IOA 2019 ACBR

AFRICA COUNTRY BENCHMARK REPORT

Lesotho Profile

The historical migration of primarily Indian populations to Southern Africa and Mauritius has resulted in this top-performing island nation being the only country in Africa that is considered predominantly Hindu.

Image courtesy of Magharebia

LESOTHO

#14 LESOTHO

OVERVIEW ANALYSIS

Stable, democratic and the African leader on economic and governance indicators, Mauritius is considered one of Africa's great success stories. The nation of idyllic tropical islands off Africa's east coast has achieved prosperity through population control, dedication to democratic institutions and progressive economic policies. An open economy is buttressed by a competent, business-friendly bureaucracy and regulations and good government. A longtime continental leader in economic diversification, avoiding economic shock of global price drops for single key commodities – sugar in Mauritius's case – the country has successfully broadened its economy by creating and growing tourism, information and communications technology (ICT) services and its financial sector. Considerable foreign investment has been directed toward resorts that

KEY OPPORTUNITIES

- New technologies continue economic diversification, like renewable energy, ICT and deep water exploration
- Growing tourism is attracted by tropical island environment, particularly high-end tourism

KEY CONCERNS

- Some remoteness from the African mainland and trade routes
- An island nation susceptible to rising sea levels from global warming
- All electricity must be locally generated, 97% of which is from polluting fossil fuel generation

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION	PREDOMINANT LANGUAGE	POPULATION WITHOUT ELECTRICITY	LITERACY RATE	PRIMARY ELECTRICITY SOURCE
Christianity	Sesotho	70.3% (#38) ▼ 4	79.4% (#15) –	Hydroelectric
IMPORT/ EXPORT	**EXTERNAL DEBT**	**ACTIVE CONFLICT**	**LAND SIZE**	**INTERNET PENETRATION**
Petroleum/ Clothes	US$ 9.525 billion (#46) ▼ 1	No	30,355 km² (#43)	27.4% (#16) ▲ 13

AGRICULTURE	INDUSTRY	SERVICES
5.3%	34.6%	60.1%

CONTRIBUTIONS TO GDP BY SECTOR

0-14	15-24	22-54	55+
32.1%	19.4%	37.9%	10.5%

POPULATION AGE BREAKDOWN

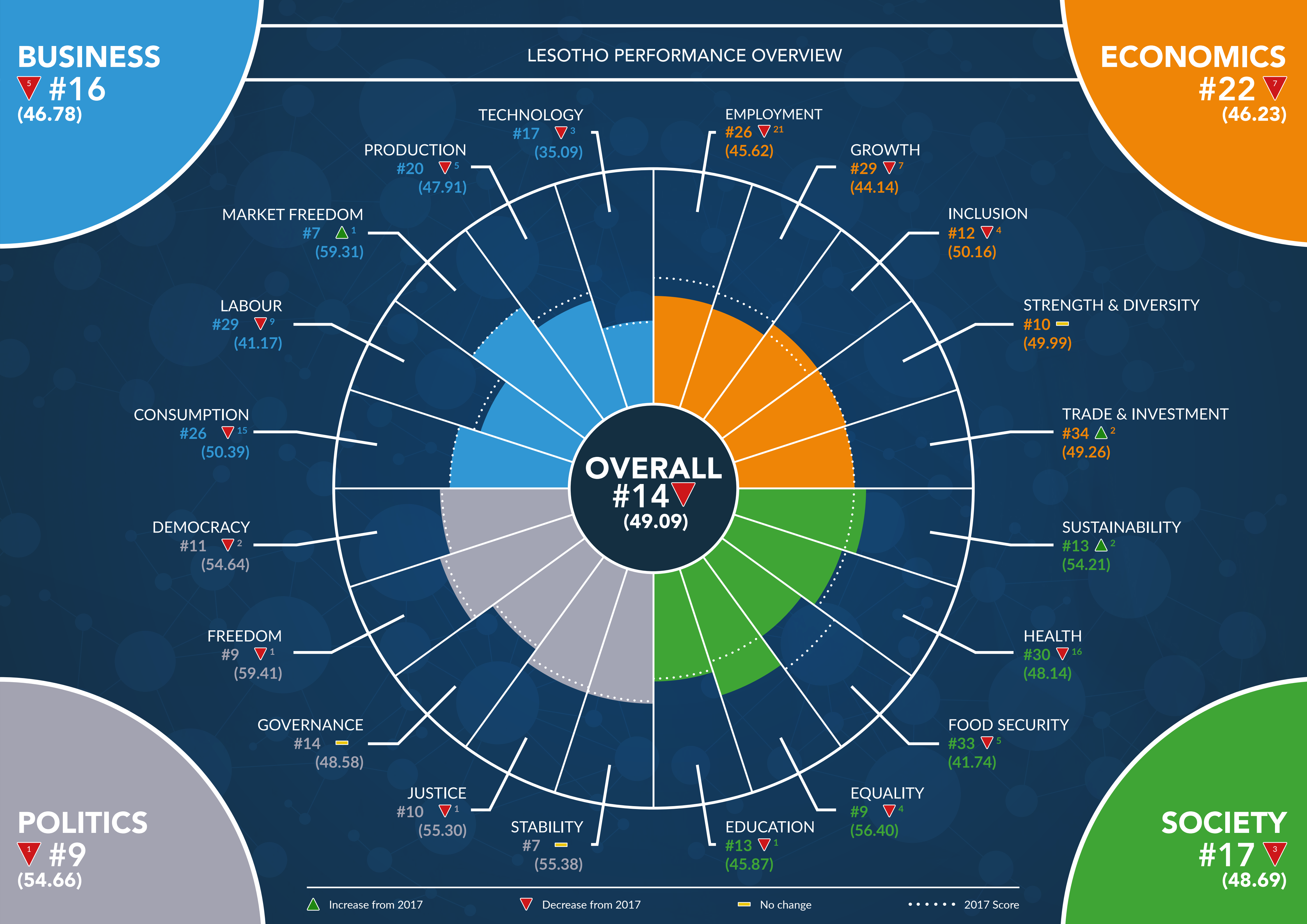
Term:
07/02/1996 - present
N/A

Political Party:
N/A

Recent Electoral Information:
N/A
N/A
N/A
Voter turnout: N/A

King
Letsie III

NATIONAL GOVERNANCE


LESOTHO PERFORMANCE OVERVIEW
BUSINESS
5 #16
(46.78)
ECONOMICS
#22 7
(46.23)
POLITICS
1 #9
(54.66)
SOCIETY
#17 3
(48.69)
OVERALL
#14
(49.09)
TECHNOLOGY
#17 3
(35.09)
PRODUCTION
#20 5
(47.91)
MARKET FREEDOM
#7 1
(59.31)
LABOUR
#29 9
(41.17)
CONSUMPTION
#26 15
(50.39)
EMPLOYMENT
#26 21
(45.62)
GROWTH
#29 7
(44.14)
INCLUSION
#12 4
(50.16)
STRENGTH & DIVERSITY
#10
(49.99)
TRADE & INVESTMENT
#34 2
(49.26)
DEMOCRACY
#11 2
(54.64)
FREEDOM
#9 1
(59.41)
GOVERNANCE
#14
(48.58)
JUSTICE
#10 1
(55.30)
STABILITY
#7
(55.38)
SUSTAINABILITY
#13 2
(54.21)
HEALTH
#30 16
(48.14)
FOOD SECURITY
#33 5
(41.74)
EQUALITY
#9 4
(56.40)
EDUCATION
#13 1
(45.87)
Increase from 2017
Decrease from 2017
No change
2017 Score

LESOTHO BUSINESS ANALYSIS

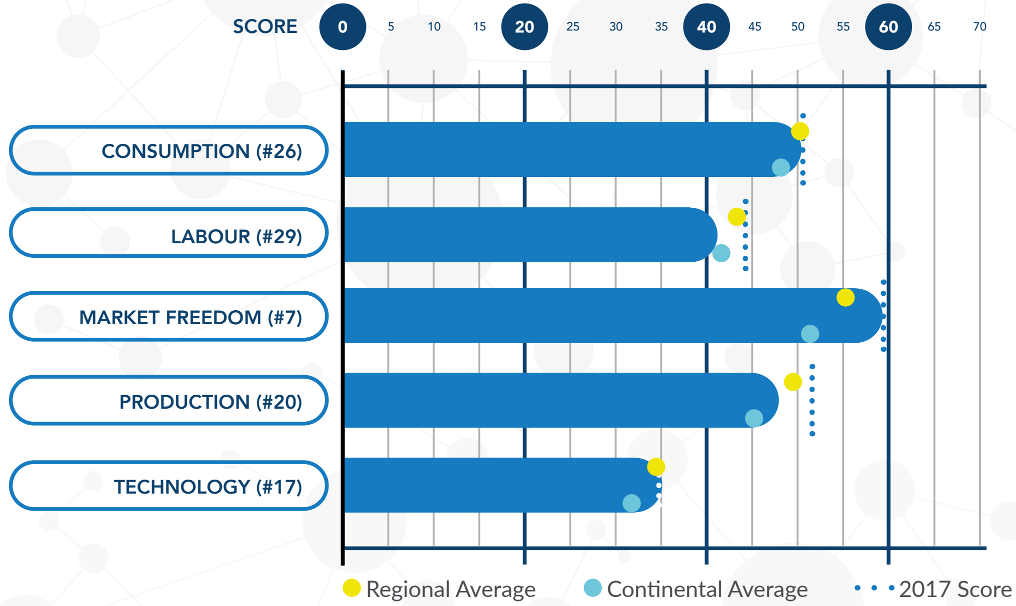
#16

5

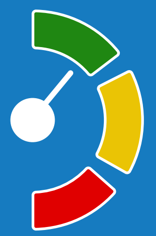
BUSINESS OVERVIEW

The financial sector is an important part of the economy and an expanding one to service the tourism sector. With local financial institutions well-regulated and trustworthy, government has positioned the country as a financial hub, servicing Chinese, Indian and South African investors in particular. Investment in the banking sector has surpassed US$ 1 billion. Economic stability and government's sound fiscal policies provide the foundation of confidence that has drawn such investment. The consistency of GDP growth reflects government's steady economic management, running at 3.6% in 2014 and then at 3.5% in both 2015 and 2016. The financial institutions will have more domestic customers as wealthy individuals drawn to the islands' charms build second homes in Mauritius. Construction is one of the country's thriving sectors and employs 30% of the workforce, compared to just 4% of Mauritians who work in agriculture. Led by the financial sector, services constitute an overwhelming 74% of GDP, affirming the wisdom of government's strategy to make Mauritius an offshore financial centre that is enabled by today's instantaneous electronic communications. A larger percentage of Mauritians use the internet (50.2%) than most other populations in Africa. Mauritius telephone system is described as good, which is a rarity for Africa, and landline ownership is also high for Africa, with 28 out of 100 people possessing landline phones. Mobile phone use finds 132 subscriptions per 100 people, meaning many people have

BUSINESS SCORES & RANKINGS



BUSINESS DATA COMMENTARY



Lesotho data availability

78.02%

REGIONAL AVERAGE	AFRICAN AVERAGE	CONTINENTAL RANK
87.41%	77.78%	#28

Mauritius attains more positive results in the Economics quadrant, as their score of 59.21 achieves one of their three first-place quadrant placements. This result is boosted by four of the five segments being placed at the apex of continental results, Growth, Inclusion, Strength & Diversity and Trade & Investment. The only segment to not achieve this position is Employment, ranked in third, which correlates with the small and relatively underdeveloped workforce present in the nation.

BUSINESS STATISTICS

% POPULATION IN URBAN CENTRES	LABOUR FORCE IN MILLIONS	INDUSTRIAL PRODUCTION GROWTH	PRIME LENDING RATE
28.2% (#44)	0.93 million (#43)	8.2% (#8)	12% (#20)
% ADULTS WITH A BANK ACCOUNT	**ANNUAL AIR PASSENGERS**	**MOBILE SUBSCRIPTIONS**	**NATIONAL 3G COVERAGE**
45.56% (#14)	N/A (#N/A)	103.59 per 100 (#17)	96% (#4)

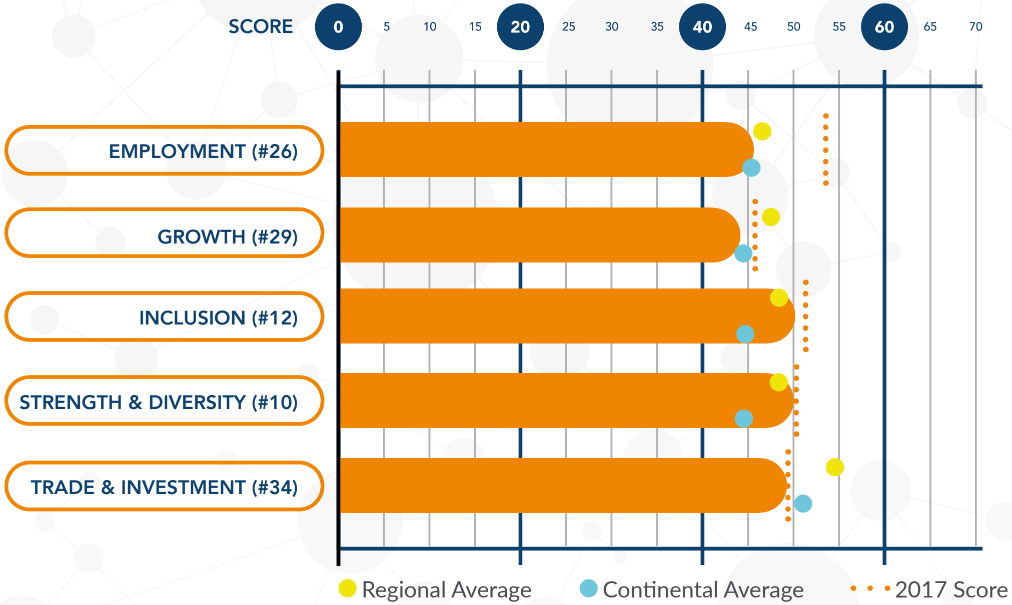
#22

7

ECONOMICS OVERVIEW

The financial sector is an important part of the economy and an expanding one to service the tourism sector. With local financial institutions well-regulated and trustworthy, government has positioned the country as a financial hub, servicing Chinese, Indian and South African investors in particular. Investment in the banking sector has surpassed US$ 1 billion. Economic stability and government's sound fiscal policies provide the foundation of confidence that has drawn such investment. The consistency of GDP growth reflects government's steady economic management, running at 3.6% in 2014 and then at 3.5% in both 2015 and 2016. The financial institutions will have more domestic customers as wealthy individuals drawn to the islands' charms build second homes in Mauritius. Construction is one of the country's thriving sectors and employs 30% of the workforce, compared to just 4% of Mauritians who work in agriculture. Led by the financial sector, services constitute an overwhelming 74% of GDP, affirming the wisdom of government's strategy to make Mauritius an offshore financial centre that is enabled by today's instantaneous electronic communications. A larger percentage of Mauritians use the internet (50.2%) than most other populations in Africa. Mauritius telephone system is described as good, which is a rarity for Africa, and landline ownership is also high for Africa, with 28 out of 100 people possessing landline phones. Mobile phone use finds 132 subscriptions per 100 people, meaning many people have

ECONOMIC SCORES & RANKINGS



ECONOMIC DATA COMMENTARY

Lesotho data availability

82.91%

REGIONAL AVERAGE	AFRICAN AVERAGE	CONTINENTAL RANK
87.18%	77.78%	#29

Mauritius attains more positive results in the Economics quadrant, as their score of 59.21 achieves one of their three first-place quadrant placements. This result is boosted by four of the five segments being placed at the apex of continental results, Growth, Inclusion, Strength & Diversity and Trade & Investment. The only segment to not achieve this position is Employment, ranked in third, which correlates with the small and relatively underdeveloped workforce present in the nation.

ECONOMICS STATISTICS

GDP PER CAPITA	UNEMPLOYMENT RATE	TRADE BLOC MEMBERSHIP	INFLATION RATE
US$ 3,900 (#22)	27.2% (#53)	AFTZ, SACU, SADC	6.6% (#32)
GDP AT PPP	**CURRENCY AND GOLD RESERVES**	**FDI NET INFLOWS**	**BUDGET SURPLUS (+) OR DEFICIT (-)**
US$ 7 billion (#45)	US$ 0.98 billion (#23)	US$ 43 million (#46)	-3.8% (#23)

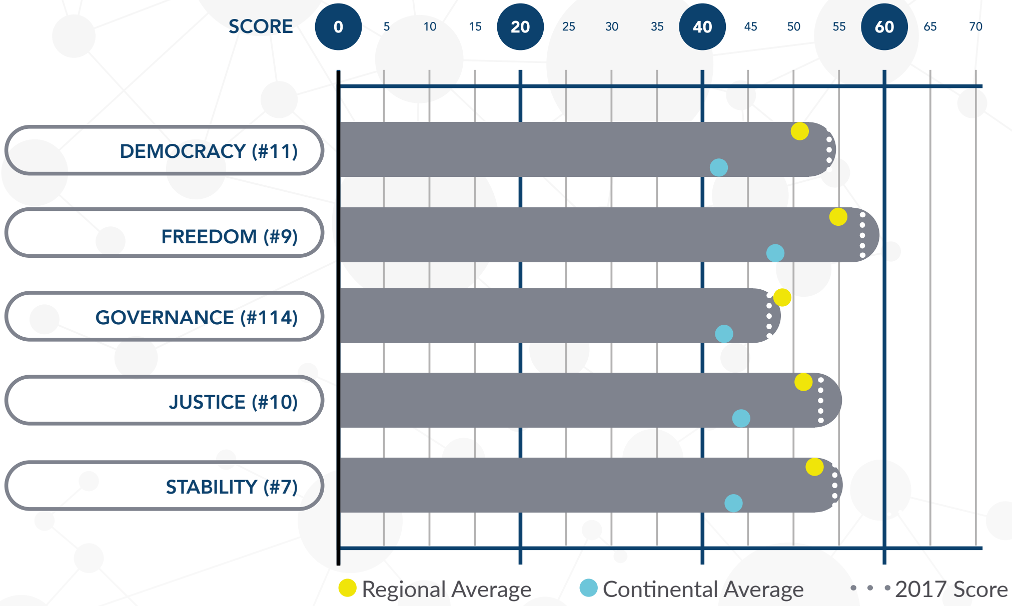
LESOTHO POLITICAL ANALYSIS

#9

POLITICAL OVERVIEW

The financial sector is an important part of the economy and an expanding one to service the tourism sector. With local financial institutions well-regulated and trustworthy, government has positioned the country as a financial hub, servicing Chinese, Indian and South African investors in particular. Investment in the banking sector has surpassed US$ 1 billion. Economic stability and government's sound fiscal policies provide the foundation of confidence that has drawn such investment. The consistency of GDP growth reflects government's steady economic management, running at 3.6% in 2014 and then at 3.5% in both 2015 and 2016. The financial institutions will have more domestic customers as wealthy individuals drawn to the islands' charms build second homes in Mauritius. Construction is one of the country's thriving sectors and employs 30% of the workforce, compared to just 4% of Mauritians who work in agriculture. Led by the financial sector, services constitute an overwhelming 74% of GDP, affirming the wisdom of government's strategy to make Mauritius an offshore financial centre that is enabled by today's instantaneous electronic communications. A larger percentage of Mauritians use the internet (50.2%) than most other populations in Africa. Mauritius telephone system is described as good, which is a rarity for Africa, and landline ownership is also high for Africa, with 28 out of 100 people possessing landline phones. Mobile phone use finds 132 subscriptions per 100 people, meaning many people have

POLITICAL SCORES & RANKINGS



POLITICAL DATA COMMENTARY

Lesotho data availability

81.56%

REGIONAL AVERAGE	AFRICAN AVERAGE	CONTINENTAL RANK
88.82%	82.86%	#31

Mauritius attains more positive results in the Economics quadrant, as their score of 59.21 achieves one of their three first-place quadrant placements. This result is boosted by four of the five segments being placed at the apex of continental results, Growth, Inclusion, Strength & Diversity and Trade & Investment. The only segment to not achieve this position is Employment, ranked in third, which correlates with the small and relatively underdeveloped workforce present in the nation.

POLITICAL STATISTICS

NUMBER OF POLITICAL PARTIES	MILITARY EXP AS % OF GDP	REFUGEE INFLOW	NUMBER OF RIGHTS
13 (#19)	2% (#13)	N/A (#N/A)	55 (#21)

DATE OF INDEPENDENCE	NET OFFICIAL DEVELOPMENT ASSISTANCE	WOMEN IN PARLIAMENT	CAPITAL PUNISHMENT
10/04/1966	US$ 113 million (#44)	22.9% (#21)	Special Cases

LESOTHO SOCIETAL ANALYSIS

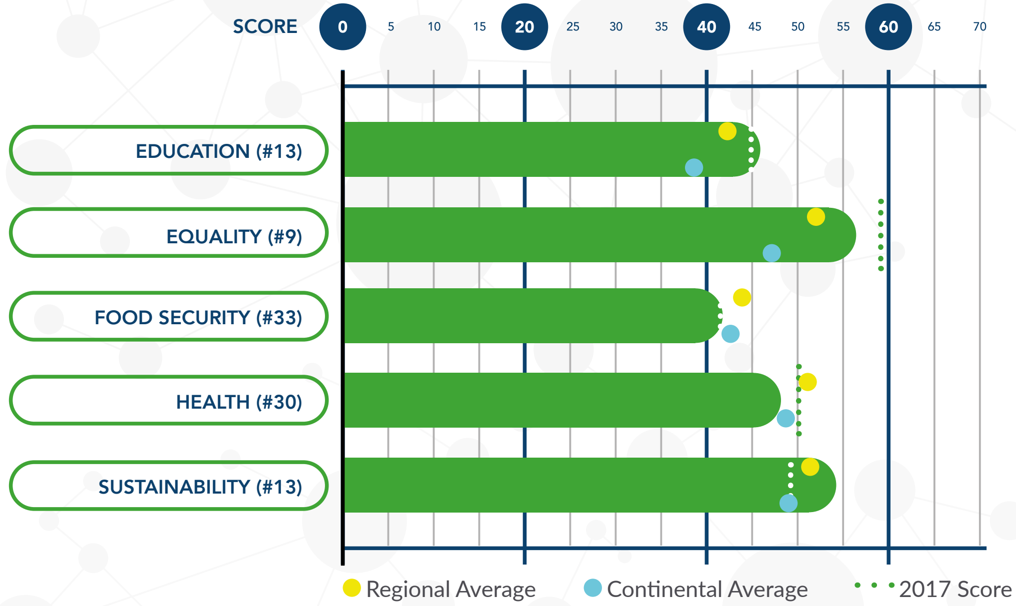
#17

3

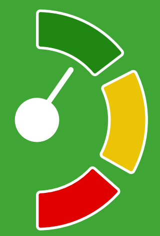
SOCIETAL OVERVIEW

The financial sector is an important part of the economy and an expanding one to service the tourism sector. With local financial institutions well-regulated and trustworthy, government has positioned the country as a financial hub, servicing Chinese, Indian and South African investors in particular. Investment in the banking sector has surpassed US$ 1 billion. Economic stability and government's sound fiscal policies provide the foundation of confidence that has drawn such investment. The consistency of GDP growth reflects government's steady economic management, running at 3.6% in 2014 and then at 3.5% in both 2015 and 2016. The financial institutions will have more domestic customers as wealthy individuals drawn to the islands' charms build second homes in Mauritius. Construction is one of the country's thriving sectors and employs 30% of the workforce, compared to just 4% of Mauritians who work in agriculture. Led by the financial sector, services constitute an overwhelming 74% of GDP, affirming the wisdom of government's strategy to make Mauritius an offshore financial centre that is enabled by today's instantaneous electronic communications. A larger percentage of Mauritians use the internet (50.2%) than most other populations in Africa. Mauritius telephone system is described as good, which is a rarity for Africa, and landline ownership is also high for Africa, with 28 out of 100 people possessing landline phones. Mobile phone use finds 132 subscriptions per 100 people, meaning many people have

SOCIETAL SCORES & RANKINGS



SOCIETAL DATA COMMENTARY



REGIONAL AVERAGE	AFRICAN AVERAGE	CONTINENTAL RANK
84.54%	75.28%	#30

Lesotho data availability

80.61%

Mauritius attains more positive results in the Economics quadrant, as their score of 59.21 achieves one of their three first-place quadrant placements. This result is boosted by four of the five segments being placed at the apex of continental results, Growth, Inclusion, Strength & Diversity and Trade & Investment. The only segment to not achieve this position is Employment, ranked in third, which correlates with the small and relatively underdeveloped workforce present in the nation.

SOCIETAL STATISTICS

POPULATION SIZE AND GROWTH RATE	LIFE EXPECTANCY	HIV PREVALENCE	SEXUALITY TOLERANCE
1,958,042 (#44) at 0.28% p.a (#54)	53 years (#46)	25% (#2)	Legal

ACCESS TO DRINKING WATER	HEALTH EXPENDITURE (% OF GDP)	PRIMARY EDUCATION EXPENDITURE (% OF GDP)	SOCIAL MEDIA PENETRATION
81.8% (#20)	8.36% (#7)	N/A (#N/A)	15% (#16)

CONTACT

IN ON AFRICA

PHONE: + (27) 11 027 4027

EMAIL: info@inonafrica.com

WEB: www.inonafrica.com

ADDRESS: 6 The Vines Place,
Fairland, 2030
Johannesburg, South Africa

@inonafrica In On Africa In On Africa