



Kingdom of Lesotho



Statistical Report No: 18 of 2026

Performance of the Manufacturing Sector in Lesotho First Quarter 2026



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Mission: To coordinate the National Statistical System (NSS) and produce accurate, timely and reliable culturally relevant and internationally comparable statistical data for evidence-based planning, decision making, research, policy, program formulation and monitoring and evaluation to satisfy the needs of users and producers.

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1. Introduction

The Bureau of Statistics has embarked on a programme of quarterly economic or enterprise surveys on medium and large-scale enterprises, namely: Wholesale and Retail Trade, and Survey of Performance of Manufacturing Sector. The latter's report focuses on the following topics: type of establishment; legal form; type of ownership; employment; sex of employees; industry; and remuneration (wages and salaries).

The quarterly survey provides estimates on various variables of interest in the medium and large manufacturing activities. Employment in manufacturing sector in Lesotho has mainly been dominated (about 80 percent) by "Textiles and Clothing" industry throughout the years. "Leather and Footwear", "Food and Beverages" and "Other Manufacturing" are also playing a notable role in the manufacturing sector however, they still have a very low constant absorptive capacity.

2. Methodology

Information on manufacturing is collected through the Industrial Survey, which covers establishments engaged in the manufacturing and transformation of semi-finished products. The survey is undertaken on a quarterly basis. The distribution and collection of self-administered questionnaires to and from individual establishments is done through emails or hand delivered. The exercise (data collection; distribution and collection) is done within the first two weeks of the start of the following quarter. Follow-ups are made, usually through telephone calls and emails.

2.1 Scope and Coverage

The industrial survey covers medium and large-scale establishments engaged in manufacturing activity on a quarterly basis, in all districts. The medium and large manufacturing establishments are classified using the following: employed person's numbers, ranging from 10 to 49 and 50 or more respectively. In addition, such establishments must have been in operation continuously for at least six months. However, due to the size threshold (medium and above) on the sample, data is only collected in six districts namely: Botha-Bothe; Leribe; Berea; Maseru; Mafeteng; and Mohale's Hoek.

All the establishments engaged in production, packaging and transforming of goods are grouped (classified) in accordance with International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC, Rev 4).

3. Findings

The findings of the study shed light on various aspects of the surveyed establishments. By examining the type of establishment; legal form; type of ownership; employment; sex of employees; industry; and remuneration (wages and salaries), the study aims to capture a holistic understanding of the economic landscape. In addition, the study includes an analysis of commodity export destinations.

As stated by Statistical Act of 2001, confidentiality and anonymity are paramount to data dissemination, so the report has classified the industries into four categories: "Food & Beverages", "Textiles & Clothing", "Leather & Footwear" and "Other Manufacturing". "Other

Manufacturing” is a composition of the following economic activities; manufacturing of cook stoves, cement blocks, clay bricks, plastic products, corrugated boxes, furniture, low voltage electric breakers, printing works, petroleum products (e.g. petroleum jelly, candles, etc.), and assembling and transformation of aluminum inputs into aluminum products (windows and doors).

3.1 Type of Establishments

According to Table1, about nine in every ten establishments in Lesotho were Single Enterprises (89.9 percent) in the first quarter of 2026.

Table 1: Percentage Distribution of Establishments by Type of Establishment – 2026 First Quarter

Establishment Type	Percent
Single Enterprise	89.9
Division (Branch)	10.1
Total	100

3.2 Legal Form of the Establishment

The legal form of a company is the legal designation used to identify the establishment according to the local, regional, or international laws governing it. This is normally denoted by abbreviations at the end of the official name, such as PTY and LTD (Proprietary Limited, and Limited respectively), which is referred to as the status of company’s liability. The results show that most manufacturing businesses in Lesotho were categorised as “Private Limited” companies, accounting for 98.5 percent. On the other hand, Public Limited Company had a share of 1.5 percent.

Table 2: Percentage Distribution of Establishments by Legal Form – 2026 First Quarter

Legal form of Establishment	Percent
Individual Proprietorship	0.0
Partnership	0.0
Private Limited Company	98.5
Public Limited Company	1.5
Statutory/board/Parastatal	0.0
Total	100.0

3.3 Ownership Status

Ownership of the establishments is vital in policy formulation and planning, especially in determining the origin of the product. In the manufacturing sector, most establishments were fully foreign-owned, accounting for 63.8 percent, as presented in Table 3. “Fully National Private” establishments constituted 21.7 percent while those with shares exceeding 50 percent on national ownership accounted 7.2 percent.

Table 3: Percentage Distribution of Establishments by Ownership Status– 2026 First Quarter

Ownership Status	Percent
Fully National, Private	21.7
Fully National, Public	0.0
Fully Foreign	63.8
More than 50% National	7.2
More than 50% Foreign	4.3
50% National and Foreign	2.9
Total	100

Table 4 depicts percentage distribution of establishments engaged in only “Textiles and Clothing” by ownership status. The vast majority (65.2 percent) of textile and clothing businesses in Lesotho were foreign owned, with only a small fraction (21.2 percent) owned by Basotho nationals.

Table 4: Percentage Distribution of Establishments in Textile and Clothing by Ownership Status – 2026 First Quarter

Ownership Status	Percent
Fully National Private	21.2
Fully National Public	0.0
Fully Foreign	65.2
More Than 50% National	7.6
More Than 50% Foreign	4.5
50% National & Foreign	1.5
Total	100

3.4 Employment in the Manufacturing Sector

Employment refers to the total number of people engaged or having an employment contract by/with the establishment, as on the last day of the quarter (or monthly). In this instance, the individuals classified as employees must have satisfied the following:

- a) permanently employed person and temporary wage earner.
- b) working members of a co-operative; and
- c) working proprietors and unpaid family workers.

Table 5 presents an overview of the total number of people engaged in the manufacturing sector from the first quarter of 2025 up to the corresponding quarter of 2026. The number of employees in the first quarter of 2026 declined by 4.2 percent from the previous quarter. The drop was impacted by the withdrawal of casual workers that were involved during the festive season in some sectors:).

On an annual basis, the manufacturing sector also experienced significant decline in employment, with an 8.9 percent decrease in the first quarter of 2026 compared to the previous year. At the industry level, “Other Manufacturing” had embedded the most, with

10.6 percent reduction, followed by Leather & Footwear constituting 2.4 percent annual contraction.

Table 5: Employment by Year, Quarter and Industry (2025:1– 2026:1)

Industries						
Year	Quarter	Food & Beverages	Textiles & Clothing	Leather & Footwear	Other Manufacturing	Total
2026	1	1,084	29,991	1,353	1,823	34,251
2025	4	1,079	31,488	1,352	1,831	35,750
	3	1,054	29,706	1,390	1,810	33,960
	2	1,136	30,024	1,364	1,856	34,380
	1	1,005	29,169	1,386	2,040	37,600
Quarterly (%)		0.5	-4.8	0.1	-0.4	-4.2
Annually (%)		7.9	2.8	-2.4	-10.6	-8.9

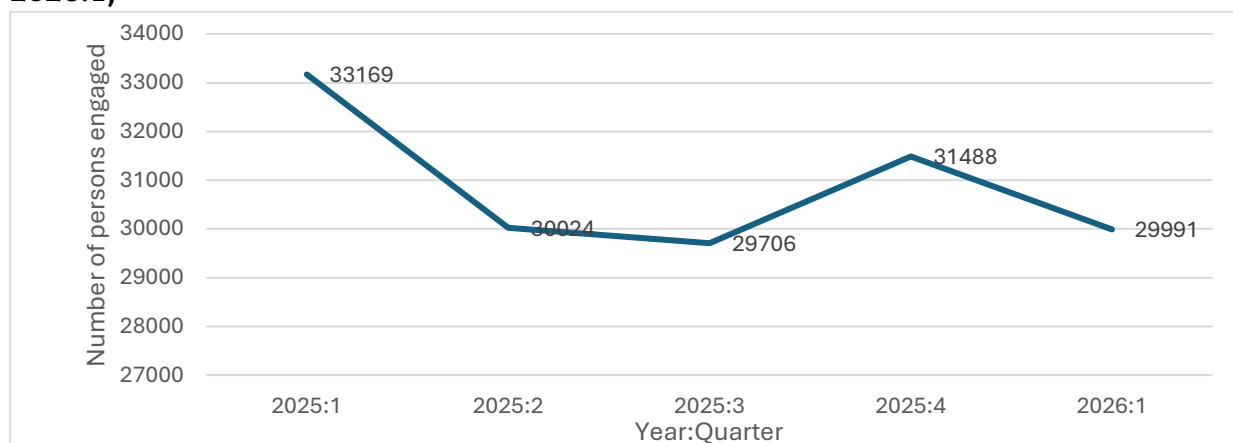
2025:1 refers to 1st quarter of 2025 and 2026:1 refers to 1st quarter of 2026

Figure 1 illustrates employment trends in the textiles and clothing industry over the observed period. The pattern of the graph indicates employment volatility, suggesting that the sector is sensitive to trade dynamics. Employment decreased by 10.5 percent from the first quarter to the second quarter of 2025. During this period, involvement of short-time workers in this period contributed significantly to labour engagement in the textiles and clothing sector.

However, as the year progressed, employment further declined by 1.1 percent between the second and third quarters of 2025. This employment reduction indicates inconsistency of markets availability to the businesses. This reduction in employment can be attributed to business closures resulting from reduced and weakening orders from buyers, as well as an increased reliance on short-term employment contracts.

In contrast, the textile and clothing sector showed an upward trend in labour engagement from the third to the fourth quarter of 2025. This increase is likely linked to seasonal factors, particularly during the festive period, when many permanent employees take leave. As a result, firms tend to engage more casual workers to maintain production levels. As the year 2026 starts it reveals the different scenarios over the previous quarter, whereby employment engagement drops by 4.8. This shows a negative economic contribution in the industry.

Figure 1: Number of Persons Employed in “Textiles and Clothing” by Year and Quarter (2025:1 - 2026:1)



3.4.1 Share of Industrial Employment

In this subsection, the focus is the share of industries to total employment within the manufacturing sector. The share of each industry is determined by dividing the total number of people employed in that industry by the total number of people employed in the entire manufacturing sector.

Table 6 presents a percentage share of industries in total employment by quarter, covering the period from the first quarter of 2025 to the same quarter of 2026. The table reveals that the “Textiles & Clothing” industry consistently dominated employment in the manufacturing sector, accounting for 85.1 percent on average in the first quarter of 2026. This trend underscores its position as the primary employer in the sector across recent quarters. On the other hand, the “Food and Beverages” industry accounted the lowest share, with an average proportion of approximately 3 percent during this period.

Table 6: Percentage Share of Industries to Total Employment by Industry and Quarter (2025:1 - 2026:1)

Industries	2025:1	2025:2	2025:3	2025:4	2026:1
Food & Beverages	2.7	3.3	3.1	3.0	3.0
Textiles & Clothing	88.2	87.3	87.5	88.1	85.1
Leather & Footwear	3.7	4.0	4.1	3.8	3.8
Other Manufacturing	5.4	5.4	5.3	5.1	8.1
Total	100	100	100	100	100

3.4.2 Employment by Sex

This section presents the distribution of employment in the manufacturing sector by sex and employee type. The employee types are categorised as follows: Managers; Other Employees (including professionals, technicians, and elementary occupations, etc.); and “Part Time” employees (casual).

According to table 7, in the first quarter of 2026, the manufacturing sector saw a higher representation of females (74.4 percent) compared to males (25.6 percent). In addition, other

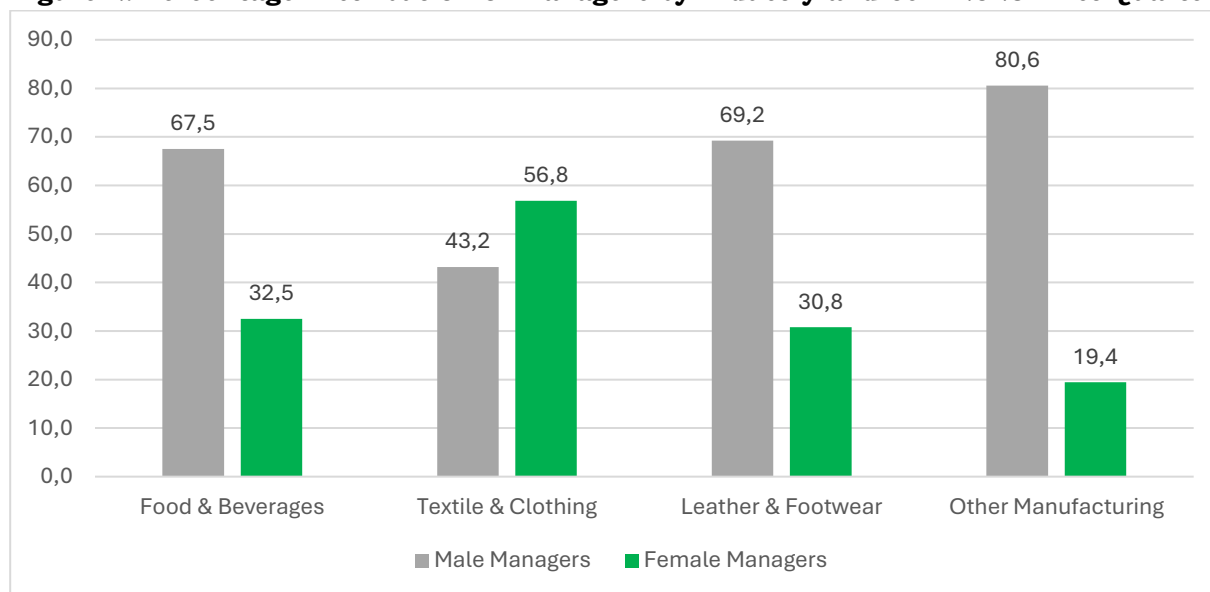
employees and part time jobs positions were primarily held by females with 75 percent and 76.6 percent respectively. In like manner, at the managerial level, male employees held a majority, representing 54.2 percent, while their female counterparts accounted 45.8 percent.

Table 7: Percentage Distribution of Employee by Type and Sex - 2026 First Quarter

Employee Type	Males	Females	Total
Managers	54.2	45.8	100
Other Employees	25.0	75.0	100
Part Time Employees (Casual)	23.4	76.6	100
Total	25.6	74.4	100

Figure 2 illustrates the distribution of managers by industry and sex, showing the percentage share of male and female managers across the manufacturing industries. Male managers predominated in the Food and Beverages, Leather and Footwear, and Other Manufacturing industries, accounting for more than 65 percent of managerial positions in each industry. In contrast, the Textile and Clothing industry exhibited a different pattern, with female managers outnumbering their male counterparts, reflecting a higher representation of women in managerial positions within the industry.

Figure 2: Percentage Distribution of Managers by Industry and Sex -2026 First Quarter



3.5 Wages and Salaries in the Manufacturing Sector

This section presents the wages and salaries paid to employees in the manufacturing sector. Wages and salaries refer to the remuneration payable to employees, generally on a monthly basis, in return for the services they render.

Table 8 presents wages and salaries by year, quarter, and industry, highlighting the changes between the first quarter of 2025 and the first quarter of 2026. On a year-on-year basis, wages

and salaries in Lesotho's manufacturing sector declined by 24.4 percent in the first quarter of 2026. The largest decline was recorded in the Textile and Clothing industry, where wages and salaries fell by 30.6 percent, followed by the Leather and Footwear industry, which recorded a 10 percent decline compared with the corresponding quarter of the previous year. Most other manufacturing industries also experienced reductions in wages and salaries over the same period.

On a quarter-on-quarter basis, wages and salaries declined by 28.4 percent in the first quarter of 2026 compared with the fourth quarter of 2025. All manufacturing industries recorded decreases during the period, with the Textile and Clothing industry experiencing the largest decline of 33.6 percent. The overall reduction was primarily attributable to the absence of festive season remuneration, including bonuses, overtime payments, and 13th cheque payments that had increased earnings in the preceding quarter.

Table 8: Wages and Salaries ('000 Maloti) by Year, Quarter and Industry (2025:1-2026:1)

Industries						
Year	Quarter	Food Beverages	& Textile Clothing	& Leather Footwear	& Other Manufacturing	Total
2026	1	30,438	200,667	20,171	27,185	278,462
2025	4	30,480	302,291	26,426	29,562	388,759
	3	30,489	229,456	26,434	28,997	315,376
	2	30,804	301,930	24,417	27,925	385,076
	1	30,623	289,252	22,420	26,164	368,459
Quarterly (%)		-0.1	-33.6	-23.7	-8.0	-28.4
Annually (%)		-0.6	-30.6	-10.0	3.9	-24.4

3.6 Average Monthly Wages and Salaries

This section presents the average monthly earnings of employees in the manufacturing sector. The average monthly earnings were calculated by dividing the total quarterly wages and salaries by three to obtain the average monthly remuneration and then dividing this amount by the total number of employees.

Table 9 presents the average monthly earnings by year, quarter, and industry, with emphasis on the changes observed in the first quarter of 2026 compared with the corresponding quarter of 2025. Overall, the manufacturing sector recorded a 17 percent year-on-year decline in average monthly earnings, with the average monthly wage falling to M2,710. Most manufacturing industries experienced declines in average monthly earnings during the period. The only exception was the Other Manufacturing industry, which recorded an annual increase of 16.3 percent.

On a quarter-on-quarter basis, average monthly earnings declined by 21.4 percent between the fourth quarter of 2025 and the first quarter of 2026. All manufacturing industries recorded decreases in average monthly earnings over the period. This decline was primarily attributable to the absence of festive season remuneration, including bonuses and 13th cheque payments, which had increased employee earnings in the fourth quarter of 2025.

Table 9: Average Monthly Wages and Salaries (current Maloti) by Year, Quarter and Industry (2025:1-2026:1)

Industries		Food & Beverages	Textiles & Clothing	Leather & Footwear	Other Manufacturing	Average Wages
Year	Quarter					
2026	1	9,360	2,230	4,970	4,971	2,710
2025	4	9,416	3,200	6,515	5,381	3,446
	3	9,642	2,575	6,339	5,340	3,096
	2	9,039	3,171	5,967	5,015	3,733
	1	10,157	2,906	5,392	4,275	3,266
Quarterly (%)		-0.6	-30.3	-23.7	-7.6	-21.4
Annually (%)		-7.8	-23.3	-7.8	16.3	-17.0

Note: Average monthly wages have been derived by dividing the total quarterly wage bill by three and then dividing by the total number of employees. Variations in monthly wages reflect variations in wage rates as well as variations in hours worked.

3.6.1 Wages and Salaries by Months

This subsection examines monthly wages and salaries to assess the performance of the manufacturing sector during the first quarter of 2026. Table 10 presents the percentage distribution of wages and salaries by industry and month, highlighting the monthly pattern of employee remuneration from January to March.

Overall, the distribution of wages and salaries remained relatively stable during the quarter, with each month accounting for approximately one-third of the total remuneration, indicating a consistent payment pattern across the quarter. However, January recorded a relatively lower share of wages and salaries in most industries. This may be attributed to the higher remuneration paid in December 2025, when employees received festive season-related payments such as bonuses and overtime allowances, resulting in comparatively lower wage payments in January.

At the industry level, the Leather and Footwear industry recorded the lowest share of wages and salaries in January, accounting for less than 20 percent of its quarterly total. In contrast, the industry's wage share increased to above 30 percent in both February and March. Similarly, the Textile and Clothing industry recorded monthly wage shares of over 30 percent during the latter two months of the quarter, reflecting a more even distribution of remuneration after the lower payments recorded in January.

Table 10: Percentage Distribution of Wages and Salaries (In Maloti) by Industry and Months

Industries	January	February	March	Total
Food and Beverages	31.8	30.9	37.3	100
Textile and Clothing	30.5	36.2	33.3	100
Leather and Footwear	16.3	39.9	43.8	100
Other Manufacturing	29.5	36.2	33.4	100
All Industries	28.5	34.7	33.4	100

4. Summary

Total employment in the manufacturing sector declined by 4.2 percent in the first quarter of 2026 compared with the previous quarter. This decline was mainly attributable to the disengagement of casual workers who had been employed during the festive season.

The Textile and Clothing industry exhibited a persistent downward trend in employment from the first quarter of 2025 through the first quarter of 2026. This continued decline reflects sustained workforce reductions within the industry over the period.

During the first quarter of 2026, total wages and salaries in the manufacturing sector declined significantly by 28.4 percent compared with the previous quarter, with the average monthly wage falling to M2,710. All manufacturing industries recorded reductions in wages and salaries, with the Textile and Clothing industry registering the largest decline of 33.6 percent. Similarly, average monthly earnings decreased by 21.4 percent over the same period. These declines were largely driven by the absence of additional remuneration packages, such as festive season bonuses and overtime payments, that had been paid during the previous quarter.

On a year-on-year basis, wages and salaries in the manufacturing sector decreased by 24.4 percent in the first quarter of 2026. This contraction was driven by declines across most manufacturing industries, apart from the Other Manufacturing industry, which recorded a 3.9 percent increase compared with the corresponding quarter of 2025.