



PRESENTATION ON SME DEVELOPMENT IN SWAZILAND 2018

BY

MLULEKI S. DLAMINI

A/DIRECTOR – SMME DEPARTMENT



STRUCTURE OF THE PRESENTATION

- Overview of the country's economy.
- SME's categorization
- Revised SME Policy
- Challenges currently facing SMEs
- Challenges when starting a business
- Pending issues in SMEs development and promotion
- Conclusion

Where is Swaziland situated?

Country Profile



FACTS:

Country: Kingdom of Swaziland
Ruler: King Mswati III
Size: 17, 234 SQM
Population: 1.1 million
Currency: Lilangeni (\$1: E14)
Official Languages: Siswati and English
GDP: 3 727 billion USD (2016)
Total number of SME Owners: 59 283
Number of people employed: 92 643
Total Number of SMEs: 68 536
Number of people employed: 92 643
Estimated Monthly Turnover: \$221 million
Labour Force: 446 100





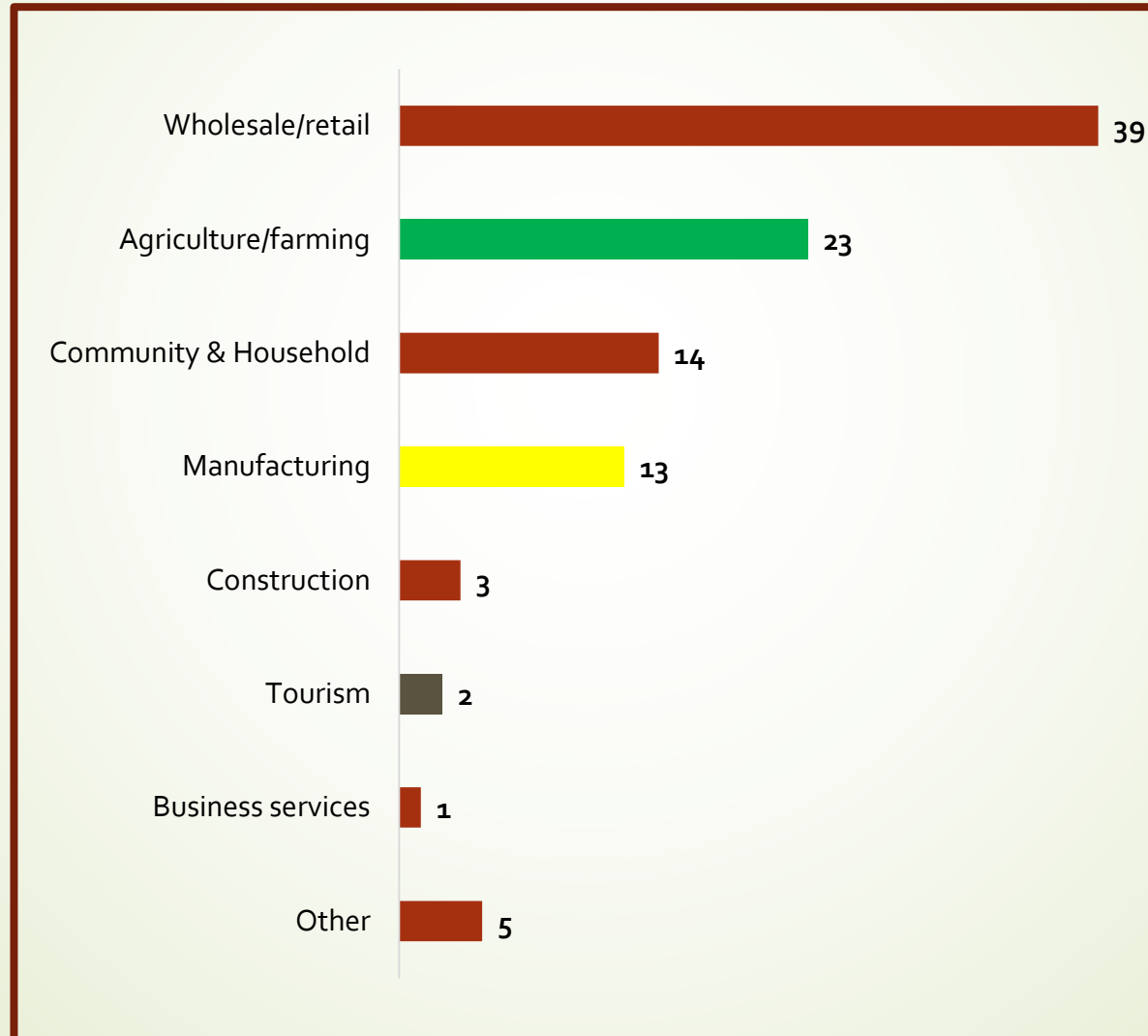
Categorization of SMEs in Swaziland

	MICRO	SMALL	MEDIUM
Value of Assets	Under E50, 000	E50 000 to E2 million	E2 million to E5 Million
Staff employed	1 to 3 people	4 to 10 people	11 to 50 people
Turnover	Up to E60, 000	Up to E3 Million	Up to E8 Million

Business Owner Sector segmentation



(%)





Revised SME Policy

Policy Strategic Pillars

The strategies that will be implemented under the Policy fall within following main pillars, namely:

- Increase Access to *Financial Products and Services*;
- Strengthen *MSME Business Support Institutions and Structures*;
- Strengthen the *Legislative and Regulatory Framework* for the Development of MSMEs;
- Promote and Develop a *Culture of Entrepreneurship and Innovation*;
- Strengthen the *Domestic and International Competitiveness* of SMMEs;
- Define, recognise and protect the Informal Trade Sector;
- Develop and Improve the *Position of and Support of MSMEs Owned by Women, Youth and Disadvantage Group*; and,
- Enhance Policy Implementation and Integration by Improving *dialogue between Key Stakeholders*.



Challenges Facing SMEs

- **Inadequate access to finance** - *Limited access to capital*
- **Lack of funding** – *DFIs not in a position to finance unviable projects.*
- **Lack or poor market research** – *no market research is done for the products to be sold.*
- **Poor credit worthiness** – *credit history with DFIs and commercial bank not very impressive.*
- **Lack of technical or expertise or mentorship** - *Limited appropriate, affordable and credible vocational training services structured along commercial values, mentoring and coaching support.*
- **Lack of entrepreneurship culture** - *Lack of management and business development abilities.*
- **Regulatory and licensing issues** – *lack of preferential procurement policies and absence of standards and quality control.*
- **Lack of access to available markets** – *local, regional and international market that will provide an increase market size for enterprise' products.*
- **Inconsistent supply to market** – *Inconsistent supply renders entrepreneurs less favourable*
- **High preference for imports among local market actors** – *Due to issues of quality, etc.*



Challenges when starting a business

Finance

- Access to finance
- Cash flow
- Extended debtor days
- Financial records / Literacy
- Opening a bank account

Sales and Marketing

- Not enough customers
- Too many competitors
- Who to sell to (i.e. who the customers will be)
- Raising awareness of products

Resources

- Transport e.g. moving stock
- Equipment
- Finding business premises or space
- Connecting electricity
- No appropriate storage facilities

Legal Issues

- Registering the business
- License and specialised (e.g. Construction) permit
- Laws and regulations not enabling
- Tax compliance issues

Skills and Staff

- Owner lack of business skills / experience
- Writing a business plan
- Finding the right staff



Pending Issues on SME Development and Promotion

- Finalization of the Citizen Economic Empowerment Bill.
- Review of the administration of the Small Scale Enterprise Loan Guarantee Scheme.
- Finalization of an MOU with DFIs to guarantee funding to vendors through the Informal Traders Guarantee Scheme.
- Validation of the revised SME Policy and its implementation master plan
- Encouraging value chains in various sectors.
- Restructuring of the community based commercial cooperatives.
- Construction of a Trade Hub for the SMEs.

**THANK YOU VERY MUCH FOR YOUR
KIND ATTENTION !!!!!!!**

