BUSINESS OPPORTUNITIES IN RWANDA

FACT PACK

2017
Business Sweden in Nairobi
RWANDA IS A RELATIVELY SMALL LANDLOCKED COUNTRY

BASIC FACTS

- Population: 11.6 million (2015)
- Area: 26,338 km²
- Capital: Kigali
- Currency: Rwandan franc (RWF)
- Languages: Kinyarwanda, English and French
- GDP: USD 8.1 billion (2015)
- Inflation: 2.5% (2015)
- Imports: USD 1.9 billion (2015)

MAP OF RWANDA

SOURCE: EUROMONITOR INTERNATIONAL, CIA FACT BOOK, IMF, KOMMERSKOLLEGIUM, WORLD BANK, WORLD INTEGRATED TRADE SOLUTION
RWANDA HAS MADE SIGNIFICANT ECONOMIC PROGRESS AFTER THE GENOCIDE

Independence
- Rwanda becomes independent from Belgium

Genocide
- Genocidal mass slaughter of Tutsi in Rwanda by members of the Hutu majority government

New president & vision
- Paul Kagame is elected president
- Vision 2020 is launched, which aims to transform the country

National fibre
- Outroll of the national fibre optic network is completed

Election
- President Kagame is expected to be re-elected in the next general election

1962
- Independence

1991
- Genocide

1994
- New constitution
- New multi party constitution is promulgated

1995
- Aid to reconstruct
- 600 MUSD pledged as aid to reconstruct the country

2000
- EAC Membership
- Rwanda becomes a full member of East African Community

2007
- Euro bond
- The first Euro bond is issued signalling recovery after the genocide and increased confidence

2011
- National fibre

2013
- Election

2017

AFTER JOINING EAC, THE ECONOMIC, POLITICAL AND SOCIAL PROSPECTS OF RWANDA HAVE IMPROVED

SOURCE: BBC, WORLD BANK
RWANDA’S VISION SEeks to transform Rwanda to a middle income economy by 2020

- Rwanda’s long term development goals are embedded in the strategic plan entitled Vision 2020
- The objective is to transform the economy into a knowledge based, service oriented economy, with a middle-income status, raising income per capita from $290 to $1,240, by 2020
- The plan is centered around the below six pillars and interwoven with three cross cutting issues

- Gender equality
- Protection of the environment and sustainable resource management
- Science and technology, including ICT

- Good governance and a capable state
- Human resource development and a knowledge-based economy
- A private sector-led economy
- Infrastructure development
- Productive and market-oriented agriculture
- Regional and international economic integration

Gender equality is a key highlight for Rwanda with a representation of 64% women as members of parliament.

Sources: Ministry of Finance and Planning, Rwanda Development Board
The dominating sector in Rwanda’s economy is the service sector.

GDP contribution by sector Q3 2015 - Q3 2016

- Services: 47%
- Agriculture, Forestry & Fishing: 33%
- Industry: 14%
- Other: 6%

Characteristics of Rwanda’s economy:
- The services sector contributed 47% to the GDP, stimulated by government expenditure as a result of inflow of large foreign aid.
- Wholesale and retail trade services were the main drivers of the services sector.
- The agricultural sector employs 80% of the Rwandan workforce, with coffee and tea being the major export products, accounting for 50% of all export revenues.
- Construction is a sector that is expected to grow onward with government investments in infrastructure supported by International Finance Institutions and private investments.
- Mining is the second largest export in the Rwandan economy with the main mineral exports being tin, tantalum, tungsten, few gold and gemstones.

The government is committed towards making the service sector the primary driver towards economic growth.

RWANDA’S ECONOMY IS GROWING FASTER THAN THE AVERAGE OF SUB-SAHARAN ECONOMIES

GDP 2015-2020 ESTIMATES USD BILLION

MAIN GROWTH DRIVERS

- Rwanda’s economy is expected to grow with a CAGR of 5.6% from 2015 to 2020
- The agricultural sector is one of the key drivers behind the growth, supported by investments in the sector in combination with rising coffee and tea prices
- Good governance is expected to be a main contributor to the projected economic development
  - Rwanda is guided by the World Bank Doing Business and has from 2005 to 2017 implemented 47 reforms to improve the business climate
- Regional integration with the East Africa Community provides business opportunities and thus contributes to growth
- Future growth is expected to be driven by government investments in areas such as infrastructure development, foreign investments, the service sector and exports

PUBLIC AND FOREIGN INVESTMENTS ARE EXPECTED TO STIMULATE GROWTH THE COMING YEARS

SOURCES: RWANDA ECONOMIC UPDATE, IMF, WORLD BANK, DELLOITTE ECONOMIC OUTLOOK 2016

*CUMULATIVE AVERAGE GROWTH RATE
INFRASTRUCTURE DEVELOPMENT PROJECTS ARE SUPPORTING RWANDA'S GROWTH PLANS

Lake Kivu Methane Power Plant 2016-2018
A first of its kind facility worth USD 200 million. With this power plant natural gas will be extracted from the Lake Kivu on the national border to DRC. The plant is expected to generate 50MW.

Regional Railway Projects
The Mombasa-Kampala-Kigali railway is underway with a project value of USD 13 billion. The Dar-es-Salaam-Isaka-Kigali project is also underway, a project valued at USD 5 billion.

The National Paved Road Network
500 km of the road network is targeted for paving by 2018. Feasibility studies are also underway for a BRT system.

Rusumo Falls Hydroelectric 2013-2020
A 80MW project to increase power supply to the national grids of Burundi, Rwanda and Tanzania. Total estimated project cost amounts to USD 469 million.

Rusizi 3
A 147 MW hydropower plant meant to serve the Economic community of the great lakes countries; Rwanda, DRC and Burundi.

Airports 2014-2018
Construction of Rwanda’s third international airport (New Bugesera International airport) at a cost of USD 818 million. The airport will ease traffic at the Kigali International airport and have a capacity of 1.5 million passengers per year.

REGIONAL AND NATIONAL PROJECTS CHARACTERISE THE INFRASTRUCTURE DEVELOPMENT PROJECTS IN RWANDA

SOURCES: AFRICA DEVELOPMENT BANK; RWANDA DEVELOPMENT BOARD, WORLD BANK
SWEDISH EXPORTS TO RWANDA HAVE DECLINED WHILE IMPORTS FROM RWANDA HAVE INCREASED

SWEDISH EXPORTS TO RWANDA, 2011-2015 MSEK

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SWEDISH IMPORTS FROM RWANDA, 2011-2015 MSEK

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SWEDISH EXPORTS TO RWANDA, 2015

- Telecommunication equipment: 79%
- Other machinery and devices: 21%

SWEDISH IMPORTS FROM RWANDA, 2015

- Food, beverages and tobacco: 96%
- Manufactured goods and articles: 4%

Sources: Kommerskollegium; Business Sweden analysis
## Rwanda’s Economic Progress Provides Business Opportunities for Swedish Companies

### Transport Infrastructure
- Rwanda is a landlocked country highly dependent on road transport. The government is working towards diversifying this due to the logistical challenges experienced.
- National and regional projects are ongoing in air, rail and road transport, with continuously upcoming tenders.

### Agriculture
- Agriculture is the principal contributor of employment through subsistence in nature. Opportunities to invest in mechanisation for irrigation and large-scale farming, food processing, value addition, distribution and cold chain exist.

### ICT
- Skill development in the ICT sector is a priority for the government. There has been growth in the sector with Rwandan companies exporting services to Burundi and DRC. There are several avenues for growth.
- With 4GLTE availability, demand for advanced IT services is expected.

### Energy
- The energy sector is highly dependent on hydropower, however supply is limited. Projects are underway to diversify the sources to include geothermal, peat to power, methane gas and expand the hydropower sources.
- Opportunities for public private partnership are available.

### Mining
- Mining is the second largest export and is expanding fast with exploration for mineral deposits underway.
- The sector is characterised by investor friendly legal and policy framework.

### Tourism
- A strategy focusing on high-end eco-tourism has been developed by the government and invites private investment into developing the sector, which is a key source of foreign exchange.

### Agriculture
- The government is working towards diversification of the primary sector by encouraging mechanisation for irrigation and large-scale farming.
- Food processing, value addition, distribution and cold chain are areas with potential for investment.

### ICT
- Skill development is a priority, with growth in the sector and opportunities for advanced IT services.

### Energy
- Hydropower is the main source, but efforts are being made to diversify with geothermal, peat to power, methane gas, and expansion of hydropower sources.
- Public private partnership opportunities are available.

### Mining
- Mining is expanding with new exploration for mineral deposits.
- The sector is investor friendly.

### Tourism
- A strategy focusing on high-end eco-tourism is in place to attract private investment.

### Business Opportunities Result from Ambitious Infrastructure Upgrade Plans

SOURCE: RWANDA DEVELOPMENT BOARD; BUSINESS MONITOR INTERNATIONAL
Business Sweden's assignment is to facilitate for Swedish companies to grow internationally and for foreign investors to invest in Sweden.

We promote Sweden as an attractive, innovative and competitive business partner. An important part is to support Swedish companies in reaching export markets with their products and services.

We are jointly owned by the Swedish government and the private sector, represented by the Ministry for Foreign Affairs and the Swedish Foreign Trade Association.

Business Sweden offers a variety of consultancy services, for example the following:

- **Market Analysis**: Deepen your knowledge on local market dynamics in your sector.
- **Business Support**: We offer office space and administrative support on the ground.
- **Visiting Programme**: Searching and visiting relevant partners, e.g. distributors.
- **Recruitment**: We support in finding and recruiting the right local representatives.

Our team in Eastern Africa:

- Robin
- Theresa
- Julia
- Brenda
- Anna-Paula
- Juliet
- Niclas
- Meshack
- Olive

Business Sweden in EA can assist you further from strategic advice to hands-on establishment support.
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