

DOING BUSINESS IN RWANDA

Introduction Rwanda



Rwanda is situated in East Africa, bordered by Uganda, Tanzania, Burundi and the Democratic Republic of Congo.



Introduction Rwanda



4 PROVINCES AND KIGALI CITY



INTRODUCTION



COUNTRY OF 1,000 HILLS , LAKES AND BEAUTIFUL LANDSCAPE



Introduction Rwanda



- H.E. PAUL KAGAME , THE PRESIDENT (57 years)



Introduction Rwanda



CAPITAL CITY : KIGALI





KIGALI: GOV & BUSINESS



KIGALI



1,200,000 PEOPLE



HUYE TOWN: SOUTHERN PROVINCE



CAPITAL OF HIGHER EDUCATION AND CULTURE



RUBAVU TOWN : WESTERN PROVINCE



TOURISM AND INDUSTRY



MUSANZE TOWN: NOTHERN PROVINCE



TOURISM AND AGRICULTURE



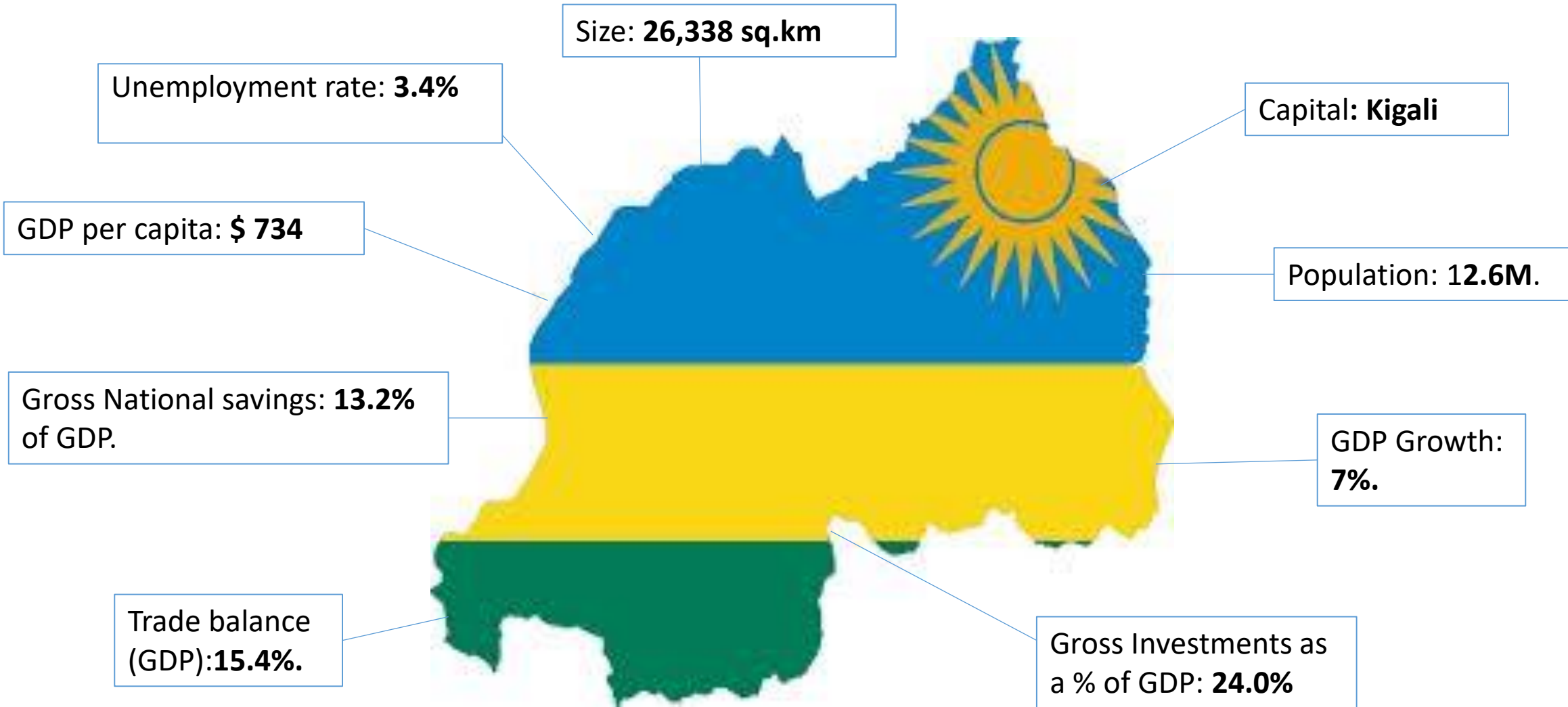
NYAGATARE TOWN : EASTERN PROVINCE



CAPITAL OF LIVESTOCK & TOURISM - AKAGERA NATIONAL PARK

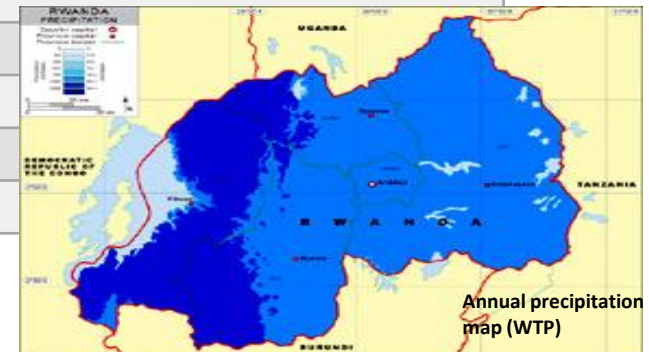


RWANDA: VITAL STATISTICS



Rwanda geography and infrastructure

Market – Rwanda	+ 12 Million people
Market – East Africa Community	+ 120 Million people
Workforce	8.5mln (Minagri 2013)
Official languages	Kinyarwanda, English, French
Administrative regions	Four Provinces and Kigali City
Altitude	Ranges from 1000-4500m (RDB)
Water surface (% of total area)	6.3% (Worldstat 2011)
Rural population with access to improved water source	68% (WB2013)
Climate 4 different climate zones:	Temperate, two rainy seasons (sep-dec, mar-jun) East-Rwandan dry and hot lowland zone Temperate zone of the central highlands Mountain climate in Virunga and Nyungwe Kivu-Sea climate in the west
Average temperature	20 – 22°C
Hottest months	August, September
Total sunshine	1800-2200 hrs/y
Annual rainfall (avg.)	78cm – 160cm



Vision 2020: Rwanda a Middle Income Country

OBJECTIVES

Rapid economic growth



Increased growth in all sectors



Structural shift of the economy.



Close the external trade balance



TARGETS

- Avg. GDP growth from 7% to 11.5%
- GDP per capita from \$734 to \$1240

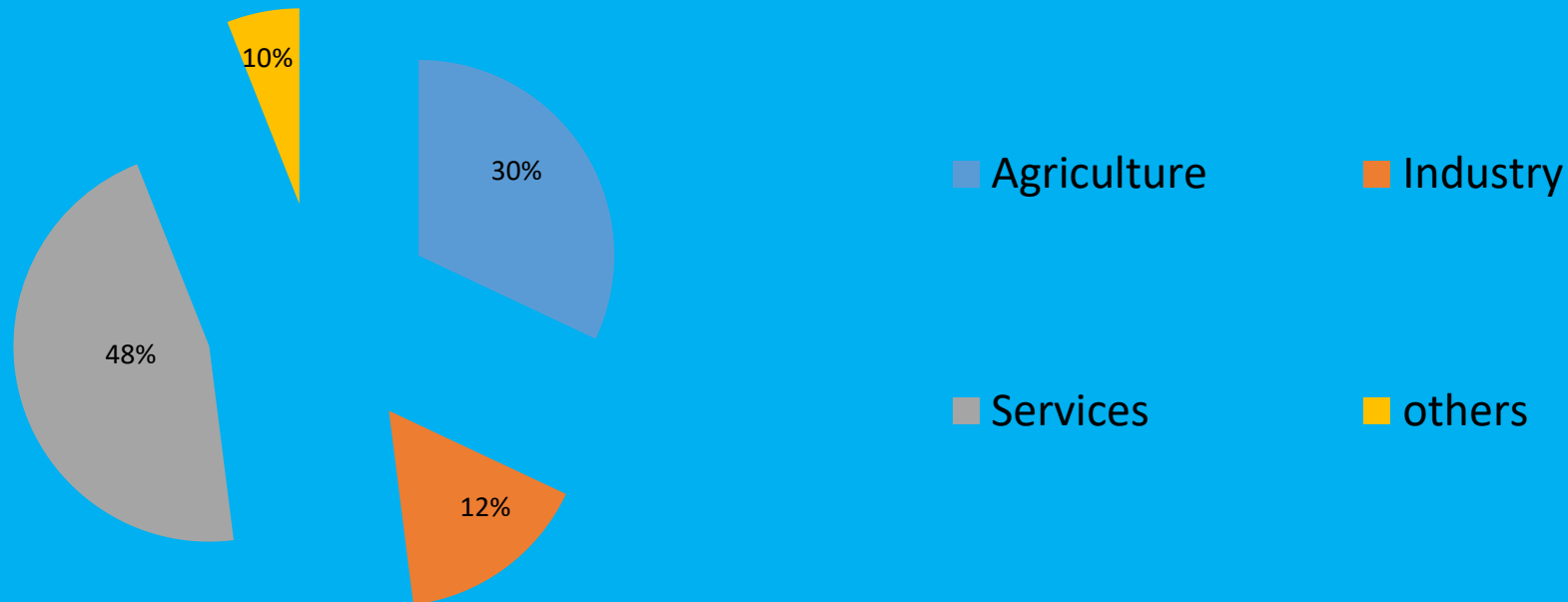
- Agriculture 5.8% to above 8.5% p.a.
- Industry 8.8% to above 14% p.a.
- Services 10.5% to above 13.5% p.a.

- 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



- The major economic sectors :
 - Agriculture: 30%
 - Industry : 12%
 - Services (tourism,ICT , financial etc..): 48%
 - others (mining , real estaste..): 10%





ACHIEVEMENTS & IMPACT OF REFORMS

Rwanda Achievements



FROM A DEVASTATED COUNTRY TO A FAST GROWING ECONOMY

ECONOMIC DEVELOPMENT

GOVERNANCE

SOCIAL DEVELOPMENT

Its indicators are seen through unity, security, peace, development, democracy, rule of law, socioeconomic and political inclusion that all Rwandans enjoy without any distinction.

A Safe and Secure Country



Rwanda is the safest country to live in Africa. (Gallup Report 2012)

Clean and green city, with the lowest crime of any capital city in the region

Kigali declared winner of UN Habitat Award (2008)-highest award for an urban area

2nd Safest city in the world for women to walk alone (Gallup report 2012)



INVESTMENT AND DOING BUSINESS

WORLD BANK 2014 REPORT

- Rwanda is the 1st EASIEST place to do business in EAC
- Rwanda : 3rd place in AFRICA
- Rwanda : Most Competitive economy in EAC and 3rd in AFRICA

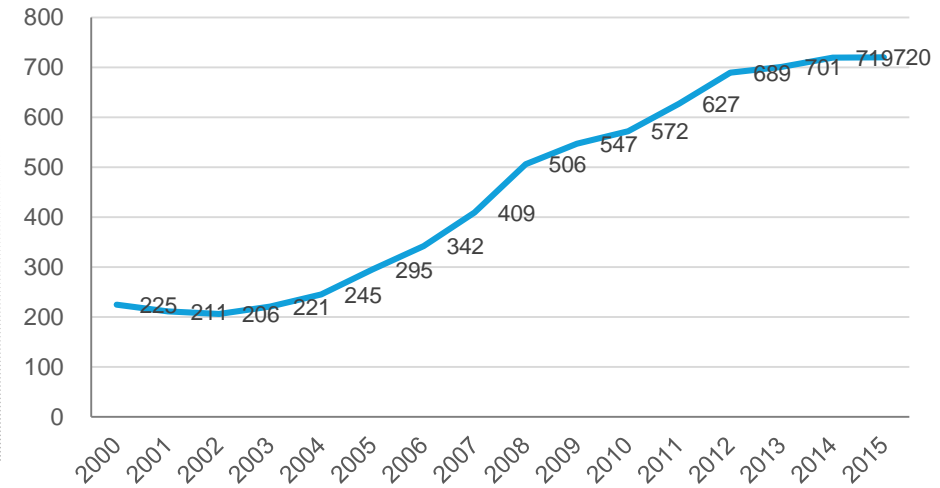


Rwanda's Perfect Development Hat Trick

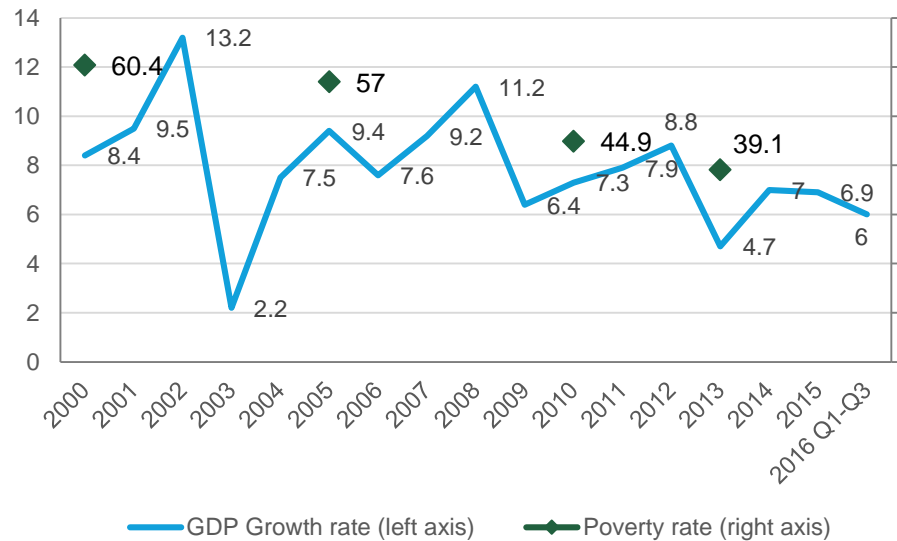
Rwanda's development hat trick over last two decades

- Rapid economic growth and macroeconomic stability: resilient to shocks
- Important poverty reduction
- Reduced inequality and increased access to services: health, education, financial inclusion

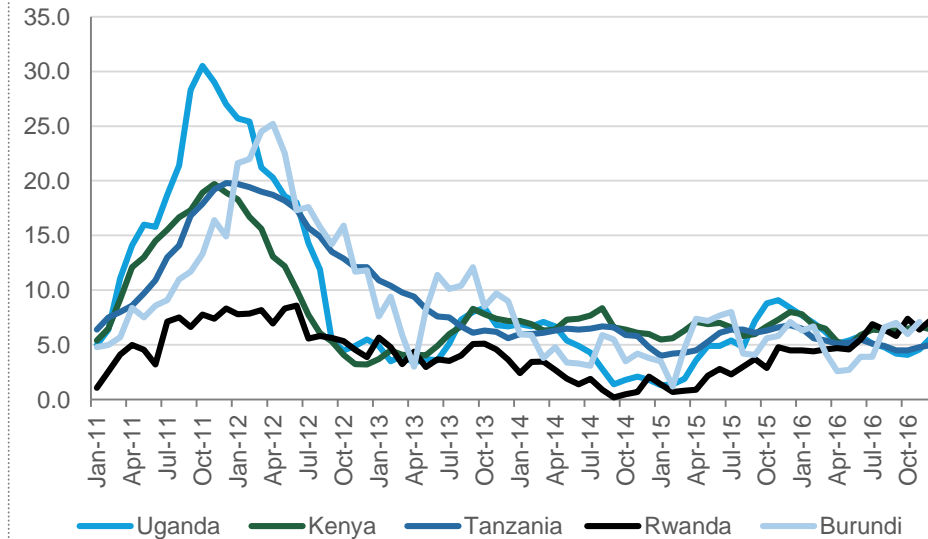
GDP Per Capita (US\$)



Sustained economic growth has lifted more than 1 million people out of poverty



Stable inflation

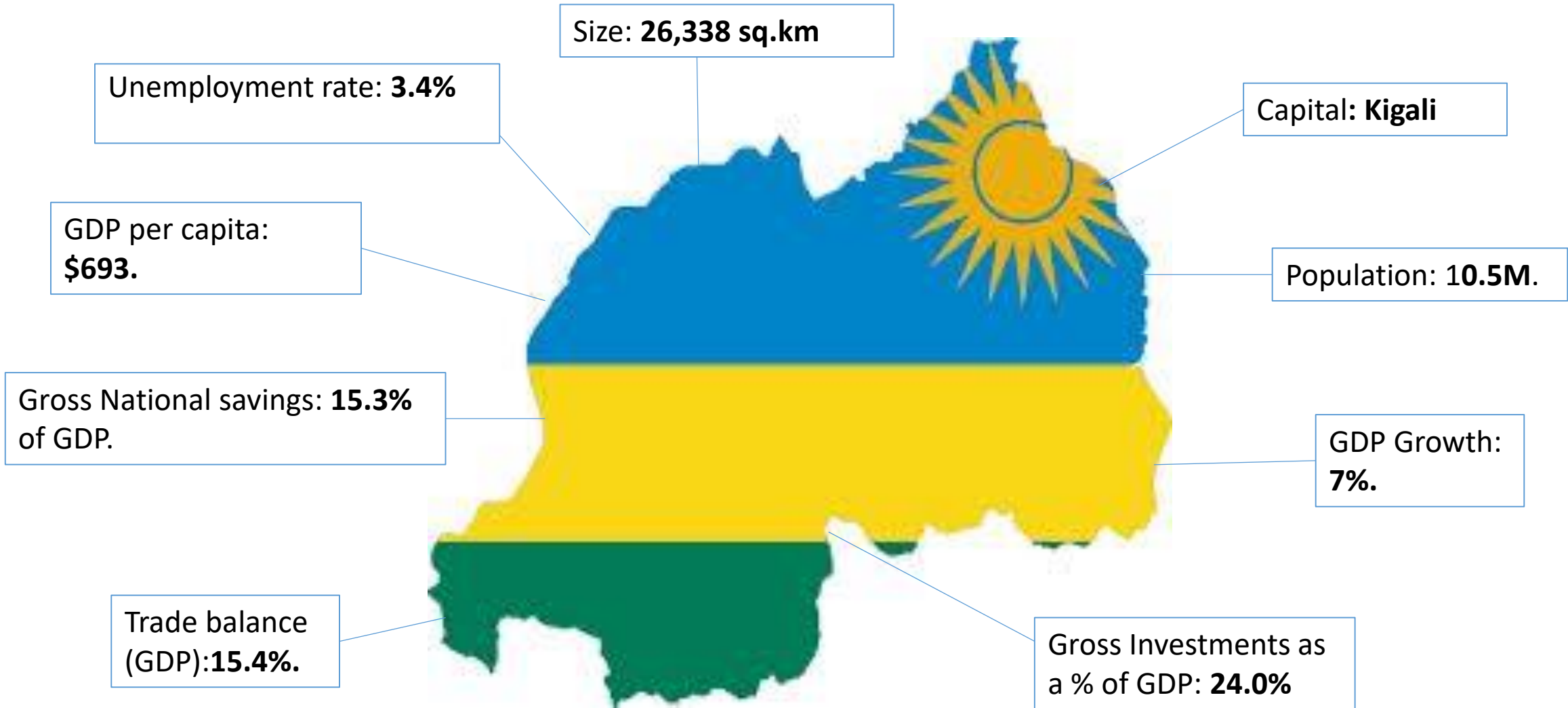


RWANDA AT A GLANCE

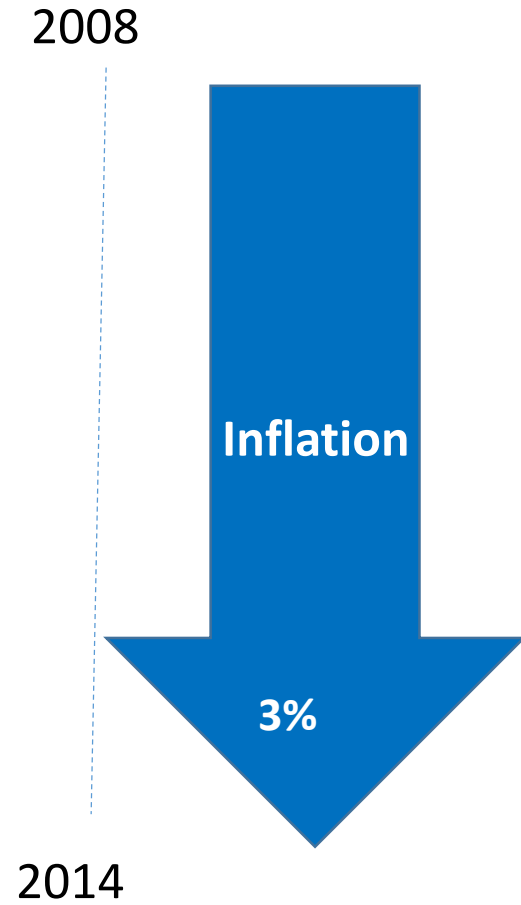
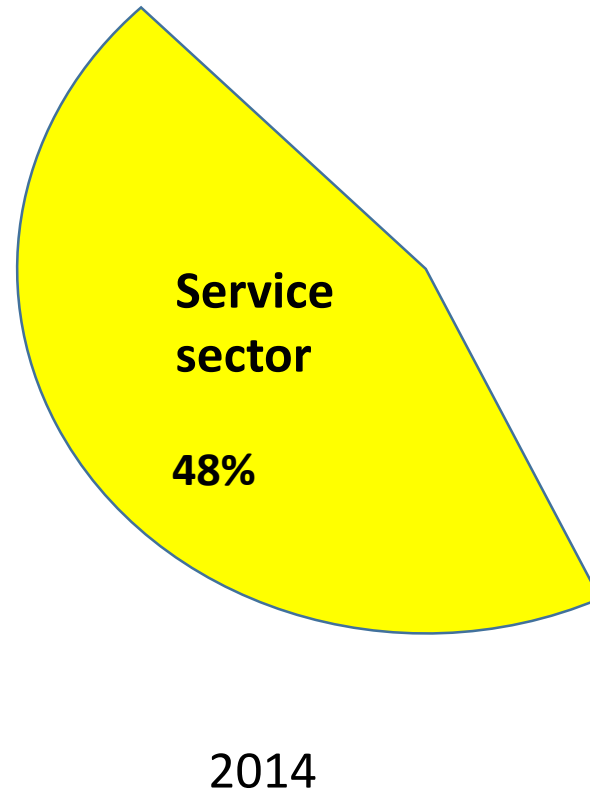
- Africa's most efficient government
- Zero tolerance to corruption
- 1st globally in ICT promotion
- 2nd Easiest Place to Do Business in Africa
- 03rd most competitive economy in Africa.
- Most Improved Country Globally in Human Development
- Best Place to be a Woman in Africa and 6th Globally
- Safest Place to walk at night in Africa and 5th safest country in the world
- 3rd Greenest Place in the World



RWANDA: VITAL STATISTICS



Economic Growth & Stability



Vision 2020: Rwanda a Middle Income Country

OBJECTIVES

Rapid economic growth



Increased growth in all sectors



Structural shift of the economy.



Close the external trade balance



TARGETS

- Avg. GDP growth from 7% 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

A Safe and Secure Country



Rwanda is the safest country to live in Africa. (Gallup Report 2012)

Clean and green city, with the lowest crime of any capital city in the region

Kigali declared winner of UN Habitat Award (2008)-highest award for an urban area

2nd Safest city in the world for women to walk alone (Gallup report 2012)



Conducive Business Environment



3rd easiest place to do business in Africa

4th easiest globally for a business to get credit

15th easiest globally to acquire property

Top global reformer **150th** to **46th** in **6** years



Most competitive place to do business in East Africa and **2nd** in **Africa**, after Mauritius

7th best destination for investments. **2nd** in Africa after Botswana. (BPI Index 2014)



Fitch Ratings upgraded Rwanda Outlook from B



1st commodity exchange in the EAC region-



Established in January 2008 with OTC transactions in bonds and equities

Conducive Business Environment



6 hours to start a business

4th easiest globally for a business to get credit

15th easiest globally to acquire property

Top global reformer 6 years



Most competitive place to do business in East Africa and **3rd in Africa**, after Mauritius & SA.

7th best global destination for investments.
2nd in Africa after Botswana.
(BPI Index 2014)

1st commodity exchange in the EAC region



Rwanda Stock Exchange
Established in January 2008 with OTC transactions in bonds and equities



Rwanda is the safest country to live in Africa. (Gallup Report 2012)

Clean and green city, with the lowest crime of any capital city in the region.

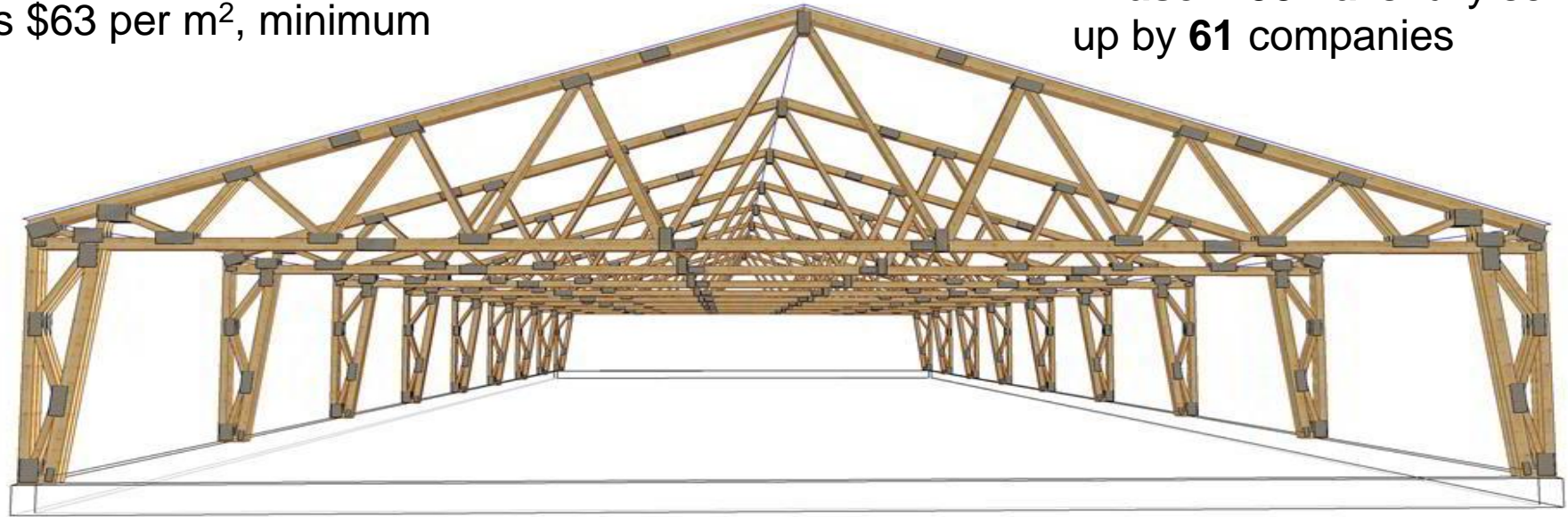
Specialized infrastructure for industry and trade

Kigali Special Economic Zone

To promote industry & exports- companies here receive fiscal and investment code incentives- import & VAT exemptions

Acquiring land in SEZ is \$63 per m², minimum 5000 m²

Phase 1-98 ha is fully serviced, taken up by **61** companies



Phase II- 178 ha -60% of servicing works are complete. 80% is booked by **13** companies.

- Other costs are \$2500 for the developer license fees and \$86 for the construction permit.
- Government is considering a **3rd Phase of 134 ha**

Specialized infrastructure for industry and trade in Kigali Special Economic Zone

To promote industry & exports- companies here receive fiscal and investment code incentives- import & VAT exemptions

Acquiring land in SEZ is \$63 per m², minimum 5000 m²

Other costs are \$2500 for the developer license fees and \$86 for the construction permit.



Phase 1-98 ha is fully serviced, taken up by 61 companies

Phase II- 178 ha -60% of servicing works are complete. 80% is booked by 13 companies.

Government is considering a 3rd Phase of 134 ha

Rwanda provides investment opportunities across a range of high growth areas



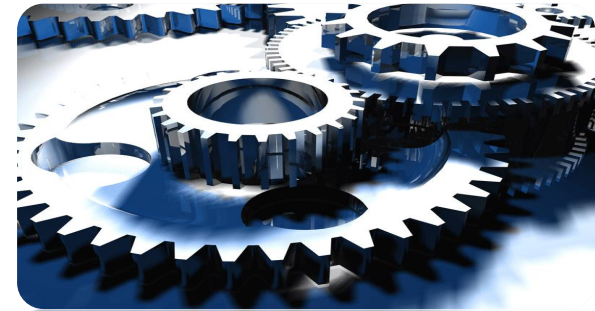
Healthcare



ICT



Agriculture



Manufacturing



Agro-Processing

SECTOR: ICT

OVERVIEW

- The Government has invested heavily in developing the ICT infrastructure to enhance service delivery;
- 4500km+ of fiber optic broadband cabling has been laid throughout the country connecting all the thirty districts & with 9 regional links to the neighboring countries.
- 10GBPS of broadband capacity, connected with 4GLTE network, Increased mobile penetration to 78% with over 8.7 million subscribers
- 38% of internet penetration across the country.
- Government has also adapted the smart Rwanda 2020 Master plan
- The masterplan underpins the current Government transformation agenda through accelerating delivery of the necessary investments in infrastructure. By 2020, Rwanda intends to achieve;
 - ICT Investments worth \$1 Billion
 - 100,000 ICT professional jobs
 - 100 local companies with a market capitalization of \$50 Million each.
 - Government productivity gains exceeding \$50 million
 - Expand Rwanda's exports to \$150 million through BPO's and creative industries.



Investment opportunity: Kigali Innovation City



- Kigali Innovation City is an eco-system of innovation that offers a unique opportunity for start-ups due to the proximity of top tier universities such as Carnegie Mellon University and the African Institute of Mathematical Science & the Africa leadership University launching soon.
- The presence of these universities guarantees fresh talent, fresh ideas
- **Target** – Universities, MNC's in Financial Services, data, BPO's agriculture & commodities, knowledge management.

Opportunity;

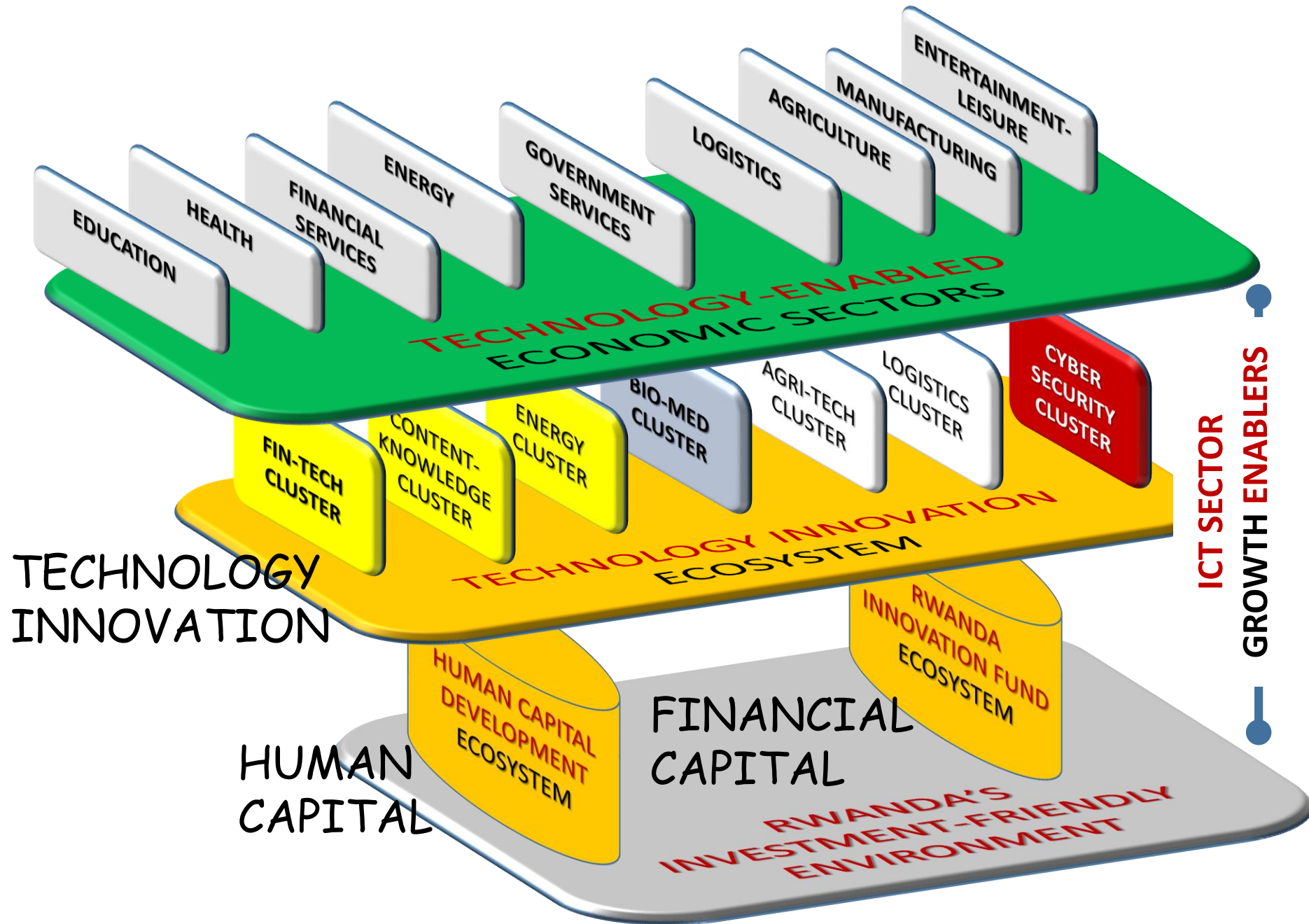
A. Establishing an Innovation Lab focusing on any of these technology clusters;

- **Fintech:** Deployment of the physical infrastructure for FinTech grade data center
- **Biomed:** Opportunities exist for technology companies with know-how especially in biomedical engineering.

B. **Real estate dev't:** Construction of key buildings – (Industry skills academy building, smart Rwanda center, Corporate center for tech companies)



ICT SECTOR GROWTH & ECONOMIC TRANSFORMATION

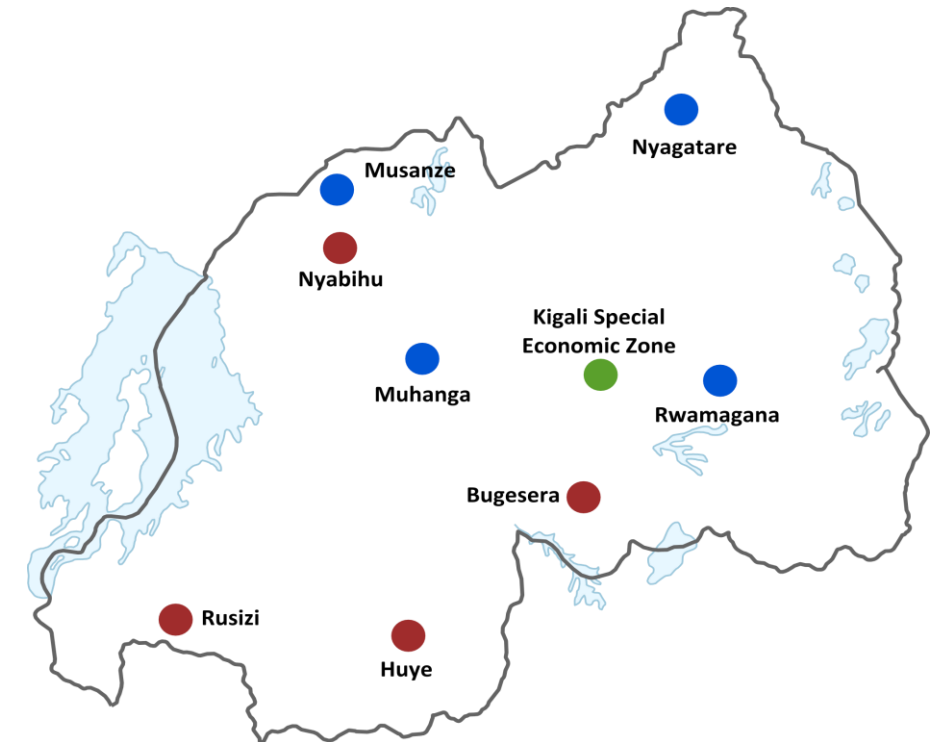


SECTOR: Manufacturing

OVERVIEW

- The manufacturing sector in Rwanda has been experiencing steady growth & growing at annual rate of 7% a target to increase industrial contribution to GDP to 26% by 2020
- The Government has embarked on a campaign to market Rwandan made products “Made in Rwanda” in an effort to boost local production and reduce the country trade deficit which is estimated at \$450 Million.
- To increase local domestic and foreign supply of manufactured goods, A special economic zone has been put in place to provide fully serviced land with ready infrastructure for small and large scale industrial dev’t.
- In addition, 8 more industrial parks have been planned to address domestic private sector constraints but;
 - also provide the opportunity to establish industrial clusters with specific sector specialism that will enable knowledge transfer and the formation of robust markets in specialized skills.

DISTRICT PARK INDUSTRIAL LOCATIONS



Investment Opportunities- Manufacturing

TEXTILES & GARMENTS

- Government of Rwanda has prioritized the textile & garment industry to boost the country's exports.
- Local and regional production for textiles is expected to grow due to an increase in taxes on the importation of second hand clothes in the EAC region.
- In 2015 alone, Rwanda imported new textiles and apparels worth \$26.8 million mainly from China. Opportunity for investment exist in the production and processing of;
 - Fabric production for use in uniforms and work wear
 - Woven fabric for bed sheets and towels.
 - New garments manufacturing to phase out imports of second-hand clothes

PHARMACEUTICALS

- Rwanda imported US45.8 Million USD worth of medicines per annum over the five year period 2009-15. Existence of health insurance schemes accessible by all has stimulated demand for pharmaceutical drugs in the country.
- Project study available showing the initial investment required (\$2.4 Million USD equity investment and a term loan of about \$7.2 Million at annual interest rate of 18%).
- **Opportunities for investment exist** in the manufacturing of; Medicines (drugs), Medical consumables, Medical devices and equipment, Laboratory supplies and food supplements



Contd: Investment Opportunities- Manufacturing

CONSTRUCTION MATERIALS

- The construction sector has been growing at a rate of 12.4% per year on average. Construction materials account for almost 10% of Rwanda's imports.
- In 2014, Rwanda imported metallic products worth \$104M, Steel structures \$23.4M, Tubes, pipes and hollow section \$20.4M, rebars \$19M.
- Opportunities for investment exist in the manufacturing of;
 - Steel products
 - Electric cables
 - Wood products
 - Ceramic products



PACKAGING

- In 2015 Rwanda imported a total of USD \$26.2 million for packaging material and it is projected that the demand for packaging materials will increase as the manufacturing sector continues to grow.
- **Opportunities for investment exist in the manufacturing of;**
 - Paper packaging
 - Plastic
 - Glass bottles
 - Corrugated card boards



MANUFACTURING SHEET GLASS

Float and architectural glass for building construction is in high demand. Currently, this glass is mostly imported.

Rwanda has significant deposits of the main raw materials required for float glass manufacture.

Setting up a **Float glass** factory to serve Rwanda and EAC's growing demands for construction materials.

In 2011, 3,938 MT (equivalent of **\$4 million**) of sheet glass was imported.

Glass container factory that can serve the EAC & DRC beverage industry with bottles and drinking glasses.

MANUFACTURING STEEL PRODUCTS, HOLLOW SECTIONS, ROOFING SHEETS

Steel building products worth over \$81million were imported in 2012

No 1 import category for construction, outranking even cement)

Currently we import mainly from Mauritius, South Africa, India and China

Opportunities in manufacture of

- Hollow sections
- Roofing sheets
- Rolled steel plates
- Accessories such as gutters, ridges, wire meshes, et al.

There are about 6 local manufacturers currently in this industry.



MANUFACTURING ELECTRICAL CABLES

Currently no local manufacturers , high local demand

In 2011 electrical cables imports estimated at **\$28 million**

\$2.8B Energy Sector Strategic Plan (2013-2018) targeting 70% nationwide connectivity by 2017 expected to drive demand.

Investment level- **\$10 Million**

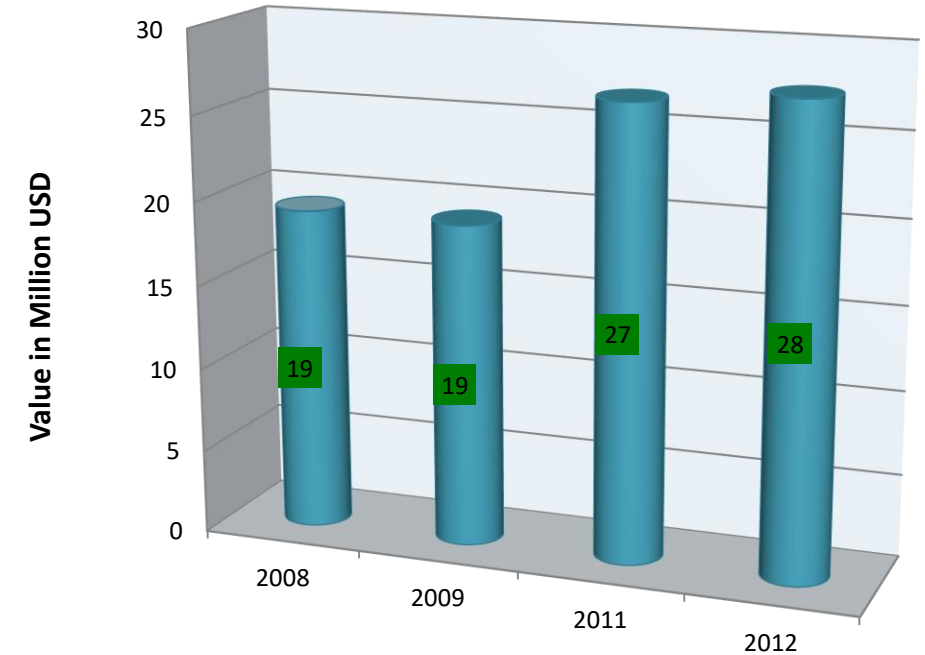
MANUFACTURING PACKAGING MATERIALS

Increased imports of paper packaging, **\$28m** imported annually for the last 3 years

Currently only **3** local producers of paper packaging

- SRB Investments (R)
- Bonus Entreprises,
- Real Packaging

High demand due to national ban on plastic packaging.



Trends in Rwandan Paper packaging import in 2008-2012

SECTOR: Agriculture

OVERVIEW

- Agriculture is the backbone and key component of Rwanda's fast growing economy.
- The sector employs 72% of the population and contributes 33% of GDP growth.
- In the past five years , the sector has gained a significant growth from 4.5% to 6% per annum and is gradually shifting from subsistence to a market oriented model.
- The sector meets 90% of the national food needs and generates more than 50% of the country's export revenues;
- Rwanda's main agriculture exports is tea & coffee. In 2015, total revenues generated from tea was \$73 million up from \$52 million in 2014, while coffee generated \$60.7 million.

Important statistics

- **National Agric land under use-** 1,124,328 ha;
- **Irrigation potential-** 589,711 ha and 30,000 ha are currently irrigated; 100,000 ha targeted by 2017;
- **Consolidated land** is estimated at 372,000 ha and 700,000 ha are targeted by 2017;



Investment Opportunities-Agriculture

GISHARI FLOWER PARK

- The project was designed to facilitate investment in the nascent floriculture industry, to increase export of non-traditional and high value products.
- The flower park will be developed on 35 ha to produce green house premium intermediate standard roses for export market. Target is to produce 44 million stems per year on completion at a projected price of \$0.2 per stem.

Size of the Project: 7.5 m USD (45/sqm and a starting running capital of \$15/sqm/year)



KIGALI WHOLESALE MARKET

- The government of Rwanda has identified horticulture as a top priority and subsequently channeled a considerable amount of resources into its development. The new Kigali wholesale market will be located on 10,000m² in the special economic zone.
- The market will have the capacity to accommodate over 300,000 metric tons (MT) per year by 2030.

Size of the Project: \$31.4 Million USD



Contd: Investment Opportunities- Agriculture

FISH MEAL & AQUA CULTURE PRODUCTION

- The Importation of dried fish has grown over the years with a compound annual growth rate of 45.7% (2009-13).
- 80% of Rwanda's imports of dried fish are re-exported to the Democratic Republic of Congo through informal cross border trade.

Proposed Investment

- Commercial production of fishmeal made from locally available small-sized fish species for both human consumption and animal feed manufacture.
- **Size of the project:** \$2.36 Million



POTATO PROCESSING

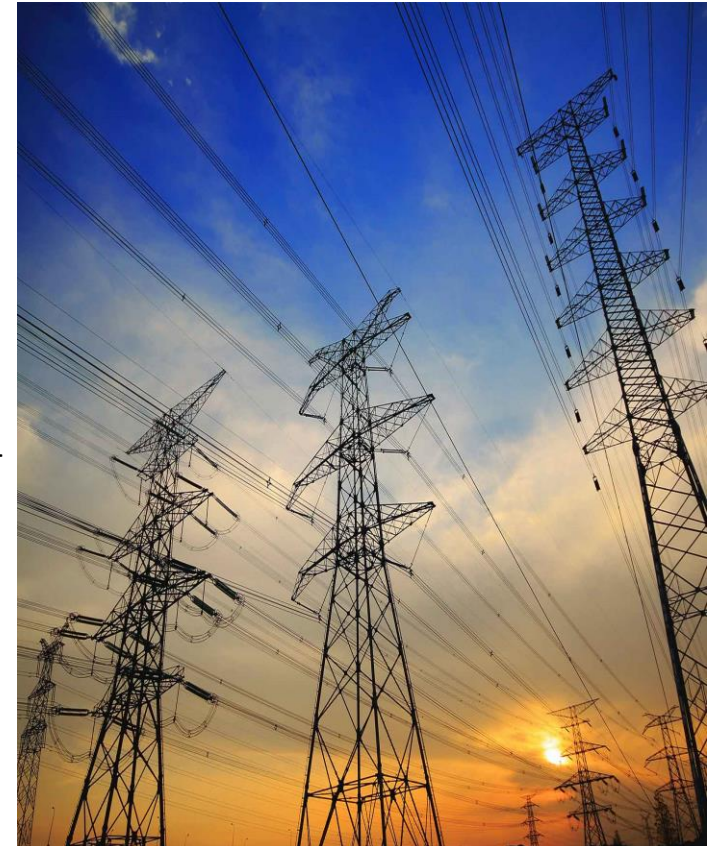
- Rwanda is one of the largest producers of potatoes in the EAC (2nd after Kenya). Seasonal production in 2015 reached 335,394 MT.
- Potato yields (15 to 20 t/ha) are higher than that of regional competitors, with further potential to increase these yields to 25 – 30 t/ha.
- The majority of processed potato chips are imported from Europe and South Africa.
- Opportunities to process potatoes into ethanol



SECTOR: Energy

OVERVIEW

- Rwanda's energy sector is heavily dominated by biomass (wood energy) which accounts for 85%. We target to reduce the use of biomass from 85% to 55% by 2017 and 50% by 2020.
- The total current installed power generation capacity is 208MW with electricity connectivity rate of 26.6% (24% on-grid and 2.6% off grid).
- Rwanda plans to achieve 70% access to electricity by 2017/18(48% on grid and 22% off grid).
- Currently, the sector promotes private sector participation to opportunities in rural electrification with off-grid solar systems and in construction of power transmission,distribution and substations.
- Specific Laws, Policies and Regulations have been adopted to regulate and promote the energy sector such as the Public Private Law, Rural Electrification Strategy, Simplified Licensing Regulations, Investment Code,etc...



Investment Opportunities- Energy

SOLAR

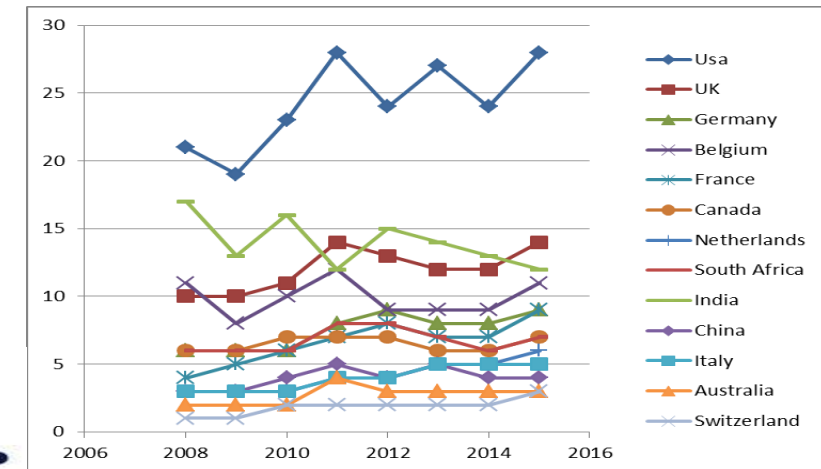
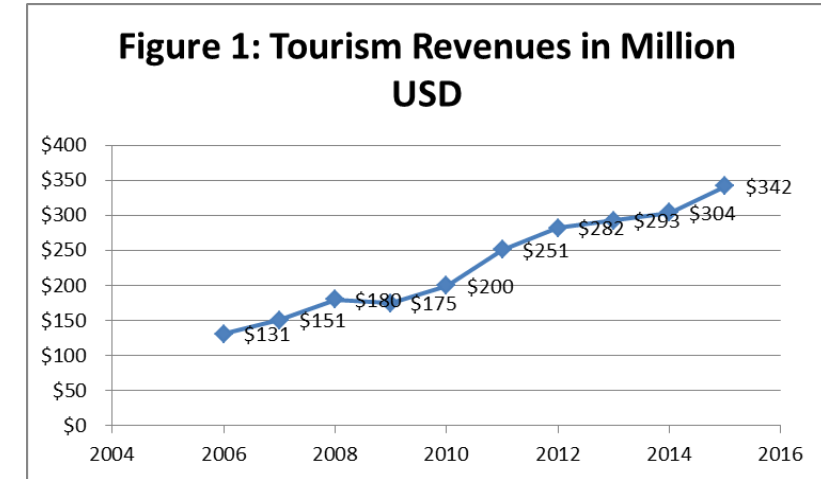
- Rwanda has a high solar radiance
- Global horizontal irradiance (GHI) was recorded in 2013 in the eastern province at 1890kwh/per square meter.
- Opportunities in solar energy include off grid, mini-grid solar projects with hybrid and storage solutions.
- There's also high demand for solar energy systems, especially in remote rural areas for lighting where there's no power grid.



SECTOR: Tourism

OVERVIEW

- Since 2006, the tourism sector has averaged 11.2% growth each year & is projected to grow at a rate of 25% by 2018. The tourism sector accounts for 3.6% of the national GDP.
- Over the last 10 years, revenues generated from the sector have tremendously increased from \$131 million in 2006 to \$342 million (2015) & today tourism is the largest source of foreign exchange in the country.
- Number of visitors have grown from 499 to 1.3 million, which reflects an annual average of 11.2%.
- The biggest proportion of the visitors came from the region (84%) while non-regional visitors account for 16% over the past 10 years.
- The sector has also attracted a significant number of FDI's with major international hotel brands setting up shop in the country; Radisson, Marriott, Park inn by Radisson, Golden Tulip



Investment Opportunities-in the Kivu Belt region

GIHAYA ECO-RESORT

- The former presidential summer residence is the perfect site for the construction of a 5* Eco Hot Spring Resort.
- The complex will comprise of an exclusive high-end quality 5* Eco lodge with a 9-hole golf course on the Gihaya Island.
- **Key Attractions:**
- Congo Nile Trail - Hiking and Trekking Trails - Historical site of the Presidential summer residence – Birdlife - Fishing
- **Size of the project:** \$50 Million.



HOT SPRINGS ECO-RESORT

- The Hot Springs Eco Resort will be located in Rubavu on a peninsula that features natural qualities which make it an ideal location for the development of a Hot Springs Resort .
- This advantageous setting and natural asset will offer guests an exceptional island experience and cater for high-end customers. The facility will cater for 50 units
- **Size of the project:** \$40 Million USD



Contd: Investment Opportunities- Tourism

5 GOLF COURSE RESORT

- The 5* golf resort will be located in Karongi District, in Bwishura, close to the city centre where a unique new 18-hole championship golf course.
- Along with the Golf Course and the 5* Golf Hotel, a residential complex will be developed embedded in the beautiful surrounding of the golf grounds.
- **Size of the project:** \$50-\$80 Million.



DEVELOPING HOT STRIP IN RUBAVU

- This prominently located Hotel Strip development will be well situated along the beachfront of the main Rubavu tourism zone.
- The hotel strip will comprise of a mixed-use entertainment and leisure development that accommodates lodging, public areas, retail, spa, casino, and event facilities for banqueting, events and conferences.
- **Size of the project:** \$40 Million USD



MINING OPPORTUNITIES

A leading foreign exchange earner. In 2013 export revenues from mining were \$226.2M



Investment opportunities:

Mineral Exploration in the identified 21 Prospective Target Areas

Value Addition- Establishing **processing plants to smelt ores.**

Mining & Mineral Trade in:

- Tin, Tungsten and Coltan
- Gemstones. E.g. Beryl (Aquamarine), Corundum
- Industrial Minerals - Silica sands, Limestone, Talcum, Kaolin, Vermiculite, Diatomite, Clay, Gypsum and Pozzolan

Rwanda offers attractive incentives to ensure business prosperity

0% Corporate Income Tax for companies planning to relocate H/Q's to Rwanda

15% Preferential Corporate Income tax for key selected strategic sectors exporting 50% turnover of goods & services i.e exports, energy, transport, ICT and Financial services

Duty free importation of machinery and equipment, raw materials (15% - Intermediate goods, 25% - Finished goods)

Accelerated Depreciation of 50% for key priority sectors i.e. Tourism, Construction, manufacturing and agro-processing

Capital Gains tax exemption

7 Year Corporate Income tax Holiday for selected sectors i.e. Manufacturing, energy, ICT and Health services investing at least 50 Million USD

Value Added Tax Refund.

Repatriation of Capital and assets

After care services: RDB facilitates investment projects even after registration

GETTING STARTED

RDB FACILITATION

- Your One-Stop Shop for investment in Rwanda
- Access to licenses, permits, certificates
- Information hub for investors
- Single point of contact for guidance on business laws, policies, incentives, investment opportunities, land and sector specific information.
- Source of local JV partners & Public Private Partnerships
- Provision of Investor aftercare services.

- Apply for a visa on line www.migration.gov.rw
- **Direct flights:**
 - With RwandAir Via Dubai
 - via Doha with Qatar Airlines;
 - Via Addis Ababa with Ethiopia airlines
- Soon-RwandAir launching direct flight to Mumbai



An aerial photograph of a vast, rolling landscape of green hills. The terrain is divided into numerous irregular, terraced-like fields, suggesting agricultural use. In the center of the image, there is a large, multi-story building complex with a light-colored facade, possibly a school or administrative center. The hills are covered in lush green vegetation, and the overall scene is bathed in bright, natural light. The text "THANK YOU" is overlaid in the center of the image.

THANK YOU