1. COUNTRY PROFILE AT A GLANCE

The Kingdom of Eswatini is approximately 17,000km2 in size – landlocked and bordered by South African provinces; in the north and in the west by Mpumalanga, in the south by KwaZulu-Natal and in the east by Mozambique. The country is largely mountainous plateau to savanna. It is famous for its many cultural ceremonies, celebrated in a picturesque and colourful way. Despite being the smallest country in the Southern hemisphere, Eswatini more than makes up for its lack of size with a hugely diverse range of tourist attractions and activities, which include a rich culture, amazing wildlife, which include the Big Five and stunning landscapes of mountains and valleys.

The economy of Eswatini is closely linked to that of South Africa where most imports are sourced and most exports are destined. In comparison to the South African rand, the Eswatini Currency Lilangeni (Plural Emalangeni) is pegged 1:1 with the South African Rand.

1. KEY DATA

|  |  |
| --- | --- |
| **Land Area**  | 17,363 km² (6,704 square miles) |
| **Population**  | 1.1 Million (2017) |
| **Capital City** | Mbabane |
| **National Currency**  | Lilangeni (SZL) –singular; Emalangeni – plural. It is pegged 1:1 with the South African Rand |
| **GDP per Capita**  | US$4, 818 (2018) |
| **GDP Growth rate**  | 1.9% (2018) |
| **Income Group**  | Lower Middle Income |
| **Average Inflation**  | 5.2% (2018) |
| **Prime Rate**  | 10.25% (2019) |
| **Language**  | SiSwati, English |
| **Literacy rate**  | 89% (2018) |
| **Natural Resources** | Minerals {asbestos, coal, clay, small gold and diamond deposits, quarry stone, talc},hydropower, forests & picturesque landscape |
| **Main Industries** | Sugar, forestry and mining; manufacturing (textile and sugar products) |
| **Principal Exports** | Soft drink concentrates, sugar, wood pulp, cotton yarn, refrigerators, citrus and canned fruit |
| **Principal Imports** | Motor vehicles, machinery, transport equipment, foodstuffs, petroleum products, chemicals |
| **Main Export Markets** | South Africa, EU, USA, SADC, COMESA |
| **Main Import Markets** | South Africa, China, SADC, USA |

1. INVESTMENT INCENTIVES

Non Special Economic Zones

* Reduction of corporate tax rate from 27.5% to 10% for selected sectors i.e. Manufacturing, Tourism, Mining, and International Services
* Exemption to qualifying goods from import duty on raw materials used to manufacture goods to be exported outside the Southern African Customs Union (SACU).
* Duty-free or rebates on importation of machinery and equipment.
* Zero Capital Gains tax.
* Double Taxation Avoidance Agreements (DTAA) applicable to countries that have ratified DTAA with Eswatini.

Special Economic Zones

1. Exemption from the payment of (0%) corporate tax for an initial period of twenty years and thereafter a corporate tax shall be at the rate of 5%.
2. Remission of customs duties, value added tax and any other tax payable in respect of goods for use of raw material, equipment related to manufacturing in the special economic zones.
3. Exemption from foreign exchange control carried on in the special economic zones.
4. Unrestricted repatriation of profits.
5. Allowance on constructed building allowance.
6. WHY ESWATINI?
* Business and investment friendly climate;
* Extended access to large regional and international markets;
* Wide spectrum of investment opportunities;
* Access to production resources such as raw materials, land, finance and human resources;
* Reliable and affordable utility services i.e. clean water and stable electricity;
* Excellent road and communication infrastructure i.e. fully digital, fibre optic telecommunication system;
* Proximity to strategic international sea and air ports;
* Developed and solid financial services; and
* Safe, secure, stable and profitable business environment.
1. GLOBAL COMPETITIVENESS
* Ranked no. 1 in Africa in the Ease of Doing Business in Trading Across Borders.
* Abundance of qualified skills and competitively priced work force (Eswatini ranks no.11 out of 52 in Literacy Index of Africa 2018).
* Advanced Infrastructure (Eswatini ranks no.94 out of 144 for quality of roads in the Global Competitiveness Report 2018).
* Stable and free business environment (Eswatini is ranked 8th out of 46 countries in the Sub-Saharan Africa region in the 2018 Index of Economic Freedom).
* Ranked 57 out of 140 on quality of Roads in the Global competitiveness index Report 2018
1. WIDE MARKET ACCESS

|  |  |  |
| --- | --- | --- |
| **Market**  | **Population**  | **Characteristics** |
| Southern African Customs Union (SACU): | 55 million | South Africa as major trading partner. |
| Southern Africa Development Community (SADC): | 238 million  | Free trade area with preferential market access. |
| Common Market for Eastern and Southern Africa (COMESA): | 480 million | Free trade area with preferential market access. |
| Africa Growth Opportunity Act (AGOA) | 320 million | Duty free access for 6400 product lines |
| Economic Cooperation Agreement (with Taiwan) | 25 million | Duty free access for Eswatini products |
| SADC-EU Economic Partnership Agreement | 508.5 million | Duty free entry for Eswatini products to EU27. |
| SACU-European Free Trade Association | 12.8 million | preferential market access for Eswatini products |
| SACU-MERCOSUR PTA | 241 million | Preferential trade agreement. |
| African Continental Free Trade Area (AfCTA) | 500 million | Duty free access. |

1. PRIORITY (KEY) INVESTMENT OPPORTUNITIES BY SECTOR

**Manufacturing and Agro-Processing**

Manufacturing is one of the major sectors in the economy, contributing about 40% to the GDP and is the second largest employer after the Agriculture sector. Main products include food and beverages, textiles, zippers and apparels, timber, engineering and metal products, plastics and chemicals as well as refrigerators. Seamless investment opportunities exist for processing, high-end fashion textile goods, food processing, down-stream value add of sugar, confectionaries, mineral beneficiation, etc. Agro-processing opportunities exist in vegetable production, manufacture of candies, forest products processing, medicinal and skin care products. In terms of livestock, with abundant supply from local farmers, opportunities exist for processing meat into various meat derivatives and introduction of new food products.

**Agriculture**

Agriculture is a significant contributor to Eswatini’s economy through employment which is 70% of the rural population. Currently, agriculture contributes 9% to GDP, which Government seeks to increase its contribution to 15% by the year 2023. Hence Government has prioritised this sector by making the environment conducive through construction of dams for irrigation, provision of arable land and providing a market just to mention a few. The diverse activities include sugar cane productions, citrus fruit, maize, cotton, forestry, livestock and poultry. Investment in agriculture has wide opportunities including joint ventures for expanding cultivation of high value cash crops such as cotton, citrus fruit, fruits and baby vegetables, banana, garlic and ginger.

**Energy**

Energy plays a key role in economic development hence energy sustenance is very important. Currently, Eswatini imports 80% of its power from neighbouring countries which is very unsustainable for a country keen on industrialisation. The government actively seeks investments by independent power producers who would invest in local generation with guaranteed offtake by the national power utility subject to the signing of a Power Purchasing Agreement. The Kingdom offers opportunities which include; developing a 40MW solar plant, 40MW biomass plant. Interested investors can participate in the following options; equity investors, financiers, construction contractors, engineer procure and construct and operations and maintenance contractors.

**Mining**

Mining is one sector with a lot of potential taking into consideration the number of mining license applications received by the Mining Board. Eswatini is endowed with numerous minerals include coal, gold, diamond and iron ore hence we promote the extracting their extraction. Other mineral include asbestos, quarry stone, kaolin, green chert, talc and silica. This sector is characterised by investor friendly legal and policy framework hence there are currently two gold and coal mines operating in the country. All coal produced and packaged in different sizes were sold to South African smelting companies involved in steel production. The South African market demand for anthracite coal is on the high side and this presents good positive prospects for coal production. With the above-mentioned minerals there is an opportunity for;

* Minerals explorations and mining
* Beneficiation such as steel manufacturing from iron ore,
* Jewellery manufacturing from the precious stones.
* Manufacture primary iron products, like pig iron or pellets, up to the stage of steel products

**Information Communications and Technology (ICT) and Other International Services**

This is an emerging sector supported by the country’s Head of State to being an efficiency driven economy where ICT plays a vital role. Government has undertaken a number of initiatives to ensure growth in this sector such as the creation of an innovation park, e-government and digital migration. International players such as MTN, Data net and Jenny amongst others have successfully established their operations in Eswatini due to their ability to serve global clients with high-quality, inventive solutions. In this sector, opportunities exist in the implementation of e-government services such as electronic transaction system, e-Visa, e-Procurement and smart ID’s. In other areas opportunities exists in artificial intelligence, financial technology, 5G technology, etc.

**Tourism & Hospitality**

Tourism remains one of the fastest growing sectors at 5% and largest income generator of income. The country is characterised by peace and stability, low crime rate, natural scenery and major cultural events which contribute to the attraction of tourists in the country reaching over 1 million annually. The country’s equidistance in relation to Mozambique and South Africa and richness of its biodiversity make it an attractive place for international tourists. These tourists needs activity when they are in the country hence, there are investment opportunities in developing tourism facilities which include;

• Amusement parks,

• Casinos,

• Theatres,

• upgrading and commercialising community tourism sites,

• Hotels and

• Golf courses.

**Education**

Education is the foundation of any country’s economic and social development hence government’s objective is to provide affordable, accessible and relevant system. Eswatini’s vision 2022 is aimed at developing a knowledge-based and technology-led economy. The private sector is recognized as a critical stakeholder and partner in educational development and in economic development in general, since it is a provider of income, jobs, goods, and services to enhance people’s lives and help them to graduate from poverty. The Government of Eswatini is fully committed to the establishment of centres of excellence in selected educational opportunities. They include;

• Construction of computer labs,

• Establishment of ICT inspectorate,

• Creation of posts for ICT teachers,

• Establishment of programs to train teachers at pre-service and

• E-books uploaded to assistive devices for SEN learners.

1. THE ESWATINI INVESTMENT PROMOTION AUTHORITY (EIPA) SERVICES INCLUDE:
* Identification and dissemination of trade and investment opportunities
* Promotion and facilitation of internal and external trade
* Investment facilitation and aftercare services
* Business registration and licensing
* Facilitation of work permits and visas
* Providing a one stop shop information support facility for investors.
1. KEY ADDRESSES AND A LINK TO OUR WEBSITE

Eswatini Investment Promotion Authority

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Mhlambanyatsi Road; Mbabane, Eswatini

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  **Website:** [www.investeswatini.org.sz](http://www.investeswatini.org.sz)

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