

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

ESWATINI

Africa South

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Mbabane	Administrative capital	Government contracts, administration, services
Manzini / Matsapha industrial estate	Primary industrial and manufacturing hub, anchor of the AGOA-linked textile and garment sector	Textiles and garments, light manufacturing, agro-processing
Lower Usuthu Smallholder Irrigation Project area	Major irrigation scheme expanding sugar and agricultural output	Sugar cultivation and processing, irrigated agriculture
Maloma Colliery, Lubombo region	Coal-mining operation supporting energy and export revenue	Coal mining, energy-linked industry
Ezulwini Valley	Tourism corridor near the royal and cultural sites	Hospitality, cultural tourism
Sidvokodvo / Big Bend sugar belt	Established sugar-industry heartland	Sugar milling, agro-processing, biofuel potential
Matsapha / Mbabane road and SACU trade corridor	Logistics corridor linking to South African ports under SACU	Logistics, regional trade, warehousing

INVESTOR ENTRY ROUTES

- Eswatini Investment Promotion Authority (EIPA) registration and facilitation
- SOUTHERN AFRICAN CUSTOMS UNION (SACU) TARIFF-FREE REGIONAL MARKET ACCESS: Manufacturing for the wider SACU/South Africa market
- AGOA DUTY-FREE US MARKET ACCESS FOR QUALIFYING TEXTILE AND GARMENT EXPORTERS: Subject to the program's current short-term renewal through only December 2026
- SUGAR AND AGRO-PROCESSING JOINT VENTURES: Via the Eswatini Sugar Association and Lower Usuthu irrigation-scheme expansion
- Coal and energy-sector investment via Maloma Colliery and related licensing
- Tourism and hospitality concessions in the Ezulwini Valley and other cultural/eco-tourism sites

MARKET-ENTRY OBSERVATION

Eswatini's economy has strengthened markedly, with growth close to 5% in 2025 and the IMF projecting 4.3% for 2025 and 4.6% for 2026 in its most recent Article IV consultation, a rebound from 2.8% in 2024. Growth over the medium term is expected to settle back toward 2.8% absent further structural reform. The country remains heavily exposed to the Southern African Customs Union (SACU) revenue-sharing pool, which supplies roughly 40% of government revenue and fluctuates with South African import volumes that Eswatini cannot forecast or control; its currency peg to the South African rand likewise ties monetary policy to decisions made in Pretoria. Public debt is projected to reach around 50% of GDP by the end of the current fiscal year, up sharply from 44.7% and from just 15.2% a decade ago, while unemployment remains high at 33.5% despite the growth rebound.

The textile and garment sector, Eswatini's largest manufacturing employer and a major AGOA beneficiary alongside Kenya, Lesotho, Madagascar and Mauritius, faces a specific near-term risk: AGOA expired in September 2025 and was renewed only retroactively in February 2026, and then only through December 2026, creating real uncertainty for investment, contracts and supply-chain planning in a sector where Eswatini largely assembles imported fabric rather than capturing full value-chain returns.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Eswatini remains Africa's last absolute monarchy, with political parties banned since 1973 and King Mswati III holding broad appointive and governing power	Limits conventional political and policy predictability, and constrains the institutional checks investors in other jurisdictions rely on	Engage government and EIPA counterparts directly; do not assume parliamentary or judicial processes function as an independent check on executive decisions
Former MPs Mthandeni Dube and Bacede Mabuza were convicted in July 2024 under terrorism and sedition laws for pro-democracy political activity; Mabuza remains in prison serving an 85-year sentence, and Amnesty International has designated both as prisoners of conscience	Signals a live, ongoing willingness to use anti-terrorism legislation against political dissent, with reputational and operating-environment implications for any investor seen as adjacent to political activity	Avoid any association with political activity or opposition movements; monitor the human-rights and civil-society environment independently
AGOA's short-term renewal (through December 2026 only) creates acute near-term uncertainty for the textile and garment sector specifically	Export-oriented manufacturers risk losing duty-free US market access with limited warning, as has happened to other AGOA beneficiaries such as Madagascar and Ethiopia	Diversify export-market exposure beyond AGOA-dependent US sales where feasible; monitor the renewal process closely through 2026
Heavy fiscal dependence on volatile SACU revenue-sharing receipts (around 40% of government revenue)	Budget planning and public investment capacity are exposed to South African trade-volume swings outside Eswatini's control	Treat government co-financing commitments as contingent on SACU receipts; favour self-financing or donor-co-financed structures where possible
Rising public debt, projected to reach around 50% of GDP, alongside persistently high unemployment (33.5%)	Raises medium-term questions about fiscal space for further public investment and social spending	Monitor the government's Medium-Term Fiscal Framework and debt trajectory
Currency peg to the South African rand (lilangeni)	Ties monetary policy and interest rates to decisions made in Pretoria rather than domestic conditions	Factor South African Reserve Bank policy into any Eswatini-specific financial planning
Small domestic market (around 1.2 million people)	Limits scale for consumer-facing, domestic-demand-driven investment	Favour export-oriented and regional (SACU-market-facing) investment models

INVESTOR RISK NOTE

Eswatini's investment case rests on genuinely strong near-term growth (close to 5% in 2025, projected around 4.5% in 2026) and privileged regional and preferential-trade market access through SACU and AGOA. But investors should weigh this against the country's standing as Africa's last absolute monarchy, where political parties remain banned and the government has shown a documented, ongoing willingness to use terrorism and sedition laws against pro-democracy dissent - most starkly in the continued imprisonment of former MP Bacede Mabuza under an 85-year sentence. This is a structural governance characteristic, not a one-off event, and it bears on the general predictability of the operating environment even for investors with no political involvement themselves.

A more immediate, sector-specific risk sits with AGOA: the program's short-term, uncertain renewal (through only December 2026 at the time of writing) is a direct threat to Eswatini's textile and garment sector, historically one of its largest formal employers. Investors in that sector should treat continued US market access as contingent rather than assured, and should monitor the renewal process as a distinct, trackable variable separate from Eswatini's broader growth story.

MARKET ACCESS

EIPA's facilitation role and Eswatini's SACU membership give manufacturers genuinely strong, tariff-free access to the South African market, Southern Africa's largest economy, reinforced by well-established road-logistics corridors.

AGOA preferences, while currently time-limited, have built a real manufacturing base, particularly in textiles, and government-identified projects - the Lower Usuthu irrigation scheme, Maloma Colliery coal mining, and planned road-paving work - offer a pipeline of more diversified, infrastructure-linked opportunity beyond the traditional garment sector.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Eswatini Investment Promotion Authority (EIPA)	Primary FDI facilitation and investment-promotion agency	Central registration and incentive-coordination contact for new entrants
Office of the King / Eswatini government	Concentrated executive and legislative authority under the absolute monarchy	Monitor royal decrees and government policy signals directly; engage through formal government channels
Central Bank of Eswatini	Monetary policy within the rand-peg currency arrangement, and banking supervision	Confirm current foreign-exchange and banking-sector conditions
Ministry of Finance	Fiscal policy, SACU revenue management and the Medium-Term Fiscal Framework	Monitor budget cycles and SACU-receipt forecasts
Eswatini Sugar Association	Sugar-industry coordination and the Lower Usuthu irrigation expansion	Route for sugar and agro-processing investment
Southern African Customs Union (SACU) Secretariat	Regional tariff and revenue-sharing administration	Monitor SACU revenue-sharing formula changes affecting fiscal planning
US Trade Representative / AGOA administration	Governs Eswatini's continued AGOA eligibility and market access	Monitor AGOA renewal developments through the December 2026 deadline

CURRENT INTERNATIONAL BUSINESS CHANNELS

South Africa is overwhelmingly Eswatini's dominant trade, logistics and monetary partner by virtue of the SACU and currency-peg relationship. The United States remains significant through AGOA, though that relationship currently carries real near-term uncertainty. Taiwan has a long-standing manufacturing-investment relationship dating to pre-AGOA textile-sector establishment, and Eswatini remains one of the few countries maintaining formal diplomatic ties with Taiwan rather than China, a distinctive feature of its international positioning.

INVESTOR PROFILE BEST SUITED

Eswatini is best suited to manufacturers leveraging SACU's tariff-free South African market access, agro-processing investors in sugar and irrigation-linked agriculture, and coal and energy-sector investors able to engage directly with government counterparts.

It is a weaker fit for AGOA-dependent textile exporters unable to tolerate near-term US market-access uncertainty, and for any investor requiring the institutional checks, multi-party political process, or civil-liberties environment found in more conventionally governed jurisdictions.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm the Sector and Entry Vehicle

Determine whether EIPA registration, a SACU-market manufacturing play, or an agro-processing or coal-sector route fits the project.

STEP 2: Engage EIPA and the Relevant Government Body Early

Open parallel conversations with EIPA and, where relevant, the Ministry of Finance or Eswatini Sugar Association.

STEP 3: Assess AGOA and Governance Risk Directly

For textile and garment investments, monitor the AGOA renewal process; for all investments, apply enhanced political and reputational due diligence given the country's governance structure.

STEP 4: Secure the Licence, Concession or Incentive Agreement

Finalise the specific legal and commercial structure for the chosen entry route.

STEP 5: Launch and Monitor

Begin operations while tracking SACU revenue trends, AGOA renewal developments, and the political and human-rights environment.

WAVERLEY'S ROLE

- Independent due-diligence and structuring advisory across EIPA, SACU-market and agro-processing entry routes
- Introductions to EIPA, the Ministry of Finance, Eswatini Sugar Association and Maloma Colliery counterparts
- Ongoing monitoring of AGOA renewal developments, SACU revenue trends, and the political and governance environment
- Coordination with experienced local legal, tax and trade-compliance advisory specialists

INVESTOR CALL TO ACTION

Investors seeking SACU-market manufacturing access, agro-processing opportunities, or AGOA-linked textile investment are invited to engage Waverley for a confidential, risk-calibrated structuring consultation.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Current pipeline items Waverley is tracking include the Lower Usuthu Smallholder Irrigation Project's continued expansion of sugar and agricultural capacity; Maloma Colliery coal-sector developments; planned road-paving infrastructure due by 2030; the AGOA renewal process ahead of its December 2026 deadline; and the government's Medium-Term Fiscal Framework as it works to stabilise Eswatini's rising public-debt trajectory.

POSITIONING

Waverley approaches Eswatini as a small, SACU-anchored manufacturing and agro-processing economy posting genuinely strong near-term growth, operating within Africa's last absolute monarchy.

Our role is to help investors capture the regional market-access and growth opportunity while applying clear-eyed governance, human-rights and AGOA-renewal due diligence that this specific operating environment requires.

SELECTED SOURCES

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