

TRADE UNIONS AND TRADE



Rwanda Trade Fact Sheet

African Continental Free Trade Area



RWANDA TRADE FACT SHEET

Trade unions, Trade and AfCFTA

Trade Union Centre of Workers of Rwanda (CESTRAR)

October 2024

The AfCFTA will influence national policies that affect employment, income, and livelihoods – trade unions need to be prepared to engage with this process.

The practicalities of the AfCFTA, how it will affect trade, policies, and employment, are unknown and need to be better understood.

This resource provides insight into trade dynamics in Rwanda and helps trade unions think about trade and their interests in the AfCFTA.

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AND TRADE**

**Rwanda
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AFRICAN CONTINENTAL FREE TRADE AREA

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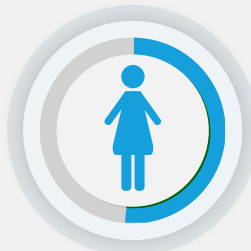
AFRICAN CONTINENTAL FREE TRADE AREA

SECTION 1: DEMOGRAPHICS

1.1 The Population



IN 2022, RWANDA'S
POPULATION REACHED
13.2 MILLION



FEMALES
51.4%



MALES
48.6%

As shown in Table 1, females slightly outnumbered males, making up 51.4 percent of the population, while males accounted for 48.6 percent.

Table 1: Population (Projection) by Sex (2022)

Sex	Total	Percent
Male	6,429,326	48.54
Female	6,817,068	51.46
All	13,246,394	100.00

Source: adapted from National Institute of Statistics of Rwanda (NISR), 2023

Rwanda has a young population. About 72 percent of the country's population were under 35 years in 2022 (See Table 2).

Table 2: Population by age cohorts (2022)

Age Cohort	Total	Percent	Cumulative percent
0-14 years	4,956,812	37.42	37.42
15-24 years	2,683,890	20.26	57.68
25-34 years	1,958,054	14.78	72.46
35-59 years	2,784,709	21.02	93.49
60 years and above	862,929	6.51	100.00
All	13,246,394	100.00	

Source: Adapted from NISR (2023)



SECTION 2: ECONOMIC INDICATORS

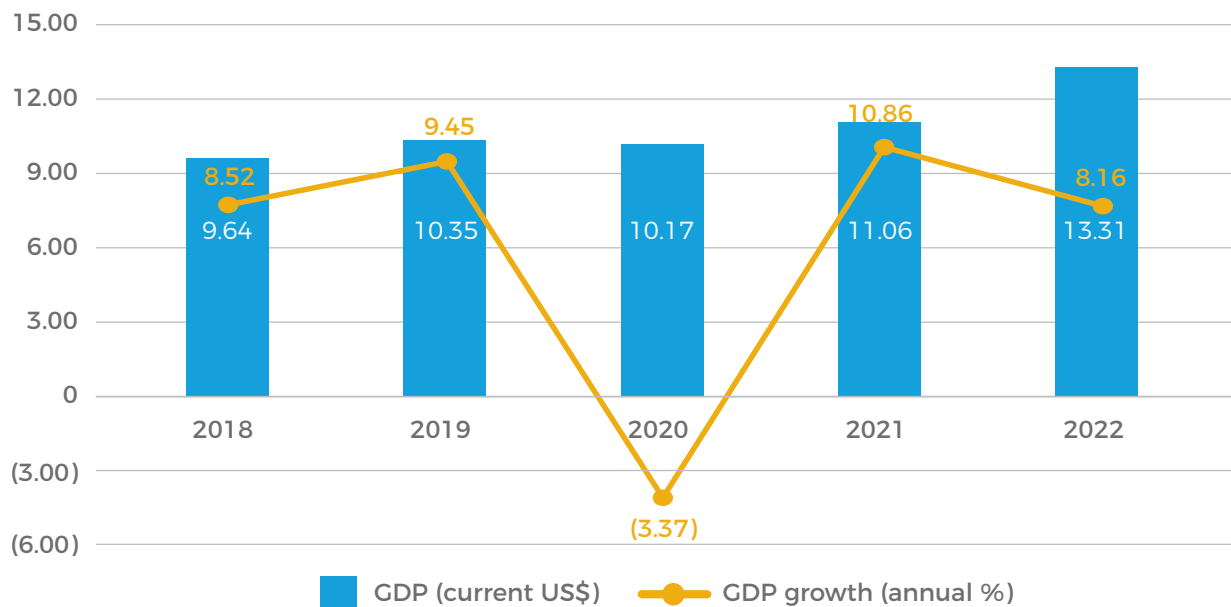
2.1 Gross domestic Product (GDP)

The GDP was approximately US\$13.31 billion in 2022, with an annual growth rate of about 8 percent.



THE GDP WAS APPROXIMATELY
US \$13.31 BILLION
IN 2022.

Figure 1: GDP (US\$ billion) & GDP growth rates (%)

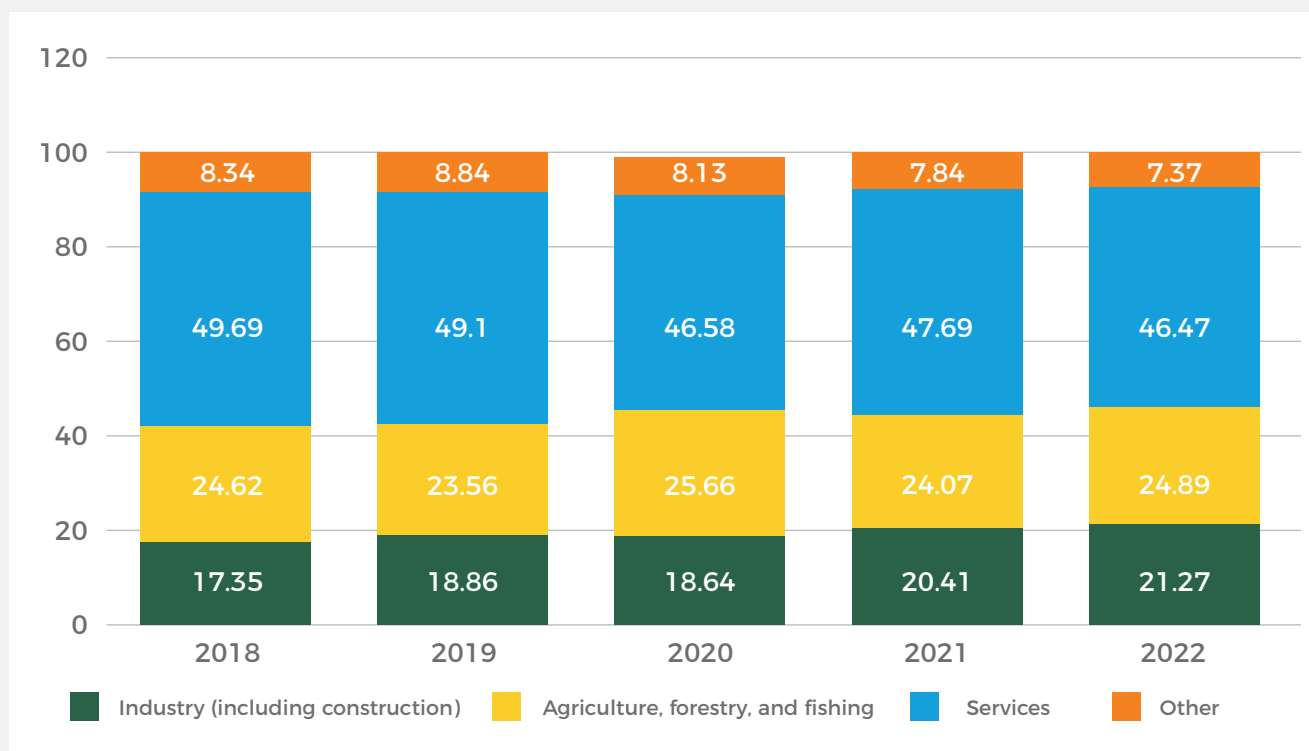


Source: World Bank (2024)

2.2 GDP composition

The services sector was the main contributor to GDP, accounting for approximately 46 percent in 2022. The industrial sector provided about a quarter of the country's GDP.

Figure 2: Source of Growth

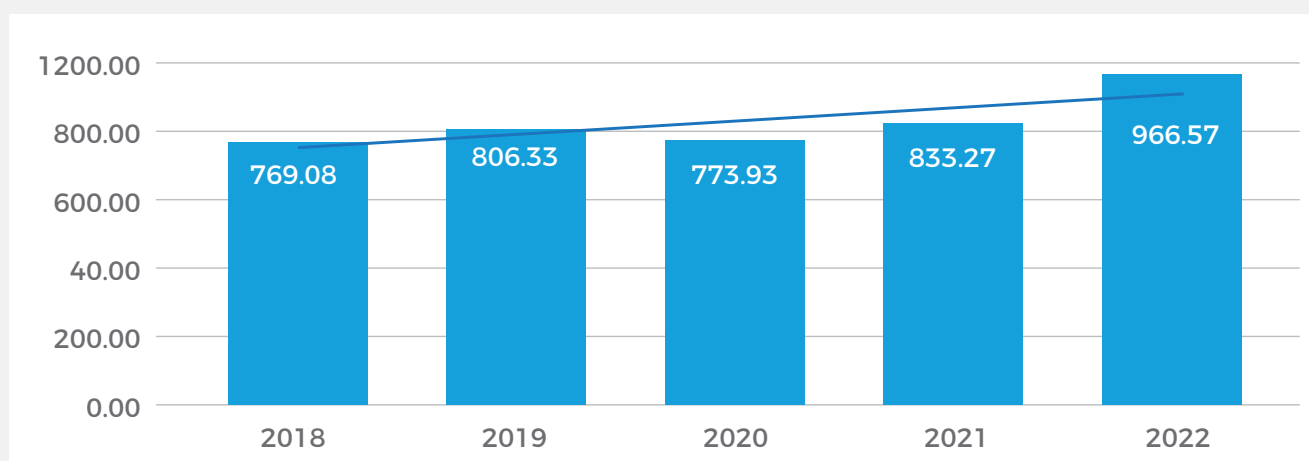


Source: World Bank (2024)

2.3 GDP Per Capita

Figure 3 shows that the GDP per capita was US\$966.57 in 2022.

Figure 3: Annual Inflation (2015-2022)



Source: adapted from World Bank (2024)

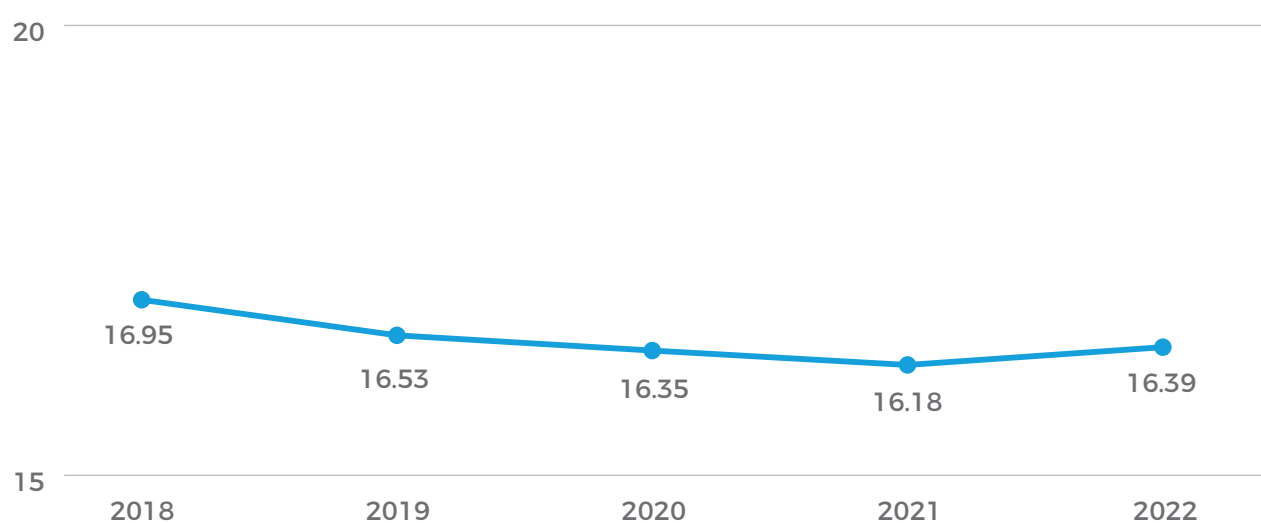
2.4 Inflation

In 2022, inflation was 17.7 percent. (World Bank, 2024)

2.5 Interest rates

Lending interest rates hovered around 16 percent between 2018 and 2022. High interest rates increase the cost of doing business, reducing the competitiveness of enterprises in domestic and international markets.

Figure 4: Lending interest rate (%)



Source: adapted from World Bank (2024)

2.6 Exchange Rate

The Rwandan Franc (RWF) has remained relatively stable. During the 2021-2022 fiscal year, it depreciated by approximately 4 percent against the US Dollar and 3 percent against the British Pound, while appreciating marginally (about 2% against) the Euro.

Table 3: Exchange rate (2022-2024)

Fiscal year average	US Dollar		British Pound		Euro	
2019-2020	US\$1 =RWF920.21	Change (%)	£1 = Frw1159.92	Change (%)	€1 = Frw1017.32	Change (%)
2020-2021	US\$1 =RWF967.99	-5.19	£1 = Frw1305.07	-12.51	€1 = Frw1155.39	13.57
2021-2022	US\$1 =RWF1007.90	-4.12	£1 = Frw1341.78	-2.81	€1 = Frw1136.40	1.64

Source: adapted from National Bank of Rwanda (NBR) (n.d.)

SECTION 3: THE LABOUR MARKET

3.1 Employment and unemployment

Figure 5 highlights the employment-to-population ratio and unemployment rate in 2022, showing that about 45 percent of individuals aged 16 years and older were employed. The employment rate was higher among males at 52.7 percent, compared to 37.3 percent for females.

Employment



Figure 5: Employment and unemployment



Source: Adapted from NISR (2023B)

Open unemployment is high in Rwanda. As illustrated in Figure 5, approximately 21 percent of the workforce was unemployed in 2022, with unemployment rates higher among females (23.7 percent) compared to males (17.9 percent). Youth unemployment was about 26 percent in 2022.

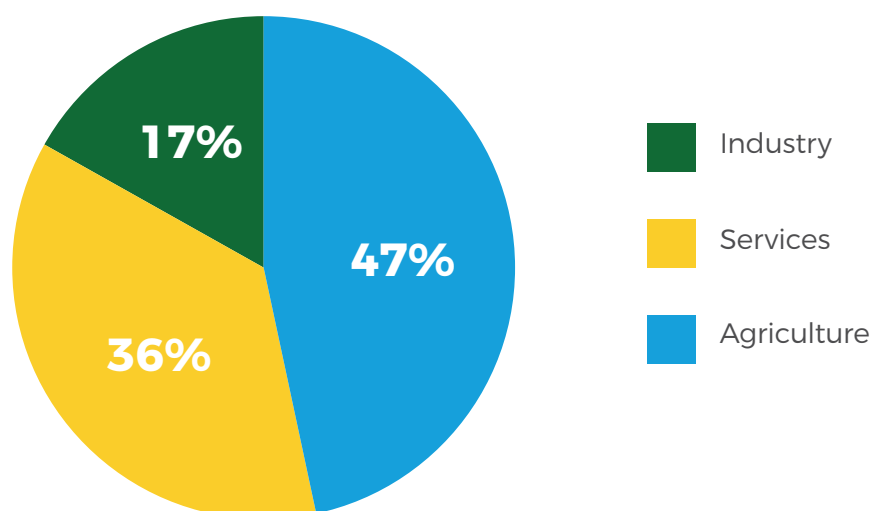
Unemployment



3.2 Industrial distribution of employment

Agriculture is primary source of employment, with approximately 47 percent of employed individuals working in this sector in 2022 (see Figure 5).

Figure 6: Industrial distribution of employment



Source: adapted from NISR (2023B)

3.3 Informal economy

In 2022, there were about 3.2 million people in informal employment, representing 91.3 percent of total employment (NISR, 2023B)

SECTION 4: TRADE UNION MEMBERSHIP

4.1 Trade union federations

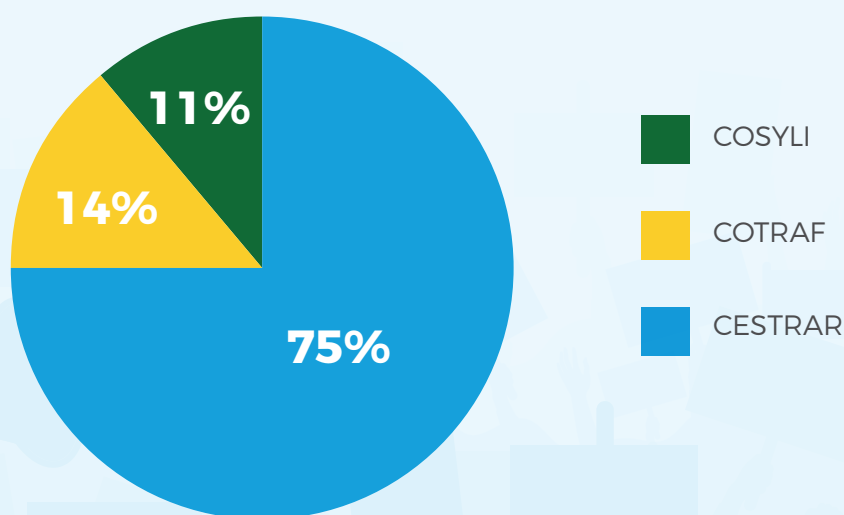
There are three main trade union centres: Trade Union Centre of Workers of Rwanda (CESTRAR), Labour and Worker's Brotherhood Congress (COTRAF) and the National Council of Free Trade Union Organizations in Rwanda (COSYLI).

4.2 Trade union membership

In 2023, approximately 300,000 trade union members, representing a trade union density of 6.9 percent (Danish Trade Union Development Agency (DTDA) (n.d.)). Females made up around 40 percent of the total membership.

Figure 7 shows that CESTRAR is the largest trade union federation, with 75 percent share of total union membership. COTRAF holds a 14 percent, while COSYLI accounts for 11 percent of the membership.

Figure 7: Distribution of trade union membership



Source: adapted from DTDA (n.d.)

SECTION 5:

INTERNATIONAL TRADE

5.1 Merchandise exports and imports

Merchandise (goods) imports were higher than exports in 2015 and 2022. Table 4 indicates that the country's imports exceeded exports by about US\$1.45 billion in 2022.

Table 4: Merchandise trade (US\$ millions)

Classification	2015	2022
Merchandise exports	682	2,111
Merchandise imports	2382	3569
Merchandise trade balance	-1,700	-1,458

Source: adapted from United Nations Conference on Trade and Development (UNCTAD), 2024

5.2 Trade in services

Rwanda recorded a positive services trade balance in 2022, after experiencing a deficit of US\$253 million in 2015. As shown in Table 5, the services exports exceeded imports by approximately US\$5 million in 2022. Travel (45.3%) and transport (26.6%) were the main services exported in 2022 (UNCTAD, 2024).



SERVICE EXPORTS IN 2022:

US\$883 MILLION



SERVICES IMPORTS IN 2022:

US\$878 MILLION



TRADE BALANCE IN 2022:

US\$5 MILLION

Table 5: Trade in services (US\$ millions)

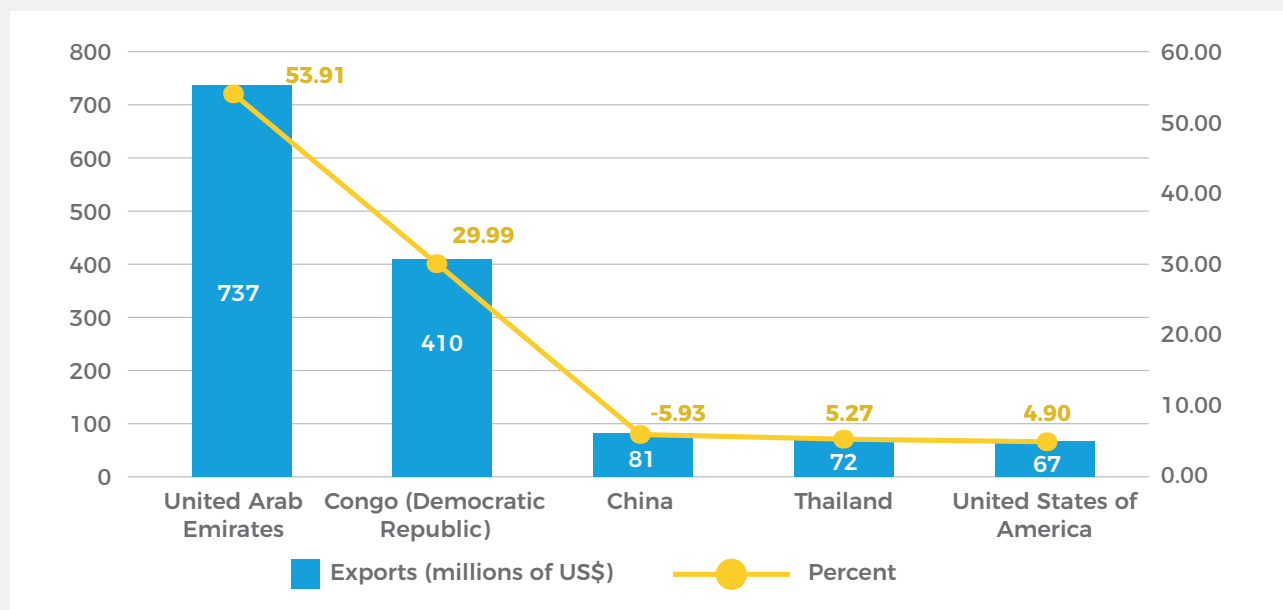
Classification	2015	2022
Services exports	767	883
Services imports	1020	878
Services trade balance	-253	5

Source: adapted from UNCTAD (2024)

5.3 Main export destinations

In 2022, the United Arab Emirates (UAE) was Rwanda's main export destination. Figure 8 shows that approximately 54 percent of the country's exports to its top five destinations went to the UAE. The Democratic Republic of Congo ranked second, receiving US\$410 million, or about 30 percent of Rwanda's exports to the top five destinations in 2022.

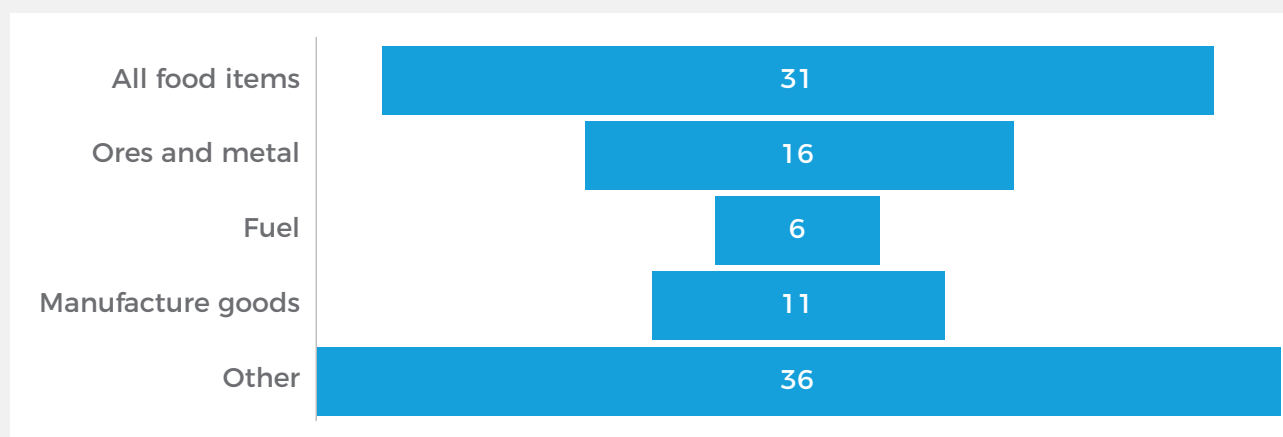
Figure 8: Top 5 partners (exports, US\$ millions)



Source: adapted from UNCTAD, 2024

Figure 9 shows that food items were the dominant commodity group in exports in 2022, making up about 31 percent of the total exports.

Figure 9: Export structure by product group in 2022



Source: adapted from UNCTAD (2024)

5.4 Main sources of imports

In 2022, majority of imports came from China. As shown in Table 6, imports from China totalled US\$1.13 billion, accounting for approximately 36 percent of the country's total imports from its top five sources.

Table 6: Top five sources of imports (2022)

Country	Amount (US\$ million)	percent
China	1133.36	36.37
Tanzania, United Republic	599.69	19.24
Kenya	502.12	16.11
India	470.93	15.11
United Arab Emirates	410.04	13.16

Source: adapted from NISR (2023C)



Table 7: Top 10 imports (2022)

No.	Commodities	Amount (US\$ million)	Percent
1	Machinery and transport equipment	909.64	17.14
2	Manufactured goods classified	852.21	16.06
3	Food and live animals	828.58	15.61
4	Mineral fuels, lubricants and related materials	785.32	14.80
5	Chemicals & related products,	575.38	10.84
6	Other commodities & transactions	510.38	9.62
7	Miscellaneous manufactured articles	407.04	7.67
8	Animals and vegetable oils, fats & waxes	222.77	4.20
9	Crude materials, inedible, except fuels	130.61	2.46
10	Beverages and tobacco	85.29	1.61

Source: adapted from NISR (2023C)

5.5 Trade agreements and economic community memberships

Rwanda is a member and signatory of various bilateral, regional and multilateral trade agreements and economic groupings. These include:

- World Trade Organisation (WTO) – a member since May 1996, and the General Agreement on Tariffs and Trade (GATT) since January 1966.
- Common Market for Eastern and Southern Africa (COMESA)
- East African Community (EAC)
- Africa Continental Free Trade Area (AfCFTA)

Table 8: Preferential trade arrangements

Provider	Name	Type
United Kingdom	Developing Countries Trading Scheme	GSP
Armenia	Generalized System of Preferences	GSP
Australia	Generalized System of Preferences	GSP
Canada	Generalized System of Preferences	GSP
European Union	Generalized System of Preferences	GSP
Iceland	Generalized System of Preferences	GSP
Japan	Generalized System of Preferences	GSP
Kazakhstan	Generalized System of Preferences	GSP
Kyrgyz Republic	Generalized System of Preferences	GSP
New Zealand	Generalized System of Preferences	GSP
Norway	Generalized System of Preferences	GSP
Russian Federation	Generalized System of Preferences	GSP
Switzerland	Generalized System of Preferences	GSP
Türkiye	Generalized System of Preferences	GSP
United States of America	Generalized System of Preferences	GSP
India	Duty-Free Tariff Preference Scheme	LDC-specific
Morocco	Duty-free treatment for African LDCs	LDC-specific
Chile	Duty-free treatment for LDCs	LDC-specific
China	Duty-free treatment for LDCs	LDC-specific
Chinese Taipei	Duty-free treatment for LDCs	LDC-specific
Montenegro	Duty-free treatment for LDCs	LDC-specific
Tajikistan	Duty-free treatment for LDCs	LDC-specific
Korea, Republic of	Preferential Tariff for LDCs	LDC-specific
United States of America	African Growth and Opportunity Act	Other PTAs

Source: adapted from WTO (2024)

SECTION 6: SPECIAL ECONOMIC ZONES (SEZS)

6.1 Legal and institutional framework

Special Economic Zones (SEZs) are regulated by Law No. 05/2011, which governs their establishment, development, and management (Rwanda Development Board (RDB), 2024). The law also outlines the responsibilities of various stakeholders, including the Special Economic Zones Authority of Rwanda (SEZAR), which oversees the operations and development of these zones.

6.2 Incentives

Significant incentives are given to enterprises in SEZs, with Law No. 05/2011 allowing for customs exemptions. Additionally, the Kigali Special Economic Zone (KSEZ) provides essential infrastructure, including roads, electricity, water supply, an integrated central sewerage system, fibre optic connectivity, lorry parks, and more (RDB, n.d.).



SECTION 7:

RWANDA'S INDUSTRIAL POLICY

7.1 Objectives and strategies

The vision of Rwanda's National Industrial Policy is to develop competitive industrial and advanced services sectors while increasing off-farm employment opportunities. The policy aims to drive structural transformation through three key objectives:

- Boost domestic production for local consumption
- Enhance export competitiveness
- Create a supportive environment for industrialisation

7.2 Policy actions

The National Industrial Policy of Rwanda has eight policy actions. These are:

1. Infrastructure: Investment in energy, allocation of land for industries, development of industrial parks and SEZs, and improvements in transport infrastructure.
2. Human resources: Provide capacity-building support to manufacturers, design courses tailored to the management and technical needs of firms in targeted sectors, and increase scholarships to international higher learning institutions, with a focus on science and technology.
3. Improved access to finance and investment: Mobilise long-term funding for industrial development, develop feasibility studies to assess the viability of potential investments in selected clusters, and fast-track the development of Rwanda's capital market.
4. Trade facilitation: strengthening Sanitary and Phyto-Sanitary measures (SPS) and Technical Barriers to Trade (TBT) enquiry points and consumer protection systems, promotion of co-operation on productivity and technical improvements by manufacturers to meet compliance with international standards, including harmonisation with EAC standards, and eliminating regional non-tariff barriers (NTBs) through the national and regional mechanisms.
5. Technology, research, and innovation: Restructure and expand the Institute of Scientific and Technological Research (IRST), establish Appropriate Technology Demonstration Centres (ATDCs) in industrial parks, and increase funding for research institutions and higher-level academic institutions.
6. Raw materials and industrial inputs: Update value chain analyses for targeted clusters and review the EAC Common External Tariff (CET).
7. Regulatory environment: Provide incentive packages, update the Law on Industrial Development, promote the growth of cottage industries, and establish corporate governance rules to guide businesses.
8. Environmental sustainability: Enforce the establishment of industry-specific waste management systems, promote the construction of factory and warehouse facilities in SEZs, and allow the use of biodegradable plastics in industrial applications.

SECTION 8: LABOUR MIGRATION

8.1 Net migration

In 2022, Rwanda had 86,928 international migrants. Table 9 shows that majority of these migrants were from the Democratic Republic of the Congo (44.3 percent) and Burundi (39.66 percent). Additionally, approximately 279,800 residents of the country were Rwandan nationals who had either been born abroad or had resided abroad five years prior to the 2022 Rwanda Population and Housing Census (NISR, 2023D).

Table 9: International migrants (non-Rwandan nationalities)

Country	Count	Percent
DRC	38,512	44.30
Burundi	34,478	39.66
Uganda	4,401	5.06
Other African countries	3,668	4.22
Asia	2,201	2.53
Kenya	1,100	1.27
Europe	1,100	1.27
Tanzania	734	0.84
America	734	0.84
Total	86,928	100.00

Source: adapted from NISR (2023D)

8.2 Emigrants



In 2020,

492,489

Rwandan nationals were living abroad,
with the vast majority

(95,5%)

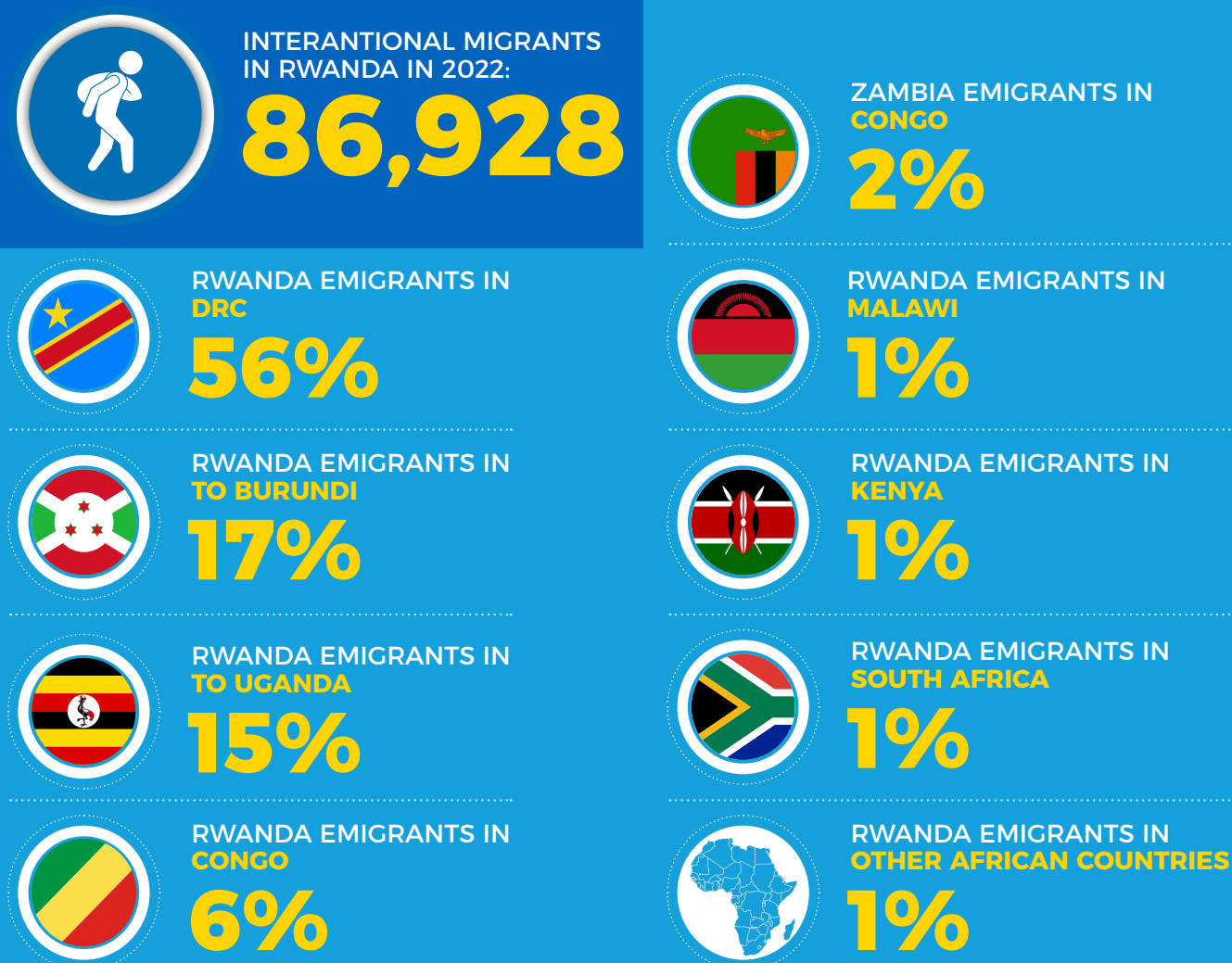
residing in Africa.

Table 10: Rwandans living abroad (2020)

Region	Count	Percent
Africa	450,526	91.48
Europe	34,195	6.94
Northern America	6,572	1.33
Oceania	1,173	0.24
Other	23	0
Total	492,489	100

Source: adapted from United Nations (2020)

Figure 10 shows that majority of Rwandan emigrants in Africa resided in the Democratic Republic of Congo (DRC), accounting for approximately 56 percent. The second most popular destination was Burundi, which hosted 17 percent of Rwandan emigrants in 2020.

Figure 10: Rwandan emigrants in Africa

Source: adapted from United Nations (2020)

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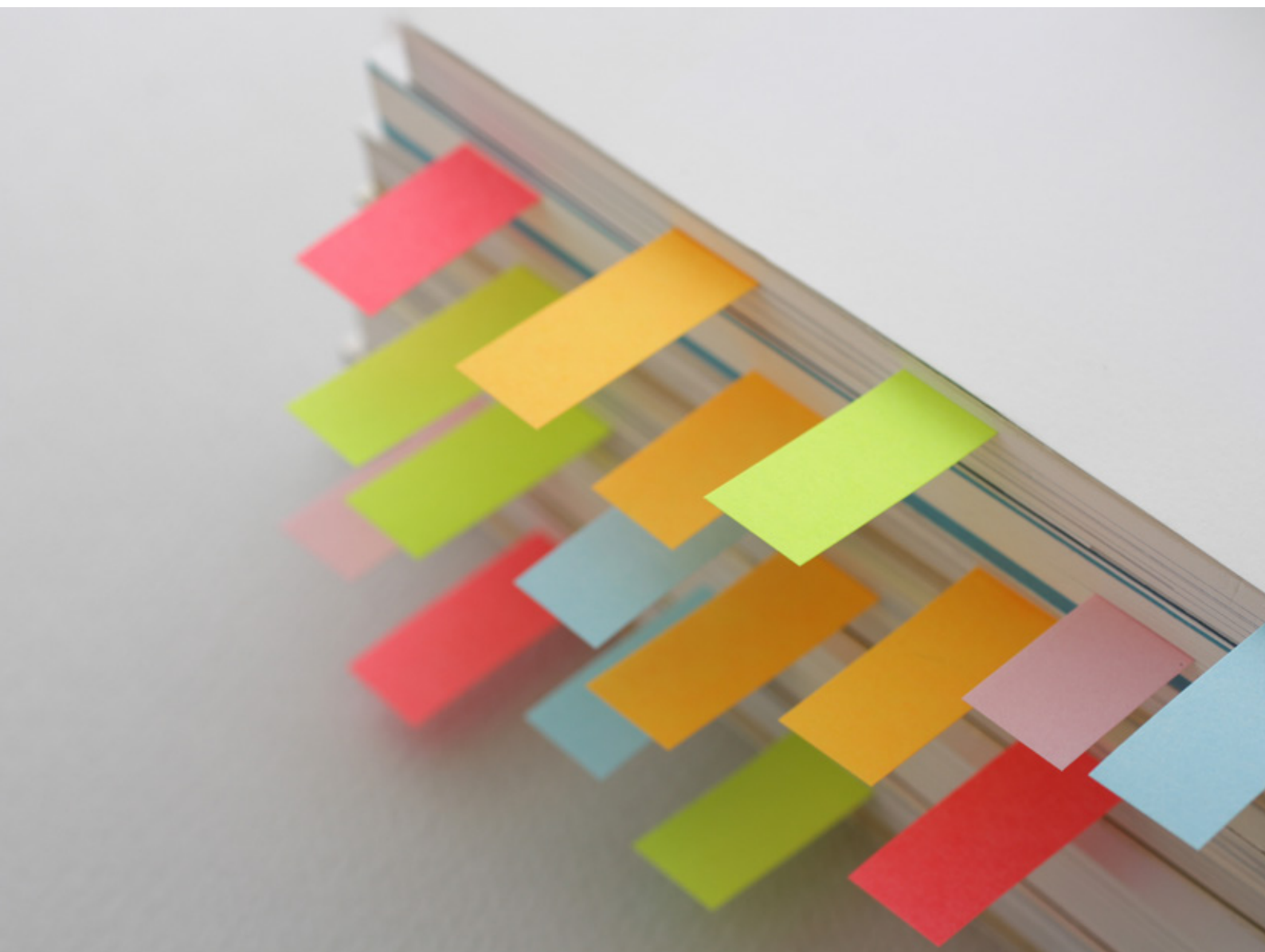
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Ministry for Foreign
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