

The Road to Sustainable Industry

The ICEO Speaks

Q1: Why does LNDC exist?

A: ICEO

LNDC is mandated by the Government of Lesotho through the Lesotho National Development Corporation Act No. 13 of 1990, to “initiate, promote and facilitate the development of manufacturing and processing industries, mining and commerce in a manner calculated to raise the level of income and employment in Lesotho”.

But beyond mandates, we exist to transform lives - from attracting high impact investments that create thousands of jobs, to ensuring local suppliers can access value chains and grow sustainably.

Q2: And what does that really mean in practical terms?

A: ICEO

Our aim is to commercialize and scale up various sectors earmarked to drive socio-economic growth in Lesotho. This entails helping a local manufacturer secure, serviced factory space, linking local producers with potential buyers in regional and international markets and taking Lesotho to the world stage and bringing the world to Lesotho.

At the core, we're building a modern, export-led economy-one business, one sector, one job at a time.

Q3: As per your mandate, give us an example of a project that you have either initiated, promoted or facilitated.

A: ICEO

One strong example is the new Isuzu dealership set to open its doors later this month. This project stems from a process we initiated in June 2022, where LNDC issued a call for expressions of interest to invest in, manage, and operate an Isuzu commercial vehicle dealership in Lesotho. Through that process, we facilitated a partnership between Isuzu Motors South Africa and Zakhura Motor Group (ZMG). The Sod Turning ceremony for the construction of the dealership was held on the 2nd of August 2023. This dealership will not only enhance access to commercial vehicles but also create jobs, build local skills, and strengthen Lesotho's presence in the automotive sector.

Q4: You have given us an example of a project you have facilitated. Can you now take us through projects you have (a) initiated and those that you are (b) promoting.

A: ICEO

LNDC has initiated and packaged several strategic investment projects by deploying project preparation funds to develop bankable opportunities that are ready for uptake by both domestic and foreign investors. Currently, the Corporation is promoting three key projects: Maluti Pharmaceuticals, The Mafeteng Special Economic Zone, and the Masianokeng Integrated Horticulture Project. These initiatives are aligned with our strategic focus on diversifying Lesotho's investment landscape beyond textiles and garments.

While LNDC has been successful in attracting investors in the textile and garments industry, which falls under the manufacturing sector, our current strategic plan places greater emphasis on promoting other sectors such as agriculture and agro-processing, renewable energy, and innovation and technology. Our holistic approach to positioning Lesotho as an attractive investment and sourcing destination includes promotion, facilitation, implementation support, financing, and aftercare services. To that end, LNDC has established an Aftercare section within the Investment and Trade Promotion Unit, which is dedicated to retaining investors and supporting expansion efforts. Currently, the LNDC Industrial Portfolio comprises six (6) active industrial estates nationwide, accommodating seventy-eight (78) manufacturing companies across diverse industries, collectively creating over 36,000 jobs.

There are encouraging signs of recovery in the industry, demonstrated by the upscaling of operations by companies that had previously downsized, and the reopening of firms that were operating on short time. Many companies have also diversified to the RSA market to maintain competitiveness. As part of efforts to rebuild investor confidence and revive job creation, LNDC launched the #ReBulaLifemeCampaign in April 2024. The campaign is a hope-giving initiative aimed at signalling economic recovery and reigniting interest from prospective and existing investors. Through this initiative, we have already seen two (2) re-openings, six (6) expansions, and one (1) new opening, resulting in the creation of approximately 2,800 jobs.





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Q5: Does LNDC provide any financing support?

A: ICEO

Our 2024–2028 strategy focuses on promoting domestic investment with facilitation of foreign direct investment partnerships to create enterprises that generate jobs for Basotho. To help facilitate these partnerships and strong domestic private sector participation, the Corporation has introduced a range of financial instruments through its development finance unit, which focuses on expanding access to finance across a variety of sectors. One key initiative is our **partial credit guarantee scheme**, where we partner with commercial banks to offer a 75% guarantee on approved loans. This helps derisk projects and enables businesses with limited collateral to secure funding and grow. This has been a huge success as it has streamlined governance and empowered our board’s investment committee to make faster loan approvals. We also have a **project preparation facility** to derisk select, strategic investments. We package projects by conducting feasibility studies, environmental impact assessments and business cases - making them investment-ready. This has attracted strong interest from international investors unfamiliar with Lesotho but looking for credible, well-prepared opportunities.

Moreover, we piloted a **supply chain financing** initiative last year to support local businesses, especially in high-value sectors like mining. Many domestic companies struggle to participate in supply chain opportunities due to limited access to finance. We bridge this gap by assessing their agreements with large buyers and providing funding based on the credibility of those clients.

We are already planning to launch a fourth instrument named **quasi-equity financing**, which is hybrid financing that blends debt and equity characteristics used by SMEs that may not qualify for loans. The facility allows businesses to access capital without taking on a full debt obligation.

Q6: What efforts are you doing to engage stakeholders?

A: ICEO

We actively engage stakeholders as part of our strategic objective to become a trusted advisor and partner, while building brand capacity. In 2024 and 2025, the Corporation implemented several stakeholder engagement initiatives aimed at promoting inclusive economic growth, strengthening partnerships, and enhancing visibility across various sectors.

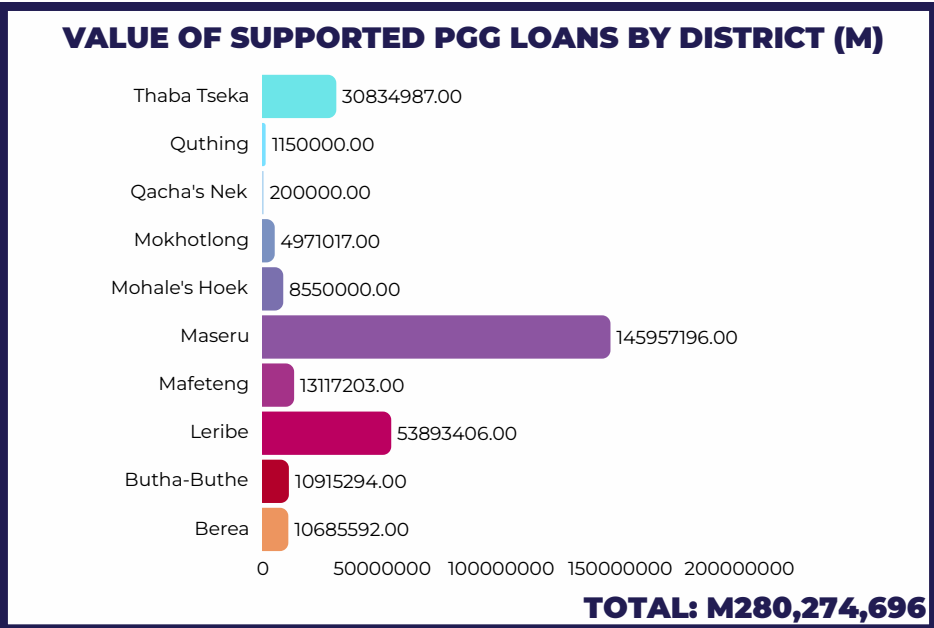
One of the flagship initiatives during this period was the development finance and investment and trade roadshows held across the nine districts of Lesotho. These roadshows promoted investment opportunities, development finance interventions, and to encourage broader participation from the local private sector. They also created a valuable platform for LNDC and its partners to engage directly with communities and entrepreneurs. Notable feedback from attendees included requests for LNDC to support agricultural infrastructure development, similar to its investment in factory shells for the manufacturing sector. Participants also expressed appreciation for the eye-opening and motivating sessions, which inspired them to explore investment opportunities and engage with LNDC and banks for financing.

The Corporation also continues to play a key role in the Lesotho Supplier Development Programme (LSDP), in collaboration with UNDP, Standard Lesotho Bank, FinMark Trust, and relevant government ministries. The initiative focuses on strengthening local supply capacity in key sub-sectors such as horticulture, poultry, piggery, and beekeeping. In 2024, the programme concluded Phase I and recognized two outstanding producers with grant support for GlobalG.A.P. certification to boost their access to export markets. Further reinforcing support for local enterprises, we partnered with the LMDA to host a Standards and Quality Infrastructure Dialogue, resulting in a roadmap to address gaps in Lesotho’s quality infrastructure framework and improve market access and competitiveness.

LNDC also participated in high-level policy engagements such as the Lesotho Development Partners Coordination Forum, where it presented measures to address the impact of U.S. tariffs and the potential withdrawal of development aid on trade and employment.

To support a stable and conducive business environment, LNDC maintains collaborative relations with trade unions, which has contributed to a decline in industrial strikes by promoting open dialogue and industrial peace.

In conclusion, the Corporation recognizes the media (both local and international), as a key stakeholder, working closely with them to share economic stories and promote Lesotho’s investment potential. This included a collaboration with a Japanese television station ahead of the Osaka Expo to showcase the country’s offerings to a global audience. The Osaka Expo is currently ongoing, and we look forward to spearheading the Lesotho Business Forum and taking part in the Lesotho National Day activities, both scheduled for 1st July 2025.



Aggregated performance distribution of the scheme by district since its launch in 2011



Highlights from the domestic roadshows

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Q7. Let's turn our eye to the sectors you mentioned earlier. Tell us more on these.

A: ICEO

Manufacturing:

One of LNDC's goals is to achieve sustainable development through the promotion of responsible industry. LNDC has engaged with the Worldwide Responsible Accredited Production (WRAP) management team based in the United States and South Africa, to strengthen capacity of local firms to align with Environmental, Social and Governance (ESG) and Gender Based Violence in Production (GBV) principles. This project is being implemented through the LNDC with technical assistance from the International Labour Organisation (ILO) and the International Trade Centre (ITC). The project seeks to improve Lesotho's competitiveness by providing enterprise-level interventions from pre-production, production to post-production stages to ensure compliance with international labour and market access standards.

Agriculture and Agro-processing

In alignment with the national sustainable development agenda, piloted production of wheat on 230 hectares in Quthing under the #PeoMobung initiative. This initiative underscores our commitment to advancing commercialization of agriculture in Lesotho to drive meaningful societal impact and to strengthen local food production value chains. The project was officially launched on the 8th of November 2024, in collaboration with the Ministry of Agriculture and Food Security as we also celebrate World Food Day! a local milling company provided an offtake for the produce.

Renewable Energy

Sustainable infrastructure and technology are at the heart of sustainable industry. To this end, LNDC hosted an engagement with Astra Energy and stakeholders to obtain full understanding of the envisaged Astra Energy project and discuss the collaborative approach towards the implementation thereof. Astra Energy Inc. is a Canada based Company which identifies and develops clean energy and renewable energy projects in underserved markets around the world, focusing on end-to-end development. The Lesotho Project aims to develop, finance, and operate the Lesotho Clean Renewable Energy Park (LCREP), a 100-megawatt facility designed to address Lesotho's immediate power needs, and demonstrate the future potential for development of energy export. The Corporation has also mobilised suitable resources by strengthening its collaboration with the Development Bank of Southern Africa to co-finance preparation and funding of green infrastructure projects in Lesotho.

Innovation and Technology

LNDC is also focusing on business process outsourcing. With Lesotho's literacy rate standing at 86.2%, and 61% of the population below the age of 40, BPOs and call centres can benefit from investing in Lesotho. Lesotho has made significant progress in ICT infrastructure and digital connectivity. Broadband and fibre networks are expanding, with Vodacom and Econet Telecom boosting 4G and fibre optic coverage. "Notably, Lesotho became one of the first Southern African countries to introduce 5G through Vodacom. The government is prioritizing e-government services, including online tax payments and electronic business registration, which allows company registration within three days.

Q8. Has LNDC made any other notable societal impact through its initiatives?

A: ICEO

Indeed, the Corporation continues to make meaningful contributions toward inclusive economic development and social impact. A key achievement has been supporting local suppliers, with a total spend of approximately M107,162,828.99 from September 2022 to date. This investment not only strengthens local enterprise but also promotes job creation and economic resilience across communities.

Q9. Any last words?

A: ICEO

We are committed to maintaining this momentum and look forward to finalizing and implementing all strategic objectives in our current strategy, as we continue to build a more inclusive and investment-ready Lesotho.

