



Doing Business in Swaziland: 2014 Country

Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Swaziland

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Market Overview

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- Swaziland is a small country (slightly smaller than New Jersey), landlocked by South Africa on the north, west and south and Mozambique on the east. Swaziland's population stands at approximately 1.2 million (*2014 projections – Swaziland Central Statistical Office*).
- Preliminary estimates reflect that real gross domestic product (GDP) growth expanded by 2.8 percent in 2013 compared to a revised estimate of 1.9 percent in 2012. The notable increase in 2013 benefited from improvements in the secondary and tertiary sectors.
- The primary sector is estimated to have remained muted in 2013, despite continuing resilience of the mining and quarry sector and improvements in the crops produced under Swazi Nation Land. The secondary sector is estimated to have accelerated by 4.2 percent in 2013 compared to 0.5 percent the previous year, while the tertiary sector is estimated to have grown by 3.2 percent in 2013 improving from 2.5 percent in 2012. Nominal Gross Domestic Product (GDP) was E39.97 billion (around \$3.807 billion) (2013 est.), driven mainly by manufacturing, agriculture and retail trade.
- Swaziland is heavily dependent on South Africa, from which it receives more than 80 percent of its imports and to which it sends 60 percent of its exports. Swaziland's currency, the Lilangeni, is pegged to the South African Rand at par. Outside of South Africa, Swaziland's primary export markets are the EU, US, Norway and the African countries under the Common Market for Eastern and Southern Africa (COMESA).
- Swaziland is currently an African Growth and Opportunity Act (AGOA) beneficiary and the bulk of the textiles and garments produced are exported to the U.S. U.S. exports to Swaziland in 2013 amounted to USD 22.9 million against USD 40.1 million in 2012. U.S. Imports from Swaziland amounted to USD 58.9 million in 2013. (*U.S. Department of Commerce statistics*).

Market Challenges

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- Swaziland's challenges are significant. The country faces serious socio-economic challenges, including a sluggish economic performance, shortage of technical and professional labor, food insecurity, poverty, the highest HIV/AIDS prevalence rate in the world, and growing unemployment. Sixty three percent of the population is estimated to be living below the poverty line and the official unemployment rate is 28.5% in 2013 (*Swaziland Central Statistical Office*).
- According to the Corruption Perception Survey carried out by the Swaziland Anti-Corruption Commission (ACC) in 2010, 94% of respondents (representing 4 000 households) viewed corruption as a major problem in the country. Unfortunately the Commission is faced with numerous challenges in its operations, including underfunding and lack of prosecutorial capacity.
- Swaziland relies heavily on Southern African Customs Union (SACU) receipts and the sharp decline from 20.5 percent of GDP in 2009/10 to 9.5 percent in 2010/11 resulted in steep expenditure cuts on goods and services by government. This resulted in the accumulation of domestic arrears to private sector suppliers. Although SACU receipts have increased in 2013 and 2014, Swaziland's dependence on these funds renders the country vulnerable to external shock.
- Swaziland's weak information and communications technology infrastructure hampers both FDI and the emergence of more productive and high-tech domestic entrepreneurship. Despite the setting up of the Communications Commission, Swaziland has still not opened up competition in the mobile phone industry after the expiry of the monopoly in 2008 of the first company to come into the country. Swaziland has the highest telecommunications costs in the Southern African Development Community (SADC) region.
- Swaziland businesses suffer from over-regulation and cumbersome procedures for starting and expanding a business. The country lags behind its neighbors in its investment climate attractiveness.

Market Opportunities

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- Pharmaceuticals, agricultural products and equipment, and green energy technology are identifiable current business opportunities.
- The sugar producing companies have ventured into energy production through biomass in an effort to reduce their electricity costs and reduce greenhouse gas emissions. The companies are now producing excess electricity and selling to Swaziland's national grid. There is an opportunity for U.S. companies to partner with these companies or to sell renewable energy equipment.
- Due to energy reliability issues, the majority of companies and larger households in Swaziland have diesel generators. There is an opportunity for U.S. companies to sell solar energy equipment to businesses and households.
- Large scale investments are being made in rail infrastructure and opportunities exist for equipment sales and service contracts in transportation.

- Due to the garment industry, apparel inputs have good prospects in the Swaziland market.
- Franchising opportunities for U.S. business, such as restaurants and retail shops, are growing in Swaziland and have been successful in the past.
- The mining sector is showing signs of resuscitation with the reopening of the iron ore mine and further expansions in coal production and the passing of the Mines and Minerals Act and the Diamond Act in 2011. The exploration of gold and industrial diamonds is currently planned. The Minister of Finance in his 2014 budget speech earmarked money for the Ministry of Natural Resources to implement the Mines and Minerals Act and the Diamond Act with the main purpose of processing these minerals (diamond and gold) in the country. Swaziland will be looking for investors in this sector.
- There will be future opportunities in communications if Swaziland removes the current monopoly on this sector. Pursuant to the Swaziland Communications Commission Act of 2013, in February 2014 the Swaziland Communications Commission was set up. The new commission will issue operating licenses and plans to remove a monopoly in the telecommunications sector. The Swazi government plans to implement the Digital Terrestrial Television Migration program which aims to provide regionally harmonized broadcasting services to the country.

Market Entry Strategy

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- The Embassy recommends contacting the Swaziland Investment Promotion Authority (SIPA), which can help to register companies and secure premises. SIPA, which in 2011 increased the scope of its operations, aims to be a one-stop shop for potential investors. SIPA handles both market entry assistance as well as investor aftercare.
- The Embassy advises potential investors to visit Swaziland prior to establishing a business. Some foreign businesses partner with Tibiyio Taka Ngwane, the Swaziland Industrial Development Company (SIDC), and SWAKI (Swaziland Kirsh Industries). See Chapter 3, Joint Ventures, for more information.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/index.htm>

<http://www.state.gov/r/pa/ei/bgn/2841.htm>

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Using an Agent or Distributor

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Marketing U.S. goods and services may be best accomplished through bases or agents in South Africa. The Foreign Commercial Service office at the U.S. Consulate General in Johannesburg can help U.S. businesses interested in accessing Swazi markets find agents and partners in South Africa. In addition, the following organizations are available to help foreign businesses find distributors and partners in Swaziland:

The Swaziland Investment Promotion Authority (SIPA) and Swaziland Industrial Development Company (SIDC) can help with finding partners.

Swaziland Kirsh Industries (SWAKI) offers local expertise to foreign businesses on a diversity of projects and can help larger enterprises not yet represented in Swaziland to establish retail outlets.

The Small Enterprise Development Company (SEDCO) helps small- and medium- sized enterprises (SMEs) to reach their full potential through training in business management. SEDCO also directs SMEs to available opportunities.

Swaziland Investment Promotion Agency
1st Floor, Mbabane Office Park
P.O. Box 4194
Mbabane H100, Swaziland
Tel.: (268) 2404-0470/4
Fax: (268) 2404-3374
<http://www.sipa.org.sz>

Swaziland Industrial Development Company
5th Floor Dlanubeka Building
P.O. Box 866
Mbabane H100, Swaziland
Tel.: (268) 2404-3391
Fax: (268) 2404-5619
E-mail: info@sidc.co.sz
<http://www.sidc.co.sz>

SWAKI Group of Companies
4th Floor Liqhaga House
P.O. Box 1839
Manzini H100, Swaziland
Tel.: (268) 2505-2693
Fax: (268) 2505-2001
E-mail: info@swaki.co.sz
<http://www.swaki.co.sz/>

Small Enterprise Development Company (SEDCO)
Government Stores Road
Mbabane
Tel: +268 2404-2811/2
Fax: +268 2404-0723
E-mail: business@sedco.co.sz
<http://www.sedco.biz>

Establishing an Office

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The Swaziland Investment Promotion Authority (SIPA) is a government agency created to promote, attract and assist the establishment of both local and foreign enterprises. SIPA is the logical first point of contact for a new business in Swaziland. The following are SIPA's guidelines for establishing operations in Swaziland:

Business Registration: SIPA facilitates the registration of a company through legal practitioners (Companies Act of 2009). Costs range between USD 400-800 including the registrar of companies' costs.

Immigration: SIPA handles the applications for entry permits on behalf of the investor. Medical certificate, certificates of association, share certificates, bank statements, police clearances and two passport size photos are required. Permit fees range from USD 100 for up to 12 months to USD 350 for up to five years.

Trading Licenses: SIPA will also handle this application (Trading Licenses Order No. 20 or 1975). The cost of the license is USD 700.

Utilities Services: Applications are handled by SIPA.

Environmental Compliance: All non-services related businesses are required by law to apply for approval from the Swaziland Environmental Authority, a process that SIPA

fully facilitates. All waste-creating industries are required by law to undertake an environmental impact assessment.

Factory Inspectorate and National Provident: Law requires these registrations. The registration process is facilitated by SIPA.

Foreign investors have encountered some difficulties working with SIPA and with government regulations outside of SIPA's scope. A May 2005 study by USAID's Regional Center for Southern Africa, the "Swaziland Investor Roadmap" describes in detail the problems encountered by investors in Swaziland. The study (which was re-launched in 2012 is available at: http://mbabane.usembassy.gov/local_links.html) and outlines many step-by-step procedures related to employing, reporting, locating, and operating in Swaziland).

Two common problems described in the "Swaziland Investor Roadmap" are:

1. Trading License/Entry Permit: The current procedures require a trading license to obtain an entry permit while simultaneously requiring an entry permit to obtain a trading license. In practice, an investor must negotiate with both, the Department of Immigration and the Ministry of Commerce, Industry and Trade to reach an informal agreement as to which permission will be granted first.

2. Entry Permit Review: Some investors complain that the review of applications for employee entry permits can vary; thus, employers cannot predict if and when an employee will be able to work legally in the country.

In an effort to improve service delivery and create systems that will steer government towards eliminating and reducing red tape, in 2012 King Mswati III re-launched the Swaziland Investor Roadmap of 2005. SIPA has slowly started implementing the recommendations contained in the Investor Roadmap.

Franchising

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Franchising opportunities for U.S. business, such as restaurants and retail shops, are plentiful in Swaziland. Franchises in Swaziland are mostly South African, or come to Swaziland by way of a South African entity that has purchased master franchise rights to the region.

In the past, South African buyers have allegedly taken advantage of foreigners' ignorance of Swaziland's political independence, and illegally set up franchises in Swaziland without having proper licensing for the country. Swazi business people are thus often suspicious of new franchises in the country. Master franchise deals exclusively for Swaziland or for the region are not subject to restrictions beyond the requirements of any other business arrangement.

There are several urban centers that could support a variety of franchise types. Swazi business people are very interested in negotiating directly with U.S. firms for franchising rights instead of going through South African master franchisees.

Uneasiness with South African dominance in regional franchising extends across southern Africa and can be an important factor for U.S. firms who may consider selling Swazi franchising rights directly to Swaziland-based buyers or also consider a Swazi franchiser for the broader region.

The disadvantage of Swaziland-based franchising is the lack of a strong manufacturing base for necessary supplies.

Direct Marketing

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There are no restrictions against U.S. companies marketing their goods in Swaziland. The government's annual Swaziland International Trade Fair held the last week of August or the first week of September, welcomes international companies for marketing purposes.

Joint Ventures/Licensing

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A number of organizations in Swaziland can help foreign firms to pursue joint ventures. The four largest are the Swaziland Industrial Development Company (SIDC), the Swaziland Investment Promotion Investment (SIPA), SWAKI, and Tibiyo Taka Ngwane.

SIDC is a private development finance company formed as a joint venture between the government and several local financial institutions. The main objective of SIDC is to assist incoming companies by financing joint ventures, equity participation, asset leasing, and providing factory shells. Partners include:

Swaziland Government	34.95%
Swaziland National Provident Fund	31%
Inhlonhla Swaziland Investment Trust (formerly Interneuron)	30.95%
Standard Bank Swaziland	1.55%
Nedbank	1.55%

SIPA is a government agency which facilitates investment in Swaziland. It can help foreign businesses search for partners.

SWAKI Group of Companies is a private entity, but forms joint ventures with incoming companies.

Tibiyo Taka Ngwane, a private fund managed by King Mswati III "in trust for the nation," is a major player in Swazi joint venture enterprises. Tibiyo invites foreign partners to either form joint venture projects or to run Tibiyo's wholly-owned projects under direct management contract. Tibiyo usually expects the joint venture partner to provide leadership in technical project implementation as well as professional management. When participating in a joint venture, Tibiyo is flexible on the level of its equity stake, generally ranging between 20-50 percent. It can provide limited loan financing to the joint venture at a favorable rate.

Selling to the Government

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In marketing products and services to the government, companies should not expect consistent revenue, but there are occasional opportunities for one-off sales of considerable size. The government generally publishes tenders in the local media and, depending on the commodity required, occasionally in the South African media. The U.S. Embassy in Mbabane has an overview of what opportunities exist. The commercial office in the U.S. Embassy welcomes the chance to direct interested American parties to the relevant authorities and actively seeks to secure fair consideration of American offers of goods and services.

Opportunities for U.S. companies to sell to government are available in medical equipment and supplies, heavy equipment including agricultural equipment, materials and equipment related to agri-processing, spare parts for vehicles, mining equipment, and equipment related to transportation and transportation infrastructure.

Potential bidders pay for the right to bid at the government revenue office and then collect tender documents from Government Stores after showing receipt from the government revenue office. Bids are returned to the Swaziland National Tender Board. Bidders are invited for the opening of the bids. In some instances, a ministry can apply for a tender waiver if there are too few companies supplying a particular commodity.

The government requires three quotes to procure an item. It will issue an order to the company selected, and then the company applies for an import permit from the Ministry of Finance.

U.S. companies bidding on publicly funded opportunities in Swaziland have been frustrated by opaque processes and complicated procedures. The Swazi government is looking to improve the efficiency and transparency of public procurement, and passed the Procurement Act in 2011. There remain, however, concerns about the lack of transparency in the procurement process for government tenders.

Distribution and Sales Channels

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Swaziland uses two ports for imported goods: Durban, South Africa, and Maputo, Mozambique. Swaziland has a dry port at Matsapha, near Manzini, that clears consignments coming into Swaziland via the railway line.

Selling Factors/Techniques

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Service plans and warranties are an important selling point in Swaziland, especially for equipment and automobiles. In order to compete with South African products, U.S. businesses should make provisions for after-sale maintenance.

Another way of accessing the Swazi market is by exhibiting at the international trade show which is held in August/September annually. An advertisement in the local dailies will also enhance awareness of the new products.

English is one of Swaziland's two official languages and, as long as labeling is done professionally and instructions for use are explicit, Swazi buyers will not have a problem with the commodity.

Electronic Commerce

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E-commerce is not widely used in Swaziland. Few individuals buy items over the internet or use credit cards. Three financial institutions in the country have introduced e-banking. Internet scams are common in Swaziland. When dealing with Swazi companies claiming to support e-commerce, it would be best to check with local banks to confirm the validity of the transaction.

Trade Promotion and Advertising

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Two newspapers in Swaziland offer advertising possibilities for U.S. businesses: the privately-owned *Times of Swaziland* and Tibiyo Taka Ngwane's *Swazi Observer*. A monthly magazine, *The Nation*, at one time banned by the government, has been back in circulation for some time. The Nation's editor, Bheki Mahkubu, is currently undergoing a lengthy case court for "contempt of court" that threatens to have adverse financial implications for the future of the magazine. Swaziland has one business journal, *The Swaziland Business Yearbook*.

Newspapers:

The Swazi Observer

Observer House, West Street Mbabane

Tel (268) 2404-5190, 2404-5194

Fax (268) 2404-5503

E-mail: info@observer.org.sz

Website address: <http://www.observer.org.sz>

The Times of Swaziland

P.O. Box 156, Mbabane

Tel (268) 2404-1550, 2404-1551, 2404-1552, 2404-1553

Fax (268) 2404-2438

E-mail: times@realnet.co.sz

Website address: <http://www.times.co.sz>

Other Publications:

The Nation

P.O. Box 3433, Mbabane

Tel. (268) 2404-6611

E-mail: thenation@realnet.co.sz

Website address: <http://www.theswazination.com/>

Swaziland Business Yearbook

Published by Christina Forsyth Thompson
P.O. Box 592, Mbabane
Tel (268) 2404-3400, 2404-1839
Fax (268) 2404-3400
E-mail: cft@realnet.co.sz
Website address: <http://www.swazibusiness.com/indexsbyb.html>

The government owns radio and television stations which sell advertising (no website is available for the radio station). Swaziland has one privately-owned radio station broadcasting Christian material, but has no privately-owned television stations. It is possible to advertise with South African television stations broadcasting into Swaziland.

Television
Swaziland Television Authority
P.O. Box A146
Swazi Plaza, H101
Mbabane
Tel: (268) 2404-3036
Fax: (268) 2404-2093
E-mail: info@swazitv.co.sz
Website address: <http://www.swazitv.co.sz>

Pricing

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In April 2012, Swaziland introduced value added tax (VAT) at 14 percent on most goods except on those zero-rated in the law. The Swaziland Revenue Authority (SRA) administers VAT. The SRA's website provides useful information about the VAT.

Swaziland Revenue Authority
Building 02,
Mbabane Office Park
Private Bag Mbabane
Tel: +268 2406 4000
Fax: +268 2406 4001
Email: info@sra.org.sz
Website Address: <http://www.sra.org.sz>

Sales Service/Customer Support

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After-sale maintenance is top priority for any sale to succeed in Swaziland. Swazis are hesitant to buy products that cannot be serviced in Swaziland, and U.S. exporters should make provisions for in-country service to promote sales. For example, although government agencies may be willing to wait up to two weeks for automobile service in South Africa, private individuals will not tolerate the inconvenience. Like western consumers, many Swazis will demand same-day or overnight service on their vehicles.

Protecting Your Intellectual Property

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Protection for patents, trademarks, and copyrights is currently inadequate under Swazi law. Swaziland has an intellectual property rights regime inherited from the colonial era, under which copyrights, patents, and trademarks were more or less protected under various acts promulgated by the colonial authorities.

Patents are currently protected under a 1936 act that automatically extends patent protection upon proper application to products that have been patented in either South Africa or Great Britain. Updated patent legislation is scheduled for passage in 2014. Under the new legislation, patents would be granted by the government with technical assistance from the African Regional Industrial Property Organization in Harare. Protection would be extended to pharmaceutical and agricultural chemical products.

The Trade Marks Act of 1981, although also inadequate, established registration of trademarks for a period of ten years, and may be renewed for subsequent periods of ten years. The registered proprietor of a trademark in Swaziland has the exclusive right to use the mark, and any assignment or transmission of the mark must be registered by the assignee. Appeals against the Registrar's decisions regarding trademarks may be made to the High Court. The Fair Trading Act, 2001 also provides for pursuit and penalties in the case of violation of trademarks.

Copyright protection is addressed under four statutes, dated 1912, 1918, and 1933 under the Intellectual Property Rights Organization (WIPO) model. Swaziland does not have bilateral copyright relations with the United States.

The government has acceded to the WTO TRIPS agreement, but has not signed the WIPO internet agreement. See Chapter 6, Investment Climate Statement.

Protecting Your Intellectual Property in Swaziland:

Several general principles are important for effective management of intellectual property ("IP") rights in Swaziland. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Swaziland than in the U.S. Third, rights must be registered and enforced in Swaziland, under local laws. Your U.S. trademark and patent registrations will not protect you in Swaziland. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Swaziland market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Swaziland. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Swaziland law.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Swaziland require constant attention. Work with legal counsel familiar with Swaziland laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Swaziland or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Swaziland at: Johannesburg.office.box@mail.doc.gov

Due Diligence

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Proper due diligence should form the starting base for any business negotiation with Swazi concerns. U.S. companies should act prudently in completing due diligence reports prior to any proposed business deals.

The U.S. Department of Commerce's Foreign Commercial Services (FSC) Section at the U.S. Consulate General in Johannesburg can provide valuable background information on Swazi firms through their International Company Profile (ICP) service. Further information can be obtained by visiting <http://www.buyusa.gov/southafrica> or contacting the FCS Export Assistance Center at +27 11 290 3120.

Local Professional Services

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Law Society of Swaziland,
 2nd Floor, High Court Building,
 P.O. Box 512, Mbabane
 Phone: +268 2404-4158
 Fax: +268 2404-9956
 Email: lawsociety@swazi.net
 Website: <http://www.swazilii.org/content/law-society-swaziland>

Messrs Cloete, Henwood Associated
 Attorneys, Commercial and Competitive Law
 Practitioners and Trade Mark Agents
 1st Floor Ellerines Building

Swazi Plaza, Mbabane
P.O. Box A972, Swazi Plaza H101
Tel.: +268-2404-3124
Email: ejh@triplec.co.sz

Accountants and Auditors
Kobla Quashie and Associates
P.O. Box 710, Manzini
Tel: +268 2505-4974
Email: info@koblaquashie.co.sz
Website: <http://www.koblaquashie.com>

Management Consulting

Regional Excellence & Development Initiative (REDI)
P.O. Box 4921, Mbabane
Tel: +268-2404-9396
Email: info@redi.realnet.co.sz
Website: <http://www.redi.co.sz>

KPMG Management Services
Mkhiwa Building
195 Karl Grant Street
P.O. Box 331, Mbabane
Tel: +268-2405-7000
Email: kpmg@kpmg.co.sz
Website: <http://www.kpmg.com/africa/en/kpmg-in-africa/swaziland/>

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Business Yearbook
<http://www.swazibusiness.com/indexsbyb.html>

Swaziland Industrial Development Company
<http://www.sidc.co.sz>

Swaziland Investment Promotion Agency
<http://www.sipa.org.sz>

Tibiyo Taka Ngwane
<http://ww2.tibiyo.com>

Small Enterprise Development Company
<http://www.sedco.biz>

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Agricultural Sectors

- [Sugar Cane Production](#)
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Drugs and Pharmaceuticals Sector - DRG

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	223.79	249.09	61.15*	n/a
Total Imports	36632.62	39860.30	12049.29*	n/a
Imports from the U.S.	60.85	61.34	105.44*	n/a
Exchange Rate: 1 USD	8.20	9.00	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

Swaziland has the highest HIV/AIDS prevalence rate in the world, at 31 percent among adults (ages 18-49). According to a Ministry of Health report from 2012, more than 90,000 Swazis required anti-retroviral treatment. The country also faces a high tuberculosis prevalence rate and diabetes is a serious problem.

Swaziland imports most of the drugs and pharmaceuticals used in the country. The country has both private and public health care systems. Eighty percent of the population of 1.1 million is dependent on the government funded public sector for healthcare. In the 2014/2015 budget, the government increased the budget for drugs and other essential medicines to over E300 million (USD 28 million) from E245 million (USD 22.94 million) in 2013/2014.

Sub-Sector Best Prospects

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- Anti-Retroviral Drugs
- TB Drugs
- Drugs for Diabetes

Opportunities

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The government set aside USD28 million for pharmaceuticals in its 2014/2015 budget.

Web Resources

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Swaziland Government /Ministry of Finance
<http://www.gov.sz/>

Swaziland Government/Ministry of Health
<http://www.gov.sz/>

Medical Equipment (MED)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	11228.49	10297.54	5091.58*	n/a
Imports from the U.S.	790.39	291.53	26.49*	n/a
Exchange Rate: 1 USD	8.20	9.00	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

Swaziland's healthcare sector is serviced by the public health care system, which is not well equipped. A number of cases have to be referred to South Africa because of lack of equipment and expertise. Because of the high cost of sending patients to South Africa, Swaziland plans to upgrade the hospitals and clinics.

The government in its 2014/2015 budget plans to complete the construction of a hospital for tuberculosis patients, buy equipment and construct institutional housing for TB health care providers. It also plans to support non-government hospitals. For this, government has provided E28 million (USD2.63 million). This is expected to improve the TB treatment success rate from 73 percent this year to 85 percent by end of FY2014/15.

Sub-Sector Best Prospects

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- Medical Equipment, e.g. ICU Unit and dialysis unit
- Patient care monitors
- Chemotherapy equipment
- Imaging equipment
- Optical instruments

Opportunities

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The government, in its 2014/2015 budget, has provided E30 million (USD 2.76 million) to fund a renal and ICU Clinic at Mbabane Clinic which is a private entity.

The Lubombo Regional Hospital on the eastern part of Swaziland has been funded with USD2.30 to equip its outpatient facility.

U.S. companies have an opportunity to supply healthcare technology and other medical equipment.

Swaziland Government /Ministry of Finance
<http://www.gov.sz/>

Swaziland Government/Ministry of Health
<http://www.gov.sz/>

Audio Visual Equipment (AUV)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	15487.83	15254.61	5293.89*	n/a
Imports from the U.S.	1350.98	568.91	32.03*	n/a
Exchange Rate: 1 USD	8.20	9.00	10:68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

Swaziland is upgrading the equipment for its radio and television stations. The Ministry of Information Communication and Telecommunications has, in the 2014/2015 budget, been allocated a sum of E101 million (USD 9.46 million) to implement the Digital Terrestrial Television Migration program.

Sub-Sector Best Prospects

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- Radio/TV transmission apparatus incorporating reception apparatus
- Digital TV cameras
- Electronic components
- Sound recorders and reproducers

Opportunities

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Digitalization of the television station opens up opportunities for U.S. companies to supply equipment.

Web Resources

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Ministry of Information, Communications and Technology
<http://www.gov.sz/>

Swaziland Television Authority
<http://www.swazitv.co.sz>

Electrical Power Systems & Equipment (ELP)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	960.69	617.14	441.32*	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	8.20	9.00	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

Increasing electricity prices and shortage of supply from South Africa have prompted Swaziland look at other avenues for the production of electricity for domestic consumption. Swaziland generates approximately 24 percent of its required 1.2 billion kilowatts of electricity. It imports the majority from South Africa and some from Mozambique. The demand for electricity in South Africa is growing and the South African power utility, Eskom, may be less willing to sell to Swaziland.

Swaziland has now embarked on developing renewable energy after realizing the increasing demand for electricity and the threat of short supply from South Africa and Mozambique. According to recent studies, renewable energy, particularly solar and biomass, could meet the entire national demand of 200 megawatts.

The Swaziland Energy Regulatory Authority (SERA) has been set up which regulates the sector. Private companies interested in generating electricity need to submit applications to SERA. Swaziland is looking into generating power from solar, wind and biomass.

The utility company, Swaziland Electricity Company (SEC), is also doing a feasibility study to build a 300MW thermal power station in order to meet the electricity demand as the country is implementing its rural electrification program that will electrify the rural areas.

Sub-Sector Best Prospects

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- Environment impact assessment contracts
- Energy infrastructure projects
- Construction of 400kV integration for rural substations
- Forming Independent Power Producers on renewable energy
- Joint ventures in the 300MW thermal power station
- Solar Panels and Generators

Opportunities

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Swazi's access to electricity continues to expand and currently access in urban areas is approximately 65 percent and in rural area is approximately 45 percent, but the GKOS hopes to reach 100 percent electrification by 2022.

The development of renewable energy would increase energy security, offer environmental benefits, and create green jobs. In addition, renewable energy would generally be more reliable than the current energy supply which is plagued by disruptions, brownouts, and blackouts.

Web Resources

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Swaziland Electricity Company

<http://www.sec.co.sz>

Ministry of Natural Resources and Energy

<http://www.gov.sz/>

Swaziland Energy Regulatory Authority

<http://www.sera.org.sz/>

Railroad Equipment (RRE)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	1843.61	523.75	85.21*	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	8.20	9.00	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

Swaziland Railway and South Africa's Transnet Freight Rail have joined hands to build a railway line from Lothair in South Africa through to Sidvokodvo in Swaziland. This will connect with the present rail line from Sidvokodvo on the eastern part of Swaziland to Richards Bay in South Africa. The E16 billion to E17 billion (USD1.6 billion to USD1.7 billion) railway line would attempt to relieve pressure on the coal corridor to Richards Bay in South Africa. The rail link is to migrate freight from road to rail between the two countries. A feasibility study on the project is ongoing and it will be finished by the end of 2014.

Sub-Sector Best Prospects

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- Railroad Signaling Equipment
- Locomotives
- Railroad Maintenance Equipment
- Railway Track Construction Materials
- Switch Machines (Rail Equipment)

Opportunities

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The construction of the new rail link will bring opportunities for U.S. companies to supply new railroad construction materials, locomotives, wagons etc.

Web Resources

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Swaziland Railway
<http://www.swazirail.co.sz/>

Ministry of Public Works and Transport
<http://www.gov.sz/>

Agricultural Machinery Equipment (AGM)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	12836.10	11919.40	5309*	n/a
Imports from the U.S.	10.0	3.6	5.2*	n/a
Exchange Rate: 1 USD	8.20	9.0	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

The Minister of Finance in his 2014/2015 budget speech has again stated that the Government is committed to supporting agriculture. The Ministry of Agriculture will intensify its commercialization and diversification program to help farmers to produce more food for international markets and meet the country's food security. Three irrigation projects will be implemented to increase water for agricultural production. This will include continuation of the Lower Usuthu downstream area which will be extended to the fourth sugar mill under construction.

In this 2014/2015 fiscal year, the Swaziland government has provided E540.3 million (USD 50.59 million) to Ministry of Agriculture, increasing from E533.9 million (USD49.99 million) from last year.

Sub-Sector Best Prospects

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- Tractors, ploughs, harrows, planters
- Fertilizer distributors
- Haymaking machinery
- Harvesting machinery
- Beekeeping equipment
- Machinery for milling cereals
- Milking machines and dairy machinery
- Sugar manufacturing machinery
- Poultry incubators and poultry preparation machinery

Opportunities

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Agricultural equipment like tractors, planters and combine harvesters are primarily supplied by John Deere, trading as Swazi-trac, a company that is well entrenched in Swaziland. The products are well known for their quality.

Swazi-Trac (Pty) Ltd
Plot 582, Police College Road
Matsapha Industrial Site
P.O. Box 170
Matsapha, M202
Swaziland
Tel.: +268 2518 4556/5072
Fax: +269 2518 4555
Email: william@swazitrac.co.sz
Website: <http://www.swazitrac.co.sz>

Ministry of Agriculture
<http://www.gov.sz/>

The Swaziland Water and Agricultural Development Enterprise (SWADE)
<http://www.swade.co.sz/>

Cosmetics/Toiletries (COS)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production				n/a
Total Exports	44049.34	559370.10	185290.00*	n/a
Total Imports	70538.00	72658.70	22831.50*	n/a
Imports from the U.S.	3273.3	3417.90	386.70*	n/a
Exchange Rate: 1 USD	8.20	9.00	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

The cosmetics industry in Swaziland is relatively new and started with Swazi women who were extracting oil from seeds of the Marula fruit for their own use. Marula trees grow wild on the eastern part of Swaziland. A company later emerged that added value to the oil and produced the Swazi Secrets toiletries on a large scale and for export. Swazi Indigenous Products that produces Swazi Secrets products is a trading member of the Union of Ethical BiTrade (UEBT). Swazi Secrets products are also certified as organic by international organizations. Some of the products that are used to produce the Swazi Secrets line are imported from other countries. The company works with about 2,600 women who collect the kernels for processing.

Sub-Sector Best Prospects

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- Toiletry preparations ingredients
- Perfumery
- Resin
- Finished cosmetics
- Consulting services
- Research services

Opportunities

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Developing organic consumer products produced from plants is an opportunity for U.S. companies as is the supply of manufacturing equipment to existing companies in Swaziland.

Web Resources

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Swazi Indigenous Products
P.O. Box 163,
Mpaka, Swaziland
Tel (+268) 2 33 33 281
info@swazisecrets.com
Website: <http://www.swazisecrets.com>

Swaziland Investment Promotion Authority
Website: <http://www.sipa.org.sz>

Foods – Processed (FOD)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	25456.20	21129.0	7384.9*	n/a
Total Imports	33756.0	33236.80	10006.0*	n/a
Imports from the U.S.	1005.40	833.10	234.0*	n/a
Exchange Rate: 1 USD	8.20	9.00	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

Swaziland is actively pursuing investors in value-added industries which use inputs such as sugar, citrus fruit, and vegetables. Swaziland is strengthening its focus on agri-business and encouraging farmers to sell in both the domestic and international markets. Processed and canned foods are of particular interest.

Sub-Sector Best Prospects

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- Start up of food processing establishments
- Supply of ingredients for value-added products
- Supply of equipment and upgrade of technology
- Supply of packaging

Opportunities

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U.S. companies can supply equipment and technology for the food processing factories.

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Swaziland Investment Promotion Authority

<http://www.sipa.org.sz>

Eswatini Kitchen

<http://www.eswatinikitchen.com/>

Swazican Fruit Cannery (Pty) Ltd

<http://www.rhodesfoodgroup.com>

Industrial Chemicals (ICH)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production				n/a
Total Exports	42263.40	52002.40	14798.10*	n/a
Total Imports	43197.80	23982.0	5106.10*	n/a
Imports from the U.S.	311.10	498.10	63.30*	n/a
Exchange Rate: 1 USD	8.20	9.00	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

When the Cotonou Agreement between the European Union (EU) and the African, Caribbean and Pacific (ACP) countries expired on December 31, 2007, Swaziland diversified the sugar industry and began producing ethanol. Distillery ethanol production continued to show steady improvement, with 31.0 million litres of ethanol produced in 2013, compared to the previous year of 29.9 million litres.

Sub-Sector Best Prospects

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- Ethanol production Equipment
- Tractors, vehicles and machinery
- Drip irrigation systems

Opportunities

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U.S. companies can supply equipment and technology for ethanol production as the sugar companies have plans for expansion in ethanol and sugar value-added products. U.S. companies can also supply new tractors and machinery to replace the aging equipment.

Web Resources

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Royal Swaziland Sugar Corporation
<http://www.rssc.co.sz/products/ethanol/>

Swaziland Sugar Association
<http://www.ssa.co.sz/>

Telecommunications Equipment (TEL)

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	6428.60	n/a	n/a	n/a
Imports from the U.S.	3498.0	n/a	n/a	n/a
Exchange Rate: 1 USD	8.20	9.0	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

*Data from January – April, 2014

Swaziland's telecommunications network is fully digital. Optical fiber and local loop systems have been installed and link key areas throughout the country and neighboring countries. Swaziland also introduced the wire-line broadband services along with the Next Generation Networks. The landline network is a state monopoly. A private company, MTN Swaziland, provides cellular phone services. The Swaziland Post and Telecommunications Corporation (SPTC) has now relinquished its regulatory powers and a Communications Commission has been set up. It is hoped that this will open up the telecommunications sector and allow other cellular providers to enter the market. Swaziland plans to enhance its optic fiber connectivity with its neighbors South Africa and Mozambique to take advantage of the undersea optic fiber cables for affordable international bandwidth.

Sub-Sector Best Prospects

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- Next Generation Network solutions
- Optic fiber cables
- Cell phones
- Main distribution frames
- Spare parts for the equipment e.g. interface protocols

Opportunities

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As Swaziland plans the commercialization of wireless services, US telecommunications suppliers could find opportunities in this venture. Only MTN Swaziland Ltd offers cellular service, although its official monopoly ended in 2008.

Web Resources

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Swaziland Posts and Telecommunications Corporation

<http://www.sptc.co.sz>

Swaziland's commercial agriculture sector is dominated by sugar and canned fruit production for export. Many Swazis practice subsistence farming, mainly maize cultivation. The country is historically a net importer of maize, and the quantity demanded depends significantly on unreliable rainfall. Besides subsistence production, the country meets much of its demand for agricultural products through imports from South Africa. In 2011/12 maize cultivation dropped from 84,686 metric tons to 76019 metric tons the previous year. *Source: Central Bank of Swaziland 2012/2013 report.*

Value-added activities in the sector include the processing and preserving of fruit and vegetables, the processing of vegetable and animal oils and fats, dairy products, grain mill products especially wheat which is wholly imported, prepared animal feeds, sugar refining, cocoa, chocolate, and sugar confectionery amongst other food products.

Swaziland Beef export volumes increased by 4.7 percent in 2012 recording E85.9 million (USD 9.55 million) from E70.6 million (USD 7.85 million) in receipts. The drive to commercialize this industry is ongoing. Swazis are reluctant to raise cattle for commercial purposes due to their cultural significance. *Source: Central Bank of Swaziland 2012/2013 report.*

Domestic production of raw milk increased by 13 percent from 8.66 million litres in 2011 to 9.76 million litres in 2012. About 70 percent of milk produced locally came from commercial farmers on title-deed land. The country's demand for dairy products in 2012 was 65.68 million litres. The difference between local demand and production was met through imports which amounted to 55.93 million litres in 2012. *Source: Central Bank of Swaziland 2012/2013 report.*

The U.S. Foreign Agriculture Service office at the U.S. Embassy in Pretoria, South Africa, can provide information on exporting U.S. agriculture products to Swaziland. The office's contact information is:

Foreign Agriculture Service
U.S. Embassy Pretoria, South Africa
Tel: +27-12-431 4235
Fax: +27-12-342 2264
Email: agpretoria@fas.usda.gov

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Sugar Cane Production

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	646781 MT	658137 MT	n/a	n/a
Total Exports	361.30	377.0	n/a	n/a
Total Imports	n/a	n/a	n/a	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	8.20	9.0	10.68	n/a

Data Sources: *Central Bank of Swaziland Report 2012/2013*

Sugarcane production in Swaziland is forecast to increase to 5.2 million tons in 2012/2013 as additional land is made available for sugar cultivation. Swaziland's sugarcane production for the 2011/12 season remained constant at an estimated 5 million tons.

Swaziland's export sales to the EU market rose by a substantial 19.1 percent to 363,666 metric tonnes in 2012/2013 compared to the 646,781 metric tonnes produced the previous season. The increase was due to the implementation of the Lower Usuthu Project and the Komati basin which brought in new farmers. Export revenues rose to E1,818.3 million (USD202.04 million) in 2012/2013 as against E1,185.3 million (USD 131.70 million) recorded the previous year. *Source: Central Bank of Swaziland 2012/2013 report*

The increase in export receipts were, however, lower than expected due to depressed EU prices and the volatile exchange rate movements.

Sub-Sector Best Prospects

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- Value addition to fruit processing
- Sugar confectionary

Opportunities

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U.S. companies have opportunities to supply equipment for refining sugar, fruit processing, sugar confectionary processing, and electricity generation through biomass.

Web Resources

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Swaziland Sugar Association
4th Floor, crn. Dzeliwe and Msakato Streets
Nkotsfotjeni Building
P.O. Box 445
Mbabane H100
Tel: +268 2404 2037/2646
Fax: +268 2404 5005
Email: info@ssa.co.sz
Website: <http://www.ssa.co.sz>

Swaziland Investment Promotion Authority
Website: <http://www.sipa.org.sz>

Maize

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	24,012.13	26,067.64	n/a	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	8.20	9.0	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Maize production dropped from 84,686 metric tons in 2010/2011 to 76,019 metric tons in 2012/2013. The low maize production with respect to domestic consumption requirements (of about 115,400 metric tons according to the Vulnerability Assessment Report of 2012) makes Swaziland a net importer of maize. The National Maize Corporation, a state-owned enterprise, imported approximately 39,000 metric tons to make for the shortfall.

In 2012, parliament passed the Biosafety Act which will regulate the handling and use of genetically modified organisms (GMO). This will allow the importation of GMO maize.

Sub-Sector Best Prospects

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- Maize
- Seed

Opportunities

[Return to top](#)

The country is a net importer of maize and seed.

Web Resources

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National Maize Corporation (Pty) Ltd
11th Street
Matsapha Industrial Sites
P.O. Box 1775
Matsapha M202
Swaziland
Tel: (+268) 518 7432
Fax: (+268) 518 4461
E-mail: info@nmc.co.sz
Website: <http://www.nmc.co.sz>

Swaziland Investment Promotion Authority
Website: <http://www.sipa.org.sz>

Wheat

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	16489.25	2894.35	n/a	n/a
Imports from the U.S.	n/a	n/a	n/a	n/a
Exchange Rate: 1 USD	8.20	9.0	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Wheat is the only cereal with a significant import share from a country other than South Africa. Culturally, wheat is not a staple food in Swaziland. However, because of government price controls on bread and poor maize yields, people are consuming increasing amounts of imported wheat. Ngwane Mills is the importer, miller and distributor of wheat and wheat products in Swaziland. Ngwane Mills now also mills and distributes maize products.

Sub-Sector Best Prospects

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- Wheat

Opportunities

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U.S. companies can Swaziland with wheat and wheat products.

Web Resources

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Ngwane Mills

King Mswati III Avenue West,
Matsapha Industrial

Tel: +268 5185310/7432

Fax: +268 5185112/4461

Email: wendyn@ngwanemills.co.sz

Website: <http://nmigroup.co.za/companies/companies/swaziland.html>

Swaziland Investment Promotion Authority

Website: <http://www.sipa.org.sz>

Rice

Overview

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Unit: USD thousands

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	n/a	n/a	n/a	n/a
Total Local Production	n/a	n/a	n/a	n/a
Total Exports	n/a	n/a	n/a	n/a
Total Imports	17,189.78	17,652.84	n/a	n/a
Imports from the U.S.	13.49	17.38	n/a	n/a
Exchange Rate: 1 USD	8.20	9.0	10.68	n/a

Data Sources: *Swaziland Revenue Authority Statistics Unit*

Rice is not a traditional staple food but now is consumed in large quantities in Swaziland. In 2012, rice imports amounted to USD 17,652,840 against USD 17,189,790 in 2011.

Source: *Swaziland Revenue Authority Statistics Unit*.

Sub-Sector Best Prospects

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- Rice

Opportunities

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U.S companies can supply rice into the Swaziland market.

Web Resources

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Swaziland Investment Promotion Authority

Website: <http://www.sipa.org.sz>

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Chapter 5: Trade Regulations, Customs and Standards

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Import Tariffs

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Swaziland, together with Botswana, Lesotho, Namibia and South Africa, are members of the Southern Africa Customs Union (SACU). As a Customs Union, the five countries have a common external tariff, but each country has an internal tax that applies to imports from the other member states as well from third countries. On April 1, 2012 Swaziland introduced a 14 percent value-added tax (VAT), according to the Value Added Tax Act 2011. The VAT Act repealed the Sales Tax Act of 1983. While VAT replaces the sales tax, which was also 14% the country has been hard hit because sales tax was not widely implemented while the new Swaziland Revenue authority has quickly and effectively implemented the VAT.

Rates of customs duty and excise duty are determined at the SACU level. The taxes collected are remitted into the SACU revenue pool from which they are distributed to the five countries in accordance with an agreed revenue-sharing formula. For a number of products, the import duty and excise tariff provides for both *ad valorem* and specific rates of duty. The *ad valorem* rates of duty range from 0-40 percent. Most products originating in SADC countries are duty-free. Excise duty is charged on both imported and locally manufactured goods, but it applies only to a limited number of consumer products, such as beverages.

Trade Barriers

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Transporting goods to and from Swaziland represents a challenge for traders. Swaziland has no direct sea access and a very small international airport. However, quality facilities are available nearby. The ports at Durban, South Africa, and Maputo, Mozambique, can be accessed by rail, and a dry port in Swaziland facilitates the road-to-rail connection.

Johannesburg International Airport is easily accessible by road and a new, large airport is under construction in eastern Swaziland. Swaziland's main roads are in good condition. For information on Swaziland transportation barriers, please see a study by USAID's Regional Center for Southern Africa, entitled "Improving Transportation Logistics for Competitiveness of Swaziland," posted on the Embassy's website: http://mbabane.usembassy.gov/local_links.html.

In addition to transportation, government procedures can hinder business in Swaziland. There is a general lack of procedural transparency, and reliable information regarding trade and investment is not readily available. The U.S. Embassy recommends that those interested in investing in Swaziland personally visit the country.

Import Requirements and Documentation

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Permits are required for certain imports, including all agricultural products, mineral fuels, used clothes, mineral oils, motor vehicle parts, used cars, medicinal drugs, and electrical appliances. Licensing permits issued by the Ministry of Finance are generally easy to obtain and are valid for one shipment. Goods consigned to Swaziland from outside SACU must be cleared through customs at the first port of importation into SACU. A bill of entry must be completed and submitted to customs along with copies of the supplier's invoices and a Swaziland import permit.

U.S. Export Controls

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Swaziland's "listed" items are those that appear on the U.S. Department of Commerce Control List. These require a license to be exported to Swaziland based on the Export Control Classification Number and the Country Chart. These items are detailed on the U.S. Department of Commerce's Bureau of Industry and Security website at http://www.gpo.gov/bis/ear/ear_data.html

The Country Chart, which includes Swaziland, is in Part 738. The Commerce Control List is in Part 774; there are 10 categories that can be pulled up as separate files.

Temporary Entry

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There is no restriction on temporary entry of goods in transit to another country, but importers may be charged transit rebates, which include warehousing guarantee bonds. Transit rebates ensure that goods destined for a third country leave Swaziland. Transit rebates are paid upon entry into Swaziland, and the owner of the goods applies for refund of the rebate when the goods leave Swaziland.

Labeling and Marking Requirements

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Country of origin labeling is required. Swaziland has established the Standards Authority, which has introduced standards certification.

Prohibited and Restricted Imports

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Importing illicit drugs and arms of war is prohibited.

Customs Regulations and Contact Information

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The Swaziland Revenue Authority (SRA) was formed after a merger of the Customs and Income Tax departments. The SRA office administers import duties and controls.

Swaziland Revenue Authority
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Email: info@sra.org.sz
Website: <http://www.sra.org.sz>

Standards

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Overview

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Swaziland Standards Authority (SWASA) is a statutory body formed in accordance with the Quality and Standards Act 10 of 2003. The office was opened in April 2007. SWASA is responsible for the promotion and maintenance of standardization and quality relating to commodities and the rendering of services. Its tasks include:

- To serve industry, commerce and the public sector by developing, maintaining and monitoring the implementation of standards and performing conformity assessments;
- To acquire, develop and publish standards, and provide testing facilities;
- To acquire affiliation to relevant international bodies.

Standards Organizations

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Swaziland Standards Authority (SWASA) is a Swaziland government agency responsible for standards. Website: <http://www.swasa.co.sz>.

SWASA has a memorandum of understanding with the South African Bureau of Standards (SABS). Website: <http://www.sabs.co.za>.

Fourteen member states which constitute the Southern African Development Community (SADC), embraced the concept by setting up a structure that will look into the development of Standards, Quality Assurance, Accreditation and Metrology (SQAM) infrastructure in the region. The goal was harmonizing member countries' standards and technical regulations. It is reliant primarily on the capacity of the SABS for its operations. Website: <http://www.sadcstan.co.za>.

SWASA signed a memorandum of understanding with the ASTM International, formerly known as the American Society for Testing and Materials. Website: <http://www.astm.org>.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

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SWASA is involved in conformity assessment with the South African Bureau of Standards (SABS), a South African government agency regulating standards. Website: <http://www.sabs.co.za>

Product Certification

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SWASA is continuing to work on the development and adoption of standards in Swaziland. Given that the Swaziland did not have any national standards previously, SWASA has been helping local companies source standards from neighboring national standards bodies like the South African National Standards (SANS) which they get from the South African Bureau of Standards (SABS). Some companies use international standards sourced from ISO, British Retail Consortium (BRC) or the British Standards Institute (BSI), especially because the markets they do business in require such standards.

Accreditation

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SWASA has established that South African National Standards sourced from SABS are most commonly used by Swaziland companies. Another commonly used standard is ISO 9000 and some companies are in the process of implementing HACCP. So far only one company is known to be implementing ISO22000 and is accredited to the standard.

Publication of Technical Regulations

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SWASA is the statutory repository of all approved standards. These may be obtained from SWASA's websites. All proposed and final technical regulations will be published in the *Swaziland Government Gazette* and also SWASA's website:
<http://www.swasa.org.sz>

Labeling and Marking

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Labeling/marketing for industrial and pharmaceutical imports has to be provided in English. Swaziland follows the Harmonized System (HS) and belongs to the Southern African Customs Union (SACU).

Contacts

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Trade Agreements

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Swaziland is currently a member state of the Common Market for Eastern and Southern Africa (COMESA), formerly the Preferential Trade Area agreements for Eastern and Southern Africa which grants Swazi goods and services preferential access to a market of over 250 million people. Website: <http://www.comesa.int/>

The SADC Trade Protocol came into force in January 2000. This initiative is strongly supported by the World Bank, International Monetary Fund, and the African Development Bank. Under SADC, a company with operations in Swaziland can supply the entire SADC region with minimal export controls. SADC is made up of Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Swaziland, South Africa, Tanzania, Zambia and Zimbabwe. Website: <http://www.sadc.int/>

Swaziland membership in the Southern African Customs Union (SACU), with Botswana, Lesotho, Namibia, and South Africa, allows for duty-free exchange of goods to a market of 45 million people. Goods from outside SACU require an import permit. Member countries receive due shares of the customs pool generated by commodities imported from outside the SACU. SACU revenue continues to be a major component of Swazi

government receipts, accounting for an estimated 60 percent of total revenue. Website: <http://www.sacu.int/>

On January 18, 2001, Swaziland was designated as the 35th AGOA eligible country. Foreign investors have taken advantage of Swaziland's AGOA-eligible status, especially in the garment manufacturing industry. Swaziland continues to benefit from eligibility for the African Growth and Opportunity Act (AGOA), but AGOA eligibility is reviewed each year by the U.S. Government and Swaziland faces scrutiny for a failure to sufficiently recognize worker rights.

Swaziland is a signatory of the General Agreement on Tariffs and Trade. The GATT Agreement affects Swazi industry through its membership in SACU. To meet GATT obligations, South Africa, on behalf of SACU, has submitted schedules for the gradual reduction of tariffs for some commodity imports.

At the expiry of the Cotonou Agreement on December 31, 2007, Swaziland signed an interim Economic Partnership Agreement (EPA) with the EU in June 2009, and negotiations towards a full/comprehensive EPA are ongoing. Swaziland is negotiating the EPA with the EU as part of the SADC-EPA block, which is made up of only 7 of the 14 SADC members (Southern African Development Community) members. Trade arrangements under the interim EPAs are 'compatible' with the requirements of the [World Trade Organization](#) (WTO).

Web Resources

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Swaziland Investment Promotion Authority
Website: <http://www.sipa.org.sz>

Swaziland Standards Authority
Website: <http://www.swasa.co.sz>

U.S. Commercial Service South Africa
<http://buyusa.gov/southafrica/en> or
<http://www.ussatrade.co.za>

Ministry of Commerce, Industry and Trade –
<http://www.gov.sz/>

Common Market for Eastern and Southern
Africa (COMESA)
<http://www.comesa.int/>

Southern African Customs Union (SACU)
<http://www.sacu.int/>

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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The Government of the Kingdom of Swaziland (GKOS) regards foreign investment as a means to drive the country's economic growth, obtain access to foreign markets for its exports, and improve international competitiveness. However, the government and the royal family also exercise considerable influence in the private sector through state owned enterprises that compete with private companies and through government and the royal family's substantial shareholding in private corporations. All business sectors are open to foreign investment although government approval is needed. The Swaziland Investment Promotion Authority (SIPA) is charged with designing and implementing strategies for attracting desired foreign investors and is working to become a one-stop-shop for foreign investors. The GKOS continues its attempts to facilitate the ease of doing business in the country, but the pace of improvement has failed to keep up with other countries in the region.

Incentives to invest in Swaziland include repatriation of profits, fully-serviced industrial sites, provision of purpose-built factory shells at competitive rates, and exemption from duty on raw materials for manufacture goods to be exported outside SACU. Financial incentives for all investors also include generous tax allowances and deductions for new enterprises, including a 10-year exemption from withholding tax on dividends and a low corporate tax of 10% for approved investment projects. New investors also enjoy duty-free import of machinery and equipment.

Swaziland is slowly implementing an Investor Roadmap, a comprehensive strategy originally drafted in 2005 and re-launched by King Mswati III in 2012, to identify and address barriers to investment in Swaziland. The objectives are to improve the pace and efficiency of trade across borders; reduce the time and paperwork required to register a company and secure work permits; strengthen legal protection for investors, and improve the tax regime - including providing for online filing for company registration. It aims to increase transparency of labor inspections and access to finance for small and medium-sized enterprises.

Despite some progress in improving the investment environment, some distinct challenges remain. The monopolistic nature of Swaziland's telecommunications sector results in high prices and sometimes unreliable mobile phone services. Internet service, provided largely by the Swaziland Post and Telecommunications Corporation (SPTC), a state owned operator which also acts as the industry regulator, is also costly, slow, and unreliable.

The majority of land in Swaziland is held in trust by the King, cannot be titled, and is referred to as Swazi Nation Land. The Swazi constitution bars ownership of land by foreign entities unless ownership was attained before the promulgation of the Constitution on February 8, 2006. However the constitution also states that this provision "may not be used to undermine or frustrate an existing or new legitimate business undertaking of which land is a significant factor or base." Foreign companies looking to own land must attain approval from the Land Board, a sometimes opaque and lengthy process that the royal family exercises direct influence over.

Swaziland has a dual-legal system, and most investments are effected through and governed by Roman-Dutch law. Companies subjected to customary law, such as a transaction involving Swazi Nation Land which is controlled by the King, should be aware that they may not be able to seek resolution within the court system.

The International Monetary Fund (IMF) has advised the Swaziland Government to privatize state owned businesses, particularly the telecommunications sector and the electricity sector. For the telecommunications sector two pieces of legislation which provide necessary legal frameworks for improved regulation of the sector were finally passed as law in 2013. These are the Swaziland Communications Commission Act and the Electronic Communications Act which came into effect on July 31, 2013. The Swaziland Communications Commission Act's objectives is to establish a Swaziland Communications Commission which will regulate and supervise the operation of electronic communications networks and the provision of electronic communications services in Swaziland, including the regulation of data protection in electronic communications. The Act also seeks to transfer the regulatory powers and functions of the SPTC relating to communications, as provided under the Swaziland Posts and Telecommunications Act, 1983, to the Commission. It will also transfer the regulatory powers and functions of the Swaziland Television Authority, as provided under the Swaziland Television Authority Act, 1983, to the Commission. The Electronic Communications Act's objective is to develop and regulate the electronic communications networks and services in Swaziland. A regulatory board, the Swaziland Communications Commission, was established in September 2013. The regulatory powers and functions of the SPTC have now been transferred to the Commission. Again in 2013, government started engaging on drafting a law on cyber security. This is done with the advice of SADC.

The National Development Strategy of Swaziland 1997 highlights that industrial development is an engine for economic growth and development. It states that there is an urgent need to formulate an appropriate and effective National Industrial Development Policy and Strategy with the objective of diversifying the industrial sector of Swaziland. Maximization of value addition in agricultural and mining products is one area for industrial development that economists have identified as promising for the country.

Currently, Swaziland's manufacturing largely consists of agriculture based value-adding products like (FOD) canned fruit and (FOR) forestry products. Swaziland also is home to a Coca Cola concentrate plant for Southern Africa. Other products are confectionaries, meat products, sugar, and ethanol. The textile sector was once exporting over \$100 million under AGOA, but now exports under \$50 million and continues to decline as measured by total revenues.

In Swaziland, all mergers and acquisitions are subject to screening and approval of the Swaziland Competition Commission regardless of size pursuant to the Competition Commission Act of 2007. The Competition Commission reviews investment and its effect on specific industries, improvement in the employment of people and the ability of small businesses to be competitive.

Renewable energy production is a priority for the Swazi government. Swaziland gets a bulk of its electricity from South Africa and Mozambique (80%). With both South Africa and Mozambique experiencing electricity shortages, Swaziland is working on producing its own energy using renewable energy. The government is developing a Renewable Energy and Independent Power Producers Policy with the hope of incentivizing investors in this sector.

Any company wishing to invest in Swaziland must adopt articles of incorporation or association. Investors are screened for credit worthiness, business ethics, and criminal records. If investors bring external funding, there is a requirement for further screening.

TABLE 1: The following chart summarizes several well-regarded indices and rankings

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	82 of 177	http://cpi.transparency.org/cpi2013/results/
Heritage Foundation's Economic Freedom index	2013	82 of 177	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2013	123 of 189	http://doingbusiness.org/rankings
Global Innovation Index	2013	104 of 142	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	USD 2,860	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

TABLE 1B - Scorecards: The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a 2012 per capita gross national income (GNI) or \$4,085 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here:

<http://www.mcc.gov/pages/selection/scorecards>. Details on each of the MCC's indicators and a guide to reading the scorecards, are available here:

<http://www.mcc.gov/documents/reports/reference-2013001142401-fy14-guide-to-the-indicators.pdf>

Conversion and Transfer Policies

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All capital transfers into Swaziland outside the Common Monetary Area (CMA) require prior approval of the Central Bank of Swaziland to avoid problems in the subsequent repatriation of interest, dividends, profits and other income accrued. Otherwise there are no restrictions placed on the transfers.

There is a straightforward process of obtaining foreign currency. A resident requiring currency other than Swaziland Emalangeni (E) or South African Rand (which are accepted as legal tender with the exchange rate on a par with Emalangeni) for permissible purposes must apply through an authorized dealer and a resident who acquires foreign currency must sell it to an authorized dealer for the local currency within ninety day. No person is permitted to hold or deal in foreign currency other than an authorized dealer. Authorized dealers in Swaziland are the First National Bank of Swaziland (FNB), Nedbank, Standard Bank, and Swazi Bank.

There are no limitations on the inflow or outflow of funds for remittances. Dividends derived from current trading profits are freely transferable on submission of documentation (including latest annual financial statements of the company concerned), subject to provision for the non-resident shareholders' tax of 15 percent. Local credit facilities may not be utilized for paying dividends. The average delay period for remitting investments is dependent on the mode for remitting funds. For example SWIFT transfers average a week, while electronic transfers take less than a week.

Expropriation and Compensation

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There have been no known cases of a foreign owned business being expropriated. Swaziland's land tenure system can be confusing for investors. Approximately sixty percent of land is Swazi Nation Land, land held by the King in trust for the people of Swaziland. Control over use of Swazi Nation Land is delegated to local chiefs. Settlement of disputes regarding traditionally held land can take years. Legality of land leases is sometimes unclear and uncertainty exists as to the details of land ownership rights. Although not common, there have been cases of 99-year leases on Swaziland Nation Land. Clear titles exist for non-Swazi Nation Land, generally located in urban areas. There are reported cases of land disputes between foreign businesses operating on Swazi Nation Land and traditional authorities.

Swaziland has a dual legal system consisting of the Roman-Dutch law and customary law, or “Swazi law and custom”. This parallel system can be confusing and has presented problems for foreign-owned businesses. In general, Swazi courts do enforce property and contractual rights.

The legal system has a Western-style court system in which the Industrial Court hears industrial relations matters. The Industrial Relations Act of 2000 created the Conciliation, Mediation and Arbitration Commission (CMAC) to resolve employer-employee disputes. CMAC is a competent and well-regarded institution, albeit under-funded and under-capacitated.

According to the Constitution of Swaziland the Judiciary is independent. But there have been cases where government officials have failed to recognize court judgments, and the Swazi public generally regards the courts as partisan in favor of the government. Judgments of foreign courts are respected.

Swaziland’s bankruptcy law, the Insolvency Act of 1955, is silent on the currency used in monetary judgments; however, international companies doing business in Swaziland can include the currency to be used in their Memorandum of Agreement.

The Western style court system has jurisdiction over the property of a person who has ordinarily resided in or carried on business for 12 months in Swaziland before lodging of the petition. In addition Swaziland’s traditional courts, with the King as supreme authority, are available for dispute settlement. Swazi employees have brought grievances against foreign employers to these traditional courts. Such disputes, however, can be transferred to the formal court system at the option of the foreign employer/investor. Most investor disputes are employee-related. Official government intervention/arbitration is available upon request, but most investment disputes are handled within the judiciary system, usually via the Industrial Relations Court. The court process can be very slow and often takes up to one year to resolve if there is no out of court settlement or successful mediation.

The Swaziland Government accepts binding international arbitration of investment disputes between foreign investors and the state. Any agreement with international investors/parties includes a clause stating where arbitration will take place and which laws will apply.

Swaziland is a member of the International Centre for the Settlement of Investment Dispute (ICSID) although there is no specific legislation providing for enforcement of ICSID awards.

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Performance Requirements and Incentives

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There are two performance requirements that may affect foreign business in Swaziland. First, Swazi government policy, enforced through the Ministry of Labour and Social Security, requires hiring qualified Swazi workers, where possible. This has discouraged some business people from relocating to Swaziland. The other performance requirement affects only exporters who wish to label their product as made in Swaziland. Local export authorities require that the local contents of such exports be at least 25 percent. The Swaziland government does not maintain any measures that are alleged to violate the WTO Trade Related Investment Measures requirements.

Swaziland has several investment incentives for qualifying investments, particularly those in export-driven industries such as manufacturing, mining, and international services. The government offers a human resources training rebate of 150 percent of the cost written against income taxes. At the discretion of the Minister of Finance, the government offers an income tax rate of 10 percent for the first ten-year period after a new investment. Capital goods imported into the country for productive investments are exempt from import duties. Raw materials imported into the country to manufacture products to be exported outside the SACU area, such as textiles exported to the United States under AGOA, are also exempt from import duties. The government allows for repatriation of profits and dividends including salaries for expatriate staff and capital repayments. The Central Bank of Swaziland guarantees loans issued by banks to companies exporting. There is also provision of loss cover, which allows companies to carry losses over multiple years to minimize their tax burden.

Right to Private Ownership and Establishment

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The majority of Swaziland's largest businesses are owned by foreign investors, either fully or with minority participation by Swazi institutions. There are no legal restrictions on foreign ownership that are discriminatory against foreign investors, but the government and the royal family's direct investment in industry is a practical limitation to foreign investment requiring a Swazi investor or joint venture. Both foreign and domestic private entities have a right to establish businesses, and acquire and dispose of interests in business enterprises.

Protection of Property Rights

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The GKOS recognizes and enforces secured interests in property, both moveable and real. However, most property in the country is not titled and lending institutions cannot secure any interest in this land known as Swazi Nation Land. For titled property, there is a recognized and reliable system of recording security interests.

The Constitution of Swaziland protects the right to own property and if the property is needed for development, the owner is supposed to be compensated. However, there are numerous instances where the government has used its powers of eminent domain without compensating the residents or owners of the land. In Swaziland property prices are not regulated. Properties in cities are levied with property rates by the municipalities.

Protection for patents, trademarks and copyrights is currently inadequate under Swazi law. Patents are currently protected under a 1936 act that automatically extends patent protection, upon proper application, to products that have been patented in either South Africa or Great Britain.

Trademark protection is addressed in the 1994 Trademarks Act. Copyright protection is addressed under four statutes, dated 1912, 1918, 1933 and 1936. Swaziland inherited its intellectual property rights regime from the colonial era, under which copyrights, patents, and trademarks were somewhat protected under various acts promulgated by the colonial authorities. According to the Registrar General, the acts have not been implemented and copyright protection in Swaziland is "limited."

The government has acceded to the WTO TRIPS agreement. Implementation and enforcement are minimal due to the small number of patent disputes. The GKOS has not signed the WIPO Internet Agreement. Swaziland's WIPO link is available here <http://www.wipo.int/wipolex/en/profile.jsp?code=sz>

Transparency of Regulatory System

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In general, Swaziland's tax, labor, environment, health and safety, and other laws do not intentionally distort or impede investment. However, in many areas, the legal and regulatory environment is underdeveloped, opaque, or unpredictable. For instance, Swaziland does not have an approved trade policy, investment policy, or industrial policy. The country's Economic Recovery Strategy specifically identifies the need to promote strategies and reforms in order to facilitate investment.

Proposed laws and regulations are published in the government Gazette for public comment thirty days prior to a bill's presentation to Parliament. Ministries sometimes consult with selected members of the public and private sector.

The Competition Commission is in place and the office is fully functioning. The Commission will be governed by the public enterprise unit law. It is the government's stated policy to foster a free market economy. There are no informal regulatory processes, but corruption, particularly in government procurement, creates informal hurdles to operating a business in the country. There are no efforts to restrict foreign investment by industry standards-setting organizations.

Swaziland's capital markets are closely tied to those of South Africa and operate under conditions generally similar to the conditions of that market. Commercial banks offer credit on market terms, but the rules of the Common Monetary Area forbid non-Swazis from raising domestic loan capital, although they can apply to the Central Bank for an exception. This restriction has not greatly discouraged foreign capital flows into Swaziland in the past, but could increasingly sour the Swazi investment climate as regional competitors build investment regimes more attractive to foreign business.

At present, the government is trying to put in place an effective regulatory system to encourage portfolio investment. In 2010, the GKOS enacted the Securities Act, which will strengthen the regulation of such investment. This Act's aim is primarily to facilitate and develop an orderly, fair and efficient capital market in the country. Swaziland has a small stock exchange with six companies currently trading equity shares and bonds. The Financial Services Regulatory Authority (FSRA) Act 2010 came into force in June 2010. This act governs non-bank financial institutions including capital markets, insurance, retirement fund, building societies, micro-finance institutions and Savings and Credit Cooperatives.

The Central Bank supervises financial institutions, which include the First National Bank of Swaziland Limited, Nedbank, Standard Bank, Swazi Bank, Swaziland Building Society and the Blue Financial Services (Pty) Ltd. These are governed by the Financial Institutions Order of 1975.

"Cross share-holding" and "stable shareholder" arrangements do not exist in Swaziland. There have been no hostile takeovers by domestic or foreign interests. Since Swaziland's financial markets are just emerging, a variety of credit instruments have yet to be developed.

Through state owned enterprises, the government competes directly with the private sector in energy, financial services, transportation, tourism, and telecommunications. Private enterprises and public enterprises operate in different investment climates. Public enterprises often are responsible for charging levies for supplies imported by private enterprise in which public enterprise also competes. Examples of this occurrence include the dairy, fruits and vegetables, and the maize industries. Senior management of state owned enterprises report to a board which, in turn, reports to the Cabinet Minister responsible for the sector. A senior member of the Ministry sits on the board. State owned enterprises are governed by the Public Enterprises Act which requires audits of the SOEs and public annual reports.

A sovereign wealth fund known as Tibiyo Taka Ngwane, which was created through royal charter under the reign of the current King's father, King Sobhuza II in 1968, forms ventures with foreign investors and invests in existing foreign enterprises in the country. In theory, Tibiyo Taka Ngwane is held by the King in trust for the Swazi nation and is separate from the government. However, the fund is widely invested in the economy and holds shares in most major industries including telecommunications, commercial

real estate, sugar, dairy, beverages, hotels, and transportation. It is run as a private equity investment fund for the benefit of the King and royal family. Foreign companies seek to establish business relationships with Tibiyo Taka Ngwane both as a method of raising capital, and also because of the political protection it provides.

Corporate Social Responsibility

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Only the largest multinational enterprises in the country have established corporate social responsibility programs. The government does not actively encourage businesses to comply with the OECD Guidelines for Multinational Enterprises.

Political Violence

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There is no history of major incidents of political violence aimed at destroying commercial installations in Swaziland. Violence is primarily used by the state against the citizens. On April 12, 2013 police used force to prevent a panel discussion in Manzini on the anniversary of the 1973 decree that overturned the country's constitution and vested all power in the King. On September 6, 2013, Swaziland's Independence Day, police detained a number of members of the various political parties and labor groups to prevent the International Trade Union Confederation (ITUC) from holding an event in Manzini on labor conditions. Police regularly set-up roadblocks at entry and exit points of the two major cities, Manzini and Mbabane, to prevent political parties (which are not allowed to register in Swaziland) and labor groups from attending events and meetings. Police regularly harass, arrest, and imprison critics of the government. In March, 2014, a human rights lawyer and journalist were arrested and detained for several months for their criticism of the judiciary. Authorities prevent meetings and demonstrations and halt prayer meetings organized by certain church groups. The three main human rights abuses are police use of excessive force, including use of torture, beatings, and unlawful killings; restrictions on freedoms of association, assembly, and speech; and discrimination against and abuse of women and children. Other human rights problems include arbitrary arrests and lengthy pretrial detention; arbitrary interference with privacy and home; prohibitions on political activity and harassment of political activists; trafficking in persons; societal discrimination against members of the lesbian, gay, bisexual, and transgender (LGBT) community and persons with albinism; mob violence; harassment of labor leaders; child labor; and restrictions on worker rights. In general, perpetrators act with impunity, and the government takes few or no steps to prosecute or punish officials who committed abuses.

Corruption

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an

effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. [Insert information as to whether your country is a party to the OECD Convention.]

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption

instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. [Insert information as to whether your country is a party to the UN Convention.]

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) [Insert information as to whether your country is a party to the OAS Convention.]

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see www.coe.int/greco.) [Insert information as to whether your country is a party to the Council of Europe Conventions.]

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into force. Consult USTR Website for date: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.]

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial

Service can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Swaziland is a signatory of the UN Anti-Corruption Convention, African Union Convention on Preventing and Combating Corruption and Related Offences, and the SADC Protocol against Corruption. Swaziland has not ratified the UN Anti-Corruption Convention. Swaziland is not a signatory to the OECD Convention on Combating Bribery.

Swaziland's Prevention of Corruption Act came into effect and established an Anti-Corruption Commission in 2007. The Minister of Finance in his budget speech of 2014 referred to corruption as a problem in Swaziland. He recognized that public accountability requires the active participation of all sectors of society, but Government must take prime responsibility. To enhance the fight against corruption in Swaziland the Minister allocated E20.2 million (approximately \$2 million) to the Director of Public Prosecutions and the Anti-Corruption Commission (ACC). Government has also provided E8 million (approximately \$800,000) to the Financial Intelligence Unit (FIU) to continue implementing the Money Laundering and Terrorism

(Prevention) Act of 2011. FIU will, among other activities, embark on public awareness campaigns to sensitize the country on the offences and consequences of money laundering and financing of terrorism.

Corruption is particularly prevalent in government procurement. Parliament passed the Procurement Act in 2011 whose aim is to provide regulation and control practice in respect of public procurement. Giving or receiving a bribe is illegal. A convicted person faces a maximum of a 100,000 emalangeni (approximately \$10,000) fine or ten years imprisonment. A convicted law enforcement officer or public prosecutor faces a maximum fine of 200,000 emalangeni (approximately \$20,000) or twenty years in prison. Foreign and domestic businesses have indicated that corruption and bribery requests impact profits, contracts and investment decisions for their companies.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.

- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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Swaziland has bilateral trade agreements with Great Britain, Germany, and the European Union (EU). The Cotonou Agreement between the EU and the African, Caribbean and Pacific (ACP) countries expired on 31 December 2007, but Swaziland signed an interim Economic Partnership Agreement (EPA) with the EU and is currently renegotiating a new EPA. In 2008, SACU and the U.S. signed a Trade, Investment, and Development Cooperative Agreement.

Swaziland has bilateral investment protection agreements with Egypt, Germany, Taiwan, Mauritius, and the United Kingdom.

Swaziland does not have a bilateral investment or bilateral taxation agreement with the United States. The Swaziland Revenue Authority (SRA), the tax collection agency, commenced operation in January, 2011. Charged with improving the efficiency and rate of revenue collection in the kingdom, the SRA has been assertive in pursuing individuals and businesses. The kingdom implemented a value-added tax of 14 percent in April 2012. VAT replaced the sales tax.

OPIC and Other Investment Insurance Programs

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The Overseas Private Investment Corporation (OPIC) has not been active in Swaziland.

Labor

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Swaziland's laws do not comply with internationally recognized labor rights, particularly in the area of freedom of association. Swaziland's Public Order Act and Suppression of Terrorism Act are used by police to arbitrarily detain and arrest labor leaders without requirements for due process. In addition, after de-registering the country's trade federation, the Swazi government has not amended its laws to allow for the existence of a legal federation of unions which is in violation of ILO standards. In 2013, the Swaziland government used force on numerous occasions against union leaders and

pro-democracy activists. To date, the GKOS has failed to enact legislation to allow for the registration of a federation, including those comprised of trade unions, despite the efforts of the Trade Union Congress of Swaziland (TUCOSWA) to register for over two years. The GKOS has had a contentious relationship with organized labor because of the lack of a vehicle to register a federation to legalize their activities.

According to the Industrial Relations Act, workers can engage in a strike action if there is an unresolved dispute. The party that intends to go on strike needs to give notice to the employer, Labor Commissioner, and the Conciliation, Mediation and Arbitration Commission. Within seven days CMAC should arrange and supervise a secret ballot to determine whether the majority of employees are in favor of the strike action.

There is a high level of domestic underemployment and a severe shortage of technically skilled labor, a fact that results in a heavy reliance on expatriate technicians, accountants, and engineers.

Foreign-Trade Zones/Free Ports

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Swaziland does not have any free trade zones, but supports four industrial areas. The largest is in Matsapha, located between the primary cities of Mbabane and Manzini. It has direct rail and road links. The Matsapha Industrial Estates dry port maximizes time and cost savings for importers and exporters using the ports of Durban and Richard's Bay, South Africa and Maputo, Mozambique.

Foreign Direct Investment Statistics

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The Central Bank of Swaziland tracks foreign direct investment by type and sector. Total stock of FDI increased to E8.1 billion (approximately \$810 million) in 2012 from a revised stock of E7.4 billion (approximately \$740 million) realized in 2011. An analysis of FDI by type reflects that reinvestment of earnings is still the major driver of FDI in Swaziland accounting for 42.4 percent of the total stock of FDI in 2012.

The stock of long term capital recorded a sizeable increase of 65.7 percent in in 2012 to stand at E3.2 billion (approximately \$320 million). This was due to the funding of local private sector companies in the agricultural sector by non-resident parent companies for expansion and investment purposes.

Short term capital registered a decline of 37 percent to stand at E919 million (approximately \$92 million) in 2012. The equity component posted a slow growth of 2.1 percent, indicating the absence of new companies as the country competes for FDI in the region.

In 2012 FDI indicates that the manufacturing sector continues to be the leading contributor to total stock of FDI. Efforts to resuscitate the forest industry resulted to an increase in external financing channeled towards the agricultural sector. The agricultural sector remained the second largest contributor after the manufacturing sector.

TABLE 2: Key Macroeconomic data, U.S. FDI in host country/economy provided by Central Bank of Swaziland.

	2007	2008	2009	2010	2011 (revised)	2012 (preliminary)
Equity	83.29	58.87	59.86	53.94	55.33	57.54
Reinvested Earnings	463.66	238.84	285.10	374.69	358.08	358.15
Long-term Capital	100.12	175.76	206.17	75.47	201.51	333.88
Short-term Capital	71.67	49.62	68.15	133.43	151.28	95.34
TOTAL FDI	736.88	550.49	619.32	637.52	766.21	844.92
Change in Total FDI (%)	4.6	4.6	18.4	2.9	20.2	10.3
Change excluding reinvested Earnings (%)	(7.4)	11.4	17.6	(21.4)	55.3	19.3
Average Inflation (%)	8.1	12.6	7.5	4.5	6.1	8.9

Source: Central Bank of Swaziland

Note: Figures reported in historical E, converted using 2013 average exchange rate USD1/E10

	2011 (revised)		2012 (prelim.)	
	STOCK	CHANGE (%)	STOCK	CHANGE (%)
Manufacturing	461.64	15.0	445.93	(3.4)
Services	104.13	28.0	95.03	(8.7)
Investment	18.65	(10.0)	20.36	9.2
Agriculture	109.35	63.9	185.96	70.1
Finance	70.33	17.5	74.77	6.3
Mining	6.55	(8.5)	22.86	249.6
TOTAL	770.63		844.92	

TABLE 3: Sources and Destination of FDI
No chart for Swaziland.

TABLE 4: Sources of Portfolio Investment
No chart for Swaziland.

Contact Point at Post

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Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
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How Do I Get Paid (Methods of Payment)

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Swaziland importers utilize most of the standard payment methods available in international commerce. The most commonly used are:

- Cash in Advance
- Letters of Credit (LC)
- Bank Collections and Bills of Exchange
- Open Account
- Sales on Consignment
- International Money Transfers

American exporters should offer quotations based on the f.o.b. value at the port of export. As a general rule, such quotations should also include a statement of the actual charges for freight and insurance, plus any additional charges, to the port of delivery. Quotations are usually in terms of the currency of the country of origin. The terms of payment for imported goods vary according to the type of buyer and the buyer's access to capital.

How Does the Banking System Operate

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The Central Bank of Swaziland is the monetary authority responsible for management of the country's foreign exchange reserves, administration of exchange controls, and regulation of financial institutions.

There are four main commercial banks operating in Swaziland: First National Bank of Swaziland, NedBank, SwaziBank, and Standard Bank. The government-owned Swaziland Development and Savings Bank went bankrupt due to millions of dollars of unpaid loans in June 1995 and is now operating, although the Swaziland Government in its 2010/2011 Fiscal Adjustment Roadmap listed the bank as one of the institutions that will be privatized.

Each of the operating banks has at least two branches. Normal banking facilities are provided at all four banks and interest rates on borrowing are below those in South

Africa. The prime rate is 9.0 percent and the mortgage rate is 7.0 percent (January 2012).

Through Swaziland's membership in the Common Monetary Area (CMA), after-tax profits can be repatriated anywhere the investor chooses. The corporate tax rate is 30 percent, and new businesses can apply for a 10-year rate of 10 percent. Dividends, subject to a withholding tax of 15 percent, are likewise freely remitted. There are no exchange regulations affecting transactions within the CMA.

Export financing is available through the Export-Import Bank but must be applied for by a Swazi partner. There are no Export-Import Bank bundling facilities in Swaziland. Project financing is available through such multilateral institutions as the World Bank and African Development Bank. In the past, resources have gone largely to infrastructure development, including roads and irrigation systems.

Foreign-Exchange Controls

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Exchange controls are currently administered by the Central Bank Exchange Control Department. All international commercial transactions must be through authorized foreign exchange dealers.

U.S. Banks and Local Correspondent Banks

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Banks with correspondent U.S. banking arrangements are:

- First National Bank of Swaziland Limited
- Nedbank
- Standard Bank

Project Financing

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Swaziland Industrial Development Company (SIDC)

SIDC is prepared to take up shares, thereby providing equity finance where required. SIDC also offers medium- to long-term loans and leases factory space. SIDC will only participate in projects that are technically feasible, financially viable, and soundly managed. SIDC gives priority to projects which provide permanent employment, generate foreign exchange, and improve Swaziland's human capacity.

Swaziland Investment Development Company
P.O. Box 866
Mbabane
Tel: (+268) 2404-4010/2
Fax: (+268) 2404-5619
<http://www.sidc.co.sz>

Tibiyo Taka Ngwane

Tibiyo Taka Ngwane conducts free enterprise business on behalf of the Swazi Nation with the King serving as Trustee. Tibiyo has a portfolio of nearly 30 interests in sectors including mining, manufacturing, property, finance, agriculture, tourism, and transport. Tibiyo frequently works in partnership with major companies and international development agencies.

Tibiyo Taka Ngwane
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Kwaluseni
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<http://ww2.tibiyo.com>

Web Resources

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

African Development Bank: <http://www.afdb.org>

Southern Africa Global Competitiveness Hub: <http://www.satradehub.org>

Swaziland Industrial Development Company: <http://www.sidc.co.sz>

Tibiyo Taka Ngwane: <http://ww2.tibiyo.com>

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Business Customs

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Business customs in Swaziland are generally similar to those in the United States and Western Europe. Swazi business people tend to dress conservatively, particularly in the banking sector. However, "smart-casual" clothing has become increasingly popular. Also traditional wear is permitted. Terminology used in business invitations etc, are:

- Black Tie (dark suit and tie or tuxedo or formal evening dress)
- Business (jacket and tie or a business dress)
- Smart Casual (casual clothing with or without tie, but no jeans and no sneakers)
- Casual (includes jeans but no sport shorts)
- Traditional (Swazi traditional attire or anyone's traditional gear)

Business cards are usually simple, including only the basics such as company logo, name, business title, address, telephone number, fax number, e-mail, and web-address. Appointments should be made in advance of a business visit. Swazis working in business are generally punctual.

Foreigners still largely dominate the Swazi business sector and the Swazi business community has experience with foreign businesspeople. Nevertheless, a familiarity with some Swazi social and cultural customs would be helpful to any American planning on doing business in the country.

Developing strong institutional and personal relations is possible in Swaziland but takes time. Newcomers are advised to appreciate what is and what is not considered the "Swazi way."

Historically, there is little indigenous entrepreneurship. Swazis are accustomed to working for wages, not starting their own businesses. There is only a fledgling Swazi entrepreneurial community.

Swazis tend to be more relaxed and easy-going in business style, both in behavior and ethics. Quality customer service is not widely practiced. According to a Swazi businessman trained in the United States, customer service is a new idea to many Swazis and something that must be taught.

Decision-making is not always a quick or easy process. Some Swazis may say "yes" merely out of politeness. Traditionally, decisions are made communally, not individually. Standing against the majority is not easy. Americans should be conscious of this and not expect rapid decisions.

Swazis tend not to be confrontational and at times not forthcoming with opinions. Speaking one's mind, even when solicited, is not as respected as it is in the United States. This can clash with the American tendency to be very direct.

In making business deals with Swazi partners, bargaining is common and expected. It is not an insult to try and talk somebody to lower the price.

Foreign business people have noted that native Swazis can have a difficult time assuming managerial roles. One factor that impinges on their decision-making freedom is reluctance to fire workers or employees connected to the royal family.

Travel Advisory

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Please view the Consular Information Sheet for Swaziland:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1031.html

Visa Requirements

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A passport is required. U.S. citizens do not need a visa for short visits of up to 60 days for tourism and business. Permission-to-stay is initially granted for 30 days and can be renewed for a total of 60 days. For further information on visa requirements, contact the Embassy of the Kingdom of Swaziland, 1712 New Hampshire Avenue, NW, Washington, DC 20009, phone (202) 234-5002.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

United States Visas.gov <http://evisaforms.state.gov/SchedulingSystem.asp>

Consular services for American Citizens: <http://swaziland.usembassy.gov>

Telecommunications

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Direct dialing is available to many countries, including the U.S. Cellular services are provided by one cellular provider.

Several internet service providers are available and there are several Internet cafes mainly along the Mbabane-Manzini corridor.

Swaziland telecommunications costs, including ADSL, remain one of the highest in the world.

Transportation

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Flights from Matsapha Airport, near Manzini, link Swaziland with Johannesburg, Maputo, and Durban. Flights use small propeller planes and are fairly reliable. Good roads link Swaziland to South Africa and Mozambique. Swaziland has opened a new international airport, King Mswati III Airport (HMK III), in early 2014 but there are currently no commercial planes flying into that airport. It is expected that Swazi Airlink which currently flies into Matshapa will shift operations and commence flights into HMKIII starting late 2014. The new airport is approximately one hour from Manzini/Matsapha and 1.5 hours from Mbabane.

Owning a private car is essential in Swaziland, as public transportation is not reliable or safe. Taxis and buses run in the major towns, but it is not advisable to use them. Paved roads link the main centers, but most side roads are unpaved, dusty, and uneven during the dry season and slippery during the rainy season.

Motor vehicle registration is simple, provided the car is in good working condition. All cars require a road worthiness certificate issued by the Ministry of Public Works and Transportation.

Unleaded gasoline is available but the octane rating is not as high as in the U.S. Third-party insurance is covered by a levy included in the gasoline price.

It is highly recommended that travelers to Swaziland consider making use of car hire facilities. These can be pre-arranged. Car hire groups represented include Europcar (<http://www.europcar.com/car-SWAZILAND.html>), Comprehensive Car Hire (<http://www.comprehensivecarhire.com>). Swaziland drives on the left-hand side of the road.

Language

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English and siSwati are the official languages, and English is the official written language. Businesspeople will have little trouble being understood by educated Swazis.

Health

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Medical facilities are limited throughout Swaziland. Although the Mbabane Clinic in the capital is small, it is well-equipped and well-staffed for minor procedures. For advanced care, Americans often choose to go to South Africa where better facilities and specialists exist. Most prescription drugs are available locally or can be imported from South Africa, but travelers are advised to bring sufficient quantities of their own required medication. A doctor's note describing the medication may be helpful if questioned by authorities.

Malaria prophylactics are recommended for travel to the lowlands of Swaziland. Hepatitis A and Hepatitis B vaccinations are recommended. Rabies exists in all areas of Swaziland, including Mbabane. Those people who wish to walk or jog are advised to be vaccinated with HDCV.

Per capita, Swaziland has more HIV-infected persons than any other country in the world. All of the usual precautions must be taken to avoid this easily prevented infection. In the highly unlikely case of sexual assault, it is recommended that the victim take postexposure prophylactics as soon as feasible, and certainly within 48 hours.

Information on vaccinations and other health precautions, such as safe food and water precautions and insect bite protection, may be obtained from the Centers for Disease Control and Prevention's hotline for international travelers at 1-877-FYI-TRIP (1-877-394-8747); fax 1-888-CDC-FAXX (1-888-232-3299), or via the CDC's Internet site at <http://www.cdc.gov/travel>.

Local Time, Business Hours, and Holidays

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New Year's Day, Jan. 1
Good Friday, Mar./Apr. (TBA)
Easter Monday, Mar./Apr. (TBA)
King's Birthday, Apr. 19
National Flag Day, Apr. 25
National Worker's Day, May 1
Ascension Day, May (TBA)
Public Holiday, July 22 (Birthday of King Sobhuza II)
Umhlanga (Reed Dance), Aug./Sept. (TBA)
Somhlolo (Independence Day), Sept. 6
Christmas Day, Dec. 25
Boxing Day Dec. 26
Incwala, Dec./Jan. (TBA)

Swazi holidays falling on a Sunday are observed on the following Monday. Holidays falling on a Saturday are observed on that day, unless the government makes an announcement to the contrary.

Work Week: Monday-Friday, 8 a.m.- 5 p.m.

In 2011 Swaziland Parliament passed The Shop Trading Hours Act which allowed shops to open for 24 hours except on restricted trading day.

Temporary Entry of Materials and Personal Belongings

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Travelers must declare all goods in their possession with the exception of personal clothing, essential toilet articles and used sporting equipment. In order to be free from declaration, these goods must be for the passenger's personal use and not intended as gifts or to be sold, exchanged, or traded. All articles, used or unused, carried by the visitor as presents or parcels for other persons, must be declared. There are no restrictions on the amount of Dollars that may be taken into Swaziland but documentation on the source of the money must be presented to the Customs officials.

U.S. Dollars cannot be used in Swaziland and must be converted into Emalangeni or South African Rand, which is at par with the local currency. Conversion must be done by an authorized foreign exchange dealer i.e. commercial banks.

If a visitor wishes to sell his/her vehicle during his/her stay or upon departure, he/she must first obtain an import permit and pay the relevant duty.

Web Resources

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Swaziland Tourism Authority
<http://www.welcometoswaziland.com>

Central Bank of Swaziland
<http://www.centralbank.org.sz>

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Chapter 9: Contacts, Market Research and Trade Events

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- [Market Research](#)
- [Trade Events](#)

Contacts

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Swaziland Business Year Book 2013
P.O. Box 592
Mbabane H100, Swaziland
Tel.: (268) 2404-3400
Fax: (268) 2404-3400
E-mail: cft@realnet.co.sz
<http://www.swazibusiness.com/sbyb/>

International Trade Department
Trade Promotion Unit
Ministry of Foreign Affairs and Trade
P. Box 418 Mbabane
Tel.: (268) 2404-5180
Fax: (268) 2404-3833
Mob: (268) 617-2961
E-mail: itd@realnet.co.sz
<http://www.gov.sz/>

Swaziland Investment Promotion Agency: <http://www.sipa.org.sz/>

Tibiyo Taka Ngwane: <http://ww2.tibiyo.com>

Swaziland Industrial Development Company: <http://www.sidc.co.sz>

Federation of Swaziland Employers and Chamber of Commerce
Emafini Business Centre
Malagwane Hill
P.O. Box 72
Mbabane H100, Swaziland
Tel.: (268) 2409-0768/4408
Mob: (268) 7603-8545/(268) 7605-7950
Fax: (268) 2409-0051
E-mail: zodwa@business-swaziland.com
<http://www.business-swaziland.com>

Hotels and Tourism Association
Mbabane, Swaziland
Tel.: (268) 2404-2218

Mob: (268) 7604-1529
E-mail: aliand@realnet.co.sz
<http://www.tourismswaziland.com/featurearchive.asp?fid=37>

Swaziland Association of Architects, Engineers, and Surveyors
P.O. Box A387, Swazi Plaza
Tel.: (268) 2404-2309
Fax: (268) 2404-2309
E-mail: ribar@africaonline.co.sz

The Building Contractors Association
P.O. Box 518
Mbabane H100, Swaziland
Tel.: (268) 2404-0071
Fax: (268) 2404-4258
E-mail: soconswad@realnet.co.sz

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

<http://export.gov/southafrica/>

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Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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