

**Remarks by His Excellency Paul KAGAME, President of the
Republic of Rwanda, at the Leadership Summit on Private Equity
In Africa, London, Monday 2 November 2009**

It is a great pleasure to be here with you this morning, and I thank the Right Honorable Tony Blair for his kind introduction.

What he is probably too modest to note is that he deserves credit for his contribution to what we have achieved so far in building a new Rwanda – in fact, on two counts. Firstly, during his tenure as Prime Minister, with the support of his government and the people of Great Britain.

More recently, in his individual capacity as founder of the African Governance initiative, he is working with us to make our public and private sectors more effective.

To the organizers and sponsors of this Private Equity Summit, in particular, *The Financial Times*, *This is Africa*, and the Emerging Markets Private Equity Association (EMPEA), we sincerely appreciate this important opportunity to share ideas on how to advance our common

goal of creating prosperity for our citizens, and expected higher returns for those who invest in Africa.

I am particularly pleased that as we engage in this discussion today, we begin with a strong consensus.

Last year EMPEA concluded that “Sub-Saharan Africa has emerged from a once overlooked region to an increasingly attractive destination for private equity investment”.

***This is Africa* magazine tells us that one of its principal objectives is “to challenge international preconceptions about the African continent and to identify the opportunities and the risks in this dynamic business environment.”**

We, of course, concur with these views – and appreciate the significance of these conclusions not only with regards to attracting capital to our continent but also in the broader sense of accurately portraying Africa’s real potential.

It is in this context that I wish to address three main issues this morning:

First of all, the progress made in Africa – and particularly in Rwanda – to create a business friendly environment and attract foreign investment;

Secondly, why it is good business to invest in Africa and the key strategic sectors to target for high investment returns;

And lastly, the importance of private equity in shaping the future of the African continent, and the quality of leadership required to seize this opportunity.

As you all know, Africa today is not what it was a decade ago. Real progress has been achieved in all areas, including good governance, rule of law, health, education and, above all, in the economy.

Unfortunately, however, despite this reality there are some who still hold perceptions of Africa and Rwanda that are incorrect – and, as a result, are missing great opportunities.

Certainly there are challenges in making Africa competitive given our historical context; in the case of Rwanda, we had to overcome the devastation of just fifteen years ago.

This was achieved by motivating our people to aspire to a better future and encouraging them to focus on productive activities towards a common development vision.

As a result, now there is security, stability, zero-tolerance towards corruption, and concerted efforts to create a pro-business environment. We believe this to be an important foundation to sustainable economic development.

Our desire to become competitive is the reason why we are among a number of African countries that are rated

internationally, and since 2006 have been assessed under the Fitch Ratings.

We have also sought to overcome the barriers to investment, reform our institutions and regulations and welcome investment in key sectors such as telecommunications and banking.

The determination to improve our business climate has been noticed. This year, Rwanda was named the fastest reforming country worldwide, with business regulations now easier in Rwanda than the average economy in Eastern Europe, Asia, Latin America and the rest of Africa.

We have simplified our tax laws, protected the repatriation of capital and profits, established a stock exchange and are developing industrial parks and free trade zones.

In keeping with sustained economic growth in Africa over the past decade – Rwanda has had an 8.8% average

annual GDP growth since 2004, supported by a liberal macroeconomic policy. Foreign Direct Investment coming into the country in 2008 has increased tenfold since 2005.

At the same time, domestic entrepreneurship is growing with an increasingly sophisticated business partnership between local and international investors.

While this progress is encouraging, this is the time to work harder to build on these gains – not to become complacent.

For instance, we recognize the relevance of the Fitch Rating's appraisal that Rwanda needs to improve our energy and transport infrastructure to move up the rankings.

Rwanda's position as a landlocked country is often looked upon as a disadvantage to trade and investment– we, on

the other hand, see numerous opportunities arising from this strategic positioning.

It has shaped our development vision to focus on regional integration with Rwanda as a hub, investing in a knowledge based economy, and economic transformation towards high-value products.

This requires that we establish adequate soft and hard infrastructure to support this development agenda, which in turn presents immediate prospects for serious investment,

This brings me to my second point.

I believe that the more investors come, the more misconceptions about our continent will be dispelled.

There may have been a time when investors came to Africa motivated by charity. But today, we submit that in addition to contributing to social development, it makes good business sense to invest your money in Africa, and particularly in Rwanda.

Investment opportunities abound across the continent, particularly in a number of strategic sectors that are experiencing exponential growth.

In infrastructure, there are wide-ranging opportunities across East Africa in rail, road and air investments. In energy, there are countless projects for power generation, off grid generation and, in Rwanda, unique alternative energy opportunities for domestic and regional markets.

There are also other sectors with attractive opportunities such as Information and Communication Technology (ICT), agri-business, mining, real estate and construction.

Tourism requires investment for it to diversify beyond its traditional products – and there are openings to make money in convention centres, eco-friendly hospitality businesses and various carbon offset projects

Although investment in Africa has traditionally been concentrated in the extractive industries, telecommunications and banking, there are still plenty of opportunities to be seized in these and other sectors across the continent.

But one should not just consider these sectors in isolation to the growing market potential of the African population, which by the end of this year will see Africa join India and China in surpassing one billion people.

Alongside this, there is a growing business middle class that is catalyzing the rest of the population into an effective market of consumers.

This potential is evident in the East Africa Community (EAC) with its almost one hundred and thirty million people and combined GDP of over 70 billion US dollars – and which functions as a Customs Union.

Rwanda actively supports efforts to combine the East African Community with the Common Market for Eastern and Southern Africa (COMESA) and the Southern Africa Development Community (SADC).

This will create an internal market of six hundred million people, and in turn lead to increased trade with other large markets like the European Union, the United States, China and India, among others.

Given all this, and our track record of reform, Rwanda is an ideal platform for investors to access this rapidly integrating market and use it as a base for their businesses across the continent.

We are strategically located, improving transport and logistical capabilities; we are multi-lingual; and Rwanda is a pleasant and secure place to live.

We are determined to do what it takes to bring in investment, and last year, we created the Rwanda Development Board (RDB), modeled on international best practice examples, to help fast-track investments.

The RDB is a one stop centre, focusing on those key strategic sectors and associated opportunities, helping businesses like yours complete whatever is required to become operational.

For example, it now takes 2 procedures and less than 3 days to register and start a business in Rwanda.

The RDB also reports directly to our Cabinet, which ensures we can quickly address obstacles to any investment deal.

And now to my third and final point.

Africans envision for themselves a continent that is prosperous, economically and politically interconnected, respected internationally, and in charge of its own destiny.

For this we need partners – and there is no-one more suitable than the people seated in this room: private investors, looking for innovative investment opportunities and healthy returns.

On our part, we are determined to continue ensuring a favourable business climate. It is already much easier for you to invest in the key sectors I mentioned earlier, and entering our markets has been simplified.

We understand that for this to really work, investors require strong political leadership and institutional support, and in Rwanda this is what we are committed to providing for you.

In return, we ask that you consider these opportunities as you would any potentially profitable undertaking; it will be a pleasure to welcome you to my country, Rwanda, and indeed to a continent that offers a unique opportunity for growth.

I wish you a productive summit and thank you for your kind attention.