









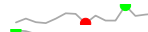







# Trade and Competitiveness Monitoring Note



## Lesotho

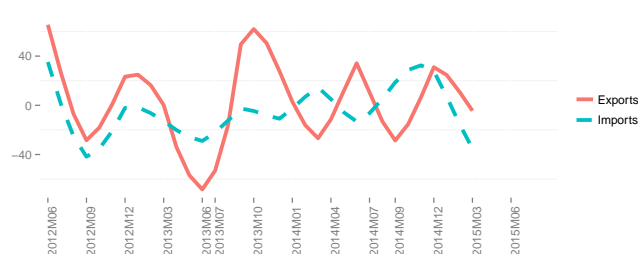
| GDP (US\$ billions) (2015) | Population (millions) (2015) | Income per capita (current US\$) (2015) | Poverty rate (2010) | Unemployment rate (2015) | Ease of Doing Business Rank (2015) |
|----------------------------|------------------------------|---|---------------------|--------------------------|------------------------------------|
| 2.4                        | 2.1                          | 1,114.3                                 | 59.6                | NA                       | 110.0                              |

### Macro Indicators

|   | Avg 2002-2011 | 2012  | 2013  | 2014  | 2015  | 2016   |   |
|---|---------------|-------|-------|-------|-------|--------|---|
| GDP growth (annual %)   | 4.1           | 4.9   | 3.6   | 2.2   | 2.6   | 2.8    |    |
| Current account balance   | 6.3           | -3.6  | -11.4 | -12.1 | -19.8 | -18.1  |    |
| Cash surplus/deficit (% of GDP)                                 | 1.6           | 5.0   | -2.5  | 2.9   | -7.0  | -10.3  |    |
| Gross Fixed Investment (% GDP)                                  | 29.3          | 34.1  | 31.5  | 34.1  | 34.2  | 34.7   |    |
| Gross capital formation (% of GDP) [1]                          | 26.2          | 27.2  | 33.1  | —     | —     | —      |    |
| Foreign direct investment, net inflows (% of GDP) [2]           | 5.0           | 2.4   | 2.3   | 2.2   | —     | —      |    |
| Private capital flows, total (% of GDP) [2]                     | 21.6          | 6.7   | —     | —     | —     | —      |    |
| Total Trade in Goods and Services (% of GDP, real terms)        | 177.8         | 166.9 | 178.5 | 183.7 | 189.7 | 197.7  |    |
| Trade balance (% GDP, real terms)                               | -77.6         | -71.8 | -85.5 | -90.1 | -96.3 | -102.3 |    |
| Exports, Goods and Services, annual percent change (real terms) | 9.8           | -2.1  | 1.3   | 2.8   | 2.4   | 5.0    |    |
| Imports, Goods and Services, annual percent change (real terms) | 3.6           | 2.2   | 14.6  | 6.0   | 7.1   | 7.9    |    |
| Personal remittances, received (% of GDP) [1]                   | 41.5          | 23.3  | 20.9  | 17.4  | —     | —      |    |
| General government gross debt [3]                               | 55.4          | 40.3  | 43.4  | 47.8  | 53.4  | 55.8   |    |
| Total reserves in months of imports [1]                         | 4.8           | 4.4   | 5.4   | —     | —     | —      |    |
| Real Effective Exchange Rate (2010=100)                         | 94.9          | 89.8  | 77.4  | 74.3  | 73.6  | 71.3   |   |
| Consumer Price Index, annual percent change                     | 7.6           | 6.1   | 5.6   | 2.6   | 4.1   | 5.0    |  |

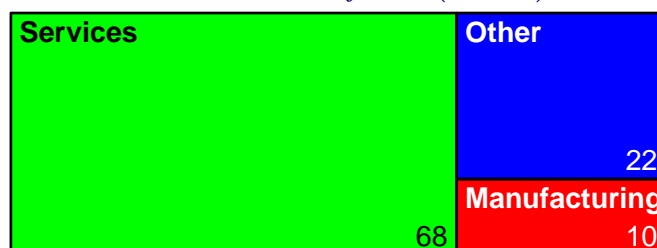
Sources: MFM note, [1] World Development Indicators (WDI), [2] UNCTADSTAT, [3] World Economic Outlook (WEO)

### Goods Export and Import volume growth, 2012-2015



Source: Development Prospects Group (DECPG)

### Gross Value Added by Economic Activity 2013 (% GDP)



Source: World Development Indicators (WDI)

### Top 5 Exports by % of Total Value, NA

Data not available

### Imports Categories by % of Total Value, NA

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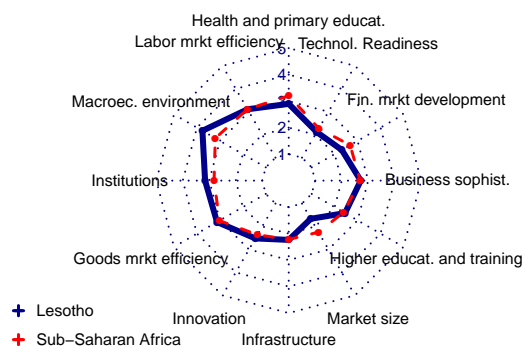
Source: World Integrated Trade Solution (WITS)

### Doing Business 2015 Ranks (among all countries)

|                                   | DB 2015 Rank | DB 2016 Rank | Change in Rank |
|-----------------------------------|--------------|--------------|----------------|
| Dealing with Construction Permits | 173          | 172          | 1              |
| Ease of Doing Business Rank       | 110          | 114          | -4             |
| Enforcing Contracts               | 85           | 85           | 0              |
| Getting Credit                    | 150          | 152          | -2             |
| Getting Electricity               | 146          | 147          | -1             |
| Paying Taxes                      | 108          | 109          | -1             |
| Protecting Minority Investors     | 98           | 99           | -1             |
| Registering Property              | 107          | 108          | -1             |
| Resolving Insolvency              | 117          | 117          | 0              |
| Starting a Business               | 107          | 112          | -5             |
| Trading Across Borders            | 35           | 36           | -1             |

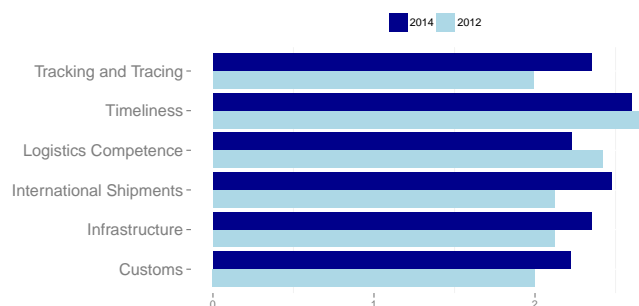
Source: Doing Business Report 2015

## WEF Competitiveness Indicators (Scale 1-5, 5=best)



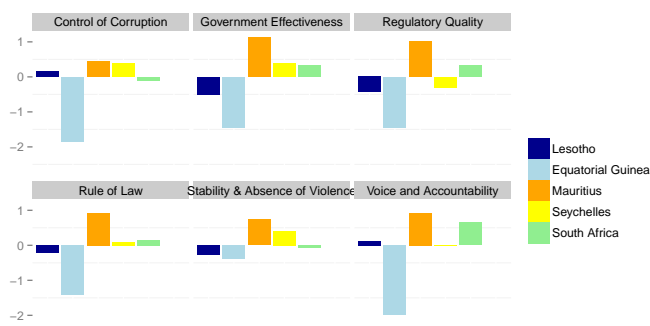
Source: WEF Global Competitiveness Report 2015

## Logistics Performance Index (Scale 1-5, 5=best)



Source: Logistics Performance Index (World Bank)

## World Governance indicators (Std. score, High=best)



Source: Worldwide Governance Indicators

## Trade Policy

|  | 2010 | 2014 |
|--|------|------|
| Applied Tariff (Incl. Prefers. and Trade-Weighted) | 10.7 | 3.3  |
| Binding (%)  | 100  | 100  |
| Dispersion (Standard Deviation)                    | 15   | 13.1 |
| Import duties collected [1]                        | —    | —    |
| MFN Tariff (Agriculture)                           | 8.9  | 9.1  |
| MFN Tariff (Non-Agriculture)                       | 7.6  | 7.5  |
| MFN Tariff (Simple Average)                        | 7.7  | 7.7  |
| Services sectors with GATS commitments [1]         | —    | 80   |

Sources: WITS, [1] WTO Trade Profiles

## Private Sector's Views

### Enterprise Survey 2013

|   | Sub-Saharan Africa | Lesotho | All Countries |
|---|--------------------|---------|---------------|
| Number of electrical outages in a typical month   | 8.30               | 4.10    | 6.30          |
| Percent of firms with a bank loan/line of credit  | 23.10              | 32.20   | 34.30         |
| Proportion of investment financed by banks (%)  | 9.90               | 23.30   | 14.30         |
| Proportion of investment financed internally (%)  | 76.70              | 50.90   | 71.80         |
| Senior management time spent dealing with the requirements of government regulation (%) | 8.20               | 5.60    | 9.90          |

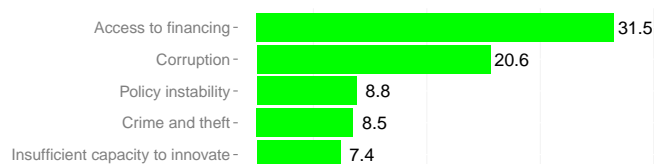
Source: Enterprise Survey 2013

### Top 5 constraints according to ES 2013 (% respondents)



Source: Enterprise Survey 2013

### Top 5 constraints according to WEF 2015 survey (% respondents among 88 executives)



Source: WEF Global Competitiveness Report 2015