

19. *Ad valorem* excise duties are levied on a range of manufactures, both imported and local, mostly consumer goods.<sup>7</sup> Most such duties are charged at 15% of the final sales price before sales tax or VAT; a few are lower and a formula rate with a maximum of 20% is applied to some categories of motor vehicles.

(a) Seasonal tax

20. At present, Swaziland does not have any seasonal import taxes.

(b) Sales tax

21. Swaziland applies Sales tax to goods and services, in terms of the Sales Tax Act of 1983, and this is a purely local tax. It was introduced as means of government revenue generation and to move some of the tax burden from income to consumption. Although sales tax is normally applied at the point of final sale, in Swaziland's case it is applied at the point of entry into the country or at the point of sale from the local producer. The current rates of sales tax are: 12% for goods and services; and 25% for luxury goods (i.e. alcohol and tobacco).

22. Sales tax is not applied to: goods which form part of a final product for resale; agricultural inputs (fertilizers, seeds, etc.); plant and machinery used for manufacturing purposes; basic foodstuffs, such as dairy products, maize, bread, meat, vegetables, sugar and salt; other foodstuffs imported by hotels and restaurants (who charge sales tax at the point of final sale); scholastic materials; medical and surgical supplies; and electricity and water.

23. There are general exemptions to sales tax for the diplomatic corps and for goods and services provided under technical assistance agreements; other exemptions may be provided as part of bilateral or multilateral agreements. Goods brought in by tourists and those brought in for the personal use of residents, within prescribed limits, are not subject to sales tax.

24. Petrol and diesel are also subject to a fuel levy and the price of fuels includes a contribution to Motor Vehicle Accident (MVA) insurance (i.e. third party accident insurance). The fuel levy was initiated by the Swaziland Government to cancel the Equalisation Fund, originally established by the Interstate Oil Committee (IOC) to create a fund for the stabilization of the fuel price. The Equalisation Fund was important when South Africa had difficulty obtaining oil supplies. The IOC comprises all the SACU members, since they all obtain their fuel supplies from the same sources as South Africa. The current fuel levies and MVA contributions, per litre, are 3c. and 6c. for petrol; and 2c. and 6c. for diesel.

(iv) Anti-dumping and safeguard measures

25. By virtue of its membership of SACU, Swaziland is obliged to apply anti-dumping duties and measures, as well as safeguard measures, imposed by South Africa. Table III.2, notes all anti-dumping actions currently in force in the SACU area. These are mainly relevant to items produced in South Africa; consumers in Swaziland, which does not produce the majority of the items concerned, are also subject to these measures. Similarly, import controls imposed in South Africa for safeguard purposes also apply to imports to Swaziland (Table III.3).

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<sup>7</sup>WTO (1998).

Table III.2  
Anti-dumping duty actions, as at 31 December 1996

Product	Country/customs territory	Initiation <sup>a</sup> date	Result <sup>b</sup>	Basis of determination <sup>c</sup>
Domestic clothes dryers	Australia	18 Oct. 1996 (R)	D	HM
Titanium dioxide		2 July 1993	D	CV
N-1,3 dimethylbutyl-N-paraphelenediamine	Belgium	28 July 1995	D	HM
Suspension PVC	Brazil	15 Mar. 1996	P	HM
Uncoated woodfree paper		12 July 1996	U	
Copper tubing	Bulgaria	6 Sep. 1996	U	
Calcium propionate acetate	Canada	9 Oct. 1992	D	
Aluminium hollow-ware	China, P.R.	15 Sep. 1995	D	TM (Zimbabwe)
Indigo blue discharge material		14 June 1996	D	Ghana
PVC pilchers		15 Mar. 1996	D	TM
PTFE thread sealing tape		12 Jan. 1996	D	TM (Italy)
Towels and face cloths		28 Feb. 1992	D	TM
Men's, women's, boys' and girls' underwear		18 Oct. 1996 (R)	D	TM (Mauritius)
T-shirts, singlets, vests of cotton		11 Oct. 1991	D	TM (Mauritius)
Hoes not exceeding 320 mm		25 Oct. 1991	D	TM
Acetaminophenol		31 Oct. 1992	D	TM
Spades, rakes, forks, picks		26 Mar. 1993	D	TM
Aluminium hollow-ware	Egypt	27 Oct. 1995	P	HM
PVC film and sheet	France	9 Sep. 1994	D	HM
Suspension PVC		15 Mar. 1996	P	HM
Circuit breakers		31 May 1996	U	
N-1,3 dimethylbutyl-N-paraphelenediamine	Germany	28 July 1995	Rej.	HM
Suspension PVC		15 Mar. 1996	Rej.	HM
Carbonless copy paper		5 Mar. 1993	D	HM
Indigo blue discharge material	Hong Kong	14 June 1996	D	TM (Ghana)
Aluminium hollow-ware		15 Sep. 1995	D	TM (Zimbabwe)
PTFE thread sealing tape		12 Jan. 1996	D	TM (Italy)
Acetaminophenol		31 Oct. 1992	D	TM
Spades, rakes, forks, picks		26 Mar. 1993	D	TM
Cast aluminium, seats and tables	Hungary	15 Apr. 1989	D	
Garden picks	India	14 July 1995	D	HM
Hydrogen peroxide		22 Sep. 1995	P	HM
Agriculture hoe heads		22 Mar. 1996	Rej.	HM
Porcelain line insulators		31 May 1996	Rej.	CV
Amoxycillin and ampicillin		18 Oct. 1996	U	CV
Acetaminophenol		31 Oct 1992	D	
Uncoated woodfree paper	Indonesia	12 July 1996	U	
Caustic soda	Iran	15 Mar. 1996	Rej.	
Circuit breakers	Italy	31 May 1996	P	HM
Hydrogen peroxide		24 Mar. 1995	D	HM

Table III.2 (cont'd)

Product	Country/customs territory	Initiation <sup>a</sup> date	Result <sup>b</sup>	Basis of determination <sup>c</sup>
Ceramic tiles		25 Oct. 1996	U	
Circuit breakers	Japan	31 May 1996	P	HM/CV
PVC film and sheet	Chinese Taipei	9 Sep. 1994	D	HM
Hydrogen peroxide		24 Mar. 1995	D	HM
PTFE thread sealing tape		8 Mar. 1996	Rej.	HM
Calcium propionate	Netherlands	7 June 1996 (R)	D	HM
Calcium acetate		26 July 1996 (R)	D	
Uncoated woodfree paper	Poland	12 July 1996	U	
Acrylic fibre	Portugal	5 July 1996	U	
Caustic soda	Saudi Arabia	15 Mar. 1996	Rej.	
Acetaminophenol	Singapore	31 Oct. 1992	D	TM (India) Transshipment
Flat glass		15 Janv. 1993	D	HM
N-1,3 dimethylbutyl-N-paraphelenediamine	Spain	28 July 1995	Rej.	HM
Circuit breakers		31 May 1996	U	
Circuit breakers	Switzerland	31 May 1996	U	
Uncoated woodfree paper	Sweden	12 July 1996	U	
Flat glass	Thailand	15 Jan. 1993	D	HM
Copper tubing	United Kingdom	6 Sep. 1996	U	
Carbonless copy paper		5 Mar. 1993	D	HM
Suspension PVC	United States	15 Mar. 1996	P	HM
Caustic soda		15 Mar. 1996	Rej.	
Aldicarb		24 May 1996	P	HM
Roller bearings		21 Aug. 1992	D	HM
Polyethylene battery separator material		8 Nov. 1996	U	
Calcium propionate, acetate		9 Oct. 1992	D	HM
Copper tubing	Yugoslavia	6 Sep. 1996	U	
Aluminium hollow-ware	Zimbabwe	15 Sep. 1995	P	HM

- a The symbol (R) is used if an investigation is opened in the context of an existing anti-dumping measure, or after an allegation of a breach of an undertaking.
- b D - final duty; P - provisional duty; U - Preliminary determination stage; Rej. - rejection or no duty or case withdrawn.
- c HM Home market price.  
TM Third country market price.  
CV Constructed value.  
Ghana Prices charged in Ghana.

Source: WTO document G/ADP/N/22/ZAF/Rev.1, 16 April 1997.

Table III.3  
Products subject to a safeguard action (import licence), 18 June 1996

Tariff heading	Product description	Phasing-out/ Removal date
27.07	Oils and other products of the distillation of high temperature coal tar; similar products in which the mass of aromatic constituents exceeds that of non-aromatic constituents	End of 1998 <sup>a</sup>
27.08	Pitch and pitch coke, obtained from coal tar or from other mineral tars	End of 1998 <sup>a</sup>
27.09	Petroleum oils and oils obtained from bituminous mineral crude	End of 1998 <sup>a</sup>
27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude	End of 1998 <sup>a</sup>
27.11	Petroleum gases and other gaseous hydrocarbons	End of 1998 <sup>a</sup>
27.12	Petroleum jelly; paraffin wax; microcrystalline; petroleum wax; slack wax; ozokerite; lignite wax; peat wax; other mineral waxes; and similar products obtained by synthesis or by other processes, whether or not coloured	End of 1998 <sup>a</sup>
27.13	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals	End of 1998 <sup>a</sup>
27.14	Bitumen and asphalt, natural; bituminous or oil shale and tar sands; asphalities and asphaltic rocks	End of 1998 <sup>a</sup>
27.15	Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, bituminous mastics, cutbacks)	End of 1998 <sup>a</sup>
39.20.20	Polymers of propylene	End of 1996 <sup>a</sup>
39.21.90	Other plates, sheets, foil and strip, of plastic: other	End of 1996 <sup>a</sup>
40.11	New pneumatic tyres, of rubber: refer to industrial rebates of customs duties - 317.02 motor vehicles (general)	31.7.96 <sup>b</sup>
40.11.10	- Of a kind used on motor cars (including station wagons and racing cars)	.. <sup>c</sup>
40.11.20	- Of a kind used on buses or lorries	.. <sup>c</sup>
40.11.30	- Of a kind used on aircraft	31.7.96 <sup>b</sup>
40.11.40	- Of a kind used on motorcycles	31.7.96 <sup>b</sup>
40.11.90	Other	.. <sup>c</sup>
40.13	Inner tubes of rubber	31.7.96 <sup>b</sup>
40.13.10	- Of a kind used on motor cars (including station wagons and racing cars), buses and lorries	.. <sup>c</sup>
40.13.20	- Of a kind used on bicycles	31.7.96 <sup>b</sup>
40.13.90	Other	.. <sup>c</sup>

... Not available.

a To be removed by the date specified.

b To be phased-out or brought into conformity with the WTO Agreement on Safeguards by the date specified.

c The removal of import control was under consideration as at 18 June 1996.

Source: WTO documents G/SG/N/3/ZAF, 25 April 1995 and G/SG/N/5/ZAF, 18 June 1996.

(v) Customs regulations and procedures

26. In order to be allowed to trade, a company must have registered with the Registrar of Companies and with the Department of Customs and Excise. Imports require an import permit, issued by the Ministry of Finance, to which would be attached an invoice for the goods. Exports require a form F178, provided by the companies' bankers, which indicates the value of goods to be exported; this is used to monitor the repatriation of the proceeds of sale and for statistical purposes. Provided the documentation is in order, clearance by customs would normally take only one day. In most cases, import clearance in Swaziland is for the purposes of sales tax, rather than duties, since customs clearance

occurs at the port of entry - which is usually a South African port. The local customs department is only responsible for the clearance of goods arriving from Mozambique or by air.

(vi) Quantitative restrictions, import licensing, prohibitions and controls

27. All imports still require an import permit. However, it is expected that the import permit requirement will be abolished and that Swaziland will work on a negative list of items which will still be subject to import control. This list, which has already been prepared and is awaiting approval by the authorities, comprises drugs; arms, ammunition and implements of war; used vehicles, used engines, used gear boxes; wild-animal products; and gold and other precious metals in any form, currency, rough and uncut precious stones. The list will be updated on a continuous basis depending on economic, social and environmental considerations.

28. Swaziland has no import prohibitions or quotas except in respect of regional trade in fresh agricultural products, such as vegetables and milk, which may be restricted at certain times of the year and are subject to an import levy as a protection for local producers. These and a very limited number of restricted items, such as firearms, require import authorization from the relevant government department. Trade sanctions have not been imposed unless required by resolution of the United Nations.

29. Swaziland does not conduct preshipment inspections for its imports. Emergency trade measures, such as invoking anti-dumping provisions, are implemented by South Africa on behalf of SACU. Any local-content policies which have existed, such as local-content requirements in the motor industry, have been at South Africa's instigation. Swaziland has no such measures in place for its own purposes. Imports are not subject to rules of origin, but some exports have been required to conform to the origin requirements of, for example, the European Union and COMESA, and under GSP schemes of various countries.

30. Swaziland has never applied safeguard procedures in the sense of GATT Article XIX. Alternative measures have been used to reduce import pressure on a few agricultural products like maize, vegetables, chicken, eggs, milk and milk products. These measures were also used against the importation of wheat flour to protect the flour industry for ten years; this protection has been abolished. No trade measures have been taken for balance-of-payments purposes.

(vii) Standards and sanitary regulations

31. South African standards are generally used in Swaziland. The legislation for the establishment of a standardization body and for the establishment of standards has been drafted and submitted to the relevant authorities for consideration and approval. This legislation provides for inspection, testing and the certification of products. Regulations on the certification of products will be developed after the standardization act is approved. Recognition agreements will be signed when the standardizing body is founded as these agreements are normally arrived at between and amongst standardizing bodies. These agreements, resulting in the recognition of certificates, will include recognition of test methods, test results and test reports. It is anticipated that national standards will be adopted and adapted from international standards.

32. Swaziland and South Africa have a fairly open border with respect to the movement of animals, vegetables and the products of these from one country to the other, provided that the point of origin is an approved establishment. Nevertheless Swaziland applies quarantine regulations to the movement of live animals and requires vaccination certification. Several animal diseases are worrisome, for example rabies, foot-and-mouth and Newcastle disease. Swaziland is free of foot-and-mouth disease, as is South

Africa, and has a protective cordon down the eastern side of the country to prevent the movement of cattle from east to west.

33. The importation of plants and seeds is controlled by the Plant Control Act of 1981 in respect of phytosanitary requirements, and the Seeds and Plants Varieties Bill of 1988. The latter, although passed by Parliament, has not received Royal Assent; the provisions of the Act, however, are implemented. Specific restrictions are applied in the case of citrus (fruit and trees) and cotton, which require import authorization from the Citrus Board and the Cotton Board respectively.

34. The importation of seeds produced under certification of the International Seed Test Association are not restricted. (Swaziland has no members of the Association.) Otherwise all imports must be tested by a phytopathologist and issued with a clearance certificate. Phytosanitary standards are set by notice in the Government Gazette and are updated as new diseases are identified.

35. Swaziland has a closed list of seed and plant varieties, which requires that items added to the list must be distinct, uniform and stable and, in addition, must be certified for value, cultivation use and merit. The additional requirements are imposed to protect the farmers. The list applies to important, certified crops and includes maize, beans, sorghum, groundnuts, tobacco, cotton and cowpeas. Other seeds are not controlled in this way. To add a variety to the list it must be tested, usually over a two-year period, by the Agricultural Research Station and then be considered by the Variety Committee of the Ministry of Agriculture.

36. Seeds produced by regional producers of good repute are allowed entry without any certification. There are four companies in South Africa and one in Zimbabwe that fall into this category.

37. Indigenous plants imported from the region require a permit issued by the National Trust Commission. This body also protects local plant species and it maintains a list of protected and specially protected species for which an export permit would be required.

38. Live animals and birds are subject to the Animal Disease Act of 1965 which specifies various import requirements in terms of veterinary certification, and a quarantine period of 30 days. The same Act regulates the import of hides and skins, meat and eggs. Animals brought in for slaughter are not subject to quarantine, but must be slaughtered within 48 hours of arrival. Livestock from approved regional suppliers may be imported without restriction.

(viii) Other measures

39. Swaziland has no labelling and packaging requirements, other than prepacks, which are administered under the Metrology Department. International packaging requirements are accepted and exporters have to abide by the requirements of the importing country.

40. SACU controls only external trade as far as tariff barriers are concerned; therefore, Swaziland has its own rules and regulations, unless there is a SACU impact, in respect of government procurement, state trading, industry assistance, export control, diversification, promotion and marketing, price regulation and control, and the like.

41. Government, local government and parastatal organizations are not restricted as to the source of goods and services. Such restrictions may be imposed, however, by the terms of donor or technical assistance agreements. Goods and service are put up for tender and all tenders are considered by the Tender Board.

42. Swaziland has preferential access to the European Union, as a result of the Lomé Convention; to other developed countries, under their GSP schemes; and to the member States of SACU and COMESA (Chapter II).

(3) Export Regime

43. Swaziland has an Export Finance Guarantee Scheme to help small- and medium-sized enterprises to fund the working capital requirements related to exports. The scheme is operated through the commercial banks, with reduced security requirements, and the Central Bank guarantees 75% of the loan to approved schemes. Within the Ministry of Enterprise and Employment there is a Trade Promotion Unit which assists prospective exporters to identify suitable markets.

44. Imported items incorporated into an export product may be imported free of all duties or a duty refund may be obtained. The Department of Customs and Excise is responsible for monitoring this concession and determining any refund due. Refunds would normally be issued as a duty credit. Manufacturing plant and equipment is not subject to any import tariff.

45. The only trade barriers applied to exports are under rules of origin in respect of preferential access to the markets of COMESA and the EU and the understanding between South Africa and Swaziland with regard to sugar exports.

46. Swaziland has export quotas in respect of sugar as follows:

- to the European Union (EU): 120,000 tonnes under the Sugar Protocol of the Lomé Convention and 53,000 tonnes in respect of the Special Preferential Scheme; and
- to the United States: under the U.S. GSP scheme, an allocation of 1.6% of U.S. requirements plus take-up of any shortfalls in the supply by other countries. Swaziland frequently supplies more than its quota and the annual tonnage is in excess of 17,000 tonnes.

Swaziland always fulfils its quotas to the EU and to the United States and picks up all the extra quota sugar that it can.

(4) Domestic Policies Affecting Trade

(i) Subsidies

47. Tax concessions under development orders can be issued by the Minister for Finance. Two companies currently benefit from such concessions: Conco and Fridgemaster. The agriculture sector, in particular, benefits from the provision of services at sub-economic rates; this is due to change under the Government's structural adjustment programme, which requires that all services are to be provided on a cost-recovery basis. The agriculture sector also benefits from a concession under the sales tax regulations, with no tax applied to agricultural inputs or basic food products.

48. The Government has a policy to assist local entrepreneurs, in all sectors, and a number of assistance schemes are available (Chapter IV).

(ii) Competition policy, price controls, and state trading

49. A Competition bill has been drafted; previously none existed. A Competition Board will only be established after the bill has been passed in Parliament and given Royal Assent.

50. Price controls are gradually being reduced as the Government adopts a more open approach to the private sector and requires the public sector to operate efficiently and on commercial lines. Price controls still exist on certain agricultural outputs, fuel and certain other items (Chapter IV). The price of items supplied by the public sector, such as telecommunication services and electricity, are controlled to the extent of limiting price increases. The number of items subject to price control has been reduced and, recently soft drinks were removed from the list of price-controlled items.

51. Some state-controlled enterprises are considered essential to the economy since they provide all basic infrastructural requirements: electricity, telecommunications, water and rail services. Others are educational and social by nature (the University (UNISWA), SEBENTA, National Provident Fund and National Trust Commission).

52. His Majesty King Mswati III, when opening Parliament in March 1996, set out the essence of government policy towards public enterprises:

"Our aim should be to relieve Government of the responsibility for our parastatals; to provide in each case the right environment for efficient and profitable operations and sustainable jobs; and to allow Swazi companies and individuals to contribute to the growth of the country by owning shares in these vital businesses."

53. Corporate plans are currently being prepared, assisted by the Public Enterprise Unit (PEU) of the Ministry of Finance, for each of the public enterprises. The plans will cover the application of performance contracts, privatization, joint ventures and restructuring to improve performance. The PEU administers the Public Enterprises (Control and Monitoring) Act of 1989.

54. There are 24 Category "A" public enterprises of which most, but not all, are owned by the Government. (The Government has a smaller portfolio of minority shareholdings in a number of commercial businesses, some of which are classified as Category "B" public enterprises.) The Cotton Board and the Central Co-operative Union, which are owned by members, and SEBENTA (adult education) are not owned by the Government, but are eligible for subventions from the Government. The performance of all public enterprises, covering all sectors, is shown in Tables III.4 and III.5.



**Table III.4**  
**Operating surpluses/deficits of public enterprises, 1991-95**  
 (Emalangeni)

Year end 31 March	1991	1992	1993	1994	1995
<b>Agricultural sector</b>					
Swaziland Dairy Board	816,526	1,715,688	2,350,347	1,726,992	1,784,740
National Maize Corporation	233,226	612,919	58,144	769,912	743,810
Swaziland Cotton Board	851,194	1,075,053	92,287	19,478	17,011
Namboard	259,732	187,891	1,616,322	2,009,971	1,004,388
Sub-total	2,160,678	3,591,551	4,117,100	4,526,353	3,549,949
<b>Transport sector</b>					
Royal Swazi Airways	-997,401	-456,570	-3,492,944	-3,492,944	-12,302,331
Swaziland Railways	19,838,000	15,894,000	21,203,000	14,176,170	10,044,000
Sub-total	18,840,599	15,437,430	17,710,056	10,683,226	-2,258,331
<b>Finance sector</b>					
Swaziland National Provident Fund	7,875,457	8,454,688	8,418,269	11,159,722	9,649,816
Swaziland Development and Savings Bank	362,433	45,511	45,891	122,233	-1,931,971
Swaziland Royal Insurance Corporation	6,577,573	3,918,961	5,178,521	-	9,581,139
Enterprise Fund	-	-	-	-	-
Sub-total	14,815,463	12,419,160	13,642,681	11,281,955	17,298,984
<b>Utilities sector</b>					
Swaziland Electricity Board	3,965,981	6,687,812	1,222,200	6,921,926	15,797,516
Posts and Telecommunications Corporation	3,122,051	8,388,609	4,481,900	6,357,266	16,861,372
Water and Sewerage Board	-1,825,948	-4,395,945	-9,708,845	-11,582,826	-2,034,497
Sub-total	5,262,084	10,680,476	-4,004,745	1,696,366	30,624,391
<b>Business promotion sector</b>					
National Industrial Development Corporation	242,623	-603,821	1,226,369	647,764	1,032,355
Small Enterprise Development Co.	-818,056	-737,616	-753,146	-937,565	-1,225,563
Commercial Board	23,429	124,309	-	-	-
Swaziland Trade Fair Co.	135,826	132,868	187,780	67,456	-
Sub-total	-416,678	-1,084,260	661,003	-222,345	-193,208
<b>Educational sector</b>					
UNISWA	-	-	-25,418,855	-31,874,503	-36,087,061
SEBENTA	-1,090,813	-1,145,040	-1,275,106	-1,623,676	-1,690,659
Sub-total	-1,090,813	-1,145,040	-26,693,961	-33,498,179	-37,377,720
<b>Other</b>					
Central Cooperatives Union	-261,791	-239,527	-858,257	-43,169	-909,477
Piggs Peak Hotel	-112,158	-330,063	-756,883	-643,395	-489,548
Swaziland Television Authority	-1,510,850	-1,213,705	-1,905,684	-3,330,256	-2,914,095
National Housing Board	1,245,519	249,089	-450,933	6,906	-313,147
National Trust Commission	-1,038,463	-1,321,680	-1,754,600	-2,464,339	-3,080,590
Sub-Total	-1,677,243	-2,855,886	-5,726,357	-6,474,253	-7,706,857
<b>Total across all sectors</b>	<b>37,894,590</b>	<b>37,043,431</b>	<b>-294,223</b>	<b>-12,006,877</b>	<b>3,537,208</b>

Source: Data provided by the Swaziland authorities.

**Table III.5**  
**Public enterprise surpluses/deficits and their application, 1994-95**  
(Emalangeni)

Sector	Accumulated deficit/surplus 1994	Accumulated deficit/surplus 1995	Operating surplus/deficit 1995	Application of surplus/deficit 1995
<b>Agriculture sector</b>				
Swaziland Dairy Board	5,857,898	7,642,638	1,784,740	Added to accumulated funds
National Maize Corporation	-297,220	446,590	743,810	Converted accumulated deficit to surplus
Swaziland Cotton Board	7,984,139	7,279,325	17,011	Increased general fund
Namboard	4,980,570	5,743,072	1,004,388	Increased retained income
Sub-total			3,549,949	
<b>Transport sector</b>				
Royal Swazi Airways	-65,649,296	-72,056,805	-12,302,331	Increased accumulated deficit
Swaziland Railways	-7,645,000	-816,000	10,044,000	Reduced accumulated deficit
Sub-total			-2,258,331	
<b>Finance sector</b>				
Swaziland National Provident Fund	8,365,189	3,846,127	9,649,816	Reduced accumulated funds
Swaziland Development and Savings Bank	-6,560,563	-12,689,102	-1,931,971	Increased accumulated loss
Swaziland Royal Insurance Corporation	11,523,285	14,561,515	9,581,139	Increased accumulated funds
Enterprise Fund	-	-	-	First report to be submitted soon
Sub-total			17,298,984	
<b>Utilities sector</b>				
Swaziland electricity Board	-10,685,147	2,604,643	15,797,516	Converted accumulated deficit to surplus
Posts and Telecommunications Corporation	63,343,965	80,205,337	16,861,372	Increased accumulated funds
Water and Sewerage Board	-33,334,465	8,666,716	-2,034,497	Accumulated surplus after restructuring
Sub-total			30,624,391	
<b>Business Promotion sector</b>				
National Industrial Development Corp.	27,888,408	28,920,763	1,032,355	Increased other funds
Small Enterprise Development Co.	1,594,395	3,701,391	-1,225,563	Increased accumulated funds after subvention
Commercial Board	-	-	-	Liquidated
Swaziland Trade Fair Co.	1,334,469	-	-	Wound up in 1995
Sub-total			-193,208	
<b>Educational sector</b>				
UNISWA	-	-	-36,087,061	
SEBENTA	675	-170,874	-1,690,659	Converted accumulated surplus to deficit after subvention
Sub-total			-37,777,720	
<b>Other</b>				
Central Cooperatives Union	-445,863	-994,445	-909,477	Increased accumulated deficit
Piggs Peak Hotel	-6,093,740	6,583,288	-489,548	Increased accumulated deficit
Swaziland Television Authority	-54,978	-300,852	-2,914,095	Increased accumulated loss after subvention
National Housing Board	1,762,848	1,455,534	-313,147	Reduced general reserves after grants
National Trust Commission	541,188	225,415	-3,080,590	Reduced accumulated fund after subvention

Source: Data provided by the Swaziland authorities.

(iii) Intellectual property protection

55. The Patents and Designs Act of 1936 is to be replaced by the Patents, Utility Models and Designs Bill of 1996 which is awaiting Royal Assent. This legislation, however, will need to be amended to bring it into line with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), in respect of inclusion of plant varieties; layout designs (topographies) of integrated circuits; undisclosed information; and special requirements related to border measures.

56. Copyright in Swaziland is protected by The Copyright Act, 1912, the Copyright (International Conventions) Act and the Copyright (Prohibited Importation) Act. These are to be replaced by the Copyright Bill, 1996 which is awaiting presentation to Cabinet. In order to comply with the TRIPS Agreement, Swaziland will have to accede to the Berne Convention. In addition the new legislation will require amendment to include computer programs and compilation of data.

57. Sections of the Trade Marks Act of 1981 need revision to meet the WTO requirements under the TRIPS Agreement. These include prohibition of registration, opposition, and infringement.

58. Amendment of trade mark legislation will also be required to cater for geographical indications as per the TRIPS Agreement. Some protection is afforded in this respect, however, by the Merchandise Act which provides, in Section 3, that it is an offence to apply false descriptions to goods (trade descriptions being defined as any description, statement or any indication direct or indirect as to, among others, the place or country in which the goods were made or produced).

59. The legal system of Swaziland is based on Roman-Dutch Common law which means that matters relating to evidence, interdicts, damages and other remedies are dealt with under the general law of civil procedure for all civil wrongs. Although the Trade Marks Act does not provide for criminal procedure and penalties for wilful trade mark counterfeiting, as per the TRIPS Agreement, the Merchandise Act states that it is offence to forge a trade mark or to falsely apply to goods any trade mark or any mark so nearly resembling a trade mark as to be calculated to deceive.

60. The Trade Marks Act provides for all applications to be lodged with the Trade Marks Office: Acceptance Notices and Conditional Acceptances are issued after examination of applications; accepted applications are then published in the official Trade Marks gazette for a period of three months. In the event of disputes, hearings are held before issuance of Certificates of Registration.

61. Registrations in respect of intellectual property rights that have been made are shown in Table III.6.

62. Special requirements related to border measures are not available under the general civil law, or under the laws relating to customs authorities. Therefore, customs officials cannot, on their own initiative, confiscate goods that infringe intellectual property rights. Holders of intellectual property rights can use the existing legislation to prevent infringing goods being imported, but only by identifying such goods at the border and alerting the customs officials accordingly.

Table III.6  
Intellectual property rights, 1996-97

	January-December 1996	January-February 1997
Trade mark applications received	884	133
Patents registered	39	6
Designs registered	3	2
Renewals of trade marks	1,137	170
Registered users	278	6
Amendment of trade mark goods	9	-
Alteration of trade marks	10	-
Registered trade marks	64	120
Cancellation of trade marks	4	-
Cancellation of registered users	28	1

Source: Data provided by the Swaziland authorities.

(iv) Other areas

63. Tariff evasion has been a well-publicized problem in the recent past with large consignments of goods entering the SACU through the port at Durban, South Africa, without payment of duties. However, since most imports arrive through South African ports, the levying of duties is the responsibility of South African customs officials.

64. Quality Management Systems to ISO 9000 series of international standards are being adopted, on a voluntary basis, by most exporting companies within Swaziland in order to gain international acceptance of their products. It is hoped that this will assist in export diversification, in terms of markets, for both primary commodities (sugar, pulp and citrus products) and manufactured goods (gum, safes, motor vehicle safety glass, refrigerators, etc.)

65. The Government does not provide assistance to private sector firms in terms of structural adjustment programmes, modernization or financial aid.

66. The Government has Health Inspectors who regularly check industrial conditions as required under the Factories Act. It also monitors effluent produced by manufacturers to ensure that standards are met.

67. The Government has identified a need to increase the strategic stock of maize; this is discussed in respect of the National Maize Corporation in Chapter IV. It is also investigating the need to establish a national fuel reserve; at present the commercial distributors of fuel have sufficient capacity for eight day's consumption which represents Swaziland's total strategic stock.

#### IV. TRADE POLICIES AND PRACTICES BY SECTOR

##### (1) Agriculture, Forestry and Fisheries

##### (i) Introduction

1. The majority of land in Swaziland is designated as either Swazi Nation Land (SNL) or Title Deed Land (TDL).

2. SNL, representing about 60% of the total, is vested in the King and is held in trust for the nation. Most of the SNL is administered by traditional chiefs who have jurisdiction over that portion of SNL that lies within their chiefdom. The chiefs allocate land to individuals, normally to those for whom the area is their traditional home, for their personal use; however, there is no inalienable right of tenure to a particular piece of land and the chief may withdraw the right of occupation.<sup>1</sup> These areas are generally occupied by subsistence farmers, but also by people who work in the formal sector and who maintain a homestead at their traditional home; the homestead will usually include a few cattle and an area planted to maize or other crops. Some areas of SNL do not fall under a chief and these areas remain under the direct control of the King. Certain of the major commercial agricultural estates have been established on such land, with the estates having been granted the right to use it for defined periods of time. Recently, much land, including some administered by chiefs, has been converted for commercial purposes, e.g. the Komati River Basin Development and the proposed Lower Usuto River Development.

3. Anybody, or any company, may buy land within TDL areas. If the purchaser is not a Swazi national, then the transaction must be approved by the Land Speculation Board. This board was established to prevent foreigners from unduly profiting from the ownership of land at the expense of Swazis and to ensure that Swazis are not prevented from purchasing land due to high prices. In the years since independence many commercial farms on TDL have been bought by the King, the Government or by Tibiyo TaKa Ngwane (a trust holding assets on behalf of the nation), and no longer have owner-occupiers.

4. Land use areas divided by agro-ecological zones are shown in Table IV.1; most SNL is under grazing/mixed use.

Table IV.1  
Land use area  
(Square kilometres)

Agro-ecological zones	Wildlife	Forestry	Urban	Ranching	Grazing/ Mixed	Cropland (TDL)	Total
Highveld	201	1,326	32	496	3,603	11	5,669
Upper Middleveld	9	68	55	279	1,883	121	2,415
Lower Middleveld		7		580	1,773	63	2,423
Western Lowveld	148		26	1,004	1,877	361	3,416
Eastern Lowveld	147		12	642	707	455	1,963
Lubombo Ridge	161			328	967	28	1,484
Total	666	1,401	125	3,329	10,810	1,039	17,370

Source: FAO (1994), Range Resources and Grazing Potentials in Swaziland.

<sup>1</sup>This land-tenure system can cause problems for individuals in raising loan capital as they may have no security to offer.

5. Government responsibility for the agricultural sector lies primarily with the Ministry of Agriculture and Co-operatives (MOAC). The Ministry continues to follow the broad sectoral policies laid down in the Agricultural Development Strategy of 1986. These are now identified as: (i) improving nutritional levels; (ii) achieving food security; (iii) increasing agricultural exports; (iv) creating employment opportunities through promoting agribusiness; (v) boosting rural incomes; (vi) conservation and development of soil and water resources; (vii) establishment of an appropriate livestock development strategy which will ensure proper rationalization and coordination of the livestock industry; (viii) improvement of the management and conservation of the rangelands and the promotion of forage production and utilization; (ix) commercialization of livestock development and implementation of a cost recovery policy; and (x) improvement and strengthening of disease control measures, surveillance and diagnostic efficiency.

6. Although the performance of large farms and plantations on TDL remains crucial to export growth and overall economic development in Swaziland, increasing rural employment and income depends predominantly on the performance of agriculture on SNL. Accordingly, the Government will continue to concentrate its resources on SNL farmers whilst ensuring that such support will not negatively affect agricultural production on TDL.

7. The main concern is to ensure that sufficient water resources are available. To this end a major programme of earth dam rehabilitation and construction is under way to provide water for rural communities. In addition, it is estimated that 5% of land in Swaziland is under irrigation and that this needs to be increased to 10%. A number of small schemes are under development and the status of larger ones is as follows:

- Lavumisa Irrigation Scheme: This project is expected to be completed during 1998. The objective of the scheme is to increase cotton, maize, sugar cane and vegetable production by small-scale farmers;
- Komati River Basin Development: A joint development with South Africa, this project centred on the Maguga dam is well under way. An area of 7,400 hectares (ha) will be irrigated: 3,082 ha of sugar cane and 4,311 ha of mixed fruit orchards; and
- Usuthu River Basin: Final feasibility studies have commenced; completion of all the proposed phases of the project would be expected to provide irrigation to about 40,000 ha of land for the growing of sugar cane and other crops by smallholders.

(ii) Agriculture

8. The agriculture sector is the backbone of Swaziland's economy. However, greater economic growth can only be realized by the transformation of this sector through increased commercialization of both SNL and TDL. The typical subsistence farmer does not contribute to any significant extent to the economy and, according to studies, unutilized TDL and government farms reduce the effectiveness of the sector.<sup>2</sup>

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<sup>2</sup>A 2022 National Development Strategy for Swaziland.

## (a) Crops

9. The Government's major goals in crop production are: food security (maize remains the staple food crop in Swaziland, grown by both SNL and TDL farmers); expanding fruit and vegetable production as a means of increasing rural income and improving nutrition; encouraging cash crop production amongst small-scale farmers; and encouraging farmers in marginal rainfall areas to adopt the production of sorghum, rather than maize.

10. Commercial crop production continues to be dominated by sugar cane, citrus and cotton.

## Sugar

11. Sugar cane, grown in the lowveld areas of Swaziland, is dependent on irrigation and is the reason for on-going development of water-storage schemes. The three major estates each have a mill and two of them have installed refineries and conditioning plants (one in 1994, the other has just been commissioned) to increase the output of higher-value sugar. Each mill buys in cane from other estates and smallholder growers; the millers actively pursue a policy to support smallholders.

12. Domestic sales increased from around 51,600 tonnes in 1991/92 to 182,900 tonnes in 1995/96, reflecting the growing importance of local food processing industries (Table IV.2).

Table IV.2  
Sugar production and sales, 1991-96  
(Tonnes and emalangen million)

	1991/92	1992/93	1993/94	1994/95	1995/96
Production	490,364	494,752	457,268	485,155	421,997
Exports	435,976	368,206	373,969	275,400	256,500
Domestic	51,628	84,653	126,880	173,446	182,895
Export value (E million)	430.7	399.9	522.8	433.8	492.1

Source: Data provided by the Swaziland authorities.

## Maize

13. As the staple food crop, maize remains the most important crop on Swazi Nation Land. Swaziland has yet to reach the stage of consistent self-sufficiency. There was a general upward trend in overall production during the period 1983-91 followed by a 64% drop in the 1991/92 season as a consequence of the drought. Production has recovered slowly since, with a bumper crop being recorded in 1995/96. The late and inconsistent rains in 1996/97 suggest a poor harvest. Table IV.3 shows maize production and imports. The Government's priority in the sector is to increase the production capacity and the standard for storage.

## Citrus

14. Citrus, including varieties of orange, lemon, lime, grapefruit and "easy peelers" (which include mandarins, naatjies, tangerines, etc.), is grown in the north, east and south-east lowveld areas. There are eight main citrus estates, including a new estate under development at Ubombo Ranches in the south-east; both the Maguga dam and the Azoth Basin Project provide scope for increased citrus production.

**Table IV.3**  
**Maize production and imports, 1988-96**  
(’000 tonnes)

Season	Production	Imports
1988/89	113.0	16.0
1989/90	115.0	15.1
1990/91	125.8	12.0
1991/92	45.6	63.6
1992/93	84.0	30.7
1993/94	63.7	9.3
1994/95	70.0	36.4
1995/96	135.0	..

Not available.

Source: Data provided by the Swaziland authorities.

**Table IV.4**  
**Citrus production and sales, 1991-95**  
(’000 tonnes, ’000 hectares, and emalangen million)

	1991	1992	1993	1994	1995
Production (’000 tonnes)	66.2	70.6	66.9	104.1	85.0
Area under trees (’000 ha)	2.5	2.6	2.8	2.9	3.0
Exports (’000 tonnes)	31.1	33.4	29.1	49.4	42.6
Export value (E million)	37.7	40.5	35.3	55.4	56.0
Domestic sales (’000 tonnes)	25.4	27.7	28.1	40.7	38.0

Source: Data provided by the Swaziland authorities.

15. Fruit that does not comply with export standards is processed by Swaziland Fruit Canners into canned segments, juices and jams. The industry operates, approximately, to a 55% pack out rate, i.e of export quality fruit.

16. Some of the estates are currently in a programme of replanting trees, with the result that 86% of the total area of 2,976.8 ha. under trees is actually being harvested. The replanting programme is a consequence of the age of the estates. The economic life of a tree varies; for grapefruit it is generally 15 years compared to 25 years for an orange tree.

### Pineapples

17. Pineapples are grown commercially, mainly by Swaziland Fruit Canners in the middleveld areas of Swaziland, and virtually all fruit is supplied to their local canning plant where it is canned as slices, pieces or as juice for export. The operation has suffered from the vagaries of the world market and the drought, which have resulted in the crop being reduced from 31,567 tonnes in 1991 to 11,140 tonnes in 1995. The canning operation has reduced dependence on pineapples by extending the operation of canning and juicing citrus. Jam making has become a profitable side-line.



## Cotton

18. Cotton is grown mainly in the drier southern areas of the country. The drought of the past few years has devastated the industry to the extent that only 6,183 tonnes were produced in 1994/95 compared with 26,340 tonnes in 1990/91. The 1995/96 crop, with the abatement of the drought, increased to about 12,000 tonnes. However, the industry has suffered structural damage as much of the crop used to be produced on SNL by smallholders; the number of farmers growing cotton had reduced from a peak of about 16,000 to about 4,000 in 1995. Many farmers who remain in the industry are forced to do so in order to pay off their debts to the ginnery.

19. Many of the smallholder growers were severely compromised by the difficulties experienced by the Swaziland Development and Savings Bank (currently subject to restructuring) which had been the main source of crop financing.

20. In an effort to revive the industry the Government made a one-off grant of E 2 million, under the drought relief programme, in 1996 to provide free seed to farmers. As a result the number of farmers growing cotton has increased considerably, to about 10,000, and the 1997 crop is estimated at 16,000 tonnes.

## Horticulture

21. Some horticulture is practised: two rose farms have been established for the export of flowers to world markets; and there is minor production, also for export, of other flowers and of mini-vegetables.

### (b) Livestock

22. Livestock population statistics are shown in Table IV.5.<sup>3</sup>

Table IV.5  
Livestock population, 1966-94  
('000)

	1966	1976	1988	1991	1992	1993	1994
Cattle	491	634	640	740	753	608	626
Goats	220	327	280	334	410	422	459
Sheep	36	31	20	24	28	27	27
Poultry	245	522	679	1,088	992	946	721
Pigs	8	19	18	28	31	30	38

Source: Data provided by the Swaziland authorities.

## Cattle

23. Cattle raising continues to be a typical feature of the Swazi subsistence farmer. The traditional Swazi, however, regards cattle as a store of wealth, a capital asset rather than a commercial resource. As a result, the relatively large national herd of about 600,000 cattle (reduced in recent years from about 750,000 by the effects of the drought) does not translate into a significant dairy or beef industry.

<sup>3</sup>Livestock Development Policy, Ministry of Agriculture, June 1995 and Economic Planning Office (1996).

There are some commercial ranches which supply local needs through butcheries and municipal abattoirs. Swaziland has one EU-approved abattoir which has an allocation, under the Lomé Convention, to export about 3,800 tonnes of beef annually to the EU. In recent years this allocation has not been fully utilized because the abattoir is unable to obtain sufficient cattle of the necessary quality. The industry has difficulty finding markets for the low quality cuts; corned-beef producers in South Africa pay less than half the local price to import such cuts from France.

24. Rangeland conditions, which were severely damaged by the drought, continue to deteriorate due to over-grazing. The Government, extremely concerned about the environmental damage, has attempted to encourage farmers to destock but has met with stiff resistance.

25. Swaziland is a net importer of both beef and dairy products.

#### Ovines

26. Goats are raised, particularly by the subsistence farmers, as a source of protein. Sheep farming is of minimal significance.

#### Pigs

27. Pigs recently became a commercial enterprise when one of the sugar estates (Royal Swaziland Sugar Corporation) established a commercial herd, abattoir and baconery.

#### Poultry

28. The establishment of commercial poultry production has been a feature of recent years, although this is not reflected in the livestock population figures. The industry is developing for the purpose of supplying eggs and fresh and frozen chickens to the local market. A poultry abattoir has been established.

#### Ostriches

29. A small commercial flock of ostriches has been established by Royal Swaziland Sugar Corporation.

#### (iii) Forestry

30. Forestry is an important economic sector in that approximately 18% of the workforce is employed in commercial forestry; over 75% of the population depends on wood as a fuel for heating and cooking, and the rural population, in particular, uses wooden poles for the building of dwellings; and timber and pulp are significant contributors to both GDP and export earnings, with earnings from the latter reaching some E 440 million in 1995 (Table IV.6).

31. Commercial forestry is concentrated in the highveld area of Swaziland, along its western border, where three large areas of commercial timber plantations, mostly pine and saligna, cover 1,326 sq. km.<sup>4</sup> The prime focus of two of these areas is the supply of timber, particularly for the South African mining

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<sup>4</sup>FAO (1994).