



# Investing in Eswatini:

## Unlocking Opportunities in the Heart of Southern Africa



### STATISTICS

- » **Gross Domestic Product (GDP):** Approximately \$4.72 billion USD (2020 estimate).
- » **GDP Growth Rate:** Projected growth of 2.7% for 2021.
- » **Population:** Over 1.16 million people.
- » **Official Languages:** SiSwati and English.
- » **Currency:** Lilangeni (SZL), pegged to the South African Rand (ZAR).
- » **Foreign Direct Investment (FDI):** FDI inflows reached approximately \$115 million USD in 2019.
- » **Memberships:**
  - » United Nations (UN)
  - » African Union (AU)
  - » Southern African Development Community (SADC)
  - » Common Market for Eastern and Southern Africa (COMESA)
  - » World Trade Organization (WTO)
- » **Ease of Doing Business Ranking:** 121st out of 190 countries (World Bank Doing Business Report 2020).
- » **Literacy Rate:** Approximately 88%.
- » **Time Zone:** South African Standard Time (SAST), UTC+2.
- » **Strategic Location:** Landlocked country bordered by South Africa and Mozambique, providing access to regional markets.

### INTRODUCTION

Eswatini, formerly known as Swaziland, is a small kingdom nestled in the heart of Southern Africa. Despite its size, Eswatini offers a wealth of opportunities for investors seeking to tap into emerging markets with substantial growth potential. The nation's strategic location, stable political environment, progressive economic policies, and commitment to sustainable development make it an attractive destination for foreign investment. Boasting a young and dynamic population, rich cultural heritage, and a government eager to foster economic diversification, Eswatini invites investors to be part of its journey towards prosperity and innovation.

### BACKGROUND

Eswatini is a landlocked country sharing borders with South Africa and Mozambique, positioning it as a gateway to the Southern African region. The country's economy has historically been linked to that of South Africa, benefitting from close economic ties and shared infrastructure. Eswatini's economy is diverse, with key sectors including agriculture, manufacturing, mining, and services.

The government of Eswatini has embarked on ambitious initiatives to promote foreign direct investment (FDI) and stimulate economic growth. Through the National Development Strategy (NDS) and Vision 2022, Eswatini aims to achieve high-income status by fostering a conducive business environment, investing in infrastructure, and enhancing human capital development. The nation's commitment to political stability, respect for the rule of law, and sound macroeconomic policies further strengthens its appeal to international investors.

### BENEFITS OF INVESTING IN ESWATINI

#### Strategic Geographic Location

- » **Gateway to Southern Africa:**
  - » Proximity to major markets in South Africa and Mozambique.
  - » Access to a regional market of over 300 million people within the

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Southern African Development Community (SADC).

- » **Transportation Links:**
  - » Well-developed road networks connecting to major ports like Durban and Maputo.
  - » King Mswati III International Airport facilitates regional and international air travel.

#### Stable Political and Economic Environment

- » **Political Stability:**
  - » A peaceful monarchy with a stable government committed to economic development.
- » **Economic Policies:**
  - » Pro-business policies promoting private sector growth and foreign investment.
  - » Strong legal framework protecting investor rights and contracts.

#### Investment-Friendly Business Environment

- » **Ease of Doing Business:**
  - » Simplified procedures for business registration and licensing.
  - » Protection of property rights and enforcement of contracts.
- » **Market Access:**
  - » Membership in SADC and COMESA provides preferential trade agreements.
  - » Beneficiary of trade initiatives like the African Growth and Opportunity Act (AGOA) with the United States and Economic Partnership Agreements (EPA) with the European Union.

#### Competitive Operating Costs

- » **Labor Force:**
  - » Young, educated, and English-speaking workforce.
  - » Competitive labor costs relative to the region.
- » **Utilities and Resources:**
  - » Reliable supply of electricity and water at competitive rates.
  - » Access to raw materials for manufacturing and processing.

#### Tax and Financial Incentives

- » **Favorable Tax Regime:**
  - » Competitive corporate tax rates.
  - » Tax incentives for investments in priority sectors and regions.
- » **Financial Support:**
  - » Government and institutional support for financing through development funds and banks.

#### Abundant Natural Resources

- » **Agricultural Potential:**
  - » Fertile land suitable for sugarcane, forestry, citrus fruits, and other high-value crops.
- » **Mining Resources:**
  - » Deposits of coal, diamonds, gold, and quarry stone.
- » **Tourism Attractions:**
  - » Rich cultural heritage, national parks, and nature reserves offering investment opportunities in eco-tourism.

### RELEVANT AGENCIES

#### Eswatini Investment Promotion Authority (EIPA)

- » **Role:** Primary agency responsible for attracting, promoting, and facilitating foreign and local investment.
- » **Services:**
  - » Provides information on investment opportunities and procedures.
  - » Assists with company registration, permits, and licensing.
  - » Offers aftercare services to ensure investor satisfaction.
- » **Website:** [www.eipa.org.sz](http://www.eipa.org.sz)

- » **Contact:**
- » **Email:** [info@ejpa.org.sz](mailto:info@ejpa.org.sz)
- » **Phone:** +268 2404 0470

### Eswatini Revenue Authority (SRA)

- » **Role:** Manages tax administration and provides information on tax incentives.
- » **Services:**
- » Offers guidance on tax compliance and incentives available to investors.
- » Facilitates efficient tax administration processes.
- » **Website:** [www.sra.org.sz](http://www.sra.org.sz)
- » **Contact:**
- » **Email:** [info@sra.org.sz](mailto:info@sra.org.sz)
- » **Phone:** +268 2406 4000

### Ministry of Commerce, Industry, and Trade

- » **Role:** Formulates policies and regulations to promote trade and industry development.
- » **Services:**
- » Provides policy guidance and supports industrial development.
- » Facilitates trade agreements and international trade relations.
- » **Website:** [www.gov.sz](http://www.gov.sz)
- » **Contact:**
- » **Email:** [pscommerce@gov.sz](mailto:pscommerce@gov.sz)
- » **Phone:** +268 2404 3201

### Eswatini Electricity Company (EEC)

- » **Role:** Supplies electricity and supports energy sector investments.
- » **Services:**
- » Offers information on utility services and energy infrastructure.
- » Facilitates connections for industrial and commercial projects.
- » **Website:** [www.eec.co.sz](http://www.eec.co.sz)
- » **Contact:**
- » **Email:** [marketing@eec.co.sz](mailto:marketing@eec.co.sz)
- » **Phone:** +268 2409 4000

### Eswatini Environment Authority (EEA)

- » **Role:** Ensures environmental sustainability and compliance with regulations.
- » **Services:**
- » Provides guidance on environmental impact assessments.
- » Assists with obtaining environmental permits and licenses.
- » **Website:** [www.sea.org.sz](http://www.sea.org.sz)
- » **Contact:**
- » **Email:** [info@sea.org.sz](mailto:info@sea.org.sz)
- » **Phone:** +268 2404 6960

## INCENTIVES FOR INVESTORS

### Tax Incentives

- » **Corporate Tax Rates:**
- » Competitive corporate tax rate of 27.5%.
- » Reduced tax rates or exemptions for businesses in priority sectors or regions.
- » **Tax Allowances and Deductions:**
- » Generous capital allowances for machinery and equipment.
- » Investment allowances of up to 50% for manufacturing and tourism sectors.
- » **Export Incentives:**
- » Duty rebate schemes for manufacturers producing goods for export.
- » No withholding tax on dividends paid to non-residents.

### Customs and Trade Incentives

- » **Duty-Free Imports:**
- » Exemption from customs duties on raw materials, capital goods, and inputs for approved industries.
- » **Special Economic Zones (SEZ):**
- » Incentives for businesses operating within SEZs, including tax benefits and infrastructure support.
- » **Export Processing Zones (EPZ):**
- » Tax holidays and duty exemptions for companies producing exclusively for export markets.

## Investment Guarantees and Protection

- » **Legal Protection:**
- » Assurance of fair treatment and protection under the law for foreign investors.
- » Protection against expropriation without adequate compensation.
- » **Repatriation of Funds:**
- » Freedom to repatriate profits, dividends, and capital.
- » Access to foreign currency through the stable exchange rate regime.

## Financial Support and Grants

- » **Development Funds:**
- » Access to financing through institutions like the Eswatini Development and Savings Bank.
- » **Training Incentives:**
- » Financial assistance for employee training and skills development.
- » **Research and Development Support:**
- » Grants and incentives for innovation and technology adoption.

## OPPORTUNITIES FOR INVESTORS

### Agriculture and Agro-processing

- » **Crop Production:**
- » Investment in sugarcane plantations, citrus fruits, and high-value horticulture.
- » **Agro-processing:**
- » Establishment of processing facilities for food, beverages, and biofuels.
- » **Forestry and Timber:**
- » Sustainable forestry operations and timber processing for furniture and construction materials.

### Manufacturing and Industrial Development

- » **Textiles and Apparel:**
- » Production of garments and textiles leveraging preferential trade agreements.
- » **Food and Beverages:**
- » Manufacturing of processed foods, dairy products, and bottled beverages.
- » **Pharmaceuticals and Chemicals:**
- » Opportunities in producing generic medications and industrial chemicals.

### Mining and Mineral Resources

- » **Coal and Quarrying:**
- » Extraction and processing of coal, which is abundant in Eswatini.
- » **Gold and Diamonds:**
- » Exploration and mining of precious metals and gemstones.
- » **Mineral Beneficiation:**
- » Value addition through processing and refining of mined resources.

### Tourism and Hospitality

- » **Eco-tourism:**
- » Development of lodges, camps, and adventure tourism activities in national parks.
- » **Cultural Tourism:**
- » Investment in attractions showcasing Eswatini's rich cultural heritage and festivals like the Umhlanga Reed Dance.
- » **Hotel and Resort Development:**
- » Construction of accommodations catering to business and leisure travelers.

### Renewable Energy and Infrastructure

- » **Solar and Wind Energy:**
- » Harnessing renewable energy sources to meet growing energy demands.
- » **Infrastructure Projects:**
- » Participation in developing roads, bridges, and public utilities.
- » **Water Management:**
- » Investment in irrigation systems, dams, and water treatment facilities.

### Information and Communication Technology (ICT)

- » **Telecommunications:**
- » Expansion of mobile networks and internet services.
- » **IT Services and Software Development:**
- » Establishment of tech hubs and innovation centers.

- » **Business Process Outsourcing (BPO):**
- » Opportunities in call centers, data processing, and back-office services.

### Financial Services

- » **Banking and Insurance:**
- » Establishment of financial institutions to support economic growth.
- » **Microfinance:**
- » Providing financial services to small businesses and underserved communities.
- » **Investment Funds:**
- » Creation of investment vehicles targeting SMEs and infrastructure projects.

## CONCLUSION

Eswatini stands as a land of promise and potential in Southern Africa, offering a stable and welcoming environment for investors. The country's strategic location, favorable economic policies, and commitment to development create a robust foundation for business success. With diverse opportunities across sectors like agriculture, manufacturing, mining, tourism, and ICT, Eswatini provides a fertile ground for investment and growth.

The government's proactive approach to facilitating investment, coupled with incentives and support services, ensures that investors can navigate the market with ease and confidence. By investing in Eswatini, businesses not only tap into a growing and dynamic economy but also contribute to the nation's journey towards prosperity and sustainable development.

Join Eswatini in unlocking opportunities and shaping a vibrant future together.

## REFERENCES

- » Eswatini Investment Promotion Authority (EIPA)
- » **Website:** [www.eipa.org.sz](http://www.eipa.org.sz)
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- » **Email:** [info@sea.org.sz](mailto:info@sea.org.sz)
- » **Phone:** +268 2404 6960
- » Central Bank of Eswatini
- » **Website:** [www.centralbank.org.sz](http://www.centralbank.org.sz)
- » Eswatini National Statistics Office
- » Provides statistical data on economic indicators and demographics.
- » World Bank - Eswatini Overview
- » **Website:** [www.worldbank.org/en/country/eswatini](http://www.worldbank.org/en/country/eswatini)
- » International Monetary Fund (IMF) - Eswatini
- » **Website:** [www.imf.org/en/Countries/SWZ](http://www.imf.org/en/Countries/SWZ)
- » United Nations Conference on Trade and Development (UNCTAD)
- » **Website:** [unctad.org](http://unctad.org)
- » Eswatini Tourism Authority
- » **Website:** [www.thekingdomofeswatini.com](http://www.thekingdomofeswatini.com)