SWAZILAND COUNTRY PROFILE

2017

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COUNTRY FACT SHEET

COUNTRY	LESOTHO
Capital	Mbabane
Language	Swati and English
Location	It is surrounded by South Africa and Mozambique
Area	17,364 km²
Monarchy	King Mswati
Currency	Lilangeni (SZL) - the currency is pegged at par with the South African Rand (ZAR)
Population	1.3 million
Districts	Hhohho, Lubombo, Manzini and Shiselweni
GDP	USD 3.94 billion (2017, estimate)
GDP growth	1.7%(2017)
GDP per capita (US$)	3,433
Inflation	7.6% (2017*)
Public debt(as % of GDP)	36.4% (2017*)
Public deficit (as % of GDP)	-11% (2017*)
Government Bond Ratings	Standard & Poor's: N/A Moody's: N/A
Main Exports	Sugar, soft drink concentrates, citrus products and wood pulp
Main export partners	South Africa, EU, Mozambique, Botswana and Namibia
Total exports	USD 1.7 billion (2016 estimate)
Main Imports	Motor vehicles, machinery, transport equipment, foodstuffs, petroleum products, chemical
Main Imports partners	South Africa, EU, Japan, Mozambique, Botswana and Namibia
Total Imports	USD 1.65 billion (2016 estimate)
Natural Resources	Asbestos, coal, clay, cassiterite, hydropower, forests, small gold and diamond deposits, quarry stone, and talc
Agricultural products	Sugarcane, cotton, maize, rice, citrus, pineapples, sorghum, peanuts, cattle.
Industries	Mining (coal, raw asbestos), textiles, wood pulp, sugar, soft drink concentrates
Ease of Doing Business	128
Gini Coefficient	49.5
Index of Economic Freedom	Ranking: 94 / Score: 59.65 (Mostly unfree) (2016)

LIST OF ACRONYMS

AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
C-BRTA	Cross-Border Road Transport Agency
COMESA	Common Market for Eastern and Southern Africa
CMA	Common Monetary Area
DHA	Department of Home Affairs
DTI	Direct Trader Input
EAC	East African Community
FDI	Foreign Direct Investment
GCI	Global Competitiveness Index
GCR	Global Competitive Report
GDP	Gross Domestic Product
IMF	International Monetary Fund
JBC	Joint Bilateral Commissions
NDS	National Development Strategy
NEF	National Environment Policy
NMC	National Monitoring Committee
NTBs	Non- Tariff Barriers
NWGTF	National Working Group on Trade Facilitation
OSBP	One Stop Border Post
PTA	Preferential Trade Agreement
PTCM	Protocol on Transport, Communication and Meteorology
RISDP	Regional Infrastructure Development Master Plan
SACU	Southern African Customs Union
SADC	Southern African Development Community
SARS	South Africa Revenue Services

SNL	Swazi Nation Land
SSA	Sub-Saharan Africa
STASSA	Statistics South Africa
SZL	Lilangeni
TDL	Title Deed Lands
WTO	World Trade Organisation

EXECUTIVE SUMMARY

This Country Profile Report provides information on Swaziland that is relevant to cross-border road transport operators, regulatory authorities and other stakeholders with an interest in cross-border business between Swaziland and South Africa. The Report further provides an update of recent developments in Swaziland with regard to the performance of the economy, and road transport projects, including traffic legislation and policies that affect cross-border operations. It also covers passenger transport statistics and freight volumes conveyed between South Africa and Swaziland.

The aim of the Cross-Border Road Transport Agency (C-BRTA) is to profile all the Southern African Development Community (SADC) member states with which South Africa has multi-lateral and bilateral cross-border road transport agreements or memorandums of understanding (MoUs). The long-term objective is to broaden the scope and profile of all the SADC member states with a purpose of providing cross-border road transport operators with information that is both informative and useful in conducting doing business. The information will also be useful to aspirant cross-border operators, the trading community and regulatory authorities.

The kingdom of Swaziland is one of the world's last remaining absolute monarchies; the small landlocked kingdom in Southern Africa is bordered by South Africa and Mozambique. The country covers an area of 17,364 km² and is one of Africa's smallest countries.

Over the past 20 years, the economy of Swaziland has been characterised by notable progress emanating largely from foreign direct investment in mining, agribusiness tourism and manufacturing. Swaziland's economy is diversified, with agriculture, forestry and mining accounting for about 13% of Gross Domestic Product (GDP), manufacturing representing 37% of GDP and services constituting 50% of GDP. Swaziland relies heavily on the Southern African Customs Union (SACU) receipts and this renders the country vulnerable to external shocks.

Market access into Swaziland is guaranteed as the country is signatory to a number of agreements that ensure duty free access into the United States, European Union and regional and international markets.

Its suitable location places the kingdom at the centre of the transport grid within the block. The country's well developed road and rail network ensures that exports are able to reach regional markets hassle-free. Exporting products from Swaziland is made easier by the proximity of neighbouring countries' seaports: the Richards Bay and Durban seaports in South Africa are just 400km and 600km away from Swaziland respectively, while Maputo in Mozambique, is only 250km away. Swaziland has developed an inland dry port where goods are cleared for export outside the country, thus making exporting from Swaziland no different than shipping from the coast.

According to the World Economic Forum, Swaziland is ranked 128th most competitive nations in the world out of 138 countries ranked in the 2016-2017 edition of the Global Competitiveness Report (GCR). It was ranked 111 in 2016 for ease of doing business out of a total of 190 economies. Swaziland businesses suffer from over regulation and cumbersome procedures for starting and expanding a business. The country lags behind its neighbours in its investment climate attractiveness.

In response to this, the Swazi government took steps to improve its competitiveness and ease of doing business. This comprised shortening the administrative processing times for registering a new business and obtaining a trading license, shortening the notice and objection period for obtaining a new trade license, implementing an electronic data interchange system for customs at its border posts and streamlining the process for obtaining a certificate of origin.

The government also took steps to assist investors in the manufacturing industry by removing duties on imports of raw materials and machinery and reducing the corporate tax rate. The government has provided additional support to the industry by constructing competitively-priced factory shells. The infrastructure lowers the start-up hurdles for investors who are new to the country.

Swaziland is endowed with rich cultural heritage, scenic beauty, rich soils, natural resources, a strong financial services sectors backed by a sound regulatory and legal framework. This therefore resulted in it creating vast opportunities for investment in light manufacturing of consumer goods and automotive components, agro industry and food processing, tourism and recreation, property development and energy generation.

1. INTRODUCTION AND BACKGROUND

1.1 Introduction

The aim of this Country Profile Report is to provide a consolidated platform for the dissemination of information that is useful to key stakeholders in the cross-border environment, particularly cross-border road transport operators, regulatory authorities and trading parties. The information articulated in this Report can be used to support informed decision making and identification of opportunities by operators and traders in respect of the Swaziland segment of the cross border industry.

The Report also provides up to date information about Swaziland focusing on the road transport environment, as well as requirements for undertaking cross-border road transportation, corridor developments, and road transport projects currently taking place in Swaziland. It also provides information on Swaziland's business environment, specifically focusing on the ease of doing business in the country. The objectives of the report are to:

- Provide relevant information that can be used by cross-border road transport operators in conducting their business;
- Help transport operators to have a better understanding of the countries that they do business in;
- Assist the relevant stakeholders to know and understand the requirements of doing business in Swaziland; and
- Provide information with respect to possible opportunities for South African cross-border road transport operators.

A qualitative approach was adopted through secondary research that relied on relevant publications, internet based resources and references. Planned semi-structured interviews and engagements with relevant departments in Swaziland could not materialise due to time constraints.

The report is divided into the following six chapters:

- Introduction and background;
- The overview of Swaziland;
- The economic outlook - looking at recent economic developments – a summary of import and export data between South Africa and Swaziland, documents required for trade and an assessment of the ease and cost of doing business in Swaziland;
- The road transport environment;

- Passenger transport; and
- Opportunities in Swaziland.

1.2 Background

The C-BRTA is a regulatory authority founded in terms of the Cross-Border Road Transport Act No 4 of 1998 (C-BRT Act), as amended, for the purpose of facilitating unimpeded movement of persons and goods between South Africa and neighbouring countries in the region. The core mandate of the Agency is to:

- Improve the unimpeded flow of freight and passengers in the region;
- Introduce regulated competition in respect of cross-border passenger road transport;
- Reduce operational constraints for the cross-border road transport industry as a whole;
- Liberalise market access progressively in respect of cross-border freight road transport;
- Enhance and strengthen the capacity of the public sector in support of its strategic planning, enabling and monitoring functions; and
- Empower the cross-border road transport industry to maximise business opportunities and to incrementally regulate themselves to improve safety, security, reliability, quality and efficiency of services.

The C-BRT Act defines the four core functions which support delivery of the mandate of the C-BRTA as regulatory, facilitation, advisory and law enforcement. With regard to its advisory function, the Agency is required to provide advice and up- to- date information to the Minister of Transport.

Additionally, there are other instruments that also provide the broader context of the mandate and functions of the Agency and these include the SADC Protocol on Transport, Communications and Meteorology (PTCM), the Memorandum of Understanding on Road Transportation in the Common Customs Area Pursuant to the Customs Union Agreement Between the Governments of Botswana, Lesotho, South Africa and Swaziland (SACU MoU) as well as the Memorandum of Understanding Between the Governments of Botswana, Namibia and South Africa on the Development and Management of the Trans-Kalahari Corridor, and the Bilateral Road Transport Agreements between South Africa and Malawi, Mozambique, Zambia and Zimbabwe respectively. The development of this Country Profile Report is therefore aligned to the mandate of the Agency and the overall goal of ensuring that through providing relevant information, cross-border road transportation between Swaziland and South Africa is seamlessly conducted.

2. OVERVIEW OF SWAZILAND

Swaziland is a landlocked country in Southern Africa, bordered to the north, south, and west by South Africa and to the east by Mozambique, as shown below in Figure 1. The nation, as well as its people, is named after the 19th century King Mswati II. The country is an absolute monarchy, currently ruled by iNgwenyama Mswati III. Swaziland is one of the smallest countries in Africa, with a total area size of 17,364 square kilometres (km^2).

Figure 1: Map of Swaziland

Source: [www.worldatlas.com.](http://www.worldatlas.com) Accessed on 5/4/2017

The current population of Swaziland is 1,315,775 according to the latest United Nations estimates, which is equivalent to 0.02% of the total world population (www.worldometers.info). The population density in Swaziland is 77 per km² (199 people per mi2). Swaziland is divided into four districts and Table 1 below shows the population spread per district.

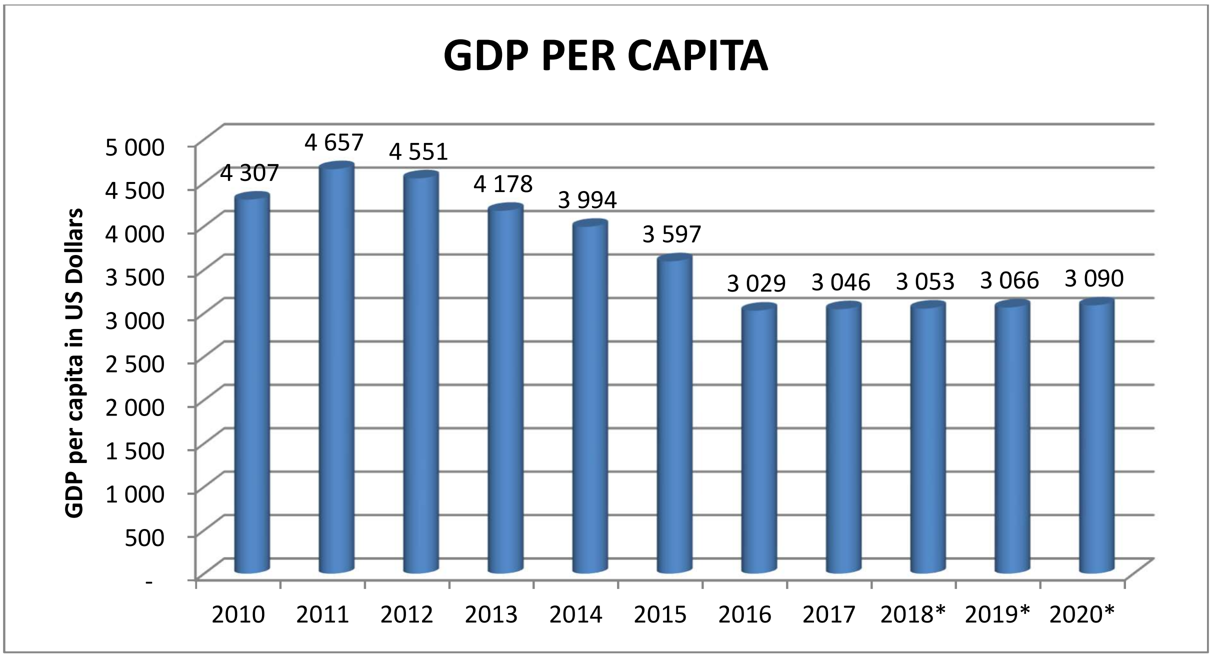
Table 1: Population spread per district

District	Capital	Area	Population
Hhohho	Mbabane	3,627	364,702
Lubombo	Siteko	5,851	253,758
Manzini	Manzini	4,099	430,087
Shiselweni	Nhlangano	3,787	267,228
Total		**17,364**	**1,315,775**

Source: World Population Review, Accessed on 07/04/2017

The official languages of Swaziland are SiSwati and English. The currency of Swaziland is the lilangeni (SZL), which is pegged to the South African Rand. Swaziland's GDP per capita has been decreasing since 2011 with a slight recovery in 2017. The GDP is projected to continue increasing between 2018 and 2020 as shown in Figure 2 below. In 2016 the GDP was $ 3,029, resulting in Swaziland being classified as a lower middle income economy.

Figure 2: GDP per capita in US Dollars



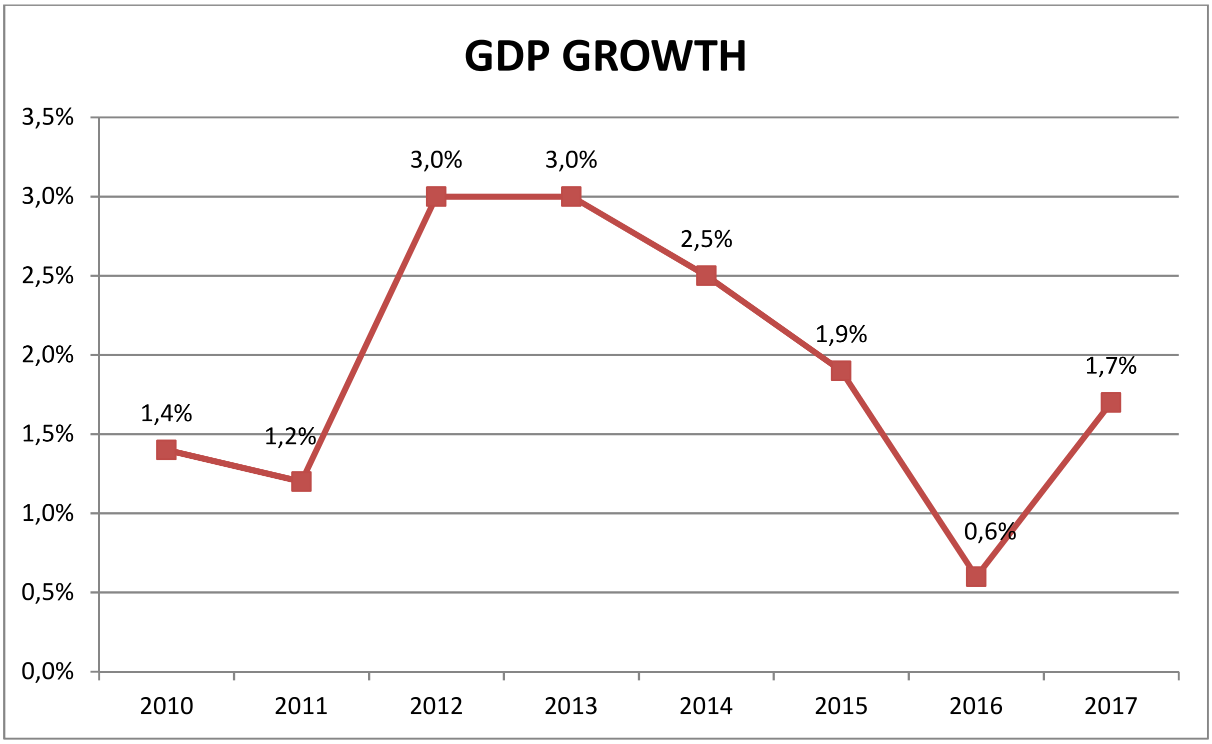
Source: Statistical Portal, Accessed on 07/04/2017

3. ECONOMIC OUTLOOK

3.1 Economy

Swaziland's economic growth has been slowing down since 2013 but is expected to rebound to 1.7% in 2017, as shown in Figure 3. The slowdown in economic growth can be attributed to continued drought that hurt agricultural production, a weaker mining sector and a difficult external environment especially from South Africa (the major trading partner). This has led to a sharp decrease in SACU revenues. Such a decrease in revenue, combined with increased public spending, has resulted in higher fiscal deficits and a growing public debt.

Figure 3: Swaziland GDP Growth rate



Source: IMF World Economic Outlook 2016, Accessed on 12/04/2017

Economic growth in Swaziland has lagged behind that of its neighbours. Real GDP growth since 2001 averaged 2.8%, nearly 2% points lower than growth in other SACU member countries. Low agricultural productivity in the Swazi Nation Land (SNLs), repeated droughts, the devastating effect of HIV/AIDS and an excessively large government sector are likely contributing factors.

The economy of Swaziland is fairly diversified, with agriculture, forestry and mining accounting for about 13% of GDP, manufacturing (textiles and sugar-related processing) representing 37% of GDP and services – with government services in the lead – constituting 50% of GDP. Title Deed Lands (TDLs), where the bulk of high value crops are grown (sugar, forestry, and citrus) are characterised by high levels of investment, irrigation and high productivity.

Swaziland is among the smallest countries in Africa in both size and population 78% of its population live in rural areas and 22% in urban areas. It is projected that the share of the population living in towns and cities will rise to 26.5% by 2030. The government remains committed to prioritising urban development, through initiatives such as the Urban Development Programme, so as to fully harness the inherent potential from this segment of the economy, while ensuring its sustainability.

The primary development challenge for the Kingdom of Swaziland is to address the high rate of poverty and inequality in the country. An estimated 63% of the population lives below the poverty line, while about 29% lives below the extreme poverty line. Inequality is very high, with a Gini coefficient of 49.5. Growth will need to be supported by investments in human capital and an inclusive social safety net system that addresses the poverty challenge.

The country faces a unique opportunity to capitalise on the demographic transition for instance improvements in containing the health epidemic can propel more young people into the labour force. For the country to utilise this growth potential, adequate investments have to be made in education and skills development. This would also require adequately supporting the poor and the vulnerable in a manner consistent with fiscal affordability. To seize these opportunities, consistent implementation of existing policies and a transformative development program is required in order to put Swaziland on a high growth and development trajectory.

Swaziland’s main urban centres are Mbabane, the administrative capital and Manzini, the commercial hub. The two cities and the corridor between them support approximately 75% of the country’s urban population.

Agriculture and the agro-industry form the basis of the economy, with sugar, citrus and wood pulp as the main products. Subsistence agriculture employs about 60% of the population. Swaziland mines coal and diamonds for export. There is also a quarry industry for domestic consumption. Mining contributes about 1.8% of Swaziland's GDP each year, but has been declining in importance in recent years.

The Swazi economy is very closely linked to the economy of South Africa, from which it receives over 80% of its imports and to which it sends about 60% of its exports. Export products include wood pulp, soft drink concentrate and sugar. Swaziland's other key trading partners are the United States and the EU, from whom the country has received trade preferences for apparel exports (under the African Growth and Opportunity Act (AGOA)) to the US and for sugar to the EU. Under these agreements, both apparel and sugar exports are doing well, with rapid growth and a strong inflow of foreign direct investment.

Sugarcane is grown on plantations, mainly for export. Other important crops are cotton, corn, tobacco, rice, citrus fruits, pineapples, sorghum, and peanuts. Cattle and goats are raised in large numbers. The Swazi engage primarily in subsistence farming on communally owned land that is allocated by chiefs. The pine and eucalyptus forests of the Highveld yield timber and wood pulp. The country has several nature reserves, and tourism is being developed.

3.2 Developments in the Economy

3.2.1 The Primary Sector

The primary sector is the sector of the economy concerned with or related to the primary industry. Swaziland experienced a mild drought in 2014/15 season which further worsened in 2015/16 season due to a strong El Nino event which resulted in rainfalls dipping to their lowest levels in more than two decades. This affected both rain-fed crops (particularly maize and cotton) as well as irrigated farms (particularly sugarcane) as dam levels fell to significantly low levels to support effective irrigation.

Maize production, cotton and sugarcane production all declined. For the medium-term (2017-2019) the primary sector is projected to recover due to anticipated improvement in weather conditions as above normal rains are expected for 2016/17 planting season. The forestry sub-sector is also expected to record some growth in 2017 as trees planted after the 2007/08 forest fires would be available for harvest, thereby raising output for this sector.

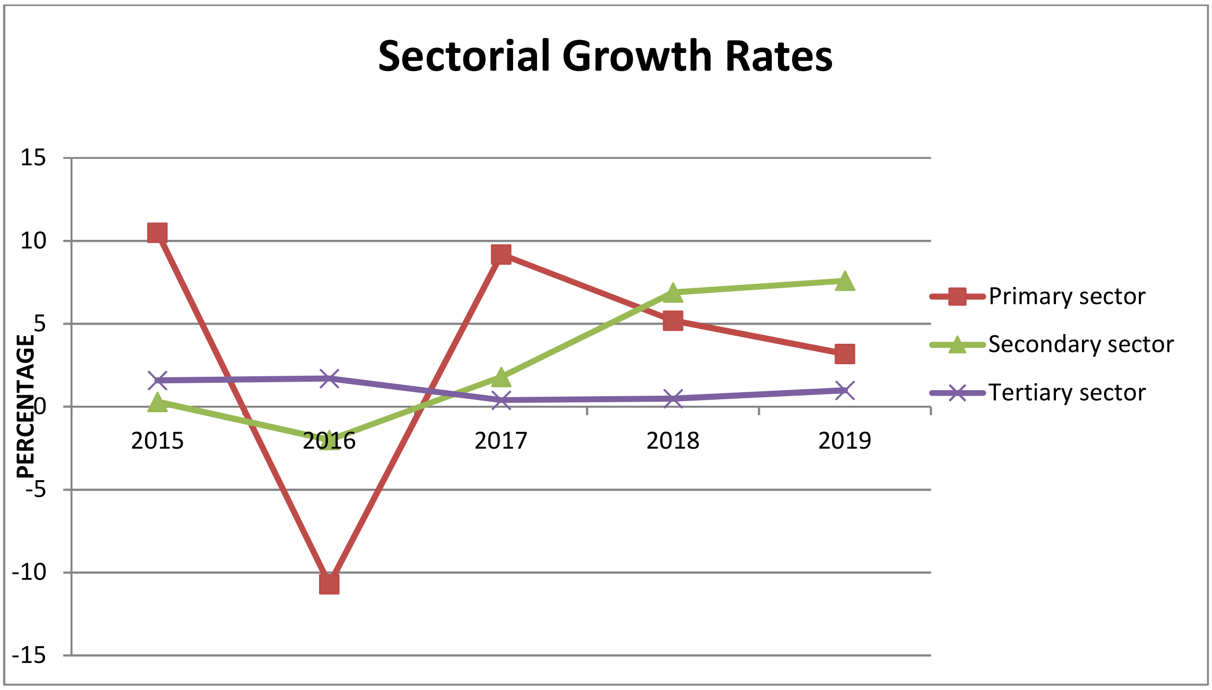
3.2.2 The Secondary Sector

The secondary sector (which comprises manufacturing, electricity supply, water supply and construction) declined by 2% in 2016 largely reflecting effects of drought on agriculture-related processing, electricity supply and treated water supply. Manufacturing of food products also declined by 2%, mainly due to a 25% decrease that is expected in sugar production. Other manufacturing components not linked to agro-processing, such as manufacturing of beverages and textiles are expected to remain positive in the short to medium term, mainly benefiting from exploration of new markets in the region.

Electricity supply, which is dominated by hydro-power generation, was severely affected in the first half of 2016 due to the drought conditions but is expected to recover in the medium term. The construction sector is threatened by deterioration in the government's fiscal position following a significant fall in SACU revenues in 2016/17 fiscal year.

The secondary sector is expected to gradually recover in the medium term from the negative performance observed in 2016 due to the construction activity expected if projects in the pipeline are implemented as illustrated in Figure 4 below.

Figure 4: Sectorial Growth Rates



Source: Central Bank of Swaziland, Accessed on 26/06/2017

3.2.3 The Tertiary Sector

The tertiary sector consists of industries which provide a service, such as transport and finance. Performance in the tertiary sector was generally mixed in 2016 with services sectors that are linked to the primary and secondary sectors such as transportation and financial sector recording negative growth reflecting indirect effects of the drought. However, positive growth was realised in the wholesale and retail trade, tourism, education and health. The tertiary sector is expected to remain positive throughout the medium term, albeit at a slower growth rate largely due to expected slowdown in economic activity in the wholesale and retail trade as well as in the real estate subsectors.

3.3 Credit Rating

According to Moody's Investors Service, the creditworthiness of countries in Sub-Saharan Africa (SSA) has an overall negative outlook for 2017, reflecting the liquidity stress facing commodity-dependent countries, subdued economic growth and persistent political risk. SSA's economies continue to face commodity-induced liquidity stress in 2017, with recurring fiscal deficits amid challenging financing conditions. By the end of 2016, Moody's had downgraded a third of the region's 19 rated countries by an average of around two notches compared to 29 downgraded countries globally (22% of the 134 countries rated by Moody's) by an average of slightly more than one notch. Five of the seven countries in SSA in 2016 carry negative outlooks.

The governments of most of the 19 rated SSA countries have embarked on fiscal consolidation plans, which Moody's expects will have a positive impact in 2017. However, fiscal consolidation policy will face obstacles, stemming in particular from subdued growth, related social demands and potential shocks from the weather and geopolitics.

Credit ratings are classified according to method and rating agency as shown in Table 2 below. Swaziland was last rated in 2012 by the Poll rating method which has not been used since November 2014. The other methods of rating did not consider Swaziland.

Table 2: Credit Ratings Classification

Rating Method	Rating	Date
Poll	B	2012
Public Sector Credit Framework	Not rated	n/a
Resilience	Not rated	n/a

The major rating agencies which include Standard and Poor's, Moody’s Investor Services and Fitch have not given Swaziland a rating as it was not included in credit score.

3.4 Monetary Policy

Swaziland’s monetary policy objective is to promote monetary stability. Monetary policy formulation in Swaziland is, to a large extent, influenced by the country’s membership to the Common Monetary Area (CMA), together with Lesotho, Namibia, Botswana and South Africa.

The CMA gives these countries the right to issue their own national currencies which are legal tender, in their own countries. The South African Rand, however, is legal tender in all members of the CMA but the currencies of the other CMA members are not legal tender in South Africa. Therefore South Africa compensates them for forgone seigniorage based on an agreed formula. By issuing own currencies, the BLNS countries became responsible for their own monetary policies.

3.5 Trade Environment

As a small landlocked country, Swaziland depends heavily on trade relations with both her immediate neighbours and the world at large. Effective participation in the regional and global economies requires efficient and low cost movement of goods and services: both imports and exports between Swaziland and the outside world. It also requires low cost and reliable means of communication with the outside world.

Membership of the SACU plays a pivotal role in Swaziland's public finances and in linking her economy with the region and the rest of the world. It offers duty free access to South Africa, determines a large part of external trade policy and accounts for more than two thirds of total government revenue. The system for revenue sharing makes Swaziland excessively dependent on an unstable and unpredictable revenue source, which presents her with an unnecessary and very unproductive and costly conflict between short-term fiscal revenue needs and longer-term economic development requirements.

Currently SACU is not working as it should in promoting the economic development and regional integration of its members. Insufficient coordination and cooperation among SACU members in basic tax and trade administration and in a wide range of regulatory and other policies result in a costly web of impediments to trade and investment that serve only to raise costs and reduce competitiveness of investors throughout the customs union.

Swaziland's membership in the SACU plays an essential role in her economic development because the vast majority of Swaziland's imports and exports pass through SACU. Some of these imports originate in SACU (mostly South Africa), and others originate elsewhere and pass through SACU directly or through South African distribution channels. This has the following implications:

- The efficiency of transport and logistical arrangements on trade passing through SACU plays a critical role for Swaziland. It affects the cost of goods imported for final consumption or for use as intermediate inputs in production for the domestic, regional and global markets. It affects the competitiveness of goods that might be exported to the region or to the world at large; and

- The prices of all tradable goods produced and consumed in Swaziland are affected by the SACU Common External Tariff. Since Swaziland is generally a consumer rather than supplier of these protected goods, the net effect is harmful to Swaziland.

SACU members have other trade arrangements with third parties and they are:

i. SACU-EFTA FTA: the SACU-EFTA (European Free Trade Association which comprises of Norway, Switzerland, Iceland and Liechtenstein). The EFTA agreement has been ratified by all member states and became operational in May 2008;
ii. SACU-MERCOSUR: SACU also has a Preferential Trade Agreement (PTA) with MERCOSUR (Common Market of the South) comprising Brazil, Argentina, Uruguay and Paraguay. The Agreement was signed in 2008 and came into force on 1st April 2016; and
iii. SACU-India PTA: SACU-India, negotiations stalled and are yet to be resumed with new tariff offers having been prepared by both Parties and expected to exchanged once a meeting has been confirmed.

Swaziland is a member of some major regional and international bodies and trade arrangements such as the:

- Common Market for Eastern and Southern Africa (COMESA);
- Southern African Development Community (SADC);
- The Tripartite Free Trade Area (TFTA), where three regional groupings are working on further integrating into one regional preferential trade area. The pillars of the TFTA are market integration, industrial development and infrastructure development. Under the market integration pillar four issues are dealt with, and these are: the TFTA Agreement, tariff offers and rules of origin and movement of business persons. In the industrial development pillar, a work programme and a roadmap have been developed. Included in these are modalities for cooperation in industrial development in the Tripartite FTA. On infrastructure development, a work programme has also been developed to pursue implementation within the Tripartite FTA. However, this has been beset by funding problems and progress has rather been very slow.
- Africa Growth and Opportunity Act (AGOA), a trade initiative by the United States' Government for sub-Saharan Africa. This initiative enables products from qualifying countries to be imported into the US, Duty Free and Quota Free. In 2015, Swaziland was suspended from benefiting from the AGOA arrangement after it failed to meet

benchmarks that were critical for eligibility. The country has been working on these benchmarks, which are legislative in nature, to achieve the eligibility criteria and to be re-admitted.

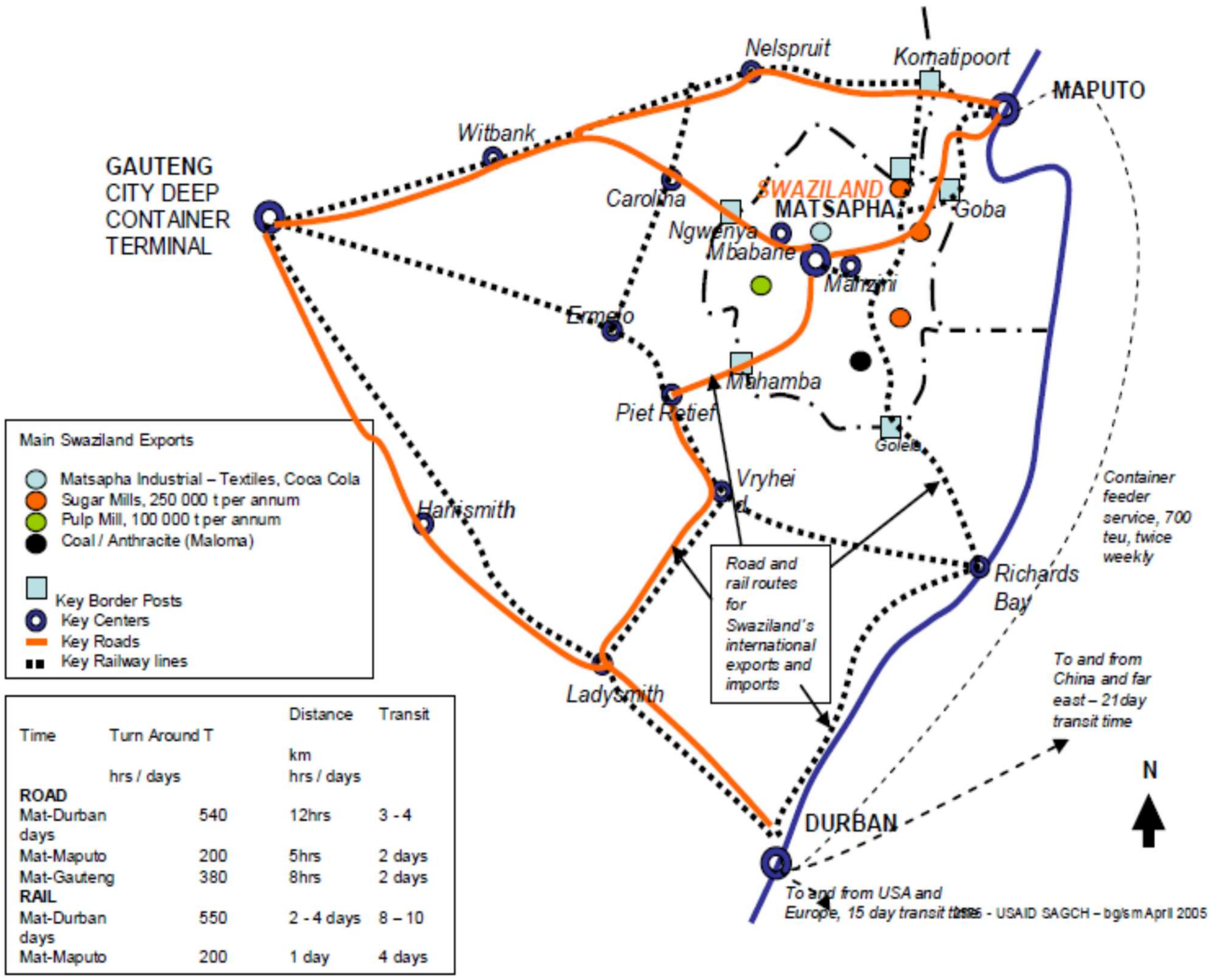
- Generalised System of Preferences (GSP). Swaziland is a beneficiary of the GSP scheme, which provides for goods that originate from developing countries to be imported into industrialised countries at reduced customs duty. The countries that grant GSP include some of the EU member states, USA, Canada, Japan, Australia, Russia and New Zealand. A wide range of export products from Swaziland enjoys market access through the GSP scheme.

As a small, landlocked economy, Swaziland faces special challenges in competing efficiently in global and regional export markets. Meeting these challenges is critical in achieving her long-term economic development goals. Swaziland's future development depends on becoming competitive in non-traditional exports, creating a domestic business environment and a trade policy framework that facilitates increased efficiency and reduced transactions costs in regional and international trade and the liberalisation of the SACU Common External Tariff (CET).

3.5.1 International Trade Routes

Swaziland's main external trade is with South Africa and is serviced by land routes, whilst the rest is with Europe, North America, and the Far East; and is undertaken through the ports of Maputo in Mozambique and Durban in South Africa. Maputo serves as the principal port for sugar and iron ore exports whilst the Durban port is used to export mainly sugar, ethanol, textile and clothing and citrus fruits. The rest of the products such as sugar, coca cola concentrate, refrigerators, zippers, caramel products, beverages, are transported by road to regional markets in SACU, SADC and East Africa. Figure 5 below outlines Swaziland's key trading partners, key transit routes, distances and transit times.

Figure 5: Swaziland's key trading partners



Time	Turn Around T hrs / days	Distance km hrs / days	Transit
ROAD			
Mat-Durban days	540	12hrs	3 - 4
Mat-Maputo	200	5hrs	2 days
Mat-Gauteng	380	8hrs	2 days
RAIL			
Mat-Durban days	550	2 - 4 days	8 – 10
Mat-Maputo	200	1 day	4 days

Source: Swaziland Transport and Logistic Report, Accessed on 09/05/2017

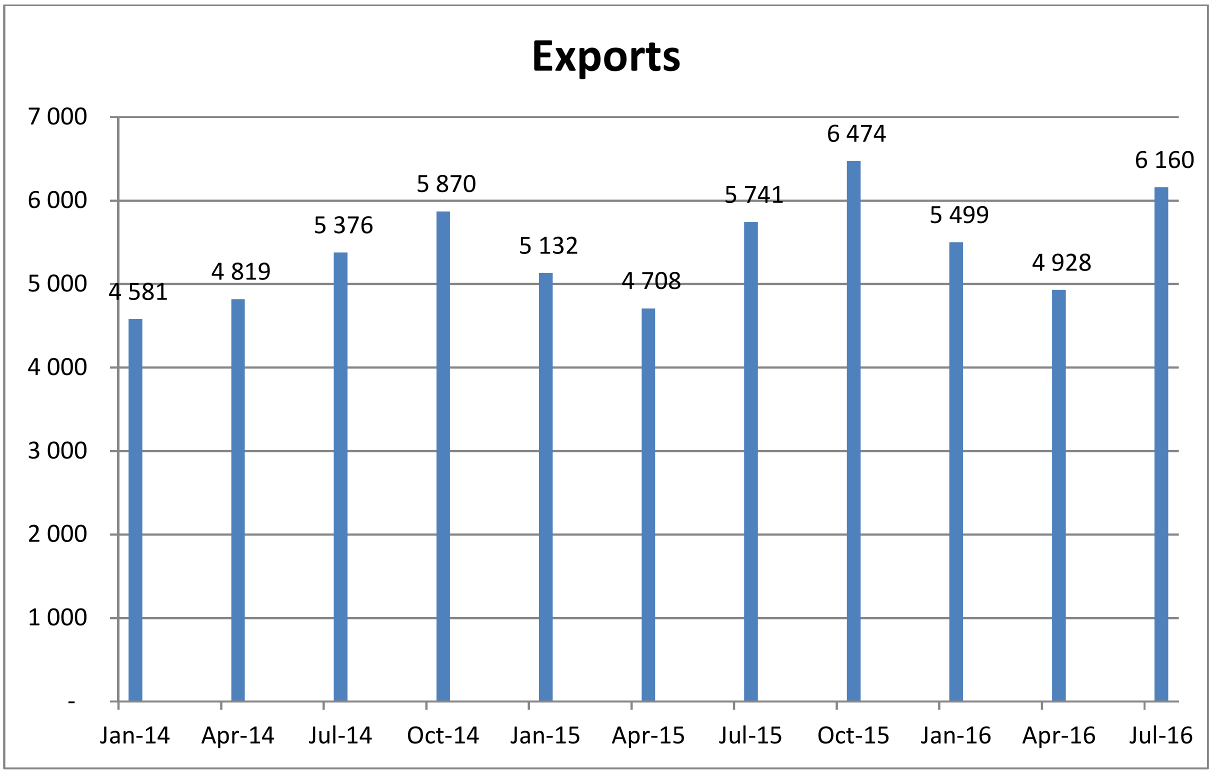
The Durban port is Swaziland's major exit port and one of the busiest in Southern Africa as it creates links for Southern African countries with international trading routes and markets such as Far East, Middle East, Australasia, South and North America and the EU. The port is 550 km from Swaziland and is accessible by both road and rail.

Maputo port, in Mozambique is Swaziland alternative port and is 200 km away from Matsapha, a town in central Swaziland. It is also accessible by both rail and road transport.

3.5.2 Exports from Swaziland

Swaziland's total value of merchandise trade grew from SZL 10.2 billion in 2015 Q3 to SZL 11.7 billion in 2016 Q3, a significant growth of 14% in 2016 Q3. Exports recorded inflows of SZL6.1 billion compared to SZL 5.7 billion in 2015 Q3 as shown in Figure 6 below. In annual terms, exports grew by 7.5% in 2016 Q3.

Figure 6: Exports from Swaziland



Source: www.tradingeconomics.com, Accessed on 24/04/2017

Manufacturing, which accounts for only 2.3% of total merchandise exports, grew rapidly from SZL130.5 million in 2015 Q3 to SZL 199.8 million in 2016 Q3. This was mainly attributed to an increase in exports of pharmaceuticals (from less than SZL 0.5 million in 2015 Q3 to over SZL 33 million in 2016 Q3) and soap products (from SZL 10.3 million to SZL 31.2 million).

Food processing also increased by 22% in 2016 Q3 and contributed 0.8% towards the total growth in exports boosted by a 17% increase in exports of processed fruits and vegetables. Exports of processed meat also grew by 30 percent compared to only 5% in 2015 Q3. Waste from animal processing industries also grew by 38% in 2016 Q3.

Textile exports also grew despite the loss of AGOA in 2014 Q4 where the SACU market accounts for over 90 percent of the total textile exports; exports to the region grew by 18%. On the other hand, exports to the USA and EU markets continued to contract (23% and 15%

respectively).Textile was the second largest contributor in 2016 Q3 as shown in Table 3 below.

Table 3: Merchandise Exports Performance

2016 Q3 Merchandise Exports Performance			
Item	**% growth**	**Item**	**% growth contribution to GDP**
Other Manufacturing	53	Other Manufacturing	1.2
Food Processing	22	Food Processing	0.8
Mining	21	Mining	0.2
Sugar	19	Sugar	4
Textile	17	Textile	1.9
Forestry	16	Forestry	0.9
Agriculture	10	Agriculture	0.2
Beverages	**-8**	Beverages	**-0.2**
Appliances	**-21**	Appliances	**-0.2**
Printing & Stationery	**-74**	Printing & Stationery	**-2.2**
		% Growth	**7.5**

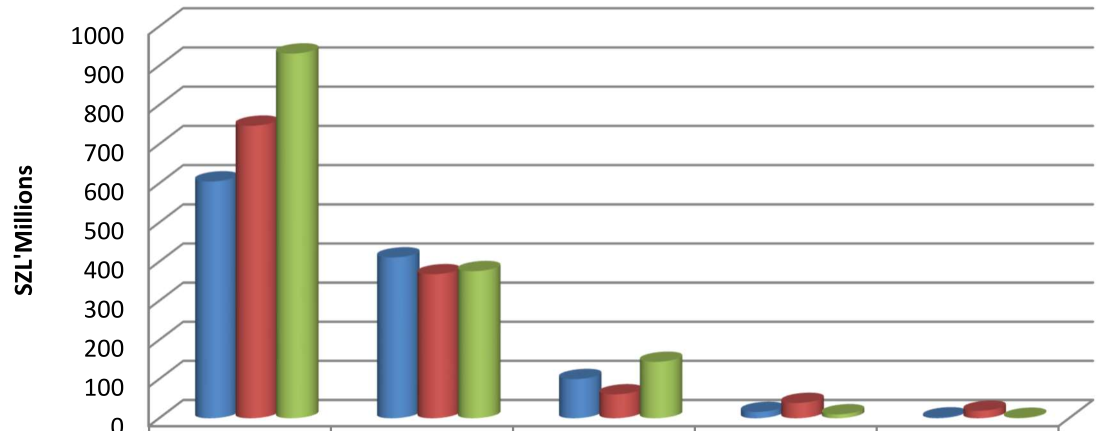
Source: Swaziland Revenue Authority, Accessed on 02/05/2017

Growth in total exports was brought down slightly by the contraction in exports of beverages, printing and stationery, and appliances.

Sugar exports contributed by more than half to the total growth in exports in 2016 Q3, because of the relatively high weight of sugar in total exports (24%) combined with the rapid growth seen in 2016 Q3.

Growth in sugar exports from SZL1.2 billion in 2015 Q3 to SZL1.5 billion in 2016 Q3 came mainly from higher exports to the SACU region which increased 25%. SACU market accounted for 64% of total sugar exports in 2016 Q3. On the other hand, exports to EU, accounted for over 25% of the total sugar exports, increased 2%. This slow growth however was somewhat offset by higher exports to the USA, as shown below in Figure 7.

Figure 7: Sugar Exports



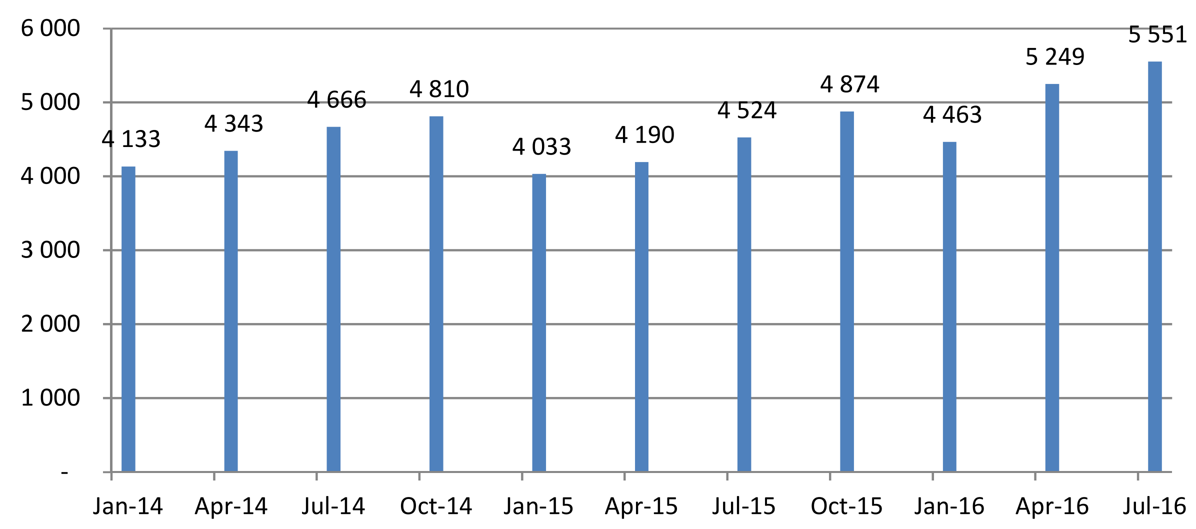
	SACU	EU	USA	Other	COMESA
2014 Q3	605	411	100	16	2
2015 Q3	747	368	61	39	19
2016 Q3	931	376	144	10	1

Source: Swaziland Revenue Authority, Accessed on 02/05/2017

3.5.3 Imports into Swaziland

Imports grew from SZL4.5 billion in 2015 Q3 to SZL5.6 billion in 2016 Q3, a growth of 23% compared to a contraction of 4% in 2015 as shown in Figure 8 below.

Figure 8: Imports



Source: www.tradingeconomics.com, Accessed on 24/04/2017

Industrial imports (construction and capital goods and other intermediary goods) ranked high on the list, accounting for over half of the total import bill. Imports of construction materials amounted close to SZL500 million in 2016 Q3, a growth of 59% after contracting 7% in 2015

Q3. Textile inputs on the other hand and despite an increase in textile exports, declined by 2% while fuel continued to shrink.

Imports of other final consumption goods increased to 26% of the total import bill. Food imports grew rapidly from about SZL645 million in 2015 Q3 to over SZL800 million in 2016 Q3. Overall, merchandise trade surplus in 2016 Q3 was SZL600 million.

Even though, the value of imports grew more rapidly (23%) than exports (7.5%) in 2016 Q3, export earnings still exceeded the total value of imports.

3.5.4 Nature and Volume of Trade with South Africa

Swaziland's main exports partners are in Africa whilst the imports partners excluding South Africa, are non-African countries as seen in Table 4 below.

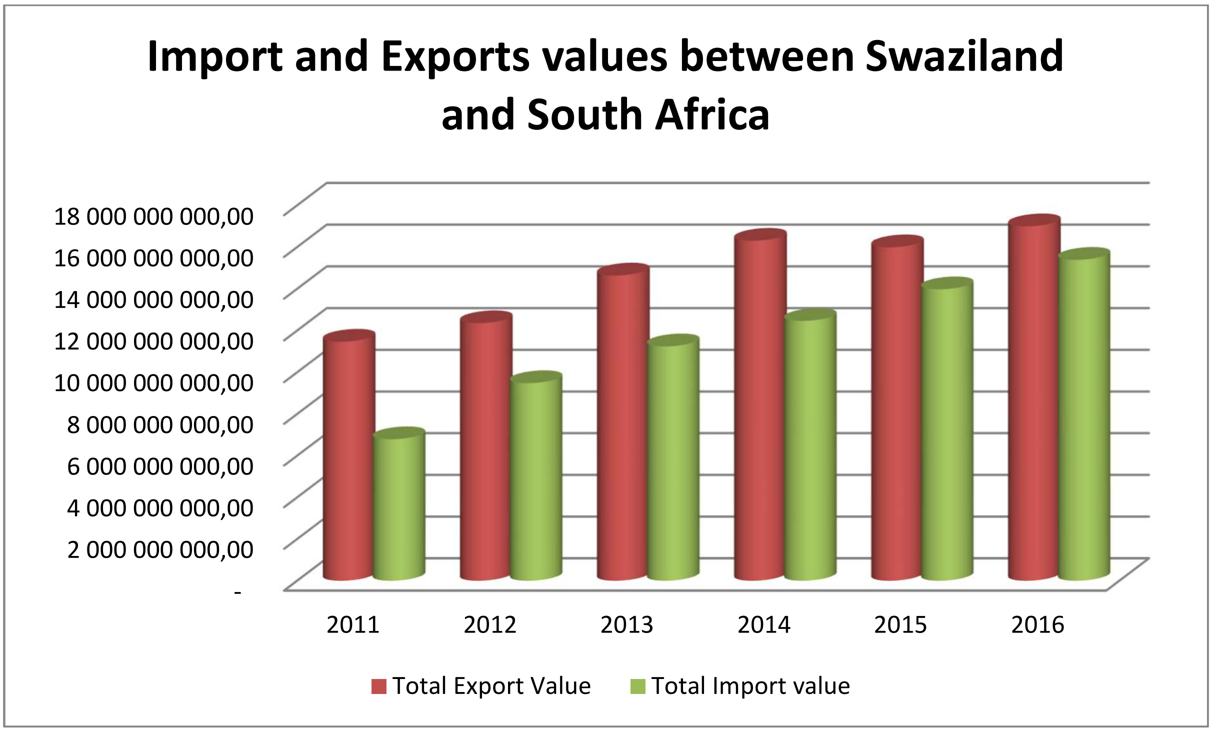
Table 4: Top ten import and export partners of Swaziland

EXPORTS		IMPORTS	
%	**COUNTRY**	**%**	**COUNTRY**
65.99	South Africa	80.77	South Africa
4.91	Nigeria	4.38	China
4.19	Mozambique	4.14	India
4.13	Kenya	1.43	USA
2.14	Angola	1.08	Ireland
2.09	Zimbabwe	1.02	Taiwan
2.06	Tanzania	0.87	Germany
1.76	Portugal	0.59	Lesotho
1.26	Romania	0.52	Cambodia
1.12	Namibia	0.52	Italy

Source: www.tradingeconomics.com, Accessed on 13/09/2017

South Africa is an important trade partner for Swaziland and Figure 9 below shows the trend of trade between South Africa and Swaziland. Imports have been steadily increasing while exports decreased slightly in 2015, but recovered in 2016.

Figure 9: Imports and Exports between Swaziland and South Africa



Source: www.thedti.gov.za, Accessed on 02/05/2017

Table 5 below illustrates the nature of commodities traded between South Africa and Swaziland. It also shows the annual share of the different commodities as a percentage of the total goods traded.

South Africa's main exports to Swaziland are mineral products, products of chemical or allied products, machinery and mechanical appliances, prepared foodstuff, vehicles, aircraft, vessels and associated transport equipment which makes up over 50% of the total export bill.

Table 5: South Africa's exports

Commodities	2011	2012	2013	2014	2015	2016
Live animals, animal products	3.6%	3.5%	3.2%	3.4%	3.3%	3.2%
Vegetable products	6.2%	6.5%	5.8%	6.0%	6.1%	7.7%
Animal or vegetable fats & oils	0.8%	0.9%	0.8%	0.7%	0.8%	0.8%
Prepared foodstuffs	9.7%	10.0%	8.9%	8.9%	10.2%	9.8%
Mineral products	20.7%	22.2%	22.0%	21.6%	19.6%	17.5%
Products of the chemical/ allied industries	9.8%	10.4%	10.8%	12.0%	12.9%	11.8%
Plastics, rubber & articles thereof	5.4%	6.0%	6.6%	5.9%	6.2%	6.0%
Raw hides & skins, leather, fur skins	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Wood & articles of wood; wood charcoal	1.0%	1.1%	1.1%	1.1%	1.3%	1.2%
Wood Pulp and Paper	4.2%	4.0%	3.6%	3.5%	3.7%	3.1%
Textiles & textile articles	4.8%	5.2%	5.5%	4.9%	4.8%	4.9%
Footwear, headgear, umbrellas	1.4%	1.4%	1.3%	1.3%	1.4%	1.4%
Stone & Glass	1.4%	1.3%	1.2%	1.1%	1.2%	1.4%
Pearls, precious or semi-precious stones	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Base metals & articles of base metal	6.7%	6.0%	5.9%	5.8%	6.1%	7.0%
Machinery	12.2%	10.8%	10.5%	9.4%	10.2%	10.6%
Vehicles, aircraft & vessels	7.8%	7.2%	8.8%	10.7%	8.2%	8.9%
Scientific Equipment	1.1%	0.9%	0.8%	0.9%	1.0%	1.5%
Miscellaneous manufactured articles	2.6%	2.5%	2.7%	2.3%	2.5%	2.7%
Art & antiques	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other unclassified goods	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special classification of original equipment components/parts for motor vehicles	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: www.thedti.gov.za, Accessed on 05/05/2017

Table 6 shows commodities imported from Swaziland. The main imports include products of the chemical or allied industries, prepared foodstuff and textiles & textile articles, which make up 86% of the total bill of commodities.

Table 6: South Africa's imports

Commodities	2011	2012	2013	2014	2015	2016
Live animals, animal products	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Vegetable products	0.4%	0.5%	0.8%	0.7%	0.5%	0.4%
Animal or vegetable fats	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepared foodstuffs	28.9%	23.1%	21.8%	22.5%	25.1%	25.7%
Mineral products	1.6%	1.7%	2.3%	1.7%	1.3%	1.3%
Products of the chemical or allied industries	43.1%	50.6%	51.5%	48.8%	45.7%	43.1%
Plastics & rubber	0.7%	0.5%	0.5%	0.6%	0.5%	0.5%
Raw hides & skins, leather, fur skins	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%
Wood Products	5.6%	4.7%	5.1%	5.2%	6.2%	7.8%
Wood pulp and Paper	3.3%	4.3%	2.9%	2.1%	2.3%	1.3%
Textiles & textile articles	11.4%	11.5%	12.5%	15.5%	15.9%	17.5%
Footwear, headgear, umbrellas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Stone and Glass	0.4%	0.3%	0.3%	0.3%	0.3%	0.2%
Pearls, precious or semi-precious stones	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base metals & articles of base metal	1.0%	0.7%	0.6%	0.6%	0.3%	0.2%
Machinery	2.5%	1.1%	1.2%	1.4%	1.2%	1.2%
Vehicles	0.3%	0.3%	0.2%	0.2%	0.2%	0.1%
Scientific Equipment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous manufactured articles	0.6%	0.5%	0.4%	0.3%	0.3%	0.4%
Art and antiques	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other unclassified goods	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special classification of original equipment components/parts for motor vehicles	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: www.thedti.gov.za, Accessed on 05/05/2017

3.5.5 Document requirements for importation and exportation

3.5.5.1 Importation

Importations between SACU countries are free of Customs and Excise duty with all importations to the Union being at a Common Customs external tariff. The revenue collected from those duties is pooled and shared under an agreed mechanism. Goods imported into Swaziland from outside of SACU are liable to customs and excise duty. Value Added Tax is also payable on imports both from SACU countries and other regions.

Goods imported into Swaziland are cleared under one of the following customs procedures within seven (7) days of the date on which they are deemed to have been imported:

- Home consumption;
- Warehousing (later cleared for home consumption or re-export);
- Transit/in bond; and
- Temporary admission.

Clearance for warehousing, transit/in bond or temporary admission requires security that will cover the duties and taxes suspended.

Applications for import permits are done through the Ministry of Finance. The documents required for importation of goods are:

- Bill of lading;
- Cargo release order;
- Certificate of origin;
- Commercial invoice;
- Container terminal order;
- Import license;
- Customs import declaration;
- Inspection certificate;
- Packing list; and
- Terminal handling receipts.

3.5.5.2 Exportation

Goods exported from Swaziland may be exported under one of the following customs procedures:

- Permanent export;
- Temporary export; or
- Re-export.

For customs clearance purposes, the exporter should submit the following documents:

- A customs declaration document;
- Commercial invoice;
- Customs export declaration F1-78 declaration (Central Bank control);
- Inland Bill of lading;
- Customs Export Declaration (SAD 500);
- Inspection report;
- NEP Form (National Environment Policy); and
- Packing list.

3.6 Business Environment

Swaziland's business environment is based on the Global Competitiveness Index (GCI) by the World Economic Forum, the prosperity index and the Ease of Doing Business Report by the World Bank.

3.6.1 Global Competitiveness

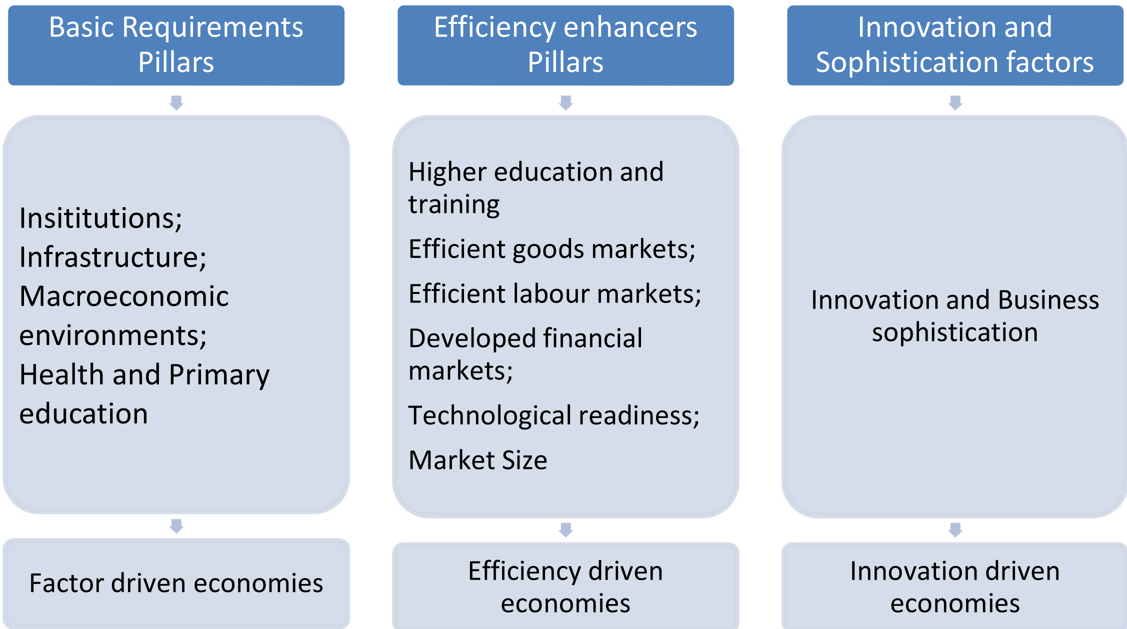
Swaziland is the 128th most competitive nation in the world out of 138 countries ranked in the 2016-2017 edition of the GCR published by the World Economic Forum. The Competitiveness Rank in Swaziland averaged 128.33 from 2011 until 2016, reaching 135.00 in 2013 and 123.00 in 2015 as shown in Figure 10. Swaziland was not included in the Competitiveness Report of 2017.

Figure 10: Swaziland's Competitive Ranking

Source: Global Competitiveness Report, Accessed on 11/05/2017

The GCR assesses the ability of countries to provide high levels of prosperity to their citizens, depending on how productively a country uses its available resources.The GCR is based on the pillars of competitiveness which are shown below:

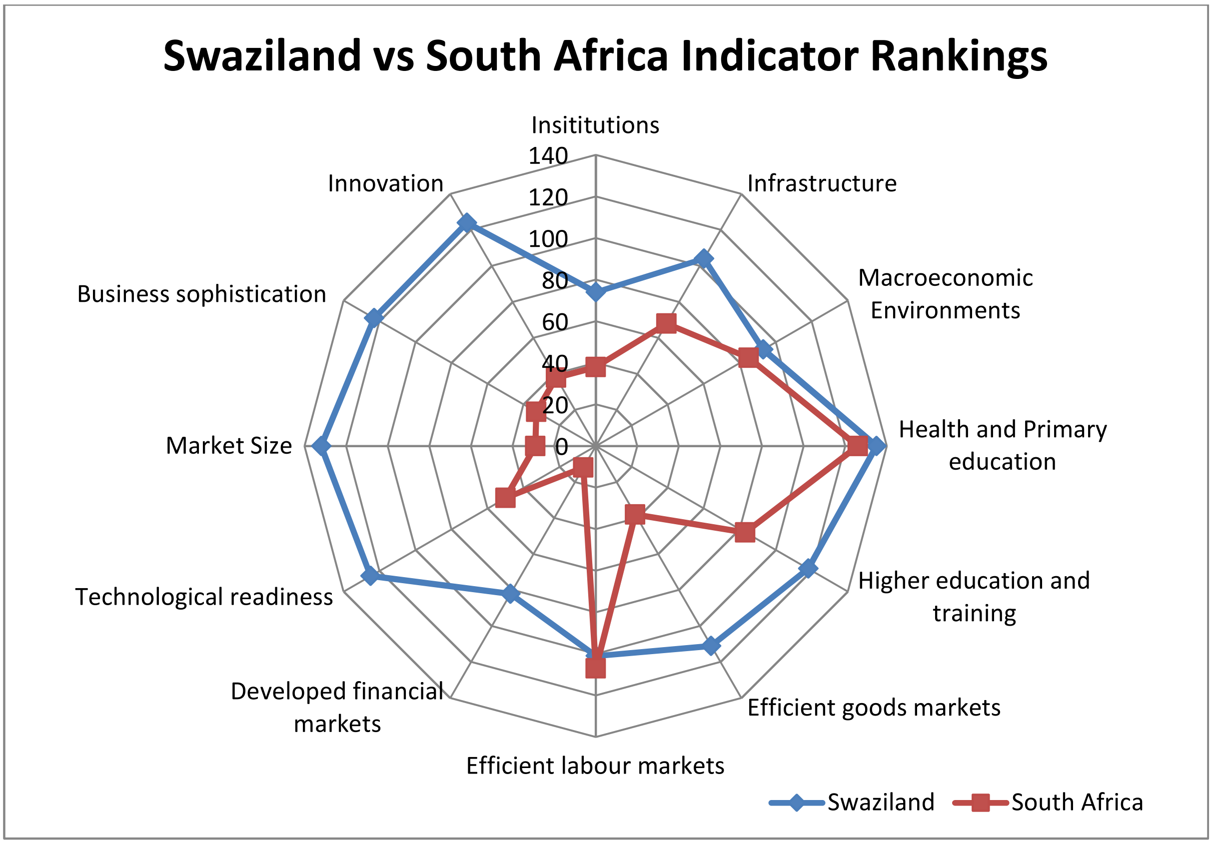
Figure 11: Global Competitiveness Index Framework



Source: Global Competitiveness Report, Accessed on 11/05/2017

When comparing Swaziland to South Africa on the pillars, Swaziland out performed South Africa on one indicator, which is efficient labour markets, as shown on Figure 12.

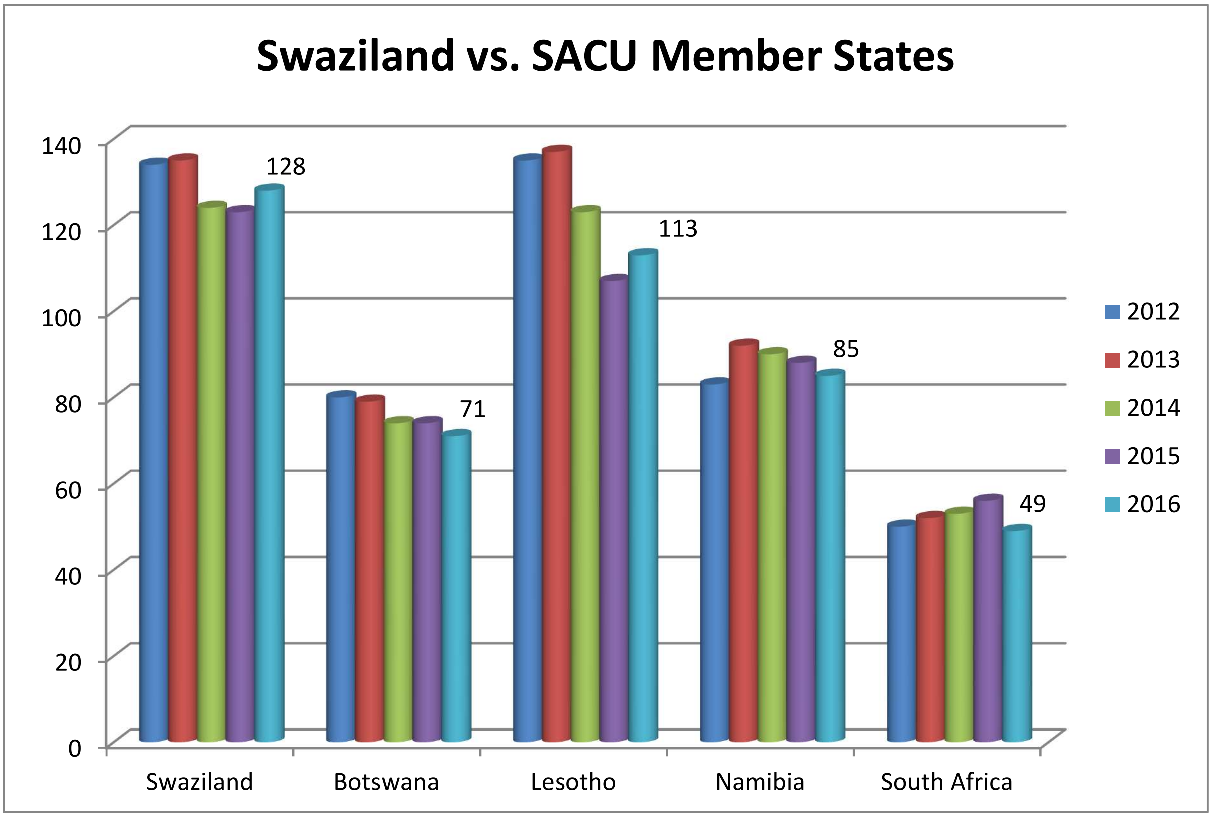
Figure 12: Swaziland vs. South Africa Indicator Rankings



Source: Global Competitiveness Report, Accessed on 11/05/2017

When comparing Swaziland to other SACU member states, Swaziland is performing worse than the rest of SACU, as shown in Figure 13 below.

Figure 13: Swaziland vs. SACU Member States Ranking



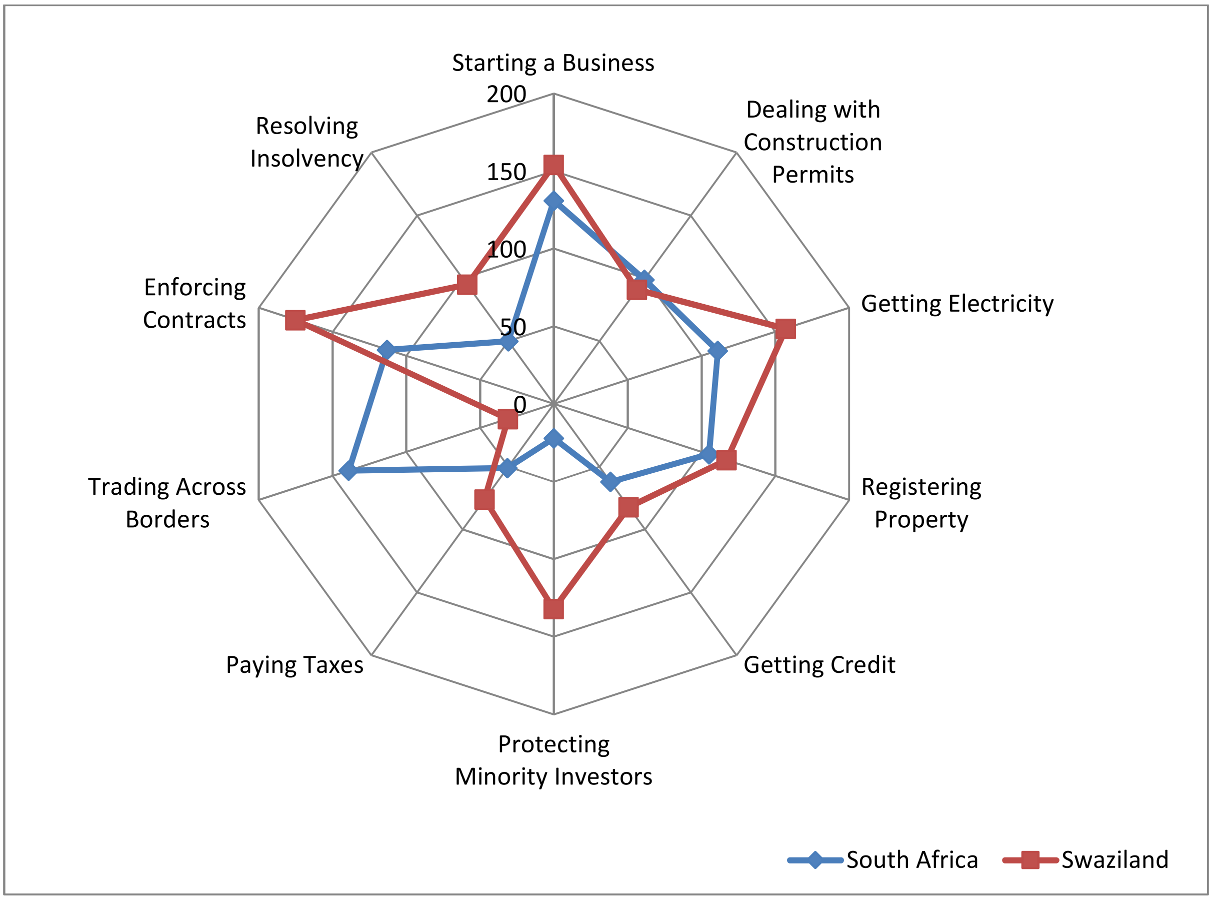
Source: Global Competitiveness Report, Accessed on 11/05/2017

South Africa is leading in terms of competitiveness, followed by Botswana. Swaziland and Lesotho are lagging behind although, for the past three years (2014-2016). Lesotho has performed better than Swaziland.

3.6.2 Ease of Doing Business

According to the World Bank, Swaziland was ranked 108th out of a total of 190 economies in 2015, which was slightly better than the 2016 ranking of 111th for ease of doing business.. The ease of doing business covers 10 themes. The ranking between South Africa and Swaziland is depicted in Figure 14 below.

Figure 14: Swaziland vs. South Africa Rankings



Source: World Bank, Doing Business 2017, Accessed on 24/05/2017

When comparing Swaziland with South Africa using these 10 themes, it is apparent that Swaziland is performing better than South Africa in two areas, namely trading across borders and dealing with construction permits.

This report only focuses on two of the themes namely starting a business and trading across borders.

i. Starting Business

This indicator looks at the ease of starting a business taking into consideration the procedures officially required by an entrepreneur, as well as the time and cost required to complete these procedures. It assumes that all information is readily available to the entrepreneur, that there has been no prior contact with officials and that the entrepreneur will pay no bribes.

Swaziland's ranking on starting a business is 154th which amongst the SACU members is better than Namibia. The ranking is made up of the number of procedures, the time in days and the cost to start a business. The time it takes to start a business in Swaziland is better than most of the SACU member states with Lesotho leading at 29 days and Namibia coming in last at 66 days. Swaziland made starting a business easier by shortening the administrative processing times for registering a new business and obtaining a trading license, and by shortening the notice and objection period for obtaining a new trade license. Table 7 below shows the comparative ranking of starting a business for SACU countries.

Table 7: Comparative Rankings for Starting a Business

	SWAZIILAND	LESOTHO	BOTSWANA	NAMIBIA	SOUTH AFRICA
Rank	154	117	153	170	131
Procedures (Number)	12	7	9	10	7
Time(days)	30	29	48	66	43
Cost	16.6	8.1	0.8	11.5	0.2

Source: World Bank, Doing Business 2017, Accessed on 24/05/2017

Swaziland has the most number of procedures despite their efforts to shorten the processing times. The number of procedures for starting a business in Swaziland are outlined in Table 8 below

Table 8: Procedures required in registering a firm in Swaziland

No.	Procedure	Time to complete	Associated Costs
1	Reserve a unique company name The founder submits a letter to the Registrar of Companies proposing 3 names. **Agency: Companies Registry**	1 day	SZL 20
2	Pay the name reservation and registration fees **Agency: Swaziland Revenue Authority (SRA)**	1 day	Included in procedure 5
3	Obtain tax clearance for company directors **Agency: SRA**	1 day	No charge
4	Preparation of the memorandum and articles of association by a lawyer **Agency: Lawyer**	2 days	SZL 1,500 and SZL 3,000.
5	Register with the Company Registrar Submit the following documents to the Registrar of Companies: • Tax clearance – original (1 copy)	10 days	SZL 360

	• Memorandum Articles of Association – 3 copies (1 original, 1 to be filed, and 1 copy for the applicant) • Government revenue receipts for the payment of the reservation of the company name and the registration fees • Copy of the applicant's ID card • Notarized receipt of the successful reservation of the company name **Agency: Companies Registry**		
6	Deposit the paid-in capital and obtain a bank statement **Agency: Bank**	1 day	No charge
7	Obtain a company Tax Identification Number (TIN) **Agency: Tax Authority**	1 day simultaneous with procedure 6	No charge
8	Receive a health inspection Depending on which agency has jurisdiction, the city council or health department issues a Health Clearance Certificate upon inspecting the business location. **Agency: Health Department or City Council**	1 day simultaneous with procedure 6	Included in license cost
9	Request and obtain a trading license To obtain a trading license, the company requests a hearing before the Ministry of Enterprise and Employment. The Ministry publishes a notice in a daily newspaper (The Observer) at least 3 business days before the hearing, allowing individuals and companies to object to the company's formation. Companies must submit the certificate of incorporation upon requesting a hearing. The following documents must be submitted before the hearing: • Bank statement, proving the directors have enough funds to run the company • Lease agreement of the company location • Company tax registration • Certificate of inspection by the health department or city council • Memorandum and articles of association • Receipt of license fee payment A company might need more than one trading license if it	12 days	SZL 50 to SZL 10,000 (most likely a general services or manufacturing company would pay a license of SZL 3,000 to SZL 5,000)

	does more than one activity. For instance, if the company produces and sells its goods to the public. Each activity has a different license fee. **Agency: Ministry of Commerce, Industry and Trade**		
10	Pay the trading license fee The trading license fee is paid at the Trade Licensing Office. **Agency: Trade Licensing Office**	1 day (simultaneous with previous procedure	Included in previous procedure
11	Register workers with the Swaziland National Provident Fund **Agency: Provident Fund**	1 day (simultaneous with procedure 9)	No charge
12	Enroll workers in the worker's compensation insurance at the Royal Swazi Insurance Corporation. The rates vary by industry. **Agency: Royal Swazi Insurance Corporation**	1 day (simultaneous with procedure 9)	No charge

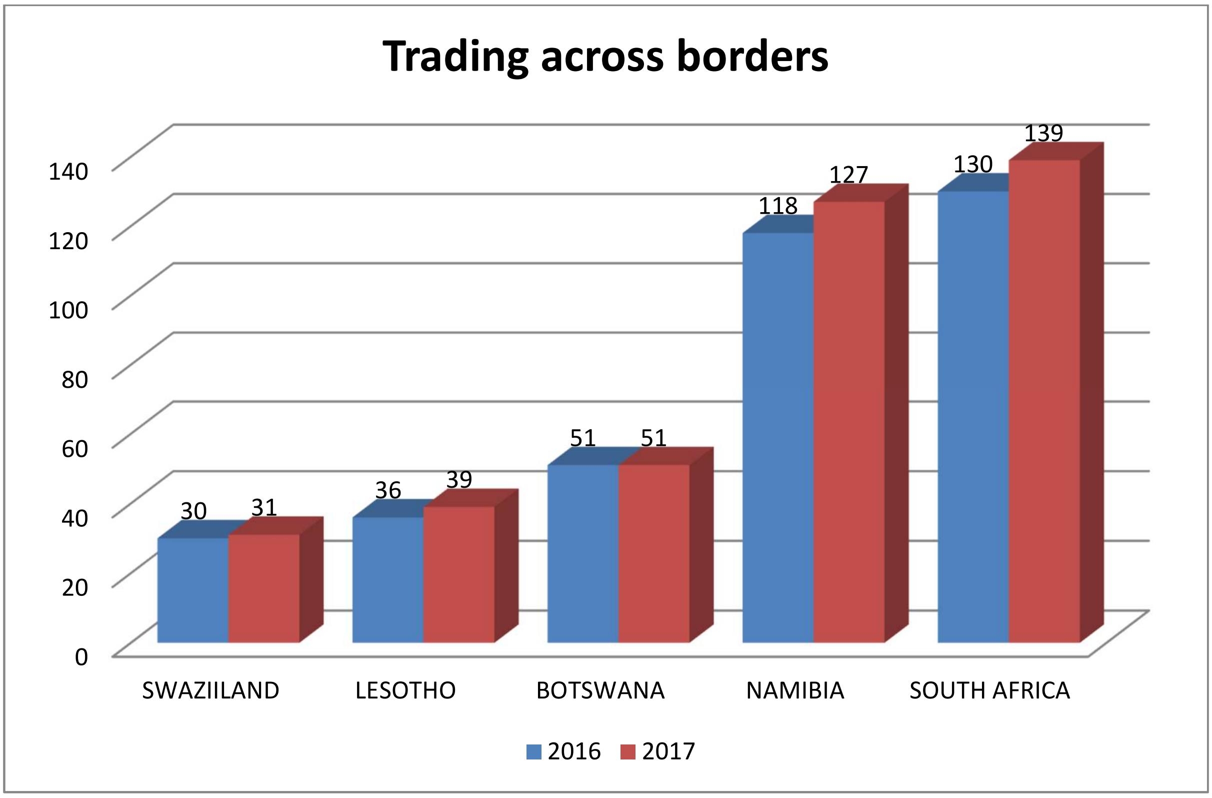
Source: World Bank, Doing Business 2017, Accessed on 24/05/2017

The 12 procedures, accompanying times and associated costs in relation to starting a business, are outlined in the above table.

ii. Trading across borders

Making trade between economies easier is increasingly important for business in today's globalised world. Excessive document requirements, burdensome customs procedures, inefficient port operations and inadequate infrastructure all lead to extra costs and delays for exporters and importers, stifling trade potential. Figure 15 below shows a ranking comparative between the SACU member states. Swaziland and Lesotho are out-performing the other member states on this indicator, ranked at 31st and 39th respectively.

Figure 15: SACU Rankings



Source: World Bank, Doing Business 2017, Accessed on 30/05/2017

With regards to the theme of trading across borders, South Africa is the worst performing country amongst the SACU member states. The trading across borders rating is based on a set of specific predefined procedures which comprise of the time and cost to import and export focusing on both border and documentary compliance (excluding tariffs and the time and cost for sea transport) as shown in Table 9 below.

Table 9: Swaziland vs. South Africa on Trading across borders

Indicator	Swaziland	South Africa
Time to export: Border compliance (hours)	3	100
Cost to export: Border compliance (USD)	134	428
Time to export: Documentary compliance (hours)	4	68
Cost to export: Documentary compliance (USD)	76	170
Time to import: Border compliance (hours)	5	144
Cost to import: Border compliance (USD)	134	657
Time to import: Documentary compliance (hours)	4	36
Cost to import: Documentary compliance (USD)	76	213

**24 hours = 1 day therefore 100 hours = 4 days*
Source: World Bank, Doing Business 2017, Accessed on 30/05/2017

Swaziland reduced the import time of trading across borders by implementing an electronic data interchange system for customs at its border posts and made trading across borders easier by streamlining the process for obtaining a certificate of origin.

4. ROAD TRANSPORT ENVIRONMENT

4.1 Overview

Swaziland boasts of one of the best infrastructure systems in the SADC region which is able to cater for all forms of transport and movement of goods and people within and across its borders. The country enjoys well-developed road links with South Africa. Infrastructural development and maintenance has remained a priority area for the Government of Swaziland with significant resources from the national budget being allocated for the development of new and upgrading of existing infrastructure on roads, rail and air. The bulk of resources have gone towards establishing a world class road system which links Swaziland with all major transit routes such as the sea ports in Richards Bay and Durban in South Africa, the Maputo port in Mozambique and with airfreight services at Oliver Reginald Tambo International Airport in South Africa; all of which provide gateways for Swaziland to access international markets.

The road transport network links all of the country's main manufacturing and production centres, allowing for efficient movement of goods to rail depots, dry port and airports, from where they are railed to various sea ports and the airfreight hub in Johannesburg to connect with international transit routes. Swaziland's road networks also connect with regional transport corridors which link to regional markets in SADC and East Africa.

Over 80% of roads infrastructure to border posts that links Swaziland with either Mozambique or South Africa are tarred.

The MR3 is designated as a SADC regional road and the main east–west strategic link between Manzini (commercial hub), Matsapha (industrial Hub), Mbabane (administrative hub) and South Africa on the north-west through the Ngwenya-Oshoek border post as shown in Figure 16 below. The Ngwenya border post remains Swaziland's busiest crossing point. It also serves as the major regional road link to Swaziland's prime market of South Africa and to the international market through Mozambique via the port of Maputo.

Figure 16: Road network showing the MR3 Highway

Source: Swaziland National Report, Accessed on 28/06/2017

The MR3 Highway services manufacturing industries in Matsapha for imports and exports to and from South Africa. It also cuts through Matsapha industrial site passing through Manzini and Mpaka railway station up to Simunye and end at the Lomahasha border post connecting Swaziland with Mozambique in the east. The MR3 highway services coal mining activities in Mpaka and sugar cane production and milling in Simunye and Mhlume where they are transported to Maputo port and exported to other countries. Iron ore dumps from Ngwenya iron-ore mine in the north-west are transported by trucks using the same highway, to Mpaka railway station where it is loaded on to a train headed for the Maputo port. From there, it is exported to China and India.

The MR8 Highway is a single carriage highway which links Manzini with the Durban port through the Lavumisa border post in the South of Swaziland. It passes through Siphofaneni, Big Bend and Nsoko to Lavumisa joining the N2 highway in South Africa to the port of Durban (Manzini-Durban Corridor). Production centres located along this highway include Big Bend which has a lot of citrus fruits and sugar plantations, a sugar mill and an ethanol distillery plant, while Nsoko has large citrus fruits estates. All products are exported through this corridor to markets in East Africa, North America and Europe.

The MR6 is a single carriage highway which connects from the MR3 highway to Matsamo border post in the north, connecting to the Johannesburg-Mpumalanga-Maputo corridor. This highway services timber processing and citrus fruits plantations in the north of Swaziland.

The MR9 Highway in the South West links Matsapha with Nhlangano to the Mahamba border post, connecting to the N2 highway to Durban. Nhlangano has several forest plantations and a timber processing plant with final products exported to overseas countries via Mahamba border post to the Durban port. The border post also services textiles and clothing industries located in Nhlangano, who import fabric from the Far East and export to USA via the Durban port. The current road network in Swaziland is divided into four broad categories of roads, as shown in Table 10 below:

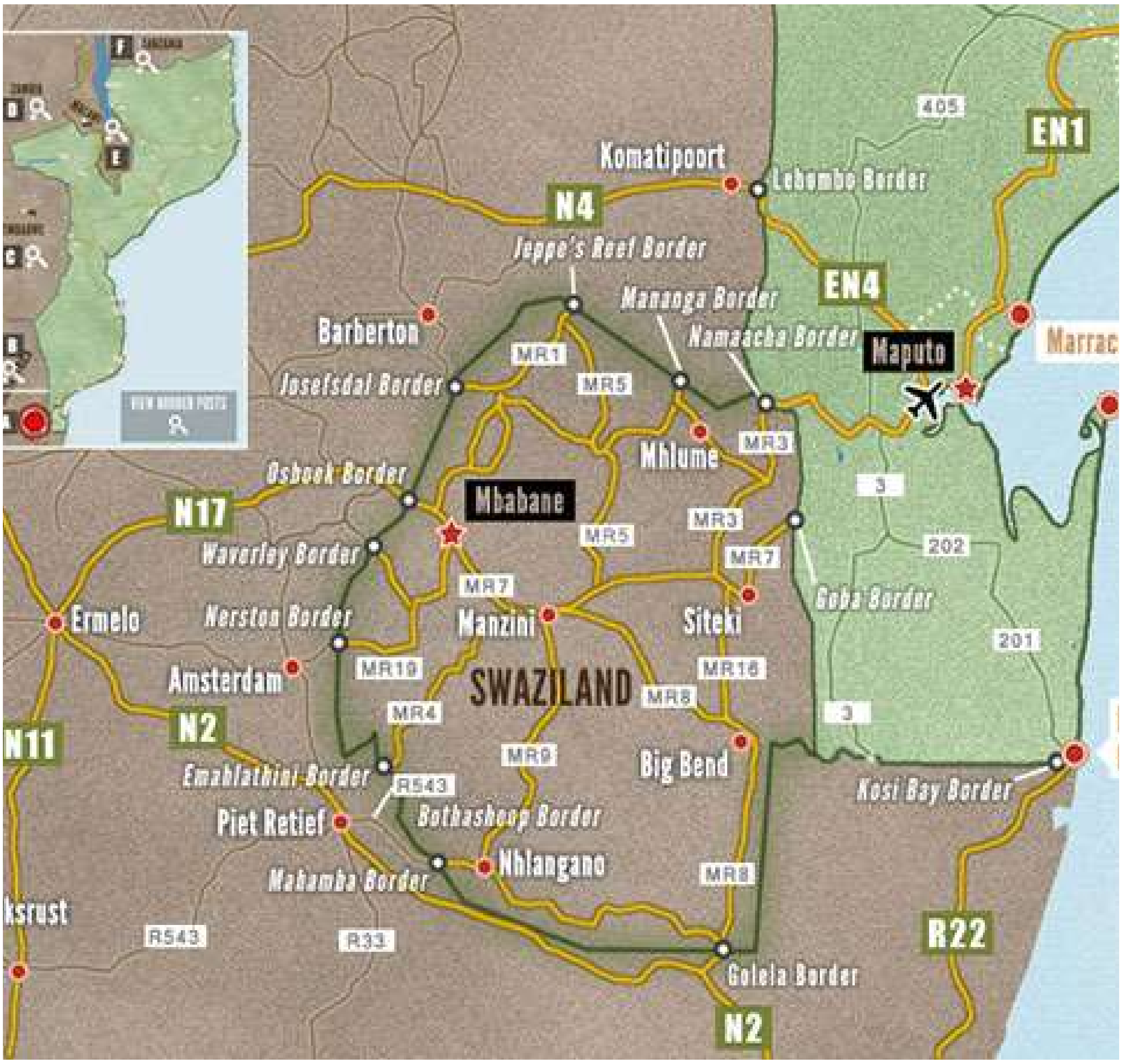
Table 10: Road Network

Road Category	Paved km	Unpaved km	Total km
Main Roads	855	539	1395
District Roads	62	1534	1596
Urban Roads	200	188	388
Feeder Roads	-	1500	1500
Total	**1117**	**3761**	**4879**

Source: Road Reform in Swaziland, Accessed on 10/07/2017

Swaziland has several border posts that allow the country to link up with South Africa and Mozambique as shown in Figure 17 below.

Figure 17: ***Swaziland Border Posts***



Source: Road Reform in Swaziland, Accessed on 11/07/2017

The operating hours of the border posts are outlined in Table 11 below.

Table 11: Swaziland Border Posts and operating times

Border Post	Operating Times	Location
Ngwenya (Oshoek)	07:00 – 00:00	From Johannesburg
Bulembu (Joseffsdal)	08:00 – 16:00	From Barberton and has 20km of dirt/gravel road
Matsamo (Jeppes Reef)	07:00 – 20:00	From Malelane Gate in Kruger Park & Nelspruit
Lavumisa (Golela)	07:00 – 22:00	From Durban
Sicunusa (Houtkop-Emahlathini)	08:00 – 18:00	From Drakensburg & KwaZulu-Natal Battlefields
Mananga	07:00 – 18:00	From Mpumalanga
Gege (Bothashoop)	08:00 – 16:00	Situated near Piet Retief and has a single gravel carriageway
Lundzi (Waverly)	08:00 – 16:00	From Mpumalanga
Mahamba	07:00 – 22:00	From Mpumalanga
Salitjie (Onverwacht)	08:00 – 16:00	From Kwa-Zulu Natal
Sandlane (Nerston)	08:00 – 18:00	From Mpumalanga
Lomahasha (Namaacha)	07:00 – 20:00	From Maputo - Mozambique
Mhlumeni (Goba)	24 hours	From Maputo - Mozambique

Source: Road Reform in Swaziland, Accessed on 10/07/2017

The Mhlumeni/Goba border post between Swaziland and Mozambique is the only border post that operates around the clock. The Ngwenya/Oshoek border post between Swaziland and South Africa operates until midnight. It is the busiest border gate and it becomes heavily congested during certain periods, such as on long weekends and when there are special events such as concerts.

4.2 Current Road Developments/Projects

The Government is targeting to upgrade all main roads amounting to 254km, pave all district roads with an Annual Average Daily Traffic of more than 250 automobiles and upgrade an existing 390km of paved road over the medium term. An amount of approximately SZL2 billion was allocated in 2017/18 to implement on-going projects which include:

- Completion of Nhlangano-Sicunusa Road;
- Construction of Bulembu-Piggs Peak-Magoga road, Nsoko to Maloma and Maloma to Nsalitje and the maintenance of low level crossings and gravel roads across the country;
- Commencement of Big Bend-Lukhula-Siteki road, Manzini-Mbadlane Road, Siphofaneni to Maloma via Sithobelweni and St Phillips to MR14 junction;
- Upgrading of 160 km of rural roads with the use of soil stabilising chemicals; and
- Promoting road safety by piloting the Intelligent Traffic System along the MR3 with support from the Government of the Republic of China (Taiwan).

4.3 Road Traffic Legislation

The Ministry of Public Works and Transport in Swaziland is directly responsible for monitoring and regulating the movement of goods and people in and out of the country. The Ministry operates through the Road Transportation Department which is the custodian of the Road Traffic and Road Transportation Acts of 2007. The legislation regulates the movement of traffic and road users along the country's roads. Beyond the country's borders, Swaziland is governed by the international organs' protocols, bilateral, tripartite and multilateral agreements.

Both road transport and road infrastructure together form the largest part of the transport sector in Swaziland. Vehicle Ownership is roughly 140 vehicles per 1000 population compared to 500 vehicles per 1000 population in developed countries. This points to the fact that further increases in the numbers of vehicles can be expected due to an increase in income and a reduction in disparity. With reference to freight, trucks are about 10% of the traffic on main roads. Two axle trucks dominate (60%) but many trucks are large with six or more axles (30%).

4.3.1 Transit Policy

Swaziland undertook a number of reforms aimed at developing a comprehensive transit policy that includes improving the legal regulatory framework, establishing public-private sector composed committees, ratifying international conventions and reducing general transport and trade costs.

The Reforms on Institutional and Legal Frameworks on Transit in Swaziland are derived from the Customs Act of 1971. Standard Operating Procedure has been finalised by the customs department of the SRA which includes the removal and security of goods.

Several committees were established which include:

- A National Trade and Transport Facilitation Committee in an effort to promote public-private sector dialogue and cooperation on issues of formulating proper transit policy and procedures;
- The Customs–to–Business Forum, aims to establish more meaningful engagements with the various private sector players to discuss customs issues. This forum exists in all SACU member states and forms part of the SACU-WCO Custom Development

Programme which seeks to ensure that all SACU countries comply with international customs instruments and to modernize customs administration;

- The National Working Group on Trade Facilitation (NWGTF) aims to coordinate all work relating to the WTO Negotiations on Trade Facilitation. The NWGTF is composed of key stakeholders such as trade, investment, animal and plant departments, standards organization, clearing agents, Transport Ministry, ICT, attorney generals offices, chamber of commerce and federation of small business; and
- The National Monitoring Committee (NMC) on Non-Tariff Barriers (NTBs) aims to coordinate all work relating to reporting, monitoring and eliminating NTBs in the Eastern and Southern African regions. The NMC reports to the Tripartite NTBs Focal Point meetings. The NMC is composed of key public and private sector players.

Swaziland has a standing Joint Bilateral Commissions (JBCs) with both Mozambique and South Africa which provides a platform for cooperation on a number of issues including customs and transit transport issues. The JBCs are held periodically and have led to the establishment of memoranda of cooperation in key areas such as customs, rail and road transport and immigration.

Swaziland has ratified the Revised Kyoto Convention which is a blue print for modernising customs procedures and includes amongst others, recommendations for the simplification of clearance procedures relating to the movement of transit goods.

A number of key reforms have been undertaken to increase the transparency of transit and border regulation, establish streamlined border administrative procedures and simplify border control and procedures. The reforms are:

- The adoption of the Single Administrative Document for customs declarations which replaced the Common Customs Area Form 1. This has reduced the required documentation for customs declarations and thus reduced the delays and costs on movement of goods;
- Automation of customs declaration systems by implementing ASYCUDA and the application of facility for remote Direct Trader Input (DTI) where approved traders can prepare customs declarations from their offices and lodge them with customs, thus significantly contributing to reduced clearance costs;

- Conducting the Time Release Study and subsequent report funded by the World Bank which highlighted bottlenecks in border procedures and provided solutions to address them;
- Assigning SRA customs as the authority responsible for issuing certificates of origin which reduced costs and time to document processing. Before all certificates of origin were issued by an agency which only had offices in Mbabane. SRA offices are located in all parts of Swaziland, particularly areas with high economic activity;
- Undertaking Infrastructural development projects such as upgrading border posts to improve the flow of traffic which leads to reduced clearance times for all transporters including transit consignments. Current projects include Lavumisa border post upgrading. This is funded from the national budget. There are also plans to upgrade Ngwenya border post which is Swaziland’s main and busiest entry point; and
- Extending operating hours at the Ngwenya border post linking Swaziland and South Africa from 10 pm to 12 pm midnight and adopting 24 hour operations on the Lomahasha border post linking Swaziland and Mozambique.

4.3.2 Speed Limits

The general speed limit in Swaziland is 80 kilometres per hour (KPH), reducing to 60 KPH in urban areas. On Highways, the limit is 120 KPH.

4.3.3 Traffic Fines

Driving in Swaziland is on the left-hand side of the road with a minimum driving age of 18 years, and 23 years for renting a car. Signs on the motorway are green with white writing. There are no toll roads in Swaziland. Foreign cars entering Swaziland need to obtain a disc at the border which is a Government road levy and costs SZL50.00. Fines are payable on the spot for foreigners' cars.

The offenses and official road traffic fines for Swaziland outlined in Table 12 are as follows:

Table 12: Traffic violations

TRAFFIC VIOLATION	AMOUNT
Driving under the influence(legal limit is 0.05% or 0.38mg/l in a breath specimen)	SZL 1500 – SZL5,000.00
• Refusing to give blood/breath sample	SZL 1,500
Speed	
• Exceeding the limit by 11-15km/h	SZL 250
• Exceeding by 16-20km/h	SZL 500
• Exceeding by 21-25km/h	SZL 750
• Exceeding by 26-30km/h	SZL1,000
• Exceeding by 31-35km/h	SZL1,250
• Exceeding by 36-40km/h	SZL1,500
• Above 40km/h	Court
Registration and licensing of motor vehicles	
• Vehicle that is not registered	SZL1,000
• No number plate	Court
• No disc	SZL500
• No roadworthy certificate	SZL1,000
• Brakes not in good working order	SZL500-SZL750
• Excessive exhaust smoke	SZL250
• Defective seatbelt	SZL250
• Worn, damaged or illegal tyres	SZL250 per tyre
Vehicle load	SZL1,500
Road traffic signs	SZL500-SZL750
Lane discipline	
• Failing to keep to the left	SZL1,000
• Overtaking illegally	SZL1,000
• Obstructing oncoming traffic	SZL1,000
Driving without license	SZL1,250

4.3.4 Vehicle Dimensions and Weights Restrictions

Legal load limitations are imposed in order to protect the roads from the excessive damage caused by heavy loads. The load limitations are based on:

- The engine power of the vehicle and limitations specified by the vehicle;
- Tyre manufacturers;
- The damage or wear caused by an axle load to the road; and

- The load concentration applied by a group of axles or axle units to bridge structures.

Swaziland's axle load regulations compares favourably with the other SACU member states. Tables 13 and 14 below, give an indication of the Axle, Gross Combination Mass and Dimensional limits for most cross-border partners:

Table 13 : Load Limits

LEGAL LOAD LIMITS ON GOODS VEHICLES

COUNTRY	STEERING AXLE	SINGLE AXLE	TANDEM AXLE	TRIDEM AXLE	COMBINATION AXLE
Botswana	7 700 kg	8 200 kg	16 000 kg	24 600 kg	50 200 kg
Lesotho		8 200 kg	16 400 kg	21 000 kg	49 000 kg
Namibia	7 700 kg	8 200 kg	16 400 kg	21 000 kg	48 400 kg
South Africa	7 700 kg	8 000 kg	16 000 kg	24 000 kg	56 000 kg
		(2 wheels)	(2 wheels)		
South Africa		9 000 kg	18 000 kg		
		(4 wheels)	(4 wheels)		
Swaziland	7 700 kg	8 200 kg	16 400 kg	21 000 kg	50 200 kg

The single axle for all the countries except for South Africa is harmonised. The tandem and tridem axle of three of the countries namely Lesotho, Namibia and Swaziland is also harmonised.

Table 14: Dimensional Limits

LEGAL DIMENSIONAL LIMITS ON GOODS VEHICLES

COUNTRY	OVERALL WIDTH	OVERALL HEIGHT	LENGTH OF RIGID	LENGTH OF ARTICULATED	LENGTH OF COMBINATION
Botswana	2,5 m	4,1 m	12,5 m	17,0 m	22,0 m
Lesotho	2,6 m	4,1 m	12,5 m	17,0 m	22,0 m
Namibia	2,5 m	4,1 m	12,5 m	17,0 m	22,0 m
South Africa	2,5 m	4,3 m	12,5 m	18,5 m	22,0 m
	(medium)				
South Africa	2,6 m				
	(heavy)				
Swaziland	2,5 m	4,1 m	12,5 m	17,0 m	20,0 m

The dimensional limits in SACU are harmonised, with exception to South Africa, on the overall height and length articulated.

5 PASSENGER ROAD TRANSPORT

The commercial conveyance of passengers by road between South Africa and Swaziland is carried out by taxis, buses and tour operators. All commercial passenger operators, both in South Africa and Swaziland, need to have valid cross-border road transport permit in order to transport passengers across the South African and Swaziland borders.

The statistics used to analyse passenger volumes and trends were obtained from data collected by the South African Department of Home Affairs (DHA) in 2017. The data used for this analysis is comprised of mode of transport used, passengers in transit and passengers arriving in and those departing from South Africa.

The data collected at the ports of entry into South Africa shows that a total of 3 841 519 travellers (arrivals, departures and transits) passed through South African ports of entry in April 2017 as presented in Table 15 below.

Table 15: Travel Statistics

Travel Direction	April 2016	April 2017	% change
South Africa Residents	***842 424***	***1 068 065***	***26.8%***
Arrivals	408 482	515 265	26.8%
Departures	435 094	552 015	26.9%
Transit	848	785	-7.4%
Foreign Travellers	***2 622 668***	***2 773 454***	***5.7%***
Arrivals	1 320 375	1 395 241	5.7%
Departures	1 238 684	1 317 866	6.4%
Transit	63 609	60 347	-5.1%

Source: StatsSA Tourism, Accessed on 12/07/2017

As shown in the Table above, the travellers were made up of 1 068 065 South African residents and 2 773 454 foreign travellers. A further breakdown of the figures for South African residents indicates that there were 515 265 arrivals, 552 015 departures and 785 travellers in transit. The corresponding volume for foreign arrivals, departures and transit travellers was 1 395 241, 1 317 866 and 60 347 respectively. A comparison between the movements in April 2016 and April 2017 indicates that the volume of arrivals and departures increased for both South African residents and foreign travellers, while the volume of travellers in transit decreased for both South African residents and foreign travellers.

5.1 Mode of Travel

Table 16 below shows that the common mode of transport used by travellers is road.

Table 16: Mode of Travel

Travel Direction	Air	Road
South Africa Residents	***396 419***	***667 610***
Arrivals	191 081	323 482
Departures	204 553	344 280
Transit	785	0
Foreign Travellers	***657 322***	***2 104 636***
Arrivals	285 576	1 103 289
Departures	311 399	1 1001 347
Transit	60 347	0

Source: StatsSA Tourism, Accessed on 12/07/2017

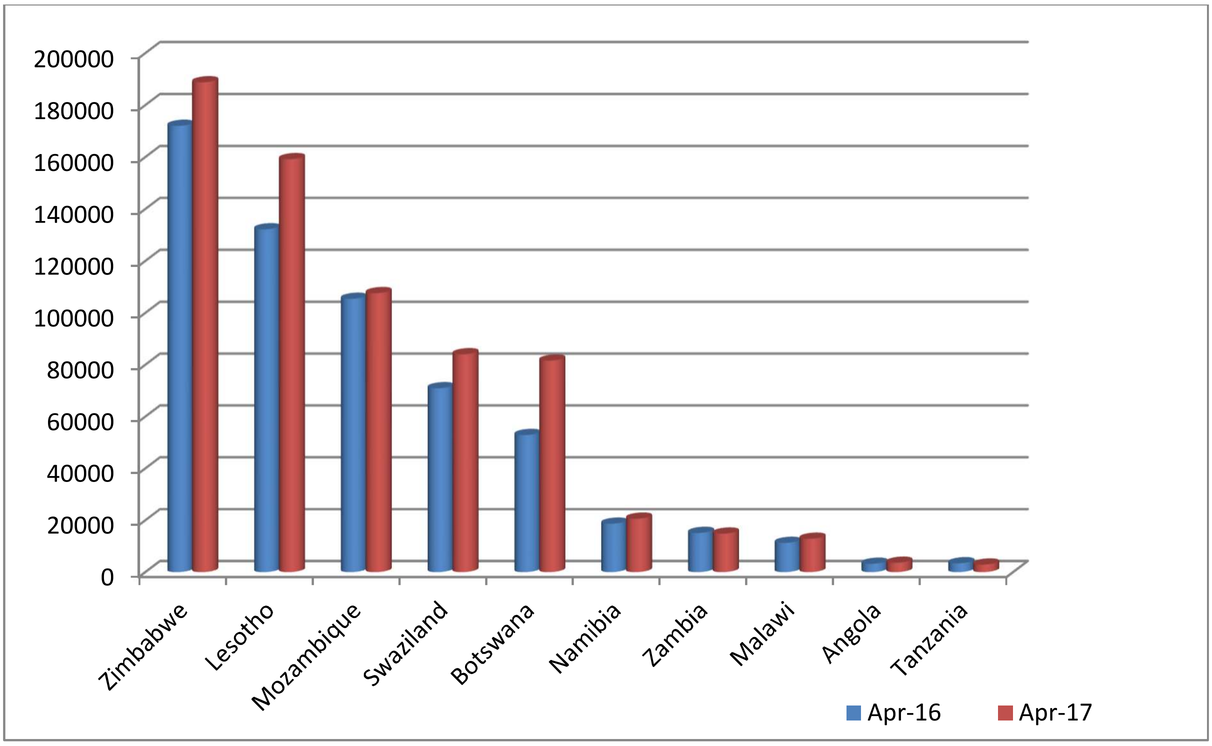
Data presented in Table 15 above shows that in April 2017, road transport was the most common mode of travel used by 2 772 398 of the total number of travellers. The total number of travellers who used air transport was 1 053 741 (27, 4%). The arrivals data for South African residents show that 191 081 (37, 1%) came by air and 323 482 (62,8%) came by road. For departures, 204 553 (37, 1%) used air and 344 280 (62, 4%) used road. All travellers in transit 785 (100, 0%) used air transport.

5.2 Regional Distribution

During the same period, 194 863 (87, 8%) of the 222 055 overseas tourists arrived in the country by air, whilst 25 288 (11, 4%) came in by road and 1 904 (0,9%) arrived by sea. This is in contrast to the number of tourists from the SADC countries who came into South Africa predominantly by road 639 734 (94, 0%), followed by air travel, 41 176 (6, 0%) and 8 (less than 0, 1%) arriving by sea.

The ten leading SADC countries in terms of the number of tourists visiting South Africa in April 2017 were: Zimbabwe, 188 743 (27,7%); Lesotho, 159 175 (23,4%); Mozambique, 107 597 (15,8%); Swaziland, 84 036 (12,3%); Botswana, 81 570 (12,0%); Namibia, 20 608 (3,0%); Zambia 14 838 (2,2%); Malawi, 12 857 (1,9%); Angola, 3 590 (0,5%) and Tanzania, 2 897 (0,4%) as shown in Figure 18 below. Tourists from these ten countries constituted 99, 3% of all tourists from the SADC countries.

Figure 18: Number of tourists from SADC



Source: StatsSA Tourism, Accessed on 12/07/2017

A comparison between movements in April 2016 and April 2017 for the ten leading SADC countries shows that the number of tourists increased for eight of the ten leading countries (Botswana, Lesotho, Swaziland, Malawi, Angola, Namibia, Zimbabwe and Mozambique), and decreased for the other two (Tanzania and Zambia). Botswana showed the largest increase of 54, 3% (from 52 875 tourists in April 2016 to 81 570 in April 2017), while Tanzania showed the largest decrease of 14, 5% (from 3 388 tourists in April 2016 to 2 897 in April 2017).

5.3 Cross-Border Operators profile

The number of permits issued by the C-BRTA for the Swaziland route for freight in 2015/16 is 5 251 which is a 1.98% decrease from 5 355 that was issued to 2014/15 and taxi operators were 529. The route is predominantly serviced by the taxi industry, with a few buses being issued permits for conveyance of organised groups. Table 17 below shows the number of permits issued to South African operators to operate between South Africa and Swaziland. The bus permits increased by 11.25% while the taxi and freight operators' decreases. There was a further decrease of 295 and 39 permits in 2016/2017 in both freight and bus permits respectively. The taxi permits increased by 30% in 2016/2017.

Table 17: Operator permits issued in the period

FINANCIAL YEAR	FREIGHT PERMITS	BUS PERMITS	TAXI PERMITS
2014/2015	5355	71	539
2015/2016	5251	80	529
2016/2017	4956	41	759

Source: the CBRTA, Accessed on 14/07/2017

There was an overall increase of 3.96% in permits issued year-on-year during the 2015/2016 year, translating into an increase of 3,125 permits. Permits issued to freight carriers increased by 4.5% up from 62 647 to 65 615, bus permits decreased by 5.6% from 2 234 to 2 115 and taxi operations increased by 5.8% from 11 663 to 12 354. The overall increase for 2016/2017 was 11.8% which was made up of a 0.94 decrease in freight permits, a 25.2% increase in taxi permits and a 4.9% decrease in bus permits.

There are currently 15 South African taxi associations operating to 3 destinations in Swaziland. The associations are CUTA, Durban Long Distance, Embhuleni Cross Border, Goldfield Majakathata, Greater Westonaria, Kangwane-Swazi, Mbombela Cross Border , N4 Cross Border, Northam T/A, Lebombo, Pretoria United Long Distance, Rusmoldta, Springs, Thusano and Tshwane. The borders that are used by these taxi associations are Oshoek, Golela, Mahamba, Jeppes Reef and Mananga.

New entrants into the cross-border road passenger transport market are regulated by the C-BRTA Regulatory Committee, which assesses whether the demand for such a service exists.

6 OPPORTUNITIES

Prior to identifying opportunities, here are some challenges that operators encounter in Swaziland:

- The Manzini-Mbabane corridor is centrally located making it a prime area for transportation networks linking to other areas in the country. This makes it easily overcrowded as a result of internal migration;
- Challenges arising from increased urbanisation include providing adequate access to sanitation and power and dealing with air and water pollution, inadequate waste management and increased crime rates;
- Traffic accidents in Swaziland may pose an even greater hazard than crime. Other hazards include poor lighting in rural and suburban areas which pose additional safety hazards such as pedestrians and animals crossing under inadequate lighting and irregular traffic signals;
- Overloading of vehicles and therefore failing to meet minimal safety standards;
- Swaziland exports still face elements of uncompetitiveness in global markets, because of high transport and trade costs. Transport costs remain very high due to relatively low volumes of imports and exports, particularly for rail transport thus resulting in high unit costs and tariffs created by poor equipment and infrastructure utilisation. This is further exacerbated by traffic flow imbalances, resulting in a large proportion of empty return hauls and additional costs for repositioning empty containers; and
- Rail transport faces bottlenecks such as the absence of one central train planning office to control train movement. There is need for the provision of double lines to enable trains to run in both directions at the same time. The train bridge design also has limitations as it only accommodates one train.

Swaziland recognizes the need for an attractive investment climate, based on sound macroeconomic policies and fiscal discipline and leading to accelerated economic growth. This requires considerable transformations within the private and public sectors in order to generate an expansion of the tradable goods sector. At the same time Swaziland seeks to enhance the development of its human resources, to create greater labour market flexibility, and to place a new emphasis on industrial and infrastructural development. To this end, the country developed a National Development Strategy (NDS), which contains a vision that seeks to place the country in the top 10% of the medium human development group of countries by the year 2022. The strategy emphasises a vigorous economy, the efficient utilisation of natural resources and the development of infrastructure, research and innovation. The following are opportunities identified for investors.

6.1 Agriculture and food Industries

Agriculture is traditionally the backbone of Swaziland's economy and a great contributor to the country's GDP. The sector is also a major source of employment for over 70% of the rural population. The diverse agricultural activities that take place in the country include sugar cane production, citrus fruit, cotton, forestry, livestock, maize, other cereal crops and other undertakings which generate foreign exchange earnings. The following opportunities are identified:

- Peanut Butter production: Swaziland offers enabling weather conditions for groundnuts and other legumes. Most growers produce peanuts and groundnuts for peanut powder and other raw uses;
- Tomato sauce production: Tomatoes are grown in large quantities in the country and have huge potential for further processing; and

Other opportunities within this industry are:

6.1.1 Beef Production

SIPA has identified a feedlot facility (used for beef farming) on a farm measuring 300 ha which is available for sale. The farm has the capacity to carry 9000 cattle and is fully equipped with feed trays, two 500 cubic litre tanks, a dip tank and a feed storage room. The farm is in Mafutseni in the Manzini District and requires venture and operating capital.

6.1.2 Agriculture

Swaziland is expanding its production of industrial crops such as cotton, cassava, strawberry, melons, and sunflowers among others to supply industry in its processing. Huge markets exist for these products to be exported raw or processed.

6.1.3 Agro-Processing

An opportunity exists for equity participation to set-up a cassava manufacturing plant at Siphofaneni. There is a 1,763 ha of land available for cultivation, a plant, irrigation and tractors.

6.2 Manufacturing

This sector accounts for around 65% of total Foreign Direct Investment (FDI) and as an employer, is second only to agriculture, providing jobs for about 26% of the work force.

Manufacturing activities undertaken include mining drills for the European markets, refrigeration for domestic and commercial purposes. Steel and wire goods are produced for the Southern Africa and local markets. This industry is set to grow substantially from the mining sector which is currently being revived. The following areas are identified as opportunities to be explored:

- Electronic Components Manufacture and Assembly;
- Manufacture of automobile spare parts;
- Processing of hides and skins (Leather goods and footwear); and
- Furniture and other timber related manufacturing.

Food, Confectionary and Beverage manufacturing is a very vibrant and significant part of the manufacturing sector of Swaziland. Food processing includes fruit and vegetable canning for export to the European, North American and Japanese markets. There is huge demand for Swazi produce in overseas markets, especially pineapples. The manufacture of sweets, delicatessen and soft drink concentrates all utilise locally produced sugar and are carried out on a large scale. Opportunities identified are:

- Fruit , vegetable preservation and bottling;
- Bottling (preservation) of pickles and chutneys;
- Bottling of jams and jellies;
- Processing of beans and other legumes;
- Bottling of spring-water and flavoured spring water; and
- Juice squeezing (fresh juice from oranges, grapefruits and guavas).

6.2.1 Engineering

Liyandza Holdings has recently purchased a fully-equipped, world-class, high-precision production factory, located on a 32 acre site in Ngwenya, Swaziland. The factory was established in 2008 to develop the Peterstow patented energy-efficient drilling system for global gold and platinum metal mining markets. The factory is located in Ngwenya Industrial Estate, which is five minutes from the Oshoek border post. The factory is fully equipped and ready to use. The company is looking for a joint venture to operate the factory with.

6.2.2 Pharmaceuticals

An opportunity exists for the manufacturing of pharmaceutical products in Swaziland. The investing companies could produce for medicinal, cosmetics and therapy industries. Natural medicinal plants are available for research and development within the state-of-the-art Science and Technology Park.

6.3 Tourism

Swaziland's tourism industry remains one of the fastest growing industries and a large generator of income. The peace, stability and low crime rate compare better tha the neighbouring countries South Africa and Mozambique. Unique attractions and close proximity to the world famous Kruger National Park make Swaziland the right place to visit. Swaziland offers many diverse and unique attractions that appeal to a wide cross-section of tourists. Traditional ceremonies are an integral part of Swazi life despite the advent of modernisation. The most important of these include the sacred Incwala or the Festival of the First Fruits. This is essentially a Kingship ceremony held to renew the strength of the King and the Swazi nation for the coming year. Incwala is held in December/ January of each year, at the time of the new moon preceding the event.

The sector has the following opportunities:

- The development of an eco-city Orchard Estate & Resort, Stone Age Wild Life, resort and golf estate, motor sport racing track, theatre and museum: these projects require equity investors and funding partners. The location of the proposed development is North West of Mbabane;
- SIPA has identified a project which is targeting tourists from around Southern Africa and the world, the development of an amusement and theme park which is linked to the development of a state of the art government owned ICC. This opens up opportunity for investment (equity capital and concept development) into an amusement and theme parks.

6.4 Textile

The Swazi textiles industry took off in 2001 after Swaziland signed the AGOA with the US in 2000. As a result, garment exports to the US tripled in the three years following Swaziland's membership with AGOA. Textile and garment production plays a significant role in Swaziland's manufacturing sector. In the last several years, the textile and garment industry has grown to offer a wide range of services, including spinning, weaving, knitting, dyeing, and finishing. Introducing such labour-intensive processes locally has increased employment opportunities; currently, the industry provides jobs for over 15,000 Swazis. Swaziland's textile and garment manufacturers are primarily located in the Matsapha Industrial Estate.

The footwear manufacturing industry is confined mostly to traditional footwear that is used in a number of cultural activities. These are mostly informal operators scattered around the country. The country has in the past played host to a sneaker manufacturing company, which stopped operating in the early 90's. Commercial footwear manufactures are non-existent in the country as there are no manufacturing entities in this category. This industry has huge potential as Swaziland has preferential agreements with the US, EU and the region (Africa).

6.5 Transport

Large scale investments are being made in rail infrastructure and opportunities exist for equipment sales and service contracts in transportation. Swaziland Railway and Transnet have agreed to develop a 146 kilometre railway line between Lothair in Mpumalanga, South Africa through Sidvokodvo in Swaziland as well as upgrading adjacent networks in both countries. The construction of a railway line that connects Lothair, near Ermelo in Mpumalanga province in South Africa, to Richards Bay, in Mozambique through Swaziland is underway. A pre-feasibility study was completed and feasibility study is being conducted.

The project on the Swaziland side will cover the following:

- New line from the border to Sidvokodvo over a distance of approximately 92 km;
- The new line will be designed for heavy haul traffic of 100 wagon trains or more with an axle load of 22 and 26 tones and an allowance for future upgrading to 26 tones and a haulage of 200 wagon trains; and
- The existing section of the rail line between Sidvokodvo and Phuzumoya will be upgraded and re-aligned to be of the same standard as the new line.

Phase 2 will entail the purchase of locomotives (300) and wagons (4,500).

The construction of the new rail link will bring opportunities for South African companies in the supply of new railroad construction materials, locomotives and wagons. The construction of the rail link will further open up opportunities for strategic route designers and network planners.

7 CONCLUSION

Swaziland is a small, landlocked monarchy in Southern Africa. It is neighboured by Mozambique to its northeast and by South Africa to its north, west and south. At no more than 200 kilometres (120 mi) north to south and 130 kilometres (81 mi) east to west, Swaziland is one of the smallest countries in Africa, with a population of over 1.3 million.

Swaziland's economy is diversified, with agriculture, forestry and mining accounting for about 13% of GDP, manufacturing representing 37% of GDP and services constituting 50% of GDP. The Swazi economy is very closely linked to the economy of South Africa, from which it receives over 80% of its imports and to which it sends about 60% of its exports. Swaziland's other key trading partners are the United States and the EU, from whom the country has received trade preferences for apparel exports under AGOA and for sugar to the EU.

The Government of Swaziland is committed to prioritising the promotion of a favourable investment environment. Because of its small domestic market, Swaziland has positioned itself as an export oriented economy, a position which is enhanced by strategic market access agreements that the country has entered into. Swaziland is one of the world's 'Top 5' low cost sugar producers. Swaziland has modern infrastructural facilities suitable for export-oriented and global companies seeking to reduce operating/production costs and gains a foothold in global export markets. At the same benefits from a safe and well-established base location.

Swaziland has vast opportunities in light manufacturing of consumer goods and automotive components, agro industry and food processing, tourism and recreation, property development and energy generation.

8 CONTACT DETAILS OF RELEVANT AUTHORITIES

Table 18 below lists information on key stakeholders in the cross-border road transport environment for both South Africa and Swaziland. Should a cross-border transport operator or any other stakeholder face any challenge or need assistance in the course of conducting cross-border business, it is recommended that they contact the following stakeholders.

Table 18: Contact Details

South Africa	Cross-border Road Transport Agency	012 471 2000
	SARS Customs	0800 00 7277
	DHA	013 793 7311
	SAPS	+27 (0) 12 393 1000
	Agriculture	012 319 6000
	SANRAL	012 844 8000
Swaziland	Ministry of Public Works and Transport	(+268) 2409 9000
	Motor Vehicle Accidents Fund	(+268) 2404 7161/2(+268) 2404 5569(+268) 2404 5788
	Swaziland Revenue Authority	+268 2406 4000
	International Trade Department	(+268) 404 1808/9
	Swaziland Investment Promotion Agency	+268 404 0470/2/3/4
	Central Bank of Swaziland	(+268) 2408 2111

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