

**CENTRAL BANK OF LESOTHO**

**QUARTERLY REVIEW**

**DECEMBER, 2011**

**VOLUME XXXI, NO. 4**

**MASERU  
KINGDOM OF LESOTHO**

## Table of Contents

<b>I. Introduction</b> .....	<b>1</b>
<b>II. International Economic Developments</b> .....	<b>333</b>
United States (US).....	333
Euro-zone .....	444
South Africa (SA).....	555
China.....	555
India.....	666
Japan.....	666
Commodity Prices.....	666
<b>III. Real Sector, Employment and Price Developments</b> .....	<b>11111</b>
Primary Sector Developments .....	11111
Secondary Sector Developments .....	121212
Tertiary Sector Developments .....	141414
Investment Expenditure .....	171717
Employment Developments .....	181818
Price Developments.....	202020
<b>IV. Monetary and Financial Developments</b> .....	<b>22222</b>
Determinants of Money Supply.....	22222
Components of Money Supply .....	242424
Commercial Banks' Deposits by Holder .....	252525
Liquidity of Commercial Banks .....	262626
Demand for Money .....	282828
Domestic Credit.....	282828
Net Foreign Assets .....	323232
Money Market Developments.....	343434
Money Market and Short-term Interest Rates .....	343434
<b>V. Government Finance</b> .....	<b>363636</b>
Summary of Budget Outturn.....	363636
Revenue .....	373737
Financing.....	414141
External debt .....	424242
Domestic Debt.....	434343
<b>VI. Foreign Trade and Payments</b> .....	<b>44444</b>
Overview .....	444444
Current Account.....	444444
Current Transfers .....	494949
Capital and Financial Account .....	505050
Reserve Assets .....	505050
Exchange Rates .....	525252

## List of Tables

Table 1: Key World Economic Indicators.....	<a href="#">444</a>
Table 2: Electricity Consumption .....	<a href="#">131312</a>
Table 3: Water Consumption.....	<a href="#">141413</a>
Table 4: Telephone Traffic Statistics .....	<a href="#">161616</a>
Table 5: Motor Vehicle Imports.....	<a href="#">171717</a>
Table 6: Employment Trend of LNDC-Assisted Companies .....	<a href="#">181818</a>
Table 7: Inflation Rate .....	<a href="#">212121</a>
Table 8: Determinants of Money Supply .....	<a href="#">232323</a>
Table 9: Money Supply .....	<a href="#">242424</a>
Table 10: Commercial Banks; Deposits by Holder.....	<a href="#">262626</a>
Table 11: Components of Commercial Banks' Liquidity .....	<a href="#">272727</a>
Table 12: Consolidated Balance Sheet of Commercial Banks .....	<a href="#">272727</a>
Table 13: Domestic Credit Excluding Net Claims on Government* .....	<a href="#">282828</a>
Table 14: Sectoral Distribution of Credit to Enterprises* .....	<a href="#">303030</a>
Table 16: Banking System's Net Claims on Government.....	<a href="#">323232</a>
Table 16: Banking System's Foreign Assets and Liabilities.....	<a href="#">333333</a>
Table 17: Holding of Treasury Bills and Bonds .....	<a href="#">343434</a>
Table 18: Major Money Market Interest Rates .....	<a href="#">353535</a>
Table 19: Government Revenue.....	<a href="#">383838</a>
Table 20: Government Expenditure .....	<a href="#">404040</a>
Table 21: Government Financing.....	<a href="#">414141</a>
Table 22: External Debt.....	<a href="#">434343</a>
Table 23: Domestic Debt.....	<a href="#">444444</a>
Table 24: Current Account Balance .....	<a href="#">454545</a>
Table 25: Value of Exports by Section on the S.I.T.C. # .....	<a href="#">464646</a>
Table 26: Direction of Trade - Exports and Re-Exports, f.o.b.....	<a href="#">484848</a>
Table 27: Capital and Financial Account.....	<a href="#">505050</a>

## List of Figures

Figure 1:	Average Price of Gold.....	<a href="#">777</a>
Figure 2:	Average of Price of Platinum.....	<a href="#">887</a>
Figure 3:	Average Price of Oil.....	<a href="#">998</a>
Figure 4:	Average Spot Price of Maize.....	<a href="#">10409</a>
Figure 5:	Average Spot Price of Wheat.....	<a href="#">114110</a>
Figure 6:	Weighted Diamond Production Index.....	<a href="#">124242</a>
Figure 7:	Value of Sales Turnover.....	<a href="#">154545</a>
Figure 8:	Government Employment.....	<a href="#">194949</a>
Figure 9:	Migrant Mineworkers Employment.....	<a href="#">202020</a>
Figure 10:	Annual Inflation Rate for Urban Households.....	<a href="#">222222</a>
Figure 11:	Overview of Recent Monetary Developments.....	<a href="#">232323</a>
Figure 12:	Components of Money Supply.....	<a href="#">252525</a>
Figure 13:	Distribution of Credit by Holder.....	<a href="#">292928</a>
Figure 14:	Commercial Bank's Credit to Business Enterprises.....	<a href="#">313131</a>
Figure 15:	Net Foreign Assets.....	<a href="#">333333</a>
Figure 16:	Short-Term Interest Rates.....	<a href="#">363636</a>
Figure 17:	Primary Balance versus Overall Balance.....	<a href="#">373737</a>
Figure 18:	Sources of Government Revenue.....	<a href="#">393939</a>
Figure 19:	Recurrent Expenditure by Type.....	<a href="#">414141</a>
Figure 20:	Outstanding Public Debt.....	<a href="#">424242</a>
Figure 21:	Direction of Merchandise Exports.....	<a href="#">494949</a>
Figure 22:	Reserve Assets.....	<a href="#">515151</a>
Figure 23:	Balance of Payments.....	<a href="#">525252</a>
Figure 24:	Nominal Exchange Rate of the Loti against Major Currencies.....	<a href="#">535352</a>

## I. Introduction

According to preliminary economic indicators, the global economy slowed down during the quarter ending December 2011, driven by intensifying tensions in the euro zone. Economic growth in advanced economies decelerated during the review quarter, as a result of the adverse spill over effects from the euro area. Emerging and developing economies also slowed down during the quarter, as a result of a drop in domestic demand as well as the unfavourable external environment. The decline in crude oil prices eased pressure on global inflation rate during the quarter. Nonetheless, the volatile weather conditions together with the strengthening of the US Dollar put upward pressure on prices for food.

In the US, economic activity remained subdued. The marginal growth was influenced by positive performance in personal consumption expenditures, private inventory investment, residential fixed investment together with exports of goods and services. However, a decline in government spending coupled with reduced non-residential fixed investment overshadowed the positive performance. Downward pressure on energy prices led to a deceleration in inflation during the quarter under review. In an effort to continue to encourage economic recovery, the Federal Reserve Bank's Open Market Committee (FOMC) left its policy lending rate unchanged at 0.25 per cent, during the review period.

Euro zone economic growth continued to be threatened by the sovereign debt crisis in the fourth quarter of 2011. In an effort to address the economic tensions and restore confidence in the financial markets, the European Council together with the euro area governments agreed on a package of measures which included ensuring of fiscal discipline, acceleration of structural reforms for growth and employment, a more effective European Financial Stability Facility (EFSF), durable strengthening of European banks, taking into account the unique needs of Greece and improving a deeper economic union among members. While the rate of inflation decelerated, it remained higher than the European Central Bank's target limit of 2.0 per cent. However, the ECB decided to reduce its benchmark lending rate by 25 basis points to 1.00 per cent.

Preliminary indications were that SA's economic performance deteriorated during the fourth quarter of 2011, as most SA products were adversely affected by constraints in the European market, the largest importer of SA goods. Both mining and manufacturing production decreased in October and November, while retail sales rose during the same months, due to the recovery in domestic demand. However, as a result of increased prices of food and non-alcoholic beverages together with housing and utilities, the rate of SA inflation rose above the Reserve Bank of South Africa's target range of 3 – 6 per cent to 6.1 per cent. Nonetheless, the SA Reserve Bank's Monetary Policy Committee (MPC) kept its policy rate unchanged at 5.5 per cent, as to continue promoting economic growth.

The economic indicators in the emerging Asian markets and Japan suggested a slow down during the quarter under review. China's economic growth decelerated due to the global economic uncertainty and the government measures to cool down assets and inflation. China's inflation decelerated as a result of easing food prices and government efforts contain inflation

during the period. However, the People's Bank of China left the benchmark lending rate unchanged in the quarter ending December 2011. India's economic performance was estimated to have deteriorated during the quarter, as industrial output and exports decelerated due to the unfavourable global economic conditions. The drop in food and energy prices, together with the 25 basis point increase in India's benchmark repurchase rate resulted in a reduction of the inflation rate from 10.1 per cent in the previous quarter to 6.5 per cent in the review quarter. Japan's economic activity remained subdued on account of global slowdown and strengthening of the yen during the quarter under review. The level of prices in Japan fell by 0.2 per cent in December 2011, as a result of lower prices in culture and recreation as well as furniture and household utensils. The Bank of Japan left its key interest rate unchanged at 0.1 per cent, to stimulate economic recovery.

Commodity prices went down during the review period, due to weak global demand. The international price of gold and platinum declined, largely due to reduced demand in emerging markets and concerns about sovereign debt crisis in the Euro area. The price of crude oil also dropped as a result of weak global demand. Nonetheless, the international prices of agricultural products continued to rise due to unfavourable weather conditions and supply-side shocks.

Economic activity in Lesotho was estimated to have deteriorated during the last quarter of 2011. The performance of the primary sector slowed down, as mining production remained subdued during the period. The decline in water and electricity consumption in the review quarter indicated that the secondary sector had also weakened. Similarly, the tertiary sector showed signs of weakness in all categories. On the labour market front, employment in LNDC-assisted companies together with the number of government employees declined during the quarter under review, despite the marginal growth in employment of Basotho migrant mineworkers.

Domestic prices maintained a strong upward trend, consistent with developments in SA and the rest of the world. The rate of inflation accelerated to 7.7 per cent in December compared with 5.5 per cent in September 2011, driven mainly by an increase in prices of food and non-alcoholic beverages, housing, electricity, gas and other fuel as well as transport.

Broad money supply growth dropped during the quarter under review, influenced by a decline in net foreign assets. However, an increase in domestic credit extended to private sector counterbalanced the decline in money supply. Interest rates in the country remained low, in line with regional developments, which continued to support credit growth.

Preliminary estimates of the government budgetary operations indicated a non-cumulative deficit during the review period. The deficit was estimated at 4.9 per cent of GDP compared with that of 11.2 per cent realised in the quarter ending September 2011. The lower deficit resulted from an increase in total revenue and grants, which partly offset the increase in total expenditure as a result of higher capital spending during the review quarter.

During the review period, the level of government debt increased by 3.8 per cent. This was largely due to a rise in domestic debt. The growth in public debt was also fuelled by a marginal rise of 0.2 per cent from the external debt, emanating from a slight depreciation of the local

currency against the major currencies. As a percentage of GDP, total public debt rose to 39.2 per cent in the review quarter, from the 37.7 per cent recorded in the previous quarter.

Lesotho's balance of payments position, as measured by the overall balance, continued to register a surplus, albeit lower than that of previous quarter, for the second consecutive quarter in the fourth quarter of 2011. The lower surplus of 3.3 per cent of GDP reflected deterioration in current account, as a result of an increase in imports of goods and services. However, a marginal increase in income and current transfers counterbalanced the merchandise trade deficit. The deceleration in the country's external sector position was reflected in a drop in gross official reserves to 4.7 months of imports cover, from 4.9 months in the previous quarter.

## **II. International Economic Developments**

Global economic recovery continued to be threatened by the intensifying strains in the euro area. Protracted bank deleveraging and sizeable contractions in output and credit exacerbated the sovereign crisis in the euro area. Advanced economies experienced a deceleration in growth, mainly due to the adverse spillover effects from the euro area through trade and financial channels. Meanwhile, emerging and developing economies slowed down from a high pace to a lower pace of growth, on account of the deteriorating external environment as well as the slowdown in domestic demand. Consumer price inflation eased during the review period at the back of receding commodity and food prices.

### **United States (US)**

Economic activity in the US remained subdued in the fourth quarter of 2011. Real gross domestic product (GDP) rose by 1.6 per cent, in comparison with a rise of 1.5 per cent observed in the quarter ending in September 2011. The growth in GDP reflected contributions from private inventory investment, personal consumption expenditures, residential fixed investment and exports of goods and services. This growth was also supported by the rebuilding of inventories by companies at the fastest rate in about two years. However, the positive effect of these factors was offset by a deceleration in non-residential fixed investment and a decline in federal government spending.

The rate of inflation increased by 3.0 per cent in December 2011, compared with 3.9 per cent observed in the previous quarter. The noticeable deceleration in inflation mainly reflected a slowdown in energy prices which fell to 6.6 per cent from 19.3 per cent in the previous quarter. Nonetheless, the FOMC decided to leave its benchmark lending rate unchanged at 0.25 per cent, in an effort to promote stronger economic recovery.

On the labour market front, the unemployment rate declined marginally from 9.0 per cent in September 2011 to 8.5 per cent in December 2011, as private sector employment rose with a modest growth realised in transportation and housing, as well as retail trade sectors.

**Table 1: Key World Economic Indicators**

	Real GDP Growth		Inflation Rate		Key interest Rate		Unemployment Rate	
	QIII*	QIV	QIII	QIV	QIII	QIV	QIII	QIV
<b>China</b>	9.4	8.9	6.1	4.1	6.56	6.56	4.3	4.2
<b>Euro area</b>	1.4	n/a	3.0	2.7	1.25	1.00	10.2	10.4
<b>India</b>	6.9	n/a	10.1	6.5	8.25	8.50	n/a	n/a
<b>Japan</b>	6.0	-2.3	0.0	-0.2	0.10	0.10	4.1	4.6
<b>South Africa</b>	3.1	n/a	5.7	6.1	5.50	5.50	25.0	23.9
<b>US</b>	1.5	1.6	3.9	3.0	0.25	0.25	9.0	8.5

**Source:** Bloomberg, The Economist, STATSSA and SARB, OECD National Accounts Statistics (database), US Bureau of Economic Analysis, National Bureau of Statistics of China, Statistics Bureau of Japan, Government of India Department of labour

\* Revised estimates

### **Euro-zone<sup>1</sup>**

Risks to financial stability resurfaced in the Euro zone during the quarter under review. The sovereign debt crisis and its impact on the banking sector worsened in the face of weakening economic growth prospects. The European Council and Euro zone Government agreed on a package of measures to restore confidence and address tensions in the financial markets. The package included measures towards ensuring fiscal discipline and acceleration of structural reforms for growth and employment; having a more effective European Financial Stability Facility (EFSF), aimed at a durable strengthening the capital base of European banks; meeting the unique needs of Greece; and improving a deeper economic union among members.

Retail trade in the Euro zone dropped by 1.5 per cent, which represented deterioration from a decline of 0.8 per cent, observed in September 2011. Industrial production declined by 0.3 per cent in November 2011 from a 2.2 per cent increase in September 2011. Likewise, Construction output decreased to 0.2 per cent from 0.5 per cent in September 2011. The loss in growth momentum was exacerbated by weak domestic demand, business and consumer confidence, amid the uncertain global economic activity.

The harmonised unemployment rate in the Euro zone increased from 10.2 per cent in September 2011 to 10.4 per cent in the review period. The highest unemployment rates were recorded in Greece, Spain and Lithuania.

<sup>1</sup> Euro-zone: Austria, Belgium, Cyprus, Estonia, Germany, Greece, Finland, France, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.

Inflation, measured by changes in the Harmonized Index of Consumer Prices (HCIP), declined to 2.7 per cent during the review period from 3.0 per cent in September 2011. The main contributing factors to the rise in inflation were prices of transport, housing and alcohol and tobacco. The highest inflation rates were observed in Slovakia and Poland with 4.6 per cent and 4.5 per cent, respectively. Notwithstanding, the ECB lowered its benchmark lending rate by 25 basis points to 1.00 per cent in December 2011, to boost the economic recovery.

### **South Africa (SA)**

Indications were that the South African economic activity remained sluggish during the review period. In conformity with the global meltdown, growth in manufacturing production declined from 8.2 per cent observed in September 2011 to 2.6 per cent in November 2011, despite the easing of the supply side constraints. Demand for SA's manufactured goods was negatively affected by developments in the Euro area, which is one of SA's major export markets. Mining production fell by 12.0 per cent and 4.6 per cent in October and November 2011, respectively. However, retail sales rose by 7.5 per cent and 6.8 per cent in October and November 2011, respectively, from a 7.7 per cent growth in the previous quarter.

In line with the fragile economic activity and uncertain growth prospects, the SA unemployment rate remained high at 23.9 per cent in December 2011, coming from 25.0 per cent recorded in September 2011. Employment increased in the formal sector, primarily in trade, finance and community and social services.

The rate of inflation, measured by changes in the CPI, increased from 5.7 per cent in September 2011, to 6.1 per cent in December 2011. The rise was largely driven by an increase in the prices of food and non-alcoholic beverages, as well as housing and utilities which rose by 11.1 per cent and 6.5 per cent, respectively. However, the South African Reserve Bank's MPC decided to maintain the repo rate at 5.5 per cent. This decision was supported by the fact that significant upside risks to inflation outlook were mainly of a cost-push nature. It was also considered that downside risks to inflation outlook emanated from the weakening global growth prospects exacerbated by the worsening situation in the euro area.

### **Emerging Asian Markets and Japan**

#### **China**

According to preliminary estimates, China's economic activity continued to decelerate during the quarter under review. GDP growth slowed down from 9.4 per cent in the previous quarter to 8.9 per cent in the review period. The slowdown was a reaction to both the weakening global prospects and the Chinese government's attempts to cool asset and price inflation. Despite several monetary tightening measures and global uncertainties, sustained strong growth was supported mainly by industrial production, retail sales and fixed asset investment, which grew by 12.8 per cent, 18.1 per cent and 23.8 per cent, respectively. On the labour market front, the unemployment rate fell to 4.2 per cent in the quarter ending December 2011.

The inflation rate fell from 6.1 per cent in the previous quarter to 4.1 per cent in December 2011, as a result of the government's price control efforts. The easing in inflationary pressure was also attributable to falling food prices which declined from 13.4 per cent in September 2011 to 9.1 per cent in the review quarter. The People's Bank of China maintained its benchmark lending rate at 6.56 per cent in the quarter ending December 2011.

## **India**

Preliminary indications were that the economic performance of India remained flat in the third quarter of 2011. This continued in the fourth quarter in which exports rose by 6.7 per cent from 36.3 per cent in the previous quarter. The deceleration in exports was largely due to the weakening global demand. Similarly, industrial output remained subdued at 3.5 per cent on account of slowing infrastructure output and domestic demand as well as the high interest rates. In the meantime, imports rose by 19.8 per cent, from 32.4 per cent in the previous quarter.

The inflation rate in India dropped from 10.1 per cent in the previous quarter to 6.5 per cent in the review period. The deceleration in inflationary pressures in the review period was primarily driven by the decrease in food and commodity prices. So as to combat high inflation, the Reserve Bank of India (RBI)'s Monetary Policy Committee raised its benchmark repurchase rate by 25 basis points to 8.50 per cent during the period ending December 2011.

## **Japan**

Based on the preliminary indicators, Japan's economic activity remained subdued mainly due to global slowdown and appreciation of the yen. Japan has also been affected negatively by supply disruptions caused by the floods in Thailand. The slowdown was evident in manufacturing and industrial production which decreased by 2.9 per cent and 4.0 per cent, respectively in December 2011. However, retail sales increased by 4.5 per cent in December 2011. Exports fell by 4.5 per cent driven by a slump in exports of hi-tech goods, compared with the decline of 2.4 per cent in the previous quarter. These exports continued to be weakened by the strengthening of the yen against other major currencies, as well as weakening global prospects. The unemployment rate rose to 4.6 per cent during the review period.

Inflation rate in Japan declined to -0.2 per cent from zero per cent in September 2011 as high energy prices were offset by lower prices for culture and recreation, furniture and household utensils. In an attempt to stimulate economic recovery, the Bank of Japan (BOJ) left its key interest rate unchanged at 0.1 per cent during the review quarter.

## **Commodity Prices**

### **Overview**

The international commodity prices remained on the decline in response to weak global demand. The slowdown in import growth in China, which accounts for about 40 per cent of the global metal consumption and about 18 per cent of energy consumption, due to policy

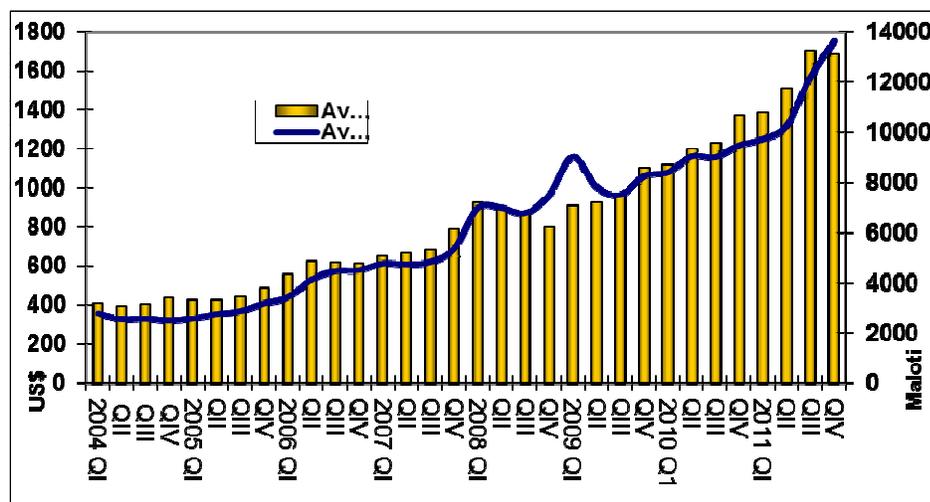
measures aimed at taming high inflation and housing prices, contributed significantly to the fall in global demand. Investor risk-aversion, spurred by the sovereign debt risks in the Euro area, also contributed to the easing of commodity prices. Prices of agricultural products in the international market also continued to be affected by volatile weather conditions; low inventories; supply shocks; and high fossil fuel prices.

## Mineral Products

### Gold

The average price of gold, in US Dollar terms, decreased by 1.2 per cent to US\$1 683.0 per ounce during the quarter ending December 2011, following an increase of 12.9 per cent recorded in the previous quarter. In Maloti terms, it grew by 12.1 per cent to M13 632.5 per ounce, compared with a rise of 18.7 per cent observed in the quarter ending September 2011.

Figure 1: Average Price of Gold

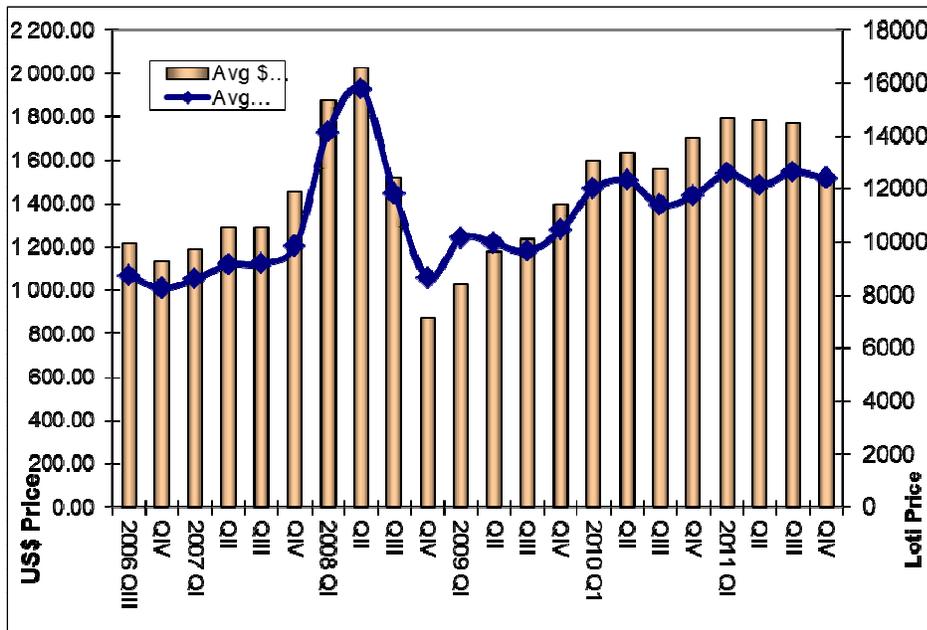


Source: Bloomberg

### Platinum

The average price of platinum fell by 13.5 per cent to US\$1 531.6 per ounce compared with a decrease of 0.9 per cent registered in the previous quarter. In domestic currency terms, this represented a drop of 1.9 per cent to M12 406.3 per ounce, against a rise of 4.3 per cent in the previous quarter.

Figure 2: Average of Price of Platinum



Source: Bloomberg

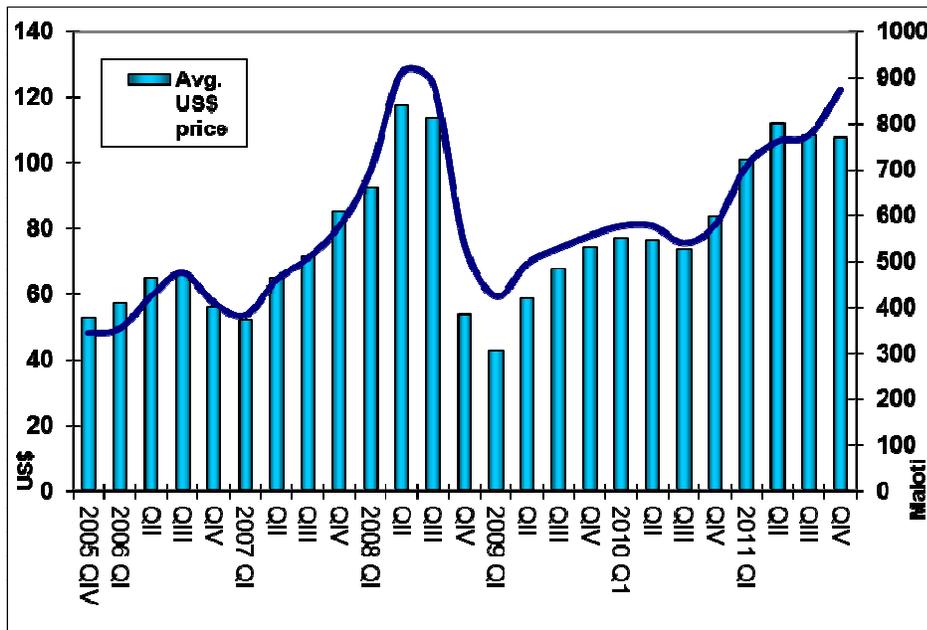
The SA mining industry continued to benefit from the stabilising commodity prices. This is expected to continue to enhance the employment prospects of Lesotho’s mine-work seekers and therefore inflows of migrant remittances.

### Oil

The price of crude oil decreased, on the average, by 0.6 per cent to US\$107.9 per barrel in the review period compared with a drop of 3.2 per cent observed in the preceding quarter. In Maloti terms, this amounted to a 12.8 per cent increase, following that of 1.8 per cent in September 2011.

Alongside the depreciating local currency against major trading currencies, domestic prices of petroleum products rose in the review period. Prices of petrol and diesel closed the review quarter at M9.5 and M10.8 per litre, respectively, while illuminating paraffin increased to M7.9 per litre.

Figure 3: Average Price of Oil



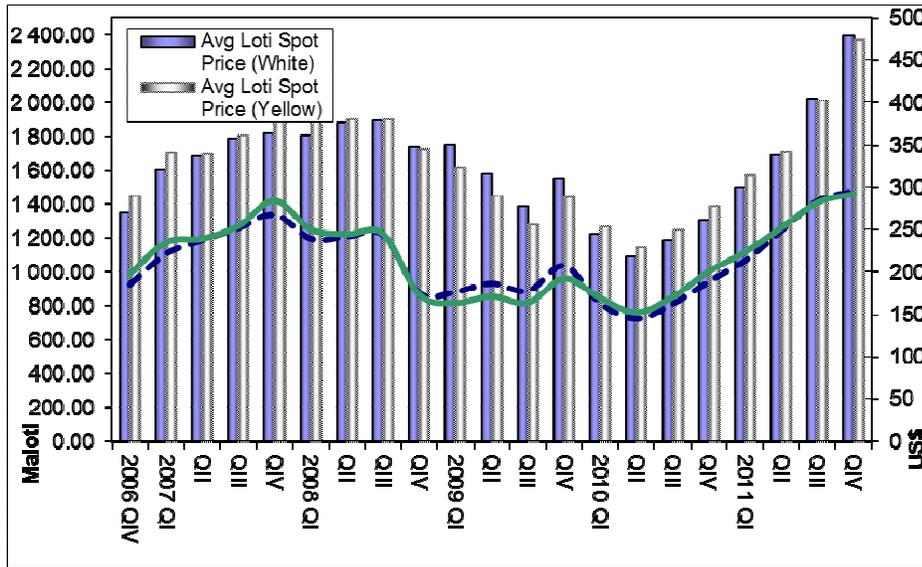
Source: Bloomberg

### Agricultural Products

#### Maize

The average prices of white and yellow maize maintained an upward trend. They grew by 4.2 per cent and 3.7 per cent from US\$283.7 and US\$281.7 per tonne, realised in September 2011, to US\$295.7 and US\$292.2 per tonne, respectively. In Maloti terms, the average prices of white and yellow maize increased by 18.3 per cent and 17.7 per cent, to M2 394.9 and M2 367.1 per tonne, from M2 025.2 and M2 011.6 per tonne, recorded in the previous period, respectively.

Figure 4: Average Spot Price of Maize

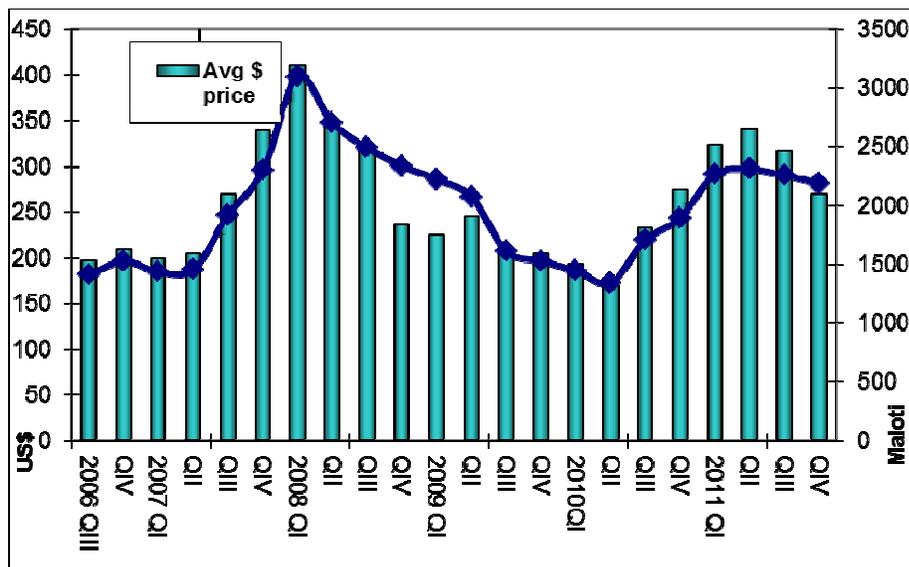


Source: Bloomberg

### Wheat

Wheat prices declined, on average, by 14.7 per cent to US\$270.0 per tonne in the review period from US\$316.4 per tonne recorded in the previous quarter. This translated to a deceleration of 3.2 per cent.

Figure 5: Average Spot Price of Wheat



### III. Real Sector, Employment and Price Developments

#### Overview

Lesotho’s economy showed muted performance during the fourth quarter of 2011 compared with the third quarter of 2011. Economic activity in the primary sector remained subdued as mining production showed no increase. The secondary sector contracted, with electricity and water consumption registering declines, reflecting contraction especially by the wet industries. The tertiary sector also declined. The labour market remained under pressure, with employment in LNDC-assisted companies and government declining while employment of migrant mineworkers showed marginal improvement during the review period.

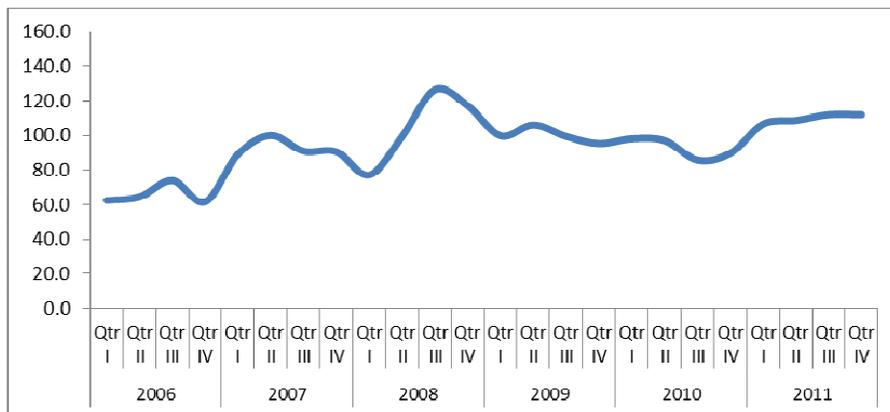
#### Primary Sector Developments

The weighted diamond production index<sup>2</sup> (WDPI) remained constant in December 2011 after increasing by 3.7 per cent during the quarter ending in September 2011. On an annual basis, the index increased by 25.0 per cent in the fourth quarter of 2011. The quarterly moderation was attributable to downward pressures emanating from the rough diamond market as a result of economic uncertainty caused by the Euro zone crisis. During the review period, prices of

<sup>2</sup> The Central Bank of Lesotho has decided to introduce a weighted index to cater for the differences in the market value of diamond produced by the different mines in Lesotho. In addition, the data has also been revised after obtaining more appropriate data in diamond production from the Department of Mines and Geology.

rough as well polished diamonds were lower compared to those of the previous period. Nonetheless, compared to a year ago, diamond production index improved.

**Figure 6: Weighted Diamond Production Index**  
(2007: QII=100)



Source: Department of Mines and Geology

## Secondary Sector Developments

### Electricity Consumption

Total electricity consumption declined significantly by 14.3 per cent in the quarter ending in December 2011 compared with a moderate decline of 1.3 per cent recorded in the previous quarter. All electricity consumption categories performed poorly, albeit at different speeds and magnitudes. The major decline was observed in the commercial and industrial category, which fell by 16.7 per cent, contributing a decline of 8.7 per cent to total consumption. The 'domestic' and 'general purpose' categories declined by 9.9 per cent and 16.3 per cent, contributing 3.4 per cent and 2.3 per cent declines to total consumption, respectively, during the review period. The slowdown in total electricity consumption as well as commercial and industrial category was attributable to the slowdown in manufacturing production as US consumers remained concerned about debt and job security, despite the pickup in consumer spending and the decline in the unemployment rate in the fourth quarter of 2011.

**Table 2: Electricity Consumption**

(Units in Million Kilowatt Hours and Value in Million Maloti)

	2011							
	QI		QII		QIII		QIV	
	Kwh	Value	Kwh	Value	Kwh	Value	Kwh	Value
General Purpose	21.46	17.13	24.44	22.05	24.77	23.19	20.73	19.28
Domestic	44.94	32.32	56.63	45.33	56.76	47.85	51.32	43.32
Commercial & Industrial	75.33	35.87	93.04	47.83	90.28	48.94	75.20	42.51
<b>Total</b>	<b>141.73</b>	<b>85.33</b>	<b>174.11</b>	<b>115.22</b>	<b>171.81</b>	<b>119.97</b>	<b>147.24</b>	<b>105.11</b>

Source: Lesotho Electricity Authority and Lesotho Electricity Company

**Water Consumption**

Total water consumption increased both on quarterly and annual bases in the fourth quarter of 2011. It registered seasonally adjusted quarterly and annual increases of 19.7 per cent and 3.0 per cent, respectively. This mainly reflected increases in water consumption by other categories which outweighed the decline in water consumption by the commercial and industrial sector. Water consumption by the commercial and industrial category declined by 2.3 per cent and 26.5 per cent on quarterly and annual bases, respectively. The decline may be mainly attributed to sluggish performance of manufacturing subsector as concerns about the looming recession in the euro area and the US debt intensified.

**Table 3: Water Consumption**

(Units in Million kilo-litres; value in Million Maloti)

		<b>Domestic</b>	<b>Industrial</b>	<b>Other</b>	<b>Total</b>
<b>2010</b> <b>IV</b>	Units	1.06	1.30	0.59	2.95
	Value	5.37	8.31	4.23	17.91
	Units*		1.17		2.66
<b>2011</b> <b>I</b>	Units	0.74	1.15	0.63	2.51
	Value	4.41	7.50	3.74	15.65
	Units*		1.34		2.93
<b>II</b>	Units	0.85	1.17	0.62	2.63
	Value	4.70	9.13	4.65	18.48
	Units*		1.19		2.67
<b>III</b>	Units	0.85	0.93	0.63	2.41
	Value	5.93	7.09	5.44	18.47
	Units*		0.88		2.29
<b>IV</b>	Units	1.31	0.95	0.78	3.04
	Value	8.56	7.78	8.78	25.1
	Units*		0.86		2.74

**Source:** Water and Sewerage Authority

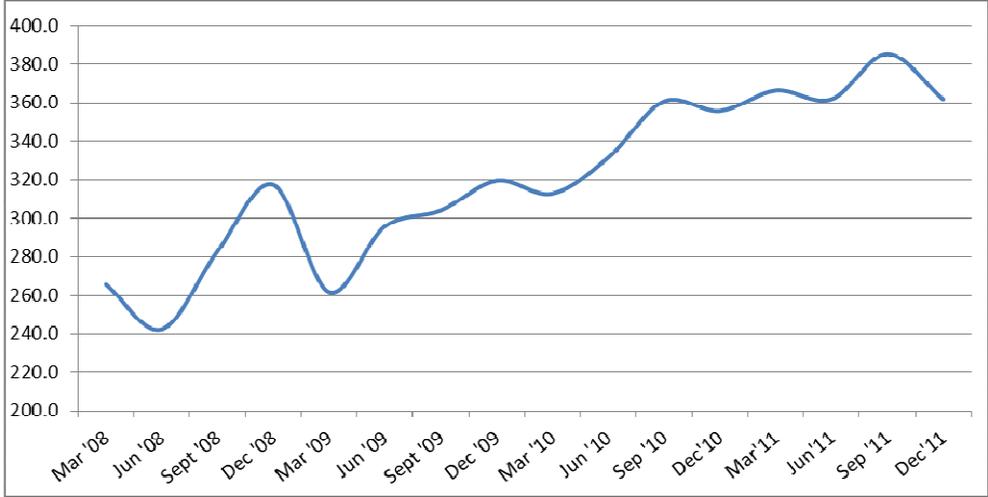
\* denotes seasonally adjusted figures

### Tertiary Sector Developments

#### Sales Turnover

The value of sales turnover declined by 6.1 per cent in the fourth quarter compared with an increase of 6.5 per cent in the third quarter of 2011. On an annual basis, the value of sales turnover decelerated by 1.7 per cent in the fourth quarter of 2011 compared with 6.8 per cent in the quarter ending in September. The relatively slower decline in the value of sales turnover may be an indication of subdued consumer spending during the review period, despite being the festive season which is correlated with spending spree.

**Figure 7: Value of Sales Turnover**  
(Million Maloti)



Source: Lesotho Revenue Authority

**Telephone Statistics**

The total number of telephone calls remained unchanged on a quarterly basis in the fourth quarter of 2011 compared with a decline of 15.4 per cent in the third quarter. On an annual basis, the number of telephone calls rose by 2.7 per cent in the fourth quarter of 2011 compared with 3.3 per cent in the previous quarter.

**Table 4: Telephone Traffic Statistics**

		<b>SA Outgoing Calls</b>	<b>Internation al Calls</b>	<b>Total Calls</b>
<b>2010</b>				
<b>III</b>	No. of calls (millions)	2.04	0.15	2.19
	No. of calls*			1.98
	Total Duration (million minutes)	3.53	0.40	3.93
	Nominal Value (million maloti)	8.11	2.67	10.78
<b>IV</b>	No. of calls (millions)	2.03	0.12	2.16
	No. of calls*			2.17
	Total Duration (million minutes)	3.52	0.39	3.91
	Nominal Value (million maloti)	8.09	2.66	10.75
<b>2011</b>				
<b>I</b>	No. of calls (millions)	2.05	0.14	2.19
	No. of calls*			2.28
	Total Duration (million minutes)	3.62	0.37	3.99
	Nominal Value (million maloti)	8.24	2.63	10.87
<b>II</b>	No. of calls (millions)	2.15	0.17	2.32
	No. of calls*			2.41
	Total Duration (million minutes)	3.71	0.42	4.13
	Nominal Value (million maloti)	8.36	2.67	11.03
<b>III</b>	No. of calls (millions)	2.08	0.17	2.25
	No. of calls*			2.04
	Total Duration (million minutes)	3.62	0.39	4.01
	Nominal Value (million maloti)	8.23	2.65	10.88
<b>IV+</b>	No. of calls (millions)	2.09	0.16	2.25
	No. of calls*			2.27
	Total Duration (million minutes)	3.65	0.39	4.04
	Nominal Value (million maloti)	8.28	2.65	6.33

**Source:** Tele-Com Lesotho and Vodacom Lesotho

\* Adjusted for seasonality.

+ Preliminary estimates



## Employment Developments

During the quarter ending in December 2011, employment by LNDC-assisted companies continued to decline by a marginal 1.4 per cent following a decline of 9.5 per cent in the previous quarter. On annual basis, a much steeper decline of 10.4 per cent was registered. The lacklustre performance mainly reflected difficulties that Lesotho's manufacturing sector continued to suffer on account of subdued economic recovery in the US. While the US labour market and consumer spending strengthened during the review period, it was mainly reflected in increases in the sales of autos and other long-lasting manufactured goods rather than consumables like clothing. Major declines in employment occurred in the apparel and textile industry, especially the woven garments and footwear manufacturing industries. The woven garments and footwear declined by 3.9 per cent and 3.6 per cent, respectively, while the knit garments declined by a marginal 0.8 per cent during the review period.

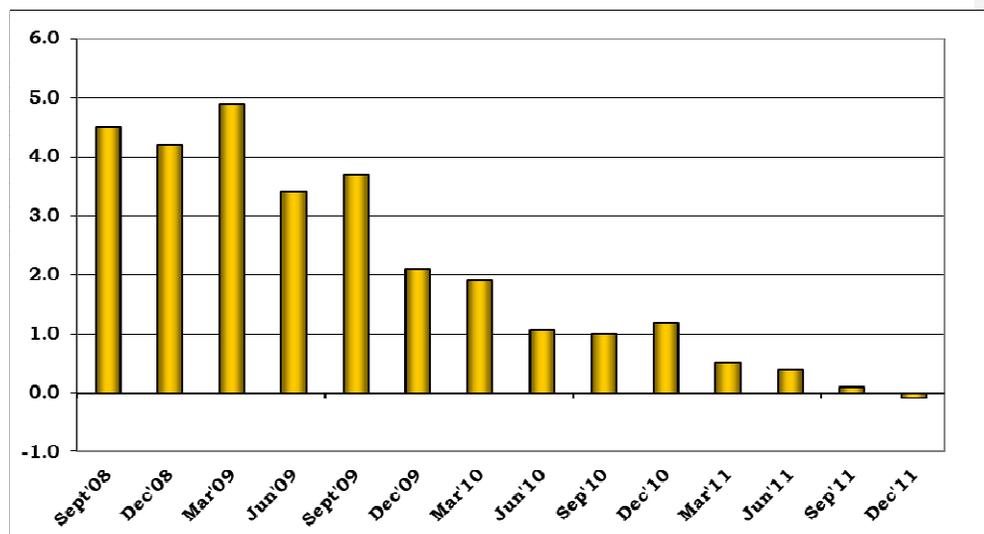
**Table 6: Employment Trend of LNDC-Assisted Companies**

Industry	2010	2011			
	QIV	QI	QII	QIII	QIV <sup>+</sup>
Knit Garments	21 699	21 212	22401	20082	19923
Woven Garments	14 893	14 450	15578	13967	13425
Footwear	2 802	2 622	2583	2756	2659
Fabrics, Yarn etc.	1 581	1 427	1388	1388	1390
Construction	281	260	277	257	260
Food & Beverages	1 646	842	841	585	609
Electronics	1 685	1712	1678	1461	1623
Retail	121	121	132	130	135
Hotel & Accommodation	465	445	469	378	405
Other	422	418	435	428	432
<b>TOTAL</b>	<b>45 595</b>	<b>43 509</b>	<b>45782</b>	<b>41432</b>	<b>40861</b>

**Source:** Lesotho National Development Corporation  
<sup>+</sup> Preliminary estimates

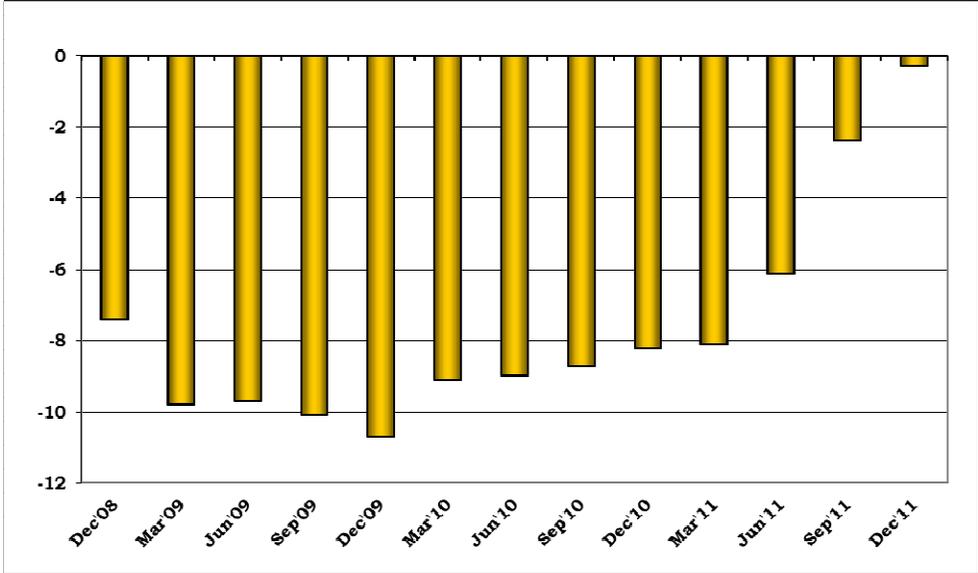
The number of government employees declined by a modest 0.1 per cent in December 2011 compared with a marginal increase of 0.1 per cent in September 2011. On an annual basis all categories of government employees showed modest declines. The fall in the number of government employees was mainly observed in the category of civil servants. The number of civil servants declined by 0.5 per cent, contributing 0.2 percentage points to the decline in total number of government employees. Daily paid workers declined by 2.5 per cent but did not have a noticeable impact on the decline in overall employment. The number of teachers increased by a modest quarterly rate of 0.1 per cent. The decline may be attributable to the on-going Government's fiscal consolidation efforts.

**Figure 8: Government Employment**  
(Annual Percentage Change)



The increase in the number of migrant mineworkers moderated to 0.5 per cent in the fourth quarter of 2011 on a quarterly basis, from 1.8 per cent recorded in the previous quarter. On an annual basis, the number of migrant mineworkers continued to decline, albeit at a slower rate. The slower pace of decline could be reflective of the positive impact of the depreciation of rand against major currencies on profitability of the SA mining sector. While the international prices of gold and platinum fell in US dollar terms during the review period, the weakening of the rand against major currencies cushioned their impact on the mining sector as the price of gold actually rose in rand terms.

**Figure 9: Migrant Mineworkers Employment**  
(Annual Percentage Change)



Source: The Employment Bureau of Africa (TEBA) and CBL estimates

**Price Developments**

During the fourth quarter of 2011, Lesotho’s inflation rate, measured as a percentage change in the Consumer Price Index (CPI) for all urban households, increased to 7.7 per cent from 5.5 per cent recorded in the third quarter. The acceleration in the general price level was mainly driven by food and non-alcoholic beverages, housing, electricity, gas & other fuels as well as transport. They contributed 0.9, 0.8 and 0.5 percentage points to the overall inflation, respectively. Food and non-alcoholic beverage prices increased by 2.4 percentage points to 10.4 per cent and housing, electricity, gas & other fuels accelerated by 7.2 percentage points to 19.5 per cent, while transport increased by 5.5 percentage points to 8.6 per cent in the review period. This reflected the impact of inflationary pressures emanating from the surge in global food and fuel prices. The depreciation of the rand against major currencies during the quarter may have also contributed to the rise in inflationary pressures.

**Table 7: Inflation Rate**

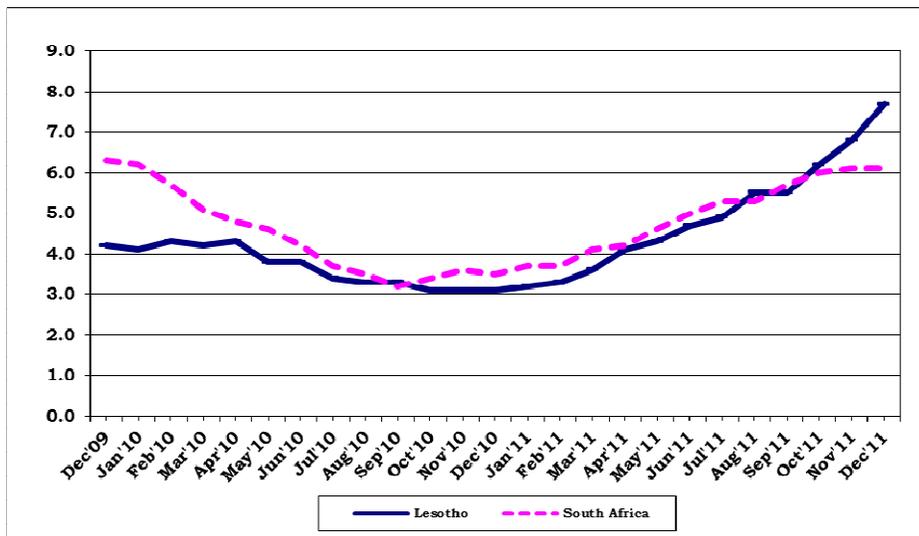
(Annual Percentage Change: March 2010 =100)

	Weight	2011				
		Aug	Sept	Oct	Nov	Dec
<b>All items</b>	<b>100.0</b>	<b>5.5</b>	<b>5.5</b>	<b>6.2</b>	<b>6.8</b>	<b>7.7</b>
Food and non-alcoholic beverages	38.1	8.0	8.0	8.9	9.6	10.4
Alcoholic beverages & Tobacco	1.2	6.1	6.4	6.5	6.9	7.3
Clothing & footwear	17.4	1.7	1.7	1.9	1.7	1.7
Housing, electricity gas & other fuels	10.6	11.8	12.3	15.0	17.7	19.5
Furniture, households equipment & routine maintenance of house	9.4	3.2	2.8	2.9	3.1	3.2
Health	1.9	1.2	1.1	0.8	0.6	0.7
Transport	8.5	3.1	3.1	3.4	3.5	8.6
Communication	1.2	0.0	0.0	0.0	0.0	0.0
Leisure, entertainment & Culture	2.4	1.7	1.9	1.8	1.9	1.8
Education	2.7	0.8	0.8	0.8	0.8	0.8
Restaurant & Hotels	0.7	3.7	3.7	2.0	2.0	2.0
Miscellaneous goods & services	5.8	2.1	2.2	2.0	2.2	2.6

**Source:** Bureau of Statistics, Lesotho

Lesotho's inflation rate continued to move in line with that of South Africa. This largely reflected Lesotho's high reliance on imports from South Africa (SA). Since the third quarter of 2010, Lesotho's inflation rate had been rising at a slower pace compared with that of SA. In October 2011, Lesotho's inflation outpaced that of SA till the end of 2011. Lesotho's CPI accelerated from 5.5 per cent in September 2011 to 7.7 per cent in December 2011, while that of SA rose from 5.7 per cent to 6.1 per cent during the same period.

**Figure 10: Annual Inflation Rate for Urban Households**  
 (Annual Percentage Change: March 2010 =100)



Source: Bureau of Statistics, Lesotho

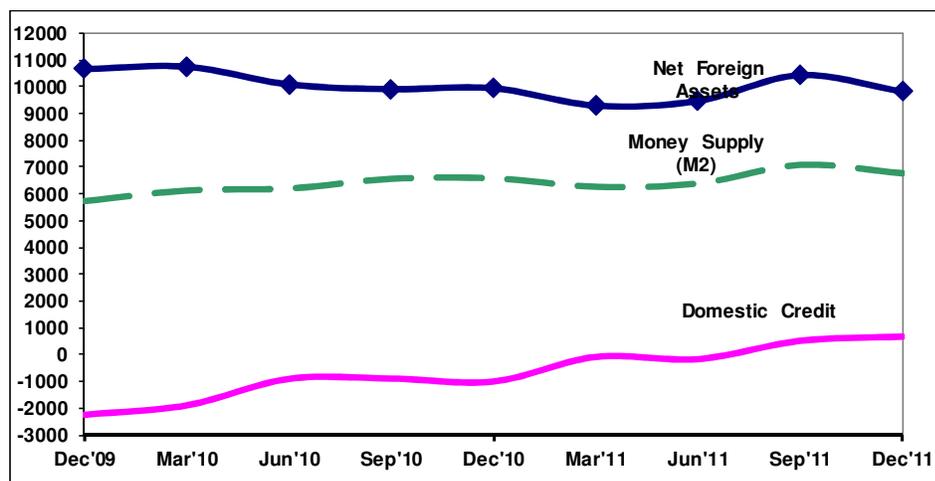
#### IV. Monetary and Financial Developments

##### Determinants of Money Supply

Money supply contracted by 4.4 per cent during the quarter under review following a 10.8 per cent expansion observed in the third quarter of 2011. On an annual basis, money supply expanded by 2.9 per cent compared with a 7.9 per cent rise observed in the previous quarter. The quarterly decline in money supply was fuelled by a decline of 5.9 per cent in net foreign assets. However, the decline was moderated by a 2.6 per cent increase in domestic credit excluding net claims on government.

**Figure 11: Overview of Recent Monetary Developments**

(Million Maloti: End of Period)



**Table 8: Determinants of Money Supply**

(Million Maloti: Changes)

Determinants	2010	2011			
	Dec	Mar	Jun	Sep	Dec
Net foreign assets	37.0	-651.5	175.1	963.9	-613.2
Domestic credit	-108.2	918.6	-84.7	681.5	155.3
Net Claims on Govt	-180.2	787.1	-202.9	497.2	86.7
Statutory bodies	-0.2	-0.45	-0.4	-0.4	0.35
Private sector	-72.2	132.1	118.6	184.8	69.0
Other items, net	-86.9	578.6	-32.7	954.0	-146.4
Money Supply (M2)	15.8	-311.5	123.2	691.5	-311.5

## Components of Money Supply

The major components of broad money comprise narrow and quasi money. During the last quarter of 2011, both narrow and quasi money contracted. Narrow money contracted by 5.6 per cent, compared to a 16.1 per cent expansion registered in the previous quarter. Demand and call deposits were the major drivers of a decline in M1 with a 7.5 per cent contraction while currency in circulation expanded by 7.3 per cent and deposits of official entities remained flat. The increase in currency in circulation reflected increased demand for money during the festive season. Quasi money contracted slightly by 0.02 per cent driven by a 0.6 decline in savings deposits that were, however, moderated by 0.4 per cent increase in time deposits.

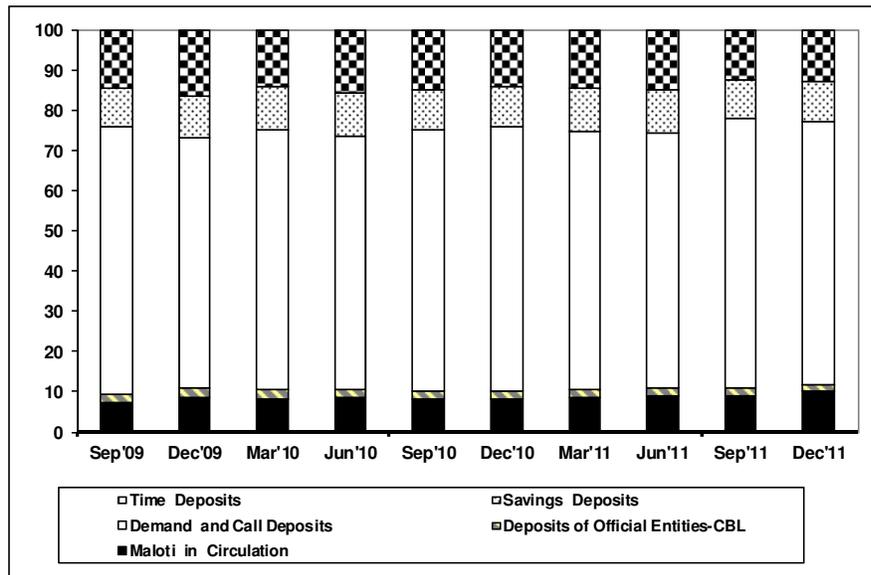
**Table 9: Money Supply**  
(Million Maloti; End of Period)

	2010	2011			
	Dec	Mar	Jun	Sep	Dec
Money Supply (M2)	6574.8	6263.3	6386.5	7077.9	6766.4
Money (M1)	4986.0	4682.7	4753.9	5517.4	5206.6
Maloti with public Demand deposits <sup>1</sup>	539.0	529.2	569.4	642.0	688.7
Deposits of official Entities with CBL	4306.8	4022.0	4053.0	4753.7	4395.8
	140.2	131.5	131.5	121.7	121.7
Quasi-Money	1588.8	1580.6	1632.6	1560.5	1560.2
Savings deposits	670.8	678.7	690.0	674.2	670.1
Time deposits	918.0	901.9	942.6	886.4	890.2

<sup>1</sup> includes call deposits

NB: Totals may not tally due to rounding off

**Figure 12: Components of Money Supply**  
(Percentage shares)



### Commercial Banks' Deposits by Holder

The level of deposits held with the local commercial banks increased by 5.7 per cent at the end of December 2011 following an 11.1 per cent increase registered in the quarter ending in September 2011. This decline in deposits was at the back of 5.7 and 3.7 per cent declines in deposits held by the private sector and statutory bodies, respectively. The decline in deposits held by the private sector was driven by a decline of 7.6 per cent in demand and call deposits and a slight 0.6 per cent in savings deposits.

**Table 10: Commercial Banks; Deposits by Holder**

(Million Maloti: End of Period)

	2010	2011			
	Dec	Mar	Jun	Sep	Dec
<b>Total Deposits</b>	5862.2	5569.6	5652.5	6280.5	5922.9
<b>Private Sector</b>	5594.8	5338.8	5565.5	6195.2	5840.7
Demand deposits	4007.5	3759.7	3934.3	4636.0	4281.9
Savings deposits	670.7	678.6	689.9	674.1	670.0
Time deposits	916.5	900.6	941.2	885.1	888.8
<b>Statutory Bodies</b>	267.4	230.8	87.1	85.4	82.7

NB: Totals may not tally due to rounding off

**Liquidity of Commercial Banks**

The liquidity of commercial banks remained high in the last quarter of 2011. The ratio of liquid assets to deposit liabilities and placements with other banks declined by 2.7 percentage points, from 74.1 per cent observed in the third quarter of 2011 to 71.4 per cent in the fourth quarter of 2011. The credit deposit ratio increased from 40.4 per cent recorded in the previous quarter to 44.1 per cent in the review period. The increase in the credit deposit ratio reflected a 5.7 per cent contraction in private sector deposits coupled with a 2.7 per cent increase in credit to the private sector.

**Table 11: Components of Commercial Banks' Liquidity**

(Million Maloti: End of Period)

COMPONENT	2010	2011			
	Dec	Mar	Jun	Sep	Dec
Maloti Notes and Coins	98.83	93.0	90.0	86.7	155.9
Rand Notes and Coins	58.44	53.3	52.3	49.2	95.3
Balances due from Lesotho Banks	1047.8	1092.9	1003.3	1083.1	1023.1
Balances due from Foreign Banks	3777.8	3440.5	3407.8	3855.0	3233.4
Clearing Balances with CBL	8.7	-28.0	-78.7	22.9	-44.8
CBL Bills	0.0	0.0	0.0	0.0	0.0
Lesotho Government Securities	388.55	471.7	563.5	568.0	634.5

**Table 12: Consolidated Balance Sheet of Commercial Banks**

(Million Maloti: End of Period)

	2010	2011			
	Dec	Mar	Jun	Sep	Dec
Net foreign assets	3799.8	3359.0	3310.5	3775.7	3060.7
Deposits with CBL	237.3	187.2	145.2	256.7	172.8
Credit:	2567.2	2776.7	2996.4	3185.3	3322.0
Statutory Bodies	0.0	0.0	0.0	0.0	0.0
Private Sector	2100.8	2229.4	2355.2	2539.6	2609.7
Government securities	466.3	547.3	641.2	645.7	712.3
Assets/Liabilities	6604.2	6322.9	6452.1	7217.7	6555.5
Private sector deposits <sup>2</sup>	5862.2	5569.6	5652.5	6280.5	5922.9
Government deposits	24.3	22.6	22.7	25.0	22.0
Capital, reserves & other, net	717.7	730.6	776.9	912.2	610.6

<sup>2</sup> includes statutory bodies' deposits.

## Demand for Money

### Domestic Credit

Domestic credit, excluding net claims on government, expanded further by 3.0 per cent during the quarter under review, following a 7.9 per cent expansion realised during the fourth quarter of 2011. On annual basis, domestic credit continued to register a double digit growth of 24.9 per cent following an expansion of 25.4 per cent recorded in the previous quarter. The quarterly increase in domestic credit was driven by a 3.0 per cent rise in credit extended to the private sector, moderated by a 20.3 per cent decline in credit extended to statutory bodies.

**Table 13: Domestic Credit Excluding Net Claims on Government\***

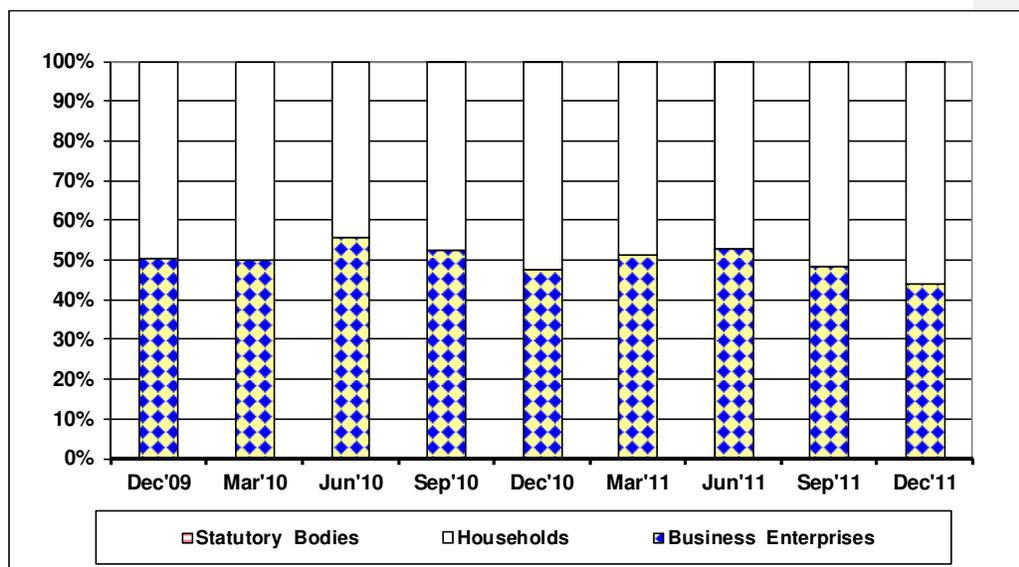
(Million Maloti: End of Period)

	2010	2011			
	Dec	Mar	Jun	Sep	Dec
Domestic Credit	2087.0	2217.7	2347.0	2531.6	2606.4
Credit to private sector	2084.0	2215.3	2344.9	2529.9	2605.1
Business enterprises	993.4	1136.1	1240.8	1225.9	1140.2
Households	1090.6	1079.2	1104.0	1304.0	1464.9
Credit to statutory bodies	3.0	2.4	2.1	1.7	1.4

\*excludes non-performing loans

**Figure 13: Distribution of Credit by Holder**

(Percentage shares)



#### Credit to Private Sector

During the third quarter of 2011, credit extended to the private sector increased by 3.0 per cent, following a 7.9 per cent increase in the previous quarter. The increase in private sector credit on a quarterly basis was driven by a 12.3 per cent rise in credit extended to household moderated by 7.0 per cent decline in credit extended to business enterprises. Credit extended to households constituted the largest share of domestic credit at 56.3 per cent while the share of credit extended to businesses declined to 43.7 per cent. Credit extended to statutory bodies remained negligible at 0.1 per cent.

#### Sectoral Distribution of Credit

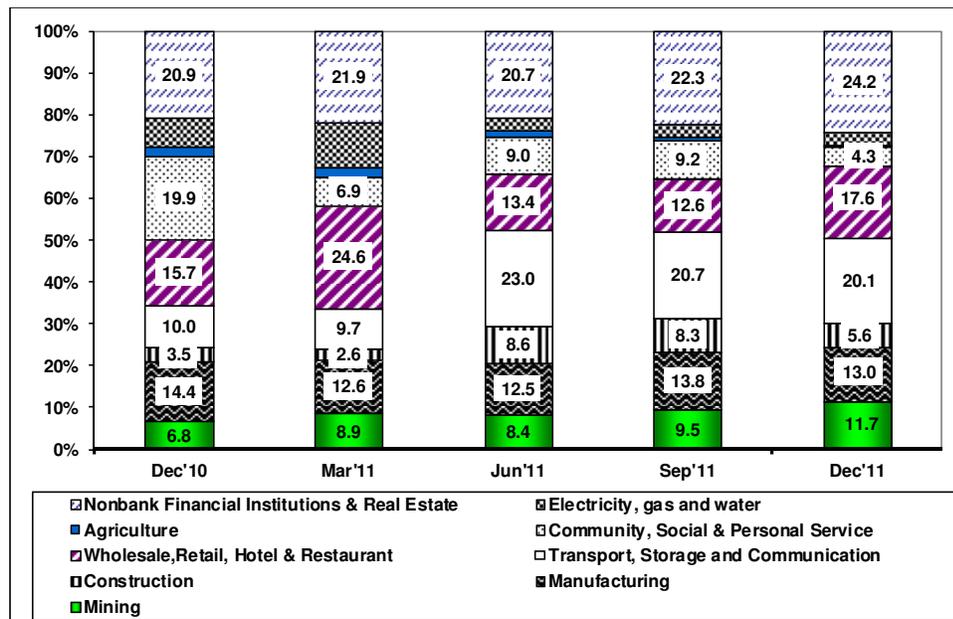
Credit extension to enterprises in the quarter ending December 2011 was dominated by the following sectors: non-bank financial institutions and real estate (24.2 per cent); transport, storage and communications (20.1 per cent); wholesale, retail, hotel and restaurant (17.6 per cent); manufacturing (13.0 per cent) and mining (11.7 per cent). Significant improvements in credit extension were in wholesale, retail, hotel and restaurant; mining and non-bank financial institutions and real estate. However, credit extension to the agriculture; transport, storage and communications; manufacturing; and construction subsectors were on the decline in the quarter under review.

**Table 14: Sectoral Distribution of Credit to Enterprises\***  
(Million Maloti: End of period)

SECTOR	2010	2011			
	Dec	Mar	Jun	Sep	Dec
Agriculture	24.1	26.2	17.1	10.2	4.7
Mining	71.7	107.2	108.9	122.9	139.7
Manufacturing	152.8	151.4	163.0	177.1	155.9
Construction	105.7	117.0	111.9	106.5	67.4
Transport, storage and communication	166.8	296.3	300.1	266.0	240.3
Electricity, gas and water	37.3	31.4	40.2	37.4	37.9
Wholesale, retail, hotel and restaurant	70.5	128.6	174.6	161.9	210.5
Non-bank financial institutions and real estate	221.7	263.3	270.3	287.5	289.9
Community, social and personal services	211.6	83.5	116.7	117.8	51.1
<b>All sectors</b>	<b>1062.3</b>	<b>1204.9</b>	<b>1302.7</b>	<b>1287.3</b>	<b>1197.5</b>

\* includes non-performing loans

**Figure 14: Commercial Bank's Credit to Business Enterprises**  
(Percentage shares)



### Net Claims on Government

The net claims on government by the banking system increased by 4.1 per cent during the final quarter of 2011, following a larger 19.0 per cent rise observed in the previous quarter. The increase in total net claims, by the banking sector, was mainly driven by a 10.3 per cent increase in claims on Government by the commercial banks coupled with a 4.2 per cent increase in claims on Government by the Central Bank. The 10.3 per cent increase was reflective of treasury bonds issued during the quarter. Furthermore, declines of 12.0 per cent and 0.3 per cent in Government deposits held by the Commercial Banks and the Central Bank, respectively, exacerbated the increase in total net claims on Government.

**Table 15: Banking System's Net Claims on Government**

(Million Maloti: End of Period)

Holder	2010	2011			
	Dec	Mar	Jun	Sep	Dec
Commercial banks	442.0	524.7	618.5	620.7	690.3
Claims on Government	466.3	547.3	641.2	645.7	712.3
o/w MP T Bills <sup>3</sup>	376.3	457.3	551.2	555.7	622.2
Less Government deposits	24.3	22.6	22.7	25.0	22.0
CBL	-3639.7	-2935.3	-3231.9	-2737.0	-2719.9
Claims on Government <sup>4</sup>	250.1	264.1	202.6	202.5	211.1
Less Government deposits	3889.1	3199.4	3434.5	2939.5	2931.0
o/w blocked account	629.9	632.9	500.3	503.3	506.3
<b>Total Net Claims</b>	<b>-3197.6</b>	<b>-2410.6</b>	<b>-2613.5</b>	<b>-2116.3</b>	<b>-2029.6</b>

<sup>3</sup> 'MP T Bills' means monetary policy treasury bills.<sup>4</sup> IMF loans on-lent to the GOL.**Net Foreign Assets**

The net foreign assets of the entire banking system declined by 5.9 per cent in the fourth quarter of 2011, following a 10.2 per cent increase recorded in September, 2011. The fall in total net foreign assets was on account of the 18.9 per cent drastic fall in net foreign assets of the commercial banks, moderated by a 1.5 per cent rise in net foreign assets of the Central Bank. The large drop in Commercial banks' net foreign assets was driven by a 16.0 per cent fall in commercial banks' foreign assets and 110.9 per cent increase in foreign liabilities. However, the Central Bank's foreign assets increased by a modest 2.0 per cent, against a 7.9 per cent rise in foreign liabilities.

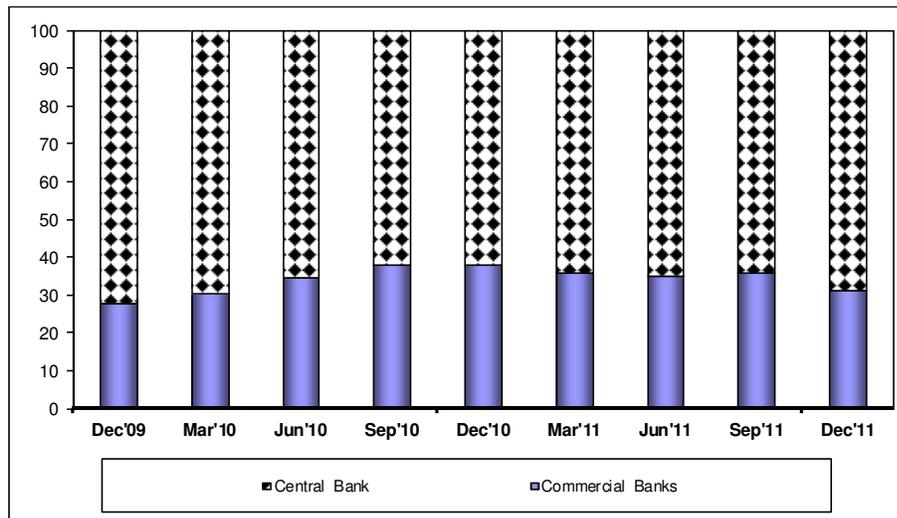
**Table 16: Banking System's Foreign Assets and Liabilities**

(Million Maloti: End of Period)

Holder	2010	2011			
	Dec	Mar	Jun	Sep	Dec
A. Commercial Banks	3799.8	3359.0	3310.5	3775.7	3060.7
Foreign Assets	3917.5	3457.3	3413.2	3861.7	3242.1
Foreign Liabilities	-117.7	-98.3	-102.7	-86.0	-181.4
B. Central Bank of Lesotho	6138.9	5928.1	6151.7	6650.4	6752.2
Foreign Assets	6749.5	6734.8	6688.5	7155.8	7297.6
Foreign Liabilities	-610.6	-806.6	-536.8	-505.4	-545.4
Net Total	9 938.7	9 287.2	9 462.2	10 426.1	9 812.9

**Figure 15: Net Foreign Assets**

(Percentage shares)



## Money Market Developments

The total holding of Treasury bills and bonds increased by 13.1 per cent in the quarter under review, compared with a 1.4 per cent increase recorded in the previous quarter. This higher increase was mainly as a result of a 29.7 per cent increase in holding of treasury bonds which were moderated slightly by a 0.4 per cent decline in holding of treasury bills. Bonds held by the banking system increased by 42.8 per cent, while those held by the non-bank sector increased by 5.7 per cent. The continued decline in treasury bills' holding was driven by the 2.8 per cent drop in Treasury bills held by the banking system while Treasury bills held by the Non-Bank Sector increased by 7.8 per cent.

**Table 17: Holding of Treasury Bills and Bonds**

(Face Value; Million Maloti)

	2010	2011			
	Dec	Mar	Jun	Sep	Dec
Total Holding of Bills and Bonds	780.6	785.4	892.4	904.7	1022.9
Treasury Bills	593.3	535.5	523.5	499.8	497.7
Banking System	480.3	423.7	417.9	387.9	377.1
Non-Bank Sector	113.0	111.8	105.6	111.9	120.6
Treasury Bonds	187.3	250.3	368.9	405.0	525.3
Banking System	126.4	137.5	227.8	262.5	374.8
Non-Bank Sector	60.9	112.8	141.2	142.4	150.5
Memorandum Item					
Average Yield Bills (per cent)	5.60	5.43	5.30	5.37	5.34
Average Yield Bonds (per cent)	8.63	8.50	8.63	8.63	9.00

## Money Market and Short-term Interest Rates

During the final quarter of 2011, money market interest rates declined slightly while all commercial bank interest rates remained constant. The 91-day Treasury bill and Lombard rates declined marginally by 1 basis point to 5.28 and 9.28 per cent, respectively. However, the call rate, the time (31 days) rate, savings rate and prime lending rate remained flat at 1.15 per cent, 1.21 per cent, 1.15 per cent, and 10.50 per cent, respectively. In South Africa, the repo rate

remained flat at 5.50 and the prime lending rate at 9.00. However, the South African 91-day TB rate declined by 9 basis points to 5.46 from 5.55 per cent recorded in the previous quarter. The relatively low interest rates within the region reflect efforts by monetary authorities to stimulate their economies.

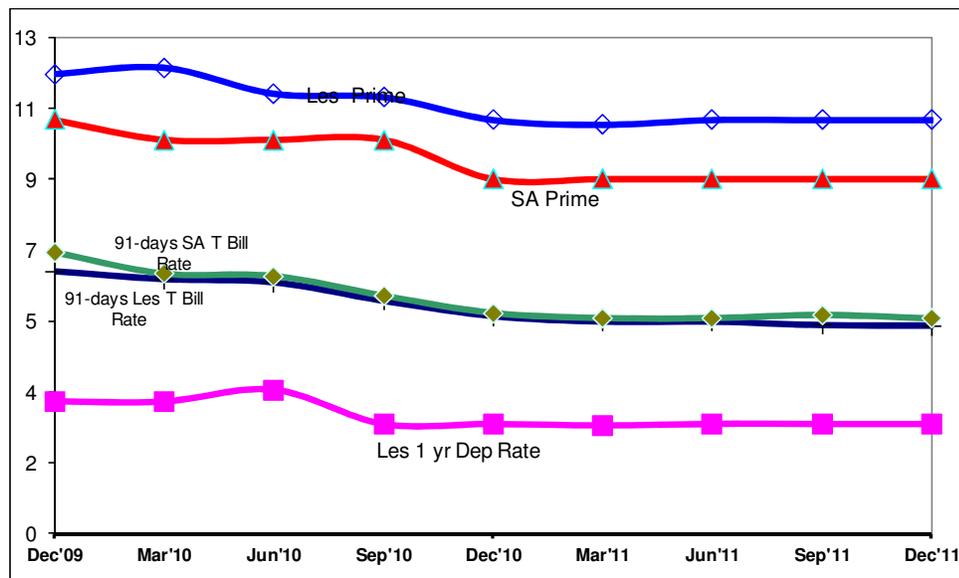
**Table 18: Major Money Market Interest Rates**  
(Per cent: End of Period)

Interest Rates by Type	2010	2011			
	Dec	Mar	Jun	Sep	Dec
Central Bank					
T Bill Rate – 91 Days	5.52	5.38	5.29	5.29	5.28
Lombard Rate	9.91	9.38	9.38	9.29	9.28
Commercial Banks <sup>5</sup>					
Call	1.14	1.14	1.14	1.15	1.15
Time:					
31 days	1.21	1.09	1.21	1.21	1.21
88 days	1.67	1.58	1.67	1.67	1.67
6 months	1.94	1.94	1.94	1.94	1.94
1 year	2.78	2.74	2.78	2.78	2.78
Savings	1.21	1.09	1.21	1.21	1.15
Prime	10.50	10.38	10.50	10.50	10.50
South Africa*					
Repo	5.50	5.50	5.50	5.50	5.50
T Bill Rate – 91 Days	5.60	5.47	5.47	5.55	5.46
Marginal Lending					
Rate	10.50	10.50	10.50	10.50	10.50
Prime	9.00	9.00	9.00	9.00	9.00

\* Figures for South Africa were obtained from the SARB

<sup>5</sup> Average rates by commercial banks

**Figure 16: Short-Term Interest Rates**  
(Per cent Per Annum)

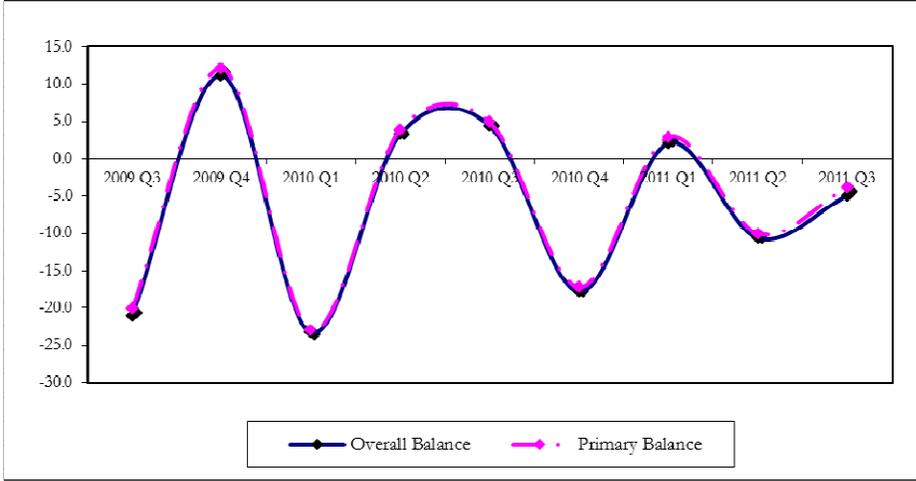


**V. Government Finance**

**Summary of Budget Outturn**

Government budgetary operations for the quarter under review are estimated to have resulted in a non-cumulative deficit equivalent to 4.9 per cent of GDP. This constituted an improvement from a fiscal deficit of 11.2 per cent of GDP realised in the quarter ending in September 2011. Total revenue and grants increased to 62.6 per cent of GDP on a quarterly basis, from 51.3 per cent of GDP recorded in the previous quarter. Total expenditure and net lending grew from 62.5 per cent of GDP to 67.5 per cent of GDP on a quarterly basis. The increase in total revenue and grants was attributable to a twofold rise in total grants, while the increase in government expenditure and net lending was due to a growth observed in capital expenditures which was moderated by a 3.1 per cent drop in recurrent expenditure.

**Figure 17: Primary Balance versus Overall Balance**  
(in per cent of GDP)



**Revenue**

Total revenue increased from 5.7 per cent on quarter-to-quarter basis to 10.3 per cent during the review period, the growth in total revenue emanated from a 41.2 per cent rise in non-tax revenue, followed by income taxes which grew by 17.9 per cent. As depicted below, Southern African Customs Union (SACU) receipts constituted 34.3 per cent of total revenue, while income taxes and taxes on goods and services levelled at 29.1 per cent and 18.1 per cent, respectively.

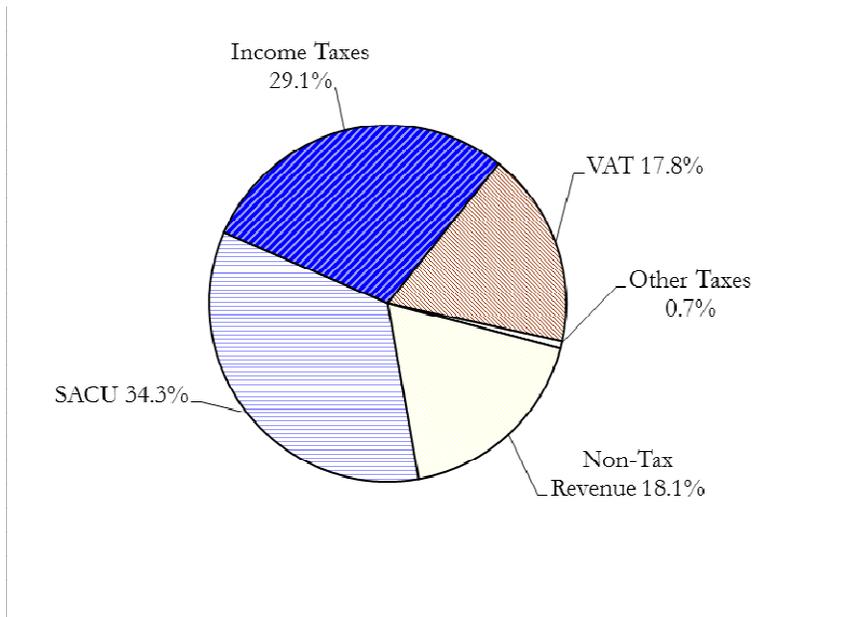
**Table 19: Government Revenue**  
(Million Maloti)

	2010/11		2011/12		
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep Revised	Oct-Dec <sup>*</sup> Preliminary
Total Revenue and Grants	2059.8	2144.3	1996.9	2098.3	2560.1
Total Revenue	1799.1	1679.8	1719.6	1818.0	2005.8
<i>Tax Revenue</i>	1482.0	1428.4	1562.1	1560.3	1641.8
Customs	540.5	540.5	688.2	688.2	688.2
Non-customs	941.6	887.9	873.9	872.1	953.6
Income Taxes	589.6	527.1	522.3	496.1	584.8
Taxes on goods & services	345.9	345.7	332.0	335.4	393.0
Other Taxes	12.1	15.1	19.6	20.6	13.2
<i>Non-Tax Revenue</i>	317.1	251.4	157.5	257.7	364.0
Of which: Water royalties	242.4	97.8	66.5	140.9	224.5
Grants	260.7	464.5	277.3	280.3	554.3

**Source:** Ministry of Finance and Development Planning (MoFDP)  
<sup>\*</sup>Preliminary estimates

Non-tax revenue comprises dividends from operations of organisations with public ownership, royalties from Lesotho Highlands Water Project, rand compensation and other revenues; it rose by 9.4 per cent during the review period, compared with a fall of 0.2 per cent recorded in the quarter ending in September, 2011. The apparent growth in non-tax revenue was attributable to water royalties from Lesotho Highlands Water Project to government of Lesotho which doubled during the review period due to monthly corrections for 2010 and adjustments on delayed payments. Quarterly estimates indicate that development grants rose by 97.7 per cent during the review period in comparison with the 1.0 per cent increase recorded in the previous quarter. Grants continued to reflect the value of on-going donor supported capital projects

**Figure 18: Sources of Government Revenue**



### Expenditure

Government expenditure and net lending rose by 7.9 per cent during the review period, compared with a 33.7 per cent increase observed in the previous quarter. The growth in spending emanated largely from capital expenditures which were predominantly supported by capital grants from extra-budgetary units and local government. Expenditure growth was moderated by a 3.1 per cent decline in recurrent expenditure during the review period. In recent years, Government has been increasing allocations towards capital projects given the critical role they play in unlocking economic opportunities. As a share of total expenditure, recurrent expenditure constituted 80.0 per cent, while capital expenditure made up 20.0 per cent. At 39.2 per cent of recurrent expenditure, personnel emoluments continued to constitute the largest share of recurrent spending, followed by goods and services at 34.8 per cent while subsidies and transfers and interest payments accounted for 26.5 per cent and 2.1 per cent, respectively. On a quarterly basis, other expenditures which include subsidies and transfers, as well as other operating costs declined by 7.1 per cent.

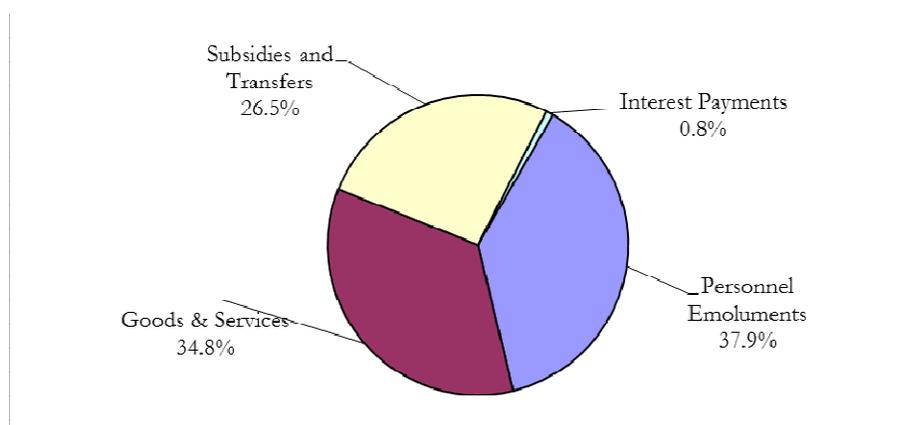
**Table 20: Government Expenditure**  
(Million Maloti)

	2010/11		2011/12		
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep Revised	Oct-Dec* Preliminary
Total Expenditure & Net Lending	1879.3	2873.1	1912.0	2556.7	2759.7
Recurrent Expenditure	1640.2	2408.6	1634.7	2276.4	2205.4
Personnel Emoluments	719.3	947.5	871.5	858.8	865.8
Interest Payments	21.7	25.2	34.6	25.5	47.4
Foreign	11.0	14.4	12.9	15.5	12.6
Domestic	10.7	10.8	21.7	10.0	34.9
Other Expenditure	899.2	1435.9	728.6	1392.1	1292.2
Capital Expenditure	239.1	464.5	277.3	280.3	554.3
Net Lending	0.0	0.0	0.0	0.0	0.0

**Source:** MoFDP  
\*Preliminary estimates

Capital expenditure increased by 97.7 per cent during the quarter under review reflecting on-going capital projects, in contrast with a rise of 1.1 per cent recorded in the quarter ending in September, 2011. However, it constituted 20.0 per cent of total expenditure, higher than the 11.0 per cent proportion observed in the previous quarter.

**Figure 19: Recurrent Expenditure by Type**



### Financing

Preliminary estimates on the budget outturn reflected a deficit equivalent to 4.9 per cent of GDP during the review period, compared with a deficit equivalent to 11.2 per cent of GDP during the quarter ending in September 2011. The deficit was financed through a drawdown of government deposits with the banking system as well as through issuance of treasury bonds.

**Table 21: Government Financing**  
(Million Maloti)

	2010/11		2011/12		
	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep Revised	Oct-Dec* Preliminary
Financing	-180.5	728.8	-85.1	458.4	199.6
Foreign	-3.3	-58.5	124.2	-36.6	105.7
Loan drawings	22.3	22.3	153.5	30.9	143.0
Amortization	-25.6	-80.6	-29.3	-67.5	-37.3
Domestic	-177.2	787.3	-209.2	495.0	93.9
Bank Financing	-180.2	787.1	-202.9	497.2	86.7
Non – Bank	2.9	0.2	-6.4	-2.2	7.2

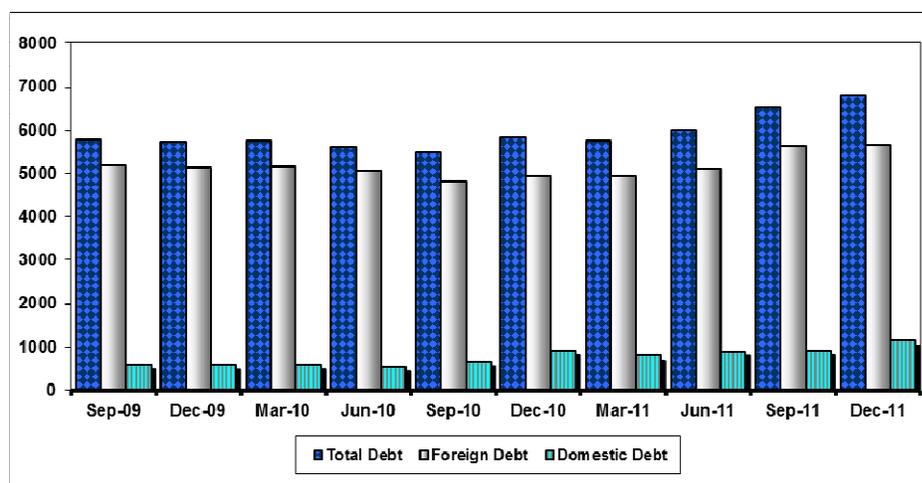
Source: MoFDP Public Debt  
\*Preliminary estimates

## Public Debt

### Overview

The level of outstanding government debt increased by 3.8 per cent to 39.2 per cent of GDP during the review period compared with an increase of 8.7 per cent to 37.7 per cent in the previous quarter. The debt service ratio, calculated as the ratio of debt service to exports of goods and services and net factor income from abroad, was estimated at 1.5 per cent during the review period compared with 2.0 per cent observed in the previous quarter. External debt continued to constitute to the bulk of the overall debt stock at 83.2 per cent while domestic debt represented 16.8 per cent of total public debt stock.

**Figure 20: Outstanding Public Debt**  
(Million Maloti: End of Period)



### External debt

External debt grew by 0.2 per cent on a quarterly basis, compared with the 10.0 per cent growth recorded in the previous quarter. The growth emanated from a slight depreciation of Loti against major currencies. Loans from multilateral sources continued to constitute the largest share of external borrowing at 91.4 per cent, followed by supplier's credit at 4.7 per cent while bilateral loans constituted 4.2 per cent. External debt was equivalent to 32.6 per cent of GDP during the review period, in comparison with 32.5 per cent of GDP recorded in the quarter ending in September 2011.

**Table 22: External Debt**  
(Million Maloti)

	2010	2011			
	QIV	QI	QII	QIII	QIV
External Debt	4951.4	4953.2	5119.3	5633.0	5646.6
Bilateral Loans	213.7	216.2	216.6	227.2	239.3
Concessional	213.7	216.2	216.6	227.2	239.3
Non-concessional	0.0	0.0	0.0	0.0	0.0
Multilateral Loans	4439.3	4441.9	4608.9	5073.0	5162.5
Concessional	4410.4	4410.9	4429.0	4889.6	4954.1
Non-concessional	28.9	31.0	179.9	183.4	204.4
Financial Institutions	70.7	68.0	68.0	66.5	66.5
Concessional	17.8	15.1	15.1	13.6	13.6
Non-concessional	52.9	52.9	52.9	52.9	52.9
Suppliers' Credit	227.7	227.1	225.8	266.3	267.8

Source: MoFDP

### Domestic Debt

The domestic debt stock, which comprises treasury bills and bonds, increased by 26.3 per cent during the review period compared with an increase of 1.4 per cent recorded in the quarter ending in September 2011. Government continued to issue treasury bonds to finance capital projects in the country. Commercial banks remained major subscribers to Government bonds and their holding of domestic debt rose by 28.9 per cent on a quarterly basis, compared with 0.8 per cent growth observed in the previous quarter. Non-bank holding of government debt grew by 7.8 per cent in contrast to 6.0 per cent recorded in the quarter ending September 2011. As a percentage of GDP, domestic debt constituted 6.6 per cent compared with 5.2 per cent observed in the previous quarter.

**Table 23: Domestic Debt**  
(Million Maloti)

	2010	2011			
	QIV	QI	QII	QIII	QIV
Domestic Debt	780.3	785.8	893.1	905.4	1143.6
Banks	667.3	674.0	787.5	793.5	1023.0
Long-term	187.3	250.3	369.1	405.2	525.3
Short-term	480.3	423.7	418.4	388.3	497.7
Of which: treasury bills	480.3	423.7	418.4	388.3	497.7
Non -bank	113.0	111.8	105.6	111.9	120.6
Short-term (TBs)	113.0	111.8	105.6	111.9	120.6

## VI. Foreign Trade and Payments

### Overview

The external sector position continued to show a surplus for the second consecutive quarter in the fourth quarter of 2011. The overall balance, in seasonally adjusted terms, recorded a lower surplus of M149.9 million in the quarter under review, compared with a surplus of M465.7 million observed in the previous quarter. This reflected deterioration in the current account as well as in the capital and financial account during the quarter. The seasonally adjusted transactions balance, which represents the overall balance, excluding the effects of currency fluctuations also registered a surplus equivalent to M184.4 million in the fourth quarter of 2011, compared with a deficit of M184.7 million in the third quarter of 2011.

### Current Account

The current account balance moved back into a deficit, equivalent to M535.4 million in the quarter ending in December 2011, after a significant revised surplus of M447.8 million observed in the quarter ending in September 2011, largely due to a widening of the merchandise trade deficit. The merchandise trade deficit widened to M1.8 billion during the quarter, following a deficit of M739.5 million in the previous quarter, on account of an increase in merchandise imports. In addition, a rise in payments for services acquired abroad contributed to the deficit in the current account. As a percentage of GDP, current account registered a deficit of 12.5 per cent during the quarter, compared with a surplus of 10.4 per cent in the previous quarter.

**Table 24: Current Account Balance**  
(Million Maloti)

	2010	2011			
	QIV	QI	QII	QIII*	QIV <sup>+</sup>
<b>I. Current Account</b>	-653.19	-778.78	-697.58	447.82	-535.36
<b>(a) Goods</b>	-1743.28	-1833.17	-1697.20	-739.52	-1777.28
Merchandise exports f.o.b.	1855.64	1853.46	2086.06	2665.89	1843.28
Of which diamonds	489.81	691.84	463.34	1017.77	448.71
Of which textiles & clothing	801.69	783.80	844.14	964.51	925.11
Other exports <sup>#</sup>	564.14	377.82	778.58	683.61	469.46
Merchandise imports f.o.b.	-3598.92	-3686.63	-3783.26	-3405.41	-3620.56
<b>(b) Services</b>	-845.31	-1028.89	-1054.86	-882.00	-933.84
<b>(c) Income</b>	1008.02	945.16	954.42	971.63	979.53
<b>(d) Current Transfers</b>	927.38	1138.12	1100.07	1097.71	1196.23

\* Revised estimates

<sup>+</sup> Preliminary estimates

<sup>#</sup> All other merchandise exports excluding 'textiles and clothing' and 'diamonds'

### Merchandise Exports

Merchandise exports, in seasonally adjusted terms, dropped by 30.5 per cent in the fourth quarter of 2011, in contrast with a rise of 21.7 per cent realised in the previous quarter. This resulted from a decline of 55.9 per cent in diamond exports, which came back to the normal levels after the significant growth observed in the previous quarter, due to the discovery of exceptionally big and high quality diamond in the third quarter of 2011. Also, the decline in merchandise exports resulted from a 4.1 per cent fall in textiles and clothing exports, as a result of lower global consumer demand during the period under review. However, an increase of 52.6 per cent in water exports offset the decline in merchandise exports during the quarter. This was a result of revenue corrections in water exports which were under estimated in 2010. As a ratio of GDP, merchandise exports were equivalent to 42.9 per cent in the fourth quarter of 2011, compared with 62.1 per cent in the previous quarter.

**Table 25: Value of Exports by Section on the S.I.T.C. #**  
(Million Maloti)

COMMODITY	2010	2011			
	QIV	QI	QII	QIII*	QIV+
0. Food & Live Animals	38.90	24.00	59.81	83.35	74.23
Cattle	0.00	0.00	0.00	0.00	0.00
Wheat Flour	21.12	13.03	23.20	53.75	47.24
Maize Meal	2.68	1.63	3.21	5.62	0.17
Other	15.10	9.34	33.40	23.98	26.82
1. Beverages & Tobacco	172.02	81.04	294.62	145.65	222.53
Beverages	172.02	81.04	110.82	0.01	0.00
2. Crude Materials	503.27	697.21	465.24	1020.69	460.69
Textiles fibres	13.46	8.37	1.86	2.92	11.98
Of which Wool	13.36	8.26	1.86	2.92	11.98
Of which Mohair	0.10	0.11	0.00	0.00	0.00
Crude fertilizers & crude minerals	489.81	688.84	463.34	1017.77	448.71
Of which Diamond	489.81	688.84	463.34	1017.77	448.71
4. Manufactured Goods	104.97	96.84	164.06	136.26	52.59
Of which textiles yarn and fabric	90.61	87.93	146.31	118.52	39.41
Of which manufactured goods	14.36	8.91	17.75	17.74	13.18
5. Machinery & Transport Goods	301.89	248.51	258.93	385.99	127.39
6. Miscellaneous Manufactured Goods	730.10	703.15	841.53	891.77	899.86
Of which clothing accessories	716.31	692.83	740.67	824.53	835.60
Other	16.79	10.32	100.58	67.24	64.26
7. Unclassified Goods	4.49	2.72	1.87	2.18	6.29
<b>TOTAL EXPORTS</b>	<b>1855.64</b>	<b>1853.46</b>	<b>2086.06</b>	<b>2665.89</b>	<b>1843.28</b>

Note: Totals may not tally due to rounding

\* Revised estimates

+ Preliminary estimates

# Standard International Trade Classification

### **Merchandise Imports**

A 6.3 per cent growth in merchandise imports was realised during the quarter ending in December 2011, in contrast with a fall of 9.9 per cent recorded in the quarter ending in September 2011. The increase was driven largely by declarations at a border post due to high demand in the domestic economy during the period, especially in November and December. This was also supported by the weakness of the local currency against the US dollar and other trading currencies, as it increases the value of imported goods. However, the deterioration in petroleum imports together with a drop in government and private vehicle imports offset the performance of the merchandise imports during the review period. On an annual basis, merchandise imports rose by 0.6 per cent in the fourth quarter of 2011. As a share of GDP, merchandise imports were equal to 84.3 per cent in the quarter ending in December, following 79.2 per cent in the previous quarter.

### **Direction of Trade**

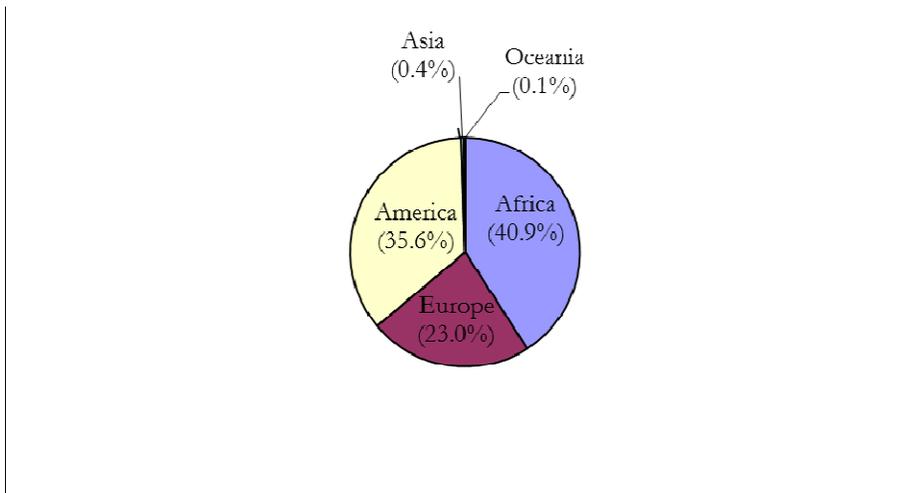
In the fourth quarter of 2011, Africa, particularly the SACU region became the largest importer of Lesotho's exports. As a share of total exports, the SACU region registered 39.8 per cent, following 32.4 per cent realised in the previous quarter. The second largest recipient of Lesotho's exports was the American market where a large portion of Lesotho manufactured goods, in particular textiles and clothing, are destined. It recorded a share of 35.5 per cent in the period under review, compared with 28.7 per cent in the previous quarter. In Europe, Belgium, which receives a large portion of Lesotho's diamond exports, became the third importer with a share of 23.0 per cent in the fourth quarter of 2011, lower than 37.9 per cent observed in the previous quarter. The remaining 0.4 per cent and 0.1 per cent went to the Asian and Oceania markets during the quarter under review.

**Table 26: Direction of Trade - Exports and Re-Exports, f.o.b.**  
(Million Maloti)

Region	2010	2011			
	QIV	QI	QII	QIII*	QIV <sup>+</sup>
World	1855.64	1853.46	2086.06	2665.89	1843.58
Africa	774.24	663.62	1101.31	865.14	753.44
SACU	740.25	650.87	1059.17	850.19	733.29
SADC	22.09	10.75	28.45	10.81	15.61
Other	11.90	2.00	13.69	4.14	4.54
Europe	498.26	694.40	462.16	1010.35	424.93
EU	498.26	694.40	462.16	1010.35	424.93
America	577.01	484.65	511.48	766.09	655.67
Asia	4.91	7.81	7.56	20.24	7.33
Oceania	1.22	2.98	3.55	4.07	2.21

Note: Total may not tally due to rounding  
 \* Revised estimates  
 + Preliminary estimates

**Figure 21: Direction of Merchandise Exports**



### **Services Account**

The services account continued to show net outflows during the quarter ending in December 2011. The outflows rose to M933.8 million during the quarter, from M882.0 million recorded in the previous quarter. The observed performance emanated from an increase in payments for transportation services, Lesotho embassies abroad coupled with communication services during the period.

### **Income**

Net income rose by 0.8 per cent in the fourth quarter of 2011, following a rise of 1.8 per cent in the previous quarter, as a result of an increase of a 6.9 per cent growth in returns from commercial banks foreign assets. The growth in net income was also supported by the drop in interest payments for foreign government debt during the period.

### **Current Transfers**

During the quarter under review, net current transfers' receivable grew by 9.0 per cent to M1.2 billion, from M1.1 billion registered in the previous quarter. The growth was attributed largely to the drop in payments for subscription to international organisation which declined by 46.7 per cent in the period under review. SACU revenue which takes a large portion of current transfer receipts remained constant during the review period.

## Capital and Financial Account

The capital and financial account registered a net inflow of M1.3 billion in the fourth quarter of 2011, compared with an outflow of M468.8 million realised in the third quarter of 2011. This emanated largely from financial account which recorded a net inflow of M812.3 million during the period, following a net outflow of M706.8 million in the previous quarter. The observed performance of the financial account was attributable to inflows from commercial banks' foreign assets holdings. In addition, the growth in CBL and commercial banks' foreign liabilities together with a rise in foreign government debt contributed to the inflows in financial account. The capital account which rose to M477.5 million during the quarter, from M238.0 million in the previous quarter, also contributed to the surplus in net capital and financial account balance, as more foreign grants were realised to support government's projects.

**Table 27: Capital and Financial Account**  
(Million Maloti)

	2010	2011			
	QIV	QI	QII	QIII*	QIV <sup>+</sup>
<b>I. Capital and Financial Account</b>					
<b>Account</b>	189.43	933.31	83.17	-468.82	1289.80
Capital Account	307.30	399.83	235.70	237.98	477.50
Financial Account	-117.87	553.48	-152.54	-706.79	812.30
<b>II. Reserve Assets</b>	109.75	13.55	83.28	-467.29	-141.75

\* Revised estimates

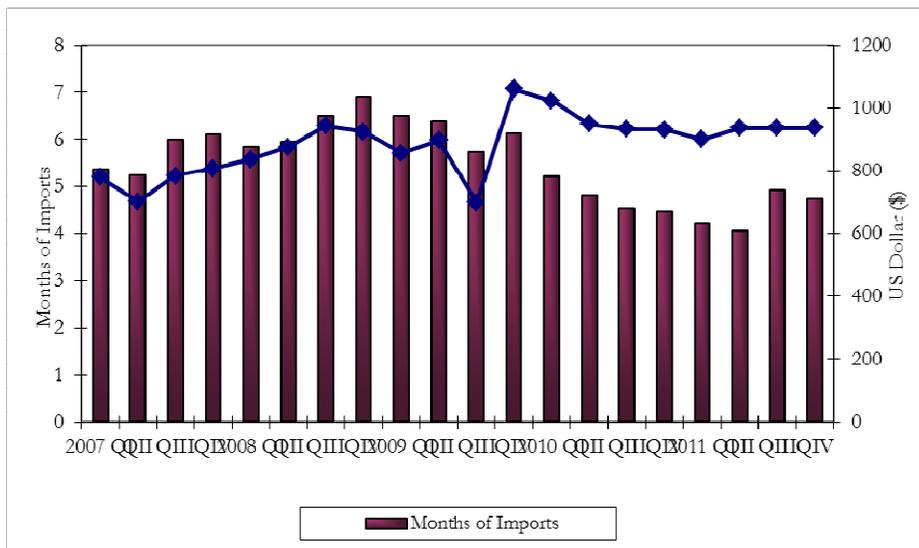
<sup>+</sup> Preliminary estimates

## Reserve Assets

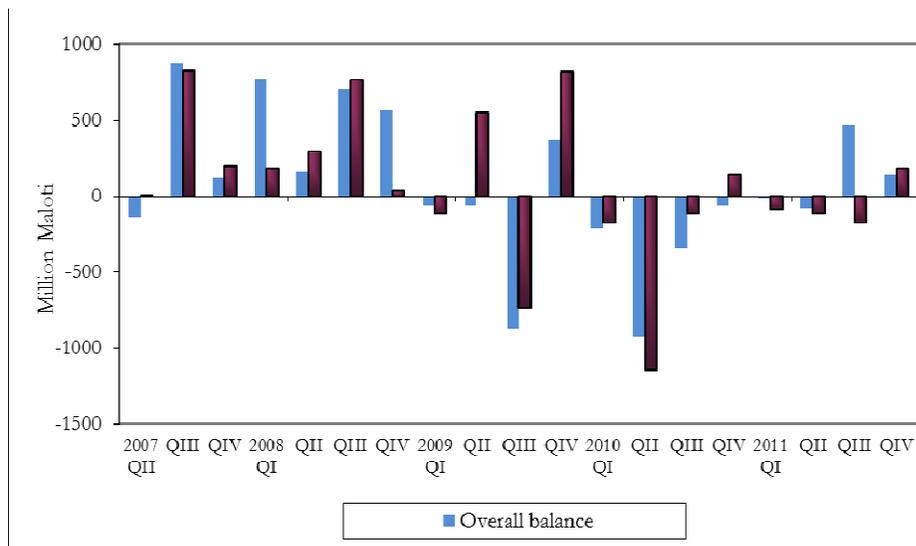
During the quarter under review, the stock of gross international reserves grew by 2.0 per cent to M7.3 billion, following a rise of 6.9 per cent registered in the quarter ending September 2011. The growth was primarily attributed to the rise in cash and balances with banks abroad

which rose by 5.4 per cent, together with an increase of 36.6 per cent of rand notes during the quarter. However, a rise in payment for imports overshadowed the improvements in foreign reserves. As a result, measured in months of import cover, gross official reserves dropped to 4.7 months in the fourth quarter of 2011, from 4.9 months observed in the previous quarter.

**Figure 22: Reserve Assets**



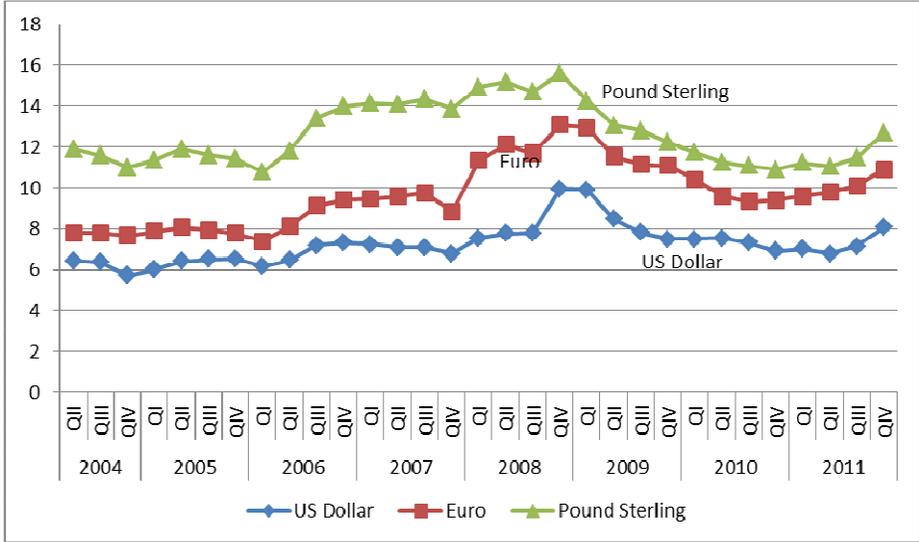
**Figure 23: Balance of Payments**



**Exchange Rates**

The domestic currency unit, the loti, which is fixed at par with the rand, weakened against the major trading currencies during the quarter under review, as the rand continued to respond to erratic changes in global risk aversion in the global financial markets. It depreciated by quarterly average of 13.3 per cent to M8.09, 8.1 per cent to M10.92 and 10.8 per cent to M12.73, against the US Dollar, the Euro and Pound Sterling, respectively. The weakness of the local currency could, on the one hand, jeopardise the inflation outlook, while on the other hand, it could boost Lesotho’s export competitiveness.

Figure 24: Nominal Exchange Rate of the Loti against Major Currencies



## **VII. Statistical Tables**

	<b>Pages "S"</b>
<b><i>Money and Banking Statistics</i></b>	
Central Bank of Lesotho Assets and Liabilities	1 - 2
Reserve Money	3
Consolidated Balance Sheet of Commercial Banks	4 - 5
Net Foreign Assets of the Banking System	6
Distribution of Commercial Banks' Deposits by Type	7
Distribution of Commercial Banks' Deposits by Holder	8
Commercial Banks' Fixed Time Deposits by Maturity	9
Commercial Banks' Loans and Advances to business Enterprises and Statutory Bodies	10 - 11
Commercial Banks' Major Ratios	12 - 13
Narrow Money	14
Monetary Survey	15
Broad Money	16
Commercial Banks' Deposits, withdrawals from Deposits and Turnover	17
<b><i>Capital Market Statistics</i></b>	
Interest Rates on Commercial Banks	18
Time Deposit Rates by Commercial Banks	19
Comparative Money Market Rates	20
<b><i>Public Finance Statistics</i></b>	
Summary of Government Budgetary Operations	21
Treasury Bills by Type of Holder	22
<b><i>Real Sector Statistics</i></b>	
Diamond Production	23
<b><i>Price Statistics</i></b>	
Lesotho Annual Inflation Rate	24
Lesotho Monthly Inflation Rate	25
<b><i>External Sector Statistics</i></b>	
Exchange Rates	26
Purchases and Sales of Foreign Currency	27
Quarterly Balance of Payments	28
Summary of Foreign Trade	29
Statistics of Basotho Miners in South Africa	30

Table S1(a)

**CENTRAL BANK OF LESOTHO ASSETS AND LIABILITIES**  
(Million Maloti)

**A – ASSETS**

End of period	EXTERNAL SECTOR							Total	Claims on Government	Claims on Private Sector	Unclassified Assets	Total
	Cash and Balances	Reserve Tranche	Holdings of SDRs	Other Investments	Rand Notes and Coins	Other Foreign Assets						
<b>2010</b>												
Feb	4495.72	42.68	0.47	3408.43	53.08	871.29	8871.68	290.45	26.58	326.85	9515.55	
Mar	3766.21	40.11	0.45	3418.19	55.23	848.98	8129.17	273.10	26.99	314.57	8743.82	
Apr	3663.38	39.92	0.44	3433.45	63.68	647.33	7848.20	271.83	26.50	252.69	8399.22	
May	3293.60	40.78	0.45	3523.20	61.31	554.81	7474.16	730.15	25.83	303.31	8533.46	
Jun	3174.85	40.77	0.45	3447.28	83.07	454.72	7201.15	277.55	25.39	306.14	7810.24	
Jul	3324.94	40.15	0.45	3267.01	49.89	449.33	7131.76	273.34	25.92	347.19	7778.21	
Aug	3599.62	40.25	0.45	3044.79	44.95	450.18	7180.24	274.72	26.83	455.39	7937.18	
Sep	3136.81	39.06	0.43	3206.06	36.08	439.80	6858.24	313.36	27.22	394.79	7593.62	
Oct	3227.26	39.37	0.44	3434.42	41.75	442.46	7185.69	267.91	26.89	330.20	7810.68	
Nov	3217.07	39.21	0.44	3593.46	19.89	336.90	7206.98	266.88	28.07	318.17	7820.10	
Dec	2988.47	36.75	0.41	3368.82	39.38	315.69	6749.51	250.07	27.08	368.24	7394.91	
<b>2011</b>												
Jan	3274.39	40.48	0.45	3484.30	48.19	343.80	7191.62	275.50	28.71	505.37	8001.20	
Feb	3179.03	39.39	0.44	3313.73	48.01	334.50	6915.10	268.06	28.73	384.40	7596.29	
Mar	3031.52	38.80	0.43	3289.49	37.04	337.50	6734.77	264.12	30.07	305.44	7334.39	
Apr	3734.35	38.38	0.43	3311.28	30.80	291.78	7407.01	202.52	30.05	308.51	7948.09	
May	2809.63	39.24	0.44	3702.02	29.32	341.28	6921.92	202.52	29.92	271.76	7426.12	
Jun	2754.69	39.17	0.44	3536.30	17.22	340.69	6688.49	202.58	29.50	258.99	7179.57	
Jul	3323.53	38.64	0.43	3453.41	21.13	336.09	7173.23	202.50	29.55	261.59	7666.87	
Aug	3228.38	40.69	0.45	3374.20	27.75	353.93	7025.40	202.64	29.27	294.42	7551.74	
Sep	3114.97	45.51	0.51	3579.08	19.88	395.90	7155.85	202.54	30.09	252.83	7641.30	
Oct	3844.23	44.51	0.49	3474.44	14.62	387.16	7765.45	202.54	30.18	389.17	8387.34	
Nov	3274.62	45.95	0.51	3590.12	16.70	399.66	7327.56	202.51	32.18	247.40	7809.65	
Dec	3282.94	44.68	0.50	3553.64	27.16	388.67	7297.58	211.11	32.63	251.67	7792.99	

Table S1(b)

## CENTRAL BANK OF LESOTHO ASSETS AND LIABILITIES

(Million Maloti)

**B – LIABILITIES**

End of Period	Currency outside CBL <sup>1</sup>	Foreign Liabilities	Deposits				Capital Accounts	Allocation of SDRs	Unclassified Liabilities	Total
			Government	Official Entities	Private Sector	Banks				
<b>2010</b>										
Feb	524.44	688.79	4764.38	136.67	2.81	285.86	1943.30	44.34	1124.97	9515.55
Mar	597.97	671.34	4297.52	136.67	2.47	223.69	1759.65	41.67	1012.83	8743.82
Apr	609.76	670.05	4240.43	137.78	2.45	159.93	1758.15	41.48	779.19	8399.22
May	622.43	624.17	4146.48	137.78	2.53	151.17	1977.34	42.37	829.20	8533.46
Jun	616.06	624.09	3439.76	137.78	36.79	236.73	2253.78	42.36	422.89	7810.24
Jul	593.17	619.88	3528.74	138.11	37.60	233.39	2164.24	41.72	421.37	7778.21
Aug	630.73	620.91	4045.88	139.05	37.63	239.87	1755.18	41.82	426.11	7937.18
Sep	632.79	743.10	3828.04	139.55	37.94	171.18	1577.91	40.58	422.53	7593.62
Oct	641.92	614.86	4117.25	139.55	38.02	195.87	1624.55	40.90	397.78	7810.68
Nov	675.09	613.84	3732.06	139.55	35.07	387.54	1730.47	40.74	465.73	7820.10
Dec	637.79	610.64	3889.75	140.23	33.38	237.28	1364.98	38.17	442.69	7394.91
<b>2011</b>										
Jan	586.84	715.09	3817.68	140.23	33.57	185.64	1781.53	42.06	698.57	8001.20
Feb	618.12	614.66	3570.36	141.50	33.46	257.92	1624.33	40.92	695.02	7596.29
Mar	622.26	806.62	3199.37	131.50	32.93	187.15	1591.84	40.31	722.41	7334.39
Apr	723.09	737.29	3833.28	131.50	32.88	246.37	1480.32	39.87	723.49	7948.09
May	695.67	536.77	3506.15	131.50	33.01	240.48	1496.29	40.76	745.49	7426.12
Jun	659.37	536.77	3434.53	131.50	33.12	145.15	1471.59	40.69	726.83	7179.57
Jul	681.88	536.77	3841.20	131.50	33.19	238.23	1438.67	40.14	725.30	7666.87
Aug	729.13	536.77	3483.03	132.72	33.39	232.79	1633.32	42.27	728.33	7551.74
Sep	728.69	505.44	2939.53	121.72	33.71	256.74	2213.53	47.28	794.67	7641.30
Oct	729.15	536.77	3702.00	121.72	33.75	270.80	2055.28	46.24	891.63	8387.34
Nov	803.45	536.77	2951.48	121.72	33.78	153.96	2271.09	47.73	889.66	7809.65
Dec	843.59	545.36	2931.05	121.72	33.13	172.77	2200.38	46.42	898.59	7792.99

(1) Includes South African rand with commercial banks.

Table S2

**RESERVE MONEY**  
(Million Maloti)

End of Period	Currency in circulation outside CBL <sup>1</sup>						Bankers' Deposits	Total
	Maloti Issued		With commercial banks		Maloti Outside commercial banks	Total		
	Notes	Coins	Maloti Notes & Coins	Rand Notes & Coins				
<b>2010</b>								
Feb	510.18	14.84	63.32	39.72	461.12	564.17	285.86	810.30
Mar	584.34	15.08	99.06	63.92	498.92	661.89	223.69	821.66
Apr	595.17	15.45	98.40	61.99	511.36	671.75	159.93	769.70
May	610.65	15.57	96.39	61.26	526.05	683.69	151.17	773.60
Jun	602.15	15.17	92.92	60.24	523.14	676.30	236.73	852.79
Jul	578.43	15.34	82.11	44.12	511.07	637.29	233.39	826.56
Aug	616.88	15.53	101.23	46.66	529.50	677.40	239.87	870.61
Sep	619.12	15.85	98.96	66.94	533.83	699.73	171.18	803.97
Oct	626.25	16.33	91.84	59.27	550.08	701.19	195.87	837.78
Nov	660.71	16.22	87.50	48.69	587.60	723.78	387.54	1062.64
Dec	621.08	17.08	98.83	58.44	538.96	696.23	237.28	875.07
<b>2011</b>								
Jan	570.29	16.55	87.02	49.58	499.82	636.42	185.64	772.48
Feb	601.35	16.77	93.43	45.89	524.69	664.01	257.92	876.04
Mar	607.03	16.86	93.04	53.27	529.23	675.53	187.15	809.41
Apr	708.08	16.43	112.78	64.26	610.32	787.35	246.37	969.46
May	680.25	16.68	99.36	51.85	596.31	747.52	240.48	936.15
Jun	643.95	16.68	90.00	52.33	569.37	711.70	145.15	804.53
Jul	666.55	16.66	88.84	50.93	593.04	732.81	238.23	920.11
Aug	713.51	16.59	100.99	57.94	628.13	787.06	232.79	961.91
Sep	713.16	16.75	86.73	49.19	641.96	777.88	256.74	985.42
Oct	713.78	16.87	93.56	49.55	635.60	778.70	270.80	999.95
Nov	784.53	17.33	98.41	54.26	705.04	857.70	153.96	957.41
Dec	827.35	17.28	154.90	95.25	688.70	938.84	172.77	1016.36

<sup>1</sup>Excludes Rand with public

Table S3(a)

## CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS

(Million Maloti)

## A S S E T S

End of Period	Cash at Hand <sup>1</sup>	Balances with Central Bank	Foreign Assets <sup>2</sup>	Claims on Government	Claims on Statutory Bodies	Claims on Private Sector	Unclassified Assets	Total
<b>2009</b>								
Nov	105.70	292.32	3304.41	391.81	4.41	1716.94	1529.84	7345.41
Dec	162.93	184.36	3297.17	384.12	0.00	1721.47	1609.99	7360.03
<b>2010</b>								
Jan	114.96	387.84	3381.08	392.98	0.00	1759.74	1529.12	7565.73
Feb	103.05	205.24	3598.47	389.12	31.61	1716.04	1623.60	7667.13
Mar	162.98	205.98	3345.11	409.10	30.61	1681.98	1930.31	7766.07
Apr	160.39	108.91	3786.98	412.30	0.00	1735.05	1595.96	7799.58
May	157.65	36.16	3956.16	409.69	0.00	1761.73	1614.01	7935.40
Jun	153.16	254.80	3711.72	405.17	0.00	1851.50	1573.40	7949.76
Jul	126.22	226.70	3862.48	393.15	0.00	1913.03	1583.90	8105.48
Aug	147.89	206.93	3978.20	398.57	0.00	1997.99	1864.18	8593.76
Sep	165.90	163.20	3940.41	519.32	0.00	2027.35	1482.05	8298.23
Oct	151.11	189.18	3865.60	515.49	3.09	2033.42	1449.31	8207.19
Nov	136.18	461.97	3573.83	522.56	3.12	2081.06	1546.68	8325.39
Dec	157.27	214.25	3917.50	466.31	2.98	2100.85	1434.30	8293.46
<b>2011</b>								
Jan	136.60	182.37	3653.01	461.24	2.73	2195.01	1480.45	8111.41
Feb	139.32	237.05	3462.18	584.75	2.61	2183.19	1512.96	8122.04
Mar	146.30	228.52	3457.35	547.33	2.49	2229.44	1466.80	8078.23
Apr	177.04	264.77	3371.85	626.75	13.58	2205.57	1427.89	8087.43
May	151.22	181.21	3580.81	609.77	2.33	2290.25	1532.19	8347.78
Jun	142.32	140.41	3413.24	641.23	2.12	2355.21	1354.39	8048.92
Jul	139.77	202.29	3254.40	639.41	2.00	2493.49	1433.17	8164.52
Aug	158.93	216.04	3462.65	667.76	0.02	2430.75	1385.32	8321.48
Sep	135.92	272.26	3861.69	645.71	1.72	2539.56	1445.93	8902.80
Oct	143.11	237.78	3474.94	701.12	1.52	2511.74	1331.91	8402.11
Nov	152.66	133.86	3573.46	707.07	1.36	2548.37	1255.33	8372.11
Dec	250.15	137.16	3242.09	712.30	1.37	2609.72	1448.70	8401.49

<sup>1</sup>Maloti and Rand notes<sup>2</sup>Excludes Rand notes and coins

Table S3(b)

## CONSOLIDATED BALANCE SHEET OF COMMERCIAL BANKS

(Million Maloti)

## LIABILITIES

End of period	DEMAND AND CALL DEPOSITS			TIME DEPOSITS			SAVINGS DEPOSITS			Deferre d Pay Fund	Capital and Reserves	Foreign Liabilities	Unclassi- fied Liabilities	Total
	Government	Official Entities	Private Sector	Government	Official Entities	Private Sector	Government	Official Entities	Private Sector					
<b>2010</b>														
Feb	23.72	145.43	3787.32	0.02	18.08	767.41	1.67	0.12	645.35	0.00	650.97	66.63	1560.42	7667.13
Mar	20.51	212.87	3751.90	0.03	1.78	862.92	1.67	0.12	655.46	0.00	673.36	62.60	1522.87	7766.07
Apr	20.14	209.48	3804.30	0.02	1.60	862.53	1.67	0.12	668.56	0.00	671.44	191.31	1368.42	7799.58
May	20.40	268.69	3947.80	0.03	1.61	885.06	1.66	0.11	665.62	0.00	693.35	95.13	1355.93	7935.40
Jun	20.41	230.59	3629.99	0.03	1.71	973.95	1.66	0.11	664.70	0.00	682.28	208.83	1535.51	7949.76
Jul	20.42	226.27	3803.73	0.03	1.70	1002.65	1.65	0.11	658.49	0.00	700.65	75.80	1650.37	8141.87
Aug	20.04	235.06	3930.38	0.03	1.72	972.91	1.66	0.12	661.65	0.00	700.67	217.38	1850.15	8591.76
Sep	20.39	326.33	3878.20	0.03	1.60	969.50	1.66	0.11	672.00	0.00	691.60	153.89	1586.13	8301.43
Oct	22.50	311.07	3826.78	0.02	1.58	975.69	1.65	0.11	671.90	0.00	711.36	84.01	1600.51	8207.19
Nov	22.51	265.36	3637.73	0.03	1.58	1009.34	1.65	0.11	671.32	0.00	732.90	196.72	1786.17	8325.39
Dec	22.59	265.88	4007.54	0.02	1.42	916.55	1.65	0.11	670.74	0.00	713.59	117.69	1575.68	8293.46
<b>2011</b>														
Jan	19.92	232.46	3868.35	0.02	1.38	872.21	1.60	0.11	652.45	0.00	726.44	89.30	1647.19	8111.41
Feb	21.18	243.99	3807.02	0.02	1.58	954.82	1.54	0.10	651.19	0.00	742.91	91.59	1606.11	8122.04
Mar	21.13	229.37	3759.65	0.02	1.35	900.57	1.50	0.11	678.59	0.00	760.48	98.34	1627.11	8078.23
Apr	21.29	225.66	3886.36	0.01	1.32	908.28	1.42	0.10	668.90	0.00	760.38	74.16	1539.55	8087.43
May	21.33	234.70	4032.78	0.01	1.33	893.96	1.42	0.11	667.82	0.00	778.17	126.49	1589.67	8347.78
Jun	21.30	85.66	3934.25	0.01	1.34	941.24	1.43	0.11	689.87	0.00	762.35	102.72	1508.65	8048.92
Jul	21.30	85.66	3958.99	0.01	1.31	908.07	1.40	0.10	683.35	0.00	773.64	67.95	1662.75	8164.52
Aug	21.36	86.43	4118.76	0.02	1.32	945.02	1.38	0.10	669.31	0.00	794.29	116.88	1566.63	8321.48
Sep	23.61	83.99	4636.01	0.01	1.30	885.08	1.40	0.10	674.07	0.00	775.41	85.99	1735.85	8902.80
Oct	23.57	85.87	4359.71	0.01	1.29	862.06	1.40	0.10	668.12	0.00	799.37	173.06	1427.55	8402.11
Nov	25.92	85.61	4310.26	0.01	1.29	863.34	1.42	0.11	676.46	0.00	829.01	194.50	1384.20	8372.11
Dec	20.61	80.78	4281.89	0.02	1.32	888.85	1.39	0.10	669.97	0.00	815.27	181.37	1459.94	8401.49

Table S4

## NET FOREIGN ASSETS OF THE BANKING SYSTEM

(Million Maloti : End of Period)

End of Period	FOREIGN ASSETS			FOREIGN LIABILITIES			Net Foreign Assets	
	Central Bank of Lesotho	Commercial Banks	Total	Central Bank of Lesotho	Commercial Banks	Total		
	Of which: Rand notes and coins with banks							
<b>2010</b>								
Feb	8871.68	39.72	3598.47	12470.15	688.79	66.63	755.42	11714.73
Mar	8129.17	63.92	3345.11	11474.28	671.34	62.60	733.94	10740.34
Apr	7848.20	61.99	3786.98	11635.18	670.05	191.31	861.35	10773.83
May	7474.16	61.26	3956.16	11430.32	624.17	95.13	719.30	10711.02
Jun	7201.15	60.24	3711.72	10912.87	624.09	208.83	832.92	10079.95
Jul	7131.76	44.12	3862.48	10994.24	619.88	39.42	659.30	10334.94
Aug	7180.24	46.66	3978.20	11158.44	620.91	217.38	838.29	10320.15
Sep	6858.24	66.94	3940.41	10798.66	743.10	153.89	896.99	9901.67
Oct	7185.69	59.27	3865.60	11051.29	614.86	84.01	698.87	10352.42
Nov	7206.98	48.69	3573.83	10780.81	613.84	196.72	810.56	9970.25
Dec	6749.51	58.44	3917.50	10667.01	610.64	117.69	728.32	9938.69
<b>2011</b>								
Jan	7191.62	49.58	3653.01	10844.62	715.09	89.30	804.39	10040.23
Feb	6915.10	45.89	3462.18	10377.27	614.66	91.59	706.25	9671.02
Mar	6734.77	53.27	3457.35	10192.11	806.62	98.34	904.96	9287.15
Apr	7449.06	64.26	3371.85	10820.90	737.29	74.16	811.45	10009.45
May	6921.92	51.85	3580.81	10502.73	536.77	126.49	663.26	9839.47
Jun	6688.49	52.33	3413.24	10101.73	536.77	102.72	639.49	9462.24
Jul	7173.23	50.93	3254.40	10427.62	536.77	67.95	604.72	9822.91
Aug	7025.40	57.94	3462.65	10488.06	536.77	116.88	653.65	9834.40
Sep	7155.85	49.19	3861.69	11017.54	505.44	85.99	591.43	10426.12
Oct	7765.45	49.55	3474.94	11240.39	536.77	173.06	709.83	10530.56
Nov	7327.56	54.26	3573.46	10901.02	536.77	194.50	731.28	10169.74
Dec	7297.58	95.25	3242.09	10539.67	545.36	181.37	726.73	9812.95

Table S5

## DISTRIBUTION OF COMMERCIAL BANKS' DEPOSITS BY TYPE

(Million Maloti)

End of Period	Demand & Call Deposits	Savings Deposits	Time Deposits	Deferred Pay Fund	Total	As Percentage of Total			
						Demand & Call Deposits	Savings Deposits	Time Deposits	Deferred Pay Fund
<b>2010</b>									
Feb	3932.75	645.46	785.50	0.00	5363.71	73.32	880.32	89.23	0.00
Mar	3964.77	655.57	864.70	0.00	5485.04	72.28	906.95	95.34	0.00
Apr	4013.78	668.67	864.13	0.00	5546.59	72.36	924.03	93.52	0.00
May	4216.49	665.73	886.67	0.00	5768.89	73.09	910.83	97.35	0.00
Jun	3860.58	664.81	975.66	0.00	5501.05	70.18	947.31	102.99	0.00
Jul	4030.01	658.60	1004.35	0.00	5692.96	70.79	930.36	107.95	0.00
Aug	4165.43	661.77	974.63	0.00	5801.83	71.80	921.74	105.74	0.00
Sep	4204.53	672.12	971.10	0.00	5847.75	71.90	934.79	103.88	0.00
Oct	4137.85	672.01	977.27	0.00	5787.13	71.50	939.86	103.98	0.00
Nov	3903.09	671.43	1010.92	0.00	5585.43	69.88	960.83	105.21	0.00
Dec	4273.42	670.85	917.97	0.00	5862.24	72.90	920.26	99.75	0.00
<b>2011</b>									
Jan	4100.80	652.56	873.59	0.00	5626.95	72.88	895.41	97.56	0.00
Feb	4051.01	651.29	956.41	0.00	5658.70	71.59	909.76	105.13	0.00
Mar	3989.03	678.70	901.92	0.00	5569.64	71.62	947.63	95.18	0.00
Apr	4112.01	669.00	909.60	0.00	5690.62	72.26	925.83	98.25	0.00
May	4267.48	667.92	895.30	0.00	5830.70	73.19	912.59	98.11	0.00
Jun	4019.91	689.98	942.58	0.00	5652.46	71.12	970.19	97.15	0.00
Jul	4044.65	683.45	909.38	0.00	5637.48	71.75	952.60	95.46	0.00
Aug	4205.19	669.40	946.34	0.00	5820.93	72.24	926.61	102.13	0.00
Sep	4720.00	674.17	886.37	0.00	6280.54	75.15	897.07	98.81	0.00
Oct	4445.57	668.22	863.35	0.00	5977.14	74.38	898.43	96.10	0.00
Nov	4395.87	676.56	864.63	0.00	5937.06	74.04	913.76	94.62	0.00
Dec	4362.66	670.07	890.17	0.00	5922.90	73.66	909.71	97.85	0.00

Table S6

**DISTRIBUTION OF COMMERCIAL BANKS' DEPOSITS BY HOLDER**  
(Million Maloti)

End of Period	Private Sector	Government	Statutory Bodies	Deferred Pay Fund	Total	As Percentage of Total				
						Private Sector	Government	Statutory Bodies	Deferred Pay Fund	
<b>2010</b>										
Feb	5200.08	25.40	163.63	0.00	5389.11	96.49	0.47	3.04	0.00	
Mar	5270.27	22.20	214.77	0.00	5507.24	95.70	0.40	3.90	0.00	
Apr	5335.39	21.83	211.20	0.00	5568.42	95.82	0.39	3.79	0.00	
May	5498.48	22.08	270.41	0.00	5790.98	94.95	0.38	4.67	0.00	
Jun	5268.64	22.09	232.41	0.00	5523.14	95.39	0.40	4.21	0.00	
Jul	5464.87	22.09	228.08	0.00	5715.05	95.62	0.39	3.99	0.00	
Aug	5564.94	21.72	236.89	0.00	5823.55	95.56	0.37	4.07	0.00	
Sep	5519.70	22.07	328.05	0.00	5869.82	94.04	0.38	5.59	0.00	
Oct	5474.37	24.18	312.76	0.00	5811.31	94.20	0.42	5.38	0.00	
Nov	5318.38	24.18	267.05	0.00	5609.61	94.81	0.43	4.76	0.00	
Dec	5594.83	24.26	267.41	0.00	5886.50	95.05	0.41	4.54	0.00	
<b>2011</b>										
Jan	5393.00	21.53	233.94	0.00	5648.48	95.48	0.38	4.14	0.00	
Feb	5413.03	22.74	245.67	0.00	5681.44	95.28	0.40	4.32	0.00	
Mar	5338.82	22.65	230.83	0.00	5592.29	95.47	0.41	4.13	0.00	
Apr	5463.54	22.72	227.08	0.00	5713.34	95.63	0.40	3.97	0.00	
May	5594.56	22.76	236.14	0.00	5853.46	95.58	0.39	4.03	0.00	
Jun	5565.36	22.75	87.10	0.00	5675.21	98.06	0.40	1.53	0.00	
Jul	5550.41	22.71	87.07	0.00	5660.19	98.06	0.40	1.54	0.00	
Aug	5733.08	22.75	87.85	0.00	5843.68	98.11	0.39	1.50	0.00	
Sep	6195.15	25.02	85.38	0.00	6305.56	98.25	0.40	1.35	0.00	
Oct	5889.88	24.98	87.26	0.00	6002.12	98.13	0.42	1.45	0.00	
Nov	5850.06	27.35	87.00	0.00	5964.40	98.08	0.46	1.46	0.00	
Dec	5840.70	22.01	82.20	0.00	5944.91	98.25	0.37	1.38	0.00	

Table S7

## COMMERCIAL BANKS' FIXED TIME DEPOSITS BY MATURITY

(Million Maloti)

End of Period	A M O U N T			Total	As Percentage of Total		
	Short-term (Less than 31 days)	Medium-term (31 days to 6 months)	Long-term (More than 6 months)		Short- Term	Medium- term	Long- term
<b>2010</b>							
Feb	70.26	627.90	0.54	698.70	10.06	89.87	0.08
Mar	75.61	698.62	0.68	774.91	9.76	90.16	0.09
Apr	103.46	723.54	3.27	830.27	12.46	87.15	0.39
May	161.90	629.52	2.40	793.82	20.40	79.30	0.30
Jun	78.27	801.15	1.31	880.73	8.89	90.96	0.15
Jul	31.15	874.48	2.98	908.61	3.43	96.24	0.33
Aug	165.42	745.26	3.06	913.74	18.10	81.56	0.34
Sep	49.56	856.80	3.16	909.51	5.45	94.20	0.35
Oct	45.07	863.74	8.17	916.97	4.91	94.19	0.89
Nov	181.29	763.55	3.29	948.12	19.12	80.53	0.35
Dec	73.42	778.49	3.49	855.40	8.58	91.01	0.41
<b>2011</b>							
Jan	82.74	724.76	3.64	811.14	10.20	89.35	0.45
Feb	137.81	738.74	16.98	893.53	15.42	82.68	1.90
Mar	34.69	796.57	5.77	837.03	4.14	95.17	0.69
Apr	37.49	800.19	6.02	843.70	4.44	94.84	0.71
May	241.00	622.02	6.23	869.25	27.73	71.56	0.72
Jun	83.21	739.32	5.55	828.08	10.05	89.28	0.67
Jul	133.40	652.25	5.13	790.78	16.87	82.48	0.65
Aug	131.86	687.50	5.51	824.86	15.99	83.35	0.67
Sep	96.12	672.69	5.35	774.16	12.42	86.89	0.69
Oct	120.94	656.56	5.58	783.07	15.44	83.84	0.71
Nov	106.31	670.73	5.65	782.69	13.58	85.70	0.72
Dec	107.10	698.06	5.79	810.95	13.21	86.08	0.71

**Table S8(a) COMMERCIAL BANKS' LOANS AND ADVANCES TO BUSINESS ENTERPRISES AND STATUTORY BODIES**

(Million Maloti ; End of Period)

ECONOMIC ACTIVITIES	2010				2011			
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1. Agriculture, Hunting Forestry and Fishing	8.36	11.58	15.05	24.05	26.18	17.07	10.15	4.73
2. Mining and Quarrying	52.55	57.32	56.88	71.72	107.21	108.93	122.87	139.75
3. Manufacturing	151.38	167.75	162.30	152.77	151.41	162.98	177.12	155.88
4. Electricity, gas and water	31.19	19.70	20.53	37.27	31.39	40.21	34.43	37.94
5. Construction	62.58	110.37	100.31	105.73	116.97	111.85	106.45	67.36
6. Wholesale, Retail, Hotel and Restaurant	158.13	283.21	162.11	70.55	128.65	174.61	161.94	210.49
7. Transport, Storage And Communication	253.80	150.15	299.56	166.82	296.28	300.11	265.96	240.34
8. Non-Bank Financial Institutions, Real Estate	142.84	234.00	256.74	221.74	263.31	270.28	287.46	289.91
9. Community, Social and Personal Services	71.19	75.61	68.56	211.64	83.53	116.70	117.84	51.09
<b>TOTAL</b>	932.01	1109.68	1142.04	1062.29	1204.93	1302.74	1287.24	1197.47
of which:								
Business Enterprises	932.01	1109.68	1142.04	1059.31	1202.44	1300.62	1282.52	1196.10
Statutory Bodies	0.00	0.00	0.00	2.98	2.49	2.12	1.72	1.37

**Table S8(b) COMMERCIAL BANKS' LOANS AND ADVANCES TO BUSINESS ENTERPRISES AND STATUTORY BODIES**  
(As per cent of total ; End of Period)

ECONOMIC ACTIVITIES	2009				2010				2011
	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
1. Agriculture, Hunting Forestry and Fishing	3.45	0.90	1.04	1.32	2.26	2.17	1.31	0.79	0.39
2. Mining and Quarrying	6.61	5.64	5.17	4.98	6.75	8.90	8.36	9.55	11.67
3. Manufacturing	17.48	16.24	15.12	14.21	14.38	12.57	12.51	13.76	13.02
4. Electricity, gas and water	2.21	3.35	1.78	1.80	3.51	2.60	3.09	2.91	3.17
5. Construction	9.09	6.71	9.95	8.78	9.95	9.71	8.59	8.27	5.63
6. Wholesale, Retail, Hotel and Restaurant	9.75	16.97	25.52	14.19	6.64	10.68	13.40	12.58	17.58
7. Transport, Storage and Communication	15.58	27.23	13.53	26.23	15.70	24.59	23.04	20.60	20.07
8. Non-Bank Financial Institutions, Real Estate	23.30	15.33	21.09	22.48	20.87	21.85	2075	22.33	24.21
9. Community, Social and Personal Services	12.53	7.64	6.81	6.00	19.92	6.93	8.96	9.15	4.27
<b>TOTAL</b>	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
of which:									
Business Enterprises	100.00	100.00	100.00	100.00	99.72	99.79	99.84	99.87	99.89
Statutory Bodies	0.00	0.00	0.00	0.00	0.28	0.21	0.16	0.13	0.11

**Table S9(a)****COMMERCIAL BANKS' MAJOR RATIOS**

(Million Maloti)

End of Period	Liabilities to the Public in Lesotho	Liquid Assets	Liquidity Ratio	Capital	Capital Ratio	Statutory Reserves	Local Assets	Local Assets Ratio
<b>2010</b>								
Feb	6674.67	5391.07	80.77	540.95	8.10	68.15	4068.65	55.86
Mar	6757.07	5488.40	81.22	541.12	8.01	68.15	4420.96	60.02
Apr	6842.49	5456.94	79.75	157.76	2.31	68.15	4012.60	56.77
May	6994.89	5619.03	80.33	159.97	2.29	68.15	3979.24	55.09
Jun	6937.92	5644.11	81.35	160.07	2.31	68.15	4238.03	59.14
Jul	7184.46	5745.91	79.98	158.91	2.21	68.15	4243.00	57.25
Aug	7614.72	6123.57	80.42	159.03	2.09	68.15	4615.55	58.86
Sep	7328.01	5758.59	78.58	159.27	2.17	68.15	4361.02	57.72
Oct	7209.29	5705.43	79.14	159.40	2.21	68.15	4341.59	58.38
Nov	7225.10	5767.40	79.82	157.79	2.18	68.15	4751.57	63.77
Dec	7308.62	5674.26	77.64	157.75	2.16	68.15	4375.95	58.08
<b>2011</b>								
Jan	7049.30	5435.93	77.11	156.88	2.23	68.15	4458.40	61.29
Feb	7089.19	5407.16	76.27	160.49	2.26	68.15	4659.87	63.68
Mar	7035.76	5356.00	76.13	160.35	2.28	68.15	4620.88	63.61
Apr	7017.65	5357.23	76.34	160.33	2.28	68.15	4715.59	65.08
May	7285.22	5519.87	75.77	159.84	2.19	68.15	4766.97	63.45
Jun	6993.58	5223.90	74.70	160.07	2.29	68.15	4635.68	64.19
Jul	7014.71	5189.14	73.98	158.92	2.27	68.15	4910.13	67.80
Aug	7213.89	5415.56	75.07	157.59	2.18	68.15	4858.82	65.31
Sep	7648.67	5881.84	76.90	157.64	2.06	68.15	5041.11	64.02
Oct	7178.46	5447.40	75.89	158.97	2.21	68.15	4927.17	66.53
Nov	7057.29	5326.18	75.47	159.03	2.25	68.15	4798.65	65.88
Dec	7152.98	5248.33	73.37	158.66	2.22	68.15	5159.40	69.91

Table S9(b)

**COMMERCIAL BANKS' CREDIT DEPOSIT RATIOS**  
(Million Maloti / Per Cent)

End of period	Deposit <sup>1</sup>	Deferred Pay Fund	Government Deposits	Borrowing From Abroad	Credit <sup>2</sup>	Treasury Bills & Bonds	Credit-Deposit Ratios				Other Related Ratios		
							5 as % of 1	5 as % of (1+2)	5 as % of (1+2+3)	5 as % of (1+2+3+4)	6 as % of (1+2+3)	(5+6) as % of (1+2+3)	(5+6) as % of (1+2+3+4)
							7	8	9	10	11	12	13
1	2	3	4	5	6	7	8	9	10	11	12	13	
<b>2010</b>													
Feb	5363.71	0.00	25.40	66.63	1747.65	389.12	32.58	32.58	32.43	32.03	7.22	39.65	39.17
Mar	5485.04	0.00	22.20	62.60	1712.61	409.10	31.22	31.22	31.10	30.75	7.43	38.53	38.09
Apr	5546.59	0.00	21.83	191.31	1735.05	412.30	31.28	31.28	31.16	30.12	7.40	38.56	37.28
May	5768.89	0.00	22.08	95.13	1763.28	409.69	30.57	30.57	30.45	29.96	7.07	37.52	36.92
Jun	5501.05	0.00	22.09	208.83	1851.50	405.17	33.66	33.66	33.52	32.30	7.34	40.86	39.37
Jul	5692.96	0.00	22.09	75.80	1913.03	393.15	33.60	33.60	33.47	33.04	6.88	40.35	39.82
Aug	5801.83	0.00	21.72	217.38	1997.99	398.57	34.44	34.44	34.31	33.07	6.84	41.15	39.67
Sep	5847.75	0.00	22.07	153.89	2027.35	519.32	34.67	34.67	34.54	33.66	8.85	43.39	42.28
Oct	5787.13	0.00	24.18	84.01	2036.51	515.49	35.19	35.19	35.04	34.54	8.87	43.91	43.29
Nov	5585.43	0.00	24.18	196.72	2084.18	522.56	37.31	37.31	37.15	35.89	9.32	46.47	44.89
Dec	5862.24	0.00	24.26	117.69	2103.83	466.31	35.89	35.89	35.74	35.04	7.92	43.66	42.81
<b>2011</b>													
Jan	5626.95	0.00	21.53	89.30	2197.74	461.13	39.06	39.06	38.91	38.30	8.16	47.07	46.34
Feb	5658.70	0.00	22.74	91.59	2185.80	584.65	38.63	38.63	38.47	37.86	10.29	48.76	47.99
Mar	5569.64	0.00	22.65	98.34	2231.93	547.33	40.07	40.07	39.91	39.22	9.79	49.70	48.84
Apr	5690.62	0.00	22.72	74.16	2219.14	626.75	39.00	39.00	38.84	38.34	10.97	49.81	49.17
May	5830.70	0.00	22.76	126.49	2292.58	609.77	39.32	39.32	39.17	38.34	10.42	49.58	48.53
Jun	5652.46	0.00	22.75	102.72	2357.33	641.23	41.70	41.70	41.54	40.80	11.30	52.84	51.90
Jul	5637.48	0.00	22.71	67.95	2495.48	639.41	44.27	44.27	44.09	43.57	11.30	55.39	54.73
Aug	5820.93	0.00	22.75	116.88	2430.77	667.76	41.76	41.76	41.60	40.78	11.43	53.02	51.98
Sep	6280.54	0.00	25.02	85.99	2541.28	645.71	40.46	40.46	40.30	39.76	10.24	50.54	49.86
Oct	5977.14	0.00	24.98	173.06	2513.25	701.12	42.05	42.05	41.87	40.70	11.68	53.55	52.05
Nov	5937.06	0.00	27.35	194.50	2549.73	707.07	42.95	42.95	42.75	41.40	11.85	54.60	52.88
Dec	5922.90	0.00	22.01	181.37	2611.09	712.30	44.08	44.08	43.92	42.62	11.98	55.90	54.25

Table S10

**NARROW MONEY**  
(Million Maloti)

End of Period	M A L O T I			Demand and Call Deposits			Money (M1) (3+7)	Annual Rate of Increase (per cent)	
	Issued	With Banks	With Public	Private Sector	Statutory Bodies	Deferred Pay Fund			Total
	1	2	3	4	5	6	7	8	9
<b>2010</b>									
Jan	535.95	71.34	463.55	3688.98	274.35	0.00	3963.33	4426.88	-0.92
Feb	525.02	63.32	461.12	3790.12	282.11	0.00	4072.23	4533.35	8.71
Mar	599.42	99.06	498.92	3754.37	349.55	0.00	4103.91	4602.83	4.73
Apr	610.64	98.40	511.36	3806.75	347.26	0.00	4154.01	4665.38	9.15
May	626.22	96.39	526.05	3950.33	406.47	0.00	4356.80	4882.85	13.41
Jun	617.33	92.92	523.14	3666.78	368.37	0.00	4035.15	4558.29	7.65
Jul	593.76	82.11	511.07	3841.33	364.39	0.00	4205.72	4716.79	10.06
Aug	632.40	101.23	529.50	3968.00	374.11	0.00	4342.11	4871.61	5.27
Sep	634.97	98.96	533.83	3916.14	465.88	0.00	4382.02	4915.85	1.28
Oct	642.58	91.84	550.08	3864.80	450.61	0.00	4315.41	4865.49	23.75
Nov	676.92	87.50	587.60	3672.80	404.90	0.00	4077.71	4665.30	11.63
Dec	638.16	98.83	538.96	4040.92	406.11	0.00	4447.03	4985.99	19.39
<b>2011</b>									
Jan	586.84	87.02	499.82	3901.91	372.69	0.00	4274.60	4774.42	7.85
Feb	618.12	93.43	524.69	3840.48	385.48	0.00	4225.96	4750.65	4.79
Mar	623.89	93.04	529.23	3792.59	360.87	0.00	4153.45	4682.68	1.73
Apr	724.51	112.78	610.32	3919.24	357.15	0.00	4276.39	4886.71	4.74
May	696.92	99.36	596.31	4065.79	366.19	0.00	4431.99	5028.29	2.98
Jun	660.63	90.00	569.37	3967.38	217.15	0.00	4184.53	4753.90	4.29
Jul	683.21	88.84	593.04	3992.17	217.16	0.00	4209.33	4802.37	1.81
Aug	730.10	100.99	628.13	4152.14	219.14	0.00	4371.29	4999.42	2.62
Sep	729.91	86.73	641.96	4669.72	205.70	0.00	4875.42	5517.38	12.24
Oct	730.65	93.56	635.60	4393.46	207.58	0.00	4601.04	5236.64	7.63
Nov	804.86	98.41	705.04	4344.04	207.32	0.00	4551.36	5256.40	12.67
Dec	844.63	154.90	688.70	4315.01	202.49	0.00	4517.50	5206.20	4.42

**Table S11**

**MONETARY SURVEY**  
(Million Maloti; End of Period)

	2009				2010				2011	
	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
Foreign Assets, Net	11331.01	10702.08	10795.56	10163.02	9937.75	9978.07	9324.19	9479.45	10446.00	9840.10
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Commercial Banks	4023.84	2986.69	3282.51	3502.89	3786.53	3799.81	3359.01	3310.52	3775.71	3060.72
Central Bank of Lesotho	7289.78	7664.89	7457.82	6577.06	6115.15	6137.87	5928.15	6151.72	6650.41	6752.22
Rand with Banks	17.40	50.49	55.23	83.07	36.08	39.38	37.04	17.22	19.88	27.16
Domestic Credit	-1855.95	-2136.21	-1774.56	-835.84	-892.64	-1000.82	-82.20	-166.86	514.69	669.99
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Claims on private sector & statutory bodies	1788.05	1859.79	1862.96	1943.29	2124.79	2196.81	2328.37	2446.60	2630.99	2699.64
Claims on Government, net of deposits	-3644.00	-3996.00	-3637.52	-2779.13	-3017.43	-3197.63	-2410.57	-2613.46	-2116.30	-2029.65
Money Supply	6411.20	5744.03	6123.10	6198.76	6559.06	6574.81	6263.30	6386.45	7077.92	6766.44
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Money	4853.58	4176.40	4602.83	4558.29	4915.85	4985.99	4682.68	4753.90	5517.38	5206.20
Maloti with public	471.02	487.18	498.92	523.14	533.83	538.96	529.23	569.37	641.96	688.70
Demand and call deposits	4382.56	3689.22	4103.91	4035.15	4382.02	444.03	4153.45	4184.53	4875.42	4517.50
Quasi-money	1557.62	1567.63	1520.27	1640.47	1643.22	1588.82	1580.62	1632.55	1560.54	1560.24
Time deposits	936.55	960.60	864.70	975.66	971.10	917.97	901.92	942.58	886.37	890.17
Savings deposits	621.07	607.03	655.57	664.81	672.12	670.85	678.70	689.98	674.17	670.07
Other Items, Net	3063.86	2821.84	2897.90	3128.42	2486.05	2402.44	2978.69	2926.14	3882.77	3743.66
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Table S12

**BROAD MONEY**  
(Million Maloti)

End of Period	Savings Deposits	Time Deposits			Quasi-Money (1+ 2+ 3+ 4) 5	Money (M1) 6	Money Supply (M2) (5+ 6) 7	Annual Rate of Increase (per cent) 8
		Private Sector	Statutory Bodies	Deferred Pay Fund				
	1	2	3	4	5	6	7	8
<b>2010</b>								
Feb	645.46	767.41	18.08	0.00	1430.96	4533.35	5964.31	7.46
Mar	655.57	862.92	1.78	0.00	1520.27	4602.83	6123.10	8.78
Apr	668.67	862.53	1.60	0.00	1532.80	4665.38	6198.18	12.84
May	665.73	885.06	1.61	0.00	1552.40	4882.85	6435.25	15.56
Jun	664.81	973.95	1.71	0.00	1640.47	4558.29	6198.76	11.19
Jul	658.60	1002.65	1.70	0.00	1662.95	4716.79	6379.73	10.86
Aug	661.77	972.91	1.72	0.00	1636.39	4871.61	6508.01	6.18
Sep	672.12	969.50	1.60	0.00	1643.22	4915.85	6559.06	2.31
Oct	672.01	975.69	1.58	0.00	1649.28	4865.49	6514.77	20.30
Nov	671.43	1009.34	1.58	0.00	1682.34	4665.30	6347.64	11.41
Dec	670.85	916.55	1.42	0.00	1588.82	4985.99	6574.81	14.85
<b>2011</b>								
Jan	652.56	872.21	1.38	0.00	1526.14	4774.42	6300.57	6.08
Feb	651.29	954.82	1.58	0.00	1607.69	4750.65	6358.34	6.61
Mar	678.70	900.57	1.35	0.00	1580.62	4682.68	6263.30	2.29
Apr	669.00	908.28	1.32	0.00	1578.61	4886.71	6465.31	4.31
May	667.92	893.96	1.33	0.00	1563.22	5028.29	6591.51	2.43
Jun	689.98	941.24	1.34	0.00	1632.55	4753.90	6386.45	3.03
Jul	683.45	908.07	1.31	0.00	1592.83	4802.37	6395.20	0.24
Aug	669.40	945.02	1.32	0.00	1615.74	4999.42	6615.16	1.65
Sep	674.17	885.08	1.30	0.00	1560.54	5517.38	7077.92	7.91
Oct	668.22	862.06	1.29	0.00	1531.57	5236.64	6768.20	3.89
Nov	676.56	863.34	1.29	0.00	1541.19	5256.40	6797.59	7.09
Dec	670.07	888.85	1.32	0.00	1560.24	5206.20	6766.44	2.91

Table S13

## COMMERCIAL BANKS' DEPOSITS, WITHDRAWALS FROM DEPOSITS AND TURNOVER

(Million Maloti)

End of Period	Demand and Call Deposits	Withdrawals from Demand and Call Deposits	Turnover	Savings Deposits	Withdrawals from Savings Deposits	Turnover	Fixed Time Deposits	Withdrawals from Fixed Time Deposits	Turnover	Total Deposits	Total Withdrawals	Turnover
<b>2010</b>												
Feb	4081.32	2406.67	0.59	646.15	274.21	0.42	785.52	103.82	0.13	5512.99	2784.69	0.51
Mar	4111.76	2893.48	0.70	655.92	309.84	0.47	864.72	23.12	0.03	5632.39	3226.44	0.57
Apr	4162.04	2739.17	0.66	669.42	281.42	0.42	864.15	17.79	0.02	5695.61	3038.37	0.53
May	4366.52	2429.36	0.56	666.43	274.54	0.41	886.69	41.68	0.05	5919.63	2745.58	0.46
Jun	4043.32	3089.70	0.76	665.57	256.00	0.38	975.68	116.39	0.12	5684.56	3462.09	0.61
Jul	4214.49	2659.37	0.63	659.30	275.99	0.42	1004.37	53.03	0.05	5878.15	2988.39	0.51
Aug	4351.74	2500.40	0.57	663.42	300.25	0.45	974.74	8.95	0.01	5989.91	2809.59	0.47
Sep	4389.18	2650.34	0.60	673.49	311.25	0.46	1009.03	143.38	0.14	6071.70	3104.97	0.51
Oct	4323.36	2639.49	0.61	673.26	312.10	0.46	1015.04	141.94	0.14	6011.66	3093.53	0.51
Nov	4086.11	2915.76	0.71	672.66	306.96	0.46	1048.91	2.46	0.00	5807.68	3225.17	0.56
Dec	4455.46	3083.99	0.69	672.05	329.64	0.49	957.12	81.55	0.09	6084.63	3495.17	0.57
<b>2011</b>												
Jan	4283.32	3091.21	0.72	652.79	333.05	0.51	913.59	81.54	0.09	5849.71	3505.80	0.60
Feb	4231.72	3002.00	0.71	651.55	266.84	0.41	996.40	24.04	0.02	5879.66	3292.87	0.56
Mar	4161.97	2639.76	0.63	678.96	311.74	0.46	943.56	141.93	0.15	5784.49	3093.42	0.53
Apr	4285.49	2272.46	0.53	669.24	307.15	0.46	951.71	2.08	0.00	5906.44	2581.69	0.44
May	4440.07	2330.37	0.52	668.18	295.12	0.44	937.15	39.56	0.04	6045.40	2665.05	0.44
Jun	4191.08	2736.46	0.65	690.31	282.75	0.41	942.59	135.96	0.14	5823.98	3155.17	0.54
Jul	4215.07	2437.21	0.58	683.77	290.67	0.43	909.40	102.58	0.11	5808.24	2830.46	0.49
Aug	4377.70	2991.65	0.68	669.82	314.08	0.47	946.35	50.39	0.05	5993.88	3356.11	0.56
Sep	4881.81	3115.10	0.64	674.56	315.12	0.47	886.39	92.41	0.10	6442.75	3522.63	0.55
Oct	4607.06	2608.11	0.57	668.59	307.04	0.46	863.37	7.83	0.01	6139.02	2922.98	0.48
Nov	4559.77	3388.33	0.74	676.92	299.01	0.44	864.64	32.25	0.04	6101.33	3719.59	0.61
Dec	4524.23	3391.43	0.75	670.38	300.30	0.45	890.19	30.75	0.03	6084.80	3722.48	0.61

**Table S14(a)**

**INTEREST RATES OF COMMERCIAL BANKS**

(With Comparable South African rates)

(Per Cent Per Annum)

End of Period	Lending Rates		South African Prime	Deposit rates	
	Prime	Maximum		Savings	Call
<b>2009</b>					
Aug	12.00	20.67	10.50	1.00-5.00	2.75
Sep	11.83	20.50	10.50	1.00-5.00	2.75
Oct	12.00	20.67	10.50	1.00-5.00	2.75
Nov	11.83	20.50	10.50	1.00-5.00	2.75
Dec	11.67	20.50	10.50	1.00-5.00	2.75
<b>2010</b>					
Jan	12.00	20.83	10.50	0.75-5.00	2.75
Feb	12.00	20.83	10.50	0.75-5.00	2.75
Mar	11.83	20.67	10.00	0.75-5.00	2.75
Apr	11.17	20.50	10.00	0.75-5.00	2.75
May	11.17	20.50	10.00	0.75-5.00	2.75
Jun	11.17	20.50	10.00	0.75-5.00	2.75
Jul	11.25	20.50	10.00	0.75-5.00	2.75
Aug	11.25	20.50	10.00	0.75-5.00	2.75
Sep	11.08	20.33	10.00	0.75-1.75	2.75
Oct	10.83	20.17	9.50	0.75-1.75	2.75
Nov	10.50	20.50	9.00	0.75-1.75	2.75
Dec	10.50	20.50	9.00	0.75-1.75	2.75
<b>2011</b>					
Jan	10.33	20.50	9.00	0.75-1.40	1.50
Feb	10.33	20.50	9.00	0.75-1.40	1.50
Mar	10.33	20.50	9.00	0.75-1.40	1.50
Apr	10.33	20.50	9.00	0.75-1.75	1.15
May	10.33	20.50	9.00	0.75-1.75	1.15
Jun	10.50	18.83	9.00	0.75-1.75	1.15
Jul	10.50	19.83	9.00	0.75-1.75	1.15
Aug	10.50	19.83	9.00	0.75-1.75	1.15
Sep	10.50	19.83	9.00	0.68-1.75	1.15
Oct	10.50	19.83	9.00	0.68-1.75	1.15
Nov	10.50	19.83	9.00	0.68-1.75	1.15
Dec	10.50	19.83	9.00	0.68-1.75	1.15

Table S14(b)

**TIME DEPOSIT RATES BY COMMERCIAL BANKS**  
(With comparable South African rates)  
(Per Cent Per Annum)

<b>INTEREST PAID</b>						
End of Period	Lesotho Time Deposits				South African Time Deposits	
	31 Days	88 Days	6 Months	1 Year	31 Days	1 Year
<b>2009</b>						
Aug	1.65	2.20	2.51	3.69	6.79	7.88
Sep	1.65	2.20	2.53	3.69	6.81	8.03
Oct	1.65	1.90	2.25	3.41	6.87	8.20
Nov	1.65	1.90	2.25	3.41	6.76	8.14
Dec	1.65	1.95	2.26	3.35	6.85	8.09
<b>2010</b>						
Jan	1.65	1.95	2.26	3.35	6.84	8.03
Feb	1.65	1.95	2.26	3.35	6.86	7.97
Mar	1.65	1.95	2.26	3.35	6.37	7.29
Apr	1.67	2.20	2.21	3.35	6.35	7.31
May	1.67	2.20	2.21	3.35	6.35	7.36
Jun	1.67	2.20	2.21	3.35	6.36	7.05
Jul	1.67	2.20	2.21	3.35	6.38	7.02
Aug	1.67	2.20	2.21	3.35	6.24	6.56
Sep	1.25	1.78	1.94	2.78	5.78	6.41
Oct	1.21	1.67	1.94	2.78	5.76	6.25
Nov	1.21	1.67	1.94	2.78	5.36	5.93
Dec	1.21	1.67	1.94	2.78	5.37	5.85
<b>2011</b>						
Jan	1.09	1.58	1.94	2.74	5.38	6.21
Feb	1.09	1.58	1.94	2.74	5.43	6.25
Mar	1.09	1.58	1.94	2.74	5.38	6.21
Apr	1.21	1.67	1.94	2.78	5.41	6.29
May	1.21	1.82	1.94	2.78	5.40	6.29
Jun	1.21	1.82	1.94	2.78	5.41	6.37
Jul	1.21	1.82	1.94	2.78	5.41	6.22
Aug	1.21	1.82	1.94	2.78	5.79	5.87
Sep	1.21	1.67	1.94	2.78	5.80	5.88
Oct	1.21	1.67	1.94	2.78	5.35	5.83
Nov	1.21	1.67	1.94	2.78	5.30	6.03
Dec	1.21	1.67	1.94	2.78	5.40	6.03

**Table S15 COMPARATIVE MONEY MARKET RATES**

End of Period	Central Bank Rates		Treasury Bills	
	CBL*	SARB+	LESOTHO	RSA
<b>2009</b>				
Aug	10.80	12.00	6.80	6.98
Sep	10.86	12.00	6.86	6.90
Oct	10.78	12.00	6.78	7.03
Nov	10.99	12.00	6.99	7.03
Dec	10.66	12.00	6.66	7.14
<b>2010</b>				
Jan	10.66	12.00	6.66	7.07
Feb	10.62	12.00	6.62	7.05
Mar	10.46	11.50	6.46	6.60
Apr	10.42	11.50	6.42	6.59
May	10.38	11.50	6.38	6.57
Jun	10.38	11.50	6.38	6.54
Jul	10.38	11.50	6.38	6.45
Aug	10.36	11.50	6.36	6.27
Sep	9.91	11.00	5.91	6.04
Oct	9.90	11.00	5.90	5.80
Nov	9.67	10.50	5.67	5.52
Dec	9.61	10.50	5.61	5.60
<b>2011</b>				
Jan	9.46	10.50	5.46	5.52
Feb	9.44	10.50	5.44	5.52
Mar	9.38	10.50	5.38	5.47
Apr	9.36	10.50	5.36	5.45
May	9.28	10.50	5.28	5.46
Jun	9.29	10.50	5.29	5.47
Jul	9.29	10.50	5.29	5.49
Aug	9.29	10.50	5.29	5.49
Sep	9.29	10.50	5.29	5.49
Oct	9.28	10.50	5.28	5.49
Nov	9.28	10.50	5.28	5.49
Dec	9.27	10.50	5.27	5.46

Note: \*CBL – Central Bank of Lesotho overdraft rate  
+ SARB – South African Reserve Bank marginal lending rate

Table S16

## GOVERNMENT BUDGETARY OPERATIONS

(Million Maloti / Per cent of GDP)

	Revised Preliminary Preliminary Preliminary							
	2009/2010 Q4	2010/2011 Q1	2010/2011 Q2	2010/2011 Q3	2010/2011 Q4	2011/2012 Q1	2011/2012 Q2	2011/2012 Q3
Total Receipts	<b>2315.1</b>	<b>1723.3</b>	<b>2756.6</b>	<b>2059.8</b>	<b>2144.3</b>	<b>1996.9</b>	<b>2098.3</b>	<b>2560.1</b>
Revenue	2165.1	1391.9	2456.8	1799.1	1679.8	1719.6	1818.0	2005.8
Customs	1229.5	540.4	1006.7	540.5	540.5	688.2	688.2	688.2
Income Taxes	440.8	364.4	483.0	589.6	527.1	522.3	496.1	584.8
of which :Individual Tax	265.3	210.5	326.7	275.2	351.7	335.3	353.0	343.6
Company Tax	107.4	75.2	80.5	193.7	118.2	88.4	70.0	139.0
Taxes on goods & services	273.3	292.7	298.2	345.9	345.7	332.0	335.4	393.0
Other Tax	3.4	64.2	12.1	12.2	15.1	19.6	20.6	13.2
Non-Tax Revenue	218.1	130.3	656.8	283.1	251.4	157.5	257.7	364.0
of which : Water Royalties	75.6	85.8	108.8	242.4	97.8	66.5	140.9	224.5
Grants	150.0	331.4	299.8	260.7	464.5	277.3	280.3	554.3
Total Expenditure & Net Lending								
Recurrent	2609.5	2698.4	2620.0	1879.3	2873.1	1912.0	2556.7	2759.7
Personnel Emoluments	1737.2	2304.1	2270.0	1640.2	2408.6	1634.7	2276.4	2205.4
Interest Payments	700.0	691.2	714.1	719.3	947.5	871.5	858.8	865.8
Of which: Bank Restructuring	27.2	18.4	23.7	21.7	25.2	34.6	25.5	47.4
Subsidies and Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Expenditure	405.0	437.4	397.6	324.7	522.5	267.2	533.3	426.4
Of which: Bank Restructuring	1010.0	1472.6	1134.6	544.7	918.1	425.4	858.8	865.8
Agricultural Support	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Imperial Fleet Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Imperial Fleet Services	4.9	4.9	50.2	0.0	0.0	0.0	0.0	0.0
Capital Expenditure & Net Lending	872.3	394.3	350.0	239.1	464.5	277.3	280.3	554.3
Overall Surplus/Deficit	-294.3	-975.1	136.6	180.6	-728.8	85.1	-458.4	-199.6
Total Financing	294.3	955.0	-136.6	-180.6	728.8	-85.1	458.4	199.6
Foreign financing (net)	-59.4	96.3	100.5	-3.3	-58.5	124.2	-36.6	105.7
Domestic financing (net)	353.5	858.8	-238.3	-177.2	787.3	-209.2	495.0	93.9
Bank financing	358.5	858.4	-238.3	-180.2	787.1	-202.9	497.2	86.7
Non-bank financing	-4.7	0.4	1.2	2.9	0.2	-6.4	-2.2	7.2
			<b>In Per cent of GDP (%)</b>					
Total Receipts	56.6	42.1	67.4	51.9	54.2	49.7	51.3	62.6
Total Expenditure	63.8	66.0	64.0	47.5	71.9	47.6	62.5	67.5
Budget Balance	-7.2	-23.8	3.3	4.4	-17.8	2.1	-11.2	-4.9

Source: Ministry of Finance and Development Planning

Table S17

## TREASURY BILLS BY TYPE OF HOLDER

(Million Maloti)

End of Period	CBL	Comm. Banks	NBFI	Others	Total
<b>2009</b>					
Nov	0.32	479.47	14.44	9.60	503.84
Dec	0.32	482.31	20.20	6.25	509.07
<b>2010</b>					
Jan	0.32	480.61	21.54	6.59	509.05
Feb	0.32	483.01	22.43	5.07	510.83
Mar	0.32	503.26	5.27	5.95	514.80
Apr	0.32	500.709	2.11	7.65	510.79
May	0.32	499.905	3.87	7.51	511.61
Jun	0.32	500.189	5.11	7.36	512.98
Jul	0.34	514.39	23.13	4.50	542.36
Aug	0.80	514.05	19.24	8.75	542.84
Sep	0.70	643.50	6.49	7.80	658.58
Oct	0.13	661.57	14.26	4.94	680.74
Nov	0.13	662.43	8.94	2.33	673.67
Dec	0.13	604.06	18.50	1.21	623.90
<b>2011</b>					
Jan	0.00	472.19	49.06	56.61	577.85
Feb	0.48	462.34	52.06	55.67	570.55
Mar	0.59	423.74	52.01	59.75	536.09
Apr	0.62	419.05	48.87	56.82	525.36
May	0.53	397.19	60.21	63.40	521.32
Jun	0.55	417.86	52.59	53.01	524.01
Jul	0.43	417.49	39.91	68.68	526.51
Aug	0.61	411.63	39.91	72.84	524.99
Sep	0.47	387.90	40.52	71.35	500.23
Oct	0.54	377.67	57.34	65.49	501.04
Nov	0.51	383.30	55.79	60.04	499.67
Dec	0.55	376.58	59.88	60.68	497.69

**Table S18****DIAMOND PRODUCTION**  
(Carats)

<b>Period</b>	<b>QI</b>	<b>QII</b>	<b>QIII</b>	<b>QIV</b>
<b>2005</b>	12,716.28	14,670.80	9,891.46	8,101.48
<b>2006</b>	27,972.80	27,008.17	33,787.92	25,443.17
<b>2007</b>	48,602.66	56,989.16	60,659.39	58,471.38
<b>2008</b>	56,361.58	69,666.59	88,344.38	38,472.80
<b>2009</b>	21,833.64	25,712.02	24,312.39	19,956.90
<b>2010</b>	20,537.29	27,074.11	29,818.28	27,515.56
<b>2011</b>	38,670.41	50,425.62	53,592.53	68,889.36

Source: Department of Mines and Geology

Table S19(a)

**LESOTHO ANNUAL INFLATION RATE**  
(MARCH 2010 = 100)

	ALL ITEMS INDEX	Food & Non- Beverages	Alcoholic Beverages & Tobacco	Clothing & Footwear	Housing, Water, Electricity & Other Fuels	Furnishings, H/h Equipment & Routine Maintenance of House	Health	Transport	communi cation	Leisure, Enter- tainment & Culture	Education	Restau- rants & Hotels	Misce- llaneous Goods & Services
<b>2010</b>													
Feb	4.3	3.5	9.3	5.0	-2.4	4.8	3.7	6.6	0.0	2.8	5.6	5.2	4.2
Mar	4.2	3.0	10.8	5.2	-0.6	4.7	2.6	6.20	0.0	3.2	5.7	4.7	4.5
Apr	3.7	10.1	4.0	4.0	2.6	2.8	1.8	6.6	1.2	1.6	6.3	6.5	4.3
May	3.8	3.3	10.6	3.6	4.2	2.4	2.0	6.3	1.2	1.7	6.3	5.7	4.1
Jun	3.8	3.2	10.6	3.2	6.3	2.3	2.2	5.8	1.2	1.8	6.3	6.5	3.8
Jul	3.4	3.4	10.7	3.0	6.1	2.7	2.1	2.2	2.3	1.6	6.3	4.4	3.9
Aug	3.3	3.5	9.8	2.8	4.7	2.7	2.1	2.2	2.3	1.5	6.3	3.2	3.9
Sep	3.3	3.8	8.7	2.5	5.2	2.5	2.2	1.8	2.3	1.3	6.3	3	3.3
Oct	3.1	3.7	8.5	2.2	4.5	2.4	2.5	1.7	2.3	1.8	6.3	5.0	3.4
Nov	3.1	3.8	8.7	2.0	5.0	2.4	2.4	1.2	1.1	1.7	6.3	5.1	2.7
Dec	3.1	3.9	8.4	1.8	5.0	2.2	2.2	1.2	1.1	1.8	6.3	5.2	2.4
<b>2011</b>													
Jan	3.2	4.5	8.2	1.5	5.5	2.4	2.1	1.4	1.7	2.1	0.8	7.7	2.5
Feb	3.3	4.7	7.8	1.2	6.1	2.4	2.0	1.5	1.7	2.1	0.8	7.4	2.8
Mar	3.6	4.8	5.7	0.9	8.3	3.0	2.0	1.7	1.7	1.6	0.8	7.6	2.7
Apr	4.1	5.7	5.6	0.7	10.5	4.3	1.6	1.8	1.7	1.0	0.8	4.9	2.1
May	4.3	5.6	5.4	1.1	11.4	4.4	1.6	2.3	1.7	0.6	0.8	3.6	2.0
Jun	4.7	6.6	5.8	1.6	9.5	4.5	1.6	2.8	1.7	0.9	0.8	3.1	2.9
Jul	4.9	6.7	6.0	1.6	10.2	3.7	1.5	2.9	0.6	1.0	0.8	2.2	2.7
Aug	5.5	8.0	6.1	1.7	11.8	3.2	1.2	3.1	0.0	1.7	0.8	3.7	2.1
Sep	5.5	8.0	6.4	1.7	12.3	2.8	1.1	3.1	0.0	1.9	0.8	3.7	2.2
Oct	6.2	8.9	6.5	1.9	15.0	2.9	0.8	3.4	0.0	1.8	0.8	2.0	2.0
Nov	6.8	9.6	6.9	1.7	17.7	3.1	0.6	3.5	0.0	1.9	0.8	2.0	2.2
Dec	7.7	10.4	7.3	1.7	19.5	3.2	0.7	8.6	0.0	1.8	0.8	2.0	2.6

Source: Bureau of Statistics

**Table S19(b)**

**LESOTHO MONTHLY INFLATION RATE**  
(MARCH 2010 = 100)

	ALL ITEMS INDEX	Food & Non- Beverages	Alcoholic Beverages & Tobacco	Clothing & Footwear	Housing, Water, Electricity & Other Fuels	Furnishings, H/h Equipment & Routine Maintenance of House	Health	Transport	Communi- cation	Leisure, Enter- tainment & Culture	Education	Restau- rants & Hotels	Misce- llaneous Goods & Services
<b>2010</b>													
Feb	0.5	0.4	0.4	0.8	-0.3	0.6	0.2	0.7	0.0	-0.5	0.1	0.5	0.7
Mar	0.5	0.3	2.6	0.7	0.4	0.1	0.5	0.2	0.0	1.1	0.0	0.1	0.6
Apr	0.3	0.1	1.7	0.4	0.8	-0.3	0.5	0.3	0.0	0.6	0.0	2.6	0.6
May	0.5	0.5	0.8	-0.2	2.1	0.1	0.2	0.2	0.0	0.2	0.0	-0.7	0.4
Jun	0.3	0.2	0.4	0.2	1.1	0.3	0.2	-0.2	0.0	0.4	0.0	0.6	0.1
Jul	0.1	0.4	0.3	0.1	-0.2	0.9	0.1	0.0	1.1	0.0	0.0	0.2	0.3
Aug	0.1	0.1	0.0	0.1	-0.2	0.3	0.1	0.0	0.0	-0.1	0.0	-0.1	0.4
Sep	0.4	0.6	0.2	0.2	0.4	0.5	0.1	0.1	0.0	0.0	0.0	0.0	0.1
Oct	0.1	0.2	0.2	0.0	-0.2	0.0	0.4	-0.1	0.0	0.1	0.0	2.0	0.1
Nov	0.2	0.4	0.3	0.0	0.0	0.0	0.1	0.2	0.0	0.1	0.0	0.0	-0.1
Dec	0.2	0.4	0.0	0.0	0.3	0.0	0.1	0.3	0.0	0.1	0.0	0.0	-0.1
<b>2011</b>													
Jan	0.5	0.9	0.1	-0.1	1.3	0.2	0.0	0.1	0.6	0.1	0.8	2.7	0.1
Feb	0.4	0.5	0.0	0.1	0.6	0.1	0.1	0.5	0.0	0.0	0.0	-0.1	0.5
Mar	0.5	0.4	1.6	0.0	2.2	0.8	0.1	0.3	0.0	0.0	0.0	0.2	0.2
Apr	0.8	0.9	1.6	0.1	2.8	1.0	0.1	0.3	0.0	0.0	0.0	0.0	0.1
May	0.6	0.5	0.6	0.3	2.9	0.2	0.2	0.7	0.0	-0.2	0.0	-1.9	0.2
Jun	0.6	1.2	0.8	0.7	-0.7	0.4	0.2	0.3	0.0	0.8	0.0	0.0	1.0
Jul	0.3	0.5	0.4	0.1	0.4	0.2	0.0	0.2	0.0	0.1	0.0	-0.7	0.1
Aug	0.5	0.9	0.3	0.1	0.7	0.0	-0.1	0.1	-0.3	0.3	0.0	0.3	0.0
Sep	0.4	0.6	0.4	0.3	0.8	0.1	0.1	0.1	0.0	0.2	0.0	0.0	0.1
Oct	0.7	1.1	0.3	0.2	2.1	0.0	0.0	0.2	0.0	0.0	0.0	0.3	0.0
Nov	0.7	1.0	0.7	-0.1	2.3	0.2	-0.1	0.3	0.0	0.2	0.0	0.0	0.1
Dec	1.1	1.2	0.4	0.0	1.8	0.2	0.1	5.2	0.0	0.0	0.0	0.0	0.1

Source: Bureau of Statistics

**Table S20**

**EXCHANGE RATES**  
(Loti per unit of foreign currency, period average)

	Botswana Pula	EURO	French Franc	German Mark	Japanese Yen	Saudi Riyal	SDR	Swedish Kronor	Swiss Franc	UK Pound	US Dollar
<b>2010</b>											
Jan	1.1105	10.6575	0.6160	5.4488	0.0818	1.9887	11.6725	1.0685	7.2162	12.0617	7.4576
Feb	1.1112	10.4827	0.6253	5.3603	0.0809	2.0362	11.7453	1.0511	7.1406	11.9499	7.6360
Mar	1.0908	10.0577	0.6524	5.1424	0.0810	1.9713	11.2994	1.0320	6.9538	11.1989	7.3926
Apr	1.0823	9.8598	0.6893	5.0422	0.0787	1.9609	11.1560	1.0203	6.8769	11.2723	7.3527
May	1.0866	9.6157	0.6815	4.9164	0.0829	2.0386	11.3123	0.9951	6.7734	11.2165	7.6451
Jun	1.0779	9.3350	0.7150	4.7728	0.1185	2.0390	11.2550	0.9758	6.7834	11.2804	7.6467
Jul	1.0840	9.7240	0.6806	4.9736	0.0842	2.0117	11.3370	1.0152	7.1595	11.5311	7.5442
Aug	1.0708	9.3082	0.6958	4.7899	0.0856	1.9469	11.0819	1.0593	7.0296	11.4349	7.3008
Sep	1.0579	9.3207	0.7039	4.7616	0.0845	1.9016	10.8855	1.0102	7.1106	11.0943	7.1312
Oct	1.0573	9.6230	0.6815	4.9202	0.0856	1.8463	10.8612	1.0366	7.1451	10.9697	6.9166
Nov	1.0568	9.5297	0.6884	4.8596	0.0846	1.8534	10.8936	1.0228	7.0928	11.1506	6.9864
Dec	1.0375	9.0256	0.7270	4.6147	0.0819	1.8204	10.4804	1.1094	7.1724	10.6476	6.8271
<b>2011</b>											
Jan	1.0430	9.2647	0.7096	4.7369	0.0839	1.8479	10.7185	1.0394	7.2452	10.9491	6.9311
Feb	1.0624	9.8144	0.6683	5.0545	0.0870	1.9173	11.2338	1.1166	7.5653	11.6004	7.1924
Mar	1.0488	9.7049	0.6770	4.9549	0.0847	1.8439	10.8996	1.0902	7.5306	11.1805	6.9151
Apr	1.0390	9.7334	0.6751	4.9766	0.0807	1.7944	10.7479	1.0833	7.5081	11.0156	6.7291
May	1.0447	9.8289	0.6674	5.0254	0.0843	1.8252	10.9416	1.0969	7.8194	11.1806	6.8450
Jun	1.0396	9.7778	0.6709	4.9994	0.0845	1.8208	10.8523	1.1017	8.0899	11.0143	6.7962
Jul	1.0366	9.7016	0.6762	4.9603	0.0857	1.8180	10.8408	1.0653	8.2547	10.9629	6.7953
Aug	1.0539	10.1964	0.6466	5.1911	0.0919	1.8866	11.3668	1.1080	9.0662	11.5798	7.0754
Sep	1.0725	10.3950	0.6037	5.3149	0.0984	2.0150	11.9088	1.1385	8.6606	11.9279	7.5575
Oct	1.0893	10.9095	0.6014	5.5779	0.1036	2.1174	12.4829	1.1975	8.8656	12.5217	7.9409
Nov	1.0948	11.0595	0.5933	5.6546	0.1053	2.1751	12.7949	1.2102	8.9874	12.8972	8.1571
Dec	1.0906	10.7847	0.6126	5.5108	0.1052	2.1820	12.6587	1.1891	8.7855	12.7738	8.1833

Table S21

## PURCHASES AND SALES OF FOREIGN CURRENCY

(in Thousands of Maloti)

End of Period	PURCHASES					SALES				
	USD	GBP	EURO	OTHERS	TOTAL	USD	GBP	EURO	OTHERS	TOTAL
<b>2010</b>										
Jan	31.761	2.642	30.160	3.514	68.077	179.341	2.191	29.752	3.535	214.819
Feb	29.738	4.102	26.807	3.858	64.505	132.696	2.374	26.708	2.531	164.309
Mar	34.565	2.604	29.127	3.985	70.281	109.306	2.647	26.617	3.729	142.299
Apr	32.122	3.139	3.590	0.662	39.513	225.636	2.286	93.950	5.331	327.203
May	30.973	2.695	5.002	0.299	38.969	233.364	2.236	10.003	8.010	253.613
Jun	42.571	6.333	4.991	4.100	57.995	112.057	6.266	7.880	4.717	130.920
Jul	60.027	2.674	6.368	0.600	69.669	163.730	5.885	9.449	0.967	180.031
Aug	100.926	2.659	17.050	1.567	122.202	158.111	2.672	5.010	7.723	173.516
Sep	117.577	1.443	36.672	1.356	157.048	219.206	1.087	37.253	4.728	262.274
Oct	44.303	3.710	5.687	2.821	56.521	163.927	3.704	14.233	5.360	187.224
Nov	41.372	6.983	26.315	0.378	75.048	165.993	5.159	29.210	5.791	206.153
Dec	123.620	9.493	15.946	1.201	150.259	229.866	7.714	12.772	0.687	251.039
<b>2011</b>										
Jan	122.673	8.593	13.301	1.030	145.597	263.739	12.369	9.371	58.765	344.244
Feb	157.761	7.620	16.748	1.656	183.785	171.527	10.570	9.468	0.993	192.558
Mar	146.559	8.630	16.381	4.135	175.705	273.961	9.109	16.459	5.821	305.350
Apr	269.241	8.070	15.574	1.397	294.281	382.256	8.762	7.135	1.462	399.615
May	147.515	8.388	14.308	1.931	172.142	409.321	10.410	15.172	5.559	440.462
Jun	81.085	3.203	4.944	2.182	91.413	412.982	5.468	13.885	5.884	438.217
Jul	46.928	2.525	16.592	3.866	69.911	183.068	4.215	16.196	0.898	204.377
Aug	35.658	2.667	7.596	0.999	46.920	153.027	277.072	7.449	5.126	442.674
Sep	60.040	2.931	49.911	1.645	114.526	130.982	2.360	46.713	6.404	186.459
Oct	40.345	1.070	2.889	0.908	45.212	337.112	2.694	6.311	189.974	536.091
Nov	187.471	10.141	26.787	1.123	225.522	331.082	10.546	29.066	6.256	376.950
Dec	138.170	2.179	5.422	2.463	148.234	229.541	11.264	17.340	3.237	261.382

Table S22

**QUARTERLY BALANCE OF PAYMENTS**  
(Million Maloti)

	2009				2010				2011	
	QIII	QIV	QI	QII	QIII	QIV	QI	QII	QIII+	QIV*
I CURRENT ACCOUNT	202.63	-249.49	-652.50	-1205.52	-558.30	-811.33	-1267.81	-1086.61	-332.21	-1030.51
Goods, Services and Income	-2253.28	-2697.08	-3108.92	-2894.86	-2681.04	-2499.99	-2985.07	-2775.08	-2035.53	-2903.77
a) GOODS	-1485.18	-1975.84	-2192.45	-2163.82	-1903.45	-1743.28	-2041.96	-1809.36	-1229.53	-2052.14
Merchandise exports f.o.b.	1824.51	1333.85	1406.47	1435.10	1695.47	1855.64	1853.46	2086.06	2665.89	1843.28
Merchandise imports f.o.b.	-3309.69	-3309.69	-3598.92	-3598.92	-3598.92	-3598.92	-3895.42	3895.42	-3895.42	3895.42
b) SERVICES	-768.10	-721.24	-916.47	-731.04	-777.59	-756.71	-943.11	-965.72	-806.00	-851.63
c) INCOME	969.66	961.73	781.27	772.44	746.86	762.27	579.28	588.54	605.75	677.17
Labour income	1289.33	1289.33	1104.31	1104.31	1104.31	1104.31	1161.94	1161.94	1161.94	1191.94
Investment income	-440.84	-456.25	-467.25	-457.17	-475.29	-472.79	-613.16	-608.14	-595.53	-526.83
Other	121.17	128.65	144.21	125.30	117.84	130.75	30.50	34.74	39.34	42.06
d) CURRENT TRANSFERS	1486.25	14.85.86	1675.15	916.91	1375.88	926.40	1137.99	1099.93	1097.58	1196.10
Government, net	1207.23	1213.67	1382.62	617.06	1081.71	631.27	816.03	777.42	771.37	873.63
SACU receipts	1207.99	1207.99	1207.99	518.84	985.09	518.83	518.83	666.52	666.52	666.52
Other	-0.76	5.68	173.15	96.75	95.14	110.97	296.59	110.29	104.24	206.49
Other sectors	279.02	272.19	292.53	299.84	294.17	295.12	321.96	322.51	326.21	322.47
II CAPITAL AND FINANCIAL ACCOUNT	-808.18	1219.50	-143.07	233.13	152.85	353.07	1130.50	280.36	-271.63	1487.80
e) CAPITAL ACCOUNT	258.20	159.00	131.25	289.97	262.33	307.30	399.83	235.70	237.98	477.50
f) FINANCIAL ACCOUNT	-1066.37	1060.51	-274.32	-56.85	-109.48	45.77	730.67	44.66	-509.60	1010.30
III RESERVE ASSETS	875.49	-368.88	216.18	928.04	342.90	109.75	13.55	83.28	-467.29	-141.75
IV ERRORS AND OMISSIONS	-129.14	-154.52	623.06	-176.35	289.28	562.09	46.87	689.29	425.87	-276.60

V VALUATION ADJUSTMENT	-140.80	-446.62	-43.67	220.70	-226.73	-213.58	76.89	33.69	645.26	-38.94
------------------------	---------	---------	--------	--------	---------	---------	-------	-------	--------	--------

\* Revised estimates

+ Preliminary estimates

**Table S23 SUMMARY OF FOREIGN TRADE**  
(Million Maloti)

Formatted

	<b>IMPORTS F.O.B</b>	<b>EXPORTS F.O.B</b>	<b>TRADE BALANCE</b>
<b>2006</b>			
Quarter III	2302.56	1555.63	-744.93
Quarter IV	2318.27	1333.98	-984.28
<b>2007</b>			
Quarter I	2596.27	1364.32	-1231.95
Quarter II	2658.44	1291.99	-1366.45
Quarter III	2664.53	1694.15	-970.38
Quarter IV	2682.82	1488.61	-1194.21
<b>2008</b>			
Quarter I	3065.23	1465.13	-1600.10
Quarter II	3136.17	1861.78	-1274.39
Quarter III	3143.11	2193.74	-949.37
Quarter IV	3163.98	1675.69	-1488.29
<b>2009</b>			
Quarter I	-3309.69	1442.34	-1867.35
Quarter II	-3309.69	1523.99	-1785.70
Quarter III	-3309.69	1824.51	-1485.18
Quarter IV	-3309.69	1333.85	-1975.84
<b>2010</b>			
Quarter I	-3598.92	1406.47	-2192.45
Quarter II	-3598.92	1435.10	-2163.82
Quarter III	-3598.92	1695.47	-1903.45
Quarter IV	-3598.92	1855.64	-1743.28
<b>2011</b>			
Quarter I	-3895.42	1853.46	-2041.96
Quarter II	-3895.42	2086.06	-1809.36
Quarter III	-3895.42	2665.89	-1229.53
Quarter IV*	-3895.42	1843.28	-2052.14

\* Provisional CBL estimates.

**Table S24 STATISTICS OF BASOTHO MINERS IN SOUTH AFRICA**

	Average Number Employed	Average Earnings <sup>1</sup>	Deferred Pay <sup>2</sup>		Remittances Payments <sup>3</sup>	
			Maloti '000	Annual % change	Maloti '000	Annual % change
<b>2006</b>	54,105	14,466	67,919	120.6	3,144	-94.0
<b>2007</b>	54,729	18,519	82,862	22.0	3,341	6.3
<b>2008</b>	50,686	20,519	108,999	31.5	6,617	98.0
<b>2009</b>	45,276	20,519	92,111	-15.5	9,767	47.6
<b>2007</b>						
Q I	55,153	15,174	63,855	56.7	1,843	-95.7
Q II	55,216	16,146	74,106	28.4	2,193	107.5
Q III	55,348	17,227	69,945	9.0	2,678	68.7
Q IV	54,729	18,519	82,862	22.0	3,341	6.3
<b>2008</b>						
Q I	53,979	20,519	68,925	7.9	3,346	81.6
Q II	52,453	20,519	66,413	-10.4	4,989	127.5
Q III	51,478	20,519	72,372	3.5	4,944	84.6
Q IV	50,686	20,519	108,999	31.5	6,617	98.0
<b>2009</b>						
Q I	48,715	20,519	66,223	-3.9	7,483	123.6
Q II	47,354	20,519	68,554	3.2	7,326	46.8
Q III	46,275	20,519	63,998	-11.6	7,442	50.5
Q IV	45,276	20,519	92,111	-15.5	9,767	47.6
<b>2010</b>						
Q I	44,284	20,519	59,638	-9.9	9,408	25.7
Q II	43,092	20,519	71,453	4.2	10,828	47.8
Q III	42,252	20,519	74,487	16.4	10,852	45.8
Q IV	41,555	20,519	85,011	-7.7	11,096	13.6
<b>2011</b>						
Q I	40,681	20,519	71,200	19.4	12,506	32.9
Q II	40,478	20,519	83,316	16.6	13,666	26.2
Q III	41,225	20,519	86,094	15.6	15,816	45.7
Q IV	41,427	20,519	105,318	23.9	15,936	43.6

<sup>1</sup>These figures are average earnings, including overtime payments, and repatriation

Allowances earned by workers in the mines. Figures are supplied by South African Chamber of Mines.

<sup>2</sup>Deferred pay as shown in this table, represents miners' withdrawals from the Fund processed through recruiting agencies.

<sup>3</sup>Part of miners' wages transferred to Lesotho through recruiting agencies.

|

