



SUCCESS STORY

Swaziland Reforms Investment Climate

Swaziland passes a number of laws as part of investment climate reforms



The Swaziland Investor Roadmap, developed by SATH and SIPA, resulted in the adoption of regulatory changes that will improve the investment and overall business climate of the country. In April 2012 the Investor Roadmap was re-launched to demonstrate commitment to the reform process.

The Swaziland Investor Roadmap, developed by SATH and the Swaziland Investment Promotion Agency (SIPA) in 2005, details the administrative, procedural and regulatory barriers that hinder investment in Swaziland and recommends changes and reforms to improve the country's competitiveness. By 2011, only about a fifth of the 90 recommendations had been implemented, pointing to a lack of broad stakeholder buy-in and the absence of a proper implementation plan.

In 2012, with SATH assistance, SIPA held a conference to chart a way forward for the more effective implementation of the Roadmap. The roundtable brought together the public and private sector as well as international cooperating partners active in the country.

As a result of these interventions by SATH and SIPA, 23% of the proposed changes were passed into Acts by the Senate and Parliament, paving the way to achieve a more competitive environment. Among others, the introduction of Value Added Tax (VAT) came into implementation in April 2012, replacing the General Sales Tax (GST). This is expected to contribute positively to Swaziland's ranking in the trading across borders index and paying taxes indicators. The passage of the Trade Licensing (Amendment) Act of 2011 and the Shop Trading Hours Act of 2011 will make it easier to operate businesses in the country by speeding up the issuance of trading licenses – from 7 to 3 days – and removing restrictions on retail trading hours. The amendment to the Companies Act will ease regulations to make it easier for companies to incorporate and shortens company registration time from thirty five days to four days by reducing several steps. The Diamond Act seeks to open up and regulate the diamond mining industry in Swaziland.

It is expected that these reforms and regulatory changes by Swaziland will reflect positively in the World Bank Doing Business as well as other international indicators for next year.