



## MAIN STORIES

Economic Outlook

World Bank Youth  
Survey

Mining Controversy

AML/CFT

Banking

Ongoing Controversy  
Over Diamond  
Transport

## HIGHLIGHTS

- Prime Minister Sam Matekane, at a press briefing, vehemently dismissed concerns of a potential collapse of his government through a parliamentary vote of no confidence. Furthermore, Matekane alleged that his political adversaries had gone so far as to threaten certain Members of Parliament (MPs) to rally support for his government's overthrow.
- The Lesotho Mounted Police Service (LMPS) issued 'a statement of concern' over what they called a conspiracy by some MPs to overthrow the government.
- Controversial Revolution for Prosperity (RFP) MP, Mahali Phamotse, together with one other party MP, Jacob Makhalanyane, were suspended for a period of six years. Phamotse and Makhalanyane have been at odds with the party leadership for some time. Phamotse has been accused of working with the opposition to prepare for a no-confidence motion against Matekane. Makhalanyane also claimed that he had learnt of a plot to have him and Phamotse assassinated.
- The director of Civil Aviation, Motsoaole Lesupi, has been suspended because he in 2021 blocked foreign aviation companies from transporting diamonds abroad. Basotho National Party (BNP) leader, Machesetsa Mofomobe, said in reaction to Lesupi's suspension that the mining sector had been captured by foreign companies and "the Boers" had the "audacity to instruct the Prime Minister to fire the Director of Civil Aviation."
- Mofomobe accused Matekane, Minister of Public Works and Transport Matjato Moteane, and Natural Resources Minister Mohlomi Moleko, of benefitting from Letšeng Diamond, Storm Mountain Diamond, Mothae Diamond and Liqhobong Diamond mines, hence their failure to reprimand the companies.
- The current arrangement under which the government gets up to 60% of profits from the country's diamond mining sector, yet it owns minority shareholding of between 25-30%, is grossly unfair to mines, according to Minister Moleko. In reaction, Mofomobe accused Moleko of putting the interests of mining companies first.



- An investigation conducted by PricewaterhouseCoopers (PWC) shows how the Directorate of Corruption and Economic Offences (DCEO) violated internal regulations and national laws when it hired a local accounting firm to be the curator of Victoria Hotel between 2020 and 2021. It exposes how the curator, Matsobane Putsoa, the partner at M Putsoa & Associates and his friends collected hundreds of thousands of maloti in irregular payments.
- The Central Bank of Lesotho (CBL) said in its 2023-2025 economic outlook that growth prospects are expected to worsen in the near-term, but to improve in 2024. The economy is now projected to grow by 2.0% in 2023, 0.6 percentage points lower than predicted in March 2023, and average around 2.2% growth over the period 2024-2025.
- The finance and insurance industry is expected to support the activities within the construction industry and is therefore projected to grow by 2.3% in 2023 and in the medium-term by 2.8%.
- The World Bank said in its Lesotho Youth Aspirations Survey that Lesotho is experiencing a huge youth crisis, with many of the younger youth dropping out of the education system and high unemployment (especially long-term unemployment). The youth perceive poor access to credit or financial constraints as the main barrier to entrepreneurship, followed by inadequate know-how.
- Brand Africa announced that Bonono Merchants, a clothing wear stockist, retained its ranking as Lesotho's #1 most admired brand. Matekane Group of Companies is Lesotho's most admired brand in the Sustainability and Pride categories. Alliance Insurance and FNB are the most admired financial service providers.
- The New Development Bank (NDB) finalised a loan agreement of M3.2 billion with South Africa's Trans-Caledon Tunnel Authority (TCTA) for the development of infrastructure in Phase II of the Lesotho Highlands Water Project (LHWP).





- The 43rd ordinary summit of the SADC heads of state and government received an update on the political and security situation in Lesotho and conveyed its appreciation for progress made and for the commitment of the government of Lesotho to finalise the reforms process.
- Matekane attended the BRICS Summit as he was invited as an observer by South Africa. Matekane presented Lesotho's economic prospects and outlined measures the country is taking in tackling structural challenges while also making investments in infrastructure.
- Lesotho has been challenged to speed-up efforts aimed at addressing climate change effects during the 44th Meeting of the Least Developed Countries Expert Group (LEG) that was held in Maseru. The United Nations (UN) Resident Coordinator, Amanda Khozi Mukwashi, noted that Lesotho is one of the two countries that have not yet completed their National Determined Contributions (NDCs).

