

CAPITAL

Maseru

ECONOMIC GROWTH

2.8%

POPULATION

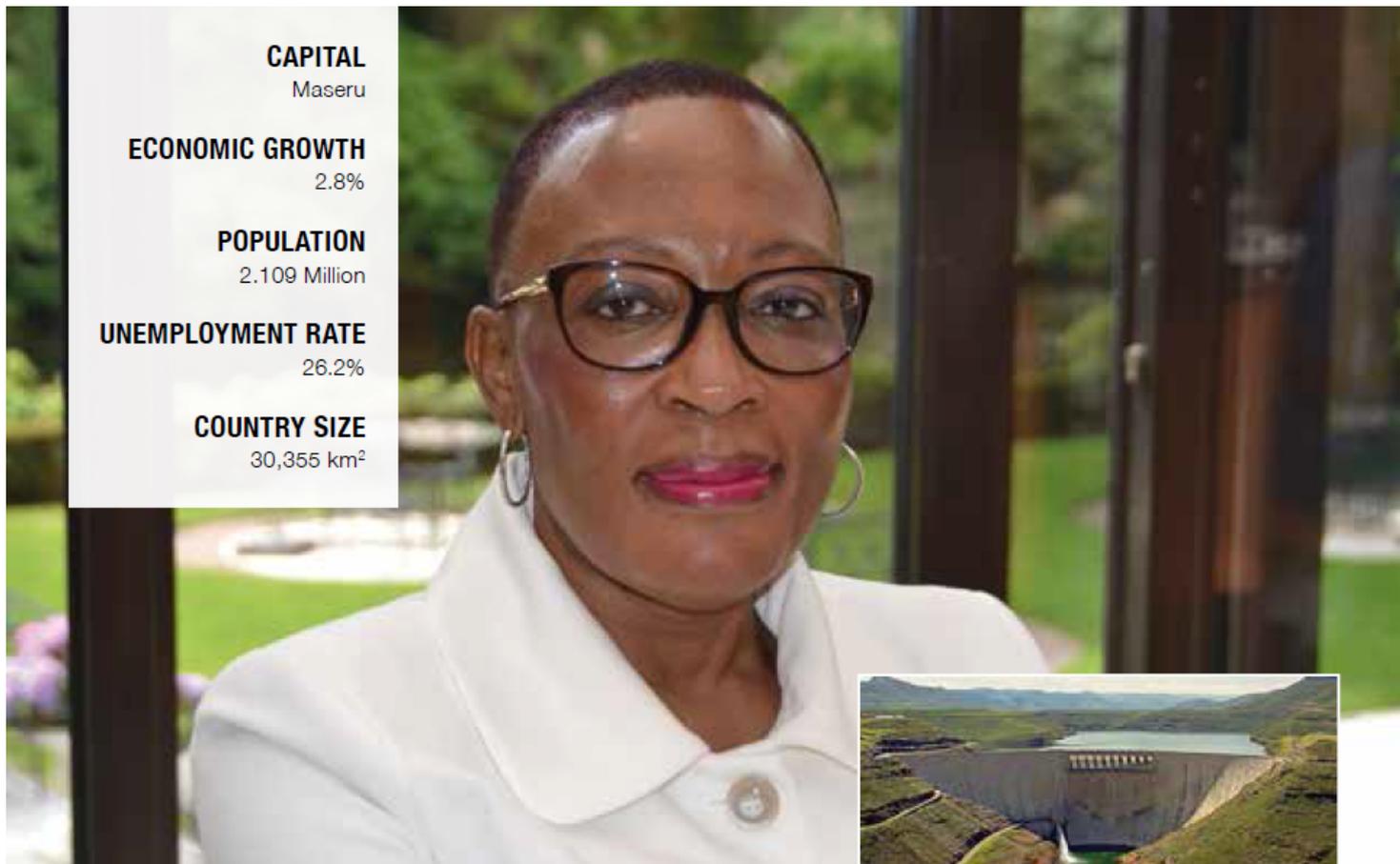
2.109 Million

UNEMPLOYMENT RATE

26.2%

COUNTRY SIZE

30,355 km²



LESOTHO: TURNING CHALLENGES INTO OPPORTUNITIES

H.E. THE AMBASSADOR TO LESOTHO, *Mrs Mpeo MAHASE MOILOA in Brussels*

“THE KINGDOM IN THE SKY”

They say there is nothing as certain as change. If there is one thing I am certain about; is that the unique geographical setting of Lesotho - “The Kingdom in the Sky” will not change. Like San Marino, Lesotho is an enclave; being completely landlocked by the Republic of South Africa. If this is a permanent feature, we have no option but to make a living out of it. In as much as it is an immense challenge, the only way out is turning it into an opportunity! Actually, the advantages of sitting in the ‘belly’ of a major economy of our region should have more advantages than disadvantages.

In accordance with the Central Bank of Lesotho Economic Forecast (May, 25, 2015), GDP was \$3 Billion in line with the IMF WEC (World Economic Outlook) which is 4.7% and GDP per capita is \$1.390. The Inflation rate was 5.9%.

Generally, economic activity is supported by large public investment projects, such as the second phase of Lesotho Highlands Water Projects-Poliwali. This, in combination with the efforts of Lesotho Government to strengthen the role of the private sector and create enabling environment for businesses. Enactment of Laws and fast-tracking companies registration (**one-stop shop**), makes the Kingdom of Lesotho **an attractive destination for foreign investment**. Furthermore, business environment is becoming more investor-friendly and receptive with the favourable tax and financial incentives as well as successful entrepreneurship eco-system. **There are special incentives provided to investors who construct their own factories at designated sites.**

THE PEOPLE

Despite its small economy, Lesotho heavily invests in the Education and Health of its people. As a result it is boastful of a young, literate, highly trainable, motivated and healthy labour force. Lesotho provides free ARVs and has developed robust policies and support systems at workplaces, both at public and private sectors. Its people are its valuable asset and therefore; at the very centre of its development plan.

LESOTHO GOVERNMENT IDENTIFIED THE PRIORITY INVESTMENT SECTORS, NAMELY,

- **Manufacturing**

Textiles and Garments (projects on modernization of textile sector featuring Afro-culture and ethnics to the EU); Automotive Components; Consumer Electrical and Electronic Appliances; Plastic Products;

- **Mining**

Sandstone Mining; Diamonds; Diamond Polishing and Cutting; Mining Supplier Park;

- **Energy Sector/Power Generation**

Hydro, Wind and Solar Power; Bio (Renewable) Energy;

- **Construction – Sustainable Greening Projects**

Lesotho Highlands Water Project; Industrial Infrastructure (factory shells);

- **ICT Infrastructure & Services**

National Broadband Network; Innovation Hub; Call Centre Services (outbound and inbound); Shared Services Centres;

- **Creative Services**

Fashion and Graphic design; Media Technologies;

- **Sustainable Development**

Lesotho Private Sector;

- **Dynamic Eco and Cultural Tourism**

Tourism Facilities (accommodation); Recreation Centres; Theme Parks and Lesotho ethnical hand-made products.

Lesotho-Brussels will continue deepening cooperation with SANEC and its outstanding members, in order to meet the respective objectives of Lesotho government as outlined in the National Strategic Development Plan (NSDP) and National Vision 2020.