CENTRAL BANK OF ESWATINI
UMNTSHOLI WEMASWATI

Media Statement

By Governor of the Central Bank of Eswatini

The Central Bank of Eswatini has taken note of recent media reports and commentary published in the *Times of Eswatini*, which have raised concerns regarding the participation of companies with foreign shareholding in public procurement processes within the Kingdom of Eswatini.

As Governor, I wish to unequivocally affirm that the Central Bank of Eswatini conducts its operations in strict adherence to the laws of the Kingdom of Eswatini, including but not limited to:

- The Constitution of the Kingdom of Eswatini (2005), which enshrines the principles of equality before the law and non-discrimination;
- The Public Procurement Act, 2011, which mandates procurement processes to be conducted in a manner that is fair, equitable, transparent, competitive, and cost-effective;
- The Eswatini Investment Promotion Act, which provides for the promotion and protection of both domestic and foreign investment;
- Applicable SADC Protocols on Finance and Investment, which encourage the free flow of capital and non-discriminatory treatment of investors within the region.

Within this legal and policy framework, all legally registered entities operating within Eswatini - irrespective of shareholding structure - are entitled to participate in open and competitive bidding processes, subject to compliance with statutory and regulatory requirements.

While we recognize and fully support the strategic importance of local enterprise development and citizen economic empowerment, such objectives must be pursued within the confines of the law and established policy instruments. These may include and not limited to:

- Targeted empowerment programmes;
- Local content requirements, where legally sanctioned;
- Capacity-building initiatives for domestic firms.

However, the exclusion of companies based on foreign participation - outside of any lawful directive - would be inconsistent with:

- The Public Procurement Act's non-discrimination principles
- Eswatini's obligations under regional and international investment frameworks
- The Kingdom's broader economic strategy of fostering an open, rules-based investment environment

The Central Bank further wishes to emphasize that companies with foreign investment that are duly registered in Eswatini:

- Operate under the same taxation, licensing, and regulatory obligations as domestic firms;
- Contribute significantly to employment creation, skills development, and capital inflows;
- Enhance competition, which is essential for achieving value for money in public procurement.

In light of the above, the Central Bank is concerned that narratives advocating for the alienation or exclusion of such entities risk:

- Misrepresenting the legal and policy position of the Kingdom in relation to foreign direct investment.
- Possibility of undermining investor confidence, both domestically and internationally.
- Sending signals that are inconsistent with Eswatini's commitment to a stable and predictable investment climate.

At the same time, we reaffirm the Bank's respect for the role of the media in a democratic society and encourage responsible and balanced reporting that reflects:

- The full legal and economic context
- The complexity of national development objectives

- The importance of fostering social cohesion and inclusivity

The Central Bank remains committed to supporting Government's objectives of inclusive growth, economic resilience, attraction of foreign direct investment and sustainable development. In doing so, we will continue to uphold a procurement and regulatory environment that is lawful, transparent, inclusive and competitive.

Eswatini remains open for business, and all stakeholders are encouraged to contribute constructively to advancing a shared vision of prosperity for the Kingdom.

With regards to the Central Bank's specific project, it is indeed surprising that the same newspaper that reported widely on how transparent and welcoming to local businesses the tender process was, has since awakened to new facts suggesting otherwise.

The Bank would like to state for the record that this tender process was conducted in line with best procurement practice, in a fair and transparent manner. The process built adequate safeguards and avenues for participants in the tender process to raise their objections freely, prior to the award of the contract. For context, the Bank wants to point out the following:

- In its initial expression of interests' invitation, including the Request for Proposals, the Bank clearly stated that invitation was open to both local and foreign firms, and specified a mandatory requirement for a minimum of 30% share by local construction firms.
- In assessing submissions, the Bank ensured that bidders who did not meet the above noted requirement were disqualified. Even after the Bank had received written requests from local contractors for it to lower the threshold to a minimum of 10%, the Bank declined to yield to these requests insisting on the 30% minimum due to its desire to ensuring meaningful participation of local EmaSwati firms.
- The Bank signed a contract whose payment currency is Emalangeni (SZL) as such all payments are made in Emalangeni to accounts held with local commercial banks. Any funds flowing out of the country would be due to the contractor sourcing materials, scarce expertise, and equipment.
- It is important to point out that significant amount of money is paid out of the country daily by many local companies including those regarded as 'local companies' mainly to facilitate the importation of various goods and services to enable them deliver on their business ventures. This is a normal aspect of business and economic activity, especially in the case of Eswatini which is dependant on about 70% imports from South Africa and also exports almost 68% to the same market.
- For this project, the Central Bank awarded an Engineering, Procurement and Construction (EPC) contract (fixed time, price and quality) to the value of E2.79 billion not the widely reported E2.9 billion.
- It is important to point out that the top three Eswatini locally registered contractors in the CIC registry participated in the bid for the Central Bank project and they all came in with foreign partners.
- The Bank evaluated all bids based on merit, including the quoted amounts and decided to award the bidder evaluated as the best, in line with the set procurement principles.

The Bank is not averse to public scrutiny but is concerned with reports that suggest that there are entities who may be aggrieved whilst an opportunity to raise objections or seek to review or appeal the tender process or the award, was made available.

We are pleased to report to the public and all stakeholders that the Bank's project is progressing well, in line with agreed schedules with the contractor.

The Central Bank of Eswatini remains committed to transparency, fairness, and protection of its reputation.

Dr. Phil Mnisi
Governor of the Central Bank of Eswatini

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