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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

Lesotho Woos Canadian Garment Buyers

Lesotho is looking to Canada as a potential new market for its textile industry which currently relies, almost entirely, on the United States market and is, therefore, vulnerable to that country's economic slowdown as well as the possibility of the expiry of the AGOA in 2015; preceded by the third country fabric expiry in 2012.

Recognizing Canada as a logical springboard for diversification of Lesotho's exports from US market, the Lesotho High Commission in Canada organized a trade mission in collaboration with the Trade Facilitation Office Canada (TFOC) to source new buyers for Lesotho's products.

The Honourable Dr. Leketeketse Ketso, Minister of Trade and Industry, Cooperatives and Marketing led a delegation of Lesotho textile exporters, government and LNDC officials on a five-day trade mission to Canada to source new buyers for Lesotho's garment exports from 29th October to 4th November, 2011.

The campaign comprised a Lesotho Garment and Textile Exhibition which took place in Montreal and Toronto while a special Ministerial programme was arranged for the Honourable Minister in Ottawa to meet Canadian Parliamentarians,



the Canadian Minister of Foreign Affairs and the Chief Executive Officer of (TFOC).

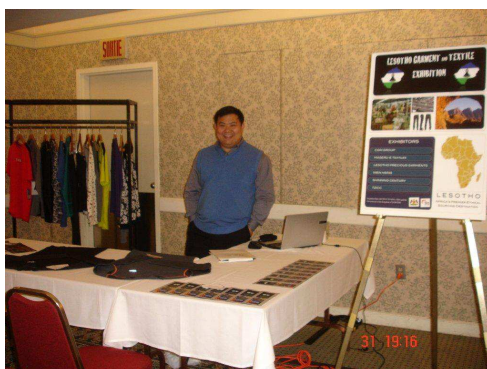


the Government of Lesotho. The exhibitions created a platform for Canadian buyers and Lesotho's garment exporters to hold successful one-to-one meetings leading to establishment of business contacts and consolidation of orders where possible.

The exhibitions were facilitated by TFOC and jointly funded by the Canadian International Development Agency (CIDA) and



Responding to why Lesotho had come to Canada and if Lesotho was moving away from the US market, the Hon. Dr. Ketso



said, "As you know preferences come and go. They are never of a permanent nature. We are spreading our net to take advantage of other markets and try to diversify. We can sell to Canada and, we can sell to the US". In addition to markets, Minister Ketso said

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that Lesotho was looking to attract Canadian investors to invest in priority sectors such as mining, manufacturing of electronics, agriculture, infrastructure, tourism, water projects and clean energy. Another aspect of the mission was to broaden, at government level, Lesotho's economic cooperation with the Canadian government.

The Minister explained that bringing Lesotho industrialists along was a strategy to get them to meet, one-to-one, with the Canadian buyers and discuss in detail all the logistics relating to doing business together.



It was noted that Canadian retailers require smaller quantities than what the Lesotho factories are set up to produce. While this requirement by Canadian buyers poses a challenge to Lesotho exporters it, however, also presents opportunities for SMMEs to link with large exporters through sub-contracting. Lesotho exporters were also considering some adjustments to their production lines to meet these requirements.



Additional markets will greatly improve the deteriorating orders situation in the textile industry, especially for those exporters who are doing business in the US.





Middle: Holding the award,
Donna Bawden, ALAFA's
Acting CEO

ALAFA programme wins international award

ALAFA (Apparel Lesotho Alliance to Fight Aids) has won the 2011 International Health Promotion Award in the workplace category for the work it is doing in the apparel industry in Lesotho.

The 2011 International Health Promotion Awards (IHPA), co-sponsored by URAC (Utilization Review Accreditation Commission) and the Care Continuum Alliance, are given in two categories: Workplace Health Promotion and Community Health Promotion. The awards recognise programmes that use innovative strategies to improve health and reduce the risk of chronic disease. The workplace award honours health promotion programmes that mitigate disease risk in the workplace.

URAC and the Care Continuum Alliance made the awards during a symposium in Rome, Italy, at which 12 finalists – six in each category – presented their programmes, including ALAFA.

“These programmes represent some of the best ideas in community and workplace health promotion,” said URAC President and CEO Alan P Spielman, “We are honoured to share these outstanding programmes throughout the health care community, with the firm belief that the result will be lives saved across the globe.”

The winners were chosen by a panel of expert judges comprising health care professionals and policymak-

ers from around the world. Finalists were evaluated by online submissions and their presentations at the Symposium.

“We had 12 outstanding finalists this year and many excellent nominations overall, which underscores the growing recognition globally of the value in wellness and health promotion,” said Care Continuum Alliance President and CEO Tracey Moorhead.

“ALAFA is incredibly pleased to have received the International Health Promotion Award. All the finalists represented very innovative and successful programmes and the symposium was an excellent opportunity to share lessons learned with these other community and workplace health promotion success stories. Being counted among the winners is a great honour and such international recognition of the work of ALAFA is extremely rewarding for our staff and all our partners who contribute to the success of ALAFA programming,” says Donna Bawden, ALAFA’s acting CEO, who received the award commendation in Rome.

ALAFA has won a number of other awards. It won the prestigious Southern African Trust’s Drivers of Change Award 2008 for the Business Category, and the programme was commended in the 2009 Business Excellence Awards of the US-based Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria.

For more information contact Donna Bawden, donna@alafa.info +266 22 326512

About ALAFA

ALAFA is an industry-wide programme that is reaching out to 40,000 apparel workers and their families. It is a public private partnership driven by an alliance between the Lesotho Government, donors, international brands, employee and employer representatives and service providers.

About URAC

URAC, an independent, non-profit organization, is well-known as a leader in promoting health care quality through its accreditation, education and measurement programs.

LNDC and NEDBANK Lesotho Sign a Partial Credit Guarantee Scheme Risk Sharing Agreement

Nedbank has come on board to share financial risks with LNDC to benefit the private sector. The Acting LNDC Chief Executive Officer, Mr. Motebang Mokoaleli and the Managing Director of NEDBANK Lesotho, Mr. Lazarus Murahwa, signed a Partial Credit Guarantee Risk Sharing agreement on the 20th December 2011 at the LNDC offices in Maseru.

LNDC has already signed a similar arrangement with First National Bank on the 20th July 2011 and some applications for financial assistance are being processed by the bank. One of these project has qualified for assistance and final arrangements are being made to finance it.

Projects that will qualify under the scheme will be strategic projects in priority sectors that include manufacturing and tourism among others. The Scheme has been capitalised to the tune of M10 million and will



Mr. L. Murahwa (left) and Mr. M. Mokoaleli shake hands after signing of the agreement.

finance projects from M500,000 to M5 million.

In spreading the net for financial access to the local private sector, LNDC is fulfilling its 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".

Interested local entrepreneurs are encouraged to submit their business proposals with NEDBANK Lesotho and the First national Bank for evaluation and assistance.

Another Recipient of the LNDC Annual Student Award



The laptop was handed over by Mr. Thabang Khabo on behalf of the LNDC Management. Ms. Malokotsa was the 4th graduate to receive an LNDC Student Award during the calendar year 2011.

Previously, three recipients from Limkokwing University of Creative Technology, Lerotholi Polytechnic and the National University of Lesotho had received LNDC Students Awards for excellent performance. These were in the categories of Information Technology, Built Environment and Statistics.

Ms. Moliehi Malokotsa received a laptop for her outstanding performance as the Best Chartered Accountant

graduate at the Centre of Accounting Studies 31st graduation ceremony on the 14th October, 2011.

Staff Movements at LNDC



Mrs. Tšepang Sekhesa resigned her position at LNDC as an Investment Services Manager with effect from 15th November, 2011. She had been with the Corporation since the 23rd May, 2011.

LNDC Remembers Homeless Children

Malibuseng Children's Home at Maseru East had something to celebrate over the festive season as they received food, toiletries and other essential items worth M20,000.00 from the Lesotho National Development Corporation.

The Children's Home was founded in 1992 by a good Samaritan family, Mr. Tseliso and 'Malibuseng Ratsolo who took in destitute chil-

Speaking on behalf of the children, 'Mamatiase Ratsolo, said, "Our food supplies were running low and we didn't know how we would get through the coming months. We are indeed,

grateful to LNDC for making a difference in our lives".

In response to their plight, Habitat for Humanity also constructed their current accom-

modation.



dren and shared their home and other essentials with them. The home is duly registered with the Ministry of Health and Social Welfare and currently provides accommodation for 32 children aged one to 14 years.

Since his wife's death, Mr. Ratsolo looks after the children with the help of his two daughters.

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

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

