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IMF Assessment

Joki's Alleged Killers
External Debt

AML/CFT

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Over Diamond
Transport

HIGHLIGHTS

- Deputy Prime Minister Nthomeng Majara expressed the government's frustration over the "intentional derailment" of the reforms process by members of the opposition in the National Assembly.
- The International Monetary Fund (IMF) concluded the Article IV consultation with Lesotho, saying that climate shocks, delays to infrastructure projects, high food and fuel prices, declining diamond prices, layoffs in the textiles sector, and weak regional and external demand are weighing on economic activity. Real GDP is projected to grow at 2.1% in FY23/24 and average the same over the medium term.
- The IMF said that most of Lesotho's external debt is owed to multilateral creditors on a concessional basis. External debt accounts for 74% of total public debt. Debt owed to bilateral creditors accounts for less than 15% of total external public debt. Of this, China accounts for 70%.
- The IMF said that following recent progress, and in light of the ongoing assessment, the authorities should continue to strengthen the anti-money laundering and counter-terrorist financing (AML/CFT) framework. Spillover risks from South Africa's recent "grey listing" by the Financial Action Task Force (FATF) should also be monitored.
- A Lesotho domestic airline, Mohahlaula Airlines, filed a criminal case against Mothae Diamond Mine, Letšeng Diamond Mine, Storm Mountain Diamonds, Liqhobong Diamond Mine and the Department of Civil Aviation. Mohahlaula alleged that the companies fraudulently obtained temporary airspace permits (TASPs) after the suspension of such permits by the Director of Civil Aviation in 2022.
- Basotho National Party (BNP) leader, Machesetsa Mofomobe, has written to the London Stock Exchange (LSE) and Australian Securities Exchange (ASX) requesting them to rein-in the mining firms that have been accused of violating Lesotho's laws.
- Deputy Prime Minister Nthomeng Majara officially launched Project-Re, which seeks to "inspire and lead Basotho to reconnect" with their founding values, "reunite as people and become a new Lesotho."



- Fired Principal Secretaries (PSs) Matela Thabane, Bereng Makotoko and 'Masekhobe Moholobela lodged a legal challenge against the government. Central to the trio's demands is a call for the High Court to declare that Prime Minister Sam Matekane is leading an "irresponsible government."
- At least 213 people have been murdered in Lesotho over the past five months, Minister of Local Government, Chieftainship, Home Affairs, and Police, Lebona Lephema, said in mid-July. Meanwhile Police Commissioner Holomo Molibeli lifted a six-month ban on the issuance of gun licences.
- Brand New Vixion (BNV), an obscure marketing agency that was responsible for organising events to celebrate King Letsie's 60th birthday, is now embroiled in an alleged looting scandal. It revolves around a controversial branding deal from the Lesotho National Development Corporation (LNDC), which awarded BNV a M6.2 million tender to brand Lesotho.
- On 25 July 2023, the Monetary Policy Committee (MPC) of the Central Bank of Lesotho (CBL) decided to leave the CBL rate unchanged at 7.75% per annum. Inflation fell to 5.6% in June 2023 from 6.9% in May 2023.
- The Minister of Trade, Industry, Business Development and Tourism, Mokhethi Shelile, led the sod-turning of the construction of the Isuzu Motor Dealership which is expected to operate in Lesotho under the leadership of Zakhura Motor Group as a local partner.
- SA's Police Minister Bheki Cele put the blame for violence linked to illegal mining in Riverlea on Lesotho nationals.
- The Minister of Foreign Affairs and International Relations, Lejone Mpotjoane said the Lerotholi Polytechnic students who fled Lesotho on August 3, after police intervened in a protest, sought asylum in South Africa. Mpotjoane said that out of 62 students who had fled the country, 38 returned home while 24 stayed in South Africa.



LESOTHO

- South African construction company, WBHO, has been accused of abusing Basotho it had hired to work at the multi-billion maloti Polihali Dam project.
- The United Nations (UN) Human Rights Committee issued its findings on Lesotho, noting the high degree of violence against women and girls. The Committee also raised the alarm about the use of live ammunition and excessive force by law enforcement officers in dispersing demonstrations.

