

**SPEECH FOR THE LAUNCH OF EDPRS IMPLEMENTATION REPORT AND
ANNUAL ECONOMIC REPORTS FOR RWANDA AND AFRICA**

14th August, 2009 at Serena Hotel, Kigali

**Honorable Ministers,
Excellency Ambassadors,
Development Partners,
Permanent Secretaries,
Distinguished Guests,
Ladies and Gentlemen,**

1. It is a pleasure and honour for me to officially launch the three key economic reports." Indeed, these reports are contributing directly to current economic policy making in Rwanda given the comprehensiveness of invaluable data and analysis they contain.
2. The Ministry of Finance and Economic Planning is proud to share with you the production of our annual progress report on the Economic Development and Poverty Reduction Strategy and the 2008 Annual Economic Report. We are equally delighted to be associated with the Annual Economic Report produced by UNECA.
3. As you are aware, 2008 was the first year of implementation of EDPRS. It is therefore important for the GoR, together with its Development Partners, to take note of the progress made and most importantly the impact these policies have had on key indicators as well as more broadly on our economy. This is exactly what is covered under the two reports produced by GoR.
4. The EDPRS Annual Progress Report therefore focuses on the three flagship programmes – namely (i) Sustainable Growth for Jobs and Exports; (ii) Vision 2020 Umurenge; and (iii) Governance. These

three flagships will also be key to fast-track our race to reach the Millennium Development Goals (MDGs) and our Vision 2020.

5. However, we must keep in mind that EDPRS objectives cannot be achieved without a strong foundation which is a stable macroeconomic environment.
6. The 2008 Annual Economic Report serves as a guide to Rwanda's economic performance reflecting on what was achieved, how it was achieved and the remaining challenges faced by our country. It documents how a double digit of 11.2% real GDP growth rate was achieved last year and looks at how we can build on this success in the Medium Term.
7. This was realized despite the challenging international economic environment characterized by high fuel and food prices at the beginning of the Global Financial Crisis.

Ladies and Gentlemen,

8. This high economic growth can be partly attributed to the sustained performance of the industry and service sectors. But the most positive development we should note is the recovery of the agriculture sector after over 5 years of stagnation.
9. This is due mainly to the significant public investments to support revolutionary programs undertaken by Government in collaboration with farmers in rural areas. However, there is still a large scope for productivity gains in this very important sector; we have certainly not reached the end of the road.
10. Exports also recovered from the poor performance of 2007. This was due to price and volume effects. However, our balance of trade was negatively affected by the rise in international prices that resulted in very high values for imports. More work therefore remains to trigger more manufacturing and value addition in productive activities to narrow our trade deficit in the long term.

It is also my pleasure to report the excellent performance of the tourism sector as it proves to be a major source of foreign exchange. In 2008, we registered a significant increase in arrivals and receipts from this sector.

2. Fiscal and monetary performance was also very sound with a boost from non-fiscal revenues as well as limited growth in money supply.
13. The major challenge faced by our economy last year was the creeping inflationary pressure both due to international pressures and higher domestic demand. By the end of the year our annual change had peaked at 22% which was damaging to our good track record.
14. I am therefore pleased to announce that inflation has finally returned to a single digit since end of the last month. This will provide much needed relief to the Rwandan citizens.
15. 2009 is expected to be a challenging year as our economy is already affected by the Global Financial Crisis. Receipts from exports and tourism have gone down while import prices have not yet decreased as originally expected.
16. On a positive note, we still expect to have a growth of about 5.3% which is relatively high compared to the rest of the world. Our economy has also been affected by liquidity crunch, which crunch has had a significant impact on our service sector as well as construction sector. Remedial measures have been taken by the Government of Rwanda since the start of the year to address this issue.

Ladies and Gentlemen,

17. The EDPRS progress report shows the achievements in the course of 2008. The implementation rate of core indicators was encouraging with 81% of the targets met or exceeded. Associated policy actions also reflected our strong commitment with more than 80% of the targets achieved and 17% partially achieved.

18. The Indicators not achieved relate to; inflation, land registration , the percentage of district roads in good condition, completion rate in primary school, transition from basic education to upper secondary education and the ratio of girls in higher education science programs.
20. All the outstanding targets are being addressed through the implementation of budget 2009/2010.
21. Some of the key outstanding challenges include the low quality in education, illustrated by the high drop-out rates and low completion rates in primary education, further Strengthening of PPPs, and reducing high costs of doing business including electricity and transport costs.
22. We also need to accelerate basic service delivery by decentralization entities and frontline providers.
23. In forging ahead and addressing some of these development challenges, Rwanda cannot act in isolation. It is therefore useful to put into context the regional and continental issues as reflected in the Economic Report for Africa (ERA) 2009.
24. This year's report is focused on "Developing African Agriculture through Regional Value Chains". It provides a comprehensive analysis of developments in African economies over the preceding year, and offers projections for the upcoming year.
25. I cannot end without acknowledging that all our achievements in 2008 are a mirror of a fruitful partnership between the Government of Rwanda and all its Partners. It is in this regard, that I would like to take this opportunity to appreciate the contribution of each and every institution represented here.
26. As partners in development, let us challenge ourselves to perform even better while consolidating the gains and avoiding complacency.

27. I look forward to further fruitful discussions and I declare the EDPRS Implementation Report and Annual Economic Reports for Rwanda and Africa officially launched.

Thank You