# CENTRAL BANK OF LESOTHO

## Statement of the Monetary Policy Committee

23 September 2025

1. Since our last meeting, global growth projections have been maintained, signaling resilient economic prospects despite ongoing policy uncertainty. The projections have been underpinned by stronger-than-expected front-loading of production and exports ahead of anticipated higher U.S tariffs, as well as improved financial conditions, including a weaker US dollar that has supported global trade and investment flows.

2. In the second quarter of 2025, economic growth remained generally stable across most major economies, driven by robust export performance, increased manufacturing activity, and targeted fiscal stimulus measures, particularly in China. Nonetheless, downside risks persist, stemming from persistent geopolitical tensions, potential increases in effective tariff rates, and fiscal vulnerabilities in key economies, which could undermine growth momentum.

3. In South Africa, economic growth picked up in the second quarter of 2025 following a moderate performance in the first quarter. This was driven primarily by a rebound in manufacturing and mining activity alongside stronger household consumption. Inflation eased in August 2025, but is expected to rise in the near term due to persistent administered price pressures. Consequently, the South African Reserve Bank decided to keep the policy rate unchanged, balancing support for growth with the need to monitor emerging inflationary risks.

4. Coming to Lesotho, the preliminary indicator of economic activity showed a slight growth in July 2025, reflecting expansion in transport and construction categories. Nonetheless, weak domestic demand and a fall in manufacturing, driven by lower U.S. textile exports, constrained growth. In the medium term, growth is expected to moderate due to external shocks, especially those emanating from the export-oriented industries.

5. Headline inflation rose marginally to 4.6 per cent in August 2025 from 4.4 per cent in July 2025. This mainly reflected an increase in food prices due to the supply constraint of wheat. In the near term, inflation is expected to moderate, amid mixed price pressures, but the outlook is balanced.

6. On the fiscal front, the overall fiscal balance strengthened markedly in July 2025, shifting to a surplus of 11.4 per cent of GDP from 0.6 per cent in June, largely driven by SACU receipts. Meanwhile, the public debt-to-GDP ratio increased to 56.0 per cent in July 2025, from 55.8 per cent in June 2025 due to project disbursements.

7. In the external sector, the current account recorded a deficit of 4.8 per cent of GDP in June 2025 from a surplus in the previous quarter, driven by persistently high import demand relative to exports. Nonetheless, surpluses in the primary and secondary income accounts partially offset the deficit. Meanwhile, CBL's Net International Reserves remained well above the target floor of US$840 sufficient to maintain the peg.

8. The Committee reviewed risks to growth and inflation alongside regional monetary policy conditions, underscoring the importance of maintaining the credibility of the loti–rand peg. The CBL will ensure adequate foreign exchange reserves to uphold the peg and keep domestic inflation broadly aligned with South Africa's.

9. The MPC, therefore, resolved to:
   i. Maintain the Net International Reserves (NIR) target floor at US$840 million. This is deemed adequate to underwrite the peg.
   ii. Keep the CBL rate at 6.75 per cent per annum, to ensure consistency with prevailing domestic economic conditions, and the broader regional monetary policy environment.

10. The Committee reiterated its commitment to the fixed exchange rate regime, which continues to underpin Lesotho's monetary and price stability framework. The Central Bank of Lesotho will maintain close monitoring of domestic and external developments, including inflation trends, fiscal dynamics, and the policy direction in South Africa. The MPC affirms its readiness to take appropriate policy action should risks to the peg or price stability escalate.

**E M Letete (Ph.D.)**
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### Policy Rate

**6.75%**

**The Central Bank of Lesotho (CBL) kept the policy rate at 6.75%.**

### NIR Target

The NIR target floor has been maintained at US$840 million.

### Inflation

**4.6%**

Rose to 4.6% in August 2025 from 4.3% in July 2025.

### Domestic economy

Domestic economy showed a slight growth in July 2025, reflecting expansion in transport and construction categories. Nonetheless, weak domestic demand and a fall in manufacturing, driven by lower U.S. textile exports, constrained growth.

### Government Budgetary Operations (GBO)

GBO recorded a surplus of 11.4 % of GDP in July 2025 largely driven by SACU receipts. Meanwhile, the public debt-to-GDP ratio increased to 56.0 % in July 2025, from 55.8 % in June 2025 due to project disbursements.

# Statement of the Monetary Policy - Sesotho Version)

## LINTLHA-KHOLO TSA POLELO EA KOMITI E PHETHAHATSANG LEANO LA LICHELELETE  (Monetary Policy Committee)

### Ka: Dr. Emmanuel Maluke Letete – La 23 Loetse 2025

1. Ho tloha tulong e fetileng, likhakanyo tsa kholo ea moruo oa lefatše liea hola. Tebello ke hore katleho ea moruo e tla hola ho sa natsehe ho thekesela ha leano. Likhakanyo tsena li tlisitsoe ke ho potlaka ho neng ho sa lebelloa ha tlhahiso ea thepa e romelloang kantle ho naha, e ileng ea etsahala pele re tobana le litefiso tsa lekhetho le phahameng la thepa e rekisetsoang America. Li tlisitsoe hape ke maemo a ntlafetseng a moruo le ho thefuleha ha Dolara ea America e neng e tšehelitse khoebo le khoebisano ea linaha tsa lefatše, le botseteli bo hlokang tšetiso.

2. Kotareng ea bobeli ea 2025, kholo ea moruo e bile e tsitsitseng linaheng tse ntseng li hola le tse tsoetseng pele, haholo China. Sena se bakiloe ke ntlafalo ea thepa e rekisetsoang linaha tse ling, ho nyoloha ha tlhahiso ea thepa le ntlafatso ea moruo e tlisoang ke khahlametso ea puso ka lichelete. Leha ho le joalo, ho ntse ho bile le mathata a bakoang ke ho se utloisisane ha linaha ka lipolotiki tsa tsona, ho nyolloa ha lekhetho la thepa e rekisetsoang linaha le mathata a lichelete a tobileng meruo e meholo. 'Me taba ena e ne e ka tutla kholo e ntle ea moruo.

3. Moruo oa naha ea Afrika Boroa o ile oa ntlafala kotareng ea bobeli ea selemo sa 2025, ha kotareng ea pele o ne o kikitlela. Ntlafalo ena ea kotara ea bobeli e susumelitsoe ke ho hola ha tlhahiso lifemeng le merafong, le hore baji ba ne ba atleha ho reka ka mokhoa o phahameng. Theko ea ho laola litjeo tsa thepa e ile ea theoha ka Phato selemong se holimo. Leha ho le joalo, tebello ke hore e ka 'na ea nyoloha nakong e tlang ea selemo ka lebaka la khatello ea ho laola theko ea thepa le litšebeletso. Khabareng, Banka e Kholo ea Africa Boroa e entse qeto ea ho se fetole sekhahla sa leano sa kalimo, e le ho tšehetsa kholo le ho beha leihlo mathata kapa litlokotsi, tse ka tlisoang ke phetoho ea sekhahla sa leano sa kalimo.

4. Ha re sheba naha ea Lesotho, re bona hore ho bile le mesebesti e supang kholo ea moruo ka Phupu selemong sena se holimo. Ho bile le kholo mafapheng a lipalangoang le mesebetsi e meholo (construction). Leha ho le joalo, ho fokola ha sekhahla sa ho reka ho baahi, le ho putlama ha tlhahiso lifemeng, e bakiloeng ke ho theoha ha tlhahiso ea liphahlo tse romelloang America, li amme kholo ea moruo. Kaholimo ho mona, ho lebelletsoe kholo e fokolang ea moruo ka lebaka la tsitsipano e bileng teng mafapheng a hlaisang thepa e rekisetsoang linaha tse ling.

5. Sekhahla sa litjeo se nyolohile hanyane, ho tloha ho 4.4% ka Phupu, ho ea ho 4.6% ka Phato selemong sena. Taba ena e iponahalitse ka ho nyoloha ha lijo, ho bakiloeng ke leqeme la koro. Karoloaneng e tlang ea selemo, sekhahla sa ho theoha le ho phahama ha theko le thekisetsano se lebeletsoe ho ba mahareng ka lebaka la khatello ea boima ba theko. Leha ho le joalo, bolepi ba tsa moruo bo tšepisa botsitso.

6. Litabeng tsa chelete ka kakaretso, ho bile le ntlafalo e bonahalang ka Phupu selemong se holimo. Lekeno la 'muso papisong le lits'enyehelo le nyolohile ho tloha ho 0.6 lekholong ka Phuptjane ho ea ho 11.4 lekholong, ka Phupu. Taba ena e bakiloe ke ho fetoloa ha mokhoa oa tšebeliso ea chelete, leha pokello ea chelete e ile ea theoha ho sa kenyelletsoe e hlahang SACU.  Ho sa le joalo, karoloana ea sekoloto sa 'muso papisong le kakaretso ea moruo oa naha e theohetse ho 54.8 lekholong ka Motšeanong monongoaha, ka lebaka la sekhahla se setle sa phapanyetsano ea lichelete tsa linaha (exchange rate).

7. Komiti e hlahlobile mathata a ka amang kholo le sekhahla sa ho theoha le ho phahama ha litjeo, boemo ba leano la tšebeliso ea chelete, le bohlokoa ba ho baballa tekatekano ea Loti le Ranta. Banka e Kholo ea Lesotho, e tsitlallela ho boloka sesiu sa chelete ea Lesotho machabeng, e le ho baballa kapa ho sireletsa kamano ea Loti le Ranta, molemong oa hore sekhahla sa ho theoha le ho phahama ha theko le thekisetsano se ipapise le sa Africa Boroa.

8. Ka hona, komiti e Phethahatsang Leano la Lichelete (MPC) e nkile qeto ea ho:

- Se fetole lichelete tsa machaba ho tloha ho $840 million moo e neng ele hona teng ka Phato monongoaha.  Sesiu sena, ke bonyane bo lekaneng ho boloka Loti le lekana le Ranta ea Africa Boroa (1:1).
- Sekhahla sa leano sa kalimo (Policy Rate) hasea fetoha ho tloha ho 6.75 lekholong, moo seneng sele hona teng ka nako ea tulo ea Komiti ka Phato monongoaha.

Taba e e bolelang ho Mosotho?

- Tebello ke hore tsoala e lefuoang mekolotong etla sala esa fetoha.
- Ho li banka, tebello ke hore sekhahla sa tsoala seo li fanang ka sona bakeng sa lipolokelo (deposits), eo li e lefisang haena fetoha.

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