

PENRESA FOCUS ON ESWATINI

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The Kingdom of Eswatini Africa's Newest Country

Produced in association with



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Her Majesty Queen Mother
Ntfombi
H.E. Prime Minister
Ambrose Mandvulo Dlamini



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A New Nation Rising From The Solid Foundations Of Tradition



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The seed for change is always embedded within a vision, and this is true of King Mswati III's Vision 2022. Revolving around the idea of rapidly accelerating development and progress in Eswatini, Vision 2022 aims to harness its diverse and rich resources, concentrating on sectors such as agriculture, tourism, information, communication and technology, in order to guarantee the nation emerges on the international stage as a first-world nation by 2022. According to King Mswati III: "The Vision's main objective is to improve the standard of living for all our people through access to quality services, wealth creation and employment opportunities." With the recent appointment of Ambrose Mandvulo Dlamini as Prime Minister, and the announcement of a new cabinet in November 2018, the emphasis upon a governmental private sector mindset has firmly aligned the country's direction to radical change and progress whereby, efficiency, an awareness of time and cost and workforce productivity are defining factors in policy-making and reforms.

Intent on providing an innovative enabling business environment in order to increase the ease of doing business for investors, the new administration is also

concerned with growing and supporting SMEs. Minister of Commerce and Trade, Hon. Manqoba Khumalo, explains: "We need to focus on the issue of registration of a new business and we are bringing digitalisation into the process, using a digital platform to re-engineer the process and make sure it's a one-stop shop for investors that is transparent, easy, and time-saving."

Ultimately though, Vision 2022 is about encouraging change and productively shifting the perspective of the nation's highly educated workforce concerning development. "His Majesty the King is asking us to look at things differently," affirms Zakhele Lukhele, MD of Eswatini Bank. "We are moving towards the objective of being a developed state which is a technological world." Embarking on a number of initiatives, such as the construction and launch of the Royal Science and Technology Park and building trade and touristic routes, such as railway tracks, the King Mswati III International Airport and new highways, opportunities are quite literally expanding but, according to Prime Minister Dlamini, "peace and stability is the main glue that holds us together as a nation and has allowed business to flourish."

The Royal Family

The Soul Of The People's Kingdom

The Kingdom is on a quest to forge a progressive, peaceful and independent state to ensure rapid and sustained economic growth in the long-term, while remaining constant to its vibrant and enchanting traditions and ancient cultures.

Eswatini has always been a land of kings, with the Dlamini dynasty dating back to Chief Dlamini I (1435-1465) who migrated with the Emaswati from East Africa, and Ngwane III, ruling from 1745 to 1780, considered the first King of modern Eswatini. Today, the Dlamini House is the last monarchy in sub-Saharan Africa, and one of the last in the world. At the head of the kingdom and country rules King Mswati III, or the Ingwenyama (meaning lion in siSwati) who, according to tradition, rules alongside the Queen Mother, or Indlovukazi (meaning Great She-Elephant). While the Queen Mother Ntfombi is seen as the spiritual leader, the King is the administrative head; both are represented on the national coat of arms with the motto: 'We are the fortress.' Eswatini's royal family also includes, but is not exclusive to, the king's wives (emakhosikati), his children, half-siblings and their families. It is a family committed to upholding and preserving the rich Eswatini traditions, stories, cultural past and ceremonies, while intent on bringing prosperity to the country with forward-thinking measures that are paving the way for the nation's sharp national economic growth and modernisation.

THE GOLDEN JUBILEE

On April 19, 2018, during the nation's joint celebrations for its 50 years since independence and King Mswati III's 50th birthday, the king announced that the nation would adopt its pre-colonial name, Eswatini, the land of the Emaswati. The King's eldest daughter and current Minister of ICT, Princess Sikhanyiso, explains: "When you change your name, you change your game. I believe that His Majesty's rebranding of the Kingdom is a way for us to align with Vision 2022. Eswatini is the brand and the vision is the game." By restoring its legitimate name to the nation, the King is symbolically reclaiming, as well as endorsing, the true inheritance and rightful identity of the country, while setting the tone for a new start towards a prosperous and promising future.

ESWATINI'S NEW CABINET

In October 2018, King Mswati III invited its citizens to help choose a new prime minister through Sibaya, a 3-day People's Parliament. "Sibaya has always been the medium to promote peace like it has always happened in the country. Respect is always at the forefront and so is peace," declared King Mswati III. As a consequence, Ambrose Dlamini, former chief executive of the local unit of telecoms group, MTN, was appointed new prime minister, undergoing the cultural initiation ceremony of Kubutseka, whereby he declared undivided loyalty to the royal family to the

the nation's well-being and was awarded with the name 'Sibaya,' because he was the first prime minister to have ever been chosen at Sibaya. Shortly after, he was sworn in and a completely new cabinet, whose main drive and strategy aimed for economic transformation through innovation and a private sector mindset, was unveiled.

Eswatini stands solid, majestic and proud under the royal family's guidance; securely counterpoised amongst the nation's ancient traditions and customs and the King's ambitious and innovative strategies for economic growth through the implementation of modern technology and infrastructure. The King's decision to reclaim the nation's original name is indicative of the driving force behind the royal family's highest aspirations for the welfare of its people, as well as demonstrative of their commitment to the consistent idyllic reign of peace presiding over the length and breadth of the nation.

King
Mswati III





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The 5-star state-of-the-art Mdzimba Conference Centre provides facilities for all occasions and functions, while the the elegant Lihawu Restaurant offers exquisite pan-African cuisine. In the meanwhile, sit back and relax in the villa's private pools, the Terrace Pool bar or jacuzzi and soak up the best of Africa!

Ambrose Mandvulo Dlamini

Prime Minister

Driving Economic Growth Through The Private Sector Engine

Prime Minister Dlamini's strategic roadmap towards industrialisation and economic diversity looks to fast track and accelerate business growth and wealth creation through digitalisation.



“The country possesses a relatively well diversified manufacturing base which contributes more than 40% to GDP and plays host to multinational companies from across the globe.”

As former head of MTN, the country's most prominent telecommunication's company, Hon. Dlamini is alert to the importance of ICT to order to leapfrog development. In this interview, he reveals his strategies to shape and boost the nation's economy while maintaining the nation's peaceful equilibrium.

What changes do you anticipate for Eswatini's economy?

As a new government, our focus is in widening our revenue base while controlling expenditure with a view to fast track economic growth and facilitate the provision of a conducive environment for business growth and wealth creation. We have put together a strategic road map with an emphasis on the areas that have the most potential to positively impact the economy. These are ICT, tourism, agri-processing, manufacturing, energy and mining. The essence of the roadmap is that Eswatini is open for business.

How will the new cabinet's private sector mindset be beneficial to improving the ease of doing business within the economy?

Our aim is to introduce private sector principles to governmental operations; we will also focus on improving all the elements of the Ease of Doing Business Global Index. We aim at creating a conducive environment for foreign direct investment and domestic investors because we believe the private sector is the engine of growth for our economy.

In your opinion, what are Eswatini's investment opportunities and what are some growth areas you'd like to see enabled?

Manufacturing is the engine for growth and we look at increasing its extent including processing some of the raw materials from agriculture into finished products. This is highly leveraged by the biotechnology park

which seeks to host value adding industries for biotechnology amongst other sectors. New growth areas will include specialised investments in Special Economic Zones (SEZs) as well as fostering a knowledge based economy through targeted investments in ICT. We also aim at diversifying revenue streams to minimise concentration risk in terms of the national income.

What would you say still needs to be done in order to achieve Vision 2022 and what are your government initiatives to ensure it?

We have put together a strategic roadmap that serves as a guideline towards achieving our priorities and goals as a nation. It provides clear guidance on the strategies and direction we need to follow in fast tracking economic growth and accelerating social development and cohesion. We are aware that we need to move at high speed and in the right direction, while coming up with more streamlined plans and strategies to ensure public service delivery is prioritised and available resources are utilised effectively and efficiently. All hands must be on deck and we are encouraged by the support of all Emaswati citizens and our international partners.

Eswatini is the newest country, a new frontier for the international community. For investors looking into the kingdom, why should they come to help build the future here?

Eswatini remains an attractive location preferred by investors to do business. Peace and stability is the main glue that holds us together as a nation and has allowed business to flourish. Eswatini remains the only SACU country that has access to the wider COMESA market with approximately 350 million consumers. The country possesses a relatively well diversified manufacturing base which contributes more than 40% to GDP and plays host to multinational companies from across the globe.

Turning The Nation's Economic Strategy Around

Eswatini's Minister of Finance focuses upon implementing fiscal and financial policies to promote macroeconomic stability and ensure economic growth.

Hon. Neal Rijkenberg, Eswatini's Minister of Finance since November 2018, talks to Penresa about the government's private sector drive, the nation's healthy financial sector and the need for an economic growth strategy to ensure a holistic impact upon the nation and improve its predicted 1,9% GDP growth.

How do you plan to ensure continuous economic growth and what specific actions are being taken to improve the ease of doing business and attract investment?

There are a number of areas that we are currently working on to improve the ease of doing business; for example, a quick company registration process and a quick process for obtaining a trading license through an e-platform. Legislation around work permits needs to be reviewed and currently there is an element of the government crowding out the private sector. We are on a privatisation drive which will offer great opportunities for European companies. We are working towards two 24h open borders with South Africa. In terms of GDP growth, we have a vision to attain a 10% growth.

What is your assessment of Eswatini's banking and financial sector?

Eswatini's advantage lies in our central bank and financial sector, both of which are strong and healthy. We have electronic platforms and mobile banking in place, which are done in a very safe and controlled environment; debt-to-GDP ratio is very healthy; our reserves are in place. The control methods within the Central Bank are very efficient while the Financial Services Regulatory Authority (FSRA) is doing a good job of controlling microlenders and insurance companies.

What sectors do you believe hold the best investment opportunities in the country?

I believe in a global and broad strategy; in spite of its size, Eswatini has a great deal of beautiful agricultural land. A lot of that land is in the hands of the Eswatini small farmers. The niche of the future is going to be organic/non- GMO agriculture since Eswatini's law doesn't allow for GMO seeds to grow in the country. We aim for an organic national brand which we believe will open many doors.

It is also necessary to diversify our agriculture base to focus on high value crops. With our new airport we are well positioned to supply a large range of fresh produce to international markets on a 'just on time' basis. Agriculture can't be enough on its own; it needs to include agro- processing. We have had great success with small growers, one of the best in Africa; our SWADE (Swaziland Water and Agriculture Development Enterprise) parastatal company has managed to build large dams, bulk water infrastructure and has already converted 11,000 hectares of low production dry land to high value irrigated land for large rural farming communities that get 100% of the benefit.

Another sector which could unlock a lot of value is mining. At the moment, we mine gold, iron ore and anthracite and there is potential to grow these. Due to the fact that we have low value coal, high value anthracite and a large deposit of iron ore, we believe that we are well placed to attract an investment in the smelting space. Value addition to these minerals is high on our priority list. There is a host of other minerals available but currently unexploited.

A message of confidence about Eswatini's investment opportunities for the readers of Forbes Africa Magazine?

In Eswatini we have a phenomenal history of peace. We have a stable and unique political system. I believe we are creating solid foundations to build something very special. Eswatini's economy is small which means we can address challenges quickly.



“Eswatini’s advantage lies in our central bank and financial sector, both of which are very strong and healthy.”

Her Royal Highness Princess Sikhanyiso

Minister of ICT

The Sky's The Limit

Princess Sikhanyiso's in-depth understanding of technology's pivotal role in the growth of the economy, as well as her intimate knowledge of the people of her nation, stands her in good stead as Eswatini's new Minister of ICT.



“There is so much talent in the Kingdom, and it's important for us to showcase that using the various platforms for e-business, or even e-health, with biomedical devices.”

The Ministry of Information and Communication Technologies is keen to identify economic development projects which will help boost the economy, ensure industry expansion, develop e-governmental services, expand frontiers and ensure job creation. Penresa had the privilege to speak to the Princess about her vision of socio-economic integration for the sector and the country.

Can you elaborate upon your plans to capitalise on the Royal Science and Technology Park in order to ensure Eswatini's economic growth?

We have realised that globally one of the fastest growing industries is cannabis and hemp. The Royal Science and Technology Park is going to leverage off the flower species that we have in this Kingdom. In one of our resorts alone we have 250 different species. We also have a high quality of timber and other assets. So, we are looking at optimising and exploiting the different uses of the vegetation that we have, be it for pharmaceuticals, cosmetics, including cannabis and hemp for clothing and all of these are going to be researched at the Science Park. India is currently a strategic partner; they are running the Science Park at large as it is divided into the two divisions: the Innovation and Technology Park. We are trying not to foster only the manufacturing side, which is already there (textiles), but we want to include agro-processes (wood furniture, for example). The country has a highly educated workforce, most of which is Eswatini-educated. Emaswati citizens in South Africa are in top positions today and are into politics or running top organisations. So, the Ministry of ICT is going to leverage off from that education workforce while looking at industries across this spectrum.

We are aspiring to bring a seaport into the kingdom by bringing in water from the Mozambican seas through the Mlawula Nature Reserve, and that is going to spin off different industries: hotel industries, pharmaceuticals, as well as bringing IT-tech companies, such as Microsoft and Google. We want more technology companies so that they can

set up their assembly plants here. Moreover, for the data centres, where storage is obviously important, we are looking into data mining, cryptocurrency and exploiting the blockchain technology; for this we will need a strong 5G network.

How is your Ministry contributing to the ease of doing business?

We have been developing a system to digitise company registration processes, so that everything can be submitted online. We need to take into consideration multiple factors: policy formulation, regulatory framework and market and investor sentiment, whether that involves reviewing tax laws or reviewing ICT charter. We also want to lower the costs of entry for new companies in the telecom and communication space to consolidate some of the technologies (the networks, in particular, for TV and radio broadcasting), including the connectivity costs for end users, so as to minimise the amount of investment that content producers have to make, as well as building scale into the kingdom.

A final message of confidence about Eswatini and its investment opportunities for the readers of Forbes Africa Magazine.

The spadework has been done and now we have a strong penetration of telecom services in the Kingdom, we enjoy a high speed of internet, the Eswatini Posts and Telecommunications Corporation (EPTC) is connected to Seacom, so, we are now connected to the wider network abroad. Now, we are looking to go into certain areas, like big data, 5G, the cloud platform, in order to kickstart a strong content production exercise and locally produced content. There is so much talent in the Kingdom, and it's important for us to showcase that using the various platforms for e-business, or even e-health, with biomedical devices. ICT is an industry that thrives with young people; I would encourage all young people to come here and set up their plants, because for them the sky's the limit. Their dreams can come true in the Green Smart eSwatini, it is truly a fairy-tale Kingdom.

Ministering To The Demands For Investment, Infrastructure And Change

Eswatini's government ministers are causing a major shift in the generation of revenue and guarantee of economic growth due to the consolidation of a private sector mindset.

Prenesa interviewed Eswatini's pre-eminent ministers, Hon. Peter Bhembe, Minister of Natural Resources and Energy, Hon. Chief Ndalahlaza Ndwandwe, Minister of Public Works and Transport and Hon. Manqoba Khumalo, Minister of Commerce Industry & Trade, about their mandates, goals and aspirations for the country.

What are your plans to ensure sectorial economic growth?

Hon. Bhembe: We are doing a lot and it's already bearing fruit. We are working with one of our parastatals, our electricity company, in constructing a solar power generation plant because, as a country, we intend to have clean energy. By the end of the year, we are expecting to be purchasing more than 10 megawatts of solar power, this is not just a 'cosmetic' issue: we also intend to stabilise tariff increases. If we can increase the power generation within the country, mostly with clean energy, we will be able to improve electricity access to our population.

Hon. Ndwandwe: The development of the transport sector is an essential ingredient for the success of a competitive modern economy; enhancing growth, productivity, trade, tourism, service delivery and the quality of life. Considering Eswatini's land-locked status and strategic location between Mozambique and South Africa, the transport sector plays a pivotal role in ensuring accessibility and efficient movement of goods and services within the region, strengthening a regional logistics-hub position for the country. We are determined that a quality transport sector will improve Eswatini's global competitiveness, and, thus, continuous investment in the sector is critically important.



Hon. Bhembe, Minister of Natural Resources and Energy



Hon. Ndwandwe, Minister of Public Works and Transport



Hon. Khumalo, Minister of Commerce Industry & Trade

Hon. Khumalo: I am bringing a private sector mindset into how government works. I would like us to be in the top 10 in Africa, and top three in the SADC region in the ease of doing business. We will need to focus on the issue of registration of a new business and provide a digital platform to re-engineer the process and make sure it's a one-stop shop for investors: transparent, easy, digital and time-saving. I am also working on the border issue: we should have the two main borders out of Eswatini operating 24/24. That would change the speed at which we export and import. My vision for SMEs is simple: we need to be thinking global.

What are the specific investment opportunities of your sector?

Hon. Bhembe: As we speak now, we are spending every moment trying to make sure that the minerals that are in the country are coming to use. We have gold mines, we have iron ore mines, we have quite a number of minerals that are unsolicited at the moment. So, we are working very hard to get investors to come into the country while reinforcing our intention to building Eswatini up to be a manufacturing country. We are working very hard to go to other countries to find partners. We believe that Eswatini will change and we will get a new footing, but through the help of investors coming from all over the world.

Hon. Ndwandwe: The Ministry's Roads Department targets to reduce travel costs by paving all main roads (about 254km) and district roads that are not yet paved. Through Eswatini Rail, we are expediting the implementation of the Eswatini Rail Link project, linking Eswatini (West) and South Africa (SA), as well as undertaking the expansion of the Matsapha Inland Container Dry Port for increased cargo holding capacity for existing and new industries. The government is also investing in enhancing the aviation industry.

Hon. Khumalo: We need to invest in ICT as an enabler and attract digital based business into the country. We need to look at our policy framework around mining and provide a sustainable model of mining. Every policy has to be redesigned with the voice of the stakeholder, because, it may look good to us, but if it's of no use to the person that needs to use it, then, there's no point. There are a lot of companies that are keen to come in and benefit from what we are doing in mining.



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Investing In Unleashing Eswatini's Economic Potential

Consolidating the nation's financial sector through the improvement of its business climate and the proliferation of opportunities for private sector-led growth.

Economies grow due to the implementation of good fiscal and financial policy and Minister of Finance, Hon. Neal Rijkenberg's, turn-around strategy is proof of this, even calling attention to the likes of the African Development Bank (AfDB) which recently expressed its utmost confidence in Eswatini's GDP growth. "There is an element of the government crowding out the private sector," states Hon. Neal Rijkenberg. "We are on a privatisation drive which will offer great opportunities for European companies." The government's focus upon improving its ease of doing business also comes into play, with new legislations set up to ensure rapid company registration and trading licences though e-platforms, among others. Indeed, founded upon an export-orientated economy, Eswatini's strong and stable finance sector is increasingly becoming highly attractive to new investors to the country. "We have the basic economic infrastructure needed to attract international investment," explains Dumisani J. Msibi, Group Managing Director of Fincorp. "Eswatini also has access to global markets, such as SACU, SADC, COMESA, as well as other economic partnership agreements." According to Mvuselelo Fakudze, CEO of Standard Bank, exportation is Eswatini's ticket to progress and opportunity. "We have a balance of payments surplus, because we export more than we import," he affirms. "The real opportunities lie in the export sector and exportation requires a lot of funding if you really want to grow in scale."

In order to speed up Eswatini's economic growth, while channelling its excellent relations with neighbouring countries, Special Economic Zones (SEZs) have been established, such as the King Mswati III International Airport and the Royal Science and Technology Park. Investors who establish their businesses here will benefit from a bevy of tax incentives such as: 20-year exemption from all corporate taxation (after while taxation will be 5%); full refunds of customs duties, value-added tax, and all other taxes payable in respect of goods purchased for use as raw material, equipment, machinery, and manufacturing;

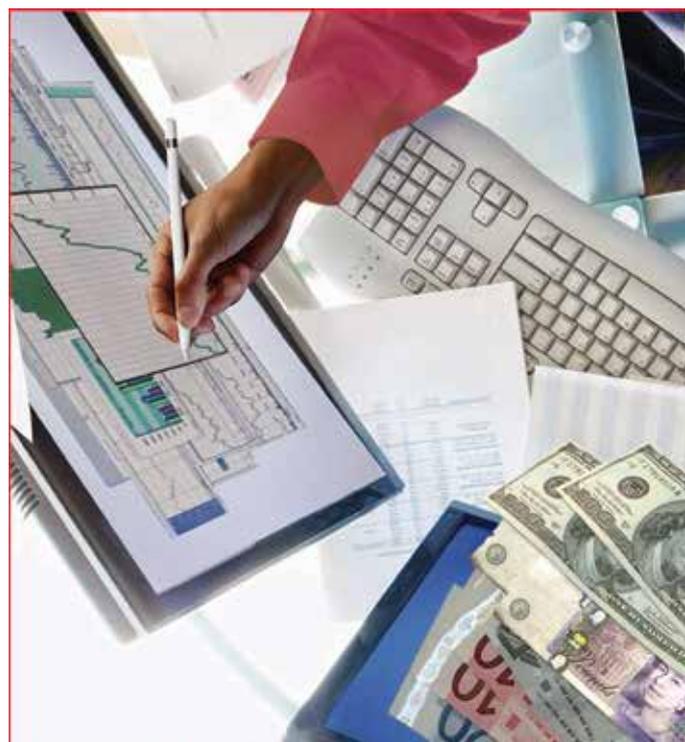


unrestricted repatriation of profits; and full exemption from foreign exchange controls for all operations within the SEZ. With US\$300 million invested in projects during the 2017/18 financial year alone, infrastructure remains the prime sector for future bank investments in the country. “The private sector prioritises efficiency,” declares Sandile Dlamini, CEO of Financial Services Regulator Authority (FSRA). “Fifty percent of the assets under our supervision are going to provide the environment to attract FDI.”

While the financial sector is the nation’s economic backbone, its robust, regulated and stable banking sector is intent on providing the opportunities. Nedbank’s MD, Fikele Nkosi, claims, “it is well capitalised, with sufficient liquidity and it is very transparent, the banking sector is a catalyst and big contributor to the GDP.” Under the regulation of Eswatini’s Central Bank, the banking sector is actually “one of the winning cards the country flags to attract

investors to come to the country,” according to its Governor, Majozi V. Sithole. Its bank’s commitment to fintech plays an important role in this. “There is a very strong social need for financial solutions that can be deployed through mobile and digital platforms,” explains Dennis Mbingo, CEO of FNB Eswatini. Its ability to provide solutions for every sector of the economy, facilitating payments and penetrating the unbanked sector results in liberalising the banking sector in order for it to be sustainable and aligned to international standards. Timothy Nhleko, MD of Swaziland Building Society elaborates: ‘fintech development is important in the sense that it is a venue where skills can be grown. If the country wants to remain part of the global village, it has got to up its game when it comes to technology.’ An enabler to business and industrialisation, the banking sector are partnering with fintechs in order to upgrade its expertise and innovation. In 2018, Eswatini’s Central Bank, in collaboration with The Royal Science and Technology Park, the Eswatini Communications Commission and the Financial Services Regulatory Authority launched its successful Fintech Challenge in an attempt to support local technologies, promote innovation and endorse MSMEs. Indeed, the banking sectors’ focus on assisting and providing SMEs with funding is considered a priority to the expansion of the nation’s economic base, as well as its call to engage with value addition, which would reduce imports and increase job creation. Standard Bank’s commitment in the SME sector in order to assist the growth in the economy, for example, has resulted in the funding of at least 7,000 SMEs.

The private sector in Eswatini is playing a huge role in turning the economy around, instead of looking towards the government for business, the view is being reverted outwards and beyond, where business opportunities are finally having the chance to thrive and flourish.



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Majozi V. Sithole

Governor of Central Bank of Eswatini

Providing The Financial Backbone For Investment

Establishing a strong and stable financial sector through modernisation and innovation, Governor Majozi V. Sithole is intent on ensuring that the Vision 2022 target is achieved.



“The banking sector is one of the winning cards the country flags to attract investors to come to the country.”

Under Majozi V. Sithole's guidance since 2013, eSwatini's Central Bank has developed a sound monetary policy leading to stable prices and financial stability within the country. Penpresa had the immense pleasure to speak to him about the healthy state of the nation's banking sector and its focus on fintech as a driving force to effective competition, financial inclusion and innovation.

How do you assess the eSwatini banking sector?

The Central Bank is responsible for regulating the financial sector, particularly the banking sector. Our bank sector is healthy, and the capital reserves and adequacy ratio reflect that. Virtually, all the banks are profitable and if we look at their liquidity, we can rest assured they are doing fairly well. The banking sector is one of the winning cards the country flags to attract investors to come to the country.

How is fintech contributing towards financial inclusion within the country?

Financial technology is offering an opportunity for financial inclusion, because the banking sector can be very difficult to access (you have to travel long distances to get to the bank, the costs and affordability are not low). Fintech is coming up with solutions for financial inclusion. A lot of people today have cell phones and they can use them to make monetary transaction without necessarily having to open an account. We are trying to improve the percentage of the banked and we believe that fintech is offering that solution. We have seen mobile money coming in; fintech ideas can also make access to financial products cheaper and we are encouraging that. The Centre For Financial Inclusion under the Ministry of Finance can provide all the relevant statistics on the banked.

The African Continental Free Trade Area Agreement (AfCFTA) was signed in March 2018, and will result in Africa becoming a single market;

a major development for African trade. How do you feel this will contribute to the nation's economic growth and the continent as a whole?

AfCFTA creates a bigger market and for a small economy, like ours, you can only attract investors if they have access to a bigger market. So, AfCFTA offers an opportunity. As members of SACU, SADC, COMESA etc., we already had opportunities for other markets but this offers larger opportunities still. It also tells us that if we keep having relatively skilled labour, we should be able to attract the right investments into the economy. It allows for a lot of benchmarking and it gives us an opportunity to produce for a bigger market and that is what we have always wanted: Eswatini has always tried to discourage anything that limits trade.

His Majesty the King stated in a recent interview that he envisions eSwatini as a first world nation by 2022. In your opinion what are the actions needed to achieve this?

We believe that with the commitment of virtually everybody, particularly in the innovation area and in our education system, we can do great things. Also, tertiary education should get down to the market and ask what the business people are looking for and if the qualities we have are enough. I believe that innovation and investment in infrastructure is an opportunity for us. The efforts of the government in investing in rural areas will be very critical and efforts should be made to attract young people into the agricultural sectors.

How is the Central Bank supporting this initiative?

The Central Bank is going in the right direction in its sector; we are focused on modernising the way we do things to the extent of already running a paperless bank. We are improving our procurement system so that it can work better for us. There is a lot that we are doing as reflected in our successive strategies. As the Central Bank of Eswatini we are confident that we will be able to accomplish the King's 2022 vision.



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Standard Bank nurtures the nation's development through its full spectrum of financial expertise and services.

CEO of Eswatini's Standard Bank, Mvuselelo Fakudze, speaks to Penresa about the bank's vision to grow the country in which it operates in by supporting sectors such as agriculture, and investing in technology.

"We have always been the largest bank by asset in the kingdom. We employ the most people, and for that reason we are not a subsidiary of South Africa but we have a local bank, with a full IT system for Eswatini. We have been involved with all the responsible sectors of growth in these years. We have also been funding other actors in the private sectors, from small entrepreneurs to large corporations. We have funded a lot of large corporates in the sugar industry, for example the Royal Swaziland Sugar Corporation, a locally entity hold by TBO and TSB. Our assets are approximately over \$7b.

We believe we have contributed to part of that Eswatini's economic growth in terms of funding projects. For example the



Royal Swaziland Sugar Corporation has just gone through a \$1.5 billion expansion plan and we are participating in that. A US\$400 million hospital is also going to be built by the local medical aid scheme (with 100 beds), which is very important for the country because we spend a lot of money in sending patients to South Africa. We have also at least 7,000 SMEs that are being financed by us as a

bank. We also play a big role in funding some of the instruments of the municipalities outside of the World Bank's structured finance for local government.

Using technology to enable people to do business is the future of the industry. We are doing a lot of investments and we are partnering with certain fintechs at a group level to make sure that we can leverage that expertise and bring it into the banking sector. We encourage technology and innovation and we work with those start-ups when we can both as a group and at a local level. "

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Standard Bank Moving Forward™

First National Bank of Eswatini

A vital economic player leading Eswatini's banking sector

Reviving The Nation Through Innovative Banking

On the verge of 24 years contribution to the nation's economy, FNB Eswatini, the most profitable and technologically advanced bank is gearing up to grow its points of presence through the use of modern technology and to list on the local bourse.

With over two decades of rich history in Eswatini, FNB has been a part of the development of businesses in many sectors of the economy. It has seen the growth of multiple industries, including the banking sector, with FNB leading the way through the introduction of innovative solutions and technology that has simplified banking and created opportunities for the introduction of more affordable banking products. According to the bank's CEO, Dennis Mbingo, "Everyone is now seeking convenience and ease of access, we've been there and now seek to push further into meaningful banking products that are also more affordable."

For FNB Eswatini, evolution is a continuous journey and employees are expected to be ready to adapt to change as and when opportunities arise. With a major focus on innovation alongside its sister companies in the FirstRand stable, FNB delivers its 'how can we help you?' slogan through thought leadership and constant review of a better way of doing things. The bank has identified as core to its legacy strengthening appreciation and greater investment in nonbricks and mortar. As part of the bank's chairmanship of the local Bankers' Association and active participation in the local Chamber of Commerce, FNB has been vocal in addressing the one impediment to an accelerated tech revolution, data costs and customer awareness. Mbingo suggests that the effort of any corporate player towards bringing down data costs and investing in consumer awareness benefits the country as a whole as other market participants join in over time. Mbingo also confirmed FNB's plans to strengthen its presence in Eswatini. "Our help as FNB goes



"Our help should go beyond just banking, being a bank of firsts and dominating profits. We have to contribute to Eswatini's revival and growth."

**Dennis Tikhalo Mbingo,
CEO of FNB Eswatini**

beyond just banking because we realise there is meaningful contribution that we can make by virtue of being positioned here. We have been running a bank of firsts, with the highest profitability in the sector, but we see our role beyond the financial metrics. We have to contribute to Eswatini's revival and growth."

The bank is looking to invest substantial funds in a new Head Office to stamp its long term commitment to the country. FNB has been careful in not seeking balance sheet dominance in its own right, but hunts for value in all possible profit pools. In line with this strategy, the bank is also investing heavily in fintech models to replace its traditional business model over the next few years. Both their back office and front line operations will be undergoing surgical changes to build a new type of customer experience that relies much less on bricks and mortar but on an empowered customer who self-services. "We think that will not only allow us to both improve our service levels significantly, but will also help FNB scale its ability to access desired profit pools a lot more faster than the competition. Our e-channels have shown double digit growth for the last three years, despite a strained economy. There's value there." Mbingo adds. That value will go beyond FNB into the rest of the economy when

the bank reaches yet another milestone in Eswatini in 2019, by listing on the local stock exchange. The bank is attempting to do a transaction that will allow a broad base of Emaswati to become part owners of the bank directly or through representative organisations, further affirming the bank's commitment to the country and its growth.

Living up to the true essence of help, FNB Eswatini, through the FNB Eswatini Foundation, has also recently launched a revolving loan fund aptly dubbed the FNB Khutsala Employment Activation Programme whose core aim is to develop small businesses through the provision of non-interesting loans for start-ups. Mbingo states, "through our CSR engine, we have seen it necessary to be active role players in changing the story of small businesses in Eswatini as most of them, at start-up level, cite challenges of access to finance as a key hindrance to their growth. Hence our decision to focus on this stage of their businesses, planting a seed for the development of high-grown entrepreneurs that will contribute meaningfully to the country."



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Providing customised solutions to sustainable and profitable high-value segments

Money Managing The Difference

Nedbank Eswatini's payoff line 'see money differently' is consistent with Nedbank's purpose of using financial expertise to do good for individuals, families, businesses and society.

A subsidiary of Nedbank Group of South Africa, Nedbank Eswatini is an international bank that aims to make a difference to the nation's banking sector by adding value through constant innovation. The bank offers a wide range of products and services for corporate, business, retail and small-to-medium-enterprise clients, which include lending services, global business products, investments, loans, online banking, asset-based finance, treasury services and transactional banking. Its client-centred approach sees the bank use its financial expertise to support individuals, businesses and communities.

Nedbank's Wholesale Division supports growth through tailor-made financing options, such as overdrafts (overnight and short-term loans), term finance (business loans, asset-based finance, vehicle and capital equipment finance and commercial-property finance) and import and export finance. Nedbank's clients can do their banking safely, securely

and efficiently anywhere, anytime, through its internet banking platform. Other features of its internet banking channel include security features, such as one-time passwords, account summaries, unlimited number of users in a profile, unlimited transactions in a batch file, recurring periodic payments, payment limits per user in a profile, proof of payments for up to six months, statements, future-dated payments, loan monitoring, efficient payment to credit cards, and unlimited access anytime, anywhere.

'Technology is at the heart of any banking sector, mostly because of the constantly evolving clients we are dealing with,' says Nedbank Eswatini's Managing Director, Fikile Nkosi. 'Nedbank is looking at fintechs not as a challenge, nor as competition, but as potential collaborative partners.'

There is no doubt that Eswatini's most admired bank will continue to pave the way forward in the financial sector due to its high expertise and innovative vision. 



Fikile Nkosi,
Managing Director
of Nedbank

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Eswatini Bank

Facilitating and financing sectors through fintech solutions and innovation

The Heart Of Eswatini's Local Bank

Established in 1965, by the late King Sobhuza II, Eswatini Bank was conceived as a development finance institution with a focus upon providing projects for smallholder farmers and low cost housing finance.

Today, it is further involved in financing sectors such as industrial, commercial, small micro and medium enterprises (SMMEs), health, tourism, transport and mining. Licensed and supervised by the Central Bank of Eswatini, the bank is also the nation's sole indigenous commercial bank providing excellent and financially competitive products and services such as debit cards, savings, investment and corporate accounts, premier banking, foreign exchange, and loan facilities. It has 11 branches and numerous ATMs set up around the nation. "People know now that we can provide services, compete with the other commercial banks and still provide a large amount of loans to agriculture, which has been our mandate since the beginning," states Zakhele W. Lukhele, Managing Director of Eswatini Bank.

In 2005, Eswatini Bank introduced a new banking system called T24, the 'all in one' technology resource. "We are currently upgrading it to the latest version," discloses Lukhele. "From our perspective, we feel that we are improving the operating base and we're making sure that we can provide a good service, bringing in the most advanced technology and services." Indeed, in 2014, Eswatini Bank began issuing debit cards in partnership with MasterCard International. The MasterCard has been met with resounding success and has provided its customers with a means to international payment. In 2017, the bank introduced mobile and internet banking and dedicated itself to investing in Fintech. Lukhele



“People know now that we can provide services, compete with the other commercial banks and still provide a large amount of loans to agriculture.”

**Zakhele W. Lukhele,
Managing Director
of Eswatini Bank**

elaborates: "Banks have huge infrastructure and operational costs, so it's very difficult to serve rural communities. Fintech is helping to lower that cost because they can reach those areas; it is critical that fintech and banks work hand-in-hand, because where we can't provide services because of the costs, fintech can provide the solutions. For instance, for our mobile app, we tried to look for the simplest and most user-friendly app so that even people in the rural areas, or people unaccustomed to technology, can use it." By penetrating

the unbanked sector and facilitating payments, Eswatini Bank is ensuring the economic development of the nation is within reach of everyone in the country but likewise, "bringing the unbanked into the financial sector and assisting them financially in selling can help the economy grow," affirms Lukhele. "For example, the National Agricultural Market Board is making initiatives to improve the agricultural sector. Our role, as a bank, lies in being facilitator; especially in the penetration of the rural sector and the underbanked. We are also integrating with mobile money, bringing the unbanked into the formal financial sector and contributing through funding corporates in developing shopping complexes or housing."

The bank's deep commitment to its CSR programmes has won its name as 'The bank with a heart'; it donates generously to youth entrepreneurship, poverty alleviation and health care initiatives. It also annually sponsors the Eswatini Bank Cup and the Eswatini Bank Schools Music Competition.

There appears to be little doubt that the bank will be able to meet its goal to become a leading development bank and a world class financial services provider with a 20% market share in Eswatini's banking sector by 2020. "We have got quite a large number of projects that we are going to implement in the next few months and years," claims Lukhele. "People see us as an innovative bank; a bank that is moving."



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The Pioneer Providing The Roadmap For The Mobilisation Of Money

The Financial Services Regulatory Authority (FSRA); an integrated regulatory and supervisory authority for the non-bank financial services sector in Eswatini, benefits stakeholders through the enforcement and monitoring of safe and sound business principles by all regulated entities.

This is done by ensuring that regulated entities maintain high standards of conduct of business in accordance with international best practice. The Authority also fulfils its mandate in facilitating the development of all the industries it supervises. "When we talk about the institutions regulated or supervised by FSRA, we refer to the insurance industry, pension funds, capital markets, stock exchange, medical schemes, microfinance, as well as the credit and savings institutions," explains Sandile Dlamini, CEO of FSRA. "The non-bank financial services industry at the moment hold assets equivalent to 72% of the total financial assets in the country and the banking industry holds 28%."

In April 2017, FSRA began applying for more financial resources to develop capital markets in the economy and the benefits of localising the portion of assets to be invested in the country are currently beginning to manifest themselves. FSRA funds 100% of the Swaziland Stock Exchange and works relentlessly towards improving accessibility and efficiency. "In December 2018, the automation of the stock exchange was completed, enabling all investors, even people with small amounts, to buy stocks, with the option to do so through their mobile phones. In this way, local people are encouraged to invest in the stock exchange by buying whatever shares are available," declares Dlamini. "As of now, we have got seven instruments listed on the stock exchange and we are currently updating the listing



"Our task is to supervise and regulate, but, we decided to add a third function in our statute: the strategic mandate of facilitating the development of all the industries we supervise."

**Sandile Dlamini,
CEO of the
Financial Services
Regulatory Authority**

requirements so that, when you quote a buying price, you also quote a selling price to encourage people to buy and sell and get some movement on the secondary markets."

FSRA's responsibilities to the government and the nation is paramount to its vision and objectives. "We need to improve the infrastructure in terms of roads, communications, energy, water: those are all basic infrastructures and if we have got them in place, they are going

to enable foreign direct investment. That's why now 50% of the assets under our supervision are going to provide the environment to attract FDI. I believe we are on the right track, we just need to speed up the game," affirms Dlamini. "At present, for example, we are trying to improve the turnaround times for the registration of companies." Its dedication to the encouragement of innovation in the country, as well as its support for technological advancement, caused FSRA to partner with the Central Bank of Eswatini, the Royal Science & Technology Park (RSTP) and ESCCOM to host a Fintech challenge in 2018, where individuals, start-up companies and teams were invited to design resourceful and original apps or innovations.

Under FSRA's direction, local investment in the country has increased to 50% over the past few years, with the aim to increase it more in certain areas. Its commitment to integrity and efficiency has also resulted in the current insurance penetration rate of 27%, with the aim to increase the percentage to 35%-50% over the next five years, whereas in the case of pensions [both private and public], repatriation of the money will enable the country to have investment resources in the long term. FSRA is guiding the nation towards a complete modernisation and innovation of its financial sector and it isn't hard to imagine it achieving its ambitious, yet realistic, goal to be the leading regulatory on Financial Services Regulation and Development in the SADC region.



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Dumisani J. Msibi

Group Managing Director of Fincorp

Breaking Financial Ground In The Support Of SMEs

Set up by the Government of Eswatini in 1996, Fincorp, the award winning financial corporation, aims to empower Emaswati entrepreneurs through innovative financial services.

Penresa met with Msibi to unravel the role leading investment banking company, Fincorp, plays in improving Emaswati quality of life, its focus on SMEs and the importance of being aware of global financial development.

We were set up under three key pillars: access to credit, job creation, and poverty alleviation. As an additional responsibility we also provide business development support services and technology transfer to SMEs. As an institution providing access to credit, we continue to break ground in reaching out to entrepreneurs. Currently, we have a total of E1 billion in the hands of Emaswati who are developing themselves in various forms in different sectors. Statistics, articulated by the University of Eswatini Consultancy Training Centre, indicate that SMEs financed by Fincorp currently support 15,100 jobs and these workers in turn support thousands of families which in part talks to the poverty alleviation pillar. In terms of contribution to GDP, the SMEs financed by Fincorp collectively contribute a sum of E1.4 billion annually.

We have made sure that we are in sync with what's happening globally in the development finance space. We are very active in a number of organisations, the first being the Association of AfricanDFIs, which is a brainchild of the African Development Bank and monitors the performance of DFIs through a peer review mechanism to which we have subscribed since 2009, called Prudential Standards Guidelines, and Rating System under which Fincorp has consistently attained Rating A and above since 2009.

We remain committed to pushing boundaries as we reach out to the target market and make meaningful contribution to economic growth at grassroots level. Our ultimate desire is to one day become a 'One Stop Shop' for SMEs in the country, underpinned by our motto 'Helping You to Help Yourself'.



Dumisani J. Msibi
Group Managing
Director of FINCORP



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Timothy Nhleko

MD of Swaziland Building Society

Making Dreams Come True By Saving For A Rainy Day

Lender and deposit taker, Swaziland Building Society ups its game through an improved range of products and services as well as transactional facilities.

Taking into consideration Swaziland Building Society's steady growth over the past 56 years, Penresa, sat down with the Managing Director, Timothy Nhleko, to ask him about the secret behind the Society's success.

"As one of the leading financial service providers the Society has grown due to the following reasons: improvements in access to the Society network of branches, the roll out of Automated teller machines (ATM) in strategic locations, widening of the range of products and services, as well as the introduction of mobile services

In line with its vision statement the Society has continued to entrench its traditional product offering which is the mortgage loan product. It has encouraged employers to assist employees by facilitating the acquisition and development of property to provide shelter for their families. Employer assisted mortgage schemes enable the employee to participate in the housing market even though they may not meet normal requirements such as an upfront deposit. Furthermore, the economies of scale inherent in group schemes make it possible to negotiate rates of interest.

Customer service also has improved significantly and the mix of delivery channels make access a lot easier and very convenient. Customers no longer have to queue in branches as services can now be obtained through other channels

We are one of the institutions that have been encouraging people to save. We have got various savings products, because the Society was a deposit taking institution from the very beginning. So, savings have been one of the key pillars. As a country and institution, savings are important. We need savings in order to support our lending activities and besides, it's good financial management.

The Society is also reviewing its current business model in order to achieve sustainability."



Timothy Nhleko,
MD of Swaziland
Building Society



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Sustaining The Country's Workforce Through Saving Schemes

Providing the best retirement packages by investing wisely, while simultaneously tackling unemployment and contributing to the growth of the economy.

Established in 1974, the Eswatini National Provident Fund (ENPF) manages and administers retirement benefits for all employed Eswatini nationals. Administrated by an independent Board appointed by the Minister of Labour and Social Security, ENPF represents Eswatini's National Council, workers and government and acts as a saving scheme dedicated to guaranteeing the value of the funds, as well as safeguarding them so that they are responsibly invested and accounted for. "The object of this institution is to collect contributions from employers on behalf of employees for their later years when they are needed," explains Prince Lonkhokhela, CEO of ENPF. In February 2018, the ENPF was further assigned with running the International Social Security (ISSA) Southern Africa Regional liaison office, increasing their already considerable social security responsibility.

Fifty percent of the total assets managed by ENPF are invested locally. "If there is a company that wants to work with us, we work with the company. We have stakes in hotels, in forestry through Montigny, in the milk industry, in agriculture etc: we are almost everywhere. We are building apartments, shopping malls; we own 62% of the Swazi Plaza," claims Prince Lonkhokhela. "We are all over the country and our portfolio is very big and profitable. It made a very good impact during the financial crisis. The properties here carried us, we had good returns and we could pay very good interests that were above the bank interest rate." In January 2019, ENPF acquired a 25% stake in Medscheme Eswatini; another example whereby local investments have contributed to creating over 15,000 job opportunities in the country.



"If there is a company that wants to work with us, we work with the company. We have stakes in hotels, in Montigny, in the milk industry, in agriculture: we are almost everywhere."

**Prince Lonkhokhela
CEO of ENPF**

"Our portfolio is approaching four billion rand. We have tended to be open and promote diversification when it comes to investments, so as to look at every possible investment where we can maximise returns," continues Prince Lonkhokhela. "Our process is very careful; not just one person decides, there is a management investment committee, and sometimes the minister and cabinet have a say." ENPF is also championed by institutions such as the Financial Services Regulatory Authority (FSRA) and is part of the Industrial Development Company of Eswatini

(IDCE), further emphasising its role as an engine for development in the nation.

ENPF works hard at establishing transparency of the Funds transactions; publishing accounts and holding stakeholder forums whereby it meets with unions, employers, the general public and government to elaborate a continuous dialogue upon the past year's achievements and challenges. "This has been extremely welcomed by everybody," declares Prince Lonkhokhela. "In terms of transparency, we are the first; there is nothing that can be more transparent than being scrutinised publicly by the owners of the funds, rather than just by the board." At the stakeholder's forum in May 2018, Prince Lonkhokhela announced that informal businesses can now directly save with the ENPF, with the new savings plan open to domestic workers, self-employed individuals, informal sector workers, seasonal workers and migrant workers.

In 2018, the Eswatini National Pension Fund Bill was tabled, the bill seeks to convert ENPF from a provident fund to a pension fund. "This was supposed to be a pension fund from the onset, but because the contribution was so small, the pension was going to be meaningless, so at the end of the term, now, you get all your money at once," explains Prince Lonkhokhela. "The bill will be presented to the cabinet and parliament very soon and we expect it to be law this year. The king is very much behind this and we want to convert it into law promptly so that people can have a pension. A pension is helpful in mitigating poverty in any country; it is the vehicle that will support you at the lowest level. We ourselves as employees are ready for the conversion."



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Dumisani E. Masilela

Commissioner General of Eswatini Revenue Authority

Complying With Transparency To Ensure National Development

SRA applies new management strategy in order to ensure a sustained increase in national tax collection and with a view to supporting national economic growth.



“We look at the importance of strengthening the domestic resource mobilisation for the purpose of delivering the objectives of the Sustainable Development Goals.”



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Established through the Revenue Authority Act of 2008, as a semi-autonomous entity, Eswatini Revenue Authority (SRA), headed by Dumisani E. Masilela, aims to provide an effective and efficient revenue and customs administration with full transparency and accountability, while implementing innovative ways to ensure compliance. Penresa sat down to talk to Masilela about SRA's role in developing the nation and attracting investment through tax collection.

What have SRA's relevant milestones been?

We have stuck with our mandate successfully for over a period of seven years now. We have increased domestic revenue collection by an average of over 10% per annum and that has helped support government operations. We have strengthened domestic resource collection and challenged other organisations to adopt more than day practises; we have driven a few very interesting initiatives in order to promote certain principles, like transparency. That is why we have formalised business processes within the SRA and our staff are very well guided on what it is that they need to do and how. Some initiatives have provoked interest from the private sector and consequently we are assisting some companies to set up their own business processes. We also brought in a new IT platform, through which we manage administration. Right now, our taxpayers are able to interact with us electronically, without necessarily having to come to a service centre. We have also completely automated our customs management systems through the ASYCUDA World System, which enables online declaration of goods and has a pre-clearance functionality to minimise the time spent at our commercial border posts.

How is SRA educating the population on the importance of paying taxes?

We have different platforms to do that. Starting with the traders, twice a year we interact through a formal session with Large Taxpayers. In our interactions, we discuss the innovations and we ask them for

feedback. We also have a Business Consultative Forum, with different stakeholders; the business federations, law society, Institute of Accountants, Investment Promotion Agency and others. They sit with us quarterly to interact and tell us what issues we should be looking into, what changes we should make and so on. We work on IT platforms; the customs system allows us to broadcast messages to our clients. We are currently engaged with mobile telecommunications services provider to create a platform for us, where we can push SMS messages. Otherwise, we also interact through our website, Corporate Facebook page and Contact Centre.

How is SRA raising transparency and governance practices to international standards?

We are trying to utilise third party databases. We would like to see the country with a central repository of data that knows everybody in the country and what they do. We do have the nucleus for that kind of system, because we have a personal identification number system and a company registration system which is now electronic. So, we would like to utilise that and link these tools with other systems that exist in the country. This will also ensure that we don't impose unnecessary obligations: we often find that we ask our taxpayers information that we already have somewhere.

What is SRA doing to help achieve Vision 2022?

We have launched our own strategy, which is to support the development of the country. As a revenue administration, we look at the importance of strengthening the domestic resource mobilisation for the purpose of delivering the objectives of the Sustainable Development Goals (SDGs). We are aligning ourselves with that and we are collaborating with entities that are recognising the importance of improved domestic resource mobilisation for the attainment of the SDGs. We have positioned ourselves to support that vision by ensuring that we develop systems and capacities amongst our staff to detect and deter tax avoidance and evasion.

Harnessing Eswatini's vast local resources to run on its potential for 100% renewable

Green Building The Nation

Aiming at being power sufficient by 2034, Eswatini's Energy Masterplan aims at providing a roadmap towards a sustainable, environmentally friendly and competitively priced future.

Considered one of the wealthiest nations globally in terms of natural resources, Eswatini is looking to promote sustainable use of renewable energy in order to carry out its Energy Masterplan. Projects using renewable energy resources include traditional biomass such as firewood, wood-waste from the forest industries, bagasse from the sugar industries; hydropower from water and new renewables such as solar and wind which are rapidly being developed.

Four mini-hydro stations, with a total installed electricity capacity of 69.4MW, have ensured great progress has been made in increasing

national access to electricity (currently at 78%), contributing to 14-24% of the total energy consumed in the country. CEO of Eswatini's Energy Regulatory Authority (ESERA), Vusumuzi N. Mkhumane states: "We want to improve our power producer base, having a more cost-effective power delivery." With timber and sugar industries having the potential to produce 150MW a year from biomass, Montigny is currently carrying out a project to build the largest woody biomass plant on the African continent by using biomass from its 50,000 hectares of plantations to power a renewable biomass power plant on their mill site. "If you are involved in the timber industry, sustainability underpins everything you do," declares Andre Le Roux, CEO of Montigny.

Eswatini is the fourth largest producer of sugar in Africa, as largest industry in the nation, sugar cane companies grew 735,000 tonnes of sugar in 2017/18 alone. "The sugar industry is a major contributor to the economy. In fact, it represents 75% of the agricultural output, so, even in the agricultural sector it is a quite significant and a major employer," declares Phil Mnisi, CEO Eswatini Sugar Association (ESA). In order to support the sugar belt and other important crops in Eswatini, the government have implemented climate adaptive initiatives: Komati Downstream development Project (KDDP) and Lower Usuthu Smallholder Irrigation Project (LUSIP). A EUR 36.4 million loan from the European Investment Bank (EIB) for LUSIP will enlarge the available irrigated farmland for local smallholders, directly benefiting about 2,300 smallholder households. Further irrigation projects are being carried through the construction of dams. Samson Sithole, CEO of ESWADE, affirms: "We would like to build a series of dams, one in the north, that will cost about E2 billion, which would link well with the KDDP?"



Empowering communities

to improve their quality of life through projects in commercial agriculture and other enterprises;

providing innovative services

in infrastructure development and management as well as expertise

to public and private entities.



www.swade.co.sz

Samson S. Sithole

CEO of ESWADE

Empowering The Nation Through Irrigation

Keeping the nation's socio-economic development afloat through the provision of clean water, sanitation and jobs, CEO of ESWADE, Samson Sithole is keen to offer new opportunities through innovative projects.



“These projects have impacted 80,000 people in the country. We are looking to tripling that figure to 300,000. This proves not only good for the economy, but for society.”

Parastatal company, the Eswatini Water and Agricultural Development Enterprise (ESWADE) is concerned with empowering communities and improving quality of life through its infrastructure development and commercial agriculture projects. Responsible for the planning and implementation of the Komati Downstream development Project (KDDP) and the Lower Usuthu Smallholder Irrigation Project (LUSIP), ESWADE plans to continue to make history with the construction of three dams in southern Eswatini. Penresa speaks to Samson Sithole, CEO of ESWADE.

What have ESWADE's milestones and achievements been under your leadership?

We have 10,600 hectares under crop and it's doing well. The overall returns realised out of that are about E2.6 billion; that's new money generated by farmers in the country. We have come up with over one hundred formal companies that are paying taxes to the state. To date, over E200 million has been remitted to the government. These projects have impacted 80,000 people in the country (with 70% of the people depending on agriculture). We are looking to tripling that figure to 300,000. This proves not only good for the economy, but for society. People are now able to benefit from clean water and sanitation thanks to our projects. In terms of employment, over 2,000 people are employed in these projects in permanent terms. But, overall, including the construction stage, we are really talking about over 5,000 people; we have also activated the construction industry in this. A good number of our companies are now working on LUCID II, building a canal and other things. So, you see, there is a fervid economic activity going on.

Can you elaborate on ESWADE's cooperation with NAMBoard when it comes to the High Value Crop and Horticulture Project and its importance to the country's agricultural sector?

The High Value Crop and Horticulture Project is funded by the EU with a budget of 13.8 million euro. It's basically speeding the development of crops.

We can plant more or less anything in Eswatini all through the year, because we have four different climate regions which are extremely suitable for agriculture. At ESWADE, we have the capacity to design and construct large water commercial agriculture businesses; therefore, we can push for production, but we need guidance and marketing. This is the reason we formed a partnership with NAMBoard. The role of NAMBoard is basically to establish markets, make sure they move farmer produce to those markets and ensure production is successfully carried out.

What are ESWADE's future projects?

We would like to build a series of dams, three of these in the south (adding an unprecedented 24,000 hectares), at a cost of about E5 billion, and then we have one in the north, that will cost about E2 billion which would link well with the Klaipeda Geothermal Demonstration Plant (KGDP). For many years since its independence, the government of Eswatini has been looking for means to get water to the southern part of the country (there is no water there). They have the most fertile soil and the best beef. All they need is water.

What do you believe are the actions needed by ESWADE to achieve Eswatini's Vision 2022?

The Rostow's model is fit for understanding how we can contribute to the vision of His Majesty. We have the opportunity at ESWADE to move people from traditional agriculture to commercial agriculture; we want them to produce and to feed the world. If we push crops at a commercial level, we will be able to push our manufacturing industry significantly. If our manufacturing industry operates as well as it should, we will push onto the next stage, where we can get the preconditions for massive consumption. At that stage, what is critical is no longer agriculture, it's an economy that's strongly dependent on innovation. This will allow for a transformation in our political system to get more people participating into moving the country to the final stage with mass consumption and innovation.



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Sowing The Seeds For A Sustainable And Stable Future

With more than 55,000 hectares under active timber management, Montigny transports and processes more than one million tonnes of timber per year, while remaining deeply committed to sustainable forestry practices and CSR.

Founded in 1997 by Hon. Rijkenberg, Emaswati-owned and managed company, Montigny, is the largest private integrated timber company in Southern Africa, with 40% of the market share in the region. Penresa spoke to CEO, Andrew Le Roux, about Montigny's environmental drive and its plans for expansion.

What are the most relevant milestones achieved under your leadership?

There were two things that led to the success of Montigny: the strong entrepreneurial drive by its founder and majority shareholder, Neal Rijkenberg, and the very good business environment in the nation. Eswatini is small and not many people recognise its potential, but it's a good and easy place to do business; we have got a really strong free market drive and it's open to new ideas and entrances to the market. This company started from nothing and grew into a multi-billion business in 20 years and now creates employment, directly and indirectly, for 11,000 people.

Can you elaborate upon Montigny's concern with sustainability and its social economic and environmental impact?

Twelve years ago, we decided to get involved with projects that identified with the most vulnerable orphans to create a very strong pipeline of leadership development, education, training and a stable environment for those kids. It's a project that has strong sustainability and a strong private sector underpinning. The first kids are coming through the programme now, and we have seen a real academic and leadership success in the kids. This is something we are passionate about. As a company responsible for 11,000 employees and contractors, we take our social responsibility very seriously, we give a surprising amount of our returns to social causes surrounding us, specifically schools and feeding schemes. One good example is our timber outgrower programmes with neighbouring communities. We help establish commercial timber plantations and create a market for those plantations as well.

All our plantations are commercial and certified by the Forestry Stewardship Council, we do not operate at all with indigenous plantations. We believe in this fundamentally: if you are involved in the timber industry, because it has got such a long cycle, sustainability underpins everything you do. So, we are very aware of our rights in terms of FSC, on how we manage communities, employees, water courses, exotic weeds. We are also very aware that the tree species that we grow are not indigenous, so we make sure that they don't get to the water courses and on wet lands.

How do you see Montigny's future from the viewpoint of Eswatini's current economic climate?

At Montigny, we are exceptionally well placed to make use of the stability in Eswatini to export timber. Timber is a long term high-volume product that requires a lot of land and time (it takes up to 20 years to grow trees). So, you need to have a lot of confidence in an economy before you plant a tree. Certainly, if you look at the instability and uncertainties in South Africa, especially as far as long-term agriculture commitments are concerned, we think we are very well positioned. We could double the size of the plantations and not even be able to meet the demands. This provides us with security about our future; we are working on some very aggressive expansion plans, as well as planning with the government to expand the number of hectares under commercial plantations.

Please give a last message of confidence about Eswatini to the readers of Forbes Africa Magazine.

At Montigny, we grew from one employee to where we are now in a very tough industry, while contributing to sustainability all the while; this is an example of what's possible in Eswatini. If we extrapolate that experience to 10-15 businesses in the nation, there is no doubt that we can turn the country around.



“This company started from nothing and grew into a multi-billion business in 20 years and now creates employment, directly and indirectly, for 11,000 people.”



MONTIGNY

“we add value”

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Vusumuzi N. Mkhumane

CEO of Eswatini Energy Regulatory Authority (ESERA)

Lighting Up The Whole Of The Nation

ESERA is committed to creating an investor friendly regulatory framework through the implementation of efficient tariffs and the ease of licence acquisition.

Penresa sat down to speak to CEO of ESERA, Vusumuzi N. Mkhumane, about ESERA's role in ensuring Eswatini's self-sufficiency in electrification.



“ESERA was a greenfield operation, with the Authority intent on looking after the energy sector in terms of issuing licenses for operators and determining electricity tariffs nationally. ESERA has licensed four distinct companies: Eswatini Electricity Company, the two sugar mills (Ubombo and Simunye) and Wundersight. We have also licensed other independent power producers (IPPs), but these projects are still underway. Basically, the licensing regime is to ensure we have enough companies to generate and distribute electricity so as to provide sufficient supply of power, both by importation from South Africa or Mozambique, and Southern African Power Pool (SAPP) and by local generation. We have come up with regulatory instruments that are used to regulate the sector,

like the grid code, which defines how the sector interfaces with the national network to achieve stability and efficiency. The tariff methodology which defines the tariff determination ensures fairness and critically enables private sector players to invest into the sector at a determined return on investment.

The authority creates a conducive environment to increase access to electricity. A Rural Electrification Fund has been established, whereby each consumer buying a unit is paying an extra levy which goes towards this fund. This fund has two objectives: short to medium term and long term. In the short to medium term, resources from this fund will be used for capacity projects to fund rural electrification to increase access to clean energy for all Emaswati. Once the objective of access to clean energy has been achieved, the fund will be used to subsidise tariffs for the poor consumers, as we migrate towards cost reflective tariffs for all customer categories.”

CREATING A CONDUCTIVE ENVIRONMENT FOR INVESTMENT IN THE ELECTRICITY SUPPLY INDUSTRY (ESI) IN ESWATINI



OUR PROMISE

- ✓ 120 days turnaround time for license applications adjudication.
- ✓ Well defined access to national grid through a grid code.
- ✓ Stable and predictable tariffs through a defined tariff methodology.
- ✓ Defined tariff levels, costs of supplying electricity along the whole value chain through Cost of supply studies.
- ✓ Approved Subsidy framework and cost reflectivity migration plan, to eliminate cross subsidies across tariff categories.
- ✓ ESI Complaints/Disputes resolution guidelines for adjudication of potential disputes within the industry.

EXISTING POLICIES FOR SECTOR DEVELOPMENT

- ✓ Eswatini independent power producers policy.
- ✓ Energy efficiency policy.
- ✓ National Energy policy.
- ✓ Energy master plan 2034.

All these instruments combined together work towards creating fertile ground for sector players and investors to work effectively and efficiently within the sector.

SECTOR HIGHLIGHTS

COMPETITIVE BIDDING APPROACH TO PROCUREMENT OF NEW CAPACITY	LIBERALISED SECTOR TO ALLOW INVESTMENT	80% ACCESS TO ELECTRICITY
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ESWATINI ENERGY REGULATORY AUTHORITY (ESERA)



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Breaking Down Barriers And Driving Innovation To Unlock Borders

As a small country with an enormous potential, Eswatini is powering its possibilities by stretching beyond virtual and physical frontiers in order to position itself in the global market and spur national socio-economic development.

Eswatini's excellent relations with its neighbouring countries has been greatly beneficial to its rapid growth. Its fortuitous location has successfully provided the nation with the possibility to develop infrastructural projects and strategy in promoting Vision 2022 and the generation of revenue. Over the past few years, huge investments have been made to connect the Kingdom of Eswatini to Mozambique and South Africa. For example, major construction company, Inyatsi, is currently building a strategic highway connecting South Africa through to Mozambique via Eswatini's airport. "Infrastructure drives the growth in any country and Eswatini has always been on the forefront of road development," confirms Group CEO of Inyatsi, Tommy Strydom. Furthermore, to facilitate trading, a joint railway initiative between Transnet and Eswatini Railway has been established. "Geographically, we have an advantage, because to the south of this country you have one of the biggest cargo ports in Africa," affirms Stephenson Ngubane, CEO of Eswatini Railways. "Eswatini provides the shortest routes to neighbouring ports. The new line we have commissioned for 2023-2024 is a big project of E18 billion. This country will be connected with Mozambique and South Africa at 365 degrees. The capacity we will have will mean that we can bring in any industry of any size." As a landlocked nation, air transport is additionally essential for trade and tourism alike. Built by Inyatsi, state-of-the-art King Mawati III International Airport is the flagship of the Kingdom's vision for its growth to first-world status. With strategic business facilities it was declared, along with the Royal Science and Technology Park, special economic zone, providing investors with beneficial tax incentives.

The E240 million Royal Science and Technology Park was conceived with the aim of providing a location for governments, universities and private companies to collaborate in advancing innovation, development and the commercialisation of technology through a one stop facility. The Park aims to promote the development of knowledge-based businesses through the incubation of entrepreneurship and high-tech enterprises. It also includes a data centre which has the possibility of generating up to E240 million in revenue per annum. Other departments include a school of information technology, a national contact centre, a business incubator and an entertainment centre.

Due to the efficiencies in service delivery that come with technology, it is clear that in advancing ICT, opportunities will abound. "We need to invest in ICT, because it is going to be the engine for social-economic growth and key to growing national GDP", explains Petrus Dlamini, MD of EPTC. Eswatini's investment in infrastructure and ICT is paying off, not only has it improved its competitiveness and ensured the growth of sectors such as manufacturing, tourism, mining, retail and services, but it has also greatly impacted Emaswati standard of living, and set it firmly on its way towards realising Vision 2022. 📍

Mvilawemphi Dlamini

CEO of Eswatini Communications Commission

Securing Widespread Communication Through Competition

Under Mvilawemphi Dlamini's able guidance, ESCCOM's ambition gears towards the development of ICTs, while advocating competition in order to lower costs, improve efficiency and advance innovation.

Penresa met with CEO, Mvilawemphi Dlamini, to discuss ESCCOM's milestones and its role in Eswatini's economic growth.



What are ESCCOM's most relevant milestones?

The licensing of a second mobile operator, Eswatini Mobile, in March 2017, became a catalyst to the introduction of competition in the communications sector, and further reduced the cost of communication services in the country. The Commission has also come up with the different regulations for licensing frameworks and legislation on broadcasting and has opened up the Internet Service Providers (ISP) market. A number of new ISPs were licensed this year.

As a regulator, how will ESCCOM contribute to Eswatini's growth?

I think our role is to provide an enabling environment through enacting adequate legislation that promotes growth through competition and innovation. This is evident

in our licensing framework, where operators are issued with technology-neutral licences. We do not prescribe that an operator delivers a specific solution, instead, we leave it to them to innovate and provide the necessary cutting-edge solution.

How does ESCCOM plan to contribute to Eswatini's Vision 2022?

We want to see increased competition in the electronic communications space and increased investments in ICT infrastructure and services to lower costs and improve efficiency and quality. The Commission will be rolling out programmes aimed at ensuring universal service and access to communication services, in order for the country to fully realise the socio-economic benefits attributable to developments in ICT. These programmes will target promoting the usage of ICT services within the Kingdom of Eswatini and improving connectivity of health, education and Tinkhundla centres, as well as the country's entry and exit points.



**ESWATINI
COMMUNICATIONS
COMMISSION**

The Eswatini Communications Commission (ESCCOM) is the regulatory body responsible for regulating the communications sector in Eswatini, constituting of telecommunication services and networks, broadcasting services, postal services and the use and allocation of radio spectrum.

Our vision is to be a vibrant communications regulator that facilitates the delivery of universally accessible, affordable and quality services.

And our mission is to provide a facilitative regulatory framework that enables the use of the Communication services to enhance the socio-economic prosperity for Swazi citizens.

www.sccom.org.sz

VALUES

- ACCOUNTABILITY
- INNOVATION
- INTEGRITY
- TEAM WORK
- TRANSPARENCY

Building Community Through The Transformation Of Communication

EPTC is on a mission to convert and connect in order to drive socio-economic growth and promote Eswatini's strategy to becoming sub-regional digital hub.

Responsible to the Ministry of Information and Communications Technology, the Eswatini Posts and Telecommunications Corporation was established in 1986, under Act No.11 of 1983. And is made up of two business units: EswatiniTelecom and EswatiniPost.

EswatiniTelecom is committed to supplying innovative telecommunication services around the whole of the country through a range of global telecommunication services. With direct dialling to over 200 countries as well as a 24-hour operator assisted service, it provides high-quality internet connection and performance through ADSL broadband. In November 2018, EPTC and the Eswatini Electricity Company (EEC) signed an MoU whereby EEC's fibre network infrastructure was made available for EPTC's electronic communication transmission network; bringing down the cost of infrastructure capital investment and driving efficiency. "We have been able to connect and upgrade our infrastructure, to use the latest technologies," states Petros Dlamini, Managing Director of EPTC. "We have provided connectivity to all our major cities and small towns with optic fibre technologies. That gives us a competitive edge, especially as a foundation for broadband access in the country."

With 33 major outlets and 60 agencies, EswatiniPost is the country's chief and most cost-effective postal supplier. It is also the government's delivery agent and the retail outlet for MTN, Eswatini Electricity Company, Eswatini Telecom,

Eswatini Royal Insurance Corporation and Eswatini Water Services Corporation. All postal transactions are computerised, guaranteeing efficiency and service security. "Our strategy for the post is based on three pillars: e-commerce, financial services and logistics," declares Dlamini. "Having connected the post office with the latest infrastructure in terms of optic fibre and ICT, we are now able to monitor all activities when it comes to logistics; EPTC post is positioned as the logistics arm of government. Our courier and freight business has a strong network nationally and cross border up to the republic of South Africa." EPTC post objective is to be a key player in financial services, financial inclusion, post bank and promotion of government's decentralisation initiatives. "We have remodelled our post offices and improved the internet cafes," elaborates Dlamini. "So, in the community, the post office is positioned as a digital communication centre; the post office is currently for the payment of social grants and school fees."

EPTC is looking for partners with expertise to enhance and implement a robust e-commerce strategy and automate all operations of the post office. It also aims to provide banking services by launching a post bank services.

In June 2018, the EPTC National Contact Centre was launched at Mavuso Sports and Exhibition Centre, located in the Royal Science and Technology Park. The facility will enable the country to attract FDI, create jobs, reduce duplication and create a new revenue stream through product diversification for the EPTC group. "This project supports his majesty's vision to transform the country to be a key player in the global economy and improve citizen's lives," explains Dlamini.



"We are restructuring EPTC to help position Eswatini as one of the most advanced digital hubs in the sub region."

**Petros Dlamini,
Managing Director
of EPTC**

"We are restructuring EPTC to help position Eswatini as one of the most advanced digital hubs in the sub region. The new companies to be established will be more efficient and thus enable investment through the participation of public and private partnerships. Therefore, we propose digital Eswatini as the big programme umbrella for the transformation programme. To diversify our product offering, we are focusing on IOT, cloud services, open broadband access, digital security, cybersecurity for logistics and e-commerce. This is about EPTC's transformation."



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Eswatini Railways

Expanding capacity and unlocking opportunity through efficient and cost-effective strategies



Bridging The Track To Expand Horizons

Eswatini's parastatal railway corporation, Eswatini Railways, has been providing transportation services to local and international markets for over 50 years; linking the nation's main industrial centres to railway systems in South Africa, Mozambique and other SADC trading countries.

Moving a diversity of export commodities (such as sugar, coal, ethanol and canned fruit) and import goods (such as petroleum products, cement, containerised cargo and wheat), Eswatini Railways (ESR) is key to connecting the country to the sea and opening trade routes. With 301 km of track covering the nation, it extends east from Matsapha Industrial site to Phuzumoya where it connects with the Northern rail link to access the South African ports of Durban and Richards Bay. The east-west link, the Goba lines, moves into Mozambique (whereby it connects via Mozambique's Ports and Railways line to the ports of Matola and Maputo), while the Mananga link to the north provides access to countries such as Zimbabwe, Zambia and the Democratic Republic of the Congo. Moving an average four million tonnes of goods a year and acting as a bridge railway (due to 75% of traffic being transit traffic), ESR also operates a modern Dry Port which acts as a satellite port for Durban Port. "Our role is critical for the economic development of this country," claims Stephenson Ngubane, CEO of Eswatini Railways. "We mainly deal with bulk commodities and liquids. In another business stream, we also transport containers and boxes; manufacturers in Eswatini import materials; other



Stephenson Ngubane,
CEO of Eswatini Railways

companies import finished goods. In our main centre, we have the revenue authority, the shipping lines, clearance agents, and they all have a role to play in making sure that goods are exported correctly. That has been a very good facility for this country: cost-effective, predictable and reliable. As a railway, we focus a lot on operational efficiency, eliminating inefficiencies, and that is very key to our strategy."

In 2012, Eswatini Railways and South Africa's Transnet Freight Rail announced their collaboration in the Swazilink project which aims to provide

direct access to the eastern seaboard ports of Maputo and Richards Bay establishing a rail corridor through Emerlo-Lothair-Sidvokodvo-Phuzumoya-Golela to Richards Bay and Maputo (via Goba from Phuzumoya). The project consists of the construction of a 150km single track (50km in South Africa, 100km in Eswatini), allowing for freight trains up to 200 wagons in length to cross the border. It also plans on modernising existing lines in order to align and support the new link. The project has completed the feasibility phase and is currently exploring funding options. It is estimated that it will provide a total of over 9,500 jobs (6,500 in Eswatini, 3,000 in South Africa), as well as expanding business opportunities. "The new line we have commissioned for 2023-2024 is a big project of 18 billion emalangeni," elaborates Ngubane. "This country will be connected to Mozambique and South Africa at 365 degrees. The capacity we will have will mean that we can bring in any industry of any size. If you are a mine and you are producing 10 million tonnes there will be no constraints. The trains will run to the ports for export with no problems."

It comes as no surprise that ESR has been rated as one of the best railways in the SADC region in terms of transit time and reliability. In November 2018, it was awarded best Service Quality in the Large Enterprise Category at the Royal Eswatini Convention Centre. "Our main focus, which is the reason we are one of the best in the SADC region, is that we are customer-focused," explains Ngubane. "We engage with our customers and ask them to give us their programme in terms of consignments, volumes and destinations, so that we can design the services through joint planning and tailor-made service." ESR are confidently going the distance in breaking down barriers in order to link and connect the nation, while laying down the tracks for the propagation of economic expansion.

ESWATINI RAILWAYS
Efficiency Re-defined

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Building The Doorway To Africa

Established in 1982, Inyatsi is responsible for developing Eswatini's world-class infrastructure, as well as firmly flinging open the door to the nation's full potential for opportunity, progression, growth and development.

Penresa sits down to talk to Tommy Strydom, Group CEO of Inyatsi about building up Eswatini, and other African countries in the region, through paramount infrastructure projects, such as roads, hotels, airports, dams, bridges, reservoirs and water treatment plants.

How do you define Inyatsi's strategic vision?

Inyatsi Construction Group Holdings, is one of the largest construction companies in sub-Saharan Africa. Over the years, it has been able to grow, with the company's turnover growing from E100 million in 2004, to approximately E1.6 billion. The construction industry is always evolving globally and to remain competitive, we have started diversifying and investing in a new company, that focuses on renewable energy all around Africa.

What projects is Inyatsi involved in to promote national economic development?

The Eswatini market contributes almost 90% of the current Inyatsi order book, and we are very involved in most of the major infrastructure projects which include the building of a major highway that leads from the town of Manzini to the King Mswati III International Airport. The road consists of three phases, and we are the lead contractor on all of them. The last portion which ties into the airport consists of approximately 15km, has already been completed. At project completion, Eswatini will have a highway that runs from South Africa, right through to Mozambique, with the airport between these two countries. We are also building the International Conference Centre (ICC), another mega project in Eswatini, which will drive investments in the private sector and promote development, increasing the Kingdom's viability for the future.

When it comes to international standards, the construction business is highly regulated

worldwide. What can you tell us about the company's efforts to meet with these demands?

Inyatsi has always strived to comply with the South African type systems and procedures, which has always been one of the leading systems in Africa, especially in terms of things like quality and safety. It is very important for us to follow all regulations as required not only in the markets we work in, but also in regards to all international regulations. This is especially required when working on projects funded by international agencies like the World Bank and IMF, which requires us to be ISO and NOSA registered and qualified. All our subsidiaries are ISO registered, and having all these systems and procedures that are internationally recognised in place gives us an advantage over some other companies in the market. We also have a Six Sigma approved management system, called Siyatfutuka, which means we work together and grow together.

How is Inyatsi planning to contribute to Vision 2022 in the Kingdom of Eswatini, as well as to the overall African Vision?

Inyatsi is all about creating new infrastructure and we want to be part of building a world class infrastructure in all the countries that we work in. To achieve this we build relationships with our clients to ensure that we understand what their requirements are. We also have a very strong building department with extensive experience in building retail centres, schools, hotels and housing. We also had the privilege of being part of the construction of the new state-of-the-art International Airport at Sikhupe which will eventually increase flights to Europe and the rest of the world. There are massive opportunities all over Africa, particularly in Eswatini. The country will be the doorway to the rest of Africa, and Inyatsi will be the frontrunners to showcase this beautiful Kingdom.



“There are going to be massive opportunities in Eswatini; it will be the doorway to the rest of Africa and Inyatsi will be the front-runners to showcase the country.”



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Closing article

Linking sectors through private sector investment to form a thriving business ecosystem



The Real Wakanda

W

ith agriculture, forestry and mining accounting for approximately 13% of its GDP, and manufacturing (textiles and sugar-related processing) and services representing 37% and 47.2%, respectively, Eswatini's economy can be said to be highly diversified. Tapping into this advantage, while breaking down administrative and regulatory barriers hindering investment, the new nation of Eswatini, has been making enormous strides towards achieving its objectives of growth and consolidation as a first-world country.

Encouraged to focus on its vast resources, while opening up the game to the private sector, companies are finding ways to undergo necessary expansion in order to sustain the nation's industrialisation plans and reduce importation. National sugar companies are undergoing US\$2.2 expansion plans whereby land under cane is being increased by a total of 4,692 hectares, with the aim of increasing sugarcane production from 476,000 tonnes to 551,000 tonnes. This, in turn, will lead to the need to build more irrigation infrastructure and supply industry with a significant increase in stock and production.

Likewise, Eswatini is drawing on its own energy generation through special emphasis on renewables (such as biomass, solar, wind and hydro) in order to reduce its dependence on South Africa and Mozambique (from which it imports 80% of its power). To that end, the Ministry of Natural Resources and Energy has drawn up a Grid Code and Renewable Energy and Independent Power Producer (RE&IPP) Policy, which aims at transmitting a transparent regulatory system in developing its energy sector. Hon. Peter Bhembe, states: "We are quite hopeful that by 2034, we will be power sufficient within the country: we will import less electricity, which brings stability to the country." The government's commitment to changing policy framework upholding stakeholders demands is also underhand in its prolific mining sector.

Due to investment in transport infrastructure, Eswatini can be easily accessed for trade and tourism. With a combination of breathtaking landscapes and wildlife and a rich cultural heritage, Eswatini is a fascinating tourist attraction. Be it to witness the Incwala or the Umhlanga Reed Dance Festival, or visit its range of National Parks and Game Reserves, Eswatini has a variety of attractions on offer for visitors. According to Minister of Commerce Industry & Trade, Manqoba Khumalo, "people need to see that our politics and our culture are the same thing; in Eswatini our culture defines our politics."

With beneficial incentives for investors firmly in place, and using ICT as enabler to attract digital based business into the country, investors around the world are sitting up and paying attention. Encapsulated by the vision of the King, Eswatini is rapidly shifting boundaries as it becomes a land linking, self-sufficient and efficient manufacturing country. With its technologically advanced state-of-the-art Royal Science and Technology Park in place, as well as its rich culture and deep tradition and paradisiacal backdrop, there is no doubt that Wakanda's real identity has finally been unveiled.

Eswatini's strategic and beautiful location, as well as its governmental policy encouraging foreign investment, exportation and industrialisation has been a means to drive and sustain economic growth in the nation. From seed to industry and local and international distribution, Eswatini's global opportunities are ripe for the picking.



ESWATINI MAJOR TAXES

OUR VISION

100% voluntary compliance
for a better Kingdom of
Eswatini.

OUR MISSION

To provide an efficient and
effective revenue and customs
administration, driven by
professional and motivated staff,
that promotes compliance
through fair, transparent and
equitable
application
of the law.

SRA administers a number of tax laws, however the bulk (>95%) of its work is around the following:

Customs - the SRA facilitates trade through country's borders. Imports from outside of Southern Africa Customs Union (SACU) are dutiable and subjected to 15% VAT.

- Direct Exports are zero-rated to encourage exportation of goods.

Income Tax - Eswatini tax system is progressive and currently source based.

- Corporate tax rate is 27.5% .
- Individual tax/Employee Tax (PAYE) is between 20% and 33% depending on annual income.

Eswatini VAT rate is 15% and there are some supplies which are zero-rated.

ACHIEVEMENTS

- **Electronic Filing** - development of the e-Tax platform for online submission of returns (VAT and income tax).
- **Electronic Payments** - the SRA opened accounts with all the banks in Eswatini, thus allowing taxpayers to make payments through these accounts.
- **Customs System Upgrade** - the Automated System for Customs Data (ASYCUDA) which allows for remote submission of Customs declarations, and also give traders more control over their declaration and eliminates the need to queue at any border post as it provides for Pre-Clearance of goods.



MONTIGNY

" we add value "

The Board
of Directors,
Management and Staff
of Montigny Investments Ltd
would like to congratulate the
Kingdom of Eswatini on the
appointment of the new
Eswatini Cabinet
Members



Here's to growing Eswatini!