

CENTRAL BANK OF LESOTHO

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**MASERU
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I. Key Economic Events in Lesotho during the first Quarter

(a) The Lesotho Post Bank starts its operations

In view of the importance of an effective and efficient financial sector in the creation of a market economy, the Government of Lesotho embarked on several structural reforms. The reforms included the restructuring and strengthening of the banking system throughout the 1990s and early 2000s. The exercise resulted in the privatization and liquidation of two state owned banks; the Lesotho Bank and the Lesotho Agricultural Development Bank (LADB), respectively. However, the closure and subsequent liquidation of the LADB led to the marginalization of the small-scale household savings, especially in the rural areas by the mainstream commercial banking system. In an endeavour to fill this gap, the Government decided to re-establish the Lesotho Post Bank (LPB).

The LPB started its operations on the 24 January 2005 by opening a branch in Maseru. Three additional branches were subsequently opened throughout the first quarter of the year, at three rural areas, namely; Pitseng, Semonkong, and Machache. The Bank had targeted to open 4 branches in the first quarter of the year, thus this was achieved. The rural focus of the branch network of the bank is in harmony with the purpose of the re-establishment of the bank. Following a needs assessment survey conducted by the Department of Postal Services of the Ministry of Communications, it was found out that the biggest proportion of the rural households earn their living on remittances from their relatives in the urban areas of Lesotho and the South African mines. This finding underscored the need for the provision of basic financial services in the rural areas. Hence the purpose of re-establishing the LPB is to provide a wide range of financial services starting with a savings and withdrawals facility. In contrast to the needs assessment, Maseru branch is the busiest of the four branches, followed by Semonkong branch. This is explained by volume of activities in the lowlands against the foothills and the mountain areas.

The LPB is currently fully owned by the Government, however, the ownership structure over the long term is intended to be a joint venture between the Government and a technical partner in the near future. This was found to be the best form of corporate structure because the involvement of the technical partner will bring the necessary capital and technical skills. This dual ownership facilitates easy privatization as compared to a fully owned state bank. The joint venture also is better equipped with skill and know-how as fertilization of ideas between the two arms of the structure is probable. Moreover, the arrangement allows for checks and balances with regard to the quality of service to the public with the technical

partner aiming at maximizing profit and the Government social benefit.

There is a positive outlook for the operations of the LPB. First, due to the fact that it would access a wide section of the population, it would exploit the economies of scale. Second, it would benefit from the existing postal services infrastructure. Third, it would invest in high yielding default-free securities, such as government securities and thus be able to offer competitive deposit rate for the rural communities. Furthermore, it would also enhance the commercial viability of the Post Office in the advent of declining volumes of its traditional mail business. It goes without saying, that despite the challenges that may threaten the LPB, its operations promise improved access to financial services by the rural masses of the Mountain Kingdom.

(b) The 2005/06 Fiscal budget

The other milestone during the quarter was the 2005/06 budget speech by the Honourable Minister of Finance and Development Planning. This year's budget adopted the Medium Term Expenditure Framework (MTEF), which is defined as a transparent planning and budget formulation process within which the Cabinet and central government agencies establish contracts for allocating public resources to their strategic priorities. It is seen as a channel that provides the necessary link between the budget and the Poverty Reduction Strategy (PRS), which is much different from the way Government of Lesotho (GoL) has been allocating resources, implementing the budget and monitoring progress. The overall budget seeks to ensure that, first, aggregate public expenditure grows by less than nominal growth in GDP; second, sustainable budget deficit in the medium term is maintained; and third, additional external finance on concessional terms is mobilised. However, the attainment of these targets demands commitment, and efficiency, not only on the side of Government, but even the private sector, as well as the non-governmental organisations, and indeed the ordinary Mosotho in the village.

II. International Economic Developments and their Implications for the Lesotho Economy

United States (US)

The preliminary estimates indicate that the US economic growth as measured by the change in the gross domestic product (GDP) decelerated on an annual basis from 3.9 per cent in the fourth quarter of 2004 to 3.6 per cent in the first quarter of 2005. On a quarterly basis, it decelerated from 3.8 per cent to 3.1 per cent. The observed deceleration resulted from several factors, mainly from a lower increase of 3.5 per cent in consumer spending registered during the quarter under review compared with 4.2 per cent in the previous quarter. Growth in business fixed investment also decelerated on annual basis from 14.5 per cent to 4.7 per cent. The deterioration was further aggravated by the slow growth in government spending during the quarter. Growth in government spending slowed down from 0.9 per cent in January to 0.6 per cent in March. On the external sector, the trade deficit also widened as a consequence of the surge in international oil prices which led to an increase in the value of imports. The gap also widened due to the slowing demand in Europe and Japan, hence leading to deceleration in the growth rate of exports from the US.

As economic activity slowed during the quarter under review, the US labour market improved to some extent. Unemployment rate, seasonally adjusted, closed the first quarter at the lower rate of 5.2 per cent, down from 5.4 per cent registered at the end of the previous quarter.

Inflation in the US continued to follow a downward trend as observed during the previous quarters. The consumer price index rose at an annual rate of 3.1 per cent in March compared with 3.3 per cent registered in December. The Federal Open Market Committee (FOMC) raised the benchmark lending rate by 25 basis points to 2.5 per cent during the quarter under review.

Although the US economic growth decelerated in the first quarter, it still remained strong. Weakness of the dollar against the major currencies, especially the rand, also has a detrimental impact on the domestic economy. Nevertheless, the improvement in the labour market, widening trade deficit and lower inflation in the US bodes well for the economy of Lesotho. The three factors could beneficially affect demand for Lesotho's exports in the US.

Euro-zone¹

Economic growth, as proxied by industrial production, recorded positive growth rates during the first two months of the quarter under review. On an annual basis, it increased by 2.2 per cent and by 0.6 per cent in January and February, respectively.

On the inflation front, provisional figures indicate that annual inflation in the Euro-zone, as measured by changes in the Harmonized Index of Consumer Prices (HICP), slowed down from 2.2 per cent during the previous quarter to 2.1 per cent during the quarter under review. However, on monthly basis, inflation accelerated from 0.4 per cent to 0.6 per cent. The upward pressure on monthly basis mainly emanated from the increase in the energy component, resulting from high global oil prices. Although inflation in the region remained slightly above the European Central Bank's (ECB's) target of 2.0 per cent, the ECB's Monetary Policy Committee (MPC) left the refinancing rate unchanged at 2.0 per cent.

Unemployment remained high in the Euro-zone during the first quarter. The level of unemployment remained unchanged at the seasonally adjusted average rate of 8.9 per cent.

On the one hand, the persistent high rate of unemployment in the Euro-zone could negatively affect SA's exports demand due to trade relations between SA and the European Union. On the other hand, the decrease in inflation could exert a downward pressure on SA's imported inflation. However, positive performance in the industrial production offsets the negative impact of high unemployment rate. Through economic relationships between Lesotho and SA, such shocks on SA could be transmitted to the Lesotho economy.

South Africa (SA)

A proxy for economic growth, mining production, increased by 3.7 per cent from December 2004 to January 2005. However, from January to February, it declined by 9.6 per cent. The negative percentage change mainly emanates from the non-gold mineral production which is due to lower Platinum Group Metals (PGM) production. Therefore, the first two months of the quarter under review depict mixed signals in mining production and hence in GDP.

Business confidence in SA, as measured by the Bureau for Economic Research (BER), decreased to 79 index points in the first quarter compared to 88 points in the previous quarter. Although the index decreased, it still remained above the threshold of 50 index points,

¹ Euro-zone comprises of Austria, Belgium, Germany, Greece, Finland, France, Ireland, Italy, Luxembourg, Netherlands, Portugal and Spain.

above which business confidence is deemed positive. It was observed that the Christmas sales season inflated the index during the previous quarter. On the other hand, consumer confidence increased to 19 index points in the first quarter, up from 4 index points registered during the fourth quarter. Both business and consumer confidence were boosted by the low interest rate environment and low inflation expectations.

The CPIX, which is the Consumer Price Index (CPI) excluding interest rates on mortgage bonds, grew at a lower annual rate of 3.6 per cent at the end of March compared with 4.3 at the end of December. This resulted mainly from the deceleration in the growth rate of clothing, vehicles and some food items.

Producer inflation as measured by changes in the producer price index (PPI) rose by a higher annual rate of 1.9 per cent in March compared with 1.2 per cent in December. The increase mainly arose from the high international oil prices due to expanding demand in the US, China and India which ultimately led to rising demand for fuel. Domestic price pressures also exacerbated the producer inflation. Increases were recorded in agricultural items and in electricity prices.

The South African Reserve Bank (SARB) Monetary Policy Committee (MPC) left its key interest rate unchanged during the review quarter. As such, the repo rate as well as the prime lending rate closed the quarter at the previous quarter's levels of 7.5 and 11.0 per cent, respectively.

Subdued inflation in SA implies relatively subdued imported inflation for Lesotho. However, the fall in gold mining production resulted in further decline in the number of Basotho mineworkers in SA and therefore lower remittances.

Commodity prices

Gold

The average price of gold decreased from \$435.50 an ounce in the fourth quarter to \$427.69 an ounce during the review quarter. The dollar price of gold declined mainly due to the appreciation of the dollar against the other major currencies, such as the euro, which induced lower demand by European investors as the metal became more expensive. In rand terms, the price increased by 3.4 per cent from R2485.40 per ounce in the previous quarter to R2570.12 in the quarter under review.

The negative effect of the decrease in the price of gold in US dollar terms to SA mining companies was to some extent offset by the

depreciation of the rand against the US dollar. The expectations was that in higher profitability of the SA mining companies would imply pausing the process of laying-off Basotho employed in SA mines, at least for the short-term. However, since the rand/dollar exchange rate remains volatile, depicting mixed signals, the mining companies remained kept on retrenching. As a consequence, miners' remittances being one of the country's major sources of foreign exchange, continued to decline.

Oil

The price of oil increased at an increasing rate during the quarter. On average, it rose at a higher rate of 11.3 per cent in the quarter under review compared to 1.8 per cent in the previous quarter. It grew from \$39.70 per barrel in the previous quarter to \$44.19 in the quarter under review. The insistent expansion in oil consumption in China, Japan and India is the main reason for the soaring prices. Uncertainties in Iraq and in the Middle East still continue to exert upward pressure on the international oil prices. Furthermore, the price increased in response to lower crude oil production by the Organisation of the Petroleum Exporting Countries² (OPEC), which slightly reduced the supply of oil. OPEC (excluding Iraq) crude oil production fell on average by 0.5 per cent from 29.91 million barrels per day (mbpd) at the end of December 2004 to 29.76 mbpd at the end of the first quarter 2005. However, at this level, the production is still considered to be high as it is 2.26 mbpd above the official quota of 27.5 mbpd. In rand terms, the average price of oil increased by 17.2 per cent from R226.57 per barrel in the previous quarter to R265.55 a barrel in the review quarter.

The acceleration in the rate of increase in international oil prices poses a threat in the development of the Lesotho economy. It could result in upward revision of fuel and heating oil prices and therefore increased pressure on inflation.

III. Overview of Macroeconomic Developments in Lesotho

Economic Growth

Although economic growth in the country is not measured on quarterly basis, a range of indicators show that economic growth probably remained positive as evidenced by the following:

✍ Construction: Although the value of building permits declined on a quarterly basis, it increased on an annual basis. On a quarterly basis, the value of building permits dropped by 5.1 per cent in the

² OPEC comprises of Algeria, Indonesia, Islam Republic of Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates and Venezuela.

review period compared to a decrease of 7 per cent in the previous quarter. Nevertheless, on an annual basis, the total value of building permits increased by 45 per cent from M12.7 million registered in the fourth quarter of 2004 to M18.4 million recorded in the first quarter of 2005. The annual growth was in line with an increase in credit extension to the construction sub-sector.

- ✍ Transport: The value of imported motor vehicles, being a proxy for capital formation in the country, registered a quarterly decline of 1.5 per cent during the quarter under review compared with 14.78 per cent during the previous quarter. But, on an annual basis, the value rose by 44.9 per cent in the first quarter compared to a rise of 5.4 per cent in the previous quarter. Similarly, the number of imported motor vehicles increased by 83.7 per cent on an annual basis and 11.7 per cent on a quarterly basis. The annual increase was attributed mainly to imports of cars and vans. The increase is an indication on an expansion in the capital formation in the country.
- ✍ Electricity and water: Water consumption being a proxy for performance in the manufacturing sub-sector, especially, in textile industry, increased on an annual basis and declined on a quarterly basis. The overall consumption of water declined on a quarterly basis by 7.8 per cent. This decrease is an indication of the slowdown in the growth of the 'wet' industries as a result of closure of some firms, towards the end of the previous quarter and early in the review period. However, water consumption increased on an annual basis by 12.7 per cent from M9.64 million in the fourth quarter of 2004 to M10.86 million in the first quarter of 2005. But this was merely a reflection of year-on-year rise in tariffs.
- ✍ Telecommunications: The performance level in the telecommunication industry is used as a proxy for assessing the export sector. An increase in the nominal value of telephone calls imply higher placement of orders by domestic firms. On a quarterly basis, the nominal value of telephone calls decreased by 9.4 per cent. In a similar manner, on an annual basis, it declined by 17.7 per cent from M15.09 million recorded during the fourth quarter of 2004 to M12.42 million recorded in the first quarter of 2005.

Inflation

Inflation, as measured by changes in the consumer price index decreased from an annualised 4.8 per cent in December 2004 to 3.7 per cent at the end of March 2005. The slowdown emanates largely from the 'food and non-alcoholic beverages' item. This item dropped from 5.5 per cent in the previous quarter to 3.2 per cent at the end of March. However, the threat posed by the persistent increase in

international oil prices is expected to have a negative spillover effects on the overall inflation rate in the future.

Employment

Employment in the manufacturing sub-sector fell by about 14 per cent from 48,809 employees in the previous quarter to 41,985 employees during the quarter under review. The level of unemployment in this sub-sector has increased mainly due to the closure of some textiles firms as a result of the phasing out of quotas under the Agreement on Textiles and Clothing (ATC) at the end of 2004.

The government employment rose during the quarter under review. It increased by 0.4 per cent from 36,555 in the previous quarter to 36,710 employees during the quarter under review. The increase is reflected basically in the civil servants and armed forces employment levels.

On the migrant mine workers front, the number of Basotho employed in the mining industry of South Africa (SA) declined by 3.9 per cent from 56,357 during fourth quarter of 2004 to 54,171 during the quarter under review. This is due to the generally low dollar price of gold that impacted negatively on the profitability of the SA gold mines.

Monetary Sector

Broad measure of money supply, M2, increased both on quarterly and annual basis in the quarter under review. On a quarterly basis, it increased by 3.3 per cent at the end of the first quarter in contrast to a decline of 4.1 per cent at the end of the previous quarter. On an annual basis, it grew by 6.2 per cent in the first quarter compared to 3.3 per cent observed in the fourth quarter 2004. The main drivers of the increase in money supply were a rise in Net Foreign Assets (NFA) and Domestic Credit (DC).

NFA of the banking system increased during the quarter. It rose by 7.4 per cent in March compared to a decline of 1.7 per cent registered during the previous quarter. Domestic credit increased by 8.0 per cent compared to 6.7 per cent observed at the end of the previous quarter.

Balance of Payments

The balance of payments position depicted an improvement in the first quarter of 2005. The overall balance, seasonally adjusted, improved from M13.3 million in the previous quarter to M119.8 million during the quarter under review. This resulted from the exchange rate movements due to higher valuation gains. In a similar manner, the gross official reserves, measured in months of imports, increased to

5.7 months of imports cover during the quarter under review, up from 5.5 months of imports registered during the previous quarter. Without the effect of exchange rate fluctuations as indicated by the transactions balance, the external sector showed some slowdown during the first quarter. It recorded a lower transaction surplus of M13.8 million during the first quarter, down from M128.9 million in the previous quarter. This emanated from the decline in the capital and financial account, which outweighed the positive developments in the current account balance. The capital and financial account deteriorated from a net inflow of M225.6 million in the fourth quarter to a net outflow of M39.3 million during the quarter under review. However, the current account balance improved significantly from a deficit of M116.5 million in the previous quarter to a surplus of M22.3 million during the quarter under review.

Fiscal position

Preliminary estimates on the outturn of government budgetary operations continued to depict an overall surplus during the last quarter of the fiscal year. The overall surplus, as percentage of GDP improved from 9.2 per cent in the previous quarter to 11.7 per cent during the last quarter of the fiscal year 2004/05. Overall surplus, excluding grants, was recorded lower at 10.6 per cent of GDP during the last quarter of the fiscal year, higher than 8.1 per cent realized during the previous quarter. An improvement was facilitated by the substantial decline in government expenditure, which mitigated some negative effects emanating from the lower government revenue during the quarter.

IV. Economic Indicators

Manufacturing Output

Manufacturing sub-sector has been the pillar of economic growth in Lesotho, since the inception of Africa Growth and Opportunities Act (AGOA) initiative. Although its contribution to GDP has slowed down in recent years, it still remains the largest formal sector employer in the economy. It consists of textile and clothing, food and beverages, leather and footwear and all other manufacturing industries.

The textile and clothing production index increased by 34.7 per cent at the end of December 2004 compared with 29.3 per cent rise realized in September. Although the sub-sector continued to register positive growth rates, the rand hence loti remained strong against the US dollar. The food and beverages production index dropped by 0.8 per cent in the fourth quarter of 2004 in contrast a 0.8 per cent marginal growth observed at the end of September.

The leather and footwear production index registered a 19.8 per cent drop at the end of December 2004 as against a 23.5 per cent slump recorded in September. Its performance has been sluggish since the second quarter of 2003. The production index of all other manufacturing industries further increased by 41.7 per cent in December 2004, following 52.8 per cent rise observed at the end of September.

MANUFACTURING OUTPUT 2003 - 2004

Industry	% Change in production volume index						
	2003			2004			
	QII	QIII	QIV	QI	QII	QIII	QIV
Food and Beverages	0.5	-0.5	1.3	17.9	17.4	0.8	-2.8
Textiles and Clothing	-29.7	-26.8	-24.6	24.1	38.7	29.7	34.7
Leather and Footwear	10.8	-33.6	-21.1	-8.9	-32.4	-23.5	-19.8
All other Manufacturing	12.1	-13.8	-28.1	6.7	56.7	52.8	41.7
TOTAL	-3.6	-15.9	-13.2	16.2	24.5	14.0	8.5

Source: Bureau of Statistics, April 2005.

Household and Business Sector Housing Statistics

Building permits are used as a general indicator of construction activity, since there are no actual construction activity statistics on a quarterly basis. The first quarter of 2005 displayed a year-on-year improvement in both the value and number of building permits issued. The number of permits increased by 46.7 per cent compared with the first quarter of 2004. In value terms, these permits grew by 45.1 per cent on an annual basis. The increase was driven by the rise in permits proposed for household purposes that more than offset the decline in commercial permits. This annual increase was in line with credit extension to the construction sub-sector, over the same period.

On quarterly basis, the number of building permits fell by 34.3 per cent while the value decreased by only 5.1 per cent.

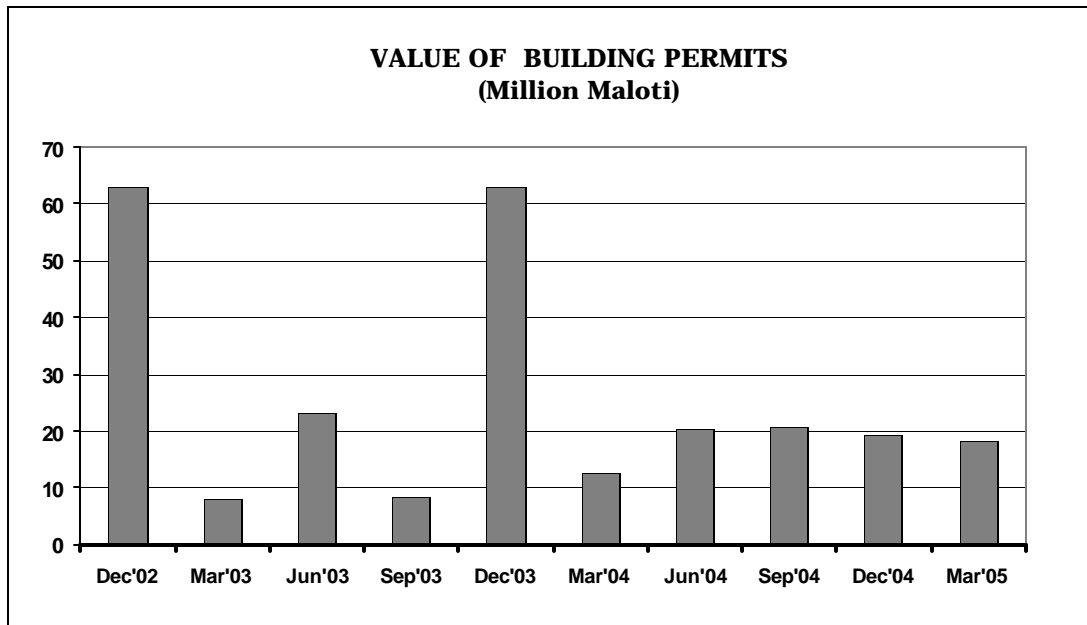
BUILDING PERMITS BY TYPE OF BUILDING
(Value in Million Maloti)

Type	Permits	2003	2004				2005
		QIV	QI	QII	QIII	QIV	QI
Residential	Value	6.94	3.75	8.13	11.51	17.28	8.49
	Number	32	20	33	40	58	37
Commercial	Value	55.06	6.61	1.91	2.73	0.65	6.50
	Number	8	4	4	3	4	3
Other	Value	1.28	5.34	10.35	6.65	1.49	3.44
	Number	3	6	9	5	5	4
Total	Value	63.28	12.70	20.39	20.89	19.42	18.43
	Number	43	30	46	48	67	44

Source: Maseru City Council and Land Survey and Physical Planning

(1) Excludes data on buildings constructed without obtaining building permits. The table also excludes data on Mafeteng, Mokhotlong and Mohale's Hoek districts.

Figure 1



Imported Motor Vehicles

Data on imports of motor vehicles by both the private sector and Government is used as an indicator of capital investment. Imports of motor vehicles maintained an upward trend in the first quarter of 2005. The value of all new motor vehicles purchased increased by 44.9 per cent on annual basis compared with a rise of 5.4 per cent in the previous quarter. The year-on-year rise was driven by an increase in purchases of vans and cars. This was largely a reflection of the huge increase in imports of motor vehicles by both household and business enterprises, and in accordance with 7.6 per cent rise in credit to the private sector over the same period. In addition, the increase in motor vehicle purchases could be attributed to the general drop in motor vehicle prices.

Generally, motor vehicle dealers have reduced prices, due to lower import costs. On quarterly basis, the value of imported motor vehicles dropped by 1.5 per cent while their number increased by 11.7 per cent. No government motor vehicles were imported in the review quarter, in an effort to contain fleet management costs.

MOTOR VEHICLE IMPORTS
(Value in Million Maloti)

		Cars	Vans	Trucks	Buses	Trac-tors	M/Cycles	Trail-ers	Total	
2002	IV	Value	17.21	31.71	4.84	5.62	0.32	0.04	0.47	60.21
		Number	253	285	14	43	5	2	11	613
2003	I	Value	10.53	27.90	1.13	5.17	0.15	0.00	0.15	45.03
		Number	136	249	12	39	4	0	5	445
II	Value	25.50	33.42	8.75	2.62	0.21	0.00	0.40	70.90	
	Number	253	330	23	22	7	0	10	645	
III	Value	17.46	29.33	3.42	5.26	0.15	0.00	0.16	55.78	
	Number	173	237	20	42	4	0	8	484	
IV	Value	18.89	13.46	9.27	2.60	0.07	0.00	0.52	44.81	
	Number	203	146	20	29	4	0	9	411	
2004	I	Value	15.91	10.37	1.31	3.73	0.22	0.00	0.55	32.09
		Number	198	139	2	24	8	0	9	380
II	Value	8.49	8.69	0.53	0.85	0.09	0.00	0.38	19.03	
	Number	198	164	2	11	4	0	5	384	
III	Value	17.40	16.34	2.62	4.02	0.21	0.00	0.56	41.15	
	Number	323	244	6	45	7	0	15	640	
IV	Value	19.57	19.23	0.21	5.01	0.52	0.00	0.81	47.23	
	Number	346	205	5	45	12	0	12	625	
2005	I	Value	15.79	25.19	1.57	2.77	0.70	0.01	0.48	46.51
		Number	349	299	2	26	8	1	13	698

Source: Imperial Fleet Services Lesotho and Customs Department

Water Consumption

The Lesotho manufacturing sub-sector is dominated by the textile, food and beverages industries. These industries are heavily reliant on water, and as such, water usage by the industrial sector is used as one of the indicators of manufacturing activity. In the first quarter of 2005, performance of the manufacturing sub-sector as measured by

the amount of water consumed by the industrial sector deteriorated. The industrial water consumption in this period fell by 16.7 per cent and 15.5 per cent in unit and value terms, respectively. This could reflect amongst others the poor performance of the manufacturing sub-sector since the closure of four textile firms in the quarter under review. However, the relatively constant consumption of water by households mitigated the higher decrease in overall water consumption. Total water consumption during the same period fell by 8.5 and 7.8 per cent in unit and value terms, respectively.

WATER CONSUMPTION

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

Quarter		Domestic	Industrial	Other	Total	
2002						
	IV	Units	0.74	0.84	0.51	2.09
		Value	2.43	3.19	1.97	7.59
2003						
	I	Units	0.79	0.91	0.58	2.28
		Value	2.67	3.45	2.25	8.37
II		Units	0.79	1.08	0.64	2.51
		Value	2.70	4.08	2.46	9.24
III		Units	0.73	1.12	0.61	2.46
		Value	2.45	4.24	2.35	9.04
IV		Units	0.88	1.16	0.53	2.57
		Value	3.09	4.42	2.04	9.55
2004						
	I	Units	0.92	1.13	0.55	2.60
		Value	3.21	4.39	2.04	9.64
II		Units	0.84	1.40	0.58	2.82
		Value	3.16	5.79	2.38	11.33
III		Units	0.76	1.49	0.52	2.77
		Value	2.73	6.14	2.11	10.98
IV		Units	0.95	1.44	0.54	2.93
		Value	3.66	5.88	2.24	11.78
2005						
	I	Units	0.95	1.20	0.53	2.68
		Value	3.69	4.97	2.20	10.86

Source: Water and Sewerage Authority

Telecommunications

Telephone traffic statistics are used as a general indicator of the performance of the export sub-sector. The value of cross-border telephone calls dropped on both quarterly basis and annual basis. The value fell by 9.4 per cent on a quarterly basis and 17.7 per cent on a year-to-year basis. The decline in value was driven by the fall in both the duration and number of calls destined to South Africa and other international calls. The quarterly drop in value was in line with the fall in industrial consumption of water and which implied a slow-down in manufacturing activity.

TELEPHONE TRAFFIC STATISTICS

		RSA Outgoing Calls	International Calls	Total Calls
2003				
IV	No. of calls (millions)	3.26	0.15	3.41
	Total Duration (million)	5.24	0.53	5.77
	Nominal Value (million)	11.00	4.09	15.09
2004				
I	No. of calls (millions)	3.01	0.16	3.17
	Total Duration (million)	5.18	0.57	5.75
	Nominal Value (million)	10.89	4.22	15.09
II	No. of calls (millions)	2.74	0.14	2.88
	Total Duration (million)	4.68	0.46	5.14
	Nominal Value (million)	9.86	4.01	13.87
III	No. of calls (millions)	2.72	0.13	2.85
	Total Duration (million)	4.85	0.43	5.28
	Nominal Value (million)	10.19	5.17	16.36
IV	No. of calls (millions)	3.06	0.12	3.18
	Total Duration (million)	4.72	0.39	5.11
	Nominal Value (million)	9.91	3.26	13.71
2005				
I	No. of calls (millions)	2.68	0.09	2.77
	Total Duration (million)	4.68	0.29	4.97
	Nominal Value (million)	9.82	2.60	12.42

Source: Tele-Com Lesotho

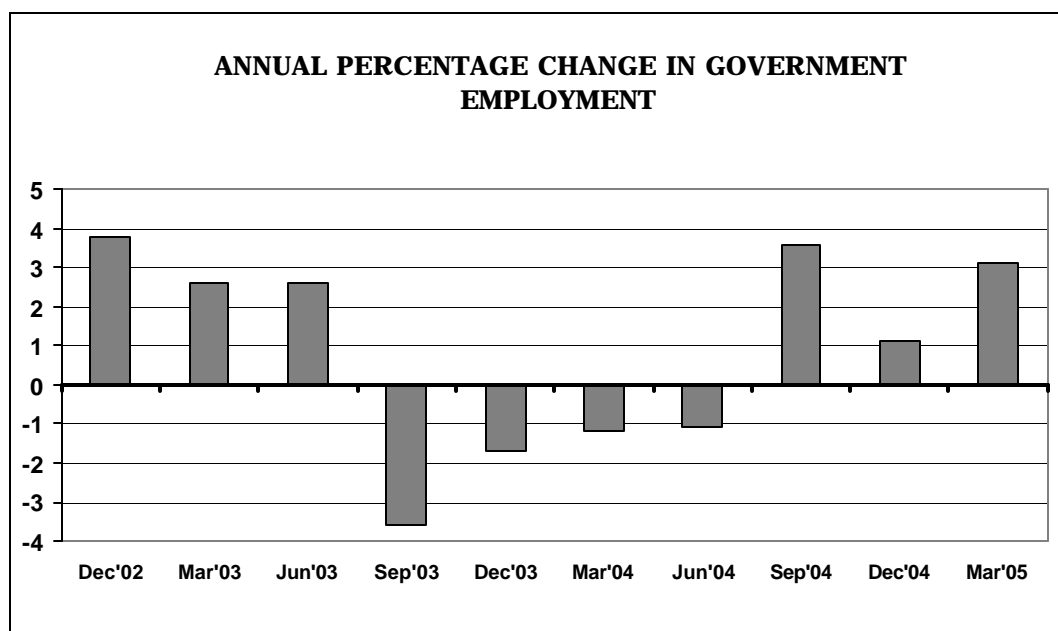
V. Employment and Prices

Employment Developments

Manufacturing sub-sector is the largest formal employer in the domestic economy. This has been made possible by strong investments in the sub-sector in response to the AGOA initiative. However, employment in this sub-sector plunged by 14.0 per cent to 41,985 in the quarter under review, from 48,809 in the preceding quarter. This was in line with the quarterly drop in water consumption by the sub-sector. As earlier mentioned, four textile firms were reported to have closed down in the review quarter, following the phasing-out of the Multi Fibre Agreement (MFA) on the 31 December 2004.

Government still remains the second largest employer. In the first quarter of 2005, Government employment increased slightly by 0.4 per cent from 36,555 in the fourth quarter of 2004 to 36,710. The increase reflected increases in two components of government employment: civil servants and the armed forces.

Figure 2

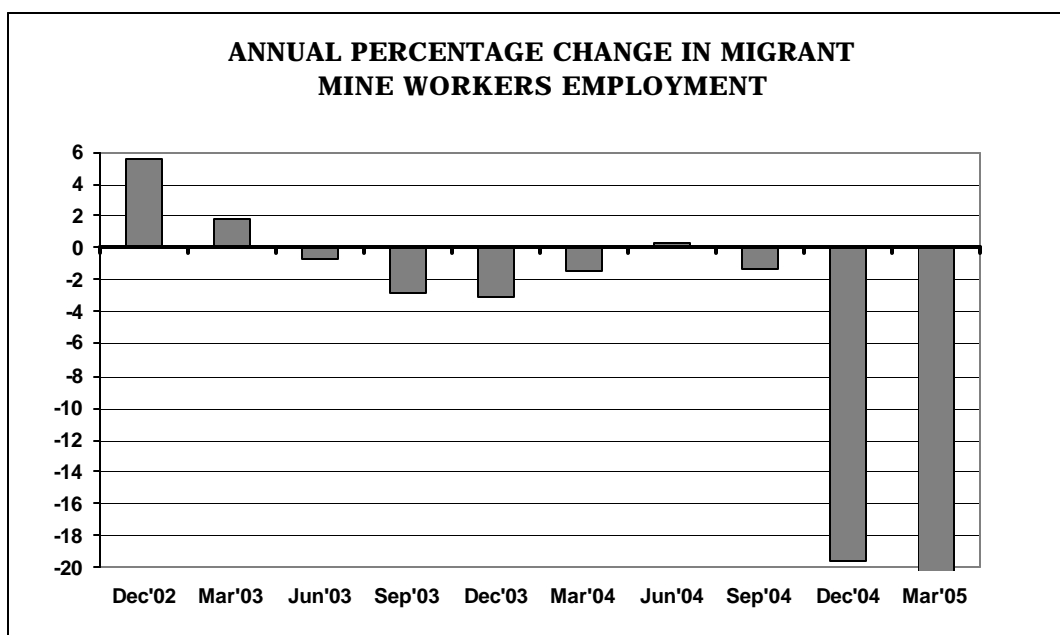


The unemployment problem in the country has for years been alleviated by migration to the Republic of South Africa. The majority of these migrants are in the South African mining industry and, according to Lesotho Labour Force Survey of 1999, they constitute about 13.0 per cent of the labour force. At the end of the first quarter,

migrant mine employment was estimated at 54,171, down from 56,357 registered in the preceding quarter.

The lower miners' employment level was on account of the generally low price of gold that impacted negatively on the profitability of the mines. This was despite the modest quarterly depreciation of the loti against the US dollar. The average price of gold dropped to \$427.7 an ounce in the review period, from \$435.5 during the last quarter of 2004.

Figure 3



Prices Developments

The overall inflation rate as measured by changes in the Consumer Price Index (CPI), fell to 3.7 per cent year-on-year in March 2005, from 4.8 per cent in December 2004. This reflected the impact of easing inflationary pressures on most of the items in the CPI, given the generally steady currency during the quarter. The loti, which is anchored to the rand on a one-to-one basis, weakened to M6.0093 per US dollar on average during the first quarter of 2004, from M 5.7071 in the previous quarter.

All major categories of the CPI experienced declining rates except the 'furniture, households equipment & routine maintenance of house', 'health', 'clothing and footwear' categories. The 'food and non-alcoholic beverages' category, which accounts for the largest weight in the CPI basket, at 39.8 per cent, was on a downward trend. It dropped

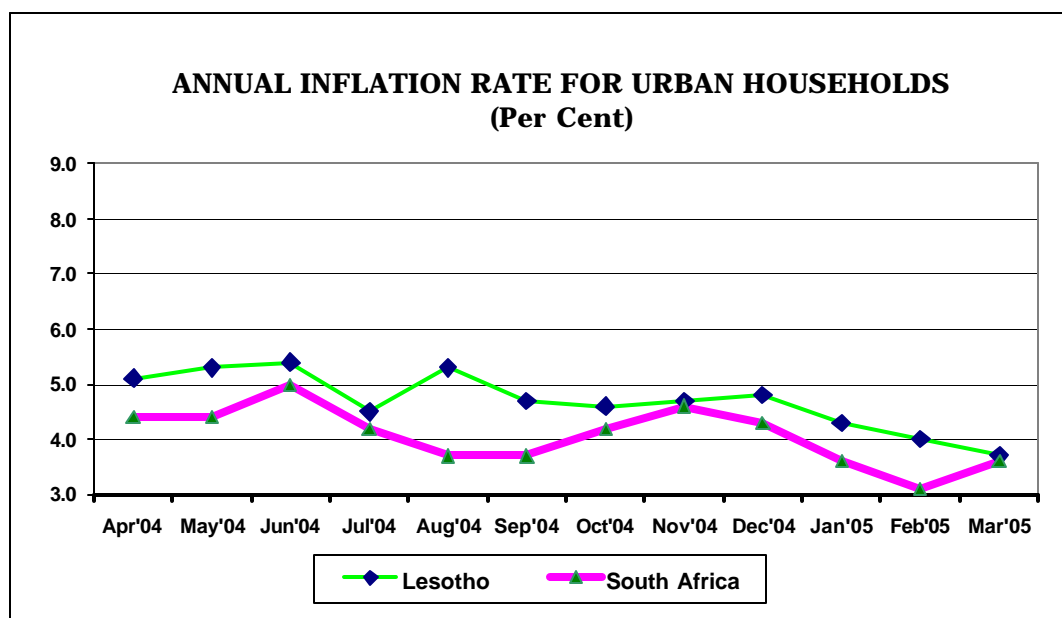
to a moderate 3.2 per cent at the end of March from 5.5 per cent in the last quarter of 2004. The lower rate of inflation is expected have positive effects on the incomes of the poor. However, the continued rise in the price of crude oil will have negative spillover effects on the overall inflation rate in the future.

INFLATION RATE
(Annualised Percentage Change)
Base Period: 1995

	Weight	2004			2005		
		Oct	Nov	Dec	Jan	Feb	Mar
All items	100.0	4.6	4.7	4.8	4.3	4.0	3.7
Food and non-alcoholic beverages	39.8	5.7	5.6	5.5	4.4	3.7	3.2
Alcoholic beverages & Tobacco	6.4	7.6	7.9	8.1	8.0	6.9	5.5
Clothing & footwear	15.6	2.7	2.7	2.4	2.5	2.4	2.8
Housing, electricity gas & other fuels	3.7	5.1	7.4	7.1	6.7	6.7	6.3
Furniture, households equipment & routine maintenance of house	17.0	1.8	1.7	1.9	1.9	2.1	2.4
Health	1.4	1.9	1.6	1.1	1.7	1.8	2.0
Transport	7.8	6.6	7.7	10.4	10.2	9.7	9.2
Communication	0.1	6.9	6.9	6.9	6.9	6.9	6.9
Leisure, entertainment & Culture	1.2	3.4	1.7	0.7	0.9	1.0	-0.3
Education	3.2	3.4	3.5	3.6	0.7	1.3	1.1
Restaurant & Hotels	0.4	1.2	3.1	3.1	3.1	2.7	2.3
Miscellaneous goods & services	3.2	3.0	2.2	2.8	2.8	3.5	3.1

Source: Bureau of Statistics, Lesotho

Figure 4



VI. Balance of Payments (BOP)

Overview

Lesotho's BOP position showed a remarkable improvement during the first quarter of 2005. The overall balance registered a higher seasonally adjusted surplus of M119.8 million compared with that of M13.3 million in the fourth quarter. BOP developments during the review period were influenced considerably by exchange rate movements that resulted in valuation gains amounting to about M106.01 million. At the same time, gross official reserves in months of imports increased from 5.5 in the fourth quarter to 5.7 months. The transactions balance, which represents the overall balance excluding the effects of currency fluctuations, recorded a lower surplus of M13.8 million from that of M128.9 million in the previous quarter.

The deceleration in the transactions balance reflected negative developments in the capital and financial account, which outweighed positive developments in the current account. The capital and financial account deteriorated from a net inflow of M225.6 million in the fourth quarter to a net outflow of M39.3 million during the review quarter. This resulted mainly from the increase in the foreign assets of the commercial banks. The current account registered a surplus of M22.3 million following a deficit of M116.5 million in the previous quarter. This improvement resulted from all but the services sub-category of the current account. The trade deficit narrowed further during the review quarter. It fell by further 9.2 per cent following a

decrease of 14.3 per cent in the previous quarter. Net income inflows also recorded an increase of 1.8 per cent following a decline of 7.7 per cent in the fourth quarter. In addition, current transfers, which had fallen by 5.3 per cent in the fourth quarter, increased by 16.9 per cent during the review quarter.

SUMMARY OF BALANCE OF PAYMENTS
(Million Maloti)

	2004				2005
	QI	QII	QIII	QIV*	QI+
I. CURRENT ACCOUNT	-138.2	-17.2	-210.0	-116.5	22.32
<u>Goods, Services and Income</u>	-471.24	-453.03	-633.33	-519.25	-448.67
(a) GOODS	-886.40	-834.12	-1102.82	-944.69	-857.68
Merchandise exports f.o.b.	849.02	990.20	1403.09	976.06	906.89
Merchandise imports f.o.b.	-1735.42	-1824.32	-2505.91	-1920.75	-1764.57
(b) SERVICES	-96.17	-74.20	-91.96	-91.06	-116.80
(c) INCOME	511.33	456.29	559.45	516.51	525.81
Labour	515.89	491.14	501.88	497.97	486.04
Other	-4.56	-35.85	57.57	18.54	39.77
(d) CURRENT TRANSFERS	333.03	435.86	425.32	402.75	470.99
Government, net	321.78	406.02	416.65	393.55	462.91
SACU non-duty receipts	245.59	386.50	381.26	382.91	383.14
Other	76.19	19.52	35.39	10.64	79.77
Other Sectors	11.25	29.84	8.67	9.20	8.08
II. CAPITAL AND FINANCIAL ACCOUNT	-23.53	240.58	170.63	225.58	-39.32
(e) CAPITAL ACCOUNT	39.50	60.60	92.20	24.00	24.00
(f) FINANCIAL ACCOUNT	-63.03	179.98	78.43	201.58	-63.32
Special Financing- LHWP	93.08	231.11	71.64	61.33	53.81
III. RESERVE ASSETS	257.49	-251.39	-15.53	-1.18	-119.83
IV. ERRORS AND OMISSIONS	-102.55	27.07	54.91	-107.89	136.86
<i>of which: valuation adjustment</i>	-118.92	37.08	44.33	-127.68	106.01

* Revised estimates
+ Preliminary estimates

Merchandise Trade

Exports

Merchandise exports declined further during the review period. In seasonally adjusted terms, exports fell by 2.2 per cent following a decrease of 30.1 per cent in the last quarter. The main reason behind this decline could be the slowdown in consumer spending in the US as indicated in section II. The bulk of Lesotho's exports are destined to the US market. This fall also resulted from developments in the supply side of the economy. Some textiles and clothing manufacturing companies closed down at the end of the previous quarter due to increased competition as a result of the phasing out of the MFA. This resulted in lower production and therefore contributed to the decline in exports. On an annual basis, exports grew by 6.8 per cent compared with 6.2 per cent in the previous quarter.

Imports

In seasonally adjusted terms, imports were estimated to have registered a marginal increase of 0.7 per cent in the first quarter of 2005 after increasing by 27.6 per cent in the previous quarter. However, in unadjusted terms, imports deteriorated during the review quarter. According to preliminary estimates, merchandise imports fell by 8.1 per cent during the quarter, following a decline of 23.5 per cent in the last quarter. Compared to the same period last year, imports grew by 1.7 per cent. The quarterly decline resulted from the relatively weak performance of the manufacturing sub-sector. Lacklustre government activity during the quarter, as reflected by the decrease of 8.2 per cent in government capital expenditure, could have also dampened imports.

VALUE OF EXPORTS BY SECTION OF THE S.I.T.C.
(Million Maloti)

COMMODITY	2003	2004				2005
	IV	I	II	III	IV*	I+
0. Food & Live Animals	31.70	29.21	29.40	21.06	19.24	22.50
Cattle	3.22	2.96	3.13	3.15	3.13	2.13
Wheat Flour	9.28	8.57	7.15	6.65	5.72	8.97
Maize Meal	6.21	5.72	5.85	3.51	3.44	4.00
Other	12.99	11.95	13.27	7.75	6.95	7.40
1. Beverages & Tobacco	25.33	21.21	19.72	37.95	21.09	13.77
Beverages	25.33	21.21	19.72	37.95	21.09	13.77
2. Crude Materials	26.48	24.51	0.04	1.98	1.23	14.20
Wool	26.48	24.51	0.04	1.98	1.23	14.20
4. Chemicals	13.63	12.57	8.81	1.83	1.42	3.50
5. Manufactured Goods	15.95	14.68	13.39	232.89	61.52	115.56
6. Machinery & Transport Goods	100.01	92.38	42.12	68.80	68.94	64.80
7. Miscellaneous Manufactured Goods	702.77	649.63	872.89	1035.12	799.50	670.20
8. Unclassified Goods	3.19	4.84	3.83	3.46	3.10	2.36
TOTAL EXPORTS	919.06	849.02	990.20	1403.09	976.06	906.89

Note: Totals may not tally due to rounding

* Revised estimates

+ Preliminary estimates

Direction of Trade

The US remained the largest recipient of Lesotho's exports. During the review period, the share of exports to the US declined by 10.8 percentage points to 66.7 per cent, from 75.5 per cent in the previous quarter. Slow consumer spending in the US during the quarter seems to have had a negative impact on the share of Lesotho's exports to the US market. The Southern African Customs Union (SACU) received the second largest share of Lesotho's exports during the review quarter. The share of exports to SACU rose to 18.9 per cent compared with 15.9 per cent in the previous quarter. The third largest portion of Lesotho's exports at 12.1 per cent compared with 8.1 per cent in the fourth quarter was destined to the European market. The proportion of exports to Asia remained negligible.

DIRECTION OF TRADE - EXPORTS AND RE-EXPORTS, f.o.b.
(Million Maloti)

REGION	2004						2005	
	QII AMOUNT	% SHARE	QIII AMOUNT	% SHARE	QIV* AMOUNT	% SHARE	QI+ AMOUNT	% SHARE
World	990.20	100.00	1403.09	100.00	976.06	100.00	906.89	100.00
Africa	215.18	21.73	164.53	11.73	155.00	15.88	171.14	18.87
SACU	212.90	21.50	145.16	10.35	141.40	14.48	142.19	15.68
SADC	0.00	0.00	0.00	0.00	0.00	0.00	1.89	0.21
Other	2.28	0.23	19.37	1.38	13.60	1.40	27.06	2.98
Europe	0.50	0.05	263.98	18.81	79.33	8.13	110.06	12.14
EC	0.50	0.05	263.98	18.81	79.33	8.13	110.06	12.14
America	774.28	78.19	968.63	69.04	736.39	75.45	622.87	68.68
Asia	0.48	0.05	5.95	0.42	5.34	0.54	2.82	0.31

Note : Totals may not agree due to rounding

* Revised estimates

+Preliminary estimates

Figure 5



Labour Income

Labour income, seasonally adjusted, registered a marginal increase of 0.8 per cent in the review quarter following a decline of 0.1 per cent in the previous quarter. However, in unadjusted terms, labour income fell by 2.7 per cent. This decline could mainly be attributed to the continued decline in miners' remittances. During the review quarter, miners' remittances fell by 3.2 per cent following a decline of 6.3 per cent in the fourth quarter. The number of Basotho workers in SA mines was estimated to have declined by 3.9 per cent in the review quarter. Although the rand depreciated against the US dollar during the first quarter, gold mining production continued to decline. This is because the value of the rand still remained high. The high value of the rand coupled with the decline in the price of gold reduced mining companies' earnings. In response the companies laid off some workers, hence the fall in the number of mineworkers and therefore the decline in miners' remittances.

Investment Income

Investment income inflows rose by 32.9 per cent, after decreasing by 32.7 per cent in the previous quarter. This improvement mainly resulted from a more than two fold increase in interest earnings of the commercial banks, which outweighed the impact of the decline in interest earned by the Central Bank. Interest earned by the commercial banks rose by 124.6 per cent following a decline of 57.0 per cent in the last quarter while earnings by the Central Bank fell by 1.5 per cent after decreasing by 14.4 per cent in the last quarter.

Investment income outflows fell by 2.3 per cent after increasing by 27.5 per cent in the previous quarter. The observed decline arose mainly from a 28.8 per cent decrease in distributed earnings. The fall in the latter offset the impact of a 29.4 per cent increase in payments of interest on official loans. Interest payments on official loans rose on account of the depreciation of the loti against major currencies during the quarter.

Travel

The country's earnings on travel increased by a meagre 0.8 per cent during the review quarter, following a decline of 29.5 per cent in the last quarter. On an annual basis, travel earnings fell by 4.5 per cent. Tourism spending remained sluggish. It increased by 0.9 per cent mainly as a result of marginal increases in expenditure on food and accommodation. Expenditure by tourists on car rentals fell by 28.6 per cent as a result of the 45.0 per cent decline in the number of tourists who rented cars during the quarter.

Travel payments fell further by 11.5 per cent following a decline of 3.8 per cent in the last quarter. This resulted from a substantial decline of 78.6 per cent in expenditure by private funded students abroad, complemented by the 53.2 per cent decrease in expenditure on other travel related activities by residents abroad.

Current Transfers

Net current transfers, seasonally adjusted, rose by 10.8 per cent during the review quarter, compared with a decrease of 4.8 per cent in the previous quarter. On an annual basis, current transfers rose by 41.4 per cent. The observed quarterly increase was mainly due to the payment of rand compensation worth M73.3 million. The Government of Lesotho receives this money from the SA Government as compensation for loss of seigniorage as a result of having the rand circulate freely in Lesotho. In addition, SACU non duty receipts remained high at M383.14 million during the review quarter. SACU revenue for the current fiscal year increased by 41.5 per cent compared to the previous fiscal year as a result of the higher value of imports for the 2002/2003 fiscal year compared to the previous one.

Capital and Financial Account

The capital and financial account deteriorated from a net inflow of M225.6 million in the fourth quarter to a net outflow of M39.3 million during the review quarter. Excluding financial flows to the Lesotho Highlands Water Project (LHWP) the capital and financial account registered a bigger deficit of M93.1 million. This deterioration mainly emanated from the 'other investment' category, which fell from a net inflow of M52.5 million in the last quarter to a net outflow of M204.9 million during the review quarter. Foreign assets of the commercial banks increased by M155.9 million, following a decline of M65.9 million in the last quarter. The fall of M32.4 million in the liabilities of the commercial banks, which offset the impact of the increase of M14.2 million in the liabilities of the Central Bank of Lesotho also contributed to the weakening of the capital and financial account. The negative performance of the capital and financial account was further exacerbated by the weakening of the external debt position as official loans registered higher a net outflow of M30.9 million compared with that of M15.7 million in the fourth quarter.

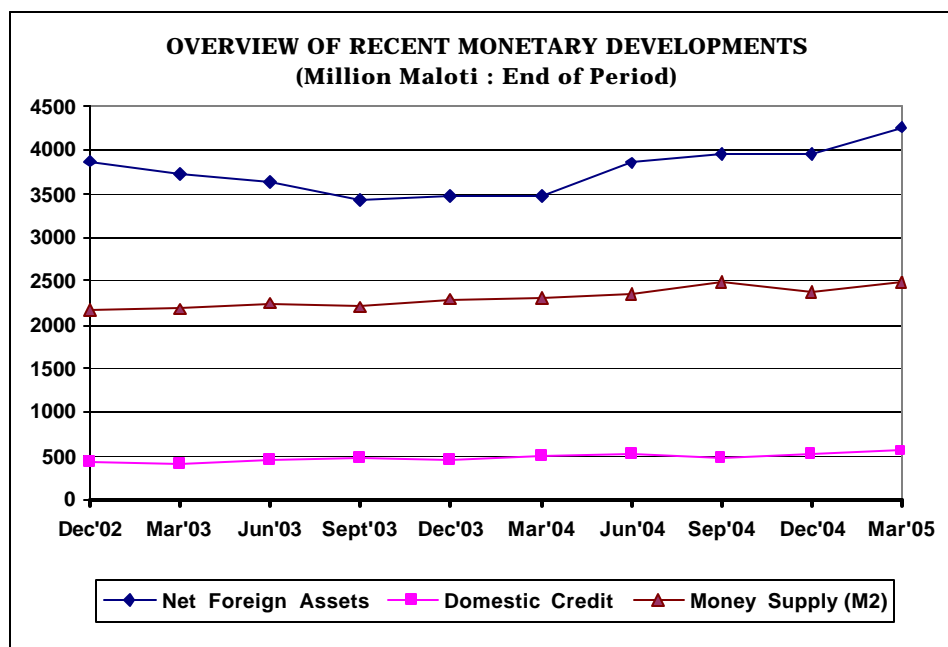
VIII. Money and Banking

Money Supply

Determinants of Money Supply

The broad measure of money supply (M2) increased by 3.3 per cent at the end of March compared with a decrease of 4.1 per cent reported at the end of the previous quarter. On an annual basis, money supply grew by 6.2 per cent following a 3.3 per cent growth observed in December 2004. The quarterly growth in broad money was expected to exert inflationary pressures in the economy, however, as mentioned earlier under the subsection on prices, inflation in March was 3.7 per cent compared with 4.8 per cent in December 2004. The main drivers of the increase in money supply were a rise in both net foreign assets adjusted for valuation changes during the period and domestic credit.

Figure 6



DETERMINANTS OF MONEY SUPPLY
(Million Maloti; Changes)

Determinants	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
Net foreign assets	33.2	16.6	378.5	180.7	-67.0	293.9
Domestic credit	-6.4	43.6	20.0	-42.0	32.3	40.8
To statutory bodies	-1.8	7.1	7.4	-5.8	4.5	10.7
To private sector	-4.7	36.5	12.6	-36.3	27.8	30.2
Other items, net	-59.5	49.7	353.4	17.8	66.5	255.9
Money Supply (M2)	86.2	10.5	45.1	120.8	-101.2	78.8

Components of Money Supply

Narrow money (M1) rose by 4.5 per cent at the end of the review quarter compared with a decrease of 2.5 per cent registered at the end of December 2004. However, the quasi component of money supply fell by 0.3 per cent in March. The increase in narrow money mostly reflected a 5.3 per cent increase in demand and call deposits while quasi money fell largely due to a 1.6 per cent decrease in savings deposits.

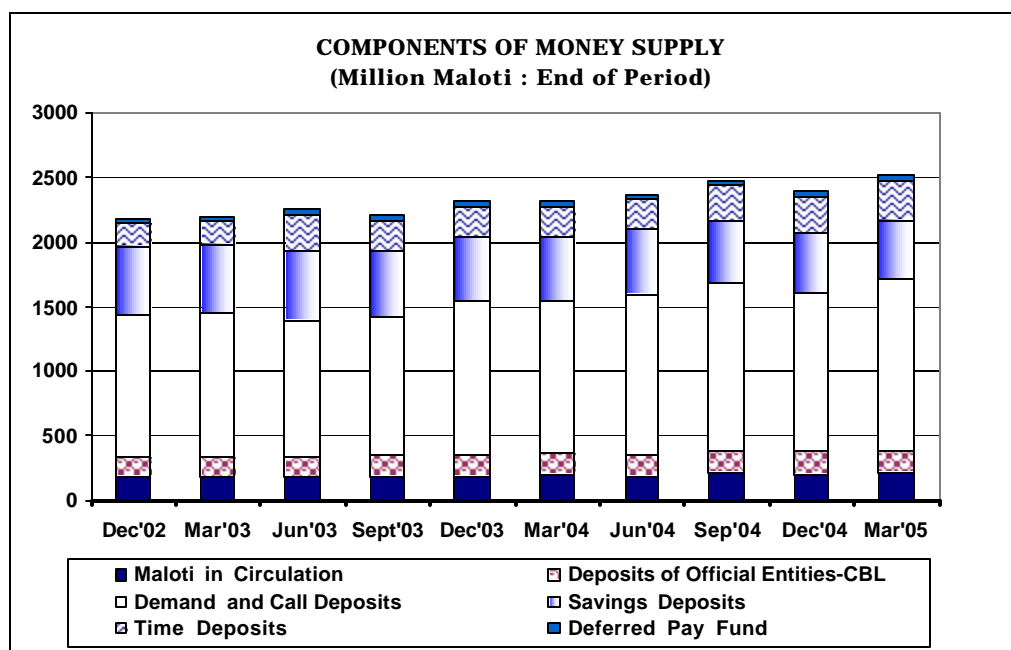
MONEY SUPPLY
(Million Maloti; End of Period)

	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
Money Supply (M2)	2297.8	2308.4	2353.5	2474.3	2373.0	2451.8
Money (M1)	1537.7	1539.1	1588.8	1662.6	1589.4	1698.4
Maloti with public	183.5	207.6	189.7	219.6	204.5	212.6
Demand deposits ⁽¹⁾	1195.9	1174.0	1241.3	1283.9	1209.0	1308.9
Deposits of official Entities with CBL	158.4	157.4	157.9	159.0	175.9	176.9
Quasi-Money	760.1	769.3	764.6	811.7	783.6	753.4
Savings deposits	507.0	499.3	501.1	480.9	463.4	453.2
Time deposits	253.1	270.0	263.6	330.9	320.3	300.2

(1)- includes call deposits

NB: Totals may not tally due to rounding off

Figure 7



Commercial Banks' Deposits by Holder

Total deposits of the private sector and statutory bodies, including migrant mineworkers' deferred pay fund, increased by 3.5 per cent at the end of March, following a 5.0 per cent decrease registered at the end of December 2004. From the table below, it can be observed that the increase resulted from a rise in deposits of both the private sector and statutory bodies. Private sector deposits rose by 2.6 per cent as a result of an increase of 6.5 per cent in demand and call deposits. Furthermore, deposits of the statutory bodies increased by 11.2 per cent in contrast to a decrease of 7.2 per cent reported at the end of the last quarter. Conversely, deferred pay fund declined further by 23.3 per cent compared with 19.0 per cent decrease registered at the end of December 2004.

COMMERCIAL BANKS DEPOSITS BY HOLDER (Million Maloti; End of Period)

	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
TOTAL DEPOSITS	1945.3	1932.5	1994.9	2084.4	1981.1	2050.3
Private Sector	1578.5	1571.7	1621.9	1698.9	1628.9	1672.1
Demand deposits	929.1	925.6	970.2	1027.6	968.4	1031.2
Savings deposits	507.0	499.3	501.0	480.8	463.3	453.2
Time deposits	142.4	146.9	150.6	190.5	197.2	187.6
Statutory Bodies	335.4	323.0	338.0	337.5	313.3	348.5
Deferred Pay Fund	31.4	37.8	35.2	48.0	38.9	29.8

NB: Totals may not tally due to rounding off

Liquidity of Commercial Banks

Commercial Banks' liquidity is measured by the ratio of all their assets that could be easily converted into cash, including investment with maturities of less than twelve months at issue, to all their deposit liabilities. The ratio decreased slightly from 68.8 per cent in December 2004 to 68.3 per cent in March indicating that commercial banks' liquidity was relatively stable. Against the legislated minimum liquidity requirement of 25 per cent of total deposit liabilities, balances

due to banks abroad, and other borrowings, this ratio measures the excess liquidity of commercial banks. Clearly then in the first quarter of 2005 commercial banks were highly liquid.

Furthermore, it measured the extent of financial intermediation in the economy. In this regard, the high liquidity reflected low credit extension. It could be deduced that banks held more assets with relatively shorter maturities than those with relatively longer maturities i.e. loans implying that banks were still reluctant to extend credit during the reporting period. The reason for the reluctance could be that there is no incentive for the banks to mobilize additional deposits. Hence, they did not improve their deposit rates because doing so would only erode their marginal profits.

COMPONENTS OF COMMERCIAL BANKS' LIQUIDITY

(Million Maloti; End of Period)

COMPONENT	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
Maloti Notes and Coins	51.5	43.1	34.9	43.8	52.4	57.9
Rand Notes and Coins	15.5	9.0	8.2	7.2	7.7	10.5
Balances due from Lesotho Banks	449.6	411.2	345.5	410.1	616.4	824.6
Balances due from Foreign Banks	167.8	720.0	858.1	839.4	818.4	1127.1
Clearing Balances with CBL	34.3	0.0	0.0	3.6	32.6	73.2
RSA Short-term Securities	668.6	14.6	0.0	0.0	0.0	0.0
CBL Bills	0.0	0.0	0.0	0.0	0.0	0.0
Lesotho Government Securities	603.3	471.9	435.1	467.9	427.7	196.6

Another important ratio in determining the depth of financial intermediation in the economy is the credit deposit ratio. This ratio seeks to establish the extent to which banks endeavour to channel deposits mobilised from surplus sectors in the economy to deficit sectors. The ratio increased to 26.1 per cent from 25.0 per cent in December implying that banks lent out relatively more in March compared to the previous quarter. Nevertheless, the ratio was still low indicating that banks preferred to invest in money market instruments rather than extend credit.

CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS
(Million Maloti; End of Period)

	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
Net foreign assets	610.7	903.4	1027.3	1146.7	1117.9	1306.2
Deposits with CBL	114.5	50.6	64.0	84.6	114.8	168.5
Credit	1433.0	1245.5	1229.0	1125.8	892.0	807.6
ASSETS/LIABILITIES	2158.2	2199.5	2320.3	2356.8	2270.2	2282.2
Private sector deposits ⁽²⁾	1945.3	1932.5	1994.9	2084.4	1981.1	2050.3
Government deposits	68.3	59.7	58.4	57.9	57.8	87.5
Capital, reserves & other, net	144.5	207.3	267.0	214.8	231.3	144.4

(2)- includes statutory bodies' deposits and deferred pay fund.

Demand for Money

Domestic Credit

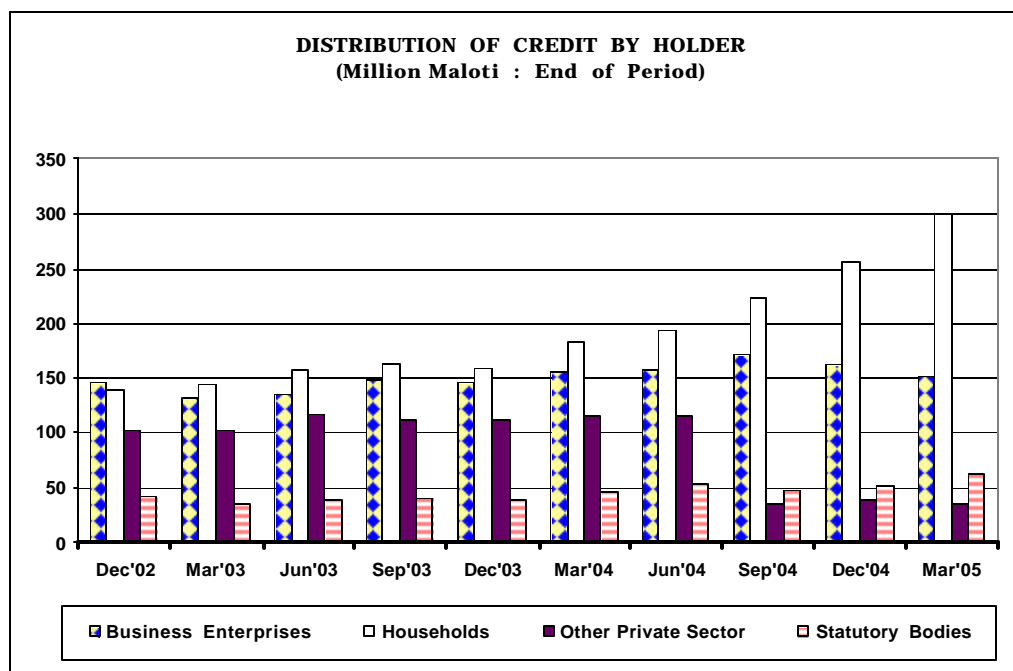
Domestic credit increased by 8.8 per cent compared with 6.7 per cent observed at the end of the previous quarter. The increase was mainly attributable to a rise in credit extended to both the private sector and statutory bodies. These sectors continued to benefit from the low cost of borrowing in the economy as a result of the low interest rates. Domestic credit was further observed to have climbed by 11.0 per cent on an annual basis following an increase of 11.8 per cent recorded at the end of December 2004.

DOMESTIC CREDIT
(Million Maloti; End of Period)

	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
<u>DOMESTIC CREDIT</u>	456.5	500.1	520.2	478.2	510.4	555.1
Credit to private sector	417.6	454.1	466.7	430.5	458.3	492.3
Business enterprises*	146.1	155.7	158.1	170.7	162.7	155.5
Households	158.6	183.0	193.2	223.8	256.8	300.8
Others	112.9	115.4	115.4	36.0	38.8	36.0
Credit to statutory bodies	38.9	46.0	53.5	47.7	52.2	62.8

* This amount excludes credit to business enterprises extended by old Lesotho Bank

Figure 8



Credit to Private Sector

During the review period, credit to the private sector improved further by 7.6 per cent compared with 9.7 per cent increase observed for the last quarter of 2004. This rise was attributable to 17.2 per cent

increase in credit extended to households which offset a slowdown of 6.8 per cent in credit extended to business enterprises. The continued strong performance in credit extended to this sector was reflective of lower borrowing costs for this sector as lending rates remained low during the review period. Again, it indicated the impact of the diversification in products as commercial banks introduced micro-loan schemes. Furthermore, it could imply that the banking sector's confidence in the private sector is recovering. Consequently, credit extended to households grew on annual basis, registering an increase of 64.4 per cent, while business enterprises registered a slowdown of 2.6 per cent.

On an annual basis, private sector credit rose further by 8.4 per cent during the period under review compared with December's 9.7 per cent. An observation that credit to this sector had been continuously rising since March 2004 may lead to a conclusion that the prospects of increased productivity in this sub-sector in the medium to long term, were intensifying. However, it should be underscored that an enormous portion of credit was extended to households. Credit to households increased its share in total private sector credit from 55.6 per cent in December to 61.6 per cent in March. In contrast, the share of credit to business enterprises declined from 36.0 per cent in December to 31.1 per cent during the period under review. The implication is that domestic financial resource mobilisation efforts were expended to finance household consumption more than productive investment.

Credit to Statutory Bodies

Credit to official entities grew by 20.4 per cent in March, following an increase of 9.4 per cent in December 2004. On an annual basis, credit to this sub-sector continued to grow by 36.5 per cent, which was slightly above 34.0 per cent observed in December. However, credit to this sector is expected to continue to wane due to the on-going privatisation process in the medium to long-term, as the size of the sector diminishes.

Sectoral Distribution of Credit to Business Enterprises and Statutory Bodies

The total distribution of credit to all business-oriented sectors of the economy, including official entities, but excluding non-performing loans, increased by 0.4 per cent in contrast to a decrease of 0.5 per cent registered in December 2004. The performance in this form of credit, during the quarter under review, could be attributed largely to credit extended to the construction sub sector.

Credit granted to the construction sub sector rose by 5.7 per cent following a 12.8 per cent increase observed in December. Credit received by distributive services sub sector (made up of wholesale and retail trade) increased by 0.9 per cent in March, in contrast to a rise of 15.1 per cent reported at the end of December. Other services sub sector which comprised of non-bank financial institutions, real estate, community, social and personal services recorded a decrease of 16.4 per cent in credit granted during the period under review following a slump of 53.6 per cent recorded in December 2004.

Credit to the manufacturing sub sector declined by a 4.0 per cent following a 12.1 per cent growth in December. A fall in credit reflected slowdown in the overall growth of this sector due to: First, phasing out of the MFA. Secondly, it would be recalled that the bulk of Lesotho exports, especially manufactured exports, are destined to international markets such as the US and as such, credit to this sector is also linked to the exchange rate movements. Hence, the strong rand harmed performance of the manufacturing sector by making products less competitive, as well as narrowing profit margins.

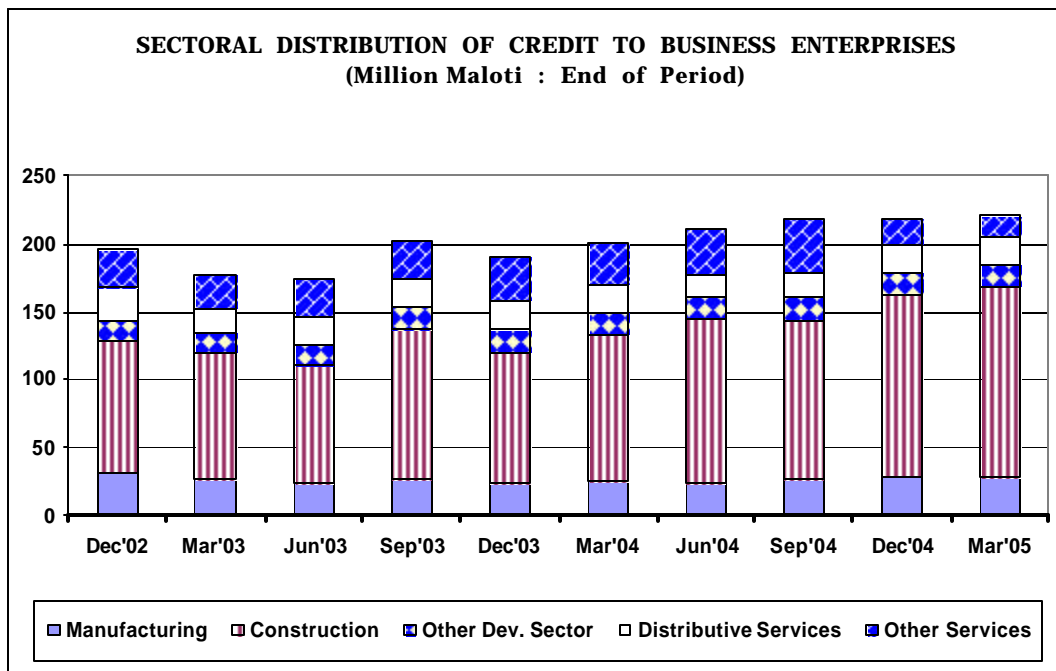
SECTORAL DISTRIBUTION OF CREDIT TO ENTERPRISES

(Million Maloti; End of period)

SECTOR	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
Manufacturing	23.3	24.7	23.3	26.2	29.3	28.2
Construction	96.6	108.4	121.3	117.5	132.5	140.0
Other development sectors	15.4	15.7	16.0	17.6	16.7	14.3
Distributive services	19.9	21.5	16.9	18.1	20.9	20.7
Other services	29.9	30.9	34.1	39.0	18.1	15.1
All sectors*	185.0	201.2	211.5	218.4	217.4	218.3

*This amount excludes loans granted to business enterprises by old Lesotho Bank

Figure 9



Net Claims on Government

At the end of the first quarter of 2005, the banking system's net claims on Government continued to fall by 29.0 per cent compared with a decrease of 29.6 per cent observed in the previous quarter. The decrease was mainly attributable to an increase in government deposits, as well as an enormous reduction in commercial bank holding of government securities in March. The table below shows that net claims by the commercial banks fell drastically by 61.8 per cent following a 7.8 per cent decline recorded in December, while net claims by the Central bank improved by 6.9 per cent in March.

BANKING SYSTEM'S NET CLAIMS ON GOVERNMENT

(Million Maloti; End of Period)

Holder	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
Commercial banks	923.1	701.5	666.1	526.6	485.7	185.7
Claims on Government	991.4	761.2	724.5	584.5	543.4	273.2
<i>o/w MP T Bills</i> ⁽³⁾	475.3	371.9	335.1	467.9	427.7	196.6
Less Government deposits	68.3	59.7	58.4	57.9	57.8	87.5
Central Bank of Lesotho	-1090.1	-1021.4	-1205.6	-1099.5	-1228.3	-1143.8
Claims on Government ⁽⁴⁾	173.8	196.1	192.5	198.7	183.5	197.8
Less Government deposits	1263.9	1217.4	1398.1	1298.2	1411.8	1341.6
<i>o/w those in blocked acct.</i>	605.9	519.2	530.3	533.3	536.3	292.3
TOTAL NET CLAIMS	-167.0	-319.9	-539.5	-572.9	-742.7	-958.1

(3) - 'o/w' means of which and 'MP T Bills' means monetary policy treasury bills

(4) - IMF loans on-lent to the GOL

Net Foreign Assets

During the review period, the Net Foreign Assets (NFA) of the banking system grew by 7.4 per cent. This increase was mainly indicative of a rise in NFA of commercial banks which resulted from the increase in their foreign assets. The commercial banks lost a substantial amount of bids at the March auction and were forced to transfer funds abroad looking for alternative investment opportunities. The growth overshadowed the marginal increase in the central bank's NFA.

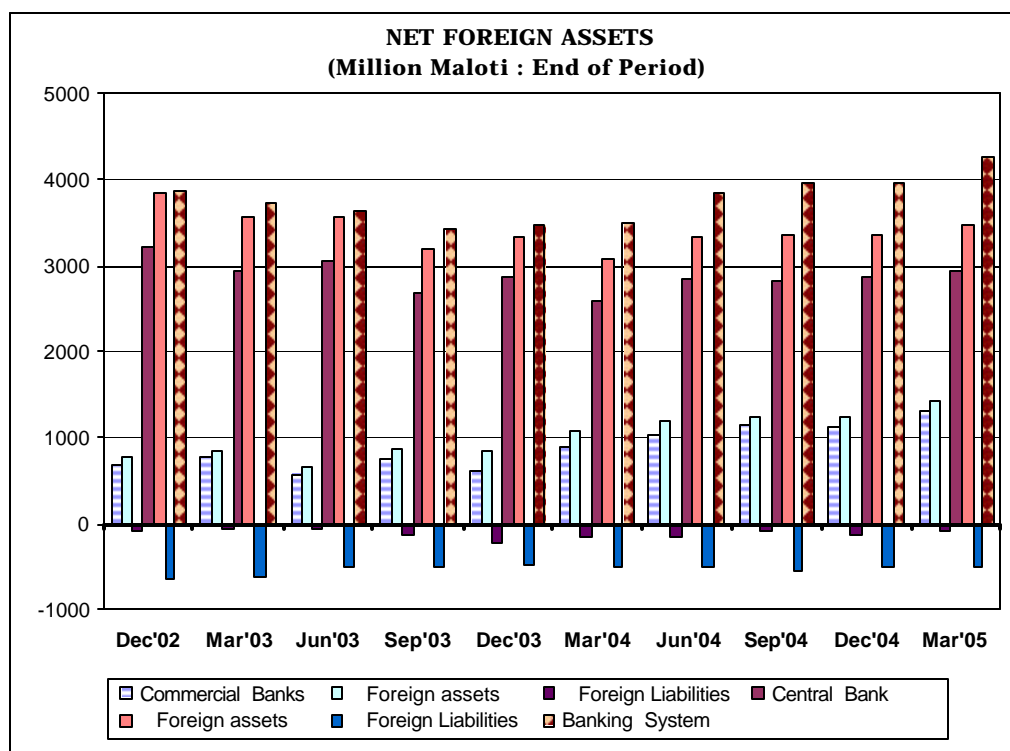
Commercial banks' NFA rose by 16.8 per cent following an 8.8 per cent decline at the end of December. On the other hand, CBL NFA rose by 3.7 per cent in March 2005 following a 1.5 per cent increase realized in December. The hike was attributed to the decrease of 2.9 per cent in foreign liabilities which reflected the appreciation of the Loti during the quarter under review.

BANKING SYSTEM'S FOREIGN ASSETS AND LIABILITIES

(Million Maloti; End of Period)

Holder	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
A. Commercial Banks	610.7	903.4	1027.3	1225.8	1117.9	1306.2
Foreign Assets	840.4	1069.8	1191.0	1319.7	1253.8	1409.7
Foreign Liabilities	-229.6	-166.4	-163.7	-93.9	-135.9	-103.5
B. Central Bank of Lesotho	2853.0	2576.9	2831.4	2813.5	2854.5	2960.1
Foreign Assets	3341.0	3083.5	3334.8	3350.3	3351.5	3471.4
Foreign Liabilities	-488.0	-506.6	-503.4	-536.8	-497.0	-511.3
NET TOTAL	3463.7	3480.3	3858.7	4039.4	3972.4	4266.3

Figure 10



VIII. Money and Capital Markets

Money Market Developments

For the quarter ending March 2005, total holdings of treasury bills recorded a decrease of 43.4 per cent to M300.0 million from December's figure of M532.2 million. These consisted mainly of the 91-day treasury bills which facilitate monetary policy implementation through the maintenance of favourable liquidity conditions in the economy. In addition, the 182-day treasury bills which were meant to encourage investment by all members of the public were also auctioned.

From the table showing the composition of the holding of treasury bills below, it can be observed that the banking sector continued to dominate the market by holding more securities than the Non-Bank Financial Institutions (NBFI's). The share of NBFI's increased to 15.2 per cent of the total during the review quarter following a decrease of 6.4 per cent at the end of December. Conversely, the commercial banks' share dropped from 84.4 per cent in the December to 65.5 per cent during the same period. The general public increased their previous share of 13.2 per cent in December to 19.2 per cent in March.

The three 91-day treasury bill auctions were undertaken during the first quarter of 2005. The amount of treasury bills announced for auction were M450 million in the last quarter of 2004; M150 million more than that, auctioned in the period under review at M300.0 million. The whole amount was eventually issued in both periods.

Regarding the 182-day securities, by the end of the review quarter two auctions worth M70.0 million were conducted. This figure was slightly higher than M60.0 million, which was auctioned during the same period last year. The reason for this disparity was an observed improvement in participation during the preceding auctions.

HOLDING OF TREASURY BILLS ⁽⁴⁾
(Million Maloti)

Holders Type	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
Total	747.8	519.3	530.4	535.1	532.2	300.0
Banking System	593.3	379.6	368.1	415.2	427.9	196.6
Central Bank	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Banks	593.3	379.6	368.0	415.2	427.9	196.6
Non-Bank Sector	154.4	139.7	162.4	119.9	104.4	103.4
NBFIs	104.7	101.4	111.9	68.9	33.9	45.7
Others	49.8	38.3	50.5	51.0	70.5	57.7
Memorandum Item						
Average Yield per cent	10.46	9.35	9.31	8.27	8.26	8.11

(4) - Figures at face value

Money Market and Short-term Interest Rates

Money market rates in Lesotho generally maintained levels that were recorded during the last two quarters of 2004. The 91-day treasury bill rate fell by 14 basis points in March from its December level of 7.86 per cent to 7.72. At this level, it was 55 basis points above the South Africa's counterpart rate, which fell from its level of 7.20 per cent in December to 7.17 per cent in March. Consequently, the margin between the two rates widened from 37 basis points registered

at the end of December. The major interest rates, however, retained their previous quarter levels.

In line with the overall position of the money market prices, the prime lending rate in the country remained intact at 12.17 per cent in March. In addition, the margin between this rate and its counterpart in South Africa was also unchanged at its December level of 117 basis points.

The table below shows the rates that prevailed in Lesotho and South Africa during the period under review. The average deposit rates generally remained unchanged thus maintaining the large spread between lending and deposit rates. The size of the spread indicates the extent of the efficiency of financial intermediaries in the economy. In this light, a high spread could imply relative inefficiency. In addition, real deposit rates (adjusted for inflation) remained negative. For example, the real savings rate was negative 2.35 per cent. This simply meant that the return on deposits did not cushion the banking public against the loss of their purchasing power.

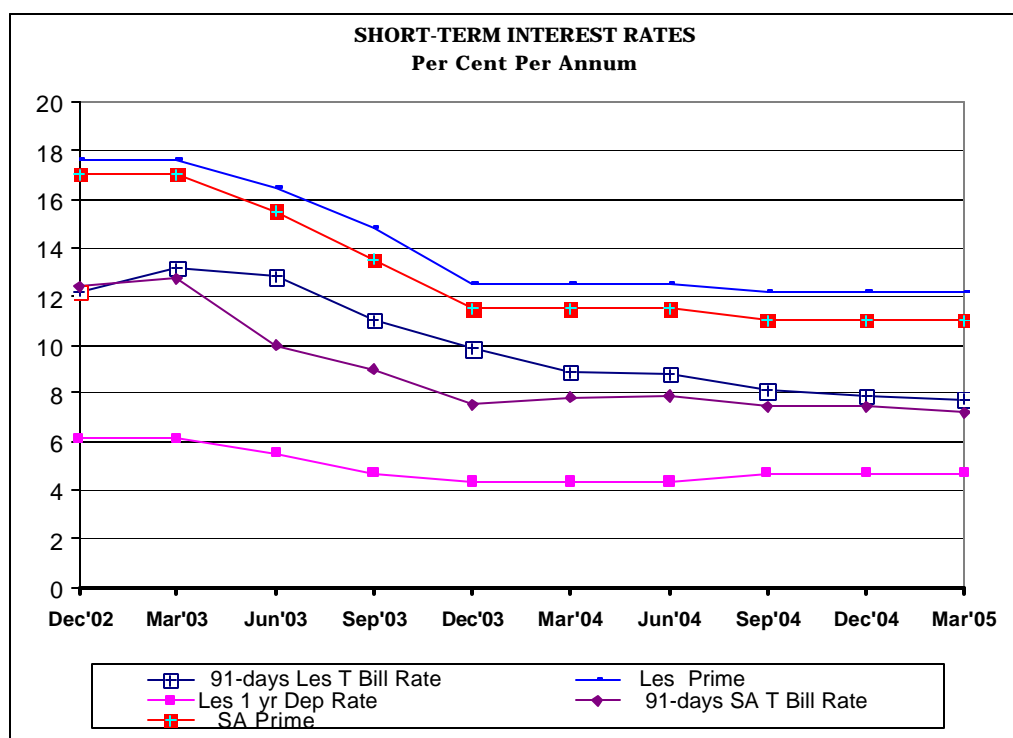
MAJOR MONEY MARKET INTEREST RATES
(Per cent; End of Period)

Interest Rates by Type	2003	2004				2005
	Dec	Mar	Jun	Sep	Dec	Mar
Central Bank						
T Bill Rate - 91 Days	9.83	8.84	8.80	8.10	7.86	7.72
Lombard Rate	15.00	13.00	13.00	13.00	13.00	13.00
Commercial Banks ⁽⁵⁾						
Call Time	3.04	3.06	3.06	3.25	3.25	3.25
31 days	3.32	3.32	3.32	3.10	3.10	3.10
88 days	3.87	3.87	3.87	4.15	4.15	4.15
6 months	4.07	4.07	4.07	3.65	3.65	3.65
1 year	4.37	4.37	4.37	4.74	4.74	4.74
Savings	1.95	1.89	1.89	1.35	1.35	1.35
Prime	12.50	12.50	12.50	12.17	12.17	12.17
South Africa*						
Repo	8.00	8.00	8.00	7.50	7.50	7.50
T Bill Rate - 91 Days	7.54	7.80	7.87	7.49	7.49	7.17
Marginal Lending Rate	13.00	13.00	13.00	12.50	12.50	12.50
Prime	11.50	11.50	11.50	11.00	11.00	11.00

* Figures for South Africa were obtained from the SARB

(5) - Average rates by commercial banks

Figure 11



Foreign Exchange Rates

The rand, and therefore the loti, was rather weak during the first quarter of 2005. On average, the local currency unit depreciated by 4.1, 2.7, 5.2 and 3.2 per cent against the Special Drawing Rights (SDR), the euro, the US dollar and the pound sterling respectively.

Several reasons were advanced for the weakening of the rand during the first quarter. Debt instruments in the US became more attractive following the increase in interest rates in that country in the first quarter. As a result investors revised their investment portfolios and switched away from gold. As the demand for gold, declined, the demand for rand and therefore its value also fell. The euro also weakened during the quarter and dragged the rand down with it. The Euro zone is SA's major trading partner.

The depreciation of the rand against major currencies has direct implications for the economy of Lesotho, since the loti is fixed at par to the rand. On the one hand, it improves the price competitiveness of the country's exports in international markets, particularly in the US, where the bulk of Lesotho's exports are destined. This, in turn, impacts positively on export earnings and therefore manufacturing production. On the other hand, it increases the cost of non-rand denominated imports and thus increases inflationary pressure.

SELECTED EXCHANGE RATES
(Loti per Currency units; Quarterly Averages)

Currency	2003	2004				2005
	Dec	Mar	Jun	Sept	Dec	Mar
SDR	9.730	10.103	9.431	9.347	8.778	9.1544
EURO	8.004	8.484	7.790	7.788	7.665	7.8739
USD	6.745	6.779	6.443	6.373	5.707	6.0093
UK	11.510	12.462	11.926	11.580	10.999	11.3584

Figure 12

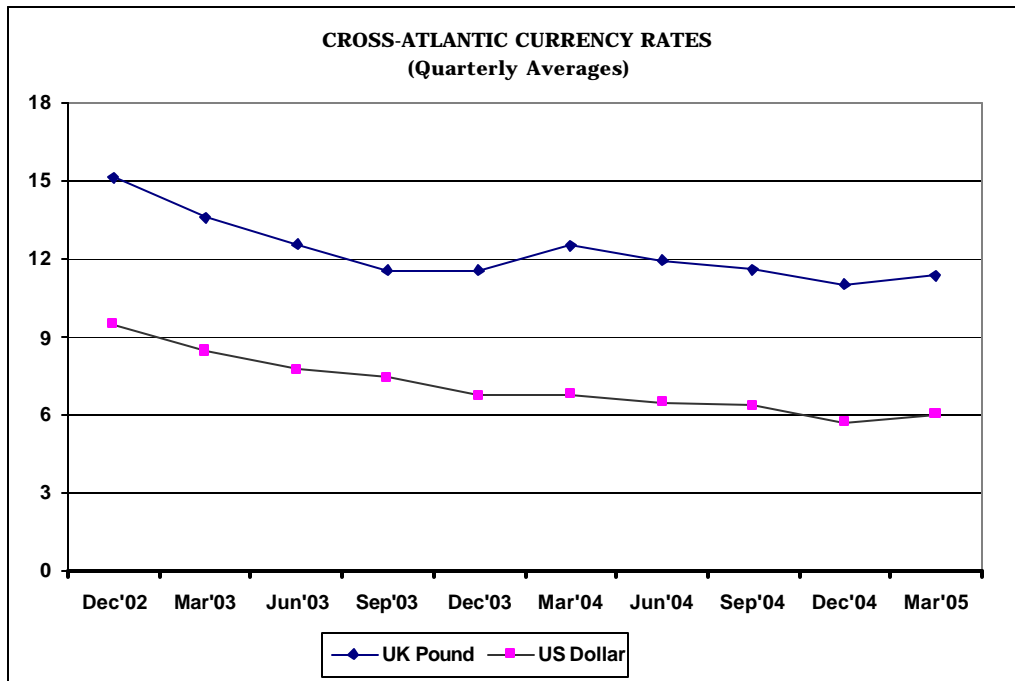
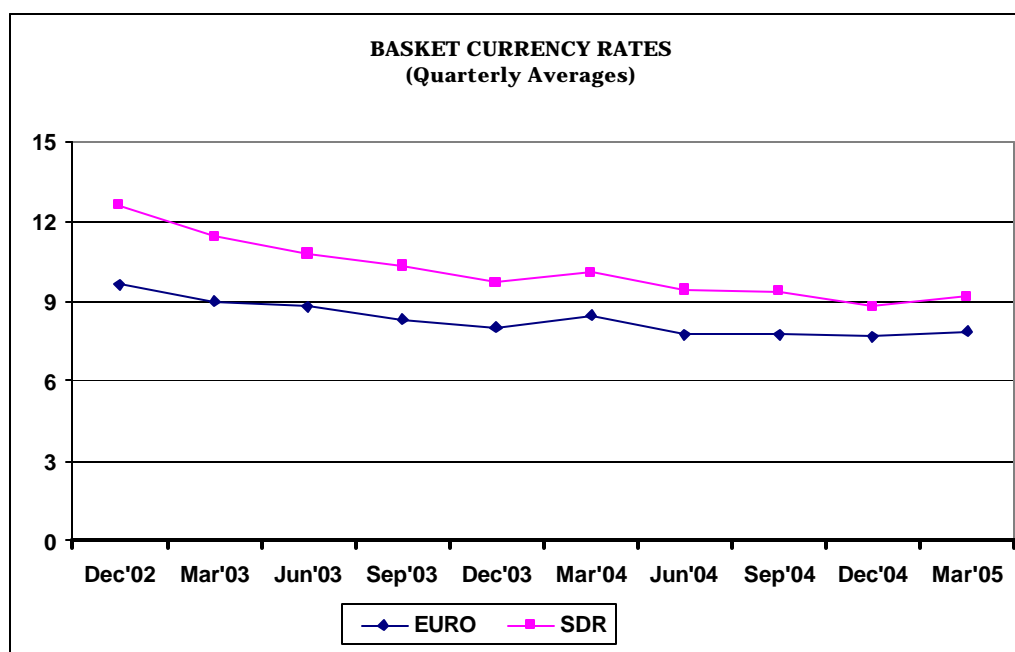


Figure 13



IX. Government finance

Summary of Budget Outturn

Preliminary estimates on the budget out turn indicated that an overall surplus equivalent to 11.7 per cent of GDP was realised during the quarter ended in March 2005. This was the fourth consecutive quarterly surplus recorded for the 2004/05 fiscal year. A slightly lower surplus of 10.6 per cent of GDP was achieved when grants were excluded. The positive fiscal balance was mainly due to the higher rate of decline in government expenditure, which more than offset the negative effect of fall in government receipts during the quarter. Total revenue and grants was estimated to fall by 3.5 per cent due to lower collections of both tax and non-tax revenue during the quarter.

Overall government expenditure and net lending dropped by 10.3 per cent as a result of to the slowdown in both recurrent and capital spending.

Revenue

Total government revenue, including grants, was estimated to have declined by 3.5 per cent during the review period. This was the result of the decline in the level of tax and non-tax collections during the

quarter. As percentage of GDP, total revenue and grants had fallen to 48.2 per cent compared with 49.8 per cent of GDP realised in the previous quarter.

A decline of 3.6 per cent in tax revenue was estimated during the review period. This emanated primarily from the deterioration in the levels of income tax and Value Added Tax (VAT) collected during the review period. Income tax fell by 9.0 per cent as a result of lower company tax collections. The poor performance of company tax was caused by the erosion of the tax base as some companies, including those in the manufacturing sector, were closed during the last quarter as well as during the review period. VAT collections were 9.8 per cent lower than those of the last quarter due to the seasonal slowdown in economic activity, after the festive season, as well as the above mentioned closure of some companies. The fall in tax collections occurred despite the LRA's continued efforts to enhance revenue collections through tax payer education and other measures, which were intended to enforce tax compliance.

SACU receipts continued to dominate other forms of government revenue during the review period. It constituted 54.7 per cent of total tax receipts. Income tax and VAT contributed 24.6 per cent and 17.6 per cent to tax revenue respectively. The extensive reliance on SACU continues to expose government to the fiscal risk posed by the anticipated future reductions in receipts from this source of revenue.

Non tax revenue was estimated to decline by 2.3 per cent during the quarter. This was primarily due to lower receipts of water royalties as well as dividends from companies in which Government has some stakes. The rand compensation received during the quarter mitigated the effect of the fall in other categories of non-tax revenue. Grants were estimated to remain at the same level as in the previous quarter. These were intended for financing the implementation of donor supported projects.

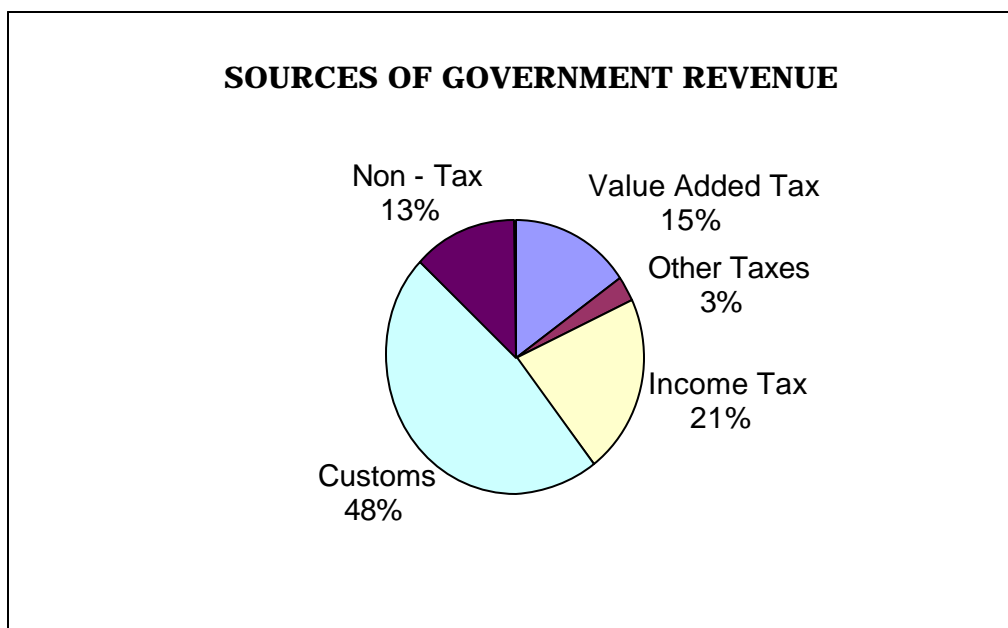
GOVERNMENT BUDGETARY OPERATIONS
(Million Maloti)

DETAILS	2003/04	2004/05			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec Revised	Jan-Mar ² Prelimi- nary
Total Revenue and Grants	996.9	1032.9	1165.4	1119.3	1081.8
Total Revenue	957.4	972.3	1073.2	1095.3	1057.8
<i>Tax Revenue</i>	785.0	879.8.2	923.8	954.7	920.1
Customs	355.4	503.1	503.1	503.1	503.1
Non-customs	429.6	376.7	420.7	451.6	417.0
Income Taxes	256.8	195.0	231.6	248.8	226.5
Taxes on goods & services	167.4	179.9	182.3	200.9	185.8
Other Taxes	5.4	1.8	6.4	1.9	4.7
<i>Non-Tax Revenue</i>	172.4	92.5	149.4	140.6	137.7
Of which: Water royalties	42.3	40.7	63.7	49.0	41.3
Grants	39.5	60.6	92.2	24.0	24.0
Total Expenditure & Net Lending	851.1	823.5	1095.0	913.8	819.6
Recurrent Expenditure	685.0	623.5	862.0	985.5	701.9
Personnel Emoluments	283.8	283.0	297.4	295.3	295.3
Interest Payments	55.8	33.4	45.0	28.1	43.3
Foreign	25.1	13.6	29.2	14.5	27.3
Domestic	30.7	19.8	15.8	13.6	16.0
Other Expenditure	345.4	307.1	519.6	462.1	363.3
Capital Expenditure	166.8	200.0	233.0	125.4	115.1
Net Lending	-0.7	0.0	0.0	2.9	2.6
Surplus/deficit before grants	106.4	148.8	-21.8	181.5	238.2
Surplus/deficit after grants	145.8	209.4	70.5	205.5	262.2
Financing	-145.8	-209.4	-70.5	-205.5	-262.2
Foreign	37.0	-12.0	-5.4	-16.7	-39.8
Loan drawings	58.4	32.2	78.8	37.0	28.5
Amortization	-21.4	-44.2	-73.4	-53.7	-68.3
Domestic	-182.9	-197.3	-75.89	-188.8	-222.4
Bank Financing	-152.9	-220.0	-33.4	-169.7	-215.4
Non-Bank	-29.9	22.7	-42.5	-19.1	-7.0

Source: Ministry of Finance

² CBL estimates

Figure 14



Expenditure

Total expenditure and net lending declined by 10.3 per cent, in nominal terms, during the quarter ending in March 2005. As a percentage of GDP it fell by almost four percentage points from 40.7 per cent in the previous quarter to a level equivalent to 36.5 per cent of GDP. A 10.6 per cent drop in recurrent spending as well as the 8.2 per cent reduction in capital spending were responsible for this decline.

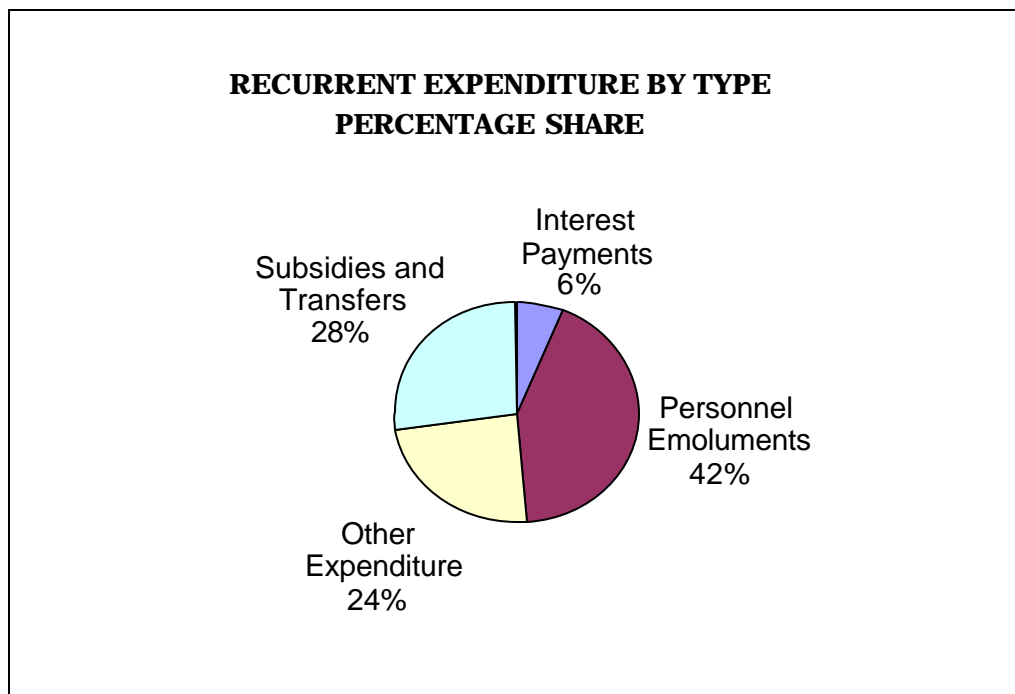
Recurrent expenditure was estimated to fall by 10.6 per cent on a quarterly basis. This was the result of reduced expenditure on goods and services as well as lower subsidies and transfers. Wages and salaries were estimated to remain at the level same as in the last quarter.

Other purchases of goods and services declined by about 10 per cent due to the slowdown in government spending realised during the quarter. The postponement of the local government elections to April also shifted some of the expenditures to the next quarter. Interest payments on both domestic and external debt increased appreciably during the quarter. Foreign interest payments grew 50.4 per cent compared with the previous quarter. This reflected the effect of the depreciation of the loti against major world currencies as well as the fact that interest on more external loans fell due during the review period than in the last quarter. Domestic interest payments were estimated to be significantly higher than in the last quarter.

The level of subsidies and transfers extended during the review period dropped significantly. This was primarily due to lower subventions to public institutions. Virtually the same level of pensions and gratuities, as those of the last quarter were paid. The pensions went mostly to the elderly people aged 70 or above and were not receiving any other pension. Subventions extended to support government institutions such as the National University of Lesotho were significantly lower during the review period.

Spending on capital projects was estimated to fall by 8.2 per cent due to slow implementation of government projects. Government of Lesotho funded projects constituted 43.1 per cent of capital expenditure while external loan and grant funded projects contributed 30.9 and 26.0 per cent respectively.

Figure 15



Financing

A fiscal surplus of 11.7 per cent of GDP was realized during the review period. This allowed government to continue to accumulate deposits with the banking system. Government deposits with the Central Bank rose from M891.8 million in the last quarter to M1049.3 million at the end of March. Government was also able to reduce the level of domestic debt by 37.8 per cent as well as to be a net repayer of foreign

debt to the tune of M39.8million. The level of net international reserves was also improved due to the build up in government deposits.

Public Debt

Overview

A marginal increase of 0.2 per cent in total public indebtedness was recorded during the first quarter of 2005. The 5.8 per cent growth in foreign debt was responsible for this growth. This was partly offset by the decline in the level of domestic debt. The rise in external borrowing emanated from the depreciation of the local currency against major world currencies, in which foreign debt is denominated, while domestic debt was reduced by issuance of less government securities than those that were maturing. As a ratio of GDP, the total debt stock was estimated to be equivalent to 50.9 per cent. Externally contracted debt accounted for approximately 91 per cent of total government debt, while domestic debt constituted almost 9 per cent.

External debt

An increase of 5.8 per cent in the level of external debt was realised during the first quarter of 2005. The increase in foreign indebtedness was due to the depreciation of the loti against major world currencies in which external debt was contracted. As a percentage of GDP, the level of foreign debt had increased to 46.5 per cent compared with 45.9 per cent recorded in the last quarter. The US dollar and the SDR continued to dominate the Lesotho debt portfolio and the loti depreciated by 6.9 and 7.8 per cent against both these currencies, respectively. The effect of new loan drawings on the stock of external debt was offset by the higher level of amortisation during the quarter. External debt constituted 91.3 per cent of the total public debt and about 79 per cent of it was concessional. This was in line with Government's policy to borrow on concessional terms in order to moderate the country's future debt burden.

Debt sustainability indicators continued to show a favourable position for the country during the review period. The debt service ratio was recorded at 4.3 per cent while the ratio of external debt to GDP was 46.5 per cent. At this level the debt to GDP ratio was lower than the 60 per cent sustainability threshold for Highly Indebted Poor Countries (HIPC).

OUTSTANDING GOVERNMENT DEBT
(Million Maloti)

	2003	2004				2005
	QIV	QI	QII	QIII	QIV	QI
A. EXTERNAL DEBT	4432.0	4320.4	4224.2	4318.0	4112.8	4352.9
Bilateral Loans	504.4	484.2	474.7	485.2	531.4	467.3
Concessional	205.3	196.3	420.8	430.1	432.0	370.8
Non-concessional	299.1	287.9	53.9	55.1	99.4	96.5
Multilateral Loans	3485.8	3406.6	3333.3	3407.3	3183.7	3490.6
Concessional	2997.7	2929.9	3298.1	3371.3	2737.4	3030.8
Non-concessional	488.1	476.7	35.2	36	446.3	459.9
Financial Institutions	343.8	338.9	326.8	334.1	315.8	316.5
Concessional	0.8	0.8	62.0	63.4	60.1	58.0
Non-concessional	343.0	338.1	264.8	270.7	255.7	258.4
Suppliers' Credit	98.0	90.7	89.4	91.4	81.9	78.5
B. DOMESTIC DEBT	1159.7	923.8	935.2	665.7	647.1	415.7
Banks	982.5	779.5	767.8	541.3	542.6	312.3
Long-term	287.7	287.7	287.7	114.7	114.7	114.7
Short-term	694.8	491.8	480.1	426.6	427.9	197.6
<i>Of which: treasury bills</i>	693.3	490.2	478.3	424.2	427.9	196.6
Non-bank	177.2	144.3	167.4	124.4	104.5	103.4
Short-term (TBs)	177.2	144.3	167.4	124.4	104.5	103.4
TOTAL (A + B)	5591.7	5244.2	5159.4	4983.7	4759.9	4768.6

N.B: External debt figures are from the Ministry of Finance

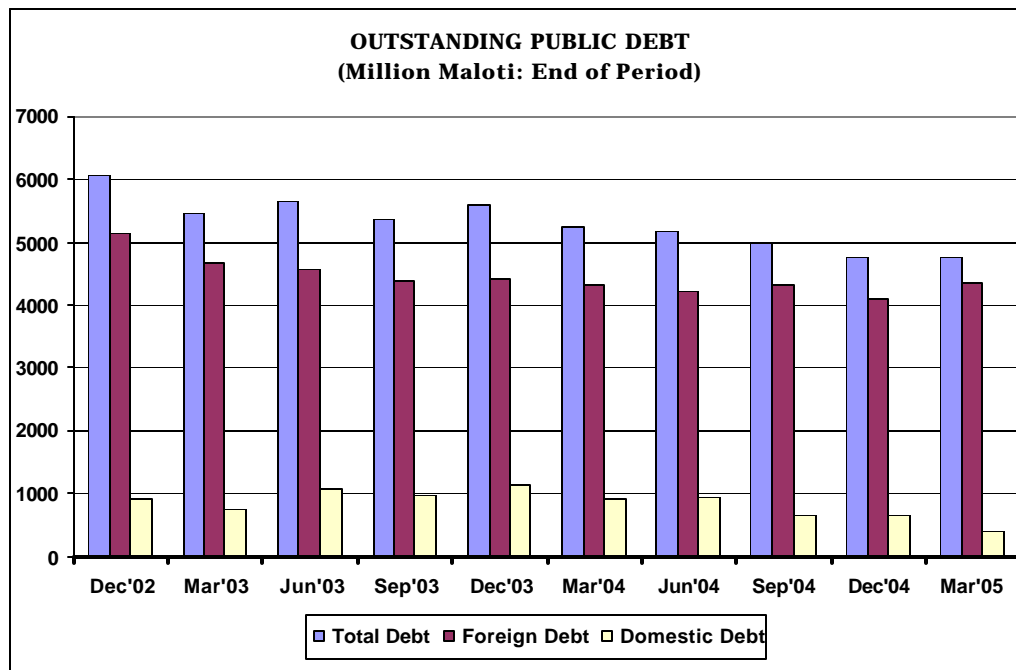
Domestic Debt

The level of domestic debt continued to fall during the quarter ending in March 2005. It fell by 2.9 per cent as a result of the 53.8 per cent reduction in the level of outstanding short term debt due to the lower level of treasury bills issued during the quarter. Long term debt remained unchanged, comprising only of the ten year bond which is due to retire in 2009. This bond had been issued to finance the privatisation of the old Lesotho Bank in 1999. As a percentage of GDP domestic debt has declined from 7.2 per cent recorded in the last quarter to 4.4 per cent and it constituted 13.6 per cent of total public debt. The share of short term borrowing to total domestic debt

declined to 72.4 per cent during the review period compared with 82.3 per cent in the last quarter. Long term debt constituted 27.6 per cent of domestic debt.

As in the previous quarter, short term debt consisted almost entirely of treasury bills, which were used in the implementation of monetary policy. Commercial banks' holding of treasury bills was reduced by 54.1 per cent, compared with their previous quarter's holding. This emanated from the fact that fewer 91-day treasury bills were issued during the quarter. Non-bank holding of government securities fell only marginally.

Figure 16



XI. Statistics Tables

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Table 1(a)

CENTRAL BANK OF LESOTHO ASSETS AND LIABILITIES
(Million Maloti)

A – ASSETS

End of period	EXTERNAL SECTOR										
	Cash and Balances	Reserve Tranche	Holdings of SDRs	Other Investments	Rand Notes and Coins	Other Foreign Assets	Total	Claims on Government	Claims on Private Sector	Unclassified Assets	Total
2002											
Jun	2702.09	48.35	6.18	1276.37	4.29	428.51	4465.78	192.05	13.49	100.30	4771.62
Sep	2993.09	49.20	6.21	1051.52	5.39	436.38	4541.79	185.93	13.48	114.80	4855.99
Dec	2580.23	41.36	5.15	854.71	10.32	366.38	3858.15	191.31	13.53	141.48	4204.46
2003											
Mar	2394.26	38.53	4.80	790.26	6.29	341.29	3575.43	183.97	13.18	150.16	3922.73
Jun	2710.96	37.27	4.64	487.15	6.07	330.17	3576.25	196.08	13.81	147.38	3933.53
Sep	2383.47	34.82	4.33	446.35	7.30	308.32	3184.59	175.75	13.76	148.54	3522.65
Dec	2555.98	34.42	4.29	426.08	15.47	304.92	3341.14	173.76	14.99	177.45	3707.34
2004											
Jan	3067.23	37.18	4.43	246.76	8.12	329.34	3693.05	187.63	14.84	208.37	4103.89
Feb	2789.72	35.29	4.20	432.49	4.70	312.58	3578.97	212.95	15.20	195.19	4002.31
Mar	2339.31	33.00	3.93	405.96	8.98	292.29	3083.47	196.06	15.27	227.62	3522.41
Apr	2933.78	35.21	4.14	447.13	6.25	360.16	3786.67	208.75	15.41	199.52	4210.35
May	2765.29	33.89	3.99	422.78	7.89	348.66	3582.46	200.91	15.26	189.62	3988.25
Jun	2548.67	32.46	3.82	405.37	8.19	336.30	3334.81	192.49	15.64	189.39	3732.33
Jul	2853.47	31.99	3.77	402.52	8.26	389.02	3689.02	189.63	15.48	184.86	4078.98
Aug	2512.11	34.50	4.01	434.16	9.72	411.95	3406.44	204.53	15.96	232.97	3859.90
Sep	2484.66	33.52	3.90	418.82	7.19	402.26	3350.34	198.73	16.30	269.05	3834.42
Oct	2914.07	32.40	3.77	395.41	1.35	394.51	3741.50	192.12	16.04	166.23	4115.89
Nov	2688.27	31.46	3.66	376.92	5.49	417.79	3523.59	186.53	16.09	207.93	3934.14
Dec	2429.16	30.95	3.60	366.93	7.71	513.18	3351.53	183.51	16.30	217.65	3768.99
2005											
Jan	2643.05	32.28	3.75	387.95	9.60	609.68	3686.32	191.40	16.23	348.68	4242.62
Feb	2453.78	31.27	3.64	376.35	7.78	567.57	3440.38	185.40	16.53	283.16	3925.47
Mar	2499.98	33.36	3.88	436.98	10.53	486.64	3471.36	197.80	16.92	265.39	3951.47

Table 1 (b)

CENTRAL BANK OF LESOTHO ASSETS AND LIABILITIES

(Million Maloti)

B - LIABILITIES

End of Period	Currency outside CBL(1)	Foreign Liabilities	Deposits				Capital Accounts	Allocation of SDRs	Unclassified Liabilities	Total
			Government	Official entities	Private Sector	Banks				
2002										
Jun	202.57	521.12	1432.89	202.46	10.81	62.04	2289.51	51.09	-0.85	4771.62
Sep	214.65	511.57	1322.79	178.15	10.77	82.17	2457.89	51.99	26.02	4855.99
Dec	233.40	646.75	1257.31	151.33	10.77	105.41	1728.13	43.66	27.71	4204.46
2003										
Mar	216.64	619.45	976.21	151.07	10.74	254.38	1540.25	40.66	113.33	3922.73
Jun	219.34	509.97	1162.14	150.04	10.27	173.02	1643.50	39.34	25.90	3933.53
Sep	230.22	489.73	1154.32	160.82	10.36	34.73	1371.83	36.75	33.88	3522.65
Dec	250.46	488.00	1263.91	158.36	10.66	114.47	1356.61	36.33	28.55	3707.34
2004										
Jan	236.74	504.93	1487.04	158.36	10.68	96.90	1529.47	39.24	40.54	4103.89
Feb	235.93	526.47	1457.65	158.00	10.88	86.15	1469.06	37.24	20.94	4002.31
Mar	259.73	506.57	1217.42	157.43	10.83	50.56	1256.12	34.83	28.92	3522.41
Apr	244.58	519.69	1663.96	160.81	10.88	85.07	1459.00	37.17	29.17	4210.35
May	257.74	511.83	1547.37	158.67	10.90	68.48	1379.20	35.77	18.30	3988.25
Jun	232.77	503.39	1398.10	157.87	11.03	63.96	1312.58	34.26	18.37	3732.33
Jul	276.52	500.55	1456.54	159.03	11.08	353.94	1266.18	33.76	21.39	4078.98
Aug	261.40	559.97	1354.33	159.04	11.22	77.39	1384.31	36.41	15.84	3859.90
Sep	270.62	536.79	1298.24	159.04	11.25	84.62	1323.63	35.38	114.84	3834.42
Oct	268.24	498.44	1748.89	159.05	11.32	67.48	1234.72	34.20	93.57	4115.89
Nov	284.44	497.86	1540.03	175.93	11.35	99.82	1194.98	33.21	96.52	3934.14
Dec	264.64	497.01	1411.84	175.90	11.48	114.76	1171.55	32.67	89.15	3768.99
2005										
Jan	274.68	504.90	1810.36	176.91	11.52	86.67	1244.77	34.07	98.73	4242.62
Feb	256.08	498.84	1548.46	176.91	11.61	100.54	1211.63	33.00	88.40	3925.47
Mar	281.09	511.26	1341.61	176.91	11.97	168.48	1338.00	35.21	86.96	3951.47

(1) Includes South African Rand with commercial banks.

Table 2

RESERVE MONEY
(Million Maloti)

End of Period	Currency in circulation outside CBL (1)						Bankers' Deposits	Total
	Maloti Issued		With commercial banks		Maloti Outside commercial banks	Total		
	Notes	Coins	Maloti Notes & Coins	Rand Notes & Coins				
2002								
Mar	189.62	8.17	32.12	3.22	164.09	199.43	78.41	277.84
Jun	192.39	7.77	29.97	4.29	168.31	202.57	62.04	264.61
Sep	201.50	8.43	27.93	5.39	181.33	214.65	82.17	296.82
Dec	215.14	8.66	43.40	10.32	179.68	233.40	105.41	338.81
2003								
Mar	202.77	9.20	31.70	6.29	178.65	216.64	254.38	471.02
Jun	205.16	9.40	37.45	6.07	175.82	219.34	173.02	392.36
Jul	203.50	9.00	31.96	7.94	179.76	219.67	94.94	314.60
Aug	216.42	9.07	34.77	5.54	189.82	230.13	64.81	294.94
Sep	215.21	9.02	34.74	7.30	188.18	230.22	34.73	264.95
Oct	231.24	9.34	40.74	5.78	199.04	245.55	63.46	309.01
Nov	242.40	9.24	39.79	6.00	211.06	256.85	78.59	335.44
Dec	226.11	9.40	51.48	15.47	183.52	250.46	114.47	364.93
2004								
Jan	220.15	9.20	39.44	8.12	189.18	236.74	96.90	333.64
Feb	222.80	9.14	37.05	4.70	194.18	235.93	86.15	322.07
Mar	242.84	9.16	43.12	8.98	207.63	259.73	50.56	310.29
Apr	229.92	9.14	37.25	6.25	201.09	244.58	85.07	329.66
May	241.27	9.12	42.17	7.86	207.72	257.74	68.48	326.22
Jun	216.36	9.21	34.92	8.19	189.65	232.77	63.96	296.72
Jul	259.67	9.15	38.94	8.26	229.32	276.52	353.94	630.46
Aug	244.01	9.12	44.45	9.72	207.23	261.40	77.39	338.79
Sep	255.31	9.11	43.84	7.19	219.59	270.62	84.62	355.24
Oct	258.39	9.13	45.39	1.35	221.50	268.24	67.48	335.71
Nov	270.52	9.18	43.60	5.49	235.36	284.44	99.82	384.26
Dec	247.83	9.35	52.40	7.71	204.54	264.64	114.76	379.40
2005								
Jan	256.78	9.24	49.66	9.60	215.42	274.68	86.67	361.36
Feb	159.80	89.21	41.80	7.78	206.50	256.08	100.54	356.62
Mar	262.49	9.28	57.94	10.53	212.61	281.09	168.48	449.57

(1) Excludes rand with public as its amount is not known

Table 3(a)

CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS
(Million Maloti)
A S S E T S

End of Period	Cash at Hand (1)	Balances with Central Bank	Foreign Assets (2)	Claims on Government	Claims on Statutory Bodies	Claims on Private Sector	Unclassified Assets	Total
2002								
Mar	35.34	100.41	830.67	830.25	40.16	289.88	910.74	3037.44
Jun	34.26	77.76	857.28	794.19	42.13	311.21	851.03	2967.85
Sep	33.32	77.25	829.77	814.89	53.52	351.91	916.79	3077.46
Dec	53.72	105.44	772.31	808.38	42.75	372.31	985.25	3140.15
2003								
Mar	38.00	249.85	835.67	675.04	36.66	364.18	577.65	2777.05
Jun	43.52	173.01	651.07	960.74	38.94	390.39	583.20	2840.87
Jul	39.90	94.71	674.50	1022.01	37.77	377.96	620.42	2867.28
Aug	40.31	70.08	778.05	953.18	38.47	378.19	647.41	2905.67
Sep	42.05	36.44	875.91	845.95	40.71	409.94	674.10	2925.09
Oct	46.52	63.46	877.69	823.34	38.29	399.75	685.39	2934.43
Nov	45.79	76.14	813.71	931.44	38.87	401.06	681.52	2988.51
Dec	66.94	114.16	837.34	991.45	38.94	402.58	764.87	3216.28
2004								
Jan	47.56	115.32	835.33	907.65	41.18	410.90	776.76	3134.70
Feb	41.75	73.56	913.79	902.15	42.98	419.14	731.19	3124.56
Mar	52.10	74.98	1069.78	761.20	46.04	438.83	720.03	3162.96
Apr	43.49	81.13	973.71	723.69	42.12	450.58	622.84	2937.55
May	50.02	64.03	1035.18	708.86	48.77	448.07	668.54	3023.47
Jun	43.11	70.94	1190.98	724.51	53.49	451.04	640.23	3174.30
Jul	47.19	81.36	929.34	771.33	45.38	459.52	593.57	2927.71
Aug	54.17	67.69	1229.12	559.81	51.01	508.74	687.92	3158.46
Sep	51.02	82.30	1240.29	584.50	47.69	493.61	728.25	3227.66
Oct	46.73	64.31	1212.81	554.78	56.52	460.65	801.52	3197.31
Nov	49.08	107.72	1205.47	537.29	49.69	447.56	893.17	3289.97
Dec	60.10	112.36	1253.79	543.43	52.16	441.18	885.39	3348.42
2005								
Jan	59.27	83.88	1147.96	461.59	52.65	459.42	939.00	3203.76
Feb	49.58	183.63	1207.41	463.54	57.96	446.19	931.66	3339.98
Mar	68.47	163.47	1409.65	273.24	62.82	470.19	1131.22	3579.06

(1) Maloti and rand notes

(2) Excludes rand notes and coins

Table 3(b)

CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS
(Million Maloti)
LIABILITIES

End of period	DEMAND AND CALL DEPOSITS			TIME DEPOSITS			SAVINGS DEPOSITS			Deferred Pay Fund	Capital and Reserves	Foreign Liabilities	Unclassified Liabilities	Total
	Government	Official Entities	Private Sector	Government	Official Entities	Private Sector	Government	Official Entities	Private Sector					
2002														
Jun	35.36	362.00	727.41	0.10	73.62	99.42	0.03	0.20	534.90	42.76	319.05	46.75	726.26	2967.85
Sep	59.17	348.12	732.11	0.09	58.63	107.57	0.04	0.20	531.60	38.88	346.05	86.91	768.09	3077.46
Dec	63.74	345.53	753.63	0.09	56.85	108.96	0.05	0.19	526.78	34.47	287.36	99.63	862.88	3140.15
2003														
Mar	72.93	359.60	743.81	0.09	55.97	114.86	0.05	0.19	539.92	36.52	249.63	69.38	534.11	2777.05
Jun	80.30	280.80	778.82	0.12	108.72	187.40	0.04	0.10	521.06	41.35	253.41	81.79	506.96	2840.87
Sep	71.75	249.19	814.37	0.15	83.97	161.01	0.01	0.10	505.84	37.82	302.97	132.82	565.10	2925.09
Dec	68.25	256.07	929.14	0.09	79.27	142.39	0.01	0.07	506.97	31.40	303.43	229.64	669.56	3216.28
2004														
Jan	67.08	246.51	866.72	0.11	81.80	144.56	0.05	0.05	491.31	28.76	307.65	209.21	690.90	3134.70
Feb	65.07	244.99	920.71	0.10	84.21	143.31	0.06	0.06	493.20	29.58	311.96	189.42	641.88	3124.56
Mar	59.58	237.63	925.57	0.10	85.30	146.86	0.06	0.07	499.26	37.80	317.49	166.38	686.86	3162.96
Apr	54.99	226.50	876.02	0.09	83.56	145.66	0.06	0.07	489.52	31.42	319.05	150.15	560.45	2937.55
May	55.93	222.29	930.43	0.06	79.48	141.23	0.05	0.08	507.48	35.72	319.91	143.05	587.76	3023.47
Jun	58.31	260.05	970.23	0.05	77.85	150.65	0.05	0.08	500.99	35.06	296.54	163.68	660.78	3174.30
Jul	56.74	259.81	982.20	0.06	82.83	164.35	0.05	0.07	485.73	49.78	301.22	86.49	458.38	2927.71
Aug	60.18	239.03	1037.57	0.06	87.52	186.27	0.05	0.08	478.68	41.95	306.97	102.26	617.83	3158.46
Sep	57.80	245.05	1027.62	0.05	92.40	190.46	0.05	0.07	480.83	47.99	310.54	93.89	680.92	3227.66
Oct	56.48	176.03	1006.25	0.06	86.01	183.74	0.06	0.04	473.63	43.13	315.78	157.02	699.09	3197.31
Nov	59.01	181.64	1026.41	0.05	84.44	197.06	0.06	0.03	473.76	43.13	326.66	86.15	811.58	3289.97
Dec	57.66	229.11	968.40	0.05	84.20	197.20	0.06	0.02	463.34	38.87	345.75	135.90	827.88	3348.42
2005														
Jan	73.77	244.28	851.00	0.00	81.82	166.04	0.06	0.03	454.01	33.64	343.84	106.47	848.80	3203.76
Feb	82.70	256.40	974.49	0.00	82.36	182.25	0.07	0.03	460.36	30.63	348.45	90.77	831.49	3339.98
Mar	87.48	265.69	1031.2	0.00	82.75	187.64	0.06	0.02	453.21	29.81	353.54	103.48	984.18	3579.06

Table 4

NET FOREIGN ASSETS OF THE BANKING SYSTEM
(Million Maloti ; End of Period)

End of Period	FOREIGN ASSETS				FOREIGN LIABILITIES			Net Foreign Assets
	-----		Total	-----		Total		
	Central Bank of Lesotho	Commercial Banks		Central Bank of Lesotho	Commercial Banks			
		Of which: Rand notes and coins with banks						
2002								
Jun	4465.78	4.29	857.28	5323.06	521.12	46.75	567.87	4755.19
Sep	4541.79	5.39	829.77	5371.56	679.29	86.91	766.19	4605.37
Dec	3858.15	10.32	772.31	4630.46	646.75	99.63	746.38	3884.08
2003								
Mar	3575.43	6.29	835.67	4411.10	619.45	69.38	688.83	3722.27
Jun	3576.25	6.07	651.07	4227.32	509.97	81.79	591.76	3635.56
Sep	3184.59	7.30	875.84	4060.44	497.15	132.82	629.98	3430.46
Dec	3341.14	15.47	837.34	4178.48	488.00	229.64	717.64	3460.84
2004								
Jan	3693.05	8.12	835.33	4528.38	504.93	209.21	714.14	3814.24
Feb	3578.97	4.70	913.79	4492.76	526.47	189.42	715.89	3776.87
Mar	3083.47	8.98	1069.78	4153.25	506.57	166.38	672.95	3480.30
Apr	3786.67	6.25	973.71	4760.37	519.69	150.15	669.84	4090.54
May	3582.46	7.86	1035.18	4617.64	511.83	143.05	654.88	3962.76
Jun	3334.81	8.19	1190.98	4525.79	503.39	163.68	667.06	3858.72
Jul	3689.02	8.26	929.34	4618.36	500.55	86.49	587.04	4031.32
Aug	3406.44	9.72	1229.12	4635.56	559.97	102.26	662.23	3973.33
Sep	3350.34	7.19	1240.29	4590.63	536.79	93.89	630.68	3959.95
Oct	3741.50	1.35	1212.81	4954.31	498.44	157.02	655.45	4298.86
Nov	3523.59	5.49	1205.47	4729.05	497.86	86.15	584.01	4145.04
Dec	3351.53	7.71	1253.79	4605.32	497.01	135.90	632.91	3972.41
2005								
Jan	3686.32	9.60	1147.96	4834.28	504.90	106.47	611.37	4222.91
Feb	3440.38	7.78	1207.41	4647.80	498.84	90.77	589.61	4058.18
Mar	3471.36	10.53	1409.65	4881.01	511.26	103.48	614.74	4266.28

Table 5

DISTRIBUTION OF COMMERCIAL BANKS' DEPOSITS BY TYPE
(Million Maloti /Per cent)

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
2002									
Mar	1032.42	530.31	152.37	37.24	1752.35	58.92	30.26	8.70	2.13
Jun	1089.41	535.09	173.04	42.76	1840.31	59.20	29.08	9.40	2.32
Sep	1080.23	531.80	166.21	38.88	1817.11	59.45	29.27	9.15	2.14
Dec	1099.16	526.96	165.81	34.47	1826.40	60.18	28.85	9.08	1.89
2003									
Mar	1103.41	540.11	170.83	36.52	1850.86	59.62	29.18	9.23	1.97
Jun	1059.62	521.17	296.11	41.35	1918.25	55.24	27.17	15.44	2.16
Sep	1063.56	505.94	244.98	37.82	1852.30	57.42	27.31	13.23	2.04
Dec	1185.21	507.04	221.66	31.40	1945.31	60.93	26.06	11.39	1.61
2004									
Jan	1113.23	491.37	226.36	28.76	1859.71	59.86	26.42	12.17	1.55
Feb	1165.70	493.27	227.52	29.58	1916.06	60.84	25.74	11.87	1.54
Mar	1163.20	499.33	232.16	37.80	1932.49	60.19	25.84	12.01	1.96
Apr	1102.52	489.59	229.22	31.42	1852.75	59.51	26.43	12.37	1.70
May	1152.72	507.55	220.70	35.72	1916.70	60.14	26.48	11.51	1.86
Jun	1230.28	501.06	228.50	35.06	1994.91	61.67	25.12	11.45	1.76
Jul	1242.01	485.80	247.18	49.78	2024.77	61.34	23.99	12.21	2.46
Aug	1276.61	478.76	273.79	41.95	2071.11	61.64	23.12	13.22	2.03
Sep	1272.66	480.89	282.86	47.99	2084.41	61.06	23.07	13.57	2.30
Oct	1182.28	473.67	269.75	43.13	1968.83	60.05	24.06	13.70	2.19
Nov	1208.06	473.79	281.49	43.13	2006.47	60.21	23.61	14.03	2.15
Dec	1197.50	463.36	281.40	38.87	1981.13	60.45	23.39	14.20	1.96
2005									
Jan	1095.29	454.04	247.86	33.64	1830.82	59.82	24.80	13.54	1.84
Feb	1230.89	460.38	264.61	30.63	1986.51	61.96	23.18	13.32	1.54
Mar	1296.89	453.23	270.40	29.81	2050.32	63.25	22.11	13.19	1.45

Table 6

DISTRIBUTION OF COMMERCIAL BANKS' DEPOSITS BY HOLDER
(Million Maloti /Per cent)

End of Period	Private Sector	Government	Statutory Bodies	Deferred Pay Fund	Total	As Percentage of Total			
						Private Sector	Government	Statutory Bodies	Deferred Pay Fund
2002									
Jun	1361.73	35.48	435.82	42.76	1875.79	72.59	1.89	23.23	2.28
Sep	1371.28	59.30	406.96	38.88	1876.41	73.08	3.16	21.69	2.07
Dec	1389.37	63.89	402.56	34.47	1890.28	73.50	3.38	21.30	1.82
2003									
Mar	1398.58	73.07	415.76	36.52	1923.93	72.69	3.80	21.61	1.90
Jun	1487.28	80.46	389.62	41.35	1998.70	74.41	4.03	19.49	2.07
Sep	1481.22	71.90	333.26	37.82	1924.20	76.98	3.74	17.32	1.97
Oct	1503.19	71.16	308.98	37.20	1920.53	78.27	3.71	16.09	1.94
Nov	1503.66	65.20	313.23	38.43	1920.52	78.29	3.39	16.31	2.00
Dec	1578.50	68.35	335.41	31.40	2013.65	78.39	3.39	16.66	1.56
2004									
Jan	1502.59	67.24	328.36	28.76	1926.95	77.98	3.49	17.04	1.49
Feb	1557.22	65.24	329.26	29.58	1981.30	78.60	3.29	16.62	1.49
Mar	1571.69	59.73	323.00	37.80	1992.22	78.89	3.00	16.21	1.90
Apr	1511.21	55.14	310.13	31.42	1907.89	79.21	2.89	16.26	1.65
May	1579.14	56.04	301.85	35.72	1972.74	80.05	2.84	15.30	1.81
Jun	1621.86	58.41	337.41	35.06	2053.32	78.09	2.84	16.46	1.71
Jul	1632.28	56.85	342.71	49.78	2081.62	78.41	2.73	16.46	2.39
Aug	1702.53	60.29	326.63	41.95	2131.40	79.88	2.83	15.32	1.97
Sep	1698.90	57.90	337.51	47.99	2142.31	79.30	2.70	15.75	2.24
Oct	1663.62	56.60	262.08	43.13	2025.43	82.14	2.79	12.94	2.13
Nov	1697.23	59.12	266.11	43.13	2065.58	82.17	2.86	12.88	2.09
Dec	1657.42	57.76	284.84	38.87	2038.89	81.29	2.83	13.97	1.91
2005									
Jan	1471.05	73.83	326.14	33.64	1904.65	77.23	3.88	17.12	1.77
Feb	1617.09	82.76	338.79	30.63	2069.27	78.15	4.00	16.37	1.48
Mar	1672.06	87.53	348.46	29.81	2137.85	78.21	4.09	16.30	1.39

Table 7 **COMMERCIAL BANKS' FIXED TIME DEPOSITS BY MATURITY**
(Million Maloti/Per cent)

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
2002							
Mar	47.28	82.62	18.93	148.83	31.77	55.51	12.72
Jun	68.60	47.51	46.28	162.39	42.24	29.26	28.50
Sep	74.66	59.73	35.61	170.00	43.92	35.13	20.95
Dec	97.17	28.49	43.86	169.52	57.32	16.81	25.87
2003							
Mar	47.57	94.04	24.66	166.27	28.61	56.56	14.83
Jun	105.56	165.05	33.76	304.37	34.68	54.23	11.09
Sep	81.45	144.15	37.09	262.70	31.01	54.87	14.12
Dec	66.47	148.80	12.54	227.81	29.18	65.32	5.50
2004							
Jan	68.76	151.71	12.10	232.57	29.56	65.23	5.20
Feb	70.39	151.16	12.36	233.90	30.09	64.63	5.28
Mar	71.28	155.48	11.87	238.62	29.87	65.16	4.97
Apr	68.66	147.91	12.25	228.82	30.01	64.64	5.35
May	68.71	150.29	12.21	231.21	29.72	65.00	5.28
Jun	67.17	103.89	12.80	183.86	36.53	56.50	6.96
Jul	67.60	172.28	13.52	253.40	26.68	67.99	5.34
Aug	73.11	193.57	13.69	280.36	26.08	69.04	4.88
Sep	96.18	180.08	13.52	289.78	33.19	62.14	4.67
Oct	80.87	197.37	12.42	290.67	27.82	67.90	4.27
Nov	69.14	206.44	12.16	287.73	24.03	71.75	4.22
Dec	101.25	174.20	11.32	286.77	35.31	60.75	3.95
2005							
Jan	83.05	156.13	13.58	252.76	32.86	61.77	5.37
Feb	77.93	167.74	10.69	256.37	30.40	65.43	4.17
Mar	68.59	187.27	15.64	271.50	25.26	68.98	5.76

**Table 8(a) COMMERCIAL BANKS' LOANS AND ADVANCES TO BUSINESS ENTERPRISES AND STATUTORY BODIES
(Million Maloti : End of Period)**

ECONOMIC ACTIVITIES	2002				2003				2004	2005
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
1. Agriculture, Hunting Forestry and Fishing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Mining and Quarrying	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Manufacturing	32.2	26.9	24.0	26.1	23.6	24.7	23.3	26.2	29.3	28.6
4. Electricity, gas and water	7.7	8.3	8.5	8.9	8.9	8.7	8.7	8.9	8.0	8.7
5. Construction	96.6	92.8	86.1	110.9	97.0	108.4	121.3	117.5	132.5	140.1
6. Wholesale, Retail, Hotel and Restaurant	23.8	18.0	20.6	21.6	20.7	21.5	16.9	18.1	20.9	21.1
7. Transport, Storage and Communication	7.1	6.4	7.6	7.3	7.3	7.0	7.3	8.7	8.6	6.4
8. Non-Bank Financial Institutions, Real Estate	4.2	4.0	4.2	4.4	5.3	5.4	5.8	7.1	7.9	7.5
9. Community, Social and Personal Services	23.7	21.7	23.0	23.3	26.7	25.5	28.4	31.8	10.2	8.4
TOTAL	195.3	178.1	174.1	202.4	189.5	201.2	211.5	218.4	217.4	220.8
of which:										
Business Enterprises	152.5	141.4	143.8	161.7	150.6	155.2	158.0	170.7	165.2	158.0
Statutory Bodies	42.8	36.7	30.3	40.7	38.9	46.0	53.5	47.7	52.2	62.8

Table 8(b) COMMERCIAL BANKS' LOANS AND ADVANCES TO BUSINESS ENTERPRISES AND STATUTORY BODIES
(As per cent of total : End of Period)

ECONOMIC ACTIVITIES	2002				2003				2004	2005
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
1. Agriculture, Hunting Forestry and Fishing	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Mining and Quarrying	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Manufacturing	17.5	15.7	14.8	12.9	12.4	12.3	11.0	12.0	13.5	13.0
4. Electricity, gas and water	1.3	3.7	3.8	4.4	4.7	4.3	4.1	4.1	3.7	3.9
5. Construction	14.8	40.8	38.5	54.8	51.2	53.9	57.3	53.8	61.0	63.4
6. Wholesale, Retail, Hotel and Restaurant	16.6	11.9	3.3	10.7	10.9	10.7	8.0	8.3	9.6	9.6
7. Transport, Storage and Communication	23.0	9.6	10.3	3.6	3.9	3.5	3.4	4.0	4.0	2.9
8. Non-Bank Financial Institutions, Real Estate	6.4	3.6	3.7	2.2	2.8	2.7	2.7	3.3	3.6	3.4
9. Community, Social and Personal Services	20.1	14.7	15.5	11.5	14.1	12.7	13.4	14.6	4.7	3.8
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
of which:										
Business Enterprises	93.9	84.0	86.6	79.9	79.5	77.1	74.1	78.2	76.0	71.6
Statutory Bodies	6.1	16.0	13.4	20.1	20.3	22.9	25.3	21.8	24.0	28.4

Table 9 (a)

**COMMERCIAL BANKS' MAJOR RATIOS
(Million Maloti / Per Cent)**

End of Period	Liabilities to the Public in Lesotho	Liquid Assets	Liquidity Ratio	Capital	Capital Ratio	Statutory Reserves	Local Assets	Local Assets Ratio
2002								
Jun	1922.54	1452.83	75.57	500.16	26.02	64.35	2110.57	84.86
Sep	1963.32	1486.38	75.71	499.16	25.42	64.35	2247.68	88.95
Dec	1989.91	1514.61	76.11	499.16	25.08	68.15	2367.84	92.59
2003								
Mar	1993.31	1698.07	85.19	474.16	23.79	68.15	1941.37	76.56
Jun	2080.49	1729.95	83.15	474.16	22.79	68.15	2189.80	83.49
Sep	2057.02	1435.27	69.77	474.16	23.05	68.15	2049.18	78.83
Dec	2243.30	1814.10	80.87	479.11	21.36	68.15	2378.94	85.25
2004								
Jan	2136.15	1667.00	78.04	479.11	22.43	68.15	2299.37	85.69
Feb	2170.71	1656.49	76.31	479.11	22.07	68.15	2210.77	81.34
Mar	2158.60	1669.12	77.32	479.11	22.20	68.15	2093.18	77.36
Apr	2058.04	1862.12	90.48	477.61	23.21	68.15	1963.84	75.42
May	2115.79	1926.36	91.05	479.11	22.64	68.15	1988.29	74.66
Jun	2216.99	2085.54	94.07	479.11	21.61	68.15	1983.33	71.75
Jul	2168.10	1921.87	88.64	479.11	22.10	68.15	1998.37	73.59
Aug	2233.66	2079.46	93.10	479.11	21.45	68.15	1929.34	69.38
Sep	2236.20	2173.21	97.18	479.11	21.43	68.15	1987.37	71.40
Oct	2182.44	2146.22	98.34	479.11	21.95	68.15	1984.51	72.70
Nov	2151.73	2240.31	104.12	479.11	22.27	68.15	2084.51	77.23
Dec	2174.79	2370.90	109.02	495.55	22.79	68.15	2096.12	76.54
2005								
Jan	2011.13	2158.03	107.30	495.27	24.63	68.15	2055.80	79.85
Feb	2160.04	2245.42	103.95	494.45	22.89	68.15	2132.56	78.33
Mar	2241.34	2488.87	111.04	494.08	22.04	68.15	2169.41	77.38

Table 9 (b)

COMMERCIAL BANKS' CREDIT DEPOSIT RATIOS
(Million Maloti /Per Cent)

End of period	Deposits (1)	Deferred Pay Fund	Government Deposits	Borrowing From Abroad	Credit (2)	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
2002													
Jun	1797.55	42.76	35.48	46.75	353.34	793.60	19.66	19.20	18.84	18.38	42.31	61.14	59.66
Sep	1778.23	38.88	59.30	86.91	405.43	812.13	22.80	22.31	21.61	20.65	43.28	64.89	62.02
Dec	1791.93	34.47	63.89	99.63	415.06	806.08	23.16	22.73	21.96	20.86	42.64	64.60	61.37
2003													
Mar	1814.34	36.52	73.07	69.38	400.84	674.43	22.09	21.66	20.83	20.11	35.05	55.89	53.94
Jun	1876.90	41.35	80.46	81.79	429.33	959.24	22.87	22.38	21.48	20.64	47.99	69.47	66.74
Sep	1814.48	37.82	71.90	132.82	450.65	844.74	24.84	24.33	23.42	21.91	43.90	67.32	62.97
Dec	1913.91	31.40	68.35	229.64	441.52	989.92	23.07	22.70	21.93	19.68	49.16	71.09	63.81
2004													
Jan	1830.95	28.76	67.24	209.21	452.07	906.46	24.69	24.31	23.46	21.16	47.04	70.50	63.60
Feb	1886.49	29.58	65.24	189.42	462.12	901.13	24.50	24.12	23.32	21.29	45.48	68.81	62.80
Mar	1894.69	37.80	59.73	166.38	484.87	759.59	25.59	25.09	24.34	22.46	38.13	62.47	57.65
Apr	1821.33	31.42	55.14	150.15	792.69	721.96	27.05	26.59	25.82	23.94	37.84	63.66	59.02
May	1880.98	35.72	56.04	143.05	496.83	707.13	26.41	25.92	25.18	23.48	35.85	61.03	56.90
Jun	1959.84	35.06	58.41	163.68	504.53	722.75	25.74	25.29	24.57	22.76	35.20	59.77	55.36
Jul	1974.98	49.78	56.85	86.49	504.91	769.57	25.57	24.94	24.26	23.29	36.97	61.23	58.78
Aug	2029.15	41.95	60.29	102.26	559.76	557.91	27.59	27.03	26.26	25.06	26.18	52.44	50.04
Sep	2036.42	47.99	57.90	93.89	541.29	582.54	26.58	25.97	25.27	24.21	27.19	52.46	50.26
Oct	1925.70	43.13	56.60	157.02	517.17	552.78	26.86	26.27	25.53	23.70	27.29	52.83	49.03
Nov	1963.34	43.13	59.12	86.15	497.25	535.71	25.33	24.78	24.07	23.11	25.93	50.01	48.01
Dec	1942.27	38.87	57.76	135.90	493.34	542.38	25.40	24.90	24.20	22.68	26.60	50.80	47.62
2005													
Jan	1797.19	33.64	73.83	106.47	512.07	460.24	28.49	27.97	26.89	25.46	24.16	51.05	48.35
Feb	1955.88	30.63	82.76	90.77	504.16	461.83	25.78	25.38	24.36	23.34	22.32	46.68	44.72
Mar	2020.52	29.81	87.53	103.48	533.01	272.26	26.38	26.00	24.93	23.78	12.74	37.67	35.93

(1) Excludes deposits of non-residents and government

(2) Excludes non-performing loans and advances as well as loans and advances to non-residents and government.

Table 10

**NARROW MONEY
(Million Maloti)**

End of Period	M A L O T I			Demand and Call Deposits				Money (1) (3+7)	Annual Rate of Increase (per cent)
	-----	-----	-----	-----	-----	-----	-----		
	Issued	With Banks	With Public	Private Sector	Statutory Bodies	Deferred Pay Fund	Total		
1	2	3	4	5	6	7	8	9	
2002									
Jun	200.16	29.97	168.31	738.22	564.46	4.28	1306.95	1475.26	21.64
Sep	209.94	27.93	181.33	742.88	526.28	3.89	1273.04	1454.37	18.67
Dec	223.80	43.40	179.68	764.41	496.85	3.45	1264.71	1444.39	11.42
2003									
Mar	211.97	31.70	178.65	754.55	510.68	3.65	1268.87	1447.52	2.16
Jun	214.55	37.45	175.82	789.08	430.84	4.14	1224.06	1399.89	-5.11
Sep	224.23	34.74	188.18	824.73	410.01	3.78	1238.52	1426.70	-1.90
Dec	235.51	51.48	183.52	939.80	414.43	3.14	1357.37	1540.89	6.68
2004									
Jan	229.35	39.44	189.18	877.39	404.87	2.88	1285.14	1474.32	3.17
Feb	231.94	37.05	194.18	931.58	403.00	2.96	1337.53	1531.71	10.65
Mar	252.01	43.12	207.63	936.39	395.06	3.78	1335.23	1542.86	6.59
Apr	239.05	37.25	201.09	886.90	387.31	3.14	1277.35	1478.44	3.48
May	250.39	42.17	207.72	941.33	380.97	3.57	1325.86	1533.58	2.70
Jun	225.57	34.92	189.65	981.26	417.92	3.51	1402.69	1592.34	13.75
Jul	268.82	38.94	229.32	993.27	418.84	4.98	1417.09	1646.41	20.98
Aug	253.12	44.45	207.23	1048.79	398.07	4.20	1451.06	1658.29	17.80
Sep	264.42	43.84	219.59	1038.87	404.09	4.80	1447.76	1667.35	16.87
Oct	267.52	45.39	221.50	950.01	335.08	4.31	1289.41	1510.91	3.40
Nov	279.70	43.60	235.36	953.77	357.57	4.31	1315.65	1551.01	5.72
Dec	257.18	52.40	204.54	979.87	376.52	3.89	1360.28	1564.82	1.55
2005									
Jan	266.02	49.66	215.42	862.52	421.19	3.36	1287.07	1502.49	1.91
Feb	249.01	41.80	206.50	986.10	433.31	3.06	1422.46	1628.97	6.35
Mar	271.77	57.94	212.61	1043.17	442.59	2.98	1488.74	1701.35	10.27

Although South African Rand is also legal tender in Lesotho, there are no estimates of the rand suitable for this table.

Table 11

MONETARY SURVEY
(Million Maloti: End of Period)

	2002				2003				2004	2005
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
Foreign Assets, Net	3884.084	3722.270	3635.559	3437.952	3460.841	3480.297	3858.725	4039.378	3972.415	4266.278
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Commercial Banks	672.684	766.295	569.282	743.087	607.697	903.400	1027.300	1225.831	1117.896	1306.169
Central Bank of Lesotho	3201.084	2949.681	3060.212	2687.563	2837.679	2567.914	2823.235	2806.361	2846.811	2949.577
Rand with Banks	10.316	6.294	6.065	7.302	15.465	8.983	8.190	7.186	7.708	10.532
Domestic Credit	105.448	223.764	357.366	259.890	289.466	180.243	-19.348	-94.742	-233.017	-408.179
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Claims on private sector & statutory bodies	428.586	414.019	443.141	464.409	456.510	500.137	520.168	478.170	509.641	549.926
Claims on Government, net of deposits	-323.138	-190.255	-85.775	-204.519	-167.044	-319.894	-539.516	-572.912	-742.658	-958.105
Money Supply	2168.182	2191.321	2254.379	2211.647	2297.846	2308.372	2353.463	2474.297	2373.048	2451.807
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Money	1440.940	1443.865	1395.751	1422.915	1537.745	1539.076	1588.836	1662.553	1589.421	1698.372
Maloti with public	179.682	178.645	175.823	188.178	183.517	207.629	189.652	219.593	204.539	212.614
Demand and call deposits	1261.258	1265.220	1219.928	1234.737	1354.228	1331.447	1399.184	1442.960	1384.882	1485.758
Quasi-money	727.242	747.456	858.628	788.732	760.101	769.296	764.627	811.744	783.627	753.435
Time deposits	200.278	207.349	337.462	282.794	253.057	269.964	263.564	330.850	320.265	300.202
Savings deposits	526.964	540.107	521.166	505.938	507.044	499.332	501.063	480.893	463.362	453.233
Other Items, Net	1821.350	1754.713	1738.546	1486.195	1452.461	1352.168	1485.914	1470.339	1366.350	1406.292
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Table 12

BROAD MONEY

(Million Maloti)

End of Period	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
	Savings Deposits	Private Sector	Statutory Bodies	Deferred Pay Fund				
	1	2	3	4				
2002								
Jun	535.09	99.42	73.62	38.49	746.62	1475.26	2221.88	18.32
Sep	531.80	107.57	58.63	34.99	733.00	1454.37	2187.37	15.69
Dec	526.96	108.96	56.85	31.03	723.79	1444.39	2168.18	8.81
2003								
Mar	540.11	114.86	55.97	32.87	743.80	1447.52	2191.32	2.73
Jun	521.17	187.40	108.72	37.22	854.49	1399.89	2254.38	1.46
Sep	505.94	161.01	83.97	34.04	784.95	1426.70	2211.65	1.11
Dec	507.04	142.39	79.27	28.26	756.96	1540.89	2297.85	5.98
2004								
Jan	491.37	144.56	81.80	25.88	743.60	1474.32	2217.93	3.15
Feb	493.27	143.31	84.21	26.62	747.41	1531.71	2279.12	7.65
Mar	499.33	146.86	85.30	34.02	765.52	1542.86	2308.37	5.34
Apr	489.59	145.66	83.56	28.28	747.09	1478.44	2225.53	3.54
May	507.55	141.23	79.48	32.15	760.40	1533.58	2293.98	1.60
Jun	501.06	150.65	77.85	31.56	761.12	1592.34	2353.46	4.40
Jul	485.80	164.35	82.83	44.80	777.78	1646.41	2424.19	9.98
Aug	478.76	186.27	87.52	37.76	790.31	1658.29	2448.60	8.91
Sep	480.89	190.46	92.40	43.19	806.94	1667.35	2474.30	11.88
Oct	473.67	183.74	86.01	38.81	782.23	1510.91	2293.14	3.32
Nov	473.79	197.06	84.44	38.81	794.10	1551.01	2345.11	4.81
Dec	463.36	197.20	84.20	34.98	779.74	1564.82	2344.56	2.03
2005								
Jan	454.04	166.04	81.82	30.27	732.17	1502.49	2234.66	0.75
Feb	460.38	182.25	82.36	27.56	752.56	1628.97	2381.52	4.49
Mar	453.23	187.64	82.75	26.82	750.45	1701.35	2451.81	6.21

Table 13

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
2002												
Jun	1334.96	316.29	0.26	535.21	135.73	0.25	219.22	0.01	0.00	2089.39	452.04	0.22
Sep	1304.08	334.77	0.26	531.85	153.42	0.29	208.79	0.03	0.00	2044.71	488.21	0.24
Dec	1290.29	457.89	0.26	527.01	165.93	0.26	203.90	0.03	0.26	2021.20	623.85	0.31
2003												
Mar	1295.33	658.37	0.26	540.13	196.08	0.26	210.90	4.83	0.26	2046.37	859.28	
Jun	1251.73	740.26	0.59	521.19	125.98	0.24	345.60	4.38	0.26	2118.52	870.62	0.41
Sep	1267.68	412.71	0.33	506.02	134.41	0.27	289.06	0.04	2.26	2062.75	547.15	0.27
Dec	1389.29	774.97	0.56	507.10	157.70	0.31	258.96	6.11	0.02	2155.36	938.78	0.44
2004												
Jan	1316.93	716.70	0.54	491.44	156.61	0.32	261.21	6.29	0.02	2069.59	879.59	0.43
Feb	1370.14	652.22	0.48	493.32	128.06	0.26	263.38	6.12	0.02	2126.84	786.40	0.37
Mar	1372.96	686.90	0.50	499.37	139.02	0.28	276.32	6.92	0.03	2148.65	832.84	0.39
Apr	1314.27	674.68	0.51	489.62	125.16	0.26	266.87	7.63	0.03	2070.76	807.47	0.39
May	1362.52	670.33	0.49	507.58	101.41	0.20	262.51	7.23	0.03	2132.61	778.97	0.37
Jun	1441.84	536.13	0.37	501.09	98.33	0.19	269.53	7.70	0.03	2212.46	641.16	0.29
Jul	1452.20	721.15	0.50	485.83	103.63	40.09	303.12	8.17	0.03	2241.15	832.94	0.37
Aug	1487.88	739.75	0.50	478.78	98.78	41.02	322.25	8.67	0.03	2288.92	847.21	0.37
Sep	1486.13	766.27	0.52	480.92	102.40	43.17	337.72	8.69	0.03	2304.77	877.36	0.38
Oct	1323.74	725.79	0.55	473.70	106.13	0.22	319.27	9.36	0.03	2116.71	841.28	0.40
Nov	1352.04	220.24	0.16	473.82	61.77	0.13	330.90	-1.78	-0.01	2156.75	280.22	0.13
Dec	1400.12	751.24	0.54	463.39	109.73	0.24	326.53	7.70	0.02	2190.03	868.67	0.40
2005												
Jan	1326.94	696.67	0.53	454.15	106.53	0.23	287.60	2.69	0.01	2068.69	805.89	0.39
Feb	1463.10	765.81	0.52	460.50	103.42	0.22	301.38	2.58	0.01	2224.98	871.80	0.39
Mar	1531.66	795.69	0.52	453.28	103.64	0.23	306.38	2.67	0.01	2291.31	901.99	0.39

Table 14(a)

DEPOSIT RATES PAID BY 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
2002					
Mar	16.33	24.67	13.00	2.17-4.00	5.00
Jun	17.00	25.33	13.00	2.42-4.00	5.00
Sep	17.33	24.00	17.00	2.42-4.00	5.00
Dec	17.67	26.00	17.00	2.58-4.00	5.50
2003					
Mar	17.67	26.00	17.00	2.58-4.00	5.50
Jun	16.50	23.17	15.00	1.88-3.50	5.00
Sep	14.83	19.83	13.50	2.00-2.00	4.08
Oct	14.00	19.00	12.00	2.00-2.59	4.08
Nov	13.00	18.00	12.00	2.00-2.55	3.70
Dec	12.50	17.67	11.50	1.68-2.48	3.55
2004					
Jan	12.50	17.67	11.50	1.68-2.41	2.11
Feb	12.50	19.17	11.50	1.68-2.31	2.10
Mar	12.50	17.50	11.50	1.68-2.32	2.09
Apr	12.50	19.17	11.50	1.68-2.11	2.36
May	12.50	19.17	11.50	1.68-2.08	2.29
Jun	12.50	19.17	11.50	1.68-2.09	2.33
Jul	12.50	19.17	11.50	1.10-1.68	1.82
Aug	12.42	19.00	11.00	1.08-1.68	1.79
Sep	12.17	18.83	11.00	0.97-1.35	1.78
Oct	12.17	17.17	11.00	0.96-1.35	1.79
Nov	12.17	17.17	11.00	0.98-1.35	1.77
Dec	12.17	17.17	11.00	0.96-1.36	1.80
2005					
Jan	12.17	17.17	11.00	0.97-1.35	1.78
Feb	12.17	17.17	11.00	0.96-1.36	1.78
Mar	12.17	17.17	10.50	0.98-1.35	1.79

Table 14(b)

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

INTEREST PAID						
End of Period	Lesotho Time Deposits				South African Time Deposits	
	31Days	88Days	6 Months	1 Year	31 Days	1 Year
2002						
Mar	4.00	5.00	5.00	6.00	9.75	11.50
Jun	4.50	5.00	5.50	6.00	11.7	12.82
Sep	4.50	5.00	5.50	6.00	12.81	14.03
Dec	4.75	5.75	5.75	6.25	13.03	13.02
2003						
Mar	4.75	5.75	5.75	6.25	13.50	12.90
Jun	4.38	5.20	5.20	5.45	11.55	10.00
Sep	4.47	4.47	4.75	5.25	9.38	8.65
Oct	4.47	4.47	4.75	5.25	8.05	7.73
Nov	4.00	4.25	4.75	5.25	7.89	7.33
Dec	3.75	4.40	4.50	6.00	7.69	7.84
2004						
Jan	3.75	4.40	4.50	6.00	7.71	9.37
Feb	3.75	4.40	4.50	6.00	7.76	8.60
Mar	3.75	4.40	4.50	6.00	7.66	8.70
Apr	3.75	4.40	4.50	6.00	8.35	9.30
May	3.75	4.40	4.50	6.00	8.30	8.95
Jun	3.75	4.40	4.50	6.00	8.25	9.05
Jul	3.20	3.50	4.00	5.00	8.20	8.90
Aug	3.20	3.50	4.00	5.00	7.70	7.85
Sep	3.10	4.15	3.65	4.74	7.48	7.74
Oct	3.10	4.15	3.65	4.74	7.25	7.56
Nov	3.10	4.15	3.65	4.74	7.14	7.26
Dec	3.10	4.15	3.65	4.00	7.20	7.35
2005						
Jan	3.10	4.15	3.65	4.74	5.00	6.35
Feb	3.10	4.15	3.65	4.74	5.00	6.35
Mar	3.10	4.15	3.65	4.74	5.00	6.35

Table 15**COMPARATIVE MONEY MARKET RATES**

End of Period	Central Bank Rates -----		Treasury Bills -----	
	*CBL	+SARB	LESOTHO	RSA
2002				
Jun	13.00	12.50	11.03	11.42
Sep	15.53	13.50	11.53	12.41
Dec	16.19	13.50	12.19	12.42
2003				
Mar	18.50	13.50	13.12	12.71
Jun	16.84	12.50	12.84	9.65
Sep	14.99	10.00	10.99	8.97
Dec	14.99	8.00	9.83	7.54
2004				
Jan	15.00	8.00	9.00	7.56
Feb	13.00	8.00	9.00	7.58
Mar	13.00	8.00	8.84	7.80
Apr	13.00	8.00	8.84	7.71
May	13.00	8.00	8.84	7.75
Jun	13.00	8.00	8.80	7.87
Jul	13.00	13.00	8.76	8.76
Aug	13.00	13.00	8.44	7.11
Sep	13.00	13.00	8.10	8.10
Oct	13.00	13.00	8.02	7.28
Nov	13.00	13.00	7.90	7.20
Dec	13.00	13.00	7.86	7.32
2005				
Jan	13.00	13.00	7.90	7.38
Feb	13.00	13.00	7.94	7.20
Mar	13.00	13.00	7.72	7.17

**Note: *CBL – Central Bank of Lesotho overdraft rate
+ SARB - South African Reserve Bank marginal lending rate**

Table 16

GOVERNMENT BUDGETARY OPERATIONS

(Million Maloti / Per cent of GDP)

	2003/2004 Q1	2003/2004 Q2	2003/2004 Q3	2003/2004 Q4	2004/2005 Q1	2004/2005 Q2	Revised 2004/2005 Q3	Preliminary 2004/2005 Q4
Total Receipts	772.0	960.9	887.1	996.9	1032.9	1165.4	1119.3	1081.8
Revenue	725.9	921.4	834.4	957.4	972.3	1073.2	1095.3	1057.8
Customs	355.4	355.4	355.4	355.4	503.1	503.1	503.1	503.1
Income Taxes	134.0	257.5	204.0	256.8	195.0	231.6	248.8	226.5
of which :Individual Tax	94.7	134.6	121.3	143.2	118.0	155.3	152.3	174.9
Company Tax	21.5	81.8	58.2	75.0	44.5	53.9	64.8	51.6
Taxes on goods & services	100.5	153.7	181.3	167.4	179.5	182.3	200.9	185.8
Other Tax	1.1	1.3	2.7	5.4	2.2	6.8	1.9	4.7
Non-Tax Revenue	134.9	153.5	91.0	172.4	92.5	149.4	140.6	137.7
of which : Water Royalties	46.9	57.2	46.7	42.3	40.7	63.7	49.0	41.3
Grants	46.1	39.5	52.7	39.5	60.6	92.2	24.0	24.0
Total Expenditure & Net Lending	918.6	871.0	904.7	851.1	823.5	1094.8	914.0	819.5
Recurrent	714.3	747.6	783.1	685.0	623.5	861.8	785.7	701.8
Personnel Emoluments	278.5	279.2	275.8	283.8	283.0	297.4	295.3	295.3
Interest Payments	39.4	53.4	68.1	55.8	33.4	45.0	28.1	43.3
Of which: Bank Restructuring	13.2	13.6	12.0	10.0	8.5	10.0	10.0	2.5
LHDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subsidies and Transfers	149.0	149.1	163.5	155.2	162.4	167.4	211.9	193.2
Other Expenditure	247.4	265.9	275.7	190.2	144.7	352.0	250.4	170.0
Of which: Bank Restructuring	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Agricultural Support	16.3	10.3	10.1	28.1	0.0	0.0	0.0	0.0
Imperial Fleet Services	31.6	39.8	40.9	37.7	29.3	20.4	35.6	9.5
Capital Expenditure & Net Lending	204.3	123.4	121.6	166.1	200.0	233.0	128.3	117.7
Surplus/Deficit before LHDA	-146.6	89.9	-17.6	145.8	209.4	70.6	205.3	262.3
Overall Surplus/Deficit	-146.6	89.9	-17.6	145.8	209.4	70.6	205.3	262.3
Total Financing	146.7	-89.8	17.6	-145.9	-209.3	-70.5	-205.5	-262.2
Foreign financing (net)	-16.4	-9.4	-46.1	37.0	-12.0	5.4	-16.7	-39.8
Domestic financing (net)	163.1	-80.4	63.7	-182.9	-197.3	-75.9	-188.8	-222.4
Bank financing	104.5	-111.3	37.5	-152.9	-220.0	-33.4	-169.7	-215.4
Non -bank financing	58.6	30.9	26.2	-30.0	22.7	-42.5	-19.1	-7.0
In Per cent of GDP (%)								
Total Receipts	36.1	44.9	41.5	46.6	48.3	54.5	52.3	50.6
Total Expenditure	43.0	40.7	42.3	39.8	38.5	51.2	42.7	38.3
Budget Balance	-6.9	4.2	-0.8	6.8	9.8	3.3	9.6	12.3

Source: Ministry of Finance

Table 17

**TREASURY BILLS BY TYPE OF HOLDER
(Million Maloti)**

End of Period	CBL	Comm. Banks	NBFI	Others	Total
2002					
Mar	20.0	425.4	31.9	76.4	553.7
Jun	0.1	399.0	34.3	86.9	520.3
Sep	0.0	408.6	23.5	83.7	515.8
Dec	0.0	402.0	23.7	90.0	515.7
2003					
Mar	20.0	292.9	10.5	47.0	370.4
Jun	0.0	579.4	72.1	46.5	698.0
Sep	0.0	437.5	93.1	58.1	588.7
Oct	0.0	410.8	106.4	55.4	572.6
Nov	0.0	462.2	119.5	52.7	634.4
Dec	0.0	463.4	108.2	52.6	624.2
2004					
Jan	0.0	387.7	98.0	38.2	523.9
Feb	0.0	412.3	69.9	45.9	528.1
Mar	0.0	388.7	104.6	39.7	533.0
Apr	0.0	343.4	150.2	47.5	541.1
May	0.0	340.9	179.6	23.8	544.3
Jun	0.0	376.8	135.6	31.8	544.2
Jul	0.0	403.1	99.8	46.6	549.5
Aug	0.0	415.3	95.3	38.8	549.4
Sep	0.0	424.2	91.9	32.6	548.7
Oct	0.0	434.1	77.3	37.3	548.7
Nov	0.0	427.8	56.0	47.5	531.3
Dec	0.0	427.9	54.2	50.3	532.4
2005					
Jan	-0.1	368.4	48.0	33.6	449.9
Feb	-0.1	357.7	55.0	37.3	449.9
Mar	-0.1	196.6	66.0	37.4	300.0

Table 18(a)

LESOTHO ANNUAL INFLATION RATE

APRIL 1997 = 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
2002													
Sept	11.3	26.6	6.8	2.1	9.7	4.6	1.6	6.7	0.0	6.6	0.5	20.8	6.8
Dec	11.2	23.7	6.5	3.9	11.8	7.6	2.7	8.3	0.0	6.0	0.3	20.4	8.3
2003													
Mar	7.7	7.8	8.1	4.2	9.3	7.5	3.2	5.7	0.0	9.3	3.5	18.6	9.0
June	6.4	2.8	8.1	3.8	7.2	6.5	3.2	5.9	36.6	9.7	3.9	14.6	8.1
Sept	6.9	1.7	11.4	4.5	7.9	9.3	3.1	7.2	43.4	12.1	4.7	6.6	9.4
Dec	5.9	0.7	11.1	3.8	5.0	7.8	4.4	7.0	43.4	11.3	4.5	4.3	7.8
2004													
Jan	5.9	1.4	10.9	3.9	5.5	6.6	3.7	6.3	43.4	9.9	7.5	2.2	7.8
Feb	5.5	2.2	12.3	3.4	4.7	6.7	4.2	5.7	43.4	7.4	4.1	4.3	6.3
Mar	5.2	1.9	10.0	3.5	4.7	6.1	4.5	5.7	43.4	7.8	4.3	4.4	6.5
April	5.1	2.3	10.5	3.2	4.8	5.6	5.3	3.8	5.0	6.2	4.3	4.2	5.5
May	5.3	3.1	10.6	3.0	4.0	5.4	5.3	3.7	5.0	6.3	4.2	2.6	5.2
June	5.4	5.4	10.0	3.2	5.5	5.8	3.8	4.8	5.0	5.2	4.3	2.3	4.7
July	4.5	5.4	6.5	2.0	4.7	3.6	4.3	5.5	0.0	3.0	4.1	2.3	3.1
Aug	5.3	5.8	8.4	2.1	5.6	3.6	3.7	11.0	6.9	3.0	4.1	2.3	3.5
Sept	4.7	5.3	8.2	2.4	5.8	2.2	3.1	8.9	6.9	3.4	3.5	1.9	2.5
Oct	4.6	5.7	7.6	2.7	5.1	1.8	1.9	6.6	6.9	3.4	3.4	1.2	3.0
Nov	4.7	5.6	7.9	2.7	7.4	1.7	1.6	7.7	6.9	1.7	3.5	3.1	2.2
Dec	4.8	5.5	8.1	2.4	7.1	1.9	1.1	10.4	6.9	0.7	3.6	3.1	2.8
2005													
Jan	4.3	4.4	8.0	2.5	6.7	1.9	1.7	10.2	6.9	0.9	0.7	3.1	2.8
Feb	4.0	3.7	6.9	2.4	6.7	2.1	1.8	9.7	6.9	1.0	1.3	2.7	3.5
Mar	3.7	3.2	5.5	2.8	6.3	2.4	2.0	9.2	6.9	-0.3	1.1	2.3	3.1

Source : The Bureau of Statistics

Note: Compilation methodology changed in January 2002
(for both coverage and classification)

Table 18(b)

LESOTHO MONTHLY INFLATION RATE
APRIL 1997 = 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
2002													
Sept	0.5	0.5	-0.2	0.4	0.2	0.2	0.8	1.0	0.0	-1.9	0.1	5.9	0.2
Dec	0.2	0.3	0.4	0.1	0.1	-0.2	0.0	0.5	0.0	0.6	0.2	0.4	1.4
2003													
Mar	0.7	0.6	4.3	0.2	0.3	0.6	0.0	0.5	0.0	0.9	0.0	0.1	0.3
June	0.4	-1.6	0.4	-0.1	-0.5	0.3	0.9	-0.6	0.0	1.1	-0.1	0.3	0.4
Sept	0.3	0.1	0.1	0.6	0.1	0.7	0.1	0.0	0.0	0.3	0.3	0.4	0.5
Dec	0.2	0.2	0.0	0.1	0.5	0.2	0.5	0.1	0.0	1.0	-0.04	0.0	-0.2
2004													
Jan	0.7	1.2	0.0	0.2	1.2	0.1	-0.4	0.0	0.0	-0.2	3.0	0.0	0.3
Feb	0.5	0.8	1.5	0.1	0.0	-0.1	0.5	0.0	0.0	0.0	0.1	2.1	-0.6
Mar	0.4	0.3	2.2	0.2	0.4	0.1	0.3	0.5	0.0	1.3	0.2	0.1	0.6
April	0.4	0.6	1.0	0.1	0.5	-0.1	0.9	0.1	0.0	0.3	0.1	0.1	-0.1
May	0.4	0.5	0.5	0.3	-0.1	0.2	0.1	0.0	0.0	0.2	0.0	-1.1	0.4
June	0.4	0.6	-0.1	0.1	1.0	0.7	-0.4	0.4	0.0	0.0	0.0	0.0	0.0
Jul	0.2	0.1	0.3	-0.01	0.4	0.0	0.5	0.9	0.0	-0.4	0.1	0.0	0.4
Aug	0.7	0.3	1.8	0.1	0.5	-0.1	-0.6	5.2	0.0	0.0	0.0	0.0	0.3
Sept	0.3	0.0	0.1	0.8	0.7	0.4	0.4	1.0	0.0	0.2	0.0	0.0	0.5
Oct	0.2	0.4	0.1	0.5	-0.1	0.1	-0.2	-1.1	0.0	0.6	0.0	0.0	0.6
Nov	0.3	0.2	0.3	0.2	1.9	0.2	0.1	0.5	0.0	-1.2	0.2	1.8	0.0
Dec	0.3	0.1	0.2	-0.2	0.2	0.3	0.0	2.6	0.0	0.0	0.0	0.0	0.4
2005													
Jan	0.1	0.2	-0.1	0.2	0.8	0.1	0.1	-0.2	0.0	0.0	0.0	0.0	0.4
Feb	0.1	0.2	0.5	0.0	0.0	0.1	0.7	-0.4	0.0	0.0	0.7	1.8	0.0
Mar	0.2	-0.1	0.8	0.7	0.1	0.4	0.4	0.1	0.0	0.0	0.0	-0.2	0.2

Source: The Bureau of Statistics

**Note: Compilation methodology changed in January 2002.
(for both coverage and classification)**

Table 19

EXCHANGE RATES

	Botswana Pula	EURO	French Franc	German Mark	Japanese Yen	Saudi Riyal	SDR	Swedish Kronor	Swiss Franc	UK Pound	US Dollar	Zimbabwe Dollar
2002												
Jun	1.663	9.592	0.685	4.903	0.081	2.774	13.384	0.954	6.561	15.275	10.420	0.189
Sep	1.687	10.241	0.641	5.728	0.087	2.768	13.803	0.903	6.983	16.131	10.418	0.191
Dec	1.582	9.093	0.687	4.649	0.073	2.370	11.980	0.986	6.205	14.169	8.933	0.161
2003												
Mar	1.463	8.286	0.759	4.441	0.068	2.139	11.047	0.945	5.917	12.743	8.059	0.000
Jun	1.547	9.119	0.766	4.696	0.067	2.092	11.074	1.011	5.968	13.098	7.881	0.010
Sep	1.507	8.198	0.800	4.223	0.064	1.944	10.190	0.906	5.322	11.774	7.307	0.009
Oct	1.502	8.155	0.777	4.168	0.064	1.832	9.995	0.906	5.271	11.708	6.981	0.009
Nov	1.486	7.882	0.832	4.031	0.062	1.802	9.677	0.877	5.061	11.400	6.757	0.008
Dec	1.477	7.974	0.824	4.077	0.060	1.732	9.518	0.884	5.135	11.419	6.497	0.008
2004												
Jan	1.522	8.780	0.752	4.489	0.094	1.857	10.397	0.960	5.614	12.645	6.963	0.009
Feb	1.417	8.551	0.767	4.372	0.064	1.805	10.145	0.935	5.441	12.630	6.770	0.006
Mar	1.377	8.120	0.808	4.338	0.059	1.767	9.767	0.879	5.185	12.112	6.605	0.003
Apr	1.357	7.803	0.841	3.990	0.059	1.733	9.444	0.853	5.135	11.868	6.450	0.001
May	1.356	7.791	0.843	3.983	0.059	1.733	9.434	0.852	5.127	12.138	6.445	0.001
Jun	1.356	7.775	0.844	3.975	0.059	1.731	9.414	0.850	5.117	11.771	6.435	0.001
Jul	1.336	7.512	0.873	3.841	0.056	1.637	9.014	0.817	4.919	11.279	6.121	0.001
Aug	1.359	7.864	0.835	4.021	0.059	1.721	9.455	0.857	5.102	11.741	6.454	0.001
Sep	1.366	7.987	0.821	4.084	0.059	1.743	9.573	0.879	5.167	11.721	6.545	0.001
Oct	1.327	7.672	0.855	3.923	0.055	1.524	8.794	0.853	4.984	11.013	5.717	0.001
Nov	1.325	7.663	0.856	3.918	0.055	1.521	8.776	0.852	4.977	10.997	5.707	0.001
Dec	1.325	7.660	0.857	3.917	0.055	1.519	8.766	0.852	4.975	10.988	5.699	0.001
2005												
Jan	1.343	7.837	0.837	4.007	0.058	1.595	9.113	0.866	5.065	11.215	5.973	0.001
Feb	1.344	7.821	0.839	4.004	0.057	1.603	9.130	0.861	5.051	11.353	6.017	0.001
Mar	1.342	7.964	0.833	4.072	0.057	1.610	9.221	0.875	5.139	11.508	6.037	0.001

Loti per unit of foreign currency, period average

Table 20(a)**ANNUAL BALANCE OF PAYMENTS****(Million Maloti)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
I CURRENT ACCOUNT	-1174.43	-1350.63	-1295.69	-1413.72	-1349.40	-1083.76	-837.32	-1489.07	-1021.70	-414.95
Goods, Services and Income	-1936.28	-2154.82	-2227.37	-2255.89	-2252.43	-2019.87	-1990.18	-2766.79	-2305.26	-2011.91
a) GOODS	-2995.90	-3490.87	-3818.14	-3589.63	-3707.35	-3582.17	-3398.18	-4250.29	-3719.21	-3709.30
Merchandise exports f.o.b.	580.57	812.13	903.98	1109.60	1054.09	1468.36	2425.97	3739.89	3557.37	4647.10
Merchandise imports f.o.b.	-3576.47	-4303.00	-4722.12	-4699.23	-4761.44	-5050.53	-5824.15	-7990.18	-7474.58	-8359.40
b) SERVICES	-80.26	-86.86	46.69	-58.09	-38.51	-1.24	-99.72	-214.63	-262.41	-353.27
c) INCOME	1139.82	1422.91	1544.08	1391.83	1493.43	1563.55	1507.72	1698.13	1874.36	2050.66
Labour income	1213.03	1390.21	1472.72	1409.56	1473.53	1553.81	1555.30	1712.81	1868.07	2090.38
Other	-73.21	32.70	71.36	-17.73	19.90	9.74	-47.58	-14.68	6.29	39.72
d) CURRENT TRANSFERS	761.85	804.19	931.68	842.17	903.03	936.11	1152.86	1277.72	1283.56	1596.96
Government, net	749.04	792.58	921.40	826.39	891.46	919.84	1121.82	1241.21	1221.41	1538.00
SACU non-duty receipts	599.52	682.62	804.25	709.84	792.76	803.22	1016.99	1097.22	1081.79	1396.26
Other	149.52	109.96	117.15	116.55	98.70	116.62	104.83	143.99	139.62	141.74
Other sectors	12.81	11.61	10.28	15.78	11.57	16.27	31.04	36.51	62.15	58.96
II CAPITAL AND FINANCIAL ACCOUNT	1426.50	1699.85	1672.26	1595.84	922.70	773.58	924.57	1176.76	929.53	612.26
e) CAPITAL ACCOUNT	158.32	194.20	206.10	122.60	92.90	150.70	138.00	247.10	208.10	216.30
f) FINANCIAL ACCOUNT	1268.18	1505.65	1466.16	1473.24	829.80	622.89	786.57	929.66	721.45	395.96
Special Financing - LHWP	913.64	1107.40	1093.78	1303.13	798.23	608.12	772.23	595.70	552.26	457.16
III RESERVE ASSETS	-346.87	-487.40	-626.38	-589.10	285.73	-92.00	1637.18	-1278.78	516.99	-10.61
IV ERRORS AND OMISSIONS 1/	94.80	138.18	248.81	406.98	142.10	73.38	1549.93	-966.47	-424.82	-186.70

1/ Including valuation adjustments

Table 20(b)

QUARTERLY BALANCE OF PAYMENTS
Million Maloti

	2002				2003				2004	2005
	QIV	QI	QII	QIII	QIV	QI	QII	QIII	QIV	QI
I CURRENT ACCOUNT	-420.62	-241.56	-252.62	-373.64	-153.88	-138.21	-17.17	-210.02	-116.50	22.32
Goods, Services and Income	-712.09	-567.33	-618.43	-674.66	-444.84	-471.24	-453.03	-635.33	-519.25	-448.67
a) GOODS	-1092.07	-968.89	-1033.12	-1037.62	-876.58	-886.40	-834.12	-1102.82	-944.69	-857.68
Merchandise exports f.o.b.	997.58	824.89	801.74	1011.68	919.06	849.02	990.20	1403.09	976.06	906.89
Merchandise imports f.o.b.	-2089.65	-1794.78	-1834.86	-2049.19	-1795.64	-1735.42	-1824.32	-2505.91	-1920.75	-1764.57
b) SERVICES	-55.70	-50.31	-60.83	-94.00	-57.27	-96.17	-74.20	-91.96	-91.06	-116.80
c) INCOME	435.68	452.87	475.52	456.96	489.01	511.33	456.29	559.45	516.51	525.81
Labour income	436.34	448.11	453.51	450.92	515.53	515.89	491.14	501.88	497.97	486.04
Other	-0.66	4.76	22.01	6.04	-26.52	-4.56	-35.85	57.57	18.54	39.77
d) CURRENT TRANSFERS	291.47	325.77	365.81	301.02	290.96	333.03	435.86	425.32	402.75	470.99
Government, net	288.88	309.68	353.89	281.65	276.19	321.78	406.62	416.65	393.55	462.91
SACU non-duty receipts	267.01	286.66	272.74	265.90	256.49	245.59	386.50	381.26	382.91	383.14
Other	21.87	23.02	81.15	15.75	19.70	76.19	19.52	35.39	10.64	79.77
Other sectors	2.59	16.09	11.92	19.37	14.77	11.25	29.84	8.67	9.20	8.08
II CAPITAL AND FINANCIAL ACCOUNT	314.43	137.71	319.29	155.52	317.03	-23.53	240.58	170.63	225.58	-39.32
e) CAPITAL ACCOUNT	56.10	69.80	46.10	39.50	52.70	39.50	60.60	92.20	24.00	24.00
f) FINANCIAL ACCOUNT	258.33	67.91	273.17	116.02	264.33	-63.03	179.98	78.43	201.58	-63.32
Special Financing - LHWP	164.72	101.01	131.01	221.01	99.23	93.08	231.11	71.64	61.33	53.81
III RESERVE ASSETS	683.62	282.72	-0.82	391.66	-156.57	257.49	-251.39	-15.53	-1.18	-119.83
IV ERRORS AND OMISSIONS 1/	-577.43	-178.87	-65.83	-173.65	-6.58	-95.75	27.07	54.92	-107.89	136.83

1/ Including valuation adjustments

* Revised estimates

+ Preliminary estimates

Table 21

SUMMARY OF FOREIGN TRADE
(Million Maloti)

	IMPORTS F.O.B	EXPORTS F.O.B	TRADE BALANCE
1999			
Quarter II	1329.51	231.02	-1098.49
Quarter III	1244.28	304.63	-939.65
Quarter IV	1194.99	313.15	-881.84
2000			
Quarter I	1139.98	312.26	-827.72
Quarter II	1262.20	338.32	-923.88
Quarter III	1256.95	408.78	-848.17
Quarter IV	1391.40	409.00	-982.40
2001			
Quarter I	1337.33	476.79	-860.54
Quarter II	1367.97	490.87	-877.10
Quarter III	1481.86	636.73	-845.13
Quarter IV	1636.99	821.58	-815.41
2002			
Quarter I	1971.46	850.97	-968.19
Quarter II	1981.63	833.54	-1098.09
Quarter III	2082.44	1057.80	-959.64
Quarter IV	2099.65	997.58	-992.07
2003			
Quarter I	1794.78	824.89	-1090.65
Quarter II	1834.86	801.74	-1085.41
Quarter III	2049.30	1011.68	-964.57
Quarter IV	1795.64	919.06	-997.68
2004			
Quarter I	1735.42	849.02	-886.40
Quarter II	1824.32	990.20	-834.12
Quarter III	2605.91	1403.09	-1102.82
Quarter IV	2190.75	976.06	-944.69
2005*			
Quarter I	1764.75	906.89	-857.86

Source : Customs and CBL estimates

* Provisional CBL estimates

Table 22

STATISTICS OF BASOTHO MINERS IN SOUTH AFRICA

	Average Number Employed	Average Earnings (1)	Deferred Pay (2)		Remittances Payments (3)	
			Maloti '000	% change on a year ago	Maloti '000	% change on a year ago
2000	64,907	30,131	151,414	3	87,441	-5
2001	61,412	32,030	152,877	1	102,797	18
2002	62,158	35,326	182,479	19	112,496	9
2003	61,416	38,513	208,450	14	118,333	5
2004	58,014	42,116	293,334	41	131,793	11
2001						
Q I	63,367	7,672	30,566	17	24,335	57
Q II	61,948	7,868	34,299	-29	23,041	-25
Q III	60,470	8,223	42,231	12	25,305	47
Q IV	59,861	8,267	45,781	16	30,116	26
2002						
Q I	61,307	8,471	40,561	33	25,360	4
Q II	61,745	8,794	43,078	26	22,858	-1
Q III	62,281	8,850	45,307	7	27,018	7
Q IV	63,298	9,211	53,533	17	37,260	24
2003						
Q I	62,397	9,076	47,387	17	29,696	17
Q II	61,305	9,282	50,486	17	28,081	23
Q III	60,536	9,615	57,311	26	26,897	0
Q IV	61,424	10,540	53,266	0	33,659	-10
2004						
Q I	61,525	10,385	50,017	6	29,800	0
Q II	61,529	10,522	50,394	0	29,646	6
Q III	52,643	10,639	122,882	114	33,780	25
Q IV	56,357	10,570	70,041	31	38,567	15
2005						
Q I	47,122	...	63,290	26	38,702	30

(1) 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.

(2) Deferred pay as shown in this table, represents miners' withdrawals from the Fund processed through recruiting agencies.

(3) These are part of miners' wages transferred to Lesotho through recruiting agencies.

