

***AFRICA'S INSPIRED
APPAREL
SOURCING HOTSPOT***

**LESOTHO'S
TEXTILES, APPAREL
& FOOTWEAR
MANUFACTURING INDUSTRY**



LESOTHO'S TEXTILE, CLOTHING & FOOTWEAR (T-C-F) INDUSTRY MANUFACTURING VALUE CHAIN BIG PICTURE SUMMARY

SUB SECTORAL VALUE CHAIN PRODUCERS - FIRMS & JOBS & PRODUCTION VOLUMES

| | Firms | Jobs | Approximate Units of Basic Garments Produced Per Annum |
|-------------------------|-----------|---------------|--|
| Textile | 1 | 1 220 | Yarn - 18 000t Fabric - 15.6m linear meters |
| Denim (woven bottoms) | 9 | 13 124 | 23 304 000 |
| Non-denim Woven Fashion | 4 | 1 580 | 6 360 000 |
| Industrial Workwear | 6 | 4 696 | 11 003 800 |
| Knit Garments | 33 | 24 513 | 115 143 600 |
| Footwear | 2 | 1 253 | 7 200 000 pairs |
| Supporting Industry | 11 | 218 | - |
| TOTAL | 66 | 46 604 | 155 811 400 (typical clothing units) 7 200 000 (pairs of typical shoes) |

GEOGRAPHIC PRODUCTION - FIRMS & JOBS

| | Firms | Jobs by Industrial Area | Jobs by Major Town |
|----------------|-----------|-------------------------|--------------------|
| Maputsoe | 9 | 2 459 | 13 5011 |
| Nyenyene | 14 | 11 042 | |
| Tikoe | 9 | 4 489 | 32 963 |
| Thetsane | 17 | 20 370 | |
| rest of Maseru | 16 | 8 106 | |
| Matsieng | 1 | 120 | 120 |
| TOTAL | 66 | 46 604 | 46 604 |

MARKETS FOR GOODS - FIRMS & JOBS

| | Firms | Jobs |
|----------------------|-----------|---------------|
| Mainly United States | 29 | 29 030 |
| Mainly S. Africa | 34 | 17 451 |
| Lesotho | 3 | 103 |
| TOTAL | 66 | 46 604 |

LESOTHO'S TOP 10 KNIT GARMENT EXPORTS TO UNITED STATES (2016)

| HTS Number | Category | 2014 | 2015 | 2016 | US Gen. Rate of Duty (%) | AGOA Duty Applied to Lesotho (%) |
|--|----------|------------|------------|------------|--------------------------|----------------------------------|
| | | IN US\$ | | | | |
| 6104632006 women's trousers and breeches, of synthetic fibers, containing 5 percent or more by weight of elastomeric yarn or rubber thread | 648 | 49,982,175 | 58,301,140 | 59,688,063 | 28.2 | 0 |
| 6105202010 men's shirts of man-made fibers, containing less than 23 percent of wool or fine animal hair | 638 | 27,574,828 | 33,921,156 | 41,809,527 | 32 | 0 |
| 6110303053 men's or boys' pullovers and similar articles of man-made fibers but not knit to shape, nesoi | 638 | 12,481,826 | 16,601,928 | 25,953,308 | 32 | 0 |
| 6110303059 women's or girls' pullovers and similar articles of man-made fibers but not knit to shape, nesoi | 639 | 17,989,490 | 14,562,039 | 9,506,745 | 32 | 0 |
| 6104632030 women's shorts of synthetic fibers, containing less than 23 percent of wool or fine animal hair | 648 | 1,116,963 | 2,640,713 | 6,605,160 | 28.2 | 0 |
| 6104332000 women's or girls' suit-type jackets and blazers of synthetic fibers, containing less than 23 percent of wool or f.a.h. | 635 | 1,539,846 | 0 | 6,401,689 | 28.2 | 0 |
| 6105100010 men's shirts, knitted or crocheted, of cotton | 338 | 6,750,196 | 5,386,134 | 6,383,604 | 19.7 | 0 |
| 6103431550 men's shorts of synthetic fibers, containing less than 23 percent by weight of wool or fine animal hair | 647 | 2,899,125 | 2,582,178 | 5,130,492 | 28.2 | 0 |
| 6104632011 women's trousers and breeches of synthetic fibers, other | 648 | 1,146,473 | 2,788,540 | 4,398,460 | 28.2 | 0 |
| 6110303020 women's other sweat containing less than 30 percent by weight of silk or silk waste | 646 | 7,954,822 | 5,777,647 | 3,202,606 | 32 | 0 |
| | | | | | | |

| TOTAL LESOTHO KNIT GARMENT EXPORTS TO THE US - 2014-16 | 2014 | 2015 | 2016 |
|--|------|--------------------|--------------------|
| | | 194,915,814 | 203,259,173 |

SOURCE

Data on this site have been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

For more information on sourcing garments from Lesotho contact: Mark Bennett - Advisor to the Lesotho Ministry of Trade & Industry - bennettlesotho@gmail.com

LESOTHO'S TOP 10 WOVEN GARMENT EXPORTS TO UNITED STATES (2016)

| HTS Number | Category | 2014 | 2015 | 2016 | US Gen. Rate of Duty (%) | AGOA Duty Applied to Lesotho (%) |
|--|----------|------------|------------|------------|--------------------------|----------------------------------|
| | | IN US \$ | | | | |
| 6203424011 men's blue denim trousers and breeches of cotton | 347 | 44,010,244 | 53,864,883 | 33,727,194 | 16.6 | 0 |
| 6203424511 men's blue denim trousers and breeches of cotton, nesoi | 347 | 0 | 0 | 14,486,938 | 16.6 | 0 |
| 6203424036 boys' blue denim trousers and breeches of cotton, nesoi | 347 | 28,498,904 | 18,230,470 | 7,657,013 | 16.6 | 0 |
| 6203424536 boys' blue denim trousers and breeches of cotton, nesoi | 347 | 0 | 0 | 6,295,233 | 16.6 | 0 |
| 6204624041 girls' blue denim trousers and breeches of cotton, not knitted or crocheted, nesoi | 348 | 10,880,444 | 10,848,640 | 5,264,234 | 16.6 | 0 |
| 6204621541 girls' blue denim trousers and breeches of cotton, nesoi rpo | 348 | 0 | 0 | 4,529,778 | 16.6 | 0 |
| 6204624011 women's blue denim trousers and breeches of cotton | 348 | 2,028,718 | 4,312,779 | 4,179,519 | 16.6 | 0 |
| 6204624021 women's trousers and breeches of cotton, nesoi | 348 | 706,026 | 347,075 | 2,085,239 | 16.6 | 0 |
| 6204628011 women's blue denim trousers and breeches of cotton, nesoi | 348 | 0 | 0 | 1,831,789 | 16.6 | 0 |
| 6209203000 babies' garments and clothing accessories: trousers, breeches, and shorts, of cotton, not imported as parts of sets | 239 | 1,759,064 | 1,539,429 | 1,780,646 | 14.9 | 0 |

| TOTAL LESOTHO WOVEN GARMENT EXPORTS TO THE US - 2014-16 | 2014 | 2015 | 2016 |
|---|------|-------------------|-------------------|
| | | <u>95,553,677</u> | <u>96,427,546</u> |

SOURCE

Data on this site have been compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

For more information on sourcing garments from Lesotho contact: Mark Bennett - Advisor to the Lesotho Ministry of Trade & Industry - bennettlesotho@gmail.com

EMPLOYMENT, WAGES & WORKING CONDITIONS

- The combined, textile, apparel and footwear manufacturing industry remains Lesotho’s largest formal private sector employer - employing around 46 500 workers. Its current employment is below its early-2003 peak of about 54 000 workers. The industry suffered large declines in employment in the period after the phase-out of the Multi-Fibre Arrangement (MFA); and, in the aftermath the 2008 global financial crisis. As with other garment industries about 82% of all industry jobs are occupied by women.
- The contribution of the industry to Lesotho’s economy goes beyond the sector itself - there are important employment and economic multipliers. A range of formal / informal sector activities occur that feed into/off the industry, e.g. a small packaging industry, road freight transporters, courier services, clearing agents, security, passenger transport, traders that sell food to workers, residential accommodation, water, electrical and telecommunication utilities, etc.
- The wages earned by employees engaged in Lesotho’s textiles, apparel and footwear industry are of vital importance to Lesotho’s economy. It is estimated that sector production workers alone could collectively earn basic wages of about US\$50m per annum - incomes would be higher taking into account that some firms pay wages above the minimums (e.g. to workers with special skills skills; and, for over-time payments).
- With effect from April 2016 skilled garment workers are paid a monthly minimum wage of about US\$94, and an unskilled worker’s monthly minimum wage would be approximately US\$86.
- Lesotho’s labour laws enshrine all aspects of the ILO’s core conventions (no child or forced labour; non-discrimination; freedom of association), regulate maximum working hours (45 normal & 11 hours overtime per week); and guarantee minimum paid leave.
- While the application of Lesotho’s labour laws is regulated by the inspectorate of the Lesotho Ministry of Employment & Labour, many retailers / brands (including Levi Strauss, The Children’s Place, the Gap, etc) that source garments from Lesotho also monitor factory conditions in their Lesotho vendors. Recently (in 2016) a donor driven ILO programme “Betterwork Lesotho” wrapped-up an eight year programme involving factory compliance with the local and global standards. Currently six Lesotho factories (all US exporters) have Worldwide Responsible Apparel Production accreditation.

LESOTHO’S WORLDWIDE RESPONSIBLE ACCREDITED PRODUCTION VENDORS

| FIRM NAME | PRODUCTION | WORKERS EMPLOYED |
|---------------------------|---------------|------------------|
| Eclat Evergood Textiles | knit garments | 600 |
| Hippo Knitting | knit garments | 789 |
| Lesotho Precious Garments | knit garments | 3 900 |
| Shinning Century | knit garments | 401 |
| Super Knitting | knit garments | 1 086 |
| Tai Yuan Garments | knit garments | 2 600 |

SUMMARY OF TERMS & CONDITIONS OF EMPLOYMENT APPLICABLE TO TEXTILE, APPAREL & FOOTWEAR WORKERS

| Issue | Summary | Legislation ¹ Labour Code Order Reference |
|-----------------------------|---|--|
| <u>Core</u> | | |
| no discrimination | Prohibited : concerning race, colour, sex, marital status, religion, political opinion, national extraction or social origin | s5 |
| freedom association | Employers & employees allowed to join trade union and/or employer organisation of their own choice | s6 |
| forced labour | Prohibited | s3; s7 |
| child labour | Illegal to employ anyone under age of 15. Certain limitations on employment of young persons (under 18) | s3; s124 - 129 |
| <u>Wages</u> | | |
| normal | Minimum wages prescribed by government (see above) | Labour Code Wages Orders |
| overtime rates | Normal rates x 1.25 (Monday-Friday). For work on rest days (normally Saturday & Sunday) double wage rate for those that work a normal work week | s118 |
| piece rate & bonus | Permitted, with the condition that they be paid at least the minimum wage for ordinary hours of work, even if their actual piece rate earnings are below minimum wage. If their actual earnings are higher than minimum wage, they should be paid the higher amount. | Schedule to Labour Code Wages (Amendment) Order, 2010 |
| termination benefits | 2 weeks' pay for each year of completed service with same employer. Benefit not paid when worker is fairly dismissed for misconduct. Other terminal benefits to be paid include pro-rata leave pay, and notice pay (where applicable) | s79 |
| <u>Working Hours</u> | | |
| normal | 45 hours per week (maximum for 5 days a week, 9hrs per day; maximum for 6 days a week, 8hrs per day for 5 days, and 5 hours on sixth day) | s117 - 118 |
| overtime | Maximum overtime allowed 11 hours per week. Exemptions under special circumstances. | s118 |
| night work | Allowed. Payment set by firm & employee/union agreement; failing which rates set by Minister Employers required to provide (but reasonable fair market rate cost can be charged to worker if employer does not have transport and has arranged an external transport) transport to and from work (to the nearest place within 10km radius of the employees' place of employment) for workers working between 8 pm and 5 am | s3; s130 - 131 |

¹ Labour Code Order - as amended (Order No. 24 of 1992)

| Issue | Summary | Labour Code Ref. |
|-------------------|--|---|
| Leave | | |
| annual | 12 days paid leave (i.e. 1 days paid leave for each month of service with the same employer) | s120 |
| public holidays | 11 paid days per annum. Public holidays on falling on Sunday do not carry over to Monday | s121 |
| sick | 1 st 6 months of employment all sick leave unpaid 2 nd 6 months of employment with same employer (12 days paid leave) After 1 year with same employer 12 days' sick leave on full pay; thereafter sick leave for up to 24 days (on half pay) for each period of 12 months' continuous service | s123 |
| maternity | After 1 years, service with same employer in the textile/apparel/leather sector employees are entitled to 6 weeks paid maternity leave; in other sectors (also excluding the private security sector), after 1 years' service with the same employer employees are entitled to 12 weeks maternity pay The benefit is limited to 2 confinements during her employment with the same employer Employers & employees to agree on paid 1 hour per day baby feeding arrangements for 6 months | s119(5); s133 - 137 Labour Code Wages Order 2015 |
| educational leave | Employees allowed reasonable paid time-off for training (incl. shop-steward training) | s122 |
| Probation | | |
| probation | Probation is for a period not exceeding 4 months | S75 |
| General | | |
| other | no annual bonus; no medical/retirement contributions; workmen's compensation insurance to be purchased | |

STATUTORY² TEXTILE, APPAREL & LEATHER MINIMUM WAGES IN LESOTHO (effective 1 April 2016 (normally for a period of 12 months))

| | Minimum Monthly Wage | | Minimum Weekly Wage | | Minimum Daily Wage | |
|---|----------------------|---------------------|---------------------|--------|--------------------|--------|
| | (Maloti) | (US\$) ³ | (Maloti) | (US\$) | (Maloti) | (US\$) |
| Clothing, Textile & Leather Manufacturing Sector - workers with <12 months continuous service with the same employer | | | | | | |
| Textile ⁴ General Worker | 1 157.00 | 79.93 | 289.00 | 19.93 | 60.00 | 4.14 |
| Textile Machine Operator | 1 244.00 | 85.79 | 311.00 | 21.45 | 64.00 | 4.41 |
| Trainee Textile Machine Operator | 1 157.00 | 79.93 | 289.00 | 19.93 | 60.00 | 4.14 |
| Clothing, Textile & Leather Manufacturing Sector - workers with >12 months continuous service with the same employers | | | | | | |
| Trained Machine Operator | 1 361.00 | 93.86 | 341.00 | 23.52 | 71.00 | 4.90 |
| Textile General Worker | 1 282.00 | 88.42 | 319.00 | 22.00 | 66.00 | 4.55 |

² Labour Code Wages (Amendment) Order 2015 (Legal Notice No. 39 of 2015); [Government Gazette](#) Vol. 60, No. 18 of 13 March 2015.

³ On average in 2016 the Loti-US\$ exchange rate was US\$1.00 = M14.50. All US\$ figures have been derived from this average.

⁴ These minimum wages apply to workers also engaged in apparel and footwear manufacturing operations.

TEXTILE MANUFACTURING IN LESOTHO

Lesotho has a single vertically integrated spin-yarn dye-weave textile mill that specialises in the manufacture of denim fabrics. Formosa Textiles (headquartered in Taipei; established in 2004; current employment about 1 200 people) sources cotton lint (in 2015 105 000 bales) from a range of Southern African countries including: Zimbabwe, Zambia, South Africa, Mozambique and Malawi. It uses this cotton to make about 700t of open end (OE) yarns per month (typical counts 6-12Ne), and 800t per month of ring spun (RS) yarns (generally 40% combed; 60% carded; with an average count of 25Ne (it does make blended yarns)). 100% of the OE yarns are utilised in-house to make denim fabrics; 30% of the RS yarns are used in-house and 70% are sold in South Africa (mainly), Swaziland and Mauritius. Much of the fabric (typically the plant makes about 1.3m yards per month; 40% are 8-10oz fabrics; 60% are 13oz fabrics) is used by the parent company's related jeans manufacturing operations that are located in Maseru. Limited quantities of fabrics are sold in the Southern Africa marketplace. Formosa has the space to install additional spinning equipment and looms.



DENIM JEANS MANUFACTURING IN LESOTHO

Lesotho's jeans manufacturers make approximately 23.3m pairs of typical (average styled) jeans a year (9 firms employing about 13 100 workers).

The industry is dominated by the Nien Hsing corporation's three garment plants. The Nien Hsing group also owns Formosa Textiles which makes denim textiles in Lesotho. These garment plants export >98% of their production to North America - mainly to the United States, but limited volumes also enter Canada. The plants make jeans for well-known brands such as: Levis Strauss, the VF Corporation (Lee and Wrangler); and, The Children's Place - two of the plants are accredited Gap Inc. suppliers.

The remaining jeans manufacturers concentrate on supplying the South African market place. The largest of these is the CGM group (comprising two manufacturing units). For four of these South African orientated plants wet finishing is not undertaken in Lesotho due to the fact that there are no publicly accessible effluent treatment plants that can reprocess denim water wastes. From time to time some of these plants also make limited volumes of cargo pants, chinos and industrial workwear.

Most of the jeans orders are managed via the brands / retailers themselves.

JEANS GARMENT MANUFACTURERS OPERATIVE IN LESOTHO

| ENTERPRISE | RELATIONSHIP | LESOTHO LOCATION | APPROXIMATE ANNUAL PRODUCTION | JOBS | MAIN MARKETS |
|----------------------|---------------------------|------------------|-------------------------------|---------------|--------------|
| C & Y Garments Co. | owned by Nien Hsing group | Maseru | 4 320 000 | 3 029 | USA |
| Global Garments Co. | | Maseru | 6 048 000 | 3 157 | USA |
| Nien Hsing Internat. | | Maseru | 5 760 000 | 3 206 | USA |
| CGM Industrial | owned by CGM group | Maseru | 2 400 000 | 1 430 | South Africa |
| Presitex Enterprises | | Maseru | 2 400 000 | 1 229 | South Africa |
| Humin Jeanswear | - | Maputsoe | 1 440 000 | 503 | South Africa |
| Niminta Fashions | - | Maputsoe | 720 000 | 400 | South Africa |
| Spilla Jeans | - | Maputsoe | 120 000 | 80 | South Africa |
| Afri-Expo Textiles | - | Maseru | 96 000 | 95 | South Africa |
| TOTALS | | | 23 314 000 | 13 124 | |

Note:

The "approximate annual production" is merely a guide - it refers to what a garment factory management believes it can produce in a 12-month period. Naturally it refers to typical / basic garments. More complicated garment styles will reduce the volume of garments that could be made by that production unit.

WOVEN GARMENTS MANUFACTURING IN LESOTHO (NON-DENIM; NON-WORKWEAR)

There are four Lesotho garment plants which specialise in making woven garments - that do not fall into the categories of denims or workwear. One firm makes higher end garments destined for two of South Africa's premium apparel retailers; another two only make shirts typically worn by school students in Southern Africa. The owners of all of these plants, all headquartered in South Africa, collectively make approximately 6.3m clothing units per annum; and they employ about 1 580 workers.

It must be noted that a number of Lesotho's traditional knit garment manufacturers occasionally make limited amounts of woven workwear (e.g. Shinning Century, CMT Trading, Leo Garments). Long River has the ability to make knit garments too.

WOVEN GARMENT (NON-DENIM/WORKWEAR) MANUFACTURERS OPERATIVE IN LESOTHO

| ENTERPRISE | LESOTHO LOCATION | APPROXIMATE ANNUAL PRODUCTION | JOBS | MAIN MARKETS |
|-----------------------------------|------------------|-------------------------------|--------------|--------------|
| Joans Enterprises # | Maputsoe | 1 800 000 | 120 | South Africa |
| Long River Garment # | Maseru | 1 800 000 | 230 | South Africa |
| Peter Blond Garment Manufacturers | Maputsoe | 1 200 000 | 900 | South Africa |
| Twilight Clothing Manufacturers | Maputsoe | 1 560 000 | 330 | South Africa |
| TOTALS | | 6 360 000 | 1 580 | |

Note:

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- firm still in the process of establishing itself.

KEY CONTACT

LESOTHO MINISTRY OF TRADE & INDUSTRY (MTI)

The Ministry of Trade & Industry is the national government department that is responsible for the development and management of Lesotho's industrial and trade policies.

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KNIT GARMENTS MANUFACTURING IN LESOTHO

The Lesotho knit garment industry is the largest component of Lesotho's apparel industry – with 33 firms currently employing approximately 24 500 workers. This employment is set to grow as newly established manufacturing enterprises are scaling up their production. A diverse range of products are made. From commodity cotton t-shirts, dresses, tracksuits, through to sportswear,

12 firms (employing approximately 6 200 workers) concentrate on supplying the South African market place. Most of these orders are given to Lesotho plants by a number of garment design / sourcing houses based in (mainly) Durban or Cape Town; only a limited number of orders are given directly by the Southern African retailers.

21 firms (employing about 18 600 workers) focus on the United State's (US) market place. US orders are generally secured via sourcing agents based in the east (mainly Taiwan). An important feature of the knit garment manufacturing industry focussed on the US market is that there is a core of firms that are able to secure orders from the agents – should they have excess orders they share this production with a number of plants (who have Asian origin owners) that only undertake CMT work.

In the past five years there has been a significant shift away from producing cotton knit garments for export to the US; now many firms tend to concentrate on making commodity garments whose fabrics are mainly composed of man-made fabrics (i.e. chief value synthetic – “CVS”). The reason for this switch is that CVS type garments typically attract US Most Favoured Nation (MFN) customs duties of between 25-35%; as opposed to cotton commodity type garments whose US MFN duties are much lower.

Many of the US orientated knit garment manufacturers have in-house laundry and embroidery facilities (e.g. Tai Tuan/J&S Fashions, Lesotho Precious Garments, Shinning Century and TZICC). Six knit garment manufacturers have obtained Worldwide Responsible Accredited Production (WRAP – Eclat Evergood, Hippo Knitting, Lesotho Precious Garments, Supper Knitting, Tai Yuan and TZICC) certification.

Two of Lesotho's knit garment manufacturers are directly connected to textile (spin/knit/dye) manufacturing operations located in South Africa – Basotho Leisurewear (linked to Tradelink Industries – a vertically integrated knit fabric mill located in South Africa's Western Cape province), and Fantastic Clothing (linked to Tai Yuen – a spin-knit-dye fabric mill based in South Africa's KwaZulu-Natal province).

It must be noted that some of the predominantly knit garment manufacturers are versatile enough to undertake the production of woven garments (e.g. CMT Trading, Leo Garments, Shinning Century), while some of the woven manufacturers do undertake knit garment manufacture (e.g. Jonsson Manufacturing, Long River Garments, Middle Sky Lesotho, etc).

KNIT GARMENT MANUFACTURERS OPERATIVE IN LESOTHO

| ENTERPRISE | LESOTHO LOCATION | APPROXIMATE ANNUAL PRODUCTION | JOBS | MAIN MARKETS |
|--------------------------------------|------------------|-------------------------------|---------------|-----------------|
| Ace Apparel (incl. LJJ) | Maputsoe | 4 800 000 | 1 300 | South Africa |
| Asia Garments # | Maseru | 1 000 000 | 250 | USA |
| Basotho Leisurewear | Maputsoe | 4 152 000 | 444 | South Africa |
| Boming Lai Teng # | Maseru | 2 520 000 | 120 | USA |
| CMT Trading | Maputsoe | >1 200 000 | 728 | South Africa |
| Eclat Evergood | Maseru | 3 000 000 | 600 | USA |
| Ever Successful Textile | Maseru | 2 400 000 | 620 | US-60%; SA-40% |
| Ever Unison Garment | Maputsoe | 9 000 000 | 1 946 | USA |
| Export Unlimited | Maputsoe | 1 920 000 | 363 | South Africa |
| Fantastic Clothing | Maputsoe | 6 000 000 | 750 | South Africa |
| Hippo Knitting | Maseru | 4 800 000 | 789 | USA |
| Hong Da Lesotho | Maseru | 600 000 | 150 | US-51%; Les-49% |
| J & S Fashions | Maseru | 1 920 000 | 580 | USA |
| Kopano Textiles | Maputsoe | 1 848 000 | 592 | USA |
| Leo Garments | Maseru | >144 000 | 260 | USA |
| Lesotho Knit Garments | Maseru | 540 000 | 150 | South Africa |
| Lesotho Precious Garm. | Maseru | 7 800 000 | 3 900 | USA |
| Letsema Textiles | Maputsoe | 7 200 000 | 1 342 | South Africa |
| Lucky Manufacturing # | Maseru | 6 000 000 | 230 | USA |
| Luqy Manufacturers | Maseru | 1 200 000 | 200 | South Africa |
| Mabeoana Craft | Matsieng | 600 000 | 120 | SA-51%; US-49% |
| Maseru E Textiles | Maseru | 2 450 000 | 849 | USA |
| Mauri Garments / Yong Chang Garments | Maseru | 2 520 000 | 560 | South Africa |
| Middle Sky Lesotho | Maseru | 1 800 000 | 393 | USA |
| Nanabolela # | Maseru | 5 760 000 | 250 | South Africa |
| New Epoch Knitting | Maputsoe | 2 400 000 | 412 | US-51%; SA-49% |
| Shinning Century | Maseru | 2 400 000 | 401 | USA |
| Solomon Trading # | Maputsoe | 4 800 000 | - | South Africa |
| Sun Textiles | Maseru | 2 160 000 | 900 | USA |
| Super Knitting | Maseru | 4 200 000 | 1 086 | USA |
| Tai Yuan Garments | Maseru | 10 080 000 | 2 600 | USA |
| T-Shirt City | Maseru | 129 600 | 24 | Lesotho |
| TZICC Clothing Manuf. | Maseru | 5 400 000 | 1 604 | USA |
| TOTALS | | 115 143600 | 24 513 | |

Note:

The "approximate annual production" is merely a guide - it refers to what a garment factory management believes it can produce in a 12-month period. Naturally it refers to typical / basic garments. More complicated garment styles will reduce the volume of garments that could be made by that production unit.

- firms still in the process of establishing itself.

INDUSTRIAL WORKWEAR MANUFACTURING IN LESOTHO

The Lesotho industry currently comprises six firms that collectively employ about 4 700 workers; who make about 11m units of workwear per annum.

The workwear produced in Lesotho is typically used by workers in the mining, agricultural and manufacturing; and some retail operations. For example: one/two piece overalls / boiler suits, hi-visibility products, freezer-wear; as well as products used by fast food restaurant staff, retail store assistants, etc).

Aside from two small producers that focus on supplying the domestic Lesotho workwear market, most of the firms concentrate on supplying the South(ern) Africa marketplace. Jonsson Manufacturing employs 2 800 people and is fully supported by a substantial in-house design centre which develops Jonsson's branded products. Jonsson's exports mainly into South Africa, but to a number of destinations within Southern and Eastern Africa; as well as into Australia.

INDUSTRIAL WORKWEAR GARMENT MANUFACTURERS OPERATIVE IN LESOTHO

| ENTERPRISE | LESOTHO LOCATION | APPROXIMATE ANNUAL PRODUCTION | JOBS | MAIN MARKETS |
|--|------------------|-------------------------------|--------------|--|
| Jonsson Manufacturing | Maputsoe | 5 455 800 | 2 800 | South Africa / SADC (limited amounts to Australia) |
| Bull Clothing | Maseru | 1 116 000 | 337 | South Africa |
| Jee Clothing (Sahara Workwear / SHEQ Safety) | Maputsoe | 360 000 | 480 | South Africa |
| Liberation Clothing # | Maseru | 4 000 000 | 1 000 | South Africa |
| Seshoeshoe Production | Maseru | 48 000 | 50 | Lesotho |
| Johane Garment | Maseru | 24 000 | 29 | Lesotho |
| TOTALS | | 11 003 800 | 4 696 | |

Note:

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- firms still in the process of establishing itself.

FOOTWEAR MANUFACTURING IN LESOTHO

Lesotho's footwear industry currently consists of two footwear manufacturers; industry employment is approximately 1 253; and these firms produce about 7.2m pairs of (typical) shoes a year. Jaguar Shoes (formally "Springfield Footwear" used to make branded pool sandals for Puma - until Puma decided to exit this market niche) is now establishing itself with other retailers and scaling up production.

FOOTWEAR MANUFACTURERS IN LESOTHO

| ENTERPRISE | LESOTHO LOCATION | APPROXIMATE ANNUAL PRODUCTION | JOBS | MAIN MARKETS |
|-----------------|------------------|--|--------------|--------------|
| Jaguar Shoes # | Maputsoe | 2.4m pairs of pool sandals / lasted sandals / thongs / soccer boots / school shoes | 467 | South Africa |
| Reflex Footwear | Maputsoe | 4.8m pairs of school shoes / slippers / "stokies" / casual footwear | 786 | South Africa |
| TOTAL | | 7.2m pairs | 1 253 | |

Note:

The "approximate annual production" is merely a guide - it refers to what a footwear factory management believes it can produce in a 12-month period. Naturally it refers to typical / basic footwear. More complicated shoes styles will reduce the volume of footwear that could be made by that production unit.

- firm still in the process of establishing itself.

KEY CONTACT

LESOTHO TEXTILE EXPORTERS' ASSOCIATION (LTEA)

The LTEA is a national organisation which represents the majority of Lesotho's textile and garment exporters. The LTEA regularly interacts with all branches of the Government of Lesotho, and with a range of other Lesotho stakeholders (e.g. trade unions, utility companies, etc).

President : Mr. David Chen

Secretary : Mr. Alan Lin

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LESOTHO'S TEXTILE-CLOTHING-FOOTWEAR INDUSTRY

SUPPORT FIRMS

The garment industry is supported by: two commission embroidery firms and two commission garment screen-printers; a limited packaging industry exists (two firms make corrugated cartons for garment exporters); and one coat hanger factory makes hangers for garments destined to be exported to the US. There are no commission laundries (although some firms have their own in-house laundries which can be rented), garment dye facilities, garment label printers, zip manufacturers, thread dye firms, etc. Most garment trims are imported into the country - from South Africa and the East.

LESOTHO'S TEXTILE-CLOTHING-FOOTWEAR INDUSTRY SUPPORT FIRMS

| ENTERPRISE | LESOTHO LOCATION | PRODUCTION | JOB |
|------------------------|------------------|--|------------|
| Chainex | Maseru | embroidery | 20 |
| Shiang Bei | Maseru | embroidery | 20 |
| GTA Plastics | Maseru | coat hangers/sizers | 35 |
| Max Print | Maputsoe | garment screen printing | 20 |
| MTS Enterprises | Maseru | garment screen printing | 16 |
| Rebirth Recycling | Maseru | waste fabric recycling | 8 |
| Eco-Solutions | Maputsoe | waste fabric recycling | 7 |
| Lesotho Cartons | Maseru | carton packaging | 56 |
| Lesotho Paper & Box | Maputsoe | carton packaging | 30 |
| Star Sewing Technology | Maputsoe | spares/consumable for apparel industry | 1 |
| Remmoho Compliance | Maseru | social compliance auditing | 5 |
| TOTALS | | | 218 |

KEY CONTACT

LESOTHO NATIONAL DEVELOPMENT CORPORATION (LNDC)

The Lesotho National Development Corporation is a development finance institution and investment promotion agency which is in the business of facilitating private sector development and investment inflow into Lesotho. The LNDC will assist new investors in establishing their businesses; provides investors with significant aftercare once they have been established; and, rents industrial property to investors.

Chief Executive Officer :

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