



## Top investment opportunities in Rwanda

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### **RWANDA: -**

Rwanda regarded by many as the Singapore of Africa is well on course to fulfill the vision 2020 of becoming just that. With its growing economy, Rwanda provides a great opportunity for Rwandans at home and in the diaspora as well as foreign investors to invest in a budding economy.

### **Housing**

According to reports, the biggest opportunities are in affordable housing and residential housing for the middle class, while luxury housing is pretty much saturated. The latter point was confirmed to us by a couple of private developers.

But be aware: If you are interested to invest in Rwanda's housing market then going middle class residential housing may be a better strategy for you, as you can make a healthy income by just getting started with 10 small houses or so, while any investment into affordable housing requires that you invest into a larger project with several hundred houses, as profit margins are low. Also, lower income classes are very much dependant on funding options by banks etc, and it will increase your level of risk as a single investor and simply makes the whole process more complex, which can come at a disadvantage for someone based outside of the country, I believe.

As a rule of thumb: With affordable housing the City of Kigali means 2-3 bedrooms, not more than 95 m<sup>2</sup> at not more than \$300/m<sup>2</sup> in construction cost.

### **Export of agri-business products**

One of the key priorities for Rwanda is EXPORTS. In fact, getting into exports means that you are really supporting national development, while building a profitable business, that can be managed from abroad. It's perfect for the African Diaspora, because while you export African products your main clientele will be based in the US, UK, Dubai or where ever you are based.

Rwanda is a major coffee exporter, and coffee is a product that continues to be high in demand globally. It would surprise many to hear that Rwandans actually do not drink coffee. It was introduced in Rwanda by the Belgian colonialists and farmers were forced to plant coffee beans, but they were not allowed to drink coffee themselves. And until this day coffee has always remained an export commodity in Rwanda with a very small market nationally but a great market globally. However, Rwanda is keen to change that. For now it focuses on both improving local value addition, so roasting, packaging, and branding the coffee locally instead of merely selling the green beans. And Rwanda wants to increase the sales of coffee on the global market.

### **Tourism and Hospitality**

Rwanda's tourism is experiencing a boom because of the government's deliberate policy to develop the sector.

Tourism is currently among the top foreign exchange earners, bringing in \$42.3 million in 2007.

Its hotels have a capacity of 1,153 rooms with three-quarters of them located in the capital Kigali. The current capacity in hotels and accommodation could be increased to host various categories of tourists including high-end

business travellers and eco-tourists.

Business opportunities are in hotels, restaurants, tourist attractions, cultural events, etc.

### **Information and Communications Technology**

The country is moving from agricultural subsistence towards using ICT to build a knowledge based economy. The government's goal is to attract US\$1bn worth of ICT investments by 2020. It is targeting technology-enabled companies operating in a variety of industries, from fintech and smart energy grid development to agritech and business process outsourcing.

The government is improving high speed broadband internet connectivity carried by fibre-optic cables in all schools in the next two years.

Rwanda which has two fibre -optic rings around Kigali, and a cable being laid across the country envisions being the information-technology hub for the resource rich nations of Eastern and Central Africa.

Business opportunities are in internet and computer services, especially in internet cafés, call centers, computer consulting, hardware reselling, etc.

### **Financial services**

Innovation is also critical for the financial services industry to remain relevant, and Rwanda has been involved in initiatives to modernise its banking system. For instance, both Visa and Mastercard have formed partnerships with Rwandese entities to offer electronic financial payments.

Recently, former Barclays chief executive Bob Diamond's banking group, made a high-profile investment in Rwanda's financial sector when it acquired a 45% stake in Banque Populaire du Rwanda (BPR). It was merged with another bank, BRD-Commercial Bank, which it bought in 2014. Atlas Mara owns a 62% stake in the new entity, trading as BPR, which is now the second-largest lender in the country.