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SWAZILAND-INVESTMENTS

SWAZILAND KEEN TO ATTRACT IT SMES FROM MALAYSIA

By: Mikhail Raj Abdullah

MBABANE (Swaziland), Aug 12 (Bernama) -- Swaziland, playing host to this year's Southern African International Dialogue (SAID), is keen to attract Malaysian small and medium scale enterprises, particularly companies that can invest in new technologies and provide direct benefits to the economy via the transfer of technology while enhancing employment opportunities.

Its Minister for Economic Planning & Development, Prince Guduza said his country was offering a multitude of tax incentives plus the country's political stability to lure investors but foreign companies could also use the tiny kingdom as a springboard to the vast regional market.

He said that Swaziland was a member of the Southern Africa Customs Union (SACU) participated by some 14 countries of the Southern African Development Community (SADC), and that this provided a potentially large market for investors.

Swaziland meanwhile has a population of just over a million.

There is minimal trade between Malaysia and Swaziland but the government is trying to woo foreign investors to help build up its economy, he said.

"Although we are small, we believe that we are able to attract all kinds of foreign investors given the combination of incentives being put on the table such as perks to build factories plus the recent efforts to boost tourism," he told Malaysian journalists at an interview at Ezulwini, located a few kilometres outside the capital, Monday.

Ezulwini has been designated as the dialogue village for the Global Smart Partnership International Dialogue from Aug 13-17.

Prime Minister Datuk Seri Dr Mahathir Mohamad and Datin Seri Dr Siti Hasmah Mohd Ali, are expected to arrive for the dialogue Wednesday morning which would be officially opened by King Mswati III Wednesday night.

Prince Guduza, who is also the Joint Dialogue Convener at the Smart Partnership Dialogue and a brother to the king, said that as far as tourism was concerned, Swaziland had launched the Millennium project which entails the building of at least four to five international class hotels as well as a new international airport able to accommodate Boeing 747s.

Work on the airport located a few kilometres from the Matsapha International Airport and estimated at 200-300 million Swazi Rand (US\$1=8 Swazi Rand), is expected to begin this month and completed in two to three years.

"We are trying to improve the infrastructure for tourism such as building amusement parks to keep visitors here for at least two to three days. Now after one day, they get bored and leave, we are trying to increase the menu for tourism," he said.

Among the foreign investors already in Swaziland include Japanese firms, especially that of YKK Zippers which has been here for 30 years as well as numerous Taiwanese textile companies which take advantage of the country's Generalised System of Preferences (GSP) accorded by the United States.

Under the Africa Growth and Opportunities Act (AGOA), the US accords duty free status to textile exported from Swaziland to America in a bid to help less developed African nations.

Among major exports from Swaziland include wood pulp derived from its forests as well as sugar and citrus fruits, either in its raw form or in

the form of juices.

Prince Guduza said that while the government was trying to enhance the economy through various measures, the weather played havoc on the economy where 2-3 years of drought had severely affected some 60 percent of the population of about 1.2 million people who rely heavily on subsistence farming.

Swaziland has only been able to achieve a growth of less than 3.0 percent in 2001 and 2002 due to "two terrible years of drought," with inflation high at 8.0 percent, he said.

Given the small size of the economy, the impact of the weather causes widespread shocks, he said.

Swaziland's per capital income averages US\$1,000.

Nevertheless, Prince Quduza said the kingdom was banking on its political stability compared with other African nations to attract foreign investments. -- BERNAMA

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