



Rwanda: Commercial information for British Companies

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About Rwanda

Rwanda is often referred to as the country of “a thousand hills” due to its hilly terrain. It is situated in the Great Lakes region of East-Central Africa and borders with Uganda in the north, Burundi in the South, Tanzania in the East and the Democratic Republic of the Congo in the West. It is a few degrees south of the equator.

Country:	Rwanda
Capital:	Kigali
Official Languages:	Kinyarwanda, French, English (also Kiswahili is widely spoken together with languages from neighbouring countries)
Government:	Republic
Area:	total 26,338km sq (10,169 sq mi), Land 24,948km sq, Water 1,390 km sq
Population:	10,186,063 people (as of April 2008)

More than 60% of the total population still live below the poverty line with agriculture accounting for almost 90% of the country's production. Rwanda is landlocked with few natural resources and a small industrial base. Rwanda currently exports coffee, tea, flowers and minerals including coltan, gold. The tourism sector is growing. Most visitors come to see the Gorillas in Virunga National Park in the North as well as the lakes, volcanoes and Nyungwe forest.

Namibia lies to the north of South Africa, south of Angola and west of Botswana. The driest country in sub-Saharan Africa, much of Namibia is desert or semi-arid. The land area is three and a third times the size of the UK but the population is only 2 million, giving Namibia the second lowest population density in the world after Mongolia. More than half live in the rural north of the country. A Middle Income Country, Namibia has one of the highest Gini (income inequality) co-efficients at 0.6. Half the population live on less than US\$2 a day and a third live on less than the international poverty line of US\$1.25 a day.

Although the official language is English, Afrikaans and German are widely spoken. Indigenous languages include Oshivambo, Otjiherero and Nama.

Political Environment

The history of the Genocide in Rwanda in 1994 is well known. Since then the country has worked hard to rebuild itself and today it is thriving. It is well respected for achieving its development goals and lack of corruption and Rwanda is an enthusiastic member of the East African Community and the Commonwealth. Current figures show rapid development and the current Rwandan government has been praised for promoting reconciliation and economic development.

Rwanda has just completed Presidential elections which the ruling Rwanda National Patriotic Front (RPF) led by President Paul Kagame won by 93.8%. Rwanda is one of the safest countries in East Africa.

For more information see the links below:

<http://www.gov.rw/>

<http://www.newworldencyclopedia.org/entry/Rwanda>

Economy

Agriculture

The economy of Rwanda as mentioned above is dominated by agriculture. Around 87% of the population earns a living although much of this is at a subsistence level. Agricultural exports include coffee, tea, flowers, dairy and fruit products, and silk and food crops. Rwanda produces

world class coffee and already has buyers including Starbucks and Sainsbury. Tea, another cash crop, is relatively under developed but with a high potential. The government and development partners are focusing on improving quality through the provision of fertilisers, and farmer training programmes. Privatisation of tea plantations and factories began in 2009. Further opportunities in coffee washing and roasting are envisaged as the premium grows. See also, www.minagri.gov.rw
minagri@gov.rw

Power Sector

Today, 80% of Rwanda's main source of power is from wood. Electricity coverage is at a low level at 6%. Rwanda plans to develop a number of power generating plants using renewable energy generation and methane gas.

Power grid

Plan to expand power grid to 67% of the region by 2012. A \$311m capital roll-out budget plan has been put in place

Transmission and distribution networks will be expanded from 3,300km to 5,000km by 2012

Renewable energy

Rwanda aiming for 90% electricity from renewable sources and up to 5,200 ha of forests for carbon credit potential. Rwanda recently entered an agreement with UK/US based company funded by a leading UK Private Equity firm to produce biodiesel by planting 10,000 ha of trees to address 15-20% of domestic diesel demand.

Generation

Rwanda is fast tracking the provision of alternative sources of energy to create a viable investment climate. The GoR has identified 333 potential sites for the production of micro-hydro power (50Kw – 1Mw). In 2008 2 sites were constructed, 10 are under construction and 10 are scheduled to be constructed. This is part of the ambitious plan Rwanda is embarking on to double power generation to 130MW through methane gas, hydro (Macro and Micro). Rwanda has also purchased a heavy fuel plant.

Methane Gas

Lake Kivu has between 50-55 m³ of methane gas. The Government of Rwanda has signed an agreement with Contour Global for 100MW Kivu watt power plant to be constructed. It is expected to produce 4MW/hour. Further investment opportunities such as the second concession at Lake Kivu and conversion of gas liquid and gas to fertilisers is still open for investors.

Infrastructure

Roads and air are Rwanda's sole means of transportation. Roads account for 90% of transportation in Rwanda. Rwanda has over 14,000km (8,700miles). The main roads in Rwanda are of a good standard. Domestic air routes are limited but there are good connections to the region. Currently there is one direct link to Europe but another is planned to operate from October. A new airport is planned 40km out of Kigali in the eastern province. Construction work is estimated at \$300m for phase one.

Rwanda does not have rail links but Rwanda has plans to introduce a rail system. There are no specific dates at the moment and the project is the pipeline. Two lines are envisaged which would link Kigali and the port of Dar el Salaam (Isaka-Kigali), and also one that will link Rwanda and Burundi.

See link for more information: www.mininfra.gov.rw

Financial Sector

Rwanda's finance sector stands at \$200 million of equity supporting \$1 billion total assets. An estimated 12% of the population have a bank account at least since 2007. Rwanda had a growth rate of 20% in 5 years. Mainly due to a sound financial sector development programme that has increased the minimum capital requirement from \$2 million to \$8 million and requires banks to prove qualification.

Rwanda has three banks apart from the Rwanda National Bank. They include; Banque de Kigali (100% gov't owned), Banque Commerciale du Rwanda (80% private), Banque Populaire du Rwanda (98% private) and Fina Bank. Banks with international ownership include: Access bank, Kenya Commercial Bank, and Ecobank. The Rwanda National Bank regulates all banks and financial institutions. Policy, strategy and incentives are in place to enable investors do their work with less constraints and to develop capital markets. Commercial banks represent up to 78% of the economy. Microfinance institutions serve up to 88% of deposits and 90% of borrowers.

The micro finance sector consists of about 50 small institutions where 11% of Rwandan assets and 3.5% of the population have accounts. See <http://www.minecofin.gov.rw/> for more information

Mineral Sector

Rwanda's mineral base is mainly composed of ores processed to extract tin, coltan, and tungsten. The sector is one of those that needs more development as only 25% of the \$200 million potential is currently exploited. There are significant opportunities to increase productivity through industrial mining.

A national mining survey is being done to identify deposits. Rwanda envisages a legal and policy framework in place for investors and business enterprises to explore opportunities in this sector. Opportunities are available in:

Processing ores

Quarries (for construction materials) and precious stones such as gold, diamonds, beryl, topaz, rubies, sapphires, gamets to mention but a few

There are major deposits in the south-western part of Rwanda which are still untapped and could be exploited to produce electricity, or processed to alternate firewood.

For more information please see: www.minilena.gov.rw

Travel

FCO Travel Advice

The FCO website has travel advice to help you prepare for your visits overseas and to stay safe and secure while you are there.

For advice please visit the FCO Travel section

Investment in Rwanda

All sectors are open for investment in Rwanda. Local and foreign investors should hold similar percentage on equity when it comes to business. Rwanda has one of the simplest processes in the world to register your business as well as incentives, taxes, laws, and government agencies all focussed on supporting investors.

More information on investment opportunities and information about Rwanda, please, visit the following websites:

www.rwandainvestment.com
<http://www.rwandatourism.com/home.htm>
www.minicom.gov.rw
www.minict.gov.rw

More information to UK investors can be received from the Rwanda High Commission's Commercial Section in the United Kingdom. Please, see contact person and address below:

Mr Patrick Gihana
Commercial Attaché
Rwanda High Commission in London
Tel: +447769505727
E-mail: Patrick@embarwanda.org.uk

Resources/Useful Links

Country Information:

BBC Website:

http://news.bbc.co.uk/1/hi/country_profiles/default.stm

FCO Country Profile:

<http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/country-profile/>

Culture and communications:

CILT – National Centre for Languages - Regional Language Network in your area:

http://www.cilt.org.uk/workplace/employer_support/in_your_area.aspx

Kwintessential culture guides:

<http://www.kwintessential.co.uk>

Customs & Regulations:

HM Revenue & Customs:

www.hmrc.gov.uk

Import controls and documentation (SITPRO):

<http://www.sitpro.org.uk>

Economic Information:

Economist

<http://www.economist.com/countries/>

Export Control

Export Control Organisation:

<http://www.businesslink.gov.uk/exportcontrol>

Export Finance and Insurance:

ECGD

<http://www.ecgd.gov.uk/>

Intellectual Property

Intellectual Property Office:

www.ipo.gov.uk

Market Access

Market Access Database for Tariffs (for non-EU markets only):

<http://mkaccdb.eu.int/mkaccdb2/indexPubli.htm>

UK Trade Tariff

<http://online.businesslink.gov.uk/bdotg/action/tariff?r.s=tl&r.l1=1079717544&r.lc=en&r.l2=1079841842>

Standard and Technical Regulations:

British Standards Institution (BSI):

<http://www.bsigroup.com/en/sectorsandservices/Disciplines/ImportExport/>

Trade Statistics:

National Statistics Information:

<http://www.statistics.gov.uk/hub/index.html>

UK Trade Info:

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<https://www.uktradeinfo.co.uk/>

Travel

FCO Travel:

<http://www.fco.gov.uk/en/travel-and-living-abroad/>

NHS:

<http://www.nhs.uk/nhsengland/Healthcareabroad/>

Travel health:

<http://www.travelhealth.co.uk/>

Business Link: International Trade

Business Link's International Trade pages provide an overview of export basics including licensing, customs procedures, classifying and movement of goods, other regulatory information and export paperwork issues. It also introduces exporters to the UK Trade Tariff.

Essential reading for exporters!

Find out more at:

<http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.lc=en&topicId=1079717544>

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