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## **I. Introduction**

In the first quarter of 2011, the global economy maintained a moderate but uneven recovery path, amid high and persistent rates of unemployment in the major advanced economies. At the same time, strong demand for commodities and the ongoing social unrest in the oil-producing Arab countries exerted upward pressure on food and energy prices.

In the United States (US), economic activity remained weak. GDP growth slowed down to 1.8 per cent, from 3.1 per cent in the previous quarter. Despite a moderate decline, the rate of unemployment remained high at 8.8 per cent at the end of March 2011. Notwithstanding the underlying weaknesses in the real economy, the rate of inflation rose to 2.7 per cent, mainly as a result of rising food and energy prices. Nonetheless, the US Federal Reserve Bank's Open Market Committee (FOMC) kept its policy interest rate unchanged.

Despite sovereign debt problems, the Euro-zone's economy expanded by 2.5 per cent during the review period, compared with 2.0 per cent in the last quarter of 2010. However, this growth continued to be uneven as some countries remained in a recession. The unemployment rate declined slightly to 9.9 per cent. In the meantime, the rate of inflation increased to 2.7 per cent, mainly, due to rising oil prices. In spite of the accelerating inflation, the European Central Bank maintained its benchmark interest rate at 1.0 per cent.

Economic activity in South Africa (SA) remained robust, driven mainly by the manufacturing sector, while mining production declined. Nevertheless, the improvement in SA economic activity could not lower the rate of unemployment, which was recorded at 25 per cent. In line with trends in the industrial countries, consumer inflation rate rose to 4.1 per cent, against 3.5 per cent in December 2010. However, the SA Reserve Bank (SARB) kept its benchmark rate, the repo rate, unchanged at 5.5 per cent.

Economic growth in the emerging Asian markets, led by China and India, maintained a strong upward trajectory. In China, GDP growth slowed down modestly to 9.7 per cent in the first quarter of 2011, from 9.8 per cent in the previous quarter, while the rate of unemployment was unchanged at 4.1 per cent. Strong inflationary pressures persisted in the Chinese economy and, as a result, the Chinese monetary policy authorities increased the key policy rate by 50 basis points to 6.31 per cent.

Lesotho's economy continued to show signs of recovery in the first quarter of 2011. Economic activity in the primary sector improved as mining production increased. The performance of the secondary sector was muted, with electricity and water consumption declining on a quarterly basis. Nonetheless, electricity consumption registered an annual increase. The tertiary sector also improved. The level of employment in LNDC-assisted companies declined at a lower quarterly rate and, more importantly, recorded an annual increase during the review period.

The rate of consumer inflation rose by 0.3 percentage points to 3.6 per cent in the review period, consistent with trends in SA. The main inflation drivers were prices of food and petroleum products.

In the financial sector, money supply fell by 4.7 per cent on a quarterly basis; but grew by 2.3 per cent on an annual basis, against 14 per cent in the previous quarter. The quarterly contraction was driven by a reduction in net foreign assets.

Domestic interest rates maintained a downward trend which was largely consistent with the SA trends. The 91-day Treasury bill rate declined from 5.52 per cent in December 2010 to 5.38 per cent during the review period. Similarly, the prime lending rate fell by 12 basis points to 10.38 per cent.

According to preliminary indications, the Government budgetary operations registered a non-cumulative deficit equivalent to 17.6 per cent of GDP during the review period. Total revenue and grants fell from 51.9 percent of GDP in the previous quarter to 48.4 per cent, while total expenditure and net lending increased from 47.5 per cent to 66.0 per cent. The deficit was largely financed from domestic resources.

The stock of public debt increased by 8.4 per cent, to 39.8 per cent of GDP, during the period under review. The ratio of debt service to exports of goods and services and net factor income from abroad declined to 0.7 per cent from 1.4 per cent in the previous quarter. External debt continued to constitute the bulk of the overall debt stock at 86.9 per cent while domestic debt accounted for 13.1 per cent.

Lesotho's external sector position continued to improve in the review period, as the overall balance of payments deficit narrowed. The reduction in the overall deficit emanated largely from improvements in the current account as well as capital and financial accounts. At the same time, gross official reserves declined marginally in absolute terms but remained unchanged at 5.9 months of import cover in the review period.

## **II. International Economic Developments**

Preliminary economic indicators showed that global economic recovery continued in the quarter ending in March 2011. Consumption expenditure has regained strength and the improvement in investment has sharply reduced the rate of job losses. However, the recovery remained uneven with a modest growth in advanced economies and a robust growth in emerging market economies. Despite the recent financial turbulence, the Euro-zone continued on a modest recovery path though unemployment remained elevated. In respect of inflation developments, high commodity prices and the social unrest in the Middle East and North Africa exerted an upward pressure on food and energy prices.

### **United States (US)**

Economic activity in the US remained subdued in the first quarter of 2011. Real GDP rose by 1.8 per cent in the review period, compared with an increase of 3.1 per cent observed in the quarter ending in December 2010. This deceleration was driven by a sharp upturn in imports and a reduction in personal consumption and federal government spending expenditures. However, the economic performance benefited from growth in private inventory investment, exports and non-residential fixed investment.

The inflation rate rose by 2.7 per cent in March 2011 from 1.5 per cent in the previous quarter. The acceleration in inflation largely reflected rising food and energy prices which rose by 2.9 per cent and 15.5 per cent, respectively. Due to stable inflation outlook and low rates of resource utilisation, the Federal Reserve Bank's Open Market Committee (FOMC) decided to leave benchmark lending rate unchanged at 0.25 per cent during the review period.

In the labour market front, unemployment rate declined from 9.4 per cent in December 2010 to 8.8 per cent in March 2011, as more jobs were gained in the health care, professional and business services, as well as mining and manufacturing subsectors.

**Table 1: Key World Economic Indicators**

	Real GDP Growth		Inflation Rate		Key interest Rate		Unemployment Rate	
	2010* QIV	2011 QI	2010 QIV	2011 QI	2010 QIV	2011 QI	2010 QIV	2011 QI
China	9.80	9.70	4.60	5.40	5.81	6.31	4.10	4.10
Euro area	2.00	2.50	2.20	2.70	1.00	1.00	10.10	9.90
India	8.20	n/a	9.47	8.82	6.25	6.75	n/a	n/a
Japan	-3.00	-3.70	0.00	0.00	0.10	0.10	4.90	4.60
South Africa	2.60	n/a	3.50	4.10	5.50	5.50	24.0	25.0
United States	3.10	1.80	1.50	2.68	0.25	0.25	9.40	8.80

**Source:** Bloomberg, The Economist, STATSSA and SARB

\* Revised estimates

### **Euro-zone<sup>1</sup>**

Preliminary estimates exhibited a marked improvement in the overall economic growth, driven mainly by strong economic activity in Germany and France, despite the recent financial turbulence and tensions in the sovereign debt market. GDP growth expanded by 2.5 per cent during the first quarter of 2011, following a 2.0 per cent increase observed in the previous quarter. Germany's economic growth rebounded by 1.5 per cent and France grew by 1.0 per cent on a quarterly basis, underpinned by robust domestic demand and exports. However, growth remained unbalanced in the Euro-zone as Greece and Portugal remained in a recession.

<sup>1</sup> Euro-zone: Austria, Belgium, Cyprus, Estonia, Germany, Greece, Finland, France, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.

The harmonised unemployment rate, in the Euro zone, declined by 2.0 percentage points to 9.9 per cent in March 2011. The largest decreases were realised in Latvia, Estonia and Germany.

Inflation, measured by changes in the Harmonized Index of Consumer Prices (HCIP), accelerated to 2.7 per cent in March 2011 from 2.2 per cent recorded in the period ending December 2010. The main contributing factors were prices of transport, housing and alcohol and tobacco, at the back of rising oil prices. At this level, the inflation rate was above the 2.0 per cent target determined by European Central Bank (ECB). However, the ECB kept its benchmark lending rate unchanged at 1.0 per cent during the review quarter, so as to stimulate economic growth, job creation and financial stability. The ECB also maintained that the decision to keep rates unchanged was also in line with its price stability mandate, given inflation outlook.

### **South Africa (SA)**

Preliminary economic indicators in SA showed consolidation in economic recovery during the first quarter of 2011. Retail sales and manufacturing production increased by 4.6 per cent and 5.1 per cent in March 2011, respectively. This was largely driven by high production in petroleum, chemical products, motor vehicles, parts and accessories. However, mining production remained subdued and it fell by 1.4 per cent in March 2011, following a 4.5 per cent increase in February 2011. The construction sector also remained under pressure with the real value of building plans declining by 13.1 per cent in March 2011.

Despite the improved economic activity and growth prospects, the unemployment rate remained high in SA at 25.0 per cent in March 2011 from 24.0 per cent recorded in December 2010. Employment in the informal sector declined while a moderate increase was realised in the formal sector.

The rate of inflation, measured by changes in the CPI, increased moderately in March 2011. Inflation rose from 3.5 per cent observed in the previous quarter to 4.1 per cent. The acceleration was primarily driven by an increase in the food and non-alcoholic beverages, transport as well as housing and utilities prices. In the light of the significant upside risks, which are mainly of a cost push nature, to inflation outlook, the South African Reserve Bank's Monetary Policy Committee decided to maintain the repo rate at 5.5 per cent in March 2011.

### **Emerging Asian Markets and Japan**

#### **China**

According to preliminary estimates, China's economic activity slowed down moderately during the quarter under review. China's GDP growth eased from 9.8 per cent in the previous quarter to 9.7 per cent in the review period. The slowdown notably occurred in secondary industries (mining, construction, mining and manufacturing) on the back of monetary tightening. However, the continued robust growth was supported mainly by industrial production and retail sales which rose by 14.8 per cent and 17.4 per cent in March



2011, respectively. Unemployment rate remained steady at 4.1 per cent in the quarter ending March 2011.

The rising inflation highlights the risk of overheating in China's economy. CPI inflation rate rose to 5.4 per cent in March 2011 from 4.6 per cent in December 2010, despite the four interest rate increases since October 2010. The inflationary pressure continued to be fuelled by excess liquidity in the global market; rising international commodity prices; as well as the prices of oil, iron ore and grains, which rose sharply during the review period. So as to anchor inflationary expectations, the People's Bank of China raised its benchmark lending rate by 50 basis points to 6.31 in the quarter ending March 2011.

## **Japan**

According to the preliminary indicators, economic activity in Japan slowed down significantly, mainly as a result of an earthquake, tsunami and nuclear power outage. GDP growth in Japan contracted by 3.7 per cent in the review period, following a revised 3.0 per cent decline observed in the previous quarter. The deceleration mainly reflected weak capital investment, private consumption as well as a drop in net exports in the aftermath of the disaster. In addition, electricity power cuts and supply chain disruptions resulted in a decline in industrial production, and thus exports. These supply chain disruptions prevented Japanese manufacturers from exporting goods abroad while radiation leaks in Fukushima nuclear plant caused some countries to cut imports from Japan. Nevertheless, unemployment rate in Japan declined marginally by 0.1 percentage points to 4.6 per cent in March 2011, following a 4.9 per cent registered in December 2010.

Inflation rate in Japan remained flat at zero per cent in March 2011. This was due to the narrowing negative output gap as a result of a sharp reduction in the production capacity, and rising energy prices. In order to bolster the country's sluggish economy, the Bank of Japan (BOJ) left its key interest rate unchanged at 0.1 per cent during the review quarter. Moreover, BOJ injected more than 80 trillion yen into the financial system to help to stabilize the post-quake economy amid a plunge in stocks and a surge in credit risk.

## **India**

Preliminary economic indicators showed that economic performance in India remained robust in the first quarter of 2011. The overall industrial production grew by 3.7 per cent and 7.3 per cent in February and March 2011, respectively. The growth in industrial production reflected high production in manufacturing and electricity sub-sectors which rose by 7.9 per cent and 7.2 per cent in March 2011. Moreover, India's economic growth benefited from the strong performance in merchandise exports which rose by 49.7 per cent and 43.8 per cent in February and March 2011, respectively.

The inflation rate in India decelerated from 9.5 per cent in December 2011 to 8.8 per cent in the review period. This was mainly attributable to rising food prices, which soared by 7.6 per cent and 8.2 per cent in February and March 2011, respectively, as well as fuel prices following the political unrest in the Middle East. This was moderated by the easing of prices of vegetables. In an effort to curb the increasing inflation, the Reserve Bank of India (RBI) Monetary Policy Committee raised its benchmark repurchase rate by 50 basis points to 6.75 per cent during the period ending March 2011.

## Commodity Prices

### Overview

The international prices of gold and platinum surged during the quarter under review, mainly, due to the stronger than expected growth in demand for commodities in the emerging market economies. Similarly, the price of crude oil continued to rise in the quarter under review, largely, on account of the strong global demand and the social unrest in the Middle East and North Africa.

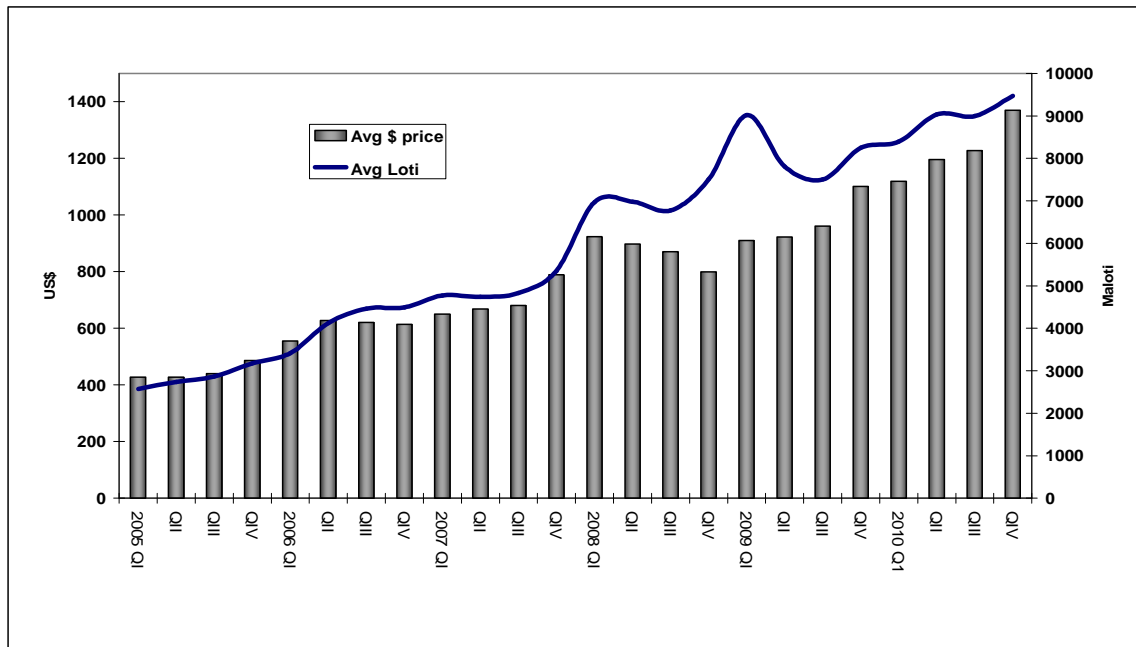
Prices of agricultural products in the international market also maintained an upward trend during the first quarter of 2011. This increase was attributed to the adverse weather conditions, supply shocks, and strong demand from cereal import-dependent countries. The increase in prices of agricultural products has the potential to raise inflationary pressures.

### Mineral Products

#### Gold

The average price of gold in US Dollar terms, rose by 1.2 per cent to US\$1 386.4 per ounce during the quarter ending March 2011, following an increase of 11.6 per cent recorded in the previous quarter. In Maloti terms, the average price of gold grew by 2.6 per cent to M9 718.3 per ounce in the review period, compared with a rise of 5.2 per cent observed in the quarter ending December 2010.

**Figure 1: Average Price of Gold**

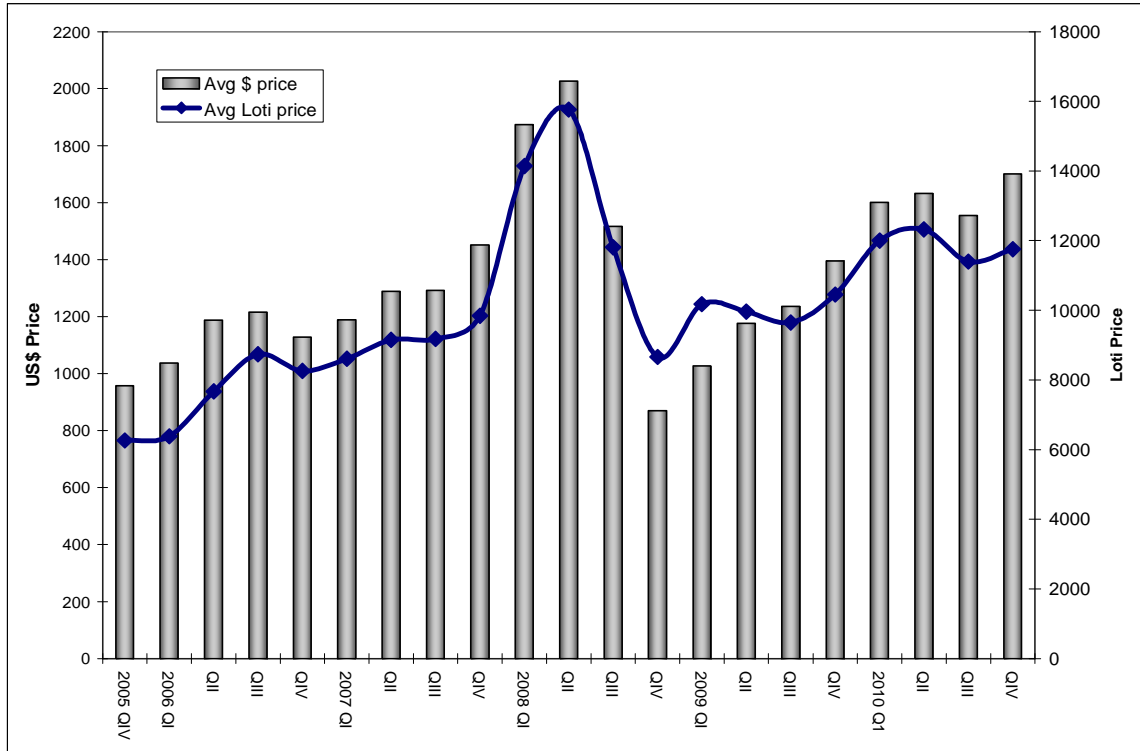


Source: Bloomberg

## Platinum

The average price of platinum rose by 5.5 per cent to US\$1 794.7 per ounce compared with an increase of 9.4 per cent registered in the previous quarter. In Maloti terms, this represented a growth rate of 7.0 per cent to M12 580.7 per ounce, against that of 3.1 per cent in the previous quarter.

**Figure 2: Average of Price of Platinum**



**Source:** Bloomberg

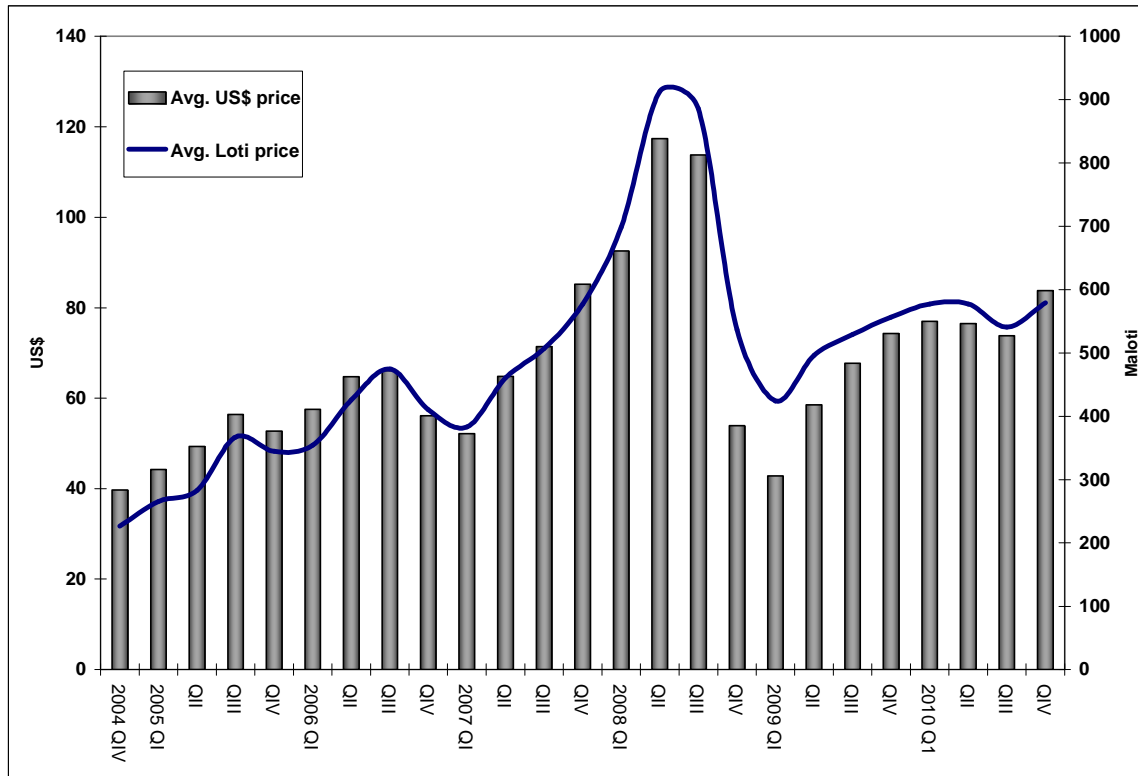
The domestic currency growth in the prices of gold and platinum has been boosted by the weakening of the Rand against major trading currencies. However, the positive effect of the price increases had been offset by a drop in mining production. The low mining production has been exacerbated by the rising operational costs. This does not augur well for Lesotho's economy in terms of employment prospects and therefore inflows of migrant remittances inflow to the country.

## Oil

The average price of crude oil rose by 20.5 per cent to US\$100.98 per barrel in the quarter ending in March 2011, compared with a rise of 13.6 per cent observed in the quarter ending in December 2010. In Maloti terms, this represented a 22.2 per cent increase, following 7.0 per cent in the previous quarter.

In line with the rising international prices of crude oil, domestic prices of petroleum products surged during the period ending March 2011. Prices of petrol and diesel closed the review quarter at M8.40 and M9.05 per litre, respectively, while illuminating paraffin increased to M6.50 per litre.

**Figure 3: Average Price of Oil**



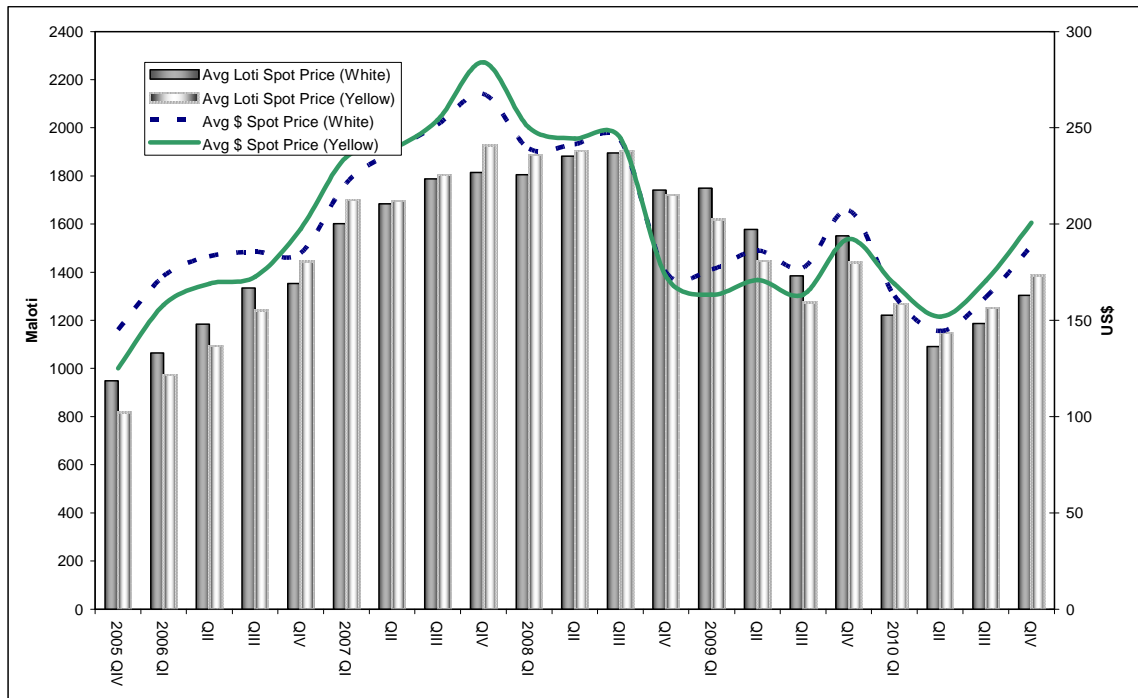
Source: Bloomberg

## Agricultural Products

### Maize

The average prices of white and yellow maize continued on an upward trend in the review period. In US dollar terms, prices of white and yellow maize grew by 13.0 per cent and 11.4 per cent, respectively, in the quarter under review. In Maloti terms, prices of white and yellow maize increased by 14.7 per cent and 13.1 per cent, respectively.

**Figure 4: Average Spot Price of Maize**

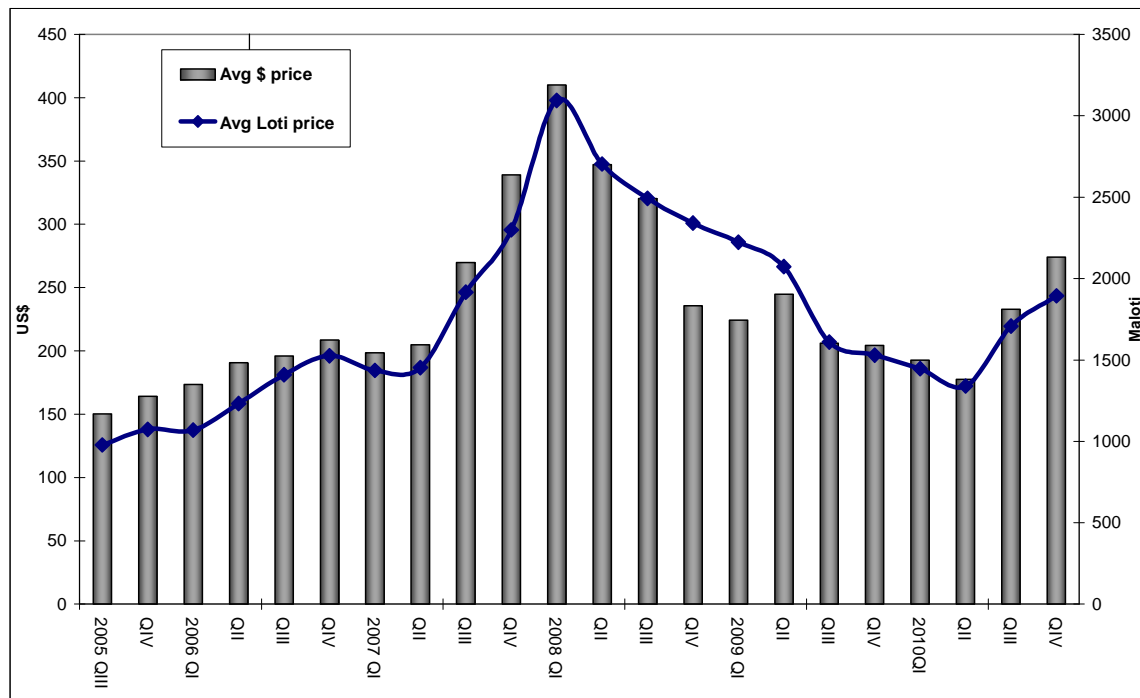


**Source:** Bloomberg

### Wheat

The average price of wheat increased by 17.9 per cent to US\$323.3 per tonne in the first quarter of 2011 from US\$274.2 per tonne recorded in the previous quarter. In Maloti terms, it rose by 19.7 per cent to M2 266.1 per tonne, during the quarter under review, compared with M1 893.8 per tonne registered in the quarter ending in December 2010.

**Figure 5: Average Spot Price of Wheat**



### III. Real Sector, Employment and Price Developments

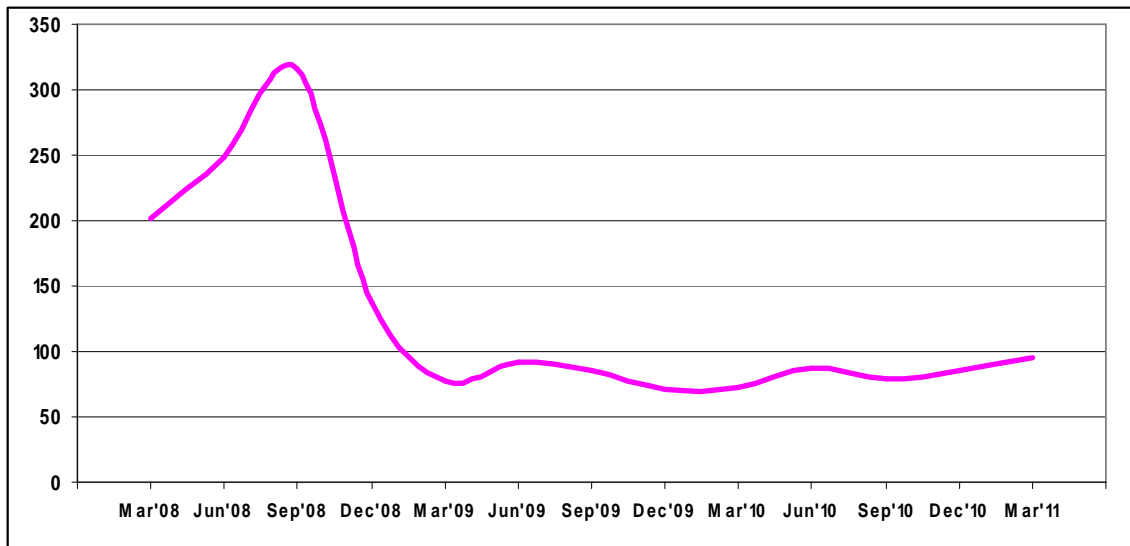
#### Overview

Lesotho’s economy continued to show some signs of recovery, albeit at varying speeds across sectors of the economy, in the first quarter of 2011. Economic activity in the primary sector improved as mining production increased. The secondary sector was rather sluggish, with electricity and water consumption registering quarterly declines. Nonetheless, electricity consumption registered an annual increase. The tertiary sector also improved. Employment in LNDC-assisted companies declined moderately, but recorded an annual increase during the review period.

#### Primary Sector Developments

The diamond production index rose by 10.1 per cent during the quarter ending in March 2011 following an increase of 9.2 per cent in the previous quarter. The improvement in diamond mining production is largely attributable to the high and sustained international demand for diamonds, hence high price of rough diamonds. The consistently good performance by Letseng and Mothae mines also contributed to the observed improvement. In addition, Lqhobong and Kao mines resumed operations, during the review quarter, after closing in the third quarter of 2008.

**Figure 6: Diamond Production Index**  
(2006: QI=100)



Source: Department of Mines and Geology

## Secondary Sector Developments

### Electricity Consumption

Electricity consumption, measured in kilowatt hours, declined further by 3.3 per cent in the first quarter of 2011 compared with a decline of 10.2 per cent in the previous quarter. The decline was observed in all the categories. The decline of 3.1 per cent in electricity consumption by the commercial and industrial category is an indication of a slow recovery of the manufacturing sector as a result of the sluggish recovery in global demand, particularly in the US, where the bulk of Lesotho's exports of textiles and clothing are destined for. Nonetheless, electricity consumption increased by 7.1 per cent on an annual basis.

**Table 2: Electricity Consumption**

(Units in Million Kilowatt Hours and Value in Million Maloti)

	2010						2011	
	QII		QIII		QIV		QI <sup>+</sup>	
	Kwh	Value	Kwh	Value	Kwh	Value	Kwh	Value
General Purpose	20.52	17.65	26.34	15.27	22.37	17.64	21.46	17.13
Domestic	48.63	34.13	40.91	29.53	46.41	33.38	44.94	32.32
Commercial & Industrial	84.42	38.20	95.95	55.62	77.76	37.35	75.33	35.87
<b>Total</b>	<b>153.57</b>	<b>89.98</b>	<b>163.21</b>	<b>100.41</b>	<b>146.54</b>	<b>88.37</b>	<b>141.73</b>	<b>85.33</b>

**Source:** Lesotho Electricity Authority and Lesotho Electricity Company<sup>+</sup>Preliminary estimates**Water Consumption**

Water consumption, measured in kilolitres, fell by a quarterly rate of 14.9 per cent and an annual rate of 14.6 per cent in the quarter under review. Both the domestic and industrial categories registered declines that emanated mainly from water supply disruptions that were experienced during the quarter. Heavy rains that fell from early December 2010 to the first week of February 2011 resulted in a significant damage throughout the country including causing water pipes to burst. It took at least two weeks for the Water Supply Corporation to repair the damaged pipes and normalise the situation. During those two weeks, businesses such as bakeries and textile factories, which rely heavily on water, had to suspend operations.



**Table 3: Water Consumption**

(Units in Million kilo-litres; value in Million Maloti)

		<b>Domestic</b>	<b>Industrial</b>	<b>Other</b>	<b>Total</b>
<b>2010</b> <b>I</b>	Units	1.11	1.10	0.74	2.94
	Value	5.20	7.16	3.72	16.07
	Units*		1.28		3.44
<b>II</b>	Units	0.91	1.12	0.71	2.75
	Value	4.49	7.16	3.69	16.23
	Units*		1.14		2.79
<b>III</b>	Units	0.87	1.20	0.61	2.68
	Value	3.37	9.00	4.41	16.79
	Units*		1.14		2.55
<b>IV</b>	Units	1.06	1.30	0.59	2.95
	Value	5.37	8.31	4.23	17.91
	Units*		1.17		2.66
<b>2011</b> <b>I</b>	Units	0.74	1.15	0.63	2.51
	Value	4.41	7.50	3.74	15.65
	Units*		1.34		2.93

**Source:** Water and Sewerage Authority

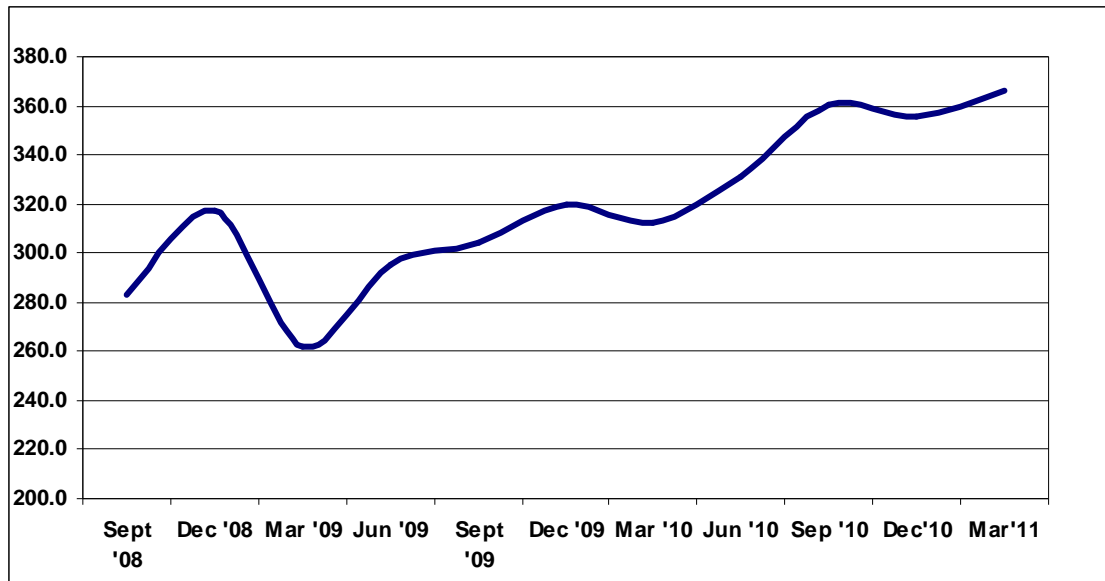
\* denotes seasonally adjusted figures

### Tertiary Sector Developments

#### Sales Turnover

The value of sales turnover rose by 3.0 per cent in the quarter ending in March 2011 compared with a decline of 1.4 per cent recorded in the preceding quarter. On an annual basis, sales turnover increased by 17.1 per cent. The main contributor to both the quarterly and annual increases was sales of ordinary goods and services, and electricity. The increase in the value of sales turnover could possibly be an indication of improvement in consumer confidence.

**Figure 7: Value of Sales Turnover**  
(Million Maloti)



Source: Lesotho Revenue Authority

### Telephone Statistics

The total number of telephone calls increased by 1.3 per cent in the quarter ending in March, 2011 compared with a decrease of 1.4 per cent recorded in the preceding quarter. On an annual basis, the number of telephone calls increased by 2.3 per cent compared with an increase of 0.5 per cent in the previous quarter. This modest improvement is in line with the slow recovery in economic activity in the country.

**Table 4: Telephone Traffic Statistics**

		<b>SA Outgoing Calls</b>	<b>International Calls</b>	<b>Total Calls</b>
<b>2010</b>				
<b>I</b>	No. of calls (millions)	2.03	0.11	2.14
	No. of calls*			2.28
	Total Duration (million minutes)	3.52	0.37	3.89
	Nominal Value (million maloti)	8.09	2.63	10.72
<b>II</b>	No. of calls (millions)	2.05	0.11	2.16
	No. of calls*			2.23
	Total Duration (million minutes)	3.56	0.38	3.94
	Nominal Value (million maloti)	8.19	2.65	10.84
<b>III</b>	No. of calls (millions)	2.04	0.15	2.19
	No. of calls*			1.98
	Total Duration (million minutes)	3.53	0.40	3.93
	Nominal Value (million maloti)	8.11	2.67	10.78
<b>IV</b>	No. of calls (millions)	2.03	0.12	2.16
	No. of calls*			2.17
	Total Duration (million minutes)	3.52	0.39	3.91
	Nominal Value (million maloti)	8.09	2.66	10.75
<b>2010</b>				
<b>I</b>	No. of calls (millions)	2.05	0.14	2.19
	No. of calls*			2.28
	Total Duration (million minutes)	3.62	0.37	3.99
	Nominal Value (million maloti)	8.24	2.63	10.87

**Source:** Tele-Com Lesotho and Vodacom Lesotho

\* Adjusted for seasonality.

## Investment Expenditure

### Imported Motor Vehicles

The number of imported motor vehicles increased by 13.0 per cent in the quarter ended March 2011 compared with a decline of 6.5 per cent in the previous quarter. On an annual basis, the number of imported motor vehicles rose by 8.8 per cent. The major contributors to this increase were “Vans and buses”, while other categories registered declines. This is in line with the observed modest recovery in economic activity and indicates an improvement in both consumer and investor confidence as the improvement is seen in commercial and private vehicles. In seasonally adjusted terms, the number of motor vehicles fell by 3.5 per cent in the quarter that ended in March 2011, compared with a higher decline of 17.4 per cent in the previous quarter.

**Table 5: Motor Vehicle Imports \***  
(Value in Million Maloti)

		Cars	Vans	Trucks	Buses	Tractors	M/ Cycles	Trailers	Total
<b>2010</b> <b>I</b>	Value	39.99	52.1	8.91	3.09	2.4	0.13	1.61	110.3
	Units*	479	272	18	23	15	2	20	786
<b>II</b>	Value	36.15	46.5	16.66	8.79	1.72	0.10	6.56	116.4
	Units*	375	266	34	31	25	1	22	802
<b>III</b>	Value	46.64	58.5	17.7	3.56	1.18	0.18	0.52	128.3
	Units*	423	337	35	17	20	2	11	965
<b>IV</b>	Value	43.08	50.42	22.86	5.44	1.20	0.12	1.83	124.95
	Units*	411	299	38	22	17	2	16	902
<b>2011</b> <b>I</b>	Value	41.40	51.10	22.68	7.59	1.47	0.13	1.73	126.10
	Units*	407	372	55	35	19	2	20	870

**Source:** Avis Fleet Services Lesotho and Customs Department

\*denotes seasonally adjusted figures

+Includes imports of second hand cars

## Employment Developments

Employment in LNDC- assisted companies declined by a lower rate of 1.1 per cent in the first quarter of 2011 compared with a decrease of 5.6 per cent in the previous quarter. However, it registered a year on year growth rate of 2.2 per cent, which is an improvement compared to a decline of 1.7 per cent in the last quarter. While two clothing and textiles clothing companies halted operations for an average of two months each during the quarter, due to lack of orders to process, two new textiles and clothing, and one plastic products manufacturers commenced operations during the quarter. Nonetheless, the three new firms are smaller, in terms of employment, than the two that temporarily stopped operations. The domestic manufacturing sector is recovering, though slowly as a result of the fragile recovery in consumption demand in the US. The sustained strength of the Loti against the US Dollar could have also added stress to the employment situation in the sector.

**Table 6: Employment Trend of LNDC-Assisted Companies**

Industry	2010				2011*
	QI	QII	QIII	QIV	QI
Knit Garments	22 228	22 822	21 581	21 699	21 447
Woven Garments	13 677	15 433	18 366	14 893	15 800
Footwear	2 884	2 879	2 879	2 802	2 622
Fabrics, Yarn etc.	1 449	1 453	1 538	1 581	1 427
Construction	295	282	275	281	260
Food & Beverages	855	863	799	1 646	842
Electronics	1 456	1 577	1 650	1 685	1712
Retail	150	122	126	121	121
Hotel & Accommodation	461	462	599	465	445
Other	643	486	487	422	4.8
<b>TOTAL</b>	<b>44 098</b>	<b>46 379</b>	<b>48 300</b>	<b>45 595</b>	<b>45 084</b>

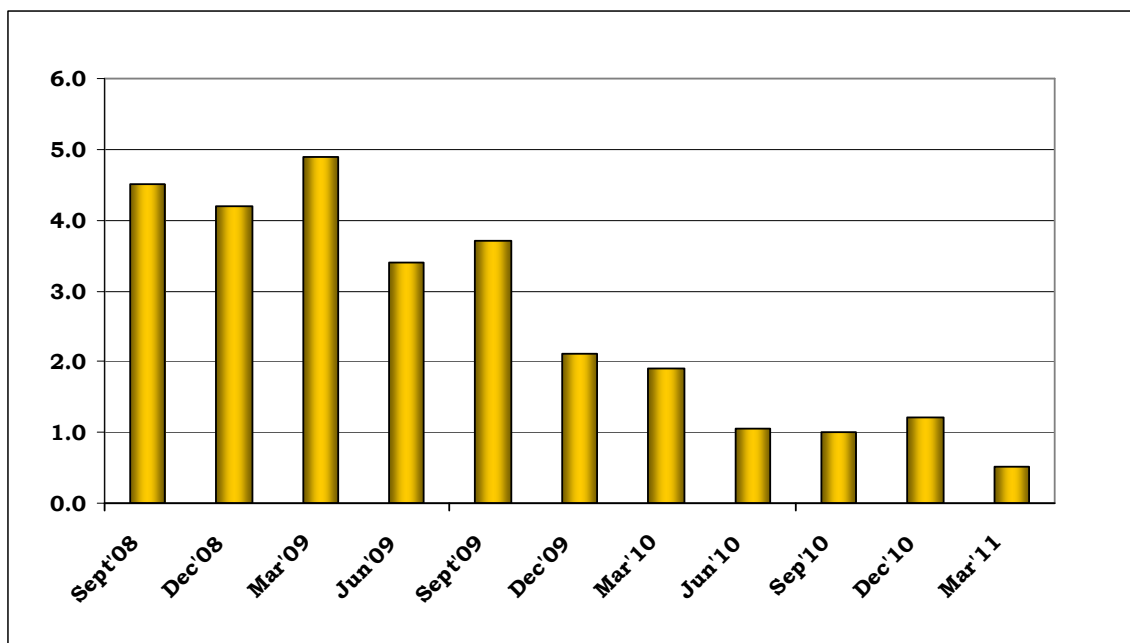
**Source:** Lesotho National Development Corporation

\*Preliminary estimates

Government employment continued to increase at a decreasing rate during the review quarter. The total number of public sector employees increased by 0.5 per cent, on an annual

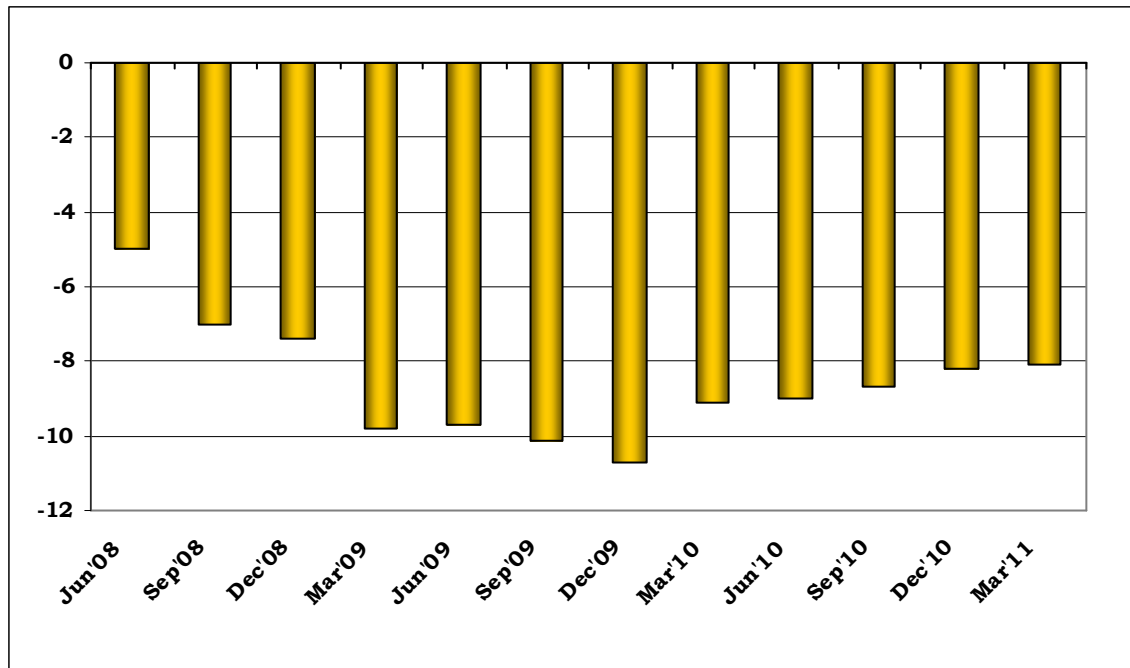
basis, in March 2011 compared with an increase of 1.2 per cent in December 2010. On the one hand, the teachers' category realized a lower increase of 0.2 per cent compared with 0.4 per cent in December 2010, while the number of daily paid government employees declined further by 4.5 per cent compared with a fall of 2.4 per cent in December 2010. On the other hand, the civil servants category registered a higher increase of 1.5 per cent in March 2011 compared with 0.4 per cent in the previous quarter. The low increase in the number of public sector employees reflects efforts by the Government to contain the wage bill and hence the budget deficit. The budget speech for 2011/12 has highlighted that the Government will be working towards keeping the rate of growth of the public service at zero by refraining from creating new positions.

**Figure 8: Government Employment**  
(Annual Percentage Change)



The number of migrant mineworkers continued to decline during the first quarter of 2011. It fell from 41 555 to 40 681, which is equivalent to a quarterly decline of 2.1 per cent. This is almost the same as the quarterly decline of 2.0 per cent observed in the previous quarter. On an annual basis, the number of migrant mineworkers fell by 8.1 per cent compared with 8.2 per cent in the previous quarter. The rate of decline in the number of Basotho employed in the SA mining sector has moderated since March 2010 at the back of improved prices of main metals (gold and platinum).

**Figure 9: Migrant Mineworkers Employment**  
(Annual Percentage Change)



Source: The Employment Bureau of Africa (TEBA)

### Price Developments

Lesotho's consumer price inflation has been on a downward trend since November 2008 until it leveled off in the final three months of 2010. It commenced the year 2011 on an upward trajectory, increasing from 3.1 per cent in December 2010 to 3.6 per cent in March 2011. The rise in the consumer price index (CPI) during the first quarter of 2011 resulted mainly from significantly higher increases in the prices of consumer goods, particularly food and petroleum products (petrol, diesel, paraffin and gas). This is in line with the increase in international prices of food and crude oil. Liquid fuels, gas and food registered inflation rates of 17.7, 10.3 and 4.9 per cent, respectively in March 2011.

**Table 7: Inflation Rate**

(Annual Percentage Change: March 2010 =100)

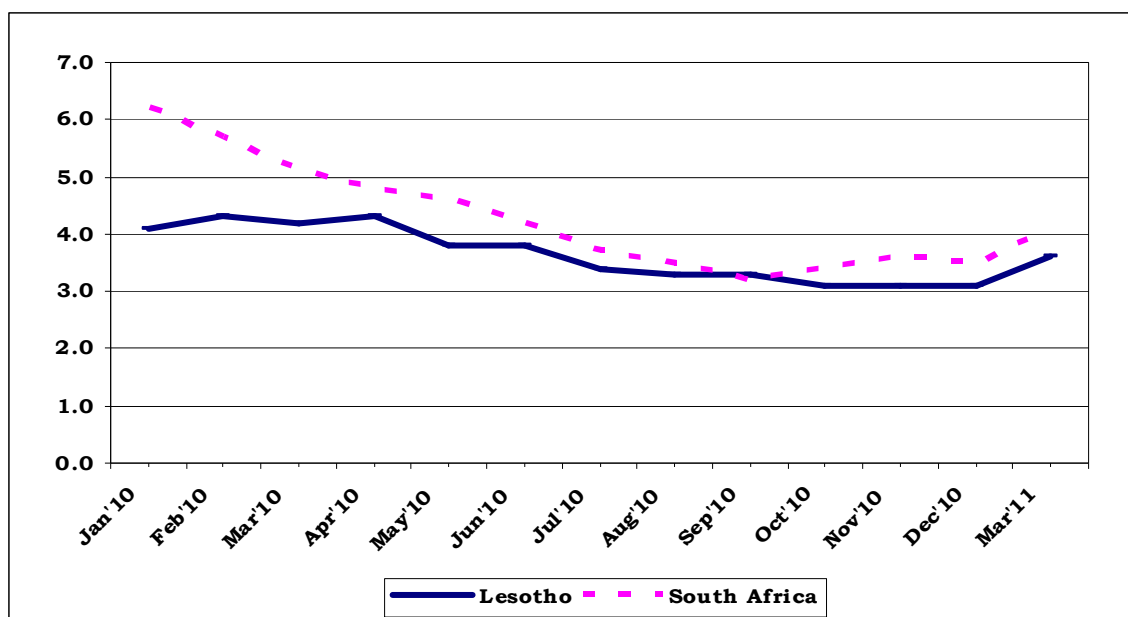
	Weight	2010		2011		
		Nov	Dec	January	February	March
<b>All items</b>	<b>100.0</b>	<b>3.1</b>	<b>3.1</b>	<b>3.2</b>	<b>3.3</b>	<b>3.6</b>
Food and non-alcoholic beverages	38.1	3.8	3.9	4.5	4.7	4.8
Alcoholic beverages & Tobacco	1.2	8.7	8.4	8.2	7.8	5.7
Clothing & footwear	17.4	2.0	1.8	1.5	1.2	0.9
Housing, electricity gas & other fuels	10.6	5.0	5.0	5.5	6.1	8.3
Furniture, households equipment & routine maintenance of house	9.4	2.4	2.2	2.4	2.4	3.0
Health	1.9	2.4	2.2	2.1	2.0	2.0
Transport	8.5	1.2	1.2	1.4	1.5	1.7
Communication	1.2	1.1	1.1	1.7	1.7	1.7
Leisure, entertainment & Culture	2.4	1.7	1.8	2.1	2.1	1.6
Education	2.7	6.3	6.3	0.8	0.8	0.8
Restaurant & Hotels	0.7	5.1	5.2	7.7	7.4	7.6
Miscellaneous goods & services	5.8	2.7	2.4	2.5	2.8	2.7

**Source:** Bureau of Statistics, Lesotho

Lesotho's inflation continued to move closely in line with South Africa's, reflecting Lesotho's high reliance on imports from South Africa as well as the impact of the fixed exchange rate regime. By pegging the local currency, the loti, one to one to the South African rand, Lesotho has effectively surrendered its monetary policy to South Africa. Consequently, Lesotho's inflation tracks that of South Africa quite closely. While Lesotho's CPI increased from 3.1 per cent in December 2010 to 3.6 per cent in March 2011, that of South Africa remained slightly higher, increasing from 3.5 to 4.1 per cent during the same months.



**Figure 10: Annual Inflation Rate for Urban Households**  
 (Annual Percentage Change: March 2010 =100)



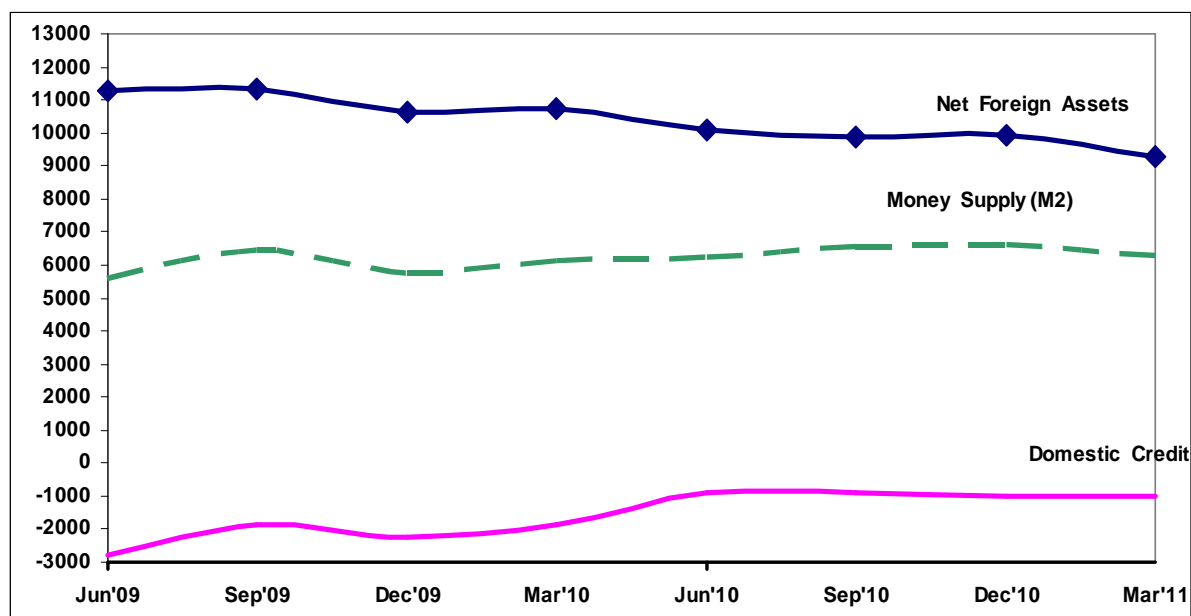
#### IV. Monetary and Financial Developments

##### Determinants of Money Supply

Money supply declined by 4.7 per cent during the first quarter of 2011 following a slight expansion of 0.2 per cent observed in the final quarter of 2010. On an annual basis, money supply grew by 2.3 per cent compared with a much larger increase, 14.8 per cent, in the previous quarter. The quarterly contraction in money supply was fuelled by a decline of 6.6 per cent in net foreign assets. Nonetheless, a 6.0 per cent increase in domestic credit (excluding net claims on government) moderated the decline in broad money.

**Figure 11: Overview of Recent Monetary Developments**

(Million Maloti: End of Period)



**Table 8: Determinants of Money Supply**

(Million Maloti: Changes)

Determinants	2010				2011
	Mar	June	Sep	Dec	Mar
Net foreign assets	88.8	-660.4	-178.3	37.0	-651.5
Domestic credit	349.6	1062.1	9.6	-108.2	918.6
Net Claims on Govt	358.5	858.4	-238.3	-180.2	787.1
Statutory bodies	0.0	0.0	3.2	-0.2	-0.45
Private sector	-8.9	203.7	244.7	-72.2	132.1
Other items, net	59.3	326.0	-529.0	-86.9	578.6
Money Supply (M2)	398.2	75.7	360.3	15.8	-311.5

### Components of Money Supply

Broad money comprises narrow and quasi money. During the quarter under review, both components of money supply declined. Narrow money (M1) contracted by 6.08 per cent in the quarter ending in March compared to a 1.4 per cent increase registered in the previous quarter. The contraction in M1 was dominated by declines of 6.6 per cent and 6.2 per cent in

demand deposits and deposits of official entities with the Central Bank, respectively. Currency in circulation also declined by 1.8 per cent. Quasi money declined by 0.52 per cent as a result of a 1.75 per cent decline in time deposits which was moderated by an increase of 1.17 per cent in savings deposits.

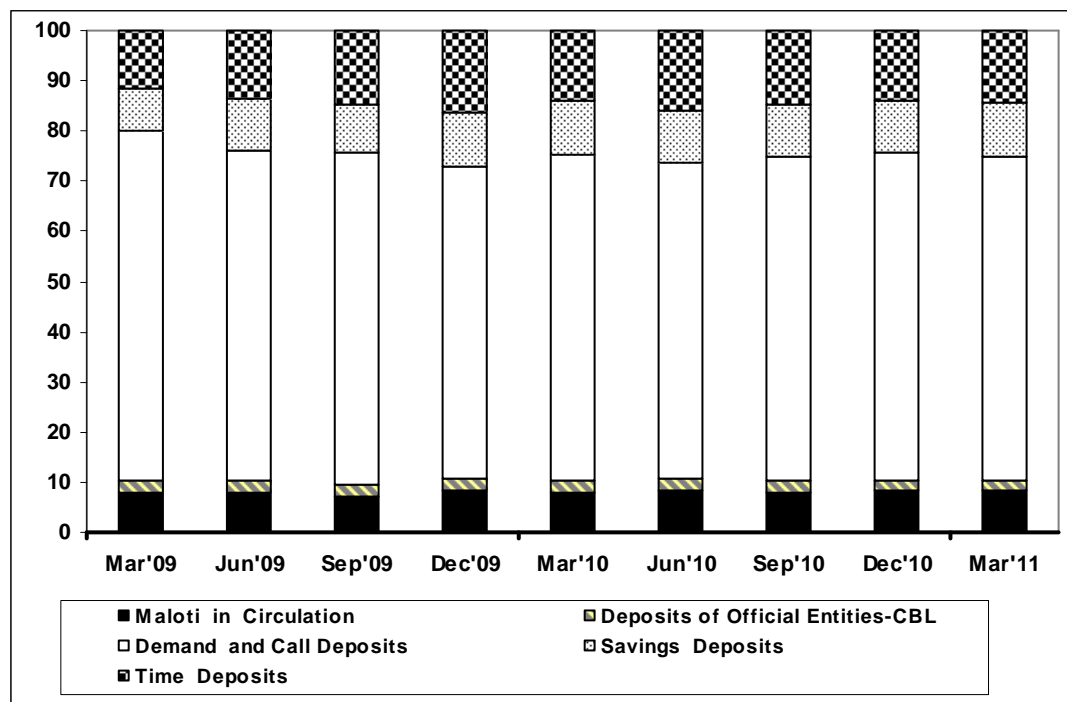
**Table 9: Money Supply**  
(Million Maloti; End of Period)

	2010				2011
	Mar	June	Sep	Dec	Mar
Money Supply (M2)	6123.1	6198.8	6559.1	6574.8	6263.3
Money (M1)	4602.8	4558.3	4915.8	4986.0	4682.7
Maloti with public Demand deposits <sup>1</sup>	498.9	523.1	533.8	539.0	529.2
Deposits of official Entities with CBL	3967.2	3897.4	4242.5	4306.8	4022.0
Quasi-Money	136.7	137.8	139.5	140.2	131.5
Savings deposits	1520.3	1640.5	1643.2	1588.8	1580.6
Time deposits	655.6	664.8	672.1	670.8	678.7
	864.7	975.7	971.1	918.0	901.9

<sup>1</sup> includes call deposits

NB: Totals may not tally due to rounding off

**Figure 12: Components of Money Supply**  
(Percentage shares)



### Commercial Banks' Deposits by Holder

The volume of deposits held with the local commercial banks declined by 5.0 per cent at the end of March 2011 compared to a slight increase of 0.2 per cent registered in the final quarter of 2010. This decline was at the back of a 4.6 per cent reduction in deposits held by the private sector and a 13.7 per cent decline in deposits held by statutory bodies. The fall in private sector deposits mainly emanated from lower demand and time deposits. The former decreased by 6.2 per cent while the latter dropped by 1.7 per cent. Nonetheless, savings deposits increased by 1.2 per cent.

**Table 10: Commercial Banks' Deposits by Holder**

(Million Maloti: End of Period)

	2010				2011
	Mar	Jun	Sep	Dec	Mar
<b>Total Deposits</b>	5485.0	5501.1	5847.8	5862.2	5569.6
<b>Private Sector</b>	5270.3	5268.6	5519.7	5594.8	5338.8
Demand deposits	3751.9	3630.0	3878.2	4007.5	3759.7
Savings deposits	655.5	664.7	672.0	670.7	678.6
Time deposits	862.9	974.0	969.5	916.5	900.6
<b>Statutory Bodies</b>	214.8	232.4	328.0	267.4	230.8

NB: Totals may not tally due to rounding off

### Liquidity of Commercial Banks

The liquidity of commercial banks continued to be high in the first quarter of 2011. The ratio of liquid assets to deposit liabilities and placements with other banks declined by 2.5 percentage points, from 75.5 per cent observed in the fourth quarter of 2010 to 73.0 per cent in the first quarter of 2011. The credit deposit ratio rose from 35.8 per cent recorded in the previous quarter to 40.0 per cent in the review period. The increase in the credit deposit ratio reflected a 6.1 per cent growth in credit to the private sector and a 5.0 per cent decline in private sector deposits. While the credit to deposit ratio remains low, it has been increasing steadily since the same quarter of the previous year.

**Table 11: Components of Commercial Banks' Liquidity**

(Million Maloti: End of Period)

COMPONENT	2010				2011
	Mar	Jun	Sep	Dec	Mar
Maloti Notes and Coins	99.1	92.9	99.0	98.83	93.0
Rand Notes and Coins	63.9	60.2	66.9	58.44	53.3
Balances due from Lesotho Banks	1482.6	1236.5	1086.8	1047.8	1092.9
Balances due from Foreign Banks	3330.1	3697.0	3924.8	3777.8	3440.5
Clearing Balances with CBL	2.2	16.4	-73.9	8.7	-28.0
CBL Bills	0.0	0.0	0.0	0.0	0.0
Lesotho Government Securities	500.6	500.2	441.56	388.55	471.7

**Table 12: Consolidated Balance Sheet of Commercial Banks**

(Million Maloti: End of Period)

	2010				2011
	Mar	Jun	Sep	Dec	Mar
Net foreign assets	3282.5	3502.9	3786.5	3799.8	3359.0
Deposits with CBL	223.7	236.7	171.2	237.3	187.2
Credit:	2121.7	2256.7	2547.7	2567.2	2776.7
Statutory Bodies	0.0	0.0	0.0	0.0	0.0
Private Sector	1712.6	1851.5	2027.3	2100.8	2229.4
Government securities	409.1	405.2	519.3	466.3	547.3
Assets/Liabilities	5627.9	5996.3	6504.4	6604.2	6322.9
Private sector deposits <sup>2</sup>	5485.0	5501.1	5847.8	5862.2	5569.6
Government deposits	22.2	22.1	22.1	24.3	22.6
Capital, reserves & other, net	120.7	473.	634.5	717.7	730.6

<sup>2</sup> includes statutory bodies' deposits.

## Demand for Money

### Domestic Credit

Domestic credit, excluding net claims on government, expanded further by 6.3 per cent during the quarter under review following a much lower 3.4 per cent expansion realised during the last quarter of 2010. On an annual basis, domestic credit grew by 30.7 per cent following an expansion of 21.8 per cent in the last quarter of 2011. The increase in domestic credit was driven by the 14.3 per cent rise in credit extended to business enterprises. Credit extension to households declined by the 1.0 per cent.

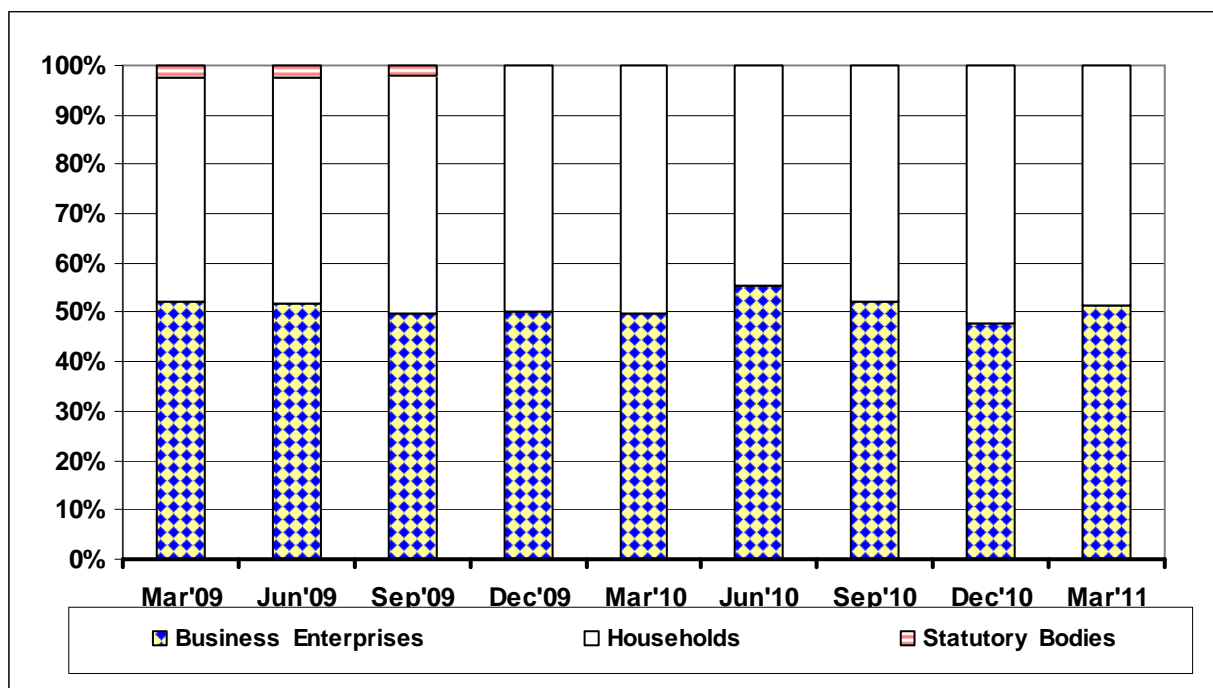
**Table 13: Domestic Credit Excluding Net Claims on Government \***

(Million Maloti: End of Period)

	2010				2011
	Mar	Jun	Sep	Dec	Mar
Domestic Credit	1696.4	1834.6	2018.1	2087.0	2217.7
Credit to private sector	1696.4	1834.6	2014.9	2084.0	2215.3
Business enterprises	825.3	1043.3	1075.0	993.4	1136.1
Households	871.1	789.3	934.9	1090.6	1079.2
Credit to statutory bodies	0.0	0.0	3.2	3.0	2.4

\*excludes non performing loans

**Figure 13: Distribution of Credit by Holder**  
(Percentage shares)



### Credit to Private Sector

Credit to the private sector by domestic commercial banks is essential to support investment in an economy. During the first quarter of 2011, credit extended to the private sector rose by 6.3 per cent, following a 3.4 per cent increase in the previous quarter. The increase was largely due to a 14.4 per cent increase in credit extended to business enterprises. On the contrary, credit extended to households declined by 1.0 per cent following a 16.7 per cent increase in the fourth quarter of 2010. As a result, credit to the private sector, in the review period, was dominated by credit to businesses at 51.3 per cent against 48.7 per cent of credit held by households.



## Sectoral Distribution of Credit

As far as the sectoral distribution of credit is concerned, credit extension to enterprises, was dominated by the following sectors: transport, storage and communication (24.5 per cent); non-bank financial institutions and real estate (21.9 per cent); manufacturing (12.6 per cent); and wholesale, retail, hotel and restaurant (10.7 per cent). Significant improvements in credit extension were in transport, storage and communication; wholesale, retail, hotel and restaurant; and mining and quarrying. Nonetheless, the shares of community, social and personal services; manufacturing; electricity and water; and construction were on the decline in the quarter under review.

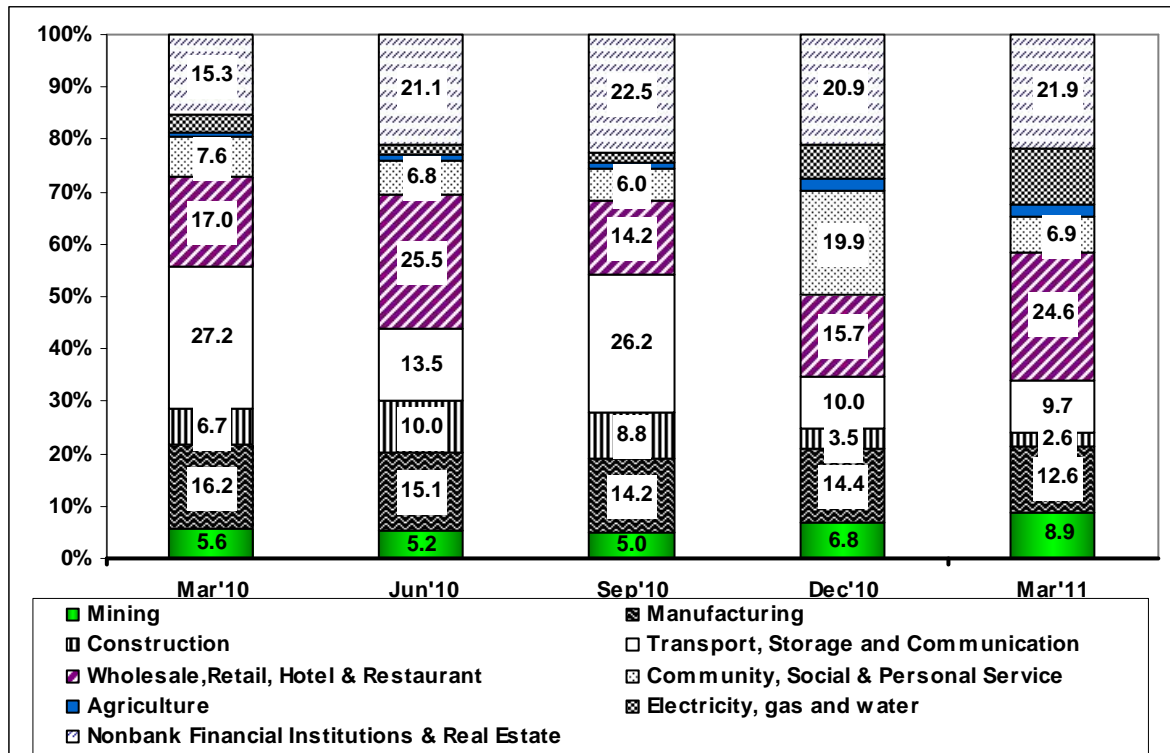
**Table 14: Sectoral Distribution of Credit to Enterprises \***

(Million Maloti: End of period)

SECTOR	2010	2011			
	Mar	Jun	Sep	Dec	Mar
Agriculture	8.4	11.6	15.0	24.1	26.2
Mining	52.5	57.3	56.9	71.7	107.2
Manufacturing	151.4	167.7	162.3	152.8	151.4
Construction	62.6	110.4	100.5	105.7	117.0
Transport, storage and communication	253.9	150.1	299.6	166.8	296.3
Electricity, gas and water	31.1	19.7	20.5	37.3	31.4
Wholesale, retail, hotel and restaurant	158.2	283.2	162.1	70.5	128.6
Non-bank financial institutions and real estate	142.8	234.0	256.7	221.7	263.3
Community, social and personal services	71.2	75.6	68.6	211.6	83.5
<b>All sectors</b>	<b>932.0</b>	<b>1109.7</b>	<b>1142.0</b>	<b>1062.3</b>	<b>1204.9</b>

\* includes non-performing loans

**Figure 14: Commercial Banks' Credit to Business Enterprises**  
(Percentage shares)



### Net Claims on Government

The net claims on government by the banking system increased by 24.6 per cent during the first quarter of 2011 compared with a 6.0 per cent drop observed in the previous quarter. This surge was driven by the increase in net claims on government by both the commercial banks and the central bank. Commercial banks' net claims on government increased by 18.7 per cent following an increase of 11.1 per cent recorded in the fourth quarter of 2010. Net claims on government by the central bank increased by 19.4 per cent from a drop of 3.6 per cent recorded in the previous quarter. The increase in total net claims on government reflects a continued drawdown of government deposits held with the banking system.

**Table 15: Banking System's Net Claims on Government**

(Million Maloti: End of Period)

Holder	2010				2011
	Mar	Jun	Sep	Dec	Mar
Commercial banks	386.9	478.1	497.2	442.0	524.7
Claims on Government	409.1	500.2	519.3	466.3	547.3
o/w MP T Bills <sup>3</sup>	319.1	500.2	429.3	376.3	457.3
Less Government deposits	22.2	22.1	22.1	24.3	22.6
CBL	-4024.4	-3162.2	-3514.7	-3639.7	-2935.3
Claims on Government <sup>4</sup>	273.1	277.6	313.4	250.1	264.1
Less Government deposits	4297.5	3439.8	3828.0	3889.1	3199.4
o/w blocked account	514.3	623.9	626.9	629.9	632.9
<b>Total Net Claims</b>	<b>-3637.5</b>	<b>-2779.1</b>	<b>-3017.4</b>	<b>-3197.6</b>	<b>-2410.6</b>

<sup>3</sup> 'MP T Bills' means monetary policy treasury bills.<sup>4</sup> IMF loans on-lent to the GOL.**Net Foreign Assets**

The net foreign assets of the banking system declined by 6.6 per cent in the first quarter of 2011 following a modest recovery of 0.37 per cent recorded in December last year. The decline in net foreign assets was on account of the 3.4 per cent and 11.6 per cent declines in net foreign assets of the central bank and commercial banks, respectively. Net foreign assets of the banking system have been steadily declining due to commercial banks' net repayments abroad, lower SACU receipts and the strengthening of the Loti against major foreign currencies.

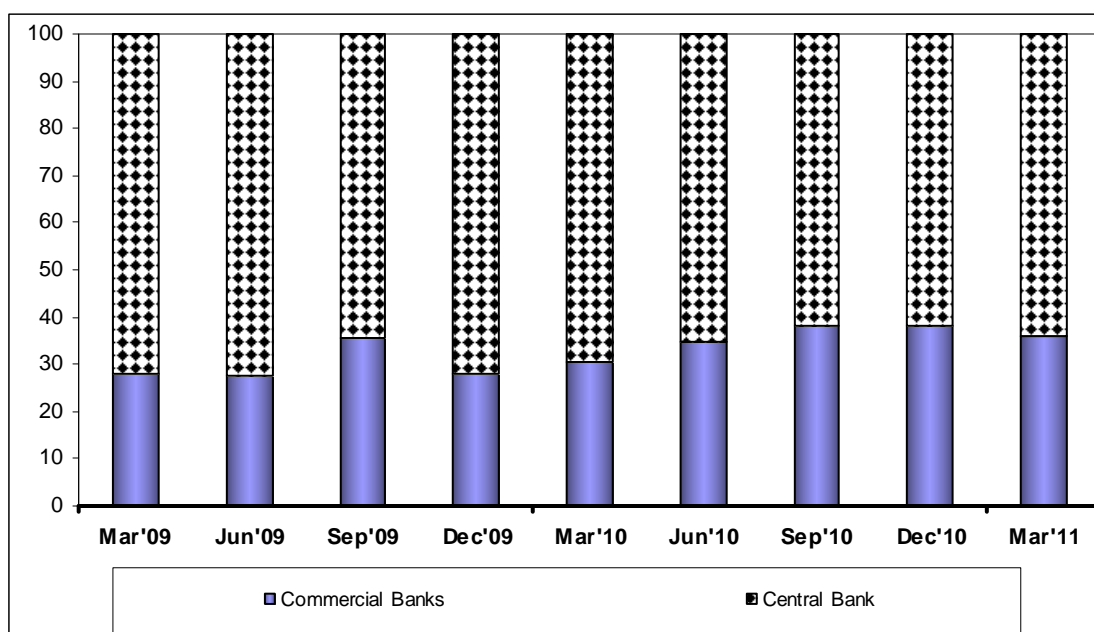
**Table 16: Banking System's Foreign Assets and Liabilities**

(Million Maloti: End of Period)

Holder	2010				2011
	Mar	Jun	Sep	Dec	Mar
A. Commercial Banks	3282.5	3502.9	3786.5	3799.8	3359.0
Foreign Assets	3345.1	3711.7	3940.4	3917.5	3457.3
Foreign Liabilities	-62.6	-208.8	-153.9	-117.7	-98.3
B. Central Bank of Lesotho	7457.8	6577.1	6115.2	6138.9	5928.1
Foreign Assets	8129.2	7201.2	6858.3	6749.5	6734.8
Foreign Liabilities	-671.3	-624.1	-743.1	-610.6	-806.6
Net Total	10 740.3	10 080.0	9 901.7	9 938.7	9 287.2

**Figure 15: Net Foreign Assets**

(Percentage shares)



## Money and Capital Market Developments

The total amount of Treasury bonds issued in the quarter under review was M63.0 million. This follows the issuance of M187.3 million in the previous quarter. As a result the total holding of Treasury bonds stands at M250 million, of which M126.4 million is held by the banking system and M112.8 is held by the non-bank sector. Although the banking sector remains the largest holder of Treasury bonds, the bonds held by non-bank sector increased by 85.0 per cent. The total holding of Treasury bills declined further by 10.3 per cent following a 5.3 per cent decline recorded in the previous quarter. This decline was driven by the 9.3 per cent drop of Treasury bills held by the banking system. Nevertheless, the holding of Treasury bills by the non-bank sector increased by 13.2 per cent.

**Table 17: Holding of Treasury Bills and Bonds**

(Face Value; Million Maloti)

Type of Security and Holder	2010				2011
	Mar	Jun	Sep	Dec	Mar
Total Holding of Bills and Bonds	514.8	542.4	658.6	811.2	810.2
Treasury Bills	514.8	542.4	658.6	623.9	559.9
Banking System	503.6	528.2	644.2	604.2	547.4
Non-Bank Sector	11.3	14.1	14.3	19.7	22.3
Treasury Bonds <sup>5</sup>				187.3	250.3
Banking System				126.4	137.5
Non-Bank Sector				60.9	112.8
Memorandum Item					
Average Yield Bills (per cent)	6.73	6.64	6.69	5.60	5.45
Average Yield Bonds (per cent)				8.63	8.50

<sup>5</sup> The bond market was first launched in October, 2010

## Money Market and Short-term Interest Rates

During the first quarter of 2011, all types of interest rates maintained a downward trend. However, most of their South African counterparts remained flat with the exception of the 91-day TB rate which declined slightly. The 91-day TB rate in Lesotho fell from 5.52 per cent to 5.38 per cent while the Lombard rate declined by 53 basis points from 9.91 to 9.38 per cent in the quarter under review. The prime lending rate also fell by 12 basis points from 10.50 per cent to 10.38 per cent. The repo rate and South African prime lending rate remained flat at 5.50 per cent and 9.00 per cent, respectively, while the South African 91-day TB rate decline by 13 basis points from 5.60 to 5.47 per cent.

**Table 18: Major Money Market Interest Rates**

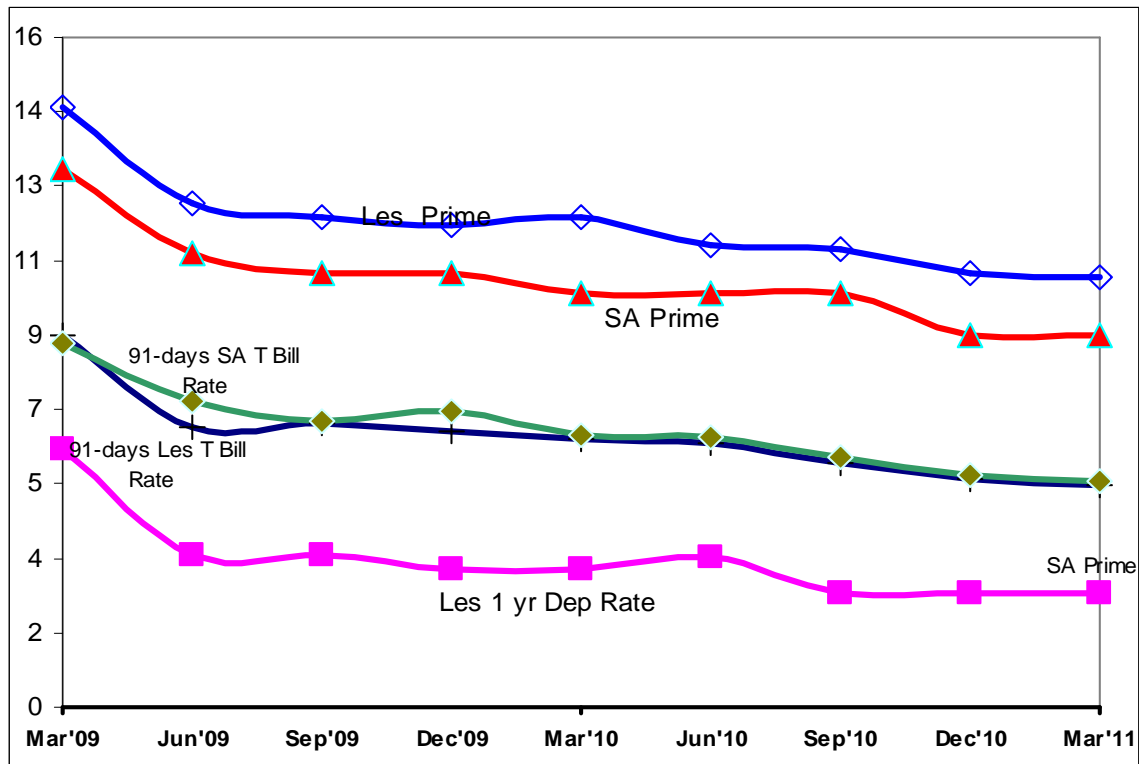
(Percent: End of Period)

Interest Rates by Type	2010				2011
	Mar	Jun	Sep	Dec	Mar
Central Bank					
T Bill Rate – 91 Days	6.46	6.38	5.91	5.52	5.38
Lombard Rate	10.46	10.38	9.91	9.91	9.38
Commercial Banks <sup>5</sup>					
Call	1.75	1.71	1.29	1.14	1.14
Time:					
31 days	1.65	1.67	1.25	1.21	1.09
88 days	1.95	2.20	1.78	1.67	1.58
6 months	2.26	2.21	1.94	1.94	1.94
1 year	3.35	3.65	2.78	2.78	2.74
Savings	2.05	2.03	1.21	1.21	1.09
Prime	11.50	11.17	11.08	10.50	10.38
South Africa*					
Repo	6.50	6.50	6.00	5.50	5.50
T Bill Rate – 91 Days	6.60	6.54	6.04	5.60	5.47
Marginal Lending					
Rate	11.50	11.50	11.00	10.50	10.50
Prime	10.00	10.00	10.00	9.00	9.00

\* Figures for South Africa were obtained from the SARB

<sup>5</sup> Average rates by commercial banks

**Figure 16: Short-Term Interest Rates**  
(Percent Per Annum)

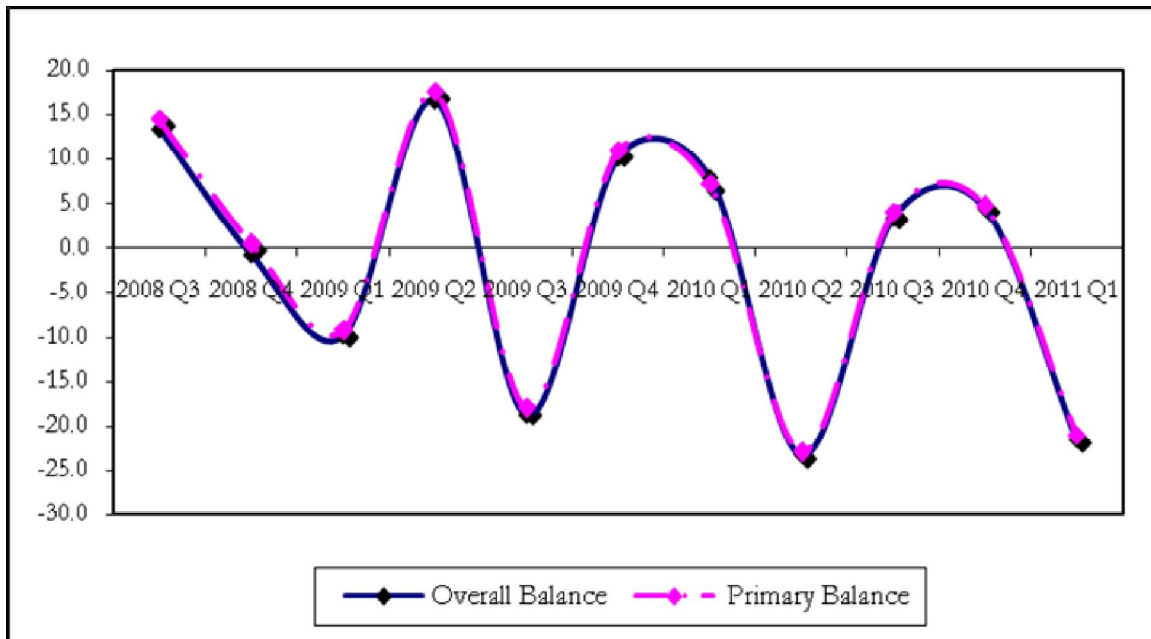


## V. Government Finance

### Summary of Budget Outturn

Quarterly estimates indicate that Government budgetary operations registered a non-cumulative deficit equivalent to 17.6 per cent of GDP following a surplus equivalent to 4.4 per cent of GDP observed in the quarter ending in December, 2010. Total revenue and grants fell from 51.9 per cent of GDP in the previous quarter to 48.4 per cent during the review period. On a quarterly basis, total expenditure and net lending increased from 47.5 per cent of GDP to 66.0 per cent of GDP. The fall in total revenue and grants was as result of a slump in grants and income taxes, which had decreased by 22.1 per cent and 17.1 per cent respectively in the quarter ending in December 2010. Government expenditure and net lending grew largely due to an increase in transfers to households, use of goods and services and other expenditures. The deficit was largely financed from domestic resources.

**Figure 17: Primary Balance versus Overall Balance**  
(In percent of GDP)



### Revenue

Total revenue and grants plummeted by 6.7 per cent on a quarterly basis, following a plunge of 23.0 per cent recorded in the quarter ending in December 2010. The decrease was largely due to a fall in grants which declined by 17.1 per cent, and a drop of 4.4 per cent in total revenue. Tax revenue decreased by 4.0 per cent, largely due to a 6.3 per cent fall in non-customs revenue. Particularly note worthy, is the fact that income taxes dropped by 10.6 per cent. However, this decline was offset by an increase in other taxes which grew by 24.8 per cent during the review period. Non-tax revenue plummeted by 6.1 per cent on a quarterly basis, following a huge decline recorded in the quarter ending in December 2010.



**Table 19: Government Revenue**

(Million Maloti)

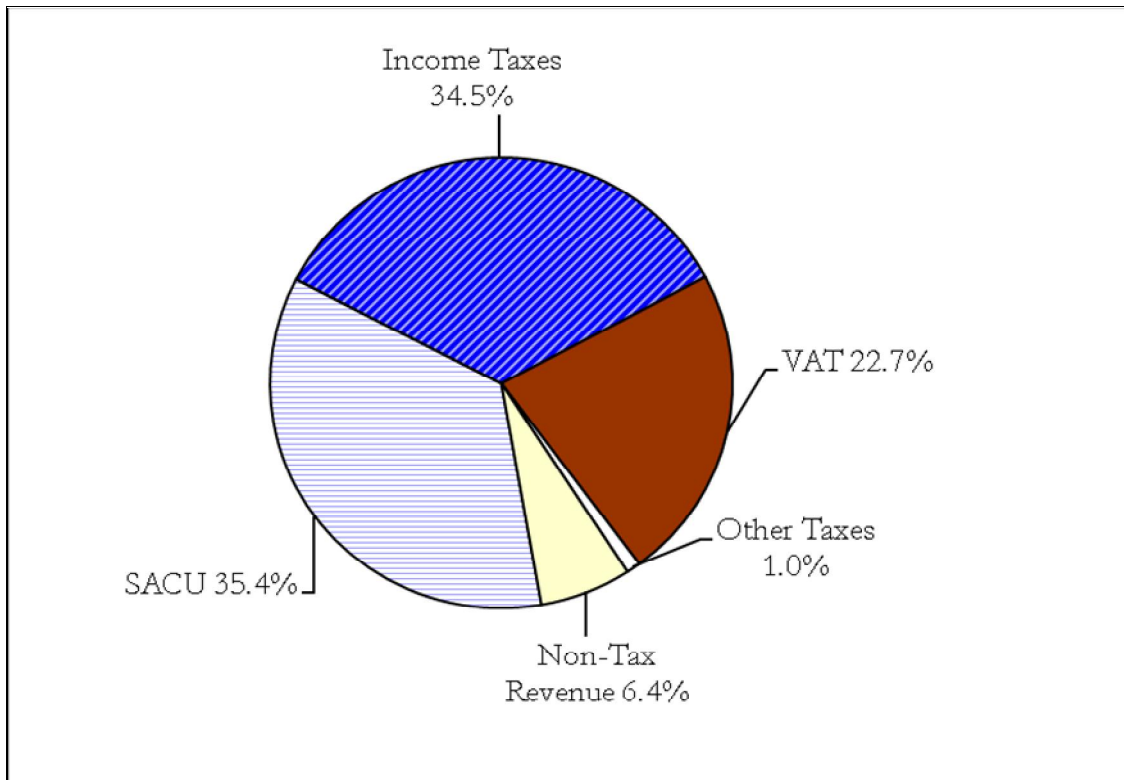
	2009/10	2010/11			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec Revised	Jan-Mar* Preliminary
Total Revenue and Grants	2315.1	1723.4	2756.6	2122.4	1965.4
Total Revenue	2165.1	1392.0	2456.8	1771.2	1694.1
<i>Tax Revenue</i>	1947.0	1261.7	1800.0	1488.1	1428.4
Customs	1229.5	540.4	1006.7	540.5	540.5
Non-customs	717.5	721.3	793.3	947.7	887.9
Income Taxes	440.8	364.4	483.0	589.6	527.1
Taxes on goods & services	273.3	292.7	298.2	345.9	345.7
Other Taxes	3.4	64.2	12.1	12.2	15.1
<i>Non-Tax Revenue</i>	218.1	130.3	656.8	283.1	265.7
Of which: Water royalties	75.6	85.8	108.8	139.8	97.8
Grants	150.0	331.4	299.8	351.2	285.7

**Source:** Ministry of Finance and Development Planning (MoFDP)

\* Preliminary estimates

Non-tax revenue, which comprises dividends from operations of organisations with public ownership, royalties from Lesotho Highlands Water Project, rand compensation and other revenues fell by 6.1 per cent during the review period. On a quarter-to-quarter basis, the decrease was attributable to a fall in property income to Government as mentioned above. Development grants were estimated to drop by 18.7 per cent on a quarterly basis. Although grants on a quarter-to-quarter basis fell, they continued to be reflective of on-going donor supported capital projects in the economy.

**Figure 18: Sources of Government Revenue**



### **Expenditure**

Preliminary estimates reflect that government expenditure and net lending increased by 39.6 per cent on a quarterly basis compared with a 25.9 per cent drop observed in the quarter ending in December 2010. As a share of total expenditure, recurrent expenditure was positioned at 83.3 per cent, while capital expenditure constituted 16.7 per cent. Figure 19 below depicts that personnel emoluments accounted for 34.8 per cent of recurrent expenditure, followed by goods and services at 41.2 per cent while subsidies and transfers accounted for 23.2 per cent. Other expenditure basically includes subsidies and transfers, as well as other operating costs. This item increased by 66.7 per cent compared to a slump of 43.3 per cent recorded in the previous quarter and this was largely attributable to transfers to households (students) during the period under review.

**Table 20: Government Expenditure**

(Million Maloti)

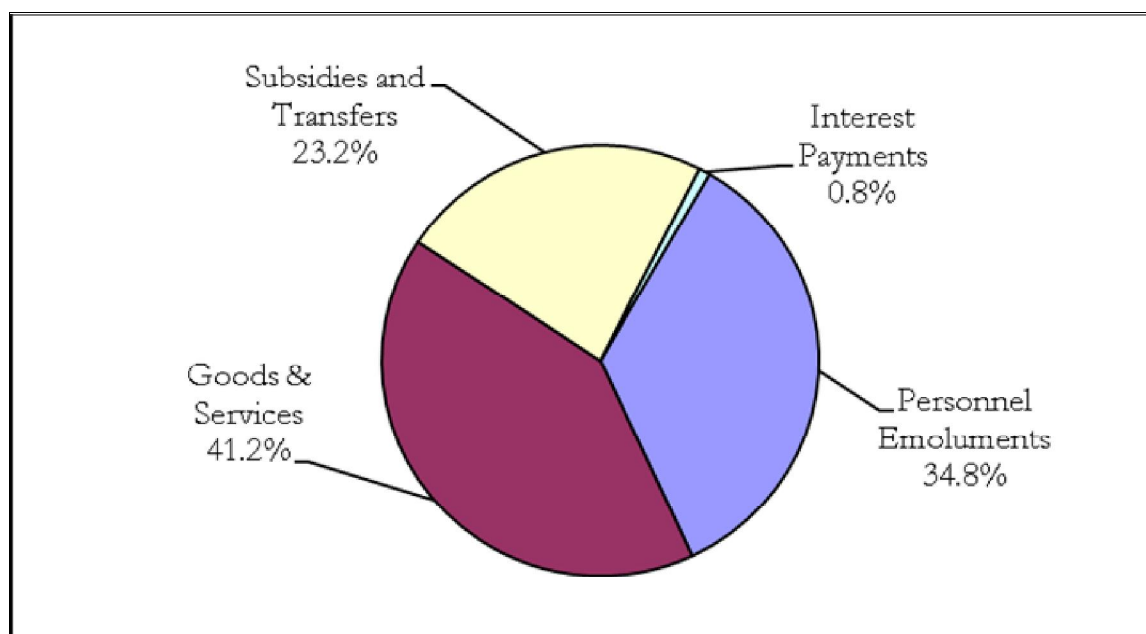
	2009/10	2010/11			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec Revised	Jan-Mar * Preliminary
Total Expenditure & Net Lending	2619.3	2698.4	2619.9	1941.9	2700.6
Recurrent Expenditure	1742.1	2304.1	2269.9	1562.1	2249.4
Personnel Emoluments	704.9	691.2	714.1	680.2	781.8
Interest Payments	27.2	18.4	23.7	12.4	18.5
Foreign	18.9	7.8	16.1	10.3	16.0
Domestic	8.3	10.6	7.6	2.1	2.5
Other Expenditure	1010.0	1594.5	1532.2	869.4	1449.1
Capital Expenditure	872.3	394.3	350.0	379.8	451.2
Net Lending	0.0	0.0	0.0	0.0	0.0

**Source:** MoFDP

\*Preliminary estimates

Capital expenditure increased by 18.8 per cent during the quarter under review against an increase of 8.5 per cent realised in the previous quarter. As a share of total expenditure, it recorded 15.8 per cent from a share of 19.6 per cent observed in the quarter ending in December 2010.

**Figure 19: Recurrent Expenditure by Type**



### Financing

Preliminary estimates reflect a deficit equivalent to 17.6 per cent of GDP during the review period compared to a surplus equivalent to 4.4 per cent of GDP during the previous quarter. This reflects that Government is decreasing its financial assets by drawing down its deposits in the banking system. Domestic financing constitutes the largest percentage share of total financing while foreign financing recorded the least.

**Table 21: Government Financing**  
(Million Maloti)

	2009/10	2010/11			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec Revised	Jan-Mar Preliminary
Financing	294.3	955.0	-136.6	-180.6	720.8
Foreign	-59.4	96.2	100.5	-3.3	-66.5
Loan drawings	27.5	124.3	163.0	22.3	14.1
Amortization	-86.9	-28.1	-62.5	-25.6	-80.6
Domestic	353.5	858.8	-237.1	-177.3	787.3
Bank Financing	358.5	858.4	-238.3	-180.2	787.1
Non – Bank	-4.7	0.4	1.2	2.9	0.2

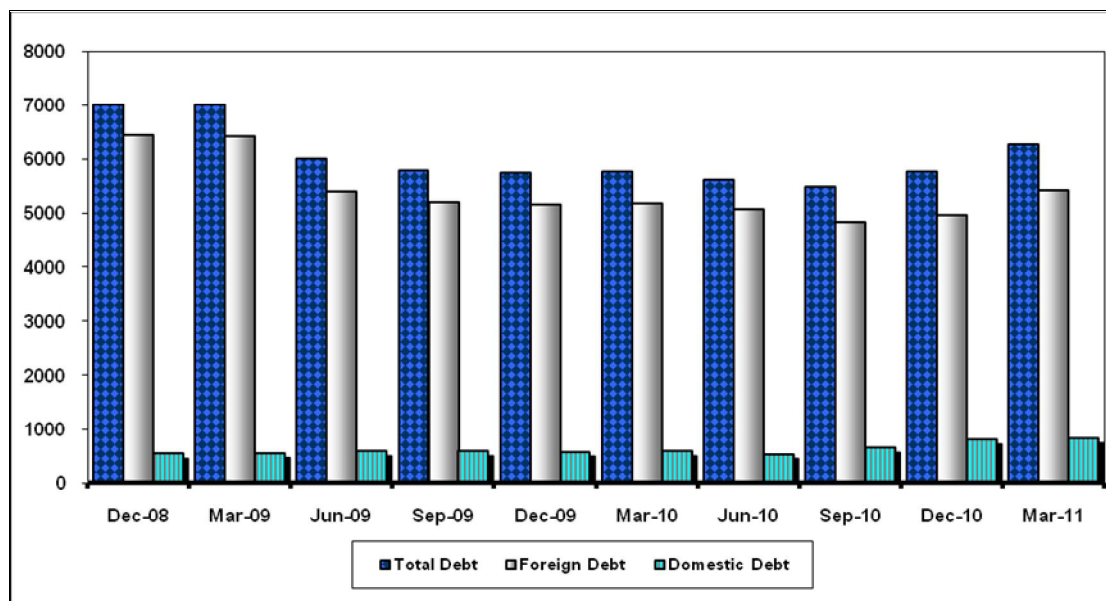
Source: MoFDP Public Debt

## Public Debt

### Overview

The level of public debt increased by 8.4 per cent during the review period compared with an increase of 5.1 per cent observed in the previous quarter. Total debt constituted 39.8 per cent of GDP in comparison with 36.2 per cent observed in the quarter ending in December 2010. The debt service ratio, calculated as the ratio of debt service to exports of goods and services and net factor income from abroad, was estimated at 0.7 per cent during the review period compared with 1.4 per cent observed in the previous quarter. External debt continued to constitute the bulk of the overall debt stock at 86.9 per cent while domestic debt represented 13.1 per cent share on a quarterly basis.

**Figure 20: Outstanding Public Debt**  
(Million Maloti: End of Period)



### External debt

External debt increased by 9.6 per cent during the review period. The increase was attributable to a substantial increase of 9.1 per cent in multilateral loans. Loans from bilateral sources also increased by 13.3 per cent compared to a decline of 0.9 per cent recorded in the quarter ending in December 2010. At 89.3 per cent of external debt, loans from multilateral sources continued to constitute a larger share of external borrowing. As a ratio to GDP, external debt had grown to 34.6 per cent of GDP during the review period compared with 31.1 per cent recorded in the previous quarter. Supplier's credit also increased by 21.3 per cent against a drop of 0.7 per cent observed in the previous quarter. However, concessional

debt, as a percentage of external debt, remained constant at 93.1 per cent during the quarter under review.

**Table 22: External Debt**  
(Million Maloti)

	2010				2011
	QI	QII	QIII	QIV	QI
External Debt	5160.8	5068.5	4823.8	4951.4	5428.6
Bilateral Loans	250.1	228.4	215.7	213.7	242.2
Concessional	250.1	228.4	215.7	213.7	242.2
Non-concessional	0.0	0.0	0.0	0.0	0.0
Multilateral Loans	4589.8	4522.6	4308.0	4439.3	4845.3
Concessional	4544.6	4490.8	4277.8	4410.4	4799.7
Non-concessional	45.2	31.8	30.2	28.9	45.6
Financial Institutions	68.0	70.6	70.7	70.7	64.9
Concessional	15.1	17.7	17.8	17.8	12.0
Non-concessional	52.9	52.9	52.9	52.9	52.9
Suppliers' Credit	252.9	246.8	229.4	227.7	276.2

Source: MoFDP

### Domestic Debt

The domestic debt stock increased by 1.2 per during the review period compared with a huge increase of 23.3 per cent which was recorded in the quarter ending in December 2010. This emanated from the holding of long term debt facilitated by the introduction of Treasury bonds. As a percentage of GDP, domestic debt decreased from 5.2 per cent to 5.1 per cent on a quarter-to-quarter basis. Long term domestic debt constituted 30.5 per cent of total domestic debt while short term domestic debt accounted for 69.5 per cent.

**Table 23: Domestic Debt**  
(Million Maloti)

	2010				2011
	QI	QII	QIII	QIV	QI
Domestic Debt	514.6	542.0	657.8	810.8	820.2
Banks	503.3	527.9	643.5	791.1	806.0
Long-term	0.0	0.0	0.0	187.0	250.3
Short-term	503.3	527.9	643.5	604.1	569.9
Of which: treasury bills	503.3	527.9	643.5	604.1	555.7
Non –bank	11.3	14.1	14.3	19.7	14.3
Short-term (TBs)	11.3	14.1	14.3	19.7	14.3

## VI. Foreign Trade and Payments

### Overview

The external sector position continued to improve in the first quarter of 2011. This was reflected in the narrowing of the overall balance of payments deficit, to a seasonally adjusted deficit of M18.1 million during the review quarter, from that of M61.3 million in the previous quarter. The improvement in the external sector position emanated largely from improvements in the current account as well as capital and financial accounts. In addition, Lesotho's BOP position was supported by positive exchange rate valuation adjustment to official reserve holdings. However, the transaction balance, which represents the overall balance excluding the effects of currency fluctuations, deteriorated to a seasonally adjusted deficit equivalent to M100.9 million in the quarter ending in March 2011, in contrast with a surplus of M147.9 million in the fourth quarter of 2010.

### Current Account

As already mentioned above, the current account balance improved in the quarter under review. It registered a smaller deficit equivalent to M827.6 million compared to that of M907.7 million observed in the previous quarter. This improvement was underpinned by among others, an increase in current transfers coupled with a surge in diamond exports. As a percentage of GDP, the current account deficit was equivalent to 21.2 per cent in the first quarter of 2011, compared with 23.2 per cent observed in the fourth quarter of 2010.

**Table 24: Current Account Balance**  
(Million Maloti)

	2010				2011
	QI	QII	QIII	QIV*	QI <sup>+</sup>
<b>I. Current Account</b>	-567.70	-950.51	-836.75	-907.68	-827.63
<b>(a) Goods</b>	-2188.31	-1848.02	-2060.91	-1681.04	-1696.56
Merchandise exports f.o.b.	1313.19	1335.23	1587.09	1759.19	1775.03
Of which diamonds	332.25	219.88	286.83	489.81	688.84
Of which textiles & clothing	626.31	718.56	840.72	806.92	780.76
Other exports <sup>#</sup>	354.63	396.79	459.54	462.46	305.43
Merchandise imports f.o.b.	-3501.50	-3183.25	-3648.00	-3440.23	3471.59
<b>(b) Services</b>	-119.83	-24.28	-98.03	-57.11	-52.77
<b>(c) Income</b>	488.58	452.95	441.10	384.99	394.08
<b>(d) Current Transfers</b>	1251.86	468.78	881.09	445.48	527.62

\* Revised estimates

+ Preliminary estimates

# All other merchandise exports excluding 'textiles and clothing' and 'diamonds'

### Merchandise Exports

Merchandise exports, in seasonally adjusted terms, grew by 5.6 per cent in the first quarter of 2011 in comparison with a rise of 11.2 per cent recorded in the quarter ending in December 2010. The growth was influenced largely by diamond exports, which rose by 41.2 per cent during the quarter, reflecting improvements in global demand and an increase in diamond prices. However, a fall in textiles and clothing exports counterbalanced the expansion in merchandise exports. On an annual basis, merchandise exports surged by 34.9 per cent in the quarter under review. Relative to GDP, merchandise export increased to 45.2 per cent in the first quarter of 2011, from 44.9 per cent in the fourth quarter of 2010.

### Merchandise Imports

During the quarter under review, merchandise imports rose by 0.9 per cent following a drop of 5.7 per cent registered in the previous quarter. A rise in merchandise imports was attributed to the growth in declarations at border posts coupled with a rise in vehicle imports during the quarter. However, on an annual basis, merchandise imports dropped by 0.8 per cent. As a percentage of GDP, merchandise imports registered 88.6 per cent during the review quarter, which was higher than 87.8 per cent observed in the previous quarter.



**Table 25: Value of Exports by Section of the S.I.T.C. \***  
(Million Maloti)

COMMODITY	2010				2011
	QI	QII	QIII	QIV*	QI <sup>+</sup>
0. Food & Live Animals	49.75	33.51	35.92	38.90	24.00
Cattle	0.07	0.01	0.00	0.00	0.00
Wheat Flour	13.97	11.94	12.68	21.12	13.03
Maize Meal	13.47	13.55	9.57	2.68	1.63
Other	22.24	8.01	13.67	15.10	9.34
1. Beverages & Tobacco	42.22	0.00	62.57	112.38	37.42
Beverages	42.22	0.00	62.57	112.38	37.42
2. Crude Materials	334.48	221.98	290.81	503.27	697.21
Textiles fibres	12.25	2.09	3.98	13.46	8.37
Of which Wool	12.18	2.00	3.59	13.36	8.26
Of which Mohair	0.07	0.09	0.39	0.10	0.11
Crude fertilizers & crude minerals	322.25	219.88	286.83	489.81	688.84
Of which Diamond	322.25	219.88	286.93	489.81	688.84
5. Manufactured Goods	99.29	59.45	121.21	104.97	96.84
Of which textiles yarn and fabric	72.15	46.47	97.84	90.61	87.93
Of which manufactured goods	27.14	9.98	23.37	14.36	8.91
6. Machinery & Transport Goods	161.69	184.21	249.54	265.08	213.69
7. Miscellaneous Manufactured Goods	622.53	838.10	819.02	730.10	703.15
Of which clothing accessories	566.08	751.16	742.88	716.31	692.83
Other	56.45	86.94	76.14	16.79	10.32
8. Unclassified Goods	0.39	0.98	8.02	4.49	2.72
<b>TOTAL EXPORTS</b>	<b>1313.19</b>	<b>1335.23</b>	<b>1587.09</b>	<b>1759.19</b>	<b>1775.03</b>

Note: Totals may not tally due to rounding

\* Revised estimates

+ Preliminary estimates

# Standard International Trade Classification

## Direction of Trade

During the first quarter of 2011, the European market became the largest recipient of Lesotho's exports, diamond exports to Europe increased by 82.0 per cent. As a ratio of total exports, Europe's share rose to 39.1 per cent during the review quarter, from 28.3 per cent realised in the previous quarter. The second largest destination of Lesotho's exports was Africa, particularly the SACU region, which accounted for 32.7 per cent of the total compared with 36.6 per cent observed in the previous quarter. In third position was the American market, where a large portion of Lesotho's textile and clothing is destined. During the review period the share of Lesotho's exports to the American market fell to 27.3 per cent from 32.8 per cent in the fourth quarter in 2010. Lesotho's exports to Asia and Oceania markets remained insignificant with a share of 0.6 per cent and 0.2 per cent, respectively.

**Table 26: Direction of Trade - Exports and Re-Exports, f.o.b.**  
(Million Maloti)

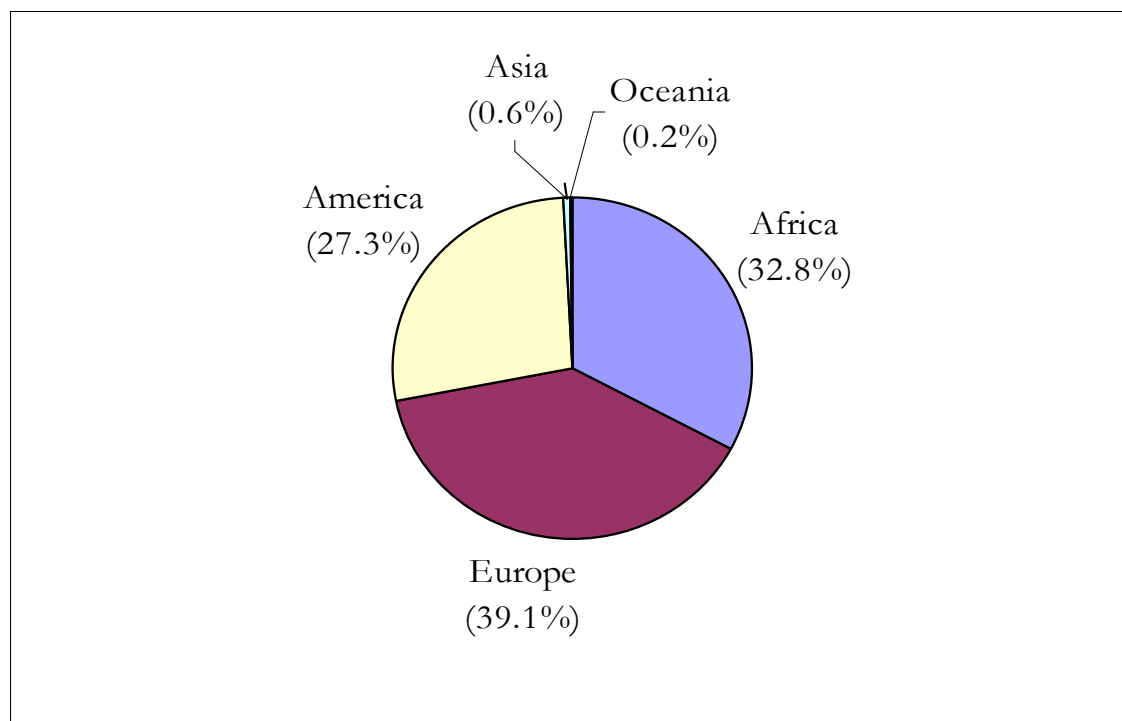
Region	2010				2011
	QI	QII	QIII	QIV*	QI <sup>+</sup>
World	1313.19	1335.23	1587.09	1759.19	1775.03
Africa	508.81	549.70	695.18	677.79	582.47
SACU	475.61	519.09	666.53	643.80	569.72
SADC	24.82	22.30	14.92	22.09	10.75
Other	8.38	8.31	13.73	11.90	2.00
Europe	355.18	223.73	289.45	498.26	694.40
EU	355.18	223.73	289.45	498.26	694.40
America	441.54	535.12	597.03	577.01	484.65
Asia	20.90	24.07	3.36	4.91	10.53
Oceania	6.76	2.61	2.07	1.22	2.98

Note: Totals may not tally due to rounding

\* Revised estimates

+ Preliminary estimates

**Figure 21: Direction of Merchandise Exports**



### **Services Account**

The services account registered a net outflow of M52.7 million during the quarter ending March 2011, from a revised net outflow of M57.1 million in the previous quarter. The modest reduction in the services account deficit was largely attributed to a decline in payments for Lesotho embassies' expenditure abroad.

### **Travel**

International travel services registered a lower net inflow during the quarter under review. It declined to a net inflow of M48.7 million in the first quarter of 2011, following a revised M76.2 million recorded in the quarter ending December 2010. The value of travel receipts dropped by 24.8 per cent to M83.3 million during the review quarter, driven by decline in personal expenditure by expatriates in the country. At the same time, travel payments remained unchanged during the quarter under review.

### **Income**

During the quarter under review, net income rose by 2.4 per cent to M394.1 million compared with a revised fall of 12.7 per cent recorded in the previous quarter. The improvement resulted largely from a decline in payments of profits and dividends to foreign investors in the country.

## **Labour income**

Labour income fell by 1.6 per cent in contrast with an increase of 1.8 per cent realised in the previous quarter. The reduction was driven mainly by a drop in miners' remittances as a result of a decrease in the number of Basotho migrant mineworkers in SA mines, despite positive growth in the SA mining production. However, strong commodity prices, especially those of gold and platinum, could stabilise the number of Basotho employed in the SA mines, and thus miners' remittances to Lesotho.

## **Investment Income**

Net investment income recorded a higher inflow of M46.2 million during the quarter under review, following an inflow of M31.4 million registered in the previous quarter, on account of a decline in outflows of distributed earnings.

Meanwhile, investment income inflows dropped by 22.8 per cent to M91.9 million, from M119.1 million observed in the quarter ending December 2010. The observed performance resulted from the fall in investment returns by both CBL and commercial banks which decreased by 16.2 per cent and 32.3 per cent, respectively. The deterioration in investment income inflows was indicative of low global interest rates. Investment income outflows also declined to M45.7 million during the period, compared with increase of M87.6 million in the previous quarter, due to the drop in payments for distributed earnings which slowed down by 65.9 per cent.

## **Current Transfers**

Current transfers, in seasonally adjusted terms, grew by 12.8 per cent to M512.4 in the first quarter of 2011 compared with a fall of 48.9 per cent realised in the fourth quarter of 2010. The improvement primarily resulted from the Rand compensation receipt amounting to M124.1 million, as payment made by the SA Government to Lesotho for loss of seigniorage due to Rand circulation in Lesotho. In addition, a drop of 27.7 per cent in subscriptions to international organisations supported the quarterly growth in current transfers. However, on an annual basis, current transfers plummeted by 57.8 per cent, mainly as a result of a sharp reduction in SACU non-duty receipts.

## **Capital and Financial Account**

The capital and financial account continued to register net inflows since the second quarter of 2010. It improved to an inflow equivalent to M857.9 million during the quarter ending in March 2011 from that of M253.3 million in the fourth quarter of 2010. The increase reflected large financial accounts inflows, driven mainly by a combination of withdrawals of commercial banks foreign assets and a rise in CBL liabilities. Commercial banks' foreign assets declined by M460.1 million during the quarter, compared with decrease of M22.9 million in the previous quarter. At the same time, CBL foreign liabilities increased by M196.0 million, in contrast with a decline of M132.4 million recorded in the previous quarter.

**Table 27: Capital and Financial Account**

(Million Maloti)

	2010				2011
	QI	QII	QIII	QIV*	QI <sup>+</sup>
<b>I. Capital and Financial Account</b>	-59.24	332.15	328.46	253.29	857.89
Capital Account	150.00	331.40	299.80	260.70	150.00
Financial Account	-209.24	0.75	28.66	-7.41	707.89
Special Financing – LHWP	55.11	36.2	28.74	41.65	30.50
<b>II. Reserve Assets</b>	216.18	928.04	342.90	69.37	13.55

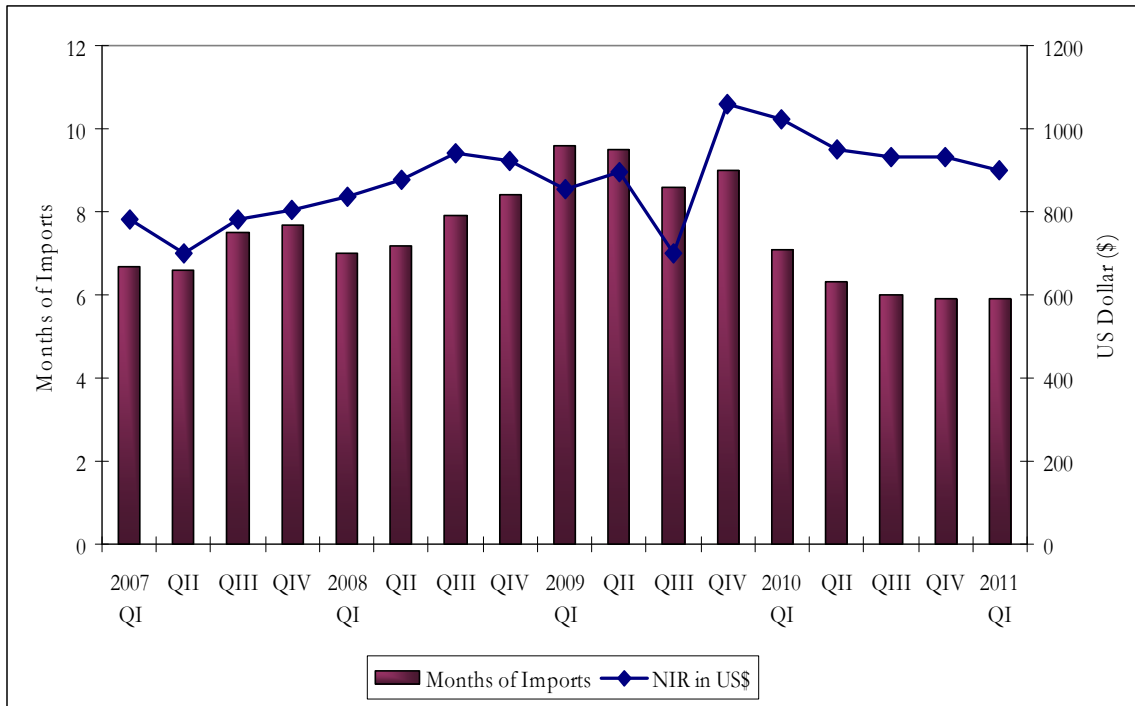
\* Revised estimates

+ Preliminary estimates

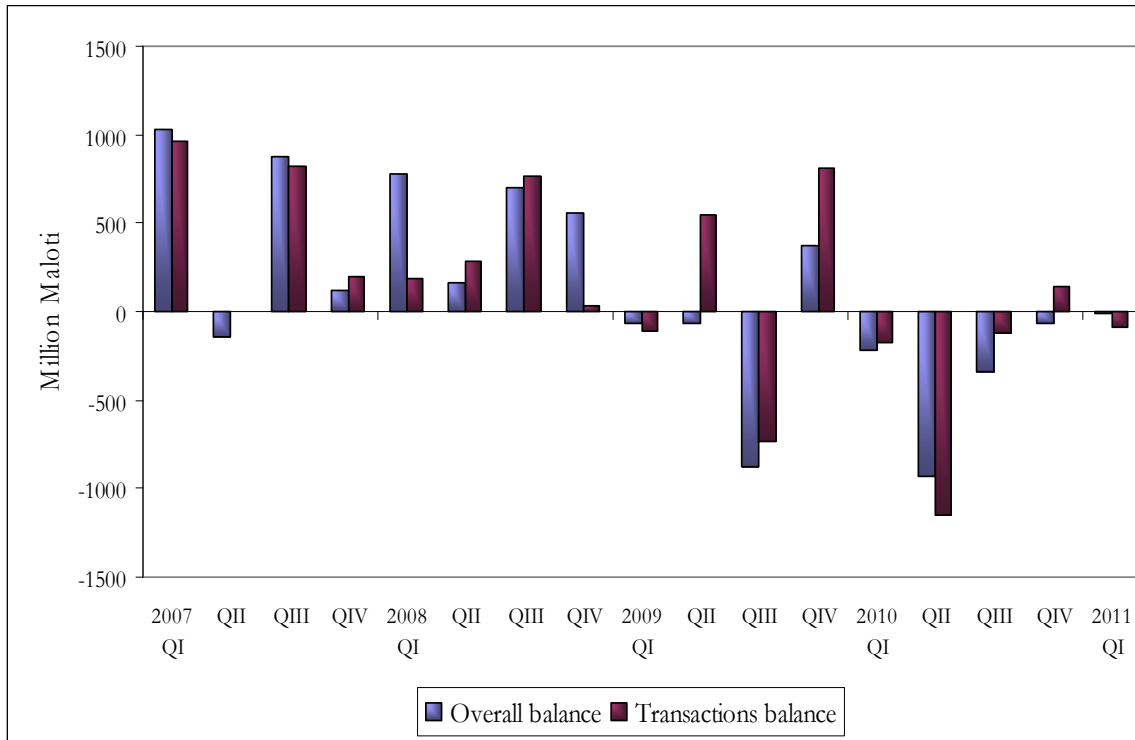
**Reserve Assets**

The stock of gross international reserves declined marginally to M6.73 billion in the quarter ending March 2011, from M6.74 billion realised in the December 2010, despite the moderate depreciation of the local currency. This was brought about by a marginal decrease in SACU non duty receipts during the quarter. In terms months of import cover, gross reserves remained constant at 5.9 months in the review period.

**Figure 22: Reserve Assets**



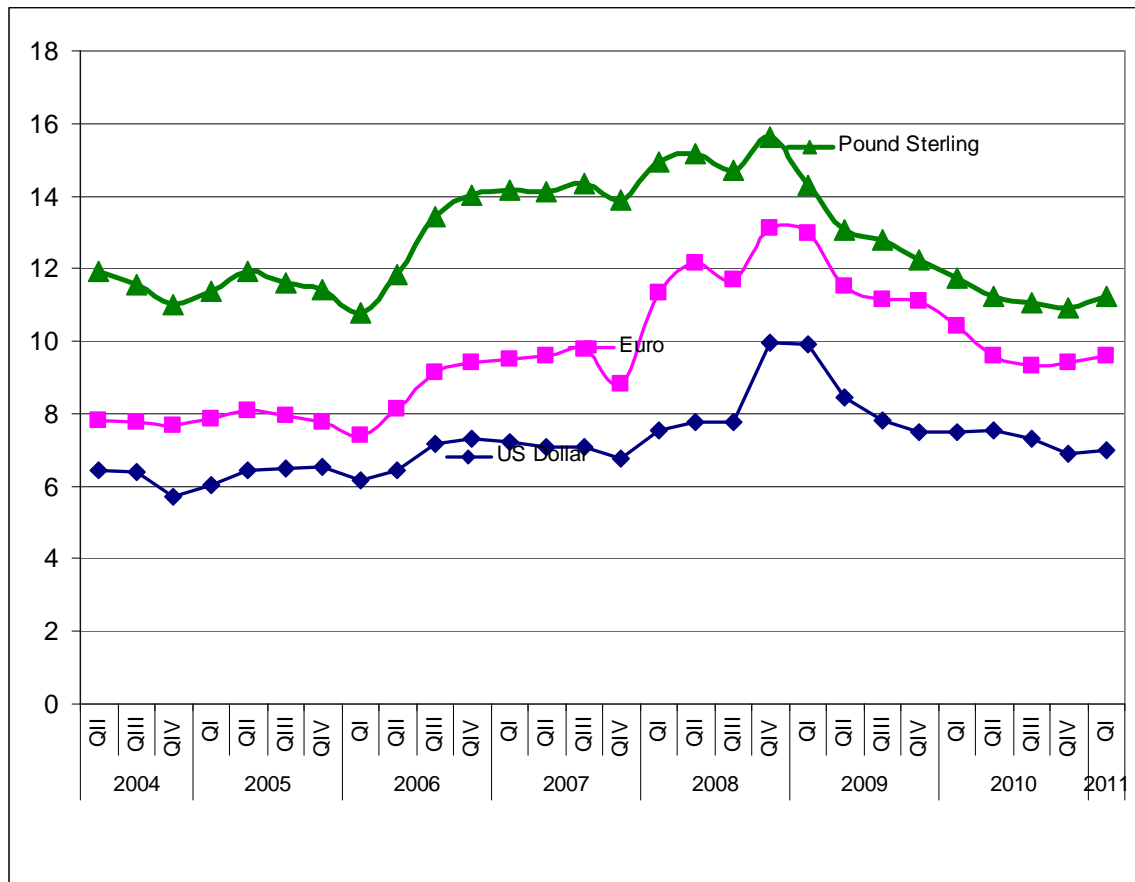
**Figure 23: Balance of Payments**



## Exchange Rates

During the quarter under review, the Loti depreciated against the major trading currencies. On a quarterly basis, the average value of the Loti depreciated by 1.5 per cent to M7.01, 2.19 per cent to M9.60 and 2.9 per cent to M11.24 against the US Dollar, the Euro and Pound Sterling, respectively. If sustained, the weakening of the Loti could, on the one hand, improve the competitiveness of Lesotho's exports in international markets. On the other hand, it could exert upward pressure on domestic inflation through prices of imports.

**Figure 24: Nominal Exchange Rate of the Loti against Major Currencies**



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**Table S1(a)**  
**(Million Maloti)**  
**A – ASSETS**

**CENTRAL BANK OF LESOTHO ASSETS AND LIABILITIES**

End of period	EXTERNAL SECTOR							Total	Claims on Government	Claims on Private Sector	Unclassified Assets	Total
	Cash and Balances	Reserve Tranche	Holdings of SDRs	Other Investments	Rand Notes and Coins	Other Foreign Assets						
<b>2009</b>												
May	4715.54	43.96	0.49	3303.38	24.96	1012.47	9100.79	299.17	25.65	279.64	9705.25	
Jun	4427.05	43.02	0.48	3248.75	28.37	1104.29	8851.96	292.78	25.95	249.09	9419.77	
Jul	5379.31	43.77	0.49	3218.22	16.52	1060.77	9719.06	297.85	26.41	281.17	10324.48	
Aug	4745.11	43.85	0.49	3073.09	18.11	1081.52	8962.17	397.06	26.14	283.19	9668.56	
Sep	3981.56	42.37	0.47	2866.06	17.40	1068.61	7976.46	288.34	26.78	278.54	8570.13	
Oct	5281.03	44.37	0.49	2880.84	25.49	1085.99	9318.20	301.94	26.21	383.13	10029.49	
Nov	4814.05	42.70	0.47	2886.21	15.95	971.48	8730.86	290.59	27.09	326.73	9375.28	
Dec	4509.51	41.45	0.46	2882.80	50.49	860.64	8345.35	308.33	27.03	250.61	8931.32	
<b>2010</b>												
Jan	5663.73	42.40	0.47	2850.47	61.30	868.88	9487.24	288.56	27.24	249.61	10052.65	
Feb	4495.72	42.68	0.47	3408.43	53.08	871.29	8871.68	290.45	26.58	326.85	9515.55	
Mar	3766.21	40.11	0.45	3418.19	55.23	848.98	8129.17	273.10	26.99	314.57	8743.82	
Apr	3663.38	39.92	0.44	3433.45	63.68	647.33	7848.20	271.83	26.50	252.69	8399.22	
May	3293.60	40.78	0.45	3523.20	61.31	554.81	7474.16	730.15	25.83	303.31	8533.46	
Jun	3174.85	40.77	0.45	3447.28	83.07	454.72	7201.15	277.55	25.39	306.14	7810.24	
Jul	3324.94	40.15	0.45	3267.01	49.89	449.33	7131.76	273.34	25.92	347.19	7778.21	
Aug	3599.62	40.25	0.45	3044.79	44.95	450.18	7180.24	274.72	26.83	455.39	7937.18	
Sep	3136.81	39.06	0.43	3206.06	36.08	439.80	6858.24	313.36	27.22	394.79	7593.62	
Oct	3227.26	39.37	0.44	3434.42	41.75	442.46	7185.69	267.91	26.89	330.20	7810.68	
Nov	3217.07	39.21	0.44	3593.46	19.89	336.90	7206.98	266.88	28.07	318.17	7820.10	
Dec	2988.47	36.75	0.41	3368.82	39.38	315.69	6749.51	250.07	27.08	368.24	7394.91	
<b>2011</b>												
Jan	3274.39	40.48	0.45	3484.30	48.19	343.80	7191.62	275.50	28.71	505.37	8001.20	
Feb	3179.03	39.39	0.44	3313.73	48.01	334.50	6915.10	268.06	28.73	384.40	7596.29	
Mar	3031.52	38.80	0.43	3289.49	37.04	337.50	6734.77	264.12	30.07	305.44	7334.39	

**Table S1(b)****CENTRAL BANK OF LESOTHO ASSETS AND LIABILITIES**

(Million Maloti)

**B – LIABILITIES**

End of Period	Currency outside CBL <sup>1</sup>	Foreign Liabilities	Deposits				Capital Accounts	Allocation of SDRs	Unclassified Liabilities	Total
			Government	Official Entities	Private Sector	Banks				
<b>2009</b>										
May	556.26	697.51	5326.48	132.19	28.79	125.11	2691.15	45.67	102.10	9966.14
Jun	497.54	691.12	5104.20	133.38	28.87	205.95	2614.89	44.69	99.13	9539.58
Jul	529.48	696.19	5816.49	133.74	28.84	293.51	2671.06	45.47	109.71	10090.68
Aug	555.20	696.78	5188.81	135.54	25.79	232.80	2683.97	45.56	104.12	9705.25
Sep	541.46	686.68	4307.08	135.66	25.77	168.62	2554.70	44.02	106.13	9419.77
Oct	562.96	700.28	5500.33	136.50	25.41	216.74	1381.00	46.09	1460.17	10029.49
Nov	611.83	688.94	5003.62	136.37	24.77	209.10	2560.95	44.36	95.34	9375.28
Dec	584.24	680.46	4661.68	136.37	60.02	235.37	1709.12	43.07	821.00	8931.32
<b>2010</b>										
Jan	534.88	686.90	5319.27	136.67	2.80	352.07	1827.89	44.05	1148.12	10052.65
Feb	524.44	688.79	4764.38	136.67	2.81	285.86	1943.30	44.34	1124.97	9515.55
Mar	597.97	671.34	4297.52	136.67	2.47	223.69	1759.65	41.67	1012.83	8743.82
Apr	609.76	670.05	4240.43	137.78	2.45	159.93	1758.15	41.48	779.19	8399.22
May	622.43	624.17	4146.48	137.78	2.53	151.17	1977.34	42.37	829.20	8533.46
Jun	616.06	624.09	3439.76	137.78	36.79	236.73	2253.78	42.36	422.89	7810.24
Jul	593.17	619.88	3528.74	138.11	37.60	233.39	2164.24	41.72	421.37	7778.21
Aug	630.73	620.91	4045.88	139.05	37.63	239.87	1755.18	41.82	426.11	7937.18
Sep	632.79	743.10	3828.04	139.55	37.94	171.18	1577.91	40.58	422.53	7593.62
Oct	641.92	614.86	4117.25	139.55	38.02	195.87	1624.55	40.90	397.78	7810.68
Nov	675.09	613.84	3732.06	139.55	35.07	387.54	1730.47	40.74	465.73	7820.10
Dec	637.79	610.64	3889.75	140.23	33.38	237.28	1364.98	38.17	442.69	7394.91
<b>2011</b>										
Jan	586.84	715.09	3817.68	140.23	33.57	185.64	1781.53	42.06	698.57	8001.20
Feb	618.12	614.66	3570.36	141.50	33.46	257.92	1624.33	40.92	695.02	7596.29
Mar	622.26	806.62	3199.37	131.50	32.93	187.15	1591.84	40.31	722.41	7334.39

(1) Includes South African rand with commercial banks.

**Table S2****RESERVE MONEY**

(Million Maloti)

End of Period	Currency in circulation outside CBL <sup>1</sup>						Bankers' Deposits	Total
	Maloti Issued		With commercial banks		Maloti Outside commercial banks	Total		
	Notes	Coins	Maloti Notes & Coins	Rand Notes & Coins				
<b>2009</b>								
May	543.67	13.15	65.16	40.73	491.10	597.00	125.11	681.37
Jun	485.07	13.21	62.70	38.57	434.84	536.11	205.95	703.50
Jul	517.24	13.06	65.56	38.91	463.92	568.38	293.51	822.99
Aug	543.35	13.32	61.89	33.54	493.31	588.74	232.80	788.00
Sep	528.92	13.65	70.44	40.79	471.02	582.25	168.62	710.08
Oct	549.94	13.83	62.21	38.45	500.75	601.41	216.74	779.70
Nov	598.59	13.87	66.51	39.19	545.32	651.02	209.10	820.94
Dec	570.23	14.76	97.06	65.87	487.18	650.11	235.37	819.61
<b>2010</b>								
Jan	521.07	14.88	71.34	43.62	463.55	578.51	352.07	886.95
Feb	510.18	14.84	63.32	39.72	461.12	564.17	285.86	810.30
Mar	584.34	15.08	99.06	63.92	498.92	661.89	223.69	821.66
Apr	595.17	15.45	98.40	61.99	511.36	671.75	159.93	769.70
May	610.65	15.57	96.39	61.26	526.05	683.69	151.17	773.60
Jun	602.15	15.17	92.92	60.24	523.14	676.30	236.73	852.79
Jul	578.43	15.34	82.11	44.12	511.07	637.29	233.39	826.56
Aug	616.88	15.53	101.23	46.66	529.50	677.40	239.87	870.61
Sep	619.12	15.85	98.96	66.94	533.83	699.73	171.18	803.97
Oct	626.25	16.33	91.84	59.27	550.08	701.19	195.87	837.78
Nov	660.71	16.22	87.50	48.69	587.60	723.78	387.54	1062.64
Dec	621.08	17.08	98.83	58.44	538.96	696.23	237.28	875.07
<b>2011</b>								
Jan	570.29	16.55	87.02	49.58	499.82	636.42	185.64	772.48
Feb	601.35	16.77	93.43	45.89	524.69	664.01	257.92	876.04
Mar	607.03	16.86	93.04	53.27	529.23	675.53	187.15	809.41

<sup>1</sup>Excludes Rand with public

**Table S3(a)****CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS**

(Million Maloti)

**A S S E T S**

End of Period	Cash at Hand <sup>1</sup>	Balances with Central Bank	Foreign Assets <sup>2</sup>	Claims on Government	Claims on Statutory Bodies	Claims on Private Sector	Unclassified Assets	Total
<b>2009</b>								
Feb	77.56	236.80	3377.59	506.31	45.77	1400.90	1382.82	7027.74
Mar	94.00	224.41	3333.31	507.19	40.05	1450.92	1301.96	6951.83
Apr	101.43	211.73	3235.34	520.72	39.56	1414.94	1333.01	6856.72
May	105.90	124.95	3244.95	542.09	39.36	1463.22	1229.54	6750.00
Jun	101.27	196.76	3206.21	529.58	37.60	1493.35	1265.49	6830.26
Jul	104.46	292.75	3285.12	431.21	36.91	1562.05	1255.99	6968.49
Aug	95.43	222.84	3772.45	410.69	36.60	1572.95	1575.55	7686.51
Sep	111.23	190.36	4075.66	410.04	35.39	1581.65	1798.94	8203.27
Oct	100.67	215.29	3337.80	383.43	36.35	1658.54	1553.29	7285.36
Nov	105.70	292.32	3304.41	391.81	4.41	1716.94	1529.84	7345.41
Dec	162.93	184.36	3297.17	384.12	0.00	1721.47	1609.99	7360.03
<b>2010</b>								
Jan	114.96	387.84	3381.08	392.98	0.00	1759.74	1529.12	7565.73
Feb	103.05	205.24	3598.47	389.12	31.61	1716.04	1623.60	7667.13
Mar	162.98	205.98	3345.11	409.10	30.61	1681.98	1930.31	7766.07
Apr	160.39	108.91	3786.98	412.30	0.00	1735.05	1595.96	7799.58
May	157.65	36.16	3956.16	409.69	0.00	1761.73	1614.01	7935.40
Jun	153.16	254.80	3711.72	405.17	0.00	1851.50	1573.40	7949.76
Jul	126.22	226.70	3862.48	393.15	0.00	1913.03	1583.90	8105.48
Aug	147.89	206.93	3978.20	398.57	0.00	1997.99	1864.18	8593.76
Sep	165.90	163.20	3940.41	519.32	0.00	2027.35	1482.05	8298.23
Oct	151.11	189.18	3865.60	515.49	3.09	2033.42	1449.31	8207.19
Nov	136.18	461.97	3573.83	522.56	3.12	2081.06	1546.68	8325.39
Dec	157.27	214.25	3917.50	466.31	2.98	2100.85	1434.30	8293.46
<b>2011</b>								
Jan	136.60	182.37	3653.01	461.24	2.73	2195.01	1480.45	8111.41
Feb	139.32	237.05	3462.18	584.75	2.61	2183.19	1512.96	8122.04
Mar	146.30	228.52	3457.35	547.33	2.49	2229.44	1466.80	8078.23

<sup>1</sup>Maloti and Rand notes<sup>2</sup>Excludes Rand notes and coins

Table S3(b)

**CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS**

(Million Maloti)

**LIABILITIES**

End of period	DEMAND AND CALL DEPOSITS			TIME DEPOSITS			SAVINGS DEPOSITS			Deferre d Pay Fund	Capital and Reserves	Foreign Liabilities	Unclassi- fied Liabilities	Total
	Government	Official Entities	Private Sector	Government	Official Entities	Private Sector	Government	Official Entities	Private Sector					
<b>2009</b>														
May	30.67	101.20	3552.06	0.02	1.52	675.82	2.70	0.12	586.15	0.00	550.21	41.03	1208.51	6750.00
Jun	31.11	96.00	3541.42	0.02	1.70	745.46	2.70	0.12	592.98	0.00	567.83	73.07	1177.86	6830.26
Jul	31.67	91.03	3568.25	0.03	2.32	868.75	2.70	0.12	597.72	0.00	585.54	48.83	1134.63	6931.58
Aug	32.97	86.50	3886.54	0.03	2.48	887.27	1.65	0.12	611.45	0.00	602.81	66.33	1508.37	7686.51
Sep	33.67	139.08	4082.05	0.03	2.60	933.95	1.60	0.11	620.96	0.00	618.59	51.82	1718.81	8203.27
Oct	174.00	171.40	3097.78	88.72	2.73	857.07	1.61	0.12	623.50	0.00	611.38	213.76	1443.32	7285.36
Nov	25.94	191.32	3281.52	0.03	2.78	885.24	1.60	0.11	630.26	0.00	621.13	209.68	1495.81	7345.41
Dec	25.18	72.82	3420.01	0.03	11.82	929.68	1.56	0.11	606.92	0.00	631.69	310.48	1330.63	7340.93
<b>2010</b>														
Jan	24.37	137.68	3686.18	0.03	16.66	865.80	1.66	0.11	629.88	0.00	640.84	80.45	1482.07	7565.73
Feb	23.72	145.43	3787.32	0.02	18.08	767.41	1.67	0.12	645.35	0.00	650.97	66.63	1560.42	7667.13
Mar	20.51	212.87	3751.90	0.03	1.78	862.92	1.67	0.12	655.46	0.00	673.36	62.60	1522.87	7766.07
Apr	20.14	209.48	3804.30	0.02	1.60	862.53	1.67	0.12	668.56	0.00	671.44	191.31	1368.42	7799.58
May	20.40	268.69	3947.80	0.03	1.61	885.06	1.66	0.11	665.62	0.00	693.35	95.13	1355.93	7935.40
Jun	20.41	230.59	3629.99	0.03	1.71	973.95	1.66	0.11	664.70	0.00	682.28	208.83	1535.51	7949.76
Jul	20.42	226.27	3803.73	0.03	1.70	1002.65	1.65	0.11	658.49	0.00	700.65	75.80	1650.37	8141.87
Aug	20.04	235.06	3930.38	0.03	1.72	972.91	1.66	0.12	661.65	0.00	700.67	217.38	1850.15	8591.76
Sep	20.39	326.33	3878.20	0.03	1.60	969.50	1.66	0.11	672.00	0.00	691.60	153.89	1586.13	8301.43
Oct	22.50	311.07	3826.78	0.02	1.58	975.69	1.65	0.11	671.90	0.00	711.36	84.01	1600.51	8207.19
Nov	22.51	265.36	3637.73	0.03	1.58	1009.34	1.65	0.11	671.32	0.00	732.90	196.72	1786.17	8325.39
Dec	22.59	265.88	4007.54	0.02	1.42	916.55	1.65	0.11	670.74	0.00	713.59	117.69	1575.68	8293.46
<b>2011</b>														
Jan	19.92	232.46	3868.35	0.02	1.38	872.21	1.60	0.11	652.45	0.00	726.44	89.30	1647.19	8111.41
Feb	21.18	243.99	3807.02	0.02	1.58	954.82	1.54	0.10	651.19	0.00	742.91	91.59	1606.11	8122.04
Mar	21.13	229.37	3759.65	0.02	1.35	900.57	1.50	0.11	678.59	0.00	760.48	98.34	1627.11	8078.23

Table S4

## NET FOREIGN ASSETS OF THE BANKING SYSTEM

(Million Maloti : End of Period)

End of Period	FOREIGN ASSETS				FOREIGN LIABILITIES			
	Central Bank of Lesotho		Commercial Banks	Total	Central Bank of Lesotho	Commercial Banks	Total	Net Foreign Assets
	Of which: Rand notes and coins with banks							
<b>2009</b>								
May	9100.79	40.73	3244.95	12345.74	697.51	41.03	738.54	11607.20
Jun	8851.96	38.57	3206.21	12058.17	691.12	73.07	764.18	11293.98
Jul	9719.06	38.91	3285.12	13004.18	696.19	48.83	745.02	12259.16
Aug	8962.17	33.54	3772.45	12734.62	696.78	66.33	763.11	11971.51
Sep	7976.46	40.79	4075.66	12052.12	686.68	51.82	738.50	11313.62
Oct	9318.20	38.45	3336.47	12654.68	700.28	213.76	914.04	11740.64
Nov	8730.86	39.19	3304.41	12035.28	688.94	209.68	898.61	11136.66
Dec	8345.35	65.87	3297.17	11642.52	680.46	310.48	990.94	10651.58
<b>2010</b>								
Jan	9487.24	43.62	3381.08	12868.33	686.90	80.45	767.35	12100.97
Feb	8871.68	39.72	3598.47	12470.15	688.79	66.63	755.42	11714.73
Mar	8129.17	63.92	3345.11	11474.28	671.34	62.60	733.94	10740.34
Apr	7848.20	61.99	3786.98	11635.18	670.05	191.31	861.35	10773.83
May	7474.16	61.26	3956.16	11430.32	624.17	95.13	719.30	10711.02
Jun	7201.15	60.24	3711.72	10912.87	624.09	208.83	832.92	10079.95
Jul	7131.76	44.12	3862.48	10994.24	619.88	39.42	659.30	10334.94
Aug	7180.24	46.66	3978.20	11158.44	620.91	217.38	838.29	10320.15
Sep	6858.24	66.94	3940.41	10798.66	743.10	153.89	896.99	9901.67
Oct	7185.69	59.27	3865.60	11051.29	614.86	84.01	698.87	10352.42
Nov	7206.98	48.69	3573.83	10780.81	613.84	196.72	810.56	9970.25
Dec	6749.51	58.44	3917.50	10667.01	610.64	117.69	728.32	9938.69
<b>2011</b>								
Jan	7191.62	49.58	3653.01	10844.62	715.09	89.30	804.39	10040.23
Feb	6915.10	45.89	3462.18	10377.27	614.66	91.59	706.25	9671.02
Mar	6734.77	53.27	3457.35	10192.11	806.62	98.34	904.96	9287.15

Table S5

## DISTRIBUTION OF COMMERCIAL BANKS' DEPOSITS BY TYPE

(Million Maloti)

End of Period	Demand & Call Deposits	Savings Deposits	Time Deposits	Deferred Pay Fund	Total	As Percentage of Total			
						Demand & Call Deposits	Savings Deposits	Time Deposits	Deferred Pay Fund
<b>2009</b>									
May	3653.26	586.27	677.34	0.00	4916.87	74.30	789.05	85.84	0.00
Jun	3637.42	593.09	747.16	0.00	4977.67	73.07	811.62	92.06	0.00
Jul	3659.28	597.84	871.07	0.00	5128.19	71.36	837.82	103.97	0.00
Aug	3973.04	611.57	889.75	0.00	5474.35	72.58	842.66	105.59	0.00
Sep	4221.13	621.07	936.55	0.00	5778.75	73.05	850.25	110.15	0.00
Oct	3269.18	623.61	859.80	0.00	4752.59	68.79	906.58	94.84	0.00
Nov	3472.84	630.37	888.02	0.00	4991.23	69.58	905.98	98.02	0.00
Dec	3492.83	607.03	941.50	0.00	5041.36	69.28	876.15	107.46	0.00
<b>2010</b>									
Jan	3823.86	629.99	882.47	0.00	5336.32	71.66	879.18	100.37	0.00
Feb	3932.75	645.46	785.50	0.00	5363.71	73.32	880.32	89.23	0.00
Mar	3964.77	655.57	864.70	0.00	5485.04	72.28	906.95	95.34	0.00
Apr	4013.78	668.67	864.13	0.00	5546.59	72.36	924.03	93.52	0.00
May	4216.49	665.73	886.67	0.00	5768.89	73.09	910.83	97.35	0.00
Jun	3860.58	664.81	975.66	0.00	5501.05	70.18	947.31	102.99	0.00
Jul	4030.01	658.60	1004.35	0.00	5692.96	70.79	930.36	107.95	0.00
Aug	4165.43	661.77	974.63	0.00	5801.83	71.80	921.74	105.74	0.00
Sep	4204.53	672.12	971.10	0.00	5847.75	71.90	934.79	103.88	0.00
Oct	4137.85	672.01	977.27	0.00	5787.13	71.50	939.86	103.98	0.00
Nov	3903.09	671.43	1010.92	0.00	5585.43	69.88	960.83	105.21	0.00
Dec	4273.42	670.85	917.97	0.00	5862.24	72.90	920.26	99.75	0.00
<b>2011</b>									
Jan	4100.80	652.56	873.59	0.00	5626.95	72.88	895.41	97.56	0.00
Feb	4051.01	651.29	956.41	0.00	5658.70	71.59	909.76	105.13	0.00
Mar	3989.03	678.70	901.92	0.00	5569.64	71.62	947.63	95.18	0.00

Table S6

## DISTRIBUTION OF COMMERCIAL BANKS' DEPOSITS BY HOLDER

(Million Maloti)

End of Period	Private Sector	Government	Statutory Bodies	Deferred Pay Fund	Total	As Percentage of Total			
						Private Sector	Government	Statutory Bodies	Deferred Pay Fund
<b>2009</b>									
May	4814.03	33.39	102.84	0.00	4950.25	97.25	0.67	2.08	0.00
Jun	4879.86	33.83	97.82	0.00	5011.50	97.37	0.68	1.95	0.00
Jul	5034.72	34.39	93.47	0.00	5162.58	97.52	0.67	1.81	0.00
Aug	5385.26	34.65	89.09	0.00	5509.00	97.75	0.63	1.62	0.00
Sep	5636.96	35.30	141.80	0.00	5814.05	96.95	0.61	2.44	0.00
Oct	4578.34	264.33	174.25	0.00	5016.92	91.26	5.27	3.47	0.00
Nov	4797.02	27.57	194.21	0.00	5018.80	95.58	0.55	3.87	0.00
Dec	4975.72	26.77	84.75	0.00	5087.23	97.81	0.53	1.67	0.00
<b>2010</b>									
Jan	5181.86	26.06	154.46	0.00	5362.37	96.63	0.49	2.88	0.00
Feb	5200.08	25.40	163.63	0.00	5389.11	96.49	0.47	3.04	0.00
Mar	5270.27	22.20	214.77	0.00	5507.24	95.70	0.40	3.90	0.00
Apr	5335.39	21.83	211.20	0.00	5568.42	95.82	0.39	3.79	0.00
May	5498.48	22.08	270.41	0.00	5790.98	94.95	0.38	4.67	0.00
Jun	5268.64	22.09	232.41	0.00	5523.14	95.39	0.40	4.21	0.00
Jul	5464.87	22.09	228.08	0.00	5715.05	95.62	0.39	3.99	0.00
Aug	5564.94	21.72	236.89	0.00	5823.55	95.56	0.37	4.07	0.00
Sep	5519.70	22.07	328.05	0.00	5869.82	94.04	0.38	5.59	0.00
Oct	5474.37	24.18	312.76	0.00	5811.31	94.20	0.42	5.38	0.00
Nov	5318.38	24.18	267.05	0.00	5609.61	94.81	0.43	4.76	0.00
Dec	5594.83	24.26	267.41	0.00	5886.50	95.05	0.41	4.54	0.00
<b>2011</b>									
Jan	5393.00	21.53	233.94	0.00	5648.48	95.48	0.38	4.14	0.00
Feb	5413.03	22.74	245.67	0.00	5681.44	95.28	0.40	4.32	0.00
Mar	5338.82	22.65	230.83	0.00	5592.29	95.47	0.41	4.13	0.00



Table S7

## COMMERCIAL BANKS' FIXED TIME DEPOSITS BY MATURITY

(Million Maloti)

End of Period	A M O U N T			Total	As Percentage of Total		
	Short-term (Less than 31 days)	Medium-term (31 days to 6 months)	Long-term (More than 6 months)		Short- Term	Medium- term	Long- term
<b>2009</b>							
May	113.96	544.42	1.33	659.71	17.27	82.52	0.20
Jun	66.43	660.53	1.91	728.86	9.11	90.62	0.26
Jul	125.27	673.02	0.32	798.60	15.69	84.27	0.04
Aug	152.15	663.26	0.05	815.46	18.66	81.34	0.01
Sep	190.95	646.74	10.93	848.62	22.50	76.21	1.29
Oct	186.81	662.94	1.96	851.71	21.93	77.84	0.23
Nov	164.27	637.92	2.81	804.99	20.41	79.25	0.35
Dec	337.41	569.70	2.61	909.72	37.09	62.62	0.29
<b>2010</b>							
Jan	299.98	548.87	1.55	850.40	35.27	64.54	0.18
Feb	70.26	627.90	0.54	698.70	10.06	89.87	0.08
Mar	75.61	698.62	0.68	774.91	9.76	90.16	0.09
Apr	103.46	723.54	3.27	830.27	12.46	87.15	0.39
May	161.90	629.52	2.40	793.82	20.40	79.30	0.30
Jun	78.27	801.15	1.31	880.73	8.89	90.96	0.15
Jul	31.15	874.48	2.98	908.61	3.43	96.24	0.33
Aug	165.42	745.26	3.06	913.74	18.10	81.56	0.34
Sep	49.56	856.80	3.16	909.51	5.45	94.20	0.35
Oct	45.07	863.74	8.17	916.97	4.91	94.19	0.89
Nov	181.29	763.55	3.29	948.12	19.12	80.53	0.35
Dec	73.42	778.49	3.49	855.40	8.58	91.01	0.41
<b>2011</b>							
Jan	82.74	724.76	3.64	811.14	10.20	89.35	0.45
Feb	137.81	738.74	16.98	893.53	15.42	82.68	1.90
Mar	34.69	796.57	5.77	837.03	4.14	95.17	0.69

**Table S8(a) COMMERCIAL BANKS' LOANS AND ADVANCES TO BUSINESS ENTERPRISES AND STATUTORY BODIES**

(Million Maloti ; End of Period)

ECONOMIC ACTIVITIES	2009				2010			2011	
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
1. Agriculture, Hunting Forestry and Fishing	2.33	15.61	28.51	32.30	8.36	11.58	15.05	24.05	26.18
2. Mining and Quarrying	43.09	56.86	69.81	61.94	52.55	57.32	56.88	71.72	107.21
3. Manufacturing	87.47	66.44	85.86	163.81	151.38	167.75	162.30	152.77	151.41
4. Electricity, gas and water	10.62	32.92	16.79	20.72	31.19	19.70	20.53	37.27	31.39
5. Construction	215.58	249.91	196.21	85.21	62.58	110.37	100.31	105.73	116.97
6. Wholesale, Retail, Hotel and Restaurant	69.85	56.34	101.61	91.37	158.13	283.21	162.11	70.55	128.65
7. Transport, Storage And Communication	97.82	184.02	178.19	146.04	253.80	150.15	299.56	166.82	296.28
8. Non-Bank Financial Institutions, Real Estate	173.69	96.37	94.61	218.42	142.84	234.00	256.74	221.74	263.31
9. Community, Social and Personal Services	94.54	88.28	131.48	117.45	71.19	75.61	68.56	211.64	83.53
<b>TOTAL</b>	794.99	847.75	903.07	937.25	932.01	1109.68	1142.04	1062.29	1204.93
of which:									
Business Enterprises	754.95	756.84	866.68	937.25	932.01	1109.68	1142.04	1059.31	1202.44
Statutory Bodies	40.04	37.60	35.39	0.00	0.00	0.00	0.00	2.98	2.49

**Table S8(b) COMMERCIAL BANKS' LOANS AND ADVANCES TO BUSINESS ENTERPRISES AND STATUTORY BODIES**

(As per cent of total ; End of Period)

ECONOMIC ACTIVITIES	2009				2010			2011	
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
1. Agriculture, Hunting Forestry and Fishing	0.29	1.84	3.16	3.45	0.90	1.04	1.32	2.26	2.17
2. Mining and Quarrying	5.42	6.82	7.73	6.61	5.64	5.17	4.98	6.75	8.90
3. Manufacturing	11.00	7.84	9.51	17.48	16.24	15.12	14.21	14.38	12.57
4. Electricity, gas and water	1.34	3.88	1.86	2.21	3.35	1.78	1.80	3.51	2.60
5. Construction	32.15	29.48	21.73	9.09	6.71	9.95	8.78	9.95	9.71
6. Wholesale, Retail, Hotel And Restaurant	8.79	6.65	11.25	9.75	16.97	25.52	14.19	6.64	10.68
7. Transport, Storage And Communication	12.30	21.71	19.73	15.58	27.23	13.53	26.23	15.70	24.59
8. Non-Bank Financial Institutions, Real Estate	21.85	11.37	10.48	23.30	15.33	21.09	22.48	20.87	21.85
9. Community, Social and Personal Services	6.85	10.41	14.56	12.53	7.64	6.81	6.00	19.92	6.93
<b>TOTAL</b>	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
of which:									
Business Enterprises	94.96	95.56	96.08	100.00	100.00	100.00	100.00	99.72	99.79
Statutory Bodies	5.04	4.44	3.92	0.00	0.00	0.00	0.00	0.28	0.21

**Table S9(a)**

**COMMERCIAL BANKS' MAJOR RATIOS**  
(Million Maloti)

End of Period	Liabilities to the Public in Lesotho	Liquid Assets	Liquidity Ratio	Capital	Capital Ratio	Statutory Reserves	Local Assets	Local Assets Ratio
<b>2009</b>								
May	5841.30	4776.69	81.77	529.59	9.07	68.15	3505.05	54.43
Jun	5914.42	4791.17	81.01	529.65	8.96	68.15	3624.05	55.65
Jul	6043.72	4829.18	79.90	529.03	8.75	68.15	3683.366	55.47
Aug	6722.06	5565.48	82.79	529.15	7.87	68.15	3914.063	53.48
Sep	7219.25	6069.22	84.07	529.02	7.33	68.15	4127.61	52.81
Oct	6373.95	5110.60	80.18	530.29	8.32	68.15	3947.56	56.62
Nov	6336.97	5111.15	80.66	529.82	8.36	68.15	4041.00	58.27
Dec	6430.44	5027.42	78.18	548.13	8.52	68.15	4062.86	57.66
<b>2010</b>								
Jan	6534.56	5291.08	80.97	543.09	8.31	68.15	4184.65	58.56
Feb	6674.67	5391.07	80.77	540.95	8.10	68.15	4068.65	55.86
Mar	6757.07	5488.40	81.22	541.12	8.01	68.15	4420.96	60.02
Apr	6842.49	5456.94	79.75	157.76	2.31	68.15	4012.60	56.77
May	6994.89	5619.03	80.33	159.97	2.29	68.15	3979.24	55.09
Jun	6937.92	5644.11	81.35	160.07	2.31	68.15	4238.03	59.14
Jul	7184.46	5745.91	79.98	158.91	2.21	68.15	4243.00	57.25
Aug	7614.72	6123.57	80.42	159.03	2.09	68.15	4615.55	58.86
Sep	7328.01	5758.59	78.58	159.27	2.17	68.15	4361.02	57.72
Oct	7209.29	5705.43	79.14	159.40	2.21	68.15	4341.59	58.38
Nov	7225.10	5767.40	79.82	157.79	2.18	68.15	4751.57	63.77
Dec	7308.62	5674.26	77.64	157.75	2.16	68.15	4375.95	58.08
<b>2011</b>								
Jan	7049.30	5435.93	77.11	156.88	2.23	68.15	4458.40	61.29
Feb	7089.19	5407.16	76.27	160.49	2.26	68.15	4659.87	63.68
Mar	7035.76	5356.00	76.13	160.35	2.28	68.15	4620.88	63.61

Table S9(b)

## COMMERCIAL BANKS' CREDIT DEPOSIT RATIOS

(Million Maloti /Per Cent)

End of period	Deposit <sup>1</sup>	Deferred Pay Fund	Government Deposits	Borrowing From Abroad	Credit <sup>2</sup>	Treasury Bills & Bonds	Credit-Deposit Ratios				Other Related Ratios		
							5 as % of 1	5 as % of (1+2)	5 as % of (1+2+3)	5 as % of (1+2+3+4)	6 as % of (1+2+3)	(5+6) as % of (1+2+3)	(5+6) as % of (1+2+3+4)
							7	8	9	10	11	12	13
1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>2009</b>													
May	4916.87	0.00	33.39	41.03	1502.58	542.09	30.56	30.56	30.35	30.10	10.95	41.30	40.96
Jun	4977.67	0.00	33.83	73.07	1530.95	529.58	30.76	30.76	30.55	30.11	10.57	41.12	40.53
Jul	5128.19	0.00	34.39	48.83	1598.96	394.30	31.18	31.18	30.97	30.68	7.64	38.61	38.25
Aug	5474.35	0.00	34.65	66.33	1609.55	410.69	29.40	29.40	29.22	28.87	7.45	36.67	36.24
Sep	5778.75	0.00	35.30	51.82	1617.04	410.04	27.98	27.98	27.81	27.57	7.05	34.87	34.56
Oct	4752.59	0.00	264.33	213.76	1694.89	383.43	35.66	35.66	33.78	32.40	7.64	41.43	39.73
Nov	4991.23	0.00	27.57	209.68	1721.34	391.81	34.49	34.49	34.30	32.92	7.81	42.10	40.42
Dec	5060.46	0.00	26.77	310.48	1721.47	384.12	34.02	34.02	33.84	31.89	7.55	41.39	39.01
<b>2010</b>													
Jan	5336.32	0.00	26.06	80.45	1759.74	392.98	32.98	32.98	32.82	32.33	7.33	40.14	39.55
Feb	5363.71	0.00	25.40	66.63	1747.65	389.12	32.58	32.58	32.43	32.03	7.22	39.65	39.17
Mar	5485.04	0.00	22.20	62.60	1712.61	409.10	31.22	31.22	31.10	30.75	7.43	38.53	38.09
Apr	5546.59	0.00	21.83	191.31	1735.05	412.30	31.28	31.28	31.16	30.12	7.40	38.56	37.28
May	5768.89	0.00	22.08	95.13	1763.28	409.69	30.57	30.57	30.45	29.96	7.07	37.52	36.92
Jun	5501.05	0.00	22.09	208.83	1851.50	405.17	33.66	33.66	33.52	32.30	7.34	40.86	39.37
Jul	5692.96	0.00	22.09	75.80	1913.03	393.15	33.60	33.60	33.47	33.04	6.88	40.35	39.82
Aug	5801.83	0.00	21.72	217.38	1997.99	398.57	34.44	34.44	34.31	33.07	6.84	41.15	39.67
Sep	5847.75	0.00	22.07	153.89	2027.35	519.32	34.67	34.67	34.54	33.66	8.85	43.39	42.28
Oct	5787.13	0.00	24.18	84.01	2036.51	515.49	35.19	35.19	35.04	34.54	8.87	43.91	43.29
Nov	5585.43	0.00	24.18	196.72	2084.18	522.56	37.31	37.31	37.15	35.89	9.32	46.47	44.89
Dec	5862.24	0.00	24.26	117.69	2103.83	466.31	35.89	35.89	35.74	35.04	7.92	43.66	42.81
<b>2011</b>													
Jan	5626.95	0.00	21.53	89.30	2197.74	461.13	39.06	39.06	38.91	38.30	8.16	47.07	46.34
Feb	5658.70	0.00	22.74	91.59	2185.80	584.65	38.63	38.63	38.47	37.86	10.29	48.76	47.99
Mar	5569.64	0.00	22.65	98.34	2231.93	547.33	40.07	40.07	39.91	39.22	9.79	49.70	48.84

Table S10

**NARROW MONEY**  
(Million Maloti)

End of Period	M A L O T I							Money (M1) (3+7)	Annual Rate of Increase (per cent)
	-----			Demand and Call Deposits					
	Issued	With Banks	With Public	Private Sector	Statutory Bodies	Deferred Pay Fund	Total		
1	2	3	4	5	6	7	8	9	
<b>2009</b>									
May	556.82	65.16	491.10	3580.85	233.39	0.00	3814.24	4305.34	19.91
Jun	498.28	62.70	434.84	3570.29	229.38	0.00	3799.67	4234.51	12.61
Jul	530.30	65.56	463.92	3597.09	224.78	0.00	3821.87	4285.79	28.69
Aug	556.67	61.89	493.31	3912.33	222.04	0.00	4134.37	4627.68	38.17
Sep	542.58	70.44	471.02	4107.82	274.74	0.00	4382.56	4853.58	44.98
Oct	563.77	62.21	500.75	3123.18	307.90	0.00	3431.09	3931.83	8.64
Nov	612.46	66.51	545.32	3306.29	327.69	0.00	3633.98	4179.30	17.84
Dec	584.99	97.06	487.18	3480.03	209.19	0.00	3689.22	4176.40	7.78
<b>2010</b>									
Jan	535.95	71.34	463.55	3688.98	274.35	0.00	3963.33	4426.88	-0.92
Feb	525.02	63.32	461.12	3790.12	282.11	0.00	4072.23	4533.35	8.71
Mar	599.42	99.06	498.92	3754.37	349.55	0.00	4103.91	4602.83	4.73
Apr	610.64	98.40	511.36	3806.75	347.26	0.00	4154.01	4665.38	9.15
May	626.22	96.39	526.05	3950.33	406.47	0.00	4356.80	4882.85	13.41
Jun	617.33	92.92	523.14	3666.78	368.37	0.00	4035.15	4558.29	7.65
Jul	593.76	82.11	511.07	3841.33	364.39	0.00	4205.72	4716.79	10.06
Aug	632.40	101.23	529.50	3968.00	374.11	0.00	4342.11	4871.61	5.27
Sep	634.97	98.96	533.83	3916.14	465.88	0.00	4382.02	4915.85	1.28
Oct	642.58	91.84	550.08	3864.80	450.61	0.00	4315.41	4865.49	23.75
Nov	676.92	87.50	587.60	3672.80	404.90	0.00	4077.71	4665.30	11.63
Dec	638.16	98.83	538.96	4040.92	406.11	0.00	4447.03	4985.99	19.39
<b>2011</b>									
Jan	586.84	87.02	499.82	3901.91	372.69	0.00	4274.60	4774.42	7.85
Feb	618.12	93.43	524.69	3840.48	385.48	0.00	4225.96	4750.65	4.79
Mar	623.89	93.04	529.23	3792.59	360.87	0.00	4153.45	4682.68	1.73

**Table S11**

**MONETARY SURVEY**  
(Million Maloti; End of Period)

	2008				2009				2010	2011
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
Foreign Assets, Net	11243.00	11400.90	11322.36	11331.01	10702.08	10795.56	10163.02	9937.75	9978.07	9324.19
Commercial Banks	2921.06	3201.58	3133.15	4023.84	2986.69	3282.51	3502.89	3786.53	3799.81	3359.01
Central Bank of Lesotho	8251.57	8191.19	8160.84	7289.78	7664.89	7457.82	6577.06	6115.15	6137.87	5928.15
Rand with Banks	70.37	8.14	28.37	17.40	50.49	55.23	83.07	36.08	39.38	37.04
Domestic Credit	-2465.73	-2087.89	-2758.77	-1855.95	-2136.21	-1774.56	-835.84	-892.64	-1000.82	-82.20
Claims on private sector & statutory bodies	1506.98	1557.79	1556.91	1788.05	1859.79	1862.96	1943.29	2124.79	2196.81	2328.37
Claims on Government, net of deposits	-3972.70	-3645.69	-4315.68	-3644.00	-3996.00	-3637.52	-2779.13	-3017.43	-3197.63	-2410.57
Money Supply	4880.99	5488.95	5574.76	6411.20	5744.03	6123.10	6198.76	6559.06	6574.81	6263.30
Money	3874.83	4397.63	4234.51	4853.58	4176.40	4602.83	4558.29	4915.85	4985.99	4682.68
Maloti with public	402.08	444.14	434.84	471.02	487.18	498.92	523.14	533.83	538.96	529.23
Demand and call deposits	3472.75	3953.48	3799.67	4382.56	3689.22	4103.91	4035.15	4382.02	444.03	4153.45
Quasi-money	1006.16	1091.33	1340.26	1557.62	1567.63	1520.27	1640.47	1643.22	1588.82	1580.62
Time deposits	583.11	630.46	747.16	936.55	960.60	864.70	975.66	971.10	917.97	901.92
Savings deposits	423.06	460.87	593.09	621.07	607.03	655.57	664.81	672.12	670.85	678.70
Other Items, Net	3896.28	3824.05	2988.82	3063.86	2821.84	2897.90	3128.42	2486.05	2402.44	2978.69

Table S12

**BROAD MONEY**  
(Million Maloti)

End of Period	Savings Deposits	Time Deposits			Quasi-Money (1+ 2+ 3+ 4) 5	Money (M1) 6	Money Supply (M2) (5+ 6) 7	Annual Rate of Increase (per cent) 8
		Private Sector	Statutory Bodies	Deferred Pay Fund				
<b>2009</b>								
May	586.27	675.82	1.52	0.00	1263.61	4305.34	5568.95	17.14
Jun	593.09	745.46	1.70	0.00	1340.26	4234.51	5574.76	14.19
Jul	597.84	868.75	2.32	0.00	1468.90	4285.79	5754.69	29.01
Aug	611.57	887.27	2.48	0.00	1501.31	4627.68	6128.99	36.16
Sep	621.07	933.95	2.60	0.00	1557.62	4853.58	6411.20	42.22
Oct	623.61	857.07	2.73	0.00	1483.41	3931.83	5415.24	13.73
Nov	630.37	885.24	2.78	0.00	1518.39	4179.30	5697.69	21.60
Dec	607.03	929.68	11.82	0.00	1548.53	4176.40	5724.93	14.10
<b>2010</b>								
Jan	629.99	865.80	16.66	0.00	1512.46	4426.88	5939.34	5.52
Feb	645.46	767.41	18.08	0.00	1430.96	4533.35	5964.31	7.46
Mar	655.57	862.92	1.78	0.00	1520.27	4602.83	6123.10	8.78
Apr	668.67	862.53	1.60	0.00	1532.80	4665.38	6198.18	12.84
May	665.73	885.06	1.61	0.00	1552.40	4882.85	6435.25	15.56
Jun	664.81	973.95	1.71	0.00	1640.47	4558.29	6198.76	11.19
Jul	658.60	1002.65	1.70	0.00	1662.95	4716.79	6379.73	10.86
Aug	661.77	972.91	1.72	0.00	1636.39	4871.61	6508.01	6.18
Sep	672.12	969.50	1.60	0.00	1643.22	4915.85	6559.06	2.31
Oct	672.01	975.69	1.58	0.00	1649.28	4865.49	6514.77	20.30
Nov	671.43	1009.34	1.58	0.00	1682.34	4665.30	6347.64	11.41
Dec	670.85	916.55	1.42	0.00	1588.82	4985.99	6574.81	14.85
<b>2011</b>								
Jan	652.56	872.21	1.38	0.00	1526.14	4774.42	6300.57	6.08
Feb	651.29	954.82	1.58	0.00	1607.69	4750.65	6358.34	6.61
Mar	678.70	900.57	1.35	0.00	1580.62	4682.68	6263.30	2.29



Table S13

## COMMERCIAL BANKS' DEPOSITS, WITHDRAWALS FROM DEPOSITS AND TURNOVER

(Million Maloti)

End of Period	Demand and Call Deposits	Withdrawals from Demand and Call Deposits	Turnover	Savings Deposits	Withdrawals from Savings Deposits	Turnover	Fixed Time Deposits	Withdrawals from Fixed Time Deposits	Turnover	Total Deposits	Total Withdrawals	Turnover
<b>2009</b>												
May	3825.10	2516.16	0.66	586.93	257.13	0.44	677.37	29.36	0.04	5089.39	2802.64	0.55
Jun	3807.32	2397.91	0.63	593.71	266.15	0.45	747.20	0.86	0.00	5148.23	2664.92	0.52
Jul	3832.78	2278.42	0.59	598.53	258.91	0.43	871.10	3.92	0.00	5302.42	2541.25	0.48
Aug	4141.39	1992.03	0.48	612.29	270.93	0.44	889.78	78.05	0.09	5643.46	2341.01	0.41
Sep	4389.22	2413.63	0.55	621.88	304.46	0.49	936.59	80.60	0.09	5947.68	2798.69	0.47
Oct	3586.09	3132.69	0.87	624.38	302.24	0.48	859.83	80.59	0.09	5070.29	3515.52	0.69
Nov	3790.40	2107.10	0.56	631.14	293.39	0.46	888.03	126.23	0.14	5309.57	2526.72	0.48
Dec	3854.62	2838.76	0.74	607.77	353.40	0.58	941.52	144.32	0.15	5403.91	3336.48	0.62
<b>2010</b>												
Jan	3971.33	2454.01	0.62	630.66	283.35	0.45	882.48	115.70	0.13	5484.47	2853.06	0.52
Feb	4081.32	2406.67	0.59	646.15	274.21	0.42	785.52	103.82	0.13	5512.99	2784.69	0.51
Mar	4111.76	2893.48	0.70	655.92	309.84	0.47	864.72	23.12	0.03	5632.39	3226.44	0.57
Apr	4162.04	2739.17	0.66	669.42	281.42	0.42	864.15	17.79	0.02	5695.61	3038.37	0.53
May	4366.52	2429.36	0.56	666.43	274.54	0.41	886.69	41.68	0.05	5919.63	2745.58	0.46
Jun	4043.32	3089.70	0.76	665.57	256.00	0.38	975.68	116.39	0.12	5684.56	3462.09	0.61
Jul	4214.49	2659.37	0.63	659.30	275.99	0.42	1004.37	53.03	0.05	5878.15	2988.39	0.51
Aug	4351.74	2500.40	0.57	663.42	300.25	0.45	974.74	8.95	0.01	5989.91	2809.59	0.47
Sep	4389.18	2650.34	0.60	673.49	311.25	0.46	1009.03	143.38	0.14	6071.70	3104.97	0.51
Oct	4323.36	2639.49	0.61	673.26	312.10	0.46	1015.04	141.94	0.14	6011.66	3093.53	0.51
Nov	4086.11	2915.76	0.71	672.66	306.96	0.46	1048.91	2.46	0.00	5807.68	3225.17	0.56
Dec	4455.46	3083.99	0.69	672.05	329.64	0.49	957.12	81.55	0.09	6084.63	3495.17	0.57
<b>2011</b>												
Jan	4283.32	3091.21	0.72	652.79	333.05	0.51	913.59	81.54	0.09	5849.71	3505.80	0.60
Feb	4231.72	3002.00	0.71	651.55	266.84	0.41	996.40	24.04	0.02	5879.66	3292.87	0.56
Mar	4161.97	4504.69	1.08	678.96	1791.58	2.64	943.56	726.16	0.77	5784.49	7022.43	1.21

Table S14(a)

**INTEREST RATES OF COMMERCIAL BANKS**

(With Comparable South African rates)

(Per Cent Per Annum)

End of Period	Lending Rates		South African Prime	Deposit rates	
	Prime	Maximum		Savings	Call
<b>2008</b>					
Nov	16.58	24.75	15.50	3.64-7.25	6.75
Dec	16.58	24.75	15.00	3.64-7.26	7.75
<b>2009</b>					
Jan	16.00	24.83	15.50	3.64-5.75	5.25
Feb	15.17	23.83	15.50	2.18-5.75	5.25
Mar	14.50	23.17	14.50	1.46-5.00	4.75
Apr	13.83	21.42	13.00	1.00-5.00	4.75
May	12.83	20.83	11.00	1.00-5.00	2.75
Jun	12.17	20.83	11.00	1.00-5.00	2.75
Jul	12.17	20.83	11.50	1.00-5.00	2.75
Aug	12.00	20.67	10.50	1.00-5.00	2.75
Sep	11.83	20.50	10.50	1.00-5.00	2.75
Oct	12.00	20.67	10.50	1.00-5.00	2.75
Nov	11.83	20.50	10.50	1.00-5.00	2.75
Dec	11.67	20.50	10.50	1.00-5.00	2.75
<b>2010</b>					
Jan	12.00	20.83	10.50	0.75-5.00	2.75
Feb	12.00	20.83	10.50	0.75-5.00	2.75
Mar	11.83	20.67	10.00	0.75-5.00	2.75
Apr	11.17	20.50	10.00	0.75-5.00	2.75
May	11.17	20.50	10.00	0.75-5.00	2.75
Jun	11.17	20.50	10.00	0.75-5.00	2.75
Jul	11.25	20.50	10.00	0.75-5.00	2.75
Aug	11.25	20.50	10.00	0.75-5.00	2.75
Sep	11.08	20.33	10.00	0.75-1.75	2.75
Oct	10.83	20.17	9.50	0.75-1.75	2.75
Nov	10.50	20.50	9.00	0.75-1.75	2.75
Dec	10.50	20.50	9.00	0.75-1.75	2.75
<b>2011</b>					
Jan	10.33	20.50	9.00	0.75-1.40	1.50
Feb	10.33	20.50	9.00	0.75-1.40	1.50
Mar	10.33	20.50	9.00	0.75-1.40	1.50

**Table S14(b)**

**TIME DEPOSIT RATES BY COMMERCIAL BANKS**  
(With comparable South African rates)  
(Per Cent Per Annum)

<b>I N T E R E S T P A I D</b>						
End of Period	Lesotho Time Deposits				South African Time Deposits	
	31 Days	88 Days	6 Months	1 Year	31 Days	1 Year
<b>2008</b>						
Nov	5.54	6.22	6.60	7.57	11.84	11.03
Dec	5.54	6.22	6.60	7.57	11.28	10.31
<b>2009</b>						
Jan	4.96	5.64	6.02	6.98	11.13	9.64
Feb	4.47	5.04	5.68	6.55	10.05	8.43
Mar	3.96	4.64	5.02	6.23	9.22	8.25
Apr	3.11	3.79	4.13	5.04	8.79	8.28
May	2.36	2.97	3.26	4.44	7.85	7.90
Jun	1.65	2.20	2.63	3.69	7.28	8.28
Jul	1.65	2.20	2.53	3.69	7.37	8.39
Aug	1.65	2.20	2.51	3.69	6.79	7.88
Sep	1.65	2.20	2.53	3.69	6.81	8.03
Oct	1.65	1.90	2.25	3.41	6.87	8.20
Nov	1.65	1.90	2.25	3.41	6.76	8.14
Dec	1.65	1.95	2.26	3.35	6.85	8.09
<b>2010</b>						
Jan	1.65	1.95	2.26	3.35	6.84	8.03
Feb	1.65	1.95	2.26	3.35	6.86	7.97
Mar	1.65	1.95	2.26	3.35	6.37	7.29
Apr	1.67	2.20	2.21	3.35	6.35	7.31
May	1.67	2.20	2.21	3.35	6.35	7.36
Jun	1.67	2.20	2.21	3.35	6.36	7.05
Jul	1.67	2.20	2.21	3.35	6.38	7.02
Aug	1.67	2.20	2.21	3.35	6.24	6.56
Sep	1.25	1.78	1.94	2.78	5.78	6.41
Oct	1.21	1.67	1.94	2.78	5.76	6.25
Nov	1.21	1.67	1.94	2.78	5.36	5.93
Dec	1.21	1.67	1.94	2.78	5.37	5.85
<b>2011</b>						
Jan	1.09	1.58	1.94	2.74	5.38	6.21
Feb	1.09	1.58	1.94	2.74	5.43	6.25
Mar	1.09	1.58	1.94	2.74	5.38	6.21

**Table S15****COMPARATIVE MONEY MARKET RATES**

End of Period	Central Bank Rates -----		Treasury Bills -----	
	CBL*	SARB+	LESOTHO	RSA
<b>2008</b>				
Nov	14.15	15.50	10.15	10.90
Dec	14.05	15.00	10.05	10.84
<b>2009</b>				
Jan	14.01	15.50	10.01	10.52
Feb	13.83	15.50	9.83	8.92
Mar	13.00	14.50	9.00	8.24
Apr	13.27	14.50	9.27	8.01
May	11.60	12.50	7.60	7.51
Jun	10.76	12.50	6.76	7.38
Jul	10.80	12.50	6.80	7.44
Aug	10.80	12.00	6.80	6.98
Sep	10.86	12.00	6.86	6.90
Oct	10.78	12.00	6.78	7.03
Nov	10.99	12.00	6.99	7.03
Dec	10.66	12.00	6.66	7.14
<b>2010</b>				
Jan	10.66	12.00	6.66	7.07
Feb	10.62	12.00	6.62	7.05
Mar	10.46	11.50	6.46	6.60
Apr	10.42	11.50	6.42	6.59
May	10.38	11.50	6.38	6.57
Jun	10.38	11.50	6.38	6.54
Jul	10.38	11.50	6.38	6.45
Aug	10.36	11.50	6.36	6.27
Sep	9.91	11.00	5.91	6.04
Oct	9.90	11.00	5.90	5.80
Nov	9.67	10.50	5.67	5.52
Dec	9.61	10.50	5.61	5.60
<b>2011</b>				
Jan	9.46	10.50	5.46	5.52
Feb	9.44	10.50	5.44	5.52
Mar	9.38	10.50	5.38	5.47

Note: \*CBL – Central Bank of Lesotho overdraft rate

+ SARB – South African Reserve Bank marginal lending rate

**Table S16****GOVERNMENT BUDGETARY OPERATIONS**

(Million Maloti / Per cent of GDP)

	2009/2010 Q1	2009/2010 Q2	2009/2010 Q3	2009/2010 Q4	Revised 2010/2011 Q1	Revised y 2010/2011 Q2	Preliminary 2010/2011 Q3	Preliminary 2010/2011 Q4
Total Receipts	<b>2115.0</b>	<b>2302.6</b>	<b>2284.1</b>	<b>2315.1</b>	<b>1723.3</b>	<b>2756.6</b>	<b>2122.42</b>	<b>1965.40</b>
Revenue	2044.8	2034.1	2114.8	2165.1	1391.9	2456.8	1771.22	1679.70
Customs	1229.5	1229.5	1229.5	1229.5	540.4	1006.7	540.48	540.40
Income Taxes	393.8	449.2	496.5	440.8	1261.7	1799.9	1488.12	1428.34
of which :Individual Tax	137.7	255.7	207.4	265.3	364.4	483.0	589.57	527.06
Company Tax	199.5	153.0	234.0	107.4	75.2	80.5	193.7	80.5
Taxes on goods & services	267.2	232.1	266.2	273.3	292.7	298.2	339.79	345.74
Other Tax	0.0	0.0	2.3	3.4	64.2	12.1	18.28	15.14
Non-Tax Revenue	97.7	123.3	120.3	218.1	130.3	656.8	283.10	251.37
of which : Water Royalties	78.5	90.0	92.5	75.6	85.8	108.8	139.834	97.78
Grants	126.8	268.5	169.3	150.0	331.4	299.8	351.20	285.70
Total Expenditure & Net Lending	1486.9	2704.2	1907.5	2609.5	2698.4	2620.0	1941.8	2700.62
Recurrent	1115.7	1860.1	1590.4	1737.2	2304.1	2270.0	1562.0	2249.42
Personnel Emoluments	576.9	576.3	704.6	700.0	691.2	714.1	680.9	781.80
Interest Payments	31.3	31.0	31.3	27.2	18.4	23.7	12.4	18.52
Of which: Bank Restructuring	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subsidies and Transfers	601.2	1002.6	449.0	405.0	437.4	397.6	324.7	522.46
Other Expenditure	507.5	1252.8	854.5	1010.0	1472.6	1134.6	544.70	926.64
Of which: Bank Restructuring	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Agricultural Support	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Imperial Fleet Services	61.3	0.0	4.9	4.9	4.9	50.2	0.0	0.0
Capital Expenditure & Net Lending	371.5	844.1	317.1	872.3	394.3	350.0	379.80	451.20
Overall Surplus/Deficit	627.7	-670.1	376.6	-294.3	-975.1	136.6	180.62	-735.22
Total Financing	-627.7	670.0	-376.6	294.3	955.0	-136.6	-180.52	720.77
Foreign financing (net)	17.9	-19.0	-27.3	-59.4	96.28	100.5	-3.3	-66.50
Domestic financing (net)	-645.6	689.0	-349.3	353.5	858.8	-238.3	-177.3	787.27
Bank financing	-693.0	671.7	-352.0	358.5	858.4	-238.3	-180.2	787.06
Non-bank financing	47.4	17.3	0.0	-4.7	0.4	1.2	2.9	0.22
<b>In Per cent of GDP (%)</b>								
Total Receipts	63.23	60.82	68.00	57.8	11.00	17.59	13.54	12.54
Total Expenditure	44.46	80.86	50.9	69.7	17.44	16.71	12.39	17.23
Budget Balance	18.77	-20.04	11.26	-8.0	-6.22	0.87	1.15	4.69

Source: Ministry of Finance and Development Planning

**Table S17****TREASURY BILLS BY TYPE OF HOLDER**

(Million Maloti)

End of Period	CBL	Comm. Banks	NBFI	Others	Total
<b>2009</b>					
Feb	0.32	493.85	0.94	51.26	546.37
Mar	0.32	507.06	7.30	46.73	561.41
Apr	0.32	503.05	16.04	45.53	564.93
May	0.32	522.25	19.79	35.39	577.75
Jun	0.32	508.41	45.44	38.41	592.58
Jul	0.32	495.05	1.39	1.33	498.09
Aug	0.32	503.26	11.33	3.89	518.79
Sep	0.32	487.35	15.11	8.81	511.59
Oct	0.32	471.07	13.71	8.75	493.85
Nov	0.32	479.47	14.44	9.60	503.84
Dec	0.32	482.31	20.20	6.25	509.07
<b>2010</b>					
Jan	0.32	480.61	21.54	6.59	509.05
Feb	0.32	483.01	22.43	5.07	510.83
Mar	0.32	503.26	5.27	5.95	514.80
Apr	0.32	500.709	2.11	7.65	510.79
May	0.32	499.905	3.87	7.51	511.61
Jun	0.32	500.189	5.11	7.36	512.98
Jul	0.34	514.39	23.13	4.50	542.36
Aug	0.80	514.05	19.24	8.75	542.84
Sep	0.70	643.50	6.49	7.80	658.58
Oct	0.13	661.57	14.26	4.94	680.74
Nov	0.13	662.43	8.94	2.33	673.67
Dec	0.13	604.06	18.50	1.21	623.90
<b>2011</b>					
Jan	0.13	595.94	13.35	1.32	610.73
Feb	0.13	586.09	13.86	3.47	603.55
Mar	0.33	547.41	14.24	7.95	569.93

**Table S18****DIAMOND PRODUCTION**  
(Carats)

<b>Period</b>	<b>QI</b>	<b>QII</b>	<b>QIII</b>	<b>QIV</b>
<b>2005</b>	12716.28	14670.80	9891.46	8101.48
<b>2006</b>	10709.61	18426.62	39121.74	32334.73
<b>2007</b>	40929.69	35085.16	48321.40	44323.43
<b>2008</b>	69857.24	33286.86	81507.45	31894.84
<b>2009</b>	13510.78	45482.55	29347.55	17932.88
<b>2010</b>	20,507.00	24,241.00	22,066.00	24,119.00
<b>2011</b>	26,541.00			

Source: Department of Mines and Geology

Table S19(a)

**LESOTHO ANNUAL INFLATION RATE**  
(MARCH 2010 = 100)

	ALL ITEMS INDEX	Food & Non- Beverages	Alcoholic Beverages & Tobacco	Clothing & Footwear	Housing, Water, Electricity & Other Fuels	Furnishings, H/h Equipment & Routine Maintenance of House	Health	Transport	Communi- -cation	Leisure, Enter- tainment & Culture	Education	Restau- rants & Hotels	Misce- llaneous Goods & Services
<b>2009</b>													
May	8.9	12.1	6.5	6.0	3.5	7.4	1.5	4.4	0.0	7.3	3.0	7.6	7.2
Jun	8.1	11.1	6.1	6.1	0.1	6.7	1.6	3.9	0.0	7.3	3.0	8.0	6.8
Jul	6.9	8.9	6.0	5.1	-2.9	6.6	1.7	5.3	0.0	7.8	2.9	9.6	6.5
Aug	5.6	6.7	6.8	5.0	-4.7	6.1	1.5	3.9	0.0	4.9	2.4	9.0	6.6
Sep	4.7	4.6	8.8	5.4	-5.6	5.6	1.9	4.5	0.0	4.7	2.2	8.2	6.4
Oct	4.2	3.9	8.6	5.5	-5.1	5.6	2.6	3.1	0.0	4.2	2.1	7.6	6.1
Nov	4.1	3.7	9.0	5.4	-6.5	5.4	2.8	3.8	0.0	3.8	2.2	7.0	4.8
Dec	4.2	3.2	8.9	5.2	-6.4	5.2	3.1	7.4	0.0	3.0	2.0	5.4	4.2
<b>2010</b>													
Jan	4.1	3.1	9.0	4.4	-2.6	5.0	3.1	6.6	0.0	4.0	5.7	5.9	3.8
Feb	4.3	3.5	9.3	5.0	-2.4	4.8	3.7	6.6	0.0	2.8	5.6	5.2	4.2
Mar	4.2	3.0	10.8	5.2	-0.6	4.7	2.6	6.20	0.0	3.2	5.7	4.7	4.5
Apr	3.7	10.1	4.0	4.0	2.6	2.8	1.8	6.6	1.2	1.6	6.3	6.5	4.3
May	3.8	3.3	10.6	3.6	4.2	2.4	2.0	6.3	1.2	1.7	6.3	5.7	4.1
Jun	3.8	3.2	10.6	3.2	6.3	2.3	2.2	5.8	1.2	1.8	6.3	6.5	3.8
Jul	3.4	3.4	10.7	3.0	6.1	2.7	2.1	2.2	2.3	1.6	6.3	4.4	3.9
Aug	3.3	3.5	9.8	2.8	4.7	2.7	2.1	2.2	2.3	1.5	6.3	3.2	3.9
Sep	3.3	3.8	8.7	2.5	5.2	2.5	2.2	1.8	2.3	1.3	6.3	3	3.3
Oct	3.1	3.7	8.5	2.2	4.5	2.4	2.5	1.7	2.3	1.8	6.3	5.0	3.4
Nov	3.1	3.8	8.7	2.0	5.0	2.4	2.4	1.2	1.1	1.7	6.3	5.1	2.7
Dec	3.1	3.9	8.4	1.8	5.0	2.2	2.2	1.2	1.1	1.8	6.3	5.2	2.4
<b>2011</b>													
Jan	3.2	4.5	8.2	1.5	5.5	2.4	2.1	1.4	1.7	2.1	0.8	7.7	2.5
Feb	3.3	4.7	7.8	1.2	6.1	2.4	2.0	1.5	1.7	2.1	0.8	7.4	2.8
Mar	3.6	4.8	5.7	0.9	8.3	3.0	2.0	1.7	1.7	1.6	0.8	7.6	2.7

Source: Bureau of Statistics



Table S19(b)

## LESOTHO MONTHLY INFLATION RATE

(MARCH 2010 = 100)

	ALL ITEMS INDEX	Food & Non- Beverages	Alcoholic Beverages & Tobacco	Clothing & Footwear	Housing, Water, Electricity & Other Fuels	Furnishings, H/h Equipment & Routine Maintenance of House	Health	Transport	Communi- -cation	Leisure, Enter- tainment & Culture	Education	Restau- rants & Hotels	Misce- llaneous Goods & Services
<b>2009</b>													
May	0.5	0.4	0.7	0.4	0.2	1.0	0.0	0.1	0.0	-0.1	0.1	-0.3	0.6
Jun	0.3	0.4	0.3	0.5	-1.7	0.1	0.1	0.4	0.0	0.2	0.0	0.4	0.6
Jul	0.3	0.0	0.2	0.1	-0.3	0.5	0.1	3.3	0.0	0.8	0.0	1.7	0.2
Aug	0.3	-0.2	1.1	0.6	2.0	0.2	0.2	0.1	0.0	0.4	-0.1	-0.3	0.8
Sep	0.5	0.1	2.8	0.7	-0.1	0.3	0.4	1.1	0.0	0.9	-0.1	0.1	0.7
Oct	0.2	0.3	0.2	0.4	0.5	0.4	0.3	-0.8	0.0	0.0	0.0	0.0	-0.1
Nov	0.3	0.5	0.3	0.1	-2.5	-2.8	0.6	0.1	0.4	0.0	0.0	0.0	-0.1
Dec	0.1	0.1	0.0	0.2	0.0	0.1	0.3	0.5	0.0	0.0	0.0	0.2	0.0
<b>2010</b>													
Jan	0.3	0.2	0.3	0.1	1.5	0.3	0.2	-0.3	0.0	0.4	5.4	0.9	-0.1
Feb	0.5	0.4	0.4	0.8	-0.3	0.6	0.2	0.7	0.0	-0.5	0.1	0.5	0.7
Mar	0.5	0.3	2.6	0.7	0.4	0.1	0.5	0.2	0.0	1.1	0.0	0.1	0.6
Apr	0.3	0.1	1.7	0.4	0.8	-0.3	0.5	0.3	0.0	0.6	0.0	2.6	0.6
May	0.5	0.5	0.8	-0.2	2.1	0.1	0.2	0.2	0.0	0.2	0.0	-0.7	0.4
Jun	0.3	0.2	0.4	0.2	1.1	0.3	0.2	-0.2	0.0	0.4	0.0	0.6	0.1
Jul	0.1	0.4	0.3	0.1	-0.2	0.9	0.1	0.0	1.1	0.0	0.0	0.2	0.3
Aug	0.1	0.1	0.0	0.1	-0.2	0.3	0.1	0.0	0.0	-0.1	0.0	-0.1	0.4
Sep	0.4	0.6	0.2	0.2	0.4	0.5	0.1	0.1	0.0	0.0	0.0	0.0	0.1
Oct	0.1	0.2	0.2	0.0	-0.2	0.0	0.4	-0.1	0.0	0.1	0.0	2.0	0.1
Nov	0.2	0.4	0.3	0.0	0.0	0.0	0.1	0.2	0.0	0.1	0.0	0.0	-0.1
Dec	0.2	0.4	0.0	0.0	0.3	0.0	0.1	0.3	0.0	0.1	0.0	0.0	-0.1
<b>2011</b>													
Jan	0.5	0.9	0.1	-0.1	1.3	0.2	0.0	0.1	0.6	0.1	0.8	2.7	0.1
Feb	0.4	0.5	0.0	0.1	0.6	0.1	0.1	0.5	0.0	0.0	0.0	-0.1	0.5
Mar	0.5	0.4	1.6	0.0	2.2	0.8	0.1	0.3	0.0	0.0	0.0	0.2	0.2

Source: Bureau of Statistics

**Table S20**

**EXCHANGE RATES**  
(Loti per unit of foreign currency, period average)

	Botswana Pula	EURO	French Franc	German Mark	Japanese Yen	Saudi Riyal	SDR	Swedish Kronor	Swiss Franc	UK Pound	US Dollar
<b>2009</b>											
July	1.151	11.192	0.586	5.677	0.084	2.119	12.332	1.035	7.364	13.005	7.947
Aug	1.152	11.337	0.579	5.796	0.084	2.120	12.397	1.111	7.440	13.136	7.951
Sep	1.129	10.953	0.599	5.600	0.116	2.005	11.857	1.075	7.227	12.298	7.535
Jul	1.151	11.192	0.586	5.677	0.084	2.119	12.332	1.035	7.364	13.005	7.947
Aug	1.152	11.337	0.579	5.796	0.084	2.120	12.397	1.111	7.440	13.136	7.951
Sep	1.129	10.953	0.599	5.600	0.116	2.005	11.857	1.075	7.227	12.298	7.535
Oct	1.129	11.140	0.591	5.672	0.083	1.997	11.876	1.076	7.332	12.124	7.489
Nov	1.129	11.214	0.585	5.733	0.084	2.004	12.014	1.085	7.423	12.475	7.516
Dec	1.119	10.939	0.600	5.593	0.083	1.990	11.822	1.053	7.279	12.148	7.463
<b>2010</b>											
Jan	1.1105	10.6575	0.6160	5.4488	0.0818	1.9887	11.6725	1.0685	7.2162	12.0617	7.4576
Feb	1.1112	10.4827	0.6253	5.3603	0.0809	2.0362	11.7453	1.0511	7.1406	11.9499	7.6360
Mar	1.0908	10.0577	0.6524	5.1424	0.0810	1.9713	11.2994	1.0320	6.9538	11.1989	7.3926
Apr	1.0823	9.8598	0.6893	5.0422	0.0787	1.9609	11.1560	1.0203	6.8769	11.2723	7.3527
May	1.0866	9.6157	0.6815	4.9164	0.0829	2.0386	11.3123	0.9951	6.7734	11.2165	7.6451
Jun	1.0779	9.3350	0.7150	4.7728	0.1185	2.0390	11.2550	0.9758	6.7834	11.2804	7.6467
Jul	1.0840	9.7240	0.6806	4.9736	0.0842	2.0117	11.3370	1.0152	7.1595	11.5311	7.5442
Aug	1.0708	9.3082	0.6958	4.7899	0.0856	1.9469	11.0819	1.0593	7.0296	11.4349	7.3008
Sep	1.0579	9.3207	0.7039	4.7616	0.0845	1.9016	10.8855	1.0102	7.1106	11.0943	7.1312
Oct	1.0573	9.6230	0.6815	4.9202	0.0856	1.8463	10.8612	1.0366	7.1451	10.9697	6.9166
Nov	1.0568	9.5297	0.6884	4.8596	0.0846	1.8534	10.8936	1.0228	7.0928	11.1506	6.9864
Dec	1.0375	9.0256	0.7270	4.6147	0.0819	1.8204	10.4804	1.1094	7.1724	10.6476	6.8271
<b>2011</b>											
Jan	1.0430	9.2647	0.7096	4.7369	0.0839	1.8479	10.7185	1.0394	7.2452	10.9491	6.9311
Feb	1.0624	9.8144	0.6683	5.0545	0.0870	1.9173	11.2338	1.1166	7.5653	11.6004	7.1924
Mar	1.0488	9.7049	0.6770	4.9549	0.0847	1.8439	10.8996	1.0902	7.5306	11.1805	6.9151

**Table S21****PURCHASES AND SALES OF FOREIGN CURRENCY**

(in Thousands of Maloti)

End of Period	PURCHASES					SALES				
	USD	GBP	EURO	OTHERS	TOTAL	USD	GBP	EURO	OTHERS	TOTAL
<b>2009</b>										
Apr	47.524	3.847	25.536	0.572	77.479	254.065	1.737	37.713	13.056	306.571
May	36.993	4.638	3.971	0.600	46.202	125.249	2.304	8.811	0.501	136.865
Jun	75.398	1.202	3.503	0.536	80.639	129.498	0.962	2.249	4.135	136.844
Jul	72.064	14.817	35.929	1.437	124.247	162.449	2.599	34.606	5.530	205.184
Aug	48.986	3.207	16.330	0.436	68.959	166.382	2.453	16.662	1.006	186.503
Sep	31.281	2.702	6.669	0.961	41.613	175.205	2.057	10.207	5.486	192.955
Oct	52.855	3.641	35.001	15.941	107.438	171.130	2.577	17.556	18.817	210.080
Nov	39.347	5.030	24.881	1.229	70.487	192.197	4.003	27.349	5.579	229.128
Dec	67.582	4.348	9.938	1.550	83.418	146.619	3.974	8.821	5.450	164.864
<b>2010</b>										
Jan	31.761	2.642	30.160	3.514	68.077	179.341	2.191	29.752	3.535	214.819
Feb	29.738	4.102	26.807	3.858	64.505	132.696	2.374	26.708	2.531	164.309
Mar	34.565	2.604	29.127	3.985	70.281	109.306	2.647	26.617	3.729	142.299
Apr	32.122	3.139	3.590	0.662	39.513	225.636	2.286	93.950	5.331	327.203
May	30.973	2.695	5.002	0.299	38.969	233.364	2.236	10.003	8.010	253.613
Jun	42.571	6.333	4.991	4.100	57.995	112.057	6.266	7.880	4.717	130.920
Jul	60.027	2.674	6.368	0.600	69.669	163.730	5.885	9.449	0.967	180.031
Aug	100.926	2.659	17.050	1.567	122.202	158.111	2.672	5.010	7.723	173.516
Sep	117.577	1.443	36.672	1.356	157.048	219.206	1.087	37.253	4.728	262.274
Oct	44.303	3.710	5.687	2.821	56.521	163.927	3.704	14.233	5.360	187.224
Nov	41.372	6.983	26.315	0.378	75.048	165.993	5.159	29.210	5.791	206.153
Dec	123.620	9.493	15.946	1.201	150.259	229.866	7.714	12.772	0.687	251.039
<b>2011</b>										
Jan	75.988	3.387	12.784	1.903	94.063	195.700	2.344	12.487	1.820	212.351
Feb	50.081	6.208	14.166	1.721	72.176	149.114	3.106	12.253	2.641	167.113
Mar	50.919	5.436	20.792	2.789	79.937	152.872	5.125	17.996	2.601	178.595

Table S22

**QUARTERLY BALANCE OF PAYMENTS**  
(Million Maloti)

	2008				2009			2010		2011
	QIV	QI	QII	QIII	QIV	QI	QII	QIII	QIV+	QI*
I CURRENT ACCOUNT	330.59	-134.77	379.82	-40.82	-45.49	-567.70	-950.57	-836.75	-907.68	-827.63
Goods, Services and Income	-762.76	-1338.22	-751.16	-1175.79	-1465.43	-1819.56	-1419.35	-1717.84	-1353.16	-1355.25
a) GOODS	-1705.87	-2231.44	-1566.17	-1955.65	-2216.83	-2188.31	-1848.02	-2060.91	-1681.04	-1696.56
Merchandise exports f.o.b.	1675.60	1403.67	1485.46	1782.76	1299.75	1313.19	1335.23	1587.09	1759.19	1775.03
Merchandise imports f.o.b.	-3381.47	-3635.11	-3051.63	-3738.41	-3516.58	-3501.50	-3183.25	-3648.00	-3440.23	-3471.59
b) SERVICES	-102.42	-97.13	-94.11	-55.83	-73.27	-119.83	-24.28	-98.03	-57.11	-52.77
c) INCOME	1045.53	990.35	909.12	835.69	824.67	488.58	452.95	441.10	384.99	394.08
Labour income	828.99	806.33	739.04	694.15	712.71	406.45	340.97	347.24	353.58	347.87
Other	212.54	184.02	170.08	138.24	126.53	82.13	111.98	93.86	31.41	46.21
d) CURRENT TRANSFERS	1093.35	1203.45	1130.98	1134.97	1119.94	1251.86	468.78	881.09	445.48	527.62
Government, net	1085.47	1184.19	1121.78	1120.26	1112.06	1232.60	442.21	860.19	423.63	492.62
SACU non-duty receipts	1074.68	1061.86	1072.02	1039.50	1057.93	1054.87	343.91	762.97	341.61	320.77
Other	10.79	122.33	49.76	80.76	54.13	177.73	98.30	97.22	82.02	171.85
Other sectors	7.88	19.26	9.20	14.71	7.88	19.26	26.57	20.90	21.85	35.00
II CAPITAL AND FINANCIAL ACCOUNT	-184.20	-155.65	507.34	-501.16	1303.29	-59.24	332.15	328.46	253.29	857.89
e) CAPITAL ACCOUNT	30.80	29.80	166.10	268.50	169.30	150.00	331.40	299.80	260.70	150.00
f) FINANCIAL ACCOUNT	-215.00	-185.45	341.24	-769.66	1133.99	-209.24	0.75	28.66	-7.41	707.89
Special Financing - LHWP	27.49	27.98	45.21	22.88	30.36	55.11	36.20	28.74	41.65	30.50
III RESERVE ASSETS	-558.82	67.28	70.01	875.49	-368.88	216.18	928.04	342.90	69.37	13.55
IV ERRORS AND OMISSIONS	-112.24	176.88	-337.58	-192.71	-142.30	454.43	-530.32	392.12	798.60	-120.70
V VALUATION ADJUSTMENT	524.67	46.26	-619.59	-140.80	-446.62	-43.67	220.70	-226.73	-213.58	76.89

\* Revised estimates

+ Preliminary estimates

**Table S23 SUMMARY OF FOREIGN TRADE**

(Million Maloti)

	<b>IMPORTS F.O.B</b>	<b>EXPORTS F.O.B</b>	<b>TRADE BALANCE</b>
<b>2006</b>			
Quarter I	1969.52	876.07	-1093.45
Quarter II	2025.54	1049.43	-976.11
Quarter III	2657.71	1517.91	-1139.80
Quarter IV	2603.08	1293.24	-1309.84
<b>2007</b>			
Quarter I	2703.21	1305.93	-1397.28
Quarter II	2605.13	1244.83	-1360.30
Quarter III	3145.81	1656.58	-1489.23
Quarter IV	2839.58	1456.93	-1431.86
<b>2008</b>			
Quarter I	2844.64	1445.27	-1399.37
Quarter II	3070.38	1846.99	-1223.39
Quarter III	3940.74	2216.05	-1724.69
Quarter IV	3381.47	1747.76	-1633.71
<b>2009</b>			
Quarter I	-3635.11	1403.67	-2231.44
Quarter II	-3051.63	1485.46	-1566.17
Quarter III	-3738.41	1782.76	-1956.65
Quarter IV	-3516.58	1299.75	-2216.83
<b>2010</b>			
Quarter I	-3501.50	1313.19	-2188.31
Quarter II	-3183.25	1335.23	-1848.02
Quarter III	-3648.00	1587.09	-2060.91
Quarter IV+	-3440.23	1759.19	-1681.04
<b>2011</b>			
Quarter I*	-3471.59	1775.03	-1696.56

\* Provisional CBL estimates.

**Table S24 STATISTICS OF BASOTHO MINERS IN SOUTH AFRICA**

	Average Number Employed	Average Earnings <sup>1</sup>	Deferred Pay <sup>2</sup>		Remittances Payments <sup>3</sup>	
			Maloti '000	Annual % change	Maloti '000	Annual % change
<b>2007</b>	54,729	18,588	82,862	22.0	3,341	6.3
<b>2008</b>	50,686	20,519	108,999	31.5	6,617	98.0
<b>2009</b>	45,276	20,519	92,111	-15.5	9,767	47.6
<b>2006</b>						
Q II	51,844	13,108	57,694	27.2	1,057	-97.5
Q III	52,951	13,777	64,152	115.4	1,587	-95.4
Q IV	54,105	14,466	67,919	120.6	3,144	-94.0
<b>2007</b>						
Q I	55,153	15,174	63,855	56.7	1,843	-95.7
Q II	55,216	16,146	74,106	28.4	2,193	107.5
Q III	55,348	17,227	69,945	9.0	2,678	68.7
Q IV	54,729	18,519	82,862	22.0	3,341	6.3
<b>2008</b>						
Q I	53,979	20,519	68,925	7.9	3,346	81.6
Q II	52,453	20,519	66,413	-10.4	4,989	127.5
Q III	51,478	20,519	72,372	3.5	4,944	84.6
Q IV	50,686	20,519	108,999	31.5	6,617	98.0
<b>2009</b>						
Q I	48,715	20,519	66,223	-3.9	7,483	123.6
Q II	47,354	20,519	68,554	3.2	7,326	46.8
Q III	46,275	20,519	63,998	-11.6	7,442	50.5
Q IV	45,276	20,519	92,111	-15.5	9,767	47.6
<b>2010</b>						
Q I	44,284	20,519	59,638	-9.9	9,408	25.7
Q II	43,092	20,519	71,453	4.2	10,828	47.8
Q III	42,252	20,519	74,487	16.4	10,852	45.8
Q IV	41,555	20,519	85,011	-7.7	11,096	13.6
<b>2011</b>						
Q I	40,681	20,519	71,200	19.4	12,506	32.9

<sup>1</sup>These figures are average earnings, including overtime payments, and repatriation allowances earned by workers in the mines. Figures are supplied by South African Chamber of Mines.

<sup>2</sup>Deferred pay as shown in this table, represents miners' withdrawals from the Fund processed through recruiting agencies.

<sup>3</sup>Part of miners' wages transferred to Lesotho through recruiting agencies.