

## AT LAST, BASOTHO IN THE TEXTILE INDUSTRY



### MABEOANA CRAFTS ABOVE AND IGM BELOW



### Mission

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

### 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.

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## FACTORY BUILDINGS WANTED – LNDC ADVERT



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, 5th Floor, Block A, Development House, Kingsway Street, Maseru.

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## From The CEO's Desk !



### Dear Distinguished Reader,

I have the honor and privilege to once again greet and invite you to read our third quarter bulletin, which marks the end of my journey as Caretaker Chief Executive of the Lesotho

National Development Corporation. For the sake of those who may not be familiar with this title; the past eight months were just a transition period in which I was mandated by my

fellow Directors of the Board of the LNDC to steer the ship while also facilitating for recruitment of a substantive Chief Executive Officer. Indeed it has been an exciting period of both challenges and many achievements .

### ORGANISATIONAL CULTURE

We have just completed with great success, the first leg of our 'Staff Re-orientation and Introspection Session' that was meant to create an opportunity for all members of staff to understand the mandate, mission and programmes of the LNDC, with the view to enable each member of staff to see their individual role and the role of their Division or Unit, in which such a member of staff is placed, in the attainment of the Corporate goals. This exercise was also targeted at cultivating conditions that would allow the Corporation to mend and unify through a process of identification of barriers to a healthy internal climate and removing such barriers. I can now refer to it as a highly successful effort; thanks to participation of all staff.

### BUILDING INTERNAL CAPACITY

Much attention and efforts were also directed towards strengthening our internal capacity. Refurbishment of some of our offices in the main

Block A, is at an advanced stage. This paves way for accommodation of more staff as the Human Resources Division is currently dedicating time to recruitment and filling of all vacant positions. On this note, I wish to announce that the new LNDC CEO, Mr. Kelebone Leisanyane will report for work on the first day of December, and we wish him well in his new assignment. Capacity building in the form of training has also been taking place. Our staff members continue to receive training sessions internally as well as outside of Lesotho.

### FACILITATION OF DOMESTIC INVESTMENT

Strengthening Domestic Investment has been our priority this quarter and we are looking forward to seeing results in the near future. Manpower in the Division has been increased by at least one official. On promotional efforts, we hosted about 500 local private sector representatives at a forum dedicated to unpacking business and investment opportunities in the second phase of the Lesotho Highlands Water Project, with support of First National Bank and Nedbank Lesotho. Furthermore, we have managed to forge partnerships between foreign and domestic investors, particularly in the Textile Industry; where at least 800 jobs have been created by Basotho Investors.

### INFRASTRUCTURE DEVELOPMENT

In August 2012, the Prime Minister performed a sod-turning to mark the beginning of construction of 11 big factory shells at the Tikoe industrial site. Although construction is not yet complete, I am happy with progress thus far. Some of the shells are almost ready to accommodate investors and the plan is to receive keys from the Construction firm by December 2014. On the north of the country, we have started to explore possibilities of supporting the Mining Industry and Phase 11 of the Highlands Water Project Services; with Butha-Buthe eyed to house major developments as the main gateway to the highlands of Lesotho. Enjoy Reading this issue!

**Tseko A Bohloa**  
**LNDC CCEO**

## LNDC appoints a CEO



The Minister of Trade and Industry, Cooperatives and Marketing under the advice and recommendation of the Board, has appointed Mr. Kelebhone Leisanyane as the Chief Executive Officer of the Lesotho National Development Corporation. Mr. Leisanyane will assume duty on the 1st of December 2014. He is currently the Managing Director of the Loti Brick Company.

He holds Board Directorships in a number of companies in Lesotho that include Standard Lesotho Bank, Lesotho Flour Mills and Lesotho Revenue Authority, and has also been a Director at Econet, member of Council of the National University of Lesotho, and member of the Board of Center for Accounting Studies. He holds a Bachelor of Engineering Degree and a Master of Business Administration. He brings with him a lot of Corporate Management Experience.

The Caretaker Chief Executive, who is also a Member of the Board of Directors of LNDC, Mr. Tseko Bohloa has wished him luck in his new assignment. Mr. Leisanyane succeeds Mr. Joshua Setipa, who left the Corporation in April 2014.

## Staff Movements at LNDC



Miss Lerato Ramaema resigned from the employ of the Lesotho National Development Corporation after serving for eight years as an Internal Audit Officer. Ms Ramaema has joined the African Union.



Miss Ts'episo Nyopa joined the Corporation in August as a Domestic Investment Promotion Officer in the Investment Promotion Division. Miss Nyopa brings skills and expertise from the Ministry of Health where she served as a Project Administrator and Logistics Officer under several donor/grants projects.

## TOUR OF BASOTHO-OWNED FIRMS



The Minister of Trade and Industry, Cooperatives and Marketing Hon. Sekhulumi Ntsoaole visited two textile firms owned and run by Basotho on Wednesday the 27th August, 2014.

Tlotliso Holdings (Pty) Ltd was established in April 2012 and occupies 5,000 square metres of factory space. The firm has two production units with a total employment of 500. These units are; Matsieng based Mabeoana Crafts which employs 100 workers while the Maseru based production unit has 400 employees.



Tlotliso Holdings manufactures knitted garments such as shirts, sweaters and trousers for Export to the USA.

On the other hand, Industrial Garments Manufacturers Lesotho (Pty) Ltd (IGM) began operations in March 2014 and was officially launched by the Hon. Minister on the same day.

The firm produces conti-suits (overalls) for CGM. It employs 150 workers and has to-date registered production volume of 20,000 units.

“Our objective is to establish backward and forward linkages between big industrialists and indigenous industrialists and these two companies mark a great breakthrough for our implementing agency (LNDC).” The Hon. Minister said, adding that enhancing local investors is crucial in Lesotho’s economic growth as it enables proceeds from abroad to be reinvested in the economy, facilitate job creation and poverty alleviation.

The Caretaker Chief Executive Officer of the Lesotho National Development Corporation Mr. Tseko Bohloa says “This is a milestone for LNDC in the 30 years of the existence of the textile industry. It is the second step in our efforts to integrate our local private sector into the industry to ensure its sustainability and the ability of local business to run the industry.”

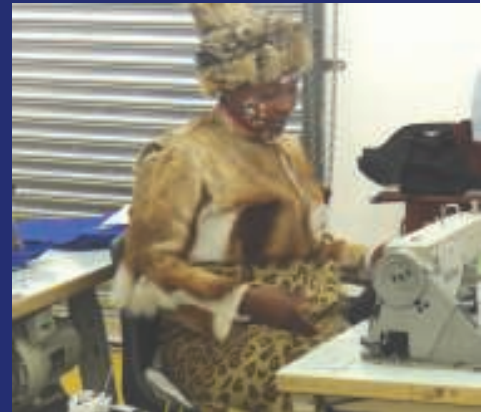
## TOUR OF BASOTHO-OWNED FIRMS (cont)

The Minister of Trade and Industry, Co-operatives and Marketing, speaking at the launching ceremony said he was humbled and pleased to launch IGM, marking the ability of local business to run the industry effectively and sustainably.



“This launch is just the beginning of the long awaited move. We expect to see an increase in the number of Basotho-owned factories, not only in the garment and apparel sector but in many other diversified sectors that we hope to achieve in order to balance our industrial base” said the Minister, adding that “I would like to commend the Founders and Management of the two firms for their bravery; dedication and determination to become pioneers of the local industrial development and assure you that His Majesty’s Government is working tirelessly to make interventions that will see local industries grow and expand.”

In the light of the African Growth and Opportunity Act, set to expire in September 2015, the Minister said a lesson was learnt that numerous opportunities that were brought by the Act were not exploited and therefore challenged more locals to learn how best the AGOA strategy that is currently being developed could be used to their advantage.



On the same tour, Minister Ntsoale visited Mountain Farms, a local chicken farm on the first day of the operation of the abattoir; which was a great success and brought excitement not only to the Trade Ministry, the LNDC, Standard Lesotho Bank as well as the Investors. Mountain Farms recently benefitted from the LNDC Partial Credit Guarantee Scheme through Standard Lesotho Bank.



## LNDC celebrates 47th Anniversary

The Lesotho National Development Corporation commemorated its 47th Anniversary on the 4th August 2014. With a little celebration, LNDC CCEO Mr. Tseko Bohloa thanked members of staff for their continued commitment



to LNDC and for being part of the Corporation's Success over the year. "May you continue to inspire us for many years to come and may you always remember how much you are needed, respected and valued" said the CCEO, also reiterating the same message to individual members of staff on personalized cards.

At the inception of LNDC in 1967, the modern manufacturing sector was almost non-existent. Its investment portfolio comprised a couple of printing presses; small companies producing handicrafts, light fittings and candles as well as basic commercial services such as garages and a tyre-retreading facility including the hotel industry. These represented a total employment of less than 200 jobs. After 12 years of its establishment, the Corporation held interest in 15 subsidiaries and 14 associate companies with a total of 3,000 jobs.

Under the leadership of its first local Managing Director, the Board of Directors of LNDC adopted an Investment Promotion Programme designed to create more jobs through promotional activities to attract a wider spectrum of investment into the country. The Irish Government through its Industrial Development Authority (IDA) seconded four of its executives to support the LNDC management. This was part of a Development Cooperation Programme for developing countries in terms of an agreement between LNDC and IDA. Four senior Basotho officers were assigned to work very closely with the Irish experts in the various sections of the Corporation.

To date, the total employment created by LNDC through foreign direct investment is 45 400. Lesotho has since welcomed new types of investments. Some of the leading brands enjoying the benefits of manufacturing from the Mountain Kingdom include; Jonsson Manufacturing/ Jonsson Workwear, Crabtree, Africa Clean Energy, Sun International, Maseru Sun, Shoprite, Cashbuild, Basotho Fruits and Vegetable Canners, Maluti Mountain Brewery, Lesotho Milling, Loti Brick, Johnson Controls and Automotive Components Limited.

Article by Lesa Makhoalibe and Ntsiuoa Sekete.

## MMB Launches Project Kickstart

Maluti Mountain Brewery (MMB); a subsidiary company of the Lesotho National Development Corporation awarded prizes to youthful local business men and women who excelled in the company's Kickstart initiative aimed at curbing the country's high unemployment rate at a gala dinner held in the Capital Maseru.



In his keynote address, MMB Managing Director, Mr. Thomas Mpedi highlighted the “devastating impact” of youth unemployment in Lesotho, and how Project Kickstart gives hope to unemployed young Basotho, who yearn for a helping hand to unlock their entrepreneurial spirit.

“As Maluti Mountain Brewery’s flagship Corporate Social Responsibility programme, Project Kickstart, brings about real change in the lives of young Basotho, and answers Lesotho’s National Strategic Development Plan’s call for private-sector led growth, built upon enterprises, and is also a direct expression of our company’s new Sustainable Development ambition to create a thriving world where incomes and quality of life are improving,” said Mr Mpedi.

The six winning companies shared M50 000.00 and have a mammoth task of creating M5 Million worth of jobs within the next five years.

LNDC’s Investment Promotion Manager Mr. Semethe Raleche dedicated to Domestic Investment, who took part in the Adjudication Panel has commended the 22 finalist companies out of the 900 initial applications.

Mr. Raleche said many of our youths are burgeoning entrepreneurs, who have an inherent passion, enthusiasm and wisdom for business. Given a chance, these youths can easily become the real investors and turn the economic situation of Lesotho around.

“As LNDC, we seek to turn them into the pillars of our industry, such that we strike the balance between Foreign Direct Investment and Domestic Investment; which we shall achieve through our Enterprise Development Facility (EDF).”

## Investment Forum on Phase II of the LHWP



His Majesty King Letsie III and President Jacob Zuma led the ground-breaking ceremony of Phase II of the Lesotho Highlands Water Project (LHWP) on the 27th March 2014.

Lesotho National Development Corporation (LNDC) continues to encourage entrepreneurs to interrogate and scrutinize thoroughly; all benefits that come with the ambitious project; seek advice and assistance where there is need. About 500 businessmen, of which the majority was the local private sector, converged at an investment forum on Phase II of the LHWP hosted by the LNDC in the Capital Maseru.

The Investment forum on Phase II of the Lesotho Highlands Water Project (LHWP) in partnership with the Lesotho Highlands Development Authority (LHDA), First National Bank Lesotho and Nedbank Lesotho unpacked opportunities available for Basotho in various sectors through the rollout of the second phase of the ambitious highlands water project.

In his opening remarks, the Minister of Trade and Industry, Cooperative and Marketing S'khulumi Ntsoaole, the forum was meant to provide opportunities for all private sector players in the country's economic growth through Phase II.

He said although the second phase was a new phenomenon, mistakes done in the roll out of the first phase would enable a significant impact on the national economy in the implementation of Phase II.

"There will never be another Phase II, we will have to position ourselves to reap as much benefits as we can; such as the construction

of immense infrastructure; both to access the sites and to collect and transfer the water," the minister said.

Mr Thokoane Tšolo, Head of the Africa Unit at the South African Industrial Development Corporation (IDC) said they offered a wide array of financial and non-financial instruments including equity, commercial debt export finance, technical assistance such as capacity-building as well as training.

"IDC focuses on mining and industrialization, industrial infrastructure, agriculture and agro processing, forestry and wood products, textiles, clothing leather health care and many others, Mr. Tšolo explained."

Chief Executive of Standard Lesotho Bank Mpho Vumbukani said as the project begins, they would be installing new Automated Teller Machines (ATMs) throughout the district of Mokhotlong as a way of improving services in the district, also adding that the bank was ready to assist with financing for businesses to take advantage of the rollout of the project.

Mr. Kevin Brooks, Head Wesbank FNB said commitment existed at all levels to meet entrepreneurs' half-way by way of overdraft services, guarantees and other facilities. On the other hand, Mr. Teboho Shelile, of Nedbank also announced that the bank would be opening new branches in the district of Mokhotlong to broaden the business scope, also stating that customized trade finance would be made available.

## Lesotho on a Mission to advocate for the Renewal of AGOA



The Government of Lesotho, led By Trade Minister, Honourable Sekhulumi Ntsoaole, in collaboration with the Lesotho Textile Exporters Association (LTEA) went on an advocacy mission to Washington D.C in September 2014, to encourage the U.S Congress to renew the African Growth and Opportunity Act (AGOA) during the post-election Congressional session, likely to be held in late November-December 2014.

During the U.S.-Africa Leaders Summit and the 2014 AGOA Forum, both of which were held in Washington, D.C. during the first week of August, President Obama, U.S. Trade Representative Froman and various Congressional leaders reiterated their commitment to a “seamless” renewal of AGOA before it expires on September 30, 2015. However, no commitment was made regarding how much in advance of its expiration AGOA would be renewed. This was cause for concern because of the experience involving renewal of the AGOA third-country fabric provision in 2012. The third-country fabric provision was renewed only six weeks before its expiration on September 30, 2012. Orders began to dry up in early 2012 because apparel orders are typically placed up to nine months prior to delivery. By the time the third-country fabric provision had been renewed, nearly \$50 million in business and 30,000 jobs had been lost across Africa, and much of the damage was suffered by Lesotho. It took a full year for the industry to recover. The negative impact would be much worse if AGOA was not extended until shortly before its expiration next year.

The Lesotho mission was highly successful in raising awareness among Congressional leaders and key Administration officials of the need for action to renew AGOA in the lame duck session. Several key Members of Congress advised that AGOA renewal was their top priority for the lame duck session and committed to assume a leadership role in the ongoing efforts to achieve this goal.

Article courtesy of 'Mamoiloa Raphuthing  
Research and Planning Officer-LNDC

## LNDC Supports The Silo EXPO 2014

LNDC sponsored The SILO EXPO 2014 that was held at Maseru Club from the 23rd to the 26th of September 2014, whose focal point was 'breed and varieties'. Temporary structures were erected at the club for participants to view different breeds in beef and cattle, sheep, goats, fish, chicken, rabbits etc. The fair was also meant to showcase different varieties of crops being horticulture and grains suitable for different environments in Lesotho.

Under the theme : Dynamics of Commercial Farming, experts from different organizations presented on topics including : Aquaculture & Aquaponics Management Systems, Irrigation & Water Storage, Wine making in the Mountain Kingdom, Vegetable Production Under Hydroponics Systems, Pomology & Value Chains, Zero Grassing & Feedlots, Supplementary Feed for Livestock, Diversification in Small – Stock, Artificial Insemination in Merino, Financing Options for Start-ups, , Livestock Import Procedures, Range Management & Farm Plots Leasing, Crop Varieties in Different Environments, Modern Piggery & Poultry Infrastructure.

Mr Semethe Raleche, Investment Promotion Manager represented LNDC at the opening dinner, presenting on Investment Opportunities in Agriculture.



His Majesty King Letsie III visiting the EXPO at Maseru Club

Mr. Semethe Raleche; LNDC Investment Promotion Manager responds to Questions at the opening dinner



## LNDC Celebrating Women's Month in Style



As a way to observe women's contribution in the success of the LNDC, particularly as various countries celebrate Women's Month, the Lesotho National Development Corporation's ladies were showered with words of appreciation by their male counterparts, led by the Caretaker Chief Executive Officer on the last Friday of August. Nicely dressed up in various fashions of Seshoeshoe costumes and Traditional Blanket, all ladies looked stunning and were also presented with roses and a cake, all courtesy of LNDC gentlemen who took turns to serve and take care of all duties that are normally meant for ladies.

### LNDC Embarks on Team Building

The Corporation embarked on a Change Management and Team Building program that started shortly after the launch of the Lesotho—RSA Trade and Investment Road show that incorporated the Trade Minister's dialogue with Diaspora in Johannesburg earlier this year. The exercise was efficiently facilitated by Mrs Halieo Lelosa of Mafupu Consultants who is also in the Lesotho Diaspora. LNDC CCEO Mr. Tseko Bohloa said "the session was meant to create an opportunity for all staff members to understand mandate, mission and programs of the Corporation as well as to reinforce internal climate with the view to promote conditions of excellence and attain Corporate goals." He further said it was meant to create an enabling environment that will ensure that staff potential is unleashed towards realizing the mandate of the Corporation. Acknowledging the facilitator for a job well done, Mr Bohloa also emphasized the importance of working with diaspora for mutual benefit. Head of Human Resources and Administration, Ms Lucy Mataboe hailed all employees for dedication to efforts meant to realize growth of the LNDC that is tasked with creation of wealth and jobs for tens of thousands of Basotho.



## LNDC is definitely one of the fittest Corporations in Lesotho!



Two teams of five from the LNDC competed against 87 Corporates at the Lesotho Sky Corporate Challenge which was meant to give competitors first-hand glimpse into what cycling is all about. The event is a team-building exercise designed not to disrupt usual office routine, but to offer networking opportunities with other corporates, boost company morale and promote fitness and health, as cycling has been proven to reduce the risk of diabetes, high blood pressure, heart issues and many more. The event with lots of fun and exercise; discovered who Lesotho's fittest corporate is, and the LNDC team came out at third place on bicycle polo. Commending the team, President of LNDC Sports Committee, Mr. Liabo Letseka said "Cycling is traditionally not a big sport yet, but it is certainly growing. It has a significant double appeal, firstly as a sport/leisure activity but also as transport. It's green, it keeps riders fit and it takes off some of the strain of overburdened or under-resourced public transport. It's sociable and encourages for longer rides and discovery of the scenic local countryside." Mr Letseka further said it would be fantastic if this surge of popularity continued and pushed for establishment of proper investment in the cycling infrastructure such as cycling paths, dedicated signage and parking for bicycles.



## LNDC In Pictures

Admin Officer, CCEO, Mafupu Consultant & Head HR



LNDC Staff concluding 1st leg of team building



LNDC supported LTV Litsoanya Competition



Happy 47th LNDC Anniversary



Happy Women's' Month



Happy Women's' Month



Minister S. Ntsoaole & LNDC visit Johane Garments



Investment Forum on Phase 11 of the LHWP



## WHY INVEST IN 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

10% 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.

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