INVEST IN SMART RWANDA
YOUR DIGITAL GATEWAY TO AFRICA

Innovate
Transform
Connect
Investment in ICTs is essential in taking any country to the next level of productivity and efficiency. Investing in ICTs is not at the expense of other sectors, investing in ICTs results in benefits for every sector and the earlier you start the better.

H.E President Paul Kagame
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H.E President Paul Kagame
The ICT leader in Africa

#5 for networked readiness
#2 for availability of latest technologies
#4 for firm-level technology absorption
#1 for venture capital availability
#2 for intellectual property protection
#1 in the world for government success in ICT promotion
— World Economic Forum, 2015

2,000 S.T.E.M. graduates and MBAs per year from Carnegie Mellon, Harvard-affiliated African Leadership University, African Institute of Mathematical Sciences, International Centre for Theoretical Physics, and University of Rwanda

$100 million innovation fund to help tech companies from the early growth stage to IPO

95% of government services transacted online

More than 80% mobile phone penetration

“Rwanda is a jewel…Rwanda feels like Singapore, an island inside of Africa whose small size allows great focus and a dynamic, stable government.”

Eric Schmidt, Executive Chairman, Alphabet
World’s 1st drone port, delivering life-saving medical supplies nationwide

$660 million in private investment in the last 4 years

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$100 million innovation fund to help tech companies from the early growth stage to IPO

More than 80% mobile phone penetration

Free 4G wifi on almost 500 public buses

95% of government services transacted online

Headquarters of the 53-country Smart Africa Alliance

7,000 km of fiber optic cable reaching all districts of Rwanda

4G LTE coverage reaching 95% of the population

#2 for ease of doing business in Africa (World Bank, 2016)

#4 most transparent government in Africa (Transparency International, 2015)

#2 in the world for ease of getting credit (World Bank, 2016)
Rwandan GDP has grown at the **robust annual average of 9%**, since 2003.

During that time, the **ICT sector has grown twice as fast**, reaching $282 million in 2015.

The Rwandan **ICT sector** is expected to be worth **$646 million** by 2020.

In the last decade, **telecommunication and hardware** generated the most demand. With a new generation of digitally literate consumers, **IT-enabled services** is expected to grow more quickly in the next decade.

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**Forecasted growth in ICT demand**

- Hardware
- Software
- IT-enabled services

**Estimated demand for IT-enabled services, by vertical**

- Travel / Accommodation
- Banking, Financial services and Insurance (BFSI)
- Telecom
- Other

**Estimated demand for IT-enabled services, by domain**

- Application Development and Maintenance
- Finance and Account
- Contact Centers (Voice)
- Other

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**Source:** NASSCOM 2015, Africa —The Next Frontier for Technology, Transformation and Innovation
services of rapidly increasing sophistication

Government ICT procurement is a major business opportunity for ICT companies

- The average annual value of Government of Rwanda procurement of ICT products and services exceeds $50 million.
- Government contracts and subcontracts for IT services have enabled 95% of government transactions to be moved online.
- A major market exists in the maintenance and regular upgrading of Rwanda’s 24/7 self-service government, continued improvement of infrastructure, and expansion of publicly provided services, such as smart cards and free wifi on public transportation.

Hardware 76%
Connectivity 8%
ICT Consultancy Services 2%
Data Center 1%
Software 13%

#1 African country for affordable Internet (Alliance for Affordable Internet)
36% of Rwandans have internet access
15,000 students receiving ICT-related training
100% mobile network coverage

“The [sector] is growing, especially in mobile applications, networking and software development. For international investors, there are huge potential first-mover benefits for a relatively untapped market with an excellent business environment.”

NASSCOM, 2015
“ICT represents US$ 500 billion potential market in Africa”.
Africa Infrastructure Investment Report

Africa has the 2nd-fastest regional economic growth in the world. In 2015, the East African region, to which Rwanda provides ready access, grew 1.5 times as fast.

Rwanda offers the unique advantage of a workforce fluent in English, French, and the most widely spoken African language, Swahili.

Major Trends in African ICT for next 5 years*:

- Smart phone penetration is expected to hit at least 50% by 2020.
- Sophisticated ICT solutions, such as cloud services, will come into higher demand, as a way of scaling up telecom and other ICT businesses.
- ICT solutions for e-governance, online payment, social media, and customer service will become widespread.
- ICT-enabled nearshoring from Europe and the Middle East to Africa is expected to gain momentum.
- African tech applications will provide solutions to local challenges and create unforeseen opportunities for global applications.

* WEF on Africa 2016 and NASSCOM, 2015
African ICT expenditure will grow at 11-12% annually compared to global ICT growth of 4-6%.*

“Africa has a vision to become a technology hub for East Africa and ultimately the whole continent of Africa.”

*NASSCOM, 2015

Africa ICT growth

<table>
<thead>
<tr>
<th>Year</th>
<th>ICT expenditure (USD billions)</th>
<th>Global ICT growth rate</th>
<th>Africa ICT growth rate</th>
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</thead>
<tbody>
<tr>
<td>2011</td>
<td>13.1</td>
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<tr>
<td>2012</td>
<td>10.5</td>
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<td>2015</td>
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<td>2020</td>
<td>12.2</td>
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Average composition of ICT expenditure

- IT Services: 45%
- Package Software: 18%
- IT-enabled services: 24%
- Infrastructure Service: 13%
The advantage of investing in an ICT project in Rwanda lies in its unparalleled combination of human capital, financing for innovation, and government support.

**ICT companies and related service providers**

“With many incubation centers emerging in the country, new massive sources of finance to be injected, and many young technicians graduating from universities, there is no way that Rwanda shouldn’t be the next big tech hub in Africa.”

*Louis-Antoine Muhire, CEO, Mergims, a bill payment aggregator for remittances*
Kigali Innovation City

KIC is at the core of Rwanda’s tech innovation ecosystem. It is a special economic zone concentrating the country’s top learning institutions, specialized infrastructure, the Innovation Fund, and added incentives in a single, synergetic site.

World-renowned higher learning institutions (Carnegie Mellon, AIMS, ICTP, and ALU) form the ecosystem’s educational pillar, supplying the world class S.T.E.M. graduates that will drive innovation in Rwanda and all of Africa.

To provide a first class workforce for Rwanda-based tech companies, KIC also hosts an “Industry Skills Academy” to continuously develop industry skills in technical and non-technical spheres. The technical workforce will have local access to globally renowned industry academies of technology leaders such as Cisco, IBM, Ericsson, Microsoft, Oracle and many others.

The rest of the workforce will have local access to business entrepreneurship programs affiliated with globally renowned institutions and anchored by the African Leadership University within Kigali Innovation City.
Rwanda is on the cusp of a technological revolution.

Rwanda is an African leader in human resources for tech innovation, hosting four of the continent’s premier STEM and leadership universities.

Each year, the Harvard-affiliated African Leadership University, the Kigali branch of Carnegie Mellon University, the Kigali branch of the International Centre for Theoretical Physics, the African Institute of Mathematical Sciences, and the University of Rwanda graduate.

» 300 post-graduate engineers, scientists, mathematicians, and business leaders.
» 1,200 workers with skills in computer assembly, cable splicing, etc.

15,000 workers trained in ICT-related programs in 2015 and quickly ramping up, with the goal of half a million people trained by 2030.

An ecosystem of tech incubators giving rise to hundreds of local tech companies, capable of servicing and partnering with the largest ICT companies.

Competitive wages at all skill levels (per month).

» Unskilled: $55-90.
» Low skilled: $300.
» Graduate: $500-1,500.
» Graduates with specialized skills: $2,000-10,000.

“Rwanda is on the cusp of a technological revolution.”

CBS News
Financing for innovation

Recognizing that most start-ups fail in the growth stage, the Rwandan Government, the global investment community, and development institutions have partnered to create a financially nurturing environment for tech innovators at all project stages.

Rwanda is #2 in the world for ease of getting credit (World Bank, 2016).

$100 million fund for financing innovative start-ups of all sizes from seed to growth, backed by private investors, the African Development Bank, and the Government of Rwanda.

Venture capital available to local tech start-ups through incubators, such as Millicom-funded Think.
Government support

During almost two decades, the government has steadfastly implemented the SMART Rwanda Plan, improving lives and creating large markets for ICT goods and services by:

- Working with world-class telecom companies to build out the country’s ICT infrastructure, including 4G LTE mobile coverage to 95% of the country, fiber optic cable to all of the country’s 30 districts, and free 4G wifi on almost 500 public buses.

- Implementing technology solutions in government transactions (95% online), and linking 94% of health centers to the internet.

- Moving towards the goal of providing every primary and secondary student in the country with a laptop.

- Stimulating the sector’s growth through the establishment of Kigali Innovation City (KIC).

- Full suite of legal protections for FDI and intellectual property: national treatment, guarantee against expropriation, unrestricted repatriation of profits.

  According to the World Economic Forum’s 2015 Global Information Technology Report, Rwanda ranks:

  » #1 in Africa for laws relating to ICT.
  » #1 in Africa for efficiency of legal system in challenging regulations and settling disputes.

- Special incentive packages for ICT firms, particularly those setting up at KIC, including the possibility of:
  
  » 0% corporate income tax.
  » Import duty exemptions.
  » Capital gains tax exemption.
  » Prompt VAT refunds.
  » Depreciation allowance of 50% in the first year.

- Subsidized innovation space for tech investors at Kigali Innovation City.
For further information about investing in Rwanda’s ICT sector please contact the Rwanda Development Board at:

info-ictsector@rdb.rw

All investment inquiries need to be directed to RDB.

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