

29/05/89

DEPARTMENT OF EXTERNAL AFFAIRS

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RPT31

TRADE AND INVESTMENT PROMOTION PLANNING SYSTEM

89/90 TRADE AND ECONOMIC OVERVIEW

Mission: PRETORIA

Country: SWAZILAND

AS IN THE CASE OF LESOTHO THERE HAS BEEN A TENDENCY OVER THE PAST YEAR FOR S.A. COMPANIES TO MOVE TO SWAZILAND AND TAKE ADVANTAGE OF ITS INTERNATIONAL POSITION. WITH EXPORTS OF SUGAR, CITRUS AND WOOD PULP PERFORMING WELL AND AN EXPANDING PRIVATE SECTOR, THE ECONOMY IS COMPARATIVELY BOUYANT. IN THE COMING YEAR THE MISSION WILL CONCENTRATE ON THE MONITORING OF INDUSTRIAL DEVELOPMENTS, PROMOTE CANADIAN AIRCRAFT AND LOCOMOTIVES AND CREATE AN INFRASTRUCTURE OF AGENTS IN THE PRIVATE SECTOR. BOTH LESOTHO AND SWAZILAND HOWEVER ARE MEMBERS OF THE RAND MONETARY AREA WITH S.A. AND BECAUSE OF THE LOW VALUE OF THE RAND DUE IN PART TO THE S.A. POLITICAL SITUATION, BOTH ARE SUFFERING FROM A HIGH RATE OF INFLATION.