Statement

STATEMENT ON THE CURRENT INVESTMENT CLIMATE IN ESWATINI

We have all seen the unfortunate events which have impacted Eswatini's economy over the past few weeks. This has caused a lot of anxiety around how we will rebuild the economy, while also supporting businesses to reconstruct or recover the assets which were lost or destroyed during the recent incidents of looting and theft. The impact on the investor community both locally and internationally has been undeniable, causing many to raise concern around Eswatini's ability to recover from these unfortunate events and continue to provide a safe, conducive environment in which industry can not only exist but thrive. In light of this, we would like to encourage the business community and potential investors by saying that we are, as a nation, committed to recovering in a sustainable fashion from what we have experienced.

As The Ministry of Commerce Industry and Trade we have recognised that it is critical for us to take a firm stand in supporting business by finding ways, both regulatory and through negotiation with different stakeholders, to speed up the restoration of our economy. Some of these interventions include talks with the insurance industry, fuel wholesalers, logistics services, regulators and others to see what measures can be put in place to expedite the return to normal business. We have also held forums and had visits with the business community, both big business and SME's, over the past few days to hear some of the concerns and challenges they have faced. This includes both those who were attacked during the violence of late, and businesses who are monitoring the landscape in order to assist in ensuring their ability to continue delivering to their customers.

We are also acutely aware of the losses suffered by SME's who both supported and serviced the communities in which they operated. We are looking at the impact of these and how we can assist them in managing their losses to hopefully return to full operation sooner rather than later. We are also fully tapping into the support offered to the business community by our parastatals. One such parastatal, The Eswatini Investment Promotion Authority (EIPA), is driving support initiatives for both local and international investors who have either set up shop in the country, or intend on entering our market in the near future. EIPA's core mandate is to attract, encourage, facilitate and promote local and foreign investment & trade in Eswatini, while also providing a one-stop information and support facility to local and foreign investors and traders. The CEO, Sibani Mngomezulu and his leadership team are committed to initiating, coordinating and facilitating the implementation of Government policies and strategies on investment and trade in Eswatini, including economic recovery strategies such as our Post COVID-19 Economic Recovery Plan, The Strategic Roadmap and other business continuity plans which we, as a Ministry, are aggressively implementing currently.

The Ministry of Finance has also joined hands with us to educate business on the mechanisms available to them to ease pressure on their balance sheets during this time. This has involved consultation with our local tax authority, The Eswatini Revenue Authority, and others. In mentioning the Post COVID-19 Economic Recovery Plan, strides have been made towards achieving the strategic objectives highlighted in it. We recently announced that in addition to the activity the country has seen to date, a further E16 Billion worth of investments, with the potential to create over 32 000 jobs, at either stage of preparation, planning or full operation, have been negotiated. Though these figures stand in comparison to the recent losses we have suffered, they are still worth considering in the broader view of growth and development for the country at large, while also appreciating that their implementation will result in economic development over time.

That said, we would like to emphasise that Eswatini is still a competitive investment destination in Southern Africa offering a gateway to the rest of Africa and the world. This is through its good road network, trustworthy rail infrastructure and trade agreements within Southern Africa - SADC, East Africa through COMESA, the rest of the continent through AfCFTA, into the western world through AGOA and also into the Asian market through the Economic Cooperation Agreement (ECA) signed with Taiwan. Our labour force is still among the most educated in the region and our provision of electricity supply and other raw materials required to keep business going such as water, operating facilities and regulatory support remain reliable.

We are working tirelessly towards our long-term vision of being an export-led economy with a strength in manufacturing while working on growing our GDP, encouraging commercial activity for the creation of jobs and engaging in big projects which will see the Government of Eswatini (GoE) empowering the private sector to engage in high value and high impact interventions to achieve both these priorities around GDP and jobs. We are taking decisions today which will see us grow steadily into the future by putting sustainable regulatory reforms in place, such as shifting away from Government as the central driver of the economy to a more private sector led economy where the GoE re-establishes itself as a key enabler for growth across all sectors.

It is also necessary to reiterate that we are not downplaying the effects of the losses we have experienced, but that we have rather chosen to focus on recovery and reinvestment as a way of minimising the challenges we have faced. As many economies around the world have experienced setbacks in different forms and triumphed through solid leadership and sound regulatory frameworks, we are working to do the same with a clear trajectory of how we can accomplish our vision. Ourselves and the GoE are committed to this goal and supporting business in Eswatini to walk the journey with us.

Now is the time for stakeholders to embrace the common objective of increasing investment within our borders to ultimately drive an inclusive economy that is able to effectively create and retain jobs to the benefit of all emaSwati. We continue to invite all those across the world who would like to enjoy the benefit of doing business in Eswatini, while also encouraging those who have set up shop within our borders to stay and reinvest as we work to unlock further possibilities for a sustainable and secure future.

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