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# **BRIEF ON NES PROGRESS**

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# I. BACKGROUND

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- ▶ NES approved by cabinet in April 2011, and now moves on to implementation
- ▶ NES provides for 5 year framework for viewing the country's export challenges and opportunities
- ▶ NES provide a platform to engage the various stakeholders in a joint prioritization programme
- ▶ The goal is to mobilize and organize Rwanda stakeholders to accelerate export growth, create jobs, increase revenues

- ▶ The NES requires government and private sector coordination
- ▶ Efforts should focus on removing the key barriers and constraints to export
- ▶ Effective implementation of the NES will depend on focusing to key industries.

## II. Selected Clusters and Projected Revenues for NES 2011-2015

Targeted Sectors (Projections in USD millions)	2009 (Base Year)	2010	2011E	2012E	2013E	2014E	2015E
<b>Tourism</b>	174	200	216	230	261	288	320
<b>Tea</b>	52	56	91	105	120	138	159
<b>Coffee</b>	37	56	75	89	105	117	130
<b>Minerals &amp; Mining Services</b>	56	68	85	91	97	103	111
<b>BPO</b>	10	13	17	21	30	41	53
<b>Horticulture</b>	3	3	4	5	7	8	9
<b>Home Décor &amp; Fashion</b>	3	3	5	7	10	13	17
<b>Greenfield Industries</b>	1	1	12	26	26	56	91
<b>Pyrethrum</b>	<b>0.6</b>	<b>1.4</b>	2.2	3.8	6	7	8.5
<b>TOTAL</b>	<b>336</b>	<b>400</b>	<b>505</b>	<b>574</b>	<b>656</b>	<b>764</b>	<b>890</b>

The above total for exports only considers NES priorities

# NES PROJECTIONS VS ACTUAL PERFORMANCE IN FIRST SEMESTER 2011

Selected NES clusters	Projected performance (Jan-June 2011) in Million USD	Actual performance (Jan-June 2011) in Million USD	Variations Deficit (-) Surplus(+)
Tourism	108	115.6	+7.6
Tea	45.5	36.3	- 9.2
Coffee	37.5	8.1	- 29.4
Minerals & Mining Services	42.5	67.7	25.2
BPO	8.2	-	-
Horticulture	2	10	+8
Home Décor & Fashion	2.5	3	+ 0.5
Pyrethrum	1.1	3.2	+2.2

# Key aspects of the NES NES

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## CROSS CUTTING ISSUES

- ▶ Market Opportunities
- ▶ Trade Facilitation & Promotion
- ▶ Monetary and Fiscal Policy
- ▶ Business Environment
- ▶ Finance & Investment
- ▶ Basic Infrastructure
- ▶ Branding
- ▶ Leveraging Technology
- ▶ Human Capital
- ▶ Leveraging Gender, Youth and the Environment

# Key aspects of the NES

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- ▶ **Launch of a Rwanda Exporter Development Program (REDP) Objective**
- ▶ Registering Rwandan exporters into an Exporter development program to facilitate provision and monitoring of technical assistance.
- ▶ Provide strategic support, export training and education, technical assistance (standards, certifications, etc.), advice and mentoring international market development, export finance and Performance evaluation.
- ▶ *Target 15 Exporters/Best performers/role models for grants and technical assistance by 2012.*

## TOURISM

- ▶ Rwanda's tourism sector has been exceeding expectations and is Rwanda's top foreign exchange earner
- ▶ Products are being developed to add to the gorilla one, by diversifying into new products and experiences (cultural, conference and birding tourism), and
- ▶ target specific customer segments (Explorers, Eco-travellers and business travellers).



# Key aspects continued..

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## TEA

- ▶ Improve yields and quality, through better fertilizer application, plucking and pruning training, and improved transportation, as well as long-term efforts to consolidate land plots.
- ▶ Improve investments in factories, both in terms of expanding factory capacity to process green leaf, but also in terms of processing new tea types to ensure product diversification.
- ▶ Improve marketing of teas by targeting specific channels for high-end teas.

## Key aspects (continued...)

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### COFFEE

- ▶ Increasing the quantity and quality of coffee as well as developing value added products (e.g. fully washed coffee, roasted packaged coffee)
- ▶ Improving the use of good farming practices and integrated pest management systems through focused agronomist support; continuing a voluntary turnaround support program for selected Coffee Washing Stations
- ▶ management training and improved transportation with associated quality improvements and cost reductions;
- ▶ Improving sales and distribution mechanisms through capacity building of private exporters

# Key aspects continued

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## MINING

- ▶ Strengthen the enabling legal, regulatory and institutional environment;
- ▶ Develop competitive investment and fiscal policies for mining;
- ▶ Improve mining sector knowledge, skills and use of best practices;
- ▶ Raise productivity and establish new mines; and
- ▶ Diversify into new products and increase value addition.

## Key aspects continued...

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### **BUSINESS PROCESS OUTSOURCING**

- ▶ The Rwandan BPO cluster is a diverse array of firms providing both ICT services and back office services in finance and administration to various industries, both domestically and regionally.
- ▶ Cloud computing is a potential transformative industry for internal productivity improvements and for export activity.
- ▶ Rwanda will soon have the infrastructure to take advantage of this growing industry.

## Key aspects continued...

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### HORTICULTURE

- ▶ Rwanda's horticulture sector includes fruits, vegetables, and flowers for domestic and export sale
- ▶ Value addition and diversification, such as focusing on organic, as well as value-added products such as including juices and dried fruits/chillies.
- ▶ Use of agricultural extension agents, land consolidation and tax incentives for value addition
- ▶ Land identified

# Key aspects

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- ▶ **HOME DÉCOR AND FASHION**
- ▶ The Home Décor & Fashion industry in Rwanda currently includes the following products: embroidery and woven products, hand sown textiles and hand-loomed products, ceramics and pottery, wood products, jewellery
- ▶ Products that are newer to the market, and that have the potential to increase export revenues in the sector, include silk and leather products
- ▶ Support to improve product design and market sophistication in existing industries

# IV. Progress update

- Technical Committee has been formed by representatives from the implementing agencies (Focal points persons appointed from key stakeholders)
- First workshop already convened with the key stakeholders from 10<sup>th</sup> -14<sup>th</sup> October 2011.
- Centre for promotion of imports from developing countries(CBI) has pledged to support in providing their expertise during the implementation process
- Second workshop to be organised in November 2011 to engage both public and private players and then come up with concrete annual actions for all the clusters in the NES
- Engaging Rwandan commercial diplomats in the NES implementation (organisation of a one week workshop for commercial diplomats in November 2011. They will interact with exporters and create a network)

## IV. THE NEXT STEPS

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- ▶ **The Industrial and Export Development Council (IDEC)** will stand at the helm of the Industrial Governance structure in Rwanda to oversee and coordinate the implementation of the NES
- ▶ Council to be chaired by the Minister of Trade and Industry shall comprise Ministers from key Ministries, heads of key institutions and the Private Sector. The key role of the Council is to provide oversight, coordination and guidance in the implementation of the NES
- ▶ Proposed members and TORs of the IDEC already submitted to the Prime Minister's Office for official set up of the IDEC
- ▶ RDB to be the Secretariat for the NES implementation responsible for technical coordination of the stakeholders.



**THANK YOU FOR YOUR  
KIND ATTENTION!**