

# ESWATINI

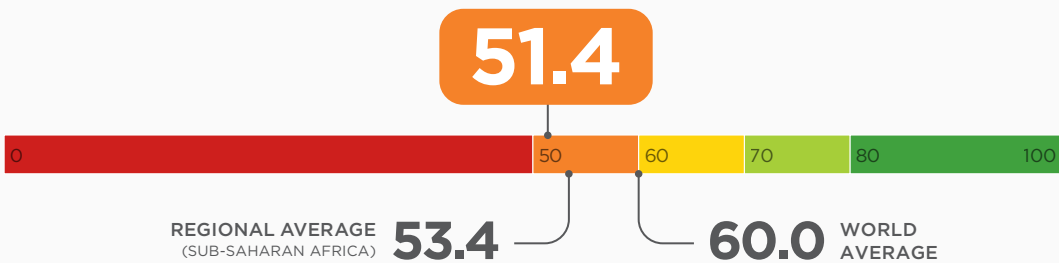
WORLD RANK: **141** | REGIONAL RANK: **31**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

Eswatini's economic freedom score is 51.4, making its economy the 141st freest in the 2022 *Index*. Eswatini is ranked 31st among 47 countries in the Sub-Saharan Africa region, and its overall score is below the regional and world averages.

Eswatini's economic growth turned negative in 2020 but rebounded in 2021. Economic freedom has been declining for the past five years. After a steep drop in **fiscal health**, Eswatini has recorded a 9.7-point overall loss of economic freedom since 2017 and has fallen to the bottom of the "Mostly Unfree" category. Monetary freedom is relatively strong, and the weight on the economy from the **tax burden** is light, but scores for rule of law and **financial freedom** are below average.

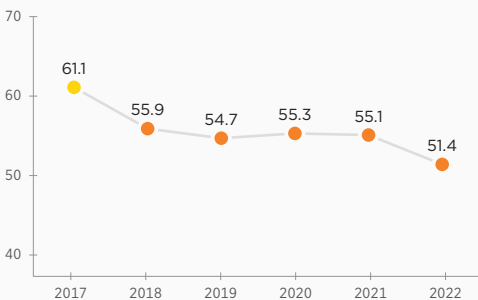
**IMPACT OF COVID-19:** As of December 1, 2021, 1,248 deaths had been attributed to the pandemic in Eswatini, and the government's response to the crisis ranked 31st among the countries included in this *Index* in terms of its stringency. The economy contracted by 3.3 percent in 2020.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): -11.9

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
1.2 million

**GDP (PPP):**  
\$10.1 billion  
-3.3% growth in 2020  
5-year compound annual growth 0.9%  
\$8,957 per capita

**UNEMPLOYMENT:**  
23.4%

**INFLATION (CPI):**  
3.9%

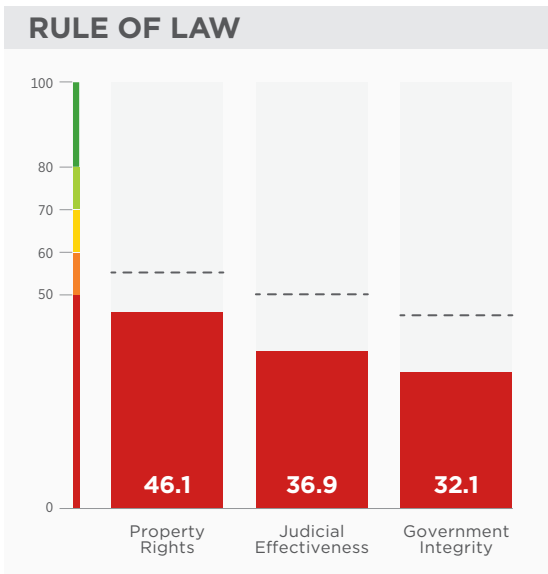
**FDI INFLOW:**  
\$41.0 million

**PUBLIC DEBT:**  
47.1% of GDP

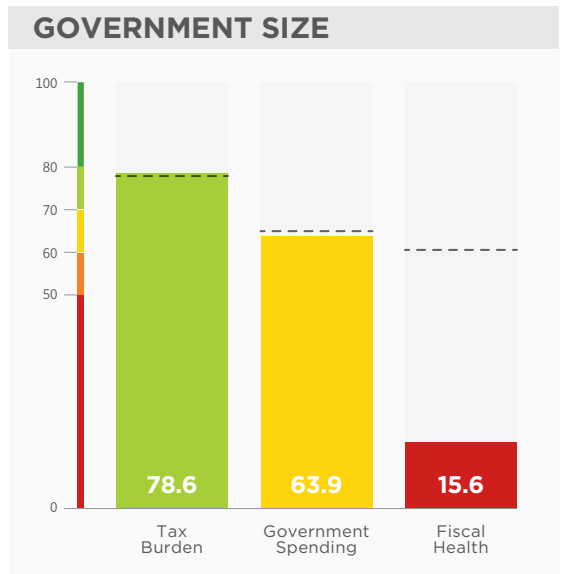
2020 data unless otherwise noted. Data compiled as of September 2021

**BACKGROUND:** Eswatini (formerly Swaziland) gained independence from the United Kingdom in 1968. King Mswati III, who changed the country's name in 2018, holds absolute power. Political parties are banned, and human rights groups accuse the government of imprisoning journalists and pro-democracy activists. Chiefs loyal to the king pick parliamentary candidates. Widespread protests against police brutality and the country's broader social and economic problems broke out in 2021 and were violently suppressed by the security services. Eswatini depends on South Africa for the vast majority of its trade. Approximately 70 percent of the population works in subsistence agriculture, and unemployment is high. Manufacturing was diversified in the 1980s and 1990s but has grown little in the past decade.

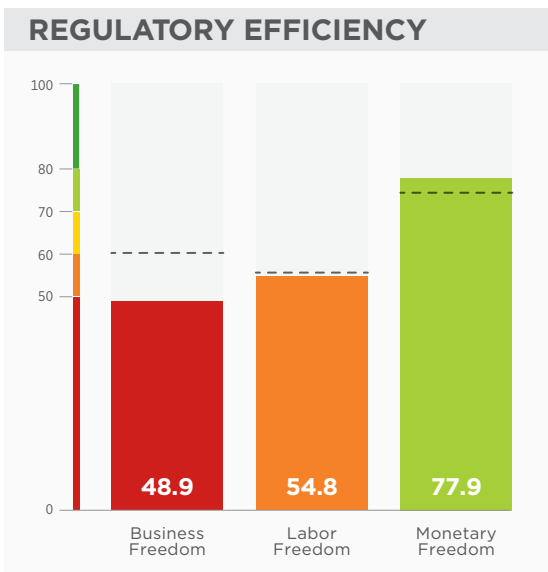
# 12 ECONOMIC FREEDOMS | ESWATINI



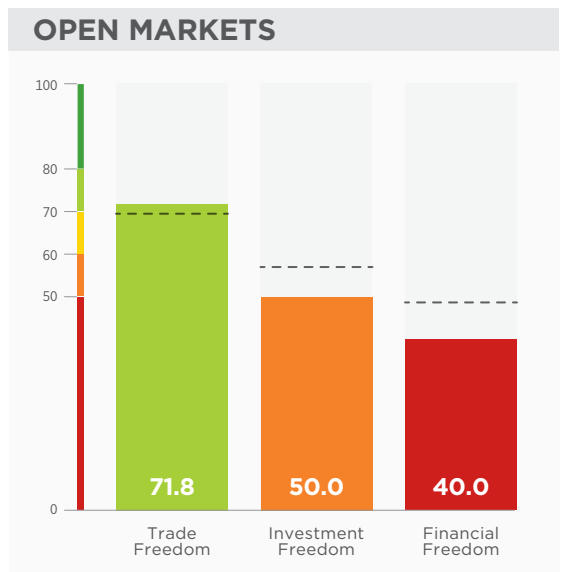
The right to own property is protected by law; most Swazis, however, reside on Swazi Nation Land, which is not covered by this constitutional protection. The constitution provides for an independent judiciary, but the king's absolute power to appoint judges limits judicial independence. Corruption is a major problem. The legal and regulatory environments are underdeveloped, opaque, and inconsistent.



The top individual income tax rate is 33 percent, and the top corporate tax rate is 27.5 percent. The overall tax burden equals 17.2 percent of total domestic income. Government spending has amounted to 34.7 percent of total output (GDP) over the past three years, and budget deficits have averaged 8.3 percent of GDP. Public debt is equivalent to 47.1 percent of GDP.



The stated goal of the Eswatini government is an economy that is driven by exports and led by the private sector. Improving the business start-up environment is a priority. The economy is shifting toward strategic manufacturing and away from services. The economic characteristics and scaffolding of the labor market are stronger than those in most other Sub-Saharan African countries. The government expanded subsidies and other special payments in response to the pandemic.



Eswatini has seven preferential trade agreements in force. The trade-weighted average tariff rate is 9.1 percent. One official nontariff measure is in place, but nontariff barriers persist and deter the development of more dynamic trade activity. Foreign investment is screened, and state-owned enterprises distort the economy. The financial sector remains underdeveloped, and most of the population still lacks access to formal credit.