



IN TRANSFORMATION
INITIATIVE

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MONTHLY UPDATE

LESOTHO



MAIN STORIES

Relations with South
Africa

SADC on Lesotho

HIGHLIGHTS

- Prime Minister Sam Matekane met President Cyril Ramaphosa in Pretoria on 4 February 2023. This was their first meeting since Matekane came into office in October 2022. South Africa and Lesotho will convene an inaugural Bi-National Commission (BNC) in 2023. They discussed the easing of requirements for study and work permits for Basotho and agreed to work together in uprooting cross-border crime.
- Ramaphosa in his State of the Nation Address on 9 February 2023, said that after being delayed for several years, full-scale construction works for the Lesotho Highlands Phase Two project would commence in 2023.
- The Minister of Foreign Affairs and International Relations, Lejone Mpotjoane warned Basotho living in South Africa to refrain from taking the law into their own hands following the outrage that rocked Bloemfontein after the killing of the owner of By Hoek Lounge and the treasurer of the Mangaung Concerned Community (MCC) movement, Thebe Mothibi, on 5 February by three Lesotho nationals.
- A communiqué of the Extra-Ordinary SADC Troika Summit on 1 February 2023, attended by Matekane, welcomed the commitment made by Matekane to prioritise the implementation and completion of the comprehensive national reforms process. SADC also approved the Action Plan for the Lesotho Reform Oversight Committee to monitor the finalisation of the reforms process.
- Former Second Deputy-Governor of the Central Bank of Lesotho (CBL), 'Mathabo Gail Makenete, is Lesotho's new Auditor-General (AG).
- A set of 51 fired Ministry of Trade, Industry, Business Development and Tourism employees petitioned the High Court to overturn their dismissals. Their petition followed a similar one by 48 other civil servants from the same ministry who first sued the government after they were dismissed.



- According to the World Economic Forum (WEF's) Global Risks Report 2023, the top five risks identified by the Executive Opinion Survey (EOS) for Lesotho are: 1) Geopolitical contestation of resources; 2) Collapse of services and public infrastructure; 3) Digital inequality; 4) Collapse of a systemically important industry; and 5) Proliferation of illicit economic activity.
- According to the 2022 Mo Ibrahim Index on African Governance (IIAG), published in January 2023, Lesotho was placed 17th on overall governance out of 54 African countries (1=best; 54=worst). The IIAG is published every two years. Lesotho was ranked 20th in 2020.
- The Economist Intelligence Unit (EIU's) 2022 Democracy Index ranks Lesotho 71 out of 165 countries (1=best; 165=worst) with a score of 6.19 (1=worst; 10=best), down from 6.30 in 2021, putting it in the category of a "Flawed Democracy."
- Lesotho is ranked 99 out of 180 countries in Transparency International's 2022 Corruption Perceptions Index (CPI: 1=clean; 180=highly corrupt). Lesotho was ranked 96 out of 180 countries in 2021.
- Dismissed Principal Secretary (PS) for the Ministry of Trade, Industry, Business Development and Tourism, Nkululeko Zaly is suspected of being embroiled in corruption and criminal activities. According to the Directorate on Corruption and Economic Offences (DCEO), Zaly partook in fraudulent activities that prejudiced the government of M37 million.
- Six officials from the Land Administration Authority (LAA) and the suspended PS in the Ministry of Local Government, Chieftainship, Home Affairs, and Police, Lefu Manyokole face fraud charges for allegedly acquiring land by illegal means.
- The African Development Bank (AfDB) on 19 January 2023 released its new biannual publication, "Africa's Macroeconomic Performance and Outlook" for 2023/24. The AfDB projects growth at 2.0% in 2023 and 2.4% in 2024.





- The World Bank said in its January 2023 Global Economic Prospects (GEP) that growth is projected at 2.3% in 2023, up from projected growth of 2.1% in the June 2022 report.
- On 31 January 2023, the Monetary Policy Committee (MPC) of the Central Bank of Lesotho (CBL) decided to increase the CBL rate from 7.00% per annum to 7.25% per annum.
- The inflation rate declined from 8.1% in November to 8.0% in December 2022.
- Minister of Finance and Development Planning, Retšelisitsoe Matlanyane, said in mid-January 2023 the economy is in a bad shape due to amongst others the excessive and illegal hiring in the public service and due to the previous government's rampant corruption and nepotism. The main opposition party, the Democratic Congress (DC) said that Matlanyane had no moral right to criticise previous governments since she was their chief adviser when she worked as the CBL governor.
- Vodacom Lesotho has broken its silence over what it describes as “unprovoked, non-factual and malicious attacks” on its corporate reputation by Basotho National Party (BNP) leader and former cabinet minister, Machesetsa Mofomobe after he accused it of killing former Lesotho Communications Authority (LCA) board member, Karabo Maitin and of state capture.
- The Minister of Foreign Affairs, Mpotjoane Lejone, issued an official statement in which he denied any connection between his country and the Tangier Appeal, for the expulsion of the Sahrawi Arab Democratic Republic (SADR) from the African Union (AU) that Morocco claimed that it had signed.
- Ten Chinese and South African nationals were arrested and fined for working in the country without proper documentation following a business inspection tour targeting non-Lesotho nationals.





- United States (US) Ambassador Maria Brewer met with Matekane to discuss opportunities for expanded cooperation in health, security, trade, education, and nutrition.
- Subsequent to the launch of the new Developing Countries Trading Scheme (DCTS) by the International Trade Secretary Anne-Marie Trevelyan in January 2023, the British High Commission in Lesotho announced that the country would benefit from duty-free tariffs of its exports to the United Kingdom (UK).

