

MANUFACTURING AFRICA – RWANDA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



ELECTRIC TRUCKS – GLOBAL VEHICLE TRUST (GVT) DEAL SUPPORT

Manufacturing electric trucks to alleviate Rwanda's transport issues

UK company Global Vehicle Trust (GVT) was founded to tackle the transport shortage that prevents growth in developing countries. It aims to provide cost-effective transport to enable communities to undertake crucial daily tasks, such as collecting drinking water and transporting grain, fertiliser and building materials. It has created the OX, the first flat-pack all-terrain utility vehicle that is designed to be manufactured locally. GVT is establishing an electric truck manufacturing plant in Rwanda through its fully-owned subsidiary, OX Rwanda. Using the latest e-mobility technology, these trucks will help to alleviate the country's transport issues – without polluting the environment.

This is an important green field project for Rwanda. It is complex and requires large investments and strong evidence to attract investors.



THE CHALLENGE

To attract the funding needed to develop and test a minimum viable product (MVP), OX Rwanda needed to create a viable roadmap and business model and required expert support to attract investors.

OUR SUPPORT

During the 2020 UK-Africa Investment Summit, Manufacturing Africa met with executives from GVT, a UK company interested in manufacturing trucks using an e-mobility solution. We engaged with the investor to understand the potential to launch such a project in Rwanda and introduced them to the Rwanda Development Board (RDB), which assigned a relationship manager to the project. Working closely with GVT, we developed a business model to attract investment in the form of equity or grants. We also helped GVT to:

- Create materials to attract equity investors and donor support through grants;
- Accelerate the investment process by connecting GVT with stakeholders.



Up to

500

jobs to be created

FIRST

flat-pack all-terrain utility
vehicle to be made in Rwanda



IMPACT

With Manufacturing Africa's support, GVT received a recommendation through a letter of intent from the RDB and to date has attracted grants worth £1.4 million. GVT has already deployed some of the funding to develop the OX prototypes, and has appointed a Chief Executive to build the team that will work in the factory. To accelerate implementation, we are engaging with key stakeholders, including telecom and solar energy companies, the Rwanda Transport Development Agency and the revenue authorities. With our support, GVT was able to convince additional investors to join the project and conclude partnerships with local stakeholders in record time.

Although the new production facility is still under development, its potential impact is huge. It is expected to:

- Bring new and unparalleled technology to Rwanda;
- Employ at least 500 workers in its factory;
- Help to develop a new skilled work force with a focus on youth and gender equality at all levels;
- Reduce the cost of transport for critical sectors of the population;
- Contribute to the green economy by reducing the emission of greenhouse gases through the electric trucks.

We greatly benefitted from the collaboration with Manufacturing Africa [MA] in several areas. We bring excellence in UK engineering which was complemented by financial modelling expertise, local knowledge and networks from the MA team. MA helped us finetune our business model and match-make with local financing partners. Thanks to this, we could quickly progress with our electric vehicle plans and set up a local team in Rwanda. The team on the ground helped to put us in contact with all relevant stakeholders and supported the exchange with the RDB. We are looking forward to continuing our collaboration with MA as the teams share our vision and ambition to set up an electric vehicle plant in Rwanda.

COLIN TEBBETT
EXECUTIVE DIRECTOR, OX RWANDA



LESSONS LEARNED

On-the-ground experience is critical for greenfield projects. A company coming to do business in Rwanda and Africa for the first time requires on-the-ground experience to engage with the right stakeholders. Effective communication and frequent engagement are key to overcoming the sorts of challenge greenfield projects face and ongoing support may be required until the company is fully operational.

This programme is funded by UK aid from the UK government; however, the views expressed do not necessarily express the UK government's official policies.

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