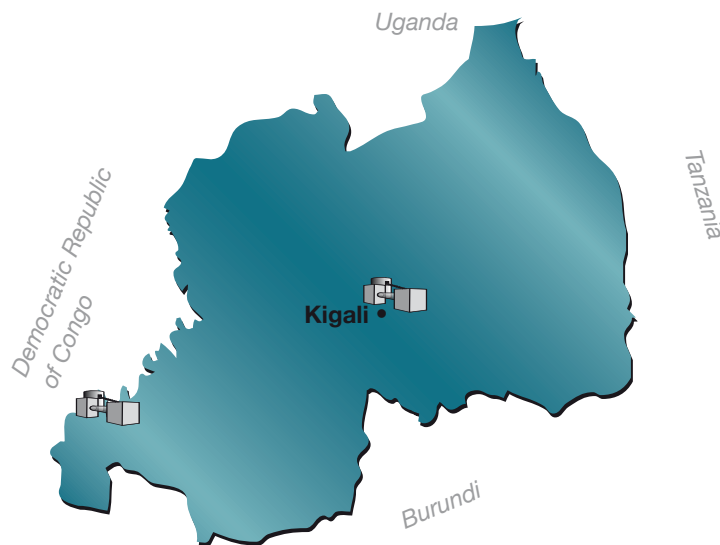




Rwanda

Geography	
Area	26,338km ²
Capital	Kigali
Demography	
Population	9.1m
Density	346 inhab./km ²
Urbanisation	17%
Official language	French, Kinyarwanda
Economy	
GNI per capita	US\$230
Currency	Rwandan franc (RWF)
Per capita cement consumption	30kg



Landlocked Rwanda's local cement industry has limited capacity and imports abound.

Rwanda's GDP is said to be growing, but only thanks to long-term foreign aid commitments such as the IMF's HIPC debt relief initiative. Inflation has been curbed but export earnings are only four per cent of GDP, depressed further by low international coffee prices, depriving the country of much needed hard currency.

Consumption

Substantial demand for new construction continues in the capital, where rapid population growth is far outstripping available services. International donor countries have predominantly funded this demand by tying aid to the reconstruction and new infrastructure projects – the country's lack of roads hampers inward investment and export growth. However, at 30kg, per capita consumption remains very low.

Production

It is reported that 40 per cent of the overall market is controlled by the sole local manufacturer, Cimenterie due Rwanda (CIMERWA), with a further 40 per cent by Kigali Cement (small grinding unit but primarily an importer) with the remaining 20 per cent coming in through

Uganda's Hima Ltd. CIMERWA has one production plant at Cyangugu, on the shores of Lake Kivu. The government has recently moved towards privatising the company by selling off 60 per cent of CIMERWA to Rwanda Investment Group (RIG) SA. CIMERWA operates a small Chinese-supplied 0.115Mta wet-process plant, which suffers from local electrical outages.

Kigali Cement Company, set up in 2004, has a 50tpd grinding plant in Kigali. East African Portland Cement (EAPC) of Kenya is reported to be in the process of setting up a joint venture with Kigali Cement. However, because of Bamburi Cement (70 per cent owned by Lafarge) and with Lafarge having EAPC cross-holdings and board seats, the whole project is in a state of flux since Lafarge is unlikely to want to see this development go ahead.

Trade

Distribution is quite difficult and opens opportunities for imports through neighbouring countries. With local prices at US\$200/t of bagged cement, the cement can enter by truck from as far afield as Bamburi in Kenya. At one time clinker was being shipped in from

the DR of Congo for local grinding.

Now that the CIMERWA plant has been upgraded, the government has restored a 25 per cent import duty on imported cement from all non-COMESA member states.

Prices

In Rwanda, all cement is sold to customers in bags. Kigali cement prices are presently nudging US\$200/t.

Outlook

The economy is expected to grow at four to five per cent annually with more foreign aid going into infrastructure, therefore increasing cement demand to 100-150 per cent above that of the overall economic growth. However, lack of adequate domestic supply makes Rwanda vulnerable to aggressively looking importers. ■

Cement statistics

m tonnes	2004	2005	2006E	2007F	2008F
Consumption	0.20	0.23	0.26	0.28	0.29
Change (%)	+14.0	+12.5	+15.5	+5.8	+5.0
Production	0.11	0.11	0.11	0.11	0.11
Exports	0	0	0	0	0
Imports	0.09	0.11	0.16	0.17	0.18

Source : ICR Research