

**REPUBLIC OF RWANDA**



**THE PRIME MINISTER**

**Keynote address by Rt. Hon. Prime Minister**

**Dr. Ngirente Edouard**

**At the Rwandan Young Professionals Conference**

**Indianapolis, USA - May 25<sup>th</sup>, 2019**

- **Hon. Minister of State, Ambassador Nduhungirehe Olivier,**
- **Your Excellency Ambassador Mukantabana Mathilde,**
- **Distinguished Guests, all protocol observed,**
- **Young Rwandans here present and your friends,**
- **Ladies and Gentlemen,**

**Good morning.**

**1.** It is my privilege to represent His Excellency Paul Kagame, the President of the Republic of Rwanda, in this Rwandan Young Professionals Conference. Our President conveys to you all warm greetings and best wishes. He thanks organizers of this important conference for having invited him. He had wished to be with you today, but could not, due to unavoidable reasons. He reassures you of his continued support to enable you play a key role in developing our mother country, Rwanda.

**2.** I wish to thank the Indianapolis Rwandan Diaspora Network/Umubano, in collaboration with the United States Rwandan Community Abroad and their partners, for having organized this important conference. As it has been mentioned, this conference aims, among others, at mobilizing the Rwandan Young Professionals in Diaspora for the development of our home country, Rwanda.

**3.** I am therefore very happy to be part of this gathering of Rwandan Young Professionals who live in USA and who are committed to join hands with their fellow Rwandans to play an active role in developing our country.

**4.** I am just here to present to you what you may already know. As Rwandans, we need to keep reminding each other our common vision to transform ourselves into a capable and skilled people ready to compete in a global environment.

**5.** The overall goal of this conference is very important. It is in line with the commitment of the Government of Rwanda to create conducive conditions that facilitate Rwandan youth to actively participate in our country's socio-economic development. I wish to remind that Rwandan youth make up 70% of our population today.

**6.** Rwanda reserves a special treatment to its youth because they are the future drivers of our development agenda. This explains why we came to participate in this important conference.

**7.** Given that some of you may have been away from our country for a long time, I am going to start by giving you an overview of our country's general performance and future perspectives and then I will explain to you, services that are offered to our Diaspora.

- **Dear Participants,**

**8.** Under the leadership of His Excellency Paul Kagame, Rwanda embarked on a development journey that was inspired by three fundamental choices that we, Rwandans made. These are: Unity, Thinking big and Accountability.

**9.** In the last 10 years, Rwanda's economy has been growing at an annual average growth rate of 7.2%. In general, the trajectory of our economy is positive and promising. Last year our economy grew by 8.6% against 7.2% projected. This was mainly due to good performance of the Industry sector, followed by Services and Agriculture Sectors.

**10.** Our economy is projected to grow at a rate of 7.8% this year and 8.1% in 2020. These projections are in the framework of the National Strategy for Transformation, 2017-2024, which lays a foundation for the Vision 2050. This Vision aspires to take Rwanda beyond upper middle income by 2035 to high living standards by the middle of the century (2050).

**11.** To get there the Vision 2050 should focus among others on priorities such as developing modern infrastructure and livelihoods and developing high value and competitive jobs.

**12.** There is no doubt that as young professionals you will be part of this journey. And therefore, you have a key role to play in achieving this development agenda driving the country's vision.

**13.** Let me elaborate a bit more about this development agenda. The first four years of Vision 2050 will be covered by the National Strategy for Transformation (NST1) that started in 2017. This National Strategy for Transformation is mainly divided into three parts. The first part deals with the Economic Transformation. The main objective of the Economic Transformation pillar is to accelerate inclusive economic growth and development founded on the private sector, knowledge and Rwanda's natural resources.

**14.** This objective will be delivered by focusing on key different priorities and interventions such as:

- Creation of over 214,000 jobs annually;
- Increase of urbanization to 35% in 2024 from 17.3% we had in 2017;
- Growth of exports by 17% annually and develop local industries through “Made in Rwanda”;
- Ensure digital literacy for all youth (16 to 30 years) and 60% of adults by 2024;
- Increase long term savings;
- Double credit to agriculture sector from 5.2% (2017) to 10.4% in 2024;
- Increase irrigation
- Double agriculture production to make sure we have food security in our country.

**15.** The second pillar is about the Social Transformation. Its main goal is to develop Rwandans into a capable and skilled people with quality standards of living. This goal will be achieved through the implementation of priorities including:

- Eradication of extreme poverty;
- Improve access to water, sanitation and electricity;
- Universal access to quality health;
- Disease prevention, fighting non communicable diseases, drug abuse and trafficking;
- Universal access to quality of education;
- Improved access to basic sanitation and hygiene;
- Promoting affordable housing.

**16.** The third and last pillar focuses on the Transformational Governance. The overall goal is to consolidate good governance and justice as building blocks for equitable and sustainable national development.

- **Dear Participants,**

**17.** To reach where we aspire to be in terms of development as I have mentioned, our implementation plan was grouped into economic, social and governance clusters. This was done for ease of good monitoring and coordination. I now want to share with you, some of our achievements in relation to these clusters. I am sure many of you who have been coming to Rwanda have eye-witnessed many of what I am going to talk about.

**18.** In the economic cluster, a lot has been achieved. As examples:

- We have improved our roads network by constructing new roads and well maintained the existing ones. So far, the road roughness index as per the 2018 Global Competitiveness Report, ranks the quality of our roads first in the East Africa and third in Africa;
- The modern master plans were developed;
- To enable trade, industry, tourism and regional integration, several initiatives were implemented such as construction of cross-border trading facilities, elimination of non-tariff barriers, extension and construction of processing factories, high and medium standard hotels;
- We have now 10 Industrial Parks including Kigali Special Economic Zone were designed. Some of them are operational, others are under construction.

**19.** In agriculture, between 2010 and 2019 different milestones were achieved. The following are some examples:

**a)** Improvement of agriculture production through Crop Intensification Program (CIP). These program was generally designed to maximize agricultural production. Under this program, several initiatives were successfully implemented. For example:

- Land consolidation increased from 18% in 2010 to 61%);
- Use of inorganic fertilizers increased to 39 kg/hectare in 2018 from 14kg/ha in 2010, which is above 16 kg/ha the average level applied in Sub-Saharan Africa.
- To cope with the climate change, we introduced the irrigation scheme. So far, 10% of irrigable land is under irrigation against the NST1 target of 17%.

**b)** To promote young entrepreneurs and employment creation for youth, the Government of Rwanda, through the financial support of the Business Development Fund, commonly known as BDF, assisted different youth entrepreneurs. For those who do not know what BDF is, I would like to tell you that it is a fund dedicated to facilitate access to finance for SMEs through innovative financing options;

- BDF provides different financial products such as Credit Guarantees, Quasi Equity Investments, Grant Management, SACCO Refinancing and Leasing;
- Since its establishment in 2011, up to March 2019, BDF supported investments worth FRW 72 billion (US\$ 80.6M). It triggered Loans equivalent to FRW 196 billion (US\$ 219.3M). It impacted SMEs to the tune of more than FRW 35.773 billion (US\$ 40M). It created and maintained jobs with a value of more than FRW 185.399 billion (US\$ 207.4M);

**c)** Other important achievements that in the economic sector were born out of the Government support initiatives include the establishment of the Export Growth Fund (EGF), Rwanda Innovation Fund and Long Term Saving Scheme (EJO HEZA).

I. The Export Growth Fund (EGF) targets or covers all sectors: traditional and non- traditional exports. I would to tell you that to be eligible, companies should intend to export 40% of their production. By February 2019, 39 companies accessed Export Growth Facility with the total fund allocated to these projects amount to FRW 3.8 billion (US\$ 4.3M). These companies are expected to generate more than 4,000 permanent jobs and more than 5,000 seasonal jobs.

II. The Long Term Saving Scheme, EJO HEZA, is another important achievement. It aims at promoting culture of saving among the citizen/residents in Rwanda; ensures universal access to pension and social security inclusion. In addition, it strengthens financial inclusion and stimulates economic growth, poverty alleviation to attain higher standards of living.

**20.** In regard to enhancement of financial inclusion, Rwanda recorded the following significant achievements:

- The number of financially included population increased from 72% in 2012 to 89% in 2016;
- The banking sector remains the largest component of the financial sector with around 66.7 % of the total financial assets;
- Currently, the banking sector is composed of 11 Commercial Banks, 3 Micro finance Banks, 1 Development Bank and 1 Cooperative Bank;

- While the banking sector operates a network of 189 branches and 175 sub branches across the country, there are 459 Microfinance Institutions (MFIs), among them, 416 are Umurenge SACCOs;
- Umurenge SACCO is an initiative of the Government that aims to boost up rural savings and provide Rwandans with loans to improve their earnings and enhance their livelihoods;
- As of December 2018, Umurenge SACCOs had registered two million subscribers.

**21.** In the ICT sector, with its quest to become an ICT hub, our country has registered many achievements.

- So far, internet penetration rate has reached 52.1%, mainly due to 4,500 Km+ of fiber optic broadband;
- The rate of Mobile Phone penetration stands at 77.1% while around 2.3 million adults use Mobile Money;
- Through Tap & Go, we transformed Kigali public transport system to 100% cashless;
- In the near future, we will be having smart phones made in Rwanda. A smartphone manufacturer known as Mara-phone is currently constructing its factory in Rwanda;
- Zipline, a medical drone delivery services such as blood and vaccine is at work.

- **Distinguished Participants,**

- **Ladies and Gentlemen,**

**22.** I would like to inform you that our country achieved a lot in the social cluster. In this regard, I can mention some examples.

- The Government of Rwanda put in place a number of strategies to promote the quality of education;

- In the Health sector, Rwanda has made tremendous efforts towards improving life of its population, thanks to the implementation of various policies and strategies such as Community Health Workers (CHWs) who are helping in expanding coverage of health basic services across the country,
- Infant Mortality rate dropped considerably;
- The number of women delivering in health care facilities increased from 30% in 2005 to 91% in 2015;
- Several innovations to promote standardization of the health sector including the establishment of Rwanda Food and Drugs Authority (RFDA) were put in place. We have developed different programs to assist our Ministry of Health and our people to make sure that everyone has access to health facilities and to different medical care.

**23.** I would like to give you some information regarding holistic approaches that Rwanda has done to improve its business environment. Some of you may think this does not concern you as you do not have enough start-up capital to invest but do not worry, the skills you have now, the love of your country, in addition to your innovative ideas and connections are the most important things we value.

**24.** I would like to tell you that investing in Rwanda is profitable. As you know, Rwanda is a secure, and economically a stable country:

- The entire legal framework provides a conducive environment for business. As you know, the 2019 World Bank Doing Business Report ranks Rwanda 29<sup>th</sup> globally, 2<sup>nd</sup> in Africa and 1<sup>st</sup> in the EAC region;

- The 2018 Corruption Perception Index by Transparency International ranked Rwanda the 4<sup>th</sup> least corrupt country in Africa, 1<sup>st</sup> in EAC and 48<sup>th</sup> globally;
- Rwanda has vast untapped opportunities for investment, particularly in the sectors of infrastructure, energy, agriculture, tourism, information and communication technology, real estate and construction, financial services and mining;
- To attract more investors, Rwanda has put in place different investment incentives, with the recently approved investment law, Rwanda has an array of investment incentives for investors ready to invest in the key priority sectors;
- Rwanda offers both fiscal and non-fiscal categories of incentives.
  - a) Fiscal incentives include:**
  - A seven-year tax holiday for specific sectors investments in manufacturing, tourism, health, export, energy projects producing at least 25 MW as well as in ICT with an investment involving manufacturing, assembly, and service etc. The investment should be of at least US\$ 50 million and the investor should contribute at least 30% of this investment in the form of equity in these sectors.
  - A preferential CIT rate of 0% for international companies with their regional offices in Rwanda and that fulfill certain requirements;
  - A preferential CIT rate of 15% for registered investors undertaking (i) exportation; (ii) energy generation, transmission, and distribution; (iii) transport of goods and related activities, etc;
  - Exemption from capital gains tax;
  - Five-year tax holiday for micro-finance institutions;
  - Customs exemption on products used in Export Processing Zones (EPZs);
  - Immigration incentives.

**b) The non-fiscal incentives are:**

- Fast online business and investment registration which takes less than a day;
- Established Re-investment and Aftercare Department to resolve investor issues after registration and fast track project implementation;
- Assistance with tax-related services and exemptions;
- Assistance to access utilities (water & electricity);
- Assistance with obtaining visas and work permits;
- One stop center that provides notary services;
- Delivery of investor services in rapid turn-around time of 6 hour business registration and 24 hour investment registration.

**25.** At this juncture, I wish to share with you, some of the services that the Government of Rwanda offers to Rwandan community abroad (RCA):

- Facilitation to open an account in different commercial banks. This helps our Diaspora members to transfer funds to Rwanda at no charge at the receiving accounts;
- Assistance to acquire loans that will help Diaspora members finance/fund their development projects in Rwanda;
- Facilitation in the process of land registration and transfer;
- Diaspora members who wish to renew their passports are helped through Rwandan Embassies;
- Organize and facilitate thematic events that mobilize different sectors of the members of the Diaspora such as ITORERO, Rwanda Day, and so on;
- Legalizations and authentication of documents (power of attorneys and others) from abroad or from Rwanda that will be used abroad;

- Facilitation and support the creation of Rwanda Community Abroad Committees;
- For returning Rwandans from community Abroad, we facilitate them;
- In short, we have a list of incentives and we try to assist our people who live abroad to and the idea is to make sure that a Rwanda wherever you are you feel like you are home.
- **Distinguished participants,**
- **Fellow Rwandans, Friends of Rwanda,**

**26.** I would like to conclude by reminding everyone of you that Rwanda is yours. I wish to thank you once again for having organized this important conference whose main goal is the role of young Rwandan professionals in national building. I want to you for having chosen such theme for this conference. It is really encompasses what we want from you, our youth, our young professionals.

**27.** I am grateful that I had this opportunity to be part of this conference and this conversation. I was able to tell you about our country's development journey, how far we have gone and where we want to be as a country. I hope that this information will be helpful for you, our young professionals who want to be part of this development journey of our country. I wish to reiterate that the Government of Rwanda will continue to support initiatives like this that aim at shaping Rwanda's development journey. I am looking forward to our constructive conversation in the today's conference.

**I thank you so much!**