NATIONAL BANK OF RWANDA
BANKI NKURU Y'U RWANDA

FOREIGN PRIVATE CAPITAL IN RWANDA

CENSUS REPORT – 2021

RDB RWANDA DEVELOPMENT BOARD

nisr NATIONAL INSTITUTE OF STATISTICS OF RWANDA

PSF FSP

Foreword

The Rwanda Foreign Private Capital 2021 Census is the twelfth in a series of annual censuses, jointly conducted by National Bank of Rwanda, Rwanda Development Board, National Institute of Statistics of Rwanda, and Private Sector Federation. This census collects data on inflows and outflows of foreign investments with the private sector in Rwanda. This report presents 2020 findings on Foreign Private Capital inflows, and the data used was collected on 274 private companies, registered at the Rwanda Development Board.

The Foreign Private Capital Census would not have been successful without the involvement and cooperation of key stakeholders. The National Bank of Rwanda wishes to extend appreciation to our valued respondents for their cooperation in providing information. We also acknowledge and appreciate the technical and financial support provided by partner institutions to make this exercise a success.

The Foreign Private Capital census is an important activity for the Government of Rwanda, given that it summarizes stocks and flows of foreign investments by instrument, sector and origin, and it is a base on setting policy measures that attract foreign investments and improve the business climate in Rwanda. In addition, the results from this census are used in the compilation of the Balance of Payments, the International Investment Position and the National Account Statistics of Rwanda.

RWANGOMBWA John
Governor

EXECUTIVE SUMMARY

- The FPC 2021 census covered 274 enterprises, of which 227 responded, representing a response rate of 82.8 percent.
- Findings revealed that FPC inflows decreased by 23.5 percent, amounting to $ 386.4 Million in 2020 from $ 505.0 Million, mainly due to negative impact of the Covid19 pandemic.
- The FPC inflows were mainly driven by Direct Investment ($ 274.1 Million), followed by Other Investment ($ 110.2 Million) and Portfolio Investment ($ 2.0 Million).
- In terms of sector composition, the financial sector led with 46.4 percent of share, followed by ICT sector (13.0 percent), Electricity and Energy sector (12.0 percent), Manufacturing sector (10.8 percent) and Agriculture sector (9.9 percent).
- The FPC by origin were led by Mauritius with a lion share of 35.2 percent, followed by the United States of America (12.7 percent), Kenya (8.6 percent) and Netherlands (5.8 percent).
- Return on FDI. The Net Profit of the same companies reduced by 11.5 percent, amounting to $ 146.3 Million, from $ 165.3 Million recorded in 2020.
- The FPC 2021 discusses the private sector non-equity investment, i.e. the Private Sector External Debt (PSED) that are considered in direct investment and other investments. In 2020 the PSED inflows reduced by 35.5 percent to $ 204.6 Million, from 317.5 Million registered in 2019.
- In other findings, the FPC 2021 census showed a decrease in total FPC companies' turnover of 17.0 percent, amounting to $ 2,297.1 Million, from $ 2,768.9 Million registered in 2019 and accounting for 22.2 percent of GDP 2020.
- Lastly, the report summarizes the investors' perceptions about the business environment in Rwanda. These views help to inform policymakers about the need for improving the investment climate to attract foreign investments in the country. The findings show that the Investor Perception Index stood at 78 percent, with higher improvement in infrastructure and support services indices.

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LIST OF ACRONYMS

NBR	National Bank of Rwanda
BOP	Balance of Payments
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
FDI	Foreign Direct Investment
FPC	Foreign Private Capital
GDP	Gross Domestic Product
ICT	Information Communication and Technology
MEFMI	Macroeconomic and Financial Management Institute
NISR	National Institute of Statistics of Rwanda
PCMS	Private Capital Monitoring System
PSED	Private Sector External Debt
PSF	Private Sector Federation
PTA	Preferential Trade Area
RDB	Rwanda Development Board
FRW	Rwandan Franc
SADC	Southern African Development Community
UNCTAD	United Nations for Commerce Trade and Development
WEF	World Economic Forum
WIR	World Investment Report

CHAPTER 1. INTRODUCTION

Rwanda's development strategy as enshrined in the 2017-2024 National Strategy for Transformation (NST 1) aims at implementing reforms in pursuit of high and sustainable growth for Rwanda. Investment promotion remain one of the key policy strategies consistent with the overall macroeconomic targets. Priority area 5 of the national strategy for transformation clearly spells out the need to increase domestic savings and position Rwanda as a hub for financial services to promote investment. In line with this, the Government of Rwanda has undertaken a series of policy reforms aimed at improving Rwanda's investment climate and increase foreign direct Investment (FDI) and other private capital flows.

Due to these efforts, the Foreign Private Capital (FPC) flows have grown in the recent decades and their sources have increased following continued globalization, thus internationally harmonized, timely and reliable FPC statistics are key to the analysis of developments and trends in the capital flows at country, regional and global levels.

Conceptually, the FPC refers to foreign liabilities (inward investments) owed to non-residents in terms of equity and non-equity, and foreign assets (outward investment) claimed to the rest of the world. The FPC is composed of; Foreign Direct Investment (FDI), Portfolio Investment (PI), Financial Derivatives and Employee Stock Options, and Other Investments (OI). The FPC 2021 cycle records information for the year 2020 from all resident companies that hold foreign liabilities and/or foreign assets.

The 2021 FPC census is designed based on the IMF's Sixth edition of the Balance of Payment and International Investment Position Manual (BPM6), published in 2009, the Coordinated Direct Investment Survey (CDIS), Organization for Economic Co-operation and Development (OECD), benchmarking definition of Foreign Direct Investment and the 2010 Manual on Statistics for International Trade in Services (MSITS 2010). The census provides inputs to Balance of Payments (BOP), International Investment Position (IIP) and National Account Statistics compilation.

The questionnaire was administered to 274 enterprises with foreign capital, out of which 227 responded, translating into a response rate of 82.8 percent. This report presents the survey findings to the magnitude, types and direction of FPC liabilities inflows, Foreign Affiliates Trade in Services as well as investor perceptions in Rwanda.

The rest of the report is organized as follows: chapter 2 discusses macroeconomic development and investment climate, chapters 3,4 and 5 presents and analyses the quantitative survey findings on foreign direct capital, external sector private debt, foreign affiliates and investor perception respectively and chapter 6 presents conclusion and recommendation.

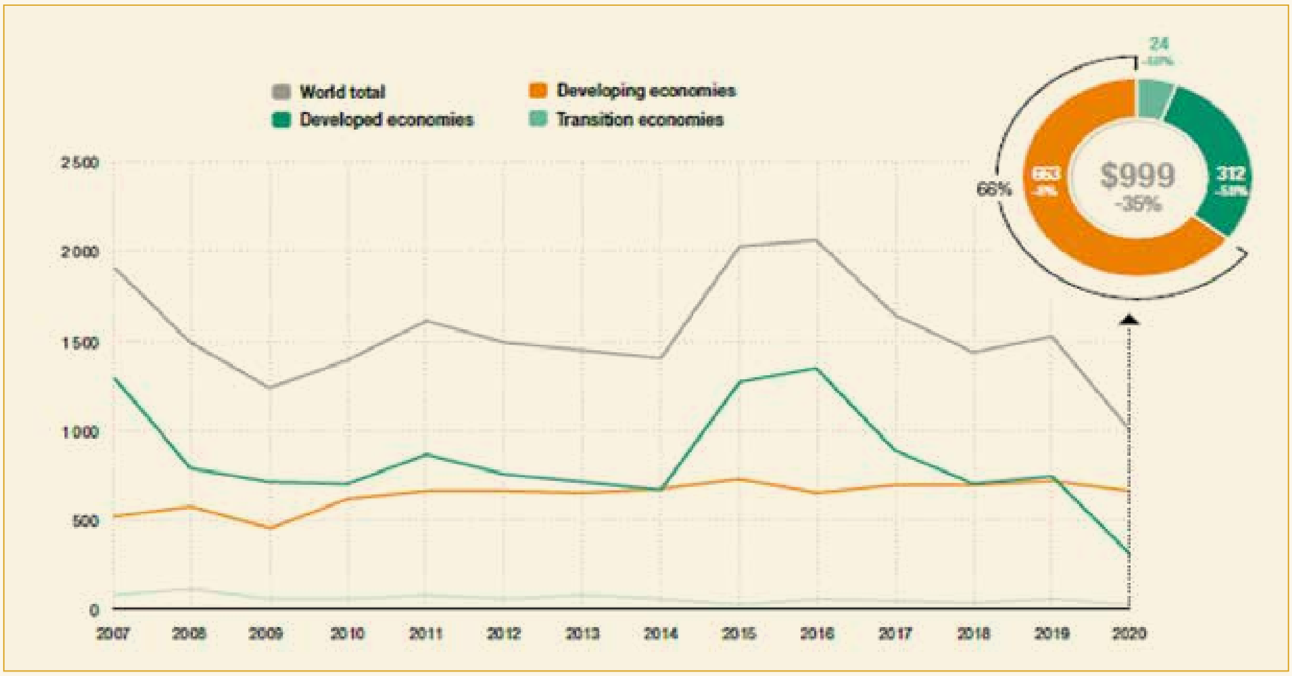
CHAPTER 2.
INVESTMENT DEVELOPMENT AND CLIMATE

According to IMF world Economic outlook published in July 2021, the global economy declined by 3.2 percent in 2020 compared to a growth of 2.8 percent recorded in 2019. The decline in the global economic growth was mainly attributed to the outbreak of covid-19 pandemic and the associated containment measures that had ripple effect on several sectors, particularly trade, transportation and tourism. However, the decline in growth started to moderate in the second half of 2020 as many economies started to reopen from the lockdowns and the global economy is expected to recover to 6 percent in 2021 and 4.9 percent in 2022.

2.1. Global and Regional FDI Trends

In 2020, foreign direct investment sharply declined due to covid-19 crisis. Global FDI dropped by 35 percent to USD 1 trillion from USD 1.5 trillion in 2019, 20 percent lower than 2009 depression after the global financial crisis (WIR, 2021). The decline is more pronounced in developed economies, where FDI fell by 58 percent due to swings caused by corporate transactions and intra-firms financial flows. In developing economies, FDI moderately declined by 8 percent due to resilient flows in Asia, as a result developing countries accounted for two thirds of the total global FDI, up from just below half in 2019.

Figure 1: FDI inflows, by Group of Economies, 2007-2020 (in USD & percent)



Source: UNCTAD

2.2. Investment's Opportunities in Rwanda

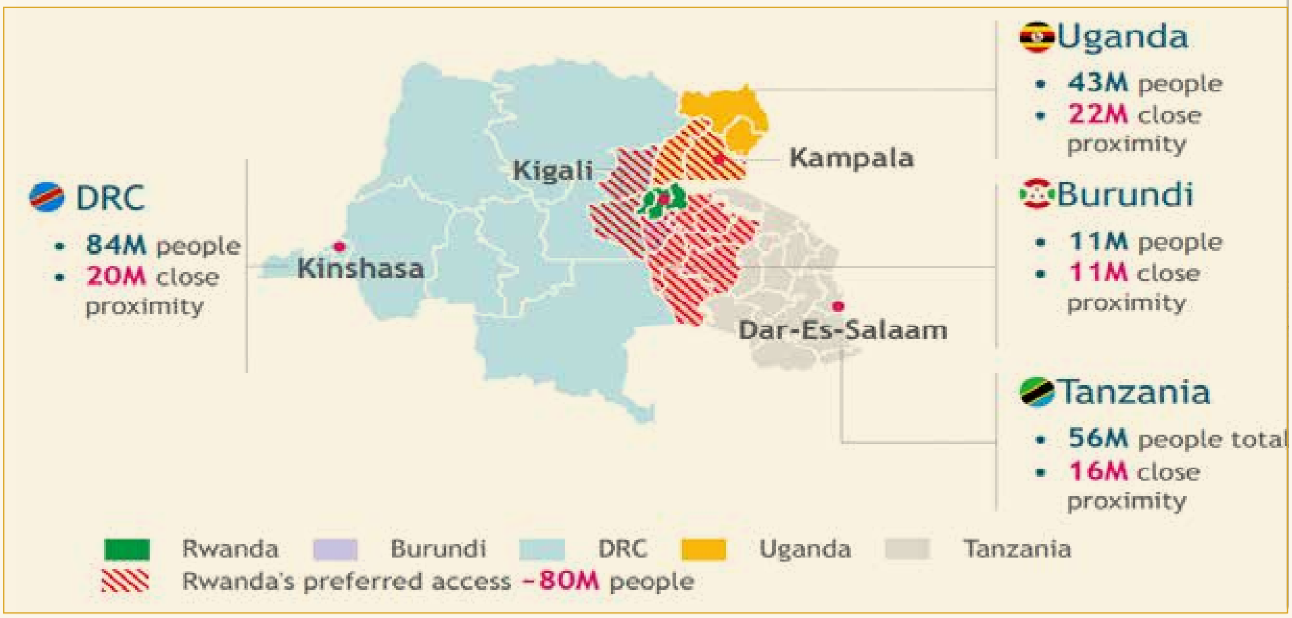
2020 was an unusual year for the world with the novel Coronavirus pandemic disrupting the entire global economy. Rwanda reported its first COVID-19 case in March 2020 and the Government of Rwanda had a very quick and robust response to the pandemic from the very onset.

Having ensured that all safety and prevention measures were in place, the country safely reopened its businesses and its borders in May and August 2020, respectively. The Government of Rwanda, together with the private sector, kick-started initiatives to hasten the recovery of the economy. These included; the creation and roll out of the Economic Recovery Fund, the Manufacture and Build to Recover Program, and the Domestic Tourism Campaign among other tax reliefs and incentives. These initiatives aim to enable businesses sustain their operations, encourage further investments in Rwanda and create jobs.

Rwanda's investment opportunities are driven by a conducive investment climate and major driving factors include; growing demand in Rwanda and the region, readily available factors of production, supportive business environment, reputation for low corruption, quality infrastructure and ICT innovations, competitive labor force and uniquely positioned to serve its neighboring markets. The figure below shows the size of the regional market which both domestic and foreign investors can tap into.

The number of population highlighted in red color indicate Rwanda's preferred access areas based on close proximity, adding up close proximity numbers for each neighboring country totals to 80 Million people.

Figure 2: Regional Population size (in Million, people)



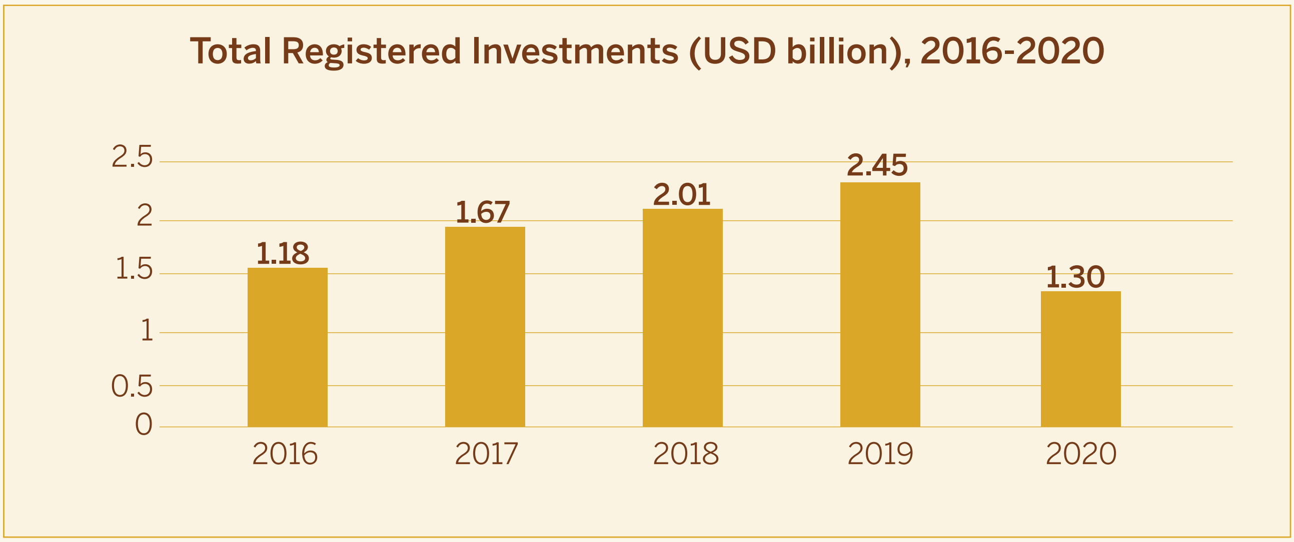
Source: world Bank population data 2017, RDB and BCG

The country through Rwanda Development Board (RDB) presents a number of FDI opportunities, including manufacturing, infrastructure, energy distribution and transmission, off grid, energy distribution, agriculture and agro-processing; low cost, housing; tourism, services, information and communications technology (ICT) and green innovation. In addition, the Investment Code provides equal treatment between foreigners and nationals for certain operations, free transfer of funds, and compensation against expropriation; the 2008 U.S.-Rwanda Bilateral Investment Treaty (BIT) reinforced this treatment.

2.3. Recent Investment Promotion Efforts

In 2020, Rwanda withered through the COVID-19 global crisis investment promotion efforts yielded results by recording investment commitments worth USD 1.3 billion, expected to create over 24,703 jobs. Asia accounted for 26.2 percent (USD 341.5mn) of the total investments value registered. China (USD 282mn) and USA (USD 205mn) made the largest share of Investments registered. The City of Kigali continues to lead in attracting investments compared to other provinces, attracting 87 percent of the total investments registered in 2020.

Figure 3:Total Registered Investment (USD billion, 2016-2020



Source: RDB

Over the past decade, the Government of Rwanda has undertaken a series of policy reforms intended to improve the investment climate, in order to increase FDI levels. New investors can register online at the RDB's website and receive a certificate in as fast as six hours, and the agency's "one-stop shop" helps investors secure required approvals, certificates, and work permits.

In 2020, The World Bank Ease of Doing Business Report indicated that Rwanda made doing business easier by exempting newly formed small and medium businesses from paying for a trading license during their first two years of operation. In addition, the Government of Rwanda reduced the time to obtain water and sewage connections in order to facilitate construction permits and improved building controls by requiring construction professionals to obtain liability insurance. The country also upgraded the employment assistance rules and it improved its regulations on employees' weekly rest allowances, working hours, severance pay and reemployment priority rules after redundancy dismissals. In efforts to increase competitiveness in attracting foreign investment, Rwanda has created an enabling investment environment:

A. Business-Friendly Regulation

- No.2 in Africa for Ease of Doing Business
- 7-year Corporate Income Tax (CIT) holiday for investors investing over USD 50M
- Business environment assessed annually resulting in new investor-friendly reforms each year

B. Multiple Incentives for Exports and Priority Sectors

- Preferential CIT rate: 15 percent if 50 percent of production is exported outside EAC or is in the priority sectors; 0 percent if regional headquarter is in Rwanda
- Accelerated first year depreciation rate of 50 percent
- Exemption of capital gains
- Duty-free imports of machinery and inputs within EAC

C. Efficient, Supported Processes

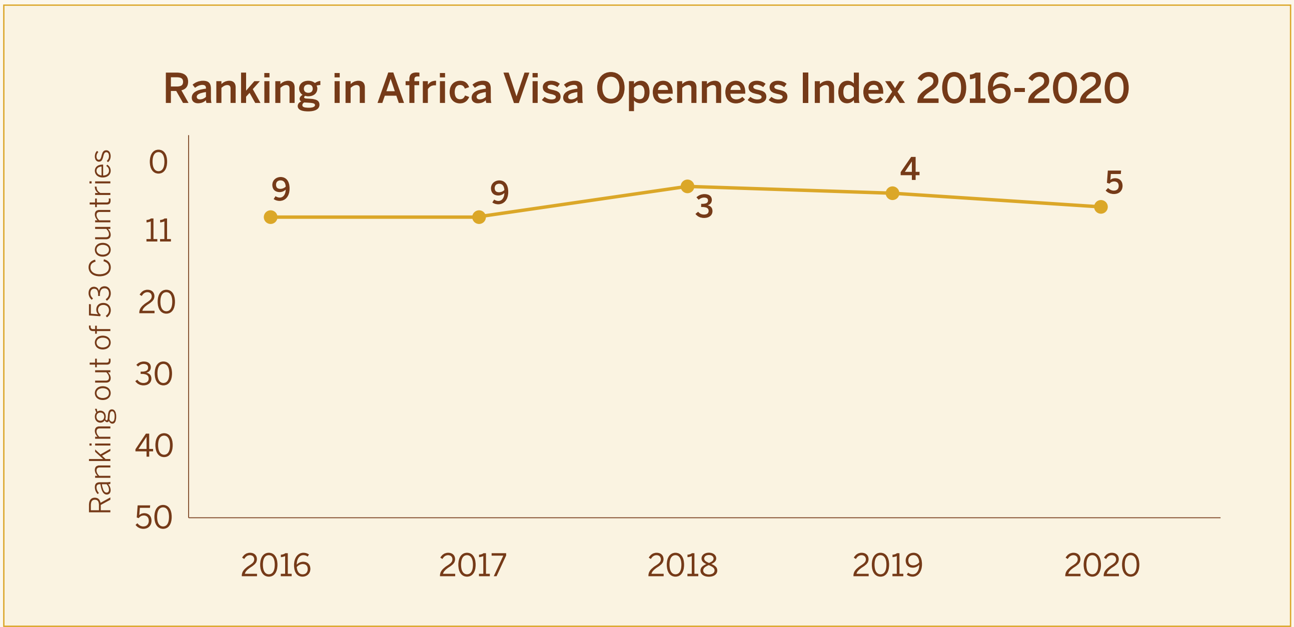
- Highly digitalized and efficient administration (6 hours to register a business)
- Free business registration
- One stop center for investors with a dedicated investment acceleration and aftercare team

D. Commitment to Foreign Ownership

- No restrictions on foreign ownership
- No restrictions on capital flows
- Capital gains exemption on sale or transfer of shares

Rwanda is among the countries with the open visa regimes in Africa, a reputation for low corruption and good ranking in economic freedom. Figure 2.6 presents rankings in visa openness index in Africa for the period 2016-2020. In 2020, Rwanda ranked 5th out of 53 African countries.

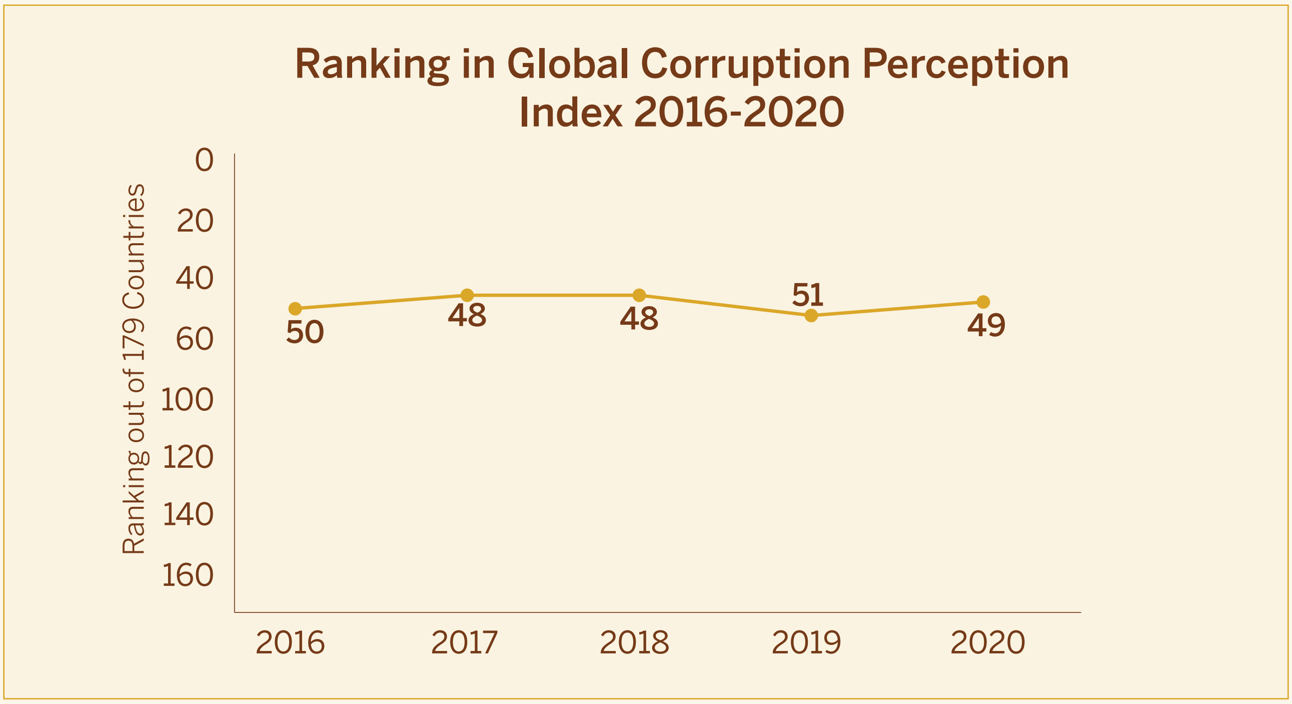
Figure 4: Visa openness Index



Source: RDB

With regard to global corruption perception index, Rwanda ranks 49th out of 179 countries as depicted by figure 2.7 below.

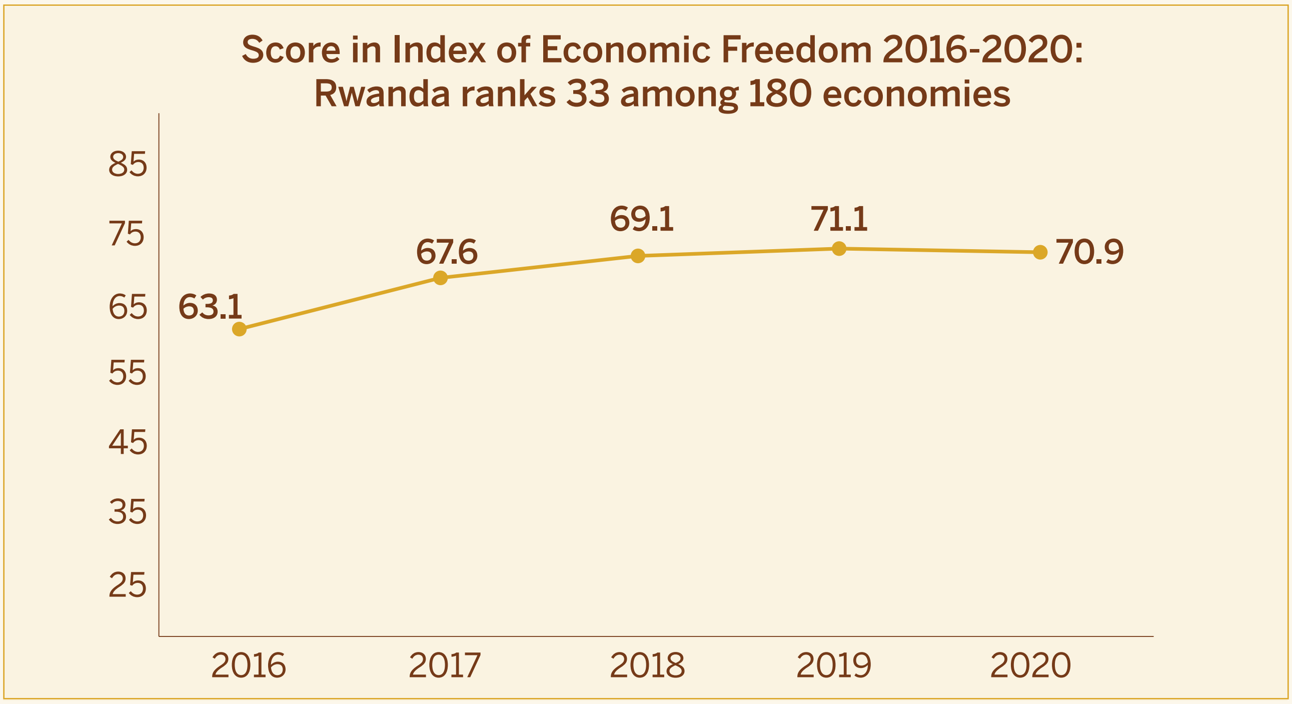
Figure 5: Global Corruption Perception Index



Source: RDB

Figure 2.8 shows the economic freedom index scores for Rwanda, an index that combines scores on the rule of law, regulatory efficiency, government size and open markets. In 2020, Rwanda had a score of 70.9, ranking 33rd among 180 economies.

Figure 6: Economic Freedom Index Scores



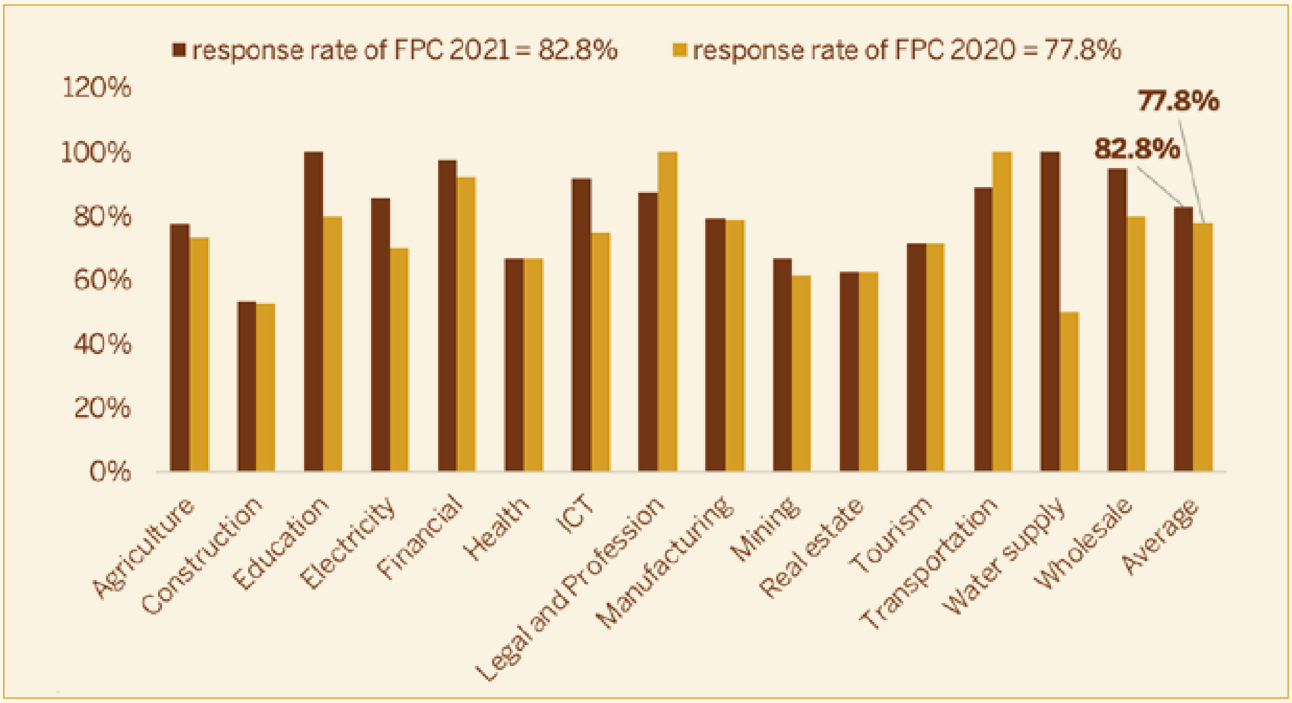
Source: RDB

CHAPTER 3:
FOREIGN PRIVATE CAPITAL IN RWANDA

3.1. Brief Methodology

The FPC 2021 census covered 274 private institutions that hold investments from abroad, of which 227 institutions responded, representing an 82.8 percent response rate, as shown in the Figure 1 below, and using mainly the remotely and online channels.

Figure 7: FPC 2021 Census's Distribution and Response Rate (in %)



Source: FPC 2021 Census

The FPC 2021 census collected data for the year 2020, from resident private companies that received and hold foreign investment in form of financial equity and non-equity. The data collected is categorized by industrial sector, as defined by the International Monetary Fund (IMF) Standard for Industrial Classification. Therefore, prior to the fieldwork, the technical team from the 4 institutions reviewed and updated the database of eligible companies to be included in the census.

The questionnaire is designed based on the Balance of Payment Manuel Sixth Edition (BPM6), published by the IMF, and it is meant to capture information on industrial classification, equity, non-equity, foreign affiliate trade statistics and investors' perception on Rwanda business environment.

Before fieldwork, the preparatory workshop was organized, during which the technical team were trained with an emphasis on investment components of the Balance of Payments (BOP) and International Investment Position (IIP). The training also included; understanding the survey questionnaire, familiarization with investor perception questions, and other technical aspects like how to extract information from a company's financial statements, data consistency checking, and discuss census logistics.

Therefore, to have accurate statistics, the technical team assisted most of the companies to fill the questionnaire. The technical staff discussed with each respondent to clarify any issue that was not clear to the respondents and thereafter, collect the completed form and the financial statements. The fieldwork was done on online channels using communication with emails and phone calls, and few respondents requested physical meeting.

Data entry and processing for foreign financial assets and liabilities (FAL) was done using the Private Capital Monitoring System (PCMS) developed by the Macroeconomic and Financial Management Institute for Eastern and Southern Africa (MEFMI), while the CsPro software was used for that the data processing of foreign affiliates statistics (FATS) and perception.

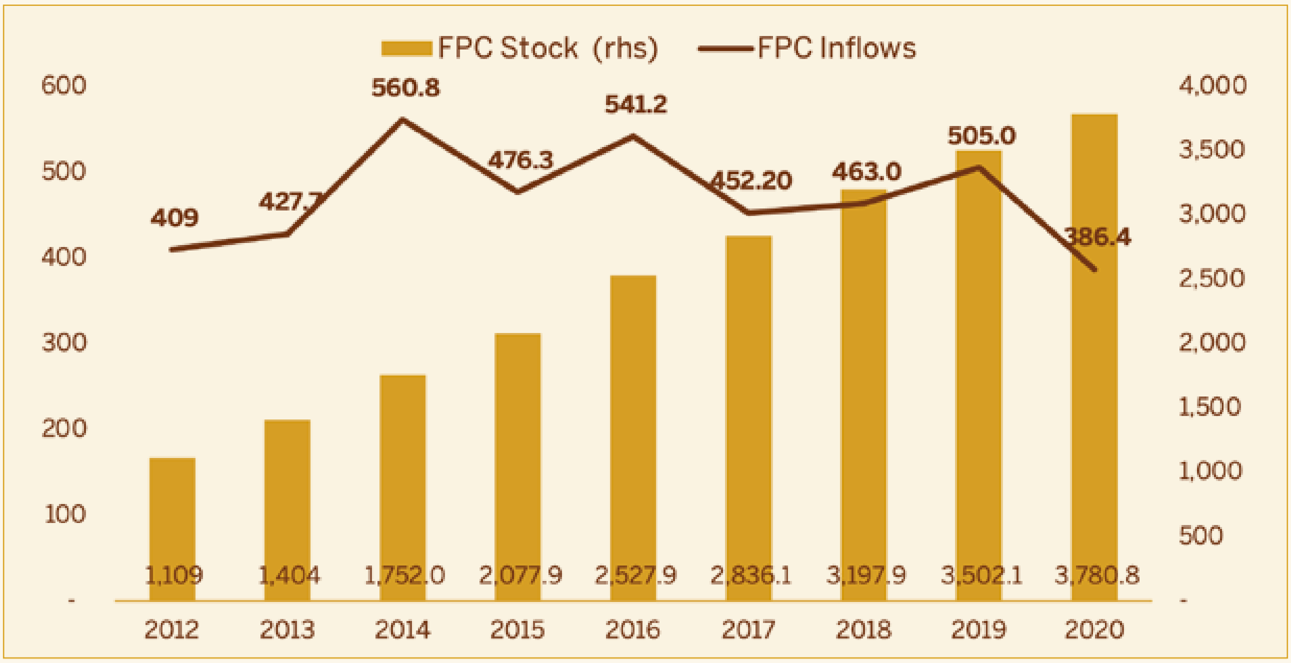
To ensure data quality, completeness, consistency and reliability, the technical team reviewed and corrected the completed questionnaires using the audited financial statement for each company. Lastly, the collected data were compared to the information provided in the previous censuses for each enterprise, for consistency check.

3.2. Foreign Private Capital in Rwanda

The total Foreign Private Capital Inflows are classified into three categories. First, Foreign Direct Investment (FDI) is composed of; equity investments from non-resident investors with a shareholding of at least 10 percent of the company's total capital; reinvested earnings and debts from affiliated investors. Second, Portfolio Investment (PI) consists of tradable instruments with shareholding structure of less than 10 percent and finally, Other Investment (OI) comprises of; loan, trade credit and advances, currency and deposit, other equity and other account receivables and payables between non-affiliated/ unrelated entities.

Rwanda capital inflows dropped to $ 386.4 Million in 2020 from $ 505.0 Million a year earlier, a decline of 23.5 percent, reflecting the negative effects caused by the COVID-19 pandemic. Specifically, inflows from foreign direct investment and loans inflows from non-affiliated lenders dropped by 22.5 percent and 27.0 percent, respectively, outpacing the increase in portfolio investment. As of end December 2020, Rwanda's total FPC stock stood at $ 3,780.8 Million, an increase of 8.0 percent from $ 3,502.1 Million in 2019.

Figure 8: FPC Inflows and Stocks ($ Millions)



Source: FPC 2021 Census

Regarding the composition of total capital inflows, FDI represent the largest portion of Rwanda capital inflows with 71.0 percent, followed by other investment (28.5 percent) and portfolio investment (0.5 percent).

Table 1: FPC Inflows by Category ($ Millions)

Year	2014	2015	2016	2017	2018	2019	2020	% Change	% Share
FDI	458.9	379.8	342.3	356.4	381.9	353.8	274.1	-22.5	71.0
PI	5.6	2.5	3.0	0.3	5.9	0.2	2.0	952.3	0.5
OI	96.3	93.9	195.9	95.4	75.2	151.0	110.2	-27.0	28.5
Total FPC Inflows	**560.8**	**476.3**	**541.2**	**452.2**	**463.0**	**505.1**	**386.4**	**-23.5**	

Source: FPC 2021 Census

In terms of stocks, FDI remained the main component of total FPC stocks with a share of 71.6 percent at the end of 2020, followed by OI accounting for 25.4 percent and PI representing 3.0 percent. Overall, total FPC stock stood at $ 3,780.8 Million at the end of 2020, up from $ 3,502.1 Million in 2019, an increase of 8.0 percent.

Table 2: FPC Stocks by Category ($ Millions)

Year	2014	2015	2016	2017	2018	2019	2020	% Change	% Share
FDI	1,152.4	1,401.8	1,680.3	1,959.3	2,283.7	2,546.9	2,707.1	6.3	71.6
PI	95.0	97.5	100.5	103.9	109.3	109.5	113.3	3.5	3.0
OI	504.7	578.6	747.1	772.8	804.9	845.8	960.3	13.5	25.4
Total FPC Stocks	**1,752.0**	**2,077.9**	**2,527.9**	**2,836.1**	**3,197.9**	**3,502.1**	**3,780.8**	**8.0**	

Source: FPC 2021 Census

3.2.1. FPC by Sector of Economic Activity

In 2020, the financial and insurance sector attracted the highest inflows amounting to $ 179.3 Million representing a lion share of 46.4 percent of the total FPC inflows and much higher than 30.1 percent of share recorded in 2019. The information, communication and technology sector (ICT) follows with a share of 13.0 percent in 2020, down from a share of 24.1 percent in 2019.

In addition, with the decrease in the ICT sector, the investment inflows from wholesale, manufacturing, electricity shrank considerably, by 91.1 percent, 21.7 percent and 19.4 percent, respectively. In contrast, the capital inflows from agriculture and transport sectors rose significantly by 111.9 percent and 8.1 percent, respectively.

Table 3: FPC Inflows and Stocks by Sector of Activities (percent Shares)

	2018	2019	2020	% Share		2018	2019	2020	% Share
FPC Inflows					FPC Stocks				
Total	**462.7**	**505.0**	**386.4**		**Total**	**3,197.9**	**3,502.1**	**3,780.8**	
Financial	81.2	151.9	179.3	**46.4**	Financial	777.7	876.8	1,022.5	**27.0**
ICT	82.6	121.8	50.1	**13.0**	ICT	778.3	866.2	868.0	**23.0**
Electricity	165.2	57.4	46.2	**12.0**	Manufacturing	466.4	500.7	521.5	**13.8**
Manufacturing	62.7	53.4	41.8	**10.8**	Electricity	391.9	423.8	490.9	**13.0**
Agriculture	15.2	18.1	38.3	**9.9**	Tourism	229.4	230.8	230.5	**6.1**
Transport	11.1	8.6	9.3	**2.4**	Wholesale	190.4	219.0	222.9	**5.9**
Wholesale	27.1	80.5	7.2	**1.9**	Agriculture	118.2	130.4	157.2	**4.2**
Others	17.5	13.4	14.1	**3.7**	Others	245.6	254.4	267.3	**7.1**

Source: FPC 2021 Census

3.2.2. FPC by Origins and by Regions

Mauritius continue to be the leading source of Rwanda's FPC inflows. In 2020, FPC inflows from Mauritius represented the largest share of 35.2 percent, mostly invested in financial, ICT, manufacturing and electricity sectors. Inflows from United States (USA) represented 12.7 percent of total inflows followed by Kenya (8.6 percent), Netherlands (5.8 percent) and United Kingdom (UK: 5.1 percent).

In terms of FPC stocks, investments from Mauritius takes leads with 25.2 percent of total followed by Kenya (8.9 percent), USA (6.1 percent), Netherlands (6.1 percent) and South Africa (4.9 percent).

Table 4: FPC Inflows and Stocks by Origin ($ Millions)

	2018	2019	2020	% Share		2018	2019	2020	% Share
	FPC Inflows				FPC Stocks				
Total	**462.7**	**505.0**	**386.4**		**Total**	**3,197.9**	**3,502.1**	**3,780.8**	
Mauritius	200.3	168.7	136.0	**35.2**	Mauritius	779.5	883.3	953.0	**25.2**
USA	22.9	2.8	49.1	**12.7**	Kenya	239.2	308.9	335.8	**8.9**
Kenya	33.5	73.6	33.3	**8.6**	US	182.7	184.5	229.6	**6.1**
Netherlands	70.5	1.0	22.5	**5.8**	Netherlands	211.5	207.1	229.1	**6.1**
UK	14.4	76.0	19.6	**5.1**	South Africa	183.8	184.1	185.5	**4.9**
Nigeria	1.3	23.3	19.6	**5.1**	UK	111.6	127.4	144.6	**3.8**
Belgium	17.8	29.7	11.8	**3.1**	PTA	117.2	127.2	135.5	**3.6**
UAE	17.4	14.5	11.3	**2.9**	Nigeria	47.4	70.6	93.2	**2.5**
IFC	-	-	10.5	**2.7**	IFC	68.3	63.7	67.2	**1.8**
ADB	0.6	0.1	7.0	**1.8**	Luxembourg	74.7	76.2	76.2	**2.0**
Others	84.0	115.1	65.7	**17.0**	Others	1,182.1	1,269.3	1,331.0	**35.2**

Source: FPC 2021 Census

Regarding the sources of FPC inflows by regions, the results showed that COMESA and SADC had the largest share, constituting 49.6 and 38.5 percent, respectively. Inflows from OECD, EU and EAC follows accounting for 27.7 percent, 14.5 percent and 9.8 percent, respectively.

Table 5: FPC Inflows and Stocks by region ($ Millions)

	2018	2019	2020	% Share	2018	2019	2020	% Share
	FPC Inflows				FPC Stocks			
TOTAL FPC	462.7	505.0	386.4		3,197.9	3,502.1	3,780.8	
EAC	35.8	77.2	37.8	**9.8**	312.6	381.6	408.6	**10.8**
COMESA	234.8	248.7	181.2	**46.9**	1,227.3	1,405.3	1,509.9	**39.8**
SADC	207.5	178.2	148.8	**38.5**	1,066.0	1,173.5	1,241.2	**32.7**
OECD	147.3	144.6	107.2	**27.7**	827.8	889.0	984.6	**26.0**
EU	117.9	130.2	56.1	**14.5**	629.1	674.2	723.2	**19.1**
ASIA	40.5	48.1	27.2	**7.1**	402.3	434.6	452.9	**11.9**
INT. ORG& BANKS	18.5	28.9	16.6	**4.3**	272.8	287.5	303.4	**8.0**

Source: FPC 2021 Census

3.3. Foreign Direct Investment (FDI) in Rwanda

In 2020, the total FDI inflows in Rwanda declined by 22.5 percent to $ 274.1 Million from $ 353.8 Million registered in 2019. The decline in FDI was mainly driven by a decline in loans from affiliated investor as well as the retained earnings, which outweighed the increase in new investment equity, as shown in the table 5.

The new equity investment inflows recorded in 2020 amounted to $49.7 Million that represent an increase of 9.1 percent, from $ 45.6 Million registered in 2019. The new equity investment inflows were mainly invested in the financial, manufacturing, agriculture and electricity sectors. The borrowings from affiliated investors decreased by 43.3 percent, standing at $ 94.4 Million from $ 166.5 Million recorded in 2019, while the retained earnings decreased by 8.3 percent to $ 130.0 Million from $ 141.8 Million registered in 2019. The decrease in retained earnings reflects accumulated losses driven by covid19 pandemic.

The new FDI inflows led to an increase in FDI stocks by 6.3 percent to $ 2,707.1 Million in 2020, of which borrowings from affiliated companies account for the largest share of 44.3 percent, followed by equity capital (36.5 percent) and retained earnings (19.2 percent).

Table 6: FDI Inflows and Stocks by Category ($ Millions)

	2014	2015	2016	2017	2018	2019	2020	% Change	% Share
FDI Inflows									
Total Inflows	**458.9**	**379.8**	**342.3**	**356.4**	**381.9**	**353.8**	**274.1**	**-22.5**	
Equity	129.6	110.0	83.6	78.2	137.3	45.6	49.7	**9.1**	**18.1**
RE	17.5	58.9	126.6	153.5	94.7	141.8	130.0	**-8.3**	**47.4**
Loans	311.8	210.9	132.2	124.8	149.9	166.5	94.4	**-43.3**	**34.5**
FDI Stocks									
Total Stocks	**1,152.2**	**1,401.8**	**1,680.3**	**1,959.3**	**2,283.7**	**2,546.9**	**2,707.1**	**6.3**	
Equity	503.2	619.7	701.8	786.3	890.9	935.6	988.6	**5.7**	**36.5**
RE	144.2	74.9	170.8	282.2	378.8	485.1	518.9	**6.9**	**19.2**
Loans	504.9	707.2	807.7	890.7	1,014.1	1,126.2	1,199.7	**6.5**	**44.3**

Source: FPC 2021 Census

3.3.1. FDI Inflows and Stock by Sector

The 2021 FPC findings showed that the financial sector received the most FDI inflows in 2020 accounting for 39.7 percent of total followed by ICT (17.4 percent), agriculture (13.4 percent), manufacturing (11.5 percent) and electricity (9.1 percent).

The FDI stock remain concentrated in the ICT sector with a lion's share of 27.7 percent, followed by the financial sector (22.9 percent) and the manufacturing sector (12.2 percent).

Table 7: FDI Inflows and Stocks by Sector of Activities ($ Millions)

	2018	2019	2020	% Share		2018	2019	2020	% Share
FDI Inflows					FDI Stocks				
TOTAL	381.9	353.8	274.1		TOTAL	2,283.7	2,546.9	2,707.1	
Financial	72.0	108.3	108.9	39.7	ICT	663.7	750.2	749.7	27.7
ICT	81.4	120.4	47.7	17.4	Financial	441.3	542.6	619.1	22.9
Agriculture	15.2	17.9	36.6	13.4	Manufacturing	307.0	310.4	330.1	12.2
Manufacturing	28.4	13.0	31.6	11.5	Electricity	250.9	277.1	305.0	11.3
Electricity	144.8	46.7	25.0	9.1	Wholesale	182.7	206.6	209.1	7.7
Transportation	8.7	8.6	9.3	3.4	Tourism	197.8	198.7	198.1	7.3
Wholesale	15.9	27.7	5.8	2.1	Agriculture	60.8	73.6	100.3	3.7
Others	15.4	11.2	9.0	3.3	Others	179.5	187.5	195.7	7.2

Source: FPC 2021 Census

3.3.2. FDI Inflows and Stock by Origin

Regarding the origin of FDI inflows, Mauritius leads with a large share of 40.2 percent, mainly invested in ICT, financial, manufacturing, electricity, agriculture, transportation and wholesale. The FDI from Kenya come on second position, with a share of 11.7 percent, followed by the FDI from the United States (9.3 percent) and United Kingdom (7.1 percent) as shown in the table below.

In terms of FDI stocks by origin, Mauritius, Kenya, South Africa, USA, and Netherlands remain the major sources, with a combined share of 60.9 percent of the total FDI stock.

Table 8: FDI Inflows and Stocks by Origin ($ Millions)

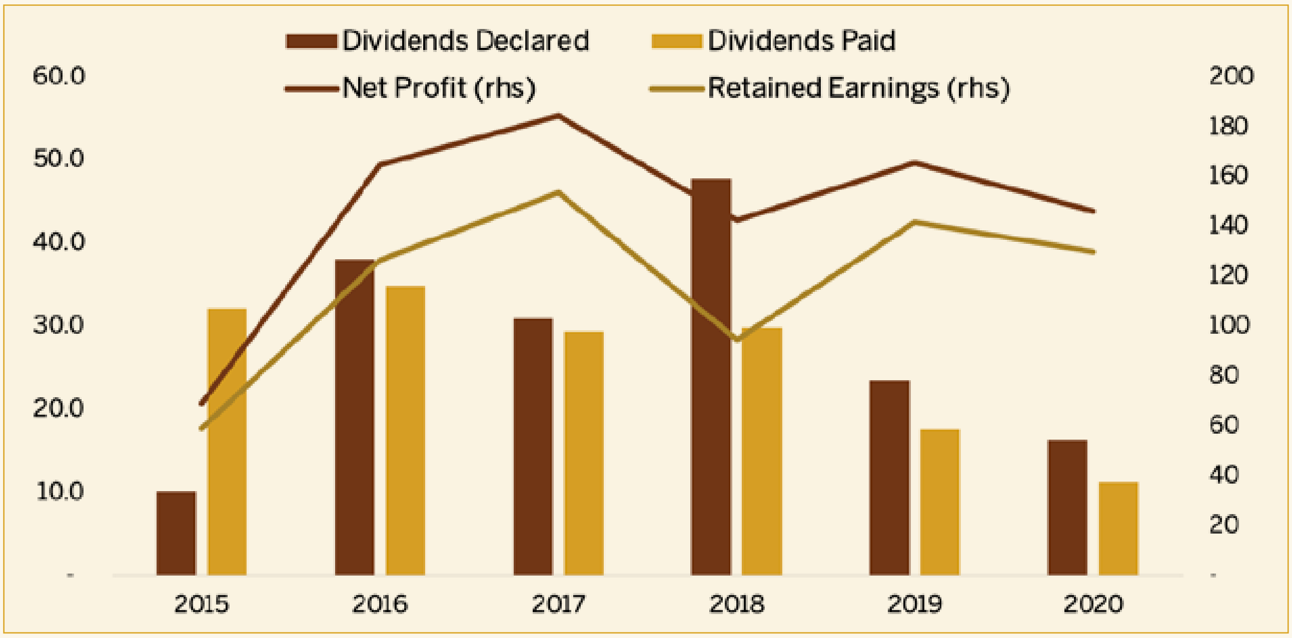
	2018	2019	2020	% Share		2018	2019	2020	% Share
FDI Inflows					FDI Stocks				
Total	382	354	274		Total	2,283.7	2,546.9	2,707.1	
Mauritius	197	169	110	40.2	Mauritius	796.0	911.3	955.0	35.3
Kenya	26	63	32	11.7	Kenya	182.2	242.0	267.7	9.9
USA	21	3	25	9.3	South Africa	179.4	180.1	181.5	6.7
UK	6	4	19	7.1	USA	108.5	110.5	131.6	4.9
Belgium	12	22	12	4.3	Netherlands	105.8	106.8	113.3	4.2
Nigeria	1	23	11	4.1	Togo	63.1	63.1	67.5	2.5
Netherlands	67	1	7	2.7	Ghana	67.3	67.3	67.3	2.5
UAE	4	11	7	2.5	UAE	53.2	60.4	65.6	2.4
Others	47	58	50	18.1	Others	728.3	805.3	857.6	31.7

3.3.3. Income on Equity

In 2020, the overall net profit of private companies dropped by 11.5 percent, amounting to \$ 146.3 Million from \$ 165.3 Million in 2019, mostly due to the impact of Covid19 pandemic and lockdown that negatively affected the business activities.

The results showed the retained earnings decreased by 8.3 percent, stood at \$ 130.0 Million, from \$ 141.8 Million recorded in 2019, which represent 88.8 percent of the total profit and they were retained to safeguard capital and liquidity of the private sector's businesses in order to be well prepared to respond to shock from the pandemic. On this result, the dividends declared reduced by 30.5 percent and stood at \$ 16.3 Million, while the dividend distributed to shareholders reduced by 36.3 percent amounted to \$ 11.2 Million.

Figure 9: Income on Investment (\$ Million)



Source: FPC 2021 Census

3.3.4. Return on Equity

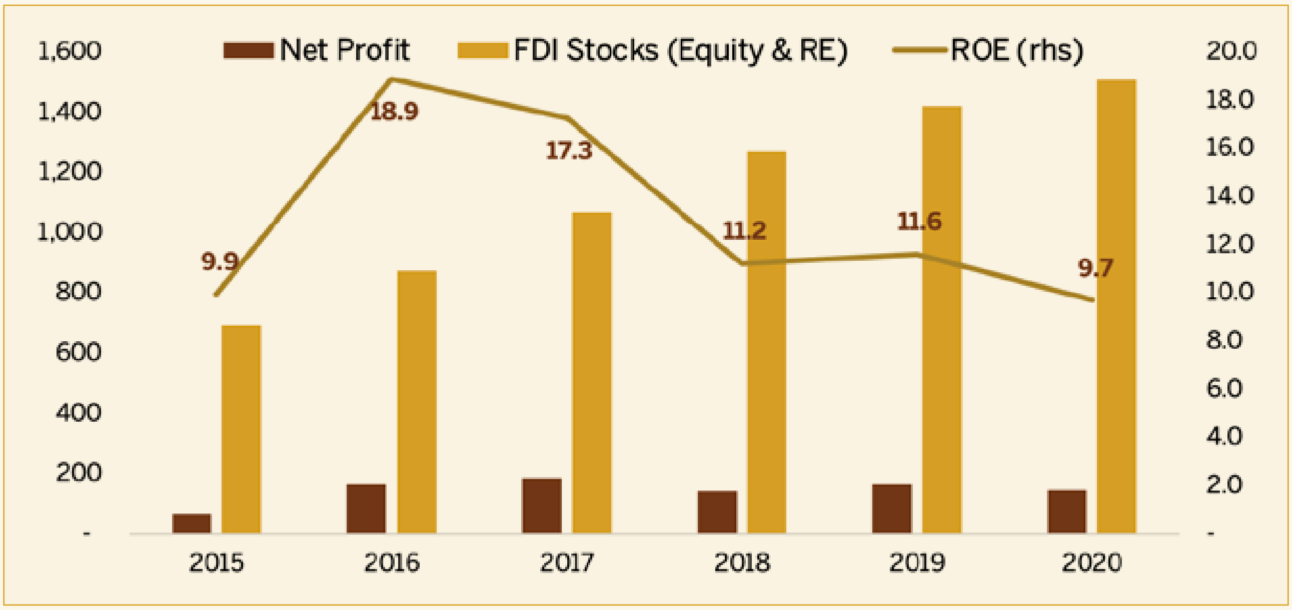
The ROE is the amount of net income returned as a ratio of a shareholder's equity. It measures the company's profitability by revealing how much profit a company generates from shareholders' investment. The net profit is the net income of the year before dividends are distributed to shareholders while the FDI stocks include the accumulated amount of equity capital and retained earnings.

The analysis of ROE is linked to the incentive to invest in an economy. It is calculated as follow:

$$\text{ROE} = \frac{\textit{Net Profit}}{\textit{Average FDI Equity Stock}} X\,100$$

Looking at the graph below, we see that in 2020 the ROE reduced to 9.7 percent, from 11.6 percent recorded in 2019, mainly due to the impact of Covid19 pandemic, however, Rwanda is still much higher above the world ROE average, beside the pandemic impact.

Figure 10: ROE on FDI (Ratio in percentage)



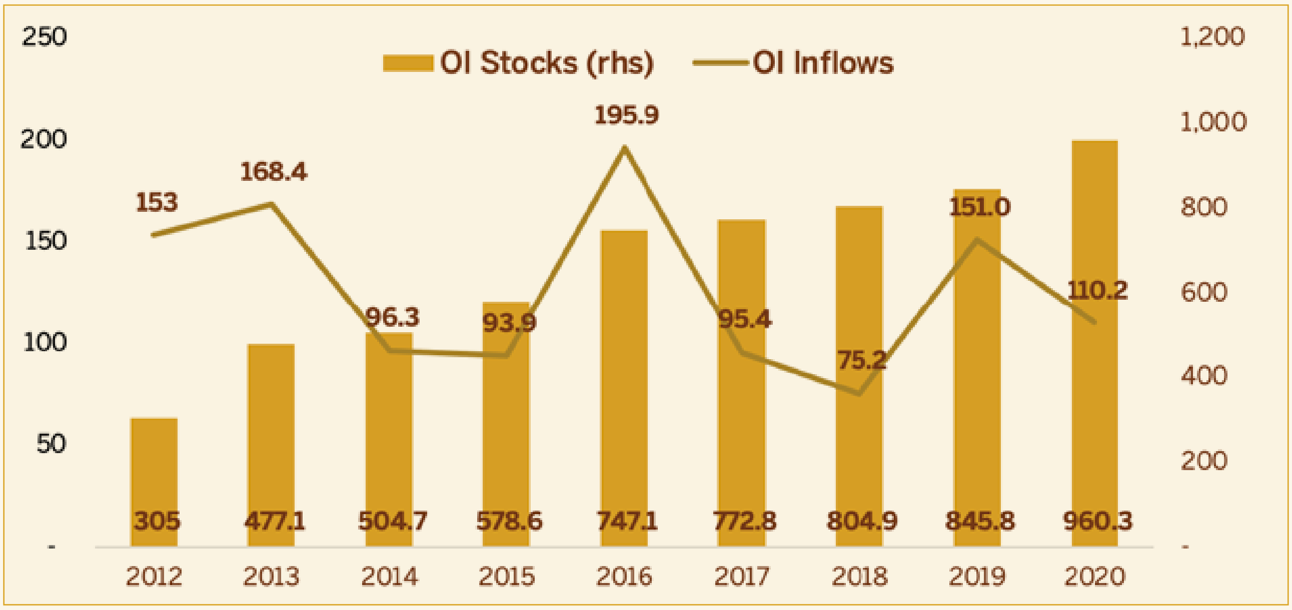
Source: FPC 2021 Census

3.4. Other Investments

Other investment (OI) is a non-equity investment, not included in direct investment, portfolio investment, financial derivatives and employee stock options, and reserve assets. It is comprised of; loans, trade credit and advances, currency and deposits, and other accounts receivables/payables between unrelated entities.

OI inflows decreased to $ 110.2 Million in 2020 from $151.0 Million recorded in 2019, which represent a decrease of 23.5 percent. In term of stocks, the OI rose by 13.5 percent, from $ 845.8 Million in 2019 to $ 960.3 Million registered in 2020.

Figure 11: OI Inflows and Stocks ($ Millions)



Source: FPC 2021 Census

3.4.1. Other Investment Inflows and Stocks by Sector

The major recipient sector of OI inflows during the year 2020 is the financial sector, which received $ 68.6 Million or 62.3 percent of total OI inflows, followed by electricity sector (19.2 percent) and manufacturing sector (9.0 percent), as shown in the table below.

In terms of OI stock, the financial sector leads with a share accounting for 35.7 percent of total OI stock followed by manufacturing (16.2 percent), ICT (16.1 percent), agriculture (7.0 percent) and the remaining sectors share 24.9 percent.

Table 9: OI Inflows and Stocks by Sector of Activities ($ Millions)

	2018	2019	2020	% Share		2018	2019	2020	% Share
	OI Inflows								
Total	75.2	151.0	110.2		Total	804.9	845.8	960.3	
Financial	5.9	43.3	68.6	62.3	Financial	278.0	275.7	343.0	35.7
Electricity	18.2	-	21.2	19.2	Manufacturing	125.4	156.5	155.7	16.2
Manufacturing	34.2	42.1	9.9	9.0	ICT	151.2	152.6	154.9	16.1
ICT	1.3	1.4	2.3	2.1	Agriculture	67.8	67.2	67.3	7.0
Others	15.7	64.2	8.2	7.4	Others	182.5	193.9	239.5	24.9

Source: FPC 2021 Census

3.4.2. OI Inflows and Stock by origin

In terms of the origin of OI inflows, Mauritius leads with a share of 22.6 percent, mainly invested in financial, manufacturing and education sectors. OI from USA follows with a share of 21.5 percent, by Netherlands (13.7 percent) and IFC (9.6 percent), as shown in the table below.

Regarding OI stocks, PTA remained the major lender with a share of 13.0 percent, followed by IFC (11.2 percent), United Kingdom (8.9 percent), Germany (6.7 percent) and European Investment Bank (5.8 percent).

Table 10: OI Inflows and Stocks by Origin ($ Millions)

	2018	2019	2020	% Share		2018	2019	2020	% Share
	OI Inflows					OI Stocks			
Total	**75.2**	**151.0**	**110.2**		**Total**	**804.9**	**845.8**	**960.3**	
Mauritius	0.62	-	24.9	**22.6**	PTA	108.3	118.3	126.6	**13.2**
USA	2.0	0.003	23.6	**21.5**	UK	67.3	86.6	86.7	**9.0**
Netherlands	3.9	-	15.1	**13.7**	IFC	68.3	63.7	67.2	**7.0**
IFC	-	-	10.5	**9.6**	Germany	70.2	65.1	65.1	**6.8**
Nigeria	0.02	-	7.8	**7.1**	EIB	47.1	56.5	56.5	**5.9**
ADB	0.58	0.14	7.0	**6.4**	Kenya	30.3	39.9	39.9	**4.2**
PTA	1.3	12.4	4.5	**4.1**	USA	15.9	15.6	39.6	**4.1**
UAE	13.5	3.9	4.5	**4.1**	Netherlands	15.6	10.2	25.8	**2.7**
others	53.3	134.5	12.3	**11.1**	Others	353.6	361.4	453.1	**47.2**

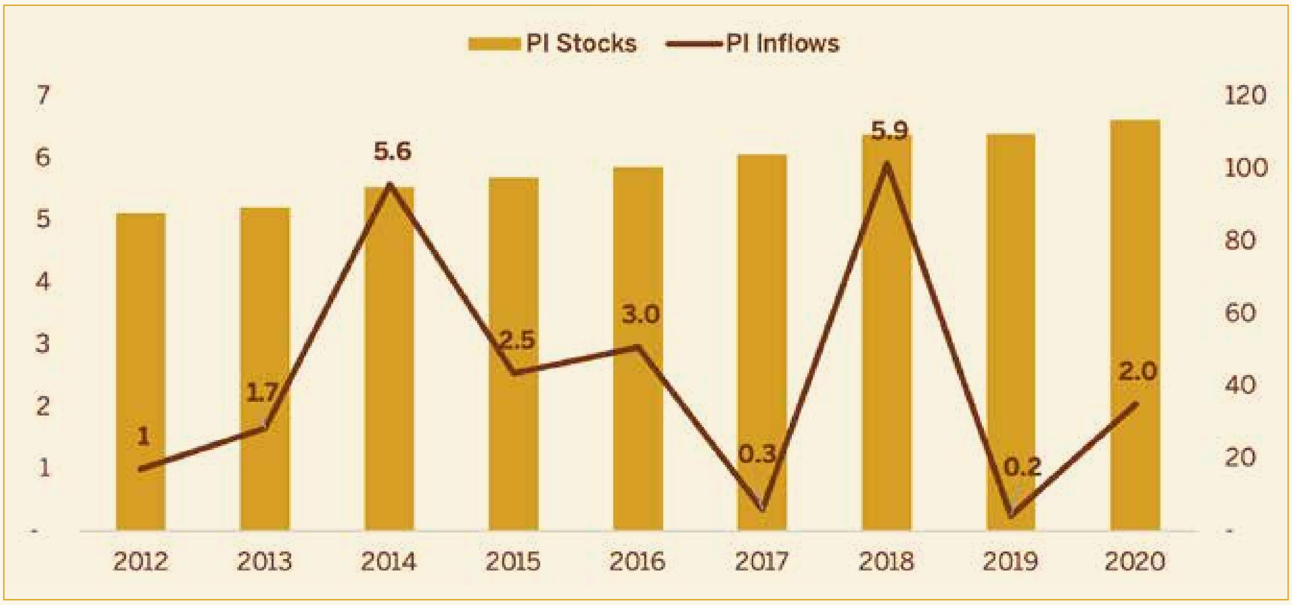
Source: FPC 2021 Census

3.5. Portfolio Investment

The PI is composed of tradable equity investments with a shareholding of less than 10 percent of the company's equity. The PI recorded inflows of $ 2.0 Million in 2020, up from $ 0.2 Million recorded in 2019, mainly invested in financial and manufacturing sectors.

In term of stocks, the financial sector is the major recipient sector of PI accounting for 53.3 percent of total PI stock as of end 2020 followed by manufacturing sector (44.6 percent), electricity sector (1.8 percent) and ICT sector (0.3 percent).

Figure 12: PI Inflows and Stocks ($ Millions)



Source: FPC 2021 Census

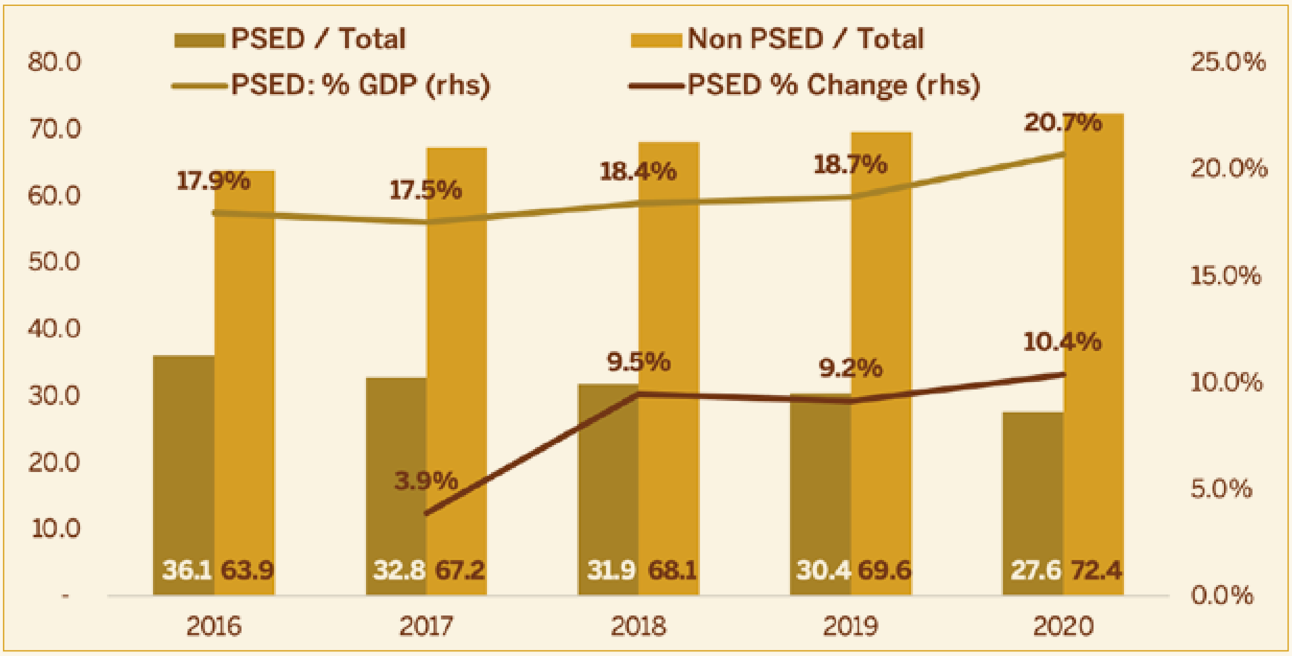
CHAPTER 4.
PRIVATE SECTOR EXTERNAL DEBT (PSED)

In this part, we discuss the non-equity investment inflows and stocks, including the non-equity that are considered in the direct investment and the non-equity from other investment, which respectively represent the loan from related and unrelated entities.

4.1. Private Sector External Debt Trend

In 2020, the PSED stocks recorded an increase of 10.4 percent standing at an amount of $ 2,138.2 Million compared to $ 1,936.8 Million, registered in 2019. In term of the Gross Domestic Production (GDP), the PSED stocks record a share of 20.7 percent of GDP in 2020 and which is still around average of 18.7 percent of GDP, of the last 5 years. On the other side, the total PSED stocks contribute only 27.6 percent of the total country External Debt Stocks, which is less than 72.4 percent share for the Non- PSED.

Figure 13: Private External Debt Trend: Ratios & percent Changes

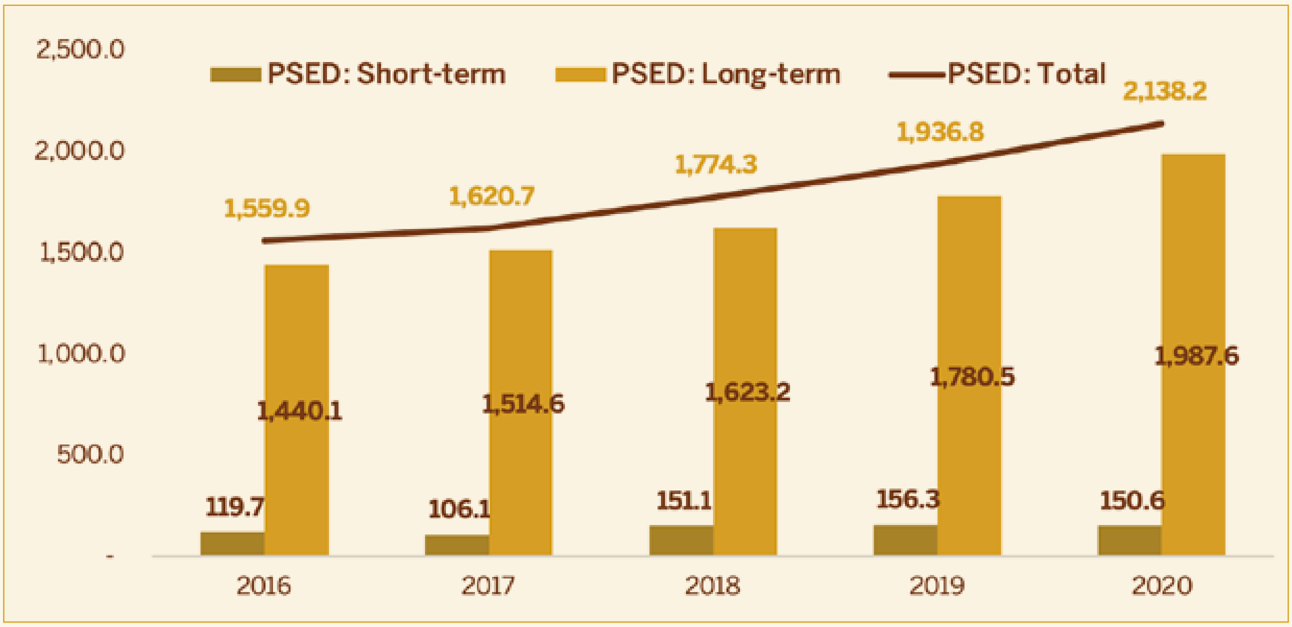


Source: FPC 2021 Census

4.2. Private Sector External Debt by Maturity and Type

In 2020, the PSED: Long-term stocks increased by 11.6 percent, standing at an amount of $ 1,987.6 Million, compared to $ 1,780.5 Million, registered in 2019. This results to a share of the PSED: Long-term stocks of 92.4 percent of the total PSED stocks. On the other hand, in 2020 the PSED: Short-term stocks reduced by 3.6 percent, amounting at $ 150.6 Million, from $ 156.3 Million of 2019, mainly due to lower net inflows caused by the Covid19 pandemic.

Figure 14: External Debt Stock by sector and maturity in Million USD



Source: FPC 2021 Census

4.3. Private Sector External Debt by Investor Relationship

In 2020, the PSED inflows from related and unrelated entities reduced by 43.3 percent and 27.0 percent respectively, due to the Covid19 pandemic, as shown in the table below. The PSED inflows from related entities amount at $ 94.4 Million, from $ 166.5 Million recorded in 2019, and stand at a share of 46.2 percent of the total PSED flows. On the other hand, the PSED inflows from unrelated parties recorded a share 53.8 percent of the total PSED inflows, and amount at $ 110.2 Million, as discussed in above chapters.

As the results, the total PSED stocks from related parties keep recording the highest share of 56.1 percent of the total, compared to 43.9 percent registered by the PSED stocks from unrelated parties, as shown in the table below.

Table 11: Private debt inflows by 2020 in Million USD

	2016	2017	2018	2019	2020	% Change	% Share
Inflows							
PSED from Related	132.2	124.8	149.9	166.5	94.4	-43.3	46.2
PSED from Unrelated	195.9	95.4	75.2	151.0	110.2	-27.0	53.8
Total PSED Inflows	328.1	220.2	225.1	317.5	204.6	-35.5	
Stocks							
PSED from Related	807.7	890.7	1,014.1	1,126.2	1,199.7	6.5	56.1
PSED from Unrelated	752.2	730.0	760.3	810.7	938.6	15.8	43.9
Total PSED Stocks	1,559.9	1,620.7	1,774.3	1,936.8	2,138.2	10.4	

Source: FPC 2021 Census

4.4 Private Sector External Debt by Sector

In 2020, the PSED inflows from the financial sector recorded the lion share of 34.3 percent of the total inflows, compared to the previous year where the ICT sector had the largest share of 32.1 percent. The Electricity sector follows with a share of 17.8 percent, followed by the ICT (15.8 percent) and agriculture (15.2 percent).

Table 12: Private Sector External Debt by Sector

	2019	2020		
	Inflows		% Change	% Share
Total PSED Inflows	317.5	204.6	-35.5	
Financial	44.1	70.1	59.0	34.3
Electricity	50.9	36.4	-28.4	17.8
ICT	101.8	32.3	-68.2	15.8
Agriculture	2.3	31.2	1,241	15.2
Manufacturing	43.6	17.6	-59.6	8.6
Tourism	2.1	4.2	98.3	2.0
Wholesale	66.8	2.0	-97.0	1.0
Others	5.9	10.8	84.9	5.3

Source: FPC 2021 Census

4.5 Private Sector External Debt by Source Country

The PSED inflows from Mauritius took the largest share of 31.4 percent, mainly invested in ICT, electricity, manufacturing and agriculture sectors, followed by USA (22.0 percent) and Netherlands (7.4 percent), as shown in the table below.

Table 13: Private Sector External Debt by Source Country in Million USD

	2019	2020		
	Inflows		% Change	% Share
Total PSED Inflows	**317.5**	**204.6**	-35.5	
Mauritius	90.9	64.2	-29.4	31.4
USA	0.1	45.1	100.0	22.0
Netherlands	0.01	15.2	100.0	7.4
UK	72.2	12.4	-82.9	6.0
IFC	-	10.5	100.0	5.1
Nigeria	23.0	7.8	-66.1	3.8
Others	131.4	49.5	-62.3	24.2

Source: FPC 2021 Census

CHAPTER 5. FOREIGN AFFILIATES STATISTICS

This part discusses other findings related to investments in Rwanda. It includes employment and compensation of employees, entity turnovers, and the contribution to the external trade flows from the private companies that carry out international transactions.

5.1. Compensation of Employees

The total compensation of employees paid has decreased by -61.2 percent, amounting to $188.0 Million in 2020 from $ 484.8 Million recorded in 2019. The manufacturing sector, together with the financial, mining and Transportation sectors, had the highest compensation of employees, overall totaling to 62.0 percent share.

Table 14 Compensation of Employees by sector ($ Millions)

Sectors	2014	2015	2016	2017	2018	2019	2020	% change	% Share
Financial	164.9	90.3	108.4	118.9	100.4	102.3	36.1	-64.7	19.2
ICT	15.8	41.7	36.2	39.8	63	56.1	10.5	-81.4	5.6
Manufacturing	24	117.8	114.8	127.1	137.4	150.3	59.0	-60.7	31.4
Mining	2.2	4.6	98.2	107.1	96.4	81.2	3.3	-96.0	1.7
Tourism	6	31.9	1.5	1.6	2.9	3.1	3.9	24.8	2.1
Transportation	40	5.9	0.3	0.3	3.4	2	21.4	971.3	11.4
Wholesale	9.6	11	10	10.7	12.7	14.7	8.4	-42.8	4.5
Other sectors	55.8	28.3	41	44.7	62.4	75.1	45.4	-39.6	24.1
Total	318.3	331.5	410.4	450.2	478.6	484.8	188.0	-61.2	

Source: FPC 2021 Census

In term of volume, the FPC's contribution to job creation, registered a decrease of -56.2 percent totaling to 33,367 from 76,255 employees (in 2019).

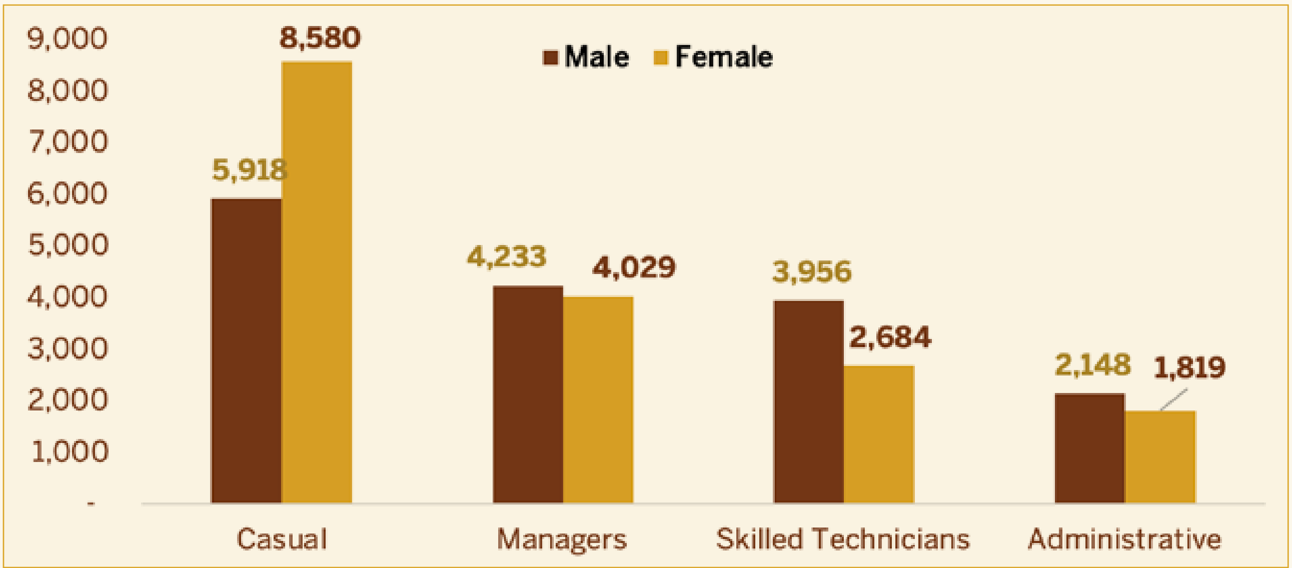
Table 15: FPC Census Employment by Position in 2020

POSITION	FOREIGN ST	FOREIGN LT	LOCAL	TOTAL
Managerial	29	697	1,606	2,332
Administrative	11	152	4,921	5,083
Skilled Technician	40	768	7,771	8,579
Casual	0	5	17,368	17,374
Total	**80**	**1,622**	**31,666**	**33,367**

Source: FPC 2021 Census

By gender, females constitute 59.2 percent of the total casual employment compared to 40.8 percent of males. For other employment categories males dominate.

Figure 15: Distribution of Employment by Gender in 2020



Source: FPC 2021 Census

5.2. Turnover

The private entities included in the FPC census registered a total turnover of $ 2,297.1 Million in 2020, which is a decrease of 17.0 percent, compared to $ 2,768.9 Million registered in 2019. The manufacturing, financial and wholesale and retail trade sector occupied the higher combined share of 65.0 percent.

In FPC 2021, the construction, transportation, manufacturing and mining sectors registered an increase in turnover of 343.6 percent, 195.2 percent, 23.9 percent and 13.3 percent. However, these above were outweighed by the decrease in other sectors like financial, wholesale and retail trade, ICT, agriculture and tourism that had a decrease of 22.1 percent, 11.3 percent, 79.2 percent, 55.6 percent and 65.6 percent. The total turnovers of FPC companies account for 22.2 percent ratio of GDP in 2020, from 26.7 percent registered in 2019, pointing to the impact of Covid19 pandemic.

Table 16: FPC 2021 Entity Turnovers by Sector ($ Millions)

Sector	2015	2016	2017	2018	2019	2020	% change	% share
Agriculture	67.9	135.8	181.6	173.4	161.6	71.8	-55.6	3.1
Education	6.3	9.3	8.2	10.2	31.8	2.2	-93.0	0.1
Construction	68.4	37.8	24.4	24.2	29.6	131.3	343.6	5.7
Financial	441.4	450.0	497.7	522.6	547.0	426.4	-22.1	18.6
ICT	195.1	376.0	430.4	472.3	546.5	113.9	-79.2	5.0
Manufacturing	286.2	290.7	300.3	498.8	589.4	730.4	23.9	31.8
Mining	62.3	64.7	66.5	79.8	70.3	79.7	13.3	3.5
Tourism	34.3	55.9	67.6	63.7	73.2	23.0	-68.6	1.0
Transportation	37.9	64.2	53.2	50.8	62.9	185.7	195.2	8.1
Wholesale	334.8	251.6	253.5	316.9	377.7	334.9	-11.3	14.6
Other sectors	26.1	398.0	200.7	233.8	278.9	198.0	-29.0	8.6
Total	**1,560.7**	**2,134.0**	**2,084.1**	**2,446.5**	**2,768.9**	**2,297.1**	-17.0	
% to GDP	**18.3**	**24.5**	**22.5**	**25.4**	**26.7**	**22.2**		

Source: FPC 2021 Census

5.3. Contribution to International Trade

The FPC related companies exported goods and services worth $ 92.6 Million in 2020, representing a 6.8 percent of total exports and 0.9 percent of GDP. Exports from wholesale, mining, manufacturing and financial services sectors dominated.

On the other hand, imports of goods and services by these FPC companies reached to $ 1,236.7 Million in 2020, representing 35.5 percent of the total country's imports of goods and services, and 12.0 percent of GDP. These imports were mainly driven by imports of goods by the construction sector, followed by imports of manufacturing and Trade sectors.

As a result, the FPC companies recorded a trade deficit of $ 1,144.0 Million in 2020, representing 23.6 percent of the total country's trade deficit in goods and services and 11.1 percent of GDP. FPC companies' exports cover 7.5 percent of imports, indicating the low contribution of foreign investment to an increase in domestic production and exports.

Table 17 FPC 2021 Exports – Imports of Goods and Service in 2020 ($ Millions)

Sector	Exports	Imports	Net Exports
Agriculture	2.3	22.5	-20.2
Education	0.0	0.1	-0.1
Construction	5.6	635.6	-630.0
Financial	11.2	55.4	-44.2
ICT	9.9	23.3	-13.4
Manufacturing	22.2	169.4	-147.3
Mining	25.9	48.0	-22.2
Tourism	0.0	11.8	-11.8
Transportation	0.4	7.6	-7.1
Wholesale	10.7	138.3	-127.7
Other sectors	4.5	124.6	-120.0
Total	92.6	1,236.7	-1,144.0
% of total trade	**6.8**	**35.5**	**-23.6**
% GDP	**0.9**	**12.0**	**-11.1**

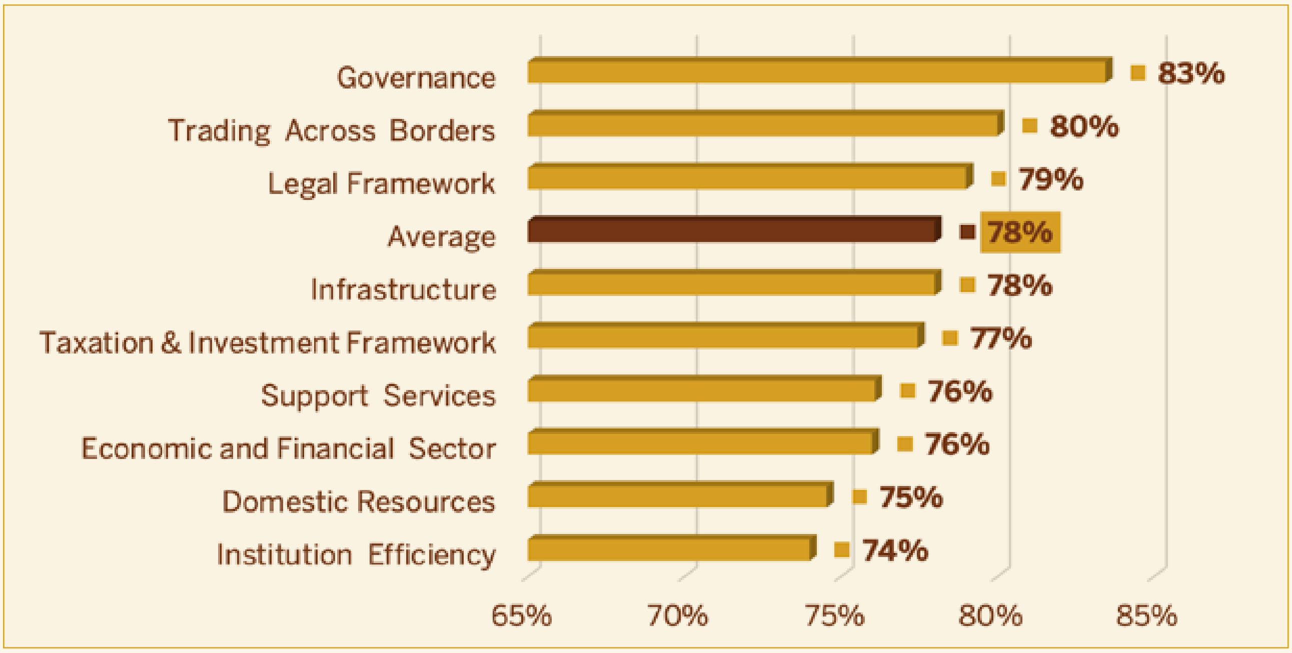
Source: FPC 2021 Census

CHAPTER 6. INVESTORS' PERCEPTION

This part summaries investors' perception anonymously collected on the business environment in Rwanda on different aspects. The investors' perception index (IPI) is calculated based on the themes, with a scale ranging from one (very bad/poor/low) to seven (very good/high). This chapter summaries the general findings of each theme, and the annexes contains the details of questions by each theme.

Although the survey was conducted during the era of the pandemic of covid-19, the Rwandan business environment keeps on improving with an IPI average score 78 percent, i.e. the increase of 3.7 percentage points vis-à-vis the previous survey (FPC 2020). As per the figure below, the governance theme is leading with an IPI of 83 percent, followed by trading across borders (80 percent), legal frame work (79 percent), Infrastructure (78 percent), Taxation & Investment framework (77 percent), Support Services (76 percent), Economic and Financial Sector (76 percent), Domestic resources (75 percent) and institutional efficiency (74 percent).

Figure 16. Investor Perception Index



Source: FPC 2021 Census

The governance recorded a higher IPI of 83%, following records made by the political stability and the ability to deliver, the effort made by the Rwandan Government to promote private business by putting in place measures against Corruption at the central and local level as well as in Judiciary institutions.

The trading across boarders recorded an IPI of 80%, due to the ease to import and export in regional (EAC) and out of EAC as well as the efficient length of time taken to obtain export certification.

The legal framework recorded an IPI of 79%, thanks to the ability of legal institutions to enforce existing national laws and legal framework for accounting and auditing as well as Ease of purchasing / registering land and property.

The infrastructure component recorded an IPI of 78%, thanks to the availability of telephone network, electricity, internet, and transport. Therefore, the cost of infrastructure recorded an IPI of 61% lower due to the low cost of internet, electricity (consumption and cost of tools' tariff, etc.).

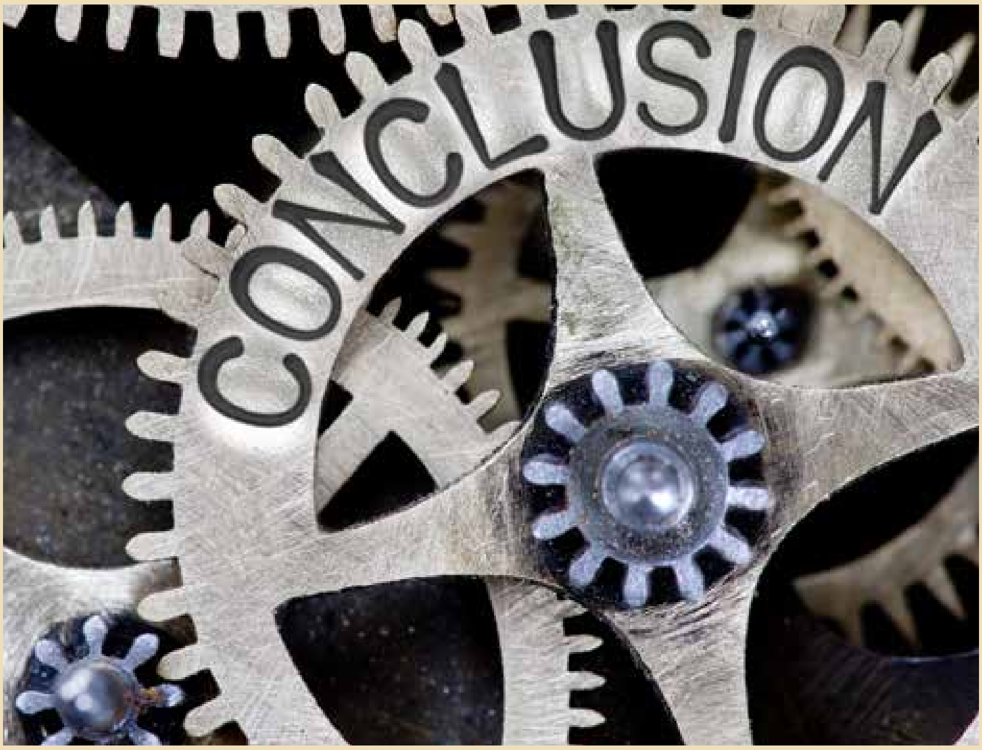
Taxation and investment framework recorded an IPI of 77% due to the ease of remitting revenue on investment, the quality of tax incentives of exports, investments, and imports of capital and intermediary goods that are inputs in the production processes.

Support services to private companies by different public institutions recorded an IPI of 76%, with the high record in company registration in the concerned institution, the procedure to obtain operation permits and the availability of places to install offices, firms, and other physical operation inputs.

Economic and financial sector recorded an IPI of 76%, thanks to stable prices, the availability of local finances, and less volatile exchange rates.

Domestic resources recorded an IPI of 75%, mainly due to the competitive labor cost and availability of land and local supplies, then, raw material in different domains, skilled labor and domestic market size weighted on this index.

Institution efficiency has an IPI of 74%, thanks to the public sector framework, to ease domestic business and improve the public services to private investors.



CONCLUSION

The FPC 2021 census covered 274 companies that hold foreign investment in Rwanda, in form of financial equity and non-equity, of which 227 companies responded, representing 82.8 percent response rate.

The census showed that FPC inflows decreased by 23.5 percent to $ 386.4 Million from $ 505.0 M recorded in 2019, mainly due to negative impact of the Covid19 pandemic on domestic businesses. The FPC inflows were mainly driven by Direct Investment with a share of 71.0 percent, followed by Other Investment (28.5 percent) and Portfolio Investment (0.5 percent).

In terms of FPC inflows origins, Mauritius led with 35.5 percent shares mainly invested in financial. ICT and manufacturing sectors. The United States of America followed with the second share of 12.7 percent, mainly invested in manufacturing, agriculture and wholesale and trail trade sectors.

The census also shows that the Private Sector External Debt inflows reduced by 35.5 percent to $ 204.6 Million, from $ 317.5 Million registered in 2019, and the external debt from unrelated entities led with a share of 53.8 percent of the total inflows.

With regards to investor perception, the findings show that the Investor Perception Index stood at 78 percent, with higher improvement in infrastructure and support services indices.

In order to improve the country's investment potential, the Government of Rwanda should continue to offer incentives to both domestic and foreign investors through the Rwanda Development Board, in form of fiscal and non-fiscal incentives. These incentives should keep the country's external competitiveness on a good track, such as macroeconomic stability, capital market growth and reforms to respond on the investors' perceptions. In addition, the Government should improve policy interventions in specific leading sectors, in order to boost investors' confidence.

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