KINGDOM OF SWAZILAND

INTRODUCING

COUNTRY PROFILE – FACTS AND FINDINGS

KINGDOM OF SWAZILAND: ECONOMIC OUTLOOK

Swaziland, officially called the Kingdom of Swaziland, is a relatively small, landlocked sovereign state in Southern Africa. The country is neighboured by Mozambique to the east and by South Africa to the north, west and south.

Swaziland is closely tied to South Africa as a source for trade and remittances. South Africa is Swaziland's main trading partner. This landlocked country with its high level of unemployment, especially in the rural areas, is also a strong feedstock for migrant labour. Although Swaziland does not have compulsory remittance laws, it is dependent on remittances sent home by expatriates. According to World Bank estimates, remittances to the value of nearly E355m found their way to Swaziland during 2014, with most of this originating from South African mines and farms.

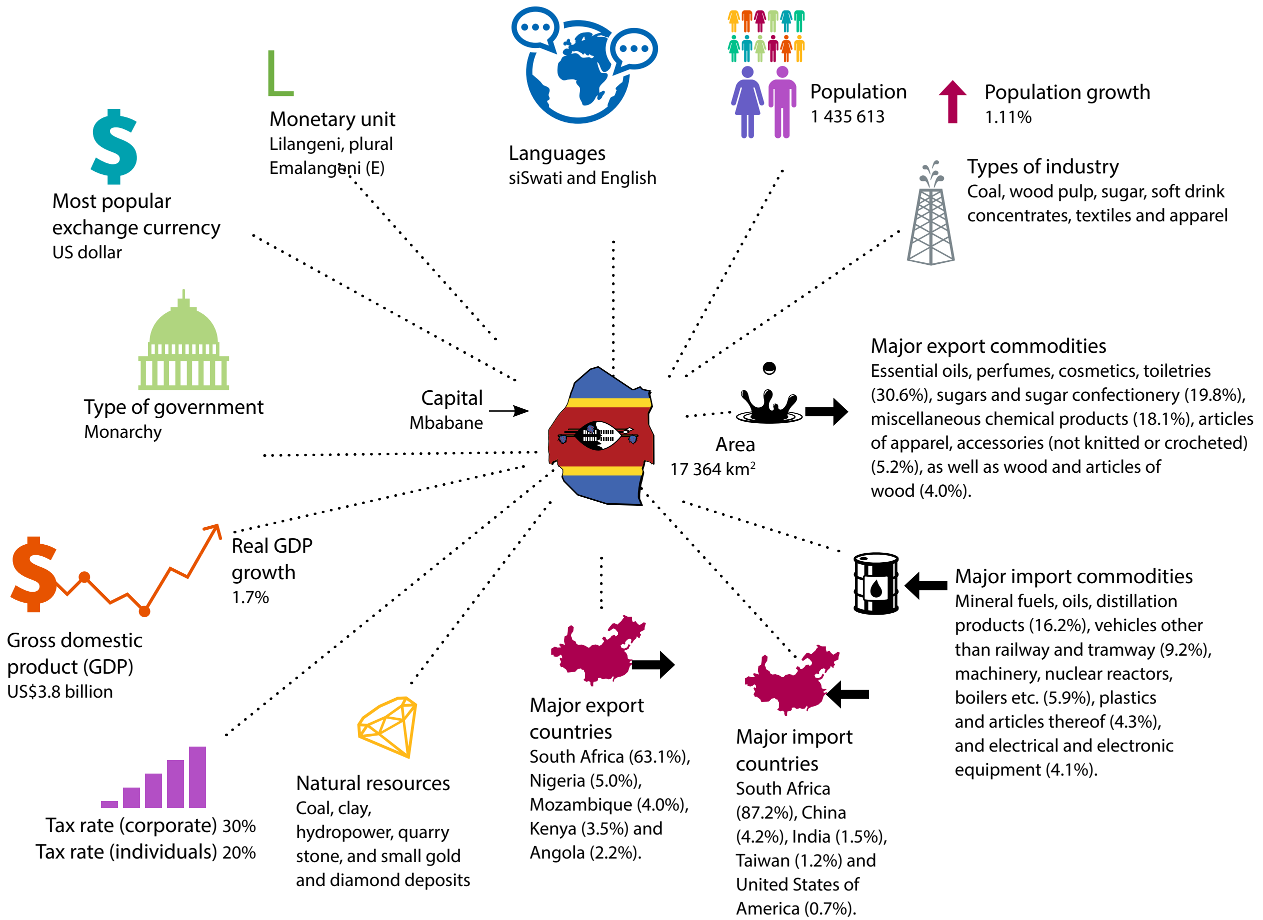
The economic growth prospects in Swaziland are expected to be stunted due to the severe impact of the drought, which has reduced sugar production. Other factors contributing to the lower economic growth include the weak real GDP growth in South Africa and the continued slump in Swaziland's textile sector after it stopped being eligible for the benefits under the African Growth and Opportunity Act (AGOA) in January 2015. The drought is expected to limit the growth in the agricultural sector in 2016; however, it is expected to pick up again in 2017.

The government seeks to raise US$2bn for its National Agricultural Investment Plan to reinvigorate agriculture.

Tourism is expected to continue to benefit from the weaker exchange rate, an investment loan from the World Bank, and new airport and tourist facilities.

The small-scale mining sector consists mainly of coal and iron ore. It will continue to struggle due to lower commodity prices because of the slowdown in the Chinese economy. There is little prospect of a strong revival in this sector, although a rise in coal prices in 2017 should stimulate production.

SWAZILAND: IN A NUTSHELL



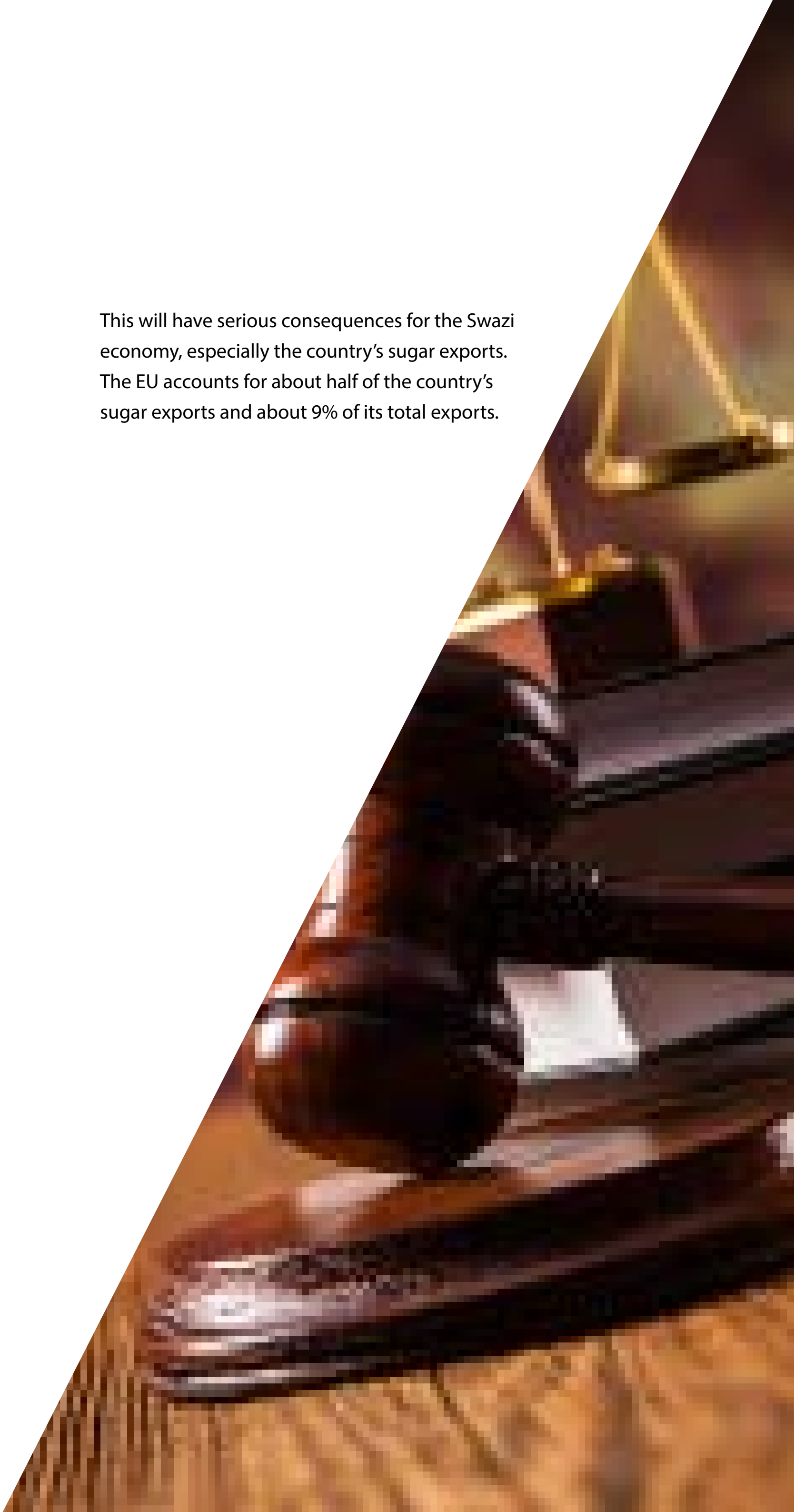
CHAMBERS/ASSOCIATIONS

Swaziland is a member of the Southern African Customs Union (SACU), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the African Union, the Commonwealth of Nations and the United Nations.

POLITICAL/LEGISLATIVE

- Swaziland became an independent state in 1968, after gaining its sovereignty from the United Kingdom.
- Although a constitution came into effect in 2006, the legal status of political parties was not defined and their status remains unclear.
- Legal system: Swaziland's legal system is a parallel system of Roman-Dutch and customary law.
- Head of state: Monarch, succession governed by custom. Currently, the king (or Ngwenyama) is King Mswati III.
- Head of government: The Prime Minister, Sibusiso Dlamini
- The last parliamentary election was held in September 2013. This election showed how dissatisfied the electorate was with the country's failing political system. The next election is scheduled for September 2018.
- The Swazi regime has been resisting popular demands for democratic reform and a lifting of the ban on political parties. As a result, social unrest continues in the main towns and cities.
- Under the tinkhundla system, the traditional voting system, political parties are not allowed to put up candidates for elections. Protesters are demanding that the country switches to a multiparty system.
- The government has been slow to react to international pressure for proper human rights standards and labour reform, and this will continue to strain international relations. Swaziland's lack of response has already caused the US to suspend Swaziland's eligibility for benefits under the AGOA since January 2015. This has had a negative impact on exports and jobs. The apparel industry in particular has been hit hard, as about one third of total apparel exports go to the US market. The country's preferential access to lucrative EU markets is now also at risk. The EU has threatened to impose trade sanctions.

This will have serious consequences for the Swazi economy, especially the country's sugar exports. The EU accounts for about half of the country's sugar exports and about 9% of its total exports.



ECONOMICS

- Swaziland is a developing country with a small open economy. Agriculture, manufacturing (especially textiles and sugar-related processing) and the service industry are the main activities of the Swaziland economy. However, any economic growth is negatively impacted by the HIV epidemic.
- Economic policy: Policymaking in Swaziland is in the hands of the king. It is unlikely that any significant economic reform will take place before there is comprehensive political change and reform. This includes reforms such as a reduction in the civil service wage bill and changes to the traditional land-tenure system.
- Official currency: The currency of Swaziland is the Lilangeni (SZL) = 100 cents; plural emalangeni (E). Swaziland's currency is pegged at parity to the South African rand under the Common Monetary Area (CMA) agreement, tying the country's monetary policy to that of South Africa. The country is expected to keep its exchange rate on par with the South African rand under the CMA agreement.
- Fiscal policy: Swaziland's fiscal policy has become expansionary in recent years. Both recurrent and capital expenditure have been increasing. Revenue collection has, however, also increased following an improvement in corporate and individual tax collection together with stepped-up administration efforts.
    - The Ministry of Finance presented its fiscal budget for the 2016/17 fiscal year in March 2016. Finance Minister Martin Dlamini projected an increase in total expenditure to E20.7bn (including interest payments on public debt and other statutory obligations), despite a decline in total revenue of 7% to E13.4bn. The fall in total revenue stems from the projected decline in Southern African Customs Union (SACU) receipts (a key source of government revenue).
    - Swaziland's budget deficit is expected to rise in fiscal year 2016/17. This reflects the fiscal constraints the government faces as a result of a sluggish economy, the impact of a long-drawn-out drought on agriculture, lower Southern African Customs Union (SACU) receipts and EU grants, as well as the large public sector wage bill. The government intends to finance the fiscal deficit through domestic borrowing. External financing will be used only for highly productive fixed capital investments.
    - The International Monetary Fund has stressed that fiscal consolidation will have to be improved over the medium term to ensure fiscal and debt sustainability.
- Inflation and monetary policy: Inflation is expected to rise in 2016, after averaging around 5.0% in 2015. This will be driven by an increase in global oil prices and higher transport costs, higher water and electricity tariffs, higher food prices and currency depreciation. Likewise, monetary tightening is expected in 2016 given higher inflation due to the drought pushing up food supply and food prices, currency weakening, as well as the need to harmonise with regional interest rates. Interest rate hikes will put pressure on households as their buying power keeps shrinking and their borrowing costs rise.
- External trade, the trade balance and the current account: The trade balance is expected to move into a deficit due to weak international prices for sugar (Swaziland's second-largest export category) and the loss of privileged access to the US market. This will weigh on exports. Expenditure on imports will probably spiral as global oil and food prices pick up. The current account deficit is expected to increase sharply on the back of a reduction in SACU receipts and a widening trade deficit. The drought will put pressure on the import bill as food prices are expected to rise in South Africa, the country's main supplier of imports.

SWAZILAND'S ECONOMIC ACTIVITY IN PERSPECTIVE

Swaziland Economic Structure: GDP composition by sector, 2014

Source: NKC Research, Swaziland Country Profile, December 2015

- The country's primary sector is dominated by agriculture and forestry activities. Its mining industry is very small.
    - Agriculture products include sugarcane, cotton, corn, tobacco, rice, citrus, pineapples, sorghum, and peanuts; and cattle, goats, and sheep.
    - Farming accounts for three-quarters of the country's land area. Three out of four Swazi households depend in some form or another on subsistence farming, especially rain-fed maize with no irrigation.
    - Productivity in the subsistence farming sector has been dropping. This is expected to contribute to a drop in the agriculture sector's contribution to GDP from 16% in the late 1990s to less than 8% in the future. The agricultural sector has been underperforming in recent years partly because of problems due to climate change, lower labour productivity as a result of HIV/AIDS, and deteriorating terms of trade.
    - Sugar production is the backbone of Swaziland's economy. This industry is deeply embedded in the domestic banking sector.
    - The country's mineral resources include small amounts of coal, quarried stone, and iron ore, gold and asbestos.
- The economy's secondary sector has a strong manufacturing component. The focus in this sector is on the processing of locally grown sugar; the production of textiles, clothing and footwear for export; cotton ginning; and wood pulping. The state supports the manufacturing sector with incentives and the supply of factory shells to attract factories to the country. It tries to provide the physical infrastructure to make it easier to start a business in the country. Of concern, however, is the cancellation of Swaziland's trade benefits with the US under the African Growth and Opportunity Act (AGOA) since January 2015, as well as the European Union (EU) Parliament's stern warning to the Swaziland government over human rights and labour freedom. These developments are bound to have an impact on investor interest in the country and foreign direct investment inflows into the country.

According to revised data from the Central Bank of Swaziland (CBS), Swaziland's construction industry has been the fastest-growing sector over the past three years. Real activity expanded by an average of 10.1% per annum, compared with the second-best performance of the financial and insurance services sector (6.3% p.a.). According to the CBS, construction output mainly grew because of increased government spending on its capital programme. The investment in various megaprojects in the country such as the MR3 highway, the Swaziland International Convention Centre (ICC) and a five-star hotel show that the landlocked country is developing alternative income streams.

Sectoral GDP growth (%) Rebased				
	2012	2013	2014 estimate	2012-2014 avg
Primary sector	3.2 (-5.1)	5.4 (1.7)	-3.2 (3.7)	1.8 (0.1)
Agriculture and forestry	2.0	4.1	-1.3	1.6
Mining and quarrying	36.6	33.0	-33.6	12.0
Secondary sector	1.4 (3.0)	2.8 (3.7)	3.7 (2.7)	2.6 (3.1)
Manufacturing	1.1	1.8	2.9	1.9
Public utilities	2.4	6.7	-6.8	0.8
Construction	3.5	10.5	16.3	10.1
Tertiary sector	4.8 (5.2)	3.0 (3.9)	2.4 (2.9)	3.4 (4.0)
Wholesale and retail	4.1	4.5	3.2	3.9
Real estate and business services	4.0	-1.2	1.1	1.3
Transport and communication	8.7	5.6	2.8	5.7
Financial and insurance services	8.5	6.4	4.1	6.3
General government services	0.3	3.3	2.1	1.9
Overall GDP	3.0 (2.7)	2.9 (3.0)	2.4 (2.5)	2.8 (2.7)
Source: NKC Research (CBS) Note: Data in brackets represent estimates published by the CBS prior to the GDP rebasing				

- Government services form the largest component of the tertiary sector (45% of services). The rest consists of a myriad of small and medium enterprises. There are four commercial banks operating in the country, including three South African subsidiaries. Seven companies are listed on the Swaziland Stock Exchange (SSX). The SSX often sees a month go by without any trading. The Central Bank of Swaziland guarantees loans for the export market and for small businesses.
- According to the World Travel and Tourism Council (WTTC), tourism activities accounted for 4.1% of GDP during 2014 and supported 12 500 direct and indirect jobs.

In 2015, the sector performed poorly, thereby contributing to the slowdown in economic growth. Another new threat for Swaziland's tourism industry is new South African regulations aimed at motorists crossing the border into the country from South Africa. Motorists travelling from South Africa into Swaziland and other neighbouring states now have to show documentation to prove they own their vehicles. According to Swazi Trails' managing director, Darren Raw, the rules make it hard to travel. He believes that it is going to have a major impact on tourism. The weaker exchange rate could, on the other hand, be good for tourism.

ECONOMIC GROWTH – CURRENT STATUS AND EXPECTATIONS:

- Swaziland's economy expanded by an estimated 1.7% during 2015. This was significantly lower than the 2.5% GDP growth in 2014 and the 2.95% in 2013. During 2015, the country had to cope with the weaker economy of South Africa, its largest trading partner, the closure of its iron ore mine, as well as a decline in orders for textiles, clothing, footwear and accessories from the US. The latter came after the US government cancelled the country's trade benefits under AGOA. Adverse weather conditions also raised havoc.
- The Swazi economy is, however, expected to expand at an even lower rate of 0.8% during 2016. For one thing, more adverse weather conditions will once again take their toll on the country. Other contributing factors include monetary policy tightening and low private sector development. Government spending will also come under pressure from lower SACU revenues. Swaziland's long-term growth outlook remains low.

Economic growth (%)						
	2014	2015(f)	2016(f)	2017(f)	2018(f)	2019(f)
Central Bank of Swaziland (CBS)	2.50	1.70				
NKC African economics	2.45	1.66	0.75	0.97	1.23	1.52
Inflation (%)						
NKC African economics	5.69	4.97	6.54	6.03	5.38	5.13
Short-term interest rate						
NKC African economics	8.63	9.04	10.08	10.50	11.00	11.50
Exchange rate (E/USD)						
NKC African economics	10.84	12.76	16.10	15.44	15.01	14.76

Source: NKC African Economics: Swaziland Quarterly Update, March 2016

SOCIAL/DEMOGRAPHIC

POPULATION:

- Swaziland is classified as a low to middle income developing country with a GDP per capita of US$9 800 (2015 estimate).
- 21.3% of the total population are urbanised (2015 estimate). The country has a rate of urbanisation of 1.32% (2010–2015 estimate).
- Swaziland is dogged by extremely high poverty and inequality levels. Addressing this is a primary development challenge for Swaziland.
- Labour conditions in Swaziland are characterised by a high rate of unemployment, especially amongst the youth; child labour; weak private/formal sector job creation; and a low level of employment in the informal sector.
- Swaziland has repressive labour laws and is known for its labour rights violations and abuses. The authorities use security forces and arbitrary arrests to stifle peaceful demonstrations and refuse to recognise worker and employer federations.
- To address poverty, Swaziland has to overcome its low economic growth trap.

EDUCATION AND HEALTH:

Education and training:

- Education is seen as the foundation and main pillar of economic and social development in Swaziland. The government aims to provide high-quality education that is accessible, affordable, and relevant.
- Education in the country begins with pre-school for infants (children five years or younger). The main levels of education are primary, secondary and high school education for general education and training (GET), and universities and colleges at tertiary level.

Health:

- Swaziland's healthcare system consists of formal and informal health sectors. The formal health sector includes public and private healthcare facilities and health service providers. It is based on the concepts of primary health care and decentralisation. In the informal health sector, traditional medicine is offered by community healers, traditional health practitioners, and other unregulated service providers.
- Access to healthcare is adequate. However, limited healthcare personnel and resources make it virtually impossible to efficiently administer quality healthcare services. In 2009, there were 0.17 physicians per 1 000 members of the population.
- There are more than 100 private health clinics in different areas in Swaziland. There are also three private hospitals, which are all located in the capital Manzini. The private health system provides the highest standard of healthcare services, but services cost significantly more than public treatment options.
- Swaziland has the world's highest estimated prevalence rate of HIV-infected adults (2014 estimate of 27.73%).
- In addition, Swaziland's TB incidence rate is the highest in the world. 80% of TB patients are also with HIV. Each year roughly 14 000 new TB cases are diagnosed.
- Major infectious diseases, with an intermediate degree of risk:

– Food or waterborne diseases: bacterial diarrhoea, hepatitis A, and typhoid fever
– Vector borne diseases: malaria
– Water contact disease: schistosomiasis (2013)
– People living with HIV/AIDS: 214 300 (2014 estimate)

- The country continues to face huge challenges in respect of both communicable and non-communicable diseases. Swaziland still has the highest HIV prevalence rate in the world. At the same time, non-communicable diseases, in particular hypertension, diabetes and cancers, are becoming a growing problem.

TECHNOLOGY

- Swaziland's National Development Strategy, Vision 2022, recognises the importance of technology and the role it can play in national transformation through skills development, and research and development. Investments are being made in infrastructure to migrate the country's economy from an agrarian to a high-tech or knowledge-based one. This includes the establishment of the Royal Science and Technology Park (RSTP). The RSTP will attract foreign investment and help position the country as a premier location for research and development. The government has also promised that, once completed, the RSTP will provide opportunities for SMEs in Swaziland to grow.
- Telecommunications in Swaziland include radio, television, fixed and mobile telephones, and the Internet.
- Swaziland has the following two telecommunications service providers:
  - Swaziland Posts and Telecommunication Corporation (known as SPTC). The SPTC is divided into two units: Swazi Post and Swazi Telecom. It is responsible to Swaziland's Minister for Tourism, Environment and Communications.
  - Swazi MTN. Swazi MTN is a subsidiary of MTN Telecom in South Africa and a competitor to SPCT, with an estimated mobile market penetration of 87%. While mobile market penetration in Swaziland has been well above the African average, subscriber growth has slowed in recent years. What is required now is real competition to take the market to the next level. In late 2014, Viettel bid for a licence to operate mobile telephony services under the Swavitel brand. The telecom regulator and the government are now creating legislative and regulatory conditions to enable Viettel to enter the market. According to the CIA World Fact Book, in 2014 there were an estimated 44 400 fixed phone lines compared with 916 800 mobile phones.
- There are four internet service providers, including the government computer services department. Prices have remained high, though, so market penetration has been relatively low, with 337 300 Internet users representing 23.8% penetration. (CIA 2014 estimate) According to 2015 estimates by BuddeComm, internet penetration is projected at 26% by year-end. ADSL was introduced in 2008 and 3G mobile broadband services in 2011. However, the development of the sector has been hampered by the limited fixed-line infrastructure and a lack of competition in the access and backbone network. The national Internet Exchange Point (IXP) was put in place in April 2014. Free internet access is provided to schools and hospitals through ITU.

- The country’s backbone infrastructure is NGN. It is connected to the SEACOM undersea cable through Maputo and Mozambique, and the EASSy undersea cable through Mthunzini in South Africa for redundancy. Fibre optic is laid throughout the country. However, because the country is landlocked, it has to depend on neighbouring countries for international fibre bandwidth. This means access pricing is high, although prices have fallen in recent years because of greater bandwidth availability from several new submarine fibre optic cable systems that have reached the region in recent years.

ENVIRONMENT

Current environmental issues relate to the limited supplies of potable water; wildlife populations being depleted because of excessive hunting; overgrazing; soil degradation; and soil erosion. Overgrazing, soil depletion, drought, and floods are persistent problems.

Natural hazards: Droughts and floods.

In terms of international environmental agreements, Swaziland is party to the following: Biodiversity, Climate Change, Climate Change-Kyoto Protocol, Desertification, Endangered Species, Hazardous Wastes, and Ozone Layer Protection. The country is a signatory, but not ratified, party to the Law of the Sea.

SWAZILAND’S OPENNESS TO FOREIGN DIRECT INVESTMENT

- The government of Swaziland regards foreign investment as a means to drive the country’s economic growth, obtain access to foreign markets for its exports, and improve international competitiveness. However, the government and the royal family exercise considerable influence in the private sector. Their state-owned enterprises (SOEs) compete with private companies, and they have substantial shareholdings in private corporations.
- The Swaziland Investment Promotion Authority (SIPA) is responsible for marketing the country’s industries for investment. The organisation’s services include providing information on investment and trade opportunities; assisting in securing financing; supporting links to local SMEs; helping with company registrations, work permits and visas; and providing factory space.
- Foreigners are allowed to invest in all sectors of the economy, except those controlled by parastatals such as water and electricity suppliers. The state also places limits on enterprises involved in producing weapons, explosives, and hazardous materials.
- Swaziland remains financially challenged after experiencing a fiscal crisis during 2009–2011.

- Foreign direct investment (FDI) inflows into Swaziland have been very erratic. They have also been skewed towards the manufacturing sector, accounting for more than half of FDI stock. Since 2000, for example, Taiwanese companies have invested $360 million in Swazi factories. Reinvestment of earnings is still the biggest driver of foreign investment in the country and represents 45% of FDI stock.
- Foreign direct investment inflows in 2014 amounted to $13m. This is the lowest amongst the Southern African Customs Union (SACU) members.
- The mining sector has done little to attract FDI into the country. This is because all of Swaziland's mineral rights are held by the king in trust for the Swazi people, and the king personally approves all mining licences. The reopening of Lufafa gold mine by the king in February 2015 could be a positive development.
- Going forward, there are various factors that weigh on foreign investor interest and FDI inflows into the country. This is keeping the country from achieving a higher rate of economic growth and becoming less dependent on South African Customs Union (SACU) revenues. Factors impacting FDI include the country's weak economic fundamentals, challenging political environment and lack of astute policy reforms. The loss of trade benefits for especially textiles, clothing and footwear is also having an adverse impact.

OPERATIONAL RISKS/ BARRIERS TO DOING BUSINESS

The growth and development across Africa have attracted foreign investment and many multi-national companies to the continent. Yet it needs to be said that doing business or operating in African countries holds many risks.
The following are some of the potential risks facing investors who operate (or intend to operate) in Swaziland, and which can divert investment away from the country:

- Swaziland has an underdeveloped, unreliable, and unpredictable legal and regulatory environment. It does not have an approved trade, investment, or industrial policy. The lack of governance fosters a lack of transparency and accountability, encourages corruption, and undermines the rule of law. This raises red flags to any business thinking of investing in the country.
- The government's official policy is to encourage foreign investment so as to drive economic growth. However, the pace of reforming the country's investment policies is slow, and it has not kept up with other countries in the region.
- Foreign investors could be confused by the country's dual system of governance. Approval is often required by traditional authorities as well as the various government ministries.
- Public sector and royal family involvement in the economy discourages private investment and encourages monopolistic behaviour. This is driving up prices and reducing the competitiveness of the country.

- The country's electricity supply is unreliable and it is dependent on South Africa and Mozambique for its energy. Early in December 2015 the Swaziland Electricity Company warned that power outages would rise due to increased demand and depressed generating capacity. This will hamper business activity.
- There are no laws that discriminate against foreign investors. However, if they want to be successful, foreign investors seem to require local partners to navigate the complex bureaucracy of the country. These local partners are often the government or the royal family.
- The country has a land tenure system where the majority of usable land remains the property of the King 'in trust for the Swazi nation'. This can be confusing for foreign investors and can discourage long-term investment in mining, commercial real estate and agriculture, in particular. If foreign investors need large portions of land for an enterprise, they must negotiate directly with the king.
- Swaziland's poor human rights and labour rights record has jeopardized its access to export markets and to donor support.
- The absolute monarchical system and undemocratic behaviour of harassment, arrest and imprisonment of any critics of government result in investors being wary to invest in the country.
- The government has a screening process to manage risk associated with unknown foreign investors and to encourage domestic employment. Investors complain about the screening of foreign direct investment, the significant time the process takes and the cost involved.
- Another challenge that businesses and investors have to cope with relates to labour and labour-related or workplace laws. In particular, there is a shortage of technically skilled people, and labour union activity. Businesses have to be thoroughly informed of the labour regulations, health and safety standards, and wage laws.

POTENTIAL OPPORTUNITIES/ BENEFITS TO ATTRACT INVESTORS

In contrast, there are many opportunities that could make investment in Swaziland a viable option. The following are potential opportunities and benefits that could come from the improved business environment in the country, luring investors to operate in Swaziland:

- Recent positive developments to reform the country's business regulatory environment and reduce business costs include online company registration and the amendment of the immigration laws to make it easier for foreign workers to remain in the country. In addition, Swaziland has made the payment of taxes easier by reducing the corporate income tax rate.
- The government of Swaziland has prioritised the energy sector, in particular the renewable energy sector, and has crafted policies to attract private investment. The Swaziland Energy Regulatory Authority regulates the sector, screening investors interested in establishing power generation facilities.
- The government has been taking steps to liberalise the information, communications and technology (ICT) sector. Initiatives to spur the growth of this key sector include e-governance and the construction of the Royal Science and Technology Park. The digital migration programme of the Southern African Development Community (SADC) presents ICT opportunities in the country.
- Various incentives to invest in Swaziland are in place, by law. These include a human resource training rebate; a reduced tax rate of 10% for the first ten years of operation for businesses that qualify under the Development

Approval Order; the exemption from import duties of capital goods such as machinery and equipment, imported into Swaziland for productive investment; the repatriation of profits and dividends, including salaries for expatriate staff and capital repayments; fully serviced industrial sites; the provision of purpose-built factory shells at competitive rates; and an exemption from import duties on imported raw materials for the manufacture of goods to be exported outside the Southern African Customs Union (SACU). In addition, the Central Bank of Swaziland guarantees loans raised by investors for the export markets. There is also provision of loss cover which a company can carry over in case it incurs a loss in the year of assessment.

- Financial incentives for all investors also include tax allowances and deductions for new enterprises. These include a ten-year exemption from withholding tax on dividends and a low corporate tax of 10% for approved investment projects. Companies that plan to make significant corporate social responsibility investments can apply to the Minister of Finance to be charged a reduced tax rate up to 10%. This break is available under the Development Approval Order, which is part of the income tax law.
- Transport connections: The country's road network, spanning 1 500 km in main roads and 2 300 km in district roads (of which a total of 30% are tarred), is well maintained and connects the main towns of Mbabane and Manzini with South Africa and Mozambique. A major trade route is the Maputo Development Corridor (MDC) to the north of Swaziland, which stretches between Johannesburg in the west and Maputo in the east. Together with access to Durban ports, the corridor also offers the Matsapha dry port access to the ocean. Matsapha services the country's largest industrial estate.
- In an effort to boost the growth of the lucrative conferences sector, the government will also continue to support the development of an international hotel and convention centre. However, the investment is likely to be underutilised due to big South African cities already having largely cornered this market. In 2015, Hilton Worldwide, a fast-growing hospitality company, signed an agreement with the Swaziland Public Service Pensions Fund (SPSPF) to open a Hilton Garden Inn hotel in Mbabane. The hotel is expected to open its doors in 2017.

STANDARD BANK SWAZILAND CAPABILITIES

- Standard Bank in Swaziland was established in 1962.
- The bank has 13 branches and 63 ATMs.
- The Standard Bank team in Swaziland consists of over 431 employees.

	Trading name	Standard Bank Presence	Standard Bank ATMs	Corporate Banking	Retail Banking	Investor Services	Investment Banking	
	Standard Bank	13	63	✓	✓	✓	✓	
Exchange Controls	Regulated by Central Bank Swaziland. Part of the Common Monetary Area (CMA), which requires balance of payments (BOP) reporting on inward and outward funds. Customers are to provide the BOP category and provide documentary evidence on certain transactions, for example, imports require an invoice and transport documents with proof that the entered the country.							
Transactional Products and Services	Foreign Current Account	Foreign Deposit Account	Telegraphic Transfers	Bulk Payments (channel)	Real-Time Gross Settlement (RTGS)	Card Acquiring	Mobile Banking	Receipt Referencing Service
	✓	✗	✓	✓	✓	✓	✓	✓
	Sweeping – Domestic	Sweeping – Regional	Debit Card Payments	Credit Card Payments	Beneficiary Account Validation	Electronic Clearing House	Online Banking Platform	
	✓	✗	✓	✓	✗	✓	new Business Online (BOL)	
	Letter of credit (LC)	Payment Undertaking	Promissory Note	Standby LC	Avalised draft	Guarantees	Invoice discounting	
	✓	✓	✓	✓	✗	✓	✓	

Global Markets	Forex					Interest Rates							
	Spot	Forwards	Swaps	Options	Callable forward	Commercial paper	Government Bond	Repos	Treasury bills	Corporate Bond	Wholesale Deposits	Call notice deposits	Cross currency interest rate
	✓	✓	on demand	✓	✓	on demand	✓	on demand	✓	on demand	✓	✓	✓

Investment Banking	Corporate Finance (Equity and Debt Capital Markets and Mergers and Acquisitions)	Mining, Energy and Infrastructure (MEI) Diversified and Leveraged Lending (DLL)	Structured Finance	Strategic Investments
			(Team based in South Africa)	
	✓	✓	✓	✓

✓ Available

✗ Not yet available

SOURCES

- BMI Research (ITC calculations based on UN COMTRADE statistics)
- CIA World Fact Book
- Economic Intelligence Unit, Swaziland Country Report
- Government of the Kingdom of Swaziland: Ministry of Education and Training; Ministry of Information, Communications and Technology
- NKC African Economic
- Swaziland: A Framework for National Development Strategy (NDS) Review, January 2013
- Transparency International, Corruption Perceptions Index 2014
- United States of America Department of State: Swaziland Investment Climate Statement 2015
- Wikipedia
- World Bank (www.worldbank.org)
- http://www.sarua.org/?q=content/swaziland-0
- http://www.ist-africa.org/Home/default.asp?page=doc-by-id&docid=8307
- http://www.gov.sz/index.php?option=com_content&view=featured&Itemid=799
- http://www.observer.org.sz/news/72122-royal-science-and-technology-park-taking-shape-at-nokwane.html
- http://www.observer.org.sz
- http://www.who.int/countryfocus/cooperation_strategy/ccsbrief_swz_en.pdf
- http://www.avert.org/professionals/hiv-around-world/sub-saharan-africa/swaziland

SBSA 226016 03/16