

IOA — 2019 — ACBR

AFRICA COUNTRY BENCHMARK REPORT



Rwanda Profile



A peaceful misty rural road seems an anomaly against Rwanda's current image as a dynamic society with a fast-growing economy.



Image courtesy of Leandro Neumann Ciufo

RWANDA

#13

RWANDA



OVERVIEW ANALYSIS

After the horrific genocide against the Tutsi people in 1994, stability and economic growth have been accompanied by concerted efforts to accomplish gender equality in government. However, Rwanda's democracy has been compromised by President Paul Kagame's ability to stay in power for the next two decades. Subsistence farming is the livelihood for 90% of Rwandans and agriculture dominates Rwanda's economy. While the population is largely rural, Rwanda suffers from Africa's highest population density. The country is making strides to secure their status as Central Africa's most highly technological country. Despite economic and societal progress recorded during the year under review, Rwanda fell two ranks in ACBR 2019 to 13th place.

KEY OPPORTUNITIES

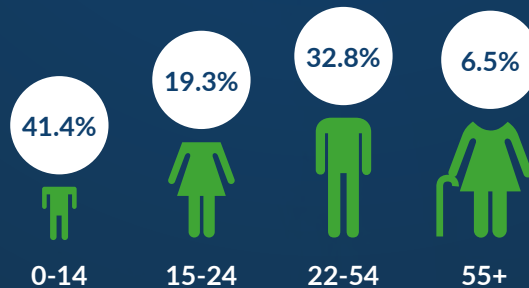
- Rwanda has a growing ICT environment
- Agribusiness is the foundation for a robust agriculture sector
- The tourism industry is founded on Rwanda's famous gorillas

KEY CONCERNS

- Landlocked Rwanda has erratic transportation links with unstable neighbours
- The largely rural population requires work skills and job training
- Government policies affecting human rights show worrying tendencies

COUNTRY HIGHLIGHTS

PREDOMINANT RELIGION Christianity	PREDOMINANT LANGUAGE Kinyarwanda	POPULATION WITHOUT ELECTRICITY 70.6% (#39) ▲ ¹	LITERACY RATE 70.5% (#29) ▼ ¹	PRIMARY ELECTRICITY SOURCE Hydroelectric
IMPORT/EXPORT Machinery/Ore and Petroleum	EXTERNAL DEBT US\$ 2.966 billion (#30) ▲ ³	ACTIVE CONFLICT No	LAND SIZE 26,338 km ² (#46)	INTERNET PENETRATION 20% (#27) ▼ ²



Term:
22/04/2000 - present
5 years (2 term limit)

Political Party:
Rwandan Patriotic Front

Recent Electoral Information:
08/04/2017
6 675 472 Votes
98.79%
Voter turnout: 98.15%



President Paul Kagame

CONTRIBUTIONS TO GDP BY SECTOR

POPULATION AGE BREAKDOWN

NATIONAL GOVERNANCE

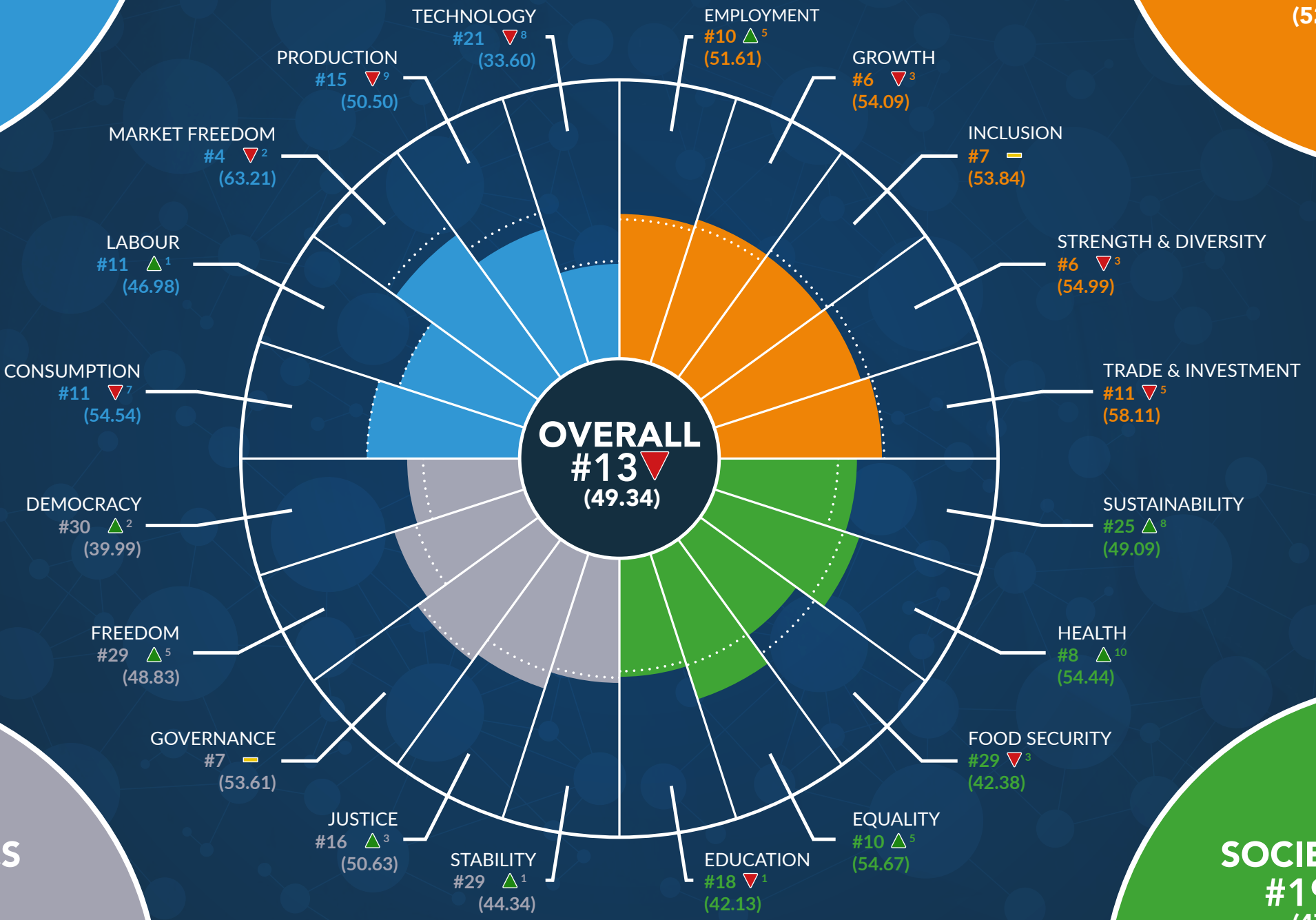
BUSINESS

#11
(49.76)

RWANDA PERFORMANCE OVERVIEW

ECONOMICS

#8
(52.82)



POLITICS

#23
(47.48)

SOCIETY

#19
(47.31)

▲ Increase from 2017
 ▼ Decrease from 2017
 ▬ No change
 2017 Score

RWANDA BUSINESS ANALYSIS



BUSINESS OVERVIEW

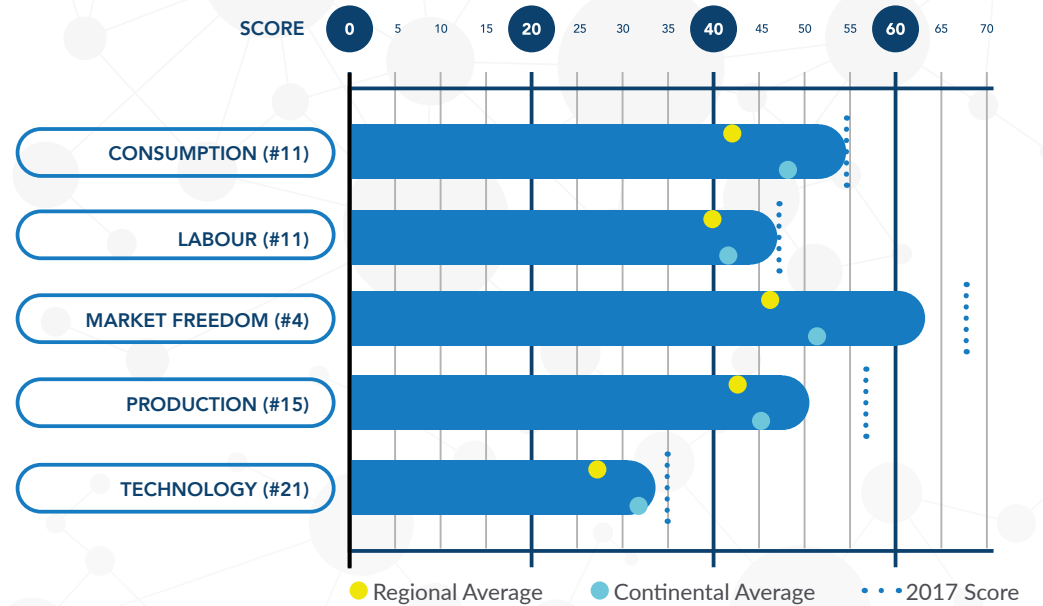
Rwanda leads all Sub-Saharan countries in the ease of starting a new business, which has contributed to high economic growth. Businesses are ensured easy access to electricity supplies and the courts are adept at enforcing contracts. The revenue service tries to streamline the taxpaying process for investors. Accessing credit is not difficult for legitimate businesses, and the cost of borrowing is going down, projected to be 6% through to 2020.

Because of Rwanda's landlocked status, swift passage of their exports to continental and overseas markets is essential. The country has no railroad, and of Rwanda's 4,700 km of roads, only a quarter (1,200 km) is paved. Consequently, air transport for goods is increasing. In addition to

aviation, the country is becoming a regional leader in ICT. Promoting this sector was the motivation for Rwanda's first special economic zone, established in 2012, which has drawn investment in agribusiness and logistics as well. In regard to mobile phone subscriptions, three-quarters of Rwandans have these, and about a third of the population is connected to the internet.

Due to better performance by other countries relative to Rwanda's market, Rwanda fell from the top 10 of countries in the Business quadrant. The country suffered their worst decline of six ranks in this quadrant, falling from 5th in ACBR 2017 to their current position of 11th place.

BUSINESS SCORES & RANKINGS



BUSINESS DATA COMMENTARY

<p>Rwanda data availability 97.8%</p>	REGIONAL AVERAGE 70.97%	AFRICAN AVERAGE 77.78%	CONTINENTAL RANK #18
	The highest of all quadrants, Rwanda's score for business data availability stands at a high 97.80%, thus ranking 18 th continentally. This is considerably higher than both the regional average for Eastern Africa, currently at 70.97%, as well as the continental average of 77.78%. As one of the emerging tech-hubs of Africa, Rwanda's data collection capacity is on the rise, with government-headed agencies such as the National Institute of Statistics of Rwanda providing ample commercial statistics.		

BUSINESS STATISTICS

% POPULATION IN URBAN CENTRES 17.2% (#51)	LABOUR FORCE IN MILLIONS 6.23 million (#25)	INDUSTRIAL PRODUCTION GROWTH 4.8% (#20)	PRIME LENDING RATE 16.9% (#36)
% ADULTS WITH A BANK ACCOUNT 50.02% (#11)	ANNUAL AIR PASSENGERS 0.74 million (#14)	MOBILE SUBSCRIPTIONS 74.86 per 100 (#30)	NATIONAL 3G COVERAGE 92.1% (#7)

RWANDA ECONOMIC ANALYSIS



ECONOMIC OVERVIEW

Rwanda has created a base for economic freedom, which has grown from government's response to business needs. Agriculture's contribution to GDP, now 31%, has declined slightly since 2017. The top three exports are from the agriculture sector: coffee, hides and tea, followed by tin ore. The United Arab Emirates purchases 38% of Rwandan exports, followed by Kenya, at 15%, and the Democratic Republic of Congo (DRC) and Switzerland at 10% each. The services sector grew in relation to agriculture and industry and now stands at 52% of GDP. Trade imbalance has been consistently high in recent years, US\$ 1.92 billion of imports in 2017 versus exports of US\$ 1.05 billion. Imported items – led by cement and construction materials, foodstuffs,

machinery and other equipment, petroleum products and steel – are required to build the industrial infrastructure that will be capable of producing these items in the future.

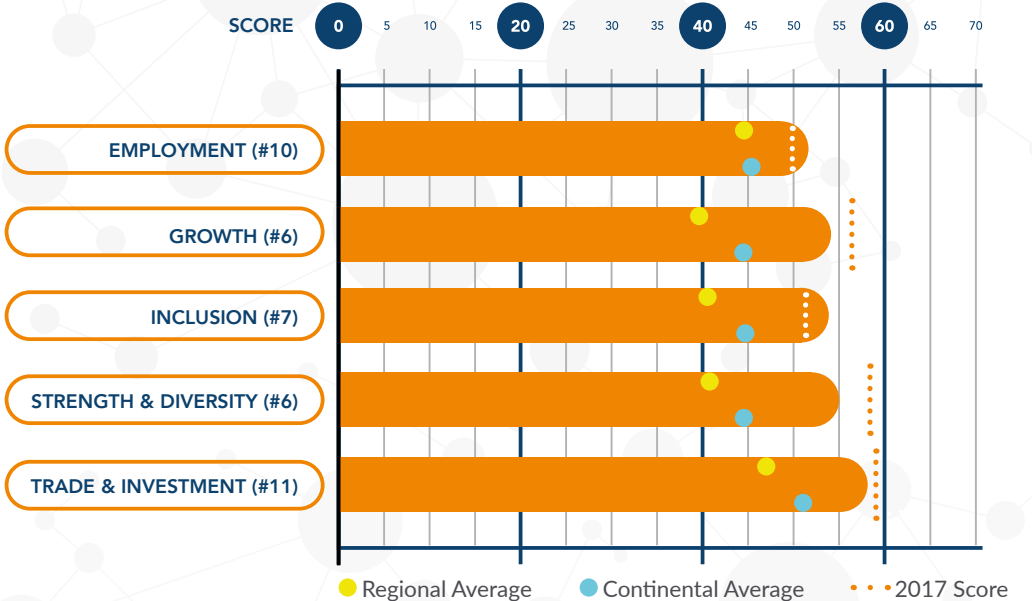
The poverty rate has decreased in recent years, falling below 40%, but the level of income inequity remains very high. The lowest 10% of income earners possess 2% of national wealth, while the top 10% hold 43%.

Rwanda's economy is doing well, but nonetheless saw a drop by two positions in the Economics quadrant to 8th place. While the country remained in the top 10 of African countries in this quadrant, the drop was due to relatively better performance from more robust economies.

ECONOMIC DATA COMMENTARY

<p>Rwanda data availability 89.74%</p>	<p>REGIONAL AVERAGE 69.37%</p>	<p>AFRICAN AVERAGE 77.78%</p>	<p>CONTINENTAL RANK #24</p>
	<p>Constituting a significant drop from the previous quadrant, Rwanda's score for economic data availability is 89.74%, thus ranking 24th continentally. Comparatively speaking, this stands above the respective regional and continental averages of 69.37% and 77.78%. Despite strong economic growth, Rwanda is plagued by institutional weakness and lacks economic transparency, thus requiring improved data collection. At present, much data is available from the World Bank and the Rwanda data portal.</p>		

ECONOMIC SCORES & RANKINGS



ECONOMIC STATISTICS

<p>GDP PER CAPITA</p> <p>US\$ 2,900 (#29)</p>	<p>UNEMPLOYMENT RATE</p> <p>1.3% (#2)</p>	<p>TRADE BLOC MEMBERSHIP</p> <p>AFTZ, COMESA, SADC</p>	<p>INFLATION RATE</p> <p>7.1% (#35)</p>
<p>GDP AT PPP</p> <p>US\$ 24.6 billion (#34)</p>	<p>CURRENCY AND GOLD RESERVES</p> <p>US\$ 1.03 billion (#22)</p>	<p>FDI NET INFLOWS</p> <p>US\$ 293 million (#34)</p>	<p>BUDGET SURPLUS (+) OR DEFICIT (-)</p> <p>-4.3% (#27)</p>

RWANDA POLITICAL ANALYSIS



POLITICAL OVERVIEW

During the Rwandan civil war, ended in 1994, the former government's army had participated in the genocide against the Tutsi people and reform was required. However, the need for the army was not questioned, given external threats posed by Rwanda's neighbours. In 2019, the DRC is unsettled after a controversial election, while tension remains high with Burundi, which has accused Rwanda of secretly training Burundian refugees as a guerrilla army against the Nkurunziza regime. Rwanda hosted about 90,000 Burundi refugees in 2018. The United Nations has also accused Rwanda of interfering in the DRC by sponsoring militant insurgents.

President Paul Kagame, who has served two terms since 2000, was legally obligated to retire at the end of his current

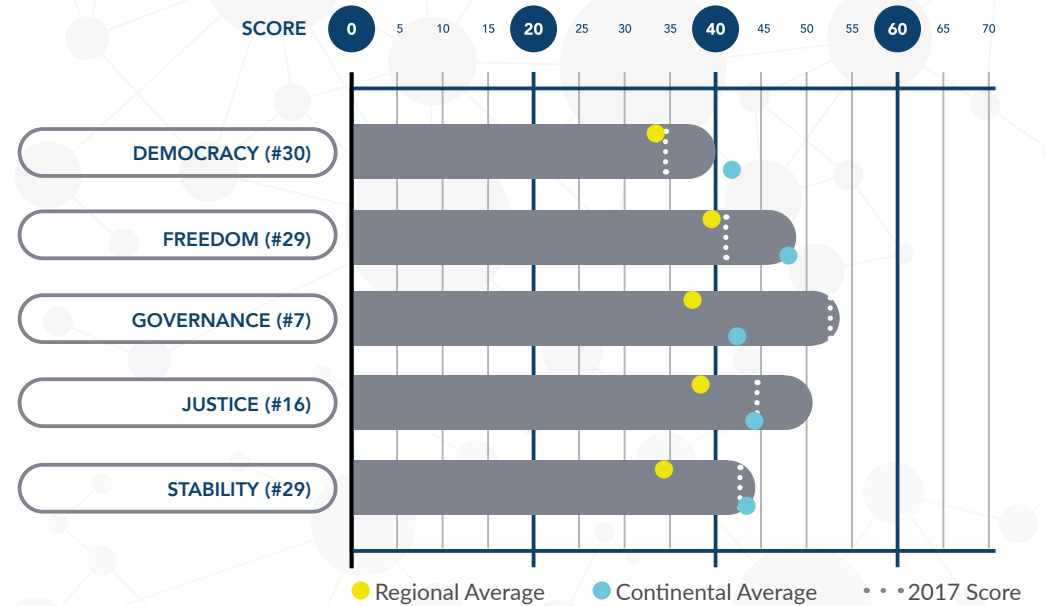
term. However, a national referendum was held in 2015 that changed the constitution to allow Kagame to stay in power until 2034. The development has alarmed democracy advocates and increased worry over Kagame's autocratic tendencies. Human rights groups have documented the unlawful detention of civilians by the military and a weakening of civil society and media controls, including the dominance of government propaganda in all media outlets.

Concerns that President Kagame was suppressing the political opposition and that changes in the presidential term limit sets the stage for rule by strongman prompted Rwanda's position in the Politics quadrant to fall to 23rd place from 22nd recorded previously.

POLITICAL DATA COMMENTARY

<p>Rwanda data availability 81.56%</p>	<p>REGIONAL AVERAGE 74.88%</p>	<p>AFRICAN AVERAGE 82.86%</p>	<p>CONTINENTAL RANK #31</p>
	<p>The lowest of all quadrants, Rwanda's present score for political data availability is 81.56%, thus ranking 31st continentally. Despite being the lowest, this score nonetheless manages to exceed the regional average of 81.56% while falling slightly short of the prevailing continental average of 82.86%. Currently under the Kagame regime, Rwanda has long been recovering from the tragic devastation of 1994, and despite having achieved significant growth and stability remains plagued by ongoing repression.</p>		

POLITICAL SCORES & RANKINGS



POLITICAL STATISTICS

<p>NUMBER OF POLITICAL PARTIES</p> <p>5 (#45)</p>	<p>MILITARY EXP AS % OF GDP</p> <p>1.2% (#28)</p>	<p>REFUGEE INFLOW</p> <p>144,032 (#21)</p>	<p>NUMBER OF RIGHTS</p> <p>53 (#26)</p>
<p>DATE OF INDEPENDENCE</p> <p>07/01/1962</p>	<p>NET OFFICIAL DEVELOPMENT ASSISTANCE</p> <p>US\$ 1,148 million (#16)</p>	<p>WOMEN IN PARLIAMENT</p> <p>61.3% (#1)</p>	<p>CAPITAL PUNISHMENT</p> <p>Abolished</p>

RWANDA SOCIETAL ANALYSIS



SOCIETAL OVERVIEW

Rwandans belong to a single cultural and linguistic group, the Banyarwanda. Religion is another unifying factor, where 94% of Rwandans are Christians, with Catholicism comprising 44% of the population. At 483 residents per km², Rwanda's population density is greater than anywhere else in Africa. Competition over resources contributed to the 1994 Tutsi genocide.

While the country's death rate is high, including high infant and maternal mortality rates, the birth rate is higher still, perhaps as a response to the genocide that killed so many. The average Rwandan woman gives birth to 3.75 children. A 2.3% population growth rate will ensure that demand for better social welfare services will remain. HIV/AIDS is also a public health concern,

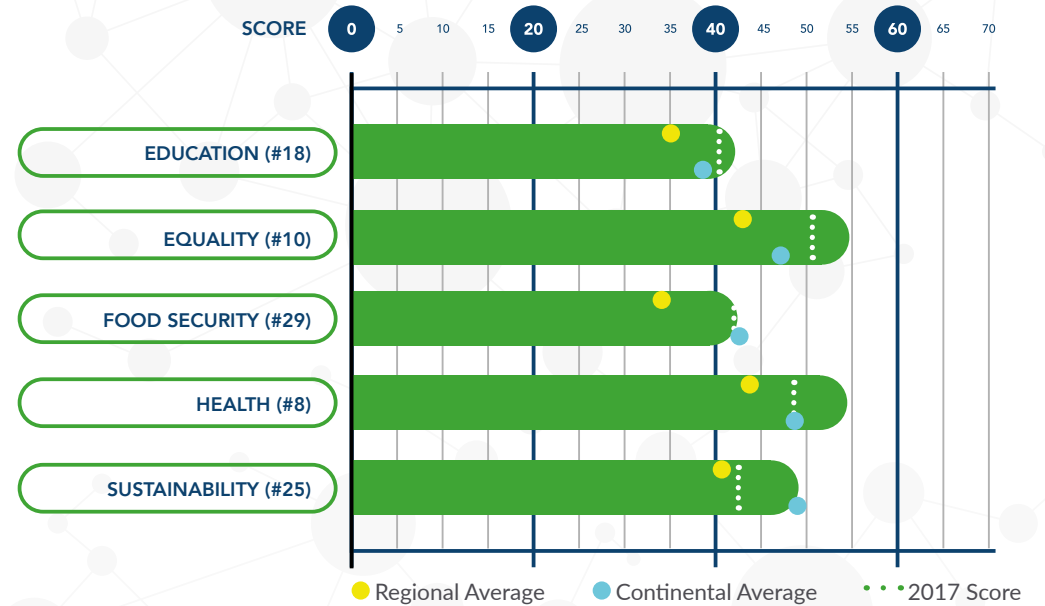
resulting in over 200,000 Rwandans living with the disease. About 3,100 Rwandans die annually from HIV/AIDS. Only 76% of Rwandans have access to clean water, and only 62% have access to improved sanitation.

Literacy in Rwanda is relatively high by Central African standards, with 70% of the population able to read and write. Both boys and girls equally achieve an average of 11 years of schooling. As economic improvement has led to investment in innovations like drone delivery of medical supplies in remote areas, in the Society quadrant, Rwanda enjoyed its only position improvement, ascending by three ranks to 20th place.

SOCIETAL DATA COMMENTARY

<p>Rwanda data availability 86.73%</p>	<p>REGIONAL AVERAGE 63.78%</p>	<p>AFRICAN AVERAGE 75.28%</p>	<p>CONTINENTAL RANK #25</p>
	<p>Despite having achieved strong economic growth, Rwanda remains plagued by a host of developmental impediments, including chronic poverty, malnutrition, education deficits and violence against children. In this regard, comprehensive societal data coverage is required, with Rwanda currently scoring 86.73% and a corresponding continental rank of 25th. Comparatively speaking, this stands in excess of the respective regional and continental averages of 63.78% and 75.28%.</p>		

SOCIETAL SCORES & RANKINGS



SOCIETAL STATISTICS

<p>POPULATION SIZE AND GROWTH RATE</p> <p>11,901,484 at 2.45% p.a. (#27) (#18)</p>	<p>LIFE EXPECTANCY</p> <p>64.3 years (#18)</p>	<p>HIV PREVALENCE</p> <p>3.1% (#17)</p>	<p>SEXUALITY TOLERANCE</p> <p>Legal</p>
<p>ACCESS TO DRINKING WATER</p> <p>76.1% (#29)</p>	<p>HEALTH EXPENDITURE (% OF GDP)</p> <p>7.9% (#11)</p>	<p>PRIMARY EXPENDITURE (% OF EDU. TOTAL)</p> <p>34.61% (#30)</p>	<p>SOCIAL MEDIA PENETRATION</p> <p>5% (#42)</p>

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