MINISTRY OF ECONOMIC
PLANNING AND DEVELOPMENT

CENTRAL BANK
OF ESWATINI
Umntsholi Wemaswati

2022

COMPANY SURVEY REPORT

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LIST OF ACRONYMS

AGOA	African Growth and Opportunity Act
BoP	Balance of Payments
CBE	Central Bank of Eswatini
EU	European Union
EFTA	European Free Trade Area
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GMO	Genetically Modified Organisms
GWh	Giga Watts Per Hour
ICC-FISH	International Convention Centre & Five Star Hotel
IIP	International Investment Position
IMF	International Monetary Fund
LUSIP	Lower Usuthu Smallholder Irrigation Project
MEPD	Ministry of Economic Planning and Development
MoA	Ministry of Agriculture
MT	Metric Ton
MW	Megawatt
MWh	Megawatts Per Hour
PPP	Public Private Partnership
SACU	Southern African Customs Union
ESCCOM	Eswatini Communications Commission
EPTC	Eswatini Post and Telecommunications
USA	United States of America
IPP	Independent Power Producers
ERS	Eswatini Revenue Services
FSRA	Financial Service Regulatory Authority
COVID-19	Coronavirus Disease 2019
WHO	World Health Organization
Ha	Hectare
ROM	Run of Mine
IFRS 9	International Financial Reporting Standards 9
EVERS	Early Voluntary Exit and Retirement Scheme
JSE	Johannesburg Stock Exchange

1.0 INTRODUCTION

Since 2020, the normal ways of doing business were completely challenged due to the advent of the COVID-19 virus. In the case of Eswatini, the year 2021 also brought about unprecedented catastrophic events that had never been experienced before by the country's economy in the form of a socio-political unrest. To assist policymakers to make meaningful decisions in order to protect the country's interests, analysts need to provide them with updated and timely information on the state of the economy.

Forecasting a country's growth trajectory is daunting, and not only requires an analysis of economic activity in the national economy, but also the examination of economic dynamics at sectoral level. Unless policy makers sufficiently value what drives economic activity, it would be difficult to develop meaningful and relevant policy strategies that promote economic growth required to achieve enhanced economic development.

The 2022 survey was conducted on the back of travel and gathering restrictions imposed by the government to contain the spread of the COVID-19 virus. This forced the Company Survey team[1] (Team) to adopt new ways of conducting meetings, specifically on virtual platforms. This exercise is used as an important tool to obtain information on several aspects of production from enterprises in the economy, and to also gain insights into other aspects such as employment trends. Moreover, the tool is used to obtain information on challenges that affect the performance of the private sector and assist in understanding available opportunities that are used to inform economic growth forecasts.

This is a summary report from the 2022 Company Survey exercise. The report is structured as follows: Section 2 discusses a brief background and purpose of the company survey. Section 3 discusses the methodology used in the survey exercise. Section 4 provides an overview of findings and discusses some of the results including coverage, performance, employment, and investments as reported by companies. Section 5 sheds light on the challenges and opportunities faced by companies. Finally, section 6 offers concluding remarks.

2.0 BACKGROUND & PURPOSE

While this document encompasses a variety of issues and is focused towards informing the key stakeholders about the recent economic developments and outlook, the ultimate goal is to contribute to fulfilling the mandate of policy planning and development. Company Surveys are conducted annually between late January and April by the Team. Despite the

[1] Comprises of the Macro-Forecasting team (MEPD) and the Central Bank Research team

challenges presented by the COVID-19 pandemic and the political unrest in the second half of the year, the Team was able to adapt to the new normal and navigate through with speed to deliver this key policy instrument. As with all documents produced under this banner, the primary purpose remains outlined as enlisted below:

- To collect data on performance/production, employment and investment so as to come up with an aggregated picture of the macro-economy[2]
- To gather data and information that will inform the compilation and forecasts of the macroeconomic framework.
- To collect information on challenges and opportunities from different sectors of the economy to inform relevant stakeholders and also keep policy makers abreast of economic developments for purposes of planning and implementing appropriate policy measures.

3.0 METHODOLOGY

3.1 Data Overview

The Company Survey exercise collects both qualitative and quantitative information for monitoring and understanding sectorial performance together with the short-term outlook of local companies. Since the data is collected from individual businesses, it is considered primary in nature and encompasses variables such as; products and services supplied, volumes and values of products, companies' profits, income & expenditures, employment numbers, export volumes, challenges, opportunities, capital investments and major trading partners for that company.

3.2 Sampling Frame

The sampling frame for the Company Survey exercise consists of 272 companies from an in-house database and is characterized by institutions that supply frequent data to both the Ministry of Economic Planning and Development and the Central Bank of Eswatini. Selection of companies to be included in the database follows a certain criterion. This criterion includes; production that is representative of the sector, having significant influence in the sector and being available and willing to participate in the survey. The in-house database is updated every year before the start of the exercise to incorporate new entrants. Sampling of companies to be surveyed uses a simple random sampling procedure from the in-house

[2] Companies are classified into the different sectors according to the International Standard for Industrial Classification (ISIC Rev IV) in line with the Central Statistical Office (CSO).

database. The simple random sampling is assisted by the unique company identity (CSID) which is assigned to each company included in the in-house database.

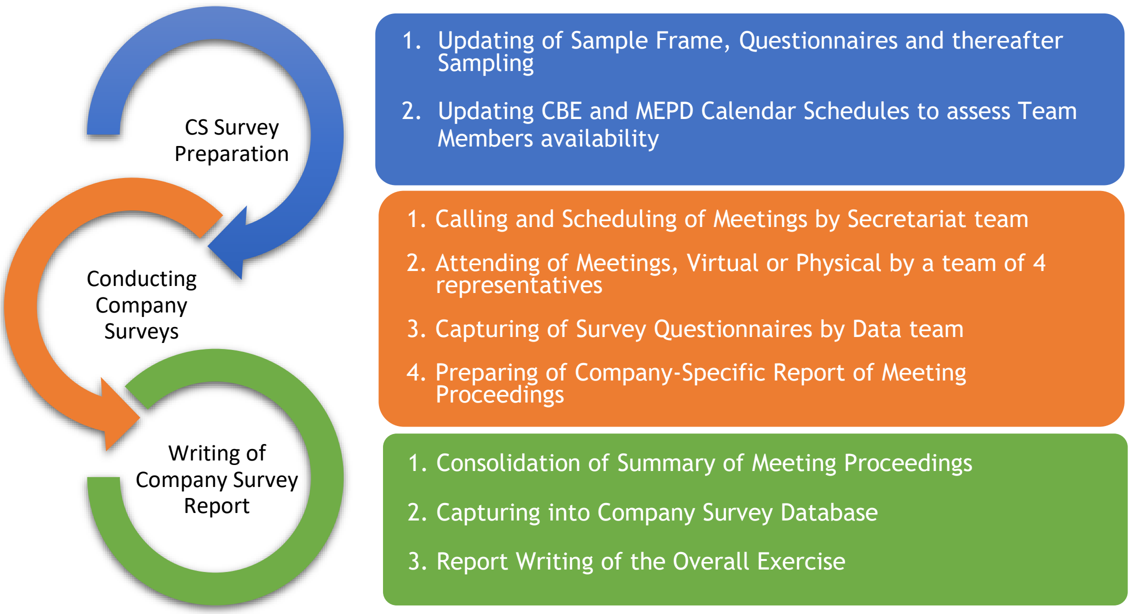
3.3 Survey Instruments

The survey instruments include a self-administered questionnaire, a tracker, and meeting platforms. The information is collected using self-administered questionnaires that are sector-specific. The questions asked in the questionnaire collects information on: general information of the company, ownership structure, performance indicators, total revenue and profits, employment, capital expenditure, sources of inputs, and destinations of exports. The tracker is an excel based tool that is used to schedule and alert the survey team on calendar meetings for the period of the survey. Meeting platforms used include software's such as Microsoft Teams, Zoom and there is also the use of physical meetings on company premises.

3.4 Survey Procedure

The survey procedure details how the company survey team conducts the exercise. This is done in a series of steps which can be better represented by figure 1.

Figure 1: Survey Procedure



Source: Company Survey (2022)

3.5 Survey Implementation

Companies were approached for a virtual meeting, either via Microsoft Teams, Zoom or Skype. A sector-specific questionnaire (with guidelines) was sent to the companies selected from the sampling frame. Meetings were convened to discuss the performance trends of the review period based on the dynamics presented in the completed questionnaires, opportunities envisaged by the companies in the medium-term, as well as the challenges they face in their operations.

Upon conclusion of the meetings with the companies, a detailed company-specific report is prepared by the participating Team. These individual reports are then compiled to produce the Company Survey Consolidated Report[3]. The Consolidated Report is then summarized into sectoral performances through the Company Survey Summary Report detailing sector performance, challenges and opportunities. This report is shared with relevant stakeholders to provide insight on the important aspects mentioned earlier. The historic, present and future performance indicators play a pivotal role as inputs for the process of revisions of GDP estimates as well as the medium-term GDP growth forecasts. Moreover, the summary report is used as an advocacy tool aimed at stimulating discussions with policy makers from an informed perspective, to encourage gainful change.

4.0 RESULTS AND FINDINGS

4.1 Coverage and Summary Statistics

The entities selected are representative of the Eswatini economy according to the different sectors. In cases where numerous small players dominate the sector (e.g. agriculture), the team sampled the umbrella player (Ministry of Agriculture) or a regulator (Marketing Boards). In other instances, like in the manufacturing sector where there are several different lines of production that need to be considered for national accounts, the team sampled a large number of companies since their operations are diverse and a true picture cannot be deduced by simply visiting the regulators. Important government agencies (which either regulate particular sectors or help in coordinating and providing data for the several smaller players involved in the sector) are also surveyed in order to get an overall statistic of the entire sector. Finally, the survey sample also considers geographical considerations such that all the businesses from the different regions are represented.

[3] This report is kept strictly confidential; it is never shared with any stakeholder in compliance with the confidentiality clauses of both institutions and is solely used for analytical purposes.

Table 1: Survey Coverage Statistics

Sector	Listed			Surveyed			Coverage (%)		
	2019	2021	2022	2019	2021	2022	2019	2021	2022
Agriculture	11	11	**11**	10	7	**4**	91	64	**36**
Construction	7	7	**7**	5	4	**3**	71	57	**43**
Education	3	3	**3**	2	0	**1**	67	0	**33**
Financial Services	24	24	**24**	23	18	**20**	96	75	**83**
Government	5	5	**5**	3	2	**3**	60	40	**60**
Health	3	3	**3**	2	2	**2**	67	67	**67**
ICT	7	7	**7**	5	2	**5**	71	29	**71**
Manufacturing	39	39	**39**	29	24	**24**	74	62	**62**
Marketing Board	5	5	**5**	5	5	**5**	100	100	**100**
Mining	4	4	**4**	2	2	**3**	50	50	**75**
Other Services	10	10	**10**	3	2	**2**	30	20	**20**
Real Estate	6	6	**6**	5	1	**3**	83	17	**50**
Tourism	16	16	**16**	10	8	**8**	63	50	**50**
Transport	13	13	**13**	6	5	**6**	46	39	**46**
Utility	3	3	**3**	3	3	**3**	100	100	**100**
Wholesale & Retail	23	23	**23**	10	7	**7**	44	30	**30**
Total	179	179	**179**	123	92	**99**	69	51	**55**

NB: *1. Government covers departments of both central and local government*

2. No data available for 2020 since company surveys were disturbed by COVID-19 pandemic, hence the gap between 2019 and 2021

Source: Company Survey (2022)

Table 1 shows that the sample frame of companies selected to participate in the survey was 179 entities, same as the previous year. The survey coverage grew to 55.3 percent (99 companies) for the year 2022, slightly higher when compared to 51.4 percent (92 companies) in 2021. The improved response can mainly be attributed to better adaptation by companies in the use of virtual platforms to conduct meetings compared to the previous year. However, the response rate fell below the 60 percent overall coverage target due to the numerous cancellations.

In line with the structure of the economy, a large proportion of companies that partook in the survey was from the tertiary sector (57.6 percent) followed by the secondary sector (30.3 percent). Only 12.1 percent of the companies that participated were from the primary sector. There was full coverage in sub-sectors such as Utilities and Marketing Boards. Conversely, there was low coverage in sectors such as Education, 'Wholesale & Retail', Agriculture as well as 'Other Services'.

4.2 Sectoral Performance and Outlook

This section provides a detailed narrative on the performance and outlook of all the sectors of the economy. Importantly, it must be noted that the findings presented here are only those received from the surveyed entities. To ensure confidentiality of company information, all findings are presented in aggregated form.

4.2.1 Agriculture

4.2.1.1 Crop production

Maize: In the 2021/22 season, domestic maize production grew by 27.3 percent to record an estimate of 127,351.43 metric tonnes (MT) from the 100,041.6 MT recorded in the previous season. This growth was mainly attributed to good rainfall distribution patterns which were experienced in most parts of the country, coupled with minimal pest and disease infestation. Additionally, the area planted also increased by 5.5 percent to 74,799 Ha in the 2021/22 season from 70,870 hectares (Ha) in the 2020/21 season, benefitting from the increased uptake in the number of farmers who registered for the input subsidy program.

In terms of the input subsidy program, a total of 15,049 farmers benefited from the program reflecting a 26.9 percent increase compared to the 11,001 beneficiaries recorded the previous year. Moreover, in the year under review, total tractor hours were recorded at 64,425 hours, 90.0 percent of which was recorded in December 2021. In addition, more farmers were able to optimally apply basil fertilizer and usage of herbicides to control for pests and diseases. As a result, the average national yield for maize improved by 20.6 percent to 1.7 MT per Ha in the review period from the 1.4 MT per Ha recorded the previous season.

The winter cropping projects also contributed positively towards the increase in maize production in the year, with 110 Ha of land grown under irrigation in the LUSIP area. Moreover, some sugarcane estates also contributed towards the maize production volume as maize was used as a rotational crop for sugarcane. Additionally, some government farms have also been utilized for maize production under contract farming particularly in the Gege and Buseleni areas. Conversely, in the period under review, the area under contract farming declined by 28.9 percent from 1,470 Ha in the 2020/21 to 1,045 Ha in the 2021/22 season.

Despite the stellar pre-harvest figures recorded in the 2021/22 season, post-harvest losses remained a serious concern for the nation. The national average for post-harvest losses stands at 30.0 percent, as per a study conducted in 2010 due to improper handling and storage which has exacerbated food insecurity domestically. However, there are plans to reduce the post-harvest losses to 14.0 percent by the Ministry of Agriculture.

The outlook for maize production in the medium term is uncertain amid the Russia-Ukraine conflict, which has catapulted the costs of inputs, particularly the cost of fertilizer in the 2022/23 growing season (i.e., fertilizer prices have cumulatively increased by 200% between 2020 & 2022). Nonetheless, the government has made efforts to buffer farmers from the price hikes through upscaling its contribution to cover 50 percent of the costs of inputs through the subsidy program.

Cotton: In the 2021/22 season, cotton production plunged for the second consecutive season, dropping by 58.5 percent to reach a historic low yield of 407 tonnes. The drastic decline, the worst since the 2016/17 season, was underpinned by the delayed rainfall which started in January 2021. This discouraged some farmers from planting, resulting in the reduction of the area planted. Evidently, the area planted contracted by 39.8 percent in 2021/22 to 630 Ha from the 1,047 Ha cultivated in the previous year.

In the short-term, cotton production is expected to rebound strongly. Cotton production is expected to increase to 900 MT from 407 MT in the previous year. The surge in production will benefit from the increase in the area planted (1,000 Ha), as the number of participating farmers increase. Cotton planted under irrigation is estimated at 60 Ha and this hectarage is expected to produce about 200 MT (30 percent of national production).

The medium-term is hinged on high yielding genetically modified organism (GMO) cotton which is anticipated to revolutionize cotton production and lure commercial farmers to venture into cotton production. This will be achieved using the BT cotton (GMO) from India which has an average yield of 3.0 tonnes per Ha. Conventional farmers' yields are estimated to average between 0.8 and 1.8 tonnes per Ha. In the medium-to-long term cotton production is earmarked to benefit from the Mkhondvo-Ngwavuma dam where 10,000 Ha will be developed specifically for crop production, including cotton.

Sugarcane: In the 2021/2022 season, sugarcane production remained strained, declining by 8.6 percent to 5,266,602 MT in 2021 from 5,759,016 MT in 2020. The fall in production was as a result of unfavorable weather conditions in the form of excessive rainfall and cloud cover, which resulted in nutrient leaching as well as increased the spread of pests and diseases. This affected cane yields which fell by 6.19 percent, from 98.0 tonnes per Ha in 2020 to 92.0 tonnes per Ha in 2021. In addition, the persistent cloud cover (due to above normal rains) negatively affected the sucrose content (as a % of cane) as it fell from 13.9% in 2020 to 13.8% in 2021.

Apart from the unfavorable climatic conditions, the sugarcane production sector also battled against labour strifes, arson attacks (motivated by socio-political unrest) as well as the high input costs driven by the Russia-Ukraine war. As a result of industrial protests, 48 operational days were lost for one entity. Furthermore, due to the arson attacks, approximately 2,412 Ha of cane cultivated were burnt prematurely.

The medium-term outlook remains optimistic for the sugarcane production anchored on increased area under production, with 4,000 Ha of additional land anticipated to come through the Lower Usuthu Smallholder Irrigation Project (LUSIP II) project. Continuous investments in efficiency measures such as drip-irrigation are anticipated to increase productivity in sugarcane production.

Citrus and Banana: Citrus and banana production declined by 17.6 and 7.0 percent, respectively in the 2021/22 season on account of unfavourable weather conditions, which were dominated by hailstorms. There was also Tropical Cyclone Eloise, which damaged fruit trees and caused a lot of disease infestations.

In the short-to-medium term, banana production is anticipated to recover from the climate induced shock(s) on account of continued expansions on the product. Conversely, citrus production is expected to continue to decline on account of reduced area designated for citrus production and changing market dynamics.

Vegetables: Local vegetable production grew marginally by 8.0 percent in 2021 recording 5,049 MT compared to the 4,676 MT recorded in 2020. Several initiatives aimed at increasing domestic vegetable production were highlighted. These include; tunnel farming, High Value Crop and Horticultural projects (HVCHP), Smallholder Market-led projects (SMLP), the provision of seedling to farmers, the innovation platform, and the Global GAP (good agriculture practice). This resulted in increased capacity for self-sufficiency in some conventional vegetable products such as cabbages, spinach and lettuce etc., with limited importation of these products. Domestic farmer outreach increased causing more farmers to grow vegetables in the period.

In the short to medium-term, domestic vegetable production is projected to rise, benefiting from continued initiatives that encourage domestic production.

4.2.1.2 Livestock Production

Cattle: Above normal rains experienced in the period supported improved nutritional content of grazing fields in the year 2021/22. Livestock farmers reported that the quality of the herd was bolstered, as the fat-to-meat ratio and the weight of cows improved. The number of commercial feedlots increased to 250 in the year and the higher production was partially affected by hikes in the cost of feed. In response to the rise in the price of feed, the price of beef went up to E54.00 per kilogram. There were no major outbreaks of livestock diseases in the period, farmers only reported mild cases of lumpy skin. This was in spite of the outbreak of foot and mouth disease (FMD) in the Republic of South Africa (RSA), where 56 reported cases in four provinces prohibited the importation of cattle and beef from the country.

The outlook for cattle production remains positive, in light of the good rains experienced in the past 2 years. However, the hikes in animal feed and stock theft remain a threat to the growth of feedlots.

Poultry: The poultry industry faced immense challenges in 2021, with the outbreak of the Avian influenza disease in RSA resulting in the ban of imports of eggs and chicks from the country. This necessitated the importation of chicks from Europe and South America. As a result, there was an escalation in production costs mainly related to transportation in the period under review. Evidently, poultry population declined by 9.0 percent. The hikes in input costs, particularly those of poultry feed, coupled with the shortage of chicks, compounded the situation in the period resulting in small scale farmers disinvesting from poultry. In addition, the socio-political unrest experienced in the country restricted the movement of chicks further escalating the situation.

In the short-term, the outlook of the sector remains uncertain with the Russia-Ukraine war anticipated to further increase the cost of feed. However, construction of a new hatchery locally is anticipated to fast-track the recovery of the sector.

Piggeries: Local pig production continued to increase, supported by growth in the informal sector, as well as aggressive marketing strategies by the Ministry of Agriculture. This has resulted in self-sufficiency in the sub-sector, with pork imports last allowed in 2019. The Taiwanese pig enhancement program has also contributed to the growth of the sub-sector, providing breeding stock and semen for artificial insemination. However, biosafety concerns remain heightened in this sector as a large proportion of the slaughters are performed outside commercial abattoirs, risking human safety through contaminated meat.

The short-to-medium term outlook for pig production will continue to benefit from the Taiwanese pig enhancement program, which aims to support breeding stock. However, the high cost for feed remains a threat to informal producers who are likely to disinvest.

Raw milk: The dairy production sector recorded negative growth in 2021, with dairy herd numbers recording a fall, on account of the mastitis disease. The prolonged ban of RSA cattle imports due to the outbreak of the FMD disease led to delays in the new stock to replace the culled cattle in 2021. In addition, the inflated costs of animal feed curtailed the growth of the sub-sector, mainly affecting small-scale milk producers.

The outlook for the sector is optimistic, on the backdrop of the developments of a new milk processing plant in the economy. The importation of the dairy herd is anticipated to increase the domestic numbers in the short-term, however, the perpetual rise in feed costs are a major threat to development of the sector.

Goats: In 2021, the goat population was reported at 330,000, which reflected a decline compared to the population reported in the previous year. This sub-sector continued to struggle from stock theft as goats are smuggled to RSA. The short-to-medium term population for goats is anticipated to grow rapidly to reach the 600,000 mark.

4.2.2 Forestry

Only one (1) entity was surveyed in the review period from the forestry sub-sector. The sub-sector performed well, benefiting from positive market dynamics. On one hand, Eswatini benefitted from classifying the sub-sector as an essential service, whilst its counterparts in RSA were on strict lockdown. On the other hand, there was a general increase in external demand for forestry products in the region. As a result, the area harvested grew by a significantly in the period, in response to the increased demand for forestry products.

The sector outlook remains positive on the back of domestic biomass power generation prospects coupled with new external market opportunities. However, in the short-term, the escalations in fuel prices are likely to squeeze the sub-sector’s margin.

4.2.3 Mining and Quarrying

The country’s mining and quarrying industry has remained broadly embodied by mainly two (2) commodities; anthracite coal and quarried stone, of which only one (1) company for each of these was surveyed in the year 2022. Coal production was relatively muted in 2021, increasing by a marginal 0.6 percent to 162,681 MT from 161,768 MT recorded in 2020. Notwithstanding the 30.0 percent drop in coal yields due to persistent geological constraints, the blending of local and imported coal (ROM) from South Africa supported the marginal increase in coal production. There was no production reported for other minerals (i.e. gold, iron ore). Gold production was halted during the year under review due to reported operational challenges within the respective mine.

Quarried stone production, which is mainly a function of civil and construction projects, performed well, increasing by 22.8 percent to 257,871 cubic meters in 2021, from 210,024 cubic meters in 2020. This was regardless of the slight disruptions in business operations that were experienced by the sub-sector as a result of the COVID-19 pandemic and the socio-political unrest. The observed growth was attributed to increased demand from ongoing projects including the Mbadlane-Manzini road, the Manzini Golf Course interchange, the construction of probase roads across the country and the construction of major buildings, coupled with the dam construction at Mpakeni.

The short-to-medium term prospects for the mining and quarrying sub-sector are mixed. On one end, positive developments were reported for the production of coal, benefitting from the granting of a license to mine outside the leased area (i.e., crown land), which has higher yields. In addition, more coal prospecting licenses (i.e., Mhlume, Lubhuku & St. Phillips areas) were issued and, conditional on the projects being feasible, coal production is expected to be boosted in the medium term. Furthermore, coal production volumes will continue to benefit from the continuous blending of imported and local ROM, as other geological constraints persist. Market developments are also positive, owing to expansion in markets, particularly in Europe, coupled with lucrative international coal prices.

On the other end, quarried stone production is projected to slowdown in the short term, as most of major public roads were completed in the year 2021 and early 2022, with a low replacement ratio in terms of magnitude of construction activity. Ongoing projects expected to boost quarried stone demand include; the Manzini Golf Course interchange, Sicunusa-Nhlangano road, Mpakeni dam construction and its feeder roads, Mbadlane-Mpaka road, and the construction of probase road at Tinkhundla level, amongst other projects.

A local company has been granted a license to mine the dumps at Ngwenya for seven (7) years. The company also has a prospecting license for mining and will look into mineral beneficiation. Dumps are to be handled as before and will operate at scale similar to the previous production. The company has been given a license to use the road for 36 months when exporting the damps after which a railway line should be installed. The installation of the railway line will depend on the prospecting results as this will determine the volume of deposits and therefore the number of years the railway line can be used to service the mine.

4.2.4 Manufacturing

There were twenty-four (24) companies that were surveyed within the manufacturing sector. The overall performance, in revenue terms, was mixed with twelve (12) companies reporting positive performance; eleven (11) companies recording negative growth and one (1) company reporting an unchanged position during the review period.

4.2.4.1 Manufacture of Food & Beverages

There were fourteen (14) companies that were surveyed within the 'food and beverages manufacturing' sub-sector. In terms of production volumes, six (6) companies reported positive performance; six (6) reported a negative movement, whilst two (2) recorded flat growth. In revenues terms, eight (8) companies reported positive performance, five (5) recorded negative performance, whereas one (1) company reported flat growth in 2021.

Entities that reported positive performance (in terms of volume production and revenue) broadly benefited from easing of COVID-19-induced restrictions, coupled with an improvement in external demand. This was mainly on the 'manufacturing of beverages' line. On the 'manufacturing of food', entities that performed positively cited new investments, as well as revival of production lines that were halted in the past.

Companies that reported negative movements in volumes and revenues were broadly in the 'food manufacturing' line, mainly 'sugar' and 'meat' processing entities. Sugar processing suffered from agricultural developments, whereby unfavourable weather conditions affected the quality of cane and translating to lower sucrose and sugar yields. This was further worsened by arson attacks (burning of sugarcane farms), as well as a prolonged industrial action in some parts of the sugarbelt. On the other hand, meat processing was affected by weak local demand, as well as an outbreak of diseases mainly bird influenza, which affected the poultry industry in the period under review.

In terms of profitability, only four (4) entities reported an improvement. Nine (9) companies reported a reduction in profit margins. A sharp increase in input costs, particularly fertilizer and feed costs, was cited by manufacturers of animal feed as the main reason for decreases in profit margins in the review period.

In the short-to-medium term, companies noted that the future was generally uncertain due to disruptions caused by the Russia-Ukraine Conflict, which has significantly increased costs related to production and logistics. Of the fourteen (14) companies in the 'manufacturing of food and beverage' industry, nine (9) companies reported that they were optimistic about the performance in the medium term, supported by planned expansions and investments that would boost production volumes. Five (5) companies reported that they expect a stagnant performance in the medium term due to heightened uncertainty and rising costs of production.

4.2.4.2 Textiles and Wearing Apparel

Two (2) companies were surveyed from the sector, with the sample reporting mixed results for the year. One (1) company was able to maintain sales volumes, revenues and profitability mainly benefiting from the relaxation of COVID-19 protocols and the penetration of the South African market. The other surveyed company within this sub-sector recorded a decline in sales volumes, revenues, and profitability. This was attributed to slow recovery from the effects of the COVID-19 pandemic.

Surveyed companies in the sub-sector remained optimistic that relationships they have maintained with shops for decades will work in their favour, even though looming threats (textile protectionism policies) to accessing the South African market are anticipated. One (1) company in the textile sub-sector, indicated a positive outlook on account of positive anticipations from the African Growth Opportunity Act (AGOA) market for the medium-term. The industry remains optimistic as COVID-19 protocols are relaxed and economic recovery is expected, which should translate to more demand from clothing outlets.

4.2.4.3 Other Manufacturing

Eight (8) companies were surveyed from the 'other manufacturing' (i.e., manufacturing excluding 'food & beverages') sub-sector in 2021. Of the eight (8), three (3) companies reported positive growth in production volumes, four (4) reported better revenues and two (2) companies saw an improvement in profit margins. The entities with positive volume and revenue figures benefitted from price increases and an improvement in local and regional demand. This was due to reduced participation of other manufacturers regionally, paving way for domestic entities to export more. The increase in revenues translated to better profit margins for two (2) companies, even though they cited a surge in freight costs, which eroded their bottom lines.

On the contrary, of the eight (8) companies that were surveyed, five (5) witnessed declines in production volumes, four (4) recorded a fall in revenues and six (6) companies reported losses. The decline in production volumes was impacted negatively by the socio-political unrest, which resulted to the loss of property and working equipment. This was worsened by the 'supply chain and logistics' challenges that prevailed on the backdrop of the COVID-19 pandemic and Russia-Ukraine conflict.

The outlook was generally positive for the sub-sector as international markets continue to absorb output from the country, with seven (7) of the eight (8) manufacturers participating in international trade. The continuous relaxation of restrictions on international travel is anticipated to boost tourism related activities such as producers of 'handicraft and other artwork' products. The expected government infrastructure development projects, which will lead to elevated demand for construction inputs, is envisaged to support positive growth for 'manufacturers of construction materials'. Despite the positive outlook of the sub-sector, entities that were severely affected by the socio-political are expected to recover at a slower pace.

4.2.5 Electricity and Water Supply

4.2.5.1 Electricity

There were two (2) entities surveyed in the energy sector, including the industry's regulating authority. Total electricity generation, including independent power producers (IPP) that supply the electricity company, closed the 2021/22 financial year at 359.9 GWh, 6.6 percent higher than 337.1 GWh recorded in the previous financial year. The noted increase in generation benefited from above normal rains, which kept dams that support hydro-power generation at full capacity levels. Evidently, hydro power generation, which accounts for more than 80 percent of total local generation, grew by 10.1 percent to 282.4 GWh in the financial year under review, compared to 256.5 GWh in the previous financial year. On the contrary, electricity generation by IPPs, declined by 10.5 percent to 72.3 GWh in 2021/22 compared to 80.7 GWh in 2020/21. This was due to lower output from sugar-belt complementary power generation, which suffered from disruptions caused by labour unrests in the review period. With notable improvement in local generation, the volume of electricity imports (from neighboring South Africa and Mozambique) fell by 1.1 percent to 920.6 GWh in the period under review compared to 930.4 GWh in 2020/21.

In terms of consumption, total electricity sales grew by 6.0 percent to 1,128.4 GWh in the 2021/22 financial year, from 1,064.1 GWh in the 2020/21 financial year. A notable increase came from 'irrigation power and bulk customers' whose demand bolstered sales by 10.7 percent to 554.5 GWh in 2021/22. Consumption from domestic customers increased by 2.2 percent to 442.6 GWh, benefiting from the Government and Partner's funding of rural electrification projects that have increased the number of customers under this category. In addition, electricity sales to the 'commercial' category, which captures mainly manufacturing activity and accounts for 12.0 percent of total electricity consumption, increased by a marginal 0.9 percent in the financial year ending March 2022. The muted growth for commercial sales was also attributed to the strained performance of the hospitality industry during the period under review. The regulator approved an overall decrease of 1.31 percent in tariffs for financial years 2021/22 and 2022/23, however, there was an approved 3.0 percent increase for domestic customers.

The medium-term outlook for the energy sector is broadly positive considering the developments and planned investment projects. In terms of production, hydro-power generation will benefit from anticipated above normal rains, that will maintain most of the country's dam levels at full capacity. Reported projects for enhancing local power generation include a prospective 30MW hydro power station in lower Maguga, 40 MW solar and 40 MW biomass, with the sole aim to achieve the country's energy self-sufficiency, according to the Energy Masterplan. It is expected that the biomass plant will start operating soon since funding has already been secured for the project and the project has a lead time of 18-24 months. The solar power project is still under adjudication, but the industry anticipates to kickstart the project by 2025.

The industry is keen for the successful implementation of these projects as the 25-year-old Mega-Flex Agreement with ESKOM is coming to an end in August 2025, which could leave the country with limited supply options. In the medium-term, total local generation is expected to increase from 624.5 GWh in 2022 to 629.34 GWh in 2023, with applications for more than 15 MWh of electricity for self-generation across the 'commercial' and 'irrigation and bulk' categories in the year 2022.

4.2.5.2 Water

In 2022, one (1) company was surveyed and reported positive performed. Water consumption volumes increased by 1.6 percent, with the revenue collected from billed water supply increasing by 5.8 percent. The revenue growth was on the back of new connections, driven by the completion of some projects for both water and sewage in Manzini. However, sewer volumes went down by 9.1 percent while the revenue collected from sewer saw a marginal growth of 0.1 percent in the period.

The advent of the COVID-19 pandemic had a negative impact on the company as owing customers grew due to some company closures and loss of jobs, mainly affecting the corporation's cashflow. Moreover, the infrastructure has been aging resulting to an increase in the costs related to the loss of treated water.

The outlook for the sub-sector looks positive, benefitting from new and ongoing projects, such as the Lomahasha Maja, Nhlangano-Siphambanweni project, Nhlambeni-Mtfongwaneni, Ezulwini water supply and sanitation, Nhlangano sewage treatment plant and Luphohlo treatment plant, that will increase the supply of water and sanitation services to the public.

4.2.6 Construction

Overall industry performance was reported to be gradually picking-up following the disruptions brought by the COVID-19 outbreak in 2020. The total number of projects falling under government, parastatals and private entities registered in 2021 grew from 224 to 625. Similarly, the number of registered contractors in the country increased in the period, which reflected the potential for growth realized in the industry.

The survey team visited two (2) private companies and a regulator under the construction sector. The main construction activities reported in the period included road construction, buildings construction (private and public), pipelines bulk earthwork, and other civil works. Overall performance was reported to be positive in 2021 due to the implementation of more construction projects than in 2020. In terms of financial performance, the private entities reported growth in revenue generated and profits, despite escalating costs in the period. The recent economic shocks, including COVID-19 and the unprecedented socio-political unrests, were reported to have disrupted activities for the industry and some companies incurred losses.

According to the industry's reported outlook, more construction work is anticipated in the short-term, largely due to the easing of the COVID-19 pandemic and associated restrictions as well as the reported quantum of planned future and other ongoing projects. Examples of the ongoing and planned projects include; water projects, electricity lines installation, LUSIP II, road construction and rehabilitation, construction of a shopping complex, company plant expansions, construction of residential and shopping complexes and other ongoing rural development projects under the Government's Micro Projects Unit.

4.2.7 Wholesale and Retail

This sector is divided into car dealerships, supermarkets, and fuel sub-sectors. Two (2) establishments were surveyed in the car dealership sub-sector with one (1) company sharing volume developments, while both companies reported on revenue developments. Only one company provided information on profitability. On volume developments, one (1) company reported growth influenced by the demand for new vehicles, which surged after the relaxation of COVID-19 restrictions. Revenues were on the upside, in line with the increase in total volume car sales. Combined total revenue for the sub-sector grew by 6.5 percent, year-on-year, to E323.9 million during the review period. In line with the good performance that was displayed in total revenue, one (1) company reported an increase in profit during the year under review.

The team visited two (2) supermarkets during the survey. The performance of all companies showed positive growth in total revenue despite the effects of the socio-political unrest that occurred in 2021. The growth was partly attributable to the disruptions brought about by the unrest which triggered panic buying among customers and resulted in high sales volumes in the period. The outlook points towards growth in the medium-term, mainly driven by automation in the sub-sector which will bring about convenience for customers.

The fuel wholesale sub-sector was represented by three (3) companies that participated in the survey. All companies reported data on volume and revenue movements, while two (2) companies shared data on profitability. On average, the sub-sector experienced a fall in volumes, which was underpinned by government policy that mandated fuel companies to source fuel within the SACU region, causing occasional run-dries. This was also compounded by the longer turnaround times which was caused by the socio-political unrests both in South Africa and Eswatini. On a positive note, one (1) company was able to record high volumes amid the socio-political unrest which was as a result of higher demand for diesel by commercial customers. Revenue performance was opposing with two (2) companies recording increased revenue which was partly financed by higher fuel volumes as well as lubricants for some companies. Whilst, one (1) company suffered reduced revenue which was underpinned by lower volumes sold due to delays in sourcing fuel. In line with the mixed performance within the sub-sector, profitability was also mixed as two (2) companies recorded increased profits which was driven by stock effects as well as marginal declines in expenditure. The medium-term remains positive as companies expect improvement in fuel volumes and total revenue owing to an expected improvement in the process of sourcing fuel. The anticipated increase in fuel stations by some players gives way to a positive outlook for the sub-sector.

4.2.8 Tourism

A total of seven (7) companies were surveyed under the hospitality sub-sector and one (1) regulator during the year 2021; four (4) private entities reported positive performance, while the other three (3) showed signs of improvement but struggled to record positive growth. The tourism industry as a whole continued to suffer from the adverse effects of the COVID-19 pandemic. International tourist arrivals decreased by 39.0 percent, from 345,348 in 2020 to 210,705 in 2021. The sub-sector continued to be dominated by South Africa, Europe, and USA as source markets. The European market was the hardest hit, falling to about 5,000 tourists in 2021, the lowest since 2013. This was due to COVID-19 induced travelling restrictions, such as the requirement to have a negative PCR test not older than

72 hours upon reaching a port of entry, which automatically escalated the cost of travel by significant margins.

The tourism sector was kept afloat by the domestic market, as day visitors improved significantly in 2021 relative to 2020. A majority of surveyed establishments were boosted by improved performance from conference bookings, as Government and NGOs opted for remote workshops during the year. This, however, did not translate to a significant jump in total bed-nights sold, which were reported to have remained below 50 percent in the absence of international tourists. Instead, it was the food and beverage sales that benefitted, as there was also an increase in social events.

Whilst revenues increased in 2021, profitability was subdued as the surveyed establishments reported increases in total expenditure owing to compliance requirements for COVID-19, which added costs of operations.

In the short-term, the sector is noted to have massively picked-up from the low base of the previous year, benefitting from the easing of the COVID-19 restrictions, coupled with the successful uptake of the vaccine worldwide. Though occupancy rates were reported to have improved across the industry players, they remain relatively low when compared to pre-COVID-19. At the time of the survey, the sector reported that the slow recovery was partly due to the travel restrictions that still remained. This was inclusive of the PCR test requirements at the border gates and the requirement to have a valid vaccination certificate.

Domestic tourism prospects are anticipated to be subdued due to erosion in consumers' purchasing power, emanating from price increases in essential household expenditure items, leading to changes in consumption patterns. On a positive note, the industry anticipates benefiting from social activities that are expected to bounce back following the easing of the COVID-19 restrictions.

4.2.9 Financial Sector

The financial sector is divided into banking and non-banking institutions. During the review period, five (5) banking institutions (including the building society) and fourteen (14) non-banking institutions were surveyed.

4.2.9.1 Banking

According to the data, the loan book value for all five (5) entities increased from E1.540 billion in 2020 to E1.621 billion in 2021, reflecting growth of 5.3 percent over the review period. Growth in the loan book value was partly supported by a reduction in non-performing loans (NPLs) due to COVID-19 relief. Furthermore, the growth in the appetite for the overall loan categories, particularly mortgage loans also had a positive effect on the loan book during the review period. Only two (2) of the banks reported an increase in deposits, whilst one (1) bank recorded a decrease, and the remaining two (2) reported no change from the year 2020. The relaxation of COVID-19 regulations that encouraged economic activity, led to businesses earning more income and expanding their term loans, which led to the stated increase in deposits. On the other hand, the decline in deposits was explained by other depositors, particularly companies, withdrawing their funds to use as working capital to contribute to economic activity.

Total revenue reported by the institutions amounted to E2.631 billion in 2021 from E2.536 billion in 2020, reflecting a year-on-year growth of 3.7 percent. Three (3) of the five (5) institutions reported an increase in revenues, driven by both interest and non-interest income. The remaining two (2) institutions reported declines in revenue citing low interest rates environment and depressed economic activity. Overall interest income increased more than non-interest income, increasing by 1.2 percent to E1.255 billion in 2021 relative to the 0.8 percent growth in non-interest income at E1.208.1 billion in 2021.

The consolidated profit for the sub-sector grew from E704.8 million in 2020 to E742.4 million in 2021. Two (2) institutions reported an improvement in profit margins, whilst the other three (3) reported a decline. The increase in profits emanated from improvements in digital platforms, the introduction of new products, and COVID-19 relief measures that encouraged economic activity. On the contrary, profit margins were eroded because of the extra expenditure incurred on ATM replacements, as well as losses suffered due to ad hoc (frequent) internet interruptions, which both coincided with the socio-political unrest.

In the short-to-medium term the sub-sector anticipates positive performance, with growth expected to be driven by interest income. This will result from the anticipated contractionary monetary policy and the easing of COVID-19 restrictions. Furthermore, the sub-sector anticipates an increase in the demand for mortgage loans following the promulgation of the Sectional Title Deed Act[4]. Non-interest income is also expected to expand as institutions boost their investments in digital platforms, which would allow for high volume transactions. The rebound in economic activity is expected to increase the

[4] The Ministry of Housing and Urban Development is now accepting applications for Sectional Titles following the commencement of the Sectional Titles Act in the country on 1 April 2022, following the Act's launch in July 2018.The Sectional Titles Act gives Emaswati the chance to own a share of a particular complex or development along with an undivided share of the common property. The properties are generally referred to as units and include, for example, apartments or flats, townhouses and semi-detached houses.

demand for loans by most sectors, especially the agriculture industry, which would bring in more revenues for the banking sector.

4.2.9.2 Non-Bank Institutions

This sector covers four (4) sub-sectors inclusive of insurance, pension funds, asset managers, and non-bank financial institutions.

Asset Management:

In the asset managers sub-sector, five (5) companies were surveyed. With respect to investments performance, there were four (4) entities that provided information and reported mixed developments. Three (3) entities posted an increase in investments, while one (1) recorded negative growth during the reporting period. Fund managers were able to grow their asset portfolio which contributed to the positive growth in investments management. This was due to recovery strategies meant to mitigate the effects of COVID-19 that eroded external holdings. On the downside, one (1) entity reported a decline in portfolio funds due to large disinvestments undertaken by asset holders during the review period. Reporting companies within the sub-sector had opposing performances, with two (2) companies recording growth in total revenue. The growth was supported by better placements in the review period, coupled with an increase in short-term investments, coming from the low base in 2020. There were two (2) companies that recorded a decline in revenue, owing to double-digit growth observed in redemptions for 2021. In the same vein, profitability of the sub-sector had both positive and negative reports. Two (2) companies reported losses, whilst two (2) cited an increase in their profits. The outlook in the sub-sector, is diverse as some institutions expect growth in the medium-term, driven by redemptions that are likely to normalize. On the negative, players within the sub-sector had a more pessimistic view on the outlook, as investors are holding on to their funds given the current political uncertainty.

Development Finance and Micro Lending:

The survey team visited three (3) Development Finance Institutions (DFIs) including the department of cooperatives. All the surveyed entities provided information on volumes performance, whilst only two (2) companies provided data on revenue. An analysis on the volume performance shows that two (2) companies reported growth, which was influenced by an increase in the client base. Information on revenue performance provided varied with one company reporting growth in total revenue underpinned by loans to SMME's in the height of COVID-19. The other player reported poor performance in revenue on the back of excess liquidity resulting from over-commitment by members, which negatively affected interest income.

Profitability within the sub-sector was mixed, but swaying more to the positive. Two (2) companies recorded profits during the reporting period, whilst one (1) recorded a loss.

The medium-term outlook is mixed. On the positive side, players are planning to introduce new products targeting different sectors of the economy. On the contrary, one (1) company reported that revenue is expected to remain subdued on the back of the socio-political unrest, which led to a closure of a few companies that still owe them. In addition, bureaucratic processes (where individuals are still struggling to get approvals for credit) are expected to weigh negatively on the outlook.

Insurance:

A total of four (4) companies were visited during the 2021 company survey under the insurance sub-sector. Performance was mixed, with two (2) entities reporting negative growth in premiums, while the remaining two (2) indicated to have recorded positive growth in 2021. The companies that reported negative growth in premiums cited a drop in policies held. The COVID-19 pandemic resulted in retrenchment and scaling down of operations in many companies, which weighed negatively on incomes hence eroding affordability of policy holders associated with those companies. On the positive note, companies with positive growth in premiums benefitted from clientele that was on-boarded through effective advertising, improvements in product quality and general increase in appetite for life cover brought about by the pandemic.

Total combined revenue as reported by the four (4) companies amounted to E1.569 billion, up from E1.513 billion in the previous period representing a year-on-year growth of 3.7 percent. Three (3) companies reported an increase in revenue, while one (1) entity cited a decline during 2021. The good performance reported by the three (3) companies was underpinned by several factors that included an increase in uptake for all products offered as well as lucrative returns received from invested funds. Turnover from premiums also increased thereby boosting the revenues received. Profitability was mixed in this sub-sector with two (2) companies recording higher profits, whilst the rest were reported to have incurred declines in profit, driven by higher claims that were observed mainly under funeral life insurance due to COVID-19.

The medium-term outlook for the sub-sector remains mixed, with two (2) companies expressing optimism driven by anticipated launch of new products, which aims to tap into other aspects of the business such as re-insurance. On the contrary, one (1) entity reported a pessimistic view about the medium-term. The uncertainty due to the lackluster economic performance was reported to have a spillage effect on other sectors of the economy. The heightened political uncertainty was viewed to weighed heavily on the economic outlook.

Pension and Retirement Funds:

Two (2) pension funds were interviewed during the survey and reported an accelerated growth trajectory in investment fund volume movements. The growth was due to an increase in member contributions collected attributable to an interplay of factors including, cost of living adjustments, remuneration notching and the increase in number of new members, owing to economic recovery. Revenue performance was contradictory, with one (1) player recording negative growth in revenue owing to a surge in benefits payments during the review period. The other player reported improved total revenue, which was on account of fair performance of stock markets. Profitability was also mixed for this sub-sector, with one company reporting positive growth in profit, whilst the other experienced lower investment income during the review period. The outlook for the sub-sector is anticipated to be positive on the backdrop of government recruitment processes in the security forces and the permanent and pensionable hiring of contract teachers. This will boost fund membership and contributions. On the downside, developments such as the Russia-Ukraine conflict and erratic commodity prices might negate the prospects of positive outlook in the sub-sector.

4.2.10 Transport and Storage

Transport and storage services sector involves the movement and storage of goods, as well as the transportation of passengers. The existing modes of transportation in the domestic economy include; air, rail and road. In the current review period, six (6) entities were visited in this sector. In terms of overall performance in this sector, four (4) of these entities showed improved performance during the period, owing to the rebounding economic activity brought about by the relaxation of the COVID-19 induced travel restrictions. The other two remaining companies reported subdued performance due to a combination of factors including the unprecedented socio-political unrest and fiscal related challenges.

The air transport industry was amongst the hardest hit industry in the advent of the COVID-19 pandemic. Air passenger business volumes declined by approximately 70 percent in the period, resulting in loss in revenue generated. On the other hand, cargo business somehow remained afloat benefitting from price increases over the review period. As the COVID-19 restrictions were gradually eased, the industry is expected to rebound, with the return of the standard scheduled 3-4 passenger flights per day. Cargo business is, however, expected to remain muted due to unrecovered business lost to other competitors during the COVID-19 era.

Rail transportation activities remained strained in the review period. The industry's revenue and therefore the bottom line suffered a double-blow, affected by socio-political unrest as well as the climatic-related shock, which compounded the effects imposed by the COVID-19 pandemic. However, mixed performance was observed in the different business lines i.e. bulk exports, imports, transit as well as passenger transport services. Other challenges impeding on performance included rising cases of copper theft and the intense load shedding in neighbouring South Africa, mainly affecting transit volumes. Positive growth is envisaged in the short-medium term, mainly benefiting from growth in export volumes in line with secured contracts domestically and regionally.

In the road-transport services, three (3) companies were surveyed with two reporting poor performance over the review period. The poor performance was broadly attributed to the experienced disruptions in the country and South Africa, owing to the COVID-19 lockdowns and the socio-political unrests. On the positive side, the other company realized growth in the period benefiting from new business contracts. In the medium-term, activity for this sector is dependent on the full relaxation of the COVID-19 restrictions, waning of socio-political unrests as well as rebounding economic activity.

Performance in storage services decelerated during the review period due to economic disruptions caused by COVID-19 restrictions and socio-political unrests. Nonetheless, growth is expected in the short term as COVID-19 is eased further and new business is acquired.

4.2.11 Information and Communication

A total of five (5) companies were surveyed in this sub-sector during the company survey exercise. Four (4) of these entities are in the communications industry while the remaining one (1) is a regulator of the industry. Out of the four (4) companies, three (3) were able to report data on revenue while two (2) presented information on volumes. On the profitability aspect, there were two (2) companies that provided such information during the survey. The two entities that reported information on production volumes cited growth during the review period. This growth was due to increased data usage by customers owing to the working from home arrangement that came about as part of the adherence to the COVID-19 regulations. This was also aided by good network coverage and capacity, which meant more customers were able to utilise the service in their numbers.

The three (3) companies that reported information on revenue, posted growth in total revenue in 2021. The positive performance was on account of an increase in data usage, which was driven by reductions in data prices in 2021. In addition, significant marketing of mobile money platforms resulted in a notable increase in subscribers utilising these platforms. On the downside, two (2) of the surveyed companies reported information on profitability and both reported to have recorded losses during the review period due to increasing expenditures (mainly human resource costs, subscriptions to the regulator as well as insurance). The regulator on the other hand, highlighted a 5.1 percent decline in licensing compared to 2020.

Regardless of these mixed outcomes in performance within the sub-sector, three (3) of the surveyed companies indicated a positive outlook in the medium-term. The positive outlook will be driven by rolling out of new technologies; investment in fibre infrastructure; increasing participants in the mobile fintech platforms. Service providers highlighted the drive to encourage private companies to pay their employees via these mobile fintech platforms, which is anticipated to bolster the bottom line in the medium-term. The anticipated roll-out of 5G network into the country is expected to bring improved services for internet service providers and hence more growth.

4.2.12 Real Estate

A total of three (3) companies were surveyed in 2021. All the companies reported positive performance, citing a rebound from the COVID-19 induced disruptions. These disruptions came in the form of massive job losses coupled with business closures in the previous year. Rental as well as property incomes both recovered in the period. However, the advent of the socio-political unrest affected some companies to a greater extent than others, through loss of tenants and property damage for both residential and commercial clients. This resulted in a net-off effect as the occupancy rate for other entities fell while for others it improved.

Whereas the outlook for this sector remains relatively on the upside, other entities envisaged an uncertain outlook due to structural shifts emanating from the government policy.

4.2.13 Health and Education

Three (3) companies were surveyed from the Health and Education Sector in 2021. Out of the three (3), two (2) companies were surveyed under the health sector, and the third company represented the education sector. The health care facilities surveyed reported opposite performances in volumes, revenues and profitability. One (1) of the surveyed entities reported a decline in both in-patient and out-patient visits. The decline resulted from the curtailed COVID-19 infections in 2021, when compared to 2020, coupled with patient flow disruptions caused by infrastructure development projects. The fall in patients translated to a decline in revenues and therefore reduced profitability.

On the contrary, the other reporting entity cited positive growth in both the in-patient and out-patient visits in the year. This resulted in higher revenues reported by the entity and therefore higher profits. In the medium-term, both entities indicated anticipation of growth in the number of patients visiting hospitals on the backdrop of newer facilities and availability of expertise.

The single entity surveyed in the tertiary education sector reported positive growth in student enrolment. This rise in enrolment was attributed to an increase in government funding for students enrolled. The improved enrolment translated to increased revenues and profitability. The delays in the payment of fees and socio-political unrest were an emanant threat in the year, limiting the time spent in the classroom. The school anticipates more enrolment in the medium-term, given the growing award of scholarships by government to students.

The health and education sectors have relied on government and corporates to fund infrastructure development, with the lobbing for more corporate involvement for medium-term developments.

4.2.14 Public Administration

The Public Administration sector involves operations undertaken by regulatory entities that are not sector specific, coupled with activities of local government. Two (2) entities were surveyed in the review period under this sector, i.e., a regulator and a municipality. Performance of both entities indicated better output in the period supported by the relevant factors.

For the regulatory entity, total revenues increased in the period under review partly supported by the rise in the number of projects covered in the regulation space, to ensure conducive business operations in the domestic economy. Regarding performance in the medium term, the regulatory entity is anticipating maintaining a high response rate to complaints lodged by consumers. Additionally, more regulatory work is planned in the medium term, with a strong emphasis on specific and high-impact sectors to ensure the economy runs smoothly.

On the other hand, the Municipality visited reported improved performance in the period under review, benefiting from the easing of the COVID-19 lockdowns, as well as the implementation of compliance-related policies (in the payment of rates arrears backed by the rating act). Revenues increased by 12.6 percent in the period relative to the previous year's collection. Infrastructure development also continued with construction of new structures cutting across the commercial space (i.e., offices complex) as well as residential infrastructure. In the medium-term, the local government entity predicts declines in revenue collection despite anticipated price hikes in rates. Projects such as road upgrades and other maintenance are planned to be implemented in the medium term.

4.2.15 Professional Services

The team surveyed three (3) entities under the Professional Services sector, which cuts across administrative, security and investigation activities. In terms of performance, all the entities surveyed reported improved performance in 2021 relative to 2020. The normalization of the domestic economy following the COVID-19 pandemic primarily supported the period's better performance, though business losses were still not fully recovered. On financial performance, two (2) of the entities reported revenue growth and profitability during the period, while one company rendered no response. In the medium term, performance is envisaged to move in line with economic activity, and will greatly benefit from predicted expansions in some sectors.

4.3 Investment

Information sourced from the survey indicates that out of the ninety-nine (99) companies, sixty-eight (68) gave information on capital investment, whilst eight (8) reported that they did not undertake capital investment during the reporting period and a total of twenty-three (23) did not report any information. An overview of total investment information depicts that total capital investment amounted to E1.235 billion in 2021, reflecting a 30.5 percent increase from the E946.7 million that was reported in 2020. The marked surge could be attributed to the low base effect coming from slowdown in economic activity in the face of challenges that were COVID-19 pandemic-induced in 2020. Total anticipated investment for the short-term is estimated to increase by more than two-fold to E3.439 billion in 2022.

A sectoral analysis of capital investment in the manufacturing sector shows that all twenty-three (23) surveyed companies reported data on investment. Data depicts that within the manufacturing sector an estimated investment of E576.6 million was undertaken in 2021. This shows a more than three-fold year-on-year increase, compared to the E116.3 million investment made in 2020 and accounted for 46.6 percent of total investment in 2021. A bulk of the investment was channeled towards procurement of machinery and equipment, more specifically on plant maintenance, upgrades to production lines as well as installation of new equipment.

A total of twenty (20) financial institutions were surveyed in the financial sector and fifteen (15) entities provided information on capital investment. The results show that investment from the financial sector accounted for 25.0 percent of total investment during the review period. Total investment for the sub-sector amounted to E309.2 million in 2021, receding by 45.3 percent year-on-year relative to 2020. A major portion of the investment undertaken by this sub-sector went towards land acquisition and expansions of office space. The sub-sector is projected to undertake capital investment for the short-term, amounting to E630.0 million in 2022.

A total of six (6) agricultural entities provided details on investments undertaken in the period under review, with one (1) enterprise reporting that there was no investment carried out in 2021. Within the review period, agricultural investment contributed 11.0 percent towards overall investment and was reported at E135.6 million. This reflected a growth of 63.8 percent from E82.7 million reported in the previous year. A bigger portion of the investment was channeled towards machinery and equipment for power generation such as solar plants, turbines, and treatment plants.

Five (5) companies within the tourism sub-sector provided information on investment in the period, with three (3) companies reporting zero capital investment. An amount of E41.0 million was reported to be invested by the tourism sector in 2021, accounting for 3.3 percent of overall investment. This depicts a growth of 60.8 percent from E25.5 million reported in 2020. Most of the investment was spent on land and buildings for the refurbishment of accommodation and restaurant facilities.

Six (6) companies in the transport and storage sub-sector provided details on investment in the review period. A total of E42.3 million was reported to be invested by the sub-sector in 2021, representing a 3.4 percent contribution to overall investment. This was a decline of 6.4 percent from the E45.1 million which was reported in the year. Most of the investment was allocated towards land, buildings, and the vehicles.

Seven (7) companies in the wholesale and retail sub-sector provided information on investment. A total of E75.6 million was reported by the sub-sector, constituting 6.1 percent of overall investment. This was a significant decline of 27.9 percent from the E104.8 million reported in 2020. A large proportion of the investment was channeled towards land and buildings through construction and expansions of shops.

4.4 Employment and Labour Development

This section covers labour dynamics for surveyed entities. It includes employment levels for the review period (i.e. 2021) and previous year, planned employment levels for the subsequent year (i.e. 2022), cost of living adjustments (COLA) and the general labour environment in terms of industrial relations.

In the period under review, out of the ninety-nine (99) companies surveyed, eighty-nine (89) provided data on the level of employment. The total employment levels depicted an increase of 6.9 percent from 33,438 in 2020 to 35,734 in 2021. This reflects a strong rebound compared to previously anticipated decreases that were reported in the 2021 Company Survey Report, which was considering uncertainty caused by COVID-19 on demand and investment plans. A recovery in external demand boosted production in the export-oriented manufacturing sector. The manufacturing sector, which constitute 27.0 percent of the total companies with labour statistics, recorded an increase of 9.9 percent in employment levels in 2021. The increase was mainly observed under food processing, which benefited from a notable improvement in external demand as well as investments in new production lines during the period under review. Other sectors that recorded notable growth in employment numbers included construction (27.1%), agriculture (11.2%) and financial services (3.2%).

On the other hand, sectors that recorded a significant reduction in employment levels were ‘tourism’ as well as ‘transport & storage’. Employment levels in the tourism and transport sub-sectors fell by 33.1 percent and 8.7 percent, respectively, in 2021. The decrease can be attributed to direct and indirect restrictions on travel that prevailed in 2021, which somewhat delayed the recovery of these sub-sectors from the negative impacts of COVID-19. Other sub-sectors that shredded jobs included ‘real estate’ and ‘mining & quarrying’.

Employment trends are expected to decline marginally by 0.2 percent in 2022. Most companies reported that they had no plans to increase employment levels in the short-term, considering rising input costs and the uncertain investment climate. Sub-sectors with expansion plans that may yield modest increases in employment levels include ‘construction’ and ‘information & communication’.

Table 2: Employment Numbers by Sector

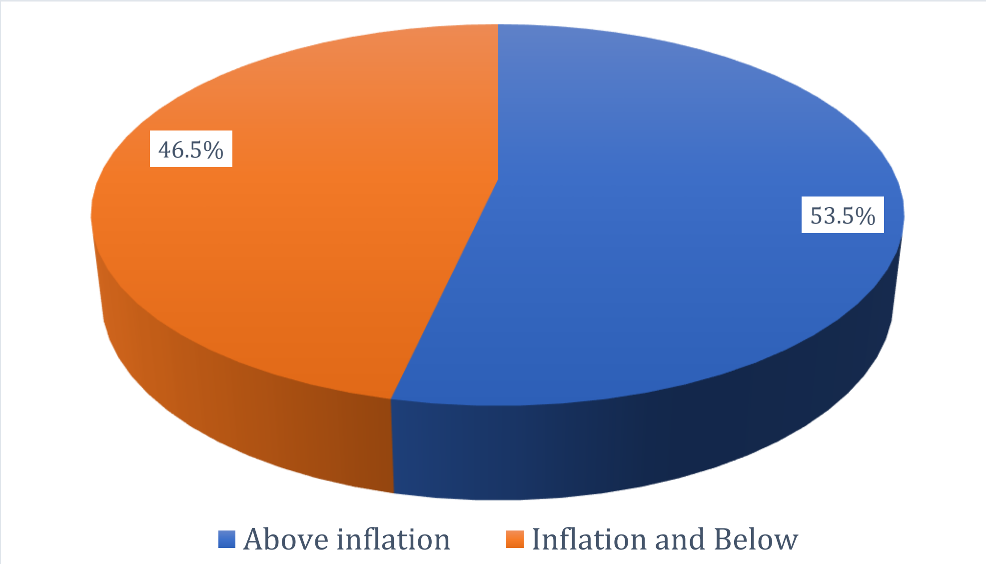
EMPLOYMENT LEVELS					GROWTH (%)	
SECTORS	Sample	2020	2021	2022	2021	2022
AGRICULTURE AND FORESTRY	3	4,820	5,358	5,358	11.2%	0.0%
MINING	2	572	562	562	-1.7%	0.0%
MANUFACTURING	24	15,494	17,032	16,758	9.9%	-1.6%
UTILITY	3	1,234	1,246	1,250	1.0%	0.3%
CONSTRUCTION	3	1,475	1,875	1,982	27.1%	5.7%
WHOLESALE & RETAIL	8	2,032	2,053	2,056	1.0%	0.1%
TRANSPORTATION AND STORAGE	6	1,546	1,411	1,445	-8.7%	2.4%
TOURISM	8	502	336	341	-33.1%	1.5%
INFORMATION & COMMUNICATION	4	1,077	1,109	1,136	3.0%	2.4%
FINANCIAL SERVICES	20	2,346	2,420	2,437	3.2%	0.7%
REAL ESTATE	3	126	119	119	-5.6%	0.0%
PROFESSIONAL ACTIVITIES	3	738	758	758	2.7%	0.0%
GOVERNMENT	2	69	71	71	2.9%	0.0%
EDUCATION & HEALTH	3	1,106	1,091	1,107	-1.4%	1.5%
MARKETING BOARD	4	301	292	298	-3.0%	2.1%
OVERALL	96	33,438	35,734	35,678	6.9%	-0.2%

Source: Company Survey (2022)

4.4.1 Other Labour Developments

Salary Adjustments: There were seventy-one (71) companies that provided information in relation to COLA over the review period. As the economy recovered from the COVID-19 pandemic, more companies were able to award COLA that is above inflation (inflation averaged 3.8 percent in 2021). The overall average COLA award for reporting entities was recorded at 5.0 percent. Out of the seventy-one (71), companies that awarded COLA that is above inflation stood at 53.5 percent, whilst those who awarded COLA below or equal to inflation was at 46.5 percent. This was contrary to 2020 where more companies awarded COLA below inflation due to the economic strain caused by COVID-19 pandemic.

Figure 2: Cost of Living Adjustment in 2021



Source: Company Survey (2021)

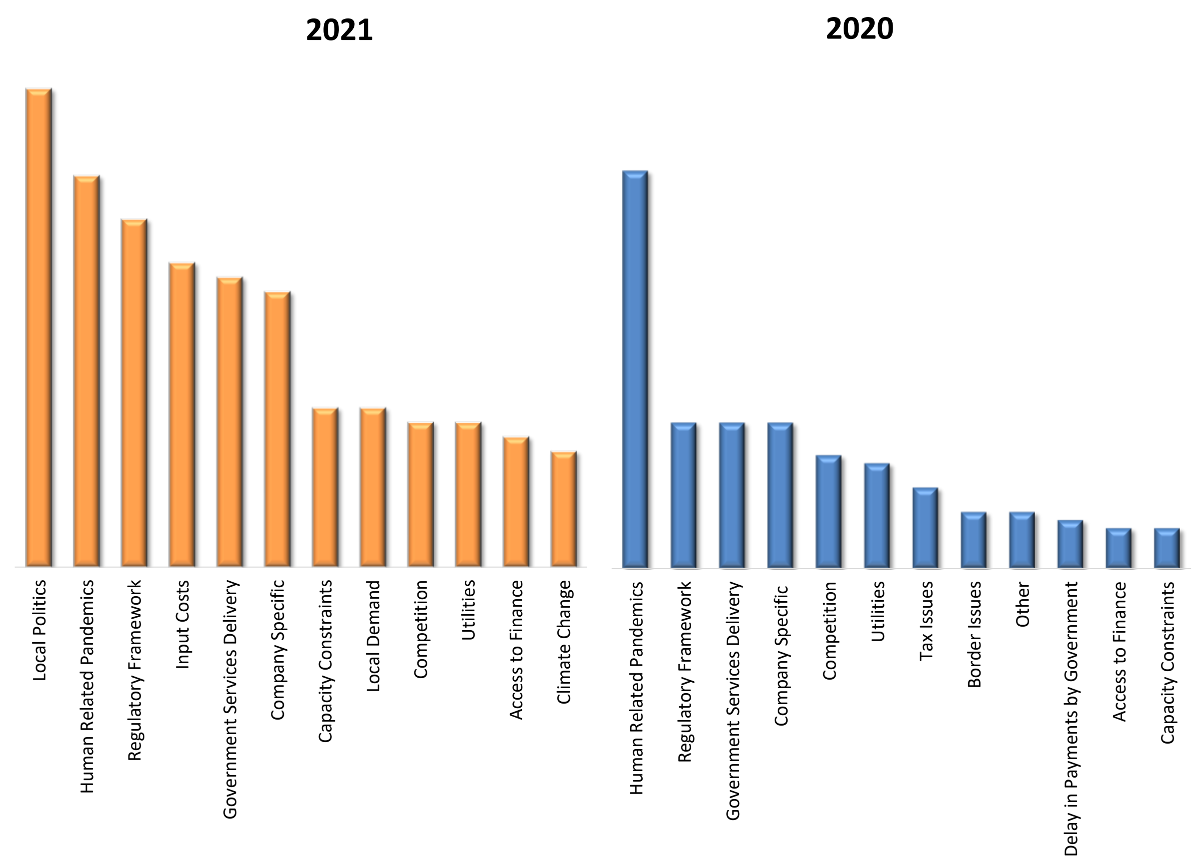
Only six (6) companies reported that they experienced industrial action in the review period. The sources of labour strives in the review period bordered on disagreements on salary increments.

5.0 CHALLENGES AND OPPORTUNITIES

5.1 Challenges

The survey indicates that during the review period companies were operating under very challenging conditions, some of which prevailed over the past few years, thereby impacting their operations in numerous' ways. During the first half of the year 2021, the impact of the COVID-19 pandemic was slowing down, with the country recording a lower fatality rate when compared with the year 2020. The lockdown measures put in place by the government were, however still in place, meaning that a section of the economy was still constrained by the negative effects associated with the COVID-19 pandemic. The economy was beginning to gain traction when politically related challenges emerged in the second half of 2021, which placed the economy on a risk path which resulted in a significant loss of income.

Figure 3: Top 12 Challenges in 2021 vs 2020



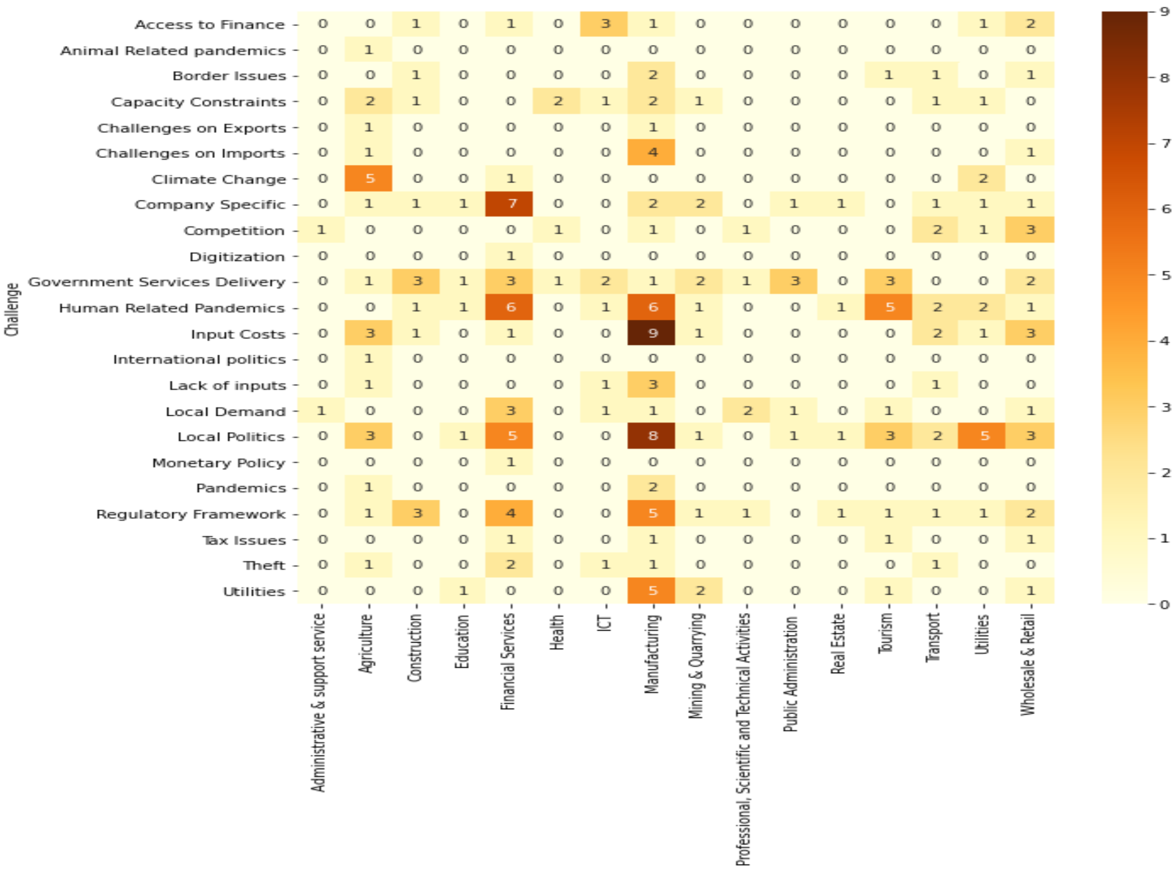
Source: Company Survey (2022)

Figure 3 highlights challenges faced by companies in 2021 and at the top is challenges related to local politics. Ranked second place were human related pandemics, specifically COVID-19, which continued to affect the different industries within the Eswatini economy. Other challenges associated with the pandemic were the travel restrictions that led to a loss of business, especially from across the borders and restrictions on gatherings locally. Issues around the regulation of businesses in the country were ranked number three (3) and have notably been at the top of the list pre-COVID-19. This indicates that more work still needs to be done to reduce the burden on companies that is related to this persistent challenge.

5.1.1 Challenges by Sector

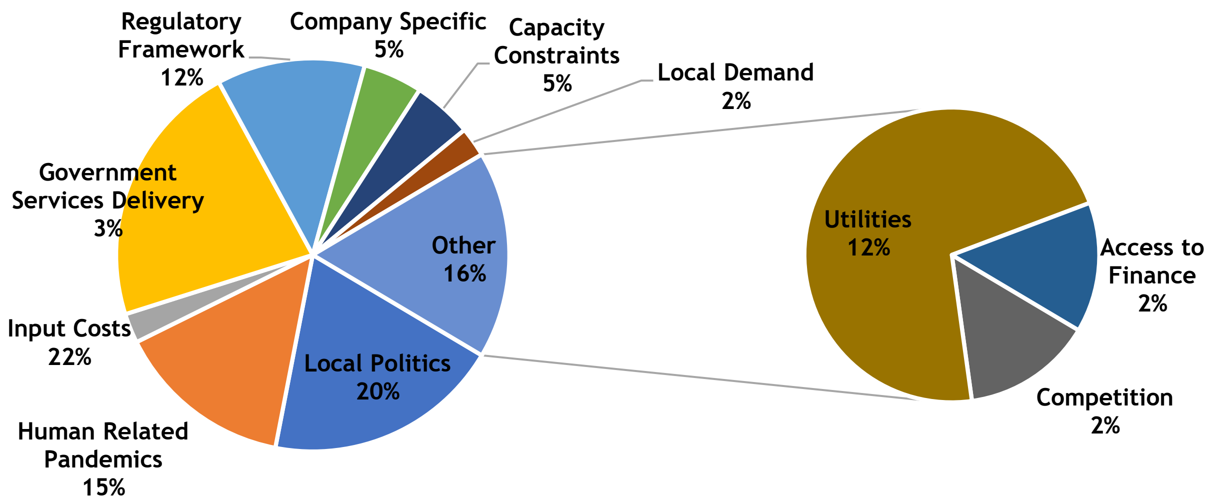
The year 2021 was faced with unprecedented challenges that affected a lot of sectors as shown in Figure 5. Results from the 2022 company survey exercise show that the manufacturing sub-sector continues to report most of the challenges, followed by the financial services sub-sector. Contrary to the results of 2020, the agriculture sector has shifted up in the list to the third position which was previously occupied by the tourism sector, due to the impact of the COVID-19 pandemic. The 'wholesale & retail' sub-sector continues to take the fourth position, indicating continued challenges in the sub-sector. Companies in the tourism sector were ranked the fifth in the list of sectors that recorded most challenges, two spaces below what was observed in the previous year. This indicates that the tourism sector has made strides to address some of its challenges. Sub-sectors ranked sixth and seventh were the 'utilities' and 'information & communication', respectively.

Figure 4: Challenges by Sector



Source: Company Survey (2022)

Figure 5: Manufacturing Sector at a Glance

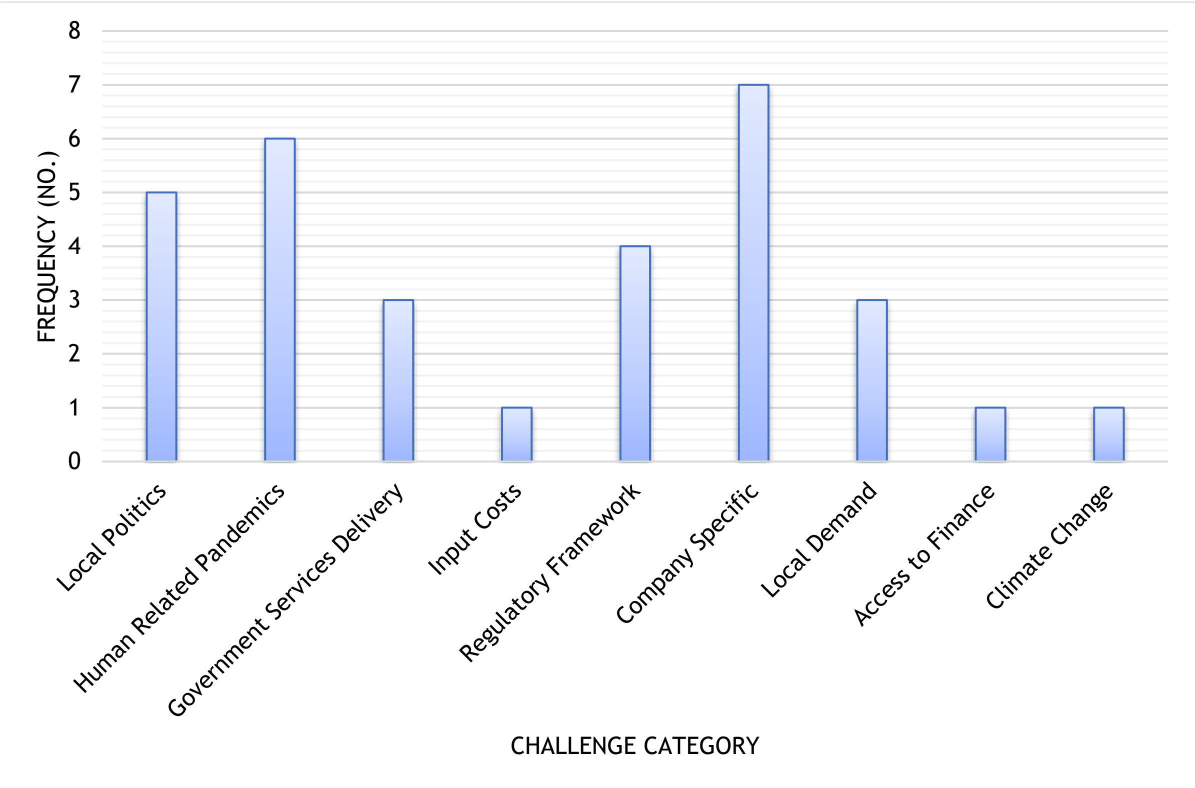


Source: Company Surveys (2022)

An analysis of the manufacturing sector reveals that inputs costs and local politics were the most reported challenges for the year 2021. In addition, COVID-19 pandemic second round effects impacted the sector negatively. Other challenges included concerns on the regulatory framework, expensive and unreliable utility services and trade challenges.

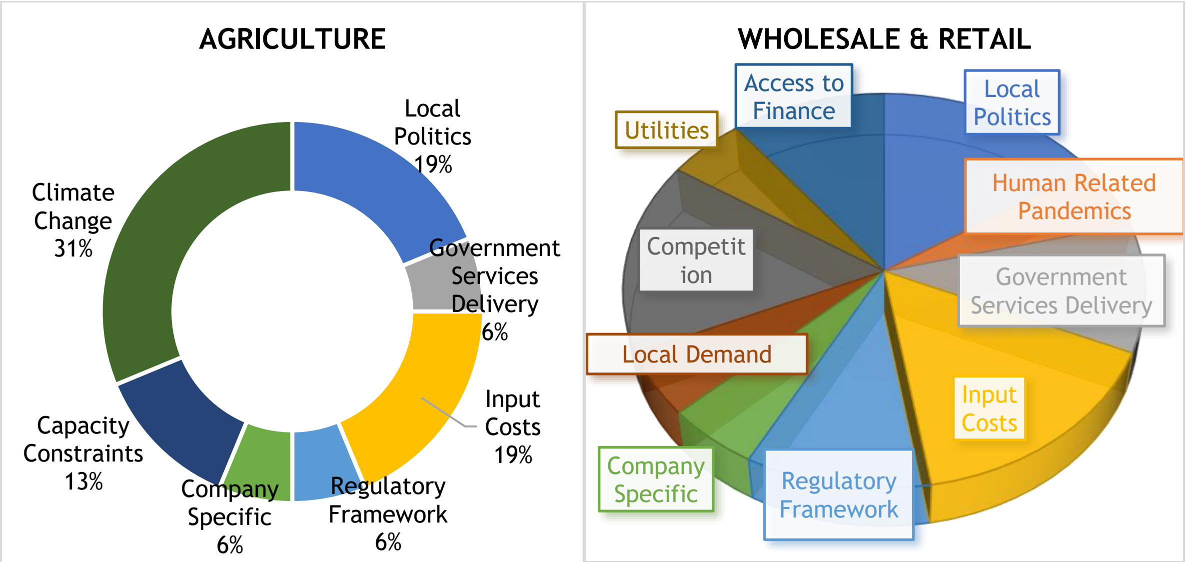
The financial sector was mainly affected by company specific challenges, coupled with second round effects of the COVID-19 pandemic, and further exacerbated by the socio-political unrests in June and July 2021. Other challenges that were prevalent in the sub-sector included those that pertained to the obtaining regulatory framework, such as the enormous fines by regulators and the restrictive monetary policy that affects the sub-sector's loan book. Furthermore, asset environment was found to not present enough opportunities to invest in the country.

Figure 6: Financial Sector at a glance



Source: Company Surveys (2022)

Figure 7: Other Sectors that report most challenges



Source: Company Surveys (2022)

Other sectors that reported the most challenges included 'agriculture & forestry' and 'wholesale & retail'. The agricultural sector reported that climate change and input costs (i.e., rising fertilizer prices) were their biggest challenges in the year 2021. Furthermore, local politics and capacity constraints were also a major challenge for the agriculture sector in the period under review. The 'wholesale & retail sector' mainly reported to have major challenges emanating from the persistent political instability, cost of sales and government service delivery (i.e., new laws on resource markets).

5.1.2 Challenge by Type

Challenge 1: Local Politics

About 30 percent of the total companies surveyed during the period expressed having had challenges related to the country's socio-political environment. In June 2021, the country was affected by socio-political unrests where property was vandalized and inventory looted. These developments resulted in huge losses for companies that culminated in job losses, thereby the worsening unemployment challenges in the country. In addition to asset losses, the socio-political unrests triggered the imposition of controls that included curfew hours. As a result, companies were compelled to reduce their operating hours, which negatively impacted production volumes and sales revenue.

The local socio-political unrests coincided with riots of the same nature in South Africa (Eswatini's major trading partner). This resulted in gross supply chain disruptions, affecting road freight and causing disturbances to imports and exports. For example, one company reported that it had to write-off E3.0 million owed to it by some of its debtors due to the effects of the riots, as they were suddenly unable to pay and there was nothing to legally attach as compensation. Another major challenge that companies were faced with was that, even though they were insured, political risk was not covered in the policy. This information was only evident upon submitting claims in relation to the socio-political unrests' losses.

It was also highlighted that the uncertainty around the political dialogue, the security risk, the safety of staff and customers was of primary concern for Eswatini's business climate. Businesses highlighted that the political tensions in the country were not conducive for investment as investors halted their decisions to further invest pending normalization of the political climate. As a coping mechanism, some businesses were constantly monitoring the political climate in the country to attempt to understand the causes behind the burning of property for future protection strategies.

Challenge 2: Human Related Pandemics

Human related pandemics continued to be dominated by COVID-19. The 2022 survey shows that after two years of grappling with the COVID-19 pandemic, the country has developed coping strategies to manage the pandemic. As a result, even though the human related pandemics challenge was ranked second (after socio-political unrests), it was cited by fewer companies in the review period relative to the previous year where it was a dominant challenge. Approximately 25 percent of the surveyed companies raised concerns around challenges related with the COVID-19 pandemic.

Restrictive coping measures in relation to COVID-19 resulted in companies facing the difficulty to move around to secure new clients as organizations remained cautious and did not allow physical meetings. In addition, the government-imposed curfews reduced working hours and resulted in lower total revenues.

On the other hand, the pandemic brought about huge uncertainty at a global level. Suppliers from South Africa and other countries required up-front payment for imports before goods were dispatched, yet payments from clients was received after the projects were completed, negatively affecting the companies' cash-flow. In the 'financial services' sub-sector, the companies realized that people's incomes were subdued due to the negative effects of the pandemic, and this therefore compromised their ability to lend.

Challenge 3: Regulatory Framework

The regulatory space in the country appears to be challenging for businesses as it has featured in the top three (3) challenges in the last three (3) surveys. Ten (10) percent of the 240 challenges recorded in the survey focused on issues pertaining to the regulatory framework in the country.

It was reported that there currently exists an unresolved overlap of scope between Eswatini Competition Commission (ECC), the Financial Services Regulatory Authority (FSRA) and Eswatini Communication Commission (ESCOMM). As such, these regulators are in the process of drafting Memorandums of Understanding (MOU) between themselves as a mitigating measure to this challenge, so as to guide the approach on how to work together on projects and investigations alike.

One company noted the lack of proper introduction to the sectional title system by the government in the Kingdom, which would be beneficial to the banking sector, insurance, and in turn empower individuals to property ownership. This problem was attributed to the lack of governance or regulation within the real estate industry.

Another issue is that of the maize price which affects farmers directly. The price of maize was reported to be higher towards the end of the year, as it is legislated price. The government was not able to increase the price of maize for the benefit of local farmers, which resulted most farmers selling directly to millers.

Companies reported that there was also an issue existing around the sourcing of work permits for foreign skilled workers. They highlighted that the requirements were quite stringent and limiting, such that they ended up not being able to import the necessary skills for their businesses.

Challenge 4: Input Costs

The period of the 2022 survey coincided with the start of the Russia-Ukraine conflict, resulting in a rise in the cost of doing business in the world. In the case of Eswatini, the effects of the war exacerbated an already challenging business environment, as the prices of inputs escalated. There were 21 challenges related to input costs that were raised during the survey and 13 of those were specifically directed to the effects of the conflict on their businesses.

Companies expressed their concerns that the Russia-Ukraine conflict affected their operations, as they sourced some certain products and services from the conflict areas such as fuel, fertilizers and cereals. They further reported existing limitations in production and prices having increased exponentially. The increase in the prices of some of these inputs, such as fuel and fertilizers, have resulted in high operational costs for the domestic industries. A case in point, one company in the wholesale of fuel reported that volumes sold by the company have been reduced due to the exorbitant prices for oil products.

It was also mentioned that shipping out of China had become expensive, with the costs more than doubling per container. Though shipping through the Maputo harbor was much cheaper than shipping through the Durban port, it was reported that the Maputo route has challenges that normally lead to extreme delays.

5.2 Opportunities

During the survey companies were allowed to highlight the opportunities that they believed were available for their businesses to thrive and for the Eswatini economy at large. In 2022, companies reported the top five (5) opportunities as follows:

1. New Product – In pursuit of penetrating new avenues within their businesses, companies reported that they have either been working on new products or identifying space in which they can introduce them.

2. Expansions – Coming out of the many challenges that plagued the year 2021, many companies have adopted new ways of doing businesses and have therefore focused on expanding their portfolios.

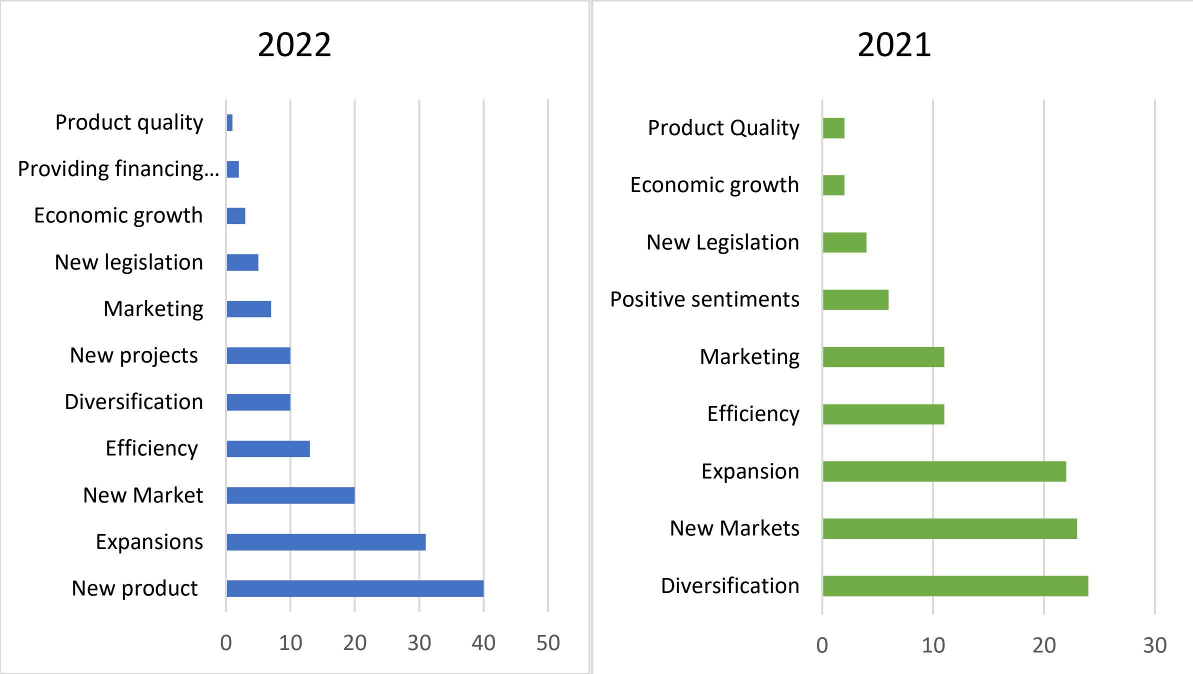
3. New Market – Companies have been setting their business strategies towards accessing new markets to increase their revenues.

4. Efficiency – With the challenges of COVID-19 and the socio-political unrest in 2021, most companies' margins were squeezed and reported their intentions to reduce operational costs significantly.

5. Diversification – Other companies are already diversifying their businesses and tapping into other avenues that would see them attracting a new type of clientele.

The anticipation is that the opportunities will grow these businesses.

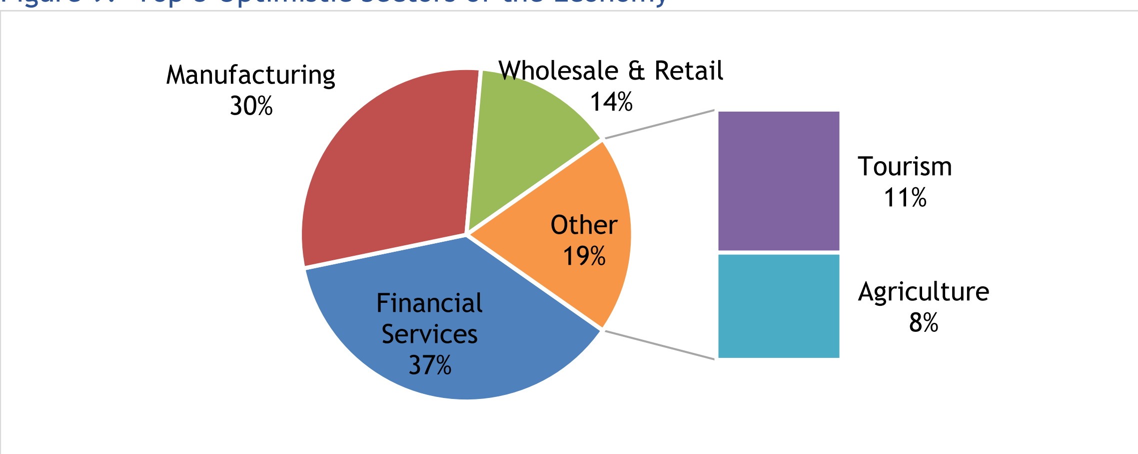
Figure 8: Major Opportunities Identified in 2021 vs 2022



Source: Company Survey (2022)

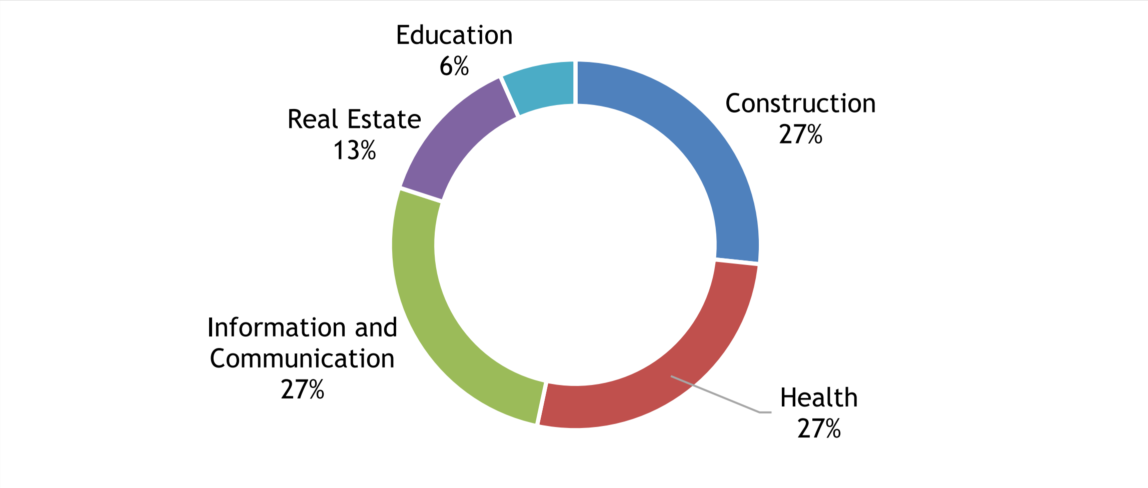
A sectoral analysis shows that 'manufacturing', 'financial' and 'wholesale & retail' highlighted most of the opportunities in the survey. Opportunities reported by these sub-sectors were likely to expand the scope of some of the businesses, roll out new products, acquire new markets and increase efficiencies by lowering costs. The tourism sub-sector, which was largely affected by the COVID-19 restrictions, was optimistic about the future, noting opportunities such as new legislations which have relaxed COVID-19 induced restrictions. In addition, players in the agriculture sub-sector also highlighted opportunities in diversification strategies.

Figure 9: Top 5 Optimistic Sectors of the Economy



Source: Company Survey (2022)

Figure 10: Bottom 5 Sectors in Reporting Opportunities



Source: Company Survey (2022)

On the contrary, there were sub-sectors that showed less frequency in the opportunity classes identified for the survey. These sub-sectors included the 'education', 'real estate', 'health', 'construction' and 'Information & communication'. Respondents from these sectors were keen to diversify, expand and provide new products, however they recorded the least responses in these opportunity classes. The lower appetite for pursuing these opportunities can largely be attributed to uncertainties caused by challenges reported, particularly the socio-political unrest that threatened the growth of these sub-sectors in the past year. Other sub-sectors such as the ICT reported that they had exhausted all opportunities in the country and the only option available was therefore diversifying into other sectors.

Table 3: Major Opportunities Highlighted by businesses in Eswatini

OPPORTUNITY	DESCRIPTION
Diversification	Companies in the financial sector are looking at exploring security platforms in the era of digitalization.
	Other sub-sectors such as 'wholesale & retail', 'agriculture', 'tourism', and 'health' reported a desire to expand their scope, such as increasing services provided, area planted and taking advantage of digital platforms.
	One (1) university in the 'education' sub-sector reported an opportunity to assist in the automation of the processes in the 'agriculture' sub-sector (i.e., application development).
New Markets	A notable number of companies within the manufacturing landscape are on the verge of securing new markets abroad, predominantly within the United States of America, South Africa, and Zimbabwe.
	Some companies in the transport sector reported that they were seeing new markets in transportation.
	Other sub-sectors such as the 'wholesale & retail', 'mining', 'tourism' and 'financial' conveyed partnering with other companies as a new opportunity in their business to tap into new markets.
Expansion	Companies within the 'wholesale & retail' sub-sector are working towards expanding their premises in preparation for post COVID-19 recovery.
	Other sub-sectors such as the 'financial', 'transport' and 'tourism' reported to be integrating in other value chains which include the 'agriculture' and 'construction' sub-sectors to name a few.
Efficiency	The 'tourism' sub-sector reported that it would be re-training their staff and equipping them to ensure they increase their customer base and provide better services.
	Other sub-sectors such as the 'Financial' and 'transport', reported to be planning to upskill their staff so as to improve on efficiencies.
Marketing	The 'Financial' sub-sector is looking at incorporating educational marketing strategies to increase their footprint in the country.
	The 'tourism' sub-sector saw opportunities in reviewing their marketing strategies.
New Legislation	The 'financial' sub-sector reported that the amendment of the credit bill would assist customers to do debt reviews.
New Product	The 'financial' sub-sector reported that it was innovating and creating new products for SMMEs and targeting the 'Health', 'ICT' and 'wholesale & retail' sub-sectors.
New Projects	Some 'financial' sub-sector companies reported that they desire to invest in projects aligned with digital platforms, contribute to the construction industry and real estate.

Source: Company Survey (2022)

6.0 CONCLUSION

The 2022 company survey exercise collected company performance statistics for 2021 relative to 2020 as well as prospects for the short-to-medium term in terms of company performances. A total of 179 enterprises were enumerated out of which 99 responded, translating into a response rate of 55.0 percent, a slight improvement from 51.0 percent recorded in the 2021 survey. This report carries both reactions of the companies as well as aggregated sectorial performance on the overall economy. Results from this exercise are used as a major input for forecasting macro-economic trends and to give feedback to stakeholders regarding business performance.

The results indicated that performance from the surveyed companies was mixed. Positive performance was broadly observed in 'Mining and quarry', 'Forestry', 'Water' and 'Electricity' supply, 'Construction', and 'Wholesale and retail'. Performance in the 'Agriculture' and 'Manufacturing' sectors was mixed. In the 'Agriculture' sector, sub-sectors such as 'Crop', 'Vegetables', 'Livestock', and 'Piggery' all registered positive growth, whilst negative growth was observed in 'Cotton', 'Sugarcane', 'Citrus and Banana', 'Poultry', 'Milk', and 'Goats' sub-sectors. Developments in the 'Manufacturing' sector indicate that the 'Textiles and Wearing Apparel' registered negative growth, whilst performance in the 'Food and Beverages' and 'Other Manufacturing' was muted.

Developments in employment trends depicted an increase of 6.9 percent from 33,438 in 2020 to 35,734 in 2021. This reflects a strong rebound in economic activity driven by recovery in external demand which shored-up production in the export-oriented manufacturing sector. The manufacturing sector recorded an increase of 9.9 percent in employment levels in 2021. The higher levels of employment were mainly observed in food processing, which benefited from a notable improvement in external demand as well as investments in new production lines. Other sectors that recorded notable growth in employment numbers included construction (27.1%), agriculture (11.2%) and financial services (3.2%). On the contrary, sectors that recorded reduction in employment levels were 'tourism' 'transport & storage' 'real estate', as well as 'mining & quarrying'. The decrease can be attributed to direct and indirect restrictions on travel that prevailed in 2021, which somewhat delayed the recovery of these sub-sectors from the negative impacts of COVID-19.

Analysis on capital investments undertaken in 2021 shows that investment amounted to E1.235 billion in 2021, reflecting a 30.5 percent increase from the E946.7 million that was reported in 2020. The marked increase was ascribed to the low base effect in 2020 when economic activity was subdued. Total anticipated investment for the short-term is estimated to increase by more than two-fold to E3.439 billion in 2022 as entities have planned investments that were previously put on hold due to disruptions in the last two years.

The report also highlights some of the challenges faced by industry in different sectors of the economy. The year 2021 was faced with unprecedented challenges that affected a lot of sectors and the manufacturing sector continued to report most of the challenges, followed by the financial services sub-sector. The results of the survey indicate that the impact of the COVID-19 pandemic was still prevalent in the first half of the year 2021, which was followed by the socio-political unrest that emerged in the second half of 2021. These challenges placed the economy on a risk path and resulting in a significant loss of income for most sectors. Other challenges that were cited by companies include issues pertaining to the regulatory framework, specifically on the overlap regulatory scope between regulators in the financial sector. The increased production costs were also expressed as a challenge mainly due to escalating cost arising from the Russia-Ukraine conflict.

On the other hand, there were a number of opportunities cited by companies which mainly relate to operational growth and profitability. The survey revealed that companies highlighted available opportunities within the economy. Most companies identified new products and new markets as means to increase revenue. Efficiency was also reported as a coping strategy by most companies in order to deal with the challenges that have squeezed profit margins. Other companies reported that they were diversifying their businesses and tapping into other avenues that would see them attracting a new type of clientele.

MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT

CENTRAL BANK OF ESWATINI
Umntsholi Wemaswati

Annex 1: General Questionnaire

Eswatini Company Survey 2022 **General Questionnaire**

Introduction

Thank you for taking part in the Eswatini Company Survey 2022 organized by the Ministry of Economic Planning and Development and the Central Bank of Eswatini.

The questionnaire is divided into 7 sections and we would appreciate if you could answer all the fields either electronically or in print. If your company participated in the survey in 2021, some fields may have been completed with the information provided last year. Feel free to amend any of the information if it has changed since then. If you need further assistance do not hesitate to contact us.

We appreciate that some or all of the information provided might be confidential. For that reason, all the data provided is kept secure and confidential. The data is used solely for the purpose of assessing the state of Eswatini economy and to inform estimates and forecasts of economic aggregates.

Section 1. General Information

Q.1.1. Company Name:

Q.1.2. Financial Year End (Month):

Q1.3. Please indicate whether the questionnaire is being answered according to the company's financial year or the calendar year:

__ Financial Year __ Calendar Year

Section 2. Ownership Structure

Q.2.1. Please indicate the ownership structure of the company:

Shareholder	Shareholder Current Country of Residence (for a year or more)	Share (%)

Please add rows as required

Q.2.2 Please indicate any subsidiaries (if any) within and outside Eswatini with the associated percentage shareholding:

Subsidiary Name	Share (%)

Please add rows as required

CONTINUES NEXT PAGE

Section 3. Production and Sales

Q.3.1. Please identify the company's main product lines and their units of measurements:

No.	Unit of Measurement	Product Description
1		
2		
3		

Please add rows as required

Q.3.2. Please indicate the company's production levels for each product line above:

No.	2020	2021	2022	2023	2024
1					
2					
3					

Please add rows as required

Q3.3. Please indicate the company's turnover for each product line above (E Million):

No.	2020	2021	2022	2023	2024
1					
2					
3					

Please add rows as required

Section 4. Total Revenue, Expenditure and Profits

Q.4.1 Please indicate the company's total revenue, net rental income, net interest income, expenditures and pre-tax profit (E Million):

	2020	2021	2022	2023	2024
Total Revenue					
Net Rental Income					
Net Interest Income					
Total Expenditure					
Cost of Goods Sold					
Utilities Costs					
Pre-Tax Profit					

Section 5. Employment

Q.5.1. Please provide details of employment levels:

Type	2020	2021	2022	2023	2024
Permanent					
Temporary					
Total					

Q.5.2. Please indicate the total amount of remuneration (E Million):

	2020	2021	2022	2023	2024

Section 6. Sector 6. Capital Expenditure

Q.6.1. Please provide details of capital expenditure and entity value (E Million):

	2020	2021	2022	2023	2024
Total Capital Expenditure					
Gross Book Value of entity/enterprise					

Q.6.2. Please provide details on the capital structure:

	2020	2021	2022	2023	2024
Liabilities (as % of Total Assets)					
Overdrafts (as % of Total Liabilities)					
Long-Term Loans (as % of Total Liabilities)					
To Non-Residents (as % of Total Liabilities)					
Equity (as % of Total Assets)					
Reinvested Earnings (as % of Total Equity)					
Of Non-Residents (as % of Total Equity)					

Section 7. Trade

Q.7.1. Please state the sources of your inputs (as % of total input cost) and the markets in which you operate (as % of total revenue):

Country	Inputs (% of total input cost)		Markets (% of total revenue)	
	2020	2021	2022	2023
Eswatini				
South Africa				
Botswana, Lesotho and Namibia				
Rest of Africa				
United States				
European Union				
Rest of Europe				
Rest of the World				

END

MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT

CENTRAL BANK OF ESWATINI
Umntsholi Wemaswati

Annex 2: 2022 Company Survey Team

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Nala Bhembe	MEPD
Njabulo Nkambule	CBE
Nombuso Dlamini	MEPD
Nomvuyo Hlophe	CBE
Nomvuyo Mabuza	CBE
Nonhlanhla Mamba	CBE
Nonhlanhla Simelane	CBE
Ntobeko Dlamini	CBE
Sibusiso Shongwe	MEPD
Sifakazelo Sibiya	MEPD
Sipho Skosana	CBE
Sive Kunene	CBE
Sizwe Bhangu	CBE
Tebenguni Simelane	CBE
Thandeka Mdladla	CBE
Vangile Dlamini	CBE
Vusi Khumalo	CBE
Welcome Nxumalo	CBE
Zamokuhle Magagula	CBE
Zana Mabuza	CBE