



**STATEMENT BY
HONOURABLE DR. THABISO MOLAPO, MINISTER OF TRADE AND
INDUSTRY DURING THE AFRICA REGIONAL REVIEW MEETING ON THE
IMPLEMENTATION OF THE ISTANBUL PROGRAMME OF ACTION IN
PREPARATION FOR THE FIFTH UNITED NATIONS CONFERENCE OF
THE LEAST DEVELOPED COUNTRIES**

**Moderator, Ms. Giovannie Biha,
Excellencies,
Ladies and Gentlemen,**

At the outset, let me thank the organisers of this event for giving me an opportunity to participate as the panelist and to share our views on issues that affect Least Developed Countries (LDCs), especially those that are trade related as we continue to be faced with various structural challenges which cut across economic and social issues

Moderator

Trade, especially international trade remains an important policy goal to achieve developmental aspirations for small economies like

Lesotho. International trade has played a significant role in driving Lesotho's national development agenda that pursues an export-led economic growth, as encapsulated by the National Strategic Development Plan (NSDP II). It is one of the key levers to getting Lesotho on a sustainable development path. It is for these reasons that we embarked on the development of a comprehensive National Trade Policy together with the National Trade Strategy also known as the National Export Strategy which we launched in December 2020.

Further to these efforts, we upgraded and relaunched in December 2020, the Lesotho Trade Information Portal. These initiatives will enable Lesotho to continue to participate meaningfully in the global trading system. Several reforms took place including the review of our trade laws which resulted in the Business Licensing and Registration Act. This Act will ensure that we are able to attract new investments while maintaining existing ones, as well as to fair well in the "doing business" rankings while we level the playing field for both domestic and foreign investors.

Moderator,

Lesotho currently benefits from membership in various Trade Agreements under the auspices of Southern African Customs Union (SACU) and the Southern African Development Community (SADC). In addition, Lesotho has also taken advantage of the non-reciprocal market access under the Generalised Systems of Preference including

dispensations such as the Africa Growth and Opportunity Act (AGOA).

These trade agreements and arrangements have enabled Lesotho to participate in the global and regional value chains resulting in industrialisation in certain sectors of the economy. Thousands of jobs have therefore been created and maintained. The recently launched African Continental Free Trade Area (AfCFTA), provides additional market access opportunities. The aim is to empower Micro Small and Medium Enterprises (MSMEs) to increase their share of trade as we strive to penetrate the African Market by supplying goods and services to the rest of the continent and we believe that this is attainable.

Moderator,

The World Trade Organisation Trade Facilitation Agreement was agreed at an opportune time, just a little over two years after coming into effect of the Istanbul Programme of Action though implementation started in 2017. It has enabled us to realise the benefits brought by the same agreement. For instance, Lesotho has embarked on reforms pertaining to cross-border trade through among others, implementation of Coordinated Border Management, Preferred Trader System; the relaunch of the Lesotho Trade Information Portal for ease of doing business. These are meant to: Eliminate border inefficiencies and trade barriers; Simplify rules and

procedures; Improve transparency, predictability, and availability of information; Increase level of compliance; Increase speed at which businesses transact; and Reduce cost of doing business.

Despite progress made, there are challenges pertaining to undiversified export products and markets. Our main exports remain concentrated on a few products where value addition needs to be enhanced and these products are also destined to a handful of export markets. Be that as it may, Lesotho is focusing on diversifying her goods and services and it is our fervent believe that in our case, increasing trade with other countries will lead to creation and maintenance of the much-needed jobs especially for the youth and women.

To further mitigate this challenge, the Government has developed policies geared towards diversification and putting in place infrastructure that is required to support industrialisation. These include agriculture, mainly focusing on production of high value products and agro-processing, manufacturing, services (tourism, creative industries) and technology and innovation.

Moderator,

Lesotho like other LDCs must overcome various challenges to graduate from the Least Developed Country status, these challenges include: low productive capacity; inadequate trade-related

infrastructure including ICT; and other socio-economic challenges such as diseases which impact on young and active labour; and lately the scourge of the covid-19 has exacerbated our vulnerabilities.

To address some of these challenges, Lesotho is investing in requisite infrastructure in respect of, but not limited to standards and quality assurance; energy; water; and trade facilitation as well as related services to enable rapid industrialisation.

Moderator,

As I conclude, it would be remiss of me not to refer to our current challenge of the COVID-19 and its consequences which have exerted a lot of pressure on our scarce resources. Resources that are being diverted to curb the spread of the pandemic and provide healthcare supplies. The COVID-19 led to complete lockdowns resulting in retrenchments and layoffs; closure of border posts; loss of business; price hikes due to supply chain disruptions and increase in poverty levels. Diversion of funds affected most of the capital projects. The pandemic has also decimated the tourism industry as a result of restrictions related to movement of people globally.

Finally Moderator, it is important that LDCs should have enough policy space to allow them to address their developmental needs and the challenges that they are faced with. Additional efforts are required by Governments in partnership with development partners to cope with

the fast paced digitisation and Artificial Intelligence that are dynamic and diverse for the LDCs. At this point I would like to acknowledge the role International Partners are playing in our economies, through provision of technical and financial support to assist our countries to address capacity constraints, and we are grateful for their unwavering support.

I thank you for your attention.