



Policy Rate

6.75%

The Central Bank of Lesotho (CBL) policy rate decreased from 7.00 per cent to 6.75 per cent.

NIR Target

The CBL increased the NIR target floor from US\$830 million to US\$840 million

Prime Lending Rate

Banks are expected to ensure that their prime lending rate is not more than CBL Rate plus 350 basis points.

Inflation

4.3%

Domestic inflation has decreased from 4.4 per cent in May to 4.3 per cent in June 2025.

Domestic economy

Lesotho's economy showed modest recovery in May 2025.

External sector

The external sector recorded an estimated Deficit of 4.4% per cent of the GDP in May 2025.

Central Bank of Lesotho

Statement of the Monetary Policy Committee

05th AUGUST 2025

The global economic outlook remains mixed. While uncertainty persists due to trade disruptions and geopolitical risks, the International Monetary Fund (IMF) has revised its global growth forecast for 2025 upward to 3.0 per cent, reflecting stronger-than-expected trade and fiscal support. Inflation dynamics remain uneven, with advanced economies facing cost pressures from housing, food, and fuel, while inflation is easing in some emerging markets.

In South Africa, economic activity is expected to pick up in the second quarter of 2025 from a weak growth of 0.1 per cent in the first quarter. Inflation remained within the South African Reserve Bank's (SARB) target range, prompting a policy rate cut.

Lesotho's economy showed modest recovery in May 2025, driven by improved private consumption and resilient manufacturing in the first half of the year, particularly textile exports to South Africa. However, the recovery remains fragile, with downside risks including weakening external demand, higher trade costs, withdrawal of donor-funded programmes such as Millennium Challenge Compact II, and ongoing challenges in the mining sector.

Inflation in Lesotho eased to 4.3 per cent in June 2025, owing to lower international oil prices and an appreciation of the loti against the US dollar. Although inflation is expected to remain contained in the near term, risks remain from imported inflation, particularly from South Africa.

On the fiscal front, the government recorded a deficit of 4.4 per cent of GDP in May 2025. Revenue, excluding SACU receipts, remained stable, while expenditure contracted due to a decline in grants to extra-budgetary entities, in addition to reduced spending on capital investment. Public debt fell slightly to 54.8 per cent of GDP. Meanwhile, Southern African Customs Union (SACU) receipts and a rise in textile exports boosted Net International Reserves (NIR) by US\$50.95 million to US\$1,120.16 million as of 22 July 2025.

The Committee assessed risks to growth and inflation, the regional monetary policy stance, and the need to preserve the credibility of Lesotho's exchange rate peg. CBL will maintain adequate foreign exchange reserves to sustain the loti-rand parity and keep domestic inflation broadly aligned with South Africa's.

In this context, the recent easing of the SARB's policy rate, alongside contained domestic inflation, provides a narrow window to reduce the CBL policy rate without materially increasing the risk of external imbalances.

Accordingly, the MPC resolved to:

- **Raise the Net International Reserves (NIR) target floor from US\$830 million to US\$840 million.** This is deemed adequate to underwrite the peg.
- **Lower the CBL rate by 25 basis points to 6.75 per cent per annum.** This decision is consistent with prevailing domestic economic conditions, and the broader regional monetary policy environment.

The Committee reaffirmed its commitment to the fixed exchange rate regime, which remains the anchor of Lesotho's monetary and price stability framework. The Central Bank of Lesotho will continue to monitor domestic and external developments, including inflation trends, fiscal dynamics, SACU revenues, and South Africa's policy direction. The MPC stands ready to adjust the policy stance should risks to the peg or price stability intensify.

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LINTLHA-KHOLO TSA POLELO EA KOMITI E PHETHAHATSANG LEANO LA LICHELETE (MONETARY POLICY COMMITTEE)

KA: DR. EMMANUEL MALUKE LETETE – LA 05 PHATO, 2025

Bolepi ba moruo oa lefatše bo bontša kholo le botsitso, le hoja ho ntse ho ena le tsitsipano ka lebaka la likhohlano tsa khoebo le lipolotiki. Letlole la Machaba la Lichelete (IMF) le phahamisitse tebello ea lona ea kholo ea moruo oa lefatše bakeng sa 2025 ho isa ho 3.0 lekholong. Sena se bontšitse kholo khoebong le tšebetso maanong a lichelete a mebuso. Litjeo li bonahala li nyolihile linaheng tse tsoetseng pele ka moruo, sena se susumetsoa ke litheko tse phahameng tsa bolulo, lijo le mafura. Ha ele linaheng tse ling tse holang ka sekahla, litjeo li ntse li bontšitse ho theoha.

Naheng ea Afrika Boroa, moruo o lebelletsoe ho ntlafala kotareng ea bobeli ea selemo sa 2025, mo likhakanyo li supang ha moruo o tla hola ho tloha ho 0.1 lekholong kotareng ea pele. Litjeo tsa thepa (inflation) li ile tsa lula ka har'a moeli o behiloeng ke Banka e Kholo ea Afrika Boroa (SARB), boemo bo ileng ba lateoa ke ho theoha ha sekahla sa leano sa kalimo (policy rate cut).

Moruo oa Lesotho o ile oa bontša ho hlahoheloa hanyane ka Motšeanong 2025, ho susumetsoa ke keketseho ea tšebeliso ea thepa ke sechaba, le ho ntlafala ha lefapha la tlhahiso, haholo-holo thepeng ea liphahlo e rekesitsoeng naheng ea Afrika Boroa nakong ea halofo ea pele ea selemo. Leha ho le joalo, ho hlahoheloa hona ho ntse ho le tlokotsing, 'me ho ntse ho ena le liqholotso, tse kang ho fokotseha ha tlhokahalo ea thepa kante ho naha, ho phahama ha litšenyehelo tsa khoebo, ho felisoa ha mananeo a tšebetso ea lichelete joalo ka Compact II, le liqholotso tse ntseng li tsoelapele lefapheng la lirashoa.

Keketseho ea litjeo (inflation) Lesotho e ile ea theohela ho 4.3 lekholong ka Phuptjane 2025, ka lebaka la theko e tlase ea mafura 'marakeng oa machaba le matla a ntseng a eketseha a Loti khahlanong le Dolara ea Amerika. Le hoja ho lebelletsoe hore litjeo li tla laoleha, ho ntse ho ena le litlokotsi, haholo-holo tse amang thepa e kenang, haholo e tsoang Afrika Boroa.

Ka lehlakoreng la lichelete tsa 'muso, 'muso o tlalehile litjeo tse ka holimo ho lekeno ka 4.4 lekholong ea GDP ka Motšeanong 2025. Chelete e kenang, ntle ho lekeno la Southern African Customs Union (SACU), e ile ea lula e tsitsitse, athe tšebeliso ea chelete e ile ea theoha ka lebaka la ho fokotseha ha lithuso tse isoang ho lithuso tsa lichelete, hammoho le ho fokotseha ha matsete a tšehelitsoeng ka likalimo. Sekoloto sa sechaba se ile sa theoha hanyane ho isa ho 54.8 lekholong ea GDP. Le ha hole joalo, lekeno le tsoang ho SACU hammoho le keketseho ea thepa ea liphahlo e romelloang kante ho naha li ile tsa matlafatsa matlotlo a lichelete tsa machaba (Net International Reserves – NIR) ka US\$50.95 milione ho fihla ho US\$1,120.16 milione ka la 22 Phupu 2025.

Komiti e ile ea hlahloba liqholotso tse tobaneng le kholo ea moruo le litjeo (inflation), boemo ba leano la lichelete tikolohong, le bohlokoa ba ho boloka Loti le lekana le Ranta. Banka e Kholo ea Lesotho (CBL) e tla tsoela pele ho boloka chelete e lekaneng ea machaba ho tšehetsa teka-tekano lipakeng tsa Loti le Ranta, le ho netefatsa hore litjeo tsa lehae li lula li batla li lekana le tsa Afrika Boroa.

Ho tiisa tebello ea litjeo le ho matlafatsa botsitso ba moruo ka kakaretso, CBL e ikemiselitse ho boloka le ho tiisa tekano pakeng tsa Loti le Ranta ea Afrika Boroa ka ho boloka matlotlo a kante ho naha a lekaneng.

Ho theoloa hoa morao-rao ha sekahla sa leano sa kalimo ke SARB, hammoho le litjeo tse ntse li laoleha (inflation) ka hare ho naha, ho fana ka monyetla o fokolang ho fokotsa sekahla sa phaello sa CBL ntle le ho eketsa kotsi ea ho se lekane ha lichelete le mebaraka kante ho naha.

Ka hona, Komiti e Phethahatsang Leano la Lichelete (MPC) e nkile geto ea ho:

- **Phahamisa matlotlo a lichelete tsa machaba (Net International Reserves – NIR) bonyane ho tloha ho US\$830 milione ho ea ho US\$840 milione.**

Tekanyo ena e nkoa e le e lekaneng ho tšehetsa sekala pakeng tsa Loti le Ranta.

- **Theola sekahla sa leano sa kalimo sa Banka e Kholo ea Lesotho (CBL) ka 0.25 ho tloha ho 7.00 ho isa ho 6.75 lekholong ka selemo.** Qeto ena e tsamaisana le maemo a moruo oa lehae a teng, hammoho le boemo ba leano la lichelete tikolohong.

Komiti e boetse e tiisitse boitlamo ba eona ho tsamaiso ea sekahla se sa fetoheng sa phapanyetsano ea lichelete, e ntseng e le motheo oa tšebetso ea botsitso ba leano la lichelete le theko naheng ea Lesotho. Kaha Lesotho ha le na leano la eona le ikemetseng la phapanyetsano ea lichelete, taolo e hlokolosi ea lichelete le matlotlo a kante ho naha ke taba ea bohlokoa haholo.

Banka e Kholo ea Lesotho e tla tsoelapele ho sheba ntšetsopele ea moruo ka hare ho naha le liketsahalo tse kante, ho kenyeletsa le mokhoa oa keketseho ea litjeo tsa thepa (inflation), boemo ba lichelete tsa 'muso, chelete e kenang ho tsoa ho SACU, le tataiso ea leano la Afrika Boroa. Ha maemo a tlokotsi ho sekala sa Loti le Ranta kapa botsitso ba theko bo ka eketseha, Komiti e ikemiselitse ho fetola leano ho latela boemo.