



Green Leather - Rwanda opportunity

KIGALI, 2021

Rwanda at a glance



Population size
12.1 million



Govt. & Parliament
Presidential republic
Bicameral parliament



Official languages
Kinyarwanda,
French, English, Swahili



GDP per capita
USD 774 (3.8x since '02)



Literacy/Unemployment
68% / 16%



GDP (10 yr growth)
USD 9.1bn (7.5% p.a.)



Currency/exchange rate
Rwanda Francs (RWF)
~RWF **875**/USD¹



Ratings
B+, "stable" - Fitch
B, "stable" - S&P

Rwanda is...



...fast growing

- 2nd fastest growing economy in Africa (7.5% p.a. since 2007)
- Most improved nation in human development in the world
- Young and growing population (~70% of population under 30)



...low risk

- 5th safest country to walk at night worldwide
- Lowest debt ratio in region & stable credit ratings
- Stable currency



...business friendly & modern

- 2nd for doing business in Africa¹
- 1st for Government transparency in Africa
- Most women in Parliament and in a gender-balanced Cabinet in the world (respectively 61% and 50%)



...a regional platform

- Strong African hub potential; highly connected African airline
- 3rd MICE ranking in Africa; +18 ranks in 3 years
- Growing bilingual, educated workforce (~50k tertiary grad./yr)



...IT ready

- 1st in the EAC for network readiness; 5th in Africa
- 95% 4G LTE network coverage
- 7,000km of fiber domestically and 3 international fiber optic routes provide reliable connectivity to Seacom

1. Doing Business 2019

Sources: UN (UN-HDI), World Bank, WEF, Global and Africa Competitiveness Report, ICCA, Global Gender Gap report, Gallup, ICCA, RDB, BSC (majority 2017)

Rwanda has top quality hides and skins

and has the potential for



Competitive advantages for Green Leather investment in Rwanda

Premium quality raw hides and skins, thanks to Rwanda's zero grazing and no identification marking policy and naturally higher thickness

Conducive business environment. Rwanda ranks 2nd for ease of doing business in Africa

Highly supportive Government committed to help investors in the growth of the green leather sector including:

- development of a green tannery park in Bugesera
- Gako beef project
- skills training project for the meat value chain (MINICOM)
- imposition of 85% levy on export of raw hides and skins to encourage local value addition

Challenges faced in the green leather sector include lack of established supply chain, limited infrastructure and in-country know-how



Lack of established supply chain

Fragmented supply chain with limited integration between farmers, abbatoirs, traders and tanners hampering traceability of leather from farm to tannery



Limited infrastructure

Poor infrastructure between Kigali and smaller rural towns which affects transportation and storage of hides and skins



Poor expertise

Limited tanning expertise with only 1 operational tannery
Limited knowledge of advanced technical and environmental practices given nascent industry

Rwanda would need to meet the highest sustainability and quality standards to access attractive international markets ...



Primary drivers of change to tap into this opportunity include:

Establishment of green manufacturing units with

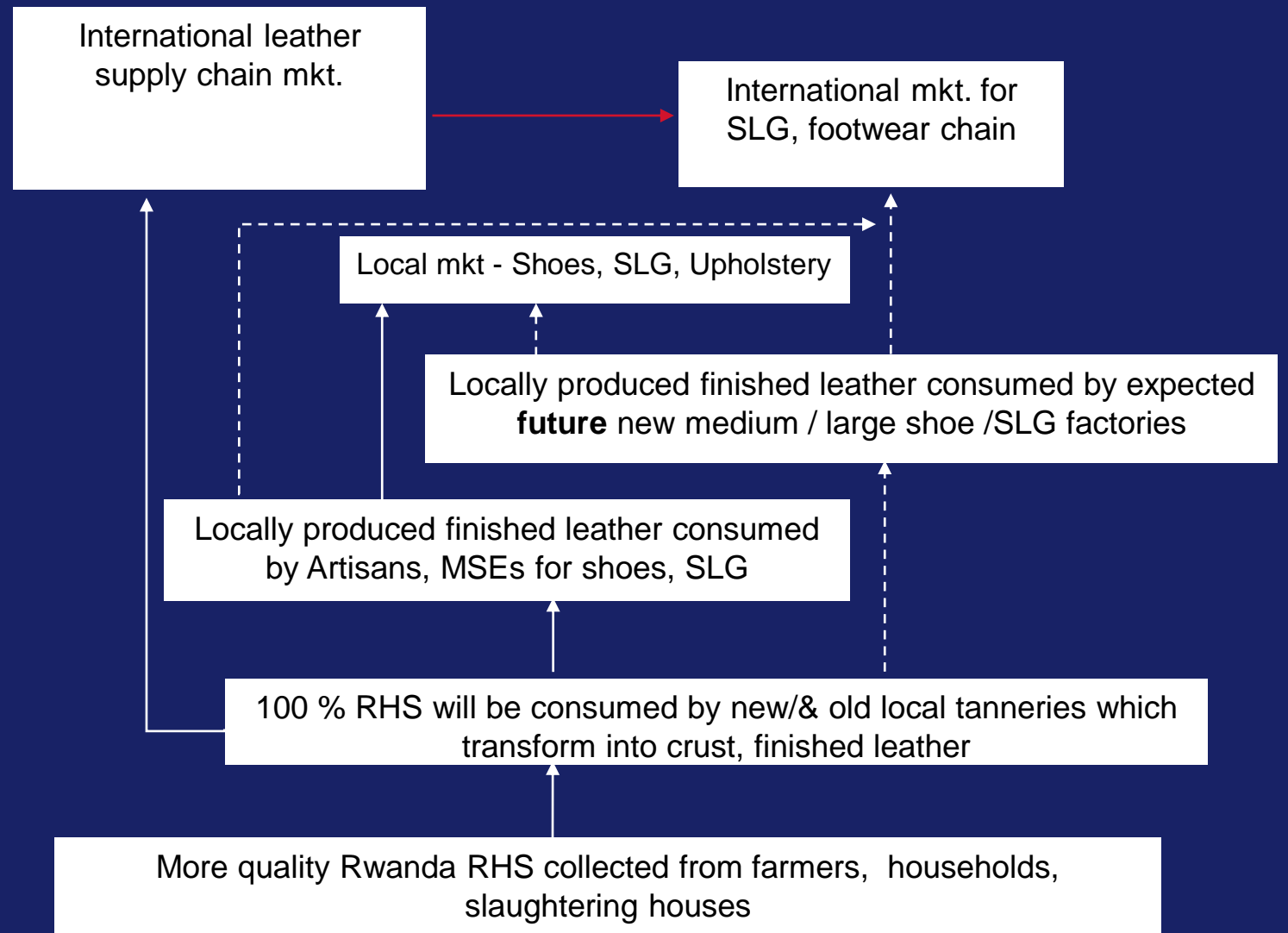
- Central effluent treatment plant (CETP)
- Training & product development center

Develop the skills and capacity of local human resources including on the use of appropriate technologies for green leather production

Develop a standard and traceability system across the value chain

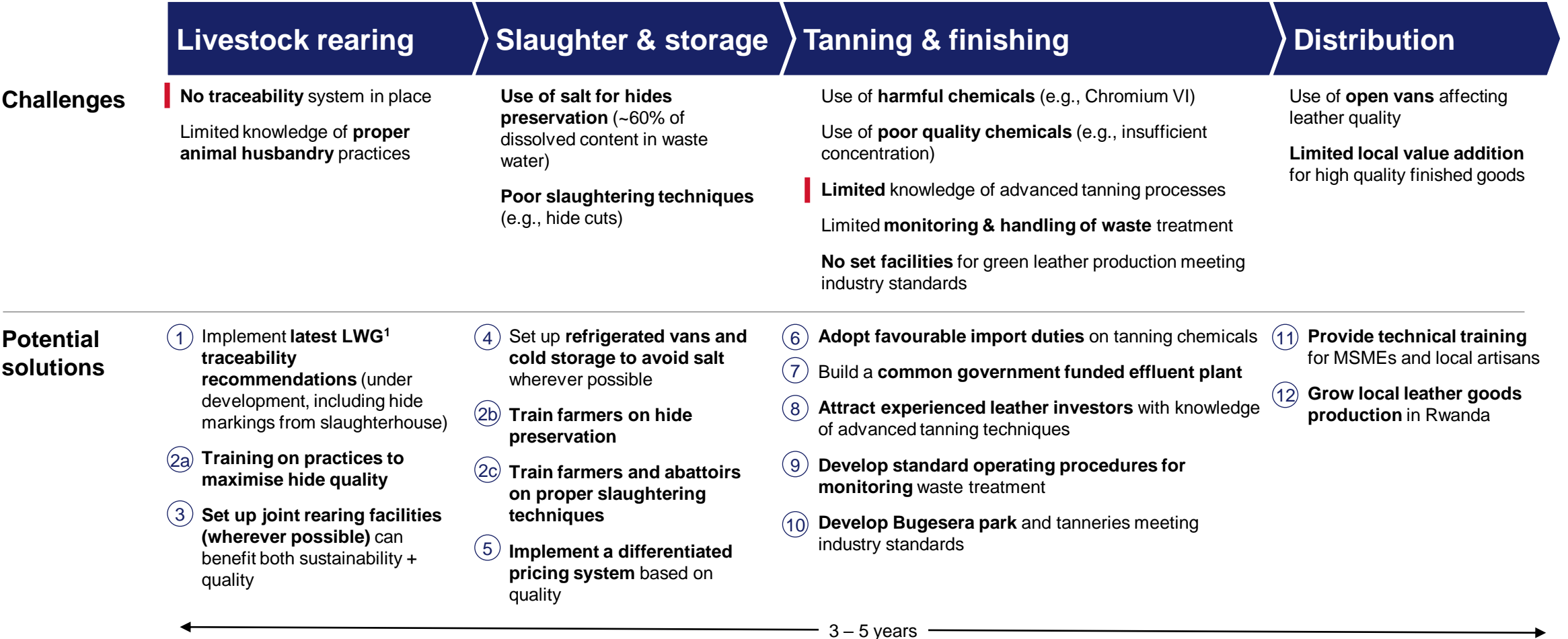
... Rwanda's pathway to reach to its ultimate goals ...

This model would lead to maximized value addition; increased exports; import substitution and new job creation



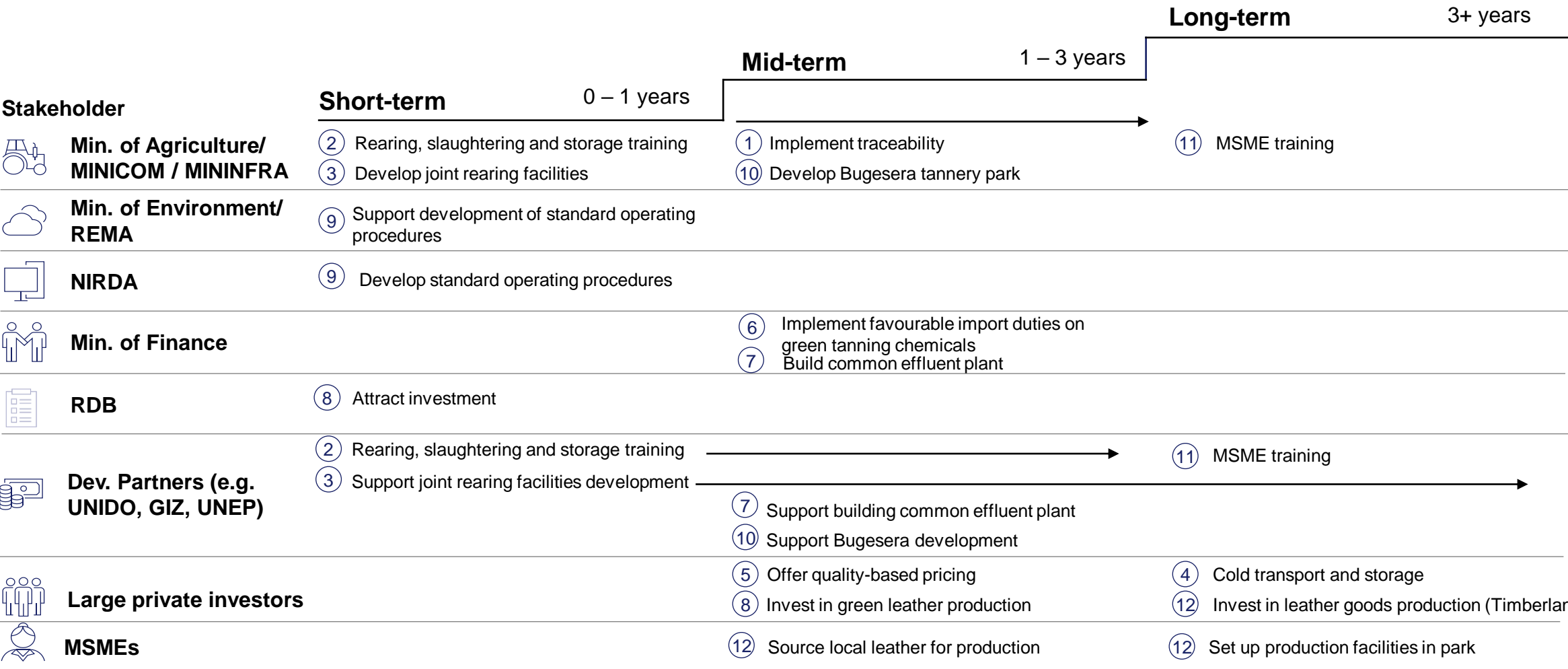
Development of the green leather industry will require coordinated action by a range of key government and other stakeholders, will take at least 3 - 5 years

Critical challenges



Key stakeholders have committed to a roadmap for developing the industry

PRELIMINARY – TO BE REVIEWED WITH INDUSTRY STAKHOLDERS



Milestones

- Completion of Bugesera tannery park
- LWG certification for tanneries ⁹