

WE ARE HERE TO SERVE YOUR  
ASPIRATIONS

SHOULD YOU HAVE A BUSINESS IDEA  
OR  
EXPLORING INVESTMENT OPPORTUNITIES

**TALK TO US!**

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Swaziland Investment Promotion Authority

# SMMES Business Opportunities Directory





# MISSION STATEMENT

The Swaziland Investment Promotion Authority's mission is to promote, facilitate and coordinate foreign and domestic investment in Swaziland, with the objective of creating the wealth necessary to enhance the social and economic development of the kingdom and its people.

# SIPA'S OBJECTIVES

- To attract, encourage, facilitate and promote local and foreign investment in Swaziland.
- To initiate, coordinate and facilitate the implementation of Government policies and strategies on investment
- To provide a one-stop information and support facility to local and foreign investors.
- To advise the Minister on investment policies, strategies, proposals and suitable incentives.

# SIPA SERVICES TO SMMES

- Provide business advice, counseling and referrals .
- Provide information on available business opportunities.
- Introduce and link potential SMMEs to financiers.
- Facilitate FDI/SMMEs linkages.
- Facilitate local and international market access.
- Assist SMMEs to work with all relevant stakeholders , who are developed in the entrepreneurial sector.

## Who Is A Domestic Investor?

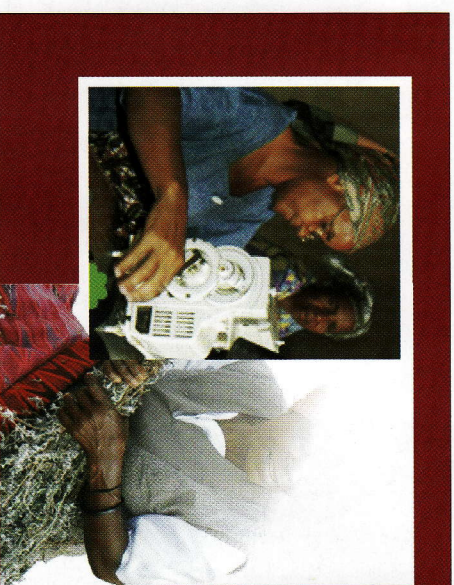
With SIPA, all local entrepreneurs irrespective of size are encompassed in the classification or definition of Domestic Investors. SIPA works with a pool of other service providers and together the stakeholders offer a comprehensive range of relevant support services including improving access to funding by SMES. SIPA is well positioned to assist most clients and/or refer others accordingly, depending on the types of interventions required.

Small, Micro and Medium Enterprises (SMMEs) are the foundation of the Swaziland economy, generating value, making a significant and critical contribution to the economy. The contributions of SMME's to the economy, among others are as follows :

- Stimulate private ownership and entrepreneurial skills.
- Create job employment.
- Make significant contribution to export and trade.

In the Swazi Context, SMME's are defined by the size of investment annual turnover/sales and the number of employees.

Category	Sub- category	Employees	Value of Assets	Turnover
Micro-Enterprise	Formal & professional	0	Under E 50 000	E60 000
Micro- Enterprise	Informal	0 to 3	Under E 50 000	E 60 000
Small Enterprise	Formal	4 to 10	E 50 000 to E2 million	up to E3million
Medium Enterprise	Formal	11 to 50	E 2million to E5million	up toE8 million





## Critical Success Factors For SMMEs Development

To enhance the chances of getting the necessary financial support, we have prepared a checklist of the elements that will enhance project proposals and guarantee success. These are based on SIPA's experience over the years dealing with banks and other private sector service providers.

- ❑ Entity or business should be registered and should possess a trading license.
- ❑ Existing business should produce audited financial statements for at least the two most recent years.
- ❑ Concept must be commercially viable, technically feasible, socially acceptable, profit-oriented & environmentally friendly.
- ❑ Should demonstrate a solid supply chain including a steady availability of raw material, globally acceptable manufacturing practices & guaranteed access to readily available markets.
- ❑ Venture must be market oriented demonstrating competitive & comparative advantages.
- ❑ Promoter should have a contribution of at least 25% of project cost.
- ❑ Must be trained / have expertise on the trade in question or be prepared to recruit or engage a technical partner.
- ❑ Should have good banking history.
- ❑ Should be fully engaged in the day-to-day running of the business, unless proof of capable management is presented.
- ❑ Should demonstrate a good understanding of the business, especially the risks, and present proper strategies to mitigate those risks.
- ❑ Must provide credible references, e.g. bankers and other professional referees.



## SMMEs in Business





# Main Activities Of SIPA Domestic Investments Department

This department contributes to national development by promoting investment and providing a broad range of services aimed at developing a vibrant Domestic Investment Sector

- ❑ It exploits the country's comparative and competitive advantages and has high productivity levels.
- ❑ It is involved in diversified entrepreneurial activity and is more focused on productive product sectors such as manufacturing, value addition, trades and crafts.
- ❑ It exploits the linkages which exist between industries in the economy.
- ❑ It positions itself strategically to exploit the linkage opportunities which exist between SME and FDI.
- ❑ It exploits opportunities for growth by adopting the right strategies (e.g. clustering & networking) in positioning itself with respect to the global markets.
- ❑ It readily takes advantage of emerging trade opportunities both locally and internationally, in the face of global trade liberalization. It exhibits an entrepreneurial culture. It is sharp in identifying an opportunity and swift in exploiting niche markets.
- ❑ Provides a onetophop service to encourage startups and expansions by local entrepreneurs through offering business advice, counseling and referrals.
- ❑ Disseminates information about available business.
- ❑ Facilitates FDY/SME linkages through vertical integration, joint ventures and subcontracting./outsourcing.
- ❑ facilitates market access by linking entrepreneurs with available assistance for participating in international trade fairs.
- ❑ Liaise between entrepreneurs and local and external providers of relevant assistance including technical expertise, market access and finance interventions.
- ❑ Assists in improving access to finance by SMEs through concept screening so that SMEs can ultimately present sound project proposals for financial institutions.
- ❑ Assists in the preparation of feasibility studies by managing processes in which services of accredited service providers and of cooperating partners are used for project conceptualization and design.
- ❑ Conducts scheduled visits to the outlying areas of the country to create business awareness.



# Some investment opportunities MANUFACTURING

- ❑ Wood (charcoal (from the lowveld indigenous hardwoods, & wattle in the highveld)
- ❑ Blue soap
- ❑ Household candles
- ❑ Buffing and Polishing Compounds
- ❑ Cleaning Powder (Vim) and other detergents
- ❑ Re-cycling of used motor engine oil
- ❑ Re-cycling of plastic (ex-plastic tubing/piping)
- ❑ Re-cycling of rubber (old motor vehicle tyres)
- ❑ Mosquito repellent coils
- ❑ Tooth-picks
- ❑ Paints, pigments and varnishes
- ❑ Boot polishes, cream and other polishes
- ❑ Household matches
- ❑ Re-cycling of lead from used / scrap motor-vehicle batteries
- ❑ Adhesives (all types)
- ❑ Blow-moulding plastic container' packaging
- ❑ Corrugated roof sheeting
- ❑ Door frames, pinebark chips for export to the Middle East for use as pot-plant toppings and in land-scaping
- ❑ Toothpaste
- ❑ Wooden pallets
- ❑ Ball pen refills and ink
- ❑ Manufacture and repairs of one tonne, package woven bags for the sugar industry
- ❑ Wooden furniture (from pine, gum/ eucalyptus)
- ❑ Air-Freshners (aerosol and cake type)
- ❑ Manufacturing of body lotions, and packaging thereof into various consumer required packs





## Some investment opportunities for SME- FDI linkages

# FOOD PROCESSING



- ❑ Fruit and Vegetable Preservation and Bottling
- ❑ Bottling (preservation) of pickles and chutneys
- ❑ Bottling of jams and jellies
- ❑ Dall Milling (processing of beans and other legumes)
- ❑ Dairy products (e.g. yoghurts, custards) and ice bottling of spring-water and flavoured spring water
- ❑ Juice squeezing (fresh juice from oranges, grapefruits, guavas etc) for sale to restaurants and public
- ❑ Spirulina farming, producing crushed and packaging spirulina as food supplements, vitamins. This investment is ideally suited to the Lavumisa area, as the best conditions for the growth of spirulina is water availability (water ponds) and high temperatures (lengthy/continuous daily sunshine hours). There is a world-wide shortage of spirulina health food, with the only major supply points being Hawaii and California in the USA at present (in form of cream, sorbets, etc).
- ❑ Household cooking oil production from sunflower seed pressing
  - ❑ Pan-oil manufacture for the bakery industry
  - ❑ Tomato-sauce and mayonnaise products, thereby also increasing markets and therefore enhancing tomato growers & egg-producers
  - ❑ Garlic, onion and chilli growing/production for export to pickle and chutney producers in South Africa (e.g. company named Variety Foods in Johannesburg and Durban requires abundant good quality supplies for these)
  - ❑ Soya bean farming as an affordable alternative source of protein Seafood trade (Mozambique to Swaziland)
  - ❑ Potato chipping and freezing for supply to supermarkets
  - ❑ Baby-vegetable farming / production for export to Mauritius and Mozambique



## Some investment opportunities for SME- FDI linkages

# AGRICULTURE AND FARMING

- ❑ Organically produced vegetables, for export to Europe,
- ❑ Sustainable pig production (SMI is short on sustainable pork supplies)
- ❑ Development and implementation of wattle tree plantations on poor agricultural land in the highveld of Swaziland
- ❑ Baby Vegetables - Swaziland has an agricultural marketing agency which supports farmers growing and exporting a variety of vegetables and also for local market. Moreover, farmers in Swaziland are slowly penetrating this business opportunity but there is a need for a constant raw material supply of baby vegetables.
- ❑ Vegetable Drying - Most vegetables consumed in the country are fresh; hence they are seasonal in nature. An opportunity is available for dried vegetables and these products can be consumed locally and exported out of the country.
- ❑ Frozen Vegetables - Swaziland imports about 100% of frozen vegetables, yet agriculture is the largest activity taking place. Almost all the vegetables can be grown in the country easily through commercial farms and community schemes. This product is an investment opportunity since Swaziland has water from rivers running in the country
- ❑ Tomato Sauce Production - Tomatoes are grown in large quantities in the country and have huge potential for further processing. The country has favorable weather conditions which can allow tomatoes to be grown all year round.
- ❑ Sorghum Processing - Sorghum in Swaziland grows well in the Lowveld part of the country. Ministry of Agriculture is always encouraging Swazis to diversify to grow that withstand dry season and require minimal rainfall
- ❑ Peanut Butter Production - Swaziland offers enabling weather conditions for groundnuts and other legumes. Most growers produce the peanuts and groundnuts for peanut powder and other raw uses. This opportunity has not been explored or no meaningful investment in peanut butter. Groundnuts could be grown year-round in Swaziland as well.
- ❑ Processed Meat - Swaziland is an importer of meat in general and these include processed meat, for example bacon, polony, ham, Vienna and frankfurters. Investment could be in two ways; the setting up of processing plants in the country where meat supply is available or programmes to help supply the raw materials for the processing plant.
- ❑ Dairy Products - A business opportunity exists for dairy products other than milk. There is a potential to explore more on these opportunities particularly in the processing of the milk products.
- ❑ Breeding of Indigenous Goats - The demand for goats meat is increasing locally and exports market especially the Asian countries.
- ❑ Cassava Processing and Starch - Swaziland has been seen as a country with the potential to grow cassava; this is evident by the favorable weather conditions. Cassava provides an opportunity for cassava processing plant so that most farmers can diversify from other crops such as sugarcane to supply the plant.



## Some investment opportunities for SME - FDI linkages

# AGRICULTURE AND FARMING

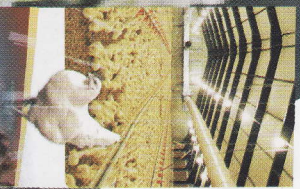
- Tobacco Growing - Tobacco production is another opportunity which can be explored. A programme for the supply of raw material to a processing plant can help this investment opportunity. The products that can be produced include cigarettes which can be consumed locally and export.
- Aquaculture - Fish farming has been in the Kingdom for sometime although it's sound relatively new to local consumers, yet it's not. Consumers are now healthy conscious hence the demand for fish meat is expanding and among the causes is the growing of the tourism industry. The opportunities are available include fish hatcheries, construction of fish ponds as well as processing plant to produce canned fish.
- Processing spice from Hot and Green pepper - There is a growing popularity of hot and spicy food internationally. Recent market research has confirmed the demand for green and hot peppers sauces as well as jerk seasoning. Opening a processing plant can help increase local production and this opportunity will satisfy the demand for local and export markets.
- Floriculture - Flower production in Swaziland is increasing due to growth of the Tourism industry. Flowers are very attractive to local consumers and will be exported outside the country. A programme can be planned so that the flowers can be supplied throughout. Production of flowers can be a business opportunity.

- Cotton - Cotton in Swaziland has been produced in the dryland Lowveld of the country. The crop has declined over the years but there are opportunities of penetrating the industry recently since all the stakeholders have shown interest to revive the crop. A new programme is being put in place to help more farmers to get into the industry so that there is adequate supply of the crop as raw material.



## SERVICE SUPPLY

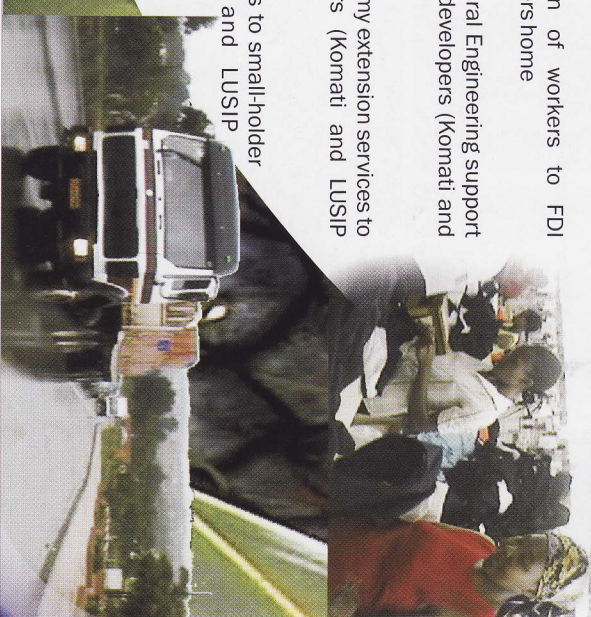
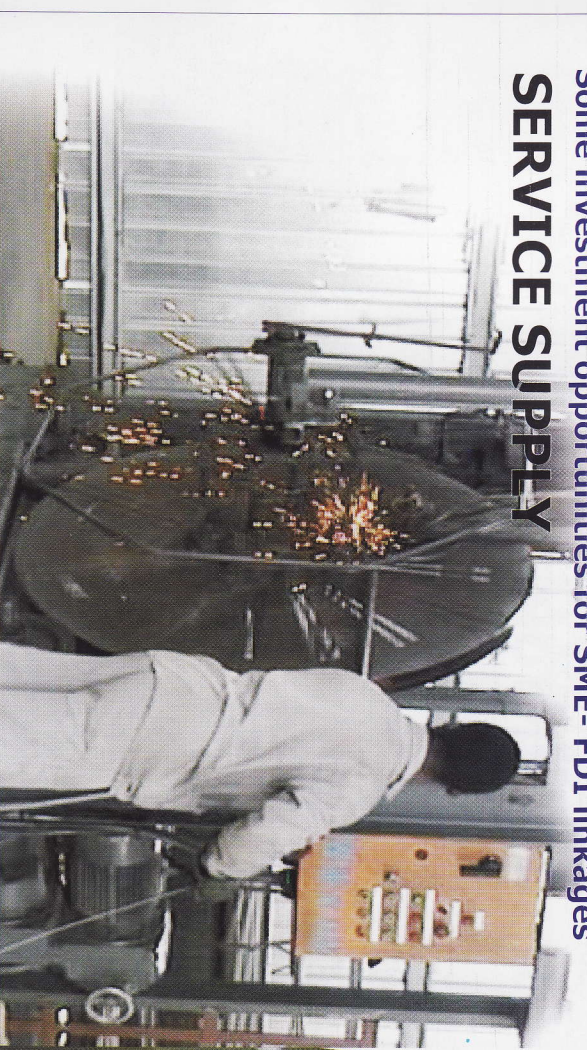
- Manufacture and supply of workers' protective clothing requirements to the FDI base and government
- Supply of packaging and shrink wrapping materials to FDI base
- Supply of wooden pallets to citrus estates of Tamburi, Ngonini, NYSIS and to various other FDI companies
- Planned cleaning services to various major FDI companies
- Efficient and timely transportation of workers to FDI employment sites, and return of workers home
- Irrigation and Drainage, and Agricultural Engineering support services to small holder sugar-cane developers (Komati and LUSIP downstream projects)
- Agricultural management and Agronomy extension services to small-holder sugar cane developers (Komati and LUSIP downstream projects)
- Supply of quality seeds and fertilizers to small-holder sugar-cane producers (Komati and LUSIP downstream projects)
- Re-packing of petroleum jelly into different consumer desired sizes



## Some investment opportunities for SME - FDI linkages

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## Some investment opportunities for SME- FDI linkages

### JOINT VENTURES

- ❑ Manufacture of medical disposables and packaging of non-generic medicines
- ❑ Development of strategically located modern shopping malls
- ❑ Manufacture of sweets and other sugar-based value added products with Swazi entrepreneurs with significant sugar quotas
- ❑ Thatched grass project

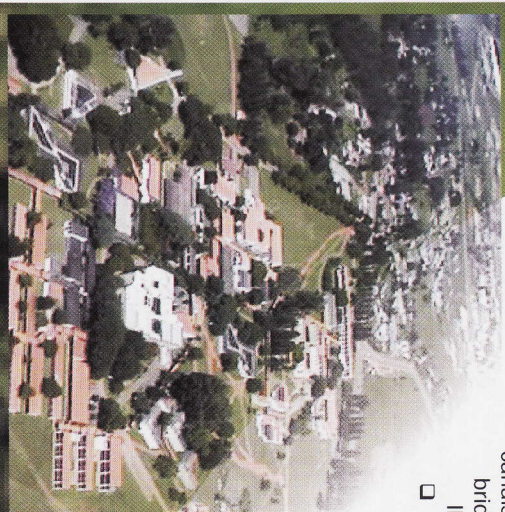
### OUTSOURCING

- ❑ Planned maintenance contract for buildings i.e. company houses (RSSC, Illovo)
- ❑ Maintenance of Parks and Gardens (RSSC, Illovo)
- ❑ Operation of canteens at a number of FDI operations
- ❑ Air-conditioning and refrigeration repairs and maintenance thereof (RSSC, Illovo, Tambuti)
- ❑ Operation and maintenance of recreation centres, bars, swimming pools, tennis courts, playing fields (RSSC, Illovo, Tambuti)
- ❑ Company motor vehicle and tractor / farm implement repairs and maintenance services

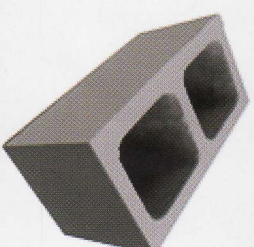
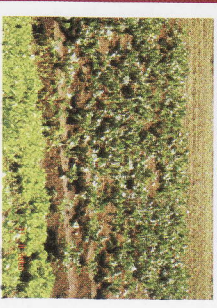
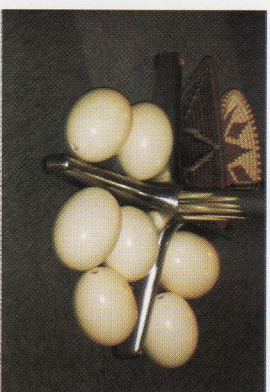


### SUBCONTRACTING

- ❑ Transportation to shipping points of export bound garment manufactured products
- ❑ Construction and maintenance of in-field roads and loading zones (RSSC, Illovo, Mondli)
- ❑ Civil engineering works viz: maintenance of furrow and concrete lined irrigation canals and construction and maintenance of low-level bridges and culverts on company in-field roads (RSSC, Illovo.)
- ❑ Timber manufactured products according to specifications provided by Swazi Timber Products
  - ❑ Provision of security services to various FDI companies
  - ❑ Harvested cane haulage
  - ❑ Haulage of harvested timber from loading zones to mill sites (Mondi Timber, Shiselweni Forestry)
  - ❑ Haulage of harvested export citrus from Tambuti, Tambankulu and YSIS estates to ports



## SMMES Products.





**BRIEF SUMMARY OF OPPORTUNITIES OF DIFFERENT AGRICULTURAL COMMODITIES**

	WATER USAGE	OK FOR SMALL RAIN FED	OK FOR SMALL SCALE IRRIGATED	ON-FARM ADDED VALUE POTENTIAL	SPECIFIC NEED	EARLY WIN OPTION
DARY	80 Litres Per day	Yes but Limited	Yes	Limited Pasteurizing Sour milk	Finance is lacking Especially for Equity, Infrastructure establishment	Need good stock
JATROPHA	2	Yes	Yes on Dryland. Alt tough Better yields in Middle land	Mainly domestic use As lamp oil And medicinal Use	Investment Collection centres	MOA to Complete Formal Evaluation, Cow fodder
SOYA	3	Yes	Yes	Yes, hand Powered Equipment Available for Sour milk Production	Need Harvesting Equipment	Await outcome of KDDP Crop
SUNFLOWER	2	Yes	no	Yes, hand or Powered mill can produce oil, Cake for Animal feed	Suitable varieties	Tras for Production And or using For oil
LUCCERNE	Irrigation ideal but not essential	Unlikely	Yes	Yes on farm milling	Lack of Finance and Nodulation	As per JV at KDDP
BANANA	5	no	Yes if Funding is available	Small potential For dried Bananas if organic	Backward link With Commercial growers	none
FRESH VEGE-TABLE	4	Yes, but Limited Without Irrigation	Yes but Limited due To market Risks and perishables	limited	Expanded cold chain	Entrepreneur Willing to Link directly To growers And guarantee market

**BRIEF SUMMARY OF OPPORTUNITIES OF DIFFERENT AGRICULTURAL COMMODITIES**

	WATER USAGE	OK FOR SMALL RAIN FED	OK FOR SMALL SCALE IRRIGATED	ON-FARM ADDED VALUE POTENTIAL	SPECIFIC NEED	EARLY WIN OPTION
WHITE MAIZE	3	Yes	Yes, opportunity to produce seed	Basic Milling	Drought Resistant OPVs, Reducing Production costs	Establish Maize Partners limited, 1st year focus on Land preparations
COTTON	2	If finance available, High labour generates quick income	Yes	No	Increase Funding	Revolving Fund
SORGHUM	1	Yes in middle & low yield	unlikely	Limited, Since no Longer Acceptable food	Work with Animal feed Companies to Evaluate Sorghum and Lucerne mix	Start JV farm based trial In 2009 Season for 1000 ton & KDDP Lucerne
CASSAVA	2	Yes probably within 50km of factory	Yes does well Under Irrigation	No since no Tradition of Eating Cassava in Swaziland	Construction of Factory and Supply of Planting stock	Income Earned Within 12 Months of Factory open
BEEF	n/a	Yes	Yes	Limited Potential for local value Addition	Access to Improved Stock Weaners etc	n/a