

INVESTOR INFORMATION PACK

Opportunities for Floriculture
Investment In Rwanda

2017





Rwanda offers a world class investment environment, and is currently ranked the second easiest place to do business in Africa after South Africa (World Bank)

Overview of the Investment Opportunity

- Rwanda offers an excellent opportunity for international and regional investors seeking business expansion and diversification of their supply chain.
- Although the sector is still nascent, pioneer investors are already successfully producing and exporting intermediate roses and summer flowers to EU markets.
- Floriculture has been identified as a top priority export sector; the Government of Rwanda has earmarked specific sites and has invested extensively in enabling infrastructure for floriculture.
- Rwanda offers a world class investment environment, and is currently ranked the second easiest place to do business in Africa after South Africa (World Bank).

Specific Sites Available for Investment in 2017

Over 100ha is currently earmarked and available for floriculture investors to invest in 2017 (see table below for summary and further sections for site details).

Investors will be asked to express interest in three available sites via an EOI process commencing in March 2017.

Key steps in the upcoming process include:

- Release of EOI – April 2017.
- Investor roundtable for interested investors in Nairobi, Kenya – 15th - 18th May 2017.
- Follow up investor roundtable and site visits in Rwanda – Early to mid-May 2017.
- Deadline for expressions of Interest – 6th June 2017.

INVESTMENT IN RWANDA

>100ha of sites available for acquisition or lease in 2017

35ha Fully Operational Flower Farm (Bella Flowers)

- Proven growing conditions for premium medium head size roses (1500 ASL).
- 7ha under active harvesting yielding 60,000/day, with daily exports to EU during 2017 valentine season.
- 17 rose varieties planted on 20ha (by June 2017).
- Modern infrastructure including 20ha greenhouses, pack-house, fertigation, and spraying units.
- 60km from Kigali International Airport on good road.
- Developed by NAEB as a strategic investment to jumpstart the floriculture sector; available for full acquisition, or long term lease of land & infrastructure.

65ha land at Gishari, adjacent to Bella Flowers

- Proven growing conditions for premium medium head size roses (1500 ASL).
- Fully owned by NAEB and available for long term lease in 10-15ha lots.

15ha at Nyacyonga, former Rwanda Flora Rose Farm

- Ideally located next to main road, within 10km of Kigali city center and 20km from international airport .
- Good soils and a history of successfully growing roses from 1998 to 2010.
- Key production facilities already in place, including greenhouse frames (1ha) to be rehabilitated.
- Available for acquisition or long term lease.

(Detailed site profiles are provided below)

REASONS TO INVEST IN RWANDA

Rwanda offers an excellent opportunity for international and regional investors seeking business expansion and diversification of their supply chain.

Rwanda's climate and soil are perfect for floriculture

- Diversified agro climatic zones, with high, medium and low altitude (1400m to >2400m).
- Fertile soils, from rich volcanic to well drained alluvial soils (mainly sandy loam texture dominant).
- Abundant rainfall during the year (900-1800mm).
- Temperate climate with day temperatures of 20 to 30 degrees C and night temperature of 5 to 20 degrees C.
- Extensive clean water from numerous lakes and rivers.

Land has been specifically earmarked for investors

- Floriculture sites earmarked and specifically acquired by NAEB to ease investor access to suitable land.
- High security of land ownership: 100 percent land titled & in online land information system, giving assurance of ownership and comfort in leasing.
- Foreign investors acquire land based on a renewable 49 year lease basis.

Strong pro-business environment, ranked second best place to do business in Africa

- Government of Rwanda is actively seeking private investors and actively working to ease constraints to investment.
- Dedicated institutions work with investors to ease entry and project establishment; For floriculture, this will be the Rwanda Development Board (www.rdw.rw) and the National Agricultural Exports Board (www.naeb.gov.rw).
- Politically stable with well-functioning institutions, rule of law and zero tolerance for corruption.

Strong Government focus on developing horticulture and floriculture as a priority export sector

- Ambitious growth targets for the horticulture sector.
- Extensive GOR investment in strengthening the infrastructure base for floriculture investment, including development of the cold chain.
- Active GOR investment in developing a Rwanda brand ["Rwandafresh"] for horticulture products at an international level.

Targeted investor incentives & unrestricted repatriation of profits

- Duty free imports of agricultural inputs (seeds, fertilizers, etc.)
- Duty free import of farm machinery, tools, irrigation equipment, and greenhouse materials.
- Accelerated depreciation of 50 percent for new or used assets in year 1 for agro-processing and export oriented businesses.
- No export taxes or VAT on horticulture exports.
- Preferential corporate tax rate of 15 percent for export companies.

- Exemption from Capital Gains Tax.
- Unrestricted repatriation of capital and assets.
- Easy access and no limits on foreign exchange; open convertibility of currency.
- No intra-country sub-district interference for transport "tax" for products when they cross district lines.

Excellent site-to-airport road connectivity and electricity on all identified sites

- Highest road network density in the region; <100km to all sites identified.
- 50 percent growth in energy capacity in 3 years to almost 200MW; projects ongoing for >500MW by 2018. All sites identified for floriculture investors have access to electricity.
- Power Cost - Medium Industries: 0.4 kV<V≤ 15 kV: 12UsCent/kWh.
- Power - Large Industries: 15 kV<V≤ 33kV: 11UsCent/kWh.
- Power dependability: Very limited power outage and backup generator on site.
- Extensive investment into irrigation infrastructure.

Rapidly expanding airfreight options, access to EU, Middle East, Asia & regional markets

- Over 10 international airlines operating from Kigali to Europe, Middle East, Africa and Asia.
 - Direct daily flights to Amsterdam (KLM), Brussels (Brussels airlines), Dubai (Rwandair) and Istanbul (Turkish airlines).
 - Directs flight to London and Mumbai, 4 times/week commencing in April 2017 (Rwandair).
- Average cargo capacity: 4-5 tons for intercontinental flights.
- Aggregation mechanisms under development to reduce freight cost.
- Modern airport facilities, with state-of-the-art 30mT cold storage.
 - 30mT is currently sufficient based on a 5:1 ratio with current production levels. However Government of Rwanda acknowledges the importance of having sufficient storage buffer space beyond production and is committed to invest in additional storage facilities at the airport to meet exporters' needs.

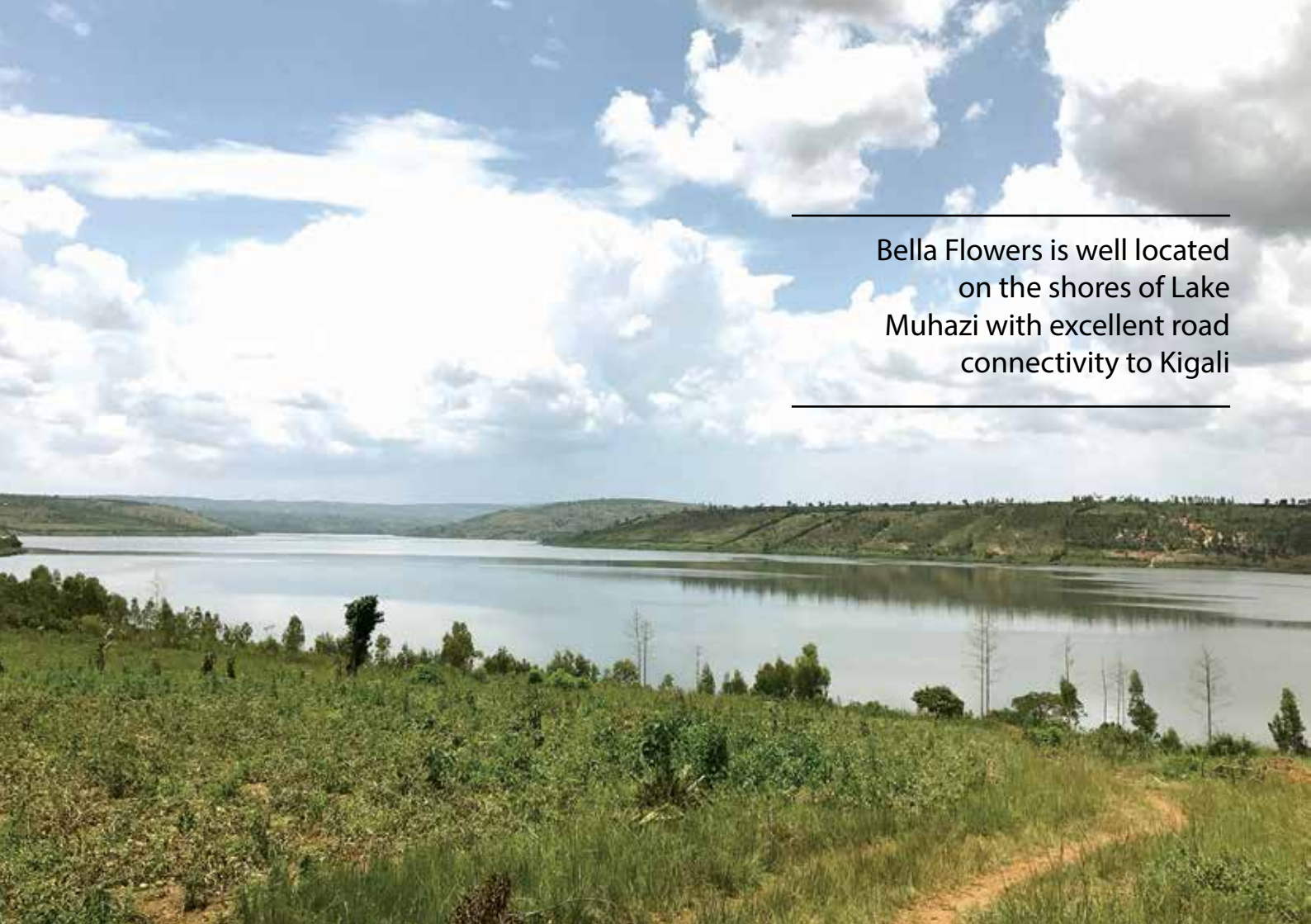
Available labour at competitive costs

- Free movement of persons, labor and right of residence under EAC common market protocol provides easy access to skills from across EAC.
- Competitive labor costs at US\$1.5-2.00/day for unskilled labor and approximately US\$300-450/month for specialist staff (tech. level A1).

Access to concessional financing

- Rwanda Development Bank's new export growth fund, offers concessional loan financing; matching grant fund for market access activities, and exports guarantees for locally registered exporters.

These are just some of the reasons that investors should consider diversifying their floriculture businesses and supply chains by investing in Rwanda. Further information about general operating conditions and other technical details can be provided by RDB and NAEB (see Further Information section for contacts).



Bella Flowers is well located
on the shores of Lake
Muhazi with excellent road
connectivity to Kigali

SITE PROFILE 1

BELLA FLOWERS

As part of its drive to increase private sector investment in floriculture in Rwanda, the Government of Rwanda is seeking investors interested to fully acquire or lease Bella Flower Farm, a 35ha farm, with 8 rose varieties currently under production on 20ha. The farm has been exporting to the EU market since September 2016 and it is expected to be in full production by June 2017.

A further 65ha of additional land is available for lease and development adjacent to the farm either in 10-15ha lots (see Gishari II Site Profile).

Site Overview: Bella Flowers is well located on the shores of Lake Muhazi with excellent road connectivity to Kigali.

- Bella flower farm is located in Kavumu Cell, Gishari Sector, Rwamagana District, Eastern Province.
- Site is approx 65km from Kigali International airport via the main Kigali-Rwamagana road, approximately one hour drive. Project site is 9km from the main road, accessible via a good marram road.
- Farm lies at an altitude of 1535m maximum and 1435m at the lake level.



Growing Conditions: Gishari offers proven growing conditions for premium medium head size roses where the 7ha under active harvesting are presently yielding an average of 60,000 stems a day.

- The farm enjoys a moderate tropical climate with bi- model rainfall.
- Temperatures vary between 17 to 25 degrees C in the rainy season and 25 to 36 degrees C in the dry season.
- Average rainfall of 910 - 1120mm/year with dry spell in January and July.
- Humidity of 60 -75 percent during the rainy season and 55 - 60 percent during the dry season.
- Wind conditions generally calm.
- Water from the adjacent Lake Muhazi has a Ph 7.8 and EC of 0.05.
- Soil: Deep red well drained sandy loam.
- Slope: Between 2-5 percent.

Current varieties grown and market:

- Varieties
 - Athena 2.5ha; Furiosa 2ha; Ace pink 0.5ha; Bella Rose 0.5ha; Tacazzi 0.5ha; New Orleans 1ha; High & magic 1ha; Magic Avalanche 1ha; Prestige 1.75ha; Deep Water 1ha; Moonwalk 1ha; Revival 1ha.

- All production currently exported to Amsterdam and sold mostly through direct sales (using an agent).
- Average 500,000 stems exported weekly (300,000 in low season). For Valentine season (24th January to 13th February – Exported 760,000 stems).

Site History and Current Status: The Flower Park was developed by the Government of Rwanda as a strategic investment to jumpstart the floriculture industry.

- The Government of Rwanda developed the flower park to jumpstart and demonstrate feasibility of the floriculture sector in Rwanda.
- The farm become fully operational in mid-2016, with first exports to the EU in September 2016.
- 8 varieties are currently under production on 7ha, with a further 9 varieties to be planted by June 2017.
- Total 2017 valentine season export volume was >700,000 stems.
- In 2017, the Government of Rwanda is seeking an experienced investor or partner that can maximise the operational effectiveness of the farm and manage a significant increase exports.



Infrastructure on Site: Modern, large scale production infrastructure installed during last 18 months.

- Pack house and cold rooms with a capacity of 2 million stems.
- Fully developed greenhouse infrastructure of 20ha.
- Water reservoir; Pump house with 4 pumps.
- Galcon water management system.
- Fertigation house, that manages the fertigation and spray program for the rose greenhouses.
- A 330kV standby generator able to supply the whole farm.
- Fully equipped workshop with capacity to fabricate the needed farm equipment.
- 8 management staff houses and office space.



Other Factors of Production: Labour freely available.

- Labour available at Rwf 1,500/day (US\$1.7 per day) in adequate numbers.
- Medical centers: Dispensary on site, hospital, clinics and other amenities available at Rwamagana town, 9km away.
- Security: Situated only 0.5km from cell administrative office.

Investment Modalities: Multiple investment modalities are possible for the site.

A call for proposals will be released in March 2017, seeking investor for the site.

NAEB is seeking proposals from investors interested in:

1. Total acquisition: Under this model, the company, including land and related infrastructure of Bella Flowers would be fully acquired by the investor. Land would be transferred based on the basis of a 49 year renewable lease.
2. Long term lease: Under this model, NAEB would lease the Bella Flowers Farm and facilities to a private producer on a long term lease (20 years +), giving the investor full responsibility for operations of the farm and full access to profits generated.

Additional information on site location

Google Maps Link: <https://www.google.rw/maps/@-1.8649172,30.4051006,2796m/data=!3m1!1e3?hl=en>

Map below shows the Bella Flowers Site, also known as Gishali Flower Park, as well as the adjacent 65ha land site for development – see Gishari II site profile on next page.

GISHALI Flower Park

NEW POTENTIAL AREA FOR EXPANSION
Rwamagana District
Gishali Sector
Kavumu Cell

GISHALI Flower Park 34.2 Ha

Potential Area for Flower Park Expansion: 65 Ha

LEGEND

— GISHALI Flower Park: 34.2 Ha

— Potential Area for Flower Expansion 55 Ha

Google earth

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www.google.com/earth

SITE PROFILE 2

GISHARI II SITE

65ha of land on the shores of Lake Muhazi, adjacent to a fully operating flower farm, and good road connection to Kigali International Airport, available for development.

Site Overview: Gishari II is well located on the shores of Lake Muhazi with good road connectivity to Kigali.

- Gishari II farm is Located in Kavumu Cell, Gishari Sector, Rwamagana District in Eastern Province of Rwanda.
- About 65km from Kigali International Airport, 9km from the main Kigali-Rwamagana road, within one hour. Project site is 9km from the main road, accessible via a good marram road
- Farm lies at an altitude of 1535m maximum and 1435m at the lake level.
- The site is adjacent to the recently established Bella Flowers farm, which is exporting premium medium head size roses to the EU (see map and link on previous page).

Growing Conditions: Gishari offers proven growing conditions for premium medium head size roses.

- The site enjoys a moderate tropical climate with bi- model rainfall.
- Temperatures vary between 17 to 25 degrees C in the rainy season and 25 to 36 degrees C in the dry season.
- Average rainfall of 910-1120mm/year with dry spell in January and July.
- Humidity of 60-75 percent during the rainy season and 55 percent 60 percent during the dry season.
- Wind conditions generally calm.
- Water from the adjacent Lake Muhazi has a Ph 7.8 and EC of 0.05.
- Soil: Deep red well drained sandy loam.
- Slope: Between 2-5 percent.
- Land History [Requested by Investors].



Infrastructure on Site and other Factors of Production: The site is ready for development by an incoming investor.

- 65ha of land has been graded, divided with access roads, and fenced.
- NAEB will facilitate electricity connection and water connection to Lake Muhazi.
- Labour is readily available at Rwf 1,500/day (US\$1.7 per day) in adequate quantities.
- Investors may be able to negotiate access to infrastructure facilities (pack house and cold rooms) at adjacent Bella Flowers site.

- Medical centers: Dispensary on site at adjacent Bella Flower Farm. Hospitals, clinics, schools and shopping available at Rwamagana town 9km away, which is the district headquarters.
- Security: Situated only 0.5km from cell administrative office.

Investment Modalities:

- The 65ha site is available for long term lease (5 years, 20 years, up to 49 years) in 10-15ha lots from the Government of Rwanda.

SITE PROFILE 3

NYACYONGA SITE

15ha site of former Rwanda Flora Rose farm with proven production capacity, close proximity and excellent road linkage to the international airport, and key production infrastructure already in place. Presently owned by Government of Rwanda.

Site Overview: Site is ideally located next to a main road and within 10km of Kigali city center and 20km from Kigali International Airport on the Kigali Gatuna highway.

- **Location:** Kabuye Cell, Jabana Sector, Gasabo District in Kigali city. Positioned next to Kigali-Gatuna highway, with a river frontage on the other side that has water throughout the year.
- Altitude: 1500m above sea level.
- Longitude: 30.08781038600; Latitude: 1.86972647297.
- Total area for development: 15ha adjacent to a 10ha farm leased to another investor for summer flower production.
- Google Map Location: <https://www.google.rw/maps/place/Rwanda+Flora+S.A.R.L./@-1.8678384,30.0876474,15z/data=!4m5!3m4!1s0x0:0x51e45427d0a0994a!8m2!3d-1.8678384!4d30.0876474>



Growing Conditions: Nyacyonga offers ideal growing conditions for single head intermediate and spray roses, which have previously been successfully grown on the site.

- Climatic conditions: Moderate tropical climate with four seasons of which: two are cold and the rest dry.
- Temperature: 14 degrees C Minimum, 30 degrees C Maximum.
- Rainfall: Average rainfall is 960mm/year dry spell in January and July.
- Water: pH 6.32 and EC of 0.54.
- Soil: Deep red well drained sandy loam pH 5.5-6, with very good aeration and considerable water holding capacity, availability of clean water from the Nyabugogo river on site border.
- Major nutrient test: P 25-50/10a, N 10-15kg/10a, K 5-10Kg/10a.
- Humidity: High < 80 percent.
- Slope: Completely flat, close 0 percent.
- Current crops on site: Beans and maize.
- Land History [Requested by Investors].

Site History: The site has a proven history of growing single head intermediate and spray roses, exported to EU markets between 1998 and 2010. The site was acquired and developed by Rwanda Flora which produced and exported single head intermediate and spray roses between 1998 and 2010 on 7ha of the site. The company installed key infrastructure, including greenhouses, pack house cold rooms, irrigation infrastructure and water pans.

The company faced financial issues towards 2010 and stopped production. NAEB acquired the site from the former owner in 2016. The Government is currently rehabilitating the site and key infrastructure for an incoming investor.

Infrastructure on Site and other Factors of Production

- Packhouse, water reservoir, pump house and canteen currently under rehabilitation, due to be completed by end March 2017. The infrastructure can be leased or acquired as part of the project.
- Approximately 1.5ha greenhouse steel structure ready for use once appropriate polyethene film is applied.
- Underground drip irrigation piping on 7ha or 50 percent of site available but in need of rehabilitation.
- Access to electricity: 400 kV transformer on site. Electricity from Jabana electricity station.
- Labour: Available at US\$1.5 per day and freely available from nearby local villages.
- Medical centers: Jabana Health Center and Rutongo Hospital nearby.



KEY AREAS INVESTMENT REQUIREMENTS

- As detailed above, Government of Rwanda is currently undertaking fencing of the site, and rehabilitating the pack house and other key infrastructure.
- An incoming investor would need to invest in rehabilitation of the greenhouse frames and the irrigation system on the site, as well as invest in key farm equipment.

INVESTMENT MODALITIES

- Total acquisition: Under this model, the land and, if desired, related production infrastructure would be fully acquired by the investor. Land would be transferred based on the basis of a 49 year renewable lease.
- Long term lease: The 15ha site is available for long term lease from the National Agricultural Export Board (NAEB). Lessor would have access to shared infrastructure if desired.

NEXT STEPS AND TIMETABLE FOR INVESTORS

The following are expected to be key steps in the process of investor outreach and request for proposals:

Date	Milestone
April 2017	Official release of EOI/request for proposals
15 th - 18 th May 2017	Investor roundtable in Nairobi, Kenya
Early to mid-May 2017	Investor roundtable in Kigali, Rwanda, including site visits
6 th June 2017	Due date for investor responses
15 th June 2017	Completion of review of proposals by GOR

DECISION PROCESS

- Investors will be invited to submit proposals for any or all of the sites/lots available.
- Shortlisted investors for Nyachonga and Gishari II will be invited to negotiate with the Government of Rwanda.
- Depending on the number of interested investors for Bella flowers, shortlisted investors will be invited to submit a more detailed proposal/ business plan and/or enter directly into negotiation with the Government of Rwanda.

ANNEX: ADDITIONAL INFORMATION

Factor costs compared to region			
Date	Rwanda	Kenya	Ethiopia
Shipping rates (to Amsterdam)	US\$1.8/Kg*	US\$1.5/Kg	US\$1.5/Kg
Storage @ airport	30 mT**	1000 mT	65mT expanding to 360mT with new terminal
Current volume produced/day	6 mT	350/400 mT	65 mT
Labor	US\$1.5 – 2.0/day	US\$2.5-5.0/day	US\$1.86/day

Electricity tariffs from Rwanda Utilities Regulatory Authority (RURA)						
Country	Residential/Domestic		Medium Industries		Large Industries	
	Consumption block/month	Tariff UsCents/kWh	Consumption block/month	Tariff UsCents/kWh	Consumption block/month	Tariff UsCents/kWh
Kenya	0-50	13.27	All consumption	13.41	All consumption	10.74
	> 50	15.26				
Uganda	0-15	4.4	All consumption	15.90	All consumption	10.70
	> 15	19				
Tanzania	0-75	6.67	All consumption	13.53	All consumption	10.61
	> 75	19.88				
Rwanda	[0-15]	11	All consumption	12	All consumption	11
	[15-50]	21.9				

(*) Base rate agreed by KLM. Can be negotiated.

(**) Government of Rwanda has committed to expand this as production increases and exporters' capacity requirements rise.

OPPORTUNITIES + FLORICULTURE INVESTMENT = RWANDA

Floriculture has been identified as a top priority export sector; the **Government of Rwanda** has earmarked **specific sites** and has invested extensively in enabling infrastructure for **floriculture**



FURTHER INFORMATION

For further information, please contact:

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