THE ESWATINI ADVANTAGE

info@sipa.org.sz
www.investeswatini.org.sz

Eswatini Investment Promotion Authority

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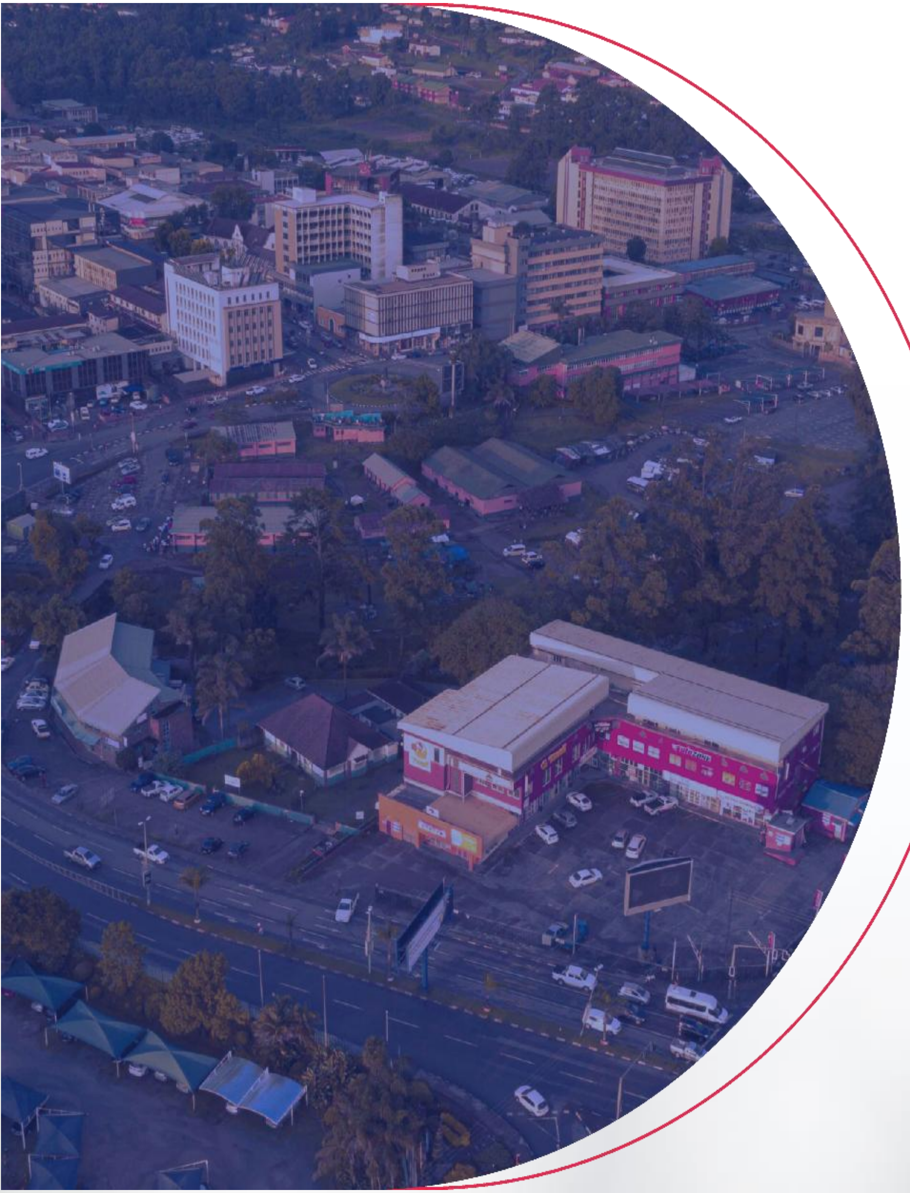

The Eswatini Advantage

- Eswatini offers a politically stable environment for doing business and long term investment.
- Eswatini presents wide access to strategic markets – AGOA - USA, SADC – EPA with Europe, ACFTA with Africa, SACU – Customs Union with five Countries, COMESA- 17 Countries of South and East Africa.
- Efficient transport and logistics capacity for the movement of raw materials and goods.
- Educated and trainable workforce that easily adapts to industry.
- Pro-Business government that supports private sector led-economy.
- Support programmes for businesses including incentives, centralised services for investors and ready Special Economic Zones sites.

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Eswatini Investment Promotion Authority

The Eswatini Advantage

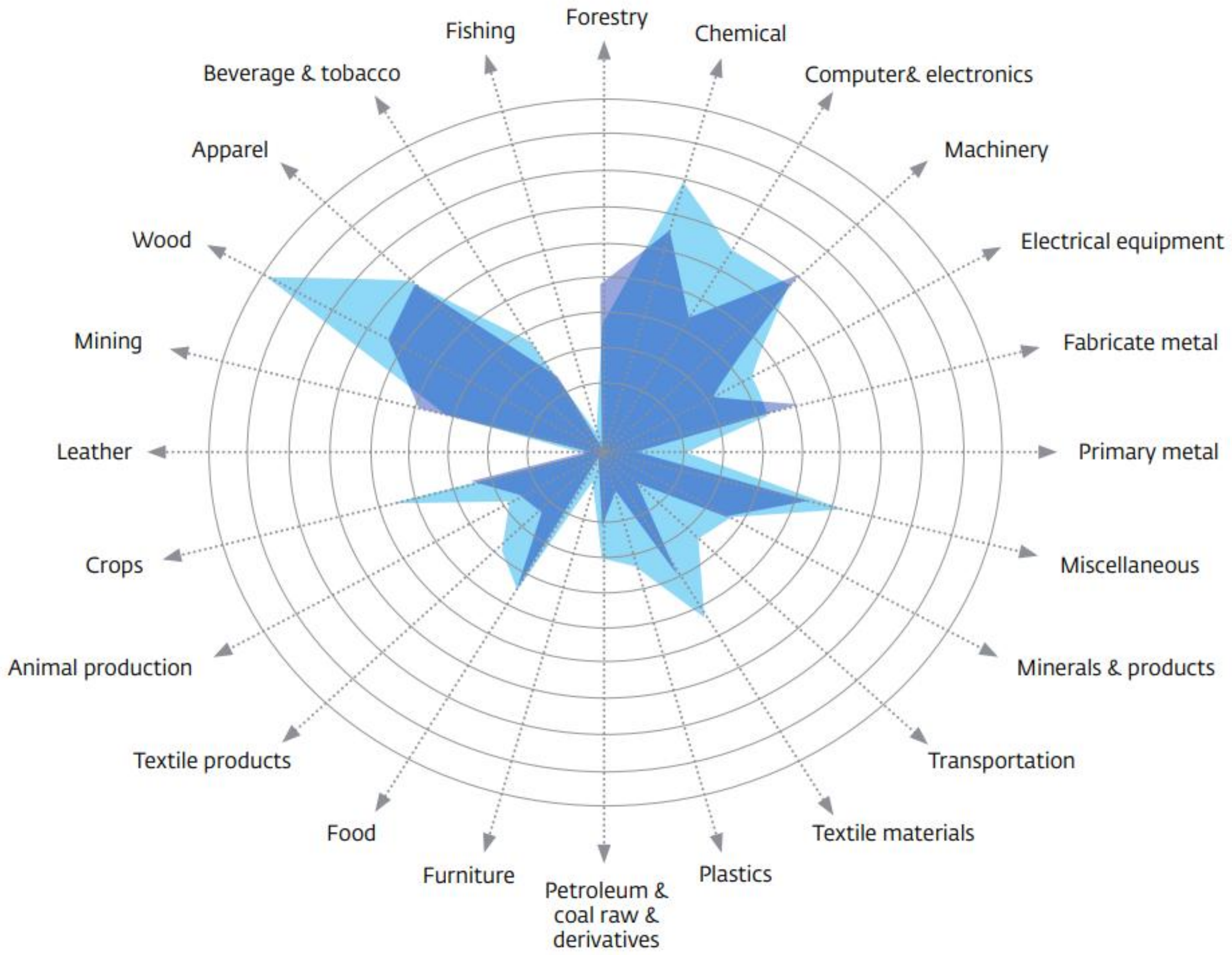
- Eswatini is Part of the Common Monetary Area (CMA) with RSA, Lesotho, and Namibia with equal currency pegging. Free flow of capital between these countries.

- Allows 100% foreign owned and controlled businesses.

- Companies can remit and repatriate gains, interest, profits and dividends freely and unencumbered after compliance with taxation laws.

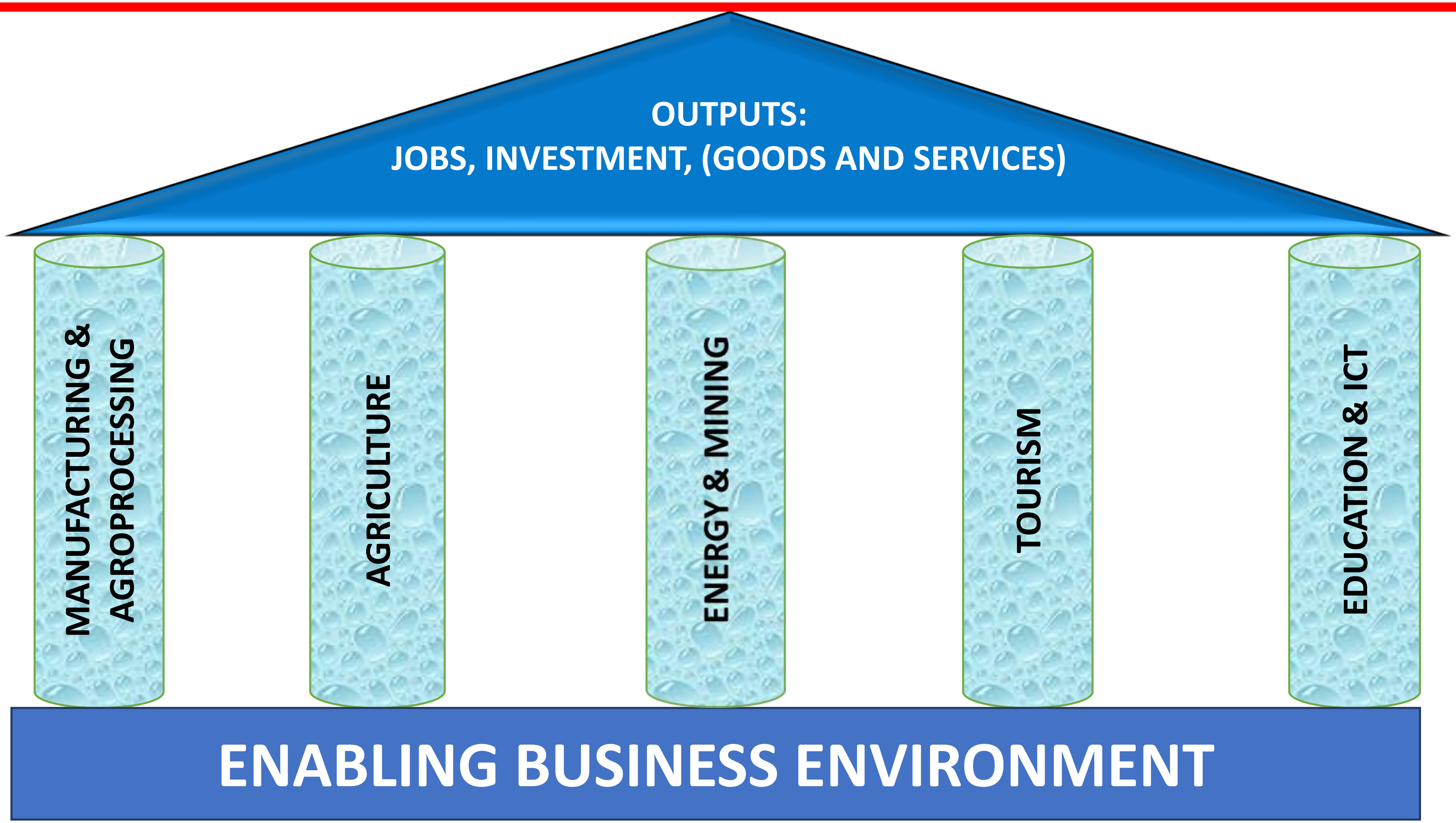
Eswatini Sector Fitness Study: World Bank IFC (2022)

FIGURE A.1 ESWATINI SECTOR FITNESS



Complexity Ordered: Forestry (Simplest) to Chemicals (Complex), Five Years Earlier and Latest (dark blue)

PRIORITY SECTORS



Special Economic Zones

- The programme is governed by the SEZs Legislation Act of 2018.
- The act Provides for various incentives for export – oriented industries outside the SACU Market including 15% Tax in designated Zones.
- Currently there are two areas designated SEZs, Royal Science Innovation Park and the Biotechnology Park Precinct and the King Mswati III International Airport.
- Free repatriation of profits and ease of operating a Foreign Currency Account.
- Exemption and or rebates on most domestic and customs taxes.

The intention of SEZs is to maximize investor returns and shareholder value in investing in Eswatini whilst allowing for flexible repatriation of profits mechanisms

Access to Markets

Trade agreements providing access to over **3 billion people**

The Markets

1) AfCFTA – 1.4 billion people, combined $3 trillion GDP
2) SADC
3) COMESA
4) SACU
5) Eswatini – Taiwan ECA
6) SADC – EU (EPA)
7) SACU – MERCOSUR
8) GSP (**accessing Australia, Canada, Japan, New Zealand, US, EU and the Russian Federation)**

Opportunities in the Mining Sector

Key opportunities exist in the Mining sector for:

- Mining value chain development from raw material extraction to beneficiation and downstream manufacturing.

GOLD MINING

- Invest in in the reefs of the Barberton Greenstone Belt or explore opportunities in mining historically mined tailings.

Base and Industrial Minerals:

- Invest in opportunities within the iron ore, manganese, titanium, and vanadium sectors, focusing on resource development and downstream value chain expansion.

Diamond

- Underground mining is the only option for delivering new opportunities for diamond recoveries
- diamondiferous kimberlite identified as well.

Energy Minerals:

- Uranium and thorium
- Emerging Opportunities: Lithium, rare earths, Boron, Rubidium etc. presents investment potential.

Opportunities in the Agriculture Sector

1. Large scale commercial farming for local and export markets (70% imports)
2. Agro-processing to add value to produce and increase shelf life
3. Production of high value commodities
4. Agro-inputs: fertilizers, agrochemicals, animal feeds…

SUPPORT SYSTEMS

1. Infrastructure: grain reserves, big dams
2. Logistics and cold chain management
3. Agro-technology domestication such as drones, tunnels, irrigation equipment (pumps, pipes, probes, drip tape, centre pivots) NDVIs, microchips …
4. Mechanisation and workshop services
5. Financial Services

ENERGY PROJECTS

GEOTHERMAL UP TO 80MW – EXPLORATION PHASE

$400 M

COAL (SEMI-ANTHRACITE) 300MW – EEC RESERVES

$700M

MINI HYDRO – CANALS AND 10MW

$700M

$130 M

HYDRO POWER – MAGUGA
10MW – EXPANSION
23MW GREEN FIELD. FEASIBILITY COMPLETE

$700M

HYDRO POWER – NGWEMPISI INCLUDING MULTIPLE PURPOSE DAM – 120MW- PREFEASIBILITY

$2.630 Billion

543 MW

The National Big 5 Park

- The project seeks to merge 81,404.169 ha of pristine land for conservation and tourism purposes. To create one major park.
- The proposed area is known for high numbers of birds within the region, 350 species have been recorded.
- Situated in the north-eastern part in the Lubombo region.
- Investors required to develop the park.
- Hotels & lodging facilities including 5-star hotel inside the park.
- Infrastructure development including roads, drinking spot for the animals.

Eswatini Rail Link Project

- Joint project between Eswatini Railways and Transnet in South Africa
- A new rail track will be constructed from Lothair in SA to Sidvokodvo in Eswatini,
- Upgrading of Ermelo to Lothair railway line (South Africa) and Sidvokodvo to Richardsbay line.
- Project will expand capacity for ESR. The Rail capacity will be 12 trains per day, 2.5km long (200 wagons)
- Project will have spin-offs for the mining sector
- Approx 5000 Jobs during construction and up to 300 permanent jobs

Mkhondvo Ngwavuma Water Augmentation Programme - MNWAP

Multi billion emalangeni project. Consisting of different components:

1. Water infrastructure (Dams construction)

2. Agricultural Production (30 000 ha).

3. Agri-processing Industrial Park (Cotton Ginnery)

Eco-city development (Accommodation, Transport, Schools, Hospitals.

To create thousands of jobs.

Endless opportunities for private sector: (Power generation, Farm inputs, farm equipment, recreation facilities, storage warehouses, real estate etc)

INCENTIVES HIGHLIGTS

Corporate Tax Concession – 10% for a period of ten years in:

1) Manufacturing and value addition,
2) Mining,
3) Tourism ,
4) Sustainable development and
5) Scientific knowledge

Subsidized factory space – after signing a Project Commitment MoU with government/EIPA

Duty free access of machinery and equipment

Machinery Initial Allowances – 30% value of machine as tax credit on for 1st year of operation

Accelerated depreciation – Tax savings on Asset and machinery

Tax rebates for raw materials on custom duties paid for purposes of export outside SACU

A range of **SEZs Incentives** including tax exemptions

Selected Brands Currently Resident and Operating in Eswatini

BRAND	COMPANY NAME	HEADQUARTERS
Coca-Cola	CONCO (PTY) LTD	USA
Mondelēz International	Mondelez International	USA
Rhodes Quality	Rhodes Food Group	RSA
ABInBev SAB Miller	SAB InBeV	BELGIUM/BRAZIL
UBOMBO SUGAR LIMITED	Ubombo Sugar Limited	UK
usa DISTILLERS	USA Distillers	USA
Kellogg's	Kellogg Tolaram Eswatini	USA/SINGAPORE
DDW The Color House	DD Wiliamson	USA
GROUPE LACTALIS	Lactalis Eswatini	FRANCE
TEXRAY	Texray Group	TAIWAN
Air Liquide	Air Liquide	France
YKK	YKK Zippers	Japan

INVESTMENT FACILITATION

BOSS

BUSINESS ONE STOP SHOP

"Streamlining services for investors"

1. Support all **approval formalities** – including registration and licenses and permits issuance
2. Support **access to market** for Producers in Eswatini
3. Support in **obtaining Incentives**
4. Support in acquiring **factory warehouses** in Eswatini
5. Support in **sourcing raw materials from neighbouring countries**
6. Provide **aftercare services** and **address problems** faced by investors

5 Principal Steps for Establishing in Eswatini

1. Company Registration
2. Permits
3. Licenses
4. Bank Account
5. Tax Registration

Eswatini Investment Promotion Authority

Annual Events

Investment Promotion

Trade Promotion

ESWATINI
INVESTMENT CONFERENCE
EXPLORE. INVEST. TRADE

EITF
ESWATINI INTERNATIONAL TRADE FAIR

END

Thank You!

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