

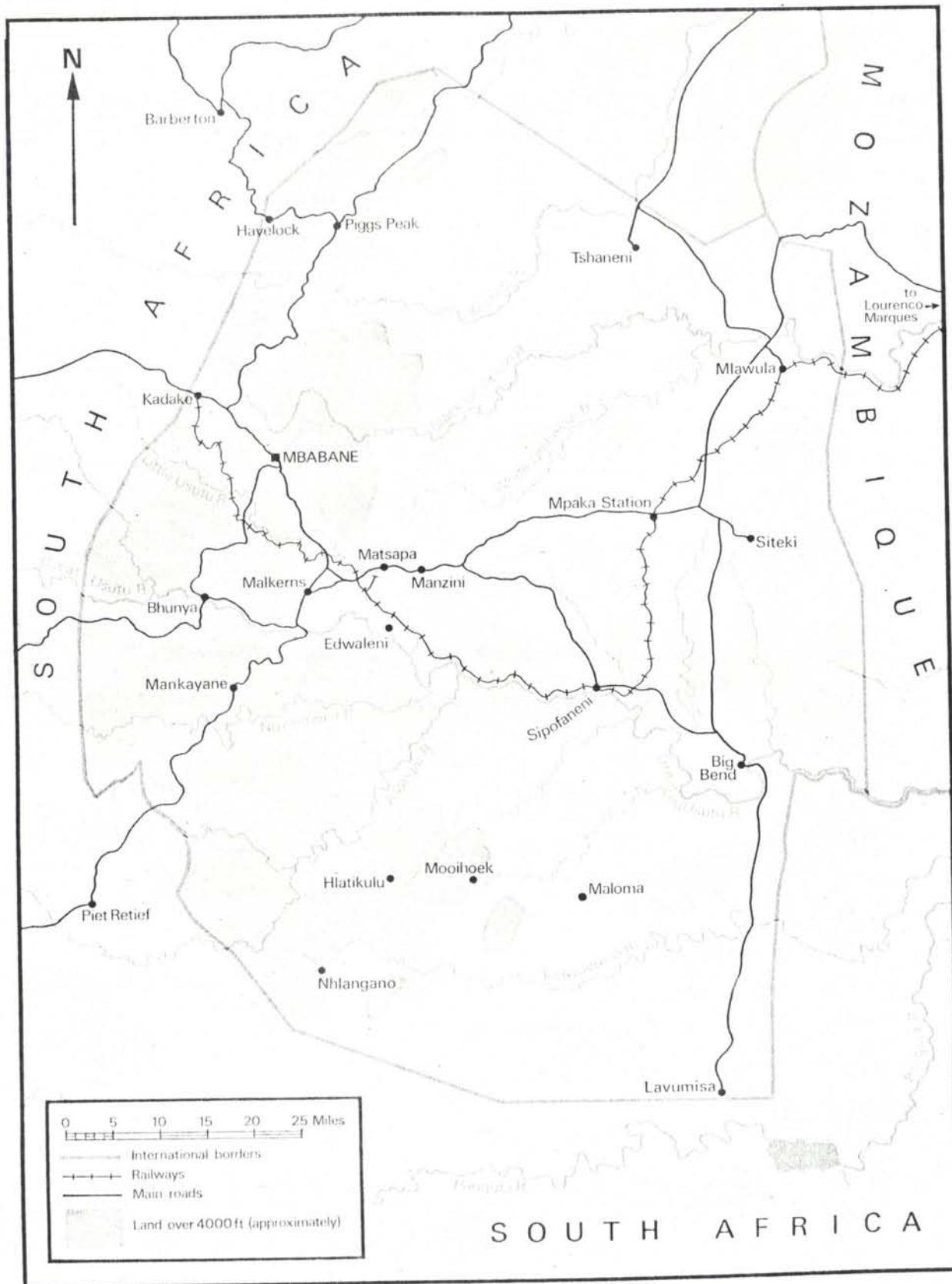
S W A Z I L A N D

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HISTORY

The Swazi migrated to this part of Africa in the early 18th Century. They settled first in what is now Southern Swaziland and then moved northwards by mid-18th century. The founder of the Swazi nation, who played a decisive role in welding the various tribal groups together and expanding territorially, was Sobhuza I. Both Mbandzem and Bhunn, successors to Sobhuza I consolidated these territorial gains. Sobhuza II was crowned King of the Swazi nation in 1921 after a long regency, as he succeeded to the throne when he was only seven weeks old. The independence of the Swazis was guaranteed by the Conventions of 1881 and 1884 between the British Government and the Government of South Africa. In 1890 a provisional Government was established representative of the Swazis, the British and the South African Governments. In 1894 the South African Government was given powers of protection and administration. In 1902 after the conclusion of the Boer War, a Special Commission took charge, and under an order-in-council in 1903 the Governor of the Transvaal administered the territory through the Special Commissioner.

AREA AND POPULATION

Swaziland is bounded on the North, West and South by Transvaal Province and on the East by Mozambique.

Area: 6,705 square miles. Swaziland is divided into:

(2)

(1) Highveld, Middleveld and (3) Lowveld - and the Lubombo plateau in the East. Innumerable small streams unite with the large rivers, notably the Usutu and Komati.

Swaziland has a particularly good climate, except for a few months in the summer, when the heat is somewhat excessive in the low-lying parts.

Population: 397,000. Rate of Growth 2.9 per cent per annum.

Density: 60 per square mile.

Main towns: Mbabane (Capital) 13,803; Manzini 14,000
Havelock 4,500.

1. Basic Statistics

| | | |
|-------------|--------------------|---------|
| Census 1966 | Resident | 397,000 |
| | Temporarily Absent | 20,567 |
| Main Towns | Mbabane | 13,803 |
| | Manzini | 14,000 |
| | Nhlangano | 1,586 |
| | Siteki | 1,457 |
| | Piggs Peak | 1,417 |
| | Havelock | 4,500 |

LANGUAGE AND RELIGION

The official language is English. Siswati is commonly spoken.

Religion: About 70% of the population are Christians and the rest animist.

GOVERNMENT AND CONSTITUTION

Swaziland became independent on September 6th 1968.

On April 25th, 1967 the British Government gave Swaziland internal self-government. It changed the country's statute to that of a protected state, with Ngwenyama Sobhuza II as King of Swaziland and Head of State. Britain's protection ended at independence, when a constitution similar to the 1967 constitution came into force. The General Elections (a universal suffrage) in April, 1967, gave the royalist and traditional Lmbokodvo National Movement all 24 seats in the House of Parliament. In the latest General Elections in May this year, the National Movement Party were returned, with 21 seats, and the opposition

party, The Ngwame National Liberatory Congress, gained 3 seats for the first time. The May election was considered a set back, as it is untenable that the ruling party or "the Kingsmen" should lose a single seat. What it has illustrated is that from now on there is a sizeable opposition, with main support from the educated class and low income (secondary school level) groups. In effect, it shows that democracy based on the Westminster model is a healthy sign of political stability.

The Parliament consists of a House of Assembly, with 21 seats to the National Movement Party, 3 seats to the opposition - the Ngwame National Liberatory Congress, 6 nominated members, and the Attorney-General, who has no vote.

The Senate comprises 12 members, 6 of whom are elected by the House of Assembly and 6 appointed by the Monarch. The executive authority is vested in the Monarch, and exercised through a Cabinet, presided over by the Prime Minister, consisting of the Prime Minister, the Deputy Prime Minister and up to eight other ministers.

Head of State: His Majesty King Sobhuza II

Cabinet:

Prime Minister and Minister of Foreign Affairs: Prince Makhosini Dlamini
Deputy Prime Minister: Z.A. Khumalo
Minister of Finance: Leo Lovell
Minister of Commerce, Industry and Mines: Simon S. Nxumalo
Minister of Local Administration: Prince Mfanasili Dlamini
Minister of Works, Power and Communications: J.M.B. Sukati
Minister of Health and Education: Dr. A.M. Nxumalo
Minister of Agriculture: A.K. Hlope
Minister of Justice: P.L. Dlamini

Local Government

For local government purposes, Swaziland is divided into four districts: Shiselweni, Lulombo, Manzini and Hhohho and administered by District Commissioners.

EDUCATION

In 1968 - latest available figures - there were 389 schools with 62,000 pupils, and 6,000 pupils in secondary schools. The Swaziland Agricultural College at Luyengo is a part of the University of Botswana, Lesotho and Swaziland. There are two Teacher Training colleges. Technical and Vocational training classes are conducted at the Government's Training Institute and Staff Training Institute. The Government also operates a Police College.

JUSTICE

The judiciary is headed by the Chief Justice. A High Court having full jurisdiction and subordinate courts presided over by Magistrates and District Offices. There is a Court of Appeal, with a President and 3 Judges. It deals with appeals from the High Court.

There are 14 Swazi courts of first instance, 2 Swazi Courts of Appeal and a Higher Swazi Court of Appeal. The channel of appeal lies from Swazi Court of first instance to Swazi Court of Appeal, to the Higher Swazi Court of Appeal, to the Judicial Commissioner and finally to the High Court of Swaziland.

ARMED FORCES

There are no armed forces, but a Police Force of 649 men: 38 senior and 163 junior officers, and 448 other ranks.

THE ECONOMY 1970-71

The Minister of Finance said that "1970, although a relatively good year, has revealed that the fundamental problems of stimulating investment and employment and of strengthening the agricultural sector still remain." At any rate, the level of business and investment activities in Swaziland has maintained an upward momentum. Imports of machinery and transport equipment increased by 15 per cent, bank advances increased and imports of foodstuffs were lower than in 1969-70. In fact, Swaziland's total imports in 1970-71 rose by 20 per cent, but this was due mainly to the imports of machinery. Total exports rose by 13 per cent, most of the rise being due to increased exports of iron-ore, sugar and woodpulp.

Like Botswana and Lesotho, Swaziland is affected by fiscal developments in South Africa; for example, the increase in Sales Duties in South Africa is also applicable in Swaziland. This resulted in an increase in the retail price index, especially in Mbabane from 109.7 in January, 1970 to 110.4 by January, 1971, and the five per cent increase in the Sales Duty tax led to a further rise in Swaziland's retail price index.

One benefit likely to help Swaziland is the 45 per cent Company tax in South Africa, whilst in Swaziland it is 33-1/3 per cent, and with the new Customs Agreement, Swaziland is in a better position to attract industrial investment.

FOREIGN TRADE AND PAYMENTS

Foreign trade plays an important part in Swaziland's economy, and it is a fair indicator of economic performance. In 1970-71 imports rose by 20 per cent to R 42.7 million. This was mainly due to increased purchases of petroleum, fertilizers, machinery and transport equipments.

Imports of foodstuffs - particularly maize - were lower, which indicates some success in the Government's policy of self-sufficiency in foodstuffs and improvement in agricultural techniques; this should further reduce the import of foodstuffs. The import figure of R 42.7 million will mean that under the Customs Agreement, Swaziland should receive about R 10 million in 1972-73.

(The trade surplus for 1970-71 was R 7.5; R 9 million for 1969-70).

Exports increased by 13 per cent to R 50.2 million. This was due to higher sales of sugar, woodpulp and iron-ore. The increase in sugar exports was a result of a higher volume of sales and rising world prices. Sales were mainly to the United Kingdom, Canada and Zambia. Exports of woodpulp were substantially higher at R 9.6 million - South Africa, Japan and Italy were the leading buyers, and also Algeria, Ethiopia and Venezuela. Swaziland's other important export - asbestos - showed a downward trend due to the stagnation in West European building industry, and because of competition from other low-cost building materials and building technique.

Exports of "beef on the bone" increased, citrus export improved, as did sales of canned fruit. Tobacco, hides, coal and cotton increased, as did sales of timber. Swaziland's imports are from South Africa - R 39.3 million out of a total of R 42.7 million. Whilst only 21 per cent of her exports went to South Africa, most of this was due to higher sales of woodpulp and asbestos.

Swaziland's trade surplus was R 7.5 million in 1970-71, compared with R 9 million in 1969-70. With this healthy trade surplus, Swaziland is a major contributor of foreign currency to the rand monetary area, some

R 36.2 million being accumulated by 1969-70. Swaziland's other main sources of income are (1) the Customs Agreement - a total of R 8,488,000. (2) Remittances from Swazi workers in South Africa - although these remittances are not as important for Swaziland as they are for Botswana and Lesotho, these amounted to approximately R 500,000 per annum and (3) aid, principally from the United Kingdom: in 1970-71 an agreement with the United Kingdom raised the annual level of development aid to R 3.5 million per year until 1972-73. In 1971-72 United Kingdom aid for capital purposes is estimated at R 6.1 million; this includes a carry over of R 1.9 million from 1970-71. The United States, Portugal, Sweden and the United Nations are also providing development aid of about R 1.5 million.

PUBLIC FINANCE

Since 1970-71 Swaziland has been able to finance her recurrent budget; this was due to higher customs receipts which made the need for United Kingdom budgetary assistance unnecessary. However, Expenditure for 1970-71 was R 15,301,214 whilst Revenue was R 15,042,498 - a deficit of R 258,716. In addition to this deficit, R 120,000 was allocated from the recurrent account to finance capital expenditure, making the overall deficit R 378,716. However, the surplus balance for 1969-70 -- R 379,117 was brought forward, leaving a surplus of R 401 for 1970-71. In order to build up the general reserve to R 900,000 a target of R 500,000 has been set for 1972-73 and expenditures over the next four years have been set between eight to nine per cent; given this rise, say at 8 per cent per annum, the estimated surplus by 1974-75 would amount to R 1.34 million, while a nine per cent projection would leave a surplus of R 740,000. At any rate, the estimates show a rise of about 10 per cent, that is allowing for total expenditures of R 17,240,459; of this

amount R 15,589,455 is to maintain existing services plus R 755,200 for departmental estimates and a further R 160,804 for development projects. The largest single item, accounting for a rise in expenditure, is the allocation of R 218,000 for the new University College to be built in Swaziland.

The estimates of Revenue for 1971-72 are R 17,241,026 and the major chunk of this will come from the Customs Agreement, which is estimated at R 8,488,000. Recurrent revenue is estimated at R 17,071,000 leaving a deficit of R 170,000. However in May, 1971 the Government announced that the revised revenue estimates for 1970-71 would exceed R 170,000 and therefore there was no need to raise additional revenue by a 10% surcharge on income tax and 25 per cent on motor vehicle licences.

FINANCE

Currency The currency in circulation in Swaziland is the South African Rand (1 Rand = \$1.40 U.S.)

Gross National Product (1968) \$201 U.S. per capita

Banks The two largest banks are Barclay's and Standard Bank. The Swaziland Credit and Savings Bank, a statutory corporation, specializes in Credit for agriculture and low-cost housing finance.

Budget Revenue and Expenditure (in Rands) for financial years ending March 31:

| | <u>1967-68</u> | <u>1968-69</u> | <u>1969-70</u> |
|--|----------------|----------------|----------------|
| Revenue | 8,565,700 | 10,625,000 | 10,976,200 |
| Expenditure | 11,334,600 | 14,917,400 | 14,627,600 |
| Grant-in-Aid from United Kingdom | 1,760,400 | 3,291,800 | 3,256,600 |

The main items of estimated Revenue 1969-70:

| | |
|--------------------|-------------|
| Customs and Excise | R 2,713,000 |
| Income Tax | R 4,250,000 |

EXTERNAL TRADE R '000

| <u>IMPORTS</u> | <u>1969</u> | <u>1970</u> | <u>EXPORTS</u> | <u>1969</u> | <u>1970</u> |
|-----------------------------------|-------------|-------------|-------------------|-------------|-------------|
| Food and live animals | 4,867 | 4,790 | Iron-ore | 9,618 | 11,031 |
| Beverages and tobacco | 1,782 | 2,422 | Asbestos | 6,229 | 5,240 |
| Crude Materials | 678 | 514 | Coal | 161 | 205 |
| Mineral fuels | 3,053 | 3,519 | Meat and Products | 1,275 | 1,695 |
| Chemicals | 3,079 | 3,631 | Rice | 897 | 880 |
| Manufactured items by material | 8,049 | 7,494 | Citrus fruit | 3,511 | 3,582 |
| Machinery and transport equipment | 8,324 | 11,178 | Canned fruit | 774 | 958 |
| Other manufactures | 4,326 | 4,973 | Sugar | 10,478 | 11,839 |
| Other imports | 1,350 | 4,228 | Cotton | 1,061 | 856 |
| | | | Woodpulp | 7,143 | 9,559 |
| | | | Wood products | 2,113 | 2,786 |
| | | | Others | 1,257 | 1,571 |
| | 35,508 | 42,749 | | 44,517 | 50,202 |

Source: Central Statistical Office

AGRICULTURE

Agriculture is still tremendously influenced by weather conditions as it determines crop production - for example the poor rainfall in 1969-70 led to poor harvests and consequently resulted in higher imports of foodstuffs. Maize production for this period was disappointingly low, and about 27,000 tons of maize had to be imported to supplement the domestic market. The main problem facing the agricultural sector is how to improve and increase the yields and varieties of crops. To achieve this aim, the Ministry of Agriculture has established a number of training courses, farmers' associations, demonstration plots, etc., and thereby hope to increase the farmers' contribution to the cash economy. The Government also plans to introduce improved grazing procedures, construction of dams and irrigation works in its efforts to expand agricultural production.

Another important sector of Swaziland's economy, and a major foreign exchange earner are sugar, citrus fruits, pineapples and forest products.

| <u>Sugar production</u> | <u>1969-70</u> | short tons | <u>1970-71</u> |
|-------------------------|----------------|------------|----------------|
| | 172,637 | | 177,720 |
| Value | R 10,478,700 | | R 11,838,457 |

Swaziland's sugar exports are regulated by (1) the Commonwealth Sugar Agreement (which ends in 1974 and the New Agreement with E.E.C. comes into effect in 1975). Under the Commonwealth Sugar Agreement Swaziland's quota is 85,000 long tons per annum (2) the International Sugar Agreement set a quota of 61,801 metric tons for 1970 but due to subsequent changes in the International Sugar Agreement, this is now set at about 59,500 metric tons. Swaziland is also granted a quota under the United States Sugar Act from 7,359 short tons in 1970-71 to 30,000 short tons for 1971-72.

The citrus crop production 1970-71 was generally satisfactory; a total of 71,000 tons of all varieties were produced and sales were valued at R 3.9 million. Sixty-five per cent of the total sales were made overseas and the value of exports was:

| <u>1969-70</u> | <u>1970-71</u> |
|----------------|----------------|
| R 3.5 million | R 3.6 million |

Pineapples have now become an important item in the export sector; now that the cannery has been re-organized it is expected that pineapple production will continue to improve steadily.

Since 1970 rice sales have been one of the best paying cash crops in Swaziland, and production for 1969-70 was 8,054 tons, of which over 80 per cent was exported to South Africa.

Livestock

The livestock sector is in a depressing state: by tradition the Swazi are a cattle-keeping nation, and cattle plays an important part in the community's social life as well as contributing to food supplies and cash incomes. Problems occur in this sector because cattle are kept as a measure of wealth, rather than ranching, and overstocking is an increasingly serious problem. However, tremendous efforts are being made by the Government to improve the livestock industry, and the schemes set up by the Government - the Livestock Improvement Development Plan Project and the Livestock Extension Service - are making steady progress through providing breeding studs and training centres.

ESTIMATED ACREAGE AND PRODUCTION OF MAJOR CROPS

| | <u>ACREAGE</u> | | <u>PRODUCTION (TONS)</u> | |
|------------|----------------|----------------|--------------------------|----------------|
| | <u>1968-69</u> | <u>1969-70</u> | <u>1968-69</u> | <u>1969-70</u> |
| Beans | 5,300 | 5,600 | 820 | 980 |
| Citrus | 5,100 | 5,100 | 69,000 | 71,000 |
| Cotton | 34,000 | 35,000 | 6,500 | 8,009 |
| Groundnuts | 4,400 | 4,300 | 500 | 450 |
| Maize | 245,000 | 250,000 | 64,000 | 69,000 |
| Pineapples | 1,620 | 2,100 | 12,000 | 12,700 |
| Rice | 7,220 | 7,300 | 8,800 | 8,100 |
| Sorghum | 22,000 | 22,000 | 2,600 | 3,000 |
| Sugar Cane | 36,600 | 38,700 | 1,461,300 | 1,575,400 |
| Tobacco | 810 | 1,010 | 210 | 240 |

Source: Ministry of Agriculture Annual Report 1970

Livestock: Cattle 504,523
 Goats 235,275
 Sheep 35,778
 Poultry 343,825

INDUSTRY AND MINING

Industry is still very much confined to the processing of raw materials. In fact, the industry which has the most effect on Swaziland's economy is the sugar industry; in 1970-71, 1,566 short tons of cane were milled. Cotton ginning is also important, especially the increasing amount of cotton being grown by the traditional sector. The timber industry is centred on the Usutu Pulp Company, and pulp production in 1970-71 was a record 111,610 short tons. During 1971 an expansion programme costing some R 4.1 million was approved, which will raise the capacity to about 150,000 tons by the end of 1972. This expansion is being financed from the Company's own funds, and the Commonwealth Development Corporation has made available R 1 million in the form of acceptance credits to supplement the company's short term borrowing facilities.

While most of Swaziland's industry is in the processing of raw materials, other smaller plants are being established - for instance, the tractor assembly plant in Manzini, which is estimated to cost R 2 million and financed by the Swaziland Industrial Development Corporation and the Diesel Electric Group of South Africa. It is planned to produce small tractors, not only for Swazi farmers, but also for other export markets in Malawi, Zambia, Botswana, Lesotho and Tanzania. Also, there is large-scale construction of hotels by Lufthansa, Hansch International and Deutsche Hotel Gesellschaft and the Salzgitter group. The Government of Swaziland and the National Industrial Development Corporation have a 33-1/3 per cent interest in all hotel development in Swaziland.

The National Industrial Development Corporation was established in May, 1971 to encourage the establishment of industry in Swaziland, with a share capital of R 4 million. This capital will also be used to construct tanning and leather, ceramics, textiles and tea factories. The Government also aims, through the Small Scale Enterprises Development Company, to assist small firms in establishing estates in Mbabane, Matsapa, Manzini, Piggs Peak and Siteki.

The Mining Industry is dominated by the Ngwenya iron-ore mine, which is owned by the Anglo-American Corporation of South Africa and Guest Keen and Nettleford of England. However, in 1971 the Swaziland Government and the Commonwealth Development Corporation acquired a 20 per cent holding in all mining companies in Swaziland. Production in 1970 was 2,552,100 short tons.

The asbestos mine at Havelock produced 33,100 short tons, compared with 40,100 in 1969. Coal is Swaziland's third major mineral, which is primarily to provide fuel for the railway and for the coal-fired thermal power station in the Lowveld. Coal production in 1970 was 122,900 short tons, and in 1969 it was 121,600 tons. Agreements have now been formalized with Japan in exporting coking coal to Japan of about 14.5 million tons. This agreement is for ten years, and does provide a solid base of the expansion of the coal industry. The Government proposes a R 50 - R 60 million pig-iron plant to be financed by the Government, the Salzgitter Group and the Anglo-American Corporation of South Africa. The main outlines of the plan are still being worked out, and they depend on the availability of long-term contracts for pig-iron and the development of local industries using pig-iron. Swaziland's other minerals, pyrophyllite, barytes and Kaolin are important items of additional revenue.

A railway has been built from the Nwenya haematite deposits to Goba in Mocambique, chiefly for the transportation of iron-ore. The extensive deposits of bituminous coal in the Lowveld are now being mined to provide coal for the railway's sugar mills and for export.

2. MINERAL PRODUCTION

| | 000 short tons | |
|-------------------------------|----------------|-------------|
| | <u>1969</u> | <u>1970</u> |
| Chrysolite asbestos | 40.1 | 33.1 |
| Iron-ore | 2,530.1 | 2,552.1 |
| Coal | 121.6 | 122.9 |
| Pyrophyllite | 0.5 | 0.3 |
| Barytes | 0.6 | 0.3 |
| Kaolin | 1.8 | 1.6 |
| Quarried Stone (000 cu. yds.) | 46.7 | 32.7 |

Source: Department of Geological Survey and Mines

COMMUNICATIONS

There is daily communication by railway motor-buses between Marzini, Mbabane and Breyten; Marzini, Mankaiana and Piet Retief. There are 120 miles of tarred trunk roads, 930 miles of gravelled main roads and 470 miles of branch roads. There are 27 post offices, 2 telephone-telegraph agencies and 4 telephone agencies.

Railway: 140 miles linking Ngwenya by way of the Mocambique railway with the port of Lourenco Marques and Goba.

Airport: Swaziland's main airport is at Matsapa. It is served by Swazi Air, South African Airways and DETA connecting with Lourenco Marques.

INFORMATION

Radio: The Swaziland Broadcasting Service transmits programmes in English and Siswati - radios 10,500; telephones 4,460.

Press There are two newspapers: "Times of Swaziland" (weekly) in English, and "Umbiki" (twice monthly) in Siswati.

DEVELOPMENT

Swaziland has a broadly based economy, with substantial mining and agricultural interests. Agriculture is important to the external economy; however, the problems facing further economic development of Swaziland are (a) the lack of money and (b) the lack of an educated entrepreneurial sector. At any rate, Swaziland's rapid economic progress is due to her mineral resources - asbestos, iron-ore and the development of her agricultural products and the higher returns from mining revenues.

In practically all Developing Countries a Development Plan of sorts is a sine qua non, but Swaziland has no such plans (at least for the moment), but each year draws up a list of development and capital projects which it is hoped to complete in the course of that financial year. For example, for 1971-72 a total expenditure of R 9.6 million is planned - all of this will be raised by the Government or promised by international finance companies, and therefore there is no lack of funds for these projects. There is no doubt that the main objective is one of sustained economic development throughout the country as much as possible, as more than half of the total expenditure is to be channelled to the important and money-earning sectors of the economy - agriculture, industry and transport.

The expenditure on agriculture is to meet improvements in extension projects, soil conservation, breeding farms and buying of equipments. For example, water supplies have a high priority, as these are designed to reduce the impact of droughts which is a constraint on the

economy. At any rate, the water supplies to Manzini, Mbabane, Siteki, Piggs Peak and Sidwashini should meet the needs of Swaziland. The National Housing Authority is to spend R 850,000 on low-cost housing to meet - to a certain extent - the housing shortage.

On education, the bulk of the money will be spent on the Swaziland Industrial Training Institute and the Small Enterprises Development Programme have allocated R 592,000 to mining and industry, and it is hoped that there will be tremendous "take off" in Swaziland's economy in due course.

OUTLOOK

The outlook for Swaziland is enormously good. The various small-scale agricultural projects should reduce any adverse effects due to bad weather or lack of a momentum of industrial expansion. The revenues from mining and agriculture will continue to show a healthy surplus. The contributions due to Swaziland from the Common Customs Pool would compensate for any deficit in revenue. As far as Swaziland's medium to long term debts are concerned, the future remains secure. Swaziland's economy is now self-supporting, especially in agriculture, which would lead to more rapid progress in industrialization. However, the greatest problem facing the Government remains a more equitable distribution of the benefits of development. Government policy appears to recognize this problem and, quite rightly, top priority is given to solving this disparity.

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