

Eswatini

intra-Africa trade & tariff profile 2019



1. Introduction

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

- SACU has 5 member states (Botswana, Eswatini, Lesotho, Namibia and South Africa). SACU is a customs union with free intra-SACU trade and a common external tariff (CET) applicable to imports from outside SACU.
- SADC has 16 member states, 13 of which are part of the SADC Free Trade Area (FTA); Comoros, Angola and DRC are yet to join.
- COMESA has 21 member states, 17 of which are part of the COMESA Free Trade Area – the DRC, Eritrea, Ethiopia and Somalia are all in the process of accession

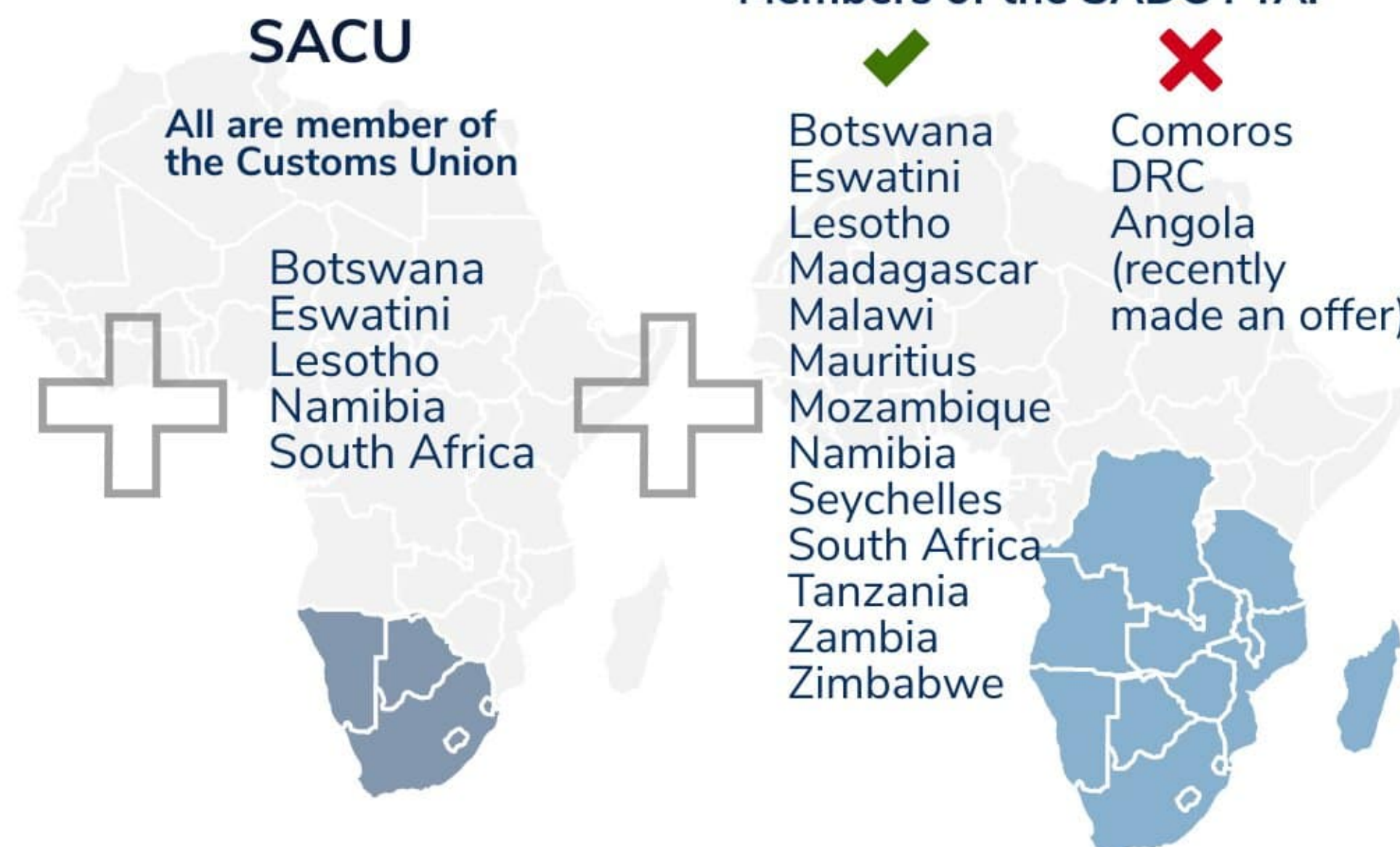
COMESA

Members of the COMESA FTA:



SADC

Members of the SADC FTA:



2. Intra-Africa trade

For 2019, 92% of Eswatini's world exports & 77% of world imports were to and from the rest of Africa. Intra-Africa exports amounted to US\$1.8 billion (7% more

than in 2018) & intra-Africa imports to US\$1.4 billion (3% decrease compared to 2018 imports). The main export products are mixtures of odoriferous, chemical products & raw sugar cane

Eswatini mainly imports petroleum oils, electrical energy, maize, portland cement & mineral water. The country almost entirely trades with fellow COMESA & SADC member states except Nigeria.

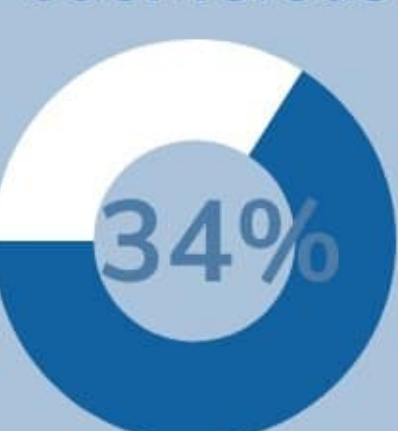
Main destination markets

South Africa, Kenya, Nigeria, Mozambique & Tanzania



Exports

Mixtures of odoriferous



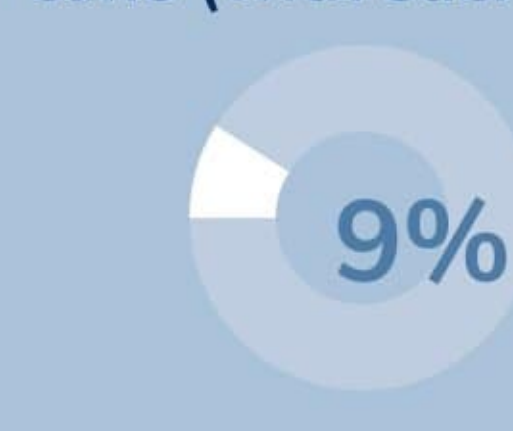
99% Eswatini's world odoriferous exports

Chemical products



99% of world chemical products exports

Raw sugar cane (with sucrose)



all of world raw sugar cane with sucrose exports

Raw sugar cane (without sucrose)



45% of world raw sugar cane without sucrose exports

Pine wood



all of world pine wood exports

intra-Africa imports as % of world imports of designated products

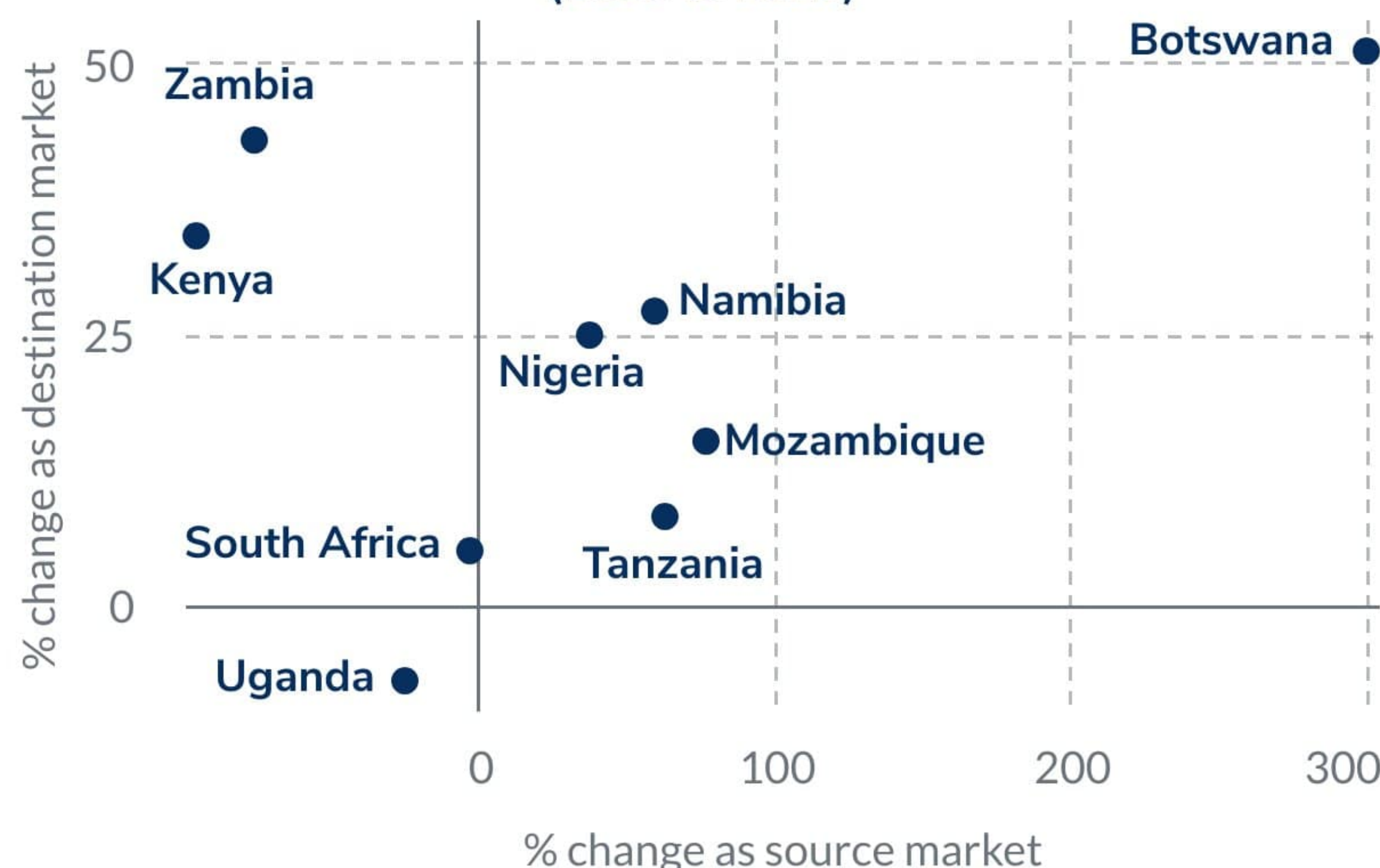
Light petroleum oils (10.1%)	69%
Electrical energy (5.05%)	100%
Commodities n.e.s (2.02%)	98%
Maize (2.02%)	100%
Portland cement (1.01%)	100%
Mineral water (1.01%)	99%
Other (78.79%)	

Main source markets

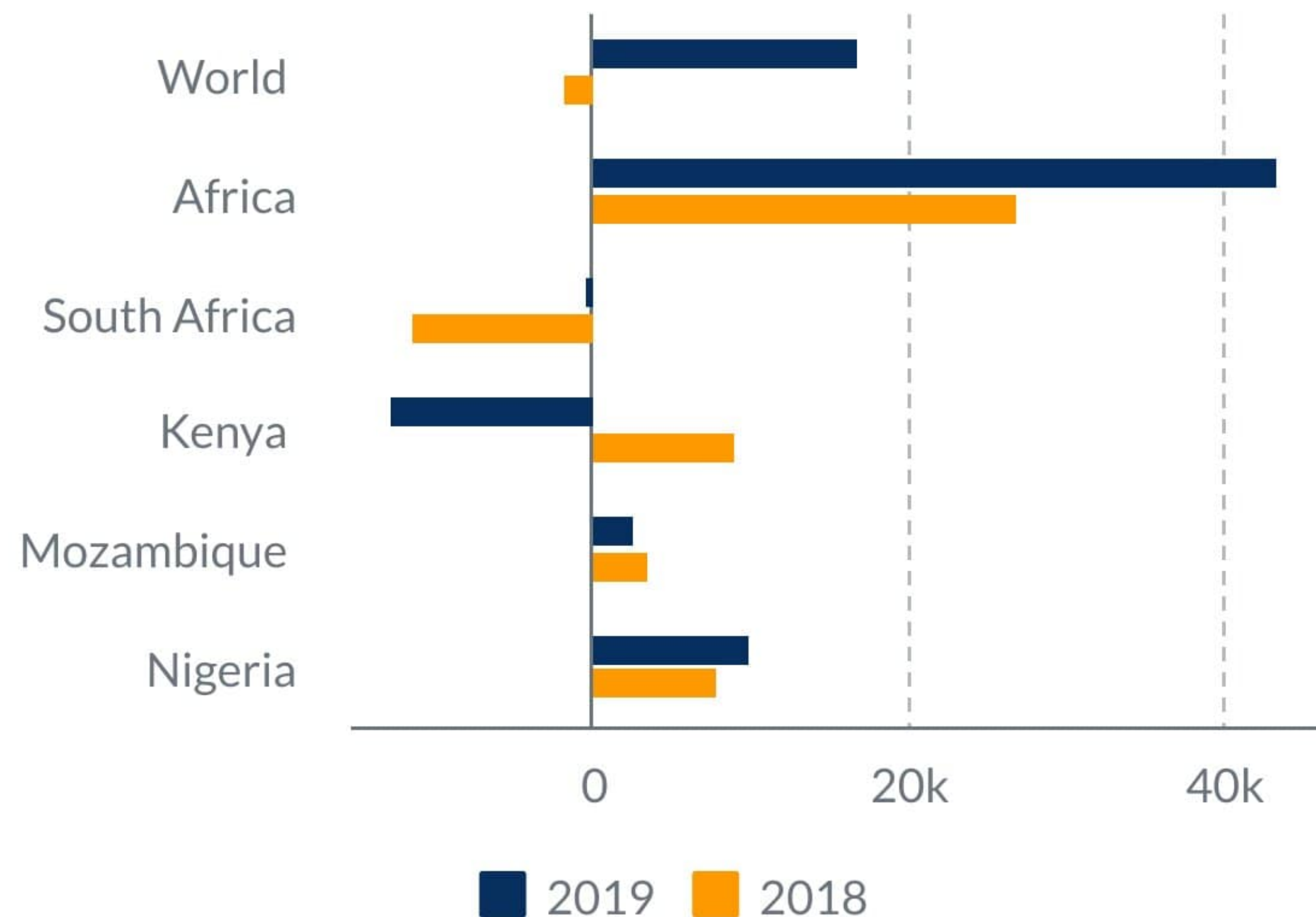


Imports

% change in exports to & imports from main African trade partners (2018 to 2019)



Trade balance with designated trade partners 2018 & 2019



3. Intra-Africa tariffs & non-tariff cost of trade
Imports from SACU and SADC (excl. sugar, second-hand clothes, original vehicle components parts & wheat flour) enter Eswatini duty-free. Eswatini has preferential access to COMESA under derogation but is exempt from reciprocating preferences due to its membership of SACU. Imports from countries outside SACU and SADC face MFN applied

duties which is the SACU CET with numerous tariff bands and specific combined tariffs. Only 13% of Eswatini's world exports (14% of intra-Africa exports) are to African countries not SADC & SACU member states. Export products include mixtures of odoriferous, chemical products & raw sugar cane. Eswatin's most important destination markets outside SACU & SADC in 2019 were Kenya, Nigeria and Uganda.

Also, 0.5% of intra-Africa imports (0.4% of world imports) are sourced from outside SACU & SADC with Egypt being the biggest source market, accounting for 81% of Eswatini's imports from outside SACU & SADC. In 2019, especially natural gum arabic, phosphoric acid & wooden furniture got imported into Eswatini from countries outside SACU & SADC.

MFN duty categories & % of national tariff lines in each category

Duty-free 55%
fresh & frozen fish; eggs; fresh vegetables; spices; medicines; protective clothing, ballet shoes & safety headgear; machinery & motorcycle engines

>0%-5% 3%
frozen cassava, sweet potatoes, yams & arrowroot; avocados, citrus fruits & grapes; soy sauce, ketchup & mustard; beer & ventilators for vehicles with water-cooled engines

>5%-10% 10%
dried fruits; seed & olive oils; iron bars, rods, shapes & sections; dumpers not heavier than 50 tons; off-road logging trucks & certain vehicle parts

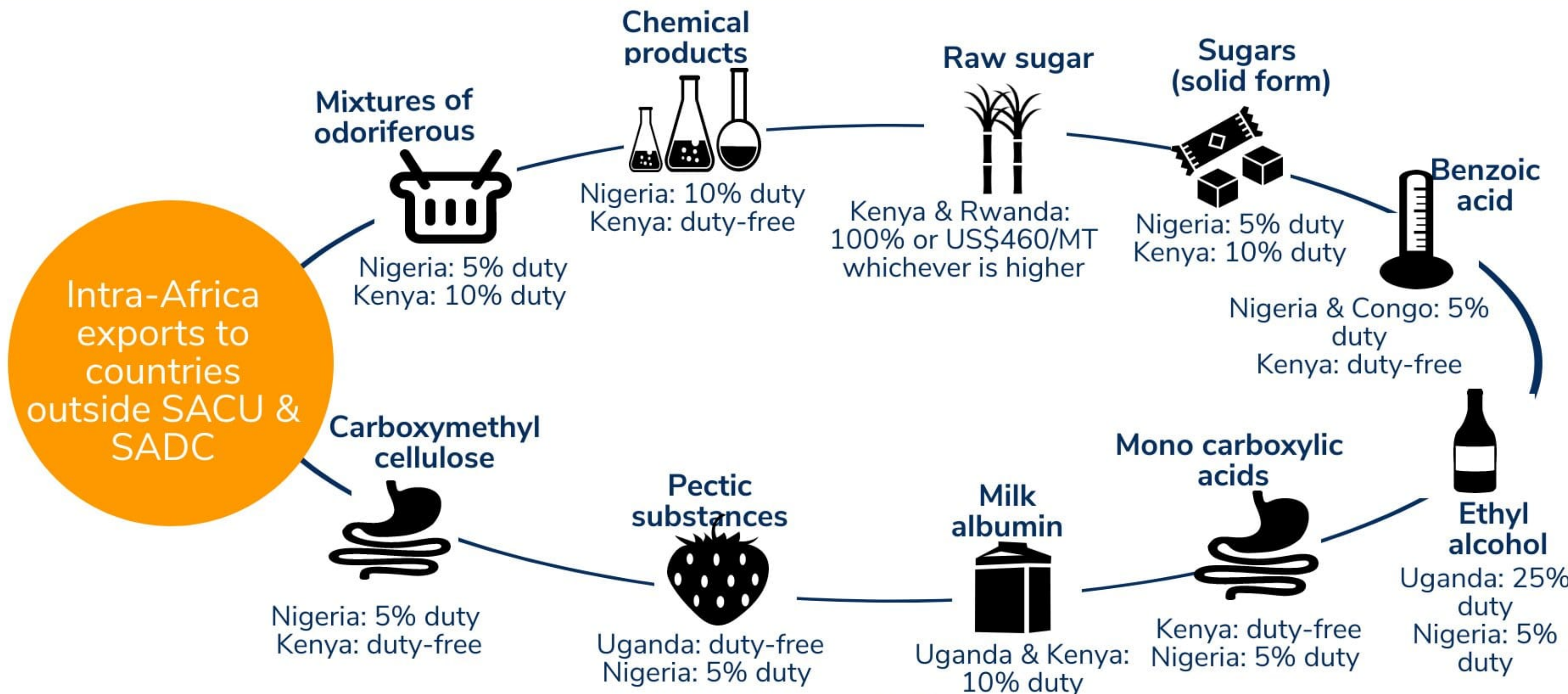
>10%-20% 16%
sanitary products; furniture; arms & military weapons; bicycles; airbags, clutches & steering wheels; hearses; basketwork; beauty products & frozen boneless chicken breasts & thighs

>20%-30% 9%
ambulances; slippers & waterproof footwear; linen & curtains; wine & fermented fruit beverages; chicken offal; salmon & blankets & most fabrics

>30%-40% 1%
clothing from textile materials & man-made fibers; frozen chicken cuts; guavas & mangoes; white chocolate; preserved tomatoes & retreaded tyres for buses & lorries

>40% 2%
whole frozen chicken; preserved pineapples; cigarettes; knitted & crocheted clothing & retreaded pneumatic tyres

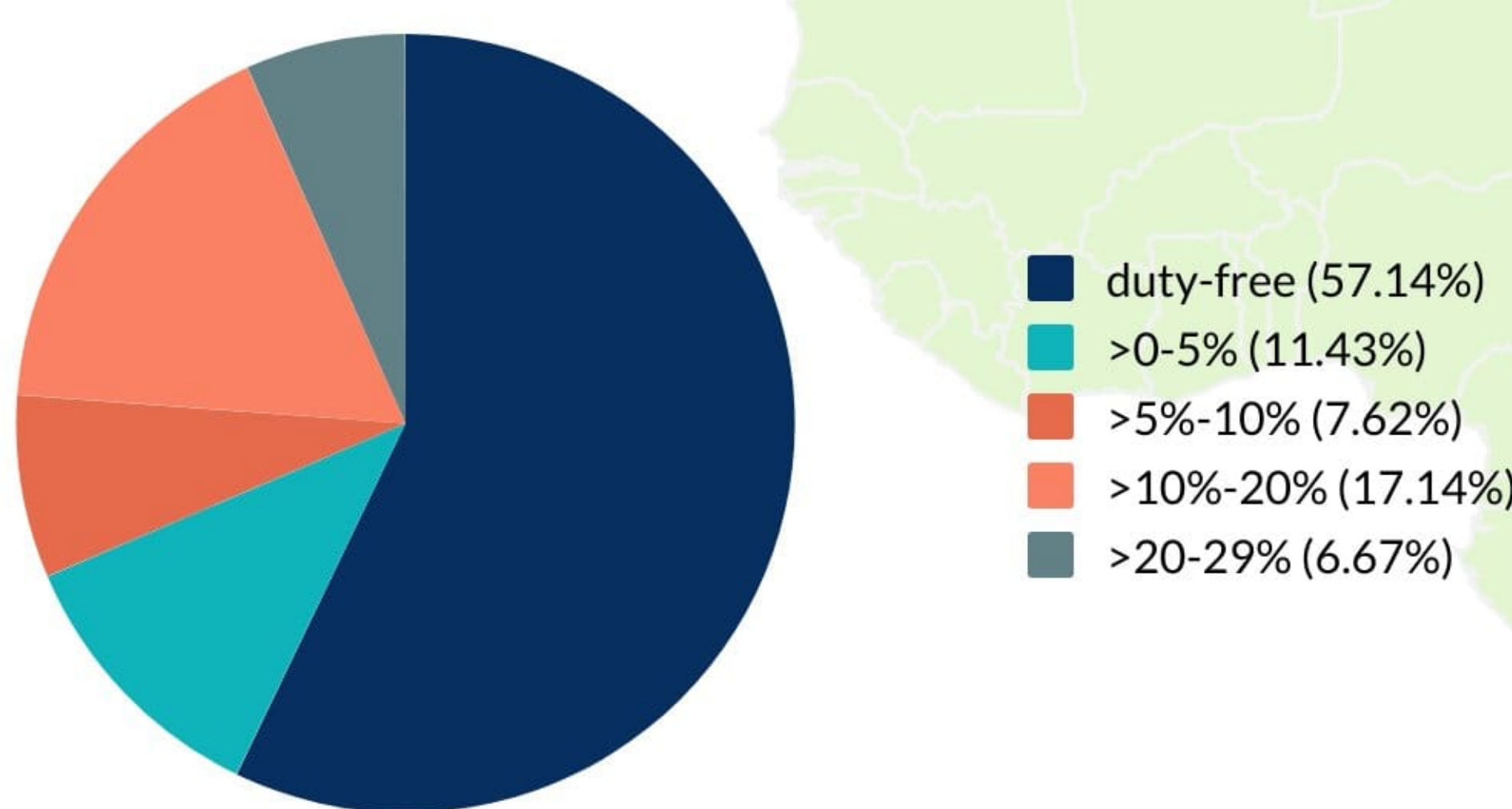
specific and/or combined 4%
footwear; stuffed pasta; cane sugar; smoked & preserved seafood; wheat flour; roasted malt & coffee; cheese, butter & buttermilk & beef, pork & lamb



Eswatini's imports from outside SACU & SADC

73% of Eswatini's world imports of natural gum Arabic are sourced from outside SACU & SADC; also 19% of phosphoric acid, 14% of office wooden furniture, 52% of second-hand clothes, and 14% of kitchen wooden furniture .

Categories of MFN duties & % of 2019 imports in each category



- Egypt (81%)**
 - Natural gum Arabic (duty-free)
 - Wooden furniture (20% duty)
 - Kitchen wooden furniture (20% duty)
- Morocco (12%)**
 - Phosphoric acid (duty-free)
 - Dried fruits mixtures (10% duty)
 - Sugar confectionery (37% duty)
- Ghana (4%)**
 - Second-hand clothing (60% or 2500c.kg)
 - Beauty or make-up preparations (20% duty)
 - Hair preparations (20% duty)
- Kenya (6%)**
 - Medicaments (duty-free)
 - Mixtures of odoriferous (duty-free)
 - Beauty or make-up preparations (20% duty)
- Nigeria (5%)**
 - Hair preparations (20% duty)
 - Other vehicle parts (20% duty)
 - Unspecified commodities

Of the **top 20 import products**, the highest tariff (60% or 2 500c/kg) is applicable to imports of second-hand clothes. A 30% import duty is applicable to carpets. A 20% duty is applicable to imports of furniture, beauty or make-up preparations, electric ovens and passenger vehicles. A 10% import duty is levied to mixtures of nuts or dried fruits. Imports of natural gum arabic, phosphoric acid, medicaments, mixtures of odoriferous, marble and travertine, parts of data-processing machines, microwaves are imported into Eswatini duty-free.

The non-tariff cost of bilateral trade between Eswatini & designated trade partners

The ESCAP-World Bank trade cost database include the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. The data shows that the overall cost of trade between Eswatini with African countries like Egypt and Ghana is more costly than trade with non-African countries such as China, France, and the UK. In 2017, the cost of trade for manufactured goods between Eswatini and its fellow SADC member states like South Africa, Mozambique, Lesotho, Mauritius & Namibia was the lowest. Eswatini's trade in manufactured goods with Ghana & Egypt is more costly than with non-African countries like France and the UK.

