

As shown on the previous page, a lot of progress still needs to be made. Of course, much has changed since 2007 and 2008, but the general picture still remains the same: the market is still only starting to develop. This is just as true for mobile subscriptions: while the mobile network covers 95% of the population, mobile penetration reaches only just over 32%.<sup>144</sup>

### **Sector Performance and its Factors**

In 1998, the *National Information and Communication Technology Plan* (NICI) was adopted.<sup>145</sup> The NICI consists of four 5-year phases, in order to develop the ICT aspect of *Vision 2020*. The first phase started in 2000 and established a policy framework. The second phase, that started in 2005, concerned capacity-building, especially the development of a good physical infrastructure (fiber optic cable), but also the construction of a state-of-the-art data center with stable electricity provision, and the development of cloud computing. Stable electricity has been a significant obstacle to the further development of the sector, but the recently finished new data center has sufficient safeguards and generators to ensure a stable electricity supply, and thus provides the minimal requirements for stable ICT operations. The second phase has been completed by the full integration of the broadband grid to the seven connecting hubs with the World Wide Web. The fiber is tested right now, and by September 2011 – and upon connection with the East African Submarine Cable System (EASSy) – international capacity will become reality.<sup>146</sup> The third phase concerns developing services and consolidating the enabling environment during the previously mentioned NICI phases. The aim now is to maximize returns on important government investments with a focus on the delivery of efficient ICT supported services. The third phase has been broadly divided into five areas: (1) ICT skills development, (2) private sector development, (3) ICT for community development, (4) E-government and (5) cyber security.

### **Opportunities**

As pointed out above, the ICT sector in Rwanda is a budding sector, only recently starting to develop. This is reflected in the fact that 23% of all FDI into the country targeted this sector, more than any other sector. In virtually all aspects, opportunities remain to be exploited, including (1) further micro-cabling to connect households to the grid. But

---

<sup>144</sup> Rwanda Development Board, "Investing in Rwanda – An overview (2010)", 16, <http://www.rdb.rw/publications.html>.

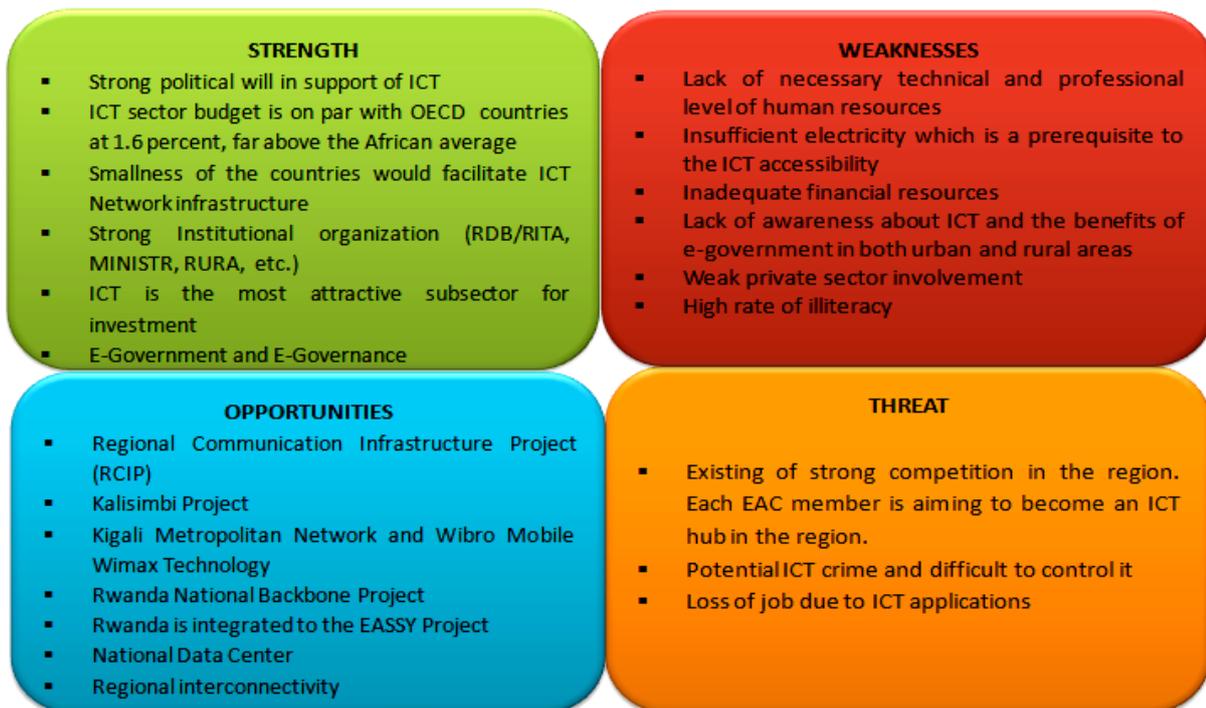
<sup>145</sup> See for more information: [http://www.uneca.org/aisi/nici/country\\_profiles/rwanda/rwanpap3.htm](http://www.uneca.org/aisi/nici/country_profiles/rwanda/rwanpap3.htm).

<sup>146</sup> RDB ICT section, "Interview with research team", March 18, 2011.

particular and prominent to the current phase of ICT development (NICI 3) is the (2) increase of training capacity, and the (3) development of E-services in general, and E-governance in particular, as well as development of the private sector's involvement in general, such as (4) internet service and (5) telecom providers.<sup>147</sup>

The following SWOT analysis offers a clear overview of the subsector.<sup>148</sup> The opportunities listed overlap to some extent the aforementioned but also adds to it.

#### ICT SWOT Analysis



In addition, Rwanda is developing an ICT park in a strategic partnership with Carnegie-Mellon University (Pittsburg),<sup>149</sup> which contains a number of different opportunities such as the development of architectural project management and marketing plans, its infrastructure, as well as in construction (e.g. primary cluster buildings, transport links, and recreational areas). Furthermore, during the interviews conducted, we repeatedly found that software development is an important product Rwanda would like to expand and export.

<sup>147</sup> Ibid.

<sup>148</sup> Félicien Usengumukiza, "Overview of Rwanda's ICT Context". Institute of Policy Analysis and Research, <http://www.afdb.org>, (May 5, 2011).

<sup>149</sup> Rwanda Development Board, "Investing in Rwanda – An overview (2010)", 24, <http://www.rdb.rw/publications.html>.

## Dutch Expertise

IT infrastructure in the Netherlands features specialized networks powering global R&D efforts. The Netherlands also holds a leading position in embedded systems, and in chip manufacturing equipment. The value of Dutch ICT exports has more than doubled between 1998 and 2008 to around 65 billion Euros (this includes re-exports). The Dutch ICT sector makes a significant contribution to R&D activities in the Netherlands; almost 19% of all investments. The Netherlands scored a respectable fifth place (up from the 10<sup>th</sup> place in 2008) on the *IT Industry Competitiveness Index* (2009), ranking after the US, Finland, Sweden and Canada respectively (2010 is not yet out).<sup>150</sup> This position is to a large extent due to the excellent access to broadband facilities in the Netherlands.<sup>151</sup>

The software sector is a valuable and important economic sector in the Netherlands with a turnover of 25 billion Euros, meaning that the software sector contributes 2.8% to the Dutch economy (GDP). This entails specifically: the sales of proprietary software (both commercial off-the-shelf and custom-made software, and embedded software), programming for third parties, and implementation, testing, management and maintenance. The vast majority of software companies and service providers developing software consist of small, Dutch companies, such that SMEs form the heart of the sector in the Netherlands. Off-shoring of software development does not occur much, and only around 2 billion Euros are earned abroad on software development.

Given the emphasis of the GoR on the ICT sector, it may be of interest to know that sustainability is high on the agenda of Dutch ICT companies. The deployment of smart ICT applications can lead to a significant reduction of CO<sub>2</sub> emissions.<sup>152</sup> ICT also plays an important role in innovation in the areas of flowers and food. The NIRICT (Netherlands Institute for Research on ICT) comprises all ICT research of the three technical universities in the Netherlands (Delft University of Technology, Eindhoven University of Technology, and the University of Twente) and could be contacted for their expertise. Another useful institute is the HEC (Centre of Expertise) on the implementation of E-government and development of ICT within the public sector in general.

Lastly, the *'top technology region'* Brainport provides for a high standard benchmark when it comes to the establishment of a center for high tech expertise and innovation. The heart of Brainport is the city of Eindhoven region. Its elementary feature

---

<sup>150</sup>Economist Intelligence Unit, "Resilience amid turmoil Benchmarking IT industry competitiveness 2009", [http://portal.bsa.org/2009eiu/study/2009\\_eiu\\_global.pdf](http://portal.bsa.org/2009eiu/study/2009_eiu_global.pdf) (May 9, 2011).

<sup>151</sup>Holland trade, "ICT factsheet", <http://www.hollandtrade.com/sector-information/ict/?bstnum=3557> (May 9, 2011).

<sup>152</sup>Ibid.

and the basis for its success is 'open innovation': the sharing of ideas, between the knowledge industry and the manufacturing industry, between producers, designers and marketers. One of the accelerators of open innovation is the High Tech Campus Eindhoven, where more than 90 companies and 8,000 researchers, developers and entrepreneurs are working together on the development of high tech technologies and products.<sup>153</sup> Brainport can thus be best characterized as a network, where the sharing of ideas is essential to the practice of innovation.

### **Socio-Political Environment**

As has become clear from the above, the GoR is the driving force behind this sector, directing and stimulating the development of the ICT capacity of the country. Even though the GoR is strongly convinced of the role of the private sector, the private sector will have to be in line with the general ideas of the government on how to proceed. Therefore, the first keynote actor is the government, as reflected in *Vision 2020*, and through the different relevant institutions. The government provides a clear vision, and as a result, facilitation - which includes stability. Private actors must be well aware of this drive and, while acting accordingly, reap the benefits. Here also, the general idea holds that FDI, as part of the country's development, is welcomed with wide open arms.

Important competitors in the telecom are the two current telecom providers; MTN, with a market share of 69.3%, and Tigo Rwanda Ltd., with a market share of 16.7%. At the beginning of April 2011, the operating license for a former third provider, Rwandatel, was revoked by RURA (Rwanda Utilities Regulatory Agency) upon determining that Rwandatel had failed to meet its '*binding performance targets in terms of investment, coverage, network rollout and quality of service*'.<sup>154</sup> RURA insists that the market still lacks competition, but that mobile penetration will nevertheless continue towards making its targeted level of 60% of the population by 2012.<sup>155</sup> Prior to the withdrawal of its license, Rwandatel had a market share of 14.0%. Just how Rwandatel's lost customers will become distributed over the remaining two competitors, time will tell.

In the provision of fixed broadband internet (as opposed to mobile internet), Rwandatel - operating on a different license - is still leading the market with a share of

---

<sup>153</sup> Brainport Eindhoven, "Success through cooperation", [http://www.brainport.nl/en/general/Succes\\_through\\_cooperation](http://www.brainport.nl/en/general/Succes_through_cooperation) (accessed June 12, 2011).

<sup>154</sup> Reuters.com, "Rwandatel to appeal regulator's warning notice", <http://www.reuters.com/article/2011/02/11/rwanda-telecoms~> (accessed June 9, 2011).

<sup>155</sup> AllAfrica.com, "Rwandatel's license revoked permanently – Rura", <http://allafrica.com/stories/201104060123.html> (accessed June 9, 2011).

52% (1.359 users), followed by MTN taking 35% (932 users) of the market.<sup>156</sup> The remaining 13% is shared between three smaller companies: New Artel, ISPA and Artec Stream. It is, again, important to keep in mind that also the internet market is just starting to develop.

The recent development is mobile internet, which already has a lot more subscriptions (over 1.2 million) than fixed internet. In this market, MTN is the absolute market leader (after Rwandatel had to discontinue its mobile services) holding at least 59%, while Tigo only had 3%. However, with a population of over ten million people, it is clear that much of the mobile phone and internet market remains virgin.

### **Recommendations**

Reduction of electricity costs would much benefit the ICT sector and facilitate its development. Successful methane conversion would reduce these costs to a large extent. Another important recommendation is to increase the knowledge base in Rwanda (capacity-building), the other large obstacle to the development of the ICT sector. Both issues are addressed heads-on by the Rwandan government. Dutch expertise may be of great value in order to escalate the move forwards.

---

<sup>156</sup> Rwanda Utilities Regulatory Agency, "Statistics and tariff information in ICT sector as of Dec 2010", 4-5, 8-9.

## Financial Services

The financial services sector includes banking and insurance activities. These activities constituted 2% of Rwandan GDP during 2010. Although comprising only a small part of the economy, 'finance and insurance' (under which the statistical data is grouped) grew by 24% during 2010, after recovering from a decline of 4% in 2009. 2% of Rwandan GDP amounts to a total value of over 7.5 million euro,<sup>157</sup> however, only an estimated 12% of the population had a bank account in 2007.<sup>158</sup>

The services offered by insurance companies in Rwanda show remarkable growth. The focus has been on the traditional roles of insurance in the community, which are to spread risk, and if the risk materializes, to spread the resulting loss, facilitated by the pooling of resources. The services offered today include life insurances, retirement funds, medical funds, automobile, and property coverage.<sup>159</sup> The insurance sector will, however, not be further explored on possible opportunities for investments.

## Sector Performance and its Factors

The financial services sector has seen a 20% growth rate over the past 5 years, driven by the GoR enforcement of banks meeting international banking standards, and the "Financial Sector Development Program" which increased the minimum capital requirement from \$2M to \$8M and requires banks to prove they are qualified before receiving a charter.<sup>160</sup> This was the result of recommendations made by international institutions such as the IMF.<sup>161</sup> Recently, most commercial banks have centered their operations on trade finance as opposed to long-term debt financing.<sup>162</sup> This has triggered a lack of productive investment activities, which has been frequently mentioned during our interviews as one of the major impediment to growth.

Another obstacle is the country's negative balance of trade (NX): as a small country

---

<sup>157</sup> National Institute of Statistics of Rwanda, "GDP Annual Estimates (2010)".

<sup>158</sup> Rwanda Development Board, "Investing in Rwanda – An overview (2010)", 18, <http://www.rdb.rw/publications.html>.

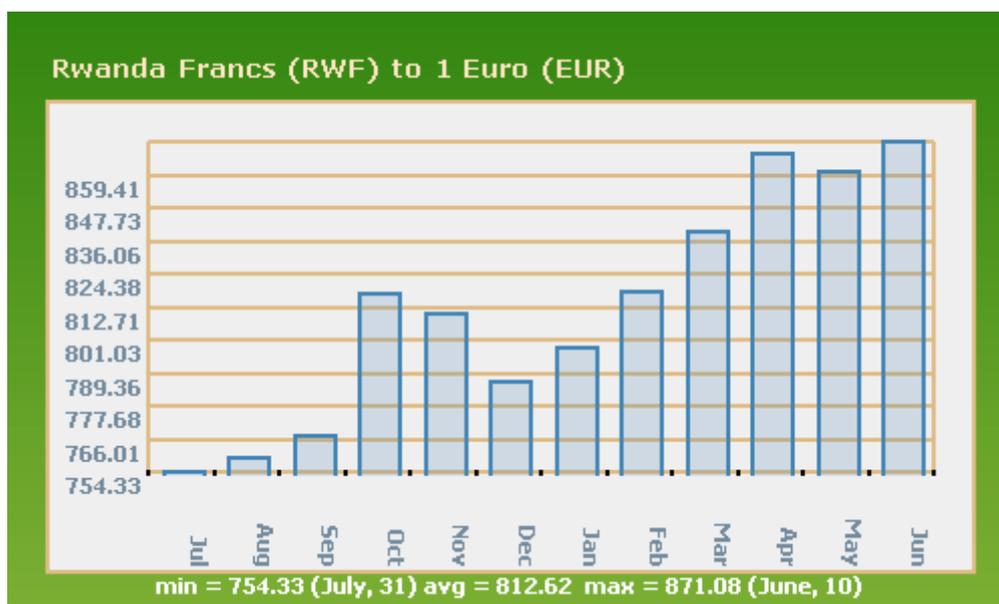
<sup>159</sup> Guide Africa, "Insurance in Rwanda", <http://www.guideafrica.com/rwanda/insurance-rwanda/insurance-in-rwanda.html> (accessed May 11, 2011).

<sup>160</sup> Rwanda Development Board, "Investing in Rwanda – An overview (2010)", 18, <http://www.rdb.rw/publications.html>.

<sup>161</sup> See e.g: IMF, "Rwanda: Financial System Stability Assessment", 2005, <http://www.imf.org/external/pubs/ft/scr/2005/cr05309.pdf> (accessed May 11, 2011).

<sup>162</sup> Guide Africa, "Rwanda Financial sector", <http://www.guideafrica.com/rwanda/financial-sector/rwanda-financial-sector.html> (accessed May 11, 2011).

with an underdeveloped production capacity, its imports far exceed its exports.<sup>163</sup> Although the cost of servicing external debt has fallen substantially as a result of multilateral debt relief under the Heavily Indebted Poor Countries (HIPC, USD1bn in relief) and G8 initiatives, foreign debt levels (and servicing of commitments) remain unsustainable for an economy with a weak foreign exchange earning capacity.<sup>164</sup> The exchange rate is allowed to float freely, with periodical interventions from the NBR to guarantee stability. The graph below shows the Rwandan franc against the euro for the period July, 2010 – June 2011.<sup>165</sup>



The NBR does have sufficient foreign reserves, but most of that is dependent on foreign budget support.<sup>166</sup> Thus, export is to be increased (for which FDI is important) in order to generate its own foreign currencies, if the country is to sustain a stable exchange rate independently, and to achieve a positive balance of trade.

For an impression of the degree of stability of the Rwandan franc, the adjoining table shows its annual inflation rate 1990. In 2009, the foreign exchange regulations were revised and the capital account fully liberalized. At present, all current and capital forex operations are no longer subject to restrictions.<sup>167</sup> Euler

ANNUAL AVERAGE	
Inflation rate (Index)	
1990	-
1991	12.8
1992	3.9
1993	8.6
1994	-
1995	109.5
1996	9.3
1997	17.1
1998	4.1
1999	-10.2
2000	2.1
2001	1.1
2002	-1.3
2003	11.7
2004	11.9
2005	9.1
2006	8.8
2007	9.1
2008	15.4
2009	10.3
2010	2.3

<sup>163</sup> NBR Research and Policy Analysis Department, "Interview with research team"

<sup>164</sup> Andrew Atkinson, "Country review Rwanda", Euler Hermes, 2.

<sup>165</sup> Exchange-rates.org, <http://www.exchange-rates.org/history/RWF/EUR/G/M>

<sup>166</sup> NBR Research and Policy Analysis, "Interview with research team", March 10

<sup>167</sup> NBR, "Annual report 2009", 64.

Hermes, the famous credit insurer, confirms by noting that: *'foreign investment is welcomed and restrictions and regulations have been streamlined, and the 'structural reforms [undertaken] encourage entrepreneurial activity'*.<sup>168</sup> This means at the same time a blessing and a curse, the country is compelled to maintain a favorable investment climate, otherwise capital will be withdrawn before it is realized, as has notoriously happened during the Asian crisis. However, the latest IMF assessment notes that the banking system remains relatively weak and regulation and supervision of the sector require improvement.<sup>169</sup> Competition among banks is also at a low rate and will hopefully increase with improved Central Bank supervision as well as an increase in the number of banks.<sup>170</sup>

Another factor that obstructs access to finance is the high interest rates, making loans very expensive. This, however is a result of the high levels of non-performing loans (around 10%), which persist even though interbank lending rates are kept low by the NBR. The NBR notices that this has come down from 30 to 40% in the past, but that it is still a main problem, by which SMEs are hit hardest.<sup>171</sup> However, borrowing is also expensive due to the low savings ratio in the country.<sup>172</sup> Thus, mobilizing capital domestically in order to invest or loan it out for a private investment is very limited.

All in all, Euler Hermes has still only rated the country's risk rate with a D (October 2010), which is the highest risk in a row from AA, A, BB, B, C, to D.<sup>173</sup> However, just two months before that, Rwanda received a B-rating from Fitch Ratings Ltd., with a stable outlook – much better than D, although B is still considered to be a speculative grade.<sup>174</sup> Besides that this shows that the credit rating of countries is not a universal practice, it shows that Rwanda is undoubtedly increasing its credibility. Nevertheless, much improvement is needed, but the IMF remains positive, and Euler Hermes as well: *'With a political commitment to market-led reforms and a good recent record of economic management, the IMF is likely to approve a three-year Policy Support Instrument that was requested in August [2010], although the interim monitoring targets will be challenging, particularly in relation to the fiscal and current account deficits.'*

---

<sup>168</sup> Andrew Atkinson, "Country review Rwanda", Euler Hermes, 2.

<sup>169</sup> IMF, "Country report nr. 10/200", July 2010, 43-44.

<sup>170</sup> Nat. University of Rwanda, "Interview with research team", March 15, 2001.

<sup>171</sup> NBR Research and Policy Analysis Department, "Interview with research team", March 10, 2011.

<sup>172</sup> Ernst & Young, "Interview with research team", March 16, 2011.

<sup>173</sup> Andrew Atkinson, "Country review Rwanda", Euler Hermes, 2.

<sup>174</sup> RNW, Africa, "Rwanda ready to be rated", <http://www.rnw.nl/africa/article/rwanda-ready-be-rated> (accessed June 12, 2011).

## Opportunities

Opportunities in this sector are primarily (1) investment into mortgage banks to enhance access to property, and (2) the increase of agricultural credit to farmers, as well as (3) the introduction of new financial products including leasing and venture capital.<sup>175</sup> Among these new financial products, especially meaningful would be (4) an innovative credit product of a larger and more commercial nature than micro credits, but less so than a standard commercial loan to an SME for example, in order to effectively address the lack of access to finance.<sup>176</sup> BPR has started to introduce (5) mobile-banking, an innovation which certainly deserves expansion, as does the availability of ATM machines. The improvement of credit card acceptance is also an opportunity for a bank looking to enter the Rwandan market.<sup>177</sup> The Rwandan market does not seem saturated yet, since two African banks are looking to set up a branch in Rwanda, as well as two insurance companies from Kenya and Tanzania.<sup>178</sup>

## Dutch expertise

Nowadays, the Dutch financial sector enjoys particular strength in the areas of pension fund expertise and management (retirement management), and low-cost and efficient payment systems (financial logistics). The Netherlands has also developed extensive knowledge and expertise in the field of sustainability and financial services (climate and sustainability).<sup>179</sup> Pension funds are only starting to develop in Rwanda, which means knowledge might be useful with regard to this, as well as the development of payment systems. Any projects focusing on sustainability in Rwanda could be attractive to Dutch banks (including the Rabobank) to invest in. Bringing projects such as these to their attention might be worthwhile.

Just how likely firms in the Dutch financial sector are to commence operations in Rwanda has nevertheless remained beyond the scope of this research. An exception to this uncertainty is the Dutch bank Rabobank, which, in 2009, bought up a share of 35% of BPR in 2009, while the rest of the ownership of the bank was transformed into shares that remained in the possession of small cooperatives. Rabobank is itself a cooperatives' bank and has had affinity with agriculture since its beginnings. Therefore, Rabobank is uniquely

---

<sup>175</sup> Guide Africa, "Rwanda Financial sector", <http://www.guideafrica.com/rwanda/financial-sector/rwanda-financial-sector.html> (accessed May 11, 2011).

<sup>176</sup> PSF Chamber of Commerce, "Interview with research team", March 11, 2011.

<sup>177</sup> Ibid.

<sup>178</sup> Ernst & Young, "Interview with research team", March 16, 2011.

<sup>179</sup> Agency NL, "Finance", <http://www.hollandtrade.com/sector-information/finance> (accessed May 12, 2011).

positioned to play a key role in the Rwandan banking and financial services market. The combination of the bank's affinity with- and established track record in the agricultural sector, and the needed expertise in Rwanda, makes the bank all the more poised to do business in Rwanda.

The Holland Financial Centre Foundation is a public/private initiative set up by organizations from throughout the financial sector, including banks, insurers, trading firms, pension funds, the government, and regulators. They possess information on the Dutch financial system, and information related to investing in Rwanda.

### **Socio-Political environment**

The Financial Service sector is composed of eight commercial banks (up from five in 2006) and two development-oriented banks (last April 2011, a ninth commercial bank, Banque de l'Habitat du Rwanda, has been bought by BRD).

- |  |   |
|--|---|
| 1. ECOBANK RWANDA                          | 2. FINA Bank Rwanda                             |
| 3. Banque Commerciale du Rwanda (BCR)      | 5. Banque Populaire du Rwanda (BPR)             |
| 5. ACCESS BANK SA                          | 6. Kenya Commercial Bank (KCB)                  |
| 7. Banque de Kigali (BK)                   | 8. Compagnie Générale de Banque (COGEBANQUE)    |
| 9. Banque Rwandaise de Développement (BRD) | 10. Urwego Opportunity Microfinance Bank (UOMB) |

These banks are regulated by the independent Central Bank of Rwanda. In 1999 the National Bank Act was revised to grant the Bank independence in formulating and implementing its monetary policy, and in ensuring financial sector stability.<sup>180</sup> Banking service operations date back to early 1960, starting with the oldest banks of BCR and Bank of Kigali respectively.<sup>181</sup> There seems to be a lack of competition among banks as mentioned before, and the state still controls a significant proportion of the total asset base of the financial system directly, despite privatization.<sup>182</sup>

### **Recommendations & Knowledge-Transfer**

Given the problem of access to finance in the country, there is an urgent need to focus attention on the reform and strengthening of the financial sector. Possibilities include the expansion of the number of banks, in order to increase competition, but also the introduction of different financial products such as a middle way between micro-credits and

---

<sup>180</sup> Consolate Rusugare , "Financial sector development program: the case of Rwanda", 2008, 2.

<sup>181</sup> Guide Africa, "Rwanda Financial sector", <http://www.guideafrica.com/rwanda/financial-sector/rwanda-financial-sector.html> (accessed May 11, 2011).

<sup>182</sup> Andrew Atkinson, "Country review Rwanda", Euler Hermes, 2.

large-scale financial loans. All in all, the financial sector does need a lot of improvement and expansion, but its functioning cannot be characterized indecent, as has been repeatedly mentioned during our interviews. Moreover, financial markets are relatively well-developed as the WEF's Global Competitiveness Report of 2011 confirms.<sup>183</sup>

---

<sup>183</sup> WEF, "Global Competitiveness report 2011", 40.

## Tourism

Prior to the unrest of the early to mid-1990s, Rwanda's tourism industry was in good health, being known as the 'Land of a Thousand Hills'. By the time the genocide had ended and stability was restored, tourism had virtually come to a halt.<sup>184</sup> In the first quarter of 2011, the tourism industry accounted for almost 50 million euro, up from over 38 million in the same period of the year before.<sup>185</sup> 50 million euro is a fairly negligible share of the total Rwandan GDP.

When taking the share of hotels and restaurants of GDP as an indicator for the size of the total tourism sector, the following graph gives an indication about the growth of the sector over the past years. However, as a share of GDP, 'Hotel and Restaurants' grew from 1% to 2% in the year 2003, and has remained at 2% to date; a relatively small share. The total value of Hotels and Restaurants in 2010 was well over 75 million Euros.<sup>186</sup>

Growth rates at constant 2006 prices	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Gross Domestic Product	-	8.4%	8.5%	13.2%	2.2%	7.4%	9.4%	9.2%	7.7%	11.5%	6.1%	7.5%
Hotels and Restaurants	-	3%	4%	46%	51%	26%	37%	23%	3%	6%	-6%	8%

In terms of attracting numbers of visitors, Rwanda has fared relatively bad, as can also be seen in the following graph. Rwanda outperforms only neighboring country Burundi, only since 2007.<sup>187</sup> However, that year represented an unprecedented increase in the number of tourists, possibly indicating a catch up with the other countries in the region.

Indicator	Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Foreign visitors/tourists to the EAC (x1000)	Burundi	-	-	86	87	175	137	138	152	165	183
	Tanzania	502	525	575	576	582	613	644	719	765	714
	Uganda	503	205	254	306	512	468	539	642	844	806
	Kenya	1.037	994	1.001	1.146	1.361	1.479	1.601	1.817	1.203	1.490
	Rwanda	4	6	10	16	27	24	31	676	731	664
	<b>East Africa</b>	-	-	<b>1.926</b>	<b>2.132</b>	<b>2.657</b>	<b>2.721</b>	<b>2.952</b>	<b>4.006</b>	<b>3.708</b>	<b>3.857</b>

<sup>184</sup> IFC, "Reviving tourism in Rwanda", 2008, 1.

<sup>185</sup> AllAfrica.com, "Rwanda: Investment in tourism paying off", <http://allafrica.com/stories/201105100242.html> (accessed May 18, 2011).

<sup>186</sup> National Institute of Statistics of Rwanda, "GDP Annual Estimates (2010)".

<sup>187</sup> East African Community, "Tourism statistics", [http://www.statistics.eac.int/index.php?option=com\\_content&view=article&id=142&Itemid=117#tourism](http://www.statistics.eac.int/index.php?option=com_content&view=article&id=142&Itemid=117#tourism) (accessed May 15, 2011).

The dominant features of tourism in Rwanda include the following activities:

1. The three national parks: Akagera, Nyungwe, and Parc National de Volcans; featuring respectively, a safari park, a montane tropical rain forest, and a volcano forest.
2. The mountain gorilla, as a distinctive feature of Parc National de Volcans
3. Bird watching

The convenient characteristic of the country is that all activities are within close distance of each other, given that Rwanda is a small country (despite its diversity in attractions).

### Sector Performance and its Factors

Rwanda has been, as in virtually all sectors over the past decade, steadily increasing its attractiveness and organization of tourism, really stepping up the effort and performance the last couple of years. In terms of tourism, the *African Competitiveness Report 2011* shows the ranks of 35 African countries (not all displayed here) as they have been ranked in the global competitiveness report of the World Economic Forum, in which 139 countries were assessed. The following graph shows their travel and tourism rankings as well as their score on a scale to 7.0.

Country/Region	TTCI 2011		TTCI 2009
	Rank*	Score	Rank†
China	39	4.5	47
Tunisia	47	4.4	44
Brazil	52	4.4	45
Mauritius	53	4.4	40
Russian Federation	59	4.2	59
<i>Southeast Asian average</i>		4.2	
South Africa	66	4.1	61
India	68	4.1	62
<i>Latin American &amp; Caribbean average</i>		4.0	
Egypt	75	4.0	64
Morocco	78	3.9	75
Namibia	84	3.8	82
<i>North African average</i>		3.8	
Cape Verde	89	3.8	n/a
Botswana	91	3.7	79
Gambia, The	92	3.7	87
Rwanda	102	3.5	n/a
Kenya	100	3.5	97
Senegal	104	3.5	101
Ghana	108	3.4	110
Tanzania	110	3.4	98
Zambia	111	3.4	100
Algeria	113	3.4	115
Uganda	115	3.4	111
Swaziland	116	3.4	n/a
<i>Sub-Saharan African average</i>		3.3	

Table 6: Travel & Tourism Competitiveness Index 2011 and 2009 comparison.<sup>188</sup>

Rwanda appears at position 102; together with most African countries, outside the top 100.<sup>189</sup> However, Rwanda possesses a particular strength in the area of a regulatory environment supportive of developing tourism. The country is also one of the top-performing countries where it comes to environmental sustainability.<sup>190</sup>

The next graphs shows Rwanda's ranking in the T&T competitiveness index for the particular areas that were measured. The three shaded areas rank within the top 50 which means, especially within the African context, a high position.

	<b>Rwanda</b>
Economy overall	102
Policy rules and regulations	40
Environmental sustainability	8
Safety and security	39
Health and hygiene	119
Prioritization of Travel & Tourism	95
Air transport infrastructure	109
Ground transport infrastructure	67
Tourism infrastructure	139
ICT infrastructure	120
Price competitiveness in the T&T sector	63
Human resources	100
Affinity for travel and tourism	60
Natural resources	56
Cultural resources	134

## Opportunities

It is very clear that Rwanda's tourism sector needs a lot of development structurally, as well as in attracting tourists towards its offerings. Opportunities lie mostly in the improvement of tourist facilities in general and further capitalization on the three main assets mentioned earlier (bird watching, mountain gorilla, and the national parks), as well as increasing the attraction for business tourism. But how much the Netherlands could add to exploiting these opportunities or possibly visit them (tourists) has not yet been

<sup>188</sup> Ibid.

<sup>189</sup> African Commission and WEF, "The African Competitiveness Report 2011", 91.

<sup>190</sup> Ibid. 92.

investigated.

### **Dutch Expertise**

Generally, Dutch tourists seem to have affinity with traveling to Sub-Saharan Africa, ranking, for instance, fourth (after Britain, Germany and France) in number of visitors to South-Africa in 2007.<sup>191</sup> The African Studies Center (ASC) of the University of Leiden also conducts research related to tourism in Africa, and may be contacted for their expertise. Tourism under current research at the ASC focuses on people interacting with others in the context of the tourist encounter on the one hand and on the exigencies and dynamics of eco-oriented tourism on the other.<sup>192</sup>

### **Recommendations**

In 2008, the ASC noticed a clear pattern that almost a quarter of all tourists heading to the African continent have East Africa as their final destination.<sup>193</sup> In 2009, 17% of all visitors the EAC received targeted Rwanda, which seems a relatively high number when considering that Tanzania, much larger, received 18.5% of all visitors.<sup>194</sup> Where it comes to the increase of Dutch visitors to Rwanda, it is our impression that the main obstacle is the image of the genocide that pervades their mind when something reminiscent of the country is perceived by Dutch people.<sup>195</sup> This association is the biggest challenge for Rwanda, but one that must be faced head-on, in order to address it adequately. How to generate a strong narrative to garner enough contra-impulse to the Dutch tourist market is a challenge for which we do not possess the necessary knowledge to tackle. It may be an interesting idea to commission a group of tourist-related students to address this challenge. In any case, active marketing of the country to travel agencies (particularly to Djozer ([www.djozer.nl](http://www.djozer.nl)) for its affinity with destinations on the African continent) seems to be necessary, just as bringing Rwanda to the attention of tourists through websites such as [www.vakantie-in-afrika.com](http://www.vakantie-in-afrika.com).

---

<sup>191</sup> Tourpress Holland, "Veel meer Nederlandse toeristen naar Zuid-Afrika", <http://www.tourpress.nl/nieuws/7/Overig/12535/Veel-meer-Nederlandse-toeristen-naar-Zuid-Afrika> (accessed May 15, 2011).

<sup>192</sup> African Studies Centre, "Tourism in Africa", 1, <http://www.ascleiden.nl/Pdf/Infosheet3engels.pdf> (accessed May 15, 2011).

<sup>193</sup> Ibid.

<sup>194</sup> East African Community, "Tourism statistics", [http://www.statistics.eac.int/index.php?option=com\\_content&view=article&id=142&Itemid=117#tourism](http://www.statistics.eac.int/index.php?option=com_content&view=article&id=142&Itemid=117#tourism) (accessed May 15, 2011).

<sup>195</sup> Unfortunately, no specification has been found for the number of Dutch tourists to Rwanda. The CBS does not specify for Africa, but the number of Dutch tourists heading for Africa must be less than 8%. (<http://www.cbs.nl/nl-NL/menu/themas/vrije-tijd-cultuur/publicaties/publicaties/archief/2010/default.htm>).

## Conclusion

This chapter has investigated the several sectors of Rwanda's economy with focus on potential Dutch added value. The order in which the sectors have been put reveals our hierarchy of interest for Dutch FDI. Agriculture has played a key role, since the Netherlands is the world's third largest agricultural exporter, although it is a small country compared with France and the USA. Rwanda has similar characteristics, although it is a landlocked country: it is relatively small, and agriculture plays a considerable role in the national economy. Although the market is small, the need for agricultural commercialization as stated by the GoR's strategies has been taken serious. This means that taken together, the role of the state as guarantor for investor protection and capital import facilitation makes Rwanda a suitable investment location for Dutch firms. The infrastructural sector plays a likewise important role. The focus has been on both, infrastructure in general, meaning road networks and water supply as well as agricultural infrastructure in the area of livestock support, equipment for processing farms and better supply of farms. Investments in the energy sector also look promising. Rwanda's methane gas reserves still are virgin and constitute a suitable investment opportunity. Alongside methane gas, geothermal, hydropower and peat have been identified as matching with Dutch expertise. In the area of ICT is another intersection point of Dutch and Rwandese interests. Rwanda has made efforts to develop its ICT infrastructure, which facilitates further developments in that area. Tourism still ranks low as part of Rwanda's GDP, despite a high demand for the mountain Gorilla watching.

Generally speaking, the area of intersection between Rwanda's opportunities and Dutch possible added value is wide, however, there needs to be an improvement when it comes to R&D and labor skills. The process of looking for investors should be simultaneous with a search for knowledge institutes ready to assist in Rwanda's economic endeavor.

## Chapter 3: Communication Strategy

This chapter addresses Dutch expertise and its potential relationship to Rwandan opportunities. Since Dutch companies also need to benefit from cooperation with- or investment in Rwanda, this chapter starts with a closer look at the Dutch economy, its priority sectors and reasons for investment in Africa, in particular Rwanda. Thereafter, references will be made to the general investment climate of Rwanda, upon which it will be shown how Dutch companies could be interested in doing business in Rwanda with respect to Rwanda's opportunities. Furthermore a list of potential investors will be provided to give an idea of companies that might have an interest in Rwanda.

### The Dutch Economy and Dutch Potential

For years, the Dutch economy has been stable, with stable industrial relations, moderate unemployment and inflation rates and a sizable current account surplus. The Netherlands is positioned as a European transportation hub. Most of its industrial activity is in the fields of food processing, petroleum refining, chemicals and electrical machinery. Although a very small amount of the total labor force is working in agriculture, the agricultural sector, since it is highly mechanized, accounts for large surpluses in the food processing- and food export industries.<sup>196</sup> Because of its strategic location along the North Sea combined with its dependence on foreign trade, the Dutch economy is traditionally a very open economy. The export value accounted for 329 billion euro in 2011, 7% higher than in 2010, while the import value amounted to 290 billion euro, which means a ten percentage increase in comparison to 2010.<sup>197</sup> The most important trading partners of the Netherlands are (in addition to 25 countries in Europe, of which Germany is by far its most important partner) ten Asian countries<sup>198</sup>. Other countries traded with are the United States of America, Brazil, Argentina, South Africa and Australia.<sup>199</sup>

Because of its open economy, the Netherlands was hit hard by the economic crisis

---

<sup>196</sup> EU Business, "The Netherlands: economic overview". <http://www.eubusiness.com/europe/netherlands> (accessed May 7, 2011).

<sup>197</sup> CBS, "groei export houdt aan", <http://www.persbericht.nu/cbs-groei-export-houdt-aan/> (accessed May 9, 2011).

<sup>198</sup> China, South Korea, Japan, Singapore, Taiwan, India, Hong Kong, Thailand, Malaysia, Indonesia, CBS Statline, "Internationale handel; in-en uitvoer naar goederengroepen". <http://statline.cbs.nl/StatWeb/publication/?DM=SLNL&PA=37830&D1=0,2&D2=0&D3=13,15,27-28,36,39-44,48,60-61,65-66,72,81-83&D4=169-I&HDR=T,G3&STB=G1,G2&VW=T> (accessed June, 10, 2011).

<sup>199</sup> CBS, "Belangrijkste handelspartners van Nederland", <http://www.cbs.nl/nl-NL/menu/themas/internationale-handel/publicaties/belangrijkste-handelspartners-nederland/default.htm> (accessed May 9, 2011).

that began in 2007. However, since 2010, the economy has grown by 1.8% and saw a 2.5% growth in the fourth quarter of last year.<sup>200</sup> This also implies that investments are rising again and industry growing. One of the main reasons for this economic growth is international trade, which increased significantly in comparison to 2009, and of which more was exported to non-European countries than European countries.<sup>201</sup>

Exports from the Netherlands concern mostly machinery and transport equipment, chemicals, mineral fuels, processed food and tobacco, and agricultural products. The Netherlands imports mainly crude petroleum and mineral fuels, transportation equipment, chemicals, consumer goods and foodstuffs.<sup>202</sup>

The largest sector in the Netherlands is its services sector which accounts for 72.8% of GDP and concerns, amongst others:

- Trade
- Transport
- Storage
- Restaurants and hotels
- Communication
- Financial and business services

The industry sector is its second largest sector which accounts for 25.4% of GDP, its main activities are in:

- Agro-industries
- Aluminum and steel
- Metal and engineering products
- Electric machinery and equipment
- Bulk chemicals
- Natural gas
- Petroleum products
- Construction
- Transport equipment
- Microelectronics
- Fishing

The last important sector in the Netherlands is agriculture, contributing 1.8% to GDP, which produces mainly in:

- Dairy
- Poultry
- Meat
- Livestock
- Cut flowers
- Vegetables and fruits
- Sugar beets
- Potatoes

---

<sup>200</sup> CBS, "Sterke groei Nederlandse economie in eerste kwartaal 2011", <http://www.cbs.nl/nl-NL/menu/themas/macro-economie/publicaties/artikelen/archief/2011/2011-035-pb.htm> (accessed May 13, 2011).

<sup>201</sup> Ibid.

<sup>202</sup> This section and the following one are, if not annotated otherwise, based on: U.S. Department of State: "background note: the Netherlands, <http://www.state.gov/r/pa/ei/bgn/3204.htm> (accessed May 14, 2011).

- Flower bulbs
- Wheat and barley

## Priority Sectors

Since 2010, the Dutch government decided to give more priority to nine sectors in which the Netherlands has a strong position worldwide. With this new policy, which is based on public-private cooperation, the government wants to consolidate the international position of these sectors by cooperating with companies and knowledge-institutions in search for new innovations and investments.<sup>203</sup> Administrative bottlenecks will be tackled by for example removing trade barriers and improving education.<sup>204</sup> But the government also plans to provide a better and easier inflow of knowledge workers and diminish unnecessary rules.<sup>205</sup> Besides this, the Dutch government invests 1.5 billion euro in consultations with businesses and researchers active in the Dutch top sectors.<sup>206</sup>

The nine sectors which are being stimulated are: agro-food, horticulture, high tech, energy, logistics, creative industry, life sciences, chemicals and water.<sup>207</sup> They will be elaborated next.<sup>208</sup>

### *Agro-Food*

The Agro-food sector is an important sector, especially in the area of value addition, and holds a strong position on the EU and international market for foods and stimulants.<sup>209</sup> The main suppliers in this sector involve farmers and market gardeners. Certain types of business, such as slaughter houses and the meat-processing industry, use large quantities of homegrown raw materials. The food industry, on the other hand, also makes use of international suppliers, which is known as 'global sourcing'. Much of production targeting the Dutch market originates in the Netherlands itself. This is caused by the logistical facilities and transport costs resulting from the supply of materials or the transport of end products. Another reason lies with organizational relationships with suppliers (in case of agricultural cooperatives), or with buyers (in case of house-brand products of supermarkets). Independent wholesalers and purchasing organizations are the main buyers of consumer goods on the Dutch market produced by the agro-food sector.

<sup>203</sup> Rijksoverheid: "investeren in topsectoren", <http://www.rijksoverheid.nl/onderwerpen/ondernemersklimaat-en-innovatie/investeren-in-topsectoren> (accessed May 14, 2011).

<sup>204</sup> Ibid.

<sup>205</sup> NOM: "Key sectors", [http://www.nvnom.com/investment\\_opportunities/46508/Key\\_sectors](http://www.nvnom.com/investment_opportunities/46508/Key_sectors) (accessed May 13, 2011).

<sup>206</sup> Ibid.

<sup>207</sup> Rijksoverheid: "investeren in topsectoren".

<sup>208</sup> The nine sectors are, if not annotated otherwise, based on: Management Team: "De negen topsectoren onder de loep", <http://www.mt.nl/91/28590/finance/de-9-topsectoren-onder-de-loep.html> (accessed May 14, 2011).

<sup>209</sup> This section is, if not annotated otherwise, based on: "Food and stimulants: Basic information", <http://www.hollandtrade.com/sector-information/food/?bstnum=1467> (accessed June, 14, 2011).

Independent wholesalers purchase foods and stimulants on behalf of supermarket corporations. Purchasing organizations, which constitute of independent supermarket corporations and purchasing departments of large supermarket corporations, also supply supermarkets (although to a lesser extent) and specialist retailers and bulk consumers. Because of increasing convergence on the purchasing market, purchasing organizations have a strong position to negotiate with producers in the food industry and to put pressure on prices and supply conditions.

The food industry focuses on consumer goods, but is also engaged in the production of semi-finished products for other industrial sector, which include sugar, flour and cocoa. Furthermore, animal feed is supplied to the farming sector. The sector holds expertise in the innovation on production processes and in the field of products with considerable added value. Moreover, there is a relatively rapid growth of added value in comparison to other European countries, which is also a result of the switch from products with low added value to products with high added value. Another area of expertise is found in labor productivity, which is relatively high compared to other EU countries. A strong chain structure, consisting of a fine collaboration between the food and stimulant industry with both the farming sector and with retail is a strong asset of the Agro-food sector. Other strengths are its good reputation in the areas of food safety, good logistics, partnerships with retailers, and the use of high-quality raw materials from the domestic farming sector.<sup>210</sup>

Dutch manufactures of machines for the production of foods control 80% of the global market for chicken meat processing machines and 50% of the global market for potato-processing machines. Many Dutch companies in the Agro-food sector are valued as one of the best in Europe: the EU top 25 companies includes five Dutch companies: Unilever, Wessanen, Heineken, FrieslandCampina and Nutreco.

### *Horticulture*

As an exporter of seeds and cuttings for vegetables, fruits and ornamental plants, the horticulture industry is a second very important sector for the Netherlands. Although its internal market is small, the Netherlands is a global player in terms of production of- and trade in horticultural crops.<sup>211</sup> In fact, the Dutch are the biggest exporters of flowers worldwide. Its expertise in the flower bulbs and trees sub-sector includes fundamental

---

<sup>210</sup> Holland Trade: "Foods and stimulants: Fact sheet", <http://www.hollandtrade.com/sector-information/food/?bstnum=1613> (accessed May 14, 2011).

<sup>211</sup> Holland Trade: "Horticulture: Perspective", <http://www.hollandtrade.com/sector-information/horticulture/?bstnum=1787> (accessed June 14, 2011).

knowledge of bulbs and their use, the use of stringent criteria for quality, working conditions and the environment through the “QualiTree system”, which is a quality certificate to ensure the quality of the product and process as well as working conditions and the environment.<sup>212</sup> Another strong aspect of the horticulture sector is the optimization of sustainability by working together with knowledge institutions.<sup>213</sup>

The vegetable branch of the horticulture industry is especially focused on exports, in particular to EU markets.<sup>214</sup> Eastern Europe is becoming more and more important to the Dutch horticulture, since Eastern European countries experience an increase in prosperity leading to greater purchasing power.<sup>215</sup> The Netherlands has been the largest exporter of vegetables in the world since the last three years.<sup>216</sup> With regard to greenhouse builders and suppliers, a strongly developed knowledge- and skill network exists, stimulating and enabling ongoing innovation and development.<sup>217</sup>

Future growth of the horticulture sector is likely to be driven mainly by a rise in foreign demand, including upcoming markets.<sup>218</sup> Greenport Nederland therefore has established a subsidiary called ‘Greenport Holland International’.<sup>219</sup> Its goal is to bundle knowledge and experience of companies, knowledge institutions and governments into well-organized cooperation to successfully establish and support international horticulture projects. It also aims at enlarging the earning capacity of the Netherlands and at strengthening the position of the Netherlands as a centre of excellence.<sup>220</sup> Along these lines the Dutch contribute to food safety and food certainty in different countries and in accordance with the MDGs.

The horticulture sector is organized into marketing boards, trade associations and sector organizations. Examples of important organizations are:<sup>221</sup>

- the Horticulture marketing board, which constitutes of employers and employees in the horticulture industry
- Trade Organization for Contractors and Fitters in Glasshouse Horticulture which is the organization for the Dutch greenhouse construction and

---

<sup>212</sup> Hecostek cultures: “QualiTree”, <http://www.hecostek.nl/NL/qualitree.htm> (accessed June 15, 2011).

<sup>213</sup> Holland Trade: “Horticulture: Competitiveness”, <http://www.hollandtrade.com/sector-information/horticulture/?bstnum=1791> (accessed May 14, 2011).

<sup>214</sup> Holland Trade: “Horticulture: Basic Information”, <http://www.hollandtrade.com/sector-information/horticulture/?bstnum=1785> (accessed May 14, 2011).

<sup>215</sup> Holland Trade: “Horticulture: Perspective”.

<sup>216</sup> Ibid.

<sup>217</sup> Ibid.

<sup>218</sup> Holland Trade: “Horticulture: Perspective”.

<sup>219</sup> Ibid.

<sup>220</sup> Ibid.

<sup>221</sup> Holland Trade: Horticulture: Market approach”, <http://www.hollandtrade.com/sector-information/horticulture/?bstnum=1788> (accessed June 14, 2011).

greenhouse fitting industry.

- Fruit Trade Association Netherlands. This is a trade platform.
- Dutch association for breeding, tissue culture, production and trade of seeds and young plants, which is an industry association.

### *High Tech*

The High Tech sector is the field where large companies such as Philips and ASML work on new innovations and improvements for business. This sector involves machine and system industry, automotive, aviation, space and materials including steel.<sup>222</sup> Characteristics of this sector are the development and use of embedded systems, software and sensors, as well as nano electronics and high precision manufacturing. The Netherlands is a leading player in the design, development and manufacturing of high tech equipment and micro- and nano components.<sup>223</sup> This sector generated in 2008 a 74 billion euro turnover and invests yearly more than 2.3 billion euro in research and development. Research is especially focused on emerging technologies including nanotechnology.<sup>224</sup> Examples of the use of new technology are sensors, developed by Philips and Medimate, which can identify and indicate the presence of certain substances in, for instance, blood. Beside these healthcare solutions, Philips also provides solutions in relation to energy efficiency through innovations in new lighting applications and technologies such as LED technology.<sup>225</sup> Furthermore, the high tech sector develops new technology for use in foods, semi-conductors and energy, of which production of ever smaller microchips is a good example. So is the use of new technology to make solar energy more efficient, in which the Dutch expertise is demonstrated by Delft University through its winning of the World Solar Challenge in four consecutive races (2001, 2003, 2005, and 2007).<sup>226</sup>

### *Gas*

The Netherlands natural gas deposits are, with exception of the Russian Federation, the largest in Europe.<sup>227</sup> The Netherlands is the third largest producer of gas after Norway and

---

<sup>222</sup> Ministerie van EI&I: "Topsector High Tech, <http://www.top-sectoren.nl/hightech> (accessed June 14, 2011).

<sup>223</sup> Ibid.

<sup>224</sup> Holland Trade: "Micro and nano technology: Competitiveness", <http://www.hollandtrade.com/sector-information/micro-and-nano-technology/?bstnum=2759> (accessed May 14, 2011).

<sup>225</sup> Philips: "Company Profile", <http://www.philips.com/about/company/companyprofile.page> (accessed June 14, 2011).

<sup>226</sup> Ibid.

<sup>227</sup> Holland Trade: "Oil and Gas, Basic Information", <http://www.hollandtrade.com/sector-information/oil-and-gas/?bstnum=2782> (accessed May 14, 2011).

the UK.<sup>228</sup> Aware of its geographical position in Western Europe, its expertise in gas logistics and technology, and a rising demand for gas, the Netherlands has the ambition to become a key player in the European gas sector, by trying to establish itself as a 'gas roundabout'.<sup>229</sup> This concept consists of a network of 15,000 km of high-pressure gas pipelines in the Netherlands and Germany and functions as a major gas hub for Northwestern Europe.<sup>230</sup> This involves national and international trade, which requires an elaborate physical gas infrastructure, as well as market integration (integrating the separate European gas markets into a single European gas market) and innovation, in order to secure the supply of gas to European countries, to strengthen its competitive position and to contribute to the competitiveness of the European gas market.<sup>231</sup>

The main activity in the Dutch gas sector consists of exploration and production.<sup>232</sup> Sub-sectors include services related to exploration and production, surveying, offshore, and the supply of equipment. Alongside its ambition to become a gas roundabout, the Netherlands also has extensive experience with logistics and pipeline technology.<sup>233</sup> Moreover, it has a leading position in the development of technologies in the area of gas conversion, focused on LNG, GTL<sup>234</sup>, chemical conversion, power generation and gas transport.<sup>235</sup> It is also a leading developer of technologies, such as 'Floating Production Storage and Offloading'.

Investments in renewable energy also received priority since the Netherlands needs to reduce its CO<sub>2</sub> emissions in order to comply with the European CO<sub>2</sub> targets of 2020.<sup>236</sup> Therefore, 14% of its energy use should come from renewable sources in 2020.<sup>237</sup> Efforts to reach this goal are the development of offshore wind energy, as well as constructing more wind turbines on land. Other efforts include the use of bio-energy, which is generated

---

<sup>228</sup> Ibid.

<sup>229</sup> PWC: "Nederland als de gasrotonde van Europa", <http://www.pwc.com/nl/nl/olie-gassector/nederland-als-de-gasrotonde-van-europa.jhtml> (accessed on June 10, 2011).

<sup>230</sup> Pipelines International: "The Dutch implement 'gas roundabout' concept", [http://pipelinesinternational.com/news/the\\_dutch\\_implement\\_gas\\_roundabout\\_concept/043747/#](http://pipelinesinternational.com/news/the_dutch_implement_gas_roundabout_concept/043747/#) (accessed June 14, 2011).

<sup>231</sup> Rijksoverheid: "Gasrotonde", <http://www.rijksoverheid.nl/onderwerpen/gas/gaspositie-van-nederland/gasrotonde> (accessed June 10, 2011).

<sup>232</sup> Holland Trade: "Oil and Gas, Basic Information".

<sup>233</sup> Ibid.

<sup>234</sup> GTL stands for gas-to-liquids and is an alternative (pollution free) fuel which is made from natural gas and can be used in conventional diesel engines. World GTL: "The history of GTL", [http://www.world-gtl.com/why\\_gtl/history.html](http://www.world-gtl.com/why_gtl/history.html) (accessed on June 14, 2011).

<sup>235</sup> Ibid.

<sup>236</sup> PWC: "Verduurzaming drijfveer fusies en overnames energiesector", [http://actueel.nl.pwc.com/site/energie\\_en\\_utilities/algemeen/1193/verduurzaming\\_drijfveer\\_fusies\\_en\\_overnames\\_energiesector.html](http://actueel.nl.pwc.com/site/energie_en_utilities/algemeen/1193/verduurzaming_drijfveer_fusies_en_overnames_energiesector.html) (accessed June 10, 2011).

<sup>237</sup> Agentschap NL: "Waarom windenergie?" <http://www.windenergie.nl/105/onderwerpen/waarom-windenergie> (accessed June 10, 2011).

from organic material, such as wood, fibers, vegetable and animal fat,<sup>238</sup> and the use of solar energy.<sup>239</sup> Another form of renewable or sustainable energy used by the Netherlands is geothermal energy<sup>240</sup>, which is generated from the heat of the earth by, for instance, drilling wells into underground areas that contain geothermal water.<sup>241</sup>

### *Logistics*

The Netherlands occupies a key role in the transportation of goods, due to its coastal position in Europe, the extensive network of road, rail, waterways and pipelines, and the country's world-class logistics service providers.<sup>242</sup> The Port of Rotterdam occupies a key position as Europe's largest port together with Amsterdam Airport Schiphol, which is a significant European cargo and passenger hub.<sup>243</sup> From the Port of Rotterdam large economic centers and industries in Western Europe are reachable within 24 hours.<sup>244</sup> Moreover, companies servicing Dutch ports are specialized in storage, transshipment, warehousing and distribution.<sup>245</sup> The Netherlands also hosts 57% of all American and Asian European distribution centers (EDC's) in Europe, and is a significant road transport player in Europe, as well as the largest inland shipper.<sup>246</sup>

### *Creative Industry*

The Creative Industry<sup>247</sup> was poised to become a key sector and an innovation platform prior to the identification of priority sectors. Institutions such as the Design Academy, Eindhoven, and TU Delft contributed to this. Design, architecture, fashion, dance, TV formats and computer games are successful products.<sup>248</sup> Expertise can especially be found in the hosting of international dance music events, communication design (such as

---

<sup>238</sup> Agentschap NL: "Bio-energie", <http://www.agentschapnl.nl/programmas-regelingen/bio-energie> (accessed June 10, 2011).

<sup>239</sup> Agentschap NL: "Duurzame energie in Nederland (DEN)", <http://www.agentschapnl.nl/programmas-regelingen/duurzame-energie-nederland-den> (accessed June 10, 2011).

<sup>240</sup> Agentschap NL: "Warmtepompen en Geothermie", <http://www.agentschapnl.nl/programmas-regelingen/warmtepompen-en-geothermie> (accessed June 14, 2011).

<sup>241</sup> "Geothermal Energy, <http://www.renewableenergyworld.com/rea/tech/geothermal-energy> (accessed June 14, 2011).

<sup>242</sup> Holland Trade: "Transport and Logistics, Fact sheet", <http://www.hollandtrade.com/sector-information/transport-and-logistics/?bstnum=4489> (accessed May 14, 2011).

<sup>243</sup> Ibid.

<sup>244</sup> Holland Trade: "Transport and Logistics, Basic Information", <http://www.hollandtrade.com/sector-information/transport-and-logistics/?bstnum=4490> (accessed May 14, 2011).

<sup>245</sup> Ibid.

<sup>246</sup> Ibid.

<sup>247</sup> Although the Creative Industry as a sector includes various products and technologies, in this research it is referred to as one sector because the Dutch government regards it as one single top sector.

<sup>248</sup> Holland Trade: "Creative Industry: Fact sheet", <http://www.hollandtrade.com/sector-information/creative-industry/?bstnum=3556> (accessed May 14, 2011).

signposting at airports), an integrated approach to urban development and construction projects, and innovative concepts for TV formats.<sup>249</sup>

### *Life Sciences*

Another Dutch top sector is life sciences, where vaccines, diagnostic medicines and biomedical materials and other products are produced. Life sciences also refers to the use of living organisms, or parts of these organisms, to modify or develop products or to improve properties of plants or animals, and to develop micro-organisms for applications.<sup>250</sup> Important institutions are Bio Science Park in Leiden and the Health Valley in Nijmegen and Wageningen.

### *Chemicals*

With regard to the chemical industry, companies such as Akzo Nobel, DSM, Sabic and Pernis are key players in the Netherlands. Focus in this sector is especially on innovation, as well as on the establishment of a biobased economy, which entails that instead of oil or petroleum as an energy source, alternative bio-based (renewable) energy sources are used in industry along with the use of only vegetable products.<sup>251</sup>

### *Water*

The water sector is one of the most important and strong sectors of the Netherlands. 60% of all Dutch organizations in the water sector (which contains 850 companies) are exporters.<sup>252</sup> Water technology, water purification and clean technology are important aspects of this sector in which the Dutch possess a lot of expertise. Other aspects are the presence of platforms to promote cooperation abroad, high quality of scientific research and efficient operations in drinking water and wastewater treatment.<sup>253</sup> Furthermore, several large international firms with valuable knowledge are operating in the sector, and consultative bodies such as the Netherlands Water Partnership (NWP), which also promotes international cooperation.<sup>254</sup> Key players in this sector are regional water

---

<sup>249</sup> Ibid.

<sup>250</sup> Hollandtrade: "Biotechnology: basic information", <http://www.hollandtrade.com/sector-information/life-sciences/?bstnum=1615> (accessed June 15, 2011).

<sup>251</sup> Agentschap NL: "10 miljoen voor innovatie in biobased economy", <http://www.rijksoverheid.nl/nieuws/2010/07/08/10-miljoen-voor-innovatie-in-biobased-economy.html> (accessed June 14, 2011).

<sup>252</sup> Holland Trade: "Water: Fact sheet".

<sup>253</sup> Holland Trade: "Water: Fact sheet", <http://www.hollandtrade.com/sector-information/water-management/?bstnum=1298> (accessed May 14, 2011).

<sup>254</sup> Holland Trade: "Water: Perspective", <http://www.hollandtrade.com/sector-information/water-management/?bstnum=943> (accessed June, 15, 2011).

authorities and water companies such as Vitens, Evides and Hydron.<sup>255</sup>

## Investments in Africa

As mentioned earlier, the Netherlands has a very open economy and much of its national income is generated through trade with other countries. Although not much in Rwanda, there are a number of Dutch companies with substantial activities on the continent at large. What follows next is a brief description of what these activities include.<sup>256</sup>

Although Shell is particularly concerned with the extraction of oil in Nigeria, Tanzania, Gabon and Algeria, it is also involved in downstream activities in such countries as Kenya, Namibia, Botswana and Ghana. In Ghana, for example, Shell supplies hydrocarbon products to Ghana's mining industry as well as fuels, lubricants and associated services to its customers in Ghana.<sup>257</sup>

Heineken has been active in Africa since 1923 and has production plants in a lot of African countries, including Nigeria, South Africa and Rwanda. Within Africa, Heineken exports its beer to almost all other African countries and reported good results over 2010.<sup>258</sup> Heineken believes that political stability and economic development are favorably influencing the purchasing power of the African people, which translates into an increase in the sales of beverages in the future.

Unilever has also been in operation in Africa for more than one hundred years and sells its products in almost all African countries, including Rwanda. Examples of products sold in Rwanda are the "Fair and Lovely cream" which is a facial cream and Blue Band for baking, cooking and as spread on bread.<sup>259</sup> Unilever reasons that economic wealth, good governance and population will increase in African countries.<sup>260</sup> Furthermore, it believes that hygiene will become more important as Africa develops, and that Africa will thus require increasingly more Unilever products such as soap and tooth paste.

Philips is investing in Africa by introducing solar-powered medical systems and LED (light emitting diodes)-lights, and aims to cooperate with local organizations. Especially with regard to health care Philips is active in almost all African countries, but has offices in

---

<sup>255</sup> Ibid.

<sup>256</sup> The following sections on investments in Africa are, if not annotated otherwise, based on: Emerging Africa, "Nederlandse bedrijven in Afrika", <http://www.emergingafrica.nl/ondernemen-in-afrika/nederlandse-ondernemers-/97-nederlandse-bedrijven-in-afrika> (accessed May 15, 2011).

<sup>257</sup> Shell, "Ghana", [http://www.shell.com/home/content/footer/about\\_this\\_site/contact/contact\\_ghana.html](http://www.shell.com/home/content/footer/about_this_site/contact/contact_ghana.html) (accessed June 14, 2011).

<sup>258</sup> Heineken is producing under the name Bralirwa in Rwanda.

<sup>259</sup> Unilever: "Blue Band", <http://www.unilever-esa.com/brands/foodbrands/blueband.aspx> (accessed June 15, 2011).

<sup>260</sup> Emerging Africa, "Nederlandse bedrijven in Afrika", <http://www.emergingafrica.nl/ondernemen-in-afrika/nederlandse-ondernemers-/97-nederlandse-bedrijven-in-afrika> (accessed June 15, 2011).

Algeria, Kenya, Ethiopia, Ghana, Mauritius, Malawi, Libya, Tanzania, South Africa, Morocco, Tunisia, Zimbabwe and Mozambique.

BAM<sup>261</sup> is working on new infrastructure in especially Libya, Ghana, Tanzania and recently in Sierra Leone.

One of the companies that is not investing in Africa but plans to do so, is SNS Bank. SNS Bank would like to invest in Africa in the near future by setting up investment funds, amongst which is an agrarian fund. Other companies investing in Africa are:

- KLM ( offices in Kenya, South Africa, but has also direct flights to Rwanda)
- Van Oord (Nigeria)
- DHV(South Africa)
- Akzo Nobel (South Africa, Morocco, Egypt)
- Fugro (Angola, Congo, Egypt, Equatorial Guinea, Gabon, Mauritius,Nigeria and South Africa)
- Haskoning (Libya, Nigeria, and South Africa)
- SBM Offshore (Angola, Congo, Nigeria and Equatorial Guinea)
- Boskalis (Angola, South Africa, Gabon and Nigeria)

Although there clearly are Dutch investments on the African continent, Rwanda has not attracted many Dutch investors to date. What has become clear from conversations with agencies like the EVD/Agency NL or the Dutch Chamber of Commerce (Kamer van Koophandel – KvK) is that Rwanda is still not very known across the Netherlands as a country containing attractive investment opportunities. The anachronistic image of the genocide that occurred in 1994 remains pervasive, but also the publication of a UN report of last October in which Rwanda could be blamed for committing genocide on Hutu's in Congo, draws a more negative picture of the country in the minds of outsiders,<sup>262</sup> although this report was disputed by African countries, in particular by Rwanda and Uganda.<sup>263</sup> However, reports of McKinsey<sup>264</sup> and Ernst & Young<sup>265</sup> (besides the reports from

---

<sup>261</sup> Koninklijke BAM Groep is a successful European construction group and is active in various sector such as construction, real estate, public private cooperation, installation techniques, consultancy and engineering and facility management. BAM works on specialized construction projects in niche markets worldwide.  
<http://www.bam.nl/over-bam/bedrijfsprofiel> (accessed June 15, 2011).

<sup>262</sup> UN News Centre: "DR Congo: UN releases most extensive report to date on war massacres, rapes",  
<http://www.un.org/apps/news/story.asp?Cr1=congo&NewsID=36306&Cr=democratic> (accessed May 15, 2011).

<sup>263</sup> The New York Times: "UN Report on Congo massacres draws anger",  
<http://www.nytimes.com/2010/10/02/world/africa/02congo.html> (accessed June 15, 2011).

<sup>264</sup> McKinsey: "Lions on the move, the progress and potential of African economies", 2010,  
[http://www.mckinsey.com/mgi/publications/progress\\_and\\_potential\\_of\\_african\\_economies/pdfs/MGI\\_african\\_economies\\_full\\_report.pdf](http://www.mckinsey.com/mgi/publications/progress_and_potential_of_african_economies/pdfs/MGI_african_economies_full_report.pdf) (accessed May 13, 2011).

institutions such as the World Bank and the IMF) do state that Africa has much potential to become a fruitful investment area for foreign companies in the near future. These reports also mention Rwanda in particular as a favorable location for future investments. According to Ernst & Young, Rwanda's institutional environment is improving and they confirmed that the country has already made improvements with regard to a business friendly environment.<sup>266</sup>

Besides the general investment- and political climate and a country's history, Dutch companies keen on making an investment abroad are looking for attractive and clear opportunities in terms of economizing on resources, or potential markets for their investments. Therefore, a combination of high quality promotion and especially the availability of *attractive* business opportunities – besides the presence of a good investment climate for potential investors – are the ingredients required to draw Dutch investors to Rwanda. The next two sections elaborate further on this. At least of equal importance, however, is the fact that the attractiveness of a business opportunity depends not only on the material conditions, but also on the image held of the investment location. Hence, this is a very important factor; the idea potential investors have with the name 'Rwanda'.

## **A good investment climate as a start**

To attract foreign investment, whether Dutch investments or not, a stable and good investment climate is a crucial requirement. As has become apparent from chapter one, the investment climate in Rwanda is perceived as a stable one. From our survey and the World Bank's investment climate assessment, held in 2010<sup>267</sup>, it has become clear that the lack of skilled labor is the most severe obstacle for doing business in Rwanda. This shortage causes higher labor costs, not only because foreign firms need to import experts, but also because skilled workers in Rwanda are paid 12 to 13% more wage than the average local worker. In other countries this percentage is around 8%. Other obstacles are the cost of local finance, the price of local inputs, availability of local services and the quality of local suppliers. Furthermore, electricity, transport costs and tax rates, which are perceived as too high according to foreign firms, are obstacles in terms of doing business in Rwanda. It should, however, be noted that the direct costs of electricity and transport

---

<sup>265</sup> Ernst & Young: "It's time for Africa, Ernst & Young's 2011 Africa attractiveness survey", 2011, [http://www.ey.com/Publication/vwLUAssets/2011\\_Africa\\_Attractiveness\\_Survey/\\$FILE/11EDA187\\_attractiveness\\_africa\\_low\\_resolution\\_final.pdf](http://www.ey.com/Publication/vwLUAssets/2011_Africa_Attractiveness_Survey/$FILE/11EDA187_attractiveness_africa_low_resolution_final.pdf) (accessed May 17, 2011).

<sup>266</sup> Ibid, 40.

<sup>267</sup> World Bank: "The Investment Climate Assessment report on Rwanda" (executive summary), 2010, 1-6.

are one of the highest, compared to neighbouring countries, but the indirect costs are higher in other countries. Kenya for example, faces higher indirect transport costs than Rwanda, also because of the likelihood of corruption and theft during transport, road blocks and inefficiency along the border in Kenya.<sup>268</sup>

Rwanda has proven to be an attractive country, considering its political environment and low corruption, indicators on which the country scores significantly better than neighboring countries. Moreover, it is a very tidy country, with an active and responsive government, which initiates a large number of policies and projects to facilitate business in Rwanda. Other strengths of the country are business licensing and operating permits and also business opportunities. Rwanda seems to have a good climate and conditions for the growth of various products. It also has a relatively central location in Africa to serve other markets than its own, though transport costs should be taken into account.

However according to some institutions or organizations, investments are also blocked by too much regulation, sometimes a more restrictive political climate and the lack of money from local investors in the case of an investment partnership with a Dutch firm. What can be concluded is that because of government reforms and newly initiated projects the investment climate in Rwanda seems stable for foreign investors. Moreover, Rwanda seems, with regard to its investment climate, unique in terms of:<sup>269</sup>

- a stable political climate
- order
- low corruption
- good growing conditions (climate) and
- one of the top 10 reformers in relation to business reforms<sup>270</sup>

It may not be surprising that this small country climbed from the 70<sup>th</sup> in 2010 to the 58<sup>th</sup> place in 2011 on the 'doing business 2011 ranking'.<sup>271</sup> However, it must be recognized that its performance in reports and rankings, are not always met in practice. To facilitate foreign investment increasingly, additional tax rates for companies should be cut, problems such as the infrastructure and electricity need to be tackled further and the government should also direct policies to increase the amelioration of the business climate and to increase

---

<sup>268</sup> Ibid, 4.

<sup>269</sup> Porter, M.E, "The Competitive Advantage of Nations: Implications for Rwanda", Harvard Business School.

<sup>270</sup> Ernst & Young: "It's time for Africa, Ernst & Young's 2011 Africa attractiveness survey", 8, Footnote 19.

<sup>271</sup> Doing Business: "Ease of Doing Business in Rwanda",  
<http://www.doingbusiness.org/data/exploreeconomies/rwanda> (accessed May 15, 2011).

confidence in the government and its policies.

Although a stable investment climate is an important reason to invest, primary remains the presence of concrete business opportunities. The following section will show what opportunities in Rwanda should be taken advantage of by Dutch firms, considering their expertise.

## **Dutch Potential for Rwandan Opportunities**

Regarding the Dutch top sectors, Dutch expertise, and the sector analyses performed in chapter two, Dutch investments should focus, in the first place, on the agriculture and water sectors. Other sectors with more limited, though viable, investment opportunities for potential Dutch investors are: energy, ICT, finance, construction and tourism.

### **Agriculture**

The most conspicuous sector in Rwanda where opportunities could best be exploited by Dutch companies seems to be the agricultural sector. As explained in the sector analysis, horticulture, dairy and poultry value chains and the food processing industry are sub-sectors which contain plenty of investment opportunities for Dutch firms. Considering Dutch expertise in this sector, Dutch firms could invest or set up activities in Rwanda to improve agricultural productivity and sustainable development. Moreover, techniques and knowledge available in the Netherlands is needed in Rwanda. The use of new technologies such as the upgrading of seeds to improve their quality, or the use of artificial manure which improves the quality of crops, could be of value to Rwandan farmers.<sup>272</sup> Also the use of more modern production methods, agricultural technique and traditional knowledge in combination with the development of a knowledge-based infrastructure could lead to improved productivity and therefore new investments. As a result, the export of roses within Africa for example, could be increased, especially as air freight becomes less expensive, something the GoR is pursuing. Currently, the costs of shipping by air of neighboring countries such as Kenya are considerably lower.<sup>273</sup>

### **Infrastructure; Particularly in Water and Waste Management**

As pointed out in the sector analyses, the Dutch are interested in international partnerships and already work in various areas around the world to develop solutions to problems

---

<sup>272</sup> Mondiaal Nieuws: "Landbouwexpert Rudy Rabbinge over de noodzakelijke landbouwrevolutie in Afrika", <http://www.mo.be/opinie/landbouwexpert-rudy-rabbinge-over-de-noodzakelijke-landbouwrevolutie-afrika> (accessed June 15, 2011).

<sup>273</sup> Consultant MMF, "interview with research team", May 16, 2011.

related to water. Part of the expertise in the Netherlands includes drinking water and wastewater treatment operations. The Dutch water sector has a lot of experience to build upon and contains many innovative companies operating in the supply of capital goods, such as waste water treatment plants, filters and machines. Since Dutch companies possess more expertise and technological knowledge in this field than Rwandan companies, they could especially seize opportunities in the supply and construction of pipelines systems for water distribution to households and other water consumers. One such example is PWN (Water Pipeline Company Noord-Holland), who is currently engaged in a joint venture with Aqua Rwanda (for which it received funding under the PSI program<sup>274</sup>). This joint venture, in which PWN owns 51% of the shares, received the name Aqua Virunga, and started out with their first water supply project in the north-west of Rwanda in 2007 as the first private water supply company in the country.

Another opportunity lies in the construction of irrigation systems, which Dutch firms could build or provide expertise for, or for which they could only supply capital, materials and/or machinery. If agricultural production were to increase and the agricultural sector to remain one of the key sectors in Rwanda, the irrigation of land would become even more important.

Lastly, Dutch investments with regard to the waterways in Rwanda could be very interesting. Currently, Rwanda's rivers are not navigable and thus not suitable for transport. Dutch firms could, given their expertise and experience with canalization, set up (proposals for) projects for canalization, or through consultancy provide technological know-how.

## **Energy**

Although the Netherlands has particular expertise in the energy sector, this is mainly due to its position as a gas supplier in Europe. In Rwanda, there are opportunities for FDI and for technological and knowledge transfer in the process of extraction and monitoring. However, gas extraction in Rwanda concerns methane gas, with which Dutch companies do not have (much) experience. It might nevertheless still be possible to attract Dutch companies in the piping and distribution of gas, and to use Dutch expertise in processing gas into liquefied gas. It is recommendable to enter into a dialogue with Dutch firms on these possibilities. However, it should be kept in mind that the orientation of the Netherlands is currently towards Europe, since its present aim is to position itself as a gas roundabout in Europe.

---

<sup>274</sup> What a PSI program entails will be elaborated on in the next and final section of this chapter.

## ICT

As illustrated in the sector analyses, the ICT sector in Rwanda is currently in a developing phase, but the GoR does have the ambition to establish Rwanda as an ICT hub for the region. A lot remains to be done in this sector in order to improve technological knowledge and to augment skills, and both are needed to realize this ambition and to be more attractive to foreign investors (although, of course, this also depends on the type of investment). The Netherlands has expertise in embedded information systems, chip manufacturing and broadband facilities. Although the Dutch ICT sector does not possess extensive expertise in the field of applications, it sees new trends in ICT as an innovation, which includes the use of these ICT applications to facilitate innovation in the top sectors of water, creative industry, High Tech and horticulture and agro-food.<sup>275</sup> Innovative ICT applications in Rwanda could also be used to simplify the process of providing services and to increase the participation of citizens.<sup>276</sup> Furthermore, smart ICT applications could be used to increase people's mobility, through the use of navigation applications for example.<sup>277</sup> However, a firm already active in the region would more likely be a potential investor than a Dutch firm, given their affinity (which in part stems from their proximity) with the distinct conditions that apply to Rwanda.

In concluding, provided the Rwandan ICT sector continues to develop according to the vision held for the sector, Dutch firms should broaden their perspective to include Rwanda as a possible investment location. For, once becoming more and more digitalized (for which the infrastructure is to a large extent in place), the East African market is large enough, especially when Dutch companies engage in 'cloud computing'<sup>278</sup>, to be able to generate profits of the size that Dutch firms should not want to miss out on. Possible investments are internet facilities for households, the development of software, and the deployment of smart ICT applications.

## Finance

The financial sector in Rwanda needs significant improvements. Opportunities might be the development of efficient, low cost payment systems and the development of more and

---

<sup>275</sup> Holland Trade: "ICT: Fact Sheet", <http://www.hollandtrade.com/sector-information/ict/?bstnum=3557> (accessed June 15, 2011).

<sup>276</sup> Ibid.

<sup>277</sup> Ibid.

<sup>278</sup> Cloud computing involves companies purchasing all computer capacity via the internet. The result is that local servers or software is no longer required. Holland Trade: "ICT Factsheet", <http://www.hollandtrade.com/sector-information/ict/?bstnum=3557> (accessed June 15, 2011).

differentiated financial products. Generally, projects related to sustainability in Rwanda could be attractive to financing by Dutch banks, since more and more Dutch companies and banks are concerned with sustainable economic growth, although most of the activities with regard to sustainability are only part of a developmental program of a particular bank and not part of its mainstream commercial business activities. Improvement of the financial sector in Rwanda as has been discussed in the sector analysis on the financial services sector is probably needed in order to attract the mainstream activities of Dutch insurance companies and Dutch banks (as opposed to activities that form part of their development oriented programs).

### **Tourism**

Dutch investment in tourism is likely to be limited due to the competitiveness of this sector. Tourism is an already exploited sector in Rwanda, where Dutch hotel branches and tourism oriented business may not make as much profit as they might want. However, Dutch tourists could well be attracted to spending their holidays in Rwanda. Generally, Dutch tourists seem to have affinity with traveling to Sub-Saharan Africa, ranking fourth (after Britain, Germany and France) in number of visitors to South-Africa, to take an example, in 2007.<sup>279</sup> Promotion of the country for the Dutch tourist market is currently being undertaken by the Rwandan Embassy, of which the effect will become evident over time.

### **Construction**

In the construction sector, there certainly are opportunities, however, Chinese and German firms are already quite active in this sector, and successfully so. Outperforming the Chinese or German firms might be a challenge for Dutch companies. For this reason, Dutch investments may prefer to operate at a minimal level of competition, in smaller-scale or niche activities where their particular expertise is a competitive advantage. Potential investment opportunities are in the export of equipment and machines for infrastructure, or in the field of planning and architectural export in the agricultural sector. This could include investments in post harvest management systems and equipment, such as the construction of milk basins.

The Netherlands' exports particularly involve machinery and transport equipment, which could be useful in Rwanda's construction sector. Instead of engaging in a direct

---

<sup>279</sup> Tourpress Holland, "Veel meer Nederlandse toeristen naar Zuid-Afrika", <http://www.tourpress.nl/nieuws/7/Overig/12535/Veel-meer-Nederlandse-toeristen-naar-Zuid-Afrika> (accessed May 15, 2011).

investment, the export of equipment and machines to local companies would certainly be a possibility, even on the basis of a lease contract, as was the case in the export of bulldozers to Burundi, where local people could lease bulldozers from a foreign company.<sup>280</sup>

## **Further Recommendations and Programs**

It is generally felt that Dutch companies are quite reserved when it comes to investments in Rwanda. During interviews with companies and several institutions in the Netherlands, it has been mentioned that Rwanda's remarkable performance in different areas in reports and rankings, are not always met in practice. For instance, companies are sometimes faced by more bureaucracy than expected, which slows down business. This nevertheless seems to be more the case among local governmental levels than at the level of the central government. Confidence in the Rwandan government and its policies still needs improvement – at least from the average Dutch firm. However, one should keep in mind that the mere passing of time can be an important factor in order for confidence to improve. But when time is considered to be scarce, action should be taken to tackle the obstacles that keep companies from seriously considering the possibility of a direct investment into Rwanda, in order to speed up the process.

First of all, reasons could be found in the image conveyed by the media through the large coverage and attention the genocide received, but also through the media's general focus on negative news. There is also the language barrier, since French is not widely spoken in the Netherlands, and Rwanda's transition to English is still recent and therefore not very disseminated yet. Besides these rather psychological reasons, there are the material obstacles to investment in Rwanda (landlocked, high transportation- and electricity costs, etc.). However, also the occasional, rather non-encouraging experiences from other firms in the past do matter significantly in deciding whether to consider investment in Rwanda or not, as has become apparent from the interviews conducted in the Netherlands.

In order to introduce Dutch firms to Rwanda, it may be very helpful to let Dutch firms see for themselves what the investment climate is like in Rwanda. It is recommended to have EVD International (also known as AgencyNL), and/or the Netherlands-African Business Council (but especially the EVD, since they are important in providing information to firms considering investing abroad) organize a trade mission or a visit to Rwanda. It is also possible to hire a consultant via the Match Making Facility of EVD

---

<sup>280</sup> Consultant MMF, interview, May 16, 2011.

International, who could (help) organize a visit to Rwanda to meet other (Rwandan) firms in the country. To date, no trade missions or visits to Rwanda have been organized.

In order to increase the knowledge about Rwanda and to attract attention for Rwanda, it is also recommended to enter into a dialogue with agencies such as AgencyNL and the Netherlands Africa Business Council (NABC), but also with organizations such as VNO-NCW and other sector organizations.

A last important initiative is the informing of Dutch firms about the many (and good) opportunities for investment in Rwanda by, for instance, organizing more or less formal meetings attended by companies from different sectors. Those meetings should have, as an important ingredient, the demonstration of successful examples of foreign investments (preferably first hand, i.e., from an employee of the company taken as an example) in order to help overcome the many *a priori* (rather psychological) obstacles that keep firms from seriously considering the option of setting up an FDI into Rwanda.

## **Programs**

There are a number of programs to help get Dutch firms to invest in the country or to explore the Rwandan market first, before beginning operations. EVD International offers Dutch companies a number of programs to enhance investment abroad; they will be elaborated in the next three sections. Although these programs are all initiated by the Dutch government, they might be a good starting point for Dutch companies to invest in Rwanda, since the investment risk might be smaller in the case of partnerships than in the case of direct investments. Moreover, using these programs provides a good first experience of Rwanda as an investment location.

### *Private Sector Investment Program (PSI)*<sup>281</sup>

The PSI program is a subsidy program, developed by the Dutch Ministry of Foreign Affairs, and supports innovative investment projects in emerging markets of less developed countries. The program facilitates investment projects initiated and implemented by a Dutch firm (but also firms from another foreign nationality) together with a local firm in the developing country. In order to receive a grant, which consists of a financial contribution to the investments costs from the PSI program, the investment project needs to meet certain criteria, such as the level of innovation, which means that the project should be unique and that it thus does not compete with other businesses in the same (sub)-sector. In practice,

---

<sup>281</sup> The following section is, if not annotated otherwise, based on: NL Agency: "Private Sector Investment Program", <http://www.agentschapnl.nl/en/node/50050> (accessed May 13, 2011).

this boils down to a substantial barrier, which many project proposals could fail to overcome. In Rwanda, only two PSI projects have currently been executed since 2005, and two other project proposals<sup>282</sup> did not materialize as a result of problems with the establishment of the business, and with its profitability.<sup>283</sup>

According to EVD International, not many Dutch firms start a private sector investment project in Rwanda, let alone be successful. Among the reasons for this lack of PSI programs are:

1. the fact that local companies do not want or cannot invest capital in the investment project, which means only the Dutch company is providing funds;
2. a lack of trust between the two investors, which does not lead to a sustainable and stable cooperation;
3. no trust in the investment climate.

#### *Match Making Facility*<sup>284</sup>

The MMF, which is also a part of EVD International, tries to find Dutch partners for firms from less developed countries, in this case Rwandan firms, in order to establish fruitful partnerships for a mutually beneficial investment. It is the intention of the MMF to establish a long-lasting and sustainable relationship between the two firms. The MMF is used in the formation of PSIs, when a potential match is likely to be found, and works with consultants who approach Dutch companies and organize visits to the Netherlands for Rwandan entrepreneurs to meet Dutch entrepreneurs and to guide them during their visit. Costs related to consultants, will be provided by the MMF.

#### *The Facility for Infrastructure Development (ORIO)*<sup>285</sup>

ORIO tries to encourage public infrastructure development in developing countries and is also funded by the Dutch Ministry of Foreign Affairs. The central government of a qualifying country (ORIO maintains a list of qualifying countries) can submit an application to EVD International. ORIO tries to encourage the involvement of (international) businesses for the realization of infrastructural projects and welcomes applications from private sector initiatives to local governments. In this way, optimal use is made of the expertise of the

---

<sup>282</sup> Precise information on these two projects are not included in this research. For more information please contact Agency NL International.

<sup>283</sup> EVD/Agency NL, interview with research team, May 12, 2011.

<sup>284</sup> The following section is, if not annotated otherwise, based on: NL Agency: "Match Makingfaciliteit Ontwikkelingslanden", <http://www.agentschapnl.nl/programmas-regelingen/matchmakingfaciliteit-ontwikkelingslanden-mmf> (accessed May 13, 2011).

<sup>285</sup> The following section is, if not annotated otherwise, based on: NL Agency: "How can I apply for ORIO?", <http://www.agentschapnl.nl/en/onderwerp/how-can-i-apply-orio> (accessed May 13, 2011).

private sector. Given the nature of these projects, there is no criteria regarding the level of innovation of the project, instead, examples of main criteria's include the commercially non-viability of the project, financial sustainability which requires that the project generates sufficient cash flow during the life cycle to cover costs of management and maintenance, and the project costs, which may not exceed the amount of 60 million euro but may also not be less 2 million euro. Although this project is more of an instrument for development than a commercial project, it could still be useful in order to attract Dutch companies to Rwanda through investments or activities on a project basis.

## **Conclusion**

It has become clear that Dutch investors are shy of investing in Rwanda for several reasons such as a lack of knowledge, a language barrier, and a less optimistic feeling about the investment climate or concrete opportunities. However, Rwanda has proven to be a strong reformer and has made improvements in various areas in order to enhance the attractiveness of the country to foreign investors; significant investment opportunities are found in infrastructure and agriculture and to a lesser extent, though still viable, in energy, ICT, finance, tourism and construction; still, a lot remains to be done. To attract Dutch investors it is important that investors know about Rwanda and its potential investment opportunities. Furthermore, Dutch companies should also be introduced to Rwanda; through trade missions, but also by being confronted with positive experiences of businesses with Rwanda, to hear and learn from their experiences.

Finally, besides foreign direct investments, (short term) developmental projects and different programs, as outlined above, should be used as a first step to FDI in Rwanda. Sectors in Rwanda in which Dutch firms are most likely to invest in are the agricultural sector and the water sector. Furthermore, it is recommended to establish strong relationships with Dutch R&D centers and knowledge institutions from the different Dutch top sectors in order to stimulate and develop skills and technological know-how in Rwanda.

## Conclusion

Rwanda attracted a lot of (scholarly) attention in the aftermath of the genocide that took place in 1994, resulting in a large number of publications on the causes and impact of the genocide. Although this image might still be salient in the minds of many people, the Rwanda of today, as reflected in our research, does not resemble anymore the country that arose from the devastating genocide more than seventeen years ago, and certainly deserves a new image, as well as serious attention by investors. The GoR strongly reinforces this idea with its *Vision 2020* that provides a medium and long-term economic framework focusing on economic sustainability.

The purpose of the current research was to contrive a strategy to enhance Dutch FDI in Rwanda. The methodology employed commenced with an assessment of Rwanda's development strategy and its general investment climate; then evaluated Rwanda's sectoral level investment opportunities and potential, and closes the circle by examining Dutch potential in relation to the opportunities in Rwanda in order to find possible sectors of synergy.

In 2000, the GoR introduced its long-term economic framework *Vision 2020*. This framework is based on six different pillars that all contribute to developing Rwanda from a low- into a middle-income country, to reduce poverty and to raise life expectancy by the year 2020. In addition to this long-term vision, a medium-term framework, the EDPRS, including VUP (*Vision 2020* Umurenge Program) and the MDGs, aimed at strengthening and expanding accomplishments in human development, has been implemented. Internationally, progress registered by *Vision 2020* has been positively assessed and acknowledged, underscored by the World Bank rating of Rwanda as a 'top reformer', and equally significant, Rwanda's relatively high rank on the Global Competitiveness Report published by the World Economic Forum. According to the national *Vision 2020*, the evaluation and implementation of established strategies has been partially successful, achieving 66% of the goals, whereas 11% were on watch, and 22% were off-track. Thus, in general, Rwanda is on its way to reaching its economic goals, a fact also confirmed by the firms that were interviewed.

The general investment climate, taking into consideration business reforms, business performance and constraints to doing business in Rwanda, is mostly positively evaluated. This has been due in part, to a combination of extensive legal and institutional reforms, as well as of the country's high growth rates (mainly driven by larger firms). However, Rwanda still faces a number of structural challenges (e.g. its dependency on

imports, the large informal activity, a weak industrial base, lack of skilled labor and high trade costs) that should be addressed in order for Rwanda to become more competitive, not only vis-à-vis its neighboring countries, but also to compete on the world market. Specific business constraints highlighted by the World Bank and PSF that need to be addressed in this regard are: electricity, tax rates, access to financing, tax administration and transportation. The current investment climate as perceived by firms interviewed during this research (mainly foreign firms), shows a slightly different picture, emphasizing rather the lack of skilled labor, costs and access to local financing, the price of local inputs, availability of local services and the quality of local suppliers, as major impediments to doing business in Rwanda. This discrepancy is possibly due to the preponderance of foreign firms in the interviewed sample of this research, in contrast with the more comprehensive dataset used for the World Bank's Investment Assessment.

On a positive note, the World Bank has identified Rwanda's comparative advantage to be in the crucial fields of good governance and political stability, two indicators that have direct positive effects on profits and investments. Rwanda's strengths, as identified by the interviewed sample, include its effective and efficient business licensing procedures and operating permits, access to land, a stable and favorable political environment, low crime rate and negligible corruption, and last but not least, abundant business opportunities in practically every sector.

The current research analyzed the following seven sectors: agriculture, construction, infrastructure, energy, financial services, ICT, and tourism. For each sector analyzed, the research further analyzed its performance, identified the most attractive opportunities, and attempted to match these opportunities with Dutch expertise. For each sector, specific subsectors with a potential to attract Dutch investors, were identified.

Upon examining the composition of Rwanda's economy, it is clear that the agricultural sector accounts for the largest share of the GDP. More precisely, it makes up 34% of the GDP and generates more than 70% of the country's export revenues. Currently, the Ministry of Agriculture has embarked on two approaches to transform the sector: crop intensification and diversification. Opportunities for investment in this sector can be found mainly in the application of modern agricultural technologies to increase agricultural productivity. More specifically, interesting agricultural subsectors with great investment potential are: horticulture production, floriculture, dairy, poultry value chains and food processing industries. An important challenge for Rwanda in the agricultural sector, as in general, is the lack of knowhow and skilled labor, as well as poor infrastructure constraining market access to export.

The third part of this research focused on the Dutch economy, its priority sectors and Dutch motives to invest in Africa, specifically, in Rwanda. After suffering a downturn in the economy during the recent global economic crisis that started in 2007, the Dutch economy has recently rebounded; a trend that could mainly be attributed to an increase in international trade. The Netherlands has several priority sectors, in which the country has a strong position worldwide. The two Dutch sectors that fit expertise on the one hand, and opportunities and needs in Rwanda on the other hand, are agriculture and water. Other sectors that are identified as having limited investment opportunities are: energy, ICT, financial services, construction and tourism.

In order to facilitate and enhance Dutch investment in Rwanda, several options were listed. In addition to organizing trade missions, consultants can be hired through the Match Making Facility of EVD International, who are also, just as the NABC is, able to organize visits to Rwanda. Another suggestion is exploring the Rwandan market through a number of programs (organized by for example EVD International) that limit the risks associated with direct investments.

To conclude, to date, Dutch firms are still reticent to invest in Rwanda. Several factors identified as contributing to this reticence include: a perceived language barrier (since it is believed that French is still more widely spoken than English), the absence of historical or colonial links (which, although they provide for more affinity with and knowledge about the country, they are often accompanied by 'undesirable baggage' of the past colonial relationship), lack of knowledge about the country and its potential, and only marginal optimism about the investment climate or concrete opportunities in Rwanda. In recent years, however, Rwanda has made broad and extensive reforms and improvements in various areas in order to facilitate FDI. Although this research has identified several important areas that require structural attention and improvement, the GoR is making serious efforts in tackling those issues to further enhance Rwanda's investment climate. Therefore, it is essential that Dutch investors are not only informed about the opportunities identified in this research, but also about the current much improved *and* improving situation in Rwanda, through trade missions, dialogues with entrepreneurs in Rwanda and participation in various projects and programs offered by the EVD.

# Bibliography

## Articles

African Commission and WEF, “*The African Competitiveness Report 2011*”.

African Studies Centre, “*Tourism in Africa*”, retrieved from:  
<http://www.ascleiden.nl/Pdf/Infosheet3engels.pdf> (May 15, 2011).

Atkinson, A. “*Country review Rwanda*”, Euler Hermes.

Diao Xinshen, Fan Shenggen, Kanyarukiga, Sam and Yu Bingxin (2010), ‘*Agricultural Growth and Investment Options for Poverty Reduction in Rwanda*’, International Food Policy Research Institution, Research Monograph, 1-123.

Economist Intelligence Unit, “*Resilience amid turmoil Benchmarking IT industry competitiveness 2009*”. Retrieved from:  
[http://portal.bsa.org/2009eiu/study/2009\\_eiu\\_global.pdf](http://portal.bsa.org/2009eiu/study/2009_eiu_global.pdf) (May 9, 2011).

Ernst & Young. “*It’s time for Africa, Ernst & Young’s 2011 Africa attractiveness survey*”. (2011): 1-50. Retrieved from: <http://www.ey.com/Publication> (May 17, 2011).

Fowler, M., C. Gasirabo, S. Kanyarukiga, and A. Mutijima (2007), ‘*Rwanda Public Expenditure Review-Agriculture*’, Report for the Ministry of Agriculture and Animal Resource, <http://www.amis.minagri.gov.rw> retrieved on May 11, 2011.

Government of Rwanda. “*Vision 2020 Progress and Way Forward*”, Ministry of Finance and Economic Planning.

International Energy Agency (IEA) (2009), ‘*The Netherlands 2008 review*’, Energy policies of IEA Countries, 1-154.

International Financial Corporation. “*Reviving tourism in Rwanda*”, 2008.

International Monetary Fund. “*Country report nr. 10/200*”, July 2010.  
\_\_\_\_\_. “*Rwanda: 2010 Article IV consultation and First Review Under The Policy Support Instrument*”, IMF Publication Service.

Kaufmann D., A. Kraay, and M. Mastruzzi, “*The Worldwide Governance Indicators: Methodology and Analytical Issues*”, 2010. Retrieved from:  
<http://info.worldbank.org/governance/wgi/index.asp> (April 28, 2011).

Li Weimin (2009), ‘*Dutch Agriculture through the eye of Chinese Economist*’, LEI Wageningen UR, Report 09-035, 1-186.

LNV, ‘*Facts and Figures*’, various issues. The Hague.  
\_\_\_\_\_. (1995), ‘*The Dutch greenhouse fruit and vegetable production sector*’, In: Agri-Holland nr. 1, The Hague.  
\_\_\_\_\_. (1997), ‘*Bulb growing in the Netherlands*’. The Hague.  
\_\_\_\_\_. (1999), ‘*Greenhouse vegetable growing in the Netherlands*’, The Hague.  
\_\_\_\_\_. (2000), ‘*Manure and the environment*’, The Hague.  
\_\_\_\_\_. (2000), ‘*The Dutch Poultry Sector*’, The Hague.

- \_\_\_\_\_ (2000), *'The Dutch Floriculture Sector'*, The Hague.
- Market News Service (MNS, July 2009), *'Cut Flowers and Ornamental Plants'*, International Trade Center, 1-22.
- Mazimpaka. Ernest (2009), *'Woodfuel in Rwanda: Impact on Energy, poverty and Environment'*, Energy Research Center University Cape Town, South Africa, 1-8.
- McKinsey Global Institute. *"Lions on the move, the progress and potential of African economies"*. (June 2010):1-70. Retrieved from: <http://www.mckinsey.com/mgi/publications> (May 13, 2011).
- Ministry of Agriculture and Animal Resources (2004), *'Strategy Plan for Agricultural Transformation in Rwanda'*, 1-112.
- Ministry of Agriculture and Animal Resources (2009), *'Strategic Plan for the Transformation of Agriculture in Rwanda – Phase II'*, 1-128.
- Ministry of Agriculture and Animal Resources and Ministry of Trade & Industry (2008), *'Rwanda National Coffee Strategy 2009-2012'*, 1-66.
- Ministry of Infrastructure (2010), *'The Energy Sector Progress Report'*, 1-18.
- \_\_\_\_\_ *"National Urban Housing Policy for Rwanda"*, 2008.
- National Institute of Statistics of Rwanda, *"GDP Annual Estimates (2010)"*.  
\_\_\_\_\_ *"Rwanda Statistical Yearbook 2010"*.
- National Bank of Rwanda. *"Annual report 2009"*.
- Passmore, R. (2006), *'Recommended Intakes of Protein for Growth'*, Ministry for Agriculture and Animal Resources, <http://www.fao.org/docrep/meeting/009/ae906e/ae906e31.htm>, retrieved on May 11, 2011.
- Porter, M.E. *'The Competitive Advantage of Nations: Implications for Rwanda'*. Harvard Business School.
- Private Sector Federation, *"Business & Investment Climate Survey 2008"*, 2008. Retrieved from: <http://www.psf.org.rw> (April 10, 2011).
- Rusugare, R. *"Financial sector development program: the case of Rwanda"*, 2008. Retrieved from: <http://www.convergence-see.eu/IMG> (May 13, 2011).
- Rutamu, Innocent *"Investment Opportunities in the Dairy Sub-Sector in Rwanda"*, SNV Kigali, 2008.
- Rwanda Development Board, *"Investing in Rwanda – An overview (2010)"*. Retrieved from: <http://www.rdb.rw/publications.html> (May 12, 2011).
- Rwanda Utilities Regulatory Agency, *"Statistics and tariff information in ICT sector as of Dec 2010"*. Retrieved from: <http://www.rura.gov.rw/docs/stastics> (May 13, 2011).
- SNV, IFAD Final Report, *'Investment opportunities in Dairy Sub-sector of Rwanda'*, 1-50.

TechnoServe Rwanda. *"The Dairy Value Chain in Rwanda"*. 2008, 1-50.

The Public-Private Infrastructure Advisory Facility and the World Bank Group (2004), *'Private Solutions for Infrastructure in Rwanda, A Country Framework Report'*, 1-120.

Transparency International. "Corruption Perceptions Index 2010" Transparency International, Berlin 2010.

USAID, *"Improvement of Post-Harvest Opportunities in Rwanda"*, USAID Rwanda, 2008.

Usengumukiza, F. *"Overview of Rwanda's ICT Context"*. Institute of Policy Analysis and Research. Retrieved from: <http://www.afdb.org> (May 5, 2011).

World Bank, *"Doing Business 2010. Reforming Through Difficult Times"*, 2010. Retrieved from: <http://www.doingbusiness.org> (April 20, 2011).

\_\_\_\_\_*"Doing Business 2011"*, 2011. Retrieved from: <http://www.doingbusiness.org> (April 20, 2011).

\_\_\_\_\_*"Rwanda Economic Update: Spring Edition 2011"*, 2011.

\_\_\_\_\_*"The Investment Climate Assessment report on Rwanda"* (executive summary) (2010): 1-6.

\_\_\_\_\_*"The Republic of Rwanda Investment Climate Assessment: Strategy for Sustainable Employment and Export Growth"*, February 2009.

World Economic Forum, *"Global Competitiveness report 2011"*.

### **Interviews**

Consultant MMF, *"Interview with research team"*, May 16th, 2011.

Engen Petroleum, *"Interview with research team"*, March 10<sup>th</sup>, 2011.

Ernst & Young, *"Interview with research team"*, March 16, 2011.

ICM, *"Interview with research team"*, March 16th, 2011.

Kibuyi Power, *'Interview with research team'*, Mar.16.2011.

Ministry of Trade and Industry, *"Interview with research team"*, Mar 8,2011.

National Land Centre, *"Interview with the research team"*, March 17, 2011.

National University of Rwanda, *"Interview with the research team"*, March 15, 2001.

NBR Research and Policy Analysis Department, *"Interview with the research team"*, March 10, 2011.

PSF Chamber of Commerce, *"Interview with the research team"*, March 11, 2011.

RDB ICT section, *"Interview with the research team"*, March 18, 2011.

SHER international, *"Interview with research team"*, March 3<sup>th</sup>, 2011.

## Web pages

AllAfrica.com. "Rwandatel's license revoked permanently – Rura".

<http://allafrica.com/stories/201104060123.html> (June 9, 2011).

\_\_\_\_\_ "Rwanda: Investment in tourism paying off", May 9<sup>th</sup>, 2011.

<http://www.nabc.nl/Membership/OurMembers.aspx> (May 18, 2011).

\_\_\_\_\_ "Rwanda: Govt Bans Fish Exports", <http://allafrica.com/stories/200907061827.html> (May. 12. 2011)

\_\_\_\_\_ 'Rwanda: Horticulture Exporters Receive Incentives',

<http://allafrica.com/stories/201005050068.html> (May.12.2011)

Brainport Eindhoven. "Success through cooperation".

[http://www.brainport.nl/en/general/Succes\\_through\\_cooperation](http://www.brainport.nl/en/general/Succes_through_cooperation) (June 12, 2011).

CBS. "Belangrijkste handelspartners van Nederland". <http://www.cbs.nl> (May 9, 2011).

\_\_\_\_\_ "groei export houdt aan". <http://www.persbericht.nu/cbs-groei-export-houdt-aan/> (May 9, 2011).

\_\_\_\_\_ "Sterke groei Nederlandse economie in eerste kwartaal 2011". <http://www.cbs.nl> (May 13<sup>th</sup>, 2011).

Doing Business. "Ease of Doing Business in Rwanda".

<http://www.doingbusiness.org/data/exploreeconomies/rwanda> (May 15, 2011).

Dutch water sector. "Projects abroad". <http://www.dutchwatersector.com/web/focus-areas> (May 16, 2011).

East African Community. "Tourism statistics". <http://www.statistics.eac.int> (May 15, 2011).

Emerging Africa. "Nederlandse bedrijven in Afrika".

<http://www.emergingafrica.nl/ondernemen-in-afrika/nederlandse-ondernemers-/97-nederlandse-bedrijven-in-afrika> (May 15, 2011).

EU Business. "The Netherlands: economic overview".

<http://www.eubusiness.com/europe/netherlands> (May 7, 2011).

Exchange-rates.org. <http://www.exchange-rates.org/history/RWF/EUR/G/M> (May 12, 2008).

Guide Africa. "Insurance in Rwanda". <http://www.guideafrica.com/rwanda/insurance-rwanda/insurance-in-rwanda.html> (May 11, 2011).

Guide Africa. "Rwanda Financial sector". <http://www.guideafrica.com/rwanda/financial-sector/rwanda-financial-sector.html> (May 11, 2011).

Holland Trade. "Creative Industry: Factsheet". <http://www.hollandtrade.com/sector-information/creative-industry> (May 14, 2011).

\_\_\_\_\_ "ICT factsheet". <http://www.hollandtrade.com/sector-information/ict> (May 9, 2011).

\_\_\_\_\_ "Infrastructure: Economic Indicators" <http://www.hollandtrade.com/sector-information/infrastructure> (May 17, 2011).

\_\_\_\_\_ "Infrastructure: Exports from the Netherlands", <http://www.hollandtrade.com/sector-information/infrastructure> (May 17<sup>th</sup>, 2011).

\_\_\_\_\_ "Finance". <http://www.hollandtrade.com/sector-information/finance> (May 12, 2011).

\_\_\_\_\_ “Foods and stimulants: Fact sheet”. <http://www.hollandtrade.com/sector-information/food> (May 14, 2011).

\_\_\_\_\_ “Horticulture: Competitiveness”. <http://www.hollandtrade.com/sector-information/horticulture> (May 14, 2011).

\_\_\_\_\_ “Micro and nano technology. competitiveness”. <http://www.hollandtrade.com/sector-information/micro-and-nano-technology> (May 14, 2011).

\_\_\_\_\_ “Oil and Gas. basic information”. <http://www.hollandtrade.com/sector-information/oil-and-gas> (May 14, 2011).

\_\_\_\_\_ “Transport and Logistics. Fact sheet”. <http://www.hollandtrade.com/sector-information/transport-and-logistics> (May 14, 2011).

\_\_\_\_\_ “Water. Fact sheet”. <http://www.hollandtrade.com/sector-information/water-management> (May 14, 2011).

International Energy Agency Energy Statistics, <http://www.iea.org/statist/index.htm> (May 12, 2011).

Kezio-Musoke David, “*Reuter Africa*”, Tue Mar 22, 2011. Retrieved from: <http://af.reuters.com/article/commoditiesNews> (May 12, 2011).

Management Team. “*De negen topsectoren onder de loep*”. <http://www.mt.nl/91/28590/finance/de-9-topsectoren-onder-de-loep.html> (May 14, 2011).

Ministry of Infrastructure. “*Energy Statistics*”. <http://mininfra.gov.rw> (May 11, 2011).

\_\_\_\_\_ “*Introduction to the transport sector*”, <http://mininfra.gov.rw> (May 9, 2011).

\_\_\_\_\_ “*Energy Investment Opportunities*”, [http://mininfra.gov.rw/index.php?option=com\\_content&task=view&id=117&Itemid=145](http://mininfra.gov.rw/index.php?option=com_content&task=view&id=117&Itemid=145) (May 14, 2011).

\_\_\_\_\_ “*Hydro*”, [http://mininfra.gov.rw/index.php?option=com\\_content&task=view&id=202&Itemid=341](http://mininfra.gov.rw/index.php?option=com_content&task=view&id=202&Itemid=341), (accessed May 12, 2011).

\_\_\_\_\_ “*Hydro Carbons*”, [http://mininfra.gov.rw/index.php?option=com\\_content&task=view&id=116&Itemid=144](http://mininfra.gov.rw/index.php?option=com_content&task=view&id=116&Itemid=144), (accessed May 12, 2011).

NL Agency. “*How can I apply for RIO?*”. <http://www.agentschapnl.nl/en/onderwerp/how-can-i-apply-orio> (May 13, 2011).

\_\_\_\_\_ “*Match Makingfaciliteit Ontwikkelingslanden*”. <http://www.agentschapnl.nl/programmas-regelingen> (May 13, 2011).

\_\_\_\_\_ “*Private Sector Investment Programme*”. <http://www.agentschapnl.nl/en/node/50050> (May 13, 2011).

NOM. “*Key sectors*”. [http://www.nvnom.com/investment\\_opportunities/46508/Key\\_sectors](http://www.nvnom.com/investment_opportunities/46508/Key_sectors) (May 13, 2011).

Press release, “*ContourGlobal Signs Agreement With Republic of Rwanda to Develop Lake Kivu Methane Gas Project*”, <http://www.rwandainvest.com/spip.php?article594> (Jun.8.2011).

REMA, “*Rwanda State of Environment and Outlook 2009*”, <http://www.rema.gov.rw/soe> (May 12, 2011).

Reuters.com. "*Rwandatel to appeal regulator's warning notice*".  
<http://www.reuters.com/article/2011/02/11/rwanda-telecoms~> (June 9, 2011).

Rijksoverheid. "*Investeren in topsectoren*".  
<http://www.rijksoverheid.nl/onderwerpen/ondernemersklimaat-en-innovatie/investeren-in-topsectoren> (May 14, 2011).

RNW, Africa. "*Rwanda ready to be rated*". <http://www.rnw.nl/africa/article/rwanda-ready-be-rated> (June 12, 2011).

Rwandair, "*About Rwandair*". <http://www.rwandair.com/about> (May 9, 2011).

Rwanda Development Board. "Agriculture". Retrieved from:  
<http://www.rdb.rw/departments/agriculture/agriculture-overview.html> (May 9, 2011).

\_\_\_\_\_ "*Energy*". <http://www.rdb.rw/rdb/energy.html> (May 12, 2011).

\_\_\_\_\_ "*Investment Opportunities Infrastructure*". <http://www.rdb.rw/rdb/infrastructure.html>  
(May 9, 2011).

\_\_\_\_\_ "*Investment Opportunities in Real Estate and Construction*".  
<http://www.rdb.rw/rdb/real-estate.html> (May 19, 2011).

\_\_\_\_\_ "*Overview of ICT in Rwanda*". <http://www.rdb.rw/rdb/ict.html> (May 5, 2011).

Rwanda New Times "*Development Bank moves to boost dairy sector in Rwanda*".  
<http://allafrica.com/stories/201103180049.html> (May 14, 2011).

SearchCIO-Midmarket.com, "*ICT (information and communications technology - or technologies)*". <http://searchcio-midmarket.techtarget.com/definition/ICT> (May 5, 2011).

Tourpress Holland. "*Veel meer Nederlandse toeristen naar Zuid-Afrika*".  
<http://www.tourpress.nl/nieuws/7/Overig/12535/Veel-meer-Nederlandse-toeristen-naar-Zuid-Afrika> (May 15, 2011).

Tradeinvest Africa, "*Seeking investors to build roads and modern drainage systems*".  
[http://www.tradeinvestafrica.com/investment\\_opportunities/908622.htm](http://www.tradeinvestafrica.com/investment_opportunities/908622.htm) (May 9, 2011).

UN News Centre. "*DR Congo, UN releases most extensive report to date on war massacres, rapes*".  
<http://www.un.org/apps/news/story.asp?Cr1=congo&NewsID=36306&Cr=democratic> (May 15, 2011).

U.S. Department of State. "*Background note: the Netherlands*".  
<http://www.state.gov/r/pa/ei/bgn/3204.htm> (May 14, 2011).

Waterland. "*Uniting Dutch Water Expertise*". <http://www.waterland.net/index.cfm> (May 16, 2011).

World Bank. "*Database*", <http://data.worldbank.org/indicator> (May 9, 2011).

\_\_\_\_\_ "*Countries and Economies*", <http://data.worldbank.org/country/rwanda> (May 3, 2011).

\_\_\_\_\_ "*Most Improved Business Reformers in Doing Business*", Doing Business in 2010  
<http://www.doingbusiness.org/reforms/top-reformers-2010> (May 2, 2011).