

# NATIONAL INSTITUTE OF STATISTICS OF RWANDA (NISR)

## Statistics for Entrepreneurs, First of a Series

### FOREWORD

The private sector is the prime mover of the Rwanda economy. In 2007, the total final consumption expenditures of the private sector was almost 84% while the government consumption was only 16%. Boosting the private sector is one of the priority government programs.

Nowadays, successful entrepreneurs consider data as an important resource that gives them an edge over their competitors. Success belongs to the entrepreneur who holds and acquires accurate data faster than the others. Statistical data are useful tools in making a forecast about the future, about the market, demand and supply, prices.

It is for this reason that the National Institute of Statistics of Rwanda (NISR) is compiling relevant data from our various publications and publishing a series of Factsheets that aims to bring closer to the Rwandan entrepreneurs the official statistics of the country.

The private sector likewise provides data to our surveys which in turn are processed, summarized and analyzed by us to provide more relevant indicators for government and business decision-making. We acknowledge and appreciate the cooperation of the business sector in these endeavors. This publication is our way of recognizing how important your inputs are.

We hope that through the use of official statistics, we can contribute making the country a better place to do business and enhance the global competitiveness of the Rwanda entrepreneurs.

**Dr. Ir. LOUIS MUNYAKAZI**  
Director General, NISR

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### Featuring - Gross Domestic Product (GDP) as a Measure of Economic Development, Market Demand and Supply

The overall picture of the economy can be best analyzed thru the National Accounts. The NISR is the agency that compiles and produces the National Accounts. The NISR compiles data from different sources and estimate the accounts based on an international standard known as the System of National Accounts.

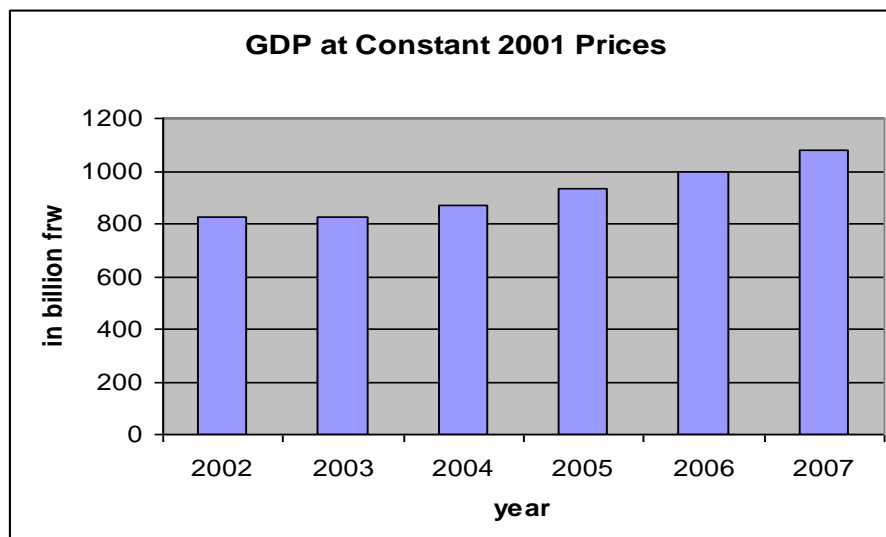
**GROSS DOMESTIC PRODUCT (GDP)** – measures the total output within the geographic boundaries of the country. It is the sum total of the *gross value added* of all industries or the sum total of the gross expenditures on domestic goods and services consumed less imports. *Gross value added* is the total payment to factors of production namely: wages, interest, profit and rent. It also includes Indirect Taxes. To be deducted are the non-factor costs or intermediate costs such as raw materials, fuel, advertising and other non-industrial overhead costs.

Looking at the economic structure and how did it evolve in the past up to present will give an idea to the entrepreneur whether it is still advisable to go into the business in agriculture, industry or service.

### Fact #1- For the past 5 years, Rwanda economy continued to rise

It is true that Rwanda has been a rising sun as evidenced by the economic statistics as measured by the Gross Domestic Product (GDP) growth rate. From 2000 to 2003, growth was constant until 2003 when it stabilized. Then it bounced back again starting 2004 to 2007. Growth here is real as it was measured using constant prices.

YEAR	GROWTH RATE*
2000	8%
2001	8%
2002	11%
2003	0
2004	5%
2005	7%
2006	7%
2007	8%



For the past 5 years (2003-2007), the structure of the economy remained constant. The Service sector such as trading, hotels and restaurants, transportation, financial services, real estate, education, health, including the government, constantly dominated from 2003 to 2007 with an average share of 41.6% for the past 5 years. In 2007, it maintained a share of 42%.

Agriculture sector came as a close second by posting a share of 36% in 2007.

The industry sector such as mining, manufacturing, electricity, gas and water, construction produced the lowest share with only 14%.

Table 2

**GDP Share By Sector, 2003-2007 (in %)**

Sector	2003	2004	2005	2006	2007	Average
Agriculture	38	39	39	39	36	38.2
Industry	13	14	14	14	14	13.8
Service	42	41	41	42	42	41.6
Adjustments	7	7	7	6	5	6.4

**Fact#2- Local Food Crops, the primary product of the Agriculture Sector, grew slightly and Export Crop plunged by 33%**

Similar to the Agriculture Sector as a whole, the GDP contribution by local food crops has not been increased significantly although it remained as the highest production in the Agriculture Sector, contributing about 87% as compared to livestock, fisheries and forestry.

Graph 2

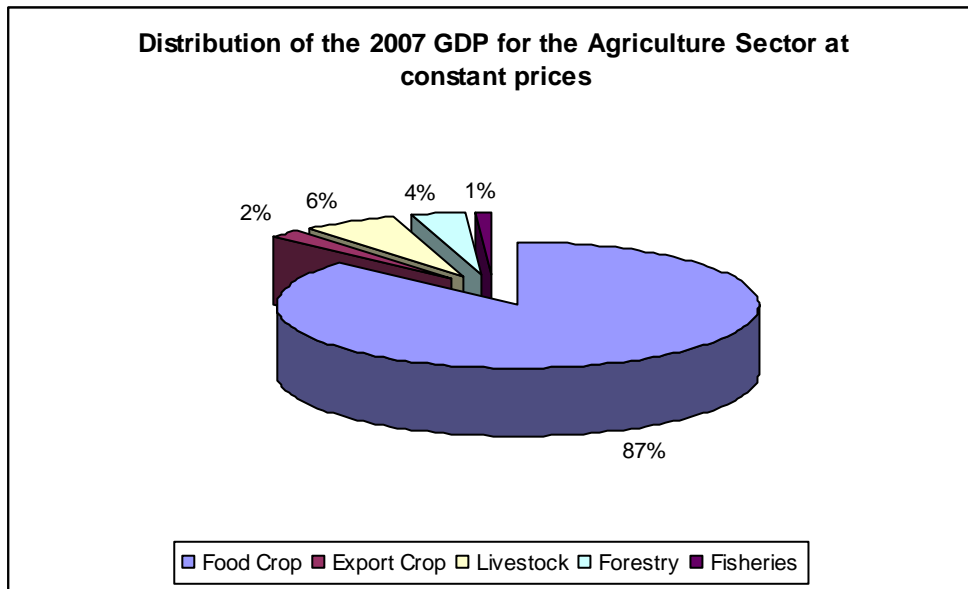


Table 3

**GDP, Agriculture Sector Growth Rates at Constant Prices, 2003-2007**

Product	2003	2004	2005	2006	2007	Annual Average
Food Crop	-5	-2	6	0	2	0.2
Export Crop	-18	58	-24	30	-33	2.6
Livestock	3	3	3	3	3	3
Forestry	3	3	3	3	3	3
Fisheries	3	3	3	3	3	3
<b>Total</b>	<b>-5</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>0.4</b>

**Fact #3- Consistently, the Construction and Manufacturing Have been the Growth Engines in the Industry Sector**

The construction and manufacturing sectors continued to be the main industries in Rwanda having contributed 49% and 43%, respectively% in 2007.

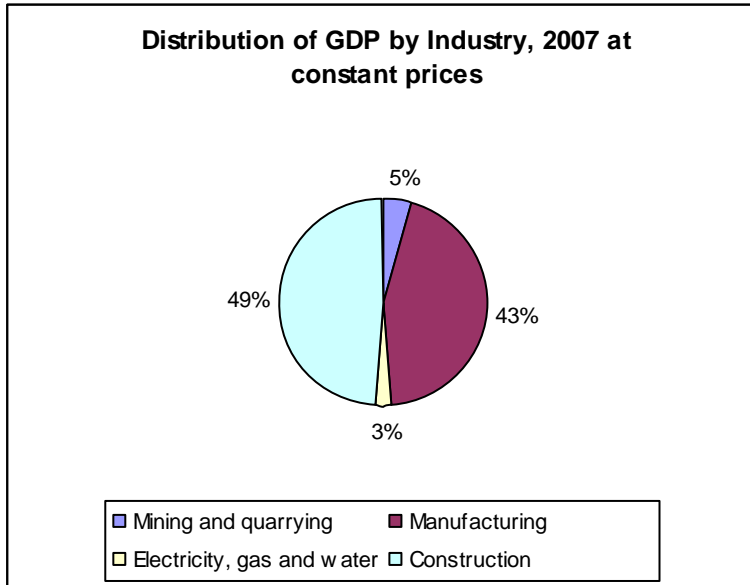
Table 4

**2003-2007 GDP for the Industry Sector, at 2001 constant prices**

(in billion FRW)

Industry	2003	2004	2005	2006	2007	2006/2007
Mining and quarrying	3.4	5	6.6	6	8	38%
Manufacturing	56.4	60	62.1	68	73	7%
Electricity, gas and water	4.2	3.5	4.1	5	5	4%
Construction	49.8	59.3	63.9	74	82	12%
<b>Total</b>	<b>113.8</b>	<b>127.8</b>	<b>136.7</b>	<b>153</b>	<b>168</b>	<b>10%</b>

Graph 4



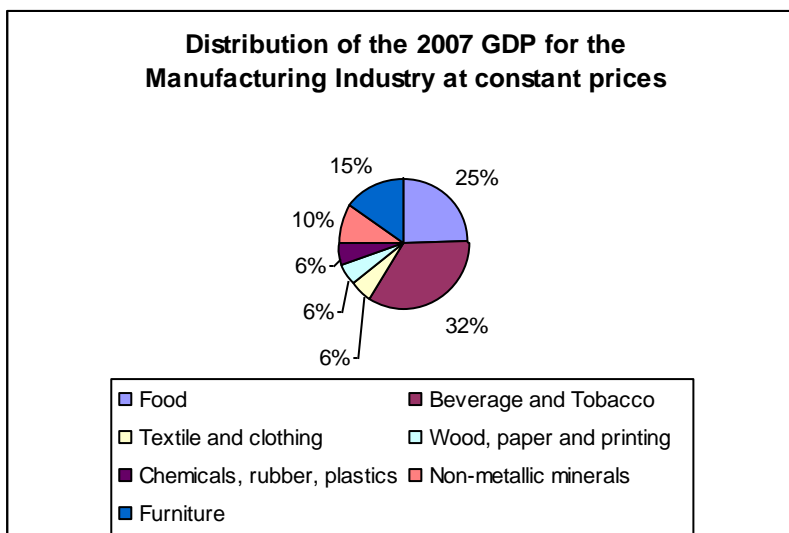
Mining and quarrying, although of small share, managed a significant increase of 38% in 2007.

Consistently, the manufacturing and construction industries went uptrend from 2003-2007. In 2007, the manufacturing industry produced 7% more while construction grew by 12%.

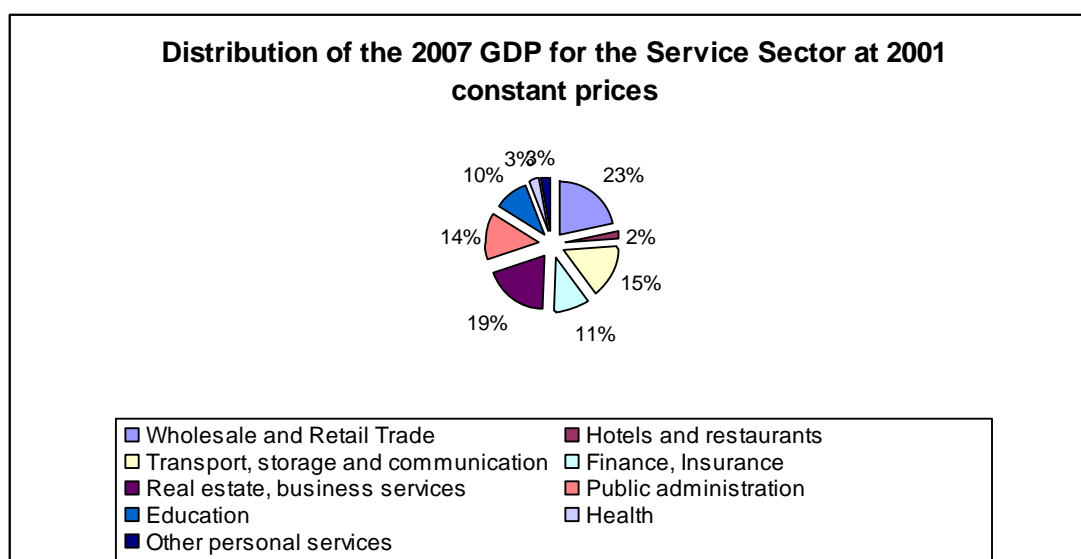
Among the manufactured products, beverage and tobacco topped garnering 32% of the total manufactured products in 2007. Food came in only as second with 25% share.

The highest growth rate in 2007 at 27% was exhibited by *wood, paper and printing*.

Graph 4



**Fact # 4- Wholesalers and Retailers, Real Estate and Business Services Provided 42% of the Value Added by the Service Sector**



**Fact #5 – Hotels, and Restaurants Value Added Grew by 25% in 2007**

In 2007, the traders, real estate and business services have been the top three contributors in the Service Sector. All the business activities in the Service Sector posted a positive growth, but the highest growth from 2006-2007 was exhibited by the Hotels and Restaurants group, with an increase of 25% followed by Finance and Insurance by 23%.

Table 5

**2003-2007 GDP for the Services Sector, at 2001 constant prices**  
(In billion FRW)

Sector	2003	2004	2005	2006	2007	2006/2007
Wholesale and Retail Trade	78.1	84.3	91.8	104	118	13%
Hotels and restaurants	7.8	7.9	9	10	12	25%
Transport, storage and communication	47.5	53.1	58.7	68	81	18%
Finance, Insurance	29.9	35	38.7	47	57	23%
Real estate, business services	80.1	82.5	89.4	93	103	11%
Public administration	60.2	61.5	64.1	71	75	6%
Education	33.4	39.6	46.5	49	53	7%
Health	16.1	17.1	16.3	17	18	3%
Other personal services	7.9	8.3	10.1	11	15	30%
TOTAL	361	389.3	424.6	470	532	13%

Publication Source: Rwanda Development Indicators, National Institute of Statistics of Rwanda (NISR)

For more details, visit the NISR website at [www.statistics.gov.rw](http://www.statistics.gov.rw)