






Royal Science and Technology Park

P.O. Box 2316, Matsapha, Swaziland
Tel: (+268) 25186386 / 2517 9448

E-mail: info@rstp.org.sz
Website: <http://www.rstp.org.sz>

 Royal Science and Technology Park

 @RSTP_Eswatini  @rstpeswatini



Royal Science &
Technology Park

SPECIAL ECONOMIC ZONE (SEZ)

BACKGROUND

The Special Economic Zone (SEZ) at RSTP was established by the Special Economic Zone Act no. 2 of 2018. This was an initiative by His Majesty King Mswati III to attract foreign investment into the Kingdom of Eswatini, promote export oriented growth, generate employment with the intention to ensure technology transfer to the Eswatini populace, subsequently boost economic growth.

The RSTP SEZ, manages 317.7ha of land, which master plan comprise of 159 ha for industrial development and the remainder is shared between research laboratories, administration centres and residential buildings. Currently 80ha of the industrial development land at Nokwane is serviced and is readily available for the potential targeted investments to be situated. Also a Master Plan is in place for the development of the basic infrastructure for the remaining 79ha of the industrial development land on the Phocweni side of RSTP.

RSTP's other business units namely the National Data Centre, the Incubation facility for start-ups and the Advanced School of IT provides complementary services to the SEZ. Also there is a complementary package of fiscal and non-fiscal incentives for the investments that qualifies to be situated in the SEZ.

Underway is the completion of a One Stop Shop/Service Centre which is intended to ease and expedite the administrative processes and procedures of doing business in the SEZ.

WHY INVEST

- Tax incentives; reduce costs, improve profitability
- Procedural incentives; reduce bureaucracy
- Zone infrastructure incentives; lower investment costs, security, improve efficiency

INVESTMENT INCENTIVES

- Exemption from corporate tax for an initial period of 20 years, thereafter a corporate tax shall be charged at a rate of 5%;
- Remissions of customs duty, Value added tax and any other tax payable in respect to goods purchased for use of raw material, equipment, machinery including all goods and services directly related to manufacturing in the zones;
- Be entitled to source-based taxation;
- Be entitled to an exemption from capital gains tax;
- Exemption from foreign exchange control or restrictions carried on in a SEZ;
- Permitted to offshore financial services, for qualifying investors
- Be entitled to unrestricted repatriation of profits;
- Be entitled to an exemption from death duty;
- May be designated as an essential service;
- May be entitled to permanent residence program;
- Be entitled to claim an allowance on constructed buildings;
- Be entitled to an allowance for research and development;
- Exemption from training levy, for an investor who has trained local employees;
- Be entitled to green technology allowance.

IT AND ENERGY ENVIRONMENT

- IT and Energy Environment:
- Uninterrupted Water and Power Supply
- High Speed and reliable Internet access
- IT as a Service (hosting and development)

INFRASTRUCTURE

- Service Centre (One Stop Shop)
- Access to R&D facilities

POLITICAL ENVIRONMENT

- Peace and Political Stability.

REQUIREMENTS

- An Enterprise or investor has to demonstrate their business case, the financial viability of their investment, as well as the socio-economic benefits of the proposed investment.
- Hold a valid license issued in terms of the procedures at the One-Stop Shop/Service Centre.
- The license is granted to an Enterprise under the set of conditions which are listed as follows;
 - » The Enterprise is incorporated in Swaziland whether or not it is one hundred (100%) per cent foreign owned.
 - » Proposes to engage in any activity or activities eligible to be undertaken by a special economic zone Operator in the special economic zone.
 - » Does not have a negative impact on the environment or engage in activities impinging on national security or presenting a health hazard.
 - » Conducts business in accordance with the laws for the time being in force save for any exemptions under this SEZ Act
- **The Enterprise or investor intending to set up shall;** Ensure decent employment for employees
 - » Ensure decent employment for employees;
 - » Ensure that ninety percent (90%) of the employees are within the taxable bracket;
 - » Ensure that the minimum employment quota of Eswatini citizens is two thirds (2/3);
 - » The minimum capital investment is not less than thirty million Emalangeni (E30 000 000. 00) for sole companies and not less than seventy million Emalangeni (E70 000 000. 00) for joint ventures;
 - » Ensure that the localization policy is adhered to; and
 - » Ensure skills transfer.

EARMARKED INVESTMENTS

- Information & Communications Technology (ICT)
- High-Tech Manufacturing
- Agro-processing
- Biotechnology
- Pharmaceutical
- Research and Development (R&D)
- Education
- Minerals

BENEFITS OF SEZ'S

- Employment creation
- Income generation (household level)
- Revenue generation
- Promotion of exports
- Promotion of value addition
- Promotion of new technology

