

BUSINESS UPDATE

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VITALS

Prime Rate 7.25%

First National Bank

Inflation Rate 3.3%

Central Statistical Office

Mortgage Rate

7.25%

Swaziland Building Society

Bank Rate 3.75%

Central Bank

Petrol (u) E17.15 per litre

Replacement E17.15 per litre

Diesel E17.00 per litre

Paraffin E11.75 per litre

FOREIGN EXCHANGE RATES

CORRECT AS AT 10 JAN 2022

CURRENCY	BUY	SELL
 US Dollar / SZL	15.5925	15.6425
 British Pound/SZL	21.1801	21.2480
 Japanese Yen/SZL	7.4042	7.4266
 Swiss France/SZL	16.9373	16.9898
 Botswana Pula/SZL	1.3347	1.3421
 Australian Dollar/SZL	11.2157	11.2532
 Canadian Dollar/SZL	12.3280	12.3666
 Euro/SZL	17.6679	17.7245
Gold	1,792.2760	
Oil	83.02	

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Standard Bank IT CAN BE.

TWO NEW FLIGHTS TO OPERATE BY JUNE

BY KWANELE DHLADHLA

RENAC has set an ambitious target to ensure that the newly acquired two Embraer ERJ 145 aircrafts start servicing the four earmarked destinations by June 2022.

This was disclosed by Royal Eswatini National Airways Corporation (RENAC) Chief Executive Officer (CEO) President Dhlamini, who pointed out that proposed timelines were highlighted in the business plan which was collated for use as blueprint to launch and operate scheduled regional air services. The plan was approved by both board of directors and shareholders.

"We are at an advanced stage in preparing for launch of these operations, targeting the first half of 2022 to launch," Dhlamini projected.

He explained that the aircrafts with a 50 seat capacity would be used in operating the schedule linking Eswatini to the four destinations, which are; Johannesburg, Cape Town, Durban and Harare.

Subsidiary

Dhlamini mentioned that the aircraft were previously operated by HOP! a subsidiary of AIR FRANCE, who has since increased capacity to a larger aircraft.

"We were fortunate to procure the aircraft at a time when the aircraft market was depressed due to the pandemic," Dhlamini said.

When unpacking the rationale behind choosing the flight destinations, Dhlamini said Harare was of strategic importance to the operation and for Eswatini as it provides an alternative route that bypass-

...50 seat capacity aircrafts to link kingdom with Cape Town, Durban, Harare



The Embraer ERJ 145 which has been acquired by RENAC being rebranded to Eswatini Colours. (Courtesy pic)

es Johannesburg.

He said they already have a big natural market for Zimbabwe, and to that they would add passengers going to long haul destinations who could connect on other airlines flying into Harare such as Qatar, Emirates, Ethiopian, Kenyan and Rwandair, among others.

"The good news is that there are international connections at all our destinations. This means that tourists arriving in Cape Town or Durban can further connect to Eswatini," Dhlamini explained.

He went on to note that there was currently too much pressure on local roads and people going to destinations such as Durban, Cape Town and even Johannesburg would now be able to do so by air, eliminating the exposure to road risks

they currently endure, and save on time spent travelling which they believe, especially business travellers, require.

Dhlamini promised that pricing would be highly competitive.

Further, Dhlamini mentioned that they were starting off with three routes in addition to Johannesburg.

Destinations

"We believe that depending on market development and response to our service, in year two we will be able to add to two three other destinations which will all be African cities. We are looking at sites in all Southern African Development Community (SADC) and East Africa," Dhlamini explained.

The CEO clarified that with development of the aviation sector; they would open the country and make

it easily accessible for tourists and business people, which could help increase both investments in the country and tourist arrivals.

He added that these could contribute in pushing the level of economic activities up, ultimately creating jobs for Emaswati.

Our airline activities will also require goods and services, which we will be buying locally and therefore adding to Gross Domestic Product (GDP) and job creation directly.

"In addition, the airline will contribute to the country's earning capacity for foreign currency, and limit the export of cash reserves from the purchase of air tickets. The money will stay in Eswatini, and further be used to fund local economic activity," Dhlamini said.

Reserves drop 0.5% to E8.8bn, banks liquidity strong

BY QONDILE NTIWANE

GROSS official reserves amounted to E8.8 billion at the end of December 2021, depicting a month-on-month decline of 0.5 per cent and growth of 10.4 per cent from the previous year.

At this level, Governor Majosi Sithole explained that the reserves were sufficient to cover 3.5 months of imports of goods and services, maintaining the same level as in November 2021.

Valued in special drawing rights (SDR), the reserves rose from SDR392.1 million registered in November 2021 to SDR393.6 mil-

lion recorded at the end of December 2021, representing growth of 0.4 per cent month-on-month and 4.2 per cent year-on-year. It was added that the overall liquidity position of the banking industry stood at E7.5 billion at the end of November 2021, reflecting a decline of 8.7 per cent month-on-month and grew by 0.3 per cent year-on-year.

The month-on-month reduction was attributed to a fall in the banks' balances with the Central Bank as well as investments in government securities. The banks' liquidity ratio receded by 1.6 percentage points from 39.5 per cent registered in October 2021 to 37.9 per cent at the end of November 2021.

Credit extended to the private sector amounted to E16.0 billion at the end of November 2021, registering a decline of 1.6 per cent month-on-month and growth of 3.1 per cent over the year.

In the monthly statistical release for November 2021-December 2021, Central Bank of Eswatini Governor Majosi Sithole explained that the month-on-month decrease was driven by credit to businesses while credit to other sectors of the domestic economy and households and non-profit institutions serving households (NPISH) recorded an increase.

It was disclosed that credit extended to businesses receded by 4.3 per cent month-on-month, however,

over the year increased by 1.8 per cent to reach E6.8 billion at the end of November 2021.

"The month-on-month decline in credit to businesses was mainly observed in these subsectors; distribution and tourism industry (-15.7 per cent), agriculture and forestry (-10.0 per cent). Construction (-1.9 per cent) as well as transport and communication (-0.03 per cent)," said Sithole.

It was pointed out that growth was however, observed in these subsectors; manufacturing (8.9 per cent), mining and quarrying (2.7 per cent), community, social and personal services (2.3 per cent) as well as real estate (0.7 per cent).