



**LESOTHO INVESTMENT
OPPORTUNITIES**

LESOTHO NATIONAL DEVELOPMENT CORPORATION (LNDC)
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DISCOVER LESOTHO

The Kingdom of Lesotho, also known as "The Kingdom in the Sky" is a Constitutional Monarchy entirely landlocked by and economically integrated to the Republic of South Africa. Lesotho has progressed in moving from a predominantly subsistence-oriented economy to a lower middle-income economy exporting natural resources and manufactured goods. This transformation has brought higher and secure incomes to a significant portion of the population. The Government of Lesotho has established an investment climate – through a continuous reform process – that has positioned it as an investment destination of choice. Major natural resources are water, diamonds and sandstone; together with manufacturing (textiles and apparel, light engineering) and food and beverages, they have subsequently become the leading attracters of foreign investments and are the major exports from Lesotho.

GENERAL COUNTRY INFORMATION

GEOGRAPHY

Location: Lesotho is found on 29°30' south latitude and 28°30' east longitudes. Completely surrounded by South Africa; mountainous, more than 80% of the country is 1,800 m above sea level.

Time Zone: UTC/GMT +2:00 Hours

Land Area: 30,355 sq. km (11,718sq. mi)

Zones:
Lowlands – following the southern banks of the Caledon River and in the Senqu River Valley;
Highlands – formed by the Drakensberg and Maluti Mountain ranges in the east and central parts of the country; and
Foothills – form a divide between the lowlands and highlands.

Capital City: Maseru; 519,186 population

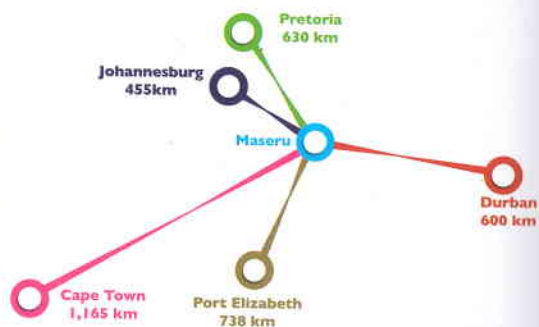
Climate: Temperate; cool to cold, dry winters; hot, wet summers

Elevation: Mean elevation 2,161m

Measuring System: Metric system

Accessibility: Located in the centre of South Africa; accessible by air, rail and road short distance to South Africa's business hubs.

Distance to nearest regional business hubs:



DEMOGRAPHY

De Jure Population: 2,007,201 (Lesotho Bureau of Statistics, Census 2016)

Nationality: Mosotho (singular), Basotho (plural)

Ethnic Groups: 99.7% Basotho and 0.3% Europeans, Asians, and other

Languages: Official languages: Sesotho (Southern Sotho) and English. Other spoken languages: Ndebele, Phuthi, Xhosa

Literacy: 86.2% (Lesotho Bureau of Statistics, Census 2016)

Labour Force: 1,255,229; Percentage of youth (15-35) to labour force is 63.3 (Lesotho Bureau of Statistics, Census 2016)

MACROECONOMIC INDICATORS

Gross Domestic Product (GDP) at market prices: USD 2,291.26 million

GDP Growth Rate: 2.28%

GDP Composition by Industry (%):

Date	Primary Sector	Secondary Sector	Tertiary Sector	Agriculture, forestry and fishing	Mining and quarrying	Manufacturing
2010	10.2	25.0	55.6	5.1	5.1	12.5
2016	13.4	24.7	51.6	5.2	8.2	15.6

Gross National Income (GNI) at market prices: USD 2,591.05 million, 2016

Gross National Income (GNI) per capita at market prices: USD 1,290.88

Source: Central Bank of Lesotho

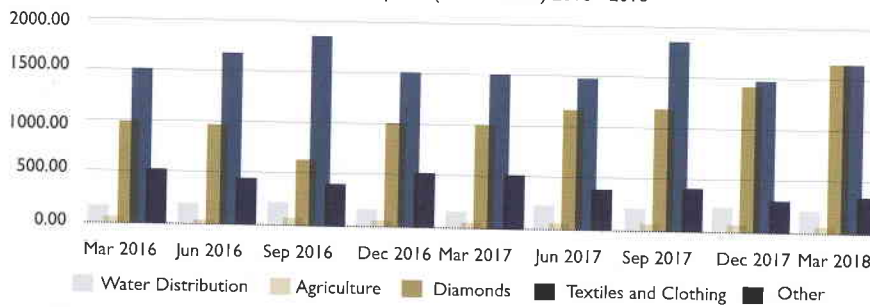
The Business Environment



Source: Doing Business 2018

Leading National Export Sectors' Trends

Major Nation Exports (LSL* million) 2016 - 2018

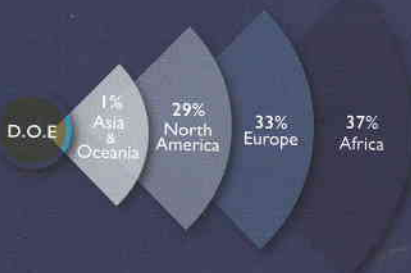


1USD = LSL14.43 as at 25 September 2018 (Central Bank of Lesotho)

Source: Central Bank of Lesotho

Lesotho's Major Trading Partners

Direction of Exports



Source of Imports



Source: Central Bank of Lesotho

ABOUT THE LESOTHO NATIONAL DEVELOPMENT CORPORATION

The Lesotho National Development Corporation (LNDC) is Lesotho Government owned and was first established by The LNDC Act No. 20 of 1967 (as amended) which gives it a mandate to: "initiate, promote and facilitate the development of manufacturing and processing industries, mining and commerce in a manner calculated to raise the level of income and employment in Lesotho." It is the first point of contact for investors interested in Lesotho.

LNDC SERVICES

INVESTMENT SERVICES (INDUSTRIAL RELATIONS AND AFTERCARE SERVICES)

SERVICED INDUSTRIAL AND COMMERCIAL SITES AT COMPETITIVE RENTALS



INVESTMENT AND TRADE PROMOTION AND FACILITATION SERVICES

DEVELOPMENT FINANCE SERVICES

WHY INVEST IN LESOTHO

1 Stability

A FREE ENTERPRISE AND FREE MARKET ECONOMIC SYSTEM, WHICH FORMS THE BASIS FOR SUSTAINED DEVELOPMENT AND GROWTH

A STABLE AND INVESTOR FRIENDLY MACROECONOMIC AND POLITICAL ENVIRONMENT

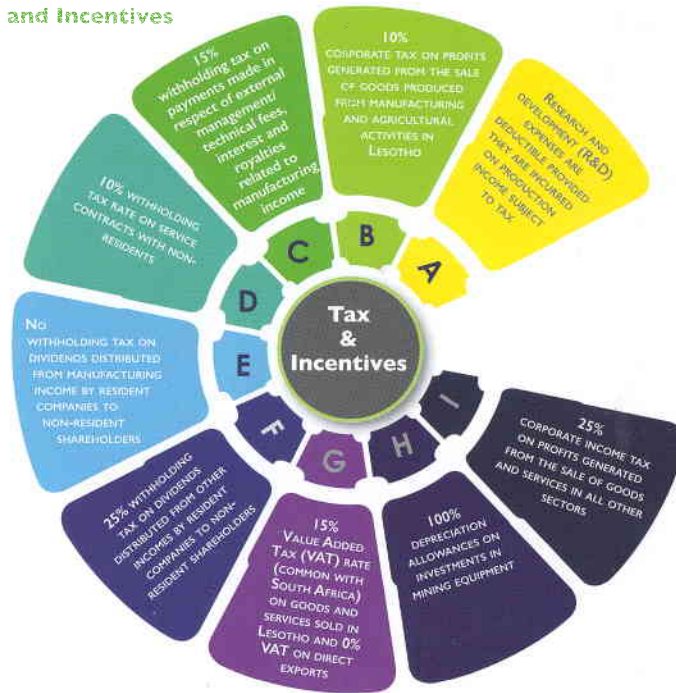


CONTINUOUS INVESTMENT CLIMATE AND POLICY REFORM PROGRAMME

2 Proficient and cost competitive labour



3 Tax and Incentives



4 Market Access

PREFERENTIAL MARKET ACCESS UNDER THE GENERALISED SYSTEM OF PREFERENCES (GSP) TO AUSTRALIAN, CANADA, INDIA, JAPAN, CHINA, NEW ZEALAND, TURKEY, AND OECD.

DUTY-FREE AND QUOTA-FREE ACCESS TO THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) FREE TRADE AREA WITH 260 MILLION CONSUMERS.

A PREFERENTIAL MARKET ACCESS TO MERCOSUR (ARGENTINA, BRAZIL, PARAGUAY, AND URUGUAY) WITH 385 MILLION CONSUMERS.

DUTY-FREE AND QUOTA-FREE ACCESS WITHIN THE SOUTHERN AFRICAN CUSTOMS UNION (SACU) WITH ABOUT 55 MILLION CONSUMERS.

SACU EFTA GIVES LESOTHO ORIGINATING INDUSTRIAL AND FISH PRODUCTS DUTY FREE AND QUOTA FREE ACCESS TO SWITZERLAND, NORWAY, ICELAND AND LIECHTENSTEIN.

DUTY-FREE AND QUOTA-FREE ACCESS TO THE EUROPEAN UNION WITH 500 MILLION CONSUMERS UNDER SACU EPA.

PREFERENTIAL ACCESS TO THE AMERICAN MARKET WITH 310 MILLION CONSUMERS UNDER THE AFRICAN GROWTH OPPORTUNITY GROWTH (AGOA).

5 Infrastructure:

The LNDC provides serviced industrial land and industrial buildings for manufacturing and processing industries. The industrial parks are located in close proximity of labour pools, commercial borders and major transport and trade nodes in southern Africa.

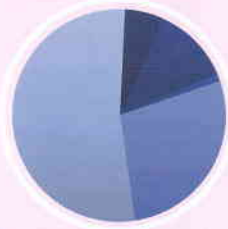
6 Government Support:

The Government of Lesotho provides support to industrial development and continually develops and implements programmes and reforms that ensure the ease of doing business.

KEY INVESTMENT OPPORTUNITIES

AGRICULTURE AND AGRO-PROCESSING

LESOTHO AGRICULTURE SECTOR STRUCTURE



Fishing & aquaculture	1%
Agricultural service activities	6%
Forestry	12%
growing of crops; horticulture	28%
Farming of animals (incl. fishing)	53%

Source: Central Bank of Lesotho

Investment opportunities:

- Integrated dairy industry development (dairy farm and processing)
- Organic horticultural industry development
- Integrated poultry industry development
- Aquaculture
- Agribusiness supply chain development

MANUFACTURING

LESOTHO MANUFACTURING SECTOR STRUCTURE 2016



Food products & Beverages	6%
Textile, Clothing, Footwear & Leather	84%
Other Manufacturing	10%

Source: Central Bank of Lesotho

Investment opportunities:

TEXTILES AND GARMENTS

- Knit fabric mill and manufacturers of other input materials
- Commission laundries, garment printing and dyeing operations
- Garment trim manufacturers and accessories such as zippers, buttons, hangers, etc.
- Recycling of manufacturing offcuts
- Quality assurance and compliance audit for retailers/brands/sourcing houses
- High value garment production
- High value-added services (i.e. pre-production and post-production services)
- Blanket producers

AUTOMOTIVE COMPONENTS

- Car-seat covers (automotive sewing companies)
- Wire harnesses
- Rubber products and Floor mats
- Side mirrors
- Steel products
- Plastic extrusion
- Car trims and panelling

ELECTRONICS AND ELECTRICAL APPLIANCES

- Electrical switches and circuit breakers
- Automotive electronic equipment and accessories
- Television assembly

INFRASTRUCTURE DEVELOPMENT

BELO INDUSTRIAL PARK PROJECT COMPONENTS

- 51 Factory Shells (phase 1, 16 shells, phase 2, 35 shells),
- Road Infrastructure and storm drainage works;
- Water supply reticulation infrastructure and systems
- Sewerage Infrastructure (sewer pipelines, pre-fabricated concrete chambers; sewerage pumps, and wet wells)
- Wastewater treatment plant (3Ml/day capacity)
- Electric power supply infrastructure and system
- Telecommunication Infrastructure and systems

Possible Industries

- Electronic components manufacturing
- Knit fabric mill
- Wool and Mohair scouring plant
- Mining supplier park
- Vehicle component manufacturing
- Renewable energies manufacturing

TOURISM AND CREATIVE INDUSTRIES

Lesotho Tourism Attributes

- Ecotourism & adventure
- Scenic beauty & escapism- highest altitude of enchanting mountains and crisscrossed by powerful rivers and crystal-clear streams
- African wilderness experience – rich bio-diversity with clear skies, clean air and water as well as tranquility for rejuvenating body, soul and spirit
- Welcoming and hospitable people
- Rich and unique cultural identity

Investment opportunities:

- Accommodation Facilities
- Lease contracts (60 years renewable): Victoria Hotel, Lesotho National Convention Centre, Mohale Dam Holiday Resort, Bokong Chalets, AfriSki Resort
- Water Sports (Maqalika Dam, Metolong Dam, Katse Dam, Mohale Dam & Polihali Dam)
- Ski Resorts (Afriski area, Sanitop, Mokhotlong)
- Golf Estates (Sani Top, Katse Dam & Mohale Dam)
- High Altitude Sports & Training Facilities (Ha Rapokolana)
- Health & Wellness Retreats (Bokong, Semonkong & Sehlabathebe)
- Outdoor Adventure Sporting Facilities/Amusement Park (Maseru etc)
- Cable Car & Mono Rail Services (Thaba Bosiu & Highlands)

COMPANIES AND BRANDS THAT SOURCE FROM LESOTHO



COMPANIES CALLING LESOTHO HOME





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