



**PARLIAMENT OF THE KINGDOM OF
LESOTHO**

“Jobs”

**BUDGET SPEECH TO THE PARLIAMENT OF LESOTHO FOR
THE 2019/2020 FISCAL YEAR**

By

**Honourable Moeketsi Majoro, MP
Minister of Finance**

Maseru, Lesotho

12th March 2019

Mr Speaker,

Allow me to pay my respects to you and through you to:

His Majesty King Letsie III and Head of State

The Right Honourable the Prime Minister and Head of Government

The Honourable President of the Senate

The Chief Justice and Judges of the High Court

The Honourable Deputy Prime Minister and Leader of the House

My Colleagues, Honourable Ministers of His Majesty's Government

Honourable Members of both Houses of Parliament

Their Excellencies, Heads of Diplomatic Missions and International Organisations present here

Distinguished members of the Media

The entire Basotho nation here in Lesotho and abroad

Ladies and Gentlemen

Introduction

1. Mr Speaker, this is the third national budget presented to this noble House under the stewardship of this Coalition Government. It is almost two years since the present government became custodian of the fiscus of the Kingdom of Lesotho. This is the right time for us as a nation to reflect on the progress made and lessons learnt in our journey to build an inclusive and fair society that leaves no one behind.

2. The preparation of this year's Budget benefitted from the interactions Government officials have had with the public and the many challenges they face. Although diverse and wide-ranging, the most common and systemic challenge is the lack of jobs. Thus, creating jobs is the underlying concern for this budget. Many of the proposals made will also reflect this important concern.

3. In response to consistent shortfall in cash and foreign reserves as well as volatile SACU revenues, the depreciation of South African Rand against major world currencies and its negative impact on the external debt stock and strong recurrent expenditure growth which have put pressure on budget deficits, the government will adopt the following principles which will underpin and guide the FY2019/20 budget:

- a) Achieve consistency of the medium term fiscal framework and medium term expenditure framework to national priorities and efficiency, effectiveness and value for money in public expenditure;
- b) Adopt a budget that is affordable, sustainable, credible and responsive to the growing needs over the medium term;
- c) Achieve efficiency in domestic revenue mobilisation to finance government programmes while limiting the dependence on external financing;
- d) Improve monitoring, transparency and accountability to ensure expenditure efficiency; and lastly,
- e) Prioritise the elimination and curtailment of accumulation of arrears.

Global and regional macroeconomic developments

4. Mr Speaker, the economy of Lesotho is integrated through textile, oil and diamond trade into global and regional markets and is thus affected by movements in those markets. Stability and growth in these markets have positive spinoffs, while instability and uncertainty impacts negatively on our economy. It is therefore important to assess how these markets have performed and how the Lesotho economy has weathered the storm. Global growth lost some momentum in 2018 with growth of 3.7 percent compared with 3.8 percent in 2017. Growth in emerging markets and developing economies stabilised in 2018, supported by domestic demand-led pickup in India. Activity in China moderated in response to regulatory tightening of the property sector and nonbank financial intermediation. The price of crude oil (which influences the cost of production in Lesotho) rose to more than USD76 a barrel; the highest level since 2014, reflecting collapse in Venezuela's production, outages in Canada and Libya, coupled with lower Iranian exports following US sanctions. Merchandise trade growth remained strong in 2018 and is expected to pass through into 2019 after posting its largest increase since 2012.

5. The Sub-Saharan Africa region recorded an average growth of 3.1 percent against 2.7 percent recorded in 2017, riding on a firming oil price and strong fundamentals in advanced countries. Trade tensions, anticipated monetary policy normalisation and unpredictability in the asset markets dampened the outlook for the region. However, inflation pressures in the region has softened, with annual inflation projected to drop to an average of 8.6 percent in 2018/19 and 8.5 percent in 2019/20 from double digits in 2017/18.

6. Global growth forecast for 2019 and 2020 are tilted to the downside as a result of an escalation of trade tensions, with adverse global growth implications. For this reason, growth for 2019 is projected to decline to 3.5 percent before picking up slightly to 3.6 percent in 2020.

Policy developments and outlook—the macroeconomic setting

The real sector

7. Mr. Speaker, I now turn to domestic economic performance and outlook. Slower growth in the South African economy, which decelerated in 2017 and plunged into recession in 2018 has had a disproportionate impact on Lesotho's overall economic performance. The Lesotho economy contracted by 0.4 percent in 2017, but has posted a modest recovery of 1.9 percent in 2018, as a result of improved performance in the mining, manufacturing, and financial services. However, agricultural output remained subdued in the last farming season due to prolonged dry spells, given our dependence on rain-fed agriculture.

8. The projected growth of 2.6 percent in 2019 through the medium term is expected to be driven by strong activity in construction—several construction projects are underway, namely the Tikoe and Belo industrial estates, the Mpiti-Sehlabathebe and Marakabei-Monontša roads, and the second phase of the Lesotho Highlands Water Project. However, despite the slightly positive outlook, concern remains on the quality of the growth and its implications on inclusivity, job creation and poverty reduction.

The Government sector

9. Mr Speaker, as I now turn to fiscal policy and report on the performance of the 2018/19 Budget, I would like to note that our fiscal policy continues to experience external shocks, largely emanating from the downturn in the South African economy and its impact on SACU receipts. This dependence has a pro-cyclical effect on the annual budget decisions, where expenditures are seen to increase when the receipts increase and create fiscal pressures in subsequent years when the receipts decline. This has an adverse impact on the Government's ability to provide a consistent and predictable support to growth.

10. The FY2018/19 revenue collection is expected to average M15.6 billion, registering a small decrease (0.2 percent of GDP) in real terms over the FY2017/18 collection. This modest contraction in total revenue reflects adverse economic conditions coupled with a decline in SACU revenue, which fell by M610 million in nominal terms. Domestic tax revenues are expected to fall short of target by some M400.9 million.

11. For FY2019/20, revenues are expected to rise by 3.4 percentage points of GDP to M18.1 billion or 46.0 percent of GDP. The significant recovery reflects additional revenue measures including the introduction of a 30 percent levy on the sale of tobacco, a 15 percent levy on the sale of alcohol, a 30 cents per litre increase in the fuel levy, and ½ percent increase in domestic tax collection, and an additional 3 percent VAT on telecommunications. During

the course of FY2019/20, Government will introduce additional measures to increase fees and charges that have remained stagnant over many years.

12. Against revenues and grants of M15.6 billion, spending increased to M18.0 billion, resulting in a fiscal deficit of M2.4 billion. At that level, spending fell short of budget by M600 million. Of the total spending, M6.1 billion—or 34 percent of total spending—was spent on compensation of employees (wages and salaries), M3.3 billion on goods and services, M1.8 billion on social welfare benefits, and M4.6 billion on acquisition of public assets or capital spending. Compared to annual national output, government spending is high, equivalent to 47 percent of national output. Thus, compared with the private sector, the government sector is disproportionately large and is likely to crowd out private investment, which explains in part the fragility of private business in Lesotho. This must change, and very quickly.

13. Half of this already high spending bill, is accounted for by wages and salaries. The bill for only 47,000 employees—and Lesotho has a population of 2 million people—is larger than the individual contributions of many important sectors of the economy including the mining, agricultural and construction sectors. The Lesotho wage bill has grown faster than national output and this increase was funded by windfall SACU revenues or hollowing out the share of the budget that used to fund goods and services—which has fallen to below half of the wage bill since 2002—There is therefore an urgent need to adopt measures to reduce public spending as a percentage of GDP, including those aimed at curbing the growing wage bill. Due to inadequate revenues to finance future increases in the wage bill, the solution lies in either laying off civil servants or ensuring that the economy grows faster than the wage bill or a bit of both. The Budget that I propose has begun the path of reducing the wage bill. Excluding crisis related special projects whose details will be outlined below, the wage bill drops from 16.8 percent of GDP to 16.1 percent and this has been possible because government proposes no increase in wages for this year.

14. In FY2019/20, real total spending is deliberately curtailed by 2.2 percent of national output, accounted for by a reduction in every component of spending. Only capital spending has been allowed to record a modest increase of ½ a percentage point. In nominal terms, spending rises from M18.0 billion to M18.6 billion.

15. Mr Speaker, the challenges facing the Lesotho fiscus have been well canvassed in the past and required actions are well known. But political will has lacked mainly because the actions require sacrifice by public servants and government as a whole. There are three options that government can consider implementing, namely:

- a) Government must contain the impact of the volatility of SACU revenues by designating a fraction of annual SACU inflow that is consistent with permanent revenue and set up a rainy day fund from which annual shortfalls in SACU revenue can be augmented. This would require that Government runs budget surpluses during years of SACU windfalls; and this is where past governments have lacked will. Past decisions of raising wages from temporary revenues have been dangerous and have created the current untenable situation. In FY2019/20 the Ministry of Finance will propose the adoption of a fiscal rule which shall then be passed as law to regulate the volatility in SACU revenues.
- b) The government must ensure that *shared economic growth* rises faster than the rise in wages. Practically, this means that private investment in sectors whose income

is retained in Lesotho such as agri-business, tourism, and manufacturing, must rise much faster. This also means that annual growth rate of GDP must be on the order of 5-10 percent annually and consistently for many years. We know this has not been the case. Below I will outline specific actions in this direction.

- c) Finally, government must reduce its workforce. In an economy with double digit (24 percent) unemployment this has been extremely difficult to contemplate and it has simply been easier to kick the can down the road. But with little progress on growing the economy and government investments limited by tight fiscal budgets, at some point government will have to confront this monster.

16. Mr Speaker, FY2019/20 will be a difficult year from the point of the fiscus. There are however signs that suggest the worst is behind us. That said, this fiscal crisis should not be wasted. Lesotho must emerge stronger; its economy must be restructured to provide for more private activity and jobs.

17. There are additional fiscal stabilisation measures to be implemented in FY2019/20 aiming to regulate spending and to close loopholes. These include tightening previous measures and introducing additional ones. It is however important for this Honourable House to observe that the fattest part of the budget is wages and salaries and that further cuts in other areas will soon be counterproductive. Failing to provide working tools to public servants reduces their productivity. During FY2019/20 government will implement in full the following measures:

- a) Reduce ministerial international travel by undertaking the following. (i) the Right Honourable the Prime Minister to set up a special committee to authorise all ministerial international travel with the purpose to reduce such travel including; (ii) government to use its foreign representatives to attend most meetings; (iii) ministers to attend only representational meetings and to avoid conferences, workshops and consultative meetings; (iv) ministers to cut their delegations to the bone; (v) limiting the number of nights any minister can spend in outside meetings to 5 only. Exceptions to be granted under additional justification by a specialised committee and rarely; (vi) ministers to actively control international travel in their ministries; and finally, ministers to produce international travel reports total time and amounts spent on travel.
- b) Eliminate all supplemental subsistence allowances including quarter rates
- c) Except for His Majesty, Members of Parliament and Statutory Officers, all public servants travel economy class;
- d) The Government of Lesotho shall acquire one travel agent to provide, for a fee, all its flight booking services. Such an agent shall be IATA accredited. An expression of Interest has been issued and a tender will soon be finalised.
- e) Reduce government phone expenses by lowering existing allowances, including cutting all spending limits on phone usage and negotiate better value for money with the telecom suppliers. Enable an internal (free) telephone network for all government offices including abroad;
- f) A cap of M5,000 per month to be applied to all ministers;
- g) Use communication technology more effectively—the Ministry of Communications, Science and Technology to submit a proposal before end March that includes teleconferencing in districts and overseas and to train all senior officials on modern communication technologies;
- h) Freeze all government hiring;

- i) Reduce government fleet costs. All government vehicles to be parked outside office hours; introduce a permit system managed by the Government Secretary. Deploy police to impound vehicles that do not have permits. Release impounded vehicles only on the strength of demonstrable corrective measures taken by the PS. PSs that do not take action, to face disciplinary action. Only Principal Secretaries should be assigned an official vehicle and all other officials below this level should not be entitled to such vehicles.
- j) Eliminate all international training except that which is fully funded—the PS and Minister to enforce this requirement. When international training is fully funded, Government will not pay any additional amount.
- k) Reduce the incentive to travel by adopting the lower UN rates and amend the Annex B of the Ministry of Public Service Circular Notice Number 8 of 2009 to reduce Per Diem rates.
- l) Reduce the cost of foreign missions by reducing their number of missions and reviewing the formula for calculating salaries.
- m) Reform the method of appointing diplomats, particularly those responsible for financial matters.
- n) Reduce the cost of accessing districts.
- o) Government should deliver more and more services through local government structures. This requires the active implementation of the 2014 Decentralisation Policy.
- p) Coordinate all trips to the districts through a central coordination system—the Post Office and Immigration Offices send vehicles to the district each day;
- q) Instruct LRA to collect non-tax revenues;
- r) Reduce ministerial gross salary by 5 percent;
- s) Eliminate the interest benefit on MPs loans and the possibility of write-off of the loans following a mid-term election;
- t) Eliminate the procurement of refreshments and official entertainment; and
- u) Set price limits in IFMIS to curtail the overcharging of government.

Additional revenue measures

18. Mr Speaker, this budget is also supported by new revenues and collection efficiency measures. During FY2019/20 government intends to introduce the following legislation in this Honourable House:

- Enactment of Tax Administration Bill;
- Enactment of the VAT Bill which will provide for implementation of the reverse charge mechanism on VAT on imported services.
- Enactment of Income Tax Bill
- Enactment of the Customs Bill;

19. Furthermore, Government will implement the Tax Modernization Programme which will include, amongst others, the implementation of VAT non-compliance detection solution. The Customs Modernization Programme entails upgrading border IT infrastructure and introducing a Coordinated Border Management through the Trade Related Facility and the National Single Window, as well as rehabilitation of Sani Top and Van Royeen commercial border posts.

20. Government will also repeal the tax regulation that granted 100% accelerated depreciation for mining so as to curb revenue leakages and review the Precious Stones Order 1970 and Mining and Minerals Act 2005 in order to align them.

21. Mr Speaker, in FY2018/19 Government through the LRA implemented the Voluntary Disclosure Program (VDP) and the Small Business Taxation (SBT). The two initiatives generated M15 million and M17 million, respectfully.

22. In an effort to mobilize the resources to address the identified fiscal challenges, Government will scale up the VDP program. The current zero rating on exports of natural resources will be replaced by VAT exemption in an effort to reduce revenue leakages emanating from high VAT refunds claimed by the mining industry. Government will also zero rate sanitary towels as a way to increase access and improve school attendance

Policy developments and outlook—sectoral interventions

Job creation

23. Mr Speaker, FY2019/20 will be the first year of implementation of the Second National Strategic Development Plan (NSDP II). The theme for NSDP II is “inclusive growth, private sector-led jobs and reduced unemployment”.

Job creation pipeline

24. Lesotho is not only facing a fiscal crisis; our people are also facing a jobs crisis. With hindsight, Government now knows it must actively seek investment; create a conducive business climate is simply not enough. With this lesson in mind, Government is rolling out, not one, but two initiatives to attract investment.

25. The Ministry of Trade and Industry and the LNDC are incubating several new business ventures including 8 new firms in clothing and electrical components, with an estimated 8,000 jobs to be created in 2 years; fresh produce activity and an out-grower scheme aiming at 500 jobs in the Maseru area, expansion of area under deciduous fruit production to increase from the current 34 ha to 150 ha in the next two years and 500 ha in the medium term which will add 1,000 jobs. In addition, LNDC will finalise by mid-year, plans for large integrated piggery, poultry, aquaculture, and beef operations as well as a grains initiative to roll out area planted to 4,000 ha in Butha-Buthe, Leribe, Berea and Maseru for both domestic and export markets. One investor has plans to construct a silo for the storage of surplus grain.

26. The completion of both Tikoe and Belo Industrial Estates are likely to create 23,000 jobs in the medium term (3-5 years) and close to 50,000 jobs in the long term (6-10 years). It is therefore important that Government ensures that the infrastructure needs of these estates are met and on time.

27. In addition to the promising and exciting work that the LNDC and the Ministry of Trade and Industry is doing in catalysing private investment, Government has organised an investment laboratory in which both investors and government work out all the modalities necessary for an investment to take place. The lab which starts in earnest tomorrow, has already registered more than 80 investors, with potential for investment of M10 billion and 20,000 jobs created. Interest has been expressed in agri-business, tourism and creative arts and technology and manufacturing.

28. In addition to the work of the LNDC—which at last is honouring its mandate to build industry—government is implementing an innovative approach to accelerating investment,

economic growth and job creation. Rather than create a conducive business climate and hope investors would come on their own, government goes out to court them into the four focal areas outlined above. The economic or investment laboratory is essentially a one-stop solution development dialogue between government and investors. Each project requires many government services. In this lab, the entire political leadership and providers of public services are directly involved. Infrastructure and business climate requirements are demand driven, as opposed to the traditional approach in which we supply these and wait in case they are attractive to some investor.

29. Mr Speaker, the laboratory I speak of launches tomorrow morning and will run until the first week of April. At that point, Government, coordinated by the Ministry of Development Planning, will hold a one-day job summit to announce the total value of investment committed in the lab, the number of jobs to be created, the roadmap of actions between government and investors, and a dedicated delivery unit to coordinate and implement the investment roadmap derived from the process.

30. Construction of the Belo industrial estate is underway, and when complete will provide 58 factory shells and create up to 14,500 jobs starting in 2020. The government of Lesotho is financing the construction of the first 16 factory shells. Mr Speaker, I call on Basotho investors, commercial banks, insurance companies, and pension funds to consider investment in the remaining 42 factory shells. This would create a new investment opportunity for Basotho that has so far been the monopoly of LNDC.

31. To expand commercial vegetable farming and horticulture for local and export market and to optimise the use of our productive agricultural land, Government will support formalization of land titles and scale up an existing model that promotes consolidation of small holdings into commercial anchor farms for production of high value vegetables. These anchor farms will evolve to serve as mentors and aggregators to support and create a reliable market for emerging farmers by sourcing produce from their smaller satellite farms. The model could ultimately mature to incorporate some elements of an out-grower scheme whereby the anchor farm provides agricultural inputs to a network of small farmers in addition to mentorship.

32. Government has tapped into a new emerging agricultural market of producing medical Cannabis for exportation and processing. The Ministries of Health, of Agriculture and Food Security and of Trade and Industry have joined hands to make this wonderful initiative a success. So far 50 cannabis licenses have been issued. However, only one company is close to exporting its first produce.

Business grants

33. Apart from the large investments outlined above, Government is implementing financial and business support to help start-ups and other small businesses. The Smallholder Agricultural Development Project (SADP) has during its life issued 757 small grants to 22 agricultural businesses, 22 associations, and 9 cooperatives. Most of the recipients remain in business and will expand their operations in future. Supported enterprises include Piggery, vegetables (tunnels and shade nets), slaughtering plant and abattoir, fruit seedlings and production, poultry/hatchery/parent stock, sheep and goat production, woolshed equipment, processing and fruit drying, honey packaging, fish production, and duck production.

34. The criticism of this project and its competitive grants scheme is that, while it may transform lives of its beneficiaries, its reach is woefully inadequate. In collaboration with the

Minister of Agriculture and Food Security and of Development, I have proposed that the project be scaled up to a national level, its scale be increased, and irrigation equipment be included as way to insulate climate disruptions. During FY2019/20, the project will be restructured to cater for scale and climate realities.

35. In addition, Government will launch the Lesotho Youth Enterprise Grant in the first quarter of FY2019/20. The grant programme will be funded by the African Development Bank and the Government of Lesotho. The Grant will be managed by a steering committee, adjudication panel and a task team drawing membership from the Ministries responsible for small business, youth and gender, BEDCO, LRA, Post Bank, and the private sector. Benefitting from the experience of SADC, the LYEG will scale up its operations right from the beginning, while the Lesotho Post Bank will be assisted by the Private Sector Competitiveness and Economic Diversification Project (PSCED) to establish an Agricultural Finance Department in order to support the transformation of the agricultural sector in Lesotho through greater commercialization and provision of agricultural lending. In an attempt to remove land as an impediment to investment, the PSCED will assist the Land Administration Authority to register and formalize land parcels for security of tenure and attraction of investment in high value crops.

36. In 2014 BEDCO in partnership with LRA and Standard Lesotho Bank came up with 'Bacha Entrepreneurship Project' (BEP) which provides competitive grants to youth who have at least LGCSE/COSC certificates. To date, over 550 applications have been received, 115 youth trained and 14 winners awarded M2.2 million prize money resulting in the establishment of 14 enterprises, generating about 25 job opportunities. The government highly appreciates initiatives such as this one and invites the private sector to join hands in a continuing fight against the increasing youth unemployment and poverty.

Business development support

37. The apprenticeship strategy has been developed with the main objective to address the existing gap of mismatch between skills provided by the training institutions and the needs of the industry; Through this strategy, an institutionalized program whereby graduates of universities and higher learning institutions are exposed to industry and business practices in order to match the needs of the market or can go into self-employment will be established. Furthermore, a partnership program for entrepreneurship is going to be designed and entrepreneurship training curricula rolled-out across training institutions to strengthen the Lesotho education system and prepare children for life of work.

38. A strategic framework for the implementation of business incubation in Lesotho is going to be developed in order to strengthen the process of nurturing and providing an enabling environment for Basotho start-up entrepreneurs; one hundred businesses owners are going to be trained in entrepreneurship skills through the incubation program. In addition, an innovative business plan competition is going to be introduced whereby 10 businesses are going to be incubated in the pilot phase before being rolled to over 500 businesses.

39. An institutional review of Business Development Service providers is being implemented to determine the ecosystem including key players, challenges and opportunities in order to inform the growth strategy for Business Development Service (BDS) providers development. Toolkits and training packages for enterprise development are going to be developed and as a result 10 BDS providers are going to be trained.

Allocations to economic ministries

40. Mr Speaker, at this stage I would like to turn to sectoral policies and budget proposals. The Heads of expenditure are too numerous to mention them all, but we have attached tables at the back that indicate allocations by Head and Item.

The reform of the Wool and Mohair industry

41. Close to 30,000 farmers are involved in wool and mohair production in Lesotho, with revenues ranging between M200 and M300 million annually. Commissions and other charges are estimated between 20 and 50 percent of revenues, mainly going to middle men and without government deriving any tax. Productivity per animal averages 2.7 kilograms compared with 5 in South Africa. The industry, has not changed much in the last 50 years, despite fervent calls for beneficiation in other sectors.

42. To take the sector forward, Government has localised the brokerage service for wool and mohair trading and plans to tightly regulate the industry and introduce other reforms to create more value in the sector. With the assistance of the Brenthurst Foundation, Government will explore during 2019 opportunities for value addition including in the production in Lesotho of baby clothing, sportswear, and footwear. To raise productivity per animal, the Ministry of Agriculture and Food Security will distribute 300 ewes as breeding stock to the wool and mohair farmers in the southern part of the country.

43. Mr Speaker, as with any reform, there will always be some kinks, but these are now mainly resolved. A cabinet committee has been established a dedicated committee to monitor the situation and as of today, the difficulties of transporting the wool to the ports have been resolved, payment of farmers is picking up speed and will soon stabilise, and auctions are taking place regularly. It is also important to note that Government does not intend to create a monopoly and will in future license other firms that have interest in wool broking and adding value to this commodity before it leaves Lesotho.

Mining sector

44. The mining industry in Lesotho, dominated by diamonds, is important, as it accounts for about 5.7 percent of GDP and half a billion maloti in government revenues from an estimated production of 1.3 million carats in 2018. Three mines, Letšeng, Kao and Lihobong have entered commercial production, while Mothae, Lemphane, Kolo and Northern Fissures are still in the preparation phases. The full operation of all these mines will expand the scope for additional revenues as well as increase business opportunities for local companies. In addition, it is expected that the geochemical mapping process, which will identify in full Lesotho's mineral potential, will be completed in 2019.

45. The Mining Khotla held in November 2018 has opened dialogue between the mining operators and Lesotho businesses on the opportunities available in the sector. This is in line with the local purchase policy announced last March. The Ministry of Mining is implementing the Minerals and Mining Policy and is presently reviewing existing agreements to ensure compliance with the vision of the policy. The underlying principle for this policy is that all minerals below ground belong to Basotho and Basotho must benefit more than anybody else whenever the minerals are extracted. To address concerns about the industry, government will draw up and implement a comprehensive policy implementation plan during 2019. M42.1 million has been allocated to the Ministry of Mines.

Tourism and Creative Industries

46. Mr. Speaker, to continue promoting investment in the tourism sector, Cabinet has approved the establishment of the tourism development fund, which shall be funded by the tourism development levy. The Ministry and the Tourism Development Corporation are in discussion with potential investors, several of whom, have joined the investment laboratories being launched tomorrow. The construction of both Mpiti-Sehlabathebe and Marakabei Monontša roads present new opportunities for tourism in the northeast and southeast regions of Lesotho. Talks are underway between Lesotho and South Africa officials on several cross-border investments including a cable car at Mont Aux-Sources and cross-border tourism at Sehlabathebe. As many of the tourism sites including Letša la Letsie are degrading fast, the Ministry will work closely with the Ministry of Water to apply best practices learned from Tšehlanyane and Bokong Nature Reserve biosphere and the Integrated Catchment Management programme. M171 million will be allocated to the Ministry of Tourism, Environment and Culture in FY2019/20 for these initiatives.

Agriculture sector

47. Mr Speaker, Lesotho experiences extreme poverty and hunger, high rates of unemployment and a high food import bill, while it is endowed with rich soils that can feed all Basotho. As a result, Government has taken a decision to promote and invest heavily in commercial farming as a strategy to address food security, unemployment and shortage of foreign currency reserves, as already indicated above.

48. The Ministry of Agriculture and Food Security will continue its efforts to attract private investors into commercial agricultural production. Block farming on wheat appears to have been very successful during this cropping season and the Ministry will continue to promote this approach during the year. The World Food Programme working with the Ministry of Agriculture and Food Security has launched a local purchase programme which will guarantee markets for small producers of grains and ensure that the School Feeding Programme buys its food from Lesotho producers.

49. The Honourable House is aware that in 2018, the region experienced episodes of dry weather and heat waves which hit hard on crop production. We therefore expect poor agricultural harvest this year and as a result it is estimated that 491,000 people will require emergency food assistance. As the Government, we will continue to subsidise the seedlings and fertilizers to the farming community. During FY2019/20, over 4,000 hectares of land will be planted to grains in different areas of the country, 107ha to vegetables, and 120ha to deciduous fruits production. M703.8 million has been allocated to the Ministry of Agriculture and Food Security.

Information and communication

50. In order to accelerate the implementation of the e-government, Government will establish 46 community e-services centres, housed in the Postal Services branches and agencies countrywide. With this model, the ministry of Communications, Science & Technology, will provide online access to government services using post offices as a delivery vehicle. Procurement processes for the equipment of 5 e-Services Centres (Sehlabathebe, Ketane, Mapholaneng, Sehonghong and Mt. Moorosi) are at advanced stage, with the rest of the 41 e-service centres to be established under the e-government Infrastructure Phase II project. Two such service centres (Mantsonyane & Kubake Community councils) have since been completed. It is worth noting that the idea is that the e -service centres will also enable other

government agencies, namely LRA and PostBank, to bring their services closer to the people using this infrastructure.

Infrastructure services

51. Mr Speaker, as indicated in last year's budget speech, infrastructure is critical to enabling investment and must therefore be carefully thought out. Infrastructure masterplans and demand-driven infrastructure are sensible ways of planning Lesotho's infrastructure. Thinking of infrastructure at a larger scale enables better financial planning and reduces the risk of discontinuity in the roll-out of infrastructure.

52. During FY2019/20 government will adopt decisions on Maseru relief infrastructure that will include north and south by-pass roads, toll roads where appropriate, residential and office development using government-owned sites, as well as a smart city. These decisions will also outline how the private sector will take part in these initiatives. This will be a multi-year build programme that will contribute significantly to national output for many years to come. Given the current resource constraints and the magnitude of the required financing, Government will tap on PPPs as the main engine for implementing these large projects. Legislation for PPPs will be presented in Parliament during the year. However, work is underway to set up the PPP Unit and the Ministry of Finance presently has adequate legislative authority to initiate PPP projects.

53. Mr Speaker, I now turn to infrastructure proposals specifically included in this budget. In FY2019/20, Government will rehabilitate and upgrade 46.7 kilometres of urban roads in Maputsoe, Mohalitoe and Tšosane-Sekamaneng, Mafeteng, and Teyateyaneng. More than 325km of rural roads will be constructed across all districts. M863.1 million has been allocated to the Ministry of Local Government for the construction of these roads and its other responsibilities.

54. The construction of the 66 kilometre Marakabei to Monontša road in Butha-Buthe has commenced and joins the Mpiti-Sehlabathebe road whose construction began in late 2018. The bill for both roads will be M2 billion when complete. Both roads will enhance tourism opportunities between Lesotho and South Africa. Government will soon open talks with the Republic of South Africa on the prospect of opening a border at Monontša and upgrading the road on the South African side. The Ministry of Public Works will also undertake feasibility and design studies for the expansion of the Kofi Annan road and the upgrading to bitumen standard of the Thaba Phatšoa road. In addition to construction of new roads and maintenance of existing ones, Government will construct thirteen foot bridges throughout the country. This will include two major suspended foot bridges between Ha Potomane and Shalane over Senqu River and between Hlotse and Likhakeng over Hlotse River. M955.5 million has been set aside to enable the Ministry of Public Works and Transport to perform these tasks.

55. Mr Speaker, in recent years we have experienced paucity of rains, early frost and dry spells which have threatened our agricultural productivity and accessibility of safe drinking water and basic sanitation. Water harvesting and construction of several bigger water reservoirs can significantly develop effective land and water resources management. To this effect, Government has joined efforts with the Government of Germany and the European Union to implement activities under Integrated Catchment Management Project with a view to protect water sources, rejuvenate agricultural land and preserve the mountain ecosystem.

56. The Ministry of Water has completed construction of a water supply network, which will serve approximately 18,000 people residing in four zones in the Maseru district. Two more zones namely, zone 20 and 3 (St. Michaels and Senekane respectively) are under construction as well as water supply from TY to Lekokoaneng reservoir, which is expected to serve 4,000 people. Under Rural Water Supply and Sanitation Project, 25 new water supply systems serving about 10,227 people and 2,437 VIP latrines will be constructed during FY2019/20.

57. Mr Speaker, connection of our households to electricity has been increasing very rapidly, although from a very low base of only 5 percent in 2005. Today, 207,000 (39 percent) of the 537,000 Lesotho households have been connected to electricity. It is plausible that in the near future, every household will be connected to electricity. However, as connections increase the demand will far outstrip bulk supply. The Ministry of Energy is exploring mobilising more hydropower (in collaboration with the LHDA), and wind and solar power. Two solar investments are about start at Ha Ramarothole in Mafeteng to generate 90MW by 2025. One of the investments is led by a private company, One Power, which is planning to generate 20 MW. It is interesting that this private idea has been incubated by our own Appropriate Technology Department.

Allocations to social interventions

58. Mr Speaker, Government regrets the time wasted by the teacher strike and wishes to inform the Honourable House that teacher unions are being engaged to negotiate their return to duty. Many of their grievances including payment of gratuities, outstanding arrears, and reinstatement of dismissed staff have been met. In addition, M35 million has been set aside in this budget for payment of teachers' arrears and M11 million for teacher training. The Ministry also plans to spend M60 million as top-up funding for construction of classrooms and laboratories, particularly in the rural areas. It is thus clear that where possible grievances are being addressed by Government.

59. The Ministry of Education and Training will develop transition policy to facilitate progression of learners from lower basic education schools to secondary schools in an endeavour to ensure inclusiveness in learning. It will further upgrade and build appropriate infrastructure in four high schools (St. Catherines, Abia, Motsekuoa and Mount Royal) for learners with special educational needs. Furthermore, the Disability Equity Bill has been tabled before Parliament to pave way for disability grants and a Disability Trust Fund.

60. Mr. Speaker, the escalating number of sponsored students and sponsorship costs, tight fiscal constraints and poor loan recoveries call for an urgent implementation of Loan Bursary Fund (LBF) Reforms. In the coming financial year, the National Manpower Development Secretariat (NMDS) will review and amend the legal framework governing the LBF, including the National Manpower Development Council (NMDC) Act of 1978 and the Loan Bursary Fund (LBF) Regulations of 1978. It will further review and improve the Resource Mobilisation and Financing Model of the fund by changing endorsement and repayment of loan bursaries from partial to actual incurred costs of sponsorships. In an endeavour of ensuring equitable access to bursaries in light of the constrained funds, the NMDS will develop the 'Means Testing Mechanism' which will seek to ensure that bursaries are granted in favour of students from financially disadvantaged families.

61. Mr Speaker, Government traditionally invests a very large share of its budget in education. The Budget proposes that M3.1 billion (17 percent of the total budget) be spent on

education with M2.4 billion allocated to the Ministry of Education and M577 million for loan bursaries.

62. With the aim of improving the Health Sector, Government has secured 36 Cuban doctors to be engaged in hospitals and clinics around the country. The Ministry of Health will further employ thirty-five 35 Basotho doctors and 252 nurses. To effectively tackle the cancer burden, the Ministry has developed a comprehensive National Cancer Control Plan. In the meantime, the Ministry has expanded cancer and renal care services by sending patients for treatment at Apollo Hospital in India. To date, 3 kidney transplants have been performed on Basotho patients in India. Health professionals (doctors, nurses and pharmacists) have been trained in India to facilitate the establishment of National Chemotherapy Centre in Lesotho.

63. With regard to HIV and AIDS, the Ministry will, as a means to reduce incidences and increase the coverage of Anti-Retroviral Treatment (ART), continue to provide increasing multi-month ARV dispensing to allow Basotho working locally and in the Republic of South Africa enough medication to cover 3-6 months. The Ministry will further increase targeted HIV testing and services to key populations such as Factory Workers, the Lesbian Gay Transgender Bisexual and Intersexual (LGTBI) community, migrant workers, adolescents and young women.

64. At 11 percent of the national budget, health services consume the next largest portion after education. The budget proposes M2.4 billion be allocated to the Ministry of Health.

65. In order to care for the most vulnerable of our people, Government has established a social grants program that encompasses child grants and old age grants. The Ministry of Social Development is in the process of modernising social grants systems and expanding its reach to ultimately cover all councils nationally. Plans are underway to reduce the age of qualification from 70 to 60 years, and this will be done gradually beginning in FY2020/21. In the meantime, the old age grant is increased by M50 per month. Also the African Committee of Experts on the Rights and Welfare of the Children (ACERWC) Office will soon relocate from Ethiopia to Lesotho permanently. This is a demonstration of the confidence Lesotho enjoys in the area of social development.

66. M419.2 million has been set aside for the Ministry of Social Development. In addition, the Ministry of Finance will cater for old age grants. During FY2019/20 plans will be finalised to relocate the Old Age Pension to the Ministry of Social Development.

Allocations to governance agencies

67. Mr Speaker, while the focus of this budget lies heavily on creating jobs, that aim cannot be accomplished unless peace, stability and justice reign in the land. It is therefore important that the nation enjoys security and is governed well. Governance, justice and human rights are served respectively, by the Offices of His Majesty and Office of the Prime Minister, the investigative institutions (Police, DCEO, FIU), the Judiciary, the Ministries of Law and Constitutional Rights, and the Ministry of Justice and Correctional Services. The Budget proposes that M358.3 million be allocated to this joint sector of governance, justice and human rights.

68. In order to perform the justice function properly, the agencies are propose to acquire an automated case management system. When fully implemented, the system will integrate the entire chain of work from investigation to incarceration.

National Reforms

Political and constitutional reforms

Mr Speaker, the National Reform Agenda is proceeding briskly. The inclusive National Leaders Forum (NLF), the National Dialogue Planning Committee, the Multi-Stakeholder National Dialogue are holding their meetings as expected. District consultations will be held in April 2019 where Basotho in their diverse formations will have a direct opportunity to be part of the dialogue process leading to reforms.

Public sector reforms

69. Mr Speaker, on 1st April 2019, Government will launch an upgrade to the Integrated Financial Management Information System (IFMIS) which will address the existing challenge of inaccurate financial statements and delays in payment of suppliers. The new system will do away with paperwork and will provide users stronger control tools. As it will have tracking functionality, chief accounting officers will be able track payments to suppliers and ensure payment on time.

Decentralisation

70. Mr Speaker, local government service began with local government elections in 2005. Fourteen years later, decentralisation remains fragile, with central government still performing most of the functions that are better performed by councils. Delivery of services to far reaching places by the central government is inefficient at two levels: first, the prioritisation of needs is not done by the people who need the service, and secondly, the central government is far from every community in land. Over and above this, paying councillors without allocating them responsibilities is not only inefficient; it duplicates costs government incurs in the delivery of services.

71. The 2014 Decentralisation Policy should thus be implemented in earnest, with requisite legislation brought to the House soonest. During FY2019/20, Government will formulate and conclude a fiscal decentralisation roadmap, which shall set standards for the use of national financial resources.

Public works programme

72. Mr Speaker, Government is pained by the weakness in the economy and the rampant joblessness. There are 10,000 graduates that are looking for placement, but can't find any opening and many have been waiting for more than 10 years. Below this group, there is even a lot more needing a job placement. The proposals in this budget will create 20,000 new jobs by the end 2021. But to ease the current pressure and desperation, Government proposes a public works and internship program and set aside M300 million to cover the allowances under this program. The details of the program will be finalised by end of April, but it will be a 2-year transitional program at the end of which some of the beneficiaries would either have founded their own businesses or found new jobs. In FY2019/20, 8,500 youngsters, of which 3,500 will be graduates, will be assisted into internships and public works programs.

Conclusion

73. Mr Speaker, I present these estimates and policy proposals under very difficult political and economic conditions. Their success will depend crucially on the stability of this government. This Honourable House must therefore unite and focus on the successful implementation of the plans I have outlined. It is going to be a very difficult budget to implement, but that alone should foster creativity of doing the same with less. Basotho people have waited too long for change in their livelihoods to occur. They must wait no longer. We must not look to our differences, but to Basotho's long-standing need for jobs, education and good health.

74. In this budget I am not proposing any adjustment in salaries except for ministers who shall take a pay cut of 5 percent. The reasons have already been outlined. The proposals outlined will tighten fiscal conditions on the one hand and spur faster growth on the other. If successful, the future will much improved fiscal conditions and a dynamic economy. Still I must caution that the proposals will work if the leadership in this House so wish.

75. Let me conclude by thanking the Right Honourable the Prime Minister for the support he has provided me and the Honourable Deputy Prime Minister as Chairperson of the Budget committee for the guidance and patience during the preparation of this difficult budget. My colleagues and in Cabinet have throughout provided wise counsel and have been more accommodating despite the pain they are going to endure.

76. The Budget and speech are a product of sleepless nights at the Ministry of Finance and I am thus indebted to the professional and support staff and their families for their commitment to ensuring our work reaches completion. Finally, my family and my Thetsane people have stood by my side the entire time. My thanks to them.

Khotso Pula Nala

ANNEX I

GOVERNMENT BUDGET OPERATIONS FOR THE FISCAL YEARS 2016/2017 - 2022/2023							
Item	Actual 2017/18	Bud. 2018/19	Est. 2018/19	Bud. 2019/20	Bud. 2020/21	Bud. 2021/22	Bud. 2022/23
TOTAL REVENUE	14,914.4	16,099.6	15,561.5	18,128.4	18,313.5	19,362.1	20,453.6
1.1 Tax Revenue	6,314.3	7,541.9	7,141.0	7,878.0	8,906.0	9,733.0	10,640.0
1.1.1 Total Income Tax	3,487.3	4,014.2	4,004.1	4,289.7	4,708.4	5,190.6	5,734.7
1.1.2 Taxes on goods and services	2,826.2	3,527.7	3,136.9	3,588.7	4,197.4	4,543.1	4,907.6
1.2 Grants	822.1	829.1	1,056.0	1,015.0	965.0	965.0	965.0
1.3 Other Revenue	1,623.8	1,529.2	1,822.2	3,009.0	2,090.0	2,259.0	2,446.0
of which LHDA ROYALTIES	933.3	990.1	990.1	897.8	1,019.1	1,060.2	1,101.3
1.4 SACU	6,154.2	5,538.1	5,542.2	6,226.0	6,353.0	6,405.0	6,403.0
TOTAL EXPENDITURE	-15,566.5	-18,629.1	-17,964.6	-18,605.3	-19,234.6	-20,201.1	-21,225.9
2.1 Recurrent Expenditure*	-12,113.0	-13,125.9	-13,406.3	-13,428.1	-13,889.2	-14,682.0	-15,527.3
2.1.1 Compensation of Employees	-5,436.1	-6,690.0	-6,134.6	-6,673.8	-7,024.3	-7,498.4	-8,004.6
2.1.2 Use of Goods and Services	-2,667.3	-3,217.5	-3,317.0	-3,147.0	-3,213.8	-3,384.1	-3,563.5
2.1.3 Interest payments	-327.4	-383.9	-437.0	-393.6	-427.1	-463.4	-502.8
2.1.4 Subsidies	-310.3	-271.0	-272.6	-183.8	-193.4	-203.5	-214.0
2.1.5 Grants	-1,111.7	-678.7	-812.2	-711.1	-710.1	-709.1	-708.1
2.1.6 Social Benefits	-1,568.2	-1,120.3	-1,804.6	-1,683.3	-1,696.9	-1,811.5	-1,933.8
2.1.7 Other Expense	-692.0	-637.0	-629.4	-635.4	-623.6	-612.0	-600.6
2.2 Capital	-3,453.5	-5,503.2	-4,558.3	-5,177.2	-5,345.5	-5,519.2	-5,698.6
Overall Fiscal Balance	-563.0	-1,929.5	-2,403.0	-476.9	-921.1	-839.0	-772.3
INDICATORS							
Growth Rate of GDP (%)	1.0	2.1	2.1	2.6	3.0	2.9	3.3
GDP in Current Prices	34,843.6	36,532.0	36,532.0	39,439.2	42,413.4	45,885.3	49,741.7
FINANCIAL TRANSACTIONS							
Change in Deposits	281.3	673.0	-764.9	1,523.0	1,178.9	1,212.1	1,280.1
Change in Domestic Financial Liabilities	466.2	850.0	1,396.8	1,300.0	1,350.0	1,400.0	1,400.0
Change in Foreign Liabilities	135.8	406.5	600.0	700.0	750.0	650.0	650.0

ANNEX II							
GOVERNMENT BUDGET OPERATIONS FOR THE FISCAL YEAR 2016/2017 - 2021/2022 [% of GDP]							
Item	Actual 2017/18	Bud. 2018/19	Est. 2018/19	Bud. 2019/20	Proj. 2020/21	Proj. 2021/22	Proj. 2022/23
TOTAL REVENUE	42.8	43.2	42.6	46.0	43.2	42.2	41.1
1.1 Tax Revenue	18.1	22.0	19.6	20.0	21.0	21.2	21.4
1.1.1 Total Income Tax	10.0	10.8	11.0	10.9	11.1	11.3	11.5
1.1.2 Taxes on goods and services	8.1	9.5	8.6	9.1	9.9	9.9	9.9
1.2 Grants	2.4	2.3	2.9	2.6	2.3	2.1	1.9
1.3 Other Revenue	4.7	4.2	5.0	7.6	4.9	4.9	4.9
of which LHDA ROYALTIES	2.7	2.7	2.7	2.3	2.4	2.3	2.2
1.4 SACU	17.7	15.2	15.2	15.8	15.0	14.0	12.9
TOTAL EXPENDITURE	-44.7	-51.0	-49.2	-47.0	-45.2	-43.9	-42.6
2.1 Recurrent Expenditure*	-34.8	35.2	-36.7	-34.1	-32.8	-32.0	-31.2
2.1.1 Compensation of Employees	-15.6	-18.3	-16.8	-16.9	-16.6	-16.4	-16.1
2.1.2 Use of Goods and Services	-7.7	-8.8	-9.1	-8.0	-7.6	-7.4	-7.2
2.1.3 Interest payments	-0.9	-1.1	-1.2	-1.0	-1.0	-1.0	-1.0
2.1.4 Subsidies	-0.9	-0.7	-0.7	-0.5	-0.5	-0.4	-0.4
2.1.5 Grants	-3.2	-1.9	-2.2	-1.8	-1.7	-1.5	-1.4
2.1.6 Social Benefits	-4.5	-3.1	-4.9	-4.3	-4.0	-3.9	-3.9
2.1.7 Other Expense	-2.0	-1.7	-1.7	-1.6	-1.5	-1.3	-1.2
2.2 Capital	-9.9	-15.1	-12.5	-13.0	-12.5	-11.9	-11.3
Overall Fiscal Balance	-1.6	-5.3	-6.6	-1.2	-2.2	-1.8	-1.5
FINANCIAL TRANSACTIONS							
Change in Deposits	0.01	0.02	-0.02	0.04	0.03	0.03	0.03
Change in Domestic Financial Liabilities	0.01	0.02	0.04	0.03	0.03	0.03	0.03
Change in Foreign Liabilities	0.00	0.01	0.02	0.02	0.02	0.01	0.01

ANNEX III			
ANNUAL % CHANGE IN REVENUES AND EXPENDITURES			
Budget Item	Budget 2018/19	Budget 2019/20	% Change
TOTAL REVENUE	16,099.6	18,128.4	0.1
1.1 Tax Revenue	8,203.2	7,878.0	-0.0
1.1.1 Total Income Tax	4,014.2	4,289.7	0.1
1.1.2 Taxes on goods and services	3,527.7	3,588.7	0.0
1.2 Grants	829.1	1,015.0	0.2
1.3 Other Revenue	1,529.2	3,009.0	1.0
of which LHDA ROYALTIES	990.1	897.8	-0.1
1.4 SACU	5,538.1	6,226.0	0.1
TOTAL EXPENDITURE	-18,629.1	-18,605.3	-0.0
2.1 Recurrent Expenditure*	-13,125.9	-13,428.1	0.0
2.1.1 Compensation of Employees	-6,690.0	-6,673.8	-0.0
2.1.2 Use of Goods and Services	-3,217.5	-3,147.0	-0.0
2.1.3 Interest paymens	-383.9	-393.6	0.0
2.1.4 Subsidies	-271.0	-183.8	-0.3
2.1.5 Grants	-678.7	-711.1	0.0
2.1.6 Social Benefits	-1,120.3	-1,683.3	0.5
2.1.7 Other Expense	-637.0	-635.4	-0.0
2.2 Capital	-5,503.2	-5,177.2	-0.1
Overall Fiscal Balance	-1,929.5	-476.9	-0.8
FINANCIAL TRANSACTIONS	-	-	-
Change in Deposits	673.0	1,523.0	1.3
Change in Domestic Financial Liabilities	850.0	1,300.0	0.5
Change in Foreign Liabilities	406.5	700.0	0.7

ANNEX IV							
GOVERNMENT BUDGET OPERATIONS FOR THE FISCAL YEARS 2016/2017 - 2022/2023							
Item	A 2017/18	Bud. 2018/19	Est. 2018/19	Bud. 2019/20	Bud. 2020/21	Bud. 2021/22	Bud. 2022/23
TOTAL REVENUE	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1.1 Tax Revenue	42.3	51.0	45.9	43.5	48.6	50.3	52.0
1.1.1 Total Income Tax	23.4	24.9	25.7	23.7	25.7	26.8	28.0
1.1.2 Taxes on goods and services	18.9	21.9	20.2	19.8	22.9	23.5	24.0
1.2 Grants	5.5	5.1	6.8	5.6	5.3	5.0	4.7
1.3 Other Revenue	10.9	9.5	11.7	16.6	11.4	11.7	12.0
of which LHDA ROYALTIES	6.3	6.1	6.4	5.0	5.6	5.5	5.4
1.4 SACU	41.3	34.4	35.6	34.3	34.7	33.1	31.3
TOTAL EXPENDITURE	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2.1 Recurrent Expenditure*	77.8	70.5	74.6	72.2	72.2	72.7	73.2
2.1.1 Compensation of Employees	34.9	35.9	34.1	35.9	36.5	37.1	37.7
2.1.2 Use of Goods and Services	17.1	17.3	18.5	16.9	16.7	16.8	16.8
2.1.3 Interest payments	2.1	2.1	2.4	2.1	2.2	2.3	2.4
2.1.4 Subsidies	2.0	1.5	1.5	1.0	1.0	1.0	1.0
2.1.5 Grants	7.1	3.6	4.5	3.8	3.7	3.5	3.3
2.1.6 Social Benefits	10.1	6.0	10.0	9.0	8.8	9.0	9.1
2.1.7 Other Expense	4.4	3.4	3.5	3.4	3.2	3.0	2.8
2.2 Capital	22.2	29.5	25.4	27.8	27.8	27.3	26.8

ANNEX V

Ministry	2018/19		2019/20				
	Recurrent Budget	Capital Budget	Recurrent Budget	Capital Budget			
				GoL	Donor Grants	Donor Loans	Total
Agriculture and Food Security	285.3	49.8	275.3	34.8	147.0	246.7	428.5
Health	2,054.9	188.8	1,961.1	103.4	323.9	45.1	472.4
Education and Training	2,391.3	19.3	2,391.3	59.8	66.7	91.9	218.4
Finance	868.7	429.5	767.0	358.6	285.8	79.0	723.4
Trade and Industry	43.2	175.6	39.6	117.3	53.9	16.7	187.9
Development Planning	693.6	100.0	682.7	100.0	2.6	-	102.6
Justice, Human Rights & Rehabilitation	229.7	100.0	215.0	75.0	-	-	75.0
Home Affairs	165.8	285.8	139.0	267.2	-	-	267.2
Prime Minister's Office	117.7	-	111.8	-	-	-	-
Communications, Science and Technology	152.2	10.0	129.8	35.5	23.4	36.4	95.3
Law & Constitutional Affairs	66.0	20.0	61.8	6.5	-	-	6.5
Foreign Affairs & Intern Relations	328.6	20.0	317.6	19.9	-	-	19.9
Public Works & Transport	139.7	480.4	130.1	437.4	-	415.0	852.4
Forestry & Land Reclamation	193.2	-	155.8	-	-	-	-
Energy, Meteorology and Water Affairs	27.7	181.0	25.8	200.6	41.8	57.4	299.8
Labour & Employment	53.7	-	49.6	-	-	-	-
Tourism, Environment & Culture	87.6	93.6	80.0	91.0	-	-	91.0
Auditor General's Office	27.6	-	27.0	-	-	-	-
His Majesty's Office	6.9	300.0	8.9	76.0	-	-	76.0
Public Service Commission	13.4	-	11.3	-	-	-	-
Defence & National Security	614.0	47.0	596.4	47.0	-	-	47.0
National Assembly	80.3	-	74.7	-	-	-	-
Senate	18.2	42.0	17.2	-	-	-	-
Ombudsman	8.4	-	8.7	-	-	-	-
Independent Electoral Commission	70.5	-	60.2	-	-	-	-
Local Government & Chieftainship affairs	480.2	391.9	475.0	388.1	-	-	388.1
Gender, Youth, Sports & Recreation	90.3	65.0	72.3	58.4	-	-	58.4
Public Service	39.6	5.0	37.6	5.0	-	-	5.0
Judiciary	102.4	10.0	97.7	32.0	-	-	32.0
Social Development	248.7	3.0	259.2	-	30.0	130.0	160.0
DCEO	28.2	-	23.6	-	-	-	-
Mining	24.6	21.2	24.2	17.9	-	-	17.9
Police and Public Safety	643.5	72.5	710.4	63.0	-	-	63.0
Small Businesses Development	105.4	88.5	88.3	72.0	-	-	72.0
Water Affairs	165.3	350.5	147.0	173.9	40.0	204.0	417.9
Sub Total	10,666.6	3,550.4	10,273.0	2,840.5	1,015.1	1,322.2	5,177.7
Public Debt	1,130.7		1,130.7				
Pension & Gratuities	1,829.0		1,854.7				
Statutory Salaries & Allowances	35.1		31.9				
Subscriptions to International Organisations	72.2		84.4				
Refund to erroneous Receipts	2.7		2.3				
Centralised Items	83.7		357.4				
Administration Fund (Contingency)	100.0	20	100.0				
Total	13,920.0	3,550.4	13,834.4	2,840.5	1,015.1	1,322.2	5,177.7

