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003098



Distr.
LIMITED

ID/WG.109/5
9 September 1971

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Expert Group Meeting on Industrialization
in Countries at Early Stages of Development
with Special Reference to Small-scale Industry

Vienna, 6 - 10 December 1971

PROBLEMS OF INDUSTRIALIZATION IN SWAZILAND ^{1/}

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id.71-7207

conducive to agricultural, industrial, and forestry development, and a market beyond the limits of its own small population size? This chapter attempts to examine some of the considerations bearing on this subject, both from the standpoint of Swaziland and of other developing countries with similar problems.

1. Colonial Background.

Swaziland is one of the last remaining truly African kingdoms, and although the country was administered by Great Britain from the beginning of this century up to the time of independence, the Swazi have never been a subject nation. British assistance was invited. The independence of Swaziland was guaranteed by the Pretoria Convention of 1881 and the London Convention of 1884. The country is unusual also in that most of its people are of the same tribal origin. The 1966 population breakdown showed 97 per cent Swazis, 2 per cent Europeans and 1 per cent of mixed origin.

The British colonial influence fell into four broad periods:

A. From 1907 to 1929, during which maintenance of law and order was the principal contribution to progress in general;

B. From 1929 to 1940, during which the administering power initiated financial aid to the territories;

C. From 1940 to 1955 (especially 1948-1955), when strong emphasis was given to economic improvement in anticipation of independence.

D. From 1955 to 1968, during which considerable efforts were made to build an economic and social infrastructure and to focus attention on the requirements for improving the welfare of the individual Swazi citizen.

Although the nation's asbestos mine was opened in 1939, it was not until after 1955 -- when there was a stepped-up interest by the United Kingdom in fitting the country economically for its

independence -- that the greatest financial assistance was rendered. The Commonwealth Development Corporation has been and continues to be a vital dynamic force in helping to lift the well-being of the Swazi, and participates in many projects with this objective. By far the largest contribution made by the United Kingdom during the fourth period described above was the building of a sound infrastructure to serve the new state. A good system of roads, a railroad, adequate power, communications and water facilities were built at a cost of over R. 40 million, the highway system alone requiring an expenditure of R. 8.8 million. In the same period a system of civil service was developed in keeping with the needs of the new state. Today the United Kingdom is Swaziland's principal market for its sugar production, its asbestos, and its citrus fruit, of which Swaziland is an important producer. British aid granted up to 1969/1970 made up the annual budgetary deficits and provided funds for expenditures under the capital budget. Since independence there has continued to be a very close relationship between the United Kingdom and its former protectorate.

Could Swaziland have achieved greater industrial development and raised its living standards higher than the present level if it had been independent even 70 years ago? What deterrents to Swaziland's progress could have been overcome had the United Kingdom made the effort? These questions cannot be easily answered. Both questions are prompted by the desire for the well-being and freedom of the Swazis and other African peoples where tradition is deeply rooted and social change develops at a very slow pace.

Social and economic change are interdependent and generally a country cannot progress very far on one front if there

is no progress on the other. In colonial territories, as elsewhere, where the level of development is low, the tendency is to give priority to the economic side and to allocate resources to the solution of social problems only to the degree necessary to permit economic progress. It is in the social areas today where one finds the greatest obstacles to industrialization and modern economic development.

2. Tribal Pattern of Living.

Swaziland is a nation with a predominantly rural population. The two "large" urban areas, Mbabane, the capital, and Manzini, have populations of 14,000 and 16,000 respectively. There are a number of additional smaller town areas and villages throughout the country which together have a population of about 30,000. The rest of the population, some 85 per cent, lives on a subsistence basis in rural areas, mostly in family-settlement native huts with no modern conveniences, almost entirely outside of the market economy.

The country is divided into four districts, each administered by a District Administrator, who is in turn responsive to the local chiefs for the assignment of land occupancy in the Swazi National area. Each male adult, at maturity, is assigned a parcel of land by his chief, which he can work as he wishes. The chief has the authority also to transfer occupancy or to cancel it under certain conditions.

The tribal way of living is rooted in a tradition that has changed very little over a long period. It offers security to the families in the tribe and permits a community effort for the provision of the necessary food requirements. While in earlier

days there was greater movement of tribal members (the original Swazi were first located in Central Africa, then moved to the areas of Laurence Marques), settlement in Swaziland became more permanent as the outside threat to existence diminished.

With little grasp of the significance of the developing industrialization and increased agricultural productivity unfolding about them, and finding it difficult to define the benefits of such developments, the Swazis in large part maintain an attitude of indifference and suspicion toward such progress and see it as a threat to their way of life. The King has stated that, while he wanted progress to come to his people, he did not want it to change their way of life. The traditional pattern of living is encouraged also by the system of land-holding.

There are two types of land holdings in Swaziland: free-hold title land owned by Europeans, making up 44.7 percent of the land area, and undistributed crown land and Swazi National land, making up the balance. A system of communal land ownership is practiced in the Swazi Nation land holdings, which restricts individual activity. Swazi National land is owned by the King and, while it is assigned by the local chiefs to adult Swazis, there is no certainty regarding its long-term tenure. This tends to discourage maximum development of the land potential, resulting in a perpetuation of the subsistence pattern.

While one of the highest priorities of the Government's programme is to improve the living standards of this group through helping them increase their farm productivity, and through expansion of available education facilities for their children, progress is very slow.

The work of tilling the soil has been mainly the lot of the women, and traditional work habits are difficult to change in a tribal society. Recognizing this situation, the Prime Minister earlier this year (1970) admonished the male workers for their poor work performance, pointing out that the average male worked less than 5 hours a day compared with 13 to 14 hours for the women.

Some Swazi farmers, however, are getting involved in a competitive economy through participation in several government schemes in sugar and pineapple production under which financial and technical assistance is rendered, and marketing of production at regular prices is assured. The Swazi farmer is not unreceptive to improved methods and farming innovations. The biggest resistance, however, stems from the attitude that until he is convinced that his lot in life will be improved by working harder and utilizing better farming practices, he will continue to resist.

The introduction of modern farming practices and the commercialization of farm production on the Swazi Nation lands would have far-reaching consequences regarding economic progress. Among these would be increased income, a desire for more suitable housing, the growth of towns and villages, and a stimulus to many industrial and commercial activities.

3. Resistance to change

The objectives of raising the standard of living of the majority of the subsistence farmers and of creating jobs for those underemployed or unemployed are repeatedly propounded by the Government in its policy statements. These are listened to by the

people and in general there is agreement with them. Where there is a breakdown, however, is in the interpretation by the Swazis of their role in bringing these improvements about. The problem is further complicated by the question of values and attitudes.

The Swazi's way of life is simple. He does not work too hard; his demands are minimal; and he produces only what he and his family need. His housing is primitive and his social requirements are fulfilled by the events and fellowship within his own tribal circle. He is content, and his many friends are in the same category. He is also, in most instances, illiterate, and views with suspicion the outside influences that keep pressing him to change. In general, except for a few tools and household items, he is outside of the money economy. He owns several head of cattle, and may sell one or two when circumstances force him to take such action. (About 85 percent of the cattle are owned by Swazis.) He is not interested in his cattle for their economic worth, but for their number and their prestige value. Consequently they are given a minimum amount of care, are prone to disease, and are inferior as beef when finally slaughtered. Some 5 percent of the cattle in the country die each year -- 23,200 in 1968 out of a total cattle population of 515,000.

It is difficult for a Swazi to understand how his situation will be improved if he works harder. The warrior tradition has bred a disinterest in a task that requires daily attention to punctuality. For a long time the Swazi resisted becoming involved in a daily work routine; when he did become a worker in the mines, or a cane cutter, he stayed only long enough

to accumulate what funds he needed and then returned home. As a consequence, the mainstay of the asbestos mine and other large-scale employers like sugar mills and sugar plantations come from Mocambique or other African territories. This attitude is now slowly changing as a result of the pressures of the Government to hire only Swazis for these tasks. A growing urban element now supplies the manpower required, but there is still general resistance to certain tasks.

The advantages of breaking out of a tribal economy are also not appreciated by the Swazi. He sees himself in the event of such a change competing with his own friends and contributing to the dissolution of the way of life that has served him well. While these attitudes will change, there is no doubt that the rate of development has been influenced by their existence in Swaziland and elsewhere.

4. Lack of education and skills

The high rate of illiteracy in many of the emerging States greatly limits their ability to assume the role of administering their affairs after independence and to move forward with a programme of development. The lack of skills which is the product of deficient educational facilities and poor industrial and agricultural training facilities limits the ability of industry to develop, and narrows the work opportunities of the local worker. This problem is all the more serious where there are severe restrictions on the use of outside labour pending the ability of local labour with the necessary skills developed through adequate training programmes. The education and training processes are long-term

undertakings and in the interim it behoves the Governments to be liberal in acceptance of outside skills in order to encourage the development of the economy.

The example of Swaziland is worth noting. Inheriting a development programme of significant depth in both industry and agriculture, and faced with the need to strengthen and build its jobs that require training and skills and technical knowledge not available in the local population. The Government has methodically ascertained the needs for Swazi employees in every branch of activity for the next ten-year period and has tailored its education and university programmes, its industrial training activities etc., to produce the necessary technical, professional and other skills by the early 1980s. By that time adequately trained Swazi workers should be available to fill all jobs now filled by foreign personnel.

The lack of skilled workers is a very serious bottleneck in the developing countries, but it can be overcome more readily if the opportunities exist or are created for the use of the new skills once they have been provided.

5. System of land ownership

The complex system of land ownership has already been referred to above under "Tribal Pattern of Life". A Swazi occupant of land allotted by his chief is not the owner as such since ownership rests with the King. Consequently, his use of the land is proscribed, and long-term planning for it is at best difficult. According to custom, it cannot be fenced and since it can therefore be overrun by grazing cattle, a crop rotation system is

difficult to carry out. Under this system the land cannot be committed as collateral for a much-needed loan for a piece of machinery or equipment. It is also impossible to utilize the land for the most suitable purpose. For example, almost all of the valuable planted forests in Swaziland, which are a real asset to the economy, are grown on non-Swazi-Nation land. Though opportunities exist for Swazi-Nation participation in this profitable use of land, the system does not adapt itself to such undertakings. It has long been felt that some changes must be introduced, or the system must be replaced by another, in order to eliminate impediments to increased agricultural productivity.

6. Weaknesses in the educational system

Swaziland has neither enough schools nor enough teachers, and, as already indicated, there is a high rate of illiteracy. The problem is being slowly resolved, and in the process attention is being focused on the direction of the educational system. Modeled after European and American educational programmes, the objective has been to train children in the arts of reading, writing, history, languages etc., so that they would be academically equipped to go on to college. No attention has been paid to the fact that many children left school before completion of studies at the primary level and that their education has no practical application to the work in which they would be engaged. An attempt is now being made to broaden the courses of study in both at the primary and secondary levels so that whatever education a student obtains can be helpful to him in his work career. Since very few of the high school graduates go on to college, a serious effort is now underway

to re-orient the curriculum so that practical courses will be offered, related more directly to eventual employment.

The country is agriculturally based and it is likely that for some time to come over 50 percent of the graduates and school leavers will have to seek their livelihood in agricultural employment.

Although the aspiration of every Swazi student is to obtain a white-collar job, the realities of the situation require a more practical approach and point to the need for a new educational philosophy.

The failure of the educational system to teach practical and vocational courses in the schools is probably common to most developing countries and the problem should be seriously examined with a view to orienting education to the short and long-term economic interests.

7. Inadequacy of relative investment factors

Most developing countries are short of investment capital with which to carry out a planned industrialization programme. In most cases, local capital is insufficient or unavailable so that capital must be attracted from outside if the industrialization programme is to be implemented.

Many factors influence the attraction of foreign investment funds. One of the most important is the attitude of the Government toward such funds. Others include the existence of non-existence of exchange controls, the situation of the local entrepreneur, the availability of needed labor skills, provision for tax incentives, the stability of the political system, the

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existence of local resources and the feasibility of the projects.

An investment opportunity may appear to be sound when it is selected for inclusion in a list of priority projects for development, but a deeper investigation of feasibility may reveal factors that affect its prospects adversely with respect to profitability and long-term viability. On the other hand, while a project may be sound in itself, the conditions of industrial operation in the country may make it unattractive to a foreign investor.

The lack of properly formulated industrial projects has long been considered as one of the greatest obstacles in the developing countries to obtaining investment funds for development. This is only a part of the problem. No outside investor will bring his capital and know-how into a country that does not have a good investment climate. The importance of good investment climate cannot be over-emphasized; yet its effect on the attraction of foreign investment capital is not fully appreciated by many developing countries. Many of the developing countries consider that outsiders who draw attention to the shortcomings of the country's investment policies are interfering in its domestic affairs. Regardless of the interpretation on this point, there is no question but that the rate of inflow of investment into good projects is directly influenced by whether a country extends a welcoming hand to foreign investment capital or whether it leaves its position unclear or raises obstacles to foreign investment.

In the case of Swaziland, the Government policy of encouragement to investor interests is clearly and favourably expressed through its incentives programme, and the Government

continually seeks, through its close contacts with investors, additional means to help and encourage new industry. The Government has indicated in its Post-Independence Development Plan that while it will assist in the establishment and maintenance of conditions conducive to investment, it will look to the private sector to spear-head this development.

Where a good investment climate exists, other shortcomings, such as shortage of skills or incomplete infrastructure and service can be overcome with the Government's help. On the other hand, if a good investment climate is not available in the country, every shortcoming is enlarged, detracting from the desirability of investment and clouding feasibility of the projects themselves.

8. Marketing difficulties

The key to successful industrial development is the availability of a market for the product produced. "Tell me where I can sell it and I'll start producing tomorrow." says the entrepreneur. The implication is that production costs are competitive and the outlet must be large enough to assure commercial profitability. In many cases economic production for the domestic market is difficult, especially if the market is small.

In recent years the surge of many developing countries toward import-substitution-based industries has raised questions about the rigidity of the formula regarding the economies of scale required to insure the profitability of a product. Faced by a limited import capability and a growing domestic demand, many countries undertook to produce at home a wide variety of products

that had previously been imported. The rationalization was that saving of exchange and the creation of local jobs would justify domestic production, even though the local market was too small to permit economies of scale. Domestic production was protected by import tariffs, quotas and other restrictions, including outright prohibitions, in the belief that such protection would be temporary until experience was gained, at which time the local industry would produce goods that would become competitive with similar foreign goods. In most cases this belief turned out to be a myth. The price that many countries have paid and are still paying for such industrialization has raised doubts about its economic contribution, and as a consequence import substitution is being severely curtailed as an industrialization method.

Swaziland fortunately does not have a marketing problem in the same degree as many developing countries. As a member of the Customs Union Agreement with South Africa, Botswana, and Lesotho, it is a part of a market covering a population of 20 million although its own population is only about 400,000. Yet the Swaziland experience may shed some light on the problem of marketing in general, namely that in many cases a market can be found if there is enough effort put into finding it.

Although Swaziland has marketing advantages beyond those of most African countries, it has not been able to avail itself fully of these advantages because it was lacking in initiative, fearing that it might not be competitive with its customs partners especially South Africa. What appeared to be lacking was an organized effort to seek out the market and customer. A case in

point is the production of truck-farm products. Swaziland's soil, climate and water resources permit it to produce vegetables of all kinds, most of them on a year-round basis. Yet even in the harvest season many South African vegetables were reaching the Swaziland market at prices generally higher than those Swaziland could offer. Marketing, however, was disorganized and the advantages which the Swazi producers had were not utilized even in their own areas. Prodding by the Government and an organized enlistment of farmers offering production of certain quantities of quality vegetables for delivery at certain periods at market prices resulted in attracting a large fresh fruit and vegetable handler to establish a grading and processing plant and to purchase fixed quantities under contract on a regular basis.

This example supports the belief of many economists that many products fail to be marketed because not enough effort has been made to organize outlets for them. Marketing is the key to successful production and more energy ought to be exerted on this aspect of doing business in the developing countries.

On a broader basis, Swaziland by virtue of its Customs Union Agreement membership has always followed a policy of export-oriented production which has enabled it to be competitive in the world markets, and to maintain domestic prices at an economic level.

9. Dual nature of economic development pattern

Despite the rapid growth of industry in recent years, the majority of the people have not shared in the rising gross national production. Most of the Swazis still derive their livelihood from subsistence agriculture and from earnings as unskilled workers in

the expanding modern sector. In contrast, the large profitable mining, forestry, and industrial operations are owned and operated at the technical and professional levels by "Europeans" (i.e. non-blacks), whose per capita income level is many times that of the Swazi.

Farm production on land owned by Europeans produces most of the commercial crops, especially sugar and citrus, which contributes importantly to the country's earnings.

Swazi Nation land, which constitutes 55 percent of the total land area, contains more than 30,000 arable holdings worked by an estimated 61,000 persons. About 90 percent of the cultivated land is used for maize and sorghum, which are produced on a rain-fed basis, subject to the vagaries of the weather. Unofficial estimates place the value of output on this land in 1966/1967, including subsistence production, at R. 8 million. The average size of a family unit of Swazi Nation land is a little over 8 acres of cultivated land, 6 acres of land in fallow, and communal grazing rights on about 50 to 60 acres.

About 1,000 Europeans own the free-hold title land, which represents 45 percent of the land area in Swaziland. The average size of the individual title deed holding is about 1,400 acres. This land, utilized for plantations and for production of sugar cane, pineapple, tobacco, cotton, citrus and rice produced an estimated R. 18 million worth of farm products in 1966/1967. Most of the important farm crops are grown on title land under irrigation. Of the 70,000 acres under irrigation in 1969 only 5,000 acres were in the Swazi Nation land area.

Farm practices by Swazi farmers are backward and unscientific and productivity is very low in contrast with that of title-deed land production. Fertilizer use is growing but is still far below adequate levels. Late planting delay growth and makes the seedlings vulnerable to spring drought. Cattle-raising techniques are also traditionally poor, with the result that beef production from Swazi cattle is poor, the animal is well below the weight levels of similar non-Swazi-raised cattle, and overgrazing is a threat to the industry as a whole.

The great disparity in agricultural progress is one of the country's most difficult problems. It is a basic factor in the rate of growth of the economy as a whole and a sizable deterrent to the attainment of the Government's objective of balanced development.

The Government is attempting in various ways to bring about a change in this situation. It is expanding its agricultural extension services, making easier credit available, encouraging fertilizer use and modern farm practices, and promoting settlement schemes in which more and more Swazis can become competitive commercial farmers. While there has been some improvement in the past few years, the size of these assistance programmes is not adequate as yet and need to be greatly expanded.

At present there are 130 Swazi farmers engaged in sugar production sponsored by the Commonwealth Development Corporation. There are also about 40 Swazis operating as independent commercial pineapple growers. The pineapple scheme is supported by the local canning plant, which cans mainly pineapple and citrus. Under these schemes technical assistance, planting help and guidance are

rendered to the participant and the sale of the crop is assured at market prices. In each case so far, the income level of the Swazi participant has risen very greatly and has been reflected in improved housing and other facilities of which the farmer has availed himself.

C. STRATEGY OF DEVELOPMENT

The Government is fully aware of the dual nature of development in industry and agriculture, and one of its priority objectives is to bring about a better balance in the earning ability of all of its peoples. It is attempting to do this through various assistance programmes and inducements, in the form of extension services, credit, tax incentives and other measures, while at the same time letting the private enterprise system implement the actions necessary to increasing productivity and establishing new industry. The Government has stated that it believes the private enterprise system offers the best opportunity for Swaziland to raise the standard of living and earnings of its people. In its Post-Independence Development Plan it has further indicated that its own contributions to economic development will be made through the maintenance of the institutional services and infrastructure service private industry but that the development of the country's resources must be the responsibility, under policy guidance, of the private sector.

The Government has drawn up a five-year Post-Independence Development Plan under which target dates and priorities are fixed for public development expenditures in all sectors, keeping in mind the requirements of private enterprise for expansion or improvement

of infrastructure and specific assistance measures for large, medium and small scale industry. In its policy guidance actions, the Government has urged that in view of the small size of the national area industrial development should be competitive, export-oriented, and directed to the markets of the Customs Union and beyond.

In support of its trade policy to broaden its present large market area, the Government has entered into trade agreement arrangements with Kenya, the United Republic of Tanzania, Malawi, Zambia and Uganda. Trade agreement arrangement with other world trading nations, which have been inherited by Swaziland as a result of earlier negotiation of such treaties by the United Kingdom, are being maintained in force and, in some instances, renegotiated.

The Government has sent trade and investment missions to many countries both to promote trade and to attract investment in the project areas in which good investment opportunities are believed to exist.

Recognizing its shortcomings in skills and crafts, including professional and technical skills, and in the availability of entrepreneurs, the Government has undertaken to continually improve and expand local educational and training facilities. Fellowship opportunities abroad are also welcomed to help meet requirements for special training.

A business or industry considering establishment in Swaziland will place great value on the political stability and the very attractive investment climate of this country. While exchange controls and import licensing are in force in the entire Customs Union Agreement area, these requirements are more pro

forma than restrictive. Except for procedural requirements, the repatriation of profits, dividends and capital are unencumbered. Double taxation agreements have been concluded with the Republic of South Africa and with the United Kingdom.

1. The Post-Independence Development Plan and its objectives

The current Post-Independence Development Plan was launched in 1969 as a statement of Swaziland's objectives in developing the various sectors and of the public expenditures required for the achievement of these objectives in the plan period. Originally conceived as a four-year programme, it was extended to five years because the financial requirements for implementation in four years became difficult to meet. It is a programme of socio-economic actions aimed primarily at improving the living conditions of the people, especially those presently in subsistence-farming activities. Responsibility for guidance of the Plan's implementation and updating is assigned to the Planning Secretariat in the Office of the Prime Minister. To coordinate the implementation, regular meetings are held, chaired by the Director of Planning, in which all branches of Government are represented.

Unlike many development plans, the Swaziland Plan has the support of all the Ministries of Government, and its implementation is provided for in the annual capital expenditure budget.

The Plan provides for a capital expenditure over the five-year plan period of R. 23.1 million. Most of these funds are expected to be received as grants-in-aid from the United Kingdom. An estimated R. 4 to R. 5 million is being sought from other sources. Though in large degree patterned after earlier programmes, a shift

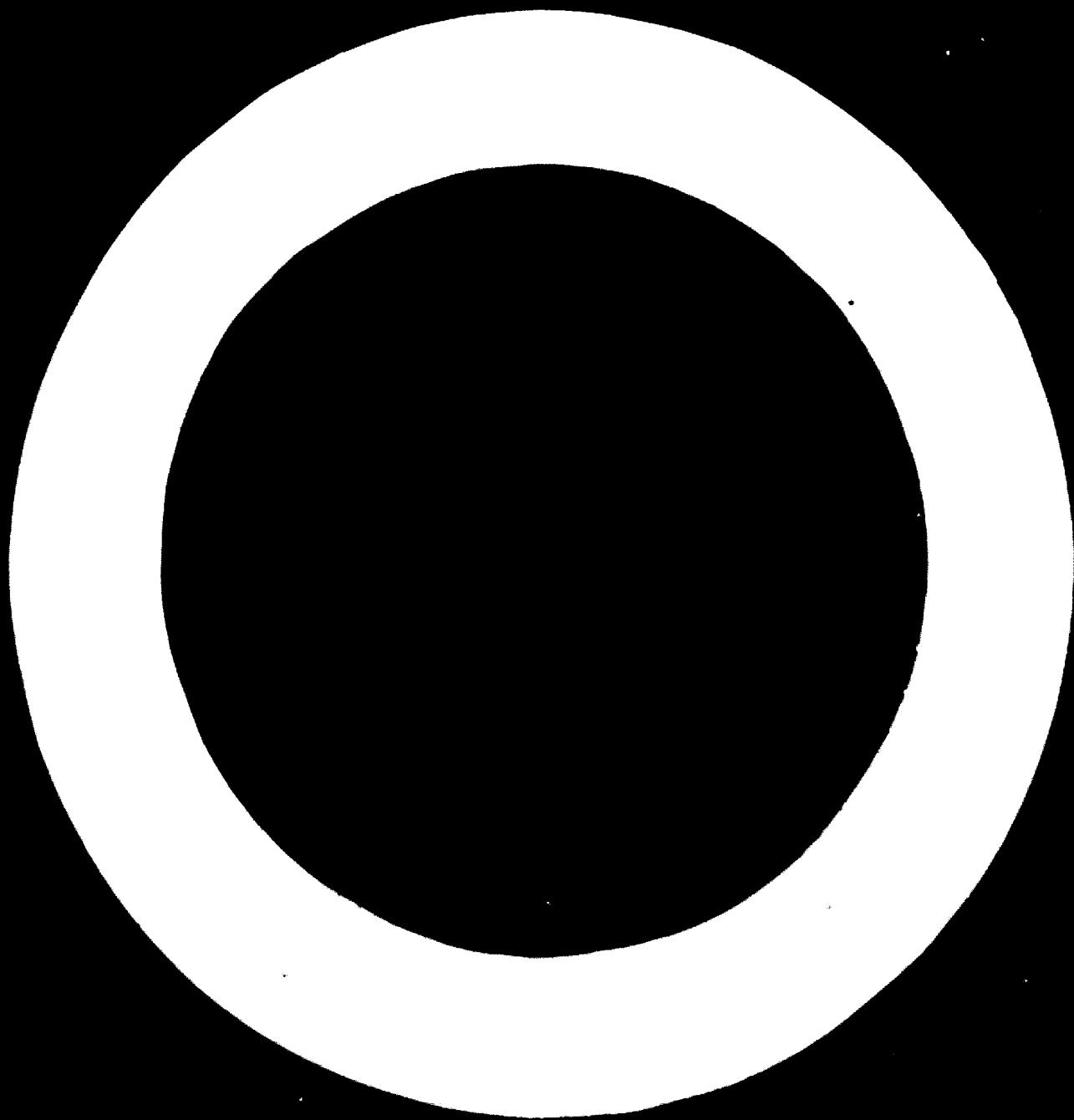
in emphasis on education and the maintenance and expansion of roads is evidenced in this plan as expressed in higher allocations for these sectors. Increased priority is also being given to other infrastructural needs such as transportation, water and power, and post and telegraph. In addition expanded activity is proposed to upgrade and expand training in skills and management, improve public administration, increase extension services to agriculture and industry, provide more ample credit facilities for small farmers and entrepreneurs, and improve public health.

The Plan is directed to improving and stimulating development in all sectors of the economy. Indications so far are that it is moving on schedule.

2. Priorities in development

The Government's highest priority is to increase the earnings and improve the living conditions of the majority of its citizens, most of whom live at the subsistence level. It believes that increased industrial development and modernization of the agricultural sector are the channels for achieving these objectives. More jobs are required, in industry and agriculture, especially better-paying jobs.

Great emphasis is being placed on accelerating industrial development. The Department of Commerce, Industry and Mines is strongly promoting industrial expansion and new industry. Incentives are offered to industry at all levels. A strong effort is directed to small-scale businesses and industrial establishments through offers of technical assistance, guidance on plant size and location, quality control, provision of credits for the purchase



of equipment, and provision of marketing assistance. In agriculture, the Government is participating in various programmes aimed to bring modern farm techniques and practices to the farmer and to enable him to increase his farm earnings. More emphasis is being given to the training of agriculturists and forestry specialists at the university level. Because the country is predominantly dependent on agriculture, and most new workers will find their life's work in some area of farming, more emphasis is being given to agricultural training in the primary and secondary schools.

The Post-Independence Development Plan allots nearly 60 percent of its funds to maintaining and expanding the infrastructural facilities which industry requires. The largest allocations are for roads, followed closely by allocations for education and training, power, housing and community development. About 14 percent of the Plan's projected expenditures are allotted to increasing development of agriculture and 11 percent to mining, industry, and commerce.

Most Swazis are either subsistence farmers or unskilled workers with low earnings. Recognizing this situation as the crux of the development problem, the Government is anxious to resolve it through greater activity in programmes aimed at upgrading skills and techniques in industry and agriculture. Training courses have been established on an expanded basis; on-the-job training in co-operation with industry is being strongly supported; efforts are being made to increase the number of practical courses offered in the schools; early drop-out is being discouraged; vocational training is being initiated; and foreign grants are sought and

made available for technical and professional training.

3. Conditions and opportunities for establishment of modern indigenous small-scale industry

The Government's policy of actively assisting industrial development applies to small-scale operations as well as to medium- and large-scale industry. An institutional base for promoting and assisting local small industries was set up by the Legislature early in 1970 in the Ministry of Commerce, Industry and Mines. The services rendered to small-scale businesses and industries include aid in the selection of the type of business to be started and the product to be produced, technical assistance regarding plant equipment and size of production or business facilities, guidance regarding plant location, credits for machinery and equipment purchases, and information on marketing.

Under the renegotiated Customs Union Agreement, there is a provision that Swaziland may under certain conditions give protection to infant industries. In actual practice, however, the Government is anxious to see industry develop competitively and believes that this is possible by virtue of the natural resource advantages, the wide export market, low labour costs, and other factors which exist in Swaziland. Protectionism is not an adopted policy of the Government. It does, however, look upon small enterprise and trade development as a means through which the small Swazi entrepreneur can participate in the growing modern sector and thereby raise his earnings and standard of livelihood, and for this reason encourages and actively supports small industry development.

There is a wide range of products that can be considered small-scale industry opportunities, many of them having the advantage of local resources available at reasonable costs. Among them potential small-scale industries are those involving wood and wood-pulp utilization, sheet metal and other light metal-working industries, ready-made garments and related cotton textiles utilization industries, ceramics and clay products, rural tanning and leatherwork and essential oil production. The potential markets for such products include the entire Customs Union Agreement area and there are export outlets through the port of Laurengo Marques.

Small-scale industry in wood working includes production of furniture of all kinds, filing trays, storage racks, shelving, bookcases, picture frames, mouldings and panelling, shop fitting and counters, coffins, toys, coat hangers, fulers, tool handles, crates and box shocks, fencing, brooms and mop handles; most of these are now brought in from South Africa.

Equally good prospects exist with regard to the utilization of wood pulp, all of which is now exported. Among the possibilities here are acoustic tiles, paper plates, papier mache products, chipboard and particle board, plaster board, protective packaging tubes and handicraft items such as dolls and jewel boxes.

There is also considerable opportunity in the metal-working industry, based in part on scrap metal and imported steel and iron. There are already a few such small industries in Manzini, but other possibilities include the production of kerosene cookers, bicycle parts, hurricane lanterns, stove wares, buckets and pails, electric torch cases, automobile parts, tanks and vats, metal signs, metal toys, and metal boxes for packing.

Another area for small enterprise is the utilization of cotton waste. The Swaziland Cotton Ginning Company had, in 1969, approximately 100,000 pounds of cotton linters, which could serve as the raw materials base for small industries in the following areas: mattresses, pillows, cushions, automobile upholstery, dress padding, medical wadding, soft toys, sanitary napkins, felting, sterilized cotton for medical purposes and wadding for packaging fragile items. At present cotton seeds from the ginning process are being exported. This commodity could also serve as a basis for edible oil production, soap manufacture and cattle cake.

There is also a good potential for the production of leather and leather goods, the manufacture of pottery items, small-scale mining and quarrying and the production of essential oils. In each case the raw materials are available and await further development or processing. The feasibility of setting up small units for the production of essential oils has been examined by the Tropical Production Institute in London and a report on the conclusions is in the main favourable.

Transportation of manufactured goods is not a problem. A good network of roads already exists; road connections with the neighboring countries are also good; and Swaziland's railroad link with the port of Laurencio Marques permits easy transit to export markets. There are adequate water resources and power is available in most parts of the country.

The Government's Small Enterprises Development Company Ltd. (SEDCO), located in the Commerce Ministry, is the local point for Government encouragement of small industry. This organization serves small businesses and industries in many ways. One way is

through the construction of buildings for the industry plant or business operation. Such buildings usually have accommodations ranging from workshop premises suitable for businesses employing between one and three persons to factory shells providing accommodations for small businesses with between five and ten workers and from ten to twenty-five workers. Altogether, some 80 to 90 workshop units and factory shells are expected to be ready for occupation by the latter part of 1970.

SEDCO also encourages the development of handicraft industries and the organization and operation of industrial and trading co-operatives.

Small enterprise activities in Swaziland also extend to non-manufacturing entrepreneurial businesses, and more and more small trade establishments are being operated by Swazis, especially in the rural areas.

The interest of the Swazi entrepreneur has been slow in developing, lacking industry and business knowledge and capital, getting started has been a real problem and maintaining a successful business a challenge that many were not equipped to undertake. One of the biggest problems, besides a lack of capital, is a lack of entrepreneurs with some acquaintance with business and industry practices. This is a greater problem in small industry than in small business because the lack of industry know-how and experience is greater. What is needed urgently in Swaziland is specific industry know-how at the plant operations level. The economy would be greatly served, for instance, by the assignment to Swaziland on medium-term contracts of industrialists who have been or still are manufacturers

of the type of products for which production opportunities exist in Swaziland, to show the local aspiring entrepreneur how to plan and set up a plant, and how to operate it profitably.

A shortcoming which is also evident in discussions with small businessmen and industrialists, particularly the latter, is the inability to assess properly and undertake to organize the marketing of the product being produced. In Swaziland this weakness is accentuated by an understaffed Ministry of Commerce, Industry and Mines, which is unable to supply and interpret significant trade data bearing on marketing. As a consequence, the new entrant is totally unacquainted with the full picture regarding marketing and often times runs into difficulties which could have been avoided.

The co-operative system of purchasing and marketing has not yet developed to any great extent in Swaziland. SEDCO is doing considerable promotion and organizational work in this area, particularly for the handicraft and cottage industry products, and such a system can be of immense help in getting new operations successfully started. But in the larger areas of industry and trade the role of the co-operative structure is just getting started.

D. MEASURES IN EXISTENCE AFFECTING THE DEVELOPMENT OF INDUSTRY, ESPECIALLY SMALL-SCALE INDUSTRY

The Government assigns a high priority to the establishment and successful operation of small business and manufacturing activities and helps in many ways in the launching and development of such enterprises. This chapter discusses the institutional

framework on which the Government's programme of assistance is based as well as the various programmes being carried out to strengthen the prospects for successful implementation of the new small-scale undertakings.

1. Institutional framework

Policy guidance for support of small-scale business and industry development derives from the objectives of the Post-Independence Plan to raise the income levels and living standards of the population. The Ministry responsible for small-scale industrial development is the Ministry of Commerce, Industry and Mines. This ministry undertook a study of the needs for small-scale industrial development in 1969 and as a result of this study the Legislature in 1970 established the Small Enterprise Development Company Ltd. (SEDCO) to offer guidance and assistance at all levels of small-scale industry and business development.

SEDCO was created in March 1970 to assist new, and existing small-scale entrepreneurs and traders through provision of adequate working premises and technical planning and financial assistance. SEDCO is registered as a private limited company and is directed by its articles of incorporation to profit-making and business dealings. It is empowered to borrow finances from commercial banks and other commercial lending institutions as may be required for carrying out its objectives. The equity capital of SEDCO, when fully funded, is to be held by the Government, by the Swaziland Credit and Savings Bank, and by private investors, including those small enterprises which SEDCO was established to assist. The Swaziland Credit and Savings Bank is a statutory body managed by a publicly appointed Board, specializing in credit for agricultural and low-cost

housing projects. It also acts in co-operation with SEDCO in making credits available to small-scale traders and entrepreneurs. SEDCO was originally capitalized at R. 5,000. Additional loan capital of R. 70,000 has been provided under a UK loan-aid arrangement. In the longer term, it is planned that SEDCO will reach a capitalization of R. 250,000.

SEDCO provides assistance also on the location of working premises at low rentals, helps in acquiring machinery, equipment, and raw materials, and in rendering assistance regarding the marketing of the finished product. It encourages the development of handicraft industries and the organization and operation of industrial and trading co-operatives. One of the main objectives of SEDCO, however, is the stimulation of the development of light industries, especially outside the main urban areas so as to provide more employment in the rural areas and to assist Swazi businessmen and industry-minded individuals to set up and operate manufacturing enterprises.

Also within the Ministry of Commerce, Industry and Mines, and Operating parallel to the programme and objectives of SEDCO, is the Small Enterprise Promotion Office (SEPO). SEPO provides prospective entrepreneurs and traders, and existing small enterprises, with factual data, technical advice, guidance regarding the correct choice of a new enterprise, the feasibility of a new or expanding project, and market information. SEPO also acts as an industrial extension service to small entrepreneurs and traders, its staff maintaining direct field contact with all areas and being available for on-the-spot assistance regarding problems or developments that may arise.

2. Promotion of entrepreneurship

The development of small-scale industry in Swaziland has moved slowly but Swazi interest is increasing as a result of the efforts of SEDCO, SPO, the Swaziland Credit and Savings Bank, the Swaziland Industrial Training Institute (SITI), and the educational upswing in general.

SEDCO, in co-operation with industry and educational and training staff, is holding training and seminar programmes throughout the country to draw attention to opportunities in the trading and entrepreneur fields. It works closely with artisans and handicraft and cottage industry employees in helping them to market their products. It encourages these workers as well as other would-be entrepreneurs to go into a business for themselves. It further assists them in the selection of a business or enterprise in which their talents offer a good chance of being successful. So far this has been the principal source of new small-business entrepreneur talent.

SEDCO offers a considerable amount of assistance, including financing, for the prospective trader or entrepreneur. It insists, however, that the person to be assisted be serious-minded, dedicated and knowledgeable in the field into which he wishes to enter. Nevertheless, the emphasis on small industry development by the Government, and its incentive programmes are resulting in a quickening of interest so that a growing number of candidates are applying to SEDCO.

Many of the opportunities for small-scale industry development in Swaziland can be based on existing resources which are at

present being exported in unprocessed form and regarding which there is little or no domestic experience. The availability to SEDCO, under UNDP auspices, of industry people who themselves have established and operated such small industries, could greatly expand the areas of small-scale activity which SEDCO is currently promoting.

3. Orientation of entrepreneurship

It should be noted that protectionism of industry is not a policy of the Government and small entrepreneurs as well as medium and large industry operators must be able to produce on a competitive basis. Import substitution cannot be the motivation for starting a business but because of the numerous advantages of producing in Swaziland, a product being consumed in fair quantity can be successfully produced and marketed both locally and abroad. There is also no government procurement policy giving preference to domestic manufacturers. While this policy may change, it tends to emphasize that all industry must be competitive and that Swaziland being a part of a much larger market than its own local population must keep its market area open to Customs Union competition.

4. Feasibility and pre-investment studies

Owing to limited staff resources the feasibility of most investment opportunities, whether in the category of large, medium, or small scale industry, has not been determined by studies in depth. There have been some private investigations regarding the feasibility of establishing production and marketing of a few product lines. The United Nations, mainly UNIDO, has carried out pre-feasibility studies of seven selected manufacturing opportunities which were submitted by the Government to the Nairobi Investment Promotion Meeting held in November 1970. The products involved were wood pulp (two studies were made, each on a different-size investment basis); warp knit

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goods; tannery products; asbestos cement products; dry cell batteries; and wood-wool construction items. The Ministry of Commerce, Industry and Mines has assisted in some feasibility studies for private enterprise interests, but this has been limited to compiling data and submitting information on the Government investment policies and inducements.

For lack of time and staff, the SEDCO involvement in small business and enterprise promotion does not permit the undertaking of feasibility studies. Neither is the Government's Economic Planning Office equipped to assist the Ministry of Commerce, Industry and Mines in this important area. As a consequence, in most cases only general guidance is being rendered to prospective investors, who are then asked to make their own pertinent studies and investigations.

Some improvement of this situation is expected before the close of the present year. A proposed Industrial Development Corporation is expected to be established before the end of 1970; one of its responsibilities will be to make selective feasibility studies for larger industry development. At the level of the small entrepreneur and business, plans are also underway to bring into Swaziland industrialists experienced in small-scale industry and business development, who, in addition to counseling on how to establish specific small-industry operations, will be able to assist specific small-industry operations, will be able to assist in determining the feasibility of a proposed project.

In the area of pre-investment, the United Nations with the assistance of the Government has just completed a survey of the

mineral resource possibilities of the country. A second United Nations project, also recently completed, evaluated the water resources of Swaziland from the standpoint of power and irrigation use, especially in the Basin of the Usutu River, the largest river in Swaziland. With assistance from the United Kingdom, a study is underway (related to the Usutu River Basin study) concerning the feasibility of establishing a coal-powered 1000 MW to 2000 MW power plant in the area of the coal deposits, with sales beyond Swaziland needs to be purchased by South Africa.

A shortage of staff to conduct feasibility studies is one of the present drawbacks, especially since funds are not available for the hiring of outside consultants to do the job. There is a considerable interest in industrial investment in Swaziland, but the country's ability to take full advantage of this interest is affected by its inability to promote its investment opportunities more actively.

5. Assistance available at the pre-investment level

The Government extends various types of assistance to industry programmes in the pre-investment periods so that they can be undertaken with as much assurance as possible for their success. The Ministry of Commerce, Industry and Mines, actively assists in the determining the feasibility of the project. It makes available or will compile

necessary data on power needs and costs, sites, labor, raw materials, marketing prospects and other pertinent information. Guidance is also available from the Government regarding selection of a site for plant location, and in the provision of infrastructure facilities essential to the plant's successful operation. Training in skills that may be required is a further consideration the Government will make. Another area of assistance is the granting of tax and other concessions to new projects and an expression of confidence in the private enterprise system.

Assistance in financing machinery and equipment requirements is available to small entrepreneurs and traders through the Small Enterprises Development Company Ltd. (SEDCO), a part of the Ministry of Commerce, Industry and Mines. While at present there is no direct governmental financial aid or capital assistance available to medium-and large-scale industry projects, other than those derived from the regular tax and other investment encouragements which make up the Government's incentive policy, the proposed new Industrial Development Corporation is expected to establish a policy of limited equity participation when projects are economically sound and when local involvement in ownership would be a factor in getting the industry operation launched.

Of importance to new investors and industrialists in Swaziland, particularly foreigners, whether in small- or large-scale operations, is the very favourable investment climate, and the lack of restrictions against the free movement of dividends, profits and capital which the country assures.

6. Governmental assistance to small-scale industries

The Government views the role of small-scale industry development as an important adjunct to its high priority for overall industrial development. Recognizing the particular difficulties, however, of the small entrepreneur and trader, most of whom are Swazis with little or no experience or capital, the Ministry of Commerce, Industry and Mines, has placed in operation, through SEDCO and SEPO, a definite programme to promote small-scale industries among Swazi entrepreneurs and craftsmen.

SEDCO has paid capital at present totalling R. 70,000 and expects this to be increased to R. 250,000. While even at the expected increased level, the amount is not large, it indicates the Government's interest in getting such a programme started. SEDCO, created only in March 1970, is the main thrust through which the Government expresses its policy support for small enterprise.

A small entrepreneur with a good project in hand, who is able to convince SEDCO of his seriousness and knowledge of the project's possibilities, can obtain, after SEDCO approval of the venture, loan funds for machinery, equipment and raw materials on favourable terms. If he can contribute some working capital, he is off to a good start. If working capital is a problem, he may be able to arrange for a loan from one of the commercial banks. One of the big problems regarding small entrepreneur projects is that the working capital needs, though small, are difficult to obtain because the principal has no funds of his own and no credit history.

SEDCO will also help a small entrepreneur regarding a factory shell or workshop, providing it at a low rental, and will counsel him regarding the marketing of his product.

After a small business or enterprise is established, SEDCO will work with the proprietor regarding his technical and management needs. As interest warrants it will arrange seminar training courses and will render industrial extension services as may be necessary, whether in the fields of productivity, quality control, plant layout, marketing or expansion. If additional training of workers is required beyond the scope of local facilities, training grants will be sought. Many such grants are sponsored by large local industries which see a relationship between their own growth and the availability locally of more skilled workers.

After a small industry becomes successful it may be, depending on its product, turned into a producers' co-operative or a separate Swazi-owned company with the encouragement of the Government.

The industrial estate concept finds its expression today in the Matsapa Industrial Estate near the town of Manzini, about 1,300 acres, of which 600 acres are being developed at the present time. Sites vary in size from a quarter acre to 10 acres or more and are available at R. 2,000 per acre for the first 3 acres and at a slightly lower cost for additional acreage. Sites on rail command an additional R. 500. So far the industries located at Matsapa are in the medium to large categories, by Swaziland standards, and include some repair and maintenance services. Three small factory shells have just been completed at Matsapa for small industry and some 50 requests for this factory space have been received by SEDCO.

The main thrust of establishing building shells to serve small industries, however, is in the other areas of the country, particularly near the rural areas. Work has been completed on such shells at Mbabane, Manzini, and Piggs Peak and construction of others is underway in Hlatikulu, Mankayana, Nhlanguano, Siteki, and Lavumisa. Altogether some 80 or 90 workshop units are expected to be ready by the end of this year. These are not industrial estates in the strict sense of the word, or of the type at Matsapa, but are small shell units located near present handicraft or artisan centers or areas, built for the purpose of attracting an organized work activity or a contemplated industry to a central location.

As these units grow, a Matsapa-type complex may emerge, but at present the main purpose is to establish a basis for developing an organized small industry structure. The Matsapa Industrial Estate is a fully serviced facility, offering power, rail and road transport, sewage and water. Because of the high costs in making this estate viable, it is unlikely that similar complexes will be constructed until development at Matsapa has reached its capacity.

7. Fiscal, tariff and other incentives to small-scale industry

The policy of the Government is to make industrial investment in the country as attractive to private industry as possible. Though not yet embodied in a single incentives law, various guarantees and concessions are offered. These include a 30 per cent investment credit for machinery and equipment, and a similar investment credit for the buildings to house the machinery and equipment. The tax on company profits in Swaziland is 33.33

per cent which is lower than that in South Africa and other nearby countries. Accelerated depreciation, plus an extra depreciation allowance, is permitted on machinery and equipment, and double taxation agreements are in force with the United Kingdom and South Africa. A measure is under consideration which would grant tax exemption for new companies for the first years of operation. Details are yet to be worked out. Finally, though exchange control is in effect, the Government imposes no restrictions on the transfer of funds, payment of dividends, or repatriation of capital.

There are no provisions in the Customs Union Agreement tariff for exemption from import duties on imports of machinery and equipment for new industries. In the case of Swaziland, the chances are that such imports would be brought in from within the Customs Union area since 85 per cent to 90 per cent of all Swazi imports originate in or come through South Africa. The rates of import duty on machinery and equipment in general, however, are modest and are usually assumed as part of the start-up expenditure. By virtue of its membership in the Customs Union Agreement, Swaziland has encouraged industrial production to be competitive so that it could avail itself of the entire market area. Consequently, while this Agreement, as renegotiated in 1969 permits Swaziland to take measures, under certain conditions, to protect new and infant industries, the Government does not follow a policy of protectionism, but rather competitiveness and export orientation. To do otherwise would be a failure to appreciate and take advantage of the 20

million consumer market available under the Agreement.

A new small-scale industry must therefore be guided by these same customs provisions. The Government has stated that it has only one policy for promoting industry and that this policy applies to all sizes of industrial endeavor.

There are various other incentives available to small-scale industry. SEDCO's programme of assistance, including the provision of buildings, its assistance in training for the skills required and organization of management training seminars, as well as the Government's strong endorsement of the private enterprise system, the maintenance of a good investment climate and the promotion of co-operatives - all are geared to helping the small entrepreneur and trader.

E. TECHNICAL ASSISTANCE NEEDS REGARDING INDUSTRIAL DEVELOPMENT

An increasingly important role is being played by the UNDP technical assistance programmes in Swaziland. During the past several years, UNDP experts have been engaged in various Special Fund (SF) studies. These have related to the country's mineral resource potential, its water resources, and its educational system. The studies of mineral and water resources were completed this year; the study of possible SF assistance in the broad areas of education is continuing. The Specialized Agencies of the United Nations family have also worked with the Government in many areas, e.g., on: small-scale industry, planning and statistics, public health, telecommunications, agriculture, industrial development, and school lunch and food programmes.

In each case the assistance was requested by the Government because of the urgent need for guidance and evaluation of the development potential in these areas, the shortage of qualified local staff to undertake the necessary investigations, and the need for outside material aid. As each part of the United Nations projects was completed, it became evident that further technical assistance in more specific areas was essential if full advantage was to be taken. This was especially true with regard to the minerals survey and the survey of industrial development.

One of the problems in Swaziland is the fact that there are as yet not enough technically and professionally trained staff members to carry out the work that needs to be done in economic research and planning, in the formulation of investment projects, in the carrying out of feasibility studies, in investment promotion and the development of small-scale industry, and in the continuing research and exploration of the mineral resources of the country and the promotion of their exploitation.

The Economic Planning Office has lost most of its foreign staff since the preparation of the Post-Independence Development Plan, and local economists and planners are not yet available.

The Ministry of Commerce, Industry and Mines, with the prime responsibility for promoting industrial development, is seriously understaffed and unable to find people of experience locally. The new Industrial Development Corporation, with broad responsibility for promoting medium- and large-scale industry, will require technical staff in specialties not yet available domestically. The industrial survey study of Swaziland, undertaken by

UNIDO and completed in August 1970, has identified a sizable number of investment opportunities. Some of these such as wood pulp production, warp knit goods, leather tanning, dry cell batteries, asbestos cement products, and wood wool were developed to the pre-feasibility stage. All of them, however, require active promotion by staff which as yet does not exist in the country in numbers in any way approaching the size of the tasks to be done.

In the areas of small-scale industry and large-scale industry, recommendations have been made and projects are under preparation, requesting broad technical assistance under two separate Special Fund projects. The Government realizes that for the immediate future and possibly for some time afterwards, it will be necessary to use foreign technical and professional staff in support of the various efforts it wishes to make to promote industrial development. It has wholeheartedly supported requests submitted to the United Nations by the Ministry of Commerce, Industry and Mines, and has established a good working relationship and climate for the work of the foreign experts sent to Swaziland and for the Specialized Agencies of the United Nations assigned to carry out the technical assistance programmes.

SWAZILAND BASIC DATA

Area 6700 square miles

Population (1966 census) 375,000 including 8,000 Europeans
and 4,300 of mixed origin

Labor force 136,000

Political status Independence achieved Sept. 6, 1968. Formerly
a British High Commission Territory. System
of government is a constitutional monarchy.

Currency and banking Units of currency is the South African Rand.
R 1 = US \$1.40
No central bank

Ordinary government budget 1969/1970:

Receipts, R 15.2 million
Expenditures, R 14.1 million

Gross domestic product 1966/1967:

R 52.5 million (US \$73.5 million)

Per capita income 1966/1967:

R 140 (US \$196)

Foreign Trade (in millions of Rand)

	<u>1967</u>	<u>1968</u>	<u>1969</u>
Exports	41.6	42.1	48.0
Imports	35.0	34.1	----

Cattle slaughtered or exported, 1968: 59,000 head

Electric Generating Capacity: 47.3 megawatts

Enrollment in primary and secondary schools

	<u>1950</u>	<u>1968</u>
	15,000	68,000

Summary of operations in mining, manufacturing, electricity and water supply, and construction industry, 1966/67. (8)

Industry Group ¹⁾	No. of Establishments ²⁾	Gross Output R000	Physical Inputs ³⁾ R000	Net Output R000	Services ⁴⁾ R000	Payments to ⁵⁾ employees R000	Number employed ⁶⁾ Units
Mining	6	18,818	2,808	16,008	...	1,778	2,469
Manufacturing ⁷⁾	28	28,184	16,978	9,207	1,270	3,702	4,703
of which:							
Manufacture of food and beverages	10	18,781	11,224	4,557	528	1,185	1,688
Manufacture of wood and wood product.	6	7,888	3,915	3,683	634	2,116	2,542
Other manufacture	9	2,505	1,838	987	109	391	508
Electricity and water supply	2	874	47	827	23	204	414
Construction	14	3,818	1,115	2,803	106	1,288	2,980
TOTAL ⁷⁾	61	48,191	20,846	28,848	...	6,982	10,188

Source: Statistical Office.

- Notes:
- 1) Industries grouped according to International Standard Industrial Classification, 1968.
 - 2) Information on construction and electricity and water supply was collected from the enterprise as a whole, and not individual establishments.
 - 3) Including contract services.
 - 4) Including bank charges, interest payments, bad debts, directors' fees, depreciation and payments to secure employee benefits.
 - 5) Including rations, housing, medical aid and pension fund contributions.
 - 6) Monthly average.
 - 7) Figures in the columns do not always add to total because of rounding.
 - 8) Establishments with less than 10 employees excluded.

Number of registered companies on the 1st January 1969 distributed according to year of establishment and nominal capital.

Nominal Capital Year of Establishment	1,000 R. and under		1,001-5,000		5,001 - 10,000		10,001 - 20,000		20,001 and more		Total	
	No.	1000 Rand	No.	1000 Rand	No.	1000 Rand	No.	1000 Rand	No.	1000 Rand	No.	1000 Rand
1930-49	8	3	3	7	3	26	3	52	5	566	20	664
1950-54	24	8	6	18	5	42	7	122	7	598	49	768
1955	7	1	1	4	1	9	2	35	5	560	16	709
1956	10	2	2	4	1	10	2	40	3	470	18	526
1957	35	10	5	14	2	13	2	40	5	816	49	893
1958	16	4	3	6	1	10	2	40	7	15,022	29	15,082
1959	33	8	3	6	3	30	-	-	3	12,420	42	12,464
1960	80	14	6	12	2	16	5	64	4	671	67	797
1961	73	16	6	16	10	98	1	20	5	410	95	590
1962	59	15	7	18	4	36	2	40	1	107	73	209
1963	34	8	3	12	2	20	1	20	2	600	42	660
1964	61	18	4	9	-	-	1	20	3	1,140	69	1,187
1965	61	16	2	7	2	16	1	15	2	250	66	304
1966	99	29	3	6	1	8	1	20	2	160	106	223
1967	112	29	7	23	4	40	-	-	1	400	124	492
1968	111	27	10	28	2	20	1	12	2	70	126	157
Total 1st January 1969	791	208	71	190	43	394	31	560	57	34,353	693	35,705
Total 1st January 1965	707	187	65	180	41	374	30	548	55	34,283	699	35,572
Total 1st January 1967	606	159	50	159	37	334	31	553	57	34,112	791	35,332

Source: Registrar General.

ESTIMATED NUMBER OF WAGE EMPLOYEES BY SEX, AGE GROUP AND INDUSTRY, SEPTEMBER 1968

<i>Industry</i>	<i>Men</i>	<i>Women</i>	<i>Boys</i>	<i>Girls</i>	<i>Total</i>
Agriculture and agricultural services	12,026	2,567	1,214	527	16,334
Forestry, logging etc.	2,656	217	139	42	3,054
Mining and quarrying	2,554	84	30	2	2,670
Food and drink manufacture	2,006	132	5	—	2,143
Manufactures of wood	1,011	33	41	—	1,085
Pulp and printing	1,096	79	—	—	1,175
Bricks pottery and cement	39	4	—	—	43
Engineering and repair of transport	219	22	11	1	253
Other manufacturing	137	59	—	—	196
Construction	4,446	46	76	22	4,590
Electricity	315	12	—	—	327
Distributive trades	2,639	1,092	239	170	4,140
Insurance, banking and finance	281	81	—	—	362
Transport, storage and communications	2,078	158	153	35	2,424
Education, professional and scientific services	1,499	2,159	17	7	3,682
Miscellaneous services	2,875	3,172	666	1,148	7,861
Public administration	1,577	190	—	—	1,767
<i>Total all industries</i>	37,454	10,107	2,591	1,954	52,106

Source: Deputy Prime Minister's Office.

- Notes: 1. All Government employees excepting employees of the Swazi National Administration.
 2. All private firms regardless of number of employees included.
 3. Classification is based upon Swaziland Industrial Classification List.

NUMBER OF WAGE EMPLOYEES BY INDUSTRY - SEPT 1968

		12,920	2,570	1,210	530	16,330	16,010	15,110
	of which							
	Sugar farming	7,930	1,600	420	110	10,030	9,840	9,360
	Cotton farming	830	270	170	130	1,100	1,180	890
	Citrus farming	940	200	90	60	1,310	1,280	1,190
	Mixed farming	660	270	210	130	1,290	1,290	1,330
	Livestock	640	110	220	60	1,230	1,210	1,500
1b	<u>Forestry and Logging</u>	2,660	220	140	40	3,060	2,930	3,660
	of which							
	Forestry	2,520	210	140	40	2,910	2,820	3,650
2	<u>Mining & Quarrying</u>	2,560	80	30	0	2,670	2,430	2,480
	of which							
	Asbestos Mining	1,690	80	20	-	1,790	1,590	1,710
	Iron ore Mining	470	10	-	-	480	420	420
	Coal Mining	280	20	-	-	280	270	220
3a	<u>Food and Drink Manufacturing</u>	2,010	130	0	-	2,140	1,900	2,530
	of which							
	Sugar Refining	1,430	80	-	-	1,480	1,320	1,420
	Fruit Canning	70	20	-	-	90	74	560
3b	<u>Other Manufacturing</u>	2,330	160	40	-	2,550	2,540	2,680
	of which							
	Sawmills	1,010	30	40	-	1,080	1,040	1,030
	Pulp and Wood	1,040	70	-	-	1,110	990	1,160
4	<u>Electricity</u>	320	10	-	-	330	300	330
5	<u>Construction and Water</u> ⁴⁾	4,480	50	80	20	4,600	4,320	3,830
6	<u>Distributive Trades</u>	3,060	1,240	250	210	4,760	4,220	4,510
	of which							
	Wholesale Trade	230	40	0	0	270	220	430
	Retail Trade	2,410	1,060	240	170	3,880	3,400	3,500
	Hotels and Restaurants	500	100	0	0	600	580	580
7	<u>Transport etc.</u>	2,080	180	150	40	2,430	1,950	2,310
	of which							
	Rail Transport	910	0	-	0	910	760	650
	Road Passenger Transport	360	50	120	20	530	370	520
	Road Freight Transport	480	10	40	0	530	470	580
8	<u>Banking & Financial Services</u>	400	170	10	-	540	330	440
9a	<u>Community Services</u>	3,170	2,360	10	10	5,560	5,180	5,860
	of which							
	Education	1,030	1,250	-	-	2,280	2,150	1,930
	Medicine	280	770	0	10	1,050	1,040	660
	Public Administration ⁵⁾	1,660	190	-	-	1,770	1,590	2,808
9b	<u>Other Services</u>	2,330	2,640	670	1,110	7,110	7,030	7,130
	of which							
	Road Transport Repair	120	10	0	0	130	90	150
	Total all Industries	37,470	10,110	2,590	1,980	52,130	49,150	61,820

Source: Manpower Information Unit.

- Notes:**
- Information relates to 603 firms and Government Departments. These figures are not comparable with those contained in Table 13 in the 1967 Bulletin which relates only to firms with 10 employees or more.
 - Classification is based on International Standard Industrial Classification.
 - Boys and girls are those aged under 18 years.
 - Including employees engaged in water supply.
 - The apparent decrease in the numbers employed in Public Administration is due to reclassification of some employees to other grades.

26. Total Wages and Salaries paid: by sector

SECTOR	Million Rand	
	1965-6	1966-7
1. Agriculture	3.2	3.6
2. Forestry	2.8	3.0
3. Mining and Construction	3.8	2.9
4. Manufacturing	1.0	1.7
5. Electricity	0.2	0.2
6. Retail trade	1.1	1.2
7. Wholesale trade	0.4	0.5
8. Finance	0.3	0.3
9. Transport and Communication	1.2	1.3
10. Education	1.3	1.6
11. Health	0.4	0.5
12. Public Administration	3.4	3.4
13. Other Services	1.8	2.1
14. Total	21.3	22.3

Source: Statistical office. National Accounts Report.

26. Capital Formation 1966-7

	Million Rand				
	Building	Motor Vehicles	Plant and Machinery	Other	Total
1. Agriculture	0.2	0.4	0.4	0.5	1.5
2. Forestry	0.2	0.4	0.3	0.7	1.6
3. Mining and Construction	-	0.1	1.0	-	1.1
4. Manufacturing	0.4	0.2	0.8	-	1.4
5. Electricity	0.1	-	0.4	0.1	0.6
6. Retail Trade	-	0.1	0.1	-	0.2
7. Wholesale Trade	-	-	-	-	-
8. Finance	-	-	-	-	-
9. Transport and Communication	0.2	0.2	0.4	0.1	0.9
10. Services	-	-	-	-	-
11. Government	1.3	0.3	1.1	0.5	3.2
12. Total	2.4	1.7	4.5	1.2	10.5

Source: Statistical office. National Accounts Report.

VALUE OF ALL IMPORTS¹ 1967 AND 1968² AND VALUE OF IMPORTS BY ORIGIN 1968³

	1967 Total	1968 Total	Thousand Rand	
			1968 from South Africa ⁴	1968 from Other countries
Food and live animals	4,206	4,146	4,004	142
Beverages and tobacco	1,544	1,578	1,566	12
Crude materials	225	382	232	150
Mineral fuels and lubricants	3,410 ⁵	2,945	2,608	337
Animal and vegetable oils and fats ⁶	—	168	163	5
Chemicals	3,933	3,132	2,797	335
Manufactured goods classified chiefly by material	6,824	7,140	6,662	478
Machinery and transport equipment	8,761	10,046	8,650	1,396
Miscellaneous manufactured articles	5,574	3,965	3,842	123
Commodities not classified according to kind:				
Postal traffic	450	502	483	19
Migrants workers imports ⁷	100	100	100	—
Total	35,027	34,104	31,107	2,997

Source: Statistical Office.

¹Including small Swazi traders, private shoppers and migrant workers.

²Preliminary figures.

³Revised figure.

⁴Separate information on this group was not collected in 1967. Imports were classified under "Food and live animals".

⁵Including goods purchased from wholesalers in South Africa which may have had their origin in other countries.

⁶Order of magnitude estimate.

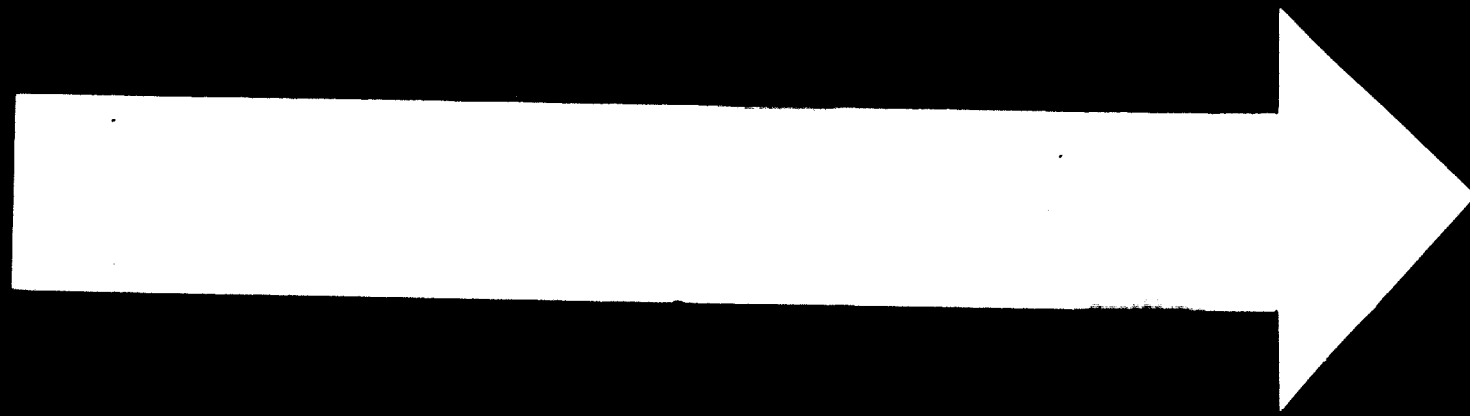
VALUE OF EXPORTS¹ 1961 — 1968

	<i>Thousand Rand</i>							
	1961	1962	1963	1964	1965	1966	1967	1968
Foodstuffs and Tobacco								
Live animals chiefly for food	1,267	1,273	1,602	824	178	747	596	282
Meat and meat products	24	11	18	57	93	1,254	1,872	2,271
Butter and butter fat	110	65	145	65	29	75	94	82
Rice	390	610	677	685	592	710	653	724
Citrus fruits	110	220	283	489	879	1,166	1,399	1,776
Canned fruits	229	339	284	301	291	380	673	673
Sugar	3,687	5,982	9,331	7,593	8,108	10,216	9,547	7,780
Molasses	—	—	—	217	134	347	508	472
Other vegetable products	220	263	499	240	220	145	180	150
Tobacco (raw)	48	68	54	81	40	43	34	35
Raw Materials								
Asbestos	5,070	4,976	4,940	5,218	5,794	4,987	5,858	6,046
Gold	33	55	52	52	41	8	—	—
Iron Ore	—	—	—	319	5,478	8,547	11,321	11,828
Coal	—	—	—	2	10	38	64	95
Other minerals	42	45	42	23	15	19	28	38
Hides and skins	74	70	50	62	7	168	111	122
Wood pulp and other forest products	647	840	4,265	5,767	7,805	8,151	6,880	8,475
Seed cotton (raw)	719	413	870	695	504	452	934	696
Cotton lint	—	—	—	—	479	802	763	453
Cotton seed	—	—	—	—	67	114	95	68
Wool and Mohair	—	—	—	—	—	4	3	2
Blood, bone and carcase meal, horns and hoofs	—	—	—	—	—	15	12	38
Total exports	12,670	15,230	22,112	22,690	30,764	38,388	41,625	42,106
Of which to:								
South Africa	6,720	8,997	9,532	8,148	5,100 ²	7,500 ²	6,322	8,446
United Kingdom	5,112	5,016	7,987	6,626	10,700	15,100	13,827	10,237
Other countries	484	618	3,811	7,156	13,800	15,900	19,497	22,478
Not specified	354	599	782	760	1,200	—	1,979	945

Source: Statistical Office.

¹ Value used for overseas exports is in most cases f.o.b. Lourenco Marques; for exports to South Africa the value is f.o.r. South African railheads.

² Rough estimates only are available for these years.



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A. THE SWAZILAND ECONOMY

Although a late starter as an independent nation, Swaziland has already achieved a moderate level of industrialization. A former British protectorate, the state achieved independence in September 1968. Its system of government is a constitutional monarchy. Swaziland has a population of approximately 400,000 people, and a total area of about 67000 square miles. Its length and width at their greatest points are 120 and 90 miles respectively. Despite its small size, it is endowed with considerable natural resources on which it has based a relatively diversified economy. It has ample water supplies and the range of climatic conditions permits the growth of a wide variety of farm products. Some of the largest man-made forests in the world are maintained in the country and wood products make up nearly one third of the total value of exports. Pine trees mature in 12 to 15 years compared with 50 or more in the Scandinavian countries.

Subsistence farming and cattle raising continue to provide a livelihood for the majority of the people, but a rapidly developing modern industry sector has emerged during the past decade. Important activities include the mining of iron ore, asbestos, and coal; commercial farming, including sugar production; forestry and forestry products production; and a number of processing and manufacturing industries. There is also a large cattle-raising industry. The nation has over 500,000 head of cattle on which a modern meat processing industry is based.

A good infrastructure was completed before independence and is being maintained and expanded. Included is the 136-mile

railroad built to carry the iron ore from the nation's large iron ore mine to the Mozambique border and thence to the port of Laurencio Marques.

Corn is the main crop of the subsistence farmer. Little of this production, however, moves into the market. A departure from the subsistence pattern is being made through a number of so-called settlement schemes with regard to sugar and pineapple production, but the number of participants is still small. The principal cash crops are sugar cane, cotton rice, citrus, pineapple, tobacco, and to a limited extent, corn.

The labor force, which includes all persons between the ages of 15 and 64, consists of about 136,000 (in 1969). Approximately 50,000 are employed as wage earners, salary workers and entrepreneurs, including an estimated 39,000 engaged in the private sector, 7,000 in public service (of which general administration makes up 2,900), local government 200, health and education 2,000, and public enterprises 2,500.

Another 50,000 to 60,000 are engaged in subsistence farming with little or no participation in the market economy. The balance consists of workers temporarily engaged in mining or farm activities in South Africa, the underemployed, those not in the market for reasons of health or choice, and those who are unemployed.

Industrial development is centred on mining and on the processing of agricultural, livestock and forestry products. Production is strongly export-oriented.

Total exports were valued at R. 48 million in 1969 compared with R 12.6 million in 1961. Imports were estimated to

be valued at R 34.1 million in 1968 and approximately the same in 1969.

Because of its geographic location and membership in the Customs Union Agreement between the Governments of Swaziland, Botswana, Lesotho and South Africa with practically no restrictions on the exchange of goods between the member countries, Swaziland statistics on imports have been at best incomplete or unavailable. Swaziland's share of the receipts under the Customs Union Agreement was a fixed percentage of all collections and it was therefore not crucial to have specific data on volume and value of its own imports. Fully 80 to 90 percent of all imports come from South Africa. Under the Customs Union Agreement renegotiated in 1969, however, the share of Swaziland with regard to Customs Union collections is now determined by a formula based on its own actual imports, and data-collection is being initiated on a more organized basis.

In spite of its importance, manufacturing is still at an early stage of development. In 1968 this sector made up 11.6 percent of the Gross Domestic Product and employed 10 percent of the total number of wage employees.

The Government is actively supporting development of both industry and agriculture in order to raise the standard of living of all of the people. A broad development programme, outlined in the nation's Post-Independence Development Plan, fixes targets and objectives while pointing out the obstacles to be overcome. There is a recognition that the most important task is to create jobs, both in industry and in agriculture, but especially

in agriculture where the majority of the Swazis earn their livelihood.

The Government is rendering assistance and technical and financial aid to small business and industry, and a new Industrial Development Corporation is soon to be established to further promote medium and large-scale industry operations. New projects are being examined for feasibility and if found to be feasible are actively promoted. Major additional projects under review are the expansion of iron ore and asbestos mining, the construction of a second pulp mill, the establishment of an edible oil industry, a tannery, the production of various building materials, a warp knitting plant, and the construction of a large thermal power plant which would export to South Africa in its first years of operation any electricity that is surplus to domestic requirements.

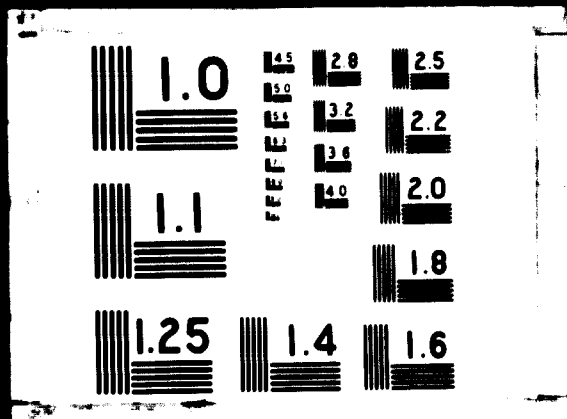
B. FORMS AND CAUSES OF UNDERDEVELOPMENT

Swaziland has probably moved further in developing its agricultural and industrial resources than many of its African sister nations, some of which have been independent for a much longer period. Yet for the most part the standard of living of most of its people has not reflected the progress made. Nor is it likely that individual betterment in the modern sense will be achieved in a relatively short time by the large number of people whose way of life has so long been limited to eking out a daily living. What are the deterring factors and the obstacles to more rapid development in a nation so richly endowed, having a climate

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ESTIMATED GOVERNMENT REVENUE 1969/70

	R
Customs and excise	2,713,000
Income tax	4,250,000
Graded tax	500,000
Other taxes and duties	152,000
Licences	391,000
Earnings of departments	1,468,000
Reimbursements and loan repayments	202,000
Mineral tax	267,000
Other land and mineral duties	13,000
Judicial fines	40,000
Loans for compensation and commuted pension gratuities	163,000
Miscellaneous	117,000
Contingency Fund	700,000
Overseas Service Aid Scheme	245,000
	<hr/>
	11,221,000
Grant-in-Aid from United Kingdom	3,256,000
	<hr/>
	14,477,000

Source: Ministry of Finance.

ESTIMATED GOVERNMENT EXPENDITURE 1969/70

	R
Civil list	59,000
Parliament	97,000
Office of the Prime Minister	1,569,000*
Office of the Deputy Prime Minister	837,000*
Ministry of Agriculture	1,312,000
Ministry of Commerce, Industry & Mines	185,000
Ministry of Education	2,480,000
Ministry of Finance	1,946,000
Ministry of Health	1,095,000
Ministry of Local Administration	632,000
Ministry of Works, Power & Communications	1,946,000
Audit	36,000
Judiciary	79,000
Law Office	36,000
Public Service Commission	17,000
Public Debt	872,000
Other Statutory Expenditure	533,000
Contingency Fund	700,000
Overseas Service Aid Scheme	245,000
	<hr/>
	14,676,000
Less Deferment of Posts	49,000
	<hr/>
	14,627,000
Less Estimated revenue	14,477,000
	<hr/>
	150,000*

Source: Ministry of Finance.

*Includes R369,000 for the Department of Foreign Affairs and R825,000 for Police.

*Includes R409,000 for prisons.

*This estimated deficit for 1969/70 is balanced by an estimated accumulated surplus of R130,000 carried forward from the financial year 1968/69.

GROSS NATIONAL PRODUCT 1965/66 AND 1966/67

	Million Rand	
	1965/66	1966/67
Agriculture (a) Rural household	5.6	8.0
(b) Other	5.5	6.8
Forestry	5.5	4.8
Mining and Construction	11.0	11.0
Manufacturing	4.1	4.7
Electricity	0.7	0.8
Retail trade	3.1	2.7
Wholesale trade	1.2	1.0
Finance	0.2	0.0
Transport and communication	3.7	4.4
Ownership of dwellings	0.4	0.4
Education	1.3	1.6
Health	0.4	0.5
Public administration	3.4	3.4
Other services	1.8	2.3
Gross domestic product	47.9	52.4
Less depreciation	-4.1	-4.3
Net income from abroad	-7.6	-6.7
National income	36.2	41.4
Add depreciation	4.1	4.3
Gross national product	40.3	45.7

Source: Statistical Office.

Production of minerals 1951 - 1968

Year Minerals	1951/52 ¹⁾	1961	1962	1963	1964	1965	1966	1967	1968
Chrysolite									
Asbestos									
1000 sh. tons	30.5	30.8	32.9	33.4	39.9	40.9	36.1	40.2	42.9
1000 A.	4,911.7	5,070.3	4,939.8	4,939.6	5,217.5	5,793.5	4,985.8	5,658.0	5,045.7
Iron Ore									
1000 sh. tons	-	-	-	-	65.4	1,124.3	1,754.0	1,921.9	2,260.2
1000 A.	-	-	-	-	318.6	4,426.7	10,333.1	11,320.8	11,628.4
Coal									
1000 sh. tons	1.4	1.1	-	-	4.8	33.0	73.6	65.9	105.7
1000 A.	4.6	3.3	-	-	7.0	65.4	125.1	164.2	249.0
Pyrophyllite									
1000 sh. tons	0.3	3.0	3.9	3.1	2.2	1.0	0.5	0.7	0.6
1000 A.	1.0	13.9	21.4	13.9	8.8	4.1	2.4	3.3	3.1
Glass									
1000 sh. tons	0.2	0.5	0.2	0.1	0.4	-	-	-	-
1000 A.	2.6	5.1	3.3	0.9	6.1	-	-	-	-
Beryll									
1000 sh. tons	0.4	0.5	0.1	0.1	0.0	0.5	1.2	0.6	1.0
1000 A.	6.2	7.0	1.0	1.2	0.2	3.3	9.9	6.0	11.5
Kaolin									
1000 sh. tons	-	0.1	2.7	2.2	0.3	0.8	0.6	2.1	2.4
1000 A.	-	0.4	20.6	16.1	2.5	3.2	6.7	16.7	23.4
Metallurgical Tin									
1000 sh. tons	27.2	6.1	5.1	4.9	2.4	1.7	0.5	-	-
1000 A.	39.2	9.9	9.1	9.0	5.0	4.2	1.2	-	-
Gold									
1000 A.	136.6	1,325.2	2,214.2	2,092.3	2,077.9	1,619.1	307.6	-	-
Silver									
1000 A.	3.5	33.1	56.2	52.4	52.0	40.5	7.7	-	-
Other Minerals									
1000 sh. tons	9.0	103.3	132.1	120.0	130.2	130.1	28.3	-	-
1000 A.	0.0	0.1	0.1	0.1	0.1	0.1	0.0	-	-
Quarry Stone									
1000 sh. tons	7.0	7.1	-	2.5	-	-	-	-	-
1000 A.	0.9	1.7	-	0.5	-	-	-	-	116.2
Total 1000 A.	4,888.7	5,144.5	5,250.5	5,333.5	5,517.8	10,342.0	15,475.9	17,391.0	16,277.3

Source: Department of Geological Mines and Survey.

- 1) Yearly average.
- 2) Pyrophyllite, fluorapatite and beryl.
- 3) Quarry stone.

Production of processed agricultural products
1964 - 1968

Industries and commodities	Unit	1963/64	1964/65	1965/66	1966/67	1967/68
	1,000					
<u>Sugar industry</u>						
Sugar manufactured	sh. tons	93.3	113.8	123.7	179.8 ¹⁾	169.3 ¹⁾
Molasses ¹⁾	sh. tons	...	37.1	47.4	54.6	45.7
<u>Cotton industry</u> ¹⁾						
Cotton lint	sh. tons	-	1.1	1.9	1.9	1.1
Cotton seed	sh. tons	-	2.3	4.0	3.5	1.7
<u>Fruit Canning industry</u>						
Canned pineapple fruit	cases ²⁾	87.0	90.3	125.7	195.5	199.0 ³⁾
Canned citrus fruit	cases ²⁾		-	12.7	57.4	97.1
Canned juice	cases ²⁾		18.5	22.4	13.8	...
<u>Meat processing industry</u> ¹⁾						
Canned meat	Lbs.	-	313.0	650.0	502.8	584.9
Offal	Lbs.	-	271.8	8,839.9	2,529.7	2,181.1
Meat - other than canned and offal ⁴⁾	Lbs.	-	473.0		8,929.6	9,001.3
<u>Dairy industry</u> ¹⁾						
Butter	Lbs.	407.9	289.1	359.8	411.5	361.8
<u>Forestry industry</u> ¹⁾						
Sawn lumber	Cu. ft.	1,639.0	1,372.0	335.3	1,665.0	1,206.1
Wood pulp	sh. tons	80.3	101.0	97.9
Telegraph and construction poles	Cu. ft.	250.0	225.2	553.7	894.2	507.0
Wine casks	Cu. ft.	1,257.6	876.9	891.7	332.2	37.5 ⁵⁾
Particle board	Sq. ft.	120.5	-	-	-	-
Block board	Sq. ft.	-	379.0	657.0	779.4	933.8
Wattle bark	L. tons	4.3	2.1	2.8	1.3	2.3
Eucalyptus oil	Gals	-	2.5	3.6

Source: Ministry of Agriculture.

- 1) Calendar Year (i.e. where heading is 1967/68, information relates to 1968).
- 2) Standard cases (45 lbs.).
- 3) Estimated and including juices.
- 4) Including chilled, skinned and fresh carcasses.
- 5) Short tons.

U.K. AID TO SWAZILAND (DISBURSEMENTS) 1964/65 — 1969/70

	<i>Thousand Rand</i>					
	1964/65	1965/66	1966/67	1967/68	1968/69 ^a	1969/70 ^b
Recurrent	<i>Rand Thousand</i>					
Grant in Aid ^c	1,644	1,709	1,732	816	3,292	3,257
C.D. & W. ^d	914	1,097	1,732	1,798	72 ^e	110 ^e
OSAS ^f	98	157	162	240	280	245
	2,656	2,963	3,626	2,854	3,644	3,612
Capital						
P.W.E. ^g	1,611	1,311	668	944	754	—
Grants ^h	585	1,374	896	1,517	503	1,355
Loans	465	284	826	883	684	686
	2,661	2,969	2,390	3,344	1,941	1,841
Grand Total	5,317	5,932	6,016	6,198	5,585	5,453
In million pounds	2.7	3.0	3.0	3.1	3.2	3.2

Source: Ministry of Finance.

¹ Revised estimates.

² Estimates.

³ 1964/65 — 1967/68, excluding capital expenditure on public works now financed through the capital budget.

⁴ Colonial Development and Welfare Grants to March 1968; expenditure on recurrent items only.

⁵ Contribution from Ministry of Overseas Development to recurrent expenditure on research.

⁶ Overseas Service Aid Scheme.

⁷ Public Works Extraordinary; grants-in-aid shown under recurrent expenditure reduced by an equivalent amount.

⁸ C.D. & W. grants for capital expenditure to March 1968; development grants from Ministry of Overseas Development plus contribution to capital expenditure on research schemes from April 1968.

Number of Vehicles Licensed for use 1965 - 1968.

Type of Vehicle	Privately-owned				Government-owned				Total			
	1965	1965	1967	1968	1965	1965	1967	1968	1965	1965	1967	1968
Motor cars ¹⁾	3,816	3,910	4,243	4,077	27	12	30	34	3,843	3,922	4,273	4,111
Light commercial vehicles ²⁾	1,528	1,785	1,798	2,055	239	251	235	272	1,757	2,017	2,024	2,337
Other commercial vehicles	629	595	763	742	155	131	155	150	785	684	919	692
Buses	(4)	157	199	236	(4)	9	9	10	(4)	168	208	248
Tractors	988	975	1,127	1,150	65	114	110	116	1,054	1,089	1,237	1,296
Motor cycles	280	278	293	323	11	12	15	20	291	290	309	343
Carsvans and trailers	734	875	929	975	180	150	165	162	894	1,025	1,075	1,137
Others ³⁾	88	121	139	144	49	55	53	62	107	176	192	226
Total	9,023	8,675	9,481	9,742	718	734	755	845	8,741	9,569	10,235	10,588

Source: Statistical Office and Public Works Department.

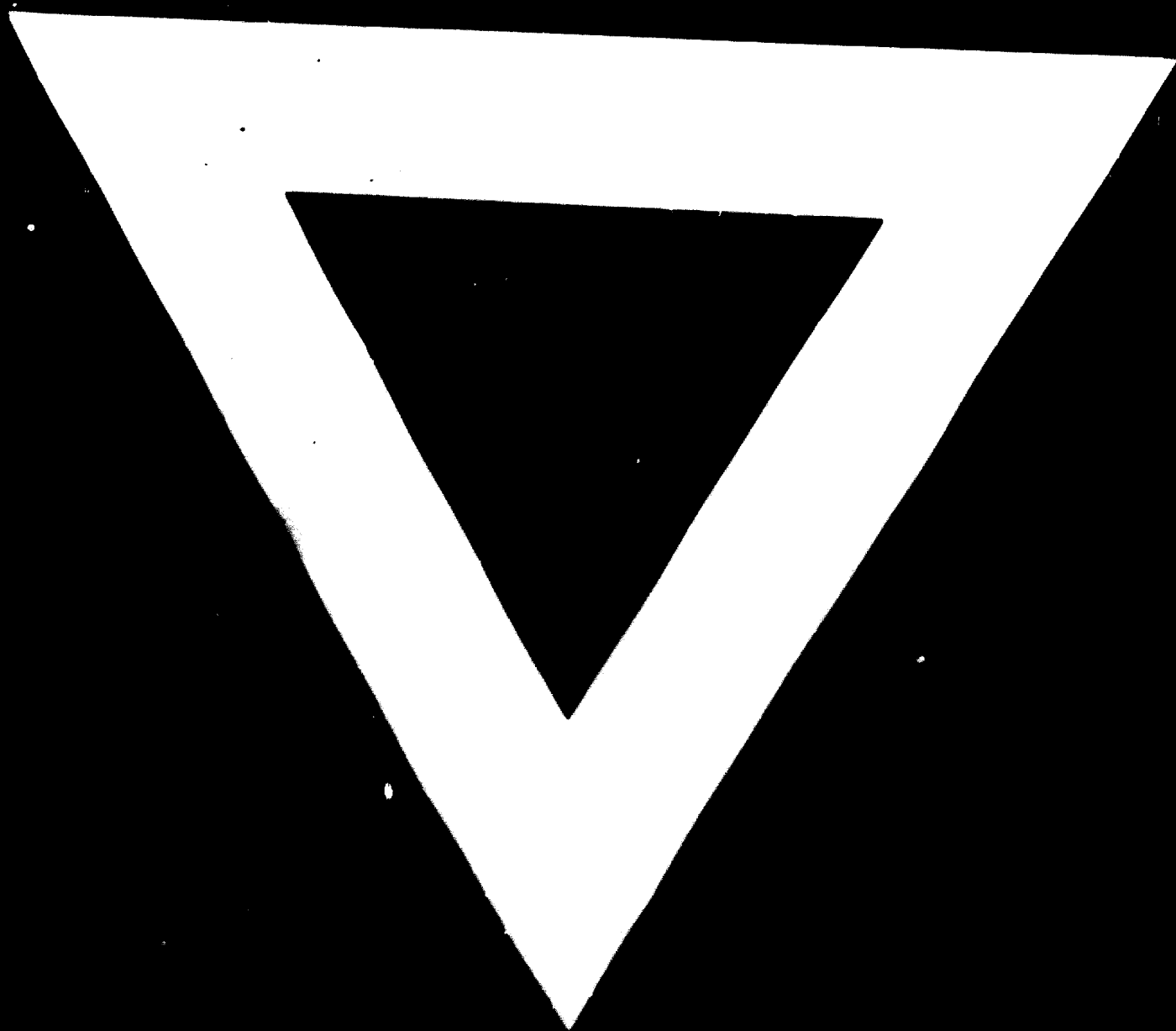
- Notes: 1) Including taxis.
 2) Commercial vehicles under 4,000 lbs. unladen weight.
 3) Including earth movers and graders.
 4) Buses classified with other commercial vehicles in 1968.

42. New Registrations of Private vehicles during 1968

Type of Vehicle	Units		
	New Vehicles	Used Vehicles	Total
Motor cars ¹⁾	557	344	901
Light commercial vehicles ²⁾	153	98	251
Other commercial vehicles	67	43	110
Buses	36	15	51
Tractors	111	33	144
Motor cycles	54	18	72
Carsvans and trailers	90	20	110
Others ³⁾	154	48	202
Total	1,222	519	1,741

Source: Statistical Office.

Notes: See notes to Table 41.



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