



*We build industry*

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Notice is hereby given to all interested Basotho who have suitable buildings that can be rented and used as factory shells by industrialists to register such buildings with the LNDC. The required buildings should conform to the **LNDC's standards and other legal** requirements.

When registering, the following features should be clearly stated:

plot number, location, size (strictly 500m<sup>2</sup> or bigger), title deed, height, and available infrastructure such as installed electricity in kva, water in kilolitres, etc.

For further details, contact the office of the Head – Investment Services Division at LNDC, P/Bag A96, Maseru, 5<sup>th</sup> Floor, Block A, Development House, Kingsway Street, Maseru.

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### LNDC Vision

By 2020, LNDC shall be a leading institution in industrial and commercial development in the SADC region, through expanded and diversified sustainable high quality investments that will create wealth and jobs for Basotho.

### Mission Statement

To promote economic growth by facilitating the development of sustainable medium to large enterprises through promotion and establishment of domestic and foreign direct investment.

*We build industry*

## From the CEO's Desk



In his third quarter of service at LNDC, Mr. Joshua Setipa, continued with his stakeholder engagement drive, interacting one-to-one and with various groups to position LNDC and get feedback on crucial issues affecting the Corporation's operations.

Strengthening partnerships with a number of key domestic stakeholders such as WASCO, LEC and LRA is critical and will assist LNDC to implement and sustain a comprehensive strategy to attract new investments and sustain existing investments.

Memoranda of Understanding (MoUs) have been signed and some are currently being implemented.

Site visits and review meetings have been held with IDC to follow up on the MoU which was signed earlier this year. The meetings have provided an opportunity for both LNDC and IDC teams to share experiences and expose the various groups to each other's activities. On the one hand, LNDC is building its capacity in

identified areas while on the other, IDC is also getting an opportunity to build its capacity of providing mentorship to an aspiring Development Finance Institution (DFI).

**The Corporation's strategic direction** involves the transformation of LNDC into a fully operational DFI to address the demands of its stakeholders for the delivery of a full range of development finance facilities. Consultations are underway with potential regional and international partners to support this effort. These include institutions such as the IDC, the SADC Development Finance Resource Center and the European Investment Bank.

At a Special Board meeting held on 21st September, 2011, the CEO outlined his strategic vision which takes into account the recent priorities of the Government with particular reference to employment creation and economic empowerment.

In order to support implementation of these key priorities, a substantive re-alignment of institutional framework of the Corporation has to be undertaken. The Board approved implementation of a revised organogram in this regard.

The Board has also approved an alternative strategy for sourcing raw material to supply Basotho Fruits and Vegetable Canners through the Lesotho Defence Force. The military already has the equipment and are willing to provide agricultural extension services to cultivate asparagus and other crops for processing at the Cannery. The possibility of increasing hectares for planting identified crops will be explored to ensure sustainability of this strategy.

### Key substantive priority areas include:

Strengthening of relations with strategic partners including BEDCO and the local banking industry to implement the local economic empowerment agenda;

Mobilization of both financial and human capital resources to deliver an economic diversification strategy which will insert Lesotho in regional and international production supply chains;

Development of a competitive services sector;

Active contribution in the development of a robust capital market which is being led by the Central Bank;

A coordinated approach towards the mining sector;

Participation of local entrepreneurs in the manufacturing of accessories through linkages with foreign investors;

Re-alignment of the LNDC property portfolio — a strategic review of the portfolio is already on-going;

A more robust approach to managing the equity portfolio and identifying investments which are ready for disposal;

## Ground Breaking Ceremony at Tikoe Industrial Estate

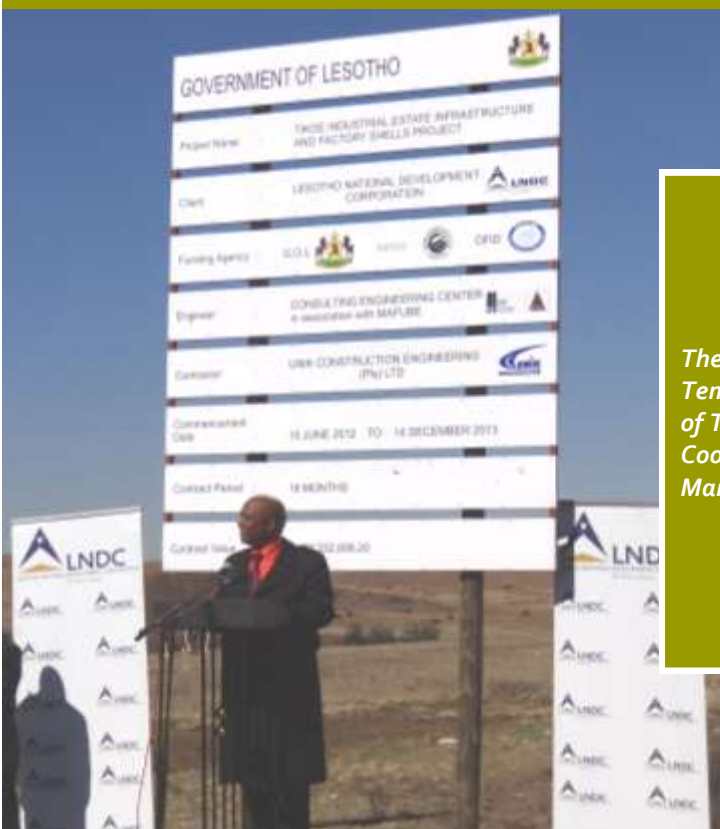
The Right Honourable the Prime Minister, Dr. Thomas Motsoahae Thabane officiated at a sod turning ceremony to mark the start of construction of infrastructure and factory shells at Tikoe Industrial Estate on the 2nd August, 2012.

*The Right Honourable  
the Prime Minister, Dr.  
Thomas Motsoahae  
Thabane turning the first  
sod*

Speaking at the ceremony, the Prime Minister said that inclusion of six smaller 500m<sup>2</sup> units in the estate for allocation to the local private sector was a step in the right direction towards domestic economic em-

**powerment. "Linking the local business with larger manufacturing industries is one of the Government's top priorities as it will contribute immensely to the national goal of poverty reduction, skills development and job creation", he said.**

**"Further improvements at this estate include the construction of a police station, commercial buildings and private stalls for smaller traders who will service the needs of the workforce at these factories", the Prime Minister said.**



This economic activity will have a multiplier effect that will spur growth in other local industries such

as the transport sector, accommodation, cleaning services, security services and others. Additional economic benefits from investments at this estate will be in the form of increased tax revenue, increased foreign exchange earnings and improvement in the balance of payments.

*The Honourable  
Temeki Ts'olo, Minister  
of Trade and Industry,  
Cooperatives and  
Marketing*

He thanked all investors for investing in Lesotho and reassured them that the Govern-

ment was not about to expropriate their investments in the name of localization. **"This Government remains committed to ensuring that investors'**



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rights are respected and protected by law", he said. He appealed to the factory workforce to value these investments and maintain high productivity levels to ensure **their success**. "It is not an easy job to attract investors to come to Lesotho in the highly fierce competitive global investment arena, we therefore, have to work hard to **retain the ones who are already here**", he said.

The Prime Minister highlighted the issue of



total cost of the project is USD24million; jointly financed by the Government of Lesotho (GoL), the Arab Bank for Economic Development in Africa (BADEA) and Opec Fund for International Development (OFID).

**The LNDC CEO, Mr. Joshua Setipa says, "Projects within the Tikoe industrial estate will predominantly service regional markets with a range of new products thereby achieving the objective of product and market diversification".**

These products include electronics, footwear, protective clothing, automotive leather seats, plastic products, luggage accessories, blankets and garments. At full production it is estimated that 5,000 jobs will be created.

harmonious industrial relations at the workplace as the cornerstone for stability and job security for workers.

**"There is no doubt that the absence of harmony and stability in our industries can lead to discontent, mistrust and indiscipline. The company loses productivity and profits, while the employees lose their jobs".**

Construction is being undertaken by Unik Construction Engineering (Pty) Ltd. and is expected to take 18 months. The revised



“

Every revolution is started by a small group and when there is **momentum, the rest follow**”, LNDC

CEO, Joshua Setipa said, addressing a Business Breakfast meeting at Lesotho Sun Hotel on 20th September, 2012.

He was referring to his statement that there should be a radical re-think to how LNDC approaches empowerment of the local private sector. Domestic investment is less mobile than foreign investment; local investments should also receive the same level of attention that is directed towards foreign investment; support for locals should be created to **facilitate the same chances of success**. “We have to create incentives for investors to source from local suppliers so that the local business is fully integrated into the supply chains”, he said.

“LNDC, with the assistance of Government, should set up a match-making scheme for local companies to partner with foreign investors and provide equity funding to make this happen”.

He invited other institutions such as the utility companies to come to the party and create affordable cost structures for small, micro and medium enterprises (Smmes). He suggested that the Lesotho Revenue Authority should also bend over



backwards to assist local business and devise a tax structure that will give small companies room to grow. He touched on other important areas such as:

**Procurement:** Empowerment of local business can be achieved by making difficult decisions to fix the economy such as strict enforcement of procurement policies;



**Banking Sector:** Without the participation of the banking sector, there is no private sector. He encouraged banks to work with Government and make a concerted effort to **assist Smmes**. “Finance keeps the world going around and research has shown that the major defaulters are usually the **formal sector while the informal sector pays back its loans**”, Setipa said.

**Human Capital:** He emphasized and encouraged investment in people by equipping them with the requisite skills to service various investment sectors. The absence of skills to **support investments is like “going into a gun fight with a knife; they will kill you”** he said. **Creating opportunities and developing appropriate skills to take up those business opportunities will minimise the current brain drain to other countries.**

The Bright Young Minds group applauded Mr. Setipa and pledged their support for his local business turnaround **strategy**. “We are a group of young entrepreneurs and we like your ideas about improving local business, we need to **discuss these further**”, their spokesperson said.

Mr. Setipa promised that LNDC will consult and lobby the Government to take care of small issues that undermine local business.



## Local media gets a boost in reporting on trade and economics news



**Dr. Rets'elisitsoe Matlanyane,**  
Governor of the Central Bank of  
Lesotho

LNDC and the Central Bank of Lesotho (CBL) jointly sponsored a media training workshop aimed at equipping the local media with practical journalistic skills that focus on accurate and reliable reporting of business and economic issues.

In her closing remarks, the CBL Governor, emphasized that trade and economic issues affect not only businesses and governments but ordinary citizens too.



*Hama Zhou, Training Facilitator*

**“Business** and economic journalists must, therefore, not only become reporters of news, but they must also seek to develop a certain degree and exper-

tise in the economy, financial markets and how companies work as this will assist them to generate the public's awareness in the subject matter that they are reporting on”, she said.



*Lesa Makhoalibe, LNDC  
Public Relations Manager*

The two-day workshop was held on 27th—28th September, 2012 at the Lehakoe Recreational Centre in Maseru.



*Thato Mohasoa,  
CBL Chief Public  
Relations*

## LNDC donates wheelchairs to Hlokomela Bana Association



Her Majesty with Mr. Setipa and Hlokomela Bana Executive Committee



Presentation of wheel chairs to Her Majesty Queen **'Masenate Mohato Bereng Seeiso, patron of Hlokomela Bana Association**



Executive Committee of Hlokomela Bana Association

LNDC presented 10 wheelchairs to Her Majesty Queen **'Masenate Mohato Bereng Seeiso** at the Royal Palace on Thursday, 2<sup>nd</sup> August, 2012 in support of **Hlokomela Bana Association** children's programmes.

Handing over the wheelchairs Mr. Joshua Setipa said, **"After evaluating the requests for sponsorship that we receive each quarter, we decided that Hlokomela Bana was the most deserving. We wanted to make a difference in the lives of children with disabilities by providing mobility where there was none — turning disability into ability".**

**Her Majesty Queen 'Masenate Mohato Bereng Seeiso** thanked LNDC for its valuable contribution to the **plight of vulnerable children** saying that, **"Besides being functional, I know that these wheelchairs will bring so much pleasure to the children as they race around, their little faces lighting up with pure enjoyment of being able to move; not even realising that the wheelchairs might get broken".**

Hlokomela Bana is a non-profit making association established by the late Queen Mother Nkhono **'Mamohato Bereng Seeiso. The Association is aimed at ensuring the welfare and well-being of vulnerable Basotho children, including orphans and those with disabilities.**

**Her Majesty Queen 'Masenate Mohato Bereng Seeiso** is now the current patron of the Association.





## LNDC Cleaning Campaign at Thetsane Industrial Estate



Launching the first **“We care for a Clean Environment”** campaign, the LNDC CEO, Mr. Joshua Setipa says the Corporation is deeply concerned about the untidiness surrounding the **firms in LNDC’s industrial estates**. Led by the CEO, all LNDC staff members embarked on cleaning the surroundings of the Thetsane Industrial Estates on Friday, 31 August 2012 from 14.00 to 17.00 hours.



“LNDC has a plan to face-lift all its industrial estates in which several factories have provided jobs for tens of thousands of the workforce in Lesotho. It is incumbent upon us as a Corporation, to promote



healthy living and neatness in order to create a pleasant environment for both our tenants (the investors) and factory workers”, he says.

The face lift includes construction of stalls for the informal sector and placement of rubbish bins to discourage littering. Space will also be provided for a Police post to facilitate quick response to law and order in the estates.



“We want to lead by example and encourage the vendors around the estates to maintain a clean environment and enhance the appearance of our industrial



parks. Buyers of Lesotho’s products will also be impressed by the cleanliness. The campaign will roll out to Maputsoe, Ha Nyenye and Maseru Industrial Estates in the near future”, Setipa says.



## New Face on the Block



**Ms. Nts'iuoa Sekete** has joined the Corporation as a Public Relations Officer with effect from the 1st August, 2012.

Prior to her appointment at LNDC, Ms. Sekete was working for the Ministry of Communications, Science and Technology as a TV producer and presenter. Her proficiency in the French language will **contribute to the CEO's vision to promote** Lesotho in French speaking countries. One of her main duties will be to translate relevant LNDC publications including the website into the French language in order to facilitate communication with French speaking investors.

She will work on other public relations assignments under the supervision of the Public Relations Manager in the office of the Chief Executive Officer.

## LNDC Internship Program Continues



Mr. Lehlaku Khetheng has been engaged on a three-month internship within the LNDC Property Management Division with effect from 13th September, 2012.

Mr. Khetheng recently graduated from the Lerotoli Polytechnic with a Diploma in Engineering. Commenting on **his internship, Lehlaku says** "I am very pleased that I got the internship soon

after graduation as I will be able to apply all the theory that I learned into practice".

**"I intend to learn as much as I can on the job to enhance my skills and improve my prospects for future employment", he says.**

During his three-month engagement his responsibilities will focus on the following key areas:

Going forward, Khetheng aspires to become a professional Civil Engineer **before 2017. "I would like to be involved in mega projects in Lesotho as one of the key personnel", he says.**

- \* Assisting in examining tenders and preparing scope of works;
- \* Assisting to maintain up-to-date files on all projects and works in progress;
- \* Conducting regular inspections and site visits to projects to ensure that works are proceeding accordingly;
- \* Scanning/digitizing all as-built drawings for input into GIS database and to perform any other duties that might be assigned.

## Why Lesotho?

### Political 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

- 55 million consumers in Southern African Customs Union (SACU).
- Preferential access to 260 million consumers in the Southern African Development Community (SADC) market.
- Duty and quota-free access to the United States market (310 million consumers) through the African Growth and Opportunity Act, (AGOA).
- Export of all Lesotho-made products to the EU (500 million consumers) duty free under SACU EPA Agreement.
- Preferential trade agreements between SACU and MERCOSUR (Argentina, Brazil, Paraguay and Uruguay) as well as SACU EFTA (Iceland, Liechtenstein, Norway and Switzerland)
- Lesotho also enjoys preferential market access, duty and quota free in countries such as Australia, Canada, Japan, New Zealand, Turkey and Nordic countries.

### Tax / Financial Incentives

- 0% corporate tax on profits earned by manufacturing companies exporting outside SACU.

- Corporate tax rate of 10% on profits earned on exports within SACU.
- No withholding tax on dividends distributed by manufacturing companies to local or foreign shareholders.
- Unimpeded access to foreign exchange.
- Easy repatriation of manufacturing profits.
- Training costs are allowable at 125% for tax purposes.
- Payments made in respect of external management skills and royalties related to manufacturing operations are subject to withholding tax of 10%.
- 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. and U. K.

### Industrial Infrastructure

- Serviced industrial and commercial sites, factory shells and commercial buildings 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 in relation to procurement of all permits, licenses, and company registration.

We are on the Web!  
[www.lndc.org.ls](http://www.lndc.org.ls)

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