



With inputs from H E Ms Radha Venkataraman, High Commissioner of India to Eswatini

INDIA-ESWATINI TIES GETTING STRONGER

The Kingdom of Eswatini is one of the seven land-locked Commonwealth countries in Africa. As a neighbour of South Africa—Africa's economic powerhouse—the Kingdom of Eswatini receives more than most other African countries from its remittances per capita. Eswatini has close economic linkages to South Africa, which it depends on for about 85% of its imports and about 60% of exports. Eswatini is a member of the Common Monetary Area (CMA) along with Lesotho, Namibia, and South Africa. Under the CMA, the Eswatini Lilangeni (the domestic currency) is pegged at part of South African Rand, which is also legal tender in the country.

Real gross domestic product (GDP) growth in 2018 is estimated at 2.4% compared to 2% in 2017, partly driven by a stronger-than-projected recovery in the primary and service sectors. Wage costs have remained elevated as the fiscal situation continues to deteriorate.

India– Eswatini Relations

India's relations with Eswatini (formerly Swaziland) are close, friendly and cordial. The first resident Indian Mission in Mbabane started functioning from 13th August 2019 on assumption of charge by Ms Radha Venkataraman, High Commissioner of India to Eswatini.

Exchange of visits

During the last decade, several important visits have taken place between the two countries to give a boost to the bilateral relations between both the countries. These include those at the level of the King, Mswati III of Eswatini and President of India, Mr Ram Nath Kovind.

From Eswatini

His Majesty King Mswati III visited India first in October 2015 to attend the 3rd India-Africa Summit-III and called on the President and Prime Minister, which helped to advance India's profile and presence in the Kingdom of Eswatini. His Majesty again came to India in March 2017 as the Guest of Honor for the CII- EXIM Bank Conclave. In May 2011, he also attended the Second India Africa Summit (IAFSII) held in Addis Ababa and met with the then Prime Minister Dr Manmohan Singh.

Minister of Natural Resources and Energy of the Kingdom of Eswatini, Senator Peter Bhembe with a three-member delegation consisting of the Managing Director of Eswatini Electricity Company, Acting Chief Geologist and Chief Mining Engineer, visited Delhi, Kolkata and Ahmedabad in November 2019 to study iron and steel production units in India. As a follow up, Steel Authority of India is likely to conduct a

feasibility study for iron ore exploration and setting up of a steel plant in Eswatini.

Chief Defence Officer of the Kingdom of Eswatini His Royal Highness Prince Hlangusemphi Dlamini was in India to take part in the Defence Ministers' Meet held in Lucknow from 5-6 February, 2020. As a follow up, Eswatini is considering a Defence Cooperation agreement with India for exchange visits and defense procurement.

From India

On April 9-10, 2018, President of India, Mr Ram Nath Kovind accompanied by the first lady and a large delegation visited the Kingdom of Eswatini. During his visit, he addressed a Joint Sitting of the Eswatini Parliament and conveyed the Government of India's decision to open a resident Indian diplomatic Mission in Eswatini. He was also conferred the highest honor of Eswatini, the Order of the Lion. During the visit, he also witnessed the signing of MoUs/Agreement—namely a MoU on Cooperation in Health Sector and an Agreement for exemption of visas for holders of diplomatic/service passports.

In May 2010, Former Speaker of Lok Sabha, Ms Meira Kumar visited Eswatini to attend the mid-year executive meeting of the Commonwealth Parliamentary

Association (CPA) held in Eswatini. During the visit, she also called on the Swazi King and the Prime Minister.

Other visits from India include those of MsPreneet Kaur, then MoS for External Affairs in 2011, as PM's envoy to invite the King to the IAFSII held in Addis Ababa; Dr Mahesh Sharma, MoS for Culture, Tourism and Civil Aviation in July 2015 again as a Special Envoy of the Prime Minister to invite King Mswati III to the 3rd India-Africa Forum Summit (IAFS) scheduled to be held in New Delhi in October 2015.

Developmental cooperation and assistance including capacity building

During the state visit of the President of India in April 2018, President Mr Ram Nath Kovind announced many projects. These included technical and financial support for construction of the new Parliament building of Eswatini (LoC of US\$ 108.28 million is under process), cash grant of US\$ 1 million to the National Disaster Management Agency (NDMA), in-kind donation of 700 tons of rice and 300 tons of beans for the NDMA and medicines & medical equipment worth US\$ 3 Mn, grant assistance of US\$ 400,000 for construction of irrigation infrastructure in Lubuyane in the Hhohho region (underway after the release of first instalment of US \$ 200,000 in October 2019). Apart from these, he also announced a LoC of US\$ 10.4 Mn for establishing Disaster Recovery Data Center in the Royal Science and Technology Park built with Indian Line of Credit (under process).

Indian community in Eswatini

The Indian community (NRI/PIO) in Eswatini consists of around 1500 persons, including about 500 who have taken up Eswatini nationality. Most Indian nationals in Eswatini are engaged in business and there are few Indian experts working for the Government departments, few Indian doctors working in the hospitals and a few Professors teaching at the University of Eswatini.

Trade and Commerce

India has a trade agreement with

Eswatini since 2002 whereby both the countries have granted Most Favored Nation (MFN) treatment to each other.

Bilateral Trade

Figures in US\$ million (Source: Department of Commerce, GOI):

Year	2015-16	2016-17	2017-18	2018-19	2019-20
Export	59.90	39.56	32.71	19.20	18.57
Import	40.82	39.24	8.92	9.60	7.03
Total Trade	100.71	78.80	41.63	28.80	25.61

Top items of exports from India: Pharmaceuticals, distillate fuel, fertilizers and machinery and mechanical parts etc.

Top items of exports from Eswatini: Organic chemicals, etc.

Bilateral Trade and Investment opportunities

Since the opening of the Mission, trade queries are being actively pursued. The country offers opportunities for investment in the following sectors:

I. Information & Communication Technology, Telemedicine, Education & Socio-Economic Development, Accessible and Affordable Internet infrastructure, Broadcasting Service & Local Content Development, E-commerce & Online Services, Strategic Partnerships: Network Modernization and Financial Online Services.

II. Mining: Eswatini has been endowed with a wide array of valuable minerals such as iron ore, diamonds, coal and gold, among others. The Eswatini government has estimated that the mining industry contributed roughly only 2% of the country's gross domestic product.

III. Agri Business:

- Increased local production of targeted products such as dairy, fruits, vegetables, meat and other agricultural produce.
- Value addition of agricultural produce (e.g. tomatoes, peppers, sweet corn, citrus, meat, etc.)
- To establish within the agri business special economic zones.
- Agricultural products marketing

services.

IV. Manufacturing

- Local manufacturing of essential medicines.
- Anti-snake venom manufacturing.
- Integrated waste management (green, non-burn technologies).

- High-end fashion textile manufacturing.
- Wood processing.
- Downstream value-added sugar products.

V. Tourism Sector Investment Opportunities:

Tourism infrastructure/facilities development, meetings, conventions, festivals & events, wellness spas & hot springs business development within the newly declared Lubombo Biosphere Reserve, Regional integration (SADC, COMESA).

Other investment opportunities (in tourism sector)

Product Line	Estimated Costs for feasibilities
Theme Park	Euro 4 million
Amusement Park	Euro 10 million
Hot Air Balloon	Euro 5 million
Caves	Euro 1.5 million
Zip lines	Euro 2 million
Bungee Jumping	Euro 1 million
Museums and Monuments	Euro 2 million
Cable Car	Euro 6 million
Hot Springs	Euro 3 million
TOTAL	Euro 34.5 million

Source: Eswatini Tourism Authority

The fledging tourism sector in Eswatini is a sector where interested companies from India could invest, as there is vast potential in this sector in the beautiful Kingdom of Eswatini.

Agriculture

The dairy sector in Eswatini would also benefit greatly with the intervention of interested Indian companies. The land is very fertile, and the per capita cattle is the largest in Africa, but the agricultural produce and dairy produce is very much below its actual potential.

Trading opportunities in Eswatini

Eswatini Investment and Promotion Authority recently provided the following list for possible imports from India:

INDUSTRY	PRODUCT	SPECIFICATIONS
a) Automotive	Motor vehicle spare parts	<ul style="list-style-type: none"> brakes shock absorbers windscreen lights bumper service kit air filter brake pads set engine oil spark plug anti-freezer brake fluid
b) Pharmaceuticals	PPEs (Personal Protective Equipment)	<ul style="list-style-type: none"> disposable non-woven medical mask disposable protective clothing filter bag punching and packaging machine PSS-CF pneumatic scraper type self-cleaning filter BF bag filter MS-CF multi-core self-cleaning filter Make-up 100% cotton color catcher FACF automatic closed candle filter
c) Pharmaceuticals	Vitamin C	vitamin C capsules
d) Defense	FireFighter Material	

Eswatini Strategic Roadmap

The most crucial precondition to ensuring improvements in the quality of life of Emaswati and building an enabling environment for the private sector to thrive is delivering adequate infrastructure. The strategic road map seeks to ensure that investment and innovation can be encouraged through targeted policy change.

- ❖ Enhance ICT infrastructure.
- ❖ Improve management and delivery

of capital projects.

- ❖ Reprioritize capital budget outlays to focus on priority sectors and growth enhancement.
- ❖ Renew focus on the construction of dams.

Investment Incentives

The Government of Eswatini encourages foreign and local investment in all business sectors and offers the following incentives to lessen the cost of doing business:

- ❖ Reductions of customs duty, value added tax and any other tax payable on raw materials, equipment and machinery and
- ❖ Exemption from foreign exchange control or restrictions for activities carried out in a SEZ.
- ❖ Reduced corporate tax of 10% for 10 years to both local and foreign investments in manufacturing, mining, international services and tourism. A company eligible for this concession may also be provided with an exemption from withholding taxes on dividends during the same 10-year tax period.
- ❖ Subsidized rental on Government factory shells at rates dependent upon their location.

Contacts:

Business Eswatini

(<http://www.business-eswatini.co.sz>)

Eswatini Investment and Promotion Authority (<https://investeswatini.org.sz>) Federation of Eswatini Business Community

www.hcimbabane.gov.in/India-Eswatini-Relations

Attention Members!!!

Please update your correct e-mail address with FIEO's Regional Office. Also, please include the following e-mail addresses on your mailing safelist to ensure that you receive all email communications from FIEO

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