



CENTRAL BANK
OF LESOTHO

Lesotho Economic Outlook

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2025-2027

A Gloomy Near-term Outlook amid Global Policy Uncertainty

Executive Summary

The global economic growth outlook is highly uncertain, weighed down by escalating trade tensions and heightened policy uncertainty. These dynamics are expected to have a significant impact on global economic activity. Global growth is projected to fall to 2.8 per cent in 2025 and 3.0 per cent in 2026. These projections show a cumulative downward revision of 0.8 percentage points. While global headline inflation is expected to continue easing, the pace of disinflation is now projected to be slower than anticipated in the January 2025 World Economic Outlook (WEO).

Domestic economic prospects have weakened as several downside risks highlighted in the January 2025 Lesotho Economic Outlook (LEO) Update have begun to materialize. The introduction of US tariffs, withdrawal of the MCC Compact II, and cuts in health sector aid have led to an unexpected downgrade in medium-term domestic growth. These developments are expected to negatively affect textile & clothing industry, slow growth in the services sector and weaken overall domestic demand. As a result, domestic growth projections have been revised down by 1.0 percentage point for both 2025 and 2026 relative to the January 2025 LEO forecasts. Growth is forecast at 1.1 per cent in 2025, slowing down to 0.9 per cent in 2026 before picking up to 1.4 per cent in 2027 as the economy adjusts following the trade policy shocks. The annual inflation rate is expected to average 4.5 per cent in 2025 and pick to 5.0 per cent and 5.1 per cent in 2026 and 2027, respectively.

The fiscal position is projected to maintain budget surpluses in the medium-term, largely driven by under-execution of the capital budget. The capital budget continues to be caught in a persistent cycle of underspending, with only modest improvements expected in execution over the forecast horizon. Revenues are expected to underperform given the expected weaker economic prospects while expenditures rise. The fiscal surplus is projected at 5.2 per cent of GDP in 2025, narrowing down to 1.4 per cent in 2026 and expanding to 4.8 per cent in 2027. Government savings with the banking sector are thus expected to accumulate over the same period.

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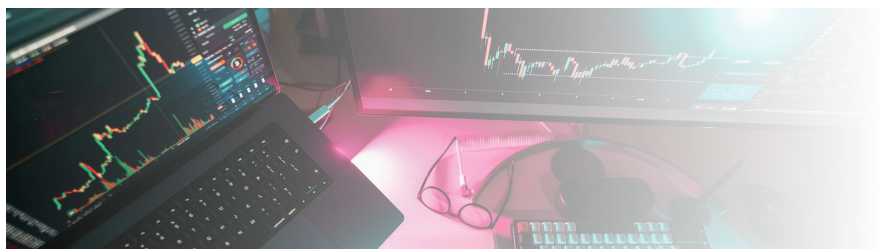
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Money supply is expected to grow in line with the projected growth in nominal GDP...

The overall balance of payments is projected to be in surplus throughout 2025-2027, primarily driven by capital and financial account inflows. While the overall balance of payments is expected to remain in surplus over the projection period, the current account balance has been revised downward into the deficit territory, due to expected weaker export performance. However, the projected surpluses in the income accounts are expected to offset the current account deficits. The official reserves are projected to remain at comfortable levels, above five months of import cover during the forecast horizon.

Money supply is expected to grow in line with the projected growth in nominal GDP. With the expected weaker economic growth and withdrawal of foreign support capital flows, growth of both net foreign assets and net domestic assets is expected to be modest. Private sector credit extension is forecast to increase by an average of 3.3 per cent supported by households borrowing and the ongoing major construction projects.



Global Economic Outlook¹

Global Growth

Global economic growth is projected to slow to 2.8 per cent in 2025 before edging up slightly to 3.0 per cent in 2026. These forecasts reflect broad-based downward revisions driven primarily by the increasing impact of trade tariffs, which are dampening investment flows and eroding business confidence. However, the effect of the tariffs varies across countries depending on the degree of trade linkages and policy responses. Global headline Inflation is forecast to decline to 4.3% in 2025 and 3.6% in 2026. However, mounting inflationary risks, particularly from global trade tensions and policy uncertainty, continue to cloud the outlook.

Advanced Economies

The advanced economies growth is forecast to moderate to 1.4 per cent in 2025 and marginally uptick to 1.5 per cent in 2026. The 2025 growth is 0.5 percentage points lower than in January 2025 WEO projections. The downward revisions include downward revisions for Canada, Japan, the UK, and the US. For both Canada and Japan, the downward revisions reflect the adverse effects of US tariffs and increased external uncertainty, which have weighed on investment and trade flows. For the UK the downward revisions are linked to weak momentum from 2024, the drag from new tariffs, and subdued private consumption amid elevated regulated prices and high energy costs. For the US, the growth downgrades are driven by greater policy uncertainty, ongoing trade tensions, and expected softer domestic demand.

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Emerging Markets and Developing Economies

Growth in emerging market and developing economies is projected to slow to 3.7 per cent in 2025 and pick up modestly to 3.9 per cent in 2026. These projections mark a 0.5 and 0.4 percentage points downward revisions, respectively. Emerging and developing Asia is hard-hit by the tariffs. The introduction of the tariffs offset stronger carryover from 2024 in China. In contrast, India growth is expected to be more stable, supported by private consumption. Growth in emerging and developing Europe is expected to decelerate, largely due to a sharp slowdown in Russia, where both private consumption and investment are expected to weaken.

¹ This section benefited from the International Monetary fund (IMF) April 2025 World Economic Outlook (WEO).

Africa

Growth in South Africa is revised down due to lingering weakness from 2024, compounded by global uncertainty...

Growth in Sub-Saharan Africa is projected to ease slightly to 3.8 per cent in 2025, before improving to 4.2 per cent in 2026. Growth for Nigeria has been revised down due to lower oil prices while growth in South Africa is revised down due to lingering weakness from 2024, compounded by rising global uncertainty, protectionist trade policies and the broader slowdown in global economic activity.

Table 1: The World Economic Outlook (Annual percentage changes in real GDP)

Regions	Actuals				Projections	
	2021	2022	2023	2024	2025	2026
World Output	6.1	3.6	3.5	3.3	2.8	3.0
Advanced Economies	5.2	3.3	2.4	1.8	1.4	1.5
United States	5.7	3.7	2.3	2.8	1.8	1.7
Euro Area	5.3	2.8	2.3	0.9	0.8	1.2
Germany	2.8	2.1	2.7	-0.2	0.0	1.3
Japan	1.6	2.4	2.3	0.1	0.6	0.6
United Kingdom	7.4	3.7	2.1	1.1	1.1	1.4
Emerging and Developing Economies	6.8	3.8	4.4	4.3	3.7	3.9
Russia	4.7	-8.5	-2.3	4.5	1.5	0.9
Emerging and Developing Asia	7.3	5.4	5.6	5.3	4.5	4.6
China	8.1	4.4	5.1	5.0	4.0	4.0
Sub-Saharan Africa	4.5	3.8	4.0	4.0	3.8	4.2
South Africa	4.9	1.9	1.4	0.6	1.0	1.3

Source: IMF World Economic Outlook, April 2025



Domestic Economic Outlook

Overview of the Current Forecasts

Domestic economic prospects have weakened as several downside risks highlighted in the January 2025 LEO Update have begun to materialize.

The introduction of US tariffs, withdrawal of the MCC Compact II, and cuts in health sector aid have led to an unexpected downgrade in medium-term GDP growth. These developments are expected to negatively affect textile & clothing industry, slow growth in services sector and weaken overall domestic demand. As a result, domestic growth projections have been revised down by 1.0 percentage point for both 2025 and 2026 relative to the January 2025 LEO forecast. The economy is now expected to pick up in 2027, supported by recoveries in key industries. (See Table 2 below for details on forecast revisions).

Inflation has moderated more rapidly than previously anticipated, primarily due to a fall in oil prices. Inflation averaged 4.0 per cent in the first quarter of 2025. Food inflation averaged 6.0 per cent while non-food inflation averaged 3.5 per cent. In addition, the VAT increase proposal in both south Africa and Lesotho has been abandoned contributing to downward revision of inflation forecasts. However, food prices are expected to rise modestly in the second half of the year. As a result, inflation is projected to average 4.5 per cent in 2025 before increasing to 5.0 per cent in 2026 and 5.1 per cent in 2027. Despite current downward trend in inflation, upside risks remain, particularly due to the ongoing uncertainty in global trade policies, which may affect import prices and supply chains.

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Table 2: Overview of Domestic Economic Outlook

	Actual	Estimate	June 2025 projections			Differences from Jan 2025 projections		
	2023	2024+	2025*	2026*	2027*	2024	2025	2026
Economic growth	1.8	2.4	1.1	0.9	1.4	0.0	-1.0	-1.0
Primary Sector	6.3	-1.5	-1.3	6.2	5.4	-0.3	-3.7	2.4
Agriculture	7.7	0.7	4.9	4.3	4.7	0.0	1.4	0.0
Mining & Quarrying	0.9	-6.0	-14.7	11.2	7.3	-1.0	-14.7	8.5
Secondary Sector	-10.1	4.1	-1.2	-4.4	-0.8	0.1	-4.0	-6.4
Manufacturing	-14.2	-1.5	-8.1	-10.8	1.3	0.2	-9.0	-11.9
Textiles & Clothing	-16.0	-2.0	-9.9	-13.3	1.0	0.3	-10.7	-14.4
Building & Construction	3.6	24.0	11.9	2.1	-7.9	-0.5	2.1	-1.9
Services Sector	5.2	2.3	2.2	1.7	1.4	0.0	0.4	0.1
Inflation rate (%)	6.4	6.1	4.5	5.0	5.1	0.0	-0.7	0.0

Source: Central Bank of Lesotho. +estimate, *projections

Real Sector Outlook

The domestic economy is projected to slow to 1.1 per cent growth in 2025, as it faces significant headwinds stemming from an increasingly uncertain global policy environment. The outlook for the export sector is subdued in the near-term due to trade policy uncertainty. The textile & clothing sub-sector is expected to contract sharply, reflecting weaker demand from the United States due to loss of competitiveness following the introduction of trade tariffs. In addition, growth in the diamond industry is expected to decline due to persistently weak global diamond market; with Liqhobong Mine remaining on care and maintenance. These developments in the export-oriented sector undermine the expected growth in construction and services industries.

In the medium-term, economic growth is projected to remain muted, as the economy gradually adjusts to structural shifts in the global trade landscape. In 2026, growth is forecast at 0.9 per cent supported by recoveries in the primary sector and the resilience of the services sector. However, the secondary sector will remain under pressure, with the textile and clothing industry expected to continue its decline. In 2027, the economy is projected to pick up to 1.4 per cent, primarily driven by services sector and improved outlook for diamond mining underpinned by recovering market conditions.





The primary sector output is projected to decline by 1.3 per cent in 2025, driven by a substantial decline in the mining industry which more than offsets moderate gains in agriculture. The mining industry is projected to decline by 14.7 per cent in 2025, as global demand for diamonds remains weak. Lab-grown diamonds are exerting significant diamond pressure on the demand and prices of natural diamonds. The continued downturn in global diamond prices has forced Liqhobong Mine to remain on care and maintenance, significantly reducing overall industry output. The industry has also adjusted production targets downwards in response to the weak market conditions. Meanwhile, the agricultural industry is projected to grow by 4.9 per cent in 2025, supported by expected recovery in crops and growth in livestock farming. Improved rainfall ahead of the 2024/25 cropping season is expected to boost both crops yields and vegetation cover while contributing to lower livestock disease outbreaks.

Growth in the primary sector is projected to stabilize in the medium-term, underpinned by a recovery in mining and continued resilience in agriculture. The mining industry is expected to rebound by 11.2 per cent in 2026 and grow by 7.3 per cent in 2027, supported by a modest recovery in global diamond prices. Supply constraints — driven by the closure of aging mines worldwide — are anticipated to drive prices upward, causing mines to ramp up production. As a result, Liqhobong Mine is expected to resume operations, and broader industry production is projected to increase. The diamond industry recovery is expected to complement the steady growth in the agricultural sub-sector. Agricultural sub-sector growth is expected to be supported by improving adaptation to weather shocks. Consequently, crops production is projected to grow by 4.9 per cent over 2026 – 2027 while livestock production is projected to grow by 4.6 per cent over the same period.

Growth in the secondary sector is expected to contract by 1.2 per cent in 2025, in contrast to 4.1 per cent expansion in 2024. This decline is primarily driven by a steep contraction in the textile and clothing industry, which more than offsets moderate growth in construction industry. The textile and clothing industry is expected to contract by 9.9 per cent, reflecting the adverse impact of US tariffs. These tariffs are expected to erode Lesotho's competitiveness in the US market, leading to a reduction in export orders and overall industry output. Meanwhile, the construction industry, while still expanding, is expected to slow down, growing at 11.2 per cent in 2025 compared to 24.0 per cent in 2024. Growth is supported by continued implementation of large-scale public infrastructure projects, particularly under LHWP II, and other key government construction initiatives. The water & electricity sub-sector is also expected to contribute positively to sectoral growth in 2025 as maintenance works at Muela Hydropower Station are scheduled for completion in the first half of 2025.

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The secondary sector is projected to face further challenges over the medium-term, with output expected to contract by 4.4 per cent in 2026 and by 0.7 per cent in 2027. In 2026, the contraction is largely attributed to a continued decline in the textile and clothing industry, as the full impact of the 2025 US tariffs on demand is felt more strongly. Although construction activity remains positive, it will grow at a slower pace, following the peak activity in 2025. In 2027, the secondary sector is expected to contract reflecting the waning momentum of LHWP II, leading to a projected decline of 7.9 per cent in construction activity. This downturn is expected to more than offset gains in other sub-sectors. The electricity & water sub-subsector is projected to grow by 3.1 per cent in 2027 bolstered by operationalisation of Ramarothole Solar Power Plant, which is expected to increase electricity power generation. The textile and clothing industry is forecast to recover modestly, growing by 1.0 per cent in 2027, supported by improving regional demand as the sector gradually adjusts to global market changes.

The services sector is expected to remain resilient in 2025, providing a critical anchor for domestic economic growth. Overall, the sector is projected to grow by 2.2 per cent, with financial services and public administration contributing the most to this growth. The finance & insurance industry is forecast to grow by 3.9 per cent, supported by sustained — though revised down — capital inflows, even as credit extension moderates. Public administration is expected to expand by 1.5 per cent supported by higher government spending on goods and services. Ongoing mega-projects, including LHWP II, are anticipated to provide indirect support to related service industries, particularly in wholesale & trade and transport. The wholesale & retail trade industry is projected to grow by 2.9 per cent, also boosted by modest inflation, which is expected to support real household incomes and consumer demand. The transport sub-sector is forecast to grow by 2.3 per cent, benefiting from continued infrastructure activity. Meanwhile, education & health sub-sector is expected to contract in 2025, following the withdrawal of externally funded programs, particularly in the health industry.

In the medium-term, growth in the services sector is projected to slow, with average expansion of 1.5 per cent over 2026–2027. This deceleration reflects the gradual wind-down of LHWP II and broad-based domestic economic weakness. LHWP II is expected to start winding down activities in 2027. The wholesale & trade industry is forecast to grow by an average 1.9 per cent over 2026-2017 as household demand moderates in line with overall economic activity. The finance & insurance is projected to grow by 2.5 per cent over the same period. Public administration is projected to grow by 0.6 per cent, with limited room for significant expansion in government spending. The education & health sub-sector is expected to recover modestly, with projected growth of 0.6 per cent, as domestic interventions begin to fill the gap left by the withdrawal of foreign support.

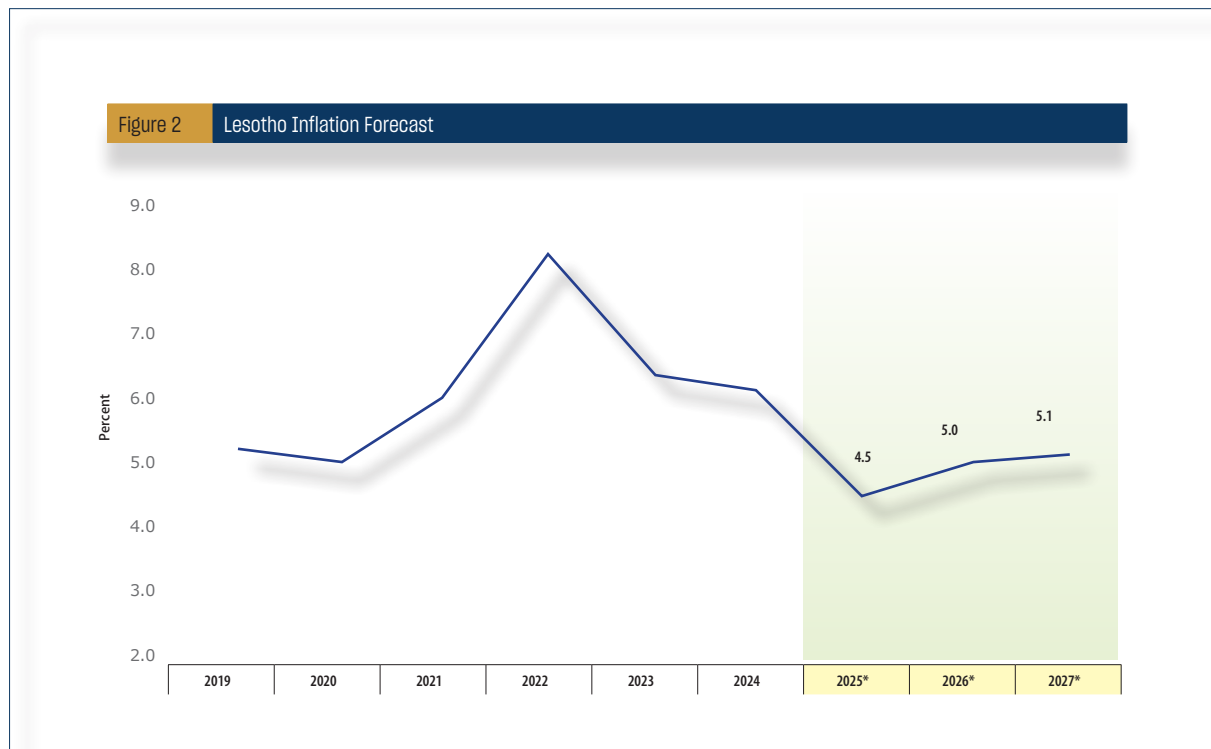


Inflation Outlook

The annual inflation rate is projected to moderate to 4.5 per cent in 2025, reflecting easing price pressures across both food and non-food categories.

The decline in global oil prices has helped to lower transport and production costs, contributing to a broad-based moderation in inflation. Improved expected harvest in 2025 is further supporting lower food prices, both locally and for imported staples, helping ease cost-of-living pressures. Inflation is expected to increase gradually and stabilise at around 5.0 per cent in both 2026 and 5.1 per cent in 2027, consistent with moderate domestic food price pressures. However, upside risks remain elevated due to the uncertain global trade policy environment. Potential impacts include exchange rate depreciation and supply chain disruptions, both of which could exert renewed upward pressure on prices.

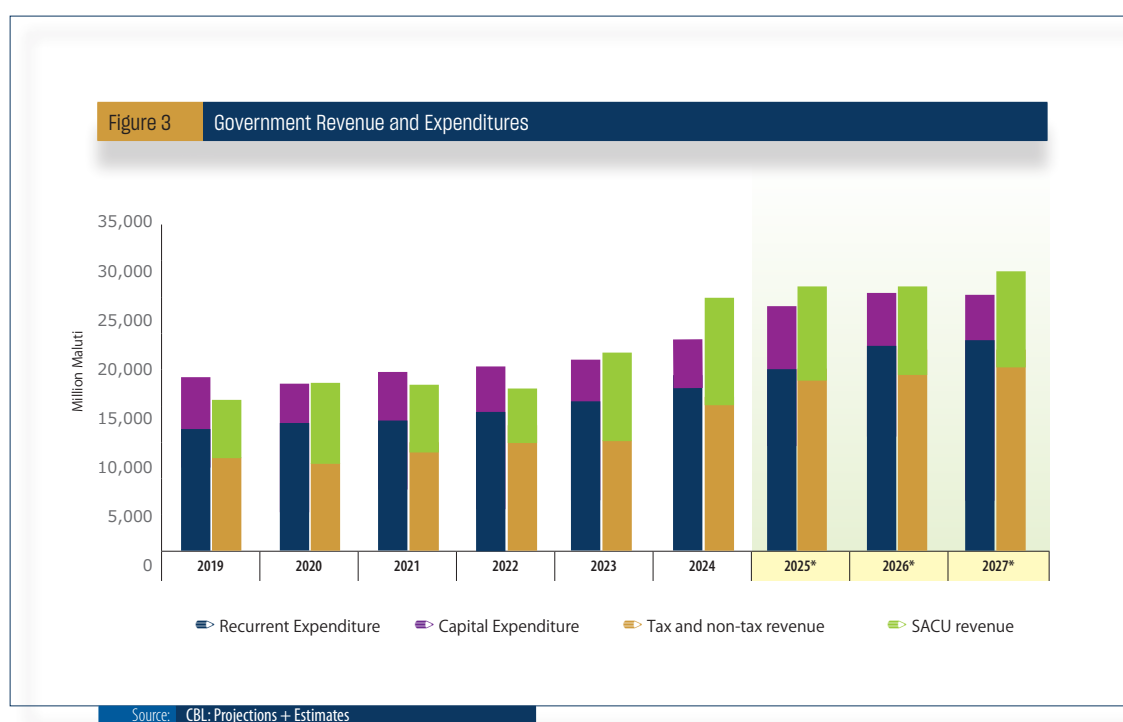
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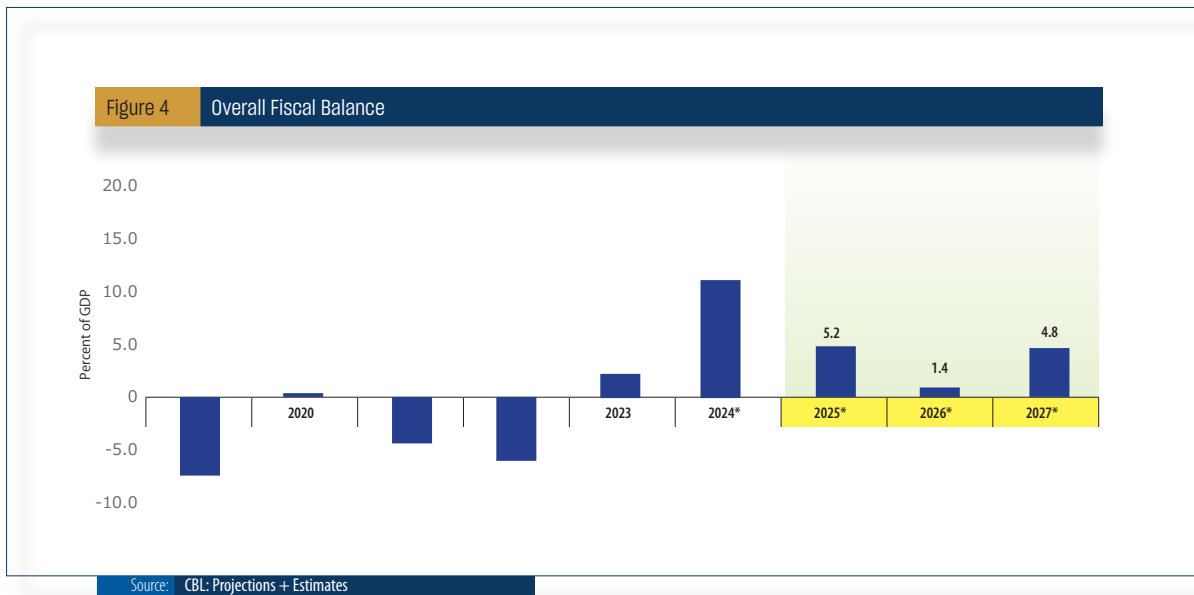
Source: Central Bank of Lesotho, * Projections

Government Budgetary Operations Outlook

The fiscal position is projected to register a budget surplus of 5.2 per cent of GDP in 2025, largely driven by under-execution of the capital budget. The capital budget continues to be caught in a persistent cycle of underspending, with only modest improvements expected in execution in 2025/2026. SACU revenues are expected to decline by 12.7 per cent in 2025, following a significant 25.0 per cent increase in 2024. Tax revenues are projected to decline by 0.6 per cent, reflecting slower domestic economic activity and its negative impact on tax collection performance. Total expenditure is forecast to increase by 15.5 per cent in 2025, driven by higher capital expenditure and spending on goods and services.



The fiscal balance is expected to remain in surplus over the medium-term, although it will fluctuate with revenue and spending patterns. In 2026, the fiscal surplus is projected to narrow to 1.4 per cent of GDP due to a combination of factors. Total revenues are expected to slightly decline, primarily from falling SACU receipts, as customs collections weaken amid declining trade volumes. Total expenditure is forecast to increase by 5.9 per cent increase, where rising recurrent spending offsets the anticipated decline in capital expenditure. In 2027, the surplus is forecast to expand to 4.8 per cent of GDP, supported by recoveries in SACU receipts against declining capital spending.



Despite sustained surpluses, the government intends to continue issuing securities, reinforcing its commitment to the development of the domestic capital market. Government deposits with the banking sector are projected to accumulate steadily, with average balances reaching 8.4 per cent of GDP over the medium-term. This build-up in savings will enhance fiscal buffers, providing the government with greater fiscal space to respond to emerging shocks.

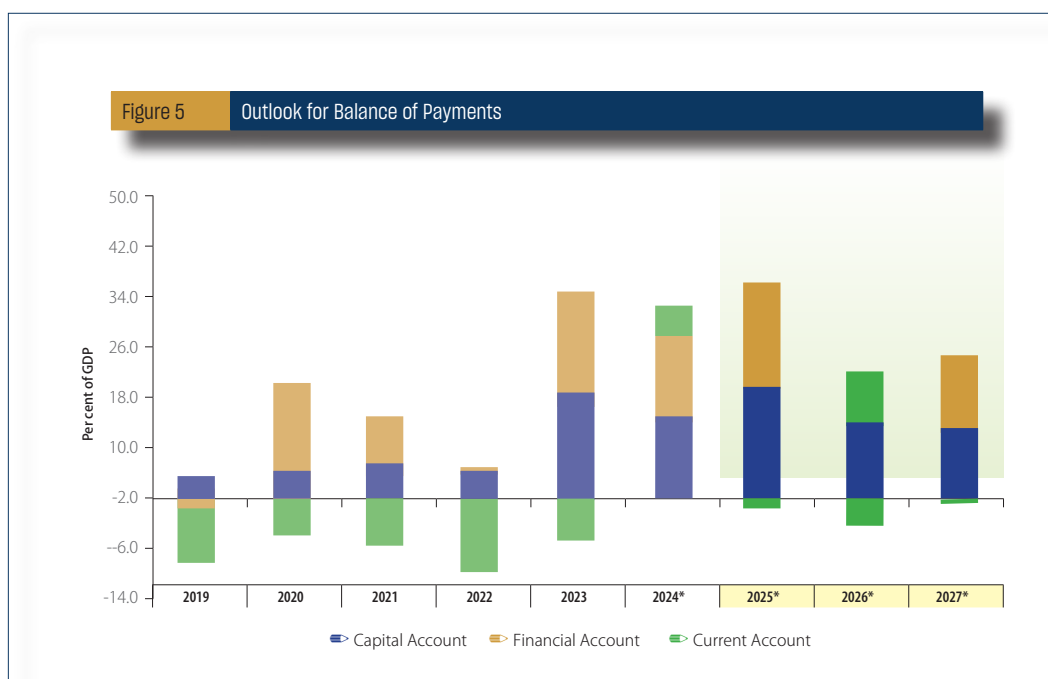
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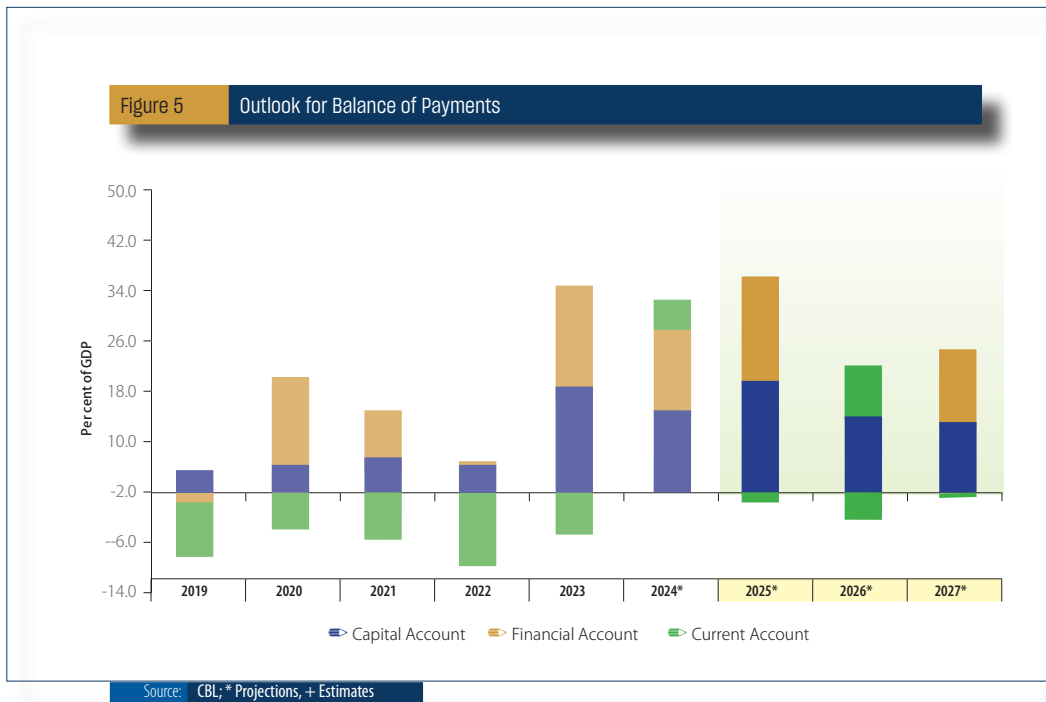
External Sector Outlook

The external sector outlook has been revised down relative to the January 2025 LEO update. The overall balance of payments is projected to be in surplus throughout 2025-2027, primarily driven by significant capital and financial account inflows. While the overall balance of payments is expected to remain in surplus over the projection period, the current account balance has been revised downward, largely due to weaker textiles and diamonds export performance. The deterioration in the trade balance is moderated by stronger water royalties, underpinned by the completion of key maintenance works on the LHWP infrastructure and the resumption of full water transfers to South Africa. The trade account is projected to remain in deficit throughout the forecast period. Nevertheless, official reserves remain at comfortable levels, above five months of imports during the forecast horizon.

Compared to the January 2025 LEO update, the current account projections have been revised downward, with more pronounced current account deficit expected due to the worsening trade account. The current account deficit is expected to reach 1.6 percent of GDP in 2025, a 1.2 percentage points lower compared January 2025 LEO update. The current account deficit is expected to widen to 4.3 per cent of GDP in 2026, compared to a 1.0 per cent deficit projected in the January 2025 LEO, before improving to a balanced current account in 2027. This wider deficit in 2026 is mostly driven by worsening trade balance, which is expected to remain a significant drag with projected deficits of 34.89 per cent in 2025 and 35.40 per cent in 2026. This is in line with the expected heightened activity of construction works of the LHWP II as the major works of the project are expected to reach their peak.

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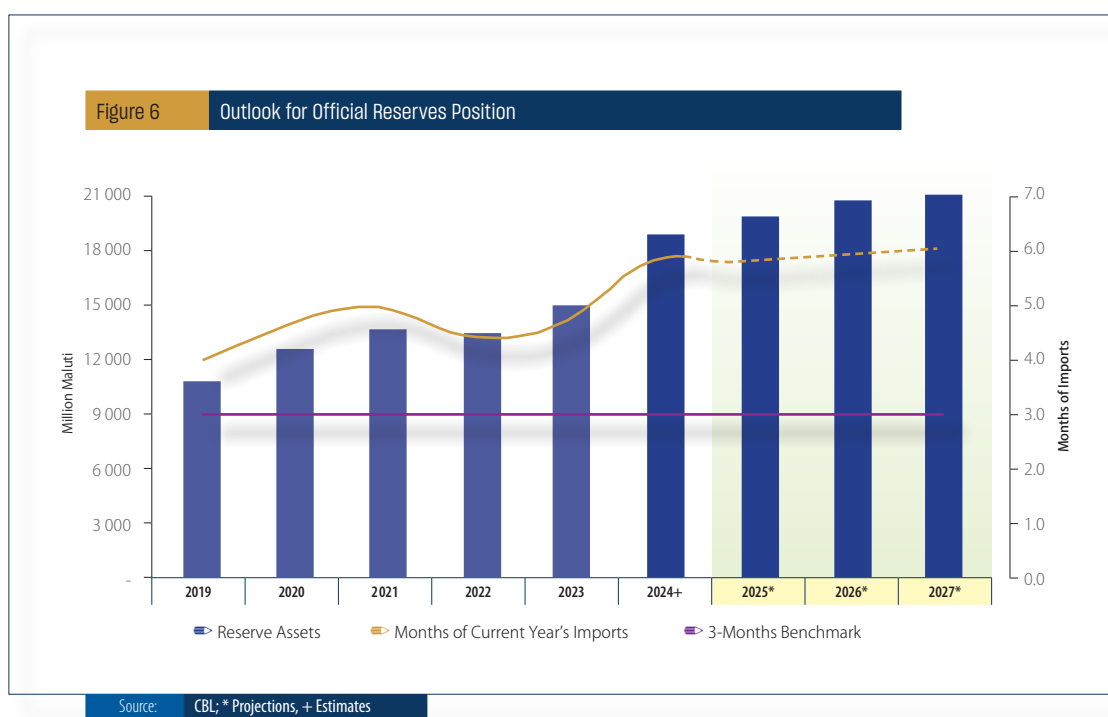


The effects of challenges in the rough diamond market and textiles and clothing sector necessitated revisions to the trade account projections. Prospects for Lesotho’s diamond sector in the near term are subdued due to consistently low global prices, leading some mines to enter care and maintenance and others to work on lower-grade ore. This weakens the outlook for high-value diamond exports. Similarly, the textile and clothing sector continues to face structural challenges such as increased competition, low value addition, and imposition of tariffs in major export markets, dampening its previously anticipated recovery. The services balance is also expected to remain in deficit, estimated at an average of 17.91 per cent of GDP during 2025-2027. The strong positive contributions from primary income and secondary income accounts are expected to partially mitigate the trade deficit. Primary income continues to be supported by stable earnings from Basotho workers in South Africa. On the other hand, the secondary income, specifically the SACU component, is projected to decline from 22.8 per cent of GDP in 2025 to 20.2 per cent of GDP in 2026.

The strong positive contributions from primary income and secondary income accounts are expected to partially mitigate the trade deficit...

The capital account is projected to remain in surplus during the forecast period, consistent with the phased implementation of LHWP-II project. The surpluses in the capital account are forecast at 18.58 per cent of GDP in 2025, then decline in the outer years to 12.79 per cent of GDP in 2026 and 11.90 per cent of GDP in 2027. The loss of MCC Compact II grants is expected to lead to a reduction in future capital transfers that were initially anticipated. The financial account is also projected to generate significant surpluses, reaching 16.97 per cent of GDP in 2025, then falling to 8.52 per cent of GDP in 2026 before recovering to 11.89 per cent of GDP in 2027. These are mainly driven by inflows to finance ongoing construction activities of the LHWP II, which have reached their advanced stages. Portfolio investment remains negligible.

Official reserves are projected to remain above international adequacy benchmarks. Reserves are projected to gradually increase from 5.9 months of import cover in 2025 to 6.1 months in 2027. The improvement largely reflects projected lower imports partly due to muted activity in the textile and clothing industry as well as the suspension of the MCC Compact II project, while capital and financial inflows remain relatively high. Nevertheless, risks remain, particularly around diamond prices remaining depressed for longer than expected or if textile exports failing to recover. The projected level of reserves is also largely sensitive to changes to volatile SACU revenue, as well as the execution of government budget.





Monetary Sector Outlook

Money supply is forecast to grow by a modest 2.9 per cent in 2025, reflective of a modest growth in net foreign assets against a notable decline in net domestic credit. The expected decline in net domestic credit reflects the expected weaker economic activity, which is expected to dampen overall credit demand. However, private sector credit extension is projected to increase by 3.3 per cent, largely driven by demand from households and the construction sector, which remains active due to ongoing infrastructure projects.

In the medium-term, growth in money supply is forecast to average 4.2 per cent, broadly in line with growth in nominal GDP. Capital flows linked to major infrastructure projects such as LHWP II are expected to continue, although at a declining pace as project activities start to wind down from 2027. Net foreign assets are projected to rise by 5.3 per cent while net domestic credit falls by 0.5 per cent over 2026 – 2027. Meanwhile, private sector credit is expected to grow by an average of 4.1 per cent, sustained by moderate household demand and residual activity in the construction sector.

Net foreign assets are projected to rise by 5.3 per cent while net domestic credit falls by 0.5 per cent over 2026 – 2027...



Risks to Domestic Growth Outlook

Globally, the intensification of trade tensions continues to pose a significant threat to growth...

The current domestic economic outlook is marked by heightened uncertainty, largely due to evolving dynamics in the global policy environment. While several downside risks previously identified have already begun to materialize — prompting growth downgrades — additional risks are now becoming more probable. Globally, the intensification of trade tensions continues to pose a significant threat to growth. Depending on the extent of the trade war, inflationary pressures could escalate, increasing the likelihood of capital flight and exchange rate depreciation in South Africa. These developments would reverse the recent gains in inflation in the country. Domestically, persistently weak market conditions in key export-oriented sectors — namely the mining and textile & clothing industries — have contributed to deteriorating investor confidence. This erosion of confidence raises the risk of disinvestment, which could further suppress economic activity and dampen medium-term growth prospects.



Conclusion

Domestic economic prospects have deteriorated amid mounting headwinds from an increasingly uncertain global trade policy environment. Real GDP growth is projected to decelerate to 1.1 per cent in 2025, held back by contractions in the primary and secondary sectors. The mining industry continues to face subdued global demand and low diamond prices, while the textile and clothing industry is projected to shrink significantly due to the negative impact of newly imposed tariffs. In 2026, growth is expected to slow further to 0.9 per cent, as the full effects of the trade tariffs on the textile and clothing sector continue to materialize. A modest uptick is anticipated in 2027, with growth projected at 1.4 per cent, supported by a recovery in the primary sector, particularly mining, and sustained resilience in the services sector. Inflationary pressures are expected to remain contained in the near term. Annual inflation is forecast to average 4.5 per cent in 2025, reflecting moderation in both food and non-food prices—partly due to lower oil prices and improved harvests. Inflation is, however, expected to rise to 5.0 per cent in 2026 and 5.1 per cent in 2027, driven mainly by increases in food prices.

Appendix I: Selected Macroeconomic Indicators								
	Projections							
	2020	2021	2022	2023	2024+	2025*	2026*	2027*
Output - Constant prices								
Gross Domestic Product (% p.a.)	-8.16	2.27	2.39	1.83	2.41	1.08	0.87	1.37
Per capita GDP (% p.a.)	-8.59	1.79	1.91	1.35	1.93	0.61	0.40	0.90
Gross National Income (% p.a.)	-8.49	0.33	5.39	3.17	3.13	1.29	1.17	1.01
Per capita GNI (% p.a.)	-8.92	-0.14	4.89	2.68	2.64	0.82	0.70	0.54
Output - Current prices								
Gross Domestic Product (M Million)	19447.29	19888.10	20362.98	20734.94	21235.62	21465.19	21652.03	21949.39
Per Capita GDP	9507.89	9677.71	9862.22	9995.17	10188.41	10250.15	10290.77	10383.08
Gross National Income (M Million)	23121.95	23197.61	24447.95	25222.07	26011.08	26347.64	26656.50	26926.36
Per Capita GNI	11304.46	11288.15	11840.65	12158.17	12479.57	12581.64	12669.30	12737.41
Output - Current prices								
Nominal GDP (% p.a.)	-2.14	5.46	8.05	1.45	4.94	2.88	4.58	3.91
Nominal GNI (% p.a.)	-1.17	3.86	10.72	3.83	6.02	3.34	5.00	3.87
Nominal GDP (M Million)	33801.98	35648.08	38518.71	39078.91	41008.61	42190.08	44123.79	45850.23
Nominal GNI (M Million)	40130.20	41679.31	46147.20	47915.12	50800.45	52499.08	55121.60	57254.31
Sectoral Growth rates (% p.a.)								
Primary Sector	2.37	13.59	-0.63	6.27	-1.52	-1.32	6.19	5.41
Crops	71.92	-6.20	-13.83	7.72	-10.66	4.85	4.27	5.51
Mining and Quarrying	-15.29	19.29	-6.45	0.89	-6.01	-14.65	11.18	7.27
Secondary Sector	-11.34	6.43	2.06	-10.13	4.15	-1.16	-4.42	-0.78
Manufacturing	-9.12	7.36	-2.28	-14.16	-1.48	-8.10	-10.84	1.27
Construction	-39.17	9.65	23.74	3.56	23.98	11.88	2.08	-7.89
Tertiary Sector	-5.70	-0.78	2.64	5.21	2.31	2.17	1.68	1.35
Wholesale and retail trade,repairs	-26.21	-1.36	1.21	2.39	2.61	2.88	2.41	1.29
Financial and insurance activities	6.57	-2.70	10.06	13.02	4.60	3.93	3.01	2.02
Real estate activities	-4.30	1.22	1.38	-0.63	1.15	0.21	0.28	0.20
Public Admin, Education & Health	0.49	0.48	0.25	-0.14	0.43	1.08	0.75	0.61
Savings and Investment - Per cent of GNI								
National Savings	18.13	18.84	14.55	18.27	25.08	20.89	16.79	18.24
Of which Government Savings	10.31	8.63	5.97	11.01	18.84	16.32	11.02	12.28
Of which Private Sector Savings	7.82	10.21	8.57	7.26	6.24	4.57	5.77	5.96
Investment	23.68	25.74	24.43	23.85	21.02	22.18	20.22	18.26
Of which Government Investment	8.11	8.70	8.95	9.16	9.85	12.82	10.43	8.89
Of which Private Sector Investment	15.57	17.04	15.48	14.69	11.17	9.37	9.79	9.38
Resource Balance	-5.55	-6.90	-9.88	-5.58	4.06	-1.29	-3.44	-0.02

+ Estimate, * Projection



Appendix I: Selected Macroeconomic Indicators (continued)								
					Projections			
	2020	2021	2022	2023	2024+	2025*	2026*	2027*
Savings and Investment - Per cent of GDP								
National Savings	21.53	22.02	17.43	22.40	31.07	26.00	20.97	22.78
Of which Government Savings	12.24	10.09	7.16	13.50	23.34	20.31	13.76	15.33
Of which Private Sector Savings	9.29	11.93	10.27	8.90	7.73	5.69	7.21	7.44
Investment	28.12	30.10	29.27	29.24	26.04	27.60	25.26	22.80
Of which Government Investment	9.63	10.17	10.72	11.23	12.21	15.95	13.03	11.10
Of which Private Sector Investment	18.49	19.93	18.54	18.02	13.83	11.65	12.24	11.71
Resource Balance	-6.59	-8.07	-11.84	-6.85	5.03	-1.61	-4.29	-0.03
Inflation rate % (CPI)								
	4.98	6.05	8.27	6.40	6.13	4.49	4.97	5.14
External Sector - Per cent of GDP								
Current Account	-6.59	-8.07	-11.84	-6.85	5.03	-1.61	-4.29	-0.03
Imports of Goods	77.23	75.18	76.20	78.51	74.47	77.51	76.58	75.00
Exports of Goods	42.52	44.01	44.61	41.05	43.23	42.58	41.12	43.06
Capital Flows	4.49	5.38	4.16	17.30	13.76	18.62	12.82	11.92
Financial Account	13.71	7.36	0.15	16.47	13.02	17.01	8.52	11.89
Official Reserves (Months of Imports)	4.69	5.00	4.40	4.71	5.92	5.89	5.99	6.10
Government Finance - Per cent of GDP								
Revenue (excluding grants)	50.23	46.21	41.95	51.49	62.79	62.33	59.96	61.28
Tax Revenue	21.16	21.52	22.01	22.66	24.77	23.93	24.18	23.54
Recurrent Expenditure	41.47	40.17	38.93	41.41	43.30	46.46	50.00	49.30
Of which compensation of employees	17.39	17.19	16.96	17.81	18.25	19.53	21.41	21.29
Transaction in non-financial assets	11.29	13.81	12.03	10.63	11.56	15.11	12.34	10.51
Budget Balance (+ means a surplus)	0.34	-4.36	-5.87	2.13	11.07	5.20	1.43	4.82
Monetary Aggregates - Nominal growth								
Money supply (M2)	17.32	4.14	-3.41	19.84	10.56	2.88	4.58	3.91
Private Sector Credit	0.63	7.34	4.99	16.28	9.61	3.26	4.21	3.95

+ Estimate, * Projection



Appendix II: Real GDP Growth Rates								
	2020	2021	2022	2023	Projections			
					2024+	2025*	2026*	2027*
Primary Sector	2.37	13.59	-0.63	6.27	-1.52	-1.32	6.19	5.41
Agriculture, forestry and fishing	15.11	10.57	2.70	7.71	0.73	4.91	4.29	4.66
Growing of crops; market gardening; horticulture	71.92	-6.20	-13.83	7.72	-10.66	4.85	4.27	5.51
Farming of animals (incl. fishing)	5.45	17.76	7.57	8.21	3.33	5.18	4.49	4.70
Forestry	-2.23	-0.76	-1.57	-1.60	-0.80	-0.99	-0.56	-0.56
Fishing and aquaculture	-51.59	-49.14	0.98	9.50	6.30	6.50	7.50	8.50
Mining and quarrying	-15.29	19.29	-6.45	0.89	-6.01	-14.65	11.18	7.27
Secondary sector	-11.34	6.43	2.06	-10.13	4.15	-1.16	-4.42	-0.78
Manufacturing	-9.12	7.36	-2.28	-14.16	-1.48	-8.10	-10.84	1.27
Food products and beverages	-10.37	-7.84	-15.37	-1.81	2.97	2.46	2.44	2.13
Textiles, clothing, footwear and leather	-6.79	9.83	-0.67	-15.97	-2.05	-9.94	-13.29	1.01
Other manufacturing	-28.37	-4.68	-10.07	0.26	1.24	3.49	1.52	2.74
Electricity and water	8.36	2.46	0.86	-9.68	1.57	1.94	1.80	3.10
Electricity supply	10.28	8.41	0.51	4.01	-1.44	2.50	1.27	2.63
Water and sewerage; waste collection	7.38	-0.66	1.06	-17.47	3.73	1.55	2.16	3.42
Construction	-39.17	9.65	23.74	3.56	23.98	11.88	2.08	-7.89
Tertiary sector	-5.70	-0.78	2.64	5.21	2.31	2.17	1.68	1.35
Wholesale and retail trade; repair of motorvehicles	-26.21	-1.36	1.21	2.39	2.61	2.88	2.41	1.29
Transportation and storage	-13.96	-1.14	6.83	1.84	3.20	2.32	2.60	2.09
Accommodation and food service activities	-42.51	9.81	42.24	18.18	2.46	1.97	1.00	1.42
Information and communication	-7.75	-3.27	-3.07	7.63	1.93	1.34	0.77	2.32
Financial and insurance activities	6.57	-2.70	10.06	13.02	4.60	3.93	3.01	2.02
Financial service activities, except insurance	8.96	-3.55	10.12	13.06	4.59	3.83	2.88	1.77
Insurance and pension funding	-15.50	5.12	13.12	17.89	4.38	4.67	4.07	4.21
Activities auxiliary to financial services	-5.78	7.32	2.10	0.73	5.34	5.17	4.55	4.46
Real estate activities	-4.30	1.22	1.38	-0.63	1.15	0.21	0.28	0.20
Professional, scientific and technical activities	-2.52	-1.98	-4.58	-3.43	3.07	0.57	1.48	1.38
Administrative and support service activities	-17.46	1.52	-20.17	24.49	2.17	2.42	0.74	1.25
Public administration and defense; compulsory social security	0.49	0.20	-0.55	-0.05	0.45	1.46	0.78	0.51
Education	0.78	4.30	3.05	0.64	-0.13	1.59	-0.84	0.97
Human health and social work activities	0.35	1.52	5.69	-1.10	0.45	-2.03	1.12	1.31
Other service activities	-1.51	-1.53	9.18	2.58	2.78	2.78	2.77	2.79
GDP at factor cost (Unadjusted)	0.27	-6.38	1.13	0.62	0.39	2.79	1.95	1.28
Financial services indirectly measured								
GDP at factor cost	-6.34	2.29	2.14	1.66	2.27	1.08	0.87	1.37
Taxes on products	-23.86	2.04	5.01	3.52	3.90	1.08	0.87	1.37
GDP at market prices	-8.16	2.27	2.39	1.83	2.41	1.08	0.87	1.37
+ Estimate, * Projection								



Appendix III: GDP by Sector 2012 Prices (In Million Maloti)								
	Projections							
	2020	2021	2022	2023	2024+	2025*	2026*	2027*
Primary Sector	1749.93	1987.80	1975.19	2099.11	2067.22	2039.86	2166.20	2283.50
Agriculture, forestry and fishing	1143.06	1263.87	1297.95	1398.01	1408.24	1477.43	1540.87	1612.74
Growing of crops; market gardening; horticulture	281.46	264.02	227.52	245.07	218.96	229.58	239.38	252.56
Farming of animals (incl fishing)	801.02	943.31	1014.70	1098.03	1134.54	1193.35	1246.95	1305.51
Forestry	53.16	52.75	51.92	51.09	50.68	50.18	49.90	49.62
Fishing and aquaculture	7.42	3.77	3.81	3.82	4.06	4.32	4.65	5.04
Mining and quarrying	606.87	723.93	677.23	701.10	658.98	562.42	625.33	670.76
Secondary sector	4077.03	4339.05	4428.53	3980.10	4145.26	4097.25	3916.20	3885.51
Manufacturing	2499.85	2683.95	2622.74	2251.45	2218.18	2038.61	1817.56	1840.72
Food products and beverages	195.62	180.28	152.57	149.80	154.26	158.04	161.90	165.35
Textiles, clothing, footwear and leather	2117.12	2325.31	2309.77	1940.83	1901.11	1712.06	1484.59	1499.62
Other manufacturing	187.12	178.37	160.41	160.82	162.82	168.51	171.07	175.76
Electricity and water	1033.17	1058.58	1067.67	964.27	979.40	998.36	1016.33	1047.84
Electricity supply	355.16	385.01	386.97	402.51	396.70	406.61	411.77	422.59
Water and sewerage; waste collection	678.02	673.57	680.69	561.76	582.70	591.75	604.56	625.26
Construction	544.00	596.52	738.12	764.39	947.69	1060.27	1082.32	996.94
Tertiary sector	11950.28	11857.12	12169.73	12803.24	13098.38	13382.52	13607.13	13790.94
Wholesale and retail trade; repair of motorvehicles	1470.56	1450.52	1468.12	1503.28	1542.59	1586.95	1625.15	1646.19
Transportation and storage	391.29	386.85	413.27	420.87	434.34	444.42	455.98	465.53
Accommodation and food service activities	129.33	142.02	202.00	238.74	244.61	249.41	251.91	255.49
Information and communication	1048.62	1014.30	983.13	1058.11	1078.49	1092.98	1101.38	1126.97
Financial and insurance activities	2921.98	2843.06	3128.96	3536.35	3698.97	3844.27	3960.14	4040.18
Financial sector activities (except insurance)	2656.69	2562.31	2821.49	3189.99	3336.53	3464.41	3564.31	3627.40
Insurance and pension funding	179.59	188.79	213.57	251.78	262.81	275.08	286.28	298.35
Activities auxiliary to financial services	85.69	91.96	93.90	94.58	99.63	104.78	109.55	114.43
Real estate activities	1191.05	1205.52	1222.12	1214.36	1228.34	1230.94	1234.42	1236.87
Professional, scientific and technical activities	199.00	195.06	186.13	179.75	185.27	186.34	189.10	191.71
Administrative and support service activities	423.95	430.40	343.58	427.74	437.02	447.61	450.92	456.53
Public administration and defense; compulsory social security	3367.73	3374.41	3355.98	3354.35	3369.38	3418.59	3445.23	3462.80
Education	137.75	143.67	148.05	148.99	148.80	151.17	149.90	151.36
Human health and social work activities	410.60	416.82	440.53	435.68	437.62	428.75	433.56	439.26
Other service activities	258.43	254.49	277.85	285.02	292.96	301.09	309.43	318.06
GDP at factor cost (Unadjusted)	17777.24	18183.97	18573.44	18882.45	19310.86	19519.63	19689.53	19959.94
Financial services indirectly measured								
GDP at factor cost	17777.24	18183.97	18573.44	18882.45	19310.86	19519.63	19689.53	19959.94
Taxes on products, net of subsidies	1670.05	1704.13	1789.55	1852.49	1924.76	1945.57	1962.50	1989.45
GDP at market prices	19447.29	19888.10	20363.98	20734.94	21235.62	21465.19	21652.03	21949.39
* Projections								



Appendix IV: GDP at Current Prices (In Million Maloti)								
	Projections							
	2020	2021	2022	2023	2024+	2025*	2026*	2027*
Primary Sector	4407.57	5244.65	5115.62	5666.96	5446.25	5072.72	5680.09	5452.74
Agriculture, forestry and fishing	1794.116	2123.29	2292.13	2594.41	2782.14	3052.25	3343.47	3680.64
Growing of Crops	385.91	392.09	350.68	405.04	384.05	420.79	460.55	510.90
Farming of Animals(incl fishing)	1329.42	1660.01	1869.47	2117.48	2321.90	2552.03	2799.27	3081.36
Forestry	66.96	65.03	65.28	65.01	68.43	70.80	73.91	77.27
Fishing and aquaculture	11.824	6.162	6.71	6.87	7.75	8.63	9.74	11.11
Mining and Quarrying	2613.45	3121.36	2823.49	3072.55	2664.11	2020.47	2336.62	1772.10
Secondary sector	7891.96	8311.51	8920.08	8155.13	8310.78	8196.30	8025.90	8409.24
Manufacturing	5525.64	5896.23	6271.77	5464.40	5159.93	4709.47	4291.99	4545.03
Food products and beverages	298.35	284.86	251.05	246.89	269.80	288.85	310.62	333.53
Textiles, clothing, footwear and leather	4995.97	5403.44	5818.62	4985.86	4641.24	4151.45	3694.53	3901.64
Other manufacturing	231.32	207.93	202.10	231.65	248.89	269.17	286.84	309.85
Electricity and water	1714.57	1678.36	1682.50	1710.97	1861.74	1979.74	2118.99	2300.22
Electricity	521.04	410.48	393.06	395.68	413.86	443.27	471.22	508.45
Water	1193.53	1267.88	1289.45	1315.29	1447.88	1536.47	1647.77	1791.77
Building and Construction	651.75	736.92	965.80	979.76	1289.11	1507.09	1614.93	1563.99
Tertiary sector	17530.91	17754.13	19284.37	19760.01	21192.67	22521.37	23641.38	24765.74
Wholesale and retail trade, repairs	2336.52	2492.68	2747.88	2007.15	2185.78	2349.72	2525.94	2690.13
Transport and storage	533.00	558.46	777.69	743.40	814.18	870.53	937.58	1006.41
Accommodation and food service activities	134.01	150.42	223.23	177.34	192.82	205.45	217.83	232.28
Information and communication	893.76	843.48	803.48	837.36	905.76	959.19	1014.63	1091.56
Financial and insurance activities	4421.86	4319.44	4735.18	5414.32	6011.14	6529.67	7063.14	7579.87
Financial sector activities (except insurance)	3756.68	3669.60	4054.81	4790.29	5317.22	5769.19	6230.72	6666.87
Insurance and pension funding	473.13	426.33	417.53	363.51	402.68	440.42	481.16	527.20
Activities auxiliary to financial services	192.05	223.51	262.83	260.52	291.24	320.07	351.26	385.79
Real estate activities	1185.96	1192.72	1200.60	1256.20	1348.49	1412.08	1486.50	1565.99
Professional and support service activities	241.24	240.89	238.70	235.77	257.90	271.04	288.74	307.77
Administrative and support service activities	521.41	547.52	469.38	591.28	641.11	686.16	725.61	772.40
Public administration and defense; compulsory social security	6283.47	6404.15	7014.83	7326.36	7579.95	7921.37	7983.10	8023.82
Education	244.72	248.34	267.46	268.06	284.12	301.63	313.97	333.31
Human health and social work activities	436.51	456.68	481.90	536.99	572.43	586.04	622.08	662.64
Other service activities	298.45	299.36	324.04	365.77	398.98	428.49	462.25	499.56
GDP at factor cost (Unadjusted)	29830.44	31310.29	33320.07	33582.10	33582.10	35790.39	37347.37	38627.72
Financial services indirectly measured								
GDP at factor cost	29830.36	31310.28	33321.07	33584.09	34949.73	35790.42	37347.40	38627.75
Taxes on products, net of subsidies	3971.62	4337.81	5197.65	5494.82	6058.87	6399.66	6776.38	7222.49
GDP at market prices	33801.98	35648.08	38518.71	39078.91	41008.60	42190.08	44123.79	45850.23
* Projections								





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