Central Bank of Lesotho

Statement of the Monetary Policy Committee

25 November 2025

Global growth forecasts have been revised slightly upwards since the last MPC meeting. The IMF projected global activity to moderate in 2025, with advanced economies remaining subdued and emerging markets expanding at a slower pace. Inflation generally eased across major economies, though it remains elevated in selected regions. Risks to the outlook include trade tensions, labour supply shocks, financial and fiscal vulnerabilities, the repricing of technology assets and rising commodity prices.

Economic developments show mixed outcomes across selected countries in the third quarter of 2025. Trade tensions and policy uncertainty weighed on exports, hitting export-dependent economies hardest, while advanced economies showed pockets of resilience supported by domestic demand and technology investment. Meanwhile, some emerging markets continued to drive overall growth, supported by strong domestic consumption and infrastructure investment.

Inflation rates diverged in selected economies. Energy and transport costs pushed prices higher in some economies, while in others easing prices of goods and services moderated inflation. As a result, most major central banks held policy rates steady, reflecting caution amid moderating inflation and uneven growth.

In the region, recent data indicates that South Africa's growth improved in the third quarter of 2025, mainly supported by household spending, although investment remained weak. While inflation rate rose to 3.6 per cent in October 2025, the outlook remains positive mainly supported by stabilising food prices, declining oil prices and a stronger rand. As a result, the South African Reserve Bank reduced the policy rate by 25 basis points to 6.75 per cent per annum.

On the domestic front, economic activity slowed down in the third quarter of 2025. This was mainly underpinned by weak manufacturing and domestic demand, particularly private spending. Looking ahead, growth is expected to be modest over the medium term due to weaker exports and mining output but partially offset by the expected stronger textile exports to South Africa.

Domestic headline inflation moderated to 4.5 per cent in October 2025 from 4.7 per cent the preceding month. This was mainly due to lower food prices reflecting increased supply of vegetables, lower fuel prices and stronger rand. In the medium term, inflation is expected to remain moderately higher if food prices remain persistently elevated.

The overall fiscal balance remained relatively stable at a surplus of 10.0 per cent of GDP. This was mainly supported by water royalties amid accelerated infrastructure development. Public debt as a percentage of GDP continued to decline, reflecting timely repayments and favourable exchange rate movements, which together reinforce fiscal sustainability and support domestic liquidity under the peg.

The current account deficit moderated in the third quarter, mainly due to stronger exports. The SACU receipts and investment income from abroad continued to be critical buffers despite the persistent trade account deficit. Meanwhile, CBL's Net International Reserves increased between 12 September and 14 November 2025 by US$60.78 million which puts it comfortably above the current NIR target floor.

The MPC, therefore, resolved to:

i. **Revise Net International Reserves (NIR) target floor to US$830 million from US$840 million. This is deemed adequate to underwrite the peg.**

ii. **Reduce the CBL rate by 25 basis points to 6.50 per cent per annum. This adjustment maintains close alignment with monetary conditions in South Africa and reinforces market confidence in the exchange rate parity between the loti and the SA rand.**

The Committee will continue to monitor global and regional developments and stand ready to take necessary measures to safeguard the credibility of the loti–rand peg.

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Policy Rate

6.50%

The Central Bank of Lesotho (CBL) reduced the policy rate by 25 basis points to 6.50% from 6.75%.

NIR Target

The NIR target floor has been reduced to US$830 million from US$840 million.

Prime Lending Rate

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

Inflation

4.5%

Declined to 4.5% in October 2025 from 4.7% in September 2025.

Domestic economy

Domestic economic activity slowed down in the third quarter of 2025, underpinned by weak manufacturing and domestic demand, particularly private spending. Nonetheless, growth is expected to be modest over the medium term due to the expected stronger textile exports to South Africa.

Government Budgetary Operations (GBO)

GBO recorded a surplus of 10.0 % 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)

POLELO EA KOMITI E PHETHAHATSANG LEANO LA LICHELETE (MONETARY POLICY COMMITTEE)

Ka: Dr. Emmanuel Maluke Letete – La 25 Pulungoana 2025

Kopanong ea ho qetela, monongoaha, ea Komiti e Phethahatsang Leano la Lichelete, ho lekotsoe-bocha tebello ea kholo ea moruo oa lefatše. International Monetary Fund (IMF) e ile ea lepa liphetoho tse itseng ka selomo sa 2025, moo linaha tse ntlafetseng li tla thefuleha moruong, ha linaha tseo e le hona li ntseng li thuthuha moruong li tla bonahala li hola butle-butle moruong. Ka kakaretso, matla a theko a ne a lebelletsoe ho theotheoha linaheng tse ngata tse ntlafeteseng le hoja a tla nyoloha litikolohong tse ling tse itseng tse ikhethileng. Mathata a amang boemo bona a kenyelletsa likhohlano tse teng khoebong le khoebisanong machabeng, tlhokahalo ea mesebetsi, ho thefuleha ha moruo le matla a lichelete le ho phahama ha litheko tsa lisebelisoa.

Kotareng ea boraro ea selemo sa 2025, maemo a moruo a bontšitse liphetho tse fapaneng linaheng tse itseng. Likhohlano tse teng khoebong le khoebisanong le maano a hlokang botsitso a amme khoebo hampe haholo, hoo linaha tseo moruo oa tsona o phelang ka ho rekisa machabeng li ileng tsa iphumana li hulana majoeng, ha linaha tse kholo li bonahetse li setletse ka lebaka la khoebo le khoebisano ea lehae le botseteli tšebelisong ea mahlale. Linaha tse ling tse mothating oa ho thuthuha moruong, li ile tsa tsoela pele ho holisa moruo oa tsona ka lebaka la sekhahla sa khoebo le khoebisano kahare ho naha le botseteli ba ntlafatso ea thepa le lisebelisoa.

Sekhahla sa matla a theko se ile sa fapana linaheng tse 'maloa. Ka ho tšoana, ho phahama ha litjeho tsa theko ea matla le lipalangoang li ile tsa phahamisa matla a theko linaheng tse 'maloa, ha litjeho tsa thepa le litšebeletso li ile tsa tsitsa libakeng tse ling mme tsa theola theko. Ka lebaka lena, libanka tse kholo tsa linaha li ile tsa tsetsisa sekhahla sa leano la kalimo ka sepheo sa ho itšireletsa nakong ena eo sekhahla sa matla a theko se phahamang le sekhahla sa kholo se sa lekaneng mahlakoreng ohle a moruo.

Tikoloho e ka boroa ho Afrika, e bonahetse e le eona naha e holang kotareng ea boraro ea selemo sa 2025 ka lebaka la theko ea thepa le lisebelisoa malapeng, leha e le hore botseteli bona bo ile ba thefuleha. Sekhahla sa matla a theko se ile sa nyolohela ho 3.6 lekholong ka khoeli ea Mphalane 2025, tebello e ntse e le hore litheko tsa lijo li tla tsitsa, ha litheko tsa mafura li tla theoha ka lebaka la kholo ea Ranta. Ka lebaka lena, Banka e Kholo ea Afrika Boroa e ile ea theola sekhahla sa leano la kalimo ka lintlha tse 25 ho fihlela ho 6.75 lekholong ka selemo.

Naheng ea Lesotho, khoebo le khoebisano e ile ea thefuleha kotareng ea boraro ea selemo sa 2025. Sena se bakiloe ke tlhahiso e tlase ea thepa le bokhoni bo tlase ba bareki, haholo-holo bareki ba ikemetseng. Kamoso, ho lebelletsoe kholo e nyane kamor'a nako e mahareng ka lebaka la tlhahiso e tlase ea lirafshoang le thekiso e tlase ea thepa ea lifemeng e lebelletsoeng ho ntlafala ka lebaka la khoebisano le Afrika Boroa.

Sekhahla sa matla a theko se ile sa tloha ho 4.7 lekholong khoeling ea Loetse, 'me sa theohela ho 4.5 lekholong khoeling ea Mphalane. Sena se bakiloe ke litheko tse tlase tsa lijo ka lebaka la kholo ea tlhahiso ea litsoa-mobung, litheko tse tlase tsa mafura le kholo ea Ranta. Nakong e mahareng, ho lebelletsoe hore matla a theko a nyolohe hanyane haeba litheko tsa lijo li ka lula li ntse li le holimo.

Ka kakaretso, boemo ba lichelete bo bonahetse bo tšoana ka kholo ea 10 lekholong la Mothamo Letlole la Naha. Sena se bakiloe ke chelete ea thekiso ea metsi Afrika Boroa leha e le hore naha e mothating oa ho aha letamo le leng. Mokoloto oa naha papisong le Mothamo oa Letlole la Naha o ile oa tsoela pele ho theoha, e leng ho bontšang hore litefo tsa mokoloto lia tšepahalloa le phapanyetsano e ntle ea lichelete tsa linaha. Kaofela, li thusa ho eketsa botsitso ba boemo ba lichelete le ho eketsa tšebeliso ea chelete kahare ho naha.

Kotareng ea boraro, mokoloto oa naha o ile oa theoha ka lebaka la thekiso ea thepa le litšebeletso kantle ho naha. Leha ho le joalo, lekeno ho tsoa ho SACU le matsete ho tsoa linaheng tsa machaba li ile tsa tsoela pele ho ntlafatsa moruo. Khabareng, Kakaretso ea Letlole la Kantle ho Nahala la Banka e Kholo ea Lesotho le ile la eketseha ka limilone tse US$60.78 lipakeng tsa la 12 Loetse le la 14 Pulungoana 2025, e leng se behang Kakaretso ya Letlole Kantle ho Naha boemong bo kaholimo ho tebello.

Komiti e ile ea hlahloba ka hloko mathata a kholo ea moruo le sekhahla sa matla a theko, boemo bo renang ba leano la lichelete tikolohong e ka boroa ho Afrika le bohlokoa ba ho boloka Loti le Ranta li lekana ka sekhahla sa 1:1.

Ka hona, Komiti ea Phethahatso ea Leano la Lichelete e ile ea etsa liqeto tse latelang:

- **Ho fetola tebello ea Kakaretso ea Letlole Kantle ho Naha (Net International Reserves (NIR) ho tloha ho limilone tse US$840 ho isa ho limilone tse US$830. Sena se nkoa se lekane ho boloka Loti le Ranta ea Afrika Boroa li ntse li lekana ka sekhahla sa 1:1.**
- **Ho fokotsa sekhahla sa kalimo sa Banka e Kholo ea Lesotho (CBL) ka lintlha tse 25 ho tloha ho 6.75 lekholo ka selemo ho ea ho 6.50 lekholong ka selemo. Phetoho ena e thusa ho boloka maemo a lichelete a tšoana le a Afrika Boroa le ho boloka matla a theko mebarakeng a lekana le a Afrika Boroa, moo Loti le Ranta li lekanang ka sekhahla sa 1:1.**

Banka e Kholo ea Lesotho e tiisa boitlamo ba eona ho boloka Kakaretso ea Letlole Kantle ho Naha e le boemong bo khotsofatsang ho boloka Loti le Ranta li lekana ka sekhahla sa 1:1 le ho etsa bonnete ba hore matla a theko a lula a lekalekana le a Afrika Boroa. Komiti e tla tsoela pele ho beha leihlo tšebetso ea meruo ea lefatše le tikoloho le ho ba malala-a-laotsoe ho nka mehato e hlokahalang ho boloka boemo ba Loti bo lekana le ba Ranta ka sekhahla sa 1:1.

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