

# Information on Investing in Swaziland

## INFORMATION ON THE INVESTING IN SWAZILAND

### 1. QUICK FACTS ABOUT SWAZILAND

Population: 1.1 million  
GDP = US\$3.7 Billion  
GDP per Capita = US\$ 2,548 (2013/14)  
Real GDP Growth = 2.8% (2013)  
Average Inflation = 5.6% (2014)  
Prime rate = 8.75% (2014)  
Literacy rate = 89% (2014)

### 2. ECONOMIC OVERVIEW

The Kingdom of Swaziland possesses a comparative advantage in the agriculture sector having been endowed with four agro-ecological zones exhibiting different climates with average annual rainfall of over 1500mm in the Highveld. The country boasts abundant mineral reserves such as coal (of high anthracite quality), gold, diamond, and iron ore. Swaziland has an educated workforce which is competitively priced and has stable labour relations and non-rigid labour laws. The Kingdom is proud of its quality road and rail infrastructure network which has been ranked consistently well by the Global Competitiveness Indices. The well maintained MR3 Highway which forms part of the SADC Corridor, connects the Kingdom to the surrounding countries of South Africa and Mozambique through which it has access to key ports.

Swaziland enjoys benefits from preferential access to European markets (through the interim EPA) and to the Southern African market (through SACU and SADC). Leading exports in Swaziland include soft drink concentrates, sugar, wood pulp, cotton yarn, refrigerators, citrus and canned fruit; while leading imports include motor vehicles, machinery, transport equipment, foodstuffs, petroleum products, and chemicals. The economy is closely integrated with South Africa, Sub-Saharan Africa's largest economy, through a customs union and a common monetary union, giving Swaziland's private sector a significant advantage regarding access to financial capital.

### 3. WHY INVEST IN SWAZILAND

- Strong Investor Protection framework (signatory to MIGA, member of UNCTAD and ICSID)
- Close Proximity to ports; Durban (South Africa), Richards Bay (South Africa) and Maputo (Mozambique)
- Non Militant Labour and generally good employer –employee relations
- Relatively well educated and competitively priced labour
- Safe and peaceful environment (low risk country)
- Abundant natural resources endowment

### 4. NON-FISCAL INCENTIVES

- I. Protection of investors: Foreign and/or overseas investors may have 100% ownership of a business or launch joint ventures with local enterprises. Investors may also remit their profits, generated from their investments.
- II. Five (5) Years renewable work permit for directors of companies: Investors are given up to five years (5) work permit facilitated on behalf of investor. Residence permits are also facilitated on behalf of investor for spouse and dependents
- III. Work permits for expatriate staff: In case of critical skill in the business that are not available locally, work permits are granted to foreign workers
- IV. Subsidized factory space: Investors are entitled to subsidized factory space if the factory has been built by the Swaziland government.

### 5. ACCESS TO MARKETS

Upon realizing its small domestic market, Swaziland has entered into strategic market access agreements aimed at accommodating easy and cost effective trade with international markets. To date Swaziland is a signatory to a number of Regional, Bilateral, Multilateral and Unilateral Free Trade agreements including;

#### Southern African Customs Union (SACU)

Countries/Members: Swaziland, South Africa, Botswana, Namibia, Lesotho  
Size, Liberalization & Market Access: 55 million population, with South Africa as major trading partner, Allows for Free movement of goods within the customs union.

#### Southern African Development Community (SADC)

Countries/Members: Swaziland, Angola, Botswana, Lesotho, Madagascar, Mauritius, Namibia, Tanzania, Mozambique, South Africa, Zimbabwe, Zambia, Malawi, Seychelles, DR Congo  
Size, Liberalization & Market Access: 238 million population, Free trade area with preferential market access for goods and further integrating to customs union.

#### Common Market for Eastern and Southern Africa (COMESA)

Countries/Members: Swaziland, Angola, Uganda, Kenya, Ethiopia, Eritrea, Burundi, Rwanda, Egypt, Libya, Zimbabwe, Zambia, Madagascar, Mauritius, Comoros, Congo, Somalia, Sudan, Malawi  
Size, Liberalization & Market Access: 374 million population, Free trade area with preferential market access further integrating to a customs union, Swaziland only SACU member state currently in COMESA

#### Generalized System of Preferences (GSP)

Countries/Members: Australia, Japan, New Zealand, USA, EU, Russia, Switzerland  
Size, Liberalization & Market Access: Over 600 million population, Swaziland as beneficiary country enjoys preferential market access, Scheme enables developing countries to access markets of industrialized countries

#### Economic Partnership Agreement (SADC-EU EPAs)

Countries/Members: EU 27/28  
Size, Liberalization & Market Access: 500 million population, Duty free entry for Swazi products to EU 27

#### SACU-European Free Trade Association (PTA)

Countries/Members: Switzerland, Iceland, Norway, Lichtenstein  
Size, Liberalization & Market Access: 12.8 million population, Preferential market access for Swaziland products

### 6. INFRASTRUCTURE ADVANTAGES

- Fully serviced industrial sites and provision of purpose-built factory shells at subsidized rates.
- Quality Roads Infrastructure (72% paved of total road network)
- Quality & Guaranteed Supply of Utilities (Power supply, water supply, fast speed ADSL Broadband)

### 7. TECHNOLOGICAL ENVIRONMENT

This is an emerging sector supported by the country's transition to being an efficiency-driven economy where ICT plays a vital role. Swaziland has embarked on a number of initiatives to spur the growth of this key sector such as e-government and the construction of the Royal Science and Technology Park.

Over the years Swaziland has gained a lot of strengths to be competitive in this sector, for instance;

- The fixed network is 100% digital and supported by a countrywide optical fibre network with self-healing capabilities via national rings.
- Increased skills pool for the ICT sector through the introduction of IT courses in tertiary institutions.
- Swaziland has a relatively well-developed fibre optic backbone network (KPMG Africa region 2012/2013, Swaziland Country Profile)

### 8. LABOUR COSTS

See attached Government Gazette on wages for the manufacturing and processing sector.



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