

No. 48070

**South Africa
and
Lesotho**

Memorandum of Understanding between the Government of the Republic of South Africa and the Government of the Kingdom of Lesotho on economic co-operation. Maseru, 12 August 2010

Entry into force: *12 August 2010 by signature, in accordance with article 8*

Authentic text: *English*

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**Afrique du Sud
et
Lesotho**

Mémorandum d'accord entre le Gouvernement de la République sud-africaine et le Gouvernement du Royaume du Lesotho relatif à la coopération économique. Maseru, 12 août 2010

Entrée en vigueur : *12 août 2010 par signature, conformément à l'article 8*

Texte authentique : *anglais*

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[ENGLISH TEXT – TEXTE ANGLAIS]

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF
SOUTH AFRICA

AND

THE GOVERNMENT OF THE KINGDOM OF
LESOTHO

ON

ECONOMIC CO-OPERATION

PREAMBLE

The Government of the Kingdom of Lesotho, through its Ministry of Trade and Industry and the Government of the Republic of South Africa, through its Department of Trade and Industry (hereinafter referred to as the “DTI”), Cooperatives and Marketing (hereinafter referred to as “MTICM”) (hereinafter jointly referred to as the “Parties” and separately as a “Party”),

HAVING attended bilateral meetings and high-level consultations between the Ministers of Trade and Industry of both Parties;

DESIRING to further strengthen and deepen the friendly and historical relations which prevail between the Government of the Republic of South Africa (hereinafter referred to as “South Africa”) and the Government of the Kingdom of Lesotho (hereafter referred to as “Lesotho”);

COGNISANT of the significant economic challenges and opportunities arising and consequential to the evolving regional economic integration and emerging new global order;

DETERMINED to find new approaches and strategies of consolidating, expanding and deepening areas of economic development, industrial and trade co-operation between South Africa and Lesotho, with specific focus on economic empowerment which will be firmly guided by the principles of national sovereignty, opportunities to implement world class projects, and of win-win outcomes;

WISHING to promote investments, industry and trade co-operation between South Africa and Lesotho on equitable terms;

DESIROUS to facilitate the realization of increased flow of investments and the enhancement of trade and industry co-operation including institutional co-operation;

HEREBY AGREE as follows:

ARTICLE 1
COMPETENT AUTHORITIES

The Competent Authorities responsible for the achievement of this Memorandum of Understanding shall be -

- (a) in the case of South Africa, the “DTI”; and
- (b) in the case of Lesotho, the “MTICM”.

ARTICLE 2
INDUSTRIAL CO-OPERATION

- (1) With a view to generally promote industrial co-operation, the Parties agree that the DTI shall sensitise potential investors who are residents of the Republic of South Africa that are willing and capable of establishing, completing or rehabilitating *inter alia* the following projects:
 - (a) energy projects;
 - (b) mining projects;
 - (c) transport and Communications Infrastructure projects;
 - (d) agro-processing projects;
 - (e) tourism projects;
 - (f) commercial farming projects;
 - (g) processing of natural resources; and
 - (h) pharmaceuticals.
- (2) In line with the high priority that Lesotho accords to the revival and subsequent establishment of a world-class textile industry, and the mutual desire of MTICM and the DTI to co-operate in the development of the cotton industry in Lesotho, the Parties agree that the DTI and MTICM shall jointly intensify efforts to search for investors in the cotton and textile industries.

- (3) The MTICM shall continue to identify other existing industrial enterprises, projects and project ideas that could be of interest to investors in the Republic of South Africa and shall make available to the DTI all relevant general and detailed information for use in promoting those enterprises, projects and project ideas in the Republic of South Africa.

ARTICLE 3

TRADE CO-OPERATION

- (1) The MTICM and the DTI shall intensify efforts to promote trade between their two countries, with a view to expanding the volume of trade and reducing the trade imbalance which is currently in favour of the Republic of South Africa.
- (2) In order to take advantage of the existing vast trade opportunities in both countries, the MTICM and the DTI shall -
 - (a) Sensitise encourage and assist trade operators to undertake joint trade promotional activities including, but not limited to, participation in the national and international trade fairs organised in both countries, mounting of solo exhibitions, and closer co-operation between the Chambers of Commerce of the two countries;
 - (b) strive to promote tariff reduction measures in line with the provisions of the SADC Protocol on Trade; and
 - (c) make an effort to exchange information relating to economic sectors and trade as well as the domestic law applying to trade in each country.

ARTICLE 4

TECHNICAL CO-OPERATION

- (1) The MTICM and the DTI shall, in partnership, endeavour to develop industrial and technological co-operation between private sector enterprises and organisations of both countries in the fields of, but not limited to -