

PARTNER COUNTRY QUESTIONNAIRE ON AID FOR TRADE

- We advise you to read the Explanatory Notes starting on page 10 before answering the questionnaire.
- When completed, this form should be returned by 20 February 2009 via e-mail to aft.monitoring@oecd.org and aft.monitoring@wto.org.
- The questionnaire can be downloaded from the OECD website at <http://www.oecd.org/dac/trade/aft> or from the WTO Members' website at <http://members.wto.org/members/>.
- All the boxes in this form are expandable.

1 IS YOUR TRADE STRATEGY MAINSTREAMED?

Q1.1 Does your country have a national development plan or strategy?

Yes

No

If YES, does this development plan include trade as a lever for growth and poverty reduction? (*please tick the most accurate description below*)

- Trade is a key priority and the plan includes well developed trade-related priorities and implementation actions (*please attach*).
- Trade is mentioned but the plan does not include operational objectives and action plans.
- No.
- Other, please describe: [The National Development Strategy does not directly include trade however it touches upon agriculture sector being a comparative advantage for Swaziland and how agriculture has linkages with other sectors that can thus stimulate the economy. However, the National Development Strategy also states that there a need for diversification from agriculture to industry and services. Moreover, there ia need for maximisation of value-added on agricultural and mining products, promoting financial services and fostering harmonious industrial relations.

There is also the Poverty Reduction Strategy and Action Programme which is based on the same policies as the National Development Strategy. The objective of the PRSAP to alleviate poverty and creating employment particularly in the rural areas thus resulting in a very comparative market oriented economy. The emphasize in the PRSAP is to ensure that macro-economic stability and sustainable pro-poor growth through employment creation, agricultural

development, infrastructure development and investment is achieved.]

If your Government does NOT have an articulated national development plan or strategy, or if trade is not strongly present in it, are there other separate strategies/plans addressing trade-related objectives? *(feel free to tick more than one box)*

- Government priority areas are not systematically subject to a documented strategy.
- In the annual government budget.
- In various sectoral strategies (e.g. one per relevant ministry, or per sector). Please describe and attach: [....]
- In one single trade development/competitiveness strategy document encompassing all trade-related priorities across different government departments *(please attach)*.
- Other, please describe: [.....]

For Least-Developed Countries participating in the Enhanced Integrated Framework (EIF), former Integrated Framework (IF):

Do the Diagnostic Trade Integration Study (DTIS) and Action Matrix reflect your Government trade strategy? *(please tick the most accurate description below)*

- The DTIS and accompanying action matrix reflect well my country's trade-related needs and my Government's priorities.
- The DTIS and accompanying action matrix partly reflect my Government's analysis of trade needs and priority areas.
- The DTIS and accompanying action matrix are not (or are no longer) a good indication of my country's trade-related needs and priorities.
- The DTIS and accompanying action matrix are not currently a good indication of my country's trade-related needs/priorities, but they are in the process of being updated.
- Other, please describe: [.....]

Q1.2 What are your Government's priority areas of intervention to improve your country's capacity to benefit from trade expansion and integration into the world economy?

(Below are listed the most common areas grouped according to broad aid category – please rank the top 3 priority areas among the 12 listed)

| | | | |
|--------------|---|-----------------|-----------------------------------|
| Trade | <u>1</u> Trade Policy Analysis, Negotiation | Economic | __ Network infrastructure (power, |
|--------------|---|-----------------|-----------------------------------|

| | | | |
|-------------------------------------|------------------------------------|------------------------|--|
| Policy and Regulations | and Implementation | Infra-structure | water, telecom) |
| | ___ WTO Accession costs | | ___ Other transport |
| | <u>2</u> Trade Facilitation | | ___ Cross-border Infrastructure |
| Building Productive Capacity | <u>3</u> Competitiveness | Other | ___ Adjustment costs |
| | ___ Value Chains | | ___ Regional Integration |
| | ___ Export Diversification | | ___ Other, please describe: [.....] |

Q1.3 Does your Government have an operational strategy (with action plans, timelines and budgets) for its priority areas?

Priority 1: [Trade Policy Analysis, Negotiation and Implementation] Yes Being formulated No

[If Yes or Being formulated, please describe In the pipeline a Trade Strategy will be formulated during the fiscal year of 2009/2010. This exercise is in early stages whereby consultants are yet to be engaged. The trade strategy is essential for Swaziland in an effort to address economic and development challenges. A coherent trade strategy will take into account the regional and multilateral trade agreements that Swaziland is party to such as the Southern African Customs Union (SACU), Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), the African Growth and Opportunity Act (AGOA), SADC Economic Partnership Agreement (SADC EPA), World Trade Organisation (WTO) and SACU with third parties such as EFTA, MERCOSUR and India.

The trade strategy will assist in identifying policies necessary to increase trade, promote growth and reduce poverty. Moreover, the trade strategy will contribute in responding to external shocks and the policies of foreign governments as well as the influence of bilateral, regional and international agreements on the domestic market. Therefore, the trade strategy will include the development of effective trade negotiating strategies.]

Priority 2: [Trade facilitation] Yes Being formulated No

[If Yes or Being formulated, please describe]

Priority 3: [Competitiveness] Yes Being formulated No

[If Yes or Being formulated, please describe There is an EC funded programme on Competitiveness and Trade Support which is expected to begin around March 2009. The programme is to enhance capacity in Swaziland to formulate, negotiate and implement trade policies that are inclusive and pro-poor, by relieving some supply side constraints which impact directly on the country's ability to exploit its international trading interest and potential. The programme involves the participation of the private sector and civil society in ensuring that capabilities on trade policy formulation, advocacy, export development and promotion, export marketing, market research, commercial intelligence and product diversification are enhanced.]

Q1.4 Are the financing needs of these trade-related priorities included in your national dialogue with donors?

Yes No Not sure

If YES, which structures do you use to discuss the financing needs of your trade-related priorities with your donors? (feel free to tick more than one box)

PRSP/CAS Bilateral dialogues Regional-wide dialogues Other, please describe: [.....]

Please describe the type of dialogue or alternative method, its level, its frequency, and its specificity to trade matters:

[Bilateral dialogues usually occur annually and they are held at ministerial level. The bilateral dialogues are usually preceded by Joint Technical Committees whereby the programmes to be financed are fully discussed with the relevant stakeholders. Based on the recommendations of the Joint Technical Committee then the programmes are presented to the high level forum.

Regional-wide dialogue involves national consultations, technical working groups, senior officials meeting, ministerial meetings and summits. At regional level the discussions end up involving Heads of States thus having political commitment. For example, in the process of negotiating the Economic Partnership Agreements with the EC there is financial support made available for capacity building to effectively negotiate and there will be further financial support to ensure the implementation of the EPAs.]

If NO, do you have plans to include trade-related priorities in your dialogue with donors in the next two to three years?

Yes No Not sure

- End of Section 1 -

Please feel free to provide additional information about your trade strategy [.....]

2 HOW IS YOUR TRADE STRATEGY FINANCED?

Q2.1 Does the attached CRS¹ profile accurately quantify the Aid for Trade you received in 2006 and 2007?

Yes No Not sure/ NA

If NO, please provide details of the Aid for Trade you received in 2006 and 2007.

[Please describe with figures, and include any activities that may fall under 'other trade-related needs']

[The figures do not correspond with what the Aid Coordination Management Section (ACMS) which is responsible for coordinating aid under the Ministry of Economic Planning and Development. It is important to note that the ACMS can only report on aid that has gone through their office and to government agencies. ACMS is unable to report on aid that has been received by the private sector or Non State Actors. ACMS is also unable to record aid that is given in the form of training as it is usually not quantified. Furthermore, ACMS fails to report accurately on aid that was channeled directly to an organisation without the involvement of their office and follow the country's Aid Policy.

Moreover, some aid especially from financial institutions such as the World Bank or African Development Bank are being captured by the Ministry of Finance. Therefore the various manner that aid is disbursed in the country makes it hard to capture for record purposes.

It is also important to note that OECD only provides data on member countries. By only reporting on members of the OECD there are countries such the Republic of China on Taiwan which is the largest bilateral donor for Swaziland that are not reported.

To address these challenges the Aid Coordination Management Section is in the process of undertaking an Aid Assessment exercise. The data collected will be recorded in their external aid management database system.]

- End of Section 2 -

Please feel free to provide any additional information on aid-for-trade flows [.....]

¹ The CRS profile summarises the commitments and disbursements reported by donors to the OECD Creditor Reporting System on the aid categories most closely associated with Aid for Trade as defined by the WTO Task Force, specifically support for trade policy and regulations, trade development, trade-related infrastructure, building productive capacity and trade-related adjustment (available from 2008 only).

3 HOW DO YOU IMPLEMENT YOUR TRADE STRATEGY?

Ownership

Q3.1 Who is responsible for overseeing and coordinating the implementation of your trade strategies including activities funded by ODA?

- A national committee is responsible for coordination and implementation.
- The Trade Department has a coordinating role but implementation is overseen by each relevant department separately.
- The national aid agency has the main coordinating role but implementation is overseen by each relevant department separately.
- There is no central coordination department. Each relevant department is separately responsible for implementation.
- Other, please describe: [.....]

If you have (or are in the process of establishing) a national committee, please describe its main functions, its membership (e.g. ministries, private sector), frequency of its meetings and to whom the committee reports. [Please describe and exemplify below.]

[There is a National Trade Committee that was set to discuss any new developments in trade that Swaziland faces. The National Trade Committee ensures that there is transparency and accountability by Government on International Trade Agreements. The forum ensures that consultations are undertaken on all International Trade Agreements. The committee consist of the Ministry of Finance, Ministry of Public Works and Transport, Ministry of Natural Resources and Energy, Customs Excise, the Federation of Swaziland Employers and Chamber of Commerce and the Federation of Swaziland Business Institution Committee.]

Q3.2 Do you engage in dialogue with the private sector and other key domestic stakeholders about the formulation and implementation of your trade strategy?

- Nearly always Regularly Rarely Not sure/ NA

If you do, please describe your main stakeholders and the focus and frequency of your dialogue. [Please describe and exemplify below.]

[The main stakeholders for the dialogues with the private sector involve the exporters and organisations such as the Federation of Swaziland Employers and Chamber of Commerce, the Federal of Swaziland Business Cooperation as well as various companies in the service sectors. Consultations are undertaken on service sector which have potential for scheduling commitments. Dialogues are conducted with the private sector on issues of market access on goods as well as on trade facilitation.

The consultations usually occur before and after negotiations on trade agreements. These consultations ensure that all stakeholders are fully aware of all new developments on trade issues.]

For Least-Developed Countries participating in the Enhanced Integrated Framework (EIF):

Q3.3 Is your EIF focal point and committee responsible for overseeing and coordinating all your trade agenda?

Yes No Not sure/ NA

If no, please describe the different arrangements:

[.....]

Working with external partners: harmonisation and alignment

Q3.4 In your Aid for Trade programs, how often do donors co-ordinate and align through:

| | Regularly | Sometimes | Rarely or Never | Not Sure |
|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| Joint needs assessments | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Co-financing | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sector-wide approaches | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Joint Implementation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Joint Monitoring and Evaluation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Other, please describe: [.....] | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Monitoring and evaluation

Q3.5 Do you monitor or evaluate your donor supported trade-related programmes?

Nearly always Regularly Rarely or Never Not Sure

If you monitor and evaluate your donor supported trade-related programmes, do you use:

| | Regularly | Sometimes | Rarely or Never | Not Sure |
|--|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| Donors' monitoring and evaluation results | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Joint monitoring and evaluation arrangements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

| | | | | |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| Own monitoring and evaluation arrangements | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Own monitoring but joint/donor evaluation | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If you use nearly always or frequently your own monitoring and/or evaluation arrangements, can you please provide examples of your methodology and results? [Please describe and exemplify below.]

[.....]

Mutual Accountability

Q3.6 Have you established mechanisms/procedures to discuss with the relevant donors the outcome and impact of your trade-related programmes?

Yes No Not sure/ NA

If yes, please can you describe and exemplify them?

[Quarterly progress reports are written and presented to the programme's steering committee. The]

Priorities for improvement

Q3.7 What are your government's priorities to improve the implementation and effectiveness of the aid for trade it receives? Please rank the top three in order of importance.

- Greater say in the design of aid for trade interventions:
- Stronger donor focus on capacity development:
- Better predictability of aid for trade funding:
- More extensive use of Budget Support (or Trade Sectoral Wide Approaches)
- More regular joint-donor implementation actions
- More harmonised reporting requirements
- More frequent joint donor-partner implementation efforts
- More systematic use of joint donor-partner monitoring and evaluation
- Other, please describe: [.....]

Please, describe in detail the improvements needed in your top priority area

[Technical assistance is a short term support that aims to build capacity by filling the gaps that the human resource of the recipient country lacks and the strengthening of institutions. The International Trade Department is currently in the process of being strengthened by filling up vacant post as well as developing a trade strategy and policy. The capacity building will promote a good policy environment for institutions. A good policy environment is essential as it promotes aid effectiveness which leads to growth and poverty reduction. An improvement in good policy allows the recipient country to achieve economic growth and to have better access to other forms of foreign aid thus showing the effectiveness of aid as the institution's performance would excel especially when negotiating and implementing trade agreements. Furthermore, a needs assessment has to be undertaken to ensure that the skill gaps are identified.

It is important that the aid for trade does not concentrate heavily on how much aid should be given thus overlooking the quality of the aid being pledged by donor agencies. The quality of aid for trade should be in terms of the financial resources having a positive impact on development and poverty alleviation in the developing countries.]

Sharing Knowledge

Q3.8 Please identify and rank three areas of interventions (see Question 1.2 for a list of examples) where aid for trade has been most effective at raising trade capacity in your country.

(Please explain your choice)

Area 1 [Trade Facilitation -]

Area 2 [Export Diversification - Swaziland has been accessing a competitive market in the EC for exporting sugar. However, the decrease in prices has led to export diversification. A National Adaptation Strategy was developed to ensure that export diversification occurs to counteract the negative impact of prices of sugar dropping. Moreover, the National Export Strategy looks into various sectors and export development.]

Area 3[Trade Policy Analysis, Negotiation and Implementation - The negotiations especially on Economic Partnership Agreements with the EC have been viewed to be raising trade capacity in Swaziland. The negotiations have encouraged the involvement of Non State Actors through participatory consultations. Moreover, the trade analyst officers are improving their negotiating skills. Awareness has been raised on trade in services whereby a study on services was undertaken in an effort to identify which service sectors' commitments can be scheduled.]

Q3.9 Are there any particular examples of your aid-for-trade processes, programmes or projects that have obtained good results that you think could contribute to the development of good practices?

[If so, please describe them below and attach any relevant documents.]

[The National Export Strategy is an example of a programme that could contribute to the development of good practices. However, due to lack of financial resources the implementation of the National Export Strategy was not a success.]

- End of Section 3 -

Please feel free to provide additional information on the implementation of your donor supported trade-related programmes and projects, *i.e.* aid for trade. [.....]

4 ADDRESSING TRADE CAPACITY CONSTRAINTS AT THE REGIONAL LEVEL

Q4.1 Do your trade strategies specifically address regional trade capacity challenges?

Yes No Not sure/ NA

If YES, please describe them:

[.....]

Q4.2 Do you participate in regional dialogues, programmes or activities aimed at promoting regional integration?

Yes No Not sure/ NA

If YES, can you tell us in how many of these you participate in and describe the most important ones to you? [Please describe below.]

[SADC, COMESA and SACU, meetings are regular held at various levels. There are meetings for technical working groups that meets frequently and council of minister's meeting which occurs maybe quartely or when the need arises. Summits with the Head of States are held for the SADC and COMESA organisations with the exception of SACU where the highest level to hold a forum is at ministerial.]

Q4.3 Do you know if these regional dialogues, programs, and/or institutions receive aid for trade?

Yes, they do No, they don't I don't know/ NA

If YES, are you an active participant in the regional dialogues, programs and/or institutions?

Yes No Not sure/ NA

Q4.4 Do you participate in or benefit from aid-for-trade programmes implemented at the regional level?

Yes No Not sure/ NA

If YES, please describe the main benefits. [Please describe and quantify whenever possible.]

[The benefits are mostly through capacity building programmes on trade - related issues such as trade facilitation, trade policy and negotiation skills. This can also be in form of studies being undertaken to assess the situation at ground level such as a study on services.]

- End of Section 4 -

Please feel free to provide any additional information concerning the regional dimension of your trade strategies: [.....]

-- Thank you --

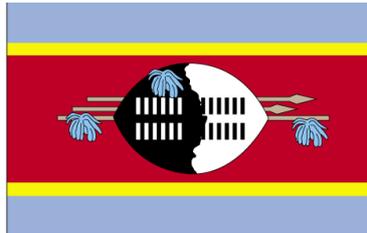
Aid-for-Trade Flows as recorded by the Aid Coordination Management Sections

| Country: | | Swaziland | | | Commitments | | | Disbursements | |
|--|--|------------------|---------------|--------------|---------------|----------|--|---------------|--|
| CRS purpose codes | | 2002-05 total | 2006 | 2007 | 2006 | 2007 | | | |
| TRADE POLICY AND REGULATIONS and TRADE-RELATED ADJUSTMENT | | | | | | | | | |
| 33110 | Trade Policy and administrative management | | -- | 2 265 | -- | | | | |
| 33120 | Trade facilitation | | 875 | | -- | | | | |
| 33130 | Regional trade agreements (RTAs) | -- | -- | | -- | | | | |
| 33140 | Multilateral trade negotiations | -- | -- | -- | -- | | | | |
| 33150 | TRADE-RELATED ADJUSTMENT | -- | -- | -- | -- | | | | |
| 33181 | Trade education/training | | -- | | -- | | | | |
| | sub-total | 0 | 875 | 2 265 | 0 | 0 | | 0 | |
| ECONOMIC INFRASTRUCTURE | | | | | | | | | |
| 21010 to 21081 | Transport and storage | | -- | -- | -- | | | | |
| 22010 to 22040 | Communications | | | | | | | | |
| 23010 to 23082 | Energy supply and generation | 5 240 | | | | | | | |
| | sub-total | 5 240 | 0 | 0 | 0 | 0 | | 0 | |
| BUILDING PRODUCTIVE CAPACITY | | | | | | | | | |
| <i>development activities (1)</i> | | | | | | | | | |
| 25010 | Business and other services | -- | -- | -- | -- | | | | |
| 24010 to 24081 | Banking and financial services | | | | | | | | |
| 31110 to 31195 | Agriculture | 10 913 | 25 739 | -- | 7 953 | | | | |
| 31210 to 31291 | Forestry | | 8 000 | | 8 000 | | | | |
| 31310 to 31391 | Fishing | 17 | | | | | | | |
| 32110 to 32182 | Industry | 4 631 | | | | | | | |
| 32210 to 32268 | Mineral resources and mining | 549 | | | | | | | |
| 33210 | Tourism | 4 631 | 772 | | 772 | | | | |
| | sub-total | 20 741 | 34 511 | 0 | 16 725 | 0 | | 0 | |
| not applicable | Focus on Trade Development (1): | | | | | | | | |
| | Principal objective | | | | | | | | |
| | Significant objective | | | | | | | | |
| | sub-total | | | | 0 | | | 0 | |
| OTHER TRADE RELATED NEEDS (2) | | | | | | | | | |
| <i>(USD currency in thousands)</i> | | | | | | | | | |
| not applicable | <i>These data will form part of donors' reporting to the WTO under the three-tier monitoring system.</i> | | | | | | | | |
| TOTAL AID-for-TRADE | | 25 981 | 35 386 | 2 265 | 16 725 | 0 | | 0 | |

Source: Aid Coordination Management Section in the Ministry of Economic Planning and Development

OTHER TRADE RELATED NEEDS (2)

KINGDOM OF SWAZILAND



NATIONAL EXPORT STRATEGY 2006 -2009

**Prepared by the Ministry of Foreign Affairs and Trade and the
business community**

Mbabane, Swaziland

January 2006

**Technical Assistance provided by the Commonwealth Secretariat and
the International Trade Centre.**

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NES Implementation Matrix 2006 – 2009.....113

Appendix II:

References and Other Sources of Information

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| | |
|----------|---|
| APLAC | ASIA PACIFIC LABORATORY ACCREDITATION COOPERATION |
| BIPM | INTERNATIONAL BUREAU OF WEIGHTS AND MEASURES |
| BRC | BRITISH RETAIL CONSORTIUM |
| CCA 1 | COMMON CUSTOMS AREA 1 |
| COMESA | COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA |
| EDI | ELECTRONIC DATA INTERCHANGE |
| EU | EUROPEAN UNION |
| EUREPGAP | EUROPEAN GOOD AGRICULTURAL PRACTICES |
| FSDU | FARM SUPPORT DEVELOPMENT UNIT |
| GAP | GOOD AGRICULTURAL PRACTICE |
| GCTF | GLOBAL COMPUTER TRUST FUND |
| GDP | GROSS DOMESTIC PRODUCT |
| HACCP | HAZARD ANALYSIS CRITICAL CONTROL POINT |
| IAAC | INTER-AMERICAN ACCREDITATION COOPERATION |
| IEC | INTERNATIONAL ELECTROTECHNICAL COMMISSION |
| IPPC | INTERNATIONAL PLANT PROTECTION COUNCIL |
| ISO | INTERNATIONAL STANDARDS ORGANIZATION |
| ITC | INTERNATIONAL TRADE CENTRE |
| ITF | INDIVIDUAL TENURE FARMS |
| MEPD | MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT |
| MFA | MULTIFIBRE AGREEMENT |
| MFN | MOST FAVOURED NATION |
| MHA | MINISTRY OF HOME AFFAIRS |
| MOAC | MINISTRY OF AGRICULTURE AND COOPERATIVES |
| MOFAT | MINISTRY OF FOREIGN AFFAIRS AND TRADE |
| MOT | MINISTRY OF TOURISM |
| MRL'S | MAXIMUM RESIDUE LEVELS |
| MRS | MALKERNS RESEARCH STATION |
| NAB | NATIONAL ACCREDITATION BODY |
| NAFP | NATIONAL ACCREDITATION FOCAL POINT |
| NAMBOARD | NATIONAL AGRICULTURAL MARKETING BOARD |
| NSB | NATIONAL STANDARDS BODY |
| OIML | INTERNATIONAL ORGANIZATION OF LEGAL METROLOGY |
| PEU | PUBLIC ENTERPRISE UNIT |
| PTA'S | PREFERENTIAL TRADE AGREEMENTS |
| ROO | RULES OF ORIGIN |
| SACU | SOUTHERN AFRICAN CUSTOMS UNION |
| SADCAS | SADC ACCREDITATION SYSTEM |

| | |
|----------|---|
| SARS | SOUTH AFRICAN REVENUE SERVICES |
| SIDC | SWAZILAND INDUSTRIAL DEVELOPMENT COMPANY |
| SIPA | SWAZILAND INVESTMENT PROMOTION AUTHORITY |
| SME | SMALL AND MEDIUM ENTERPRISES |
| SNL | SWAZI NATION LAND |
| SPS | SANITARY AND PHYTO-SANITARY MEASURES |
| SPTC | SWAZILAND POSTS AND TELECOMMUNICATIONS |
| STA | SWAZILAND TOURISM AUTHORITY |
| SWAZIGAP | SWAZILAND GOOD AGRICULTURAL PRACTICE |
| SWOT | STRENGTHS WEAKNESSES OPPORTUNITIES AND THREATS |
| TBT | TECHNICAL BARRIERS TO TRADE |
| TDL | TITLE DEED LAND |
| TPU | TRADE PROMOTION UNIT |
| VAT | VALUE ADDED TAX |
| WTO | WORLD TRADE ORGANIZATION |

EXECUTIVE SUMMARY

1. Swaziland is an open economy that has over the years depended mainly on revenues generated by the sugar and sugar related industries. The need for the development of an export strategy has been necessitated by the realization that there is a serious lack of competitiveness, poor market diversification and a weak public - private sector partnership. It is hoped that this export strategy will be an effective tool to encourage, among other things, diversification of the export mix away from a limited number of traditional exports to more value added and competitive sectors and thus reduce the country's vulnerability to external shocks.
2. This export strategy covers the period 2006-2009 and will be reviewed annually in line with the national development plans and medium term expenditure framework.
3. The process of developing an export strategy for Swaziland commenced with a review of the ITC methodology. This methodology covers comprehensively all the salient features and best practices in the design of a country's national export strategy. A core team comprising representatives from both the public and private sectors was constituted and this provided leadership to the process. All the key sectors of the economy were represented.
4. The early stages of development of the strategy involved preparation of a response paper which was aimed at, among other things, bringing to the attention of stake holders the present state of the export environment, identification of existing problems, spelling out existing gaps and detailing best practice to improve competitiveness. The response paper was then tabled at a stakeholders' workshop in June 2005. Participants were drawn largely from the business community with direct or indirect involvement in export as either current, aspiring or potential exporters. Public sector and professional organizations important for trade development were also invited to the stakeholders' workshop and have continued to make valuable contribution to the process since then.
5. The middle stages of the process involved extensive industry research to establish issues pertaining to specific sectors and to consolidate information regarding cross sectoral issues. A second stakeholders' workshop was held in November 2005 to establish the vision and objectives of specific sectors, discuss results of industry research. During the workshop stakeholders' views were sought and additional information collected. Priorities and targets were set out for the various sectors.

6. Having collected the views of stakeholders and carried out an extensive research on each of the priority sectors, a final workshop will be held in March 2006 to table the draft export strategy document. With the 'buy in' of the business community, the final report will be prepared and sent in for cabinet approval in June 2006. A National launch of the strategy is scheduled for July 2006.
7. This National Export Strategy Report is divided into six chapters:
 - i) Chapter one comprises an introduction, which provides the vision of the strategy, details the rationale, scope and a synopsis of the present state of the business environment.
 - ii) Chapter two contains an overview of the export performance. The chapter focuses mainly on traditional export sectors.
 - iii) Chapter three is mainly a discussion of the critical issues addressed by the strategy. Issues include supply constraints faced by industry and constraints within the trade support network. The chapter also provides an outline on the direction to be taken to enhance competitiveness in the export sector.
 - iv) Chapter four is a detailed analysis of the identified priority sectors, namely the Sugar Industry, Forestry, Horticulture and Citrus exports, Handcraft, Food and Beverages, Tourism and ICT. The chapter contains a discussion of critical issues pertaining to each sector and an outline of objectives. The direction to be followed in addressing constraints faced by specific sectors is provided in a strategic plan matrix which details out clearly the activities to be undertaken to achieve goals and an indication of resource requirements and responsible agents.
 - v) Chapter five focuses on cross cutting issues pertaining to all sectors. These include trade finance, packaging, export quality management, trade information, transport and logistics, trade facilitation and waste management.
 - vi) Chapter six provides direction regarding strategy implementation particularly coordination thereof and gives a clear indication of roles of the various stakeholders.

CHAPTER ONE

INTRODUCTION

1.1 Background

Swaziland is a small, landlocked economy located in Southern Africa. Her economic livelihood is thus heavily reliant on exports and export earnings as well as on Foreign Direct Investment. Nonetheless, until now, Swaziland has been reliant on a small range of essentially primary products and has not been able to sufficiently diversify and expand her export sector to deal effectively with issues such as poverty and unemployment in the country.

Small developing states such as Swaziland have found the current global trading environment hostile because of their vulnerability to external economic shocks, the global trend towards elimination of preference arrangements, as well as their reliance on a narrow range of mainly low value products that are facing increasing competition in export destinations from other developing countries. Swaziland has further unique challenges in that the small size of her economy and landlocked position mean that destination economies are farther away, thereby increasing the cost of her products abroad.

The Government of Swaziland has identified the export sector as an important driver for rapid economic growth and development. The country's *National Development Strategy* and the *Smart Programme on Economic Empowerment and Development*, identify the private sector as the engine for economic growth and the export sector as the main player in ensuring a vibrant and a self-sustaining economy. The government encourages the establishment of strong public-private partnerships to promote exports. A National Export Strategy provides direction to policy makers on how to improve competitiveness of the export sector and thus increase yields.

1.2 The Vision

In developing a National Export Strategy, Swaziland hopes to achieve a sustainable economic growth through enhanced competitiveness, value addition and export diversification in targeted sectors, and a strong Public Private Partnership (PPP) contributing to the prosperity of the peoples of the Kingdom of Swaziland.

1.3 Overall Objectives

The specific objectives of the national export strategy include the following:

- (i) To expand the export base and ensure an increased mix of exports thus reducing the burden on the sugar industry as the main foreign exchange earner.
- (ii) To strengthen the existing relationships with current markets to ensure that Swaziland takes full advantage of preferences offered by existing markets.
- (iii) To enhance market access for Swaziland exports through branding and improved product quality
- (iv) To improve trade facilitation through the establishment of strong Public Private Partnerships.
- (v) To pave a way for technological innovations that will enhance competitiveness of Swaziland exports by ensuring the use of low cost production methodologies that do not compromise the national objective of employment creation.

1.4 The Strategy Design Process and Paradigms

To be effective, any strategy aiming to stimulate exports must be comprehensive, responding to all issues that affect the international competitiveness of the business community as a whole. As such, the National Export Strategy can be viewed as comprising four interlinking gears, namely: the border-out gear, the border gear, the border-in gear and the development gear.

The border-out gear of the strategy predominantly required by export ready firms includes the identification of commercial opportunities abroad, the promotion of investment and the country's national image, as well as increasing market contact through participation at fairs and exhibitions. Traditionally, Trade Promotion Organizations in their effort to improve export performance have given attention to this gear of the strategy. Focus has been on negotiating increased access for exportable products to priority markets and trade support on border-out services.

Nonetheless, this border out orientation fails to achieve lasting improvement in export performance as it does not address the overall issue of competitiveness at the national and individual enterprise level. To be effective, trade support must develop the overall competitiveness of the enterprise rather than seek to increase its immediate export sales.

As such, a National Export Strategy, through the identified Trade Support Network, must address the other gears of strategy as well.

Border issues; these are related to transaction costs incurred by the business community and typically include bottlenecks in trade related infrastructure like transport, communication and the cost and availability of finance. Also included are problems of administrative procedures and documentation requirements.

Border-in gear; this gear allows for the development of increased competitiveness among exporters. These include capacity development services to build on existing production capacities, capacity diversification services to develop new business ventures so as to broaden the national export base and grow new exporters, as well as the competency development services targeted at export managers.

Development gear; this gear allows for the mainstreaming of external trade issues into the overall economic planning process by focusing strategic initiatives on the core development issues of poverty alleviation, employment generation and decentralization of industry. If this gear is lacking, especially in developing economies, political commitment to export related objectives will remain weak as exporting will be seen to be benefiting only a few. Without political commitment, the national trade support network cannot be effective.

The current National Export Strategy, designed for the period 2006-2009, focuses on seven priority sectors drawn from Agriculture, Manufacturing and Services. Criteria used to prioritize sectors included the following: The sector's current contribution to GDP, its current contribution to total export, the sector's growth potential, and stakeholder assessment. Prioritized sectors are as follows:

1. Sugar
2. Forestry
3. Horticulture and Citrus Exports
4. Handcraft
5. Food and Beverages
6. Tourism
7. Information Communication Technology

The process of strategy development commenced with the formation of a core team in 2004 comprising stakeholders from the public and private sectors. Members of the public sector were drawn from relevant line ministries such as Foreign Affairs and Trade, Economic Planning and Development, Enterprise and Employment, Tourism. Members of the private sector were drawn from organizations such as the Chamber of Commerce and the Swaziland Sugar Association, parastatals such as the Central Bank

of Swaziland and the National Agricultural Marketing Board. Below is a summary of the process undertaken in Strategy development:

- The core team was identified in 2003 and a workshop aimed at assigning tasks and familiarising the core team members with the ITC template for export strategy design was held. The process culminated in the production of a Response Paper.
- The first national symposium was held in June 2005 to consider issues contained in the response paper and identify priority sectors for Swaziland.
- Industry research was conducted to help undertake an in-depth analysis on issues pertaining specific sectors. The research was followed by a stakeholders' workshop to validate research results and collect new information.
- The final national Stakeholders symposium at which the draft Strategy Report will be presented is scheduled for March 2006.
- The final report was then sent in for Cabinet approval in June 2006.

CHAPTER TWO

SITUATION ANALYSIS

2.1.1 The Current Structure of Exports

Swaziland has a limited range of exports, which include soft drink concentrates, textiles and apparel, sugar, potable alcohol, sugar based products, canned fruits, timber, wood pulp, citrus fruits, fresh produce, handicrafts, cut flowers and refrigerators. The level of preferences in major markets has largely influenced the performance of the clothing and sugar sectors. Global commodity prices have had an impact on the performance of sugar, timber, canned fruits and citrus.

2.1.2 Macroeconomic Trends

Swaziland, like many other developing nations is an agriculture based economy. In recent years, industrial production experienced very high and unprecedented growth rates but agriculture remains the mainstay of the Swaziland economy. In particular the sugar industry has made significant contributions to GDP over the past ten years.

The growth rate of the Swaziland economy has remained relatively low over the years. This can be attributed mainly to fluctuations in productivity of several major industries. Further, it is not clear at present whether the picture is likely to improve or not in view of the changes that are currently taking place in international trade. Swaziland is currently experiencing low levels of inflation, though it is uncertain how long this is going to last since the country's economy is heavily influenced by changes in the South African economy. Swaziland's discretion regarding monetary policy is limited by membership to the Common Monetary Area (CMA), thus the extent of control on inflation and other macroeconomic aggregates is limited. Selected macroeconomic indicators are summarised in table 2.1 below.

Table 2.1: Macroeconomic Indicators (2001-2003)

| GDP by Sector (Em) | 2001 | 2002 | 2003* |
|---------------------------------------|----------------|----------------|----------------|
| Agriculture | 131.6 | 134.0 | 136.8 |
| Forestry | 18.5 | 18.8 | 19.3 |
| Mining | 12.5 | 13.9 | 11.1 |
| Manufacturing | 535.0 | 546.5 | 556.4 |
| Construction | 105.6 | 106.6 | 107.6 |
| Transport & Communications | 89.9 | 92.2 | 94.7 |
| Other | 660.4 | 688.5 | 716.5 |
| Total GDP at Factor Cost | 1,503.4 | 1,545.6 | 1,581.8 |
| Annual GDP growth rate (%) | 1.7 | 2.8 | 2.4 |
| CPI (%) | 7.5 | 11.7 | 7.4 |

Source: Central Bank of Swaziland Annual Report 2003/4

Note: * Preliminary

In spite of the various measures undertaken to restructure the economy, Swaziland's expenditure programme has continued to be insufficiently responsive to the socio-economic challenges currently facing the country. The trend of huge deficits which began in 1992 still persists. This is very disturbing in view of the changes that are occurring in the Southern African Customs Union (SACU), Swaziland's major source of revenue, which are expected to result in a fall of the country's share from the SACU revenue pool. The government has embarked on various measures to try and diversify sources of revenue; these include strengthening tax collection and administration systems as well as supporting industries that have the potential for growth e.g. the tourism sector.

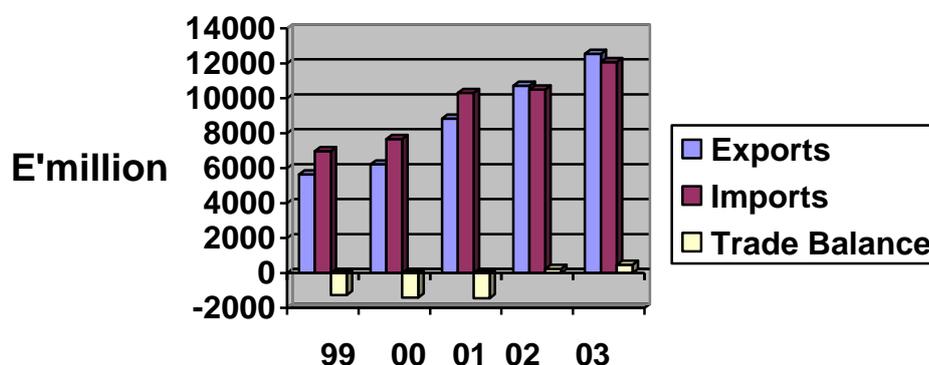
Government revenue is still inadequate to finance all public programmes and as a result there has been an increase in the external debt over the years. In the year 2000, the debt service as a percentage of GDP stood at 2.05%, 1.20% in 2003 and 1.85% in 2004. Whilst these ratios might appear negligible, they remain a concern in view of the country's level of development.

2.1.3 Export Performance

In spite of difficult market conditions, some of the country's exports such as sugar recorded high earnings in 2003. By December 2003, export earnings under AGOA had increased by 68.1%. Earnings from one of Swaziland's traditional exports, wood pulp, have been declining; by the end of 2003 they had plummeted by 41.3%. Canned fruit export revenue was adversely affected by low prices in world markets and the unfavourable and unstable Rand/Lilangeni exchange rate. Whilst export revenues have generally been on the decline, the import bill has experienced unprecedented increases. The ratio of exports to GDP stood at 82% in 2003, whilst that of imports was at 76%. This is mainly due to an increase in the importation of fabrics used for processing in the textile industries. Through the Third country provision, Swaziland has been able to benefit from AGOA by sourcing inputs for the textile industries from countries that have a comparative advantage in the production of fabrics. As a result of the drought food imports have also increased tremendously. Figure 1.1 below shows the values of exports, imports and the trade balance over the period 1999 to 2003.

Currently, the economy of Swaziland is experiencing a positive trade balance. It is however, uncertain whether this picture can be sustained in the face of global trade liberalization under the WTO system. The erosion of preferences in international markets coupled with conditions of market access is likely to result in a negative trade balance unless supply constraints currently existing in most export oriented industries are adequately dealt with to ensure increased production levels.

Figure 1.1 Trade Balance for period 1999-2003



2.2 Sectoral Analysis and Export Development

2.2.1 Agriculture

Table 2.2: Agriculture Indicators 1999-2002

| Agriculture Indicators | 1999 | 2000 | 2001 | 2002 |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Agric% of GDP | 10.5 | 9.8 | 8.8 | 8.5 |
| Crop Production on SNL (E'm) | 42.7 | 30.5 | 29.6 | 23.8 |
| Crop Production on ITF (E'm) | 82.7 | 90.1 | 94.2 | 89.3 |

Source: Central Bank of Swaziland Annual Report 2003/4

Over 70% of the population of Swaziland depends on Agriculture for their livelihood. Whilst the agricultural sector is important for sustenance in the rural areas it is also an important source of raw material for agro-based manufacturing industries. Although this sector has experienced increased value addition over time, its contribution to GDP has been declining since the year 2000.

There are two main types of land tenure systems in Swaziland under which agricultural production takes place; Swazi Nation Land (SNL)¹ and Individual Tenure Farms². Maize, cotton and sugar cane dominate SNL production. Since most of the land is not under irrigation it tends to be greatly affected by prevalent weather conditions. As indicated in table 2.1 above the value of SNL output has been declining over the past five years. SNL land farmers cannot access finance due to lack of collateral. The country has experienced prolonged periods of drought, which have had very serious impact on maize and cotton yields. Maize production was also affected by the switch of local farmers to the production of export crops such as sugarcane. Commercialization of SNL agriculture has led to the transformation of areas, which previously depended on rudimentary methods of production with low yields to modern, irrigation based agriculture with higher yields.

Stringent Sanitary and Phyto-sanitary measures have had a negative impact on the performance of the agricultural export sector. This however, can be rectified by provision of laboratories for testing as well as capacity building in the office responsible for Sanitary and Phyto-sanitary measures.

a) Maize

Maize is the staple crop in Swaziland and a number of farmers are engaged in the subsistence production thereof. The area under maize cultivation has increased in spite of challenges posed by the switch of some maize producers to sugar cane farming. Production of maize however has been falling as a result of a number of challenges, which include market unavailability, cheap imports lowering the price, weather and financial implications. Maize production has also been adversely affected by the availability of free maize, which is distributed in the form of aid.

b) Cotton

Cotton is one of the main sources of livelihood for people living in the dry areas of the country. Apart from the persistent drought conditions this sector has also been seriously affected by the closure of the only cotton ginnery in the country, which was the main buyer of raw cotton from farmers. Area under cotton cultivation decreased by 70% in 2003. This had a serious impact on cotton yields for the year.

Loss of a domestic market left cotton producers with the difficult task of finding alternative international markets. With the assistance of the Swaziland Cotton Board farmers were able to secure buyers in the Republic of South Africa.

¹ SNL is land held in trust by the King on behalf of the nation. This land is found mainly in rural areas.
² Owners of this kind of land have title deed.

c) Livestock

Swaziland's livestock comprises mainly cattle. This sector has been seriously affected by overgrazing as a result of conversion of vast pieces of land to human settlements. Swaziland remains a net importer of beef products. Yields in this sector have also suffered as a result of the cultural significance attached to cattle; Swazis rear cattle as a store of value and attach a lot of importance to their use in cultural functions.

Poor commercialization in this sector has kept the country's exports of beef way below the allocated EU quota of 3,363 tonnes of boneless hindquarter beef. The beef export abattoir, Swaziland Meat Industries (SMI), experienced increased production in 2003. Export volumes and receipts also responded positively. However, at the beginning of 2005 beef imports to the European Union were suspended following failure by the local industry to meet the stringent international sanitary and traceability requirements.

d) Citrus Fruit

Production in this sector has been seriously affected by unfavourable climatic conditions and stringent SPS measures. However, the industry has made significant improvements. Citrus fruit is used by the local fruit canning industry and also sold as fresh produce to Japan and the EU. Improved world market conditions however have increased prospects for this sector.

In the past the citrus sector has been challenged by stringent phytosanitary standards, which they could not meet. The industry has however made significant improvements in quality of produce. Table 2.1 show citrus production levels and receipts over the period 2001 – 2004.

Table 2.3: Citrus Production and Receipts (2001-2004)

| | 2001 | 2002 | 2003 | 2004 |
|------------------------|---------|--------|--------|--------|
| Production (Mt) | 100,072 | 89,854 | 74,418 | 70,955 |
| Exports (Mt) | 42,770 | 35,695 | 28,158 | 32,347 |
| Exports (E'm) | 82.91 | 60.15 | 80.46 | 81.03 |

Source: Central Bank of Swaziland Annual Report 2003/4

e) Other agricultural and horticultural products

Recent years have seen the growth of the horticulture sector, mainly baby vegetables and cut flowers with the major market being the European Union. The varying ecological zones allow for the production of baby

vegetables throughout the year. The growth of the sector can also be attributed to the access to preferential markets such as the EU through the Cotonou Agreement. In the past the bulk of baby vegetable exports went through South African agents, showing the products as originating from South Africa. However, increasingly local farmers are beginning to send their produce directly to the EU markets, mainly France, United Kingdom and Holland. Currently negotiations are ongoing to further penetrate markets within the EU and the Middle East. The country has begun realizing increased inflows of foreign exchange earnings and job creation particularly in rural areas.

2.2.2 Manufacturing

a) Sugar

The sugar sector has been the main driver of the Swaziland economy for a long time. Trends indicate that the industry has been growing over the years in spite of various shocks. Sugar production increased by 7.8% to register 628,191 tonnes during 2003/04 cropping season compared to the previous season where production stood at 583,014 tonnes. Increased yields are attributed mainly to favourable climatic conditions and the expansion of cultivable area as a result of a shift of large numbers of small-scale farmers into sugar cane growing.

Apart from the fact that relatively lower production costs put Swaziland among the top ten efficient cane sugar producers in the world, preferential access to the European Union, United States of America and Southern African Customs Union (SACU) markets under quota systems bolstered the growth of the industry. However, the world sugar market is grossly distorted, resulting in the world price falling below production costs. Currently there is only one country that has been able to produce below the world price and that is Brazil, whose competitive edge is largely attributed to large area under cane allowing for economies of scale.

Major challenges face the sugar industry. As part of the reform of the European Union's Common Agricultural Policy, which is aimed at removing subsidies to EU farmers, the price of sugar in the EU market will fall in the next few years. Currently the price of sugar in the EU market is three times higher than the world market price. What this implies for the sector is that a bulk of the produce will have to be sold in the world market where the price is depressingly low. For the sector to remain competitive there is need to cut down on production costs.

Table: 2.4: Sugar Production and Sales (2001-2005)

| | 2001/02 | 2002/03 | 2003/04 | 2004/05 |
|-----------------------------------|---------|---------|---------|---------|
| Production (Mt) | 500,680 | 583,014 | 628,191 | 594,127 |
| Exports (Mt) | 208,095 | 296,800 | 265,291 | 243,198 |
| Value of Exports (E'm) | 647.2 | 689.0 | 762.2 | 758.4 |
| Domestic [SACU] Sales (Mt) | 302,250 | 299,000 | 345,575 | 242,205 |

Source: Central Bank of Swaziland Annual Report 2004/5

b) Sugar-Based Products

The country has attracted a number of sugar-based manufacturing industries, largely to take advantage of the competitive price of sugar. These include soft drink concentrate and other confectionery industries. Soft drink concentrate has its main market in South Africa (about 50%) and the rest in Sub-Saharan Africa, Australia and New Zealand. Markets for confectionery include South Africa (95%) and other SADC countries.

c) Textile and Apparel

Growth in the textile and apparel sector has been spurred by Swaziland's eligibility to the African Growth and Opportunity Act initiative by the USA. This has seen the establishment of garment and clothing companies mainly from the Republic of China and Taiwan. The phasing out of the Multi-fibre Agreement on textiles and garments has placed a major challenge on this sector, subsequently a large number of establishments have already terminated their operations. As a result, close to 15, 000 jobs have already been lost within the sector.

The absence of indigenous investors in the textiles and garments industry has been raised as a concern in various fora. Lack of information on markets and capacity to establish business contacts has prevented indigenous investors from effectively accessing markets under AGOA.

d) Forestry

Forestry is another important export commodity in Swaziland. The major players are Sappi Usutu, Mondi and Shiselweni Forest. Sappi Usutu grows pine and is one of the largest man-made forests in the world, covering 66, 000 hectares of land. The pine is used to produce unbleached kraft pulp (UPK) at the Sappi Mill. UKP production declined by a significant 10.1% to 167,734 tonnes in 2003 compared to 186,649 tonnes produced in 2002.

Besides pulp milling, other products include mining and construction timber, doors and pallets, coffins, wooden furniture, and shelving units. Traditional markets are in the Far East, the USA and the EU. A promising market has emerged in Mainland China. Other companies such as Peak Timbers, Swaziland Plantations and Shiselweni Forest produce mining timber and eucalyptus oil for export.

e) Fruit canning

Fruit canning is another sector that has been operating in the country for many years. Swazican produces a wide range of products comprising pineapple rings and pieces, juice, citrus segments and jams. The company also grows pineapples around the Malkerns Valley whilst citrus fruits are purchased from local farmers. In recent years, there has been a shift from citrus growing to sugar cane growing by most farmers, which has prompted the company to buy a citrus estate to ensure adequate core supply of fruits. Similar trends have been observed in the pineapple sector. Production at Swazican fell by 0.7% in 2003. Export volumes, on the other hand, increased by 4.9% but export receipts failed to match the increased volumes; export revenue fell by 21.1% due to a decline in international prices and local currency appreciation against international currencies. The company responded by increasing its land area for pineapple cultivation to make up for the shortage.

The main markets for canned fruits are the United Kingdom and Japan, whilst the domestic market and that of the Republic of South Africa are important for the sale of jam.

2.2.3 Handcrafts

This is one sector that has taken advantage of external markets. Assisted by the Trade Promotion Unit, the sector has been able to further penetrate international markets.

The establishment of a trading house, which currently concentrates mainly on trading of handcrafts has greatly improved the marketing of handmade products.

2.2.4 Tourism and other services exports

Tourism has been identified as a sector with a potential for growth, and it is in-fact one of the fastest growing sectors globally. The past years have seen a growing interest from overseas tourists, which can be attributed to aggressive marketing by the Swaziland Tourism Authority and other players in the industry. Despite the short average length of stay of one and a half days, performance of the tourism sector has increased. Bed nights increased by 23.1% to 509,994 in 2003 from 414,360 sold the previous year. Increased diversification of the hospitality industry to cater for a wider range of travellers has resulted in increased revenues. Total receipts from tourism

increased by 22.2% to E268.7 million in 2003 from 219.8 million received in 2002.

Among its other activities, The Swaziland Tourism Authority conducts market research to plan and create awareness of tourism nationally. The Development of community-based tourism has been a major focus in recent years. The industry faces competition from neighbouring states, especially South Africa. Another challenge is attracting tourists that will stay longer than the one-day/two-day stay that currently characterizes the sector. However, close proximity to Kruger National Park, South Africa's largest game resort works in Swaziland's favour.

The services sector has become an important contributor to the country's GDP. It is also an important foreign exchange earner, though a notable decline has been observed in recent years. The International Trade Centre has funded a study that is aimed at promoting export of services in Swaziland. What came out from preliminary consultations is that a number of exporting industries in the sector were not even aware they are exporting. It is envisaged that the study will create sufficient awareness among service providers on the export potential inherent within the sector.

CHAPTER THREE

STRATEGIC ISSUES

3.1 Assessment of National Competitiveness and Constraints

These are more pronounced among indigenous exporters. Due to supply-side constraints local businesses cannot fully take advantage of trade preferences currently available. These have tended to benefit foreign firms that have the capacity to meet the demands in the form of large orders from overseas clients. A case in point is the African Growth and Opportunity Act by the US where foreign businesses are the main beneficiaries. Lack of technological know-how is also a constraint on the part of domestic producers. The way, in which production processes take place, it is difficult to transfer technology to the locals.

3.1.1 Sanitary and Phytosanitary Measures and Technical Barriers to Trade

As an agriculture and agro-based economy, applications of Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) have proved to be other supply side constraints for Swaziland. Increasingly, developed countries, to which most of our exports are destined, are demanding very stringent food safety standards. For Swaziland to retain customers and secure present and future markets, she must adhere to these demands. Producers need to be informed of the latest food safety measures by our major markets so that they conform to the requirements. This must be done on a regular basis, more so because in the wake of global tariff liberalization under the WTO system, countries tend to use more of SPS and TBT measures to protect their domestic markets.

3.1.2 Lack of a Vibrant Domestic Economy

The adage that charity begins at home is as valid in international trade as it is in life in general. For a business to succeed in the export sector, it must have a strong domestic presence. The majority of export companies in Swaziland are multinational corporations with fewer domestic companies participating in the sector. With globalization taking its toll we have seen a number of companies closing down, partly because Swaziland at this particular point in time is no longer an ideal investment location and largely because there is a genuine need to close some subsidiaries. These developments require that parallel with FDI promotion, Swaziland develops local businesses to the level at which they can produce for export.

3.1.3 Limited access to Export Finance

This is a major problem for indigenous exporters. Whilst a number of schemes have been set up to assist locals access financing, the desired impact has not been achieved thus far. A majority of traders are not aware of the existence such schemes. This could be attributed to poor marketing by those running the schemes.

Local banks are increasingly reluctant to lend to SMEs, largely because of poor repayment history. Government has, through the provision of 'free' money in the form of the Regional Development Fund sent conflicting signals to businesses. This fund, originally meant to provide infrastructure in rural areas has been diverted to business finance with no repayment commitment, perpetuating a culture of non repayment among Swazi entrepreneurs. This has also distorted the financial sector in the country.

A number of exporters are experiencing difficulties in accessing export finance timely. The turn-around time for getting bank financing is currently long.

3.1.4 Lack of access to information on available Markets

Information on available markets is not easily accessible to many businesses. Whilst the potential to export is there, given the number of preferential markets the country has, the information does not seem to filter down to the people who need it the most. The Trade Promotion Unit for instance, receives useful information on trade fairs and other useful market intelligence. It is vital to disseminate such information extensively so that local businesses are aware of market availability. Extensive use of ICT by Swazi SMEs would enhance access to market information. The Trade Promotion Unit within the Ministry of Foreign Affairs and Trade has limited funds to provide adequate assistance to exporters. Currently they are able to attend few and selected trade fairs. There is not much networking between the TPU and the private sector, as evidenced by the limited range of products show-cased in international shows. A case in point is the Paris food show where only baby vegetables are show-cased. Canned fruit, citrus fruit and beef can also be showcased.

3.1.5 High Transportation Costs

As a result of being land-locked, transportation costs for both imports and exports are quite high. These tend to increase the cost of goods by as much as 50% at point of sale. In terms of distance the use of Maputo harbour in Mozambique should be more economical, but railing rates are higher and the infrastructure is also not well developed. There have also been reports of corruption. The bulk of exports thus have to go through the Durban Port, which is far. For fresh produce, road transport is used to take the goods to Johannesburg International Airport from where they are flown to overseas

markets. The time taken at the border to clear goods through customs is too long and with the envisaged additional customs documentation from the South African side, i.e. SC-form-36, the situation is likely to worsen. Some time constraints could however be eased with the implementation of the EDI system at customs and CCA1 system integration with South African customs.

3.1.6 Poor Haulage Services

The Swaziland Railway does not have adequate wagons to cater for the needs of most exporters, especially the sugar industry. Sometimes there are delays in getting the merchandise to the harbour on time.

3.1.7 High Costs of Raw Materials

A number of companies have located in the country to take advantage of available, cheaper raw materials/inputs. However, with the global environment becoming more competitive, that attraction is no longer feasible. A number of companies are seriously considering relocating to other countries where they can source cheaper inputs

3.1.8 Provisional VAT Payment for goods transiting through South Africa

During consultations this came up as a common problem for all the exporters. Whilst a number of companies have no problem with the principle, inconsistency in implementation has been noted. Once companies have grasped and come to terms with the current requirements, additional requirements are then imposed by SARS, and are never communicated on time.

Goods transiting through South Africa must be acquitted within 30 days. Failure to provide SARS with the acquittal documents results in a fine, which has in turn caused significant cash-flow problems for a number of companies.

There is a VAT payment deferment scheme for companies exporting to South Africa, allowing them to pay VAT on a monthly basis. SARS requires such companies to register a bond with the bank as a way of mitigating possible default. The cost of the bond is determined by SARS and in most cases it is far more than what the companies pay on a monthly basis. The issue of interest charges is a major concern for most exporters since money has a time value and for the small exporter, this can impose severe cash-flow problems.

3.1.9 VAT Refund

The majority of exporters import their intermediate inputs from South Africa. They are expected to pay VAT on these and claim it once goods are in Swaziland. The time it takes to claim back the VAT is very long. For machinery and heavy equipment, including motor vehicles for instance, the period can be more than two months. In addition, there are fees one has to pay, resulting in reduction in the final payment. This has also caused cash-flow problems for most exporters.

3.1.10 Currency Fluctuations

The volatility in the Lilangeni/dollar exchange rate over the recent years has affected a number of exporters. The currency depreciated sharply against the American Dollar between 2001 and 2002, reaching lows of E13 to US\$1, only to appreciate sharply beginning 2003. Currently the rate is about E5.90 to the US Dollar. The depreciated currency on the one hand had mixed results, where exports gained competitiveness in the global market, but due to the fact that intermediate inputs are imported, it made the final product expensive as well. The appreciation of the Lilangeni on the other hand has proved quite detrimental to the export sector. A number of companies that established in the country when the currency was at its lowest are experiencing difficulties breaking even.

3.1.11 Quality and Standards Adherence

A number of exporters in the SME sector fail to meet the high standards of quality often imposed by clients abroad. The absence of an internationally accredited standards setting body in Swaziland has been cited as the major factor. The requisite infrastructure for testing is lacking and information dissemination is quite poor as a number of businesses are not aware of some of the key agreements under the WTO, such as SPS and TBT. The Standards quality and Assurance Act of 2000 is not fully operational because of the serious lack of laboratory equipment and a conducive institutional setting.

3.1.12 Swaziland's Bad Publicity Overseas

The country's image overseas continues being dented, largely because of bad publicity arising from the rule of law crisis and other cultural issues. This has come at a time when Foreign Direct investment flows in the region are at lowest. Perhaps of serious concern is when established businesses threaten to close down as a result of a non-conducive environment.

3.1.13 Infrastructure

By developing country standards, Swaziland has a good infrastructure. However, the costs of communication are too high. This is because of the monopolistic nature of service providers. The small domestic market does

not make it viable to have more than one service provider. Telecommunications is also a problem, as other countries cannot be reached through SPTC lines. In the tourism sector there are not enough facilities for the use of credit cards. Electricity supply from the Swaziland Electricity Board, the only supplier of electricity in the country is quite erratic, which sometimes results in huge losses.

3.2 Relevance of Existing Strategy and Private Sector Response

The market development strategy for Swaziland has not been too successful. It has not been well articulated and has tended to be led from outside. On the trade front, the country has not been able to articulate how it wants to move and which markets it wants to target. Currently this is dictated by the neighbouring countries that are Swaziland's partners in trading arrangements. As a result, some of the trading arrangements that Swaziland has entered into hold no direct benefit for the domestic industry.

There needs to be better co-ordination between government and the private sector in identifying potential markets for Swazi products. This could come from a better understanding of export sector and the difficulties that certain regions pose for the different export products.

3.3 Resource Situation

An effective National export strategy is one that is going to accurately reflect resources availability, to determine if these resources are allocated in a realistic manner and that their allocation compliments each other. The resources referred to in this chapter include financial, institutional, and human.

A proper assessment of the resource situation entails, among other things, that the following be undertaken with regard to Trade Promotion Organizations (TPO):

- Determination of whether entities like the TPU are granted adequate allocations in the National Budget.
- Assessment of the potential of TPOs to undertake income generating projects
- Assessment of ability to effectively disseminate information
- Assessment of potential to handle rapid changes occurring in the global environment.
- Assessment of existing competencies, technical expertise and innovativeness.

3.3.1 Finance

It is important to ensure that organizations do not only have sufficient financial resources for sustainable operations but are also in position to acquire necessary facilities to offer optimal services. Capacity and competency constraints should be addressed through government and international trade partners.

Direct intervention in export finance is provided by the government's Export Financing Scheme housed in the Central Bank of Swaziland. The Export Credit Guarantee Scheme provides financial assistance to export oriented businesses. The aim of the scheme is to enable the exporter to obtain finance from commercial banks at favourable interest and without undue limitation in terms of collateral. The Ministry of Finance has provided financial resources to the Central Bank for the smooth operations of the scheme, however this fund is presently greatly underutilized.

3.3.2 Institutions and Institutional Assets

Trade support organizations in Swaziland, as mentioned earlier include the Trade Promotion Unit, Standards, Quality Assurance and Metrology Unit, Malkerns Research Station and Export Financing Scheme. An assessment of the resource situation in each of these institutions is provided below:

i) Trade Promotion Unit

The objective of this unit under the Ministry of Foreign Affairs and Trade is to provide trade related support services similar to that of public-private owned TPOs. TPO activities entail having an up-to-date and in-depth knowledge of their exporters' capabilities and constraints, being on alert on potential export market, coordinating efforts with public and private development and investment agencies and coordinating the development of business skills and technology.

Due to limited financial resources the unit is unable to provide most of the services mentioned above except for trade exhibition. The TPU is basically financed from the National Budget. Currently, there are no income generating projects to finance the activities of the unit, even the services on processing of export documents are provided free of charge.

It is therefore suggested that in future the Unit be considered for transformation to an autonomous entity in order to effectively provide the necessary trade support services.

ii) Standards, Quality Assurance and Metrology Unit

This is another small unit within the Ministry of Enterprise and Employment, which is mandated to carry out services similar to that of a National Standards Body. The unit is also unable to provide the relevant standards and quality services due to financial constraints, given that it also has a limited budget allocation and does not have income generating projects.

It is again recommended that financial resources be allocated from the National Budget and that the Unit be upgraded to a fully fledged-internationally recognized standards body that will render services such as testing, information dissemination on technical requirements, standards and quality.

iii) Malkerns Research Station

The Malkerns Research Station provides support in information on SPS standards. The station engages in activities such as research on plant diseases, agronomy, and certification of agricultural products for export markets. It also has a training centre to develop farmers.

The research station is however not able to satisfactorily avail information on the SPS standards set by countries importing agricultural products. Again emphasis is placed on improved budget allocations and engaging in other income generating projects.

This institution tries to generate more income by renting out its conference facility but even the income obtained is not enough to help the institution upgrade its standard of operation. The biggest challenge for this institution is to acquire modern facilities that enable it to provide an up-to-date service. MRS has recently signed membership to the IPPC and will embark on a strategy to improve its laboratories and build capacity amongst its officers. IPPC membership will ensure that the MRS is internationally recognized and maintains a high level of service.

iv) NAMBOARD

This is a government parastatal established to provide trade support to agricultural exporters. Among other things, NAMBOARD is aimed at assisting farmers identify markets, buy and sell on their behalf and provide technical assistance and training through the FSDU section.

NAMBOARD does not receive budget allocations from government. Activities of NAMBOARD are mainly financed through levies imposed on agricultural imports. Since these levies cannot cover the costs

associated with all of NAMBOARD's activities, some of the operations within the FSDU have not experienced satisfactory progress.

With regard to capacity building, NAMBOARD is currently receiving assistance from the PEU but even this concentrates on management level. There is need for capacity building at the level of Operations.

3.3.3 Unavailability of Resources for Competency Development

This entails assessing the facilities/ fixed assets of institutions such as local universities and non-governmental organizations whose initiatives include:

- Providing Short-term, issue oriented training programmes that encompass applied research and localized material development.
- Having capacity to complement training with enterprise-level business counselling
- Working with highly reputed business organizations locally to draw programmes on competency design, marketing and implementation.
- Having targeted awareness-building and promotional programmes which would involve all client segments, and assisting in developing a pricing structure that at least covers the variable costs of implementing each programme.

These resources are not available given that even the local University of Swaziland (UNISWA) does not have the capacity and facilities to provide research and training for competency enhancement.

3.4 Where do we want to be?

3.4.1 Expand current product strengths

Expansion of product strengths can be attained through reinvigoration of supply chain efficiencies. With the erosion of trade preferences in developed country markets, Swaziland needs to concentrate on value addition and competitiveness. Swaziland can no longer benefit much from traditional export products, as such strengthening the raw material base with the assistance of cohesive planning by suppliers of raw material and the value added satellite companies is necessary.

Promote low cost raw materials for SME exporters and down stream companies.

- ❑ Ensure sustainable raw material supply by identifying new production sites, growers, plants or quota allocation as well as implementation of approved standards. This would alleviate supply side constraints currently faced by many exporters and increase product diversification of current exported goods to access other niche markets.
- ❑ Promote commercial intelligence to identify emerging products among existing exporters that could compete with similar products in the global market place or develop new product lines. Diversify product mix with demand driven information from present or potential customers.
- ❑ Intensify commercial intelligence and information dissemination from major competing countries to provide benchmarks and improve competitiveness and productivity.

Conduct periodic competitiveness reviews to enhance export performance. Improve access to information by having a an up-to-date database with trade statistics, product and market profiles and other trade related issues that could be accessed by all concerned. All related government ministries and private sector should be relied upon to provide information to this database. Provide regular bulletins and promote consultations with exporters to disseminate information and harness necessary information about constraints faced by the various sectors with the intention to formulate solutions together.

Promote Swaziland as a brand name. Continue to export products showing Swaziland as the country of origin.

3.4.2 Develop and Upgrade domestic standards

Implement internationally accepted quality standards and accreditation programs such as HACCP, ISO, Eurepgap, BRC etc.

- ❑ Have locally qualified auditors and implementation advisors for such standards.
- ❑ Develop local standards that are at par with internationally accepted standards. This will limit unnecessary imports and assist both current and aspiring exporters overcome this international trade barrier.
- ❑ There is a need to enforce environmental rules and regulations within Swaziland to come in line with the internationally accepted standards.

3.4.3 Product promotion

Conduct customer focused marketing campaigns in and out of the country to better promote the export sector and inform the public about the efforts of local companies.

Currently the TPU is limited in the number of shows that it can attend and showcase Swazi products yet there is need to increase awareness of these products. There needs to be enhanced participation and clustering of various sectors at trade shows to maximise the benefits derived from them.

3.4.4 Human Resource Development

International competitiveness requires high quality end-products and productivity. Government needs to invest in skills development programs that are sector driven, deal with labour management relationships as well as programs that standardise business systems like ISO, Eurepgap, HACCP, which all adhere to the principles of human rights, labour and environmental standards. There is a need to maximise the gains from technological developments and as such skills should be upgraded to ensure a continuous supply of skilled labour and management staff.

There should be a promotion of free movement of labour within the SACU region and abroad. Target international partners and newly educated local people who have gained valuable skills and experience that would be beneficial to local workers.

Integrate recent advancements in technology to improve competitiveness and productivity. Local training facilities need to improve to fall inline with internationally accepted standards. It is important to offer more extension activities and to improve channelling of governments' resources to fields of study that are currently applicable to the primary targeted export sectors.

Offer incentives to companies that run in-house training in the form of tax breaks. These in-house training programs should be affiliated to a recognised local institution.

3.4.5 Infrastructure

The supply chain should be linked with efficient and cost effective supply of water, power and communications. There needs to be an ICT plan within government to promote the development and use of information systems and new technological advancements that could benefit various industries.

3.4.6 Trade Negotiations

There is a need for consultative meetings and dialogue between public and private sector with regards to policy development and trade negotiations. The negotiating team at WTO meetings needs to be strengthened to incorporate representatives from both the private and public sectors.

The industry should be informed about the developments at WTO level in order to plan for the impending implications of various trade agreements.

3.4.7 Reduced costs of doing business

The Government should endeavour to lower the processing and transaction costs that exporters incur at present and provide a conducive operating environment.

CHAPTER FOUR

SECTORAL STRATEGIES

Following the national symposium in June 2005, eight sectors were identified as priority export sectors for Swaziland, however seven sub sectors were selected to be considered in phase 1 of the National Export Strategy covering the period 2006 – 2009. One of the major factors considered in sector selection is the sector’s contribution to GDP and employment.

| Prioritized sectors | Selected sectors |
|--|--|
| <ol style="list-style-type: none">1. Horticulture2. Manufacturing<ul style="list-style-type: none">SugarFoods and beveragesMeat and Meat ProductsTextiles and clothingHandcraftsRefrigeration3. Information Communication Technology4. Tourism5. Transport and Logistics6. Professional services7. Freight Services8. Forestry | <p>Agriculture Horticulture and Citrus Forestry</p> <p>Manufacturing Sugar Food and beverages Handcrafts</p> <p>Services Information Communication Technology Tourism</p> |

In formulating the sectoral strategies, the following structure is adopted for each:

- i) Sector’s vision
- ii) Sectoral overview
- iii) Strategic issues
- iv) Strategic objectives
- v) Strategic Plan Matrix

Note: A more detailed Implementation Matrix (2006 – 2009*) is shown in Appendix I

4.1 Sugar Industry

4.1.1 Vision

To be more competitive in the production and export of sugar and sugar based products in the light of the phasing out of non –reciprocal preferential trade arrangements and review of the EU Sugar Regime.

4.1.2 Overview

As the leading generator of wealth, the sugar industry today accounts for more than three quarters of the country's export revenue and amounted to an annual turnover of E750million for 2004/05.³ The industry produces mainly for export. The sugar industry sells into four main markets namely, the Republic of South Africa (52%), Africa excluding RSA(16%), the European Union(25%) and the USA(3%). Sales to the European Union benefit from preferential market access under the Lome Convention Protocol on Sugar whilst sales to the SACU market are guided by a market sharing agreement between the Swaziland Sugar Association (SSA) and the South African Sugar Association. Sales to the world and the rest of the region are determined by the performance of the world sugar market, whilst sales to the USA benefit from the US Tariff Rate Quota (TRQ).

Practitioners in this industry indicate that expectations are satisfactorily met. The SSA makes a concerted effort to minimize exposure to lowly priced markets each year by increasing exports into other niche regions. The result has been quite encouraging with the industry meeting its preferential quota to the EU and the US markets and other world markets.

4.1.3 Strategic Issues

Employment Generation: As one of the country's significant employers, the sugar industry provides direct employment to about 16 000 people some of which are seasonal employees. It is estimated that more than 80 000 people benefit from the industry indirectly.

The change in the regulations governing trade between ACP and EU, which requires reciprocity is expected to have serious negative impacts on employment levels and revenue generated by the sugar industry. With the adoption of the July 2004 EC proposal, estimates put revenue losses at E155 million per annum over the period 2006-08 rising to E260 million in 2008-09. Based on current levels of revenue, this indicates 25% and 41% reduction in total annual revenues for the periods 2006-08 and 2008-09 respectively. The subsequent fall in employment levels (largely due to the need to remain competitive as well as the sectoral linkages that characterize the Swaziland sugar industry) is expected to have significant negative impacts on the national economy.

Sourcing Of Raw Materials: The industry has an abundance of local materials from which to source owing to the large acreage of land designated to sugar cane growing, which exceeds 4000 ha of irrigated estates and local peripheral industries. At the sugar cane growing stage, inputs include fertilizer, seed cane and energy whilst at the milling stage the inputs are cane sugar, coal and energy. At the marketing stage the industry requires packaging materials. All these inputs are sourced from local suppliers.

³ US\$1 = E6.5. The Lilangeni (E) is at par with the South African Rand

However, cane supply becomes less dependable when there is a spate of bad weather such as too much rain, which disrupts off take from the field and the sucrose level. Another impediment to local sourcing is the relatively high cost of road haulage.

Industry Linkages: There exists a relatively efficient supply linkage with other industries in the sector from cane to sugar and to confectionery and other food production. However, there is still scope for increasing refining capacity and alcohol production. Since energy is one of the basic inputs in sugar production, to ensure the effective and continuous generation of industry linkages the industry has to establish a policy framework, which will encourage close collaboration with entities such as the Swaziland Electricity Board.

Marketing: The industry has managed to retain access to its traditional markets particularly South Africa, the EU and the US through preferential quotas negotiated. The recently signed Memorandum of Understanding between Swaziland and Mozambique on the use of the Maputo sugar terminal will further facilitate efficient access to markets.

The growth of the South African economy is a positive development as the local sugar industry benefits from the increase of the SACU market. The industry is further bolstered in its marketing efforts by the existence of a strong legislative regime and the existence of the Swaziland Sugar Association, which regulates and markets the industry's produce. Impediments exist however in the form of the unreliability of the supply chain particularly on transport and shipments as well as expensive and inadequate wagons.

Trade Support Organizations: There exists a strong network of institutional industry players and organizations both locally and beyond our borders, which include the Ministry of Foreign Affairs, The South African Sugar Association and various overseas contacts.

Local quality management experts such as the Standards Quality Assurance and Metrology appear to lack the requisite capacity and knowledge. Their scope is too narrow and does not provide support and assistance on food safety issues and inspections.

Competitiveness: Competitors emanate mainly from millers in South Africa, SADC sugar producers and Brazil in the world markets. Factors which contribute to the sector's competitive advantage, include the relatively low costs of production which are supported by a strong extension programme and the existence of a good climate.

It is highly probable that these factors will be maintained in the future especially the low costs of production, provided that government intervention is assured in facilitating the reduction of water and electricity

costs. However, freight costs and distance to ports still adversely affect the industry's competitiveness and there is constant dialogue and negotiations between the stakeholders for better terms.

Challenges: Much of the challenge in sugar production relates to transportation, electricity and forwarding costs. Furthermore, notwithstanding increased export volumes in recent times, the unabated strengthening of the value of the local currency against foreign currencies especially the US Dollar has meant that export receipts have fallen marginally. Access to new markets is further constrained by uncompetitive practices in some importing countries that provide subsidies to their producers.

Contribution to National Development: Development priorities center on the urgent need for poverty alleviation, HIV/Aids and environmental concerns. With regard to the HIV/Aids pandemic, the industry has been at the vanguard of managing the economic effects wrought by the pandemic by recognizing it as a strategic business issue. It is managed at the highest level through committees responsible for initiating voluntary counseling and testing centres for early diagnosis, prevention, care and support through a model and comprehensive health care provision system.

The sugar industry has had conspicuous presence in drought relief efforts in various regions of the country.

As part of its social responsibility, the industry funds national recreational activities, drought relief and educational initiatives. Examples include the training centres found in the large sugar estates which provide training at two levels namely, Junior level which addresses the training needs of machine operators, draughtsmen, artisans and apprentices; Senior level which focuses on management trainees, overseers, supervisors and personnel officers. The industry also has links with a South African institution, which offers courses Junior and Senior certificate courses in Sugarcane Production. Sporting disciplines that have benefited from the Swaziland Sugar Association sponsorship include athletics and tennis. In general, the SSA provides some of the best sporting facilities in the Kingdom.

4.1.4 Strategic Objectives

1. To remain a low cost producer of sugar in the region
2. To take full advantage of existing trade preferences
3. To effectively militate against adverse effects posed by the phasing out of preferential treatment to the EU market.

4.1.5 Strategic Plan Matrix

Strategic Objective 1: To remain a low cost producer of sugar in the region

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirement | Implementation Period |
|---|--|--|--|-----------------------|
| <p>Low productivity due to HIV/AIDS pandemic</p> <p>- High Energy costs</p> | <p>-Expand and improve on existing workplace AIDS programmes</p> <p>-Explore alternative sources of cheaper energy</p> | <p>Industry and Ministry of Health</p> <p>Ministry of Natural Resources and Energy, and Industry</p> | <p>Within budgetary allocations</p> <p>-Substantial funding and may include external funding</p> | 2006-2009* |

Strategic Objective 2: To diversify market outlets

| Constraints | Programme Activities | Implementing Agent | Level of Resource Requirement | Implementation Period |
|---|---|--------------------|--|-----------------------|
| <ul style="list-style-type: none"> Reliance on a few traditional markets | <ul style="list-style-type: none"> Identification of new markets Increased Value addition | TPU; SSA | <p>Within budgetary allocations</p> <p>-Substantial funding and may include external funding</p> | 2006-2009* |

Strategic Objective 3: To effectively militate against adverse effects posed by the removal of preferential treatment to the EU market.

| Constraints | Programme Activities | Implementing Agent | Level of Resource Requirement | Implementation Period |
|---|--|--|--|------------------------------|
| <ul style="list-style-type: none"> Loss of Competitive ness due to increased competition and reduced price in traditional markets. | <ul style="list-style-type: none"> To restructure industry to lower production costs. Product diversification Promotion of Swazi Sugar abroad Lower costs of electric power supply | TPU; SSA; SEB; Min of Natural Resources and Energy | Substantial funding and may include external funding | 2006-2009* |

4.2 FORESTRY SECTOR

4.2.1 Vision

To become a world-class producer of timber and timber products by maximising the sector's comparative advantages and improve efficiency whilst contributing to the development of SME's.

4.2.2 Overview

Forestry is an important export commodity in Swaziland. The major players are Sappi Usuthu, Mondi Forest and Shiselweni Forest. Sappi Usuthu grows pine and is one of the largest man-made forests in the world, covering 66, 000 hectares of land. The pine trees are used to produce unbleached kraft pulp (UKP) which is mainly in manufacture of lineboard, kraft and bag paper and selected filter grades and are exported to South East Asia, North America and Europe. Though UKP production declined by a significant 10.1% to 167,734 tonnes in 2003 compared to 186,649 tonnes produced in 2002, the world-class quality produce at Sappi Mill enjoys favourable market reception.

The country's comparative advantage in this sector is ideal soil and climatic conditions contributing to faster growth rate for trees than in most part of the world. This comparative advantage ranks the country amongst lowest cost producers for pulp and timber in the world. The mountainous region in the western highveld and parts of the middleveld provides an ideal

environment. This favourable condition gives the sector an exceptional potential for expansion in the longer term.

Sappi, the world's largest producer of coated fine paper and chemical cellulose pulp owns the Sappi Usuthu Pulp Company based in Bhunya. The company has over the years been able to outsource 100% of its forestry operations-mainly to ex-employees who are involved in the growth and supply of over a million tonnes of wood from 70000 ha of renewable pine forests. This global trend has enabled the company to focus on its core business and has improved efficiency, while contributing to the development of small and medium enterprises.

Besides pulp milling, other products include mining and construction timber, doors and pallets, coffins, wooden furniture, and shelving units. Traditional markets are in the Far East, the USA and the EU. A promising market has emerged in Mainland China. The other companies such as the Peak Timbers, Swaziland Plantations and Shiselweni Forest produce mining timber and eucalyptus oil for export.

4.2.3 Strategic Issues

- i) SPS issues particularly in de-barking the timber.
- ii) Inefficient and costly infrastructure including road and rail.
- iii) Poor product diversification
- iv) Market diversification, penetration and pricing

4.2.4 Strategic Objectives

- i) To ensure timely dissemination of up to date SPS information
- ii) To promote more co-ordinated and efficient transport services
- iii) To ensure increased value addition and product diversification of timber products.
- iv) To take advantage of available trade arrangements and improve competitiveness

4.2.5 Strategic Plan Matrix

Strategic Objective 1: To ensure timely dissemination of up-to-date SPS information

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|------------------------------|---------------------------------------|-----------------------|
| <ul style="list-style-type: none"> Stringent and frequently changing SPS requirements | Representation on local SPS and TBT committees | MRS and local industry, MOAC | Within existing budgetary allocations | 2006-2009* |

Strategic Objective 2 To promote more co-ordinated and efficient transport services

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|--|---------------------------------------|-----------------------|
| <ul style="list-style-type: none"> v) Inefficient and costly infrastructure including road and rail. | <ul style="list-style-type: none"> Establish linkages with other industries for transport coordination To establish a high level consultative forum between private and public sector players | Industry, Min of Works and Transport, Swaziland Railways | Within existing budgetary allocations | 2006-2009* |

Strategic Objective 3: To ensure increased value addition and product diversification of timber products

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|--|--------------------------------|-----------------------|
| <ul style="list-style-type: none"> Poor product diversification | <ul style="list-style-type: none"> Invest in research and development | Ministry of Enterprise and Employment and Industry players | With additional funding | 2006-2009* |

Strategic Objective 4: To take advantage of available trade arrangements and improve competitiveness

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|---------------------|--|-----------------------|
| <ul style="list-style-type: none"> Lack of diversified markets Limited market penetration Fluctuating market prices | <ul style="list-style-type: none"> Field trade missions to countries where Swaziland has trade arrangements | TPU, FSE/CC MEE | Substantial funding and maybe external funding | 2006-2009* |

4.3 HORTICULTURE AND CITRUS EXPORTS

4.3.1 Vision

To develop a sustainable export driven horticultural industry with emphasis on SME development

4.3.2 Overview

With over 70% of the population dependant on Agriculture for its livelihood, this sector is of great importance for development.

Agriculture also provides the basis for the development of other sectors and value chains within the economy through backward and forward linkages. Horticulture and citrus provide the best prospects for increased diversification, improved export volumes and employment generation and will generally bolster Swaziland's economic growth provided the negative GDP trend can be reversed through this strategy.

4.3.3 Strategic Issues.

- i) Lack of networking arrangement between small-scale producers and medium and large scale exporters/producers.
- ii) Lack of access to finance, especially for small-scale producers.
- iii) Low level of research and development and technology.
- iv) Lack of co-ordination between Ministries and private sector.
- v) Inadequate information dissemination on investment and market opportunities
- vi) Stringent SPS and TBT requirements.
- vii) High cost of packaging
- viii) Lengthy Customs procedures and documentation
- ix) High costs of telecommunications and freight
- x) Ineffective local standards body or legislation in place to protect local industry.

4.3.4 Strategic Objectives

- (i) To ensure that local production meets sanitary and Phytosanitary, social, environmental and traceability requirements
- (ii) To enhance and expand on current market share and diversify into new markets and products. Maximise use of all preferential trade access.
- (iii) To promote farm development particularly for small-scale producers, with an upgrade in new farming techniques and technology whilst still respecting custom.
- (iv) Strengthen institutional support network and promote a workable and sustainable private public partnership
- (v) Formulate and lobby for appropriate policies and standards in support of the development of the horticulture section and protection of the internal market from dumping.

Strategic Plan Matrix

Strategic Objective 1: To ensure that local production meets Sanitary and Phytosanitary, social, environmental and traceability requirements.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|--|---|------------------------------|
| Inadequate capacity to comply with EU and other countries, directives on SPS, MRLs, Labelling, | Develop training and awareness material on GAP and HACCP Train farmers, extension officers, exporters and | MOAC, NAMBoard, universities and other training institutions, standards council, | Will range from use of existing budgetary allocations to substantial funding that may include | 2006-2009* |

| | | | | |
|---|---|---|-------------------------|--|
| <p>traceability, social and environmental requirements as well as country specific SPS requirements (e.g. black spot).</p> <p>Lack of capacity to comply with market requirements by small scale producers</p> <p>Frequent changes in legislation governing SPS and TBT</p> | <p>tertiary education institutions about MRLs and food safety (GAP) as well as how to meet critical success factors for market entry.</p> <p>Develop a SWAZIGAP in correlation with Eurepgap to facilitate a smooth transition for the new commercial farmer to GAP.</p> <p>Create code of practice requirements in production and post harvest handling of horticultural products.</p> <p>Promote development of internal auditors and pre certification bodies in Swaziland</p> <p>Formulation of SPS committee to address all concerns regarding SPS restraints to trade, and to initiate proactive interventions.</p> <p>Increased research into prioritised pests and diseases (e.g. black spot in citrus etc)</p> <p>Compliance to IPPC agreement by MRS, increased capacity building at MRS in terms of staffing laboratories and signatories on phytosanitary certificates</p> <p>Set up a national</p> | <p>private industry, metrology unit,</p> <p>Chamber of Commerce</p> | <p>external funding</p> | |
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| | <p>TBT committee within the standards council, encourage bilateral talks between Swaziland and South Africa</p> <p>Review of TBT agreement and powers to enforce implementation of TBT committee through the standards council. TBT's should include metrology, accreditation, standardisations and quality assurance</p> <p>Promote and facilitate recognition of Swaziland exporters</p> <p>Monitor compliance of SwaziGAP</p> <p>Facilitate more extension services</p> <p>Support and promote outgrower programs</p> | | | |
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Strategic objective 2: To enhance and expand on current market share and diversify into new markets and products. Maximise use of all preferential trade access.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|---|---|------------------------------|
| <p>Under utilization of preferential markets</p> <p>Over dependence on EU and Japanese markets</p> <p>Inadequate dissemination of market related information and</p> | <p>Improved information dissemination on consumer preferences, trade agreements and other market intelligence to be disseminated by the TPU.</p> | <p>Chamber commerce, Customs, various Ministries, TPU, Ministry Enterprise, RSA customs, NAMBoard, Export council</p> | <p>Will range from use of existing budgetary allocations to substantial funding that may include external funding</p> | <p>2006-2009*</p> |

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| <p>subsequent utilization among stakeholders</p> <p>Lack of cohesion between all sectors for trade show representation</p> <p>Lengthy customs documentation procedures</p> | <p>Identify new strategy for international trade shows, branding initiative and monitoring and methodology involved.</p> <p>Formulation of a one stop shop for export document procurement. Increase in number of signatories. Automation of Cca1 system at borders, eventual development of EDI.</p> <p>Formulation of exporters forum (agribusiness forum as a sub committee to represent this sector at a higher level) to discuss related issues.</p> <p>Develop new preferential trade agreements where possible to secure new market outlets. Particularly for citrus exports which is a well developed sector but could improve with better market access and diversification from common EU markets.</p> <p>Encourage better exploitation of current trade arrangements by facilitating new business</p> <p>Improved public private partnership</p> | | | |
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| | <p>especially in areas of policy making</p> <p>Establishment of an Export council of Swaziland</p> <p>Explore new horticultural markets in terms of flowers and medicinal plant extracts. Promote outgrower projects for floriculture.</p> <p>Examine and exploit any possibilities of value addition to current export range.</p> | | | |
|--|--|--|--|--|

Strategic objective 3: To promote farm development especially of small scale producers, with an upgrade in new farming techniques and technology whilst still respecting custom

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|--|---|------------------------------|
| <ul style="list-style-type: none"> • High cost and general importation of seeds and farm inputs • Lack of sufficient water especially in rural areas • Poor post harvest handling • Limited processing capacity especially of small scale producers • Financial constraints • Lack of cohesion between | <ul style="list-style-type: none"> • Source cheaper and better quality of farm inputs direct from suppliers and manufacturers • Train producers and MOAC extension officers on GAP and using certified seeds and seedlings • Identify and implement appropriate technology at production and post harvest handling stages of export | <p>NAMBoard, SWADE, Lusip project, SIDC, SIPA, MOAC, education facilities, Ministry Education and environment, Private sector participation, central bank and other financial institutions</p> | <p>Will range between use of budgetary allocations and substantial funding and maybe external funding</p> | <p>2006-2009*</p> |

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|---|---|--|--|--|
| <p>industry and training institutions ensuring that the needed skilled artisans are sent into the work place, specifically with new technology and standards</p> <ul style="list-style-type: none"> • Lack of coordination between finance schemes and other export initiatives and institutions • Poor industry linkages | <ul style="list-style-type: none"> • Improved capacity building of small scale growers in business and technical skills. • Promote quality packaging and value addition through the packaging strategy • Support environmental initiatives as designed in the GAP. • Improved coordination and public awareness and accessibility of finance schemes directed at export promotion. • Improved water service especially to the rural areas • Promote farm to farm skill transfer and facilitate more training programs and demonstrations • Ensure that training curriculum at tertiary facilities is conducive to industry needs. • Promote co loading of goods where possible to decrease transportation costs for exporters | | | |
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Strategic Objective 4: Strengthen institutional support network and promote a workable and sustainable private public partnership

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|--|--|---------------------------------------|------------------------------|
| <p>Need for improved cohesive structures between small scale producers and exporters</p> <p>Lack of coordination and consultation between exporters and SPS and TBT committees as well as policy makers</p> | <p>Facilitate linkages between small scale producers and exporters . - Facilitate the mobilization of small scale growers for all types of crops.</p> <p>Promote exporters forums where policy makers in public enterprise and industry meet to discuss strategies and policies.</p> <p>Encourage networking with NGO's USDF and other aid organisations and schemes to promote cluster developments in rural areas.</p> | <p>NAMBoard, Chamber commerce, all ministries, NGO's</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

Strategic objective 5: Formulate and lobby for appropriate policies and standards in support of the development of the horticulture section and protection of the internal market from dumping.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|--|---------------------------------------|------------------------------|
| <p>Poor infrastructure particularly of secondary roads leading to farms.</p> <p>Inadequate infrastructure aimed at facilitating waste disposal, shortage of official waste sites</p> <p>Implications of trade agreement negotiations and trade liberalization</p> <p>Vat charge on packaging material that should be vat free</p> | <p>Highlight needs to Ministry of works regarding road development and maintenance</p> <p>Cohesive work between various city councils and environment departments.</p> <p>Facilitate forum where discussions can be held between industry and public sector regarding trade protocols and agreements and their impacts on industry.</p> <p>Educate industry and customs on types of packaging material used by industry and the necessary steps to be taken to ensure that it is not charged.</p> <p>Set standards for agricultural products that enter Swaziland to prevent dumping of sub-standard products</p> | <p>NAMBoard, various ministries, chamber commerce and other stakeholders</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

4.4 HANDCRAFT SECTOR

4.4.1 Vision

To produce world class, quality, competitive and innovative hand made products with the objective of economic empowerment of rural communities.

4.4.2 Overview

This sector has been in existence for some time and is well established. Markets have been established in several countries and the industry is assisted by the TPU, the Swaziland Trading house, handcraft section of Ministry of Enterprise and Employment and Deputy Prime Minister's Offices.

The trading house currently concentrates on trading of handcraft products and has greatly improved the marketing of such products.

Swaziland handcrafts have improved the livelihoods of thousands of rural women since many companies engaged in the export of these crafts have outsourced the production of products to various community projects. This sector has immense potential to increase exports and alleviate the impact of HIV and poverty in many communities.

4.4.3 Strategic issues.

- (i) Limited investment in Research and Development.
- (ii) Inability of the vast majority of industry players to participate in the export market.
- (iii) Heavy dependence on specialised imported raw materials.
- (iv) Limited access to current market information especially on pricing, consumer preferences, packaging innovations, marketing and distribution channels, reputable buyers and market strategies.
- (v) Inadequate skills development
- (vi) Lack of industry linkages
- (vii) Fragmented policy and regulatory issues with regards to customs and preferential trade agreements.
- (viii) Lack of adequate finance for new schemes and the need for capacity building amongst aspiring exporters.

4.4.4 Strategic objectives

The handcraft sector stimulates and sustains economic growth through employment creation and income generation. It has potential for increased revenue but needs assistance with quality aspects of its development programmes and increased market turnover.

The strategic objectives for this sector are to:

- (i) Enhance research and development in handcraft
- (ii) Improve raw material supply
- (iii) Improve skills development
- (iv) Promote industry linkages
- (v) Provide appropriate support framework in the sector
- (vi) Increase market development

4.4.5 Strategic plan matrix and level of resource requirements

Strategic objective 1: To enhance research and development in handcraft

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|--|--------------------------------|-----------------------|
| Limited new research and innovation Limited number of aspiring and successful exporters | Engage international designer to assist with new innovations, market trends, colours and other market intelligence. Assist with the development perspective to facilitate aspiring handcrafters to begin exporting. Development of a resource centre | TPU, handcrafters association, Swaziland trading house | With additional funding | 2006-2009* |

Strategic Objective 2: To improve raw material supply

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|--|--------------------------------|-----------------------|
| Difficulty in accessing specialised materials for production processes | Facilitate easy access of specialised dyes etc from abroad. at zero import duty. Develop a materials bank | Handcrafters association , trading house, chamber commerce, customs, export council, MEE | With additional funding | 2006-2009* |

Strategic objective3: To improve skills development

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|---|---------------------------------------|------------------------------|
| Limited and uncoordinated skills development | <p>Establish links with private sector to ensure that the curriculum is linked to industry needs</p> <p>Review curriculum of national handcraft training centre</p> <p>Coordinate the various government handcraft training centres</p> <p>Training and re-training of trainers in new techniques and approaches</p> <p>Strengthen technology transfer</p> | Handcraft association; Trading house; Chamber of Commerce. MEE; MoE | Within existing budgetary allocation | 2006-2009* |

Strategic objective 4: To promote industry linkages

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---------------------------|--|--|---------------------------------------|------------------------------|
| Limited Industry Linkages | <p>Source packaging from local companies where possible.</p> <p>Develop industry linkages with Hambisa regarding trade</p> | <p>All private industry</p> <p>Chamber of Commerce, STH, Handcraft Associations Customs,</p> | Within budgetary allocations | 2006-2009* |

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| | fairs and workshops | | | |
| | Develop clusters | | | |
| | Develop a one-stop-shop for documentation purposes | | | |

Strategic objective 5: To provide appropriate support framework in the sector

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|--|--|---------------------------------------|------------------------------|
| Lack of Policy and a regulatory mechanism | Sensitise Ministry of Finance on the need for zero import duty on hand held tools Set up customs forum to discuss VAT and SARS re acquittals, provisional payments etc. Disseminate information relating to policy and trade arrangements Introduce automation of border procedures | Handcrafters association, chamber commerce, export council and customs Handcrafters association, chamber commerce, TPU Customs, chamber commerce | With additional funding | 2006-2009* |
| Lack of business finance | Improved access to finance and better coordination of schemes, - provision of business mentors in rural clusters | SIDC, SIPA, Export guarantee scheme, Fincorp, commercial banks, Ministry of Finance | Substantial and external funding | 2006-2009* |
| Inefficient and costly Infrastructure | Liberalise the country's utility services, such as electricity water and | Ministry enterprise and employment Ministry of | Substantial and external funding | 2006-2009* |

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|---|---|---|---------------------------------------|------------|
| | telecommunications Improved telecommunications technology | Finance (PEU) | | |
| Inadequate and unregulated Waste disposal | Review and enforce the country's environmental laws. Develop workable recycle centres in cities. Compliance to international environmental standards such as IFAT | Ministry of Tourism, Environment and Communications City/Town Councils and Ministry of Public Works Chamber of Commerce Handcrafters association,. | Within existing budgetary allocations | 2006-2009* |

Strategic Objective 6: To increase productivity, market development, diversification and market share.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|-------------------------------|---|----------------------------|---------------------------------------|------------------------------|
| HIV Aids impact | Improved awareness of HIV Aids in rural areas, impacting on production capacity to a large extent. Promote cluster developments and co-ordinated schemes | NERCHA, all stakeholders | Additional funding | 2006-2009* |
| Inadequate Market Development | Development and strengthening of SWAZILAND handcraft brand Development of new and existing markets abroad | STH, TPU, Chamber commerce | Within budgetary allocations | 2006-2009* |

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| | Mechanisation of some of the production processes | | | |
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4.5 FOOD AND BEVERAGES

4.5.1 Vision

To be efficient and competitive producers of food and beverages that meet international standards.

4.5.2 Overview

The sector has grown tremendously such that over and above the traditional exports such as fruit canning the processes now include jam manufacturing, various kinds of beverages and other types of food. Further growth in the industry is constrained by international standards and quality requirements in destination markets.

4.5.3 Strategic Issues

- i) Failure to adhere to SPS requirements.
- ii) Cumbersome and ambiguous customs procedures.
- iii) Lack of cooperation among trading partners with regard to observing trade protocols in the region.
- iv) Difficulty in sourcing raw materials locally.
- v) High cost of utilities such as water

4.5.4 Strategic Objectives

To increase production and revenues from exports the sector has the following strategic objectives:

- (i) To produce commodities that meet international standards
- (ii) To lower production costs to enhance industry competitiveness
- (iii) To fully utilize existing markets, develop new markets and concentrate on product diversification.

4.5.5 Strategic Plan Matrix

Strategic Objective 1: To produce commodities that meet international standards

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|---|--------------------------|--------------------------------|-----------------------|
| High compliance requirements to meet international standards | Capacity building of existing SQAM facilities | MEE(Standards Authority) | With additional funding | 2006-2009* |

Strategic Objective 2: To lower production costs to enhance industry competitiveness

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|--|----------------------------|---------------------------------------|------------------------------|
| High production costs and uncompetitive pricing | Negotiate for discounted rates on utilities Improve on packaging and branding Explore alternative sources of raw materials | SEB, SWSC, SP TC, TPU | With additional funding | 2006-2009* |

Strategic Objective 4: To fully utilize existing markets, develop new markets and concentrate on product diversification.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|----------------------------|---------------------------------------|------------------------------|
| Lack of capacity to fully utilize existing markets and market opportunities Lack of product diversification Absence of market intelligence | Improved access to market information - Invest in R&D Implement strategic plan for the TPU | TPU; MOA; FSE/CC | With additional funding | 2006-2009* |

4.6 TOURISM

4.6.1 Vision

To develop the tourism sector as a national priority in a sustainable and acceptable manner, taking full advantage of regional and international developments resulting in a significant contribution to the continued improvement of the quality of life, whilst promoting the country's cultural and natural heritage.

4.6.2 Overview

The tourism industry is characterised by seasonality of demand, unpredicted changes in preferences of the tourists and the continuous process of balancing conflicting interests.

The overall tourism strategy is to complement the efforts of the National Export Strategy and also develop Swaziland as a unique cultural destination in its own right, fully capitalising on its natural resources⁴ and its favourable location as well as regional initiatives, to produce new, upgraded and different products, services and experiences.

The Government has ensured that certain institutional measures are put in place to facilitate tourism development. The Swaziland Tourism Authority (STA) was set up in 2001 to facilitate promotion and strengthening of the sector. The STA also serves as the Secretariat for the Inter-Ministerial Committee for tourism development. Through various initiatives government hopes to create a favourable environment for sustainable growth in the tourism sector.

Tourism is linked to many other sectors. It is important that the development of the tourism sector supports and reinforces developments in other sectors of the economy and vice versa. Of particular importance is the linkage between tourism and the rest of the services sector.

4.6.3 Strategic Issues

The tourism sector has faced many challenges and therefore has difficulty in realising its full potential. Notable issues include the following amongst others:

- i)** Policy and legislation that negatively impacts on tourism
- ii)** Limited operating hours for tourism entry points
- iii)** Poor customer service amongst frontline staff
- iv)** Lack of product development and diversification.
- v)** Limited areas of tourist interest resulting in tourist short stays.
- vi)** Limited resources allocated to tourism development
- vii)** Restrictive visa requirements

⁴ Natural resources here refers not only to the natural physical endowments but also to the people, environment and culture

viii) Lack of reliable tourism statistics

4.6.4 Strategic Objectives

- i) To develop a marketable identity through the development of a Tourism Policy
- ii) To promote active participation in domestic tourism
- iii) To ensure sustainability and conservation of the country's environment.
- iv) To maximise benefits accruing from strategic regional opportunities

4.6.5 Strategic Plan Matrix

Strategic Objective 1: To develop a marketable identity through the development of a Tourism Policy

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|--|--------------------------------|-----------------------|
| <p>Lack of Marketable Identity</p> <p>Absence of dynamic Tourism Policy</p> <p>Dearth of Product Development and diversification</p> | <p>Vigorously engage in campaigns to improve the country's image internationally</p> <p>Review tourism policy to conform to the prevailing international tourism trends and deal with new challenges</p> <p>Develop niche market segments</p> <p>Allocate more resources for Community Based Tourism (CBT)</p> | MTEC, STA, Tourism Associations | With additional funding | 2006-2009* |
| Limited areas of tourist interest resulting in tourist short stays. | <p>Engage international Tour Operators to consider packaging Swaziland as a destination other than a transit route.</p> <p>Develop 3-5 days itineraries</p> <p>Develop a tourism marketing plan</p> <p>Engage on an aggressive marketing campaign in source markets and raise the profile of Swaziland</p> | STA, Tour Operators, Industry stakeholders | With additional funding | 2006-2009* |
| Limited resources | Sensitise | MTEC, STA , Min of | With | 2006-2009* |

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|--|--|--|------------------------------|------------|
| allocated to tourism development | <p>Planning and Budgeting Committee and Cabinet on the benefits of tourism and the need to allocate more funds to tourism marketing</p> <p>STA to collect levies from the industry to sustain itself and also have enough funds to execute its marketing campaigns</p> | Finance | additional funding | |
| Restrictive visa requirements | <p>Waive entry visa requirement from selected countries markets.</p> <p>Review visa requirements for the new European Union members from the eastern Europe block.</p> <p>Provide visas at points of entry</p> | MTEC, MHA , Police, MOFAT | Within budgetary allocations | 2006-2009* |
| Lack of reliable and comprehensive data base on tourism statistics | Establish a tourism research and statistics unit within the STA with the aim of eventually creating a Tourism Satellite Account (TSA)) | STA MTEC, Central Statistics Office, Central Bank, MHA, Customs & Excise, University of Swaziland | With additional resources | 2006-2009* |

Strategic Objective 2: To promote active participation in domestic tourism

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|--|---------------------------------------|------------------------------|
| Lack of participation in domestic tourism | Training of non tourism front line staff on basic tourism and tourism awareness programs e.g.; Customs, Police, Immigration | MTEC, STA, MOFAT, Tourism Associations | Within budgetary allocations | 2006-2009* |
| Border Post Operation hours | Create general tourism awareness campaigns directed to the general public Extension of border hours at key points of entry Recruitment of immigration personnel | STA; Tourism Associations; MTEC; MHA; MOFAT; MOPSI | | |

Strategic Objective 3: To ensure sustainability and conservation of the country's environment

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|-------------------------------------|---|--|---------------------------------------|------------------------------|
| Increased environmental degradation | <p>Improve Environmental Management</p> <p>Encourage industry to practise sustainable and responsible tourism to ensure quality, durability and maximum returns</p> | SEA; STA; Tourism Associations; MOT; MHA; MOFAT; MOPSI | With additional funding | 2006-2009* |

4.7 Information Communications Technology (ICT)

4.7.1 Vision

ICT shall be the major driver for economic growth in Swaziland.

4.7.2 Overview

The importance of applying information communication and technology to simplify and enhance trade facilitation has been strongly emphasized and ICT is seen as a major driver for economic growth, socio-economic development and job creation. For countries to benefit from the opportunities of ICT, especially global trade, they need to have the infrastructure, tools and required skills to operate an ICT environment.

The Swaziland Post and Telecommunications Corporation is responsible for providing and maintaining communication services as established by the Act of 1983, which regulates all its activities. The Act is administered by the Ministry of Tourism, Environment and Telecommunication. The operations of SPTC are divided into two divisions namely; SwaziPost and Swazi Telecom.

Swazi Telecom: Swaziland has a fully digitalized telephone network, which includes provision of ISDN services. To improve the quality of services and allow for extension in range of services provided under the ISDN, the company has had to replace all copper wires with the optic fibre system. The division offers up to 2Mbps leased lines to customers, which facilitate reliable service, as it is operated through a Network Management System. For instance, this allows for faults to be detected even before a customer reports them. SPTC through its internet gateway: Swazi.net, allows locals to connect with the rest of the world. There are currently 4 points of presence (POPs) in the country, which allow for high speed internet connection. These are in Mbabane, Matsapha, Manzini and Nhlangano.

Internet: Swaziland has embraced the internet as an integral part of communication with the world, where individuals, organizations and companies are linked to international networks. Internet Service Providers (ISPs) have also been established in the country to provide internet services including installation, training and backup. Corporate clients can connect to entire networks using SPTC leased lines. Currently there are 3 ISPs in Swaziland-Real Image, Africaonline and Swazi.net. Real Image was the first company to introduce internet services and currently represents one of fastest growing ISP in Swaziland. The company does internet services, web publishing, e-commerce solutions, hosting and networking. It also hosts Swaziland Internet Portal www.swazi.com which is the one of the sources of information about Swaziland's news, businesses, tourism etc.

A number of companies dealing in web designing, internet advertising, publishing and programming services have been set up. These and internet

cafes for walk in users are set up in the main centres- Mbabane, Matsapha and Manzini.

Mobile Network: Swazi MTN is currently the sole mobile service provider in Swaziland, with a 10 year monopoly running from 1998 to 2008. The company is a consortium made up of SPTC, MTN of RSA and a local Empowerment Company, which hold shares. The company's mobile coverage is above 77% of the country geographical area and with over 60 base stations set up across the country.

Global Relationships: Swaziland is part of the global connectivity, which involves installation of undersea telecommunication optic fibre cables connecting Africa with Asia and Europe. Landlocked countries like Swaziland connect to the cable via satellite and terrestrial connections. The connections will cater for Africa communications needs for next 25 years and can cater for 70% of Africa populations. Swaziland is also member of the SADC Regional Infrastructure Initiative, which with assistance of USAID seeks to upgrade equipment and restructure the telecommunication sector in SADC countries. Swaziland also benefits from Commonwealth Funds for Technical Cooperation, which assists in paying accidental allowances to students studying at Multi Country training Centre in Malawi.

Telecommunications Policy: The Ministry of Tourism, Environment and Telecommunication has piloted the telecommunications bill which seeks to improve telecommunications in Swaziland to be compliant with set international standards. The policy also puts emphasises on the entire nation to embrace the benefits which comes ICT, such as e-commerce trading and ensure that coverage is in all parts of country even rural areas. Key to its objectives is the separation of the postal and telecom services with an overall view of privatising the sector.

The government of Swaziland is also encouraging ICT training in schools and tertiary institutions. Initiatives such as the Global Computer Trust Fund, which seeks to advance technology in schools and tertiary institutions, have seen many computer donations to schools to bring onboard students to ICT. A Computer Training Centre was also set up at the University of Swaziland through the GCTF initiative.

4.7.3 Strategic Issues

- i) Poor service and maintenance of telecommunications network.
- ii) Delayed installation of new telephone lines.
- iii) Congestion during peak time in mobile network and internet connection.
- iv) High costs of connection especially to internet
- v) Use of outdated technology
- vi) Shortage of skilled labour in the sector
- vii) Low penetration of ICT in rural areas

4.7.4 Strategic Objectives

- i) To put in place a telecommunications policy that will improve sector's performance through increased competition and deregulation
- ii) To invest in telecommunications infrastructure development in all parts of Swaziland
- iii) To promote use of information communication technology by the business community

4.7.5 Strategic Plan Matrix

Strategic Objective 1: To put in place a telecommunications policy that will improve sector's performance through increased competition and deregulation.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|--|-------------------------------|---------------------------------------|------------------------------|
| Delays and high costs of installation of fixed lines. | Restructure SPTC and licence other operators | SPTC, MTEC and private sector | With additional funding | 2006-2009* |
| Poor service and maintenance of telephone lines. | Encourage private sector investment in the sector | | | |
| Slow introduction of modern communication technology Lack of policy to implement E-commerce | Rationalize policy framework and coordination | | | |
| | Increase number of internet gateways service providers | | | |

Strategic Objective 2: To invest in telecommunications infrastructure development to all parts of Swaziland

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation period |
|--|---|-------------------------------------|--|------------------------------|
| Limited ICT infrastructure in rural areas Outdated infrastructure. High costs of ICT equipment | Roll out communications to cover all parts of SWAZILAND Source funds to introduce broadband services for high speed connection. Review legal framework to remove impediments and encourage adoption and use of E-commerce To review tariffs on ICT equipment | SPTC, MTEC, SIPA and private sector | Substantial funding and may include external funding | 2006-2009* |

Strategic Objective 3: To promote use of ICT by the business community

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|---|---------------------------------------|------------------------------|
| Limited use of ICT by the business community Poor ICT skills amongst general public | Encourage clusters of ICT users Govt to embrace the use of ICT Create awareness on the benefits of | SPTC, MTEC, Ministry of Education training institutions UNISWA and private sector | With additional funding | 2006-2009* |

| | | | | |
|--|--|--|--|--|
| | ICT to business | | | |
| | Invest in quality ICT education and training | | | |
| | Incorporate ICT in the educational curriculum | | | |

CHAPTER FIVE

CROSS-SECTORAL STRATEGIES

5.0 Introduction

The sectors discussed in this section are those, which cut across product and service sectors. These include Trade Finance, Packaging, Export Quality Management, Trade Information, Transport and Logistics Strategy, Trade Facilitation and Waste Management.

5.1 Trade Finance

5.1.1 Vision

To enhance production and export performance through provision of affordable and easily accessible sources of business finance.

5.1.2 Overview

There are a number of financial institutions in Swaziland that should adequately provide the necessary finance to business including exporters. These include four commercial banks, a Building Society, Fincorp, SIDC, Small Scale Loan Guarantee Scheme, and an Export Finance Scheme. The availability of these financial resources cannot be fully exploited by exporters for a number of reasons including lack of collateral and high cost of borrowing.

(a) Assessment of Resources: Exporters seem to have problems in using schemes such as the Central Bank managed export guarantee scheme due to the lengthy processes involved when using the scheme. Development funds created by Government, which are non-repayable, have cultivated a culture on non-repayment of loans among exporters. Furthermore, commercial banks vary the terms and conditions of facilities granted to exporters at will. This practice tends to influence the interest rate, which assumes an increasing trend. Local exporters have no access to other forms of finance apart from the traditional overdraft or loans. Due to poor understanding and usage of advanced computer technologies such as Internet, exporters are not in a position to engage on e-finance and other products available online including Internet banking and many more.

(b) Export Incentive Facilities: The government of Swaziland has created an export credit guarantee scheme, which targets mainly small and medium size exporters. The fund is financed through annual budgetary allocations to the Ministry of Enterprise and Employment. Donors and international finance institutions might contribute grants or invest in the scheme in future. The fund provides financial backing for the issuance of credit

guarantees and payment of claims. The Export Credit Guarantee Scheme has specific operational aims namely:

- i) To afford Swaziland based exporters a competitive edge so that they can penetrate and participate in international markets with greater confidence knowing they have the full backing of the Scheme to meet their working capital requirements;
- ii) To facilitate exporter's applications for loans by providing commercial banks with guarantee bonds as risk cover even for those exporters whose collateral security would otherwise (without the ECGS backing) have been deemed inadequate for obtaining financial assistance;
- iii) To promote small and medium size exporters operating in Swaziland in executing export orders with greater ease by enabling exporters to obtain finance from commercial banks at concessionary interest rates;
- iv) To enable banks that find themselves in acute liquidity situations due to lending under the scheme to borrow by discounting their promissory notes within the Refinance Facility provided by the Scheme;
- v) To allow exporters to keep reasonable stock levels so they can respond promptly to incoming inquiries or export orders;
- vi) To make it possible for exporters of Swaziland to extend easier credit terms of up to 180 days to importers without adversely affecting the exporters' cash flow position.

5.1.3 Strategic Issues

- i) Inadequate sources of business finance.
- ii) Lack of information and inaccessibility of existing export finance schemes.
- iii) Culture of non-repayment of loans by exporters.

5.1.4 Strategic Objectives

- (i) Extensive marketing and training on the available financial schemes for exporters and the elimination of the red-tape procedures.
- (ii) To achieve reasonably lower costs of business finance.

5.1.4 Strategic Plan Matrix

Strategic Objective 1: Extensive marketing and training on the available financial schemes for exporters and the elimination of the red-tape procedure.

| Constraints | Programme Activities | Implementing Agencies | Level of Resource Requirements | Implementation Period |
|--|--|---|--|-----------------------|
| <p>Lengthy procedure when applying for the Export Credit Guarantee Scheme</p> <p>Ignorance on the existence the Scheme amongst exporters</p> <p>Low repayment by exporters and poor coordination of the Scheme</p> | <p>Updating the existing guidelines for the Scheme to improve the guaranteeing conditions of the scheme</p> <p>Extensive marketing of the Scheme and training of exporters on how to access the Scheme of Commercial Banks should undertake campaigns of encouraging</p> <p>Exporters to be up to date on their repayment by running competition and further educating exporters on their position in the Scheme and how they can assist them.</p> | <p>Central Bank of Swaziland</p> <p>Central Bank of Swaziland, Commercial Banks, LULOTE, SEDCO, FINCORP, TPU and SIPA</p> | <p>Within existing budgetary allocations</p> | <p>2006-2009*</p> |

Strategic Objective 2: To achieve reasonably lower costs of business finance

| Constraints | Programme Activities | Implementing Agencies | Level of Resource Requirements | Implementation Period |
|---|---|---|---------------------------------------|------------------------------|
| High processing and transaction costs Payment of the provisional VAT by exporters in South Africa for goods in transit | Procedural requirements of government in the approval of export related documents need to be streamlined. There should be electronic transactions, more signatories and a one-stop-shop for the procurement of export documents. There is a need for both countries' customs and trade official to meet and discuss these trade barriers | Central Bank of Swaziland, Ministry of Finance – Customs and Excise Department and the Ministry of Foreign Affairs and Trade – Trade Promotion Unit | Within existing budgetary allocations | 2006-2009* |

5.2 Packaging

5.2.1 Vision

To support and encourage innovation in the packaging industry

5.2.1 Overview

Packaging is an integral part of competitiveness in the export sector and the Government of Swaziland is determined to build the relevant capacity to ensure the country competes effectively in the global market place. This is largely because Swaziland is a landlocked country and trades mainly in goods that face tremendous competition from other efficient producers. Protection of products during transportation and handling as well as presenting positive and tangible evidence of exporters' professionalism to international clients is a key success factor for the vast majority of the country's exports.

The packaging-manufacturing cluster in Swaziland is relatively large and dominated by South African subsidiaries. The implication is that major decisions regarding expansion and other strategic issues are taken in South Africa. It has a turnover in excess of E50 million a year. The South African market accounts for 90% of total exports coming from this sector.

The common packaging material manufactured locally is cardboard. Paperboard is one of the widely used packaging materials and has the advantage of being light, stiff and strong. Recent technological advancement within the packaging sector has facilitated the use of fewer raw materials to make more units for packaging. The abundance of wood in the country would make it a viable business proposition to scale up the production of paper and paper products.

Typically the packaging material comes in the form of cardboard with polystyrene wedges inside to give support to goods or with complete polystyrene sheets on all sides and then shrink wrapped with polyethylene sheeting. There are only two major players, which are Nampak, an international packaging company with its regional headquarters in South Africa and Chuan Yi, a relatively new player originally from China. Swazi Paper mill, a local company, manufactures cardboard sheeting. The cardboard producers concentrate on fabrication only, which limits the choice for exporters. There is need to develop skills in cutting, laminating and producing intricate wedges and corner pieces to provide a cushion for the goods whilst in transit. The challenge facing Swazi Paper Mills is the company's failure to comply with local environmental requirements.

Swazi Plastics manufactures polyethylene shrink-wrap sheeting whilst Isolite moulds and cuts polystyrene into shapes, however, this is an

expensive process according to the users. A suggestion would be to mould components directly from palletized materials.

Three companies, Swazi Pac, Swazi Pallets and Palletech, produce wooden pallets manufactured from Timber sourced from local suppliers. Pallets are made according to individual exporter specifications. Wood is treated according to market specification, for instance the Food Agricultural Organisation made it a requirement that wood used for making pallets is treated either by fire or by chemicals to control the spread of pests between trading partners.

With export diversification and increased value addition, there is an opportunity for private sector to invest in packaging material plants that are designed to meet ever-increasing demands of exporters, especially for overseas markets. Glass packaging is imported from South Africa and is mainly used by the Swaziland Beverages to package beer. Opportunities also exist in the waste management sector where collection and recycling of used packaging could drastically reduce packaging costs. Raw materials such as forestry (for wooden pallets), cardboard, paper and plastics to support the development of a packaging industry are available. The downside however, is that the cost of plastic packaging is excessively expensive, which has prompted a number of exporters to import such from South Africa. Use of locally produced materials would tie in well with the need to develop a national brand, which would not necessarily replace individual company brands.

5.2.2 Strategic Issues

Employment Generation: This sector has great potential for employment creation. Increased demand for packaging material, especially during peak season, has made it necessary for the sector to operate a shift system, which is normally eight hours. The citrus season is the busiest as most firms operate 24 hours during this time.

Sourcing of Raw Material and Industry Linkages: Raw materials for the industry are sourced from both local and South African suppliers. Wooden pallets and cardboard are made from locally produced timber and paper whilst the bulk of plastic based packaging materials are sourced from South Africa. Whilst there is a plastic manufacturer in the country, the high price serves as a major deterrent. Packaging material is tax exempt, which makes it easier for exporters to import from neighbouring South Africa.

Transportation of raw material from South Africa is provided by the supplier on a regular and sufficient basis, but requires lead times often as long as three months which is detrimental to the industry. In addition to packaging material to the export sector, the industry also supplies carton erection machines for selected clients.

Human Resource Development: Whilst the basic skills provided by local institutions are adequate for the sector, the lack of packaging institutions is a major setback. Lack of innovation and creativity means exporters get exactly what they order. The industry does not have the flexibility to bring about new innovations as it occurs in other export led economies. The gifts sector (mainly classified under handicrafts) is able to get the packaging they require. They develop their own packaging designs through the use of independent consultants.

Market Development: Local exporters absorb the bulk of packaging material produced by this sector. There is a potential for the sector to export its products within the region, which remains untapped. Production in most firms can be glaringly below capacity as a result of difficulty in finding a niche in international markets. The Southern African market, especially Mozambique is big enough to enable the sector to operate at its full capacity.

Competitiveness: To the extent that it meets exporters' demands, the quality of products in this sector is relatively good. However, lack of innovation limits the scope of competitiveness of the sector. With enhanced innovativeness coupled with the fact that the sector has ample spare capacity, production of unique brand packaging material is possible. Innovation would also enable the sector to export to other countries in the region than to be focusing on the local market, which is limited. As a consequence of focusing on the small domestic market, unit and distribution costs are very high thus compromising the competitiveness of the sector. Seasonality of business cycle within the export sector results in extended periods of business shut down. Some users have complained about reliability of supply and cost of local suppliers.

Assessment of the Package User Cluster: The majority of package user cluster falls within the agriculture/food sector, whose sanitary and phytosanitary requirements are very stringent, especially for the European Union and Japanese markets. Quite often exports are rejected because packaging material does not conform to phytosanitary requirements as stipulated by the importing country. It is therefore important to build capacity in relation to the SPS Agreement of the WTO within this sector.

Yet another challenge facing the sector is the lack of packaging material institutions locally that would continuously come up with new packaging designs. Exporters are expected to come up with their own designs and incur costs of new stereotypes and dyes. High cost of packaging material has compromised the competitiveness of this cluster.

Assessment of Distribution Cluster: This cluster is composed of both multinational and local companies. The bulk of exports is packed in containers and transported to the Durban or Maputo harbour by road or rail. From the ports of Durban and Maputo they are then shipped to overseas markets. Exports to South Africa are transported by road.

The major challenge facing this cluster relates to protracted delays at the border posts. Border procedures are quite onerous and sometimes get changed without prior notification. This in turn adds to the cost of road transportation, which is very high in the region. The South African Revenue Services (SARS) requires that goods transiting through South Africa be acquitted within a specified time period. Failure to do so attracts payment of VAT as well as penalties. Smaller exporters in most cases are not aware of the timeline; hence have to pay VAT and penalties on goods that have actually left South Africa.

5.2.4 Critical Issues

The packaging sector in Swaziland has a potential for growth, however the following issues need to be addressed in order to enhance the competitiveness of the sector.

1. Lack of packaging design capability as evidenced by the dearth of creativity within the sector. This is largely attributable to the fact that there are no packaging design institutes in the country.
2. High unit costs as producers focus mainly on the local market, which is limited and as such cannot exploit economies of scale.
3. Lack of local packaging standards that conform to importing country's requirements
4. Environmental challenges and waste management programmes have not been vigorously pursued. The only company that recycles used packaging has had environmental challenges, which have been challenged by the Environmental Authority.
5. High cost of packaging material
6. Long lead times in getting raw materials from South Africa
7. Seasonality of demand for packaging material locally
8. Lack of necessary specialized skills in packaging industry.
9. Lack of academic research departments or technical centres that can conduct research on packaging testing and performance against structural and graphic design of packaging
10. Lack of packaging clusters that can drive the development of the sector

Increased value addition to locally produced timber, as opposed to exporting the logs should be encouraged. There is need to have an effective packaging information service that collects, analyses and disseminates information.

5.2.5 Strategic Objectives

1. To develop and adapt packaging standards that suit local needs and those of our trading partners. In particular the creation of a national brand through packaging that reflects national heritage.
2. To create awareness on the importance of the packaging sector in an export led economy
3. To develop a sustainable environmental conservation programme through an effective packaging waste management programme
4. To encourage the export of packaging material

5.2.6 Strategic Plan Matrix and Level of Resource Requirements

Strategic Objective 1: To develop and adapt packaging standards that suit local needs and those of trading partners

| Constraints | Programmed Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|-----------------------------------|--|--|--------------------------------|-----------------------|
| Lack of local packaging standards | <p>Develop local standards that are aligned to those of the country's major trading partners</p> <p>Strengthen SQAM with competent personnel, financial and infrastructural resources.</p> <p>The creation of the Swaziland Standards Authority should be expedited.</p> | Ministry of Enterprise and Employment – Standards and Quality Assurance Unit | With additional funding | 2006-2009* |

Strategic Objective 2: To create awareness on the importance of packaging in an export led economy and improve competitiveness of local packaging

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|--|--------------------------------|-----------------------|
| <p>Lack of packaging clusters</p> <p>Lack of creativity within the sector</p> <p>Lack of packaging institutes</p> <p>Lack of specialized skills in packaging</p> <p>Lack of academic research departments or technical centres that can conduct research on packaging testing and performance against structural and graphic design of packaging</p> | <p>Training and awareness creation on the opportunities that exist in the packaging industry</p> <p>Develop the Industry by spending in Research and Development</p> <p>Submit a Proposal to the International Trade Centre (ITC) Packaging department to assist in developing the industry</p> <p>Lobby the Ministry of Enterprise and Employment to make a budgetary allocation for research and Development in the sector</p> | <p>Trade Promotion Unit</p> <p>Ministry of Enterprise and Employment</p> <p>FSE & CC</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

Strategic Objective 3: To develop a sustainable environmental conservation programme through an effective packaging waste management programme

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|--|--------------------------------|-----------------------|
| Environmental Challenges High Cost of packaging Material | Encourage local industries to adhere to environmental standards of the country in the disposal of waste material Promote production processes that are environmentally friendly Promote recycling of packaging material to reduce costs | Swaziland Environmental Authority Swaziland Standards Authority Packaging clusters to be established | With additional funding | 2006-2009* |

Strategic Objective 4: To encourage the export of packaging material

| Constraints | Programme of Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|----------------------------------|--------------------------------|-----------------------|
| Seasonality of Demand High Unit costs as producers focus on small local market | Seek international markets for packaging material Participate in and organize international packaging shows/fairs Encourage establishment of firms involved in recycling of packaging material that adhere to environmental laws of the country | Trade Promotion unit SIPA | With additional funding | 2006-2009* |

5.3 Export Quality Management

5.3.1 Vision

To enhance competitiveness through export standards and quality management

5.3.2 Overview

With the ever increasing buyer demands for quality, today's exporters need to access up to date information about technical regulations, standards and conformity assessment procedures. This information is vital for the demonstration of consistent compliance of their products to market requirements. The establishment and implementation of export quality management by suppliers is important in achieving international competitiveness. Conditions for the access of vital information on standards, technical regulations and conformity assessment depend on the existence of the institutional framework and infrastructure to provide such information.

In Swaziland, the institution that is responsible for information dissemination on export quality management is still in its infancy. Two sections under Industry Support Services in the Ministry of Enterprise and Employment are responsible for legal metrology, standardization and conformity assessment. The metrology section performs a regulatory function as pertains fair trading, equity and trader or consumer protection. This section is also the custodian of national metrology standards. Metrology services are limited to mass, length and volume though there are plans to widen the scope to other fields of measurement. The section maintains measurement traceability links to International Metrology Institutions such as BIPM and OIML.

On the other hand the standardization and Quality Assurance Section is the precursor of a National Standards Body (NSB). The section is in the process of being transformed to an NSB and will be providing services in the voluntary area. It is, however, the WTO TBT enquiry point and is custodian of technical regulations from some WTO member countries. Modalities for accessing export quality management information by suppliers are still under development. The section is a member of the SADC SQUAM Structures, ISO Correspondent Member and IEC Affiliate Country Programme.

Alongside the responsibility of establishing an NSB, the Standardization and Quality Assurance section is tasked with the facilitation of the establishment of the SADC Accreditation National Focal Point. SADC Accreditation (SADCA) is the regional accreditation body that will service member countries that have no capacity to establish a National Accreditation Body (NAB). A National Accreditation Focal Point (NAFP) is planned to be launched in the 3rd quarter of 2006. Several testing

laboratories have indicated interest in being accredited under the SADC Accreditation System (SADCAS). These laboratories will have to be upgraded to meet accreditation criteria e.g ISO/IEC 17025 (Laboratory Quality Assurance). SADCA as a regional body is a member of ILAC and IAF. It has also forged relationships with other regional accreditation bodies such as APLC AND IAAC.

Quality management issues under the SPS agreement are coordinated by the Malkerns Research Station. The Ministry of Agriculture and Cooperatives is, however, the designated focal point on SPS issues. Other agencies that handle SPS issues are the Veterinary Department and Swaziland Environment Authority.

5.3.3 Strategic Issues

1. The scope of SQAM services is narrow. Only quality and metrology aspect is covered. Conformity assessment and accreditation are not covered. Exporters have to outsource these services.
2. Too much fragmentation in agencies that provide SQAM services and SPS which are handled by different institutions.
3. There is an apparent inadequacy of infrastructure such as laboratories.
4. Lack of participation by clients and stakeholders on matters of TBT and SPS. This is attributed to absence of National TBT and SPS committees, which would work hand in hand with clients and stakeholders.
5. All exporting stakeholders lack communication mechanism and platform to allow for dissemination of information.
6. Export Agencies have inadequate resources. Some have acute shortage of staff and limited budget allocations. Most have no income generating projects.
7. There is lack of awareness amongst exporters, especially SME's on the need for quality management. This is attributed to lack of campaigns on export quality promotion and absence of policies to prioritize quality management, especially in training institutions etc.

5.3.4 Strategic Objectives

1. To establish a local Bureau of Standards, which will undertake all SQAM related services for the export community.
2. To recruit, develop and retain a highly motivated workforce to undertake all identified functions of the National Bureau of Standards.
3. To ensure efficient and reliable dissemination of export quality information to clients and stakeholders.
4. To create an environment that would allow for active participation of clients and stakeholders in TBT and SPS issues.
5. To ensure that Swaziland plays an active role in the development and harmonization of regional and international standards.
6. To instil and promote a quality culture in the business community, NGOs, training institutions and municipalities.
7. To ensure that all testing laboratories, equipment, personnel, systems, and training institutions used by SQAM agencies are internationally accredited and recognised through MRAs.

5.3.6 Strategic Plan Implementation Matrix and Level of Resource Requirements

Strategic Objective 1: To establish Swaziland Bureau of standards to undertake all SQAM related activities and services

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|---|--|--------------------------------|-----------------------|
| <p>Currently SQAM activities are limited by legal aspects</p> <p>Metrology only covers mass, volume and length, while standards also cover legal aspects</p> <p>No scientific testing in laboratories</p> <p>No conformity assessment and established accreditation services</p> | <p>To lobby government and international agencies for funds to set up NBS.</p> <p>To lobby for policy and legislation recognizing need for NBS</p> <p>To ensure independence of NBS to gain MRA</p> | <p>Standards Unit MEE, MEPD, MPWT.</p> <p>International Agencies – EU, Commonwealth Secretariat, ISO, CODEX, ILAC, IEF</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

Strategic Objective 2: To recruit, develop and retain a highly motivated workforce to undertake all identified aspects of quality management

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|--|---------------------------------------|------------------------------|
| <p>Acute shortage of staff in Standards Unit (less than 20%)</p> <p>Malkerns Research Station also has problems with staff shortages</p> <p>Lack of capacity building amongst staff</p> <p>High staff turnover to private sector or even to other countries</p> | <p>To identify all staff requirement for all quality agencies</p> <p>To collaborate with international agencies to embark on capacity building</p> <p>To develop strategies to retain staff</p> | <p>Standards Unit MEE, MOPSI MRS</p> <p>International agencies</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

Strategic Objective 3: To ensure efficient and reliable export quality information dissemination to clients and stakeholders

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|---|---|---------------------------------------|------------------------------|
| <p>Lack of information dissemination on TBT and SPS issues.</p> <p>Lack of internet facilities</p> <p>Lack of information officer to host seminars on standards or to visit exporters</p> <p>Acute shortage of information technology equipment Pc, printers, copiers, fax machines etc)</p> | <p>To formulate and implement export quality information policy, that would embrace information technology</p> <p>To build capacity amongst staff to gather, analyse, manage and disseminate information</p> <p>Source funds to establish state of the art quality information centre</p> | <p>Standards Unit, MRS, MTEC, MEPD, International trade partners.</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

Strategic Objective 4: To create an environment that would allow for an active participation of clients and stakeholders TBT and SPS issues.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|---|---|--|------------------------------|
| <p>No established National Committees on TBT and SPS issues</p> <p>Local exporters and other stakeholders are not able to influence opinion on TBT and SPS issues</p> <p>Notification on new standards, technical regulations etc does not reach stakeholders for comments</p> <p>This effectively rules out participation of the country on TBT and SPS matters</p> | <p>Establish distinct TBT and SPS focal point</p> <p>Set up National Committees on TBT and SPS composed of private and public sectors</p> <p>Involve all stakeholders in the development of SWAZILAND standards and technical regulations</p> | <p>Standards Unit, MRS, CC, Exporters associations. FESBC, ASBC, TPU, MOAC, MEE, local municipalities, NGOs</p> | <p>Within existing budgetary allocations</p> | <p>2006-2009*</p> |

Strategic Objective 5: To ensure that Swaziland plays an active role in the development and harmonization of regional and international standards.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|---|---------------------------------------|------------------------------|
| <p>Swaziland does not participate actively in the preparation and implementation of regional and international standards</p> <p>Opportunities available under SADCA are not fully exploited</p> | <p>set up public-private sector committees to work in preparation of standards</p> <p>Provide resources to exploit the standards development under SADCA</p> <p>Engage the export community on the benefit that comes from being members of SADCA, SADMEG, SADCSTAN, SADC MET</p> | <p>Standards Unit, MRS, CC, FESBC, Exporters Associations</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

Strategic Objective 6: To ensure that all testing laboratories, equipment, personnel, systems, training institutions used by SQAM agencies are international accredited and recognised through MRAs.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|--|---|---|------------------------------|
| <p>Some government labs for testing, equipments, systems, training institutions etc are not accredited and therefore not recognised by other countries</p> <p>Leads to outsourcing of quality assurance services from other countries (RSA)</p> | <p>Forge alliances with other countries for MRAs</p> <p>Maximise on benefit obtained from proposed establishment of SADC accreditation body.</p> | <p>Standards Unit, MRS, local municipalities, training institutions</p> | <p>Substantial funding and may include external funding</p> | <p>2006-2009*</p> |

Strategic Objective 7: To develop and promote a quality sensitive nation.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|--|---------------------------------------|------------------------------|
| <p>Business community, NGOs, training institutions lack awareness on quality matters</p> <p>SAQAS, NCAS, other independent quality assurance organizations lack resources to fully engage in quality promotion</p> | <p>To introduce quality sensitization programmes that involve all stakeholders especially training institutions</p> <p>To incorporate quality issues into programmes of training institutions</p> <p>To mobilize funds and other technical assistance to support quality and consumer associations</p> | <p>Standards Unit, MRS, quality and consumer associations, training institutions</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

5.4 Trade Information

5.4.1 Vision

To have a well market-informed exporting community

5.4.2 Overview

A good strategy is one that will ensure that capabilities exist within the national trade support network to acquire and disseminate to the business community, information on target market to both developed and developing countries and to further ensure availability of adequate and substantive information, in suitable form, on national business potential to prospective buyers and investors.

The Trade Promotion Unit (TPU), under the Ministry of Foreign affairs and Trade is the central agency responsible for assisting businesses obtains all forms of trade information. The Unit has four principal functions: to identify new product and market opportunities and develop strategies to develop these (including existing) market, to provide trade information as per the needs of private and public sector, to provide support services and to engage in export promotion and publicity. An assessment shows that currently the Unit is able to engage in export promotion and publicity through trade exhibitions and distributing export directory to embassies and to provide trade support such as processing certificate of origin and rebate facilities. Provision of trade information is done in an informal manner, as there are no systematic procedures followed.

The Unit function along with a Trade Policy division responsible for undertaking negotiations in trade agreements on behalf of Swaziland. The business community have also expressed their concerns regarding information dissemination, especially where trade representatives should consult with industry that may be affected before engaging into negotiations and to disseminate whatever outcome of the negotiations. There needs to be a working partnership between the public and private sector.

5.4.3 Strategic Issues

- Lack of platform where institutions responsible for disseminating trade information can engage with the private sector.
- Absence of a state of the art trade information centre.
- Lack of research activities to identify the market information needs of the industries.
- The institutions responsible are not adequately resourced to undertake their mandates to full capacity.
- Many public-private sector companies have not fully embraced information technology as a cost-effective and reliable tool for information dissemination.

5.4.4 Strategic Objectives

1. To develop and implement policy that would prioritize on continuous engagement between the public- private sector
2. To establish a trade information centre.
3. To build national capacity in human resource development.
4. To put in place a monitoring and evaluation mechanism to determine effectiveness of trade information

5.4.5 Strategic Plan Matrix

Strategic Objective 1: To establish a trade information centre.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|--|--------------------------------|-----------------------|
| Lack of financial resources to establish the Trade Information Centre. Lack of trained Trade Information Personnel | Establish a trade information centre Seek for funds to train Trade Information Personnel | * TPU/Trade Policy Division, CC, MOPSI, MOF, MEPD. | With additional funding | 2006 -2008 |

Strategic Objective 2: To identify and put in place a National Trade Support Network to coordinate, harmonize and disseminate all trade information

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|--|---|--------------------------------------|-----------------------|
| Too many agencies (public and private) providing trade information. Confuses the exporter, especially on which agency to use Other agencies not aware of what others are doing. Exporters would get questionnaires from many agencies. This could be time wasting as similar issues may be raised. | To put in place an institutionalised Trade Support Network | All identified trade support stakeholders | Within existing budgetary allocation | 2006-2009* |

Strategic Objective 3: To build capacity for the operation of a trade information centre

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|--|---|---|---|------------------------------|
| <p>Managers and decision makers for exporters do not have capacity to identify and exploit trade opportunities</p> <p>Trade information agencies lack information officers to gather, analyse, manage and disseminate useful info to clients and stakeholders</p> <p>Some agencies staff lack the capacity to management trade information</p> | <p>To train personnel within the trade information centre on how to fully utilize ICT</p> <p>To influence agencies to recruit highly skilled information personnel</p> <p>To build capacity and competencies of information personnel on management of trade info</p> | <p>All identified stakeholders in the trade support network, Min of Public Services</p> | <p>Within existing budgetary allocation</p> | <p>2006-2009*</p> |

Strategic Objective 4: To invest in information infrastructure and promote use of information technology by all businesses

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|--|--|---------------------------------------|------------------------------|
| <p>Agencies lack equipments such as PCs, fax machines etc</p> <p>Lack of connectivity to internet, hence no websites, email to use for contacts and disseminating info.</p> <p>Association representing exporters also lack this basic communication tools (email, websites, fax machines etc</p> <p>Lack of broadband internet access affects those companies already connected as it is slow</p> <p>Poor infrastructure in remote part of SWAZILAND, poor maintenance and high cost of connection</p> | <p>to mobilize funds to acquire for agencies and association rep exporters modern information technology tools (internet, fax machines etc)</p> <p>To lobby for broadband internet connection</p> <p>To lobby for investment in communication infrastructure in all parts of SWAZILAND</p> <p>To lobby for improved services and reduction in connection costs</p> | <p>All identified trade support network, SPTC and Min Tourism and Communications, ISPs</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

Strategic Objective 5: To put in place a monitoring and evaluation mechanism to determine effectiveness of trade information

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|--|--|---------------------------------------|------------------------------|
| <p>Information disseminated does not cover all information needs of industry.</p> <p>Tendency to look at only market access, duties, import permits required and disregards other aspects of information needs</p> <p>Sources/channels of disseminating not effective and too costly. Currently use export directory, flyers, traditional library and occasional use of email and seminars. No website connection, e-library, regular meetings with stakeholders</p> <p>Too many suppliers of trade information which can overwhelm and confuse businessperson.</p> | <p>Undertake study on the business community information needs</p> <p>Invest in IT and E-commerce as tools for disseminating info</p> <p>Put in place central agencies / one-stop-shop to disseminate info</p> <p>Ensure that Trade Support Network has monitoring and evaluation mechanism to assess effectiveness of information</p> | <p>* TPU, ISPs, MTEC, all identified trade support services agencies</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

5.5 Transport and Logistics Strategy

5.5.1 Vision

To develop an efficient and effective transport and logistics system.

5.5.2 Overview

Swaziland is a land-locked country with about 90% of its boarder surrounded by South Africa and the remainder by Mozambique, which lies on the eastern side. Main transport corridors through which international freight is conveyed are:

- Lomasha (road route to Maputo, Mozambique)
- Mhlumeni (both road and rail to Maputo, Mozambique)
- Lavumisa (both road and rail to Richards Bay and Durban in South Africa)
- Mahamba (Road route to Durban, South Africa)
- Ngwenya (road route to Gauteng Province and Johannesburg International Airport)
- Matsapha International Airport (linking overseas markets)

The country's major exports products include sugar, pulp, textile and clothing, canned fruit and soft drink concentrates. Major markets include RSA, North America, the Far East and Europe. More than 80% of Swaziland's trade is with South Africa through a road and rail network linking major industrial parts of the latter. The principal exit points are the Maputo Port in Mozambique for sugar and the Durban port in South Africa for most of the other exports. Perishables are exported through the Johannesburg International airport.

(a) Shipping Services

i) Durban

Access to this form of transport largely depends on availability of ocean freight services. The Durban Port, which connects Swaziland through a rail and road network, is the busiest in the region. It has a container terminal with 16 gantry cranes, two road-rail transfer cranes, 60 straddle carriers, a reach stacker and 35 trailer combinations. Current performance is estimated at 8-15 container moves per hour, which is much lower than the international benchmark of 25 moves per hour. The port serves as a pivotal hub for the whole of Southern Africa, serving trade links to global markets. Durban currently handles 1.5 million twenty-foot containers per annum. A phased expansion will see the terminal handling up to 2 million containers per annum in the next five years. This, however, will not solve the congestion problem due to a projected volume increase in trade.

ii) Maputo

Prior to the civil war that ravaged Mozambique for a 25-year period, Maputo was the premier port for Swazi exports. The advantage of Maputo over Durban is the distance, which is 200 km compared to 550 km to Durban. Over the last 5 years the Maputo port has gone through a privatization process with new investment in infrastructure and equipment. The port is grossly under-performing as it currently handles 40, 000 containers per annum when it has a capacity to handle 100, 000. Efforts are currently being made to encourage exporters to use the port. The main problem related to Swaziland's use of this port for containerized traffic is the infrequent vessel calls to Europe, Americas and the Far East.

(b) Road Transport Services

Swaziland has one of the finest road networks in the region and this is largely due to a conscientious decision by the Government to train engineers and spend huge resources in road infrastructure development. As a result, road transport is gradually and steadily increasing its market share of the movement of Swaziland foreign trade. The total road network extends over approximately 3, 400 kilometres.

The greatest share of road transport is export cargo where for garments and textile, for instance, it is the mode that carries the shipments to the Port of Durban in South Africa. Road transport has inbuilt flexibility to link with the ocean vessels. The other advantage is the flexibility with regard to last minute production delays at the factory level, whereas the lead-time involved with rail transport would not allow that. Door to door delivery with road transport has also made the use of this mode popular among exporters. Small exporters using the Johannesburg airfreight hub to send perishables goods to overseas markets also favour the road system.

The downside of this mode relates to high costs. It is more expensive sending goods by road for a myriad of reasons, among which include lack of a two-way traffic by individual shippers. As such the service is largely priced on a one way loaded basis, but becomes less costly if trucks are loaded both ways. A possible solution to this would be to establish a cargo-coordinating center at Durban port to coordinate Swaziland's cargo.

Land transport costs could be greatly reduced if production scheduling and transport planning are improved. One way of achieving this would be for all Swaziland manufacturers to get together for purposes of cooperating and coordinating their transport requirements.

(c) Rail Transport Services

Swaziland Railways, a parastatal, provides rail services in Swaziland and has no capacity problem at the moment. The parastatal manages the 300 km rail infrastructure, which connects the country with the South African and Mozambican rail-lines. It is quite an efficient and low cost hauler. Principal connections are to Durban, Richards Bay and Maputo ports.

The establishment of an office in Durban by Swaziland Railways in 2005 facilitates better coordination of the parastatal's interface with port operations, thereby establishing increased efficiency in the transfer of cargo between rail and sea operations. However, the parastatal needs to improve its customer services so that its clients are aware of the rail schedules and lead-time requirements. Swaziland Railways also needs to cater for specific industry needs where possible.

The Matsapha Inland Clearance depot is operated by the Swaziland Railways. It handles 10, 000 containers per annum, most of which are exports in 6 metre containers from Sappi Usuthu and Swazican. The depot handles more imports than exports, largely because importers prefer using it than the Durban and Maputo ports, which have more complicated procedures.

(d) Air Transport Services

Swaziland has one international airport (Matsapha International Airport), which is relatively small by international standards. Swaziland Airlink and Swazi Express operate daily passenger flights to Johannesburg International Airport, and Maputo and Durban respectively. Cargo is also air freighted from the Matsapha International Airport. A new airport, which is expected to accommodate both passenger and cargo planes is being constructed at Sikhuphe.

5.5.3 Strategic Issues

Whilst the country has, over the years invested in road and rail infrastructure, there are still problems that need to be addressed. The issue of high transportation costs affects the competitiveness and economic growth potential of the country as evidenced by low GDP growth rates in recent years. Transport costs account for a substantial proportion of total monetary value of imports and exports. In Southern Africa these costs range between 15-40% whereas in developed countries it accounts for 5-10%. Listed below are factors that influence high transport costs:

1. Long distance from the centers of production to sea ports
2. High inland transportation costs relative to sea transport
3. Relatively low volumes, giving high unit costs and tariffs due to poor equipment and infrastructure utilization

4. Traffic flow imbalance, resulting in a large proportion of empty return hauls, and additional costs for repositioning empty containers
5. Absence of competition in the railway and port sectors, often resulting in poor service levels, and a shift to more expensive modes of transport
6. Poor interface management between various service providers, resulting in long transit and turn around times and unit costs
7. Poor cooperation between importers and exporters, with little or no attempt to achieve savings by co-operating in-order to achieve economies of scale
8. Ship Congestion at the Durban port
9. Lack of a dedicated fund for infrastructure development and maintenance
10. Delays caused by border post formalities

5.5.4 Strategic objectives

- i) To promote better transport planning and production scheduling by Swaziland manufacturers
- ii) To establish a transport infrastructure fund for the construction and maintenance of transport infrastructure
- iii) To improve balance of traffic flows for both road and rail services
- iv) To effectively engage all stakeholders including South African and Mozambican authorities particularly with regard to goods in transit

5.5.5 Strategic Plan Matrix

Strategic Objective 1: To promote better transport planning and production scheduling by Swaziland manufacturers.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirement | Implementation Period |
|---|---|----------------------------------|-------------------------------|-----------------------|
| High inland transportation costs Long distance from centres of production to sea ports Traffic flow imbalance | Improve transport planning and scheduling among importers and exporters | FSE & CC TPU MOPWT | With additional funding | 2006-2009* |

Strategic Objective 2: To establish a transport infrastructure fund for the construction and maintenance of transport infrastructure

| Constraints | Programme Activities | Implementing Agent | Level of Resource Requirement | Implementation Period |
|---|---|-------------------------------|---|------------------------------|
| Limited resources for construction and maintenance of infrastructure Relatively low volumes, giving high unit costs and tariffs due to poor equipment and infrastructure utilization | Prioritize government spending towards infrastructure development | MOPWT MOEPD MOF | Substantial funding and may including external funding. | 2006-2009* |

Strategic objective 3: To improve balance of traffic flows for both road and rail services

| Constraints | Programme Activities | Implementing Agent | Level of Resource Requirements | Implementation Period |
|---|--|---|---------------------------------------|------------------------------|
| Poor cooperation between importers and exporters towards achieving economies of scale. Traffic flow imbalance resulting in a large proportion of empty return hauls, and additional costs for repositioning empty containers | Strengthen Swaziland's presence and participation at the Durban Port Have regular consultative meetings between exporters and importers | Swaziland Railways Importers and Exporters Associations. | With additional funding | 2006-2009* |

Strategic Objective 4: To effectively engage all stakeholders including South African and Mozambican authorities with regard to goods in transit

| Constraints | Programme Activities | Implementing Agent | Level of Resource Requirements | Implementation Period |
|---|---|--|---------------------------------------|------------------------------|
| Congestion at the Durban port Delays caused by border post formalities Absence of competition in the railway and port sectors, often resulting in poor service levels, and a shift to more expensive modes of transport | Hold regular Private-public consultative meetings Have regular meetings with the relevant authorities in South Africa and Mozambique | Swaziland Railways FSE & CC TPU MOPWT | With additional funding | 2006-2009* |

5.6 Trade Facilitation

5.6.1 Vision

A commercial environment that provides for the efficient movement of goods and services.

5.6.2 Overview

The cost and time of moving goods from the producer to the point of entry of the importer can determine the exporter's competitiveness in global trade. The processes, systems and government regulations, which facilitate this, should be developed to ensure efficiency. Major problems that exporters face include stringent customs requirements, poor administration and documentation procedures and high transport and handling costs. The cost and availability of pre-shipment and post-shipment finance and guarantees is another aspect that if well addressed can improve transaction costs.

In Swaziland a number of organizations are engaged in providing trade facilitation services to exporters. The department of customs and excise plays a major role, as they have to clear imported raw materials at the border, process documentation for finished products and also facilitate exports. Processing and inspection of documents at the border is currently being carried out manually. The department is making attempts to computerise all border posts, which will entail single declaration point for goods as opposed to declaring in both Swaziland and RSA customs. The next phase of the project will be to introduce Electronic Data Integration (EDI) where pre-shipment data capturing will be done first at the customs offices

and then later expanded to company premises. The computerisation project is currently at its pilot stage at the Ngwenya Border Post.

The TPU is another agency responsible for signing certificates of origin for products destined to regional and international markets. The unit also processes duty rebate and duty credit certificates, which are aimed at enhancing exporters' competitiveness in global markets. Trade facilitation agencies include the following:

- Department of Customs and Excise
- Trade Promotion Unit – TPU
- Standards and Quality Assurance Unit
- Malkerns Research Station
- Central Bank of Swaziland
- Financial Institution
- Swaziland Railways
- Immigration Department
- Shipping Agents
- Swaziland Royal Insurance Corporation

5.6.3 Strategic Issues

1. Delays in the clearance of goods at the border.
2. Some borders close as early as 6 pm.
3. Limited number of staff in trade facilitation agencies.
4. Poor management systems and mechanisms in processing of documents.
5. Trade facilitation agencies are too fragmented resulting in delays in processing of documents.
6. Too many export documents required, thus increasing processing costs.
7. Costly transportation of goods.
8. Inadequate use of modern technology such as e-commerce to facilitate trade
9. Most agencies lack resources due to low budget allocations and as such cannot develop programmes to improve trade facilitation.
10. Poor harmonization of trade facilitation regulations between Swaziland and RSA. VAT refunds take long and requirements for provisional VAT payment adversely affect exporters' competitiveness.
11. Lack of easily accessible information on required procedures and documents when exporting

5.6.4 Strategic Objectives

1. To put in place a policy to enhance export competitiveness through reduced transaction costs
2. To improve information dissemination on required exporting procedures.

3. To harmonize the country's trade facilitation policies and regulation with regional and international trade partners
4. To remove all administrative obstacles to the movement of goods and services.
5. To ensure quick, easy and reliable clearing of goods

Strategic Objectives 1: To have a policy to enhance export competitiveness through reduced transaction costs/trade facilitation costs

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|--|--|------------------------------|
| Costs of processing documents are too high Agencies are too fragmented Too many documents VAT requirements by RSA High shipping costs | Introduce a one-stop-shop for trade facilitation Reduce the number of documents required Reduce costs on documentation Harmonize trade policies between RSA and SD Put emphasises on constant information sharing through network | TPU, customs and other trade facilitating agencies | Substantial funding and may include external funding | 2006-2009* |

Strategic Objective 2: To improve information dissemination on required exporting procedures.

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|--|---|--|------------------------------|
| Lack of use of electronic document processing Lack of EDI for pre-shipment data capturing Lack of finance Shortage of skilled personnel in agencies Costly transport infrastructure | To lobby for introduction of e-commerce Fast track customs computerization project To fast track implementation of ICT policy Invest funds in development of transport system | TPU, Customs, ICT committee and other trade facilitation agencies | Substantial funding and may include external funding | 2006-2009* |

Strategic Objective 3: To harmonize the country's trade facilitation policies and regulations with regional and international trade partners

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation period |
|---|--|--|---------------------------------------|------------------------------|
| Provisional VAT requirement by SARS VAT refunds for imports takes too long Documentation procedures with RSA changes now and again without enough time to notify local export | Engage in negotiations harmonize trade facilitation policies Ensure that polices are in line with international and regional agreements Ensure that regulations promote trade Set up network with trade partners to disseminate information on changes in regulations | Trade policy depart, TPU, Customs, stakeholders SARS | With additional funding | 2006-2009* |

Strategic Objective 4: To remove all administrative and systems obstacles to trade

| Constraints | Programme Activities | Implementing Agents | Level of Resource Requirements | Implementation Period |
|---|---|---|---------------------------------------|------------------------------|
| delays in clearing goods at the border border gates closing early some agencies have shortage of staff agencies run out of export documents delays in processing documents. | Ensure efficiency in clearing goods Emphasise on single declaring/clearing at border Introduce 24 hours border operation Recruit more personnel for agencies Acquire inventory monitoring systems Set trade facilitation network to engage stakeholders now and again. | * TPU, Customs, Immigration CC, MOHA | With additional funding | 2006-2009* |

5.7 Waste Management

5.7.1 Vision

To develop, implement and maintain an integrated waste management system that will reduce the adverse impact of all forms of waste so that social and economic development in Swaziland is enhanced, thereby improving general health and the quality of its environment.

5.7.2 Overview

Goods originating from Swaziland should be produced in accordance with international environmental policies and standards. This is important because most importers want to buy goods that are produced in an environmentally sound manner (have a 'green label'). In Swaziland, the legislation provides for Environmental Impact Assessments (EIAs) for new industries and Environmental Audits for existing ones. The Environmental Compliance Certificate (ECC) is issued to a company that is in compliance with the EIA Regulations, and this is used to ascertain if a particular industry has undertaken any form of environmental assessment.

Currently there is a growing waste management problem in the country. This is a symptom of many factors of which industrialisation, consumer patterns, urbanisation and population growth are key elements. From another perspective, the absence of waste information has more or less hindered strategic planning. This has prevented appropriate action from being taken in terms of investment into consumer patterns; waste management infrastructure and required legislation in order to minimise, recycle and eventually handle waste that must be collected, treated and disposed.

Waste may be defined as any substance that is discarded or disposed of irrespective of its value or any substance deemed by a regulation to be waste. It may be in solid, liquid or gaseous form. The Environmental Management Act of 2002 guides waste management issues in Swaziland. The *Waste Regulations 2000* have been developed under this Act to address issues of solid waste management. They provide the regulatory framework for waste management in the country. They also specify the duties and responsibilities of the SEA, waste generators and waste service providers, and introduce new regulatory instruments such as waste management licensing and waste management planning to enforce the following principles: -

- The Duty of Care
- The control of import, export and trade in waste
- Approval of waste facility before disposal commences.
- Provision of waste receptacles in all premises in the urban areas.
- Arrangement of collection and transportation of waste to approved waster disposal facilities by generators of commercial or industrial waste.

In addition to these Regulations the Water Pollution Control regulations are being developed to regulate the discharge of waste into water bodies, while the Air Pollution Control Regulations, are also being developed are to address issues of emissions to the atmosphere. The Water Pollution Control Regulations will also define the roles of the different regulators of water pollution like the Water Resources Branch (under the Ministry of Natural Resources and Energy), the Swaziland Environment Authority (SEA) and the various industries that produce liquid wastes and also work as an overall coordinator of waste management in the country.

A National Solid Waste Management Strategy (NSWMS) has been developed through extensive stakeholder participation. This is a strategy subsidiary to the National Environmental Policy and Environmental Management Act of 2002 which serves as an enabling mechanism for the implementation and enforcement of the *Waste Regulations 2000*. The strategy subscribes to the vision, principles, goals and regulatory approaches set out in the above documents. It applies to the private sectors as well as all activities that impact on waste management. The fundamental approach to this strategy is to minimise waste in the production process and to control and reduce its impact. Through the strategy the management of waste will be done in a holistic, planned and integrated manner that will extend over the entire waste cycle, including generation, prevention, recycling, collection, transportation, treatment and disposal.

In addition to these regulatory instruments, there are international Conventions that Swaziland has acceded to. The country affiliated to the Basel Convention on transboundary movement of hazardous wastes and their disposal in August 2005. Cabinet approved the country's membership to the Stockholm Convention on Persistent Organic Pollutants at the end of 2005. Affiliation to these Conventions means obligations for the country to fulfill, for which non-compliance would jeopardise participation in international markets.

5.7.3 Strategic Issues

1. Inadequate waste disposal and treatment facilities. There are presently no facilities for disposal of hazardous waste within Swaziland.
2. Government and the private sector do not provide adequate resources for the treatment waste management.
3. Low level of cooperation within the various sectors of Government that have an important role to play in waste management.
4. Establishment of enterprises that produce *commercial and industrial waste* in areas that have inappropriate infrastructure for the management of waste.

5.7.4 Strategic Objectives

- i) To encourage industries to invest in cleaner production and waste minimization and management practices
- ii) To encourage industries to embrace good environmental practices as a marketing tool for export products in order to afford Swaziland based exporters a competitive edge so that they can penetrate and participate in international markets with greater confidence from the knowledge that their products have a 'green label'.
- iii) To provide an enabling environment for industries to comply with environmental requirements.

Strategic Plan Matrix

Strategic Objective 1: To provide an enabling environment for industries to comply with environmental requirements

| Constraints | Programme Activities | Implementing Agencies | Level of Resource Requirements | Implementation period |
|--|---|--|--|-----------------------|
| <p>Inadequate Waste disposal and treatment facilities</p> <p>Lack of Awareness on environmental requirements</p> <p>Long and fragmented approval processes</p> | <p>Updating the existing waste disposal facilities and putting up new ones where necessary.</p> <p>Upgrading existing wastewater treatment facilities</p> <p>Establishing a Public Relations Strategy on waste management</p> <p>Introducing methods for the time reduction in approvals</p> <p>Reducing the stops that are needed for approvals (group those that can be proved)</p> | <p>MHUD, City Councils and DPMO</p> <p>SEA, MHUD, MOHSW, SWSC, Industry</p> <p>SEA</p> <p>SEA and all other agencies involved in issuing licences.</p> | <p>Within existing budgetary allocations</p> | <p>2006-2009*</p> |

Strategic Objective 2: To encourage industries to invest in cleaner production and waste minimization and management practices

| Constraints | Programme Activities | Implementing Agencies | Level of Resource Requirements | Implementation period |
|--|--|---|--|------------------------------|
| <p>1 High generation of waste</p> <p>Low incentives for waste minimization</p> <p>Improper Management of waste</p> | <p>Encourage industries to use cleaner production technology in processing</p> <p>Identify and available technological options that will minimise the generation of waste.</p> <p>Provide supporting incentives that will minimise the generation of waste.</p> <p>Organise the existing recycling industry for further recycling of both general and hazardous waste, through the implementation of awareness, information and training campaigns, support for the Cleaner Production/Waste Minimisation Centre,</p> <p>Establish new regulatory and incentive instruments</p> <p>Implementation of new specific recycling activities</p> | <p>MEE, SEA, SIPA</p> <p>MEE, SEA</p> <p>MEE, MOF (Income Tax Dept)</p> | <p>Within existing budgetary allocations</p> | <p>2006-2009*</p> |

Strategic Objective 3: To encourage industries to embrace good environmental practices as a marketing tool for export products.

| Constraints | Programme Activities | Implementing Agencies | Level of Resource Requirements | Implementation period |
|---|--|--|---------------------------------------|------------------------------|
| <p>Low level of cooperation within the various sectors of government that have an important role to play in waste management.</p> | <p>Harmonise requirements from different sectors so that environmental/waste management has same gravity as other aspects of production</p> <p>Education on the role played by natural resources as raw materials in production processes.</p> <p>Introduce an accreditation/quality system that will have a waste management component and label local products that have been subjected to it.</p> | <p>MEE, Financial Institutions, SEA, SIPA</p> <p>SEA</p> <p>MEE (Swaziland Bureau of Standards)</p> | <p>With additional funding</p> | <p>2006-2009*</p> |

CHAPTER SIX

STRATEGY MANAGEMENT AND COORDINATION

6.1 Introduction

The development of a national support strategy is only the first phase of the process of addressing the constraints facing the export competitiveness in a country. The second and more important phase is that of implementation. This entails the formulation of an institutional framework that will become the focal point in rallying support for all the identified strategies and activities.

6.2 Institutional Framework

This strategy envisages a three-tier system of management. This includes a high level National Export Council, a Management Board and a Secretariat.

i) **National Export Council**

This will be the apex authority for the implementation of the strategy. It will constitute the following membership:

- (a) Minister responsible for Trade – Co-chair
- (b) Chairperson of the Federation of Swaziland Employers and Chamber of Commerce – Co-chair
- (c) Representatives of other relevant Ministries and public organisations – Members.
- (d) Representatives of the Private Sector - Members
- (e) Representatives of the Civil Society – Members

The membership is not expected to exceed twelve.

The role of the council will be to provide policy guidelines on all matters relating to the implementation of the National Export Strategy.

ii) **Management Board**

This will be the technical arm of the National Export Council. Membership will be technical people drawn from the sectors identified in the strategy. The public sector will provide technical membership from key ministries and other public organizations.

The membership is not expected to exceed eight.

iii) **The Secretariat**

The secretariat of the implementation of the National Export Strategy will be provided by the Trade Promotion Unit of the Ministry of Foreign Affairs and Trade.

It should be noted that the recently government approved strategic plan for the Trade Promotion Unit has accommodated this role.

6.3 The next steps

The completion of this strategy envisages the following actions:

- i) Ministry's approval of the strategy. A final copy of this draft will be presented to the Ministry of Foreign Affairs and Trade for approval.

Action date – 19th January 2006

- ii) A symposium forming together all the stakeholders will be held to validate the strategy.

Action date – Mid- March 2006

- iii) The incorporation of views and comments by the stakeholders in the final strategy document.

Action date – Early April 2006.

- iv) Submission of the Strategy document to the Cabinet for approval.

Action date – oC June 2006.

- v) The national launch of the strategy.

Action date – Mid July 2006.

Appendix I

IMPLEMENTATION MATRIX OF NES 2006 - 2009

The overall objective is to implement NES over a three year period 2006 – 2009 and there after evaluate the whole process. It is expected that for an effective implementation, trade committees be established to discuss and address concerns as raised in the NES document. These committees will be as follows;

- A) **Trade Facilitation Committee:** to discuss and address concerns such as high transport cost to export and import of raw materials, automation of customs, efficient handling of cargo at the border, VAT concerns, introduce 24 hour border operation, freight cost, establish Cargo Coordination Center in Durban Port and reduce costs associated with documentation procedures.
- B) **Utilities Committees:** To discuss on quality service delivery on electricity, telecommunications, water and waste management. To introduce broadband internet connectivity and address high cost of installation and maintenance of utilities charge to businesses. Committee to formulate policies to put Information Communication Technology (ICT) in forefront in enhancing exporters competitiveness
- C) **SPS/TBT Committee:** To discuss establishment of local bureau of standards, to acquire all necessary testing laboratories, equipment, personnel, systems and training institutions, to allow for active participation of clients on SPS/TBT issues, dissemination of SPS/TBT information to all clients and to act as WTO Focal point on TBT/SPS matters.
- D) **Human Development Committee:** To represent NES in all forums (Labor Advisory Board (LAB) and piloting of Human Development Bill. To ensure that views of private sector on skills development are considered.
- E) **Trade Finance Committee:** to promote all available schemes for exporters and eliminate red tape procedures in accessing schemes. To established other trade related incentives to further enhance exporter's competitiveness in international markets. The committee will also address concerns raised by SMEs with regard to accessing funds to expand or start new businesses.
- F) **Other Associations:** NES further suggest the formation of trade producers association which, will deliberate on exporters issues and make recommendations to the committees. They will also act as focal point for all for NES process. These include already established

associations such as Chamber of Commerce/FSE, Swaziland Textile Exporters association and Handicraft Association.

Implementation Phases

The National Export Strategy will be implemented in three phases.

1st Phase

The first will see the establishment of all relevant bodies and committees- National Export Council (NEC), Management Board (MB), Secretariat and all committees whose function is as described above. It is further expected that during this phase, a resource needs survey be done to ascertain the extent to which all identified bodies, committees, association and public/private sector institution require resources (financial, equipment/facilities/asset and human and capacity building needs). This will be with a view of formulating funding proposal to be presented to potential donor agencies and government.

2nd Phase

This phase will give time to the MB to analyze the reports of committees/task teams and all identified institutions. The analysis will look into their proposed work program and its budget needs, such as cost of hosting workshops and other resource needs. The MB will thereafter formulate a funding proposal to be presented to potential donor agencies and government for funding and other technical requirements as will be outlined. It is expected that during this process all resources requirement for identified committees, association and public/private sector institution's will be addressed and will culminate in efficient and effective service delivery to all exporters.

3rd Phase

This will be the implementation, monitoring and evaluation phase of NES. It is expected that all committees, task team should begin convening meetings or workshops to address concerns as identified in the NES document. All public and private sector institution expected to effectively and efficiently deliver their services to the business community and all stakeholders. It is expected that the objectives of NES-enhancing exporter's competitiveness, value addition and product diversification and increased Public private sector partnership- will be achieved.

All activities undertaken by the committees, task teams and trade institutions will be reported to the MB during its quarterly meetings. The MB will accordingly advise NEC, who will in turn report to cabinet on the progress of NES. It expected that during the quarterly meetings all intervention strategies, where necessary will be formulated to ensure continuity in the NES process.

The last year of the implementation period (2009) will include hosting a national symposium where all stakeholders will be involved to conduct an assessment of the whole project from implementation. The symposium will mainly determine the extent to which objectives of NES were achieved.

Implementation Period

The implementation period will follow the Swaziland Government financial year which start in 1st of April to 31st March and is divided into 4 quarters. First quarter (April to June), second quarter (July to September), third quarter (October to December) and last quarter (January to March).

A more detailed implementation matrix of NES which uses the Objectives, Measure, Time and Initiatives (OMTIs) model, is stated below.

1st PHASE – ESTABLISHMENT OF NES MANAGEMENT AND MONITORING BODIES

| OBJECTIVES | MEASURE | INITIATIVES | LEAD | PERIOD 2006 - 2009 |
|---|--|---|----------------------|-----------------------|
| To establish the National Export Council (NEC) to be the apex authority in the implementation of the National Export Strategy (NES) | <ul style="list-style-type: none"> • To set up Management Board (MB) to be the technical arm of NES • To state in detail how TPU will act as secretariat for NES | <ul style="list-style-type: none"> • Inform cabinet and public on composition of NEC, MB • To establish resource requirements for the NEC, MB, Secretariat • To establish rules of procedure and work programme for NEC, MB, Secretariat | MFAT, NES Core Team* | August 31, 2006 |
| Ensure adequate representation of all members in Trade Support Network (TSN) in NES implementation | To set up trade committees to address identified constraints in NES. Committees to include committees on, Trade Facilitation, SPS/TBT, Utilities, Human Development Export Finance | <ul style="list-style-type: none"> • To bring all stakeholders in one room to select representatives to different committees • To submit names of committee members to NEC • To make known to public (stakeholders) their composition, terms of reference (ToR) | MB, NEC | September 30, 2006 |
| To ensure that private sector concerns are adequately addressed | MB to facilitate formation of exporters/producers associations such as, manufactures association, Textile Exporters Association etc. An example is Chamber of Commerce/FSE | <ul style="list-style-type: none"> • To bring all private sector companies to one room to form such associations. • To give mandate to association to act as focal point on NES issues and also represent private sector in implementation of NES | MB, NEC | September 30, 2006 |
| To ensure all private/public sector institutions have sufficient resources to render effective and efficient trade related services to the business community | To conduct a resources needs assessment on all private/public sector institutions which render trade related services | MB to establish task teams to conduct nation wide survey to determine resource requirements needs by all institutions providing export services. Survey to look into issues such as availability of tools (websites, flyers etc) to disseminate information, Equipments (Bureau of standards laboratories, testing equipments etc), Documentation procedures (reduce costs and time) and personnel shortages and capacity building | MB, NEC | September 30, 2006 |

* NES Core Team members are expected to play a leading role in the formation and eventual operation of committees and task team

2nd Phase – CONFIRMING WORK PROGRAM AND ALLOCATING RESOURCES

| OBJECTIVES | MEASURE | INITIATIVES | LEAD | PERIOD 2006 - 2009 |
|--|--|---|---------------------------|-----------------------|
| To establish clearly defined work programme for committees/task teams and that all service offering institutions have resources to undertake their mandate | To formulate reports on proposed work procedures by committees, analyze report on resources assessment | <ul style="list-style-type: none"> • Committees/Task teams to meet and determine work program for 2006 – 2009 and draw up a budget e.g. cost of hosting workshops, seminars etc • Task teams to report on resource assessment for institutions providing trade related services | Committees, Task Team, MB | December 31, 2006 |
| Confirming work program and allocation of resources | MB to deliberate on reports and make recommendations to NEC | <ul style="list-style-type: none"> • MB to analyze all reports by committees and make recommendations to NEC • MB confirm work program and budget for committees to commence implementation of NES • MB to analyze all reports task team on resource needs by service providers and formulate funding proposals to submit to donors and government • MB to ensure all resources obtained are allocated to identified trade service providing institutions | Committees, Task Team, MB | March 31, 2007 |

3rd Phase – MONITORING AND MANAGEMENT OF NES

| OBJECTIVES | MEASURE | INITIATIVES | LEAD | PERIOD 2006 - 2009 |
|--|--|---|---|--------------------------|
| <p>To ensure all objectives of NES are implemented;</p> <ul style="list-style-type: none"> - Exporters are competitive - There is value addition - There is product/market diversification - Public Private sector Partnership increased | <ul style="list-style-type: none"> • All trade committees to commence meetings to address concerns and implement strategies as raised in NES • All export services rendering institutions are well resourced (equipments, facilities, human, capacity) to affectively and efficiently offer services | <ul style="list-style-type: none"> • Committees to engage regularly in nation wide workshops/seminars and formulate reports on all activities and submit to MB on progress • All institutions to use their resources to offer services to all members of TSN and regularly provide reports to MB on progress • MB to analyze reports in quarterly meetings and make recommendations to NEC who will in turn report to cabinet on progress of NES • MB and NES to make intervention strategies where necessary to ensure continuity in implementation of NES • Committees, task teams and institutions to incorporate intervention strategies in their work programme | <p>MB, NEC, committees and Task Teams</p> | <p>April 1, 2007</p> |
| <p>To ensure an effective monitoring and management of NES</p> | <ul style="list-style-type: none"> • MB to review quarterly progress on NES and make recommendations to NEC • To host in the last year (2008-2009) a National symposium to assess effectiveness of NES in addressing set objectives (competitiveness, value addition, diversification and increased public private sector partnership) | <ul style="list-style-type: none"> • To bring all stakeholders as identified in TSN to national symposium to give feedback on ability of NES to address their concerns • To take stock of all work done, analyze reports from committees and institutions and formulate intervention strategies to ensure progress • To make recommendations to NEC to advice government, international agencies and public on progress in NES • To ensure all submissions and intervention strategies are implemented in remainder of implementation period (January – March, 2009) | <p>MB, NEC,</p> | <p>December 31, 2008</p> |

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MINISTRY OF FOREIGN AFFAIRS AND TRADE
TRADE PROMOTION UNIT

THE STRATEGIC PLAN 2006 - 2008

Joint Project of the Ministry of Foreign Affairs and Trade and the Commonwealth Secretariat

Mbabane, Swaziland

5 August 2005



TABLE OF ABBREVIATIONS AND ACRONYMS

| | |
|------------|---|
| AGOA - | African Growth Opportunity Act |
| COMESA - | Common Market for East and Southern Africa. |
| EDO - | Export Development Officer. |
| EU - | European Union. |
| FDI - | Foreign Direct Investment. |
| FINCORP - | Swaziland Development Finance Corporation |
| GDP - | Gross Domestic Product. |
| HEDO - | Handicraft Export Development Officer. |
| ICT - | Information and Communications Technology. |
| M & E - | Monitoring and Evaluation. |
| MERCOSUR | |
| NAMBOARD - | National Agricultural Marketing Board. |
| NDS - | National Development Strategy |
| PS - | Permanent Secretary |
| PTPO - | Principal Trade Policy Analyst. |
| SACU - | Southern African Customs Union. |
| SADC - | South African Development Community |
| SCOT - | Swaziland College of Technology. |
| SIDC - | Swaziland Industrial Development Company. |
| SME's- | Small and Medium sized Enterprises. |
| STH - | Swaziland Trading House. |
| STPO - | Senior Trade Promotion Officer. |
| STPA - | Senior Trade Policy Analyst. |
| SWOT - | Strengths, Weaknesses, Opportunities and Threats. |
| TBT - | Technical Barriers to Trade. |
| TIA - | Trade Information Analyst. |
| TOT - | Training of Trainers. |
| TPA - | Trade Policy Analyst |
| TPO - | Trade Promotional Officer. |
| TPU | Trade Promotional Unit. |
| Unit - | The Trade Promotion Unit. |
| US - | Undersecretary. |
| USA - | United States of America |

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EXECUTIVE SUMMARY

1. This Strategic Plan for the Trade Promotion Unit (TPU) covers three years, 2005/06 to 2007/08. The plan is a product of intensive evaluation of the TPU in its current situation, given its mandate and core functions, and where it should be in the next three years, taking into consideration all aspects of the environment it operates in. In developing this strategic plan, all the staff of the TPU and some of its stakeholders were involved right from its inception, through its development, up to the production of the final document. This was done for three main reasons:
 - i. To develop in-house capability in strategic management,
 - ii. To ensure buy in of the final document
 - iii. To ensure commitment during implementation
2. The main goal of this strategic plan is to enhance the capacity of the TPU to operate strategically in order to improve Swaziland's export performance through increased national competitiveness and strategically placing Swaziland's products and services in the global market. Swaziland's economy is export-led, with a big proportion of the country's GDP (80%) being contributed by exports. The main role of TPU is to facilitate exports. This underscores the central role that has been defined for the TPU in spearheading economic development through facilitation. It is thus imperative that the TPU embraces best practices in its management. This is what gave rise to the preparation of this strategic plan.
3. The Vision for the TPU that will guide performance during the period is: *"To be a centre of excellence in facilitating and promoting exports"*.

The mission of the TPU is *"Identification of external market opportunities and facilitation in their optimal exploitation by the people of Swaziland."*

To be able to achieve the set vision the Unit will be guided by a set of values that hinge on professionalism, knowledge and delivery of service in a friendly, accessible and helpful manner.
4. The Core functions of the TPU as derived from the Ministerial mandate are:
 - i. Identification of new export products and services, and related international market opportunities, and the development of existing, emerging and other potential global markets.
 - ii. Provision of export oriented support services to exporters, and entities engaged in providing services to existing and potential exporters.
 - iii. Provision of information on business opportunities in the global market.

- iv. Promoting international business orientation amongst domestic producers and carrying out trade promotions and other publicity campaigns in the foreign markets.
 - v. Development and lobbying for policies and legislations that support sustainable development of export opportunities.
 - vi. Continuously evaluating the global market and crafting appropriate strategies for exploitation of these opportunities.
5. Both the internal and external environment were analysed through the identification of strengths, weaknesses, opportunities and threats (SWOT), this revealed the areas of strategic focus as being:
- i. Institutional capacity building. This will focus on:
 - (a) An appropriate and facilitative organization structure
 - (b) Acquisition, development and retention of the right numbers of staff with the required skills and experience.
 - (c) Availing appropriate and adequate working equipment and facilities to make TPU more effective
 - ii. Embracing the state of the art Information and Communications Technology (ICT)- this will focus on:
 - (a) Equipping TPU with state of the art facilities/technology that will enable easy adaptation to the changing business environment.
 - iii. Communication – This will focus on:
 - (a) Acquisition and dissemination of accurate, relevant and timely information internally, and to all relevant stakeholders.
 - (b) Sourcing and availing information that supports production of export oriented products.
 - iv. Aggressive promotion and support of Swazi export products globally- This will focus on:
 - (a) Promotion and publicity campaigns
 - (b) Effective participation in regional and international trade forums.
 - (c) Lobbying for the enactment of enabling policies for export oriented production.
 - v. Collaboration with Stakeholders. This will focus on enhancing relationship with stakeholders.
6. Strategic objectives, strategies and activities have been developed around the above strategic issues. When implemented, it is expected that the strategic objectives will be addressed and the TPU will be able to deliver on its mandate with greater efficiency and effectiveness.

The TPU's strategic objectives for the next three years are:

- i Streamline the operations of the TPU with the aim of making the Unit more effective and responsive to the needs of its stakeholders.
- ii Recruit, develop and retain a highly motivated workforce in order to provide efficient and effective service to all stakeholders.
- iii Ensure that The TPU has up to date facilities and equipment to enable delivery of efficient and effective service to the satisfaction of their clients and stakeholders.
- iv Develop and maintain a culture of strategic management in order to make the Unit more effective and ensure that it stays one step ahead of its clients.
- v Make TPU a one stop trade information resource centre.
- vi Improve and sustain a positive image and visibility of TPU.
- vii Ensure proactive entrenchment of Swazi products and services in the traditional export markets, and expand into new markets

INTRODUCTION

1. Rationale for a Strategic Plan for the Trade Promotion Unit

Strategic planning or total strategic management has always been a handy tool but its application has been patchy. The hitherto low use of strategic management was rooted in the fact that the environment was stable and predictable such that long-term planning was a sufficient tool. In today's hyper competitive environment the concept of strategy is no longer a theory confined to academia but it is an essential management tool for all institutions. Strategic planning does not only apply to institutions that have lost direction and are in search of the magic for revitalisation that can be found in strategy. Successful and future focussed institutions that seek to remain profitable and relevant in their areas of specialisation have long embraced strategy.

The TPU Strategic planning process seeks to refocus the Unit on its environment by seeking to understand it and making decisions that inspire actions that will shape and guide the Unit to a successful future.

Some of the challenges facing the TPU emanate from internal weaknesses. The situation as it is calls for a rapid and appropriate response so as to restore some systematic order and chart the way to revitalisation of the country's development aspirations.

The dynamic and complex environment that is characterised by dwindling resources and increasing expectations from consumers of TPU services has necessitated the conscious adoption of strategic planning. Strategic planning is founded on positioning organizational resources, both physical and human in such a way that they are responsive to the changing environment. Strategic planning should be able to help in resource mobilisation and allocation so as to optimise the output. This forms the basic rationale for drawing a strategic plan for the Trade Promotion Unit.

However it is important to note that successful strategic planning is not a one-time activity. It is a continuous process. A good strategy must have a life and this life will be meaningfully sustained when the TPU lives the strategy in its programs and actions.

The TPU must not only implement the strategic plan for it to have meaning but, more importantly, must adopt a strategic management posture that will help steer its overall management. The challenge exists, it is real, the solutions are available the responsibility is on the leadership.

1.1 Methodology of Developing the Strategic Plan

To make the process participatory, ensure consensus and wide acceptability, the following stages were adopted:

- i. A strategic planning workshop was held which involved the Director and all the professional staff of the TPU.
- ii. During the Strategic planning workshop the following were undertaken:
 - (a) Development of a strategic intent that covered the Vision, Mission Statement, and the Core Values
 - (b) A brief environmental analysis that included situation analysis and stakeholder analysis
 - (c) A SWOT analysis
 - (d) Formulation of interim objectives, and some strategies.
- iii. These processes were supported and supplemented with further interviews and discussions with various officers, and used to prepare this draft strategic plan.
- iv. The draft strategic plan was then presented to TPU Staff and some stakeholders for review and finalization.

This draft has as much as possible given a brief theoretical background of the various steps. This approach is consistent with the Action Research model that involves getting the client to understand and fully participate in the entire strategic planning process. This is not only for purposes of consensus building and ownership but it also focuses on the implementation by developing those involved and creating a learning environment that allows them to gain new insights into their circumstances.

CHAPTER TWO

INSTITUTIONAL APPRAISAL

2. TPU Mandate and Functions

The Trade Promotion Unit was initially established within the Ministry of Commerce and Industry, and later transferred to the Ministry of Foreign Affairs and Trade. The broad mandate of the Unit is to support export business growth in the global arena. To facilitate this role the unit is charged with the responsibility of identifying opportunities and providing facilitation to spur production and the necessary access to international markets. The specific roles of TPU are:

- i. Identification of new export products and services, related international market opportunities, and the development of existing, emerging and other potential global markets.
- ii. Provision of export oriented support services to exporters, and entities engaged in providing services to existing and potential exporters.
- iii. Provision of information on business opportunities in the global export market.
- iv. Promoting international business orientation amongst domestic producers and carrying out trade promotions and other publicity campaigns in foreign markets.
- v. Development and lobbying for policies and legislations that support sustainable development of export opportunities.
- vi. Continuously evaluating the global market and crafting appropriate strategies for exploitation of these opportunities.

2.1 Policy Priorities

To achieve the above mandate, the management of the TPU is guided by the following policy guidelines:

- i. To encourage the growth of SMES through export promotion
- ii. To ensure that Swazi exports are internationally competitive and sustainable.
- iii. Emphasis on sector prioritization
- iv. Encouragement of Swazis to engage in export oriented production and business
- v. Increase export financing

2.2 Vision

Through participating approaches, the following vision has been developed for the TPU:

- i. To be a centre of excellence in facilitating and promoting exports.

2.4 Mission

To achieve the vision, the following Mission will be pursued:

- ii. Identification of external market opportunities and facilitation in their optimal exploitation by the people of Swaziland.

2.4 Values

At TPU we recognize that staff is our key operating asset. We endeavour to create a conducive work environment for all our staff. Through our staff we aspire to adopt the best work practices in the country. To achieve this we endeavour to train and motivate our staff so that they can deliver superior value to our customers. We commit ourselves to the following values:

- i. Commitment to upholding world class **Professionalism**
- ii. To create and sustain a **friendly** working environment.
- iii. Strive to be a knowledge-based **learning organization**.
- iv. Commitment to bringing **accessible** and **helpful** services to clients.

2.5 Organisational Structure

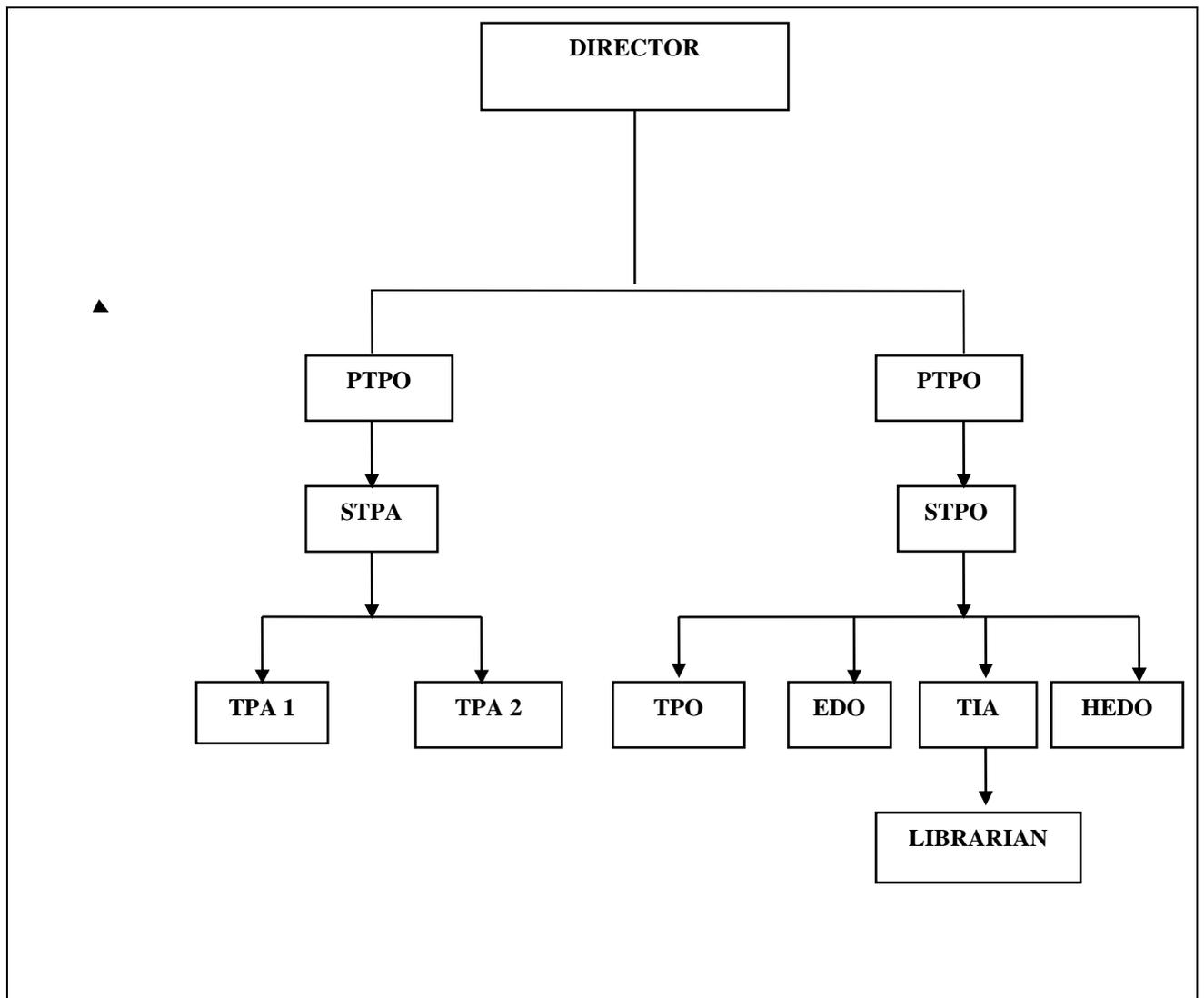
The organization structure is viewed as the established pattern of relationships among components of the organization. In designing a structure, one has to take into consideration:

- i. How the work of the organization will be divided and assigned among different departments, divisions, sections, and positions within the organization. .
- ii. How co-ordination necessary to accomplish total organizational objectives will be achieved.
- iii. Differentiating functional activities and integrating the focus to the common vision
- iv. Mission, objectives, and strategies.
- v. The span of control. This goes to determine the number of individuals that should be placed under one supervisor/manager.

2.5.1 The Current Structure

Figure 2.1 below shows the current organization

Figure 2.1: Trade Promotion Unit and Policy Section Organogram



2.6 TPU Staff Complement

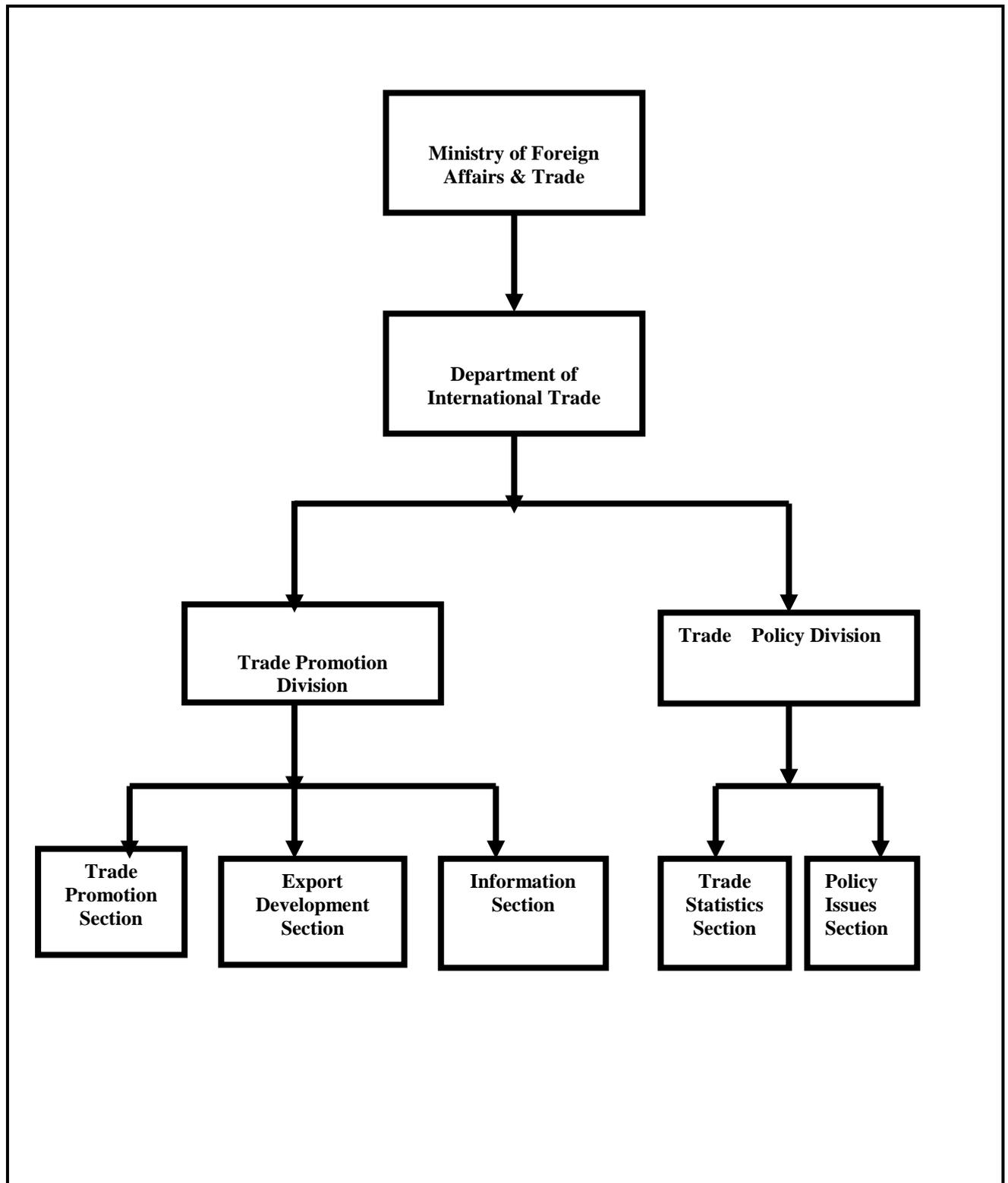
Currently the TPU has a staff compliment of 13 members. Of these, ten (10) are professionals, and 3 are support staff. According to the provisional analysis of the staff requirements of the TPU four (4) additional staff are required, (1 professional staff, and 3 support staff) in order to discharge their responsibilities effectively.

The unit currently boasts of a crop of young well educated professional staff. However the challenges that it faces emanate from the fact that most of the professional staff is very new to the unit, and have yet to gain the necessary experience required to discharge the responsibilities and duties of the unit effectively.

Table 2.1 The Staff Complement.

| Designation | Approved Establishment | Current No | Additional No. Required | Total |
|---------------------------------------|------------------------|------------|-------------------------|-----------|
| Director | 1 | 1 | 0 | 1 |
| Principal Trade Policy Analyst | 0 | 0 | 1 | 1 |
| Senior Trade Policy Analyst | 1 | 0 | 1 | 1 |
| Trade Policy Analyst | 2 | 2 | 1 | 3 |
| Principal Trade Promotion Officer | 1 | 0 | 1 | 1 |
| Senior Trade Promotion Officer | 1 | 1 | 0 | 1 |
| Trade Information Analyst | 1 | 1 | 0 | 1 |
| Export Development Officer | 1 | 1 | 0 | 1 |
| Trade Promotion Officer | 2 | 2 | 0 | 2 |
| Handicraft Export Development Officer | 1 | 1 | 0 | 1 |
| | | | | |
| Total | | 9 | 2 | 13 |
| Support Staff. | | | | |
| Secretary | 0 | 0 | 1 | 1 |
| Library Assistant | 1 | 1 | 0 | 1 |
| Typist/Clerk | 0 | 1 | 0 | 1 |
| Driver/Messenger | 0 | 0 | 1 | 1 |
| Receptionist | 0 | 0 | 1 | 1 |
| Cleaner. | 1 | 1 | 0 | 1 |
| Total | | 3 | 3 | 6 |
| Grand Total | 13 | 12 | 4 | 19 |

Figure 2.2: Proposed Organization Structure



2.7 TPU's Expected Outputs and Outcomes.

The Trade Promotion Unit's activities should lead to specific outputs and outcomes. It is through these outputs and outcomes that its performance will be assessed. The unit's output can be measured against the real growth in export value. The specific outputs and outcomes are tabulated in the Table below.

Table 2.2 Expected Outputs and Outcomes.

| | Functional Area | Output | Outcome |
|--|--|--|---|
| | Export Development section | New export products and services | Increased number of exporters, export products and services |
| | Trade Promotion Section | Identified and developed export markets | An increased presence of Swazi exports in the global markets. |
| | Information & Trade statistics sections. | Provision of well researched and documented up to date information on export opportunities | Increase in the number of well informed aspiring and existing exporters |
| | Corporate level | Better organization of the Unit's activities | Higher quality of general management and hence improved customer service. |
| | Human resource | Effective and efficient staff | Effectiveness and efficiency in undertaking the TPU's activities. |

CHAPTER THREE

SITUATION ANALYSIS

3. Background

Swaziland in 1997, mapped out a twenty-five year vision stating that, “by the year 2022, the Kingdom of Swaziland will be in the top 10% of the medium human development group of countries founded on sustainable economic development, social justice and political stability.” Underpinning this vision is the focus on the improvement of the quality of life in the country, the critical dimensions of which are poverty eradication, employment creation, gender equity, social integration and environmental protection.

The National Development Strategy is, nonetheless, scanty on Swaziland being an export driven economy and, except in the case of agricultural products, it says virtually nothing on trade. Notwithstanding this shortcoming, the strategy recognises that Swaziland has a comparative advantage in agricultural products because of its good soils and climates, as well as its competitive wage rates, but emphasizes the need to diversify away from agriculture into industry and services, as well as from the narrow range of non-agriculture activities into the broader spectrum of manufacturing. Such diversification will reduce overall economic risk, raise the degree of resilience in the economy and raise the capability of the economy to sustain its operations.

These sentiments could be filtered into the broader economic scheme to include products and services to be traded and thus are the national policy priorities as stipulated in the current National Development Plan.

3.1 Swaziland’s Economic Activities and Outlook

Between 1997 and 2003 the GDP grew at an average of 2.7 percent per annum. The population growth rate at the time averaged 2.9 percent. Slightly more than a third of Swaziland’s GDP is attributable to the manufacturing sector. This situation prevails due to the enabling environment that saw accelerated inflow of foreign direct investment (FDI) in the 1980s. A large proportion of manufacturing is dominated by: Wood pulp production, soft drinks processing, fruit canning, refrigerators and processing of sugar.

Table 3.1: Swaziland’s GDP 1997-2003; An Extract of the Main Contributors

| Sector | Average Share of GDP % | Average Annual Growth % |
|---------------|------------------------|-------------------------|
| Manufacturing | 34.8 | 1.1 |
| Agriculture | 9.3 | -1.3 |
| Forestry | 1.2 | 1.6 |
| Mining | 1.1 | -10.1 |
| Others | 53.6 | - |

Source: Economic Review and Outlook 2002/03 – 2006/07

Since the advent of AGOA in 2001 the textile and apparel production has been stepped up. Exports of textiles and apparels now form a significant proportion of the country's exports.

Mining shows a massive decline averaging 10 percent during the period. This decline arose out of the closure of asbestos and coal mines. The asbestos mines were shut for health related reasons.

During the period there was a faster growth of imports as compared to exports. This trend was unfavourable considering that a good proportion of the imports were consumer goods. Swaziland's economy is said to be export-led with exports comprising, on average, about 80 percent of the GDP, with the 2003 figures putting it at 82%.

Table 3.2: Rating of Major Export Commodities 1995-2002

| Export Commodity | Average Share % |
|---------------------------------------|-----------------|
| Sugar | 10.0 |
| Wood pulp | 1.8 |
| Canned Fruit | 1.7 |
| Citrus fruits | 1.3 |
| Minerals (Asbestos, Coal and Diamond) | 1.1 |
| Other Edible Products | 39.0 |
| Consumable Finished Products | 18.0 |
| Others | 27.1 |
| Total | 100 |

Other edible products made up about 39% of the exports while, consumable finished goods accounted for 18 percent and other exports accounted for 18 percent. The total percentage of these goods was about 75. This means that there is a diverse range of exportable goods about 25% that can be nurtured and presented to the world market.

The success of Preferential Trade Agreements between SACU and the USA, and EU and MERCOSUR, is expected to open opportunities for exports and also stimulate production in various export-oriented sectors. Most of Swaziland's exports are destined for: USA, Japan, South Africa, SACU region and COMESA. Tourism as an economic activity is yet to be fully exploited. Swaziland is viewed as a transit point for tourists' to/ from South Africa and Mozambique. Tourism can play a complementary role in the promotion of Swazi products to foreigners.

3.1.1 Population

The 1995 population census reflected a total population of 929,718 persons and a population growth rate of 2.9 percent. Based on the assumption that the growth rate remained constant the 2005 population would be estimated at 1,168,618 persons. HIV/AIDS prevalence is estimated at 39 percent, implying that the virus infects about 455,618 persons. This level of infection compromises productivity in two ways; first, it slows labour output and two, it diverts resources to HIV/AIDS related activities including awareness creation and provision of support and care to the infected and affected.

3.1.2 Internal Environment

The functions of the TPU are to coordinate and facilitate External trade activities. The Unit must therefore develop adequate capacity to fulfil these roles by ensuring an effective and facilitative structure, adequate facilities and equipment, appropriate systems and processes, a well-trained and experienced human resource, state of the art information and communication technology, linkages and collaborations with other government ministries/ departments, development partners, private sector, exporters and other stakeholders.

3.1.3 Existing Capabilities and Competencies

This section examines the organization and functioning of the TPU.

- i. Over the years, TPU has established an adequate structure that reflects its broad functions.
- ii. The TPU has developed strategies, systems and procedures to promote the growth of exports from the country. The Unit acts as a catalyst for motivating exporters by directly providing the services to ensure increased presence of the country's export products in foreign markets.
- iii. The TPU has a lean staff complement of youthful qualified and enthusiastic manpower. This is important as the Unit continues to play an important policy and technical support role.
- iv. The Unit is centrally located in the middle of Mbabane, making it easily accessible to its clients and stakeholders.

3.1.4 Internal Challenges

The Unit's operations are affected by a number of internal challenges and weaknesses ranging from inappropriate structures to inadequate linkages and collaborations.

i Facilities and Equipment

The working environment at the Unit requires improvement. Some of the facilities, equipment and other working tools like, telephone, Internet facilities and vehicles are inadequate for a unit that is charged with the responsibility of serving the country's exporters, and with the need to communicate globally.

ii Human Resource

Though the Unit is staffed with youthful well-educated staff, most of the staff is very new in the Unit, with little experience on the main functions of the Unit.

iii Capacity building and Training

There is an apparent lack of adequate technical skills in the Unit. The Staff in the Unit needs to undergo a variety of technical trainings, soft skills and exposure on global trade systems.

iv Information technology

Though the Unit has adopted and installed advanced technology systems, some of the computers are quite old and in need of replacement. The internet facilities are inadequate, and the computers have not been networked. This makes information sharing difficult and hence defeating the benefits of computerization.

v Communication

Communication, both internal and external is constrained. Internally, vertical and horizontal flow of information is inadequate hindering effective service delivery. Communication to clients and other stakeholders outside the Unit is equally constrained. It is not clear what information must be shared between staff and sections and among other stakeholders. Dissemination of policy decisions is therefore slow.

3.2 External Environment

The external analysis has mainly to do with the clients and other stakeholders.

3.2.1 Stakeholders Analysis

Stakeholders' analysis undertaken aimed at identifying all the stakeholders of the TPU and their respective roles in helping the TPU accomplish her mandate. There is increased sensitivity towards collaboration with stakeholders as they provide a means for maintaining harmony and boosting productivity.

The following have been identified as key stakeholders of the TPU:

i. Training Centers

There are various Training Centres in Swaziland that are a constant source of trained and skilled human resources that are vital for; manufacturing, processing and exporting of a variety of products from the country.

These include:

- a) Swaziland College of Technology (SCOT)
- b) Gwamile Voctim
- c) Manzini Industrial Training Centre
- d) University of Swaziland
- e) Nhlanguano Agricultural Skills Training Center
- f) National Handicraft Training Centre

Most of exporters draw their technical, administrative and clerical staff from these institutions. Their role therefore is develop and provide highly skilled graduates to the business sector, particularly export-oriented businesses

The relationship between the Unit and these training centres is to ensure the existence of a coordinated concerted effort between exporters, training institutions and the

government in drawing programmes and a curriculum that will meet the exporters' human resource needs

ii. Swaziland Industrial Development Company.

This is a development finance institution formed in 1987 as a joint venture between the government of Swaziland and several local and international financial institutions. The role of SIDC is to mobilize resources to finance private sector projects. This is achieved through various products including long-term loans, equity participation, asset leasing, SME finance and industrial buildings.

iii. Swaziland Investment Promotion Authority

This institution was established to encourage investments in Swaziland. Its responsibilities include:

- a) Promoting investment in the kingdom from domestic, regional and international investors by creating a more conducive environment and availing appropriate facilities and services.
- b) It arranges for prompt and equitable consideration of all application for government authorization and services by acting as representative for the investor.

The TPU and the Authority have a lot in common in terms of encouraging investments in the Kingdom, more specifically export oriented investment. They need to share information regularly.

iv. Banks and Financial Institutions

Most local banks are directly or indirectly involved in providing financial assistance to exporters. Some of them have specific financial schemes for exporters, while others provide facilities and services required to conduct export trade. Some of the notable institutions involved in providing financial and other related services include:

- a) **Swazibank**, which provides huge funds in form of loans to sugar farmers and other agricultural, based projects.
- b) **FINCORP**, which provides a wide range of financial assistance to agricultural farmers and other viable business ventures. This institution was set up to address the financial needs of exporters and other businesses.
- c) **Export Credit Guarantee Scheme** (Central Bank of Swaziland) - this scheme is specifically designed to assist small and medium sized exporters to obtain trade finance from commercial banks at favourable interest rates without undue limitation in terms of collateral.

The TPU works closely with financial institutions to identify those that have schemes to finance businesses especially export-oriented businesses. The Unit also assists exporters to present their grievances to financial institutions regarding service provision, and work with them to develop new strategies to improve their ability to access financing.

v. Electronic and Print Media

The Electronic and print media play a major role in informing all the stakeholders on the goings on both locally and internationally as far as trade is concerned. Through it, the Unit is able to pass vital information to exporters and other stakeholders, and it is also able to get feedback from them.

vi. NAMBOARD

NAMBOARD is an organization that provides services to agro based exporters and importers. The services it provides include:

- a) Regulation of import and export of scheduled agricultural
- b) Facilitation and establishment of local and global market for agro-based business
- c) Facilitation of the development of farmers in Swaziland.

The TPU works closely with NAMBOARD by:

- a) Identifying market opportunities by facilitating trade exhibitions where NAMBOARD participates.
- b) Assisting it to obtain technical and financial assistance from the government and international partners.
- c) Advise on the development of agricultural trade agreements.

vii. Swaziland Trading House

The STH was established to specifically look into development of the handicraft sector. It's main functions include:

- a) Buying locally made handicrafts, and promoting them in the local and international markets
- b) Developing programmes for capacity building amongst local crafters.

The Unit work closely with STH in:

- a) Identifying market opportunities through facilitating trade exhibitions,
- b) Assist organization in obtaining technical and financial assistance from the government and international partners.
- c) Provides the organization with appropriate information on exporting handicraft and other related issues such as TBT standards.

viii. Standards Quality Assurance and Metrology unit

This is a unit under the Ministry of Enterprise and Employment, responsible for:

- a) Providing information on Technical Barriers to Trade (TBT)
- b) Disseminate information on TBT to clients (exporters) and other relevant stakeholders including TPU
- c) Provide assessment on conformity with international standards

The TPU continually shares information on TBT issues with this Unit in its endeavour to serve the exporters and other stakeholders.

ix. Malkerns Research Station

This is an agricultural research station which:

- a) Provides technical assistance on crop technology, agronomy and crop protection
- b) Assist farmers with quarantine services
- c) Provides assistance such as training to farmers
- d) Provides information to TPU clients (exporters) on latest developments on sanitary standards and import regulations
- e) Issues health certificates for agricultural exporters

The TPU works closely with the Research Station to ensure that exporters and other stakeholders are well informed and receive the necessary technical and administrative assistance.

x. Customs Department.

The Customs Department is one of the TPU's main stakeholders. The Department is responsible for:

- a) The collection of customs and excise duties for export
- b) The inspection of export-oriented business to see if they meet set regulations
- c) Keeping data on all export performance of Swaziland
- d) Signing export documents

The Customs Department's relationship to the TPU is in sharing information especially on the country's export statistics and other related issues. The Unit also works closely with the department in the inspection of export-oriented business establishments, and co-sign export documents.

xi. Government Ministries

As part of the Trade Promotion Unit stakeholders are the different government ministries, which form an integral part in development of export trade. This is done through setting up structures and policies/legislation, which will create an enabling environment, thus facilitate an efficient export trade. The ministries are as follows;

- a) Ministry of Enterprise and Employment
 - Labour
 - Investment
 - SME's development
- b) Ministry of Foreign Affairs and trade
- c) Ministry of Tourism, Environment and Communication
- d) Ministry of Economic Planning and Development
- e) Ministry of Education
- f) Ministry of Public Works and Transport
- g) Ministry of Finance
- h) Ministry of Agriculture and Cooperatives

xii. International Stakeholders.

These include Donors and other bilateral institutions that partner with the Government to assist various institutions in Swaziland through technical and financial assistance. Those that work with the TPU include:

- a) The Commonwealth Secretariat
- b) The World Trade Organization
- c) International Trade Centre.
- d) The world Bank
- e) European Union
- f) COMESA
- g) SADC
- h) AU

- i) NEPAD
- j) UNCTAD
- k) SAGCH(USAID)
- l) UNDP
- m) Southern African Customs Union (SACU)

xiii. Business Associations.

- Swaziland Chamber of Commerce and Industry and the Federation of Employers
- Association of the Swazi Business Community

(b) Table 3.3 below is the result of a participatory stakeholder analysis:

Table 3.3: The Results of the Stakeholders Analysis

| Stakeholder | Functions | Dependence/relationships |
|---|---|--|
| 1. Training Centres. | Training and development of Human Resources for the manufacturing, processing and export sector. | Working together with the and the training centres and the government to ensure that the right calibre of staff are available |
| 2. Swaziland Industrial Development Agency. | Mobilization of financial resources and developing infrastructure and other trade related facilities. | Assisting export oriented organizations in securing financing for long and short term investments for export oriented organizations. |
| 3. Swaziland Investment Promotion Authority | Promoting Investment by creating a conducive environment for local and foreign investors | Collaboration in encouraging export oriented investment. |
| 4. Banks and Financial Institutions. | Financing manufacturing and export trade. | Assisting needy manufacturers in the export trade to secure appropriate financing. |
| 5. Electronic and print media. | Information dissemination. | Informing stakeholders and being informed on how well the unit is doing serving them. |
| 6. NAMBOARD | 1. Regulation of imports and exports. 2. Facilitating the development of export oriented farming in Swaziland. | Facilitation of export promotion and assisting export oriented farmers to secure technical and financial assistance. |
| 7. Swaziland Trading House. | Development of handicraft trade locally and internationally. Building capacity among Swazi crafters people. | 1. Collaborating to find export markets. 2. Assisting in the provision of technical and financial assistance. |

| Stakeholder | Functions | Dependence/relationships |
|--|--|--|
| 8. Standards Quality Assurance and Metrology Unit. | Provision of information on Technical Barriers to Trade and assessing conformity with international standards. | Assist exporters with regard to Technical Barriers to Trade. |
| 9. Malkerns Research Station. | Provision of technical assistance and information to farmers dealing with agro- based export products. | Ensure that farmers and exporters receive necessary technical assistance. |
| 10. Customs Department. | Inspection of export goods and signing export documents and collecting excise duties for exports. | Work together to finalize export requirements before goods can be exported. |
| 11. Government Ministries. | Set up policies, structures, legislations and other systems and procedures to create an appropriate environment that facilitates export trade. | Work closely with other government departments and ministries to facilitate export trade. |
| 12. International Stakeholders. | Assist the government and other institutions through technical and financial assistance. | Receiving technical and financial assistance to enable the Unit discharge its mandate effectively. |

3.3 Summary of SWOT Analysis

Table 3.4 below is a summary of a participatory SWOT analysis:

Table 3.4: Summary of the SWOT

| Strengths | | Weaknesses | |
|-----------|---|------------|--|
| 1. | A fairly young workforce that has capacity for learning and adaptability. | 1. | Inadequate facilities and equipment |
| 2. | Accessible office location - in town centre | 1. | Constrained communication both internally and externally. |
| 3. | A well equipped in-house resource centre | 2. | Inadequate budgetary allocation |
| 4. | Accessibility to telecommunication and Internet facilities. | 3. | An unclear management structure, system and processes that manifest themselves in poor planning and coordination of the unit's activities. |
| 5. | Good relationship with existing clients | | |
| 6. | A lean staff establishment | | |

| Opportunities | Threats |
|---|--|
| <ol style="list-style-type: none"> 1. Membership in regional trading organizations such as COMESA, and SADC that give preferential access to an expanded regional market. 2. Easy availability of trade and other business related information on the Internet. 3. Preferential access to foreign markets through such arrangements as AGOA. 4. A small home/domestic market that is able to generate surpluses for the international market. 5. A fledging manufacturing sector that is backed with the productive potential in agriculture and mining. 6. An overall country orientation towards export - offers a supportive structure. 7. Existing possibility for assistance from donors in the area of capacity building | <ol style="list-style-type: none"> 1. High competition from other producers within and outside the region that suppresses demand and prices for the country's products. 2. Lack of a domestic port and continued use of foreign ports. This is dependent on fragile goodwill and leads to escalation of movement and other logistical costs associated with access to the port. 3. High dependence on preferential treatment by way of tariff concessions in export destinations. 4. HIV/Aids that affects productivity within the unit and in the economy as a whole. 5. Frequent currency fluctuations. |

3.4 Strategic Issues

The strategic issues that were identified can be classified under five broad categories; Institutional capacity building, embracing the state of the art Information and Communications Technology, Communication, Aggressive promotion and support of Swazi export products globally, Collaboration with Stakeholders.

The following are the outlines of a strategic focus:

- i. Institutional capacity building
 - (a) An appropriate and facilitative organization structure
 - (b) Acquisition, development and retention of the right numbers of staff with the required skills and experience.
 - (c) Availing appropriate and adequate working equipment and facilities

- ii Embracing the state of the art Information and Communications Technology (ICT)
 - (a) Equipping TPU with state of the art facilities/technology that will enable easy adaptation to the changing business environment.
- iii Communication
 - (a) Acquisition and dissemination of accurate, relevant and timely information internally, and all relevant stakeholders.
 - (b) Sourcing and availing information that supports production of export oriented products.
- iv Aggressive promotion and support of Swazi export products globally
 - (a) promotion and publicity campaigns
 - (b) Effective participation in regional and international trade forums.
 - (c) Lobbying for the enactment of enabling policies for export oriented production.
- v Collaboration with Stakeholders
 - (a) Relationship with stakeholders.

3.5 Strategic Objectives

The strategic objectives of the TPU reflect the key result areas (outputs and outcomes) that will respond to specific sets of strategic issues and challenges facing the Unit. These objectives have been identified in the context of the situation analysis as well as the constraints and opportunities that face the TPU. Further, for each strategic objective, the appropriate strategies around which specific activities have been identified are discussed.

The strategic objectives and activities also reflect the vision, mission, functions and policy priorities of the Unit. Seven key strategic objectives have been identified. These are:

- i Streamline the operations of the TPU with the aim of making the Unit more effective and responsive to the needs of its stakeholders.
- ii Recruit, develop and retain a highly motivated workforce in order to provide efficient and effective service to all stakeholders.
- iii Ensure that The TPU has up to date facilities and equipment to enable delivery of efficient and effective service to the satisfaction of their clients and stakeholders.
- iv Develop and maintain a culture of strategic management in order to make the Unit more effective and ensure that it stays one step ahead of its clients.
- v Make TPU a one stop trade information resource centre.
- vi Improve and sustain a positive image and visibility of TPU.
- vii Ensure proactive entrenchment of Swazi products and services in the traditional export markets, and expand into new markets.
- viii Enhance the public private sector collaboration in order to facilitate ease of export trade.

CHAPTER FOUR

STRATEGIES

4. Formulation of Strategies

The strategies have been formulated to answer the questions as to how the Unit will achieve the objectives it has set for itself. The strategies are premised on the continual endeavour to perfect strategic thinking and respond to the emerging environmental challenges and opportunities. In the sections that follow, the strategies associated with each of the strategic objective are elaborated.

The strategies aim at improving the performance of the TPU by utilizing its strengths to capitalize on existing or emerging opportunities. They are formulated to take the maximum advantage of the environment.

Please note that the detailed activities for each strategy are in the implementation matrix, which is found on **Table 5.4**.

4.1 The strategies that have been formulated for each objective.

Objective 1:

Streamline the operations of the TPU with the aim of making the Unit more effective and responsive to the needs of its stakeholders.

Strategies

- i. Develop and implement an appropriate organization structure.
- ii. In line with the revised Unit, Division and section functions, ensure that each member of staff understands clearly what their responsibilities are, and how each job relates to the other

Objective 2:

Recruit, develop and retain a highly motivated workforce in order to provide efficient and effective service to all stakeholders.

Strategies

- i Formulate and put in place appropriate staff recruitment and placement policy for the TPU.
- ii Put in place a comprehensive Staff Performance Management system in line with the proposed objectives and strategies of the Unit
- iii Train and develop staff.
- iv Develop internal systems and procedures that will make the TPU, the workplace of choice for staff.

Objective 3:

Ensure that the TPU has up to date facilities and equipment to enable delivery of efficient and effective service to the satisfaction of their clients and stakeholders.

Strategies

- i Equip the TPU with the state of the art Information and Communication Technology/facilities.
- ii Equip The TPU with other appropriate equipment and facilities that befit the important role it plays in the country's economy.
- iii Ensure that the TPU facilities and equipment are used and maintained with care.

Objective 4:

Develop and maintain a culture of strategic management in order to make the Unit more effective and ensure that it stays one step ahead of its clients.

Strategies:

- i Continuously scan the global, regional and domestic environment, and take steps to respond appropriately to current and anticipated changes.
- ii Develop and implement systems and procedures to enhance effective internal communication
- iii Develop and implement systems that will be responsive to the needs of the TPU's stakeholders.
- iv Transform The TPU into a semi-autonomous Export Business Promotion Centre

Objective 5:

Make TPU a one-stop trade information resource centre.

Strategies:

- i Design and develop a state of the art information centre within the Unit.
- ii Make the Information Resource centre a one stop state of the art source of all information relevant to the mandate and functions of the TPU.

Objective 6:

Improve and sustain a positive image and visibility of TPU.

Strategies:

- i Improve TPU's Public Image.
- ii Locate the TPU strategically given the role it is meant to play both locally and internationally

Objective 7:

Ensure proactive entrenchment of Swazi products and services in the traditional export markets, and expand into new markets.

Strategies:

- i Aggressively promote Swazi products and services globally.

CHAPTER FIVE

IMPLEMENTATION

5. Strategy Implementation

This is the action phase of the strategic management process. Up to this point the areas that will have been covered are:

- i. Strategy Formulation – based on environmental analysis.
- ii. Strategy Choice - based on the available resources and preferences of the management.

These first two phases rely on effectiveness while the third and most critical stage that will determine whether the strategy is realised is the implementation. Implementation is founded on efficiency. At this stage huge resource outlays may be required and more determined resistance is likely to emerge. In this phase the strategy is translated into concrete action. Accomplishment of the actions must not be left to chance.

For successful implementation the following must be observed:

- (i) Identification of priorities and translation into annual operational objectives.
- (ii) Development of specific functional objectives.
- (iii) Development and communication of concise policies and procedures to guide implementation.

5.1.1 Implementation Approach

Specific levels have been identified for the purpose of implementing the strategies as appears in the implementation matrix.

(i) Implementation Matrix

The matrix tabulates the strategies and activities that are to be implemented.

(ii) Sequencing

Activities that will produce quick results will be implemented immediately so that they can be achieved early enough to set momentum for the implementation of other activities.

(iii) Capacity Building

Staff will be trained so that adequate capacity is developed. They will be trained on:

- (a) Planning and objective setting
- (b) Performance Planning and Improvement
- (c) Monitoring and tracking of strategy implementation activities
- (d) Performance review and appraisal.

It is expected that this process will lead to improved structuring of functions, responsibilities, activities and tasks, and the outcome will be improved services to the exporters and other stakeholders.

(iv) Operational Plan & Individual Objectives

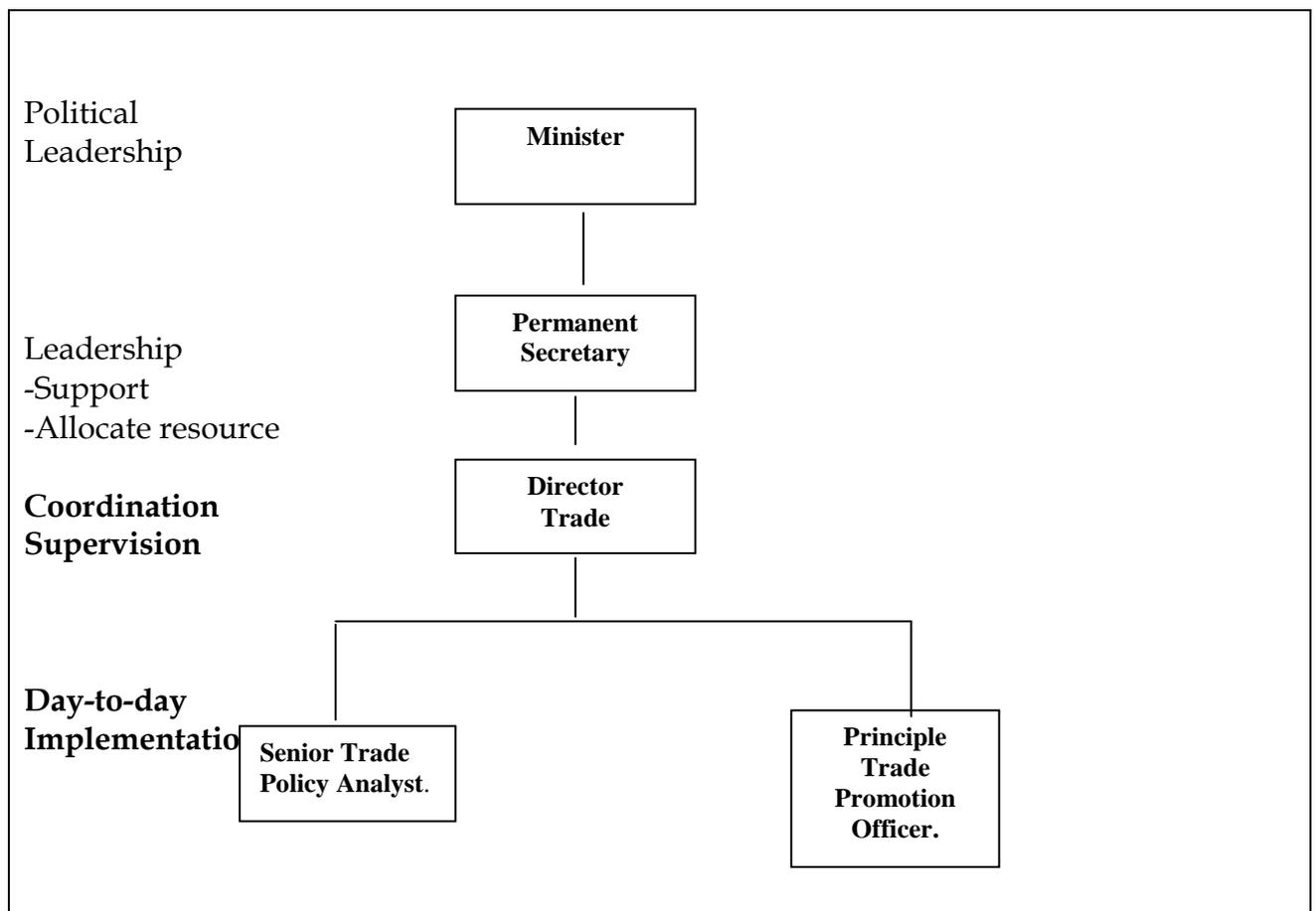
Each section will be required to prepare its operational plan based on the TPU's strategic Plan, and each individual member of staff will be required to develop their individual objectives, with the help of their supervisor and the Director.

5.1.2 Implementation Management Structure

The success of this strategic plan will be the responsibility of the Director under the guidance of the Principal Secretary Ministry of Foreign Affairs and Trade who will support the plan both in commitment and resources.

A three-tier structure will be involved in implementing the strategic plan activities. The Minister, the Principal Secretary will provide leadership, guidance and resources. The Director will provide coordination and supervision to the implementing team, while the Senior officers in the Policy and the Trade Promotion Divisions will be responsible for the day-to-day implementation. Figure 5.1 shows the implementation structure.

Figure 5.1: Implementation Management Structure



5.2 Monitoring and Evaluation

- i During the implementation of the strategic plan the TPU will need to monitor and evaluate the inputs, activities, outputs and outcomes to ensure that the strategic plan objectives are delivered as expected. There is need therefore to design an effective M&E framework.

Monitoring is an important management tool that:

- (a) Helps management to pursue progress and make decisions aimed at improving performance of a programme;
- (b) Allows managers to determine whether the programme is on course and likely to achieve the intended objectives;
- (c) Ensures accountability to all parties involved in the programme/organization outcomes.

Through the process of monitoring, management will assess the delivery and use of resources in accordance with the implementation plan, the achievement of the intended outputs on a timely, cost effective manner and the overall efficiency with which the activities are implemented.

- ii Evaluation on the other hand has five main purposes:
 - (a) To enquire into the feasibility of a programme/ plan;
 - (b) Assess the overall impact of a programme/ plan;
 - (c) Helps to avoid the possibility of wasting money by guiding selection of the most effective alternatives;
 - (d) Ensures that an organization does not continue with a strategic plan that is not likely to produce the intended outcomes; and
 - (e) Helps to detect and correct some of the factors that reduce the positive impact of the strategic plan.

5.2.1 Monitoring methodologies

Monitoring and evaluation will involve three main activities:

- i Development of Performance indicators
- ii Data Collection and analysis at all levels
- iii Effective supervision
- iv Surveys and rapid assessments at all levels

Monitoring will involve routine data collection and analysis. The results from the analysis will be used to inform decision making at all levels. This way, the objectives of the strategic plan will be reinforced through corrective measures on a timely basis.

a) Performance Indicators

For each of the output areas, there will be need to develop performance indicators. These indicators should be available to all those involved in the implementation and the supervision of the strategic plan and used in planning and M&E cycle.

b) Data Collection and analysis

Data will be collected and analysed at every level. The responsibilities for data collection at all levels and the frequency will have to be determined, to eliminate duplication and the issue of falling through the cracks.

There will be need to adopt a uniform set of checklists, registers, reporting forms and planning and monitoring tools at all levels.

c) Supervision

Supervision of implementation of the strategic plan will be carried out at all levels. These reports will be reviewed regularly against the targets to ensure that there is positive progress.

d) Surveys and rapid assessment at all levels

Continued internal and external evaluation surveys and rapid assessments will be organised, with the aim of checking and ensuring that activities remain on course.

5.2.2 Indicators

Indicators are outlined in the logical framework and the implementation matrix. There will be need to develop indicator targets so that monitoring and evaluation can be facilitated. The implementing team will undertake this exercise.

5.2.3 Evaluation Mechanism

The strategic plan will be evaluated before, during and after implementation to ensure that it remains feasible, relevant and likely to produce the planned results. The evaluation will be carried out using the relevance, efficiency, effectiveness, sustainability and impact criteria.

- i The relevance criteria will ensure that the strategic plan continues to address the policy priorities of the TPU at all times.
- ii The efficiency criterion assesses the extent to which resources are used optimally.
- iii The effectiveness criterion assesses the extent to which the desired outputs are being achieved.
- iv Sustainability ensures there is capacity to continue with the strategic plan while impact assessment is concerned with outcomes realization.

A logic framework will be designed for each key result area showing the overall goal, purpose, outputs, activities and inputs. It will also indicate the objectively verifiable indicators and means of verification. It is a useful tool for evaluating the strategic plan components. Table 6.1 shows the overall logical framework.

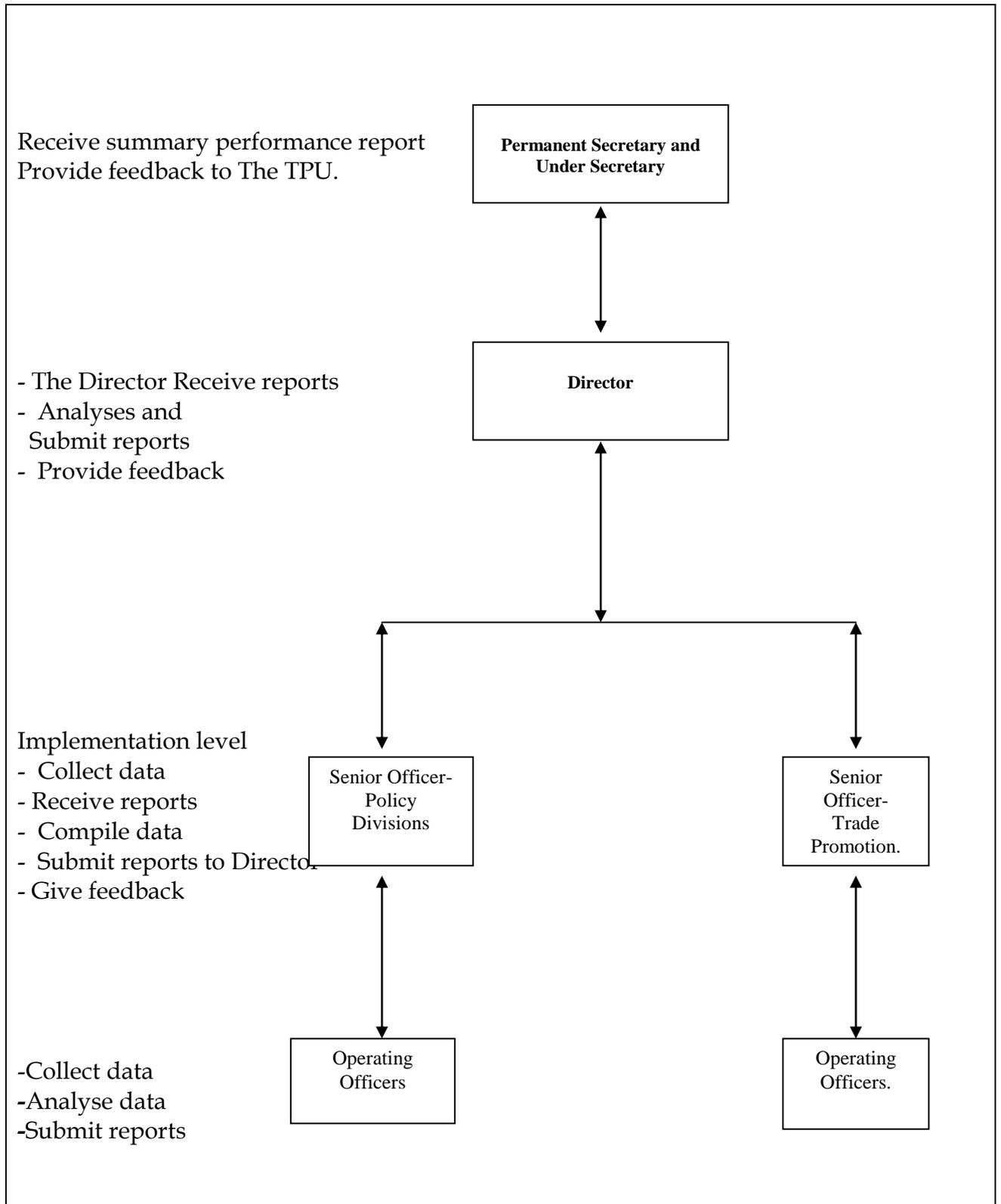
5.2.4 Monitoring and Evaluation Framework

M&E will be instituted at all levels. Each level will have predetermined performance indicators for the major key result areas. The operating officers will be responsible for data collection, compilation and reporting to the Division or senior officer level. At the Division level, data and information will be analysed, and sent to the Director's Office.

The Director will study the reports; submit necessary reports to the Principal Secretary, and send feedback to all staff and other users as necessary.

There will be need for preparation of the necessary reporting formats, and ensuring that everybody is conversant with the formats and how to use them to generate reports. It will also be necessary to computerize the M&E processes for speed, consistency and accuracy. The M&E framework is shown in figure 5.2

Figure 5.2 M&E Organogram



To ensure that data generated from the implementation units for the M&E process, the PS and US will be charged with the duty of ordering periodic independent evaluation. This

independent evaluation should be more frequent at inception as it will not only aim at verifying and evaluating but more importantly at imparting the evaluation techniques and helping to institutionalize the whole concept of M&E.

Table 5.3 Overall Logical Framework

| Narrative summary | Indicators | Means of verification | Assumptions |
|--|--|--|--|
| <p>Overall goal To improve Swaziland's Export Trade and earnings.</p> | <p>1. No of Swazi Exporters increases by 5% per annum in 2007, 2008 and 2009 respectively. 2. An increase in the volume of exports by 10% in 2007, 10% in 2008 and 15% in 2009 3. Export earnings increase by 10% in 2007, 10% in 2008 and 15% in 2009</p> | <p>1. Records from the customs department, Association of Manufactures and Employers, NAMBOARD. 2. The ministry of Finance and the Central Bank. 3. Central Statistics.</p> | <p>1. Assuming resources required for effective implementation will be available. 2. Assuming that the foreign exchange rates are not erratic. 3. Assuming that the National Export Strategy is implemented.</p> |
| <p>Purpose of the strategic plan To enhance the capacity of the TPU to deliver effective and efficient service to its stakeholders.</p> | <p>1. Realization of the Unit's Strategic objectives. 2. Optimal operating costs.</p> | <p>1. Monitoring and Evaluation reports 2. Staff performance reports 3. Customer survey reports.</p> | <p>1. There will be minimal staff turnover to maintain a core of qualified and experienced staff. 2. The Unit will have funds to train staff and equip them with appropriate skills.</p> |
| <p>Output</p> | | | |
| <p>1. A clear understanding of the Unit's vision, mission and strategic</p> | <p>1. Staff able to articulate the Units vision and mission, and the same being evident in their day-</p> | <p>1. Evaluation reports from seminars and workshops staff will hold for clients and stakeholders.</p> | <p>Through the strategic planning sessions, staff will have gained an in-depth understanding of strategy formulation. 2. Staff will have gone through training on</p> |

| Narrative summary | Indicators | Means of verification | Assumptions |
|--|---|---|--|
| objectives among staff. | to-day operations and interactions with clients and stakeholders. | 2. Staff performance appraisal reports. | change management. |
| 2. A rationalised organization structure with clear functional responsibilities. | 1. Evident smooth running operations through an increase in the number of satisfied clients. 2. All staff able to discharge their duties to the satisfaction of the Unit's clients and stakeholders. | 1. Staff performance Appraisal records. 2. Customer survey records. | 1. The Unit will have some latitude to determine its own structure, and operate as a semi autonomous business Unit. |
| 3. Enhanced capacity to effectively discharge the duties and responsibilities of the Unit. | 1. The presence of competent members of staff with the required skills and experience. 2. An adequately equipped Unit with up to date farcialities effectively serving their clients and stakeholders to their satisfaction. | 1. Human resource management and development records. 2. Staff performance appraisal records. 3. Asset registry records. 4. Customer service survey reports. | 1. The government will provide required funds, and in case of a shortfall, donors will be willing to assist. |
| 4. An Institutionalised cultures of strategic thinking and management within | 1. Staff well informed, and in tandem with the regional and global happenings in their area | 1. Quality of operational plans prepared by staff. 2. Quality of reports | 1. Provisson of adequate staff training 2. Supportive attitude from the ministry and other relevant institutions. |

| Narrative summary | Indicators | Means of verification | Assumptions |
|---|--|---|--|
| the Unit. | <p>of specialization.</p> <p>2. Well thought out Realistic plans, systems and procedures in place, keeping the Unit one step a head of their clients and stakeholders.</p> | <p>prepared by staff.</p> <p>3. Staff performance records.</p> <p>4. Customer service survey reports.</p> | |
| 5. A well equipped and stocked state of the art information resource centre | <p>1. Well informed staff able to handle queries and information requirements of all clients and stakeholders.</p> <p>2. Increased number of satisfied clients seeking information, and using the Information Resource Centre.</p> | <p>1. An established Information Resource centre.</p> <p>2. Customer survey reports.</p> <p>3. Reports on the number of clients and stakeholders using the Centre, and their level of satisfaction.</p> | <p>1. Funds will be available to set up, equip and stock the centre.</p> |
| 6. A sustained positive image of the Unit | <p>1. The public and stakeholders well aware of the functions of the Unit, and what services they can receive from it.</p> <p>2. Clients satisfied with the services they receive from the Unit.</p> | <p>1. Customer surveys.</p> <p>2. Reports and information from the print and electronic media.</p> | <p>1. Availability of funds for publicity and service improvement.</p> |

| Narrative summary | Indicators | Means of verification | Assumptions |
|--|--|---|---|
| 7. Greater awareness and increased demand of Swazi products and services in the global market. | 1. Increased number of export destinations 2. Increased number of export items. 4. Increased export volume and earnings. 5. Increased Investment. | 1. Statistics from various government departments and trade associations. | 1. Availability of funds for promotional activities. 2. Positive response from the exporters and other stakeholders. |

Table 5.4 Implementation Matrix

Objective 1: Streamline the operations of the TPU with the aim of making the unit more effective and responsive to the needs of its stakeholders.

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|--|---|---|--------------------------------|---|--------|
| 1.1 Develop and implement an appropriate organization structure. | <p>1. Examine the current functions of the divisions and sections of the TPU to bring them in line with the new vision and mission of the Unit.</p> <p>2. Review the current structure with a view to identifying how well it has enabled the Unit to meet the needs of its stakeholders in the past.</p> <p>3. If it is found wanting, design, develop and implement an appropriate structure that will enable the Unit to carryout its functions effectively.</p> | The Director in consultation with the Principal Secretary and the Minter. | 1 st November 2005. | <p>1.A functional Review report</p> <p>2.An evaluation Report</p> <p>3. A revised and rationalised organization structure ad functions of every Division and section.</p> | |

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|---|--|--------------|--------------|---|--------|
| 1.2 In line with the revised Unit, Division and section functions, ensure that each member of staff understands clearly what their responsibilities are, and how each job relates to the other. | 1. Carryout a job analysis, and develop Job Descriptions and Specifications for all positions. | Director TPU | October 2005 | 1. Job Descriptions and Job Specifications. | |

Objective 2: Recruit, Develop and retain a highly motivated workforce in order to provide efficient and effective service to all stakeholders.

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|---|--|-------------------------------------|---------------|--|--------|
| 2.1 Ensure that there exists an appropriate system for staff recruitment and placement in consultation with the Civil Service Board and the Ministry of Public Service. | <p>1. Review the existing staff recruitment and placement policies with the aim of ascertaining its appropriateness.</p> <p>2. Review the current staff profiles vis-à-vis the proposed responsibilities, job descriptions and specifications.</p> <p>3. Design an appropriate staff recruitment and placement policy.</p> | The Director With the HR Officer | January 2006. | 1. Staff recruitment and placement Policy. | |

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|---|--|-------------|------------|--|--------|
| 2.2 Put in place a comprehensive Staff Performance Management system in line with the proposed objectives and strategies of the Unit. | <p>1. Review the current performance appraisal system to ascertain its adequacy.</p> <p>2. Design, develop and implement an appropriate performance management system.</p> <p>3. Train all staff in the Unit on the implementation and use of the performance management system.</p> | Director | 2005 | <p>1. A staff Performance Management and Appraisal System.</p> <p>2. Staff trained in Planning, Managing and Appraising their Performance.</p> | |

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|------------------------------|---|-----------------------------------|--------------|---|--------|
| 2.3 Train and develop staff. | <p>1. Develop a staff training policy</p> <p>2. Conduct training needs analysis to ascertain the individual training and development needs.</p> <p>3. Source funds for staff training and development from the Government/Donors.</p> <p>4. Develop and implement a staff training and development program.</p> | The Director with The HR Officer. | January 2006 | <p>1. The Unit's Training Policy.</p> <p>2. A report of the Unit's staff training and development requirements.</p> <p>3. Availability of adequate funds for staff training and development.</p> <p>4. A staff training and development program and calendar.</p> <p>5. Well trained and developed staff.</p> | |

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|--|--|-----------------------------|------------|--|--------|
| 2.4 Develop internal systems and procedures that will make the TPU, the workplace of choice for staff. | <p>1. Carry out a motivation and morale survey among the TPU staff.</p> <p>2. In liaison, where necessary with appropriate Ministries, design develop and implement appropriate motivation and morale boosting systems based on the results of the motivation and morale survey.</p> | The PS AND The Director. | 2007 | <p>1. A report on how to motivate staff and increase their morale.</p> <p>2. Well motivated and effective staff.</p> | |

- **Objective 4: Develop and maintain a culture of strategic management in order to make the Unit more effective and ensure that it stays one step ahead of its clients.**

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|--|---|---------------|------------|--|--------|
| 4.1 Continuously scan the global, regional and domestic environment, and take steps to respond appropriately to current and anticipated changes. | <ol style="list-style-type: none"> 1. Gather information from; the internet, news papers and magazines, professional journals, periodicals and the electronic media, synthesize and share it with the rest of the staff and the Information and Resource centre. 2. All staff to undergo a training workshop on Strategic Change Management. 3. Develop systems and procedures to institutionalize a culture of organizational learning in the Unit. | The Director. | Continuous | <ol style="list-style-type: none"> 1. Reports sharing what relevant materials and information has been searched and recorded by each member of staff. 2. Record of the training having taken place, 3. More effective members of staff as indicated on customer survey reports. 4. Better informed members of staff and improved internal communication. | |

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|--|---|-------------------|----------------------------|--|--------|
| 4.2. Develop and implement systems and procedures to enhance effective internal communication. | <ol style="list-style-type: none"> 1. Develop and implement an internal/external communication policy. 2. Hold regular meetings to ensure that all staff is well informed on the goings on of the Unit. 3. Train all staff on presentation skills and TOT courses. 4.. Ensure that each member of staff who attends; a conference, workshop, a training program, a trade fair or exhibition, submits a report, which is discussed with other staff members and a copy placed in the Resource centre. 5. Train all staff on effective communication and interpersonal skills. | The Director/PTPO | October 2005 Continuous | <ol style="list-style-type: none"> 1. A policy document on internal and external communication. 2. Minutes of meetings and actions resulting from such meetings. 3. Reports from conferences, workshops, trade fairs, trade promotion missions and other official outings. 4. Report on trained staff, improved communication internally and externally. | |

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|---|--|--------------|----------------------------|---|--------|
| 4.3 Develop and implement systems that will be responsive to the needs of the TPU's stakeholders. | <p>1. Institute quarterly stakeholder workshops, where each section presents position papers on the current and anticipated trends and challenges in their field, and how they intend to co-op with them.</p> <p>2. Develop and implement a system that will assist the Unit to continuously receive and respond to customer complaints and needs.</p> <p>3. Train all staff on effective customer service delivery.</p> | TIA & PTPO | 1 ST April 2006 | <p>1. Workshop and seminar reports.</p> <p>2. A customer care policy</p> <p>3. Customer survey questionnaires.</p> <p>4. Customer survey reports.</p> <p>5. All staff trained on customer service delivery.</p> <p>6.Improved customer service.</p> | |
| 4.4 Transform The TPU into a semi-autonomous Export Business Promotion Centre. | <p>1. Develop and submit a position paper to the relevant authorities outlining the benefits that will accrue to the stakeholders and the Government of Swaziland if the TPU is turned into a semi autonomous Export Business Promotion centre.</p> <p>As and when approval is granted, implement.</p> | The Director | April 2006 | <p>1. A position prepared paper for submission to the relevant authorities.</p> <p>2. Submission of the position paper and the response.</p> <p>.</p> | |

- **Objective 5: Make TPU a one-stop Trade information Resource centre.**

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|---|--|----------------|---------------------------|---|--------|
| 5.1 Design and develop a state of the art information centre within the Unit. | <ol style="list-style-type: none"> 1. Design a state of the art information centre and submit it for approval. 2. Solicit for funds from the Government/Donors to put up the facility and equip it with a state of the art equipment and facilities. | Director & TIA | 15 TH November | <ol style="list-style-type: none"> 1. A design and report on the proposed Information Resource Centre. 2. Approval from the relevant authorities. 3. Solicited funds for putting up the Centre. 4. An Information Resource Centre developed and equipped. | |

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|--|---|-------------|--|--|--------|
| 5.2 Make the Information Resource centre a one-stop state of the art source of all information relevant to the mandate and functions of the TPU. | <p>1. Train the TIA and the Assistant Librarian on setting up an Information Resource Centre.</p> <p>2. Review, document and implement an information gathering, documentation and dissemination policy.</p> <p>3. Equip the Information and Resource Centre with trade and other relevant print and electronic materials, and ensure they are regularly updated.</p> <p>4. Develop and implement systems that will ensure proper utilization and preservation of all documents and materials within the Information and Resource Centre.</p> <p>5. Ensure wide dissemination of information to all stakeholders.</p> | PTPO/TIA | <p>January 2006</p> <p>April 2006</p> <p>June 2006</p> | <p>1. An information gathering, documentation and dissemination policy document.</p> <p>2. A well equipped and stocked Information Centre.</p> <p>3. Well catalogued and documented information centre, where it is easy to find information.</p> <p>4. A clear policy and procedures to ensure wide dissemination of information.</p> | |

• **Objective 6: Improve and sustain a positive image and visibility of TPU**

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|---|--|--|------------|--|--------|
| 6.1 Promote and Sustain a positive Public Image of the TPU. | <ol style="list-style-type: none"> 1. Develop and implement a Public Relations Policy. 2. Develop and implement systems and procedures aimed at sustaining a positive public image. 3. Publicize and promote the activities of the TPU locally and internationally. | PTPO/TIA | April 2006 | <ol style="list-style-type: none"> 1. A public Relations Policy. 2. The position of Public Relations Officer created, and an officer recruited. 3. Documented systems and procedures for improving and sustaining a positive public image of the Unit. 4. A publicity program. | |
| 6.2 Locate the TPU strategically given the role it is meant to play both locally and internationally. | <ol style="list-style-type: none"> 1. Review the current location and adequacy of the TPU premises. 2. If found inadequate, identify a more strategic location and make arrangements to relocate. | The Director in consultation with the PS | April 2006 | <ol style="list-style-type: none"> 1. A review report on the suitability of the current premises of the TPU. 2. Relocate, or maintain current premises depending on the outcome of the review. | |

- **Objective 7: Ensure Proactive Entrenchment of Swazi Products and Services in the traditional export Markets, and expansion into new markets.**

| Strategy | Main Activity | Implementer | Time Frame | Output | Budget |
|--|--|-------------------|------------|---|--------|
| 7.1 Aggressively promote Swazi products and services globally. | <ol style="list-style-type: none"> 1. Review and update the current foreign trade policies with the aim of improving them and seeking advantage for Swazi products. 2. Increase participation of Swazi export organizations in regional and international trade fairs and exhibitions. 3. Step up the participation of Trade Attachés in promoting Swazi products and services globally. 4. Continually train staff on trade promotion issues. 5. Involve TPOs in trade negotiations. 8. Train relevant staff on effective negotiation skills. | The Director/PTPO | | <ol style="list-style-type: none"> 1. A review report of the current foreign trade policies. 2. An increase in the number of trade fairs and exhibitions, and the number of Swazi exporters taking part. 3. An increase in the number of Trade attaches in foreign missions. And more information and assistance given to Swazi exporters by them. 4. More favourable trade agreements for Swazi exporters. 5. Well trained and skilled staff on negotiation skills. | |

PROPOSED TPU JOB DESCRIPTIONS

Job Title: Principal Trade Promotion Officer

Reports to: The Director

Supervises: Senior Trade Promotion Officer
Trade Promotion Officer
Trade Information Analyst

Responsibility 1

Responsible for the overall management and supervision of the TPU.

Tasks:

- i Ensure that the TPU is adequately staffed with the right numbers of staff with relevant skills and experience.
- ii Articulate the objectives of the TPU to the staff, and ensure that everybody has a clear understanding of what the Unit intends to achieve, and the strategies that will be utilized in the process.
- iii Lead the Staff in developing operational plans for achieving the stated objectives.
- iv Ensure that every staff member participates in a performance planning session at the beginning of each plan year.
- v Ensure that the performance management calendar is effectively followed and actualized.

Responsibility 2

Responsible for the implementation of the National Export Strategy.

Tasks

- i As the custodian of the National Export Strategy follow up and ensure that the Strategy is successfully implemented.
- ii To be a member of the National Export Council and articulately represent the interests of the TPU.
- iii Take necessary steps to solicit for technical support and funding for the successful implementation of the Export Strategy.
- iv To spearhead and ensure the existence of a vibrant Export Trade support network.
- v Develop mechanisms for effective monitoring and evaluation of the implementation process.

Responsibility 3

Responsible for Planning and organizing the Swaziland International Trade Fair.

Tasks

- i Chair the Management committee of the SITF.
- ii Ensure that the organization of the SITF runs smoothly.
- iii Prepare the budget, and ensure that the approved funds are utilized effectively.

Responsibility 4

Responsible for the placement induction and guidance of Trade Attaches.

Tasks

- i In consultation with the Personnel Officer, recruit appropriate Trade Attaches to be posted abroad.
- ii Induct the Trade Attaches to ensure that they are conversant with the objectives of the Unit, and the relevance of their postings to the TPU.
- iii Guide the Trade attaches to ensure that the objectives of their mission are met.

Responsibility 5

To be the point person for the Unit in various forums as may be determined by the Director from time to time.

Job Title: Senior Trade Promotion Officer

Reports to: Principal Trade Promotion Officer

Supervises: Export Development Officer
Trade Promotion Officer
Trade Information Analyst

Responsibility 1

Responsible for developing an annual plan for exhibitions and promotional activities.

Tasks:

- i Gather information prepare a list of all relevant exhibitions, trade fairs and promotional events for the coming year.
- ii In consultation with the PTPO, and the relevant stakeholders, come up with those that Swaziland will participate in.
- iii Asses the suitability of organizations and products intending to participate in promotional activities.
- iv Organize a one day workshop/seminar to ensure that all prospective exhibitors have relevant information with regard to the requirement for participation, and any costs that will go with it.
- v Identify appropriate organizations and products for exhibitions
- vi Monitor the effectiveness of the program, give guidance and advice.
- vii Asses the suitability of organizations and products intending to participate in promotional activities.

Responsibility 2

To arrange and co ordinate participation at Trade Fairs and Exhibition including joint Ministerial World Expositions.

Tasks

- i Secure appropriate exhibition space with hosting organizations.
- ii Prepare and circulate invitation circular for trade fairs and exhibitions and

- iii Co-ordinate travel arrangements and shipment of goods to be exhibited.
- iv Present a budget for each event to the authority.

Responsibility 3

Supervise the acquisition, publication and dissemination of relevant information on trade fairs, promotion, exhibitions and export markets.

Tasks

- i Invite tenders for the design, printing, publication and submit to the Tender Board in consultation with the Trade Information Analyst and the involvement of stakeholders.
- ii Proof reading of draft publications.
- iii Ensure prompt payment.
- iv Supervise circulation.
- v Ensure website is regularly updated.

Responsibility 4

Supervise and ensure that the Promotional Activities are carried out effectively and intended objectives are met.

Tasks

- i Conduct a comprehensive briefing with TPU officers and exhibitors taking part in exhibitions.
- ii Ensure that the exhibition stand is adequately attended at all times.
- iii Ensure that officers responsible for the exhibition prepare post exhibition reports.
- iv Analyze reports from officers under supervision, and submit the same to the PTPO

Responsibility 5

Co-ordinate the preparation of the TPU budget

Tasks

- i In consultation with the PTPO, prepare and circulate the budget timetable.
- ii Prepare and submit the annual performance report of the TPU.
- iii Analyze and prioritize the section budgets and compile the TPU budget
- iv Discuss the proposed budget with PTPO and Director in preparation for presentation to the PBC.

RESPONSIBILITY 6

Responsible for the development of export and markets.

Tasks:

- i In consultation with the quality and standards assurance Unit, ensure that exporters are well conversant with quality and standards requirements of export markets.
- ii Continuously scan the global markets, and ensure that relevant information market availability is passed on to exporters.

RESPONSIBILITY 7

Responsible for the management and effective supervision of Export Development Officer, Trade Promotion Officer, Trade Information Analyst.

Tasks

- i Conduct a performance planning session with each officer at the beginning of the year to agree on performance standards and objectives.
- ii Conduct quarterly performance reviews for each officer.
- iii Conduct an annual performance appraisal for each officer and discuss the results with the PTPO and the Director.

Job Title. TRADE PROMOTION OFFICER

Reports to: SENIOR TRADE PROMOTION OFFICER

Supervises:

Responsibility 1

Responsible for updating and maintaining an up to date register and profiles of current and potential exporters.

Tasks

- i Design and develop appropriate tools for collecting and storing data on current and potential exporters.
- ii Collect company profiles from appropriate company personnel to ensure authenticity.
- iii Ensure that the information held appropriately stored, and used sensibly.

Responsibility 2

Co-ordinate and assist export traders to participate in trade fairs and exhibitions.

Tasks

- i Collect relevant information on fairs and exhibitions and make recommendations to the S.T.P.O on which ones Swaziland should take part in.
- ii In consultation with organizers and stakeholders, plan and co-ordinate attendance at selected trade fairs, including securing premises, furniture and other logistics.
- iii Plan and co-ordinate a briefing session for all the exhibiting exporters and T.P.U officers accompanying them.
- iv Make necessary travel arrangements for exhibitors and samples to be exhibited.
- v In consultation with S.T.P.O ensure the smooth running of the fair.
- vi Network with and collect potential buyer information for dissemination back home.
- vii Compile a comprehensive report including the planning, organizing and eventual participation

Responsibility 3

Participate in trade missions in order to enhance the potential of Swazi products.

Tasks

- i Approach prospective and potential buyers for selected Swazi products.
- ii In close consultation with foreign missions and embassies, facilitate meetings between the said buyers and local exporters.
- iii Co-ordinate travel arrangements as necessary.
- iv File appropriate reports and assist in follow up on behalf of stakeholders upon return.

Responsibility 4

To assist companies in developing export marketing strategies and destinations.

Tasks

- i Prepare a list of importers in target markets of products of export interest to Swaziland.
- ii Assess target market looking at socio-economic and consumer behaviour issues.
- iii Convey this information to Trade Information Section for onward transmission to exporters.
- iv Organize periodic workshops with exporters to discuss these market trends with the aim of making them more competitive.
- v Provide exporters with market standard requirements such as SPS and TBT measures. Keep exporters updated on these standard requirements.

Responsibility 5

To facilitate trade and export documentation.

Tasks

- i Assess and authorize certificates of origin.
- ii Prepare rebate certificate for exporters as well as for charity organizations.
- iii Issue Duty Credit Certificates.
- iv Ensure that proper records of all documentation signed and issued are appropriately kept.

Job Title: TRADE INFORMATION ANALYST

Reports: SENIOR TRADE PROMOTION OFFICER

Supervises: LIBRARY ASSISTANT

Responsibility 1

Responsible for the efficient and effective running of the Trade Information Resource Centre.

Task

- i Develop and ensure effective implementation of strategies, systems and procedures that will make the TIRC a one stop source of all relevant export trade information.
- ii Supervise and administer the day to day activities of the TIRC.

Responsibility 2.

Responsible for collecting, analyzing and disseminating relevant current information and market trends to the staff and stakeholders.

Task

- i Identify relevant information in print and electronic media, and ensure that it is appropriately captured for future use or disseminated to the relevant users.
- ii Liaise with Customs and Excise collect all data related to export trade.
- iii Computerize export data and ensure it is updated regularly.
- iv Ensure that information and data to relevant staff and stakeholders.

Responsibility 3

Responsible for sourcing relevant trade materials for the TIRC.

Tasks.

- i Liaise and network with various organizations for donations, subscriptions and exchange of trade related publications and materials for the TIRC.
- ii Regularly consult with staff and stakeholders to find out what relevant publications and other materials they would prefer in the TIRC.
- iii Prepare a budget for the purchase of publications and materials that will need to be purchased.

Responsibility 4

Plan and coordinate Export trade seminars to disseminate information to stakeholders.

Tasks.

- i Keep and update a record of all the exporters and stakeholders.
- ii In liaison with other officers in the Unit, develop an annual calendar of seminars and workshops to disseminate information and receive feedback from the stakeholders on the serves of the TPU.
- iii Coordinate the preparation of presentations for seminars and workshops.
- iv Make necessary arrangements for the seminars and workshops (venues, refreshments and other materials).

Responsibility 4

To facilitate trade and export documentation.

Tasks

- i Assess and authorize certificates of origin.
- ii Prepare rebate certificates for exporters as well as charity organizations.
- iii Issue Duty Credit Certificates.

Job Title: HANDCRAFT EXPORT DEVELOPMENT OFFICER

Reports to: SENIOR TRADE PROMOTION OFFICER

Supervises:

Responsibility 1

Identify and maintain a register of established handicraft manufacturers and groups that need promotion in exporting products.

Tasks

- i Collect and continuously update profiles of all handicraft manufacturers.
- ii Identify those that would benefit from promotional services from the TPU.
- iii In liaison with the STPO, develop strategies that will promote the export of handicraft products.

Responsibility 2

To assist handicraft manufacturers in developing export marketing strategies and destinations.

Tasks

- i Prepare a list of importers in target markets of products of export interest to Swaziland.
- ii Assess target market looking at socio-economic and consumer behaviour issues.
- iii Convey this information to Trade Information Section for onward transmission to exporters.
- iv Organize periodic workshops with exporters to discuss these market trends with the aim of making them more competitive.
- v Provide exporters with market standard requirements such as SPS and TBT measures and trade benefits that might be existing at any one time. Keep exporters updated on these standard requirements.

Responsibility 3

Co-ordinate and assist export traders to participate in trade fairs and exhibitions.

Tasks

- i Collect relevant information on fairs and exhibitions and make recommendations to the S.T.P.O on which ones Swaziland should take part in.
- ii In consultation with organizers and stakeholders, plan and co-ordinate attendance at selected trade fairs, including securing premises, furniture and other logistics.
- iii Plan and co-ordinate a briefing session for all the exhibiting exporters and T.P.U officers accompanying them.
- iv Visit relevant handicraft manufacturers, select products that meet the required standards, and transport them to exhibitions and trade fairs.

- v Make necessary travel arrangements for exhibitors and samples to be exhibited.
- vi In consultation with S.T.P.O ensure the smooth running of the fair.
- vii Network with and collect potential buyer information for dissemination back home.
- viii Compile a comprehensive report including the planning, organizing and eventual participation
- ix Liaising with other government offices that deal in handicraft e.g The Trading House of the Ministry of Enterprise and Employment.

Responsibility 5

To facilitate trade and export documentation.

Tasks

- i Assess and authorize certificates of origin.
- ii Prepare rebate certificates for exporters as well as charity organizations.
- iii Issue Duty Credit Certificates.

Job title: EXPORT DEVELOPMENT OFFICER

Reports to: SENIOR TRADE PROMOTION OFFICER

Supervises:

Responsibility 1

Identification of new export products and market opportunities with the view of encouraging the expansion and diversification of the export sector.

Tasks

- i Develop an inventory of all potential export products in the country.
- ii In liaison with the STPO conduct regular sessions with relevant officers in the unit to obtain information on potential export markets for Swaziland's products.
- iii Conduct periodic research with the purpose of scanning the environment for information on new exportable products, areas of diversification, improved production methods to ensure export competitiveness.
- iv Effectively disseminate the results of the above research to potential and current exporters either individually or through seminars and workshops.

Responsibility 2

Responsible for disseminating information on regional and international trade agreements and their benefits to the potential and current exporters.

Tasks

- i Prepare summaries of Regional and International Trade Agreements and disseminate the information to clients and stakeholders in a simplified manner for better understanding.
- ii In consultation with Trade Policy Section update stakeholders on the current situation in trade negotiations
- iii Advise stakeholders and clients on benefits and implications of trade agreements entered into by the country and other member states

Responsibility 3

Coordinating trade missions and events

Tasks

- i In consultation with the S.T.P.O identify potential markets for trade missions.
- ii Contact the relevant counterparts and authorities to organize the mission.
- iii Select the relevant manufacturers and exporters to involve in the trade mission.
- iv Prepare and submit a trade mission report

Responsibility 4

Facilitate trade and export documentation

Tasks

- i Assess and authorize certificates.
- ii Prepare rebate certificates for exporters as well as charity organizations.
- iii Issue Duty and Credit Certificates.

Job Title: TRADE INFORMATION ANALYST

Reports: SENIOR TRADE PROMOTION OFFICER

Supervises: LIBRARY ASSISTANT

Responsibility 1

Responsible for the efficient and effective running of the Trade Information Resource Centre.

Task

- i Develop and ensure effective implementation of strategies, systems and procedures that will make the TIRC a one stop source of all relevant export trade information.
- ii Supervise and administer the day to day activities of the TIRC.
- iii Oversee the efficient and effective utilization and maintenance of all equipment and facilities in the TIRC.

Responsibility 2.

Responsible for collecting, analyzing and disseminating relevant current information and market trends to the staff, clients and stakeholders.

Task

- i Identify relevant information, data and statistics in print and electronic media, and ensure that it is appropriately captured for future use or disseminated to the relevant users.
- ii Liaise with Customs and Excise to collect all data related to export trade.
- iii Computerize export data and ensure it is updated regularly.
- iv Ensure that information and data is disseminated to relevant staff, clients and stakeholders.

Responsibility 3

Responsible for sourcing relevant trade reference materials and other publications for the TIRC.

Tasks.

- i Liaise and network with various organizations for donations, subscriptions and exchange of trade related publications and materials for the TIRC.
- ii Regularly consult with staff and stakeholders to find out what relevant publications and other materials they would prefer in the TIRC.
- iii Prepare a budget for the purchase of publications and materials that will need to be purchased.

Responsibility 4

Plan and coordinate Export trade seminars to disseminate information to clients and stakeholders.

Tasks.

- i Keep and update a record of all the exporters and stakeholders.
- ii In liaison with other officers in the Unit, develop an annual calendar of seminars and workshops to disseminate information and receive feedback from the stakeholders on the service of the TPU.
- iii Coordinate the preparation of presentations for seminars and workshops.
- iv Make necessary arrangements for the seminars and workshops (venues, refreshments and other materials).
- v Ensure that reports submitted by TPU officers after attending workshops, seminars, exhibitions and trade fairs are filed for future reference.

Responsibility 5

To facilitate trade and export documentation.

Tasks

- i Assess and authorize certificates of origin.
- ii Prepare rebate certificates for exporters as well as charity organizations.
- iii Issue Duty Credit Certificates.

Job Title: LIBRARY ASSISTANT

Reports: TRADE INFORMATION ANALYST

Supervises:

Responsibility 1

Responsible for acquisition classification, cataloguing filing and storing library materials.

Task

- i Receive and collect library books, trade publications and other library materials from various institutions locally and abroad, including inter governmental organizations
- ii Classify and catalogue all library materials and publications
- iii Ensure all materials are shelved and stored as required.

Responsibility 2.

Responsible for circulating publications and other materials to the relevant users.

Task

- i In consultation with the Develop a systems and procedures for effective circulation to staff and clients
- ii Ensure that staff receives information and other materials regularly and timely.
- iii In consultation with the TIA disseminate relevant information to stakeholders / clients
- iv 4. Send Swaziland Business Year Book, Swaziland Review and Swaziland Directory for Exporters, to the Trade Mission abroad, Swaziland Embassies and the High Commissions and other relevant institutions.

Responsibility 3

Provide services to the stakeholders / client who visit the Information Resource Centre.

Tasks.

- i Continuously review and update appropriate system and procedures for effective use of the Resource Centre by clients and other stakeholders.
- ii Ensure that the facilities are used correctly and all materials are kept safely.
- iii Ensure that all equipment and facilities are well maintained, and are in good working order at all times.
- iv Conduct a user's survey periodically to ascertain what needs to be done to improve the services provided by the Information Resource Centre.

Recommendations on the grading of the TPU staff.

Considering the Job content and responsibilities of the Staff in the TPU, and having gone through the document currently in use for categorizing positions (Category and grade definitions), it appears as if the officers in category C are more of the technical skilled type, to whom understanding the theory is not so important as applying the skills and techniques, to which the officers in the TPU don't quite seem to belong. It is my considered opinion, that these officers, (Trade Promotion Officer, Export Development Officer, Trade Information Analyst and the Handicraft Export Development Officer) fit more in Category D Grade D 3.

PROPOSED PERFORMANCE MANAGEMENT FORMAT.

Name _____

ID _____ Job Title _____

Grade _____ Appraisal Date _____

Date of Hire _____ Length of Time in Position _____

Appraisal Period Between _____ to _____ Appraiser _____

Note: As much as possible, evaluators should support and justify each rating with specific behaviors or reference supporting documentation from another section of the appraisal.

PERFORMANCE RATING DEFINITIONS:

- **SIGNIFICANTLY EXCEEDS REQUIREMENTS (SER)**

The member of staff consistently demonstrates superior performance. Initiative and outputs are over and above the stated requirements of the job. The quality of work is exceptional. This rating should be reserved for truly outstanding performance.

- **FULFILLS REQUIREMENTS (FR)**

The member of staff is a competent, knowledgeable individual who consistently meets the requirements of the position as outlined in the job description. Outputs are dependable and of high quality.

- **MEETS MOST REQUIREMENTS (MMR)**

The member of staff demonstrates competency in most areas, but needs improvement in one or more critical aspects of the position as outlined in the job description. The staff needs to work towards fully meeting expectations of the job.

- **BELOW REQUIREMENTS (BR)**

The member of staff consistently fails to meet the requirements of the position. Outputs are below standard more often than not.

4 SECTION 1 OVERALL WORK BEHAVIORS

1. WORK PPERFORMANCCE

| Behavior | SER | FR | MMR | BR | Comments/Examples |
|--|-----|----|-----|----|-------------------|
| Understands and applies knowledge and skills required for the job | | | | | |
| Analyzes problems accurately and is able to plan and implement solutions | | | | | |
| Plans and organizes work efficiently | | | | | |
| Understands and applies policies and procedures appropriately | | | | | |
| Effectively utilizes organizational resources (time, material and | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| financial resources) | | | | | |
| Assumes responsibility for own work, actions, decisions, and consequences | | | | | |
| Willingly accepts and effectively implements additional responsibilities | | | | | |
| Develops feasible new ideas for enhancing job effectiveness and the work environment | | | | | |

2. WORK RELATIONSHIPS

| | SER | FR | MMR | BR | Comments/Examples |
|---|-----|----|-----|----|-------------------|
| Treats all people (superiors, co-workers, and clients) with equal respect and sensitivity | | | | | |
| Promotes teamwork through supporting and assisting others' activities | | | | | |
| Gives and receives constructive feedback, is not defensive, and is sensitive to others. | | | | | |
| Prepares accurate, logical written reports on work | | | | | |
| Communicates orally in a clear, rational way | | | | | |
| Shows patience in dealing with work situations and other people | | | | | |

3. WORK HABITS

| | SER | FR | MMR | BR | Comments/Examples |
|---|-----|----|-----|----|-------------------|
| Is on time to work | | | | | |
| Does not absent himself/herself from work unnecessarily | | | | | |
| Informs others regularly on status and progress of work | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| Consistently meets deadlines | | | | | |
| Identifies and plans for learning needs | | | | | |

4. PERFORMANCE ON JD RESPONSIBILITIES.

| | SER | FR | MMR | BR | Comments/Examples |
|--------------------------|-----|----|-----|----|-------------------|
| Responsibility 1. | | | | | |
| Responsibility 2. | | | | | |
| Responsibility 3. | | | | | |
| Responsibility 4. | | | | | |
| Responsibility 5. | | | | | |
| Responsibility 6. | | | | | |

SECTION 111: FUTURE DEVELOPMENT

1. Summarize the key strengths:

2. Summarize the areas needing improvement:

3. Please specify the type of training or development activity which is recommended, the source, the timing and the cost (if known):

SECTION VI:

**1. OBSERVATIONS APPRAISER'S COMMENTS, RECOMMENDATIONS
& OVERALL RATING**

2. COMMENTS OF THE EMPLOYEE

3. COMMENTS BY APPRAISER'S SUPERVISOR

5 SECTION IX: SIGNATURES

Employee _____ Date _____

Appraiser _____ Date _____

Appraiser's Supervisor _____ Date _____

Performance Planning and Management Notes

Objective

- To plan, organize, monitor, guide and review individual and team performance with the aim of helping and enabling each employee to perform at their best to achieve the stated objectives.
- To help staff understand the quality of their current performance, in order to identify ways and means of improving on it.
- To identify staff who have potential, and help them to maximize its development and use.
- To serve as a guide for counselling poor performers to more effectively perform their responsibilities and tasks.
- To provide a mechanism for effective communication between the managers/team leaders and the rest of the team members.
- To provide an objective basis for rewarding deserving employees through promotions, salary increments, bonuses and taking other appropriate actions.

6 Performance Management

Performance management is a system that goes beyond annual performance appraisal or review. It represents the concrete point of dialogue between; the organization's Mission, objectives and strategies on the one hand, and each member of staff's objectives, aims, aspirations and activities on the other.

7 Procedure

- Review of current overall objectives
- Develop section objectives
- Develop individual objectives

8 Performance Planning Procedure

To discuss and agree on:

- The job description (responsibilities and tasks) based on current departmental objectives.
- What was agreed on in the last annual performance review in terms of areas needing improvement?
- Performance standards.
- Individual objectives.

9 Performance Standards

These are minimum standards against which specific responsibilities and tasks of a post will be measured in order to ascertain an individual's contribution towards the attainment of stated objectives.

Performance standards will have to be:

- Responsibility and task specific
- Barked by overall Unit objectives
- Challenging
- Time binding
- Achievable

- Mutually agreed upon by the staff member and the supervisor
- Measurable

10 Individual Objectives

Individual objectives comprise of:

- Priority Activities.
- Special Initiatives.
- Personal Development.

11 Ongoing Monitoring and Development

This involves:

- Helping each member of staff to develop strategies to be used in achieving expected results.
- Giving immediate feedback on performance and showing the member of staff how to improve on performance through regular review discussions.

12 Regular Review Discussions

Regular review discussion include the following:

- Achievements
- Problems faced during the quarter, and How they were handled
- Short comings/ weakness on the part of the staff member.
- Lessons learnt
- The way forward to the next review discussion or performance evaluation.

13 Annual Performance Review

The Annual Performance review has two main objectives:

- To help the individual develop and improve on their performance. In this regard, the review is used for setting objectives for future performance and development, emphasizing on areas needing improvement, while capitalizing on the employee's strengths.
- To review and evaluate past performance in order to assess the individual's contribution to the achievement of the started Unit objective. In this regard the results are used to make administrative decisions such as pay rises, promotions transfers etc.

14 Procedure

14.1 Self Appraisal

One week before the appraisal interview, the appraiser should give the appraisee the appraisal form to appraise him or herself, indicating:

- How they have performed in each competency factor, individual objectives, and performance standards based on JD responsibilities and tasks
- Indicate their strengths and areas needing improvement.
- Develop objectives and strategies for improving his/her performance in future.

15 Assessment by the Supervisor

The Supervisor should assess the appraisee's performance by:

- Looking through the employee's records over the year, checking actual incidents that have been recorded in the file.
- Assessing how well they have achieved stated objectives
- Looking through the quarterly/review records that were filled.
- Gathering relevant information from the appraisee's peers, team members, the people he/she works with and communicates with within the office, and the clients they serve.

The Appraisal Interview

- Arrange for a time to have an appraisal interview.
- The appraisee gives his/her ratings with reasons.
- The Supervisor gives his/her ratings with reasons.
- Agreement is reached on ratings, strengths, and areas needing improvement.
- Training needs for the next year are agreed upon, and any other support the appraisee will need.

PROPOSED SCHEME OF SERVICE FOR TPU STAFF

1. AIM AND OBJECTIVES

- i** To provide a well-defined career structure, which will attract, motivate and facilitate retention of suitably competent Trade Promotion Unit Staff.
- ii** To provide for clearly defined job descriptions and specifications with clear delineations of duties and responsibilities at all levels to enable officers understand the requirements and demands of their job.
- iii** To establish the standards of recruitment training and advancement within the career structure on the basis of knowledge, skills, qualifications and ability as reflected in work performance and results.
- iv** To ensure appropriate career planning and succession management.

2. ADMINISTRATION AND TRAINING SCOPE OF THE SCHEME

(a) Responsibility for administration

The Scheme of Service will be administered by the Principal Secretary/The Director, in conjunction with the relevant government offices. In administering the scheme, the Principal Secretary/ The Director will ensure that its provisions are strictly observed for fair and equitable treatment of officers and that officers are confirmed in appointment on successful completion of the probation period.

(b) Training Scope

In administering the scheme, the permanent Secretary or the Director will ensure that appropriate training opportunities and facilities are provided to assist staff to acquire the necessary additional

qualifications/specialization and experience required for both efficient performance of their duties and advancement within the Scheme of Service. Staff should also be encouraged to undertake training privately for self-development. However, in all matters of training, the scheme administrator will consult the relevant offices for appropriate action.

3. GRADING STRUCTURE AND SCOPE

Grading Structure

The Scheme of Service establishes six levels the Trade Promotion Officers who will be designated and graded as follows: -

Designations

- i Trade Promotion Officer/Export Development Officer/Handicraft Export Development Officer/Trade Information Analyst
- ii Senior Trade Promotion Officer
- iii Principal Trade Promotion Officer
- iv Director of International Trade

4. ENTRY INTO THE SCHEME OF SERVICE

(a) Direct Appointment

Appointment will normally be made in the grade of Trade Promotion Officer II, and Trade Promotion Officer I. In exceptional circumstances, however, direct appointment may be made beyond the above entry grades provided the candidate is in possession of the minimum qualifications and experience required for appointment to the grade.

(b) Incremental Credit

Incremental credit for approved experience acquired after obtaining the prescribed minimum qualifications may be awarded provided that the maximum of the scale is not exceeded.

5. ADVANCEMENT WITHIN THE SCHEME OF SERVICE

The Scheme of Service sets out the minimum qualification and or experience required for advancement from one grade to another. It is emphasized, however, that these are the minimum requirements entitling an officer to be considered for appointment to the next grade. In addition, advancement from one grade to another will depend on:

- i Existence of a vacancy in the authorized establishment;
- ii Merit and ability as reflected in work performance and results; and
- iii The approval of the relevant authorities.

6. RECOGNIZED QUALIFICATIONS

The following are the recognized qualifications for the purpose of this Scheme of Service:

- i Bachelors degree in Commerce, Marketing, Business Administration, International Trade, Law or Economics from a recognized University/Institution.
- ii A Postgraduate Diploma in Marketing, International Trade, entrepreneurship development or International Relations or any other relevant qualification from a recognized Institution/University.

- iii A Masters degree in any of the disciplines (i) above from a recognized university.
- iv A management course lasting not less than four weeks.
- v Such other equivalent qualifications as may be approved by the relevant authorities.

7. IMPLEMENTATION OF THE SCHEME

The Scheme of Service will become operational with effect from -----On implementation, all serving officers will automatically become members of the Scheme.

8. JOB AND APPOINTMENT SPECIFICATIONS

I TRADE PROMOTION OFFICER/EXPORT DEVELOPMENT OFFICER/HANDICRAFT EXPORT DEVELOPMENT OFFICER/TRADE INFORMATION ANALYST

This is the basic entry and training grade for the Trade Promotion Officers' cadre. An officer at this level will be regarded to be on the job training and will work under close supervision of an experienced Trade Promotion Officer.

Requirements for Appointment

For appointment to this grade, a candidate must have a Bachelors degree in Commerce, Marketing, Business Administration, International Trade or Economics from a recognized University.

II SENIOR TRADE PROMOTION OFFICER

Requirements for Appointment.

For appointment to this grade, an officer must have: -

- i Served in the grade of Trade Promotion Officer or in a comparable and relevant position for at least three years and;
- ii Shown merit and ability as reflected in work performance and results.

III PRINCIPAL TRADE PROMOTION OFFICER

Requirements for Appointment

For appointment to this grade, an officer must have: -

- i Served in the grade of Senior Trade Promotion Officer or in a comparable and relevant position in the public service for at least three (3) years and;
- ii Demonstrated professional competence and outstanding administrative and managerial capability in the Trade Promotion Services.

VI DIRECTOR OF INTERNATIONAL TRADE

An officer at this grade will be the head of the Department of International Trade and will be responsible to the Permanent Secretary, Ministry of Foreign Affairs and Trade for the general management of the department. He/she will be the technical advisor on matters pertaining to International Trade. Specifically, duties will include overall planning, direction, co-ordination and implementation of policies relating to international trade development and international trade relations.

Requirements for Appointment

For appointment to this grade, an officer must have: -

- i. Served in the grade of Principal Trade Promotion Officer/Trade Policy Analyst or in a comparable and relevant position in the public service for at least 3 years;
- ii. Demonstrated a high degree of professional competence, administrative and managerial capability required for effective planning, organization and administration of Trade Development and Promotion Services; and
- iii. A thorough understanding of national policies and development objectives and the ability to translate them into Trade Development and Promotion Policies and Programmes.

BOOKS AND DOCUMENTS REVIEWED

1. [National statistical bulletin](#)
2. Swaziland Review, 2005.
3. Swaziland – European Community, Country Strategy Paper and National Indicative Programme for period 2001 – 2007.
4. (NDS, Vision 2002, key Macro and Sectoral Strategies).