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Staff Country Reports

Kingdom of Lesotho: Statistical Appendix

This Statistical Appendix for the Kingdom of Lesotho was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on September 20, 2006. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of the Kingdom of Lesotho or the Executive Board of the IMF.

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KINGDOM OF LESOTHO

Statistical Appendix

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Approved by the African Department

September 18, 2006

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Table 1. Lesotho: Gross Domestic Product by Sector, Constant Prices, 2000-05 ¹
(Millions of Maloti)

	2000	2001	2002	2003	2004	2005 Est.
Primary sector	1,002.8	1,008.5	962.6	942.3	946.6	962.5
Crops	636.1	673.5	589.2	551.3	560.1	569.1
Livestock	317.0	293.7	333.5	356.2	340.4	347.2
Agricultural services	49.7	41.3	40.0	34.8	46.1	46.2
Secondary sector	2,219.1	2,323.4	2,496.0	2,616.9	2,706.5	2,609.4
Mining and quarrying	7.6	8.1	8.3	9.2	24.5	26.8
Manufacturing and handicraft	909.4	984.4	1,068.4	1,133.2	1,205.2	1,071.0
Food products and beverages	353.3	342.5	293.6	271.8	280.5	...
Textiles, clothing, footwear and leather	375.6	437.8	563.0	645.6	706.6	...
Other manufacturing	180.5	204.0	211.8	215.8	218.1	...
Electricity and water	317.8	332.7	351.9	360.9	358.9	371.4
Construction	984.3	998.2	1,067.3	1,113.6	1,117.9	1,140.2
Tertiary sector	2,183.1	2,226.2	2,272.0	2,354.7	2,449.8	2,546.2
Wholesale and retail	490.3	502.5	524.9	552.7	578.8	593.2
Hotel and restaurants	80.4	78.5	81.7	89.0	93.1	99.7
Transport and storage	110.1	113.4	117.7	122.3	126.8	131.2
Post and telecommunications	81.9	89.6	94.0	108.9	122.3	134.8
Financial intermediation	257.8	269.2	342.5	375.0	376.9	414.7
Owner-occupied dwellings	193.8	197.7	201.6	205.7	209.8	214.0
Other real estate and business services	96.8	90.9	99.1	97.9	98.3	100.2
Public administration	452.8	449.1	435.7	428.1	419.3	431.0
Education	469.7	490.7	501.8	527.2	545.5	561.9
Health and social work	102.2	103.0	102.7	100.6	100.1	102.5
Community, social, and personal services	62.4	63.1	64.0	64.9	65.8	66.6
Minus financial services indirectly measured	-215.1	-221.4	-293.8	-317.5	-286.9	-303.5
GDP at producer's prices	5,405.0	5,558.1	5,730.6	5,913.9	6,102.9	6,118.1
Plus taxes on products	558.5	596.3	653.3	673.0	697.1	712.4
GDP at purchaser's prices	5,963.5	6,154.4	6,383.9	6,586.9	6,800.1	6,830.6
Memorandum item:						
GDP at purchaser's prices (fiscal year)	6,011.2	6,211.8	6,434.7	6,640.2	6,807.7	6,866.3

Source: Lesotho Bureau of Statistics.

¹ At 1995 prices, applying 2000 sector weights.

Table 2. Lesotho: GDP by Sector, Current Prices, 2000-05
(Millions of Maloti)

	2000	2001	2002	2003	2004	2005 Est.
Primary sector	1,002.8	1,087.4	1,166.9	1,304.5	1,368.8	1,439.1
Crops	636.1	733.9	729.5	787.9	826.6	868.4
Livestock	317.0	309.8	392.4	475.0	483.7	510.1
Agricultural services	49.7	43.7	45.0	41.6	58.5	60.6
Secondary sector	2,219.1	2,487.0	2,801.0	3,009.8	3,444.2	3,480.8
Mining and quarrying	7.6	9.1	10.0	13.0	183.4	208.6
Manufacturing and handicraft	909.4	1,054.4	1,353.0	1,432.0	1,623.7	1,539.6
Food products and beverages	353.3	363.7	436.1	417.0	448.9	...
Textiles, clothing, footwear and leather	375.6	476.2	677.5	770.1	929.4	...
Other manufacturing	180.5	214.5	239.4	244.9	245.4	...
Electricity and water	317.8	367.2	347.1	350.3	375.6	402.0
Construction	984.3	1,056.3	1,090.9	1,214.5	1,261.6	1,330.6
Tertiary sector	2,183.1	2,397.0	2,651.6	2,961.2	3,182.0	3,417.4
Wholesale and retail	490.3	545.1	636.6	770.8	861.7	913.3
Hotel and restaurants	80.4	83.9	102.2	146.7	160.4	177.6
Transport and storage	110.1	131.9	153.5	164.7	174.6	186.7
Post and telecommunications	81.9	83.2	123.5	170.0	169.1	192.7
Financial intermediation	257.8	269.1	345.8	383.4	401.9	457.1
Owner-occupied dwellings	193.8	251.9	257.0	262.1	267.3	281.9
Other real estate and business services	96.8	92.2	114.2	124.6	136.5	144.0
Public administration	452.8	476.1	490.4	511.8	532.3	565.8
Education	469.7	508.6	533.7	548.3	559.0	595.3
Health and social work	102.2	108.7	113.4	117.2	123.4	130.5
Community, social, and personal services	62.4	67.6	77.2	83.8	89.2	93.5
Minus financial services indirectly measured	-215.1	-221.3	-295.9	-322.3	-293.4	-321.0
GDP at producer's prices	5,405.0	5,971.4	6,619.5	7,275.5	7,995.1	8,337.3
Plus taxes on products	558.5	593.1	750.7	778.2	837.9	885.4
GDP at purchaser's prices	5,963.5	6,564.5	7,370.2	8,053.7	8,833.0	9,222.7
Memorandum item:						
GDP at purchaser's prices (fiscal year)	6,113.8	6,765.9	7,541.1	8,248.5	8,930.4	9,405.0

Source: Lesotho Bureau of Statistics.

Table 3. Lesotho: GDP by Expenditure, 2000/01-2005/06 ¹
(Millions of Maloti)

	2000/01	2001/02	2002/03	2003/04	2004/05 Est.	2005/06 Est.
Gross domestic product	6,113.8	6,765.9	7,541.1	8,248.5	8,930.4	9,405.0
Net factor income from abroad	1,547.7	1,535.0	1,739.7	1,932.8	2,031.1	2,043.9
Gross national product	7,661.4	8,301.0	9,280.7	10,181.3	10,961.5	11,448.9
Unrequited transfers	932.7	1,164.8	1,297.4	1,290.8	1,741.3	2,014.9
Gross national disposable income ²	8,594.1	9,465.7	10,578.1	11,472.2	12,702.8	13,463.8
Consumption	7,197.4	7,658.7	8,692.0	8,741.3	9,904.0	10,995.5
Government consumption	2,163.4	2,109.0	2,637.2	2,712.9	2,941.5	3,355.6
Private consumption	5,034.0	5,549.7	6,054.8	6,028.4	6,962.5	7,639.9
Gross national savings ³	1,396.8	1,807.0	1,886.1	2,730.9	2,798.8	2,468.3
Public savings ⁴	588.8	867.6	693.8	904.2	1,608.9	1,229.5
Private savings ⁵	807.9	939.4	1,192.3	1,826.7	1,190.0	1,238.8
Investment	2,549.0	2,759.0	3,241.4	3,618.1	3,069.2	2,640.9
Gross fixed capital formation	2,695.3	2,921.2	3,330.4	3,573.5	3,072.1	2,641.9
Government	473.0	865.6	865.6	644.4	636.4	760.9
Private	1,568.1	1,584.1	1,908.9	2,466.6	2,143.3	1,881.0
LHWP ⁶	654.2	471.5	556.0	462.5	292.4	0.0
Change in stocks	-146.4	-162.2	-89.1	44.6	-2.9	-1.0
Gross national savings less investment ⁷	-1,152.2	-952.0	-1,355.2	-887.2	-270.4	-172.6

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

¹ Fiscal year beginning in April.

² GNP plus unrequited transfers.

³ Gross national disposable income less consumption.

⁴ Government revenues plus grants less government current expenditures (excluding interest payments).

⁵ Estimated as a residual.

⁶ Lesotho Highlands Water Project.

⁷ Equivalent to the external current account balance.

Table 4. Lesotho: Consumer Price Indices, April 2000 - April 2006 ¹
(April 1997 = 100, unless otherwise indicated)

	Weights ²	2000 Apr.	2001 Apr. ³	2002 Apr.	2003 Apr.	2004 Apr.	2005 Apr.	2006 Apr.
Consumer price index (CPI)	100.0	124.3	133.0	150.6	159.8	167.9	173.7	182.5
Food, alcoholic beverages and tobacco	46.3	124.8	...	...	...	...	...	...
Food and non-alcoholic beverages	39.9	...	132.5	169.2	175.7	179.8	184.3	195.2
Bread and cereals	22.0	116.8	120.3	171.1	176.9	172.7	175.0	185.0
Meat	3.9	120.0	132.1	146.9	162.9	178.0	188.7	202.5
Fish	0.4	...	130.5	154.8	174.4	200.8	210.5	214.6
Fruits and vegetables	4.3	151.5	173.8	186.2	214.7	224.1	236.2	258.0
Milk and eggs	1.8	...	132.6	141.5	161.3	178.9	178.1	188.1
Oils and fats	1.3	...	128.6	168.9	173.7	190.9	188.0	188.8
Other food products	4.7	...	133.9	149.0	163.6	179.3	184.5	192.8
Non-alcoholic beverages	1.5	...	121.3	127.1	138.4	150.5	156.3	161.7
Alcoholic beverages and tobacco	6.4	133.7	146.5	159.3	170.2	188.2	198.0	210.2
Clothing and footwear	15.6	125.4	133.0	138.0	143.4	148.0	152.5	158.1
Blankets	3.1	114.3	124.8	132.5	137.4	143.9	147.3	154.6
Other clothing	6.0	123.9	131.5	137.3	144.5	147.3	149.5	155.8
Footwear	6.5	132.1	138.4	141.3	145.3	150.8	157.7	161.9
Housing, water, electricity, and other fuels ⁴	3.7	113.4	128.4	141.1	154.6	162.0	172.8	188.0
Water charges	0.2	101.5	103.2	107.4	107.4	107.4	126.1	132.4
Electricity	0.2	...	100.0	100.0	100.0	123.9	146.2	166.7
Other fuels	3.3	115.0	131.9	146.0	161.2	168.0	177.6	193.0
Furniture and household operations	17.0	128.8	138.5	144.8	155.3	164.0	168.4	176.0
Transport and Communications	8.0	125.3	...	...	...	...	...	...
Transport	7.8	...	141.9	153.9	165.3	171.6	188.5	196.2
Communications	0.2	...	100.7	100.7	137.5	144.4	154.3	154.3
Other Goods and Services	9.4	115.7	...	...	...	...	...	...
Leisure, entertainment and culture	1.2	...	122.6	131.5	143.2	152.6	151.9	156.9
Health	1.4	...	127.8	130.6	134.0	141.2	142.3	145.9
Education	3.2	...	113.1	115.8	119.9	125.1	126.6	127.8
Restaurants and Hotels	0.4	...	145.0	167.0	193.2	201.2	205.7	217.0
Miscellaneous goods and services	3.2	...	123.5	129.9	142.5	150.3	155.6	158.5
Memorandum item:								
Annual CPI inflation rates (percent; end of period)		6.3	7.0	13.2	6.1	5.1	3.5	5.1

Source: Lesotho Bureau of Statistics.

¹ Covers all households in six lowland towns, including Maseru.

² Based on 2000 Household Survey. CPI for preceding years was revised accordingly.

³ Start of new series based on revised classification system.

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

Table 5. Lesotho: Monthly Minimum Wages, 2000-2005
(Maloti)¹

	2000 Oct.	2001 Sep.	2002 Oct.	2003 Oct.
Copy typist	593	631	694	732
Driver				
Car and light van	687	732	805	849
Medium-sized vehicle	753	802	882	931
Heavy vehicle	964	1,026	1,129	1,191
Operator (hammer mill)	502	535	589	621
Junior clerk	593	631	694	732
Machine operator	687	732	805	849
Messenger	502	535	589	621
Machine attendant	593	631	694	732
Receptionist	593	631	694	732
Shop assistant	553	589	648	684
Telephone operator	593	681	694	732
Ungraded artisan (heavy physical work)	639	681	749	790
Unskilled labor				
Heavy physical work	553	589	648	684
Light physical work	502	535	589	621
Waiter	568	605	666	703
Watchman	699	714	818	863
Weaver				
Training (six months)	502	535	589	621
Trained	528	560	616	650
Sewing machine operator				
Training (six months)	502	535	589	621
Trained	526	560	616	650
Small business	341	363	399	421
Domestic servant	170	181	199	210

(continued)

Table 5 (concluded). Lesotho: Monthly Minimum Wages,
2000-2005 (Maloti)¹

	2004 Sep.	2005 Sep.
Manufacturing		
Trainee	621	643
Trained	650	686
Construction		
Construction worker	722	794
Construction machine operator	1,257	1,400
Wholesale and retail		
Wholesaler	742	779
Retailers	722	758
Hotels and Restaurants		
Hotels	742	779
Restaurants	722	758
Service sector		
Security	911	934
Funeral parlour	742	779
Small business	444	466
Domestic worker		230
General minimum wage ²		673

Source: Ministry of 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: Public Service Employment, 2000/01-2004/05 ¹
(Units)

	Grade	2000/01	2001/02	2002/03	2003/04	2004/05
Established civil service ²						
Professional and administrative	G - L	2,008	2,061	...	...	...
Professional and administrative	H - L	...	...	955	1,057	1,075
Professional and administrative	F - G	...	...	3,464	3,331	3,376
Executive	E - F	4,203	4,299	...	...	...
Executive	E	...	...	1,443	2,519	2,573
Clerical	A - D	13,346	13,375	14,481	13,739	13,693
Total		19,557	19,735	20,343	20,646	20,717
Actual employment						
Civil service		16,567	14,473	17,515	17,203	17,120
Defense and public order		4,677	5,572	6,669	6,579	6,545
Teachers		10,686	11,292	11,404	11,772	12,225
Total		31,930	31,337	35,338	35,554	35,890

Source: Ministry of Public Service.

¹ Fiscal year is April-March.

² The established civil service posts exclude teachers, members of the armed forces, and workers paid daily, but include chiefs, parliamentarians, senators, and statutory workers.

Table 7. Lesotho: Central Government Operations, 2000/01-2005/06 ¹

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
(Millions of Maloti)						
Revenue	2,626.6	2,787.8	3,034.7	3,439.3	4,326.1	4,489.8
Tax revenue	1,941.9	2,378.0	2,575.9	2,887.5	3,376.3	4,000.3
Customs revenue	1,126.1	1,438.2	1,470.0	1,421.6	2,012.4	2,305.9
Noncustoms tax revenue	815.8	939.8	1,105.9	1,465.9	1,363.9	1,694.4
Income taxes	468.8	579.5	663.3	852.5	729.2	924.6
Sales tax	279.8	302.0	343.7	519.3	541.7	655.7
Oil levy	62.0	50.9	86.3	80.6	35.8	77.0
Other tax revenues	5.2	7.4	12.6	13.5	57.2	37.1
Nontax revenue	684.7	409.8	458.8	551.8	479.7	489.5
Water royalties	135.0	176.1	212.5	193.1	194.5	236.0
Interest received	63.2	14.6	24.0	14.4	6.5	7.6
Other nontax revenues	486.5	219.1	222.3	344.3	278.7	245.9
Total expenditure and net lending	2,864.2	2,937.9	3,659.1	3,554.7	3,762.3	4,217.3
Current expenditure	2,434.2	2,312.3	2,856.9	2,929.3	3,097.7	3,476.2
Wages and salaries	925.1	992.4	1,082.1	1,123.2	1,176.9	1,275.8
Interest payments	270.8	203.3	219.7	216.4	156.2	120.6
Of which: external interest	159.7	126.0	109.5	90.5	91.1	74.8
Goods, services, and transfers	1,238.3	1,116.6	1,555.1	1,589.7	1,764.6	2,079.8
Goods and services	905.0	720.3	1,045.7	958.4	985.5	1,103.8
Transfers and subsidies	333.3	396.3	509.4	631.3	779.1	976.0
Capital expenditure and net lending	430.0	625.6	802.2	625.4	664.6	741.1
Domestically funded	182.7	277.0	170.7	218.0	189.9	541.5
Externally funded	240.3	372.5	511.9	320.6	351.8	209.5
Grant funded	125.6	166.8	235.9	140.2	168.5	95.3
Loan funded	114.7	205.7	276.0	180.4	183.3	114.2
Overall balance before grants	-237.6	-150.1	-624.4	-115.4	563.8	272.5
Grants from abroad	125.6	188.8	296.3	177.8	224.3	95.3
Overall balance after grants	-112.0	38.7	-328.1	62.4	788.1	367.8
Total financing	112.0	-38.7	328.1	-62.4	-788.1	-367.8
Financing abroad	-257.1	-54.3	56.4	-25.7	-60.2	-274.8
Loan drawings	114.7	205.7	276.0	180.4	183.3	114.2
Amortization	-371.8	-260.0	-219.6	-206.1	243.5	389.0
Domestic financing	390.2	15.6	271.9	-37.3	-727.9	-93.0
Bank	366.9	67.3	320.8	-129.6	-638.6	-102.1
Nonbank	23.3	-51.7	-48.9	92.3	-89.3	9.1
(Percent of GDP, unless otherwise indicated)						
Revenue	42.8	40.8	39.3	41.7	48.4	47.7
Customs revenue	18.3	21.0	19.0	17.2	22.5	24.5
Noncustoms tax revenue	13.3	13.7	14.3	17.8	15.3	18.0
Nontax revenue	11.2	6.0	5.9	6.7	5.4	5.2
Total expenditure and net lending	46.7	43.0	47.3	43.1	42.1	44.8
Current expenditure	39.7	33.8	37.0	35.5	34.7	37.0
Wages and salaries	15.1	14.5	14.0	13.6	13.2	13.6
Other expenditure	24.6	19.3	23.0	21.9	21.5	23.4
Capital expenditure and net lending	7.0	9.1	10.4	7.6	7.4	7.9
Overall balance before grants	-3.9	-2.2	-8.1	-1.4	6.3	2.9
Grants from abroad	2.0	2.8	3.8	2.2	2.5	1.0
Overall balance after grants	-1.8	0.6	-4.2	0.8	8.8	3.9
Financing abroad	-4.2	-0.8	0.7	-0.3	-0.7	-2.9
Domestic bank financing	6.0	1.0	4.1	0.8	8.8	3.9
Memorandum item:						
GDP at market prices (millions of maloti)	6,137.2	6,839.1	7,731.4	8,248.5	8,930.4	9,405.0

Sources: Ministry of Finance; and Fund staff estimates.

¹ Fiscal year is April-March.

Table 8. Lesotho: Government Revenue and Grants, 2000/01-2005/06 ¹

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
(Millions of Maloti)						
Taxes on net income and profits	468.8	579.5	663.3	852.5	729.2	924.6
Company tax	126.3	159.2	142.9	236.5	219.1	192.0
Income tax (pay as you earn)	314.7	371.8	404.1	493.8	452.4	615.0
Gaming tax	2.7	...	...	...	...	...
Withholding tax	21.1	...	...	...	...	...
Other income and profit taxes	4.0	48.5	116.3	122.2	57.7	117.6
Taxes on goods and services	343.6	355.0	435.9	602.9	579.6	735.2
Sales tax	279.8	302.0	343.7	519.3	541.7	655.7
Trade licenses	1.8	2.1	5.9	3.0	2.1	2.5
Petrol levy	62.0	50.9	86.3	80.6	35.8	77.0
Customs duties	1,126.1	1,438.2	1,470.0	1,421.6	2,012.4	2,305.9
Other taxes	3.4	5.3	6.7	10.5	57.2	34.6
Stamp duty	1.6	2.7	4.1	7.3	3.3	37.1
Other taxes	1.8	2.6	2.6	3.2	53.9	32.6
Total tax revenue	1,941.9	2,378.0	2,575.9	2,887.5	3,376.3	4,000.3
Administrative fees, charges, and nonindustrial sales	162.4	52.3	62.3	84.9	80.7	104.2
Attestation fees	0.4	0.7	0.8	0.7	0.5	0.5
Fines and forfeits	5.1	6.2	6.9	34.9	29.9	2.5
Property and other income	516.8	350.6	388.8	431.3	368.6	382.3
Interest on deposits	63.2	14.6	24.0	14.4	6.5	7.6
Water royalties	135.0	176.1	212.5	193.1	194.5	236.0
Rand monetary compensation	66.0	0.0	43.9	97.7	55.0	58.6
Dividends	174.8	36.4	46.2	65.7	59.6	4.8
Other property income	77.8	123.5	62.2	60.4	53.0	35.0
Total nontax revenue	684.7	409.8	458.8	551.8	479.7	489.5
Other revenue ²	...	...	...	...	470.1	...
Total revenue	2,626.6	2,787.8	3,034.7	3,439.3	4,326.1	4,489.8
Grants	125.6	188.8	296.3	177.8	224.3	95.3
Total revenue and grants	2,752.2	2,976.6	3,331.0	3,617.1	4,550.4	4,585.1

Sources: Ministry of Finance; and staff estimates.

¹ Fiscal year is April-March.

² In 2004/05, net revenue was underrecorded in the authorities' fiscal accounts by M470.1 million. That amount has been added to the overall balance to match Central Bank of Lesotho data (the domestic financing requirement).

Table 9. Lesotho: Southern African Customs Union (SACU) Operations, 2000/01-2005/06

Revenue Year ¹ Data Year ²	Old revenue sharing formula discontinued in 2004/05					New formula
	2000/01 1998/99	2001/02 1999/00	2002/03 2000/01	2003/04 2001/02	2004/05 2002/03	2005/06 2004/05
	(Percent)					
Basic rate ³	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	
	(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						10,500.0
Net Customs Pool (less Secretariat Budget)						10,500.0
Lesotho Share (%) ¹⁴						0.1
Lesotho Share (M)						1,444.5
Gross Excise Pool						14,580.0
Net Excise Pool (less Secretariat Budget)						14,580.0
Excise Component (= 85% of Net Excise Pool) ¹⁵						12,393.0
Lesotho Share (%)						0.0
Lesotho Share (M)						71.9
Development Component (= 15% of Excise Pool) ¹⁶						2,187.0
Lesotho Share (%)						0.2
Lesotho Share (M)						473.3
Common Revenue Pool						25,080.0
Current year combined share from common revenue pool						1,989.6
In percent of common revenue pool						7.9
Adjustment payment ¹⁷						316.4
Actual fiscal year SACU receipt						2,306.0
In percent of GDP						24.5

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 intraSACU 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 10. Lesotho: Economic Classification of Government Expenditure, 1997/98-2005/06 ¹
(Millions of Maloti)

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Current expenditure	1,473.8	1,942.7	2,318.5	2,434.2	2,312.3	2,856.9	2,929.3	3,097.7	3,476.2
Wages and salaries	721.3	837.6	835.9	925.1	992.4	1,082.1	1,123.2	1,176.9	1,275.8
Goods and services	323.6	504.1	1,028.8	905.0	720.3	1,045.7	958.4	985.5	1,103.8
Subsidies and transfers	338.9	472.6	270.4	333.3	396.3	509.4	631.3	779.1	976.0
Pensions	22.9	53.7	53.0	74.9	89.6	105.4	118.9	194.5	296.1
Subventions and transfers	316.0	418.9	217.4	258.4	306.7	404.0	512.4	584.6	679.9
Of which: social safety net	5.0	6.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest payments	90.0	128.5	183.4	270.8	203.3	219.7	216.4	156.2	120.6
External	59.9	96.2	101.6	159.7	126.0	109.5	90.5	91.1	74.8
Domestic	30.1	32.3	81.8	111.1	77.3	110.2	125.9	65.1	45.8
Capital expenditure and net lending	868.3	495.7	1,054.9	430.0	625.6	802.2	625.4	664.6	741.1
Acquisition of assets	868.3	495.7	479.9	423.0	649.5	682.6	538.6	541.7	751.0
Transfers and subventions	0.0	0.0	0.0	50.0	96.1	151.3	96.3	108.8	0.0
Net lending	0.0	0.0	575.0	-43.0	-120.0	-31.7	-9.5	14.1	-9.9
Total expenditure and net lending	2,342.1	2,438.4	3,373.4	2,864.2	2,937.9	3,659.1	3,554.7	3,762.3	4,217.3

Sources: Ministry of Finance; and Fund staff estimates.

¹ Fiscal year is April-March.

Table 11. Lesotho: Functional Classification of Government Expenditure, 2000/01-2005/06 ¹
(Millions of Maloti)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Current expenditure	2,434.2	2,312.3	2,856.9	2,929.3	3,097.7	3,476.2
General public service	882.8	714.2	913.6	898.1	955.3	865.4
Public order, safety, and defense	395.4	464.9	513.1	513.3	590.9	418.7
<i>Of which</i> : defense	195.2	177.3	174.8	181.2	211.6	220.8
Other services	487.4	249.3	400.5	384.8	364.4	446.7
Health, social security, and welfare	273.4	312.1	370.2	406.8	358.0	663.5
Education and community services	544.6	633.9	841.9	1,009.9	1,002.7	1,245.6
Economic services	260.0	271.9	449.7	273.2	282.8	310.3
Agriculture and rural development	101.1	113.2	261.4	116.0	118.0	138.4
Commerce, tourism, and industry	38.0	31.9	44.8	44.4	62.2	65.5
Water, energy, and mining	33.8	35.5	38.2	24.2	21.6	22.3
Roads	51.7	48.5	48.9	48.8	44.4	42.3
Other transport and communication	35.4	42.8	56.4	39.8	36.6	41.8
Unallocable and other purposes ²	473.4	380.2	281.5	341.3	498.9	391.4
Capital expenditure and net lending	430.0	625.6	802.2	625.4	664.6	741.1
General public service	2.0	182.3	162.3	171.2	99.9	80.9
Public order, safety, and defense	2.0	0.0	0.0	3.8	0.9	0.0
<i>Of which</i> : defense	2.0	0.0	0.0	0.0	0.0	0.0
Other services	0.0	182.3	162.3	167.4	99.0	80.9
Health, social security, and welfare	13.0	96.8	37.5	48.6	125.1	118.2
Education and community services	29.7	117.2	210.5	83.1	120.8	165.8
Economic services	47.8	383.0	372.4	332.0	258.9	171.4
Agriculture and rural development	7.1	41.8	41.5	36.3	35.5	26.8
Commerce, tourism, and industry	1.5	71.7	57.4	46.7	43.8	24.9
Water, energy, and mining	1.1	101.4	89.8	71.5	0.0	28.9
Roads	36.1	168.1	181.4	177.5	178.8	82.5
Other transport and communication	2.0	0.0	2.3	0.0	0.8	8.3
Unallocable and other purposes ²	337.6	-153.7	19.5	-9.5	59.9	204.8
Total expenditure and net lending	2,864.2	2,937.9	3,659.1	3,554.7	3,762.3	4,217.3
General public service	884.8	896.5	1,075.9	1,069.3	1,055.2	946.2
Public order, safety, and defense	397.4	464.9	513.1	517.1	591.8	418.7
<i>Of which</i> : defense	197.2	177.3	174.8	181.2	211.6	220.8
Other services	487.4	431.6	562.8	552.2	463.4	527.5
Health, social security, and welfare	286.4	408.9	407.7	455.4	483.1	781.7
Education and community services	574.3	751.1	1,052.4	1,093.0	1,123.5	1,411.4
Economic services	307.8	654.9	822.1	605.2	541.7	481.7
Agriculture and rural development	108.2	155.0	302.9	152.3	153.5	165.2
Commerce, tourism, and industry	39.5	103.6	102.2	91.1	106.0	90.4
Water, energy, and mining	34.9	136.9	128.0	95.7	21.6	51.2
Roads	87.8	216.6	230.3	226.3	223.2	124.9
Other transport and communication	37.4	42.8	58.7	39.8	37.4	50.1
Unallocable and other purposes ²	811.0	226.5	301.0	331.8	558.8	596.3

Sources: Ministry of Finance, and Fund staff estimates.

¹ Fiscal year is April-March.

² Calculated as a residual.

Table 12. Lesotho: Outstanding Government Domestic Debt
by Instrument and Holder, 2000-2006

(Millions of Maloti)

	2000	2001	2002	2003	2004	2005	2006
	March 31						
Commercial banks							
Gross lending ¹	584.1	687.0	815.3	967.1	759.6	312.3	535.4
Long term	287.7	287.7	287.7	287.7	287.7	114.7	114.7
Bonds	287.7	287.7	287.7	287.7	287.7	114.7	114.7
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term	296.4	399.3	527.6	679.4	471.9	197.7	420.7
Loans	0.0	0.0	0.0	0.0	0.0	1.1	0.0
Treasury bills	296.4	399.3	527.6	679.4	471.9	196.6	420.7
Government deposits (-)	-74.4	-63.3	-63.9	-60.7	-59.7	-37.5	-171.9
Net total	509.7	623.7	751.4	906.4	699.8	274.8	363.5
Central bank							
Gross lending 1/	150.4	312.7	193.6	196.1	196.1	232.6	227.3
Long term	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short term	150.4	312.7	193.6	196.1	196.1	232.6	227.3
Loans	142.9	246.6	191.3	196.1	195.6	232.5	222.2
Treasury bills	7.5	66.0	2.3	0.1	0.4	0.0	5.1
Government deposits (-)	-1,694.9	-1,502.4	-1,257.3	-1,162.1	-1,217.4	-1,411.8	-1,422.0
Net total	-1,544.5	-1,189.7	-1,063.7	-966.0	-1,021.4	-1,179.2	-1,194.7
Nonbank ²							
Long term	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bonds	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
Short term	138.2	128.6	113.7	118.6	139.7	103.4	104.4
Treasury bills	138.2	128.6	113.7	118.6	139.7	103.4	104.4
Compulsory savings	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Promissory notes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total nonbank	138.2	128.6	113.7	118.6	139.7	103.4	104.4
Total domestic debt, net	-896.6	-437.4	-198.6	59.0	-181.8	-801.1	-726.8
Gross debt outstanding	872.7	1,128.3	1,122.6	1,281.8	1,095.3	648.3	867.1
Government deposits (-)	-1,769.3	-1,565.7	-1,321.2	-1,222.8	-1,277.1	-1,449.3	-1,593.9

Source: Central Bank of Lesotho.

¹ Data differ slightly 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 13. Lesotho: Monetary Survey, March 2000- March 2006

	2000	2001	2002	2003	2004	2005				2006
			March			March	June	Sep.	Dec.	March
(Millions of Maloti; stocks at end of period)										
Foreign assets (net)	3,583	3,670	5,229	3,722	3,478	4,266	4,151	4,305	4,231	4,387
Central bank	3,004	3,075	4,475	2,950	2,566	2,950	2,991	2,986	3,076	3,238
Commercial banks ¹	579	595	754	773	912	1,317	1,160	1,320	1,155	1,149
Net domestic assets	-1,846	-1,848	-3,096	-1,532	-1,170	-1,815	-1,831	-1,761	-1,641	-1,821
Domestic credit	4	424	432	321	276	-312	-160	-213	-101	-192
Claims on government (net)	-939	-579	-511	-190	-317	-958	-817	-865	-910	-1,027
Central bank	-1,490	-1,067	-1,297	-792	-1,019	-1,144	-1,193	-1,180	-1,200	-1,354
Commercial banks	551	487	786	602	702	186	376	315	290	327
Claims on the rest of the economy ²	943	1,003	943	512	593	646	657	652	810	836
Other items (net) ²	-1,850	-2,272	-3,528	-1,853	-1,446	-1,502	-1,671	-1,548	-1,541	-1,629
Money and quasi money (M2)	1,737	1,822	2,133	2,191	2,308	2,452	2,321	2,544	2,590	2,567
Narrow money	1,005	1,144	1,414	1,443	1,539	1,698	1,514	1,755	1,830	1,864
Currency outside deposit money banks	147	143	164	179	208	213	203	232	213	247
Demand and call deposits	858	1,001	1,249	1,264	1,331	1,486	1,311	1,523	1,617	1,617
Quasi money	733	678	720	747	769	753	807	788	761	702
Time and savings deposits	733	678	720	747	769	753	807	788	761	702
(Annual change in percent of beginning-of-year M2; unless otherwise specified)										
Net foreign assets	-9.8	5.0	85.5	-70.6	-11.1	34.1	12.4	12.1	10.9	4.9
Central bank	-18.6	4.1	76.8	-71.5	-17.5	16.6	7.2	8.6	9.7	11.8
Commercial banks	8.9	0.9	8.7	0.9	6.4	17.5	5.3	3.5	1.2	-6.8
Net domestic assets	8.8	0.0	-68.5	73.4	16.5	-27.9	-13.8	-9.3	-1.8	-0.2
Claims on central government (net)	57.8	20.7	3.7	15.0	-5.8	-27.8	-11.8	-13.2	-7.1	-2.8
Claims on the rest of the economy	-7.4	3.5	-3.3	-20.2	3.7	2.3	1.9	3.3	8.5	7.8
Claims on the rest of the economy (yearly change)	-12.0	6.4	-6.0	-45.8	16.0	8.8	7.1	14.3	33	29.4
Other items (net)	-41.7	-24.3	-68.9	78.6	18.6	-2.4	-3.9	0.6	-3.2	-5.2
Money and quasi money (M2)	-1.0	4.9	17.0	2.7	5.3	6.2	-1.4	2.8	9.1	4.7
Quasi money (yearly change)	-4.3	-7.5	6.2	3.8	2.9	-2.1	5.5	-2.9	-2.9	-6.8

Source: Central Bank of Lesotho.

¹ Includes rand notes and coins.² Claims on the rest of the economy and other items (net) affected by a write-off of bad loans in February 2003.

Table 14. Lesotho: Assets and Liabilities of the Central Bank of Lesotho, March 2000-March 2006
(Millions of Maloti, end of period)

	2000	2001	2002	2003	2004	2005				2006
			March			March	Jun.	Sep.	Dec.	March
Foreign assets	3,369	3,475	5,010	3,575	3,083	3,471	3,566	3,539	3,626	3,803
Claims on government	248	109	232	184	196	198	238	226	222	238
Claims on private sector	13	14	13	13	15	17	17	19	19	19
Unclassified assets	49	72	107	150	228	265	228	252	260	229
Total assets = total liabilities	3,679	3,670	5,383	3,923	3,522	3,951	4,048	4,037	4,128	4,289
Reserve money	604	749	494	633	479	639	564	647	764	654
Maloti in circulation	130	160	196	210	251	271	270	289	298	312
Bankers' deposits	458	384	78	254	51	168	96	160	247	149
Private and public deposits	10	200	217	162	168	189	188	189	189	189
Rand notes and coins	6	4	3	6	9	11	9	9	29	4
Foreign liabilities	359	396	532	619	507	511	565	554	549	565
Government deposits	1,695	1,175	1,529	976	1,217	1,342	1,431	1,406	1,422	1,592
Capital accounts	917	1,296	2,566	1,581	1,291	1,373	1,401	1,352	1,338	1,392
Capital and reserves	884	1,258	2,512	1,540	1,256	1,338	1,364	1,317	1,305	1,356
Allocation of SDRs	33	38	54	41	35	35	36	35	34	36
Unclassified liabilities	104	54	35	113	29	87	97	88	84	90

Source: Central Bank of Lesotho.

Table 15. Lesotho: Assets and Liabilities of Commercial Banks, March 2000-March 2006

(Millions of Maloti, end of period)

	2000	2001	2002	2003	2004	2005				2006
			March			March	June	Sep.	Dec.	March
Foreign assets	655	638	831	836	1,070	1,410	1,274	1,389	1,242	1,248
Reserves	492	372	136	288	123	232	171	233	305	198
Maloti on hand	19	18	32	32	39	68	68	66	105	75
Rand on hand	6	4	3	6	9	11	9	9	29	4
Balances with central bank	467	350	100	250	75	163	94	158	170	119
Claims on government	584	559	831	675	761	273	453	455	462	491
Claims on statutory bodies	110	48	40	37	46	63	55	47	33	29
Claims on private sector ¹	869	941	890	364	439	470	492	530	772	696
Unclassified assets	933	334	310	578	720	1,131	915	1,093	1,140	925
Total assets = total liabilities	3,643	2,893	3,037	2,777	3,163	3,379	3,351	3,737	3,924	3,583
Foreign liabilities	82	47	79	69	166	103	124	78	107	109
Demand and call deposits ²	871	802	1,032	1,103	1,163	1,297	1,123	1,335	1,428	1,428
Savings and time deposits ²	725	678	683	711	731	724	770	748	722	699
Government deposits	74	72	45	73	60	88	77	140	172	164
Capital accounts	265	346	322	250	317	354	363	380	404	321
Unclassified liabilities ¹	1,625	947	839	571	725	1,014	857	1,014	1,053	859

Source: Central Bank of Lesotho.

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 16. Lesotho: Principal Aggregates of Commercial Banks' Operations, March 2000-March 2006

(Millions of Maloti, unless otherwise specified; end of period)

	Deposits ¹	Credit ²	Credit-Deposit Ratio ³	Liquid Assets ⁴	Liquidity Ratio ⁵
2000					
March	1,548.4	978.5	63.2	1,685.2	108.8
June	1,502.6	970.9	64.6	1,635.7	108.9
September	1,469.4	942.3	64.1	1,571.7	107.0
December	1,500.5	948.3	63.2	1,522.2	101.4
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

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 17. Lesotho: Sectoral Distribution of Commercial Bank Loans and Advances to the Private Sector and Statutory Bodies, March 2000-March 2006¹

(Millions of Maloti, end of period)

	2000	2001	2002	2003	2004	2005				2006
	March					March	June	Sep.	Dec.	March
Agriculture	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mining and quarrying	0.9	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Manufacturing	54.2	36.5	24.8	24.5	23.9	28.2	46.0	41.3	47.8	20.4
Electricity, gas, and water	46.6	7.4	4.5	7.5	8.7	8.7	3.8	3.6	5.3	5.5
Construction	78.6	74.5	82.0	90.3	108.3	140.0	126.8	120.9	132.6	133.3
Trade, hotels, and restaurants	65.0	18.5	16.0	16.8	20.8	21.1	42.2	45.9	27.5	16.1
Transport, storage, and communications	87.3	8.4	7.0	5.8	5.8	6.4	1.1	7.1	129.9	146.0
Nonbank financial institutions, real estate, and business services	39.7	5.7	3.5	3.7	5.1	7.5	5.1	6.0	6.9	3.3
Community, social, and personal services	58.9	8.9	6.2	19.7	24.5	8.4	1.0	0.1	0.1	3.1
Personal loans ²	432.0	410.7	144.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other ²	13.2	298.6	521.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total claims	877.4	869.7	809.5	168.2	197.0	220.8	225.9	225.7	350.0	339.6
Private sector	767.9	821.6	769.3	168.2	197.0	220.8	225.9	225.7	350.0	339.6
Business enterprises ²	337.9	673.4	613.1	131.5	151.0	158.0	171.4	179.0	316.6	310.3
Personal loans ²	430.0	148.2	156.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statutory bodies	109.5	48.1	40.2	36.7	46.0	62.8	54.5	46.7	33.4	29.4

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

¹ Does not include investments and certain securities.

² Amounts affected by nonperforming loans, which were written off in February 2003.

Table 18. Lesotho: Interest Rates at Commercial Banks, March 2000-March 2006
(Percent a year; end of period)

	2000	2001	2002	2003	2004	2005				2006
			March			March	Jun.	Sep.	Dec.	March
Lending rates ¹										
Minimum	17.0	17.0	16.3	17.7	12.5	12.2	11.5	11.5	11.5	11.6
Maximum	27.0	25.3	24.7	26.0	17.5	17.2	16.9	16.8	16.8	16.8
Deposit rates										
Savings deposits ²	3.5	4.0	4.0	4.0	2.3	1.4	1.2	1.2	1.2	1.2
Time deposits										
31 days	4.0	4.0	4.0	4.8	3.8	3.1	3.5	3.25	3.5	3.5
1 year	5.5	6.0	6.0	6.3	6.0	4.0	4.8	4.8	4.8	4.8
Memorandum items:										
South African rates										
Prime overdraft	14.5	14.5	15.0	17.0	11.5	10.5	10.5	10.5	10.5	10.5
Deposit rates										
Notice (32 days)	8.8	9.8	9.9	11.7	6.4	5.6	5.4	5.6	5.8	5.9
Fixed (12 months)	9.0	10.6	11.1	12.5	7.5	6.8	6.5	6.7	6.8	6.6

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

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

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

Table 19. Lesotho: Comparative Money Market Rates,
March 2000-March 2006

(Percent a year, end of period)

	Central Bank rates		Treasury Bills	
	CBL ¹	SARB ²	Lesotho	South Africa
2000				
March	19.0	11.8	9.1	9.8
June	19.0	11.8	9.1	10.4
September	19.0	11.8	9.1	10.2
December	15.0	12.0	9.3	10.3
2001				
March	15.0	12.0	9.3	10.3
June	15.0	11.0	9.4	9.7
September	13.0	9.5	8.5	8.9
December	13.0	9.5	11.0	9.5
2002				
March	13.0	11.5	11.0	10.2
June	13.0	12.5	11.0	11.4
September	15.5	13.5	11.5	12.4
December	16.2	13.5	12.2	12.4
2003				
March	18.5	13.5	13.1	12.7
June	16.8	12.0	12.8	9.7
September	15.0	10.0	11.0	9.0
December	15.0	8.0	9.8	7.5
2004				
March	13.0	8.0	8.8	7.8
June	13.0	8.0	8.8	7.9
September	13.0	7.5	8.1	8.1
December	13.0	7.5	7.9	7.3
2005				
March	13.0	7.5	7.7	7.2
June	13.0	7.0	6.9	6.8
September	13.0	7.0	6.9	6.8
December	13.0	7.0	7.0	6.8
2006				
March	13.0	7.0	6.9	6.6

Source: Central Bank of Lesotho.

¹ Central Bank of Lesotho overdraft rate.

² South African Reserve Bank marginal lending rate.

Table 20. Lesotho: Balance of Payments, 2000/01 - 2005/06 ¹
(Millions of U.S. dollars)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 Est.
Trade balance	-493.8	-370.6	-428.4	-533.5	-615.1	-623.8
Exports, f.o.b.	223.1	293.7	381.1	503.0	688.4	652.7
<i>Of which:</i> garments	...	...	269.3	350.5	520.9	423.8
Imports, f.o.b.	-716.9	-664.3	-809.5	-1,036.5	-1,303.4	-1,276.6
<i>Of which:</i> garment inputs	...	...	-117.7	-153.2	-227.7	-185.3
Services (net)	-2.4	-12.4	-22.3	-39.2	-31.3	-38.4
Receipts	42.4	35.7	38.6	51.1	67.1	54.7
<i>Of which:</i> water royalties (and power sales)	12.3	10.6	11.6	15.3	17.6	18.2
Payments	-44.8	-48.1	-61.0	-90.2	-98.4	-93.0
Income (net)	211.4	161.0	178.5	269.3	324.7	319.9
Labor income (net)	214.0	165.3	178.8	269.7	314.4	300.5
Receipts	240.8	189.0	201.7	296.4	344.7	314.5
<i>Of which:</i> miners' wages	191.2	148.6	162.5	242.1	279.8	249.0
Payments	-26.7	-23.6	-22.9	-26.7	-30.3	-14.0
Investment income (net)	-2.6	-4.3	-0.3	-0.4	10.3	19.3
Receipts	34.0	23.5	24.3	29.3	43.8	49.0
Payments	-36.6	-27.8	-24.6	-29.7	-33.5	-29.7
<i>Of which:</i> interest on debt	-21.0	-13.5	-12.4	-13.2	-14.5	-18.4
Unrequited transfers	127.4	122.2	133.1	179.8	278.4	315.3
Official	125.0	118.8	128.5	171.8	270.1	300.7
Southern African Customs Union nonduty receipts	109.4	113.7	113.6	145.0	245.2	287.2
Rand compensation	9.0	0.0	6.0	18.1	11.7	12.2
Other	6.6	5.0	8.9	8.7	13.2	1.3
Private	2.4	3.4	4.7	8.0	8.3	14.6
Current account (including official transfers)	-157.4	-99.8	-139.1	-123.6	-43.2	-27.0
Current account (excluding official transfers)	-282.4	-218.6	-267.5	-295.4	-313.3	-327.7
<i>Of which:</i> LHWP ²	-70.9	-62.1	-42.7	-54.7	-36.0	-8.5
Capital and financial account	168.7	119.1	98.2	60.1	1.0	20.3
Capital account (transfers received)	11.3	11.0	17.8	16.5	24.7	11.2
Grants in government budget	11.3	11.0	17.8	16.5	24.7	11.2
Financial account	157.4	108.1	80.4	43.6	-23.8	9.1
Direct investment (excl. LHDA) ³	30.7	26.1	30.2	45.1	56.0	57.0
Financing LHWP (net)	89.0	81.0	58.6	75.8	66.8	33.4
Other investment	-39.0	7.3	0.3	-48.9	-75.8	-25.1
Assets ⁴	1.7	7.0	-33.4	-62.8	-58.4	25.0
Liabilities	-40.7	0.3	33.7	14.0	-17.3	-50.2
Change in reserve assets	76.8	-6.4	-8.7	-28.5	-70.8	-56.3
Valuation adjustment	-11.2	-29.7	21.6	44.8	11.1	-15.7
Errors and omissions	-0.1	10.4	19.3	18.7	31.1	22.5
<i>Memorandum items:</i>	(Percent of GDP, unless otherwise indicated)					
Trade balance	-59.1	-52.2	-55.4	-46.4	-43.1	-42.4
Net remittances	25.6	23.3	23.1	23.5	22.0	20.4
Current account (including official transfers)	-18.8	-14.1	-18.0	-10.8	-3.0	-1.8
Current account (excluding official transfers)	-33.8	-30.8	-34.6	-25.7	-21.9	-22.3
Excluding LHWP	-25.9	-22.7	-29.5	-21.3	-19.7	-21.8
Gross official reserves (Millions of U.S. dollars)	393.3	400.2	407.6	436.9	507.7	564.0
Gross official reserves (Months of imports of goods and services)	6.6	5.5	4.3	3.7	4.4	4.9

Sources: Central Bank of Lesotho (CBL), and IMF staff estimates.

¹ Financial year is April-March.

² Lesotho Highlands Water Project.

³ Lesotho Highlands Development Authority.

⁴ Transaction-based data; a minus sign indicates an increase in reserves.

Table 21. Lesotho: Balance of Payments, 2000/01 - 2005/06 ¹
(Millions of Maloti)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 Est.
Trade balance	-3,615.0	-3,533.1	-4,174.7	-3,829.6	-3,847.2	-3,986.2
Exports, f.o.b.	1,632.9	2,800.2	3,713.8	3,610.4	4,305.6	4,171.0
Of which: garments	...	...	2,623.7	2,516.0	3,257.8	2,708.0
Imports, f.o.b.	-5,247.9	-6,333.3	-7,888.5	-7,440.0	-8,152.7	-8,157.2
Of which: garment inputs	...	...	-1,147.1	-1,100.0	-1,424.3	-1,183.9
Services (net)	-17.6	-118.6	-217.6	-281.3	-195.6	-245.1
Receipts	310.1	340.1	376.5	366.5	419.6	349.2
Of which: water royalties (and power sales)	90.3	100.8	113.4	109.5	110.4	116.5
Payments	-327.7	-458.7	-594.1	-647.8	-615.2	-594.4
Income (net)	1,547.7	1,535.0	1,739.7	1,932.8	2,031.1	2,043.9
Labor income (net)	1,566.9	1,576.5	1,742.6	1,935.9	1,966.8	1,920.5
Receipts	1,762.5	1,801.6	1,965.5	2,127.8	2,156.1	2,009.9
Of which: miners' wages	1,400.0	1,416.5	1,583.3	1,737.9	1,750.4	1,590.8
Payments	-195.6	-225.2	-223.0	-192.0	-189.4	-89.4
Investment income (net)	-19.3	-41.4	-2.9	-3.0	64.3	123.4
Receipts	248.8	224.0	237.2	210.0	273.8	313.4
Payments	-268.1	-265.4	-240.1	-213.1	-209.4	-190.0
Of which: interest on debt	-154.0	-128.4	-121.0	-94.5	-90.5	-117.8
Unrequited transfers	932.7	1,164.8	1,297.4	1,290.8	1,741.3	2,014.9
Official	915.1	1,132.2	1,251.8	1,233.5	1,689.4	1,921.6
Southern African Customs Union nonduty receipts	800.5	1,084.2	1,106.8	1,040.7	1,533.8	1,835.1
Rand compensation	66.1	0.0	58.3	130.3	73.3	78.2
Other	48.4	48.0	86.7	62.5	82.3	8.4
Private	17.7	32.6	45.6	57.3	51.9	93.3
Current account (including official transfers)	-1,152.2	-952.0	-1,355.2	-887.2	-270.4	-172.6
Current account (excluding official transfers)	-2,067.3	-2,084.2	-2,607.0	-2,120.8	-1,959.8	-2,094.2
Of which: LHWP ²	-518.8	-591.7	-415.6	-392.8	-225.2	-54.5
Capital and financial account	1,234.9	1,135.5	956.5	431.7	6.0	129.4
Capital account (transfers received)	82.5	105.2	173.1	118.5	154.7	71.5
Grants in government budget	82.5	105.2	173.1	118.5	154.7	71.5
Financial account	1,152.4	1,030.3	783.4	313.2	-148.6	57.9
Direct investment (excl. LHDA) ³	224.4	249.1	294.1	324.0	350.5	364.4
Financing LHWP (net)	651.8	772.4	570.6	544.3	417.9	213.7
Other investment	-285.6	69.8	3.2	-350.8	-473.9	-160.7
Assets ⁴	12.5	67.0	-325.2	-451.0	-365.4	159.9
Liabilities	-298.1	2.9	328.4	100.2	-108.5	-320.6
Change in reserve assets	561.9	-61.0	-84.5	-204.2	-443.1	-359.5
Valuation adjustment	-81.6	-282.8	210.8	321.5	69.6	-100.5
Errors and omissions	-1.0	99.2	188.0	134.0	194.8	143.7
Memorandum items:	(Percent of GDP, unless otherwise indicated)					
Trade balance	-59.1	-52.2	-55.4	-46.4	-43.1	-42.4
Net remittances	25.6	23.3	23.1	23.5	22.0	20.4
Current account (including official transfers)	-18.8	-14.1	-18.0	-10.8	-3.0	-1.8
Current account (excluding official transfers)	-33.8	-30.8	-34.6	-25.7	-21.9	-22.3
Excluding LHWP	-25.9	-22.7	-29.5	-21.3	-19.7	-21.8
Gross official reserves (Millions of rand)	2,879.5	3,815.6	3,971.7	3,135.8	3,175.6	3,603.7
Gross official reserves (Months of imports of goods and services)	6.6	5.5	4.3	3.7	4.4	4.9

Sources: Central Bank of Lesotho (CBL), and IMF staff estimates.

¹ Financial year is April-March.

² Lesotho Highlands Water Project.

³ Lesotho Highlands Development Authority.

⁴ Transaction-based data; a minus sign indicates an increase in reserves.

Table 22. Lesotho: Services and Income Account 2000/01-2005/06
(Millions of Maloti)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 Est.
Non-factor services: credit	310.1	340.1	376.5	366.5	419.6	349.2
Shipment	0.0	0.0	0.0	0.0	0.0	0.0
Other transportation	3.8	3.7	4.3	3.8	3.8	4.8
Travel	159.8	175.4	211.8	201.9	222.1	180.5
<i>Of which</i> : total expats spending	32.2	38.8	65.0	44.5	58.0	9.1
<i>Of which</i> : LHWP expats spending	32.1	41.5	30.2	28.8	22.3	11.5
Sales of water (and power)	90.3	100.8	113.4	109.5	110.4	116.5
Other official	60.1	63.9	50.8	52.0	54.1	62.1
Other private	-3.8	-3.7	-3.7	-0.7	29.2	-14.6
Non-factor services: debit	-327.7	-458.7	-594.1	-647.8	-615.2	-594.4
<i>of which</i> : LHWP	-143.4	-114.8	-109.8	-91.3	0.0	0.0
Shipment	-203.5	-243.5	-304.6	-304.0	-299.9	-270.4
Other transportation	-21.9	-22.7	-24.3	-31.9	-44.2	-52.6
Travel	-67.8	-89.1	-161.9	-201.2	-199.2	-169.9
Other official	-28.6	-101.9	-102.6	-110.8	-71.7	-101.2
Other private	-5.9	-1.6	-0.8	0.1	-0.2	-0.3
Non-factor services (net)	-17.6	-118.6	-217.6	-281.3	-195.6	-245.1
Factor incomes: credit	2011.3	2025.6	2202.7	2337.9	2429.9	2323.3
Investment income	248.8	224.0	237.2	210.0	273.8	313.4
Interest earned by CBL	209.2	169.4	171.2	130.9	166.7	206.2
Interest earned by commercial banks	39.7	54.6	66.0	79.2	107.1	107.2
Labor income	1762.5	1801.6	1965.5	2127.8	2156.1	2009.9
Miners' wages	1400.0	1416.5	1583.3	1737.9	1750.4	1590.8
Other	362.5	385.1	382.2	389.9	405.7	419.1
Factor incomes: debit	-463.7	-490.6	-463.1	-405.0	-398.8	-279.4
Investment income	-268.1	-265.4	-240.1	-213.1	-209.4	-190.0
Dividends and profits	-114.1	-137.0	-119.2	-118.6	-119.0	-72.2
LHWP distributed earnings	-108.3	-116.9	-79.9	-86.3	-83.6	-42.7
Other	-5.8	-20.1	-39.3	-32.3	-35.4	-29.5
Interest	-154.0	-128.4	-121.0	-94.5	-90.5	-117.8
Payments to expatriates	-195.6	-225.2	-223.0	-192.0	-189.4	-89.4
<i>Of which</i> : LHWP	-107.0	-138.3	-100.7	-96.1	-74.5	-38.5
Factor incomes (net)	1547.7	1535.0	1739.7	1932.8	2031.1	2043.9
Total services and income (net)	1530.0	1416.4	1522.1	1651.6	1835.4	1798.8

Source: Central Bank of Lesotho.

Table 23. Lesotho: Lesotho Miners in South Africa, 2000-2005

	2000	2001	2002	2003	2004	2005 Est.
Total average number employed (thousands)	64.9	61.4	62.2	61.4	58.0	50.8
Annual percentage change	-5.4	-5.4	1.3	-1.2	-5.5	-12.4
Average annual earnings (maloti)	30,131	32,030	35,326	38,513	42,116	43,202
Annual percentage change	8.9	6.3	10.3	9.0	9.4	2.6
Total earnings (millions of maloti)	1,955.5	1,966.6	2,196.5	2,364.8	2,442.1	2,196.2
Annual percentage change	3.1	0.6	11.7	7.7	3.3	-10.1
Miners' remittances (millions of maloti)	1,394.3	1,402.2	1,549.8	1,686.1	1,795.0	1,614.3
Miners' remittances (percentage of total earnings)	71.3	71.3	70.6	71.3	73.5	73.5
Miners' remittances (annual percentage change)	3.1	0.6	10.5	8.8	6.5	-10.1

Source: Central Bank of Lesotho, and IMF staff estimates.

Table 24. Lesotho: Composition of Recorded Exports, 2000-2005
(Millions of Maloti)

	2000	2001	2002	2002	2003	2004	2005
Foodstuffs, etc.	111.7	141.3	197.6	197.6	194.0	180.8	227.3
Cereals	28.0	44.9	75.7	75.7	71.2	55.2	65.0
Beans, peas, and other vegetables	1.1	0.2	0.4	0.4	0.4	0.3	0.5
Animal feed	3.8	4.3	5.6	5.6	5.2	13.0	21.4
Beverages and tobacco	63.9	72.6	94.9	94.9	96.5	98.5	134.6
Other foodstuffs	15.0	19.3	21.1	21.1	20.7	13.7	5.8
Live animals	6.6	12.9	20.4	20.4	20.4	16.8	8.3
Cattle	4.9	9.7	13.4	13.4	12.2	12.5	7.9
Sheep and goats	0.0	0.1	0.3	0.3	0.4	0.4	0.3
Pigs	0.0	0.2	0.8	0.8	1.2	1.3	0.0
Poultry	1.7	2.9	5.9	5.9	6.6	2.6	0.1
Livestock materials	37.0	60.1	64.6	64.6	90.3	3.3	28.4
Wool	32.2	56.8	56.1	56.1	80.6	1.8	19.4
Mohair	4.1	1.3	0.0	0.0	0.0	1.5	8.3
Hides and skins	0.7	2.0	8.5	8.5	9.6	0.0	0.7
Crude materials	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Diamonds	1.7	1.5	3.8	3.8	3.8	540.4	637.7
Manufactures	1,307.8	2,204.6	3,439.8	3,439.8	3,238.1	3,896.7	3,214.1
Chemicals and petroleum	6.5	18.6	45.5	45.5	49.3	21.0	13.2
Leather products	0.3	1.0	3.0	3.0	2.9	1.2	0.0
Wood products	0.1	0.2	0.7	0.7	0.7	1.9	0.0
Yarn and textiles, etc.	1.4	2.9	7.1	7.1	8.4	12.9	31.6
Bricks	...	6.9	18.5	31.7	27.6	13.7	9.2
Telecommunication equipment	...	148.2	210.9	291.7	289.7	153.6	143.6
Machinery	...	13.8	25.9	50.0	53.9	55.1	158.9
Road vehicles	11.3	17.7	29.6	29.6	30.2	13.1	11.6
Furniture and parts	9.5	26.0	37.4	37.4	33.1	2.9	11.3
Clothing, etc.	953.2	1,722.5	2,745.2	2,745.2	2,555.6	3,462.0	2,704.8
Footwear	132.6	124.4	135.1	135.1	130.5	128.7	95.8
Books	...	0.8	1.5	23.0	21.0	0.4	1.2
Other manufactures	192.8	121.6	179.4	39.8	35.2	30.2	32.9
Unclassified	3.1	5.5	13.7	13.7	10.9	14.2	18.8
Total value	1,467.9	2,426.0	3,739.9	3,739.9	3,557.4	4,652.2	4,134.6

Source: Central Bank of Lesotho.

Table 25. Lesotho: Direction of Trade, 2000 - 2005 ¹
(Millions of Maloti)

	2000		2001		2002		2003		2004		2005	
	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports
World	5,611.2	1,468.3	6,399.8	2,426.0	8,517.5	3,739.9	8411.6	3557.3	9,036.5	4,533.3	7,870.1	4,134.6
Africa	4,876.9	607.5	5,306.0	899.1	6,270.3	856.4	7242.7	695.6	6,628.7	657.5	6,641.8	812.6
SACU ²	4,309.3	606.9	5,296.6	897.0	6,261.7	856.0	7234.1	689.7	6,584.0	622.2	6,603.3	713.6
Other Africa	6.9	0.7	3.0	2.1	1.6	0.2	8.6	5.9	44.7	35.3	38.5	99.0
Europe	45.8	1.8	46.5	3.5	93.2	8.1	12.1	3.7	73.1	695.0	56.6	710.4
European Union	42.7	1.8	44.5	3.5	82.5	7.8	8.9	3.7	70.3	692.0	53.0	710.4
Belgium	1.4	0.2	0.4	0.1	3.9	0.0	0.0	0.0	0.8	622.9	1.3	701.8
Denmark	0.8	0.0	1.7	0.0	9.2	0.0	1.3	0.0	5.4	0.0	3.4	0.0
France	0.4	0.0	2.9	0.1	4.6	0.0	0.1	0.0	22.0	0.0	2.4	0.0
Germany	6.4	0.7	20.9	0.0	9.4	2.2	0.1	0.6	4.4	11.1	9.8	0.3
Greece	...	...	...	...	4.7	0.0	3.2	0.0	1.8	0.0	0.0	0.0
Italy	5.5	0.0	5.0	0.0	16.0	0.0	0.1	0.0	23.6	0.0	15.7	0.1
Spain	6.7	0.0	11.9	0.0	11.3	0.9	0.2	0.0	0.2	0.1	0.3	0.4
Netherlands	3.1	0.0	0.0	0.0	0.0	0.0	2.7	2.0	10.0	0.6	10.1	0.1
United Kingdom	14.1	0.9	0.6	0.0	24.9	0.0	1.4	1.2	2.1	57.3	10.0	7.6
Portugal	4.3	0.0	0.0	3.2	0.0	4.6	0.0	0.0	0.0	0.0	0.0	0.1
Turkey	...	...	...	...	2.2	...	1.4	...	...	...	...	...
Other Europe	3.1	0.0	2.0	0.0	3.8	0.3	1.8	0.0	2.8	3.0	3.6	0.0
North America	104.8	858.3	41.7	1,522.5	53.4	2,874.6	15.1	2849.1	97.5	3,168.6	32.8	2,597.8
Canada	97.2	22.5	34.5	35.0	12.1	15.9	0.6	19.7	0.0	48.3	5.4	56.1
United States	7.6	835.8	7.2	1,487.5	41.3	2,858.7	14.5	2829.4	97.5	3,120.3	27.4	2,541.7
Asia	526.0	0.6	953.3	0.9	2,021.6	0.8	1141.7	8.9	2,183.5	12.2	1,133.1	13.8
Japan	34.6	0.0	11.6	0.4	33.2	0.0	11.3	1.2	65.8	1.0	12.0	1.3
Hong Kong SAR	70.3	0.0	224.3	0.0	483.8	0.0	401.3	0.9	623.9	9.2	332.8	0.9
China	0.0	0.0	74.2	0.0	355.7	0.0	241.8	0.2	457.4	0.0	205.8	0.0
Taiwan Province of China	294.6	0.6	527.1	0.0	913.2	0.8	367.6	0.7	670.4	0.1	386.3	0.8
Other	126.5	0.0	109.8	0.5	192.5	0.0	119.7	5.8	366.0	1.9	196.2	10.8
Oceania	57.7	0.1	52.2	0.0	79.0	0.0	32.0	0.0	53.7	0.0	5.8	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 26. Lesotho: Public and Publicly Guaranteed External Debt Outstanding, 2000/01-2005/06
(Millions of U.S. dollars) ¹

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Multilateral sources	414.8	421.4	480.1	537.7	564.4	556.4
<i>of which:</i>						
World Bank Group	181.2	191.0	222.8	252.4	265.1	256.6
African Development Bank	9.4	7.5	6.7	5.8	4.0	2.4
African Development Fund	147.3	148.4	163.0	172.6	182.1	174.7
EU	30.7	25.5	34.4	1.7	3.3	3.2
IMF	13.2	17.9	20.7	31.0	37.0	35.0
Bilateral sources	100.5	73.8	93.4	101.2	86.8	77.3
Commercial sources	64.2	54.2	59.8	67.2	60.4	60.4
Banks	44.9	33.1	40.4	50.5	47.9	48.8
Export credits	19.3	21.1	19.4	16.7	12.6	11.6
Total	579.5	549.4	633.3	706.1	711.7	694.1
Total (Percent of GDP)	69.4	77.4	81.8	61.4	49.8	47.2

Source: External Debt Unit, Ministry of Finance.

¹ Fiscal year, April-March.

Table 27. Lesotho: Summary of the Tax System, July 2006
(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 companies, and charitable institutions is exempt.	25 percent is levied on all sectors of activity other than manufacturing and farming; 10 percent on manufacturing and farming 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 profits of gambling casinos.		15 percent.

Table 27. Lesotho: Summary of the Tax System, July 2006
(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 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 farming, scholarships, and foreign-source property income of expatriate taxpayers.</p> <p>A uniform personal tax credit of M 2,911 per taxpayer was introduced in April 2006.</p>	<p>Residents marginal rate (percent):</p> <table><tr><td>First M 33,075</td><td>25 percent</td></tr><tr><td>Over M 33,075</td><td>35 percent</td></tr></table> <p>Nonresident marginal rate (percent):</p> <p>All chargeable</p> <table><tr><td>Income percent</td><td>25</td></tr></table>	First M 33,075	25 percent	Over M 33,075	35 percent	Income percent	25	
First M 33,075	25 percent									
Over M 33,075	35 percent									
Income percent	25									
1.2.2 Withholding tax Income Tax Act 1993.	<p>A tax on income from dividends, interest, royalties, natural resource payments, management charges, or service contracts earned within Lesotho by nonresidents.</p>	<p>Dividends from manufacturing companies are exempt.</p>	<p>Withholding tax is 25 percent.</p> <p>For royalties from nonmanufacturing companies, 15 percent.</p> <p>On service contracts earned within Lesotho by nonresidents, 10 percent.</p>							
1.2.3 Income Tax Income Tax Amendment Act, 1999.	<p>Tax on farm income</p>		<p>10 percent.</p>							
1.2.4 Income Tax Income Tax Amendment Act, 2000.	<p>Taxation of activities by Lesotho Highlands Development Authority (LHDA) in terms of Protocol V to the Lesotho Highlands Water Treaty.</p>	<p>Exemptions as specified in Protocol V to the Lesotho Highlands Water Treaty between Lesotho and South Africa.</p>	<p>Differential rates applied to companies contracted by LHDA.</p>							

Table 27. Lesotho: Summary of the Tax System, July 2006
(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.
2.3 Death taxes	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.	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.
2.3.1 Estate duty Proclamation No. 20 of 1935 as amended.			
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.

Table 27. Lesotho: Summary of the Tax System, July 2006
(All amounts in Maloti)

Tax	Nature of Tax	Exemptions and Deductions	Rates
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.

Table 27. Lesotho: Summary of the Tax System, July 2006
(All amounts in Maloti)

Tax	Nature of Tax	Exemptions and Deductions	Rates										
3. Taxes on goods and services													
3.1 Value-added tax (VAT)	A VAT imposed on every taxable supply in Lesotho and every import of goods and services. The act provides for 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.	Under Section 6, the act exempts from VAT imports of goods prescribed in schedule II (diplomatic, heads of state, and other foreign representative purchases; 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 certain cultural and charitable events and activities.	The existing rates are:										
Value-Added Tax Act No. 9 of 2001 (as amended), implemented from July 1 2003 (this act repealed the Sales Tax Act 1995). VAT (Amendment) Act No. 6 of 2003.			<table><tr><th><u>Goods</u></th><th><u>Rate (in percent)</u></th></tr><tr><td>General</td><td>14</td></tr><tr><td>Liquor</td><td>15</td></tr><tr><td>Telecommunications, water and electricity</td><td>5</td></tr><tr><td>Exports</td><td>0</td></tr><tr><td>Zero-rated basic items</td><td>0</td></tr></table> <p>Zero-rated basic items are:</p> <p>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, wheat flour, samp, animal feeds.</p>	<u>Goods</u>	<u>Rate (in percent)</u>	General	14	Liquor	15	Telecommunications, water and electricity	5	Exports	0
<u>Goods</u>	<u>Rate (in percent)</u>												
General	14												
Liquor	15												
Telecommunications, water and electricity	5												
Exports	0												
Zero-rated basic items	0												

Table 27. Lesotho: Summary of the Tax System, July 2006
(All amounts in Maloti)

Tax	Nature of Tax	Exemptions and Deductions	Rates
3.2 Excise taxes Customs and Excise Consolidated Act, No. 10 of 1982.	A tax on certain goods manufactured and imported into Lesotho, including beer, spirits, wines, matches, tobacco, cigars, cigarettes, petroleum oils, motor vehicles, tractors, and electronic products such as televisions.	Exports outside SACU and purchases by His Majesty and diplomatic corps are exempt.	Specific or ad valorem rates or both.
3.3 Trade licenses Trading Enterprise Regulations 1999; Trading Enterprise Order, 1993.	Payable by traders carrying on business.	Charitable, religious, and nonprofit institutions are exempt.	Ranging from M 500 to M 1,000 for 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.	Rates are 44 lisente per liter on petrol sold to public for private cars, and 37 lisente per liter for diesel used in industry, agriculture, and public buses. In addition, there is an Equalization Fund levy of 3 lisente per liter (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.

Table 27. Lesotho: Summary of the Tax System, July 2006
(All amounts in Maloti)

Tax	Nature of Tax	Exemptions and Deductions	Rates
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 Customs Cooperation Council (CCC) 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.	Free trade agreements with Botswana, Namibia, South Africa, and Swaziland. Exemptions may apply under Technical Assistance Agreements entered into between the Government of Lesotho and third parties in which the Government of Lesotho has agreed to exempt goods imported under such agreements from payment of such taxes.	Specific or ad valorem duties or both charged on Free on Board (FOB) value of goods at varying rates.
Customs Union Agreements, Legal Notice No. 71 of 1969 (effective March 1, 1970).	A duty collected by the Republic of South Africa and other partners (at port of arrival) and contributed to a common customs union pool held with Botswana, Namibia, South Africa, and Swaziland. Lesotho's share is calculated according to a fixed formula that has been revised but is yet to be ratified by members.		
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 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.
4.4 Diamond sales tax Precious Stones Order 1970, No. 24 of 1970.	A sales tax on the value of every diamond found in Lesotho and exported therefrom.	Diamonds exported solely for exhibition or display purposes are exempt or for commercial mines of which royalty is negotiated.	15 percent of the true market value of every diamond and 7 percent of diamonds directly exported by producers.

Table 27. Lesotho: Summary of the Tax System, July 2006
(All amounts in Maloti)

Tax	Nature of Tax	Exemptions and Deductions	Rates
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.
5.2 Stamp duty Proclamation 16/07 as amended: Stamp Duties (Amendment) Order No. 20 of 1972; and Legal Notice No. 58 of 1988.	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.	The Lesotho government and its departments, the Lesotho Electricity Corporation, and the Lesotho Bank are exempt.	Rates of duty varying depending on the nature of the instrument, the matter to which it relates, and its value.
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 leaving Lesotho.	Ministers on duty, His Majesty, ambulances, and South African Railway vehicles are exempt.	M5 for cars, M6 for trucks, M15 for medium vehicles (rare weight over 2001kg), M25 for two to four axle vehicles applied each time on entering Lesotho.
5.4 Airport departure tax	Airport departure tax for international travel	Ministers on duty, His Majesty, diplomatic corps.	M20.
6. Special industries			
Pioneer Industries Encouragement Act, 1969, No. 19 of 1969, as amended.	Applicable to manufacturers and related industries and building companies establishing their operations in Lesotho, that had already been approved for tax benefits to encourage pioneering industries by August 3, 1990.	An approved existing manufacturer or a hotel or casinokeeper is limited to the package of allowances. The incentives can be revoked, varied, or extended according to the performance of the approved manufacturer, with the approval of the Minister of Trade.	15 percent charged to manufacturing companies and 35 percent to other companies.