

Rwanda

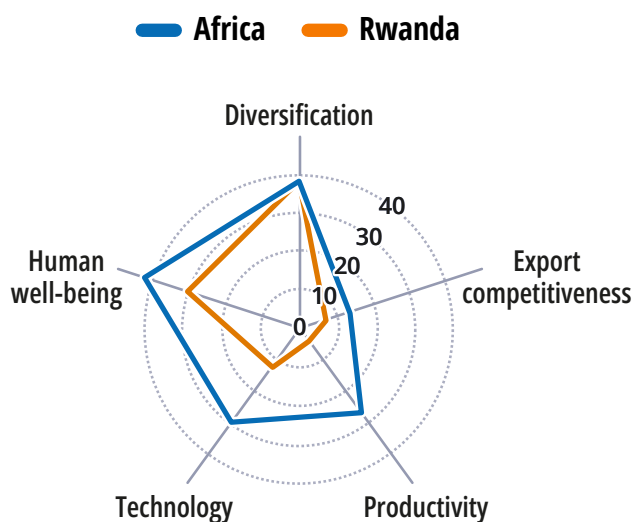
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📍 Capital City: Kigali • Population: 13.8 million
• Population Growth: 2.3% • GDP Growth: 8.2%
• GDP per capita: US\$966 — Source: World Bank Open Data (2022)

2020 SCORE
18.3
/100

CHANGE
+8.0
SINCE 2000

DEPTH comparison

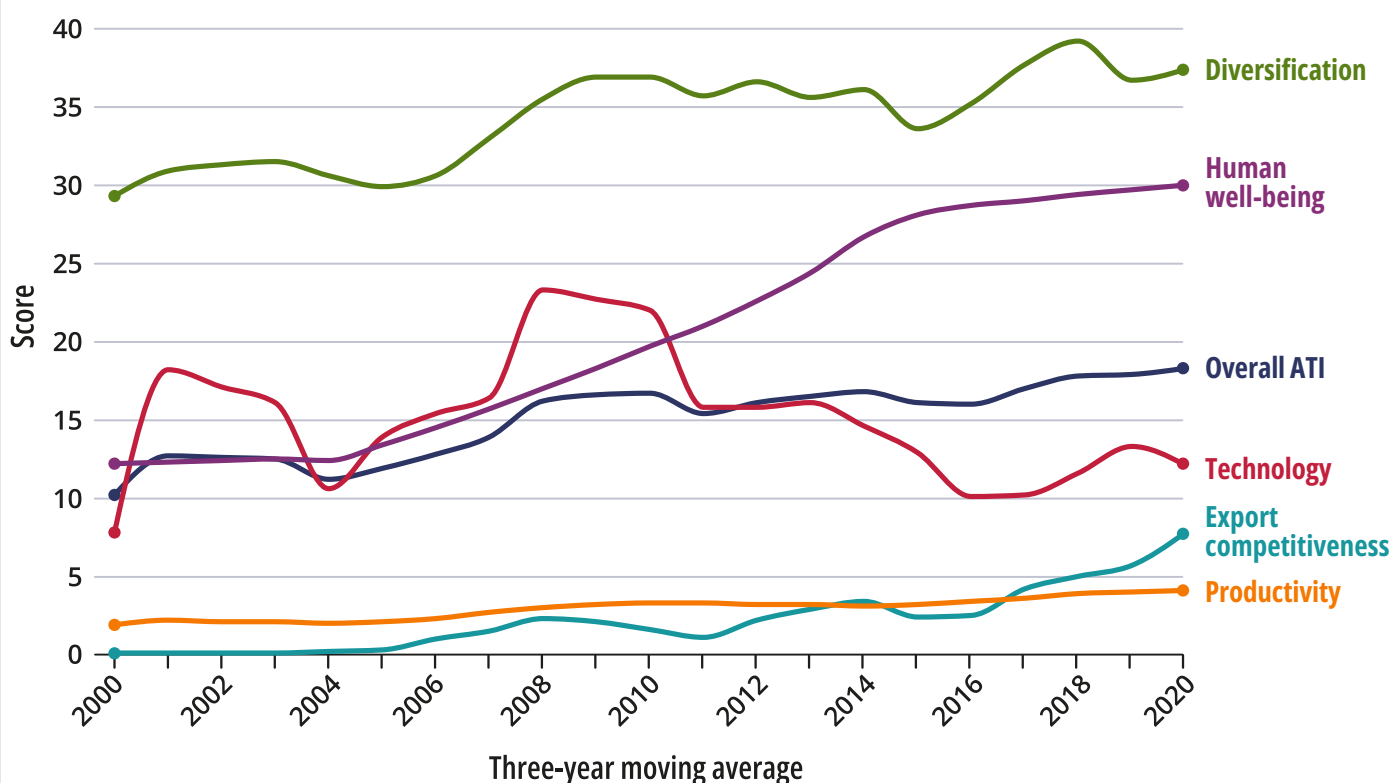


Rwanda's DEPTH scores, 2020

D	Diversification	37.4	▲ +8.2
E	Export competitiveness	7.8	▲ +7.6
P	Productivity increases	4.1	▲ +2.3
T	Technology upgrading	12.1	▲ +4.3
H	Human well-being	30	▲ +17.8

CHANGE FROM 2000 TO 2020, SCORES OUT OF 100

Economic transformation in Rwanda, 2000–2020



Rwanda is a low-income country in East Africa. The Rwandan economy grew rapidly between 2000 and 2020, with an annual GDP growth rate of around 8 percent. As a result, it more than doubled its GDP per capita over two decades. This rapid growth was interrupted by the COVID-19 pandemic in 2020, pushing the country into its first recession since 1994. However, based on growth performance after the Global Financial Crisis, Rwanda's economic resilience is better than average. Recent development planning is driven by the country's ambition to become a service-based middle-income economy by 2035.

DEPTH performance

Rwanda is a low economic transformer with an overall ATI score of 18.3. It sits well below the overall African average (30.3) and, despite its impressive economic growth, is below the African average in all DEPTH dimensions. Nonetheless, Rwanda has made remarkable progress in all dimensions, particularly *Human well-being*, while its *Diversification* score has been helped by a deliberate move into services.

37.4 Diversification

Rwanda is less diversified than most African economies, but it has also made more progress than almost any of its peers. The government embarked on a public investment program in air travel, high-speed broadband and cybersecurity, and the meetings, conferences, and exhibitions space, including the construction of the Kigali Innovation City and the Kigali International Financial Centre. As a result, the economy has diversified away from agriculture towards the services sector, with recent growth fueled by investments in real estate, trade, tourism, and government services. However, building a robust manufacturing base has been challenging due to the relatively high cost of utilities, which puts pressure on production costs. The country has also made significant progress in diversifying its exports. Its five top export products (gold, coffee, tea, zirconium ore, and tin ore) made up 96 percent of total export share in 2000 but their share delined to 61 percent in 2020.

7.8 Export competitiveness

Rwanda has seen greater improvements in this dimension than all other countries except for Morocco and Tunisia. Improvements in the country's *Export competitiveness* score—from 1.6 in 2010 to 7.8 in 2020—are in part due to the implementation of Rwanda's National Export Strategy and the country's export product differentiation, which has established niche export markets for coffee and tea through deliberate and aggressive marketing campaigns. Despite diversification into services, the economy remains vulnerable to swings in the price of primary commodities, which still represent a substantial part of its export earnings.

4.1 Productivity increases

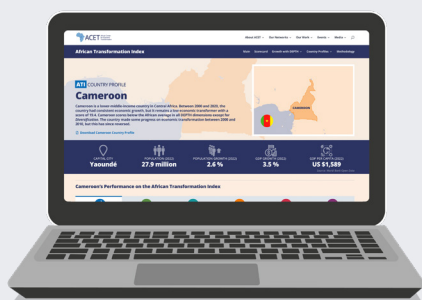
Despite minor improvements, Rwanda's productivity remains far below the African average. Starting from a very low base, Rwanda doubled its *Productivity increases* score in 20 years, but significant improvements remain elusive. The government has taken several measures to stimulate manufacturing through the revival of Export Processing Zones, which increased the production of more specialized manufactured goods for export. However, manufacturing productivity improvements have recently reversed, and the country still has one of the world's lowest levels of agricultural productivity. Between 2000 and 2010, the country made gains in productivity in the services sector through the widespread use of ICT, especially through e-health and e-government platforms.

12.1 Technology upgrading

Rwanda scores below most of its peers in this dimension. Despite some improvements between 2000 and 2020, the country's progress on upgrading technology has been inconsistent as the proportion of both medium- and high-level technology in exports and manufacturing have risen and fallen over the past two decades.

30 Human well-being

Rwanda has made more progress in *Human well-being* than any other country except for Cabo Verde. Despite sitting below the African average, Rwanda's *Human well-being* score has consistently improved since 2004, backed by strong progress in all indicators and supported by two decades of rapid economic growth. And unlike most of its peers, income inequality has fallen significantly at the same time. Rwanda has also made sustained progress in ensuring a higher proportion of formal workers, although progress has leveled off somewhat since 2015.



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