

ANNEX 3

RWANDA

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I. ECONOMIC ENVIRONMENT**(1) MAJOR FEATURES OF THE ECONOMY**

1. The Republic of Rwanda, with an area of 26,300 km² and a population of approximately 11.7 million, is the most densely populated country in Africa. It is located in central and eastern Africa, bordering Burundi, the Democratic Republic of Congo, Tanzania, and Uganda. With a per capita GDP of US\$595 in 2011, Rwanda remains a least developed country.

2. Rwanda is still a rural economy: only 19% of the population live in urban areas.¹ The agriculture sector employs about 80% of the population, and constitutes about one third of Rwanda's GDP. Agricultural activities are mainly subsistence farming, and agricultural output is predominantly in the informal sector, with one third still produced in the non-monetary economy.²

3. The mining sector's contribution to GDP is still negligible, but its share in total exports has been significant (Table AI.1). The share of manufacturing to GDP remains low, at 6.6% in 2011, while the share of services increased to 46% over the review period (Table I.1).

Table I.1
Economic indicators, 2005-11

	2005	2006	2007	2008	2009	2010	2011 ^a
Nominal GDP (Rwanda franc billion)	1,440	1,717	2,045	2,577	2,985	3,280	3,828
Nominal GDP (US\$ billion)	2.6	3.1	3.7	4.7	5.3	5.6	6.4
Real GDP growth rate (%)	9.4	9.2	7.6	11.2	6.2	7.2	8.6
Population growth (%)	3.3	3.3	3.3	2.9	2.9	2.9	3.0
GDP per capita (at current US\$)	289	333	391	479	519	540	595
Domestic public debt (% of GDP)	9.6	8.6	8.8	6.0	6.0	6.7	7.3
Public external debt (% of GDP)	57.6	15.4	15.2	14.1	14.0	13.6	15.7
GDP by economic activity at constant 2006 prices				(% of GDP)			
Agriculture (including forestry and fishing)	38.0	38.0	36.0	32.0	34.0	32.0	31.9
of which: fishing	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Mining and quarrying	0.7	0.6	1.0	1.0	0.5	0.7	1.3
Manufacturing	7.0	6.8	6.1	6.2	6.4	6.6	6.6
Electricity and water supply	0.2	0.2	0.5	0.4	0.4	0.5	0.6
Construction	6.1	6.1	6.4	7.5	7.3	7.4	8.3
Services	41.0	42.0	45.0	46.0	45.0	47.0	46.0
Other ^b	7.0	6.3	5.0	6.9	6.4	5.8	5.3
GDP growth by economic activity at constant 2006 prices				(% change from previous year)			
Agriculture (including forestry and fishing)	..	3.0	3.0	6.0	8.0	5.0	..
of which: fishing	..	3.0	3.0	3.0	3.0	3.0	..
Mining and quarrying	..	-14.0	43.0	-16.0	-18.0	-11.0	..
Manufacturing	..	13.0	1.0	6.0	3.0	9.0	..
Electricity and water supply	..	-13.0	5.0	18.0	15.0	15.0	..
Construction	..	13.0	15.0	28.0	1.0	9.0	..
Services	..	13.0	12.0	15.0	6.0	10.0	..

Table I.1 (cont'd)

¹ UNDP online information, "International Human Development Indicators – Rwanda". Viewed at: <http://hdrstats.undp.org/en/countries/profiles/RWA.html> [18/04/2012].

² MINICOM, Trade Policy 2009, p.2.

	2005	2006	2007	2008	2009	2010	2011 ^a
Wholesale and retail trade	..	18.0	15.0	19.0	4.0	8.0	..
Hotels and restaurants	..	23.0	3.0	6.0	-6.0	8.0	..
Transport, storage, communication	..	23.0	15.0	24.0	9.0	9.0	..
Finance, insurance	..	9.0	12.0	2.0	-4.0	24.0	..
Real estate, business services	..	4.0	11.0	15.0	8.0	1.0	..
Public administration	..	9.0	6.0	5.0	7.0	14.0	..
Education	..	7.0	15.0	14.0	11.0	15.0	..
Health	..	8.0	14.0	12.0	15.0	16.0	..
Other personal services	..	19.0	14.0	2.0	-5.0	7.0	..
Other ^b	..	8.0	4.0	12.0	9.0	5.0	..
National accounts							
				(% of GDP)			
Total final consumption expenditure	98.0	98.3	96.3	93.0	97.8	98.8	98.0
Government final consumption expenditure	18.2	18.2	16.5	14.7	15.2	15.5	15.0
Private final consumption expenditure (includes changes in stock)	79.8	80.1	79.8	78.4	82.5	83.2	83.0
Gross fixed capital formation	15.8	16.0	18.0	22.7	21.6	21.0	21.0
Net exports	-13.8	-14.2	-14.4	-15.7	-19.3	-19.8	-19.0
Exports of goods and services	11.5	11.1	11.1	14.5	10.2	10.9	13.0
Imports of goods and services	25.2	25.3	25.6	30.2	29.4	30.6	32.0
Prices and interest rates							
Inflation (CPI, % change)	9.1	8.8	9.1	15.4	10.3	2.3	5.7
Deposit rate (% per annum)	8.0	8.3	6.8	6.7	..	7.1	..
Lending rate (% per annum)	16.1	16.1	16.1	16.5	16.1	16.7	..
Exchange rate							
Exchange rate (RF per US\$, period average)	557.8	551.7	547.0	546.8	568.3	583.1	600.3
Real effective exchange rate (annual average; index, 2000=100) ^b	75.0	79.0	79.0	83.0	94.0	87.0	84.0
Nominal effective exchange rate (annual average; index, 2000=100) ^b	63.0	63.0	60.0	59.0	63.0	59.0	58.0
Fiscal policy							
				(% of GDP)			
Total revenues and grants	20.2	22.0	23.1	25.7	24.3	25.3	..
Total revenue	12.5	12.1	12.3	14.8	12.7	13.1	..
Tax revenue	11.3	11.3	11.6	12.8	12.2	12.6	..
Non-tax revenues	1.2	0.9	0.7	2.0	0.6	0.6	..
Grants	7.7	9.9	10.8	10.9	11.6	12.1	..
Total expenditure and net lending	18.0	22.1	24.0	25.2	25.2	26.8	..
Total expenditure	17.4	21.5	24.4	24.7	24.0	26.0	..
Current expenditure	15.0	14.6	15.3	14.3	14.2	15.3	..
Capital expenditure	2.4	6.9	9.1	10.4	9.8	10.7	..
Net lending	0.6	0.6	-0.4	0.5	1.2	0.9	..
Overall deficit (payment order basis)							
Excluding grants	-5.4	-9.9	-11.7	-10.4	-12.4	-13.7	..
Including grants	2.2	-0.1	-0.9	0.4	-0.8	-1.6	..
Change in arrears	-0.4	-0.4	-0.4	-0.3	-0.4	-0.4	..
Deficit/surplus (cash basis)	1.8	-0.5	-1.3	0.1	-1.2	-2.0	..
Financing	-1.8	0.5	1.3	-0.1	1.2	2.0	..
Errors and omissions	-1.6	0.8	0.0	0.0	0.0	-0.1	..

Table I.1 (cont'd)

	2005	2006	2007	2008	2009	2010	2011 ^a
Memorandum							
Inward FDI stock (% of GDP)	3.0	3.3	4.6	5.8	7.5	7.7	..
Outward FDI stock (% of GDP)	0.0	0.0	0.3	0.3	0.2	0.2	..
Terms of Trade (deterioration = -)	10.7	5.5	20.9	-12.8	3.8	8.5 ^c	..

.. Not available

a Provisional.

b An increase indicates appreciation.

c Estimates

Source: National Institute of Statistics of Rwanda, *Statistical Yearbook 2010 and 2011 editions*. Viewed at: <http://statistics.gov.w/#>; National Bank of Rwanda. Viewed at: www.bnr.rw/; Information provided by Rwanda authorities; IMF IFS database. Viewed at: <http://elibrary-data.imf.org/>; and UNCTAD statistics database. Viewed at: <http://unctadstat.unctad.org/>; IMF (2012), *Regional Economic Outlook: Sub-Saharan Africa*, April for REER and NEER; and for information related to terms of trade, IMF Country Reports Nos. 11/164, 10/200, 09/264, and 08/222.

4. As a landlocked country, trading costs are high (Chapter III). In addition, the economy is highly vulnerable to external shocks, because of its narrow export base, its heavy dependency on foreign aid, and the rapid rise of international fuel prices. Its exports have been concentrated in a few products/minerals, and to a few markets, although recently there have been some diversification efforts and progress (see section (3)). The authorities consider that supply-side constraints include: poor infrastructure, in particular rural transport links; high energy costs; lack of access to credit and weak organization of the rural sector; lack of good farming practices and export-related standards to enable diversification into agri-processed industries; lack of product diversification; and low competitiveness of manufacturers.

5. The national currency, the Rwanda franc (RF), appreciated slightly against the U.S. dollar between 2005 and 2008, before depreciating again in 2009-11 (Table I.1). Rwanda accepted the obligations under Article VIII of the IMF Articles of Agreement in 1998, and maintains a system free of restrictions on payments and transfers for current international transactions.

(2) RECENT ECONOMIC DEVELOPMENTS

6. Rwanda's economy developed relatively rapidly during the period under review, with real GDP growth averaging 8.5% annually from 2005-11 (Table I.1). Per capita GDP more than doubled in the same period, from US\$289 to US\$595. The poor benefited from Rwanda's fast economic growth, as the poverty rate fell from 56.7% in 2006 to 44.9% in 2011³, while Rwanda's UNDP Human Development Index improved from 0.390 to 0.429.⁴

7. Rwanda's economic growth has been facilitated by prudent macroeconomic policies, both fiscal and monetary. Foreign aid, which accounts for around half of total government revenue, has been managed well. Total revenue has increased, mainly driven by higher taxes and grants. At the same time, total expenditure and net lending also increased, probably due to increased expenditure on

³ UNDP online news 27/02/2012, "Rwanda: Gains made against poverty, a lesson for others". Viewed at: <http://www.undp.org/content/undp/en/home/ourperspective/ourperspectivearticles/2012/02/27/rwanda-gains-made-against-poverty-a-lesson-for-others.html> [18/04/2012].

⁴ UNDP online information, "International Human Development Indicators – Rwanda". Viewed at: <http://hdrstats.undp.org/en/countries/profiles/RWA.html> [18/04/2012].

infrastructure. The overall fiscal balance (including grants) changed from a small surplus (2.2%) in 2005 to a small deficit (-1.6%) in 2010.

8. Monetary policy has been somewhat "proactive". After the onset of the global economic crisis, the Central Bank (the National Bank of Rwanda, NBR) cut its policy rate (the key repo rate or KRR) three times (since November 2009), to encourage economic activities. The KRR remained unchanged between November 2010 and October 2011, during which the Central Bank was reluctant to increase interest rates to contain inflationary pressures. The KRR was only increased again in October 2011 (it was increased three times between October 2011 and May 2012).⁵ In 2011, inflation rose rapidly, mainly due to higher global food and fuel prices, and core inflation was up from 2.3% in 2010 to 5.7%. Nevertheless, inflation was contained at a single-digit rate, while it was in double-digits in Rwanda's neighbouring countries.⁶ It appears that inflation was contained mainly due to improved food production and a reduction in fuel taxes (in July 2011 and January 2012, respectively), and the final increase in the KRR.

9. The authorities considered the "sustained stability" of the exchange rate also limited the pass-through of imported inflation to the domestic market.⁷ According to the IMF, Rwanda's exchange rates have been slow to move in line with macroeconomic fundamentals, owing to the dominant role of the NBR in the market, which discourages banks from trading among themselves.⁸ As from 27 December 2010, the official exchange rate is the weighted average computed from a previous foreign-exchange interbank market transaction and an intervention transaction by the NBR. The NBR applies a margin of +/-0.8% to the official rate to derive a customer rate. From 1 May 2011, the *de facto* exchange-rate arrangement has been reclassified to a stabilized arrangement, from a crawl-like arrangement, although the *de jure* exchange rate arrangement is classified as floating.⁹ According to the authorities, the NBR has been implementing a market-driven managed float exchange rate regime, under which the Central Bank intervenes only to smooth the exchange rate volatility depending on the volume of available official foreign exchange reserves.

10. During the period under review, the lending rates remained high, and the interest rate spread was wide, partly reflecting a lack of competition in Rwanda's banking sector (Table I.1). Despite the high lending rates, total new authorized loans by commercial banks and the Development Bank of Rwanda (BRD) have been increasing. Loans distributed to commerce, restaurants, and hotels account for the highest share (36.7%), followed by public works and buildings (24.7%). Loans to the agriculture sector, and insurance and other non-financial services, more than doubled from 2010 to 2011.¹⁰

11. Vision 2020, which contains Rwanda's long-term development goals, aims to transform Rwanda from a low-income agriculture-based economy to a knowledge-based, service-oriented economy by 2020. The Government intends to achieve this through, *inter alia*, trade policies, in particular export diversification and promotion policies (Chapter II). Against this background, the Government has undertaken a number of reforms to, *inter alia*, overcome bottlenecks; lower business costs and improve the investment environment; and reduce the effects of external shocks to economic development. Rwanda was among the top global reformers from 2009 to 2011 (Chapter II).

⁵ NBR (2012); NBR online information. Viewed at: <http://www.bnr.rw/docs/statistics/Interest%20rate%20on%20March%20%202012.xls.pdf> [25/04/2012].

⁶ NBR (2012).

⁷ NBR (2012).

⁸ IMF (2012).

⁹ IMF (2012).

¹⁰ NBR (2012).

12. Rwanda's economic (including trade) and structural policy reforms have paved the way for its relatively fast economic growth, driven mainly by improved productivity in agriculture and industry, increased exports, strong domestic demand¹¹, and improved investment climate. Partly reflecting the improved business environment and lower business costs, investment increased during the period under review (Table I.1).

13. Agriculture production has benefited from a number of programmes to address soil fertility, soil erosion, and in particular the crop intensification programme (CIP) focusing on facilitating access to fertilizers and selected seeds, land-use consolidation, and improved irrigation (Chapter IV). Productivity in agriculture has improved, and agricultural exports have been increasing since 2007 (Table AI.1).

14. The non-agriculture sectors have recovered from the global demand decline and the tight credit conditions in the domestic banking sector. Strong performance in the mining sector was stimulated mainly by higher prices for minerals on international markets. Despite its small share of GDP, manufacturing has been growing. Performance was driven by beverages and tobacco, and food processing. Construction was boosted by infrastructure projects, as well as commercial, administrative, and residential building.

15. The services sector remained the largest contributor to GDP during the period under review, accounting for close to half of GDP. Services growth was robust as financial services continued to grow significantly, followed by health, education, and public administration, reflecting continued high public expenditure to stimulate the economy (Chapter IV). On the other hand, transport suffered due to high oil prices.

(3) TRADE PERFORMANCE

16. The share of goods and services exports to GDP fell from 11.5% in 2005 to 10.9% in 2010, before rebounding to 13% in 2011. During the same period, the share of imports was up from 25.2% to 32% (Table I.1). The current account deficit widened, from 2.2% of GDP in 2005 to 7.4% in 2011, while the overall balance remained in surplus, thanks in part to inflows to finance large public and private investment projects (Table I.2). International reserve coverage stayed above five months of prospective imports.

17. Imports increased faster than exports during the review period, in part reflecting the increasing international food and fuel prices. Fuelled by imports and partly financed by substantial donor inflows, total final consumption expenditure accounted for 98% of GDP (Table I.1). As a consequence, the trade deficit increased over the period.

18. Rwanda chiefly exports agricultural products, in particular coffee and tea, and mining products. In 2011, primary products accounted for 85.5% of total exports, down from 88.7% in 2005 (Chart I.1 and Table AI.1). During the same period, the share of manufactures to total merchandise exports rose from 11.3% to 14.1%, reflecting Rwanda's efforts to shift its exports from raw materials and commodity products to processed goods. Other consumer goods (5.6%), and machinery and transport equipment (5.4%) are the major manufactured exports (Table AI.1).

¹¹ IMF (2012).

Table I.2
Rwanda's Balance of Payments, 2005-11
(US\$ Million)

	2005	2006	2007	2008	2009	2010	2011
Current account	-58	-134	-83	-230	-373	-421	-462
Trade balance	-229	-299	-404	-613	-762	-787	-1,100
Exports, fob	125	147	177	268	235	297	464
Imports, fob	-354	-446	-581	-881	-997	-1,084	-1,564
Services and income (net)	-194	-161	-140	-136	-215	-292	-244
Services (net)	-167	-132	-123	-101	-178	-246	-189
Income (net)	-27	-29	-17	-35	-37	-46	-55
Trade and services and income balance	-422	-460	-545	-749	-977	-1,079	-1,342
Current transfers (net)	365	326	461	519	604	657	881
Private	47	77	99	73	80	91	133
Public	318	248	363	446	524	567	747
Capital and financial account	165	216	197	316	427	499	683
Capital account	94	1,400	92	210	200	286	197
<i>Capital transfers</i>	94	1,400	92	210	200	286	197
Debt forgiveness	0	1,227	0	0	0	0	0
Other capital transfers	94	174	92	210	200	286	197
Financial transactions account	72	-1,184	105	106	227	214	486
Public sector capital (LT) (net)	54	-1,105	80	105	81	52	207
Private sector capital (LT) (net)	-5	25	81	90	154	181	231
Lt. debt			3	10	43	129	149
Amortization			-4	-4	-8	-12	-55
Direct investment	11	31	82	85	119	64	138
Other capital	23	-105	-57	-89	-9	-19	48
Errors & omissions	12	0	-3	-28	3	-6	14
Overall balance	119	82	111	58	57	72	235
Indicators (%)							
Balance of goods/GDP	-8.9	-9.6	-10.8	-14.0	-16.7	-14.0	-17.6
Current account balance/GDP	-2.2	-4.3	-2.2	-5.2	-8.2	-7.5	-7.4
Gross official reserves (months of prospective imports of goods and services)	7.6	6.8	7.0	5.1	6.2	5.9	5.8

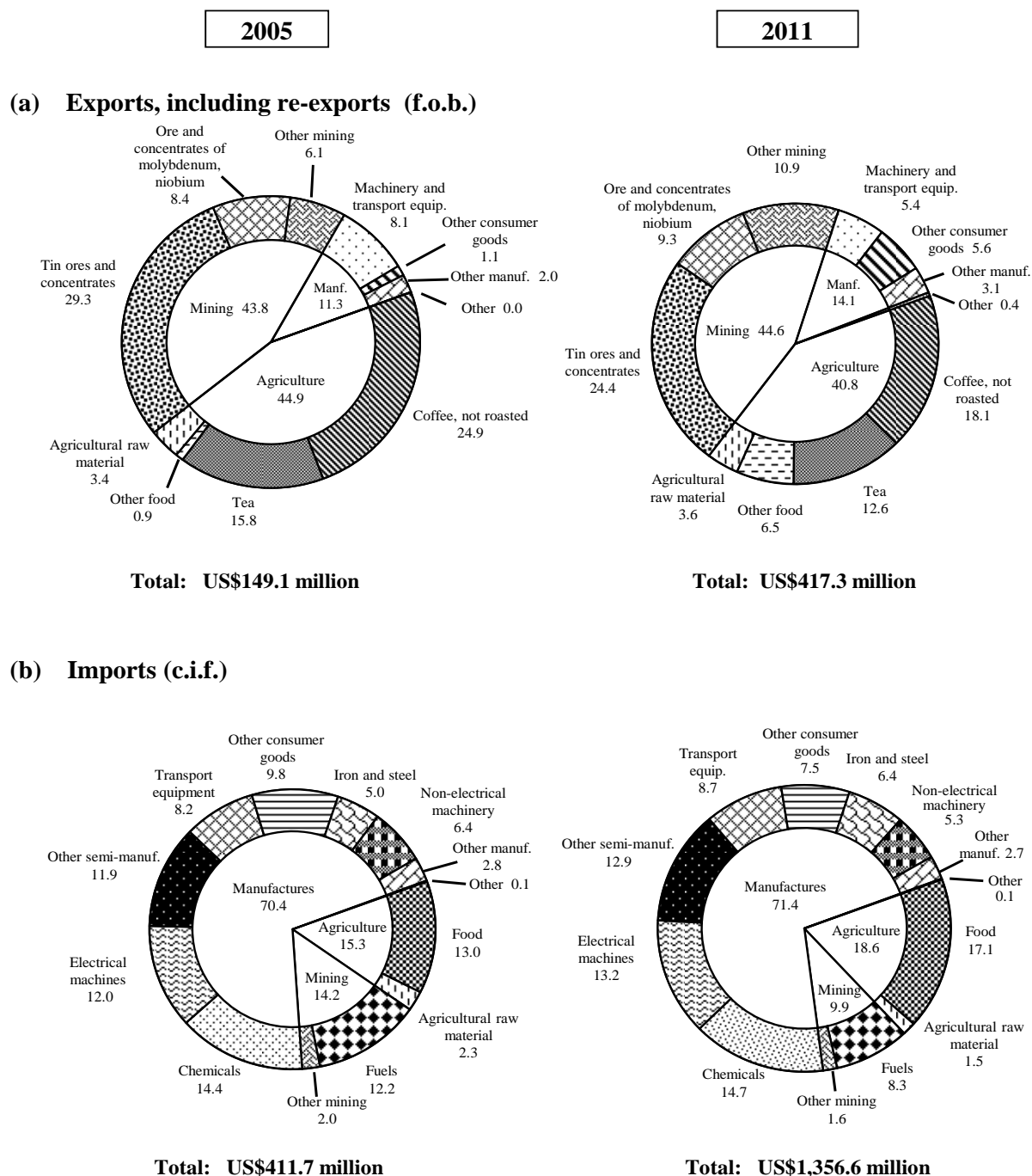
Source: Information provided by the Rwandan authorities.

19. After a drop in 2010 due to lower global demand, the value of Rwanda's exports increased significantly in 2011, partly because of increased international prices of coffee, tea, and mineral products (Chart I.2 and Table AI.2). Europe remains the main destination, although the EU's share fell by almost half between 2005 and 2011, while Switzerland's share more than doubled. The second biggest destination is Africa: however, the share of Rwanda's exports to other EAC countries fell from 24.8% to 17.7%, as Kenya's share dropped from 22% to 13.9%. The shares of other African countries increased. As Rwanda only joined the EAC in 2009, it may be some years before the effects of membership on its export performance become noticeable.

20. Rwanda has preferential market access to a number of international markets including the EU and the United States, as well as other EAC members and the COMESA market (Chapter II). Despite eligibility for a wide variety of preferential trade schemes, Rwanda's goods are still exported mainly to a few traditional trading partners, and utilization of these preferential market access opportunities remains low.

Chart I.1
Composition of merchandise trade, 2005 and 2011

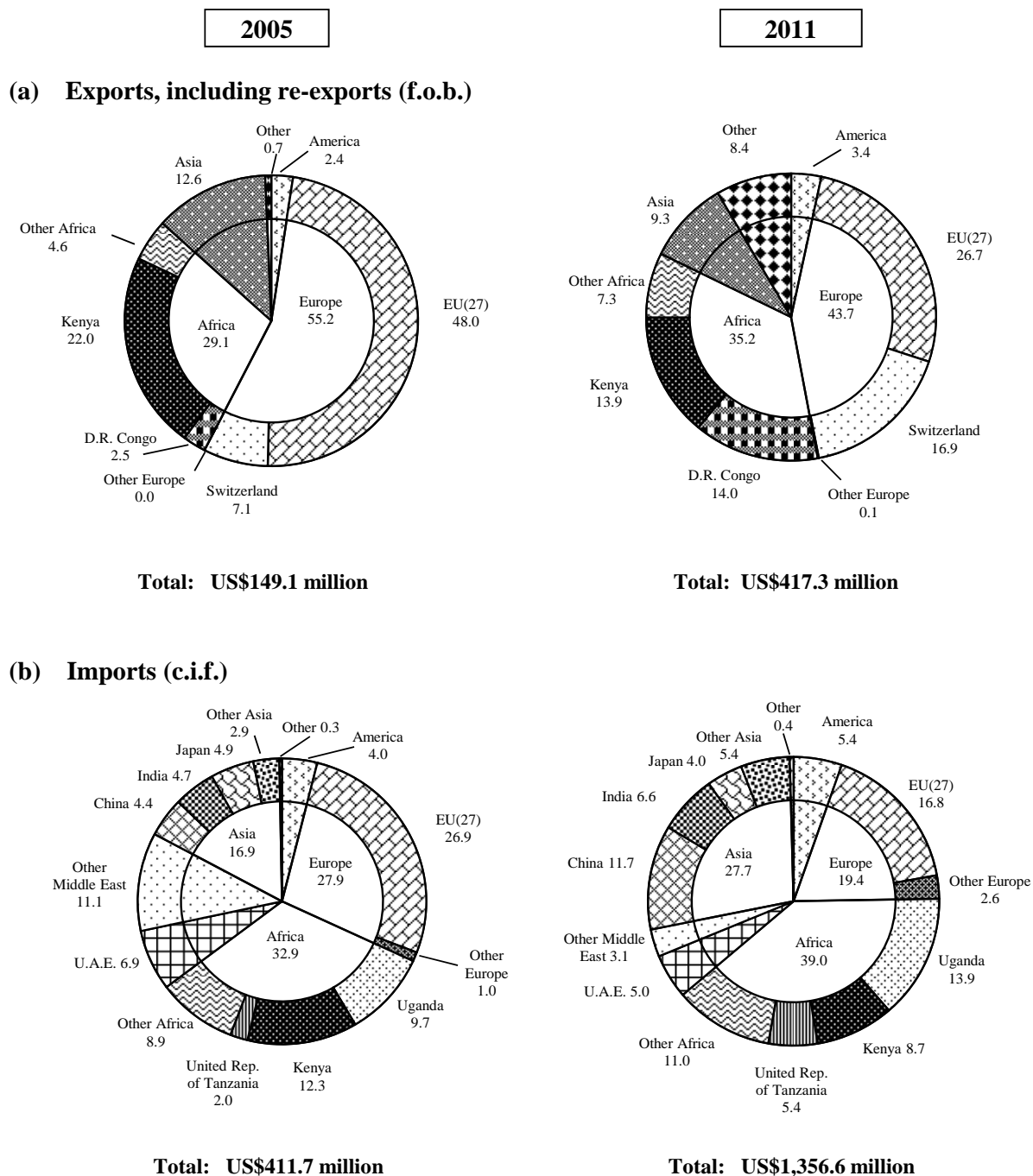
Per cent



Source: UNSD, Comtrade database (SITC Rev.3).

Chart I.2
Direction of merchandise trade, 2005 and 2011

Per cent



Source: UNSD, Comtrade database (SITC Rev.3).

21. Rwanda's imports remain dominated by capital goods and consumer goods (Chart I.1 and Table AI.3). Capital goods imports include machinery, to build domestic industrial capacities and promote the manufacturing sector. Processed goods are also imported for consumption, since the domestic manufacturing sector is still small.

22. Between 2005 and 2011, the value of Rwanda's imports more than tripled (Table AI.4). Rwanda is a net importer from the EAC region (nearly one third of imports) (Chart I.2). The shares of Uganda, Tanzania, and Burundi rose while Kenya's share fell. The share of imports from European countries declined, as did the share of the Middle East, although the UAE accounted for 5% of total imports in 2011. The increase in the share of Asian countries mainly reflects increases in imports from, *inter alia*, China and India.

23. Rwanda remains a net services importer (Table I.2). Although tourism is rebounding strongly and becoming one of Rwanda's largest foreign exchange earners, trade in services remains in deficit, and the deficit has been increasing in recent years, reflecting the faster increase in services imports over exports. Imports of transportation services increased particularly rapidly as well as government services.¹²

(4) INVESTMENT PERFORMANCE

24. Foreign direct investment (FDI) flows increased significantly between 2005 and 2009, from US\$14 million to US\$119 million, probably reflecting the improved business environment, including lower business costs (Table I.3). However, FDI inflows contracted sharply in 2010 as a consequence of the global economic crisis. Data were not available on the sectoral breakdown of FDI, the major sources or whether FDI increased significantly after Rwanda joined the EAC.

Table I.3
Foreign direct investment, 2005-11
(US\$ million)

	2005	2006	2007	2008	2009	2010	2011
FDI							
Inflow	14	31	82	103	119	42	106 ^a
Outflow	..	..	13	..	..	..	..
FDI stocks	1990	2000	2010				
Inward	33	55	435				
Outward	..	..	13				

.. Not available.

a Data provided by the Rwandan authorities.

Source: UNCTAD (2011), *World Investment Report 2011*. Viewed at: <http://www.unctad-docs.org/files/UNCTAD-WIR2011-Full-en.pdf>.

25. Nevertheless, FDI flows into Rwanda are still much lower than into the other EAC countries (except Burundi). Although the increase in FDI reflects partly economies of scale in the EAC member states, its low level in Rwanda also reflects its still-high business costs. Further reforms are needed to lower business costs, and to transform the improved investment climate into increased economic activity by the private sector.

¹² IMF BOP Database. Viewed at: <http://elibrary-data.imf.org/>[April 2012].

(5) OUTLOOK

26. Rwanda's economic performance in the near future depends very much on the strategic investment programmes to improve its infrastructure, the global demand for its exports, and the improved business climate and its effects on promoting private investment. In order for Rwanda to overcome infrastructure bottlenecks and other supply-side constraints, investment is needed in, *inter alia*, broadening access to electricity by increasing household grid-connectivity; the railway line to facilitate Rwanda's import/export trade; the construction of an international airport in Bugesera; and in irrigation systems to promote agricultural productivity.

27. Growth in Rwanda has also become increasingly dependent on growth in its key trading partners.¹³ Its concentrated export base and heavy dependency on foreign aid leaves the country vulnerable to sharp global downturns and/or sharp increases in commodity prices, which could affect Rwanda's economy through the following channels: slowdown in global demand for exports; reduction in FDI; slowdown in tourism receipts and inward remittances; and contraction of the foreign-aid envelope. Similarly, rising fuel prices are a threat. Export diversification and lower dependence on aid would reduce Rwanda's vulnerability over the medium to long-term.

¹³ IMF (2012), Staff Report, p.14.

II. TRADE AND INVESTMENT REGIMES

(1) GENERAL FRAMEWORK

28. Since Rwanda's previous Trade Policy Review, its institutional framework has remained generally unchanged.¹⁴ The new Constitution of the Republic of Rwanda was published in the *Official Gazette* on 4 June 2003, and has been amended three times. The first Amendment, on 2 December 2003, was about the term of office of the President and Vice President of the Supreme Court, and the organization of the National Public Prosecution Authority; the second, on 8 December 2005, covered the administrative organization of national boundaries; and the third on 13 August 2008, mainly dealt with organization of the election of the members of the Chamber of Deputies.

29. Executive authority in Rwanda is vested in the President and Cabinet. The President is elected for a seven-year term, renewable only once. The Parliament is composed of the Senate and Chamber of Deputies. It is in charge of passing laws, legislating, and overseeing executive action in accordance with procedures determined by the Constitution. The Supreme Court and other courts exercise judicial power. In particular, the Commercial High Court and three commercial courts (Nyarugenge, Huye, and Musanze) handle trade disputes. The executive, legislative, and judiciary bodies are independent and separate. Each Ministry formulates policies relating to its field of activities by drafting bills.¹⁵

30. The Ministry of Trade and Industry has the main responsibility for formulating and implementing trade policy. Other ministries and agencies with primary and shared responsibility for trade policy development include: the Ministry of Finance and Economic Planning, Ministry of Foreign Affairs, Ministry of Agriculture, and the Ministry of East African Affairs. Government institutions, such as the Rwanda Development Board, Rwanda Revenue Authority, National Bank of Rwanda, and Rwanda Bureau of Standards also play a key role in trade policy formulation and implementation.

31. Coordination of trade policy is under the Ministry of Trade and Industry through the National Development and Trade Policy Forum (NDTPF) which is made up of representatives from the public sector, private sector, academia, and civil society. The NDTPF was originally established as the forum for stakeholder consultations on the Economic Partnership Agreement (EPA) negotiations. Under the Rwanda Trade Policy of 2010¹⁶, it was proposed to replace the NDTPF with a broader technical and consultative committee, the National Trade Policy Forum, with sub-committees to deal with specific trade issues. A senior-level policy-making committee was also proposed, comprising permanent secretaries and heads of institutions, to be responsible for overall supervision of trade policy formulation and implementation. The Department of Trade would serve as the secretariat for the National Trade Policy Forum.

32. Another important forum for consultation on trade policy making is the Private Sector Development Cluster, which brings together government, private sector, and development partners. Private sector representation has been mainly through the Rwanda Private Sector Federation (PSF), the umbrella organization for the business community. The PSF has ten sector-specific chambers and its secretariat has five departments, including a trade and policy advocacy department, which participates in national consultations on trade policy development.

¹⁴ See WTO (2004).

¹⁵ See WTO (2004), for details of the legislative procedures in Rwanda.

¹⁶ MINICOM (2010c).

33. Rwandan legislation establishes the primacy of international legal instruments, including WTO Agreements. Ratified or approved treaties or international agreements rank above domestic legislation once they have been published in the *Official Gazette*, subject to their implementation by the other parties.

34. Recent changes in Rwanda's trade-related legislation have been driven mainly by the need to promote trade and improve the business environment. The main changes include new laws on intellectual property and special economic zones, and laws relating to companies, and on arbitration and conciliation in commercial matters (Table II.1).

Table II.1
Selected trade and trade-related legislation, December 2011

Law and number
Law modifying and complementing Law No. 10/2009 of 14/05/2009 on mortgages, No. 13/2010 of 07/05/2010
Law modifying and complementing Law No. 07/2010 of 27/04/2009 relating to companies No. 14/2010 of 07/05/2010
Law creating and organizing condominiums and setting up procedures for their registration No. 15/2010 of 07/05/2010
Law governing credit information system in Rwanda, No. 16/2010 of 07/05/2010
Law governing negotiable instruments, No. 32/2009 of 18/11/2009
Law determining the organisation, functioning and responsibilities of Rwanda Revenue Authority, No. 08/2009 of 27/04/2009
Law on mortgages, No. 10/2009 of 14/05/2009
Law on security interests in movable property, No. 11/2009 of 14/05/2009
Law establishing the National Law Reform Commission, No. 01/2010/OL of 09/6/2010
Law on the organization of the craft sector, No. 19/2010 of 09/06/2010
Law on the protection of intellectual property, No. 31/2009 of 26/10/2009
Law relating to commercial recovery and settling of issues arising from insolvency, No. 12/2009 of 26/05/2009
Law relating to companies, No. 07/2009 of 27/04/2009
Law relating to electronic messages, electronic signatures and electronic transactions, No. 18/2010 of 12/05/2010
Law establishing the commercial courts and determining their organization, functioning and jurisdiction, No. 59/2007 of 16/12/2007
Law regulating capital market in Rwanda, No. 01/2011 of 10/02/2011
Law regulating Kigali International Arbitration Centre, No. 51/2010 of 10/01/2010
Law regulating special economic zone, No. 05/2011 of 21/03/2011
Ministerial Order determining fees for registration of companies' business activities, No. 03/09/MINICOM of 08/05/2009
Law determining the establishment, organization and functioning of Cooperative Organizations in Rwanda; No. 50/2007 of 18/09/2007

Source: Information provided by the Rwandan authorities and various online sources.

(2) TRADE POLICY OBJECTIVES

35. Rwanda's plans for economic and social development are set out in the Government's Vision 2020 and the Economic Development and Poverty Reduction Strategy (EDPRS).¹⁷ Vision 2020 seeks to fundamentally transform Rwanda for it to become a middle-income country by 2020. Its main objectives are: in the short term, promotion of macroeconomic stability and wealth creation to reduce aid dependency; in the medium term, transformation from an agrarian to a knowledge-based economy; and, in the long term, creation of a productive middle class fostering entrepreneurship. In order to achieve these objectives, six main pillars were identified: good governance and a capable state; human resource development and a knowledge-based economy; a private-sector-led economy; infrastructure development; productive and market-oriented agriculture; and regional and international economic integration.

¹⁷ Government of Rwanda (2007) and (2010).

36. The EDPRS is a medium-term strategy towards attainment of the long-term Rwanda Vision 2020 objectives. The priority areas identified under the EDPRS were: poverty and vulnerability reduction; institutional capacity-building and social capital formation; sustainable management of the natural environment; good governance, and enhanced efficiency and accountability of the public sector; enhanced performance of the private sector, focusing on ICT; economic infrastructure development (transport, energy, water, and ICT); and rural development and agricultural transformation.

37. The 2010 Rwanda Trade Policy document set out five objectives: increased productivity and diversified sustainable productive capacities for trading nationally, regionally, and internationally; enhanced participation of importers and exporters of goods and services in regional and international trade, taking advantage of trade opportunities; increasing investment, including foreign direct investment, in production of competitive goods and services for the export market; increased human resources skills in trade and development through training and retraining in private and public institutions; and strengthened science, technology, and innovation policies, strategies, and institutions, including intellectual property laws, in support of industrial development and creative knowledge-based industries.

38. The Ministry of Trade and Industry's strategic plan includes five components¹⁸: (i) to increase the value of existing exports; (ii) to diversify the export base, particularly in manufacturing and services; (iii) to promote and facilitate all Rwandan traders; (iv) to increase investment which drives growth and job creation; and (v) to provide an environment for the private sector that facilitates its growth.

39. It is important to note that Rwanda has also tried to integrate in its trade policy other key trade-related issues and strategies developed by other ministries (Table II.2) with a view to ensuring coherence in trade policy.

Table II.2
Key sector policies and strategies, December 2011

Policies and strategies	Ministry
Industrial Policy (2011)	Ministry of Trade and Industry
Science, Technology and Innovation Policy (2006)	Ministry of Youth and ICT
National Energy Policy and Strategy 2008-2012	Ministry of Infrastructure
Rwanda Transport Master Plan (2008)	Ministry of Infrastructure
National Export Strategy (2011)	Ministry of Trade and Industry
Competition and Consumer Protection Policy and Act (2009)	Ministry of Trade and Industry
Intellectual Property Policy and Act (2009)	Ministry of Trade and Industry
Companies Act (2009)	Ministry of Trade and Industry
Law Regulating Labour in Rwanda (2009)	Ministry of Public Service and Labour
Small and Medium Enterprises Policy (2010)	Ministry of Trade and Industry
Special Economic Zone Policy (2010)	Ministry of Trade and Industry
Tourism Policy and Master Plan (2009)	Ministry of Trade and Industry
Hides and Skins Policy (2009)	Ministry of Trade and Industry
Rwanda Extractive Industry Strategy (2006)	Ministry of Natural Resources
Rwanda Tea Strategy (2008)	Ministry of Agriculture

Table II.2 (cont'd)

¹⁸ Ministry of Trade and Industry (2009).

Policies and strategies	Ministry
Rwanda Coffee Strategy (2008)	Ministry of Agriculture
Rwanda Horticulture Strategy (2006)	Ministry of Agriculture
Rwanda Craft Industry Strategic Plan 2009-2013	Ministry of Trade and Industry
National Information and Communication Technology Strategic Plan (2012)	Ministry of Youth and ICT

Source: Information provided by the Rwandan authorities.

(3) TRADE AGREEMENTS

(i) World Trade Organization (WTO)

40. Rwanda has been active in the negotiations under the Doha Development Agenda, where it shares the position of the African Group, of which it was coordinator in 2005, as well as sharing common positions with the ACP Group and the LDC Group. In the negotiations on trade facilitation, it is one of the proponents of the proposals on freedom of transit (TN/TF/W/133 and TN/TF/W/39). Rwanda has also been coordinator of the African Group in the negotiations on trade facilitation. On TRIPS and public health, Rwanda submitted a proposal (IP/C/W/445) on behalf of the African Group on the implementation of Paragraph 6 of the Doha Declaration. In the agriculture negotiations, Rwanda is seeking improved market access and the reduction of trade-distorting subsidies and tariff peaks, and elimination of tariff escalation. It has also called for duty-free-quota-free treatment for all exports from LDCs. In the NAMA negotiations, it is looking for the reduction of non-tariff barriers. In services negotiations, it supports the LDCs' Services waiver. Rwanda has also called for technical assistance and capacity building through the Enhanced Integrated Framework and Aid for Trade (Common Report, Chapter V).

41. Rwanda has made some notifications to the WTO (Table II.3); however, a large number remain outstanding. Rwanda has not been involved in any dispute, in any capacity, in the WTO.

Table II.3
Status of WTO notifications, 2005-11

WTO Agreement	Description of requirement	Date	Symbol of latest notification
GATS Article III:4 and/or IV:2	Contact and enquiry points	25/05/2004	S/ENQ/78/Rev.6
GATT 1994 Article VI Art. 16.5	Anti-dumping	26/02/2010	G/ADP/N/193/RWA
TBT Annex 3C	Acceptance of/withdrawal from a code	07/03/2005	G/TBT/CS/N/159
Committee on Import Licensing (Article 7.3)	Import licensing procedures	18/10/2011	G/LIC/N/3/RWA/2
TBT (Article 15.2)	Administrative arrangements laws/regulations	24/02/2005	G/TBT/2/Add.85
TBT (Article 2.9)	Technical regulations	21/02/2007	G/TBT/N/RWA/8
TRIPS and Public Health, paragraph 2 (a)	Intellectual property	19/07/2007	IP/N/9/RWA/1

Source: WTO documents.

(ii) Regional and bilateral trade agreements

42. Rwanda acceded to the EAC Treaty on 18 June 2007 and became a full member of the Community on 1 July 2007. Rwanda began implementing the EAC Customs Union in July 2009 and the Common Market in July 2010. It is also a member of the Common Market for Eastern and

Southern Africa (COMESA), and initialled an interim Economic Partnership Agreement with the EU under the East African Community in November 2007 (Common Report, Chapter II). Rwanda is also a member of the Economic Community of the Great Lakes Countries (CEPGL).

(4) INVESTMENT REGIME

43. Rwanda's policies for economic development strongly emphasize foreign direct investment and private-sector-led growth. The Government recognizes that creating an enabling environment for investment requires a sound legal framework, application of the rule of law, and elimination of institutional and practical barriers, such as corruption. The investment regime is governed by Law No. 26/2005 on Investment and Export Promotion and Facilitation.¹⁹ The ten priority sectors for investment are: information, communication, and technology; tourism; energy; agriculture and agri-based industries, fishing, and forestry; industry; re-export trade; mining; research; infrastructure; and waste recycling.

44. Law No. 26/2005 fixes the minimum initial capital investment requirement for foreign investors at US\$250,000 to qualify for tax and other investment incentives. Land is owned by the State, but both foreign and local investors may acquire land through leasehold agreements of up to 99 years.

45. To register a local enterprise or a foreign subsidiary, the Rwanda Development Board provides a quick and efficient registration service allowing companies to have their business incorporated within 24 hours. This process involves simultaneously obtaining the certificate of incorporation (business registration), tax identification number (tax registration) and the social security registration for employee pension submission. The fee to register a local or a branch of a foreign company in Rwanda is RF 25,000, while the fee for registering additional activities or requesting a duplicate of a lost registration certificate is RF 10,000; the fee for cessation of trading activities is RF 5,000.

46. Businesses are subject to a range of taxes, including corporate income tax, VAT, excise duty, and withholding tax levied by the Rwanda Revenue Authority (RRA), as well as decentralized taxes levied by provinces and districts. Collection of property tax (on houses and land), rental income, and trading licensing has been transferred to local authorities.

47. Income tax in Rwanda is regulated under Law No. 16/2005 on Direct Taxes on Income. An individual who earns income from domestic and foreign sources, and a non-resident person who has income from a source in Rwanda, is subject to personal income tax on annual income above RF 360,000 (Table II.4).

Table II.4
Personal income tax

Annual income	Tax rate
0 – 360,000	0%
360,000 – 1,200,000	20%
1,200,001 and above	30%

Source: RDB (2010), *Investor Info Pack 2010*. Viewed at: http://www.rdb.rw/uploads/tx_sbdownloader/RDBInfopack2010_2011Web_01.pdf.

¹⁹ Law No. 26/2005 of 17 December 2005 on Investment and Export Promotion and Facilitation.

48. Intermediate business owners pay a lump sum tax of 4% on annual turnover not exceeding RF 20 million. Businesses with an annual turnover above RF 20 million must be registered.

49. A withholding tax of 15% is levied on dividends, interest payments; royalties; service fees, including management and technical service fees; and performance payments to artists, musicians, and others made by resident individuals or entities including tax-exempted entities.

50. Corporate income tax is levied on business profits at a rate of 30% (lowered from 35% in January 2006), while public and not-for-profit organizations are exempted. Resident entities are liable for corporate income tax on business profits whether from domestic or foreign operations. Non-resident entities are liable for tax on business profits derived through a permanent establishment in Rwanda. Regarding cross-border economic activities, Article 6 of the Law provides for avoidance of double taxation.

51. Income from agricultural activities is exempt from income tax, if the proceeds do not exceed RF 12 million in the tax period. Rwanda has no specific legislation dealing with capital gains tax, thus any gains from sale or disposal of assets is taxed as part of business profits.

52. Rwanda improved its business regulatory environment significantly during the period under Review. A number of reforms relating to investment were undertaken, and significant steps were made to improve the legal framework. New commercial legislation was developed. The main laws include: a company law, a secured transaction law, an insolvency law, a labour law, a law establishing commercial courts, and a law on the protection of intellectual property.

53. The Rwanda Development Board (RDB) was established to facilitate new investment and fast tracking economic development by enabling private-sector growth. The RDB was set up by bringing together under one roof all government agencies involved in promoting investment, such as: the Rwanda Investment and Export Promotion Agency (RIEPA), the Rwanda Commercial Registration Service Agency (RCRSA), the Human Resource and Institutional Capacity Development Agency (HIDA), the Rwanda Information and Technology Agency (RITA) and the Rwanda Office of Tourism and National Parks (ORTPN), CAPMER, Privatisation Secretariat and the Environmental Impact Assessment Unit of the Rwanda Environmental Management Authority. The RDB reports directly to the President and is guided by a Board that includes all the key Ministers (e.g. Finance, Trade, Infrastructure, Agriculture).

54. The RDB provides investors with a "one-stop" service centre for guidance on laws, policies, incentives, investment climate and trends, investment opportunities, costs of setting up business, process for finding land, work permits and visas, tax payment, construction permit, utilities and notary services, and sector-specific information. In addition, the centre provides environment clearance and investment certificates and through the Office of the Registrar General, issues company registration certificates, registration of secured transactions, security interests in movable property, and registration of intellectual property rights.

55. As a result of its reforms, Rwanda emerged among the top global performers; according to the World Bank Doing Business Report, out of 183 countries, Rwanda's "ease of doing business" ranking changed from 158th in 2007 to 58th in 2011 (Table II.5) and 45th in 2012. Rwanda was the top reformer in the EAC. Its reforms included reducing the time and number of procedures needed to start a business, improving regulations to ease access to credit, and reducing the time required to register property.²⁰ In addition, Rwanda introduced single border posts with neighbouring countries

²⁰ World Bank (2011).

and automated customs clearance to facilitate trade. Since February 2012, Rwanda has established an electronic single window (AsycudaWorld), which helps businesses to clear goods online.

56. Despite improvements in business environment, local and foreign private investment remains low because, *inter alia*, high transportation costs and poor IT performance. In addition, there have been complaints that the rapid regulatory changes were carried out without sufficient consultation. Infrastructure bottlenecks, high taxes, and tax administration issues remain major challenges for the private sector as it competes in global and regional markets.

57. In June 2010, the Ministry of Trade and Industry issued the Small and Medium Enterprises (SMEs) Development Policy, where the definition of SMEs includes micros as well as small and medium enterprises (Table II.6). The 2011 census enumerated 123,526 establishments; the private sector accounts for 96.5% of the total. Some 87.5% of SMEs operating in Rwanda were formally registered, and 24% of these pay tax on a regular basis. SMEs account for 98% of all businesses in Rwanda and 41% of private-sector employment (small and micro businesses account for 36% of private-sector employment and medium-sized enterprises account for 5%). SMEs concentrate mainly in commerce and services sectors (93%).

Table II.5
Doing business, 2007-11

	2007	2008	2009	2010	2011
Ease of doing business (rank)	158	150	139	67	58
Starting a business	58	63	60	11	9
Dealing with licences/dealing with construction permits	133	124	90	89	82
Employing workers	106	95	93	30	..
Registering property	134	137	60	38	41
Getting credit	159	158	145	61	32
Protecting investors	162	165	170	27	28
Paying taxes	83	50	56	60	43
Trading across borders	175	166	168	170	159
Enforcing contracts	69	44	48	40	39
Closing a business	151	178	181	183	183

.. Not available.

Note: From 2009, the ranking of "dealing with licences" changed to "dealing with construction permits".

Source: World Bank *Doing Business Reports*, various years.

Table II.6
SMEs

Size of enterprise	Net capital investment (RF million)	Annual turnover (RF million)	Number of employees
Micro	Less than 0.5	Less than 0.3	1-3
Small	0.5-15	0.3-12	4-30
Medium	15-75	12-50	31-100

Source: MINICOM (2010), *Small and Medium Enterprises (SMEs) Development Policy*, Kigali.

58. SMEs are hindered by: limited transport and energy, lack of a strong insurance industry, limited capital and access to finance; difficulties in enforcing contracts; and limited business development skills. In addition, their tax burden is relatively high: at least seven separate tax regimes are in force, and the World Bank estimated 3% of Rwanda's GDP is spent on compliance issues,

including taxation, environmental regulations, EAC and international quality and safety standards required for export, and the Government's health protocols.²¹

59. In 2009, the *Centre d'Appui aux Petites et Moyennes Entreprises* (CAPMER), a public/private institution mandated to provide training, advice, and technical support to SMEs, was integrated into the Rwanda Development Board (RDB), to combine its mandate with export and investment promotion and general private-sector development services. Institutions offering services to SMEs include the MINICOM, RDB, Rwanda Enterprise Investment Company (REIC), and the Private Sector Federation (PSF). The Ministry of trade and Industry is in charge of SME development through the Department for SME development.

60. It appears that the Government wishes to simplify the tax system and reduce tax rates. A move towards a flat tax regime is being discussed. As external grants and borrowing contribute 48% of government revenue, if more SMEs are encouraged to register and pay taxes, the Government could increase internal tax revenue and reduce its dependency on foreign aid and debt.

61. Rwanda has bilateral investment treaties with Belgium, Germany, Luxembourg, Mauritius, South Africa, South Korea, Switzerland, and the United States, and double taxation treaties with Belgium and Mauritius.²² Rwanda is a member of the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID).

²¹ MINICOM (2010b), p.29.

²² UNCTAD, Foreign Direct Investment in LDCs.

III. TRADE POLICIES AND PRACTICES BY MEASURE

(1) INTRODUCTION

62. Since its previous Review in 2004, Rwanda has carried out reforms to simplify customs procedures, and customs clearance time has been reduced from an average of 7 days to 2 days. It has also removed the pre-shipment inspection requirements. However, trading costs remain high for this landlocked country.

63. Rwanda has been a member of the EAC since 2007 and has been implementing the Common External Tariff (CET) since July 2009. Goods imported into Rwanda are subject to tariffs, excise duties, VAT, and/or advance corporate tax. Rwanda bound 100% of its tariff lines; nonetheless, for 263 tariff lines at the HS 8-digit level, the applied MFN tariff rate exceeds the bound level.

64. Rwanda notified that it does not apply import licensing procedures and has no law or regulation relevant to the Agreement on Import Licensing Procedures. However, import permission is required from relevant ministries/agencies for imports of certain products. For example, permission is required from the Rwanda Environment Management Authority (REMA) to import, *inter alia*, polythene bags.

65. Since its establishment in 2002, the Rwanda Bureau of Standards (RBS) has published 780 national standards; Rwanda has 67 technical regulations (compulsory standards). The RBS is making efforts to harmonize Rwandan standards with EAC and COMESA standards. Rwanda issued its Quality Policy in 2010 to help guide standardization activities.

66. According to the authorities, Rwanda does not subsidize exports. However, exports of goods or services valued between US\$3-5 million benefit from an income tax discount of 3%; if the amount exceeds US\$5 million, the tax discount is 5%. Rwanda is changing its focus from establishing free economic zones (FEZs), to special economic zones (SEZs), and incentives are provided to exporters located in SEZs. Currently, only one SEZ – the Kigali SEZ – is ready for business.

67. The Law on Public Procurement was issued in 2007, followed by the establishment of the Rwanda Public Procurement Authority (RPPA), which replaced the National Tender Board. The Law applies to procurement of works, goods, consulting or other services carried out by public institutions, except for procurement for national defence and security. It allows a 10% price preference for local companies.

68. Despite some privatization, the State continues to play a dominant role in the economy. Rwanda is preparing its draft law on competition and consumer protection. A Competition Policy Paper was adopted by the Cabinet in 2010, and the authorities stated that the draft competition law is to be gazetted soon. Comprehensive legislation on IPRs – the Law on the Protection of Intellectual Property – entered into effect in 2009, and an Intellectual Property Policy was issued. Since Rwanda's Independence in 1962, only 114 patents have been issued.

(2) MEASURES DIRECTLY AFFECTING IMPORTS

(i) Registration, customs procedures, and valuation

69. In practice, customs procedures have not been fully harmonized by EAC members, nor have documentation requirements (see Common Report).

70. Importers must register with the Rwanda Development Board (RDB) and obtain a taxpayer's identification number (TIN); all natural or legal persons are eligible. Customs declarations must be accompanied by supporting documents, i.e. commercial invoices, bills of lading, and the packing list.

71. As a land-locked country, Rwanda's trading costs are high. Containers arriving from Mombasa or Dar es Salaam take a long time to reach Kigali (and vice versa). Reforms have been carried out since 2004 to simplify customs procedures. Computer programs such as Asycuda++, Asy scan, pre-clearance, and a risk analysis system, have reduced customs clearance time from an average of 7 days to 2 days. According to the authorities, all major customs stations are automated, and police road blocks have been eliminated. Since February 2012, Customs has been implementing a web-based electronic single window system, allowing the whole clearing process to be handled electronically.²³ However, despite improvements, cross-border trade still encounters difficulties due to poor infrastructure, weighbridges, and lengthy bureaucratic procedures.

72. Rwanda has removed its pre-shipment inspection (PSI) requirements since 2004. Rwanda is implementing the EAC rules on customs valuation (see Common Report). It notified application of the WTO Agreement on Customs Valuation (CVA) in January 2004.²⁴ Nonetheless, Rwanda still has some difficulties in fully implementing the CVA. On the other hand, as a member of the EAC, Rwanda Customs defines the customs value of imported goods as the c.i.f. at the port of first entry into the EAC, instead of c.i.f. Kigali. Thus, transport cost between the port of first entry and Kigali is excluded from the customs value, which greatly reduces the cost of importation.

73. Rwanda also notified that it is implementing the COMESA and EAC rules of origin.²⁵

74. All imports are sample tested by the Rwanda Bureau of Standards (RBS), to ensure that they meet the requirements of Rwanda standards, or international or foreign standards (section (vi)(c)).

(ii) Tariffs

75. Rwanda has been a member of the EAC since 2007, and has been implementing the Common External Tariff (CET) since July 2009. Joining the EAC and implementing the CET has reduced Rwanda's tariff revenue for various reasons (Table III.1): first, tariffs on imports from other EAC member states were removed; second, products that used to earn significant revenue are now taxed at a lower tariff rate, for example, the tariff on electric generators fell from 30% to zero; and third, import tariffs are based on the c.i.f. value at the port of first entry into the EAC, instead of c.i.f. Kigali, which also resulted in revenue losses. From 2008 to 2010, the share of import tax in total tax revenue fell from 12% to 6%.

76. The Government plans to mitigate revenue loss by improving domestic tax collection, although details were not provided. Rwanda benefited from the COMESA Fund to compensate for revenue loss following tariff reductions under COMESA. It intends to mitigate revenue loss through trade-facilitation measures, better control of smuggling activities, as well as reduction of tariff exemptions.

²³ RRA online information Viewed at: http://www.rra.gov.rw/rra_article926.html [27/06/12].

²⁴ WTO document G/VAL/N/1/RWA/1, 29 February 2012.

²⁵ WTO document G/RO/N/75, 28 February 2012.

Table III.1
Tax revenue performance, 2005-10
(RF billion and %)

	2005		2006		2007		2008		2009		2010	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Direct taxes	50.7	31	64.7	33	86.6	36	123.1	37	136.5	38	162.3	39
Tax on income and profit	49.9	31	63.8	33	85.6	36	122.0	37	135.3	37	159.6	39
Companies	23.8	15	26.8	14	32.2	13	51.2	16	46.0	13	46.2	11
Individuals (PAYE)	25.4	16	35.8	18	49.8	21	65.5	20	82.4	23	102.6	25
Others	0.6	0	1.1	1	3.6	1	5.3	2	6.9	2	10.8	3
Property taxes	0.8	0	0.8	0	1.0	0	1.1	0	1.2	0	2.8	1
Taxes on goods and services	82.9	51	96.2	49	121.0	51	161.7	49	184.7	51	216.9	53
Excise taxes	21.5	13	23.3	12	29.5	12	37.5	11	49.8	14	69.8	17
VAT	57.7	36	67.2	35	85.3	36	116.9	36	125.1	34	131.7	32
of which: on imports	26.6	16	30.8	16	36.0	15	52.2	16	54.0	15	50.9	12
Road Fund	3.6	2	5.8	3	6.3	3	7.4	2	9.8	3	15.4	4
Taxes on international trade	27.8	17	30.4	16	28.7	12	42.2	13	37.6	10	28.5	7
Import tax	22.0	14	24.0	12	27.0	11	40.1	12	35.3	10	26.2	6
Other (including Magerwa)	5.8	4	6.4	3	1.7	1	2.2	1	2.3	1	2.3	1
Taxes on electrogaz fuel imports for generators	1.1	1	3.4	2	2.4	1	1.7	1	5.1	1	5.5	1
Total tax revenue (including electrogaz fuel imports)	162.5	100	194.7	100	238.8	100	328.7	100	364.0	100	413.1	100

Source: Data provided by the RRA.

(a) MFN applied tariff structure

77. Since 2009, Rwanda has been implementing the CET, with three basic bands (zero, 10%, and 25%), and rates ranging from 35% to 100% on 58 categories of "sensitive" items (Common Report, Chapter III). On request, an EAC waiver may be granted to apply a country-specific rate to a sensitive product. For Rwanda, departure from the CET rates (under waiver) is generally to facilitate trade through lower tariff rates on imported staple food or inputs not produced in Rwanda (Table III.2).

Table III.2
Rwanda-specific "sensitive" products, 2011

HS code	Description	CET rate	Rwanda tariff
1001.9020	Hard wheat	35%	0
1006.1000	- Rice in the husk (paddy or rough)	75% or US\$200/MT whichever is higher	30% between 2009 and 2011
1006.2000	- Husked (brown) rice	75% or US\$200/MT whichever is higher	30% between 2009 and 2011
1006.3000	- Semi-milled or wholly milled rice, whether or not polished or glazed	75% or US\$200/MT whichever is higher	30% between 2009 and 2011
1006.4000	- Broken rice	75% or US\$200/MT whichever is higher	30% between 2009 and 2011
1101.0000	Wheat or meslin flour	60%	35%
1701.9990	- Other sugar	100% or US\$200/MT whichever is higher	25% for July-December 2010, July 2011-June 2012
6309.0000	Worn clothing and other worn articles	45% or US\$0.3/kg whichever is higher	35% or US\$0.2/kg whichever is higher

Source: Information provided by the Rwandan authorities.

78. According to the authorities, where goods are subject to a lower preferential tariff rate under COMESA than the EAC CET, the lower rate will prevail until the conclusion of the ongoing negotiations on a Tripartite Agreement (Common Report, Chapter II).

(b) Bound tariff

79. Rwanda bound 100% of its tariff lines (Common Report, Table III.1), at *ad valorem* rates ranging from zero to 100%. Tariffs were bound at rates ranging from zero to 100% on non-agricultural products, and zero to 80% on agricultural products. The simple average bound rate is 89% (73.9% for agricultural products and 91.5% for others); 76.2% of lines are bound at a maximum rate of 100%, 11.9% at a maximum of 80% and 0.9% (42 headings at the HS 6-digit level) are bound at zero (including fish, dried, salted or in brine; milk and cream, whether or not condensed; butter and cheese; wheat flour; cereal grouts of maize; malt; organic dyestuffs; and safety lamps).

80. Applied MFN tariff rates exceed their bound level on some 263 tariff lines at the HS 8-digit level (45 on agricultural products and 218 on non-agricultural products) (Table AIII.1).

(c) Tariff preferences

81. Rwanda grants tariff preferences to other EAC members. In addition, Rwanda applies preferential tariffs to products originating in other COMESA countries.

(d) Tariff exemptions and concessions

82. Some goods are exempted from import tariffs under Annex V of the EAC Customs Management Act (Common Report, Chapter III).

83. The EAC Council of Ministers also approved an exception for Rwandan manufacturers to import specified raw materials and industrial inputs free of customs tariffs under the duty remission scheme for five years, with effect from 1 July 2009 (Table AIII.2). According to the authorities, all enterprises manufacturing relevant products are included in the list, thus there is no selection criterion such as ownership restrictions.

(iii) Other taxes, duties and charges

(a) Excise tax

84. Law No. 57/2011 of 31 December 2011 regulates excise tax in Rwanda (Table III.3).

85. Excise taxes are applied on imported and domestically produced products. The tax on imports is applied on the c.i.f. value plus the import tariff; on local products it is applied on the ex-factory price.

(b) VAT

86. VAT is regulated under Law No. 6/2001 of 20 January 2001 on the Code of Value Added Tax, Law No. 24/2006 of 16 May 2006 Modifying and Complementing Law No. 06/2001 on the Code of Value Added Tax, and Law No. 25/2010 of 28 May 2010 Modifying and Complementing Law No. 06/2001.

Table III.3
Excise tax, 2011

Products	Tax rate
Fruit juices	5%
Lemonade, soda and other juices	39%
Mineral water	10%
Beer	60%
Wine	70%
Brandies, liquors and whisky	70%
Cigarettes	150%
Fuel (excluding benzene) and gas oil	183 RF/litre on premium, 150 RF/litre on gas oil
Lubricants	37%
Vehicles with an engine capacity of less than 1500cc	5%
Vehicles with an engine capacity between 1500cc and 2500cc	10%
Vehicles with an engine capacity of above 2500cc	15%
Powdered milk	10%
Telephone communications	8%

Source: Law No. 57/2011 of 31/12/2011 Modifying and Complementing Law No. 26/2006 of 27/05/2006 Determining and Establishing Consumption Tax on Some Imported and Locally Manufactured Products as Modified and Complementated to date.

87. VAT is applied at a standard rate of 18% on goods and services, imported or domestically produced. It is levied on the c.i.f. value of imports, plus any import tariff, excise tax and handling fees. VAT is calculated on the sale price of domestically produced goods.

88. Some goods and services are exempted from VAT, including water supply services, some transport services, financial and insurance services, some energy supplies, agricultural and livestock products, agricultural inputs and equipment, and certain imports of persons with (or without) investment certificate (Table AIII.3).

89. Goods and services subject to VAT at the zero rate include: exports of goods and services, as well as goods imported by diplomatic missions accredited in Rwanda; goods delivered or services supplied under an agreement between the Government and donors or in the context of projects financed from foreign funds; and goods, services or imports covered by technical assistance agreements.²⁶

90. Businesses must be registered for VAT if their gross turnover is more than RF 20 million per year, or RF 5 million over the three preceding months. Voluntary registration is possible. Transfer of a whole business is not subject to VAT.

(c) Other

91. Traders with no tax clearance certificate must pay a 5% advance of their corporate tax to the Customs before they may import.

92. Customs also collects fees on behalf of other agencies: road maintenance fees, visa fees, and Rwanda Bureau of Standards (RBS) fees.

²⁶ Law No. 06/2001 of 20 January 2001 on the Code of Value Added Tax. Viewed at: http://www.rra.gov.rw/IMG/pdf/Law_No_06-2001_of_20.01.2001_on_the_Code_of_Value_Added_Tax.pdf [16 April 2012].

(iv) Import prohibitions, restrictions, and licensing

93. Imports of goods specified in Part A of the Second Schedule to the EAC Customs Management Act are prohibited (Common Report, Chapter III).

94. In accordance with the Prime Minister's Order No. 26/03 of 23 October 2008, imports of certain chemicals and pollutants are prohibited. In addition, Law No. 57/2008 of 10 September 2008 prohibits importation of polythene bags. However, in exceptional cases, any person needing to manufacture, use, import, and sell polythene bags may apply and obtain written authorization from the Rwanda Environment Management Authority (REMA).

95. Imports of goods specified in Part B of the Second Schedule to the EAC Customs Management Act are restricted (Common Report, Chapter III); import licences are required from the relevant ministries.

96. Rwanda notified that it does not apply import licensing procedures and has no law or regulation relevant to the Agreement on Import Licensing Procedures.²⁷ However, import permission is required from relevant ministries/agencies for imports of certain products. For example, permission from REMA is required to import: drugs and chemical substances (Prime Minister Order No. 27/03 of 23 October 2008); ozone-layer-depleting substances, and products and equipment containing such substances (Ministerial Order No. 006/2008). Permission from the National Agricultural Export Development Board (NAEB) is required to import agricultural inputs; and permission from the Rwanda Agriculture Board is required to import livestock.

97. The authorities state that there is no consolidated list of restricted items, but new laws restricting imports are circulated immediately to Customs to implement. Relevant legislation on import restrictions includes: Organic Law No. 04/2005 of 8 April 2005 determining the modalities of protection, conservation, and promotion of the environment; Ministerial Order No. 007/2008 of 15 August 2008 establishing the list of protected animal and plant species; Ministerial Order No. 003/16.01 of 15 July 2010 preventing activities that pollute the atmosphere; and Ministerial Order No. 004/16.01 of 15 July 2010 governing the importation and exportation of wild animals. It appears that the importation of right-hand drive motor vehicles is restricted, and the authorities state that imports of animals from neighbouring countries are currently banned, due to diseases such as foot-and-mouth disease (Chapter IV(2)(iii)).

(v) Contingency trade remedies

98. Rwanda has no national legislation on anti-dumping, countervailing, or safeguards. Rwanda notified that it has not established an authority competent to initiate and conduct an investigation within the meaning of Article 16.5 of the Agreement on Anti-Dumping, and thus has not taken any anti-dumping actions.²⁸ However, as part of the common EAC trade regime already in place, any contingency action decided at the regional level would be applied by Rwanda.

²⁷ WTO document G/LIC/N/3/RWA/2, 18 October 2011.

²⁸ WTO document G/ADP/N/193/RWA, 26 February 2010.

(vi) Standards and technical requirements**(a) Standardization and the adoption of technical regulations**

99. The Law Establishing the Rwanda Bureau of Standards (Law No. 03/2002 of 19 January 2002) regulates standards, quality testing, certification and metrology. In addition, the Rwanda Quality Policy, passed by the Cabinet in 2010, guides standardization activities.

100. The Rwanda Bureau of Standards (RBS), established in 2002, is responsible for promoting standards, quality management, and metrology activities, and ensuring that they are properly applied.²⁹ Notices on standards and technical regulations adopted by the RBS are published in the *Official Gazette*. Since 2002, the RBS has published 780 national standards, all voluntary. The RBS is also making efforts towards harmonizing Rwandan standards with EAC and COMESA standards; currently, 528 are EAC harmonized, and 304 are harmonized with COMESA standards.

101. The procedure to develop standards was revised in 2008 to "mirror international best practices". Standards are developed through RBS technical committees (TCs), which are made up of representatives of the public and private sectors (Chart III.1).

102. Technical regulations may be developed and administered by the ministries responsible for agriculture, construction, electricity, environment, health, industry and trade, telecommunications, tourism, transport, petroleum and mineral resources; and a number of regulatory bodies (such as REMA, Rwanda Utilities Regulatory Authority (RURA), RDB, RBS). In accordance with RBS Instruction No. 02/2005, Rwanda has 67 technical regulations (compulsory standards), covering food, mineral water, drinking water, alcoholic beverages, liquor, grains, coffee tea and milk (Table AIII.4). These technical regulations have been developed by different regulators. Information is not available on the procedure for adopting and implementing technical regulations.

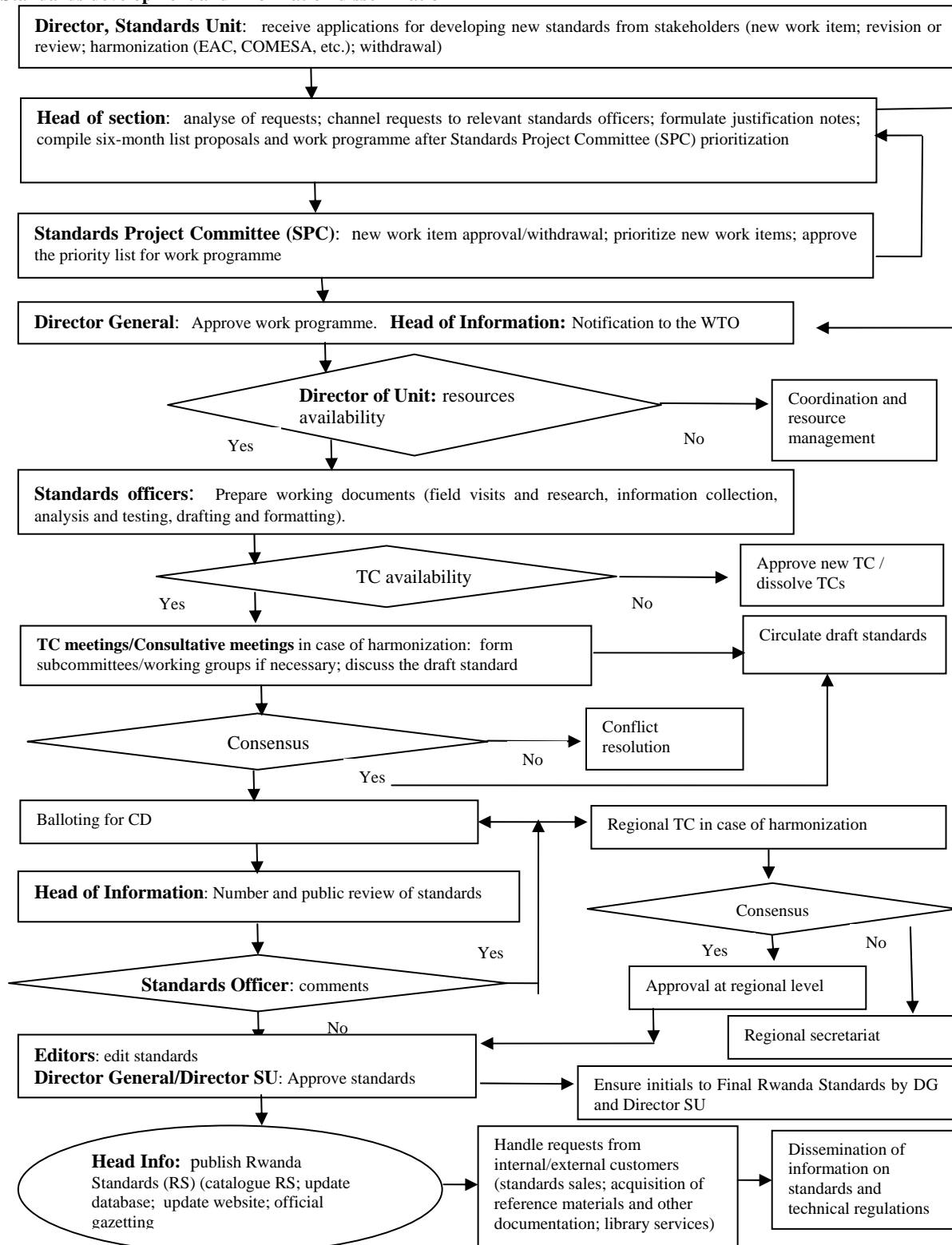
103. The RBS is Rwanda's WTO/TBT Enquiry Point. The RBS has accepted the WTO Code of Good Practice for the Preparation, Adoption and Application of Standards.³⁰ According to the authorities, the RBS is a non-profit institution, financed by the Government; the RBS charges businesses a fee that compares favourably within the region. Up to 9 July 2012, Rwanda had made eight notifications under Article 2.9 of the TBT Agreement to the WTO. All were notified by the RBS. They cover non-alcoholic and alcoholic beverages, cereal products, labelling of pre-packaged food, milk and milk products, meat and meat products, tea and coffee, and building materials.

104. The RBS is a member of the International Organization for Legal Metrology (OIML), the African Region Standardization Organization (ARSO), the African Electrotechnical Standardization Commission (AFSEC), and the International Metrology Confederation (IMEKO). It is currently a correspondent member of the ISO, and is working to become a full member.

²⁹ WTO document G/TBT/2/Add.85, 24 February 2005.

³⁰ WTO document G/TBT/CS/N/159, 7 March 2005.

Chart III.1
Standards development and information dissemination



Source: RBS, Standards Unit.

(b) Conformity testing, certification, and accreditation

105. In principle, the RBS is responsible for inspecting imports and exports for compliance with standards and technical regulations, as well as ensuring quality control at all points of production, marketing, and consumption, through import inspection at the border, and industrial inspection and market surveillance within Rwanda. Other conformity agencies include the MINAGRI, for SPS inspections on plant and animal health; MINICOM, for consumer protection; MININFRA, for building roads, bridges, and other civil engineering structure; MOH, for food hygiene and medical products and establishments; National Police, for road vehicles; the Rwanda Development Board (RDB), for hotels and food establishments; REMA, for projects and products that may cause environmental degradation; and RURA, for public utilities. According to the authorities, Rwanda has 18 quality testing laboratories, and the proportion of samples sent abroad for testing has been reduced to less than 5% of all samples tested.

106. Various institutions are responsible for the inspection system, and quality-control laboratories are also scattered: the RBS has biochemical, metrology, and materials testing laboratories, MININFRA has the national laboratory of public works; MINAGRI has the plant health and seeds laboratory and veterinary laboratory; MOH has the national reference laboratory and medical laboratories; the National Police has a forensic laboratory and centre for technical controls; and the Rwanda Geology and Mines Authority has a mineral quality control laboratory. Most of the laboratories do not fully implement international good laboratory practice (ISO/IEC 17025, and ISO 15189); in addition, there is no expert for maintenance of laboratory equipment.³¹ The Quality Policy issued in 2010 is aimed at streamlining the management of the laboratories.

107. The certification system in Rwanda is also fragmented. The RBS operates voluntary product and system certification schemes, offering “Quality Marks” to products and systems complying with relevant standards. In addition, agencies under the Ministry of Agriculture, such as the National Agricultural Export Development Board (NAEB), provide certification for tea, coffee, and other exports.

108. Rwanda does not have an accreditation body. The EAC Standardization, Quality Assurance, Metrology and Testing (SQMT) Act 2006 stipulates that “each Partner State is required to designate a National Accreditation Body as part of its Quality Infrastructure”. Countries with no accreditation body may establish a focal point instead. Thus Rwanda has nominated a focal point in the Ministry of Trade and Industry.

(c) Inspection at the border

109. Under RBS Instruction No. 01/2004, imports of selected products and materials of high risk to consumers and the environment require a batch certificate from the RBS, attesting that a particular consignment or shipment conforms to the specified Rwandan standards, or international or foreign standards recognized by the RBS. All imported perishable goods must indicate the date of manufacture and of expiry; if the remaining shelf-life on these goods is less than half of their total shelf-life (for foodstuffs 65%), they must not be accepted into the Rwanda market.

110. Importers must apply for the batch certificate one week before the goods arrive. They must provide: the packing list, invoice, bill of lading or airway bill, test certificate from the country of origin, and import permit from the relevant ministry for products such as meat, fertilizers, drugs, and fish. If the imports include food or food products, the test certificate must indicate that the food or

³¹ MINICOM (2010b), p. 18.

food products are consumable in the country of origin. According to the authorities, the RBS accepts test certificates and reports from all "recognized" testing laboratories in the world.

111. RBS inspectors take samples from import shipments or consignments, and evaluate the sample to determine its compliance with requirements in Rwanda. However, if a mutual recognition agreement has been signed, the RBS may issue a batch certificate without collecting samples for further evaluation. According to the authorities, the East African Community Standards, Quality Assurance, Metrology and Testing Act of 2006 coordinates standards in the region. An East African Standard supersedes similar standards adopted in EAC member states.

112. The RBS issues a batch certificate for imports that comply with requirements on a per shipment or consignment basis. The importer must pay: a non-refundable application fee; the transport, board and lodging costs for the RBS inspector, if inspection and sampling is conducted outside of the duty station; and a batch certificate fee or a fee equivalent to 0.2% of the cost and freight of the imported goods.

113. Products that do not conform to standards may be re-exported or destroyed, under the supervision of the RBS. Any person who contravenes the instruction may face the following penalties: a warning; ban on the sale of the goods or services in Rwanda; seizure of goods; destruction of goods; temporary or permanent suspension of trade mark or conformity certificate; fines not exceeding twice the value of the goods; temporary closure of the enterprise; and closure of the enterprise following a court decision. First time contraventions often receive warnings, while repeated contraventions attract heavier penalties.

(d) Future reform of the RBS

114. The Government is aware that implementation of existing standards by local industry, public institutions, and the public in general is still very low.³² The Rwanda Quality Policy, approved by the Cabinet in October 2010, defines future reform directions for the RBS with the objective of helping Rwandan exports meet quality and standards requirements of the international market.

115. In accordance with the National Export Strategy, the RBS is developing a one-stop shop for export standards, including testing, metrology, training, certifications, and other export standard support.

(vii) Sanitary and phytosanitary measures (SPS)

116. At the previous TPR of Rwanda, the authorities agreed to submit the completed questionnaire on SPS³³, but, so far, Rwanda has not done so.

117. The current regulatory framework on SPS is fragmented between different institutions and ministries (Table AIII.5). However, the authorities have stated that the RBS is working on initiatives for a common regulatory platform.

118. The legislative framework on SPS, including on quarantine requirements, is not available. The authorities state that a draft national food policy is awaiting approval. In accordance with the draft food policy, a coordination mechanism on food safety is being established; the Ministry of

³² MINICOM (2010b).

³³ WTO document WT/TPR/M/129/Add.1, p.6, 1 November 2004.

Health is the lead ministry, with MINAGRI, MINICOM, RBS, the police, Kigali City, and REMA as stakeholders.

119. In the context of environmental protection, Rwanda has ratified a number of conventions, including the Framework Convention on Climate Change and the Kyoto Protocol; the Convention to Combat Desertification; the Convention on Biodiversity, and the Cartagena Protocol on Biosafety; the Vienna Convention for the Protection of the Ozone Layer and the Montreal Protocol on Substances that Deplete the Ozone Layer; the Stockholm Convention on Persistent Organic Pollutants; the Rotterdam Convention on the Prior Informed Consent Procedure; the Basel Convention on the Transboundary Movements of Hazardous Wastes and their Disposal; the Ramsar Convention on Wetlands; and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

120. Rwanda is a member of the Codex Alimentarius.

121. Production and marketing of any product or toxic substance that affects the environment are prohibited. According to the authorities, animals from neighbouring countries are currently banned from entering Rwanda due to diseases such as foot-and-mouth disease (Chapter IV(2)(iii)).

(viii) Marking, labelling and packaging

122. Goods and containers must be labelled and marked clearly to facilitate identification of the articles indicated on the accompanying documents/forms. Labels must give the name of the product, ingredients, net weight, name and address of the manufacturer, packer, distributor, importer, exporter or vendor, lot identification, date marking and storage instructions, and instructions for use. All mandatory information must be in one of the three official languages (English, French, or Kinyarwanda).

123. Rwanda prohibits the importation of plastic bags. According to the authorities, goods packed in plastic bags are not all prohibited from importation; prohibition depends on types, although details were not provided.

124. Packaging is becoming a barrier to export, as there is no packaging plant in Rwanda. Exporters must obtain permission from REMA to import plastic bags as packaging material for export purposes.

(3) MEASURES DIRECTLY AFFECTING EXPORTS

(i) Procedures

125. Exporters are required to obtain a tax identification number (TIN) from the RRA, free of charge, before they export. They are required to submit commercial invoices and the packing list to Customs; other documents are optional. The RRA issues certificates of origin for most export products, the NAEB issues certificates of origin for tea and coffee.

(ii) Export taxes and charges

126. According to the authorities, there is no tax or other levy on exports.

127. Exports are zero-rated for VAT.

(iii) Export prohibitions, restrictions, and licensing

128. Exports of goods specified in Part B of the Third Schedule to the EAC Customs Management Act are restricted. These exports require a licence issued by the relevant ministry. According to the authorities, other than restrictions under international agreements to which Rwanda is a signatory, there are no restrictions on exports.

129. Apparently, licences are required for export of hide and skins, and minerals. The list of agencies responsible for issuing export licences, the corresponding export products, and the rationale for the restriction are not available.

(iv) Export subsidies and incentives

130. According to the authorities, Rwanda does not subsidize exports. However, under Law No. 26/2005 of 17 December 2005 relating to Investment and Export Promotion and Facilitation, exports of goods or services of a value between US\$3 million and 5 million attract an income tax discount of 3%; if the value exceeds US\$5 million, the discount becomes 5%.

131. The Government promotes Rwanda's products at regional/international markets by helping exporters to participate in fairs, exhibitions, and business tours.

132. Rwanda is changing its focus away from free economic zones (FEZs), to establishing special economic zones (SEZs), which can host many different types of zones including FEZs, export processing zones (EPZs), industrial parks, ICT parks, and agri-processing parks. Incentives are provided to exporters located in special economic zones (see section (a) below).

(a) Special economic zones (SEZs)

133. Under Law No. 05/2011 of 21 March 2011 Regulating Special Economic Zones, every SEZ must have a "one-stop centre" to facilitate the operations of the developer, operator, and users of the zone. In a proposed SEZ regulation, the Rwanda Development Board (RDB) sets licence fees for SEZ developers, and operators (managers of the zone) at US\$2,500; user licences are free of charge. The Rwanda Special Economic Zone (RSEZ), a regulatory authority, was set up as both the developer and the operator of the Kigali Special Economic Zone (KSEZ).

134. The SEZ Law does not distinguish SEZ users by activity. SEZ users must have an investor certificate (costing US\$500) from the RDB as well as an SEZ licence (free of charge) from the RDB. They must submit a business plan, architectural designs based on an SEZ design, and an environmental impact assessment report. SEZ developers must have the financial capability to build zone infrastructure (such as water, power, fibre-optic and sewerage treatment plant), and operators must prove extensive management experience as well as financial resources to manage the zone.

135. Imported goods enter the zone free of customs tariffs. These imported goods may be sold outside the zone, if relevant customs tariffs are paid. A fiscal regime is being formulated and will contain details regarding both fiscal and non-fiscal incentives. Apparently, incentives will include lower corporate income tax: users of an SEZ pay corporate income tax at a rate of 15% (instead of the statutory rate of 30%).

136. All economic activities are allowed in SEZs, with a few exceptions (Table III.4). The Ministry of Trade and Industry reserves the right to amend the list whenever necessary.

Table III.4
Economic activities not permitted in an SEZ

Negative list
Manufacturing of products mentioned by the EAC CMA 2004, under the list of prohibited products
Manufacturing, importation, use and sale of polythene bags in Rwanda (Law No. 57/2008 of 10 September 2008)
Manufacturing and sale of drugs (Prime Minister Order No. 27/03 of 23 October 2008)
Manufacturing and sale of chemicals and other prohibited pollutants (Prime Minister Order No. 26/03 of 23 October 2008)
Manufacturing and sale of ozone-layer-depleting substances and equipment containing such substances (Ministerial Order No. 006/2008 of 15 August 2008)

Source: RDB, Proposed SEZ Regulations.

137. Rwanda has one SEZ, the Kigali Special Economic Zone. According to the authorities, all infrastructure in the KSEZ has been developed, and it is ready for business.

(v) Export finance, insurance and guarantees

138. It seems that Rwanda does not have any export finance, insurance or guarantee schemes. According to the authorities, the existing export-financing scheme is specific to the agriculture sector, but no information is available. Export insurance is provided by the African Trade Insurance Agency.

(vi) Export promotion and marketing assistance

139. In 2010, Rwanda launched its National Export Strategy (NES), aimed at achieving sustainable export growth. The NES recognized that export promotion activities in Rwanda have been uncoordinated, with a low impact. In some instances, market access and buyers were to be secured for certain products, but Rwandan suppliers were unable to meet the demand for the product agreed in the supply contract.³⁴

140. The NES aims to diversify Rwanda's exports into targeted products and services, promote innovation, increase productivity, and serve higher margin niche markets. To achieve these targets, the NES identified some priority export sectors based on their potential economic and social returns. These include traditional sectors, such as coffee, tea, tourism, and mining, as well as non-traditional sectors, such as horticulture and business process outsourcing.

141. Currently the RDB and the NAEB are the key agencies promoting exports in Rwanda; private-sector operators also participate, while the MINICOM is the coordination agency.

(4) MEASURES AFFECTING PRODUCTION AND TRADE

(i) Incentives

142. Incentives are regulated mainly by Law No. 26/2005 Relating to Investment and Export Promotion and Facilitation, and Law No. 16/2005 on Direct Taxes on Income. Under Law No. 26/2005, investors in projects with an estimated investment of US\$100,000 (local) or US\$250,000 (foreign) may apply for incentives. These investors require an investment certificate from the RDB, at a fee of US\$500. According to the authorities, if all documents are submitted, it takes the RDB two working days to process the application materials and issue the investment

³⁴ MINICOM (2011b).

certificate. Criteria used in investment evaluation include: level of investment, transfer skills and technology, use of local raw materials, potential for export, innovation, and creativity.³⁵

143. Incentives are the same for local and foreign investors. Incentives may be non-fiscal³⁶, or fiscal, such as exemption from import tariffs and VAT on imports of plant, machinery and equipment; the right for business operators to fully offset the cost of providing infrastructure and constitutional protection of free repatriation of capital and profits.

144. A large number of incentives are provided in terms of income tax exemptions/reductions, under Law No. 16/2005 on Direct Taxes on Income (Table III.5).

145. Tax incentives are also given to exporters (section (3)(iv)).

Table III.5
Income tax incentives

Eligibility	Incentives
A registered investment entity that operates in a free-trade zone, and foreign companies with headquarters in Rwanda and that satisfy the requirements of the Investment and Export Promotion Law	0% corporate income tax with no time limitation Exemption from withholding tax Tax-free repatriation of profits
Companies carrying out microfinance activities	0% corporate income tax for five years, renewable by the order of the minister
Registered investors	Profit tax discount of: 2% for employment of 100-200 Rwandans ^a 5% for employment of 201-400 Rwandans ^a 6% for employment of 401-900 Rwandans ^a 7% for employment of more than 900 Rwandans ^a
If registered business is located in Kigali ^b	Investment allowance: 40%
If registered business is located outside of Kigali or falls within the priority sectors determined by the Investment Code of Rwanda ^b	50%

a The discount is granted to investors only if they retain the employees for at least six months during a tax period, and the category of employees are not those who pay PAYE 0%.

b Investment of at least RF 30 million, and the business assets must be held at the establishment for at least three tax periods after the tax period in which the investment allowance was taken into consideration.

Source: PWC (2011), *Doing Business: Know Your Taxes – East African Tax Guide 2010/11*, January, pp.10-11. Viewed online at: http://www.pwc.com/en_ug/ug/pdf/ea-tax-guide-2011.pdf [23 February 2012].

(ii) Government procurement

146. According to the authorities, government procurement accounts for around 11% of Rwanda's GDP.

³⁵ RDB (2010), p.23.

³⁶ Non-fiscal incentives include: free initial work permit and visa for investors and foreign workers; an investor who deposits an amount equivalent to US\$500,000 in an account in a Rwandan commercial bank for not less than six months is entitled to permanent residency status; and facilitation services to investors on, *inter alia*, land acquisition.

(a) Legal framework

147. Public procurement is governed by the Law on Public Procurement No. 12/2007 of 29 March 2007, and Ministerial Order No. 001/08/10MIN of 16 January 2008 Establishing Regulations on Public Procurement and Standard Bidding Documents. The law applies to procurement of works, goods, consulting services or other services by public institutions, except procurement for national defence and security. Procurement by state-owned enterprises is not covered. If the law conflicts with the procurement rules of any multilateral or bilateral treaty, or other form of agreement to which Rwanda is a party, the requirements of those agreements prevail.

148. The Rwanda Public Procurement Authority (RPPA) was established on 30 December 2007, by Law No. 63/2007. It is supervised by the Ministry in charge of public procurement. The RPPA replaced the National Tender Board, and focuses on regulatory measures, as well as monitoring and building capacity in public procurement entities. Its mission is to "achieve the best value for money for the Government of Rwanda under efficient, transparent and fair conditions".³⁷

149. Rwanda is not a party or an observer to the plurilateral Agreement on Government Procurement. The authorities state that Rwanda has not signed any bilateral or regional agreements on government procurement.

(b) Procurement methods

150. Based on the principles of transparency, competition, economy, efficiency, fairness, and accountability, the law stipulates procurement methods for goods, services and works (Table III.6), as well as for consultant services (Table AIII.6). The procuring entity must use open competitive bidding "except when it is not ideal".³⁸ Other procurement methods include restricted tendering, request for quotation, single-source procurement or direct contracting, force account, and community participation.

Table III.6
Thresholds for procurement methods and prior review

When to be used	Conditions to be fulfilled	Threshold
Open competitive bidding		
National tendering: when adequate national suppliers or contractors are available; within threshold	Minimum publication 21 days; advertise in at least one newspaper of wide circulation and on internet site, where available	Goods/services: RF 600 million and below Works: RF 1,200 million and below
International tendering: when above national tendering threshold	Advertise in media that has sufficient circulation outside Rwanda; bidding documents should be in English and French; minimum publication 45 days	Goods/services: above RF 600 million Works: above RF 1,200 million
Restricted tendering		
2 to 10 suppliers; for highly complex or specialized goods or works that are only available from a few suppliers or contractors	Give invitation to tender to at least six bidders; 21 days for bids preparation for an international restricted tender, and 14 days for a national restricted tender; any person may apply for inclusion on the short list; short list must be drawn from pre-qualified bidders	Goods and works contracts below RF 5 million

Table III.6 (cont'd)

³⁷RPPA (2011).

³⁸RPPA (2010), Public Procurement User Guide, November, Kigali.

When to be used	Conditions to be fulfilled	Threshold
Request for quotation Low contract value; off-the-shelf goods and standard specification works	Compare at least three offers; technical specifications and drawings for works; not to be used more than once in 3 months for the same item; minimum 3 working days in which to respond	Goods/services and works below RF 1 million
Single source procurement/direct contracting Only one supplier available; contract extension awarded following previous open bidding; standardization of equipment or spare parts needed; Exceptional circumstances, such as natural disasters, unforeseen urgency	Negotiations may be carried out; resulting contract must be in writing	Below RF 100,000
Force account Works difficult to quantify	Use civil servant labour and public equipment	No threshold
Community participation To be used for community-based projects	Communities to provide in-kind services e.g. labour, local materials, etc.	Contracts below RF 20 million
Community projects for making terraces, anti-erosion trenches or planting trees	Communities to provide in-kind services e.g. labour, local materials, etc.	Contracts may exceed RF 20 million

Source: MINECOFIN and RPPA (2010), *Public Procurement User Guide*, November, Kigali, Table: "Thresholds for procurement methods and prior review".

151. In international tenders, a 10% price preference is allowed for local companies (including bidders in regional economic integration bodies' member states).³⁹ Article 12 of the law specifies that "the procuring entity may package tenders into different lots based on certain economic interests such as the promotion of small-sized companies or the attraction of large number of bidders". However, it is not clear whether any preferences are given to SMEs.

152. Under Rwanda's IP Policy, procurement should be used strategically to promote local brands, inventions, and creative works.⁴⁰

153. For fiscal year 2009/10, the RPPA awarded 275 tenders on behalf of other procuring entities. In terms of value, works accounted for 60% of total procurement. The treasury was the major source of funding, while donors contributed 42%. Open tendering (both national and international) was the most frequently used procurement method (Table III.7).

³⁹ Article 41 of the Law on Public Procurement.

⁴⁰ MINICOM (2009a), p.20.

Table III.7
Government procurement, 2009-10

	Number	%	Amount (RF)	%
Total	275	100	263,729,537,202.11	100
Type:				
Goods	146	53.1	89,875,718,287.67	34.1
Works	108	39.3	159,462,540,006.26	60.5
Services	21	7.6	14,391,278,908.18	5.5
Funding:				
Treasury	192	69.8	154,112,678,181.4	58.4
Donors	83	30.2	109,616,859,020.62	41.6
Method:				
International open tender	81	29.5	130,030,302,161.52	49.3
International restricted tender	16	5.8	14,824,923,196.95	5.6
National open tender	144	52.4	50,881,646,608.00	19.3
National restricted tender	13	4.7	11,203,922,477.00	4.3
Single sourcing	20	7.3	53,088,093,583.65	20.1
Additional contract	1	0.4	3,700,649,175.00	1.4

Source: RPPA (2011), *RPPA Activity Report 2009-2010*. Viewed at: <http://www.rppa.gov.rw/uploads/media/AnnualReport2009-2010.pdf> [2 December 2011], Table 1.

(c) Procurement procedures

154. Following a transition period, during which the RPPA still awards some tenders, all procuring entities are to have full responsibility for awarding all tenders. However, it is not clear whether the transition period is already over, and whether procurement entities may now conduct their own public procurement. Tender notices are advertised on the RPPA and dgMarket websites⁴¹, and may be published in *Business Week* for international tender notices. For local tenders, the bidding document must be in Kinyarwanda; for international tenders, the bidding document must be in both English and French.

155. Procurement entities must produce annual procurement plans indicating the objectives to be achieved. In particular, the title and quantity of the tender, method of tendering, source of funding, and expected publication and execution dates, must be published on the internet and the noticeboard of the procuring entity, posted on the RPPA website, and advertised in at least one newspaper of wide readership.

156. Procurement entities must establish their own procurement units to carry out public procurement from planning to completion of a contract. They must set up tender committees to conduct bid opening, evaluation, and recommendation for award of contract. Tender committees have a term of three years, renewable only once. More than half of the members may remain in the committee for two consecutive terms. Bid evaluation must be conducted within 21 calendar days from the date of the opening of bids, unless clear reasons are indicated by the procuring entity and notified to the bidders. The procuring entity must publish the results of the tender as soon as the contract is signed.

157. Procuring entities must submit a monthly report to the RPPA showing how their procurement plans are implemented; this is to ensure compliance with the legal framework.

⁴¹ dgMarket online information. Viewed at: www.market.gov.rw.

158. In its annual report for 2009-10, the RPPA identified a number of weaknesses in the public procurement regime, including: lack of annual procurement plan in some procuring entities; many tenders were awarded through inappropriate procurement methods; bid evaluation was not based on bidding document criteria; delay in execution of some tenders; and lack of knowledge about some technical specifications.⁴²

(d) Review requirements

159. A bidder (prospective or actual) may, at any stage of the procurement proceedings, apply for a review of a specific act of omission or commission contravening the procurement legislation. A request for review is made in writing to the head of the procuring entity before the procurement contract is signed. The request must be submitted within seven days after the bidder became aware of the circumstances giving rise to the request. Unless the matter is resolved to the satisfaction of the bidder, the head of the procuring entity must suspend the procurement proceedings and, within seven days after receipt of the request, issue a written decision explaining its reasons and grounds, and indicating the corrective measures to be taken if the request is valid.

160. If the head of the procuring entity fails to issue a decision within seven days from receipt of the complaint, or if the bidder is not satisfied with the decision, the bidder may complain to an independent review panel. In accordance with the law, an Independent Review Panel was set up at the national level, and panels were set up in all districts, to conduct independent administrative reviews of complaints and challenges to the procurement process. Panel members are from public institutions, the private sector, as well as civil society. Members from public institutions may not serve more than two terms. According to the authorities, in 2010/11, 79 complaints were received by these review panels: 46 were dismissed due to incorrect procedure; 12 decisions upheld the complaint; and 21 decisions opposed the complaint.

161. Decisions of all district independent review panels must be examined by the National Independent Review Panel. Once the complaint is lodged, the procurement procedures must be suspended.

162. The panel must make a decision within 30 days following receipt of the complaint. Additional time must not go beyond 30 days. The decision of the panel at the national level is final, unless judicial proceedings are initiated.

163. A bidder wishing to lodge a complaint to an independent review panel must pay a non-refundable fee of RF 50,000 for tenders with a value below RF 20 million, or RF 100,000 for tenders with a value above RF 20 million.

164. Heads of staff of procuring entities who, within the course of the public procurement proceedings, breach the provisions of the law and its implementing regulations, are liable to imprisonment of 6 to 12 months or a maximum fine of RF 500,000, or both. They may also be liable to penalties under: Law No. 23/2003 of 7 August 2003 on Prevention, Suppression and Punishment of Corruption and Related Offences, and Law No. 22/2002 of 9 July 2002 (the General Statutes of Rwanda Public Service), as well as other legislation related to the code of ethics for civil servants and staff.

⁴² RPPA (2011), pp.9-10.

(iii) Local-content requirements

165. According to the authorities, there is no local-content requirement for foreign investors in Rwanda. Nonetheless, the Law on Public Procurement allows a 10% price preference for local (and regional) companies.

166. In addition, under Law No. 26/2005 relating to Investment and Export Promotion and Facilitation, investors may apply for incentives provided that they obtain an investment certificate from the RDB. Among the criteria used by the RDB in evaluating investments, use of local raw materials is one consideration (section (i) above).⁴³

(iv) State-trading enterprises, state ownership, and privatization

167. According to the authorities, no companies in Rwanda have a monopoly on imports or exports, and no area is reserved for state-owned enterprises.

168. The State continues to play a major role in the economy. According to the authorities, there are 14 public companies, 9 of which have joint capital, the remainder being wholly owned by the State. State companies are governed by Organic Law No. 06/2011/OL of 30 December 2011 modifying and complementing Organic Law No. 06/2009/OL of 21 December 2009 establishing general provisions governing public institutions as modified and complemented to date. These companies operate in industry (including agri-food), mines, hotels, financial services, and transport and storage services.

169. Privatization progress has been made in accordance with the Law No. 2 of 11 March 1996 on Privatization and Public Investment, the handbook on privatization issued in 2004⁴⁴, and Presidential Order No. 08/14 of 3 May 1996, which established the National Privatization Commission. The Commission is responsible for implementing the privatization programme, with the assistance of the Privatization Technical Committee and the Privatization Secretariat, which went into operation in 1997.

170. Since the previous Review of Rwanda in 2004, tea factories have been privatized, as well as Rwandatel.

(v) Competition policy and price controls**(a) Competition policy***Current legislative framework on competition*

171. Rwanda is preparing its draft law on competition and consumer protection.⁴⁵ At the same time, steps are being taken at the regional level (EAC and COMESA) to put in place common competition regimes (Common Report, Chapter III).

172. Currently, competition is regulated under Law No. 15/2001 of 28 January 2001 Concerning the Organization of Internal Trade. Trade must follow the principles of competitiveness and free

⁴³ RDB (2010), p.23.

⁴⁴ The handbook of procedures was published in the *Official Gazette* in October 2003.

⁴⁵ MINICOM online information. Viewed at: <http://www.minicom.gov.rw/spip.php?article86> [18 November 2011].

market, and prices of goods and services must be regulated by free market competition. The Government may interfere, but only when trade malpractices are discovered, i.e. if there is "organized monopoly" with speculative intentions to raise prices on sensitive products; if there is "professional monopoly" on the sale of certain specific products; or if there is "excessive monopoly" on products and services with high demand.

173. Law No. 15/2001 prohibits dishonest dealings and express or tacit agreements that aim to impair the free movement of goods and services, obstruct the lowering of prices, or encourage artificial price increases. It also prohibits the conclusion of secret agreements on the formation of uniform prices that are not the outcome of normal interaction between supply and demand, and any other unlawful practices to establish monopoly markets. Refusing to sell goods and services, and discriminating against buyers are also prohibited.

174. Infringement is punishable by a fine between RF 20,000 and RF 2 million, and the infringer's business licence may be removed for a maximum of three months; more penalties may be imposed on repeat infringers. Infringements are punishable within 5 years. Within 7 days of notification of a fine, the offender may appeal against the decision to the Minister in charge of internal trade. The Minister must respond within 15 days of receipt of the appeal; if the Minister fails to respond, the appeal is successful. Penalties are suspended during the period of appeal. The authorities state that anti-competition cases have been reported in the meat and insurance subsectors.

175. The Government acknowledges that the Internal Trade Law has weaknesses in the area of competition policy: it does not provide an institutional framework, and does not prohibit all types of anti-competitive practice. It seems that some businesses have taken advantage of these weaknesses to engage in unfair competition; for example, there have been instances of fixed minimum insurance premiums on motor vehicles; collusive tendering; abuse of dominant position; and unnotified mergers likely to have anti-competition effects. Against this background, Rwanda has been developing its competition and consumer protection policy and legislation.

Competition Policy Paper

176. In July 2010, a Competition Policy Paper was adopted by the Cabinet. Under the Policy Paper, a Competition and Consumer Protection Unit was set up in the Ministry of Trade and Industry, to carry out investigations on anti-competitive practices and consumer protection. Although some sectoral regulators also have powers to regulate competition in their respective sectors, such as RURA, the Competition and Consumer Protection Unit has jurisdiction on competition issues over these sectors.⁴⁶ The exercise of jurisdiction must be conducted through cooperation and consultation.

Draft Competition Law

177. In 2010, a draft Competition Law was adopted by the Cabinet and passed by Parliament; the Bill is in the translation process and will be gazetted soon. The Bill proposes to establish an autonomous agency (The Competition Authority) on competition policy, revise enforcement procedures, introduce consumer protection provisions, provide for exemptions, and introduce abuse of dominant position provisions. The Bill is to be applied to all economic activities within Rwanda.

⁴⁶ The RURA Act suggests that the Regulatory Board does not have complete independence in terms of competition issues, and that it would still need to refer to the Minister of Trade and Industry in terms of competition enforcement, even in the regulated sectors.

178. Activities to be prohibited under the new law include: IP right holders using their rights to create anti-competitive effects; anti-competitive agreements (i.e. any agreements that have the objective of preventing, restricting or distorting competition); agreements that fix prices; agreements that limit or control production, markets, technical development or investment; agreements that make contracts subject to supplementary obligations that have no connection with the subject of such contracts. Also prohibited are: collusive tendering and bid-rigging; concerted refusals to supply goods or services to a potential purchaser, or to purchase goods or services from a potential supplier, or collective denials of access to an arrangement or association that is crucial to competition.

179. Abuse of dominant position is prohibited. Abuse is where the dominant position restricts the entry of any enterprise into any market; prevents or deters any enterprise from engaging in competition in a market; eliminates or removes any enterprise from a market; directly or indirectly imposes unfair purchase or selling prices or other restrictive practices; limits the production of goods or services for a market to the prejudice of consumers; concludes an agreement imposing on other parties supplementary obligations with no direct connections with this agreement; or engages in any business activity that exploits its customers or suppliers, so as to frustrate the benefits expected from competition in the market. In determining whether an enterprise is in a dominant position, consideration is given to: relevant market defined in terms of the product and the geographical context; level of actual or potential competition in terms of number of competitors, production capacity and product demand; barriers to entry of competitors, and history of competition and rivalry between competitors in the sector.

180. Regarding mergers and acquisitions, the Competition Authority is to prescribe a threshold of combined annual turnover or assets in Rwanda, above which mergers must be notified and approval sought from the Authority (with or without conditions). To determine whether to approve a merger, the Authority may undertake an inquiry, considering whether the merger is likely to substantially prevent or lessen competition. The Authority will determine: whether the merger is likely to result in any technological efficiency or other pro-competitive gain, and whether the gain is greater than any loss that may result from the merger; or whether the merger can be justified on substantial public interest grounds. Mergers below the threshold may require notification if likely to substantially prevent or lessen competition or be contrary to public interest.

181. The draft Competition Law specifies that if the Competition Authority finds that an enterprise has infringed the law, the enterprise must: immediately cease the anti-competitive conduct, pay a fine whose amount is determined by the Authority, and take all measures the Authority considers necessary to remove or reduce the effect of this illegal conduct. For mergers infringing the law, the enterprise must: pay an administrative fine not exceeding 10% of annual turnover of the preceding fiscal year; sell any shares, interest or other assets it has acquired pursuant to the merger; declare the merger agreement to be invalid. For enterprises abusing dominant positions, the Authority may order them to sell any shares, interest or assets, and pay a fine between RF 20,000 and RF 5 million. A person affected by a decision may, within 30 days of receipt of the decision or order, appeal to a competent court.

182. The Bill also has provisions on consumer protection: when concluding a consumer contract, sellers must provide consumers with good and useful information. Prices must be displayed in all enterprises, fairs, and exhibitions.

(b) Price regulation and control

183. According to the authorities, prices are determined by the market.

184. Price controls appear to have remained unchanged during the review period. Law No. 15/2001 requires prices of goods and services to be determined by market forces unless there is market failure.⁴⁷ The Government may specify a list of sensitive goods and services through a Ministerial Decree, and fix the prices of such products. At the time of the previous Review, price controls were in place on: petroleum products, medicines, sugar, rice, cement, medical consultations, water, electricity, public transport, and postal services. However, according to the authorities, there is currently no list of price controls, and the Government only engages in setting a common retail price for petroleum products.

185. Article 5 of Law No. 15/2001 establishes consultation (on marketing and prices) between the Government and operators in the sector concerned for the purpose of price-fixing. The price agreed on must accommodate both the normal interests of traders and the concerns of consumers. Consultation between petroleum product importers and the Government of Rwanda is undertaken to come up with a reasonable price on petroleum products.

(vi) Intellectual property rights

(a) Overview

186. Rwanda is a member of the World Intellectual Property Organization (WIPO), the Paris Convention for the Protection of Industrial Property, and the Berne Convention for the Protection of Literary and Artistic Works. At the regional level, Rwanda deposited its instrument of accession to the African Regional Intellectual Property Organization (ARIPO) in June 2011, and became the 17th member to the Harare Protocol (patents, industrial designs, and utility models). On 16 February 2011, Rwanda issued two Presidential Orders, ratifying the Patent Cooperation Treaty, and the additional protocol on the Agreement of Lusaka.

187. Rwanda notified that pursuant to Paragraph 7 of the Doha Declaration and implementation thereof by the TRIPS Council (Decision of the Council for TRIPS of 27 June 2002), it will not enforce rights provided under Part II Section 5 of the TRIPS Agreement that may have been granted within its territory.⁴⁸ The authorities state that Rwanda was the first country to notify to the WTO, under the 2003 General Council Decision, of its intention to import a fixed-dose, triple combination HIV/AIDS drug manufactured by a Canadian generic pharmaceutical manufacturer (Apotex Inc.).

188. The Law on the Protection of Intellectual Property became effective on 26 October 2009. Rwanda also issued its Intellectual Property Policy in November of the same year. Since independence, only 114 patents have been issued (Table III.8).

⁴⁷ Law No. 15/2001 of 28 January 2001 amending and supplementing Law No. 35/91 of 5 August 1991 on the Organization of Domestic Trade.

⁴⁸ WTO document IP/N/9/RWA/1, 19 July 2007.

Table III.8
Intellectual property grants in Rwanda since Independence

	Since independence in 1962		
	Patents	Trademarks	Industrial designs
Nationals	2	875	14
Foreigners	112	5,430	15
Total	114	6,025	29

Source: MINICOM (2009), *Rwanda Intellectual Property Policy*. Viewed at: http://www.minicom.gov.rw/IMG/pdf/Rwanda_Intellectual_Property_Policy.pdf.

(b) Legislative framework

189. The Law on the Protection of Intellectual Property, promulgated on 26 October 2009, grants protection for inventions, utility models, industrial designs, trade marks, collective marks, trade names, geographical indications and layout designs of integrated circuits, as well as copyrights and related rights.⁴⁹ Under Article 289 of the Law, the protection of discovery of plants, genetic resources, traditional knowledge and folklore is to be granted by a related special law, which is under preparation. Upon enforcement of this IP law, the IP rights granted in accordance with previous laws stand during their remaining period, provided that the renewal fees envisaged by the IP Law are paid.

190. The law allows parallel imports only to facilitate access to essential drugs.

191. Compulsory licences may be granted, for example, if a patent invention is insufficiently used. The law obliges the right holder of an industrial property title to use it for industrial or commercial purposes in a sufficient and rational manner. He may use it himself, or transfer operating licences with commercial conditions to others. In case of failure or insufficient use of IPRs, the Government may grant compulsory licences without the agreement of the right holder, with appropriate compensation. According to the authorities, these are based on case-by-case determinations of compulsory licence applications, the need to demonstrate prior (unsuccessful) negotiations with the patent owner for a voluntary licence, and payment of adequate remuneration to the patent holder. The Government may also grant compulsory licences in case of national emergency or other circumstance of extreme urgency. It is not clear whether the Government has ever granted compulsory licences.

192. The law establishes the “first applicant” principle, that is, unless proved otherwise, the first applicant for an IP right is assumed to be the true claimant. The application must be filed in English, French or Kinyarwanda. A foreign applicant must be represented by an industrial property agent (representative) approved in Rwanda, to simplify procedures and facilitate communications.

Patents of invention

193. In accordance with the law, an invention is patentable if: it is novel (no prior art anywhere in the world); it involves an inventive step (it is not obvious); and it is industrially applicable. Patent right belongs to the inventor, except for an invention made in the performance of a work contract, in which case the right belongs to the employer. When applying for a patent, the filing date is assigned by the authority, and serves as a basis for the priority claim. No substantive examination is carried out in Rwanda as this involves complicated technical expertise. The law provides for the revocation

⁴⁹ Intellectual Property Law. Viewed at: http://rwanda.eregulations.org/Media/Editor_Repo/intellectual%20property%20law.pdf.

of a patent by the courts, if the patent is granted while the invention does not meet the substantive requirement. Patent protection is for 20 years, with an annual renewal fee.

Utility models and industrial designs

194. Utility models may provide the most important avenue for using IPRs to support development in Rwanda, by enabling small players to enter the IP system at a low cost. The law permits the granting of utility-model certificates for inventions that are new and industrially applicable, with no requirement on inventiveness. Utility models are protected for ten years and may not be renewed; at the end of the fifth year from the filing date, the right holder must pay a fee for the utility model to be protected for the following five years.

195. An industrial design or model, if it is novel, may be registered anywhere in the world. The duration of the certificate of registration of an industrial design or model is 15 years, and may be renewed for two further 5-year periods. After the 5th and the 10th years, the IP right holder must pay a fee. As in the case of patents, there will be no prior examination of substantive requirements (novelty).

Layout-designs of integrated circuits

196. A layout design is protected if it is original. The application, examination, and registration procedures are similar to those for patents. Layout designs are protected for ten years.

197. Contrary to patents, the practice of "reverse engineering" is permitted in layout designs. That is, the use of a novel and original layout design, created on the basis of an evaluation and analysis of a protected layout design, does not require the consent of the owner of the protected layout design. However, the use of a derived or dependent patent, which is not possible without infringing the main patent, requires the authorization of the right holder of the main patent, or where appropriate, the grant of a compulsory licence.

Marks

198. A mark (collective mark, certification mark) may be registered if it is distinctive, and not imitative, confusing, or descriptive. A formal, substantive examination is required; examination of applications begins with the allocation of a filing date. An application that meets all the requirements for registration is published to allow for any opposition. In case of opposition, the decision to register or reject the application is taken after further examination. A registered mark is protected indefinitely, provided the right holder pays a renewal fee every ten years.

Geographical indications

199. Geographical indications are protected if quality, reputation or other characteristic of the product can be attached to its geographical origin. A substantive examination is required for registration. Only producers carrying out activities (in connection with the stated products) in the region indicated in the register may be entitled to use the registered geographical indication for commercial purposes.

Trade names

200. A trade name may not be used if it is contrary to public order or morality, and is likely to deceive those in commercial circles or the public as to the nature of the company designated by the name. Trade names are protected even prior to, or without, registration.

Unfair business practices

201. The law defines unfair business practices (including disclosure of confidential information) and sets out the available civil remedies. Unfair business practices include those that cause, or are likely to cause confusion in another enterprise, discredit another enterprise, mislead the public, and use technical know-how without authorization. According to the IP Policy, given that most businesses in Rwanda are small, and there are many activities in the informal sector, these rules are particularly helpful.

(c) Copyright and related rights

202. The law protects copyright, including: conferences, speeches, lectures, addresses, sermons and other oral works; works expressed in writing (books, pamphlets, and other writings) including computer programmes; musical works with or without accompanying words; dramatic, dramatico-musical works; choreographic works and pantomimes; audiovisual works; works of drawing, painting, sculpture, engraving, lithography, tapestry, and other works of fine art; works of architecture; photographic works, including works made by means similar to photographic process; works of applied art, like handicraft works or works produced by industrial process; illustrations, maps, plans, sketches, and three-dimensional works relating to geography, topography, architecture or science; and works deriving from Rwandan national folklore. Copyright is protected for the lifetime of the authors (author and co-authors where appropriate) plus 50 years after the death of the last surviving author.

203. The law also protects related rights: performers, producers of phonograms and broadcasting organizations. Phonograms are protected for 50 years following the end of the year of publication of the phonogram, or if the phonogram has not been published, 50 years from the fixation of the phonogram, or 50 years from the first month of the year that follows the year of fixation. Broadcasts are protected for 25 years from the first month of the year that follows the year in which the broadcast took place.

204. The use and management of copyrights, rights of performing artists, of phonogram producers, and of broadcasting organizations are entrusted to one or more private companies for collective management of copyrights and related rights. These companies are responsible for the collection, calculation, and distribution of remuneration arising from the use of the rights. They may conclude agreements with foreign companies regarding management of rights belonging to foreigners.

205. Registration is not required for copyright holders to have their rights protected, but is highly recommended.

(d) Enforcement

206. Criminal penalties are in place for an act of forgery of industrial property title. If abuse of an industrial property title is sanctioned by courts, the unlawful act must be stopped, the offending object must be seized, confiscated or destroyed, and compensation must be paid. In addition, penalties include a fine of between RF 50,000 and RF 500,000, a maximum term of imprisonment of five years,

or both. Theft or fraudulent use of a formula of invention in any industrial activity is punishable by imprisonment of between one and five years, and a fine of five to ten times the value of profits obtained from the infringement.

207. Criminal penalties for an act of forgery of copyrights and related rights include: imprisonment of 5-10 years, and a fine of RF 5-10 million for a phonogram producer and a publisher; imprisonment of 1-5 years, and a fine of RF 500,000-1 million, for a distributor and a bookseller; a fine of RF 20,000-100,000 for a retailer; any broadcasting organization or communication company that, by means of radio electrical waves, communicate a protected work, if infringing the IP law, is liable to a fine of RF 500,000-1 million; any person who grants authorization in the name of performing artists, without being authorized by the right holder, or any person who knowingly acts under false authorization, is liable to imprisonment of six months to one year, and a fine of RF 200,000-1 million; the court may also order the seizure, forfeiture, and destruction of the incriminating items and of all materials or instruments used in the commission of such a crime.

208. The Commercial Court branch of the High Court of Rwanda was inaugurated in May 2008, with a view to handling IP cases. To date no IP case has been brought before it. Any decisions by courts are subject to appeal in accordance with Rwandan legislation.

209. IP administration is under the Rwanda Development Board (RDB), while MINICOM and MINISPOC focus on policy-making, policy implementation, and monitoring. Currently, the RDB does not have capacity for patent examination, and considering the size of the country and rate of application for IP titles, it does not intend to set up an examining office. Rather, Rwanda envisions joining ARIPO and relying on the examination capacity there.

210. Customs authorities may, upon request or on their own initiative, suspend customs clearance procedures and thus the entry of imports suspected of infringing IP rights. Customs must notify the right holder and the importer within three days. So far, there have been very few cases relating to IP infringement, and Customs has no capacity to distinguish counterfeit products. Rwanda Customs relies on the WCO Regional Intelligence Liaison Office (RILO), based in Nairobi, for detection of IP infringement cases at the border.

IV. TRADE POLICIES BY SECTOR

(1) INTRODUCTION

211. Rwanda's economy is heavily based on agriculture, subsistence farming in particular, which makes a significant contribution to GDP (Table I.1). Main crops include coffee, tea, pyrethrum, bananas, beans, sorghum and potatoes. Following on from the National Agricultural Policy issued in 2004, various programmes have been implemented with the aim of improving food security, income levels, and productivity.

212. The mining sector contributes significantly to exports. Currently it is split between artisanal miners and medium-size international companies, with key players being private investors and small-scale miners. Fluctuating international prices of mineral products create volatility in the output and revenue levels from mining activities. The MINIRENA (Ministry of Natural Resources) Mining Policy, and the OGMAR (Geology and Mining Authority) strategic plan for 2010-2013 provide a roadmap, focused on developing a sustainable mining sector, including strengthening regulatory institutions, attracting investment, improving skills and practices, and increasing productivity, diversification, and value addition.

213. Manufacturing remains small-scale. In the Industrial Policy, issued in April 2011, the Government proposed to facilitate the development of manufacturing by increasing government investment in energy so as to lower costs (such as electricity tariffs), allocating land for manufacturing industries, and improving roads. A number of incentive programmes were provided. Licences are required for exports of hides and skins, seemingly to promote local processing.

214. During the period under review, services expanded by double-digits in most years, driving the overall growth of the economy; the share of services to GDP also increased. The financial services sector remains small, and the banking system is rather shallow. Rwanda has been establishing savings and credit cooperatives (SACCOs) to increase access to financial services in rural areas. The Rwanda Stock Exchange (RSE) commenced operations, and a number of incentives were provided to develop the capital market. In telecoms, the authorities state that the licensing of a fourth national operator, and the reduction of the interconnection rates should bring down telecom tariffs and thus lower business costs in the country. Infrastructure bottlenecks and high petroleum prices are constraining the development of the transport sector. On the other hand, tourism has been developing fast, although it also faces infrastructure constraints.

(2) AGRICULTURE

(i) Main features

215. Rwanda remains a rural economy: agriculture (and forestry) accounts for about one third of GDP, employs around 80% of the labour force, and generates more than half of export revenue. Rwanda has the highest population density in Africa, and rural population per square kilometre of arable land is also among the highest. A 2010 study found that the average rural household landholding is 0.75 ha, and per capita landholding is 0.15 ha.⁵⁰ Some 2% of cultivating households do not own any land; more than 60% cultivate less than 0.7 ha each, and more than a quarter cultivate less than 0.2 ha each.⁵¹

⁵⁰ Diao et al. (2010).

⁵¹ Government of Rwanda (2007), p. 9.

216. Because of its subsistence nature, agriculture in Rwanda is domestic-market oriented: most agricultural products are consumed domestically. Agriculture remains a source of livelihood to the vast majority of the population. As a landlocked country with rather poor infrastructure, including road conditions, Rwanda's trading costs are high. Two traditional cash crops, tea and coffee account for 80% of agriculture exports. On the other hand, although agriculture employs a high percentage of the labour force, some food products must be imported to meet domestic demand (Table AI.3): imports of wheat, maize and rice accounted for 20-36% of domestic consumption.⁵²

217. The fishing subsector is small and fish production is low. Fishing is conducted on 17 inland lakes, using nets and sail boats. Fish farmers are grouped into cooperatives that manage either lakes or fish ponds. The Rwanda Agriculture Board (RAB) oversees the industry.

218. The authorities state that no subsidy is provided. Marketing boards in Rwanda includes the Rwanda Grain and Cereal Council (RGCC) for cereal and grains, and the National Agricultural Export Development Board (NAEB) for coffee, tea, and horticultural crops. According to the authorities, prices for agricultural products are determined by the market, and no subsidy is provided to consumers.

(ii) Agricultural policy

219. In accordance with Vision 2020, Rwanda is to transform its agriculture from the current traditional and subsistence system into a "productive, high-value, market-oriented sector with forward linkages to other sectors". According to Vision 2020, the most important constraint on agriculture is Rwanda's low productivity associated with the traditional subsistence farming system, and not the size of household landholdings. Consequently, its agricultural policy is to focus on promoting "intensification" to increase productivity through the application of more advanced technologies.

220. Rwanda issued its National Agricultural Policy in 2004, with the objective of improving food security and the nutritional status of the population, and increasing income levels of the rural households. To achieve these objectives, Rwanda adopted a strategy to transform agriculture into a modern, professionally operated and market-oriented system; the Government is to promote professionalism, specialization, innovation, and public-private partnerships in the transformation process.

221. The Government implemented various programmes during the review period, such as the One Cow per Poor Family Programme (GIRINKA), the Crop Intensification Programme (CIP), and the Land Husbandry, Water Harvesting and Hillside Irrigation (LWH) Programme. As a result, agriculture grew at an annual average of 5% between 2006 and 2010. According to the authorities, agricultural productivity has increased.

222. The authorities state that there is no subsidy provided to fish farmers. No tax is imposed on imported equipment and technologies for the development of the fishing industry in Rwanda. Permits are required to import fish that contain detailed SPS requirements. The Rwanda Agricultural and Livestock Inspection and Certification Services (RALIS), and the RAB are involved in developing SPS requirements. Fish exporters must meet the Rwanda Bureau of Standards requirements, to "promote safe and transparent international trade of fish".

⁵² Diao et al. (2010).

(a) One Cow per Poor Family (GIRINKA) programme

223. In 2006, the Cabinet approved the One Cow per Poor Family programme, aimed at enabling every poor household to own and manage a cow, and thus increase milk and meat production and improve soil fertility through cow manure. Under the programme, a poor family receives a cow free of charge, while an average family may borrow from a bank to buy a cow; the Ministry of Agriculture (MINAGRI) provided a guarantee fund at 50% of the collateral. When the cow calves, the calf is given to the neighbour, who gives the next calf to the next neighbour, and so on. Having a cow will not only increase earnings for a poor family, from sales of milk and milk products and of manure, but will also improve the family's nutrition.

224. This programme aims to give cows to 350,000 Rwandan families by 2015; so far, more than one third (120,989 families) have benefited from the programme.

(b) Crop Intensification Programme (CIP)

225. The Crop Intensification Programme which began in 2007, seeks to improve farm productivity through the use of fertilizers, improved seeds, and extension services. The CIP, through its land consolidation programme, encourages farmers with adjacent land to grow the same crop, so as to take advantage of the economies of scale.

226. The CIP promotes the use of fertilizers (all inorganic fertilizers are imported). The Government adopted a fertilizer voucher system for some farmers: dealers deliver fertilizer to farmers at a predetermined price (subsidized), and obtain the subsidy from the microfinance institutions organized by the CIP; 50% of the price is subsidized for maize and wheat farmers, and 25% for potato and bean farmers; other farmers do not receive any subsidy.

227. The CIP also provides improved seeds for crops such as maize, wheat, Irish potatoes and cassava cuttings, offers training of agronomists, and facilitates the storage of produce at village level to prevent waste.

228. After several years of implementation, the total production of maize, wheat, and cassava was tripled, while bean production doubled.⁵³ In addition, the use of improved seeds increased for maize (by 61.8%), wheat (46.3%), and Irish potatoes (16.3%); average use of fertilizer almost tripled between 2006 and 2010, from 8.5 kg per ha to around 24 kg per ha; and the area under land-use consolidation increased many-fold from 28,000 ha in the first season of 2008, to 521,811 ha in 2011.

(c) Land Husbandry, Water Harvesting and Hillside Irrigation (LWH) Programme

229. Rwanda is a mountainous country, and intensive food-crop production, often on steep slopes, has led to serious soil erosion. About 40% (800,000 ha) of Rwanda's land is classified by the FAO as having a very high erosion risk, 37% requires soil retention measures before cultivation, and only 23% of the cultivated land is more or less free from risk of erosion. Rwanda loses 1.4 million tonnes of soil per year.⁵⁴ The Government has been applying various measures, including the LWH programme, which uses a comprehensive watershed approach to prevent soil erosion and improve productivity of hillsides.

⁵³ AllAfrica online information, "Rwanda: Agriculture – the current backbone of economic growth and path towards MDG 1", by Agnes Kalibata, 27 December 2010. Viewed at: <http://allafrica.com/stories/201012300160.html> [29/02/2012].

⁵⁴ World Bank (2011b).

230. Designed in 2008, the LWH programme aims at achieving 12,000 ha of hillside irrigation and 30,250 ha of comprehensive land husbandry activities between 2010 and 2015. In particular, hillside irrigation targets high-value horticultural crops, such as coffee, tea, mangos, avocados, cooking bananas and pineapples. The overall objective is to increase productivity and commercialization of hillside agriculture.

231. So far, 276,736 fruit trees have been planted in LWH sites, about 12,000 people have been employed, and 2,077 ha treated with land-husbandry technologies. The authorities state that the LWH programme also resulted in yield increases for Irish potatoes (seven-fold), wheat (three-fold) and beans (four-fold).

(d) Other challenges

232. Despite the Government's efforts, various difficulties remain in the agriculture sector, which suffers from insufficient access to finance, and insufficient investment capital for farming, agri-processing, and export development. Banks are reluctant to offer financial services to rural farmers due to low productivity and the high vulnerability of the sector. They also impose heavy collateral requirements and inappropriate lending conditions, such as periodicity of repayment not linked to the agricultural cycle, as well as high interest rates. In 2010, the agriculture sector received only 2.1% of total new authorized loans. The Government has been making efforts to improve agricultural financing, through programmes such as the Rural Investment Facility (RIF) and the Agriculture Guarantee Fund, with the objective to increase the percentage of loans received by the agriculture sector to 4% by 2012. Details of these programmes were not available.

233. Diversification of exports (away from coffee and tea) is of immediate concern. The Government is trying to increase agricultural exports through its diversification strategy. In addition, the Rwanda Bureau of Standards (RBS) is helping farmers to implement international standards, like the GLOBAL G.A.P., as requested by supermarkets in Europe. The Ministry of Agriculture is also working on strengthening SPS certification services, and the NAEB is putting more emphasis on horticulture, sericulture, and essential oils.

(iii) Key subsectors

234. Agricultural production in Rwanda comprises mainly food crops (legumes, cereals, roots and tubers, bananas); traditional cash crops (coffee, tea, pyrethrum); and new cash or export crops (fruits and vegetables, flowers, spices, etc.). Food crops occupy by far the largest share of the cultivated land.

(a) Food crops

235. Ensuring food security of the population is a key aim of Rwanda's agricultural policy. Food crops constitute 84% of agricultural GDP, and 67% of the cultivable land, reflecting the subsistence nature of agriculture in Rwanda. Since the launch of the NAP in 2004, the cultivable area has increased by 2%, while food crop output has achieved average growth of 7% per year, reflecting improved productivity, through the implementation of various programmes.

236. Food imports have been increasing along with food crop production. The increased food imports appear to be related to a shift in food consumption patterns, where richer urban households increasingly consume imported food products, such as rice and sugar, while rural subsistence households continue to consume traditional staples, such as cassava and bananas.

(b) Coffee

237. Coffee is Rwanda's traditional export product (Chapter I). About 400,000 farmers (20% are grouped into cooperatives) grow coffee in an area of about 35,000 ha. With 80% of the country's 11.7 million population engaged in agriculture, this means coffee growers account for about 4% of the agricultural population. These coffee growers are generally smallholders with small, scattered farms. NAEB analysis, based on the 2009 National Coffee Survey, showed that the minimum economically viable individual coffee plot size is 0.25 ha, although 90% of coffee farmers (work 33,000 ha) have less than 0.25 ha each.

238. Rwanda's coffee industry developed rapidly after the previous National Coffee Strategy was launched in 2002, although the production targets were not met. Between 2002 and 2006, receipts from coffee exports grew at an average of 30% per year, and the amount of fully washed coffee increased from 1% to 20% of production. Fully washing the coffee would enable producers to sell it as high grade Arabica, at higher prices. The Government has been trying to increase farmers' income by helping them participate in the whole value chain, including production, processing, and export. Currently farmers sell their coffee cherries to coffee-washing stations owned either by cooperatives or by private investors. The target is to have at least 80% (up from 20%) of coffee farmers grouped into cooperatives, with all coffee cooperatives owning a coffee washing station.

239. Rwanda's National Coffee Strategy 2009-2012⁵⁵, issued in December 2008, aimed at producing 33,000 tonnes of coffee by 2012, with 19,000 tonnes (58%) fully washed. Under the strategy, revenue from coffee exports is to reach US\$115 million. In 2011, coffee production was 16,000 tonnes, with 4,400 tonnes fully washed, and total export revenue was US\$74 million.

240. The new strategy was designed to break a "low quality – low quantity trap", and increase income and revenue through, *inter alia*, increasing the share of specialty coffee (fully washed coffee) whose price fluctuates less dramatically than the price of semi-washed coffee. At the same time, coffee-sector stakeholders are encouraged to strengthen and support producer cooperatives, identify sites for and support the building of coffee-washing stations, replant aging trees, improve quality control, and strengthen the Rwanda brand. The number of washing stations increased more than four-fold between 2005 and 2011 (Table IV.1).

Table IV.1
Growth in the coffee sector, 2005-11

	2005	2006	2007	2008	2009	2010	2011
Washing stations (No.)	45	76	112	112	120	188	199
Green specialty coffee exported (tonnes)	1,200	3,000	2,300	2,455	3,045	3,956	4,333
Specialty coffee buyers (No.)	25	30	30	..	..	47	64
Specialty coffee exported (value in US\$'000)	3,190	8,000	7,800	8,060	11,600	15,700	27,240
Specialty coffee growers (No.)	12,000	50,000	50,000	70,000	110,860	..	..

.. Not available.

Source: USAID online information. Viewed at: http://transition.usaid.gov/rw/our_work/programs/docs/factsheets/coffee.pdf [01/03/2012]; and information provided by the Rwandan authorities.

241. The price of Rwandan coffee has been rising rapidly in line with demand for specialty coffee: between 2006 and 2010, annual average unit prices rose 51%, from US\$2.03 to US\$3.07 per kg, while

⁵⁵ MINAGRI and MINICOM (2008), p. 6.

the average price of speciality coffee rose to US\$6.9 per kg in 2011. Consequently, coffee growers' income has also substantially increased.

242. Nonetheless, the coffee sector has much to do to reach the target set in the 2009-12 strategy. One continuing concern is that farmers are producing less high-quality coffee, partly because few are able to implement good farming practices, and partly because the prices paid to farmers do not provide sufficient incentive for them to focus on quality.⁵⁶ At the beginning of the coffee harvesting season, the NAEB, the sector regulator under the Ministry of Agriculture and Animal Resources (MINAGRI), sets minimum prices for washing stations to purchase cherries. It seems that, in some areas, prices paid by washing stations to farmers do not reflect the quality of cherries, and thus farmers do not concentrate on quality; washing station personnel may also need additional training to ensure they consistently identify higher quality beans.⁵⁷ According to the authorities, washing stations pay farmers more than the price fixed by NAEB, as the washing stations are in competition with each other.

243. Furthermore, coffee production is very cyclical. While higher investment in the sector has increased productivity, soil acidity, poor farming practices, insufficient application of appropriate fertilizers, and coffee production cycles tend to reduce yields. Washing station capacity is not fully used.

244. In rural areas, 42% of total income is derived from the sale of food crops and only about 3% from the commercial sale of coffee. Thus, facilitating the shift out of subsistence farming into coffee production could reduce national poverty. The National Coffee Strategy identified five target projects: improving farming techniques, providing support to help more washing stations become profitable, helping private exporters improve marketing and sales, conducting a survey of all coffee growing areas, and implementing value addition activities. The Government considers that increasing the quantity and quality of coffee, as well as developing value-added products will be critical to future growth in the sector.

245. The authorities state, following the merging of OCIR Café, OCIR Thé, and RHODA to become the NAEB, a new coffee strategy is to be formulated to take into account the national export strategy.

(c) Tea

246. Since its introduction in the 1960s, tea has been one of Rwanda's strongest export sectors (Chapter I). The sector employs 53,000 people directly, and provides a source of revenue for over one million people. During the period under review, tea production and exports have increased.

247. In accordance with Law No. 39/2010 of 25 November 2010 establishing the National Agricultural Export Development Board (NAEB), is responsible for overseeing the functioning of the tea industry through policy guidance and tea certification. Tea is cultivated mainly on large plantations owned and managed by about 11 factories that process green tea into black tea. Almost a third of the tea produced in Rwanda is grown on industrial estates belonging to private investors. The remainder is produced by small-scale private growers. Tea certification and quality control by the NAEB includes controlling conformity of all grades produced and commercialized. After harvesting, tea leaves are sold to factories. Some 99% of tea produced in Rwanda is transported to the Mombasa market for export through auction or direct sales, and only 1% is for local sale.

⁵⁶ MINAGRI and MINICOM (2008), p. 26; and Boudreaux (2010).

⁵⁷ Boudreaux (2010).

248. The 2008 Rwanda Tea Strategy identified the need to improve yields and quality, through better fertilizer application, plucking and pruning training, and improved transportation, as well as long-term efforts to consolidate land plots. It also identified the need for increased investment in factories, both in terms of expanding factory capacity to process green leaves, and in terms of processing new tea types to ensure product diversification. The strategy emphasized the need to improve marketing of teas by targeting specific channels for high-end markets.

249. Privatization of tea plantations and factories was concluded with the privatization of the two remaining tea factories in April 2012. According to the authorities, the tea sector is attracting investors that can bring in new technologies and provide access to established distribution chains. Several private firms are moving to higher value and organic teas.

250. SPS-related issues on tea, coffee, and horticulture are managed under the NAEB. Control of maximum residue levels for pesticides and other toxic elements is to be undertaken once the equipment is available at the NAEB laboratory. Tea exporters require a quality certificate and certificate of origin from the NAEB, and a phytosanitary certificate from the Rwanda Agricultural and Livestock Inspection and Certification Services (RALIS).

(d) Horticulture

251. The horticulture subsector includes fruits, vegetables, pyrethrum, and flowers. It has been developing rapidly, and the Government considers that Rwanda has competitive advantage in the horticulture sector.

252. The Government wishes to encourage the long-term development of this sector, through land consolidation, as well as the use of agricultural extension agents. The Government considers that this subsector can develop through value addition and diversification, such as focusing on organic and value-added products including juices and dried fruits/chillies. However, production of horticultural crops is mostly by small-scale growers, making it difficult to produce large volumes with the necessary quality standards, or to meet the SPS requirements of the international market. Key constraints also include lack of adequate land to achieve economies of scale, and lack of knowledge on crop cultivation and fertilizer and pest management, export procedures and requirements, and the low ratio of agronomists to farmers.

(e) Livestock

253. The Livestock subsector contributes both to food security and to income generation, since it is an important source of milk, meat, and other animal products. However, current livestock production does not meet national demand, and the industry faces various constraints: the use of animals with poor genetic potential, inadequate feeding, animal pests and diseases, and poor management and hence low farm-level productivity.⁵⁸ To overcome these hurdles, the Government has launched several programmes, such as the cattle-breeding research programme, the animal nutrition programme, and the small-ruminant breeding programme.

254. The livestock subsector is growing: between 2006 and 2010, the number of rabbits increased around 18-fold, and the number of goats, poultry, and pigs, doubled (Table IV.2).

⁵⁸ Rwanda Agricultural Research Institute online information. Viewed at: <http://www.isar.rw>.

Table IV.2
Livestock population by type, 2005-10
(’000 head)

Year	2005	2006	2007	2008	2009	2010
Cattle	1,040	1,059	1,147	1,295	1,219	1,335
Sheep	580	584	704	718	743	799
Goats	1,464	1,659	2,238	2,520	2,735	2,971
Pigs	391	427	571	587	602	706
Rabbits	474	469	423	451	790	8,447
Poultry	2,075	1,913	1,868	2,218	2,848	4,081

Source: NISR (2011), *Statistical Yearbook – 2011 Edition*, Table 5.1.8. Viewed at: <http://www.statistics.gov.rw/publications/rwanda-statistical-yearbook-2011>.

255. According to the authorities, Rwanda's dairy sector has been growing rapidly. Rwanda produces about 160 million litres of fresh milk, of which, 48% is produced under traditional or extensive grazing systems, and 39% is consumed on-farm. Poor infrastructure, especially road networks between production areas and the market is a major constraint for milk producers. Dairy farmers depend on bicycle transport. Consequently 35% of the raw milk is spoilt before reaching the market or being processed, due to prolonged exposure to the sun and being shaken on the corrugated pathways.⁵⁹

256. Livestock production is highly dependent on the availability of water, which is greatly affected by the seasons. During Rwanda's rainy season, there is abundant green grass and drinking water, while during the dry season, animals have to trek several kilometres in search of water, leading to loss of production and productivity. Average milk production falls by as much as 60% during the dry season. The Government is considering projects to conserve rain water for use during the dry periods.⁶⁰

257. The Rwanda Agricultural and Livestock Inspection and Certification Services (RALIS) aims to promote international trade in high-quality commodities while trying to avoid the introduction of pests and diseases into the country. Currently, animals from nearby countries are banned from entering Rwanda, due to diseases like foot-and-mouth disease. The authorities indicate that under the One-Cow-Per-Poor-Family (Girinka) Programme, the Rwanda Agriculture Board (RAB) sends veterinary physicians to the animal exporting countries to take samples for analysis before the animals are imported.

(f) Forestry

258. The forestry sector plays a key role in supporting the livelihood of all Rwandans; it provides most of the energy consumed by the majority of the population, prevents soil erosion, protects water, and supplies ecological services.

259. Currently, national forests cover a total of 553,098 ha, or 21% of the country (natural forest: 8%, and man-made forest: 13%). Man-made forest is composed of forest plantations (one third), and the other forest resources (two thirds).⁶¹ While natural forests are protected, man-made forests

⁵⁹ Department of Agriculture and Agro-Industry (2010).

⁶⁰ Department of Agriculture and Agro-Industry (2010).

⁶¹ The other forest resources comprise small wood lots with an area of less than 0.5 ha, and other trees outside forest areas generally referred to as agroforestry trees.

provide wood for fuel, building materials, and raw material for furniture. Forests contribute around 80% of total energy needs (wood fuel, 57%; and charcoal, 23%).

260. The forestry sector is regulated by the Ministry of Natural Resources (MINIRENA). The first national forestry policy was put in place in 2004. Since then, the gap between wood supply and demand has continued to widen.

Table IV.3
Forestry

	1960	1970	1980	1990	2000	2002	2007	2008	2009
Natural forest areas ('000 ha)	634	592	514	451	221	221	221	221	221
Man-made forest areas ('000 ha)	24.5	27.2	80	247	282	113	125	145	153
Sustained yield ('000 m ³)	368	407	1,200	3,713	2,261	902	1,021	1,159	1,228
Needs ('000 m ³)	2,695	3,763	4,832	7,158	8,247	8,979	9,900	10,467	10,781
Balance ('000 m ³)	-2,327	-3,366	-3,632	-3,445	-5,987	-6,719	-7,879	-9,308	-9,553

Source: MINIRENA (2010), National Forestry Policy. Viewed at: http://www.minela.gov.rw/IMG/pdf/final_national_forestry_policy_2011f.pdf. p.7.

261. Both the Vision 2020 and the EDPRS set objectives for the forestry sector to play a bigger role in the economy, and increase national forest cover. In 2010, MINIRENA issued Rwanda's second National Forestry Policy⁶², aimed at ensuring that the present forest cover is maintained, well managed, and increased to 30% of the total area of the country in 2020, by creating an average of 23,700 ha of forests every year from 2010.

262. This target seems rather ambitious. Due to the high population density (387 habitants/km² in 2009), there is strong competition for land between forestry, agriculture, and other activities. Against this background, the Government proposes to achieve its objectives through: encouraging private-sector investment in forestry to reduce poverty, creating employment and improve livelihoods, through sustainable use, conservation, and management of forests and trees; contributing to sustainable land use through soil, water, and biodiversity conservation, and tree planting; and promoting farm forestry to produce timber, wood fuel and other forest products.

263. The Rwanda Agricultural and Livestock Inspection and Certification Services (RALIS) issues permits for imports of seeds. It undertakes a pest risk analysis to ensure that the tree seeds/seedlings are not weeds, will not become invasive if grown in Rwanda, and are pest/disease free. According to the authorities, imported seeds/seedlings are planted and grown in quarantine so that RALIS and RAB can ensure that they meet all SPS requirements. RALIS is promoting awareness of the need for a phytosanitary certificate before exporting wood.

(3) MINING AND ENERGY

(i) Mining and quarrying

264. Although the contribution of mining and quarrying to real GDP is low (Table I.1), the mining industry contributes significantly to exports (Table AI.1). Minerals extracted include cassiterite, coltan, wolfram, and gold, which is used in the manufacture of electronic and communication devices, such as mobile phones. During the period under review, international prices of minerals fluctuated, but in general increased (Table IV.4).

⁶² MINIRENA (2010).

Table IV.4
Mineral exports, selected years

Item	2003	2007	2008	2009	2010	2011
Sales volume						
	(Tonnes)					
Cassiterite	1,458	4,566	4,193	4,269	3,874	1,244
Coltan	187	242	1,190	950	749	43
Wolfram	120	2,686	1,708	874	843	9,082
Total	1,765	7,494	7,091	6,093	5,466	10,370
World prices						
	(US\$/kg - nominal)					
Cassiterite	3.08	7	9.84	6.69	10.89	12.93
Coltan	8.69	19.85	30	21.30	24.68	27.37
Wolfram	1.89	7.23	7.85	6.59	8.41	6.97
Export value						
	(US\$ million - nominal)					
Cassiterite	4.5	32	41.3	28.6	42.2	16.1
Coltan	0.4	19.2	36.0	20.2	18.5	1.2
Wolfram	0.2	19.4	13.4	5.8	7.1	63.3
Total	5.1	70.6	90.7	54.6	67.8	80.6

Source: MINIRENA (2009), *Mining Policy – Final Green Paper*, November, p.17; and information provided by the Rwandan authorities.

(a) Mining

Features

265. The mining sector is regulated by the Mining Law (Law No. 37/2008 of 11 August 2008, as well as various ministerial orders. Currently, the Ministry of Natural Resources (MINIRENA) coordinates the mining industry and is responsible for setting policy and preparing legislation, the Geology and Mining Authority (OGMR) is responsible for implementing policy and regulations.

266. The industry suffers from lack of human capital, and high-energy costs for processing and transport. The OGMR's strategic plan for 2010-2013 provides a roadmap for the sector, focusing on developing a sustainable mining sector, including strengthening regulatory institutions, attracting investment, improving sector skills and practices, and increasing productivity, diversification, and value addition.

Policy

267. In accordance with the EDPRS, the Government has set two targets for the mining sector: increasing mineral exports by 250%, from US\$38 million in 2005 to US\$106 million in 2012, and to US\$220 million in 2017; and increasing employment in the sector from 25,000 to 37,000 in 2012, and to 50,000 in 2017. The main strategies are: promoting private-sector participation in all parts of the mining value chain, putting more efforts into mineral mapping and exploration, and improving the capacity of small-scale miners.

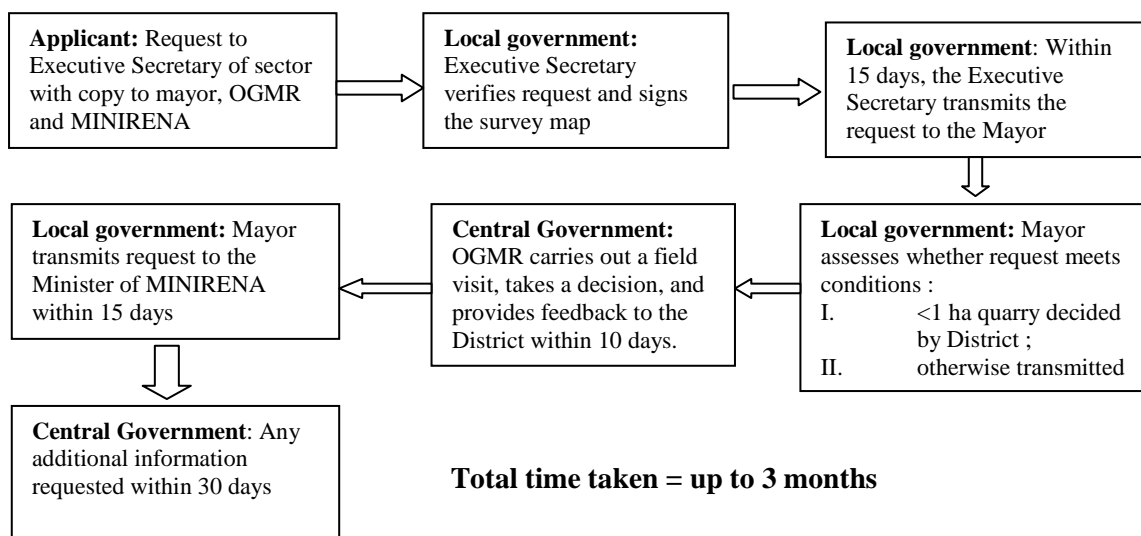
268. MINIRENA presented its Mining Policy – Final Green Paper in November 2009.⁶³ This policy focuses on helping to transform mining activities from a publicly run sector into a privately owned export-oriented industry.

⁶³ MINIRENA (2009).

269. Currently, 185 mining permits are operational, held by 138 companies/individuals. The mining sector is split between artisanal miners and mid-sized international companies. The key players in the industry are private investors and small-scale (artisanal) miners.

270. Until 2009, it took up to three months to obtain a mining permit (Chart IV.1).

Chart IV.1
The current permit application process



Source: MINIRENA (2009), *Mining Policy – Final Green Paper*. Viewed at: http://www.minirena.gov.rw/IMG/pdf/Mining_Policy_full_green_draft_validated_and_non_resumed_November_2009.pdf.

271. According to the authorities, the permit application process has been revised: license applications are addressed to districts (to ensure that land is available and other conditions are fulfilled), then forwarded to the MINIRENA, and the Rwanda Natural Resource Authority (RNRA). An Interministerial Committee (Presidents Office, RDB, MINIRENA, RNRA, MINIJUST, MINAGRI, and MINECOFIN), which sits twice a month, approves applications for mining permits. It is not clear how long it now takes to obtain a mining permit.

272. Mining companies are subject to a number of taxes, such as income tax, a superficial tax on the mining extraction surface area, and a superficial tax on quarry extraction surface area. The authorities state that a law on royalties in mining is being prepared.

273. A number of incentives are provided for the mining industry, including tariff exemptions for imported mining equipment, possibility for miners to negotiate lower energy costs, and a financing mechanism for artisans.

274. The mining industry faces many difficulties, in addition to the lack of skilled engineers, geologists, and metallurgists. For example, tax and permit fee revenues from mining currently contribute 0.08% of government revenue, while government support for mining accounts for roughly 0.1% of the national budget. In addition, international prices of mineral products fluctuate significantly, which leads to the instability of production and revenues in the industry. Mineral products account for more than one third of Rwanda's total merchandise exports, thus a fall in mineral prices and production could reduce its foreign exchange earnings significantly. In the long term, the

most effective measure would be to diversify exports, and to add value to minerals or facilitate downstream integration with other industries, which would require heavy investment in downstream processing plants.

275. The Mining Policy includes an attempt to identify areas of future reform. The Government is planning to reform permit fees, superficial taxes/land rents, royalty rates, exemption of import duties and corporate taxes on exploratory activities, standard corporate tax, and central administration of taxes.

(b) Quarrying

276. The quarrying industry in Rwanda is relatively undeveloped, and dominated by large international construction firms. The majority of value-added construction materials are imported, from Uganda (47%), South Africa (12%), Kenya (11%), and Dubai (10%).

277. Rwanda imports many quarry and construction items for which it has an abundance of raw materials; for example, Rwanda imports on average US\$6 million worth of tiles per year, although it has rich deposits of granite. According to the Government, quarry production and transformation into construction materials has potential: quarry products can largely be extracted, transformed, and consumed within the country. Thus, the quarrying industry strategy is to develop Rwanda's local production and manufacturing capabilities to reduce the country's dependence on imported construction materials and increase local industry participation.

278. Rwanda has three cement plants, and one granite plant (Nyagatare). The Government is seeking foreign and domestic private investment in the sector, and provides tax incentives, on which details are not available.

(ii) Energy

279. Primary energy supply in Rwanda is mainly from biomass (86%), in the form of wood used directly as fuel (57%), or converted into charcoal (23%), together with crop residues and peat (6%). The remaining primary energy is from petroleum products (11%), and electricity (3%). Rwanda has considerable potential for energy development from hydro sources, methane gas, solar, and peat deposits. Untapped resources for power generation amount to about 1,200 MW.

280. Biomass is used mainly for cooking and also in some industries. It meets up to 94% of national needs in rural areas, while the remainder is met by, *inter alia*, kerosene, diesel, dry cells, grid and non-grid electricity, biogas, solar, wind, and other renewable energies. Biomass is already in short supply with a deficit of over 4 million m³ per year. Vision 2020 set a target to reduce the rate of wood use in national energy consumption from the current 94% to 50%.

281. Rwanda has peat reserves estimated at 155 million tonnes, of which about one third is commercially extractable and can be used as a source of heat or electricity generation. Peat has already been used in Rwanda to make bricks and in cottage industries. It has the potential to replace wood, charcoal, and fuel oil. Currently, Cimerwa, a cement factory, uses peat for heating purposes, and the EWSA (Rwanda Energy, Water and Sanitation Authority) is preparing a 15 MW generation project using peat to produce electricity for Cimerwa.

282. Rwanda is completely dependent on imported petroleum products. Hydrocarbons are mainly used in the transport sector: about 75% of all imported petroleum is consumed in the transport sector, and transport costs are estimated to be the highest in the region (Table IV.5). Hydrocarbons also

serve as a source of electricity, powering diesel generators; about 39% of electricity produced in Rwanda is by diesel generators.

Table IV.5
Transport and energy costs

	Transport costs (% of border price of imports, c.i.f.)	Energy costs (US\$/kWh)
Rwanda	48	0.18
Uganda	35	0.11
Burundi	23	0.08
Kenya	17	0.14
Tanzania	17	0.0865

Source: Information provided by the Rwandan authorities.

283. The combination of high international fuel prices and the very long and expensive supply route results in high prices of petroleum products in Rwanda. The country is dependent on a limited choice of supply routes: petroleum products are normally imported via the Northern Corridor route (pipeline to Eldoret, then road tanker through Uganda); recently they have also been imported through Tanzania. Rwanda is vulnerable to supply interruptions, and storage is limited to less than two months' supply.

284. Recently, interest has increased in LPG as a fuel for cooking, although the high price is a major deterrent. LPG is 80% more expensive in Rwanda than in Kenya, and partly for that reason, consumption per capita is 50 times higher in Kenya. In addition, Rwanda lacks a developed distribution framework and refilling facilities.

285. Against a background of energy shortages and high energy prices, the Ministry of Infrastructure (MININFRA) issued Rwanda's National Energy Policy and National Energy Strategy 2008-2012 in January 2009. The aim for the energy sector is to contribute effectively to the growth of the national economy and thereby improve the standard of living of the Rwanda people in a sustainable and environmentally sound manner. Its mission is to create conditions to provide safe, reliable, efficient, cost-effective, and environmentally appropriate energy services on a sustainable basis. Thus its objectives are to support national development by: ensuring reliable and affordable energy supplies; encouraging rational and efficient use of energy; and establishing environmentally sound and sustainable systems of energy production, procurement, transportation, distribution, and end-use. Various legal instruments regulate the energy sector (Table IV.6).

Table IV.6
Energy legislation

Law	Law No. 21 of 23/06/2011 Governing Electricity in Rwanda Law No. 43/2010 of 07/12/2010 Establishing Rwanda Energy, Water and Sanitation Authority (EWSA) Law No. 39/2001 of 13/09/2001 Establishing Rwanda Utilities Regulatory Agency (RURA) Law No. 18/99 of 30/10/1999 Removing the Monopoly and Liberalizing the Energy Sector
Secondary legislation	Ministerial Order No. 8/DC/04 of 07/06/2004 on Additional and Specific Types of Agreements, Decisions, Practices and Codes of Conduct Considered to be Anti-Competitive or an Abuse of a Dominant Position
Draft legislation	Law Governing Gas in Rwanda Law Setting up the framework for provision of services related to distribution of energy in Rwanda Law of the Downstream Petroleum

Source: RURA (2010), *Report January 2009 – June 2010*, p.62. Viewed at: http://www.rura.gov.rw/docs/Report_Jan_2009_June_2010.pdf; and information provided by the Rwandan authorities.

286. Electricity production and consumption are both very low. Only 10.8% of the population has access to electricity, up from 4.3% in 2005/06 (around 46% of urban households, and only 4.7% of

rural households). At US\$0.18/kWh, Rwanda's electricity price is the highest in the region, and its per capita energy consumption, at 20 kWh is very low compared with other LDCs and with the other EAC countries.⁶⁴

287. Electricity is largely fed by hydropower and thermal sources (Table IV.7). Rwanda has to import electricity⁶⁵, as production capacity is insufficient to meet demand. Production is also unstable, due to seasonal variations in rainfall, which result in low water levels and thus reduced electricity generation. It appears that new generation plants using hydropower have been set up.

288. MININFRA is responsible for the electricity sector, setting the overall strategy for its development, and the Rwanda Utilities Regulatory Authority (RURA) is in charge of issuing licences. The Energy, Water & Sanitation Authority (EWSA), a state enterprise with a *de facto* monopoly on production and distribution of water and electricity, is the dominant player in the electricity market, responsible for transmission and distribution via the main national grid. The EWSA has a monopoly over transmission and distribution, and purchases electricity from power producers in Rwanda, Burundi, and the DRC.

Table IV.7
Electricity generation, imports, and exports, June 2010
(kWh)

	June 2010	Installed capacity (MW)
Total generation	23,355,353	84.63
HPG	11,062,962	42.48
TPG	12,269,088	41.9
PVPG (Jali)	23,302.5	0.25
Total imports	6,442,480	17
Total exports	267,900	..

.. Not available.

Source: RURA online information, Statistics Information in Energy Sector/Electricity. Viewed at: <http://www.rura.gov.rw/> [20/02/2012]; and information provided by the Rwandan authorities.

289. All generation projects or concessions involving private investors must be licensed by RURA. RURA issues off-grid licences to private companies to generate, supply, and distribute electricity in areas not covered by the EWSA; it also regulates the tariff and other supply provisions. Independent power producers (IPPs) are encouraged to generate power, but are required to sell excess production to EWSA.

290. Many individuals and businesses were obliged to purchase their own generators due to frequent power shortages in the past. According to the authorities, the installation of over 30 MW of thermal power has significantly reduced power shortages.

291. The current electricity tariffs were set in 2006. Nonetheless, they are relatively high by regional comparison, despite government subsidies that include a waiver on import duties on imported fuel used, and a direct subvention to EWSA to offset the high price paid for the electricity from rented generators (Table IV.8). According to the authorities, there have been recent tariff hikes in the region, and Rwanda introduced a time of use (TOU) tariff, under which the peak-time tariff was increased by 33% while the overall average tariff was not changed.

⁶⁴ For example, per capita energy consumption is over 50 kWh in Tanzania and Uganda, an average of 112 kWh for all LDCs, and 125 kWh in Kenya.

⁶⁵ REMA (2010).

Table IV.8
Electricity tariffs, 2010

Electricity tariff structure (VAT exclusive)	Tariff
Metered and cash power	RF 112 / kWh
Industries	RF 105 / kWh
Monthly rent for meter	RF 500
Initial connection fees	
Application fees	RF 6,000
Guarantee fees	RF 15,000

Source: RURA (2010), *Report January 2009 – June 2010*, p.68. Viewed at: http://www.rura.gov.rw/docs/Report_Jan_2009_June_2010.pdf.

292. Acknowledging that high energy cost is a severe disadvantage for Rwandan business, a Power Sector Steering Committee, chaired by the Prime Minister, has been set up, and an inter-ministerial taskforce is in place to assist the Ministry of Infrastructure to implement a seven-year electricity development programme. The aim is to have a cumulative installed capacity of 1000 MW and an access rate of 50% by 2017. The Government intends to increase generation capacity through private-sector financing in methane gas, hydropower (large-scale and micro), geothermal power, and peat.

293. Lake Kivu is estimated to contain 250 billion m³ of carbon dioxide and 55 billion m³ of methane gas, and a further 150-250 million m³ methane generated annually. The resource is shared equally between Rwanda and the Democratic Republic of the Congo. Rwanda has prioritized electricity generation from this resource to address the growing energy deficit. Projects include: Kibuye Power 1 (KP1), a pilot project designed to produce 4.2 MW; Rwanda Energy Company (REC), a subsidiary of the Rwanda Investment Group (RIG), which is building a 3.6 MW pilot plant to be scaled up to 50 MW once the technology proves to be successful; and Kivuwatt Ltd., a subsidiary of Contour Global, a U.S.-based company is planning to produce 100 MW of electricity from methane gas with the production of 25 MW in the first phase.⁶⁶

294. In addition, the share of renewable sources in electricity generation is to be increased. The EDPRS aims at providing green energy to 15,000 new customers in rural areas by 2012, with the installation of a 1 MW solar PV power-generation plant; Kigali Solar Project, owned by Stadtwerke Mainz Company of Germany, is producing 250 kW of green electricity. Studies have also been undertaken to determine the wind power potential in Rwanda. Rwanda has geothermal resources in the form of hot springs along the belt of Lake Kivu, with a power generation potential of about 170-320 MW. Preliminary technical exploration studies are being conducted.

295. Electricity subscriber numbers increased three-fold during the period under review to reach 216,000 in 2011. Growth averaged 21% over 2006-11. The Government aims to connect 1.2 million subscribers to the national grid, through a national Electricity Access Roll out Programme (EARP). In particular, power grid coverage is planned to expand to 70% of the country by 2017/18, which requires heavy investment in the transmission and distribution networks.

296. Between January 2009 and June 2010, RURA registered 579 complaints, most of which concerned billing, disconnection, irregular power supply, payment arrangements and equipment damage.

⁶⁶ RURA (2010), p. 61.

(4) MANUFACTURING

297. Rwanda's manufacturing sector is small, consisting mainly of food processing, beverages, tobacco, and furniture. In 2010, 4,611 manufacturing firms employed around 26,000 people. In the same year, the sector grew by 9%, up from 3% growth in 2009 (Table I.1). This was probably assisted by growth in the food processing industry, as well as ongoing investment in gas, electricity, and water, which reduced energy costs to the manufacturing industry.

298. As a landlocked country, Rwanda's trading costs are high: in addition to the transport costs from the port of first entry into the EAC to Kigali, transport costs within the country are high due to poor domestic infrastructure, in particular bad road conditions. Electricity supply is inadequate and expensive, and the telecom access rate is low.

299. The manufacturing sector is regulated by the 1956 Industrial Law. The Government has launched a number of industrial policy documents and strategies, focused on increasing investment, improving the business environment, increasing the value of exports, diversifying into new exports, and facilitating trade through EAC integration.

300. In April 2011, the Ministry of Trade and Industry issued the Industrial Policy, under which the Government proposes to improve infrastructure to facilitate the development of the manufacturing sector, through:

- increased government investment in energy, with a target to lower electricity tariffs, to be supplemented by the continued search for alternative sources of energy including wind, peat and solar, and possibly nuclear energy in the long run;
- allocation of land for manufacturing industries, such as industrial parks and SEZs, agri-processing parks, tourism (Kivu Belt), and a biotech park in Bugesera; and
- improvement of district road programmes, targeting feeder roads connecting farms and food processing hubs.

301. The Industrial Policy identified ten clusters, mostly manufacturing industries as priority industries for the short, medium, and long term. Short-term priorities are: agri-processing (including pyrethrum, dairy, vegetable oil, soaps and detergents); ICT; high-end tourism; textiles (including silk, leather and leather goods); and mineral processing. Medium-term sectors are construction materials (including cement); pharmaceuticals; and chemical products (including fertilizers). Long-term clusters are building materials (metal parts and structures); bio plastics; and other high-tech industries.

302. The Government offers both fiscal and non-fiscal incentives to investors (Chapter III(4)(i)). It seems that the Government is to review its incentive mechanism to concentrate on the priority clusters.

303. However, businesses have been complaining about the lack of consultation in designing new policies. The manufacturing sector is concerned about uncertainty over policies, and rapid regulatory change without sufficient consultation, as well as inadequate information on pro-business reforms that have been implemented (e.g. improvement of land registration processes).

(5) SERVICES

304. Services expanded at double-digit rates between 2006 and 2008, driving the overall growth of the economy. Growth slowed to 6% in 2009, but rebounded to 10% in 2010. This recovery was led by growth in financial services (24%), health services (16%), education (15%), and public administration (14%). Transport and communication services have also been growing fast (Table I.1).

305. The share of the services sector to GDP increased from 42% in 2006 to 47% in 2010. Major subsectors are wholesale and retail (13% of GDP), real estate, business services (9%), transport, storage and communication services (8%), and financial services contributed to 2% of GDP.⁶⁷

306. Rwanda has undertaken limited GATS commitments on certain professional services (legal, medical, and dental services); adult education services; sanitation and similar services; hotel and restaurant services; and recreational, cultural, and sporting services in centres promoting eco-tourism. For each of these services, Rwanda has undertaken not to maintain any market access or national treatment restrictions for modes 1 to 3 (cross-border supply, consumption abroad, and commercial presence). Unbound are measures affecting the presence of natural persons for the supply of medical and dental services, and hotel and restaurant services (specialized personnel and senior executives are the exception).⁶⁸ For the other activities mentioned above, Rwanda has undertaken not to maintain any restrictions on the presence of natural persons.

(i) Financial services

307. Rwanda's financial services sector is small, accounting for only 2% of GDP in 2010, down from 3% in 2006.⁶⁹ However, this sector grew at 24% during 2010, after a contraction of 4% in 2009. Under the Banking Law in 2007 and the Law on the Organization of Banking in 2008, the National Bank of Rwanda (NBR) is now the sole regulator and supervisor of the financial sector, except for the securities market.

(a) Banking and non-banking institutions

308. Although banking dominates the financial services sector, and controls over 70% of the sector's assets, the ratio of bank assets to GDP is only 19.7%.⁷⁰

309. Rwanda has nine commercial banks; one development bank, which merged with the mortgage financing bank in 2011; three microfinance banks (Urwego Opportunity Bank, UNGUKA Bank Ltd., and AGASEKE Bank Ltd.); and one cooperative bank (Zigama CSS). The Rwanda Development Bank is wholly owned by the Government, and four commercial banks are wholly foreign-owned (Kenya Commercial Bank, Equity Bank (Kenya), FINA Bank (Kenya), and ECOBANK (Togo)). In 2010, the foreign share of assets was 49% and government-owned 30%.⁷¹ Commercial banks accounted for 89% of the banking sector's total assets, and controlled 90.9% and 77.9% respectively of total deposits and gross loans. In 2011, 88% of deposits financed credit to the private sector.

⁶⁷ NISR (2011), Table 9.1.3.

⁶⁸ WTO documents GATS/SC/107 (30 Aug 1995), and S/DCS/W/RWA (24 Jan 2003).

⁶⁹ NISR (2011), Table 9.1.3.

⁷⁰ IMF (2011).

⁷¹ IMF (2011).

310. Banks are small, and highly concentrated in various aspects: the three largest banks account for over 60% of assets, loans, and deposits; loans and deposits are concentrated in a few corporate and institutional clients; and corporate lending is concentrated in construction and mortgages, while a large share of retail lending also goes to mortgages as well as salary-backed loans.

311. Although banks are small, they appear to be relatively efficient. Banking assets doubled between 2006 and 2010, accompanied by a decline in non-performing loans (NPLs), and improved asset quality and strong liquidity (Table IV.9). The NPL ratio fell to 8% in December 2011, from 12.4% in December 2008. The sector's returns on assets and equity also recovered in 2010 and 2011.

312. During the period under review, the NBR continued to reinforce the supervisory legal framework in accordance with the Banking Law. For example, in 2011 the NBR published 15 regulations in the *Official Gazette*, and drafted another two regulations. A feasibility study on a deposit insurance fund for banks and MFIs was completed and, according to the authorities, a law on establishment of the deposit insurance fund is to be published in the near future.

313. The NBR grants licences to new entrants into the banking sector. In 2011, three banks obtained licences to offer agent banking, almost all banks obtained licences to conduct mobile banking, and one new regional bank, Equity Bank, commenced operations in the third quarter of 2011. In addition, 14 new forex bureaus were licensed in 2011, making a total of 131. Total assets in the banking sector increased by 24.5% in 2011.

Table IV.9
Banking indicators, December 2008-11

Indicators	2008	2009	2010	2011
Solvency ratio (total capital)	18.6	21.0	24.4	27.2
NPLs/gross loans	12.4	11.9	10.8	8.0
NPLs net/gross loans	9.9	10.0	9.3	7.0
Return on average assets	2.4	1.0	2.0	2.2
Return on average equity	12.6	5.5	11.2	10.6
Cost of deposits	1.9	2.3	2.7	2.4
Liquid assets/total deposits	64.2	68.1	58.2	45.3
Forex exposure/core capital	2.0	0.9	5.0	6.6

Source: BNR, *Annual Reports*, 2009 and 2010, and *Monetary Policy and Financial Stability Statement*, February 2012; and information provided by the Rwandan authorities.

314. The authorities state that, the minimum capital requirements to set up a bank are the same for foreign and national banks: RF 5 billion for commercial banks, RF 3 billion for development banks, and RF 1.5 billion for microfinance banks. The Central Bank must decide whether to grant a licence within three months after receipt of an application. Foreign applicants require a statement of prior approval or no objection from the supervisory authority of their home country for the establishment of a subsidiary or any other office in Rwanda.

315. Fees include a non-refundable application fee of RF 1 million; and an annual licence fee of RF 5 million. A licence is valid until revoked by the Central Bank. Bank headquarters must be in Kigali, and licensed banks may establish branches in any area of the country.

316. According to the authorities, banks are free to set their interest rates.

317. A large portion of the Rwandan population, in particular those in rural areas, is excluded from financial services; only 14% of the population has access to formal banking products. To increase

access to financial services in rural areas, the Government launched a strategy to establish savings and credit cooperatives in each of the 416 geographically defined areas in Rwanda (Umurenge SACCOs). The Central Bank has set up a technical control unit with a team of inspectors in each district, to monitor and supervise SACCO operations. It is estimated that 33% of the population is currently being served by SACCOs and microfinance institutions (MFIs)⁷², leaving approximately 53% of the population without any access to banking.

318. Excluding Umurenge SACCOs the total assets of the microfinance sector increased by 12% in 2011, and gross loans and deposits increased by 17% and 4%, respectively (Table IV.10). In 2011, two MFIs were upgraded to microfinance banks (Unguka Imf S.A., and CFE Agaseke S.A.). MFIs serve 88% of depositors and 90% of borrowers. The authorities state that as of March 2012, Umurenge SACCOs have opened 1.07 million accounts.

Table IV.10
Microfinance indicators, excluding Umurenge SACCOs, 2010-11
(RF billion and %)

Indicators	2010	2011	Change from the previous year (%)	Umurenge SACCOs (2011)
Total assets	43	48.2	12.1	29.02
Gross loans	32.3	37.8	17	4.72
Non-performing loans	3.6	4.2	16.7	0.26
Deposits	23	24	4.3	22.5
Equity	14.9	15.3	3.4	4.7
NPL rate (%)	11	11.3	2.7	5.6
Liquidity ratio (%)	55.5	56.9	2.5	103.2
Capital adequacy ratio (solvency) (%)	34.5	31.7	-8.1	16.1

Source: NBR (2012), *Monetary Policy and Financial Stability Statement*. Viewed at: [http://www.bnr.rw/docs/publicnotes/February%202012%20Monetary%20Policy%20Statement%20final%20\(4\).pdf](http://www.bnr.rw/docs/publicnotes/February%202012%20Monetary%20Policy%20Statement%20final%20(4).pdf) February; and information provided by the Rwandan authorities.

(b) Insurance

319. The insurance sector is supervised by the National Bank of Rwanda. Currently there are 8 insurers (6 private and 2 public), 5 insurance brokers, 102 insurance agents, and 4 loss adjusters. Insurance penetration is about 2.3% (Table IV.11). Performance in the sector improved progressively during the period under review: total assets, as well as gross premiums and profits increased.

Table IV.11
Insurance penetration
(RF billion and %)

	2005	2006	2007	2008	2009	2010	2011
Gross premiums (G.P.)	13.7	19.8	27.6	35.9	43	49.7	59.3
G.P./GDP (%)	1.0	1.2	1.3	1.4	1.4	2.6	2.3
Assets	31.8	44.3	61.7	80.1	98.8	128.2	157.8
Assets/GDP (%)	2.2	2.6	3	3.1	3.1	3.6	4.1

Source: NBR (2010), *Annual Report 2010*. Viewed at: <http://www.bnr.rw/docs/publicnotices/Annual%20Report%202010%20.pdf>, p.81; and information provided by the Rwandan authorities.

⁷² Microfinanceafrica online information. "Rwanda: Rwanda SACCOs to offer loans, take deposits", 28 November 2011. Viewed at: <http://microfinanceafrica.net/tag/saccos/> [10/07/2012].

320. A revised Insurance Law (Law No. 52/2008 of 10/09/2008) issued in 2008, required insurance firms to divide their business into long-term and short-term insurance business. In 2011, regulations to implement the Insurance Law, especially on mergers and acquisitions, were finalized and published in the *Official Gazette*. Composite insurers were required to expedite the separation of life and non-life insurance businesses, meet minimum capital and solvency requirements, and observe corporate governance standards as envisaged in the insurance legal framework.

321. Compulsory insurance includes third-party motor vehicle liability. Also, health insurance is compulsory for all public servants: they are insured either by RAMA (affiliated to the Ministry of Finance), or MMI (Military Medical Insurance).

322. According to the authorities, premium rates are based on actuarial or financial statistical methods and must be adequate to cover all risks and costs. Rwandan insurers cover risks in Rwanda; no domestic insurer is allowed to cover insurance risks outside the country without prior approval of the Central Bank. It is not clear whether any local insurers have obtained this approval.

323. In accordance with Regulation No. 001/2010 of 28 January 2010, foreign insurers may register and obtain licences from the Central Bank as subsidiaries in Rwanda, and may provide non-compulsory insurance services for risks located in Rwanda.

(c) Securities

324. The Capital Market Advisory Council (CMAC) was established in accordance with the Prime Minister's Order of 28 March 2007. In January 2008, the Rwanda over the counter (ROTC) market commenced operations with the launch of the bond market. In January 2011, the ROTC was taken over by a Rwanda Stock Exchange (RSE).

325. Law No. 01/2011 of 10 February 2011, and Law No. 11/2011 of 18 May 2011, established the Capital Markets Authority (CMA).⁷³ In June 2011, the CMAC was replaced by the CMA, which is now the capital market regulator. The CMA is governed by a non-executive board answerable to the Minister of Finance and Economic Planning. The central securities depository system is run by the Central Bank, in accordance with the Central Securities Depository Law No. 26/2010 of 28 May 2010 Governing the Holding and Circulation of Securities.

326. According to the authorities, the CMA laws were drafted to comply with International Organization of Securities Commissions standards, but the CMA is not yet a member of the IOSCO.

327. In accordance with the Capital Market Fiscal Incentives, gazetted in May 2010, incentives provided to the capital market are: exemption from tax on income accruing to registered collective investment schemes and employees' shares; exemption from tax on capital gains on secondary market transactions on listed securities; reduced rates of corporate income tax for newly listed companies on the capital market for five years (20% if those companies sell at least 40% of their shares to the public, 25% if those companies sell at least 30% of their shares to the public, and 28% if those companies sell at least 20% of their shares to the public); zero-rate corporate income tax for venture-capital companies registered with the CMA for five years; reduction from 15% to 5% of withholding tax on dividends and interest income on securities listed on capital markets and interest arising from investments in listed bonds with a maturity of three years and above; and exemption from VAT for: transfer of shares, and capital market transactions for listed securities.

⁷³ Other relevant legislation includes the Law Regulating Collective Investment Schemes in Rwanda (Law No. 40/2011 of 20 September 2011).

328. According to the authorities, there are no restrictions on the number or percentage of shares that may be held by foreign investors in companies listed on the RSE.

Table IV.12
Securities criteria

Subject	Requirements
“Official List” Criteria	An issuer is admitted to the “Official List” of the capital market if its securities are listed on the RSE market.
Sponsorship	Every new applicant for listing must be sponsored by a participant of the capital market who is on the approved list of sponsors maintained by CMA
Nominated adviser	Every issuer must appoint a nominated adviser who is on the approved list of nominated advisers maintained by CMA
Incorporation	The issuer must be a corporation duly incorporated or otherwise established in accordance with the laws of Rwanda, registered under the Companies Act
Minimum number of shareholders	50
Minimum spread of shares to the public	25%
Minimum paid up capital	RF 500 million
Minimum market capitalization	New applicant: RF 500 million
Net asset	RF 1 billion
Track record	3 financial years, but may be less if issuance is underwritten
Application procedure	An application letter, and appropriate fees
Disclosure document	Disclosure document must be lodged with RSE

Source: Information provided by the RSE.

329. Rwanda's primary equities market has two IPOs: Bralirwa S.A., and the Bank of Kigali. The Government has also listed bonds with a value of more than RF 27 billion in the primary market.

330. RSE secondary market operations take place both over the counter, and through the open outcry system. According to the authorities, the CMA has purchased an electronic trading platform with the objective of automating the RSE trading system by June 2013. At the end of May 2012, there were four companies, five treasury bonds, with a value of RF 12.5 billion, and one corporate bond with a value of RF 1 billion listed on the RSE.

Table IV.13
Equity market

	2009	2010	2011	Up to 20 June 2012
Volumes (number of shares traded)	76,300	83,500	118,134,900	37,279,600
Turnover (RF)	12,522,500	14,476,860	20,796,731,900	6,097,624,300
Number of deals	49	50	1,794	769
Market capitalization in RF (end of period)	381,457,777,644	701,887,494,732	960,846,458,550	850,244,236,830
Number of listed companies	1	2	4	4

Source: Information provided by the RSE.

(ii) Telecommunications

331. In accordance with the National Export Strategy, Rwanda has invested significantly in telecom infrastructure, including national fibre-optic backbone, wireless broadband network (WIBRO), and internet data centre. The telecommunications sector, in particular mobile phone connectivity, has been growing rapidly (Table IV.14).

Table IV.14
Mobile/fixed subscribers, 2006-11

	2006	2007	2008	2009	2010	Mar-11
Mobile subscribers	332,762	634,542	1,322,637	2,429,252	3,548,761	3,446,194
Fixed line subscribers	21,197	22,281	16,770	33,451	39,664	38,901

Source: Information provided by the RURA.

332. The country's leading telecom providers are MTN Rwanda and TIGO, which provide mobile phones, fixed lines, and internet services; Rwandatel currently provides only fixed-line and internet services (Table IV.15). The authorities state that MTN Rwanda and TIGO are private companies, while Rwandatel was privatized in 2005 and then reprivatized in 2007, before declaring insolvency in 2011. A new entrant, Airtel, commenced operations in March 2012 becoming Rwanda's fourth national telecom operator.

333. According to the authorities, in April 2011, the regulator revoked Rwandatel mobile telecommunication licence due to "its non-compliance to licence obligations". In addition, TIGO has no subscribers to its fixed network: the fixed-line market is divided between MTN Rwanda (26% market share) and Rwandatel (74%), and the mobile market is divided between MTN Rwanda (65%) and TIGO (35%). In December 2011, the mobile phone penetration rate was 41.6%, up from 36.5% in June 2011. The number of fixed-network subscribers decreased, from 39,664 in December 2010 to 38,901 in December 2011, due to Rwandatel's decreasing number of subscribers. The fixed teledensity was 0.36% in December 2011, making the general teledensity 41.96%.⁷⁴

Table IV.15
Licensed operators

Company	Type of services	Year of licence	Subscribers
Fixed and mobile services			
MTN Rwandacell S.A.R.L.	Fixed	2006	10,014
	Mobile	2008 (renewal)	2,892,827
TIGO Rwanda S.A.	Fixed	2008	0
	Mobile	2008	1,553,367
Rwandatel S.A.	Fixed	2008	28,887
Airtel Rwanda Ltd.	Fixed	2011	New entrant
	Mobile	2011	New entrant
Internet services			
MTN Rwandacell	National Telecom Operator	2006	504,955
TIGO Rwanda	National Telecom Operator	2008	196,355
Rwandatel	National Telecom Operator	2008	2,854
Airtel Rwanda	National Telecom Operator	2011	New entrant
New Artel	Rural telephony	2004	114
ISPA	ISP	2006	60
Altech Stream	ISP	2007	466
AUGERE	ISP	2008	Not yet operational
4G Network	ISP	2009	Not yet operational
BSC	ISP	2010	Not yet operational
4G Rwanda	ISP	2011	Not yet operational
Pay TV			
Star Africa Media	Pay TV services	2007	
Tele 10 Rwanda	Pay TV services	2008	

Source: RURA (2011), Statistics and Tariff Information in Telecom sector as of November 2011. Viewed at: http://www.rura.gov.rw/docs/STATISTICS_AND_TARIFF_INFORMATION_%20IN_TELECOM_DECEMBER_2011.pdf.

⁷⁴ RURA (2011b).

334. The telecom services sector employs a large number of temporary workers, while the number of formal employees remains relatively low, at 840 in December 2011, of which 39% were employed by MTN, 28% by Rwandatel, and 18% by TIGO. The authorities state that the number of employees is to increase once all ISPs become operational.

335. The telecommunications sector is regulated by various laws (Table IV.16); Law No. 44/2001 of 30 November 2001 governing telecommunications is being reviewed. The authorities state that the sector is to be part of an ICT Bill. In addition, broadcasting services, which were excluded from the Telecom Law, are to be included in the ICT Bill. According to the authorities, the ICT Bill is under analysis and adoption in the Parliament.

Table IV.16
ICT legislation

Laws	Law No. 44/2001 of 30/11/2001 governing telecommunications Law No. 39/2001 of 13/09/2001 establishing RURA Law No. 18/2010 of 12/05/2010 relating to electronic messages, electronic signature and electronic transactions
Secondary regulation	Presidential Order No. 04/01 of 15/03/2004 determining specific duties of the regulatory board in Telecommunications matters Presidential Order No. 05/01 of 13/03/2004 determining the functioning of the Universal Access Fund and Public Operator's contributions Ministerial Order No. 2/DC/04 of 07/06/2004 on instruction for publication in the Official Gazette of modification made to Telecommunications licences Ministerial Order No. 4/DC/04 of 07/06/2004 on annual fees payable by public utilities Ministerial Order No. 5/DC/04 of 07/06/2004 in the general conditions and pricing principles to be respected in Interconnection Agreements Ministerial Order No. 6/DC/04 of 07/06/2004 on request for installation of Telecommunications' facilities and terminal equipment on public and private property Ministerial Order No. 7/DC/04 of 07/06/2004 specifying the content of the Regulatory Board's register of Telecommunication activities Ministerial Order No. 8/DC/04 of 07/06/2004 on additional and specific types of Agreements, Decisions, Practices and Codes of Conduct considered to be Anti-Competitive or an Abuse of a dominant position Ministerial Order No. 9/DC/04 of 07/06/2004 on conditions to be incorporated into Telecommunication and Radio-communication licences

Source: RURA (2010), *Report January 2009 – June 2010*, p.38. Viewed at: http://www.rura.gov.rw/docs/Report_Jan_2009_June_2010.pdf.

336. In accordance with Law No. 39/2001 of 13 September 2001, RURA is responsible for the overall development of telecommunication services in Rwanda. According to RURA, prices in retail services are freely set by licensed service providers, although RURA reserves the right to intervene if it considers that the operator with significant market power abuses its market position. According to the authorities, as currently no operator is officially declared dominant, RURA has not intervened in determining the prices. Prices have fallen gradually but remain relatively high by regional comparison. The authorities considered that this is mainly due to little competition in the Rwandan market and relatively high interconnection rates.

337. RURA sets the interconnection rate. Article 39 of Law No. 44/2001 of 30 November 2001 stipulates that, technical and commercial arrangements for interconnection are concluded by the operators themselves, but if they fail to reach an agreement the regulator may intervene. If the Regulator is unable to make the operators agree, the Regulator Board imposes interconnection rates that are as far as possible "objective, fair and reasonable and do not discriminate between operators".

338. Following a review by RURA, interconnection rates are to be lowered gradually, from RF 40 per minute in 2010, to RF 22.94 in 2015. According to the authorities, the licensing of the fourth

national telecom operator, and reduction of the interconnection rates each year, will significantly lower end-user tariffs.

339. RURA is now focusing on promoting universal access to telecom services.⁷⁵ A Universal Access Fund (UAF) was established under Presidential Order 05/01 of 13 March 2004, with the objective of accelerating the use of ICT in Rwanda. All operators are required to pay 2% of their turnover to the Fund.

340. It seems that New Artel has been granted subsidies from the UAF to provide universal access services. Districts/sectors/groups may send a request for telecommunication services to the regulatory board. According to the authorities, 200 subscribers have obtained subsidized internet services provided by New Artel through the UAF; these include hospitals, schools, administration offices, police stations, hotels, and some trading centres.

(iii) Transport

(a) Overview

341. Poor transport services constitute a major constraint to Rwandan businesses.

342. The transport sector lacks an appropriate legal and regulatory framework. Most legislation was put in place during the colonial period (Table IV.17).

Table IV.17
Transport legislation

	Legislation
Domestic legislation	Law No. 39/2001 Establishing RURA
	Décret 30 Mars 1931 sur la Responsabilité des Transporteurs (B.O., 1931, p.257)
	Décret du 27 Juillet 1934 sur la Fausse Déclaration en Matière de Transport (B.O., 1939, p.657)
	Ministerial Order No. 4/DC/04 of 07/06/2004 determining an annual fee payable by regulated utilities
UN convention	United Nations Convention on the Carriage of Goods by Sea (Hamburg, 30 March 1978)
	United Nations Convention on International Multimodal Transport of Goods (Geneva, 24 May 1980)
RURA Board decisions	Decision No. 16/TR-RURA/2008 of 17 December 2008 Governing the Transport of Persons in Rwanda amended by Decision No. 005/TRANS-RURA/2011 of 26/8/2011 governing public transport in Rwanda
	Decision No. 006/TRANS-RURA/2011 of 16/09/2011 Governing the Transport of Goods in Rwanda
	Decision No. 12/A.TR-RURA/2009 of 4 th September 2009 on Licensing of Travel Agents and Freight Forwarders
	Decision No. 13/R.TR-RURA/2009 of 4 th September 2009 on Functioning of Driving Schools
	Decision No. 14/Legal-RURA/2009 of 4 th September 2009 on Conduct of Drivers
	Decision No. 19/W.TR-RURA/2008 of 11 th November 2009 on Guidelines Governing Boat Driving in Rwanda
	Decision No. 20/Legal-RURA/2009 of 11 th November 2009 on Code of Conduct for Boat Drivers of Public Passengers and Cargo Boats in the Republic of Rwanda

Source: RURA (2010), *Report January 2009 – June 2010*, p.81. Viewed at: http://www.rura.gov.rw/docs/Report_Jan_2009_June_2010.pdf; and information provided by the Rwandan authorities.

343. In accordance with Law No. 39/2001 road, waterway, and air transport are all regulated by RURA. RURA activities mainly relate to creating a regulatory framework and carrying out the licensing activities. Article 22 of Law No. 39 stipulates that RURA may make proposals for new legislation for any public utility sector.

⁷⁵ RURA (2010), p. 35.

344. Transport service providers pay an annual regulatory fee equivalent to 1% of their turnover as a contribution to the functioning of RURA. However, some transport service providers have not been able to produce a financial statement, and RURA has decided to use the RRA's estimate as the basis for calculating the 1% regulatory fee.

345. According to the authorities, goods transport tariffs are market determined. However, tariffs for public passenger transport and taxi cabs, are set by RURA.

346. A number of transport projects under way in Rwanda and regionally could significantly reduce transport costs. These include the planned railway that would provide transit from Kigali to Dar es Salaam, and a new airport at Bugesera. Regional projects also include the rehabilitation of the 440 km Kampala-Gatuna road, roughly a quarter of the Northern Corridor, as well as shorter stretches of road in Kenya. The authorities state that, in order to improve transport services, the Government created RURA, to facilitate and encourage private-sector participation in investment in transportation; improved collaboration between different institutions in charge of transport; issued various regulations governing transport; and encouraged and facilitated individual operators to form cooperatives and/or companies.

(b) Road transport

347. Road passenger transport is provided by companies and by individuals. The number of vehicles operated by companies increased by 75% between 2009 and 2011, from 430 to 753 vehicles, with the largest increase in the number of special cars, i.e. jeeps. This reflects an increase in demand particularly for luxury transport services, probably due to the growth in tourism. The supply capacity of individual licensed operators increased by 241% from 4,470 to 11,500 vehicles in the same period (Table IV.18).

348. Transport costs are particularly high in Rwanda due to its poor rural road quality, high vehicle costs, and high fuel prices. Roads account for 90% of transport in the country. With the exception of paved national roads, the majority of roads are in a bad condition (Table IV.19).

Table IV.18
Road transport

Operators		2009	2010	End of Sept. 2011	Growth rate between 12/2009 and 09/2011
Companies	Minibus	343	445	25 companies, 496 vehicles	45%
	Taxi cabs	73	169	13 companies, 211 vehicles	189%
	Special cars	14	46	3 companies, 46 vehicles	229%
	Total	430	660	753	75%
Individuals	Minibus	1,339	5,182	5,261 vehicles	293%
	Taxi cabs	114	267	361 vehicles	217%
	Coasters	119	306	323 vehicles	171%
	Buses	4	4	6 vehicles	50%
	Motorbikes	2,111	4,643	8,018 motorbikes	280%
	Mini-motorbikes (Velo motors)	787	1,098	1,274 mini-motorbikes	62%
	Total	4,470	11,500	15,423	241%

Source: RURA (2011), Key Statistics Information – Transport of Persons (Road Transport), Kigali.

Table IV.19
Rwanda's road network, 2011

Condition	Paved national roads		Earth national roads		District roads	
	Kilometres	Percentage	Kilometres	Percentage	Kilometres	Percentage
Good	495	45%	170	10%	170	10%
Mediocre	415	35%	260	15%	280	15%
Bad	210	20%	1,300	75%	1,400	75%
Total	1,120	100%	1,730	100%	1,730	100%

Source: MINICOM (2011), *National Industrial Policy*, April. Viewed at: http://www.minicom.gov.rw/IMG/pdf/Industrial_Policy-2.pdf.

349. Because of the mountainous terrain and associated rainfall erosion, the maintenance cost of Rwanda's road network is twice as high as that of most sub-Saharan countries. The majority of road investment is focused on already-paved national roads, while neglecting district feeder roads. It seems that the Government is to adopt measures to improve road conditions, for which it has budgeted RF 65 billion for road repairs and for development of rural feeder roads.⁷⁶

350. Rwanda is 1,740 km from the Port of Mombasa and 1,480 km from Dar es Salaam: it faces significant difficulties and costs in transporting its goods to international markets. Transport costs are further exacerbated by unequal flows on the trading route; many vehicles bringing goods to Rwanda have no goods to take back to Kenya and Tanzania, which increases overall costs.

(c) Air transport

351. Kigali International Airport has an annual capacity of 4.4 million passengers. RwandAir, the national air carrier, operates flights to a number of regional destinations (Arusha, Entebbe, Nairobi, and Johannesburg). Other international airlines include Kenya Airways, Ethiopian Airlines, SN Brussels Airlines, KLM, Qatar Airlines, South Africa Airway, Air Uganda, China Postal Airlines, and African Star Airways. A new airport is planned 40 km outside of Kigali, at Bugesera, at an estimated construction cost of US\$300 million for Phase 1.

352. Currently Rwanda has two international airports: Kigali International Airport, and Kamembe International Airport; one aerodrome (Gisenyi Aerodrome); and three airstrips (Ruhengeri, Butare, and Namba). All are owned by the Government. The Rwanda Civil Aviation Authority manages the airports, and the RwandAir provides airport services such as ground handling.

353. Civil aviation regulations include aircraft registration and marking, instruments and equipment, aerial work, aerodromes, commercial air transport operations by foreign operators in and out of Rwanda, fees and charges, licensing of air services, personnel licensing, rules of the air and air traffic control, and security. There is no specific policy on cabotage.

354. Rwanda is a signatory to ICAO; and according to the authorities, Rwanda adheres to standards and practices recommended by the ICAO on air transport agreements. It also participates in IATA, Civil Aviation Safety and Security Oversight Agency of the EAC, African Civil Aviation Commission, International Federation of Airline Pilots' Associations, and the International Federation of Air Traffic Controllers' Associations. Rwanda has an open sky agreement with the United States.

⁷⁶ MINICOM (2011a).

355. RwandAir is state owned. The Government subsidizes RwandAir by purchasing aircraft and providing operating costs where necessary.

356. Passenger movements increased from 202,782 to 376,918 during the period under review, while the volume of cargo movements was volatile (Table IV.20).

Table IV.20
Air transport

	2005	2006	2007	2008	2009	2010	2011
Passenger movements							
Arrivals (int'l passengers)	96,654	95,676	109,074	105,511	119,990	136,324	157,877
Departures (int'l passengers)	96,794	98,711	108,335	111,019	121,938	142,425	165,692
Transit	9,173	5,132	17,416	34,563	24,781	26,021	32,418
Domestic passengers	161	2,946	4,084	5,659	5,661	9,460	20,931
Total passengers	202,782	202,465	238,909	256,752	272,370	314,230	376,918
Cargo (freight and mail) (tonnes)	4,630.18	5,658.86	4,821.94	6,784.41	6,912.70	6,321.48	5,922.08
Cargo imports	4,010.00	3,942.00	4,145.91	5,806.59	5,967.51	5,813.30	5,347.39
Cargo exports	492.00	1,574.87	416.03	758.45	450.00	334.52	373.76
Mail (imports + exports)	128.18	141.99	260.00	219.36	495.19	173.66	200.93

Source: Information provided by the Rwandan authorities.

(d) **Railway transport**

357. Air transport is too expensive for use by sectors such as horticulture, and more momentum is needed to create a railway network, to reduce Rwanda's transport costs to the Indian Ocean. Currently, Rwanda has no railway system, but the Isaka-Kigali railway project is intended to link Rwanda-Burundi to the port of Dar es Salaam, and to the Southern Africa cape gauge railway network.

(iv) **Tourism**

358. The Tourism sector has exceeded expectations: while its contribution to GDP is small, it is the main source of export revenue. The mountain gorillas are Rwanda's leading tourist attraction, and Rwanda is increasingly perceived as a safe business and commercial destination. Estimates for 2011 indicate that the tourism industry directly employs 54,000 people, and indirect employment takes the total to 130,000. According to the authorities, this represents 6.8% of total employment, below the world average of 7.6%.

359. A total of 908,000 international arrivals were recorded in 2011, up from 666,000 in 2010 (Table IV.21). The increase was due to the longer opening hours at land borders, which are now open 24 hours a day. Around half of arrivals visit to attend conferences, or for business, one third visit friends and relatives; tourists arriving for holidays accounted for only 9% in 2011.

360. Investment in the tourism sector has been substantial. Between 1999 and 2011, 23% of total FDI, RF 299 billion, went to hotels and leisure. Local investment in hotels, restaurants, and other tourism activities amounted to RF 205 billion, representing 20% of total local investment during the same period. Local investment accounts for some 86% of all new projects in operation since 1999.

Table IV.21
Tourist arrivals by purpose of visit
(’000)

	Holiday		Visiting friends and relatives		Conference/Business		Transit		Other		Total
	No.	Share	No.	Share	No.	Share	No.	Share	No.	Share	No.
2007	34.1	6%	211.9	35%	275.8	45%	40.9	7%	46.9	8%	609.6
2008	57.1	9%	204.7	31%	342.1	51%	50.7	8%	13.9	2%	668.5
2009	50.8	8%	170.9	26%	332.7	50%	36.6	6%	71.5	11%	662.5
2010	67.7	10%	201.3	30%	307.1	46%	27.5	4%	62.4	9%	666
2011	81.6	9%	294.9	32%	395.6	44%	33.3	4%	102.6	11%	908

Source: Information provided by the Rwandan authorities.

361. The Government holds shares in two hotels, but is not involved in their management. According to the authorities, the hotels are privately managed, although there is no concession agreement. The Government owns and runs national parks, but a concession was awarded in 2009 to a private company, African Parks, to manage Akagera National Park.

362. Between 2003 and 2011, the number of hotel rooms, restaurants (that pay VAT), and travel and tour operators increased significantly (Table IV.22). There are currently about 350 hotels and more than 6,500 hotel rooms in Rwanda. For the upper range, average occupancy rate is 70%, with foreigners accounting for 97% of bed nights sold. The authorities state that tourism receipts are expected to grow at a compound annual growth rate of 15% until 2017.

Table IV.22
Hotel rooms, restaurants, tour operators and travel agencies

	2003	2011	Average annual growth rate
Hotel rooms	650	6,500	37%
Restaurants ^a	50	94	17%
Tour operator companies	12	45	14%
Travel agents	5	13	30%
Both travel and tour agents	20	171	..

a Restaurants that do not pay VAT are not included.

.. Not available.

Source: H. Nielsen, and A. Spenceley (2010), *"The success of tourism in Rwanda – Gorillas and more"*, April. Viewed at: http://siteresources.worldbank.org/AFRICAEXT/Resources/258643-1271798012256/Tourism_Rwanda.pdf [17/02/2012]; and information provided by the Rwandan authorities.

363. MINICOM is responsible overall for developing policy for the tourism sector. The RDB (Rwanda Development Board) is responsible for tourism development and marketing as well as wildlife preservation and management of the national parks. The private sector is represented by the tourism chamber, which consists of industry associations: accommodation, restaurants and bars, tour operators and travel agents, board of airline representatives, tourism and hospitality training institutions, and drivers and safari guides. The tourism chamber is still supported by the Government, although it is part of the private sector federation.

364. Tourism has been identified in the EDPRS as a national priority sector to eradicate poverty. Despite its good performance, the sector still faces several challenges, the first of which is inadequate

skilled labour. Other challenges include: (i) an overreliance on gorilla tourism⁷⁷, the sector needs to be diversified and other attractions promoted further; (ii) access to finance is still an impediment for development of the sector. Banks seem to be reluctant to finance tourism projects as it is perceived as a service-oriented sector not producing tangible goods. Stakeholders in the sector proposed the establishment of a guarantee fund by the Government; and (iii) poor infrastructure, including both road and air transport. A new airport, currently being planned, could attract more international carriers offering direct flights, especially from Europe.

365. A Rwanda Tourism Policy was issued in 2009.⁷⁸ It set out several objectives for the sector, including product development and diversification, marketing, capacity-building, infrastructure development, and investment and financing. Development of business tourism, cultural and religious tourism, and creating an events-based tourism industry are among the possible ways to further develop Rwanda's tourism sector. Customer service and associated training are required to take Rwanda's tourism services to world-class levels.

⁷⁷ MINICOM (2011b), p. 34.

⁷⁸ MINICOM (2009b).

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APPENDIX TABLES

Table A1.1
Exports by product, including re-exports, 2005-11
(US\$ million and %)

	2005	2006	2007	2008	2009	2010	2011
Total (US\$ million)	149.1	140.7	182.8	250.2	260.7	237.8	417.3
				(%)			
Total primary products	88.7	91.6	87.8	63.4	74.0	89.7	85.5
Agriculture	44.9	57.1	41.8	8.4	46.7	47.3	40.8
Food	41.5	53.8	38.0	6.7	45.3	44.7	37.2
0711 Coffee, not roasted	24.9	34.3	17.7	..	12.7	23.4	18.1
0741 Tea	15.8	18.0	16.6	..	29.0	14.5	12.6
0461 Flour of wheat or of meslin	0.0	0.0	0.2	0.4	0.0	0.0	1.7
0011 Bovine animals, live	0.0	0.0	1.2	1.4	1.0	1.6	1.2
1123 Beer made from malt (including ale, stout and porter)	0.0	0.0	0.4	0.5	0.5	0.8	0.8
1110 Non-alcoholic beverage, n.e.s.	0.1	0.0	0.3	0.5	0.6	0.7	0.6
0545 Other fresh or chilled vegetables	0.1	0.0	0.4	0.6	0.1	0.1	0.3
Agricultural raw material	3.4	3.3	3.8	1.7	1.4	2.6	3.6
2112 Whole hides and skins of bovine animals, < 8 kg if dried, etc.	0.8	0.2	0.1	0.1	0.5	0.8	1.5
2929 Materials of vegetable origin, n.e.s.	0.0	1.4	1.1	0.2	0.3	0.5	1.1
2690 Worn clothing and other worn textile articles, rags	0.5	0.4	0.4	0.5	0.6	0.7	0.8
Mining	43.8	34.5	46.0	54.9	27.3	42.3	44.6
Ores and other minerals	40.6	33.5	45.4	54.5	26.1	41.5	39.7
2876 Tin ores and concentrates	29.3	16.0	21.6	31.4	13.1	28.1	24.4
2878 Ore and concentrates of molybdenum, niobium, etc.	8.4	8.0	12.0	15.2	7.8	8.6	9.3
2879 Other non-ferrous base metals ores and concentrates	1.6	8.9	11.3	6.8	4.3	4.4	5.6
Non-ferrous metals	0.1	0.1	0.1	0.0	1.1	0.1	0.1
Fuels	3.2	1.0	0.5	0.4	0.2	0.7	4.9
Manufactures	11.3	7.9	12.2	8.6	19.2	10.2	14.1
Iron and steel	0.0	0.0	0.1	0.5	0.4	0.6	0.4
Chemicals	0.6	0.8	1.3	0.8	0.8	1.0	0.9
5429 Medicaments, n.e.s.	0.0	0.1	0.1	0.1	0.0	0.1	0.4
Other semi-manufactures	0.9	0.4	1.7	1.6	1.8	1.6	1.7
6613 Building stone, worked, and articles	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Machinery and transport equipment	8.1	5.4	7.4	3.4	11.8	4.5	5.4
Power generating machines	0.1	0.0	0.1	0.1	1.8	0.1	0.1
Other non-electrical machinery	3.2	0.9	2.4	0.9	1.7	1.3	0.4
Agricultural machinery and tractors	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Office machines & telecommunication equipment	1.2	0.4	0.9	0.5	0.9	0.6	0.5
Other electrical machines	0.3	0.4	0.2	0.1	0.6	0.3	0.1
Automotive products	2.8	3.1	3.4	1.8	5.1	1.6	4.2
7812 Motor vehicles for the transport of persons, n.e.s.	1.2	1.8	2.3	1.2	4.3	1.2	3.7
7821 Goods vehicles	1.1	0.4	0.7	0.5	0.7	0.3	0.4
Other transport equipment	0.4	0.5	0.2	0.0	1.6	0.5	0.2
Textiles	0.5	0.0	0.1	0.1	0.8	0.2	0.2
Clothing	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other consumer goods	1.1	1.3	1.6	2.2	3.6	2.3	5.6
8517 Footwear, n.e.s.	0.0	0.0	0.0	0.0	0.0	0.0	4.0
Other	0.0	0.4	0.0	28.0	6.8	0.1	0.4
Gold	0.0	0.0	0.0	0.0	0.3	0.1	0.0

.. Not available.

Source: WTO Secretariat estimates, based on UNSD, Comtrade database SITC Rev.3.

Table A1.2
Exports by destination, including re-exports, 2005-11
(US\$ million and %)

	2005	2006	2007	2008	2009	2010	2011
Total (US\$ million)	149.1	140.7	182.8	250.2	260.7	237.8	417.3
				(%)			
America	2.4	4.4	5.2	2.2	1.6	3.3	3.4
United States	1.9	3.6	5.1	2.0	1.5	3.2	2.4
Other America	0.4	0.7	0.1	0.3	0.1	0.1	1.0
Haiti	0.0	0.0	0.0	0.0	0.0	0.0	0.8
Europe	55.2	48.9	42.8	39.6	20.5	42.5	43.7
EU(27)	48.0	39.8	35.6	36.6	15.8	19.6	26.7
Belgium	25.3	16.1	14.1	26.0	11.3	11.2	10.1
France	0.4	0.6	0.7	0.2	0.2	0.1	10.0
United Kingdom	19.2	20.8	18.8	5.3	1.8	4.6	4.0
Italy	0.3	0.5	0.7	1.5	0.4	1.0	0.7
Germany	2.0	0.7	0.6	3.1	1.3	1.6	0.6
Belgium-Luxembourg	0.0	0.0	0.0	0.0	0.0	0.7	0.4
EFTA	7.2	9.1	7.2	3.0	4.7	22.9	17.0
Switzerland	7.1	9.0	7.2	3.0	4.7	22.9	16.9
Other Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commonwealth of Independent States (CIS)	0.0	0.0	0.0	0.0	0.0	0.2	0.0
Africa	29.1	31.6	37.3	37.1	66.2	37.6	35.2
EAC	24.8	26.0	24.6	18.3	37.6	23.2	17.7
Burundi	1.5	2.9	3.9	2.5	2.1	2.0	1.9
Kenya	22.0	21.2	18.8	12.7	31.9	16.5	13.9
Uganda	1.2	1.3	1.7	2.7	2.1	2.9	1.6
United Rep. of Tanzania	0.2	0.6	0.2	0.4	1.6	1.8	0.3
D.R. Congo	2.5	2.1	5.6	7.0	4.9	6.9	14.0
Sudan	0.2	0.2	1.0	0.8	10.8	0.6	2.4
Burkina Faso	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Middle East	0.7	0.2	0.7	0.8	1.1	0.3	1.0
United Arab Emirates	0.0	0.1	0.4	0.6	0.8	0.2	0.8
Asia	12.6	15.0	13.9	20.2	10.6	16.1	9.3
China	1.5	1.9	0.5	2.3	2.9	7.4	3.5
Japan	0.2	0.1	0.0	0.1	0.2	0.3	0.3
Six East Asian Traders	9.4	12.1	12.9	12.6	6.8	8.1	4.3
Hong Kong, China	9.2	10.4	12.6	10.3	6.1	8.0	3.3
Malaysia	0.1	1.1	0.2	0.3	0.0	0.0	0.9
Other Asia	1.6	0.9	0.4	5.2	0.6	0.4	1.3
Australia	0.1	0.3	0.1	0.0	0.1	0.1	0.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	7.4

Source: WTO Secretariat estimates, based on UNSD, Comtrade database SITC Rev.3.

Table AI.3
Imports by product, 2005-11
(US\$ million and %)

	2005	2006	2007	2008	2009	2010 ^a	2011
Total	411.7	487.9	679.1	1,035.6	1,112.0	1,160.0	1,356.6
				(%)			
Total primary products	29.5	30.0	26.7	22.6	24.2	28.0	28.5
Agriculture	15.3	17.1	17.3	14.2	14.9	17.0	18.6
Food	13.0	14.9	15.4	11.7	13.2	15.6	17.1
0412 Other wheat (including spelt) and meslin, unmilled	0.0	0.0	0.1	0.2	0.4	1.4	2.4
4222 Palm oil, fractions	2.6	2.6	2.0	1.7	1.6	1.6	2.2
0611 Sugars, beet/cane, raw, solid, no added flavour/colour	1.0	1.7	1.8	1.2	1.3	2.1	1.9
4312 Fats/oils, partly or wholly hydrogenated, etc.	0.5	0.8	0.6	0.3	0.4	0.9	1.3
0423 Rice, milled, semi-milled	0.9	1.2	1.3	0.7	1.0	1.4	1.2
Agricultural raw material	2.3	2.2	1.9	2.4	1.7	1.4	1.5
2690 Worn clothing and other worn textile articles, rags	2.0	1.9	1.6	2.0	1.2	0.9	1.0
Mining	14.2	13.0	9.4	8.4	9.3	11.0	9.9
Ores and other minerals	1.4	1.1	1.2	1.7	0.9	0.7	1.2
Non-ferrous metals	0.6	0.3	0.4	0.5	0.4	0.3	0.3
Fuels	12.2	11.6	7.8	6.2	8.1	10.0	8.3
Manufactures	70.4	69.9	73.3	73.1	75.5	71.9	71.4
Iron and steel	5.0	6.6	6.0	8.2	5.1	5.5	6.4
Chemicals	14.4	14.7	16.9	12.9	16.9	14.6	14.7
5429 Medicaments, n.e.s.	4.3	3.9	7.0	2.8	2.9	3.2	3.0
5416 Glycosides; glands, etc. and extracts; antisera/ vaccines, etc.	0.9	1.2	0.6	0.9	3.3	1.4	2.5
5629 Fertilizers, nes	0.8	1.0	2.6	1.0	2.6	1.3	1.4
5541 Soap	0.8	1.0	0.9	0.9	1.0	1.1	1.0
Other semi-manufactures	11.9	11.0	11.0	12.6	12.8	12.2	12.9
6612 Portland cement and similar hydraulic cements	1.8	2.5	3.2	4.3	3.5	3.7	3.8
6911 Iron or steel structures, tubes and the like, for use in structures	0.8	0.5	1.1	1.3	2.4	1.8	1.9
Machinery and transport equipment	26.6	24.0	27.8	29.1	30.6	26.5	27.3
Power generating machines	1.6	0.8	0.7	3.7	1.6	0.9	0.7
Other non-electrical machinery	4.9	4.0	5.8	5.9	4.4	6.1	4.7
Agricultural machinery and tractors	0.3	0.2	0.5	0.2	0.4	1.1	0.4
Office machines & telecommunication equipment	8.4	7.9	7.2	7.9	11.8	7.8	7.4
7522 Data processing machines, with at least processing, input and output units	0.4	0.4	0.5	0.9	1.1	1.4	1.4
7643 Radio or television transmission apparatus	0.5	0.3	1.0	1.2	1.1	1.6	1.3
Other electrical machines	3.6	3.3	4.1	4.3	6.5	5.9	5.8
7731 Insulated wire, cable etc.; optical fibre cables	0.8	0.6	0.6	0.8	2.2	1.6	2.1
Automotive products	6.5	6.6	8.8	6.3	5.4	4.6	6.4
7812 Motor vehicles for the transport of persons, n.e.s.	3.8	2.2	3.3	2.7	2.4	2.4	3.8
7821 Goods vehicles	1.5	2.2	3.2	1.9	1.3	0.8	1.6
Other transport equipment	1.7	1.5	1.3	1.1	0.8	1.3	2.3
7851 Motorcycles and side-cars, etc.	1.0	0.7	0.5	0.5	0.3	0.4	1.1

Table AI.3 (cont'd)

	2005	2006	2007	2008	2009	2010 ^a	2011
Textiles	1.9	4.6	2.5	1.7	1.9	4.5	1.8
Clothing	0.9	0.8	1.1	0.9	0.7	0.9	0.8
Other consumer goods	9.8	8.3	8.0	7.7	7.5	7.8	7.5
8722 Instruments used in medical, surgical or veterinary sciences	1.3	1.6	1.0	0.8	1.2	1.2	1.1
Other	0.1	0.0	0.0	4.4	0.3	0.0	0.1
Gold	0.0	0.0	0.0	0.0	0.0	0.0	0.0

a Data for 2010 provided by the Rwandan authorities.

Source: WTO Secretariat estimates, based on UNSD, Comtrade database SITC Rev.3.

Table AI.4
Imports by origin, 2005-11
(US\$ million and %)

	2005	2006	2007	2008	2009	2010 ^a	2011
Total (US\$ million)	411.7	487.9	679.1	1,035.6	1,112.0	1,160.0	1,356.6
				(%)			
America	4.0	3.7	4.6	4.1	4.8	4.3	5.4
United States	3.5	3.3	4.2	3.5	3.9	3.6	4.0
Other America	0.4	0.4	0.4	0.6	0.9	0.7	1.4
Europe	27.9	24.9	24.8	25.6	27.2	20.6	19.4
EU(27)	26.9	23.3	24.0	24.7	25.1	17.7	16.8
Belgium	9.7	7.8	5.7	5.7	3.8	3.8	3.3
Germany	4.9	4.1	4.9	3.8	3.8	3.3	3.2
Netherlands	2.2	1.9	1.8	1.1	2.0	1.4	2.1
Italy	1.1	1.2	1.3	0.7	0.9	1.3	1.7
France	3.5	2.8	7.1	3.2	2.7	1.4	1.5
United Kingdom	2.6	1.7	1.7	2.4	2.0	1.4	1.5
Denmark	1.2	2.0	0.7	1.0	3.4	2.1	1.1
EFTA	0.8	1.3	0.6	0.6	1.3	2.0	2.1
Switzerland	0.7	1.3	0.6	0.6	1.2	2.0	2.0
Other Europe	0.2	0.3	0.2	0.2	0.8	0.9	0.6
Commonwealth of Independent States (CIS)	0.3	0.3	0.5	0.2	0.4	1.9	0.4
Africa	32.9	36.2	37.4	36.5	36.4	37.7	39.0
EAC	24.0	28.6	29.7	29.5	29.2	30.0	28.3
Uganda	9.7	12.6	14.5	14.3	12.9	13.0	13.9
Kenya	12.3	14.2	12.6	12.4	11.1	10.8	8.7
United Rep. of Tanzania	2.0	1.7	2.3	2.5	4.9	6.1	5.4
Burundi	0.1	0.1	0.3	0.3	0.3	0.1	0.3
South Africa	5.3	3.0	3.6	3.8	3.3	4.0	3.6
Tunisia	0.0	0.0	0.1	0.0	0.5	0.0	2.6
Egypt	2.0	2.4	2.3	1.3	1.4	2.0	1.8
D.R. Congo	0.1	0.3	0.4	0.6	0.5	0.5	1.0
Middle East	18.0	17.6	13.4	11.8	9.0	8.7	8.1
United Arab Emirates	6.9	6.9	7.6	8.2	6.2	6.2	5.0
Bahrain	0.4	2.2	2.3	1.1	0.4	0.2	1.6
Asia	16.9	17.3	19.3	21.7	22.1	26.7	27.7
China	4.4	4.7	7.3	9.6	8.3	9.1	11.7
Japan	4.9	4.1	3.8	3.8	3.1	2.9	4.0
Six East Asian Traders	1.4	1.2	1.4	2.5	4.3	3.3	3.7
Singapore	0.2	0.1	0.1	0.5	0.3	1.1	1.1
Hong Kong, China	0.4	0.3	0.4	0.3	0.1	0.4	1.1
Other Asia	6.2	7.3	6.7	5.9	6.5	11.5	8.3
India	4.7	4.7	4.6	4.7	4.9	6.3	6.6
Other	0.0	0.0	0.0	0.0	0.0	0.1	0.0

a Data for 2010 provided by the Rwandan authorities.

Source: WTO Secretariat estimates, based on UNSD, Comtrade database SITC Rev.3.

Table AIII.1
Products on which applied rates are higher than final bound rates

HS code	Description	Applied tariff rate	Final bound rate
03051000	Flours, meals and pellets of fish, fit for human consumption	25.00	0.00
03052000	Livers and roes of fish, dried, smoked, salted or in brine	25.00	0.00
03053000	Fish fillets, dried, salted or in brine, but not smoked	25.00	0.00
03054100	Pacific salmon (<i>Oncorhynchus nerka</i> , <i>Oncorhynchus gorbuscha</i> , <i>Oncorhynchus keta</i> , <i>Oncorhynchus tshawytscha</i> , <i>Oncorhynchus kisutch</i> , <i>Oncorhynchus masou</i> and <i>Oncorhynchus rhodurus</i>), Atlantic salmon (<i>Salmo salar</i>) and Danube salmon (<i>Hucho hucho</i>)	25.00	0.00
03054200	Herrings (<i>Clupea harengus</i> , <i>Clupea pallasii</i>)	25.00	0.00
03054900	Smoked fish, including fillets: other	25.00	0.00
03055100	Cod (<i>Gadus morhua</i> , <i>Gadus ogac</i> , <i>Gadus macrocephalus</i>)	25.00	0.00
03055900	Dried fish, whether or not salted but not smoked: other	25.00	0.00
03056100	Herrings (<i>Clupea harengus</i> , <i>Clupea pallasii</i>)	25.00	0.00
03056200	Cod (<i>Gadus morhua</i> , <i>Gadus ogac</i> , <i>Gadus macrocephalus</i>)	25.00	0.00
03056300	Anchovies (<i>Engraulis</i> spp.)	25.00	0.00
03056900	Fish, salted but not dried or smoked and fish in brine :-- Other	25.00	0.00
04011000	Milk and cream, not concentrated or containing added sugar or other sweetening matter; of a fat content, by weight, not exceeding 1%	60.00	0.00
04012000	Milk and cream, not concentrated or containing added sugar or other sweetening matter; of a fat content, by weight, exceeding 1% but not exceeding 6%	60.00	0.00
04013000	Milk and cream, not concentrated or containing added sugar or other sweetening matter; of a fat content, by weight, exceeding 6%	60.00	0.00
04021000	Milk and cream, concentrated or containing added sugar or other sweetening matter; in powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5%	60.00	0.00
04022110	Not containing added sugar or other sweetening matter: specially prepared for infants	60.00	0.00
04022190	Not containing added sugar or other sweetening matter: other	60.00	0.00
04022910	Other: specially prepared for infants	60.00	0.00
04022990	Other: other	60.00	0.00
04029110	Not containing added sugar or other sweetening matter: specially prepared for infants	60.00	0.00
04029190	Not containing added sugar or other sweetening matter: other	60.00	0.00
04029910	Other: specially prepared for infants	60.00	0.00
04029990	Other: other	60.00	0.00
04051000	Butter	25.00	0.00
04052000	Dairy spreads	25.00	0.00
04059000	Other than butter and dairy spreads	25.00	0.00
04061000	Fresh (unripened or uncured) cheese, including whey cheese, and curd	25.00	0.00
04062000	Grated or powdered cheese, of all kinds	25.00	0.00
04063000	Processed cheese, not grated or powdered	25.00	0.00
04064000	Blue-veined cheese and other cheese containing veins produced by <i>Penicillium roqueforti</i>	25.00	0.00
04069000	Other cheese	25.00	0.00
11010000	<i>Wheat or meslin flour.</i>	60.00	40.00
11071000	Malt, whether or not roasted: not roasted	10.00	0.00
11072000	Malt, whether or not roasted: roasted	10.00	0.00
16041100	Salmon	25.00	15.00
17011190	Cane sugar: other	100 % or \$200/MT whichever is higher	80.00

Table AIII.1 (cont'd)

HS code	Description	Applied tariff rate	Final bound rate
17011290	Beet sugar: other	100 % or \$200/MT whichever is higher	80.00
17019100	Other: containing added flavouring or colouring matter	100 % or \$200/MT whichever is higher	80.00
17019910	Sugar for industrial use	100 % or \$200/MT whichever is higher	80.00
17019990	Other than sugar for industrial use	100 % or \$200/MT whichever is higher	80.00
17041000	Chewing gum, whether or not sugar-coated	25.00	12.00
17049000	Sugar confectionery (including white chocolate), not containing cocoa: other	25.00	12.00
19011000	Preparations for infant use, put up for retail sale	25.00	0.00
20081100	Ground-nuts	25.00	22.00
20081900	Nuts, ground-nuts and other seeds, whether or not mixed together: other, including mixtures	25.00	22.00
20082000	Pineapples	25.00	22.00
20083000	Citrus fruit	25.00	22.00
20084000	Pears	25.00	22.00
20085000	Apricots	25.00	22.00
20086000	Cherries	25.00	22.00
20087000	Peaches, including nectarines	25.00	22.00
20088000	Strawberries	25.00	22.00
20089100	Palm hearts	25.00	22.00
20089200	Mixtures	25.00	22.00
20089900	Other, including mixtures other than those of subheading 2008.19:- other	25.00	22.00
21021000	Active yeasts	25.00	5.00
21023000	Prepared baking powders	25.00	5.00
33061000	Dentifrices	25.00	20.00
36061000	Liquid or liquefied-gas fuels in containers of a kind used for filling or refilling cigarette or similar lighters and of a capacity not exceeding 300 cm ³	25.00	20.00
36069000	Other	25.00	20.00
39075000	Alkyd resins	10.00	5.00
39079100	Other polyesters: unsaturated	10.00	5.00
39079900	Other polyesters: other	10.00	5.00
39091000	Urea resins: thiourea resins	10.00	5.00
39092000	Melamine resins	10.00	5.00
39095000	Polyurethanes	10.00	5.00
39172900	Tubes, pipes and hoses, rigid: of other plastics	25.00	5.00
39173100	Flexible tubes, pipes and hoses, having a minimum burst pressure of 27.6 MPa	25.00	5.00
39173200	Other, not reinforced or otherwise combined with other materials, without fittings	25.00	5.00
39173900	Other tubes, pipes and hoses: other	25.00	5.00
39189000	Of other plastics	25.00	5.00
39191000	Self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls: in rolls of a width not exceeding 20 cm	10.00	5.00
39199010	Other: in rolls of a width exceeding 100 cm, unprinted	10.00	5.00
39199090	Other: other	25.00	5.00
39206110	Of polycarbonates: unprinted	10.00	5.00
39206190	Of polycarbonates: other	25.00	5.00
39206210	Of poly(ethylene terephthalate): unprinted	10.00	5.00
39206290	Of poly(ethylene terephthalate): other	25.00	5.00

Table AIII.1 (cont'd)

HS code	Description	Applied tariff rate	Final bound rate
39206310	Of unsaturated polyesters: unprinted	10.00	5.00
39206390	Of unsaturated polyesters: other	25.00	5.00
39206910	Of other polyesters: unprinted	10.00	5.00
39206990	Of other polyesters: other	25.00	5.00
39209210	Of polyamides: unprinted	10.00	5.00
39209290	Of polyamides: other	25.00	5.00
39209310	Of amino-resins: unprinted	10.00	5.00
39209390	Of amino-resins: other	25.00	5.00
39209410	Of phenolic resins: unprinted	10.00	5.00
39209490	Of phenolic resins: other	25.00	5.00
39209910	Of other plastics: unprinted	10.00	5.00
39209990	Of other plastics: other	25.00	5.00
39211310	Of polyurethanes: unprinted	10.00	5.00
39211390	Of polyurethanes: other	25.00	5.00
39211910	Of other plastics: unprinted	10.00	5.00
39211990	Of other plastics: other	25.00	5.00
39219000	Other	25.00	5.00
39231000	Boxes, cases, crates and similar articles	25.00	20.00
39232100	Of polymers of ethylene	25.00	20.00
39232900	Of other plastics	25.00	20.00
39233000	Carboys, bottles, flasks and similar articles	25.00	20.00
39235090	Stoppers, lids, caps and other closures: other	25.00	20.00
39239090	Other than stoppers, lids, caps and other closures: other	25.00	20.00
50071000	Fabrics of noil silk	25.00	20.00
50072000	Other fabrics, containing 85% or more by weight of silk or of silk waste other than noil silk	25.00	20.00
50079000	Other fabrics	25.00	20.00
51111100	Containing 85% or more by weight of wool or of fine animal hair: of a weight not exceeding 300 g/m ²	25.00	20.00
51111900	Containing 85% or more by weight of wool or of fine animal hair: other	25.00	20.00
51112000	Other, mixed mainly or solely with man-made filaments	25.00	20.00
51113000	Other, mixed mainly or solely with man-made staple fibres	25.00	20.00
51119000	Containing 85% or more by weight of wool or of fine animal hair: other	25.00	20.00
51121100	Containing 85 % or more by weight of wool or of fine animal hair: of a weight not exceeding 200 g/m ²	25.00	20.00
51121900	Other	25.00	20.00
51122000	Other, mixed mainly or solely with man-made filaments	25.00	20.00
51123000	Containing 85 % or more by weight of wool or of fine animal hair: other, mixed mainly or solely with man-made staple fibres	25.00	20.00
51129000	Plain weave, weighing not more than 100g/m ² : other	25.00	20.00
51130000	Plain weave, weighing more than 100 g/m ² : Woven fabrics of coarse animal hair or of horsehair.	25.00	20.00
52085190	Plain weave, weighing not more than 100g/m ² : other	25.00	20.00
52085290	Plain weave, weighing more than 100 g/m ² : other	25.00	20.00
52095190	Plain weave: other	25.00	20.00
52105190	Plain weave: other	25.00	20.00
52115190	Plain weave: other	25.00	20.00
52121590	Printed: other	25.00	20.00
52122590	Printed: other	25.00	20.00
53091100	Unbleached or bleached	25.00	20.00

Table AIII.1 (cont'd)

HS code	Description	Applied tariff rate	Final bound rate
53091900	Containing 85% or more by weight of flax: other	25.00	20.00
53092100	Unbleached or bleached	25.00	20.00
53092900	Containing less than 85% by weight of flax: other	25.00	20.00
53110000	Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn.	25.00	20.00
55134110	<i>Khanga, Kikoi and Kitenge</i>	50.00	30.00
5513419	<i>Of polyester staple fibres, plain weave: other</i>	25.00	20.00
55144110	Khanga, Kikoi and Kitenge	50.00	30.00
55144190	Of polyester staple fibres, plain weave: other	25.00	20.00
56021000	Needleloom felt and stitch-bonded fibre fabrics	25.00	20.00
56022100	Of wool or fine animal hair	25.00	20.00
56022900	Of other textile materials	25.00	20.00
56029000	Other felt, not impregnated, coated, covered or laminated: other	25.00	20.00
57011000	Of wool or fine animal hair	25.00	20.00
57019000	Of other textile materials	25.00	20.00
57021000	"Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs	25.00	20.00
57022000	Floor coverings of coconut fibres (coir)	25.00	20.00
57023100	Of wool or fine animal hair	25.00	20.00
57023200	Of man-made textile materials	25.00	20.00
57023900	Of other textile materials	25.00	20.00
57024100	Of wool or fine animal hair	25.00	20.00
57024200	Of man-made textile materials	25.00	20.00
57024900	Of other textile materials	25.00	20.00
57025000	Other, not of pile construction, not made up	25.00	20.00
57029100	Of wool or fine animal hair	25.00	20.00
57029200	Of man-made textile materials	25.00	20.00
57029900	Of other textile materials	25.00	20.00
57050000	Other carpets and other textile floor coverings, whether or not made up	25.00	20.00
58011000	Of wool or fine animal hair	25.00	20.00
58012100	Uncut weft pile fabrics	25.00	20.00
58012200	Cut corduroy	25.00	20.00
58012300	Other weft pile fabrics	25.00	20.00
58012400	Warp pile fabrics, épingle (uncut)	25.00	20.00
58012500	Warp pile fabrics, cut	25.00	20.00
58012600	Chenille fabrics	25.00	20.00
58013200	Cut corduroy	25.00	20.00
58013300	Other weft pile fabrics	25.00	20.00
58013400	Warp pile fabrics, épingle (uncut)	25.00	20.00
58013500	Warp pile fabrics, cut	25.00	20.00
58013600	Chenille fabrics	25.00	20.00
58019000	Of other textile materials	25.00	20.00
58022000	Terry towelling and similar woven terry fabrics, of other textile materials	25.00	20.00
58023000	Tufted textile fabrics	25.00	20.00
58041000	Tulles and other net fabrics	25.00	20.00
58042100	Of man-made fibres	25.00	20.00
58042900	Of other textile materials	25.00	20.00
58043000	Hand-made lace	25.00	20.00
58050000	Hand-woven tapestries of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up.	25.00	20.00
58061000	Woven pile fabrics (including terry towelling and similar terry fabrics) and chenille fabrics	25.00	20.00

Table AIII.1 (cont'd)

HS code	Description	Applied tariff rate	Final bound rate
58062000	Other woven fabrics, containing by weight 5% or more of elastomeric yarn or rubber thread	25.00	20.00
58063100	Of cotton	25.00	20.00
58063200	Of man-made fibres	25.00	20.00
58063900	Of other textile materials	25.00	20.00
58064000	Fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)	25.00	20.00
58071000	Woven	25.00	20.00
58081000	Braids in the piece	25.00	20.00
58089000	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles: other	25.00	20.00
58090000	Woven fabrics of metal thread and woven fabrics of metallised yarn of heading No. 56.05, of a kind used in apparel, as furnishing fabrics or for similar purposes, not elsewhere specified or included	25.00	20.00
59041000	- Linoleum	25.00	20.00
59049000	Linoleum, whether or not cut to shape; floor coverings consisting of a coating or covering applied on a textile backing, whether or not cut to shape: other than Linoleum	25.00	20.00
59061000	Adhesive tape of a width not exceeding 20 cm	25.00	20.00
59069100	Knitted or crocheted	25.00	20.00
59069900	Rubberised textile fabrics, other than those of heading 59.02: other than knitted or crocheted	25.00	20.00
59070000	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like	25.00	20.00
59090000	Textile hose-piping and similar textile tubing, with or without lining, armour or accessories of other materials	25.00	20.00
59100000	Transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material	25.00	20.00
60011000	"Long pile" fabrics	25.00	20.00
60012100	Of cotton	25.00	20.00
60012200	Of man-made fibres	25.00	20.00
60012900	Of other textile materials	25.00	20.00
60019100	Of cotton	25.00	20.00
60019200	Of man-made fibres	25.00	20.00
60019900	Of other textile materials	25.00	20.00
60024000	Containing by weight 5% or more elastomeric yarn but not containing rubber thread	25.00	20.00
60029000	Other	25.00	20.00
60031000	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 60.01 or 60.02: of wool or fine animal hair	25.00	20.00
60032000	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 60.01 or 60.02: of cotton	25.00	20.00
60033000	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 60.01 or 60.02: of synthetic fibres	25.00	20.00
60034000	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 60.01 or 60.02: of artificial fibres	25.00	20.00
60039000	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 60.01 or 60.02: other	25.00	20.00
60041000	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 60.01: containing by weight 5% or more of elastomeric yarn but not containing rubber thread	25.00	20.00

Table AIII.1 (cont'd)

HS code	Description	Applied tariff rate	Final bound rate
60049000	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 60.01: Other	25.00	20.00
60052100	Of cotton: unbleached or bleached	25.00	20.00
60052200	Of cotton: dyed	25.00	20.00
60052300	Of cotton : of yarns of different colours	25.00	20.00
60052400	Of cotton: printed	25.00	20.00
60059000	Of artificial fibres: other	25.00	20.00
60061000	Of wool or fine animal hair	25.00	20.00
60062100	Unbleached or bleached	25.00	20.00
60062200	Dyed	25.00	20.00
60062300	Of yarns of different colours	25.00	20.00
60062400	Printed	25.00	20.00
60063100	Unbleached or bleached	25.00	20.00
60063200	Dyed	25.00	20.00
60063300	Of yarns of different colours	25.00	20.00
60063400	Printed	25.00	20.00
60064100	Unbleached or bleached	25.00	20.00
60064200	Dyed	25.00	20.00
60064300	Of yarns of different colours	25.00	20.00
60064400	Printed	25.00	20.00
60069000	Of artificial fibres: other	25.00	20.00
68129100	Clothing, clothing accessories, footwear and headgear	10.00	5.00
68129200	Paper, millboard and felt	25.00	5.00
68129300	Compressed asbestos fibre jointing, in sheets or rolls	25.00	5.00
68132090	Containing asbestos: other	10.00	5.00
68138100	Brake linings and pads	10.00	5.00
68138990	Not containing asbestos: other	10.00	5.00
70181000	Glass beads, imitation pearls, imitation precious or semi-precious stones and similar glass small wares	25.00	10.00
71171900	<i>Imitation jewellery of base metal, whether or not plated with precious metal: other</i>	25.00	15.00
71179000	<i>Imitation jewellery of base metal, whether or not plated with precious metal: other</i>	25.00	15.00
76152000	Sanitary ware and parts thereof	25.00	10.00
84151000	Window or wall types, self-contained or "split-system"	25.00	6.00
84158100	Incorporating a refrigerating unit and a valve for reversal of the cooling/heat cycle (reversible heat pumps)	25.00	6.00
84158200	Other, incorporating a refrigerating unit	25.00	6.00
84158300	Not incorporating a refrigerating unit	25.00	6.00
84159000	Parts	10.00	6.00
84181000	Combined refrigerator-freezers, fitted with separate external doors	25.00	6.00
84182100	Compression-type	25.00	6.00
84182900	Refrigerators, household type: other	25.00	6.00
84183000	Freezers of the chest type, not exceeding 800 l capacity	25.00	6.00
84184000	Freezers of the upright type, not exceeding 900 l capacity	25.00	6.00
84185000	Other furniture (chests, cabinets, display counters, show-cases and the like) for storage and display, incorporating refrigerating or freezing equipment	10.00	6.00
84186190	Heat pumps other than air conditioning machines of heading 84.15, other	25.00	6.00
84186990	Other than for dairying or fishing and industrial use	25.00	6.00

Table AIII.1(cont'd)

HS code	Description	Applied tariff rate	Final bound rate
84189100	Furniture designed to receive refrigerating or freezing equipment	10.00	6.00
84189900	Parts: other	10.00	6.00
87012090	Road tractors for semi-trailers:- other	10.00	5.00
<i>91139000</i>	<i>Watch straps, watch bands and watch bracelets, and parts thereof: other</i>	<i>25.00</i>	<i>15.00</i>
94015100	Seats of cane, osier, bamboo or similar materials: of bamboo or rattan	25.00	20.00
94015900	Seats of cane, osier, bamboo or similar materials: other	25.00	20.00
94037000	Furniture of plastics	25.00	20.00
94038100	Furniture of other materials, including cane, osier, bamboo or similar materials: of bamboo or rattan	25.00	20.00
94038900	Furniture of other materials, including cane, osier, bamboo or similar materials: other	25.00	20.00
94052000	Electric table, desk, bedside or floor-standing lamps	25.00	15.00
94054000	Other electric lamps and lighting fittings	25.00	15.00
<i>94055000</i>	<i>Non-electrical lamps and lighting fittings</i>	<i>25.00</i>	<i>8.33</i>
95041000	Video games of a kind used with a television receiver	25.00	20.00
95042000	Articles and accessories for billiards of all kinds	25.00	20.00
95043000	Other games, operated by coins, banknotes, bankcards, tokens or by other means of payment other than bowling alley equipment	25.00	20.00
95049000	Articles for funfair, table or parlour games, including pintables, billiards, special tables for casino games and automatic bowling alley equipment: other	25.00	20.00

Note: Italics denotes multiple tariff lines from the bound schedule corresponding to applied tariff schedule; the simple averages were used for these calculations.

Source: WTO Secretariat estimates, based on data provided by the EAC Secretariat and WTO CTS database.

Table AIII.2
Approved companies and inputs under the Duty Remission Scheme

Company name	Tariff heading	Description	Finished products
ADMA International Ltd	0402.21.90	Other (not containing added sugar or other sweetening matter) (in powder, granules or other solid forms, of a fat content, by weight, exceeding 1.5%)	Biscuits
	1101.00.00	Wheat or meslin flour	Biscuits
	1516.20.00	Vegetable fats and oils and their fractions	Biscuits
	4811.90.00	Other paper, paperboard, cellulose wadding and webs of cellulose fibres	Biscuits
	4819.20.10	Skillets, free hinge lid packets	Biscuits
	7607.11.00	Aluminium foil	Biscuits
	African Wood Enterprise	4409.21.00	Wood of non-coniferous of bamboo	Furniture
4409.29.00		Other wood of non-coniferous	Furniture
Afrifoam	3505.20.00	Glues	Mattresses
	3906.10.00	Poly (methyl methacrylate)	Mattresses
	3907.99.00	Other (other polyesters)	Mattresses
	4819.20.10	Skillets, free hinge lid packets	Packaging materials
AMEKI Colour	3211.00.00	Prepared driers	Paints
	3212.90.10	Pigments (including metallic powders and flakes) dispersed in non-aqueous media, in liquid or paste form, of a kind used in the manufacture of paints (including enamels)	Paints
	3402.11.00	Anionic	Washing preparations
	3905.29.00	Other (vinyl acetate copolymers)	Paints
	3907.50.00	Alkyd resins	Paints
	3907.91.00	Unsaturated	Paints
	7408.29.00	Other (of copper alloys)	Packaging materials
ANIK Industries	4803.00.00	Napkin tissues, cellulose wadding	Toilet paper, napkins
	4821.10.90	Other printed paper, self-adhesive	Sanitary towels
	5603.94.00	Non-woven weighing more than 150g m ²	Sanitary towels
Association of Printing Companies	5903.00.00	Candle wicks	Candles
	3215.11.00	Black printing ink	Printed materials
	3215.19.00	Other printing ink	Printed materials
	3505.20.00	Glues based on starch	Binded materials
	3701.20.00	Instant print film	Printed materials
	3701.30.00	Other plates and film, with any side exceeding 255mm	Printed materials
	3701.99.00	Other photographic plates and film in the flat, sensitized, unexposed, of any material other than paper, paperboard or textiles; instant print film in the flat, sensitized, unexposed, whether or not in packs	Printed materials
	3701.10.00	Chemical preparations for photographic uses, sensitising emulsions	Printed materials
	3920.61.10	Unprinted plates, sheets, in polycarbonates	Printed materials
	3921.11.10	Other unprinted plates, sheets, of polymers of styrene	Stamps
3921.90.00	Other plates, sheets, film, foil and strips of plastics	Stamps	

Table AIII.2 (cont'd)

Company name	Tariff heading	Description	Finished products
	4008.29.00	Rods profile shape of vulcanized rubber (excluding hard)	Printed materials
	4801.00.10	News print, in rolls or sheets, weighing less than 42 gm ²	Newspapers
	4802.20.00	Paper and paper board of a kind used as a base for photosensitive, heat sensitive	Printed materials
	4802.54.00	Printing, writing, or drawing paper	Printed materials
	4808.90.00	Other (paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading 48.03)	Printed materials
	4809.90.00	Other (carbon paper, self-copy paper and other copying or transfer papers (including coated or impregnated paper for duplicator stencils or offset plates), whether or not printed, in rolls or sheets)	Printed materials
Bandag	4016.99.00	Other articles of vulcanized rubber other than hard rubber (emplantes)	Retreated tyre
BEMS (former name BMS Duhanje)	2523.21.00	White cement, whether or not artificially coloured	Tiles
	2530.90.00	Other mineral substances	Stone slates and tiles
BRALIRWA	1103.13.00	Of maize (corn)	Beer
	1107.10.00	Not roasted	Beer
	1107.20.00	roasted	Beer
	1702.90.00	Colorant caramel	Beer
	2102.10.00	Active yeast	Beer
	2207.20.00	Denatured ethyl alcohol	Beer
	2811.21.00	Carbon dioxide	Soda and beer
	3505.20.00	Glues based on starch	Packaging
	4821.10.90	Other printed paper	Packaging
	7607.19.90	Other of aluminium foil	Packaging
	8309.10.00	Crown corks	Beer
Briqueterie Rwanda-Ruliba S.A.	2517.49.00	Other granules, chipping and powder (excluding marble) etc.	Bricks and tiles
Cimerwa	3602.00.00	Prepared explosives other than propellant	Cement
Cooperative Kiaka	5602.90.00	Other (felt, whether or not impregnated, coated, covered or laminated)	Brushes, sweepers, dusters
	6805.20.00	On a base of paper or paperboard only (natural or artificial abrasive powder or grain, on a base of textile material, of paper, of paperboard or of other materials, whether or not cut to shape or sewn or otherwise made up)	Brushes, sweepers, dusters
	7217.90.00	Other (wire of iron or non-alloy steel)	Brushes, sweepers, dusters
Covibar	7010.10.90	Bottles	Wine, liquor/spirits
CREAXION	3707.90.00	Other (chemical preparations for photographic uses (other than varnishes, glues, adhesives and similar preparations); unmixed products for photographic uses, put up in measured portions or put up for retail sale in a form ready for use)	Printed materials
Enterprise TOMINI	7604.10.00	Of aluminium, not alloyed (aluminium bars, rods and profiles)	Doors and windows
	7604.21.00	Hallow profiles (of aluminium alloys)	Doors and windows
	7604.29.00	Other (of aluminium alloys)	Chairs, doors and windows

Table AIII.2 (cont'd)

Company name	Tariff heading	Description	Finished products
Enterprise URWIBUSTO	1509.90.00	Other (olive oil and its fractions, whether or not refined, but not chemically modified)	Pepper (Akabanga)
	3505.20.00	Glues based on starches or on dextrin or other modified starches	Packaging materials
INCANGR Industry	20.09	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter	Juices
	3302.10.00	Extracts, essences and concentrates	Juices
	3505.20.00	Glues	Packaging materials
	3921.90.00	Other plates, sheets, film, etc.	Packaging materials
	3923.10.00	Boxes, cases, crates and similar articles	Juices, mineral water, milk
	4821.10.90	Other printed paper	Packaging materials
KABUYE Sugar Works	2522.30.00	Hydraulic lime	Sugar
	3810.90.00	Other (pickling preparations for metal surfaces; fluxes and other auxiliary preparations for soldering, brazing or welding; soldering, brazing or welding powders and pastes consisting of metal and other materials; preparations of a kind used as cores or coatings for welding electrodes or rods)	Sugar
Kigali Form	3815.90.00	Other (reaction initiators, reaction accelerators and catalytic preparations, not elsewhere specified or included)	Sugar
	3906.10.00	Poly (methyl methacrylate) in primary forms	Mattress
MANUMETAL	3208.90.00	Other (paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium; solutions as defined in Note 4 of this Chapter)	Chairs, doors and windows
	7303.00.00	Tubes, pipes and hollow profiles, of cast iron	Chairs, cupboards
	7604.10.00	Of aluminium, not alloyed (aluminium bars, rods and profiles)	Chairs, doors and windows
NPD COTRACO	7221.00.00	Bars and rods, hot rolled, in irregularly wound coils of stainless steel	Concrete electric poles
NYANZA Diary Plant	7607.11.00	Aluminium foil of a thickness (excluding any backing) not exceeding 0.2mm, not backed, rolled but not further worked	Yoghurt
PAPYRUS	4411	Fibreboard of wood or other ligneous materials whether or not bonded with resins or other organic substances (MDF boards or particle boards)	Furniture
	4823.90.90	Other (other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres)	Furniture
	3506.91.00	Glues based on starches or on dextrin or other modified starches	Furniture
	4008.11.00	Plates, sheets and strips	Furniture
	4410.90.00	Other (particle board, oriented strand board – OSB and similar board (for example, wafer board) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances)	Furniture
	4411.12.00	Of a thickness not exceeding 5 mm	Furniture
	4411.13.00	Of a thickness exceeding 5mm, but not exceeding 9 mm	Furniture
	4411.14.00	Of a thickness exceeding 9 mm	Furniture
	4411.92.00	Of a density exceeding 0.8 g/cm ³	Furniture
	4411.93.00	Of a density exceeding 0.5 g/cm ³ but not exceeding 0.8 g/cm ³	Furniture
4411.94.00	Of a density not exceeding 0.5 g/cm ³	Furniture	

Table AIII.2 (cont'd)

Company name	Tariff heading	Description	Finished products
Petrocom S.A.R.L. and UFAMETAL	7209.15.00	Of a thickness of 3 mm or more	Metal products
	7209.16.00	Of a thickness exceeding 1mm but less than 3mm	Metal products
	7209.17.00	Of a thickness of 0.5mm or more, but not exceeding 1mm	Metal products
	7209.18.00	Of a thickness less than 0.5mm	Metal products
	7209.25.00	Of a thickness of 3mm or more	Metal products
	7209.26.00	Of a thickness exceeding 1mm but less than 3mm	Metal products
	7209.27.00	Of a thickness of 0.5mm or more, but not exceeding 1mm	Metal products
	7209.28.00	Flat- not in coils	Metal products
	7210.30.00	Flat rolled products of iron or non-alloy, electrically plated or coated with zinc, wound	Iron products
	7210.49.00	Flat rolled products of iron, coated with zinc, wound	Iron products
	7210.70.00	Flat rolled of iron painted, varnished or coated with plastics	Iron products
	7211.19.00	Flat rolled products of iron or non-alloy steel, of a width of less than 600mm n.e.s. (including no further worked than rolled)	Metal products
	Premier Tobacco Company	2401.10.00	Tobacco, not stemmed/stripped	Cigarettes
2401.20.00		Tobacco, partly or wholly stemmed/stripped	Cigarettes
2403.99.00		Other	Cigarettes
2811.19.00		Other (other inorganic acids)	Cigarettes
3505.20.00		Glues etc.	Packaging materials
3602.00.00		Prepared explosives	Cigarettes
3920.43.10		Unprinted (containing by weight not less than 6% of plasticisers)	Packaging materials
4821.10.90		Other printed paper	Packaging materials
4823.20.00		Filter paper and paperboard	Cigarettes
5601.22.00		Of man-made fibres	Cigarettes
Rwanda Foam	2707.20.00	Toluol (toluene)	Mattress
	3505.20.00	Glues based on starches	Mattress
	3905.12.00	In aqueous dispersion	Mattress
	3905.19.00	Other (poly (vinyl acetate))	Mattress
	3905.29.00	Other (vinyl acetate copolymers)	Mattress
	3906.10.00	Poly (methyl methacrylate)	Mattress
	3907.99.00	Other (other polyesters)	Mattress
	4804.29.00	Other (sack Kraft paper)	Mattress
Rwanda Leather Industries	4804.49.00	Other (other Kraft paper and paperboard weighing more than 150 g/m but less than 225 g/m)	Mattress
	2519.90.00	Magnesia and other magnesium oxide	Finished leather
	2807.00.00	Sulphuric acid	Finished leather
Societe Rwandaise des Batteries (SRB)	3210.00.10	Water pigments of kind used for finishing leather	Finished leather
	7907.00.00	Other articles of zinc	Batteries
Soft Group	5603.11.00	Weighing not more than 25 g/m (of man-made filaments)	Ladies pads, pampers
	4803.00.00	Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purpose, in rolls or sheets	Toilet paper, napkins, sanitary towels, cleaning facial tissue

Table AIII.2 (cont'd)

Company name	Tariff heading	Description	Finished products
SONATUBES	3208.90.00	Other (of paints, based on acrylic or vinyl polymers)	Labelled pipes
	3907.99.00	Other (polyesters excluding unsaturated) in primary forms	Pipes
SORWATHE	4819.50.00	Master case	Packaging materials
SORWATOM	3921.90.00	Other plates, sheets, film, foil and strips of plastics	Tomato sauce
	4819.50.00	Master case, carton boxes (soft cap) other packaging containers, including record sleeves	Tomato sauce
SOSOMA Industries Ltd	1201.00.00	Soybean	Food
	1701.99.10	Other sugar, for industrial use	Food
SULFO Industries	1511.90.10	Palm olein, fractions	Soap
	1511.90.40	Palm stearin, RBD	Soap
	1511.90.90	Other (palm oil and its fractions, whether or not refined, but not chemically modified)	Soap
	1513.29.00	Other (palm kernel or babassu oil and fractions thereof: other)	Soap
	1518.00.00	Animal or vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphured, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 15.16; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, not elsewhere specified or included.	Soap
	2303.10.00	Residues of starch manufacture and similar residues	Glue
	2707.10.00	Benzene	Cosmetics
	2707.20.00	Toluene	Cosmetics
	2710.19.59	Other (petroleum oils)	Cosmetics
	3215.11.00	Black (printing ink)	Packaging
	3215.19.00	Other (printing ink)	Packaging
	3402.11.00	Anionic	Washing preparations
	3402.19.00	Other (organic surface-active agents, whether or not put up for retail sale)	Washing preparations
	3402.90.00	Other (organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01)	Washing preparations
	3906.90.00	Other (acrylic polymers in primary forms)	Packaging
	3919.10.00	In rolls of a width not exceeding 20 cm	Packaging
3919.90.10	In rolls of a width exceeding 100 cm, unprinted	Packaging	
3920.71.10	Unprinted (of regenerated cellulose) (of cellulose or its chemical derivatives)	Packaging	
4016.93.00	Gaskets, washers and other seals	Packaging	
4016.99.00	Other (other articles of vulcanised rubber other than hard rubber)	Packaging	
4819.20.10	Skillets, free hinge lid packets	Packaging	
4821.10.90	Other printed paper	Packaging and labelling materials	
5908.00.00	Textiles wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated	Candles	
7010.10.90	Other (ampoules)	Packaging	
7010.20.00	Stoppers, lids and other closures	Packaging	
7323.10.00	Iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like	Shoe polish	
7612.10.00	Collapsible tubular containers	Creams	

Table AIII.2 (cont'd)

Company name	Tariff heading	Description	Finished products
SUPA (Safari centre)	5603.11.00	Weighing not more than 25 g/m (of man-made filaments)	Ladies pads, pampers
	4803.00.00	Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purpose, in rolls or sheets	Toilet paper, napkins, sanitary towels, cleaning facial tissue
Trust Industries Ltd	3921.90.00	Other plates, sheets, films, foil, etc.	Packaging
	4803.00.00	Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purpose, in rolls or sheets	Toilet paper, napkins, sanitary towels, cleaning facial tissue
	4823.90.90	Other (other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres)	Toilet paper, napkins, sanitary towels, cleaning facing tissue
	5603.11.00	Weighing not more than 25 g/m (of man-made filaments)	Ladies pads, pampers
UPROTUR	2811.19.00	Other (other inorganic acids)	Metal products and plastic pipes
	3905.12.00	In aqueous dispersion	Plastic pipes
	3905.19.00	Other (poly (vinyl acetate))	Plastic pipes
	3907.99.00	Other (other polyesters)	Plastic pipes
	3909.10.00	Urea resins; thiourea resins	Plastic pipes
	3909.20.00	Melamine resins	Plastic pipes
	3909.50.00	Polyurethanes	Plastic pipes
	7209.15.00	Of a thickness of 3 mm or more	Metal products
	7209.16.00	Of a thickness exceeding 1mm but less than 3 mm	Metal products
	7209.17.00	Of a thickness of 0.5 mm or more, but not exceeding 1 mm	Metal products
	7209.18.00	Of a thickness less than 0.5 mm	Metal products
	7209.25.00	Of a thickness of 3 mm or more	Metal products
	7209.26.00	Of a thickness exceeding 1mm but less than 3 mm	Metal products
	7209.27.00	Of a thickness of 0.5 mm or more, but not exceeding 1 mm	Metal products
	7209.28.00	Flat- not in coils	Metal products
	7210.30.00	Flat rolled products of iron or non-alloy, electrically plated or coated with zinc, winded	Metal products
	7210.49.00	Flat rolled products of iron, coated with zinc, winded	Metal products
	7210.70.00	Flat rolled of iron painted, vanished or coated with plastics	Metal products
	7211.19.00	Flat rolled products of iron or non-alloy steel, of a width of less than 600mm n.e.s. (including no further worked than rolled)	Metal products

Table AIII.2 (cont'd)

Company name	Tariff heading	Description	Finished products
UTEXRWA S.A.	2519.90.00	Other (natural magnesium carbonate); fused magnesia; dead-burned (sintered) magnesia, whether or not containing small quantities of other oxides added before sintering; other magnesium oxide, whether or not pure)	Textile materials
	2811.19.00	Other (other inorganic acids)	Textile
	3208.90.00	Other (paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers, dispersed or dissolved in a non-aqueous medium; solutions as defined in Note 4 to this Chapter)	Textile
	3211.00.00	Prepared driers	Textile
	3212.90.10	Pigments (including metallic powders and flakes) dispersed in non-aqueous media, in liquid or paste form, of a kind used in the manufacture of paints (including enamels)	Textile
	3905.21.00	In aqueous dispersion	Textile
	3905.29.00	Other (vinyl acetate copolymers)	Textile
	3905.30.00	Poly (vinyl alcohol), whether or not containing unhydrolysed acetate groups	Textile
	3905.91.00	Copolymers	Textile
	3905.99.00	Other (polymers of vinyl acetate or of other vinyl esters, in primary forms; other vinyl polymers in primary forms)	Textile
	3907.91.00	Unsaturated	Textile
	4811.49.00	Other (gummed or adhesive paper and paperboard)	Textile
	5601.21.00	Of cotton	Textile
	6217.90.00	Parts (other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading 62.12)	Textile
	8308.90.00	Other, including parts	Textile
	9606.10.00	Press-fasteners, snap-fasteners, and press-studs and parts thereof	Textile
	9606.21.00	Of plastics, not covered with textile material	Textile
	9602.22.00	Of base metal, not covered with textile material	Textile
	9606.29.00	Other (-buttons)	Textile
	9606.30.00	Button moulds and other parts of buttons; button blanks	Textile
	9607.11.00	Fitted with chain scoops of base metal	Textile
	9607.19.00	Other (slide fasteners)	Textile
	9607.20.00	Parts (slide fasteners and parts thereof)	Textile

Note: If the finished products are sold in the customs territory of the EAC, they are subject to duties, levies and other charges set out in the EAC Common External Tariff.

Source: EAC Gazette, Vol.AT 1 – No.08, ISSN 0000211, Arusha, 30 June 2011.

Table AIII.3
Goods and services exempted from VAT

VAT exemptions
Water supply services
(a) The main supply of clean water
(b) Sewage treatment services to protect environment for non-profit motive
Goods and services for health purposes
(a) supply of health and medical services
(b) Articles designed for the persons with disability (eligible bodies must be those recognized by the laws of Rwanda as public institutions, social organizations and any other form of voluntary or charity institutions)
(c) Supply of equipment and drugs to hospitals and health centres
(d) Supply or importation of drugs and medical equipment made by authorized persons for medical use, to patients and persons with disability
Educational materials and services^a
(a) Educational services provided to pre-primary, primary and secondary students
(b) Educational services provided by social organizations to students and other youths, meant for promoting the social, intellectual and spiritual development of the members other than for profit
(c) Educational services provided to vocational and other high learning institutions
(d) Educational materials supplied directly to learning institutions
Books, newspapers, journals and other electronic equipment used as educational materials
Transport services
(a) Transportation of persons by road in bus and coach licensed under the law on vehicles in traffic and having seats for 14 persons or more
(b) Transportation of persons by air
(c) Transportation of persons by railway
(d) Transportation of persons or goods by boat
(e) Transport of goods by road
Lending, lease and sale
(a) The sale or lease of an interest in land
(b) Sale of a building or part of a building, flat or tenement meant for residential purposes
(c) The renting of, or other grant of the right to use, accommodation in a building used predominantly as a place of residence of any person and his family, if the period of accommodation for a continuous term exceeds 90 days, unless the building is meant for accommodation
Financial and insurance services
(a) The premium charged on the provision of life and medical insurance services
(b) Fees charged on the operation of current accounts
(c) Transfer of shares
(d) Capital market transactions for listed securities
Precious metals
The supply of gold to a Bank in bullion form
Funeral services
The supply of any goods or services in the course of a person's burial or cremation, including the provision of any licence or certificate
Energy supplies
(a) Energy saving bulbs
(b) Solar water heaters
(c) Wind energy systems
(d) Liquefied petroleum gas, cylinders and invertors
(e) Equipment used in the supply of biogas energy
(f) Kerosene intended for domestic use, premium and gasoil
Trade union subscriptions
Leasing of exempted goods
All agricultural and livestock products, except for those processed, are exempted from VAT (milk processed in local industries is also exempted from VAT)
Agricultural inputs and equipment

Table AIII.3 (cont'd)

VAT exemptions**The following goods and services imported by persons with investment certificate^b**

- (a) Machinery for industries
- (b) Raw materials for industries
- (c) Building and finishing materials imported by an investor fulfilling the requirements determined by an order of the Minister in charge of finance
- (d) Refrigerating vehicles, tourist vehicles, ambulances, fire-extinguishing vehicles, hearses;
- (e) Vehicles and movable property and equipment for foreign and Rwanda's diaspora investors and their expatriate staff
- (f) Equipment for tourism and hotel industry and relaxation places appearing on the list determined by the Minister in charge of finance
- (g) Goods and services meant for free economic zone
- (h) Medical equipment, medicinal products, agricultural, livestock, fishing equipment and agricultural inputs
- (i) Equipment in education field
- (j) Tourist chartered aeroplanes

Information, communication and technology equipment that appear at annex to the Law are exempted from VAT^c**Mobile hand sets and the subscriber identification module (SIM card)**

- a The eligible bodies for this exemption must be those recognized by the laws as public institutions, not-for-profit social organizations and any other form of voluntary or charity institutions.
- b The exemptions referred to under points (a), (h) and (i) concern all investors, even those not possessing the investment certificate.
- c The annex was not provided.

Source: Law No. 29 of 30 June 2010 Modifying and Complementing Law No. 06/2001 of 20 January 2001 on the Code of Value Added Tax as Modified and Complemented to date.

Table AIII.4
Technical regulations (compulsory standards), April 2012

Reference number	Title
RS CODEX STAN 1-1985	General standard for the labelling of pre-packaged food
RS CODEX STAN 107-1981	General standard for the labelling of food additives when sold as such
RS CODEX STAN 146-1985	General standard for the labelling of and claims for pre-packaged food for special dietary uses
RS CAC/GL 1-1979	General guidelines on claims
RS CAC/GL 2-1985	Guidelines on nutrition labelling
RS CAC/GL 23-1997	Guidelines for use of nutrition claims
RS CAC/RCP 1-1969	Code of practice for food hygiene
RS 1: 2003	Specification for natural mineral water
RS 2:2003	Specification for packaged/bottled drinking water (other than packaged natural mineral water)
RS 4:2004	Specification for neutral spirit for manufacture of alcoholic beverages
RS 5:2004	Specification for gins
RS 6:2004	Specification for brandy
RS 7:2004	Specification for whisky
RS 8:2004	Specification for rum
RS 9:2004	Specification for vodka
RS 10:2004	Specification for still table wines
RS 11:2004	Specification for sparkling wines
RS 12:2004	Specification for fortified wines
RS 16: 2004	Standard specification for beer
RS 17:2004	Specification for carbonated and non-carbonated beverages
RS 18:2004	Specification for glucose based energy drinks
RS 19:2004	Specification for fruit based soft drinks part 1 and 2
RS 20:2004	Specification for cereal based alcoholic beverages
RS 21:2004	Specification for passion fruit juice preserved exclusively by physical means
RS 22:2004	Specification for mango juice preserved exclusively by physical means
RS 24:2004	Specification for sorghum grains
RS 25:2004	Specification for maize grains
RS 26:2004	Specification for wheat grains
RS 27:2004	Specification for milled rice
RS 28:2004	Specification for whole maize meal
RS 29:2004	Specification for edible maize starch
RS 30:2004	Specification for sorghum flour
RS 31:2004	Specification for whole wheat flour
RS 37:2004	Specification for black tea
RS 39:2004	Specification for roasted coffee beans and roasted ground coffee
RS 40:2004	Specification for instant (soluble) coffee
RS 41:2004	Specification for unprocessed whole milk
RS 42:2004	Specification for pasteurised liquid milk
RS 43:2004	Specification for fermented (cultured) milk
RS 44:2004	Specification for UHT milk
RS 45:2004	Specification for milk powder and cream powder
RS CODEX STAN 19-1981	Standard specification for edible oils and fats
RS CODEX STAN 211-199	Standard for named animal fats
RS 50-1: 2004	Cement, part 1: composition, specification and conformity criteria
RS 51: 2004	Specification for aggregate from natural resources for use in concrete
RS 53: 2004	Specification for concrete
RS 54: 2004	Specification for sausage, part 1
RS 55: 2004	Specification for canned corned beef
RS 57:2005	Specification for dressed poultry

Table AIII.4 (cont'd)

Reference number	Title
RS 58:2005	Specification for fresh tomato source
RS 60:2005	Specification for yoghurt
RS 61: 2005	Specification for cheese
RS 62:2005	Specification for butter
RS 64:2005	Specification for toothpaste
RS 65:2005	Specification for cosmetic cream, lotions and gels for skin care
RS 67: 2005	Specification for canned fish in tomato sauce, part 1
RS 68:2005	Specification for soya bean
RS 69:2005	Specification for processed cereals based food for infants and children
RS 70:2005	Specification for breakfast cereals flaked cereals
RS 71: 2005	Specification for bread
RS ISO 10470: 2004	Green coffee defect reference chart
RS IEC 60086-1: 2000-11	Primary batteries part 1: general
RS IEC 60086-2: 2001-10	Primary batteries part 2: physical and electrical specifications
RS 56: 2005	Code of practice for handling, processing, and distribution of fish
RS 59:2005	Specification for fin fish
RS CAC/RCP 41:1993	Ante-mortem and post-mortem inspection of slaughter animals and ante-mortem and post-mortem judgement of slaughter animals and meat

Source: RBS Instruction No. 02/2005 Declaring Compulsory Rwanda Standards.

Table AIII.5
SPS institutions

Agency and Ministry	Level in food chain	Implementation mechanism
Department of Environmental Health, MOH	Production, processing products, handling, storage, distribution, premises inspection, services	Regulations (food standards, food production and service premises) Inspection, licensing and issue of Health Certificates (import/export) Surveillance (food premises, imports, production, personnel, disease) Laboratory support services (pathogens, aflatoxins, water) Training, research (Epidemiological studies) Risk assessment Closure of premises, withdrawal and recall orders Power to prosecute
Government Chemists Department, MOH	Production, processing, handling, storage, distribution products	Analysis of: food, agri-inputs, chemical substances, residue levels
National Laboratories, MOH	Production, processing, Handling, storage, distribution, products	Analysis of all food articles
ISAR - Rwanda Agricultural Research Institute, MINAGRI	Research and development	Human disease control – food borne illnesses Training, research and surveillance Laboratory analysis Biotechnology
Pharmacy and Poisons Board, MOH	Production input	Evaluation, approval and registration of veterinary drugs Advisory services – veterinary drugs Licensing and inspection of local production, and import/export - Distributors - Warehousing Surveillance
Department of Veterinary Services, MINAGRI	Production processing, distribution, handling	Regulations (animal health, diseases, veterinary drug residues) Inspection, licensing and issue of health certificate (animals for slaughter and transportation, premises animal products, export, import) Surveillance (animal health, disease, drugs and pesticides, meat and milk) Laboratory analysis (drugs, pesticides, chemicals, pathogens also in collaboration with ILRI, UON, KARI) Extension services Training and advisory (drugs, pesticides, disease control, feedstuffs) Gazettes approved pesticides for animal pest control and veterinary drugs
Department of Fisheries, MINAGRI	Production, processing, distribution, premises, storage	Regulations on Fish hygiene and quality assurance guidelines Inspection, surveillance and licensing (landing beaches, vessels) Extension services Sampling
Pest Control Products Board RADA - Rwanda Agricultural Development Authority, MINAGRI	Production, processing, storage	Evaluation of pesticide dossiers approval and registration Inspection, surveillance, and licensing (premises, exports/imports, industry, market) Information dissemination Training and advisory (pesticide use)
ISAR/RADA/RALDA (Rwanda Agricultural & Livestock Development Authority), MINAGRI	Production, processing, products, distribution	Plant health regulations Inspection (farm, market, exports/import licensing and health certificate) Surveillance (diseases, pests, pesticides) Laboratory analysis (produce, pesticides, fertilizers, soil, commodities) Information dissemination Training and advisory (fertilizer use) Extension services

Table AIII.5 (cont'd)

Agency and Ministry	Level in food chain	Implementation mechanism
Rwanda Agricultural Research Institute (ISAR), MINAGRI	Production, packaging	Research and development: Plant/seed varieties Biotechnology Animal and plant disease control Information dissemination and advisory Laboratory analysis (drugs, seeds, animal health, animal feeding, toxins, pathogens)
Horticultural Crop Development Authority, MINAGRI	Production, Processing	Inspection and licensing (fruit tree nurseries) Laboratory support (fruit maturity) Surveillance for GAP (farms) Quality assurance assistance Training and advisory Extension services
Department of crop production, MINAGRI	Production	Crop inspection Surveillance Extension services Training Regulation
Rwanda Bureau of Standards (RBS), Trade and Industry	Production, processing, distribution, handling, packaging, product, management systems	Development of national standards Inspection, surveillance, and issuance of certificates/reports of analysis (industry, market, exports/imports) Product certification HACCP compliance audit certificates Laboratory analysis (pathogens, heavy metals, pesticides, aflatoxins, water)
National Council for Science and Technology, MINEDUC	Production, processing, distribution, handling, packaging, product	Policy development and advancement of science and technology National Bio-safety Clearing House Approval of research and development for Genetically Engineered Organisms Approval of research and development and licensing
RALDA, MINAGRI	Production, processing, distribution, handling, packaging, product	Regulations of milk and milk products Policy development on milk and milk products Information/education on milk and milk products Inspection and licensing of milk/milk products premises
NAEB (National Agriculture Export Development Board), MINAGRI	Production, processing, distribution, handling, packaging, product	Regulations on tea and coffee production Tea and coffee research and development Laboratory analysis of coffee and tea Inspection and licensing of coffee and tea premises

Source: EAC 2011, *Drafting of EAC Harmonised Measures for Food Safety*, March, Dar es Salaam.

Table AIII.6
Criteria for selection of consultants in public procurement

When to be used	Conditions to be fulfilled	Threshold
<p>QCBS (Quality and cost-based selection) When both the quality and cost need to be taken into consideration Main method to be used whenever appropriate</p>	<p>Preparation of terms of reference Preparation of shortlist of consultants Technical and financial proposal opened at different times Public opening of financial proposal</p>	No limit
<p>QBS (Quality-based selection) For complex or highly specialized assignments where precision of terms of reference is difficult Where the procuring entity expects consultants to demonstrate innovation in their proposals Assignments that can be carried out in substantially different ways, such that proposals will not be comparable</p>	<p>Request for proposals must provide estimated budget or number of key staff time Only financial offer of highest ranked technical proposal is opened</p>	No limit
<p>LCS (Less-cost selection) Assignments of a standard or routine nature where well established practices exist e.g. audits</p>	<p>Minimum qualifying mark has to be indicated in the request for proposals (70%) All proposals above the minimum qualifying mark compete only on cost</p>	Threshold to be recommended
<p>FBS (Fixed budget selection) When assignment is simple and can be precisely defined When budget is fixed</p>	<p>RFP shall indicate the available budget Terms of references should be well prepared to make sure that the budget is sufficient for consultants to perform expected tasks Proposals that exceed the indicated budget must be rejected</p>	Threshold to be recommended
<p>CQS (Consultant qualification selection) For small assignments for which the need to preparing and evaluating competitive proposals is not justified</p>	<p>Prepare terms of reference, request expression of interest, select firm with the most appropriate qualifications and experience. Selected firm shall be asked to submit a combined technical and financial proposal</p>	Threshold to be recommended
<p>Individual consultant When teams of personnel are not required No additional outside professional support is required Experience and qualifications of the individual are the paramount requirement</p>	<p>Selection based on qualification for the assignment Compare qualifications of at least three candidates among those who expressed interest in the assignment or who were directly approached by the procuring entity</p>	RF 50 million
<p>SSS (Single source selection) Only used in exceptional circumstances e.g. in emergency cases Where assignment is a natural continuation of previous work carried out by the firm Only one firm is qualified or has experience of exceptional worth for the assignment</p>	<p>The procuring entity shall ask the consultant to prepare technical and financial proposal on the basis of terms of reference furnished, which shall then be negotiated</p>	Threshold to be recommended

Source: MINECOFIN; and RPPA (2010), *Public Procurement User Guide*, November, Kigali, Table "Thresholds for procurement methods and prior review".