

TRADE POLICY REVIEW

RWANDA

Report by the Government

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by the Government of Rwanda is attached.

Note: This report is subject to restricted circulation and press embargo until the end of the meeting of the Trade Policy Review Body on Rwanda.

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I. INTRODUCTION

1. Rwanda is a landlocked Central African country with an area of 26,300 km². It borders Burundi to the south, the Democratic Republic of Congo to the west, Uganda to the north and Tanzania to the east. Its population, of which more than 90 per cent is rural, was estimated at 8.2 million in 2002 with 315 inhabitants per square km, it is the most densely populated country in Africa.

2. Rwanda still suffers from the economic consequences of the genocide, such as lack of infrastructure, skilled man power and the public expenditure involved in keeping numerous persons in prison awaiting trial for crimes relating to the genocide. The budget continues to be dependent on foreign aid (US\$45 per inhabitant and 9.2 per cent of GDP in 1999).

3. Agriculture employs more than 90 per cent of the working population and accounts for some 44 per cent of Rwanda's real GDP, as against approximately 10 per cent for manufacturing activities and 46 per cent for services as of 2001. The mining sector's contribution is improving notably coltan, tungsten and cassiterite, the mining and export of which increased in 2001. The low level of foreign investment, partly due to insecurity in the region, has not favoured diversification of the country's production and export structure. This lack of diversification has left Rwanda vulnerable to external shocks of a climatic nature or resulting from international market fluctuations.

4. Rwanda exports essentially primary products, in particular coffee and tea (the main cash crops), and coltan. These three products accounted for 77 per cent of exports in 2002. The share of manufactured goods has remained very small, in spite of the Government's determination to promote the exportation of non-traditional products. In 2002, re-exports, chiefly to the DRC, accounted for some 16 per cent of total exports.

5. Rwandan imports are dominated by manufactured goods, particularly machinery and transport equipment. The increase in imports of consumer goods, telecommunications equipment and office machinery reflects the economic recovery and, in particular, the expansion of services activities. The other main categories of goods imported into Rwanda are food products and products of the mining and quarrying industry, in particular petroleum products.

II. ECONOMIC PERFORMANCE

(1) OVERVIEW

6. Rwanda is pursuing its reconstruction programme, partly funded by foreign aid. It has been able to bring its economy back to the level of 1990, with a real GDP for 2000 matching the 1990 figure. Despite a decline in the terms of trade of some 40 per cent between 2000 and 2002 (due to the fall in coffee and coltan prices), real GDP grew by 9.4 per cent in 2002 (as compared to 6 per cent in 2000 and 6.7 per cent in 2001), because of the construction industry and agriculture. Estimated growth for 2003 is about 3.5 per cent.

7. The exchange rate system was partially liberalized in 1995, and all current transactions were liberalised in 1998. Under the Exchange Regulations, export proceeds must be repatriated within three months from the date of physical departure of the goods and must either be surrendered onto the exchange market or preserved in foreign currency in accounts opened in authorized banks. In any case of unforeseen circumstances that delay repatriation, the National Bank of Rwanda (NBR) must be so notified. The obligation to surrender foreign exchange was abolished in 1997, enabling exporters to use the totality of their export revenue for current transactions. However, the foreign currency repatriation obligation is still in force.

8. Public revenue has risen due to the improved collection of customs revenue, the introduction of VAT in 2001 and the increase in its tax rate from 15 to 18 per cent, the introduction of excise duties on vehicles, the setting up of a tax auditing system for large enterprises to reduce tax evasion, and the subjection of all salary-related benefits and allowances to income tax. These measures led to an increase in public revenue from 9.7 per cent of GDP in 2002 to 11 per cent in 2003. A monthly expenditure control system and measures to reduce extra-budgetary expenditures have been introduced. The public deficit (excluding grants) was at 8 to 10 per cent of GDP between 1998 and 2001, but increased in 2002 (11 per cent) and 2003 (12.1 per cent), owing mainly to non-recurrent expenses (estimated at 4.7 per cent of GDP in 2003) relating to the demobilization of soldiers, the holding of elections, the increase in strategic oil reserves, and the purchase of equipment for the health sector.

(2) SECTORAL PERFORMANCE

(i) Agriculture and related activities

9. Agriculture is a backbone of Rwanda's economy accounting for 44 per cent of GDP. 90 per cent of Rwanda's working population are employed in the agricultural sector (including plant and animal production, fishing, forestry and related activities) live in rural areas and depend heavily on this sector.

10. Agricultural productivity has been declining for over time because of environmental degradation and loss of soil fertility through over-cultivation; limited use of modern inputs; and excessive parcelling-out of land. This decline is also attributable to the fact that demographic pressure has forced farmers to use less fertile land at the base of the hills. Traditional cultivation methods are still widespread.

11. Agricultural output is mainly based on family and subsistence farming, with almost 80 per cent of farms less than one hectare. Livestock production is being developed. Fishing and forestry are underdeveloped. Bananas, sweet potatoes, cassava, beans and sorghum are the main food crops. The chief cash crops are tea and coffee, which provide more than half of Rwanda's export revenue. A third industrial crop (pyrethrum) was revived in the mid-1990s and other agricultural products are coming up like flowers and passion fruits. Rwanda is a net importer of food products. Its imports of cereals, vegetable and animal oils, sugar and dairy products accounted for 16.3 per cent of total imported goods in 2002.

12. The main objectives of Rwanda's agricultural policy is food security, poverty reduction, export promotion and environmental protection. Agricultural strategy, as laid down in "Rwanda Vision 2020", aims to move from subsistence farming to market-driven agriculture, and to reduce the number of people working in the sector from 90 to 50 per cent over a period of 20 years. This will involve improving land use and soil conservation and management; developing the markets for land, inputs and finished goods; enhancing production methods through research, extension services and more intensive application of modern inputs; promoting rural credit schemes and other financial mechanisms; delivering training for farmers' and professional associations; and improving storage facilities, market places and road infrastructure to ease the isolation of farmers. The plan is also to encourage the diversification of crops and of more lucrative and nutritious products such as potatoes, cassava, maize, sorghum, wheat and soya, through regional specialization based on comparative advantage. At present, five crops, namely, beans, maize, potatoes, rice and soya have been declared priority crops.

13. The share of fishing in real GDP is low, and was estimated in 2002 at 0.33 per cent. Following the 1994 genocide, production had fallen to under 2,000 tonnes of catch per year. However, rehabilitation and revitalization efforts have led to a significant increase in production, which reached 7,100 tonnes in 2001, and was estimated at 7,000 tonnes in 2002.

14. The Government hopes to develop the fishing subsector through various programmes aimed at increasing productivity. This will be accomplished through rehabilitation and enhancement of the fish stock; a participatory approach to lake management, and the strengthening of fishing and fish farming associations. State involvement in production-related activities and marketing will be phased out through privatization of State fisheries and fish culture establishments, in order for increased focus to be placed on planning, research and extension services to impart new production techniques.

(ii) Manufacturing and crafts

15. The manufacturing sector is still at an embryonic stage. In 2001, the sector employed fewer than 2 per cent of the active population (22,356 employees in 2000) and its share in real GDP was estimated at 8.6 per cent for 2001 (10.5 per cent in 1996). Exports of manufactured goods are very limited and consist almost exclusively of agro-industrial products, mainly tea, coffee and pyrethrum. Apart from these products, the agro-food industry is not highly developed, and output is mainly geared towards the domestic market.

16. In 2001, Rwanda had 111 small, medium and large manufacturing enterprises. Manufacturing is dominated by the food processing industry (45 enterprises, 15 of which produce coffee and tea). Food processing provides almost 70 per cent of all industrial jobs, employing 24,603 people, 15 per cent of whom work in the tea and coffee sub sectors. There are 10 establishments in the furniture industry and 13 each in publication and printing, and the manufacture of chemicals. The sector consists mainly of small enterprises – 88 with fewer than 100 employees, eight establishments have a staff of over 500 (tea, textile and cement sub sectors). In 2000, around 77 per cent of workers in the sector were employed by 22 public and parastatal entities.

17. Production focuses on the manufacture of goods such as beverages, textiles, tobacco, cement, tea and coffee. Three areas, beverages and tobacco-based products, food products, and chemicals account for approximately 66 per cent of production in 2002. Almost two-thirds of the companies involved are located in Kigali.

18. The main objective of industrial policy is poverty reduction. Under the "Vision 2020" programme, the Government expects to channel investments into light industry for the processing of local resources, and to focus on economic diversification and competitiveness within an export-oriented setting. In order to achieve this, detailed files on local resources, their availability and markets are provided to potential investors. The Government also intends to develop the appropriate infrastructure (in particular transport, communications, water and energy) and to provide a sound legal framework in which industry can thrive. It further plans to promote local change through the establishment of free economic zones, and accelerate the process of privatization.

19. The national crafts policy indicates the main orientations with regard to the development of this sector. The policy is available and is in the process of being adopted by the cabinet. Though the sector has a high potential for export, it is hampered by the following problems: inadequacy of vocational and entrepreneurial training of craftsmen, accessibility to finance, finding markets to their products, etc.

20. The organisation of the craft industry aims particularly at implementing a co-ordination unit at the national level and support to basic initiatives in districts (trade associations) and Provinces

(Regional Guild Chamber) in which craftsmen organise themselves. The unit will play a key role. It will be in charge of creation of certain conditions likely to lead the growth of the sector (entrepreneurial training, dissemination of information, organisation of meetings, links between the sector and the government). The Government of Rwanda has drafted a law on the organisation of the Craft sector in Rwanda and is being debated on by the relevant stakeholders

(iii) Mining and energy

21. The mining industry employs just over 600 workers, and contributed 0.2 per cent of real GDP in 2001. Cassiterite (tin oxide), colombo-tantalite (coltan) and tungsten are the most extensively mined minerals, and their production in 2001 totalled 555, 395 and 162 tonnes respectively. As in the case of other sectors, mining also suffered from the effects of the 1994 genocide; in 2001 mining production was down to 77 per cent of its 1990 level. The mining industry exports all its production, which in 2002 amounted to 35.5 per cent of total goods exports. The Ministry in charge of mining issues various types of permit - concessions, special operating permits, and temporary authorization for mining surveys and operations. A mining concession is valid for 30 years and renewable for 15-year periods. A new mining code is in the process of being adopted and aims at facilitating investors in this sector.

22. Special operating permits are reserved for small-scale mining or limited production and for small-scale mining associations.

23. The Government plans to extract methane gas in lake Kivu to solve the problem of power shortage. It envisages the following alternatives to the traditional sources of energy production: establishment of micro-power plants, use of solar and wind energy (particularly in rural areas), geothermal energy, use of peat or methane gas from Lake Kivu, with an estimated 55 billion m³ in reserves. As far as solar energy is concerned, a pilot project to supply electricity to 30 villages is under review by the World Bank.

(iv) Services

24. Services accounted for more than 45 per cent of real GDP in 2002. The largest sub sectors were the wholesale and retail trade (between 9 and 10 per cent of GDP), public administration (7 per cent of GDP), and transport and communications services, whose share in GDP rose from 4.1 per cent in 1997 to 7.5 per cent in 2002. Financial services are not highly developed and account for approximately 3 per cent of GDP.

25. The finest tourist attractions in Rwanda are its natural sites: the Volcanoes National Park (in the northwest), which is the most popular and is a habitat for mountain gorillas; the Akagera National Park (in the east); the Nyungwe National Park (in the southwest) and Lake Kivu. These tourist attractions are managed by Rwanda Office of Tourism and National Parks. The promotion of eco-tourism, cultural tourism and domestic tourism are special areas of priority.

26. All tour operators wishing to set up a business in Rwanda must register with the Rwanda Investment Promotion Agency (RIPA). Licences and permits required to establish and manage hotels are issued free of charge. The Government has prepared a framework law on tourism, which is supported by decrees governing the activities of travel agencies, and establishing standards and ratings for restaurants and hotels. Consideration is also being given to the establishment of a Rwandan tourism development fund.

27. The telecommunications sector is governed by Law No. 44/2001 of 30 November 2001 regulating telecommunications. A public utilities regulatory agency and its supreme body, the

Regulatory Board, were established in 2001. Standard licences are delivered in four weeks by the Board and individual licences in three months by the competent authority, on the Board's recommendation. The Law makes it mandatory for networks to be interconnected, where requested by one of the public telecommunications operators.

28. The Law requires public telecommunications operators to offer individuals and organizations connection to a public telephone service in the region of Rwanda for which their individual licences have been issued. It also establishes a "universal access fund", made up of contributions by the public telecommunications operators. These contributions are set by the Regulatory Board (maximum of 4 per cent of turnover). The aim of the fund is to facilitate the broadest possible access to public telephony throughout Rwanda. Public network operators and providers of public telephone services themselves set and submit the tariffs to the Regulatory Board, which may ask them to reduce their rates to a level that reflects the cost of providing the service. The rates of interconnection negotiated between operators must also observe the principle of approximating real costs.

29. There are currently two operators providing fixed-line telephony – RwandaTel and Artel (rural telephone services). RwandaTel is the owner of the network system; interconnection is governed by agreements between operators. Two licences were awarded in 2003 – one to Rwandacell for fixed telephony and the other to RwandaTel for mobile telephony. The government of Rwanda envisages the privatisation of Rwandatel.

30. The banking subsector in Rwanda consists of the National Bank of Rwanda (NBR), Rwanda Commercial Bank (RCB), Banque à la Confiance (BANCOR), Compagnie Générale des Banques (COGEBANQUE), BACAR, Bank of Commerce, Development and Industry (BCDI), the Mortgage Bank of Rwanda (*Caisse hypothécaire du Rwanda*), the Rwandan Development Bank (RDB), the Union of People's Banks of Rwanda (*Union des banques populaires du Rwanda* - UBPR), which groups savings and loans cooperatives, and Duterimbere, an institution specializing in micro-finance. The Government's shares in RCB and BACAR are in the process of being sold to the public.

31. Under the provisions of the 1999 law on banks and other financial institutions, the NBR is responsible for regulating and supervising the banking system. NBR approval is required for the establishment of any financial institution or branch office. An application for such approval must be submitted to the NBR, stating the purpose of the institution to be established, with detailed information on the share ownership, and must include a feasibility study showing financial projections over a five-year period and explaining the assumptions on which those projections are based. A minimum capital endowment is required, together with a commission to be paid to the NBR; the amounts required vary depending on the nature and purpose of the institution. Since 2001, the minimum capital requirement has been RF 1.5 billion for commercial banks, RF 3 billion for investment or development banks, 500 million for merchant banks; 200 million for savings funds, 300 million for financial credit institutions, 10 million for financial associations or cooperatives, commission agents or brokers, and foreign currency exchange bureaux, and 100 million for portfolio management firms. This requirement extends equally to foreign and Rwandan establishments.

32. Managers of banks or financial institutions are required to have resident status, that is, in the case of a natural person, to be domiciled in Rwanda, or, in the case of a legal person, to be registered in, or operate from, Rwanda. Conditions for access to the banking profession in Rwanda are similar to those governing the exercise of management duties. Access to the banking profession is not restricted to residents, and no specific requirements are imposed on foreigners.

33. The insurance subsector includes three commercial entities, SONARWA, COGEAR and SORAS, and the Rwandan Insurance and Re-insurance Company (CORAR) offer a conventional range of insurance products (life, health, property).

34. Under the 1982 law establishing conditions on the insurance industry, the provision of insurance coverage is exclusively reserved for legal persons incorporated under Rwandan law. The 1982 law also sets a minimum threshold of 30 per cent for Rwandan ownership in the equity of any insurance company. The National Insurance Control Commission, under the Ministry responsible for finance, was created in 2002 to review compliance with the terms of approval. The Commission is also responsible for supervision of the subsector, mainly in issues relating to solvency and Insurance premiums are currently set by the companies themselves.

35. Rwanda's road network covers approximately 14,000 kilometres, 7.3 per cent of which is asphalted. Despite a road density of 0.52 km per square kilometre, one of the highest in Africa, the poor road conditions (particularly the unasphalted roads) and interconnection network make it difficult to reach markets in the interior: it is estimated that close to 50 per cent of the mostly rural population live more than an hour away from the nearest market. Because of the great distance separating Rwanda from shipping ports (over 1,500 km), and the state of road transport infrastructure in the sub region.

36. The main priorities are to continue the rehabilitation of roads damaged by the 1994 conflict, raise the proportion of asphalted roads and ensure the maintenance of existing road infrastructure. The Government has opened the market for road works to private enterprises. Public transport services are open to private competition.

III. TRADE POLICIES

(1) TRADE POLICIES OBJECTIVES

37. Rwanda considers trade to be an essential economic growth factor. In this regard, the main aim of its trade policy is to contribute to the country's social and economic development and to poverty reduction as stipulated in our Vision 2020.

38. Consequently, Rwanda is in the process to integrate trade policy into a broader strategic framework after the implementation of the Integrated Framework.

39. Rwanda's Vision 2020 is aimed at raising Rwanda to middle income status over a period of 20 years. It also deals with sound political and economic governance, transformation of rural economy, development of services (primarily tourism, ICT), industry (mainly textiles) and human resources development and promotion of private sector, and regional and international economic integration.

40. To attain these objectives, Rwanda plans to accelerate its economic growth, to stimulate its economy through programs geared towards disadvantaged areas, to promote food security by using quality seeds and fertilizers and improving storage facilities, to diversify its exports, to encourage its small and medium-sized enterprises and to make more effective use of its natural and human resources. It recognizes that development of the private sector calls for more extensive liberalization, privatization and strengthening of the partnership between the public and private sectors.

(2) TRADE POLICY FORMULATION AND IMPLEMENTATION

41. The government's trade policy formulation and implementation is carried out mainly by the Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives in collaboration with the Ministry of Finance and Economic Planning. Depending on matters involved, trade policy is coordinated by other relevant Ministries and institutions involved in trade related matters. The private sector is also consulted in this process.

(3) SECTORAL POLICIES

42. Rwanda intends to do the following:

(i) Agriculture and livestock

- To develop the Coffee Sector such that it is selected and of high quality in order to compete world wide.
- To Privatised the Tea plantation and their cooperatives with the intention of increasing production.
- To develop the pyrethrum sector such that citizens can improve their living standards through exportation of this product with added value.
- To encourage farmers to modernise their farming practices and make it professional.
- To facilitate farmers to access finance at low rates of interest and to secure a guarantee fund.
- To increase production and add value to agricultural and dairy products in order to reduce the importation of those products.
- To increase the number of agro-industries and construction of granaries country wide.

(ii) Trade, industry and crafts

- To strengthen the economic partnership forum between the public and private sector in order to defend the interest of consumers, business community and economic development.
- The government will pursue the process of simplifying laws and regulations governing trade, industry and crafts.
- Capacity building to those involved in business, Industry and Crafts.
- To promote our industrial products and crafts on the international markets.
- To sensitise the business community, industrialists and craftsmen to improve the quality standards of their products.
- To encourage the industrialists to create assembly plants in Rwanda such that there is added value in order to develop skills and increase our exports to reduce the importation of necessary equipments abroad.

(iii) Tourism

43. The government will focus on identifying and developing all tourism sites including lakes, volcanoes, rivers, National parks and other attractive traditional sites in Rwanda.

(iv) Investment

44. The government in the Investment sector will focus on strengthening security and Macro economic stability in order to encourage investors in Rwanda. Rwanda created an Investment Agency, the Rwanda Investment Promotion Agency (RIPA). The major objectives of the agency are:

- To promote investment opportunities with local and foreign investors;
- To facilitate the establishment and smooth operations of investment projects;
- To facilitate business development and export-oriented production;
- To advise the Government on additional policies and support investment in the country.

45. The agency serves as a one-stop-centre for investors in the country with responsibilities to:

- Receive and process applications for the registration of projects;
- Execute the functions of the one-stop-centre;
- Provide any other support and assistance as investors may require when establishing and operating their projects.

(v) Standardization

46. As global trade emphasizes on standards, quality and safety of products and services, Rwanda Bureau of Standards was created to promote conformity of the products and services to the standards. This creates confidence in Rwandan products and services hence promoting trade. This uplifts standards of living of the people.

47. Rwanda Bureau of Standards was established by Rwanda government with the following objectives:

- To improve Rwandan economy by enhancing the competitiveness of Rwandan products and services in the local, regional and international markets.
- To protect health and safety of the people through implementation of standardization.
- To provide information in area of standardization to Rwandan citizens and in particular to business community.
- To create an active National Enquiry Point (NEP) so as to be able to acquire and disseminate information regarding WTO and TBT.
- To stop dumping and counterfeit in Rwanda hence promoting fair trade.

48. Rwanda Bureau of Standards intends to fulfil the above objectives through its major functions.

- Develop national standards.
- Implement standards.
- Establish proper testing laboratories for conformity assessment.
- Establish metrology laboratories to offer calibration services.
- Put in place product and service certification scheme.
- Increase capacity building for industries and business community.

49. Rwanda has undertaken various reforms to rebuild its economy. It has made significant progress in economic liberalization and the revision of its tax system by reducing the rates of customs duties and taxes and introducing VAT in 2001. To make revenue collection more efficient, the Rwanda Revenue Authority was established in 1997.

IV. EXTERNAL TRADE PERFORMANCE

50. Rwanda's exports mainly include coffee, tea, pyrethrum, flowers, and marajuca.

51. Rwanda faces different problems in entering foreign markets which include the following:

- Declining of international commodity prices;
- Limited supply of export products (reliance *on* very few and traditional products);
- Lack of information concerning foreign market;
- Our export products are sent to foreign markets in raw form (without added value);
- Insufficient human and institutional capacities;
- Non-tariff barriers that include technical barriers to trade and sanitary and phytosanitary measures worsens the situation.

V. TRADE AGREEMENTS

(1) OVERVIEW

52. Rwanda's external trade policies are designed to create an enabling environment for regional and international integration in order to promote her products to international markets. In order to achieve that objective, Rwanda has entered into multilateral and regional agreements with WTO, COMESA, Economic Community of Central African States (ECCAS), the Economic Community of the Great Lakes Countries (CEPGL), African Economic Community (AEC). Rwanda applied to join SADC and East African Community.

53. Rwanda grants at least Most Favoured Nation (MFN) treatment to all of its trading partners. Rwanda recognizes the positive role that an equitable and rule-based multilateral trading system can play in promoting global economic growth and trade and in raising the living standards of our people.

54. With regard to preferential trade agreements, Rwanda benefits from African Growth Opportunity Act (AGOA), Everything But Arms (EBA) provided by the European Union and ACP-EU Cotonou Agreement.

55. Rwanda welcomes the USA decision to extend the AGOA to 2015. We call upon all WTO Members to support this decision which among other initiatives for Africa will enable the marginalized continent to have market access of our products.

56. Rwanda appreciates all those countries like Canada, Japan and Australia that decided to open their markets for products originating from LDCs and encourages other Member countries to do the same.

57. Rwanda has concluded bilateral trade agreements with Burundi, Democratic Republic of Congo, Kenya, Mauritius, South Africa, Tanzania and Uganda. The process of concluding bilateral agreements with other countries is underway

58. Rwanda, as an LDC, needs considerable technical assistance from the international community in order to be able to benefit fully from its participation in the multilateral trading system.

59. Rwanda has been accepted in the revised Integrated Framework (IF) for Technical Assistance and Capacity Building and requests the Diagnostic Trade Integration Study (DTIS) to be speeded up in order to integrate fully trade in the Poverty Reduction Strategic Plan (PRSP).

60. Rwanda is unable to make all the basic notifications as required by various agreements of the WTO simply because of lack of expertise in that field.

61. Rwanda is in the process of setting up a National Committee on WTO issues whose the main functions will be:

- To study and analyse the WTO provisions and their likely effects on the country's economy;
- To monitor, on a continuous basis, the implementation of the WTO agreements in Rwanda in order to ensure maximum benefit to the country;
- To provide the public and private sectors with the necessary analysis on new market access conditions to enable to identify immediate and potential trading opportunities created by Uruguay Round and Doha Development programme both in traditional and non traditional markets;
- To provide the Government with adequate information pertaining to sectoral impact of the relevant agreements that will enable it to review current and future policies with a view of adapting to the changing environment;
- To assist the Government in identifying obligations which require new or changes in domestic legislation or administrative practices for implementing the WTO Agreements;

- To make recommendations for policy options to be adopted by the Government.

(2) IMPLEMENTATION PROCESS

62. Rwanda started implementing the WTO Customs Valuation agreement on 1st January 2004 changing from Brussels's definition of value (DBV) to WTO Customs Valuation Code.

63. Rwanda is unable to implement the rates bound before the Uruguay Round simply because these rates are below the COMESA rates and, as an LDC, we depend on tax as source of revenue. Rwanda deserves a credit for having bound 100% of her tariff lines. So, Rwanda requests the WTO members to support us, during the rebinding negotiation process that we intend to enter into, for the successful outcome. In fact, these prior commitments were made during colonial period and they include Benelux Schedule II (Belgian Congo and Rwanda-Urundi section), the Torquay Protocol of 21st April 1951 and sixth Protocol of Supplementary Concessions of 23rd May 1956.

(3) TRADE-RELATED TECHNICAL ASSISTANCE

64. Rwanda is concerned about the continued marginalization of LDCs in the Multilateral Trading System.

65. Rwanda needs to diversify its production and to address the supply-side constraints in order to benefit fully from the preferential market access offered by some developed countries and to improve its competitiveness in the world economy.

66. Rwanda unlike other developing countries has not much benefited from tangible WTO technical assistance before apart from installation of WTO Reference Centre (June 2003) and the following seminars on the national level:

- Trade Policy Review (June 2003);
- Multilateral Trading System (October 2003);
- Workshop on Customs Valuation (June 2004).

67. Rwanda's trade-related technical assistance needs relate mainly on the following areas of interest:

- Promotion of Rwandan products to external markets;
- Development of institutional capacity;
- Implementation of the Trade Agreements;
- Sanitary and Phytosanitary Measures (SPS), Technical Barriers to Trade (TBT);
- Capacity building in the trade negotiations area.

68. Rwanda welcomes the IF Working Group decision to integrate our country in the Integrated Framework technical assistance programme that will enable our country to integrate trade in PRSP, and address the supply-side constraints. We thank the World Bank for having done expeditiously the

successful Technical Review of Rwanda and request the Diagnostic Trade Integration Study (DTIS) to be speeded up.

69. Rwanda had requested the Joint Integrated Technical Assistance Programme (JITAP) in the year 2002 and we still request all stakeholders to facilitate Rwanda to enter this programme. The JITAP will help Rwanda to integrate into the Multilateral Trading System with the objectives of:

- Building the national capacity to understand the WTO Agreements and their implications;
- Assist Rwanda to make its policy and regulatory framework conform to WTO agreements;
- Enhance Rwanda's capacity to take advantage of the agreements by improved export readiness.

70. Rwanda welcomes the memorandum of understanding (MOU), signed in Cancun between United Nations Industrial Development Organisation (UNIDO) and WTO, which formalises a closer relationship between both organizations. So, we are expecting the UNIDO to support Rwanda in our process of addressing our supply-side constraints through diversification and by adding value to our exports.

VI. CONCLUSION

71. Rwanda will continue with its process of liberalizing trade within the overall strategic framework of enhancing economic growth and structural transformation with the private sector playing a pivot role as an engine of growth and the government will provide a conducive environment for trade and investment.

72. The strengthening of economic growth and transformation is seen as a prerequisite for poverty reduction and has to be through identified strategic areas with high growth potential in which Rwanda could have a comparative advantage both at regional and international level.

73. Rwanda will continue to support the WTO efforts and recognises the positive role that an equitable and rule-based multilateral trading system can play in promoting global economic growth and trade towards our development.

74. Rwanda recognises that trade related technical cooperation is a prerequisite for its integration and active participation in multilateral trading system in the process of poverty reduction. In this context, the Integrated Framework is a potentially viable instrument to achieve that objective. Donors are therefore urged to contribute fully to the implementation of the Integrated Framework in Rwanda.
