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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

THE ECONOMY
OF
RWANDA

July 2, 1968

Africa Department

CURRENCY EQUIVALENTS AND UNITS

| <u>Currency Unit</u> | | <u>Rwandese Franc (RF)</u> |
|-------------------------|--------------------------|----------------------------|
| | <u>Before April 1966</u> | |
| US\$ 1 | = | RF 50 |
| | <u>Since April 1966</u> | |
| US\$ 1 | = | RF 100 |
| RF 1 | = | US\$ 0.01 |
| RF 1 billion | = | US\$ 10 million |
| <u>Units</u> | = | <u>Metric</u> |

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This report was prepared by a mission which visited Rwanda in November-December 1967, consisting of Messrs. Xavier de la Renaudière, Armand van Nimmen and Christopher R. Wilkinson.

BASIC DATA

| | |
|--|---|
| Area: | 23,640 km ² |
| Total land suitable for cultivation and grazing | 16,300 km ² |
| Population: 1965 | 3,145,000 |
| 1967 (estimate) | 3,300,000 |
| | (Average density: 139/km ²) |
| Population growth rate (1954-65) | 3.3% per year (approximate) |

| | | |
|--|-------------------|-------------|
| <u>Gross domestic product</u> (at 1959 prices): | <u>RF million</u> | |
| | <u>1964</u> | <u>1966</u> |
| | 4,499 | 6,216 |

of which:

| | | |
|-----------------------------------|--------|--------|
| foodcrops | 64% | 59% |
| cash crops | 6-1/2% | 5-1/2% |
| livestock | 6-1/2% | 5% |
| mining | 2-1/2% | 2% |
| manufacturing and construction | 5% | 14% |
| services | 6-1/2% | 8% |
| government | 9% | 7% |

| | |
|---|--------------------|
| <u>GDP per capita</u> (1966 at current prices) | RF 4,000 (US\$ 40) |
|---|--------------------|

| | |
|---|---------------|
| <u>GDP growth rate</u> (1959-66) - constant prices | 4.1% per year |
|---|---------------|

Estimated Balance of payments
(1967, US\$ Million)

| | |
|-----------------------------------|-------|
| Exports, f.o.b. | 14.8 |
| Imports f.o.b. | -17.0 |
| Services, net | - 3.9 |
| Private transfer payments, net | + 1.4 |
| Public transfer payments | + 4.7 |
| Private capital | + 0.2 |
| Monetary capital | - 1.8 |
| Errors and omissions | + 1.5 |

Commodity concentration of exports (1966): 88% (coffee, cassiterite)

Net foreign assets (RF million, end of December 1967): RF - 78 million

Government revenues and expenditures, (1967, provisional):

| | (RF million) |
|---------------------------------------|--------------|
| Ordinary expenditures | - 1,375 |
| Revenue | 1,251 |
| Current deficit | - 124 |
| Development expenditures | - 76 |
| <u>Total deficit</u> | - 200 |
| Central Bank borrowing | 116 |
| Treasury bills | 141 |
| Foreign borrowing | - |
| Change in net balances (-increase) | - 57 |

| <u>Monetary survey</u> (RF million) | <u>Dec. 1967</u> | <u>Rate of growth</u> (1964-67) |
|--|------------------|------------------------------------|
| Money | 1,535 | 19% |
| Domestic credit | 1,171 | 57% |
| Prices in Kigali (April 1965 = 100) | 146 | |

External debt: Total debt US\$ 2.44 million
(December 31, 1967) of which US\$ 2.25 million disbursed

Debt service ratio in 1967 = 7% (all paid on suppliers' credits)

Currency equivalents: to April 1966, RF 50 = US\$ 1
since April 1966, RF 100 = US\$ 1

THE ECONOMY OF RWANDA

SUMMARY AND CONCLUSIONS

1. Rwanda is a small heavily populated country lying just east of the Democratic Republic of the Congo in Central Africa. Together with its southern neighbor, Burundi, Rwanda formed a part of the Belgian Trust Territory of Ruanda-Urundi. Prior to its independence in 1962 Rwanda was part of a Customs Union with Burundi and the Congo and most of its foreign trade passed through the latter country.
2. After Independence Rwanda and Burundi maintained an economic and monetary union but this was abandoned in 1964. Since then Rwanda has set up its own Central Bank, issues its own currency and has largely redirected its foreign trade through Uganda using a route to the sea which is in fact more economic than that previously used to the Atlantic Ocean.
3. The two main ethnic groups in Rwanda's population are the Tutsi and the Hutu. The Tutsi, a pastoral people, migrated to Rwanda after it had been settled by Hutu peasants and eventually became the dominant element in the population, although they were never more than 10% of the total number of people. For most of the trusteeship period the Belgian administration exercised its authority through the Tutsi chief system. However, by about 1959 the Hutu population was becoming increasingly restive and succeeded in displacing the Tutsi power through elections. A Hutu government came into power at Independence under President Gregoire Kayibanda and has retained its authority since then. Large numbers of Tutsi have left the country, including most of the previous ruling class, and they now constitute a large refugee population in neighboring countries. Certain elements among the refugees aspire to return to Rwanda and a number of attacks have been mounted against Rwanda's borders. On one occasion, at the end of 1963, a serious attack created a panic among the Rwandese peasantry, and a large number of the Tutsi who had remained in the country were killed.
4. Rwanda's present population is estimated at about 3.3 million people. Given the small size of the country, this makes it one of the most densely populated areas in the whole of Africa. This is particularly significant in that a very large proportion of the population is entirely agricultural. About a third of the country is inhospitable - the mountains in the west and the dry land to the east - so that densities in the fertile area are higher still and in one province reach 200 persons per square kilometer. The growth in population in the past has been absorbed by bringing more and more land into cultivation and by protecting cultivation on exposed ground through tree planting and erosion control. There is now hardly any unused land that can be brought into cultivation without major investments. Furthermore, erosion control is no longer effectively being carried out, and future growth in population may result in declining per capita food consumption and the serious danger of famine in years of bad weather.

5. Traditionally Rwanda has been a source of immigrants to other African countries. They have gone in small numbers to work in mines in Katanga, they have been settled in Kivu province in the Congo and there has been a steady flow into southern Uganda. In recent years emigration, except for the refugees, has been very much reduced due to the presence of hostile groups near the frontiers and the situation in the Congo. But it is now imperative that a reasonable rate of emigration be re-established as soon as possible to alleviate the pressure of population within Rwanda.

6. Rwanda's population depends on agriculture, mainly the subsistence production of food crops. The main exports are coffee and cassiterite (tin ore). Coffee is the main source of cash income to the peasants. Manufacturing industry and the services are very little developed and the construction industry is also quite small but growing rapidly. The road network is very dense but deteriorating and electricity supplies are limited to some of the tin mines and the main towns. The mining sector is apparently not very profitable and this together with poverty of the vast majority of the population and their limited cash incomes means that national savings are very low indeed.

7. At Independence Rwanda was particularly ill-endowed with the basic elements required to establish an independent government. The fact that it had always been administered from capitals outside its own frontier meant that there were hardly any institutions on which to build, a problem aggravated by the final break with Burundi in 1964. Rwanda had far fewer trained administrators even at the lowest levels than was the case in most other African countries at Independence. Furthermore, those few who had secondary education were mostly Tutsis and either left the country or were regarded as politically unreliable by the new government. The Rwandese administration is in consequence acutely dependent on a small number of expatriate technical assistants.

8. Under the Belgian administration coffee production and the maintenance of road and erosion control works depended very much on the authority of the Tutsi chief over the Hutu peasant. When this authority was removed the first reaction was to abandon work on these activities. Coffee production, which also suffered from the collapse of the extension services, declined sharply between 1959 and 1963 but has recovered steadily since then and exports in 1967 were higher than at any time since 1959. Rwanda's export quota is to be raised progressively to 260,000 bags, and present production and planting trends indicate that it will be able to fulfill this quota from about 1969 or 1970. Exports of tea and pyrethrum, in the form of pyrethrin extract, are expected to rise rapidly during the next few years as well.

9. Prior to Independence Ruanda-Urundi depended very much on Belgian financial aid both for capital and current expenditures. The existing tax system was inadequate to finance the rapid growth of current expenditure at Independence, arising first from the creation of a national administration and then rapid increases in expenditures on education, following the expansion of the primary system, and defense.

10. Up to 1966 the financial and monetary situation deteriorated rapidly, despite the recovery of coffee exports after 1963. The growth in the Government's overall deficit which was financed mainly by borrowing from the Central Bank had the effect of a rapid decline in foreign exchange reserves. Imports were restricted by a licensing system and scarcities had generated a black market. In April 1966 the Government entered into a stabilization plan with the IMF. The currency was devalued from 50 to 100 Rwandese francs per U.S. dollar and severe credit restrictions were introduced both for the public and private sectors. The subsequent improvement in the economic situation can be traced very largely to the measures that were begun at this time. Quantitative restrictions on imports and restrictions on invisible transactions were relieved, and the producer price of coffee was raised to improve the incentive for exporting. Coffee exports declined in 1966 and the Central Government budget was again in substantial deficit because of purchases of military equipment, and while price increases were arrested the balance of payments remained in deficit and the whole of the IMF stand-by was drawn to finance it.

11. The Government entered into a second stand-by in April 1967. Expanded coffee production and higher mineral exports resulted in a surplus in the balance of payment in that year and while failing to eliminate the deficit, Government finances improved, and price stability was maintained. Revenues rose by about 160 percent in real terms between 1963 and 1967, without however leading to any public savings: the increase having been fully absorbed by the growth of current expenditures and reducing the current deficit. The 1968 budget is in equilibrium mainly because expenditures on defense have been reduced. There is a good prospect that exports may rise again though not so rapidly as in 1967, and in March 1968 the IMF accorded its third stand-by arrangement to Rwanda.

12. Rwanda's economic performance must be judged against the acute internal and external difficulties which it has faced since independence in establishing a national administration without any previous foundations during a period when the country was potentially under attack, taking into account the close cooperation and confidence it has extended to the International Monetary Fund during the process of stabilization and rehabilitation. It is difficult to see what alternative policy the Government might have pursued, to assure its defense and partly respect the aspirations of its population through the expansion of national education, that would not have resulted in a large current deficit and the exhaustion of foreign exchange reserves during the initial critical years. Current expenditures in Rwanda have not in fact been extravagant in absolute terms. They represent modest amounts even compared with the GDP and there is no evidence of wasteful expenditures. Salaries in the public service are very modest.

13. The Government fully recognizes that future economic development depends both on increased foreign capital aid and on achieving some public savings through sound monetary and fiscal policies. The tax base was significantly improved in 1966 when export taxes were drawn on for the first time as a significant source of revenue but a further widening of the tax base will be essential in due course.

14. Government development policy is at present based on a five-year plan originally covering the years 1965 to 1969. Plan implementation has been necessarily delayed and the program was somewhat over-ambitious in the first place. It rightly emphasized improving exports, and some road connections particularly to the north, but in the longer run, improving food production should have greater priority.

15. Rwanda's external debt is very small but since the country is extremely poor and public savings will be very limited indeed for some time to come, the country should not incur debt on conventional terms for the foreseeable future. Development in Rwanda will be a very long term process and will depend on sustained external aid, a large proportion of which should be on grant and non-conventional terms.

I. THE COUNTRY

A. Geography and Population

1. Rwanda is a small country, with a total area of 23,640 square kilometers and a population of 3.3 million people. It lies between the Democratic Republic of the Congo to the west, Uganda and Tanzania to the north and east, and Burundi to the south. The country is not uniformly populated: two broadly inhospitable zones can be defined, one being the Congo-Nile watershed where, above 2,000 meters, the altitude and the primary forest make cultivation impossible, and the other being the eastern parts of the country, bordering on Tanzania where the low rainfall results in the area being much less fertile. Tsetse infection is also a problem in this area. The rest of the country is characterized by generally fertile soils, high, well distributed rainfall in most years, with a very short dry season, and consequently the possibility of cultivating several crops all the year round. At no period of the year can it be said that the agricultural population is forced to be idle. The overall population density is about 133 per square kilometer, but the density with respect to useful land is even higher: about 180 per square kilometer. There are practically no areas on the African continent except the Nile delta with such high densities.

2. Although the internal road network is quite dense, communications with the outside world are inadequate. The nearest presently used railway links to the Indian ocean start from Kampala, Uganda and Kigoma, Tanzania. The northern road link to Uganda is inadequate for present requirements and the connections through Burundi and the Congo have become unreliable.

3. The population which is increasing by rather more than 3 percent per year is very largely agricultural, and there are only a few small urban centers. Practically all useful land is already settled, and average holding per family is down to about 1 hectare or less. There are currently no programs for population control, and previous suggestions have encountered social and religious opposition.

4. About 95 percent of the population are Hutus, a Bantu peasant people. The rest are Twa and Tutsis. The Tutsi used to be more numerous and were the dominant element in the social and political life of the country. Large numbers of them fled the country after 1959, and are now more or less permanently settled in the neighboring countries. There are now about 150,000 Rwandese refugees in neighboring countries; most of them are living in new settlements established with the assistance of the United Nations High Commission for Refugees and the governments of the countries concerned. The largest number is in Congo. Apart from the refugee settlements, some have been absorbed in these countries individually. An effort has been made recently to settle the refugees away from the borders with Rwanda.

B. Political Development

5. First colonized by Germany, Ruanda-Urundi became a Belgian trust territory after the first World War. Up to their independence in 1962,

present day Rwanda and Burundi were administered together, and formed part of an economic union with the then Belgian Congo.

6. Between 1959 and 1965 Rwanda suffered from extreme political and social instability which became critical on several occasions. This was due to the struggle between the traditional Tutsi chiefs and the newly awakened Hutu people led by a small number of western-educated graduates. During the last years before independence the Belgian authorities, while attempting to preserve neutrality, made some concessions favoring the Hutus. The Catholic Church, which is strongly established in education and the life of the people, also came to sympathize with the Hutu cause. During this period, the United Nations Trusteeship Council kept developments in Rwanda under close review.

7. The main events during this troubled period were the death of the Tutsi King (Mwami) Mutara III in July 1959, and the succession to power by the Hutu in the municipal elections held in July 1960, further consolidated in January 1961, when a constituent assembly was proclaimed. Finally, legislative elections were held in September 1961. Tutsi refugees had been leaving the country during this period, and a major exodus occurred in late 1961 and early 1962. The period had been marked by partisan terrorism. Some of the refugees hoped to return to power, and a militant group known as the "Inyenzi" was formed. Several incursions have been made against the new State, which was initially quite unprepared to defend itself. The most dramatic consequence of these raids was to create panic among the Hutu population, and a consequent reprisal against the remaining Tutsi population in the country.

8. The President of the Republic, Gregoire Kayibanda, has been a prominent Hutu leader since before Independence. The present ruling party Parmehutu (Parti du Mouvement de l'Emancipation Hutu) which he founded is now the only one; the Tutsi parties have disappeared.

9. Rwanda has adopted a moderate pro-Western position internationally. With respect to its neighbors it has progressively reduced its dependence on the Congo (K) and Burundi by developing closer contacts with Uganda.

II. THE ECONOMY

A. Economic Growth and Structure

10. Rwanda is a very poor agricultural country with a largely subsistence economy. Since 1962 it has taken upon itself the heavy burden of organizing a nation, under the constant threat of invasion. At Independence, Rwanda and Burundi broke their links with the Congo but maintained a monetary union, a common customs service, a common Central Bank (BERB) and coffee marketing board (OCIRU). The links with Burundi, however, were broken off on January 1, 1964.

11. It is difficult to quantify the impact upon Rwanda's economy of events between 1959 and 1964; national accounts data are few and unreliable. The Office General de Statistiques, the official source of general statistical material, does not publish national accounts, and rough estimates of gross domestic product have been made sporadically by various authorities. These figures are not necessarily based on continuous statistical series or the same methodology. At best they can be regarded only as a broad indication of the evolution in the various sectors of the economy.

Table 1: Estimated Gross Domestic Product
(RF millions, 1958-1959 prices)

| | <u>1959</u> | <u>1962</u> | <u>1964</u> | <u>1966</u> |
|---|--------------|--------------|--------------|--------------|
| <u>Primary Sector</u> | <u>4,030</u> | <u>4,609</u> | <u>3,569</u> | <u>4,397</u> |
| Agriculture | 3,595 | 4,399 | 3,157 | 3,982 |
| of which: foodcrops | (3,100) | (4,055) | (2,864) | (3,650) |
| export crops | (495) | (344) | (293) | (332) |
| Livestock and fishing | 328 | 200 | 300 | 300 |
| Mining | 107 | 110 | 112 | 115 |
| <u>Secondary Sector</u> | <u>60</u> | <u>224</u> | <u>216</u> | <u>865</u> |
| Industry (including handicrafts and power) | 30 | 146 | 143 | 533 |
| Construction | 30 | 78 | 73 | 332 |
| <u>Tertiary Sector</u> | <u>599</u> | <u>767</u> | <u>714</u> | <u>954</u> |
| Government | 240 | 319 | 417 | 442 |
| Transport | 10 | 28 | 28 | 106 |
| Commerce | 175 | 263 | 213 | 288 |
| Housing | 64 | 67 | .. | .. |
| Other services | 110 | 90 | 56 | 118 |
| <u>Total</u> | <u>4,689</u> | <u>5,600</u> | <u>4,499</u> | <u>6,216</u> |

Sources: Association Européenne de Sociétés d'Etudes pour le Développement, Etude Globale de Développement du Rwanda et du Burundi, 1961; République Rwandaise, Etude de Développement-Plan Intérimaire d'Urgence, Vol. I; data supplied by the Rwandese authorities; and staff estimates.

12. The most striking feature is the large decline in GDP between 1962 and 1964 due almost entirely to a drop in agricultural production, both of foodstuffs and export crops. Coffee production alone fell in 1963 and 1964 to 35 and 60 percent, respectively, of the level which had been attained in

1959 following several years of steady growth. As coffee is the main source of cash income for the farmer, a serious decline of the monetary economy ensued.

13. Since 1964, however, a general revival of the economy has set in. Agricultural production recovered, while the secondary and tertiary sectors expanded rapidly, bringing total GDP to a level of RF12.9 billion in 1966 at current prices, or RF6.2 billion in 1958-59 prices. Apart from export crops and livestock, all sectors of the economy appear to have fully recovered from the transition to independence and exceed the record 1959 figures. The average rate of growth of GDP during 1959-66 was about 4 percent. In the meantime, however, Rwanda's estimated resident population has increased from 2.6 million in 1959 to 3.3 million in 1967, or an annual rate of over 3 percent. Natural increase is somewhat higher in view of civil war casualties and emigration of over 150,000 refugees. Thus, real per capita GDP appears to have increased very little. In current prices, the GDP per capita can now be estimated at about RF4,000 or US\$40 at the current exchange rate. Although the population is widely distributed over the country, and very few villages or commercial centers exist apart from the missions, the rise of Kigali and the expansion of Butare have enlarged the monetary economy considerably. Estimated at 40 percent of total GDP in 1964, monetary income may well have risen to over 50 percent in 1966, the main change being the greater commercialization of foodstuffs.

14. In spite of the readjustment of the last few years, the economy remains essentially what it was in pre-independence days, a rural economy, largely at subsistence level, caught in an obsessing fight for survival. Due to variations in rainfall, this part of Africa has been traditionally plagued with famines; in recent years, as a result of land scarcity and rapid population growth, the problem of assuring survival in such an eventuality has become even more acute. Past agricultural production figures indicate that the output of foodstuffs, in constant 1958-59 prices, fell from RF1,180 per capita in 1959 to RF960 in 1964. Since then, per capita output has risen again to slightly above 1959 levels (RF1,200), but unless agricultural productivity is increased, per capita availability of foodcrops will not increase any further; by 1972, it is expected to be in the neighborhood of RF1,200.

15. While mining output, mainly of cassiterite, has been stagnating since 1959, construction and industry have expanded considerably. Although figures for 1966 seem unreasonably high (probably due to an underestimation in previous years), it leaves no doubt that together with Government and transport, these sectors have been stimulated by Independence. In spite of this evolution, Rwanda's industrial base is extremely limited, giving employment to only 2,300 people or slightly over 3 percent of the total labor force.

16. Investment activity has not quite regained the 1959 level, when in this year gross investment was estimated at 8-10 percent of GDP. The evolution of imports of equipment indicates that investment activity grew considerably in 1965 and reduced slightly in 1966. In the latter year, the investment ratio was estimated at 8.0 percent. Since the deficit on current account was RF880 million or about 6.8 percent of GDP in 1966, it can be estimated that gross national savings must have amounted to some 1.2 percent of

GNP in the same year. Factor income payments are so small that the difference between GNP and GDP is negligible.

B. Foreign Trade and Payments

17. Rwanda is essentially a two-commodity export country. Coffee and tin ore (cassiterite) together represent nearly 90 percent of commodity export and about 7 percent of GDP. Efforts to diversify the economy, essentially centering on tea and pyrethrum, may affect this situation in the future. Fluctuations in the volume of coffee exports have been rather large (e.g., the reduction between 1965 and 1966) but, due to countervailing price movements, fluctuations in export values have been smaller. Exports of cassiterite have been stagnating. They rose slightly to just over 2,000 tons in 1964 but have declined since then to between 1,800 and 1,900 tons in 1966 and 1967.

Table 2: Foreign Trade

| | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> (9 months) |
|-----------------------------|-------------|--------------|--------------|--------------|---------------------------|
| <u>Exports</u> | | | | | |
| <u>Total</u> (US\$ million) | <u>3.57</u> | <u>11.55</u> | <u>13.65</u> | <u>11.74</u> | <u>11.88</u> |
| of which: | | | (percent) | | |
| Coffee | 12 | 54 | 54 | 56 | 62 |
| Cassiterite | 79 | 35 | 37 | 32 | 26 |
| of which: | | | | | |
| Belgium | 80 | 36 | 37 | 34 | 34 |
| U.S.A. | 11 | 53 | 49 | 54 | 57 |
| <u>Imports</u> | | | | | |
| <u>Total</u> (US\$ million) | <u>4.84</u> | <u>12.01</u> | <u>20.94</u> | <u>20.47</u> | <u>15.84</u> |
| of which: | | | (percent) | | |
| Food | 23 | 15 | 13 | 14 | 12 |
| Clothing | 7 | 24 | 16 | 25 | 25 |
| Hydro carbons | 15 | 8 | 7 | 7 | 6 |
| Vehicles | 9 | 9 | 13 | 10 | 14 |
| Equipment | 14 | 11 | 19 | 16 | 12 |
| of which: | | | | | |
| Belgium | 24 | 25 | 26 | 27 | 29 |
| Uganda | 19 | 12 | 31 | 14 | 13 |
| Japan | 2 | 7 | 4 | 11 | 13 |
| Congo (K) | 12 | 5 | 2 | 1 | 1 |
| U.S.A. | 1 | 1 | 4 | 6 | 7 |
| Germany | 5 | 7 | 11 | 10 | 9 |

Source: Appendix Tables 7-12.

18. The geographical distribution of Rwanda's exports has not changed much recently. The rise in the importance of the United States has been the main development since independence; in 1966 nearly 54 percent of Rwanda's exports went there consisting primarily of coffee and pyrethrum. The second largest customer of Rwanda is Belgium which now absorbs over 30 percent of cassiterite (tin ore). Trade with neighboring countries is still very limited, and, on the whole, expanding in the same proportion as total trade; only exports to Uganda, consisting primarily of cassiterite and foodstuffs, are increasing their share in total trade. There is, also, some smuggling, particularly of cassiterite to Uganda. Official sources estimate this has amounted to about 100 tons a year recently.

19. Textiles are the largest single item in Rwanda's imports; during the last four years they averaged about 20 percent of the total. Vehicles are the second largest item and their relative share has been rising from 8.5 percent in 1964 to 14 percent during the first nine months of 1967. Imports of the main food categories except fats and oils rose very rapidly between 1963 and 1966 partly due to deliveries of PL480 commodities. The total value of imported foodstuffs rose from US\$1.1 million in 1963 to US\$2.9 million in 1966, and probably fell in 1967.

20. The geographical distribution of imports has changed considerably in recent years. The share of imports coming from the Common Market countries (mainly Belgium) has gone up from 39 percent in 1964 to 47 percent in the first nine months of 1967. Imports from the United States also have increased faster than total imports, again due to PL480 commodity assistance but their share is still rather limited, being less than 7 percent in 1966. Imports from African countries are much larger than Rwanda's exports to those countries, but their importance has shrunk considerably. In 1964, Rwanda imported US\$4.5 million worth of goods from neighboring countries, or almost 38 percent of total imports. In 1966, these imports had hardly increased and represented only 23 percent of the total. Uganda, again, is an exception, its exports to Rwanda doubling between 1964 and 1966; this development is not surprising since most trade now goes through Kampala and the transport companies are Ugandan.

21. As a result of declining Belgian financial aid and a large fall in coffee exports in 1962 and 1963, Rwanda introduced a system of trade and exchange restrictions in 1964, with an official exchange rate for essential imports and a free market for most other transactions. In spite of these measures, imports rose sharply in 1965 stimulated by deficit financing. The importance of the free exchange market grew and the import licensing system became increasingly restrictive. In April 1966 the official exchange rate was changed to the present level of RF 100 to US\$1. This was complemented by a stabilization program agreed with the IMF, including increased export taxes, and liberalization of imports. External assistance for the stabilization program was received in the form of balance of payments support from Belgium and United States commodity aid, in addition to a US\$5 million IMF standby arrangement, which was renewed to the extent of US\$2 million in 1967 and US\$3 million in 1968. The counterparts to the United States' aid have been used to finance the current budget, and as contributions to public institutions.

22. The estimated balance of payments data, shown in Appendix, Table 6, must be treated with considerable caution. National Bank statistics on foreign payments are based on foreign exchange records and, hence, exclude free market operations which were especially important in 1965 as well as part of the foreign aid flows. Estimates on those two items were made by the mission and incorporated in the data furnished by the Rwandese authorities.

23. These balance of payments figures show that Rwanda has continuously incurred a significant deficit on trade account. In 1967, however, the deficit was reduced by more than half, due to a considerable expansion in exports, coupled to a slight decline in imports. In that year, the deficit amounted to US\$2.2 million (Table 3).

Table 3: Balance of Payments
(million US\$)

| | <u>1965</u> | <u>1966</u> | <u>1967</u> |
|---------------------------------------|--------------|--------------|--------------|
| Exports (f.o.b.) | +13.6 | 11.7 | 14.8 |
| Imports (f.o.b.) | <u>-18.4</u> | <u>-17.3</u> | <u>-17.0</u> |
| Trade Balance | -4.8 | -5.6 | -2.2 |
| Freight and Insurance | -2.5 | -3.2 | -3.4 |
| Other services (net) | <u>-0.7</u> | <u>+0.1</u> | <u>-0.5</u> |
| Balance goods and non-factor services | -8.0 | -8.7 | -6.1 |
| Investment Incomes (net) | <u>+0.1</u> | <u>-0.1</u> | <u>+0.1</u> |
| Current Account | <u>-7.9</u> | <u>-8.8</u> | <u>-6.0</u> |
| Official transfers (net) | +1.5 | +2.2 | +4.7 |
| Private transfers (net) | -0.9 | +0.2 | +1.4 |
| Non-monetary capital (net) | - | +0.1 | +0.2 |
| Monetary movements (net) <u>a/</u> | +2.6 | +5.2 | -1.8 |
| Errors and omissions | +4.7 | +1.1 | +1.5 |

a/ Decline in reserves, positive.

Source: Appendix Table 6.

24. The other significant features of the balance of payments are the high level of freight and insurance payments (mostly for imports) reflecting the high cost of transport, and very low private capital and investment income flows, since the private sector is so small and the mines make very low profits. The overall current account deficit has been financed through official aid, mainly from Belgium and the European Development Fund (FED), and reductions in net reserves.

25. Rwanda's net foreign exchange reserves declined by US\$2.6 million in 1965 and by US\$5.2 million in 1966. In the first six months of 1967 a further decline of US\$2.6 million took place but in the last semester they increased by US\$4.4 million. Since the beginning of 1966 net reserves have been negative but in January 1968, liabilities were smaller than they had ever been since early 1966. Gross reserves, after having declined in 1965, increased in both 1966 and the first ten months of 1967, following the two IMF standby agreements. At the end of January 1968, gross reserves were US\$7.1 million, or roughly five months' imports.

C. Sectoral Analysis

26. As has been pointed out, changes in output have been rather modest so far, but there are a number of important projects planned, or underway, which will start having their effects in the next few years, particularly in agriculture.

(i) Agriculture

General

27. Agriculture, including livestock and fishing, provides a living to more than 90 percent of the population and accounts for 70 percent of GDP. Subsistence consumption of foodstuffs is still very high and has been estimated at around 75 percent of production on the average, with considerable variations from product to product (97 percent for sweet potatoes as compared to 20 percent for manioc).

28. Although Rwanda covers a small area, agricultural conditions within the country are extremely varied, depending on altitude, rainfall and soil conditions. In the central part of the country population is very dense and fairly intensive cultivation prevails. The available unused land is limited to the marshy valley floors, and dry land in the eastern region. Two crops are harvested annually on most land. The main crops are rotated and there is some fallow but this is decreasing. Techniques in agriculture are very primitive. Only hand tools are in general use, the principal ones being a simple hoe and a variety of cutting and pruning knives. No mineral fertilizers are used to speak of and natural fertilizers are employed in a very haphazard way. Household refuse is concentrated on the banana grove. Properly tended coffee plantations also receive a regular mulching of marsh plants such as papyrus. Under the Belgian administration extensive erosion control work was carried out, but this has been largely discontinued since independence since the work was done by the Hutu peasant under coercion.

29. The rural population in Rwanda is largely self-sufficient. With the exception of cotton cloth, second hand clothing, and steel hoe blades, the agricultural family can still produce all it requires. Handicrafts are widespread. This is not to say, however, that there is no exchange within the agricultural economy. Apart from cash crops, it is estimated that up to 20 percent of food crops are commercialized; this was much less a few years

ago. This is largely accounted for by beans, potatoes, manioc and bananas (largely in the form of beer). The bulk of marketed foodcrops is supplied to Kigali and the few other urban centers where the rapid rise in the number of civil servants has resulted in the growth of a cash market for local crops.

30. An important development on the agricultural scene has been the increase in the number of paysannats. The haphazard distribution of the small agricultural holdings over the hillsides of most of Rwanda make it difficult to introduce new techniques or do anything which requires regular contact with the farmer. The paysannat is a form of settlement designed to allow the farmer to live on his land, but to overcome the difficulty of communication by arranging all the holdings along an access road, having all the houses built on the road with the main cash crop adjacent to the road, for ease of transport, insecticide spraying and other services. The access road often follows the contour of a hill. The basic community services are also supplied.

31. Originally introduced under the Belgian administration in 1953, new paysannats are now being established with the financial support of the Common Market as well. A number have been created in the Mayaga-Bugesera region where coffee is the main cash crop; six percent of all coffee trees are in paysannats but only 40 percent of this had come into production in 1966. Cotton and tea are also grown in paysannats. Pyrethrum paysannats are being set up north of Ruhengeri; attempts are being made to integrate livestock into the paysannat formula in Kibuye by the Association Internationale de Développement Rural Outre-Mer (AIDR), a Belgian financed private organization; and further smallholder tea cultivation may be developed in this way as well.

32. Although the paysannats have been a very successful formula for settling new land, little progress has been made in reorganizing the areas which are settled in the traditional way. The problem of communication may be relieved if the new land tenure law, providing security of tenure, leads more people to live in village groupings, but this may take a long time. At present both custom and law are very confused on this question following the removal of the feudal system. But the present rule of de facto ownership based on occupancy does not appear to inhibit agricultural production.

Foodcrops

33. The production of the various food crops in recent years is shown in Appendix Table 13. Most of the growth is accounted for by the increase in bananas between 1959 and 1962. This high yielding crop is probably increasingly favored because population growth has led to critical land scarcity in some regions. In normal times it is very largely consumed in the form of "beer" (the diluted pulp partially fermented), and it constitutes a food reserve if other crops fail. Sorghum is also used to make a fermented beverage. Manioc is another reserve crop, introduced after the 1943 famine by the Belgian administration.

34. The output of groundnuts and rice could rise significantly in the future, using new land. Groundnuts are being introduced in the south-eastern areas of the country in new paysannats which are being organized in the Kibuye prefecture by the AIDR. The program is still at an early stage, but yields of 1,200 kg. per hectare have been obtained. The region is much drier than the rest of Rwanda, and well adapted to groundnuts. Consumption of vegetable oils is very low and present requirements are imported. AIDR is also introducing improved livestock here.

35. One of the potential sources of new land in Rwanda are marshes in the floors of silted up valleys. Some of these have been drained and successfully developed, producing tea and rice. French technical assistance is likely to undertake the necessary preparatory studies. Based on labor intensive methods reclamation costs have been moderate, in the region of \$600 per hectare. It is hoped that the systematic drainage of a number of such valleys will permit at least 3,000 hectares of rice to be grown within the next ten years and that tea production will also be expanded.

36. The Republic of China is undertaking a program in the marsh land in the Nyabugogo valley north of Kigali and in two other much smaller areas, for rice production. China has made a grant of US\$1.5 million equivalent to finance the technical assistance and investment costs. Two hundred and eighty hectares have already been developed. A second large valley in the Cyangugu prefecture will be developed shortly. The total program would cover 1,000 hectares, and is being carried out together by Chinese technical assistance personnel and cooperatives of local farmers. Farmers have quickly learned the principles of cultivating the new crop and yields of two tons of white rice per hectare were obtained in the second year.

37. Other new crops have been introduced to the cooperative: soya bean is grown as a second crop, since the climate does not permit double rice-cropping. Although the crop grows well, the Rwandese are not used to cooking the beans, and there are no processing facilities. Sugar is grown on higher ground, and the Republic of China has undertaken to finance a small factory, to cost \$180,000, of which Rwanda would contribute \$30,000. Rwanda imports about \$300,000 a year of sugar products.

Cash Crops

38. Production of export crops goes back to 1921 when a Belgian agricultural research station started experimenting with cotton, flax and coffee. Coffee was slowly introduced by a number of religious missions and production did not reach a reasonably large scale until the early 1930's. Coffee was exclusively produced on small individual plots spread over the countryside until the first paysannats were introduced. Practically all cash crops are now grown by cooperatives or smallholders.

39. Apart from providing the basis for the monetary economy (together with minerals) cash crops, in particular coffee, permit the individual farmer to purchase the few high cost essentials, such as clothing and tools. The growth of the cash market for foodstuffs in recent years has provided other sources of monetary income in some areas. This may have affected incentives

since the cash return to some foodstuffs, especially bananas, is quite high and much less labor is required than for coffee.

Coffee

40. Coffee is grown in small lots by the Rwandese farmers, and production is widespread throughout a large part of the country. Most production is between the altitudes of 1250 and 1900 meters, and the best growing between 1500 and 1800 meters. The variety grown is almost exclusively Arabica and the qualities can be good if cultivation and processing are done properly. After independence quality fell, mainly due to a breakdown in extension services but has recovered in the last two years.

41. About 90 percent of coffee exports are sold on the American market. Only 5 percent goes to the E.E.C. in spite of the preferential treatment which Rwanda receives as an associate member; European tastes (favoring Robusta over Arabica) and the lack of established marketing channels seem to have prevented Rwanda from entering the European market. Coffee is harvested twice a year. The main harvest is in April and May followed by a second "arrière récolte", in November. The minimum price to the farmer, fixed by the Office des Cultures Industrielles du Rwanda (OCIR), is RF35 per kilogram parchment coffee. This organization has developed from the "rump" of a similar pre-independence organization for Ruanda-Urundi.

42. In 1967, about 19,700 hectares of coffee was thought to be in production amounting to about 31.5 million coffee trees spread over some 300,000 holdings, giving an average holding of about 100 trees. Up to 1959, coffee production was rising although there was usually a slight decline in alternate years. Between 1959 and 1963, production declined dramatically as many trees were not harvested, reaching a low of 4,700 tons in the latter year. Production then rose rapidly to 10,200 tons in 1965 and to about 11,000 tons in 1967. The number of trees in production has also been rising from 22 million in 1959 to the present level. This is the result of a planting program carried out by the Service de Semences Selectionnees. The expansion of acreages is to be continued at least through 1968. About 8 million new trees are being distributed during 1966-68. Opinion in Rwanda suggests that if no steps are taken to improve yields through the use of fertilizers and more intensive cultivation, yields will stabilize at 340 to 350 grams per tree per year of clean coffee, or about 12,700 tons in 1969 and 15,000 tons in 1971. Assuming that a tree starts to come into production after three years, about 11 million trees will start producing between 1967 and 1971. Part of the new planting is in paysannats in the Mayaga-Bugesera area.

43. The OCIR is considering the possibility of increasing the yields of part of the coffee trees in production by greatly increasing the use of mineral fertilizers. A coffee rehabilitation project is now being prepared. Field trials for fertilizers on coffee have been carried out by the Institut des Sciences Agronomiques du Rwanda (ISAR), an agricultural research organization. The area which is being proposed covers the whole of the high yielding area of the country and more than half the trees.

44. Export prospects are limited by Rwanda's quota position with the International Coffee Organization (ICO). The sharp fall in production in 1960-63 lead to Rwanda getting a quota of 212,000 bags of 60 kilograms, much less than their share of the pre 1959 Ruanda-Urundi quota. This was further reduced during the 1967 ICO meetings to 150,000 bags. However, Rwanda obtained a saving provision to the effect that if it could show that production had risen above 150,000 bags the basic quota could be raised up to 260,000 bags. There seems little doubt that Rwanda will be able to show that production exceeded 150,000 bags in 1967 even allowing for some Congolese coffee sold through Rwanda, and that it will presumably obtain a higher quota shortly.

45. Even so a basic quota of 260,000 bags will give an export entitlement of 245,000 bags or 14,700 tons in 1972. New trees coming into production before then will themselves increase output to this level without much improvement in yield, so that the margin for the use of fertilizers will be quite small unless the low yielding coffee trees particularly in the eastern part of the country can be taken out of production. At present prices this coffee is probably not economic but there are hardly any cash crops which could be quickly introduced to replace it.

46. During the main harvest, the minimum price is effective because TRAFIPRO, a commercial cooperative, will buy at that price but during the second harvest the minimum price is not always respected by the private buyers who are the only ones active at that time. The harvesting and exporting of coffee is very largely financed through the two existing commercial banks. Processing is in the hands of a small number of private companies.

47. The main job of the OCIR is to fix and maintain the minimum price to the producer, to classify the crop and to assist farmers to improve their production. The minimum price (net of taxes) was raised from RF18.50 per kilogram to RF26 per kilogram in 1964 and again to RF35 per kilogram at the time of the devaluation in 1966. This has probably not increased real incentives in view of the general price increases during that period. The minimum price is calculated on the basis of the Mombasa export price, and the cost of the various intermediate stages including a fair return to the intermediary and the exporters. The other main activities in coffee promotion are, in cooperation with ISAR, supplying insecticides and seedlings, financing tools and depulping plants and assisting the farmer in pruning his coffee trees. These absorb about 70 percent of OCIR's resources. Since 1965, OCIR has employed about 2 coffee extension workers per commune, and although this is a commendable beginning, it would have to be expanded substantially if the proposed rehabilitation program were implemented.

48. OCIR's recurrent expenditure including purchase of insecticides is financed by a tax of RF5 per kilogram, parchment coffee; it also withholds RF0.5 per kilogram tax for the International Publicity Fund and RF2.1 per kilogram for the Stabilization Fund. Between 1963 and 1965 the stabilization fund lost reserves but its position has improved considerably during the past two years because there has been no intervention in the market. The reserve fund which stood at RF11 million at the beginning of 1966 now

stands at RF92 million. The stabilization tax brought in RF9 million in 1966 and RF18 million in 1967 (the rate was increased) and RF62 million of the PL480 counterparts were given to the fund. The only drawing on the fund has been RF8 million for warehouses and insecticides. The PL480 counterpart has been invested in Treasury bills.

Pyrethrum

49. Prior to independence, pyrethrum was produced largely by Belgian settlers. The slopes of the volcanoes on the Congo border in the north, above 3000 meters, are well adapted to this crop. In recent years, the government has financed the creation of four paysannats in that area and two public companies (régies). In 1967, there were about 1,000 hectares of pyrethrum of which 500 were under the two régies and the paysannats and another 500 were in small private exploitations. FED is financing the expansion of the paysannats to put a further 3,500 hectares under pyrethrum, involving some 5,000 families. This will eventually lead to a total area of some 4,500 hectares with an output of nearly 3,000 tons of pyrethrum per year. The mission expects output to reach 2,500 tons by 1972. The pressing of the dried flowers, for export, is done by OCIR at Ruhengeri.

50. The UNDP is proposing to finance a US\$1.5 million pyrethrum extraction plant. At present the dried flowers are exported to Kenya. The UNDP will contribute US\$1,386,900, while the cost to the Rwanda Government will be US\$796,860. The executing agency is the United Nations Organization for Industrial Development (UNIDO). The project appears to be technically and economically sound, but the plan of operations foresees the withdrawal of all expatriate personnel, including the project director one year after the factory has been put into operation; the Government contribution to the project includes all the substantial working capital requirements part of which will be in foreign exchange.

Tea

51. Tea is produced in three areas of the country. The most important is the Mulindi valley on the Uganda border; the others are in the Cyangugu prefecture at Pfunda, near Gisenyi. Until 1963, production was largely carried out by private companies and European settlers, but in 1961 the first plantations of a government régie were established at Mulindi and these came into production three years later. The régie was subsequently financed by Belgium and then by FED. Management was assigned to a German company, AGRAR und Hydrotechnik, which is now managing the processing factory (with a capacity of 800 tons) and about 500 hectares of tea, 400 of which belong to a cooperative in which the laborers hold a nominal share. A further 500 hectares are to be planted, involving an eventual expansion of the factory. Production in the Cyangugu is also to be developed: 115 hectares are to be planted. A factory of 600 tons capacity exists in that area and the Government is proposing smallholder tea projects for FED financing. The Mulindi project has run into several difficulties. The overheads on the factory are at present excessive and the Cooperative is losing money. AGRAR has experienced difficulties in marketing the tea, mainly because of technical problems which have now been resolved, but also because it lacked established commercial channels.

52. The Government expects production to rise from 340 tons in 1966 to about 830 tons in 1968 and 1,800 in 1971. The mission expects these targets to be reached with about one year's delay. Providing present marketing problems can be resolved, this crop can be expanded considerably in Rwanda. Tea could be grown on a number of the valleys for which reclamation studies are to be carried out.

Other Crops

53. A few other cash crops are grown in Rwanda, the most important being cotton, grown in the extreme southwest of the country in the Rusizi Valley. Production was about 300 tons in 1967, having been about this level for the past six years. Further development seems unlikely. Barley is also grown in a few areas of the country; production has varied very substantially, rising to 2,000 tons in 1967. Marketing is a problem since the past main customer, a brewery in Congo (K), no longer imports from Rwanda. Wheat and quinine bark are also produced in small quantities.

Livestock

54. There are up to half a million cattle in Rwanda and large numbers of goats, sheep and pigs. In the past livestock played an important social and political role in the country, quite apart from its economic importance. Most cattle are now owned by Hutu farmers in small individually owned herds. It would appear that since the revolution the prestige value attached to cattle has been declining and although estimates of annual offtake vary widely, it is thought that more cattle are being exported or slaughtered than before. At present exports are limited to neighboring countries and much of it is unrecorded. A number of cattle are used to produce milk but yields are extremely low. Health conditions are very poor and this will prevent significant exports for some time to come; Tenia and East Coast Fever are serious problems, the former depreciating the value of much of the meat produced, both beef and pork. Livestock marketing is carried out mainly in a number of periodic rural markets. Although there is a lot of grazing land this consists of the tops of hills and the upper slopes of the Congo Nile Ridge and except for the eastern area of the country, and the ISAR breeding ranch in the southwest, there are no spaces suitable for ranching.

55. Rwanda imports about 600 head per year of high quality beef cattle from Kenya and ISAR produces about 100 head per year at its breeding station. This supply is sufficient to satisfy the high income market for good quality beef. A project has been proposed to create a large ranch in the Mutara area to the northeast which would produce beef of a similar quality replacing imports. There is also a proposal to develop the neighboring region as paysannats based on livestock. It would be desirable if the livestock produced in this area could benefit from extension services and other facilities based on the proposed ranch. Table 3 below shows the development of the estimated livestock population over recent years. The numbers of cattle are probably rising, but the official statistics are thought to overestimate the population. The numbers of goats, sheep and pigs appear to be falling, however.

Table 3: Livestock
(thousands.)

| <u>Estimated Population</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> |
|-----------------------------|-------------|-------------|-------------|
| Cattle | 557 | 577 | 600 |
| Goats | 459 | 410 | 320 |
| Sheep | 203 | 161 | 136 |
| Pigs | 36 | 26 | 30 |
| Poultry | 456 | 400 | 410 |

Source: Ministry of Agriculture and Livestock.

Extension Services

56. Agricultural extension services are still on a very small scale. Apart from those provided by OCIR, they are the responsibility of the Ministry of Agriculture. Very few institutions are currently training extension workers. One school at Butare gives a four-year secondary level education for agronomists, and there are three accelerated training centers financed by bilateral aid, but these only have 20 or 30 pupils each. Nevertheless, in 1967 there were about 160 Rwandese agronomists who had graduated from the school in Butare or from the accelerated system, and 11 expatriate staff compared with only 24 Rwandese and 3 Belgians in 1959. At present there are about 500 untrained extension workers under the agronomists. It is anticipated that the school at Butare will train about 40 graduates per year in the future, thus somewhat relieving the situation. It is difficult for extension workers to be effective; they may be responsible for up to 1,000 farmers each, and in view of the terrain and the scattered holdings, regular visits are not possible. The extension services have also been targets for expenditures cuts during 1967, and the Mission was told that many workers were in effect immobilized since the transport budget was exhausted.

57. The weakness of extension work is a serious restraint to rapid rural development. Progress on the diversification of cash crops will probably be seriously delayed by the lack of extension services with important consequences both for agricultural incomes and for exports. The Service de Semences Sélectionnées plays a complementary role to the Ministry of Agriculture extension service in the distribution of improved seeds developed by ISAR, mainly of food crops, vegetables and fruit trees. This Service has also been distributing new coffee plants. It appears that it has been successful in this field.

(ii) Mining

58. Mining is carried out in Rwanda on a rather small scale, mainly in open pits with simple techniques using unskilled labor. It is, however, important to the economy as a major source of foreign exchange.

59. The relative contribution of the mining sector to Rwanda's gross domestic product has declined from 2.3 percent in 1959 to 1.9 percent in 1966, and since 1962 employment in mining seems to have slightly declined. The share of the sector in commodity export earnings has also receded from 37 percent in 1964 to 33 percent in 1967. In absolute terms mining output has been growing by only 1 percent per year between 1959 and 1966. In any event, proven mineral reserves are very limited. Production of the different minerals is shown in Appendix Table 14. Output of cassiterite fell after 1957, and has shown a gradual recovery since 1959, which is not expected to continue in view of weakening prices and the poor reserves. Wolframite exports are unreliable because the price is very erratic. 1967 was a good year, but prospects will depend very much on future price levels. The mining sector does not seem to be very profitable. Investment has been very low in recent years, but two companies are at present undertaking investments amounting to US\$3 million and one of them made a profit in 1966.

60. Relations between the government and the mining sector are strained. The government has introduced a new mining code, shortened the life of concessions, and introduced an obligation to work a concession, but implementation has suffered from administrative delays. However, the main difficulty is the rapid growth of production by artisans, partly legal but partly based on pilfering on established concessions. The new code provides for "buying counters" (comptoirs d'achat) to purchase the artisans' production, and there are now three of these, two of which belong to mining companies, who appear to have set prices which are not attractive to the artisans. It is estimated that of about 200 tons of cassiterite produced by artisans half is smuggled to Uganda, where it is sold to the British Metal Co. Ltd.

61. A major mine at Gatumba and several smaller exploitations are not connected to the national electricity grid system and generate their own power using diesel fuel. This leads to high processing costs and limits the scope for crushing the lower grade ores which could be obtained by mining in depth. FED has been asked to finance an extension of the grid.

62. Even if the problems mentioned above were resolved, prospects would not greatly improve, since mineral reserves are small and scattered, and it is quite widely felt that further geological research would be unlikely to lead to significant results. The existing companies have done extensive research already. The Federal Republic of Germany financed a project in this field, but the results were largely negative. However, UNDP and FED are considering geological studies in Rwanda, the former covering the whole country, including exploratory drillings.

(iii) Industry

63. Industrial activity in Rwanda is extremely limited. Starting from a negligible base prior to independence, it grew rapidly, but this is thought to be exaggerated in the GDP data. The largest group of industries are those treating agricultural products; these include coffee and tea processing, a few flour mills and a cigar factory. There is also a large brewery, a textile factory and one manufacturing aluminum articles. There is a substantial amount of handicraft production which is widespread throughout the country.

64. Rwanda was the poorest and most isolated of the Belgian territories and it provided a market for goods produced in the Congo or in Burundi. Few manufacturing industries were established before independence. Since then, the expansion of this sector has suffered from hesitation on the part of the private sector arising from the security situation and the extremely limited local market. In 1966 there were about 100 industrial enterprises, excluding production and distribution of electricity and water (consisting of one generating company and an autonomous public distribution agency called REGIDESO). Only 10 of these enterprises employed more than 200 workers. The 1964 census gave 2,300 workers as being employed in manufacturing and 11,600 employed in construction.

65. The recent growth of the construction industry is due largely to house building in Kigali and one or two other centers, a result of the rapid increase in the numbers of technical assistance personnel and the scarcity of European standard housing. There has also been a certain amount of house building for civil servants on the part of the government. On the other hand, carpentry and woodwork in general are quite insufficient. This arises from the absence of saw mills, the lack of organized seasoning of wood and the inability of Rwandese, trained in this sector, to establish themselves as independent workers. The problem is mainly one of capital and organization.

66. The main items produced in the artisanal sector are earthenware, basket work, forged iron and some wooden articles. There is also a tradition of very fine raffia work which could be developed as an export industry. An important part of the construction industry is the small-scale production of bricks by Rwandese entrepreneurs, in fact a cottage industry. These brickworks have developed very rapidly in the past few years in line with the increasing building activity.

67. The systematic promotion of handicrafts has been especially undertaken by the Ministry of Commerce, Mines and Industry. A significant part of the training and production in this sector is based on some of the larger Roman Catholic missions.

(iv) Commerce

68. The commercial sector in Rwanda is almost entirely concerned with handling imports and exports, local production for the domestic market being extremely limited. Commerce is concentrated in the hands of a few large companies which have a dominant position; in particular, there are only two agencies handling transport to Uganda and other neighboring countries and only five or six large European companies in the general import trade. In 1963 the Government gave the Agence Maritime Internationale a ten-year monopoly as sole agent for imports from Uganda (transitaire). Although this arrangement has the advantage of reliability and of suppressing fraud, it appears that transport rates are excessive as a result, particularly that part subcontracted to another agency in Kampala, Afrolinks. Wholesale and the larger retail trade is carried out by two or three hundred Asian and Arab establishments, but in the smaller retail trade Rwandese have a larger share and their numbers are growing rapidly.

69. Most foreign trade is transported by road from Uganda and passes through the customs post at Kigali. All major trading companies are established at Kigali, many having set up there recently, since, prior to independence, they operated in Rwanda from their headquarters in Bujumbura. Some of the larger companies have branches in a few of the other small towns, as does one of the banks, but most retail trade in the rest of the country is carried out in about 80 trading posts scattered along the roads. These trading posts are the only centers of any sort in many parts of the country.

70. There are very few cooperatives in Rwanda, and, with one exception, they are all very small. The exception is TRAFIPRO, a commercial cooperative originally established by the Catholic Church but staffed and financed under the Swiss foreign aid program since 1962. Although not a public body, TRAFIPRO is thought of as an instrument of public policy. TRAFIPRO operates in two main fields: the distribution of imported goods, and the marketing of coffee, where during the main harvest TRAFIPRO purchasing agents assure that the peasants are paid the official price of 35 francs per kg by buying in competition with private agents (in 1967, the cooperative bought 20 percent of the crop). TRAFIPRO's objective is to sell goods at moderate profit margins at a uniform price throughout the country, thus competing with the high margins of the small retail traders and improving the purchasing power of the rural population. At present, TRAFIPRO has 70,000 members who each pay a contribution of 50 francs and would share in its profits.

71. TRAFIPRO has suffered serious financial and administrative difficulties during the past two years, arising from very rapid expansion during 1965. Prior to devaluation, imports were subject to quota and this resulted in scarcities of many products and considerable profits to the commercial sector. TRAFIPRO's profits were boosted and it expanded the number of branches (now 29) and its vehicle fleet. These were financed with Swiss credits amounting to RF110 million and repayable in local currency over five to seven years, at 3 percent rate of interest. One consequence of this rapid expansion was the loss of effective administrative control within the organization, despite the presence of 16 Swiss technical assistants. Following the 1966 devaluation, profit margins fell substantially and the cooperative is to reestablish its financial viability by closing about a third of its branches, selling about a fifth of its vehicles, and concentrating on the urban centers where, in any case, a large proportion of its business is carried out.

72. The structure of small-scale commerce among the Rwandese rural population is not well known. There are perhaps 300 intermittent markets for locally-produced goods, particularly livestock and handicrafts. A significant amount of foodstuffs and banana beer is also bought and sold. One element of the import liberalization in 1966 was that no tariffs are charged on imported lots worth less than RF20,000. The purpose of this was to provide an alternative circuit for imports to be sold to the rural population, thus limiting profit margins in existing circuits. The measure seems to have been effective.

(v) Infrastructure

Transport

73. As for many other land-locked countries in Africa, transport outlets to the sea entail heavy costs. In Rwanda, the problem of distance has been compounded by changes in the direction of international traffic as a result of political upheavals in its own territory as well as in neighboring areas. At the time of the economic union with Burundi and Congo, a large part of Rwanda's foreign trade was oriented towards the Atlantic Ocean. In 1959, for instance, as much as 22 percent of exports and 44 percent of imports were handled in either Lobito (Angola) or Matadi (Congo-Kinshasa). After independence, however, practically all traffic has now taken the much shorter routes to the Indian Ocean.

74. At present, Rwanda has two connections with the eastern shore of the continent. The first link runs southward, passing through Burundi (Bujumbura) and Tanzania (Kigoma). This itinerary is 1,750 km long and requires two transshipments. The northern route runs through Uganda and Kenya. This itinerary is slightly longer from Kigali (1,790) than the southern route, but requires only one transshipment from truck to rail. The Tanzania route is economic only for trade originating south of Gitarama, and since most of Rwanda's exports originate in the northern half of the country, more than three fourths of international trade flows - including the bulk of coffee, pyrethrum, and mineral production - take the northern route.

75. Rwanda's national road network is very dense (1 km of road per 5 square kilometers), offering no physical bottlenecks to national or international traffic. The main axis runs north-south, from Butare to Kigali and then either to Ruhengeri or to Uganda. The main network links the ten prefectures. Responsibility for road maintenance is divided between the Central Government and the commune according to whether they are classified as national or secondary roads. The Ministry of Works road maintenance budget is quite inadequate, particularly since the cost of materials rose sharply after devaluation. The communes lack good technical guidance for the work they do. In 1964 the Bureau Central d'Etudes pour les Equipements d'Outre-Mer (BCEOM) made recommendations for the reorganization of road maintenance. Their main proposals concern the training of adequate personnel since the necessary equipment was available. Improving road maintenance is still the highest priority in this sector. Apart from the new route to Uganda the network is sufficiently well developed that most major reconstruction work can be postponed for some years. In 1964, there were only 2,360 vehicles in Rwanda of which 1,300 were cars and the rest commercial vehicles. The Government has created a public company (Société des Transports Publics) to provide a bi-weekly service between the main towns.

76. Among the major projects included in the Plan, is the construction of a new road to Uganda via the border town of Gatuna. This road, presently being engineered with FED and IDA finance (in Rwanda and Uganda, respectively) would connect Kigali with Kabale and shorten the distance to Kampala by some 63 km. Another project, to which the government attaches great importance, is to open a third major outlet to the sea, entirely located in Tanzania

territory. This project, which will cost RF35 million, will be financed with a loan from the Federal Republic of Germany, Tanzania having undertaken to improve the road connection on her own territory. It will shorten the distance between Kigali and Dar-es-Salaam by over 100 km, avoid transshipments, and provide Rwanda with an alternative outlet to the sea in case the Burundi or Uganda borders were closed again because of political difficulties. The Government has requested IDA to finance a road engineering project which would include a study of the administration and maintenance organization and some equipment, as well as the detailed engineering of sections of the Ruhengeri-Gisenyi road.

Energy

77. Present demand of electricity in Rwanda is very low. In 1966 total electricity consumption (including small individual producers) amounted to 19 million kwh or hardly over 6 kwh per capita. This is only 1/5 and less than 1/7 of per capita electricity consumption respectively in Tanzania and Uganda. Between 1962 and 1966, however, consumption of electricity in Rwanda has been expanding at an annual rate of nearly 20 percent. This expansion is concentrated in urban areas, where consumption has risen from 1.9 million kwh in 1962 to 9.5 million kwh in 1966 (including 3.2 million kwh for the German radio station Deutsche Welle), an annual rate of increase of 35 percent. On the other hand, electricity consumption by the mining sector has been stagnating.

78. The bulk of electric power is produced by Forces de l'Est, a Congolese public enterprise which owns the hydroelectric station at Ntaruka, in the northern part of the country. This station has a total annual capacity of 20 million kwh and is connected to Kigali and Rinkwavu, the major mining center in the East. The rest of electricity output is produced by REGIDESO, the public utility company which owns inter alia a hydro-station in Gisenyi, and by a series of small individual producers who fill their own needs. REGIDESO is responsible for all power and water distribution and for future expansion of capacity. REGIDESO has made some investments recently, expanding their network to new houses in Kigali and other towns.

79. A recent study undertaken for the FED by the German consultant firm Lahmeyer foresees that future electric power demand will probably increase by 14 percent per year between 1966 and 1972 and thereafter by 6 percent per year. In the light of the past trends, and in view of established electricity needs resulting from a series of industrial projects already in execution, this forecast seems realistic, in which case the existing plant would be working at full capacity by 1969. Lahmeyer has proposed that first a third unit should be installed at Ntaruka (for which it is designed) and the distribution system expanded and that secondly a new power station should be built on the Mukungwa river at the exit of Lake Luhondo. FED has been approached for the financing of the first stage of this program, as well as for the construction of a distribution network which would connect Gatumba and Butare to the present system. The first stage of the program would cost about US\$3.5 million and would satisfy the demand for electricity until 1972. The first stage of this program - the additional unit at Ntaruka - is being delayed because the ownership of the plant is the subject of a contentieux between the Rwandese and Congolese governments.

Table 5: Electricity Consumption
(in thousand kwh)

| | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> |
|------------------|--------------|--------------|--------------|---------------|---------------|
| <u>Towns</u> | | | | | |
| Kigali | 1,290 | 1,496 | 2,160 | 3,622 | 7,141 |
| Gysenyi | | 412 | 494 | 629 | 610 |
| Nyundo | | 576 | 551 | 758 | 697 |
| Butare | 477 | 394 | 488 | 535 | 612 |
| Others <u>1/</u> | <u>103</u> | <u>155</u> | <u>192</u> | <u>201</u> | <u>449</u> |
| Total | 1,870 | 2,933 | 3,885 | 5,565 | 9,509 |
| <u>Mines</u> | | | | | |
| Somuki | 1,093 | 1,664 | 1,422 | 1,506 | 1,343 |
| Musha | 1,317 | 1,541 | 1,520 | 1,771 | 2,127 |
| Rinkwavu | 3,292 | 3,260 | 2,866 | 3,124 | 2,953 |
| Bugarama | <u>236</u> | <u>6</u> | <u>174</u> | <u>237</u> | <u>296</u> |
| Total | 5,938 | 6,471 | 5,982 | 6,638 | 6,719 |
| <u>Total</u> | <u>7,808</u> | <u>9,404</u> | <u>9,867</u> | <u>12,203</u> | <u>16,228</u> |

1/ The electricity consumed in Cyangugu is bought from Mururu.

Source: L'Economie Energétique du Rwanda, Lahmeyer International.

Gas and Water

80. Urban water supplies are also the responsibility of REGIDESO. A new filtration plant at Kigali was recently given by the United States. Supplies of drinking water in the countryside have been created by AIDR who continue to manage them.

81. Methane gas is dissolved in large quantities in the depths of Lake Kivu and it is one of the government's great aspirations that one day this should be exploited on a large scale, for fertilizers and as fuel for industries. At present the brewery at Gisenyi is fuelled by methane which is extracted by pipe from the lake depths and purified. For the time being, the main limitations to a larger scale operation would be the absence of a market for fertilizers, and the poor location for exporting except to neighboring countries in due course. The technical aspects have not been studied fully yet. An initial study has been carried out by SOFREGAZ.

Table 6: Consumption of Gas and Water
(in thousand cubic meters)

| | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> |
|---------------|-------------|-------------|-------------|-------------|-------------|
| Gas (methane) | - | - | 3 | 436 | 836 |
| Water | 1,007 | 960 | 1,162 | 1,231 | 1,323 |

Sources: REGIDESO, Annual Reports, and Bulletin de Statistique.

(vi) Education

General

82. Under the Belgian administration, education was not developed substantially until about 1959 and, at the secondary level, was strongly biased towards the Tutsi people. The withdrawal of the Belgian administration on independence, and the emigration of important numbers of the Tutsi class, created a serious personnel crisis. The administration was able to recruit just two Rwandese graduates at the time of independence and in 1967 this figure had risen to only 38. Large numbers of important posts in the new civil service had to be filled with people with only secondary education or less. There is thus an acute scarcity of national personnel with any specialized skills in the Rwandese administration and many key posts are held by expatriates.

Primary Education

83. Primary enrollment grew rapidly up to 1962 but has stabilized since then at about 350,000. For boys total enrollments are now about 200,000. The earlier increase in enrollments due to improvements in the proportion continuing to higher classes has now unfortunately ceased and even declined. Of the 65,000 boys who reach school age each year, some 85 percent are enrolled in the first year. The number of repeaters is very high, particularly in the earlier classes. Enrollment of girls is now nearly 150,000 and still rising. Only about 65 percent of the age group is enrolled in the first year, and in contrast to boys the proportions completing the higher classes are still rising. The numbers leaving the primary system after six years are much greater than those which can be taken by the secondary schools. The selection examination at the end of the fourth year of primary education might be used more rigorously to limit the flow of pupils into the fifth and sixth classes only to those likely to go on to secondary education.

84. One reason for the poor performance of the primary school system is the very high proportion (70 percent in 1964/65) of unqualified teachers. The output of better qualified teachers from the secondary system is now rising but it is important that these new teachers be used to replace the existing unqualified teachers and not to contribute to further expansion. There are more classes than teachers, and two-shift teaching is common. The importance of drop-outs in primary education is shown in the educational pyramid of 1966/67 (See Chart)

Secondary Education

85. Secondary education is very limited, but has been growing more rapidly than the primary system, having doubled between 1962/63 and 1966/67. For its small size, the structure of the system is well developed. The three main branches are general secondary education, teacher training and technical and vocational training. General secondary education lasting six or seven years is by far the most important. The first three years are regarded as an orientation cycle leading to general, technical or teacher training streams. The most serious imbalance is that nearly 30 percent of the boys in all secondary education are studying a course based on Greek and Latin in private religious institutions known as Junior Seminaries. Only 10 percent of total enrollments are in the technical and vocational schools. Teacher training accounts for about 35 percent of enrollments. A larger proportion of girls in secondary education are in vocational courses than is the case for boys, but since the creation of the orientation cycle the number of girls enrolled in general secondary education has risen rapidly. About half of secondary education teachers in 1966/67 were foreigners. Dependence on foreign teachers will continue for the foreseeable future.

86. Expansion in secondary education will continue. The increase in initial entry will lead to a growth in total enrollment, particularly for girls. The status of the Plan school building program is not clear because it depends on external financing. Delays will lead to further overcrowding. A substantial expansion of the important technical school at Kicukiro is being financed by bilateral aid. This will increase the school's capacity from about 330 to 730 pupils, but the output of graduates will only be affected after 1970.

Higher Education

87. The Rwanda National University at Butare was created in 1963. It now has four faculties: letters, physical sciences, economic and social sciences and medicine with a total number of students in 1966/67 of 130. The National Pedagogical Institute, which is still in embryo form, had 32 students in the same year. There are 48 teachers in the University, most of them of Canadian and Belgian nationality. The University is administered by a Canadian Dominican order. About 280 Rwandese are studying abroad, mostly in Congo, Belgium, France, Germany and Italy. In fact, Rwanda hardly has sufficient qualified school leavers to fill the available places at the newly formed university and the scholarships which are offered by foreign countries.

88. There is very little accelerated vocational training in Rwanda. The only centres are three schools for intermediate level agronomists to staff the extension services.

Expenditure on Education

89. There is an important element of privately financed education in Rwanda. The junior seminaries are independent and most of the rest of secondary education is also run by the Catholic church, but is subsidized by the state who pays part of the salaries of the teachers, and some other costs.

Table 7: Public Education Expenditure
(thousands RF)

| | 1963 | 1964 | 1965 | 1966 | 1967 (budget) |
|-----------------------------------|----------------|----------------|----------------|----------------|------------------|
| General Administration | 3,127 | 3,768 | 3,352 | 7,500 | 19,606 |
| Primary Education | 123,536 | 126,383 | 150,583 | 204,986 | 270,000 |
| Secondary Education ^{a/} | 32,711 | 33,728 | 35,889 | 67,073 | 87,831 |
| Higher Education (scholarships) | <u>4,753</u> | <u>2,493</u> | <u>4,948</u> | <u>8,111</u> | <u>15,000</u> |
| Total | <u>164,128</u> | <u>166,372</u> | <u>194,772</u> | <u>287,670</u> | <u>392,473</u> |

Primary Education

| | | | | | |
|----------------------------|-------|-------|-------|-------|-------|
| % of Education budget | 75 | 76 | 77 | 71 | 69 |
| Enrolment ('000) | 315.9 | 359.5 | 352.4 | 330.0 | 315.6 |
| RF per pupil ^{b/} | 390 | 350 | 430 | 620 | 780 |

Secondary Education

| | | | | | |
|-----------------------------|--------------|--------------|--------------|----------------------------|---------------|
| % of Education budget | 20 | 20 | 18 | 23 | 22 |
| Enrolment | 4,173 | 4,887 | 7,418 | 8,560 | 8,515 |
| Less non-subsidized schools | <u>703</u> | <u>854</u> | <u>1,386</u> | <u>(1,500)</u> | <u>1,622</u> |
| | 3,470 | 4,033 | 6,032 | (6,060) | 6,893 |
| RF per pupil ^{b/} | <u>9,430</u> | <u>8,360</u> | <u>5,950</u> | <u>11,070^{c/}</u> | <u>12,740</u> |

^{a/} General, Technical and Teacher training.

^{b/} 1963 Budget divided by 1962-63 enrolment, and so on.

^{c/} Estimate. No figure for non-subsidized pupils available.

Source: Projets de loi d'Approbation des comptes relatifs au budget de gestion. 1963, 1964, 1965 and 1966.
Journal Officiel, Feb. 1, 1967
Bulletins Statistique Nos. 1, 9, 12 and 14.
Statistiques de l'Enseignement 1966-67.

The boarding costs in secondary education are paid for by the parents. All secondary education is boarding. Primary education is public and fully paid for by the State.

90. The budget of the Ministry of Education has grown from RF165 million in 1963 to RF390 million in 1967, of which about 75 percent is spent on salaries. During the same period the approximate cost per pupil has risen from about RF400 to RF800 for primary education and from RF9,500 to RF12,500 in secondary education (excluding the Junior Seminaries which are private). Table 7 shows the distribution of Ministry of Education expenditures over the past five years and the corresponding enrollments in primary and secondary education. Since Rwanda does not pay for the salaries of technical assistants in secondary education, expenditure on secondary education is not fully shown in the budget. In higher education, the only expenditure is on scholarships for some of the students abroad, since the whole cost of the university is financed by external aid.

91. It is difficult to suggest what expenditures on education will be in the future, since in the past they have risen mainly because of the rise in costs per pupil, rather than of increases in enrollments. If enrollments in primary education continue to be stable and those in secondary education develop steadily to about 8,000 by 1972, then expenditures in 1972 can be estimated at about RF470 million, or 20 percent above the 1967 level. This would require the utmost stringency in limiting both the cost and size of primary education, and keeping unit costs in secondary education at their present level. Expansion of the secondary system should be concentrated on technical and teacher training schools.

III. FINANCING AND DEVELOPMENT

A. Organization of Public Finance

92. While expenditures made under the recurrent budget are approved by the Ministry of Finance, the development budget is prepared and executed by the Ministry of Cooperation, which is responsible both for development planning and for foreign affairs. The development budget has no recurrent receipts of its own. Most public investment is however carried out by foreign aid, and the various agencies execute their projects more or less independently of the Ministry of Cooperation. The lack of coordination is reflected by the incomplete information available at the Ministry of Cooperation about the progress of the various projects, and the disorganized situation of Rwanda's contributions to certain projects. The Government has entered into more commitments for local cost contributions than it is able to honor, in spite of the fact that some of these contributions are being financed out of Belgian aid.

93. Control of the ordinary budget is defective. The spending ministries are able to enter into obligations without the prior approval of the Ministry of Finance and the control of new civil service appointments which

rest theoretically with the Fonction Publique has been circumvented. In November 1967, the President set up a special commission to limit expenditures on the 1968 budget, and to make proposals for the 1969 budget, under the Chairmanship of the Governor of the Central Bank. The Central Bank has considerable influence in the economy: in addition to its usual functions, it is the main source of technical advice to the Government on questions of economic policy.

94. Investment activities are guided by the Five-Year Plan (Plan Intérimaire d'Urgence, 1965-69) which was prepared by the Government with French technical assistance. The actual investment targets are both behind hand and out of date, particularly as the costs of various projects are evaluated at pre-devaluation prices. The document itself is therefore of limited use.

95. The Government is studying a proposal to create a national development bank, and an expatriate general manager designate has been appointed. However, the creation of this institution may be postponed for the time being, in view of the low volume of prospective business.

96. Treasury operations made outside the ordinary and development budget are accounted for in the "budgets pour ordre" and the "comptes hors budget". The former include the deposits of third parties, such as the transport agency and deposits in post office checking accounts, and certain special public funds. The 1968 budget proposes the progressive liquidation of a number of the special accounts. The comptes hors budget are essentially transitional accounts, but they also include treasury bill operations which have been netted out for the purposes of the consolidated public finance data (Table 10).

B. Central Government Receipts

97. The current receipts of the Central Government have increased very rapidly; in 1967 they were nearly four times the 1963 level in current prices, and have been rising at an average rate of 27 percent in real terms. The largest jump occurred in 1966; mainly due to the increase in indirect taxes, particularly export taxes, at the time of devaluation. Table 8, below, shows the composition of current receipts of the Central Government.

Table 8: Central Government Receipts
(millions RF)

| | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | 1967 (Preliminary Results) | 1968 (Budget) |
|------------------------------------|-------------|-------------|-------------|-------------|----------------------------------|------------------|
| <u>Taxes on Property</u> | 26.5 | 61.5 | 58.2 | 56.3 | 59.0 | 65.5 |
| Of which: cattle | 19.6 | 48.9 | 43.8 | 37.4 | - | 37.0 |
| <u>Taxes on Income and Profits</u> | 107.7 | 219.7 | 196.0 | 267.7 | 319.8 | 337.9 |
| Of which: Income taxes | 12.4 | 21.5 | 28.2 | 66.4 | 84.6 | 100.3 |
| Business profits | 27.0 | 26.5 | 39.0 | 75.3 | 101.3 | 102.0 |
| Capitation tax | 63.8 | 159.8 | 125.7 | 120.1 | 120.7 | 125.0 |
| <u>Indirect Taxes</u> | 162.1 | 156.0 | 283.0 | 736.2 | 754.2 | 830.0 |
| Of which: Export taxes | 16.3 | 32.0 | 29.0 | 196.8 | 187.9 | 200.0 |
| Import taxes | 102.7 | 85.8 | 146.7 | 323.7 | 351.1 | 400.0 |
| Excise taxes | 57.4 | 56.7 | 86.5 | 195.0 | 191.3 | 200.0 |
| <u>Non-Fiscal Income</u> | 37.3 | 56.2 | 82.0 | 110.6 | 133.8 | 145.0 |
| Total: | 333.7 | 493.4 | 619.2 | 1170.7 | 1266.8 | 1378.3 |
| Indirect taxes/ fiscal receipts | 55% | 36% | 38% | 70% | 66% | 67% |
| <u>Index of Total Receipts:</u> | | | | | | |
| at current prices | 100 | 147 | 183 | 351 | 380 | 409 |
| approximate deflator | 100 | 107 | 118 | 136 | 145 | 145 |
| at constant prices | 100 | 137 | 155 | 258 | 262 | 282 |

98. The main increases in 1966 were the export taxes on coffee and minerals. Rates were raised from 8 percent to 20 percent for parchment coffee and from 3 percent to 20 percent for cassiterite. A 20 percent tax was also placed on pyrethrum flowers - which were previously exempt - and on tea which was previously taxed at 6 percent. These taxes were further modified in April 1967. For coffee the 20 percent rate was replaced by a 10 percent tax and a progressive fiscal duty applicable when the Mombasa price reached US 35 cents per pound. The taxes collected by OCIR were increased at the same time; the stabilization tax operates when the price reaches US 34 cents per pound, and the stabilization fund intervenes when the price falls below that level. Although government revenues from coffee have declined as a result of these changes, total taxation of coffee has been maintained because OCIR's share has been increased. The effect of these measures has been to reduce the effect of world price movements on the coffee exporters and intermediaries.

99. The export tax on cassiterite was also reduced from 20 percent to 10 percent in April 1967, and a progressive fiscal duty is now applied when

the London metal exchange price reaches £1,120 per long ton. ^{1/} The taxes are based on the imputed value of exports based on the London tin price, and allowing for processing, transport and an adequate profit margin. The fiscal tax is designed to absorb part of the increased profits arising from higher prices. The fiscal revenue from cassiterite is very sensitive to price movements, and this may create difficulties because prices are expected to decline.

100. The tax on tea was altered from 20 percent to RF10 per kilogram, and that on pyrethrum flowers from 20 percent to RF12 per kilogram, effectively reducing the tax on tea. The overall effect of these measures was to reduce government receipts from export taxes as a proportion of exports from 18 percent in 1966 to about 13 percent in 1967.

101. Import taxes are in general not high, rarely exceeding 45 percent, and mostly lie in the 10 percent to 25 percent range. A large number of the rates were raised by about 10 percent at the time of the monetary reform but there were some reductions. Cereals now carry a 10 percent tax, cotton fabrics 30 percent and private motor cars 45 percent. In 1966 and the first 9 months of 1967, import duties represented about 17 percent of imports.

102. One important effect of these changes was to shift taxation from direct to indirect taxes. The proportion of indirect taxes in fiscal revenue rose from less than 40 percent in 1964-1965 to 70 percent in 1966-1967.

103. The main direct taxes are a personal income tax, tax on incomes of companies and foreign enterprises, a capitation tax, and a tax on livestock. Revenues from the latter two have been declining since 1964; one reason is that, since 1966, only 65 percent, as opposed to 70 percent, of these taxes are forwarded to the Central Government, the balance being retained by the Municipalities who collect it. Taking this into account, collection seems to be reasonably efficient for the RF400 capitation tax, ranging between 70 and 85 percent of the maximum, whereas, for the cattle tax of RF200, collection is below 60 percent of the maximum, based on Ministry of Agriculture livestock statistics. These widely diverging collection rates must cast some doubt on the reliability of the livestock statistics which are probably over-estimated.

104. Personal income taxes are progressive, starting at 4 percent for the first RF25,000, 6 percent for the next RF75,000, and 10 percent from RF100,000 to RF200,000. Above that, only a few individuals are affected by the higher rates. Corporate tax rates are 25 percent up to RF500,000, 30 percent for the next RF500,000 and 45 percent above that. These rates were 5 percent lower before 1965. About 20 percent of corporate tax revenue is paid by a few large foreign mining enterprises.

105. The 1968 budget projects total revenues at RF1378 million, slightly higher than the preliminary estimates for 1967, mainly due to higher revenues from foreign trade. No new taxes are expected.

^{1/} Corresponding to £1,305 after the devaluation of sterling.

C. Central Government Current Expenditure

106. The growth of Central Government's current expenditure since 1963 is shown in Table 9, below, and in greater detail in Appendix Tables 13 and 14. By far the most important ministries are education and defense. The rapid growth of the former was initially due to increased enrollments but has recently been due more to higher costs per pupil. Defense expenditures rose rapidly after the attacks in early 1964 and the threatening situation during 1965, increasing from 15 percent of the budget in 1963 to 35 percent in 1966. This exceptionally high level of expenditures is due entirely to the fact that Rwanda was obliged to create and equip an army in a very short period of time. Military spending jumped in 1966 and 1967 because a lot of equipment had to be purchased at the new exchange rate. In fact, military expenditures in 1967 were limited to RF379 million against an original budget of RF472 million and represented only 28 percent of the budget. The 1968 military budget has again been reduced to RF322 million or 23 percent of the budget.

Table 9: Central Government Expenditure
(RF million)

| | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | (Preliminary Results) <u>1967</u> | 1968 (Budget) |
|---------------------------------------|--------------|--------------|--------------|---------------|---|------------------|
| <u>Ministry</u> | | | | | | |
| Education | 164.1 | 166.4 | 194.8 | 287.7 | 356.4 | 376.3 |
| Defense | 83.3 | 129.7 | 161.1 | 462.8 | 378.7 | 322.0 |
| Economic Services | 94.7 | 128.2 | 118.5 | 173.2 | 202.4 | 249.4 |
| Internal and Social Services | 141.1 | 153.2 | 180.4 | 204.3 | 231.7 | 237.0 |
| General Adminis- tration | <u>63.3</u> | <u>82.3</u> | <u>182.3</u> | <u>193.9</u> | <u>206.1</u> | <u>197.9</u> |
| Total | <u>547.6</u> | <u>659.6</u> | <u>837.2</u> | <u>1321.8</u> | <u>1375.3</u> | <u>1382.6</u> |
| Of which: | | | | | | |
| Wages and Salaries | 340.6 | 409.4 | 450.8 | 690.4 | 737.0 | 777.0 |
| Materials | 101.4 | 108.0 | 198.4 | 414.8 | 389.0 | 241.0 |
| Approximate deflator | 100 | 107 | 118 | 136 | 145 | 145 |
| <u>Index of Total Expenditure</u> | | | | | | |
| at current prices | 100 | 121 | 153 | 241 | 251 | 252 |
| at constant prices | 100 | 113 | 130 | 177 | 173 | 174 |

107. Expenditures on economic services started from a very small base and are still inadequate in spite of the growth that has taken place. One factor that has limited expansion of these services has been the difficulty of finding suitable staff for the agricultural extension services and road maintenance.

108. Between 1963 and 1967, total expenditure grew by 150 percent in current prices. But the growth in real terms has been much less than this because salaries of all civil servants were increased by 30 percent in mid-1966 and the prices of imported materials has risen. Taking into account these two factors, it can be estimated that current expenditure at constant prices rose by about 70 percent during the period 1963-1967. Expenditures in 1967 were only about 92 percent of the original budget estimate and may in fact have been slightly lower than 1966 expenditures in real terms. The 1968 budget does not allow for any growth in expenditures and would entail a further reduction in real terms should prices rise. An important element in the growth of real expenditures has been the rise in the number of civil servants from about 500 in 1962 to 1,700 at the end of 1967, excluding teachers. Salary scales rise automatically by 2 to 3 percent per year and there has been a strong current of promotions as more ministries and directorates have been created.

D. Development Expenditures

109. Annual development expenditures financed by the Central Government have been very small. Hardly any of the 1963 development budget was executed in that year, and the balance was kept open for two years subsequently, as was the balance of the 1964 development budget. There was no development budget in 1965, in view of the carry-over from the two previous years, but in 1966 development expenditures rose to the highest level. Thus actual development expenditures rose from RF2 million in 1963 to RF138 million in 1966.

110. The 1967 development budget authorized expenditures of RF100 million but, during the course of the year, about half of this was held over indefinitely. Actual expenditures in 1967 amounted to RF26 million for the 1967 budget and RF50 million carried over from the 1966 development budget, giving a total of about RF76 million. For the 1968 development budget, a total authorization of about RF100 million is foreseen and the procedure of automatically carrying over unexecuted portions of previous years' budgets is to be ended. Although the means have not yet been finally determined, it is intended that the 1968 development expenditures should be financed by non-inflationary means, partly through a surplus on the Budget Pour Ordre, and partly through the sale of development bonds to OCIR and one or two financial institutions.

E. Other Public Sector Investments

111. There are a small number of public bodies in Rwanda which have

carried out minor investments but for which there is very limited information. These include the REGIDESO and OCIR. The coffee stabilization fund rose from RF11 million at the beginning of 1966 to RF92 million at the end of 1967; however, RF62 million of this increase was a transfer of PL 480 counterpart funds which were invested in Treasury bills. OCIR invested about RF20 million in 1966-1967 in buildings and storage facilities. REGIDESO has invested all its surplus funds in expanding electricity and water supplies, particularly in Kigali, but the amounts involved are quite modest. Total profits were less than RF20 million in 1966 and total investments were probably not greater than this.

112. The Caisse d'Epargne, or savings bank, has very limited resources, and an important part of its investment has been in the form of loans for house building and motor car purchase. The former, however, seem to have represented only a small contribution to the rapid growth of housing in Kigali and other centers, much of which appears to have been financed by private savings. Appendix Table 17 show the position of the savings bank since 1964.

F. Fiscal and Monetary Developments

113. In spite of the rapid growth in receipts, expenditures have consistently exceeded receipts by a very large margin. From Table 10, below, it can be seen that between 1963 and 1966, the current deficit fluctuated between about RF150 and RF220 million while the Treasury deficit has been substantially larger, both because of the growth in capital expenditure and because of fluctuations in the balances on accounts held at the Treasury. A particularly large deficit was experienced on these accounts in 1965.

Table 10: Consolidated Budget
(million RF)

| | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> (provis- ional) | <u>1968</u> (budget) |
|---|-------------|-------------|-------------|-------------|-----------------------------------|-------------------------|
| Current Revenue | 334 | 493 | 619 | 1,171 | 1,251 | 1,378 |
| Current Expenditure | -548 | -660 | -837 | -1,322 | -1,375 | -1,383 |
| Current Deficit | -214 | -167 | -218 | -151 | -124 | -5 |
| Development Budget / <u>c</u> | -2 | -57 | -80 | -138 | -76 | -100 |
| Overall Budgetary Deficit | -216 | -224 | -298 | -289 | -200 | -105 |
| Accounts held at Treasury / <u>a</u> | -33 | 56 | -104 | -8 | -54 | 31 |
| Total Treasury Deficit | <u>-249</u> | <u>-168</u> | <u>-402</u> | <u>-297</u> | <u>-254</u> | <u>-74</u> |
| <u>Financing</u> | | | | | | |
| <u>Foreign</u> | | | | | | |
| Foreign borrowing | - | - | - | 37 | - | - |
| Foreign aid | 28 | 42 | - | - | - | - |
| <u>Domestic</u> | | | | | | |
| Treasury bills | - | 108 | 92 | -1 | 141 | 74/ <u>b</u> |
| Central Bank borrowing | 194 | 78 | 250 | 275 | 116 | - |
| Changes in Treasury Balance | <u>27</u> | <u>-60</u> | <u>60</u> | <u>-14</u> | <u>-3</u> | <u>-</u> |
| <u>Total</u> | <u>249</u> | <u>168</u> | <u>402</u> | <u>297</u> | <u>254</u> | <u>74</u> |

/a Budget Pour Ordre and Compte Hors Budget.

/b This issue of "development bonds" may be subscribed by OCIR and other financial institutions.

/c Not including investments by OCIR and REGIDESO.

Source: Appendix Table 17,

114. Only a very small part of the overall deficit has been financed by foreign grants and loans. The main source of finance has been advances from the Central Bank to the Treasury and, to a lesser extent, the issue of Treasury bills purchased by the two Commercial Banks. RF500 million of outstanding Central Bank credit was funded in 1966.

115. Prior to 1964, the Government was borrowing from the Common Central Bank for Ruanda-Urundi, and corresponding monetary data for Rwanda is not available. The effect of the rise in credit to the public sector in 1964 and 1965 was to reduce foreign exchange reserves very rapidly. Net foreign assets fell by RF130 million in 1965, and were further reduced in 1966 by RF385 million. Money in circulation rose fairly gradually, from RF903 million at the end of 1964 to RF1,215 million at the end of 1966 and RF1,535 million in 1967, and the monetization of the economy has been increasing at the same time.

116. Prices, particularly for imported goods, rose sharply as scarcities under the import licensing system encouraged the development of an unofficial foreign exchange market, on which the rate was more than double the official rate of RF50 per US dollar by the end of 1965.

117. In April 1966, the currency was devalued to RF100 to the US dollar, and the Government entered into a standby arrangement with the IMF for US\$5.0 million in support of a stabilization program. At the same time, imports and invisible transactions were liberalized and the producer price for coffee raised. Selective restrictions on private credit were introduced and ceilings imposed on credit to the public sector.

118. In spite of the sharp increase in revenues following devaluation, the budget deficit persisted at a high level and the Treasury credit ceilings were exceeded. Coffee exports declined compared with 1965, and there was a large balance of payments deficit. The whole of the standby was drawn down in that year, and net foreign assets fell by RF385 million.

119. The Government entered into a second standby in April 1967 for US\$2.0 million and a third one for US\$3.0 million in March 1968. In the latest standby, credit ceilings, while remaining restrictive, have been raised somewhat. Rwanda has now re-purchased US\$3.0 million of the initial standby, and total drawings stood at US\$4.0 million in March, 1968.

Table 11: Monetary Survey 1964-1967
(RF million)

| | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> |
|--------------------|-------------|-------------|-------------|-------------|
| Net Foreign Assets | 264 | 132 | -253 | -78 |
| Domestic Credit | 301 | 634 | 939 | 1,171 |
| Government | (241) | (552) | (777) | (993) |
| Private Sector | (60) | (82) | (162) | (178) |
| Money | 903 | 1,168 | 1,215 | 1,535 |
| Quasi-Money | 10 | 22 | 30 | 34 |
| Other Items (net) | -348 | -426 | -560 | -475 |

Source: IFS

120. The effects of the credit restrictions on the private sector have been mainly felt in the import trade. Adequate finance for exports has been assured by allowing the ceilings to move cyclically, based on forecasts of the coffee harvest. This is particularly necessary, as the coffee exporters and processors have very little liquidity and nearly 100 percent of the crop is financed by the banking system.

121. The Central Bank has obliged importers to finance their trade from sources outside Rwanda by only authorizing credit for imports when they arrive in the country. This has both reduced the demand for domestic credit, and improved the positions of the foreign exchange reserves.

122. PL 480 commodities stocked in Rwanda are financed outside the basic credit ceilings. Most of these goods have encountered some marketing difficulties, for reasons of price and tastes, but the Central Bank is trying to ensure that they will be sold. Part of the counterpart to these goods, amounting to RF65 million, has been transferred to the coffee stabilization fund and invested in Treasury bills.

G. Prices and Wages

123. The only price indices reflecting the cost of living are based on April 1965 prices. These cover both high and low income expenditure patterns. Prior to 1965, the only index was for selected imported goods. The new consumer price indices are based on Kigali and one other market, and may not be typical of the country as a whole.

124. Since independence and up to the monetary reform in 1966, import prices were rising very rapidly. They were fully stabilized in 1966, but the import price index was not continued in 1967. Devaluation did not increase import prices because scarcities had forced internal prices up to the level of the free exchange rate, which was above the present rate. The price index for low income groups, which is the best available indicator of the purchasing power of most Rwandese, fell from an average level of 149 in 1966 to 139 in 1967. The high income index has been more or less stable since mid-1966.

Table 12: Price Indices /a
(April 1965 = 100)

| | | <u>Low Income Index /b</u> | <u>High Income Index /c</u> |
|-------------|-----------|--------------------------------|---------------------------------|
| <u>1965</u> | June | 116 | 105 |
| | September | 143 | 119 |
| | December | 169 | 123 |
| <u>1966</u> | March | 148 | 132 |
| | June | 151 | 141 |
| | September | 149 | 139 |
| | December | 145 | 142 |
| <u>1967</u> | March | 140 | 141 |
| | June | 126 | 138 |
| | September | 143 | 144 |
| | December | 146 | 142 |

/a Prices at Kigali and Nyamirambo.

/b 15 products.

/c 121 products.

Source: National Bank of Rwanda.

125. The decline in the low-income index since late 1965 and the stability in the high income index since early 1966 suggest that the growth of Central Bank Credit, in itself, has had a limited effect on domestic prices, the main impact having been felt in the balance of payments which improved in 1967. Both 1966 and 1967 were good years for food crops, though, and this had a depressing effect on prices.

126. Wage rates are low. Unskilled agricultural workers are paid between RF20 and 30 a day, depending on the region, and civil servants earn between about RF185,000 a year for the most senior positions and about RF25,000 a year for primary school teachers. Wage and salary scales in the whole of the public sector were increased by an average of 30 percent in August 1966 to compensate for past price increases, bringing them back to the mid-1965 level, in terms of purchasing power. Their standard of living has apparently not been eroded since then and further wage increases are not expected.

H. Financing Investment

127. Public investment in Rwanda is made up of the development budget, foreign aid-financed projects and the small investments made by OCIR and REGIDESO which have already been mentioned. In the private monetary sector, the main component is house building with a little industrial investment.

There is also an unquantified amount of non-monetary investment in the form of hut building and land improvement. The latter is especially important when it consists of the farmer carrying out certain operations (levelling rice-paddys, for example), which are complementary to publicly financed projects.

128. The largest part of investment is financed by foreign aid, which Rwanda receives for the large part as grants. Only a part of this is used to finance projects, the other main category being technical assistance. In the foreign aid disbursement table (Table 13), the distribution has been estimated when the information is not directly available. Total foreign aid disbursements have been rising since 1964, and are estimated to have been about US\$9.2 million in 1967. In 1962 and 1963 they were estimated to have been US\$10.1 and US\$7.5 million respectively arising from the high level of Belgian project aid in those years.

129. Belgian aid is the largest source. Initially it took the form of outright budget support, but since 1965 it has been channelled outside the budget. Foreign aid commitments from Belgium which relate to specific projects are laid down in annual agreements between the two Governments concerned. The amounts covered by these agreements have remained fairly steady at around BF 70 million (US\$1.4 million) a year, but disbursements have lagged behind commitments. On September 30, 1967, 12 percent of the 1965 commitments and 57 percent of the 1966 commitments remained to be disbursed while only slightly over 10 percent of the 1967 agreement had been spent. Belgian authorities seemed to think, however, that disbursements might accelerate somewhat in the future.

130. Apart from its project assistance, Belgium supports the functioning of certain research, extension and medical organizations (Fometro,^{1/} AIDR, ISAR, etc.) and finances some other investment (such as the construction of the Kigali airport.) At the time of the devaluation, Belgium also put BF 75 million (US\$1.5 million) at Rwanda's disposal to finance general imports: of this total BF 30 million were given on a grant basis, while BF 45 million consisted of a loan to be repaid in five annual instalments. In October 1967 another BF 17.5 million (US\$350,000) were added to the grant. The Rwandese counterpart funds resulting from these operations must be spent on operations agreed upon between Rwanda and Belgium. These include a nominal contribution to the costs of Belgium technical assistance and part of the Rwandese contribution to projects financed by other sources of aid.

131. A large proportion of Belgium's foreign aid to Rwanda consists of the payments for over two hundred technical assistants, who are active in the country either as secondary school teachers or as government officials. These technical assistants are an invaluable help to the country and, although efforts are being made by the Government to train Rwandese replacements, their presence will be required for several years to come. Belgian aid disbursements were declining from 1962 to 1966, although technical assistance has increased.

^{1/} Fonds Médical Tropical.

Table 13: Foreign Aid Disbursements
(US \$ thousand)

| | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> ^{a/} | <u>1967</u> ^{a/} |
|---|---------------------|--------------|--------------|--------------|---------------------------|---------------------------|
| <u>Belgium</u> | | | | | | |
| Projects | 7,050 ^{b/} | 4,810 | 3,050 | 2,990 | 1,300 | 1,500 |
| Technical Assistance | <u>1,500</u> | <u>1,500</u> | <u>1,600</u> | <u>1,680</u> | <u>2,200</u> | <u>2,400</u> |
| Total | 8,550 | 6,310 | 4,650 | 4,670 | 3,500 | 3,900 |
| <u>European Development Fund</u> | | | | | | |
| Projects | 219 | 347 | 675 | 648 | 1,180 | 1,234 |
| Studies | <u>375</u> | - | - | <u>35</u> | <u>120</u> | <u>185</u> |
| Total | 594 | 347 | 675 | 683 | 1,300 | 1,419 |
| <u>United Nations</u> | | | | | | |
| Projects | 450 | - | - | - | - | - |
| Technical Assistance | - | <u>100</u> | <u>350</u> | <u>445</u> | <u>450</u> | <u>520</u> |
| Total | 450 | 100 | 350 | 445 | 450 | 520 |
| <u>United States</u> | | | | | | |
| Projects | - | - | - | 289 | 568 | 498 |
| Supporting Assistance | - | - | - | - | 100 | 800 |
| P.L. 480 | <u>500</u> | <u>600</u> | - | <u>250</u> | <u>1,050</u> | <u>1,241</u> |
| Total | 500 | 600 | - | 539 | 1,718 | 2,539 |
| <u>Republic of China</u> - Projects | - | - | - | - | 300 | 300 |
| <u>Federal Republic of Germany</u> - Projects | 10 | 70 | 250 | 350 | - | - |
| <u>Switzerland</u> - Projects | - | 40 | 370 | 490 | 460 | - |
| <u>Canada</u> - Technical Assist. | - | - | 130 | 730 | 500 | 500 |
| <u>Suppliers' Credits</u> | - | - | - | 330 | - | - |
| <u>Other</u> | - | - | - | <u>10</u> | - | - |
| Total ^{c/} | <u>10,104</u> | <u>7,467</u> | <u>6,425</u> | <u>7,907</u> | <u>8,328</u> | <u>9,178</u> |
| Of which: | | | | | | |
| Projects | 7,729 | 5,267 | 4,345 | 5,107 | 3,808 | 3,532 |
| Technical Assistance | 1,500 | 1,600 | 2,080 | 2,855 | 3,150 | 3,420 |

a/ Estimates

b/ Presumably includes large military aid item.

c/ Excluding a small technical assistance item for France and Switzerland.

In 1963 and 1964 the decline in Belgian aid caused total aid to go down but since then it has been offset by the growth of FED project aid, USAID projects, and PL 480 aid.

132. The second major source of foreign aid in Rwanda is the European Development Fund (FED). Total commitments as of October 31, 1967, totalled over US\$13.0 million, of which over US\$5.6 million, or 42 percent had been disbursed. FED's activity in Rwanda has been primarily concerned with diversifying the agricultural base of the country; 56 percent of its commitments are for the expansion of tea and pyrethrum. Another 20 percent of the commitments are to finance paysannats based on coffee in the Mayaga-Bugesera area. Total FED disbursements have risen rapidly from US\$347 thousand in 1963 to US\$1,419 thousand in 1967.

133. The recent acceleration in the execution of projects that will be directly productive has come with the growth in disbursements on FED programs - particularly for coffee, tea and pyrethrum. This is the part of foreign aid which will have the most marked effect on the future development of the economy. A third source of foreign finance which has recently made considerable commitments in Rwanda is the UNDP. In 1966 the Governing Council approved two grants totalling US\$3.4 million; one of these will be used to set up a pyrethrum extraction plant, the other serves to finance part of the care of the National Pedagogical Institute in Butare. In June 1967, a third grant of US\$542,900 was given to start a center for leather tanning in Kigali. Disbursements on these three projects have not yet started.

134. Finally, Rwanda receives financial aid from the Republic of China for rice growing, from Canada for the operation of the National University at Butare and from France for the preparation of a marshland reclamation project. In the past, Germany and Switzerland have also made small grants. France and Switzerland also provide some key technical assistance.

135. Public investment in 1967 consisted of about RF440 million foreign aid and RF76 million development budget expenditures, giving a total of about RF520 million. Table 14 below, summarizes the evolution of public investment since 1963.

Table 14: Public Investment
(RF million)

| | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Foreign aid (projects) | 263 | 217 | 256 | 334 | 353 |
| Development budget | <u>2</u> | <u>57</u> | <u>80</u> | <u>137</u> | <u>76</u> |
| Total | <u>265</u> | <u>264</u> | <u>336</u> | <u>472</u> | <u>429</u> |
| Foreign financing (%) | 99 | 82 | 76 | 71 | 82 |

136. For 1966 it is possible to make an estimate of the total monetary investment as follows:

| | | |
|--------------------|----------------|---|
| Development budget | 114 m | RF (corrected for non-investment items) |
| REGIDESO and OCIR | 40 m | RF |
| Foreign aid | 334 m | RF |
| House building | 429 m | RF |
| Industries | <u>118 m</u> | RF |
| | <u>1,035 m</u> | RF |

Compared with the 1966 GDP estimates, this represents a rate of investment of 8.0 percent, corresponding to a gross national savings rate of 1.2 percent.

137. Rwanda has been financing a limited proportion of public investment from national resources: the development budget accounted for 24 percent of public investment in 1965 and only 18 percent in 1967. The proportion of foreign financed projects paid for by the Government has inevitably been smaller in view of the investments for which foreign finance is not available.

138. The actual past contribution to the cost of projects has been very small, but it can be expected to rise in the future particularly as the large UNDP projects begin. In order to alleviate the impact of these contributions on the government's financial position, the Belgian government has agreed to use some of the accumulated counterpart funds to previous balance of payments assistance to pay for part of them. For 1968 the government has undertaken to make contributions to projects for about RF100 million in all, and the Belgian counterparts will be used to finance about half of this amount, the balance depending on the development budget.

139. Even though these contributions are relatively low, the government was already experiencing difficulties in meeting its obligations in 1967, particularly in providing housing for expatriate management staff, vehicles and buildings included in its contribution to projects. These difficulties have arisen because the Government has undertaken obligations without being able to see where the corresponding funds were to come from. This is to a large extent inevitable as long as government development resources are so very small.

140. The existing Belgian counterpart funds are now very largely committed, and it is unlikely that this source of finance will be available in the future to finance further Rwandese contributions; furthermore, the Government is no longer prepared to finance development expenditures by Central Bank credit. Rwanda thus faces difficulties so long as external aid agencies insist on significant national contributions to the cost of projects.

I. Development Planning

141. The five-year development plan, originally for 1965-69, a voluminous document in four volumes, contains a detailed description of a series of projects the execution of which seemed likely and desirable. In view of the very

rudimentary state of Rwanda's national accounts, it is impossible to verify the internal consistency of the hypotheses and assumptions which were adopted; nor is it possible to cross-check whether the investments foreseen in the plan would lead to the forecasted growth rate. Furthermore, the plan has the weakness of being expressed in pre-devaluation prices, a situation which the mission has tried to remedy. Finally, the projections in the plan were based on a plan-period starting in 1965 and ending in 1969, whereas actual events have considerably slowed down execution. The plan was only adopted by the National Assembly in August 1967, and it is now recognized that 1972, instead of 1969, should be considered as the terminal year.

142. In its original form the plan was counting on a total monetary investment amounting to RF4.8 billion, of which RF3.4 billion, or 71 percent, would be financed from public resources and RF1.4 billion would be privately financed. National financing was expected to reach RF936 million, or 20 percent of the total. Apart from this monetary investment, the plan also foresaw a non-monetary investment amounting to RF830 million (representing the imputed value of approximately 47 working days per active adult). Mission estimates, based on the foreign exchange component of individual sector projects, indicate that in terms of post-devaluation prices, planned monetary investment would amount to approximately RF8.4 billion.

143. The distribution of sectoral investment shown in Table 15 reveals the basic strategy behind the plan: reinforcement of the country's infrastructure and diversification of agricultural production, primarily with respect to export crops. Industry, on the other hand, is expected to attract hardly 10 percent of total investment resources. This strategy corresponds to the priorities of the Rwandese Government; and there are no reasonable grounds to question the fundamental choice to diversify the country's export base while at the same time increasing value added through processing agricultural output.

144. Although the existing road system is relatively dense, and generally adequate for the foreseeable requirements of the economy, there are two or three sizeable projects which should go ahead: a shorter route to Uganda is now being engineered by ELECTROCONSULT, and a new exit through Tanzania will be opened when a German financed bridge is built over the Akagera at Rusumo, and Tanzania has built a connecting link on the other side: Rwanda is seeking an alternative trade route for security reasons. Another large project is the proposed re-routing of the Kigali-Butare link. Although it would be useful for planning purposes, to determine what its eventual itinerary would be, it is unlikely that any investment would be justified for some time to come in view of the low volume of through traffic. Improved road maintenance is without doubt the most critical element of road investments for the time being.

145. As regards education expenditures, the emphasis which the plan places on secondary education is readily understood, considering that the ratio between secondary and primary education in Rwanda is unusually small, but since recurrent costs per secondary pupil are more than fifteen times as large as for primary education, the mission feels that, unless measures are taken to control the expansion of primary enrolments, the recurrent costs connected with any secondary school program would entail an increase in expenditures in excess of Rwanda's budgetary resources.

Table 15: Development Plan (Tranche Prioritaire)

in million Rwanda Francs

| | Public Financing | | | Private Financing | | |
|--------------------------------------|------------------|-----------------|----------------|-------------------|-----------------|--------------|
| | <u>Foreign</u> | <u>National</u> | <u>Total</u> | <u>Foreign</u> | <u>National</u> | <u>Total</u> |
| <u>A. In pre-devaluation prices</u> | | | | | | |
| Agriculture and Livestock | 991.2 | 256.0 | 1,247.2 | - | 16.7 | 16.7 |
| Mining | 100.0 | - | 100.0 | 425.0 | - | 425.0 |
| Industry | 254.2 | 41.9 | 296.1 | 142.5 | 20.8 | 163.3 |
| Services | - | 8.0 | 8.0 | 130.0 | 80.0 | 210.0 |
| Infrastructure | <u>1,477.1</u> | <u>304.8</u> | <u>1,781.9</u> | <u>365.0</u> | <u>200.0</u> | <u>565.0</u> |
| Total | 2,022.5 | 618.6 | 3,441.2 | 1,062.5 | 317.5 | 1,380.0 |
| <u>B. In post-devaluation prices</u> | | | | | | |
| Agriculture and Livestock | 1,836.0 | 357.0 | 2,193.0 | | | |
| Mining | 200.0 | | 200.0 | 821.0 | - | 821.0 |
| Industry | 463.0 | 14.0 | 537.0 | 259.0 | 38.0 | 297.0 |
| Services | | 10.0 | 10.0 | 229.0 | 147.0 | 376.0 |
| Infrastructure | <u>2,631.0</u> | <u>517.0</u> | <u>3,048.0</u> | <u>602.0</u> | <u>330.0</u> | <u>932.0</u> |
| Total | 5,030.0 | 958.0 | 5,988.0 | 1,911.0 | 515.0 | 2,426.0 |

IV. ECONOMIC PROSPECTS

A. General

146. In assessing Rwanda's economic prospects, one has to take into account the country's very limited resources, its poverty, and the very difficult phase it has gone through in the past few years. First there was the struggle for power between the two races, then the disorganization following independence and the break with Burundi, and the subsequent inflationary period. It is only during the past two years that the government has introduced a degree of order into its affairs and public finances have been under some control. The recovery of exports is also of very recent date, and the implementation of certain key foreign-aid projects has only just begun. Short-term prospects, particularly for public investment, are inevitably modest because the country is starting late from an unenviable beginning. In the longer term, the basic problems of limited area and high population growth will make themselves felt, and without renewed emigration and effective measures to increase food production, they may well impede economic development.

147. The growth of GDP in the next few years will depend mainly on the growth of output of foodstuffs and exports. In view of the land scarcity and the small impact that new programs could have in their field by 1972 it is questionable whether food output will keep up with the rather high population growth rate. The economy is very vulnerable to temporary declines in production due to bad weather since there are no stocks to speak of, and food consumption is already inadequate. The development of famine conditions in the more overpopulated areas of the country would be very difficult to combat effectively because it would be impossible to bring in emergency food supplies at short notice and local storage facilities are lacking. Famine must be regarded as a permanent hazard for the foreseeable future in Rwanda. Erosion control and reforestation should be started again as soon as possible.

148. Export prospects are quite encouraging, mainly because of increased earnings from coffee, tea and pyrethrum. Total exports are estimated to reach US\$20.34 million in 1972, equivalent to an average rate of growth of 9½ percent between 1966 and 1972. Exports in 1967 may reach about US\$14.0 million, and the average growth rate from 1967-72 would then be nearly 8 percent.

149. From about 1970 onwards Rwanda will be able to fulfill its expanded coffee export quota, and exports of 245,000 bags should be possible in 1972, equivalent to about US\$10.30 million.

150. The output of dry pyrethrum flowers should rise rapidly because of greatly expanded acreages, in paysannats, and production is expected to reach 2,500 tons in 1972. Exported as dry flowers this might be worth about US\$1.35 million, but the UNDP is financing the construction of an extraction plant, producing 25 percent pyrethrum extract which should be in full production by 1972. The effect of this is to reduce the total volume to be exported to about 150 tons (permitting air transport) and greatly increase the total

value, to about US\$3.4 million. The successful implementation of the pyrethrum project - both paysannats and factory - is of critical importance to Rwanda, since it accounts for half of the foreseeable growth in exports.

151. Exports of tea are also expected to rise rapidly. Quality improvements should increase the price received by Rwanda, but the main factor will be that the plantations at Mulundi and Cyangugu financed by FED will be coming into full production. Total exports in 1972 are projected at 1,800 tons worth US\$1.52 million.

152. Exports of cassiterite are expected to decline to about US\$3.42 million. Output will probably be steady but prices are likely to decline gradually. This would mean that tax receipts from cassiterite exports would decline very rapidly unless the present progressive tax schedule is changed.

153. If imports (c.i.f.) were to grow at 4 percent per year, that is, at about the same rate as GDP, then they would reach about US\$25 million in 1972, giving a trade deficit of nearly US\$5 million. Services other than freight and transport have usually been in balance, and in any case very small, so the current account deficit before transfers would probably be about US\$5 million as well, equivalent to about 3 percent of projected GDP.

154. Gross investment is very difficult to forecast, but given higher levels of execution of foreign aid projects, and a small development budget, it might reach about RF1,500 million, depending on private investment of about RF600 million. This corresponds to a rate of investment of about 9 percent and national savings of 6 percent; which would be a major achievement, depending, inter alia, on higher public savings.

B. Financing Development

155. The proposed investment under the plan is not phased annually, and in any case implementation is sufficiently behind hand that an assessment of plan execution would be of limited significance. At revalued costs the plan amounted to an average annual rate of investment of about RF1,696 million a year for five years compared with actual investment of about RF1,050 million in 1966. Given the modest achievement of recent years, the question is whether Rwanda can reasonably expect to reach and maintain the rhythm of investment envisaged in the plan during the next five years (1968 - 1972).

156. As far as the private sector is concerned, the planned level of investment of about RF490 million a year over five years appears to be quite plausible, and even conservative, because building is now running at a rate of nearly RF500 million a year already, substantially above the plan estimate.

157. The same is not true for the public sector. The plan foresaw total public investment of RF5,988 million of which RF958 million would be locally financed and the balance financed from abroad. These amount to annual flows of RF1,000 million foreign and RF200 local financing.

158. As far as foreign finance is concerned, annual disbursements of project aid (including the few very small loans and suppliers' credits) have been declining from US\$5.1 million in 1966 to US\$3.5 million in 1967. However, this has very largely been due to delays in project implementation, and a relatively large aid pipeline has been building up. For the three major donors alone (Belgium, FED and the U.N.), the pipeline at the end of 1967 was nearly US\$18 million. Half of this is outstanding FED (Second Fund) commitments. A further US\$9 million is likely to be committed by FED from the Second Fund in the next two years, increasing the pipeline further, but pending the creation of the Third Fund further commitments from this source will cease.

159. Apart from the unusually high commitment from Belgium for 1968, it has been assumed that further annual commitments from this source will decline. The United Nations, which has recently committed \$4 million, is expected to disburse this over 1968-71, but no further UN commitments have been foreseen.

160. For Belgian and FED projects it seems reasonable to assume that disbursements will rise fairly rapidly, reducing the pipeline. The flow of aid from each of these sources is assumed to rise from about US\$1.5 million in 1967 to about US\$3.5 million in 1972. This, taken together with the UN projects and the small and declining commitments from other donors, would lead to an approximate doubling of the rate of disbursement on projects from US\$3.5 million (RF350 million) in 1967 to US\$7 million (RF700 million) in 1972. The average annual disbursement would be about US\$5.9 million or RF590 million during 1968-72.

161. Technical assistance now makes up a relatively large share of aid disbursements, and it is mainly supplied by Belgium, U.N. and Canada. It is now about US\$3.5 million, and is expected to remain constant. These recurrent technical assistance requirements are not included in the Plan.

162. The situation with respect to public national savings is much less clear. In the past three years the Government has not realized any current surplus and only invested about RF100 million a year, through borrowing from the Central Bank and foreign budgetary aid. Both these sources will be reduced in the future: Central Bank borrowing is being severely restricted, and foreign budget support is likely to cease unless very exceptional circumstances arise. Only PL480 counterparts have been assumed to continue, on a reduced scale.

163. Savings made in the rest of the public sector are very small indeed. Accumulation in the coffee stabilization funds constitutes the largest element. In 1966 and 1967 these amounted to RF10 million each year. Although REGIDESO has financed some small investments from its own resources in the past, this will probably no longer be possible.

164. At present tax rates, current revenues will not cover current expenditures by 1972. The level of recurrent expenditures will depend very much on the development of the military and education budgets. Total expenditure on education must inevitably rise gradually, but the present level of

expenditures on defense would no longer be justified if the situation on Rwanda's borders improves. It has been assumed that up to 1972, the expenditures of these two categories will develop so as not to increase when they are taken together. The growth of the current budget could be concentrated on economic and internal services.

165. Although fiscal receipts may grow faster than expenditures, they will not absorb the existing deficit and allow for further growth in expenditures, unless tax rates are increased or new taxes are introduced. In addition to the current deficit, it is necessary to provide for about RF200 million annually for development expenditures from national resources. This would be quite impossible without recourse to Central Bank credit, with the present tax structure. At present, government current receipts are about 9 percent of total GDP and projected revenues in 1972 show little change in this ratio.

166. The generation of an additional RF500 million would increase current receipts to about 13 percent of GDP; this does not appear to be unduly high for a poor country, but it would require the imposition of new taxes.

167. The foreseeable growth of foreign aid disbursements and public savings leave a wide margin between likely public investment and the annual level envisaged by the plan. The gap will be mainly due to the foreign-aid short-fall if the above tax assumptions are realized. Public investment is likely to reach about RF530 million in 1968, rising to around RF900 million in 1972, leaving a corresponding gap of RF670 million in 1968 declining to RF300 million in 1972.

168. Of the present sources of aid, only FED and Belgium are sure to continue. Continued Belgian commitments have already been assumed in making the disbursement projections, and any FED commitments from an eventual Third Fund would have only a marginal effect on disbursements by 1972. It then appears certain that apart from the contribution of sources which are not at present lending to Rwanda, the rate of external financing envisaged by the plan cannot be realized, even in the period 1968-72.

169. The future capacity of the government to generate public savings will be limited by the rapid growth of recurrent and maintenance expenditures on some foreign financed projects. An interesting initiative has been taken by Belgium in an attempt to remedy this problem. It has been proposed that RF30 million of the counterpart funds held by Belgium should be used to create a "Fonds d'entretien et de renouvellement des infrastructures publiques", which would finance maintenance expenditures for infrastructure projects. Other aid agencies are being invited to participate in this fund.

170. In view of the general situation of public finance in Rwanda, it is most important that the Government should exercise great care in assuming any further commitments to finance a local currency contribution to projects beyond that which can be assured through Belgian aid, foreign aid counterparts or new public savings; otherwise the implementation of projects will continue to be impeded by the inability of the Government to provide the necessary resources.

C. External Debt and IDA Eligibility

171. Rwanda's external debt is at present still very small. On December 21, 1967 it amounted to US\$2.436 million 1/, consisting of loans from Belgium and the Federal Republic of Germany each amounting to US\$900 thousand and suppliers' credits for military and telephone equipment amounting to US\$636 thousand. Both the loans are on fairly soft terms. The debt service ratio 2/ was 7 percent in 1967, but this was all paid on the suppliers' credits. Service on the two loans will be about US\$200,000 a year from 1969 onwards equivalent to a "basic" debt service ratio of about 1.3 percent compared with 1967 exports of goods and services of about US\$15 million.

172. Although the debt service ratio is very low, Rwanda should not use whatever margin for conventional borrowing it may have for the time being, because the public sector will be unable to make significant savings for the foreseeable future and there will be a chronic balance of payments problem for the next few years because foreign exchange reserves can no longer be used to finance the current deficit. Rwanda will also need external capital to finance development for a very long time to come, and should not be obliged to accumulate a large debt burden in the initial years, particularly until the prospective growth in exports has been achieved, and regular public savings can be relied upon.

173. In conclusion, it is clear that both on budgetary and balance of payments grounds Rwanda, which is still in a situation where development is limited to survival, can neither borrow on conventional terms nor make a meaningful financial contribution to investment from its own resources. The situation calls for non-conventional aid and further efforts on the part of the Government to increase public savings.

1/ Not including any part of the IBRD loan to Ruanda-Urundi, BE 165.

2/ Ratio of debt service to current receipts excluding transfers.

Annex on Export Projections

The following table shows the projected exports for Rwanda up to 1972, compared with 1964 and 1966 figures.

| | <u>US \$ million</u> | | |
|-------------------------|----------------------|--------------|--------------|
| | <u>1964</u> | <u>1966</u> | <u>1972</u> |
| Coffee (clean) | 6.29 | 6.57 | 10.30 |
| Cassiterite | 4.07 | 3.74 | 3.42 |
| Tea | 0.20 | 0.26 | 1.52 |
| Pyrethrum (dry flowers) | 0.25 | 0.24 | - /a |
| Pyrethrin (25% extract) | - | - | 3.38 |
| Wolfram | 0.10 | 0.41 | 0.96 |
| Other | <u>0.64</u> | <u>0.52</u> | <u>0.75</u> |
| Total | <u>11.55</u> | <u>11.74</u> | <u>20.34</u> |

| | <u>Quantity</u> | | |
|--------------------------------|-----------------|-------|--------|
| Coffee (clean) (tons) | 8,272 | 8,803 | 15,500 |
| Cassiterite (tons) | 2,051 | 1,805 | 1,950 |
| Tea (tons) | 308 | 341 | 1,800 |
| Pyrethrum (dry flowers) (tons) | 402 | 412 | - /a |
| Pyrethrin (25% extract) (tons) | - | - | 150 |
| Wolfram (tons) | 138 | 382 | 650 |

/a 150 tons pyrethrin extract is equivalent to 2,500 tons of dry flowers valued at US \$1.35 million.

The following assumptions have been made in making these projections:

Coffee: Rwanda's coffee quota would be 260,000 bags, after 1968, with an effective quota of 245,000 bags in 1972. Exportable production should rise from 168,000 bags in 1966/67 to 227,000 bags in 1968/69 and 255,000 bags (equivalent to 15,300 tons) in 1970/71. Rwanda should therefore be able to fulfill its quota of 245,000 bags in 1972.

The New York spot price for Guatemala prime washed should be maintained at 40¢ per lb. (RF 88 per kg.). Taking into account the transport/quality differential in previous years, a price of RF 70.00 per kg. ex Rwanda has been used.

Cassiterite: In view of the uncertain position of the industry it is difficult to make a projection of output. Exports of 1,950 tons have been assumed, slightly higher than in 1966 and 1967. The London Metal Exchange tin price is expected to decline slightly in the early 1970's from US \$1.50 per lb. to US \$1.40 per lb. in 1972. Taking into account previous years' transport margins, this is equivalent to a price, ex Rwanda, of RF 176,000 per ton cassiterite.

Tea: A level of production of 1,800 tons is assumed for 1972, the official target for that year. Prior to the devaluation of sterling the London price for East Africa teas was expected to be 43 d. per lb. in 1972. The effects of devaluation on the tea market have not yet been fully analysed. So it has been assumed that actual prices will be about 5% lower. (Rwanda did not devalue with sterling.) The quality of Rwanda's tea has been below that of East Africans as a whole, and it has been assumed that a margin of 5% will persist. This gives a price of 38.6d. per lb., equivalent to RF 84 per kg., ex Rwanda.

Pyrethrum: A production of 2,500 tons of dry flowers has been assumed for 1972. This is slightly in excess of present official estimates for that year. This would be converted to 25% pyrethrum extract, and would give 150 tons if the content of the flower was 1.5% pyrethrins. The financial forecasts for the factory project a price of US \$22,500 per ton of extract, and this seems to be in line with prices for exports from other countries. Pyrethrin extract is used as an insecticide for domestic aerosol sprays, among other uses.

Wolfram: The irregularity of the wolfram price complicates projection. Exports of US \$ 960,000 assume that the 1967 level of production and prices is maintained. This is probably over-optimistic.

Others: In the past the main items among the others have been quinine bark, and beer exports, the latter to neighboring countries. It has been assumed that quinine bark exports will recover to US \$200,000 a year (about the 1965 level) and that small exports of beer will be possible: US \$50,000. The rest which have been running at about US \$400,000 a year are assumed to rise to US \$500,000, giving a total of US \$750,000.

STATISTICAL APPENDIX

Table No.

| | |
|--------|---|
| 1 | External Medium- and Long-Term Public Debt |
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Table 1: RWANDA - EXTERNAL MEDIUM- AND LONG-TERM /1 PUBLIC DEBT OUTSTANDING
INCLUDING UNDISBURSED AS OF DECEMBER 31, 1967

Debt Repayable in Foreign Currency

(In thousands of U.S. dollars)

| Item | Debt outstanding December 31, 1967 | |
|--|---------------------------------------|--------------------------|
| | Disbursed only | Including undisbursed |
| TOTAL EXTERNAL PUBLIC DEBT | <u>2,249</u> | <u>2,436</u> |
| Privately-placed debt - suppliers' credits | <u>636</u> | <u>636</u> |
| Loans from governments of other | | |
| IBRD members | <u>1,613</u> | <u>1,800</u> |
| Belgium | 900 | 900 |
| West Germany | 713 | 900 |

/1 Debt with an original or extended maturity of one year or more.

Statistical Services Division
Economics Department
May 16, 1968

Table 2: RWANDA - ESTIMATED CONTRACTUAL SERVICE PAYMENTS DUE IN FUTURE ON EXTERNAL MEDIUM- AND LONG-TERM PUBLIC DEBT OUTSTANDING INCLUDING UNDISBURSED AS OF DECEMBER 31, 1967 /1

Debt Repayable in Foreign Currency

(In thousands of U.S. dollars)

Page 1

| YEAR | DEBT OUTST (BEGIN OF PERIOD) | PAYMENTS DURING PERIOD | | |
|-------------|---------------------------------|------------------------|----------|-------|
| | INCLUDING UNDISBURSED | AMORTI- ZATION | INTEREST | TOTAL |
| GRAND TOTAL | | | | |
| 1968 | 2,436 | 449 | 32 | 480 |
| 1969 | 1,988 | 368 | 12 | 380 |
| 1970 | 1,620 | 180 | 8 | 188 |
| 1971 | 1,440 | 186 | 9 | 195 |
| 1972 | 1,254 | 192 | 9 | 201 |
| 1973 | 1,062 | 192 | 9 | 201 |
| 1974 | 870 | 12 | 9 | 21 |
| 1975 | 858 | 60 | 8 | 68 |
| 1976 | 798 | 60 | 8 | 67 |
| 1977 | 738 | 60 | 7 | 67 |
| 1978 | 679 | 60 | 7 | 66 |
| 1979 | 619 | 60 | 6 | 66 |
| 1980 | 560 | 60 | 5 | 65 |
| 1981 | 500 | 60 | 5 | 64 |
| 1982 | 440 | 60 | 4 | 64 |

SUPPLIERS CREDITS

| | | | | |
|------|-----|-----|----|-----|
| 1968 | 636 | 449 | 24 | 473 |
| 1969 | 188 | 188 | 4 | 192 |

See footnote at end of table.

Table 2: RWANDA - ESTIMATED CONTRACTUAL SERVICE PAYMENTS DUE IN FUTURE ON EXTERNAL MEDIUM- AND LONG-TERM PUBLIC DEBT OUTSTANDING INCLUDING UNDISBURSED AS OF DECEMBER 31, 1967 /1 (CONT.)

Debt Repayable in Foreign Currency

(In thousands of U.S. dollars)

Page 2

| YEAR | DEBT OUTST (BEGIN OF PERIOD) INCLUDING UNDISBURSED | PAYMENTS DURING PERIOD AMORTI- ZATION | INTEREST | TOTAL |
|------|---|---|----------|-------|
|------|---|---|----------|-------|

LOANS FROM GOVERNMENTS OF OTHER IBRD MEMBERS

| | | | | |
|------|-------|-----|---|-----|
| 1968 | 1,800 | - | 7 | 7 |
| 1969 | 1,800 | 180 | 8 | 188 |
| 1970 | 1,620 | 180 | 8 | 188 |
| 1971 | 1,440 | 186 | 9 | 195 |
| 1972 | 1,254 | 192 | 9 | 201 |
| 1973 | 1,062 | 192 | 9 | 201 |
| 1974 | 870 | 12 | 9 | 21 |
| 1975 | 858 | 60 | 8 | 68 |
| 1976 | 798 | 60 | 8 | 67 |
| 1977 | 738 | 60 | 7 | 67 |
| 1978 | 679 | 60 | 7 | 66 |
| 1979 | 619 | 60 | 6 | 66 |
| 1980 | 560 | 60 | 5 | 65 |
| 1981 | 500 | 60 | 5 | 64 |
| 1982 | 440 | 60 | 4 | 64 |

LOANS FROM BELGIUM

| | | | | |
|------|-----|-----|---|-----|
| 1968 | 900 | - | - | - |
| 1969 | 900 | 180 | - | 180 |
| 1970 | 720 | 180 | - | 180 |
| 1971 | 540 | 180 | - | 180 |
| 1972 | 360 | 180 | - | 180 |
| 1973 | 180 | 180 | - | 180 |

See footnote at end of table.

Table 2: RWANDA - ESTIMATED CONTRACTUAL SERVICE PAYMENTS DUE IN FUTURE ON EXTERNAL MEDIUM- AND LONG-TERM PUBLIC DEBT OUTSTANDING INCLUDING UNDISBURSED AS OF DECEMBER 31, 1967 /1 (CONT.)

Debt Repayable in Foreign Currency

(In thousands of U.S. dollars)

Page 3

| YEAR | DEBT OUTST (BEGIN OF PERIOD) | PAYMENTS DURING PERIOD | | |
|--------------------|---------------------------------|------------------------|----------|-------|
| | INCLUDING UNDISBURSED | AMORTI- ZATION | INTEREST | TOTAL |
| LOANS FROM GERMANY | | | | |
| 1968 | 900 | - | 7 | 7 |
| 1969 | 900 | - | 8 | 8 |
| 1970 | 900 | - | 8 | 8 |
| 1971 | 900 | 6 | 9 | 15 |
| 1972 | 894 | 12 | 9 | 21 |
| 1973 | 882 | 12 | 9 | 21 |
| 1974 | 870 | 12 | 9 | 21 |
| 1975 | 858 | 60 | 8 | 68 |
| 1976 | 798 | 60 | 8 | 67 |
| 1977 | 738 | 60 | 7 | 67 |
| 1978 | 679 | 60 | 7 | 66 |
| 1979 | 619 | 60 | 6 | 66 |
| 1980 | 560 | 60 | 5 | 65 |
| 1981 | 500 | 60 | 5 | 64 |
| 1982 | 440 | 60 | 4 | 64 |

/1 Includes service on all debt listed in Table 1 prepared May 16, 1968.

Statistical Services Division
Economics Department
May 16, 1968

Table 3: POPULATION

Population Growth

| | <u>In Thousands</u> |
|------|---------------------|
| 1954 | 2,187 |
| 1959 | 2,634 |
| 1965 | 3,145 |
| 1967 | 3,360 (estimated) |

Annual compound growth rate 1954-1965: 3.35% (Population would double in 21 years)

Estimated active population (1961): 1,300,000

Sources: Statistical Bulletin.
Plan Intérimaire d'Urgence.

Distribution of Population by Age and Sex

1965 Administrative Census

| | <u>Male</u> | <u>%</u> | <u>Female</u> | <u>%</u> | <u>Total</u> | <u>%</u> |
|-------------|------------------|-------------|------------------|-------------|------------------|--------------|
| 0 - 4 | 238,920 | 7.6 | 277,467 | 8.7 | 516,387 | 16.3 |
| 5 - 9 | 229,286 | 7.3 | 253,605 | 8.0 | 482,891 | 15.3 |
| 10 - 14 | 192,178 | 6.1 | 200,472 | 6.4 | 392,650 | 12.5 |
| 15 - 19 | 143,588 | 4.6 | 156,886 | 5.0 | 300,474 | 9.6 |
| 20 - 44 | 442,157 | 14.2 | 493,017 | 15.6 | 935,174 | 29.8 |
| 45 and over | <u>247,835</u> | <u>7.9</u> | <u>269,312</u> | <u>8.6</u> | <u>517,147</u> | <u>16.5</u> |
| Total | <u>1,493,964</u> | <u>47.7</u> | <u>1,650,759</u> | <u>52.3</u> | <u>3,144,723</u> | <u>100.0</u> |

Source: Statistical Bulletin.

Table 4: LAND USE
(thousand hectares)

| <u>A. Land Classification</u> | <u>1964 Estimate</u> |
|--|--------------------------|
| Total area (including 150,000 ha primary forest) | 2,364 |
| Useful land | 1,854 |
| of which: cultivable land | 808 |
| grazing land | 817 |
| under forest or to be reforested (excluding primary forest) | 228 |
| <u>B. Land under cultivation</u> | <u>1962 Estimate</u> |
| <u>Legumes</u> | <u>235.3</u> |
| Beans | 182.9 |
| Peas | 50.4 |
| Groundnuts | 2.0 |
| <u>Cereals</u> | <u>177.7</u> |
| Sorghum | 111.8 |
| Maize | 58.5 |
| Eleusine | 5.2 |
| Wheat | 1.7 |
| Barley | 0.4 |
| <u>Starches</u> | <u>160.1</u> |
| Potatoes | 18.3 |
| Sweet potatoes | 82.1 |
| Manioc | 59.7 |
| <u>Bananas</u> | <u>147.3</u> |
| <u>Industrial Crops</u> | <u>19.0</u> |
| Coffee | 17.5 |
| Pyrethrum | 0.8 |
| Cotton | 0.2 |
| Tea | 0.5 |
| <u>Forest plantations</u> | <u>22.2</u> |
| <u>Total</u> | <u>761.6</u> |

Table 5: EMPLOYMENT

Wage and Salary earners -
Permanent and Occasional
1964

| | | |
|-----------------------|---------------------------------------|---------------|
| <u>Private Sector</u> | | <u>47,593</u> |
| of which: | Agriculture | 9,935 |
| | Mining | 7,407 |
| | Manufacturing | 2,282 |
| | Construction | 11,569 |
| | Public Utilities and Transport | 2,565 |
| | Commerce and Finance | 1,850 |
| | Private Services, including religious | 4,443 |
| | Household service and others | 7,542 |
| <u>Public Sector</u> | | <u>26,697</u> |
| of which: | Prefectures and Communes | 9,546 |
| | Public bodies, justice and embassies | 1,803 |
| | Central Government | 15,348 |
| | <u>TOTAL</u> | <u>74,290</u> |

Sources: Statistical Bulletin No.9
Direction Générale des Mines

Table 6: ESTIMATED BALANCE OF PAYMENTS
(in million U.S.dollars)

| | <u>1965</u> | <u>1966</u> | <u>1967</u> |
|--------------------------------------|--------------|--------------|--------------|
| 1. <u>Goods</u> | | | |
| Exports f.o.b. | 13.6 | 11.7 | 14.8 |
| Imports f.o.b. | -18.4 | -17.3 | -17.0 |
| of which: Private Sector | (-15.0) | (-12.1) | (-11.9) |
| Government | (- 3.1) | (- 4.0) | (- 3.1) |
| PL 480 + supporting assistance | (- 0.3) | (- 1.2) | (- 2.0) |
| Trade Balance | <u>- 4.8</u> | <u>- 5.6</u> | <u>- 2.2</u> |
| 2. <u>Services (net)</u> | | | |
| Freight, Insurance, | - 2.5 | - 3.2 | - 3.4 |
| Travel | - 0.3 | - 0.3 | - 0.5 |
| Government n.i.e. | - 0.3 | 0.3 | 0.1 |
| Other services | <u>- 0.1</u> | <u>0.1</u> | <u>- 0.1</u> |
| Balance on services | - 3.2 | - 3.1 | - 3.9 |
| Balance on goods and services | - 8.0 | - 8.7 | - 6.1 |
| Investment income | <u>0.1</u> | <u>- 0.1</u> | <u>0.1</u> |
| Current account balance | - 7.9 | - 8.8 | - 6.0 |
| 3. <u>Transfer Payments (net)</u> | | | |
| Official | 1.5 | 2.2 | 4.7 |
| Private | - 0.9 | 0.2 | 1.4 |
| 4. <u>Non-monetary capital (net)</u> | .. | 0.1 | 0.2 |
| 5. <u>Errors and Omissions</u> | <u>4.7</u> | <u>1.1</u> | <u>1.5</u> |
| Overall Balance 1 to 5 | <u>- 2.6</u> | <u>- 5.2</u> | <u>1.8</u> |
| 6. <u>Monetary Capital (net)</u> | | | |
| Central Bank | 2.7 | 3.9 | - 1.8 |
| Commercial Banks | <u>- 0.1</u> | <u>1.3</u> | <u>..</u> |
| Total | <u>2.6</u> | <u>5.2</u> | <u>- 1.8</u> |

Source: National Bank of Rwanda and staff estimates.

Table 7 : EXPORTS OF PRINCIPAL COMMODITIES

Quantity in tons - Value in thousands of U.S. dollars

| COMMODITIES | <u>1963</u> | | <u>1964</u> | | <u>1965</u> | | <u>1966</u> | | <u>1967</u> ^{/1} | |
|-------------|-------------|------------|--------------|------------|--------------|------------|--------------|------------|---------------------------|--------------|
| | Q. | V. | Q. | V. | Q. | V. | Q. | V. | Q. | V. |
| Cassiterite | 1,512 | 2,814 | 2,051 | 4,073 | 2,037 | 5,060 | 1,805 | 3,739 | 1,598 | 3,082 |
| Coffee | 792 | 423 | 8,272 | 6,287 | 10,260 | 7,353 | 8,803 | 6,566 | 10,519 | 7,306. |
| Tea | 4 | 3 | 308 | 204 | 332 | 222 | 341 | 258 | 186 | 139 |
| Pyrethrum | 252 | 153 | 402 | 254 | 420 | 111 | 412 | 241 | 375 | 224 |
| Beer | 448 | 64 | 1,161 | 183 | 41 | 14 | 2 | 001 | 10 | -- |
| Other | <u>371</u> | <u>113</u> | <u>5,270</u> | <u>550</u> | <u>3,338</u> | <u>889</u> | <u>2,758</u> | <u>933</u> | <u>2,215</u> | <u>1,131</u> |
| Total | 3,379 | 3,570 | 17,464 | 11,551 | 16,428 | 13,649 | 14,121 | 11,738 | 14,903 | 11,882 |

^{/1} 9 months only

Table 8 : EXPORTS BY COMMODITY GROUPS, 1963-1967

Value in Thousands of U.S. Dollars

| COMMODITY GROUPS | 1963 | | 1964 | | 1965 | | 1966 | | 1967 ^{1/} | |
|------------------------------|--------------|------|---------------|------|---------------|------|---------------|------|--------------------|------|
| | V. | % | V. | % | V. | % | V. | % | V. | % |
| <u>Livestock Products</u> | | | | | | | | | | |
| Live animals | -- | -- | 11 | 0.1 | 1 | -- | 3 | -- | 5 | -- |
| Hides | 4 | 0.1 | 1 | -- | 33 | 0.2 | 138 | 1.2 | 180 | 1.5 |
| Ivory and horns | -- | -- | -- | -- | -- | -- | -- | -- | 1 | -- |
| Other | -- | -- | -- | -- | -- | -- | -- | -- | 1 | -- |
| Sub-Total | 4 | 0.1 | 12 | 0.1 | 34 | 0.2 | 141 | 1.2 | 187 | 1.5 |
| <u>Agricultural Products</u> | | | | | | | | | | |
| Bananas | -- | -- | 8 | 0.1 | 6 | -- | 5 | -- | 3 | -- |
| Vegetables | -- | -- | 77 | 0.7 | 9 | 0.1 | -- | -- | 4 | -- |
| Coffee | 423 | 11.8 | 6,287 | 54.4 | 7,353 | 53.9 | 6,566 | 55.9 | 7,306 | 61.5 |
| Tea | 3 | 0.1 | 204 | 1.8 | 222 | 1.6 | 258 | 2.2 | 139 | 1.2 |
| Sorghum ^{2/} | 24 | 0.7 | 52 | 0.4 | 15 | 0.1 | 5 | -- | 1 | -- |
| Barley | -- | -- | 77 | 0.7 | 82 | 0.6 | 129 | 1.1 | 32 | 0.3 |
| Quinine bark | -- | -- | 6 | -- | 276 | 2.0 | 60 | 0.5 | 14 | 0.1 |
| Pyrethrum | 153 | 4.3 | 254 | 2.2 | 111 | 0.8 | 241 | 2.0 | 224 | 1.9 |
| Potatoes | -- | -- | -- | -- | -- | -- | 1 | -- | 16 | 0.1 |
| Peas | -- | -- | -- | -- | -- | -- | -- | -- | 2 | -- |
| Other | -- | -- | 3 | -- | -- | -- | -- | -- | -- | -- |
| Sub-Total | 603 | 16.9 | 6,968 | 60.3 | 8,074 | 59.1 | 7,265 | 61.7 | 7,741 | 65.1 |
| <u>Minerals</u> | | | | | | | | | | |
| Cassiterite | 2,814 | 78.8 | 4,073 | 35.3 | 5,060 | 37.1 | 3,739 | 31.8 | 3,082 | 25.9 |
| Colombo-tantalite | 5 | 0.1 | 18 | 0.2 | 82 | 0.6 | 126 | 1.1 | 66 | 0.6 |
| Beryl | -- | -- | 40 | 0.3 | 182 | 1.3 | 27 | 0.2 | 18 | 0.2 |
| Wolfram | 5 | 0.1 | 98 | 0.8 | 117 | 0.8 | 414 | 3.5 | 733 | 6.2 |
| Other | 50 | 1.4 | 2 | -- | -- | -- | -- | -- | -- | -- |
| Sub-Total | 2,874 | 80.4 | 4,231 | 36.6 | 5,441 | 39.8 | 4,306 | 36.6 | 3,899 | 32.9 |
| <u>Other Products</u> | | | | | | | | | | |
| Beer | 64 | 1.8 | 183 | 1.6 | 14 | 0.1 | 1 | -- | -- | -- |
| Tobacco | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Wood products | -- | -- | 7 | 0.1 | -- | -- | 1 | -- | 2 | -- |
| Miscellaneous | 25 | 0.7 | 150 | 1.3 | 86 | 0.6 | 24 | 0.2 | 53 | 0.4 |
| Sub-Total | 89 | 2.5 | 340 | 3.0 | 100 | 0.7 | 26 | 0.2 | 55 | 0.4 |
| GENERAL TOTAL | 3,570 | | 11,551 | | 13,649 | | 11,738 | | 11,882 | |

^{1/} 9 months only

^{2/} Includes barley

Table 9 : EXPORTS BY COUNTRY OF DESTINATION

in thousands of U.S. dollars

| | v. <u>1963</u> | | v. <u>1964</u> | | v. <u>1965</u> | | v. <u>1966</u> | | v. <u>1967</u> ^{1/} | |
|-----------------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|------------------------------|--------------|
| EUROPE | | | | | | | | | | |
| E.E.C. countries | 2,867 | 80.3 | 4,166 | 36.0 | 5,880 | 43.1 | 4,317 | 36.8 | 4,227 | 35.6 |
| of which: Belgium | (2,860) | (80.1) | (4,118) | (35.6) | (5,123) | (37.6) | (3,930) | (33.5) | (4,075) | (34.3) |
| Germany | (-) | (-) | (10) | (0.1) | (483) | (3.5) | (107) | (0.9) | (8) | (0.1) |
| France | (7) | (0.2) | (14) | (0.1) | (27) | (0.7) | (110) | (0.9) | (61) | (0.5) |
| Italy | (-) | (-) | (1) | (x) | (12) | (0.1) | (10) | (0.1) | (-) | (-) |
| Netherlands | (-) | (-) | 23) | (0.2) | (165) | (1.2) | (160) | (1.4) | (82) | (0.7) |
| Great Britain | 4 | 0.1 | 425 | 3.7 | 255 | 1.9 | 365 | 3.1 | 87 | 0.7 |
| Switzerland | 1 | x | 1 | x | 2 | x | 13 | 0.1 | 1 | x |
| Sweden | - | - | - | - | 114 | 0.8 | 118 | 1.0 | - | - |
| Total | 2,872 | 80.4 | 4,591 | 39.7 | 6,251 | 45.8 | 4,813 | 41.0 | 4,315 | 36.3 |
| NORTH AMERICA | | | | | | | | | | |
| United States | 408 | 11.4 | 6,106 | 52.9 | 6,697 | 49.1 | 6,295 | 53.6 | 6,769 | 57.0 |
| Canada | - | - | - | - | 53 | 0.4 | 2 | x | - | - |
| Total | 408 | 11.4 | 6,106 | 52.9 | 6,750 | 49.5 | 6,297 | 53.6 | 6,769 | 57.0 |
| AFRICA | | | | | | | | | | |
| Congo (Democratic Republic) | 110 | 3.2 | 310 | 2.7 | 282 | 2.1 | 184 | 1.6 | 101 | 0.9 |
| Burundi | - | - | 197 | 1.7 | 116 | 0.8 | 84 | 0.7 | 215 | 1.9 |
| Uganda | 20 | 0.6 | 29 | 0.2 | 86 | 0.6 | 140 | 1.2 | 260 | 2.2 |
| Kenya | 158 | 4.4 | 89 | 0.8 | 26 | 0.2 | 3 | x | - | - |
| Total | 288 | 8.1 | 625 | 5.4 | 510 | 3.7 | 417 | 3.5 | 641 | 5.4 |
| ASIA | | | | | | | | | | |
| Japan | - | - | - | - | - | - | - | - | 141 | 1.2 |
| Others | 2 | x | 229 | 2.0 | 138 | 1.0 | 211 | 1.8 | 13 | 0.1 |
| Total | 2 | x | 229 | 2.0 | 138 | 1.0 | 211 | 1.8 | 144 | 1.3 |
| TOTAL | <u>3,570</u> | <u>100.0</u> | <u>11,551</u> | <u>100.0</u> | <u>13,649</u> | <u>100.0</u> | <u>11,738</u> | <u>100.0</u> | <u>11,300</u> | <u>100.0</u> |

^{1/} 9 months only

Table 10 : IMPORTS OF PRINCIPAL COMMODITIES

Quantity in tons - Value in thousands of U.S. dollars

| COMMODITIES | 1963 | | 1964 | | 1965 | | 1966 | | 1967 ^{1/} | |
|----------------------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|--------------------|--------------|
| | Q. | V. | Q. | V. | Q. | V. | Q. | V. | Q. | V. |
| Cereals | 119 | 24 | 757 | 183 | 1,278 | 284 | 1,531 | 337 | n.a. | 39 |
| Flour | 190 | 47 | 1,195 | 282 | 2,644 | 641 | 4,190 | 937 | n.a. | 373 |
| Fats and Oils | 1,469 | 404 | 1,252 | 382 | 1,023 | 445 | 798 | 386 | n.a. | 239 |
| Beverages | 57 | 36 | 887 | 239 | 623 | 240 | 806 | 206 | n.a. | 136 |
| Cement ^{2/} | 1,436 | 74 | 10,916 | 605 | 12,422 | 737 | 10,713 | 539 | n.a. | 492 |
| Fuel | 6,488 | 733 | 9,050 | 917 | 13,128 | 1,382 | 12,535 | 1,398 | n.a. | 893 |
| Cotton and Cotton Products | 28 | 52 | 623 | 1,221 | 651 | 1,016 | 1,129 | 1,508 | n.a. | 533 |
| Synthetic Textiles | 111 | 161 | 430 | 845 | 470 | 912 | 910 | 1,402 | n.a. | 1,167 |
| Iron and Steel | 464 | 178 | 1,348 | 761 | 2,740 | 1,107 | 3,985 | 1,452 | n.a. | 927 |
| Tools | 74 | 62 | 505 | 283 | 1,608 | 974 | 1,552 | 683 | n.a. | 411 |
| Mechanical Equipment | 133 | 376 | 406 | 605 | 746 | 1,463 | 1,462 | 1,915 | n.a. | 1,023 |
| Electrical Equipment | 79 | 247 | 257 | 383 | 691 | 1,586 | 426 | 737 | n.a. | 480 |
| Vehicles | 242 | 440 | 622 | 1,025 | 1,625 | 2,696 | 1,230 | 1,947 | n.a. | 1,706 |
| Other | <u>3,993</u> | <u>2,009</u> | <u>6,928</u> | <u>4,277</u> | <u>16,172</u> | <u>7,460</u> | <u>18,305</u> | <u>7,026</u> | n.a. | <u>7,421</u> |
| TOTAL | 14,883 | 4,843 | 35,176 | 12,008 | 55,821 | 20,943 | 59,572 | 20,473 | n.a. | 15,840 |

^{1/} 9 months only

^{2/} Includes salt in 1963.

Table 11: IMPORTS BY COMMODITY GROUPS
1963-1967
(Value in Thousands of US \$)

| COMMODITY GROUPS | 1963 | | 1964 | | 1965 | | 1966 | | 1967 ^{1/} | |
|---|--------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|--------------------|-------------|
| | V. | % | V. | % | V. | % | V. | % | V. | % |
| <u>Foodstuffs</u> | | | | | | | | | | |
| Vegetables, grains, etc. | 236 | 4.9 | 574 | 4.8 | 1,088 | 5.2 | 1,471 | 7.2 | 887 | 5.6 |
| Fats and Oils | 404 | 8.3 | 382 | 3.2 | 445 | 2.1 | 387 | 1.9 | 228 | 1.4 |
| Salt | 74 | 1.5 | 198 | 1.6 | 276 | 1.3 | 291 | 1.4 | 212 | 1.3 |
| Beverages | 36 | 0.7 | 239 | 2.0 | 240 | 1.2 | 206 | 1.0 | 134 | 0.8 |
| Meats | 308 | 6.4 | 195 | 1.6 | 360 | 1.7 | 254 | 1.2 | 197 | 1.2 |
| Sugar Products | 27 | 0.6 | 126 | 1.0 | 196 | .9 | 283 | 1.4 | 294 | 1.8 |
| Tobacco | 15 | 0.3 | 66 | .5 | 50 | .2 | 31 | 0.2 | 10 | .1 |
| <u>Total Foodstuffs</u> | <u>1,100</u> | <u>22.7</u> | <u>1,780</u> | <u>14.7</u> | <u>2,655</u> | <u>12.6</u> | <u>2,913</u> | <u>14.3</u> | <u>1,952</u> | <u>12.2</u> |
| <u>Clothing</u> | | | | | | | | | | |
| Textiles | 303 | 6.2 | 2,735 | 22.8 | 3,033 | 14.5 | 4,934 | 24.1 | 3,675 | 23.2 |
| Shoes | 13 | 0.3 | 152 | 1.3 | 306 | 1.5 | 145 | 0.7 | 269 | 1.7 |
| <u>Total Clothing</u> | <u>316</u> | <u>6.5</u> | <u>2,887</u> | <u>24.1</u> | <u>3,339</u> | <u>16.0</u> | <u>5,079</u> | <u>24.8</u> | <u>3,944</u> | <u>24.9</u> |
| <u>Health</u> | | | | | | | | | | |
| Pharmaceuticals | 259 | 5.3 | 299 | 2.5 | 470 | 2.2 | 398 | 1.9 | 252 | 1.6 |
| Soap | 13 | 0.3 | 80 | 0.7 | 160 | .1 | 15 | 0.1 | 40 | 0.2 |
| <u>Total Health</u> | <u>272</u> | <u>5.6</u> | <u>379</u> | <u>3.2</u> | <u>630</u> | <u>2.9</u> | <u>413</u> | <u>2.0</u> | <u>292</u> | <u>1.8</u> |
| <u>Transport and Energy</u> | | | | | | | | | | |
| ehicles | 452 | 9.3 | 1,025 | 8.5 | 2,696 | 13.0 | 2,050 | 10.0 | 2,212 | 14.0 |
| Hydrocarbons | 733 | 15.1 | 917 | 7.6 | 1,382 | 6.6 | 1,399 | 6.8 | 893 | 5.6 |
| <u>Total Transport & Energy</u> | <u>1,185</u> | <u>24.4</u> | <u>1,942</u> | <u>16.1</u> | <u>4,078</u> | <u>19.6</u> | <u>3,449</u> | <u>16.8</u> | <u>3,105</u> | <u>19.6</u> |
| <u>Equipment</u> | | | | | | | | | | |
| Mechanical Equipment | 376 | 7.8 | 605 | 5.0 | 1,463 | 7.0 | 1,915 | 9.4 | 1,023 | 6.5 |
| Electrical Equipment | 247 | 5.1 | 383 | 3.2 | 1,586 | 7.6 | 737 | 3.6 | 480 | 3.0 |
| Tools | 62 | 1.3 | 283 | 2.4 | 974 | 4.7 | 684 | 3.3 | 411 | 2.6 |
| <u>Total Equipment</u> | <u>685</u> | <u>14.2</u> | <u>1,271</u> | <u>10.6</u> | <u>4,023</u> | <u>19.3</u> | <u>3,336</u> | <u>16.3</u> | <u>1,914</u> | <u>12.1</u> |
| <u>Semi-Finished Products</u> | | | | | | | | | | |
| Chemicals | 526 | 10.9 | 469 | 3.9 | 524 | 2.5 | 886 | 4.3 | 580 | 3.7 |
| Iron, Steel, Copper and Aluminum | 233 | 4.8 | 864 | 7.2 | 1,275 | 6.1 | 1,601 | 7.8 | 1,176 | 7.5 |
| Paper Products | 54 | 1.1 | 371 | 3.1 | 348 | 1.7 | 294 | 1.4 | 232 | 1.5 |
| Cement ^{2/} | - | - | 327 | 2.7 | 714 | 3.4 | 539 | 2.6 | 507 | 3.2 |
| Earthware | 06 | 0.1 | 174 | 1.4 | 448 | 2.1 | 293 | 1.4 | 226 | 1.4 |
| Rubber and Plastics | 92 | 1.9 | 242 | 2.0 | 456 | 2.2 | 449 | 2.2 | 470 | 3.0 |
| Wood and Wood Products | 90 | 1.8 | 108 | .9 | 271 | 1.3 | 365 | 1.8 | 338 | 2.1 |
| Mineral and Mineral Products | 66 | 1.4 | 105 | .9 | 261 | 1.2 | 192 | 0.9 | 198 | 1.3 |
| Other | 218 | 4.5 | 1,087 | 9.0 | 1,921 | 9.2 | 664 | 3.2 | 906 | 5.8 |
| <u>Total Semi-Finished Products</u> | <u>1,285</u> | <u>26.5</u> | <u>3,747</u> | <u>31.2</u> | <u>6,218</u> | <u>29.8</u> | <u>5,283</u> | <u>25.8</u> | <u>4,633</u> | <u>29.1</u> |
| <u>TOTAL</u> | <u>4,843</u> | | <u>12,008</u> | | <u>20,943</u> | | <u>20,473</u> | | <u>15,840</u> | |

^{1/} 9 months only

^{2/} For 1963 cement is combined with salt

Table 12: IMPORTS BY COUNTRY OF ORIGIN, 1963-1967
(in thousands of US dollars)

| | 1963 | | 1964 | | 1965 | | 1966 | | 1967 ^{1/} | |
|----------------------|--------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|--------------------|-------------|
| | V. | % | V. | % | V. | % | V. | % | V. | % |
| Belgium & Luxemburg | 1,164 | 24.0 | 3,022 | 25.2 | 5,483 | 26.2 | 5,615 | 27.4 | 4,580 | 28.9 |
| Germany | 253 | 5.2 | 872 | 7.3 | 2,342 | 11.2 | 1,987 | 9.7 | 1,430 | 9.0 |
| France | 124 | 2.6 | 322 | 2.7 | 516 | 2.5 | 446 | 2.2 | 949 | 6.0 |
| Italy | 45 | 0.9 | 104 | 0.9 | 284 | 1.4 | 228 | 1.1 | 168 | 1.1 |
| Netherlands | 58 | 1.2 | 285 | 2.4 | 748 | 3.6 | 454 | 2.2 | 244 | 1.5 |
| Total E.E.C. | 1,644 | 33.9 | 4,605 | 38.5 | 9,373 | 44.9 | 8,730 | 42.6 | 7,371 | 46.5 |
| Great Britain | 197 | 4.1 | 462 | 3.8 | 888 | 4.2 | 914 | 4.5 | 610 | 3.8 |
| Sweden | | | 67 | 0.6 | 398 | 1.9 | 146 | 0.7 | 136 | 0.8 |
| Norway | 10 | 0.2 | 16 | 0.1 | 17 | 0.1 | 003 | | 24 | 0.2 |
| U.S.A. | 57 | 1.2 | 231 | .9 | 932 | 4.4 | 1,315 | 6.4 | 1,041 | 6.6 |
| Canada | | | 90 | 0.7 | 211 | 1.0 | 155 | 0.8 | 15 | 0.1 |
| Uganda | 917 | 18.9 | 1,409 | 11.7 | 3,553 | 30.7 | 2,846 | 13.9 | 2,002 | 12.6 |
| Kenya | 642 | 13.2 | 551 | 4.6 | 849 | 4.0 | 682 | 3.3 | 329 | 2.1 |
| Tanzania | 49 | 1.0 | 146 | 1.2 | 547 | 2.6 | 293 | 1.4 | 126 | 0.8 |
| Congo (Kinshasa) | 567 | 11.7 | 619 | 5.2 | 425 | 2.0 | 276 | 1.3 | 117 | 0.7 |
| Burundi | | | 1,802 | 15.0 | 1,163 | 5.6 | 537 | 2.6 | 635 | 4.0 |
| Iran | 208 | 4.3 | 191 | 1.5 | 55 | 0.2 | 64 | 0.3 | 98 | 0.6 |
| Japan | 107 | 2.2 | 781 | 6.5 | 925 | 4.0 | 2,192 | 10.7 | 2,088 | 13.2 |
| Pakistan | | | 27 | 0.2 | 103 | 0.5 | 229 | 1.1 | 151 | 1.0 |
| Taiwan | | | 16 | 0.1 | 29 | 0.1 | 86 | 0.4 | 20 | 0.1 |
| Hong-Kong | | | 204 | 1.7 | 384 | 1.8 | 245 | 1.2 | 270 | 1.7 |
| Rest of the World | 445 | 9.1 | 791 | 6.6 | 1,091 | 5.2 | 1,760 | 8.6 | 807 | 5.1 |
| Sub-Total | 3,199 | 65.9 | 7,403 | 61.4 | 11,570 | | 11,743 | 57.2 | 8,469 | 53.4 |
| GENERAL TOTAL | 4,843 | | 12,008 | | 20,943 | | 20,473 | | 15,840 | |

9 months only

Table 13: AGRICULTURAL PRODUCTION
(Thousand tons)

| | <u>1959</u> | <u>1961</u> | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>Food Crops</u> | | | | | | | | |
| Bananas | 850 | 987 | 1,472 | 879 | 1,033 | 1,202 | 1,452 | 1,560 |
| Sweet potatoes | 487 | 452 | 657 | 421 | 239 | 203 | 258 | 360 |
| Manioc | 170 | 125 | 134 | 148 | 174 | 178 | 198 | 230 |
| Sorghum | 131 | 101 | 168 | 127 | 147 | 131 | 143 | 145 |
| Beans | 97 | 87 | 92 | 169 | 70 | 87 | 131 | 132 |
| Peas | 39 | 29 | 40 | 39 | 28 | 39 | 59 | 52 |
| Potatoes | 84 | 97 | 74 | 66 | 30 | 43 | 57 | 107 |
| Maize | 39 | 28 | 69 | 72 | 21 | 44 | 49 | 53 |
| Groundnuts | 2 | 18 | 1 | 2 | 4 | 20 | 5 | 16 |
| Eleusine | 6 | 3 | 3 | 2 | 1 | 2 | 2 | 1 |
| Rice | - | - | - | - | - | 0.03 | 0.25 | 0.21 |
| <u>Industrial Crops</u> | | | | | | | | |
| Coffee (Marchand) | 13.8 | 9.8 | 9.5 | 4.7 | 8.1 | 10.2 | 8.6 | 10.9 |
| Pyrethrum (dry flowers) | 0.7 | 0.4 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.7 |
| Tea (dry leaves) | - | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 | 0.5 |
| Cotton (raw) | - | 0.3 | 0.3 | 0.2 | 0.4 | 0.3 | 0.2 | 0.3 |
| Barley | 1.5 | 0.3 | 0.3 | 0.3 | 0.8 | 1.1 | 0.6 | 2.1 |
| wheat | - | - | - | - | - | - | - | 0.2 |
| Quinine bark | - | - | - | - | - | - | 0.2 | 0.3 |

Source: Ministry of Agriculture and Livestock.

Table 14: MINERAL PRODUCTION
(Tons)

| | <u>1959</u> | <u>1960</u> | <u>1961</u> | <u>1962</u> | <u>1963</u> | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Cassiterite (tin oxide) | 1,579 | 1,755 | 2,033 | 1,839 | 1,896 | 1,897 | 1,972 | 1,848 | 1,928 |
| Wolframite (tungsten ore) | 143 | 422 | 535 | 238 | 12 | 154 | 232 | 325 | 583 |
| Colombo-tantalite | 64 | 48 | 45 | 37 | 19 | 29 | 23 | 29) | 140 |
| Beryl | 170 | 281 | 476 | 357 | 256 | 286 | 89 | 138) | |
| Amblygonite (Lithium ore) | 2,690 | 2,331 | 1,682 | 326 | 368 | 5 | 23 | - | - |
| Gold (in kg) | 97 | 49 | 28 | 1 | 1 | 2 | 1 | - | - |

Source: Bulletin de Statistique, Direction Générale des Mines.

Table 1^c • CENTRAL GOVERNMENT EXPENDITURE BY MINISTRY
(million RF)

| Ministry | 1963 | 1964 | 1965 | 1966 | 1967 (provisional) | 1968 (budget) |
|------------------------------|---------|--------|-------|---------|-----------------------|------------------|
| Education | 164.1 | 166.4 | 191.8 | 237.7 | 256.4 | 376.3 |
| Defense | 83.3 | 129.7 | 161.1 | 462.9 | 373.7 | 322.0 |
| Public Works and Energy | (| 56.2 | 44.0 | 71.6 | 95.4 | 108.7 |
| Post and Telecommunications | (62.9 | 28.2 | 30.8 | 43.7 | 47.4 | 76.0 |
| Agriculture | (| 40.2 | 38.4 | 51.5 | 50.0 | 64.7 |
| Commerce, Mines and Industry | (31.3 | 3.6 | 5.3 | 6.4 | 9.6 | 7.4 |
| Finance | 21.5 | 25.6 | 55.7 | 73.5 | 69.6 | 60.4 |
| Plan | 1.1 | 2.7 | 69.1 | (| | |
| Foreign Affairs | 19.1 | 39.3 | 38.6 | (20.2 | 103.3 | 89.0 |
| Information | -- | 5.2 | 7.3 | | 10.4 | 11.7 |
| Justice | 27.9 | 40.5 | 48.6 | (| | |
| Interior | (| (| 60.3 | (29.3 | 101.8 | 95.0 |
| Labor | (| (50.3 | (| | | |
| Public Health | (103.2 | (| (| | | |
| Family and Community Dev. | (| (56.0 | (| | | |
| Sovereignty | 12.6 | 14.7 | 18.9 | 30.2 | 33.2 | 48.6 |
| TOTAL ^{1/} | 527.6 | 652.6 | 837.2 | 1,321.3 | 1,375.3 | 1,352.6 |

^{1/} Differences due to rounding.

Table 16: CENTRAL GOVERNMENT CURRENT EXPENDITURE BY PURPOSE ^{1/}
(in million RF)

| | <u>1963</u> | % | <u>1964</u> | % | <u>1965^c</u> | % | <u>1966</u> | % | <u>1967</u> (provisional) | % | <u>1968</u> (budget) | % |
|-------------------------------|-------------|--------------|-------------|--------------|-------------------------|--------------|--------------|--------------|------------------------------|--------------|-------------------------|--------------|
| Permanent Staff | 252 | 46.0 | 273 | 41.5 | 307 | 36.5 | 439 | 33.0 | 487 | 35.5 | 537 | 39.0 |
| Contracted Workers | <u>88</u> | <u>16.0</u> | <u>136</u> | <u>20.5</u> | <u>144</u> | <u>17.0</u> | <u>251</u> | <u>19.0</u> | <u>250</u> | <u>18.0</u> | <u>240</u> | <u>17.5</u> |
| Total Wages and Salaries | 340 | 62.0 | 409 | 62.0 | 451 | 54.0 | 690 | 52.0 | 737 | 53.5 | 777 | 56.5 |
| Official Travel | 25 | 4.5 | 27 | 4.0 | 38 | 4.5 | 71 | 5.5 | 71 | 5.0 | 83 | 6.0 |
| Material | 101 | 18.5 | 108 | 16.5 | 198 | 23.5 | 415 | 31.5 | 389 | 28.5 | 241 | 17.5 |
| Other | <u>81</u> | <u>15.0</u> | <u>115</u> | <u>17.5</u> | <u>150</u> | <u>18.0</u> | <u>146</u> | <u>11.0</u> | <u>178</u> | <u>13.0</u> | <u>278</u> | <u>20.0</u> |
| Total | <u>547</u> | <u>100.0</u> | <u>659</u> | <u>100.0</u> | <u>837</u> | <u>100.0</u> | <u>1,322</u> | <u>100.0</u> | <u>1,375</u> | <u>100.0</u> | <u>1,379</u> | <u>100.0</u> |

Sources: Projets de loi d'Approbation des comptes relatifs au budget de gestion, and 1968 budget.

^{1/} Errors due to rounding.

Table 17: CONSOLIDATED BUDGET
(Million RF)

| | 1963 | 1964 | 1965 | 1966 | 1967 (provisional results) | 1968 (budget) |
|-----------------------------------|--------|--------|---------|---------|----------------------------------|------------------|
| <u>Receipts</u> | | | | | | |
| Fiscal receipts | 296.3 | 437.2 | 537.2 | 1,060.2 | 1,133.7 | 1,233.3 |
| Public property | 37.3 | 56.2 | 82.0 | 110.6 | 117.5 | 145.0 |
| Budget pour ordre (net) | - | 24.0 | - | - | - | 31.0 |
| Compte hors Budget (net) | 20.6 | 31.6 | - | 10.1 | - | - |
| Total receipts | 354.3 | 549.0 | 619.2 | 1,180.8 | 1,251.2 | 1,409.3 |
| <u>Expenditures</u> | | | | | | |
| Ordinary Budget | 547.6 | 659.6 | 837.2 | 1,321.8 | 1,375.3 | 1,383.6 |
| Development Budget | 1.9 | 56.5 | 79.6 | 137.5 | 75.6 | 100.0 |
| Budget pour ordre (net) | 53.3 | - | 2.8 | 17.8 | 37.7 | - |
| Compte hors Budget (net) | - | - | 100.9 | - | 16.7 | - |
| Total Expenditures | 602.8 | 716.1 | 1,020.6 | 1,477.0 | 1,505.3 | 1,482.6 |
| <u>Deficit (-) or Surplus (+)</u> | -248.5 | -167.1 | -401.4 | - 296.2 | - 254.1 | -73.3 |
| <u>Financing</u> | | | | | | |
| Foreign Borrowing | - | - | - | 36.5 | - | - |
| Treasury Bills a/ | - | 108.0 | 91.2 | -1.2 | 141.0 | 73.3 |
| Central Bank borrowing | 193.7 | 77.8 | 250.2 | 274.5 | 116.0 | - |
| Foreign Aid | 27.9 | 41.6 | - | - | - | - |
| Cash Balances b/ | 26.8 | -60.3 | 60.1 | -13.5 | -2.9 | - |
| Total Financing | 248.5 | 167.1 | 401.4 | 296.2 | 254.1 | 74.3 |

Notes

- a/ Increase in treasury bills, positive
b/ Increase in cash balances, negative

Table 18: ASSETS AND LIABILITIES OF THE NATIONAL
BANK OF RWANDA 1964 - 1967
(RF million)

| | <u>1964</u> | <u>1965</u> | <u>1966</u> | <u>1967</u> | | | |
|----------------------------|-------------|-------------|--------------------|-------------|---------|---------|---------|
| | | | | March | June | Sept. | Dec. |
| Foreign assets | 288 | 225 | 554 | 315 | 250 | 640 | 708 |
| Claims on Government | 359 | 522 | 796 | 910 | 954 | 837 | 912 |
| Short term advances | (358) | (522) | (296) | (410) | (453) | (336) | (412) |
| Postal Checking System | (1) | (-) | (-) | (-) | (1) | (1) | (-) |
| Consolidated debt | (-) | (-) | (500) | (500) | (500) | (500) | (500) |
| Claims on Commercial Banks | - | - | 45 | 50 | 359 | 127 | 9 |
| Reserve money of which: | 864 | 995 | 1,128 | 1,083 | 1,350 | 1,291 | 1,361 |
| Currency outside banks | (568) | (845) | (899) | (862) | (1,142) | (1,184) | (1,032) |
| Official entities deposits | (120) | (57) | (62) | (55) | (105) | (82) | (63) |
| Government deposits | 31 | 43 | 65 | 44 | 50 | 30 | 57 |
| Counterpart funds | - | - | 70 | 182 | 178 | 183 | 203 |
| Foreign liabilities | 91 | 164 | 814 | 707 | 744 | 845 | 788 |
| Other items (net) | -338 | -433 | -682 ^{1/} | -741 | -759 | -745 | -780 |

^{1/} Increase reflects (currency) losses resulting from adjustment in the official rate of exchange for the Rwanda franc in April 1966.

Source: International Financial Statistics.

Table 19: ASSETS AND LIABILITIES OF THE
COMMERCIAL BANKS 1964-67
(RF Million)

| | 1964 | 1965 | 1966 | 1967 | | | |
|--------------------------|------|------|------|-------|------|-------|------|
| | | | | March | June | Sept. | Dec. |
| Reserves | 174 | 97 | 149 | 169 | 112 | 96 | 218 |
| Foreign Assets | 70 | 78 | 32 | 61 | 19 | 162 | 42 |
| Claims on government | 32 | 107 | 107 | 103 | 116 | 119 | 118 |
| Claims on private sector | 60 | 82 | 162 | 161 | 582 | 319 | 173 |
| Demand deposits | 335 | 323 | 316 | 340 | 370 | 430 | 441 |
| Savings deposits | 10 | 22 | 30 | 25 | 22 | 31 | 34 |
| Foreign liabilities | 3 | 8 | 25 | 34 | 39 | 85 | 40 |
| Credit from central bank | - | - | 44 | 50 | 393 | 93 | 10 |
| Capital account | 15 | 30 | 33 | 73 | 94 | 94 | 94 |
| Other items (net) | -27 | -19 | 2 | -28 | -89 | -37 | -68 |

Source: International Financial Statistics

Table 20: ASSETS AND LIABILITIES OF THE
SAVINGS BANK 1964-67
(RF million)

| | 1964 | 1965 | 1966 | 1967 December |
|--------------------------------|------|------|------|------------------|
| Cash | 4 | 3 | 13 | 3 |
| Claims on government <u>1/</u> | 93 | 94 | 98 | 125 |
| Claims on private sector | 6 | 31 | 45 | 61 |
| Private sector deposits | 32 | 55 | 69 | 80 |
| Official entities deposits | 71 | 70 | 93 | 111 |
| Other items (net) | -- | 3 | -6 | -2 |

Source: International Financial Statistics

1/ Consists almost entirely of holdings of Treasury bills.

Table 21 (a): DEVELOPMENT PLAN (Tranche Prioritaire)
in thousand Rwanda Francs (pre-devaluation)

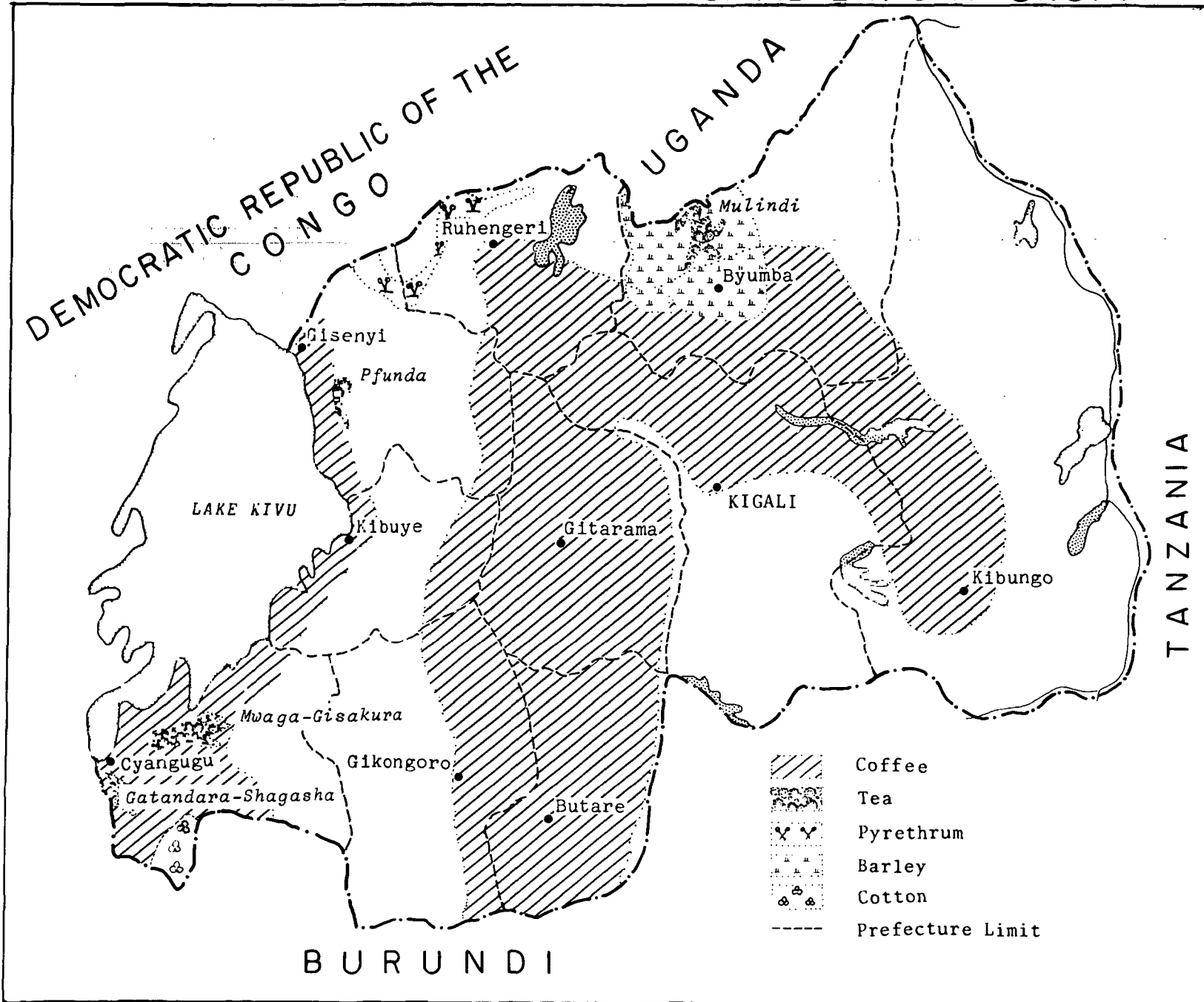
| | Public Financing | | | Private Financing | | |
|------------------------------------|------------------|----------------|------------------|-------------------|----------------|------------------|
| | Foreign | National | Total | Foreign | National | Total |
| AGRICULTURE & LIVESTOCK | | | | | | |
| Foodstuffs | 48,166 | 1,400 | 49,566 | - | - | - |
| Export crops | 400,076 | 36,312 | 436,388 | - | 16,651 | 16,651 |
| Livestock | 39,000 | - | 39,000 | - | - | - |
| Research | 150,000 | - | 150,000 | - | - | - |
| Land clearing | 320,932 | 5,721 | 326,653 | - | - | - |
| Soil conservation | 33,000 | 135,310 | 168,310 | - | - | - |
| Reforestation | - | 77,300 | 77,300 | - | - | - |
| Total | 991,174 | 256,043 | 1,247,217 | - | 16,651 | 16,651 |
| MINING | | | | | | |
| Equipment | - | - | - | 425,000 | - | 425,000 |
| Prospecting & Studies | 100,000 | - | 100,000 | - | - | - |
| Total | 100,000 | - | 100,000 | 425,000 | - | 425,000 |
| INDUSTRY | | | | | | |
| Equipment | 204,210 | 30,846 | 235,056 | 142,500 | 20,850 | 163,350 |
| Infrastructure | 40,000 | 11,000 | 51,000 | - | - | - |
| Studies | 5,000 | - | 5,000 | - | - | - |
| Handicrafts | 5,000 | - | 5,000 | - | - | - |
| Total | 254,210 | 41,846 | 296,056 | 142,500 | 20,850 | 163,350 |
| SERVICES | | | | | | |
| Commerce | - | - | - | 30,000 | 30,000 | 60,000 |
| Transport | - | - | - | 30,000 | 50,000 | 80,000 |
| Tourism | - | - | - | - | - | - |
| Others | - | 8,000 | 8,000 | 70,000 | - | 70,000 |
| Total | - | 8,000 | 8,000 | 130,000 | 80,000 | 210,000 |
| INFRASTRUCTURE | | | | | | |
| Roads | 320,000 | 75,000 | 395,000 | | | |
| Aviation | 146,954 | 12,300 | 159,254 | | | |
| Energy | 230,000 | | 230,000 | | | |
| Post & Telecomm. | | | 44,750 | | | |
| of which: Post | - | 10,000 | | | | |
| Telec. | - | 34,750 | | | | |
| Health | 40,000 | 20,000 | 60,000 | | | |
| Education | | | | | | |
| of which: Prim. Ed. | | | | | | |
| Second.Ed. | 250,000 | - | 250,000 | | | |
| Higher Ed. | 122,000 | 7,750 | 129,750 | | | |
| Other | 17,000 | - | 17,000 | | | |
| Urbanization & Housing | 271,175 | 50,000 | 321,175 | 165,000 | 200,000 | 365,000 |
| Administration | 80,000 | 95,000 | 175,000 | 200,000 | - | 200,000 |
| Total | 1,477,129 | 304,800 | 1,781,929 | 365,000 | 200,000 | 565,000 |
| TOTAL | 2,822,513 | 618,689 | 3,441,202 | 1,062,500 | 317,501 | 1,380,001 |

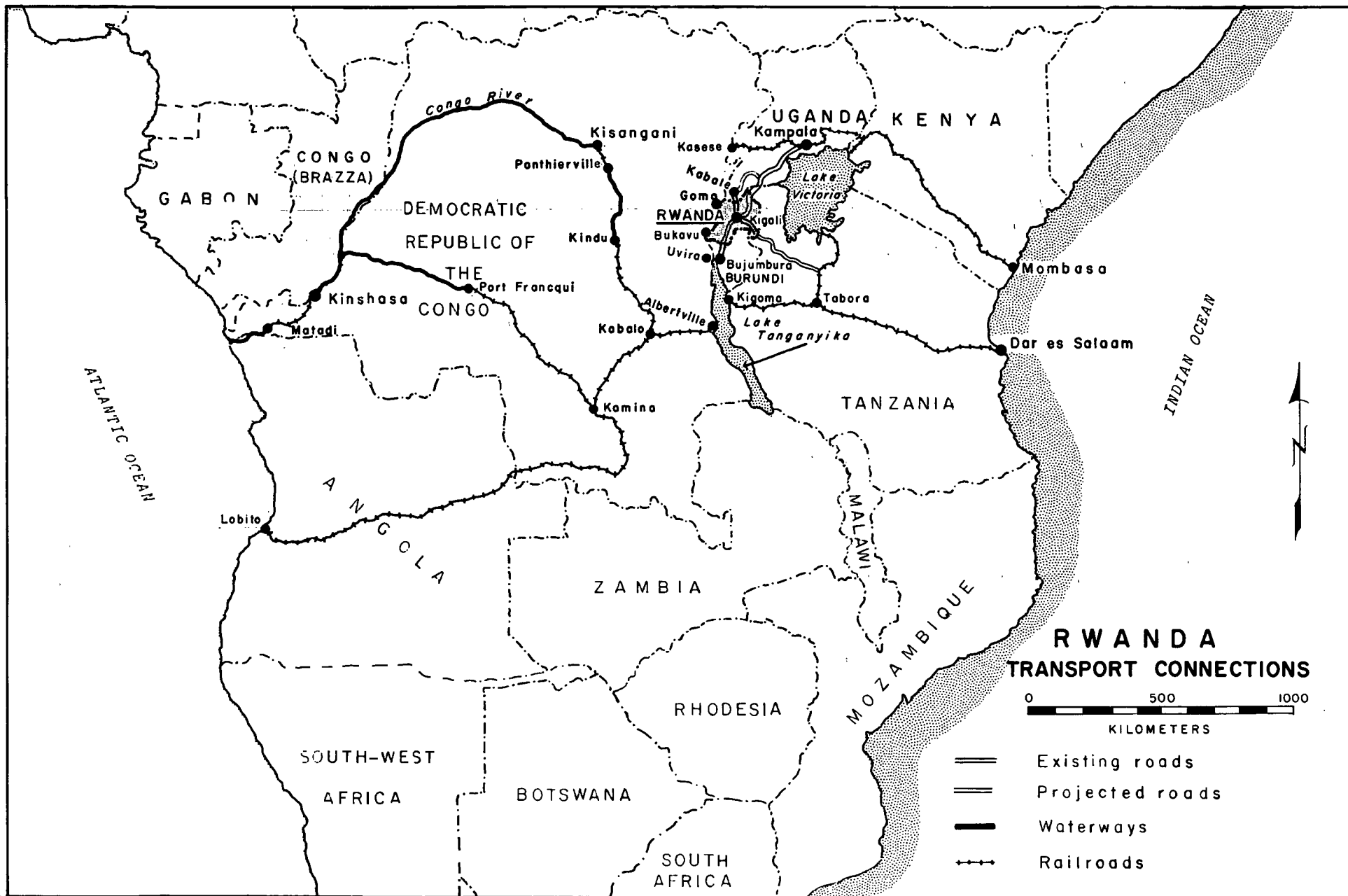
Table 21 (b): DEVELOPMENT PLAN (Tranche Prioritaire)
(in million Rwanda francs - post devaluation) ^{1/}

| | Public Financing | | | Private Financing | | |
|------------------------------------|------------------|------------|--------------|-------------------|------------|--------------|
| | Foreign | National | Total | Foreign | National | Total |
| <u>AGRICULTURE & LIVESTOCK</u> | | | | | | |
| Foodstuffs | 71 | 2 | 73 | | | |
| Export Crops | 761 | 69 | 830 | | | |
| Livestock | 64 | - | 64 | | | |
| Research | 290 | - | 290 | | | |
| Land Clearing & Settlement | 584 | 11 | 595 | | | |
| Soil Conservation | 66 | 175 | 241 | | | |
| Reforestation | - | 100 | 100 | | | |
| Total | 1,836 | 357 | 2,193 | | | |
| <u>MINING</u> | | | | | | |
| Equipment | | | | 821 | - | 821 |
| Prospecting & Studies | 200 | - | 200 | | | |
| Total | 200 | - | 200 | 821 | - | 821 |
| <u>INDUSTRY</u> | | | | | | |
| Equipment | 373 | 56 | 429 | 259 | 38 | 297 |
| Infrastructure | 70 | 18 | 88 | - | - | - |
| Studies | 10 | - | 10 | - | - | - |
| Handicrafts | 10 | - | 10 | - | - | - |
| Total | 463 | 74 | 537 | 259 | 38 | 297 |
| <u>SERVICES</u> | | | | | | |
| Commerce | - | - | - | 55 | 55 | 110 |
| Transport | - | - | - | 54 | 92 | 146 |
| Tourism | - | - | - | - | - | - |
| Others | - | 10 | 10 | 120 | - | 120 |
| Total | - | 10 | 10 | 229 | 147 | 376 |
| <u>INFRASTRUCTURE</u> | | | | | | |
| Roads | 550 | 129 | 679 | | | |
| Aviation | 265 | 20 | 285 | | | |
| Energy | 428 | - | 428 | | | |
| Post & Telecommunications | | | | | | |
| of which: Post | | 17 | | | | |
| Telecomm. | | 63 | | | | |
| Health | 69 | 35 | 104 | | | |
| Production | | | | | | |
| of which: Prim. Education | | | | | | |
| Second. Educ. | 412 | - | 412 | | | |
| Higher Educ. | 201 | 13 | 214 | | | |
| Other | 28 | - | 28 | | | |
| Urbanization & Housing | 447 | 83 | 530 | 272 | 330 | 602 |
| Administration | 131 | 157 | 288 | 30 | - | 330 |
| Total | 2,531 | 517 | 3,048 | 602 | 330 | 932 |
| <u>TOTAL</u> | <u>5,030</u> | <u>958</u> | <u>5,988</u> | <u>1,911</u> | <u>515</u> | <u>2,426</u> |

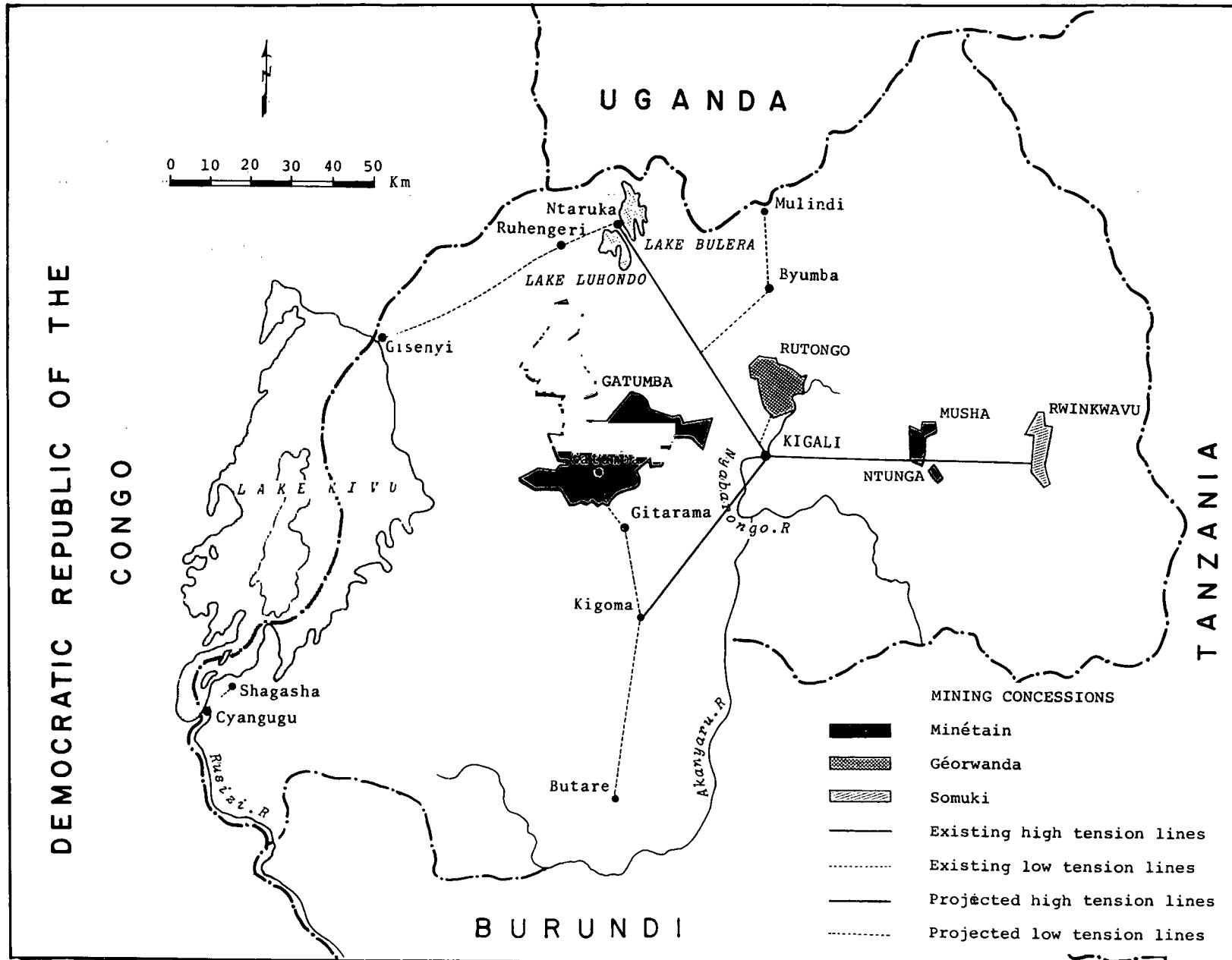
^{1/} Mission estimates.

RWANDA: PRODUCTION OF PRINCIPAL EXPORT CROPS





RWANDA: PRINCIPAL MINING CONCESSIONS AND ELECTRICITY DISTRIBUTION



RWANDA: EDUCATIONAL PYRAMID, 1966-1967

GRADES
SECONDARY

7

6

5

4

3

2

1

PRIMARY

7

6

5

4

3

2

1

GIRLS

BOYS

