

# Eswatini: Intra-Africa trade and tariff profile

No. 11  
2018

TRADE DATA UPDATE

This Trade Data Update provides an overview of Eswatini's intra-African trade relationships, both within the Regional Economic Communities (RECs) and with other individual African countries; the top import and export products traded; and applicable tariffs. Data is sourced from the International Trade Centre (ITC) TradeMap database and the World Trade Organisation (WTO) Tariff Database. The update is accompanied by a visual representation of key data and trends in an infographic.

## Regional Economic Communities

Eswatini is a member state of the Southern African Customs Union (SACU), the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA).

SACU is a customs union with duty-free intra-SACU trade and a common external tariff (CET) applicable to all goods entering from outside the Union, which includes the territories of South Africa, Botswana, Namibia, Swaziland and Lesotho.

SADC is a Regional Economic Community (REC) which includes 16 member states, including all SACU countries, Zimbabwe, Zambia, Mauritius, Mozambique and Malawi. 13 SADC member states are in a Free Trade Arrangement (FTA); Comoros, Angola and DRC are yet to join.

The regional economic community of COMESA has 19 member states (Burundi, Comoros, DRC, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe), 16 of which are part of the COMESA Free Trade Area – the DRC, Eritrea and Ethiopia are all in the process of accession. Eswatini has preferential access to other COMESA member states due to derogations, but is exempt from reciprocating preferential access due to it being a member of the Southern African Customs Union (SACU).

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## Intra-Africa trade

In 2017, Eswatini exported and imported goods to and from the rest of Africa to the value of US\$1.7 billion and US\$1.3 billion, respectively. Intra-Africa exports accounted for 94% of Eswatini's total exports and imports for 80% of total imports for 2017.

**Table 1: Eswatini's intra-Africa export and import products (2017)**

Intra-Africa export products				Intra-Africa import products			
HS codes	Product description	2017 (US\$m)	% total intra-Africa exports	HS codes	Product description	2017 (US\$m)	% total intra-Africa imports
3302	Mixtures of odoriferous substances	625.69	36.9%	2710	Petroleum oils (not Crude)	137.18	10.7%
3824	Prepared binders for foundry moulds or cores	239.44	14.1%	9999	Commodities not elsewhere specified	32.32	2.5%
1701	Cane or beet sugar and chemically pure sucrose, in solid form	239.19	14.1%	8704	Goods vehicles	32.22	2.5%
6204	Women's or girls' suits	59.49	3.5%	8703	Passenger vehicles	24.97	1.9%
4407	Wood sawn or chipped lengthwise	54.43	3.2%	1005	Maize	24.56	1.9%
6203	Men's or boys' suits	42.76	2.5%	2523	Cement	24.44	1.9%
6109	T-shirts, knitted or crocheted	32.95	1.9%	8708	Vehicle parts and accessories	17.44	1.4%
1704	Sugar confectionery not containing cocoa	30.38	1.8%	3923	Plastic packaging	15.72	1.2%
4401	Fuel wood	26.78	1.6%	1006	Rice	14.97	1.2%
1702	Other sugars	24.45	1.4%	2202	Waters	14.84	1.2%

Source: ITC TradeMap (2018). tralac calculations

- An additive used in the production of beverages (mixtures of odoriferous substances) is Eswatini's main intra-African export product (37% of total African exports).
- Other export products include prepared binders for moulds and cores (14%), sugar in solid form (14%) and women's and girls' suits (4%). The top 10 intra-Africa export products accounts for 81% of Eswatini's total exports to other African countries.
- Petroleum oils (excluding Crude) is the main import product (11% of total African imports).
- The second most important import product is 'commodities not elsewhere specified' (HS9999); all of which imported from South Africa. This category is often used to denote trade in gold or arms and ammunition. However, it is impossible to determine what precisely is traded between South African and Eswatini that accounts for 3% of Eswatini's total intra-Africa imports.

- Other main import products are motor vehicles (both goods and passenger vehicles), maize, cement and vehicle parts and accessories. The top 10 products accounts for 26% of Eswatini's total intra-Africa imports.
- South Africa is by far Eswatini's main trading partner (84% of total trade (exports + imports)), followed by Kenya (4%), Nigeria (3%) and Mozambique (2%).
- The main destination markets for exports are South Africa (74%), Kenya, Nigeria and Mozambique.
- South Africa is the main source country for imports (98%) followed by Lesotho, Mauritius, Egypt, Mozambique, Zambia and Namibia.

### Intra-Africa import tariffs

Most of the goods imported into Eswatini from other SADC member states enter duty-free. The only exceptions are wheat flour, sugar, second-hand clothes and tyres. Although the applied duty for wheat flour imports from SADC is zero-rated, there are currently no SADC Rules of Origin on wheat flour. This means that all wheat flour originating in SADC and imported into Eswatini is levied the MFN applied duty of 65.59c/kg. Sugar imports, raw and refined face a specific duty of 213.1c/kg, while the duty on second-hand clothes varies depending on the tariff line (20% ad valorem, 35c/unit, 50c/unit and 60% or 2500c/kg). Tyre imports under HS980100 has a 20% duty.

- African imports from outside SACU and SADC are levied the MFN applied duty which is the SACU Common External Tariff. The highest average MFN applicable duties are on clothing and apparel (between 26.3% and 41.2%), tobacco (38.1%), leather articles (26.6%) and carpets and flooring (26.6%).
- Various products are imported free of duty, including all live animals (HS1); other base metals like Tungsten and Titanium (HS81); clocks and watches (HS91); ores, slag and ash (HS26); and fertilizers (HS31).
- Eswatini's highest *ad valorem* import duties are levied on imports of prepared or preserved pineapples (55% duty), tobacco cigarettes (45%), tobacco substitute cigarettes and cigars (45%), water-pipe tobacco (45%) clothing items (40% and 45%), retreaded tyres (43%) and uncooked pasta not containing eggs (40%).
- High specific duties are levied on numerous import products, including:
  - Milk and cream products (450c/kg with a maximum of 96%);
  - Cheese including fresh, grated or powdered and blue-veined (500c/kg with a maximum of 95%);
  - Dairy spreads and butter (500c/kg with a maximum of 79%);
  - Unstemmed or unstripped tobacco (860c/kg less 85% with a maximum of 44%);
  - Black fermented tea (400c/kg);
  - Garlic (325c/kg with a maximum of 37%);
  - Ethyl alcohol (317c/litre); and
  - Fresh or chilled bovine carcasses or half carcasses (40% or 240c/kg)

Only 0.5% of Eswatini's total African imports are from countries outside SADC and SACU. 74% of these goods are natural gums, while other imports include phosphoric acid, beauty products, medicaments and second-hand clothing. Of the top 20 products, half are imported duty-free, while 5 tariff lines face 20% import duties (beauty products, preparations used for hair, soaps and wigs). Second-hand clothing is imported at either 20% import duties or specific tariffs (35c/unit, 50c/unit or 60% or 2500/kilogram) depending on the tariff line. Outside of SADC and SACU Eswatini mainly imports goods from Egypt (76%), Ghana (7%), Morocco (6%) and Kenya (5%).

**Table 2: Eswatini's intra-Africa imports (excluding SACU and SADC countries)**

HS Code	Product description	2017 (US\$m)	Applicable tariffs
130120	Natural gum Arabic	3.29	Duty-free
130190	Natural oleoresins	1.10	Duty-free
280920	Phosphoric acid	0.36	Duty-free
330499	Beauty and skin care preparations	0.28	20%
300490	Medicaments consisting of mixed or unmixed products for therapeutic purposes	0.22	Duty-free
300390	Medicaments consisting of two or more constituents mixed together for therapeutic purposes	0.21	Duty-free
630900	Second-hand clothing	0.09	20% or specific duties of 35c/unit, 50c/unit or 60% or 2 500c/kilogram depending on the tariff line
392321	Sacks and bags	0.08	15%-25% depending on the tariff line
681091	Cement prefabricated structural components	0.05	Duty-free
210220	Inactive yeasts	0.03	15%

Source: ITC TradeMap (2018) and WTO Tariff Database (2018)