



## Doing Business in Rwanda

### 2014 Country Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business in Rwanda

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### Market Overview

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Rwanda is a small market, with a population of 11.4 million people and a Gross Domestic Product (GDP) of 7.1 billion dollars (single year official exchange rate). According to the International Monetary Fund (IMF), Rwanda's economy grew at 4.6% in 2013, and is forecast to grow at 6% in 2014. Despite decades of strong growth, Rwanda remains highly dependent on Official Development Assistance, which finances approximately 40% of the country's annual budget.

In 2013, the World Bank's Ease of Doing Business Indicators report ranked Rwanda 32nd in the world and second in sub-Saharan Africa, building on six years of steady improvements in Rwanda's ranking.

Rwanda's economy is overwhelmingly rural and heavily dependent on agriculture. More than 70% of the population relies on subsistence farming as a primary source of income. Agricultural production comprises approximately one-third of total GDP, although strong growth in the services sector, particularly hospitality and mining, has contributed to the recent downward trend in the economy's reliance on agricultural production.

Rwandan exports grew 32% year-on-year in 2013, reaching \$640 million. Commodities, particularly cassiterite, coltan, wolfram, tea, and coffee generated over 55% of Rwanda's export revenue. However, non-traditional export sectors have also demonstrated strong growth, with pyrethrum (a natural insecticide) exports increasing 115% to just below \$10 million in 2012.

Rwanda earned \$55 million from coffee exports in 2013, a 9% decrease from 2012, the result of falling global coffee prices. Over the same period, tea revenues decreased by 14%, to \$56 million. Major markets for coffee exports were the United States and Europe, while the Middle East and Pakistan were the main buyers of Rwandan tea.

Tourism is the country's leading foreign exchange earner, with total revenues of \$344 million in 2013, compared with \$240 million in 2012.

Rwanda's small industrial sector contributes around 14% to GDP and employs less than 3% of the population. The services sector generates around 53% of GDP and has grown at an average annual rate of 9%.

Rwanda is highly import-dependent and the Rwandan government faces chronic current account deficits. In 2012, free on board (FOB) imports totaled \$2.2 billion (versus exports of \$640 million). Principal imports included foodstuffs, machinery and equipment, steel, petroleum products, aviation equipment, cement, and construction

material. Europe, the United Arab Emirates, China, India, Kenya, and Uganda are among Rwanda's major suppliers. Rwanda imported \$30.2 million in goods from the United States in 2012. Major U.S. imports included aviation equipment, pharmaceuticals, chemicals, and telecommunication equipment.

Rwanda exported \$24.4 million of merchandise, primarily coffee and tea, to the United States in 2013, down from \$33.2 million in 2012. A small number of Rwandan companies export handicrafts benefitting from duty-free conditions under the African Growth and Opportunity Act (AGOA).

In 2007, Rwanda joined the East African Community (EAC), which has a combined population of over 130 million. In 2010, the member countries of the EAC formed a customs union, which is slowly evolving into a common market. Also in 2010, Rwanda became the newest member of The Commonwealth. Rwanda is also a member of the Common Market for Eastern and Southern Africa (COMESA), which has a total population of 406 million. Products from COMESA countries are exempted from customs duties and taxes under certain conditions.

### **Market Challenges**

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- Purchasing power in Rwanda is low. The World Bank estimated annual per capita income at \$620 in 2012.
- There are high levels of unemployment and underemployment. Rwanda's middle class is growing, but remains small.
- Rwanda is landlocked. Transportation costs for imports and exports are among the highest in the world.
- Energy costs, at \$0.20 per kilowatt-hour (KwH), are high by regional and world standards.
- There is a general shortage of skilled labor, driving labor costs higher in Rwanda than in many of its East African Community neighbors.
- The judicial system remains relatively weak. The sanctity of contract is not always upheld.
- Rwanda lacks a vibrant entrepreneurial sector. However, the Government of Rwanda has committed to fostering entrepreneurship through regional business centers and increased business education.

### **Market Opportunities**

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- Rwanda, as a member of the East African Community, has access to a regional market of over 130 million consumers. Rwanda also stands to benefit from the sizable market and natural resources of its western neighbor, the Democratic Republic of Congo.
- Rwanda has built strong road and aviation infrastructure. The country aims to transform itself into a regional hub for aviation and logistics, with plans to build a new \$750 million international airport over the coming decade.
- Domestic and regional energy demand far outweighs Rwanda's supply. The government encourages development of energy production systems, particularly those powered by alternative fuel sources such as methane, solar, geothermal, peat, and hydropower.

- Rwanda has large reserves of commercially viable methane gas in Lake Kivu. There are opportunities for commercial development of both energy and alternative uses such as calcium carbide, methanol, fertilizers, and heating gas.
- The construction sector is booming, especially in Kigali. There is a significant gap in domestic production of concrete and other construction materials relative to demand.
- The Rwandan government projects that tourism will grow at an average of 11% over the next two years. Opportunities exist in hospitality, entertainment, tour operations, and training services.
- Rwanda is positioning itself as a regional leader in ICT and encouraging investment in the sector.
- The mining sector has expanded significantly since privatization in 2007. The Rwandan government estimates that the mining sector will generate over \$400 million in exports by 2017. Rwanda offers small-scale opportunities in exploration, extraction, and processing. Potential investors should note Rwanda is subject to section 1502 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

## **Market Entry Strategy**

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Visiting Rwanda is critical for those considering entering into business in the country. We strongly encourage visitors to pay a courtesy call on the U.S. Embassy's Economic and Commercial Section for the latest information and market developments. For assistance, please contact the Economic and Commercial Section at (250) 252 596-400.

Rwanda Development Board (RDB), a government agency, is responsible for promoting investment and facilitating market entry for investors. It can often be a good place to start when considering establishing a business in Rwanda. RDB offers a range of services to potential investors, including assistance to acquire licenses, certificates, approvals, authorizations, and permits required by law to set up and operate a business enterprise in the Rwanda. Visit RDB's website at [www.rdb.rw](http://www.rdb.rw) for further information. The Rwandan Private Sector Federation (PSF) can also provide information on potential local business partners. The PSF can be reached via [www.PSF.org.rw](http://www.PSF.org.rw).

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## Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2861.htm>

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### Using an Agent or Distributor

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Using a local agent who speaks the national languages (Kinyarwanda, English, and French) can help with licensing, locating warehouse space, hiring staff, and other administrative start-up tasks. For assistance, contact PSF at [www.PSF.org.rw](http://www.PSF.org.rw) or the U.S. Embassy Economic and Commercial Section at (250) 252 596-400.

When interviewing potential agents, key criteria include contacts with the appropriate labor market, ability to secure warehouse space, knowledge of local competition, previous work experience, and proven ability to work with government officials and U.S. businesses.

When interviewing distributors, key considerations include the distributor's sales records, sales territory, sales force, product mix, facilities, marketing policies, and customer profile.

### Establishing an Office

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The Rwanda Development Board (RDB) provides foreign businesses investing over \$250,000 with an efficient business registration service and potential tax incentives. New investors can complete registration online in around six hours. RDB can assist investors with filing of the necessary business, tax, work permits, and Social Security registrations. For current regulations and/or assistance, contact the Rwanda Development Board at [www.rdb.rw](http://www.rdb.rw).

## **Franchising**

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Franchising is not common in Rwanda, although FedEx, MoneyGram, DHL, and Western Union have been successful through their franchise operations. Regulations in this sector are not yet well established. The Rwanda Development Board (RDB) and Private Sector Federation (PSF) have established a franchise association in the country, with an aim to expand businesses. For more information, contact PSF at [www.PSF.org.rw](http://www.PSF.org.rw).

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As of yet, the Rwandan postal system is insufficiently developed to support large-scale direct marketing. Marketing is conducted primarily through word-of-mouth, radio, and outdoor campaigns. The internet, social media, and, especially, mobile phones are emerging as important marketing media.

## **Joint Ventures/Licensing**

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The government encourages joint ventures with foreign firms, particularly in sectors requiring expertise not available in Rwanda. Investment conferences and trade missions to seek partners are carried out frequently in Asia, the United States, Europe, and the Middle East. Over the past two years, the Rwandan government has exhibited strong interest in establishing Public Private Partnerships (PPP), particularly in the energy and infrastructure sectors. The Rwandan government has created numerous special purpose vehicles (SPVs) to facilitate PPPs and joint ventures with foreign investors.

## **Selling to the Government**

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In 1997, the government established the National Tender Board, which issues and manages procurement rules, regulations, guidelines, and policies. In 2008, the National Tender Board was replaced by the Public Procurement Authority (RPPA), which serves as the government's procurement agency. On occasion, government entities bypass the RPPA and issue tenders directly. Oversight of government finances is carried out by the Auditor General's Office, which was established in early 1999 to carry out continuous government audits.

For more information, visit the RPPA's website at [www.rppa.gov.rw](http://www.rppa.gov.rw).

## **Distribution and Sales Channels**

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Few non-agricultural products are produced in Rwanda, which leaves most distribution and sales channels reliant on import-export partners. No single company dominates the import-export business. Instead, numerous trading companies import goods mostly from the region, and Europe, China and Dubai. Construction of the Kigali Free Trade Zone

(KFTZ) was completed in April 2012. The KFTZ is designed to serve as a distribution platform to the entire Great Lakes region. KFTZ's location allows for easy access to the main road corridors to Uganda (for Mombasa port) and Tanzania (Dar es Salaam port), as well as to Kigali International Airport. It was also designed for easy access to the planned-Bugesera International Airport and future potential rail links. Currently, the nearest railway terminal is a dry port located in Isaka, Tanzania, almost 500 miles from Kigali. Goods shipped by rail are transferred to trucks in Isaka for the remaining journey to Kigali, adding to the time and cost of goods shipped to and from Rwanda.

Transport remains one of the biggest economic challenges in Rwanda. Transportation expenses in Rwanda are nearly twice as much as in neighboring countries.

### **Selling Factors/Techniques**

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Members of the Rwanda business community typically speak English and/or French, though many Rwandan customers speak only Kinyarwanda, occasionally with some knowledge of Swahili. Experienced businesspersons recommend providing promotional materials in Kinyarwanda when marketing consumer goods, especially with new or unfamiliar products. The limited purchasing power of the majority of the population may require businesses to adjust their products and pricing structure to fit local tastes and levels of disposable income. Yet Rwanda has a growing number of consumers who can afford premium products, particularly high-end vehicles, and consumer electronics.

### **Electronic Commerce**

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The government and many established businesses maintain websites and conduct business electronically, but local electronic commerce is not well developed. Credit and debit cards are generally limited to the capital of Kigali. Internet access and speed are improving slowly. In 2011, Visa Inc. opened an office in Kigali and is working to broaden electronic payment services. As of 2013, approximately 400,000 credit cards had been issued in Rwanda. The national air carrier, RwandAir, began online booking and payment in 2012, although payments are still processed by way of via third party companies in Kenya and South Africa. While mobile banking platforms via cellular telephony is growing, it is not yet a fully viable manner of conducting electronic commerce throughout Rwanda.

### **Trade Promotion and Advertising**

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Private and government-owned radio stations and television are available for commercial advertisements. Radio advertising and outdoor campaigns are likely to reach a wider audience than television, as televisions remain rare in households outside of major towns. Local and regional newspapers in Kinyarwanda, English, and French enjoy relative wide circulation and sell advertising space. Advertising by e-mail, telephone, and text message has become popular.

### **Pricing**

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Prices in Rwanda are liberalized, aside from petroleum products and certain commodities, which are set by the government after consultations with industry stakeholders. Value added tax (VAT) is set at 18%, and the penalty for missing or late payment is 10% per month.

The government and importers of sophisticated industrial equipment generally ask for after-sale service agreements. There are a growing number of small computer and electronics companies specializing in after-sales support, however most multinational companies active in Rwanda service local clients via offices in Nairobi or Johannesburg.

**Protecting Your Intellectual Property in Rwanda:**

Several general principles are important for effective management of intellectual property ("IP") rights in Rwanda. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Rwanda than in the United States. Third, rights must be registered and enforced in Rwanda, under local laws. Your U.S. trademark and patent registrations will not protect you in Rwanda. There is no "international copyright" to protect an author's writings in all countries. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works, the conditions of which have been simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first in time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Rwandan market. It is vital that companies understand that intellectual property is primarily a private right, and the U.S. government generally cannot enforce rights for private individuals in Rwanda. It is the responsibility of rights holders to register, protect, and enforce rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Rwandan law. The U.S. Commercial Service can provide a list of local lawyers upon request. A list of Rwandan lawyers is also available on the U.S. Embassy website at [http://kigali.usembassy.gov/attorneys\\_in\\_rwanda.html](http://kigali.usembassy.gov/attorneys_in_rwanda.html).

While the U.S. Government stands ready to assist, there is little we can do if rights holders have not taken the fundamental steps necessary to secure and enforce their IP rights. Moreover, in many countries, rights holders who delay enforcing their rights on the mistaken belief that the U.S. Government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a lawsuit. In no instance should a rights holder view U.S. Government advice as a substitute for prompt pursuit of an IP case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Rwanda require constant attention. Work with legal counsel familiar with Rwandan laws to create a solid

contract that includes non-compete clauses, and confidentiality/non-disclosure provisions. Small and medium-size companies should also understand the importance of working together with trade associations and organizations to support efforts to protect IP and halt counterfeiting. There are a number of these organizations, both Rwandan and U.S.-based, including:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at **1-202-707-5959**.
- For more information on how to evaluate, protect, and enforce intellectual property rights, and how such rights may be important for firms, a free online training program is available at [www.stopfakes.gov](http://www.stopfakes.gov).
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits, please visit: [www.StopFakes.gov](http://www.StopFakes.gov) This site is linked to the USPTO website for registering trademarks and patents (both in the United States and foreign countries), and the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products). The site also allows you to register for webinars on protecting intellectual property.

## Due Diligence

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Many investors perceive Rwanda as one of the least corrupt countries in Africa. Investors should nevertheless perform due diligence on potential local partners, distributors, or agents. Rwanda's two credit reference bureaus may be of some assistance in facilitating due diligence on local partners or agents. Both the U.S.

Embassy's Commercial Assistant and the Rwanda Development Board can provide a local company's profile upon request.

### Local Professional Services

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Firms should retain a local attorney when doing business in Rwanda, particularly as Rwandan employment law can prove difficult for American firms to uphold correctly. Rwandan employees have won large compensatory awards against American firms in past years. Most local professional associations, including the Rwanda Bar Association, do not maintain websites. Attorney lists are available from the U.S. Embassy in Kigali at [http://kigali.usembassy.gov/attorneys\\_in\\_rwanda.html](http://kigali.usembassy.gov/attorneys_in_rwanda.html).

Few large accounting and professional services firms are active in Rwanda. Nonetheless, the PSF does have a small professional services chamber, which can assist American companies in finding local accounting and other professional services firms in Rwanda. See [www.psf.org.rw](http://www.psf.org.rw) for more information.

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

<http://www.rdb.rw>

<http://www.psf.org.rw>

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## **Chapter 4: Leading Sectors for U.S. Export and Investment**

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- [Financial Services](#)
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### **Agricultural Sectors**

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## Information and Communication Technology (ICT)

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- Over 5,000 kilometers (km) of optic fiber have been laid throughout Rwanda, with nine regional links to neighboring countries
- High-Tech Air Traffic Navigation System
- Tier 3 state-of-the-art Internet Data Center
- Cutting edge broadcasting infrastructure
- High speed 4G LTE wireless broadband
- PPP between Government of Rwanda and Korea Telecom; 4G LTE broadband to cover Kigali by end of 2014, with plans to cover 95% of the country by 2017.
- ICT Park to incubate start-ups
- Mobile and fixed telephony, voice over internet protocol (VOIP)

MTN Rwanda, TIGO, and Airtel are the major telecom providers of mobile telephones. The number of active mobile-cellular phone subscribers currently stands at around 65%, with approximately 6.8 million mobile subscribers in Rwanda (December 2013). There are more than 11 internet service providers serving the rapidly expanding market, including MTN Rwanda, AltechStream, Airtel, Olleh Rwanda Network (Korea Telecom), and Liquid Telecom (formerly Rwandatel). Despite a nationwide fiber optic backbone, fewer than 20% of Rwandans have access to the internet.

The Rwandan government is investing heavily in regional communications infrastructure to connect the country to the global network. Rwanda currently maintains connections to three undersea cables via Tanzania and Uganda/Kenya.

In 2011, Carnegie Mellon University (CMU) established a campus in Kigali that currently offers certificates and post-graduate degrees in information technology, with the first students set to graduate in June 2014. With the heavy focus on investment in ICT education, the Government of Rwanda is committed to making Rwanda an “African Silicon Valley” over the coming years.

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<http://www.rdb.rw/rdb/ict.html>

## Construction

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Real estate development and construction have served as key growth sectors over the past three years. Population growth of 3% per annum combined with an emerging middle class and diaspora investment should continue to bolster some segments of Rwanda's real estate sector.

Rwanda's low and middle income housing market remains under-served. Total housing needs in Kigali (2012-2022) are estimated at 458,265 dwellings, requiring construction of 344,000 new units.

The Kigali Conceptual Master Plan provides the framework for housing development in Kigali. According to the plan, 35,590 hectares of land are available for potential growth in Kigali.

In 2011, Rwanda amended its mortgage laws to facilitate access to home loans. As a result, banks have reduced down payments from 70% to 30%, and extended the duration of mortgage loans to up to 20 years, further stimulating housing demand.

There appears to be an adequate supply of high end, luxury homes in Kigali. Property owners have complained of falling rents and/or stagnant rental properties in the newer, high-end developments of Kigali. Commercial real estate developers have dramatically changed Kigali's skyline over the past five years. Significant investment opportunities should continue to arise as the City of Kigali continues to implement its development master plan.

### Sub-Sector Best Prospects

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Construction of low and middle-income housing in Kigali is a significant prospect for the right international firm. Construction materials and transportation costs are extremely high in Rwanda, making affordable housing difficult to build. However, with over 25,000 new units needed per annum just to satisfy current housing demand, there are significant opportunities for firms that can utilize local building materials and/or new, green housing technology. For further information on low and middle-income housing opportunities, please visit the City of Kigali's website at [www.kigalicity.gov.rw](http://www.kigalicity.gov.rw).

### Opportunities

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Opportunities in construction and real estate include development of low cost and middle-income housing estates, manufacturing of construction materials, warehousing, office buildings and malls, as well as investment in construction of apartments and hotels.

The current outline of the Kigali City master plan provides an insight into the plans for the city. The city plan is available at [www.kigalicity.gov.rw](http://www.kigalicity.gov.rw).

As part of the City of Kigali's development strategy, the Government of Rwanda is seeking investment in a number of projects, which can be viewed at: <http://www.kigalicity.gov.rw/spip.php?article1255>.

### **Kimihurura Gateway Project**

#### **Project Description:**

Located on 53 hectares, the Kimihurura Gateway Project will develop commercial buildings for sale or lease and serve as a tourist and financial hub.

### **Akumunigo Development Project**

#### **Project Description:**

Located on 58 hectares of land, the Akumunigo Development Project involves the development of residential housing for low to middle-income earners.

### **Kimichanga Development Zone**

#### **Project Description:**

Located on 50 hectares of land, the Kimichanga Development Zone involves the expansion of Kigali's central business district and the development of high-end residential properties.

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<http://www.rdb.rw/rdb/real-estate.html>  
[www.kigalicity.gov.rw](http://www.kigalicity.gov.rw)

## Transportation Infrastructure

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The Government of Rwanda continues to invest heavily in infrastructure projects, including roads, rail, air, and water transport to reduce transportation-related costs.

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## Railway

### Isaka-Kigali Railway Project:

The Isaka-Kigali Railway is one part of a wider project that will link Isaka (Tanzania) to Kigali (Rwanda), and Keza (Tanzania) to Gitega and Musongati (Burundi). The project entails:

- The construction of two new rail lines (Kigali to Isaka and Gitega and Musongati to Isaka)
- Rehabilitation of the existing Isaka to Dar es Salaam line
- Acquisition of rolling stock to carry passengers, cargo, and ore traffic

Feasibility studies were completed in 2009 by the German rail company Deutsche Bahn and American company Burlington Northern Santa Fe Railway (BNSF). The line is expected to shorten the transportation time from the port of Dar es Salaam to Kigali from several weeks to a few days.

Total estimated project cost is \$4.7 billion.

### Mombasa- Kigali Project:

A rail line from Mombasa to South Sudan via Kampala and Kigali is in the pipeline. The new line would employ a wider, standard gauge, allowing trains to travel faster with heavier loads. The project would be jointly financed by the four partner states, with each country developing the segment within its borders.

## Air

RwandAir is the national carrier with flights to 16 destinations, including Nairobi, Entebbe, Arusha, Mombasa, Dubai, Lagos Johannesburg, Accra, Juba, Brazzaville, Libreville, and Doula, among others. Other international carriers include Kenya Airways, Ethiopian Airlines, Brussels Airlines, KLM, Qatar Airways, and Turkish Airlines.

### Bugesera International Airport Project:

Rwanda has experienced a sharp increase in air traffic over the past three years, with over 400,000 passengers transiting Kigali International Airport in 2012. The Government of Rwanda plans to construct a new international airport to accommodate up to 1.8 million passengers by 2030.

The proposed Bugesera International Airport will be constructed in Bugesera district, approximately 40 km south of Kigali. The airport is slated to be built in three phases and increase the country's capacity for passenger handling to 1.8 million by the end of phase one, 10-20 million by the end of phase two, and 50-60 million by the end of phase three.

The Rwandan government publically tendered this project in early 2012 and received numerous proposals from international firms and consortia. However, the tender failed due to a lack of financially viable bids.

**Investment Amount:**

Total projected investment is \$635 million.

**Roads**

Roads represent 90% of transportation in Rwanda. The country has around 14,000 km (8,700 miles) of roads, and 95% of Rwanda's national, paved roads are judged to be in good condition.

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<http://www.rdb.rw/rdb/infrastructure.html>

## Financial Services

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Rwanda was little affected by the global financial crisis, but like its neighbors in East Africa, is in the process of transition towards a more modern, competitive, open, and inclusive financial system. The National Bank of Rwanda (BNR) is the sole regulator and supervisor for the entire financial sector, aside from the securities markets. As part of the national Financial Sector Development Plan (FSDP), the BNR has improved its supervisory practice, conformed more to international best practices, strengthened enforcement, and taken intervention actions deliberately.

The Rwandan financial sector includes insurance and banking services (commercial banks, development banks, and microfinance institutions).

### Banking

Banks currently hold around 66% of the total financial sector's assets in Rwanda. The sector remains liquid, well capitalized, and profitable. The banking sector has enjoyed strong growth over the past five years, including increased participation by multinational banks and foreign equity. Interest rates are high, but relatively stable, ranging currently from 14% to 22%.

The banking sector is comprised of nine commercial banks, four micro finance banks, one development bank, and one cooperative bank. The Bank of Kigali is the country's largest bank by market share, followed by Banque Populaire du Rwanda (BPR) and I&M Bank (formerly Banque Commerciale du Rwanda). Meanwhile, Ecobank, Guaranty Trust Bank, Access Bank, Equity Bank, and Kenya Commercial Bank (KCB) are among the largest regional banks that have a presence in Rwanda.

In 2011, the government launched the Rwanda Stock Exchange in order to facilitate trading of equities and improve capital mobilization in the private sector. In 2013, the government launched a regional commodities exchange, to help improve pricing transparency for Rwanda's top commodity exports.

### Insurance

Key players include AAR, COGEAR, CORAR, RAMA, MMI, SONARWA, and SORAS. Total assets of the Rwandan insurance sector are valued at \$308 million (end of Dec. 2012) indicating a growth of 36%.

### Opportunities

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Mobile payment systems and the expansion of credit via credit cards are two sub-sectors that offer significant potential growth in the coming years. Rwanda has a high mobile penetration rate. Just 400,000 credit cards have been issued in Rwanda, out of a total population of 11 million.

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<http://www.rdb.rw/rdb/financial-services.html>  
[www.minecofin.gov.rw](http://www.minecofin.gov.rw)

## Education

### Overview

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Rwanda is currently suffering from a significant lack of skilled workers. The country's fast-growing economy is experiencing qualified labor shortages, which are occasionally buttressed by workers from neighboring Kenya and Uganda. Through its development plan, Rwanda aims to transform itself from a subsistence agriculture-based society to a service-driven and knowledge-based economy. As a result, significant opportunities exist for education and training companies, as well as consultancies specializing in customer service, hospitality, information technology, accounting, engineering, construction, and management education. For more information, see the Rwanda Education Board's website at [www.reb.rw](http://www.reb.rw).

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Rwanda Education Board: <http://www.reb.rw/>

## Tourism

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Rwanda offers tourists a "one of a kind" opportunity to visit one-third of the world's remaining mountain gorillas, one-third of Africa's bird species, several unique species of primates, volcanoes, game reserves, resorts and islands on expansive Lake Kivu, graceful dancers, artistic crafts, and friendly people.

Rwanda is a relatively safe country with one of the lowest crime rates in Africa. All major attractions are located along a circuit within a one to four hour drive from the capital, Kigali. Positioned in the heart of central and east Africa with easy access to neighboring countries Uganda, Tanzania, Burundi, Democratic Republic of Congo, and Kenya, Rwanda is an ideal location for travel within the region for conference and leisure tourists.

The government projects the tourism sector to grow at 10% annually for the next two years. Numerous opportunities exist in the hospitality, entertainment, tour operation, and training services sectors.

### Opportunities

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Tourism, like other sectors, is experiencing a significant shortage in qualified human capital. As a result, opportunities exist for professionals with expertise in customer service and hospitality training.

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<http://www.rdb.rw/rdb/tourism.html>

## Mining

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Rwanda has small mineral reserves of tungsten ore, tin (cassiterite), and columbite-tantalite (coltan). Investment opportunities exist to increase productivity through geological surveys, semi-industrial mining, and minerals processing.

The Government of Rwanda has also identified quarries for construction materials and deposits of gold, precious stones, diamond, beryl, topaz, ruby, sapphire, garnet, as well as other unexploited deposits. There are major peat deposits in the southwest of Rwanda, which the government and foreign investors have identified as an electricity generation source and alternative to firewood.

The Rwanda Geology and Mines Department (GMD) of the Ministry of Natural Resources offers complete information on Rwandan mining policy and law on its website: <http://www.ogmr.minirena.gov.rw/>.

Potential investors in the mining sector should consider section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The legislation can be viewed at <http://thomas.loc.gov/>.

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

<http://thomas.loc.gov/>

## Energy

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In a bid to propel Rwanda to the forefront as a services hub for east and central Africa, the Rwandan government is engaged in an ambitious effort to upgrade the country's installed power generation capacity from 110 MW currently (actual output is 85 to 90 MW), to 563 MW by 2017, chiefly through development of methane gas, geothermal, solar, and hydroelectric resources. The government has identified 333 potential micro-hydro sites, few of which have been developed. Rwanda faces some of the highest energy costs in the world (over US\$0.20 per kilowatt-hour), creating opportunities for U.S. power producers, energy consultants, and renewable energy specialists.

#### Power grid

As of July 2013, around 17% of the population had access to Rwanda's power grid. The government, however, is expanding national grid coverage through a \$311 million capital budget plan that will expand transmission and distribution networks by several thousand kilometers, generating new demand for electricity.

#### Renewable energy

By 2017, the government plans to generate 90% of Rwanda's electricity needs from renewable sources. Rwanda has significant potential for geothermal, solar and

hydropower production. Additionally, the Government of Rwanda is encouraging the production of bio-fuels.

## Generation

Currently, around half of the electricity produced in Rwanda is generated from hydroelectric sources. The remainder is generated by thermal power plants, which burn imported diesel, at a cost of US\$0.40 per kilowatt-hour. U.S. firm Contour Global is in the process of building a 100-MW methane gas-to-power facility on Lake Kivu. The first 20 megawatts are scheduled to come online in 2014.

## Opportunities

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- Renewable energy generation: including solar, bio-fuels, hydro, methane gas, and geothermal
- Power distribution equipment
- Infrastructure and services
- Technical assistance

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Rwanda Development Board – [www.rdb.gov.rw](http://www.rdb.gov.rw)

Rwanda Ministry of Infrastructure – [www.mininfra.gov.rw](http://www.mininfra.gov.rw)

Rwanda Utilities Regulatory Authority – [www.rura.gov.rw](http://www.rura.gov.rw)

## Agriculture

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Agriculture has historically served as a mainstay of Rwanda's economy and is of pivotal importance to the country. Contributing over a third of the country's GDP and employing approximately 70% of the country's working population, it remains a key sector in Rwanda's efforts to foster private sector development.

Agriculture is a priority sector in Rwanda's Vision 2020 national development strategy. The government aims to replace subsistence farming with a fully monetized, commercial agricultural sector by 2020. Principal agricultural exports are coffee and tea. Additionally, pyrethrum (a natural, flower-based, insecticide) exports have risen substantially over the past several years. The government is interested in increasing agricultural production. As such, Rwanda will need to import an increasing amount of inputs, such as seeds, fertilizers, and small-scale machinery to achieve its agricultural development goals.

## Opportunities

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- Agro-processing
- Storage facilities
- Fertilizers
- Pyrethrum farming and processing (a plant-based, natural insecticide)
- Farm equipment (for small farms)
- Plant propagation

- Education and farmer training

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Ministry of Agriculture: <http://www.minagri.gov.rw/>

Rwanda Horticulture Development Authority (RHODA): <http://www.rhoda.gov.rw>

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## Chapter 5: Trade Regulations, Customs and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [Temporary Entry](#)
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- [Customs Regulations and Contact Information](#)
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### Import Tariffs

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In 1998, the government established the Rwanda Revenue Authority (RRA), which oversees the collection of taxes and customs duties. Customs duties on imports range from a maximum of 30% to no duty on specified items. The government harmonized duty rates with the other EAC member countries in 2009. Beginning in 2010, the member states of the EAC began to implement a common customs union. Approved raw materials, computers, and energy equipment are not charged customs duties. The RRA has expanded customs processing facilities, increased personnel and introduced a computerized system to reduce corruption. Pre-clearance of goods is now accepted to facilitate fast delivery of goods. In 2012, the Government of Rwanda announced the introduction of one-stop “electronic single window,” to be phased in at border crossings with its EAC neighbors. The government continues to collect 18% Value Added Tax (VAT) on most goods, a process that began in 2001. For more information on Rwandan taxes, please refer to the RRA website. [www.rra.gov.rw](http://www.rra.gov.rw).

### Trade Barriers

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There are no significant Rwandan trade barriers that affect imports into the country. However, most imports and exports are shipped by road from the ports of Mombasa (Kenya) and Dar es Salaam (Tanzania) a distance of up to 1,500 km.

Commercial traffic to and from the ports is currently subject to frequent delays, numerous weigh points, high transportation costs, and occasional theft. As such, shipping insurance and freight forwarding services may prove difficult to acquire in Rwanda.

Rwanda hopes to generate higher trade volumes under the Single Customs Territory (SCT), a trilateral initiative among Rwanda, Kenya, and Uganda. Under the SCT, which is set to launch in June, customs revenues would be collected at the port of Mombasa – and the port of Dar es Salaam once Tanzania joins the initiative – and remitted to the destination member state. According to an East African Community study, the SCT would lower the cost of moving a container from Mombasa to Kigali from \$385 to less than \$200, and reduce transport time from 21 days to eight days.

## Import Requirements and Documentation

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The export/import licensing process is relatively simple and fast. Export licenses can be obtained from any commercial bank in Rwanda. Companies must have a trade registration card, issued by the RRA, to indicate that the holder is in the import/export business.

## Temporary Entry

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Products entering Rwanda with a final destination to neighboring countries do not pay duties. Clearing agents must guarantee that goods in transit will not be sold within the country. The agents first execute bonds that act as guarantees to the RRA; then the goods are escorted to specified bonded warehouses. Goods declared for trade exhibitions are not taxed unless sold. Warranty and non-warranty items going out of the country for repair pay VAT upon their return.

## Labeling and Marking Requirements

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Labeling and marking requirements are detailed in documents that can be purchased at Rwanda Bureau of Standards (RBS). The cost of each document is approximately \$10-15. An exporter or manufacturer must comply with compulsory requirements of the standards or codes of practice. The list of these regulations can be found in the Official Gazette No. 19, dated October 1, 2005. Information on labeling and marking requirements can be obtained by visiting the RBS website: [www.rwanda-standards.org](http://www.rwanda-standards.org)

## Prohibited and Restricted Imports

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The importation and manufacture of narcotic drugs, firearms, ammunition, or explosives are prohibited. Exportation and importation of wild specimens of endangered flora and fauna are also prohibited.

## Customs Regulations and Contact Information

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All importers must use clearing agents to process goods through customs. Several private warehouses exist, and many businesses have their own warehouses. The cost of warehousing is based on handling charges and length of warehousing. For further information, contact the Customs Office, which is located within the RRA, by calling (250) 0252 578487 or visiting <http://www.rra.gov.rw/>.

## Standards

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## Standards Organizations

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The Rwanda Bureau of Standards (RBS), established in 2001, is the government institution charged with the implementation of standards, testing, product certification, accreditation work, labeling, marking, and technical regulations. More information on RBS is available at [www.rwanda-standards.org](http://www.rwanda-standards.org)

## NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

**Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at:

<http://www.nist.gov/notifyus/>.

## Conformity Assessment

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The Rwanda Bureau of Standards (RBS) is the recognized testing and conformity assessment body for commercial purposes in the country. More information on RBS is available on its website: [www.rwanda-standards.org](http://www.rwanda-standards.org)

## Product Certification

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Refer to the RBS website for a complete listing of certification requirements and required documentation: [www.rwanda-standards.org](http://www.rwanda-standards.org)

## Accreditation

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There is currently no private accreditation body in Rwanda.

## Contacts

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Rwanda Bureau of Standards PO Box: 7099 Kigali-Kicukiro, Tel: +250-252 58 61 03, Fax 250 252 58 33 05 or email: [www.rwanda-standards.org](http://www.rwanda-standards.org)

## Trade Agreements

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Rwanda is one of 20 members of the Common Market for Eastern and Southern Africa (COMESA) that offers preferential terms of trade for its members. Rwanda is also a member of the World Trade Organization (WTO) and joined the East African Community (EAC) in 2007 and Commonwealth in 2010. The EAC began implementation of a customs union and common market for member states in 2010. The Rwanda-U.S. Bilateral Investment Treaty came into force on January 1, 2012.

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Rwanda Bureau of Standards: [www.rwanda-standards.org](http://www.rwanda-standards.org)

Rwanda Development Board: [www.rdb.rw](http://www.rdb.rw)

Rwanda Revenue Authority: [www.rra.gov.rw](http://www.rra.gov.rw)

Export-Import Bank of the United States: [www.exim.gov](http://www.exim.gov)

Country Limitation Schedule: [www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: [www.tda.gov](http://www.tda.gov)

SBA's Office of International Trade: [www.sba.gov/oit](http://www.sba.gov/oit)

Commodity Credit Corporation: <http://www.fsa.usda.gov/ccp/default.htm>

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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Measure	Year	Index/Ranking (Percentile)
TI Corruption Index	2013	49 of 175
Heritage Economic Freedom	2013	65 of 177
World Bank Doing Business	2013	32 of 189
MCC Gov't Effectiveness	2013	0.94 (100%)
MCC Rule of Law	2013	0.60 (93%)
MCC Control of Corruption	2013	1.32 (100%)
MCC Fiscal Policy	2013	-0.4 (87%)
MCC Trade Policy	2013	78.0 (87%)
MCC Regulatory Quality	2013	0.65 (96%)
MCC Business Start Up	2013	0.991 (100%)
MCC Land Rights Access	2013	0.81 (94%)
MCC Natural Resource Protection	2013	56.4 (49%)

### Conversion and Transfer Policies

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There is no difficulty obtaining foreign exchange, or transferring funds associated with an investment into a usable currency and at a legal market-clearing rate. In 1995, the government abandoned the dollar peg and established a floating exchange rate regime, under which all lending and deposit interest rates were liberalized. The central bank holds daily foreign exchange sales freely accessed by commercial banks.

Investors can remit payments only through authorized commercial banks. There is no limit on the inflow of funds, although local banks are required to notify the central bank of all transfers over \$10,000 to mitigate the risk of potential money laundering. Additionally, there are some restrictions on the outflow of export earnings. Companies generally must repatriate export earnings within three months after the goods cross the border. Tea exporters must deposit sales proceeds shortly after auction in Mombasa. Repatriated export earnings deposited in commercial banks must match the exact declaration the exporter used crossing the border. Rwandans working overseas can make remittances to their home country without impediment.

It usually takes two to three days to transfer money using SWIFT financial services. Other financial services companies such as Western Union and Money Gram are also available to investors seeking to transfer funds.

Since January 2007, the Rwandan franc (Rwf) has been convertible for essentially all business transactions. Rwanda has a liberal monetary system and complies with International Monetary Fund (IMF) Article VIII and all Organization for Economic Cooperation and Development (OECD) convertibility requirements.

## **Expropriation and Compensation**

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The government reserves the right to expropriate property “in the public interest” and “for qualified private investment” under the expropriation law of 2007. The government and landowner negotiate compensation directly depending on the importance of the investment and the size of the expropriated property. RDB may facilitate expropriation in cases where the expropriation is potentially controversial. Valuation of expropriated property is often opaque and controversial. In the past several years, a number of property owners have protested expropriation of their property by the City of Kigali and claimed that the compensation offered was below market value and not in accordance with the expropriation law. Implementation of the Kigali City Master Plan has at times created additional threatened expropriations, as property owners in selected areas have been compelled to construct multi-story commercial developments or face potential eviction from their property.

In 2013, the City of Kigali seized Rwanda’s largest mall, the Union Trade Center (UTC), from its Rwandan owner, a political exile who lives in South Africa. Soon after seizing the property, Rwanda’s parliament passed a new “abandoned property” law that grants the GoR expanded authority to expropriate and manage the property of owner-investors who reside outside Rwanda.

In the past, mining sector investors have complained that the GoR has denied access to their mining concessions without appropriate compensation.

Rwanda’s 2007 Law Relating to Expropriation in the Public Interest requires the government to pay compensation to property owners prior to relocation or expropriation. In practice, however, this procedure has not always been followed.

## **Dispute Settlement**

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Under the U.S.-Rwanda Bilateral Investment Treaty, U.S. investors have the right to bring investment disputes before neutral, international arbitration panels. Disputes between U.S. investors and the GoR in recent years have been resolved through international arbitration, court judgments, or out of court settlements.

Rwanda is a signatory to the Convention on the Settlement of Investment Disputes (ICSID) and African Trade Insurance Agency (ATI). ICSID seeks to remove impediments to private investment posed by non-commercial risks, while ATI covers risk against restrictions on import and export activities, inconvertibility, expropriation, war, and civil disturbances. Rwanda is a member of the East African Court of Justice for the settlement of disputes arising from or pertaining to the East African Community (EAC). Rwanda has also acceded to the 1958 New York Arbitration Convention.

In 2012, the GoR launched the Kigali International Arbitration Center (KIAC), an alternative business settlement venue that aims to reduce the costs of contract settlement and enforcement for investors. Rwanda's Private Sector Federation has estimated that investors are forced to spend around 68% of the value of court awards pursuing claims via commercial courts.

In 2008, Rwanda created specialized commercial courts to address commercial disputes and facilitate enforcement of property and contract rights. To clear a backlog of commercial cases, the GoR hired experienced foreign judges who presided over Rwandan commercial trials. The role of the judges was positively received and non-controversial. The law governing commercial establishments, the investment law, the law on privatization and public investment, the land law, and the law on protection and conservation of the environment are currently the primary legislation governing investments in Rwanda.

Judgments by foreign courts and contract clauses that abide by foreign law are accepted and enforced by local courts, though local courts lack capacity and experience to adjudicate cases governed by non-Rwandan law. There have been a number of private investment disputes in Rwanda, though the GoR has yet to stand as complainant or respondent in a World Trade Organization (WTO) dispute settlement.

Rwanda signed and ratified the Multilateral Investment Guarantee Agency (MIGA) convention on October 27, 1989. MIGA issues guarantees against non-commercial risks to enterprises that invest in member countries.

Rwanda has maintained good relations with the U.S. Overseas Private Investment Corporation (OPIC) since the 1960s. Although OPIC's portfolio of investments and insurance policies in Rwanda is small, the corporation is seeking to expand investments in the country.

## **Performance Requirements and Incentives**

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Unless stipulated in a memorandum of understanding characterizing the purchase of privatized enterprises, performance requirements are not imposed as a condition for establishing, maintaining, or expanding other investments. Such requirements are imposed chiefly as a condition to tax and investment incentives. The government offers grants and special access to credit to investors who develop in rural areas. There are no import quotas for investors.

The GoR has said that a forthcoming revision of the investment law, which the government plans to release in June 2014, will be less generous with investor tax breaks, which currently average 2.7% of GDP. The government says it will instead offer lower tax rates to investors in the energy, transport, and logistics sectors.

The government encourages foreign investors, without legal obligation, to transfer technology and expertise to local staff to help develop Rwanda's human capital. Recently, the GoR has limited the number of visas that investors can obtain for non-Rwandan or non-EAC citizen staff, thereby aiming to accelerate technology and expertise transfer to Rwandan staff. Many American investors cite the GoR's unwillingness to support visas for expatriate staff as one of the most significant limitations on doing business on Rwanda. The GoR has said that, under the forthcoming revision of the investment law, it plans to ease restrictions on the hiring of foreign labor.

The RDB has been successful in developing investment incentives and publicizing investment opportunities abroad. Registered foreign investors have obtained benefits in the past, including exemption from value-added tax and duties when importing machinery, equipment, and raw materials. However, investors have complained that coordination between the RDB and the Rwanda Revenue Authority (RRA) is limited, resulting in assessment by the RRA on duties or taxes on registered investments despite the RDB's assurance that such investments qualified for tax-exempt or tax-incentivized status. The GOR has recently prioritized expanding Rwanda's tax base and increasing revenue. Consequently, the RDB's ability to issue tax incentives to new foreign investors has been somewhat constrained, and may be limited further by the upcoming revision of the investment law.

There is no legal requirement that investors must purchase from local sources or export a certain percentage of their output. However, in the past, the government has made available preferential tax incentives to investors who create significant export-oriented growth. The government determines eligibility for such incentives on request and based on several factors: exports must total at least 80% of production (or at least 10% if manufacturing under bond); and capital investment must reach \$100,000 for local investors and Common Market for East and Southern Africa (COMESA) member states, or \$250,000 for non-COMESA investors.

There is no legal obligation for nationals to own shares in foreign investments or requirement that shares of foreign equity be reduced over time. However, the government strongly encourages local participation in foreign investments. The government does not impose conditions on the transfer of technology.

The government is not involved in assessing the type and source of raw materials for performance, but the National Bureau of Standards determines quality standards.

U.S. passport holders do not require a visa for visits to Rwanda of 90 days or less. Foreigners applying for work permits and/or residency visas must apply within 15 days of their arrival in country. The government generally processes visa applications for U.S. citizen investors in a timely manner. However, some investors have complained that the application process for work permits and extended stay visas has become onerous. Immigration authorities frequently request extra documentation detailing applicants' qualifications and, at times, have taken several months to adjudicate cases. Applicants

may facilitate the process by ensuring that they travel with original police clearances, preferably stamped or notarized. Educational documents should be on original letterhead. Applicants should also obtain a certified copy of diplomas, if the original is not carried.

### **Right to Private Ownership and Establishment**

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Local and foreign investors have the right to own and establish business enterprises in all forms of remunerative activity. The Rwandan constitution stipulates that every person has the right to private property, whether personal or in association with others. The government cannot violate the right to private ownership except in the public interest and only then after following procedures that are determined by law and subject to fair compensation.

The law also allows private entities to acquire and dispose of interests in business enterprises. Foreign nationals may hold shares in locally incorporated companies. The government has continued to privatize state holdings, including former state-owned Cimerwa cement, though the government, ruling party, and military continue to play a dominant role in Rwanda's private sector.

### **Protection of Property Rights**

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The law protects and facilitates acquisition and disposition of all property rights. Investors involved in commercial agriculture have leasehold titles and are able to secure property titles, if necessary. A property registration and land titling effort, the result of a 2005 land law, was completed in 2013.

As a COMESA member state, Rwanda is automatically a member of African Regional Intellectual Property Organization (ARIPO). It is also a member of World Intellectual Property Organization (WIPO) and is currently working towards harmonizing its legislation with WTO trade-related aspects of intellectual property. The Ministry of Commerce (MINICOM), the Rwandan Revenue Authority (RRA), and the Rwandan Bureau of Standards (RBS) work together to address issues involving counterfeit products on the Rwandan market. Through the RBS and the RRA, Rwanda has worked to increase protection of intellectual property rights, but many goods that violate patents, especially pharmaceutical products, make it to market nonetheless.

Rwanda has yet to ratify WIPO internet treaties, though the government has taken steps to implement and enforce the WTO TRIPS agreements. Intellectual property legislation covering patents, trademarks, and copyrights was approved in October 2009. A Registration Service Agency, which is part of the RDB, was established in 2008, and has improved intellectual property right protection by registering all commercial entities and facilitating business identification and branding.

### **Transparency of Regulatory System**

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The government generally employs transparent policies and effective laws to foster clear rules consistent with international norms. Institutions such as the Rwanda Revenue Authority, the Ombudsman's office, Rwanda Bureau of Standards (RBS), the National

Public Prosecutions Authority (NPPA), the Rwanda Utilities Regulatory Agency, the Public Procurement Agency, and the Privatization Secretariat all have clear rules and procedures. However, some investors claim that the RRA unfairly targets foreign investors for audits. In recent years, several investors raised concerns that RRA breached Rwandan law by auditing corporate financial statements that had already exceeded the statute of limitations for review.

There is no formal mechanism to publish draft laws for public comment, although civil society sometimes has the opportunity to review proposed laws. There is no government effort to restrict foreign participation in industry standards-setting consortia or organizations.

Some investors complain that the strict enforcement of tax, labor, and environmental laws impede investment. In 2009, the government updated the labor code to simplify labor recruitment and facilitate the hiring, firing, and retention of competent staff.

In 2003, Rwanda established an ombudsman's office that monitors transparency and regulatory compliance in all governmental sectors. The Rwanda Utility Regulation Agency, the Auditor General's Office, the Anticorruption Division of the RRA, the RBS, and the National Tender Board also enforce regulations. From 2009 to 2013, the press reported instances of alleged malfeasance involving private citizens and Rwandan officials. This led to investigations and arrests of high-ranking officials as well as a number of resignations.

There is no informal regulatory process managed by nongovernmental organizations. Existing legal, regulatory, and accounting systems are generally transparent and consistent with international norms, but are not always enforced.

A key component of the government's regulatory system is the Office of the Auditor General, which was established in 1999 to audit government adherence to fiscal controls. The OAG reports annually to Parliament and those reports have prompted wide-ranging criminal investigations of alleged misconduct in previous years.

Consumer protection associations exist, but are largely ineffective. The business community has been able to lobby the government and provide feedback on government policy and execution through the Private Sector Federation, a business association with strong ties to the government.

## **Efficient Capital Markets and Portfolio Investment**

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Access to credit is a serious challenge in Rwanda. Interest rates are high, banks offer short-term loans only, and Rwandan commercial banks are unable to issue significant loan values. Investors who seek to borrow more than one million dollars must often engage in multi-party loan transactions, usually leveraging support from larger Kenyan banks. Credit terms generally reflect market rates and foreign investors are able to negotiate credit facilities from local lending institutions if they have collateral and "bankable" projects.

The private sector has limited access to credit instruments. Most Rwandan banks are conservative, risk-averse, and trade in a limited range of commercial products, though

additional products are becoming available as the industry matures. Credit cards are not used widely, except in major hotels and a few restaurants. Debit cards have been introduced on a limited basis. In December 2011, Visa International opened an office in Rwanda and announced a partnership with the central bank through which the company is working to expand electronic payment services throughout Rwanda. While the use of credit cards is becoming more popular, Rwanda remains primarily a cash-based economy.

An over-the-counter (OTC) market was established in 2008, with the assistance of the U.S. Department of the Treasury. Trading volume is limited and confined to the sale of government treasury bills and a few corporate bonds and shares. In December 2010, Heineken launched the country's first initial public offering (IPO) for 30% of the shares in its Rwandan subsidiary, Bralirwa. Subsequently, Bank of Kigali (BOK) became the second listed Rwandan firm, with its shares officially trading on the Rwanda Stock Exchange from September 1, 2011. Kenya Commercial Bank (KCB), Kenya's National Media Group (NMG), and Kenyan supermarket chain Uchumi (USL) also cross-list their shares, bringing the total number of companies traded on the Rwanda Stock Exchange to five.

The central bank capital requirement for commercial and investment banks is currently Rwf 5 billion (\$7.4 million). As of 2014, all banks were compliant with the capital requirement. The required minimum capital adequacy ratio of 15% is above the Basel minimum requirement.

With only a small OTC market, corporations generally trade shares among one another or with private investors. No hostile takeovers have occurred involving foreign investors, and both the central bank and government have been active in seeking foreign investors for the banking sector.

The IMF gives the central bank high marks for its effective monetary policy. In June 2010, Rwanda became the seventh country in the world to adopt the IMF's Policy Support Instrument (PSI), a program designed for countries that have achieved macroeconomic stability and no longer require financial support from the IMF. Rwanda successfully completed its seventh review under the PSI in 2013.

Rwanda is one of just a few sub-Saharan countries to have issued sovereign bonds. In April 2013, Rwanda launched a \$400 million, 10-year eurobond priced to yield 6.875%. Orders eventually reached more than 9 times the bond's issue size. The GoR earmarked the proceeds to fund a new convention center, build a 28-MW hydropower station, and expand RwandAir, the state-run carrier.

## **Competition from State Owned Enterprises**

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Rwandan law allows private enterprises to compete with public enterprises under the same terms and conditions with respect to access to markets, credit, and other business operations. Since 2006, the government has made an effort to privatize SOEs, to reduce the government's non-controlling shares in private enterprises, and attract FDI, especially in the information and communications, tourism, banking, and agriculture sectors.

Rwandan investors and investor groups have acquired minority and majority stakes in former SOEs. Government shareholders, including the Rwandan Social Security Board and other government savings schemes, back a number of these investor groups. Individuals with close ties to the government and/or ruling party lead other firms. Current SOEs include water and electricity utilities, and companies in construction, information and communications, mining, insurance, finance, and other investments. The government continues to own significant and sometimes controlling interests in telecommunications, insurance, hotels and other sectors.

Some private firms assert that SOEs and private enterprises in which the government owns shares, or that have close ties to government officials, receive preferential treatment with regard to access to credit and tax compliance enforcement.

SOEs generally have boards of directors that function independently. However, GoR officials and their representatives sit on SOE boards and exercise considerable influence. Most SOEs are required to publish audited annual reports, but some are not readily available.

### **Corporate Social Responsibility**

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There is a growing awareness of corporate social responsibility (CSR), but only a few companies – chiefly foreign-owned – have implemented sustainable programs. In recognition of the firm's strong commitment to CSR, the U.S. Department of State awarded Sorwathe, a U.S.-owned tea producer in Kinihira, Rwanda, the Secretary of State's 2012 Award for Corporate Excellence for small and medium enterprises.

### **Political Violence**

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Rwanda is a stable country with relatively little violence. A strong police and military provide a security umbrella that minimizes potential criminal activity and political disturbances.

In 2012 and 2013, there was fighting in the eastern Democratic Republic of Congo (DRC) between Congolese armed forces (FARDC) and the M23, an armed group comprised mostly of soldiers who defected from the FARDC. While M23 was defeated militarily by the end of October 2013, the FARDC and UN peacekeepers continued to engage in combat operations against other armed groups in the DRC state of North Kivu, which borders Rwanda. The U.S. Department of State recommends that U.S. citizens exercise caution when traveling near the Rwanda-DRC border, given the possibility of renewed fighting.

In late August 2013, cross-border fire landed within the borders of Rwanda in Rubavu district, including within the city of Gisenyi. The GoR blamed these incidents on the FARDC. In early December 2012, a small element of armed individuals crossed the border from eastern DRC and attacked a ranger camp northwest of Kinigi. The attack, which occurred just south of Volcanoes National Park, left one ranger dead. The Democratic Forces for the Liberation of Rwanda (FDLR) claimed responsibility for this incursion. The FDLR is an armed group that includes former soldiers and supporters of the regime that orchestrated the 1994 genocide and that continues to operate in eastern DRC, near the border with Rwanda.

Grenade attacks aimed at the local populace have occurred on a recurring basis over the last five years in Rwanda. Four attacks occurred in Kigali in 2013 and early 2014, killing five and injuring 48 persons.

Despite occasional violence along Rwanda's border with eastern DRC, there have been no incidents involving politically motivated damage to investment projects or installations since the late 1990s.

## Corruption

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should become familiar and comply with relevant anticorruption laws of both the foreign country and the United States, and where appropriate, seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For detailed information on the FCPA, see the FCPA Lay-Person's Guide at <http://www.justice.gov/criminal/fraud/>

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Rwanda has signed and ratified the UN Anticorruption Convention. It is a signatory of the OECD Convention on Combating Bribery. It is also a signatory of the African Union Anticorruption Convention.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention, including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Rwanda is party to the OECD Convention.

**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions similar to those in the OECD Antibribery Convention, and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Rwanda is party to the UN Convention.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, *inter alia*, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>), though Rwanda is not a party to the convention.

**Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, *inter alia*. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of December 2011, the Criminal Law Convention has 43 parties and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco).) Rwanda is not party to the Council of Europe Conventions.

**Free Trade Agreements:** While the United States includes anticorruption provisions in free trade agreements (FTAs) it negotiates with trading partners, these provisions have

evolved over time. Recent FTAs require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be criminalized both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website at <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Rwanda does not have a free trade agreement (FTA) in place with the United States.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center “Report a Trade Barrier” Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More information on the FCPA is available at the sites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Due to Rwanda’s tough anti-corruption policies, public sector corruption is limited and perceived to be the lowest among East and Central African nations.

## Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at [http://www.oecd.org/department/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/daf/anti-bribery/anti-briberyconvention/>
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at [http://www.transparency.org/whatwedo/pub/cpi\\_2013](http://www.transparency.org/whatwedo/pub/cpi_2013). TI also publishes an annual *Global Corruption Report* that provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department’s annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.

- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at <https://www.globalintegrity.org/>

## Corruption in Rwanda

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The government maintains a high-profile anti-corruption effort and senior leaders articulate a consistent message emphasizing that combating corruption is a key national goal. The government investigates corruption allegations and generally prosecutes and punishes those found guilty. Enforcement is the same for both foreign and local investors. High-ranking officials accused of corruption often resign during the investigation period and many have been prosecuted. Senior government officials take pride in Rwanda's reputation for being tough on corruption, and numerous governmental institutions play an active role in investigating public officials accused of such.

Rwanda has signed and ratified the UN Anticorruption Convention. It is a signatory to the OECD Convention on Combating Bribery. It is also a signatory to the African Union Anticorruption Convention. Giving and accepting a bribe is a criminal act under law, and penalties depend on circumstances surrounding the specific case. U.S. firms have identified the perceived lack of government corruption in Rwanda as a key incentive to investing in the country.

Some firms have reported occurrences of petty corruption in the customs clearing process, but there are few or no reports of corruption in transfers, dispute settlement, regulatory system, taxation, or investment performance requirements. A local company cannot deduct a bribe to a foreign official from taxes. A bribe by a local company to a foreign official is a crime in Rwanda.

The Office of the Auditor General has pursued many corruption cases in recent years, most of which involved misuse of public funds. The Rwanda Governance Board monitored governance more broadly and promoted mechanisms to control corruption. The Rwanda Revenue Authority's Anticorruption Unit had a code of conduct and an active mechanism for internal discipline. The Office of the Ombudsman, the National Tender Board, the Rwanda Utilities Regulatory Agency, and the National Bureau of Standards also enforced regulations.

## Bilateral Investment Agreements

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Rwanda is eligible for trade preferences under the African Growth and Opportunity Act (AGOA), which the United States enacted to extend duty-free and quota-free access to the U.S. market for nearly all textile and handicraft goods produced in eligible beneficiary countries. The U.S. and Rwanda signed a Trade and Investment Framework Agreement (TIFA) in 2006, and a Bilateral Investment Treaty (BIT) in 2008. Rwanda has also signed bilateral investment treaties with Germany (1967) and Belgium (1985).

## OPIC and Other Investment Insurance Programs

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The Overseas Private Investment Corporation (OPIC) has provided financing and political risk insurance to eleven U.S. projects in Rwanda since 1975, including Sorwathe Tea Ltd., Forestry and Agricultural Investment Management, and Westrock Coffee Holdings, LLC. Given Rwanda's political, economic, and currency stability, OPIC officials have expressed interest in expanding the corporation's portfolio in Rwanda and are currently evaluating potential projects.

The Export-Import Bank (EXIM) continues its program to insure short-term export credit transactions involving various payment terms, including open accounts that cover the exports of consumer goods, services, commodities, and certain capital goods. Rwanda is a member of the Multilateral Investment Guarantee Agency (MIGA) and the African Trade Insurance Agency (ATI).

## **Labor**

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General labor is available, but Rwanda suffers from a shortage of skilled labor, including accountants, lawyers, and technicians. Higher institutes of technology, private universities, and vocational institutes are improving and producing more and better-trained graduates each year. Carnegie Mellon University has opened a campus in Kigali – its first in sub-Saharan Africa – and currently offers masters-level courses in information and communication technologies. In 2012, the government extended basic compulsory education from nine to twelve years. In 2009, the government designated English, rather than French, as the language of instruction for students from grade four onwards.

Rwanda attempts to adhere to International Labor Organization (ILO) conventions protecting worker rights. Policies to protect workers in special labor conditions exist, but enforcement remains inconsistent. The government encourages, but does not require, on-the-job training and technology transfer to local employees.

In 2000, the government revised the national labor code to eliminate gender discrimination, restrictions on the mobility of labor, and wage controls. In 2009, parliament passed a new labor code, which sets the minimum age for formal employment at 18, and strengthened prohibitions on the use of child labor and hazardous or forced work. Companies find skill deficits in many sectors when hiring, though such deficits will continue to shrink as literacy rates increase and Rwandan institutions of higher learning produce additional, qualified graduates. Rwanda's literacy rate was 71% in 2013, up from 58% in 1991.

## **Foreign-Trade Zones/Free Ports**

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Rwanda is a member of the East African Community (EAC), and participates in a customs union that helps facilitate the movement of goods produced in the region and allows EAC citizens with certain skills to work in any member state. Rwanda is also a member of the Economic Community of the Great Lakes (CEPGL), along with the DRC and Burundi; and of COMESA, which includes Rwanda, Burundi, Comoros, DRC, Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Swaziland, Uganda, and Zimbabwe. COMESA countries have a free trade agreement that permits goods originating in member states and that comply with certain

rules of origin to enter other member markets duty free. Value addition on imported raw materials must reach 3 percent to qualify for duty free entry.

Rwanda has established a free trade zone outside the capital, Kigali, which includes current and planned future communications infrastructure. Bonded warehouse facilities are now available both in and outside of Kigali for use by businesses importing duty free materials.

### **Foreign Direct Investment Statistics**

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Despite a reputation for low corruption and high rankings on the World Bank's ease of doing business index, foreign direct investment in Rwanda remains scarce. According to the United Nations Conference on Trade and Development (UNCTAD), FDI inflows to Rwanda were \$106 million in 2011, and \$160 million in 2012.

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<http://www.rdb.rw>

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## Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

### How Do I Get Paid (Methods of Payment)

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Local banks operate in both local currency and dollar-based accounts. While most suppliers are paid through wire transfers to their home bank accounts, many investors eventually open a local account at one of the eight local commercial banks.

### How Does the Banking System Operate

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The banking system faced significant restructuring and merger/acquisition activity in 2007 and 2008. The system is highly concentrated but is competitive in key markets. It is also relatively efficient, although performance indicators have been affected at banks addressing problem loans coupled with continuing expansion efforts.

The banking sector consists of eight commercial banks, four specialized financial institutions, one western microfinance bank, and numerous small pension funds. Additionally, countrywide savings and credit cooperatives (SACCOs) have gained a significant share of personal savings, particularly in rural areas. Starting in 2008, a capital requirement for all banks was fixed at \$9.2 million. All commercial banks have international correspondent banks operating in major cities of the world. Automatic Teller Machines (ATM) are available, but are mostly limited to local transactions. Some Bank of Kigali and Ecobank ATMs will accept international Visa transactions. There have been reports of identity theft and card skimming at numerous ATMs throughout the country. Commercial banks are authorized to provide loans in foreign currency.

### Foreign-Exchange Controls

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Foreign exchange is liberalized, and commercial banks are allowed to buy foreign currency following an administered floating exchange rate. Controls are limited to cash withdrawals for travelers. Individuals are allowed to withdraw any amount of foreign currency from their personal accounts. Exporters are required to repatriate all export earnings within three months of their export. Repatriated foreign exchange should match the value stated in the export declaration.

Numerous foreign donors delayed foreign assistance payments to Rwanda in 2012/2013 due to political concerns regarding Rwanda's alleged involvement in recent instability in eastern Democratic Republic of Congo (DRC). While Rwanda's central bank managed to maintain macroeconomic stability during this period, doing so cost the Rwandan franc 6% of its January 2012 value and roughly half of the Central Bank's foreign reserves.

While the Rwandan Franc has stabilized, the currency remains vulnerable to future shocks created by political decisions regarding the implementation of foreign assistance.

### **U.S. Banks and Local Correspondent Banks**

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No U.S. banks currently operate in Rwanda, but most of the larger commercial banks in Kigali maintain correspondent relations with reputable U.S. banks.

### **Project Financing**

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Due to the very high cost of local borrowing, most foreign investors utilize U.S., Asian, or European financing for Rwandan investment projects. Local project finance, however, is available, albeit in small tranches and at relatively expensive rates. Most Rwandan banks are limited to small investments (generally under \$3 million) in a single project, making lending consortia essential for larger projects. Rwandan banks and lawyers are becoming more accustomed to project finance.

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Rwanda Development Bank: [www.brd.rw](http://www.brd.rw)

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## Chapter 8: Business Travel

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### Business Customs

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In many ways, Rwandan business customs are similar to those in the United States. It is common for business people to dress in suits and to exchange business cards during business meetings.

However, culturally, a direct “no” to a proposal is rare. Rwandan businesspeople may acknowledge the merits of a proposal when their actual investment interest is limited. Oral commitments should not be considered contractually binding.

### Travel Advisory

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The latest travel advisory information can be found at:  
[http://www.travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1007.html](http://www.travel.state.gov/travel/cis_pa_tw/cis/cis_1007.html)

### Visa Requirements

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General travel information to Rwanda, including visa requirements can be found at [http://www.travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1007.html](http://www.travel.state.gov/travel/cis_pa_tw/cis/cis_1007.html). If staying for less than 90 days, most U.S. business people and U.S. tourists traveling to Rwanda do not require a visa to enter Rwanda.

U.S. Companies that require travel of foreign personnel to the United States should be advised that security evaluations are handled through an interagency process.

Visa applicants should go to the following links.  
State Department Visa Website: <http://travel.state.gov/visa/>  
Embassy Kigali: <http://rwanda.usembassy.gov>

### Telecommunications

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Internet access is available throughout Rwanda, though connection and electricity outages may affect access. There are few internet cafés outside of the major cities. Mobile phones are increasingly used and are the preferred medium of business communication.

## Transportation

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Rwanda does not have railway transport, but the governments of Rwanda, Tanzania, and Burundi are studying plans to extend the railway from Tanzania to Kigali. Air transport is dominated by regional air services that link to Nairobi several times daily. There are also regular direct flights from Kigali to Brussels, Amsterdam, Doha, Istanbul, and Johannesburg.

The list of current airlines servicing Kigali is provided below:

Airline	Destination
Air Burundi	Bujumbura
Air Uganda	Entebbe, Juba
Brussels Airlines	Brussels
Ethiopian Airlines	Addis Ababa, Entebbe
Kenya Airlines	Bujumbura, Nairobi
KLM	Amsterdam
Qatar Airways	Doha
RwandAir	Brazzaville, Bujumbura, Cyangugu, Dar es Salaam, Dubai, Entebbe, Gisenyi, Johannesburg, Kilimanjaro, Lagos, Libreville, Mombasa, Nairobi
South African Airways	Johannesburg
Turkish Airways	Istanbul

## Language

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English and French are the accepted business languages in Rwanda, although many Rwandans may find English communication difficult. Interpreters are generally not required for business meetings. All Rwandans speak Kinyarwanda and most speak Kiswahili to some degree.

## Health

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Medical and dental facilities are limited, and some medicines are in short supply or unavailable; you should carry your own supply of properly labeled medications to cover your entire stay. In Kigali, King Faisal Hospital is a private facility that offers 24-hour assistance with physicians and nurses on duty in the emergency room. There is also a missionary dental clinic and a few private dentists. Ambulances are available in Kigali through SAMU by calling 912 from any mobile phone, or through King Faisal Hospital at (250) 078 830 9003.

**The yellow fever vaccine is required for all travelers over 9 months of age, and travelers who cannot show proof of vaccination will not be permitted to enter Rwanda.**

Malaria is endemic to Rwanda. You are strongly encouraged to take prophylactic medications to prevent malaria. These should be initiated prior to entry into the endemic

area. Some malaria prophylaxis medicines are not available in Rwanda and, because of possible counterfeiting of antimalarial medications, should be obtained from a reliable pharmaceutical source before arrival.

Regular U.S. health insurance may not cover doctors' and hospital visits in other countries. Medicare does not pay for any medical care received outside of the United States or its territories. Having coverage is important, as medical evacuation from Rwanda may cost upwards of \$30,000. For more information on international medical insurance, please visit [http://www.travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1007.html](http://www.travel.state.gov/travel/cis_pa_tw/cis/cis_1007.html)

The U.S. Embassy maintains a current list of healthcare providers and facilities in Rwanda. For more information, visit [http://rwanda.usembassy.gov/medical\\_information.html](http://rwanda.usembassy.gov/medical_information.html)

### **Local Time, Business Hours, and Holidays**

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Local Time: GMT + 2 Business Hours: 8am – 6pm Monday – Friday 8am – 1pm

Rwanda observes a number of public holidays throughout the year. The week following the Genocide Memorial Day, on April 7, is designated as an official week of mourning. In addition, the last Saturday of every month is designated as the national day of community service, *umuganda*. Most businesses close down and road traffic is prohibited until approximately mid-day on an *umuganda* Saturday.

### **Temporary Entry of Materials and Personal Belongings**

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Items contained in the personal luggage of travelers are exempt from custom duties when items are not for commercial purpose.

Commercial samples are exempt from custom duties when their combined value does not exceed 100,000 Rwandan Francs (approximately \$160).

For a complete list of the items that are exempt from custom duties under Rwandan law and for a comprehensive list of the required accompanying documentation, please refer to the Rwanda Revenue Authority at [http://www.rra.gov.rw/rra\\_article175.html](http://www.rra.gov.rw/rra_article175.html).

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[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1007.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1007.html)

[http://rwanda.usembassy.gov/medical\\_information.html](http://rwanda.usembassy.gov/medical_information.html)

[http://www.rra.gov.rw/rra\\_article175.html](http://www.rra.gov.rw/rra_article175.html)

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## Chapter 9: Contacts, Market Research and Trade Events

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### Contacts

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Rwanda Development Board (RDB); Investment Promotion Department; Tel: (250) 252 580 804; Email: [ipd@rdb.rw](mailto:ipd@rdb.rw).

Rwanda Private Sector Federation. Tel: (250) 788 312 222, [www.psf.org.rw](http://www.psf.org.rw)

For additional contact information please check with the Commercial Section of the US Embassy in Kigali at (250) 252 596 400 or visit our website at:  
[http://rwanda.usembassy.gov/economic\\_and\\_commercial.html](http://rwanda.usembassy.gov/economic_and_commercial.html)

### Market Research

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To view market research reports produced by the U.S. Commercial Service please visit <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

### Trade Events

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents/index.asp>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities, and support them once they do have exporting opportunities.**

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [www.export.gov](http://www.export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center at (800) USA-TRADE.**

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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