

FACILITATING ECONOMIC TRANSFORMATION

by Enabling Private Sector Growth and Investment



Rwanda: A Consistently High Global Reformer

Since 2007, Rwanda has implemented 41 “Doing Business” reforms, including:

Legal Reforms

- Company Act
- Insolvency Law
- Labor Law
- Electronic Transaction Law
- Credit Information Systems Law
- Intellectual Property Law
- Law Of Contract
- Arbitration Law
- Capital Market Law
- Special Economic Zones Law
- Competition & Consumer Protection Law
- Investment Code
- Land Law

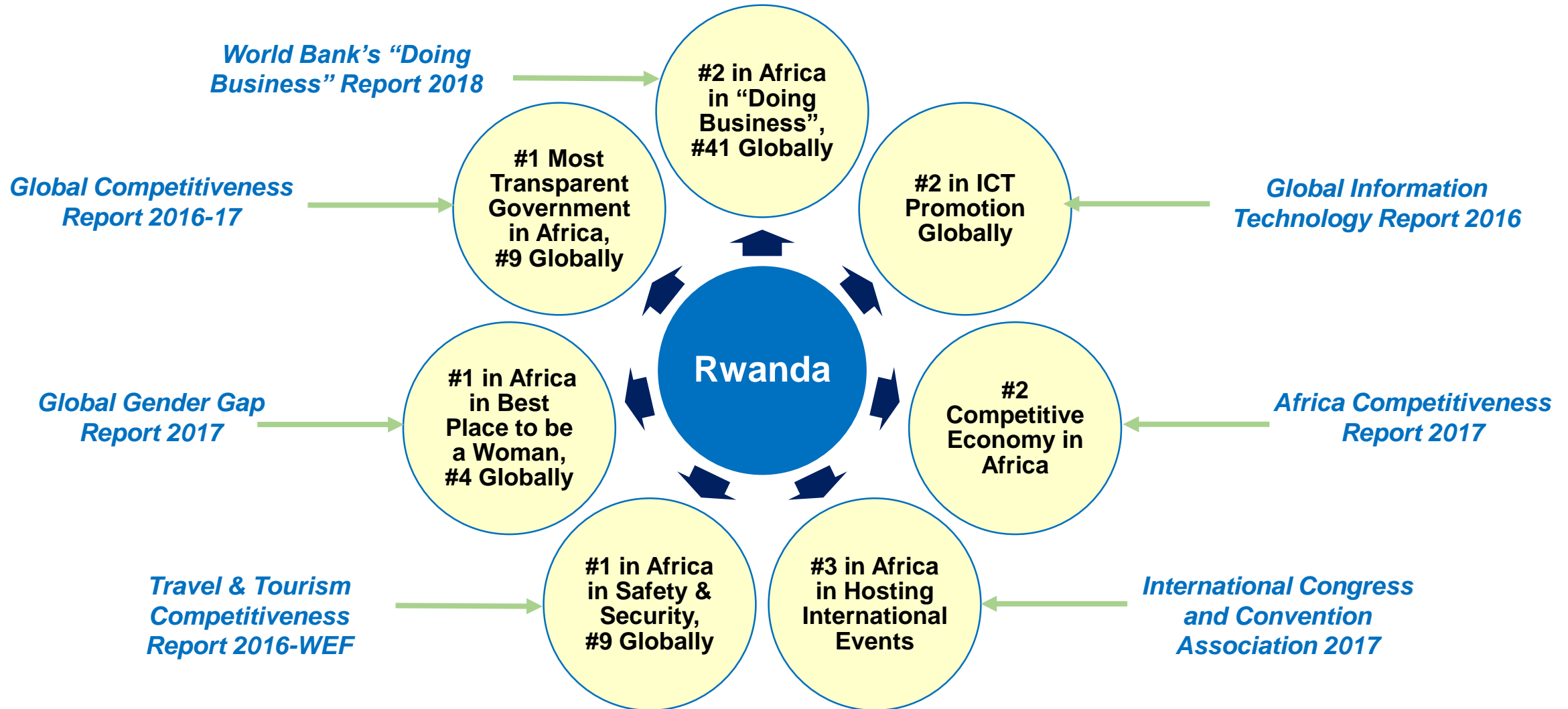
Institutional Reforms

- Created RDB by merging 8 government institutions to create RDB's One-Stop Shop
- Credit reference bureau created
- Commercial courts established
- Kigali International Arbitration Center established
- Association of engineers and architects formed

Automation

- Free online registration for ALL companies
- Online registration of mortgages (both movable and immovable)
- Online application & processing of construction permits
- Online filing of taxes and e-payment
- M-declaration & payment of taxes for SMEs
- Integrated Court Cases Management Systems
- Automated land management system

Rwanda's Competitiveness Internationally



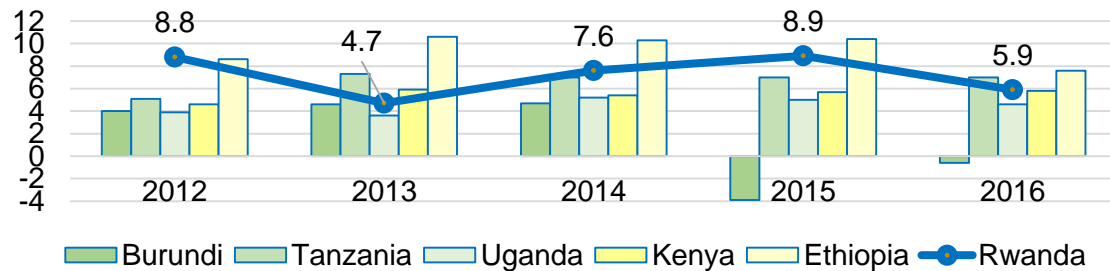
Investment Attractiveness – Benchmarking

1. Economy

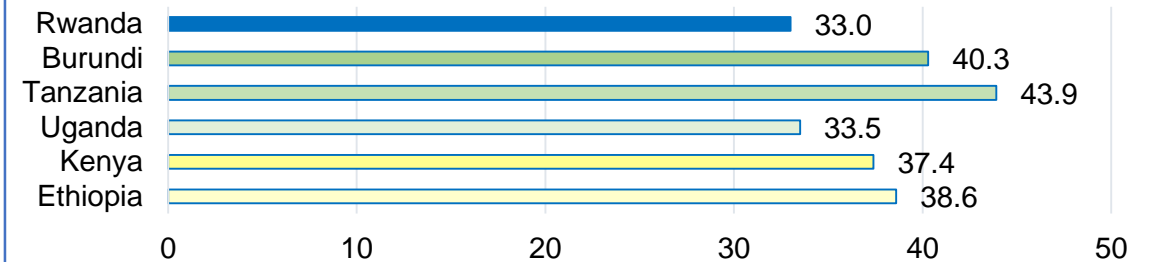
2. Investment Climate

3. Factor Costs

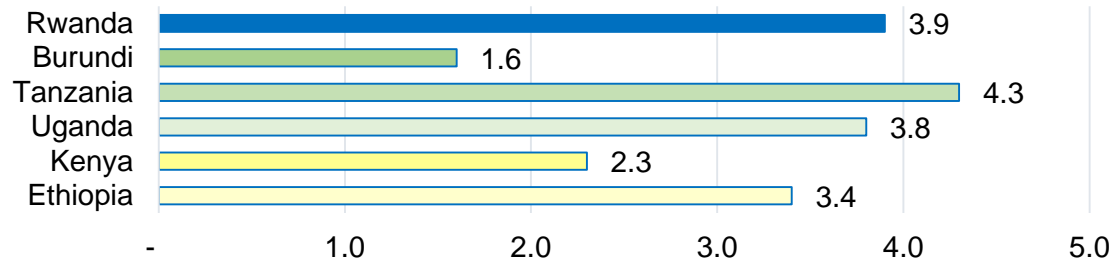
GDP Growth Rates (%)



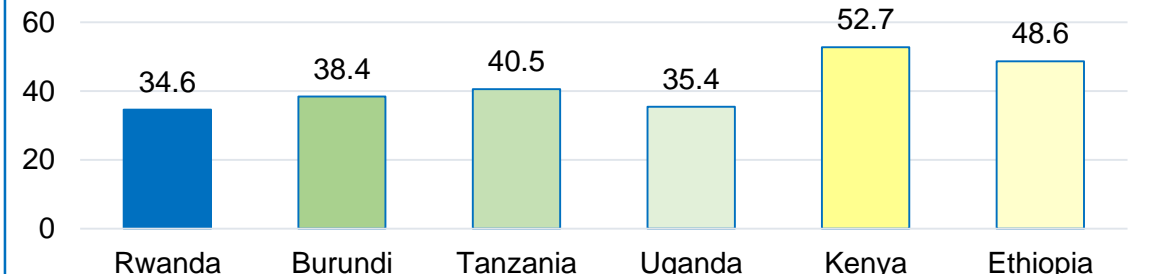
Total Effective Tax Rate (%)



Net FDI to GDP, 2016 (%)



Public Debt to GDP (%)



- Since 2007, Rwanda's GDP grew from \$3.82 billion to \$8.38 billion (+119%), equivalent to a CAGR of 9.1% per year.
- Since 2008, FDI inflows increased from \$66.9 million to \$379.8 million (+468%), equivalent to a CAGR of 28.2% per year.

Investment Attractiveness – Benchmarking

1. Economy

2. Investment Climate

3. Factor Costs

Rank out of 180,
with 1 being the best:

Doing Business
Global Rankings

In-Group
Ranking

Rwanda

Burundi

Tanzania

Uganda

Kenya

Ethiopia

41

164

137

122

80

161

1 of 6

Lack of
Corruption

1 of 6

50

159

116

151

145

108

Economic
Freedom

1 of 6

51

139

105

91

135

142

Business Cost of
Crime, Violence

1 of 6

7

106

97

115

123

76

*Rank indicated by color: ● = 1st, ● = 2nd, ● = 3rd, ● = 4th, ● = 5th, ● = 6th.

- Rwanda offers greater foreign ownership rights and access than all its Competitors. Similarly, Rwanda has a relative advantage in its FDI Regulatory Restrictions and Capital Flow Restrictions.
- All have similar industrial policies (i.e., Special Economic Zones, Export Processing Zones) and incentive packages.

Investment Attractiveness – Benchmarking

1. Economy

2. Investment Climate

3. Factor Costs

	In-Group Ranking	Rwanda	Burundi	Tanzania	Uganda	Kenya	Ethiopia
Labor Costs, USD, Unskilled/Skilled	2 of 4	152/446	-	173/453	-	192/598	84/134
Preferential Market Access (Duty-Free Market)	Same	472 mm	472 mm	289 mm	472 mm	472 mm	472 mm
Logistics Performance (Score: out of 5)	2 of 6 (tie)	3.0	2.5	3.0	3.0	3.3	2.4
Higher Education and Training (out of 176)	2 of 6	113	131	130	126	97	125

*Rank indicated by color: ● = 1st, ● = 2nd, ● = 3rd, ● = 4th, ● = 5th, ● = 6th.

- Rwanda offers for small, medium, and large industrial investors a subsidized energy tariff structure, with prices at RWF 83, 90, and 126 (\$0.152, 0.108, and 0.100) per kWh, respectively.
- Ground freight costs are competitive and preferential air freight prices are available (around \$1-1.50 per kg to Europe).

Potential Incentives for Investments

Fiscal Incentives

- 0% corporate income tax, for firms with HQ in Rwanda.
- Preferential corporate income tax rates.
- Accelerated depreciation rates of 50%.
- Exemptions for capital gains tax.
- Corporate income tax holiday, up to 7 years.
- Customs tax & duty exemption, for products used in Export Processing Zones.

Other Incentives

- Free repatriation of capital and assets.
- Online business and investment registration.
- Assistance with tax-related services and exemptions.
- Assistance to access to utilities.
- Assistance with visas and work permits.
- One-Stop Shop for all support services.
- Provision of aftercare services.
- All sectors are open to foreign and domestic investment.

Incentives Included in the 2015 Investment Code

The Law does not require a minimum capital investment, but several criteria apply:

- Non-trading activity;
- Creation of quality jobs;
- Transfer of skills;
- Use of local raw materials;
- Potential for export;
- Potential to create backward and forward linkages;
- Innovation and creativity.

10 Reasons to Invest in Rwanda

1. Excellent Investment Climate

- #2 in World Bank's 2018 "Doing Business" in Africa, #41 globally.
- Low corruption and proactive business climate reform agenda.
- Generous tax and other incentives for new investment
- Pro-business legal-regulatory environment that is committed to foreign ownership rights and economic freedom for investors.
- Proactive FDI policy and no regulatory restrictions on capital.

2. Competitive Labor Costs

- Ample availability of labor with average salaries are about 10% of those in the US, UK, and Belgium and up to 20-26% lower than other EAC countries.

3. Strategically Positioned as a Regional Hub

- Centrally located as a processing and trade hub between West and East African markets, despite being landlocked.
- A strategic connection on both of the Northern and Central Transport Corridors.

4. Significant Preferential Market Access

- Preferential market access, including duty-free access, to 146 million consumers in the EAC, 460 million in COMESA, and exports to the US under AGOA.

5. Favorable Industrial Policies, SEZs, EPZs

- Favorable policies and streamlined trade and processing regimes, in and outside SEZs, with duty-free and VAT-free import of intermediate goods and capital equipment.
- Option for freehold land ownership inside industrial parks and SEZs.

10 Reasons to Invest in Rwanda

6. Low Tax Environment

- Low-tax environment—total effective tax of 33%, lower than most current FDI source countries and all EAC countries.

7. Attractive Domestic Market Demand

- Significant volumes of imported agricultural produce and processed foods and beverages ensures a competitive domestic market demand for products.

8. Favorable Climate and Growing Conditions

- Excellent tropical temperate climate, with 4 microclimates and 3 growing seasons for a wide variety of agricultural production at low, medium, and high altitudes.

9. Liberal Labor Regime

- Investors enjoy high flexibility in employee relations; hiring of locals and/or foreigners; dismissals; establishing work hours; defining weekly work schedules.

10. High Quality of Life

- 9th Safest and Most Secure Country Globally, based on 2017 World Economic Forum survey.
- Rwanda's international arrivals per 1,000 residents are over twice that of its Competitors.

Agriculture and Animal Husbandry

Background

- The agriculture sector accounts for 33% of GDP, employing 70% of the workforce.
- The sector has significant growth of 5.5% per annum and output is expected to grow at 8.5% by 2018.



Investment Opportunities

Gabiro Irrigation and Farming Project (\$200 million)

- A PPP covering about **16,000 ha in Gabiro**, to be allocated to **qualified investors**.
- A hybrid-financing model will be utilized for implementing cutting-edge water, energy, and irrigation infrastructure

Floriculture

- The Government developed a **strategic investment zone to jumpstart the floriculture industry** in Rwanda
- **65 ha of land in Gishari and 15 ha in Nyacyonga** are ready to be developed under either a lease or purchase agreement.

Meat Processing

- High domestic and regional **demand for value-added meat products** (i.e., DRC's market for frozen meat is \$107 million p.a.).
- Rwanda had **Net Exports of \$14.8 million of processed meat and \$35.2 million of live animals in 2016**.
- Imported processed meat were \$295,000.

Manufacturing

Background

- Light manufacturing is growing at 7% annually and is expected to contribute 26% to GDP by 2020.
- 1 SEZ and 4 industrial parks are in development to provide improved infrastructure and streamlined regulations for pioneer industries.



Investment Opportunities

Apparel and Textile

- The **apparel manufacturing sector** is expected to witness strong growth due to an increase in taxes on second-hand clothes imports in the EAC region.
- In 2016 alone, Rwanda **imported \$76.7 million** worth of new textiles and apparels.
- Other opportunities include **cotton processing, wool and other woven fabrics, silk manufacturing, weaving bed sheets and towels, and manufacturing of mosquito bed nets.**

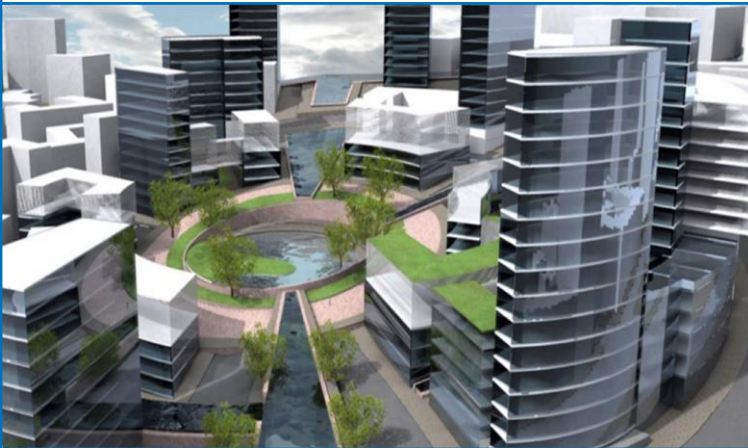
Construction Materials

- Rwanda's growing real estate and construction industry has resulted in high demand for construction materials, including **electric cables, steel materials, ceramic products, float glass, wood products and paints.**
- Construction materials currently account for **almost 10% of Rwanda's imports.**

Real Estate and Construction

Background

- Real estate sector constitutes more than 8% of the national GDP, growing at 6% (2015/16).
- Investment in the sector has grown from US\$ 100 million to US\$ 596 million during the last 14 years, driven by rising consumer demand and improvements in public infrastructure.



Investment Opportunities

Affordable Housing Fund (\$250 million)

- **Housing demand is expected to reach 340,000 units by 2022**, primarily for affordable and mid-range housing.
- To tackle the issues of high-priced land, buildings, and borrowing, **the Government is seeking to establish an Affordable Housing Financing Facility/Fund** with IFIs, and private investors
- The fund will provide a **safeguard mechanism** for developers, producers of locally made construction materials and investors in residential housing

Industrial Parks (\$215 million)

- To jumpstart the light manufacturing sector, the Government is looking for a **real estate developer to establish and operate industrial parks** that provide “Advance Factory Units.”
- **The Government has secured land (estimated build-up size of 13,180 m²) ready for purchase and development.** The properties are well connected via road and national grid.

Background

- Over 5,000 km of fiber optic broadband connecting all 30 districts, with 9 regional links to neighboring countries
- 10 GBPS of broadband capacity
- 80% and 33% mobile and internet penetration, 95% 4G/LTE coverage



Investment Opportunities

Kigali Innovation City (\$100-200 million)

- KIC is at the core of **Rwanda's technology innovation ecosystem**, supported by Rwanda Innovation Fund.
- Located in the SEZ, covering 62 ha land, **KIC hosts Rwanda's top STEM learning institutions** (Carnegie Mellon, AIMS and ALU), R&D centers, and specialized infrastructure.
- Opportunities include real estate, research and training development in **Financial-Tech, Energy, Bio-Medical, Agri-Tech, Education, Logistics and Cyber-Security**.

Business Process Outsourcing

- Estimated current domestic demand for **BPO services is \$50 million, expected to reach \$200 million by 2020**. Rwanda can reach \$275 million by serving local and regional markets.
- The Government is looking for international investors to provide specialized BPO services, in the sectors with the greatest growth potential, such as **Telecom, Tourism, Finance and Government**.

Tourism

Background

- Since 2007, the number of visitors grew from 499 to 1.3 million (11.2% p.a.), with 25% p.a. growth expected by 2018.
- Goals include being a medical tourism destination with world-class systems.
- Universal healthcare system; 1st commercial drone medicine delivery service by Zipline International, Inc.



Investment Opportunities

High-End Tourism

- Rwanda's growing tourism sector offers opportunities to **develop 4 to 5 start hotels, eco-lodges and resorts.**
- Twin lakes in the north and the Lake Kivu belt shores plans offer earmarked sites to be developed **into high-end hotels and lodges and golf-courses.**
- Hot spring eco-resorts can be built along the Lake Muhazi.

Medical Tourism

- Trends in medical tourism suggests for Rwanda the following specialized medical services:
- **Cardiology (\$9 million):** Cardiovascular disease accounts for 12% of non-communicable disease deaths in the EAC region.
- **Oncology (\$5 million):** Currently over 200,000 new cases of cancer are diagnosed in Africa each year.
- **Nephrology (\$3.4 million):** The incidences of diabetes and hypertension in Africa have been rising rapidly.

Infrastructure

Background

- Focus on energy production, phasing-out heavy/fossil-fuel generation. Total installed capacity is 208 MW.
- High solar irradiance (1,890 kWh/m²).
- About 10% of the national budget is committed to road, rail, and water transport infrastructure investments.



Investment Opportunities

Hydropower and Solar Energy

- **Opportunities in Micro and Small Hydropower projects** and shared regional hydropower projects with East Africa (EAC) Partners.
- **333 potential sites** for Micro-hydropower countrywide.
- Opportunities include **standalone solar home systems**, mini-grid solar projects with hybrid and storage solutions.
- **High demand for solar energy in rural areas** for lighting.
- Private engagement through **Independent Power Producer model**.

Transport and Trade Logistics

- **High demand for trade infrastructure investments**, such as bonded warehouses, cold storages, aggregation centers, and off-dock facilities.
- **PPP opportunities in air, water and ground transport investment**, like the new cargo terminal at Kigali International Airport, highways, railway, and inland water transport.

Mining and Quarrying

Background

- 2nd largest export sector, with \$166 million in export revenues in 2016.
- Primary exports include Cassiterite concentrate, which can be smelted to obtain Tin and Coltan.
- These can be processed to obtain Tantalum, Niobium, Wolfram for Tungsten, and various gemstones.



Investment Opportunities

Gems and Jewelry

- There are significant opportunities for **processing gemstones**.
- Rwanda holds deposits of a wide variety of gemstones, including **Beryl (aquamarine), Amethyst, Corundum (Ruby and Sapphire), Tormaline and different types of Quartz**.

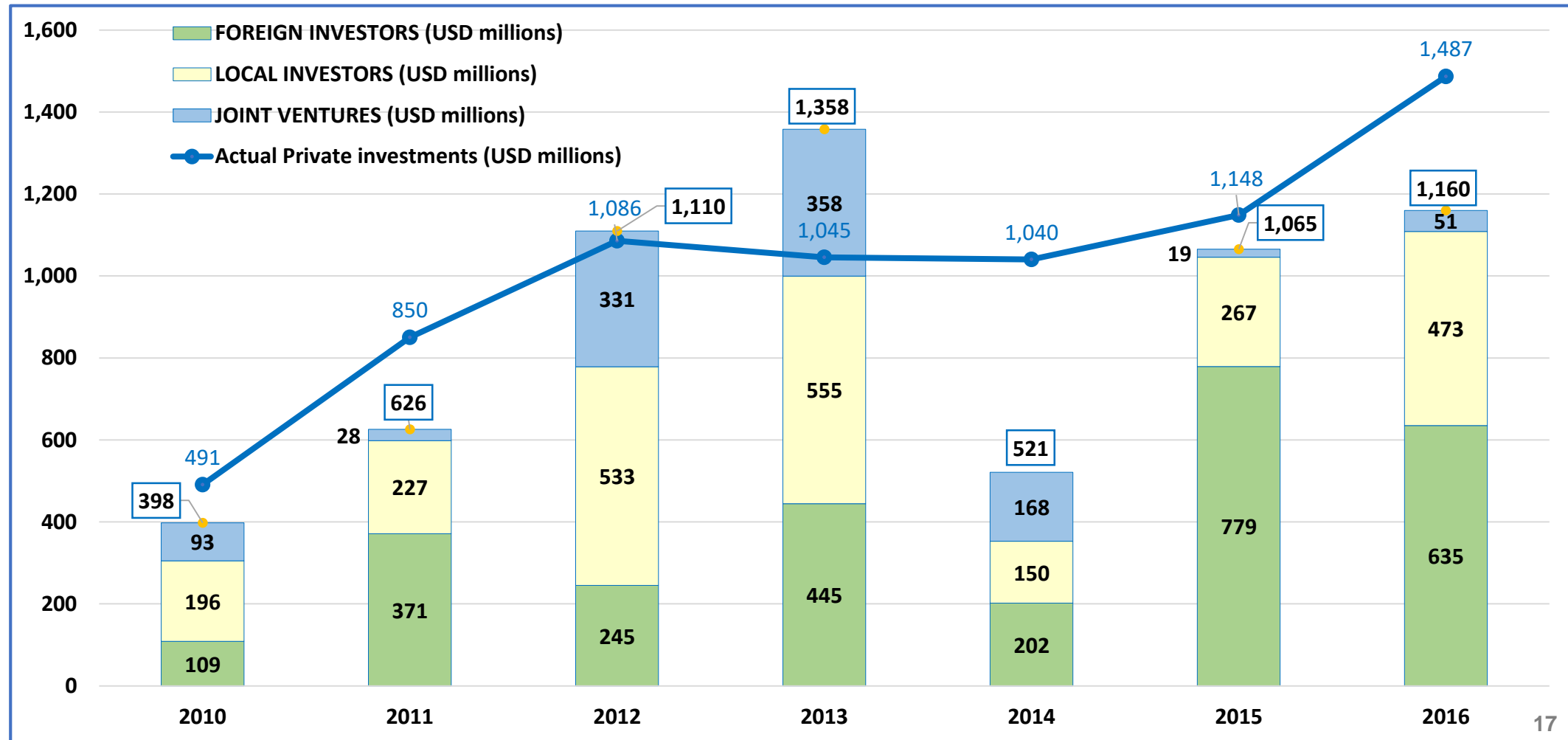
Mineral Exploration

- Intensive, detailed exploration can be carried out in the recently identified **Future Target Area (FTAs)** to estimate mineral resources.
- Existing data indicates promising anomalies for **Copper, Cobalt, Nickel, Lead, Silver, Rare Earth Elements, Tin, Tungsten and Tantalum**.

Value-Addition

- Current mineral exports are **100% raw mineral concentrates, not metals**.
- Additional **investment opportunities in processing plants** to smelt cassiterite into tin, refining wolframite and tantalite into tungsten and tantalum.

Strong Investment Growth Trend



Get Started

- For more information, please contact RDB at:

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- Online Business Registration: <http://org.rdb.rw/busregonline>

Thank you!

Invest In Remarkable Rwanda...