



An Outlook of Rwanda's EXPORT PERFORMANCE

Export growth and competitiveness are key to Rwanda's ability to raise FDI levels and foster economic growth. Rwanda's export trade has risen tremendously—between 2007 and 2012, exports grew by a compound annual growth rate of 25%. Going forward, Rwanda needs to continue diversifying its exports and export markets to capitalize on its untapped potential.*

*This note uses data from WDI, UNCTADStat and COMTRADE. These databases contain differing statistics on imports and exports and vary in their levels of aggregation. We use data from WDI where possible, and mirror import data from COMTRADE where disaggregated merchandise exports are needed.

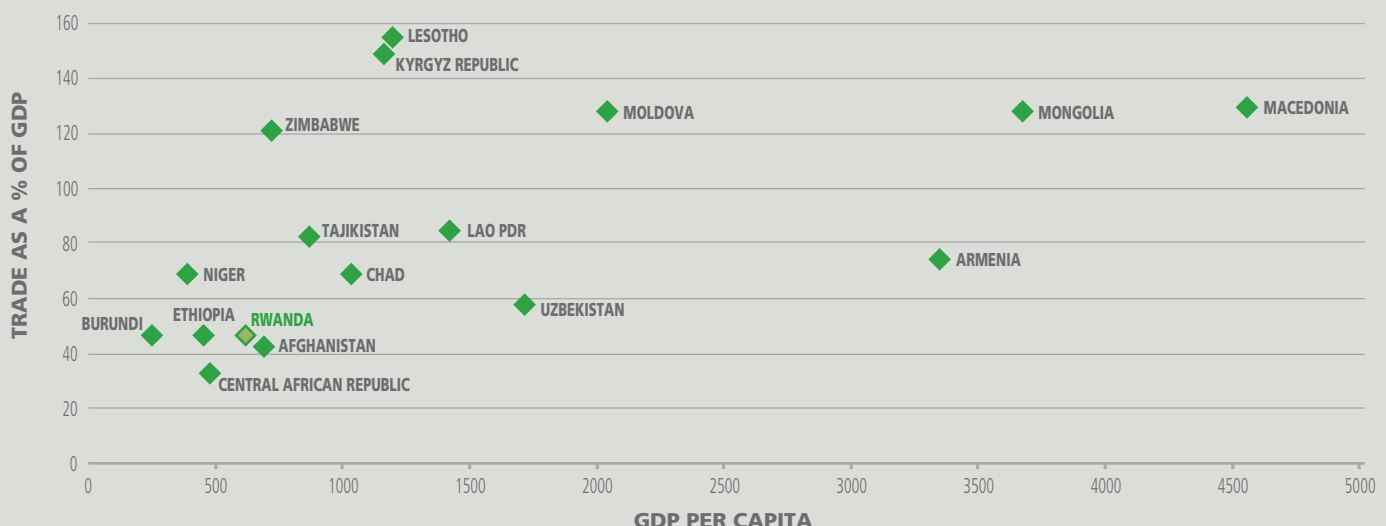
HIGHLIGHTS

- 1 Rwanda's total exports grew from USD 292 million in 2007 to USD 895 million in 2012. Merchandise exports grew from USD 177 million to USD 470 million (WDI data)
- 2 Coffee, tea and minerals dominate Rwanda's merchandise exports, accounting for more than 90% between 2007 and 2012.
- 3 Services are an important source of export diversification for Rwanda—the country's service exports increased from USD 115 million in 2007 to USD 425 million in 2012 (WDI data).
- 4 There are significant differences between export data reported by Rwanda and import data reported by Rwanda's trading partners (referred to as 'mirror import data'). Data and analyses regarding merchandise exports thus need to be interpreted carefully.

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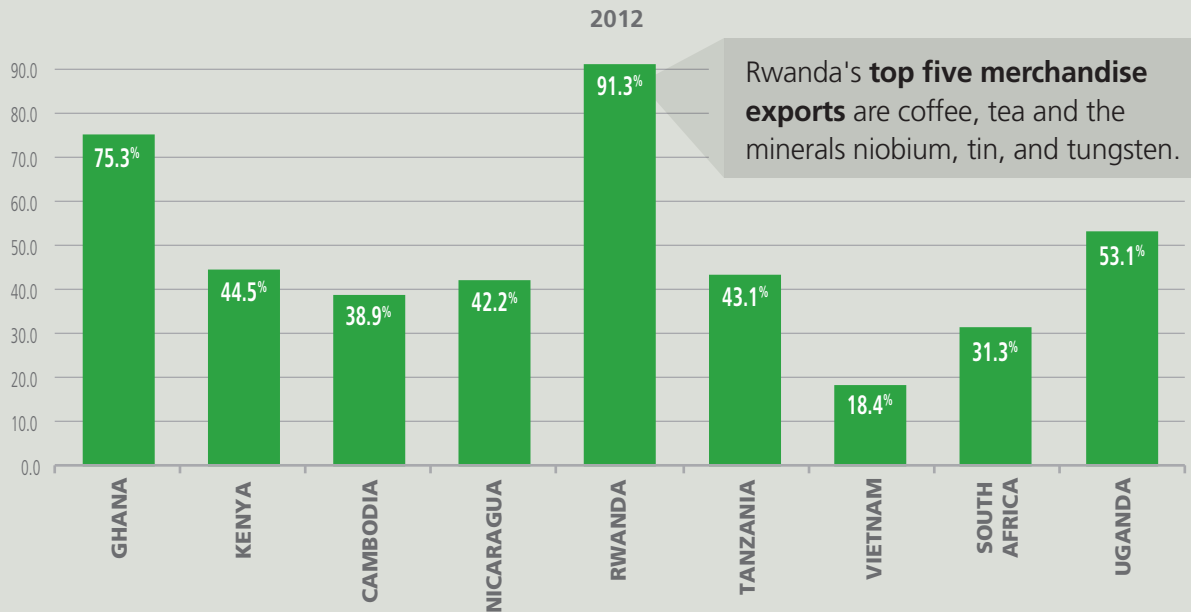
Trade in Rwanda is low, even when compared to landlocked countries with similar GDP per capita.

TRADE AS A % OF GDP VS GDP PER CAPITA
(LANDLOCKED DEVELOPING COUNTRIES)



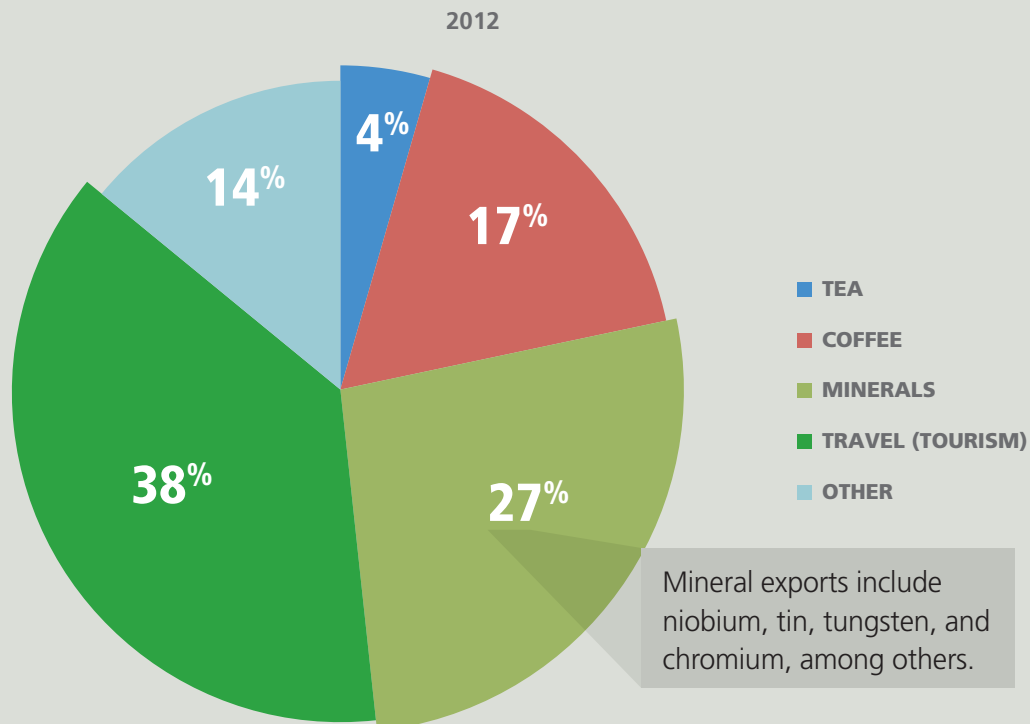
Source: WDI data. Trade is expressed as the country's total imports and exports

SHARE OF TOP 5 MERCHANDISE EXPORTS, AS A % OF TOTAL MERCHANDISE EXPORTS



Source: COMTRADE, mirror import data.

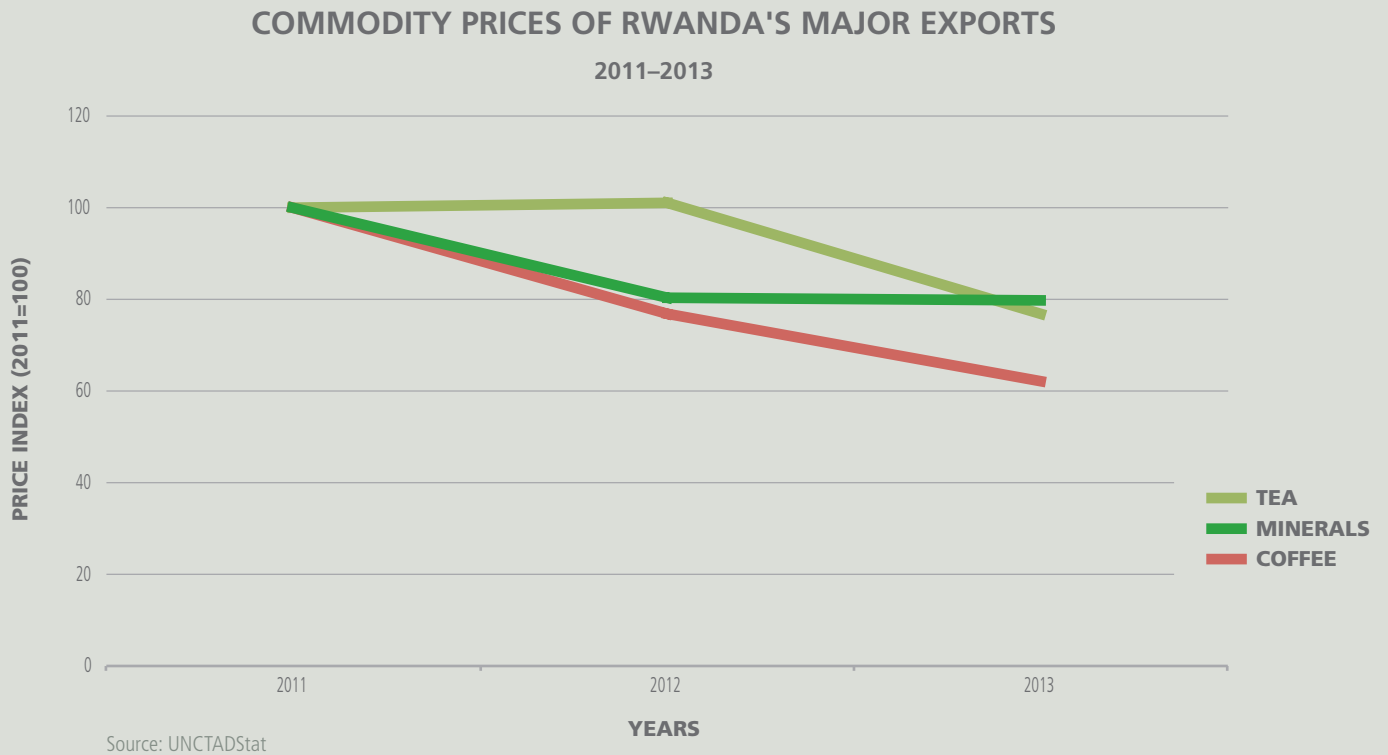
RWANDA EXPORT COMPOSITION AS A % OF TOTAL EXPORTS



Source: Author's calculations based on WDI data for merchandise and service exports, and COMTRADE mirror import data for the breakdown between coffee, tea, and minerals. Given the inconsistencies between the various databases, percentages for services and merchandise exports may differ from those in other graphs.

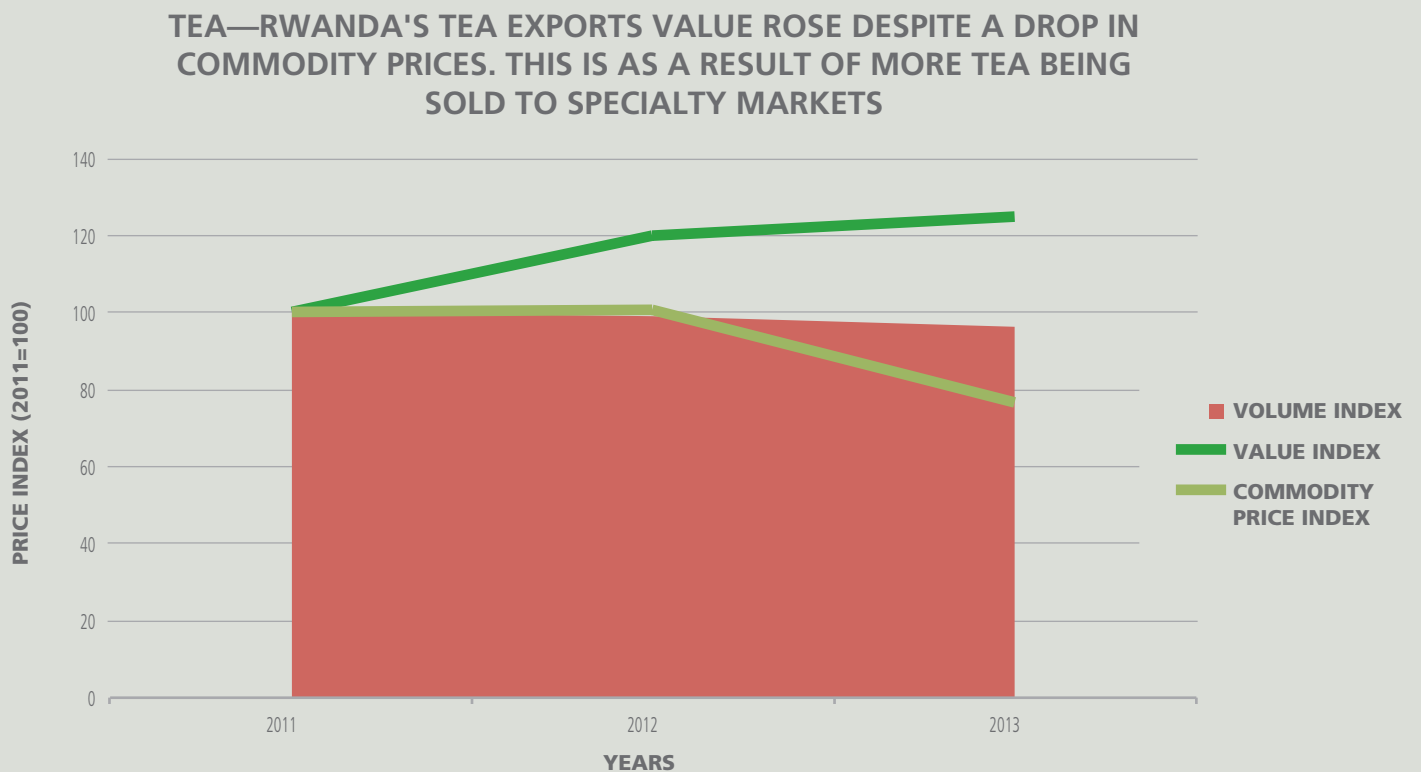
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Commodity prices for Rwanda's major exports have been declining.



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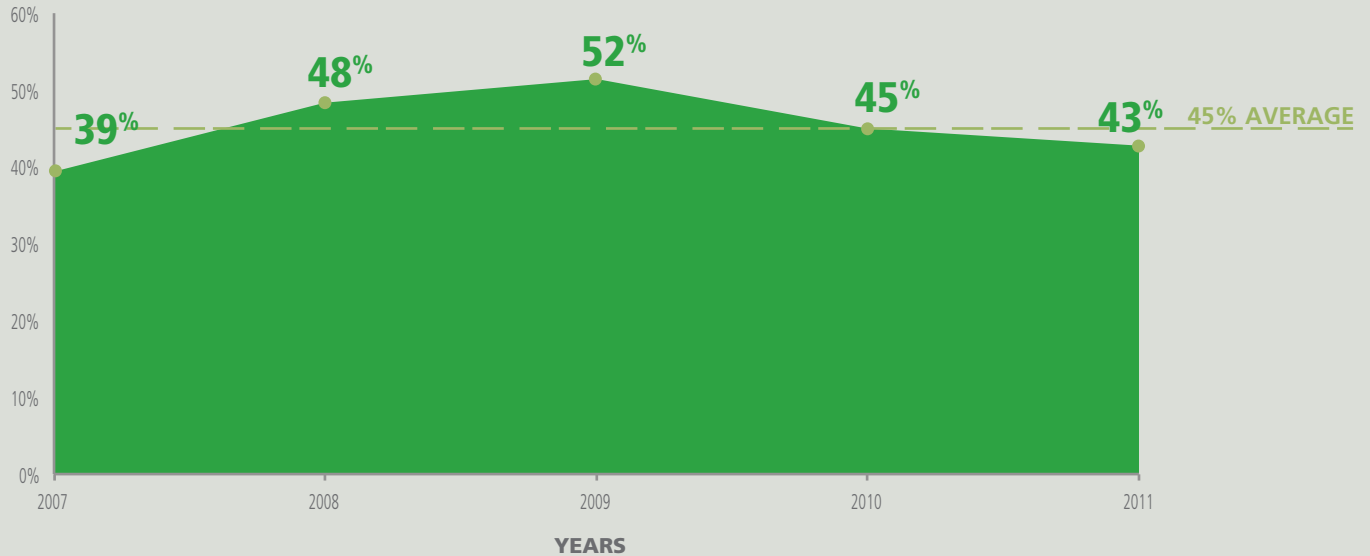
Moving to specialty markets has increased the value of Rwanda's exports, particularly for tea. This has happened despite a decline in both international tea prices and volume exported.



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Services comprise a substantial percentage of Rwanda's exports.

SERVICE EXPORTS AS A % OF TOTAL EXPORTS
BETWEEN 2007 AND 2011, SERVICES HAVE AVERAGED 45% OF TOTAL EXPORTS

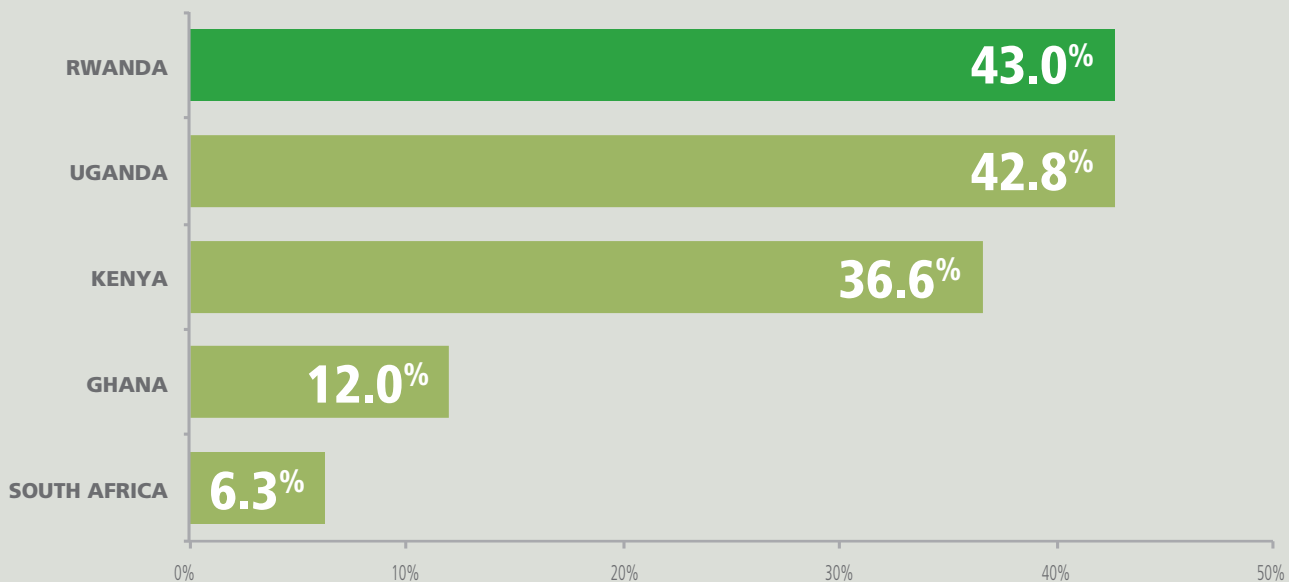


Source: WDI data

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Relative to total exports, Rwanda is the largest percentage exporter of services in the EAC.

SERVICES AS A % OF TOTAL EXPORTS
2011



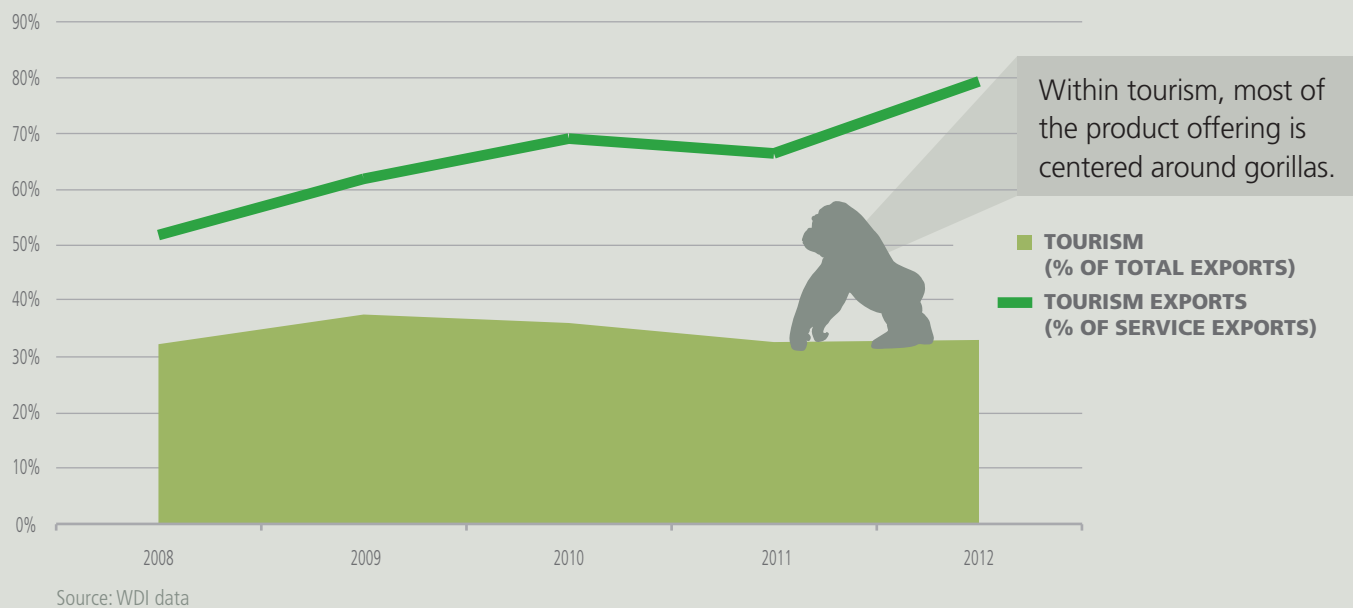
Source: Author's calculations based on WDI data

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Within services, travel (largely tourism) is Rwanda's most important export—and increasingly so.

TOURISM AS A % OF SERVICE EXPORTS AND TOTAL EXPORTS

2008–2012

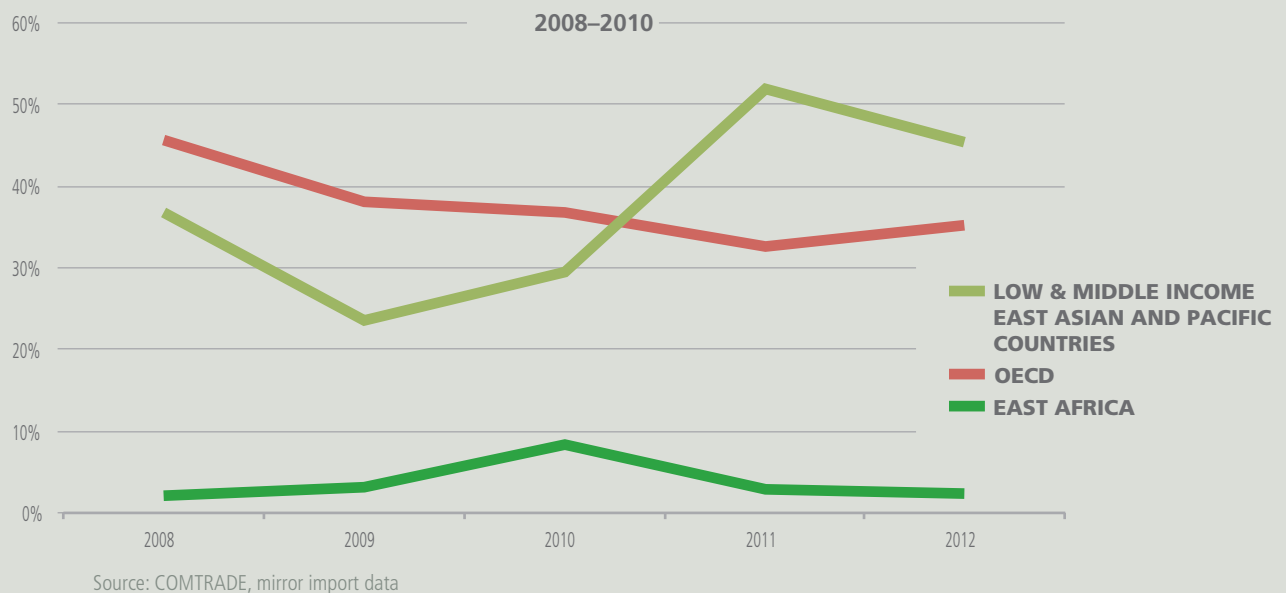


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Rwanda is gradually diversifying its export markets—East Asian and Pacific countries (primarily China) have grown significantly as export destinations.

RWANDA'S TRADING PARTNERS

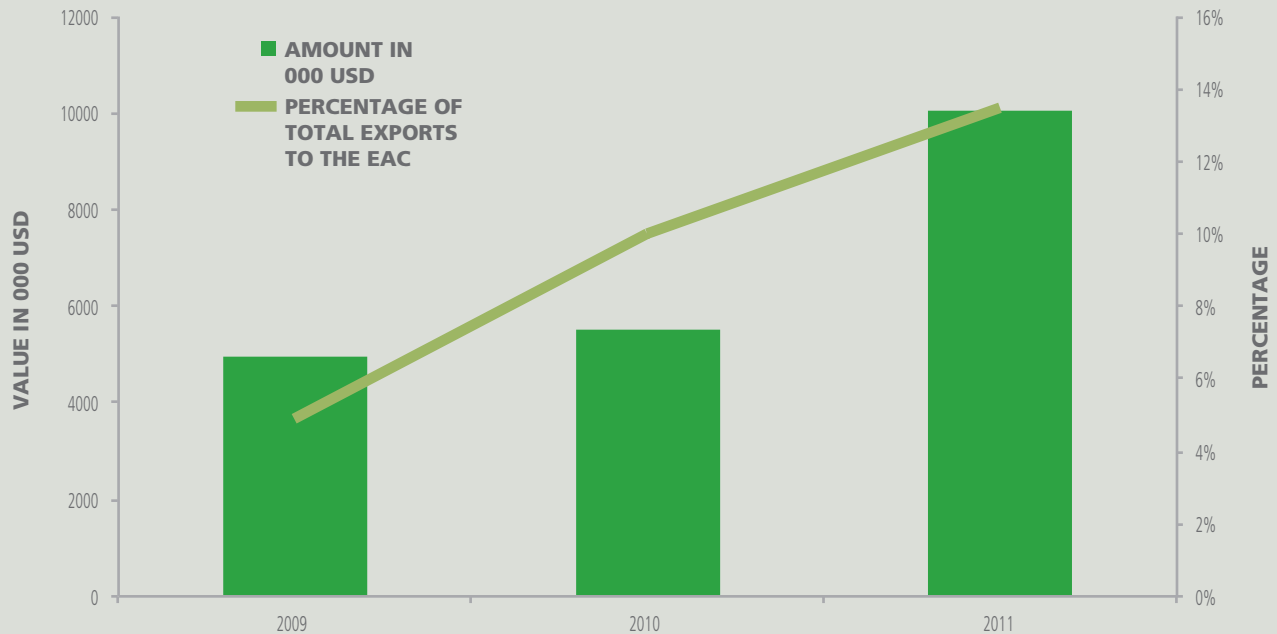
2008–2010



Exports to the EAC are largely driven by minerals and hides & skins. In 2008, 2009, and 2010, these accounted for 34%, 56% and 49% of total exports to the EAC, respectively.

Re-exports to the EAC—goods not made in Rwanda but that go through Rwanda—are a growing category. Examples include petroleum products, electrical goods, and vehicles, among others.

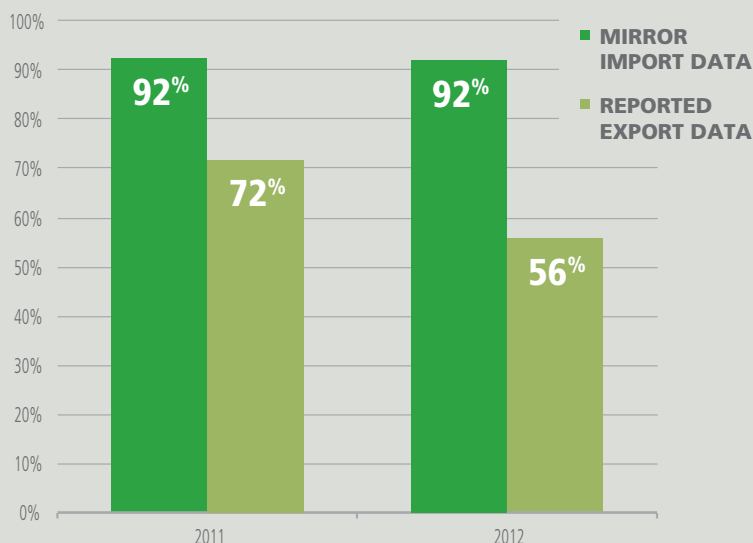
VALUE OF RWANDA'S RE-EXPORTS TO THE EAC



Source: COMTRADE, reported export data from Rwanda.

Discrepancies between reported export data and mirror import data are stark—this affects the Government's capacity to formulate evidence-based policy.

SHARE OF COFFEE, TEA AND MINERALS AS A % OF MERCHANDISE EXPORTS



Source: COMTRADE. Mirror import data is what other countries report as having imported from Rwanda. Reported export data is what Rwanda reports as having exported to other countries.

ADDITIONALLY, REPORTED EXPORT DATA AT TIMES INCLUDES UNLIKELY PRODUCT DESTINATIONS AS A RESULT OF CODING ERRORS.

According to Rwanda's reported data, in 2012 the country exported live bovine animals to Andorra and wheat/meslin flour to Canada. Other countries to which these products were exported include the DRC, Uganda, Tanzania, Kenya, and Burundi, making Andorra and Canada stand out as coding errors.

Source: UN COMTRADE