

KINGDOM OF ESWATINI

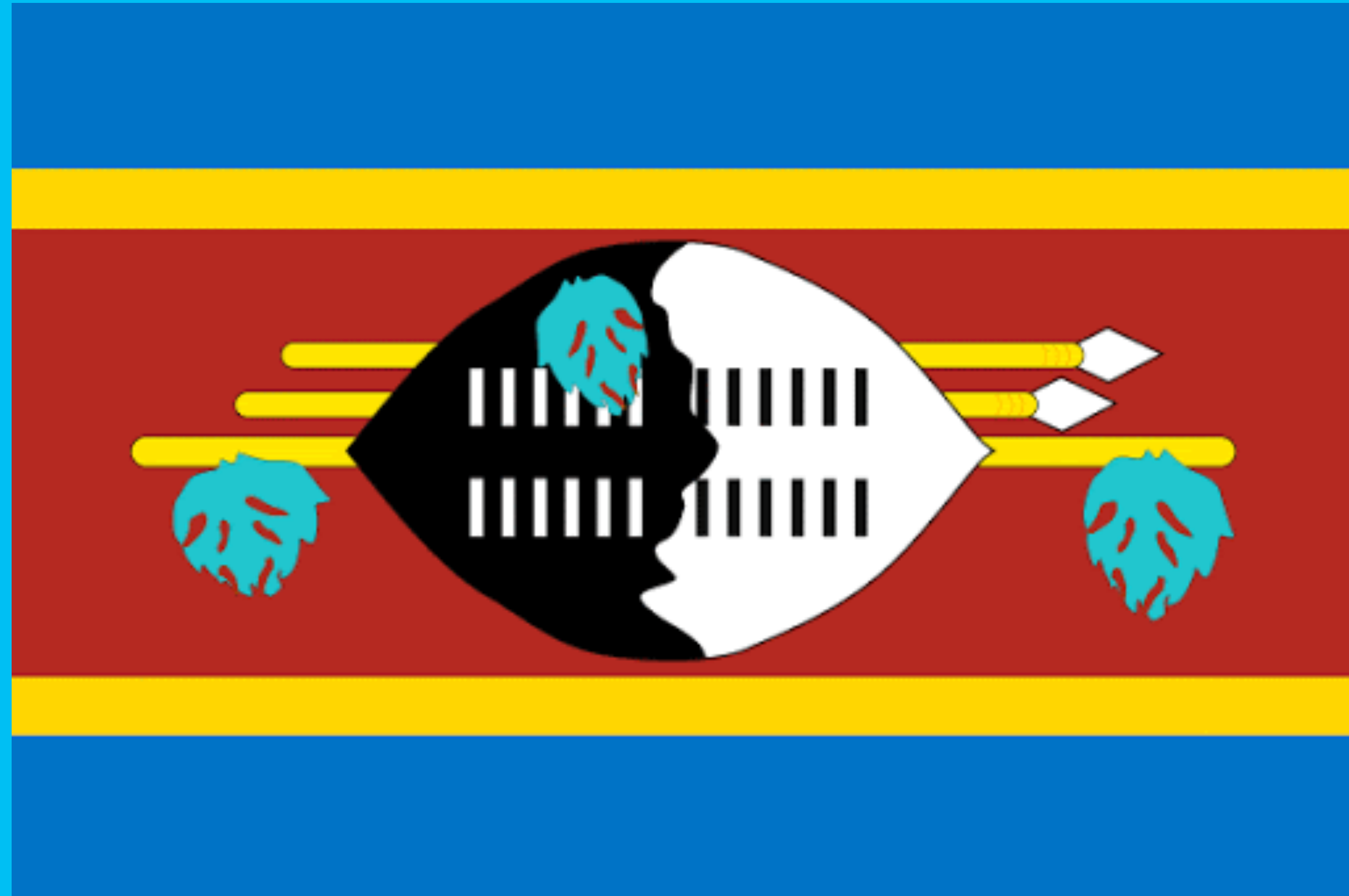
Investment and Business Environment

BY: ACHILLES YEH

QUICK FACTS:

KINGDOM AT A GLANCE

- **Capital:** Mbabane
- **Language:** Siswati, English
- **Government:** Unitary Parliamentary, Absolute Monarchy
- **Currency:** Lilangeni (SZL), South African Rand (ZAR)
- **Bordering** South Africa and Mozambique



DEMOGRAPHY

- Population: 1.13 million
- Population Density: 68.2/km sq (2018 estimate)
- Area: 17,364 km sq
- Literacy rate: 88.42%
- Unemployment rate: 23%
- Minimum Salary: 1,140 SZL (67.8usd)
- Average Salary: 4,510 SZL (268usd)

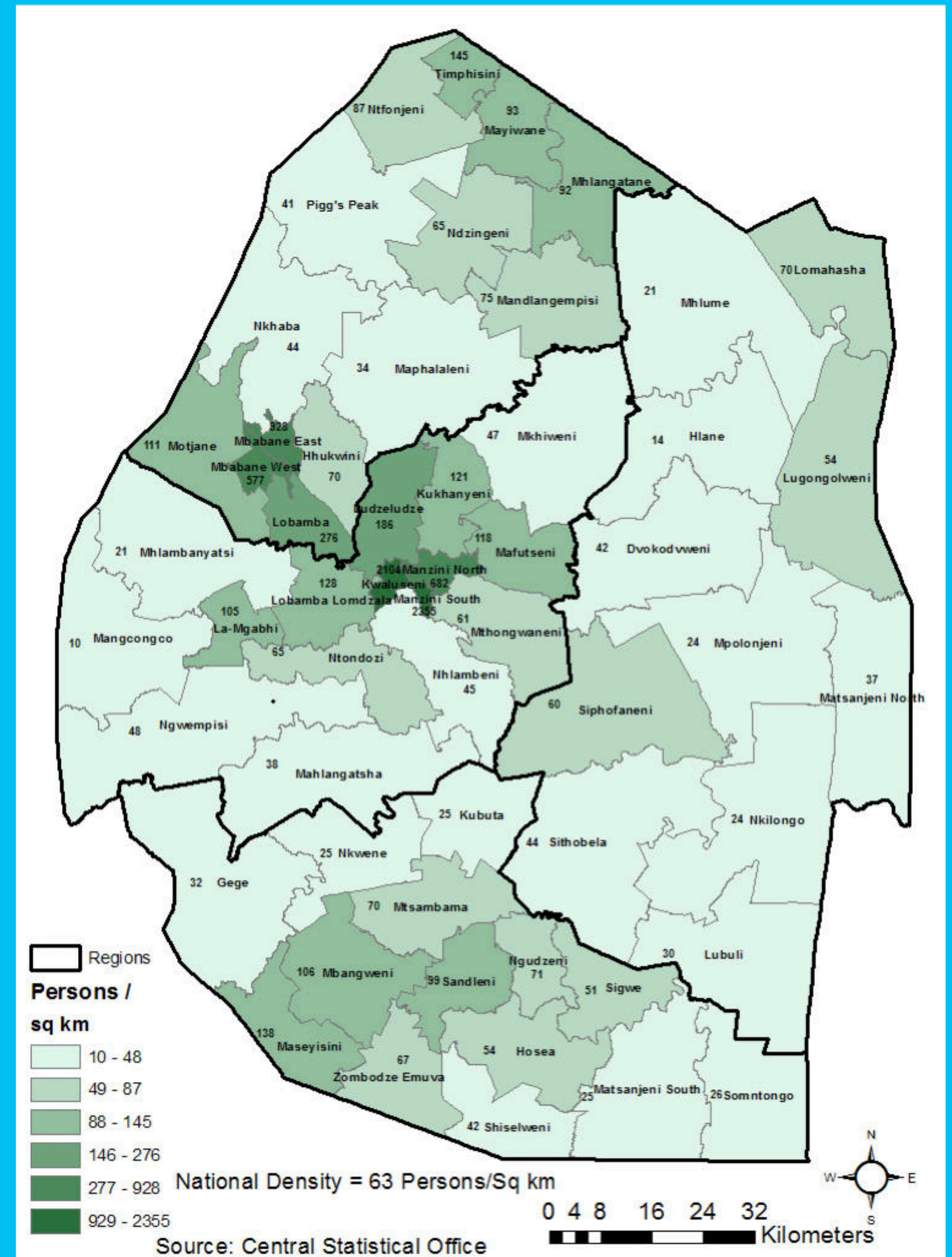
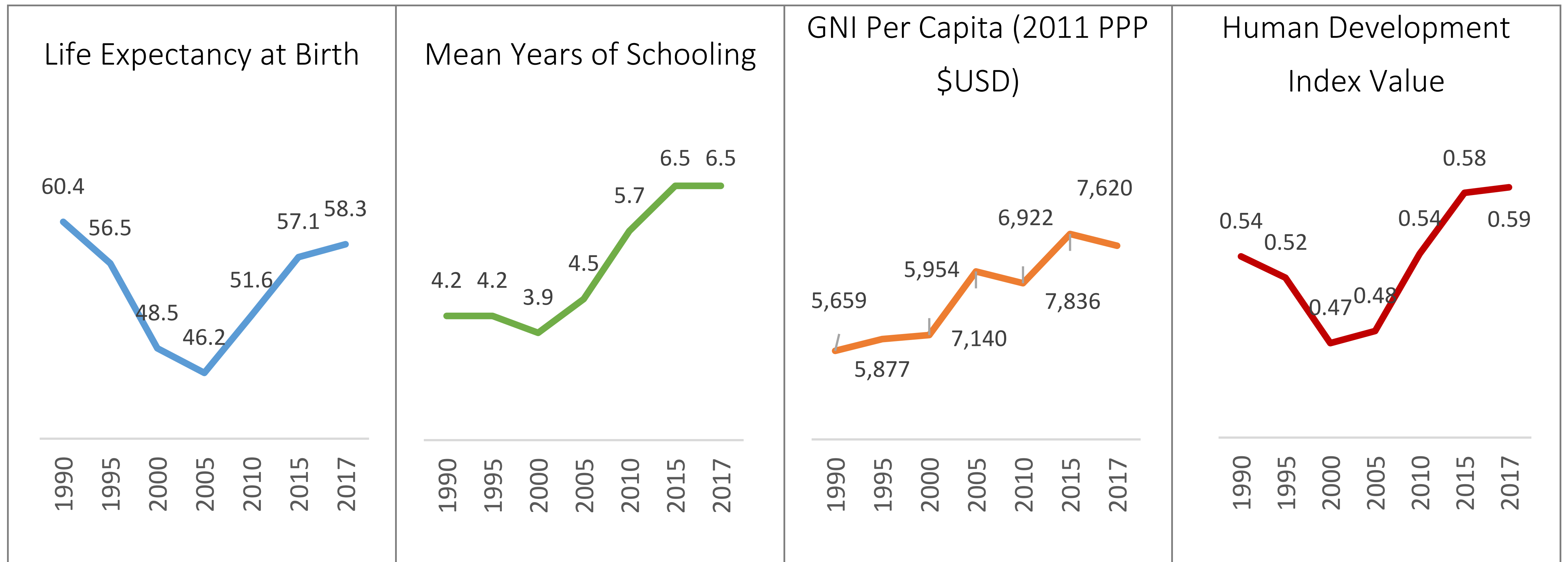


Figure 3: Human Development Index Indicators



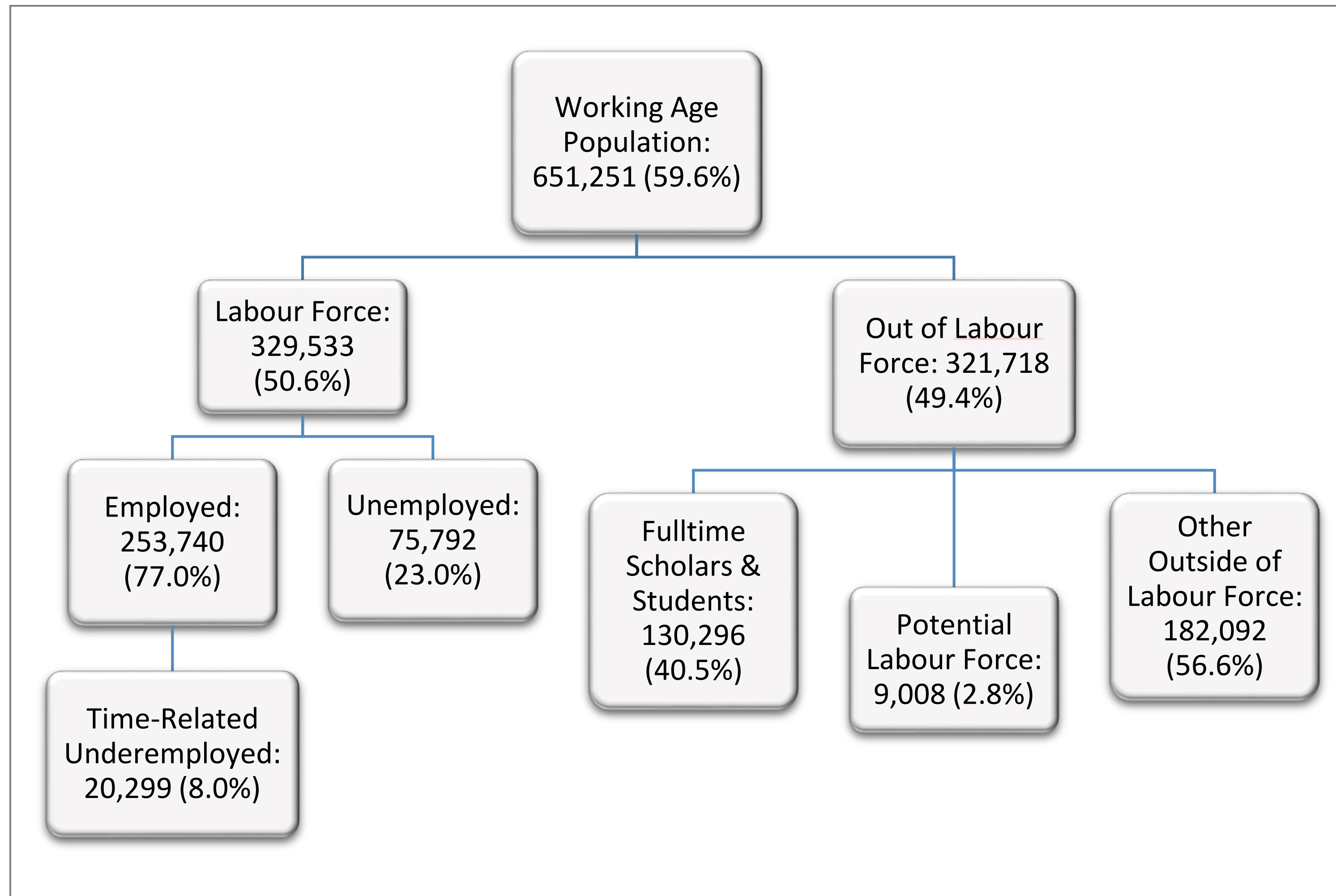
Source: UNDP (2018) Human Development Indices and Indicators

Table 2: Selected Socioeconomic Indicators

INDICATOR	VALUE	INDICATOR	VALUE	INDICATOR	VALUE
Total population (2018)	1,093,238	Percentage of Income Poor (\$1.90 a day)	42.00%	HIV prevalence rate among 14 to 49-year-olds	27.20%
Population growth rate (2018)	0.70%	Percentage of Poor (National Poverty Line)	63.00%	Co-infection of HIV and AIDS & tuberculosis	71%
Children under 18 (2018)	568,656	Multi-dimensional poverty rate for children (2018)	56.50%	Literacy rate	87.50%
Children as % of population (2018)	49.90%	% of households receiving OVC grant	19%	Unemployment rate	23%
National poverty rate (2017)	58.90%	Human Development Rank (2018)	144/188	Percentage of Income Poor (\$3.10 a day)	63.10%
Child poverty rate (2013)	70%	Life expectancy at birth – males (years)	55.1	Income Inequality (Gini index)	0.515
Extreme poverty (2017)	20.10%	Life expectancy at birth – females (years)	59.1	Multi-dimensional poverty rate (2018)	20.92%
Human Development Index (2018)	0.588	Maternal mortality rate (per 100,000 births)	589	OVC as a share of all children (2018)	71.00%

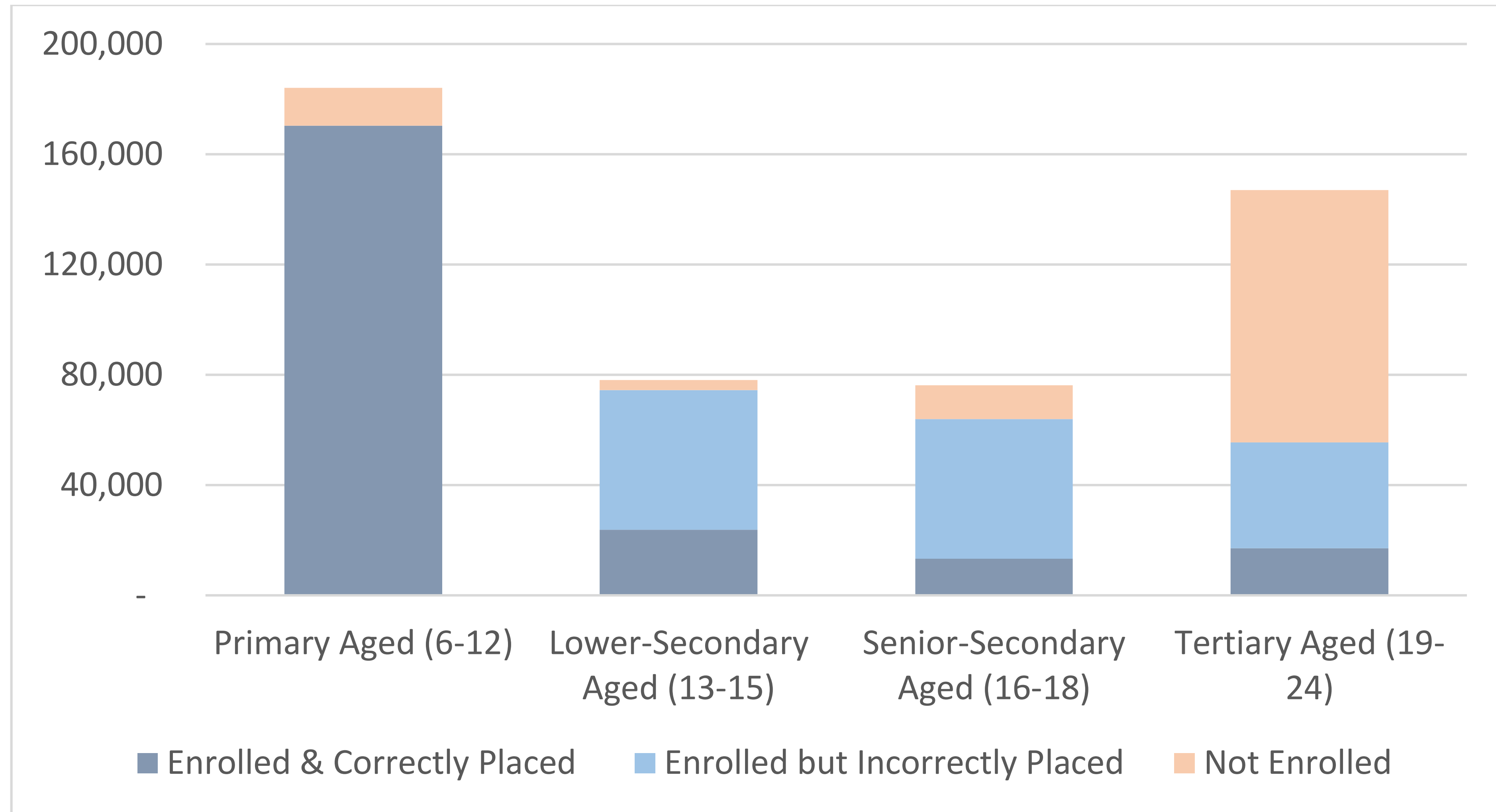
Sources: Oxford University and the UNDP (2018). Multi-dimensional Poverty Index Table

Figure 16: Current Status of Working Age Population (15 - 64)



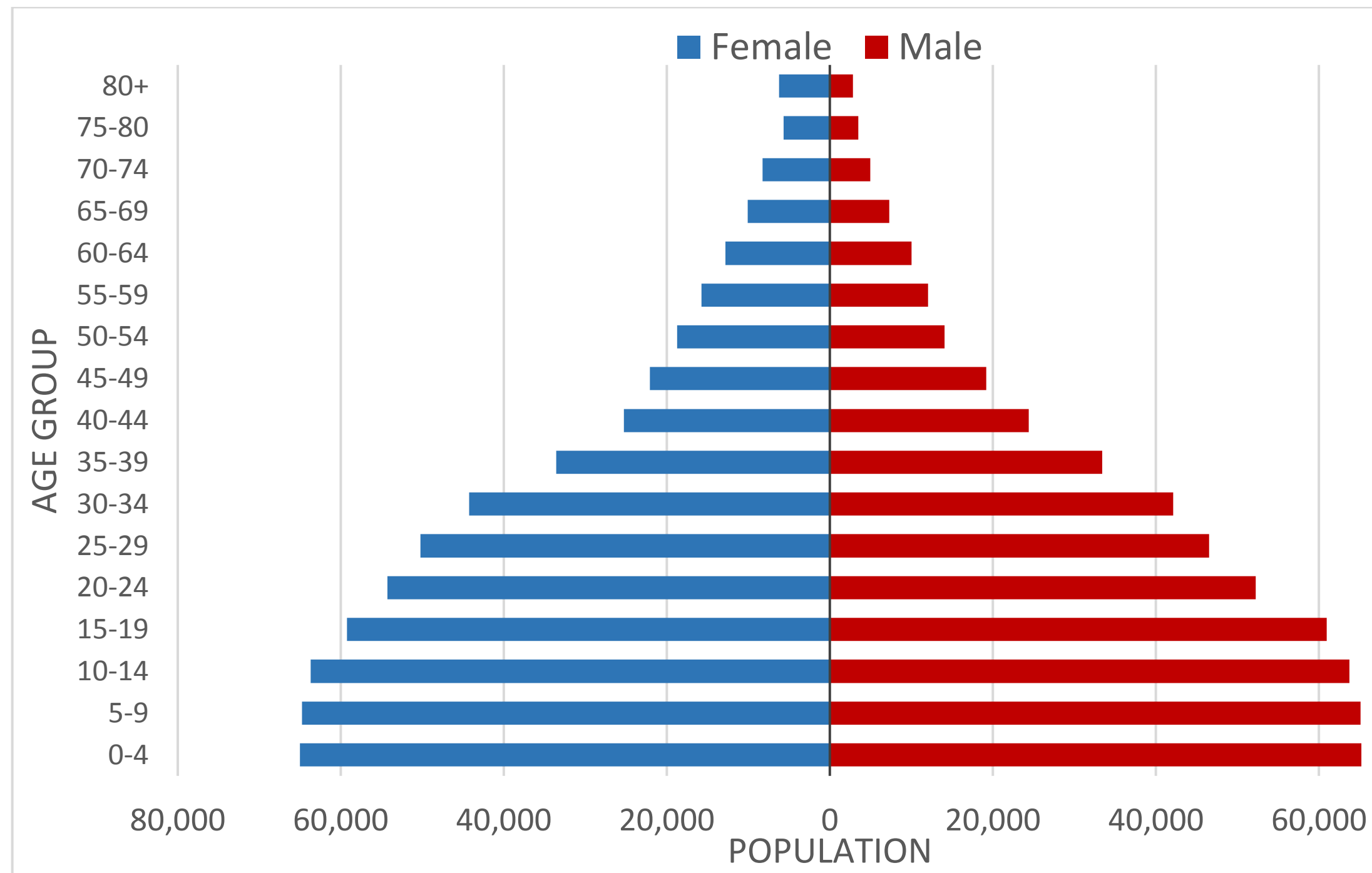
Sources: 2016 Labour Force Survey Percentages, adjusted with 2017 Population and Housing Census Results

Figure 13: School Enrolment Numbers (2015)



Notes: 'Enrolled but incorrectly placed' refers to students enrolled but in a lower grade institution; Sources: MoET 2017 Annual Education Census 2017 & CSO 2017 Population and Housing Census (preliminary results)

Figure 2: Population Pyramid Eswatini 2017



Source: CSO 2017 Population and Housing Census (preliminary results)

Table 1: Population Characteristics

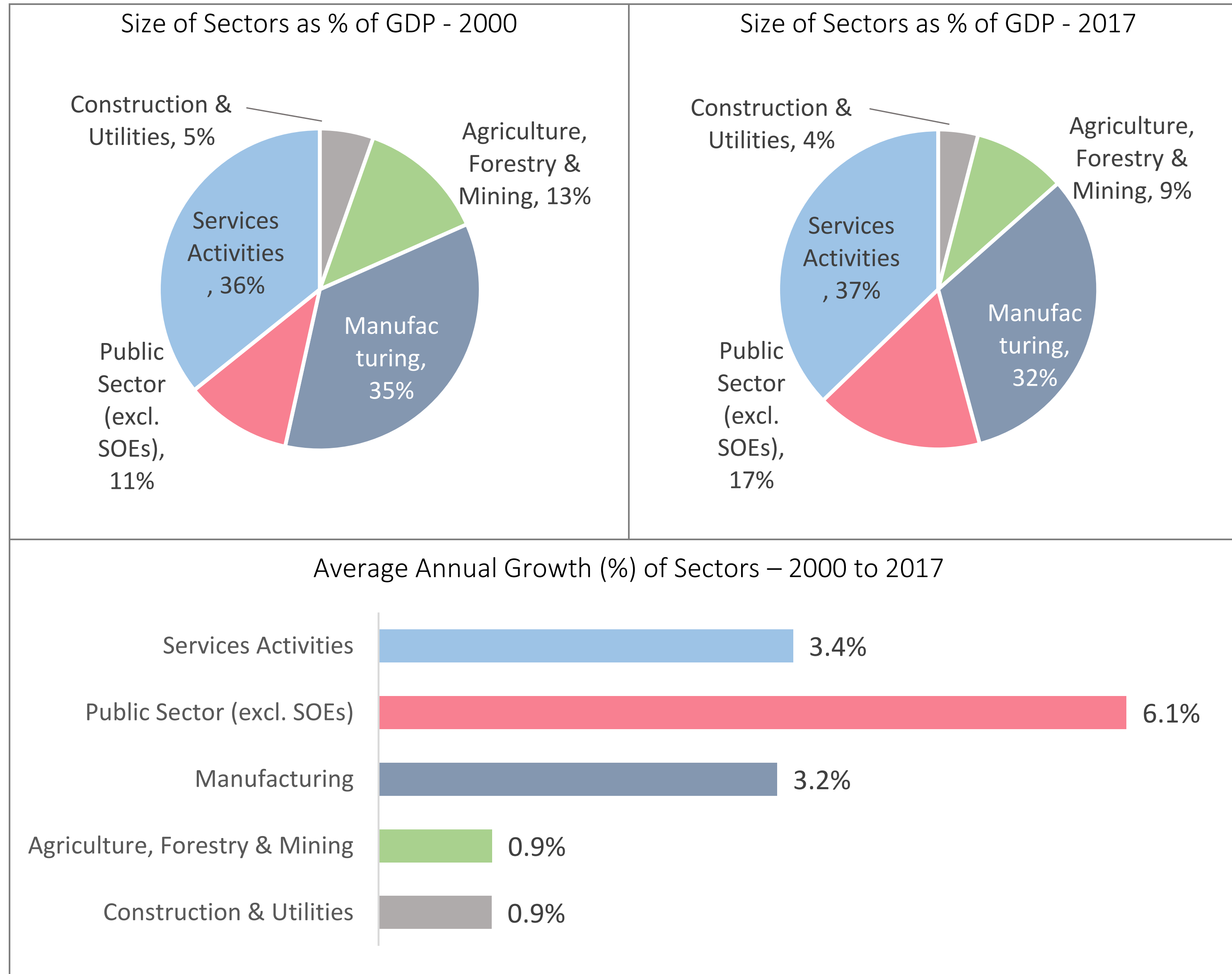
	1960	2007	2017	2050
Population Total (thousands)	279	1,018	1,093	1,376 ⁺
Average Population Growth Rate for period (%)	3.5	0.9	0.7	0.7 ⁺
Male to Female Ratio (number of males for every 100 females)	91.4	89.6	94.5	-
Population Proportions By Age Groups (%)				
Age 0 -14	45.1*	39.5	35.6	27.5*
Age 15 - 34	31.9*	37.7	37.7	35.4*
Age 35 - 64	20.1*	19.1	22.2	32.8*
Age 65+	2.9*	3.7	4.5	4.3*
Total Fertility Rate (number of children per woman)	6.7*	4.0	3.3	2.1*
Dependency Ratios (number of dependents to the number of working age population)	0.92*	0.71	0.67	0.47*
Urban Population (% of total population)	3.9*	22.1	23.8	30.7 ⁺
Net Migration Rate (per 1,000 people)	-7.11*	-1.18*	-1.83*	-

Source: CSO 2017 & 2007 Population and Housing Census; *UNFPA & UN Population Division; + Assumed 2017 period growth rates

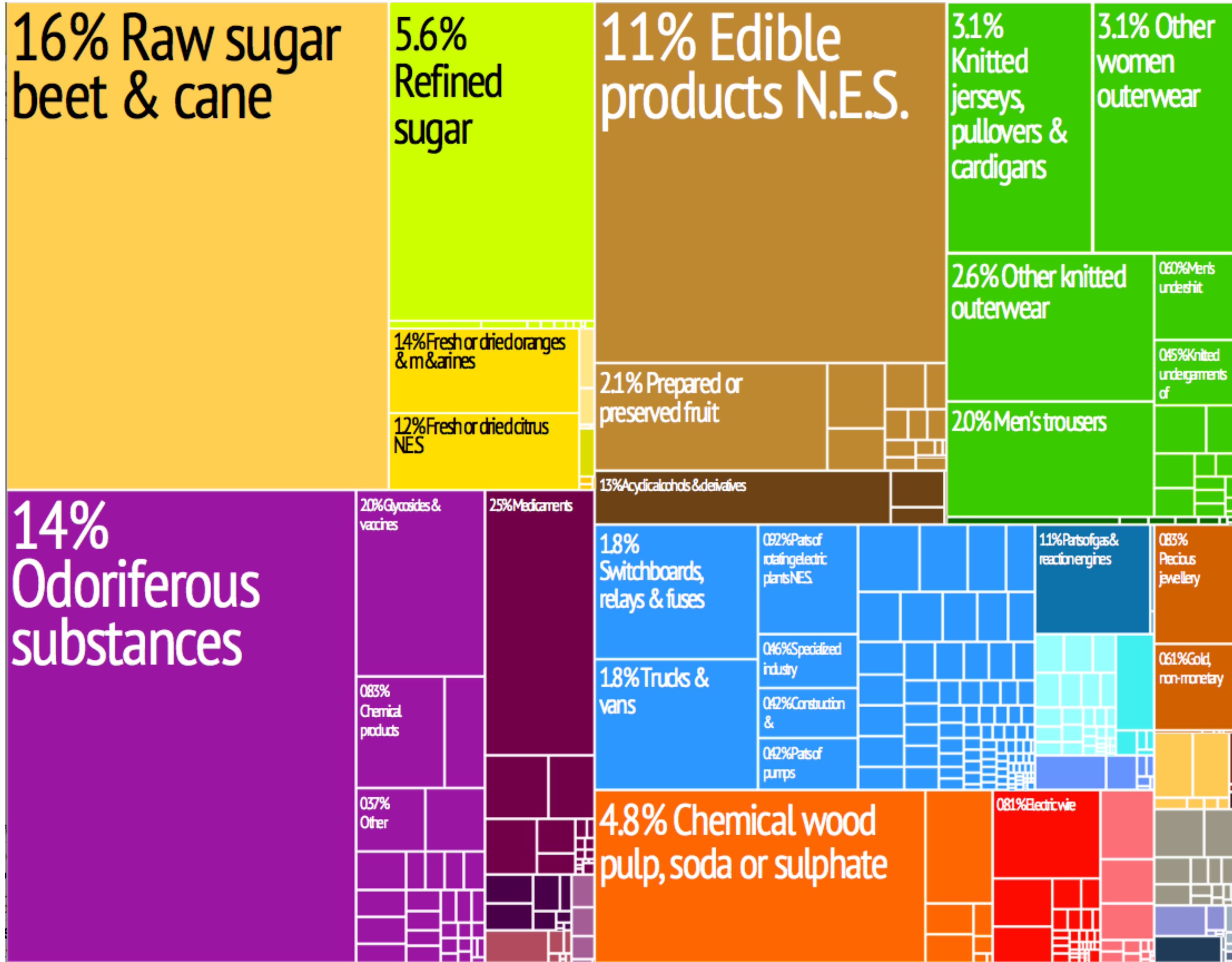
ECONOMY AT A GLANCE

- **Agriculture, forestry and mining account for 13% of GDP**
- **75% of population are employed in subsistence agriculture**
- **Manufacturing of textiles and sugar related processing represents 37% of GDP**
- **Services and Government services accounts for 50% of GDP**

Figure 4: Economic Structural Shifts (2000 - 2017)



Sources: CSO National Accounts & MARD, Ministry of Economic Planning & Development (MEPD)



GEOGRAPHY: ACCESS TO PORT

ESWATINI'S GOOD NEIGHBORS

- 180km to Maputo, Mozambique
- 400km to Johannesburg, SA
- 350km to Richards Bay, SA
- 550km to Durban, SA



INVESTMENT PROTECTION AND PROMOTION AGREEMENTS

- United States of America
- R.O.C Taiwan
- United Kingdom
- Germany
- Mauritius
- Kuwait

DOUBLE TAXATION AVOIDANCE AGREEMENTS

- R.O.C Taiwan
- United Kingdom
- South Africa
- Mauritius
- Sweden
- Lesotho

PREFERENTIAL & DTAA PIPELINE AGREEMENTS

- **African Growth and Opportunity Act of United States (AGOA)**
- **Economic Partnership Agreement with European Union (EPA-SADC)**
- **Taiwan Economic Cooperation Agreement (ECA) consists of 153 items**
- **Pipeline Agreements in Double Taxation Avoidance Agreements: Zambia, Seychelles, Kenya, Zimbabwe, Botswana, Namibia, Kuwait, Equatorial Guinea, Turkey and South Korea.**
- **Generalized System of Preferences (GSPs) accessing Australia, Canada, Japan, New Zealand, US, EU and the Russian Federation.**
- **Regional Agreements: SACU, COMESA, SADC FTA, EPA-SADC (EU), MERCOSUR, EFTA, India, COMESA+SADC+EAC (Tripartite)**

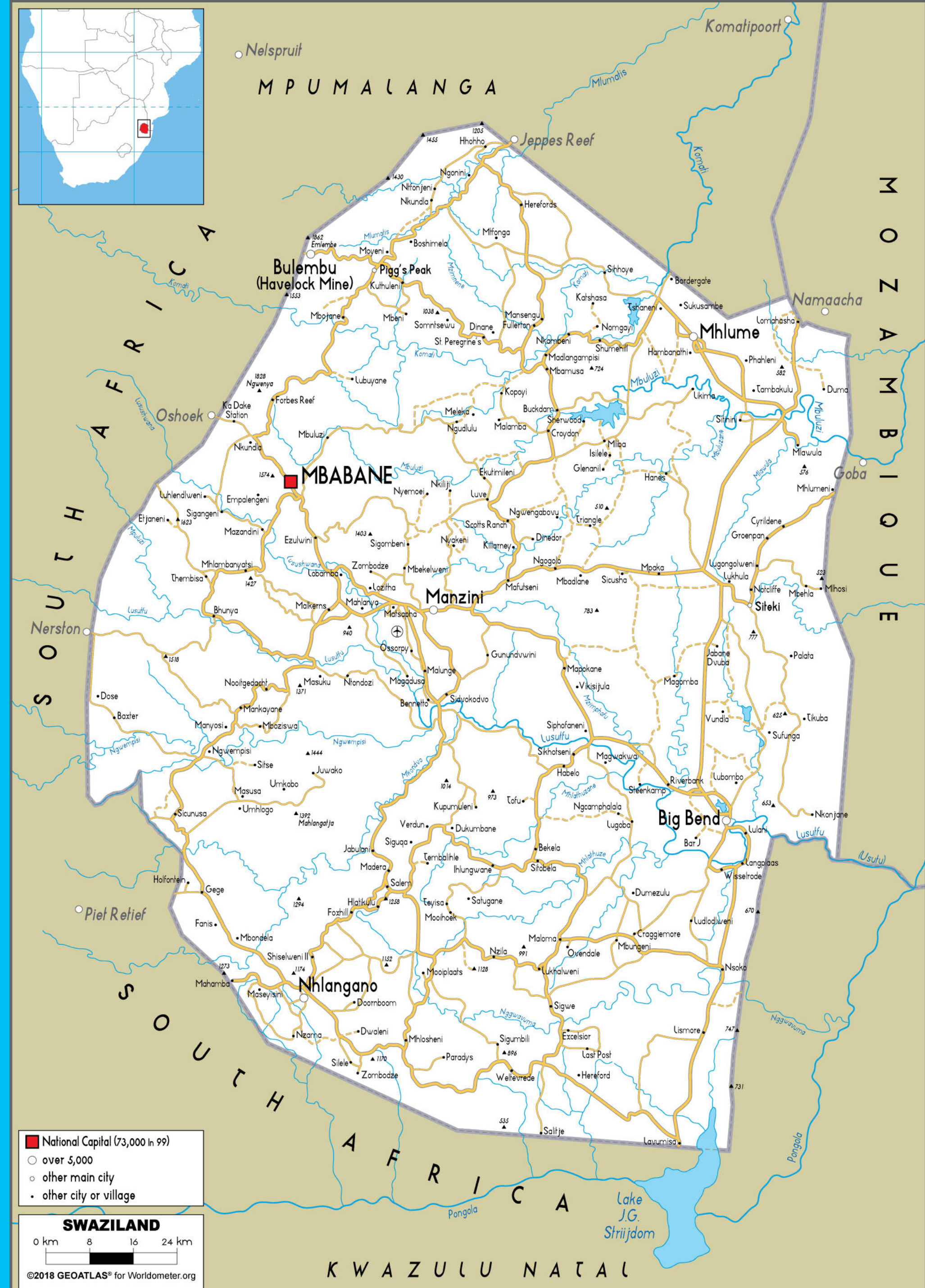
INCENTIVES FOR INVESTMENT

DEVELOPMENT APPROVAL ORDER (INCOME TAX ORDER SECTION 69 (2)(A-E))

- **Corporate tax reduction at the maximum rate of 10% for ten years, applicable only in Manufacturing, Tourism and International Services after due evaluation for qualification.**
- **Repatriation of Profits:** Liberalized foreign exchange mechanism also allows full repatriation of profits and dividends of enterprise operation in the country, Repatriation is also allowed for salaries of expatriate and capital payment.
- **Legal Protection of Investments:** Investments in Eswatini are protected from undue expropriation under the Eswatini Investment Promotion Act of 1998. In addition, Eswatini is a member of Multilateral Investment Guarantee Agency (MIGA) of the World Bank which provides for added legal protection of investments.
- **5 Years of work permits are available for expatriate Directors.**
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ROADS AND INFRASTRUCTURE

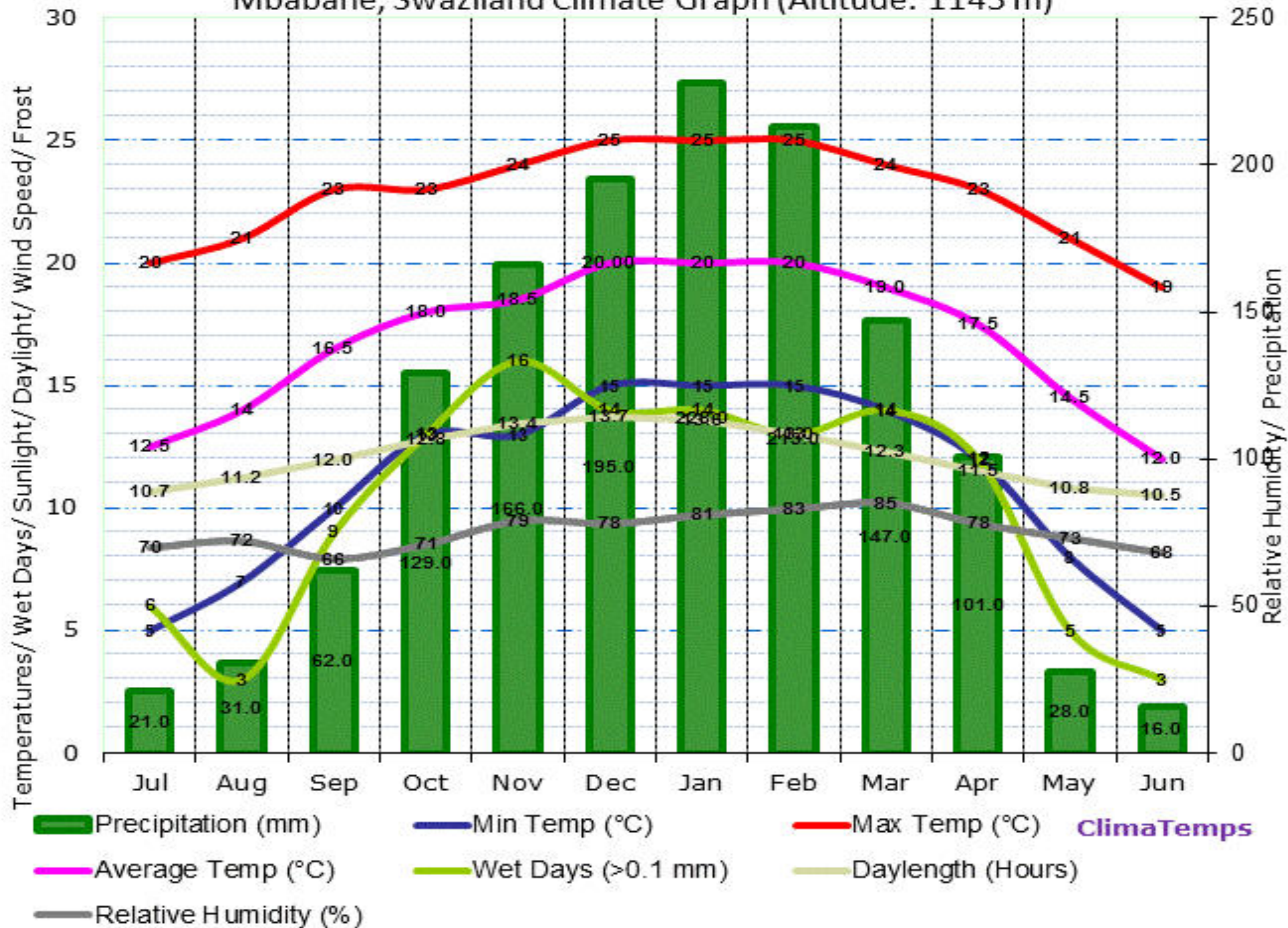
- 72% Paved roads network
- 70% Grid coverage for electricity
- ADSL Broadband
- 3G to 4G LTE



CLIMATE

- 4 climatic regions: Highveld, Middleveld, Lowveld and Lubombo plateau.
- Seasons are reverse of Northern Hemisphere
- Winter is dry season, while Summer is raining season.
- Annual rainfall highest in Highveld in the west (1,000mm - 2,000mm), the further east at the Lowveld the less rain (500mm - 900mm) per annum.
- Variations in temperature are related to difference in altitude.

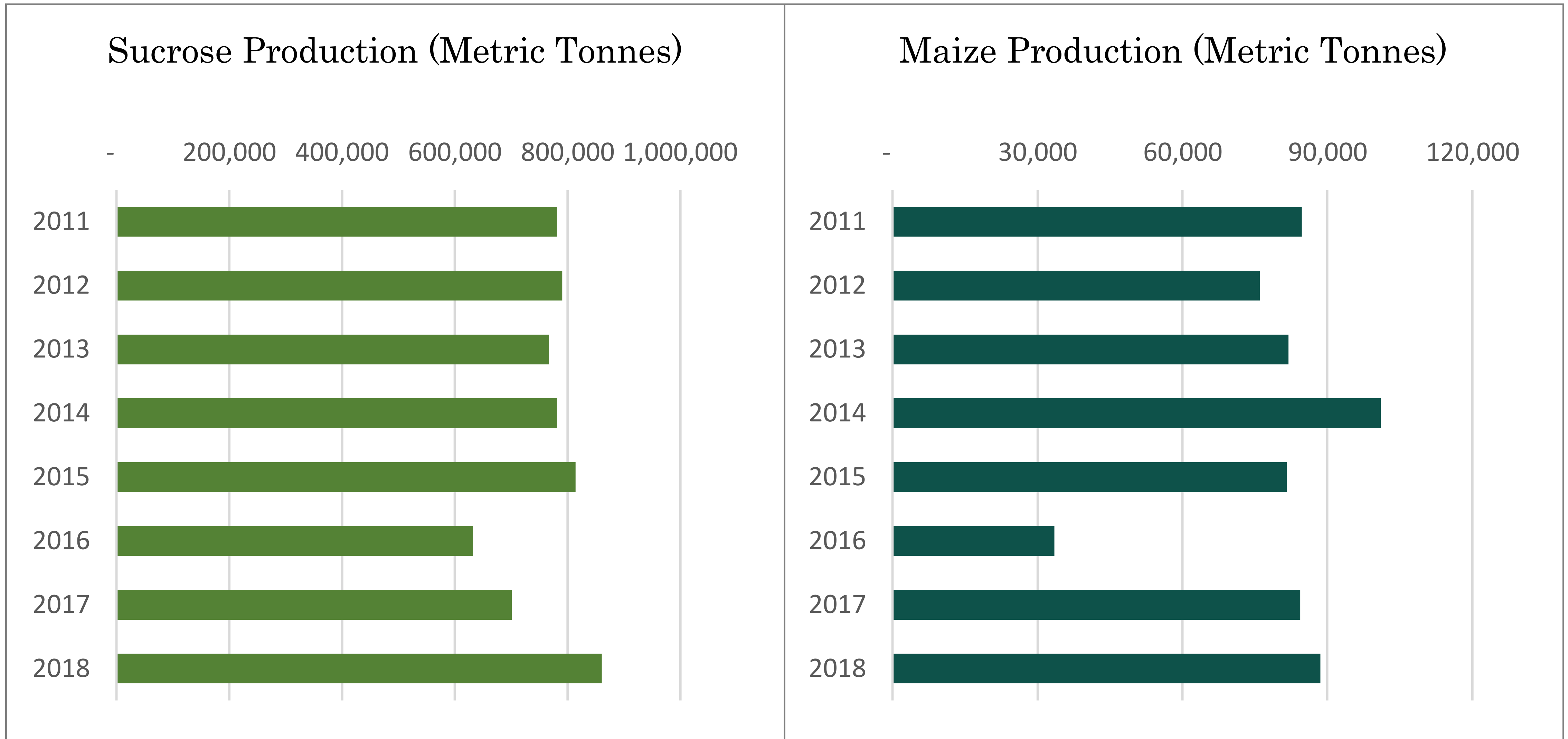
Mbabane, Swaziland Climate Graph (Altitude: 1145 m)



AGRICULTURE

- **2 Types of land use, Title Deed Land (TDL) and Swazi Nation Land (SNL).**
- **Subsistence farming are characterized by low investment and low yield, mostly SNL**
- **In contrast, commercial farms such as sugar, corn, citrus fruits and other high value cash crops that are characterized by high levels fo investment in irrigation and productivity and are mostly TDL.**
- **There are a small number of packaging plants in exporting Eswatini fresh legumes and vegetables to Europe and U.S. (Sidemane farm)**
- **Currently there are number of local food processing companies that are exporting to Europe, United States and Asian countries, include Taiwan!**
- **These processed foods are: chili sauce, fruit jams, honey, and citrus fruits.**

Figure 21: Sugar (Sucrose) & Maize Production (2011 - 2018)



Sources: SSA, CBE & MoA

FOOD PROCESSING

SIDEMANE FARM

- Small washing and packaging plant specialise in processing baby vegetables and chillies for export to Europe and South Africa.
- Manages neighboring small to medium subsistence farmers in providing products for processing.
- Potential for expansion and add value.





BLACK MAMBA CHILI SAUCE!

**A COMMUNAL FARM
COLLABORATION WITH FOOD
PRODUCER IN VALUE-ADDING**





SWAZI FIRE CHILI SAUCE

AGRICULTURE: BUSINESS COMES BEFORE INVESTMENT

- **Identify and source Eswatini agricultural products as in fresh or in processed form for export.**
- **Building of national brand identity for marketing.**
- **Competitive advantages of local produced products:**
 - **There are a number of certified Organic and Fair-Trade farms in the Kingdom.**
 - **Low carbon foot print certification**
 - **Eco and Community friendly certification**
 - **Plenty of space in product development, repackaging for retail market in Taiwan.**
 - **Rich biodiversity of indigenous plants to be discovered for pharmaceutical and food elements, such as essential oils and perfumery plants.**

AGRICULTURE: INTENSIVE INVESTMENT OPPORTUNITIES

- **4 climatic zones means throughout the year, a single cash crop or agricultural product can be harvested throughout all 4 climatic regions of the Kingdom.**
- **Duty Free and preferential market access to the United States and Europe.**
- **North - South Hemispherical difference means Eswatini can provide Winter vegetables to supply Summer market in Northern Hemisphere.**
- **Regional market demand is increasing, especially on speciality high value vegetables and fruits.**
- **Diversification of agricultural products is key in dominating regional food market!**
- **Water retention level and high levels of precipitation in the West versus dry and high temperature in the East means more spectrum of products can be introduced in the region.**

CATTLE AND LIVESTOCK INDUSTRIES

- Value and cold chain are limited
- Currently only one company exports Beef to EU, and still under quota!
- Second Abattoir are still in progress of Taiwan FDA certification.
- Eswatini beef in EU are high in demand, price is higher than Taiwan!
- Free-Range happy cows provide succulent tasty meat!



CATTLE RANCH & OTHER LIVESTOCK INVESTMENT OPPORTUNITIES

- Investment in abattoir and cold chain solutions.
- Regional demand for meat is on the increase.
- Poultry farms are currently exporting their products to neighboring countries.
- Taiwan ICDF implemented a successful Pig Industry Enhancement Project



CATTLE RANCH & OTHER LIVESTOCK INVESTMENT OPPORTUNITIES (CONTINUE)

- Investors can consider the larger EU market by setting up cold chain in Eswatini, and export directly to EU region.
- Beef value chain is still incomplete in the Kingdom, thus value adding, processing, packaging and abattoir waste management is still largely unexplored areas of business interest.



TOURISM & QUICK FACTS

- All African Big 5 animals
- 500 species of birds
- Best Rhino preservation in Africa (Black & Rare White Rhino)
- Diverse terrain contains tremendous array of biodiversity in indigenous flora species
- Lonely Planet Best in Travel 2020 Top 10 Country!
- No need to drive around all day looking for animals, Eswatini's safari experience you will get to see it all!



- Cultural tourism in the Kingdom offers an unique insight into a treasure-trove of culture and tradition that embodies the best of Sub-Saharan Africa
- Golf Resorts and Casinos
- White-water rafting
- Outdoor activities

SAFARI & LEISURE

- Hlane Royal National Park
- Mkhaya Game Reserve
- Mlilwane Wildlife Sanctuary
- Nisela Game reserve
- Nkonyeni Golf Estate
- Ngwempisi Wilderness
- Mlawula Natural Reserve
- Mbuluzi Game Reserve



SAFARI IS BIG BUSINESS IN ESWATINI

- Safari is the name of the game in attracting international travelers
- Property development such as Nkonyeni Golf Estate, consists of a 18 hole golf course situated in the middle of a game reserve.
- Lodges and accommodations within these game parks are still limited in numbers. This is an immense potential investment opportunity for Taiwanese holiday developers.



ADVANTAGE OF DOING BUSINESS IN ESWATINI

ADVANTAGES OF DOING BUSINESS IN ESWATINI

- Political stability
- Low crime Rate
- Good climate
- Hospitable environment
- Friendly people
- Great friends of Taiwan!
- Great leisure outdoor place for hikers and adventurers

CONTACTS FOR FURTHER INVESTMENT INFO:

- Eswatini Investment Promotion Agency:
<https://investeswatini.org.sz>
- Ministry of Commerce, Industry and Trade:
<http://www.gov.sz/index.php/ministries-departments/minnistry-of-commerce>

**THANK YOU
SIYABONGA**