



SWAZILAND HANDBOOK



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1. OVERVIEW

Swaziland is a landlocked country in Southern Africa, bordered to the north, south, and west by South Africa and to the east by Mozambique. 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 (km²).

The current population of Swaziland is 1,315,775 which is equivalent to 0.02% of the total world population. The population density in Swaziland is 77 per km² (199 people per mi²).

2. TRANSPORT SYSTEM

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.

The current road network in Swaziland is divided into four broad categories of roads, namely main, district, urban and feeder roads. The total network is 4879, 1117 of which are paved and 3761 are unpaved. Swaziland has several border posts that allow the country to link up with South Africa and Mozambique, as shown in Table 1 below.

Table 1: 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

3. ROAD TRANSPORT 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.

The 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 point 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%).

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 at 7700kg for steering axle, 8200kg for single axle and 50 200kg for combination axle.

3.1 Traffic Fines

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. 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. Foreign cars entering Swaziland need to obtain a disc at the border for is a government road levy and cost of SZL50.00. Fines are payable on the spot for foreigners' cars; other offenses are outlined in Table 2 overleaf:

Table 2: Traffic Offenses and Fines

TRAFFIC VIOLATION	AMOUNT
Driving under the influence(legal limit is 0.05% or 0.38mg/l in a breath specimen) <ul style="list-style-type: none"> Refusing to give blood/breath sample 	SZL 1500 – SZL5,000.00 SZL 1,500
Speed <ul style="list-style-type: none"> Exceeding the limit by 11-15km/h Exceeding by 16-20km/h Exceeding by 21-25km/h Exceeding by 26-30km/h Exceeding by 31-35km/h Exceeding by 36-40km/h Above 40km/h 	SZL 250 SZL 500 SZL 750 SZL1,000 SZL1,250 SZL1,500 Court
Registration and licensing of motor vehicles <ul style="list-style-type: none"> Vehicle that is not registered No number plate No disc No roadworthy certificate Brakes not in good working order Excessive exhaust smoke Defective seatbelt Worn, damaged or illegal tyres 	SZL1,000 Court SZL500 SZL1,000 SZL500-SZL750 SZL250 SZL250 SZL250 per tyre
Vehicle load	SZL1,500
Road traffic signs	SZL500-SZL750
Lane discipline <ul style="list-style-type: none"> Failing to keep to the left Overtaking illegally Obstructing oncoming traffic 	SZL1,000 SZL1,000 SZL1,000
Driving without license	SZL1,250

4. DEVELOPMENTS

The government target is to upgrade all main roads amounting to 254km in distance, to pave all district roads with an Annual Average Daily Traffic of more than 250 automobiles, and to 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 Nhlanguano-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 People's Republic of China (Taiwan).

5. ECONOMIC OUTLOOK

Swaziland's economic growth has been slowing down since 2013 but is expected to rebound to 1.7% in 2017. The slowdown in economic growth is 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) which led to a sharp decrease in SACU revenues.

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.

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. In annual terms, exports grew by 7.5% in 2016 Q3. 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.

Swaziland's main exports partners are in Africa whilst the imports partners excluding South Africa, are non-African countries as seen in Table 3 below:

Table 3: 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,

6. 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.

Starting a business in Swaziland is a highly costly and time-consuming exercise when compared to other SACU members, as depicted in Table 4. 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.

Table 4: Comparative Rankings for Starting a Business

	SWAZILAND	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

Swaziland and Lesotho are out-performing the other member states on the trading across borders indicator, with South Africa as the worst performing country amongst the SACU member states.

Table 5: 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.

7. REQUIREMENTS FOR IMPORTATION AND EXPORTATION

7.1 Importation Process

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.

7.2 Exportation Process

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.

8. CHALLENGES AND OPPORTUNITIES

The following challenges were identified for operators:

- 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.

The following are opportunities identified for investors

8.1 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
- *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. It requires venture and operating capital
- *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.

- *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.

8.2 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. There is huge demand for Swazi produce in overseas markets, especially pineapples. 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).

8.3 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 than its neighbouring countries South Africa and Mozambique. The sector has the following opportunities:

- The development of an eco-city Orchard Estate & Resort, Stone Age Wild Life, a resort and golf estate, motorsport race 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.

8.4 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.

9. CONTACT DETAILS OF RELEVANT AUTHORITIES

Should cross-border operators or any other part conducting trade between South Africa and Swaziland face challenges at border posts and or in the corridor, they should contact the following key stakeholders for speedy resolution of challenges and assistance:

Table 6: 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