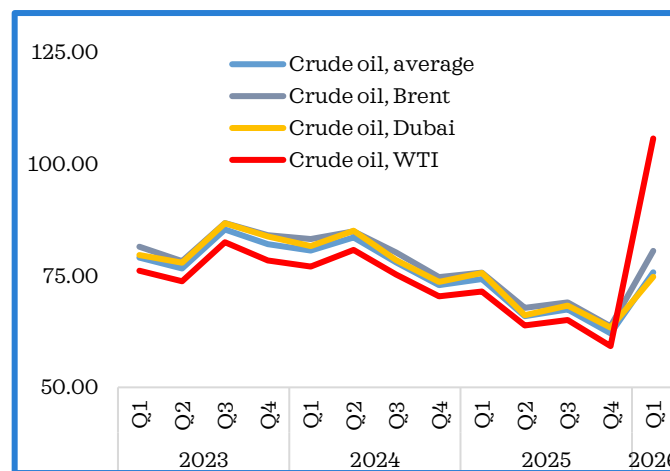
Inflation in advanced economies is expected to rise moderately, driven by energy price shock. On the other hand, disinflation in Emerging Markets is anticipated to turn around due to supply shock induced inflationary pressures, backed by rising food and energy prices coupled with weaker currencies. Risks to global inflation include Geopolitical tensions, which could trigger new

spikes in commodity prices; climate shocks, which may disrupt food supplies; and strong wage growth, which could slow the pace of disinflation.

1.2.2. Global Energy Prices

During the quarter under review, global crude oil prices surged amid rising tensions in the Middle East. This region contributes to roughly one-third of the world's oil production. This situation escalated further with the throttling of one of the key routes, the Strait of Hormuz, leading to significant disruptions in crude oil supply and consequently triggering price hikes for this vital commodity. As a result, global Brent crude oil averaged \$75.75 per barrel during the period, marking a notable spike in March 2026. This represents a 22.0 percent increase compared to the \$62.09 per barrel recorded in the previous quarter.

Figure 1: Global Crude oil prices (\$/bbl)



Source: World Bank pink sheets

This upward trajectory in oil prices mirrored the decline in shipping traffic, as many vessels paused their transit through the Strait of Hormuz to avoid damage to shipping vessels, leading to losses in output. In addition, major oil-producing countries, including Iraq, Saudi Arabia, and the United Arab Emirates (UAE), began shutting down production in response to attacks on their energy infrastructure.



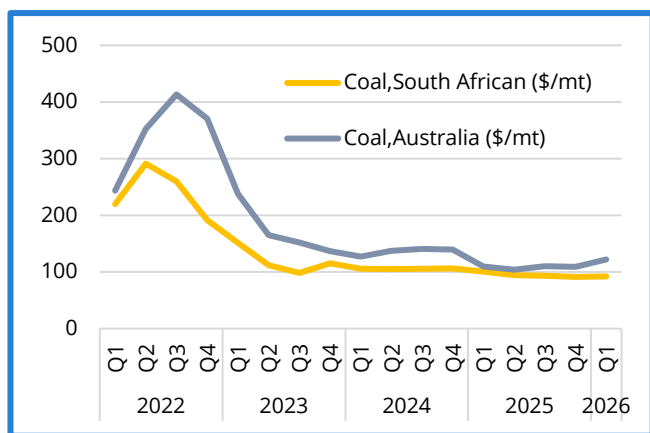
The uncertainty surrounding these ongoing threats and the potential for further assaults on energy facilities has put upward pressure on oil prices.

1.2.3. Global Coal Prices

Coal prices remained relatively stable throughout 2025, but recent fluctuations in crude oil prices, driven by ongoing conflicts in the Middle East, have led to notable shifts in the energy sector. These shifts have had a significant impact on global energy prices.

In the quarter under review, global coal prices, which are largely benchmarked to Australian coal prices, rose by 11.9 percent per metric tonne. They averaged US\$122.25 per metric tonne in the first quarter of 2026, rising from US\$109.26 per metric tonne in 2025. Coal prices remained relatively stable throughout 2025, but recent fluctuations in crude oil prices, driven by ongoing conflicts in the Middle East, have led to notable shifts in the energy sector. These shifts have had a significant impact on global energy prices.

Figure 2: Coal Prices (\$/mt)



Source: World Bank Pink Sheets

1.2.4. Global food prices

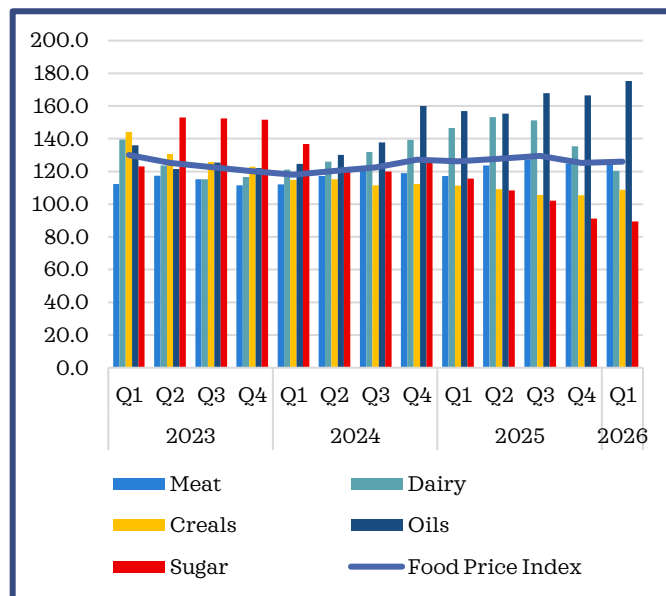
During the review period, global food prices, as reflected in the FAO Food Price Index (FFPI), showed mixed trends, with some commodities declining while others rose. Overall, the food price index

registered a modest rise of 0.6 percent, largely due to price hikes in the ‘oils’, ‘cereals’, and ‘meat’ categories, even as ‘dairy’ and ‘sugar’ prices declined during this time.

Prices for vegetable oils surged by 5.3 percent, mainly driven by steady increases in palm and soybean oil, while sunflower and rapeseed oil showed more varied performance. The cereal price index climbed by 3.2 percent, reflecting differing trends among the major grains. Wheat and maize prices generally trended upwards, bolstered by a resilient crop production despite worsening conditions and rising global fertilizer costs.

Meanwhile, meat prices increased by 1.2 percent, primarily due to the seasonal higher demand for pig meat. Bovine meat prices also rose, driven by strong demand in key markets and a tightening supply of cattle in exporting countries.

Figure 3: Global Food Indices



Source: FAO Food Price Index

On the flip side, both dairy and sugar prices declined, with dairy prices plummeting by 11.2 percent and sugar prices by 1.8 percent. The fall in dairy prices was mainly due to a significant



decrease in cheese prices, which outweighed the rise in milk powder costs. This trend was driven by rising import demand from the Near East, North Africa, and certain parts of Asia, alongside tighter supply in Oceania. Similarly, sugar prices averaged a 1.8 percent decline, influenced by expectations of ample supply from major producers such as Brazil, India, and Thailand. However, in the last month of the quarter, prices began to rebound amid expectations of rising ethanol substitution as crude oil prices climbed.

2. South African Economy

2.1. Real GDP Growth

Developments in the country's key trading partner, the Republic of South Africa, remained modest but were gradually improving, bolstered by the effective implementation of critical structural reforms. In the last quarter of 2025, South Africa's economy grew modestly by 0.4 percent (quarter-on-quarter, seasonally adjusted), building on a revised growth rate of 0.3 percent in the previous quarter. This uptick was primarily driven by a 1.4 percent increase in the 'finance, real estate & business' services sector, contributing 0.3 percentage points to the overall growth. The 'trade, catering & accommodation' sector saw a slight rise of 0.9 percent, while 'personal services' added a smaller contribution of 0.1 percentage points with a 0.4 percent growth. Both General Government Services and Agriculture, Forestry & Fishing reported growth of 0.4 percent.

However, five of the ten industries registered declines. The manufacturing sector faced challenges

primarily from the Automotive subsector, as well as downward trends in wood, paper and publishing, and food and beverages, resulting in a 0.6 percent contraction. Additionally, mining and quarrying contracted by 0.6 percent due to lower production of coal, platinum group metals (PGMs), gold, and diamonds. On top of that, the Construction sector dipped by 1.3 percent, while Transport, Storage, and Communication fell by 0.3 percent, and Electricity, Gas & Water saw a significant 2.2 percent drop.

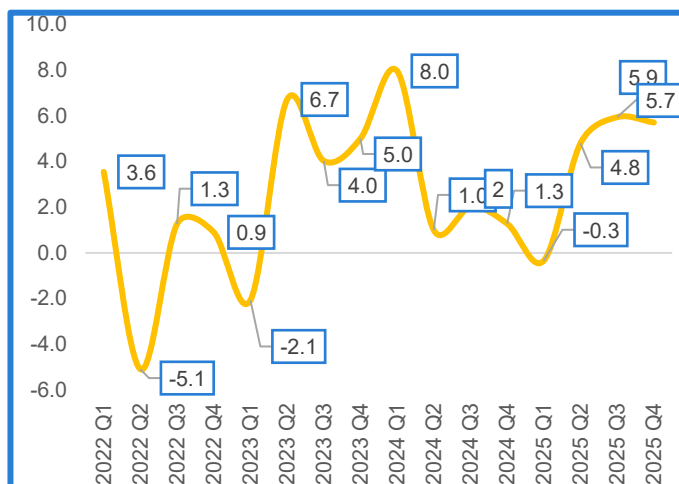
3. Domestic Economy

3.1. Real GDP Growth

Economic activity in the domestic economy showed resilience, with real gross domestic product (GDP) rising by 5.7 percent (seasonally adjusted) in the fourth quarter of 2025 compared with the same quarter in 2024. On a quarter-on-quarter basis, the domestic economy grew by 0.3 percent. This growth was evident across all sectors. The primary sector saw a 2.6 percent increase, largely supported by improved performance in 'mining and quarrying' and 'agriculture and forestry' subsectors. Notably, the 'mining and quarrying' subsector surged by 6.0 percent, as economic activity remained robust amid increased external demand for coal in key export markets. Furthermore, a boost in quarrying activities, spurred by ongoing public and private construction projects, also contributed to this sector's growth. In contrast, the agriculture and forestry subsector recorded only a 1.8 percent increase, primarily due to a notable 4.6 percent rise in animal production. However, crop production and forestry contracted by 1.6 percent and 8.5 percent, respectively.



Figure 4: Quarterly RGDP growth trends (%)

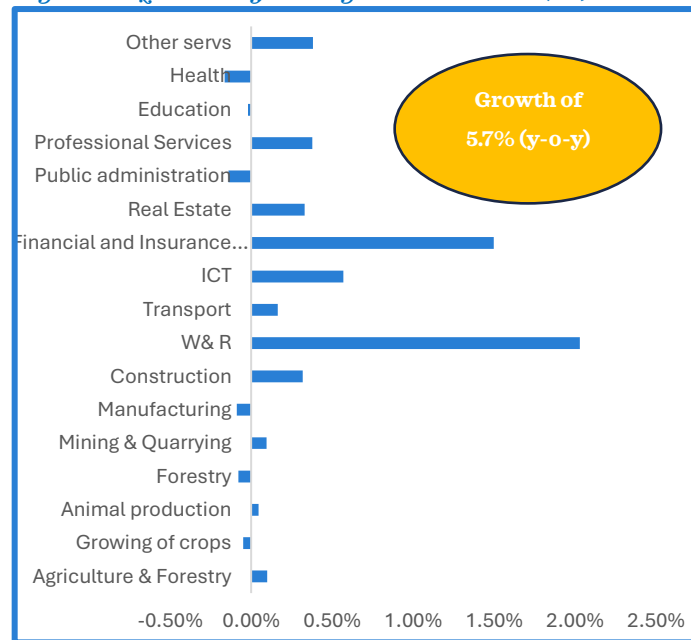


Source: Central Statistical Office

The secondary sector recorded modest growth of 0.5 percent, mainly due to the construction subsector, which expanded impressively by 11.8 percent, offsetting declines in the 'manufacturing,' 'electricity,' and 'water supply' subsectors. The construction sector's growth was anchored by the ongoing public- and private-sector construction activity. However, the manufacturing subsector saw a slight 0.3 percent decline, primarily due to a drop in output of chemicals and chemical products, sugar, and textiles.

The tertiary sector experienced remarkable growth, increasing by 9.9 percent, driven by strong consumer demand that boosted various services. Notably, the Information, Communication, and Technology (ICT) sector expanded by 16.8 percent, while Wholesale and Retail services grew by 15.5 percent. Financial and Insurance services stood out with an impressive 26.5 percent increase, reflecting the industry's overall positive trend.

Figure 5: Quarterly GDP growth drivers (%)



Source: Central Statistical Office

3.2. Prices

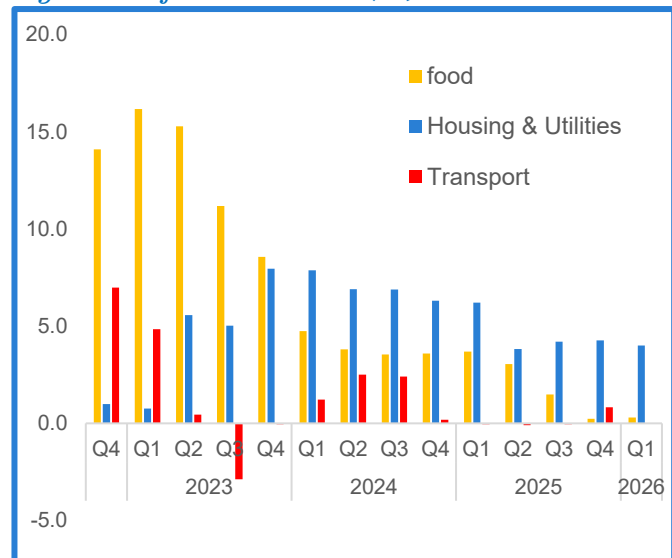
3.2.1. Headline inflation

Prices continued to increase at a slower rate in the first quarter of 2026, with headline inflation averaging 1.9 percent, down from 2.6 percent in the fourth quarter of 2025. The major contributors to this disinflation were 'housing & utilities' as well as transport inflation, which declined by 0.2 percentage points and 0.8 percentage points, respectively.

'Housing & utilities' inflation eased from an average of 4.3 percent in 2025Q4 to 4.0 percent in the period under review, on account of a fall in the inflation rate of the 'electricity, gas and other fuels' category. In the same vein, transport inflation moderated from an average of 0.8 percent in 2025Q4 to 0.04 percent in 2026Q1. This was mainly attributable to a slowdown in the inflation rate for 'motor vehicles as well as fuel and lubricants for personal transport equipment'.



Figure 6: Inflation Drivers (%)



Source: Central Statistical Office

On the contrary, an uptick of 0.1 percentage point was observed in ‘Food and non-alcoholic beverages’ inflation in 2026Q1, which averaged 0.3 percent in the reference quarter, up from 0.2 percent in 2025Q4. This was on account of an increase in ‘bread and cereals’ inflation, particularly bread, reflecting a lagged effect of the upward adjustment in the price of bread in late 2025.

3.2.2. Inflation of goods and services

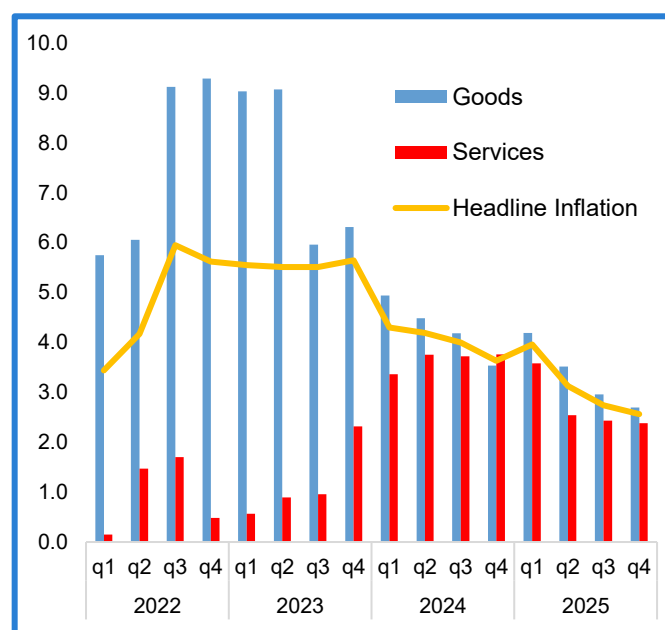
A decrease in pressures across both goods and services supported the ongoing moderation in inflation. During the review period, inflation for goods dropped from an average of 2.7 percent in the fourth quarter of 2025 to 2.0 percent in the first quarter of 2026. A 1.1-percentage-point decrease in durable goods, such as furniture, largely drove this decline. Non-durable goods, including food and beverages, also saw a reduction of 0.8 percentage points, while semi-durable goods like clothing fell by 0.5 percentage points.

Services inflation followed a similar trajectory, decreasing by 0.4 percentage points. This reduction can be partly attributed to a moderation in inflation

rates for various services, including health, recreation and culture, education, and miscellaneous goods and services. Furthermore, administered prices eased from 2.9 percent in the fourth quarter of 2025 to 2.2 percent during this review period.

Owing to overall price stability, core inflation, which excludes the more volatile categories of food and energy prices, decreased by 0.8 percentage points, resulting in an average of 2.3 percent for the first quarter of 2026.

Figure 7: Inflation for goods and services (%)



Source: Central Statistics Office

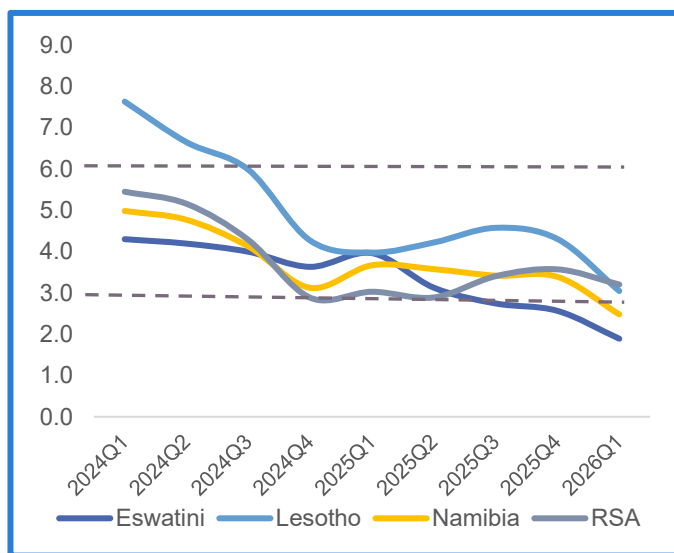
3.2.3. CMA Inflation developments

In 2026Q1, inflationary pressures remained on the downside in the Common Monetary Area (CMA), with all average headline inflation rates remaining within the 3-6 percent target band. In South Africa, headline inflation was at its highest level in the quarter, averaging 3.2 percent, up from 3.6 percent in 2025Q4. Furthermore, Lesotho's inflation was the second highest, at an average of 3.0 percent, up from 4.3 percent in the preceding quarter. Namibia and



Eswatini averaged 2.5 percent and 1.9 percent, respectively, in the quarter, compared with 3.4 percent and 2.6 percent, respectively. The moderated inflation in these economies was mainly attributable to a fall in the inflation rates of food and non-alcoholic beverages, as well as transport.

Figure 8: CMA inflation trends (%)



Source: Central Statistical Office; Lesotho Bureau of Statistics; Namibia Statistical Agency; Stats SA.

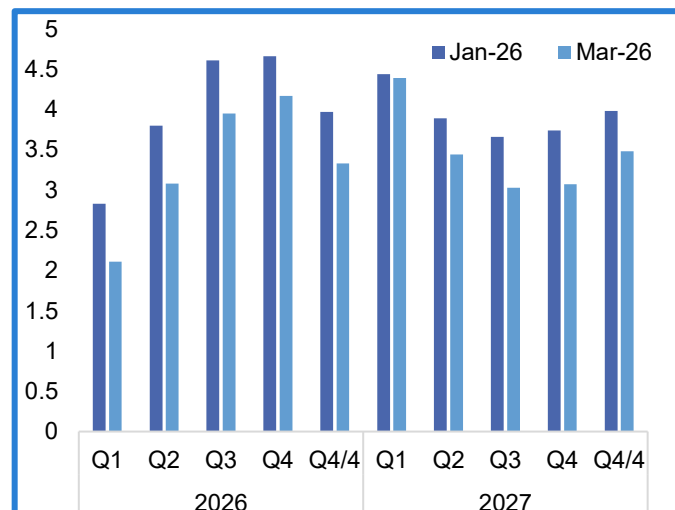
3.2.4. Inflation Forecasts

According to the Central Bank of Eswatini (March 2026), inflation is forecast to average 2.11 percent in the first quarter of 2026, down from an earlier forecast of 2.83 percent, reflecting a 0.72 percentage-point downward revision from the January projections. The downward revision to first-quarter inflation was due to lower electricity tariffs than previously anticipated or requested by the regulator. Even though inflation is revised downwards, it remains elevated due to geopolitical tensions in the Middle East, which have a transmission mechanism to the rest of the world through their importance to the global oil supply.

Generally, the March forecast for all four quarters of 2026 is revised downwards, with the annual average

revised from 3.97 percent to 3.33 percent, a 0.64 percentage-point reduction. Inflation for the year 2027 is projected to fall from 3.93 in the January forecast to 3.48.

Figure 9: Eswatini Inflation Forecast (%)



Source: Central Bank of Eswatini

Inflation is expected to decline gradually, but risks remain significant. Geopolitical tensions could reignite commodity price spikes, which would eventually be transmitted to transport costs. Climate shocks such as droughts may push food inflation higher. Coupled with transport costs, draught caused food inflation to reach alarming levels. Exchange rate volatility is another channel through which commodity prices manifest and remains a key uncertainty.

3.3. Monetary Policy /Monetary Sector Developments

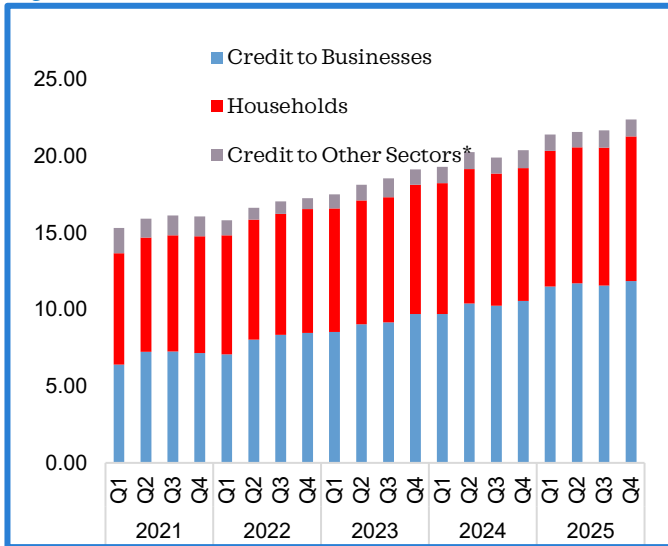
In the quarter under review, the Central Bank maintained an accommodative monetary stance, as effected in May 2025, in line with contained inflationary pressures. By this account, the discount rate remained at 6.75 percent, and the prime lending rate at 10.25 percent.



3.3.1. Total Credit extension

Supported by the prevailing monetary policy environment and increased economic activity, total private sector credit grew by 3.3 percent, from E22.408 billion in the last quarter of 2025 to E23.151 billion in the first quarter of 2026.

Figure 10: Private Sector Credit (E'Millions)



Source: Central Bank of Eswatini

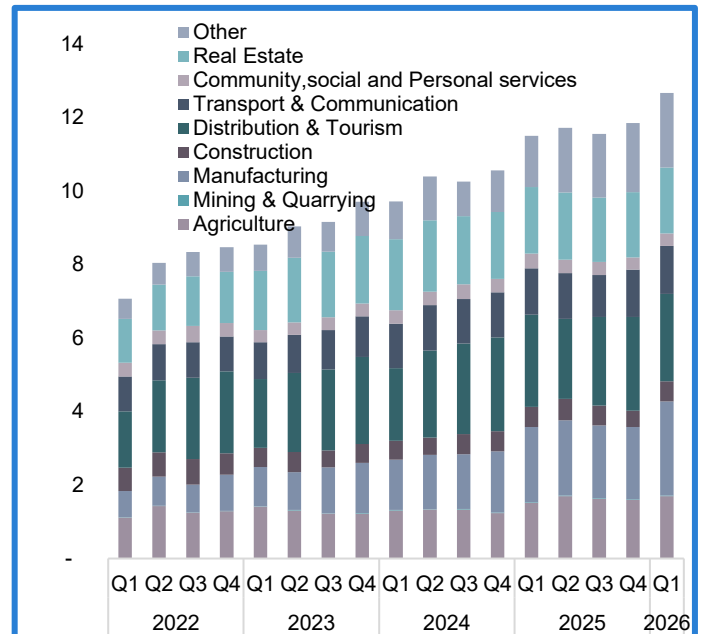
This performance was a result of growth in credit to businesses and households, which rose by 6.9 percent and 0.4 percent, respectively, offsetting a continued decline in credit to ‘other sectors’¹, which fell by 9.7 percent in the quarter.

3.3.2. Credit to Businesses

Total accumulated loans to businesses were recorded at E12.668 billion in the first quarter of 2026, an increase from E11.851 billion in the fourth quarter of 2025. Strong credit uptake was observed in ‘manufacturing’, as well as ‘construction’, whereby credit extension expanded by 30.5 percent and 22.3 percent, respectively. Sectors that also took up more loans in the review period include ‘agriculture (6.5 percent), ‘community, social and personal services’

(2.2 percent), ‘transport & communication (1.3 percent), ‘real estate’ (0.9 percent), and ‘other sectors’² (7.8 percent). The growth was, however, moderated by a contractionary performance in ‘mining and quarrying’ and ‘distribution and tourism’, whereby credit extension fell by 9.9 percent and 6.7 percent, respectively. When disaggregated by enterprise size, large enterprises, which account for 66.8 percent of credit to businesses, started the year with a decline in loan uptake before picking up in the last 2 months of the quarter. On the other hand, Small and Medium Enterprises (SMEs) maintained an upward trajectory throughout the quarter under review.

Figure 11: Credit to Businesses (E'Million)



Source: Central Bank of Eswatini

3.3.3. Credit to Households

In the review period, credit extended to households showed a marginal uptick, rising from E9.439 billion in loans taken in 2025Q4 to E9.471 billion in 2026Q1.

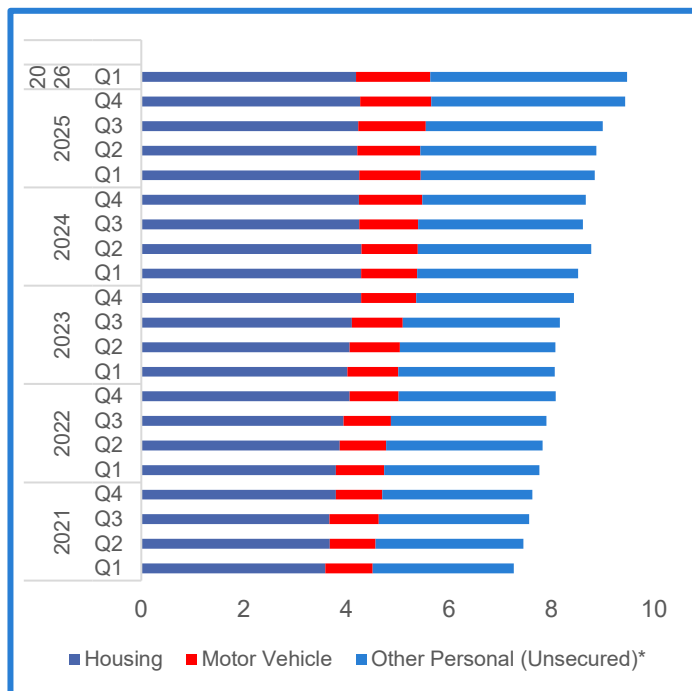
¹ Other sectors include Financial Corporations, Parastatals, and local Governments

² Other sectors include other business not elsewhere classified such as Auctioneering and Authors.



This was on account of increased uptake of ‘motor vehicle’ loans and ‘other personal (unsecured) loans, which grew by 4.5 percent and 1.5 percent respectively, countered by a 1.9 percent contraction in mortgages. In the quarter under review, housing loans contracted in February and March, declining by 0.3 percent and 2.0 percent, respectively.

Figure 12: Credit to Household (E'Billion)

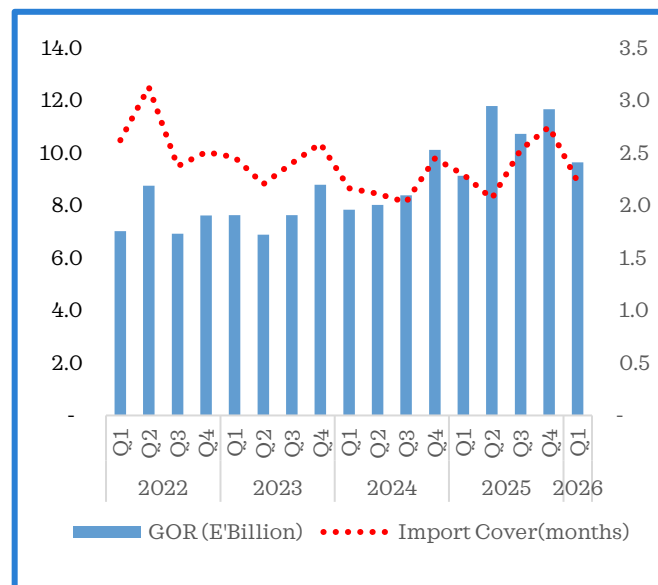


Source: Central Bank of Eswatini

3.4. Gross Official Reserves

The domestic economy’s financial buffers declined by 17.3 percent on a quarter-on-quarter basis, falling from E11.672 billion in 2025Q4 to E9.648 billion in 2026Q1. At this level, the reserves were adequate to cover 2.2 months of imports³ below the internationally recommended threshold of 3 months. During the quarter under review, the reserves declined in the first two months of the year, primarily reflecting increased government fiscal obligations, before slightly increasing in March.

Figure 13: Gross Official Reserves (E'Billion/Months of import cover)



Source: Central Bank of Eswatini

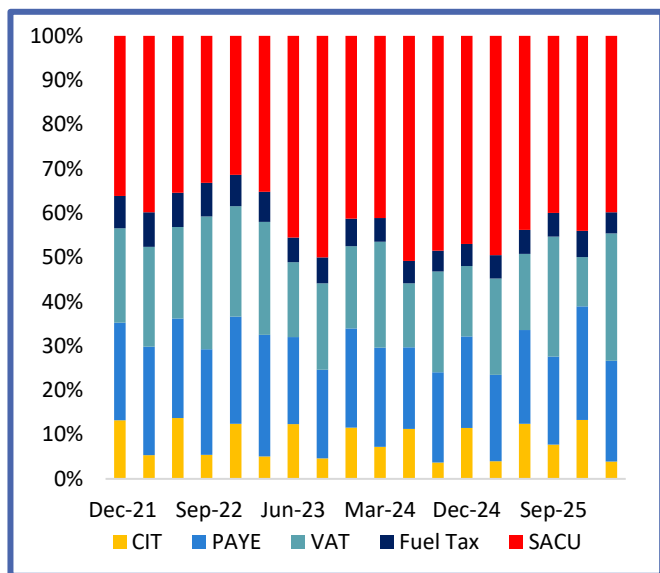
3.5. Fiscal Policy Developments

3.5.1. Government Revenue

Effective government revenue collection is fundamental to facilitating public investment and ensuring the delivery of essential public goods. As of the year-to-date period in FY2025/26 Q4, government revenue collection has fallen short of budget expectations by 9.4 percentage points. This decline is primarily attributable to underperformance in collections across significant revenue categories, including Value Added Tax (VAT), fuel tax, corporate tax, and individual income tax (PAYE). The principal factors contributing to this shortfall include higher-than-anticipated VAT refunds, lower fuel volumes, the reduction in the corporate tax rate from 27.5% to 25%, and the phased implementation of the salary review.



Figure 14: Revenue composition (% share of Total)



Source: Ministry of Finance

Compared with the same period last year, total revenue collected in FY2025/26 decreased by 2.2 percent, mainly due to underachievement in key revenue sources, including Southern African Customs Union (SACU) receipts, fuel tax, and corporate tax. Specifically, SACU receipts have declined by 20.4 percent, reflecting a diminished SACU share for the country in FY 2025/26. Additionally, fuel and corporate tax revenues have declined by 9.3 percent and 1.9 percent, respectively. The ongoing US-Iran conflict has led to reduced fuel volumes and consumption, which, in turn, has adversely affected fuel tax collections. Furthermore, corporate tax revenue has been affected by weak provisional and withholding tax income during this period. Conversely, on a positive note, VAT has increased by an impressive 30.7 percent, driven by higher gross VAT payments that correlate with increased consumption during the quarter.

3.5.2. Government Expenditure

In the fourth quarter of fiscal year 2025/26, total expenses declined by 7 percent year-on-year, in contrast to a substantial 15 percent increase in the

previous quarter. Notably, expenditures on the Central Transport Administration (CTA), which includes maintaining the government fleet, plummeted by 94 percent during this period. This sharp reduction can be attributed to efficiency measures implemented by the government. Furthermore, spending on debt servicing, specifically interest payments, revealed a more relaxed approach, decreasing by 48 percent in the review period. This trend highlights the government's efforts to reduce the debt-servicing burden through initiatives such as negotiations with creditors.

Conversely, personnel costs increased by 16 percent, reflecting the implementation of a salary review that took effect in October 2025. On a positive note, capital expenditures surged by an impressive 143 percent, driven by the government's ongoing commitment to prioritize public investment, particularly in infrastructure development. Significant public infrastructure projects during this quarter included the construction of the Mpakeni Dam, the International Convention Center, and the Large-Scale Irrigation Scheme II (LUSIP II), among others.

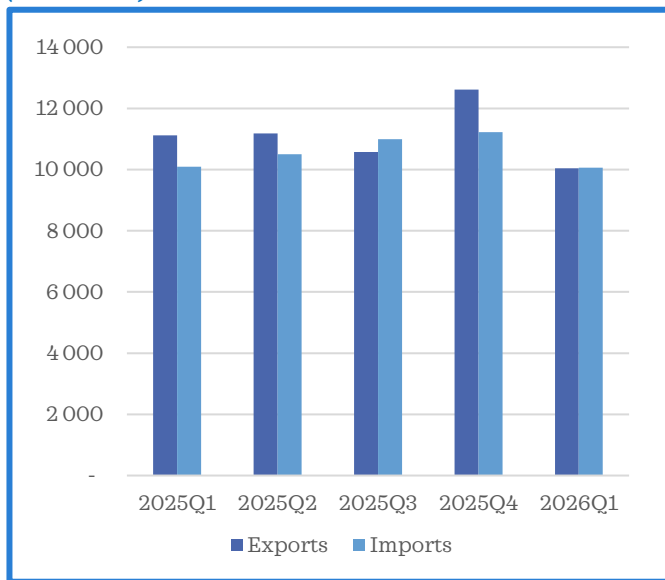


3.6. External Developments

3.6.1. Merchandise Trade

The country’s trade balance, which reflects the difference between exports and imports, recorded a deficit of E20.3 million in the first quarter of 2026. This comes on the heels of a surplus of E1.4 billion in the previous quarter. In the quarter under review, total merchandise exports reached E10.045 billion, while imports stood at E10.065 billion.

Figure 15: Overall Trade Developments (E'Million)

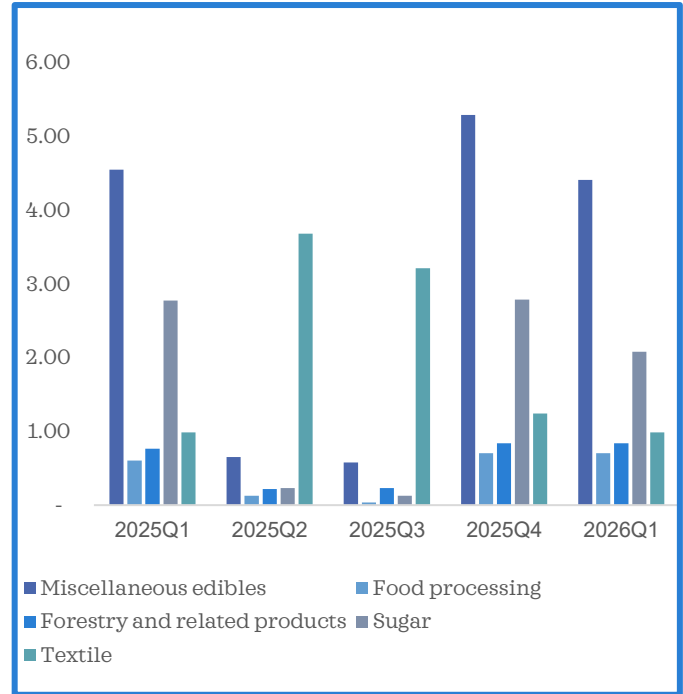


Source: Eswatini Revenue Service

Exports declined by 20.4 percent compared to the fourth quarter of 2025. This downturn highlights a heavy dependence on a limited range of exports, which contributed to the negative trend observed this quarter.

Among the top five major exports, four experienced declines: ‘miscellaneous edibles’ dropped by 16.6 percent; sugar fell by 25.3 percent; textiles saw a decrease of 20.6 percent; and ‘forestry and related products’ slipped by 0.2 percent. In contrast, the ‘food processing’ sector showed a slight increase of 0.2 percent. Overall, this decline reflects a year-on-year drop of 9.7 percent.

Figure 16: Top 5 Eswatini Exports (E'Billion)



Source: Eswatini Revenue Service

During the review period, trade data revealed a decline in nearly all major imports, except for 'Fuel and Energy,' which grew modestly by 1.2 percent. Imports of 'Capital goods,' 'Construction,' 'Food,' and 'Other intermediary consumption' fell by 0.7 percent, 14.0 percent, 19.5 percent, and 8.5 percent, respectively. As a result, the overall import bill decreased by 10.3 percent. When comparing year-on-year figures, we see a slight contraction of 0.3 percent.

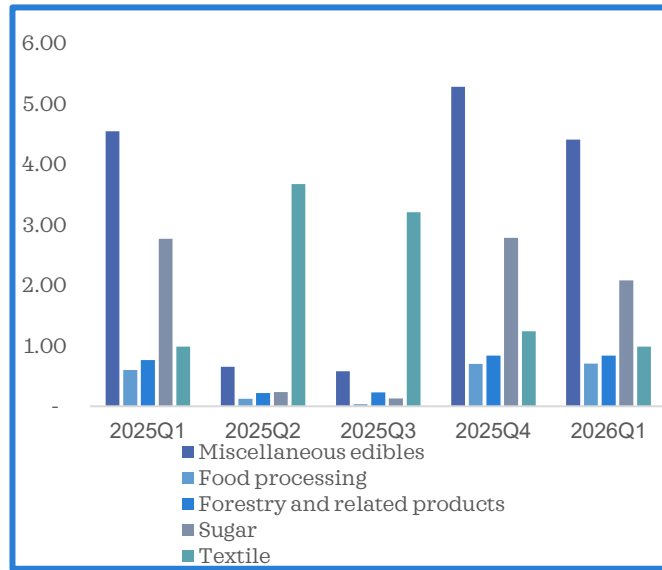
3.6.2. Key Trading Partners

The SACU region remained a historic major export destination, accounting for 75.3% of exports in the first quarter of 2026, up from 70% in the fourth quarter of 2025. In contrast, the rest of Sub-Saharan Africa (SSA) experienced a slight decline, dropping to 21.5% in 2026Q1 from 22.6% a year earlier. Other global export markets, including the EU and North America, witnessed decreases during this period,



largely due to the impact of Foot and Mouth Disease (FMD) on trade.

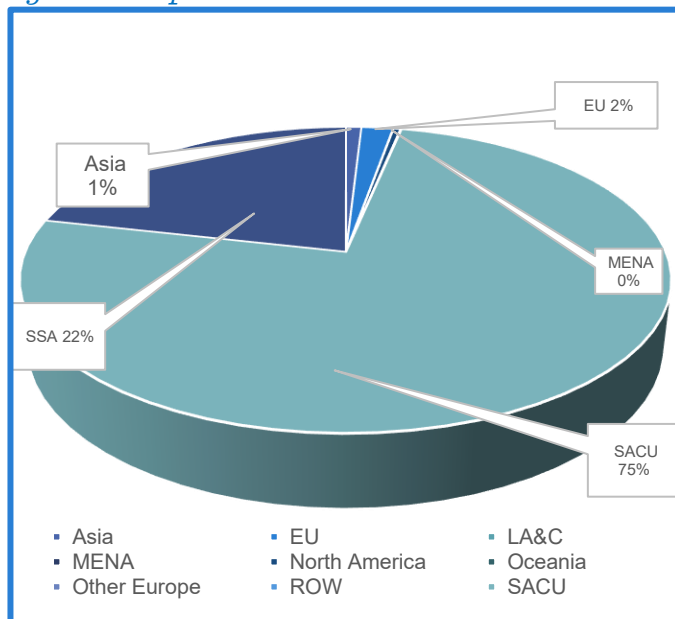
Figure 17: Top 5 Eswatini Imports



Source: Eswatini Revenue Services

Interestingly, exports to the Middle East and North America (MENA) region showed only minimal effects despite the ongoing war, primarily because trade volumes with MENA countries are relatively low.

Figure 18: Export Destinations

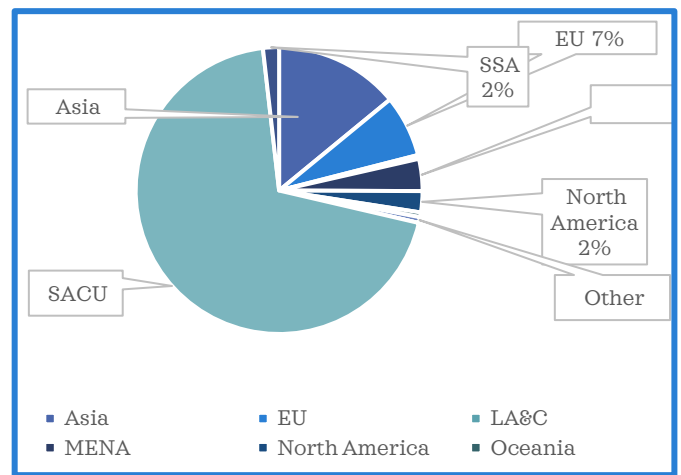


Source: Eswatini Revenue Service

On the import side, the domestic economy continued to rely heavily on the SACU region, with 69.6% of imports sourced from there in the quarter under review, down slightly from 71.7% in 2025Q4.

Imports from SSA (excluding SACU) fell from 2.3% to 1.8%, while imports from Asia also fell from 15.2% to 14.1%. By contrast, imports from the EU rose from 5.8% to 7.0%, indicating the most significant relative gain among major trading partners. Similarly, imports from the MENA region increased from 2.38% to 3.62% during the same timeframe.

Figure 19: Eswatini Import Origins



Source: Eswatini Revenue Service* MENA - Middle East & North America ((AFRICA)) * Other Europe - countries not affiliated with the Euro Zone

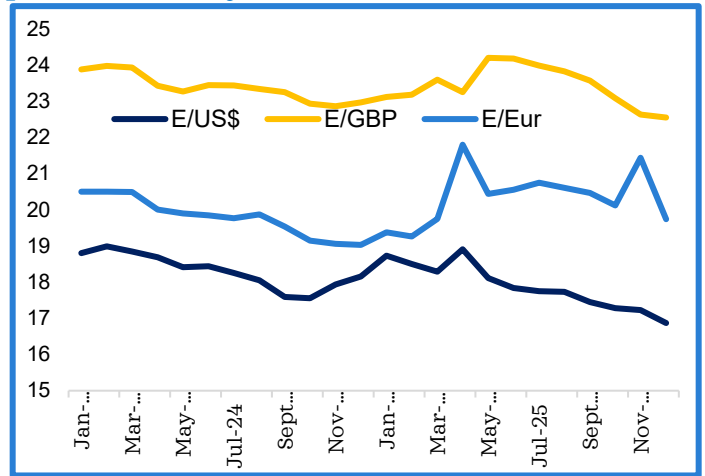
3.6.3. Currency Movements

In the quarter under review, the Lilangeni strengthened against all three major currencies: the United States (US) Dollar, the Great British Pound, and the Euro. The Lilangeni experienced significant volatility in the reference quarter, trading at its strongest against the dollar since 2022, at the start of the year, before declining sharply towards the close of the quarter. The dollar averaged E16.32, compared with E17.12 recorded in the previous quarter. The pound exchanged for E22.02 per pound against



E22.76 in the preceding quarter, and the Euro weighed E19.13 against E20.43 in the last quarter of 2025. The local currency benefited from strong economic performance in South Africa and a weaker US dollar. Nonetheless, this was mitigated by risk-off investor sentiment triggered by the outbreak of the war in the Middle East.

Figure 20: Exchange Rates Developments (SZL per unit currency)



Source: Central Bank of Eswatini



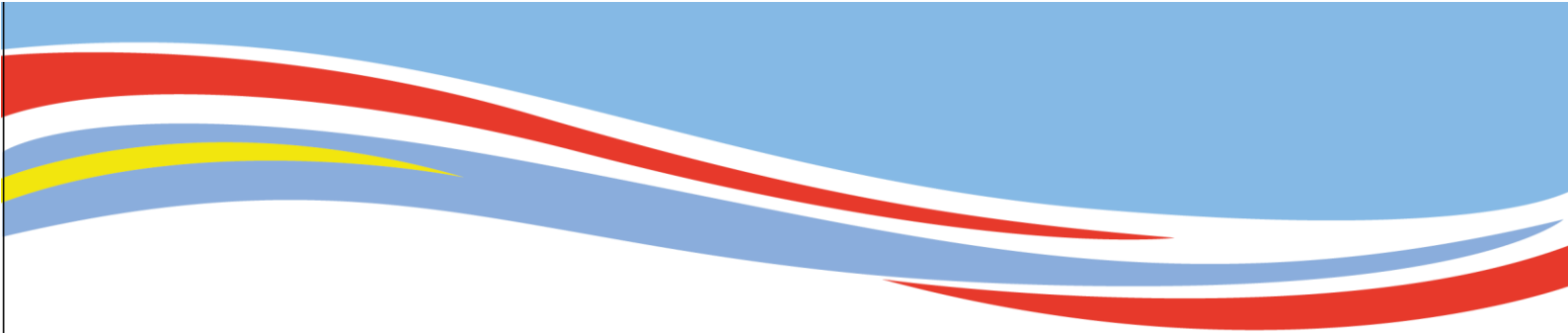
ANNEX 1. RELEASE CALENDAR

Economic Bulletin Release Calendar

Timelines	Schedule date
Q1	<i>2nd week of May</i>
Q2	<i>2nd week of August</i>
Q3	<i>2nd week of November</i>
Q4	<i>2nd week of February</i>

ANNEX 2. INDICATORS TABLE

SOCIO-ECONOMIC INDICATOR	2018	2019	2020	2021	2022	2023	2024	2025
POPULATION	1,120,092	1,133,522	1,146,903	1,160,362	1,174,014	1,187,956	1,202,285	1 217 041
GDP AT MARKET PRICES (E'MILLION)*	61,768	66,403	67,623	70,039	76,827	81,986	88,968	95,218
GDP PER CAPITA (E')	55,162	58,581	58,961	60,359	65,439	69,014	73,999	95 218
GDP PER CAPITA (US \$)	4,167	3,959	3,471	4,082	3,997	3,742	4,039	5 325
ANNUAL GDP GROWTH RATE (%)	2.4	2.7	-1.6	3.4	-0.1	5.0	4.8	5.6
SHARE OF AGRICULTURE& FORESTRY TO GDP (%)	8.5	8.5	8.1	8.1	7.9	7.1	7.1	7.2
SHARE OF MANUFACTURING TO GDP (%)	25.0	26.8	24.3	27.3	29.3	29.2	29.1	30.2
SHARE OF TERTIARY SECTOR TO GDP (%)	45.9	46.9	49.2	53.9	50.8	51.9	51.4	52.3
UNEMPLOYMENT RATE (%)	-	-	-	33.3	-	35.4	-	-
HUMAN DEVELOPMENT INDEX (HDI)	0.605	0.611	-	0.597				
PROPORTION OF POPULATION BELOW POVERTY LINE (%)	-	-	-	-	-	-	-	-
ANNUAL INFLATION RATE (%)	4.8	2.6	3.9	3.7	4.8	5.0	4.0	3.1
CPI (JUNE 2020 =100)	94.0	96.4	100.1	103.9	108.9	114.2	118.8	122.5
DISCOUNT RATE (%)	6.75	6.5	3.75	3.75	6.50	7.50	7.0	6.75
PRIME LENDING RATE (%)	10.25	10	7.25	7.25	10.0	11.0	10.5	10.25
AVERAGE EXCHANGE RATE (E/US DOLLAR)	13.24	14.48	16.45	14.79	16.37	18.44	18,31	17.88
AVERAGE EXCHANGE RATE (E/POUND STERLING)	17.64	18.45	21.00	20.33	20.18	22.95	23.39	23.43
MERCHANDISE EXPORTS (E' MILLION)	24,345	28,856	28,577	30,531	32,327	38,682	43,884	45,764
MERCHANDISE IMPORTS (E' MILLION)	23,956	26,425	25,939	30,322	33,423	37,708	41,703	42,754
MERCHANDISE TRADE BALANCE (E' MILLION)	387	2,431	2,638	209	1,096	974	2,181	3,010
GROSS OFFICIAL RESERVES (E' MILLION)	6,321	6,171	8,002	9,015	7,630	8,793	10,122	11.672
GROSS OFFICIAL RESERVES (MONTHS OF IMPORT COVER)	2.9	2.6	3.5	3.5	2.6	2.6	2.5	2.7
TOTAL REVENUE AND GRANTS (E' MILLION)	15,684	17,793	19,289	17,969	18,806	25,730	27,699	29,638
TOTAL EXPENDITURE (E' MILLION)	19,999	22,153	22,325	21,279	23,078	27,200	30,031	34,701
FISCAL SURPLUS/DEFICIT (E' MILLION)	(4,315)	(4,360)	(3,036)	(3,310)	(4,272)	(1,470)	(2,332)	(5,064)
FISCAL SURPLUS/DEFICIT AS % OF GDP	-6.9	-6.5	-4.4	-4.6	-5.5	-1.7	-2.6	-5.4
TOTAL DEBT (E' MILLION)	16,615	20, 453	25,944	27,157	31,395	34,007	36,642	43,042
TOTAL DEBT AS % OF GDP	26.5	30.7	38.0	37.9	40.2	39.2	40.9	45.6



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