Economies of the Eastern African Communities

2017

KENYA – TANZANIA – UGANDA – RWANDA - BURUNDI

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In 2010, the EAC (composed of five countries, Kenya, Tanzania, Uganda, Rwanda & Burundi) launched its own common market for goods, labour and capital within the region, with the goal of a common currency and full political federation in 2015.

The idea of this document is to compare different sources of data and enable the Belgian business man to have a quick overview of the East African Community's economies.

The 5 countries are classified by order: Kenya being the largest economy and Burundi the smallest.

Indicators:

The data is an overall approach on countries. In some economies like Kenya one will find that doing business in Nairobi is different from Mombasa or Kisumu.

The GNI consists of: the personal consumption expenditures, the gross private investment, the government consumption expenditures, the net income from assets abroad (net income receipts), and the gross exports of goods and services, after deducting two components: the gross imports of goods and services, and the indirect business taxes. The GNI is similar to the gross national product (GNP), except that in measuring the GNP one does not deduct the indirect business taxes

Ducroire/Delcredere is Belgium's overseas export credit insurer. It insures and reinsures the political and commercial risks of trade transactions. Political risk index goes from 1 (good) to 7 (bad) and commercial risk from A (low risk) to C (high risk) www.ducroire.be

Coface is the French export Credit insurer. Its rating reflects the average risk of short-term non-payment for companies in this country. Seven families are used A1 to A4, B, C & D. A1 (Belgium) Steady economic environment, good payment record of companies, very weak default probability to D (Afghanistan) : High risk profile of the economic and political environment, very bad payment record. http://www.cofacerating.fr

World Bank analysed 189 Economies: 1 Best (New Zealand in 2016) – 189 worst (Somalia in 2016)

Transparency international monitors corruption: 1 Best (Denmark, New Zealand Finland, Sweden) – 176 Worst (Somalia).

The World press freedom index monitors freedom of expression: 1 Best (Norway) – 9 (Belgium) – 180 worst (North Korea)

The "Business feeling" is a subjective point of view: its how the foreign local business people perceive the day to day business processes and its general perspectives. It can be good, medium or low. For instance Rwanda has a good rating by World Bank but poor ratings by the credit export agencies and world press freedom index, with intrusive public institutions into the business environment resulting in "low business feeling" by the local community.

This information was compiled from different sources: World Bank, Coface, Ducroire, EIU, official web sites of the countries, Transparency international, World press freedom, African Economic Outlook, personal inputs and data found on websites.

KENYA

Population	48,466,928 (UN estimates2017)
GDP	69.17$ (WB2016)
GNI per capita (U$)	3,060 (WB 2015)
Imports of goods and services	33.7M$
Country Rating – by Coface	C (Rating A good – D bad)
Business environment – by Coface	B
Political Risk – by Ducroire/Delcredere	4 out of 7 (Rating 1 good – 7 bad)
Business Risk – by Ducroire/Delcredere	C (Rating A low – C high)
Business environment – by World Bank	92 (from 94 in 2010)
Protecting Investors – by World Bank	87 (from 112 in 2016)
Enforcing contracts – by World Bank	87 (from 85 in 2016
Real GDP growth	6% in 2016
Corruption index – by Transparency International	145 out of 176
World press freedom index	95 (out of 180 being worst)
Economy based on	Agriculture, tourism, services
Human Development Index (United Nations)	146
Government interference in business	Low – Ongoing privatization processes
Business opportunities segments	Agriculture Building Clean Energy Chemicals & pharmaceuticals Food processing ICT Infrastructure Logistics Medical Tools & machinery
Business feeling : happiness of business people	Mixed
Funding sources	International Funds, NGO's, Private or Public funds
Specificity	Half the business in Nairobi is owned by Kenyans of Indian origin
East African Perception	Tiger of EAC Economies

Strong points	**Weak Points**
Diversified agriculture : tea, coffee, beans, flowers	Agriculture risks: droughts, climate change
Performing service sector	Weak infrastructure cannot absorb growth, Saturation of port, transport
Emerging middle class - 20% of urban population	Poor governance
New constitution	High credit rates
Hub of EAC	Inflation
Private consumption is high	Ethnic divisions
Improved Business Climate	Improving governance but persistence corruption
Education	Insecurity
Improved business climate	Terror risk

1. General overview :

The Republic of Kenya is a country in East Africa, made up of 42 different ethnic tribes. Kenya is bordered by Somalia to the northeast, Ethiopia to the north, Sudan to the northwest, Uganda to the west and Tanzania to the south. Lake Victoria is to the southwest and is shared between Kenya, Uganda and Tanzania. Kenya's area is 580,000 km2 with a population of over 46 million.

Kenya's economy is market-based, and maintains a liberalized external trade system. The country is considered as Eastern and Central Africa's hub for Financial, Communication and Transportation services.

The Kenyan government is investment friendly and has well developed social and physical infrastructure, making it an attractive location for major corporations seeking entry into the African continent.

Kenya’s services sector, which contributes about 63% of gross domestic product (GDP), is dominated by tourism. Tourism, that has suffered a lot from terror attacks, is still a large foreign exchange earning sector.

Agriculture (flowers, tea, coffee, vegetables & fruit) is the second largest contributor to Kenya’s GDP, after the service sector. Horticultural products and tea are the main growth sectors and the two most valuable of all of Kenya’s exports. The segment who had benefited from the EPA (European Partnership agreements providing preferential access to the European markets) is suffering from discussions linked to their reconduction.

Although Kenya is the most industrially developed country in East Africa, manufacturing still accounts for less than 20% of GDP. Industrial activity, concentrated around the three largest urban centres, Nairobi, Mombasa, and Kisumu, is dominated by food-processing industries such as grain milling, beer production, and sugarcane crushing, and the fabrication of consumer goods. There is a vibrant and fast growing cement production industry. Kenya has an oil refinery that processes imported crude petroleum into petroleum products, mainly for the domestic market. In addition, a substantial and expanding informal sector engages in small-scale manufacturing of household goods, motor-vehicle parts, and farm implements.

2. Economic and commercial evolution

Over the last decade, ICT has outperformed all others sectors growing at an average of 20% per year. The benefits of ICT are starting to be felt in other sectors, and have contributed to the conditions for Kenya to reach its tipping point. Kenya has entered the new decade with renewed and stronger than expected growth.

The Service sector has been driving growth over the last decade, specifically the ICT, which along with wholesale and retail trade contributed significantly to its expansion

According to the World Bank, the GDP growth rate outlook for 2016 was 5.5% down from the projected 5.9% due to inadequate/erratic rainfall and rising insecurity. Inflation rate as 2016 was 6.4% and the Central Bank of Kenya has a realistic target of maintaining inflation at single digit levels. Despite some ongoing challenges including the pressure for increased wages in the public sector (wages are already 51% of state expenditure and an estimated 16.6% of GDP for 2014/2015), the macro economic outlook is stable.

Industry is projected to continue to grow benefiting from investments in infrastructure and regional economic integration.

There are key structural factors that give hope for a more sustained path of growth in the next decade.

- First, Kenya is home to a growing market of 48.5 million people and is becoming more closely integrated with the EAC, which offers a market of more than 173.5 million, with a combined GDP of US$ 163.5 billion. Kenya’s population is also increasingly urbanized and educated which is associated with positive economic development.
- Second, Kenya has a new constitution which will address the governance concerns and improve Kenya’s business environment.
- Third, Kenya’s private sector remains among the most dynamic in Africa, demonstrating resilience during crisis and producing global innovations.

- Fourth, Kenya's economic policies have been improving and can now build on a strong track record in managing external shocks.

In 2017, for the first time Kenya was overtaken by Ethiopia as the first economy of East Africa. To the difference Ethiopia's population is twice as large as Kenya.

3. Input/output

- Agriculture - products: tea, coffee, corn, wheat, sugarcane, fruit, vegetables; dairy products, beef, pork, poultry, eggs
- Industries: small-scale consumer goods (plastic, furniture, batteries, textiles, clothing, soap, cigarettes, flour), agricultural products, horticulture, oil refining; aluminium, steel, lead; cement, commercial ship repair, tourism
- Exports: \$6.363 billion (2016 est.) from \$5.982 billion (2015 est.) – World Rank: 102
- Exports - commodities: tea, horticultural products, coffee, petroleum products, fish, cement
- Exports - partners: Uganda 10.7%, Tanzania 7.7%, Netherlands 7%, Zambia 5.8%, UK 5.7. %, (2015),
- Imports: \$16.34 billion (2016 est.) from \$15.56 billion (2015 est.) – World rank: 82
- Imports - commodities: machinery and transportation equipment, petroleum products, motor vehicles, iron and steel, resins and plastics
- Imports - partners: China 30%, India 15.5%, UAE 5.7%, US 4.8%, Japan 4.7% (2015)

4. Political system

Kenya is a presidential representative democratic republic, whereby the President is both the head of state and head of government, and of a multi-party system. Executive power is exercised by the government. Legislative power is vested in both the government and the National Assembly. The Judiciary is independent of the executive and the legislature. Kenya is divided into 47 semi-autonomous counties headed by governors elected in the first general election under the new constitution of March 2013 while the next general election is expected to take place in August 8- 2017.

5. ICT:

ICT has been the main driver of Kenya's economic growth over the last decade, propelling the transport and communications sector into the economy's second largest. ICT has impacted the financial sector and has contributed to indirect economic effects in health care and public information sectors. This remarkable growth can be attributed in part to innovations such as the introduction of mobile money.

Kenya has experienced a triple technology transformation with mobile phones, mobile money and internet. The number of mobile phone subscribers reached 88.1% in the first quarter of 2016. Since mobile money was introduced in early 2007, the number of mobile money customers is now over 30 million, whereas access to the internet, via personal computer or mobile phone, now exceeds 31 million. Mobile money consists of electronic money accounts that can be accessed via mobile phone. Mobile money has the potential to become an additional engine of Kenya's growth and an important tool for poverty reduction. Kenya can now leverage the larger EAC common market to increase its talent pool and thus, could evolve into an ICT hub for the region.

6. Energy:

Earlier this year the president broke ground for the construction of the Olkaria V power project which will produce 158 MW of electricity. Kenya has about 2200Mw installed (without counting the Lake Turkana Wind power project of 350MW). Kenya wants to increase this figure to 5000MW. A detailed plan of this is available from the Trade Commission.

7. Infrastructure:

The construction of the road linking Kenya to Ethiopia will be completed soon. Kenya National Highways Authority added that the sections from part of the strategic transport corridor linking Mombasa Port to Addis Ababa. For South Sudan, the Lamu Port-South Sudan-Ethiopia Transport

Corridor, known for short as LAPPSET is still trying to attract investors The are works on 3 berths and roads from Merille-Marsabit 121 Kilometres and Turbi-Moyale 122 Kilometres

8. Real Estate:
Kenyan Real Estate market was classified one of the most dynamic in the world these last years. Prices of land houses and rents are skyrocketing and generating opportunities in the building sector, products, household, decoration….

9. Legal forms of business
Forms of legal incorporation of business enterprises in Kenya include: incorporated limited liability companies, sole proprietorships, partnerships, cooperatives, companies limited by guarantees for most non-profit organisations, and representative offices

10. Practical information
TravelAdvisory www.diplomatie.belgium.be
Health Information: wwwnc.cdc.gov/travel/destinations/kenya.htm

Tanzania

Population	53.470M(WB2016)
GDP	46.7B$ (2016)
Per Capita GNI in U$	2,630(WB 2015)
Imports of goods and services	8 038 M$
Country Rating – by Coface	C(Rating A good – D bad)
Business environment – by Coface	C
Political Risk – by Ducroire/Delcredere	4out of 7 (Rating 1 good – 7 bad)
Business Risk – by Ducroire/Delcredere	C (Rating A low – C high)
Business environment – by World Bank	132
Protecting Investors – by World Bank	145 (in 2017)
Enforcing contracts – by World Bank	59 (in 2017)WB
Real GDP growth	7.2%
Corruption index – by Transparency International	116
World press freedom index	83
Economy based on	Agriculture, extraction & tourism
Human Development Index (United Nations)	151
Government interference in business	In the mining sector
Government attitude	New government
Business opportunities segments	Construction Energy Extraction ICT Infrastructure Tourism Transport Health
Business feeling : happiness of business people	Changing for the better but with uncertainties
Funding sources	International Funds, NGO's, Public funds
Specificity	Natural resource based
East African Perception	Wants to regain a position

Strong points	Weak Points
Mining resources (gold, gas, uranium)	Poor agricultural production
Political stability	Dependant on foreign aid
Investments in infrastructure	Poverty
Gold income keeps TZ shilling stable	Poor education and sanitary systems
Zanzibar autonomy	Divisions
Significant gas potential, thanks to offshore reserves discovered in 2010	Inadequate infrastructure, especially regarding energy (electricity) and transport
International support	Tensions between Zanzibar and the mainland

General overview:

Tanzania is the biggest in land area among the East African countries (i.e. Kenya, Uganda and Tanzania). Dar es Salaam is the commercial capital and major sea port for Tanzania Mainland and it serves neighbouring land-locked countries of Malawi, Zambia, Burundi, Rwanda, and Uganda, as well as Eastern DRC. Other sea ports include Zanzibar, Tanga, and Mtwara. Because of its geographical and location advantage, Dar es Salaam Port presents itself as one of the gateway into East and Central Africa.

The Tanzania economy relies most heavily on the agriculture sector for contributions to the GDP; currently, the agriculture sector accounts for nearly half of the GDP of the Tanzania economy and employs nearly 80% of the workforce in the country.

Growing in impact and importance, however, is the Tanzania tourism sector, which currently ranks as the second highest foreign exchange earner in the country behind agriculture.

The mineral production of natural resources such as gold, diamonds and tanzanite has also grown significantly in the last decade and currently represents the largest source of economic growth in Tanzania, providing over 3% of the GDP and accounting for half of the exports from Tanzania.

Economic and commercial evolution

Overall for 2016, the Tanzanian economy has shown resilience amid flagging growth in Sub-Saharan Africa. Real GDP growth for the year is estimated at nearly 7% despite a softening of growth in the second half of the year. Agricultural production increased over the previous year. Non-manufacturing industrial growth softened as a whole as the substantial deceleration of construction and slump in the generation of electricity more than offset strong growth in the mining and quarrying sub-sector. Services maintained solid performance overall.

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The inflation rate has remained low and near the authorities' medium-term target of 5%, although it has trended upward in recent months following a tightening of the food supply and rising energy costs. Gross International reserves stood at $4.3 billion at the end of January 2017, a level sufficient to finance the equivalent of approximately four months of projected imports of goods and services. The value of shilling remained stable in 2016, following considerable volatility in 2015.

Major economic sectors: agriculture, financial and business services, trade and tourism, manufacturing.

- Agriculture products: coffee, sisal, tea, cotton, pyrethrum, cashew nuts, tobacco, cloves, corn, wheat, cassava (tapioca), bananas, fruits, vegetables: cattle, sheep, and goats.
- Industries: agricultural processing (sugar, beer, cigarettes, sisal twine); diamond, gold, and iron mining, salt, soda ash; cement, oil refining, shoes, apparel, wood products, fertilizer.
- Export commodities: gold, coffee, cashew nuts, manufactures cotton.
- Export partners: India 21.8%, China 8.2% Japan 5.1%, Kenya 4.6% Belgium 4.3% (2016)
- Import commodities: consumer goods, machinery and transportation equipment, industrial raw materials, crude oil.
- Import partners: China 35.2%, India 13.7% , South Africa 4.5%, Kenya 4.4%, (2016)
- GDP - composition by sector: agriculture: 25.1% industry: 27.6% services: 47.3%% (2016 CIA est.)
- Inflation: 5.2% (2016 CIA est.)

Doing Business – Pros & cons: Tanzania's economy has been growing steadily for the past 10 years.

• English is the business langages • Politically stable • Free market economy • Dar es Salaam port serves 8 land locked countries • Natural resources • 44 million hectares of arable fertile land	• Poor infrastructure • Unreliable and expensive power • Underdeveloped transport system • Bureaucracy • Ranks low on the ease of doing business rankings • widespread corruption – particularly • in customs and tax authorities

• Land mass & strategic location in east Africa • Government support • Low cost importation • Room for further expansion	• limited availability of skilled labour • lack of technological resources • complex land laws • Lack of raw materials • High inflation rate

Segments of the economy

Mining

Tanzania's ranks 5th--after South Africa, Ghana, Sudan and Mali --in the table of African gold producing countries, its mining sector has its roots in the country's colonial history with a focus on exportation of mineral sand concentrates for smelting abroad. President John Magufuli has decided to cease this legacy and ban the exportation of mineral sand concentrates for smelting abroad. As a consequence the sector is knowing some turmoil for the moment.

Coal reserves in Tanzania are estimated at 1.9bn t, 25% of which are proven. Coalfields with the highest potential are Ketawaka-Mchuchuma in the Ruhuhu Basin, Ngaka Fields in the South West of Tanzania and Songwe Kiwira fields.

Agriculture

Agriculture is the foundation of the Tanzanian economy. It accounts for about half of the national income. Tanzania is well endowed with a variety of farming systems with climatic variations and agro-ecological conditions of which crops can be grown

Energy:

TANZANIA has good prospects of becoming a major producer of natural gas by the end of a decade, according to the International Monetary Fund (IMF). Tanzania's natural gas reserves are now estimated at more than 53 trillion cubic feet following major gas discoveries in the country's deep-water offshore region.

Electricity is mainly generated from hydropower - which is prone to drought effects- so some thermal power stations have been installed. Only three quarters of the country (mainly urban areas) is connected to the national grid. Tanzania has per capita electricity consumption of 46/KWh per annum, which is growing at the rate of 11 - 13 per cent. Hence the government is encouraging investment to expand generating capacity, distribution system and developing indigenous sources of energy.

There are other indigenous alternative sources of energy which include coal. Tanzania has 1,200 million metric tons, which could provide energy for paper mills, cement factories, agriculture and household consumption, and generation of power.

Wind and solar energy is another source of energy. Very little attempt has been made to utilize this source of energy which could be a viable alternative source to reduce use of wood and oil for heating purposes.

Tourism:

Tanzania’s tourism sector is among the sectors with great economic growth potential. It provides a substantial amount of foreign exchange earnings, employment for 30,000 people and stimulates other sectors like agriculture thereby contributing to the economic growth. The sector continues to face general deterioration of supportive infrastructure particularly those related to accessibility and reliability, thus there is need for improvement in tourist related facilities and services which would boost this sector’s performance tremendously. Marketing of tourist products is another essential element to promote Tanzania’s desirable tourist destination.

Total exports of tourism reached USD 1,468.1 million in the year ending February 2017 compared to USD1,168.6 million in the year ending February 2016,representing an increase of +25.6% in revenues, due to recovery in price in the world market and increase in volume (Bank of Tanzania)

Education & Financial services.

Education is a continuously developing sector and contributes significantly to the Tanzanian economy. There is a need to develop the sector to meet international standards.

Mineral resources have contributed to the fact-t that the financial sector is one of the fastest growing sectors in Tanzania. There are a number of local and international banks being established within the economy.

National website of Tanzania: www.tanzania.go.tz , www.tanzaniainvest.com

Uganda

Population	39.032,383M (2016WB)
GDP	25.61B$ (2016WB)
Per Capita GNI in U$	2630 (WB 2016)
Imports of goods and services	4.677 B$ 2016
Country Rating – by Coface	C (Rating A good – D bad)
Business environment – by Coface	C
Political Risk – by Ducroire/Delcredere	4 out of 7 (Rating 1 good – 7 bad)
Business Risk – by Ducroire/Delcredere	C (Rating A low – C high)
Business environment – by World Bank	115 (from 122 in 2015)
Protecting Investors – by World Bank	106(from 101 in 2016)WB
Enforcing contracts – by World Bank	64 (from 63 in 2016)WB
Real GDP growth	4.9% (Official 6%)
Corruption index – by Transparency International	151
World press freedom index	112
Economy based on	Agriculture, fishing & minerals
Human Development Index (United Nations)	163
Government interference in business	
Business opportunities segments	Petrol Industry Infrastructure
Business feeling : happiness of business people	Good
Funding sources	International funds, FDI
Specificity	Doped by petrol discovery
East African Perception	Future power house

Strong points	Weak Points
International support of infrastructure projects : Northern Transport Corridor & oil refinery	Energy limitations
Estimated 2 Billion barrels of petrol	Underground economy
Significant natural resources: fertile land,oil reserves, hydroelectric potential	Inadequate infrastructure
Diversification, especially of the agri-food sector	Border issues (RDC, Soudan, Rwanda)
Debt, primarily on concessional terms	Agriculture risks: droughts, climate change
	Overfishing threatening resources
	Slow progress on governance and control of corruption

General Overview

Uganda’s economy has grown at a slower pace recently thus reducing its impact on poverty. Average annual growth was 4.5% in the last five years compared to the 7% achieved in early 2000s.The economy has faced adverse weather, civil unrest in South Sudan, global economic uncertainties, and private sector credit constraints.

Ugandan policies, laws, and regulations are generally favourable towards foreign investors, although poorly enforced legislation and corruption hamper trade development. Ugandan law allows for 100 percent foreign-owned businesses and foreign businesses are allowed to partner with Ugandans without restrictions. The government also provides generous incentives for industrial development.

However, Uganda ranked 102 out of 178 countries, in the Heritage Foundation's 2016 Index of Economic Freedom, with an overall score of 59.3, the 13th freest among the 46 sub-Saharan African countries on the index. In the 2016 World's Bank's Ease of Doing Business Report, Uganda ranks 122 out of 189 countries.

Attractiveness is based on

- Fully Liberalized Economy- All sectors of the economy have been liberalized for investment and marketing, with a free inflow and outflow of capital.

- Market Access- Uganda enjoys a unique location at the heart of Sub-Saharan Africa giving it a commanding base for regional trade and investment. Uganda is a member of the Common Market for Eastern and Southern African states (COMESA) and the East African Community (EAC) comprising Burundi, Kenya, Rwanda, Uganda, and Tanzania with a population of over 160 million people.

- Strong Natural Resource Base- There is abundant rainfall, rich loamy soils and favourable temperature which enhance the productivity of the land to support the cultivation of both food and cash crops organically. Unexploited mineral deposits of Phosphate, Gold, Zinc, Wolfram, Petroleum, Diamond, Vermiculite, Silica etc.

- Government Commitment to Private Sector- Dialogue in policy formulation greatly attracts foreign investors, in addition to the continuous improvement in provision of infrastructure and other social services

- Skilled Labour

- Security of Investment- Constitution of Uganda guarantees protection of investments. Uganda is also signatory to major international investment related institutions

Economic and commercial evolution

The GDP in Uganda expanded 1.4 percent year-on-year in the last three months of 2016, slowing from a 2 percent rise in the previous quarter. It is the lowest growth rate in four years due to a 6.6 percent slump in agriculture, namely a decline in food and cash crops. In addition, the services sector expanded at a slower 2.8 percent (3.4 percent in the previous period) while industrial output rose at a faster 3.5 percent (3.2 percent in the previous period).

The Annual Inflation for the year ending December 2016 rose to 5.7 percent compared to the 4.6 percent of 2015.In addition, the Annual Food crops Inflation rose to 10.8 percent for the year ending December 2016 from the 7.2 percent recorded in November 2016.

Uganda is willing to start refining its own crude oil, in order to end its economy's dependence on donor aid. In 2006 commercial oil deposits were discovered in the Albertine basin along its border with the Democratic Republic of Congo and oil reserves of 2.5billion barrels have been confirmed.

The key sectors driving Uganda's economy are: agriculture, fisheries, forestry, manufacturing and IT.

Input & Output

- Exports: $2.723 billion 2016,World Ranking 131
- Export commodities: coffee, fish and fish products, tea, cotton, flowers, horticultural products & gold.
- Export partners: Rwanda10.8% ,U.A.E 9.9% ,Congo 9.8%, Kenya 9.8%, Italy 5.8% Netherlands6.4.8% % ,China 4.1% (2015)

- Imports $4.677 billion World Ranking 125 (2016).
- Imports commodities: capital equipment, vehicles. Petroleum, medical supplies & Cereals.
- Import partners: Kenya16.5%, U.A.E 15.6%, India13.5 %, China 13.1% (2015).
- GDP-Composition by sector: Agriculture 26% Industry22.3%, Services 51% (2015).
- Inflation: 5.6% (2016).

Agribusiness
Uganda is among leading producers of coffee and bananas. It is also a major producer of tea, cotton (including organic cotton), tobacco, cereals, oilseeds (simsim, soya, sunflower, etc), fresh and preserved fruit, vegetables and nuts, essential oils, orchids, flowers and sericulture (silk). Opportunities include commercial farming and value addition, as well as the manufacture of inputs and supply of agricultural machinery.

Fisheries
It is the second-highest foreign exchange earner for Uganda. Large fresh water expanses offer a variety of investment opportunities for fish farming and the establishment of more fish processing factories.

Forestry
With over 4.9 million hectares of rich forest vegetation, Uganda possesses abundant potential in areas like timber processing for export, manufacture of high quality furniture/wood products and various packaging materials. There are also opportunities in afforestation and reforestation especially of medicinal trees and plants, soft wood plantations for timber, pulp & poles.

Manufacturing
Uganda's manufacturing output has been expanding by more than 10% annually over the last eight years. Opportunities exist in areas ranging from beverages, leather, tobacco based processing, paper, textiles and garments, pharmaceuticals, fabrication, ceramics, glass, fertilizers, plastic/PVC, assembly of electronic goods, hi-tech and medical products

Mining
Uganda has large under-exploited mineral deposits of gold, oil, high grade tin, tungsten/wolfram, salt, beryllium, cobalt, kaolin, iron-ore, glass sand, vermiculite and phosphates (fertilizer). There are also significant quantities of clay and gypsum. Uganda provides special incentives to the mining sector with some capital expenditures being written off in full. Petroleum wells discovered in the Lake Albert region will bring Uganda to the 5th rank of oil producers in Africa.

Infrastructure
Transport & logistics and energy sectors still require further investment, despite the efforts that have been made to develop and rehabilitate the existing physical and non-physical infrastructure. With less than 10% of the mainstream capacity of 2,700 megawatts of power exploited, Uganda has the potential to be a major supplier of hydro electric power to the entire East African region.

Financial Services
Opportunities for investment exist for international multinational banking groups particularly promoting new or innovative financial products, micro finance saving institutions and insurance.

Tourism
Uganda boasts of a variety of game and unspoiled scenic beauty. It offers mountain rain forests and snow peaked mountains in the south western parts of the country. The opportunities in tourism range from constructing high quality accommodation facilities, operating tours and travel circuits to the development of specialized eco-tourism.

Printing and Publishing
In the printing and publishing sub-sector, opportunities exist for the printing of textbooks for schools.

Currently, imports supply over 90% of Uganda's textbook requirement (estimated at over U$7 million a year). Investment opportunities therefore exist in flexography, screen printing, off-set printing and digital printing

Education
Investment opportunities exist in setting up of independent private universities, branch universities and offshore campuses. Other areas of investment include technical & vocational training, technology-based education & distance education and student financing

Information Communication Technology (ICT)
Opportunities in ICT include establishment of information and communication infrastructure and broadband services, business process outsourcing services, computer and related equipment hardware assembly, high level ICT training facilities on international standards, ICT business services incubation, hardware repair training facilities, software development niches, setting up information technology virtual zones (ITVZ), and setting up Internet service provider facilities in other parts of Uganda

There is a mood of optimism and a belief that Uganda will once again emerge as the 'Pearl of Africa' the name given to it by the late Sir Winston Churchill in 1907."

Official Website : Not online

Rwanda

Population	11,609,666
GDP	$8.341 B (2016)
Per Capita GNI in U$	1,720 (WB 2016)
Imports of goods and services	1 961B$
Country Rating – by Coface	C (Rating : A good – D bad)
Business environment – by Coface	C
Political Risk – by Ducroire/Delcredere	4 out of 7 (Rating : 1 good – 7 bad)
Business Risk – by Ducroire/Delcredere	C (Rating : A low – C high)
Business environment – by World Bank	56 (in 2016)
Protecting Investors – by World Bank	102 (from 97 in 2016)
Enforcing contracts – by World Bank	95 (from 69 in 2016
Real GDP growth	6%
Corruption index – by Transparency International	49
World press freedom index	159
Economy based on	Agriculture Extraction Tourism
Human Development Index (United Nations)	159
Government interference in business	To be managed
Business opportunities segments	Building materials Energy ICT
Business feeling : happiness of business people	Mixed feelings – public pressure
Funding sources	International
Specificity	Public money drives most of projects
East African Perception	Example for reforms pushing for EAC

Strong points	Weak Points
Has modernised its institutions and rule of law	Dependant on foreign aid
Lake Kivu Methane project	Highly dependent on commodity prices (tea coffee)
Dynamic coffee production	Non diversified agriculture
Minerals	Imports larger than exports
Considerate progress on governance (Fight against corruption)	Underground economy
Skilled labour force and good infrastructure	Governance
	Poverty
	Land locked
	Ethnic healing

General Overview

Rwanda is located in Central and East Africa, and neighbors the Democratic Republic of the Congo to the west; Uganda to the north; Tanzania to the east; and Burundi to the south.

Rwanda is the world's 148th-largest country, with an area of 26,338 km2, Rwanda is landlocked bordered by the Democratic Republic of Congo (DRC) to the west, Tanzania to the east, Uganda to the north, and Burundi to the south. According to World Bank data, the population of Rwanda is approximately 11.61 million, of which 52% are women. With the support of the International Monetary Fund (IMF) and the World Bank, Rwanda has been able to make important economic and structural reforms, and sustain its economic growth rates over the last decade. The largest cities in Rwanda are Kigali (the capital city), Gitarama, and Butare. It is the most densely populated nation in Africa and with few natural resources and minimal industry.

Rwanda's economy suffered heavily during the 1994 genocide, with widespread loss of life, failure to maintain the infrastructure, looting and neglect of important cash crops, causing a large drop in GDP and destroying the country's ability to attract private and external investment.

The country has since strengthened, driven largely by the services and agriculture sectors, indicating the main drivers of services growth were transport, storage and telecommunications, with the last of those sectors playing the most important role. Also growing rapidly are real estate and business services. The economy has clearly bounced back strongly from the global recession but there remains a long way to go if it is to meet the government's long-term goals.

Rwanda's economy receives substantial monetary aid through the HIPC (Heavily-Indebted Poor Countries) initiative sponsored by the IMF and World Bank. Rwanda also received a Millennium Challenge Account Compact in 2008.

The government also has embraced an expansionary financial policy to reduction of poverty by improving education, infrastructure and facilities, and foreign and domestic investment and pursuing market-oriented reform. Rwanda joined the East African Community and is aligning its budget, trade, and immigration policies with its regional partners.

In mid-October 2010 the prime minister launched a **seven-year roadmap for the transformation of Rwanda** into a middle-income country by 2017. Rwanda has satisfied all of the quantitative assessment criteria and structural benchmarks during the first review of the policy support instrument program with the IMF. The central bank has cut the key repo rate from 7% to 6%. Rwanda's fiscal situation 2011 has been boosted by high levels of aid.

Inflation is 4.8 in 2017

Rwanda has been ranked **159** out of **180** countries in the 2017 **press freedom index** by reporters without borders

Economic and commercial evolution

Rwanda is a country of few natural resources, and the economy is based mostly on subsistence agriculture.

Coffee and tea are the major cash crops for export, with the high altitudes, steep slopes and volcanic soils providing favourable conditions.

Livestock are raised throughout the country. Production systems are mostly traditional, although there are a few intensive dairy farms around Kigali.

Input &Output

- Agricultural products: coffee,Tea,Pyrethrum,bananas,beans,sorghum,potatoes and livestock
- Industries: cement agricultural products, small scale, beverages, soap, furniture, shoes, plastic goods, textile sand cigarettes.
- Exports: $674.9 million world rank167.
- Export commodities: coffee, tea, hides, tin, ore.
- Export partners: Congo 19.8%, US 10.8, china 10.3% Swaziland 7.9%, Malaysia 7%, Pakistan 6.2% German 5.9% Thailand 5.5% (2015) Imports: $1.961 billion 2016 World rank161.
- Import commodities: foodstuffs, machinery & equipments, steel, petroleum products cement &construction materials.
- Import Partners: Uganda 15.8%, Kenya 11.8% India 8.7% ,China8.7%,UAE 8.6% ,Tanzania 5.1% (2015)
- GDP-Composition by sector: agriculture 31.9%, Industry 14.8%, Services 53.3% (2013).
- Inflation 4.6% (2016).

Political Context

Rwanda has maintained political stability since 1994. The last parliamentary elections held in September 2013 saw 64% of the seats filled by female candidates, and the Rwandan Patriotic Front maintain absolute majority in the Chamber of Deputies. President Paul Kagame is serving his second and last term, and presidential elections are due in August 2017. However, in December 2015, the Rwandan constitution was amended to allow the president to run for a third seven-year term in 2017. Kagame has since confirmed he will stand for re-election.

Rwanda has **eased access to credit and simplified rules to start up businesses** to help attract foreign investment. However in 2010 there was a hard fall in FDI even if according to the World Bank, Rwanda made more business- friendly changes to its regulations than any other government in Africa.

Donor Aid: Donors fund 48% of Rwanda's budget. However, the government is pushing ahead with more changes to boost foreign investment and reduce its reliance on donor aid. Donor aid also doesn't cover the country's financing needs for infrastructure.

Infrastructure: The land-locked country does not have a railway to transport goods to the port of Dar es Salaam in Tanzania and is in talks with its neighbour to build one.

Energy: The government aims to expand power capacity by 130 megawatts from the current 95 megawatts.

The government has focused on restructuring the tea and coffee industries and the financial system, while investing in energy, transport and telecommunications infrastructure.

ICT for all : In line with the Government of Rwanda's commitment to increase nationwide access to ICT, the rollout of fiber optic cable has been completed. The use of technology was also extended to the agricultural sector with the establishment of E-Soko- an Agricultural Market Information System that has been deployed to provide farmers with reliable, up-to-date market price information. With this infrastructure, service delivery in public and private sectors will be dramatically improved and access to information will no longer be a luxury as high–speed internet connectivity becomes affordable and accessible.

Roadmap for the transformation of Rwanda into a middle-income country by 2017 (a date that will probably be modified). The plan is not short on ambition or measures;

- a 30% increase in the level of access to electricity and a surge in national energy production from 95 mw to 1,000 mw;
- the extension of financial services to 80% of the population;
- the construction of 220 more coffee-washing stations in order to enable 80% of the total crop to be fully washed; and
- a 12% rise per year in industrial production

Official Website: www.gov.rw

Burundi

Population	11.178 m(2017WB)
GDP	2.746B (2016) M$
Per Capita GNI in U$	730(World Bank 2016)
Imports of goods and services	683.4M
Country Rating – by Coface	D (Rating : A good – D bad)
Business environment – by Coface	E
Political Risk – by Ducroire/Delcredere	7 out of 7 (Rating : 1 good – 7 bad)
Business Risk – by Ducroire/Delcredere	C (Rating : A low – C high)
Business environment – by World Bank	157 out of 190 in 2016)
Protecting Investors – by World Bank	137 (from 136 in 2016)
Enforcing contracts – by World Bank	149 (from 149 in 2016)
Real GDP growth	2.5 % (official 4%)
Corruption index – by Transparency International	159 in 176
World press freedom index	160
Economy based on	53.9
Human Development Index (United Nations)	184
Government interference in business	
Business opportunities segments	Agriculture Construction Food processing ICT
Business feeling : happiness of business people	corruption makes thing slow but possibilities in all fields
Funding sources	International
Specificity	Post war economy
East African Perception	Post war – weakest country in EAC

Strong points	Weak Points
75% of its debt was cancelled in 2009	Land locked
Pressure from the EAC pushing the country forward	Poor infrastructure
Tanganyika basin	Tense political context
Natural resources (Coffee,tea,minerals)	Activity hampered by lack of infrastructure and limited access to electricity
	Inflation
	Ethnic divisions
	Poverty

General overview

The Republic of Burundi is a landlocked country (27,830 sq.km) in the Great Lakes region of Eastern Africa bordered by Rwanda to the north, Tanzania to the east and south, and the Democratic Republic of the Congo to the west. Its size being 27,830 sq. km² with an estimated population of almost 11.178M its capital is Bujumbura. Although the country is landlocked, much of the south-western border is adjacent to Lake Tanganyika.

Burundi is recovering from a 15-year civil war in which 300,000 people died. The conflict ended with a peace agreement in 2008. Fighting began in 1993 when soldiers from the ethnic Tutsi minority assassinated the leader of the main party of the Hutu majority who had just won the first democratic presidential elections.

Burundi is one of the world's poorest countries, owing in part to its landlocked geography, poor legal and education systems, an increasing density of population which reduces the size of available land per household, and the proliferation of HIV/AIDS. GDP per capita was 730U$ in 2016 a fall from 800U$ for 2015, and more than two-thirds of the population lives below the poverty line

Burundi has earned the title of "most corrupt" country in the East African Community ranking 159 out of 176 in countries, according to the Corruption Perceptions Index 2015 published by Transparency International.

Burundi’s economy is dominated by the informal sector, with multiple micro and small agri-food businesses geared towards the local market.

Burundi has isolated itself with the unapproved third mandate of President Nkurunziza. The socio-political crisis led to a widening of the fiscal deficit to 6.7% of GDP in 2016 and caused excessive reliance on domestic debt, while a freeze on aid by international donors is affecting social expenditure. This has caused a sharp decrease in economic activity and worsened living conditions for the population. Spending in 2016 was 25% lower than in 2015. The government froze the salaries of civil servants and suspended recruitment in all ministries except Education and Health. This caused a considerable decline in the availability of services in 2016, leading to:

i) a lack of medicine and vaccines;
ii) insufficient school material;
iii) the non-admission of 80 000 pupils who had been due to begin secondary education; and
iv) iv) pockets of famine in certain regions.

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Economic and commercial evolution

Burundi's largest industry is agriculture with “subsistence agriculture” accounting for most of it. The nation's largest source of revenue is coffee and tea. Coffee sales account for two-thirds of Burundi’s exports and the industry 800,000 households

Input & Output

- Exports: 132.4 million. World Rank 190 (2016).
- Export commodities: coffee, tea, sugar, cotton, hides.
- Export partners: Germany 12.9%, Pakistan 11.2%, Congo 11.2, Uganda 8.5%, Sweden 8.2% , Belgium 6.6% Rwanda 4.8%, France 4.6% (2015)
- Imports: 683.4 million. World Rank186.
- Imports commodities: capital goods, petroleum products, foodstuffs.
- Import partners: Kenya 15% ,Saudi Arabia14%, Tanzania 8.4% China 7.1% India 4.9% ,France 4% (2015)
- GDP: composition by sector: Agriculture 39.2%, Industry 18.1%, services 42.7%
- Inflation: 6.5% 2016

Other agriculture products include: cotton, maize, sorghum, sweet potatoes, bananas, manioc (tapioca), beef, milk, and hides. Agricultural production is expected to improve, although weather patterns are uncertain and production is vulnerable to erratic rain patterns. Economic growth may be driven by improved management of the coffee industry and rising foreign aid inflows to build infrastructure, according to IMF.

Other natural resources include uranium, nickel, cobalt, copper, and platinum. Recorded earnings from "other primary products", which include gold smuggled in from the DRC, will fall slightly, because although plenty of gold is still coming into Burundi, more and more of it is also being smuggled out of the country and going unrecorded.

The manufacturing sector has stalled. It mainly concerned assembly of imported components; public works construction, food processing, and light consumer goods such as blankets, shoes, and soap. Textile output has collapsed and energy shortages will continue to pose a significant problem.

Imports to Burundi

In 2015, Burundi exported $165M and imported $647M, resulting in a negative trade balance of $482M. In 2015 the GDP of Burundi was $3.1B and its GDP per capita was $727. Since then all has declined and no real figures are available.