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Second from left: The Minister of Trade and Industry, Cooperatives and Marketing, Hon. Dr. Leketekete Ketso on a familiarisation tour of Loti Brick



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.

We build industry

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.

Minister on a familiarization tour of factories

The Minister of Trade and Industry, Cooperatives and Marketing, Honourable Dr. Leketekete Ketso visited some of the fac-

Philips
Lighting
Maseru



tories based at the Thetsane Industrial Estate to familiarize himself with their operations. He was accompanied by the Principal Secretary in the Ministry and the Acting LNDC Chief Executive Officer.

Officers Undergo Strategic Investment Promotion Training

Two officers in the Investment Services Division attended a two-week training on Strategic Investment Promotion in Dublin, Ireland from the 13th to 23rd June, 2011.

Mrs. Puseletso Makhakhe, Investment Services Officer and Mr. Mosebetsi Makumane, Projects Manager were selected for the training to enhance their skills in preparing, planning and implementing a marketing development program. The training also exposed the participants to international leading-edge investment promotion skills and knowledge including successful methodologies and experience of Ireland and other countries.



Back Row: Third from left, Mrs. P. Makhakhe and last on the right, Mr. M. Makumane

LNDC Partners with Southern Africa Trade Hub to Develop an Investor Road Map for Lesotho

LNDC, is currently developing an Investor Roadmap in collaboration with the Southern Africa Trade Hub (SATH) to address the declining competitiveness indicators on Doing Business in Lesotho.

The roadmap will identify and analyze steps, timeframes, costs and submission requirements involved in starting up and operating a business in Lesotho.

LNDC has invited stakeholders such as the Private Sector Foundation, Lesotho Revenue Authority, Ministry of Trade and Industry; among others, to a sensitization workshop in preparation for data gathering. The time-frame for this project is estimated at 12 weeks.

Resource persons from SATH for the workshop, are Mr. Reginald Selelo, FDI Specialist and Mr. Tomasz Iwanow, Trade Economist.



Back row from left to right: Mrs. M. Bizabani, Manager Foreign Investment Promotion (LNDC); Mr. T. Iwanow, Trade Economist (SATH); Front row from left to right: Mr. M. Shelile, Head Domestic Investment Promotion (LNDC) and Mr. R. Selelo, FDI Specialist (SATH)

technology transfer, capacity building and employment. Regionally, Namibia and Swaziland have already completed investor roadmaps in collaboration with the Southern Africa Trade Hub.

SOUTHERN AFRICA TRADE HUB



Investors Roadmap Lesotho

Tomasz Iwanow
Southern Africa Trade Hub

July, 1st 2011



The outcome of this intervention will be increased investment, economic development,

Why an Investor Roadmap?

- ⇒ It is broader than other assessments of Business Climate
- ⇒ It will provide recommendations on how to carry out actual business climate reforms
- ⇒ Because it is broad, it can go from general to specific and identify key bottlenecks that inhibit investment in Lesotho
- ⇒ It provides a good benchmark to assess progress (updates)
- ⇒ It will provide a basis for SATH work on improving the investment climate in Lesotho and will assist Government and donors to identify key reforms.

AGOA Forum 8-10 June 2011

Theme: *“Enhanced Trade Through Increased Competitiveness, Value Addition and Deeper Regional Integration”*

The 10th African Growth and Opportunity Act (AGOA) Forum was held in Lusaka, Zambia on the 8th–10th June 2011.

Lesotho's delegation to the Forum was led by

the Honourable Dr. L. Ketso, Minister of Trade and Industry, Cooperatives and Marketing.



Visitors to the Lesotho stand

Other members of the delegation included officials of the Ministry of Trade and Industry, LNDC, Ministry of Foreign Affairs, Embassy of Lesotho in the United States, Private Sector Competitiveness Project (PSC) and the Lesotho Textile Exporters' Association (LTEA).

AGOA is the cornerstone of the United States government's trade policy with sub-Saharan Africa. The 2011 Forum marked the 10th year that government officials, business leaders and civil society from African countries and the United States convened to promote trade, business and investment opportunities towards economic development in Africa.



LNDC and Ministry of Trade and Industry officials at the Lesotho stand at the AGOA Forum

A Ministerial Consultative Group made up of Ministers of Trade from 26 AGOA beneficiary countries met with US government counterparts to deliberate on various topics around the theme of the 2011 AGOA Forum.

Prior to the Ministerial Consultative meeting, Experts and Senior Officials had met on the 6th June, 2011 and made key recommendations on the following issues:

- ⇒ *Extension of AGOA*
- ⇒ *Third-country fabric provision of AGOA*
- ⇒ *Capacity building needs for African countries to be able to take advantage of AGOA*
- ⇒ *Need for relaxation of stringent rules of origin that make it difficult to export to the US*
- ⇒ *Proposal for UNECA and AU to conduct a study on post-AGOA options*
- ⇒ *Importance of a joint monitoring and evaluation mechanism for AGOA between US and Africa*
- ⇒ *Proposal for the next African country to host the AGOA Forum*

The AGOA Ministerial Consultative Group considered the report by the Experts and Senior Officials and agreed on the following recommendations to the United States Government:

(Continued from page 4)

Recommendations by the AGOA Ministerial Consultative Group

- ⇒ AGOA member States to speak with one voice in urging the US to extend AGOA beyond 2015 and for the third-country fabric provision to run concurrently with AGOA after it expires in 2012;
- ⇒ AGOA member States to urge the US to prioritize capacity building especially in infrastructure development, sanitary and phyto-sanitary laboratories as well as private sector support to enable African countries to take advantage of the market access that AGOA offers;
- ⇒ The US is urged to relax its restrictive rules of origin in order to promote diversification of exports into the US and also support regional integration through regional value chains;
- ⇒ The US is urged to expand the AGOA products list in order to further help diversify non-oil exports;
- ⇒ The US is urged to take into consideration the risk of eroding the AGOA preference margins in its future preference schemes with other LDCs (Least Developed Countries) and developing countries;
- ⇒ AGOA member States are urged not to support the issue of graduation of some countries out of AGOA as this would lead to fragmentation that would be detrimental to Africa's regional integration;
- ⇒ AGOA member States urged the US to consider a joint monitoring and evaluation mechanism of AGOA including the production of joint reports at the end of every AGOA Ministerial Forum
- ⇒ AGOA member States are urged to contextualize AGOA in the international political economy including developments in international trade negotiations in all their discussions regarding AGOA;
- ⇒ The African Union (AU), in collaboration with UN-ECA and other relevant organizations, are requested to undertake a study on scenarios beyond AGOA;
- ⇒ The African Union Commission (AUC) is urged to formulate terms of reference that will guide the procedures during the African Ministerial Consultative Group meetings;
- ⇒ The AUC was requested to take the necessary steps to make a case through the relevant channels of the AU for consideration of the AU Executive Council on the modalities for implementing the structure for coordinating AGOA issues;

LNDC participated at the AGOA International Exhibition which was held throughout the duration of the Forum from the 7th–10th June, 2011. The exhibition was a platform created by the Forum to generate trade and investment in the spirit of the 2011 AGOA Forum theme.

The exhibition attracted investors from the US and the 37 AGOA eligible African countries mainly in the following targeted sectors: infrastructure, natural resources, financial, textile and agro processing. The aim was to enhance more US-Africa trade/investment in sectors other than the textiles sector, which has currently been the largest exported product under AGOA.

Lesotho's stand was visited by various investors from diverse sectors such as agro business, pharmaceuticals, construction, textiles and handicrafts, etc.; while traders were interested in distributing products to Lesotho. Through the business contacts established, LNDC's role will be to follow up prospective investors and as well as to link traders with potential buyers in Lesotho.

LTEA and PSC represented Lesotho at the private sector and civil society sessions where AGOA eligible countries discussed their role in increasing competitiveness and creating value chains in order to take full advantage of AGOA.

The next AGOA Forum in Africa will be held in Ethiopia.

LNDC Rolls out its 1st Internship Program with Five Interns

S In recognition of the high unemployment rate among young graduates from institutions of higher learning due to lack of practical skills, LNDC kick started its Temporary Employment Policy by engaging five student interns during the 2011 winter vacation period.

The Acting Chief Executive Officer of LNDC, Mr. Motebang Mokoaleli says, "It is the Corporation's social responsibility to afford young graduates an opportunity to enhance their skills and knowledge in order to increase their chances of future employment in the corporate world". He added that temporary employment would enable LNDC to expose as many students as possible to skills, the right work attitude and ethics that are necessary to create employees who are competent and committed to their work.

The interns have been placed in the Foreign Investment Promotion Division, Domestic Investment Promotion Division, Investment Services Division as well as Finance and ICT (Information and Communication Technology) Division.

The new LNDC policy applies to young Basotho students under 35 years of age from tertiary institutions inside and outside Lesotho who are proceeding into their final year of studies in the following fields of study:

***Business Management
Economics
Accounting
Statistical Research
Built Environment
Information Technology
as well as volunteer services.***

The engagement of interns will be on the recommendation of their learning institutions which will use their own selection criteria and forward the names of qualifying students to LNDC.

Outlining other benefits of these internships to both LNDC and the interns Mokoaleli said, "In addition to providing practical work experience to

the interns, the Corporation will have a tailor-made pool of human resources who can be used for future short term assignments of strategic importance".



***Ms. 'Mapelesa Monyane—
Domestic Investment Promotion Division***

Mapelesa Monyane is in her third year of study for a BComm Marketing Degree at the National University of Lesotho.

She feels that her exposure to LNDC business processes will assist her to determine how she can make an input in helping those who want to start their own businesses. "I intend to apply the skills that I will learn at LNDC in real life situations as well as gain more knowledge on issues related to marketing".

During her internship at LNDC, Mapelesa has been attached to the Domestic Investment Promotion Division where she will conduct on-line research on financial institutions, develop an inquiry data base and populate it with inquiries from clients. She will also develop a viopharmaceutical business plan (marketing, production, management and financial information) and make a power point presentation of the completed plan.

Pule Edwin Matobako is in his a second year of study for a General Accounting Qualification at the Centre for Accounting Studies.



***Mr. Pule Matobako—
Finance & ICT***

He has been placed on a four (4) month's attachment in the Fi-

nance and ICT Division during which time he hopes to gain experience in accounting and auditing. "This exposure to a big Corporation such as LNDC will assist me to act as a professional

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accountant by following the principles and ethics of accounting”.

Matobako will be working on transaction processing, basic books of accounts, accounting controls, tax returns, fixed assets, reporting and budgeting.

tional activities such as opening a facebook page on investment opportunities in Lesotho, data collection, organization and analysis as well as packaging promotional material for site visits, investment seminars/workshops and general distribution to potential investors.

“As an economics student, being an intern at LNDC will contribute a lot towards my knowledge and experience regarding macroeconomics and development economics, as well as collection and analysis of data”.

Both interns in the Foreign Investment Promotion Division will participate in the LNDC/Southern Africa Trade Hub investor roadmap sensitization workshop to further enhance their appreciation of investment promotion.

Sello Matsepe is a third year student studying for a BComm degree at the National University of Lesotho.

He is attached to the LNDC Investment Services Division. He will be exposed to analysis of Management Accounts for the LNDC equity portfolio, preparation of a summary performance report on

all equity portfolio companies, investment facilitation services as well as data collection, analysis and reporting.

During his internship, Sello would like to apply his knowledge and experience the benefits of accounting in a practical work situation. He would like to be able to appreciate how financial problems can be solved while running a business.

Mr. Tello Mosiuoa—Foreign Investment Promotion Division



Tello Mosiuoa, currently a 3rd year student at the National University of Lesotho studying for a BA Economics with minor in Statistics Degree, has been engaged in the Foreign Investment Promotion Division in LNDC. He will collect specified data from LNDC industrial portfolio companies and commercial tenants, organize and analyze the data, conduct online research on industry information, collect data on quarterly inflation trends as well as package and sort promotional material for distribution to potential investors.

Tello says, “After my studies I want to be an industrial economics and project manager, so I hope my internship at LNDC will give me great experience especially on how to collect data and attract investment into our country, both domestic and foreign investors especially on heavy industries”.

Mr. Sello Matsepe—Investment Services Division



Tebello Ntšoane is also in her 3rd year of study at the National University of Lesotho for a Degree in BA Economics with minor in Statistics. She has been assigned to the Foreign Investment Promotion Division to conduct promo-

Ms. Tebello Ntšoane—Foreign Investment Promotion Division



Staff Movements at LNDC

During the period April to June 2011, LNDC engaged four staff members while two resigned.

New Appointments



Mr. Keketso Motseki joined LNDC on the 1st April, 2011 as a Systems Administrator in the Finance and ICT Division.



Mr. Rethabile Thamae was engaged as a Human Resources Officer on the 1st June, 2011.



Mrs. Tšepang Sekhesa started work on the 23rd May, 2011 in the position of Investment Services Manager.



Mr. Lipallo Mei was employed on the 26th April, 2011 in the Finance and ICT Division as an Accounts Officer.

Resignations

Mrs. Matamatama Mohapi joined the Corporation on the 1st September, 2008 as a



Research Officer in the Foreign Investment Promotion Division and resigned with effect from 9th May, 2011.

Mrs. Lineo Mafereka has also resigned with effect from 30th June, 2011. She joined



LNDC on the 1st December, 2009 as an Investment Promotion Officer.

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

