



**SPEECH BY THE DEPUTY GOVERNOR OF THE CENTRAL
BANK OF LESOTHO, MS MATHABO MAKENETE, AT THE
OFFICIAL LAUNCH OF THE MONEY MONTH EVENT, AVANI
MASERU HOTEL, MONDAY 02ND OCTOBER, 2017**

His Majesty King Letsie III

**The Right Honourable the Prime Minister, Dr. Motsoahae
Thomas Thabane**

Industry Leaders

**Our Guests of Honour, Hon. Ntate Mohlabi Tsekoa, Dr.
Mohlalefi Sefika and Mr. Teboho Kobeli**

Members of the Media

Distinguished Guests

Ladies and Gentlemen

1. On behalf of the organizers of the 2017 Lesotho Money Month Event and on my own behalf, I wish to convey our warmest greetings to you all.

2. It is always a great pleasure to have a moment like this to address you and share information on the pertinent issues that can help us deal with the current and impending economic and financial challenges facing us as individuals, friends, families, communities and the nation as a whole. I wish to convey our deep gratitude to our guests of honour, who have found time in their busy schedules to come and share with us their very relevant life experiences.

BACKGROUND TO THE 2017 LESOTHO MONEY MONTH CAMPAIGN

3. Ladies and gentlemen, it is now a tradition in the financial sector in Lesotho, that every year, we dedicate a week to educate our population about the personal financial issues, through Money Week Campaign. As you may recall, last year the event was celebrated in the districts of Maseru and Qacha's Nek under the theme, "*Take Part. Save Smart*". The key message conveyed during the campaign, was to encourage members of the public to become responsible citizens, who actively participate in the economic activities of their country.

PART OF THE GLOBAL CAMPAIGN

4. I wish to indicate that the money week campaign is part of the global campaign, and every year following from the global theme we customize our campaign to suit the challenges facing our country.

5. This year's theme for the Global Money Week Campaign is '**Learn. Save. Earn**'. This theme calls on our concerted effort as members of the public in Lesotho:

- To learn about our social and economic rights and responsibilities, thus contributing to the creation of a generation of capable adults, who can make wise decisions for their future;
- To build wise savings habits from an early age in order to cultivate key personal finance skills for use later in life; and
- To earn money legitimately, through the development of livelihood skills, entrepreneurial training, and developing young people's careers.

CONTEXTUALIZATION OF THE 2017 THEME

6. One of the main challenges currently facing Lesotho consumers is unwise spending habits, poor borrowing and financial decisions. The consequences of these have far reaching effects on the society. As such, it is upon us all to scale up our efforts to equip the public with the necessary personal finance skills.
7. It is estimated that for a significant number of workers in the country, loan commitments take up to 40 per cent of their income, thereby raising questions around the long term personal finance sustainability. Data from the credit bureau is beginning to show some increases in 2-3 months arrears and actual defaults.
8. It also a concern, that uncollateralised credit is still a predominantly used form of credit. This is normally expensive credit, which should be utilized only for short-term emergencies.

9. It is against this background that the organizers of this year's event, found it fit to tweak the global theme, to address the growing concerns of indebtedness in Lesotho, to a local theme, "*I Take Control of My Money. Do You?*", which can be translated into, "***Ke Nka Taolo ea Chelete Ea ka. Uena?***" The theme thus calls for the following skills which are critical in ensuring that we have a well-informed public:

- Budgeting;
- Saving;
- Development of livelihood skills;
- Accountability;
- Analyzing investment and borrowing options;
- Spending wisely and
- Acquiring knowledge about social and economic rights and responsibilities.

FROM MONEY WEEK TO MONEY MONTH

Programme Director Distinguished guests

10. It gives me pleasure to inform you that this year, the campaign has been changed from '*Money Week*' to '*Money Month*'. In this way, it will provide an adequate time to reach the broader members of the public. It is my expectation that we will reach out to those people staying in some of the most excluded districts such as Mokhotlong. Our campaign will reach public officers, women and youth, trainers of herd boys, business community, farmers, employers' associations, students, children and the general public. In a nutshell, it is intended to reach out to everyone!!

11. In this regard, I am deeply humbled by the positive response by the self-sacrificing industry leaders who have, despite the difficult economic realities currently facing us, agreed to put aside some more resources to extend the campaign from one to four weeks, thus putting the interests of the people they are serving first.
12. It is our shared view that the financially educated, literate, capable and included society, will make prudent decisions, which will in turn lead to increased savings, investments and returns on those investments. This will in result in positive spill overs for the overall economic growth performance of Lesotho.

PROGRESS ON FINANCIAL SECTOR REFORMS

13. Ladies and gentlemen, you will agree with me that significant progress has been achieved in implementing reforms in the financial sector in Lesotho, aimed at improving and modernizing the sector, as well as promoting financial inclusion, education and literacy.
14. I would like to highlight a few such recent reforms:- The process of integrating Financial Education into schools curricula for all grades (1-12), is at an advanced stage. We have been reliably informed by the National Curriculum Development Centre of the Ministry of Education and Training, that financial education will be taught in schools, beginning in January 2018. This will go a long way towards ensuring that our children are financially prudent from an early age.

15. The cross - border money transfer project within the Southern African Development Community region has been implemented. Basotho working or residing legally in the Republic of South Africa are able to send money to Lesotho in an affordable, convenient, immediate, and safer manner. This is a cash-to-cash, person-to-person remittance service, for the sending of money from Shoprite stores (including Checkers, Usave , and OK Bazaars) in South Africa to be received in Shoprite Stores in Lesotho. Remittances from South Africa form an important source of income in Lesotho.
16. The launch of the Credit Bureau early in 2016, remains the major milestone in promoting responsible lending. As I indicated earlier, we are already doing analysis of the borrowing behavior of consumers in Lesotho, based on the data from the Bureau.
17. The opening of Maseru Securities Market (MSM) located in the Central Bank of Lesotho in 2016, provided another investment opportunity for Basotho. At this stage, intensive efforts are underway for the first companies to list on the Market.
18. Significant strides continue to be made in the mobile money arena, with enhancements in the service offering continuing to be made from time to time by the mobile network operators, thus ensuring that in Lesotho, we keep pace with other countries in the development of digital financial services. We are all aware that digital financial services will play a significant part in making finance accessible to the public due to the high prevalence and use of mobile phone services.

CONCLUSION

Programme Director, Distinguished ladies and gentlemen

19. In conclusion, I urge members of the public to learn about these reforms as well as other products and services which have been created in the market, to ensure efficiency and effectiveness within the financial sector in Lesotho.
20. Most importantly, they should learn about the available saving, investment and income generating or business opportunities.
21. **With these few words, I declare the Money Month Campaign Officially Launched.**
22. **I thank you for your attention ladies and gentlemen.**