TRADE POLICY AND STRATEGIES

Produced by the Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives

7th February 2006
Table of contents

Table of content .......................................................................................................................... 2
I. Introduction ............................................................................................................................... 3
  I. 1 Definition of the Sector ......................................................................................................... 3
  I.2 Background ............................................................................................................................ 4
    I.2.1 National context ............................................................................................................... 4
    I.2.2 Regional and International context .................................................................................. 6
II. General Orientations ............................................................................................................... 6
  II. 1 Vision 2020 ......................................................................................................................... 6
  II.2 Economic Development and Poverty Reduction Strategy (EDPS) ..................................... 7
  II.3 National Investment Code (NIC) ........................................................................................ 7
  II.4 Government’s Seven Years Programme ............................................................................. 8
  II.5 New Economic Partnership for African Development (NEPAD) .................................... 8
  II.6 Millennium Development Goals (MDGs) ........................................................................... 9
III Trade Sector Presentation ....................................................................................................... 10
  III.1 Major problems of the trade sector .................................................................................... 10
    III.1.1 Constraints and Opportunities of the Trade Sector ....................................................... 10
    III.1.2 Opportunities/ Strengths of the sector .......................................................................... 12
    III.1.3 Principles of the Sector Policy ..................................................................................... 15
    III.1.4 Sector Vision ............................................................................................................... 15
    III.1.5 Sector Mission ............................................................................................................. 16
    III.1.6 Sector Objectives ........................................................................................................ 16
IV Trade sector strategies ........................................................................................................... 16
  IV.1 Internal Trade ..................................................................................................................... 16
  IV.2 External trade ..................................................................................................................... 17
V. Programmes of the Trade sector ........................................................................................... 18
VI. Institutional Framework for the implementation of the Sector Policy .................................. 19
  VI.1 The Rwanda Investment and Exports Promotion Agency (RIEPA) ................................. 20
  VI.2 Ministry of Finance and Economic Planning (MINECOFIN) ........................................ 20
  VI. 3 Rwanda Private Sector Federation (RPSF) ..................................................................... 21
  VI. 4 Rwanda Bureau of Standards (RBS) .............................................................................. 21
  VI. 5 District Level ..................................................................................................................... 22
  VI.6 Preparation of Development Progammes ........................................................................ 22
VII. Conclusion ............................................................................................................................ 22
I. Introduction

Rwanda has a small and fledgling private sector that lacks expertise and requires sustained support. The lack of a strong private sector is evidenced by Rwanda’s very narrow tax base, which provides only 14% of Gross Domestic Product (GDP)

With almost 90% of the population working in the agricultural sector and the majority of these producing for subsistence or for very local markets.

The Government is committed to reducing the percentage of the population relying on subsistence farming and hence increasing Rwanda’s measured and tradable output. A target has been set to reduce the proportion of people working in the agricultural sector by 40 percent i.e. from 90% to 50% of the workforce by 2020.

In order to move people out of subsistence farming, there is need to avail opportunities in other forms of production. Meeting this target will require the private sector to generate at least 1.4m new jobs.

The Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives is expected to play a significant role in this endeavour. This document covers the areas of internal and external trade. It aims at providing an overview of the Government of Rwanda’s policy in this area and a description of how this policy will be implemented.

I. 1 Definition of the Sector

The trade function of the MINICOM calls for an action to make goods and services available not only at the domestic but also at the international markets in order to achieve a better balance of trade. Thus, in order to play an active role in the global development and poverty reduction, the Ministry must make sure that trade is an engine of development by focusing on actions aimed at job creation as a source of income generation. These activities include:

- Improving the channels of distribution;
- Creating a conducive legal and institutional framework;
- Coordinating the action of training business people so as to increase professionalism in the business community
- Protecting the rights of the consumers;
- Coordinating the program of installing and running strategic stocks;
- Ensuring that the Trade Policy of Rwanda is in conformity with the bilateral and multilateral agreements that Rwanda signed with its trade partners.

I.2 Background

Rwanda needs to improve trade dramatically if it is to meet its development objectives. Domestic investment and trade provide a crucial basis for economic development, helping producers move from subsistence farming to access local and international markets and providing a core of employment by generating income within domestic industrial production and services delivery.

I.2.1 National context

I.2.1.1 Socio-Economic

Rwanda has a very large informal sector and relatively small private sector, although this has grown reasonably fast in recent years.

The events of 1994 contributed to a rapid deterioration in production, as well as to the destruction of communication and transport infrastructures.

The export levels remain well below the imports. Investments have been filling in the gaps left by the war, rather than building on an already productive base, however, this rebuilding phase is faster and Rwanda now has the opportunity to grasp a rapid transition from agricultural subsistence to industrial processing of agricultural goods and an increasingly productive service sector.

Clearly there are still many barriers to growth, but this policy aims at identifying those barriers in the area of trade and describes how the Government intends to overcome them.

The commercial activity occupies more than 60% of the Rwandan households that do not depend on agriculture. A study conducted in 2000-2001 showed that 22.1% of the inhabitants of Kigali City are involved in commercial activity while at the national level, only 2.6% of Rwandans live on commercial activity.
The Rwandan business community has been characterized by lack of professionalism and competitiveness. Thus commercial activity has been regarded by Rwandan intelligentsia as a second best option, most of them preferring to work as civil servants both in the public service and in the parastatals with limited commercial orientation.

Thus innovativeness and entrepreneurship have been at very low levels in this sector. It is only after the recent world commitment to globalization and the Government policy advocating for privatization and promotion of the private sector as a partner in economic development that most of educated Rwandans realized that trade can be an engine not only for self-development but also for national economic development and growth.

The insufficiency of entrepreneurship skills has also been shown by the lack of aggressiveness at the international market. This coupled with the international barriers to trade, led to a recurring negative balance of trade. The efforts of the Government to promote exports did not materialize in

- The position of Rwanda as a small landlocked country,
- The lack of modern technology in production that is always done at a higher cost as compared to the neighboring countries,
- The small size of the local production units that can not exploit the economies of scales.

I.2.1.2 Socio- Political

Generally, the Rwandan politics did not give to trade due consideration as an engine for economic growth. This is evidenced by the fact that even the past Poverty Reduction Strategy Paper did not recognize trade in that capacity.

In addition, laudable efforts have been made to encourage the business community to open up their plans to the foreign market. It is in this context that activities such as simplifying the administrative procedures in getting travelling documents, encouraging entrepreneurship skills development and strengthening the private sector among others have been undertaken by the Government.
I.2.2 Regional and International context

Rwanda’s geographical position presents both opportunities and challenges. The countries to the North and East, such as Uganda, Kenya and to a lesser extent Tanzania have developed relatively rapidly in recent years and now provide a large share of the external markets for Rwandan goods.

At the same time, these countries’ products are a source of strong competition for Rwandan exports seeking international markets, aided by their easier access to transport routes, and even for those producers focused on the domestic market.

Coffee and tea represent more than 80% of the Rwandan exports and 71.5% of the exports between 1997 and 1999 were in unprocessed form. But the Government has now embarked on diversification and value addition to Rwanda’s exports. The share of Rwanda in the international trade is still very low.

At the regional level, Rwanda realised only 5.38% of the intra-COMESA trade in 2001 improving from 2.29% in 2000. The East African Region constitutes the biggest “debouché” of the Rwandan products, followed by the European Union.

This poor performance leads to a deficit in the Rwandan balance of trade and urgent corrective measures need to be taken if Rwanda is to realise the objectives set in the vision 2020.

II. General Orientations

This Trade Policy to be implemented should imperatively be oriented towards the realization of the national programmes.

II. 1 Vision 2020

The Government of Rwanda set itself an ambitious set of targets in its Vision 2020. These interrelated aims are to:

- Reduce from 60% to 30% the proportion of the population living below the poverty line
- Increase the per capita income from $250 to over $900
- Achieve an annual GDP growth rate of 8%
- Reduce the deficit of the Balance of Payments (except official transfers) from 17% of GDP in 2001 to 9% in 2010
- Reduce the proportion of people working in the agricultural sector by 40 percentage i.e. from 90% in 2001 to 50% of the workforce
- Reduce the Gini Coefficient (Income disparity) from 0.454 in 2000 to 0.400 in 2010 and to 0.350 in 2020
- Increase the growth rate of the Service sector from 7% in 2000 to 9% in 2010 and to 11% in 2020
- Increase the national Savings rate from 1% in 2000 to 4% in 2010 and 6% in 2020
- Increase National investment’s share of the GDP from 18% in 2000 to 23% in 2010 and 30% in 2020
- Achieve an increase of non agricultural jobs from 200,000 in 2000 to 500,000 in 2010 and 1,400,000 in 2020

In order to achieve the above and many other objectives of the Vision 2020, trade has to play a major role.

II.2 Economic Development and Poverty Reduction Strategy (EDPRS)

The private sector will be contributing to the reduction of poverty through the creation of income and revenues, generating non-agricultural jobs, especially in the manufacturing and services industries.

Among others, the EDPS is set to develop rural areas by improving economic infrastructure and adding value to agricultural products which at the end will boost trade.

II.3 National Investment Code (NIC)

The Rwandan Government has made all efforts to put in place a conducive investment regime in order to attract foreign direct investment bearing in mind the package of benefits it brings and the positive impacts it generates on our economy. The investment code enhances the competitiveness of Rwanda as an investment hub which leads to quality production in goods and services.
II.4 Government’s Seven Years Programme

The trade policy will contribute to the realisation of short and long term programmes as shown in the seven years programme. These contributions include:

- Promotion of Public Private Partnership as the pillar of cooperation and complementarity between the Government and the Private sector;
- The reinforcement of the role of public institutions supporting the private sector in their respective missions;
- The promotion of professional training in various fields including management, marketing, technology and quality;
- The promotion of Rwandan products using trade fairs and exhibitions at National and international level;
- Revision of trade laws which hinder business development;
- The sensitisation of Rwanda’s entrepreneurs on innovation and the use of new technologies for the better quality products and value addition.

These sectoral initiatives should contribute to bring Rwandans out of poverty circle through trade integration in the development process

II.5 New Economic Partnership for African Development (NEPAD)

The new partnership for Africa’s Development is a vision and Strategic Framework for Africa’s renewal. NEPAD is designed to address the current challenges facing the African Continent such as the escalating poverty levels

This African Union’s initiative is very important in guiding African States when elaborating their Trade Policies as it set some crucial priorities which include among others:

a. Establishing the Conditions for Sustainable Development by ensuring:
   - Peace and security;
   - Democracy and good, political, economic and corporate governance;
   - Regional co-operation and integration;
   - Capacity building.
b. Policy reforms and increased investment in the following priority sectors-

- Agriculture;
- Human development with a focus on health, education, science and technology and skills development;
- Building and improving infrastructure, including Information and Communication Technology (ICT), Energy, Transport, Water and Sanitation;
- Promoting diversification of production and exports, particularly with respect to agro-industries, manufacturing, mining, mineral beneficiation and tourism;
- Accelerating intra-African trade and improving access to markets of developed countries;
- The environment.

c. Mobilizing Resources by:

- Increasing domestic savings and investments;
- Improving management of public revenue and expenditure;
- Improving Africa’s share in global trade;
- Attracting foreign direct investment; and
- Increasing capital flows through further debt reduction

All these priorities have impact on the development of Trade be on national, regional and international levels. Rwanda, as a member of the African Union, is clearly committed to implement the NEPAD’s programmes, especially those related to development of Trade like accelerating intra-African trade and improving access to markets of developed countries and regional co-operation and integration.

II.6 Millennium Development Goals (MDGs)

The Millennium Development Goals (MDGs) set quantitative targets for poverty reduction and improvements in health, education, gender equality, environmental, global partnership and other aspects of human welfare. At existing rates of progress many countries will fall short of these goals. However, if developing countries take steps to improve their policies and increased financial resources are made available, significant additional progress towards the goals is possible. The most important factors in determining the cost of achieving the goals are country policies and the environment they create.
Rwanda is committed to eradicate extreme poverty and hunger, Achieve universal primary education, Promote gender equality and empower women, reduce child mortality, improve maternal health, Combat HIV/AIDS, malaria, and other diseases, Ensure environmental sustainability and develop a global partnership for development.

As far as Trade is concerned, the promotion of gender equality will empower women and they can then enter into businesses at the national and international markets. The development of a global economic partnership is also crucial for the development of Trade on international markets.

III Trade Sector Presentation

III.1 Major problems of the trade sector

The major constraints to the rapid growth and to expanding trade are often also constraints that stem from the geographical and historical situation of the country. For example, being landlocked and without cheap air or rail links greatly hinders Rwanda’s current export capabilities. The trade sector suffers from two major problems, the production constraints on one hand and the international markets access on the other hand.

III.1 Constraints and Opportunities of the Trade Sector

III.1.1 Constraints

Trade sector constraints are classified in categories as indicated below:

III.1.1.1 General constraints

Weak export structure
Rwanda is characterized by a weak export structure due to low quality products originating from weak industrial sector that use undeveloped technology.
High transport costs
Rwanda being a land locked country and without cheap air or railway links to regional or international markets makes it difficult for trade development in the country.

Poor infrastructure in rural areas
There is a poor road networks, especially in the rural areas which pose a serious transport problem to rural produced products, from areas of production to market.

Competition from outside
Trade in Rwanda is hindered by high production costs which have direct impact on prices, when imported product prices are lower than locally produced products prices then automatically imports are preferred to locally produced products hence being a problem to local producers who could not sell their products.

Outdated laws
Most of the business laws that are currently being used do not suite the current business situation.

III.1.1.2 Production constraints

Low levels of production
Production is still low due to various constraints and this leads to trade that always targets internal markets or subsistence hence trade imbalance.

Energy/ power shortage
Shortage of power supply cause most industries to work under capacity, leading to limited production and increased production cost.

Low quality products
There are many factors that cause low quality production in Rwanda, these include, poor infrastructure, power shortages, unskilled labour, low production technology etc all these lead to lack of capacity to compete on international markets.

Small size of the local production units
The small size of the local production units does not allow to exploit the economies of scales.
**Lack of modern technology**
Lack of modern technology in production that is always done at a higher cost as compared to the neighboring countries.

**III. 1.1.3 Logistical constraints**

- Low standards and inability to reach international standards
- Lack of quality parking materials
- Inadequate conditions of stock control
- High costs of transport passed on to the price of products reduce competitiveness.

**III.1.1.4 Financial constraints**

**Heavy requirements for loans**
There are heavy requirements for loans emanating from out dated laws. This makes it hard for business men to access loans in the due time.

**Weak Financial institutions**
Weak financial institutions for example banks, insurance companies etc limit smooth functioning of business entities retarding trade development.

**III.1.1.5 Marketing constraints**

- Lack of clear information on Rwanda’s potentials;
- Low purchasing power;
- Lack of a professional business community;
- Lack of aggressive mechanism to promote the positive image of Rwanda;
- Absence of the market information system;
- Lack of skills in commercial techniques and international market.

**III. 1.2 Opportunities/ Strengths of the sector**

Opportunities in the trade and investment are numerous with strong potential for Rwanda to become a regional trade hub; Rwanda has a strategic central location and tremendous asset of both a common language and multilingualism with both international languages.

Integrated Framework in its diagnostic trade integration study identified the barriers to trade of which are to be solved by a number of projects to be formed to overcome these barriers so as to attain the economic growth. Rwanda shows its commitment to trade in the action of integrating trade
into poverty reduction strategies and enabling it to be an Engine for economic growth.

III.1.2.1 General opportunities

The availability of human, natural and institutional opportunities that lead to sector development are highlighted below.

Agriculture sector
Rwanda’s fertile soils and good climate favour the growth of various types of crops throughout the year and this enables the development of exportable agricultural products. Availability of Marshlands, these too favour growth of various crops and assist in irrigation of dry places.

Fishery Sector:
Rwanda has numerous water bodies (Lakes, Rivers) which need to be fully exploited in order to develop fishing industry. The fish market prospection in the neighbouring countries show market opportunity for our fish products.

Handcraft sector
There are considerable opportunities in this sector in the context of Agreements eg AGOA, where market for our handcraft products is guaranteed under AGOA initiative.

Mining Sector
There is an opportunity of un exploited mineral reserves in our country, the identification of all precious and semi-precious stones would enable us to have new exportable products contributing a lot to the economic growth.

Research sector
The opportunity of having research institutions eg ISSAR, KIST, IRST which have done a number of researches in Agriculture and Scientific technology, Many of these researches are market oriented and enables us to access new clients and overcome supply constraints.

Human resource
Availability of Skilled and semi-skilled labour in the country allows different types of people to be employed in many of the existing sectors and then lead to economic development.
**Peace and Security**
Prevailing Peace and Security in the country presents a strong opportunity for trade development as the business men carry out their activities without fear of robbery or any other security risk.

**Good Governance**
Trade is favoured by the existence of good governance especially the establishment of ombudsman that help in fight against corruption in all sectors.

**Rwanda’s membership in regional and international bodies**
Rwanda is already a member to Common Market for Eastern and Southern Africa (COMESA) and its free trade area and able to access the whole market without any barriers to trade. Rwanda is also ready to benefit from various blocks like Economic Community for Central African States (ECCAS), African Growth Opportunity Act (AGOA), African Union (AU), World Trade Organisation (WTO), European Union (EU), bilateral trade arrangements, etc offers Rwanda an opportunity for easy access to foreign markets.

**Public- Private Sector partnership**
The Government’s commitment to private sector development makes it an opportunity for trade development, as there are initiatives of creating conducive environment for trade.

**Legal Task force**
An effort was made on the establishment of business legal reform task force mandated to reform all business laws; this will create conducive legal environment for trade.

**Financial task force**
Establishment of financial sector task force with the mandate of solving all problems in the financial sector.

**Trade Point**
Establishment of the trade point which will provide all trade related information; this becomes an opportunity as trade information will be easily obtained in one place.

**Permanent Trade fair ground**
Establishment of a permanent national trade fair ground creates an opportunity for trade development as it will give business men a chance of
regular expositions which will help them in sell and advertisements of their products.

**Business Development Centres (BDS)**
Establishment of business development centres (BDS) which will facilitate easy coordination of business activities in rural areas.

**Export Processing Zone**
Establishment of Export processing zone which will facilitate trade development in particular and development in general.

**Cooperatives**
Government’s initiative in cooperatives development creates an opportunity for trade development for from a strong cooperative movement trade is improved.

**III.1.3 Principles of the Sector Policy**

- Development of the internal trade and make available goods and services on markets.
- Export promotion.
- Professionalize trade.
- Integration of Rwanda in the regional and international bodies and in Foreign Markets
- Improve distribution networks and optimize the supply of the domestic market
- Protection of consumers of all categories
- Develop and Promote international trade

**III.1.4 Sector Vision**
The vision of the Trade sector is to support the Government’s vision for rapid economic growth and poverty alleviation by creating an environment that is conducive to the rapid growth of industrial and service sectors for the sustainable improvement of Rwanda’s welfare.
III.1.5 Sector Mission

To facilitate and promote the growth and development of trade so as to achieve a sustainable socio-economic transformation of Rwanda.

III.1.6 Sector Objectives

The trade sector has general and specific objectives:

III.1.6.1 General Objectives

- Create an environment conducive for fair Trade
- Promotion of export and reduce the deficit in the balance of payments
- Integration of Rwanda in the regional and international bodies and in foreign markets

III.1.6.2 Specific objectives

- Professionalize trade
- Improve distribution networks and optimize the supply of the domestic market
- Protection of consumers of all categories
- Reduce the trade balance deficit by increasing Rwanda’s export share of GDP by 50% over next seven years and 100% over next 15 years at the same time increasing domestic production of industrial goods and hence reduce the share of GDP spent on imports.
- Develop and Promote international trade
- Ensure the country’s smooth supply of essential products such as oil products.

IV Trade sector strategies

IV.1 Internal Trade

- Development of the internal trade and make available goods and services on markets.
- Create a favourable environment for integrating the informal sector into the formal private sector.
- Organisation and management of the professionalism in businessmen
- Improve distribution networks and optimize the supply of the domestic market
• Protection of consumers of all categories through supervision and ensuring quality products on the market.
• Ensure the country’s supply in oil products through establishment of petroleum industry policy.
• Creation of a conducive environment for trade i.e Legal, institutional, etc
• Capacity building, coordinating the action of training business people so as to increase professionalism in their business.
• Coordinating the program of installing and running strategic stocks (Food and Oil products).
• Quality packaging, parking materials that suit international standards.
• Funding business community to participate in National, International trade fairs, study tours etc.
• Establishment of business development centres (BDS) which will facilitate easy coordination of business activities in rural areas.
• Strengthening institutional framework, where there will be easy access to finances by private sector operators.
• Entrepreneurship development through establishment of the new fund for young entrepreneurs.
• Organising regular meetings with bankers and bank’s associations in finding appropriate measures of reducing bank interest rate.
• Training of Women and Youth on professional business.

IV.2 External trade

• Develop and Promote international trade through encouragement of foreign direct investment and participating in international exhibitions.

• Export promotion by enforcement of value addition.

• Integration of Rwanda in the regional and international bodies and in foreign markets.

• Quality production – to be competitive on national, regional and international markets, quality production and value addition have to be given priority. Rwanda should meet international standards.

• Training of trade negotiators- Rwanda is a member, WTO, COMESA (EPAs), ECCAS, CEPGL, AU, African Economic Community (AEC). Rwanda applied to the East African Community (EAC), and SADC. Rwanda has preferential
trade agreements with AGOA and Everything But Arms, to benefit from all these groupings, trade negotiators have to be fully trained.

- Construction of cold chain to assist in exporting of perishable products.
- Information system: training on use of E-commerce, E-Government and availing the required infrastructure and creation of a Trade Point.
- Development of an Export Processing Zone.
- Increased import substitution and strategic industries that provide income and employment e.g. establishment of milk industry in Western Province.
- Regular consultations with the private sector as a partner, whose capacity will be built as a priority.
- Working with all concerned institutions and Ministries to promote trade (MINAGRI, MINECOFIN, MINAFFET, BNR, RIEPA, RBS, FRSP, CAPMER etc)
- Intensify the trade supervision activity as well as the market information diffusion in order to ensure that competition is the rule of the game where both the producer and the consumer get a fair deal.
- Promotion of Rwanda products through advertisements, exhibitions and expositions.
- Putting in place appropriate mechanisms that will assist the ministry and all concerned institutions to fight international dumping.

V. Programmes of the Trade sector

Reinforcement of Existing Export Sectors:
Established export industries such as coffee, tea, and tourism; financial, human, and institutional resources will be utilized to maximize the export quality and quantity of products.

Diversification of Export Sectors: in addition to the established sectors, the Ministry in partnership with its stakeholders will develop new products and services. To do this, entrepreneurship will be encouraged through the
provision of appropriate financing, infrastructure, export facilitation, incentives, and business development services.

**Focus on High Value, Innovative Products & Services:** given the high costs associated with exporting products from Rwanda, the Ministry and all stakeholders are committed to promoting niche products & services that have high demand and for which consumers in other countries will pay a premium. These products & services will be identified through the assessment of Rwanda’s internal resources and rigorous market research to identify attractive markets and market segments.

**Creation of Rwandan Image**, Rwanda to realize profits from foreign markets must embark on laying strategies to rebuild Rwanda’s image which was tarnished in 1994. So it is in the ministry’s programmes to create the country’s image through participating in various trade fairs and exhibition, and creating opportunities that would attract as many people to Rwanda as possible.

**Strengthening public-private sector development**, The Ministry entered into working partnerships with private sector operators to solve the problems that are limiting better functioning of the private sector. Given current private sector weakness, the Ministry has laid strategies of encouraging professionalism in the private sector.

**Organizing Trade policy awareness workshops and meetings**
In order for this policy to have impact on trade, there will be workshops and meetings oriented towards explaining it to the business community. It will be organized in such away that all traders in their decentralized entities are trained.

**VI. Institutional Framework for the implementation of the Sector Policy**

The Ministry of Commerce is the lead organ for monitoring the implementation of this policy, but there are a number of other departments with whom close collaboration is essential, plus a number of agencies
whose active participation will be of paramount importance as far as the delivery on the policy guidelines and implementation is concerned.

VI.1 The Rwanda Investment and Exports Promotion Agency (RIEPA)

RIEPA has a “one-stop center and trade point” for existing and potential investors and traders. An investment code refined to cater for export promotion and tax incentives for promotion of private investment are now provided for under the income tax law. This will substantially improve the investment process and create an enabling environment. RIEPA in coordination with MINICOM are beginning to develop actions in light of the recently agreed Export Promotion Strategy and the specific actions that may be undertaken are already defined. The Ministry in charge of Commerce will continue to evaluate the effectiveness of these investment incentives and work closely with RIEPA to implement export promotion strategies.

A new law governing RIEPA is currently going through Parliament and will provide for the development of an export processing (or Free Trade) zone to boost the level of exports. The same law also provides for new and modernized customs legislation and other incentives which should again facilitate both export and import. This is aimed at facilitating the collaboration between The Ministry of Commerce, Industry, Investments Promotion Tourism and Cooperatives, RIEPA and the RRA in making the Rwandan business environment more attractive to investors.

VI.2 Ministry of Finance and Economic Planning (MINECOFIN)

MINECOFIN’S involvement in the implementation of this policy will be of great importance especially as far economic planning and the process of releasing finances is concerned. In addition, the Government is continuing the process of privatizing many of the state-owned enterprises. This ongoing process will help to facilitate a more competitive internal market and generate increased investment as well as public revenue. This will also help in enlarging the size of the private sector which will lead to a more efficient management of the enterprises and become a source of increased output.
So far 77 state owned companies have been privatised and 30 more remain under state control including a key public utility company namely Electrogaz and tea companies. Thus, close collaboration with the Privatization Secretariat will be necessary.

The Rwanda Utility Regulation Authority has been created to ensure that utility companies are carefully regulated.

A new arbitration law is under review, and a new arbitration centre for resolution of business disputes is being created. This is essential for the smooth operation of a competitive business environment and should also support investment. The Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives will work together with the Ministry of Justice to update the commercial laws and put in place laws in the areas where they do not exist.

VI.3 Ministry of Foreign Affairs and Cooperation (MINAFFET)

MINAFFET's involvement in the implementation of this policy will be of great importance especially as far as economic cooperation with foreign countries is concerned. The Ministry of commerce will continue to collaborate with MINAFFET in order to promote international trade.

VI. 4 Rwanda Private Sector Federation (RPSF)

The RPSF exists in order to liaise with and inform government on the key barriers to business success. It has a crucial role to play in the continuing improvement of the business environment and needs to work closely with the new public-private partnership team and the Ministry of Commerce in order to facilitate this dialogue.

VI. 5 Rwanda Bureau of Standards (RBS)

RBS has been operational since 2002, but needs to rapidly increase the scope of its activities in order to provide more support for businesses seeking to reach both internal and external markets while at the same time continuing to develop consumer protection.
A new tourism strategy is developed by ORTPN in conjunction with its stakeholders. This strategy should set out how the agency expects to meet challenging targets for visitor numbers and earnings. Increasing the number of quality tourists is one of the strategies that will help the Ministry in charge of Commerce reverse the deficit in the balance of Trade.

In supporting and training the MSMEs, the institutions such as PPPMER and CAPMER will play a very important role and their efforts will be coordinated by MINICOM

**Micro finance institutions**: these institutions must be coordinated through the Cooperative movement and should be oriented towards trade development.

In addition, close collaboration with other Ministries such as MINITERE, MININFRA MINALOC, MINEDUC, MINAGRI, MINAFFET to mention a few, will be necessary for the Trade sector in particular and the MINICOM in General to achieve its objectives.

**VI. 6 District Level**

The success of the implementation of this policy will depend on the willingness and effectiveness of the Offices of the district mayor and district officials in charge of economic affairs. Coordination and harmonization of business activities will be the responsibility of the Mayors through their decentralized entities from the district level to the cell (cellule) level.

**VI.6 Preparation of Development Programmes**

The Ministry, in conjunction with other stakeholders, will endeavor to prepare a development programme with details of organization, administration, financing and implementation framework. The interventions reflected in the programme will be translated into timely work plans that include interventions and clear outputs.

**VII. Conclusion**

The Government of Rwanda trusts that the effective implementation of this Policy statement on trade will professionalize and democratize business operations and facilitate the development of the private sector as self-reliant and economically viable sector.