



KCCI - Country Wrap: Rwanda (Nov. '18)

Rwanda – a brief overview

Rwanda is a rural, agrarian country with agriculture accounting for about 63% of export earnings, and with some mineral and agro-processing. Population density is high but, with the exception of the capital Kigali, is not concentrated in large cities. About 90% of the population is engaged in (mainly subsistence) agriculture and some mineral and agro-processing.

Economy of Rwanda

Tourism, minerals, coffee and tea are Rwanda's main sources of foreign exchange. Rwanda has made substantial progress in stabilizing and rehabilitating its economy to pre-1994 level when genocide decimated Rwanda's fragile economic base, severely impoverished the population, particularly women, and temporarily stalled the country's ability to attract private and external investment. GDP has rebounded with an average annual growth of 6%-8% since 2003 and inflation has been reduced to single digits. Despite Rwanda's fertile ecosystem, food production often does not keep pace with demand, requiring food imports. The Rwandan Government is seeking to become a regional leader in information and communication technologies and aims to reach middle-income status by 2020 by leveraging the service industry. In 2012, Rwanda completed the first modern Special Economic Zone (SEZ) in Kigali. The SEZ seeks to attract investment in all sectors, but specifically in agribusiness, information and communications, trade and logistics, mining, and construction. In 2016, the government launched an online system to give investors information about public land and its suitability for agricultural development. Rwanda is setting up its first research center for non-communicable diseases. Rwanda has also been recognized as the second best country in the world to register a property in World Bank's Doing Business 2019 report. The government has embraced an expansionary fiscal policy to reduce poverty by improving education, infrastructure, and foreign and domestic investment. Rwanda consistently ranks well for ease of doing business and transparency.

Key Industries of Rwanda

The industries of Rwanda cement, agricultural products, small-scale beverages, soap, furniture, shoes, plastic goods, textiles, cigarettes. Its agricultural products are coffee, tea, pyrethrum (insecticide made from chrysanthemums), bananas, beans, sorghum, potatoes and livestock.

Rwanda's major trading commodities and partners

The major export partners of Rwanda are UAE (38.3%), Kenya (15.1%), Switzerland (9.9%), Democratic Republic of the Congo (9.5%), US (4.9%), Singapore (4.5%). The important import partners of Rwanda are China (20.4%), Uganda (11%), India (7.2%), Kenya (7.1%), Tanzania (5.3%), U.A.E (5.1%).

Economic Relations between Pakistan and Rwanda

The Pakistani community is actively engaged in the merchandise business activities and professional support in technology and industry in Rwanda to date. Overall trade has been increasing but import from Rwanda has increased sharply in last 3 years. Smartphone applications developed by the Punjab Information Technology Board (PITB) that which have significantly improved the public sector performance in Pakistan are being deployed by eight countries, including Rwanda.

Bilateral Trade Relations between Pakistan and Rwanda

Pakistan and Rwanda shares healthy bilateral relations where trade between the two countries is going smooth. During 2017, Pakistan exported goods to Rwanda of worth \$ 0.205Mn as against \$ 0.184Mn in 2016 showing a growth of 11.4%, while imports from Rwanda stood at \$ 34.49Mn in 2017 as against \$ 32.19Mn in 2016, an increase of 7.1%. The trade balance is significantly in favor of Rwanda.

Potential for enhancing bilateral trade relations between Rwanda and Pakistan

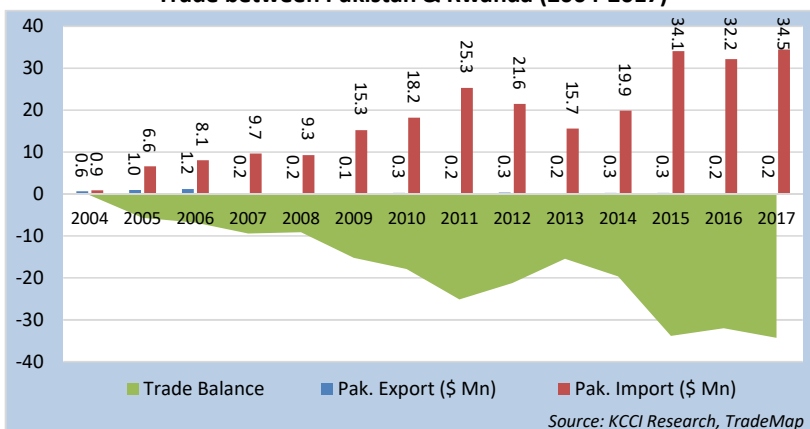
- Pakistan and Rwanda can enhance trade by trading in agricultural products.
- There is also potential in live animal, meat and edible meat trade between two countries.
- Pakistan can help Rwanda in the fields of healthcare and can accommodate Rwanda in terms of medical tourism.

Economic Indicators

Indicators	Unit	2016	2017	Change
GDP (PPP)	\$ Bn	23	25	6.10%
GDP per Capita	\$	2,000	2,100	5.00%
GDP growth	%	6.00	6.10	0.10%
Forex Reserves	\$ Bn	1.1	1.0	-9.64%
External Debt	\$ Bn	2.6	3.3	24.78%
Exports of Goods	\$ Bn	0.6	0.6	-2.11%
Imports of Goods	\$ Bn	1.8	1.3	-26.51%
Trade Balance	\$ Bn	-1.2	-0.7	39.63%
Current Account	\$ Bn	-1.34	-0.62	53.44%
FDI - at Home	\$ Bn	2.1	2.4	14.77%
FDI - at Abroad	\$ Bn	0.03	0.11	321.64%
CPI	%	5.70	4.80	-0.90%
Prime Lending Rate	%	17.29	17.17	-0.90%

Sources: KCCI Research, CIA Factbook & TradeMap

Trade between Pakistan & Rwanda (2004-2017)



Source: KCCI Research, TradeMap

Rwanda's Top 10 Trade Items With World (2017)

Top 10 Exports Items	(\$ Mn)	Top 10 Imports Items	(\$ Mn)
Natural or cultured Pearls	311.38	Electrical machinery	161.21
Ores, slag and ash	120.00	Mechanical appliances	109.21
Coffee, tea & spices	112.61	Vehicles other than railway	103.69
Raw hides & skins	10.01	Pharmaceutical products	101.21
Commodities not elsewhere	8.43	Mineral fuel & oil	94.54
Residues	7.68	Commodities not elsewhere	58.45
Edible vegetables	3.20	Cereals	57.51
Iron & Steel	3.07	Plastics & articles thereof	41.23
Lead & articles thereof	2.50	Sugars and confectionery	41.12
Live trees & plants	2.39	iron & steel	39.73

Sources: KCCI Research, Trademap

Pakistan - Rwanda 10 Trade Items (2017)

Pakistan's Export Items	(\$ Mn)	Pakistan's Import Items	(\$ Mn)
Optical, photographic & surgical	0.08	Coffee, Tea and Sprices	34.46
Wedding, felt & nonwovens	0.07	Edible vegetables	0.03
Pharmaceutical products	0.03		
Other made-up textiles articles	0.02		

Sources: KCCI Research, Trademap