

Multi-year Expert Meeting
on Transport, Trade Logistics and Trade
Facilitation:

**Transport and logistics innovation
towards the review of the Almaty
Programme of Action in 2014**

22-24 October 2013

ELIMINATING TRADE BARRIERS IN SWAZILAND

by

Mr. Muzi Maphanga
Road Safety Planner
Road Transportation Department
Mbabane, Swaziland

**STATEMENT ON THE PAPER TO BE DELIVERED BY SWAZILAND'S REPRESENTATIVE, MR. MUZI
MAPHANGA, AT THE UNCTAD MEETING IN GENEVA SWITZERLAND, ON THE 23RD OF OCTOBER
2013.**

1. Background Information:

Swaziland is a small country sized 17,364 square kilometers, with a human population of 1.2 million people, vehicle population of 164,000 and is located in Southern Africa, nestled between the Republic of South Africa and Mozambique. Transport infrastructure is reinforced by 1117 kilometres of paved roads, 2220 kilometres gravel roads and 1600 kilometres feeder roads, enabling the country to cope with transport demand locally and internationally. The land-lock status has seen Swaziland depend on its two neighbouring countries to import and export goods, hence the obligation to enter into trade agreements in pursuit of development goals including poverty eradication in both urban and rural areas. In that regard, Swaziland is a member of Southern Africa Development Community (SADC), Southern Africa Customs Union (SACU) and the Common Market of Eastern and Southern Africa (COMESA).

2. Regulating the highly competitive Road Transport Market (MoPWT):

The Ministry of Public Works and Transport in Swaziland is directly responsible for monitoring and regulating the movement of goods and people in and out of the country. Locally, the Ministry operates through the Road Transportation Department which is custodian of the Road Traffic and Road Transportation Acts of 2007. The legislation regulates the movement of traffic and road users along the country's roads. Beyond the country's borders, Swaziland is governed by the international organs' protocols, bilateral, tripartite and multilateral agreements which factor in, cooperation.

3. The Scale of Road Transport and Road Infrastructure in trade facilitation:

Road Transport and road infrastructure together form the largest part of the transport sector in Swaziland. This is in respect of vehicular population which shows an increase of 7% per year. Vehicle Ownership is roughly 140 vehicles per 1000 population compared to 500 vehicles per 1000 population in developed countries so that further increases in the numbers of vehicles can be expected with an increase in income and a reduction in disparity. With reference to freight, trucks are about 10% of the traffic on main roads. Two axle trucks dominate (60%) but many trucks are large, with six or more axles (30%). Counts at 13 border crossings tallied about 1,000 large trucks per day, total of both directions, estimated to carry 6,000 to 10,000 TEU (twenty foot equivalent units - container) per month across the border (Swaziland Transport Master Plan 2013). Unroadworthiness and overloading emerge as problems as the country handles transit traffic and local heavy vehicles which are currently transporting iron ore from the northern part of the country to the Mozambican port of Maputo. Amidst the problems, achievements have been realized in improving competitiveness of indigenous transport operators and the integration of transport systems in Swaziland.

4. Railway Transport:

Railway is the core of Swaziland's economy since 1972. Over 70% of the goods are transported through this mode of transport. In recent years, transit traffic on the North-South line grew substantially, contributing approximately 72% of Swaziland Railway's revenue. The recent decline in transit traffic has coerced Swaziland to enter into an agreement with the Republic of South Africa to extend the rail-line from the Gauteng mining and manufacturing hub. The rail-link will pass through Neston located on the western borderline of Swaziland, through to Matsapha which is the hub of Swaziland, further to Lavumisa Swazi border, enroute to the port of Richards Bay in the Republic of South Africa. This will be a boost to the Swaziland's trade with South Africa since goods will transit through the country and more Swazi goods also stand to be transported through the trade guaranteed railway-line.

4. Air Transport:

The civil aviation sub-sector in Swaziland comprises: airport, air traffic and navigation services infrastructure. Swaziland embraces the spirit of the Yamoussoukro Declaration which relates to the liberalization of intra-Africa air service. The country is able to conduct the 6% trade through the movement of passengers and lighter freight (predominantly mail). The country has just completed constructing the Sikhuphe airport where it is aiming to expand its trade with neighbouring countries, the Southern Africa region and beyond. This infrastructure is expected to be economically and environmentally sustainable.

5. Coping with the Land-lock status:

As a landlocked country, Swaziland is facing impediments in trade facilitation. However, in-order to overcome the setbacks, the country has a belief that it is only land-linked and therefore has a potential to uplift its gross domestic product (GDP) growth rate which currently stands at 0.2% as is among the lowest in the region (African Economic Outlook 2013). Despite the low development growth rate, Swaziland is recovering from an economic recession which affected the country in between year 2010 and 2012. Among the resuscitation strategies, the country is considering to introduce the one-stop border concept along major transit traffic routes. The highway from the main border is also being widened to cater for more traffic. This will generate more revenue through easing the traffic flows as well as goods clearance.

6. Collection of Trade Data (tonnage):

What remains a challenge for Swaziland is to establish the tonnage trade done within the country in terms of internal and transit trade. Currently there is no tonnage data except for volumes of goods recorded by the Swaziland Revenue Authority when collecting custom duties. The country's Department of Trade has already been alerted about this handicap which compromises forward planning in terms of improving the safety, security, reliability, quality, and speed of transporting goods and people within and beyond the country's borders. Such data would be crucial in linking Swaziland to all global markets.

7. Other proposed interventions towards improving trade facilitation in Swaziland:

- Ensure the sustenance of trade supportive transport corridors (mobilize resources and technology).
- Link and liaise with all parties in trade facilitation (development integration).

- Strengthen capacity of development role players (Government & Sectors).
 - Domesticating development policies, protocols and management practices.
 - Incorporate GPS/GIS infrastructure enhanced planning (identify and mark impediments).
 - Strengthen partnership with international transport sectors especially in countries where they have direct access to sea.
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ROAD TRANSPORTATION DEPARTMENT

MINISTRY OF PUBLIC WORKS AND TRANSPORT

SWAZILAND

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