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The Parliament of Lesotho

Statement of Objects and Reasons of the Industrial Licensing Act, 2014

(Circulated by the authority of the Minister of Trade and Industry, Cooperatives and Marketing)

The Licensing regime for the manufacturing activities under the Industrial Licensing Act No. 27 of 1969 has proven to be too long and cumbersome, time consuming and costly in business terms and as such a barrier to investment. To create an enabling environment that facilitates manufacturing activities and investment in Lesotho there was a need for the review of the 1969 Act.

The purpose of the Industrial Licensing Bill, 2014 is to facilitate and promote industrial development and small, micro and medium enterprises (SMMES) through a new regulatory regime which is simple, short, cost effective and responsive to the needs of investors. The licensing powers are vested on the Director of Industry, this makes the licensing procedure short and simple which consequently will save time and money for the investors as applications will be considered as soon as they are lodged.

The Bill encourages SMME development by providing a possibility of different licence fees for SMMEs. Further, the Minister is empowered to exempt some business categories from the application of the Act whereby the Minister could use such powers in favour of SMMEs. This will promote entrepreneurship and creation of private wealth as the SMMEs will be able to operate easily and without too much regulation.