ANNEX 2: ESWATINI

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1 ECONOMIC ENVIRONMENT

1.1 Main features of the economy

1.1. Eswatini (formerly Swaziland) is a landlocked country bordered in the north, west, and south by South Africa and by Mozambique in the east. It has an area of 17,364 square kilometres, making it the second-smallest state on the African mainland. Annual per capita GDP is some USD 4,100 (Table 1.1). Eswatini is highly dependent on international trade, with a trade/GDP ratio of over 90% in 2021.

Table 1.1 Selected economic indicators, 2014-22

	2014	2015	2016	2017	2018	2019	2020	2021	2022
GDP (current SZL million)	48,001.2	51,791.4	56,132.2	58,688.9	61,768.2	64,964.7	65,588.5	70,122.6	73,012.0[a]
GDP (current USD million)	4,423.0	4,059.2	3,816.0	4,404.8	4,667.4	4,495.3	3,982.2	4,743.3	4,462.0[a]
Real GDP growth (annual %)	0.9	2.2	1.1	2.0	2.4	2.7	-1.6	7.9	0.5[a]
GDP per capita (current USD)	4,046.1	3,629.4	3,366.14	4,027.45	3,882.94	3,967.34	3,470.56	4,085.65	4,132.0
Unemployment, total (% of total labour force)	28.1	28.1	23.0	23.0	23.0	23.0	23.0	33.3	33.3
GDP by type of expenditure (% of GDP at current prices)									
Final consumption	88.1	85.9	86.0	88.3	89.0	85.6.	88.4	85.1	..
General government	19.1	21.2	24.1	24.5	23.1	21.7	22.7	19.3	..
Households	68.6	64.2	61.3	63.2	65.6	63.9	65.7	65.8	..
Non-profit institutions serving households (NPISHs)	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.6	..
Gross capital formation	12.5	12.1	12.6	12.5	13.5	13.3	11.8	14.3	..
Exports of goods and services	43.5	41.6	43.3	42.3	41.2	44.8	43.3	45.8	..
Imports of goods and services	44.1	39.6	41.8	43.1	45.2	42.2	40.5	46.7	..
GDP by economic activity (% of GDP at basic current prices)									
Agriculture, forestry, and fishing	9.9	10.0	9.5	9.0	9.1	9.1	8.1	8.1	..
Mining and quarrying	0.8	0.0	0.1	0.2	0.2	0.1	0.2	0.2	..
Manufacturing	32.7	33.8	33.1	31.8	31.1	31.9	26.5	26.7	..
Electricity, gas & water	1.5	1.1	0.9	1.1	1.2	1.7	1.7	1.9	..
Construction	2.9	3.2	3.4	3.1	3.1	2.9	2.3	2.9	..
Services	53.6	53.4	54.5	56.6	57.1	56.0	53.7	53.9	..
Wholesale and retail trade; repair of motor vehicles and motorcycles	16.2	14.8	15.3	15.1	15.6	15.1	14.3	14.4	..
Accommodation and food service activities	0.6	0.7	0.8	1.0	1.0	1.0	0.6	1.0	..
Transportation and storage	2.7	2.5	2.5	2.6	2.7	2.8	2.2	2.3	..
Information and communication	2.1	2.2	2.3	2.3	2.3	2.2	4.0	4.0	..
Financial and insurance activities	5.6	5.8	5.3	5.9	6.2	6.2	5.3	6.9	..
Real estate, renting and business activities	5.7	5.6	5.5	5.6	6.0	6.0	5.6	5.5	..
Professional, scientific, and technical activities	4.0	4.5	3.9	4.3	4.0	3.9	4.0	3.4	..
Public administration and defence; compulsory social security	6.9	7.2	8.3	8.6	8.5	8.3	10.1	8.0	..
Education	6.8	6.8	7.4	7.6	7.5	7.4	4.6	5.7	..
Human health and social work activities	2.3	2.3	2.5	2.8	2.6	2.3	2.3	2.5	..
Arts, entertainment, recreation and other service activities	0.8	0.8	0.7	0.8	0.8	0.7	0.1	0.1	..
Financial Intermediation Services Indirectly Measured (FISIM)	-1.4	-1.4	-1.5	-1.7	-1.9	-1.8	-1.5	-1.5	..
Money, interest rates and prices									
Broad money growth (%)	3.9	13.6	26.4	3.8	4.1	1.8	15.5	0.3	..
Interest rates (% p.a)									
Prime lending	8.8	9.3	10.5	10.8	10.3	10.0	7.3	7.3	..
Discount rate	5.3	5.8	7.0	7.3	6.8	6.5	3.8	3.8	..
Average inflation (%)	5.7	5.0	7.8	6.3	4.8	2.6	3.9	3.7	4.8[a]

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public finance (% of GDP)[b]									
Total revenue and grants	31.0	27.2	25.4	25.6	25.2	26.4	26.2	23.1	22.9
Total expenditure and net lending	-32.2	-31.3	-32.1	-33.0	-31.6	-32.1	-30.9	-28.9	27.4
Overall surplus/deficit	-1.2	-4.1	-6.8	-7.4	-6.4	-5.7	-4.7	-5.8	-4.5
Total public debt (SZL billion, end of year)	..	..	..	12.8	16.2	21.5	25.4	28.3	31.8
Domestic debt (SZL billion, end of year)	..	..	..	7.3	9.3	13.7	15.6	16.9	17.4
External debt (SZL billion, end of year)	3.6	4.4	4.9	5.5	6.9	7.8	9.8	11.4	14.4
External sector									
Current account/GDP	1.1	1.0	0.5	0.5	0.1	0.3	0.4	0.2	..
Gross official foreign reserves (USD million, end of period)	684	546	564	563	440	437	546	593	..
In months of imports of goods and services	3.6	3.8	3.6	3.5	2.8	2.6	3.5	3.5	..
Remittances – net (USD million)	78.3	76.4	79.6	124.9	101.5	91.8	88.1	91.6	..
Inflow	95.8	95.8	98.4	144.4	125.7	118.7	112.5	132.2	..
Outflow	17.5	19.3	18.8	19.5	24.2	26.9	24.4	40.6	..
FDI (USD million)									
FDI flow in Eswatini	25.5	41.3	21.4	-56.0	36.5	130.2	40.9	125.9	..
FDI flow abroad	0.5	-0.9	-7.1	65.5	-10.5	22.2	-14.3	58.9	..
FDI stock in Eswatini	616.4	520.9	847.6	925.0	812.7	975.4	1,200.4	1,102.7	..
FDI stock abroad	24.7	18.1	73.4	122.1	126.2	168.3	146.4	172.4	..

.. Not available.

a Estimate figures from IMF World Economic Outlook, April 2023.
b Fiscal year: April-March.

Source: Central Bank of Eswatini (CBE), *Quarterly Review Reports*, various editions, 2018-22; World Bank, Databank. Viewed at: https://databank.worldbank.org/home; African Development Bank (2021), *African Statistical Yearbook*; UNCTAD Stat. Viewed at: https://unctadstat.unctad.org/EN/; and IMF data. Viewed at: https://data.imf.org/.

1.2. Southern African Customs Union (SACU) membership is a key determinant of Eswatini's economy, with SACU revenues representing more than 30% of government revenue. Eswatini is also a member of the Common Monetary Area (CMA), with Lesotho, Namibia, and South Africa (Main Report, Section 1). Under the CMA, the Eswatini lilangeni is pegged to the South African rand, which is also legal tender in the country.

1.3. Eswatini's economy is closely integrated with South Africa's through various channels. First, Eswatini has close trade links with South Africa: 67% of Eswatini's exports went to South Africa and 73% of imports were from South Africa in 2019. Second, Eswatini imports 60% of its electricity from South Africa. Third, Eswatini receives nearly 94% of its total remittances from South Africa. Fourth, the top three largest of the four commercial banks in Eswatini, which have a combined market share of 78% and cross-investment in the financial sector, are South African banks. Fifth, as mentioned above, Eswatini's currency is pegged to the South African rand. As a result, Eswatini's economic cycles are closely linked with South Africa's economy, and weak growth in South Africa in recent years has lowered export earnings, remittances, and fiscal revenues, while problems in South Africa's electricity sector have increased inflationary pressures.

1.4. Unemployment, inequality, and poverty are very high.[1] The 2021 Labour Force Survey puts the unemployment rate at 33.3%, the highest in over a decade.[2] An estimated 32% of the population lived below the USD 2.15 per day (2017 PPP) international poverty line in 2022, while 55% of the population was under the lower-middle-income country poverty line (USD 3.65 per day, 2017 PPP). Over 90% of the poor population live in rural areas and predominantly relies on subsistence

[1] World Bank, *The World Bank in Eswatini*. Viewed at: https://www.worldbank.org/en/country/eswatini/overview#:~:text=Development%20challenges,highest%20in%20over%20a%20decade.
[2] Ministry of Labour and Social Security: 2021 Integrated Labour Force Survey.

agriculture for livelihood.[3] The consumption per capita Gini index shows a high degree of inequality. Depending on the season and the year, between 16% and 30% of the population experience high levels of food insecurity. Labour force participation is low, at around 52%.

1.5. Eswatini has the world's highest HIV prevalence rate among adults aged 15 to 49. More than one quarter of the adult population is infected by HIV/AIDS, which is both a financial strain and source of economic instability.

1.6. The Government remains highly dependent on customs duties from SACU, although its share in total fiscal revenue declined during the review period (Table 1.2, and Main Report, Chart 1.3). Government transfers (largely to state enterprises, of which several incur heavy losses) make up a large share of total fiscal expenditure. At the same time, the social safety net is fragmented and fails to protect the most vulnerable.

Table 1.2 Government revenue, 2014/15-2022/23

(SZL million)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22[a]	2022/23[b]
Total revenue and grants	**14,731**	**14,462**	**14,510**	**15,395**	**15,956**	**17,884**	**19,463**	**18,379**	**19,359**
Taxes on net income and profit	3,551	3,825	4,765	3,494	5,256	5,679	5,592	6,147	6,956
Taxes on property	33	30	46	42	49	37	30	22	24
Non-tax revenue	291	450	674	537	511	903	443	363	392
Grants	778	329	500	536	455	552	553	411	673
Taxes on goods and services	10,078	9,828	8,525	10,786	9,684	10,714	12,846	11,436	11,314
Customs Union receipts	7,500	6,939	5,264	7,127	5,853	6,325	8,358	6,388	5,832
VAT	1,895	2,107	2,407	2,520	2,650	2,964	2,996	3,526	3,831
Fuel Tax	573	667	732	1,005	1,050	1,208	1,261	1,304	1,409
Other	109	115	121	134	131	217	230	218	243

a Preliminary outturn.
b Budget.

Note: Customs Union receipts refer to proceeds from the Customs Union.

Source: CBE, Quarterly Review Reports.

1.7. Services are the backbone of Eswatini's economy in terms of value-added. In 2021, they contributed 54% to GDP (Table 1.1). The largest services subsectors are wholesale and retail trade, public administration, and financial services. Manufacturing remains important, with a contribution to GDP of some 27%, down from 34% in 2015. Agriculture contributes about 8% to GDP, following a long-term relative decrease in economic importance.

1.2 Recent economic developments

1.8. The Eswatini economy has weathered the pandemic and more recent shocks comparatively well. Nevertheless, Eswatini has experienced several macroeconomic imbalances and challenges since its last Review. In 2015/16, El Nino-induced drought severely impacted agriculture as well as sanitation and energy. The COVID-19 pandemic negatively impacted growth in 2020. Although the economy strongly recovered in 2021, violent civil unrest destroyed infrastructure and negatively affected growth.

1.9. Civil unrest has emerged as a significant new challenge in recent years. Large-scale demonstrations calling for political reform occurred in 2021, leading to loss of life, closure of schools,

[3] World Bank (2020), *The Kingdom of Eswatini Toward Equal Opportunity: Accelerating Inclusion and Poverty Reduction*. Viewed at: https://openknowledge.worldbank.org/server/api/core/bitstreams/1836ef1a-154f-5593-b339-b54194126062/content.

and deployment of the army. Unrest also reflects discontent with high poverty, inequality, and a lack of opportunities. Tensions persisted in 2022 and 2023.

1.10. In addition to weak growth rates, high and persistent fiscal deficits, averaging above 5% of GDP over the period 2016/17-2021/22, remain a major concern. As a result, public debt as a share of GDP has tripled over the past decade and is projected to reach a new high of 42.3% of GDP in FY2022/23. Hence, Eswatini's overall risk of sovereign distress is assessed to be high.[4]

1.11. Against this background, the Government has embarked on a macroeconomic reform agenda that focuses on the restoration of macroeconomic stability, fiscal sustainability, and improving the investment climate for private-sector development. The reforms entail a three-year fiscal consolidation programme (2020/21-2022/23) that includes clearing domestic arrears, widening the domestic revenue base, improving expenditure efficiency, reducing the public wage bill, and reforming state-owned enterprises.

1.12. During the review period, the Central Bank of Eswatini (CBE) has maintained its policy rate broadly in line with the South African Reserve Bank (SARB), consistent with the peg of the lilangeni to the South African rand. Mainly because of the weakness of South Africa's economy, the lilangeni has continued to depreciate against the US dollar since 2015, with a particularly strong depreciation of 11% in 2022. Despite the depreciation of the lilangeni, external balances have deteriorated over the past years; foreign exchange reserves of the CBE fell by 21% to USD 466 million at end-December 2022, equivalent to about 2.5 months of import coverage.

1.13. Eswatini's current account posted a surplus during most of the review period; in 2022, the current account posted a deficit for the first time since 2011 (Table 1.3). The 2022 deficit was mainly caused by a shrinking merchandise trade surplus and a widening services account deficit. While the balance of trade in goods was in surplus during the entire review period, the balance of trade in services has traditionally posted a deficit.

Table 1.3 Balance of payments, 2014-22

(USD million)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Current account	512.1	533.3	297.4	272.8	60.7	176.1	270.9	124.5	-117.2
Goods	165.4	176.9	186.7	185.7	20.2	257.7	240.8	124.0	68.4
Credit	1,849.8	1,668.7	1,635.7	1,793.0	1,828.3	1,981.0	1,739.3	2,059.9	2,033.8
Debit	1,684.4	1,491.8	1,449.0	1,607.3	1,808.1	1,723.3	1,498.5	1,935.8	1,965.4
Services	-208.1	-123.6	-141.8	-218.6	-187.8	-133.8	-119.2	-165.7	-245.5
Credit	88.3	74.9	59.3	122.0	71.1	66.5	68.5	72.0	64.7
Debit	296.4	198.6	201.1	340.5	258.8	200.3	187.7	237.7	310.3
Primary income	-185.2	-148.2	-207.7	-295.6	-315.9	-451.0	-403.6	-379.7	-388.1
Credit	202.4	255.5	133.4	183.4	144.7	124.3	103.2	111.6	135.8
Debit	387.6	403.6	341.2	479.0	460.5	575.3	506.9	491.2	523.9
Secondary income	740.0	628.2	460.2	601.3	544.2	503.3	553.0	545.8	448.0
Credit	798.5	669.6	493.0	639.1	581.0	532.9	592.8	587.5	500.5
Debit	58.5	41.4	32.7	37.9	36.9	29.7	39.9	41.7	52.5
Capital account	-0.3	-1.9	0.4	6.5	-2.4	7.8	2.1	-4.1	-3.4
Financial account	221.0	178.9	22.8	317.9	2.0	126.3	113.8	169.1	-125.0
Direct investment	-25.3	-32.7	-34.2	121.5	-39.2	-107.1	-51.1	-54.3	-33.8
Portfolio investment	76.5	98.1	-11.8	82.1	-89.0	86.3	42.8	392.2	-22.5
Financial derivatives	27.5	28.0	14.8	13.4	7.3	0.7	0.2	1.0	0.1
Other investment	166.0	109.2	79.3	156.0	182.8	159.8	29.1	-184.4	-9.6
Reserve assets	-23.7	-23.7	-25.3	-55.1	-59.9	-13.3	92.8	14.6	-59.3

[4] IMF (2023), *Kingdom of Eswatini: Staff Report for the 2023 Article IV Consultation*, IMF Country Report No. 23/160. Viewed at: https://www.imf.org/en/Publications/CR/Issues/2023/05/05/Kingdom-of-Eswatini-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-533091.

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net errors and omissions	-290.8	-352.5	-275.0	38.6	-56.4	-57.6	-159.2	48.7	-4.4

Source: IMF, IMF Data, Balance of Payments. Viewed at: https://data.imf.org/.

1.14. The near-term outlook for Eswatini's economy projects continued recovery and a surge in SACU revenue transfers.[5] Real GDP growth is projected at 3.2% in 2023. Inflation is expected to stabilize at around 5%. This should allow the overall FY23/24 fiscal deficit to narrow to 0.3% of GDP despite an expansionary fiscal policy. Public debt is projected to decline to some 41% of GDP.

1.15. Downside risks for sustained growth include (i) a high potential for further civil unrest; (ii) weaker growth in South Africa due to ongoing difficulties with power generation; (iii) new global shocks to food, fuel, and fertilizer prices; (iv) a potential failure to implement domestic macro-structural reforms; and (v) climate-related shocks.

1.3 Trade performance and foreign direct investment

1.3.1 Trade performance

1.16. Eswatini's total merchandise exports stood at just below USD 2.1 billion in 2021, slightly above their 2014 value (Table A1.1 and Chart 1.1). Chemicals and products thereof, predominantly sugar-based, remain the most important category of exported goods, making up nearly 45% of exports in 2021 (Table A1.2). Prepared food products and beverages (mostly sugars and sugar concentrates, sugar confectionery, and soft drinks) account for around 30% of Eswatini's merchandise exports, while textiles make up between 10% and 13%. Around 6% of exports are made up of wood and wood products. According to the World Bank, exports are concentrated in a few large firms; the top 1% of exporting firms account for 76% of exports.[6]

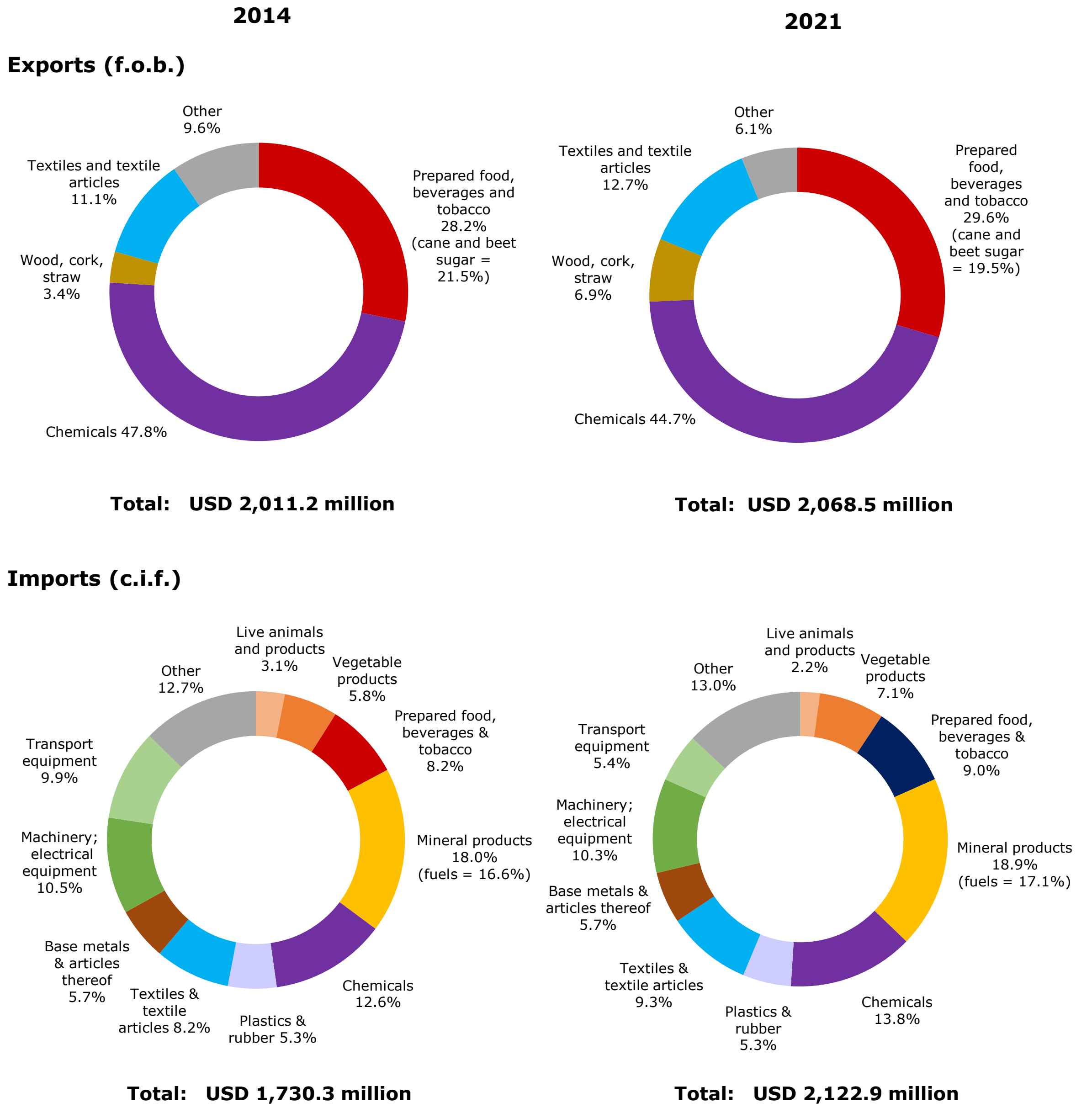
1.17. Merchandise imports increased during the review period, from some USD 1.7 billion in 2014 to over USD 2.1 billion in 2021. The most important categories of imported goods are mineral products (mostly fuels), which make up some 19% of all imports, and chemicals, which account for about 14% of imports (Table A1.1 and Chart 1.1). Machinery, textiles, food preparations, plastic products, base metals, and vegetables follow in importance.

1.18. In terms of geographic composition of exports, South Africa remains by far the most important destination, absorbing between 65% and 70% of Eswatini's merchandise exports (Table A1.4 and Chart 1.2). Between 2% and 3% of exports go to other SACU members. Other important markets for Eswatini's exports are also on the African continent and include Kenya, Nigeria, Mozambique, and Zimbabwe. The share of Europe in Eswatini's goods exports declined during the review period, from nearly 14% in 2014 to less than 6% in 2021. Less than 1% of exports go to Asia and the Americas each.

1.19. Trade with South Africa also dominates on the import side, although the share of South African imports fell from 85% in 2014 to 72% in 2021 (Table A1.3 and Chart 1.2). Only about 0.5% of imports are sourced from other SACU members, mostly Lesotho. About 16% of imports originate in Asia, up from 9% in 2014. Europe is the source of about 5% of Eswatini's imports, while about 2% of imports originate in the Americas and the Middle East each.

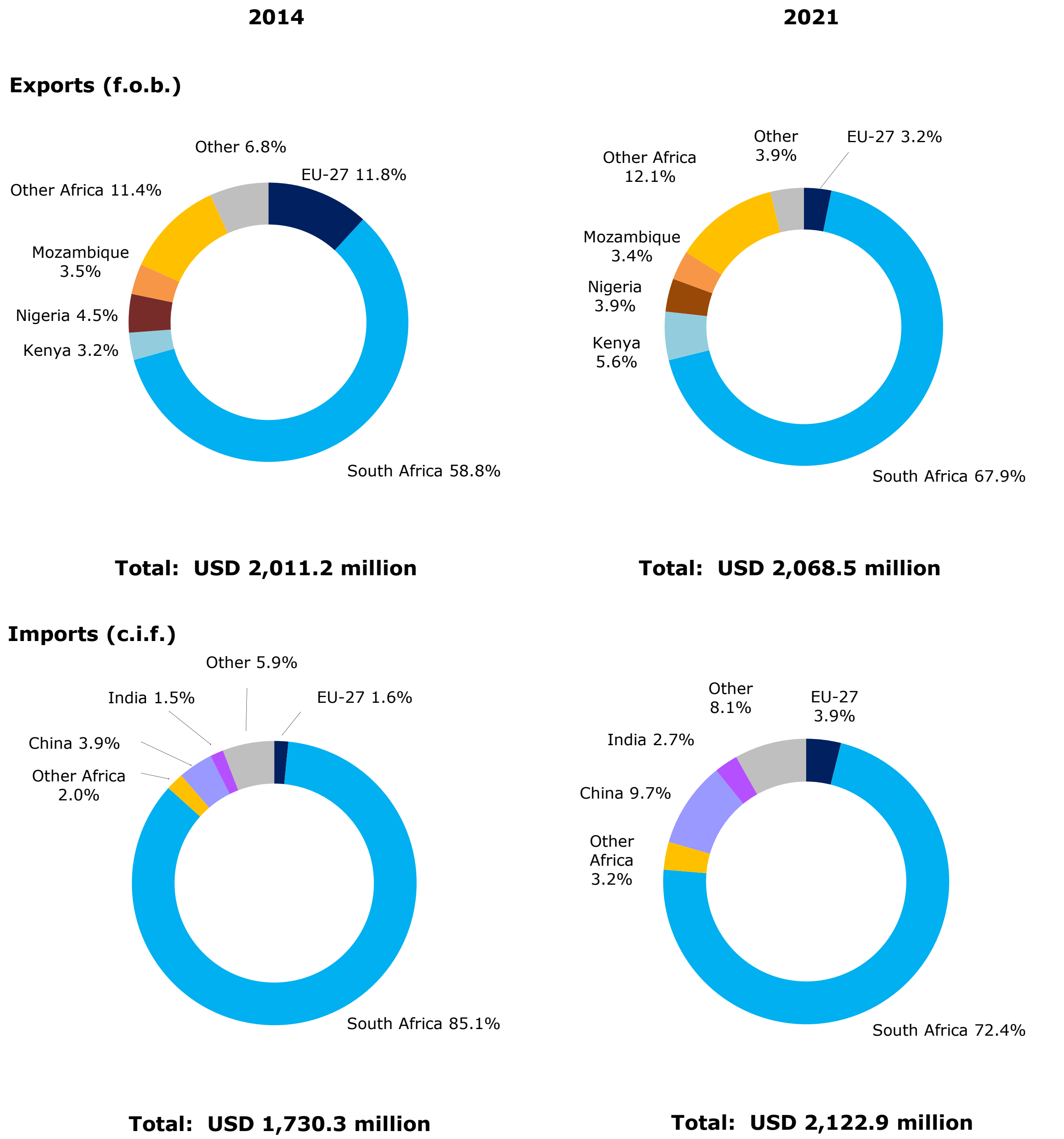
[5] IMF Country Report No. 23/160.
[6] World Bank (2022): *Creating Markets in Eswatini: Strengthening the Private Sector to Grow Export Markets and Create Jobs*, p. 12. Viewed at: https://www.ifc.org/content/dam/ifc/doc/mgrt/cpsd-eswatini.pdf.

Chart 1.1 Product composition of merchandise trade by main HS section, 2014 and 2021



Source: WTO Secretariat calculations, based on UN Comtrade database.

Chart 1.2 Direction of merchandise trade, 2014 and 2021



Source: WTO Secretariat calculations, based on UN Comtrade database.

1.3.2 Foreign direct investment

1.20. Eswatini's inward FDI stock increased from some USD 600 million in 2014 to over USD 1.0 billion in 2022 (Table 1.4). Sectors that attracted sizeable FDI include agri-business (sugarcane, beef, and forestry value chains) and light manufacturing (textiles and apparel). With a share of over 40% each, South Africa and the United States are the source of most FDI into Eswatini. The authorities indicate that during the past years, FDI into Eswatini was driven by the expansion of existing companies rather than by new market entrants.

Table 1.4 FDI into Eswatini, 2016-22

(USD million)

FDI stock	2016	2017	2018	2019	2020	2021	2022
Agriculture, forestry and fishing	11.2	29.1	27.2	27.3	24.1	24.1	20.3
Mining and quarrying	16.9	20.2	0.4	1.4	0.6	0.6	..
Manufacturing	544.5	511.6	487.5	576.8	517.9	..	620.6
Electricity, gas and air conditioning supply	8.9	13.7	17.6	21.6	19.6	21.7	17.9
Construction	..	..	..	..	..	..	..
Wholesale & retail trade; repair of motor vehicles and motorcycles services	44.5	55.3	54.9	62.2	53.0	69.9	51.8
Transportation and storage	2.1	2.4	4.5	5.1	2.9	20.2	17.1
Accommodation and food service activities	1.2	1.4	1.2	0.8	0.2	0.2	0.2
Information and communication	21.4	25.0	28.3	33.1	18.2	23.6	21.5
Finance and insurance activities	150.0	195.1	198.5	222.5	215.3	295.0	251.3
Administrative and support service activities	1.6	2.3	3.1	1.2	2.2	1.8	1.2
Total	**802.2**	**856.3**	**822.2**	**952.1**	**852.7**	**1,126.3**	**1,002.1**

.. Not available.

Source: Information provided by the authorities.

1.21. Eswatini's outward FDI is less significant than inward FDI and reached about USD 170 million in 2021.

2 TRADE AND INVESTMENT REGIMES

2.1 General framework

2.1. Eswatini is an absolute monarchy whose Head of State is the King. The King holds supreme executive, legislative, and judicial powers. Both the country's political and legal systems feature a simultaneous presence of traditional institutions and methods of modern governance and Roman-Dutch Common Law. The Constitution Act No. 001/2005, which came into force on 26 July 2005, is the supreme law. Political parties are not allowed, whereas freedom of association is protected. The Constitution provides for three organs or arms of government: the Executive, a bicameral Legislature, and the Judiciary.

2.2. The primary function of the Executive arm of government is to execute the decisions of the judiciary and to implement the laws made by the Legislature. Furthermore, it is the Executive's role to defend the Constitution. The King may exercise executive authority either directly or through the Cabinet or a Minister with the recommendation of the King's Advisory Council (Liqoqo). The Cabinet is made up of the Prime Minister, the Deputy Prime Minister, and 18 Ministers. At least half of the Ministers are appointed among the elected members of the House of Assembly. In his capacity as the Head of State, the King has authority to sign and assent to bills, summon and dissolve Parliament, reprieve or commute sentences, declare a state of emergency, and order a referendum.

2.3. The Parliament is a bicameral chamber[7] consisting of the Senate (Upper Chamber) and the House of Assembly (Lower Chamber). With the help from the King's Advisory Council, the King appoints 20 of the 30 members of the Senate and 10 of the 65 representatives to the House of Assembly. Other members and representatives are elected through a non-party traditional system called Tinkhundla. The power of the King and Parliament to make laws is exercised through bills. A bill may be introduced into either chamber for debate or passed into law before it proceeds to the Senate for enactment.

2.4. Eswatini's legal system consists of Roman-Dutch law and customary Swazi law. The judicial branch is composed of the Supreme Court, High Courts, and Magistrate Courts, as well as specialized courts such as Swazi National or Customary Courts. The judges of the superior courts (Supreme and High Courts) are appointed by the King on the advice of the Judicial Service Commission. By contrast, officers of the Swazi National Courts, which administer Swazi law, are appointed directly by the King.

2.5. International agreements need to be approved by Cabinet and ratified by both chambers of Parliament. International agreements can be invoked before domestic courts when they have been domesticated, i.e. if there is a related implementation legislation.

2.2 Trade policy formulation and objectives

2.6. For Eswatini, trade is a means to achieve economic growth, economic and export diversification, and equitable prosperity. The Eswatini Government Strategic Road Map, 2019-23 seeks to use trade policy to (i) secure key interests in trade negotiations; (ii) increase exports' contribution to GDP through diversification and value addition; (iii) improve trade facilitation; (iv) strengthen relationships with current export markets; and (v) expand to new markets and take full advantage of their preferences.

2.7. Eswatini's trade policy is mainly formulated within the framework of SACU, of which it is a member. Eswatini also participates in the Common Monetary Area (CMA) (Main Report, Section 1.2). Its economy is closely linked to South Africa's, its main trading and investment partner.

2.8. The Ministry of Commerce, Industry and Trade (MCIT) is the main government agency responsible for trade and industrial policies. Regarding trade, its mission is to formulate policies and promulgate the laws and regulations that ensure fair trading and a competitive environment. The International Trade Department (ITD) of the MCIT is responsible for trade negotiations and export promotion. Other government bodies involved in different aspects of trade policy formulation and implementation include the Ministries of Agriculture; Finance; Economic Planning and Development; Foreign Affairs; and Tourism and Environmental Affairs; as well as the Eswatini Revenue Service;

[7] Constitution, Section 94(1).

the Central Bank of Eswatini (CBE); and a number of public enterprises including the National Agricultural Marketing Board, the Dairy Board, and the National Maize Corporation.

2.9. The main private-sector umbrella organization is Business Eswatini (formerly the Federation of Swaziland Employers and Chamber of Commerce). Through Business Eswatini, the private sector is represented in a number of national working committees, including the National Trade Negotiations Team (NTNT). Among other organizations representing the private sector are the Chamber of Commerce and the Federation of the Swazi Business Community. The Eswatini Trade Consultative Forum provides a platform where Eswatini's national interests, negotiating positions, and trade negotiating strategies are deliberated. However, the authorities indicate that the Forum has not been active in recent years.

2.10. Eswatini does not have a comprehensive foreign trade policy document; rather, trade-related policy objectives are scattered among various documents. The National Development Strategy (NDS) 2023/24–2027/28 recognizes the role of trade and investment towards the achievement of long-term national development goals, and identifies strategies such as improving the business environment, investment promotion, and economic diversification for the achievement of these goals.[8] In the area of trade, the NDS recommends the formulation of import and export policies for agro-based and agricultural products that ensure a safe balance between domestic supply and demand, and the development of export opportunities, particularly in the Southern African region. A National Export Strategy (NES), formulated in 2007, set specific objectives to improve export performance, but was never implemented.

2.11. The MCIT is currently reviewing the Industrial and Development Policy 2015-22. The document sets out a number of trade policy objectives, including to increase the contribution of exports to GDP by harnessing comparative advantage in priority sectors; expand and diversify the export base through enhanced value addition in non-traditional sectors; strengthen relationships with existing export markets to take full advantage of trade preferences; explore new markets in the context of ongoing regional integration initiatives (i.e. Common Market for Eastern and Southern Africa (COMESA)/East African Community (EAC)/Southern Africa Development Community (SADC) Tripartite FTA, African Continental Free Trade Area (AfCFTA), and SACU); secure Eswatini's interests in trade negotiations; promote exports through branding and improved product quality; improve trade facilitation; play an effective role in SACU trade and tariff policy processes; and introduce technological innovation to enhance export competitiveness.

2.12. A National Trade Facilitation Committee (NTFC) was established in 2013, reconfigured in 2018, and approved by the Cabinet and gazetted in 2019. The NTFC is mandated to facilitate both domestic coordination and implementation of provisions of the WTO Agreement on Trade Facilitation (TFA) and any other trade facilitation initiatives. It is accountable to Cabinet under the direction of the Cabinet's Subcommittee on Investment.

2.13. The Government has continued its efforts to improve the trade and investment environment in the form of new or updated legislation in several sectors. Between 2007 and 2015, reforms focused on electricity, taxation/customs, sanitary measures and food safety, government procurement, competition policy, telecommunications, financial services, and air transport[9]. Since 2015, reforms have sought to strengthen public finance management; stimulate the local economy and sectoral activity; improve financial services, communication, and digital services; guarantee a higher level of security (physical and food); and better protect intellectual property.

2.14. The Swaziland Customs and Excise Act of 1971, the Trading License Order of 1975, the Import Control Order of 1976, and the National Agricultural Marketing Board Act of 1985 remain Eswatini's main trade-related legislation. Several new pieces of legislation entered into force during the period under review (Table 2.1).

[8] The NDS 2023/24-2027/28 replaced a previous National Development Strategy with a 25-year time horizon (1998-2022).

[9] WTO document WT/TPR/S/324/Rev.1, 5 February 2016, Annex 5, Table 2.1.

Table 2.1 Trade-related laws enacted since 2015

Area	Name of legislation and date
Consumer affairs	Consumer Credit Act, 2016
Public finance	Public Finance Management Act, 2017
Financial services	Money Laundering Amendment Act, 2016
Investment	Special Economic Zones Act, 2018
Communication	Electronic Communication and Transactions Act, 2022
Energy	Petroleum Act, 2020
SPS measures and food safety	Pesticides Management Act, 2017; Plant Health Protection Act, 2020
Intellectual property	Patents Act, 2018; Copyright Act, 2018

Source: WTO Secretariat, based on information provided by the authorities.

2.3 Trade agreements

2.3.1 WTO

2.15. Eswatini is an original Member of the WTO. It has a permanent mission in Geneva.

2.16. Eswatini provides at least MFN treatment to all of its trading partners.

2.17. At the 12th Ministerial Conference (MC12) in Geneva, Eswatini called upon Members to provide practical and forward-looking solutions not only to issues related to the TRIPS Agreement, but also to fisheries subsidies, dispute settlement, and WTO reform. According to Eswatini's statement at MC12, "The WTO reform should foster greater coherence between trade and development" and the integration of developing countries in GVCs should be a priority of these reforms.[10] Since 2014, Eswatini has greatly increased its notification activities. In total, it submitted about 30 notifications, in the areas of technical barriers to trade, regional trade agreements, trade facilitation, sanitary and phytosanitary measures, and rules of origin (Table 2.2). As at 30 June 2023, Eswatini had outstanding notification obligations on state-trading enterprises, agriculture (domestic support, export subsidies), GATS enquiry point, contingency measures, pre-shipment inspection, quantitative restrictions, and trade-related investment measures.

2.18. Eswatini has never been directly involved as a party to a WTO dispute. It was third party in three related cases brought by Australia (2002), Brazil (2002), and Thailand (2003), against export subsidies on sugar provided by the European Communities.[11]

2.19. Eswatini has continued to receive trade-related technical assistance (TA) from the WTO, other international organizations, and donor partners. A large part of this assistance has come from the WTO, where Eswatini has benefited from TA programmes in areas such as agriculture, NAMA, TRIPS, trade facilitation, TBT, SPS, trade negotiations skills, and trade in services.

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[10] WTO document WT/MIN(22)/ST/46, 12 June 2022, p. 2.

[11] *EC – Export Subsidies on Sugar (Australia)* (DS265); *EC – Export Subsidies on Sugar (Brazil)* (DS266); and *EC – Export Subsidies on Sugar (Thailand)* (DS283).

Table 2.2 Notifications by Eswatini, 2014-June 2023

Notifications	Date of circulation	Notification symbol
Technical Barriers to Trade		
Energy losses for liquid immersed distribution transformers	28 June 2022	G/TBT/N/SWZ/12
Textile and leather technology	28 June 2022	G/TBT/N/SWZ/11
Construction materials and building: Concrete roofing tiles	28 June 2022	G/TBT/N/SWZ/10
Waste regulations	18 November 2019	G/TBT/N/SWZ/9
Ozone Depleting Substance Regulations	18 November 2019	G/TBT/N/SWZ/8
Local Authority Road Traffic Regulations: Registration of motor vehicle, drivers, and dangerous goods	18 November 2019	G/TBT/N/SWZ/7
Dairy Regulations	14 November 2019	G/TBT/N/SWZ/6
Electronic Communications Regulations (Licensing)	14 November 2019	G/TBT/N/SWZ/5
Electronic Communications Regulations (Radio Communications and Frequency Spectrum)	14 November 2019	G/TBT/N/SWZ/4
Procedures for the certification of electronic communications equipment and labelling in conformity with applicable radio frequency standards	14 November 2019	G/TBT/N/SWZ/3
Electronic Communications Regulations (Importation, Type Approval and Distribution of Communications Equipment)	14 November 2019	G/TBT/N/SWZ/2
Article XXIV:7(a) of GATT 1994		
Agreement between SACU members and the United Kingdom	21 January 2021	WT/REG443/N/1
Agreement between SADC EPA states (Botswana, Eswatini, Lesotho, Mozambique, Namibia, and South Africa) and the European Union	12 February 2018 4 April 2017	WT/REG381/N/1/Add.1 WT/REG381/N/1
Paragraph 4(a) of the Enabling Clause (Trade and Development)		
Agreement between MERCOSUR and SACU members	1 November 2019	WT/COMTD/RTA11/N/1
Agreement between MERCOSUR and SACU members	20 July 2017	WT/COMTD/N/55
Sanitary and Phytosanitary Measures		
Public Health (Food Hygiene) Regulations	6 December 2019	G/SPS/N/SWZ/8
Dairy Regulations, 2019	6 December 2019	G/SPS/N/SWZ/7
Animal Disease Regulations (Prohibition use of anabolic hormones, thyrostatic substances and growth promoters)	6 December 2019	G/SPS/N/SWZ/6
The Veterinary Public Health Act, 2013	6 December 2019	G/SPS/N/SWZ/5
Animal Disease Act Regulations, 2012 (Regulation and Control of Veterinary Drugs and Medicinal Substances)	6 December 2019	G/SPS/N/SWZ/4
Pesticide Management Act 2017	13 November 2019	G/SPS/N/SWZ/3
Trade Facilitation		
Arrangements and progress in the provision of technical assistance and capacity-building support of category C designations	12 May 2021	G/TFA/N/SWZ/5
New procedures, rules and tariffs for importation, exportation, and transit	31 March 2021	G/TFA/N/SWZ/4
Technical assistance and support for capacity-building	17 March 2020	G/TFA/N/SWZ/3
Goods declaration (Article 10.6.2 of TFA)	23 May 2019	G/TFA/N/SWZ/2
Shifting between categories in the notification dated 12 March 2018 (G/TFA/N/SWZ/1/Add.1/Rev.1)	16 September 2019	G/TFA/N/SWZ/1/Add.2
Replacement of the document dated 23 February 2018 (GTFA/N/SWZ/1/Add.1)	12 March 2018	G/TFA/N/SWZ/1/Add.1/Rev.1
Category commitments under the Agreement on Trade Facilitation (WT/L/931)	23 February 2018 3 August 2017	G/TFA/N/SWZ/1/Add.1 G/TFA/N/SWZ/1
Rules of Origin		
EPA between the European Union and SACU members	21 July 2017	G/RO/N/158

Source: WTO Secretariat, based on Eswatini's notifications.

2.3.2 Bilateral agreements

2.20. By virtue of its SACU membership, Eswatini has agreed not to negotiate on its own any preferential trade agreements with third parties. Since the advent of the revised SACU Agreement in 2002, the Customs Union has approached all trade negotiations as a bloc (Main Report, Section 2.4).

2.3.3 Regional agreements and arrangements

2.21. Eswatini enjoys preferential market access in the Southern African region under several economic integration arrangements. Like the other members of SACU, Eswatini is a party to the SADC (Main Report, Section 2.4.6).

2.22. Eswatini is the only SACU member that participates in the COMESA.[12] COMESA's objective is to create an integrated and unified single economic space for goods, services, capital, and labour. This is to be achieved through gradual stages: the creation of a free trade area, the establishment of a customs union, the free movement of capital and labour within a common market, and the eventual establishment of a monetary union. The COMESA free trade area was launched in 2000, and the customs union was launched in 2009.

2.23. The Treaty establishing COMESA grants Eswatini a derogation that allows it to benefit from trade preferences from the other members for its exports (of sugar to Kenya and Uganda; fridges and freezers to Malawi, Zambia, and Zimbabwe; and zippers to Madagascar and Mauritius) without having to reciprocate. The derogation is to accommodate constraints imposed by the SACU Agreement under which Eswatini can only grant preferential treatment to COMESA members with the concurrence of its SACU partners. In the absence of such concurrence, Eswatini's COMESA derogation has been extended on several occasions, and may continue to apply until the COMESA/EAC/SADC Tripartite FTA is concluded.[13]

2.24. As a member of SACU, Eswatini is a signatory to the SACU-Mercosur Preferential Trade Agreement of 3 April 2009, which entered in force in 2016; the agreements with the members of European Free Trade Area (EFTA), which entered into force in 2008; and the EPA with United Kingdom concluded on 9 October 2019 (Main Report, Section 2), which entered into force in 2021.

2.25. Eswatini ratified the AfCTA in 2018.

2.26. Eswatini, as part of the SADC group, negotiated an EPA with the European Union in 2016, which entered into force that same year (Main Report, Section 2.4.3).

2.27. Eswatini participates in the negotiations towards a Tripartite Free Trade Area between COMESA, the EAC, and SADC (Main Report, Section 2.4).

2.28. Eswatini enjoys preferential market access under the United States' African Growth and Opportunity Act (AGOA). Between 2015 and 2018, Eswatini was removed from the list of AGOA beneficiary countries for having failed to meet eligibility criteria regarding workers' rights.[14]

2.4 Investment framework

2.29. Eswatini aims to attract FDI to drive economic growth, gain access to export markets, and improve the country's competitiveness. The Government also views new large-scale investment and expansion of existing investments as core elements of its Post COVID-19 Economic Recovery Plan.[15]

[12] COMESA is made up of 21 members: Burundi, Comoros, Democratic Republic of the Congo, Djibouti, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe.

[13] COMESA Council Decision 2010.

[14] AGOA.info, *Country Info: Eswatini*. Viewed at: https://agoa.info/profiles/eswatini.html.

[15] Eswatini Government (2020), *Post COVID-19 Kingdom of Eswatini Economic Recovery Plan: Carving the Path to a Private Sector-led Economy*. Viewed at: https://www.separc.co.sz/wp-

2.30. The Swaziland Investment Promotion Act of 1998 is the main regulatory framework for investment activities. The Act establishes that, in principle, both local and foreign investors may invest without restriction in any sector of the economy.[16] The Act also guarantees (i) protection from undue expropriation; (ii) non-discriminatory treatment between investors; and (iii) prompt processing of work and residence permits and trading licences.[17]

2.31. FDI restrictions, established by sector-specific legislation, are in place for certain manufacturing sectors as well as security printing (bank notes) and minting.[18] Sector-specific legislation also establishes FDI restrictions in construction, communications, insurance, and mining. Foreign investment in construction is subject to a maximum of 40% foreign ownership.[19] In communications, foreign shareholding in any radio and TV broadcasting company listed on the stock exchange is limited to 30%.[20] Foreign shareholding in insurance companies is restricted to a maximum of 75%.[21] Foreign investors in large-scale mining projects are subject to a 50% ownership cap.[22]

2.32. Foreign ownership of land is prohibited under the Constitution.[23] However, for investments where land tenure is a significant factor, foreign investors may be allowed to acquire land titles subject to approval by the Land Board.

2.33. Every foreign investor must obtain a trading licence, in line with the Trading Licence Order of 1975. They must also acquire residence and work permits prior to their investments and are required to hire local workers wherever possible. According to the authorities, company registration takes about three days.

2.34. The Eswatini Investment Promotion Agency (EIPA) is a public entity responsible for formulating and implementing schemes to attract foreign and local investment. A variety of investment incentives remain available to both local and foreign investors (Table 2.3).[24] The authorities indicate that there are plans to establish a single window for foreign investors.

2.35. In May 2018, the Special Economic Zone (SEZ) Act came into effect. This Act provides for additional investment incentives for companies established in SEZs. On the other hand, the Act requires operators to fulfil certain obligations, such as minimum local employment and capital investment, adherence to the localization policy, and technology transfer.[25] As at June 2023, two sites have been designated as SEZs, namely Royal Science and Technology Park and King Mswati III international airport, and three companies have been established in these SEZs.

2.36. To settle commercial disputes, the Government recently established the Commercial Court. With a view to expedite commercial dispute resolutions, it also established a Small Claims Court in 2023. In Transparency International's 2022 Corruption Perception Index, Eswatini ranked 130 out of 180 states and territories.[26]

content/uploads/2020/08/Final-Post-COVID-19-Economic-Recovery-Plan-Eswatini-14082020_compressed-1.pdf.

[16] Swaziland Investment Promotion Act, 1998, Article 19.1.

[17] Swaziland Investment Promotion Act, 1998, Articles 20 and 22.

[18] Swaziland Investment Promotion Act, 1998, Article 19.2. The restricted manufacturing sectors are those related to (i) firearms, ammunition, chemical and biological weapons, and other defence weapons; (ii) radioactive materials; (iii) explosives; and (iv) hazardous waste treatment or disposal.

[19] Construction Industry Council Act, 2013. Where local expertise is in shortage, the Construction Industry Council may authorize a higher share.

[20] Electronic Communications Licensing Regulations, 2016.

[21] Insurance Act, 2005.

[22] Mines and Minerals Act, 2011, Article 133.

[23] Constitution, Section 211 (Land).

[24] EIPA, *Why Do Business in Eswatini*. Viewed at: https://investeswatini.org.sz/why-do-business-in-eswatini/.

[25] Special Economic Zone Act, 2018, Article 20 and Second Schedule.

[26] Transparency International, *Corruption Perceptions Index, 2022*. Viewed at: https://www.transparency.org/en/cpi/2022.

2.37. Foreign investment is also hampered by heavy state involvement in the economy and a widely perceived lack of political reforms, which have resulted in recurrent protests against the country's political system, and public overconsumption.[27]

Table 2.3 Eswatini investment incentives

Incentive	Content
Tax incentives	• Reduced Corporate Tax of 10% for 10 years to both local and foreign investments[a] in manufacturing, mining, international services, and tourism; • Unlimited provision for losses; • Duty-free access intermediate goods; • Duty-free access on raw materials used for the production of goods exported outside SACU; • Full repatriation of profits; • Employee training allowance of 100% of the cost to be offset against tax liabilities; • Accelerated capital allowances (for hotel construction and improvement; buildings housing manufacturing plants and machinery; employee housing allowance; farming).
Non-tax incentives	• Protection from undue expropriation; • Five-year work and residence permits for senior expatriates; • Subsidized rental on government factory shells.
Special Economic Zone (SEZ) incentives	Companies located in the SEZs benefit from the following: • Exemption from corporate tax for the first 20 years, thereafter a corporate tax of 5%; • Reductions of customs duty, VAT, and any other tax payable on raw materials, equipment, and machinery; and • Exemption from foreign exchange control or restrictions for activities carried out in a SEZ.

a A company may also be provided with an exemption from withholding taxes on dividends during the same 10-year tax period.

Source: EIPA. Viewed at: https://investeswatini.org.sz/incentives/.

2.38. Eswatini has signed double taxation agreements with five African partners (South Africa, Mauritius, Seychelles, Botswana, and Lesotho), as well as with the United Kingdom and Chinese Taipei.[28] All these agreements have come into force.

2.39. Eswatini has concluded bilateral investment treaties (BITs) with Germany (1990), the United Kingdom (1995), Chinese Taipei (1998), Mauritius (2000), Egypt (2000), and the State of Kuwait (2009). However, only three BITs, with Germany, the United Kingdom, and the State of Kuwait, have entered into force. Eswatini is also a signatory to 12 international investment agreements (IIAs) between groups.[29]

2.40. Eswatini is a member of the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID). The Swaziland Investment Promotion Act stipulates that, in the event of a dispute arising between an investor and the Government, foreign investors may choose a forum of dispute settlement between domestic courts and international arbitration based on the ICSID convention or the Arbitration Rules of the United Nations Commissions on International Trade Law (UNCITRAL).[30]

[27] World Bank (2022): *Creating Markets in Eswatini: Strengthening the Private Sector to Grow Export Markets and Create Jobs*.

[28] Eswatini Revenue Service, *Double Taxation Agreements*. Viewed at: https://www.ers.org.sz/legalandpolicy/pageview.php?id=97&name=Double%20Taxation%20Agreements.

[29] These are SACU and Mozambique-United Kingdom EPA (2019); the EU-SADC EPA Group Agreement (2016); the EU-SADC Interim Agreement (2009); the SACU-US TIFA (2008); the COMESA Investment Agreement (2007); SADC Investment Protocol (2006); the EFTA-SACU FTA (2008); COMESA-US TIFA (2001); the Cotonou Agreement (2000); the SADC Treaty (1992); the African Union Treaty (1991); and the African Continental Free Trade Area Treaty (2018).

[30] Swaziland Investment Promotion Act, Article 21.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1.1 Customs procedures and requirements

3.1. Any individual or company engaged in importing or exporting goods requires a trading licence, which is issued by the Ministry of Commerce, Industry and Trade (MCIT) and a Tax Identification Number (TIN). According to the authorities, it takes about three days to obtain both. In addition, any person wishing to engage in trading certain controlled agricultural products (scheduled agricultural products) must register with, and obtain a permit from, the National Agricultural Marketing Board under the NAMBOARD Act No. 13 of 1985 (Section 3.1.4). An online guide for importers is available on the website of the Eswatini Trade Information Portal, which was established in September 2020.[31]

3.2. For customs clearance purposes, importers must register with the Eswatini Revenue Service (ERS). Although not mandatory, customs clearance is usually done through customs agents, who must be licensed by the ERS. Documentation required for custom clearance includes the import declaration using the single administrative document (SAD 500) and supporting documents such as the bill of lading, commercial invoice, road manifest, and packaging list. In some instances, certificates of origin, import permits, and SPS certificates may also be required. Customs declarations must be made through the ASYCUDA World system, which replaced ASYCUDA++ in 2016. Companies can use their TIN to register with ASYCUDA. Import declaration fees were abolished with the introduction of ASYCUDA World. All duties exceeding SZL 1,000 must be paid electronically.

3.3. Goods must be declared under one of four customs procedures: home use, temporary admission, transit, or warehousing (in this case, the goods will remain stored in bond until the importer enters them for home use or re-export). Home use is by far the most important procedure. For imports transiting by road, a security bond must be lodged. This is not required for goods transported by rail given the very low likelihood that they would be diverted for use in the South African market.

3.4. Eswatini uses an automated risk management system under ASYCUDA World. Declared goods are allocated to a control channel: green (release of goods without examination); yellow (documentary checks prior to goods release); red (physical examination of goods prior to release); or blue (goods are released but subjected to a post-clearance audit). About 70% of consignments go through the green channel; some 3% go through the red channel.

3.5. Most overseas imports arrive via the port of Durban, South Africa, and from there are transported by road or rail to Eswatini. An alternative route for imports is through the port of Maputo (Mozambique), which is closer than Durban, but road infrastructure is suboptimal. In addition, Eswatini has an inland dry port at the Matsapha Industrial Estate, where customs clearance can be conducted. There are eight customs offices that handle commercial consignments. The authorities note that the Ngwenya-Oshoek customs office, where most trade with South Africa is handled, is now open on a 24/7 basis.

3.6. In 2018, the ERS established a trade data exchange system with the South African Revenue Service (SARS) in order reduce under-declaration by importers and ghost exports. In May 2023, an Authorized Economic Operator Programme was launched (Main Report), replacing the Preferred Trade Programme.

3.7. A time release study conducted in 2018 came to the result that average time for import clearance from registration of the declaration until exiting the border was approximately 8.5 hours, with a median time of 4 hours.[32] It was also found that traders are required to deal with multiple agencies at different locations at the border, often resulting in delays for individual drivers and leading to congestion at the border. The largest portion of time by importers was spent on various

[31] Eswatini Trade Information Portal. Viewed at: https://www.eswatinitradeportal.com/index.php?r=site/index.

[32] World Bank (2018), *Swaziland Time Release Study 'Plus'*. Viewed at: https://itdswaziland.org/wp-content/uploads/2020/08/180718-FINAL-REPORT-Eswatini-Time-Release-Study.pdf.

regulatory processes. According to the authorities, a national time release study conducted in 2023 came to the result that net clearance time is about one hour.

3.8. Aggrieved importers and exporters may appeal customs decisions to the Commissioner General (CG) of the ERS and appeals against the ERS's decisions may be heard in the courts. Under section 91 of the Swaziland Customs and Excise Act of 1971 (Customs and Excise Act), an importer or exporter can choose to have a case dealt with administratively by the CG to avoid legal proceedings. This means, however, forgoing the right to challenge the CG's decision in court.

3.9. The Customs and Excise Act, the Trading License Order of 1975, and the Import Control Order of 1976 remain the legal basis for customs procedures in Eswatini. The authorities indicate that a new Customs Bill is being prepared.

3.10. In 2007, Eswatini notified the WTO that it was implementing the WTO Customs Valuation Agreement.[33] Customs valuation has been harmonized within SACU (Main Report, Section 3.1).

3.11. Eswatini notified its category commitments under the Agreement on Trade Facilitation.[34] It also notified arrangements and progress in the provision of technical assistance and capacity-building support of Category C designations.[35]

3.1.2 Tariffs and other charges

3.12. SACU members have harmonized tariffs, rules of origin, and contingency measures. Therefore, Eswatini applies the common external tariff (Main Report, Section 3.3).

3.13. Under Article 26 of the SACU Agreement, Eswatini may temporarily levy additional duties on imported goods from any country for the "protection of infant industries". Eswatini exercises this right and applies import levies to several agricultural goods (scheduled agricultural products) and milk and dairy products.

3.14. Under the National Agricultural Marketing Board (NAMBOARD) Act No. 13 of 1985 (as amended) and the Regulation Notice No. 8 (amendments effective 1 June 2013), NAMBOARD collects levies on imports of scheduled agricultural products, such as maize, rice, wheat, fruits and vegetables, poultry, and turkey. The levy rates vary depending on the availability of products in the country, and range from 1% to 25%; some of them were slightly modified during the review period (Table 3.1) The levies are applied to all imports, including those from SACU member countries.

Table 3.1 Import levies on scheduled agricultural products

Product category	Applied levy (%)
Maize excluding seed maize, yellow maize and popcorn	1
Maize products excluding starch hominy chop, and maize grits	8
Animal feed (excluding bran and chop)	3
Rice	3.5
Fresh fruit excluding apples, pears, peaches, grapes and bananas	8.5
Apples, pears, peaches and grapes	3.5
Bananas	10
Fresh vegetables excluding seed potatoes	8
Cabbages, tomatoes and potatoes	7.5
Poultry and poultry products excluding turkey, point of lays, hatching eggs	15
Broiler day-old chicks	2.5
Wheat	3.5
Wheaten flour	7.5
Turkey	15
Edible oil from sunflower, groundnuts and cotton	24

Source: NAMBOARD. Viewed at: http://namboard.co.sz/index.php/inspectorate/levies.

[33] WTO document G/VAL/N/1/SWZ/1, 25 April 2007.
[34] WTO documents G/TFA/N/SWZ/1, 3 August 2017; G/TFA/N/SWZ/1/Add.1/Rev.1, 12 March 2018; and G/TFA/N/SWZ/1/Add.2, 16 November 2019.
[35] WTO document G/TFA/N/SWZ/5, 12 May 2021.

3.15. In accordance with the Dairy Act No. 28 of 1968 and Legal Notice No. 27 of 2011, the Eswatini Dairy Board charges import levies on milk and dairy products at rates of 10% or 12% of the invoice value, including on imports from other SACU countries (Table 3.2). These rates remained unchanged during the review period.

Table 3.2 Import levies on milk and dairy products

Products	Import levy (% of the invoice value)
Full cream milk UHT/flavoured milk	10
Low fat UHT	10
Fresh full cream milk, low fat or skim milk	12
Fermented milk/Emasi/buttermilk	12
Fresh/sour cream or UHT	10
Yoghurt/Sip	10
Margarine	10
Honey	10
Condensed milk	10
Dessert/ice cream/mixtures	10
Baby formulas	10
Milk substitutes (e.g. Cremora)	10
Full cream milk powder	10
Skim milk powder/dairy powder blends	10
Whey/buttermilk powder	10
Cheese (Cheddar, Gouda or other)	10
Butter	10
Edible products of animal origin not elsewhere specified or included in the Tariff Book	10

Source: Eswatini Dairy Board, Legal Notice No. 27 of 2011. Viewed at: http://www.dairyboard.co.sz/download/Eswatini%20Dairy%20Board%20Schedules%20Notice%202022.pdf.

3.16. In the Uruguay Round, Eswatini bound 96.6% of its tariff lines at the same levels as those bound by South Africa. On around 10 tariff lines, the imposition of non-*ad valorem* duties might result in applied MFN tariff rates that exceed bound rates (Main Report, Table 3.3.2).

3.17. Eswatini bound other duties and charges at zero, except for a few tariff lines bound at higher rates (Main Report, Section 3.3.2).

3.1.3 Value added tax and excise duties

3.18. VAT is levied on most products and services at a standard rate of 15% (14% until August 2018). The zero rate applies to exports, certain food supplies, prescription drugs and medicines, and animal feeds, and exemptions apply to passenger transport, education, financial, insurance, and medical services.

3.19. VAT applies to both local products and imports at the same rates. For local products, VAT is levied on the net selling price (plus excise duty, if applicable). For imports, VAT is levied on the c.i.f. value. VAT on imports, including from SACU members, is collected by the ERS at the port of entry.

3.20. Under a VAT refund administration scheme established in 2015, importers of goods from South Africa that present a South African tax invoice at the border do not have to pay for VAT in cash at entry into Eswatini, as the ERS claims the VAT refund directly from SARS.

3.21. The SACU Agreement provides for the application of harmonized excise duties on selected products (Main Report, Table A3.3).

3.22. Under the Fuel Oil Levy Act of 1979, a fuel levy of SZL 0.70 per litre and a fuel tax of SZL 3.85 per litre are charged on imports of petrol and diesel. These charges are added to the standard SACU excise duty.

3.1.4 Import prohibitions, restrictions and licensing

3.23. Import prohibitions apply on drugs and narcotics; pornographic materials; pirated copyright goods; fake currency, bonds and coins; motor vehicles older than 10 years; and hydrochlorofluorocarbons (HCFC) and chlorofluorocarbons containing HCFC.

3.24. Import restrictions apply on several products for safety, health, and environmental reasons, and in some cases for infant industry protection. Under the Import Control Order of 1976, the Import Control Regulations of 1980, and Legal Notice No. 60 of 2000, the following products from outside SACU are subject to prior import permits: arms; drugs; mineral fuels; mineral oils; gold and other precious metals; specified agricultural products (wheat, wheat flour, dairy products, maize, and rice); electrical appliances; automotive parts; used motor vehicles; used earthmoving equipment; used tyres and tyre casings; used clothing; used footwear; used textiles; and wild animal products.

3.25. The Ministry of Finance issues the import permits for the products listed above except for agricultural products and drugs. Any person, company, or institution may apply for a permit. Permits issued by the Ministry of Finance are generally free. Import permits are valid for one year and may not be transferred.

3.26. Imports of live animals, plants and products thereof, and fertilizers are restricted on sanitary and phytosanitary grounds and require an import permit issued by the Ministry of Agriculture (MOA). For agricultural goods, the fees for a permit are between SZL 10 and SZL 50, depending on the good. Import permits for pharmaceutical products are issued by the Ministry of Health.

3.27. A time-release study conducted in 2018 found that processes for permits, certificates, and licences are primarily paper-based, which places a requirement on importers to travel to the agency concerned and, in many cases, make an application, leave the agency, and then return later the same day or another day to collect an approved application. Also, many of the certificates, permits, and licences were issued on a per-consignment basis with a limited validity period, requiring that frequent importers must make multiple visits to the agencies from which they are seeking permission to import. Consequently, these provisions add to the total regulatory time without any significant benefits.[36] In this context, the authorities note that some of these permits, certificates, and licences are now issued electronically, which should greatly reduce processing times.

3.1.5 Anti-dumping, countervailing, and safeguard measures

3.28. Eswatini has no domestic legislation on trade remedies. As part of SACU, it applies the anti-dumping, countervailing, or safeguard measures imposed by South Africa based on investigations carried out by the International Trade Administration Commission of South Africa (Main Report, Section 3.3.7.1).

3.2 Measures directly affecting exports

3.2.1 Export procedures and requirements

3.29. Exporters are required to register with the ERS. Persons or companies wishing to engage in exporting "scheduled agricultural products" must register with, and obtain a permit from, the National Agricultural Marketing Board.

3.30. An online guide for exporters is available on the website of the Eswatini Trade Information Portal.[37]

3.31. For customs clearance purposes, exporters must submit an export declaration and supporting documents (invoice, road manifest, and, if applicable, permits and certificates of origin). Depending on the product, SPS or fumigation certificates may also be required; these certificates are issued free of charge by the National Plant Health Inspectorate Services (NaPHIS). Customs declarations

[36] World Bank (2018), *Swaziland Time Release Study 'Plus'*.
[37] Eswatini Trade Information Portal. Viewed at: https://www.eswatinitradeportal.com/index.php?r=site/index.

are made through ASYCUDA World. All documents can be submitted electronically. Formerly applicable fees for the export declaration were abolished in 2016.

3.32. Most exporters use customs clearance agents or freight forwarders that take care of the export logistics in South Africa, which includes the deposit of a security bond covering goods in transit to Durban. This, however, is not a legal requirement.

3.33. As in the case of imports, most exports are transhipped through the port of Durban where they arrive by road, while sugar is usually exported through the port of Maputo. Export consignments may be inspected by Customs, in particular if there is a duty or tax refund to be claimed.

3.34. A time release study conducted in 2018 came to the result that average time from registration of the export declaration to exiting the border was 19 hours and 19 minutes, with a median time of 4 hours.[38] This was influenced mainly by the time taken from completion of the pre-border regulatory processes until arrival at the border. These processes are mainly driven by the decisions of businesses about packing, loading, and when to present goods at the border and so are outside the control of ERS.

3.2.2 Export taxes, charges, and levies

3.35. Eswatini does not apply any export taxes, charges, and levies.

3.2.3 Export prohibitions, restrictions, and licensing

3.36. Eswatini applies export prohibitions on products regulated by international conventions such as CITES.

3.37. Export prohibitions may also be imposed in case of food shortages resulting from natural disasters. However, the authorities indicate that they are not applied in practice.

3.2.4 Export support and promotion

3.38. Inputs imported to manufacture products for export outside the SACU area may be eligible for partial or full customs duty rebates subject to the conditions specified in the SACU Tariff Schedules (Main Report, Section 3.3.6). In addition, registered VAT vendors may claim a refund for VAT paid on imported inputs that are incorporated into an export product; refunds are normally given as duty credits.

3.39. Exports of goods and services are zero-rated for VAT purposes.

3.40. The Eswatini Investment Promotion Authority (EIPA) is in charge of all governmental export promotion activities. This includes the identification of new export products and markets, the promotion of Eswatini's products on world markets, and financing the participation of local enterprises in international trade fairs (covering shipment costs and exhibition space). No information was made available on the EIPA's budget for export promotion. The EIPA is also responsible for hosting the annual Eswatini International Trade Fair.

3.41. The Special Economic Zones Act (Section 2.4) adopted in 2018 also has the objective of promoting exports. As at June 2023, two Zones have been established with a total of two companies.

3.2.5 Export finance, insurance, and guarantees

3.42. The Export Credit Guarantee Scheme (ECGS) enables exporters to obtain loans from commercial banks at concessionary interest rates. The scheme is placed under the Central Bank of Eswatini (CBE), which guarantees the loans made by commercial banks. The ECGS covers both political and commercial risk. As at end-2022, its total guaranteeing capacity stood at SZL 25 million.

3.43. To be eligible, exporters must be registered in Eswatini and submit complete project proposals to their bank. The ECGS covers 90% of the FOB value of the goods to be exported, up from 70% at

[38] World Bank (2018), *Swaziland Time Release Study 'Plus'*.

the time of the last Review. The maximum guarantee to a single exporter is SZL 3.3 million. The rate of interest applicable is the current prime rate plus 1% per annum. In addition, the ECGS charges a premium of 1.5% of the guaranteed amount when issuing guarantees.

3.3 Measures affecting production and trade

3.3.1 Standards and technical regulations

3.44. The Eswatini Standards Authority (SWASA) was established in 2007 as a statutory body under the MCIT. It is responsible for developing and monitoring standards, performing conformity assessments, providing testing facilities, and obtaining affiliation to relevant international bodies. It is governed by a 10-member Council, comprising representatives from the Government and the private sector. SWASA also serves as the national enquiry point under the TBT Agreement, which as at June 2023 still has to be notified.

3.45. Eswatini is a correspondent member of the International Organization for Standardization (ISO). The authorities indicate that full membership in ISO remains a policy objective. SWASA also participates in the Southern Africa Development Community (SADC) programme on standards, quality assurance, accreditation, and metrology (SQAM). Additionally, it has a memorandum of understanding with the South African Bureau of Standards (SABS).

3.46. The procedure for the development of national standards remained unchanged during the review period. Interested producers, consumers, or government agencies may submit proposals for new standards to SWASA. A standards advisory committee selects a proposal to be developed and directs it to the relevant technical committee. Currently, there are 52 technical committees for different economic sectors, with over 200 members, including a range of public- and private-sector representatives. Once a standard project has been drafted and agreed on by the technical committee, SWASA publishes it for public comment for 60 days. The feedback is considered by the technical committee and the final text is submitted to the SWASA Council for approval. Once approved, the new standard is adopted and published in the official gazette.

3.47. Since its inception in 2007, SWASA has adopted some 299 national standards. All standards are voluntary. Section 17 of the SWASA Act permits the MCIT to declare a standard compulsory; however, this has not happened so far.

3.48. For conformity assessments, SWASA relies on the South African Bureau of Standards (SABS) and on the South African National Accreditation System (SANAS). Eswatini has not concluded any mutual recognition arrangements in the TBT area.

3.49. Currently, Eswatini has three accredited testing laboratories. SWASA's Quality Assurance Department is responsible for carrying out quality testing and certification. As at June 2023, 2 certification schemes were available, and 12 companies had become certified.

3.50. The Guidelines on Import and Export Procedures for Medicines, 2016, available online at the Eswatini Trade Information Portal, lay out the procedures and conditions for trade in medical goods. These goods generally require an import or export certificate issued by the Ministry of Health. Certificates are valid for six months from the date of issue.

3.51. Between 2019 and 2022, Eswatini submitted 11 notifications to the WTO TBT Committee, covering a broad range of measures and product categories.[39] No specific trade concerns were raised against Eswatini's TBT measures during the period under review. Eswatini accepted the Code of Good Practice in 2008.[40]

3.52. Labelling and marking for industrial and pharmaceutical imports must be done in English.

[39] WTO documents G/TBT/N/SWZ/2-12. See also Table 2.2 in this report.
[40] WTO document G/TBT/CS/N/174, 23 October 2008.

3.3.2 Sanitary and phytosanitary requirements

3.53. The MOA is responsible for overall policy and the implementation of SPS measures. Animal health matters are handled by the Ministry's Department of Veterinary Services; plant health issues are the responsibility of the Department of Agricultural Research and Specialist Services; and food safety issues are dealt with by the Department of Environmental Health in the Ministry of Health, although other departments may be involved.

3.54. All imports of live animals and plants, and all products of animal and plant origin, require an import permit (i.e. an SPS certificate) issued by the MOA through the corresponding department.[41] Imports of genetically modified organisms (GMOs) are basically allowed but require an import permit issued by the Eswatini Environmental Authority. Certification fees apply for animals and animal products, while there are no fees for plant products.

3.55. The Animal Disease Act No. 7 of 1965 (as amended) and its regulations set out provisions for animal disease control. Control measures include monitoring and reporting of diseases, quarantine measures, notification procedures, checks on the importation of animals and animal products, and obligations on animal owners concerning disease prevention and control. The Livestock Identification Act No. 13 of 2001 provides for the identification and traceability of livestock. The Regulation and Control of Veterinary Drugs and Medical Substances Act, 2012 governs the importation, sale, and use of veterinary drugs and medical substances.

3.56. The Veterinary Public Health Act, 2013 applies to all animal products for human consumption at the primary production stage. It provides for official inspections of slaughter facilities and food establishments, quality control, and certification. The Act establishes the Veterinary Public Health Unit under the MOA, which has the task of conducting inspections of slaughterhouses and establishments. The Veterinary Field Services Section in the MOA is responsible for handling government quarantine facilities and conducting inspections. All imported livestock, except those brought for immediate slaughter, are subject to a quarantine period of 30 days and must be disembarked directly into the quarantine facilities.[42] Quarantine fees apply. Importers are required to notify the competent veterinary office before animals arrive in the country.

3.57. The Plant Health Protection Act (Act No. 3 of 2020) intends to align Eswatini's phytosanitary regime with the International Plant Protection Convention (IPPC) and established the NaPHIS, which became operational in 2021. The NaPHIS has digitalized its treatment of phytosanitary certificates, plant import, and transit permits through the development of an online portal.[43] In the long run, this portal is to be linked to the IPPC's ePhyto hub and to ASYCUDA. The Act is still to be notified to WTO. The Seeds and Plants Varieties Act of 2000, its 2002 Regulations, and the Plant Control Act No. 7 of 1981 remain in force.

3.58. The Seeds and Plant Varieties Act of 2000 and its regulations outline the requirements, procedures, and practices of the seed value chain. The Act designates the Seed Quality Control Services Section of the MOA as the seed certification agency and testing station. Both importers and exporters must register with the Registrar of Seeds. Any person intending to import seeds must obtain a phytosanitary certificate; the seeds must be of a variety entered in the Recommended Variety List and comply with prescribed requirements. Any person wishing to export seeds must apply for an export certificate from the Registrar, for which inspection and testing may be necessary.

3.59. The Pesticides Management Act, 2017 establishes a Registrar of Pesticides, which should become operational in 2024.[44] The functions of the Registrar include (i) registration, cancellation, and licensing of pesticides; (ii) issuing and revocation of permits and licences; (iii) taking measures for the protection of humans, animals, and the environment from risks of pollution resulting from pesticides; (iv) taking measures to combat pollution created by the use of pesticides; and (v) monitoring the trade, use, and disposal of pesticides. All pesticides must be registered. The Act also establishes a Pesticides Management Board, which shall advise the Government on matters relating to pesticide management.

[41] Imports from South Africa for personal consumption are exempt from this requirement.
[42] There are two main government quarantine stations: Mpisi and Maphiveni.
[43] NaPHIS System. Viewed at: https://naphis.gov.sz.
[44] WTO document G/SPS/N/SWZ/3, 13 November 2019.

3.60. Since its last Review, Eswatini submitted six notifications to the WTO SPS Committee, all of which cover different laws or regulations.[45] No specific trade concerns were raised against Eswatini's SPS measures during the period under review. Eswatini did not raise any specific trade concerns but supported Namibia's concern related to South Africa's revised veterinary health certificates for the import of cattle, sheep, and goats from Botswana, Eswatini, Lesotho, and Namibia.[46]

3.61. Eswatini has a mutual recognition agreement on SPS issues with South Africa.

3.3.3 Competition policy and price controls

3.62. Eswatini's competition policy legislation remained unchanged during the period under review. It comprises the Competition Act, 2007; the Competition Commission Regulations Notice, 2010; and the Fair Trading Act, 2001.[47]

3.63. The Competition Act, 2007, which applies to all sectors of the economy, prohibits anti-competitive conduct such as price-fixing agreement, collusive tendering and bid rigging, market or customer allocation, and exclusive supply agreements. The Competition Commission is responsible for combating anti-competitive trade and restrictive business practices including abuse of dominance. The Commission may institute an investigation *ex officio* or at the instance of a complaint received from a third party. Under the corporate leniency programme, companies are encouraged to submit evidence of operational conduct involving cartels to the Commission. The first company in any cartel to do so will be granted immunity from any penalty if the leniency requirements are met.

3.64. Between 2015 and 2022, the Commission carried out 11 investigations related to anti-competitive practice, pertaining to different sectors such as provision of health care, supply of school uniforms and educational material, and supply of construction equipment.

3.65. The Competition Commission is also in charge of issues pertaining to mergers and acquisitions. All mergers and acquisitions, regardless of size, must be notified to, investigated, assessed, and approved by the Commission prior to implementation. Between FY2017/18 and FY2022/23, it approved 135 transactions.

3.66. The Commission's Consumer Protection Department conducts investigations to reduce consumer detriment, mostly in reaction to complaints by consumers. Between FY2017/18 and FY2022/23, it dealt with 396 consumer complaints, of which 321 were resolved.

3.67. Eswatini continues to apply maximum retail prices for a series of goods and services under the Price Control Order, 1973. Goods and services subject to maximum retail prices include bread, maize grains, gasoline, public transport, and postal and fixed-line telecommunication services.

3.3.4 State trading, state-owned enterprises, and privatization

3.68. Eswatini has never submitted any notifications of its state trading enterprises. However, some state-owned enterprises or parastatals such as the National Agricultural Marketing Board, the National Maize Corporation, and the Eswatini Dairy Board have the statutory power to regulate imports and exports of certain agricultural products. The authorities indicate that they are considering a notification of these institutions as state trading enterprises.

3.69. State participation in the economy through public enterprises or parastatals remains substantial.[48] Numerous public enterprises operate across key economic sectors, including transport, finance, public utilities, tourism, health, and education. The main state-owned enterprises are Eswatini Electricity Company (EEC), Eswatini Post and Telecommunications Corporation (EPTC), Eswatini Meat Industries, and the Eswatini Water Services Corporation (EWSC).

[45] WTO documents G/SPS/N/SWZ/3-8. See also Table 2.2 of this report.
[46] WTO documents G/SPS/R/82, 7 June 2016; and G/SPS/R/82/Corr.1, 2 December 2016.
[47] WTO document WT/TPR/S/324/Rev.1, 5 February 2016.
[48] Eswatini Economic Policy Analysis and Research Centre (2021), *An Analysis of the Performance of State-Owned Enterprises in Eswatini: A Historical Overview*.

3.70. Public enterprises still account for a high share of GDP. The strong role of SOEs has added to the inflexibility of Eswatini's public expenditure and contributed to high fiscal deficits and subsequently high debt levels. Government transfers to SOEs, many of which are lossmaking, were found to be equivalent to about 5% of GDP or 17% of total expenditure.[49]

3.71. The Public Enterprise Unit (PEU) in the Ministry of Finance is in charge of supervising all public enterprises in Eswatini, in accordance with the provisions of the Public Enterprises (Control & Monitoring) Act of 1989. There has been no privatization since 2015. It has been noted that political resistance and the limited capacity of the PEU in the reform process have hindered progress.[50] A technical report on SOE reform was adopted by the Cabinet. Reform of Eswatini's SOEs is supported by a loan from the African Development Bank.

3.3.5 Government procurement

3.72. Eswatini is neither a signatory nor an observer to the WTO Agreement on Government Procurement. Eswatini has not undertaken any commitments to open its government procurement market under RTAs.

3.73. No figures were made available by the authorities on the importance of government procurement in Eswatini.

3.74. The Public Procurement Act No. 7 of 2011 is Eswatini's main legal instrument for public procurement. The Act applies to all procurement made by central and local government entities as well as regulatory authorities. Regulations under the Act were adopted in 2020. The Act also established the Eswatini Public Procurement Regulatory Agency (ESPPRA) as an independent regulatory body responsible for policy formulation, regulation, and oversight of public procurement in Eswatini.[51] As a general rule, procurement shall be conducted in a manner that promotes efficiency, transparency, accountability, fairness, competition, and value for money.

3.75. The Public Procurement Act outlines five different modes of procurement: open tendering, limited tendering, request for proposals, request for quotations, and single source procurement. Open tendering is the preferred and most widely used procurement method; alternative modes shall only be used when their specific conditions are met. All tenders are to be published on ESPPRA's website.

3.76. Under the regulations, a price preference of up to 15% may be granted to Eswatini companies in the bidding process.[52] Foreign companies may also be granted a price preference of up to 7.5% if they subcontract to Swazi companies or supply Swazi manufactured goods. There are no specific provisions granting preferential treatment to SMEs.

3.77. Any tenderer that claims to have suffered loss or injury may seek administrative review in accordance with Section 47 of the Act. Unless the application is dismissed or resolved by mutual agreement, the procuring entity shall immediately institute an investigation; ensure that no contract award is made prior to completion of the review process; and issue a written decision, within 10 working days after the submission of the application.

3.3.6 Intellectual property rights

3.78. The Intellectual Property Office (IPO) under the MICT is the contact point for all IPR matters. The IPO oversees protecting and registering trademarks, patents, industrial designs, and copyrights.

3.79. Eswatini is a member of WIPO and participates in various international IPR arrangements (Table 3.3). At the regional level, Eswatini is a member of the African Regional Industrial Property Organization (ARIPO). It has signed the Banjul Protocol (trademarks) and the Harare Protocol

[49] IMF (2023), *Kingdom of Eswatini: Staff Report for the 2023 Article IV Consultation*, IMF Country Report No. 23/160. Viewed at: https://www.imf.org/en/Publications/CR/Issues/2023/05/05/Kingdom-of-Eswatini-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-533091.

[50] IMF Country Report No. 23/160.

[51] Both the Act and the 2020 Regulations are available on ESPPRA's website: https://esppra.co.sz/sppra/index.php.

[52] At least 60% of the controlling shares must be owned by Eswatini citizens.

(patents, industrial designs, and utility models). Through ARIPO, Eswatini is in the process of acceding to the UPOV Convention.[53]

Table 3.3 Membership of WIPO administered treaties, 2023

Membership of WIPO administered treaties, 2023	Membership of WIPO-administered treaties, 2023
Berne Convention for the Protection of Literary and Artistic Works	14 December 1998
Madrid Agreement Concerning the International Registration of Marks and its Protocol	14 December 1998
Paris Convention for the Protection of Industrial Property	12 May 1991
Patent Cooperation Treaty (PCT)	20 September 1994
Patent Law Treaty	Signed in 2000 but not yet ratified
Trademark Law Treaty	Signed in 1994 but not yet ratified

Source: WIPO.

3.80. New legislation on patents, copyrights, and an IPR tribunal entered into force in 2018. Regulations under these laws are still under development. As at June 2023, these laws had not been notified to the WTO. There is no legislation on the protection of geographical indications, plant breeders' rights, topographies of integrated circuits, undisclosed information, or utility models.

3.81. The Patent and Designs Act, 2018 lays out procedures for the registration of patentable inventions and establishes the Patent Office. It also provides for procedures in case of infringement. The term of every patent is 20 years from the date of the application. Under the Act, an invention is patentable if it is new, involves an inventive step, and is capable of industrial application. Matters excluded from patent protection include diagnostic, therapeutic, or surgical methods for the treatment of human beings or animals; plants and animals other than microorganisms; or essentially biological processes to produce plants or animals, other than non-biological and microbiological processes.

3.82. The Copyrights and Neighbouring Rights Act, 2018 defines the following works as eligible for copyright: literary, musical, artistic, and audiovisual works; sound recordings; broadcasts; programme carrying signals; and published editions. Duration of the copyright is generally 50 years from the end of the year in which the work is made available to the public. Expressions of folklore are also protected, and their copyright vests in the Government. The Act provides for criminal prosecution and sanctions for deliberate infringement of copyrights for commercial gain. It also establishes a Copyright Office within the IPO, which is responsible for all matters affecting copyrights in Eswatini, most notably their registration.

3.83. For trademarks, the legal framework remains the Trade Marks Act, 1981 (effective since 1 July 1994) and the Trade Marks Regulations, 1989. Applications must be filed through local trademark agents that are registered with the IPO. Protection against misleading trademarks or trade descriptions is contained in the Fair Trading Act, 2001. In addition, the Merchandise Act No. 24, 1937 and related Regulations No. 24, 1937, providing for protection against false trade description, remain in force.

3.84. Table 3.4 shows the evolution of patent and trademark registrations in Eswatini during the period under review. Regarding copyrights, no figures were made available to the Secretariat. The authorities indicate that the establishment of a registration system under the 2018 Act is under way.

Table 3.4 IPR applications and registrations, 2015-22

	2015	2016	2017	2018	2019	2020	2021	2022
Trademarks								
Domestic applications	480	500	505	533	462	393	458	445
Domestic registrations	504	545	562	396	256	147	480	608
Regional registrations (Banjul Protocol)	172	153	169	125	191	198	146	186

[53] UPOV, *Status in Relation to the International Union for the Protection of New Varieties of Plants (UPOV), as of May 23, 2023*. Viewed at: https://www.upov.int/export/sites/upov/members/en/pdf/status.pdf.

	2015	2016	2017	2018	2019	2020	2021	2022
International registrations (Madrid Protocol)	759	751	732	698	641	536	529	673
Patents								
Domestic registration	2	8	7	7	4	1	1	..
International registrations (Harare Protocol)	522	412	406	428	474	416	509	523

.. Not available.

Source: Information provided by the authorities.

3.85. Eswatini's IPR legislation provides for fines or prison sentences for infringement. Infringement under the Trademark Act, 1981 is subject to penalties of up to SZL 2,000 or a prison sentence of up to six months. In addition, the misleading use of trademarks is subject to a fine of up to SZL 100,000 or a prison sentence of up to five years under the Fair Trading Act, 2001. Under the Copyrights and Neighbouring Rights Act, 2018, copyright violation is subject to fines of up to SZL 20,000 or imprisonment of up to three years. Civil suits may also be brought for copyright violation.

3.86. The Eswatini Intellectual Property Tribunal Act, 2018 established an IP tribunal. However, as at June 2023 the Tribunal was not operational. At present, the High Court is competent to hear cases of IPR infringement. Appeals may be brought to the Supreme Court.[54]

3.87. The authorities indicate that copyright piracy continues to be an issue. There are copyright steering committees that work closely with the police to conduct raids to seize counterfeit material. Customs is authorized to seize suspected IPR-infringing goods at ports of entry; no statistics on these actions were available.

[54] WTO document IP/N/6/SWZ/1, 20 July 2007.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, forestry, and fisheries

4.1.1 Main features

4.1. The agricultural sector is the main source of income and livelihood for more than 70% of the population. It contributed about 8% to Eswatini's GDP in 2022, down from 10% in 2014. The sector faces numerous challenges such as climate change (insufficient rainfall, hailstorms, and severe droughts), low quality of inputs, lack of access to credit, and limited marketing networks.

4.2. Eswatini's agricultural sector continues to be characterized by the coexistence of, on the one hand, large-scale, well irrigated estates producing mostly for export, and, on the other hand, rain-fed small subsistence farms with low productivity, on which most of the population depend for their livelihood. These subsistence farms suffered particularly from the severe droughts of 2015 and 2016.

4.3. The Constitution establishes a dual land tenure system. "Swazi Nation Land" (SNL) accounts for about 63% of the cultivated land and is held in trust by the King. It is less irrigated, mostly used for subsistence farming and, due to its reliance on rain-fed cultivation, more exposed to climate change risks. This land is allocated on a 99-year lease basis for growing food crops (maize, sorghum, rice) and for livestock production (cattle, goat, sheep, pigs). "Title Deed Land" (TDL) is privately owned, commercially oriented, and usually irrigated. It is more focused on cash crops (sugar cane, citrus, pineapple), forestry, and cattle farming. The limited presence of formal land tenure constrains investment for many farmers and prevents landholders from using land as collateral for loans. The authorities indicate that a bill is currently before Parliament to better allow farmers to use SNL as collateral.

4.4. Frequent droughts and other extreme weather events, attributed to climate change, have led to periodic declines in food production and food insecurity. The drought induced by the El Niño effect in 2015 and 2016 resulted in failing harvests of sugarcane (16% loss), maize (67% loss), and cotton 90% loss), while some 26,000 calves and 88,000 livestock died.[55]

4.5. The main agricultural products of Eswatini are sugar cane, maize, beef, citrus, and cotton (Table 4.1). Dairy production and forestry continue to be important but contribute less to the sector.

Table 4.1 Agricultural production and exports, 2014/15-2021/22

Commodity	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Production ('000 MT)								
Sugar	686.8	695.4	586.1	650.1	745.0	673.4	684.5	613.9
Maize	81.6	33.5	84.3	98.2	96.0	86.5	..	..
Citrus	38.9	39.1	..	..	..	..	..	..
Cotton	0.9	0.1	0.6	0.8	1.5	1.0	0.4	..
Exports (SZL million)								
Sugar	1,824.4	1,456.3	1,155.1	1,213.2	1,609.7	1,751.0	1,825.0	1,397.2
Citrus	55.1	85.2	..	..	..	..	95.4	..
Beef	73.9	77.8	86.6	47.0	12.9	38.9	..	..

.. Not available.

Sources: Central Bank of Eswatini (CBE), various Annual Reports; and information provided by the Ministry of Agriculture, the Eswatini Sugar Association, and the National Maize Corporation.

4.6. The contribution of the fisheries subsector remains negligible, with an annual commercial catch of around 3 tonnes. Some fishing activities are possible thanks to rivers and dams in the country. Aquaculture is also practiced to a limited extent. An aquaculture promotion programme provides various training activities such as on pond construction; an aquaculture research centre is supposed to be operational by September 2023.

[55] World Bank (2022): *Creating Markets in Eswatini: Strengthening the Private Sector to Grow Export Markets and Create Jobs*.

4.1.2 Regulatory framework and policy instruments

4.7. The Ministry of Agriculture (MOA) is the sector's lead agency. It is responsible for policy formulation and implementation, providing extension services and for the overall administration of the sector. Its main objective is to ensure food security and increase agricultural productivity. Other government ministries, parastatal organizations under the MOA (such as the National Agricultural Marketing Board (NAMBOARD), the Eswatini Dairy Board, the National Maize Corporation, and the Cotton Board), as well as independent industry associations (such as the Eswatini Sugar Association), are also active in the agricultural sector. The Eswatini Water and Agricultural Development Enterprise is mandated to facilitate the planning and implementation of large irrigation and related development projects.

4.8. The MOA's Strategic Plan (2018-2023) is the main policy document for Eswatini's agricultural sector. Based on the National Development Strategy (Section 2.2), the Plan seeks to increase productivity for both crops and livestock products and "to transform Agriculture into a modernized, sustainable, diversified production and export-oriented sector that contributes to improved food security, export revenue generation, job creation and overall economic development".[56] A new Strategic Plan (2023-28) is under preparation. The Eswatini National Agricultural Investment Plan (ENAIP) 2023-27 aims to increase agricultural productivity and diversify agricultural production.

4.9. Generally, public support for the agricultural sector consists mainly of agricultural research and development, extension services, infrastructure development, and the provision of subsidized inputs for smallholders.

4.10. Eswatini's most important agricultural support programme provides for subsidized fertilizer, seeds, and insecticides for small-scale farmers. Under the input subsidy programme, the Government offers a 50% subsidy for the cultivation of white maize, sugar beans, and sorghum.[57] The available package covers an area equivalent to 1 ha; it is planned to extend the maximum quantity of subsidized inputs to 3 ha in the future. In 2022/23, outlays under this programme amounted to SZL 152 million. In addition, a tractor hire service is subsidized with SZL 10 million in 2023.

4.11. The Government continues its efforts to further develop irrigation infrastructure. Under the second phase of the Lower Usutu Smallholder Irrigation Project (LUSIP II), to be completed in December 2024, a new irrigation area of about 5,273 ha is being added and is intended to improve the livelihoods of some 13,000 people. The Mkondvo-Ngwavuma Water Augmentation Programme, for which construction started in 2023, aims to add an irrigated area of 30,000 ha. In response to the frequency and intensity of recurring drought conditions, the MOA prioritizes the construction of small and medium-sized earth dams under its Water Harvesting Programme. These are mostly built in high rainfall areas with a capacity for reservoirs and/or weirs for irrigation purposes.

4.12. A Land Degradation Surveillance Framework (LDSF), which acts as a monitoring system combining satellite imagery with nationwide ground data observed in 13 sentinel sites, was introduced in 2020. The LDSF shall identify soil erosion hotspots and prevent soil erosion before it occurs.

4.13. Under the Smallholder Market-Led Project (SMLP), funded by the International Fund for Agricultural Development (IFAD) and the Global Environment Facility (GEF) and implemented between 2016 and 2022, smallholder farmers received training on sustainable and demand-based production methods and on improved soil and water conservation.

4.14. Eswatini did not submit any notifications to the WTO Committee on Agriculture during the period under review. The last agricultural notification dates from 2012.[58] The authorities intend to resume agriculture notifications in the near future.

4.15. Imports of certain agricultural products (wheat, flour, dairy products, maize, and rice) require a permit from the Ministry of Finance (Section 3.1.4). In addition, *ad valorem* import levies are

[56] MOA, Strategic Plan (2018- 2023). Viewed at: https://www.gov.sz/index.php/ministries-departments/ministry-of-agriculture.

[57] For the 2022/23 season, the subsidy was increased to 65% in view of high input prices.

[58] WTO document G/AG/N/SWZ/1, 16 October 2012.

collected on a range of milk products by the Eswatini Dairy Board, and on other farm products by the NAMBOARD (Section 3.1.2). NAMBOARD has statutory power to control imports of specified agricultural commodities by raising import levies in order to protect local production or on food security grounds. Maximum retail prices for bread and maize grains are set by the Government.

4.16. Imports of milk and dairy products, including from other SACU members, are subject to levies at rates of 10% or 12% (Section 3.1.3). At the same time, a VAT rate of 0% applies on most milk and dairy products.

4.17. The National Maize Corporation (NMC) maintains a minimum reserve stock in cereals. The stock amounts to 2,000 tonnes in 2023; it is planned to increase to 4,000 tonnes.

4.18. The importation of live animals, products of animal origin, and plant products requires an import permit (i.e. sanitary or phytosanitary certificate) (Section 3.3.2).

4.1.3 Key subsectors

4.1.3.1 Sugar

4.19. Eswatini is Africa's fourth-largest sugar producer, and the sugar sector is one of the key sectors of the economy, accounting for about 5% of GDP and some 20,000 jobs. A large share of the output is exported (Table 4.2). Most sugar production takes place on large estates on TDL.

4.20. The Sugar Act, 1967 established the Eswatini Sugar Association (ESA) as a private non-profit organization, where both growers and millers are represented. The ESA regulates the sugar industry and is responsible for selling, exporting, and marketing all sugar and molasses produced in Eswatini. The ESA also provides technical services to assist the industry in raising sugar cane productivity. All proceeds are shared by growers and millers based on an agreed formula. The authorities indicate that the ESA does not receive any public support.

4.21. Eswatini's three sugar mills (Mhlume, Simunye, and Ubombo) have a combined annual production capacity of over 600,000 metric tonnes of raw, refined, and brown sugar.

4.22. Until 2015, under the Swazi Economic Empowerment Initiative, the ESA's local sugar customers who add value to the sugar in Eswatini before exporting it to the rest of SACU received a rebate on the standard price of sugar. The size of the rebate depended on the extent of the value addition that takes place.

Table 4.2 Sugar indicators, 2014/15-2021/22

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22[a]
Cultivated area ('000 ha)	56.9	57.3	57.9	59.0	59.2	58.7	59.0	60.3
Production ('000 MT)	686.8	695.4	586.1	650.1	745.0	673.4	684.5	613.9
Yield (tonnes/ha)	12.1	12.1	10.1	11.0	12.6	11.5	11.6	10.2
Exports ('000 MT)	329.8	299.9	237.6	220.4	343.4	311.4	267.2	206.5
Value of exports (SZL million)	1,824.4	1,456.3	1,155.1	1,213.2	1,609.7	1,751.0	1,825.0	1,397.2
Value of exports (USD million)	433.2	393.5	346.6	298.7	311.4	421.8	393.1	403.2
Domestic sales ('000 MT)	360.4	400.1	383.6	331.7	412.9	448.0	442.7	429.5
Domestic sales (SZL million)	2,093.0	2,572.9	3,008.8	3,800.7	3,248.5	3,862.2	4,048.5	4,140.8

a Preliminary.

Sources: CBE, *Annual Report 2016/17*, and *Annual Economic Review Report 2021/22*; information provided by the ESA; and UN Comtrade.

4.1.3.2 Livestock and dairy production

4.23. The livestock sector in Eswatini is characterized by a two-fold dualism between "commercial" and "communal" livestock and between "modern" and "traditional" systems. Most beef livestock (89%) is kept on SNL. On the other hand, communal livestock husbandry, despite its relatively low productivity, remains a source of food and income for about 80% of the population. The authorities also note that the traditional belief that cattle ownership represents wealth contributes to holding back the commercial development of the sector. The cattle population peaked in 2014/15 and has been recovering since as over 80,000 cattle deaths were reported in the 2015/16 drought (Table 4.3). Eswatini is a net importer of beef.

4.24. The Livestock Development Policy, 1995, reviewed in 2016, is the main policy document for the subsector and aims to promote rural employment, high-quality husbandry and feeding practices, and encouraging farmers to expand into the processing stage. The Swaziland Livestock Identification and Traceability System, established in 2018, aims to help farmers meet uniform standards of traceability, avoid propagation of diseases, and minimize local and cross-border theft. A programme for tick control and rabies vaccination is in place; the service is free for SNL farmers. The programme is subsidized with about SZL 11 million annually.

4.25. Privately owned Eswatini Meat Industries Limited (EMI) is the only exporter of meat products. It operates the Simunye abattoir, the only certified export abattoir.

4.26. Local dairy processing is limited. The Eswatini Dairy Board plays both a developmental and regulatory function in the industry. Imports of dairy products, including from other SACU countries, are subject to levies (Section 3.1.2).

Table 4.3 Livestock production, 2014/15-2020/21

Population ('000 heads)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Cattle	620.0	594.2	531.4	501.4	501.6	527.1	555.4
Beef herd	..	589.4	525.6	496.1	496.6	522.0	549.0
Dairy herd	..	4.8	5.8	5.3	5.0	5.1	5.4
Calves	85.8	80.6	66.4	84.2	93.8	107.1	..
Goats	441.1	443.2	501.5	478.9	480.7	507.0	..
Sheep	15.9	14.9	16.8	16.3	16.1	17.3	..
Pigs	39.8	38.5	42.8	38.3	40.7	50.2	..
Poultry – Broilers	1,459.4	506.1	660.9	586.2	435.0	804.5	630.6
Poultry – Layers	183.8	1,073.9	170.1	119.2	387.3	524.0	358.6

.. Not available.

Source: CBE, *Annual Report 2015/16* and *Annual Economic Review Report 2020/21*; and information provided by the Department of Veterinary & Livestock Services of the MOA.

4.1.3.3 Maize

4.27. Maize is Eswatini's most important staple food. It is the most cultivated crop, grown mainly on SNL. This farmland is usually not irrigated and is more exposed to weather risks. Production is also characterized by limited use of fertilizers and low-quality seeds. While domestic production stagnated during the period under review, imports of maize, mostly from South Africa, have strongly increased to meet local consumption, which is estimated at 140,000 tonnes per year (Table 4.4). The 2016 harvest failed mainly due to the El Niño weather effect. Total maize production in 2022 is estimated at 127 000 tonnes, 30% above the previous 5-year average.

Table 4.4 Maize indicators, 2014-21

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cultivated area ('000 ha)	87.2	65.0	26.9	67.8	90.7	75.4	68.0	70.0	74.8
Production ('000 MT)	119.0	82.0	33.0	84.0	113.0	95.0	87.0	100.0	127.3
Yield (MT/ha)	1.37	1.26	1.22	1.24	1.25	1.26	1.28	1.43	1.70
Imports ('000 MT)	83.3	95.8	138.3	119.2	117.8	150.0	185.6	163.2	52.5
Imports (USD million)	23.5	22.3	37.8	25.1	22.9	29.7	37.6	41.5	..
South Africa	21.6	20.9	37.2	24.2	21.4	29.5	36.7	39.7	..
Zambia	1.9	1.2	0.5	0.5	1.2	0.2	0.6	1.1	..

.. Not available.

Source: UN Comtrade; and FAO Stat, *Crops and Livestock Products*. Viewed at: https://www.fao.org/faostat/en/#data/QCL.

4.28. The NMC, a state-owned enterprise established under the MOA in 1985, is in charge of trading maize, cereals (sorghum, rice), and pulses. It purchases maize from farmers at a price fixed by the MOA, as well as other cereals, in accordance with the Control of Cereals Act No. 28 of 1959. To increase productivity among maize farmers, the MOA established a Soil Testing Unit, a Tractor-Hire Service Unit, grain storage services, and seed quality control services. Small-scale maize farmers are the main beneficiaries of the input subsidy programme (Section 4.1.2). Larger-scale farmers may benefit from concessional loans provided by a revolving fund.

4.29. Imported maize is subject to a permit issued by the Ministry of Finance. Additionally, a levy of 1% and 8% on imported maize and maize products, respectively, including from other SACU countries, is collected by the NAMBOARD.

4.1.3.4 Other products

4.30. Eswatini produces citrus in an area of some 12 000 ha, mostly on large farming estates. Annual production fluctuates around 95 000 tonnes (Table 4.5).

Table 4.5 Citrus indicators, 2014-21

	2014	2015	2016	2017	2018	2019	2020	2021
Area harvested ('000 ha)	12.0	11.8	11.9	11.9	12.1	12.1	12.2	12.3
Production ('000 MT)	94.1	92.2	92.3	92.6	93.7	94.2	94.9	95.7
Total exports (USD million)	6.0	6.0	6.1	6.7	11.9	9.6	9.3	9.4

Sources: UN Comtrade and FAO Stat. Viewed at: https://www.fao.org/faostat/en/#data/QCL.

4.31. Cash-crop production of horticulture, including for export markets, has increased in importance over the past years. The most common products include cabbages, baby vegetables, spinach, lettuce, broccoli, tomatoes, potatoes, peppers, onions, and butternuts. A revolving fund launched in 2023 supports horticultural farmers.

4.32. Eswatini's forest land, extending over 24% of its land area, is a key natural resource. Forestry and wood products make up for about 4% of merchandise exports. The sector faces several challenges, including deforestation and unsustainable production and harvesting methods. The Ministry of Tourism and Environmental Affairs is responsible for policy formulation in the forestry sector.

4.2 Mining and quarrying

4.33. With a contribution of under 0.2% to GDP, mining and quarrying are activities of minor importance in Eswatini. The main products are coal, quarried stone, and gold (Table 4.6). Coal is mostly exported to South Africa, while quarried stone is used mainly for local house and road construction. The planned reopening of the Mpaka Colliery, coupled with the construction of a coal-fired power station nearby, could lead to increased coal production in the future.

Table 4.6 Mining and quarrying indicators, 2014/15-2021/22

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Production								
Coal ('000 MT)	177.9	141.7	158.4	202.3	144.3	109.9	161.8	162.7
Quarried stone ('000 M3)	310.6	396.0	419.6	291.1	257.8	277.4	210.0	257.9
Gold ('000 grams)	..	..	..	..	4.1	6.1	..	..
Sales values (SZL million)								
Coal	210.3	177.6	188.1	283.2	242.0	214.6	317.9	310.9
Quarried stone	36.8	39.3	48.8	58.0	48.5	39.4	45.4	64.2
Gold	..	..	..	..	2.3	3.4	..	..
Total sales	251.1	216.9	236.9	341.2	292.7	257.4	363.3	375.1

.. Not available.

Note: M3 = cubic metres.

Source: Ministry of Natural Resources & Energy; CBE, *Annual Economic Review Report 2021/2022* and *Annual Report 2016-17*. Viewed at: www.centralbank.org.sz.

4.34. The Constitution establishes that all mining rights are vested in the King, and mining royalties are paid to a royal trust fund. The Mines and Minerals Act, 2011 distinguishes between two mining operations. On one hand, there are small-scale operations, which are reserved for Eswatini citizens and corporations majority-owned by Eswatini citizens. On the other hand, there are large-scale operations that require a licence for reconnaissance prospecting and mining activities.

4.35. Mining licences are issued by the Ministry of Natural Resources and Energy (MNRE). Applications for a licence must be lodged to the Commissioner of Mines, stating the type of licence sought (reconnaissance, prospecting, or production). The King makes a final decision, based on the Minerals Management Board's recommendation and other supporting information.

4.36. Under the Mines and Minerals Act, 2011, 25% shareholding in any large-scale mining project automatically belongs to the King and another 25% share belongs to the Government. In addition, a royalty based on the gross sale value of operations is to be paid to the King.

4.37. Eswatini has been a participant in the Kimberley Process since May 2011. It is not a member of the Extractive Industries Transparency Initiative.

4.2.1 Policies

4.3 Energy

4.38. Eswatini is a net importer of energy. It meets its energy demands through biomass (firewood and bagasse from sugar production), electricity, petroleum products, and coal. The use of renewable energy remains minimal.

4.39. Policies for the energy sector are formulated by the MNRE. The National Energy Policy, 2018, replacing the National Energy Policy, 2003, is the sector's main policy document. The overall objective is to ensure stable and affordable access to energy by, *inter alia*, further liberalizing the electricity market. The Ministry seeks to increase the role of renewable energies and formulated a strategy framework and action plan.

4.40. The legal framework for the energy sector is provided by the Energy Regulatory Act, the Electricity Act, and the Eswatini Electricity Company Act, all of 2007. The Electricity Act opened markets for the generation, transmission, and distribution of electricity. It establishes licensing conditions for each market segment.

4.41. The Eswatini Electricity Regulatory Authority (ESERA), the regulator for the sector, issues licences for the generation, transmission, distribution, importation, and exportation of electricity. It is also responsible for regulating electricity prices. The Eswatini Electricity Company (EEC) is a state-owned company in charge of generating, transmitting, and distributing electricity. It continues to hold a *de facto* monopoly on transmission, distribution, supply, and import of electricity, and operates the national grid. The EEC is also the sole purchaser of electricity in the market. It purchases power from a few local private producers, for which the terms of operation are settled in a power purchasing agreement. The largest independent power producer (IPP) is the Ubombo Sugar co-generation project, a mostly privately owned company, with a capacity of 40 MW.

4.42. Domestic production of electricity in Eswatini is limited, despite increasing domestic generation in recent years (Table 4.7). Most electricity is imported from South Africa (78% of imports in average years), but also from Mozambique and Zambia. Domestic production, mainly from hydropower, is vulnerable to droughts as was the case in 2016.

Table 4.7 Electricity generation and consumption (GWh), 2014/15-2021/22

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Domestic generation	278.7	178.8	171.2	268.2	326.6	297.6	337.1	354.1
Imports	978.0	1,079.0	1,046.0	1,020.1	950.6	1,043.8	930.4	920.6
EEC sales	1,074.4	1,084.0	1,217.2	1,288.3	1,277.2	1,341.4	1,064.1	1,128.4

Source: CBE, *Annual Report 2016/17* and *Annual Economic Review Report 2021/2022*; and information provided by the EEC.

4.43. Due Eswatini's limited domestic energy production and its landlocked location, the transmission network is important. The 400 kV line that crosses the country is the main interconnector with South Africa and Mozambique. It is operated by MOTRACO, a joint venture between EEC, ESKOM, and EDM.

4.44. Access to electricity improved significantly during the review period (Table 4.8). The electricity tariff structure applies different rates to various categories of users.

Table 4.8 Access to electricity, 2014-20

	2014	2015	2016	2017	2018	2019	2020
Access to electricity (% of population)	65.0	64.0	63.4	73.5	73.9	76.9	79.7
Access to electricity, urban (% of urban population)	84.0	80.6	81.0	85.6	87.9	90.1	92.2
Access to electricity, rural (% of rural population)	59.3	59.0	58.1	69.8	69.5	72.7	75.8

Source: World Bank, World Development Indicators, 2023.

4.45. Eswatini has no oil reserves or oil refining facilities. It imports petroleum products mainly from South Africa's Durban refineries.

4.46. The Petroleum Act, 2020 lays out the requirements for the production and disposal of petroleum products. It also establishes the Eswatini National Petroleum Company (ENPC) as the National Oil Company, which has the objective of securing the supply of petroleum products by maintaining a strategic reserve.

4.47. The MNRE plans to construct a public 80-million-litre fuel storage facility in Phuzumoya. The Government also plans to require oil companies to store a minimum quantity of stocks with the ENPC.

4.48. Fuel imports require a licence that is issued by the Ministry of Finance. The MNRE fixes retail prices of petroleum products such as petrol, gasoline, diesel, and illuminating paraffin. Petrol and diesel are subject to a fuel oil levy and a fuel tax; as at June 2023 these amount to SZL 0.70 and SZL 2.20 per litre, respectively. Pump prices are set by the MNRE.

4.4 Manufacturing

4.49. The contribution of manufacturing to Eswatini's GDP declined from nearly 34% in 2015 to under 27% in 2021. Manufacturing activities mostly centre on agro-processing (sugar, soft drinks, canned fruit) and timber products. The Ministry of Commerce, Industry and Trade (MCIT) is responsible for the promotion of industrial development in Eswatini. An Eswatini National Industrial Policy (NIP) was first formulated by the MCIT in 2015; it is currently being revised. Incentives for manufacturing companies are mainly provided in the form of investment incentives (Section 2.4).

4.50. Textile and apparel account for 10% to 12% of exports. Eswatini's eligibility for the African Growth and Opportunity Act (AGOA) is an important growth determinant for the textile and apparel sector.[59] Tariff concessions are available for the textile sector, which is facing several challenges, including (i) skills shortages; (ii) high transport costs for exports; (iii) the high cost and poor supply of water and electricity to factories; (iv) limited access to finance; and (v) poor compliance with environmental standards.[60] With a view to increasing textile exports, the Government adopted a National AGOA Utilization Strategy and Action Plan in 2021.

[59] In June 2014, the United States withdrew Eswatini's eligibility for benefits under the AGOA, effective January 2015. In January 2018, AGOA benefits were restored.

[60] World Bank (2022): *Creating Markets in Eswatini: Strengthening the Private Sector to Grow Export Markets and Create Jobs*.

4.5 Services

4.5.1 Overview

4.51. The services sector provides around 54% of Eswatini's GDP. During the period under review, Eswatini remained a net importer of services. In 2021, imports of services amounted to USD 238 million, whereas exports stood at USD 72 million.

4.52. Eswatini's specific commitments under the GATS are limited to some business services, hospital services, and hotel and restaurant services.[61] Its horizontal commitments comprise nine subsectors.[62] For all of them, there are no market access limitations for consumption abroad or commercial presence, while measures affecting cross-border supply are unbound. Under movement of natural persons, Eswatini bound the supply of services by senior staff in several professional services.

4.53. Eswatini lodged MFN exemptions in relation to financial services and road transport. The former covers preferential access for members of the Common Monetary Area (CMA) to Eswatini's capital and money markets and the maintenance of exchange controls by the CMA. The latter covers any existing or future bilateral agreements on international road and rail transport reserving or limiting the supply of a transport service between Eswatini and the parties to such agreements.

4.5.2 Financial services

4.54. Financial services contribute between 6% and 7% to Eswatini's GDP. The banking system is composed of the Central Bank of Eswatini (CBE), three commercial banks (all headquartered in South Africa), and one local development bank. Nonbank financial institutions (NBFI) remain the dominant element in the financial system, with total assets of SZL 95.3 billion as at end-2021, accounting for roughly 70% of total financial system assets.[63]

4.55. CBE's Financial Regulation Department (FRD) is responsible for the regulation and supervision of commercial banks, while the Financial Services Regulatory Authority (FSRA) is responsible for regulating NBFIs. However, the FSRA is to be consolidated with the CBE as part of public enterprise reform. A revised FSRA Bill has been drafted but has not been passed into law as at June 2023.

4.56. To operate as a commercial bank, a licence from the CBE is required. The Financial Institutions Act, 2005 lists licensing requirements, which include a statement of business purpose, capital adequacy and sound financial integrity, balance sheets, and, in the case of a foreign financial institution, evidence that it is subject to comprehensive supervision in its home country. Fees for a first-time licence are SZL 6,000. Detailed regulations on licensing procedures were adopted by the CBE in 2021.[64]

4.57. According to the IMF, Eswatini's "banking sector is liquid and well-capitalized".[65] However, financial sector holdings of government securities amounted to about 16% of total assets, leaving the sector exposed to sovereign risk.

4.58. Raising financial inclusion has been a key government goal. The National Financial Inclusion Strategy (NFIS) focuses on the rural population, microfinance, SMEs, agriculture, and women and youth. To this end, a Centre for Financial Inclusion has been established under the auspices of the Ministry of Finance. The Eswatini Development Finance Corporation (FINCORP), established in 1995,

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[61] WTO document S/DCS/W/SWZ/, 24 January 2003.

[62] Engineering services, integrated engineering services, medical and dental services, consultancy services related to the installation of computer hardware, research and experimental services on natural science and engineering, management consulting services, technical testing and analysis services, hospital services, and hotel and restaurant services.

[63] Financial Services Regulatory Authority Report 2021.

[64] CBE (2021), *CBE Policy on Licensing of Banking and Financial Institutions No. 1 of 2021*. Viewed at: https://www.centralbank.org.sz/wp-content/uploads/2021/04/CBE-Licensing-policy.pdf

[65] IMF (2023), *Kingdom of Eswatini: Staff Report for the 2023 Article IV Consultation*, IMF Country Report No. 23/160, p. 6. Viewed at: https://www.imf.org/en/Publications/CR/Issues/2023/05/05/Kingdom-of-Eswatini-2023-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-533091.

has the objective of providing accessible financial services to SMEs. FINCORP's gross loan portfolio is approximately SZL 1 billion.

4.59. As at December 2021, the insurance sector comprised 16 insurance companies, 2 reinsurers, 33 insurance brokers, 39 corporate agents, and 147 licensed individual agents. An insurance company may not provide both life and non-life insurance products. Premiums are market-determined.

4.60. The Eswatini Stock Exchange was established in 1990. Market capitalization was SZL 4.4 billion as at June 2023. There are 6 collective investment schemes, 14 investment advisers, 2 trustees, 1 exempt dealer, and 2 stockbrokers.

4.5.3 Telecommunications and postal services

4.61. Information and communication services contribute about 4% to Eswatini's GDP. The MCIT is responsible for policy formulation in the telecommunications sector. The Eswatini Communications Commission (ESCCOM) is responsible for regulating telecommunications services and networks, broadcasting services, postal services, and the use of the radio spectrum; it derives its mandate from the Swaziland Communications Commission Act[66] No. 10 of 2013.

4.62. Access to and use of telecommunications services in Eswatini continued to increase during the review period (Table 4.9). However, adoption of broadband services remains low. Mobile broadband is the predominant way to access the Internet.

Table 4.9 Selected telecommunication indicators, 2014-21

	2014	2015	2016	2017	2018	2019	2020	2021
Access to communication tools								
Fixed-line subscriptions ('000)	44.4	43.0	42.0	36.8	44.1	42.5	47.0	46.1
Fixed-line subscriptions per 100 inhabitants	3.94	3.79	3.68	3.20	3.80	3.63	3.98	3.86
Mobile subscriptions ('000)	916.8	941.0	995.0	1,027.5	1,042.7	1,074.3	1,249.3	1,431.3
Mobile subscriptions per 100 inhabitants	81.43	82.99	87.09	89.24	89.85	91.85	105.82	120.05
Internet penetration								
Fixed (broadband) subscriptions ('000)	5.1	6.0	7.0	15.5	21.9	24.1	27.3	30.8
Fixed (broadband) subscriptions per 100 inhabitants	0.5	0.5	0.6	1.3	1.9	2.1	2.3	2.6
Mobile (broadband) subscriptions ('000)	101.0	160.0	169.1	650.3	692.3	812.4	1,000.1	1,365.2
Mobile (broadband) subscriptions per 100 inhabitants	9.0	14.1	14.8	56.5	59.7	69.5	84.7	114.5
Internet users (% of the population)	25.0	25.6	28.6	35.3	43.7	54.0	56.4	58.9
Quality of Internet								
International bandwidth (Mbit/s)	590	1,802	2,155	2,500	..	..	..	..
International bandwidth per Internet user (bit/s)	2,096.2	6,197.2	6,601.9	6,151.0	..	..	..	..

.. Not available.

Source: International Telecommunication Union (ITU), ICT Statistics Database. Viewed at: https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx.

4.63. Eswatini Posts and Telecommunications Corporation (EPTC) provides fixed-net services, while mobile services are provided by three independent private providers. Eighteen licensed service providers offer Internet services. For mobile networks and the Internet, licences are granted by ESCCOM for a period of 10 years.

4.64. EPTC has a partial monopoly and exclusivity of first mile (international connectivity) and middle mile (national backbone) connectivity. It has been noted that EPTC's unbundling is among

[66] Swaziland Communications Commission Act, 2013, *Government Gazette* (2013), No. 97, Vol. LI, 31 July. Viewed at: https://www.esccom.org.sz/legislation/SwazilandCommunicationsCommissionAct.pdf.

the most critical SOE reforms, and a necessary step to increase competition and private investment in the digital sector.[67]

4.65. The Universal Access and Service Fund (UASF), established in 2013 and managed by ESCCOM, seeks to ensure that all citizens have access to Internet, broadcasting, and postal services at affordable prices. Universal access throughout the country is to be achieved by 2025. Until end-2022, the Fund has had an accumulated expenditure of some SZL 94 million.

4.66. New legislation on electronic communications, cybercrime, and data protection was enacted in 2022. The Electronic Communication and Transactions Act, 2022 regulates electronic transactions, electronic communications, and the use of e-government services. The Data Protection Act, 2022 establishes rules for the collection, processing, disclosure, and protection of personal data. The Computer Crime and Cybercrime Act, 2022 criminalizes offences committed through the usage of computer systems and electronic communications networks. It enables the investigation and collection of evidence for computer and network-related crimes. In addition, it establishes the National Cybersecurity Advisory Council, and gives it the power to regulate and coordinate cybersecurity matters. Developed by ESCCOM, the Eswatini National Cybersecurity Strategy 2022-2027 constitutes an approach to protect Eswatini's data systems and networks from cyber threats.

4.5.4 Transport

4.67. Transport services contribute about 2% to Eswatini's GDP. The Ministry of Public Works and Transport (MPWT) is the lead agency for the sector. Road transport is managed by the Ministry's Road Transportation Department, while rail and air transport are supervised respectively by Eswatini Railways and the Eswatini Civil Aviation Authority (ESWACAA).

4.68. Road transport is used as the main channel for transportation of goods, including for export and import. Eswatini has approximately 1,500 km of main roads and 2,270 km of mostly unpaved secondary roads. In 2022, a two-lane dual highway connecting Manzini and Mbadlane was inaugurated. Eswatini is a signatory to the SACU Memorandum of Understanding on Road Transportation.

4.69. Eswatini does not regulate prices for cargo transport. In the case of passenger transport, private operators submit fare proposals to the MPWT, which then issues a decree establishing maximum fares per kilometre.

4.70. Eswatini Railways, a state-owned enterprise, provides only cargo transport services. Employing some 370 staff, it operates a 301 km rail network and owns and maintains the infrastructure. Annual revenue in 2021 was SZL 247 million. Eswatini's railway system is linked to the ports in Durban, South Africa, and Maputo, Mozambique. Transit traffic, mostly for mining products, makes up for more than 90% of the tonnage. Only Eswatini nationals are allowed to work as train conductors. In March 2023, construction started for a new 146-km line (of which 100 km in Eswatini) from Lothair (in the South African region of Mpumalanga) to Eswatini.

4.71. Eswatini has two airports (King Mswati III International Airport and Matsapha Airport) and an airstrip in Nhlangano. King Mswati III International Airport, located some 80 kilometres from Mbabane, was opened in 2014 and has a runway of 3,600 metres. Its construction cost was estimated at USD 280 million. As at June 2023, the airport caters mainly to a few daily flights provided by medium-sized aircraft. Air passengers in Eswatini totalled 36,157 in 2022.

4.72. In accordance with the Civil Aviation Act, 2022, the ESWACAA is responsible for the regulation and supervision of air transport services. It also operates the two airports. However, the private sector may participate in the provision of certain services such as ground handling.

4.73. The state-owned Royal Eswatini National Airways Corporation (RENAC) provides air transport services. Eswatini Air, a new airline and daughter company of RENAC, commenced operations in March 2023 with a twice-daily flight to Johannesburg.

[67] World Bank (2022): *Creating Markets in Eswatini: Strengthening the Private Sector to Grow Export Markets and Create Jobs*; and (2023) *Digital Economy Diagnostic: Eswatini*.

4.74. Air cargo services remain of very limited importance due to their high cost. Instead, Eswatini exporters opting for air transport send their shipments to the Johannesburg airport by road, and from there link to airfreight services to overseas markets. In 2022/23 total air cargo amounted to 89.8 tonnes, down from 184.4 tonnes in 2017-18.

4.75. Eswatini maintains bilateral air services agreements (BASAs) with 9 countries and memoranda of understanding with 11 others (Table 4.10). In June 2022, together with seven other COMESA members, it signed the Solemn Commitment for the establishment of the Single African Air Transport Market (SAATM). Under SAATM, signatories should grant 5th freedom rights.

Table 4.10 Bilateral air services agreements, 2023

Partner	Status	Freedoms covered
Australia	BASA signed 28 November 2008	1st, 2nd, 3rd, 4th
Botswana	MoU signed, BASA initialled	1st, 2nd, 3rd, 4th
Ethiopia	BASA signed 18 October 2011	1st, 2nd, 3rd, 4th
Kenya	BASA signed 27 November 2010	1st, 2nd, 3rd, 4th, 5th
Kuwait, State of	BASA signed 23 July 2009	1st, 2nd, 3rd, 4th, 5th
Libya	MoU signed 12 December 2013	1st, 2nd, 3rd, 4th, 5th
Mozambique	BASA signed 23 September 2005	1st, 2nd, 3rd, 4th
Namibia	MoU signed 11 December 2013, BASA initialled	1st, 2nd, 3rd, 4th, 5th
Qatar	BASA signed 16 May 2022	1st, 2nd, 3rd, 4th, 5th
Rwanda	BASA signed 12 December 2012	1st, 2nd, 3rd, 4th
Saudi Arabia, Kingdom of	MoU signed 11 December 2013, BASA initialled	1st, 2nd, 3rd, 4th
Seychelles	MoU signed 11 December 2013, BASA initialled	1st, 2nd, 3^{rd,}4th
South Africa	MoU signed December 2012	1st, 2nd, 3rd, 4th,
Sudan	MoU signed 10 December 2012	1st, 2nd, 3rd, 4th
Tanzania	MoU signed 11 December 2013, BASA initialled	1st, 2nd, 3rd, 4th, 5th
Türkiye	MoU signed 1 May 2013	1st, 2nd, 3rd, 4th
United Arab Emirates	BASA signed 9 December 2012	1st, 2nd, 3rd, 4th
Zambia	MoU signed 12 December 2013, BASA initialled	1st, 2nd, 3rd, 4th, 5th
Zimbabwe	MoU signed 11 December 2012, BASA initialled	1st, 2nd, 3rd, 4th, 5th

Source: Information provided by the authorities.

5 APPENDIX TABLES

Table A1.1 Imports by HS section/chapter/subheading, 2014-22

HS section/chapter/ subheading	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total imports (USD million)	**1,730.3**	**1,508.4**	**1,536.5**	**1,611.8**	**1,857.5**	**1,832.4**	**1,605.3**	**2,122.9**	..
					(% of total)				
1-Live animals and products	3.1	3.2	2.7	3.0	2.7	2.4	2.5	2.2	..
2-Vegetable products	5.8	5.9	7.5	6.5	7.7	6.4	8.3	7.1	..
3-Fats and oils	0.7	0.7	0.8	0.7	0.6	0.7	0.7	1.0	..
4-Prepared food, beverages, and tobacco	8.2	8.6	8.4	9.0	8.7	9.5	9.7	9.0	..
5-Mineral products	18.0	13.9	12.9	13.1	16.6	18.1	17.1	18.9	..
HS 27 Mineral fuels	16.6	11.8	11.0	11.3	14.7	16.2	15.0	17.1	..
HS 2710 Petroleum oils and oils obtained from bituminous minerals, other than crude	14.7	11.0	9.8	10.4	11.1	11.5	9.1	8.6	..
HS 2716 Electrical energy	0.8	0.0	0.2	0.0	2.8	3.6	4.3	7.3	..
6-Chemicals and products thereof	12.6	14.8	13.9	13.6	12.9	12.9	15.0	13.8	..
7-Plastics and rubber	5.3	5.7	5.6	5.5	5.1	4.9	5.0	5.3	..
8-Raw hides and skins; leather, furskins and articles thereof	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	..
9-Wood, cork, straw	1.1	1.4	1.6	1.3	1.2	1.1	1.1	1.5	..
10-Pulp of wood; paper and paperboard	3.8	3.9	2.8	2.9	2.7	2.8	2.4	2.3	..
11-Textiles and textile articles	8.2	8.1	7.9	9.6	9.2	9.2	9.2	9.3	..
12-Footwear, headgear, etc.	1.2	1.2	1.3	1.4	1.2	1.1	1.0	1.0	..
13-Articles of stone, plaster, cement	1.1	1.2	1.3	1.1	1.1	1.0	1.1	1.0	..
14-Precious stones and metals	0.0	0.1	0.0	0.0	0.0	0.0	0.3	0.0	..
15-Base metals and articles thereof	5.7	5.6	6.5	6.5	6.1	5.6	5.5	5.7	..
16-Machinery, electrical equipment	10.5	11.9	11.2	12.1	12.0	11.4	10.5	10.3	..
HS 84 Machinery and mechanical appliances; parts thereof	6.2	7.2	6.6	6.8	7.1	6.5	6.0	5.9	..
HS 8471 Automatic data processing machines and units thereof	0.5	0.7	0.7	0.7	0.6	0.6	0.6	0.8	..
HS 8429 Mechanical shovels, excavators, shovel loaders	0.5	0.5	0.5	0.3	0.6	0.4	0.3	0.6	..
HS 85 Electrical machinery and equipment and parts thereof	4.3	4.7	4.6	5.3	4.9	4.9	4.5	4.4	..
HS 8517 Telephone sets, including telephones for cellular networks or for other wireless networks	0.8	1.1	1.1	1.4	1.0	1.0	0.8	1.0	..
HS 8544 Insulated wire, cable and other insulated electric conductors	0.6	0.4	0.5	0.6	0.6	0.6	0.5	0.6	..
17-Transport equipment	9.9	8.4	8.9	7.3	6.4	7.2	5.8	5.4	..
18-Precision equipment	1.0	1.0	1.4	1.4	1.0	1.1	1.4	3.5	..
19-Arms and ammunition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
20-Miscellaneous manufactured articles	2.3	2.5	3.2	2.7	2.8	2.7	2.4	2.0	..
21-Works of art, etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
Other	1.1	1.5	1.9	2.1	1.8	1.7	0.8	0.6	..

.. Not available.

Source: WTO Secretariat calculations, based on UN Comtrade database.

Table A1.2 Merchandise exports by HS section/chapter/subheading, 2014-22

HS section/chapter/ subheading	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total exports (USD million)	**2,011.2**	**1,820.5**	**1,716.4**	**1,801.0**	**1,842.4**	**2,001.6**	**1,752.1**	**2,068.5**	..
					(% of total)				
1-Live animals and products	0.6	0.7	0.6	0.4	0.2	0.2	0.2	0.3	..
2-Vegetable products	0.7	0.7	0.8	0.8	1.2	1.0	1.0	0.9	..
3-Fats and oils	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
4-Prepared food, beverages and tobacco	28.2	29.4	28.5	24.7	25.9	29.1	31.6	29.6	..
HS 17 Sugars and sugar confectionery	24.1	24.6	22.8	19.7	20.5	23.7	25.1	22.7	..
HS 1701 Cane or beet sugar and chemically pure sucrose, in solid form	21.5	21.6	20.2	16.6	16.9	21.1	22.4	19.5	..
5-Mineral products	2.7	0.8	0.9	1.2	1.0	0.8	1.1	1.2	..
6-Chemicals and products thereof	47.8	47.9	48.3	50.8	48.0	47.1	45.2	44.7	..
HS 33 Essential oils and resinoids; perfumery, cosmetic or toilet preparations	28.4	29.0	32.2	35.4	33.9	31.9	30.2	30.0	..
HS 3302 Mixtures of odoriferous substances	28.4	28.9	32.0	35.3	33.7	31.8	30.1	29.9	..
HS 38 Miscellaneous chemical products	16.7	16.5	14.1	13.5	12.5	12.1	11.9	12.9	..
HS 3824 Prepared binders for foundry moulds or cores	16.7	16.5	14.1	13.5	12.5	12.1	11.8	12.9	..
7-Plastics and rubber	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	..
8-Raw hides and skins; leather, furskins and articles thereof	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
9-Wood, cork, straw	3.4	4.0	5.3	5.5	5.7	5.4	5.4	6.9	..
10-Pulp of wood; paper and paperboard	2.4	3.8	1.3	0.8	0.9	0.6	0.5	0.5	..
11-Textiles and textile articles	11.1	9.9	11.5	12.5	12.6	12.1	11.4	12.7	..
HS 61 and HS 62 articles of apparel and clothing accessories	8.8	7.4	9.4	10.4	10.5	10.1	9.6	10.8	..
12-Footwear, headgear, etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
13-Articles of stone, plaster, cement	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	..
14-Precious stones and metals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
15-Base metals and articles thereof	0.4	0.3	0.3	0.4	0.5	0.3	0.3	0.3	..
16-Machinery, electrical equipment	1.3	1.2	1.0	1.2	2.1	1.5	1.6	1.3	..
17-Transport equipment	0.2	0.4	0.3	0.3	0.5	0.6	0.5	0.3	..
18-Precision equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
19-Arms and ammunition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
20-Miscellaneous manufactured articles	0.5	0.4	0.6	0.6	0.7	0.6	0.6	0.6	..
21-Works of art, etc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
Other	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	..

.. Not available.

Source: WTO Secretariat calculations, based on UN Comtrade database.

Table A1.3 Merchandise imports by origin, 2014-22

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total imports (USD million)	**1,730.3**	**1,508.4**	**1,536.5**	**1,611.8**	**1,857.5**	**1,832.4**	**1,605.3**	**2,122.9**	..
	(% of total)								
Americas	**1.7**	**2.2**	**1.8**	**1.7**	**1.7**	**2.0**	**2.5**	**1.9**	..
United States	1.6	2.0	1.3	1.3	1.2	1.6	1.9	1.5	..
Other America	0.1	0.2	0.5	0.4	0.5	0.4	0.6	0.4	..
Europe	**2.5**	**4.9**	**5.6**	**4.9**	**5.3**	**5.8**	**5.0**	**4.8**	..
EU-27	1.6	3.7	4.9	3.6	3.7	4.0	4.2	3.9	..
Ireland	0.2	1.1	1.2	1.1	1.0	1.0	1.1	1.0	..
Germany	0.3	0.9	0.6	0.6	0.5	0.7	0.8	0.7	..
Italy	0.1	0.5	1.2	0.5	0.7	0.9	0.4	0.3	..
EFTA	0.1	0.5	0.3	0.3	0.4	0.4	0.2	0.2	..
Other Europe	0.8	0.7	0.4	1.1	1.2	1.3	0.6	0.6	..
United Kingdom	0.7	0.6	0.3	0.3	0.4	0.7	0.5	0.5	..
Commonwealth of Independent States (CIS)[a]	**0.0**	**0.1**	**0.5**	**0.3**	**0.3**	**0.1**	**0.0**	**0.0**	..
Africa	**87.1**	**81.4**	**80.1**	**80.2**	**78.4**	**77.0**	**74.7**	**75.5**	..
South Africa	85.1	79.2	78.2	78.3	74.9	73.0	71.4	72.4	..
Mozambique	0.3	0.1	0.3	0.2	1.4	2.4	1.0	1.6	..
Lesotho	0.6	0.6	0.4	0.7	0.4	0.5	0.4	0.5	..
Zimbabwe	0.0	0.1	0.0	0.0	0.5	0.2	0.5	0.3	..
Middle East	**0.1**	**0.3**	**0.4**	**0.2**	**0.3**	**1.6**	**2.4**	**1.8**	..
Bahrain, Kingdom of	0.0	0.0	0.0	0.0	0.0	0.1	0.6	0.8	..
United Arab Emirates	0.1	0.2	0.3	0.1	0.2	1.4	1.0	0.4	..
Saudi Arabia, Kingdom of	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.4	..
Asia	**8.7**	**11.2**	**11.5**	**12.6**	**14.0**	**13.5**	**15.4**	**16.0**	..
China	3.9	4.1	4.3	6.5	6.2	7.2	7.3	9.7	..
Japan	0.8	1.1	1.0	1.0	1.3	1.2	1.5	0.7	..
Other Asia	3.9	6.0	6.2	5.1	6.6	5.1	6.6	5.6	..
India	1.5	4.1	2.5	2.2	3.7	2.1	3.4	2.7	..
Chinese Taipei	1.3	1.1	1.0	0.8	0.9	0.8	1.0	1.2	..
Australia	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.5	..
Malaysia	0.2	0.2	0.2	0.1	0.2	0.4	0.7	0.5	..
Other	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	..
Memo:									
SACU	85.7	79.9	78.8	79.0	75.4	73.5	71.9	72.9	..

.. Not available.

a Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on UN Comtrade database.

Table A1.4 Merchandise exports by destination, 2014-22

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total exports (USD million)	**2,011.2**	**1,820.5**	**1,716.4**	**1,801.0**	**1,842.4**	**2,001.6**	**1,752.1**	**2,068.5**	..
	(% of total)								
Americas	**2.9**	**1.0**	**1.0**	**0.9**	**0.7**	**1.1**	**1.5**	**0.9**	..
United States	2.8	1.0	1.0	0.8	0.7	1.1	1.5	0.9	..
Other America	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..
Europe	**13.6**	**11.6**	**9.2**	**4.4**	**4.5**	**6.2**	**5.9**	**5.4**	..
EU-27	11.8	10.7	6.2	3.7	3.3	5.5	3.1	3.2	..
Spain	2.3	2.3	1.5	0.7	0.0	1.7	0.1	1.4	..
EFTA	0.2	0.2	0.3	0.1	0.1	0.1	0.2	0.3	..
Other Europe	1.6	0.7	2.7	0.6	1.1	0.5	2.6	1.9	..
United Kingdom	1.6	0.7	2.7	0.6	1.1	0.5	2.6	1.9	..
Commonwealth of Independent States (CIS)[a]	**0.0**	**0.0**	**0.0**	**0.0**	**0.1**	**0.1**	**0.1**	**0.1**	..
Africa	**81.4**	**87.2**	**89.3**	**94.2**	**92.9**	**92.2**	**92.1**	**92.9**	..
South Africa	58.8	62.7	65.4	69.4	68.5	66.6	65.0	67.9	..
Kenya	3.2	3.9	3.7	5.9	5.1	6.3	7.2	5.6	..
Nigeria	4.5	4.6	4.6	4.7	4.2	5.0	5.9	3.9	..
Mozambique	3.5	3.9	3.5	3.3	3.3	3.5	4.0	3.4	..
Zimbabwe	1.5	2.0	2.3	1.5	1.5	0.8	1.5	2.4	..
Tanzania	1.6	2.0	2.3	2.0	1.9	1.9	1.6	1.9	..
Botswana	0.7	0.9	0.9	0.7	1.0	1.4	1.1	1.5	..
Namibia	0.8	1.1	1.0	1.1	1.0	1.1	1.1	1.1	..
Zambia	0.8	1.0	0.9	0.6	0.8	1.0	0.6	1.0	..
Uganda	1.4	1.0	1.1	1.3	1.4	1.2	1.7	0.9	..
Congo	0.0	0.0	0.1	0.1	0.1	0.1	0.7	0.7	..
Angola	2.1	1.9	1.6	1.5	1.6	1.0	0.2	0.6	..
Mauritius	0.5	0.6	0.6	0.7	0.8	0.6	0.6	0.5	..
Middle East	**0.2**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**	..
Asia	**1.9**	**0.1**	**0.3**	**0.4**	**1.6**	**0.2**	**0.3**	**0.5**	..
China	1.7	0.0	0.0	0.0	1.3	0.0	0.0	0.0	..
Japan	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	..
Other Asia	0.1	0.1	0.3	0.3	0.3	0.2	0.3	0.4	..
Other	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	..
Memo:									..
SACU	60.6	64.9	67.5	71.3	70.5	69.2	67.4	70.8	..

.. Not available.

a Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on UN Comtrade database.