

**FOR
AGENDA**

SM/09/26

January 26, 2009

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Kingdom of Lesotho—Statistical Appendix**

This paper provides background information to the staff report on the 2008 Article IV consultation discussions with the Kingdom of Lesotho (SM/09/25, 1/26/09), which is tentatively scheduled for discussion on **Monday, February 9, 2009**. At the time of circulation of this paper to the Board, the Secretary's Department has not received a communication from the authorities of the Kingdom of Lesotho indicating whether or not they consent to the Fund's publication of this paper; such communication may be received after the authorities have had an opportunity to read the paper.

Questions may be referred to Mr. Thugge (ext. 39761) and Mr. Davoodi (ext. 36942) in AFR.

Unless the Documents Section (ext. 36760) is otherwise notified, the document will be transmitted, in accordance with the procedures approved by the Executive Board and with the appropriate deletions, to the WTO Secretariat on Tuesday, February 3, 2009; and to the African Development Bank, the European Commission, the European Investment Bank, the Food and Agriculture Organization, and the United Nations Development Programme, following its consideration by the Executive Board.

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INTERNATIONAL MONETARY FUND

KINGDOM OF LESOTHO

Statistical Appendix

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Approved by the African Department

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Table 1. Gross Domestic Product by Sector, Constant (2004) Prices, 2003–07 1/, 2/

(In millions of Maloti)

	2003	2004	2005	2006	2007
Primary sector	693.5	717.3	628.6	722.6	660.7
Crops	217.5	207.6	195.7	212.9	147.2
Livestock	371.1	403.5	329.0	401.0	416.8
Services	50.7	44.7	37.2	41.6	27.6
Forestry	54.1	61.6	66.7	67.1	69.2
Secondary sector	2,153.6	2,355.5	2,322.7	2,581.0	2,878.3
Mining and quarrying	45.1	95.8	171.5	310.1	414.8
Manufacturing	1,322.7	1,565.5	1,405.9	1,490.1	1,637.6
Food products and beverages	227.0	221.7	229.3	244.5	261.0
Textiles, clothing, footwear and leather	998.6	1,230.0	1,071.6	1,137.6	1,227.8
Other manufacturing	97.0	113.8	104.9	108.0	148.7
Electricity and water	303.2	321.2	352.5	374.2	391.1
Construction	482.5	372.9	392.9	406.6	434.9
Tertiary sector	4,540.4	4,636.8	4,764.7	5,075.5	5,230.8
Wholesale and retail	1,005.5	1,012.4	1,014.2	1,065.1	1,096.2
Hotel and restaurants	100.5	104.9	106.6	114.7	115.9
Transport and storage	217.3	225.4	241.0	240.9	244.6
Post and telecommunications	173.4	198.5	230.7	259.4	286.9
Financial intermediation	308.8	329.3	304.7	377.9	407.8
Owner-occupied dwellings	804.0	833.4	868.3	906.6	935.6
Other real estate and business services	254.4	254.9	279.3	317.9	357.8
Public administration	859.2	848.1	874.3	948.8	955.7
Education	629.8	638.9	654.0	659.7	665.4
Health and social work	153.4	149.3	151.1	155.3	155.7
Community, social, and personal services	78.6	79.8	80.3	80.3	80.8
Financial services indirectly measured	-44.3	-38.1	-39.9	-51.1	-71.6
GDP at producer's prices	7,387.5	7,709.6	7,716.1	8,379.1	8,769.8
Plus taxes on products	757.7	810.6	834.1	850.4	918.9
Subsidies	-175.9	-188.2	-161.3	-161.2	-161.1
GDP at purchaser's prices	7,969.3	8,332.0	8,388.9	9,068.4	9,527.7

Source: Lesotho Bureau of Statistics

1/ The authorities have revised the national accounts data from 1980 through 2007.

2/ Data have been rebased using 2004 as the base year.

Table 2. Lesotho: GDP by Sector, Current Prices, 2003–07 1/

(In millions of Maloti)

	2003	2004	2005	2006	2007
Primary sector	657.0	717.3	628.7	800.9	789.4
Crops	207.2	207.6	172.3	242.9	209.2
Livestock	354.0	403.5	347.4	439.1	465.1
Services	43.9	44.7	40.4	46.5	35.8
Forestry	51.9	61.6	68.6	72.4	79.3
Secondary sector	2,058.0	2,355.5	2,521.7	3,160.3	3,850.4
Mining and quarrying	42.9	95.8	235.3	516.8	763.6
Manufacturing	1,239.2	1,565.5	1,481.7	1,731.6	2,014.6
Food products and beverages	230.6	221.7	227.1	263.0	320.7
Textiles, clothing, footwear, and leather	913.9	1,230.0	1,147.0	1,354.2	1,529.1
Other manufacturing	94.7	113.8	107.6	114.4	164.8
Electricity and water	300.4	321.2	394.2	446.8	496.8
Construction	475.5	372.9	410.5	465.1	575.5
Tertiary sector	4,264.6	4,636.8	5,037.5	5,697.5	6,459.6
Wholesale and retail	948.1	1,012.4	1,096.7	1,283.9	1,448.6
Hotel and restaurants	96.5	104.9	110.2	127.6	142.4
Transport and storage	197.7	225.4	271.0	282.4	305.0
Post and telecommunications	143.7	198.5	236.2	264.0	288.3
Financial intermediation	318.5	329.3	303.0	386.9	440.9
Owner-occupied dwellings	775.2	833.4	898.0	994.5	1,108.9
Other real estate and business services	252.1	254.9	287.3	342.5	408.3
Public administration	780.3	848.1	926.2	1,038.7	1,152.7
Education	583.9	638.9	705.4	765.0	955.1
Health and social work	141.3	149.3	158.4	172.1	186.2
Community, social, and personal services	75.0	79.8	83.2	88.4	96.7
Financial services indirectly measured	-47.9	-38.1	-38.3	-48.5	-73.5
GDP at producer's prices	6,979.6	7,709.6	8,187.8	9,658.7	11,099.4
Plus taxes on products	602.6	810.6	834.8	928.4	1,098.8
Subsidies	-60.6	-188.2	-272.2	-317.8	-420.5
GDP at purchaser's prices	7,521.6	8,332.0	8,750.4	10,269.3	11,777.8

Source: Lesotho Bureau of Statistics

1/ The authorities have revised the national accounts data from 1980 through 2007.

Table 3. Lesotho: Gross Domestic Product by Expenditure, 2003–07 1/, 2/, 3/

	2003	2004	2005	2006	2007
(In millions of Maloti)					
Gross domestic product	7,521.6	8,332.0	8,750.4	10,269.3	11,777.8
Net factor income from abroad	1,930.9	1,908.0	1,933.0	2,574.2	2,944.4
Gross national product	9,452.5	10,240.0	10,683.4	12,843.5	14,722.1
Unrequited transfers	1,283.6	1,597.0	1,910.0	2,634.6	4,424.2
Gross national disposable income 4/	10,736.1	11,836.9	12,593.3	15,478.1	19,146.3
Consumption	9,380.4	10,249.2	11,086.2	12,537.8	14,783.3
Government consumption	2,677.1	2,915.7	3,281.9	3,873.9	4,305.2
Private consumption	6,703.3	7,333.5	7,804.4	8,663.9	10,478.1
Gross national savings 5/	1,355.6	1,587.7	1,507.1	2,940.3	4,363.0
Public savings 6/	634.3	1,117.3	1,112.5	2,023.4	3,088.0
Private savings 7/	721.3	470.4	394.6	916.8	1,275.0
Investment	2,320.7	2,065.2	2,165.4	2,494.1	2,863.0
Gross fixed capital formation	2,433.0	2,119.4	2,145.8	2,379.6	2,870.4
Government	684.7	627.6	679.3	724.3	1,151.5
Private	1,262.5	988.0	1,337.2	1,655.3	1,718.9
LHWP 8/	485.9	503.7	129.4	0.0	0.0
Change in stocks	-112.3	-54.2	19.6	114.6	-7.4
Gross national savings less investment 9/	-965.1	-477.5	-658.3	446.1	1,500.0
(In percent of GDP)					
Gross domestic product	100.0	100.0	100.0	100.0	100.0
Net factor income from abroad	25.7	22.9	22.1	25.1	25.0
Gross national product	125.7	122.9	122.1	125.1	125.0
Unrequited transfers	17.1	19.2	21.8	25.7	37.6
Gross national disposable income 4/	142.7	142.1	143.9	150.7	162.6
Consumption	124.7	123.0	126.7	122.1	125.5
Government consumption	35.6	35.0	37.5	37.7	36.6
Private consumption	89.1	88.0	89.2	84.4	89.0
Gross national savings 5/	18.0	19.1	17.2	28.6	37.0
Public savings 6/	8.4	13.4	12.7	19.7	26.2
Private savings 7/	9.6	5.6	4.5	8.9	10.8
Investment	30.9	24.8	24.7	24.3	24.3
Gross fixed capital formation	32.3	25.4	24.5	23.2	24.4
Government	9.1	7.5	7.8	7.1	9.8
Private	16.8	11.9	15.3	16.1	14.6
LHWP 8/	6.5	6.0	1.5	0.0	0.0
Change in stocks	-1.5	-0.7	0.2	1.1	-0.1
Gross national savings less investment 9/	-12.8	-5.7	-7.5	4.3	12.7

Sources: Lesotho Bureau of Statistics; and Fund staff estimates.

1/ The authorities have revised the national accounts data from 1980 through 2007.

2/ Data have been rebased using 2004 as the base year.

3/ Calendar year

4/ GNP plus unrequited transfers.

5/ Gross national disposable income less consumption.

6/ Government revenues plus grants less government current expenditures (excluding interest payments).

7/ Estimated as a residual.

8/ Lesotho Highlands Water Project.

9/ Equivalent to the external current account balance.

Table 4. Lesotho: Consumer Price Indices, 2003–07 1/

(April 1997=100; unless otherwise indicated)

	Weights 2/	December				
		2003 3/	2004	2005	2006	2007
Consumer price index (CPI)	100.0	164.7	172.6	178.7	190.2	210.1
Food, alcoholic beverages and tobacco	46.3	...	...	...	...	...
Food and nonalcoholic beverages	39.8	174.5	184.0	189.8	211.1	250.0
Bread and cereals	22.0	163.1	176.5	178.4	208.2	258.0
Meat	3.9	175.8	180.8	199.4	211.4	232.3
Fish	0.4	195.0	208.5	215.5	237.7	255.5
Fruits and vegetables	4.2	231.9	234.3	251.0	267.8	311.6
Milk and eggs	1.8	171.8	178.7	183.8	191.4	207.0
Oils and fats	1.3	186.4	187.1	189.7	197.2	237.1
Other food products	4.6	178.9	184.2	189.9	196.6	214.0
Nonalcoholic beverages	1.5	148.1	155.5	158.7	162.9	176.2
Alcoholic beverages and tobacco	6.4	179.6	194.1	204.9	216.2	229.0
Clothing and footwear	15.6	147.1	150.7	156.3	156.9	167.1
Blankets	3.1	140.4	145.7	152.9	148.2	157.9
Other clothing	6.0	147.3	148.2	153.2	156.0	167.2
Footwear	6.5	150.3	155.4	160.8	162.0	171.4
Housing, water, electricity, and other fuels 4/	3.7	158.8	170.0	184.7	198.7	215.9
Water charges	0.2	107.4	116.8	126.1	132.4	140.3
Electricity	0.2	105.0	123.9	146.2	166.7	166.7
Other fuels	3.3	165.6	176.4	191.0	205.0	223.9
Furniture and household operations	17.0	164.0	167.0	172.3	177.3	180.7
Transport and communications	8.3	...	...	...	...	...
Transport	7.8	170.6	188.4	194.7	201.9	206.6
Communications	0.1	144.4	154.3	154.3	159.6	159.6
Other goods and services	9.7	...	...	...	...	...
Leisure, entertainment, and culture	1.2	150.6	151.7	154.6	153.7	151.5
Health	1.4	138.7	142.0	145.5	142.9	142.9
Education	3.2	121.1	125.5	126.6	127.7	131.0
Restaurants and hotels	0.4	196.6	202.6	212.4	244.3	283.8
Miscellaneous goods and services	3.2	150.1	154.3	157.9	161.9	167.2
Memorandum item:						
Annual CPI inflation rates (percent; end of period)		5.9	4.8	3.5	6.4	10.5

Source: Lesotho Bureau of Statistics.

1/ Covers all households in eight lowland towns, including Maseru.

2/ Based on 2000 Household Survey. Weights applied from 2002.

3/ Start of new series based on revised classification system.

4/ Since January 1994, rent has been excluded from CPI data because of data collection problems.

Table 5. Lesotho: Monthly Minimum Wages, 2003–08

(In Maloti) 1/

	2004	2005	2006	2007	2008
Manufacturing					
Trainee	621	643	660	686	741
Trained	650	686	710	738	797
Construction					
Construction worker	722	794	818	900	990
Construction machine operator	1,257	1,400	1442	1586	1744
Wholesale and retail					
Wholesaler	742	779	830	1000	1075
Retailers	722	758	810	900	976
Hotels and restaurants					
Hotels	742	779	840	924	998
Restaurants	722	758	800	880	946
Service sector					
Security	911	934	800	824	882
Funeral parlour	742	779	810	890	1024
Small bussiness	444	466	490	528	568
Domestic worker	221	230	252	264	304
General minimum wage 2/	650	673	697	755	812

Source: Ministry of Employment and Labor.

1/ Based on legal notices. The schedule of minimum wages by occupational category was revised in September 2004.

2/ All other sectors.

Table 6. Lesotho: Central Government Operations, 2003/04–2006/07 1/

	2003/04	2004/05	2005/06	2006/07	Prel. 2007/08
(In millions of maloti)					
Revenue	3,417	4,170	4,496	6,387	7,047
Tax revenue	2,888	3,693	4,006	5,787	6,331
Customs revenue (SACU)	1,422	2,012	2,306	3,945	4,098
Noncustoms tax revenue	1,466	1,681	1,700	1,842	2,233
Income taxes	853	902	925	973	1,221
Sales tax/value-added tax (VAT)	519	660	656	715	848
Petrol levy	81	88	83	66	118
Other tax revenues	14	31	37	86	43
Nontax revenue	529	477	490	600	716
Water royalties	193	195	236	287	292
Interest received	14	7	8	5	7
Other nontax revenues	322	276	246	308	371
Grants	178	238	171	92	178
Total expenditure and net lending	3,532	3,787	4,291	4,860	5,965
Current expenditure	2,907	3,148	3,604	4,136	4,687
Wages and salaries	1,123	1,179	1,282	1,433	1,632
Interest payments	216	157	225	97	293
External	91	92	179	55	243
Domestic	126	65	46	41	50
Other expenditure	1,567	1,812	2,097	2,606	2,762
Goods and services	936	991	1,119	1,436	1,399
Transfer and subsidies	631	821	978	1,169	1,363
Pensions and gratuities	119	194	296	308	396
Subventions and transfers	512	627	682	862	967
Capital expenditure	635	625	697	733	1,291
Domestically funded	314	331	412	484	905
Externally funded	321	294	286	249	386
Grant funded	140	183	171	92	178
Loan funded	180	112	114	157	208
Net lending	-10	14	-10	-9	-13
Overall balance, before grants	-116	383	204	1,527	1,082
Overall balance, after grants	62	621	376	1,620	1,261
Total financing	-62	-621	-376	-1,517	-1,016
External financing	-26	-38	-277	-266	22
Loan drawings	180	207	114	157	208
Amortization	-206	-245	-391	-423	-186
Domestic financing	-37	-583	-99	-1,251	-1,038
Bank	-130	-605	-102	-1,248	-999
Nonbank	93	22	3	-3	-39
Statistical discrepancy	0	0	0	102	245
(In percent of GDP, unless otherwise indicated)					
Revenue	44.2	49.4	49.2	60.0	57.8
Customs revenue (SACU) 2/	18.4	23.9	25.3	37.1	33.6
Noncustoms tax revenue	19.0	19.9	18.6	17.3	18.3
Nontax revenue	6.9	5.7	5.4	5.6	5.9
Total expenditure and net lending	45.7	44.9	47.0	45.6	48.9
Current expenditure	37.6	37.3	39.5	38.8	38.5
Wages and salaries	14.5	14.0	14.0	13.5	13.4
Other expenditure	23.1	23.3	25.4	25.4	25.1
Capital expenditure	8.2	7.4	7.6	6.9	10.6
Net lending	-0.1	0.2	-0.1	-0.1	-0.1
Overall balance, after grants	0.8	7.4	4.1	15.2	10.3
External financing	-0.3	-0.5	-3.0	-2.5	0.2
Domestic financing	-0.5	-6.9	-1.1	-11.8	-8.5
Statistical discrepancy	0	0	0	1.0	2.0
GDP at current prices (millions of maloti) 2/	7,724	8,437	9,130	10,646	12,188

Sources: Ministry of Finance; and Fund staff estimates.

1/ Fiscal year from April to March.

2/ On a fiscal year basis.

Table 7. Lesotho: Government Revenue and Grants, 2003/04–2007/08 1/

(In millions of Maloti)

	2003/04	2004/05	2005/06	2006/07	2007/08
Taxes on net income and profits	852.5	901.8	924.6	973.1	1,221.4
Company tax	236.5	219.1	192.0	199.6	293.7
Income tax (pay as you earn)	493.8	567.5	615.0	629.5	785.4
Gaming tax	...	...	...	...	...
Withholding tax	...	...	...	...	...
Other income and profit taxes	122.2	115.2	117.6	144.0	142.3
Taxes on goods and services	602.9	750.3	740.7	782.7	968.3
Sales tax	519.3	659.8	655.7	714.6	847.9
Trade licenses	3.0	2.2	2.5	2.5	2.8
Petrol levy	80.6	88.3	82.5	65.6	117.7
Customs duties	1,421.6	2,012.4	2,306.0	3,945.0	4,097.7
Other taxes	10.5	28.5	34.7	86.2	43.3
Stamp duty	7.3	1.2	2.1	1.6	5.9
Other taxes	3.2	27.3	32.6	84.6	37.4
Total tax revenue	2,887.5	3,693.0	4,006.0	5,787.1	6,330.7
Nontax revenue	551.8	476.9	489.9	599.7	716.6
Administrative fees, charges, and nonindustrial sales	84.9	86.2	104.6	106.0	130.7
Attestation fees	0.7	0.5	0.5	0.9	0.5
Fines and forfeits	34.9	28.2	2.4	15.5	1.1
Property and other income	431.3	362.0	382.4	477.1	584.4
Interest on deposits	14.4	6.6	7.6	5.0	7.0
Water royalties	193.1	194.5	236.0	286.8	292.4
Rand monetary compensation	97.7	48.9	58.6	66.0	75.0
Dividends	65.7	58.9	4.8	69.8	96.9
Other property income	60.4	53.1	75.4	49.5	113.1
Total revenue	3,439.3	4,169.9	4,495.9	6,386.8	7,047.3
Grants	177.8	238.4	171.4	92.4	178.4
Total revenue and grants	3,617.1	4,408.3	4,667.3	6,479.2	7,225.7

Sources: Ministry of Finance; and Fund staff estimates.

1/ Fiscal year is April-March.

Table 8. Lesotho: Southern African Customs Union Operations, 2000/01–2006/07

Revenue Year 1/ Data Year 2/	Old revenue sharing formula discontinued in 2004/05					New formula		
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
	1998/99	1999/00	2000/01	2001/02	2002/03	2004/05	2005/06	2006/07
	(In percent)							
Basic rate 4/	6.3	7.3	7.3	4.9	5.5			
Revenue (compensation) rate 4/	9.0	9.6	7.8	7.0	7.8			
Stabilization factor 5/	5.5	5.2	6.1	6.5	6.1			
Stabilized rate (calculated) 6/	14.5	14.8	13.9	13.5	13.9			
Stabilized rate (actual) 7/	17.0	17.0	17.0	17.0	17.0			
	(In millions of Maloti, unless otherwise specified)							
Dutiable base 8/	6,021.1	7,327.8	7,334.0	7,845.4	9,585.8			
Growth rate (in percent)	-3.8	21.7	0.8	7.0	22.2			
First estimate (payment) 9/	1,023.6	1,245.7	1,246.8	1,333.7	1,629.6			
First adjustment (payment) 10/	100.0	181.4	223.2	88.0	382.8			
Final adjustment (payment) 11/	0.0	0.0	0.0	0.0	0.0			
Actual receipts 12/	1,126.2	1,438.2	1,470.0	1,421.7	2,012.4			
Growth rate (in percent)	-4.8	27.7	2.2	-3.3	41.5			
Memorandum item:								
First estimate based on basic rate only 13/	381.6	534.9	535.4	668.8	783.5			
Gross customs pool						10,500	18,000	24,840
Secretariat Budget						38.2	11.4	2.6
Net Customs Pool (less Secretariat Budget)						10,461.8	17,988.6	24,837.4
Lesotho Share (%) 14/						13.76%	12.18%	12.59%
Lesotho Share (M)						1,442.3	2,191.7	3,126.0
Gross Excise Pool						14,580	15,870	18,716
Net Excise Pool (less Secretariat Budget)						14,541.8	15,858.6	18,713.8
Excise Component (= 85% of Net Excise Pool) 15/						12,374.1	13,485.0	15,907.7
Lesotho Share (%)						0.56%	0.58%	0.56%
Lesotho Share (M)						69.3	78.2	89.6
Development Component (= 15% of net Excise Pool) 16/						2,163.7	2,373.7	2,807.2
Lesotho Share (%)						21.64%	21.60%	21.61%
Lesotho Share (M)						472.5	514.0	606.7
Common Revenue Pool						25,080	33,870	43,556
Current year combined share from common revenue pool						1,984.1	2,783.9	3,822.3
Percent of common revenue pool						7.91%	8.22%	8.78%
Adjustment payment 17/						322.4	1160.6	275.4
Actual fiscal year SACU receipt						2,306.5	3,944.5	4,097.7
In percent of GDP						25.3	37.0	33.6
						25.3	37.0	33.6
Memo: GDP (fiscal year basis)						9,130	10,646	12,188

Sources: Department of Customs and Excise; and Fund staff estimates.

1/ Fiscal year (April-March) in which indicated revenue payments are received.

2/ Fiscal year of data on which calculations are based (rates and dutiable base).

3 Customs and excise revenues as percent of dutiable base (imports and excisable production, and duties) for Southern African Customs Union as a whole (data year).

4/ Basic rate multiplied by 1.42, as initial compensation for disadvantages to smaller members.

5/ One-half of difference between 20 percent and revenue (compensation) rate.

6/ Revenue (compensation) rate plus stabilization factor.

7/ At least 17 percent and no more than 23 percent; the calculated stabilized rate applies if it falls between 17 percent and 23 percent. In recent years, the lower limit of 17 percent has been the operative rate applied to the dutiable base.

8/ Lesotho's imports (c.i.f.).

9/ Stabilized rate (actual) times dutiable base. Referred to as "accrued receipts" of data year.

10/ Stabilized rate (actual) times increase in dutiable base from two years earlier (as allowance for growth in dutiable base to revenue year).

11/ Minor adjustments made to account for revisions in base data, usually of previous data year. Calculated here as a residual.

12/ As reported in government revenue data.

13/ Basic rate times dutiable base. Referred to as "accrued receipts based on basic rate only."

14/ Based on share of intra-SACU trade in the previous period.

15/ Based on share of intra-SACU GDP.

16/ Distributed inversely to GDP per capita.

17/ Adjustment payments for deviation of actual import duty and excise receipts from previous year estimate.

Table 9. Lesotho: Economic Classification of Government Expenditure, 2001/02–2007/08 1/

(In millions of Maloti)

	2003/04	2004/05	2005/06	2006/07	2007/08
Current expenditure	2,906.8	3,147.8	3,604.0	4,136.2	4,686.1
Wages and salaries	1,123.2	1,178.6	1,282.1	1,433.2	1,632.0
Goods and services	935.9	991.0	1,119.2	1,436.3	1,399.0
Subsidies and transfers	631.3	821.2	977.6	1,170.0	1,362.6
Pensions	118.9	193.9	296.1	308.0	396.0
Subventions and transfers	512.4	627.3	681.5	862.0	966.6
Interest payments	216.4	157.0	225.1	96.7	292.5
External	90.5	91.9	179.3	55.3	243.0
Domestic	125.9	65.1	45.8	41.4	49.5
Capital expenditure and net lending	625.4	639.3	687.4	723.9	1,278.2
Acquisition of assets	538.6	457.4	506.0	580.5	1,156.4
Transfers and subventions	96.3	167.8	191.3	152.8	134.5
Net lending	-9.5	14.1	-9.9	-9.4	-12.7
Total expenditure and net lending	3,532.2	3,787.1	4,291.4	4,860.1	5,964.3

Sources: Ministry of Finance; and Fund staff estimates.

1/ Fiscal year is April-March.

Table 10. Lesotho: Outstanding Government Domestic Debt by Instrument and Holder, 2003–07

(In millions of Maloti)

	2003	2004	2005	2006	2007
Commercial banks					
Gross lending 1/	811.4	424.1	479.6	508.4	440.2
Long term	287.7	157.9	114.7	114.7	114.7
Bonds	287.7	157.9	114.7	114.7	114.7
Loans	0.0	0.0	0.0	0.0	0.0
Short term	523.7	266.2	364.9	396.8	325.6
Loans	0.0	0.8	0.3	0.0	0.0
Treasury bills	523.7	265.4	364.7	396.8	325.6
Government deposits (-)	-60.0	-43.1	-138.3	-167.2	-155.0
Net total	751.5	381.0	341.3	341.2	285.2
Central bank					
Gross lending 1/	196.1	223.4	228.6	223.1	263.0
Long term	0.0	0.0	0.0	0.0	0.0
Bonds	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0
Short term	196.1	223.4	228.6	223.1	263.0
Loans	195.7	223.3	224.8	217.4	263.0
Treasury bills	0.3	0.1	3.8	3.6	0.0
Government deposits (-)	-1203.6	-1363.2	-1419.5	-1407.0	-3992.0
Net total	-1007.5	-1139.8	-1190.9	-1183.9	-3729.0
Nonbank 2/					
Long term	0.0	0.0	0.0	0.0	0.0
Bonds	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Short term	134.5	112.5	104.2	103.1	89.6
Treasury bills	134.5	112.5	104.2	103.1	89.6
Compulsory savings	0.0	0.0	0.0	0.0	0.0
Promissory notes	0.0	0.0	0.0	0.0	0.0
Total nonbank	134.5	112.5	104.2	103.1	89.6
Total domestic debt, net	-121.6	-646.2	-745.4	-739.6	-3354.2
Gross debt outstanding	1142.0	760.0	812.4	834.5	792.8
Government deposits (-)	-1263.6	-1406.3	-1557.7	-1574.2	-4147.0

Sources: Central Bank of Lesotho; and Fund staff estimates.

1/ Data differ in coverage from banking statistics and may not fully reflect revisions made there.

2/ The nonbank sector includes insurance, bank pension schemes, public servants' promissory notes and compulsory savings, and public enterprises, as well as the general public.

Table 11. Lesotho: Monetary Survey, 2003–07

	2003	2004	2005	2006	2007
(In millions of maloti at end-December)					
Net foreign assets	3,460.7	3,972.4	4,231.4	6,205.3	8,520.6
Central bank	2,837.5	2,846.8	3,076.2	4,373.6	6,289.9
Commercial banks	623.2	1,125.6	1,155.2	1,831.7	2,230.7
Net domestic assets	-1,162.8	-1,599.4	-1,641.4	-2,697.4	-4,439.1
Domestic credit	380.6	-133.9	-100.5	-576.8	-2,071.1
Claims on central government (net)	-167.0	-742.7	-910.1	-1,498.8	-3,324.3
Central bank	-1,090.1	-1,228.3	-1,199.9	-1,973.9	-3,728.8
Commercial banks	923.1	485.7	289.8	475.2	404.5
Claims on the rest of the economy	547.7	608.7	809.6	921.9	1,253.3
Other items (net)	-1,543.4	-1,465.4	-1,540.9	-2,120.6	-2,368.1
Money and quasi-money (M2)	2,297.8	2,373.0	2,590.0	3,507.9	4,081.5
Money	1,537.7	1,589.4	1,829.5	2,688.8	2,990.7
<i>Of which:</i> Currency outside dep. banks	183.5	204.5	212.8	309.4	339.3
Demand deposits	1,185.2	1,197.5	1,427.9	2,379.4	2,651.4
Quasimoney	760.1	783.6	760.5	819.1	1,090.8
<i>Of which:</i> Time and savings deposits	760.1	783.6	760.5	819.1	1,090.8
(Annual change in percent)					
Net foreign assets 1/	-19.5	22.3	10.9	76.2	66.0
Central bank	-16.8	0.4	9.7	50.1	54.6
Commercial banks	-2.8	21.9	1.2	26.1	11.4
Net domestic assets 1/	25.5	-19.0	-1.8	-40.8	-49.7
Claims on central government (net)	7.1	-25.1	-7.1	-22.7	-52.0
Claims on the rest of the economy	-21.5	2.7	8.5	4.3	9.4
Claims on the rest of the econ. (yearly change)	-46.0	11.1	33.0	13.9	35.9
Other items (net)	39.9	3.4	-3.2	-22.4	-7.1
Money and quasimoney (M2) 1/	6.0	3.3	9.1	35.4	16.4

Sources: Central Bank of Lesotho; and Fund staff estimates.

1/ Annual change in percent of beginning-of-year M2, unless otherwise indicated.

**Table 12. Lesotho: Assets and Liabilities of the
Central Bank of Lesotho, 2003–07**

(In millions of Maloti; end of period)

	2003	2004	2005	2006	2007
Foreign assets	3,055.8	3,101.1	3,373.2	4,626.9	6,530.9
Claims on government	173.8	214.1	222.2	257.6	263.5
Claims on private sector	15.0	16.3	19.5	20.1	22.2
Unclassified assets	115.4	57.9	101.1	119.9	66.4
Total assets = total liabilities	3,360.0	3,389.4	3,716.0	5,024.4	6,883.0
Monetary base	518.5	559.1	734.1	680.7	687.2
Maloti in circulation	235.0	256.9	298.0	377.7	402.2
Bankers' deposits	114.5	112.3	244.8	110.8	130.5
Private and public deposits	169.0	189.9	191.4	192.2	154.5
Rand notes and coins	...	...	...	...	...
Foreign liabilities	184.3	214.2	221.5	253.2	241.1
Government deposits	1,263.9	1,411.8	1,422.0	2,231.5	3,992.3
Capital accounts	1,393.3	1,204.2	1,338.3	1,859.0	1,962.5
Capital and reserves	1,393.3	1,204.2	1,338.3	1,859.0	1,962.5
Allocation of SDRs	...	...	...	...	...
Unclassified liabilities	...	...	...	...	...

Sources: Central Bank of Lesotho; and Fund staff estimates.

Table 13. Lesotho: Assets and Liabilities of Commercial Banks, 2003–07

(In millions of Maloti; end of period)

	2003	2004	2005	2006	2007
Foreign assets	852.8	1,261.5	1,262.1	1,904.6	2,304
Reserves	181.1	172.5	275.4	238.3	233.9
Maloti on hand	15.5	7.7	20.3	59.3	45.0
Rand on hand	51.5	52.4	85.2	68.3	62.9
Balances with central bank	114.2	112.4	170.0	110.8	126.1
Claims on government	990	542	461	598	559
Claims on statutory bodies	39	52	33	17	51
Claims on private sector 1/	454	497	754	877	1,162
Unclassified assets	714	830	1,155	594	702
Total assets = total liabilities	3,230	3,355	3,944	4,237	5,031
Foreign liabilities	229.6	135.9	106.9	72.9	73
Demand and call deposits 2/	1,185	1,198	1,428	2,187	2,497
Savings and time deposits 2/	760	784	761	819	1,091
Government deposits	68	58	172	123	155
Capital accounts	303	346	403	316	413
Unclassified liabilities 1/	670	828	1,053	659	757

Sources: Central Bank of Lesotho; and Fund staff estimates.

1/ Claims on private sector and unclassified liabilities affected by a write-off of bad loans in February 2003.

2/ Excludes Miners' Deferred Pay Fund and nonresidents' deposits.

Table 14. Lesotho: Principal Aggregates of Commercial Banks' Operations, March 2001–June 2008

(In millions of maloti, unless otherwise specified; end of period)

	Deposits 1/	Credit 2/	Credit-Deposit Ratio 3/	Liquid Assets 4/	Liquidity Ratio 5/
2001					
March	1,434.9	960.7	66.9	1,240.3	86.4
June	1,500.2	968.0	64.5	1,204.2	80.3
September	1,513.1	954.3	63.1	999.4	66.1
December	1,599.3	973.8	60.9	1,328.7	83.1
2002					
March	1,715.1	930.0	54.2	1,561.8	86.9
June	1,795.6	942.3	52.4	1,455.8	77.6
September	1,778.2	994.4	55.9	1,607.5	85.7
December	1,791.9	999.9	55.8	1,514.6	82.8
2003					
March 6/	1,814.3	400.8	22.1	1,698.1	85.2
June 6/	1,876.9	429.3	22.9	1,730.0	83.2
September	1,814.5	450.7	24.8	1,435.3	69.8
December	1,913.9	441.5	23.2	1,814.1	80.9
2004					
March	1,894.7	484.9	25.6	1,669.1	77.3
June	1,949.8	504.5	25.9	2,085.5	94.1
September	2,036.4	541.3	26.6	1,821.9	69.1
December	1,942.3	493.3	25.4	1,982.9	71.4
2005					
March	2,020.5	533.0	26.4	2,254.2	74.8
June	1,893.4	546.9	28.9	1,944.3	71.3
September	2,082.9	576.3	27.7	2,415.6	77.3
December	2,149.7	805.6	37.5	2,505.7	78.4
2006					
March	2,126.9	725.0	34.1	2,359.3	78.7
June	2,271.5	709.3	31.2	2,605.3	79.8
September	2,649.4	755.2	28.5	2,159.5	76.2
December	3,006.3	802.0	26.7	2,876.7	79.6
2007					
March	3,242.1	863.1	26.6	2,980.5	78.4
June	3,216.5	976.3	30.4	2,921.1	90.8
September	3,242.0	1,072.7	33.1	2,962.0	91.4
December	3,662.3	1,142.2	31.2	3,341.3	91.2
2008					
March	3,693.7	1,227.5	34.1	3,543.5	95.9
June	4,225.2	1,357.1	32.1	4,143.9	98.1

Source: Central Bank of Lesotho.

1/ Excludes Miners' Deferred Pay Fund and deposits of nonresidents.

2/ Excludes loans and advances to nonresidents.

3/ Loans and advances as a percentage of deposits.

4/ Cash reserves, call or demand deposits with banks in the Common Monetary Area, and short-term government securities.

5/ Liquid assets as percentage of total deposits.

6/ Numbers on loans and advances affected by nonperforming loans, which were written off in February 2003.

Table 15. Lesotho: Sectoral Distribution of Commercial Bank Loans and Advances to the Private Sector and Statutory Bodies, March 2004–June 2008 1/

(In millions of maloti; end of period)

	2004				2005				2006				2007				2008	
	March	June	Sep.	Dec.	March	June	Sep.	Dec.	March	June	Sep.	Dec.	March	June	Sep.	Dec.	March	June
Agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.6	1.3	1.7	1.7	2.0	13.8	52.5	67
Mining and quarrying	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.5	3.0	2.8	26.5	28.6	29.5	3.1	3.7	3.7
Manufacturing	23.9	23.1	25.8	28.7	28.2	46.0	41.3	47.8	20.4	15.6	44.01	45.7	44.3	44.0	52.1	62.4	68	72.2
Electricity, gas, and water	8.7	8.7	8.9	8.0	8.7	3.8	3.6	5.3	5.5	35.2	45.6	53.1	52.6	52.6	57.6	2.9	3.7	6.2
Construction	108.3	121.3	117.5	132.5	140.0	126.8	120.9	132.6	133.3	99.1	97.8	108.0	112.5	128.3	127.5	219.5	220.9	209.8
Trade, hotels, and restaurants	20.8	16.7	17.7	20.2	21.1	42.2	45.9	27.5	16.1	6.7	12.0	12.3	11.3	11.9	17.8	51.7	57.6	69.3
Transport, storage, and communications	5.8	7.0	8.0	7.5	6.4	1.1	7.1	129.9	146.0	148.9	194.4	202.6	219.4	234.4	204.5	194.1	169.7	253.8
Nonbank financial institutions, real estate, and business services	5.1	5.7	7.0	7.6	7.5	5.1	6.0	6.9	3.3	3.3	0.7	0.7	0.9	0.9	1.0	37.5	36.5	67.2
Community, social, and personal services	24.5	28.1	31.3	9.4	8.4	1.0	0.1	0.1	3.1	3.4	0.3	0.4	0.5	0.5	48.9	84.9	98.8	101.8
Personal loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
Total claims on the economy	197.0	210.5	216.2	213.8	220.8	225.9	225.7	350.0	339.6	325.8	399.3	426.9	469.8	502.9	540.9	669.9	711.4	851
Private sector	197.0	210.5	216.2	213.8	220.8	225.9	225.7	350.0	339.6	307.8	384.0	409.5	452.2	468.6	492.6	918.6	661.3	803.2
Business enterprises	151.0	157.0	168.5	161.6	158.0	171.4	179.0	316.6	310.3	307.8	384.0	409.5	452.2	468.6	492.6	918.6	661.3	803.2
Personal loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
Statutory bodies	46.0	53.5	47.7	52.2	62.8	54.5	46.7	33.4	29.4	17.9	15.4	17.4	17.6	34.3	48.3	51.5	50.1	47.7

Source: Central Bank of Lesotho, *Quarterly Reviews* and *Annual Reports*.

1/ Does not include investments and certain securities.

Table 16. Lesotho: Interest Rates at Commercial Banks, March 2004–June 2008

(In percent a year; end of period)

	2004				2005				2006				2007				2008	
	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.	Sep.	Dec.	Mar.	Jun.
Lending rates 1/																		
Minimum	12.5	12.5	12.2	12.2	12.2	11.5	11.5	11.5	11.6	12.0	12.3	13.5	13.6	14.1	14.2	15.4	15.7	16.3
Maximum	17.5	19.2	18.8	17.2	17.2	16.9	16.8	16.8	16.8	17.1	17.1	18.0	18.0	18.3	18.3	19.8	20.7	24.3
Deposit rates																		
Savings deposits 2/	2.3	2.1	1.4	1.4	1.4	2.0	2.0	2.0	2.0	2.0	3.0	5.0	5.0	5.5	5.5	6.8	6.8	7.5
Time deposits																		
31 days	3.8	3.8	3.1	3.1	3.1	3.5	3.3	3.5	3.5	3.5	3.2	3.5	3.5	3.9	4.9	4.9	6.3	5.4
1 year	6.0	6.0	4.7	4.0	4.0	4.8	4.8	4.8	4.8	4.8	6.0	6.5	6.5	6.8	6.3	8.0	8.0	7.4
Memorandum items:																		
South African rates																		
Prime overdraft	11.5	11.5	11.0	11.0	10.5	10.5	10.5	10.5	10.5	11.0	11.5	12.0	12.0	12.5	13.5	14.5	14.5	15.5
Deposit rates																		
Notice (31 days)	7.7	8.3	7.5	7.2	7.2	6.8	6.8	6.8	6.9	7.3	7.8	8.8	8.9	9.3	9.3	11.0	11.1	12.0
Fixed (12 months)	8.7	9.1	7.7	7.4	7.4	7.1	7.3	7.3	7.2	8.3	9.4	9.7	9.6	10.4	10.9	11.9	12.2	13.8

Sources: Central Bank of Lesotho, *Quarterly Review*; and South African Reserve Bank, *Quarterly Bulletin*.

1/ Minimum and maximum lending rates are not statutory rates; they indicate the range of interest rates reported by banks.

2/ Minimum deposit rates; from December 1999, they are maximum deposit rates.

Table 17. Lesotho: Major Money Market Interest Rates

(In percent per annum; end of period)

	2003	2004	2005	2006	2007
Central bank 1/					
91-day t-bill rate	9.83	7.86	6.95	6.76	8.82
Call rate	...	...	...	...	...
31 days	...	...	...	...	...
Commercial banks					
Time deposits					
31 days	3.75	3.10	3.50	3.50	4.88
1 year	6.00	4.00	4.75	6.50	8.0
Savings deposits - (range)	1.68-2.48	0.96-1.35	0.97-2.00	1.00-5.00	3.00-6.75
Prime lending	17.67	12.17	11.50	13.50	15.43
South Africa 2/					
91-day t-bill rate	7.54	7.32	6.80	8.26	10.0
Prime lending	11.50	11.00	10.50	12.50	14.5
Call deposits 3/	7.70-7.72	7.70-8.72	6.00-6.50	7.50-8.50	10.0-10.5
Repo	8.00	7.50	7.00	9.00	10.5

Source: Central Bank of Lesotho.

1/ In September 2001, the Central Bank introduced indirect instruments of monetary policy and also ceased to remunerate banks deposits.

2/ Source: Financial Mail.

3/ Maximum rate for deposits of R100,000+.

Table 18. Lesotho: Balance of Payments, 2003–07

	2003	2004	2005	2006	2007
(In millions of U.S. dollars)					
Trade balance	-517.8	-592.5	-656.6	-667.4	-799.0
Exports, f.o.b.	470.3	660.0	650.7	699.5	804.0
<i>Of which:</i> Garments	337.8	501.3	527.7	567.2	569.9
Imports f.o.b. 1/	-988.1	-1,252.4	-1,307.3	-1,366.9	-1,603.0
<i>Of which:</i> Garment inputs	-145.4	-215.8	-227.1	-273.6	-274.8
Services (net)	-34.7	-36.9	-51.2	-36.0	-33.9
Receipts	49.6	61.1	52.2	59.2	76.2
<i>Of which:</i> water royalties	14.7	17.0	18.1	18.4	20.4
Payments	-84.3	-98.1	-103.4	-95.2	-110.1
Income (net)	255.3	309.8	304.0	380.2	418.0
Labor income (net)	254.4	304.2	302.2	345.2	408.5
Receipts	281.3	333.8	319.1	356.6	429.5
<i>Of which:</i> Miners' wages	229.7	271.0	253.8	292.8	365.7
Payments	-26.9	-29.5	-16.9	-11.4	-21.0
Investment income (net)	0.8	5.5	1.8	35.0	9.5
Receipts	27.9	38.3	50.3	56.1	86.5
Payments	-27.0	-32.8	-48.6	-21.2	-77.0
<i>Of which:</i> Interest on debt	-12.8	-11.9	-37.9	-9.6	-64.0
Unrequited transfers	169.7	247.2	300.3	389.1	628.0
Official	161.5	238.1	289.7	371.6	627.0
SACU nonduty receipts	143.0	216.1	274.4	358.0	605.0
Rand compensation	8.7	9.9	11.5	11.5	12.6
Other	9.7	12.0	3.8	2.0	9.4
Private	8.2	9.1	10.6	17.5	1.0
Current account (including official transfers)	-127.6	-72.4	-103.5	65.9	213.1
Current account (excluding official transfers)	-289.0	-310.5	-393.3	-305.7	-413.9
<i>Of which:</i> LHWP 2/	-62.3	-53.0	-12.2	-7.3	-9.0
Capital and financial account	176.1	56.0	152.0	12.6	118.7
Capital account (transfers received)	18.3	22.4	21.0	11.1	32.1
Financial account	157.7	33.6	131.0	1.5	86.6
Direct investment (excl. LHDA) 3/	41.9	53.2	57.3	92.0	105.7
Financing LHWP (net)	73.0	70.8	35.2	20.3	24.4
Other investment	-25.5	-88.7	38.5	-110.8	-43.5
Assets	-37.1	-95.0	1.9	-89.1	-60.8
Liabilities	11.6	6.3	36.6	-21.7	17.3
Change in reserve assets	68.3	-1.6	-43.2	-191.1	-265.1
Valuation adjustment	49.9	33.4	14.6	53.5	-17.4
Errors and omissions	-98.4	-17.0	-19.8	59.2	-49.3
(In percent of GDP; unless otherwise indicated)					
Memorandum items:					
Trade balance	-40.0	-36.4	-47.7	-44.0	-47.8
Net remittances	24.5	23.1	22.0	22.8	24.4
Current account (including official transfers)	-12.3	-5.5	-7.5	4.3	12.7
Current account (excluding official transfers)	-27.8	-23.5	-28.6	-20.2	-24.8
Excluding LHWP	-24.0	-20.3	-29.0	-20.9	-25.4
Gross official reserves (Millions of U.S. dollars)	501.6	503.3	501.4	692.6	957.7
Gross official reserves (Months of imports of goods and services)	5.6	4.5	4.3	5.7	6.7

Sources: Central Bank of Lesotho; and IMF staff estimates and projections.

1/ Adjusted for SACU duty receipts.

2/ Lesotho Highlands Water Project.

3/ Lesotho Highlands Development Authority.

Table 19. Lesotho: Balance of Payments, 2003–07

	2003	2004	2005	2006	2007
(In millions of Maloti)					
Trade balance	-3,917.2	-3,827.1	-4,175.7	-4,519.2	-5,629.2
Exports, f.o.b.	3,557.4	4,263.2	4,138.1	4,736.7	5,664.5
<i>Of which:</i> Garments	2,555.6	3,238.0	3,355.5	3,841.1	4,015.2
Imports f.o.b 1/	-7,474.6	-8,090.3	-8,313.7	-9,255.9	-11,293.7
<i>Of which:</i> Garment inputs	-1,100.0	-1,393.8	-1,444.3	-1,852.7	-1,936.1
Services (net)	-262.2	-238.5	-325.3	-243.7	-238.8
Receipts	375.3	395.0	332.0	400.9	536.9
<i>Of which:</i> Water royalties	111.2	109.8	114.9	124.8	143.7
Payments	-637.5	-633.5	-657.3	-644.6	-775.7
Income (net)	1,930.9	2,001.0	1,933.0	2,574.4	2,945.0
Labor income (net)	1,924.7	1,965.3	1,921.8	2,337.4	2,878.0
Receipts	2,127.8	2,156.1	2,029.2	2,414.8	3,026.0
<i>Of which:</i> Miners' wages	1,737.9	1,750.4	1,614.3	1,983.0	2,576.5
Payments	-203.2	-190.9	-107.4	-77.4	-148.0
Investment income (net)	6.3	35.7	11.2	237.0	66.9
Receipts	210.8	247.4	320.2	379.9	609.4
Payments	-204.5	-211.7	-309.0	-143.4	-542.5
<i>Of which:</i> Interest on debt	-96.5	-77.2	-240.8	-65.0	-450.9
Unrequited transfers	1,283.6	1,597.0	1,909.7	2,634.5	4,424.5
Official	1,221.4	1,538.0	1,842.6	2,516.0	4,417.4
SACU nonduty receipts	1,081.8	1,396.3	1,745.2	2,424.4	4,262.4
Rand compensation	66.0	64.3	73.3	78.2	88.8
Other	73.6	77.5	24.0	13.4	66.2
Private	62.2	59.0	67.2	118.5	7.0
Current account (including official transfers)	-965.0	-467.7	-658.3	446.0	1,501.4
Current account (excluding official transfers)	-2,186.4	-2,005.7	-2,500.8	-2,070.0	-2,916.1
<i>Of which:</i> LHWP 2/	-471.0	-342.3	-77.6	-49.4	-63.4
Capital and financial account	1,331.9	361.8	966.4	85.5	836.3
Capital account (transfers received)	138.6	144.6	133.3	75.5	226.2
Financial account	1,193.3	217.2	833.1	10.0	610.1
Direct investment (excl. LHDA) 3/	316.6	343.7	364.4	623.0	744.7
Financing LHWP (net)	552.3	457.2	223.8	137.4	171.9
Other investment	-192.6	-573.0	244.8	-750.4	-306.5
Assets	-280.5	-613.9	12.0	-603.6	-428.4
Liabilities	87.9	40.9	232.8	-146.8	121.9
Change in reserve assets	517.0	-10.6	-274.8	-1,294.3	-1,867.7
Valuation adjustment	377.1	215.6	92.9	362.2	-122.6
Errors and omissions	-744.1	-109.7	-126.2	400.6	-347.3
(In percent of GDP; unless otherwise indicated)					
Memorandum items:					
Trade balance	-40.0	-36.4	-47.7	-44.0	-47.8
Net remittances	24.5	23.1	22.0	22.8	24.4
Current account (including official transfers)	-12.3	-5.5	-7.5	4.3	12.7
Current account (excluding official transfers)	-27.8	-23.5	-28.6	-20.2	-24.8
Excluding LHWP	-24.0	-20.3	-29.0	-20.9	-25.4
Gross official reserves (Millions of U.S. dollars)	3794.7	3251.0	3188.6	4690.0	6747.3
Gross official reserves (Months of imports of goods and services)	5.6	4.5	4.3	5.7	6.7
Exchange rate (maloti per U.S. dollar, average)	7.6	6.5	6.4	6.8	7.0

Sources: Central Bank of Lesotho; and IMF staff estimates and projections.

1/ Adjusted for SACU duty receipts.

2/ Lesotho Highlands Water Project.

3/ Lesotho Highlands Development Authority.

Table 20. Lesotho: Services and Income Account, 2003–07

(In millions of Maloti)

	2003	2004	2005	2006	2007
Nonfactor services: Credit	375.3	395.0	360.1	400.9	536.9
Other transportation	4.2	4.1	5.0	5.7	6.5
Travel	209.3	215.7	199.0	228.5	322.6
<i>Of which</i> : Total expats spending	59.9	54.2	21.5	15.5	28.9
<i>Of which</i> : LHWP expats spending	29.9	24.7	12.1	7.4	9.3
Sales of water (and power)	111.2	109.8	114.9	124.8	143.7
Other official	57.7	53.6	55.7	58.5	83.1
Nonfactor services: Debit	-637.5	-633.5	-657.3	-644.6	-775.7
Shipment	-334.4	-328.8	-319.8	-326.4	-434.4
Other transportation	-26.2	-42.5	-57.2	-40.3	-54.2
Travel	-171.7	-195.6	-184.1	-172.3	-134.2
Other official	-104.7	-66.0	-95.9	-105.6	-152.9
Other private	-0.5	-0.6	-0.3	0.0	0.0
Nonfactor services (net)	-262.3	-238.5	-297.2	-243.7	-238.8
Factor incomes: Credit	2,338.6	2,403.5	2,348.6	2,794.7	3,635.5
Investment income	210.8	247.4	319.4	379.9	609.4
Interest earned by CBL	162.2	152.1	193.6	275.5	450.4
Interest earned by commercial banks	48.6	95.3	125.8	104.4	159.0
Labor income	2,127.8	2,156.1	2,029.2	2,414.8	3,026.1
Miners' wages	1,737.9	1,753.4	1,614.3	1,983.0	2,576.7
Other	389.9	402.7	414.9	431.8	449.4
Factor incomes: Debit	-407.7	-402.6	-416.3	-221.1	-690.6
Investment income	-204.5	-211.7	-308.9	-143.4	-542.6
Dividends and profits	-108.0	-65.1	-68.1	-78.1	-91.4
LHWP distributed earnings	-84.3	-52.6	-44.8	-32.1	-31.6
Other	-23.7	-12.5	-23.3	-46.0	-59.8
Interest	-96.5	-146.6	-240.8	-65.3	-451.2
Payments to expatriates	-203.2	-190.9	-107.4	-77.7	-148.0
<i>Of which</i> : LHWP	-107.7	-82.3	-40.3	-24.7	-31.0
Factor incomes (net)	1,930.9	2,000.9	1,932.3	2,573.6	2,944.9
Total services and income (net)	1,668.6	1,762.4	1,635.1	2,329.9	2,706.1

Source: Central Bank of Lesotho.

Table 21. Lesotho: Lesotho Miners in South Africa, 2003–07

	2003	2004	2005	2006	2007
Total average number employed (thousands)	61.4	58.0	50.8	50.2	50.1
Annual percentage change	-1.2	-5.5	-12.4	-1.2	-0.2
Average annual earnings (maloti)	38,513	42,116	43,202	53,670	69,874
Annual percentage change	9.0	9.4	2.6	24.2	30.2
Total earnings (millions of maloti)	2,364.8	2,442.1	2,196.2	2,694.3	3,500.7
Annual percentage change	7.7	3.3	-10.1	22.7	29.9
Miners' remittances (millions of maloti)	1,737.9	1,750.4	1,614.3	1,983.0	2,576.5
Miners' remittances (percentage of total earnings)	71.3	73.5	73.5	70.6	70.6
Miners' remittances (annual percentage change)	8.8	6.5	-7.8	22.8	29.9

Sources: Central Bank of Lesotho; and IMF staff estimates.

Table 22. Lesotho: Composition of Recorded Exports, 2003–07

(In millions of Maloti)

	2003	2004	2005	2006	2007
Foodstuffs, etc.	194.0	185.5	61.4	72.9	89.3
Cereals	71.2	65.2	6.2	6.8	7.5
Beans, peas, and other vegetables	0.4	0.3	0.5	0.2	0.5
Animal feed	5.2	13.0	3.1	3.6	4.8
Beverages and tobacco	96.5	98.5	50.4	61.2	74.6
Other foodstuffs	20.7	8.5	1.2	1.1	1.9
Live animals	20.4	16.8	3.3	1.3	3.4
Cattle	12.2	12.5	2.9	1.1	2.5
Sheep and goats	0.4	0.4	0.3	0.2	0.9
Pigs	1.2	1.3	0.0	0.0	0.0
Poultry	6.6	2.6	0.1	0.0	0.0
Livestock materials	83.1	22.0	12.1	7.9	10.5
Wool	73.4	12.9	10.3	6.1	7.4
Mohair	0.0	1.5	1.1	1.3	2.3
Hides and skins	9.6	7.6	0.7	0.5	0.8
Crude materials	0.0	0.0	0.0	0.0	0.0
Diamonds	3.8	270.4	391.1	474.6	1,122.6
Water	97.2	100.2	99.5	138.2	158.7
Manufactures	3,148.1	3,654.1	3,565.7	4,039.7	4,275.7
Chemicals and petroleum	49.3	32.6	13.2	15.6	18.6
Leather products	2.9	1.2	0.0	0.0	0.0
Wood products	0.7	1.9	0.0	0.0	0.0
Yarn and textiles, etc.	8.4	12.9	11.2	8.7	10.2
Bricks	17.6	13.7	9.2	6.2	7
Telecommunication equipment	209.7	133.6	70.5	72.3	74.5
Machinery	53.9	50.1	12.3	8.8	10.2
Road vehicles	30.2	13.1	11.6	6.4	7.5
Furniture and parts	33.1	25.6	2.3	5.6	6.2
Clothing, etc.	2,555.6	3,238.0	3,355.5	3,841.1	4,015.2
Footwear	130.5	92.3	65.8	60.2	85.6
Books	21.0	0.4	1.2	1.5	1.8
Other manufactures	35.2	38.7	12.9	13.3	38.9
Unclassified	10.9	14.2	5.1	2.1	3.6
Total value	3,557.3	4,263.2	4,138.1	4,736.7	5,663.8

Source: Central Bank of Lesotho.

Table 23. Lesotho: Direction of Trade, 2003–07 1/

(In millions of Maloti)

	2003		2004		2005		2006		2007	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
World	8,411.6	3,557.4	9,036.2	4,263.2	9,135.7	4,138.1	10,160.0	4,736.7	12,420.7	5,663.8
Africa	7,242.7	695.6	6,628.5	618.3	7,709.9	813.3	8,574.3	930.9	10,473.7	1,113.1
SACU 2/	7,234.1	689.7	6,583.8	585.1	7,665.2	714.2	8,524.6	817.5	10,613.0	1,077.5
Other Africa	8.6	5.9	44.7	33.2	44.7	99.1	49.7	113.4	187.9	135.6
Europe	12.1	3.7	73.1	653.6	65.7	711.0	73.1	813.8	99.3	973.1
European Union	8.9	3.7	70.3	650.8	61.5	711.0	68.4	813.8	83.6	973.1
Belgium	0.0	0.0	0.8	585.8	1.5	702.4	1.7	804.0	2.1	961.4
Denmark	1.3	0.0	5.4	0.0	3.9	0.0	4.4	0.0	5.4	0.0
France	0.1	0.0	22.0	0.0	2.8	0.0	3.1	0.0	3.8	0.0
Germany	0.1	0.6	4.4	10.4	11.4	0.3	12.7	0.3	15.5	0.4
Greece	3.2	0.0	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Italy	0.1	0.0	23.6	0.0	18.2	0.1	20.3	0.1	24.8	0.1
Spain	0.2	0.0	0.2	0.1	0.3	0.4	0.4	0.5	0.5	0.5
Netherlands	2.7	2.0	10.0	0.6	11.7	0.1	13.0	0.1	15.9	0.1
United Kingdom	1.4	1.2	2.1	53.9	11.6	7.6	12.9	8.7	15.8	10.4
Portugal	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Turkey	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Europe	1.8	0.0	2.8	2.8	4.2	0.0	4.6	0.0	5.7	0.0
North America	15.1	2,849.1	97.5	2,979.8	38.1	2,600.0	42.3	2,976.1	51.7	3,558.6
Canada	0.6	19.7	0.0	45.4	6.3	56.1	7.0	64.3	8.5	76.8
United States	14.5	2,829.4	97.5	2,934.4	31.8	2,543.8	35.4	2,911.8	43.2	3,381.7
Asia	1,141.7	8.9	2,183.4	11.5	1,315.3	13.8	1,462.8	15.8	1,786.8	18.9
Japan	11.3	1.2	65.8	0.9	13.9	1.3	15.5	1.5	18.9	1.8
Hong Kong SAR	401.3	0.9	623.9	8.7	386.3	0.9	429.6	1.0	524.8	1.2
China	241.8	0.2	457.4	0.0	238.9	0.0	265.7	0.0	324.5	0.0
Taiwan Province of China	367.6	0.7	670.4	0.1	448.4	0.8	498.7	0.9	609.2	1.1
Other	119.7	5.8	366.0	1.8	227.8	10.8	253.3	12.4	309.4	14.8
Oceania	32.0	0.0	53.7	0.0	6.7	0.0	7.5	0.0	9.1	0.0

Source: Central Bank of Lesotho.

1/ Imports are c.i.f., duty exclusive, and exclude donated food; exports are f.o.b.

2/ SACU members, other than Lesotho, are Botswana, Namibia, South Africa, and Swaziland.

**Table 24. Lesotho: Public and Publicly Guaranteed
External Debt Outstanding, 2003–07**

(In millions of U.S. dollars)

	2002	2003	2004	2005	2006	2007
Multilateral sources	480.1	537.7	564.5	552.3	557.1	575.8
<i>of which:</i>						
World Bank Group	222.8	252.4	265.1	262.3	267.5	275.7
African Development Bank	6.7	5.8	4.0	2.4	1.4	0.5
African Development Fund	163.0	172.6	182.1	173.6	183.8	189.4
EU	34.4	1.7	3.3	34.1	34.3	27.6
IMF	18.6	23.3	32.5	35.6	35.1	32.2
Bilateral sources	93.4	101.2	86.8	49.6	40.1	35.4
Commercial sources	59.8	67.2	60.4	30.7	23.7	14.5
Banks	40.4	50.5	47.9	18.8	15.0	6.5
Export credits	19.4	16.7	12.6	11.8	8.7	8.0
Total	633.3	706.1	711.7	632.6	620.9	625.7
Total (percent of GDP)	75.3	61.0	48.3	45.2	42.1	36.2

Source: External Debt Unit, Ministry of Finance.

Table 25. Lesotho: Summary of the Tax System, end-June 2008

(All amounts in maloti)

	Tax	Nature of Tax	Exemptions and Deductions	Rates
1.	Taxes on net income and profits			
1.1	Taxes on companies, corporations, or enterprises			
1.1.1	Income tax Income Tax Act 1993, Order No. 9 of 1993 (this act repeals the 1981 Income Tax Act); Income Tax (Amendment) Act 1994; and Income Tax (Amendment) Act 1996.	A tax on the current year's income from all geographical sources (in the case of resident companies), including on specified fringe benefits to employees. Dividends paid by a resident company to a resident shareholder are exempt, but advance corporate tax applies.	Deductions include normal operating costs, expenditures for repair and maintenance, and depreciation of plant and machinery. Up to 125 percent of expenditure incurred on the training of Basotho workers is deductible. The income of life insurances business, and charitable institutions is exempt.	25 percent is levied on all sectors of activity other than manufacturing and farming; 15 percent commercial farming; 10 percent on other manufacturing and 0 percent on manufacturing of goods destined for extra-SACU For nonresident companies, 10 percent Withholding Tax and is a final tax.
1.1.2	Gambling levy The Casino Act, No. 26 of 1969; Legal Order No. 42 of 1971. Casino Order No. 4 of 1989.	A levy on gross collections of gambling casinos.		15 percent.

Table 25. Lesotho: Summary of the Tax System, end-June 2008

(All amounts in maloti)

Tax		Nature of Tax	Exemptions and Deductions	Rates							
1.2	Taxes on individuals										
1.2.1	Income tax Income Tax Act 1993.	<p>A tax on the current year's income from all geographical sources (in the case of residents).</p> <p>Gross income includes incomes in kind, except for benefits subject to fringe benefits tax.</p> <p>Tax is withheld at source at a rate of 10 percent on interest paid (in excess of the exempt amounts) and at 5 percent on payments made by government and non-government withholding agents to Lesotho resident contractors and subcontractors. Such amounts are a credit against the final amount of tax assessed for the recipient.</p>	<p>Exempt incomes include the first M 500 of interest from savings, income from subsistence/primary farming, scholarships, and foreign-source property income of expatriate taxpayers.</p> <p>A uniform personal tax credit of M 4,500 per taxpayer was introduced in April 2008.</p>	<p>Residents marginal rate (in percent):</p> <table> <tr> <td>First M 37,378</td> <td>22 percent</td> </tr> <tr> <td>Over M 37,378</td> <td>35 percent</td> </tr> </table> <p>Nonresident marginal rate (in percent):</p> <table> <tr> <td>All chargeable Income</td> <td>25 percent</td> </tr> </table>	First M 37,378	22 percent	Over M 37,378	35 percent	All chargeable Income	25 percent	
First M 37,378	22 percent										
Over M 37,378	35 percent										
All chargeable Income	25 percent										
1.2.2	Withholding tax Income Tax Act 1993.	A tax on income from dividends, interest, royalties, natural resource payments, management charges, or service contracts earned within Lesotho by nonresidents.	Dividends from manufacturing companies are exempt.	<p>Withholding tax is 25 percent.</p> <p>For royalties from non-manufacturing companies, 15 percent.</p> <p>On service contracts earned within Lesotho by nonresidents, 10 percent.</p>							
1.2.3	Income Tax (Amendment Act, 1999)	A tax on farm income.		15 percent.							
1.2.4	Income Tax (Amendment Act, 2000)	Taxation of activities by Lesotho Highlands Development Authority (LHDA) in terms of Protocol V to the Lesotho Highlands Water Treaty.	Exemptions as specified in Protocol V to the Lesotho Highlands Water Treaty between Lesotho and South Africa.	Differential rates applied to companies contracted by LHDA.							

Table 25. Lesotho: Summary of the Tax System, end-June 2008

(All amounts in maloti)

Tax	Nature of Tax	Exemptions and Deductions	Rates
2. Taxes on property			
2.1 Property rates Valuation and Rating Act 1980; Urban Government Act 1993; and Legal Notice No. 10 of 1997.	Taxes on urban land and improvements based on capital value of property, as assessed periodically. Improvements valued on basis of depreciated replacement value.	These taxes are currently applied only within Maseru, Teyateyaneng, and Mafeteng. Government property is subject to a grant in lieu of tax.	Rates of 0.25 percent on residential property; 2.0 percent on commercial property; and 2.75 percent on industrial property.
2.2 Ground rents Land Act No. 17 of 1979; Land Regulations, Legal Notice No. 15 of 1980; and Legal Notice No. 131 of 1991.	A fee for use/right to occupy land. Charged according to area of land and location.	Owner-occupiers are exempted.	M 0.05-0.10 a year per square meter for residential land; M 0.25- 0.30 a year per square meter for commercial land. Levy of 5 percent for late payment.

Table 25. Lesotho: Summary of the Tax System, end-June 2008

(All amounts in maloti)

Tax		Nature of Tax	Exemptions and Deductions	Rates										
2.3	Death taxes													
2.3.1	Estate duty Proclamation No. 20 of 1935 as amended.	A duty paid by the estate in respect of property passing on the death of the person who owned the property at the time of death.	Any amount received under an insurance policy is not subject to tax, except to the extent attributable to premiums for which a deduction was allowed.	Three-ten thousandths M 2 for every M 200 or part thereof, subject to a maximum rate of M 0.67 per M 2. A rebate of M 600 is deducted from the amount of duty calculated.										
2.3.2	Succession duty Proclamation No. 20 of 1935 as amended.	A duty levied on all successions accruing to any person.	Successions accruing to a surviving spouse, to the Lesotho government, and to nonprofit public institutions within Lesotho are exempt.	A rate of duty varying according to the degree of relationship of the successor from 3 percent to 12 percent of the dutiable amount. A 1 percent surcharge is levied on dutiable successions exceeding M 20,000.										
2.4	Transfer duty Transfer Duty Act, 1965, No. 7 of 1966; Transfer Duty Order, 1972, Order No. 1 of 1972.	A duty levied on the transfer of immovable property (including lease contracts for at least 10 years and any rights to minerals).	The following are exempt: the Lesotho government and its departments, the Lesotho Electricity Corporation, the Lesotho Bank, the Lesotho Airways Corporation, the Lesotho National Development Corporation; local authorities, nonprofit public institutions and public hospital, and a surviving spouse for the estate of a deceased spouse.	A duty of 3 percent on the first M 10,000 of value and 4 percent on the excess value.										
3. Taxes on goods and services			Under Section 6, the act exempts from VAT imports of goods prescribed in schedule II (diplomatic, heads of state, and other foreign representative purchases;	The existing rates are:										
3.1	Value-added tax (VAT) Value-Added Tax Act No. 9 of 2001 (as amended), implemented from July 1 2003 (this act repealed the Sales Tax Act 1995).	A VAT imposed on every taxable supply in Lesotho and every import of goods and services. The act provides for		<table><tr><th><u>Goods</u></th><th><u>Rate (in percent)</u></th></tr><tr><td>And Services</td><td></td></tr><tr><td>General</td><td>14</td></tr><tr><td>Liquor</td><td>15</td></tr><tr><td>Telecommunications</td><td></td></tr></table>	<u>Goods</u>	<u>Rate (in percent)</u>	And Services		General	14	Liquor	15	Telecommunications	
<u>Goods</u>	<u>Rate (in percent)</u>													
And Services														
General	14													
Liquor	15													
Telecommunications														

Table 25. Lesotho: Summary of the Tax System, end-June 2008

(All amounts in maloti)

Tax	Nature of Tax	Exemptions and Deductions	Rates
VAT (Amendment) Act No. 6 of 2003.	the application of a relevant rate of VAT to the taxable value of a transaction. The rate of VAT imposed on an export of goods or services from Lesotho by a vendor is zero. Credit is allowed for input tax on utilities (electricity and telecommunications). Four rates are chargeable, including a zero rate. Determination and duration of the zero rate are dictated by the extent to which such items are regarded as basic necessities. Zero rates are also allowed where goods are supplied in the course of repairing, renovating, or modifying a taxable supply and sale of a business as a going concern.	passengers baggage; household furniture and used personal and sporting and recreational equipment; effects of new residents; relief and supplies; temporary imports; etc.); and imports of goods and services that would be exempt if supplied in Lesotho. It further exempts the following: supply of public, postal, transportation, medical and dental, financial, insurance and education services; supply of unimproved land; supply by way of lease or letting of immovable property where (i) the tenant is a manufacturer; (ii) the property is used by the manufacturer principally for carrying on a manufacturing enterprise; (iii) the supply is of low-income housing development schemes by an association, co-operative of scheme; (iv) the supply of any accommodation in a dwelling under an agreement for the leasing, letting, hiring, or sale of accommodation; (v) the supply of a hostel or boarding establishment, which operates as a non profit-making establishment; supply of water and any supply prescribed by the minister in regulations as an exempt supply. Also exempted are: supply by an	<div> and electricity 5 Exports 0 Zero-rated basic items 0 Zero-rated basic items are: Agricultural inputs (fertilizers, seeds, pesticides, etc.) Beans Bread Eggs Lentils Livestock, feed, and poultry feed Maize (grain) Maize meal Full Cream Milk Paraffin (for use as fuel for cooking, illuminating or heating) Peas Sorghum meal Unmalted sorghum grain Wheat grain Bread flour Samp (not further prepared or processed) Animal Feeds </div>

Table 25. Lesotho: Summary of the Tax System, end-June 2008

(All amounts in maloti)

Tax	Nature of Tax	Exemptions and Deductions	Rates
		<p>amateur sporting organization of sport activities, where such activities are deemed for the purpose of this act to be nonprofessional; supply of cultural activities provided that such activity is a nonprofit supply or service; and supply of charity arrangements undertaken by an organization or institution deemed by the Commissioner General to engage in or conduct charitable activities or work, provided that after such event, audited accounts are filed with Lesotho Revenue Authority; and where such arrangements were made by a permanent establishment, such establishment shall first apply for exemption at least two months after the end of the financial year.</p>	
3.2	<p>Excise taxes Customs and Excise Consolidated Act, No. 10 of 1982.</p>	<p>A tax on certain specified goods manufactured locally and/or imported into Lesotho, for example beer, spirits, wines, tobacco, cigars, cigarettes, petroleum oils, motor vehicles, tractors, and electronic products such as televisions, perfumery and beauty and make up preparations.</p>	<p>Exports outside SACU and purchases by His Majesty and diplomatic corps are exempt.</p>
3.3	<p>Trade licenses Trading Enterprise Regulations</p>	<p>Payable by traders carrying on</p>	<p>Charitable, religious, and Ranging from M 500 to M 1,000 for</p>

Table 25. Lesotho: Summary of the Tax System, end-June 2008

(All amounts in maloti)

	Tax	Nature of Tax	Exemptions and Deductions	Rates
	1999; Trading Enterprise Order, 1993.	business.	nonprofit institutions are exempt.	foreigners and M 75 to M 500 for nationals depending on the type and size of establishment.
3.4	Petrol levy Fuel and Service Control Act 1983, No. 23 of 1983; section 3(d) empowers the minister to impose and collect a levy on fuel. amended by Legal Notice No. 63, August 1988.	A levy on petrol of all grades or distillate supplied by any person.	Paraffin (kerosene) is exempt from Road Maintenance Levy, Oil Levy, third party motor vehicle assurance levy and duty	Oil Levy rates are 44 lisente per litre on petrol sold to public for private cars, and 37 lisente per litre for diesel used in industry, agriculture, and public buses. In addition, there is an Equalization Fund levy of 3 lisente per litre (1.7 lisente on paraffin), a Road Maintenance Levy of 30 lisente per litre (petrol) 40 lisente (diesel) and third party motor vehicle assurance levy of 8 lisente per litre.
4.	Taxes on international trade and transactions			
4.1	Customs duties Customs and Excise Act, No. 10 of 1982.	A duty on all goods imported into Lesotho. A three-column tariff schedule based on the World Customs Organisation (WCO) nomenclature with fiscal, general, and most-favored nation (MFN) rates of duty used. Goods originating from countries enjoying MFN status pay the fiscal and customs duties. There is no preferential rate of duty.	Customs Union Agreement with Botswana, Namibia, South Africa, and Swaziland. Exemptions may apply under Technical Assistant Agreements entered into between Government of Lesotho and third parties in which Government Lesotho has agreed to exempt goods imported under such agreements from payment of taxes.	Specific or ad valorem duties or both charged on Free on Board (FOB) value of goods at varying rates.
4.2	Livestock importation levy Legal Notice No. 196 of 1991.	A duty collected by the Ministry of Agriculture when import permits are issued.		For private persons: M 30 and M 15 for each head of large and small stock, respectively. For licensed butchers: M 10 for meat in bulk quantities, M 7.50 and M 3.75 for each head of large and

Table 25. Lesotho: Summary of the Tax System, end-June 2008

(All amounts in maloti)

Tax		Nature of Tax	Exemptions and Deductions	Rates
				small stock, respectively.
4.3	Mineral levy	Royalty paid to the state based on the selling price of the product.		3 percent of the selling price of the product.
5.	Other taxes			
5.1	Attestation fees	Fees on registration of migrant Basotho workers in South African mines.		M 10.15 per contract of 120 to 270 working days, payable at the time of worker's departure for mines.
		Duties levied on a range of instruments, including arbitrations and awards, bills of exchange, bonds, acts or deeds of donation, leases, transfers, and insurance policies.		
5.3	Toll gate fees Toll Gate Act of 1976. Legal Notice No. 18 of 1988; and Legal Notice No. 1 of 1992.	Fees levied on vehicles entering Lesotho.	Ministers on duty, His Majesty, ambulances, diplomatic corps and South African Railway vehicles are exempt.	M5 for cars, (M20 proposed) M15 for medium vehicles (tare weight over 2001kg – Landcruisers, minibuses etc. M40 proposed) Two and three axle vehicles M25 (M60 proposed) Four axle M25 (M140 proposed) Applied each time on entering Lesotho
5.4	Airport departure tax	Airport departure tax for international travel	Ministers on duty, His Majesty, diplomatic corps.	M 20