

lesotho



Demographics

Population	1 942 008 (July 2014 est.)
Population: world ranking	149 out of 240 countries (CIA)
Life expectancy (years)	Total population: 52.65, male: 52.55, female: 52.75 (2014 est.)
Main ethnic groups	Sotho 99.7%, Europeans, Asians, and other 0.3%
Business language	Sesotho (official) [southern Sotho], English (official), Zulu, Xhosa
Urban population	28.3%
Population below national poverty line	56.6% (2003 est.)

Sources: CIA, World Bank

Geography

Area in sq km	30 355
Area ranking	142 out of 252 countries (CIA)
Climate	Temperate; cool to cold, dry winters; hot, wet summers
Natural resources	Water, agricultural and grazing land, diamonds, sand, clay, building stone

Sources: CIA, World Bank

Sovereign ratings

S&P	N/R
Fitch	BB-/Stable
Moody's	N/R

Source: NKC Research

Economy in 2013

Nominal GDP (US\$bn)	2.09	Total government debt as % of GDP	46.20
Nominal GDP: World ranking	160 out of 188 countries (IMF)	Total external debt as % of GDP	48.80
Real GDP (% change, y-o-y)	3.35	Consumer price inflation (average, %)	5.03
GDP growth: World ranking	36 out of 189 countries (IMF)	Current account balance as % of GDP	-2.15
GDP per capita (US\$)	1,007.53	Equity market: Size in US\$	N/A
Agriculture as % of GDP	6.93	Equity market: Listed companies	N/A
Industry as % of GDP	34.09	Bond market size	US\$110m govt bonds outstanding in the domestic market
Services as % of GDP	58.98		

Sources: IMF, NKC Research, CBL

Political environment

Government type	Parliamentary constitutional monarchy
Head of state	King LETSIE III
Head of government	Prime Minister Motsoahae Thomas Thabane
Ruling political party	All Basotho Convention or ABC
Main opposition parties	Democratic Congress (DC), Lesotho Congress for Democracy (LCD), Basotho National Party (BNP), Popular Front for Democracy (PFD)
Elections	Elections last held in May 2012

Source: NKC Research

Macroeconomic data and forecasts

Key annual economic data	2009	2010	2011	2012	2013F	2014F	2015F
Real GDP (% change)	3.60	7.87	3.74	3.96	3.35	4.53	3.95
Nominal GDP (US\$bn)	1.72	2.20	2.53	2.28	2.09	1.98	2.14
Consumer price inflation (average, %)	7.38	3.60	5.03	6.10	5.03	5.66	5.52
Budget balance, incl grants (% of GDP)	-3.98	-5.10	-10.09	4.93	3.28	1.19	1.35
- Revenue (% of GDP)	64.13	53.05	52.64	65.44	70.52	73.93	75.81
- Expenditure (% of GDP)	68.11	58.15	62.74	60.51	67.24	72.74	74.47
Government debt (% of GDP)	39.73	35.95	39.01	40.16	46.20	39.89	40.37
Current account balance (% of GDP)	6.52	-10.16	-24.76	-6.62	-2.15	5.63	2.16
Trade balance (% of GDP)	-45.37	-43.15	-43.45	-46.58	-49.90	-45.33	-45.43
LSL/US\$	8.47	7.32	7.26	8.21	9.63	10.75	10.40
Short-term interest rate (%)	13.10	11.00	10.52	10.15	9.97	10.40	10.80
Foreign reserves (US\$bn)	1.11	0.96	0.86	0.97	1.27	1.53	1.76
Months of import cover	6.05	4.51	3.71	4.18	6.41	8.26	8.82

Source: NKC Research

Key monthly indicators	End-10	End-11	End-12	End-13	Mar-14	Apr-14	May-14
Consumer price inflation (% , y-o-y)	3.1	7.2	4.5	5.1	5.6	5.9	N/A
Prime lending rate (discount rate, %)	11.25	10.50	10.08	9.92	10.25	10.25	10.25
Foreign reserves (US\$bn)	0.96	0.86	0.97	1.03	0.98	N/A	N/A
91-day treasury bill rate (% , eop)	5.60	5.38	5.45	5.28	6.10	6.15	6.30
LSL/US\$ (eop)	6.60	8.07	8.45	10.45	10.52	10.47	10.57
Diamond price index (US\$, eop)	132.19	156.27	139.23	140.43	150.44	145.64	145.72

Sources: NKC Research, CBL, Bloomberg

Note: In the table above, E and F are the abbreviations for estimate and forecast respectively.