



**RWANDA:
A STRATEGIC LOCATION FOR DOING
BUSINESS IN EAST AND CENTRAL AFRICA**

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September 2014

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I.

**Moving from hopelessness to
hopefulness**

After the 1994 genocide: Rwanda was a place of Chaos and Hopelessness

In 100 days (From April to July 1994):

- Rwanda lost one million people (15% of her population);
- Hundreds of thousands made orphans, widows, widowers;
- Entire surviving population displaced (internally or as refugees);
- All socio-economic infrastructures destroyed;
- Central and local administrations had collapsed;
- Perpetrators of genocide busy reorganizing and rearming in refugees camps, and ready to pursue their destructive activities;
- **Entire population traumatized and in despair;**

➔ **Many around the world expected Rwanda to become a permanently failed state!**

20 Years after the genocide: Rwanda has been transformed into a Place of Order and Hopefulness

- ▶ **Rwanda is a thriving, united, reconciled, peaceful and safe country;**
- ▶ **Rwanda is among top 20 fastest growing economies in the world and on course to achieve all MDGs;**
- ▶ **Rwanda leads the World in Women Empowerment;**
- ▶ **Rwanda is an active member of the International Community: 6th contributor of UN Peacekeepers;**
- ▶ **Kigali, as a clean and green city, with the lowest crime of any capital city in the region; Winner of UN Habitat Award (2008) the highest award for an urban area, is representative of this turnaround**



Zero tolerance for corruption

Key factors for this quick turnaround

1. We had a strong, visionary, inspirational and pro-people leadership, which does what it says;
2. Innovative leadership that thinks out of the box leading to innovations such as: Gacaca, Imihigo, Umuganda, Ubudehe, etc.;
3. Leadership that is disciplined in pursuing our vision (2020) and its implementation plans (EDPRS);
4. A people who believe in their self-worth, convinced that they can achieve what other peoples have achieved, i.e. peace, stability and development;
5. Support to our vision and development plan from partners and friends, but we remained in the driving seat.

II.

**Why should you do business / invest in
Rwanda?**

Rwanda enjoys a good economic growth and stability

- Rwanda's economy has grown at an average real GDP of 8% for the last 10 years (2004 -2013) and is among the 20 fastest growing economies in the world;
- Inflation has declined since 2008, due to improved domestic food production & prudent management of fiscal and monetary policies. **Average inflation rate is 3%;**
- Fitch and S&P recently upgraded Rwanda's credit outlook **to B+** due to a track record of prudent and coherent fiscal & monetary policies. (2014);
- The service sector is the country's largest by economic output: 50% of total GDP in 2013. Agriculture accounts for 34% and Industry for 16%.

Rwanda has an extremely conducive business environment:

- **32nd** out of 189 countries and **2nd** in Africa (World Bank Doing Business 2014);
- Rwanda is the **9th** easiest in the world to start a business - you can register a company in 6 hours (even online).
- Best global reformer (World Bank Doing Business Report 2014)
- Most competitive place to do business in East Africa and **2nd** in Africa, after Mauritius. (WEF Global Competitiveness Index 2013)
- Most competitive place to do business in East Africa and **3rd** in Africa (Global Competitive Index Report 2013-2014)
- **7th** best destination for investments after Botswana, Hong Kong, Taiwan, Qatar, Singapore, India (Baseline Profitability Index (BPI) 2014, by Foreign Policy Magazine)

Rwanda is an ideal location for accessing the huge markets of East and Central Africa

- Rwanda is a member of the East African Community - EAC (142 Million people), the Common Market of East and Southern Africa - COMESA (400 Million people) and Economic Community of Great Lakes Countries – CEPGL (90 Million) – all these have achieved various levels economic integration with free movement of people and goods;
- The middle class is growing at an average of 20% in Rwanda and the region;
- Rwanda is in the heart of Africa and uses both English and French languages and can serve as a hub of a rapidly integrating region.

Rwanda offers attractive incentives for investors

- **Duty free importation** of machinery and equipment as well as of raw materials
- **Investment allowance**- Accelerated depreciation
- **No restriction on repatriation** of capital & profits
- **100% write off** on R&D costs
- **Additional fiscal incentives** in strategic sectors (e.g. energy, ICT)
- **Work permits**
- Further, as an **EAC custom union member**, Rwanda has **Duty free importation** for EAC products due to the Common external tariff

Rwanda has a growth ambition for becoming Middle Income Country (VISION 2020)

OBJECTIVES

Rapid economic growth



Increased growth in all sectors



Structural shift of the economy



Close the external trade balance



TARGETS

- Avg. GDP growth from 8% to 11.5%
- GDP per capita from \$644 to \$1240

- Agriculture 5.8% to above 8.5% p.a.
- Industry 8.8% to above 14% p.a.
- Services 10.5% to above 13.5% p.a.

- Agriculture from 34% to 25% of GDP
- Industry : 16% to 20% of GDP
- Services: 50% to 55% of GDP

- Exports: Increase avg. growth from 19.2% to 28% p.a.
- Imports: Maintain 17% p.a. avg. growth

III.

Examples of some investment projects

ENERGY

CURRENT SITUATION

- Total installed generation capacity of **119MW**.
Need to increase to 563MW by 2017
- **Need to increase the connectivity from 20% to 70% by 2017**

POSSIBLE ENERGY SOURCES

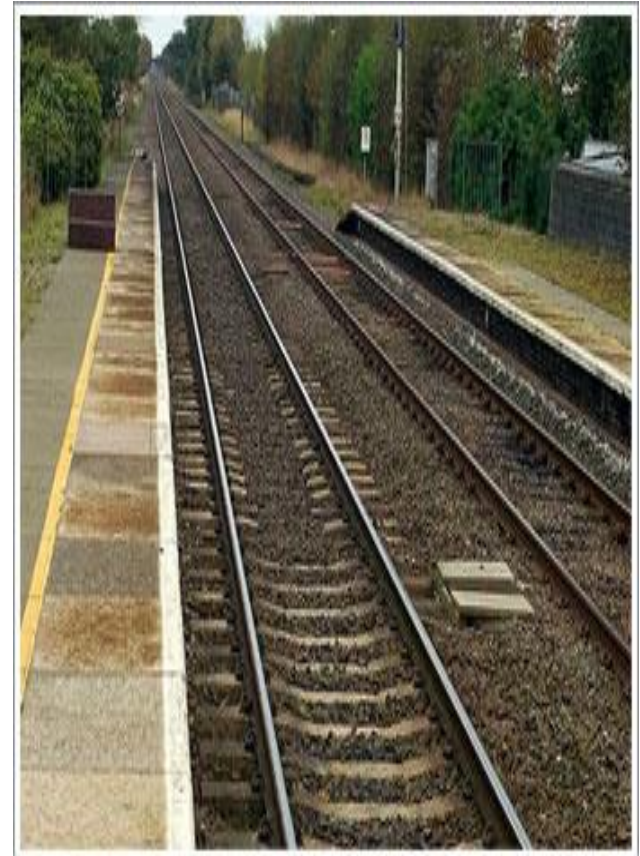
- Hydro-power (various sites for micro to mini hydro-power) generation;
- Methane gas;
- Geothermal energy;
- Solar;
- Peat to power



INFRASTRUCTURE

MOMBASA – KAMPALA – KIGALI RAILWAY

- **Responsible Agency-** MININFRA
- **Project cost.** \$3.5billion
- **Project description:** Railway linking 3 countries Kigali – Kampala (Uganda) - Malaba – Mombasa (Kenya)
- **Financing model:** PPP
- **Status:** Feasibility and designs to be completed by end 2014



INFRASTRUCTURE

Eldoret-Kampala-Kigali Oil Pipeline

- **Responsible Agency-** Mininfra
- **Project cost.** \$402 Million
- **Project description:** EAC flagship project to ease the transportation of oil and petroleum products from Kenya to Kigali through Kampala.
- **Financing model:** PPP
- **Status:** Kampala–Kigali feasibility study underway, with final findings expected end 2014



LOGISTICS

KIGALI LOGISTICS PLATFORM PROJECT

- **Responsible Agency:** MINICOM
- **Cost:** \$28 million – Phase 1
- **Description:** Project to consolidate all logistics services in a single location with key logistics facilities.
- **Financing model:** PPP model (serviced land to be provided by GoR).



REAL ESTATE AND CONSTRUCTION

- Leading contributor to GDP (15%).

Investment Opportunities

- Huge demand for residential & commercial housing (344,068 dwelling units needed to meet the current housing needs).
- CBD- fully serviced land available for mixed use-commercial complexes and shopping malls.
- Huge demand for affordable housing to cater for the growing middle class (186,163DU).
- High demand for **construction materials** due to growing construction industry.



CONSTRUCTION MATERIALS

STEEL PRODUCTS

Steel building products worth over \$81million were imported in 2012. (hollow sections, rolled steel plates, accessories such as gutters, ridges, wire meshes, etc.)

ELECTRICAL CABLES

No local manufacturers, but high demand (imports were \$ **28 million** in **2011**). Demand for cables is projected to exponentially.

SHEET GLASS

Float and architectural glass for building construction is mostly imported, yet Rwanda has huge deposits of the major raw materials required for float glass manufacture (Silica sand, Dolomite, Limestone and Felds path clay).



TOURISM

➤ Leading foreign exchange earner- generated **\$293.6M** in 2013 :

➤ **Unique assets:** Mountain Gorillas, Diverse bird species, diverse primate species, game reserves, Equatorial forest, furthest source of the Nile, etc.

➤ **Major International brand hotels:** Marriott, Radisson Blue, Radisson by Park Inn, Sheraton, Protea, Kempinski.

➤ **Growing Conference Tourism:** Potential to be the conference tourism hub of East Africa once Kigali Convention Centre is operational;

➤ **Easy access:** East Africa single tourist visa launched in January 2014.



TOURISM

SOME INVESTMENT OPPORTUNITIES

Hot Springs Eco-resort

Value of project: \$40 M

Size of property: 12.5 Ha

Access & Transport: Gisenyi, 3hr drive from Kigali or 20mins flight to Rubavu Airport

Attractions: L. Kivu, Mountain Gorillas, Congo Nile Trail, hiking and trekking trails.

Karongi Golf Resort

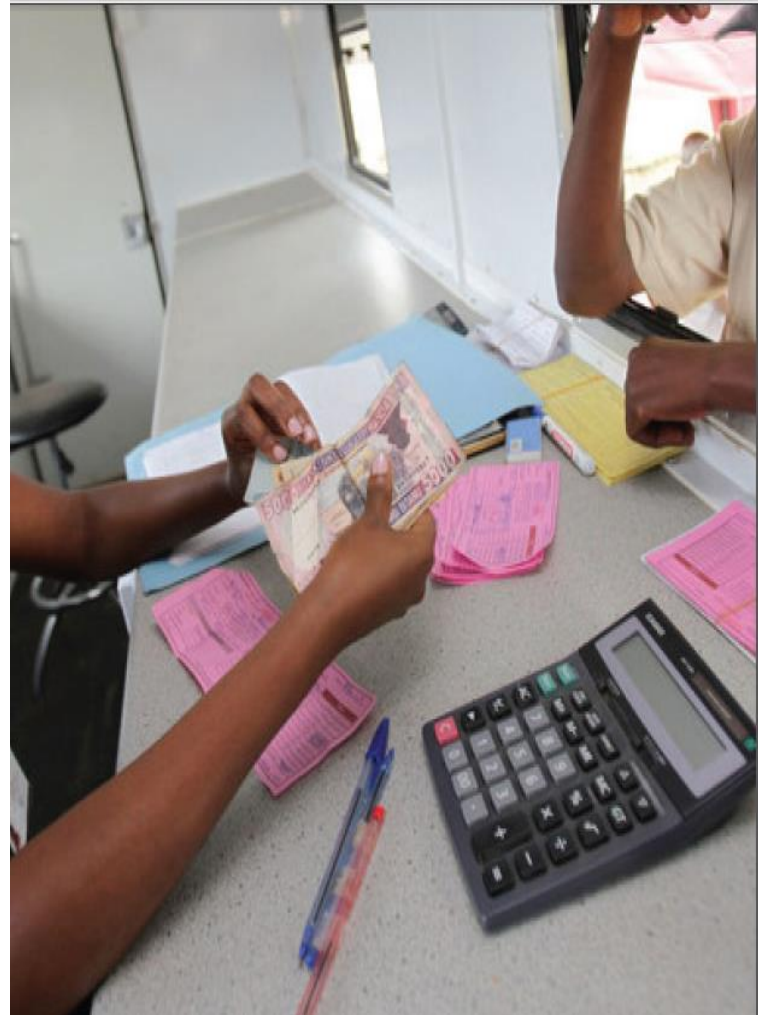
Value of project: US \$ 100–152 M

Access & Transportation: The site is only a 2hr drive away from Kigali. **Infrastructure and Utilities :** Water supply, stable power grid.

Attractions : Congo Nile Trail, Environment Museum, caves, flora and fauna, hiking and trekking trails, Lake Kivu and its surrounding islands



Rwanda's Investment Opportunities



Financial Services

- Rwanda aims to be a financial hub in the region.
- 58% of Rwandans have no access to financial services
- Return on Equity 10.9 %

Opportunities in:

- Investment banking services,
- Provision of life policies and other innovative assurances schemes;
- Fund management including private equity, fund of funds, wealth management, etc.

Rwanda's Investment Opportunities



Business Process Outsourcing

- The Rwanda has one the best IT Infrastructure in Sub-Saharan Africa with a Fiber Optic National Backbone reaching all major trading and administrative centers, a first class Data Center and skilled IT labor force → **Rwanda is ready to become a major BPO Center in Africa.**

Opportunities in:

- Financial and accounting services;
- Middle / back office; call centers;
- Human resources related services;
- Etc.

Rwanda's Investment Opportunities



Agribusiness Opportunities:

- **Food processing** for domestic & international markets.
- **Coffee-Washing** and roasting opportunities
- **Dairy farming** and milk processing (UHT milk for export)
- **Textile:** Growing sericulture sector supported by the Government of Rwanda through the National Sericulture Center (NSC) to promote the silk industry.



Horticulture / Flower Park

- Aim: develop a 200 ha flower park
- Expected to produce over 95 million stems
- Export potential to EAC, Europe and others
- Looking for investors; US\$ 21 million
- Feasibility study completed

MINING

- A leading foreign exchange earner, mining contributes significantly to the Rwandan economy. In 2013 export revenues were \$226.2M.



Investment opportunities in:

- Mineral Exploration Opportunities in the identified 21 prospective target areas
- Value Addition- Establishing processing plants to smelt ores.
- Mining & Mineral Trade in:
 - Tin, Tungsten and Coltan- details, volumes (exports and usage)
 - Gemstones. A variety of gemstones including beryl, and corundum
 - Industrial Minerals (silica sands, limestone, talcum, etc.)



Rwanda's Investment Opportunities

Other Sectors of opportunity

EDUCATION

HEALTHCARE

INFRASTRUCTURE

MANUFACTURE

And more...

For more information contact:
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RDB is the government agency, with a private sector mindset, charged with fast-tracking economic development of Rwanda. **RDB is:**

- **The Information hub for investors – Investment Promotion team**
- **The link to the right people**
- **The One Stop Centre for starting a business**
- **The Facilitator for business implementation – Aftercare team**

An aerial photograph of a lush, green landscape featuring rolling hills and terraced fields. A winding dirt road or path cuts through the fields, and a small cluster of buildings is visible in the middle ground. The sky is clear and blue.

Thank You!

Arigato Gozaimasu!