

INVESTING IN RWANDA

AN OVERVIEW



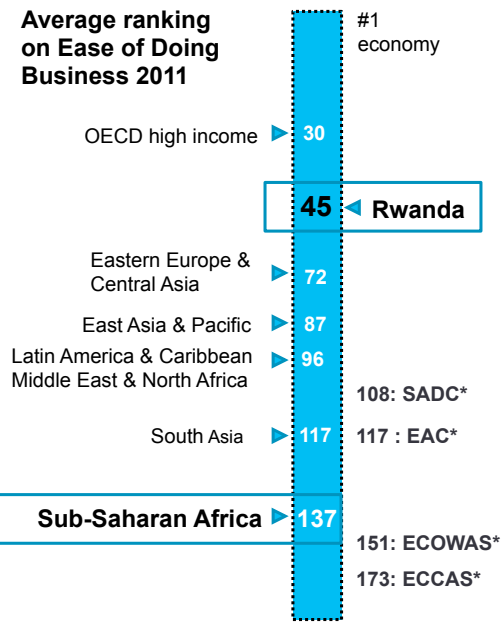
5 reasons for investing in Rwanda

Sustained high growth	<ul style="list-style-type: none"> ▶ 8.16% average year-on-year real GDP growth rate from 2007- 2011, stable inflation and exchange rate ▶ 3 year GDP growth rate one of the highest among major African economies and neighbouring countries
Robust governance	<ul style="list-style-type: none"> ▶ A clear vision for growth through private investment set out by President Kagame (Vision 2020) ▶ Politically stable with well functioning institutions, rule of law and zero tolerance to corruption
Investor friendly climate	<ul style="list-style-type: none"> ▶ Second best global reformer in World Bank Doing Business Report 2012 ▶ Most competitive place to do business in East Africa and 3rd in Africa (WEF Global Competitiveness Report 2011- 2012) ▶ Country credit rating upgraded to a 'B' with a positive outlook by standard and Poors in 2012 ▶ Increasingly attractive destination for foreign investments ▶ A New Special Economic Zone developed and operational. More zones to be established upcountry.
Access to markets	<ul style="list-style-type: none"> ▶ Market of over 10 million people with a rapidly growing middle class ▶ A hub for rapidly integrating East Africa: located centrally bordering 3 countries in East Africa, part of EAC Common Market and Customs Union with market potential of over 125 million people
Untapped investment opportunities	<ul style="list-style-type: none"> ▶ Potential opportunities for investment abound, particularly in the following sectors: <ul style="list-style-type: none"> ❖ Infrastructure: Opportunities in rail, air transportation to further develop Rwanda as an EAC hub ❖ Agriculture: Backbone of economy. Potential for growth through productivity and value addition ❖ Energy: Power generation, off grid generation and significant methane gas, hydro and other opportunities ❖ Tourism: Unique assets creating booming sector; growth potential in birding & business/conference tourism ❖ Information and Communication Technology: Priority sector for Vision 2020, new ICT park to be developed ▶ Other attractive sectors include real estate and construction, financial services and mining

A government committed to making it easier to do business

One of the fastest reforming countries in World Bank's Doing Business rankings
Business regulations now easier in Rwanda than the average economy in Eastern Europe, Asia, Middle East, Latin America and Africa

Average ranking on Ease of Doing Business 2011



- ▶ Moved 13 places in ease of doing business from 58th position (2010/11) to the current 45th position (2011/12)- WB doing business report 2012
- ▶ The 2nd most reformed country in the world, over six years, after Georgia (2005-2011), 3rd in Africa and the 1st in EAC.
- ▶ Recent improvements in Rwanda's doing business include;
 - ▶ **Starting a business:** Moved to 8th position in the world from 9th last year(2011), partly due to shortened required procedures through free online registration.
 - ▶ Today, registering a business takes Maximum 6 working hours from 24 hours last year
 - ▶ **Getting credit:** 8th in the world from 32nd 2011 after an operational private Credit Reference Bureau.
 - ▶ **Paying taxes:** 19th easiest place to pay taxes world wide from 43rd last year

The Rwanda Development Board is proof that Rwanda is open for business



RDB is the government agency charged with fast-tracking economic development in Rwanda. Independent, influential and built with global expertise, we are a government agency with a private sector mind-set. Bringing the entire investor experience under one roof, RDB is here to show that **Rwanda is open for business**

Information hub for investors – Investment Promotion team

- ▶ Your guide to investing in Rwanda. Single point of contact for guidance on laws, policies, incentives, investment climate and trends, investment opportunities, costs of setting up a business, process for finding land and sector specific information
- ▶ Can be contacted via email, phone, in person and investment meetings in Rwanda

Your link to the right people

- ▶ Advocates on your behalf for special considerations to Cabinet depending on project size and strategic importance
- ▶ Helps you find local joint venture partners and connects you to local service providers
- ▶ Coordinates public private partnerships between the government and the investors
- ▶ Reports directly to the Office of the President

One Stop Centre for starting a business

- ▶ You can register your business in 2 easy steps and receive your certificate in 24 hours at the RDB's One Stop Centre
- ▶ OSC provides trading license, sector specific certifications and licenses, environment clearance and investment certificates
- ▶ Delegated officers from government agencies provide quick services at the OSC - work permits and visas, tax exemption and tax payment, land and construction permit, utilities (water, electricity), notary services among others

Facilitator for business implementation – Aftercare team

- ▶ Your single point of contact after you register your business and begin to operationalize—helping identify solutions for issues you may be facing, coordinating and introducing you to government stakeholders and finding local partners
- ▶ Dedicated Key Account Managers assigned to Projects.

Opportunities for investment

- ▶ Priority investment sectors:
 - ▶ Infrastructure
 - ▶ Agriculture
 - ▶ Energy
 - ▶ Tourism
 - ▶ Information and Communications Technology
 - ▶ Real estate and construction
 - ▶ Financial services
 - ▶ Mining
 - ▶ General manufacturing
 - ▶ Education
 - ▶ Health

Infrastructure



Sector profile: Infrastructure

Rail, air, logistics investment opportunities abound to develop Rwanda as an EAC hub



Roads

- ▶ Roads represent 90% of transportation in the country
- ▶ Over 14,000 km (8,700 miles) of roads, ~20% of which is paved
- ▶ Regional hub for road transport as it connects important regional players, from the East coast of Africa to the west coast

Rail

- ▶ A new railway line (Isaka-Kigali Railway) is in the pipeline
 - ▶ The railway has 2 branches which are:
 - ▶ Isaka-Kigali railway project to link to the port of Dar Es Salaam
 - ▶ Rwanda-Burundi via Congo to link the southern Africa Cape Gauge railway network
 - ▶ The estimated cost of the project is USD 4.7 billion. Feasibility completed and construction expected in 2014

Air

- ▶ Rwandair is the national air carrier with flights to 13 destinations including Nairobi, Entebbe, Arusha, Mombasa, Dubai, Lagos, Johannesburg, Brazzaville and Libreville among others
- ▶ Other international airlines include Kenya Airways, Ethiopian Airlines, Brussels Airlines, KLM, China Postal Airlines, South African Airlines, African Star Airways, Qatar Airways, and Turkish Airlines
- ▶ A new world class airport (Bugesera International Airport) is planned, some 40 km outside of Kigali at a cost of USD 635 Mn

- ▶ Airport ground handling
- ▶ Waste collection disposal
- ▶ Waste recycling plant
- ▶ Water transport infrastructure
- ▶ Road construction, rehabilitation and maintenance
- ▶ Bugesera International Airport (BIA)
- ▶ Isaka railway project
- ▶ Air transportation
- ▶ Cargo transportation
- ▶ Airport services: ground handling, pilot training etc

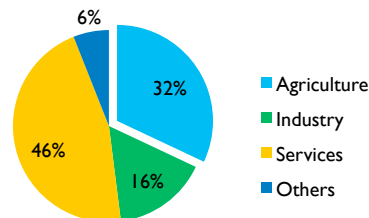
Agriculture



Sector Profile: Agriculture

World class exports but many opportunities for regional export expansion

Agriculture is the bedrock of the economy



- ▶ Around 78% of the population is engaged in agricultural activities

Exports led by coffee & Tea; other options abound

- ▶ **Coffee** – The largest agricultural export revenue earner in 2011 with US\$ 74.6 Mn; world class and winner of a number of international awards; main agricultural export with buyers including Starbucks and Sainsbury's
- ▶ **Tea** – Second largest agricultural export revenue earner in 2011 with US\$ 63.8 Mn; planned expansion of national tea production.
- ▶ **Many other opportunities** – Dairy, fruits (exotic varieties for juice), fresh cut flowers, silk and food crops for export to region and beyond.

National strategy driving productivity, quality



- ▶ Government and development partners have focused on improving quality through fertiliser distribution and farmer training programmes
- ▶ This resulted into 15% and 33 % growth respectively in tea and coffee sectors in 2011 and higher price realization for coffee

Value addition is a major opportunity

- ▶ **Tea** – Privatization of tea plantations and factories currently underway; opportunities in new plantation and factories.
- ▶ **Coffee** – Washing and roasting opportunities as premium harvest grows
- ▶ **Horticulture** – More than US\$200 Mn regional import market.
- ▶ **Distribution and cold chain** – Need for improved infrastructure for export products

Coffee:

- ▶ Large plantations
- ▶ Coffee washing stations
- ▶ Roasting and grinding plants
- ▶ Large scale Coffee plantations

Tea:

- ▶ Large scale plantations
- ▶ Fertiliser manufacturing plant
- ▶ Tea factories
- ▶ Blending and Packaging plant

Rice:

- ▶ Large plantations
- ▶ Rice processing

Horticulture:

- ▶ Large scale production of fruits (passion, tree tomatoes, papayas, mangoes etc) and vegetables (tomatoes, green peas, carrots etc)
- ▶ Fruit and vegetable processing (juice concentrates, tomatoes paste, dried fruits, jams etc)

Others:

- ▶ Grain production and processing (maize, wheat)
- ▶ Flower production and Park
- ▶ Silk production and processing
- ▶ Packaging plant
- ▶ Fertilizer manufacturing plant
- ▶ Fresh wholesale food market
- ▶ Irrigation project
- ▶ Mechanization opportunities.

Energy



Sector profile: Energy

New generation and methane gas can open access beyond Rwanda to neighbouring markets

Overview

Electricity accounts for about 5% of primary energy use in Rwanda. Biomass (the primary source of energy) accounting for some 84% of primary energy use and petroleum products account for the rest.

Power grid

- ▶ Power grid coverage is planned to expand to 75% of the region by 2017.
- ▶ ≈383.6 km of high-voltage (Hv) transmission lines, 1,388.3 km of medium voltage (Mv) lines and 2,776.6 km of low voltage (Lv) lines.

Renewable energy

- ▶ Targeting 90% electricity from renewable source
- ▶ Hydro, solar, biomass and peat.

Generation

- ▶ 100 MW of electricity generation (57.4% hydro-electric, 38.7% diesel) today
- ▶ GOR has set ambitious targets to increase energy production (1000MW by 2017) and is diversifying sources of energy
- ▶ 3 regional hydro power projects identified. Rusizi III with an output of 145MW, a feasibility study has been completed.
- ▶ 333 micro hydro potential sites have been identified (50KW-1MW)

Methane Gas

- ▶ Lake Kivu contains about 300 billion m³ of CO₂ and 60 billion m³ of CH₄ gas. An estimated 120 to 250 million m³ of CH₄ is generated annually in the lake
- ▶ Rwanda wishes to utilize this resource to develop methane-to-power projects and other uses such as fertilizer and gas-to-liquids projects
- ▶ The methane in Lake Kivu is estimated to be sufficient to generate 700 MW of electricity over a period of 55 years; Rwanda's share of the total generation potential is about 350 MW, with the rest being DRC's share

Target: From ≈100 MW to 1000 MW by 2017

The above target is in line with Rwanda's 7 Year electricity development plan (2011-2017) that aims at the following;

- Methane gas: 300 MW
- Hydro-power: 232 MW(including over 333 micro-hydro sites identified
- Peat-power: 200 MW
- Geothermal: 310 MW

There are also available potential in:

- Solar energy
- Waste-to-energy
- Bio-mass energy

Tourism



Sector profile: Tourism

Tourism sector booming, but significant opportunities remain

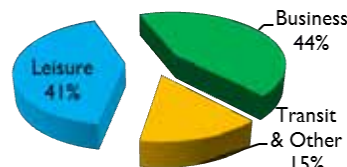
What is unique about tourism in Rwanda ?



- ▶ **Unique assets:** Offers tourists a one of a kind journey – home to one third of the world's remaining Mountain Gorillas, one third of Africa's bird species, several species of primates, volcanoes, game reserve, resorts on Lake Kivu, graceful dancers, and artistic crafts.
- ▶ **Safe and easy to get around with short distances to diverse destinations:** All major attractions are located along a circuit within 1-5 hour drive from the capital, Kigali. In a short vacation, a tourist can experience volcanoes, mountains, rainforests, savannah, islands and lakes.
- ▶ **Growing Conference Tourism:** Potential to be the conference tourism hub of East Africa once Kigali Convention Centre is operational.
- ▶ **A base to visit East African destinations:** Located in the heart of Central and East Africa with easy access to bordering countries of Uganda, Tanzania, Burundi and Democratic Republic of Congo as well as to Kenya, Rwanda is an ideal location for travel within the region.

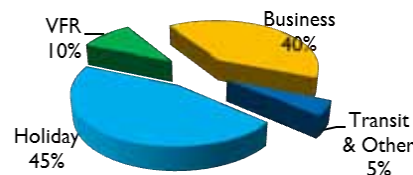
Visitor numbers have been booming

Visitors by purpose



- ▶ Tourism receipts are expected to grow at a compound annual growth rate of 15% until 2017.

Tourist expenditure by purpose of visit



- ▶ The average spending by a visitor is USD 276 for at least a week. Leisure and Business takes a bigger portion in spending.

- ▶ Attracted interest and investment of reputable brands such as the Marriott, Radisson, Dubai World and Serena Hotels
- ▶ **New Airlines came in 2012:** South Africa Airlines, Qatar Airlines and Turkish Airlines.
- ▶ There are ~380 accommodation establishments and ~6500 accommodation rooms in Rwanda. For the upper range, average occupancy rate is 70%, with foreigners accounting for 97% of bed nights sold.

- Karisimbi cable car project: The cable car will facilitate tourists' access to one of the highest peaks of Mt. Karisimbi (4500 m above sea level) part of the Volcanoes National Park.
- Four - Five star hotels in Kigali and Rubavu.
- High end restaurants in Kigali.
- Casinos in Kigali and around the main cities.
- Entertainment and Leisure centers- (Theaters, Cinemas and clubs).
- Establishment and promotion of Zoos, zoological and botanical gardens.
- Creation of theme parks and aquariums.
- Construction of a cultural Village in Kigali.
- Development of boating and water sports on lakes Kivu, Ihema, Muhazi.
- Development of Hot springs in the Western province.
- Tourism and Hospitality training schools .
- Financial partner for Kigali Convention Centre.
- Carbon Credit: Opportunities for reforestation to generate carbon.
- Development of Kivu Beach (management, restaurants, recreation centers).
- Develop meetings, conferences and conventions infrastructure and facilities. (MICE Tourism)
- Develop exhibition centres within Kigali and major cities.

Information and Communication Technology



Sector profile: ICT

Information and Communications Technology (ICT) – Key priority for 2020

Overview of ICT

- ▶ Attracted ~USD 500 million in investment over the last three years by both private and public sector.
- ▶ The government has invested in developing ICT infrastructure to enable service delivery:
 - ▶ Laid a 2,500km optic fiber network throughout the country connecting all 30 districts and with 9 regional links to neighboring countries.
 - ▶ Built a state-of-the-art Tier 3 Internet Data Center.
 - ▶ Deployed wireless Broadband in Kigali, to be extended to all major towns.
- ▶ ICT in Rwanda currently encompasses:
 - ▶ Mobile and Fixed telephony, VoIP.
 - ▶ DSL, VSAT, ISDN, GPRS, Broadband Internet.
 - ▶ Software development, hardware assembly and repair, applications integration and Capacity building.

ICT in Rwanda Today

- ▶ Four key players in the telecom industry: MTN Rwanda, Rwandatel, TIGO Rwanda and newly registered Bharti Airtel internet and mobile telephony service providers. Today, there are over 4.4 million mobile telephone subscribers, representing 41.3% penetration (Feb 2012).
- ▶ The ICT private sector is growing, especially in mobile applications, networking, software development; with an increasing number of Rwandan companies producing for the local market as well as exporting products and services to Burundi and Eastern DRC.
- ▶ Rwanda is investing USD 24 million in regional communication infrastructure to secure connectivity to the global network (linking to the submarine cable on the Kenya East Coast).
- ▶ The Government of Rwanda is investing heavily in ICT skills development and has partnered with Carnegie Mellon University to establish a Center for Excellence that will increase ICT skills; professional development courses began in January 2012.

- ▶ E-Waste management (recycling and disposal)
- ▶ Business Process Outsourcing (BPO's)
- ▶ Technical Training institutes for specialized ICT courses
- ▶ Software development: Mobile applications, innovative e-payment solutions
- ▶ World class Technology park
- ▶ SMART energy grid development
- ▶ Access Network/Last Mile connectivity (Fiber-To-The-Home, Curb etc.)
- ▶ Business Development centers

Real estate and Construction



Sector profile: Real estate & construction

Growth creating boom in demand for commercial and residential real estate development

Construction is booming

- ▶ Construction sector grew by 24% in the year 2011 compared to 9% in 2010.
- ▶ The sector contributed 8 percent to the nominal GDP for the year 2011. Dominant in the sector was construction of hotels and commercial buildings. The booming sector is driven by:
 - ▶ Growth of the middle class & Diaspora returning to Rwanda
- ▶ As a result, there is increasing demand for construction materials;
 - ▶ Rwanda imported US\$ 136.8 Mn of construction materials in 2010 and US\$ 159.7 Mn in 2011. This includes 100% of steel and a majority of other construction materials

Commercial real estate

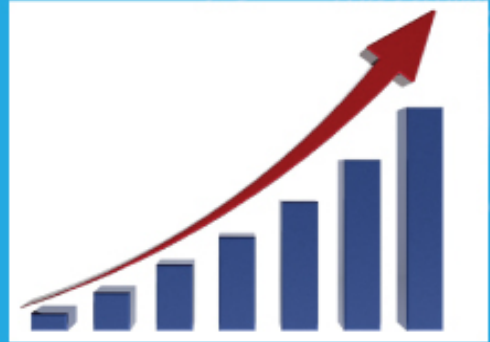
- ▶ The recent increase in foreign investments has created a shortage of upper end office space with fully equipped telecommunications, utilities, and power. From 2003 to 2006 rent on these buildings increased between 50-200%

Residential real estate

- ▶ GoR projects that by 2020 approximately 30% of the population will live in urban areas. To date, only about 5% of residents in Kigali own modern-style houses
- ▶ In Kigali alone, there is fast growing population (3% 5 year average) combined with urban growth currently at more than 4% per annum
- ▶ The demand for housing is 8,000 - 10,000 units per annum. The combined demand for housing countrywide is estimated to be ~25,000 units per annum

- ▶ Residential houses for low and middle-income class
- ▶ A youth sport centre
- ▶ Office Blocks in Kigali City
- ▶ Brick & Tile making factory
- ▶ Manufacturing of construction finishing materials
- ▶ Estate development-high income
- ▶ Commercial complexes and shopping areas
- ▶ Development of entertainment centres
- ▶ Training and certification of key services: Architects, engineers, plumbers

Financial Services



A close-up of a blue calculator on the left and a financial table on the right. A hand is pointing at the table with a pen. The table contains numerical data with two columns of values.

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549,630.000	928,095.33
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Sector profile: Financial services

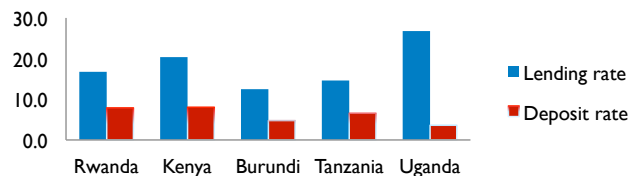
The banking sector remains relatively underpenetrated

Overview

- ▶ USD 1 billion in total assets
- ▶ Estimated less than 30 percent of the total population of Rwanda is in the formal financial system
- ▶ Consolidated balance sheet of the 8 major commercial banks grew by 5.5% in the 2nd Quarter 2010
- ▶ The annual return on average equity increased from 11.2 % from Dec 2010 to 15.17 in June 2011. There is an operational Capital Markets Authority (CMA) to undertake public education and awareness and scale up financial literacy among Rwandans.

Interest rates in line with the region

Interest rates (EAC regional Comparison)



Key players

- ▶ The banking sector is comprised of fourteen commercial banks, one primary microfinance bank, one discount house, one development bank and one mortgage bank
- ▶ There are over 200 microfinance institutions of which 83 are Savings and Credit Cooperatives (SACCOs) while 13 are private or public limited companies
- ▶ The 3 largest local banks are:
 - ▶ Banque de Kigali with a market share of 31% of total banking assets and ≈ 50 % share of the total commercial bank profitability(BK 2011).
 - ▶ BPR (65% cooperative members, 35% Rabobank)
 - ▶ BCR (80% I&M from Kenya, 20% GoR)
- ▶ Ecobank, Access Bank, Equity bank and KCB are among the large regional banks with a presence in Rwanda

- ▶ Commercial bank products and services particularly in rural areas
- ▶ Competitive loan facilities
- ▶ Agricultural products/services financing
- ▶ Development banks especially to finance SMEs
- ▶ Microfinance opportunities
- ▶ Mortgage financing
- ▶ Investment banking services
- ▶ Training of financial sector professionals
- ▶ Insurance services especially re-insurance
- ▶ Equity and bonds purchases at Rwanda's capital market
- ▶ Housing banks
- ▶ Special financing solutions i.e. private equity funds
- ▶ Institutional and human capacity building in capital and financial markets

Retail



Investment opportunities in the retail industry, transport and logistics

- ▶ Malls and Commercial Centers
- ▶ Hyper markets
- ▶ Home depots
- ▶ Show rooms
- ▶ Ware houses, storage facilities, and cold chains
- ▶ Freight Cargo planes
- ▶ Distribution centers
- ▶ Capacity building in Logistics and supply chain

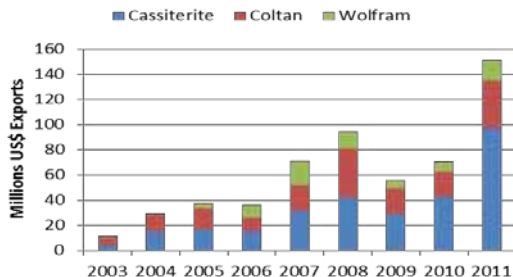
Mining



Sector profile: Mining

Unexploited opportunities in ores, processing and diversification abound

Mineral exports have room for growth



- ▶ Rwanda's main mineral exports are ores processed to extract tin, coltan and tungsten
- ▶ In 2011, the percentage variation of increase was 123%.
- ▶ 5 year average (07/2011) growth for the sector was 29%.
- ▶ Significant opportunity to increase productivity through industrial mining.

Work is being done to develop the sector

- ▶ Exploration works to identify mineral deposits are underway.
- ▶ A strong, investor friendly legal and policy framework has been put in place.



Opportunities in diversification and processing

- ▶ Significant opportunities in processing ores.
- ▶ Diversification opportunities in quarries (for construction materials) and precious stones (gold, diamond, beryl, topaz, rubies, sapphires, gamets and other unexploited deposits have been identified).
- ▶ There are major peat deposits in the southwest of Rwanda which are only just being exploited and could be used for electricity generation or processed as an alternative to fire wood.

- ▶ Exploration opportunities (to identify deposits of tin, tungsten, tantalum, gold)
- ▶ Mechanized mining
- ▶ Value addition (establishment of mineral processing plants)
- ▶ Cement Manufacture for local consumption and for export
- ▶ Production of tin and tungsten
- ▶ Production of gold, sapphires, amethyst
- ▶ Production of columbium and tantalum for export
- ▶ Plant for dimension stones (to produce bricks, tiles, paints, ceramics)
- ▶ Quarry development to produce road construction materials, body powder

Manufacturing



Sector Profile: Manufacturing

Competitiveness and Growth creating boom for worldwide exporting

Manufacturing Overview

Contribution to GDP 2011



- Agriculture
- Industry
- Services
- Other

- ▶ The industrial sector is currently small, contributing on average around 16% of GDP.

5 clusters encouraged but many opportunities

- ▶ **Construction materials** – Only Cement import : \$ 52 M for 2011 . Deposit of limestone, clay, sand, granite, aggregate & other critical raw material.
- ▶ **Pharmaceutical products** : Import of \$ 79,5M
- ▶ **Chemicals & chemical products**: \$ 55M of import
- ▶ **Packaging & paper products**: Glass, plastic, paper & board, demand driver for other industries / agro processing: Tea, Coffee, horticulture, Cement & Consumer goods.
- ▶ **Electronic & Electrical equipment**

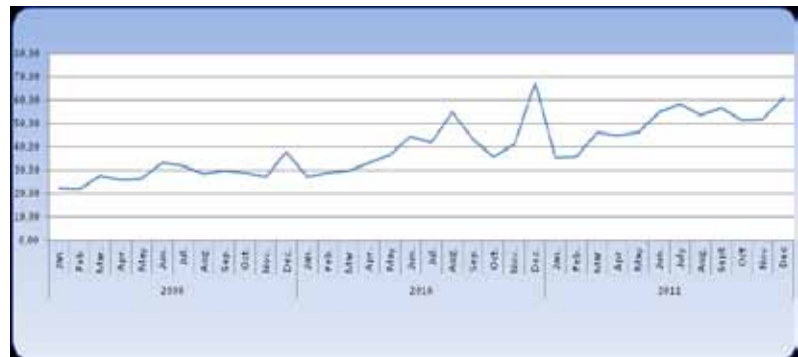
National policy driving growth



- ▶ National industrial policy available
- ▶ Special Economic Zone & Regional Industrial Parks

Turnovers trend for Industry sectors

- ▶ The increase in turnovers for the industry sector was driven by manufacturing industries of which turnovers increased by 25% from 2009 to 2011.



Investment opportunities in manufacturing

Opportunities in production of:

Construction materials	Beverages
Pharmaceuticals	Footwear
Chemicals and chemical products	Machinery and transport equipment
Electronic and Electrical equipment	Textiles
Packaging and paper products	Assembling of Machinery
Bio degradable, Rubber & plastic products	Other general Manufacturing

Education



- ▶ Rwanda recognizes education as one of the priority sectors aimed at national building through equipping it's citizens with the relevant skills in ICT, technical training and providing post basic education.

- ▶ **Major strategic priorities in the sector are;**

ICT in Education: strengthening education in information and communication technology

Basic Education: fast tracking basic education through a range of strategies including early childhood development , promoting the 9 year basic education.

Quality Education: Ensuring that educational quality continues to improve through closer integration of curriculum development , quality assurance and assessment, improved text book distribution.

Government has also prioritized vocational and technical education with much focus on spheres such as training in building and construction, plumbing, tourism and hair dressing.

Government is also spearheading the one-laptop per child programme to promote ICT skills at the lower level of the education system

Rwanda Human Capital-Investment potential

- ICT has been integrated in the sector at all levels of education
- The education sector has been liberalized to allow both private and public sectors entry into the education market
- Market for suppliers has been increased to cater for the enormous demand.



Investment opportunities

- ◆ Establishment of primary schools in rural areas
- ◆ Development of technical schools (ETO)
- ◆ Establishment of tourism institutes
- ◆ Establishment of polytechnic institutes
- ◆ Establishment of schools for arts
- ◆ Schools for the handicapped children
- ◆ Bookshops and printery
- ◆ Laboratory Equipment
- ◆ International schools
- ◆ Telecommunication Computer Studies

Health



Investment opportunities

- ◆ Health facilities such as clinics, hospitals, and health posts
- ◆ Pharmaceutical plant
- ◆ Distribution network of pharmaceutical products
- ◆ Training of health professionals
- ◆ Health training schools

Summary of selected potential investment opportunities

Project/Company	Sector	Estimated investment 1 (USD)	Expected timing
Isaka railway	Infrastructure	\$ 4.7Bn	Construction to start in 2014
Bugesera Airport	Infrastructure	\$635Mn	Airport to start operations in 2016
Kigali Convention Centre	Real estate/ tourism	\$ 300Mn	Construction started in 2009
ICT Park	ICT/Real estate	\$115Mn	As soon as funding is secured
Irrigation Project	Agriculture/ Infrastructure	\$120Mn	Second phase funding needed
Fresh Wholesale Food Market	Agriculture	\$48Mn	As soon as the funding is secured.
Flower Park	Agriculture	\$21Mn	As soon as funding is secured
Rwanda Energy Company	Energy	\$16Mn	As soon as funding is secured

Significant potential investment opportunities

Sector: Infrastructure	
Company/project profile:	
Name:	ISAKA RAILWAY
Description:	<ul style="list-style-type: none"> - The Isaka-Kigali Railway is one part of a wider project which will link Isaka (Tanzania) to Kigali (Rwanda) and Keza (Tanzania) to Gitega and Musongati (Burundi) - The project entails: <ul style="list-style-type: none"> • The construction of two new lines (Kigali to Isaka and Gitega and Musongati to Isaka) • The rehabilitation of the existing Isaka to Dar Es Salaam line • Acquisition of rolling stock to carry passengers, cargo and ore traffic - The aim is to develop a regional railway system which further integrates the three countries and connects agriculture, mining, industrial and commercial hubs to the maritime port of Dar-Es Salaam (Tanzania) through the existing Isaka-Dar-Es Salaam railway - Feasibility studies were completed in June 2009 by the German rail company Deutsche Bahn with AfDB funding and validated by the Tanzanian, Rwandan and Burundian governments. Subsequently, Burlington Northern Santa Fe Railway (BNSF) conducted a separate feasibility study in 2009 suggesting alternative (AREMA) standards which are estimated to reduce costs by 25% - Commercial close reached as a PPP expected early 2014 and start of construction by end of 2014. - Feasibility studies completed and construction is then expected to take 5 years
Investment description:	
Amount:	\$4.7B in total: <ul style="list-style-type: none"> - \$3.7B for the new lines - \$1.0B for the rehabilitation of the Dar-Es Salaam – Isaka line
Type:	PPP with BOT model
Use:	<ul style="list-style-type: none"> - Financing feasibility studies and engineering designs - Construction of the railway
Financial background	<ul style="list-style-type: none"> - Estimated ERR of 29% on the overall project and 23% on the Rwanda's section according to base case scenario, 5 year construction and 30 years operating period - Room for further improvement by reducing capex through implementation of AREMA standards
Benefits for Rwanda:	<ul style="list-style-type: none"> - Facilitating economic integration in the region, developing agriculture, mining and industrial areas with lower freight costs <ul style="list-style-type: none"> • Rail costs are up to 50% lower than those for roads • Estimated to result in 1% rise in GDP - Expected creation of 1,600 jobs

Significant potential investment opportunities

Sector:		Real Estate /Tourism	
Company/project profile:		Investment description:	
Name:	KIGALI CONVENTION CENTRE (KCC)	Amount:	\$300M. \$148.5 M equivalent to 50% the capital cost has already been incurred, \$150M of debt and equity is required to complete the project.
Description:	<p>The proposed Kigali Convention Complex aims to be a a land mark project for the city and the country. The complex located on 13.6Ha in the heart of Kigali city will offer international standards in hotel architecture, design service, facilities and technology. The KCC will be only one of it's kind in the EAC after the Kenyatta conference centre(KICC) in Kenya- offering premium conditions for national, regional and international events including conventions, exhibitions and festivals</p> <p>-The project includes:</p> <ul style="list-style-type: none"> • 5 star hotel with 292 rooms • 1 large conference room fitting 2600 people, 1 medium conference room, 10 meeting rooms • 1 museum • 24,000 sqm of office and shopping space 	Type:	Equity and/or debt
		Use:	Construction of the convention centre, hotel and office park
Financial background:	UCL is planning to form a Joint Venture to realize the project and is currently seeking partners. GoR has agreed to provide certain fiscal incentives to the joint venture.		
Benefits for Rwanda:	<p>KCC will have s strong economic benefits;</p> <ul style="list-style-type: none"> •KCC will be a strong catalyst for business tourism, wider tourism and service sectors as it will act as an entry point for business tourists who will then participate in other events. •It will drive a positive change in the branding of Rwanda as it will be a highly visible landmark. •Create demand for the Bugesera and Rwandair expansion programmes. 		

Significant potential investment opportunities

Sector: ICT	
Company/project profile:	
Name:	Kigali Techno Pole Project
Description:	<ul style="list-style-type: none"> - The actual sectors focused on (but not limited to) in the techno pole project are the following; <ul style="list-style-type: none"> • Business Process Outsourcing (BPO's) • Cloud Computing • ICT education/Training • E-Government • Cyber Security • Research and development - GoR has partnered with Carnegie-Mellon University (CMU) to establish a Center of Excellence to train Rwandans in ICTs <ul style="list-style-type: none"> • Provide ICT education in Rwanda equivalent to that offered at CMU • This will be the flagship of the ICT Park and support the design of the Institutional ICT capacity building program for Rwanda
Investment description:	
Amount:	TBD
Type:	TBD
Use:	<ul style="list-style-type: none"> - Development of architectural, project management and marketing plans - Construction of One Stop super-shop - Construction of 6 primary clusters building - Construction of transport links - Infrastructure (electricity, ICT) - Construction of recreational areas
Financial background:	<ul style="list-style-type: none"> - Expected revenue streams are: <ul style="list-style-type: none"> • Rental of office space • Management service fees • Incubation of SMEs
Benefits for Rwanda:	<ul style="list-style-type: none"> - Position Rwanda as the Centre of Excellence on information and Communication Technology in East Africa - Elevate Rwanda's competitiveness and comparative advantage hence accelerating the achievement of Vision 2020 - Attract FDI and create high valued jobs - GDP and GNI growth - Business incubation services

Significant potential investment opportunities

Sector:		Agriculture/Infrastructure	
Company/project profile:		Investment description:	
Name:	LAND HUSBANDRY WATER HARVESTING HILLSIDES IRRIGATION (LWH)	Amount:	Total \$120M
Description:	<ul style="list-style-type: none"> - More than 68% of Rwanda is in hillsides with a slope >16% - Mission is to support model land-husbandry, innovative water-harvesting in valley dams and gravity irrigation in hillsides - This project will demonstrate improved land-husbandry and productivity on 35,800 ha lands in 34 pilot watersheds and irrigated agriculture on 12,000 ha distributed in 34 locations - The hillside-irrigation program is focused on highly economical horticultural crops such as mangoes, avocado, cooking banana, plum, peaches and pineapple but also on coffee and tea - Detailed survey and design works are completed for 8 of the project sites and 16 more are under detailed design 	Type:	PPP
		Use:	Develop a park to support model land-husbandry, innovative water-harvesting and hillside irrigation
Financial background:	<ul style="list-style-type: none"> - The total cost of the project is expected to be \$200M - Some development partners have already provided grants for the project but a significant gap of ca \$120M still exists 		
Benefits for Rwanda:	<ul style="list-style-type: none"> - Currently there is very limited irrigation - only on 0.6% of croplands which means the majority of smallholder producers continue to rely on rain-fed agriculture - Irrigation is critical to reducing agriculture's vulnerability to climatic variation, thereby reducing production volatility, and to aligning the sector to the national crop intensification program - Irrigation systems can reduce the amount of soil erosion caused by rainwater, thus conserving the soil nutrients, which will help improving productivity - Irrigation will increase the productivity of hillside agriculture in Rwanda but more importantly to engage in commercial agriculture so as to diversify revenue sources 		

Significant potential investment opportunities

Sector: Agriculture	
Company/project profile:	
Name:	FRESH WHOLESALE FOOD MARKET
Description:	<ul style="list-style-type: none"> - An initial feasibility study for the development of a fresh food market has taken place - The necessary land has been secured in the Kigali Special Economic Zone; a comprehensive feasibility study together with an architectural design are expected to be completed by end 2012 - It is estimated that Rwanda consumes annually about 3 Million MT of FFVs (Fresh Fruits and Vegetables) - Consumption figures per annum for Kigali City are estimated as follows: <ul style="list-style-type: none"> • Current: 363,144 MT of FFVs and 36,621 MT of livestock-related products • Projected by 2020: 581,000 MT of FFVs (60% increase) and 60,000 MT of livestock-related (39% increase) - The main sources of revenue and their expected contribution in total revenues include: <ul style="list-style-type: none"> • Produce entry market fees (38%) • Rental fees from trading stalls (21%) • Supermarket, cold-room, loading user charges (19%) • Banking and administration halls and other (22%) - Business transactions are planned to be based on a card system while the revenue model will be based on a rental method
Investment description:	
Amount:	\$48M
Type:	PPP
Use:	Development of a wholesale market complex including trading stalls, cold storage facilities, a banana ripening centre, shopping mall, premium produce mall, meat and milk trading block and admin halls
Financial background:	<ul style="list-style-type: none"> - Total revenues in the 6 years until break-even is expected to be \$175M - Funding for the initial feasibility study has been provided by the Uganda based Kilimo Trust - Collaborators in the project are Ministry of Agriculture, RDB, PSF (Private Sector Federation) and Kigali City Council
Benefits for Rwanda:	<ul style="list-style-type: none"> - The food market is expected to serve the domestic market as well as tap regional and international export markets (there is only one wholesale food market in East Africa) - Trigger local farmers' incentives towards increased productivity, improved quality and marketing beyond the local areas; thereby increasing farm incomes

Significant potential investment opportunities

Sector:		Agriculture	
Company/project profile:		Investment description:	
Name:	FLOWER PARK	Amount:	Eur14M / \$21M -Phase I: Eur9M / \$13.5M -Phase II: Eur5M/\$7.5M
Description:	<ul style="list-style-type: none"> - A 200 ha land has been identified in the Eastern Province for the development of a flower park - The zone is close to a lake, on intermediate altitude - GoR intends to follow the example of Ethiopia which is generating + \$250M annually through its flower industry - A local company called Rwanda Roses LTD has already completed a feasibility study and a business plan to start a 50 ha rose farm in the park - The project is expected to produce over 95 million stems every year starting with 60 million stems per year in Phase I - Production will be under green, computerized irrigation, with fertilizer and pesticide application. These high production techniques will ensure that 95% of the products are of export quality 	Type:	PPP
		Use:	Development of a 200 ha flower park including costs related to: <ul style="list-style-type: none"> -Land expropriation -Studies (social study, environmental impact assessment, specific feasibility study) -Topographic and architectural design -Infrastructure
Financial background:	<ul style="list-style-type: none"> - The project is expected to generate and sell over 95 million stems annually both through auction (80%) and direct sales (20%). The Dutch auction which alone sells between 3.3 – 4 billion roses per year will be targeted - The expected net farm return price is Eur0.10 with total revenues of Eur9.5Mn 		
Benefits for Rwanda:	<ul style="list-style-type: none"> - The project will provide employment opportunity for 1500 people in and around the project area, contribute revenue to the government in the form of taxes as well as bring in more foreign exchange currency to the country - The project is adopting a new technology for the flower industry of Rwanda to produce cut rose flowers which could serve as a model for the whole country and the region - The development of a flower park is expected to attract cargo flights into the country hence lowering air flight costs. This will in turn attract more investors into horticulture industry supporting value addition to fruits and vegetables for export 		

Significant potential investment opportunities

Sector:		Agriculture	
Company/project profile:		Investment description:	
Name:	COMMON BEANS PROCESSING AND CANNING	Amount:	\$8M - \$10M
Description:	<ul style="list-style-type: none"> Rwanda's potential market for canned beans is large, with per capita consumption amongst the highest globally. Canned beans market in Rwanda could reach \$55M - \$85M by 2017; demand for canned beans in neighbouring countries (Eastern DRC, Burundi) can further complement the local market. Limited competition, an attractive product and a pricing market gap offer an opportunity to secure first mover advantages. Rwandans consume 4 times more common dry beans than the average African consumer at 60 Kg per capita compared to 17 Kg per capita . 	Type:	Private
		Use:	The identified opportunity is the establishment of a greenfield bean processing and canning plant with an output capacity of 12,000 MT per year.
Financial background:	<ul style="list-style-type: none"> The opportunity to invest \$8M - \$10M into a common beans processing and canning business will yield an expected IRR of 30% - 35%, with net income of ~ \$ 3M (by year five of business). Early mover advantages and premium positioning mean an investor can target market share of 40% with revenues of \$ 22M by year five. Sales to supermarkets and institutional buyers will be supported by sales to 2 – 3 key wholesalers / distributors. Cost assumptions indicate that a 400 g can of red kidney beans can fetch a margin of 20%. Diversity of beans production and demand for legumes in Middle East and South Asia offer potential for long - term growth. 		
Benefits for Rwanda:	<ul style="list-style-type: none"> Sector Development : Yield and production will be improved, the nucleus-centered out-grower scheme will thus help transform subsistence farmers into small-scale commercial farmers. Job Creation: In 2017 (Year 5) more than 4,000 smallholder farmers will be involved as out-growers. Eventually, approximately 7,000 smallholder farmers will be required as out-growers; meanwhile, an estimated 2,000 additional employees will be needed on the nucleus farm and within the processing factory. Income Improvements : the present income of \$147 per year (\$0.40 per day) will be raised to \$252 per year (\$105 (or 71%) more than their current average yearly income) 		

Significant potential investment opportunities

Sector:	Agriculture		
Company/project profile:		Investment description:	
Name:	AVOCADO EXPORT	Amount:	\$ 3M
Description:	<ul style="list-style-type: none"> - Rwanda's favorable climate would allow for year round cultivation, enabling Rwanda to take advantage of the higher prices offered in EU markets during the "Cold season" - The EU is a particularly attractive export market as it has struggled to find source of increased supply - Global avocado consumption has grown strongly over last decade, with imports increasing by 17% per annum to total over \$1.6 B in 2010. This dynamic creates a significant market for Rwanda's most cultivated fruit - Rwanda's cost structure for avocado packaging and export is lower than in other EAC countries 	Type:	Private
		Use:	The identified investment opportunity is the establishment of a green field avocado exporting business with an output capacity of 4,000 metric tons per year.
Financial background:	<ul style="list-style-type: none"> - The opportunities to invest ~ \$3M into an avocado packaging and export business has a projected IRR of 35-40%, with net income of \$ 1M by year five - A single investor could expect to export between 2,000-8,000 MT of avocados and earn ~\$5M-\$10M in revenues by year five 		
Benefits for Rwanda:	<ul style="list-style-type: none"> - Sector Development - Job creation: in 2017 (Year 5) 500 direct employments and more than 6,000 Small holder farmers are projected to be involved as out growers - Income improvements :Average incomes for out-growers who produce and harvest avocado for the proposed exporter are expected to increase by \$187 per year. 		

Significant potential investment opportunities

Sector:	Agriculture		
Company/project profile:		Investment description:	
Name:	FERTILIZER DISTRIBUTION	Amount:	\$1.2M
Description:	<ul style="list-style-type: none"> - The agricultural productivity through increased fertilizer usage has grown the inorganic fertilizer market from 6,000 to 32,000 MT over the last 6 years - The government is implementing a 10 million USD privatization project to encourage the entrance of more private sector players to increase market efficiencies and fertilizer utilization - With the planned market initiatives, Rwanda fertilizer market has the potential to reach 48,000 MT in volume and over \$46M in revenue over the next 5-7 years. - Ready to use distribution network of over 1,000 Agridealers - Rwanda's agriculture sector has recorded strong growth of approximately 5% over the past 5 years . 	Type:	Private
		Use:	Establishment of a import and distribution business with potential annual sales of 14,000 MT to agro-retailers in the cash and staple crop market in Rwanda, with potential expansion into adjacent countries (DRC and Burundi) Revenues of \$15 M can be realised in Rwanda market value at \$ 50-60 M by 2019.
Financial background:	<ul style="list-style-type: none"> - The opportunity to invest \$1.2M into a fertilizer import and distribution business has a projected IRR of 35%-40%, with net income of \$1M by year seven - Early entrants who serves the current tender market could secure first mover advantage and capture ~30%of markets once privatized 		
Benefits for Rwanda:	<ul style="list-style-type: none"> - Increasing the yield and quality and therefore the income of smallholder farmers - Improving the sophistication of these farmers' farming practices - Rwanda could also serve as a regional hub for Eastern and central Africa supply markets in DRC and Burundi that would increase potential fertilizer volumes by 60%, with longer opportunities for blending. 		

Notes

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