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SUCCESS STORY

USAID Support Improves Investment Climate in Swaziland

Swaziland Investor Roadmap helps ease the burden of doing business



Swaziland is a small landlocked country in Southern Africa facing a difficult business climate. In response, USAID's Southern Africa Trade Hub developed an "Investor Roadmap" in collaboration with the Swaziland Investment Promotion Agency (SIPA) detailing the administrative, procedural and regulatory barriers hindering investment in Swaziland. The roadmap offered 90 recommendations to better the country's investment climate.

The Investor Roadmap was launched by His Majesty King Mswati III of Swaziland to speed adoption of new reforms and improve the country's performance on "doing business" rankings.

Regardless of significant natural resources and investment potential, countries still need streamlined and efficient processes for entrepreneurship and investment in order to attract business and promote economic growth. Difficulty in obtaining work and residence permits, trade licenses, new company registration and tax documentation are obstacles that stifle investment and slow growth.

In June 2013, USAID undertook an audit to determine progress thus far. The audit revealed that as a result of the interventions from USAID and SIPA, a number of important reforms have been achieved. The time to acquire work and residence permits has been reduced from 21 to seven days. Five-year work and residence permits are replacing the two-year permits issued previously, and an online name company search for company registration effectively reduces the time taken to incorporate a company to three days.

In addition, trade licenses are now issued in three days instead of seven days, while a health inspection report (a key requirement for acquiring a trade license) is now issued within 48 hours from the previous 14 days. Tax clearance certificates are no longer a prerequisite for company registration, and the Swaziland Revenue Authority (SRA) has introduced an online tax filling platform aimed at improving tax administration and compliance. A case management system has been introduced to settle commercial cases in court quickly. The Swazi Parliament has also approved a number of relevant policies including the Swaziland Investment Policy and the Public Private Partnership Policy.

There are still outstanding reforms requiring further work by Swaziland in collaboration with USAID, but the audit revealed that tremendous strides have been made that will help spur economic growth in the country. As quoted by the *Times of Swaziland* in an [editorial](#): "The Investor Road Map was and is a deliberate instrument that will allow us to communicate through targeted reforms that will make it easy to do business in and with Swaziland."

For the culmination of the Investor Roadmap audit process, USAID's Trade Hub and SIPA convened a half-day national public and private stakeholder workshop on June 6 to validate the outcomes of the audit and chart a way forward for continued effective implementation of the roadmap. It is expected that the reforms undertaken by Swaziland will reflect in the World Bank's Doing Business indicators as well as other international indicators for next year.