



First Quarter Construction
Industry Performance Report
Q1 (April - June 2024/25)



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ACRONYMS - Definition of the different works and trades Building Works

BSa	:	Plumbing and drainage Works
BSb	:	Waterproofing Works
BSe	:	Structural steel fabrication, Fixing and Erection Works
BSH	:	Shop fittings, Timber and Carpentry Works
BSi	:	Scaffolding, Cladding, and Insulation Works
BSj	:	Fencing Works
CIC	:	Construction Industry Council Civil Works
CSe	:	Drilling Works
CSi	:	Wall Retaining Works
ECA	:	Eswatini Construction Association Electrical Works
ESb	:	ICT and Electronics System Installations Works
ESf	:	High Voltage Installations Works
GDP	:	Gross Domestic Product Individual Artisans
li	:	Bricklaying Works
lj	:	Electrical Works Mechanical Specialist Works
MSj	:	Specialised Mechanical Systems Works
MSk	:	Sand, Shot, Grit Abrasive Blasting Works
SZL	:	Lilangeni
USD	:	United States Dollar
Y-Y	:	Year on Year
ZAR	:	South African Rand

ABBREVIATIONS

%	:	Percent
CBE	:	Central Bank of Eswatini
CIC	:	Construction Industry Council
GDP	:	Gross Domestic Product
IMF	:	International Monetary Fund
SZL	:	Swati Lilangeni
USD	:	United States Dollar
Y-Y	:	Year on Year
ZAR	:	South African Rand

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1.0 Introduction

The Construction Industry Council (CIC) remains committed to regulating, developing, and promoting the construction sector in Eswatini. The CIC's 2024-2027 strategy prioritizes relationship transformation, efficiency optimization, and effectiveness and impact, ensuring industry growth and sustainability.

A key focus of the CIC is industry research, which informs policy recommendations and supports local contractors in navigating evolving market conditions. CIC continually monitors sector trends, providing economic and construction reviews to guide stakeholders.

The report highlights challenges in capacity building, particularly amid economic fluctuations that affect employment, profitability, and skills transfer. A thriving sector fosters industry development, while downturns demand strategic interventions. Skills development remains a priority for mitigating shortages and enhancing competitiveness.

To maintain transparency and support informed decision-making, the CIC publishes the quarterly updates for consistent industry monitoring. This publication provides stakeholders with valuable insights into the trends, challenges, and opportunities shaping Eswatini's construction sector. This report underscores CIC's dedication to fostering a competitive, sustainable, and impactful construction industry.

1.1 Executive Summary

The quarterly construction performance under review, 2024/25 Q1 (April to June 2024) report provides a comprehensive overview of economic trends and their implications for the construction industry in Eswatini. This analysis is crucial in understanding the broader economic environment, identifying risks, and assessing growth opportunities within the construction sector. The report explores the impact of inflation, exchange rates, and key economic indicators that influence construction activities and costs in the country.

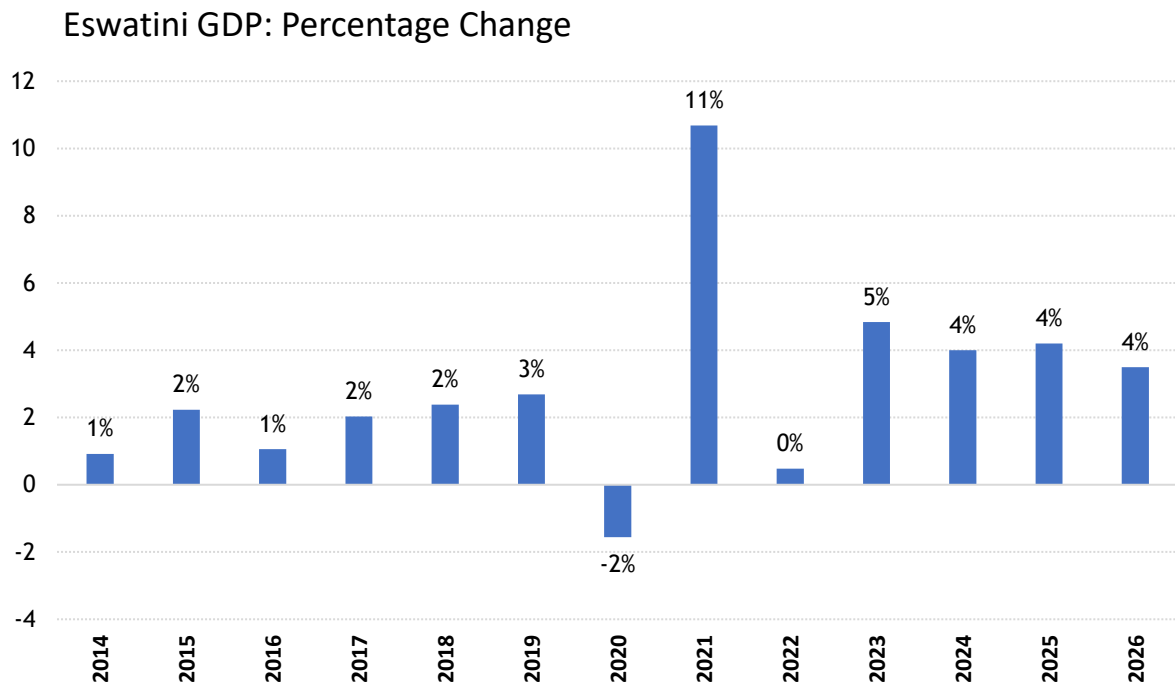
1.2 Economic Performance

1.2.1 Economic Growth and Construction Industry Prospects

The Quarterly Economic Bulletin forecasts a 4 percent GDP growth for Eswatini in the 2024/25 financial year. The IMF projects a real GDP growth rate of 4.2 percent in 2025, which aligns with estimates from World Economics. Stronger economic

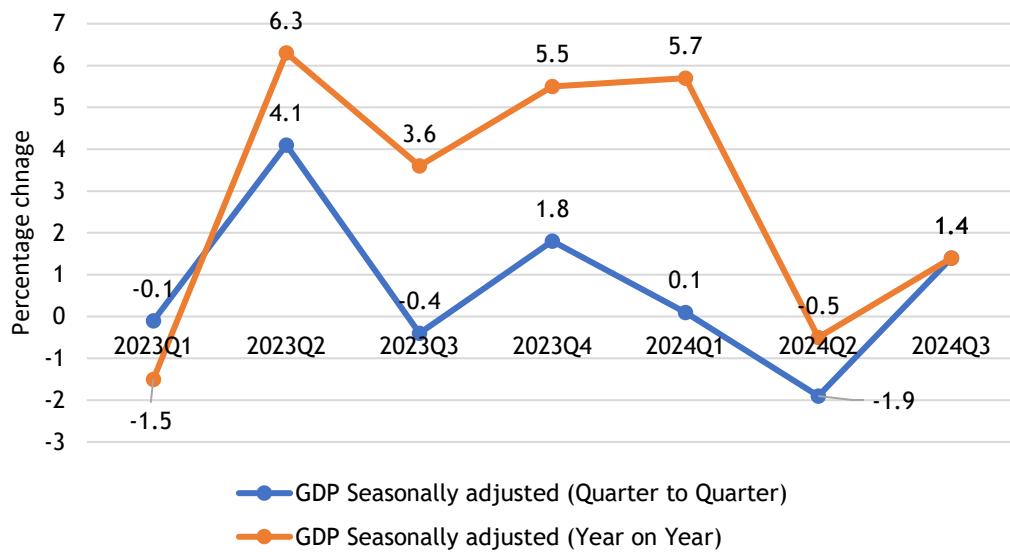
performance is linked to investments in the Mining and Energy sectors, increased investment in water infrastructure, and improvements in the industrial and services sectors. Projections, however, for 2026 suggest a modest slowdown to around 3.5 percent.

Figure 1: Percentage change of Eswatini’s GDP



Source: Central Statistics Office

Figure 2: GDP Growth Rates



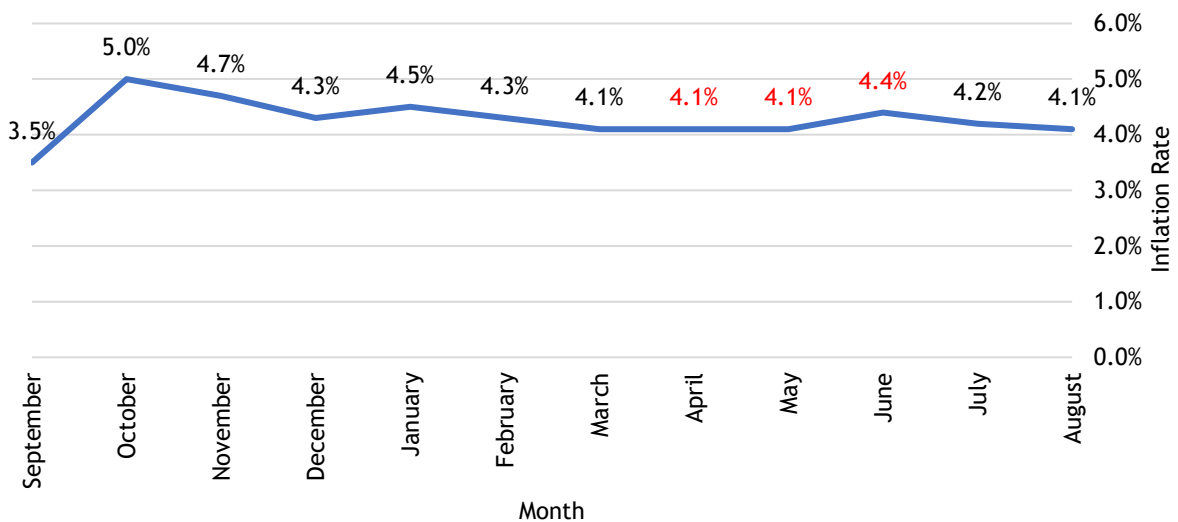
Source: Central Statistics Office

The 2024/25 first quarter (Q1), which spans April to June 2024, experienced a 1.9 percent decrease in GDP growth compared to the previous quarter. This indicates a slowdown in economic activity during the review period. In the previous quarter, economic activity had been moving slightly upward, possibly due to the 1.8 percent GDP growth increase experienced the quarter ended December 2023. The contrast between the decrease in the current quarter and the slight increase in the previous one highlights potential economic volatility, where even minor fluctuations in growth rates can signal shifts in the economic environment. The 1.9 percent decline in the latest quarter may reflect more profound challenges, such as diminishing consumer confidence, which could discourage spending and investment.

1.2.2 Inflationary Trends and Their Impacts on the Construction Sector

During the quarter under review (2024/25 Q1), cost escalation pressures led to inflation rising to 4.4% in June 2024, up from 4.1% in May 2024, resulting in a quarterly average of 4.2%. Key cost drivers included transport, food and beverages, housing, and utilities. While inflationary pressures persisted, the June rate reflected a marginal cooling from the previous quarter’s peak of 4.5 percent.

Figure 3: Monthly Inflation Rates from September 2023 to August 2024



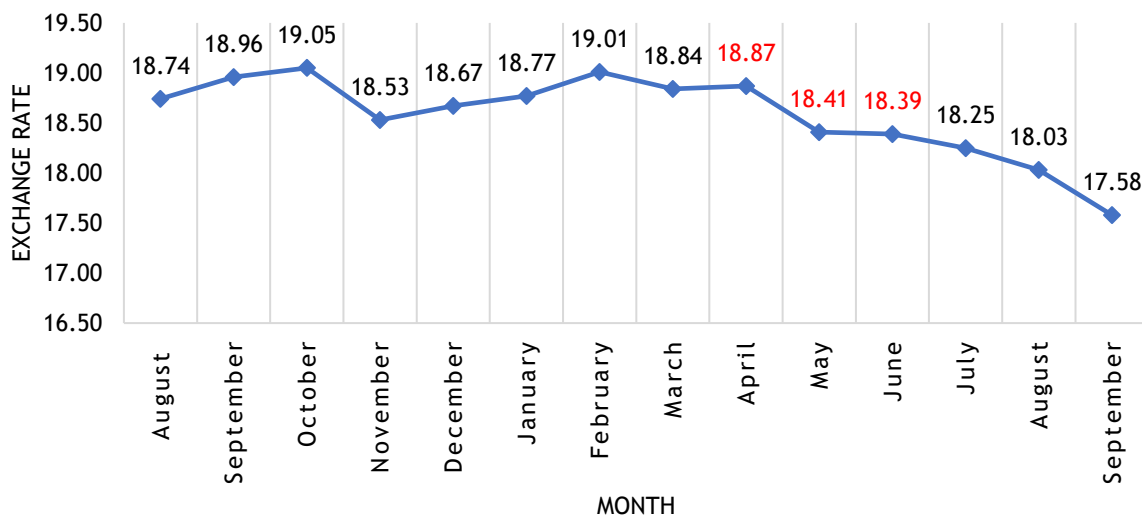
Source: CBE RED Reports

The ongoing fluctuations in inflation rates underscore the volatility within the economic environment, which can have varying effects on the construction industry. Higher inflation typically results in increased material costs, which in turn affect construction project budgets and timelines. For instance, an increase in the costs of

transport and utilities directly impacts logistics and energy prices, both of which are critical to construction operations. In contrast, inflationary pressures on housing may indicate a greater demand for residential construction, further driving activity in the sector.

Looking ahead, the International Monetary Fund (IMF) projects a steady decline in annual inflation rates over the next few years, with estimates of 3.9 percent, 3.1 percent, and 3 percent for 2024, 2025, and 2026, respectively. This downward trend in inflation could provide relief to construction firms, as the anticipated stabilization of prices would help mitigate the risk of unforeseen cost escalations in the medium term.

Figure 4: Monthly Exchange Rate from August 2023 to September 2024



Source: Central Statistics Office

The exchange rate between the Lilangeni (SZL) and the US dollar (USD) has experienced a noticeable downward trend during the first quarter of the Financial Year (2024/25 Q1), moving from E18.87 to E18.39. This appreciation of the lilangeni against the dollar has significant implications for the construction industry in Eswatini. It is also important to note that the SZL is linked to the ZAR, which has shown appreciation against the US Dollar; therefore, it may react more to South Africa’s monetary policies and emerging market developments. Interest rate cuts in South Africa may not take place at the pace initially expected, given the global uncertainty around President Trump’s trade and immigration policies that will caution the US Federal Reserve to expedite interest rate cuts. However, projections for the ZAR suggest a potential strengthening of the ZAR (and thereby the SZL)

against the US Dollar in 2025, linked to less risk aversion towards emerging markets, but forecasts are nonetheless subject to many uncertainties and vulnerabilities.

The appreciation of the Lilangeni is likely to lower import costs, potentially reducing the prices of imported construction materials and equipment. This cost reduction could boost the profit margins of construction companies, enabling them to allocate resources more efficiently toward project execution. However, it may also result in a higher volume of imported goods, making locally produced alternatives less competitive. Additionally, the strengthening of the local currency could make domestically produced construction materials more competitive in price relative to imported alternatives.

This shift could stimulate growth in the local construction materials supply chain, fostering an environment of greater self-sufficiency and further contributing to the sustainability of the industry. While the construction industry must remain vigilant in responding to inflation and exchange rate fluctuations, the overall economic outlook remains positive, providing an optimistic forecast for future growth in the sector.

2.0 Construction Activity Overview

2.1 The General Distribution of Projects by Construction Works

A detailed analysis of construction activity is provided for the first quarter of the financial year 2024/25 Q1, with a particular focus on the distribution and performance of construction projects awarded or registered across different regions and categories. Data is compared between the current quarter and the preceding one, providing insights into trends, regional variations, and sector-specific shifts in the construction industry. The analysis is crucial for understanding the dynamics of construction in Eswatini and identifying areas of growth, challenges, and potential investment opportunities in the sector.

The distribution of construction works is examined by unfolding the allocation of project values across different regions and sectors. This distribution allows for the gauging of construction activities, the dominance of certain project types, and the geographical emphasis of new developments. The regional variations' influence on the performance and growth of the construction industry is explored, along with the allocation of project value between different construction categories.

Figure 5: Value and Number of Projects, Quarterly

Construction is off to a slow start in 2024/25

The value of awards decreased by 55 percent year-over-year in 2024/25 Q1.

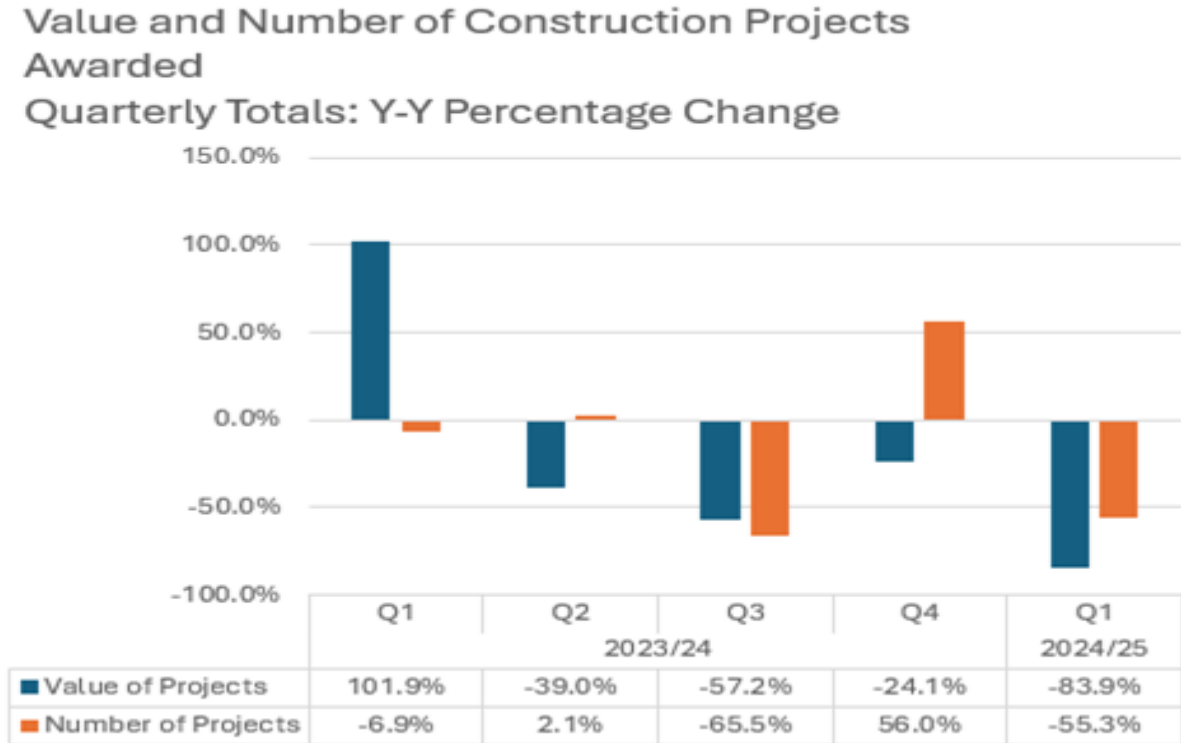


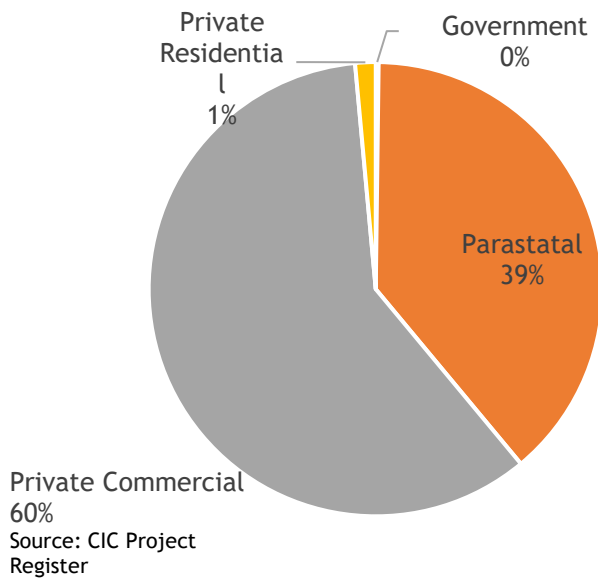
Table 1: Value and Number of projects awarded

	VALUE OF PROJECTS	NUMBER OF PROJECTS
2022/23	3 446 987 030	925
Q1	583 829 679	245
Q2	1 584 377 079	235
Q3	541 336 300	238
Q4	737 443 972	207
2023/24	5 608 281 123	894
Q1	1 179 040 526	228
Q2	3 596 108 041	240
Q3	231 667 824	82
Q4	559 810 502	323
Unknown	41 654 230	21
2024/25	2 684 992 528	319
Q1	189 307 894	102

The number of projects awarded in the 2023/24 Q1 decreased by 55 percent, against an 84 percent decrease in the value of projects awarded.

Source: CIC Project Register

Figure 6: Value of Project by Client 2024/25 Q1



The Private Commercial sector contributed 60 percent of the value of projects awarded for the 1st quarter and 53 percent of the number of projects. This translates to 54 projects, valued at E113 million, out of a total of 102 projects (E189 million). The majority of the Private Commercial projects were in Lubumbo (E52 million, 35 projects), followed by 12 projects (E35 million) in

Hhohho.

Parastatals accounted for 39 percent or E73 million, which involved 45 projects, or 44 percent. These projects were mostly centered around Shiselweni and Manzini. No projects were listed for NGO’s or Local government, with very little activity coming from General Government.

Construction activity during the 1st quarter of 2024/25 was largely driven by the Building Sector, which contributed 67 percent to the total value of projects awarded (E129 million), supported mainly by the Private Commercial sector. This, however, was significantly lower than the E578 million awarded in the same quarter of 2023/24 and represented only 50 percent of the total value of awards. Projects related to Civil Works amounted to E44 million, or 22 percent of the total value awarded in Q1, compared to E518 million in the same quarter of 2023/24. Construction activity overall was off to a rather slow start in 2024/25, with the total value of awards amounting to only E190 million, a decrease of 84 percent year-over-year.

Figure 7: Value of Construction Projects Awarded: 2024/25 Q1

Unknown	Not Renewed	17 700
	Not Registered	1606 701
Mechanical / Electrical	General Mechanical Works	119 200
	Mechanical Specialist Works	2774 761
	General Electrical Works	5911 106
Joint Manufac turing Venture	Manufacturer/Supplier	440 129
	Joint Venture	412 445
Foreign	Foreign Works	6578 867
Civil	Civil Specialist Works	14 519
	General Civil Works	43573 995
Building	Building Specialist Works	1704 695
	General Building Works	127247 259

Source: CIC Project Register

2.2 Regional Distribution of Projects by Value and by Number of Projects

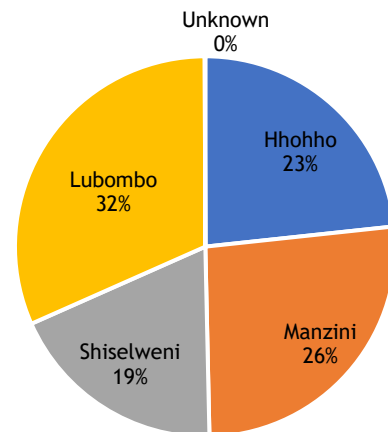
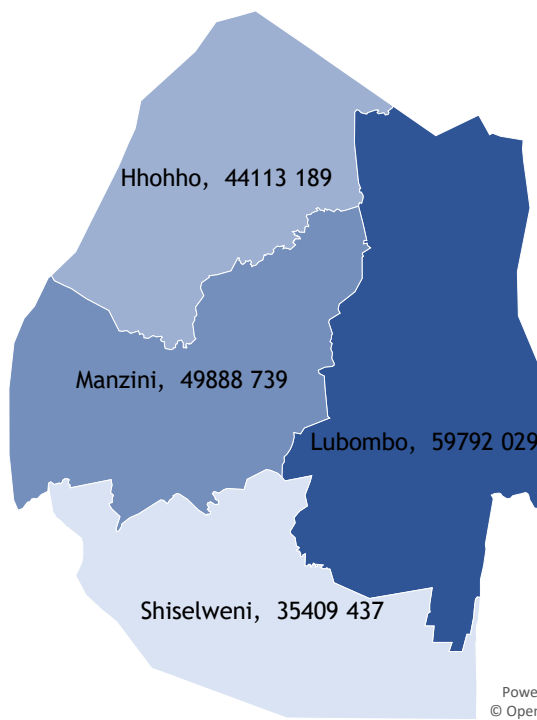
During the first quarter of 2024 (2024/25 Q1), in terms of regional distribution, the Lubombo region was the dominant player, receiving 31 percent (E59.8 million) of the total value of projects, followed by Manzini at 26 percent (E49.9 million). In the previous quarter, data for projects by region were not collected; this data set was first collected for the quarter that ended in June 2024 (2024/25 Q1). Hhohho and Shiselweni, which accounted for 27 percent (E44.1 million) and 23 percent (E36.6 million), respectively, continued to show lower shares of the value of projects, reflecting less construction activity in these regions.

Focusing on the type of construction works, it can be observed that general building works and general civil works continued to command the largest share of the value of projects in both quarters, where general building works took the lead

at 66 percent of the value of projects whilst general civil works lagged at 23 percent. Comparing the 2024/25 Q1 quarter to the previous quarter, it can be observed that general building works increased from 45 percent to 66 percent, while general civil works remained at 23 percent of the contract sum contribution towards construction works. This indicates sustained demand for both building and civil works.

Figure 9: Regional Distribution: Value of Projects Awarded 2024/25:Q1

Figure 8: Regional Distribution of Projects Awarded 2024/25: Q1

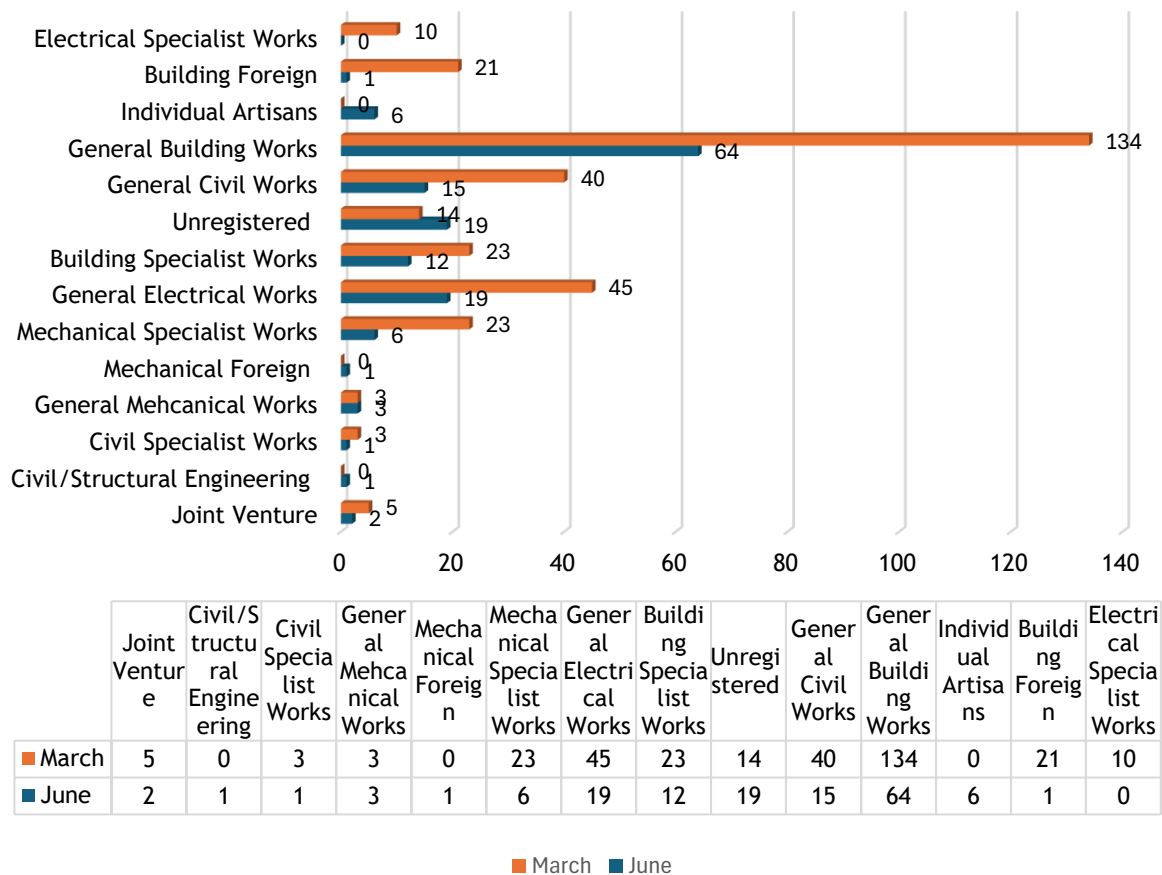


Source: CIC Project Register

Source: CIC Project Register

One notable change is the slight decrease in undefined projects, which constituted 1% of the 102 projects in the current quarter, amounting to about E1.6 million. The previous quarter had undefined projects constituting 3% of the 323 projects and were valued at E17.6 million. This suggests that while the construction sector remains relatively stable, there is a decrease in uncertainty or ambiguity surrounding certain project categories, which becomes a compliance issue. Additionally, the activity observed in manufacturers, suppliers, electrical specialists, and related fields over the past two quarters highlights the growing diversity within the industry.

Figure 10: Distribution By Number of Projects Awarded for the Financial Year 2023/24 Q4 (March) and Financial Year 2024/25 Q1 (June)



Source: CIC Project Register

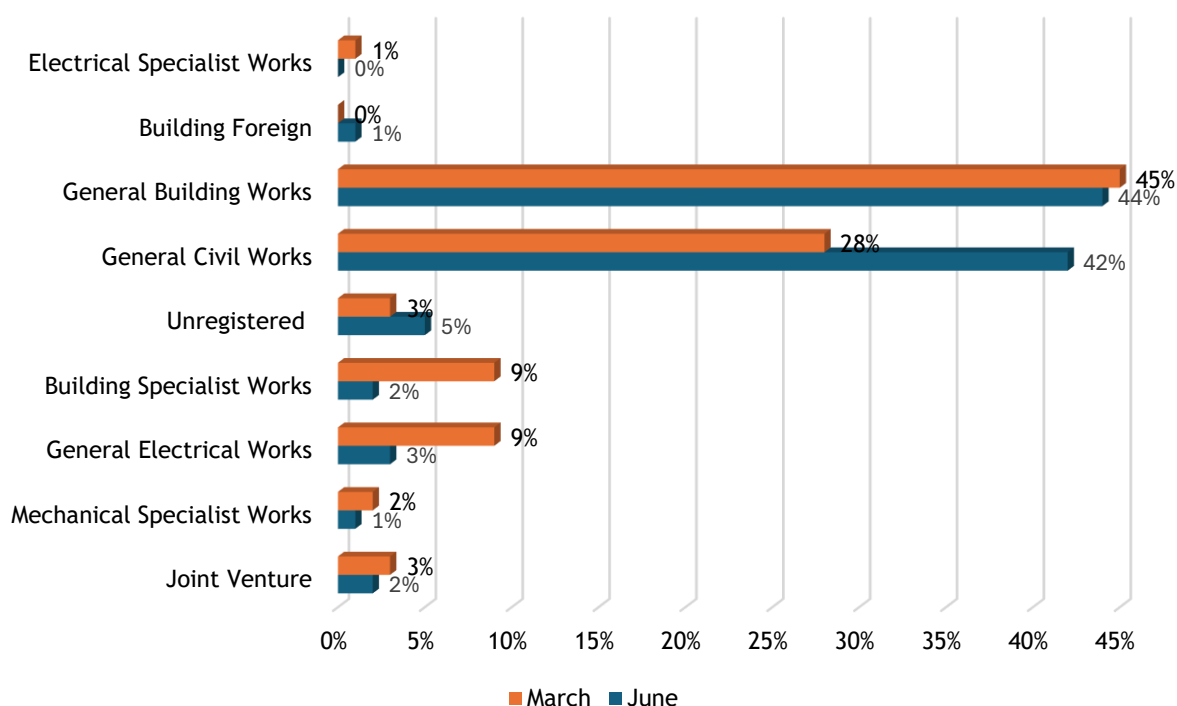
During 2024/25 Q1, the distribution of construction projects across different categories exhibited clear patterns, with General Building Works receiving the highest number of allocated projects quarter-on-quarter, from 134 awarded projects to 64. This reflects the ongoing demand for General Building Works.

General Electrical Works received 19 projects compared to the 45 received in the previous quarter. There were 19 projects awarded to unregistered contractors compared to 14 unregistered contractors awarded the previous quarter, which could suggest a reliance on smaller, informal contractors in certain project types.

Civil Specialist Works, Civil/Structural Engineering, and Foreign General Building and Mechanical Works each received one project this quarter, compared to the same number of projects awarded to Foreign Works and Allied Professions last quarter. This drop-in activity may reflect a slowdown in demand for these specialized areas, perhaps due to more specific project needs or simply a shift toward larger, more general building projects.

The disparity in project allocation across categories indicates a construction market in Eswatini that is heavily weighted towards general building works, with specific sectors, such as civil engineering and specialized mechanical works, receiving relatively fewer opportunities. This concentration of projects in the general building sector suggests that contractors in these categories may experience more competitive bidding. At the same time, those in specialized fields may face challenges in securing substantial contracts without targeted market interventions or changes in project demand.

Figure 11: Project Distribution by the Value of Projects, 2023/24 Q4 and 2024/25 Q1



Source: CIC Project Register

The review for the current quarter highlights a clear disparity in the value of projects among different categories for the quarter. General Building Works and General Civil Works stand out with significantly higher value of projects, totaling E172 million (44 percent) and E163 million (42 percent), respectively. For the previous quarter (2023/24 Q4), General Building Works and General Civil Works also stood out with significantly higher values of projects, totaling E248.6 million (47 percent) and E153.8 million (28 percent), respectively.

These figures suggest a strong market demand for these sectors, reflecting their dominant role in the construction industry during this period. On the other hand, Civil Special Works for the current quarter recorded the lowest value of projects at E14.5 million (0.004 percent) compared to a value in projects of E308.7 thousand

(0.1 percent) recorded for the previous quarter (2023/24 Q4) which also received the smallest value in projects as well, which may indicate a smaller market share or limited scope of projects in this specific area. The contrast between the highest and lowest value in projects emphasizes the varying levels of demand across different types of contractors.

2.3 Distribution of Projects by Value of Projects Per Category

2.3.1 General Building Works

Table 2: Classification of categories to score rating (Building Works Contractors)

Determining Score Rating	Grade	Maximum Tender Value Range (E)
501 - 600	B1	No Limit
401 - 500	B2	25 000 000
301 - 400	B3	10 000 000
201 - 300	B4	5 000 000
101 - 200	B5	2 000 000
0 - 100	B6	500 000

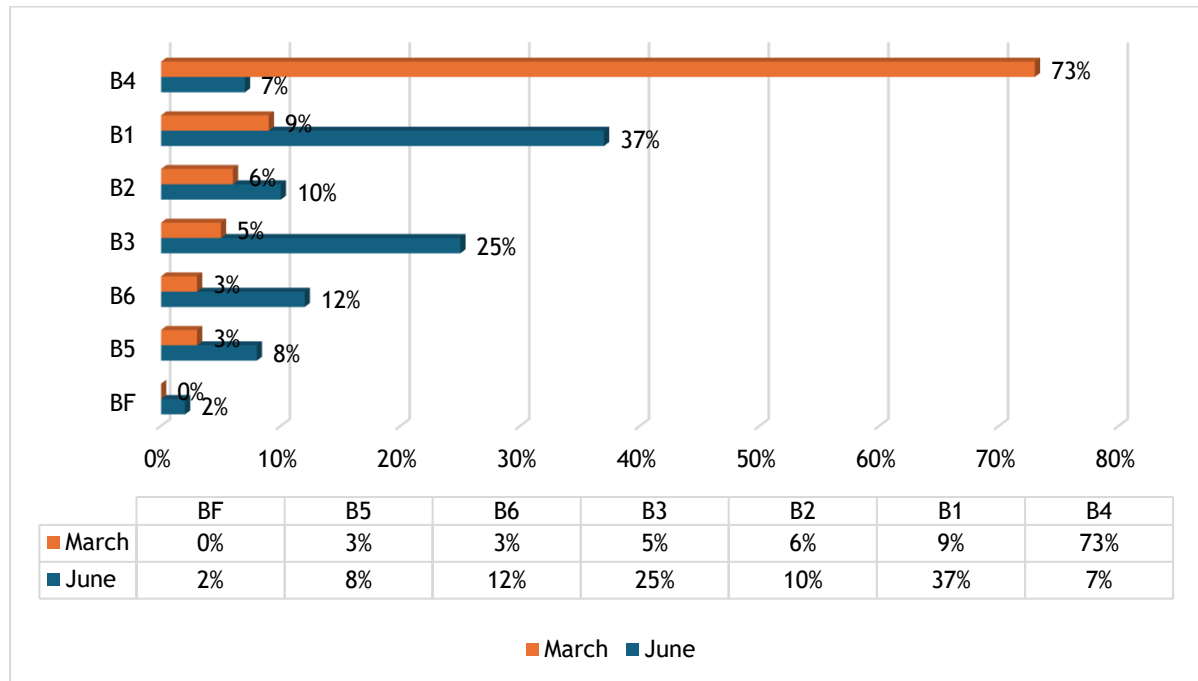
Source: Construction Firms Registration Form - CICF 1

In the quarter under review, the distribution of building works by value of projects was primarily led by grade 1 (B1), which accounted for about 37 percent (E46.7 million) of the total. Grade 3 (B3) followed closely at 25 percent (E30.9 million), while grade 6 (B6) contributed 12 percent (E15.4 million). The combined value of projects for grades 2, 4, and 5 (B2, B4, B5) made up 11 percent, as shown in Figure 12 below.

Interestingly, a significant portion of the building works was driven by non-governmental projects, which accounted for 53 percent (E294 million) of the total. These projects were contributed to by various owners, including CONCO, ESWADE, FTM Garments Swaziland, and RES Corporation, among others.

Comparing this with the previous quarter, the distribution was quite different. Grade 4 (B4) dominated, accounting for 73 percent (E182.7 million) of the total value of projects, followed by grade 1 (B1) at 8 percent (E22 million) and grade 2 (B2) at 6 percent (E16 million). The combined sums for grades 3, 5, and 6 accounted for 11 percent, as shown in Figure 12 below. Notably, non-governmental projects in the previous quarter made-up 63 percent (E126.5 million) of the total, with contributions from project owners such as the Central Bank of Eswatini, Illovo, Eswatini Water Service Corporation, and Mondelez International

Figure 12: Distribution of General Building Works by Value of Projects 2023/24 Q4 and 2024/2025 Q1



2.3.1.1 Building Specialist Works

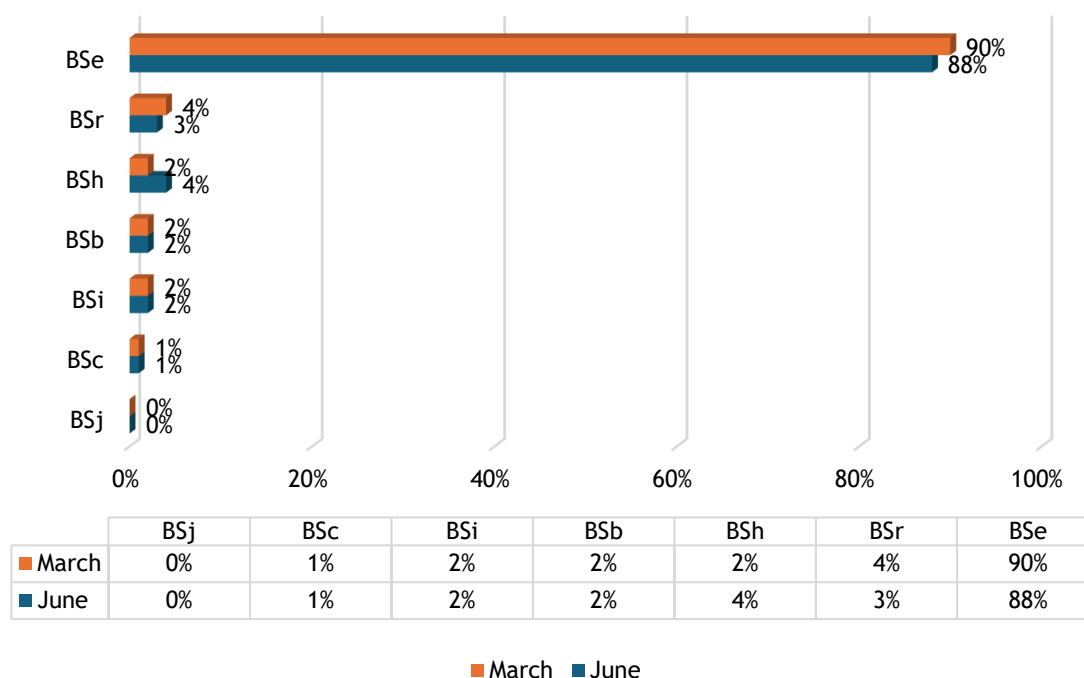
Table 3: Classification of categories to score rating (Building Specialist Works Contractors)

Determining Score Rating	Grade	Maximum Tender Value Range (E)
501 - 600	BS1	60 000 000
401 - 500	BS2	12 500 000
301 - 400	BS3	5 000 000
201 - 300	BS4	2 500 000
101 - 200	BS5	1 000 000
0 - 100	BS6	250 000

Source: Specialist Works Contractors Registration Form - CICF 2

In the 2024/25 Q1, the distribution of building specialist works by value of projects amounted to E2.9 million, with a significant portion dominated by BSh contractors. This contrasts with the previous quarter, where the total value of projects was E47.6 million, primarily dominated by BSe contractors, as shown in Figure 13 below.

Figure 13: Distribution of Building Specialist Works by Value of Projects 2023/24 Q4 vs 2024/25 Q1



Source: CIC Project Register

As shown in Figure 13, the majority of building specialists' work in both the current and previous quarters was awarded to contractors in Grade BSe, with 88 percent of the contracts in the current quarter and 90 percent in the previous quarter falling into this category.

2.3.2 General Civil Works

Table 4: Classification of categories to score rating (Civil Works Contractors)

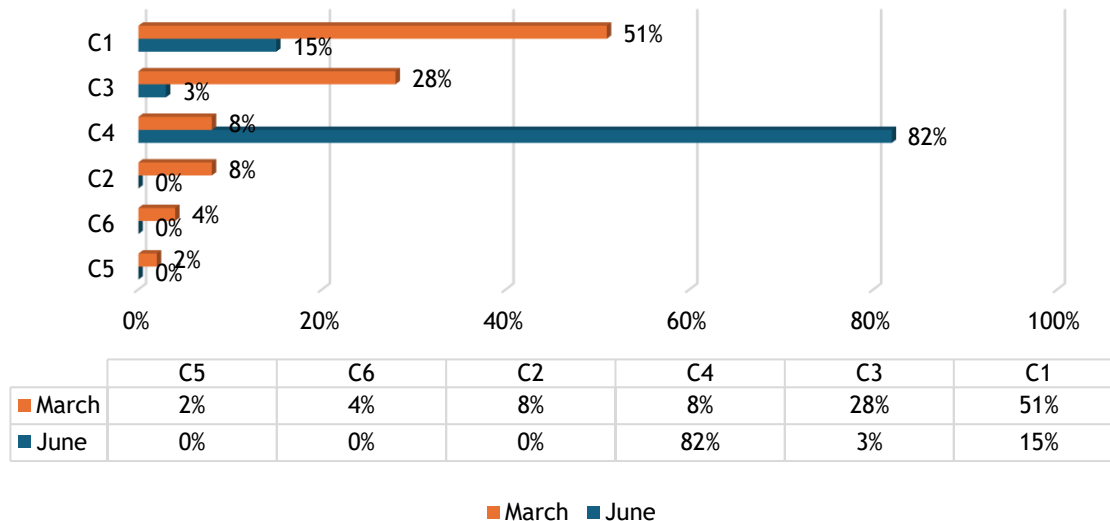
Determining Score Rating	Grade	Maximum Tender Value Range (E)
501 - 600	C1	No Limit
401 - 500	C2	50 000 000
301 - 400	C3	30 000 000
201 - 300	C4	15 000 000
101 - 200	C5	5 000 000
0 - 100	C6	1 000 000

Source: Construction Firms Registration Form - CICF 1

In the 2024/25 Q1, the distribution of civil works by value of projects was largely led by grade C4, which made up 82 percent (E35.5 million) of the total. Grade C1 followed with 15 percent (E6.7 million), while grade C3 accounted for 3 percent (E1 million). Interestingly, no contracts were awarded to contractors in grades C2, C5, or C6 during this period.

When it comes to project ownership, Microprojects stood out as the largest contributor, accounting for 33 percent of the civil works awarded. The Ministry of Public Works and Transport, Eswatini Water Services Corporation, Illovo, and Ubombo Sugar Limited each played a significant role, contributing 13 percent each. On the other hand, Eswatini Water and Agricultural Development Enterprise and Eswatini Electricity Company had a smaller share, collectively accounting for 15 percent of the projects awarded.

Figure 14: General Civil Works by Value of Projects 2023/24 Q4 vs 2024/25 Q1



Source: CIC Project Register

In the previous quarter, the distribution of civil works by value of projects was largely led by grade C1, which made up 51% (E78.9 million) of the total. Grade C3 followed with 27% (E42 million), while grades C2 & C4 accounted for 8% (E11 million). Grade C6 followed with 4% (E6.8 million), while grade C5 accounted for 2% (E2.4 million).

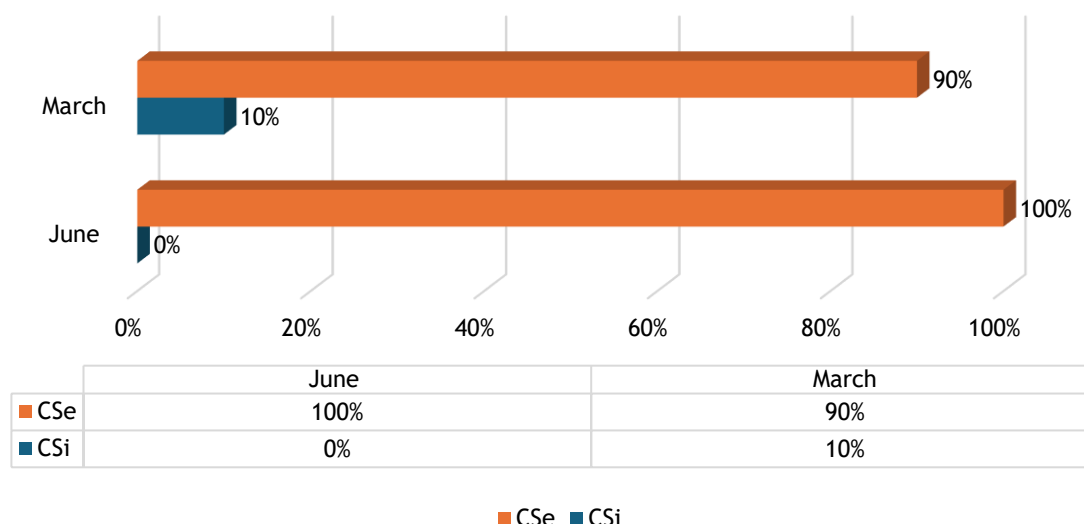
2.3.2.1 Civil Specialist Works

Table 5: Classification of categories to score rating (Civil Specialist Works Contractors)

Determining Score Rating	Grade	Maximum Tender Value Range (E)
501 - 600	CS1	100 000 000
401 - 500	CS2	25 000 000
301 - 400	CS3	15 000 000
201 - 300	CS4	7 500 000
101 - 200	CS5	2 500 000
0 - 100	CS6	500 000

In the 2024/25 Q1, the distribution of civil specialist works by value of projects amounted to E14.5 thousand with the whole portion dominated by CSe contractors. This contrasts with the previous quarter, where the total value of projects was E308.7 thousand, primarily dominated by CSe contractors, as shown in Figures 15 below.

Figure 15: Distribution Of Civil Specialist Works by Value of projects 2023/24 Q4 vs 2024/25 Q1



Source: CIC Project Register

As seen in Figure 15, most civil specialist contracts in both the current and previous quarters were awarded to contractors in grade CSe, with 100 percent of the contracts in the current quarter and 90 percent in the previous quarter falling into this category.

2.3.3 General Electrical Works

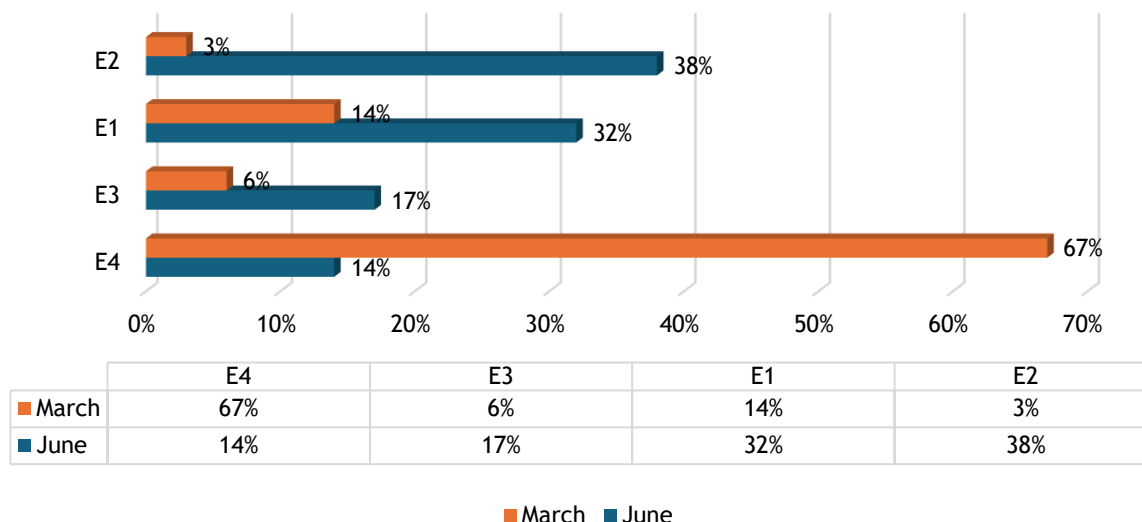
Table 6: Classification of categories to score rating (Electrical Works Contractors)

Determining Score Rating	Grade	Maximum Tender Value Range (E)
301 - 400	E1	No Limit
201 - 300	E2	5 000 000
101 - 200	E3	3 000 000
0 - 100	E4	1 000 000

In the 2024/25 Q1, the distribution of electrical works by the value of projects was dominated by grade 2 (E2) at approximately 38 percent (E2.6 million) and closely followed by grade 1 (E1) 32 percent (E2.2 million). All electrical works categories were fully represented whilst there were no electrical specialist works observed during the quarter, as shown in Figure 16 below. Microprojects (37%), Illovo (26%)

and Ubombo Sugar Limited (21%) were the major project owners who awarded projects for electrical contractors.

Figure 16: Distribution of General Electrical Works by Value of projects 2023/24 Q4 vs 2024/25 Q1



Source: CIC Project Register

In the previous quarter, the distribution of electrical works by the value of projects was dominated by grade 4 (E4) at approximately 74% and followed by grade 1 (E1) (16%). All electrical works categories were fully represented whilst there were electrical specialist works observed during the quarter, as shown in Figure 23 below.

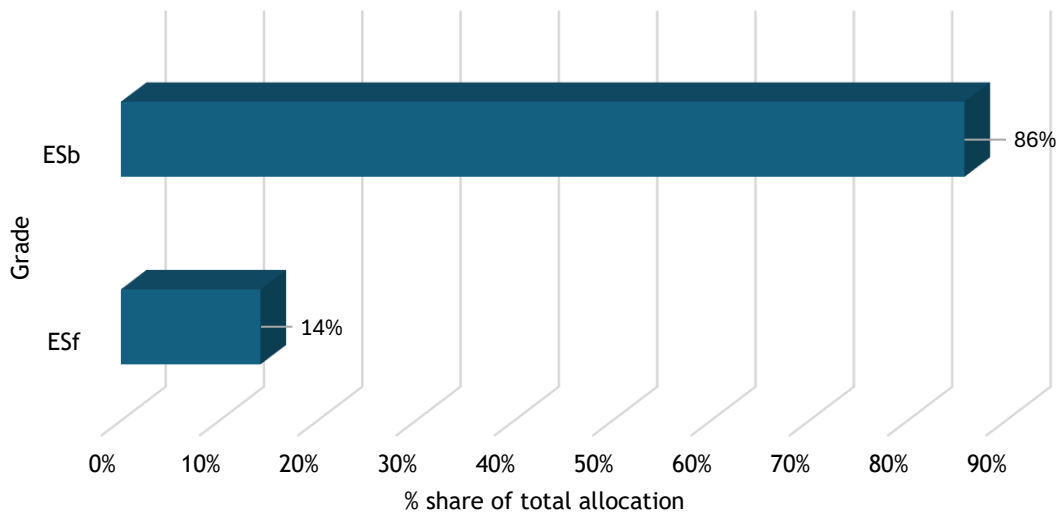
2.3.3.1 Electrical Specialist Works

Table 7: Classification of categories to score rating (Electrical Specialist Works Contractors)

Determining Score Rating	Grade	Maximum Tender Value Range (E)
301 - 400	ES1	No Limit
201 - 300	ES2	2 500 000
101 - 200	ES3	1 500 000
0 - 100	ES4	500 000

As seen in Figure 17, all electrical civil specialist contracts in the previous quarter were awarded to contractors in grade ESb, 86 percent (E4.6 million) and grade ESf, 14 percent (E764.9 thousand). There were no electrical specialist works in the current quarter (2024/24 Q1).

Figure 17: Distribution of Electrical Specialist Works by Value of Projects 2023/24 Q4 vs 2024/25 Q1



Source: CIC Project Register

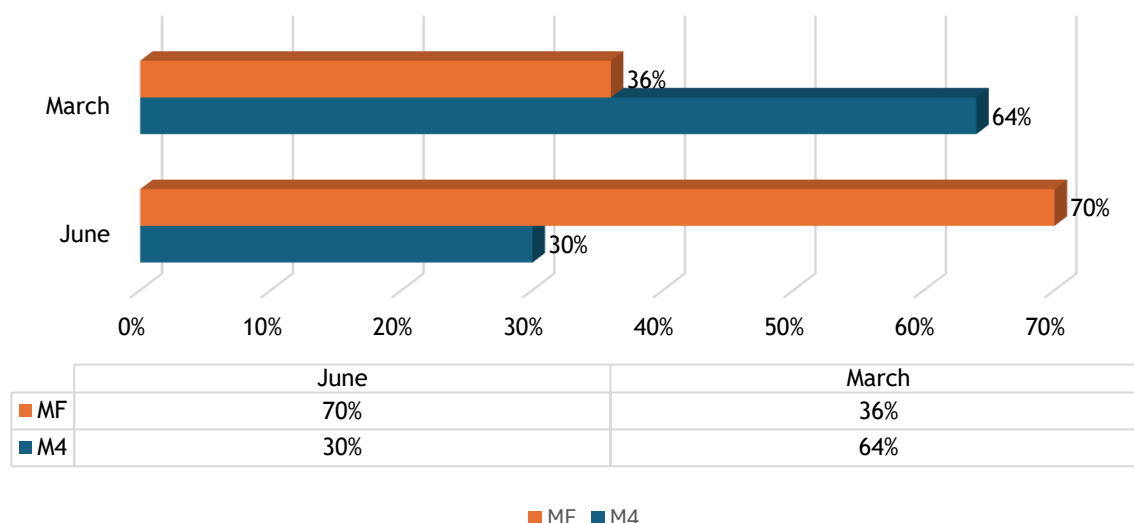
2.3.4 General Mechanical Works

Table 8: Classification of categories to score rating (Mechanical Works Contractors)

Determining Score Rating	Grade	Maximum Tender Value Range (E)
301 - 400	M1	No Limit
201 - 300	M2	5 000 000
101 - 200	M3	3 000 000
0 - 100	M4	1 000 000

In the quarter under review, mechanical works were awarded to grade 4 (M4), totaling E119.2 thousand (30 percent) and Foreign Mechanical (MF) amounting to E281.8 thousand (70 percent). The project owners for mechanical works were Ubombo Sugar Limited (100 percent). The previous quarter, mechanical works were awarded to M4, E2.1 million (64 percent) and MF amounted to E1.2 million (37 percent) and the project owner for all mechanical works was Ubombo Sugar Limited.

Figure 18: Distribution of General Mechanical Works by Value of projects 2023/24 Q4 vs 2024/25 Q1



Source: CIC Project Register

2.3.4.1 Mechanical Specialist Works

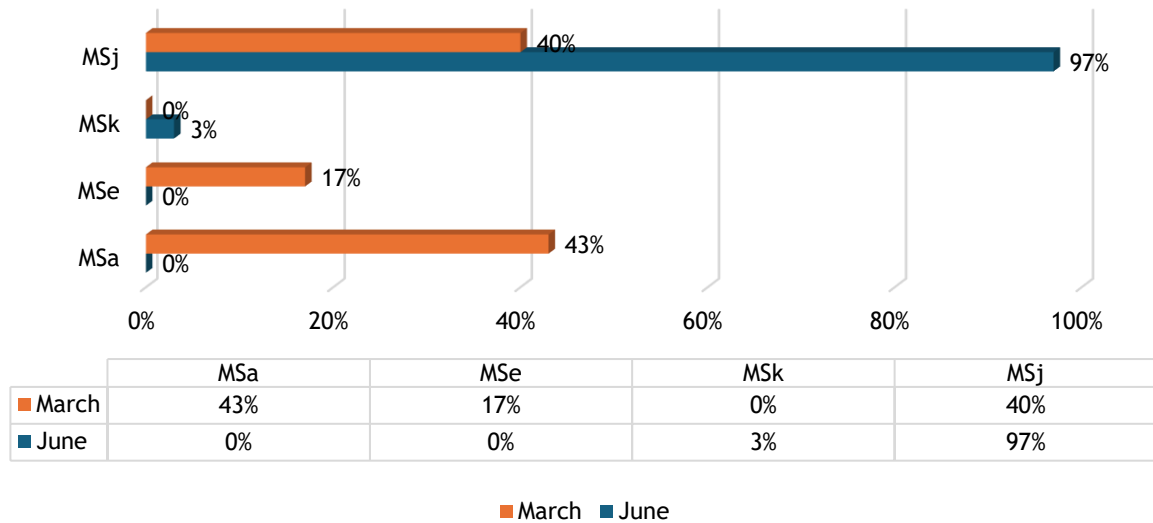
Table 9: Classification of categories to score rating (Mechanical Specialist Works Contractors)

Determining Score Rating	Grade	Maximum Tender Value Range (E)
301 - 400	ES1	No Limit
201 - 300	ES2	2 500 000
101 - 200	ES3	1 500 000
0 - 100	ES4	500 000

Specialized mechanical works for the current quarter included specialized mechanical systems (MSj)-E4.4 million in grades 1 and 4, which accounted for 96 percent, and Sand, Shot, Grit Abrasive Blasting Works (MSk-F) -E158.3 thousand, which made up 4 percent. Ubombo Sugar Limited (76 percent) and Illovo (24 percent) were the primary sponsors of these projects, as shown in Figure 19 below.

Specialized mechanical works for the previous quarter included MSj amounting to E3.8 million (40 percent), MSa amounting to E4 million (43 percent and MSe amounting to E1.6 million (17 percent). Project owners for the specialized mechanical works were RES Corporation, World Vision and Eswatini Bank.

Figure 19: Distribution of Mechanical Specialist Works by Value of Projects 2023/24 Q4 vs 2024/25 Q1

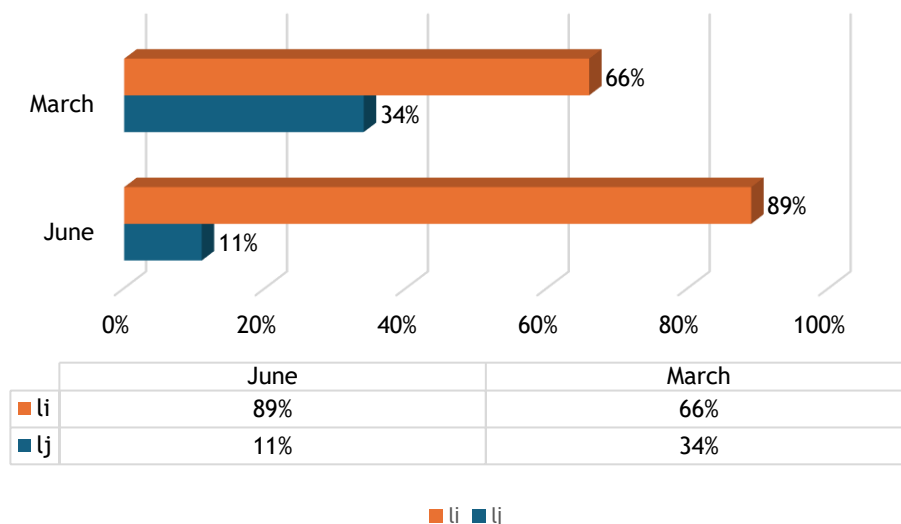


Source: CIC Project Register

2.3.5 Individual Artisans

In the current quarter, the distribution of works completed by artisans, based on value of projects, was dominated by Electrical Works at 88.7% (E324.5 thousand). Bricklaying constituted 11.3% (E41.1 thousand), as illustrated in Figure 30 below.

Figure 20: Distribution Of Individual Artisans Work by Value of projects 2023/24 Q4 vs 2024/25 Q1



Source: CIC Project Register

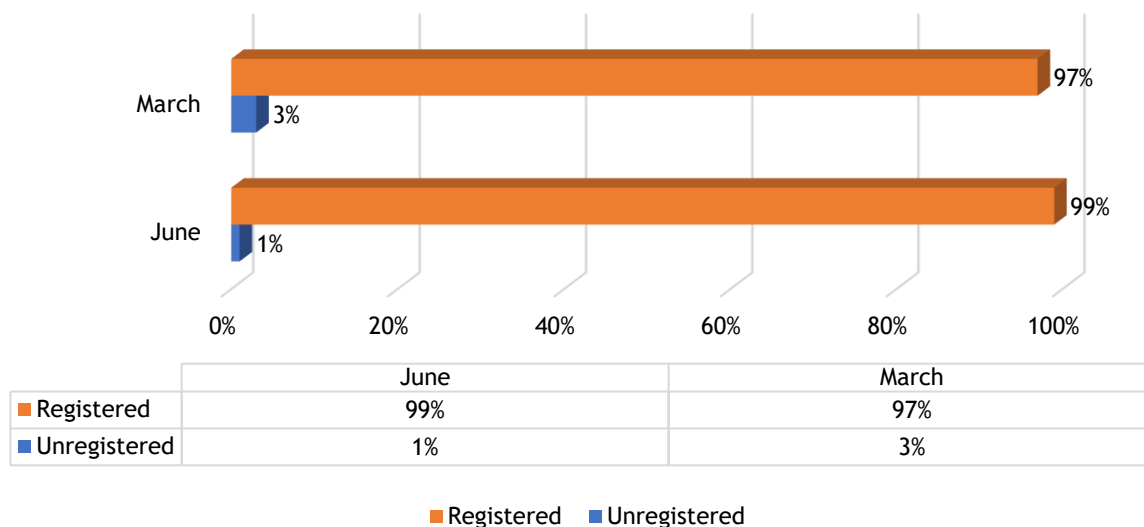
In the previous quarter (2023/24 Q4), the distribution of works completed by artisans, based on value of projects, was dominated by Electrical Works at 66

percent (E701.5 thousand). Bricklaying constituted 34 percent (E358 thousand) as illustrated in Figure 20 above.

2.3.6 Unregistered Contractors

In the quarter under review (2024/25 Q1), the distribution of works completed by unregistered contractors accounted for 1 percent (E2.3 million) of the value of projects, while registered contractors represented 99 percent, as shown in Figure 21 below.

Figure 21: Registered vs Unregistered Contractors 2024/23 Q4 vs 2024/25 Q1



Source: CIC Project Register

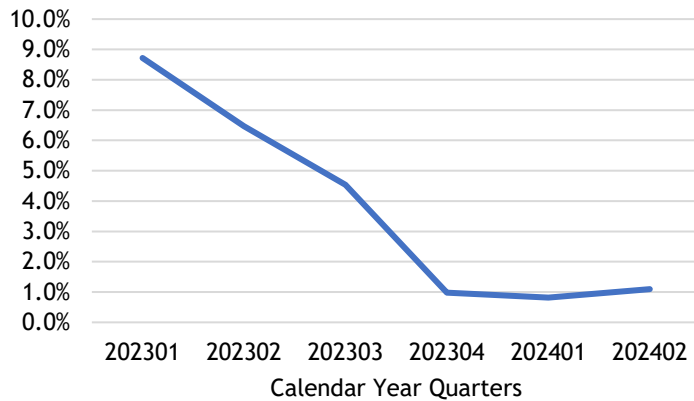
In the previous quarter (2023/24 Q4), the distribution of works completed by unregistered contractors accounted for 3 percent (E17.6 million) of the value of projects, while registered contractors represented 97 percent (E542.2 million), as shown in Figure 21 above.

2.4 Distribution of Local vs Foreign by Value of Projects

During the current quarter (2024/25 Q1), it was observed that foreign contractors were awarded Foreign Building Works Contracts, Foreign Mechanical Works Contracts, and specialized mechanical works, while local contractors received a larger share of general building works, general civil works, general electrical works, building specialized works, Manufacturers/Suppliers and joint ventures. Notably, there were no projects awarded to contractors under electrical specialists, or Allied Professionals. In terms of value of projects, foreign contractors accounted for 4 percent (E2.5 million) of the total value of projects for the quarter which amounted to E199.5 million.

In the previous quarter (2023/24 Q4), it was observed that there was no construction contracts offered to foreign contractors.

Figure 22: Foreign Contractor Participation (Excluding E2.6bn Mkapeni Dam)
Quarterly Moving Annual Total: % Share of Total Projects Awarded



The contribution by foreign contractors slowed significantly from around 9 percent as the 1st quarter of 2023 (excluding the large E2.6bn Mpakeni Dam that is regarded as a project outlier due to the significant size and scope of the project), to 1 percent of the total value of projects awarded over the 4 quarters up to the 2nd quarter of 2024. This shows a high dominance by local contractors actively operating in the Eswatini Construction Sector.

3.0 Conclusion

Despite a 26 percent increase in the Construction Budget for the 2024/25 financial period to E5.5 billion, activity levels were off to a rather slow start, with lower levels of activity seen in both the private and public sectors. Activity was mainly driven by the Private Commercial sector and investment by Parastatals, with the building sector contributing an overwhelming 67 percent for the quarter under review. With expectations of a modest decline in economic growth in 2025, increased focus was given to capital expenditure for the 2025/26 financial year, with an increase of 14 percent y-y, against a lower 8 percent increase in current expenditure. This bodes well for the economy and the construction sector, as the country aims to increase investment in pro-growth policies. Many large projects are set to commence in early 2025, as the country aims to reduce its reliance on imports and develop its own industrial capacity. Work is also underway to develop a Public-Private Partnership (PPP) policy, to encourage private sector involvement in infrastructure development. The recent investment upgrade by Moody's is evidence that the country is making significant strides towards economic growth and increased fiscus stability. Thus, while the 1st quarter may be off to slower than expected start, conditions for the construction sector is expected to remain favourable over the medium term.

4.0 Construction Monitor 2024/25

INDICATOR	Q2 (JULY-SEP 2023)	Q3 (OCT-DEC 2023)	Q4 (JAN-MAR 2024)	Q1 (APRIL-JUNE 2024)
ECONOMIC INDICATORS				
GDP GROWTH RATE	1.8	0.1↓	1.4↑	-1.9↓
CONSTRUCTION CONTRIBUTION TO GDP	2.6%	3.1%↑	3.0%	3.6%↑
INFLATION	4.0%	4.7%↑	4.3%↓	4.2% ↑
EXCHANGE RATE	E18.63/US\$	E18.75/US\$↑	E18.87/US\$↑	E18.38/US\$↓
IMPORTS FROM RSA			76.3%	78.5% ↑
LEADING SOURCED CONSTRUCTION RAW MATERIAL				Steel, electrical and plumbing supplies
BUILDING PLANS APPROVED	141	150↑	105↓	152↑
VALUE OF BULIDINGS PLANS (E' 000)	E655, 340	E309, 011↓	E132, 296↓	E207, 712↑
BUILDINGS COMPLETED	39	61↑	26↓	45↑
VALUE OF COMPLETED BUILDINGS (E' 000)	E264, 626	E63, 844↓	E164, 200↑	E52, 012↓
DISTRIBUTION OF THE VALUE OF CONTRACT BY: -				
UNIDENTIFIED PROJECTS				4% (E20m)
LEADING REGION				Manzini (41%)
CONTRACTORS REGISTERED	387	186↓		930 ↑
PROJECTS REGISTERED	229	241↑	79↓	150 ↑
LEADING GENERAL WORKS	General Civil Works	General Civil Works	General Building Works	General Building Works (with B6 @ 45%)
LEADING SPECIALIST WORKS	Building Specialist	Civil Specialist	Mechanical Specialist	Building Specialist (with BSi-6 @ 34%)
LEADING FOREIGN WORKS	Mechanical Specialist	Joint Venture	Mechanical Specialist	Mechanical Specialist (MSk-F)
LEADING LOCAL WORKS	General Civil Works	Joint Venture	General Building Works	General Building Works

