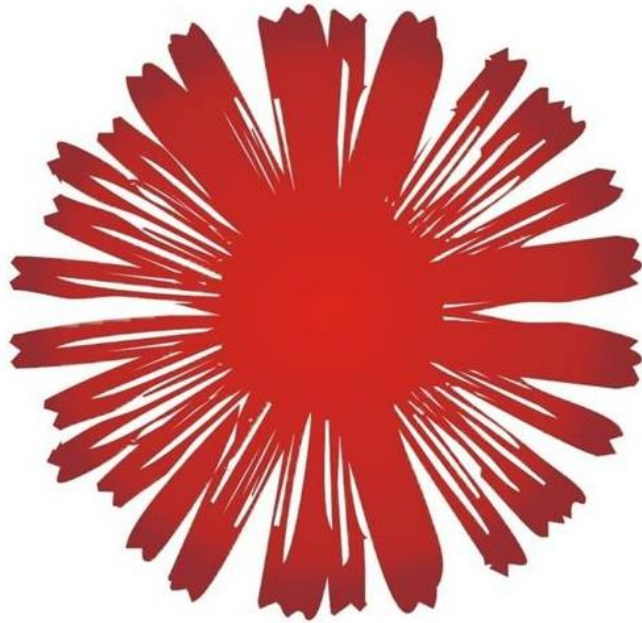


Trading and investing in the Kingdom of Swaziland



Swaziland

Africa's New **Promise**



OUTLINE



1. MACRO ECONOMIC INDICATORS AND GDP COMPOSITION

2. WHY INVEST IN SWAZILAND?

3. SETTING UP A BUSINESS IN SWAZILAND INVESTMENT

4. INCENTIVES

5. EXTENDED MARKETS

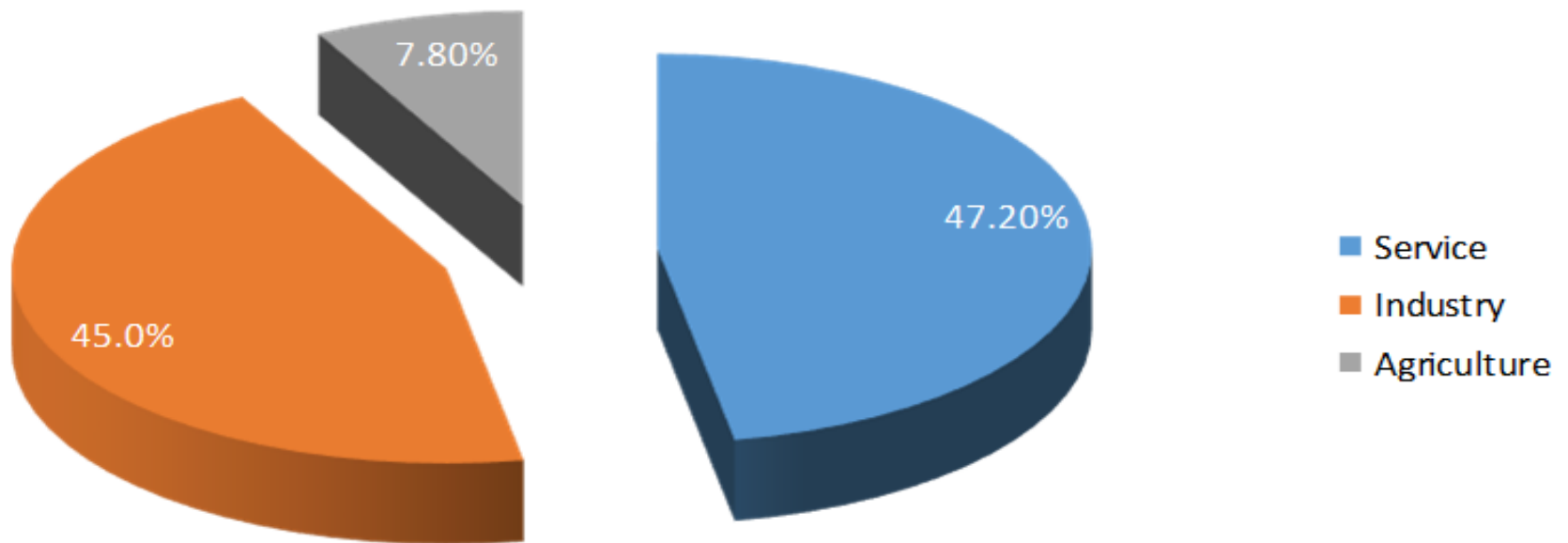
6. INVESTMENT PROTECTION

7. INVESTMENT OPPORTUNITIES

1. MACRO ECONOMIC INDICATORS (ANNUAL AVERAGE 2013)

Population	1.1 Million
Inflation	5.6%
Literacy rate	89%
Real GDP	US \$3.7bn
Mechandise Exports	US\$ 1.8bn
Mechandise Imports	US\$ 1.6bn
Prime Rate (current)	8.75%
Discount Rate (current)	5.25%
Economic Growth Rate	2.8% (2013)

1.1 GDP COMPOSITION



2. WHY SWAZILAND?; PROXIMITY TO MAJOR PORTS



KEY DISTANCES

Swaziland To:

Maputo +/-
180km

JHB
400km

Richards Bay 350km

Durban +/- 550km

2. WHY INVEST IN SWAZILAND CONTN'D



1. Quality Infrastructure

- Roads, Utilities, Internet -Fast speed ADSL Broadband- Migration from 3G to 4G LTE, Quality Supply of power, Guaranteed water supply (Shared water systems with South Africa)
- E-government – moving data not people, reduce paper, increased efficiency of public service delivery

2 . Stable and good industrial relations regime - generally good employer – employee relations

3. Relatively well educated but competitively priced labour

- Country ranks no: 11 out of 54 countries in Africa in terms of literacy rate
- Efficient alternative dispute resolution mechanisms

4. Strong investor protection framework (signatory to MIGA, ICSID, UNCTAD)

2. WHY INVEST IN SWAZILAND CONT'D



5. Strong business Support from government

Demarcated and serviced industrial land around the country
Government prioritizes a conducive investment and trade climate for investors (IRM)
Fiscal and non fiscal incentives
Generally, safe and peaceful country (low risk country)

6. Extended Market access - to regional communities and other trading blocks

7. Others

Endowed with abundant natural resources – locally available input for other industries

3. SETTING UP A BUSINESS IN SWAZILAND

SERVICES OFFERED BY SIPA



One Stop Shop Support Facility for Investors Incorporating

- Company Registration
- Free facilitation service
 - only statutory fees apply
- Work Permits
 - 5 years for Directors
 - Statutory fees apply
- Trading License
 - statutory fees apply
- Factory Space
 - Government subsidized Factory Shells

4. INVESTMENT INCENTIVES

Item	Description
1. Development Approval Order (Income Tax Order Section 69 (2)(a)-(e)	Corporate tax reduction at the maximum rate of 10% for ten years, applicable only in Manufacturing, Tourism and International Services after due evaluation for qualification
2. Machinery initial Allowance (14(1)(e)(i)	50% of the total cost of machinery or plant brought for the first time to be used in manufacturing
3. Infrastructural Initial Allowance (14(1)(e)(ii)	50% of the cost incurred of infrastructural machinery, plant or facilities, to be used in the provision of infrastructural services
4. Building Allowance (14(1)(e)(iii)	Initial allowance of 50% of the actual cost of a building, for the first year and 4% thereafter
5. Immovable property Allowance 14(1)(g)	Initial allowance of 20% (during the first year the expenditure is incurred) for the erection of any dwelling to be occupied solely by employees (applicable in manufacturing)

4. INVESTMENT INCENTIVES

Item	Description
6. Hotel Allowance 14(1)(h)	Initial allowance of 50% of the capital expenditure in connection with the erection or beneficial improvement of a hotel (during the year of assessment for the first use of the hotel or beneficial improvements on an existing one) Annual allowance of 4% for the succeeding years, with total allowance not to exceed the total expenditure.
7. Export Promotion incentives 14(1)(y)(i) and 14(1)(y)(ii)	133% of approved export promotion expenditure incurred by an approved company in the handcraft and cottage sector. 150% of approved export promotion expenditure incurred by an approved trading house

4. INVESTMENT INCENTIVES

Item	Description
8. Incentives for mining operations 16 and 17	Immediate deduction from the income derived from mining operations for: shaft sinking building, works, or equipment , development, e.tc. prior to the commencement of production
9. Specials R&D and training deductions 14(1)(t)	Special deductions not to exceed 5% taxpayer's taxable income for: Expenditure incurred for the purpose of scientific research, e.t.c

5. EXTENDED MARKET ACCESS

- Generalized System of Preferences (GSPs) - accessing Australia, Canada, Japan, New Zealand, US, EU and the Russian Federation



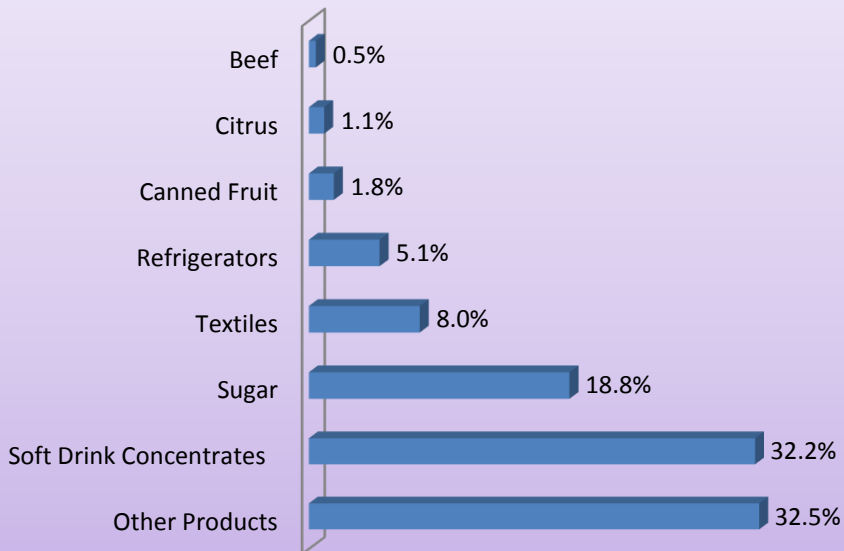
-  SACU – 60m pple
-  COMESA – 360m pple
-  SADC FTA– 250m pple
-  AGOA (USA) – 6500 pdts
-  EPA (EU)
-  SACU- MERCOSUR
-  EFTA
-  INDIA
-  COMESA+SADC+EAC (Tripartite)

- Expanding to other trade blocs: Asia, Middle East, etc

5.1 TRADE PROFILE (estimates)

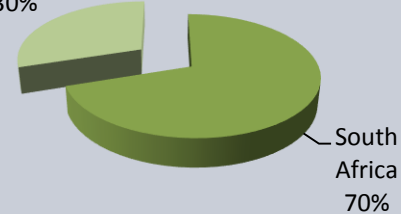


AVERAGE EXPORTS: US\$ 1.8 BILLION



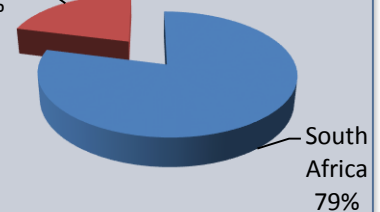
IMPORTS

Rest of the World 30%

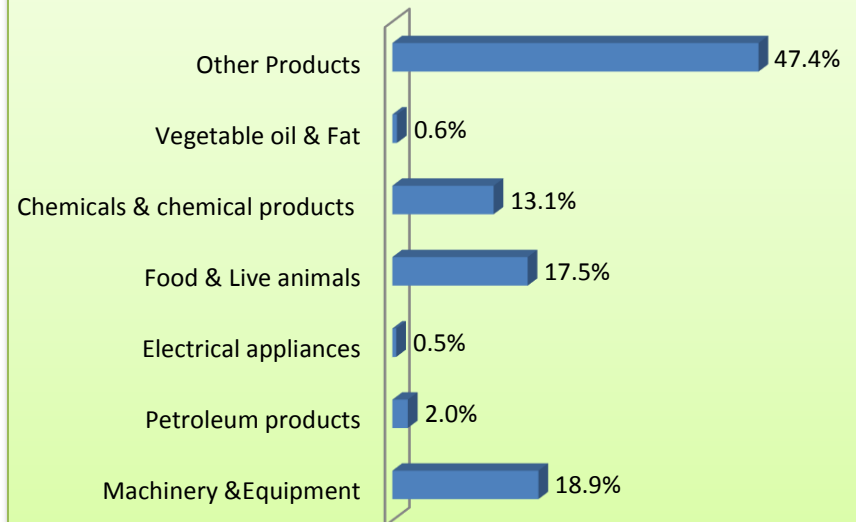


EXPORTS

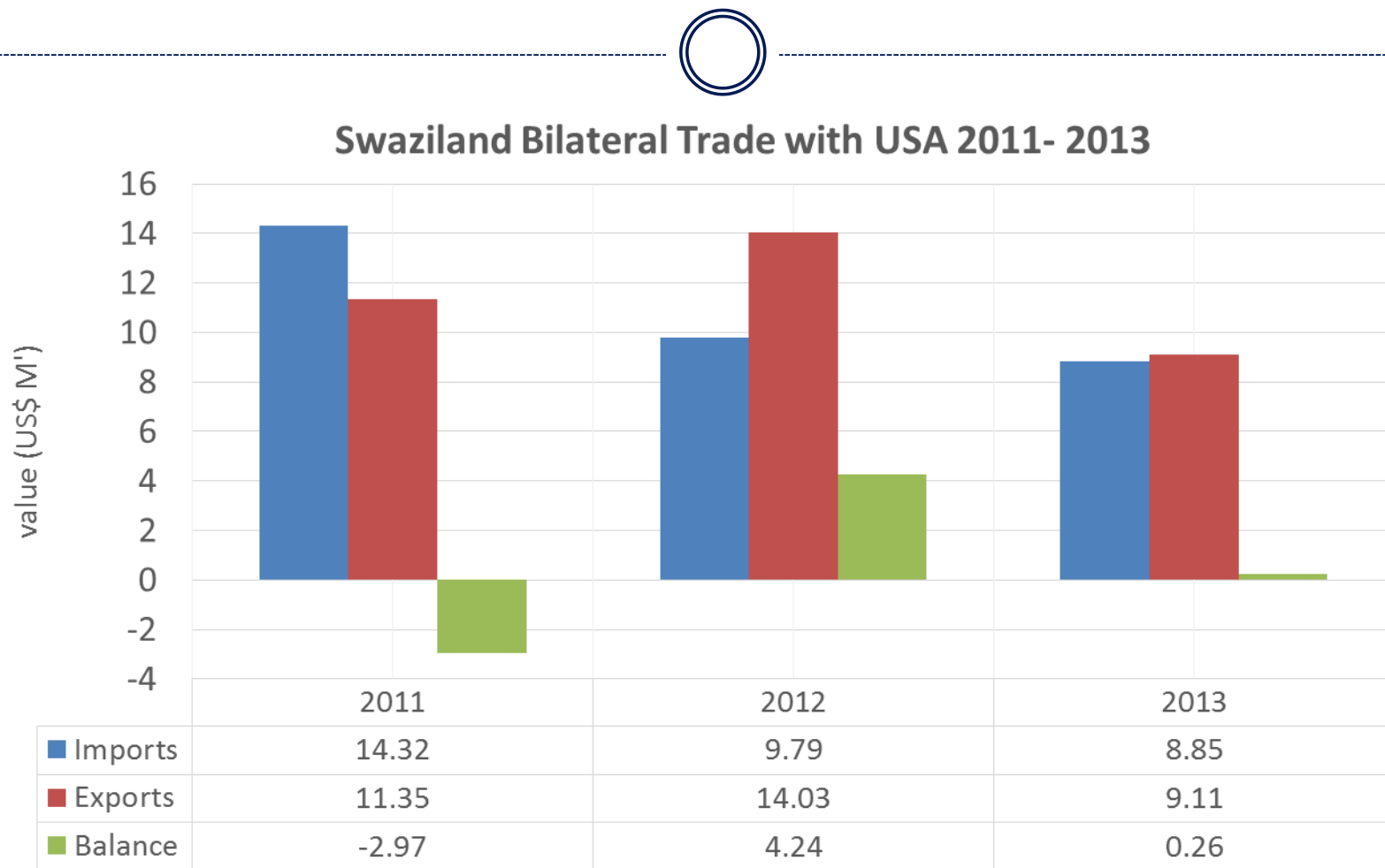
Rest of the World 21%



AVERAGE IMPORTS: US\$1.98 BILLION



5.2 SWAZILAND BILATERAL TRADE WITH THE USA 2011- 2013



Source: Computed from Swaziland Revenue Authority's Customs raw data

6. INVESTMENT PROTECTION



PIPELINE AGREEMENTS (DTAA)

- Zambia
- Seychelles
- Kenya
- Zimbabwe
- Botswana
- Namibia
- Kuwait
- Equatorial Guinea
- Turkey
- South Korea

INVESTMENT PROTECTION AND PROMOTION AGREEMENTS

- **United States of America**
- Republic of China on Taiwan
- United Kingdom
- Germany
- Mauritius
- Kuwait

DOUBLE TAXATION AVOIDANCE AGREEMENTS

- | | |
|---|-----------------|
| - Republic of China on Taiwan : Income | - (1998) |
| - UNITED KINGDOM: Income & Capital | - (1994) |
| - SOUTH AFRICA: Income | - (2004) |
| - MAURITIUS: Income & Capital | - (1968) |
| - SOUTH AFRICA: Income | - (1972) |
| - SWEDEN: Income & Capital | - (1968) |
| - LESOTHO | - (2012) |

7. INVESTMENT OPPORTUNITIES



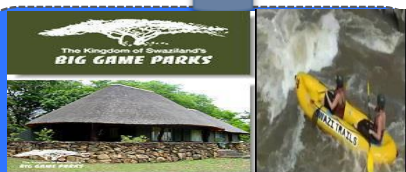
MANUFACTURING



FINANCE



RESEARCH AND DEVELOPMENT



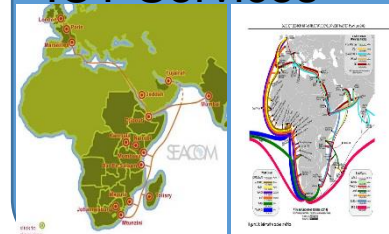
TOURISM



EDUCATION

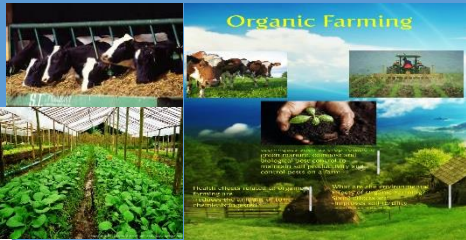


ICT Services



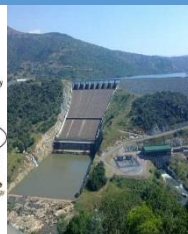
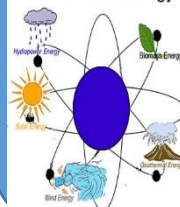
AGRICULTURE

Organic Farming



Energy & Mining

Renewable Energy



Transport & Infrastructure



DEVELOPMENTS IN SCIENCE, R & D AND ICT

Biotechnology Park



Innovation Park



- Call Centres
- Business process outsourcing (BPOs)
- Software development
- Manufacturing and assembly of hardware ICT components



Available Mines with Reserves

- ❖ Coal at Mpaka Coal Mine
- ❖ Diamond at Dvokolwako
- ❖ Gold at Daisy Gold Mine, Forbes Area
- ❖ Iron Ore (*in situ*) at Ngwenya Iron Ore Mine
- ❖ Stone Aggregate at Nhlangano Quarry Mine
- ❖ Asbestos at Havelock Mine Dumps

Potential Minerals

- ❖ Dimension stone
- ❖ Kaolin
- ❖ Platinum
- ❖ Copper
- ❖ Nickel
- ❖ Silver



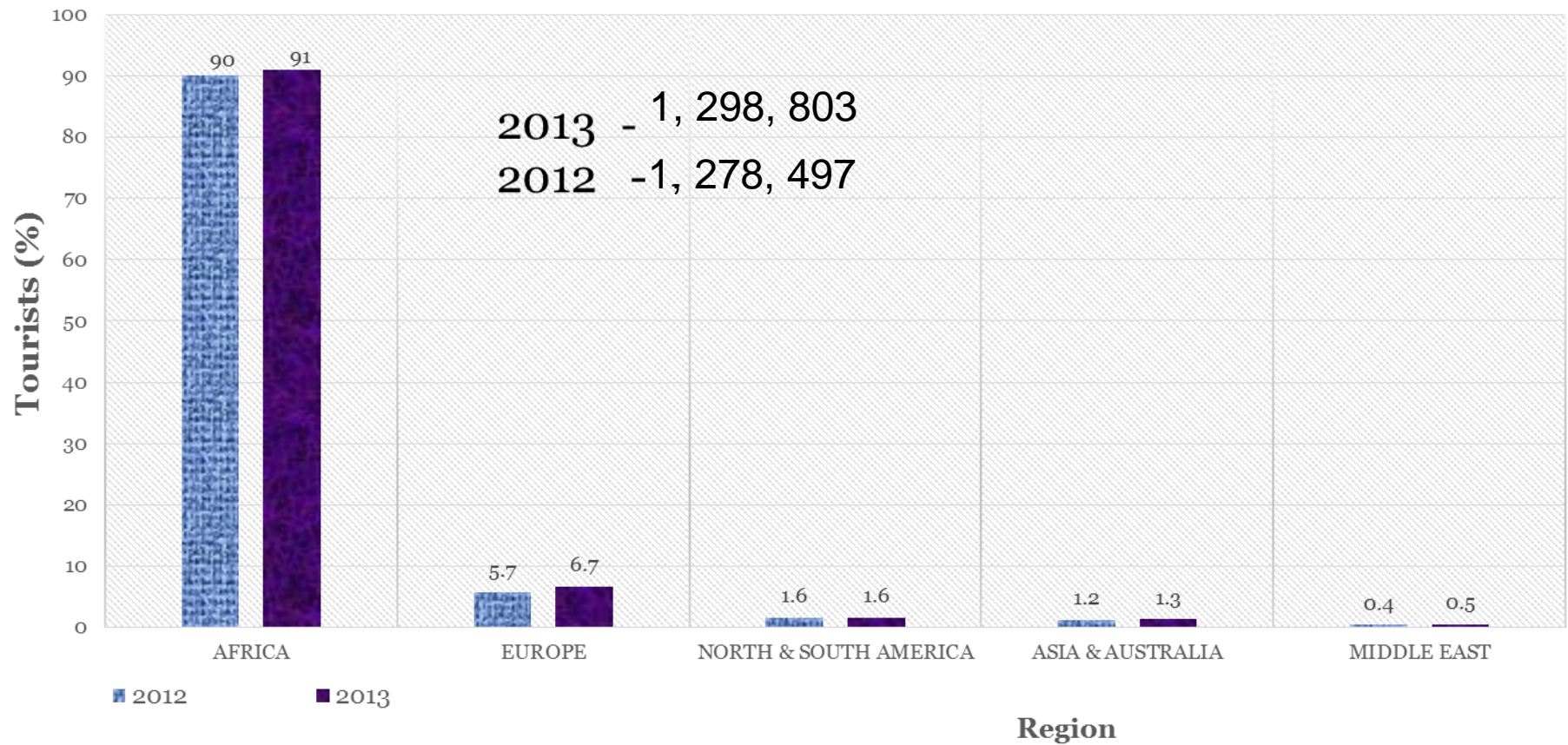
King Mswati III International Airport launched 2014

- ❑ To target hosting direct regional and international flights
- ❑ Can accommodate code E aircraft. B777-300, B747-400 or A340-600
- ❑ To increase air passenger traffic to 300, 000 per annum and Cargo volumes up to 70, 000 tonnes
- ❑ Built according to IATA designs and ICAO standards (Certified)
- ❑ Presents seamless opportunities for tourism, i.e hotels, shopping malls and property development facilities, and franchises, film industry

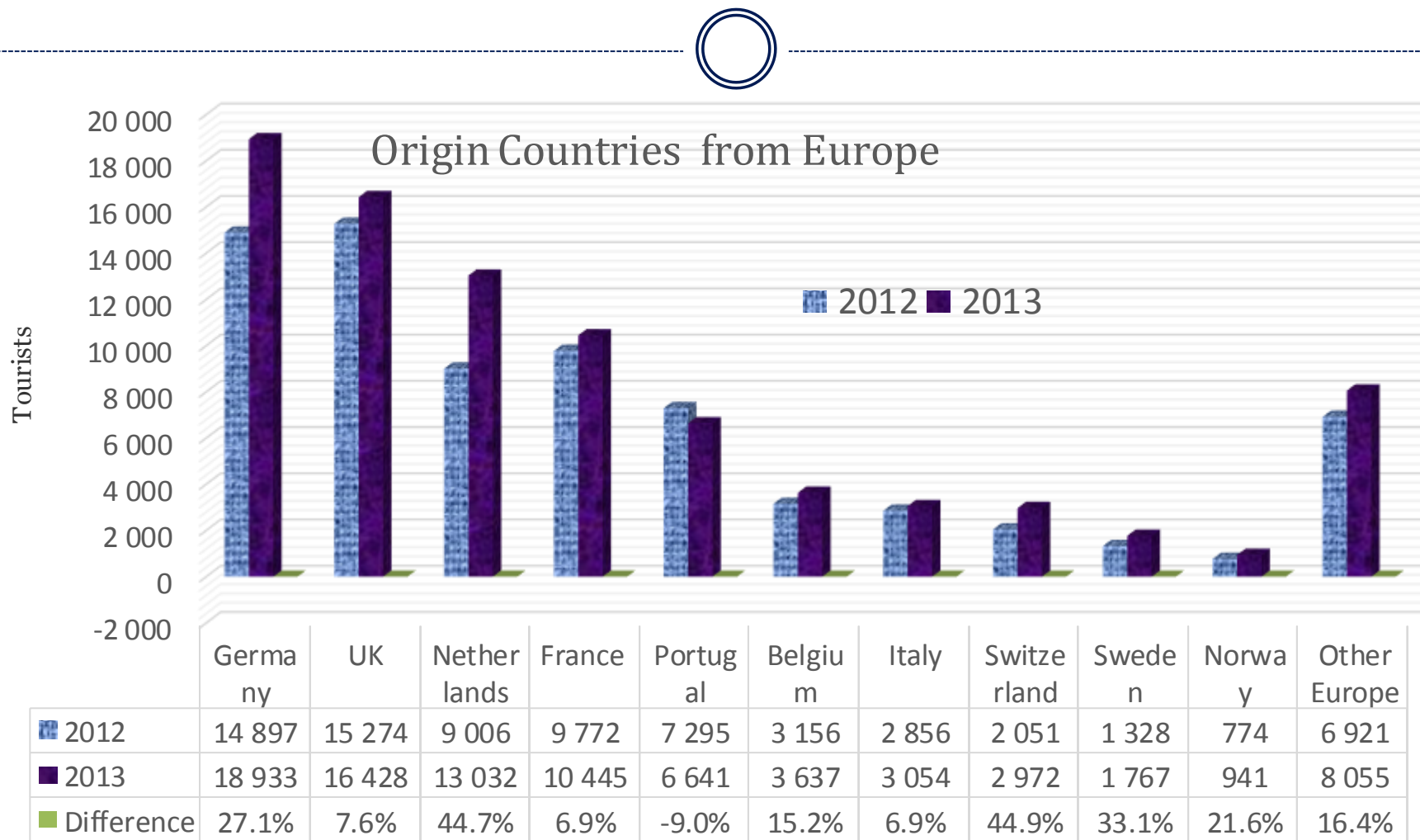


PASSENGER, TOURISM AND ENTERTAINMENT OPPORTUNITIES IN SWAZILAND

Tourist Arrivals by Destination 2012-2013



EUROPEAN TOURISTS TO SWAZILAND, BREAKDOWN 2012 - 2013





Adventure, Culture & Entertainment

- Rooted in deep culture – scheduled national cultural events
- Scheduled entertainment events (Bushfire Festival, Fun Fairs)
- National Museum
- Walking/Hiking/Trails/Caravan/ Mountain biking (approximately 15 areas)
- Water Rafting
- Casinos & Gambling (x 3)
- Golfing (4x18 holes and 1x9 holes golf courses)
- Camping (approximately 10 safe & secure camping sites)
- Swazi Arts & Craft (more than 15 centres of **“Made in Swaziland”** Artworks)
- Wildlife & Bird viewing (The Big Five, 6 nature reserves)
- Horse Riding
- Fishing (4 places)

ENERGY



Local demand for power 220MW, current local generation 20-30% - imports 70-80%

1. Investment in a Hydro Power Station of 60-140 MW

- Flexible feasibility study arrangements

2. 300 MW Thermal Power Plant



3. Solar Photovoltaic

4. Bio Mass (small scale)

Regional Demand

- **SADC** projected 96 000 Megawatt by 2027 but current supply is 56 000 Megawatt
- SAPP pool plan 2009 presents seamless opportunities

SIYABONGA, THANK YOU

Swaziland

Africa's New **Promise**

