

**LTEA**

The Voice of Lesotho's Garment  
Industry

# Beyond or Besides Textiles?

Issues to consider:

- Building blocks
- Vertical intergration/Complementarity
  - Economic and social implications

# Basic Facts About Lesotho

- Land Mass 30,335 sq km (Belgium)
- Population 2million (2009 estimate)
- Currency Maloti pegged 1:1 with South African Rand
- . Regional blocs SADC, SACU, CMA

# LTEA

- Member of ACTIF
- Market – predominantly US (AGOA inspired)
- Member factories mainly Taiwanese owned
- Membership strictly for textile exporters and a hand fu of related servoices ( screenprinting and embroidery).

# Exports Destination

| Year     | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------|------|------|------|------|------|------|
| SACU     | 14%  | 17%  | 24%  | 27%  | 38%  | 43%  |
| US & CAN | 70   | 63   | 60   | 48   | 33   | 37   |
| EUROPE   | 15   | 17   | 13   | 21   | 24   | 19   |
|          |      |      |      |      |      |      |

# Lesotho vs Asia

|                   | LESOTHO            | CAMBODIA           | VIETNAM             | BANGLADES           | CHINA                |
|-------------------|--------------------|--------------------|---------------------|---------------------|----------------------|
| Wage              | \$121              | \$65               | \$63-90             | \$43 (25)           | \$140                |
| # Workers         | 32.000             | 200,000            | 300,000             | 2,500,000           | 20,000,000           |
| 4/10 Xport Volume | 70.552 SME         | 796.83SME          | 1685.464            | 1412.128            | 9265.783             |
| 4/09 Xport volume | 86196<br>(-18.15%) | 867.35<br>(-5.25%) | 1566.978<br>(7.56%) | 1693.434<br>(3.45%) | 7880.155<br>(17.58%) |
| Lead Time         | 180 days           | 45days             | 45days              | 45 days             | 45days               |
|                   |                    |                    |                     |                     |                      |

# Concluding Thoughts

- Diversification is urgent and critical
- Competitiveness must be improved
- Cooperation not competition (for Africa)
- Support relative efficiencies
- Strengthen the value chain (it runs thru a few sectors)
- Capacity before capital

KE NAKO!