

Manufacturing Africa is a regional programme that 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).

Newsletter – Rwanda – March 2021



Welcome to the Manufacturing Africa (MA) Rwanda newsletter – The ‘Green’ Edition

Rwanda is widely recognized as a trailblazer in environmental stewardship in Africa and beyond. It is therefore not surprising that MA's support to the country has focused on contributing to the growth of the 'green economy'. MA is grateful for the partnership and collaboration it has established with the Rwanda Development Board (RDB) and other government institutions in not only promoting investment and job creation, but in also supporting policy changes to boost Rwanda's circular economy and identifying investors for the green leather and sustainable packaging sub-sectors.

This newsletter edition will showcase some highlights of MA's 'green footprints' in Rwanda.

The potential of Rwanda's green economy*

\$232M

potential revenue
per annum

2.2%

of GDP (total GDP was
\$10.2 Billion in 2020)

+600

Potential direct Jobs
Supported by Green
Economy sector

Sub sectors of the Green Economy

- Green Leather potential annual revenue \$181 million (finished leather products)
- Sustainable Packaging potential annual revenue \$ 51 million

*The Green Economy is an alternative vision for growth and development in ways consistent with sustainable development. It promotes a triple bottom line: sustaining and advancing economic, environmental and social well-being

The Green Economy Study

In line with Rwanda's commitment to the environmental agenda, the country has introduced several policies to harness opportunities in the circular economy. The Government through the Rwanda Development Board (RDB) solicited Manufacturing Africa's support to carry out a study on how the country can promote its green economy.

MA mapped existing initiatives under the Circular Economy with the aim of enhancing production processes, the waste management system and the overall circular economy. Based on the analysis, MA prepared draft policy options for the Government on how to further support the circular economy by innovating design, improving product longevity, minimising resource wastage and promoting recycling. The study looked at two sub-sectors in detail: sustainable packaging and green leather and identified potential investor leads.

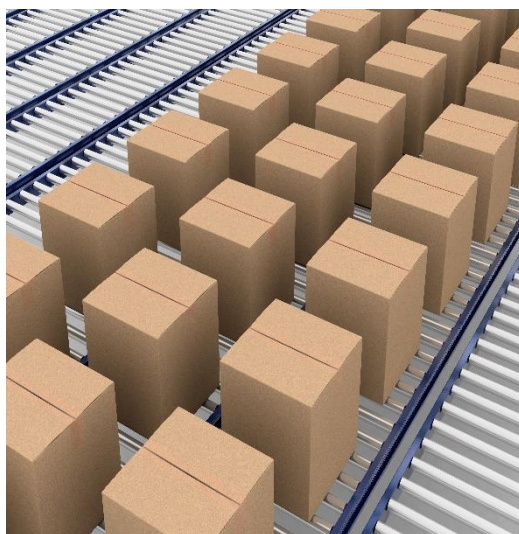


A: Sustainable packaging

The sustainable packaging materials market is import reliant and growing at a rate of 15% annually. Local production could preserve Rwanda's foreign currency and potentially stabilise supply and prices.

The MA team prepared a set of recommendations including policy measures that could provide a competitive advantage for Rwanda. The following prospects were highlighted:

- Opportunity to develop a **12,000TPa** plastic recycling plant and a **25,000 TPa** paper recycling plant.
- Opportunity to produce **15,000 TPa** bio-pulp and **5,000 TPa** moulded bio-degradable packaging products
- Opportunity to produce **5,000 TPa** paper cartons and tea bags



B: Green Leather

The green leather project targets the international luxury sector and could potentially brand Rwanda as a niche market for luxury leather. MA reviewed existing feasibility studies and undertook the following initiatives to promote green leather manufacturing:

1. Developed a roadmap for the production of sustainable leather in Rwanda to be implemented within the existing leather tanneries project in the industrial park in Bugesera.
2. Developed a value proposition for manufacturers including MSMEs and big industry.
3. Mapped investment opportunities and developed investment promotion materials outlining the competitiveness and investment advantages of the green leather sector.



A green leather plant could
potentially generate revenue of

~\$1.5 million
a year

&

create
300+ jobs

\$30-\$59 MILLION

opportunity in finished leather

\$181 MILLION

opportunity in finished leather goods



Coming Soon: An Electric Truck ‘Made in Rwanda’

During the 2020 UK-Africa Investment Summit, the MA Team met executives from GVT - a UK company interested in manufacturing trucks using an e-mobility solution in Rwanda. From the discussions, the MA Team established that through its fully owned subsidiary - OX Rwanda - GVT planned to establish an electric truck manufacturing plant in Rwanda. The plant will produce the first flat-pack all-terrain utility electric vehicle to be manufactured locally. MA introduced GVT to the Rwanda Development Board (RDB) who assigned a relationship manager to the project. Working closely with GVT, MA supported in the development of a viable business model designed to attract funding in the form of equity or grants. Through MA support, GVT has secured an initial funding to be spent on the creation of a Minimum Viable Product (MVP). GVT being a foreign entity has benefited from the MA Team’s support in navigating the unfamiliar waters of doing business in Africa.



"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**



Supporting Environmentally Friendly Farming

A Rwandan company produces organic fertiliser appreciated by farmers for its role in supporting natural plant growth without the use of pesticides and other chemicals that are harmful to the environment. Some farmers have reported a 15% increase on their yield while using the organic fertiliser products.

MA support has assisted the company to get “investor ready” to boost its fund-raising efforts. Some of the services MA has provided include; value chain analyses, creation of a business model, a comprehensive business plan, a pitch deck and an investor memorandum. MA has also helped the company to create investment material targeting a mix of debt and equity investors. MA supported the company in stakeholder engagement with the aim of enhancing awareness about the company’s products to farmers. MA will continue to assist the company’s resource mobilisation efforts by promoting frequent engagement with potential funders.



Upcoming Webinar

WEBINAR

Textiles & Apparel opportunities in East Africa

18 March 2021 at 11:00-13:00 EAT

Hosted by **Manufacturing Africa** - a programme funded by the UK Foreign, Commonwealth & Development Office (FCDO) that aims to reduce poverty by attracting **£1.2 billion** of foreign direct investment into manufacturing and creating **90,000 jobs** across 7 countries in East and West Africa



Despite the decline in growth of the global apparel industry, **East Africa's apparel market is expected to continue to grow at twice the rate of the global apparel industry.** E. Africa boasts a market size of over \$1.5 billion creating multiple opportunities to develop the textile value chain.

Do you want to learn more about the opportunities in the region's textile and apparel sector? Want to see where your next destination could be? **Join the Textiles and Apparel Opportunity in East Africa Workshop and be part of the conversation.**

Workshop agenda

-  Update on Manufacturing Africa and why invest in East Africa and Kenya?
-  Overview of the landscape and market
-  What investment opportunities exist? What is the value at stake?
-  What is the path to realising these opportunities?

Participant profile

International investors and businesses with an interest in East Africa's market opportunities in textiles and apparel

Programme details

18 March 2021 at 11:00-13:00 EAT

Join here: [Zoom link](#) (Passcode: 024042)

For more information
For more information, please reach out to info@manufacturingafrica.org

Jointly hosted by:






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

If you have any questions about the Manufacturing Africa programme or would like to subscribe to the newsletter, please reach out to:

Contact us: info@manufacturingafrica.org