Datasource:

Integrated Business Enterprise Survey

Period:

May, 2022 to August, 2022

In 2021, the total number of business enterprises was estimated to be 223,446. The survey results show that, business enterprise activities in Rwanda are overwhelmingly informal, with informal business enterprises accounting for 92.1% of total business enterprises.

Kigali City in Rwanda accounts for the highest concentration of formal business enterprises with 69% of total formal businesses. The Northern, Southern, Eastern and Western provinces follow with 7.9%, 8.7%, 7.7%, and 6.8% of total formal businesses respectively.

Micro business enterprises are backbone of business enterprise activities in Rwanda (Graph 1.3). Micro business enterprises, which employ 1 to 3 people, account for 88% of business activities in Rwanda. They are largely informal accounting for 95% of all informal businesses and around 88% of total business activities in Rwanda.

Formal business enterprises are mainly characterized by small business enterprises which employ 4 to 30 people. Formal small business enterprises account for more than half of all formal business enterprises (52%) and about 48% of small business enterprises. While small business enterprises account for the highest numbers in absolute terms in formality medium-sized business enterprises have higher formality rates. Nearly 98% of medium-sized business enterprises are formal. All large business enterprises (with more than 100 employees) are formal.

Business environment factors

In general, formal and informal business enterprises face different challenges regarding the nature of the business environment.

There is stark difference in the top three most pressing challenges based on formality. Formal business enterprises rank problems in marketing (18.12%), availability of tools and machinery (17.84%), and the state of transport facilities and infrastructure (16.89%) as their most pressing challenges.

Following closely is the availability of land and the access to affordable finance. On the other hand, informal business enterprises rank access to finance, water, and working space, as their primary concerns. Almost a third of informal business enterprises report difficulties in accessing loans and credit, while 29.3% and 27.4% report difficulties in accessing water facilities and working space.

Reference document (PDF & Excel)

- IBES 2019-2021 Tables.xlsx (xlsx, 19.33 KB)
  LAST UPDATED: 12 Jun 2025
- IBES 2019-2021_Report.pdf (pdf, 2.08 MB)
  LAST UPDATED: 12 Jun 2025

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