

CENTRAL BANK OF LESOTHO

QUARTERLY REVIEW

MARCH, 2007

VOLUME XXVII, NO. 1

**MASERU
KINGDOM OF LESOTHO**

Table of Contents

I. Introduction.....	55
II. International Economic Developments.....	56
United States (US).....	56
Euro-zone	57
South Africa (SA).....	57
Asian Emerging Markets and Japan	57
Commodity Prices.....	58
III Real Sector, Employment and Price Developments.....	60
Primary Sector Developments	60
Secondary Sector Developments	61
Tertiary Sector Developments	64
Investment Expenditure	66
Price Developments.....	69
IV. Monetary and Financial Developments	71
Determinants of Money Supply.....	71
Components of Money Supply	72
Commercial Banks' Deposits by Holder	73
Liquidity of Commercial Banks	74
Demand for Money	76
Domestic Credit	76
Net Foreign Assets	80
Money Market Developments.....	82
Overview	82
Money Market and Short-term Interest Rates	83
V. Government Finance.....	85
Summary of Budget Outturn.....	85
Revenue	85
Expenditure.....	87
Financing	89
Public Debt	90
Overview	90
External debt	90
Domestic Debt	91
VI. Foreign Trade and Payments.....	92
Current account.....	92
Investment Income.....	96
Current Transfers.....	96
Capital and Financial Account	96
Reserve Assets	97
Exchange Rates	98
VII. Appendix	100
Statement of Monetary Policy Committee	100
Analysis of Lesotho's Budget Speech for the Fiscal Year 2007/08.....	102
Government Procurement Policy.....	102
VIII. Statistical Tables.....	Error! Bookmark not defined.

List of Tables

Table 1:	World Economic Indicators.....	56
Table 2:	Electricity Consumption.....	61
Table 3:	Water Consumption.....	62
Table 4:	Building Permits by Type of Building.....	63
Table 5:	Telephone Traffic Statistics.....	65
Table 6:	Motor Vehicle Imports.....	66
Table 7:	Employment Trend of LNDC Assisted Companies.....	67
Table 8:	Inflation Rate.....	69
Table 9:	Determinants of Money Supply.....	71
Table 10:	Money Supply.....	73
Table 11:	Commercial Banks' Deposits by Holder.....	74
Table 12:	Components of Commercial Banks' Liquidity.....	75
Table 13:	Consolidated Balance Sheet of Commercial Banks.....	76
Table 14:	Domestic Credit Excluding Net Claims on Government.....	77
Table 15:	Sectoral Distribution of Credit to Enterprises.....	78
Table 16:	Banking System's Net Claims on Government.....	80
Table 17:	Banking System's Foreign Assets and Liabilities.....	81
Table 18:	Holding of Bills.....	82
Table 19:	Major Money Market Interest Rates.....	83
Table 20:	Government Revenue.....	86
Table 21:	Government Expenditure.....	87
Table 22:	Government Financing.....	89
Table 23:	External Debt.....	91
Table 24:	Current Account Balance.....	92
Table 25:	Value of Exports by Section of the S.I.T.C.....	93
Table 26:	Direction of Trade - Exports and Re-Exports, f.o.b.....	94
Table 27:	Capital and Financial Account.....	96

List of Figures

Figure 1:	Commodity Prices (Gold).....	59
-----------	------------------------------	----

Figure 2:	Commodity Prices (Oil)	60
Figure 3:	Diamond Production Index	60
Figure 4:	Number of Building Permits.....	63
Figure 5:	Value of Sales Turnover	64
Figure 6:	Government Employment.....	68
Figure 7:	Migrant Mineworkers Employment.....	68
Figure 8:	Annual Inflation Rate for Urban Households	70
Figure 9:	Overview of Recent Monetary Developments.....	71
Figure 10:	Components of Money Supply.....	73
Figure 11:	Distribution of Credit by Holder.....	77
Figure 12:	Commercial Banks' Credit to Business Enterprises	79
Figure 13:	Net Foreign Assets.....	81
Figure 14:	Short-Term Interest Rates	84
Figure 15:	Primary balance versus overall balance.....	85
Figure 16:	Sources of Government Revenue.....	86
Figure 17:	Recurrent Expenditure by Type	89
Figure 18:	Outstanding Public Debt.....	90
Figure 19:	Direction of Merchandise Exports	94
Figure 20:	Reserve Assets	97
Figure 21:	Balance of Payments	98
Figure 22:	Real exchange rate of the Loti against major currencies	98

I. Introduction

The world economy continued to portray significant growth during the first quarter of 2007. However, there are strong concerns about the possible effects of the slow down in the US economy on the rest of the world. There are possible risks on inflation as oil prices could increase given limited production capacity and geopolitical uncertainties in Iraq, Iran and Nigeria. Inflationary pressures can further be aggravated as output gaps continue to close globally. Finally, global imbalances may unwind in a disorderly manner negatively affecting previous economic gains in the world economy.

There are indications that during the first quarter of 2007, the Lesotho economy also displayed some signs of improvement. Many indicators recorded positive growth. The primary sector continued to show some robustness mainly due to developments in the mining sub-sector as production in the Liqhobong and Letseng diamond mines continued to increase substantially.

The secondary sector remained in the recovery path following a successful turnaround of the textiles and clothing sub-sector during 2006. The textiles and clothing sub-sector accounts for 6.6 per cent of gross domestic product (GDP). Commercial and industrial water consumption which is used as an indicator of the performance of the sub-sector rose by 31.4 per cent during the quarter. However, there is evidence that performance of the construction and electricity sub-sectors may have declined during the quarter.

There are mixed signals about the performance of the tertiary sector. Following the festive season, wholesale and retail trade showed some moderation. However, performance of the telecommunications sub-sector as measured by the number of calls grew by 6.6 percent on seasonally adjusted quarterly basis. The education sub-sector also rose in line with the extension of free primary education to secondary level.

On the expenditure side, there are indications that private consumption remains robust following the festive season. Consumption credit rose by 4.0 per cent following a decline of 1.3 per cent in December 2007. Furthermore, there are indications that total investment is improving. The number of imported vehicles rose strongly by 11.3 per cent during the quarter. Investment credit rose by 10.3 per cent during the quarter compared with 12.0 per cent in the previous period. Its share in total credit rose to 52.7 per cent signalling the implementation of private sector led growth strategy.

Employment conditions in the country reflected some improvement during the quarter. Employment in the Lesotho National Development Corporation (LNDC) assisted companies rose by 0.3 per cent. External employment also continued to rise in line with positive developments in the gold price.

Inflation developments continued to follow those of South Africa. Inflation registered 5.9 per cent compared with 6.4 per cent of the previous quarter. In South Africa, inflation rate rose by 5.5 per cent compared with 5.0 per cent in December 2006. The moderation in Lesotho's inflation rate reflected to a large extent the deceleration in the inflation rate for the food and non-alcoholic beverages category.

Monetary developments during the quarter continued to reflect the strong output growth. Money supply grew by 6.2 per cent on a quarterly basis and by 45 per cent on an

annual basis. Domestic credit continued to increase during the quarter, driven mainly by credit extended to the private sector. Net foreign assets of the banking system rose significantly by 16.4 per cent compared with 3.6 per cent in the previous quarter.

Government budgetary operations are estimated to have resulted in a surplus equivalent to 27.2 per cent of GDP, largely reflective of the receipt of SACU windfall. The healthy government position in the economy continued to maintain the Lesotho 91-day treasury bills rate below that of South Africa. The Lesotho 91-day treasury bill rate rose to 7.46 per cent. At this rate it was 0.95 percentage points below that of South Africa. Other interest rates in the economy remained in line with those prevailing in South Africa.

The balance of payments further registered a seasonally adjusted surplus equivalent to M1.0 billion following that of M40.9 million in the previous quarter. The surplus was mainly due to an improvement in the current account driven by the surge in the current transfers.

II. International Economic Developments

United States (US)

Growth of the US economy weakened during the quarter under review. Real GDP grew by 0.6 per cent against the revised 2.5 per cent registered in the previous quarter resulting from slower growth in consumer, government and investment expenditure. Consumer spending increased by 4.4 per cent compared with 4.2 per cent observed in the previous quarter while government spending and investment grew at the lower rate of 1.0 per cent and 9.3 per cent respectively, from 3.4 per cent and 15.2 per cent recorded in the previous quarter. The drop in the housing market and a decline in exports contributed to slower growth.

Unemployment rate in the US remained unchanged at 4.5 per cent during the quarter under review while the inflation rate accelerated to 2.8 per cent in March 2007 compared with 2.5 per cent observed in December 2006 as a result of high energy prices. In an effort to balance between the risks of slower growth and accelerating inflation, the Federal Reserve Bank's Open Market Committee (FOMC) kept the benchmark lending rate unchanged at 5.25 per cent.

Deceleration in the US economic growth may have negative implications on the Lesotho economy. A decline in US consumer and government spending may negatively affect demand for Lesotho's exports, the bulk of which is destined to the US.

Table 1: World Economic Indicators
(Quarter I: 2007)

	Real GDP Growth	Inflation	Unemployment	Key Interest Rates
US	1.3	2.8	4.5	5.25
Euro Area	3.1	1.9	7.2	3.75
South Africa	5.4	5.5	25.5*	9.00
China	11.1	3.3	4.4	6.39
Japan	2.7	0.3	4.0	0.50
India	N/A	7.6	N/A	7.50

*as at September 2006

Source: Bloomberg, The Economist, STATSSA and SARB

Euro-zone¹

Economic growth in the Euro-zone slowed down in the first quarter of 2007. In seasonally adjusted terms, GDP weakened to 0.6 per cent during the quarter compared with 0.9 per cent registered in the previous quarter. Slower economic growth was attributable to a decline in the consumer spending which dropped by 0.1 per cent from a rise of 0.4 per cent recorded in the previous quarter. However, government spending and investment increased by 0.8 per cent and 2.5 per cent respectively, from that of 0.4 per cent and 1.5 per cent registered in the previous period. Furthermore, the economy experienced deceleration in the growth of exports which rose by 0.3 per cent compared with 3.5 per cent observed in the previous quarter. In the labour market, unemployment rate improved from 7.9 per cent in December 2006 to 7.2 per cent in March 2007.

Inflation in the Euro-zone measured by changes in the Harmonised Index of Consumer Prices (HICP) remained unchanged at 1.9 per cent recorded in December 2006. However, it was above 1.8 per cent observed in the first two months of the year. This was mainly driven by higher energy prices. At this rate, inflation is still below the European Central Bank (ECB) targeted rate of 2.0 per cent. The inflation outlook led the ECB to raise its benchmark lending rate by 25 basis points to 3.75 per cent in the review quarter.

Improvements in the Euro-zone economy have positive implications for the economy of Lesotho. Furthermore, developments in the Euro-zone have direct implications for the South African economy because of close trade linkages.

South Africa (SA)

Economic growth in SA fell during the quarter under review. Real GDP registered a growth rate of 5.4 per cent in the first quarter of 2007 compared with a revised 6.2 per cent realised in the previous quarter. All the sectors except mining, contributed positively towards this growth. The mining sub-sector experienced a sharp contraction of 7.8 per cent during the review quarter.

The Consumer Price Index (CPI) excluding interest on mortgage bonds (CPIX) rose to 5.5 per cent in March compared with 5.0 per cent registered in December 2006 as a result of higher fuel and food prices. At this rate, the CPIX is still within the South African Reserve Bank (SARB) target range of 3 to 6 per cent. Consequently, the SARB Monetary Policy Committee (MPC) kept the key interest rate unchanged at 9.0 per cent during the review quarter.

Positive economic developments in SA augur well for the Lesotho economy. However, upward pressure on prices remains a threat on the Lesotho economy because of trade links between these two countries.

Asian Emerging Markets and Japan

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

The Asian region has gained importance in the global economy. Among other countries in the region, three largest economies, namely, India, China and Japan which account for more than 35 per cent of the world GDP showed positive economic signals during the quarter under review.

China

Preliminary estimates indicated that GDP in China grew by 11.1 per cent in the first quarter of 2007 compared with 10.7 per cent registered in the fourth quarter of 2006. This was due to the faster growth rates in the secondary and tertiary sectors. On the labour market, unemployment rate in seasonally adjusted terms was recorded at 4.4 per cent in March 2007 from 4.1 per cent in December 2006.

Inflation rate rose to 3.3 per cent in the review period from 2.8 per cent registered in December. This resulted from an increase in food and oil prices. At this rate, inflation was above 3.0 per cent target of the Central Bank of China (CBC). Consequently, the CBC raised the one-year benchmark interest rate to 6.39 per cent in March in order to curb inflation.

Developments in the Chinese economy have mixed implications for the Lesotho economy. Higher inflation in China, where a large proportion of Lesotho's manufacturing inputs are sourced, could negatively affect the competitiveness of Lesotho's exports.

Japan

Preliminary GDP growth estimates indicated a deceleration to 3.3 per cent during the quarter from 4.8 per cent recorded in the previous quarter. The slowdown was attributed to a fall in consumer spending and export companies' expenditure due to anticipated recession in the US economy. Japanese unemployment rate in seasonally adjusted terms, remained unchanged at 4.0 per cent during the first quarter.

Inflation in Japan grew to 0.3 per cent in March from 0.2 per cent in December 2006. The increase emanated from among others, food and oil prices. The inflation outlook led the Bank of Japan to keep its key interest rate at 0.50 per cent during the first quarter.

India

A leading indicator of economic growth, industrial production, maintained the upward trend for the first three months of the year. On an annual basis, it increased from 11.4 per cent in January to 12.9 per cent in March. The observed performance reflected growth in both electricity and manufacturing sub-sectors. The manufacturing sub-sector, which accounts for 75 per cent of total industrial output increased by 14.1 per cent while growth in electricity registered 7.9 per cent.

Inflation rate fell to 7.6 per cent in March 2007 from 8.9 per cent recorded at the end of December 2006. The observed decline was due to a fall in prices of food and electricity charges. However, inflation expectations led the Reserve Bank of India (RBI) to increase key interest rate by 25 basis points to 7.5 per cent in March.

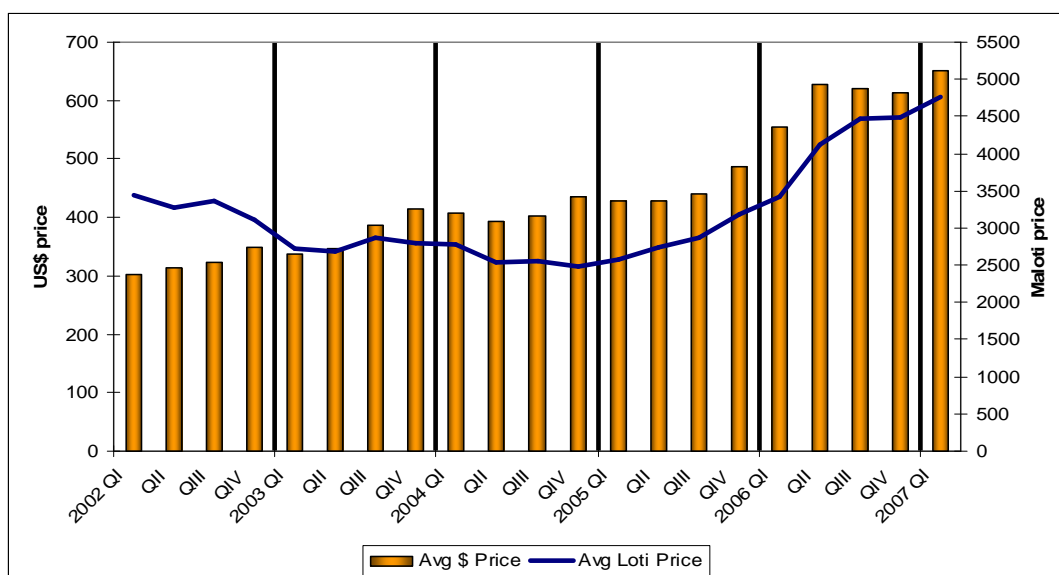
Commodity Prices

Gold

The average price of gold increased from US\$614.4 per ounce in the previous quarter to US\$650.1 per ounce in the first quarter 2007. It reached a minimum and maximum of US\$607.4 per ounce and US\$686.6 per ounce, respectively. The increase in the US Dollar price was at the back of the depreciation of the US Dollar against major currencies. In Rand terms, the average price of gold grew by 6.2 per cent from R4 494.5 per ounce in the previous quarter to R4 773.1 per ounce during the quarter, due to the weakness of the Rand.

If sustained, the increase in the Rand price of gold could enhance the profitability of SA gold mining industry. Consequently, this could improve employment prospects for Basotho in the SA mining industry and thus increase miners' remittances to Lesotho.

Figure 1: Commodity Prices (Gold)

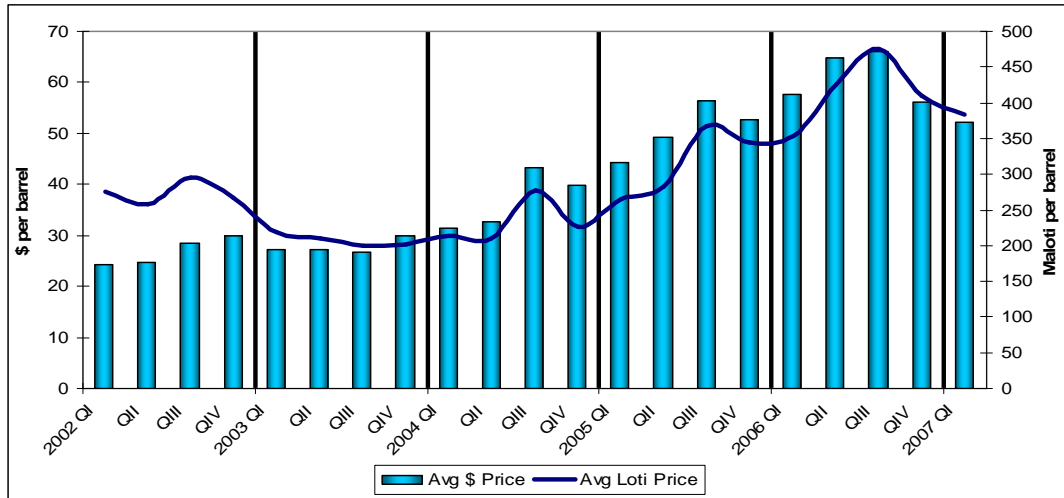


Oil

During the quarter under review, the average price of crude oil declined by 7.0 per cent, from US\$56.1 per barrel in the previous quarter to US\$52.2 per barrel. It ranged between a minimum and maximum of US\$47.9 per barrel and US\$63.5 per barrel. In Maloti terms, it fell by 6.7 per cent, from M410.3 per barrel in the previous quarter to M383.0 per barrel in the first quarter of 2007. A decline in the price of crude oil in both US Dollar and Loti terms could impact positively on the Lesotho's economy.

In line with global developments that transpired during the quarter, there were downward revisions of prices of fuel in the country. Prices of oil products in Lesotho closed the review quarter lower at M5.45 per litre of petrol, M6.10 per litre of diesel and M4.00 per litre of illuminating paraffin. These compare with M5.65 per litre of petrol, M6.30 per litre of diesel and M4.25 per litre of illuminating paraffin at the end of fourth quarter of 2006.

Figure 2: Commodity Prices (Oil)



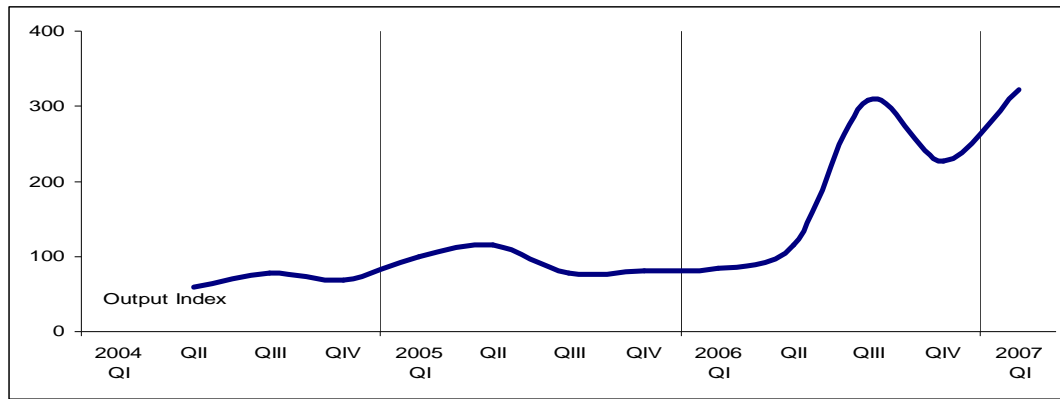
III Real Sector, Employment and Price Developments

Primary Sector Developments

Diamond Production

In line with improvements in production in both Letseng and Liphobong diamond mines, the diamond production index increased from 226.79 per cent at the end of December 2006 to 321.87 per cent for the period ending March 2007. The rise in diamond output is consistent with a higher global output of US\$13.1 billion at the end of 2006 from US\$12.8 billion in 2005. During the quarter under review, the mining sub-sector was the second highest contributor to Lesotho foreign earnings, though employment was estimated at 934 employees.

Figure 3: Diamond Production Index
(2005: QI=100)



Source: Department of Mines and Geology

Secondary Sector Developments

Electricity Consumption

Overall domestic electricity consumption remained virtually unchanged in the review period. The increase in consumption for general purposes was overshadowed by a decline in consumption by the commercial and industrial sectors. It is expected that the increase in electricity consumption would rise in the second quarter due to higher demand as the winter season creeps in.

Table 2: Electricity Consumption
(million Maloti)

	2006						2007	
	QII		QIII		QIV		QI	
	kwh	value	Kwh	value	Kwh	value	kwh	value
General Purpose	17.43	12.14	19.38	13.08	16.27	11.14	17.84	11.50
Domestic	33.71	17.36	34.59	17.82	28.22	14.51	28.55	13.99
Commercial & Industrial	74.64	32.60	79.54	33.87	64.79	28.27	62.87	25.74
Total	125.78	62.10	133.51	64.76	109.28	53.92	109.26	51.23

Source: Lesotho Electricity Authority

Water Consumption

Water consumption by the industrial sector is used as a leading indicator of activity in the wet industries. The units of water consumed in the review period recorded an increase of 31.4 per cent on a quarterly basis, and 35.4 per cent on an annual basis. The rise implied improvement of activity and output in the wet industries. Water consumption in the category 'domestic' is expected to increase gradually in line with the water connections project for urban peripheral areas. Through the project, the number of households with clean running water will increase substantially.

Table 3: Water Consumption

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

Quarter		Domestic	Industrial	Other	Total
2006 I	Units	0.92	1.16	0.58	2.65
	Value	3.72	5.19	2.60	11.97
	Units*		1.36		2.60
II	Units	0.78	1.40	0.65	2.83
	Value	3.20	6.52	3.05	12.77
	Units*		1.42		2.93
III	Units	0.78	1.51	0.65	2.94
	Value	3.11	7.05	2.87	13.03
	Units*		1.36		2.6*
IV	Units	0.94	1.44	0.59	2.97
	Value	3.96	6.39	2.70	13.05
	Units*		1.30		2.68
2007 I	Units	1.01	1.38	0.62	3.01
	Value	4.34	6.42	2.88	13.64
	Units*		1.61		3.52

Source: Water and Sewerage Authority

*denotes seasonally adjusted figures

Building Permits

The number of building permits declined by a seasonally adjusted 21.2 per cent on a quarterly basis, and by a higher 35.0 per cent on an annual basis. Substantial changes in the number of building permits were historically determined by construction of schools related to expansion of free primary education coverage in the country. It is however expected that residential and commercial buildings will increase in line with the projected higher consumer demand.

Table 4: Building Permits by Type of Building¹
(Value in Million Maloti)

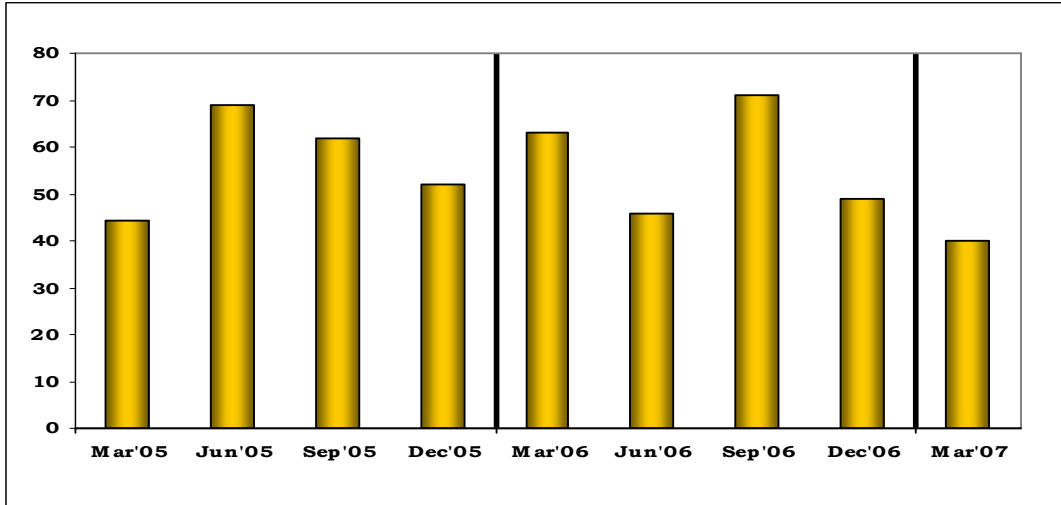
Type	Permits	2006				2007
		QI	QII	QIII	QIV	QI
Residential	Value	18.05	23.53	28.40	16.69	12.21
	Units	54	45	71	46	36
Commercial	Value	0.88	1.13	0.00	0.50	0.34
	Units	3	2	0	2	1
Other	Value	70.31	0.33	1.32	11.76	1.53
	Units	5	1	2	1	3
Total	Value	89.24	24.99	29.72	28.95	14.08
	Units	62	48	73	49	40
	Units*	63	46	77	52	41

Source: Maseru City Council and Land Survey and Physical Planning

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

*denotes seasonally adjusted figures

Figure 4: Number of Building Permits

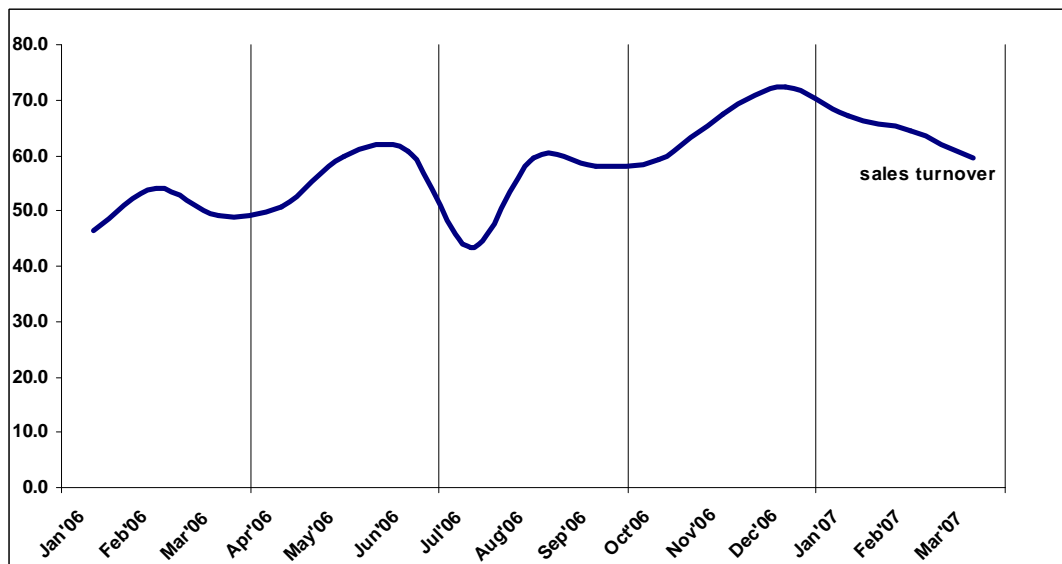


Tertiary Sector Developments

Retail Sales Turnover

The value of retail sales turnover is an indicator of performance of business activity in the economy. Figure 2, below depicts that sales are returning to their long-term trend after a higher demand during the end of the year and festive season. This further highlighted stabilisation in consumer demand.

Figure 5: Value of Sales Turnover
(Million Maloti)



Source: Lesotho Revenue Authority

Telephone Statistics

The total number of telephone calls increased by a seasonally adjusted 6.6 per cent quarter to quarter, and 41.0 per cent on an annual basis. The sub-sector is expected to retain an upward trend given that the exclusivity right (basic voice and data services within Lesotho and internationally and leased line services within Lesotho), that was awarded to the fixed line provider expired in the quarter under review. This policy reform is expected to enhance economic efficiency in the sub-sector through introduction of new products and competition.

Table 5: Telephone Traffic Statistics
(In minutes)

		SA Outgoing Calls	International Calls	All Calls
2006				
I	No. of calls (millions)	3.41	0.15	3.56
	No. of calls*	3.25	3.19
	Total Duration (million)	4.86	0.56	5.42
	Nominal Value (million)	10.21	5.11	15.32
II	No. of calls (millions)	3.21	0.08	3.29
	No. of calls*	3.75	3.85
	Total Duration (million)	3.02	0.36	3.38
	Nominal Value (million)	6.66	3.89	10.55
III	No. of calls (millions)	3.81	0.28	4.09
	No. of calls*		3.71
	Total Duration (million)	5.37	1.64	7.01
	Nominal Value (million)	12.36	12.02	24.38
IV	No. of calls (millions)	3.98	0.20	4.18
	No. of calls*		4.22
	Total Duration (million)	5.02	0.81	5.83
	Nominal Value (million)	11.55	6.53	18.08

2007 I	No. of calls (millions)	4.04	0.19	4.23
	No. of calls*			4.50
	Total Duration (million)	5.11	0.71	5.82
	Nominal Value (million)	10.72	6.74	17.46

Source: Tele-Com Lesotho

* Seasonality adjusted figures.

Investment Expenditure

Imported Motor Vehicles

The number of imported motor vehicles is a lead indicator of the direction of gross fixed capital formation in the economy. It increased by a seasonally adjusted 11.3 per cent on a quarterly basis and by 40.7 per cent on an annual basis. The rise was mainly in the following categories; cars, vans and trucks (Table 2). The imports were in line with a higher expenditure realised in other sectors of the economy.

Table 6: Motor Vehicle Imports⁺

(Value in Million Maloti)

		Cars	Vans	Trucks	Buses	Tractors	M/Cycles	Trailers	Total
2006 I	Value	15.42	28.25	2.78	4.08	0.19	0.05	0.24	51.01
	Units*								307
	Units	152	135	0	22	9	0	8	326
II	Value	25.04	31.38	4.08	5.30	0.22	0.20	0.20	66.42
	Units*								659
	Units	336	223	13	31	5	7	9	624
III	Value	38.29	27.59	6.00	6.16	0.11	0.04	1.10	79.29
	Units*								644
	Units	296	212	25	23	3	3	13	575
IV	Value	13.55	19.83	4.15	5.22	0.33	0.04	0.31	43.43
	Units*								388

2007 I	Units	148	133	10	37	8	5	6	347
	Value Units*	23.48	30.21	2.92	1.81	0.33	0.08	0.33	59.16
	Units	205	209	11	12	2	1	19	459

Source: Imperial Fleet Services Lesotho and Customs Department

*denotes seasonally adjusted figures

+Includes imports of second hand cars

Employment Developments

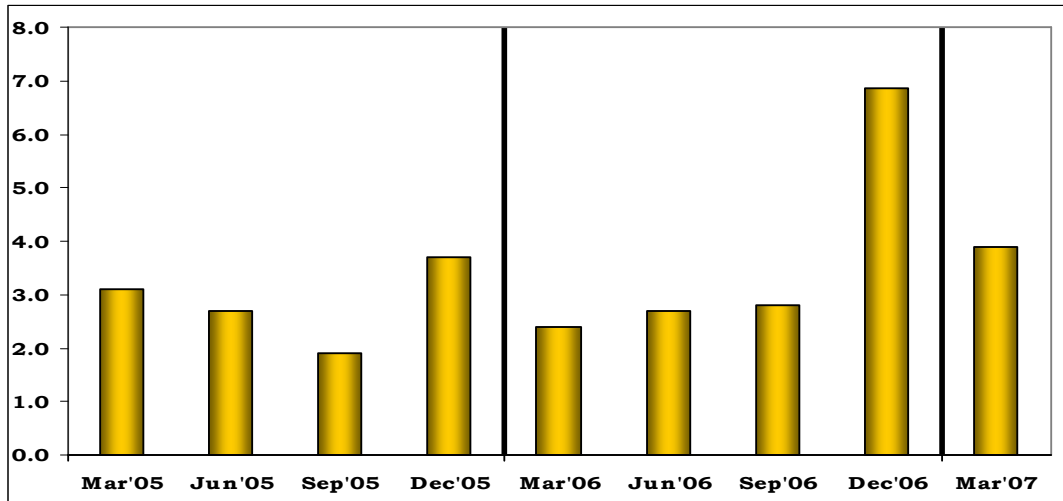
Employment in LNDC-assisted companies increased by 0.3 per cent on a quarterly basis, and 10.0 per cent on an annual basis. The marginal increase in employment on quarterly basis was a result of a slower growth in consumer demand in the US. The continuous growth in employment is a reflection of stability in the sector as one of the drivers of the economy. The sector is expected to benefit from more market access as Lesotho presents its ethical sourcing guidelines, a precondition required by some of the potential buyers of Lesotho's Garments.

Table 7: Employment Trend of LNDC Assisted Companies

Period	QI	QII	QIII	QIV
2007	47609			
2006	40459	45140	46189	47462
2005	41985	40111	39597	43131
2004	52532	53525	52922	50607
2003	43525	46960	49862	51187
2002	36906	39255	42011	43773

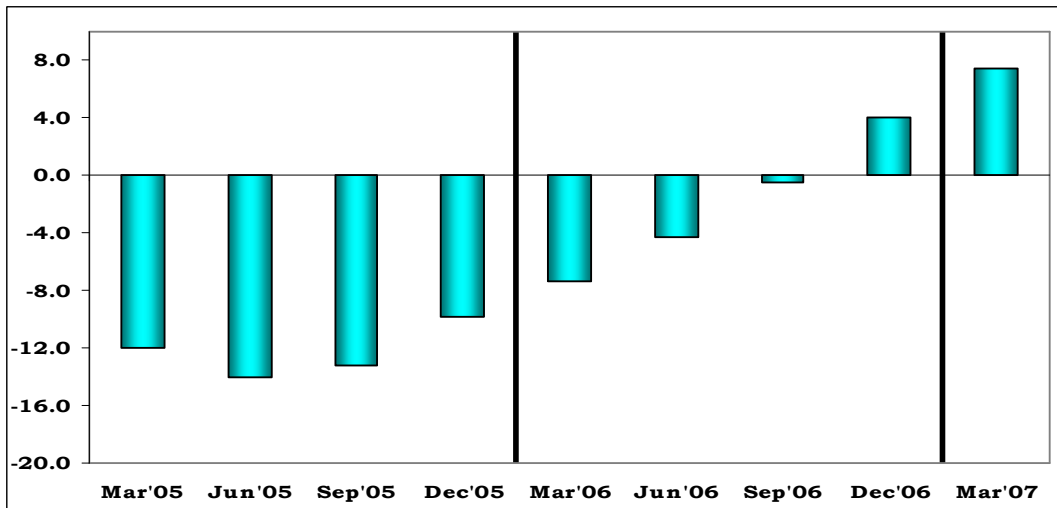
Source: Lesotho National Development Corporation

Figure 6: Government Employment
(Annual Percentage Change)



The number of government employees decreased from 39 065 to 39 048 on a quarterly basis. However, there was an increase from 37 580 to 39 048 employees on an annual basis. The fall in employment in the quarter under review was due to a lag in the computerisation of the teaching service, which has been the main determinant of the direction of government employment. This further explains the decline in employment on quarterly basis. However, the number of teachers hired is expected to maintain an upward trend in line with the implementation of the basic education policy.

Figure 7: Migrant Mineworkers Employment
(Annual Percentage Change)



Migrant mineworkers increased by 2.0 per cent to 53 877 in March 2007. On an annual basis the number of migrant mineworkers increased by 7.4 per cent, from 50 149 to 53 877 employees.

The rise in employment was boosted by an increase of 6.0 per cent and 17.0 per cent in the spot price of gold on quarterly and annual basis, respectively. The price of gold is expected to remain firm given signs of recovery in jewellery demand, which was also in line with robust economic growth in major international markets like China and India. The development had also boosted the traded gold holdings which grew by 6.0 per cent for the period ending March 2007. The price of gold further benefited from the narrowing of the margin between the Euro and the US Dollar exchange rate.

Price Developments

Inflation rate declined moderately from 6.4 per cent in the previous quarter to 5.9 per cent in March 2007. The decrease in inflation was recorded despite increases in the main two sub categories, food and fuel, which have been historically determining the speed of inflation. Therefore the fall represented moderation of upward pressure in the food and fuel category, which offset the stronger decline in the categories; 'health, leisure, entertainment and culture'.

The price of cereals has been on an upward trend recently. The price of white maize was estimated at the spot price of R1171.56 per ton, while it was R1134.46 at the end of December 2006. This was equivalent to an increase of 3.3 per cent in the international market. The price of wheat closed the quarter under review at R1220.78 per ton, compared to a higher spot price in December 2006 at R1322.71, amounting to a price decrease of 7.7 per cent. However, the fall in price was underpinned by a currency depreciation of 4.2 per cent, than the real price of wheat.

The rise in overall cereal price is in line with projections of Bureau for Food and Agricultural Policy 2005 on South African cereal status, which estimated that there will be a rapid decline in the land area planted from 2006 to 2007. The maize surplus also reduced from 4.4 million tons in 2005 to 3.4 million tons in 2006 and projected to gradually rise to 3.7 million tons in 2010. The price of cereals, in particular maize is expected to keep an upward trend given threats from development of bio-ethanol as an alternative fuel, where maize is the primary input.

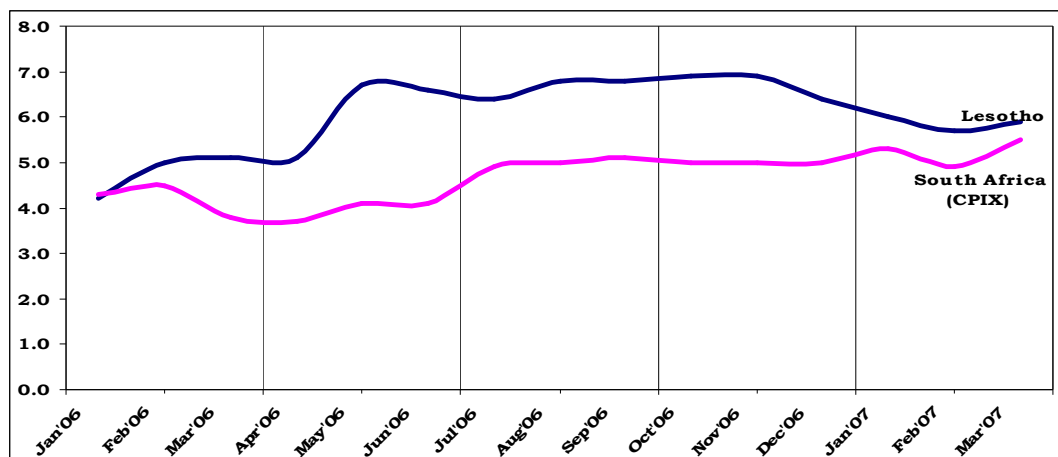
Table 8: Inflation Rate
(Annualised Percentage Change: April 1997=100)

	Weight	2006		2007		
		Nov	Dec	Jan	Feb	Mar
All items	100.0	6.9	6.4	6.0	5.6	5.9
Food and non-alcoholic beverages	39.8	11.9	11.2	10.6	9.9	10.8
Alcoholic beverages & Tobacco	6.4	5.6	5.5	5.1	5.1	4.8

Clothing & footwear	15.6	0.5	0.4	0.2	0.8	1.2
Housing, electricity gas & other fuels	3.7	7.8	7.5	6.2	6.7	6.0
Furniture, households equipment & routine maintenance of house	17.0	3.4	2.9	2.0	1.3	1.1
Health	1.4	0.3	0.1	-0.2	-0.1	-0.5
Transport	7.8	3.9	3.7	3.9	4.0	2.9
Communication	0.1	3.4	3.4	3.4	3.4	3.4
Leisure, entertainment & Culture	1.2	-0.6	-0.6	-0.5	-1.8	-2.6
Education	3.2	0.9	0.9	2.0	1.9	2.0
Restaurant & Hotels	0.4	15.2	15.0	14.9	13.2	12.9
Miscellaneous goods & services	3.2	3.2	2.5	2.2	2.2	2.5

Source: Bureau of Statistics, Lesotho

Figure 8: Annual Inflation Rate for Urban Households
(Percent)



IV. Monetary and Financial Developments

Determinants of Money Supply

During the quarter ending March, M2 rose by 6.2 per cent, compared with a rise of 12.3 per cent recorded in December. The increase resulted from a rise in both the overall banking system's net foreign assets and domestic credit. On an annual basis, money supply continued on an upward trend registering a 45.0 per cent increase following a 35.4 per cent rise at the end of December last year.

Figure 9: Overview of Recent Monetary Developments

(Million Maloti: End of Period)

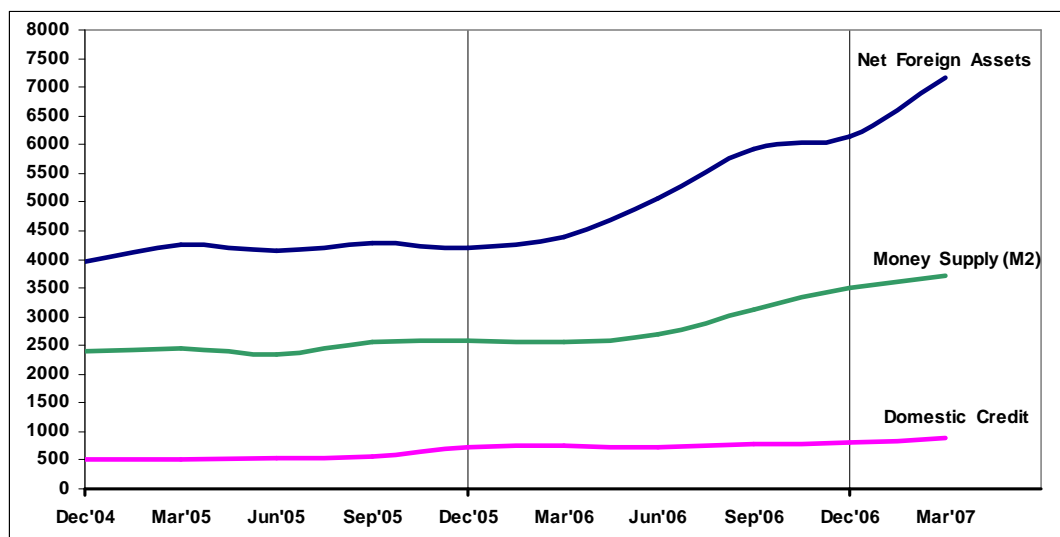


Table 9: Determinants of Money Supply

(Million Maloti: Changes)

Determinants	2006				2007
	Mar	Jun	Sep	Dec	Mar
Net foreign assets	166.2	698.2	858.8	215.2	1009.6
Domestic credit	-91.0	-270.4	-58.6	-56.3	-715.5
Net Claims on Govt	-117.1	-256.8	-112.2	-102.6	-776.5
Statutory bodies	-4.0	-11.4	-2.5	2.0	0.2
Private sector	30.2	-2.3	56.2	37.0	58.1
Other items, net	98.4	290.7	382.7	-225.4	75.3
Money Supply (M2)	-23.1	137.0	417.5	384.3	219.0

Components of Money Supply

Broad money is defined as the sum of narrow money (M1) and quasi money. M1 rose by 5.6 per cent in the quarter ended March, compared with 14.4 per cent observed at the end of December. The increase was at the back of a 7.6 per cent rise in demand and call deposits which offset a 5.3 per cent decline in currency in circulation. Furthermore, quasi money increased by 8.5 per cent during the same period following an increase of 6.0 per cent registered at the end of the previous quarter mainly due to time and savings deposits which grew by 11.2 and 1.4 per cent, respectively.

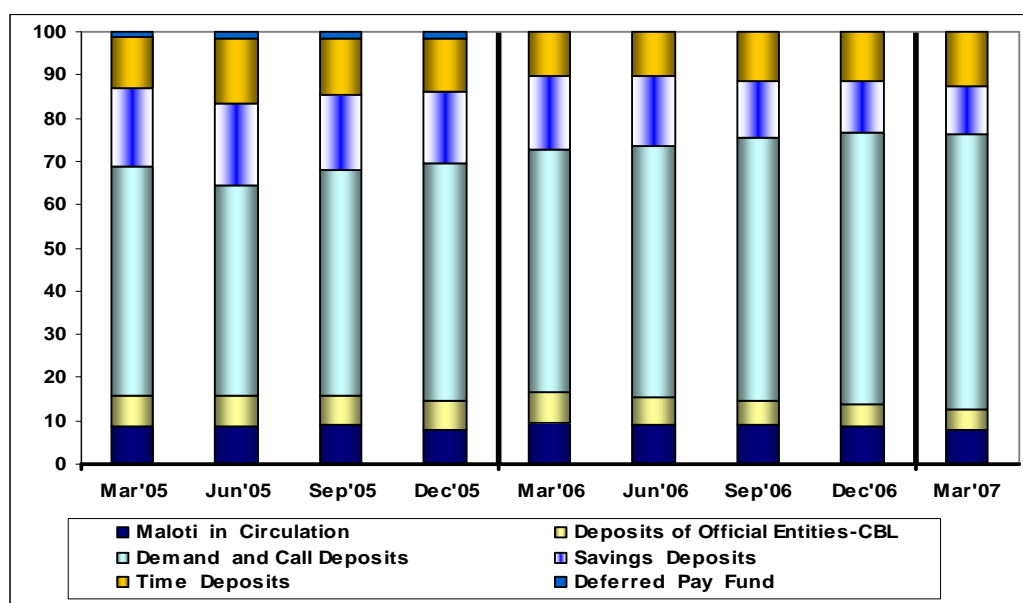
Table 10: Money Supply
(Million Maloti; End of Period)

	2006				2007
	Mar	Jun	Sep	Dec	Mar
Money Supply (M2)	2566.9	2704.0	3121.5	3505.8	3724.7
Money (M1)	1864.8	1987.6	2348.6	2686.7	2836.2
Maloti with public	247.4	242.6	283.1	309.4	293.1
Demand deposits ¹	1440.0	1568.3	1888.1	2199.0	2365.8
Deposits of official Entities with CBL	177.4	176.7	177.4	178.3	177.4
Quasi-Money	702.2	716.4	772.8	819.1	888.5
Savings deposits	436.4	438.0	409.5	415.2	415.5
Time deposits	265.8	278.5	363.4	403.9	473.0

¹ includes call deposits

NB: Totals may not tally due to rounding off

Figure 10: Components of Money Supply
(Percentage shares)



Commercial Banks' Deposits by Holder

The volume of deposits held with the commercial banks was dominated by deposits of the private sector. Total deposits rose by 7.8 per cent, at the end of the March *vis-a-vis* 13.5 per cent recorded at the end of December. The rise was largely driven by a 10.4 per cent increase in private sector deposits which overshadowed a fall of 2.9 per cent in deposits held by statutory bodies (see Table 14).

Table 11: Commercial Banks' Deposits by Holder

(Million Maloti: End of Period)

	2006				2007
	Mar	Jun	Sep	Dec	Mar
Total Deposits	2130.2	2271.5	2649.4	3006.3	3242.1
Private Sector	1598.7	1660.8	2140.6	2426.9	2679.4
Demand deposits	1001.3	1033.2	1469.5	1712.3	1901.5
Savings deposits	436.4	437.9	409.5	415.2	415.5
Time deposits	161.0	189.6	261.7	299.6	362.5
Statutory Bodies	531.5	610.7	508.8	579.4	562.6

NB: Totals may not tally due to rounding off

Liquidity of Commercial Banks

The liquidity of commercial banks is measured by the ratio of their cash and near cash assets, including investments with maturities of less than twelve months, to deposit liabilities. The liquidity level remained high as the ratio increased from 72.3 per cent in December to 73.1 per cent during the quarter ending March due to increased holdings of SA short-term instruments by commercial banks. (see Table 12).

Table 12: Components of Commercial Banks' Liquidity

(Million Maloti: End of Period)

COMPONENT	2006				2007
	Mar	Jun	Sep	Dec	Mar
Maloti Notes and Coins	64.7	69.6	43.3	68.3	36.2
Rand Notes and Coins	10.0	12.5	34.2	59.3	23.0
Balances due from Lesotho Banks	633.6	713.6	15.7	420.3	467.0
Balances due from Foreign Banks	938.1	1200.9	1382.5	1542.3	1728.2
Clearing Balances with CBL	24.8	29.7	15.9	2.8	10.5
RSA Short-term Securities	0.0	0.0	0.0	0.0	0.0
CBL Bills	0.0	0.0	0.0	0.0	0.0
Lesotho Government Securities	415.0	328.6	409.6	520.5	511.5

The credit deposit ratio declined slightly from 26.5 per cent registered in December to 26.3 per cent in the quarter ended March. The decrease reflected a faster growth in deposit liabilities which exceeded the rise in credit extended during the review quarter. Hence, it could be adduced that the elasticity of credit extended to deposit growth is not one on one.

Table 13: Consolidated Balance Sheet of Commercial Banks
(Million Maloti: End of Period)

	2006				2007
	Mar	Jun	Sep	Dec	Mar
Net foreign assets	1139.0	1375.2	1614.6	1772.4	1832.4
Deposits with CBL	149.0	125.5	101.5	112.9	131.8
Credit:	1217.4	1115.4	1242.8	1393.2	1442.1
o/w*: Statutory Bodies	29.4	17.9	15.4	17.4	17.6
Private Sector	696.9	693.0	740.1	777.6	835.3
Government:	491.1	404.5	487.4	598.3	589.3
o/w: Securities	490.6	404.3	487.4	598.3	589.3
Loans and Advances	0.5	0.2	0.0	0.0	0.0
Assets/Liabilities	2505.4	2616.0	2958.9	3278.8	3406.4
Private sector deposits ²	2130.2	2271.5	2649.4	3006.3	3242.1
Government deposits	164.1	171.7	110.6	123.1	113.5
Capital, reserves & other, net	211.0	172.8	199.0	149.5	50.8

* of which

² includes statutory bodies' deposits.

Demand for Money

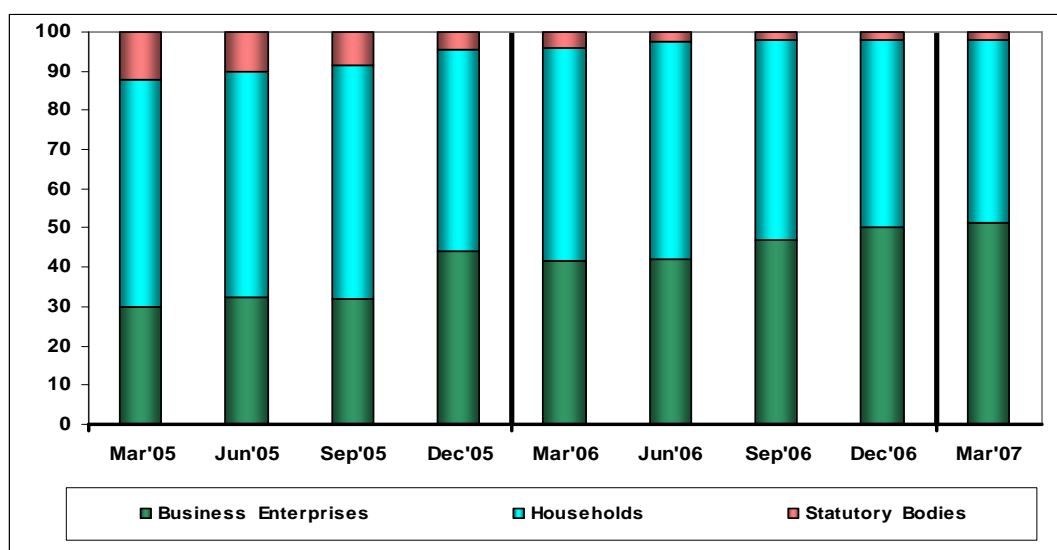
Domestic Credit

At the end of March, domestic credit maintained a steady upward trend on a quarterly basis, registering an increase of 7.1 per cent compared with 5.3 per cent observed at the end of the previous quarter. The increase was mainly driven by rising credit extended to both the private sector and statutory bodies. Furthermore, domestic credit grew by 17.1 per cent on an annual basis at the end of March compared with 13.4 per cent recorded at the end of December.

Table 14: Domestic Credit Excluding Net Claims on Government
(Million Maloti: End of Period)

	2006				2007
	Mar	Jun	Sep	Dec	Mar
Domestic Credit	747.1	731.1	777.1	817.9	875.9
Credit to private sector	717.7	713.2	761.7	800.5	858.3
Business enterprises	310.5	307.8	365.8	409.9	452.0
Households	407.3	405.4	395.9	390.6	406.3
Credit to statutory bodies	29.4	17.9	15.4	17.4	17.6

Figure 11: Distribution of Credit by Holder
(Percentage shares)



Credit to Private Sector

Credit to the private sector remained the largest part of total credit extended in the economy. During the quarter under review it increased by 7.2 per cent due to a rise in both credit granted to households and business enterprises which increased by 4.0 per cent and 10.3 per cent, respectively. This reflected that increased economic activity continued to be driven by the private sector during the quarter ending March.

Private sector credit continued to register strong growth rates on an annual basis. It increased by 19.6 per cent at the end of March compared with 16.7 per cent observed at the end of December. This robust growth was mainly attributable to credit extended to business enterprises which grew 45.6 per cent at the end of March compared with 29.5 per cent recorded at the end of the previous quarter.

The share of credit to businesses increased from 51.2 per cent of total private sector credit to 52.7 per cent recorded at the end of March. Conversely, the share of credit extended to households declined from 48.8 per cent at the end of December to 47.3 per cent observed at the end of March. The robust growth in private sector credit is consistent with the Government's private sector-led growth strategy. This is more important especially because since the previous quarter a larger part of credit extended was directed at business enterprises.

Credit to Statutory Bodies

Credit extended to statutory bodies recorded an increase of 1.3 per cent in March, compared with 13.1 per cent observed in December. Nonetheless, credit to this sub-sector fell by 40.0 per cent on an annual basis at the end of the quarter ending March, following a decline of 47.9 per cent at the end of December. As Figure 8 indicates, the share of credit to this sub-sector to total credit continued to decline in March.

Sectoral Distribution of Credit to Business Enterprises and Statutory Bodies

Total credit distributed to all business sub-sectors of the economy, including official entities, but excluding non-performing loans, increased by 10.0 per cent in March compared with 12.1 per cent recorded in December. The main drivers of the increase in total credit during the quarter ending March were credit extended to the mining, construction and other development sub-sectors.

During the quarter under review credit allocated to other development sectors which comprise wholesale, agriculture, storage, electricity, transport and communication increased by 6.5 per cent in March compared with 11.7 per cent realised in December. Credit to the mining sub-sector increased by 879.8 per cent while that of the construction sub-sector rose by 4.2 per cent during the review quarter.

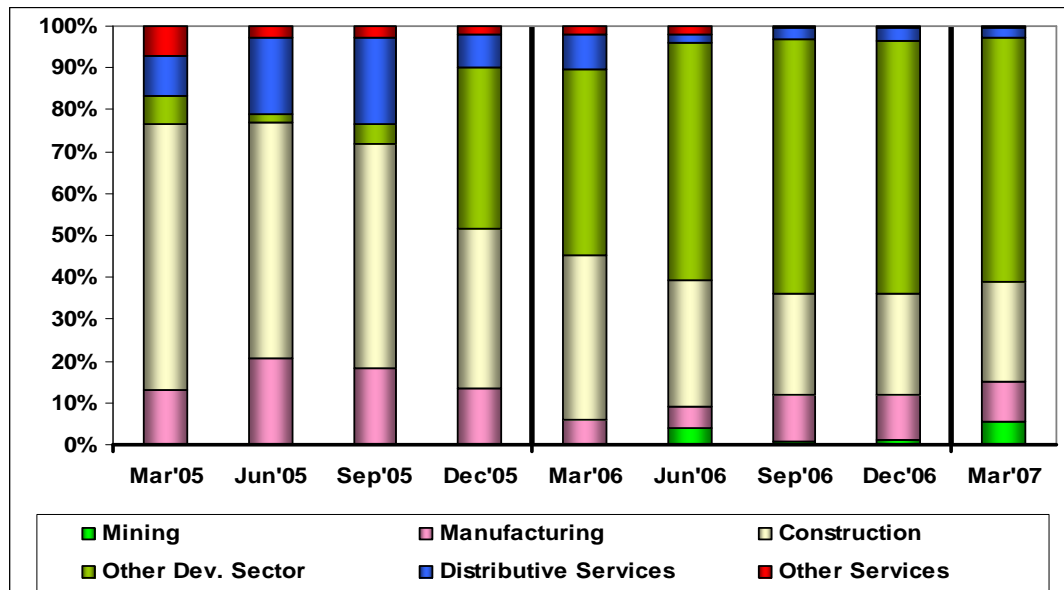
Table 15: Sectoral Distribution of Credit to Enterprises

(Million Maloti: End of period)

SECTOR	2006				2007
	Mar	Jun	Sep	Dec	Mar
Mining	0.0	13.5	3.0	2.8	26.5
Manufacturing	20.4	15.6	44.0	45.7	44.3
Construction	133.3	99.1	97.8	107.9	112.5
Other development sectors	151.5	184.2	241.5	257.1	273.7
Distributive services	16.1	6.7	12.0	12.3	11.3
Other services	18.4	6.6	0.9	1.1	1.5

All sectors	339.6	325.8	399.3	426.9	469.8
-------------	-------	-------	-------	-------	-------

Figure 12: Commercial Banks' Credit to Business Enterprises
(Percentage shares)



Net Claims on Government

Net creditor position of Government in the banking system continued on an upward trend in March, registering 51.8 per cent compared with 7.3 per cent observed at the end of December. This was a result of a build-up in Government deposits due to SACU revenue receipts.

Table 16: Banking System's Net Claims on Government
(Million Maloti: End of Period)

Holder	2006				2007
	Mar	Jun	Sep	Dec	Mar
Commercial banks	327.0	232.7	376.8	475.2	475.7
Claims on Government	491.1	404.5	487.4	598.3	589.3
o/w MP T Bills ³	420.7	334.5	417.6	529.3	586.2
Less Government deposits	164.1	171.7	110.6	123.1	113.5
CBL	-1354.2	-1516.7	-1773.0	-1973.9	-2751.0
Claims on Government ⁴	237.7	257.0	282.1	257.6	268.8
Less Government deposits	1591.9	1773.7	2055.0	2231.5	3019.8
o/w blocked account	487.7	490.7	493.7	496.7	499.7
Total Net Claims	-1027.2	-1284.0	-1396.2	-1498.8	-2275.3

³ 'MP T Bills' means monetary policy treasury bills

⁴ IMF loans on-lent to the GOL

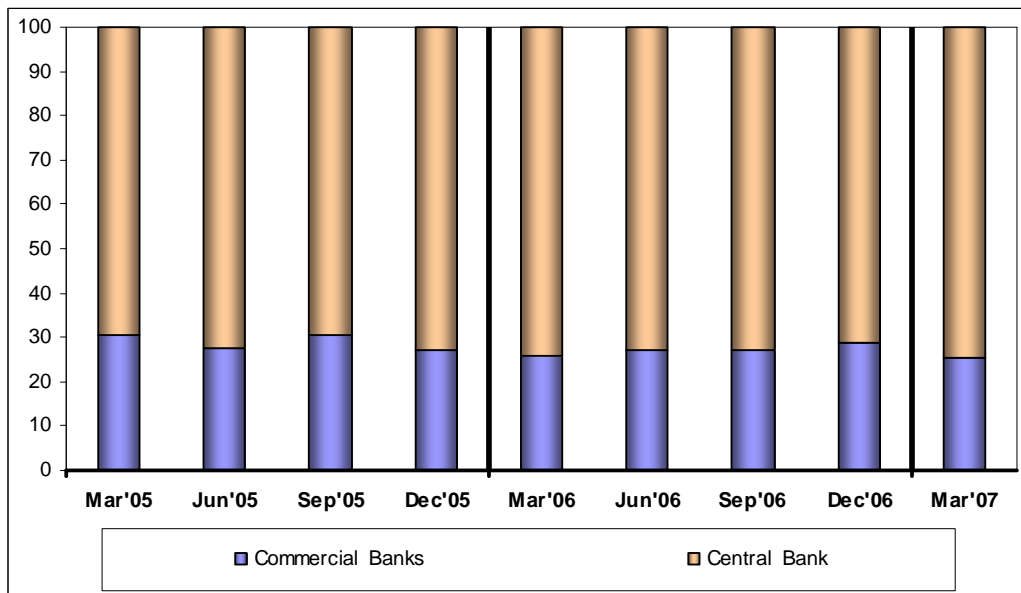
Net Foreign Assets

Net foreign assets of the banking system rose by a significant 16.4 per cent at the end of March compared with 3.6 per cent observed in December. The sustained upward trend mainly reflected a rise in the net foreign assets of the both CBL and commercial banks. Commercial banks' net foreign assets increased by 3.4 per cent reflecting increased foreign currency earnings by the private sector. In addition, the Central Bank's net foreign assets increased due to receipts of SACU revenue coupled with revaluation gains observed during the quarter under review.

Table 17: Banking System's Foreign Assets and Liabilities
(Million Maloti: End of Period)

Holder	2006				2007
	Mar	Jun	Sep	Dec	Mar
A. Commercial Banks	1139.0	1375.2	1614.6	1772.4	1832.4
Foreign Assets	1248.1	1500.5	1683.1	1845.4	1969.7
Foreign Liabilities	-109.1	-125.4	-68.6	-72.9	-137.2
B. Central Bank of Lesotho	3238.4	3700.5	4319.9	4377.2	5326.8
Foreign Assets	3803.3	4244.4	4885.9	4918.7	5942.6
Foreign Liabilities	-564.9	-543.9	-566.0	-541.5	-615.8
Net Total	4377.4	5075.7	5934.4	6149.7	7159.3

Figure 13: Net Foreign Assets
(Percentage shares)



Money Market Developments

Overview

In its endeavour to implement monetary policy as well as deepen investment in the country, the CBL continued to issue government securities. A total of five treasury bill auctions were conducted during the quarter ending March. They composed of three 91-day and two 182-day treasury bill auctions. The total stock of securities for the quarter was valued at M586.9 million which represented an increase from December's total holding of M576.4 million.

Participants in the auctions comprised commercial banks, Non-Bank Financial Institutions (NBFI's), and other institutions. The holding of securities by the NBFIs has been insignificant since the previous quarter. However, the banking sector continued to play a dominant role in the market by holding more securities. The share of the banking sector was 84.3 per cent of the total holding, marking a decline from 86.4 per cent recorded in the previous quarter. Furthermore, the share of the general public in total securities holding increased from 13.5 per cent in December to 15.4 per cent in March.

Table 18: Holding of Bills

(Face Value; Million Maloti)

Type of Holder	2006				2007
	Mar	Jun	Sep	Dec	Mar
Total	530.2	545.8	544.7	576.4	586.9
Banking System	425.8	339.6	423.2	498.0	495.0
Central Bank	5.1	5.1	4.9	0.0	0.4
Commercial Banks	420.7	334.5	418.3	498.0	494.6
Non-Bank Sector	104.4	206.2	121.5	78.4	90.9
NBFIs	49.6	155.3	66.0	0.5	0.4
Others	54.8	50.9	55.5	77.9	90.5
Memorandum Item					
Average Yield (percent)	7.10	7.04	7.16	7.05	7.82

Money Market and Short-term Interest Rates

The Lesotho 91-day treasury bill rate remained below the SA counterpart rate at the end of March. The former increased from 6.76 per cent in December to 7.46 per cent in March while the latter rose from 8.26 per cent to 8.41 per during the same period. Consequently, the margin between the two rates narrowed from 150 basis points to 88 basis points at the end of March.

The deposit rates stood at their December values at the end of the quarter ending March. For example, the interest rate on a one year deposit remained intact at 6.50 per cent resulting in 0.6 per cent real interest rate. This implied that the return on deposits could at least cushion depositors from loss of purchasing power. However, the margin between the domestic lending rates and the deposits rates remained unchanged. The prime lending rate remained almost unchanged at 13.50 per cent in March.

Table 19: Major Money Market Interest Rates

(Percent: End of Period)

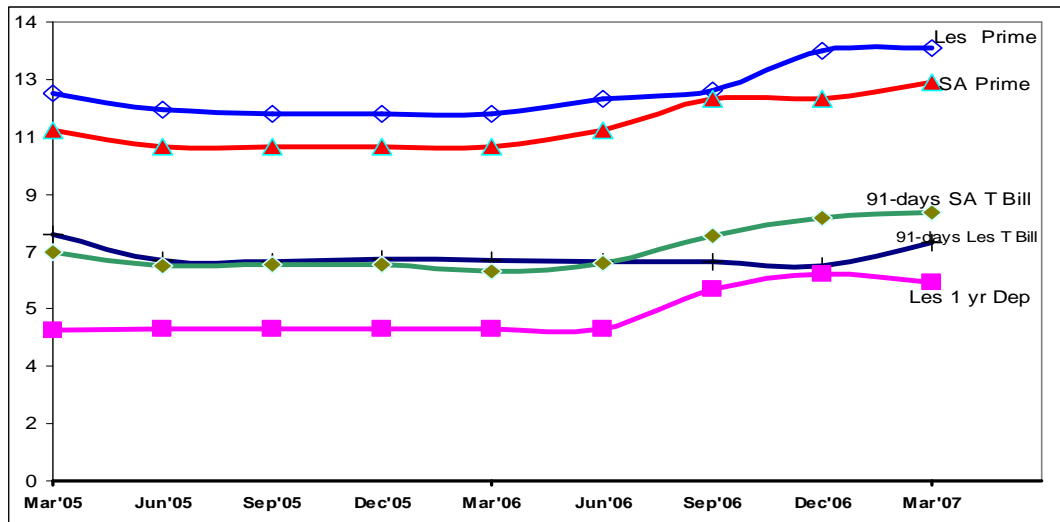
Interest Rates by Type	2006				2007
	Mar	Jun	Sep	Dec	Mar
Central Bank					
T Bill Rate – 91 Days	6.90	6.90	6.86	6.76	7.46
Lombard Rate	10.40	10.40	10.36	10.26	11.46
Commercial Banks ⁵					
Call Time:	2.83	3.50	4.10	5.00	5.00

31 days	3.50	3.50	3.50	3.50	3.50
88 days	4.25	4.25	5.5	6.00	6.00
6 months	4.50	4.50	5.8	6.25	6.25
1 year	4.75	4.75	6.0	6.50	6.50
Savings	2.00	2.00	2.96	5.00	5.00
Prime	11.50	12.00	12.33	13.50	13.58
South Africa*					
Repo	7.00	7.00	8.00	9.00	9.00
T Bill Rate – 91 Days	6.59	6.83	8.00	8.26	8.41
Marginal Lending Rate	12.00	12.50	13.00	12.00	14.00
Prime	10.50	11.00	11.50	12.50	12.50

* Figures for South Africa were obtained from the SARB

⁵ Average rates by commercial banks

Figure 14: Short-Term Interest Rates
(Percent Per Annum)



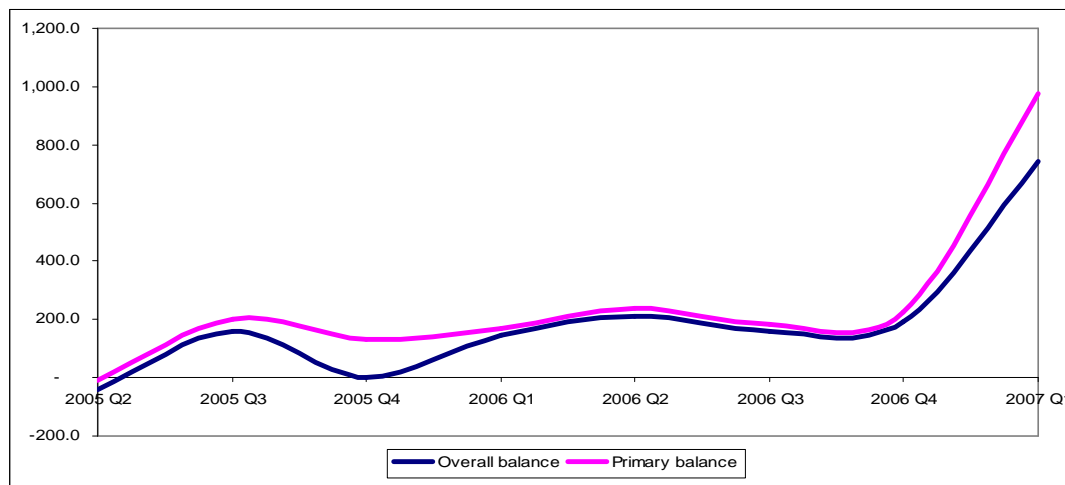
V. Government Finance

Summary of Budget Outturn

Government budgetary operations resulted in an estimated surplus equivalent to 27.7 per cent of GDP during the period under review. This was mainly influenced by the backward adjustment made on SACU revenue. The primary balance accounted for 36.5 per cent of GDP².

Government expenditure and net lending increased by 27.3 per cent during the period under review. This was largely driven by interest payment on non-concessional external debt and expenditure on goods and services. As a share of total expenditure, recurrent expenditure registered 86.9 per cent compared with 87.2 per cent in the previous quarter.

Figure 15: Primary balance versus overall balance



Revenue

² Primary balance is a good indicator of budgetary operation since it excludes interest costs on public debt.

Government revenue including grants surged by 63.1 per cent at the end of the first quarter of 2007 mainly on account of a 68.8 per cent increase in tax due to SACU component. As a percentage of GDP, total revenue and grants rose to 84.7 per cent compared with 51.9 per cent observed in the previous quarter.

Table 20: Government Revenue

(Million Maloti)

	2005/06	2006/07			
	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec Revised	Jan-Mar * Preliminary
Total Revenue and Grants	1222.5	1371.4	1401.3	1391.2	2269.5
Total Revenue	1217.7	1344.3	1373.2	1360.5	2261.6
<i>Tax Revenue</i>	1049.9	1209.9	1230.8	1244.0	2099.4
Customs	603.3	772.3	772.3	772.3	1626.3
Non-customs	446.6	437.6	458.5	471.7	473.2
Income Taxes	240.1	234.0	251.6	254.4	233.1
Taxes on goods & services	194.7	194.6	188.2	188.8	178.2
Other Taxes	11.8	9.0	18.8	20.5	40.7
<i>Non-Tax Revenue</i>	167.7	134.3	142.4	116.5	162.2
Of which: Water royalties	62.0	58.1	70.9	69.7	63.6
Grants	4.9	27.1	28.1	30.8	7.9

Source: Ministry of Finance and Development Planning (MoFDP)

*Preliminary estimates

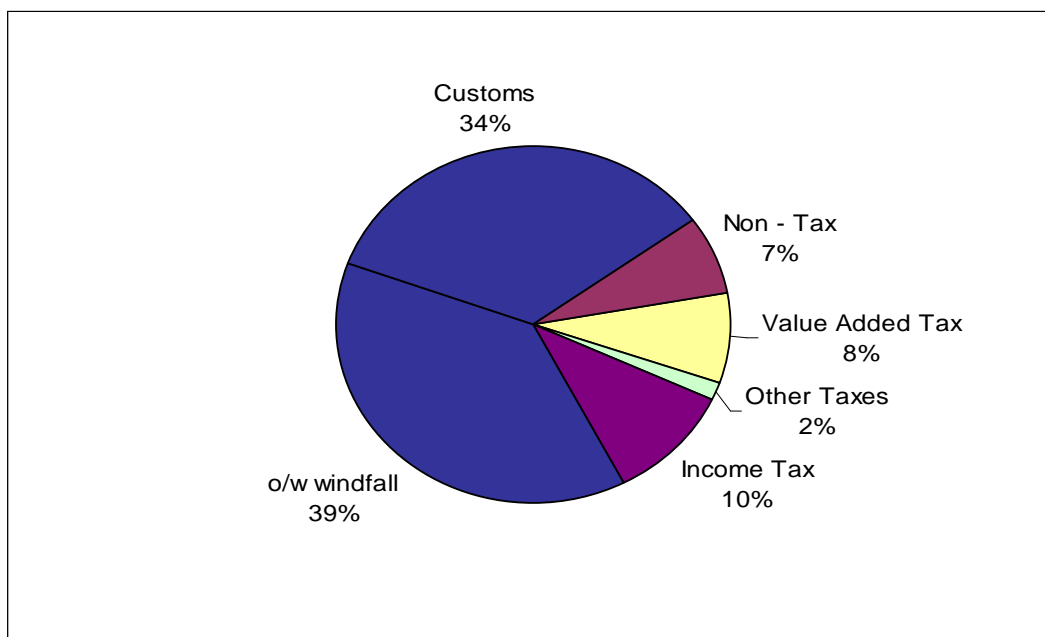
Value Added Tax (VAT) dropped by 5.7 per cent against the rise observed during the festive season. Income tax was estimated to decline by 8.4 per cent, largely driven by a fall in both company tax and personal income tax. The other income tax components grew by 97.3 per cent due to payments of withholding tax.⁴

As a result of the backward adjustment earlier mentioned, SACU receipts increased by 110.6 per cent during the period under review. It continued to dominate tax revenue, constituting 77.5 per cent of total tax receipts during the review period, while income tax and VAT accounted for 11.1 per cent and 9.5 per cent, respectively.

Non-tax revenue increased by 39.2 per cent during the review period. This was largely attributed to receipt of rand monetary compensation which is paid once at the beginning of the calendar year.

Figure 16: Sources of Government Revenue

⁴ Other Income tax component comprises withholding and fringe benefits taxes.



Expenditure

Total expenditure and net lending was estimated to have increased by 27.3 per cent during the review period, as a result of a 28.1 per cent rise in recurrent expenditure. As a percentage of GDP, total expenditure rose to 57.0 per cent, compared with 44.8 per cent in the previous quarter.

The increase in recurrent expenditure was mainly driven by, among others, the more than five fold hike in interest payments following accelerated payments made on the non-concessional component, plus a 54.9 per cent rise in expenditure on goods and services. The growth in expenditure on goods and services was mainly influenced by the general elections held in February 2007.

The level of subsidies and transfers extended during the review period declined by 15.5 per cent. This expenditure category benefits educational entities and finances of pensions and gratuities. Expenditure on pension and gratuities dropped by 14.2 per cent.

Table 21: Government Expenditure
(Million Maloti)

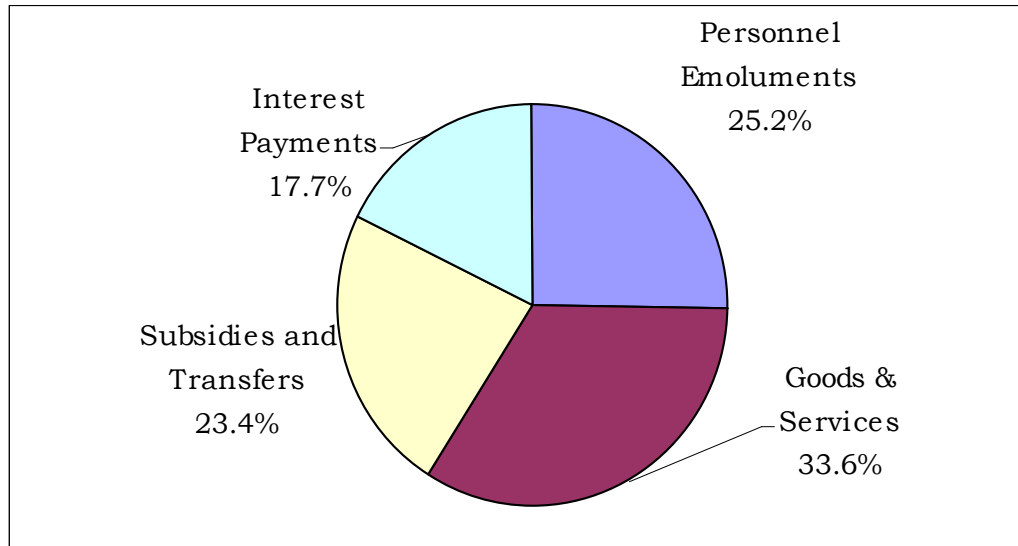
	2005/06	2006/07			
	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec Revised	Jan-Mar * Preliminary
Total Expenditure & Net Lending	1077.3	1159.4	1242.8	1200.7	1528.2
Recurrent Expenditure	941.7	1000.1	1006.5	1034.5	1324.8
Personnel Emoluments	321.4	340.6	341.9	342.9	334.1
Interest Payments	23.3	26.6	25.7	36.1	234.4
Foreign	10.7	16.3	13.0	24.2	221.1
Domestic	12.6	10.3	12.7	11.9	13.3
Other Expenditure	596.9	632.9	638.9	655.5	756.4
Capital Expenditure	138.9	159.3	238.8	166.2	205.4
Net Lending	-3.3	0.0	-2.5	0.0	-2.0

Source: MoFDP

*Preliminary estimates

Implementation of development projects showed some improvements during the period under review. Capital expenditure was estimated to have increased by 23.6 per cent from the fourth quarter of 2006. This was largely on account of construction of roads, classrooms at post primary schools and health sector related infrastructure. The Government continued to be a dominant financier of development projects. About 63.0 per cent of this expenditure category was Government funded, while loans and grants accounted for 33.2 per cent and 3.8 per cent, respectively.

Figure 17: Recurrent Expenditure by Type



Financing

Government budgetary operations realised a surplus equivalent to 27.7 per cent of GDP during the review period. This enabled Government to continue to accumulate deposits with the banking sector. The healthy Government position with the banking system could mitigate the negative impact of the anticipated decline in SACU revenue.

Table 22: Government Financing
(Million Maloti)

	2005/06	2006/07			
	Jan-Mar	Apr-Jun	Jul-Sept	Oct-Dec Revised	Jan-Mar * Preliminary
Financing	-145.2	-212.0	-158.5	-190.5	-741.3
Foreign	-22.8	-55.1	38.0	-44.4	24.5
Loan drawings	9.6	27.8	79.5	20.8	68.1
Amortization	-32.4	-82.9	-41.5	-65.2	-43.6
Domestic	-122.4	-156.9	-196.5	-146.1	-765.8
Bank Financing	-117.1	-256.8	-112.2	-102.6	-776.5
Non – Bank	-5.3	99.8	-84.3	-43.5	10.7

Source: MoFDP

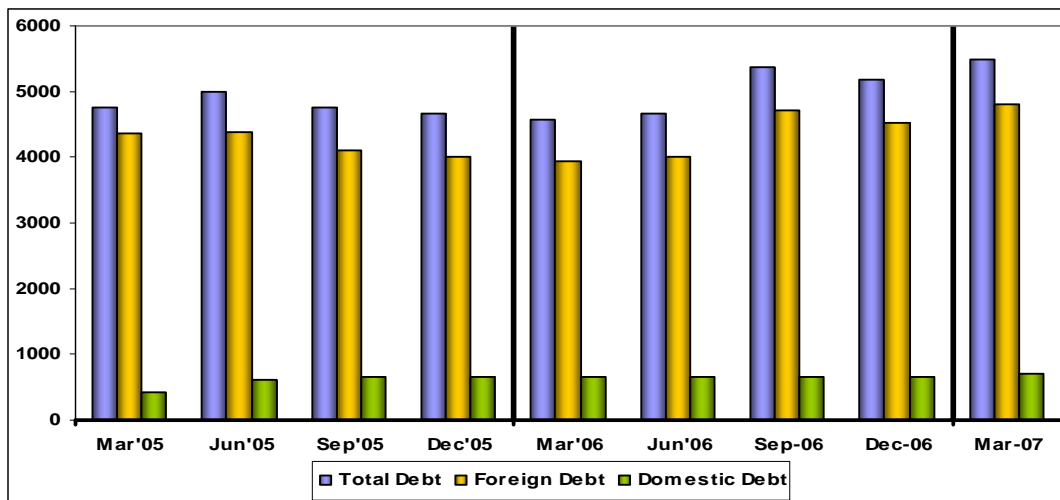
*Preliminary Estimates

Public Debt

Overview

Public debt grew by 6.1 per cent during the quarter ended in March 2007. This was mainly attributed to improvement in implementation of development projects, coupled with depreciation of the Loti against the currencies with which debt is contracted. As a ratio of GDP, the total debt stock was estimated to have risen to 51.6 per cent in contrast to 48.6 per cent observed in the previous quarter. External debt continued to account for the larger share of total debt stock during the review period.

Figure 18: Outstanding Public Debt
(Million Maloti: End of Period)



External debt

As a result of the improvement in implementation of development projects, thereby increasing disbursements and depreciation of the Loti against the currencies with which debt is contracted, external debt rose by 6.2 per cent. Accordingly, concessional and non-concessional debt increased by 6.3 per cent and 5.1 per cent, respectively. As a percentage of total debt stock, external debt maintained a share of 87.2 per cent observed in the previous quarter. The degree of concessionality of external debt stock also remained unchanged at 84.5 per cent of total debt stock. This reflected Government's commitment to limit borrowing to concessional terms in order to moderate the country's future debt burden.

As a ratio of GDP, external debt increased to 45.0 per cent, in contrast to 42.4 per cent in the previous period. At this level, the debt to GDP ratio was below the 60 per cent sustainability threshold and the SADC convergence indicator. Contrasted with 3.0 per cent observed in the previous quarter, debt service stood at 2.0 per cent during the period under review.

Table 23: External Debt
(Million Maloti)

	2006				2007
	QI	QII	QIII	QIV	QI
External Debt	3932.6	4013.9	4699.9	4514.3	4794.3
Bilateral Loans	408.5	383.2	385.4	386.9	349.5
Concessional	386.2	381.5	322.3	327.1	292.3
Non-concessional	22.3	1.7	63.0	59.9	57.2
Multilateral Loans	3334.4	3443.8	4129.2	3968.4	4282.7
Concessional	2939.3	2992.4	3612.8	3480.7	3756.8
Non-concessional	395.1	451.4	516.3	487.7	525.9
Financial Institutions	117.2	113.1	113.6	101.1	98.7
Concessional	2.4	2.4	2.4	2.3	2.1
Non-concessional	114.8	110.7	111.1	98.8	96.6
Suppliers' Credit	72.5	73.8	71.8	57.8	63.4

Domestic Debt

Domestic debt rose by 5.3 per cent during the quarter ending March 2007, following an increase of 3.7 per cent and 17.5 per cent in the holdings of domestic debt by both the banking and non-banking sector, respectively. Short-term debt represents treasury bills issued for monetary policy purposes. Long-term debt, which is made up of the ten year bond, maintained the level of the previous quarter⁵. As a percentage of GDP, domestic debt stood at 6.6 per cent during the period under review, in contrast to 6.2 per cent realised in previous period. It remained unchanged at 12.8 per cent of debt stock observed in the previous period.

⁵ This bond had been issued to finance the restructuring of the old Lesotho Bank in 1999.

VI. Foreign Trade and Payments

Overview

The external position continued to register a surplus during the quarter under review. The overall balance, in seasonally adjusted terms, widened significantly to a surplus equivalent to M1019.3 million in the review quarter from a surplus of M40.9 million recorded in the previous quarter as a result of improvements in the current account as well as the capital and financial account. In seasonally adjusted terms, the transactions balance, which represents the overall balance excluding the effects of currency fluctuations, continued to register a surplus largely due to developments in the current account.

Current account

The current account registered a surplus of M695.7 million compared with M18.50 million registered in the previous quarter. The improvement in the current account position emanated largely from current transfers on the back of SACU revenue windfall.

Table 24: Current Account Balance
(Million Maloti)

	2006				2007
	QI	QII	QIII	QIV*	QI ⁺
I. CURRENT ACCOUNT	19.27	256.41	151.78	18.50	695.74
(a) GOODS	-1093.44	-976.11	-1139.80	-1309.84	-1397.28
Merchandise exports f.o.b.	876.07	1049.43	1517.91	1293.24	1305.93
Of which diamonds	77.61	141.18	263.90	136.49	277.62
Merchandise imports f.o.b.	-1969.52	-2025.54	-2657.71	-2603.08	-2703.21
(b) SERVICES	-52.74	-56.56	-55.10	-75.41	-91.81
(c) INCOME	583.18	613.01	666.94	706.56	550.74
(d) CURRENT TRANSFERS	582.27	676.06	679.74	697.19	1634.09

* Revised estimates

⁺ Preliminary estimates

Merchandise exports

During the quarter under review, merchandise exports, in seasonally adjusted terms increased by 5.9 per cent compared with a fall of 14.5 per cent recorded in the previous quarter. On an annual basis, merchandise exports increased by 49.1 per cent. The increase on quarterly basis emanated from the recovery of the manufacturing sub-sector.

Diamond exports which accounted for 21.3 per cent of total merchandise exports increased during the quarter under review.

Merchandise imports

Preliminary estimates indicated that merchandise imports declined during the review quarter. In seasonally adjusted terms, merchandise imports fell by 0.4 per cent in contrast with a rise of 2.4 per cent observed in the previous quarter. However, on an annual basis, merchandise imports grew by 37.2 per cent. This annual increase in imports was supported by among others, an increase in government capital expenditure which increased by 22.7 per cent. Furthermore, the value of motor vehicle imports also increased on both quarterly and annual basis.

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

COMMODITY	2006				2007
	QI	QII	QIII	QIV*	QI ⁺
0. Food & Live Animals	31.58	24.53	31.82	29.31	57.54
Cattle	1.28	0.13	0.25	0.55	0.27
Wheat Flour	10.62	13.18	15.57	13.12	15.92
Maize Meal	6.81	5.69	7.07	6.52	15.09
Other	12.87	5.53	8.93	9.12	26.26
1. Beverages & Tobacco	31.68	34.99	39.62	31.97	20.29
Beverages	31.68	34.99	39.62	31.97	30.28
2. Crude Materials	6.09	0.99	2.55	5.17	7.17
Wool	6.09	0.99	2.55	5.17	7.17
4. Chemicals	3.09	15.14	2.68	6.97	0.67
5. Manufactured Goods	103.84	161.63	321.45	245.75	297.81
6. Machinery & Transport Goods	84.39	79.05	143.80	152.52	82.70
7. Miscellaneous Manufactured Goods	612.74	730.25	969.78	821.01	826.82
8. Unclassified Goods	2.66	2.85	6.21	3.91	2.93
TOTAL EXPORTS	876.07	1049.43	1517.91	1296.61	1305.93

Note: Totals may not tally due to rounding

* Revised estimates

+ Preliminary estimates

Standard International Trade Classification

Direction of Trade

The US remained the largest recipient of Lesotho's exports during the review quarter. However, the share of exports to the US decreased from 59.3 per cent of total exports in the previous quarter to 55.5 per cent during the quarter under review. This was partly

due to, among others, the decline in demand in the US. Africa was the second largest recipient of Lesotho's exports at 22.8 per cent compared with 29.8 per cent in the previous quarter. The European market continued to be the third largest recipient of Lesotho's exports at a share of 21.5 per cent compared with 10.9 per cent in the previous quarter, largely as a result of an increase in diamond exports which more than doubled. The proportion of exports to Asia remained negligible.

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

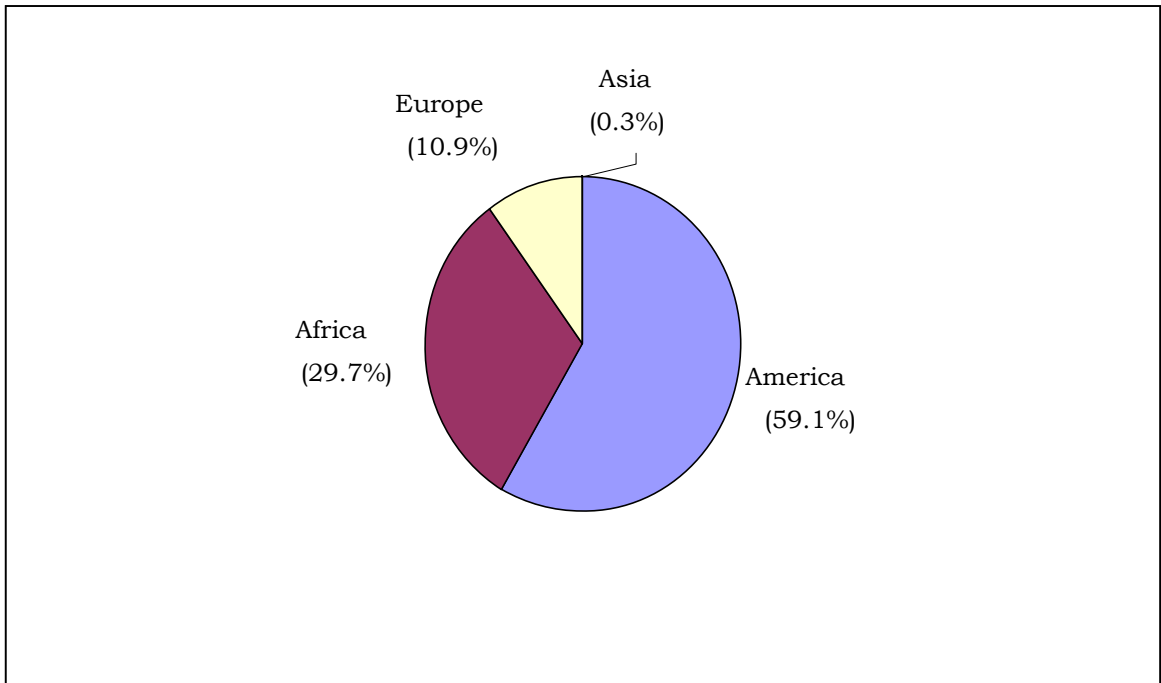
REGION	2006				2007
	QI	QII	QIII	QIV*	QI ⁺
World	876.07	1049.43	1517.91	1293.24	1305.93
Africa	183.65	210.17	410.64	384.74	297.30
SACU	169.77	184.13	375.55	359.87	272.33
SADC	4.28	1.74	0.60	3.39	2.50
Other	9.60	24.3	34.49	21.48	22.47
Europe	80.89	142.78	266.73	141.01	280.68
EC	80.89	142.78	266.73	141.01	280.68
America	601.70	693.19	839.50	766.19	725.14
Asia	9.83	3.29	1.04	4.30	2.81

Note: Total may not tally due to rounding

* Revised estimates

+ Preliminary estimates

Figure 19: Direction of Merchandise Exports



Services Account

Net services registered an outflow of M91.8 million during the review quarter compared with a decline of M75.4 million in the previous quarter. This deterioration in the services account was largely attributable to higher outflows in the transportation and travel categories.

Travel

The decline in net travel was lower at 18.6 per cent during the quarter compared with 21.1 per cent in the previous quarter. Travel receipts fell by 2.0 per cent compared with a fall of 4.1 per cent recorded in the previous quarter, while travel payments increased by 4.9 per cent during the quarter under review compared with 5.3 per cent observed in the previous quarter. The increase was attributed to a rise in government international subsistence allowances which grew by 32.8 per cent during the quarter. On annual basis, travel services declined by 16.6 per cent.

Income

Net income declined by 22.1 per cent during the quarter under review following a fall of 5.9 per cent in the previous quarter mainly due to an increase in payments of interest on official loans.

Labour Income

Labour income, in seasonally adjusted terms decreased by 1.7 per cent in the review quarter in contrast with a 0.8 per cent increase registered in the previous quarter. On an annual basis, labour income rose by 25.1 per cent. On a quarterly basis, miners'

remittances grew by 6.9 per cent in the review quarter compared with 6.4 per cent observed in the previous quarter. The rise in miners' remittances was due to an increase in the average number of Basotho migrant mineworkers in SA. Furthermore, an increase in the gold price coupled with a depreciation of the Rand against other major currencies augured well for the South African mining industry.

Investment Income

Net investment income recorded an outflow equivalent to M123.4 million in the first quarter compared with an inflow of M71.3 million observed in the fourth quarter of 2006. A decline in the net investment income resulted from higher interest payments on official loans which offset investment receipts.

Investment income inflows grew by 12.4 per cent due to the growth in interest received by both the CBL and the commercial banks as a result of higher international interest rates. Investment income outflows increased significantly to M251.3 million during the quarter from M42.5 million recorded in the previous quarter. This was mainly attributable to once-off interest paid on official loans, amounting to M221.1 million during the quarter.

Current Transfers

During the quarter under review current transfers, seasonally adjusted, grew significantly to M1.6 billion compared with M705.7 million registered in the fourth quarter of 2006. On an annual basis, current transfers more than doubled due to SACU windfall revenue.

Capital and Financial Account

The capital and financial account improved from a net outflow of M81.2 million recorded in the previous quarter to an inflow of M178.5 million. The commercial banks' foreign assets remained on the high side largely due to increased private sector activity.

Table 27: Capital and Financial Account
(Million Maloti)

	2006				2007
	QI	QII	QIII	QIV*	QI ⁺
I. CAPITAL AND FINANCIAL ACCOUNT	124.72	-154.91	-23.94	-81.15	178.50
CAPITAL ACCOUNT	4.90	27.10	27.20	16.30	4.00
FINANCIAL ACCOUNT	119.82	-182.01	-51.14	-97.45	174.50
Special Financing – LHWP	43.35	31.26	31.26	31.49	37.79
II. RESERVE ASSETS	-177.17	-442.82	-641.50	-32.81	-1023.89

* Revised estimates

⁺ Preliminary estimates

Reserve Assets

Gross reserves increased from M4.9 billion during the previous quarter to M5.9 billion during the review quarter. Expressed in months of imports, official reserves remained more or less the same at 6.6 months of import cover compared with 6.7 months during the previous quarter. The Net International Reserves (NIR) increased by 20.0 per cent from US\$650.10 in December 2006 to US\$779.56 at the end of March 2007, largely due to SACU revenue windfall.

Figure 20: Reserve Assets

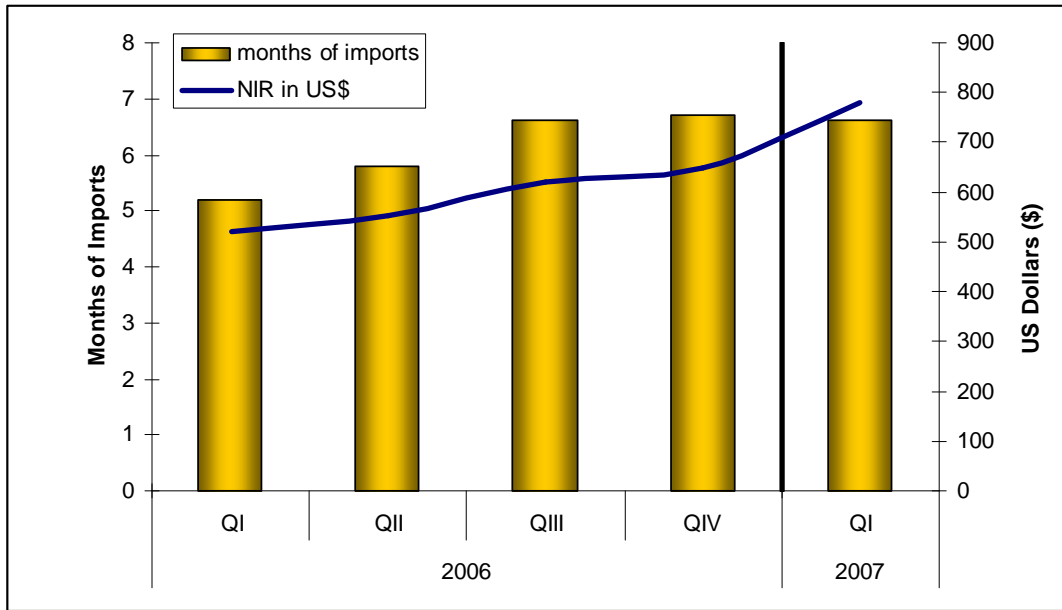
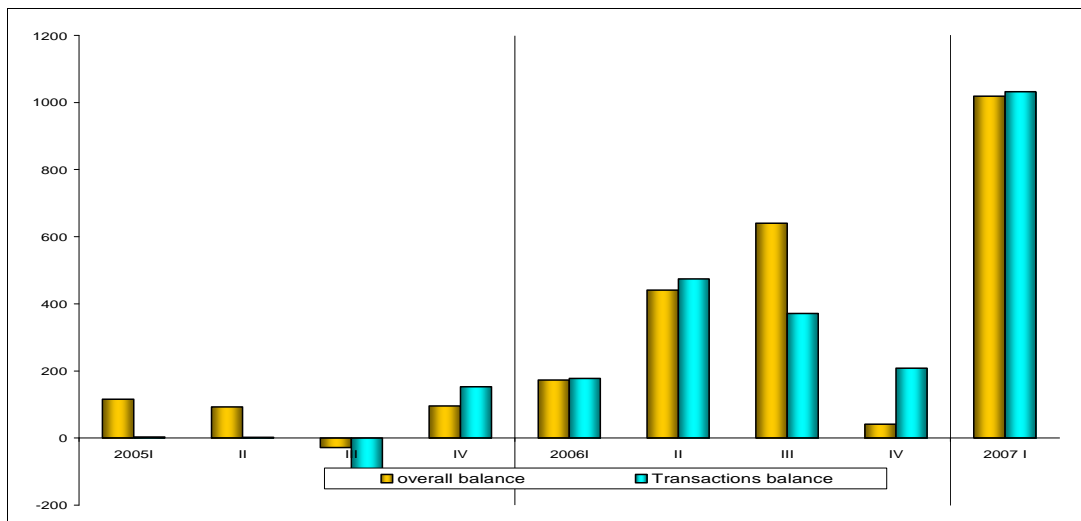


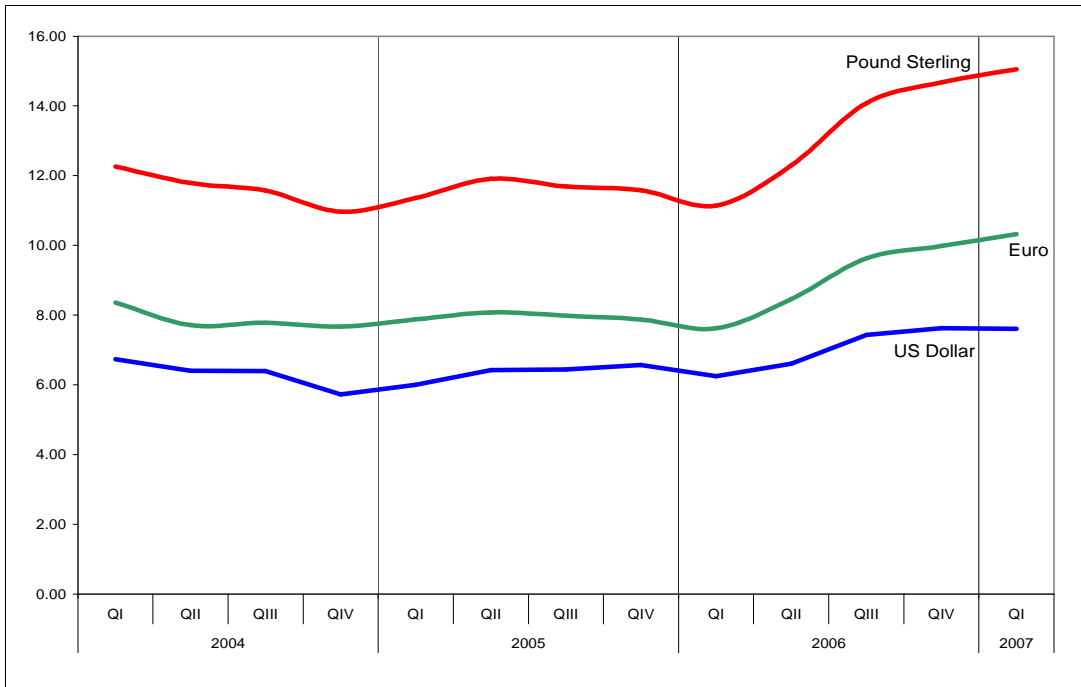
Figure 21: Balance of Payments
(Million Maloti)



Exchange Rates

The Loti continued to show some weakness against major currencies during the first quarter of 2007. Against the US Dollar, the Loti depreciated by 0.4 per cent during the quarter due to the strength of the US Dollar and other major currencies. Measured against other currencies, the Loti depreciated by 3.3 per cent and 2.2 per cent against Euro and Pound Sterling, respectively.

Figure 22: Real exchange rate of the Loti against major currencies



VII. Appendix

Statement of Monetary Policy Committee
14 March 2007

Issued by Dr M. P. Senaoana, Governor of the Central Bank of Lesotho, at a meeting of the Monetary Policy Committee in Maseru.

1. Monetary Policy Stance

The Monetary Policy Committee (MPC) of the Central Bank of Lesotho (CBL) sat for its 9th Meeting on 14 March 2007. The Committee reviewed performance of open market operations and inflation developments in the recent months to ensure that its price stability mandate is being achieved.

At the time the Committee met, the Bank was targeting a Net International Reserves (NIR) range of USD400.0 million to USD450.0 million. This NIR level was deemed sufficient to meet demands for the sale of the Loti for other currencies, without undermining the fixed exchange rate system. The Rand-Loti peg allows Lesotho to benefit on the relatively lower imported inflation from South Africa, which forms a significant part of the domestic inflation.

2. Inflation Developments during the Fourth Quarter of 2006

The Committee observed that the latest inflation rate figures showed a slight increase. The inflation rate was constant at 6.9 per cent in November and October 2006, from a steady 6.8 per cent recorded in September and August. This modest growth was driven by increases in the prices of the following categories: food and non-alcoholics; alcoholic beverages and tobacco; and housing, electricity, gas and other fuels. On the contrary, inflation rate of the following categories: clothing and footwear, and household equipment and routine maintenance of households, slowed down between October and September. The two components have a combined weight of 32.6 per cent in the Consumer price Index basket.

The Committee noted that the country might not face significant inflationary pressures in the next three months. The inflation rate is estimated to have ended the year at 6.8%, and averaged 6.1 per cent for the whole year. Inflation in South Africa experienced a deceleration during the review period. It was moderated by a slow down in the rate of increase of food prices, private sector credit, production price inflation and international oil prices. In addition, wage inflation and the exchange rate effect remained subdued during the period under review. These developments imply that inflation imported from South Africa would remain modest in the coming months.

The monetary sector continued to show signs of inflationary pressures. Broad money, M2, grew in excess of 30 per cent on an annual basis in January 2007. This growth was way higher than the estimated 12.9 per cent increase in nominal GDP for 2006. The growth in money supply was driven mainly by the rise in net foreign assets during the period.

3. Prospects for the Maintenance of the Price Stability

a. Balance of Payments

The Committee noted that transactions between Lesotho and other countries might not cause inflationary pressures in the economy. The current account continued to record surpluses in the fourth quarter of 2006, though the surplus narrowed by around M60.0 million on a quarterly basis due to a decline in exports. Imports rose by a seasonally adjusted 1.5 per cent between the two quarters. The slight increase was attributed to the recovery in the manufacturing sub-sector, which led to an increase in imported inputs. This implies subdued import demand (thus modest imported inflation) from the government and private sector during the period. The steady import demand by the general public could also be a result of the slow down in seasonally adjusted labour income, which decelerated by 0.3 per cent during the quarter. The capital account recorded a net outflow of M81.2 million in the last quarter compared with M24.6 million in the preceding quarter. Reserves are estimated to cover 6.5 months of import for the year of 2006. However, the Committee noted the negative effects of the possible decline in SACU revenue on the Lesotho current account sustainability in the context of working towards the SADC customs union. Thus realising the need to diversify the economy and look at other options to mitigate the expected negative impact.

b. Fiscal Balance Outlook

Excessive government expenditure over revenues that is financed through the borrowing from the banking system (either through direct credit or selling of securities) can result in a built up of inflationary pressures in the economy. However, in the case of Lesotho, the MPC noted that the Government continued to show prudence in fiscal management during the reporting period. The fiscal position has been recording surpluses in the present fiscal year, due to increased SACU revenue and deliberate expenditure control. The Budget outturn indicated a surplus equivalent to 7.1 per cent of GDP in the last quarter of 2006. This has resulted in moderate inflationary pressures.

4. Monetary Policy Committee Decision

The strong foreign currency inflows from SACU receipts, exports, grants and labour income; and the relatively lower financial outflows through imports and repayment of liabilities have resulted in the built up of official reserves. The NIR stood at USD729.7 million at the end of February 2007. At this level, reserves were in excess of the lower limit by USD329.7 million. Therefore, the Committee concluded that the external reserves were adequate to underwrite the Rand-Loti peg, and that the peg continued to serve the Bank's objective of price stability well given the moderate inflationary pressures imported from South Africa. The Committee also observed that the widening margin between the Lesotho and South African 91-day treasury bill rates could encourage local investors to transfer funds abroad and thus reduce the NIR level. It decided to maintain the target range of NIR unchanged at US\$400 to US\$450 million, and to review it at the next meeting to take into account the growth of imports over time.

Analysis of Lesotho's Budget Speech for the Fiscal Year 2007/08

Conducive investment climate essential for sustainable economic growth, job creation and poverty reduction...

The Honourable Minister of Finance and Development Planning delivered the budget speech for the fiscal year 2007/08 before Parliament in March 2007. The budget highlights the objectives that Government commits to achieve during the year. It is a device that ensures a continuous monitoring procedure, reviewing and evaluating performance with reference to previously established standards. Through budgets, governments allocate anticipated revenue collection to various government programmes to address agreed priorities.

The 2007/08 budget is conscious of opportunities that arise from the regional and international cooperation, and the potential impediments to their realisation. As a consequence, the focus is mainly to address these impediments and to further explore areas that Lesotho has comparative advantage on.

Government recognises that the private sector is an engine to attainment of broad-based and sustainable economic growth, job creation and poverty reduction. To this end, government has decided to overhaul laws, regulations and procedures that may impede private sector growth. To complement these efforts, Government aims to build a Minimum Infrastructure Platform (MIP) to provide the required physical infrastructure.

The proposed fiscal deficit equivalent to 2.9 per cent of GDP for the fiscal year 2007/08 is not far from the 3.0 per cent threshold for macroeconomic stability advocated for by Commonwealth and SADC. This is likely to be financed by running down government deposits with the banking sector, or through issuance of government securities. The latter financing option has a potential to support development of the money and capital market in the economy. However, government should be cautious not to crowd out private investment.

Government Procurement Policy

The building of critical institutional capacities for good governance, economic growth and development has gained importance in recent years. As a result, public sector reforms have also gained momentum. The Government has embarked upon a Public Financial Management Reform process mainly to improve public service delivery in the country. One of the strides of the process was the completion of the procurement policy reform.

Prior to the reforms the Government used a centralised procurement system which had been in use since 1973. Acquisition of goods, services and works was executed through an institutional arrangement called the Central Tender Board (CTB). The opening of tenders in the presence of bidders, awarding or rejection of tenders based on specifications and recommendations made by the user ministries and departments, were functions under the purview of the CTB. This arrangement was suitable for the time when Government had few services and small ministries and departments. However, as the size of the Government and the volume of goods grew over time, delays and backlogs were experienced which eroded accountability and transparency, thus there was a need to reform the process.

The new decentralised procurement system would enable speedy, easy and transparent purchasing and supply of goods, services and works. It would also promote entrepreneurship in the country. This would be facilitated through a platform where unsuccessful bidders would be advised on their major weaknesses and capacitated with basic skills to encourage them to continue to bid going forward.

VIII. Statistical Tables

	Pages “S”
<i>Money and Banking Statistics</i>	
Central Bank of Lesotho Assets and Liabilities	1 – 2
Reserve Money	3
Consolidated Balance Sheet of Commercial Banks	4 – 5
Net Foreign Assets of the Banking System	6
Distribution of Commercial Banks’ Deposits by Type	7
Distribution of Commercial Banks’ Deposits by Holder	8
Commercial Banks’ Fixed Time Deposits by Maturity	9
Commercial Banks’ Loans and Advances to business Enterprises and Statutory Bodies	10 – 11
Commercial Banks’ Major Ratios	12 – 13
Narrow Money	14
Monetary Survey	15
Broad Money	16
Commercial Banks’ Deposits, withdrawals from Deposits and Turnover	17
<i>Capital Market Statistics</i>	
Interest Rates on Commercial Banks’ Deposits with CBL	18
Interest Rates of Commercial Banks	19
Comparative Money Market Rates	20
<i>Public Finance Statistics</i>	
Summary of Government Budgetary Operations	21
Treasury Bills by Type of Holder	22
<i>Real Sector Statistics</i>	
Diamond Production	23
<i>Price Statistics</i>	
Lesotho Annual Inflation Rate	24
Lesotho Monthly Inflation Rate	25
<i>External Sector Statistics</i>	
Exchange Rates	26
Purchases and Sales of Foreign Currency	27
Annual and Quarterly Balance of Payments	28 – 29
Summary of Foreign Trade	30
Statistics of Basotho Miners in South Africa	31

Table S1(a)

CENTRAL BANK OF LESOTHO ASSETS AND LIABILITIES

(Million Maloti)

A – ASSETS

End of period	EXTERNAL SECTOR							Total	Claims on Government	Claims on Private Sector	Unclassified Assets	Total
	Cash and Balances	Reserve Tranche	Holdings of SDRs	Other Investments	Rand Notes and Coins	Other Foreign Assets						
2004												
Sep	2484.66	33.52	3.90	418.82	7.19	402.26	3350.34	198.73	16.30	269.05	3834.42	
Dec	2429.16	30.95	3.60	366.93	7.71	513.18	3351.53	183.51	16.30	217.65	3768.99	
2005												
Mar	2499.98	33.36	3.88	436.98	10.53	486.64	3471.36	197.80	16.92	265.39	3951.47	
Jun	1659.44	34.55	4.00	1554.42	9.45	304.11	3565.96	237.59	17.18	227.64	4048.37	
Sep	1878.48	32.91	3.81	1276.20	9.36	338.56	3539.31	226.34	18.92	252.46	4037.02	
Oct	2288.46	34.72	4.02	1306.82	13.36	355.03	4002.41	238.90	19.20	223.16	4483.66	
Nov	2092.30	33.00	3.82	1281.81	3.72	339.82	3754.45	227.06	19.15	237.00	4237.66	
Dec	1891.08	32.28	3.73	1335.64	29.47	333.34	3625.55	222.16	19.48	260.43	4127.63	
2006												
Jan	2312.22	31.38	3.63	1321.98	5.56	325.70	4000.47	216.00	19.27	202.64	4438.38	
Feb	2018.05	31.42	3.63	1481.64	12.11	326.34	3873.20	216.29	19.35	206.88	4315.72	
Mar	1971.65	34.55	4.00	1484.92	4.05	304.11	3803.26	237.72	19.32	228.64	4288.94	
Apr	2314.09	32.17	2.68	1728.37	7.39	279.90	4364.59	219.06	19.09	181.66	4784.40	
May	1974.52	35.66	2.97	2024.56	5.99	310.21	4353.91	242.82	18.89	175.68	4791.31	
Jun	1833.62	37.74	3.15	1990.38	1.25	378.25	4244.39	256.99	18.67	169.05	4689.09	
Jul	2291.08	36.78	3.07	2154.64	2.36	369.99	4857.93	250.35	18.73	176.72	5303.73	
Aug	2190.85	38.10	3.17	2174.60	4.58	381.37	4792.67	259.28	18.62	182.35	5252.91	
Sep	2169.60	41.44	3.45	2157.41	3.51	510.48	4885.89	282.05	18.99	179.67	5366.61	
Oct	2577.84	39.53	3.29	2184.08	30.06	493.81	5328.61	269.05	19.30	210.20	5827.16	
Nov	2206.56	39.25	2.37	2279.42	2.40	481.39	5011.38	267.16	19.71	321.80	5620.05	
Dec	2096.40	37.84	2.28	2239.75	33.30	509.12	4918.69	257.56	20.10	222.18	5418.53	
2007												
Jan	2675.61	39.01	2.35	2295.24	8.44	479.32	5499.98	265.85	20.01	221.45	6007.30	
Feb	2469.18	39.22	2.36	2001.36	18.33	521.09	5051.54	267.31	20.10	224.39	5563.34	
Mar	2824.64	39.43	1.42	2450.30	6.30	620.49	5942.59	268.78	20.46	223.03	6454.86	

Table S1(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				
2004										
Sep	270.62	536.79	1298.24	159.04	11.25	84.62	1323.63	35.38	114.84	3834.42
Dec	264.64	497.01	1411.84	175.90	11.48	114.76	1171.55	32.67	89.15	3768.99
2005										
Mar	281.09	511.26	1341.61	176.91	11.97	168.48	1338.00	35.21	86.96	3951.47
Jun	270.30	565.08	1430.94	176.37	11.88	96.34	1364.41	36.26	96.80	4048.37
Sep	289.14	553.83	1406.17	176.71	12.00	159.63	1317.30	34.54	87.70	4037.02
Oct	296.78	566.11	1764.07	176.72	12.03	128.58	1416.11	36.44	86.84	4483.66
Nov	302.26	554.23	1607.41	176.72	12.07	89.83	1357.67	34.63	102.86	4237.66
Dec	297.97	549.33	1422.01	176.72	12.12	247.34	1304.53	33.88	83.73	4127.63
2006										
Jan	304.36	543.13	1916.81	177.31	12.58	96.43	1264.77	32.94	90.05	4438.38
Feb	303.42	543.42	1736.52	177.31	12.65	134.56	1285.67	32.98	89.19	4315.72
Mar	312.08	564.88	1591.89	177.41	11.91	148.97	1355.97	36.26	89.57	4288.94
Apr	306.77	546.21	2200.18	176.68	11.94	123.01	1282.85	33.42	103.34	4784.40
May	290.96	526.68	1981.67	176.71	11.99	88.56	1578.82	37.04	98.87	4791.31
Jun	312.15	543.89	1773.67	176.71	13.20	125.46	1615.08	39.21	89.74	4689.09
Jul	328.10	534.35	2407.07	177.40	11.73	49.65	1673.95	38.22	83.27	5303.73
Aug	332.27	543.27	2179.33	177.40	11.78	105.71	1769.86	39.58	93.71	5252.91
Sep	326.34	566.03	2055.02	177.40	11.63	101.50	1958.10	43.05	127.54	5366.61
Oct	359.99	552.98	2624.97	177.98	11.70	76.14	1879.96	41.07	102.38	5827.16
Nov	352.50	551.09	2404.81	177.64	11.75	112.32	1875.71	40.78	93.45	5620.05
Dec	377.71	541.45	2231.49	178.25	11.81	112.91	1819.78	39.31	105.82	5418.53
2007										
Jan	311.25	549.44	2797.15	178.21	12.38	90.02	1922.63	40.53	105.71	6007.30
Feb	325.85	550.84	2326.76	177.47	12.11	84.04	1907.87	40.74	137.66	5563.34
Mar	329.25	615.75	3019.76	177.40	12.18	131.82	1999.86	40.97	127.87	6454.86

¹Includes South African Rand with commercial banks.

Table S2

RESERVE MONEY

(Million Maloti)

End of Period	Currency in circulation outside CBL ¹							Total	Bankers' Deposits	Total
	Maloti Issued		With commercial banks		Maloti Outside commercial banks	Total				
	Notes	Coins	Maloti Notes & Coins	Rand Notes & Coins						
2004										
Jun	216.36	9.21	34.92	8.19	189.65	232.77	63.96	296.72		
Sep	255.31	9.11	43.84	7.19	219.59	270.62	84.62	355.24		
Dec	247.83	9.35	52.40	7.71	204.54	264.64	114.76	379.40		
2005										
Mar	262.49	9.28	57.94	10.53	212.61	281.09	168.48	449.57		
Jun	252.33	9.47	58.32	9.45	202.53	270.30	96.34	366.64		
Jul	260.98	9.40	52.09	9.28	217.06	278.43	90.38	359.53		
Aug	268.02	8.86	52.20	10.30	223.29	285.79	99.23	374.71		
Sep	281.00	9.14	57.13	9.14	232.01	298.28	159.63	448.77		
Oct	289.77	9.28	51.38	10.33	245.40	307.11	128.58	425.36		
Nov	298.08	9.39	49.02	12.50	253.24	314.76	89.83	392.09		
Dec	288.89	9.70	85.19	20.26	212.78	318.23	247.34	545.31		
2006										
Jan	295.78	9.54	64.40	14.87	239.97	319.24	96.43	400.80		
Feb	294.68	9.45	66.65	12.77	236.77	316.19	134.56	437.98		
Mar	303.30	9.69	64.70	9.99	247.38	322.07	148.97	461.05		
Apr	298.62	9.57	50.67	9.38	256.10	316.15	123.01	429.78		
May	282.68	9.67	54.23	10.53	236.73	301.48	88.56	379.52		
Jun	303.56	9.79	69.56	12.52	242.58	324.66	125.46	437.60		
Jul	319.49	9.89	43.35	31.13	284.75	359.23	49.65	377.75		
Aug	323.33	10.10	69.96	1.63	262.31	333.90	105.71	437.98		
Sep	315.92	10.45	43.28	34.25	283.06	360.59	101.50	427.84		
Oct	350.70	10.73	45.32	36.92	314.68	396.91	76.14	436.14		
Nov	342.06	11.13	50.71	41.03	301.79	393.53	112.32	464.82		
Dec	366.17	11.84	68.29	59.25	309.42	436.96	112.91	490.62		
2007										
Jan	300.19	11.63	44.16	37.58	267.09	348.83	90.02	401.27		
Feb	315.73	10.80	45.30	35.92	280.55	361.77	84.04	409.89		
Mar	312.64	17.44	36.19	23.03	293.07	352.28	131.82	461.07		

¹Excludes Rand with public

Table S3(a)

CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS

(Million Maloti)

ASSETS

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
2004								
Jun	43.11	70.94	1190.98	724.51	53.49	451.04	640.23	3174.30
Sep	51.02	82.30	1240.29	584.50	47.69	493.61	728.25	3227.66
Dec	60.10	112.36	1253.79	543.43	52.16	441.18	885.39	3348.42
2005								
Mar	68.47	163.47	1409.65	273.24	62.82	470.19	1131.22	3579.06
Jun	67.77	94.00	1274.26	453.18	54.50	492.39	915.06	3351.16
Jul	61.37	88.19	1301.89	450.97	53.95	506.64	818.04	3281.05
Aug	62.50	97.55	1521.39	346.92	50.51	533.86	1062.54	3675.26
Sep	66.27	157.64	1388.59	455.21	46.67	529.63	1092.81	3736.82
Oct	61.71	128.67	1342.00	485.77	50.77	561.49	1097.70	3728.09
Nov	61.53	87.85	1497.72	460.03	50.84	574.94	1095.14	3828.04
Dec	105.46	169.95	1241.81	461.65	33.37	772.17	1139.65	3924.07
2006								
Jan	79.27	93.62	1327.35	461.37	34.39	672.62	1126.75	3795.37
Feb	79.42	136.73	1234.16	496.85	27.65	676.01	1140.29	3791.10
Mar	74.69	118.87	1248.09	491.12	29.36	695.66	925.37	3583.17
Apr	60.04	116.88	1348.33	451.58	19.82	679.23	877.94	3553.83
May	64.76	80.16	1434.09	429.28	21.03	686.87	1055.52	3771.71
Jun	82.08	117.18	1500.52	404.46	17.91	691.33	1018.15	3831.63
Jul	74.48	49.04	1638.98	491.59	18.82	719.19	452.48	3444.59
Aug	71.59	159.69	1698.03	531.71	19.86	719.60	450.20	3650.67
Sep	77.53	101.28	1683.14	487.40	15.38	739.85	314.16	3418.74
Oct	82.24	72.63	1869.16	483.35	16.57	733.77	736.34	3994.04
Nov	91.74	110.65	2028.67	508.19	17.38	764.11	846.41	4367.15
Dec	127.54	110.77	1845.39	598.26	17.39	777.33	697.27	4173.95
2007								
Jan	81.75	64.67	1915.07	592.18	17.90	851.84	666.06	4189.48
Feb	81.22	80.15	1969.78	589.34	17.14	832.84	682.40	4252.87
Mar	59.21	122.15	1969.65	589.25	17.61	835.53	788.68	4382.08

¹Maloti and Rand notes²Excludes Rand notes and coins

Table S3(b)

CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS

(Million Maloti)

LIABILITIES

End of period	DEMAND AND CALL DEPOSITS			TIME DEPOSITS			SAVINGS DEPOSITS			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					
2004														
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
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														
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
Jun	76.99	252.03	871.39	0.00	97.64	218.99	0.07	0.03	453.35	36.68	363.34	124.11	856.54	3351.16
Sep	140.25	320.56	1014.80	0.00	95.27	201.19	0.10	0.03	451.06	40.79	380.24	78.26	1014.28	3736.82
Oct	169.63	387.98	927.04	0.00	95.23	198.09	0.11	0.03	437.50	39.63	379.50	95.01	998.35	3728.09
Nov	182.77	416.66	961.00	0.00	94.24	188.44	0.12	0.02	444.78	46.35	363.82	117.61	1012.24	3828.04
Dec	171.75	402.90	1024.96	0.00	91.03	193.68	0.13	0.03	437.10	38.70	403.83	106.86	1053.10	3924.07
2006														
Jan	160.26	398.44	1017.95	0.00	86.85	177.97	0.12	0.02	421.61	38.70	306.77	153.06	1033.62	3795.37
Feb	172.98	430.94	1007.29	0.00	88.93	168.32	0.12	0.04	439.08	26.64	315.93	167.67	973.18	3791.10
Mar	163.78	426.74	1001.31	0.00	104.73	157.74	0.37	0.03	436.39	3.30	321.01	109.05	858.73	3583.17
Apr	164.31	446.72	1013.70	0.00	109.83	167.59	0.29	0.02	428.21	0.00	332.65	131.40	759.11	3553.83
May	161.73	487.54	1002.99	0.00	106.16	166.10	0.29	0.02	425.49	0.00	341.64	131.49	948.26	3771.71
Jun	171.47	521.85	1033.22	0.00	88.82	189.64	0.28	0.02	437.94	0.00	337.68	125.37	925.35	3831.63
Jul	128.59	529.95	1282.64	0.00	90.58	202.25	0.07	0.07	418.57	0.00	312.17	121.96	357.74	3444.59
Aug	102.59	400.57	1531.98	0.01	102.24	212.85	1.41	0.07	428.93	0.00	340.90	125.72	403.40	3650.67
Sep	109.06	407.05	1469.47	0.01	101.73	261.67	1.53	0.00	409.46	0.00	327.64	68.56	262.59	3418.74
Oct	112.62	469.49	1643.53	0.01	101.50	266.29	1.63	0.00	402.24	0.00	341.80	286.23	368.72	3994.04
Nov	119.71	478.83	1788.72	0.01	102.09	265.48	1.82	0.00	406.06	0.00	351.24	111.96	741.23	4367.15
Dec	121.12	475.05	1712.15	0.01	104.35	299.60	1.95	0.00	415.15	0.00	312.32	72.94	659.31	4173.95
2007														
Jan	121.80	477.06	1752.94	0.02	105.22	285.81	1.95	0.00	398.08	0.00	332.32	50.62	663.66	4189.48
Feb	119.88	468.72	1824.13	0.02	112.29	311.87	2.06	0.00	405.49	0.00	340.75	86.57	581.09	4252.87
Mar	110.90	452.12	1901.47	0.02	110.53	362.45	2.61	0.00	415.52	0.00	355.18	137.22	534.07	4382.08

Table S4

NET FOREIGN ASSETS OF THE BANKING SYSTEM

(Million Maloti : End of Period)

End of Period	FOREIGN ASSETS				FOREIGN LIABILITIES			Net Foreign Assets
	Central Bank of Lesotho		Commercial Banks	Total	Central Bank of Lesotho	Commercial Banks	Total	
	Of which: Rand notes and coins with banks							
2004								
Sep	3350.34	7.19	1240.29	4590.63	536.79	93.89	630.68	3959.95
Dec	3351.53	7.71	1253.79	4605.32	497.01	135.90	632.91	3972.41
2005								
Mar	3471.36	10.53	1409.65	4881.01	511.26	103.48	614.74	4266.28
Jun	3565.96	9.45	1274.26	4840.21	565.08	124.11	689.19	4151.03
Sep	3539.31	9.14	1388.59	4927.90	553.83	78.26	632.09	4295.81
Oct	4002.41	10.33	1342.00	5344.41	566.11	95.01	661.12	4683.29
Nov	3754.45	12.50	1497.72	5252.17	554.23	117.61	671.84	4580.33
Dec	3625.55	20.26	1241.81	4867.37	549.33	106.86	656.19	4211.18
2006								
Jan	4000.47	14.87	1327.35	5327.82	543.13	153.06	696.19	4631.63
Feb	3873.20	12.77	1234.16	5107.36	543.42	167.67	711.09	4396.27
Mar	3803.26	9.99	1248.09	5051.36	564.88	109.05	673.93	4377.42
Apr	4364.59	9.38	1348.33	5712.92	546.21	131.40	677.62	5035.30
May	4353.91	10.53	1434.09	5788.00	526.68	131.49	658.17	5129.82
Jun	4244.39	12.52	1500.52	5744.91	543.89	125.37	669.26	5075.65
Jul	4857.93	31.13	1638.98	6496.90	534.35	121.96	656.31	5840.59
Aug	4792.67	1.63	1698.03	6490.70	543.27	125.72	668.99	5821.71
Sep	4885.89	34.25	1683.14	6569.03	566.03	68.56	634.59	5934.44
Oct	5328.61	36.92	1869.16	7197.76	552.98	286.23	839.21	6358.55
Nov	5011.38	41.03	2028.67	7040.04	551.09	111.96	663.05	6376.99
Dec	4918.69	59.25	1845.39	6764.08	541.45	72.94	614.39	6149.69
2007								
Jan	5499.98	37.58	1915.07	7415.06	549.44	50.62	600.06	6815.00
Feb	5051.54	35.92	1969.78	7021.33	550.84	86.57	637.41	6383.92
Mar	5942.59	23.03	1969.65	7912.24	615.75	137.22	752.97	7159.26

Table S5

DISTRIBUTION OF COMMERCIAL BANKS' DEPOSITS BY TYPE

(Million Maloti)

End of Period	Demand & Call Deposits	Savings Deposits	Time Deposits	Deferred Pay Fund	Total	As Percentage of Total			
						Demand & Call Deposits	Savings Deposits	Time Deposits	Deferred Pay Fund
2004									
Sep	1272.66	480.89	282.86	47.99	2084.41	61.06	23.07	13.57	2.30
Dec	1197.50	463.36	281.40	38.87	1981.13	60.45	23.39	14.20	1.96
2005									
Mar	1296.89	453.23	270.40	29.81	2050.32	63.25	22.11	13.19	1.45
Jun	1123.43	453.38	316.63	36.68	1930.12	58.20	23.49	16.40	1.90
Sep	1335.36	451.09	296.45	40.79	2123.69	62.88	21.24	13.96	1.92
Oct	1315.02	437.53	293.32	39.63	2085.50	63.06	20.98	14.06	1.90
Nov	1377.66	444.80	282.68	46.35	2151.49	64.03	20.67	13.14	2.15
Dec	1427.86	437.13	284.71	38.70	2188.40	65.25	19.97	13.01	1.77
2006									
Jan	1416.39	421.64	264.82	38.70	2141.54	66.14	19.69	12.37	1.81
Feb	1438.23	439.11	257.25	26.64	2161.22	66.55	20.32	11.90	1.23
Mar	1428.05	436.42	262.46	3.30	2130.23	67.04	20.49	12.32	0.15
Apr	1460.42	428.23	277.41	0.00	2166.06	67.42	19.77	12.81	0.00
May	1490.53	425.51	272.26	0.00	2188.31	68.11	19.44	12.44	0.00
Jun	1555.07	437.96	278.46	0.00	2271.49	68.46	19.28	12.26	0.00
Jul	1812.59	418.63	292.83	0.00	2524.06	71.81	16.59	11.60	0.00
Aug	1932.56	429.00	315.09	0.00	2676.65	72.20	16.03	11.77	0.00
Sep	1876.52	409.46	363.39	0.00	2649.36	70.83	15.45	13.72	0.00
Oct	2113.02	402.24	367.78	0.00	2883.04	73.29	13.95	12.76	0.00
Nov	2267.55	406.06	367.57	0.00	3041.17	74.56	13.35	12.09	0.00
Dec	2187.20	415.15	403.95	0.00	3006.29	72.75	13.81	13.44	0.00
2007									
Jan	2230.00	398.08	391.03	0.00	3019.11	73.86	13.19	12.95	0.00
Feb	2292.85	405.49	424.16	0.00	3122.50	73.43	12.99	13.58	0.00
Mar	2353.58	415.52	472.98	0.00	3242.08	72.59	12.82	14.59	0.00

Table S6

DISTRIBUTION OF COMMERCIAL BANKS' DEPOSITS BY HOLDER

(Million Maloti)

End of Period	Private Sector	Government	Statutory Bodies	Deferred Pay Fund	Total	As Percentage of Total			
						Private Sector	Government	Statutory Bodies	Deferred Pay Fund
2004									
Sep	1698.90	57.90	337.51	47.99	2142.31	79.30	2.70	15.75	2.24
Dec	1657.42	57.76	284.84	38.87	2038.89	81.29	2.83	13.97	1.91
2005									
Mar	1672.06	87.53	348.46	29.81	2137.85	78.21	4.09	16.30	1.39
Jun	1543.74	77.06	349.70	36.68	2007.18	76.91	3.84	17.42	1.83
Sep	1667.05	140.35	415.85	40.79	2264.05	73.63	6.20	18.37	1.80
Oct	1562.64	169.74	483.23	39.63	2255.23	69.29	7.53	21.43	1.76
Nov	1594.22	182.88	510.92	46.35	2334.37	68.29	7.83	21.89	1.99
Dec	1655.74	171.88	493.95	38.70	2360.28	70.15	7.28	20.93	1.64
2006									
Jan	1617.53	160.38	485.31	38.70	2301.92	70.27	6.97	21.08	1.68
Feb	1614.68	173.10	519.90	26.64	2334.32	69.17	7.42	22.27	1.14
Mar	1595.43	164.15	531.50	3.30	2294.38	69.54	7.15	23.17	0.14
Apr	1609.50	164.60	556.57	0.00	2330.66	69.06	7.06	23.88	0.00
May	1594.59	162.02	593.72	0.00	2350.33	67.85	6.89	25.26	0.00
Jun	1660.80	171.75	610.69	0.00	2443.23	67.98	7.03	25.00	0.00
Jul	1903.46	128.66	620.60	0.00	2652.72	71.75	4.85	23.39	0.00
Aug	2173.76	104.01	502.88	0.00	2780.66	78.17	3.74	18.09	0.00
Sep	2140.59	110.59	508.78	0.00	2759.96	77.56	4.01	18.43	0.00
Oct	2312.05	114.26	570.98	0.00	2997.29	77.14	3.81	19.05	0.00
Nov	2460.25	121.54	580.92	0.00	3162.71	77.79	3.84	18.37	0.00
Dec	2426.90	123.09	579.40	0.00	3129.38	77.55	3.93	18.51	0.00
2007									
Jan	2436.83	123.77	582.28	0.00	3142.88	77.54	3.94	18.53	0.00
Feb	2541.49	121.96	581.01	0.00	3244.46	78.33	3.76	17.91	0.00
Mar	2679.44	113.53	562.65	0.00	3355.62	79.85	3.38	16.77	0.00

Table S7 **COMMERCIAL BANKS' FIXED TIME DEPOSITS BY MATURITY**
(Million Maloti)

End of Period	A M O U N T			Total	As Percentage of Total		
	Short-term (Less than 31 days)	Medium-term (31 days to 6 months)	Long-term (More than 6 months)		Short- Term	Medium- term	Long- term
2004							
Jun	67.17	103.89	12.80	183.86	36.53	56.50	6.96
Sep	96.18	180.08	13.52	289.78	33.19	62.14	4.67
Dec	101.25	174.20	11.32	286.77	35.31	60.75	3.95
2005							
Mar	68.59	187.27	15.64	271.50	25.26	68.98	5.76
Jun	106.30	205.15	13.57	325.03	32.71	63.12	4.18
Sep	81.25	96.47	11.82	189.55	42.87	50.90	6.24
Oct	81.89	94.56	11.52	187.97	43.56	50.31	6.13
Nov	99.75	85.21	11.80	196.76	50.70	43.31	6.00
Dec	81.69	96.39	11.41	189.50	43.11	50.87	6.02
2006							
Jan	77.67	94.18	11.08	182.93	42.46	51.48	6.06
Feb	96.67	77.93	11.22	185.82	52.02	41.94	6.04
Mar	149.53	97.77	11.06	258.36	57.88	37.84	4.28
Apr	17.08	244.58	7.36	269.03	6.35	90.91	2.74
May	26.38	213.65	7.81	247.84	10.64	86.21	3.15
Jun	27.54	229.23	7.81	264.58	10.41	86.64	2.95
Jul	53.08	226.39	0.50	279.97	18.96	80.86	0.18
Aug	478.33	250.01	0.50	728.85	65.63	34.30	0.07
Sep	13.05	310.18	39.90	363.13	3.59	85.42	10.99
Oct	12.10	304.56	52.30	368.95	3.28	82.55	14.17
Nov	15.89	309.03	56.54	381.46	4.17	81.01	14.82
2007							
Jan	17.32	319.08	66.06	402.46	4.30	79.28	16.41
Feb	17.84	335.16	77.37	430.37	4.15	77.88	17.98
Mar	16.15	276.63	55.23	348.01	4.64	79.49	15.87

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

(Million Maloti ; End of Period)

ECONOMIC ACTIVITIES	2004				2005				2006	2007
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
1. Agriculture, Hunting Forestry and Fishing	0.00	0.00	0.00	0.00	0.00	0.00	0.11	1.59	1.33	1.74
2. Mining and Quarrying	0.00	0.00	0.00	0.00	0.00	0.00	13.52	3.00	2.76	26.54
3. Manufacturing	29.30	28.60	46.0	41.32	47.77	20.37	15.56	44.01	45.69	44.25
4. Electricity, gas and water	8.00	8.70	3.79	3.59	5.3	5.5	35.2	45.60	53.1	52.6
5. Construction	132.50	140.10	126.79	120.90	132.59	133.25	99.12	97.81	107.99	112.54
6. Wholesale, Retail, Hotel and Restaurant	20.90	21.10	42.17	45.94	27.54	16.13	6.72	12.02	12.30	11.33
7. Transport, Storage And Communication	8.60	6.40	1.14	7.13	129.87	146.02	148.86	194.35	202.64	219.36
8. Non-Bank Financial Institutions, Real Estate	7.90	7.50	5.05	6.04	6.85	3.30	3.27	0.67	0.69	0.91
9. Community, Social and Personal Services	10.20	8.40	0.95	0.07	0.07	3.06	3.37	0.26	0.43	0.54
TOTAL	217.40	220.80	225.85	225.66	350.00	339.64	325.75	399.32	426.92	469.80
of which:										
Business Enterprises	165.20	158.00	171.35	179.00	316.63	310.27	307.84	383.95	409.53	452.19
Statutory Bodies	52.20	62.80	54.50	46.67	33.37	29.36	17.91	15.38	17.39	17.61

Table S8(b) COMMERCIAL BANKS' LOANS AND ADVANCES TO BUSINESS ENTERPRISES AND STATUTORY BODIES
(As per cent of total ; End of Period)

ECONOMIC ACTIVITIES	2004 Dec	Mar	Jun	Sep	2005 Dec	Mar	Jun	Sep	2006 Dec	2007 Mar
1. Agriculture, Hunting Forestry and Fishing	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.40	0.31	0.37
2. Mining and Quarrying	0.00	0.00	0.00	0.00	0.00	0.00	4.15	0.75	0.65	5.65
3. Manufacturing	13.50	13.00	20.40	18.30	13.70	6.00	4.83	11.02	10.70	9.42
4. Electricity, gas and water	3.70	3.90	1.90	1.60	1.50	1.60	10.81	11.42	12.43	11.19
5. Construction	61.00	63.40	56.10	53.60	37.90	39.20	30.43	24.50	25.29	23.95
6. Wholesale, Retail, Hotel and Restaurant	9.60	9.60	18.70	20.60	7.90	4.80	2.06	3.01	2.88	2.41
7. Transport, Storage and Communication	4.00	2.90	0.50	3.20	37.10	43.00	45.70	48.67	47.47	46.69
8. Non-Bank Financial Institutions, Real Estate	3.60	3.40	2.20	2.70	2.00	1.00	1.00	0.17	0.16	0.19
9. Community, Social and Personal Services	4.70	3.80	0.40	0.03	0.02	4.40	1.03	0.07	0.10	0.12
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
of which:										
Business Enterprises	76.00	71.60	75.90	79.30	90.40	91.30	94.50	96.15	95.93	96.25
Statutory Bodies	24.00	28.40	24.10	20.70	9.60	8.70	5.50	3.85	4.07	3.75

Table S9(a)

COMMERCIAL BANKS' MAJOR RATIOS
(Million Maloti)

End of Period	Liabilities to the Public in Lesotho	Liquid Assets	Liquidity Ratio	Capital	Capital Ratio	Statutory Reserves	Local Assets	Local Assets Ratio
2004								
Sep	2635.13	1821.87	69.14	479.11	18.18	68.15	1907.94	59.95
Dec	2779.02	1982.90	71.35	495.55	17.83	68.15	2094.63	62.66
2005								
Mar	3012.72	2254.16	74.82	494.08	16.40	68.15	2169.41	60.68
Jun	2727.56	1944.34	71.29	497.95	18.26	68.15	2076.90	63.06
Sep	3124.58	2415.63	77.31	498.03	15.94	68.15	2348.23	63.62
Oct	3132.81	2621.07	83.67	497.95	15.89	68.15	2386.10	64.51
Nov	3219.75	2675.73	83.10	495.33	15.38	68.15	2330.32	61.60
Dec	3195.25	2505.74	78.42	505.94	15.83	68.15	2682.25	71.16
2006								
Jan	3280.09	2584.83	78.80	509.43	15.53	68.15	2468.03	63.98
Feb	3228.22	2474.08	76.64	509.95	15.80	68.15	2556.95	67.18
Mar	2998.92	2359.25	78.67	508.92	16.97	68.15	2335.07	65.30
Apr	3051.78	2372.96	77.76	509.58	16.70	68.15	2205.50	60.77
May	3221.53	2556.03	79.34	509.77	15.82	68.15	2337.63	61.53
Jun	3263.31	2605.41	79.84	500.68	15.34	68.15	2331.11	60.83
Jul	2799.68	2080.77	74.32	447.12	15.97	68.15	1805.61	54.47
Aug	2906.38	2270.52	78.12	403.68	13.89	68.15	1952.65	57.80
Sep	2833.52	2159.48	76.21	451.89	15.95	68.15	1735.60	51.75
Oct	3461.53	2685.14	77.57	409.11	11.82	68.154	2124.89	53.95
Nov	3819.18	3067.70	80.32	408.80	10.70	68.154	2338.48	54.43
Dec	3616.02	2876.71	79.55	401.25	11.10	68.154	2328.56	56.97
2007								
Jan	3543.96	2787.68	78.66	423.62	11.95	68.154	2274.40	56.36
Feb	3692.64	2892.52	78.33	430.97	11.67	68.154	2283.08	54.47
Mar	3802.84	2980.51	78.38	427.89	11.25	68.154	2412.44	56.12

Table S9(b)

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

End of period	Deposit 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	
2004														
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	
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														
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	
Jun	1893.44	36.68	77.06	124.11	546.89	452.54	28.88	28.33	27.25	25.66	22.55	49.79	46.89	
Sep	2082.90	40.79	140.35	78.26	576.30	454.54	27.67	27.14	25.45	24.60	20.08	45.53	44.01	
Oct	2045.87	39.63	169.74	95.01	612.25	484.99	29.93	29.36	27.15	26.05	21.50	48.65	46.69	
Nov	2105.14	46.35	182.88	117.61	625.77	459.25	29.73	29.09	26.81	25.52	19.67	46.48	44.25	
Dec	2149.70	38.70	171.88	106.86	805.55	461.11	37.47	36.81	34.13	32.65	19.54	53.67	51.34	
2006														
Jan	2102.84	38.70	160.38	153.06	707.01	460.26	33.62	33.01	30.71	28.80	19.99	50.71	47.55	
Feb	2134.58	26.64	173.10	167.67	703.65	495.65	32.96	32.56	30.14	28.12	21.23	51.38	47.93	
Mar	2126.93	3.30	164.15	109.05	725.03	490.65	34.09	34.04	31.60	30.17	21.38	52.98	50.58	
Apr	2166.06	0.00	164.60	131.40	699.05	451.34	32.27	32.27	29.99	28.39	19.37	49.36	46.72	
May	2188.31	0.00	162.02	131.49	707.90	429.06	32.35	32.35	30.12	28.52	18.26	48.37	45.81	
Jun	2271.49	0.00	171.75	125.37	709.25	404.26	31.22	31.22	29.03	27.61	16.55	45.57	43.35	
Jul	2524.06	0.00	128.66	121.96	738.01	491.59	29.24	29.24	27.82	26.60	18.53	46.35	44.32	
Aug	2676.65	0.00	104.01	125.72	739.46	531.71	27.63	27.63	26.59	25.44	19.12	45.71	43.74	
Sep	2649.36	0.00	110.59	68.56	755.23	487.40	28.51	28.51	27.36	26.70	17.66	45.02	43.93	
Oct	2883.04	0.00	114.26	286.23	750.34	483.35	26.03	26.03	25.03	22.85	16.13	41.16	37.57	
Nov	3041.17	0.00	121.54	111.96	788.76	508.19	25.94	25.94	24.94	24.09	16.07	41.01	39.61	
Dec	3006.29	0.00	123.09	72.94	802.03	598.26	26.68	26.68	25.63	25.05	19.12	44.75	43.73	
2007														
Jan	3019.11	0.00	123.77	50.62	877.49	592.18	29.06	29.06	27.92	27.48	18.84	46.76	46.02	
Feb	3122.50	0.00	121.96	86.57	858.85	589.34	27.51	27.51	26.47	25.78	18.16	44.64	43.48	
Mar	3242.08	0.00	113.53	137.22	863.13	589.25	26.62	26.62	25.72	24.71	17.56	43.28	41.58	

¹Excludes deposits of non-residents and government

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

Table S10

NARROW MONEY
(Million Maloti)

End of Period	M A L O T I						Total	Money (M1) (3+7)	Annual Rate of Increase (per cent)
	-----			-----					
	Issued	With Banks	With Public	Private Sector	Statutory Bodies	Deferred Pay Fund			
1	2	3	4	5	6	7	8	9	
2004									
Sep	264.42	43.84	219.59	1038.87	404.09	4.80	1447.76	1667.35	16.87
Dec	257.18	52.40	204.54	979.87	376.52	3.89	1360.28	1564.82	1.55
2005									
Mar	271.77	57.94	212.61	1043.17	442.59	2.98	1488.74	1701.35	10.27
Jun	261.80	58.32	202.53	883.27	428.41	3.67	1315.34	1517.88	-4.74
Sep	290.14	57.13	232.01	1026.81	497.27	4.08	1528.15	1760.16	5.57
Oct	299.05	51.38	245.40	939.07	564.70	3.96	1507.73	1753.13	16.03
Nov	304.25	49.02	253.24	973.06	593.37	4.63	1571.07	1824.31	17.62
Dec	298.59	85.19	212.78	1037.08	579.62	3.87	1620.57	1833.34	15.07
2006									
Jan	305.32	304.12	312.99	1030.53	575.75	3.87	1610.15	1850.11	23.14
Feb	64.40	66.65	64.70	1019.94	608.25	2.66	1630.85	1867.62	14.65
Mar	239.97	236.77	247.38	1013.21	604.16	0.33	1617.70	1865.08	9.62
Apr	308.18	50.67	256.10	1025.64	623.40	0.00	1649.04	1905.14	13.77
May	292.35	54.23	236.73	1014.99	664.25	0.00	1679.24	1915.96	21.54
Jun	313.35	69.56	242.58	1046.41	698.56	0.00	1744.98	1987.56	30.94
Jul	329.37	43.35	284.75	1294.37	707.35	0.00	2001.73	2286.47	37.44
Aug	333.43	69.96	262.31	1543.77	577.98	0.00	2121.74	2384.06	33.72
Sep	326.37	43.28	283.06	1481.10	584.45	0.00	2065.55	2348.61	33.43
Oct	361.43	45.32	314.68	1655.22	647.47	0.00	2302.69	2617.36	49.30
Nov	353.19	50.71	301.79	1800.47	656.48	0.00	2456.94	2758.73	51.22
Dec	378.01	68.29	309.42	1723.96	653.30	0.00	2377.26	2686.68	46.55
2007									
Jan	311.82	44.16	267.09	1765.32	655.27	0.00	2420.58	2687.67	45.27
Feb	326.53	45.30	280.55	1836.24	646.19	0.00	2482.43	2762.98	47.94
Mar	330.08	36.19	293.07	1913.65	629.52	0.00	2543.17	2836.23	52.07

Table S11

MONETARY SURVEY
(Million Maloti; End of Period)

	2004				2005				2006	2007
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar
Foreign Assets, Net	3972.415	4266.278	4151.026	4295.814	4211.181	4377.422	5075.650	5934.444	6149.686	7159.265
Commercial Banks	1117.896	1306.169	1150.145	1310.335	1134.953	1139.043	1375.155	1614.584	1772.444	1832.428
Central Bank of Lesotho	2846.811	2949.577	2991.436	2976.114	3046.756	3234.331	3699.244	4316.350	4343.939	5320.536
Rand with Banks	7.708	10.532	9.445	9.365	29.472	4.048	1.251	3.510	33.303	6.301
Domestic Credit	-233.017	-408.179	-253.155	-269.767	-85.050	-282.860	-556.051	-621.939	-683.944	-1401.647
Claims on private sector & statutory bodies	509.641	549.926	564.070	595.214	825.031	744.344	737.916	774.220	814.815	873.604
Claims on Government, net of deposits	-742.658	-958.105	-817.225	-864.981	-910.081	-1027.204	-1283.967	-1376.159	-1498.759	-2275.251
Money Supply	2373.048	2451.807	2320.903	2544.414	2590.010	2566.933	2703.981	3121.456	3505.773	3724.735
Money	1589.421	1698.372	1514.208	1756.085	1829.475	1864.750	1987.560	2348.609	2686.676	2836.232
Maloti with public	204.539	212.614	202.533	232.012	212.778	247.381	242.584	283.258	309.419	293.066
Demand and call deposits	1384.882	1485.758	1311.675	1524.073	1616.697	1617.369	1744.976	2065.551	2377.257	2543.166
Quasi-money	783.627	753.435	806.695	788.329	760.535	702.183	716.421	772.847	819.097	888.503
Time deposits	320.265	300.202	353.314	337.242	323.407	265.761	278.461	363.391	403.947	472.982
Savings deposits	463.362	453.233	453.381	451.087	437.128	436.422	437.960	409.456	415.150	415.251
Other Items, Net	1366.350	1406.292	1576.968	1481.633	1536.121	1536.121	1815.619	2191.049	1959.970	2032.883

Table S12

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 1	Private Sector 2	Statutory Bodies 3	Deferred Pay Fund 4				
2004								
Sep	480.89	190.46	92.40	43.19	806.94	1667.35	2474.30	11.88
Dec	463.36	197.20	84.20	34.98	779.74	1564.82	2344.56	2.03
2005								
Mar	453.23	187.64	82.75	26.82	750.45	1701.35	2451.81	6.21
Jun	453.38	218.99	97.64	33.01	803.03	1517.88	2320.90	-1.38
Sep	451.09	201.19	95.27	36.71	784.25	1760.16	2544.41	2.83
Oct	437.53	198.09	95.23	35.67	766.51	1753.13	2519.64	9.88
Nov	444.80	188.44	94.24	41.71	769.20	1824.31	2593.51	10.59
Dec	437.13	193.68	91.03	34.83	756.67	1833.34	2590.01	9.14
2006								
Jan	421.64	177.97	86.85	34.83	721.28	1850.11	2571.40	15.07
Feb	439.11	168.32	88.93	23.97	720.33	1867.62	2587.95	8.67
Mar	436.42	157.74	104.73	2.97	701.85	1865.08	2566.93	4.70
Apr	428.23	167.59	109.83	0.00	705.64	1905.14	2610.79	6.51
May	425.51	166.10	106.16	0.00	697.78	1915.96	2613.74	9.26
Jun	437.96	189.64	88.82	0.00	716.42	1987.56	2703.98	16.51
Jul	418.63	202.25	90.58	0.00	711.47	2286.47	2997.94	22.06
Aug	429.00	212.85	102.24	0.00	744.09	2384.06	3128.15	21.96
Sep	409.46	261.67	101.73	0.00	772.85	2348.61	3121.46	22.68
Oct	402.24	266.29	101.50	0.00	770.02	2617.36	3387.38	34.44
Nov	406.06	265.48	102.09	0.00	773.62	2758.73	3532.35	36.20
Dec	415.15	299.60	104.35	0.00	819.10	2686.68	3505.77	35.36
2007								
Jan	398.08	285.81	105.22	0.00	789.11	2687.67	3476.78	35.21
Feb	405.49	311.87	112.29	0.00	829.65	2762.98	3592.63	38.82
Mar	415.52	362.45	110.53	0.00	888.50	2836.23	3724.74	45.10

Table S13

COMMERCIAL BANKS' DEPOSITS, WITHDRAWALS FROM DEPOSITS AND TURNOVER

(Million Maloti)

End of Period	Demand and Call Deposits	Withdrawals from Demand and Call Deposits	Turnover	Savings Deposits	Withdrawals from Savings Deposits	Turnover	Fixed Time Deposits	Withdrawals from Fixed Time Deposits	Turnover	Total Deposits	Total Withdrawals	Turnover
2004												
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
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												
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
Jun	1371.66	748.46	0.55	453.42	61.78	0.14	369.57	19.80	0.05	2194.65	830.04	0.38
Sep	1568.48	715.69	0.46	451.20	111.57	0.25	344.35	48.87	0.14	2364.02	876.13	0.37
Oct	1562.86	1133.83	0.73	437.65	111.25	0.25	340.05	47.04	0.14	2340.56	1292.11	0.55
Nov	1624.39	1194.23	0.74	445.02	110.57	0.25	336.06	47.24	0.14	2405.47	1352.04	0.56
Dec	1672.99	1164.26	0.70	437.27	119.56	0.27	330.20	45.67	0.14	2440.46	1329.49	0.54
2006												
Jan	1684.58	1032.36	0.61	421.82	107.73	0.26	310.00	45.12	0.15	2416.40	1185.21	0.49
Feb	1706.30	1042.69	0.61	439.37	111.55	0.25	290.52	45.19	0.16	2436.19	1199.43	0.49
Mar	1686.97	1063.87	0.63	436.53	114.83	0.26	272.19	39.08	0.14	2395.69	1217.79	0.51
Apr	1720.13	845.03	0.49	428.31	111.65	0.26	284.23	29.43	0.10	2432.67	986.11	0.41
May	1751.79	837.96	0.48	425.60	238.66	0.56	278.80	27.62	0.10	2456.19	1104.23	0.45
Jun	1824.72	888.86	0.49	438.07	119.42	0.27	285.09	188.85	0.66	2547.88	1197.13	0.47
Jul	2065.76	836.61	0.40	418.79	117.71	0.28	299.60	219.62	0.73	2784.15	1173.94	0.42
Aug	2197.08	900.96	0.41	429.24	115.71	0.27	322.68	191.48	0.59	2949.00	1208.14	0.41
Sep	2091.26	911.04	0.44	409.70	114.05	0.28	370.95	225.46	0.61	2871.91	1250.54	0.44
Oct	2331.47	894.00	0.38	402.53	124.98	0.31	375.32	222.38	0.59	3109.32	1241.36	0.40
Nov	2472.04	944.30	0.38	406.31	129.05	0.32	375.14	225.12	0.60	3253.49	1298.46	0.40
Dec	2391.08	934.63	0.39	415.42	139.41	0.34	411.69	232.75	0.57	3218.18	1306.79	0.41
2007												
Jan	2434.47	948.87	0.39	398.36	139.98	0.35	398.84	196.50	0.49	3231.66	1285.35	0.40
Feb	2495.53	877.92	0.35	405.83	140.64	0.35	424.43	248.42	0.59	3325.79	1266.98	0.38
Mar	2567.88	819.69	0.32	416.14	131.10	0.32	473.02	245.33	0.52	3457.03	1196.12	0.35

Table S14(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
2004					
Jun	12.50	19.17	11.50	1.68-2.09	2.33
Sep	12.17	18.83	11.00	0.97-1.35	1.78
Dec	12.17	17.17	11.00	0.96-1.36	1.80
2005					
Mar	12.17	17.17	10.50	0.98-1.35	1.79
Apr	11.83	16.83	10.50	0.98-1.00	2.80
May	11.50	16.88	10.50	1.00-2.00	2.83
Jun	11.50	16.88	10.50	1.00-2.00	2.83
Jul	11.50	16.75	10.50	1.00-2.00	2.83
Aug	11.50	16.75	10.50	0.97-2.00	2.83
Sep	11.50	16.75	10.50	0.97-2.00	2.83
Oct	11.50	16.75	10.50	0.97-2.00	2.83
Nov	11.50	16.75	10.50	0.97-2.00	2.83
Dec	11.50	16.75	10.50	0.97-2.00	2.83
2006					
Jan	11.50	16.75	10.50	0.97-2.00	2.83
Feb	11.50	16.75	10.50	0.97-2.00	2.83
Mar	11.50	16.75	10.50	0.97-2.00	2.83
Apr	11.50	16.69	10.50	1.00-2.00	3.50
May	11.50	16.75	10.50	1.00-2.00	3.50
Jun	12.00	17.06	11.00	1.00-2.00	3.50
Jul	12.25	17.42	11.00	1.00-2.96	4.10
Aug	12.25	17.42	11.00	1.00-2.96	4.10
Sep	12.33	17.06	11.50	1.00-2.96	4.10
Oct	12.67	17.67	11.50	1.00-2.50	4.50
Nov	12.83	17.83	11.50	1.00-2.50	4.50
Dec	13.50	18.00	12.00	1.00-5.00	5.00
2007					
Jan	13.58	18.00	12.50	1.00-5.00	5.00
Feb	13.58	18.00	12.00	1.00-5.00	5.00
Mar	13.58	18.00	12.00	1.00-5.00	5.00

Table S14(b)

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

End of Period	INTEREST PAID					
	31 Days	Lesotho Time Deposits			South African Time Deposits	
		88 Days	6 Months	1 Year	31 Days	1 Year
2004						
Jun	3.75	4.40	4.50	6.00	8.25	9.05
Sep	3.10	4.15	3.65	4.74	7.48	7.74
Dec	3.10	4.15	3.65	4.00	7.20	7.35
2005						
Mar	3.10	4.15	3.65	4.74	5.00	6.35
Apr	3.00	3.10	3.50	4.74	6.70	6.98
May	3.50	4.25	4.50	4.75	6.78	7.12
Jun	3.50	4.25	4.50	4.75	6.80	7.08
Jul	3.50	4.25	4.50	4.75	6.82	7.11
Aug	3.25	4.25	4.50	4.75	6.83	7.14
Sep	3.25	4.25	4.50	4.75	6.83	7.32
Oct	3.50	4.25	4.50	4.75	6.87	7.37
Nov	3.50	4.25	4.50	4.75	6.68	7.52
Dec	3.50	4.25	4.50	4.75	6.79	7.26
2006						
Jan	3.50	4.25	4.50	4.75	6.81	7.23
Feb	3.50	4.25	4.50	4.75	6.86	7.22
Mar	3.50	4.25	4.50	4.75	6.86	7.24
Apr	3.50	4.25	4.50	4.75	6.88	7.36
May	3.50	4.25	4.50	4.75	6.84	7.36
Jun	3.50	4.25	4.50	4.75	7.28	8.34
Jul	3.50	4.50	5.75	6.00	7.25	8.50
Aug	3.20	4.50	5.75	6.00	7.80	8.80
Sep	3.20	5.50	5.75	6.00	7.84	9.35
Oct	3.50	4.75	5.00	5.25	8.28	9.48
Nov	3.50	4.75	5.00	5.25	8.27	9.48
Dec	3.50	6.00	6.25	6.50	8.76	9.65
2007						
Jan	3.50	6.00	6.25	6.50	8.89	9.58
Feb	3.50	6.00	6.25	6.50	8.81	9.41
Mar	3.50	6.00	6.25	6.50	8.89	9.64

Table S15

COMPARATIVE MONEY MARKET RATES

End of Period	Central Bank Rates -----		Treasury Bills -----	
	CBL*	SARB+	LESOTHO	RSA
2004				
Sep	12.10	13.00	8.10	8.10
Dec	11.86	13.00	7.86	7.32
2005				
Mar	11.72	16.00	7.72	7.17
Apr	11.70	15.50	7.70	6.86
May	11.16	15.50	7.16	6.75
Jun	10.93	15.50	6.93	6.76
Jul	11.08	15.50	7.08	6.73
Aug	11.02	15.50	7.02	6.75
Sep	10.89	15.50	6.89	6.79
Oct	10.73	12.00	6.73	6.79
Nov	10.60	12.00	6.60	6.85
Dec	10.95	12.00	6.95	6.80
2006				
Jan	10.84	12.00	6.84	6.77
Feb	10.90	12.00	6.90	6.68
Mar	10.90	12.00	6.90	6.59
Apr	10.80	12.00	6.80	6.60
May	11.10	12.00	7.10	6.74
Jun	10.90	12.00	6.90	6.83
Jul	10.90	12.50	6.90	7.19
Aug	10.86	12.50	6.86	7.88
Sep	10.86	12.50	6.86	8.00
Oct	10.86	12.50	6.86	8.23
Nov	10.76	12.50	6.76	8.26
Dec	10.76	12.50	6.76	8.26
2007				
Jan	11.02	12.50	7.02	8.49
Feb	11.30	12.50	7.30	8.87
Mar	11.46	12.50	7.46	8.41

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

Table S16

GOVERNMENT BUDGETARY OPERATIONS

(Million Maloti / Per cent of GDP)

	2005/2006 Q1	2005/2006 Q2	2005/2006 Q3	2005/2006 Q4	2006/2007 Q1	2006/2007 Q2	Revised 2006/2007 Q3	Preliminary 2006/2007 Q4
Total Receipts	1023.60	1174.60	1139.20	1222.60	1371.40	1400.60	1391.20	2269.50
Revenue	987.60	1140.00	1131.00	1217.70	1344.50	1373.20	1360.50	2261.60
Customs	496.00	603.30	603.30	603.30	772.30	772.30	772.30	1626.30
Income Taxes	227.30	227.60	229.60	240.10	234.00	251.60	254.40	233.10
of which :Individual Tax	148.60	149.20	150.90	163.20	151.00	170.20	166.70	140.00
Company Tax	51.00	52.80	53.00	38.10	52.20	41.70	54.90	52.60
Taxes on goods & services	167.60	172.70	188.00	181.10	174.80	172.80	188.80	178.20
Other Tax	11.90	21.10	4.60	25.40	28.80	34.10	28.40	61.90
Non-Tax Revenue	84.80	115.30	105.50	167.70	134.30	142.40	116.50	162.20
of which : Water Royalties	43.70	66.50	63.60	62.00	58.10	70.90	69.70	63.60
Grants	36.00	34.50	8.20	4.90	27.10	27.40	30.80	7.90
Total Expenditure & Net Lending	1063.10	1015.40	1142.00	1077.30	1159.60	1242.00	1200.70	1528.20
Recurrent	869.50	835.90	956.30	941.70	1000.30	1006.50	1034.50	1324.80
Personnel Emoluments	310.50	313.10	318.70	321.40	340.60	341.90	342.90	334.10
Interest Payments	28.90	40.20	130.70	23.30	26.60	25.70	36.10	234.40
Of which: Bank Restructuring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subsidies and Transfers	182.40	255.40	224.10	317.80	265.00	319.5	369.50	310.60
Other Expenditure	347.70	227.20	277.70	279.10	367.60	313.8	287.80	445.80
Of which: Bank Restructuring	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agricultural Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Imperial Fleet Services	31.80	33.70	37.30	32.50	32.80	36.90	32.7	42.20
Capital Expenditure & Net Lending	174.40	179.60	185.60	135.60	159.30	238.80	166.20	205.40
Overall Surplus/Deficit	-39.40	159.20	-2.80	145.20	212.00	158.40	190.50	741.30
Total Financing	39.40	-159.20	2.80	-145.20	-212.00	-158.50	-190.50	-741.30
Foreign financing (net)	-83.00	-143.00	-29.40	-22.80	-55.10	38.00	-44.40	24.50
Domestic financing (net)	122.40	-16.20	32.20	-122.40	-157.00	-196.50	-146.10	-765.80
Bank financing	107.90	-47.80	-45.10	-117.10	-256.80	-112.20	-102.60	-776.50
Non-bank financing	14.50	31.60	77.30	-5.30	99.80	-84.30	-43.50	10.70
In Per cent of GDP (%)								
Total Receipts	42.90	49.20	47.80	51.30	51.30	52.30	52.00	84.80
Total Expenditure	44.60	42.60	47.70	45.20	43.30	46.40	44.90	57.10
Budget Balance	-1.70	6.70	-0.10	6.1	7.90	5.90	7.10	27.70

Source: Ministry of Finance and Development Planning

Table S17

TREASURY BILLS BY TYPE OF HOLDER

(Million Maloti)

End of Period	CBL	Comm. Banks	NBFI	Others	Total
2004					
Jun	0.00	376.80	135.60	31.80	544.20
Sep	0.00	424.20	91.90	32.60	548.70
Dec	0.00	427.90	54.20	50.30	532.40
2005					
Mar	0.10	196.60	66.00	37.40	300.00
Apr	0.00	307.20	73.40	52.00	432.60
May	0.00	378.10	76.90	34.50	489.50
Jun	0.00	374.80	77.30	37.40	489.50
Jul	0.00	380.80	64.50	49.30	494.60
Aug	0.00	325.30	107.00	52.30	484.60
Sep	0.00	386.20	89.80	58.80	534.70
Oct	0.00	388.10	79.20	67.30	534.60
Nov	0.00	355.60	108.30	66.30	530.20
Dec	0.00	359.90	108.30	62.00	530.20
2006					
Jan	0.00	362.80	97.30	70.30	530.40
Feb	5.40	426.60	29.30	68.80	530.10
Mar	5.40	420.70	29.30	74.80	530.20
Apr	0.10	371.80	79.30	78.80	530.10
May	0.10	318.60	98.70	86.30	503.70
Jun	0.10	293.80	158.70	75.90	545.80
Jul	0.00	516.60	14.40	9.40	540.40
Aug	0.00	430.90	53.70	79.60	564.20
Sep	0.00	384.20	53.70	100.80	538.60
Oct	0.00	380.70	53.60	104.20	538.60
Nov	0.00	383.50	70.00	89.00	542.50
Dec	0.00	467.50	0.00	95.00	562.50
2007					
Jan	0.40	495.40	0.40	90.00	586.10
Feb	0.40	494.60	0.40	90.80	586.10
Mar	0.40	494.60	0.40	90.70	586.10

Table S18**DIAMOND PRODUCTION**
(Carats)

Period	QI	QII	QIII	QIV
2004	-	7432.85	9833.54	8657.72
2005	12716.28	14670.80	9891.46	10355.16
2006	10709.61	18426.62	39121.74	28839.72
2007	40929.69	-	-	-

Source: Department of Mines and Geology

Table S19(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
2004													
June	5.40	5.40	10.00	3.20	5.50	5.80	3.80	4.80	5.00	5.20	4.30	2.30	4.70
Sept	4.70	5.30	8.20	2.40	5.80	2.20	3.10	8.90	6.90	3.40	3.50	1.90	2.50
Dec	4.80	5.50	8.10	2.40	7.10	1.90	1.10	10.40	6.90	0.70	3.60	3.10	2.80
2005													
Mar	3.70	3.20	5.50	2.80	6.30	2.40	2.00	9.20	6.90	-0.30	1.10	2.30	3.10
Jun	3.10	1.70	5.80	3.30	6.80	1.80	2.60	10.60	0.00	-0.70	1.20	3.70	3.20
Sept	3.20	2.40	5.90	3.30	8.90	2.50	2.40	4.50	0.00	0.30	1.10	6.00	2.30
Oct	3.40	2.50	5.90	3.00	9.80	2.90	2.90	6.20	0.00	-0.20	1.00	6.30	1.80
Nov	3.40	2.50	5.60	3.30	8.60	2.90	2.90	5.90	0.00	1.40	0.90	4.70	2.10
Dec	3.50	3.20	5.60	3.70	8.70	3.10	2.60	3.30	0.00	1.90	0.80	4.90	2.30
2006													
Jan	4.20	4.20	6.00	4.10	9.10	3.90	2.90	3.40	0.00	2.20	1.70	5.00	2.00
Feb	5.00	5.20	6.80	4.60	10.20	4.70	2.10	3.90	0.00	3.10	1.10	4.70	2.40
Mar	5.10	5.60	6.80	3.90	9.50	4.70	2.00	4.80	0.00	3.40	1.10	5.20	2.10
Apr	5.10	5.90	6.20	3.70	8.80	4.50	2.60	4.10	0.00	3.30	1.00	5.50	1.90
May	6.70	9.50	7.50	3.40	9.90	4.80	2.20	3.90	0.00	0.30	1.10	8.30	2.10
Jun	6.60	10.00	6.30	2.90	8.60	4.70	0.70	3.50	3.40	0.90	0.70	7.80	2.80
July	6.40	10.00	5.90	2.50	7.50	4.60	0.70	3.20	3.40	1.20	0.70	7.00	2.80
Aug	6.80	11.40	5.80	1.80	7.60	4.00	0.70	2.80	3.40	1.20	0.70	7.00	3.30
Sep	6.80	11.30	5.60	1.20	7.60	3.70	0.60	4.90	3.40	0.90	0.80	8.20	3.00
Oct	6.90	11.60	6.00	0.90	8.30	3.20	0.30	4.30	3.40	0.30	0.80	12.20	2.90
Nov	6.90	11.90	5.60	0.50	7.80	3.40	0.30	3.90	3.40	-0.60	0.90	15.20	3.20
Dec	6.60	11.20	5.50	0.40	7.50	2.90	0.10	3.70	3.40	-0.60	0.90	15.00	2.50
2007													
Jan	6.00	10.60	5.10	0.20	6.20	2.00	-0.20	3.90	3.40	-0.50	2.00	14.90	2.20
Feb	5.60	9.90	5.10	0.80	6.70	1.30	-0.10	4.00	3.40	-1.80	1.90	13.20	2.20
Mar	5.90	10.8	4.80	1.20	6.00	1.10	-0.50	2.90	3.40	-2.60	2.00	12.90	2.50

Source: Bureau of Statistics

Table S19(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 & Ho	Misce- llaneous Goods & Services
2004													
June	0.40	0.60	-0.10	0.10	1.00	0.70	-0.40	0.40	0.00	0.00	0.00	0.00	0.00
Sept	0.30	0.00	0.10	0.80	0.70	0.40	0.40	1.00	0.00	0.20	0.00	0.00	0.50
Dec	0.30	0.10	0.20	-0.20	0.20	0.30	0.00	2.60	0.00	0.00	0.00	0.00	0.40
2005													
Mar	0.20	-0.10	0.80	0.70	0.10	0.40	0.40	0.10	0.00	0.00	0.00	-0.20	0.20
Jun	0.40	0.30	0.70	0.80	0.60	0.30	0.90	0.90	0.00	0.00	0.00	0.30	0.10
Sept	0.60	0.60	0.70	0.60	1.50	0.30	0.10	0.80	0.00	0.40	0.00	1.10	0.10
Oct	0.40	0.40	0.10	0.10	0.70	0.50	0.30	0.50	0.00	0.10	-0.10	0.30	0.10
Nov	0.30	0.30	0.10	0.50	0.80	0.30	0.10	0.20	0.00	0.40	0.00	0.30	0.20
Dec	0.50	0.70	0.10	0.20	0.30	0.50	-0.20	0.20	0.00	0.50	0.00	0.20	0.70
2006													
Jan	0.80	1.10	0.40	0.60	1.20	0.90	0.30	-0.10	0.00	0.20	0.90	0.10	0.10
Feb	0.90	1.30	1.20	0.40	0.90	0.90	-0.10	0.00	0.00	0.90	0.10	1.50	0.30
Mar	0.30	0.20	0.80	0.00	0.20	0.40	0.40	1.00	0.00	0.30	0.00	0.20	-0.10
Apr	0.10	0.20	0.10	0.10	0.20	0.00	0.30	1.00	0.00	0.00	0.00	0.30	0.00
May	1.50	3.40	1.60	-0.50	0.90	0.00	-0.30	-0.10	0.00	-1.90	0.00	0.20	0.30
Jun	0.50	0.90	-0.40	0.50	0.40	0.20	-0.10	0.50	0.00	-0.40	-0.30	2.40	0.70
Jul	0.10	0.20	0.30	-0.20	-0.10	0.00	-0.10	-0.20	0.00	0.70	0.00	0.20	0.10
Aug	0.70	1.60	0.70	0.50	1.20	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.70
Sep	0.60	0.50	0.40	0.10	1.50	0.00	0.00	2.90	0.00	0.00	0.10	2.20	-0.20
Oct	0.40	0.70	0.50	-0.20	1.40	0.10	0.00	0.00	0.00	-0.50	0.00	4.00	0.00
Nov	0.30	0.40	-0.40	0.10	0.40	0.40	0.00	-0.20	0.00	-0.50	0.10	3.00	0.60
Dec	0.10	0.10	0.00	0.10	0.00	0.00	-0.40	0.00	0.00	0.50	0.00	0.00	0.00
2007													
Jan	0.40	0.60	0.00	0.40	0.00	0.00	0.00	0.10	0.00	0.30	1.90	0.00	-0.20
Feb	0.60	0.70	1.30	1.00	0.60	0.20	0.00	0.10	0.00	-0.40	0.10	0.00	0.30
Mar	0.60	1.00	0.50	0.40	-0.40	0.20	0.00	-0.20	0.00	-0.50	0.00	0.00	0.30

Source: Bureau of Statistics

Table S20

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

	Botswana Pula	EURO	French Franc	German Mark	Japanese Yen	Saudi Riyal	SDR	Swedish Kronor	Swiss Franc	UK Pound	US Dollar	Zimbabwe Dollar
2004												
Sep	1.361	7.788	0.844	3.982	0.058	1.700	9.347	0.851	5.063	11.580	6.373	0.000
Dec	1.326	7.665	0.856	3.919	0.055	1.743	8.779	0.852	4.979	10.999	5.708	0.000
2005												
Mar	1.343	7.874	0.833	4.028	0.058	1.603	9.154	0.867	5.085	11.358	6.009	0.001
Jun	1.235	8.151	0.805	4.168	0.061	1.786	9.845	0.877	5.285	11.508	6.697	0.007
Sep	1.183	7.791	0.842	3.984	0.057	1.696	9.329	0.835	5.027	11.501	6.361	0.000
Oct	1.183	7.918	0.828	4.049	0.057	1.757	9.526	0.842	5.111	11.615	6.590	0.000
Nov	1.176	7.851	0.836	4.014	0.057	1.773	9.504	0.821	5.081	11.550	6.656	0.000
Dec	1.155	7.547	0.869	3.861	0.054	1.698	9.164	0.800	4.879	11.117	6.369	0.000
2006												
Jan	1.138	7.382	0.891	3.775	0.053	1.625	8.824	0.793	4.764	10.757	6.096	0.000
Feb	1.132	7.309	0.897	3.738	0.052	1.632	8.791	0.783	4.685	10.700	6.122	0.000
Mar	1.134	7.518	0.873	3.844	0.053	1.667	8.998	0.800	4.776	10.908	6.254	0.000
Apr	1.127	7.462	0.879	3.815	0.052	1.621	8.818	0.799	4.739	10.745	6.081	0.000
May	1.157	8.076	0.814	4.129	0.057	1.685	9.458	0.869	5.182	11.820	6.318	0.000
Jun	1.179	8.844	0.751	4.522	0.061	1.864	10.334	0.958	5.668	12.876	6.990	0.000
Jul	1.179	8.983	.733	4.593	0.061	1.887	10.455	0.975	5.726	13.061	7.077	0.000
Aug	1.181	8.909	.737	4.555	0.060	1.853	10.331	0.967	5.647	13.165	6.948	0.000
Sep	1.198	9.462	.696	4.838	0.064	1.983	11.020	1.018	5.972	14.016	7.532	0.000
Oct	1.194	9.624	0.682	4.920	0.064	2.036	11.247	1.040	6.053	14.311	7.635	0.000
Nov	1.172	9.359	0.701	4.785	0.062	1.937	10.807	1.028	5.878	13.887	7.265	0.000
Dec	1.164	9.319	0.705	4.725	0.060	1.879	10.633	1.031	5.820	13.839	7.048	0.000
2007												
Jan	1.167	9.747	0.673	4.984	0.063	1.965	11.086	1.048	6.040	14.317	7.349	0.000
Feb	1.166	9.749	0.673	4.985	0.063	1.964	11.080	1.048	6.038	14.322	7.340	0.000
Mar	1.166	9.748	0.673	4.984	0.063	1.964	11.081	1.048	6.037	14.320	7.342	0.000

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

(in Thousands of Maloti)

End of Period	PURCHASES					SALES				
	USD	GBP	EURO	OTHERS	TOTAL	USD	GBP	EURO	OTHERS	TOTAL
2006										
Jan	37.378	0.471	3.065	0.297	41.211	32.723	2.284	2.764	0.396	38.167
Feb	79.098	4.120	5.542	0.882	89.642	19.975	3.519	5.456	0.876	29.826
Mar	92.508	6.911	1.843	0.982	102.244	33.249	4.693	1.097	0.743	39.782
Apr	30.056	3.772	9.399	0.853	41.004	23.279	1.941	8.795	1.035	35.050
May	25.393	1.036	0.413	1.345	28.187	24.117	0.768	0.809	1.799	27.493
Jun	110.477	3.562	21.241	0.794	136.074	39.777	3.296	2.576	0.665	46.314
Jul	65.197	15.081	4.129	1.084	74.71	43.862	3.384	3.999	0.657	41.585
Aug	60.521	3.146	31.593	7.640	85.544	12.373	2.458	0.244	1.028	9.467
Sep	33.297	0.653	2.085	0.327	23.975	23.506	21.845	1.267	0.463	27.014
Oct	171.36	3.709	12.21	1.054	89.217	60.002	5.832	8.743	0.527	63.621
Nov	47.019	2.523	28.851	0.464	78.857	53.914	2.124	29.31	0.913	86.261
Dec	73.759	3.454	10.383	4.873	92.469	79.849	1.701	6.312	0.337	88.199
2007										
Jan	39.887	1.631	1.389	0.248	43.155	51.83	1.373	2.858	0.236	56.297
Feb	61.36	3.265	3.069	0.222	67.916	72.657	43.28	3.856	0.311	120.104
Mar	162.603	5.075	6.371	0.957	138.481	43.06	3.61	4.698	0.505	50.073

Table S22(a)

ANNUAL BALANCE OF PAYMENTS
(Million Maloti)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
I CURRENT ACCOUNT	-1295.69	-1413.72	-1349.40	-1083.76	-820.84	-1489.06	-1021.61	-488.92	-629.55	445.95
Goods, Services and Income	-2227.37	-2255.89	-2252.43	-2019.86	-1990.18	-2766.78	-2305.17	-2085.72	-2539.56	-2189.31
a) GOODS	-3818.14	-3589.63	-3707.35	-3582.17	-3398.18	-4250.31	-3917.13	-3827.12	-4175.66	-4519.19
Merchandise exports f.o.b.	903.98	1109.60	1054.09	1468.36	2425.97	3739.89	3557.37	4533.18	4138.04	4736.65
Merchandise imports f.o.b.	-4722.12	-4699.23	-4761.44	-5050.53	-5824.15	-7990.20	-7474.50	-8360.30	-8313.70	-9255.84
b) SERVICES	46.69	-58.09	-38.51	-1.24	-99.72	-214.60	-262.40	-208.35	-296.12	-239.82
c) INCOME	1544.08	1391.83	1493.43	1563.55	1507.72	1698.13	1874.36	1949.58	1932.23	2569.70
Labour income	1472.72	1409.56	1473.53	1553.81	1555.30	1712.81	1868.07	2006.88	1921.79	2337.46
Other	71.36	-17.73	19.90	9.74	-47.58	-14.68	6.29	-57.30	10.44	232.24
d) CURRENT TRANSFERS	931.68	842.17	903.03	936.11	1169.34	1277.72	1283.56	1596.96	1910.10	2635.26
Government, net	921.40	826.39	891.46	919.84	1138.30	1241.21	1221.41	1538.00	1842.40	2515.84
SACU non-duty receipts	804.25	709.84	792.76	803.22	1017.01	1097.22	1081.79	1396.26	1745.21	2424.44
Other	117.15	116.55	98.70	116.62	121.30	143.99	139.62	77.47	23.88	13.25
Other sectors	10.28	15.78	11.57	16.27	31.04	36.51	62.15	58.96	67.61	119.42
II CAPITAL AND FINANCIAL ACCOUNT	1672.26	1595.84	922.70	773.59	924.57	1177.80	929.55	611.66	389.87	-135.28
e) CAPITAL ACCOUNT	206.10	122.60	92.90	150.70	138.00	247.10	208.10	216.30	133.30	75.50
f) FINANCIAL ACCOUNT	1466.16	1473.24	829.80	622.89	786.57	930.70	721.45	395.36	256.57	-210.78
Special Financing - LHWP	1093.78	1303.13	798.23	608.12	772.23	595.70	552.26	457.16	224.17	137.36
III RESERVE ASSETS	-626.38	-589.10	285.73	-92.00	-1637.18	1278.78	516.99	-75.57	-274.75	-1294.30
IV ERRORS AND OMISSIONS	253.42	103.72	142.10	84.68	39.73	-27.20	21.94	117.92	421.54	621.03
V VALUATION ADJUSTMENT	-3.61	303.26	-1.12	328.80	1510.20	-940.31	-446.76	-165.09	92.90	362.22

Table S22(b)

QUARTERLY BALANCE OF PAYMENTS
(Million Maloti)

	2004				2005				2006	2007
	QIV	QI	QII	QIII	QIV	QI	QII	QIII	QIV*	QI ⁺
I CURRENT ACCOUNT	-95.93	-15.57	-301.30	-28.07	-184.61	19.27	256.41	151.78	18.50	695.74
Goods, Services and Income	-498.68	-492.96	-719.69	541.27	785.63	-563.00	-419.65	-527.96	-678.31	-938.35
a) GOODS	-951.89	-940.76	-1135.44	-974.70	-1124.76	-1093.45	-976.11	-1139.80	-1309.84	-1397.28
Merchandise exports f.o.b.	1256.15	920.31	1060.65	992.00	1165.09	876.07	1049.43	1517.91	1293.24	1305.93
Merchandise imports f.o.b.	-2208.02	-1861.07	-2196.09	-1966.70	-2289.84	-1969.52	-2025.54	-2657.71	-2603.08	-2703.21
b) SERVICES	-49.72	-52.03	-93.68	-77.43	-73.00	-52.74	-56.56	-55.10	-75.41	-91.81
c) INCOME	502.91	499.83	509.43	510.85	412.12	583.19	613.02	666.94	706.56	550.74
Labour income	497.97	475.76	488.92	482.58	474.53	539.04	565.88	597.29	635.25	674.15
Other	4.94	24.07	20.51	28.27	-62.41	44.14	47.14	69.65	71.31	-123.41
d) CURRENT TRANSFERS	402.75	477.39	418.39	513.20	501.02	582.27	676.06	679.74	697.19	1634.09
Government, net	393.55	399.88	398.38	496.66	474.17	552.42	646.21	649.88	667.33	1604.23
SACU non-duty receipts	382.91	383.14	394.46	497.70	469.91	473.06	641.83	644.60	664.95	1513.78
Other	10.64	16.74	3.92	-1.04	4.26	79.36	4.38	5.28	2.38	90.45
Other sectors	9.20	4.20	20.01	16.54	26.85	29.85	29.85	29.86	29.86	29.86
II CAPITAL AND FINANCIAL ACCOUNT	223.98	-15.24	282.04	-116.00	239.07	124.72	-154.91	-23.94	-81.15	178.50
e) CAPITAL ACCOUNT	24.00	54.60	36.00	34.50	8.20	4.90	27.10	27.20	16.30	4.00
f) FINANCIAL ACCOUNT	199.98	31.14	192.99	-84.02	213.62	119.82	-182.01	-51.14	-97.45	174.50
Special Financing - LHWP	61.33	53.81	59.77	49.24	61.35	43.35	31.26	31.26	31.49	37.79
III RESERVE ASSETS	-1.18	-119.83	-94.55	26.53	-86.90	-177.17	-442.82	-641.50	-32.81	-1023.89
IV ERRORS AND OMISSIONS	0.81	44.63	53.60	179.60	143.70	51.84	52.10	249.94	267.14	168.31
V VALUATION ADJUSTMENT	-127.68	106.01	60.21	-62.06	-11.26	-18.66	289.22	263.72	-172.06	-18.66

* Revised estimates

+ Preliminary estimates

Table S23 **SUMMARY OF FOREIGN TRADE**
(Million Maloti)

	IMPORTS F.O.B	EXPORTS F.O.B	TRADE BALANCE
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	1871.46	850.97	-1020.49
Quarter II	1981.63	833.54	-1148.09
Quarter III	2082.44	1057.80	-1024.64
Quarter IV	2099.65	997.58	-1102.07
2003			
Quarter I	1794.78	824.89	-969.89
Quarter II	1834.86	801.74	-1033.12
Quarter III	2049.30	1011.68	-1037.62
Quarter IV	1795.64	919.06	-876.58
2004			
Quarter I	1760.23	877.92	-882.31
Quarter II	1866.65	996.92	-869.73
Quarter III	2525.39	1402.19	-1123.20
Quarter IV	2208.39	1256.15	-952.24
2005			
Quarter I	1861.07	920.31	-940.76
Quarter II	2196.09	1060.65	-1135.44
Quarter III	1966.70	992.00	-974.70
Quarter IV	2289.84	1165.09	-1124.75
2006			
Quarter I	1969.52	876.07	-1093.45
Quarter II	2025.54	1049.43	-976.11
Quarter III	2657.71	1517.91	-1139.80
Quarter IV	2603.08	1293.24	-1309.84
2007*			
Quarter I	2703.21	1305.93	-1397.28

* Provisional CBL estimates.

Table S24 STATISTICS OF BASOTHO MINERS IN SOUTH AFRICA

	Average Number Employed	Average Earnings ¹	Deferred Pay ²		Remittances Payments ³	
			Maloti '000	Annual % change	Maloti '000	Annual % change
2002	62,158	35,326	182,479	19.4	112,496	9.4
2003	61,416	38,513	208,450	14.2	118,333	5.2
2004	58,014	42,116	293,334	40.7	131,793	11.4
2005	52,450	44,758	169,230	-42.3	167,387	27.0
2006	51,341	53,859	231,578	36.8	48,885	-70.8
2002						
Q II	61,745	8,794	43,078	25.6	22,858	-0.8
Q III	62,281	8,850	45,307	7.3	27,018	6.8
Q IV	63,298	9,211	53,533	16.9	37,260	23.7
2003						
Q I	62,397	9,076	47,387	16.8	29,696	17.1
Q II	61,305	9,282	50,486	17.2	28,081	22.8
Q III	60,536	9,615	57,311	26.5	26,897	0.4
Q IV	61,424	10,540	53,266	-0.5	33,659	-9.7
2004						
Q I	61,525	10,894	50,017	5.5	29,800	0.4
Q II	61,529	10,391	50,394	-0.2	29,646	5.5
Q III	52,643	10,514	122,882	114.4	33,780	25.6
Q IV	56,357	10,495	70,041	31.5	38,567	14.6
2005						
Q I	54,171	10,770	63,290	26.5	38,702	29.9
Q II	52,926	10,836	45,367	-9.0	41,870	41.2
Q III	51,867	11,102	29,788	-75.8	34,380	1.8
Q IV	50,835	12,050	30,785	-56.0	52,435	36.0
2006						
Q I	50,149	12,508	41,813	-33.9	43,097	11.4
Q II	50,640	13,108	57,694	27.2	1,057	-97.5
Q III	51,724	13,777	64,152	115.4	1,587	-95.4
Q IV	52,852	14,466	67,919	120.6	3,144	-94.0
2007						
Q I	53,877	15,174	63,855	56.7	1,843	-95.7

¹These 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.

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

³Part of miners' wages transferred to Lesotho through recruiting agencies.