



EUROPEAN BUSINESS IN RWANDA

HOW EUROPEAN INVESTMENT AND TRADE
CONTRIBUTE TO SUSTAINABLE DEVELOPMENT



INTRODUCTION

Rwanda, a nation characterised by its small size, hilly terrain, fertile lands and vibrant business landscape, sustains a population exceeding 13 million. Nestled among East African nations such as the Democratic Republic of Congo, Tanzania, Uganda, and Burundi, Rwanda gives access to the East African markets. Rwanda showed incredible resilience during COVID and has demonstrated an impressive recovery. The sixth growing economy in the continent before COVID, Rwanda bounced back to 8,2% GDP growth in 2023. With an excellent business environment, strong levels of governance, world-class business facilitation ecosystem, Rwanda has profiled itself as an ideal destination for trade and investment; and a regional hub and springboard to other EAC and African markets.

The European Union is the biggest source of Foreign Direct Investment to Rwanda, with investments worth US\$ 210 million registered in 2022 and the fifth trading partner.

The European Union and its Member States in a Team Europe approach are investing more than €900 million in Rwanda under Global Gateway, Europe's investment programme for the world. In December 2023, the President of Rwanda Paul Kagame and European Commission President Ursula von der Leyen agreed to expand the EU-Rwanda partnership forward, including with mutually beneficial investments under the EU Global Gateway strategy, including €40 million investment in the development of biopharmaceutical industry and local manufacturing of vaccines, medicines and health products in Rwanda. Moreover, EU businesses in Rwanda form an integral part of Team Europe approach, actively contributing to the EU Global Gateway Strategy in the country through their investment, innovation, and collaborative efforts with local stakeholders.

FOREWORD



Ms BELEN CALVO UYARRA

AMBASSADOR OF THE
EUROPEAN UNION TO RWANDA

This brochure spotlights European businesses in Rwanda, featuring voluntary data that highlights their profiles, sectors of activity, investment characteristics, economic impact, and corporate social responsibility. Its goal is to pinpoint key trade and investment opportunities and barriers. The brochure is designed to play a crucial role in strengthening the partnership and showcasing the robust connections between Europe and Rwanda.

In collaboration with Rwandan authorities, local private sectors, and financial institutions, the mapping of EU business aims to nurture effective public-private dialogue. This effort aligns with Rwanda's National Development Plans, the EU-Africa Partnership for Sustainable Growth and Jobs, and the EU External Investment Plan, reinforcing the significant contribution of the private sector. Enjoy the read!

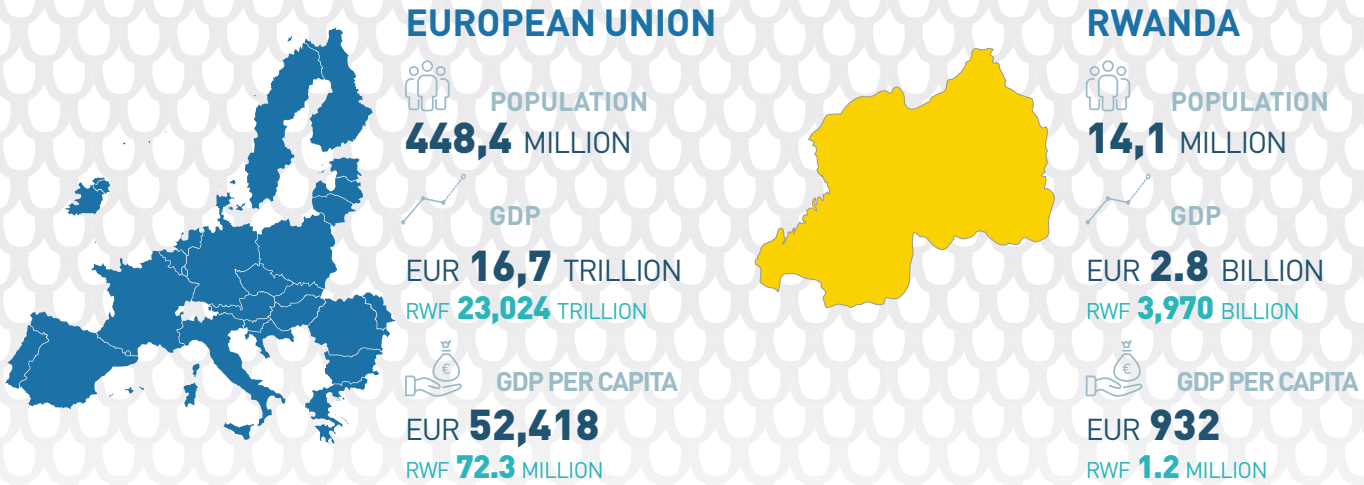


Mr GIOVANNI DAVITE

PRESIDENT OF EUROPEAN BUSINESS
CHAMBER OF RWANDA (EBCR)

It is my pleasure to present the key data from the EU companies in Rwanda. We received replies from 93 companies representing 302 million euro of investment placed in Rwanda in the last 5 years and, importantly a plan to invest 383 million more over the next 5 years. These companies employ more than 5,000 people in Rwanda, the vast majority being locals. It is my hope and wish to continue to see the strong investment of European companies in Rwanda. This is in the mutual interest of both parties. The EBCR will continue to advocate for a favourable business climate. Helping EU firms to invest is also helping for positive investment characteristics, improving Rwanda's overall business environment and fostering economic impact.

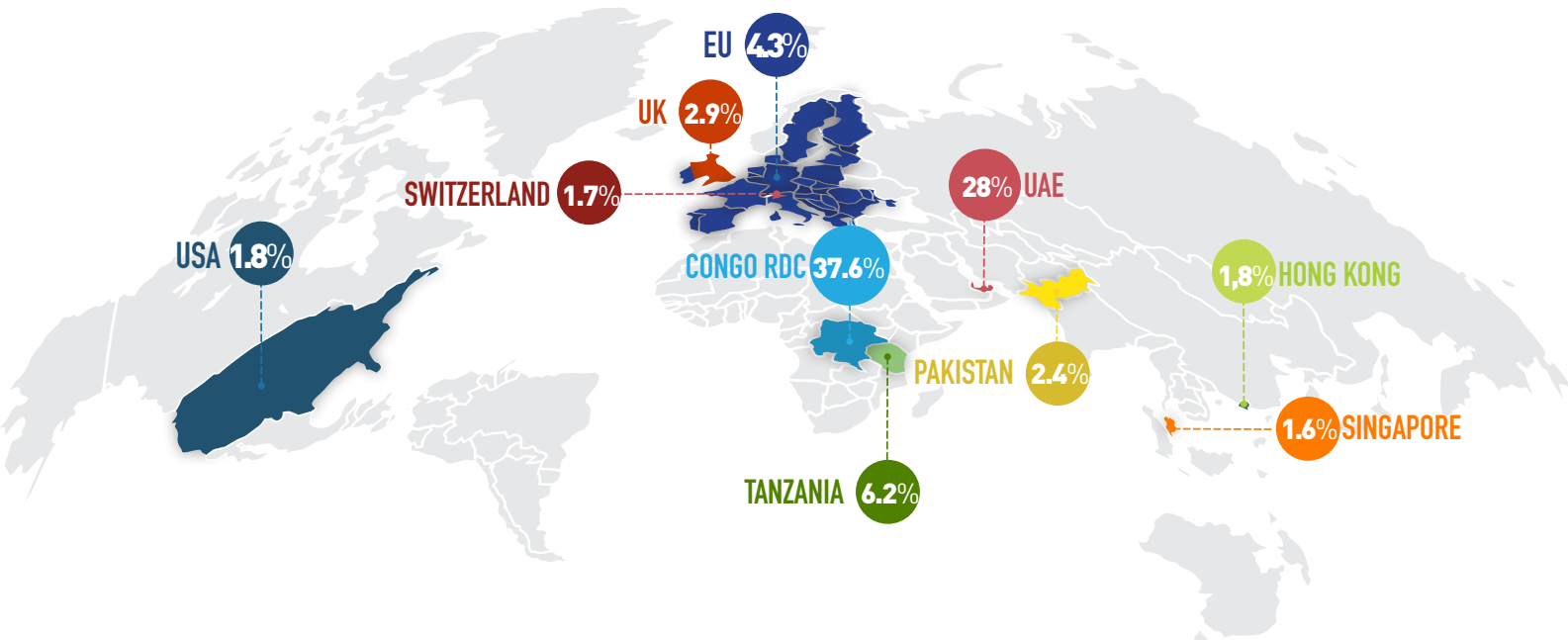
EUROPE-RWANDA ECONOMIC OVERVIEW



* Source: World Bank, 2023.

* Source: National Institute of Statistics Rwanda (NISR), 2023.

RWANDAN EXPORTS TO THE WORLD



* Source: IMF, 2022.

RWANDAN EXPORTS TO EUROPE

BELGIUM



EUR 79,227,127

RWF 108B

GERMANY



EUR 52,339,271

RWF 71B

FRANCE



EUR 31,283,033

RWF 43B

NETHERLANDS



EUR 28,867,798

RWF 40B

PORTUGAL

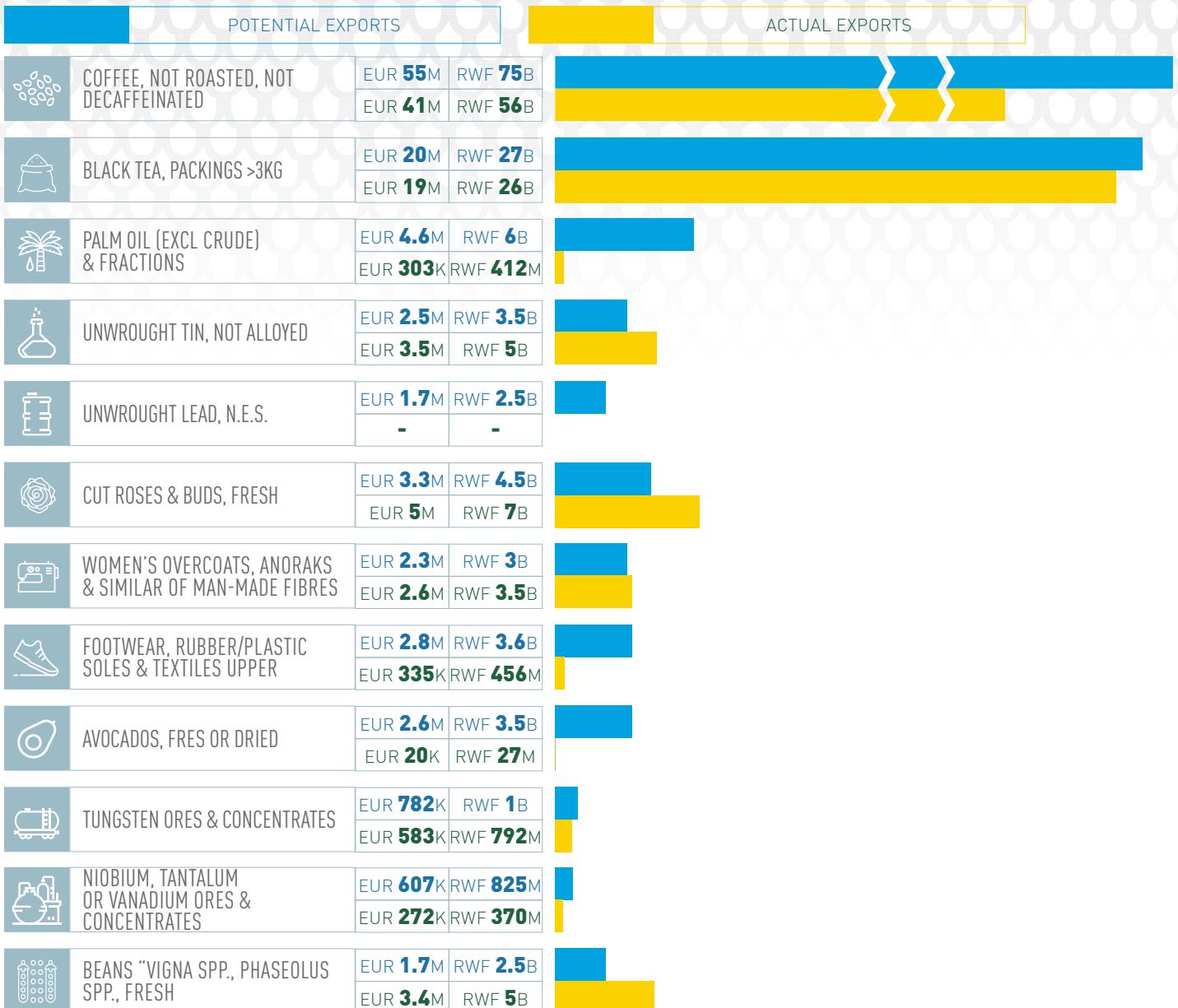


EUR 19,032,063

RWF 26B

Source: Eurostat, 2023

EXPORT POTENTIAL FROM RWANDA TO THE EU



Source: 2022 ITC Market intelligence tools

The Export Potential Indicator (EPI) identifies products in which the exporting country has already proven to be internationally competitive & which have good prospects of export success in new or existing target markets. The EPI is calculated as supply × demand (corrected for market access) × bilateral ease of trade. Supply and demand are projected into the future based on GDP and population forecasts, demand elasticities and forward looking tariffs.

The estimated value serves as a benchmark for comparison with actual exports and should not be interpreted as a ceiling value.

EUROPEAN EXPORTS TO RWANDA

GERMANY



EUR **25,552,039**

RWF **35B**

AUSTRIA



EUR **17,785,185**

RWF **24B**

BELGIUM



EUR **13,426,700**

RWF **18B**

SWEDEN



EUR **11,689,435**

RWF **16B**

ITALY

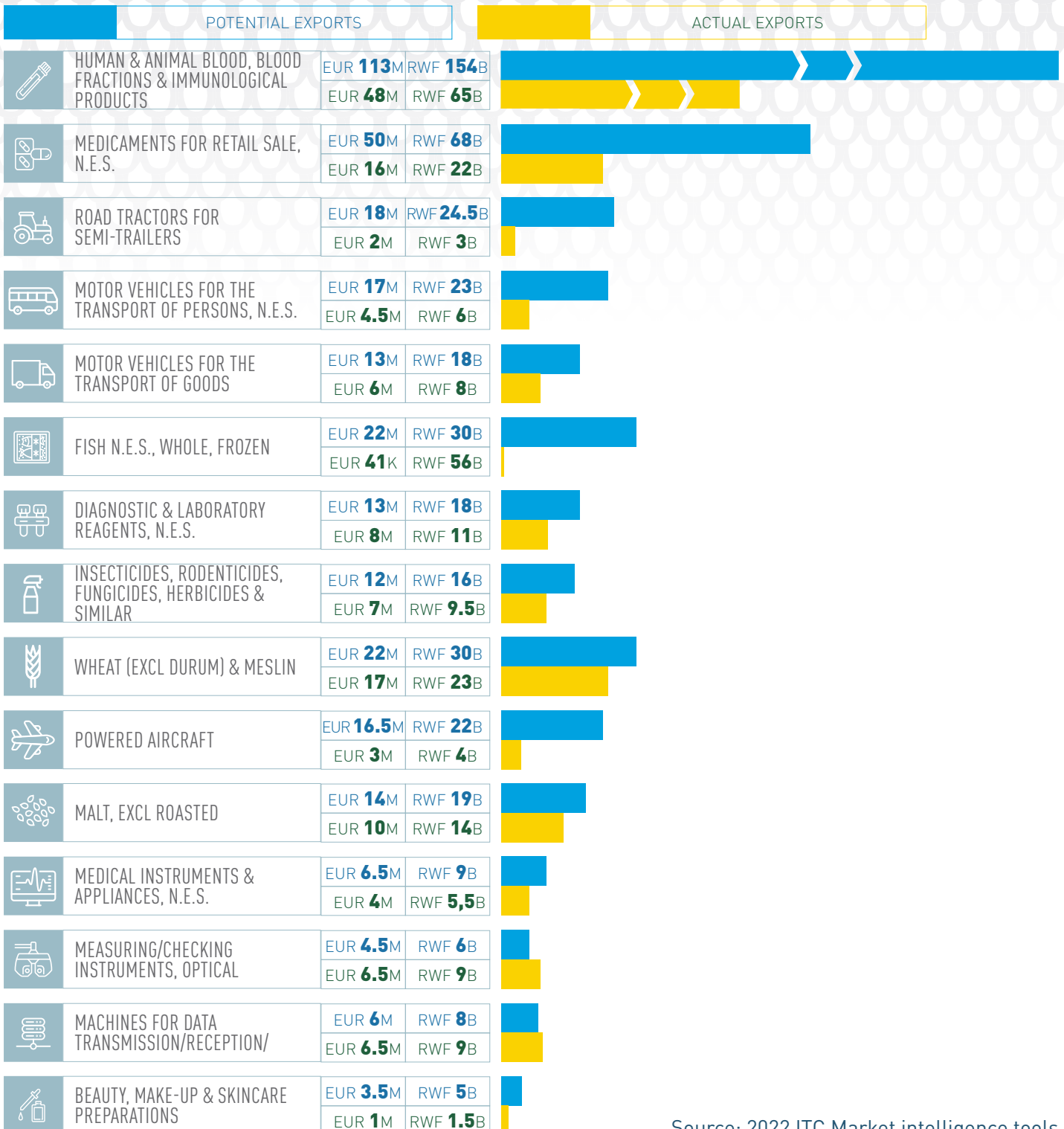


EUR **6,639,948**

RWF **9B**

Source: Eurostat, 2023

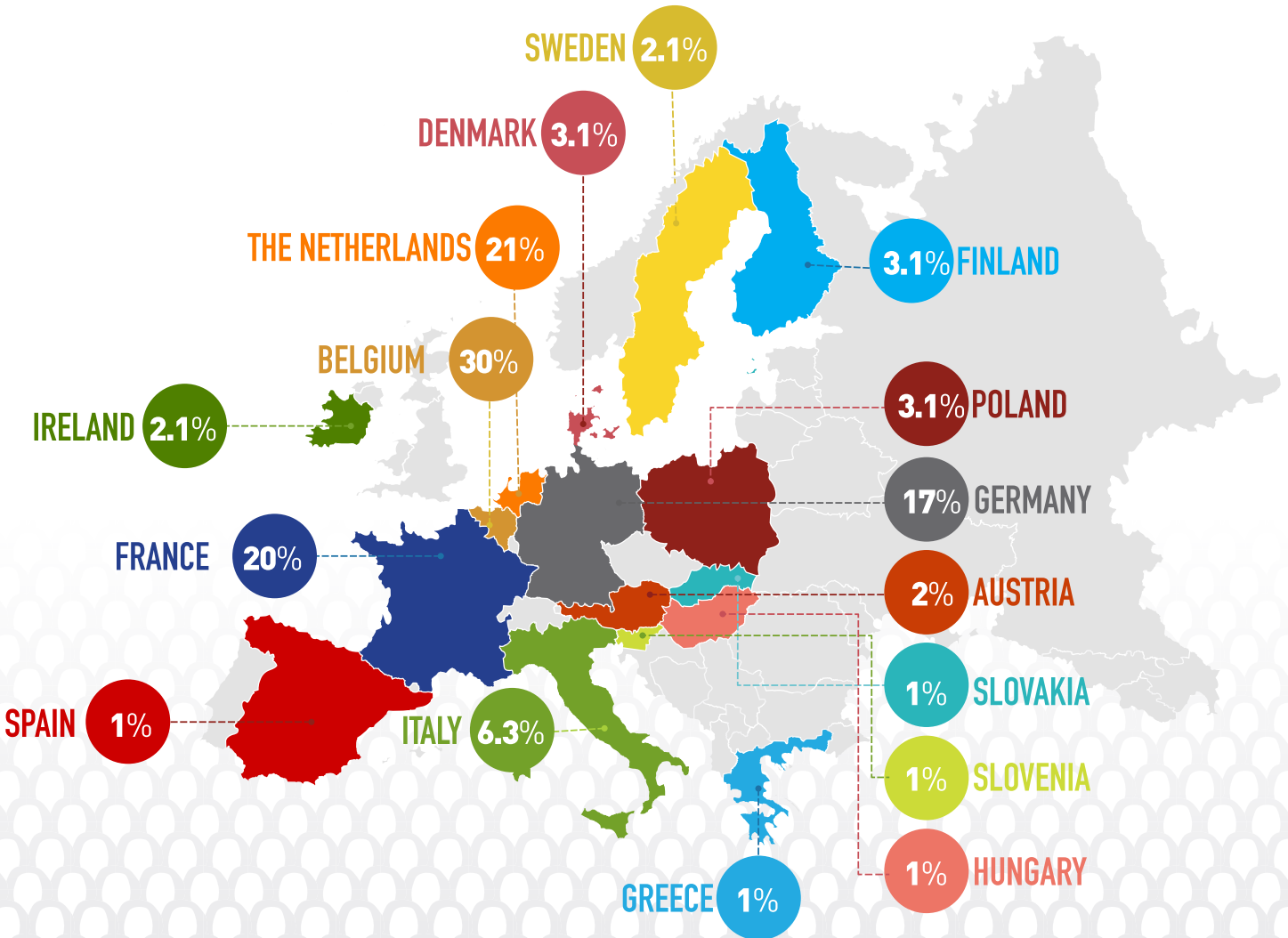
EXPORT POTENTIAL FROM THE EU TO RWANDA



Source: 2022 ITC Market intelligence tools

EUROPEAN COMPANIES IN RWANDA

FIRMS' COUNTRY OF ORIGIN



*The percentages reflect the number of companies with a link to EU countries, which is assessed on the basis of five criteria (EU shareholders, EU capital, registration in the EU, HQ in the EU, CEO/top manager from the EU). Thus, a firm can be linked to more than one EU Member State, and the addition of the percentages in the graph can exceed 100%

Source: 2023 EU investment mapping in Rwanda - replies from almost 100 EU firms operating in Rwanda.



RELATION WITH EUROPE

FIRMS CAN BE LINKED TO EUROPE IN SEVERAL WAYS

84% COMPANIES WITH
EUROPEAN SHAREHOLDERS

57% COMPANIES WITH
EUROPEAN CAPITAL

51% COMPANIES WITH
EUROPEAN MANAGEMENT

34% COMPANIES WITH
EUROPEAN HEADQUARTERS

32% COMPANIES WITH
EUROPEAN REGISTRATION



COMPANY SIZE



COMPANY REVENUE

ANNUAL TURNOVER IN RWANDA

40% MICRO
<10*

39% SMALL
<50

17% MEDIUM
<250

3% BIG
>250

49% < EUR 1M

27% < EUR 10M

16% > EUR 10M



*Number of employees



COMPANY ESTABLISHMENT IN RWANDA

ESTABLISHED
FOR >10Y
17%

ESTABLISHED
FOR 5-10Y
33%

ESTABLISHED
FOR < 5Y
49%

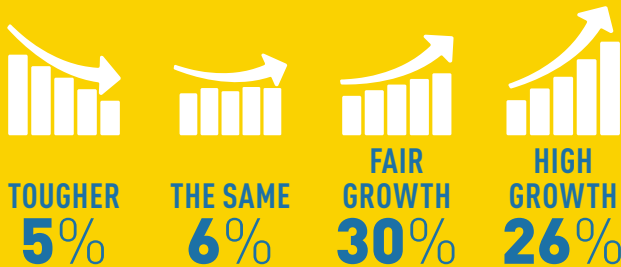


INVESTMENT MOTIVATION

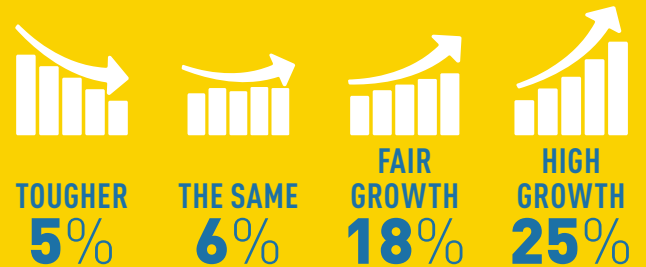


MARKET OUTLOOK

THE PERCEPTION OF THE LOCAL MARKET IN 5 YEARS



THE PERCEPTION OF THE REGIONAL MARKET IN 5 YEARS



COMPANIES' SOURCE OF FINANCIAL CAPITAL

FIRMS CAN HAVE SEVERAL SOURCES OF FINANCE





ECONOMIC IMPACT



ANNUAL REVENUE
EUR **1.8 B**
RWF **2,5 B**



INVESTMENT PLACED
IN THE LAST 5 YEARS
EUR **302 M**
RWF **410 B**



INVESTMENT FORECASTED
IN THE NEXT 5 YEARS
EUR **383 M**
RWF **520 B**



SOCIAL IMPACT



EMPLOYEES
5,235



RWANDAN EMPLOYEES
94%



WOMEN EMPLOYEES
19%



LOCAL SUPPLIERS
3,516



ECONOMIC ACTIVITY



COMPUTER, DIGITAL, ICT SERVICES
16%



CONSTRUCTION OR ENGINEERING SERVICES
13%



ENERGY OR ENVIRONMENTAL SERVICES
(GREEN & SUSTAINABLE ECONOMY)
12%



ACCOUNTANCY, FINANCIAL OR LEGAL SERVICES
10%



EDUCATION SERVICES
8%



AGRIBUSINESS, FRESH PRODUCTS
6%



AGRIBUSINESS, PROCESSED PRODUCTS
5%



COMMUNICATION SERVICES
5%



TOURISM SERVICES
4%



TRANSPORT & DISTRIBUTION SERVICES
4%



HEALTH OR SOCIAL SERVICES
3%



MISCELLANEOUS MANUFACTURED GOODS
3%



CONSTRUCTION MATERIALS
2%



OIL, GAS, RAW MATERIALS INCL. MINING
2%



TRANSPORT EQUIPMENT
2%



WOOD & PAPER
2%

CORPORATE SOCIAL RESPONSIBILITY



Source: 2023 EU investment mapping in Rwanda.





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