



**MICRO AND SMALL ENTERPRISES  
AUTHORITY**

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# RWANDA MARKET RESEARCH REPORT

**May 2026**

## Executive Summary

This market research assessment highlights Rwanda as one of the most promising regional markets for Kenyan MSMEs seeking expansion within the East African Community region. **Rwanda has established a highly business-friendly environment characterised by streamlined registration systems**, efficient government services, transparent regulatory processes, and strong regional trade integration. The country continues to position itself as a strategic gateway for trade, investment, and regional distribution within East and Central Africa.

**The analysis shows that Rwanda remains significantly import-driven, with imports reaching approximately USD 5.6 billion in 2024**, reflecting sustained demand across consumer goods, food products, manufactured goods, construction materials, industrial supplies, petroleum products, and other fast-moving consumer products. **Kenya has consistently maintained a strong trade relationship with Rwanda and remains one of the country's leading regional suppliers, particularly in consumer goods and food products.** The long-standing presence of Kenyan products within Rwanda demonstrates strong market familiarity, established logistics corridors, and existing consumer acceptance of Kenyan brands.

The findings further indicate that **Rwanda's prevailing trade deficit continues to create market space for imported goods, suggesting that local production capacity, while growing under initiatives such as Made in Rwanda, has not yet fully satisfied domestic demand.** This presents substantial opportunities for Kenyan MSMEs operating in sectors such as agro-processing, manufacturing, household products, packaging, distribution, construction materials, processed foods, and industrial supplies.

At the same time, the **assessment identifies increasing competition from global exporters such as China, India, and the United Arab Emirates, as well as growing regional competition from Tanzania and Uganda.** To remain competitive within the Rwandan market, Kenyan enterprises must therefore focus on competitive pricing, consistent product quality, effective branding, and strong distribution partnerships. Participation in exhibitions and trade fairs further emerges as a critical market entry strategy for product visibility, buyer engagement, and market penetration, particularly for new and emerging brands.

The research concludes that Rwanda presents a high-potential market for Kenyan MSMEs due to its growing consumer demand, expanding retail sector, favourable business environment, and strong regional trade integration under the EAC framework.

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# CHAPTER ONE

## 1. INTRODUCTION

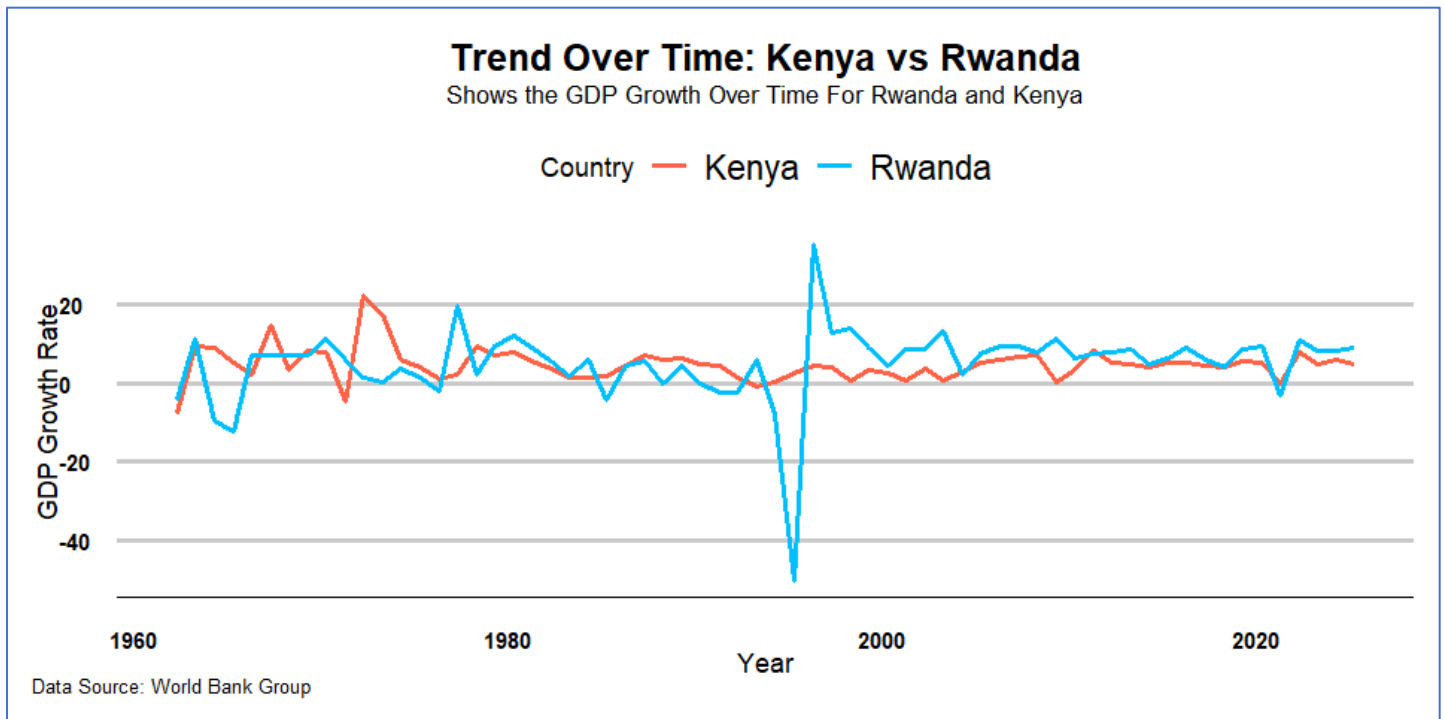
### 1.1 Background

Rwanda is a landlocked country situated in the heart of East Africa, covering an area of **26,338 square kilometers**. The nation shares borders with Uganda to the north, Tanzania to the east, Burundi to the south, and the Democratic Republic of Congo (DRC) to the west, and has an estimated population of **14.6 million people** (*United Nations Population Fund, 2025*). The main ethnic group is the **Hutu**, while **Kinyarwanda** is the most widely spoken language. The capital city is **Kigali**.

Under the leadership of **Paul Kagame**, Rwanda has maintained political stability and steady economic growth. This was demonstrated by the peaceful general elections held on 15 July 2024. Although tensions linked to the M23 armed group have continued in the region, Rwanda remains committed to regional peacebuilding efforts, including the peace agreement signed with the Democratic Republic of the Congo in June 2025.

### 1.2 Economic Overview (Kenya Vs Rwanda)

Across the period 1965 to 2024, both Kenya and Rwanda show generally positive but fluctuating economic growth patterns, with Rwanda consistently recording higher growth rates than Kenya.



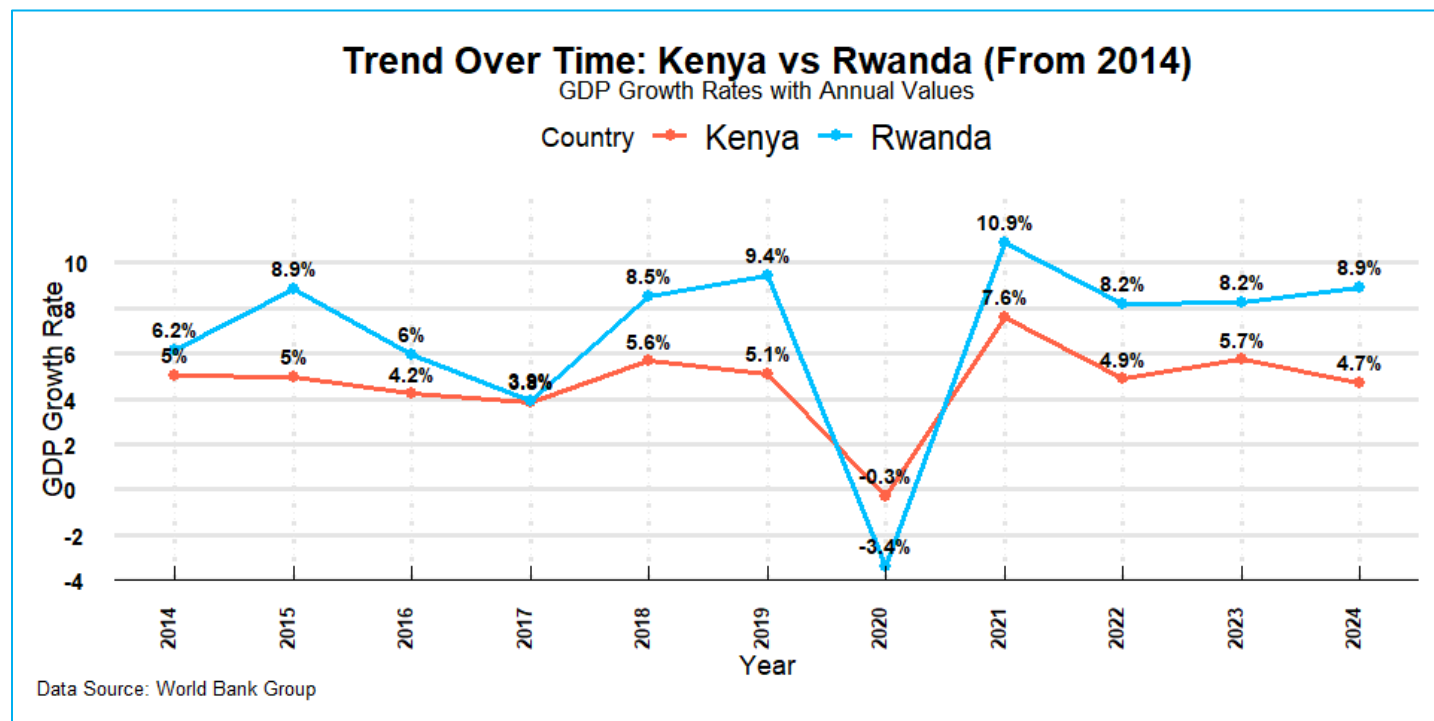
In the early 2000s, Kenya showed moderate and relatively stable growth, gradually improving from about 0–3% to around 6–8% by the mid-2000s. Rwanda, however, started from a higher growth trajectory and maintained stronger momentum, often exceeding Kenya’s performance. From the mid-2000s onwards,

Rwanda’s growth remained more dynamic, with several years recording double-digit expansion, reflecting faster structural transformation and recovery from earlier economic disruptions.

### 1.2.1. Economic Growth & Stability (In the Last 10 Years)

#### a. GDP Growth Trends (Kenya Vs Rwanda)

From 2019 onwards, the divergence in growth patterns becomes clearer between Kenya and Rwanda. In 2019, Rwanda recorded a significantly higher growth rate (9.4%) compared to Kenya (5.1%), indicating stronger pre-pandemic economic momentum.

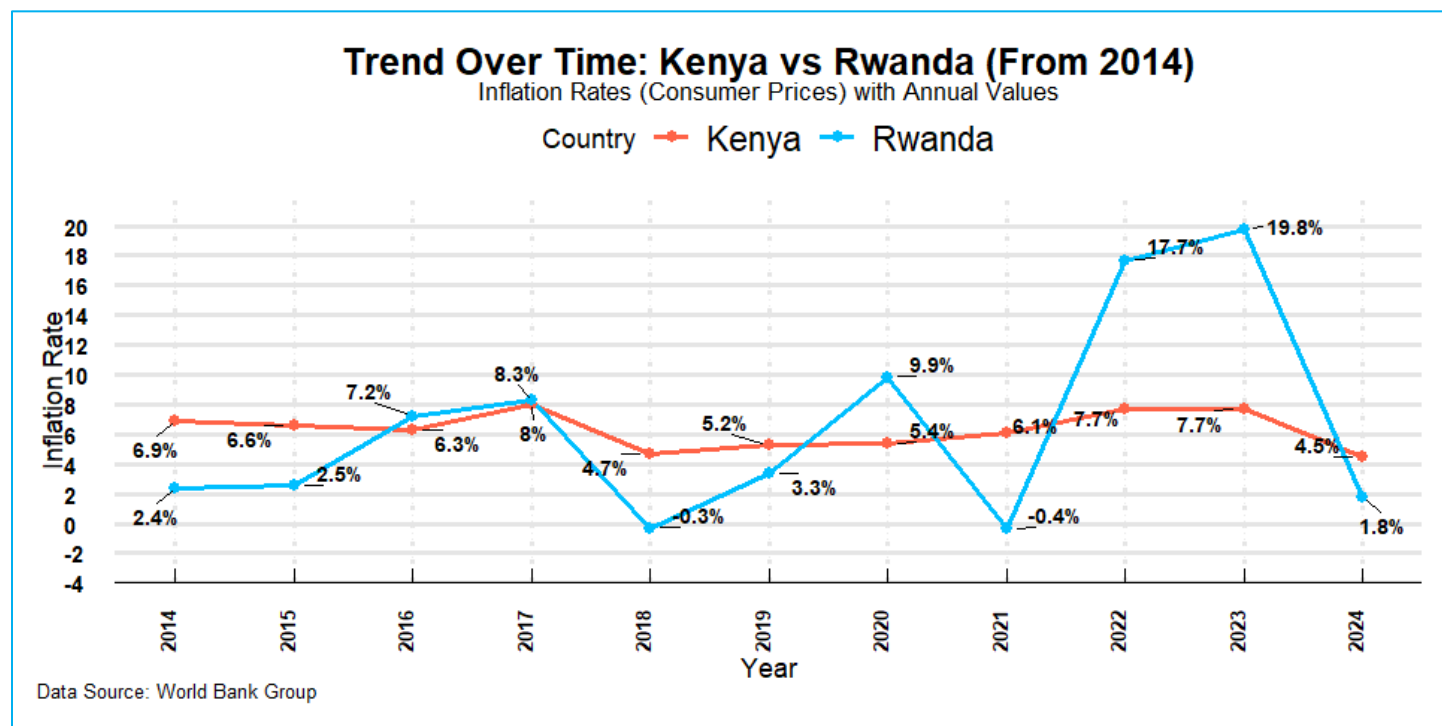


In 2020, both economies contracted due to COVID-19, with Kenya recording a mild decline (-0.27%) while Rwanda experienced a deeper contraction (-3.37%). However, the recovery in 2021 was strong for both countries, with Rwanda rebounding faster (10.9%) compared to Kenya (7.6%). From 2022 to 2024, Rwanda consistently maintained higher growth rates than Kenya, averaging around 8–9%, while Kenya remained in a lower range of approximately 4–6%. This suggests that Rwanda has had a more sustained post-pandemic recovery and stronger short-term growth momentum compared to Kenya during this period.

Rwanda’s economic growth is projected to moderate to 7.1% in 2025 and 7.5% in 2026. Despite this slight moderation, the country is expected to remain above both regional and global growth averages, positioning it among the fastest-growing economies worldwide. This performance is largely driven by the services sector, with tourism playing a key role in supporting overall economic expansion (*Afreximbank, 2025*).

#### b. Inflation Rate Trends (Kenya Vs Rwanda)

Over the last decade, Kenya and Rwanda have demonstrated contrasting approaches to managing price stability. Kenya has maintained a relatively consistent inflation trend, with rates generally oscillating between 4% and 8%. This stability is largely attributed to a better monetary policy framework that manages to cushion the economy against extreme price shocks, even when faced with domestic challenges like droughts or global shifts in oil prices.



Rwanda, however, has experienced a much more volatile inflation journey, characterized by sharp peaks and deep troughs. The country saw periods of actual deflation in 2018 and 2021, followed by an extraordinary surge in 2022 and 2023, with inflation rates nearing 20%, the highest in the region for that period. These fluctuations suggest that while Rwanda's economy is growing rapidly, as evidenced by the GDP growth, it remains more sensitive and more volatile, particularly in the post-2020 period.

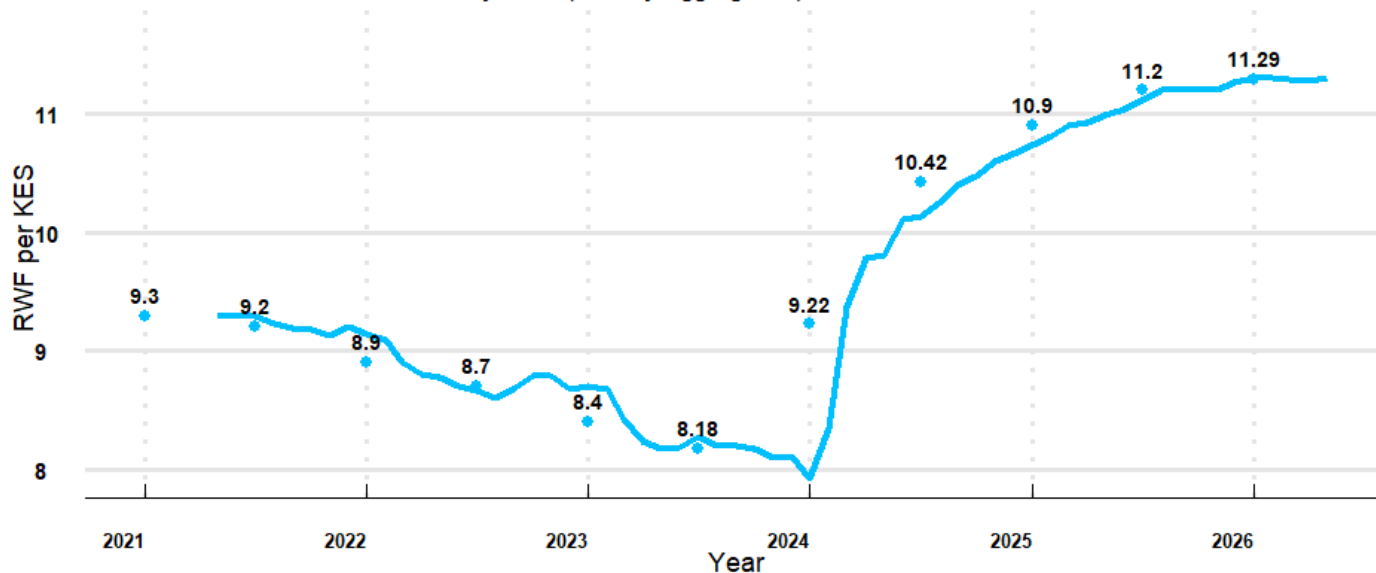
As of 2026, there has been a significant cooling effect in both nations, moving back into a comfortable range for consumers and businesses alike (*Afreximbank, 2025*).

### c. Currency stability (Kenyan Shillings Against Rwandan Franc)

The Kenyan Shilling (KES) has staged a major comeback against the Rwandan Franc (RWF). After a long period of weakness where the Shilling dropped to a low of **7.9 RWF in early 2024**, it underwent a rapid "U-turn." By mid-2024, the Shilling regained its strength, and that momentum has continued into 2026. Today, the Shilling is at a record high of 11.3 RWF, giving Kenyans much more buying power in Rwanda than they had five years ago. This indicates a sustained depreciation of the Rwandan Franc relative to the Kenyan Shilling (or strengthening of the Kenyan Shilling in RWF terms). The increase is consistent and sustained, showing a clear change in market direction. The rate stabilises at higher levels, by 2025 and 2026, with only small fluctuations.

## Trend Over Time: Rwanda Exchange Rate (RWF to KES)

Monthly trend (Monthly Aggregation) with semi-annual labels



Data Source: Wise / Market Rates

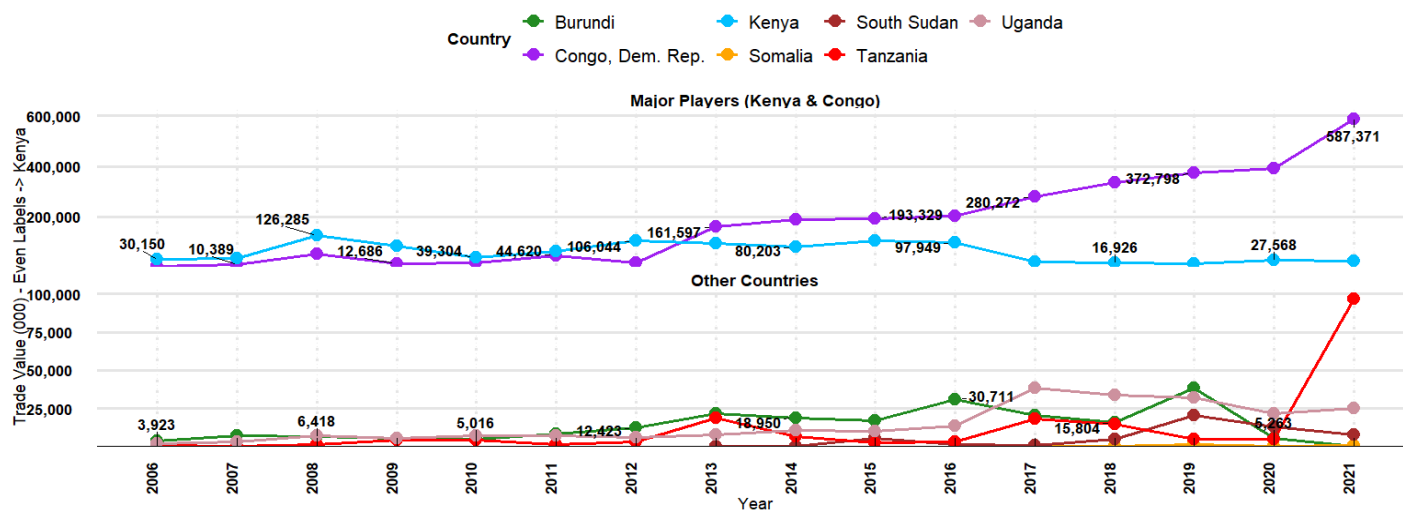
### 1.2.2. Intra-African trade

#### a. Rwanda Exports (Exports to Kenya and EAC Member States)

Rwanda's exports to EAC member states show a highly concentrated trade pattern dominated by two key destinations: the Democratic Republic of Congo (DRC) and Kenya. Over the period 2006 to 2021, DRC consistently emerges as Rwanda's largest export market by a significant margin. Kenya follows closely as the second most important destination for Rwanda's exports. The trade relationship between Rwanda and Kenya remains significant, reflecting strong regional integration and active cross-border trade within the EAC framework.

## Rwanda Exports Trends to EAC Member States

Trade Values Across Selected African Countries

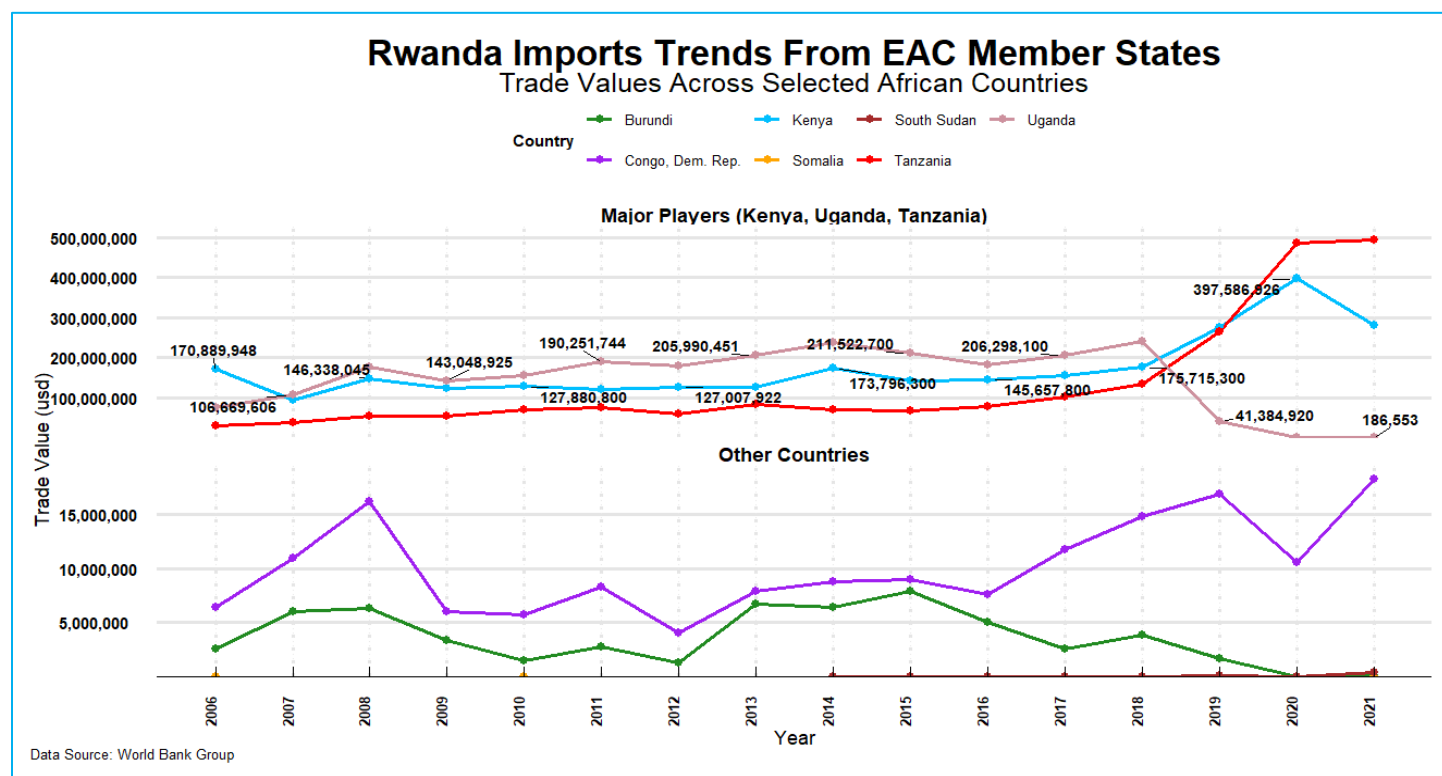


Data Source: World Bank Group

In contrast, other EAC and regional countries such as Uganda, Tanzania, Burundi, South Sudan, and Somalia account for relatively small shares of Rwanda’s exports. Their contribution remains minimal when compared to the dominant share held by DRC and Kenya.

**b. Rwanda Imports (Imports from Kenya and EAC Member States)**

When looking at where Rwanda gets its goods from within the neighbourhood, the data shows a massive shift in who the big players are. Historically, Rwanda relied on all three major East African Community (EAC) partners, but recently, the landscape has changed significantly. Important to note, is the incredible growth of imports from Tanzania. In the early years (around 2006), Tanzania was the smallest of the big three partners. However, by 2020 and 2021, it became Rwanda’s leading source of imports, with trade values skyrocketing to nearly double what they were just a few years prior. Kenya has consistently remained one of Rwanda’s key trading partners over the years and a stable source of imports. For a long time, Kenya was ranked second after Uganda among Rwanda’s main suppliers.



There is a very sharp break in the pattern regarding Uganda. For over a decade (2006–2018), Uganda was often Rwanda’s largest source of imports, consistently leading the pack. However, around late 2018, Kenya’s trade with Rwanda strengthened and briefly overtook Uganda as a key supplier. This shift was largely linked to disruptions in Uganda–Rwanda trade flows following the closure of the Gatuna/Katuna border in February 2019 due to diplomatic and security tensions.

With that main route restricted, Uganda’s exports to Rwanda dropped significantly, creating space for Kenya to capture a larger share of the Rwandan market during that period. However, this position changed again when Tanzania expanded its trade with Rwanda and overtook both Kenya and Uganda at the end of 2019.

Overall, Kenya remains a strong and steady partner, even though the top position within the region has shifted over time due to rising competition from other EAC members, especially Tanzania. The DRC, which is a huge destination for Rwanda's exports, actually sends very little back compared to Tanzania and Kenya. Even in 2024, Tanzania remains Rwanda's leading African import source at 35.8 percent, followed by Kenya at 27.1 percent and Uganda at 13.8 percent, confirming its continued dominance in Rwanda's regional import structure (Afreximbank, 2025).

### 1.2.3. Ease of Doing Business

Rwanda has established a business environment that serves as a high-speed corridor for regional enterprises looking to scale. The country has removed traditional barriers to entry, making it an ideal destination for businesses that prioritize speed and transparency. According to the *World Bank's 2024 B-READY Report*, Rwanda's infrastructure for doing business offers a significant competitive advantage for regional operators.

#### *a. World-Class Operational Efficiency (Score: 81.31 | 3rd Globally)*

Rwanda offers one of the fastest setups on the planet. While the global average to register a firm can stretch to 39 days, Rwanda's streamlined systems allow for near-instant market entry. This efficiency allows a business to move from a concept to a fully operational legal entity with minimal downtime, ensuring capital is put to work immediately.

#### *b. Digitized Public Services (Score: 67.37 | 8th Globally):*

The heavy investment in digital infrastructure has eliminated the need for physical paperwork. With systems like the e-titles for land and the Integrated Electronic Case Management System (IECMS) for legal matters, administrative processes being handled online. This reduces the cost of compliance and ensures that property rights and legal protections are managed through a transparent, automated system, giving business owners peace of mind.

#### *c. Predictable Regulatory Framework (Score: 70.35 | 17th Globally):*

As the top-performing country in Sub-Saharan Africa, Rwanda provides a stable and predictable legal environment. The regulatory clarity ensures that businesses can plan for the long term without the fear of sudden, opaque changes in policy. This level of transparency makes it easier for an enterprise to secure financing and build a sustainable regional presence.

**Regional firms, including the Kenyan MSMEs can enjoy the benefits of a plug-and-play economy, where the focus remains on growth and service delivery rather than navigating bureaucratic hurdles.**

### 1.2.4 Growth sectors

Rwanda's economy remains significantly import driven. In 2024, the imports reached approximately USD 5.6 billion, which shows a sustained demand across key productive and consumption-related sectors. The country majorly imports consumer goods, motor vehicles, food products, manufactured goods, and mineral fuels including petroleum oils (*US International Trade Administration, 2025*). In 2025, these patterns remained consistent.

# CHAPTER TWO

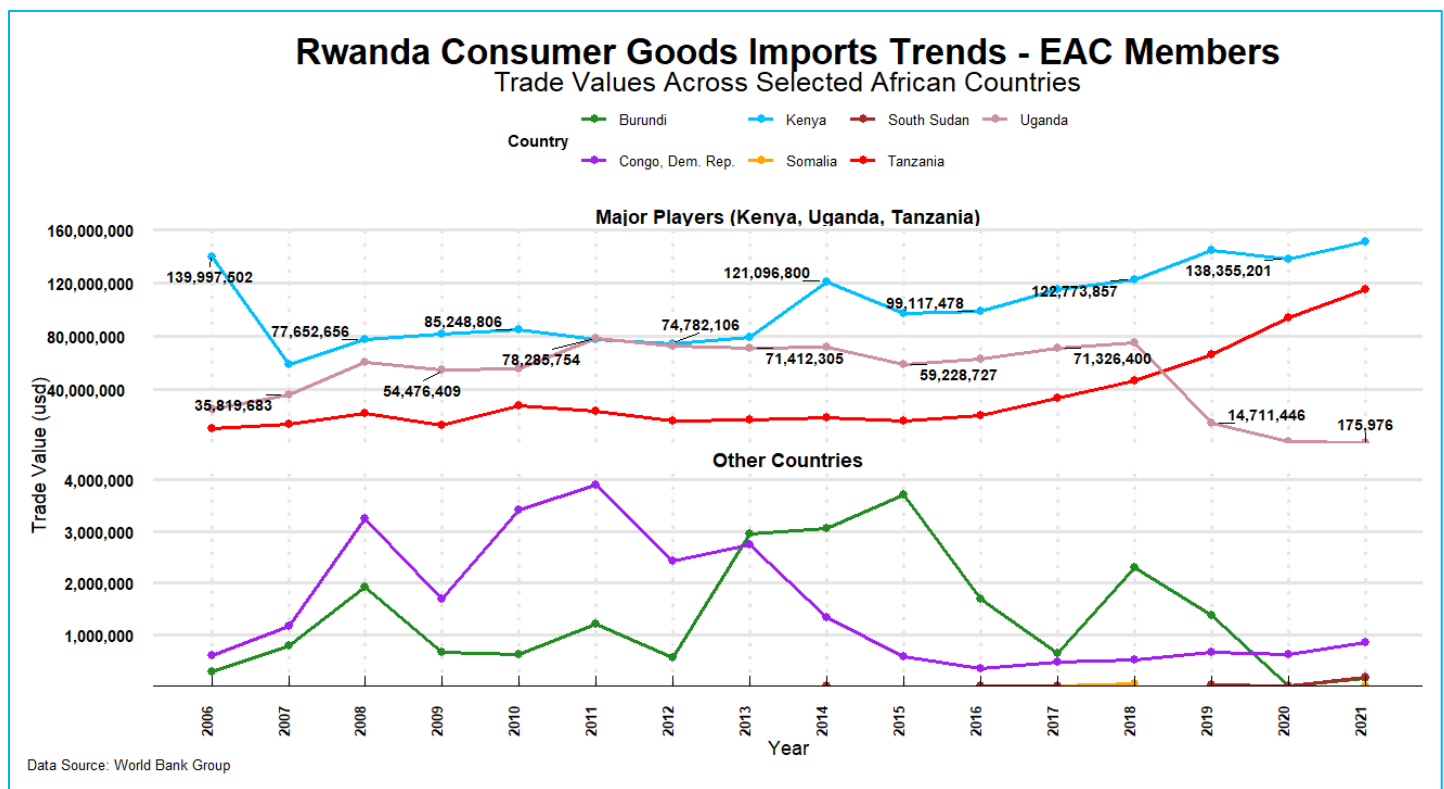
## 2. THE RWANDAN CONSUMER PROFILE

### 2.1 Preference to Kenyan Products

#### 2.1.1 Consumer Goods

The data on consumer goods imports into Rwanda highlights a regional dominance, providing a clear roadmap for any enterprise looking to understand the market's current trajectory. Kenya has historically been, and remains, the primary source of consumer goods for the Rwandan market. For nearly two decades, Kenya has maintained the top spot, with trade values growing from roughly **\$140 million in 2006** to over **\$151 million by 2021** and to **\$219,107,840 in 2022**. This consistency suggests a deeply integrated supply chain where Kenyan products are well-established in Rwandan households.

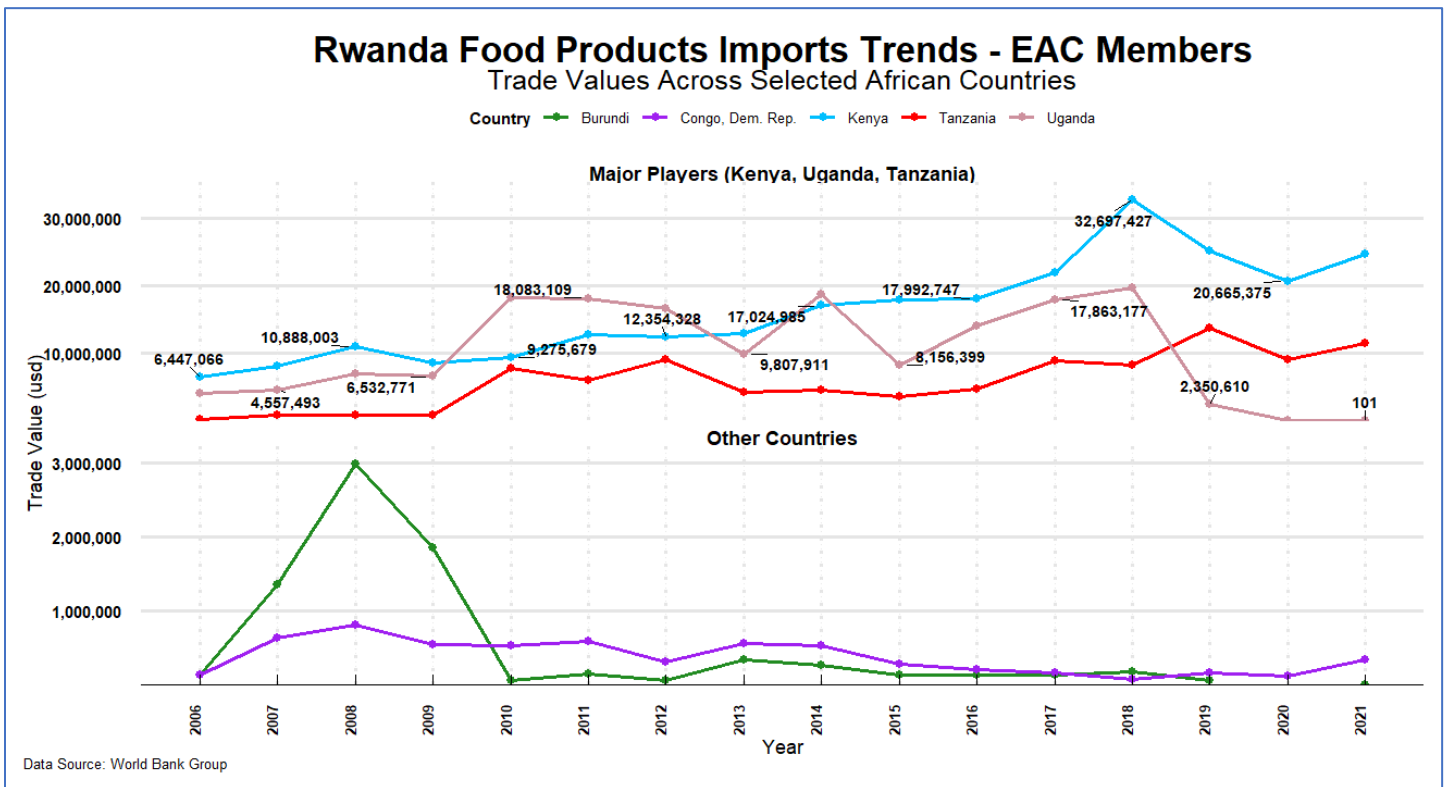
**For a business operating from Kenya, this established trust and existing logistics corridor provide a warm market with a high appetite for consumer products.**



While Kenya is the leader, the most aggressive growth has come from Tanzania. In 2006, Tanzania was a relatively small player in consumer goods, providing about **\$11 million in value**. By 2021, that figure exploded to over **\$115 million**. Tanzania has effectively overtaken Uganda to become the second-largest supplier, showing that there is a massive and growing demand for goods coming through the Central Corridor.

### 2.1.2 Food Products

The Food Products Imports from the **available data** for Rwanda reveals a dynamic regional market where Kenya and Tanzania have cemented their positions as the primary partners. Kenya has shown remarkable and consistent growth as a major trade partner for Rwanda. Starting from a trade value of approximately **\$6.4 million in 2006**, Kenya's contribution grew steadily, peaking at over **\$32.6 million in 2018**. Although there have been slight fluctuations since then, Kenya remains the leading player in this group, **ending 2021 with a strong value of \$24.6 million**. This indicates that Kenya remains the most reliable and significant corridor for Rwandan trade.



Tanzania has transformed from a minor participant into a major regional hub. In 2006, trade with Tanzania was valued at just **\$235,899**, but it has since seen an explosive increase, reaching **\$11.4 million by 2021**. This consistent upward trajectory highlights the growing importance of the Central Corridor and suggests that Tanzania is successfully capturing a larger share of Rwanda's regional trade portfolio.

### 2.1.3 Agricultural and Related Products

For Kenyan enterprises looking to supply the region, the agricultural sector presents a massive and consistent opportunity. According to data from the *United States Department of Agriculture (USDA, 2025)*, Kenya is now ranked as the **second-largest exporter of agricultural and related products to Rwanda, following only China**. This ranking highlights Kenya's dominant position as the leading African supplier to the Rwandan market.

The export data from the last six years shows a powerful upward trend for Kenyan agricultural goods. Starting at **46 million USD in 2019**, exports surged to a peak of **over 91 million USD in 2022**. While there was a slight cooling in 2023, the sector showed remarkable resilience by bouncing back strongly to **79.2 million USD in 2024**. This consistent performance indicates that Rwandan demand for Kenyan agricultural products is not just a temporary trend, but a foundational part of the regional supply chain.

**Table 1: Top Global Exporters of Agricultural and Related Products to Rwanda in USD**

Country	2019	2020	2021	2022	2023	2024
China	30,510,941	49,396,984	78,270,017	74,357,092	73,931,437	93,170,644
Kenya	46,066,449	52,860,285	69,299,780	91,032,705	60,557,428	79,256,274
EU - 27	34,797,860	31,449,737	38,864,691	56,493,721	54,990,328	56,219,654
Egypt	11,624,522	15,286,991	24,322,110	35,906,627	34,214,415	29,267,335
India	7,291,960	16,801,010	23,750,472	30,299,639	25,471,179	14,788,654
Turkey	6,442,774	5,810,811	12,391,211	12,834,967	13,715,291	14,490,859
South Africa	4,912,368	6,056,183	4,026,122	9,773,367	4,202,380	8,052,020
United States	3,189,093	1,785,881	4,806,982	6,755,445	4,378,653	7,284,765
Zambia	12,218,196	8,447,719	6,548,625	19,873,765	11,841,159	3,723,822
Mauritius	62,792	51,500	49,597	744,739	140,381	2,937,848
United Kingdom	694,712	294,358	1,528,659	1,486,290	1,581,847	1,754,019
Japan	-	2,293,221	4,835,274	2,722,856	1,265,253	1,586,945
Brazil	44,891	35,736	198,523	777,870	978,614	1,065,686
Ukraine	2,623,245	1,114,176	879,220	514,251	395,521	1,035,934
Canada	4,317,501	326,282	1,083,936	1,463,781	3,421,632	1,032,377

## 2.2 Purchasing Behaviour and Consumer Preference

### 2.2.1 Preference for local vs. imported goods.

Rwandan consumers purchase both locally produced and imported goods, depending on factors such as price, quality, availability, and brand perception. Imported goods are still widely preferred in some product categories because they are often perceived to have higher quality and better packaging. However, locally made products continue to gain acceptance, especially as the government promotes domestic manufacturing through the “**Made in Rwanda**” initiative. Consumers are increasingly willing to support local products where quality standards are consistent and pricing remains competitive.

According to the *US International Trade Administration (2026)*, successfully introducing new products into the Rwandan market requires thorough market research to understand consumer preferences, purchasing behaviour, and buying patterns, especially for unfamiliar brands. **Therefore, for Kenyan brands, especially those that are not yet household names, success requires a deep understanding of local buying patterns and a visible presence in the market.**

The *United States Department of Commerce report (2026)* notes that, **one of the most effective ways of entering Rwandan market is through participation in trade fairs and exhibitions**, which help businesses create product awareness and directly engage potential buyers. The report further states that promotional giveaways, newspaper advertisements, radio marketing, and features in specialized trade publications are also widely used to build brand visibility and market acceptance.

On the language widely used, while many members of Rwanda's business community communicate in English and French, a large share of consumers mainly speak Kinyarwanda, with some understanding of Swahili (*US Department of Commerce report (2026)*). **As a result, businesses targeting mass consumers are encouraged to provide promotional materials in Kinyarwanda, particularly when introducing new or unfamiliar consumer products.**

According to the same report, Rwanda has a relatively modest consumer purchasing power and therefore, **businesses are advised to carefully adjust product pricing, packaging sizes, and product positioning to match local income levels and consumer preferences.** At the same time, Rwanda continues to develop a small but growing middle and high-income consumer segment with increasing demand for premium products, particularly in areas such as electronics, household goods, and high-end consumer products

### 2.2.2 Pricing

According to the *US International Trade Administration (2026)*, pricing in Rwanda is largely market-driven, though businesses must navigate a specific framework of taxes and government oversight to remain competitive. Pricing in Rwanda is mainly influenced by factors such as supply and demand, transport and production costs, competition in the market, and expected profit margins.

In most sectors, businesses are free to set their own prices, except for a few regulated products such as petroleum and selected essential commodities. Rwanda currently applies an **18 percent Value Added Tax (VAT)** on most goods and services, including imported products. However, **recent 2025 tax reforms expanded VAT exemptions for some sectors, including medical services, educational materials, electric vehicles, and raw agricultural products.** The country has also introduced a **1.5 percent Digital Services Tax (DST)** for digital service providers operating significantly within Rwanda.

For businesses exporting products to Rwanda, the final selling price is also affected by import duties, freight and logistics costs, and exchange rate changes between the Rwandan franc and major foreign currencies such as the US dollar. **This means businesses need to price products carefully to remain competitive while still covering operational costs.** The Rwanda Revenue Authority (RRA) oversees tax administration, including VAT registration, declaration, and payment requirements for businesses operating in the country...

### 2.2.3 Common Payment Methods

Rwanda has one of the fastest-growing digital payment ecosystems in the region. Mobile Money, particularly through MTN Mobile Money and Airtel Money, is now the most commonly used payment method for everyday transactions, especially in urban areas. Cash remains widely used in informal markets and small retail shops, while card payments are more common in supermarkets, hotels, restaurants, and formal businesses. The country's push towards a cashless economy continues to increase the use of digital payments across both businesses and consumers.

Payment Method	Description	Type
Mobile Money (MTN, Airtel)	Mobile money is the leading payment method in Rwanda, central to the country's push for a cashless economy. It's used for everything from P2P transfers to paying taxes.	Online/In-person
Cash (Rwandan Franc)	Cash is a primary payment method for many, especially in rural areas and for daily expenses, co-existing with the strong mobile money system.	In-person
Cards (Visa/Mastercard)	The use of payment cards is growing, particularly in the capital, Kigali, and in the tourism sector.	In-person
Bank Transfers	Bank transfers are used for formal and B2B transactions.	Online
Wise	Wise provides international money transfer services. It is known for offering transparent, low-cost currency exchange rates and fast transfers. Wise uses the mid-market exchange rate and charges a small, upfront fee, making it a cost-effective alternative to traditional banks for sending money abroad. The platform also offers multi-currency accounts, allowing users to hold and manage money in multiple currencies.	Online/In-person

## CHAPTER THREE

### 3. SECTOR-SPECIFIC OPPORTUNITIES

This chapter highlights key sectors with strong market potential based on Rwanda's import trends, consumer demand patterns, and broader economic developments. The analysis provides insight into sectors where Kenyan MSMEs are likely to find expanding trade and investment opportunities. Rwanda continues to present growing opportunities across several sectors driven by rising consumer demand, urbanization, regional integration, and government-led economic transformation initiatives. The country's increasing reliance on **imports in areas such as consumer goods, intermediate goods, chemicals, metals and food products**, highlights existing market gaps that businesses can tap into.

The table below shows the top Kenyan Exports to Rwanda in 2023 (*World Integrated Trade Solution Database*)

S/NO	Product Group	Export (US\$ Thousand)	Export Product Share (%)
1	Consumer goods	161680.34	26.78
2	Intermediate goods	103356.78	17.12
3	Chemicals	79809.23	13.22
4	Metals	57307.27	9.49
5	Food Products	33600.62	5.56
6	Capital goods	24333.12	4.03
7	Vegetable	21775.61	3.61
8	Wood	21245.78	3.52
9	Mach and Elec	19591.83	3.24
10	Plastic or Rubber	17897.91	2.96
11	Minerals	12675.71	2.10
12	Raw materials	12506.86	2.07
13	Footwear	7874.19	1.30
14	Fuels	6463.01	1.07
15	Stone and Glass	6152.84	1.02
16	Miscellaneous	5849.76	0.97
17	Transportation	5458.13	0.90
18	Textiles and Clothing	4987.99	0.83
19	Animal	1085.20	0.18
20	Hides and Skins	165.41	0.03

According to the *2019 Market and Product Research in Rwanda and Burundi by Kenya Export Promotion and Branding Agency*, a significant share of Rwanda's Foreign Direct Investment (FDI) has been directed towards the manufacturing sector, supporting the country's industrial growth and expansion of local production capacity. As of mid-2019, Rwanda had registered more than 1,300 Kenyan-owned companies, highlighting the strong business presence of Kenyan investors in the country. Major sources of FDI into Rwanda include

Mauritius, Kenya, the United States, China, Luxembourg, and Switzerland. Trade between Kenya and Rwanda is largely driven by strong intra-regional exchange, particularly in the agriculture sector where both countries actively import and export related products.

### 3.1 Consumer Goods

According to the **2019 KEPROBA Market and Product Research**, household spending patterns in **Rwanda are heavily concentrated on food, clothing, and footwear. Food-related products such as cereals, groceries, meat, cooking oil, and dairy products account for the largest share of household expenditure, while clothes and footwear also take up a significant portion of consumer spending.** This indicates that essential household and daily-use products dominate the Rwandan consumer basket and continue to drive market demand.

The findings further show that products such as detergents, confectionery, plastics, cosmetics, toiletries, and footwear also form an important part of the Rwandan consumer basket, reflecting strong and consistent demand for fast-moving consumer goods and personal household products. **This aligns with Kenya’s export structure to Rwanda, where consumer goods account for the largest share of exports at 26.8 percent**, followed by intermediate goods, chemicals, metals, food products, plastics, and footwear.

However, **the survey also highlights that the products carrying the highest household importance in Rwanda, particularly cereals, groceries, meat, cooking oil, and dairy products, still represent a relatively smaller share of Kenya’s exports to Rwanda. This points to existing opportunities in essential food and household consumption categories where consumer demand in Rwanda remains consistently high.**

Additionally, according to the latest trade data from *KEPROBA (2025)*, the products listed in the table below are among Kenya’s leading exports to Rwanda. However, a closer review of the product categories shows that a significant share of these exports is linked to Rwanda’s position as a landlocked country and its dependence on Kenya for regional and international trade access. Products such as petroleum oils, palm oil, fertilisers, medicaments, steel products, plastics, and industrial chemicals are largely imported into the region through Kenya before being re-exported or distributed to Rwanda. This means that Kenya plays a critical role not only as a producer and exporter, but also as a major regional trade and logistics hub serving the Rwandan market.

**The trade structure also highlights strong opportunities for Kenyan MSMEs involved in manufacturing, packaging, distribution, agro-processing, construction materials, household products, and industrial supplies, particularly where Kenya already has established supply chains, market familiarity, and logistical advantages within the EAC region.**

HS Code	Product Description	Export Value
1511	Palm oil and its fractions, whether or not refined (excluding chemically modified)	9,997,015,063
3105	Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium	9,201,970,088

2710	Petroleum oils and oils obtained from bituminous minerals (excluding crude)	9,009,648,098
2523	Cement, including cement clinkers, whether or not coloured	8,933,058,479
7214	Bars and rods of iron or non-alloy steel, not further worked than forged or hot-rolled	8,164,749,856
3004	Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses	7,439,333,091
3402	Organic surface-active agents and washing preparations	6,577,170,089
7306	Tubes, pipes and hollow profiles of iron or steel	6,436,196,649
3401	Soap and organic surface-active products for use as soap	5,530,543,862
3923	Articles for the conveyance or packaging of goods, of plastics	4,974,377,588

The *KEPROBA (2019)* report further shows that Rwandan consumer behaviour is defined by a strong preference for value, where **quality serves as the primary driver** for purchase decisions across all product categories. While price acts as the initial gatekeeper for affordability, particularly when consumers are weighing imported goods against local alternatives, **shoppers will consistently prioritize superior quality once a product falls within their accessible price range**. For daily essentials such as toiletries and kitchenware, secondary factors like brand familiarity, attractive packaging, and the convenience of being stocked in neighbourhood shops become significant influencers in the final selection process. **Therefore, for an enterprise to capture the market, the most effective strategy is to balance competitive pricing with a clear emphasis on product durability and high standards.**

### 3.2 Food Products

Food products continue to present a strong market opportunity for Kenyan MSMEs in Rwanda. According to *Observatory of Economic Complexity*, Rwanda imported foodstuffs worth approximately **USD 235 million in 2024**, making food products the country's third most imported product category. The main sources of these imports were **Uganda, Kenya, Tanzania, Egypt, and India**, showing that Rwanda continues to rely heavily on regional and international suppliers to meet local food demand.

**Kenya remains one of the leading exporters of food products to Rwanda**, with imports valued at approximately **USD 44.4 million in 2024**. Kenya was also among the fastest growing sources of foodstuff imports into Rwanda between 2023 and 2024, alongside Uganda and Turkey. This reflects the strong position of Kenyan food products within the Rwandan market and the continued demand for competitively priced and quality food items.

The trend also aligns with findings from the United States Department of Commerce, which identifies Kenya as one of Rwanda's key suppliers of agricultural and food-related products. **Combined with Rwanda's growing urban population, expanding retail sector, and increasing demand for processed and packaged foods, the market continues to create opportunities across value chains such as cereals, cooking oils, confectionery, dairy products, groceries, beverages, and other fast-moving consumer food products.**

## CHAPTER FOUR

### 4. TRADE REGULATIONS & COMPLIANCE

Rwanda is a member of the East African Community (EAC) Customs Union and as a result, customs tariffs, rules of origin, import prohibitions, and trade remedy regulations have largely been harmonized across member states through the EAC framework. Rwanda therefore applies the East African Community Common External Tariff (EAC CET) on the c.i.f. (cost, insurance, and freight) value of imports. The [EAC Customs Union framework](#) is guided by the Protocol on the Establishment of the East African Community Customs Union and related legal notices published in the East African Community Gazette. Under this framework, the Council of Ministers approves common import duty rates applicable across the region pursuant to Articles 12(3) and 39(1)(c) of the Protocol. This harmonized trade regime has significantly simplified regional trade by reducing tariff barriers, standardizing customs procedures, and creating a more predictable trading environment for businesses operating within the EAC market.

#### 4.1 Trade and Customs Requirements

##### 4.1.1 Rules of Origin and Duty-Free status for EAC members

As a member of the East African Community Customs Union, Rwanda applies the EAC Rules of Origin, which determine whether goods qualify for preferential treatment within the regional market. Under this framework, products that are wholly produced within EAC member states, or sufficiently transformed within the region, are granted duty-free access when traded among member countries. For **Kenyan MSMEs exporting to Rwanda, this means that qualifying products can enter the Rwandan market without payment of import duty, provided they meet the EAC Rules of Origin requirements and are supported by the relevant Certificate of Origin documentation.** This arrangement significantly lowers the cost of cross-border trade and enhances the competitiveness of goods produced within the region.

Looking at the rules of origins for unprocessed Agricultural Products and Trading Manufactured Goods Under EAC Rules of Origin.

##### *a. Unprocessed Agricultural Products*

The EAC defines unprocessed agricultural produce to include live **animals, plants, seeds, fish, poultry, and unpackaged fruits and cereals.** To trade these successfully across borders, **two critical conditions must be met:**

- **Proof of Origin: Traders must demonstrate that the produce was entirely obtained or produced within an EAC Partner State. Under the EAC Rules of Origin (2015), such goods qualify for zero customs duties and tariffs, meaning they are not charged import fees when moving between member states.**
- **Health and Safety Compliance:** Beyond origin, imports must meet Sanitary and Phyto-Sanitary (SPS) measures to ensure food, animal, and human safety. **Before importing, a trader must obtain an import license from the relevant government agency in the destination country, such as KEPHIS in Kenya.**

- **Taxation:** In most member states, these products are generally exempt from Value Added Tax (VAT) and Excise Tax, though it is advised to verify current rates with the local revenue authority.

### *b. Manufactured Goods*

The requirements for trading manufactured goods are specifically categorized by the monetary value of the consignment to ensure that both large-scale industries and small-scale traders can benefit from regional integration.

**EAC Rules of Origin for manufactured goods worth US\$ 2,000 and above.** For high-value shipments, the process is more technical and requires rigorous documentation to prove the goods were produced within the EAC.

- **Origin Criteria Compliance:** Goods must meet at least one of two strict rules: they must be **Wholly Produced (100% EAC materials)** or **meet the Sufficient Processing rule (using non-EAC materials that undergo significant industrial transformation)**, such as spinning foreign fibers into local yarn). A list of sufficiently processed goods is provided for under the EAC Customs Union (Rules of Origin) Rules, 2015 First Schedule Part 1.
- **Technical Verification:** Determining if a product is sufficiently processed can be technical, and the EAC recommends that traders consult the Kenya Revenue Authority for assistance with these calculations.

**Manufactured Goods Valued Below US\$ 2,000:** To facilitate easier trade for micro and small-scale entrepreneurs, the EAC provides a streamlined process known as "simplified trade":

- **EAC Simplified Certificate of Origin:** Instead of the standard long-form certificate, traders use a **Simplified Certificate of Origin**. This document is easily obtained from customs officials at border posts.
- **Simplified Clearing Steps:** The trader presents the goods along with a sales invoice or receipt to a customs official at the point of exit. Once confirmed that the goods qualify as EAC products, the certificate is stamped and signed, allowing the trader to enter the importing country without being charged import or customs duties.
- **Integrity Measures:** While the process is simpler, splitting a single large shipment into multiple smaller ones to stay under the **US\$ 2,000** limit is an offense under EAC Customs Management Law.

**Shared Requirements for All Manufactured Goods.** Regardless of value, all manufactured items entering a new EAC market must adhere to the following:

- **Quality Standards:** Goods must meet the required quality benchmarks and obtain a **Certificate of Conformity** from the destination country's standards agency (e.g., KEBS in Kenya).
- **Domestic Taxes:** While customs duties are zero, **Value Added Tax (VAT)** and **Excise Tax** remain applicable and must be paid in the country where the goods will be sold.

#### 4.1.2 Required documentation (Certificates of Origin, Phyto-sanitary certificates).

##### *Step 1: Preparing Commercial Documentation*

The exporter's first responsibility is to **prepare the Commercial Invoice and Packing List**. These foundational documents must align precisely with the final customs declaration, as every regulatory agency will use them to verify values, quantities, and net/gross weights.

##### *Step 2: KenTrade Registration & UCR Generation*

Using the details from the commercial invoice, **the exporter logs into the Kenya TradeNet System (the National Electronic Single Window)** operated by KenTrade. Here, they register the consignment to obtain the Unique Consignment Reference (UCR), which acts as the master tracking number linking all future permits.

##### *Step 3: Acquiring Product-Specific Regulatory Certificates*

Before customs clearance can begin, **the cargo must be cleared by relevant technical agencies** via the Single Window network based on the product type:

- For agricultural products: The exporter obtains a Phytosanitary Certificate from KEPHIS (Kenya Plant Health Inspectorate Service), which involves a physical inspection of the produce.
- For animal products: The exporter secures an Export Health Certificate from Port Health Services.

##### *Step 4: Obtaining the EAC Certificate of Origin*

The exporter **applies for and obtains the EAC Certificate of Origin**, issued either directly by KRA or through the Kenya National Chamber of Commerce and Industry (KNCCI). This vital document certifies that the goods meet the strict EAC Rules of Origin, allowing them to enter destination partner states duty-free.

##### *Step 5: Submitting the Customs Declaration via iCMS*

The exporter's licensed clearing agent **submits the formal Export Declaration to KRA through the iCMS** (Integrated Customs Management System), attaching the UCR, invoice, product permits, and Certificate of Origin. KRA customs officers review the electronic data for risk assessment and routing (Green, Yellow, or Red channels) before granting permission to load and sealing the cargo.

##### *Step 6: Securing Transport & Title Documents*

Finally, once the cargo is physically loaded and cleared to exit, **the exporter secures the Bill of Lading** (for sea freight) **or the CMR** (Convention on the Contract for the International Carriage of Goods by Road, for cross-border trucking) from the carrier. This serves as both the active transport contract and the legal document of title.

#### 4.1.3 Border procedures and EAC trade considerations.

Cross-border movement within the EAC is governed by the Common Market Protocol (CMP). To facilitate regional trade, business, and employment, procedures are categorized into distinct rules based on the purpose and duration of the stay.

### *i. Short-Term vs. Permanent Cross-Border Activity*

The EAC distinguishes between individuals permanently entering the labour market and those supplying temporary cross-border services:

- **Short-Term / Temporary Service Suppliers:** Includes independent consultants, food caterers, salespersons, and ICT maintenance personnel operating under Article 16.6 of the CMP. They remain short-term visitors, are paid in their home country, do not have access to the host country's local labour market, and do not receive local social security benefits.
- **Workers:** Individuals explicitly moving long-term to apply for and accept employment. They are paid by the country they move to, possess the right to remain, have access to social security benefits, and secure regional rights for their spouses and dependents.

(Note: While the EAC has committed to developing separate, less restrictive regulations for temporary service providers, the regulations governing standard workers currently still apply to them.)

### *ii. Requirements for Free Movement of Persons (Up to 6 Months)*

EAC citizens can enter and stay in another partner state visa-free for up to 6 months for lawful reasons such as visiting, studies, or medical treatment. This route does not permit local employment.

- **Travel Documents:** A valid passport or temporary pass document is mandatory. Notably, Kenya, Uganda, and Rwanda recognize national identity cards as valid travel documents.
- **Immigration Procedures:** Entry requires completing necessary immigration forms (which are completely free of charge) and matching health mandates, such as the yellow fever vaccination required by Tanzania.

### *iii. Worker and Work Permit Frameworks*

EAC citizens have the right to take up employment in other partner states, granting them protection under local labour rights, collective bargaining, and access to dispute settlements.

- **Timeline:** Work permit applications must be officially lodged within 15 days of entering the host partner state or within 15 days of concluding an employment contract. A temporary 6-month pass is granted to the worker and their dependents while processing takes place.
- **Short Contracts:** If employment is strictly under 90 working days, workers can apply directly for a Special Pass at the port of entry by presenting a valid contract and travel document.

### *iv. Standard Documentation Checklist for EAC Work Permits*

When lodging work permits across the different partner states (Kenya, Uganda, Tanzania, Rwanda, and Burundi), the following documentation rules generally apply:

Condition / Requirement	Partner State Application Rules
Application Forms & Passport Copies	Mandatory across all 5 EAC Partner States.

Passport Photos	Required by all: 1 photo (Rwanda), 2 photos (Kenya, Uganda, Burundi), 6 photos (Tanzania).
Academic & CV Attachments	CV/Introduction letters and certified copies of academic certificates are mandatory across all states.
Employment Contract	Mandatory across all 5 EAC Partner States.
Processing Fees Proof	Explicitly required during the initial application process in Kenya only.
Security Bonds	Mandatory in Uganda and Tanzania; not applicable in Kenya, Rwanda, or Burundi.
Letter of Good Conduct	Required by Uganda and Rwanda (requires an original police clearance covering the last 6 months).

#### *v. Termination and Post-Employment Obligations*

**Changes in Status:** If a worker stops working or intends to change employers, they must notify the host country's immigration authorities in writing within 15 days of termination. Changing employers requires a fresh work permit application.

**Rejections & Cancellations:** If an application is rejected, authorities must issue the decision in writing with specific grounds and grant reasonable time for the family to exit. If a permit is actively cancelled due to dismissal or illegal acquisition, the worker must regularize their status or leave the country within 30 days to avoid deportation.

## 4.2 Product Standards and Compliance

MSMEs exporting to partner states within the East African Community are required to comply with established product standards and certification requirements. These harmonised standards, developed under the SQMT framework, provide guidelines on product quality, safety, and compliance across the region. The harmonised standards system allows products certified by national bodies such as KEBS in Kenya to be recognised across all EAC member states, reducing duplication of testing and lowering compliance costs for exporters. However, exporters must still comply with sector-specific requirements depending on the type of commodity being traded. For example, agricultural and plant products must obtain a Phytosanitary Certificate from KEPHIS to comply with Sanitary and Phytosanitary (SPS) measures, while animal products and processed foods require an Export Health Certificate from Port Health Services to verify sanitary handling and processing.

Manufactured goods are further regulated under the Technical Barriers to Trade (TBT) framework, which governs product safety, quality, and labelling requirements for products such as construction materials, pharmaceuticals, electrical appliances, cosmetics, and industrial chemicals. To demonstrate compliance with the relevant East African Standards (EAS), products are required to undergo testing through ISO/IEC 17025 accredited laboratories. In the Kenyan case, KEBS administers the Pre-Export Verification of Conformity (PVoC) programme, which requires regulated products to obtain a Certificate of Conformity (CoC) prior to shipment. The conformity assessment process is undertaken by internationally recognised inspection agencies appointed by KEBS.

## CHAPTER FIVE

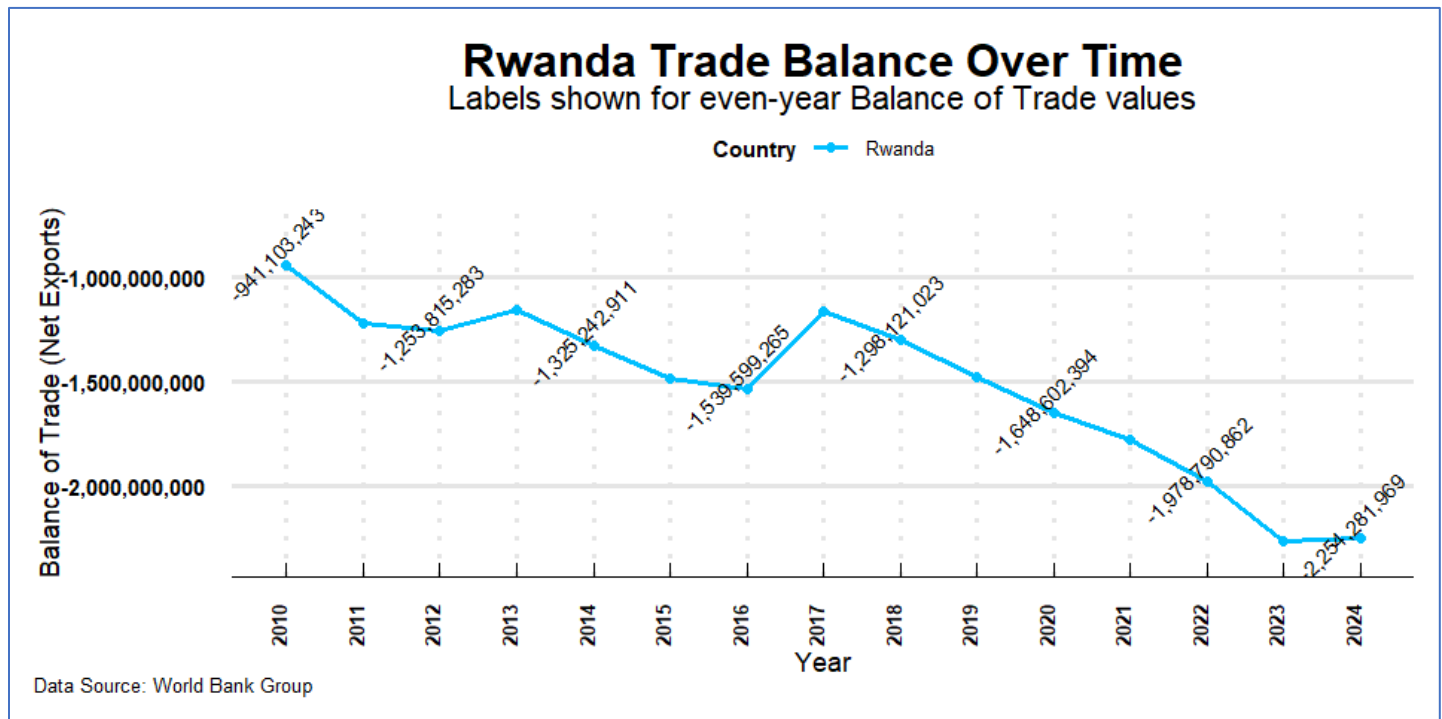
### 5. COMPETITIVE LANDSCAPE

This chapter analyses the competitive environment within the Rwanda market and examines the position of MSMEs operating within key sectors targeted for regional trade and market expansion. The chapter further evaluates the presence of local, regional, and international competitors, prevailing market trends, pricing dynamics, and existing market gaps that present opportunities for MSMEs from Kenya seeking entry into the Rwandan market.

#### 5.1 Existing Market Players

##### 5.1.1 Local Competition

Local competition in Rwanda has been significantly shaped by the Government's **Made in Rwanda** initiative, launched in 2015 as a national policy framework aimed at promoting domestic production, reducing reliance on imports, and strengthening the competitiveness of local industries. The programme was introduced in response to persistent trade imbalances, with Rwanda recording a trade deficit of approximately US\$1,489 million at the time, reflecting the country's high dependence on imported goods relative to exports.



Over the period since implementation, Rwanda's external trade position has remained structurally in deficit, but the data shows clear fluctuations linked to shifts in export performance and import demand. Between 2010 and 2014, the trade balance ranged from approximately US\$941 million to US\$1.33 billion, indicating a relatively lower but still significant deficit level. From 2015 onwards, the deficit widened, reaching around US\$1.49 billion in 2015 and US\$1.54 billion in 2016, before temporarily improving in 2017 to about US\$1.17

billion. However, the deficit continued to fluctuate in subsequent years, reaching US\$1.30 billion in 2018 and US\$1.48 billion in 2019.

More recent data shows a further widening of the trade deficit, increasing from approximately US\$1.65 billion in 2020 to US\$1.78 billion in 2021, and US\$1.98 billion in 2022. The deficit then peaked at about US\$2.27 billion in 2023, before slightly improving to around US\$2.25 billion in 2024. This trend suggests that while domestic production capacity has grown under the **Made in Rwanda** framework, import demand has continued to outpace export growth, maintaining pressure on the overall trade balance.

**The prevailing trade deficit indicates that Rwanda’s market still presents considerable space for imported goods. This creates a competitive environment where local industries are growing but not yet fully dominant, leaving room for regional MSMEs to enter and compete effectively.**

### 5.1.2 Regional & International Competition

#### *Presence of Other EAC member states*

The regional competitive landscape in Rwanda is strongly influenced by trade flows within the East African Community, particularly among key partner states such as Kenya, Uganda, and Tanzania. From the analysis under the subsection “[Rwanda Imports \(Imports from Kenya and EAC Member States\)](#),” it is evident that Kenya operates in a highly competitive regional environment where it faces strong competition from both Tanzania and Uganda in supplying goods to the Rwandan market. This is further reflected in the trade patterns illustrated in the plots, which show that Tanzania has progressively increased its share of Rwanda’s imports over time, in some years overtaking Kenya as the leading source of imports within the region.

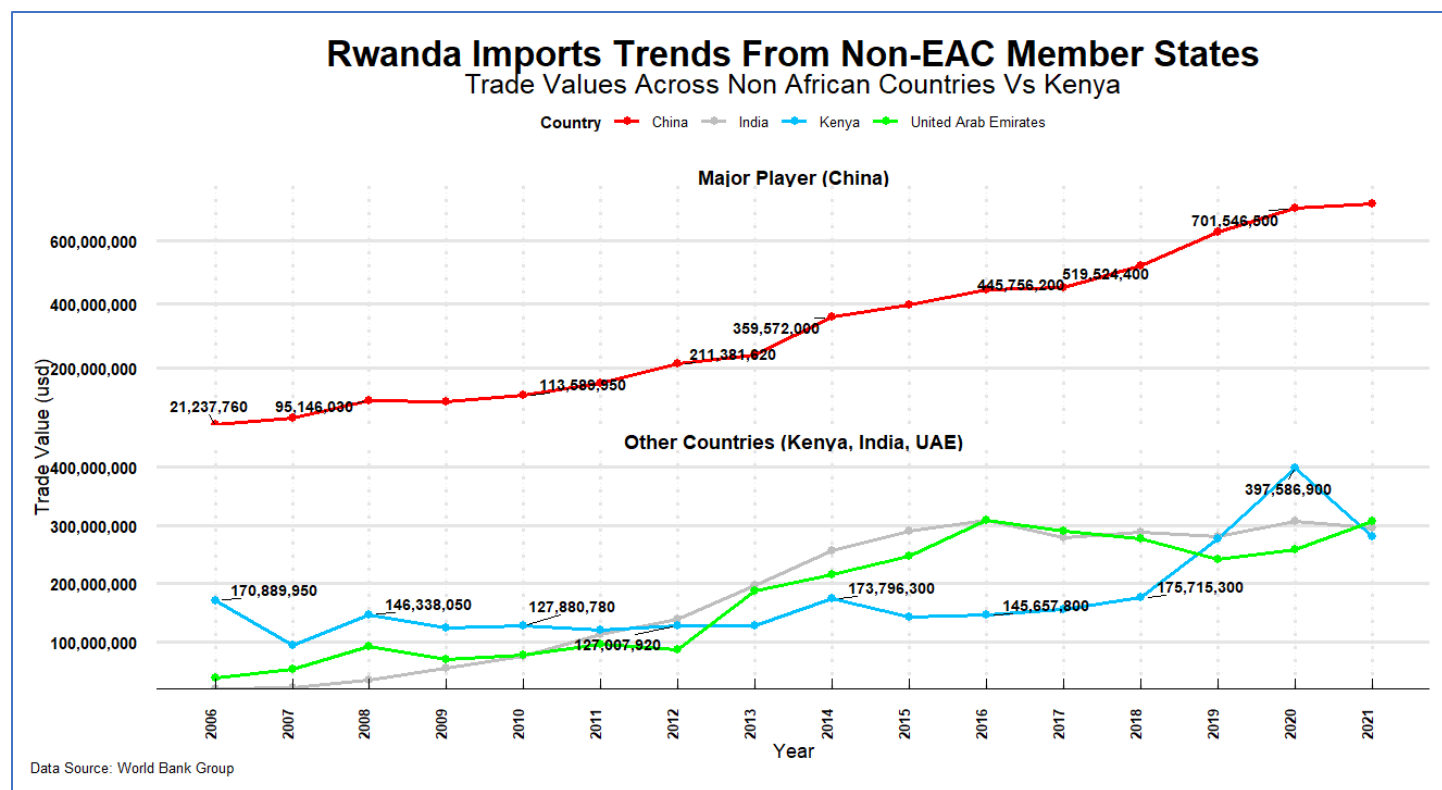
This shifting dynamic highlights a highly competitive and price-sensitive regional market, where supply capacity, logistics efficiency, and pricing strategies significantly influence market share. Tanzania’s gradual rise suggests improved competitiveness in key product categories, while Uganda continues to maintain a stable presence across selected commodities. At the same time, Kenya remains a major supplier but operates in an environment where market dominance is not guaranteed and must be continuously defended through competitiveness.

In this context, **the most effective strategy for maintaining and expanding market share in Rwanda lies in a dual focus on competitive pricing and consistent product quality**. Given the low switching costs within regional trade under the EAC framework, buyers are highly responsive to price differentials, reliability of supply, and perceived product quality. Therefore, sustaining competitiveness requires not only maintaining cost efficiency but also strengthening value addition, product differentiation, and supply chain reliability to ensure long-term positioning within Rwanda’s import market.

#### *International Competition*

The import structure of Rwanda reveals a highly concentrated and evolving competitive landscape dominated by a small number of global and regional suppliers. Over the period from 2006 to 2021, imports are

consistently led by China, India, the United Arab Emirates (UAE), and Kenya, with China emerging as the dominant global supplier and steadily increasing its market share over time. Chinese exports to Rwanda show a clear upward trajectory, rising from relatively modest levels in the mid-2000s to becoming the single largest source of imports by a significant margin in the 2010s and early 2020s.



India and the UAE maintain stable and sustained positions as key international suppliers, particularly in manufactured goods, machinery, pharmaceuticals, and re-exports respectively. Both countries show gradual growth in trade volumes over time, reflecting their entrenched role in Rwanda's diversified import basket. Their performance indicates strong competitiveness in terms of price, product availability, and established trade logistics networks linking them to East African markets.

Within the regional context, Kenya remains the most significant Kenya trading partner among the East African Community bloc, consistently ranking as Rwanda's leading or second-leading regional supplier across most years. **However, the data shows notable fluctuations in its position relative to global competitors. While Kenya maintains strong performance in earlier years, its relative dominance weakens over time as China expands rapidly. At the same time, Kenya faces increasing competition from both India and the UAE, which often match or surpass its export volumes in several periods.**

For regional exporters like Kenya, defending market share in Rwanda requires moving beyond basic commodities and aggressively optimizing both pricing structures and value-chain quality to compete with international standards.

## CHAPTER SIX

### 6. LOGISTICS & DISTRIBUTION CHANNELS

This chapter examines the logistics environment and distribution systems supporting trade and market access in Rwanda. It assesses the country's transportation infrastructure, warehousing capacity, retail structures, and supply chain networks that facilitate movement of goods from import entry points to final consumers.

#### 6.1 Distribution Channels

Market entry and commercial operations in Rwanda can be structured through several distinct pathways depending on an enterprise's operational scale, risk appetite, and strategic objectives. Foreign firms and MSMEs can establish a formal presence by setting up a local corporate office, partnering with domestic agents and distributors, deploying franchise models, engaging in direct digital marketing, executing joint ventures, or leveraging express delivery and e-commerce networks. **Backed by highly integrated digital public services, efficient regulatory frameworks, and robust investment facilitation mechanisms, Rwanda is structurally regarded as one of the most progressive and investor-friendly economies within the East African Community (EAC).**

##### 6.1.1 Corporate Establishment and Investment Incentives

For enterprises seeking a permanent footprint, establishing a local corporate office or subsidiary through the Rwanda Development Board (RDB) represents the most definitive entry strategy. The RDB features one of the most efficient corporate registration frameworks in Africa, enabling investors to complete statutory business registration online and secure incorporation certificates via the Office of the Registrar General in under six hours. To catalyze Foreign Direct Investment (FDI), the RDB's integrated One Stop Centre provides a centralized platform to fast-track sector specific licensing, environmental approvals, and expatriate work permits.

##### 6.1.2 Intermediary Channels: Agents and Distributors

While appointing local commercial representation is not a statutory obligation for foreign firms, collaborating with domestic agents or distributors is practically essential for rapid market penetration. Local intermediaries possess established distribution infrastructure, micro-warehousing networks, and pre-existing relationships within both traditional open-air wholesale hubs (such as Nyabugogo) and modern retail chains. Crucially, experienced local partners successfully bridge administrative and cultural barriers across Rwanda's four official languages: Kinyarwanda, English, French, and Swahili.

##### 6.1.3 Specialized Entry Frameworks: Franchising and Joint Ventures

###### *a. Franchising Models*

The domestic franchising landscape remains nascent, but the model has been validated by global logistics, financial services, and hospitality brands including KFC, DHL, FedEx, UPS, Western Union, and MoneyGram. Franchising operations are legally protected under a combination of domestic contract law, fair competition

rules, and trademark protections, with all master agreements requiring formal registration under the Companies Act (Law No. 007/2021, as amended by Law No. 019/2023).

### ***b. Joint Ventures (JVs) and Public-Private Partnerships (PPPs)***

The Government of Rwanda actively encourages strategic alliances with foreign firms, particularly in capital-intensive sectors requiring advanced technical expertise or technology transfers. The RDB, alongside the Private Sector Federation (PSF), regularly hosts investment missions and matchmaking forums to pair international capital with verified domestic enterprises. Concurrently, the state utilizes customized Public-Private Partnerships (PPPs) and Special Purpose Vehicles (SPVs) to de-risk investments in infrastructure, clean energy, and specialized industrial parks.

#### **6.1.4 Direct Marketing, E-Commerce, and Express Logistics**

Direct-to-consumer and business-to-business (B2B) marketing strategies in Rwanda have undergone significant digital transformation. While traditional mass-market channels like radio and localized outdoor advertising remain highly effective, businesses increasingly rely on mobile ad targeting, push-notifications, and social media platforms to drive consumer engagement. This digital pivot, combined with rising mobile money (MoMo) penetration, has catalyzed a rapid expansion in local e-commerce platforms and digital marketplaces. To support this growth, the domestic express delivery and third-party logistics (3PL) sector is modernizing rapidly. While international air-freight and courier tariffs remain comparatively high due to the logistical parameters of a landlocked nation, ongoing advancements, specifically the integration of customs procedures into the electronic Single Window (CeSW) and optimized processing by local hubs like the Kigali Logistics Platform, continue to enhance supply chain predictability, reduce transit bottlenecks, and drive down overall landed costs for expanding commercial enterprises.

## **6.2 Transportation Infrastructure**

Rwanda has made significant investments in transport infrastructure aimed at strengthening regional connectivity and improving domestic distribution efficiency. The country's road transport system remains the primary mode of cargo movement, with Kigali serving as the central logistics and commercial hub connecting major trade corridors within the country and to neighbouring states such as Kenya, Uganda, and Tanzania. The road network linking Kigali to border points such as Rusumo, Gatuna, and Rusizi supports both regional trade and domestic distribution, enabling relatively efficient movement of imported and locally manufactured goods. In addition to road infrastructure, warehousing and storage facilities in Kigali have expanded steadily in response to increasing trade activity and urban demand. Modern warehousing facilities are concentrated around industrial zones and commercial districts, providing storage, consolidation, and distribution services for importers, wholesalers, and retailers.

### **6.2.1 Cost of Moving a Container from Nairobi to Rwanda via Uganda**

The movement of cargo from Nairobi to Rwanda primarily relies on the Northern Corridor Road network through Uganda, which remains the most commonly used trade route for regional cargo transportation. The

estimated cost of transporting a 20-foot container by road along this corridor ranges between approximately USD 2,500 and USD 3,500 depending on cargo type, fuel costs, insurance, customs processing requirements, and prevailing regional transport charges. Transit time generally ranges between three and seven days under normal operating conditions. The overall transportation cost is largely influenced by the long transit distance, road freight charges, and multiple border clearance procedures encountered along the route. Since the cargo crosses both the Kenya–Uganda and Uganda–Rwanda borders, traders incur additional expenses related to customs processing, clearing agent services, documentation handling, and administrative delays. The double-border crossing alone is estimated to add approximately USD 200–400 per stop through processing fees, agency costs, and indirect time-value losses associated with cargo delays.

Despite these costs, the Nairobi–Uganda–Rwanda corridor remains strategically important due to its relatively developed road infrastructure, established logistics ecosystem, and direct connection to the Port of Mombasa, which serves as the principal maritime gateway for a significant share of Rwanda’s imports. However, transporters and MSMEs operating along this route must still account for fluctuations in fuel prices, border congestion, and seasonal delays that may affect delivery timelines and final landed costs.

### **6.3 Retail & Wholesale Channels**

Rwanda’s distribution system operates through a combination of modern retail channels, traditional trade networks, and intermediary distribution structures. Modern trade is concentrated primarily in Kigali and major urban centres and includes supermarkets, shopping malls, convenience stores, and organised retail chains. These outlets mainly target middle-income and urban consumers and generally require higher standards of packaging, branding, product consistency, and supply reliability. The continued growth of organised retail has expanded opportunities for value-added and formally packaged products, particularly in sectors such as processed foods, cosmetics, household goods, and consumer products.

Traditional trade channels, however, continue to dominate a substantial share of Rwanda’s retail market, especially among low- and middle-income consumers. Open-air markets, kiosks, informal retail shops, and community trading centres remain essential distribution points for daily consumer goods across both urban and rural areas. These channels are highly price-sensitive and rely heavily on smaller wholesalers, informal distributors, and local supply chains. Agents and distributors therefore play a critical role in Rwanda’s market structure by linking suppliers with retailers and end consumers. Many regional and international firms entering Rwanda rely on local distribution partners to support warehousing, market intelligence, retail penetration, regulatory compliance, and after-sales coordination. Businesses selecting distributors often evaluate factors such as market coverage, customer networks, warehousing capacity, product mix, and sales performance. The use of local distribution partnerships is particularly important for MSMEs seeking cost-effective market entry and efficient expansion within Rwanda’s competitive retail environment.

## CHAPTER SEVEN

### 7. CONCLUSION & RECOMMENDATIONS: EXHIBITION STRATEGY

#### 7.1 Major Opportunities Identified

##### a. The Plug-and-Play Institutional Corridor

Rwanda has successfully cultivated a highly transparent, streamlined, and digitized business environment. By eliminating bureaucratic bottlenecks, the country operates as a high-speed corridor for regional enterprises, allowing Kenyan MSMEs to establish commercial operations and scale with minimal administrative friction.

##### b. Capitalizing on Established Brand Trust

Kenya has historically been, and remains, a leading source of consumer goods for the Rwandan market. This long-standing bilateral relationship, reflected in the registration of over 1,300 Kenyan-owned companies in Rwanda, has created a deeply integrated supply chain and built a high level of consumer trust that gives Kenyan exhibitors a distinct competitive advantage.

##### c. Unfilled Market Gaps in Core Consumption

A significant structural mismatch exists between Rwanda's highest household expenditures and Kenya's current export mix. While Rwandan household spending is heavily concentrated on essential food, groceries, and clothing, these categories represent a relatively small share of Kenya's historical exports to Rwanda. This deficit represents an immediate, high-volume growth opportunity for Kenyan agro-processors and manufacturers.

##### d. Strategic Leverage of EAC Preferential Tariffs

Under the EAC Customs Union framework and Rules of Origin, products wholly produced or sufficiently transformed within Kenya qualify for absolute duty-free access into Rwanda. Exhibitors who secure valid Certificates of Origin can bypass standard import duties entirely, passing these structural cost savings directly down to Rwandan buyers to undercut international, non-EAC competitors

#### 7.2 Sectors with Highest Potential

Based on macroeconomic demand patterns and cross-border trade flows, three macro-sectors offer the most lucrative returns for Kenyan exhibitors:

##### a. Agro-Processing and Foodstuff Supply

Agriculture presents a massive, highly resilient opportunity. Kenya is currently ranked as the second-largest exporter of agricultural and related products to Rwanda globally (trailing only China), and stands as the leading African supplier. Driven by a growing urban population and an expanding formal retail sector, demand for packaged, shelf-stable, and processed foods is rising rapidly.

## **b. Fast-Moving Consumer Goods (FMCG) & Household Products**

Household budgets in Rwanda consistently prioritize essential daily-use items, textiles, clothing, and footwear, ensuring a continuous, high-volume market turnover.

### **7.3 Products Recommended for Exhibition**

Based on the market analysis, the exhibition should prioritise products that align with Rwanda's largest import categories, strongest consumer demand patterns, and Kenya's established export strengths. Recommended products include processed and packaged foods such as cereals, cooking oils, confectionery, beverages, dairy products, groceries, spices, and other fast-moving consumer food products.

Household consumer products including detergents, personal care products, cosmetics, home-use plastics, kitchenware, footwear, textiles, and clothing products should also be prioritised due to their strong demand within Rwanda's consumer market. Agro-processed products and value-added agricultural goods similarly present strong exhibition opportunities due to the continued growth of Rwanda's food import market.

Industrial and construction-related products such as packaging materials, light manufacturing products, hardware supplies, building materials, and selected industrial inputs may also attract strong commercial interest, particularly from wholesalers, retailers, distributors, and institutional buyers attending the exhibition.

Priority should be given to products that demonstrate competitive pricing, durability, quality consistency, attractive packaging, and strong value proposition relative to competing imports from China, India, Tanzania, and the UAE.

### **7.4 Market Entry Recommendations.**

To translate trade fair visibility into sustainable, long-term market market share, Kenyan MSMEs must execute the following tactical mandates.

#### **7.4.1 Implement a Dual Pricing and Quality Strategy**

Rwandan consumers place a premium on value, making the balancing of cost and durability essential. Exporters must carefully calculate their final landed pricing by accounting for freight, border clearing fees, and exchange rate fluctuations between the Kenyan Shilling, the US Dollar, and the Rwandan Franc (RWF). To win market share from aggressive international suppliers, products must be priced competitively while maintaining high standards and explicit product durability.

#### **7.4.2 Localize Marketing and Promotional Materials**

While English and French are widely used within formal corporate and government circles, the vast majority of mass-market consumers communicate predominantly in Kinyarwanda, with a secondary reliance on

Swahili. To launch unfamiliar brands successfully, exhibitors must customize their marketing collateral, translating brochures, product labels, and banners into Kinyarwanda to maximize consumer connection.

### **7.4.3 Adapt Product Positioning and Packaging Sizes**

Because general consumer purchasing power in Rwanda remains relatively modest, a rigid one-size-fits-all packaging strategy will fail. Exhibitors should adjust their product positioning and introduce smaller, more affordable, and high-frequency packaging sizes (such as single-use sachets or economy family packs) that align precisely with local household income levels and daily buying patterns.

### **7.4.4 Maximize B2B Networking and Experiential Engagements**

Participating in the trade exhibition should not be treated as a passive retail exercise. Emerging Kenyan brands must use the fair as a strategic B2B node to directly engage, interview, and secure commitments from local distributors, commission agents, and wholesale buyers (particularly those operating out of major distribution hubs like Nyabugogo). Establishing these face-to-face relationships during the exhibition is the single most effective way to secure the local partnerships required for successful long-term distribution.

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