ACKNOWLEDGEMENTS

This profile has been produced under the framework of Supporting Indian Trade and Investment for Africa (SITA) project, funded by the Department for International Development, Government of the United Kingdom and implemented by the International Trade Centre. SITA is a South-South Trade and Investment project aimed at improving competitiveness of select value chains; and increasing investment in five Eastern African countries through partnerships with institutions and businesses from India.

Quality Assurance:
International Trade Centre (ITC), Trade Facilitation and Policy for Business Section (TFPB)
TCA Ranganathan, External consultant, Rajesh Aggarwal, Chief (TFPB), Andrew Huelin, Associate Programme Advisor (TFPB)

Author: Carter Crocket
Design: Iva Stasny Brosig, Design plus
Editor: Vanessa Finaughty

The views expressed in this report are those of the authors and do not represent the official position of the International Trade Centre, Rwanda Development Board and the Government of the United Kingdom.

© International Trade Centre 2016
# Table of Contents

**RWANDA: AN OVERVIEW** 7

**WHY RWANDA?** 9
- IMPRESSIVE ECONOMIC GROWTH 9
- GLOBAL MARKET PARTICIPATION 10
- VISION 2020: A BOLD VISION FOR THE FUTURE 11
- A COMPREHENSIVE STRATEGY FOR ECONOMIC DEVELOPMENT & POVERTY REDUCTION (EDPRS) 12
- INVESTMENT CLIMATE 12
- INVESTOR SERVICES ORGANIZATIONS 13
- SOCIALLY MOTIVATED INVESTORS 13
- COMMERCIAL BANKING 14
- TAXES AND SPECIAL INCENTIVES 14
- ENERGY ACCESS AND COST 15
- HUMAN CAPITAL 15
- COST OF LIVING ESTIMATES 15

**REGIONAL TRADE OVERVIEW** 17
- EAST AFRICAN COMMUNITY (EAC) 17
- COMPARATIVE ANALYSIS WITHIN THE EAC 18

**THE ICT SECTOR IN RWANDA** 19
- RWANDA’S ICT STRATEGY 19
- RWANDAN ICT ACHIEVEMENTS TO DATE 19
- ICT IN RWANDA SWOT ANALYSIS: STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS 21

**INVESTMENT OPPORTUNITIES** 23
- INVESTMENT POTENTIAL 23
- PROMISING INVESTMENT OPPORTUNITIES 23
  - Business process outsourcing (BPO) 24
  - ICT education 26
  - Content creation 26
- SUMMARY RECOMMENDATIONS FOR INVESTORS 26

**USEFUL CONTACTS** 27

**ANNEXES** 29
- **ANNEX I: INVESTMENT CODE (KEY EXCERPTS FOR ICT INVESTORS)** 29
List of Figures

FIGURE 1: GDP GROWTH RATE (2003–2014) 9
FIGURE 2: TOTAL MERCHANDISE TRADE, BY VALUE 10
FIGURE 3: TOTAL SERVICES TRADE, BY VALUE 10
FIGURE 4: FOREIGN DIRECT INVESTMENT 13
FIGURE 5: COST OF LIVING 15
FIGURE 6: SWOT ANALYSIS 21
FIGURE 7: OUTSOURCING MARKET 24

List of Tables

TABLE 1: RWANDA’S EMPLOYMENT COSTS AND PROVISIONS 15
TABLE 2: COMPARATIVE ANALYSIS BY AFRICAN COUNTRY (2014) 17
TABLE 3: COMPARISON BETWEEN RWANDA AND OTHER COUNTRIES IN THE REGION (2015) 18
Rwanda: An Overview

Rwanda is a small, verdant country in Africa known for its fertile soil, rolling hills and mountain gorillas. Rwanda is predominantly rural, with over 80% of the population engaged in subsistence agriculture, agro-processing or minerals, utilizing a landmass of merely 26,338 km² in the Great Lakes region of East-Central Africa. This is also a land with a tragic past. The 1994 genocide saw nearly 1,000,000 people die in 90 days, decimating Rwanda’s economy and destroying basic systems and infrastructure. In many ways, Rwanda needed to be built anew, as if building a nation from scratch. This country profile will focus largely on the Rwanda that has emerged this side of 1994, sharing salient features of the rapid recovery that has made Rwanda one of the most exciting development case studies of our time.

Led by President Paul Kagame, an ambitious vision was adopted in 2000, and important components of the infrastructure, leadership and cultural values necessary to implement this vision were galvanized. President Kagame’s administration sought to move forward by building unity and progress for all, while the genocide catalysed the goodwill of many nations to lend tremendous support. Much of this support continues and is encouraged by the clear progress and impressive development milestones that have been achieved in service of Rwanda’s vision for her future. Today, Rwanda is seen as one of the leading case studies in economic recovery, despite the lack of a port or the natural resources such recoveries often depend upon.

<table>
<thead>
<tr>
<th>Basic Statistics: Rwanda*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
</tr>
<tr>
<td>Mostly rural</td>
</tr>
<tr>
<td>Mostly young</td>
</tr>
<tr>
<td>Mostly educated</td>
</tr>
<tr>
<td>Language</td>
</tr>
</tbody>
</table>

*Source: CIA Factbook, 2015

This small nation is a large symbol of hope on an African continent too often divided by tribal factions, political instability and corrupt leadership. In Africa, Rwanda represents a special country where foreigners can travel safely, contracts are honoured, progress is palpable and investors are afforded an opportunity to participate in the building of a country.
Why Rwanda?

IMPRESSIVE ECONOMIC GROWTH

In Rwanda today, GDP has rebounded with an average annual growth of almost 9% since 2003. Figure 1 depicts this impressive growth alongside that of neighbouring country Burundi, a country with a similar history, culture, size and population that has not fared as well. Rwanda’s GDP per capita has more than doubled in the last decade, overtaking more developed neighbours like Uganda for the first time in 2012. The Government of Rwanda (GoR) has a strong bias for development that is led by the private sector. Furthermore, the GoR understood that, once public investments were made, the private sector investors were more likely to follow. Thus, GoR investments have been used to demonstrate the viability of the emerging Rwandan economy and to reduce the risk required for foreign investors to apply their own resources and reap the benefits associated with involvement in the early development of key sectors.

Although progress has been dramatic, it is important to note that Rwanda still has a long way to go. A significant percentage of the population (45%) still live below the official poverty line (compared with 57% in 2006). In spite of Rwanda’s rich ecosystem, demand for food is often greater than production, thus making it necessary to import food. Energy shortages, instability in neighbouring states (e.g. the Democratic Republic of the Congo and the Republic of Burundi), relatively high taxes, extensive importing of goods and services, and costly cross-border transportation keep costs high and continue to challenge private sector growth. However, as some of the first investors in Rwanda can now attest, those who can combine global best practices with a long-term commitment to working in this context are likely to reap significant financial rewards while assisting Rwanda in her development.

Figure 1: GDP growth rate (2003–2014)

*Source: CIA World Factbook, 2015*
GLOBAL MARKET PARTICIPATION

As an exporter, Rwanda is primarily known for its high-quality coffee and tea, most of which is sold at auction in Mombasa, Kenya. In recent years, minerals have also become a prominent segment for export, helping the total export value to reach US$ 720 million in 2014. Primary export markets include the People’s Republic of China (24.2%), the DRC (17%), Malaysia (13.4%), the Kingdom of Swaziland (6.8%), the United States of America (5.5%) and the Islamic Republic of Pakistan (5.3%). As a landlocked country with few natural resources, Rwanda’s trade balance is heavily skewed toward imports, particularly for certain foodstuffs, machinery and equipment, steel, petroleum products and construction material. Primary import markets include the Republic of Uganda (15.9%), the Republic of Kenya (15.2%), China (10.4%), the United Arab Emirates (8.6%), the Republic of India (6.8%), the United Republic of Tanzania (5.1%) and the Kingdom of Belgium (4.6%) for a total imported goods value of US$ 1.898 billion. In 2014, it was estimated that Rwanda had a net balance of trade of US$ -663 million, up from an imbalance in favour of imports of US$ -562 million in 2013. A graphical depiction of this balance of trade through 2013, broken out by merchandise and services, can help reveal the shifting trends.

Figure 2: Total merchandise trade, by value

Figure 3: Total services trade, by value

*Source: UN Comtrade and UN ServiceTrade
VISION 2020: A BOLD VISION FOR THE FUTURE

Adopted in 2000, the Government of Rwanda crafted Vision 2020 in order to provide a set of overarching goals for transforming Rwanda from an agrarian to a knowledge-based economy, part of a strategy to achieve middle-income status by 2020. This bold plan became the blueprint for the country’s economic development strategies and is comprised of the following six pillars, supported by three crosscutting areas:

1. Good governance and a capable state;
2. Human resource development and a knowledge-based economy;
3. A private sector-led development;
4. Productive and market-oriented agriculture;
5. Infrastructure development;
6. Regional and international economic integration and cooperation.

Crosscutting areas:
1. Gender equality;
2. Protection of environment and sustainable natural resource management;
3. Science and technology, including ICT.

It is noteworthy to state that one of the most remarkable things about Rwanda is not its natural resources, but the bold determination to live up to an ambitious vision, and the hope this pursuit generates for those who can see the progress and results. To that end, the GoR has built up some of the pillars of their development strategy (e.g. infrastructure), but some of the best reasons to invest in Rwanda reside in the “intangibles”: hope for a knowledge-based economy, stable rule of law, a workforce that is eager to participate in global markets and a government with a bias for private sector involvement. In Africa, these are distinctive, comparative advantages of central importance to foreign investors.

International aid still makes up about 40% of the Rwandan Government’s budget, and plans continue to be implemented in order to rapidly reduce this dependency in favour of domestic sources of funds. Following is a summary of the objectives Rwanda hopes to achieve by 2020. Notable is the prominent emphasis the GoR places on private sector investment as an engine for growth.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Key Vision 2020 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid economic growth to become</td>
<td>• GDP per capita of US$ 1,240</td>
</tr>
<tr>
<td>middle-income country</td>
<td>• Average GDP growth of 11.5%</td>
</tr>
<tr>
<td></td>
<td>• Poverty reduced to 20%</td>
</tr>
<tr>
<td></td>
<td>• Extreme poverty eliminated</td>
</tr>
<tr>
<td>More off-farm jobs; more urbanization</td>
<td>• 1.8 million new off-farm jobs</td>
</tr>
<tr>
<td></td>
<td>• 35% of population urban</td>
</tr>
<tr>
<td>Reduced external dependency</td>
<td>• Export growth of 28% per annum</td>
</tr>
<tr>
<td>Private sector as engine of growth</td>
<td>• Private sector takes dominant share of investment</td>
</tr>
</tbody>
</table>

*Source: Government of Rwanda, EDPRS2, 2013*
A COMPREHENSIVE STRATEGY FOR ECONOMIC DEVELOPMENT & POVERTY REDUCTION (EDPRS)

The Economic Development and Poverty Reduction Strategy (EDPRS) is the medium-term framework for achieving Vision 2020. It roughly correlates with the Millennium Development Goal (MDG) benchmarks and targets used to foster the development of many poor countries. Rwanda is among the few countries at the forefront in obtaining impressive progress on the Millennium Development Goals, particularly in female empowerment and gender equality, universal primary education, HIV prevalence, maternal and infant mortality, and environmental sustainability.1 President Kagame himself chairs the Global MDG Advocacy Group, and once demonstrated his commitment to exceed such goals in the following quote: “The MDGs are not a ceiling, but a floor!” The Sustainable Development Goals (SDGs) are set up to build on the collaboration and progress found in the original MDGs.

INVESTMENT CLIMATE

Rwanda’s admirable values and bold ambitions have resulted in a reputation for low corruption, high stability and a regional comparative advantage in “soft infrastructure”. The Rwandan Government has also strengthened the capacity and accountability of local government to promote “a risk-free, business-friendly environment”.2 In the most recent GoR plans and implementation efforts, the focus has been on capacity building in all sectors and transformation of the agriculture sector – especially increasing the use of technology – and, thus, human productivity that does not require additional land.

Much of the recent GDP growth has come from rapid development in the telecommunications and tourism sectors, accounting for a larger percentage of GDP (53%) than neighbouring countries. Inflation had been as high as 15% in 2008, but has since been reduced and stabilized at about 4%. Rwanda’s relatively stable currency is a benefit to investors, as it significantly reduces foreign exchange risk.

<table>
<thead>
<tr>
<th>Economic Factors</th>
<th>Investment climate rankings*</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>Least corrupt country in East Africa; fourth least corrupt country in Africa (#49 in the world) – Transparency International</td>
</tr>
<tr>
<td>GDP per Capita</td>
<td>Most efficient government in Africa (seventh of 144 in the world) – Global Competitiveness Report 2014–2015, World Economic Forum (WEF)</td>
</tr>
<tr>
<td>Real GDP Growth Rate (2012-13)</td>
<td>Eighth easiest place to start a business – World Bank’s Doing Business Report</td>
</tr>
<tr>
<td>Inflation Rate (2014)</td>
<td>Six hours to register a business</td>
</tr>
<tr>
<td>Currency</td>
<td>Nineteenth easiest place to pay taxes worldwide</td>
</tr>
<tr>
<td>FDI Inflow</td>
<td>Most competitive place to do business in East Africa and third in Africa – Global Competitiveness Report 2012, World Economic Forum (WEF)</td>
</tr>
<tr>
<td>Population</td>
<td>“B” country credit rating upgraded to “A”, with a positive outlook – Standard &amp; Poor’s and Fitch ratings, 2012</td>
</tr>
<tr>
<td>0-14 years:</td>
<td>Rwanda’s Fitch rating is supported by solid economic policies and a track record of structural reforms, macroeconomic stability and low government debt (22.8% of GDP)</td>
</tr>
<tr>
<td>15-24 years:</td>
<td></td>
</tr>
<tr>
<td>25-54 years:</td>
<td></td>
</tr>
<tr>
<td>Population Growth Rate</td>
<td></td>
</tr>
<tr>
<td>Labor Force</td>
<td></td>
</tr>
<tr>
<td>Major Business Sectors by Employment</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td></td>
</tr>
</tbody>
</table>

*Source: RDB Overview of Investment, 2015; additional sources added

Foreign direct investment (FDI) was estimated at US$ 110 million in 2013, coming from sources primarily located in other African countries (e.g. the Republic of Mauritius, the Republic of South Africa and Kenya). Although countries like Mauritius and the Grand Duchy of Luxembourg are relatively small, they are well represented in such sources of capital, since their favourable tax regimes have attracted many private equity funds to base themselves in these countries.

**Figure 4: Foreign direct investments**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$118.7 M</td>
</tr>
<tr>
<td>2010</td>
<td>$42.3 M</td>
</tr>
<tr>
<td>2011</td>
<td>$106.2 M</td>
</tr>
<tr>
<td>2012</td>
<td>$159.8 M</td>
</tr>
<tr>
<td>2013</td>
<td>$110.8 M</td>
</tr>
<tr>
<td>2014*</td>
<td>$111.9 M</td>
</tr>
</tbody>
</table>

*Source: NASSCOM Africa Report, Rwanda

**SOCIANLY MOTIVATED INVESTORS**

East African Development Bank (EADB), African Development Bank, the International Finance Corporation (IFC) and the World Bank are all development financial institutions (DFI) active in Rwanda. DFI direct investment has focussed on financial services (30%), energy (13%) and infrastructure, as may be expected for projects such as air transportation, banking and building material production. The average deal size for DFI investments is US$ 9 million, indicating that large infrastructure projects with the potential to scale impact over time often require significant capital expenditures. Debt is the preferred instrument for 90% of DFI capital invested.

Much of the non-DFI investment to date has focussed on the sectors of agriculture, financial services, healthcare and real estate. Equity or some combination of debt and equity are the most common instruments used by these investors.

These investors typically invest less than US$ 1 million, claiming that smaller amounts of capital are sufficient for early growth and asserting that potential investments often lack the track record or sophistication to warrant larger investments. While there are more than 69 investors actively interested in investing in Rwanda, only 17 of these have deployed capital to date. Still, this indicates the beginning of a rapidly growing segment of the investment market, and one that is not as easily put off by political unrest as the DFI investors (who retracted sharply after the UN report in 2010 accused Rwanda of supporting paramilitary groups in the DRC).

Any investor in Rwanda should know that they must share the existing market with socially motivated investors. In some cases, this can mean avoiding segments that are already saturated with investments given preferential terms. In other cases, joint investment opportunities may be found to compliment these investments in ways their funds do not allow.

Although registering a business in Rwanda is exceedingly simple, the regulatory environment might not cooperate so smoothly thereafter. Entrepreneurs and investors should note that various GoR agencies hold strictly to the protocols and standards in place, yet, often, the communication and consistency between agencies is weak and the front desk personnel lack the authority or creativity to resolve conflicts in favour of efficient business operations.

**INVESTOR SERVICES ORGANIZATIONS**

Foreign investors face a number of complexities when entering Rwanda, and the GoR agencies may be too biased or ill-equipped to adequately support them. There is a clear role for private sector service organizations to play in supporting these foreign investors. Although there are currently only a few support organizations with a local presence in Rwanda offering these services in a professional manner, some are proficient at providing key support services in the areas of investment opportunity identification, business consulting (strategy, feasibility and business planning), co-investing networks, technical assistance, quantitative and qualitative research, legal services, company management services, co-working “incubator” space accounting, bookkeeping and tax filing services.
COMMERCIAL BANKING

The financial markets are well regulated and allow for secure international banking. Contracts and rule of law are held in high regard, which makes it easier for foreign investors to know what is expected and enforced. While many of the banks currently operating in Rwanda are not well known internationally, they typically have a partnership or affiliation with global banking networks. Reputable commercial banking is offered, both in the East African region and continent-wide.

Rwandan banks hold close to US$ 2.5 billion in assets and lent just US$ 1.4 billion in 2013. Rwandan banks are extremely risk-averse and typically seek a high collateral ratio. Bank lending rates available to the private sector have been among the highest in the region, often above 17%. As a result, this context favours private investors who are able to access cheaper debt options from foreign institutions. Despite these banking challenges, bank loans in Rwanda represented nearly 30 times the disbursements made by investors in recent years.

TAXES AND SPECIAL INCENTIVES

There are common tax protocols in place in Rwanda (listed on the right) and, as these laws are strictly and promptly enforced, investors should consider them in some detail, per the particulars of their sector and place in the finished goods value chain.

Special considerations and tax incentives recently crafted by the Government of Rwanda to make foreign investment opportunities more attractive are listed in appendix I of this profile document.

In 2012, Rwanda completed the first modern special economic zone (SEZ) in Kigali. The SEZ seeks to attract investment in all sectors, but specifically in agribusiness, ICT, trade and logistics, mining and construction. Additional zones are being developed outside the country’s urban core in each of the rural provinces, and may also prove appropriate for those industries that are best developed away from the country’s urban centre.
ENERGY ACCESS AND COST

The residential and commercial energy tariff has been set at US$ 0.19/kWh. This average cost is slightly higher than the energy costs in Kenya and Uganda and about 25% higher than Tanzania (per 2013 AfDB report). On a residential level, electricity costs US$ 0.22/kWh per household, well above the average cost in the region (US$ .08 – US$ .10/kWh). Since the country still imports about 30% of its required capacity, domestic energy production is the surest way to reduce these relatively high energy costs and its current dependency on fossil fuels. The Government of Rwanda has ambitious plans to increase access to 70% of her population by 2017 (from 12% in 2012), in part by increasing domestic electricity generation from 100 MW to 1,160 MW over the same five-year time period. Public finance is meant to cover just 40% of this ambitious investment plan, and the remainder is expected to rely heavily on private sector investment and partnership, with a significant amount aimed at renewable energy production.

HUMAN CAPITAL

Labour costs remain lower in Rwanda than in more developed countries, and, since Rwanda is the most densely populated country in Africa, affordable human capacity can prove to be one of Rwanda’s most attractive factors. While Rwandans boast a rate of enrolment among secondary students that is comparable to the regional average (32%), that rate is almost half that of Kenya, which produces graduates with an individualism that often correlates to a comparative advantage vis-à-vis regional businesses operated by non-Kenyans. The existing labour laws in Rwanda contain a 90-day provisional employment status. This clause can provide comfort to prospective investors and employers, as it is predisposed to the employer and reduces the risk and dissatisfaction associated with poor hiring decisions.

One common concern across Africa is the notion (sometimes called “brain drain”) that some of the best and brightest young talent will leave the country when given the opportunity. Importantly, Rwanda scores higher than any other country on the continent when it comes to retaining talent (4.3 out of 7 according to the Global Competitiveness Report 2015). Furthermore, Rwanda scores higher than any other African country when it comes to attracting international talent to move to Rwanda (4.6 out of 7). Finally, Rwanda also scores among the most competitive labour markets on the continent (4.8 out of 7) when it comes to promotion for merit (as opposed to nepotism and cronyism).

COST OF LIVING ESTIMATES

Figure 5 and table 1 are meant to provide more of the detailed cost estimates associated with employment and cost of living in Rwanda. The chart that depicts cost of living in Rwanda is sourced from a recent NASSCOM report that sought to convey to investors how these costs might compare to average costs in India.

Table 1: Rwanda’s employment costs and provisions

<table>
<thead>
<tr>
<th>Cost of labour</th>
<th>Monthly pay (US$)</th>
<th>Added detail/assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual</td>
<td>US$ 55–$US 90</td>
<td>No skill/higher learning</td>
</tr>
<tr>
<td>Clerk</td>
<td>US$ 300</td>
<td>Low-level skills</td>
</tr>
<tr>
<td>Specialized</td>
<td>US$ 500–US$ 1 500</td>
<td>University graduate</td>
</tr>
<tr>
<td>Management</td>
<td>US$ 2 000–US$ 10 000</td>
<td>University graduate + specialized skills</td>
</tr>
<tr>
<td>Local consultant</td>
<td>US$ 150–US$ 300/day</td>
<td>Negotiable</td>
</tr>
<tr>
<td>International consultant</td>
<td>Negotiable</td>
<td>Negotiable</td>
</tr>
</tbody>
</table>

Provision for leave

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Working hours</td>
<td>9/day</td>
</tr>
<tr>
<td>Overtime</td>
<td>Paid</td>
</tr>
<tr>
<td>Annual leave</td>
<td>30 days/year</td>
</tr>
<tr>
<td>Sick leave</td>
<td>30 days max.</td>
</tr>
<tr>
<td>Maternity leave</td>
<td>6 weeks</td>
</tr>
<tr>
<td>Family responsibility leave</td>
<td>4 days</td>
</tr>
<tr>
<td>Death</td>
<td>4–10 days</td>
</tr>
<tr>
<td>Industry</td>
<td>3.8%</td>
</tr>
<tr>
<td>Services</td>
<td>16.6%</td>
</tr>
</tbody>
</table>

ICT SECTOR INVESTMENT PROFILE: RWANDA
Regional Trade Overview

EAST AFRICAN COMMUNITY (EAC)

Trade among EAC partners has been variable and not always balanced. Given Rwanda’s geographical position and relative size compared to more developed countries like Kenya and Tanzania, the country is vulnerable to the political interests and transport corridors of her larger neighbours. Prior to 1994, Rwandan companies had a relative monopoly within her borders. Despite some short-term disadvantages that resulted from regional competition after joining the EAC, Rwanda’s leaders remain confident that the long-term advantages of freely allowing people and goods to cross borders will be good for Rwanda and the other countries in the region. Already, it is becoming clear that Rwanda’s relative stability has attracted conference organizers and others seeking to avoid political or military unrest when organizing travel and large events in the region.

Table 2: Comparative analysis by African country (2014)

<table>
<thead>
<tr>
<th></th>
<th>Rwanda</th>
<th>Uganda</th>
<th>Kenya</th>
<th>Tanzania</th>
<th>Burundi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literacy rate (% of all 15 years +)*</td>
<td>71%</td>
<td>67%</td>
<td>69%</td>
<td>84%</td>
<td>71%</td>
</tr>
<tr>
<td>Business environment***</td>
<td>5.13</td>
<td>3.87</td>
<td>4.33</td>
<td>3.97</td>
<td>3.78</td>
</tr>
<tr>
<td>Safety &amp; security***</td>
<td>5.58</td>
<td>4.62</td>
<td>3.78</td>
<td>4.85</td>
<td>4.55</td>
</tr>
<tr>
<td>Health &amp; hygiene***</td>
<td>3.92</td>
<td>2.72</td>
<td>3.29</td>
<td>2.68</td>
<td>3.91</td>
</tr>
<tr>
<td>Human resources &amp; labour market***</td>
<td>4.36</td>
<td>4.11</td>
<td>4.44</td>
<td>4.03</td>
<td>3.61</td>
</tr>
<tr>
<td>ICT readiness***</td>
<td>2.93</td>
<td>2.72</td>
<td>3.13</td>
<td>2.48</td>
<td>1.90</td>
</tr>
<tr>
<td>Ground transport infrastructure***</td>
<td>3.85</td>
<td>2.65</td>
<td>3.36</td>
<td>2.56</td>
<td>2.80</td>
</tr>
<tr>
<td>Air transport infrastructure***</td>
<td>1.84</td>
<td>1.81</td>
<td>2.56</td>
<td>1.94</td>
<td>1.64</td>
</tr>
<tr>
<td># Power outages reported each month</td>
<td>13</td>
<td>11</td>
<td>12</td>
<td>3.6</td>
<td>13.7</td>
</tr>
<tr>
<td># Water shortages in a typical month</td>
<td>14</td>
<td>3.9</td>
<td>12.4</td>
<td>12.3</td>
<td>9</td>
</tr>
<tr>
<td>Trade across borders (time/container)**</td>
<td>28 days</td>
<td>31.5 days</td>
<td>25 days</td>
<td>24.5 days</td>
<td>39 days</td>
</tr>
<tr>
<td>Trade across borders (cost/container)**</td>
<td>US$ 4 118</td>
<td>US$ 3 088</td>
<td>US$ 2 123</td>
<td>US$ 1 353</td>
<td>US$ 3 788</td>
</tr>
<tr>
<td>Lending rate</td>
<td>18%–25%</td>
<td>19%</td>
<td>16%</td>
<td>22%</td>
<td>45%</td>
</tr>
</tbody>
</table>

*Source: *CIA World Factbook, 2014; **World Bank, WITS database, 2014 or newer if available (assumes 20 ft container of dry goods, does not include taxes or tariffs, average of import + export time and cost), World Bank, Doing Business 2015; ***World Economic Forum, The Travel & Tourism Competitiveness Report 2015 (index: 1 = underdeveloped; 7 = best by international standards).
COMPARATIVE ANALYSIS
WITHIN THE EAC

Table 2 documents some of the key differences between Rwanda and neighbouring countries based on key factors that might be of interest to investors in ICT. The countries with the best relative scores in the region on relevant factors are highlighted.

Every year, the World Bank conducts a Doing Business Report that tries to rank relevant factors and policy concerns of interest to private sector development. The 2015 report highlights key factors among 189 world economies, focusing particularly on developing countries that are difficult for foreigners to understand prior to making their investment. Table 3 demonstrates that, despite her size and landlocked geography, Rwanda compares very favourably with more developed and less developed countries in the region. The country with the highest relative across key factors is highlighted.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rwanda</td>
<td>46</td>
<td>3</td>
<td>15</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>18</td>
<td>3</td>
<td>33</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Tanzania</td>
<td>131</td>
<td>13</td>
<td>17</td>
<td>41</td>
<td>9</td>
<td>20</td>
<td>32</td>
<td>30</td>
<td>26</td>
<td>18</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Uganda</td>
<td>150</td>
<td>22</td>
<td>32</td>
<td>37</td>
<td>44</td>
<td>22</td>
<td>18</td>
<td>16</td>
<td>16</td>
<td>30</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Burundi</td>
<td>152</td>
<td>24</td>
<td>1</td>
<td>30</td>
<td>42</td>
<td>4</td>
<td>40</td>
<td>11</td>
<td>20</td>
<td>36</td>
<td>35</td>
<td>30</td>
</tr>
<tr>
<td>Congo, Dem. Rep.</td>
<td>184</td>
<td>43</td>
<td>36</td>
<td>24</td>
<td>37</td>
<td>26</td>
<td>18</td>
<td>31</td>
<td>34</td>
<td>40</td>
<td>43</td>
<td>39</td>
</tr>
<tr>
<td>South Sudan</td>
<td>186</td>
<td>45</td>
<td>42</td>
<td>40</td>
<td>39</td>
<td>44</td>
<td>40</td>
<td>44</td>
<td>12</td>
<td>47</td>
<td>15</td>
<td>39</td>
</tr>
</tbody>
</table>

The ICT Sector in Rwanda

RWANDA’S ICT STRATEGY

Many African countries see ICT as a catalyst, a crosscutting initiative within their development efforts that holds exponential power that may “leapfrog” iterative steps in the development process. In line with Vision 2020, Rwanda’s leaders integrated ICT as a key driver for socioeconomic development by adopting the Rwanda ICT for Development (ICT4D) policy, commonly known as the National Information and Communication Infrastructure Plan (NICI). As defined in Rwanda, ICT is seen to include mobile and fixed telephony, VoIP, DSL, VSAT, ISDN, GPRS, broadband Internet, software development, hardware assembly and repair, applications integration and capacity building.

The NICI plan, which started in 2001, aims to accelerate Rwanda’s transformation to a knowledge-based society, as driven by the following objectives.

- Transform Rwanda into an IT-literate nation;
- Promote and encourage the deployment and utilization of ICTs within the society;
- Improve civil and public service efficiency;
- Develop Rwanda’s information and communications infrastructure;
- Make Rwanda a regional ICT hub;
- Transform the educational system using ICTs, with the aim of improving accessibility, quality and relevance to Rwanda’s developmental needs;
- Empower Rwandans by developing a human resource base that adapts to changing demands of the economy;
- Develop the legal, institutional and regulatory framework and structures required to support the deployment and utilization of ICT.

RWANDAN ICT ACHIEVEMENTS TO DATE

Rwanda continues to be one of the fastest growing African countries in ICT. Between 2011 and 2012, Rwanda attracted US$ 160 million in foreign direct investment (FDI) in the ICT sector. ICT in Rwanda has been steadily developing and has attracted US$ 550 million in investment over the last three years. The following text table illustrates some of the major milestones that have been achieved with the aggressive priority Rwanda’s leaders are placing on ICT, coupled with foreign investment of this type.

<table>
<thead>
<tr>
<th>ICT milestones to date*</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cables</td>
<td>A 2,500 km optic fibre network installed (IP/MPLS network with 10 Gbps capacity), connecting all 30 districts and with nine regional links to neighbouring countries.</td>
</tr>
<tr>
<td>Data centre</td>
<td>A state-of-the-art Tier 3 Internet data centre was built in 2010.</td>
</tr>
<tr>
<td>Broadband</td>
<td>Wireless broadband is available throughout Kigali and is extendable elsewhere (305 of 472 towers for connecting every sector of Rwanda are already built).</td>
</tr>
<tr>
<td>Incubation</td>
<td>There are a number of co-working technology and start-up offices (kLab; the Office; Innovation Hub) where start-ups combine innovation and entrepreneurship. An ICT park (Technopole) is being planned to provide a centre of excellence in knowledge and skills acquisition.</td>
</tr>
<tr>
<td>Education</td>
<td>Carnegie Mellon University (CMU) established a satellite campus for one of the top-ranked engineering schools in the world, and offers a Masters in Information Technology.</td>
</tr>
<tr>
<td>Mobile telephony</td>
<td>The country’s leading mobile telephony providers are MTN Rwanda, TIGO and Bharti Airtel. The network coverage accounts for 99.79% of the country and the current subscriber base is 63.5% of the population. Growth is anticipated to be 7,437,196 by the end of 2016.</td>
</tr>
<tr>
<td>Internet connectivity</td>
<td>Rwanda’s Internet penetration grew from less than 1% in 2000 to 13% at the end of December 2013. In addition to existing ICT infrastructure as well as an access network roll-out programme, investment in a 4G LTE network is expected to increase Internet penetration by mobile phone to 95% of the population by the end of 2016.</td>
</tr>
</tbody>
</table>

*Source: RDB ICT Profile and related documents, 2015
The mobile banking sector has been one of the most remarkable developments in terms of ICT utilization in Rwanda. The major commercial banks and Mobile Network Operators (MNOs) have been actively developing mobile banking services. To date, these services include savings and payments for water and electricity bills, tax, fuel, school fees, etc. Between 2013 and 2015, mobile transactions increased by 132.6% and mobile banking subscribers increased by 37.6% to 769,497 people. Information technology enabled services (ITES) is highlighted here as a form of business process outsourcing with emerging potential for Rwanda.

---

*Source: NASSCOM Africa Report, Rwanda*
ICT IN RWANDA SWOT ANALYSIS: STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

The following analysis is meant to summarize some of the current and future trends in ways that can help foreign investors understand the Rwandan market for ICT investment relative to similar markets they may also be considering.

**STRENGTHS**
- Relative safety, stability, efficiency and low corruption (best in EAC)
- Significant ICT infrastructure already built (data centre, fibre, 4G and wifi, etc.)
- Strong GoR vision for knowledge-based economy with ICT focus
- Young, dynamic and eager workforce
- Language aptitude (French, English, Swahili and Kinyarwanda)

**WEAKNESSES**
- Last mile connectivity to infrastructure lacking & expensive
- Developing country – formal (university) and informal (model company) ICT training is still weak
- ICT clusters and industry groups not yet achieving critical mass
- Small, landlocked country – taxes, transport, import dependency and energy costs, etc. are all higher
- Limiting constraint: reliable, experienced local management

**THREATS**
- Virtually all ICT investment must align with GoR–ala partnership
- Risk of bureaucracy and delays
- Country/region instability
  - 2017 is a presidential election year
  - Burundi and Eastern DRC instability and growing refugee flows into Rwanda
- Underdeveloped laws for intellectual property; data protection/privacy
- Can prove difficult to secure experienced personnel to manage and operate projects and companies
  - Once trained, how maintained?

**OPPORTUNITIES**
- Innovation City is being built in free economic zone (FEZ) to encourage investment and best practice
  - Carnegie Mellon University partnership
  - Favorable tax incentives
  - Proximity of transport corridors
  - Centers of Excellence
  - Smart Africa Alliance secretariat expected to be opened in January 2016
  - Rwanda Online platform
- Opportunity for “first-mover” status in key segments
  - BPO
  - Content creation

---

**3 These centers of Excellence include:**
1.) UR-CST: ACE in Internet of Things (ACEIoT);
2.) UR-CST: ACE in Energy for Sustainable Development (ACEESD);
3.) UR-CBE: ACE for Data Science (ACE - DS);
4.) UR-CST: ACE in Transport and Logistics (ACETraLogi);
5.) UR-CE: ACE in Innovative Teaching and Learning Mathematics and Science (ACEITLMS);
6.) UR-CAVM: ACE for Sustainable Agricultural Land Use and Management (ACE-SALUM).

**4 An integrated public service platform that will exclusively offer Government to Business (G2B) and Government to Citizen (G2C) services in the country, accessible via internet and mobile devices**
Investment Opportunities

INVESTMENT POTENTIAL

Recent trends suggest the private sector possibilities in ICT are growing, especially in mobile applications, networking, content creation, business process outsourcing (BPO) and software development. The GoR has committed to invest another US$ 24 million in regional communication infrastructure to ensure connectivity to the global network, continuing efforts to create a backbone on which private investors may rely and build upon.

PROMISING INVESTMENT OPPORTUNITIES

According to the GoR investment agency, the best opportunities in ICT rest in the following initiatives and segments within the current market:

- Software development
- Cloud computing
- Mobile applications
- E-government
- ICT education and training
- ICT business financing
- ICT-related services; i.e. systems integration, web management, data processing, application development and cloud computing, etc.
- Financial and accounting services
- Call centres
- Human resources-related services, for example, payroll, recruitment and staffing, etc.
- Communication and media services
- Banking and insurance services
- Distribution and logistics services

GoR agencies estimate between US$ 50 million and US$ 475 million in BPO revenues are feasible by 2020, should investors find a way to tap the growing need for BPO services among the telecom, tourism, finance or government sectors.

The following investment opportunity profile represents a current advertisement that the GoR investment promotion agency is using to attempt to attract ICT investors.

**Investment opportunity profile: ICT park**

**PROJECT DESCRIPTION:**
Development of an ICT park structured around and supporting the growth of the following clusters:

- Energy
- Internet, multimedia and mobile telecommunication
- Knowledge
- E-government
- Financial
- ICT service and export

Strategic partnership between GoR, Carnegie Mellon University (CMU) and African Development Bank (AfDB).

**CMU RESPONSIBILITIES:**

- Provide ICT education in Kigali equivalent to that offered to its students at the US campus
- Support the design of the institutional programme

**INVESTMENT AMOUNT:**
US$ 150 million

**INVESTMENT MODE:**
Total equity ownership or joint venture

*Source: RDB, 2015*

In the Rwandan context for ICT development, we can see that the GoR and an impressive array of public-private partnerships have made great strides in building perhaps the pre-eminent ICT infrastructures in East-Central Africa. The country is now poised to consider investment in areas that can benefit from the infrastructure foundation that has already been laid: hardware, software and services.
Hardware and technology development requires considerable scale and manufacturing efficiencies that are currently lacking in Rwanda. Given the high energy, transport and taxes that affect manufacturing, as well as the reality that few of the raw materials for manufacturing exist in Rwanda, it is difficult to make a case for investing in hardware except for the most socially motivated partners (e.g. POSITIVO BGH is in the process of opening a new plant in the free trade zone, with favourable terms granted by the GoR and that is expected to produce 700,000+ laptops/yr. for schools).

Software and mobile application development is an ICT segment that relies heavily on a critical mass of human capacity and skills. Given the relatively low levels of formal ICT education, technology skill training and ICT leaders found in Rwanda today, it is also difficult to envision an investment in software development being easy or lucrative at this time.

Given the above and in keeping with the ambitions of Rwanda to become a knowledge-based economy, the most appropriate segments of ICT to warrant investment are ICT services. In a way, some of these services could provide a way to build human capacity by connecting to existing global leaders in hardware and software development. Over time, this human capacity could be developed in order to move up the value chain of ICT capacities and further fulfil the ambitions of the GoR toward an economy that employs a considerable number of knowledgeable workers. Three promising types of ICT services investments are considered in the following sections.

**Business process outsourcing (BPO)**

Business process outsourcing is the contracting out of business processes to an outside provider. Often, outsourcing of this nature is designed to help a company focus on more central and distinctive aspects of their mission while benefitting from the lower labour costs and efficiencies that can be offered by outsourcing partners in less developed countries.

The domain of BPO may include basic business functions, for example accounting, billing, payroll, telemarketing or real estate management, which are typically not considered core IT operations, to a third party; although some forms of BPO may also involve business operations and IT management.

---

**Figure 7: Outsourcing Market**

<table>
<thead>
<tr>
<th>Year</th>
<th>ITes Market</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>0.5 mln</td>
<td>86</td>
</tr>
<tr>
<td>2010</td>
<td>0.6 mln</td>
<td>93</td>
</tr>
<tr>
<td>2011</td>
<td>0.6 mln</td>
<td>98</td>
</tr>
<tr>
<td>2012</td>
<td>0.7 mln</td>
<td>111</td>
</tr>
<tr>
<td>2013</td>
<td>0.7 mln</td>
<td>117</td>
</tr>
<tr>
<td>2020</td>
<td>1.1 mln</td>
<td>183</td>
</tr>
</tbody>
</table>

*Source: NASSCOM Africa Report, Rwanda, Government of Rwanda estimates*

---

BPO may be broken into two distinct types of process outsourcing.

<table>
<thead>
<tr>
<th>Front-office</th>
<th>Back-office</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Sales &amp; marketing: telemarketing, sales and order entry, E-commerce transaction support (via live chat or e-mail correspondence formats)</td>
<td>- Financial services &amp; bookkeeping: payroll, billing, budget and cash flow analysis, receivables, payables, reconciliation, QuickBooks, credit card processing, financial statement preparation and related bookkeeping services</td>
</tr>
<tr>
<td>- Design &amp; development: most common in website, software and mobile interface programming</td>
<td>- Operations &amp; logistics: data entry, data scanning and indexing, image tracking, credit analysis, order processing, insurance claims processing, medical record transcription, inventory management, legal services</td>
</tr>
<tr>
<td>- Customer support: call centres for customer service, technical support and enquiry handling (via live chat or e-mail correspondence formats)</td>
<td>- Human resources recruitment &amp; management: candidate recruitment and evaluation, personnel forms distribution and archiving, training and certification systems support</td>
</tr>
</tbody>
</table>
To perform the common processing duties outlined above, companies in countries such as India have become leaders at developing the training, tools and systems for managing high volumes of processing responsibilities. Since Rwanda’s human and technological capacity remains relatively underdeveloped, it might be wise to begin with some of the back-office duties underlined above, with a view to expand as capacities permit.

Table 4 contains a list of some of the earliest and recent entrants into the BPO market in Rwanda. This may well be a comprehensive list of the companies with current operations in Rwanda, and, while all seem eager to engage regional and international outsourcing clients, for the time being, the domestic clientele in Rwanda represent the majority of the market being served. At the time of the printing of this report, some of the details (number of employees; year established) associated with the following companies was not yet confirmed.

<table>
<thead>
<tr>
<th>BPO companies</th>
<th>No. of employees</th>
<th>Services offered</th>
<th>Key clients</th>
<th>Year started</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISON BPO</td>
<td>223</td>
<td>Call centre (90% telecom, Airtel/Tigo)</td>
<td>Airtel/Tigo</td>
<td>2012</td>
</tr>
<tr>
<td>CET Consulting</td>
<td>265</td>
<td>30% BPO (call centre for MTN; accounting; data entry); 50% training; 20% consulting</td>
<td>MTN</td>
<td>2000</td>
</tr>
<tr>
<td>NFT Consult</td>
<td></td>
<td>Accounting &amp; human resources for MTN; call centre soon</td>
<td>MTN</td>
<td></td>
</tr>
<tr>
<td>TechnoBrain</td>
<td></td>
<td>Call centre</td>
<td>RDB</td>
<td>2015</td>
</tr>
<tr>
<td>Linkage outsourcing</td>
<td></td>
<td>Human resources; accounting; insurance processing</td>
<td>Serena Hotels; Banque Populaire; Real Contractors</td>
<td></td>
</tr>
<tr>
<td>services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jobspace Consulting</td>
<td></td>
<td>Customer service; telemarketing; content writing; data entry/transcription; IT helpdesk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rwanda</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>See Far Enterprises</td>
<td>115</td>
<td>Data entry; document digitization</td>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Call Rwanda</td>
<td>225</td>
<td>Inbound/outbound call centre; telemarketing; bulk SMS &amp; e-mail; helpdesk; directory registration</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: NASSCOM Africa Report, Rwanda; Karisimbi Business Partners market study

One consideration for rapidly building the capacity Rwanda requires in this sector entails a strong partnership with existing leaders in BPO from more developed markets like India. Given the motives and objectives of any new entrant, it may be wise to partner with an established BPO with considerable expertise and resources in a particular industry segment. On the other hand, a new entrant in the developing BPO segment of Rwanda may be wise to partner with a socially motivated BPO partner that has already expressed interest in expansion to places like Rwanda (e.g. Samasource; Source for Change or “Piramal Udgam”). Embracing partners and clients that are socially motivated may significantly mitigate risk, reduce costs, attract international clients and secure important reputational benefits at the point of entry in an emerging BPO market.
ICT education

Perhaps the most direct form of human capacity development in the ICT sector is in the area of formal and informal training. Given the relatively underdeveloped levels of Rwanda’s university courses in IT and the lack of the latest, world-class certificate and other training in the latest technologies, there is ample opportunity for leaders in IT education from countries like the United States, United Kingdom, Germany and India to engage. One promising avenue for engagement is found in the new ICT Park or Innovation Center of Excellence (see Opportunity Profile listed previously) that is being established in the free trade zone. CMU is the anchor IT educator at the centre of this new initiative, but, given the many types of IT education that may complement the existing master’s degree that they offer, this could be a promising partnership to consider for establishing first mover advantage in the Center of Excellence that is currently under construction.

Content creation

Rwanda is experiencing a recent surge in artistic expression and creativity. In part, this can be explained by the rich culture and historical distinctiveness of the Rwandan people; a richness has recently come to the fore as the nation distances itself from the poverty of its past. There are a number of studios for visual arts, dance, music, animation, comedy and theatre that were not prominently featured in Rwanda previously. Some of this artistic expression is certainly fuelled by ICT and social media channels. Increasingly, artists are creating art specifically for such ICT and social media channels. True artistic expression is a segment intrinsically tied to many gifted human resources, but this type of capacity seems easier to identify in Rwanda at present than IT development capacity.

Perhaps one of the most encouraging developments in the area of content creation is the Africa Digital Media Academy (ADMA) recently established by the GoR Workplace Development Authority. This new centre is managed by expert digital content creators from developed countries that are training Rwandan technologists and performers in the use of animation, film and production. They are seeking partnership and funding from partners with an interest in promoting the same, and may also be prominently featured in the ICT park under development.

SUMMARY RECOMMENDATIONS FOR INVESTORS

This profile has set out to provide the most relevant information on Rwanda, the investment climate for the country and some of the promising opportunities that exist in the ICT sector. Attempts have been made to ensure that those unfamiliar with the unique Rwandan context are adequately informed, both of the challenges that exist and the rapid progress that has made Rwanda one of the most business-friendly countries on the African continent.

Rwanda is a rapidly developing country with a bold vision to become a knowledge-based leader in the region. Importantly, Rwanda’s leaders have a preference for seeing private sector investors play a leading role in this transformation, and they have already laid the ICT infrastructure as a foundation on which these investors can build. As important as investment capital is for the continued growth of the economy, it should be clear that, in some sectors (such as ICT), human capital is the more limiting factor. Investors who seek to make a large and lasting venture in this country should expect to couple their investment with the knowledge and experience their managers have gained in more developed markets. Where feasible, investors should work with the support services organizations located in Rwanda and seek to transfer increasing responsibility to local staff over time. With a long-term perspective, such investments hold the potential to establish companies that embody the best of existing global markets and unlock previously unrecognized potential in the promising Rwandan economy.

The Rwanda Development Board (RDB) has been established as the “One Stop Centre” for all investment-related inquiries and assistance. Investors interested in considering the next steps toward an ICT investment in Rwanda should contact the following people (both have welcomed such inquiries when they contributed to the research featured in this profile).
Useful Contacts

Paula Ingabire  
*Head – ICT Business Development*  
RDB  
- Telephone: +250 788 301 459  
- E-mail: paula.ingabire@rdb.rw

Steve Mutabazi  
*Chief Investment Strategist, ICT Sector*  
RDB  
- Telephone: +250 786 542 360  
- E-mail: steve.mutabazi@rdb.rw
ANNEX I: INVESTMENT CODE (KEY EXCERPTS FOR ICT INVESTORS)

On 28 March 2015, Rwanda released a new Investment Code (Official Gazette No. Special of 27 May 2015) for the purpose of promoting and facilitating investment. Given the strong rule of law and preference for following national procedures, this is an important document that is intended to remedy some of the perceived shortcomings foreign investors have faced in recent years. The following represent some of the most pertinent components of this new code, as relates to Indian investment in ICT (abbreviated and paraphrased).

- **Article 3:** Investors are encouraged to invest in priority economic sectors:
  - Export
  - Industrial manufacturing
  - Key sectors: energy, transport, information and communication technologies (ICT), financial services and construction of low-cost housing

- **Article 5:** A foreign investor will be given equal treatment with Rwandan investors with regard to incentives and investment facilitation

- **Article 6:**
  - Private property, individually or collectively owned, shall be inviolable
  - No investment, interest in or right over any property forming part of such investment shall be seized or confiscated except where provided by law

- **Article 7:** Intellectual property rights and legitimate rights related to technology transfer shall be guaranteed

- **Article 8:** An investor shall be allowed to repatriate capital, profit, debt, proceeds of investment and any other assets

- **Article 11:** Investment incentives are only available after investment registration is completed, including the following:
  - A business plan featuring a market survey and five-year income projections
  - Projection of environmental impact and projected employment

- **Article 12:** If registration requirements are complete and approved, an investment certificate will be issued within two working days of receipt

- **Article 13:** A registered investor agrees to the following obligations:
  - To implement the plan as proposed, keeping accurate financial and other data relating to the investment
  - Facilitate relevant appointees of the Rwanda Development Board to monitor operations
  - Respond as prescribed to any query from the Rwanda Development Board
  - Register and file taxes as appropriate (even where exempt)

- **Article 14:** Obligations of the Rwanda Development Board to promote and facilitate investment:
  - Acquiring visas and work permits
  - Facilitate water and electricity connection
  - Assist in securing environmental impact assessment certificate
  - Ensure day-to-day facilitation and monitoring of investor operations
  - Keep all relevant records related to investment enterprise
  - Represent the Government of Rwanda in negotiating agreements
  - Avoid disclosure of confidential information provided by investor
SPECIAL INCENTIVES FOR REGISTERED INVESTORS

1. CORPORATE INCOME TAX RATE OF ZERO (0%) IF FULFILLING THESE REQUIREMENTS:
   - Invest at least US$ 10,000,000 (in tangible or intangible assets) in Rwanda
   - International financial transactions equivalent to at least US$ 5,000,000 a year for commercial operations through a commercial bank in Rwanda
   - To use at least US$ 2,000,000 per year in Rwanda

2. PREFERENTIAL CORPORATE INCOME TAX OF 15% IF FULFILLING THE FOLLOWING:
   - Exporting at least 50% of turnover of goods and services produced in Rwanda (including BPO; excluding unprocessed minerals, tea and coffee)
   - Investment in energy generation, transmission and distribution (e.g. peat, solar, hydro and methane, etc.)
   - Investment in the ICT sector in the following activities: service, manufacturing or assembly (excludes ICT retail, wholesale trade, repair and telecommunications)
   - Investment in financial services (excluding locally oriented fund and wealth management, retail banking and insurance)
   - Investment in low-cost housing (per criteria set by minister in charge)

3. CORPORATE INCOME TAX HOLIDAY OF UP TO SEVEN YEARS IF FULFILLING THE FOLLOWING:
   - Investment of an equivalent of US$ 50,000,000 contributing at least 30% of the investment in equity for one of the following sectors:
     - Energy projects producing at least 25 megawatts
     - Manufacturing
     - Tourism
     - Health
     - ICT sector with an investment in manufacturing, assembly and service (excludes ICT retail, wholesale trade, repair and telecommunications)
     - Export-related projects

4. CORPORATE INCOME TAX HOLIDAY OF UP TO FIVE YEARS (RENEWABLE) FOR MICROFINANCE INSTITUTIONS

5. EXEMPTION OF CUSTOMS TAX AND DUTIES FOR PRODUCTS USED IN EXPORT PROCESSING ZONES PER RULES AND REGULATIONS OF EAST AFRICAN COMMUNITY

6. EXEMPTION OF CAPITAL GAINS TAX (EXCLUDES INCOME FROM SALE OF COMMERCIAL IMMOVABLE PROPERTY)

7. VALUE ADDED TAX REFUND SHALL BE MADE WITHIN A PERIOD NOT EXCEEDING 15 DAYS OF RECEIPT OF RELEVANT DOCUMENTS BY THE TAX AUTHORITY

8. ACCELERATED DEPRECIATION AT A FLAT RATE OF 50% FOR THE FIRST YEAR OF NEW OR USED ASSETS AND ANY PRIORITY INVESTMENT AREAS FEATURING AN INVESTMENT GREATER THAN US$ 100,000
   - Immigration incentives:
     - A registered investor and dependants shall be issued a residence permit
     - Investors of an equivalent of at least US$ 250,000 may recruit three foreign employees without necessarily demonstrating that their skills are lacking or insufficient on the labour market in Rwanda