

## LNDC/ComMark Lesotho Apparel Project Improves Productivity in Manufacturing

The Chief Executive of Lesotho National Development Corporation (LNDC), Mr. Peete Molapo awarded certificates to 33 factory employees of Shinning Century on the 11th April, 2005. The factory workers had completed training in the areas of production management, line management and supervision.



*Graduating Employees of Shinning Century*

Andy Salm, the Regional Textile and Apparel Specialist observed that, “There is a perception that training is expensive and something of a luxury. It is true that good training does not come cheap but if it is effective, then it will pay for itself in a short time and continue to pay dividends for years to come”.



*From left to right: Mr. P. Molapo, Mr. A. Salm & Mrs. J. Chen*

Speaking at the ceremony, Mr. Molapo said, “Effective skills that increase productivity will enhance competitiveness and sustain existing investments as well as ensure that more investors locate in the country”.

In partnership with LNDC, ComMark established the LNDC/ComMark Lesotho Apparel Project which has offices in the LNDC building and provides technical assistance to LNDC, the industry and other stake-

The Lesotho National Development Corporation (LNDC) and the Shoprite Checkers supermarket group opened a new-look Shoprite in Maseru, Lesotho on 1 June, 2005. LNDC and the

holders. The project has allocated M7.5 million to help industrialists develop their workforce through training.

Shoprite Checkers supermarket group hold a 50/50 shareholding in Shoprite, Maseru.

According to Jaco de Swardt, Divisional Manager

*(Continued on page 2)*

### Inside this issue:

<b>LNDC/ComMark Lesotho Apparel Project Improves Productivity</b>	1
<b>Brand New Shoprite Launches in Maseru</b>	1
<b>LNDC Targets Shoe Manufacturers in Italy</b>	3
<b>Tikoe Industrial Estate</b>	4
<b>Why Lesotho</b>	5



**LNDC Headquarters**

(Continued from page 1)

for the group's Free State and Northern Cape division, the 2 200m<sup>2</sup> supermarket replaces the previous OK Bazaars and will offer consumers a one-stop



*From left to right: The Hon. Dr. P. M. Sekatle, Minister of Local Government; Hon. L. Ntšinyi, Minister of Tourism, Culture & Environment; Mr. P. Molapo, LNDC Chief Executive at the podium*

shopping convenience. Shoprite, Maseru displays more distinct up-market features compared to its sister supermarkets in the region.



Speaking at the launch, the Chief Executive of LNDC, Mr. Peete Molapo said that Shoprite Maseru, through its predecessor OK Bazaars, has been operating in Lesotho for the last 24 years. It was the second largest strategic commercial enterprise that LNDC established in 1981 to bring services close to Basotho. The first major enterprise was the Metro Cash and Carry Group established by LNDC in the late 1970s.

Mr. Molapo expressed hope that the current unfavourable business climate was just a cycle and that businesses would reach a recovery point soon. "LNDC's plans to rebuild the former Clifford and Sanlam Centres are at an advanced stage", he said. These developments will provide Maseru with up-market stores to match the tastes of its inhabitants

as well as curb the ever-increasing capital outflow due to lack of modern shopping facilities in Lesotho. "Another reason is to countervail the negative effects from the travails that our manufacturing sector is going through by expanding the trade and commercial sub-sector", he said.

He thanked all the customers of Shoprite for their patience and understanding during the refurbishment period and wished them a hassle-free shoprite shopping.

Shoprite Maseru, with a staff complement of 64 permanent and 73 part-time personnel, will employ an



*Management of Maseru Shoprite*

additional six assistants to ensure swift and efficient service in the enlarged delicatessen and bakery.

The new Shoprite supermarket will trade from 08:00 to 18:00 on Mondays to Fridays, 08:00 to 15:00 on Saturdays and 09:00 to 13:00 on Sundays and public holidays, offering working customers added convenience as they will be able to do their shopping after normal working hours.



*Entertainment (Mokhibo) at the Launch*

(Continued on page 5)

## LNDC Targets Shoe Manufacturers in Italy

**L**NDC has started to implement its product diversification strategy by wooing investors in the shoe manufacturing industry.

The Italian Association of Shoe Manufacturers proposed to facilitate training of Basotho personnel at an accredited technical institution in Italy to run the envisaged shoe operation in Lesotho. In terms of the proposal, a maximum of 50 Basotho will be trained per annum.

In May this year, a delegation from Lesotho comprising Mr. Mohlomi Rantekoa, Principal Secretary in the Ministry of Trade and Industry, Cooperatives and Marketing; Mr. Peete Molapo, LNDC Chief Executive and Mr. Motebang Mokoaleli, Head Investment Promotion met with an Italian Association of Shoe Manufacturers. They were joined by Mr. K. G. Mafura, the Charge 'd' Affaires in the Lesotho-Rome Mission.



*From left to right: Mr. P. Molapo, LNDC Chief Executive, Mr. M. Rantekoa, Principal Secretary, Ministry of Trade and Industry; Mr. K.G. Mafura, Charge 'd' Affaires, Lesotho-Rome Mission*

The meeting discussed a proposal to establish a shoe manufacturing project in Lesotho employing at least 300 people within 3 years.

Membership of the Association is over 900 shoe companies which produce 21 million pairs of shoes per annum of which 89% is for export.



*Discussions between the Lesotho delegation and the Italian Association*



*Mr. M. Mokoaleli, Head Investment Promotion making a presentation to the Association*

*(Continued from page 1)*

The promoter of Shinning Century, Mrs. Jennifer Chen agreed with Mr. Salm and said successful factories competing in the global arena, were the ones which had invested in training their workforce. She encouraged her factory workers to take full advantage of the training opportunities which were just beginning, as she intended to train more workers and diversify skills and capabilities in her factory.

One of the graduating factory workers, 'Mampho Makoetje appealed to her co-workers to work hard and contribute significantly to the growth of not only their company, but of the clothing industry as a whole.



*Mrs. Chen with her graduating class*

## Tikoe Industrial Estate

**L**NDC has acquired 80 hectare industrial land at Ha Tikoe to accommodate construction of 640,000 m<sup>2</sup> of factory space for investment.

Work is already in progress to turn the site into a fully serviced industrial estate comprising internal road and telecommunications network; electrical, water and sewerage reticulation; commercial centre; social amenities (clinic and public toilets) as well as hawkers' stalls.

Todate, the bulk power supply has been supplied by the Lesotho Electricity Corporation. The Water and Sewerage Authority has started the construction of bulk water supply services to the site which is expected to be completed in November, 2005.



*Tikoe Water Supply Project under Construction*

tion of the requisite infrastructure is estimated at M50 million. The Government of Lesotho is assisting to secure funding in this regard.

Other key projects which are in progress include a feasibility study on solid industrial waste management, a feasibility study on waste water management to facilitate the construction of waste water recycling

plants, upgrading of waste water

ponds, development of an entertainment centre and shopping mall complex at Clifford site, development of a shopping mall and office complex at the LNDC Mall.



*Tikoe Water Supply Project under Construction*

***We build industry***

Block A, Development House  
Kingsway Street  
Private Bag A96  
Maseru 100, Lesotho

Phone: +266 22312012  
Phone: +266 52000214  
Phone: +266 52312012  
Fax: +266 22310038  
E-mail: info@lndc.org.ls



The refurbishment and improvement of the store in the business complex is further proof of the Shoprite chain of supermarket's commitment to establish an infrastructure that suits the community and to place services and products within easy reach of its customers, at lower prices...always.



Mr. Jaco de Swardt



Hon. L. Ntšinyi, Mr. P. Molapo and Hon. P.M. Sekatle

Branch Manager, Sakkie Basson and his team looks forward to welcoming you to a pleasant shopping experience.



**Stability**

- A stable social and political environment which is investor friendly.
- A free enterprise and free market economic system which forms the basis for sustained development and growth.

**Labour**

- A young abundant predominantly English speaking, literate and well motivated labour force with a tradition of manual dexterity at competitive wage rates.

**Market Access**

- 50 million consumers in Southern African Customs Union (SACU).
- Preferential access to 170 million consumers in the Southern African Development Community (SADC) market.
- The Cotonou Agreement gives access to more than 400 million consumers in the European Union (EU) market.
- Duty and quota-free access to the United States market through the African Growth and Opportunity Act, (AGOA).
- Preferential access (quota and duty-free) to the lucrative Canadian market of all eligible goods manufactured in Lesotho.
- Highly concessionary Generalised System of Preferences (GSP) to: Japanese, Nordic and other developed markets.

**Financial Incentives**

- 15% corporate tax on profits earned by manufacturing companies and free repatriation of profits.
- No withholding tax on dividends distributed by manufacturing companies to local or foreign shareholders.

- Long-term loans and/or equity participation.
- Unimpeded access to foreign exchange.
- Export finance facility.
- Import VAT credit facility that provides for an input tax credit upon importation and local purchasing of raw materials and capital goods.
- Bank administered foreign currency accounts are permissible.
- Double taxation agreements with R.S.A., Mauritius, U. K. and Germany.
- Export processing zone status for exporters.

**Industrial Infrastructure**

- Serviced industrial sites and factory shells are available for rental at competitive rates.
- Special incentives for construction of investor-financed factory buildings.
- Easy access to Gauteng and the Durban harbour.
- Full government support on trade and investment issues.
- Backstopping services from the Lesotho National Development Corporation.

