

# REPUBLIC OF RWANDA



Office of The Prime Minister

## PRESS RELEASE

**Kigali – 25 March 2021** - Prime Minister Dr. Edouard NGIRENTE presented to both chambers of Parliament, in a joint sitting, two major Government of Rwanda initiatives to mitigate the economic impact of COVID-19; the **Economic Recovery Fund (ERF)** and the **Manufacture and Build to Recover Program (MBRP)**.

The Economic Recovery Fund was established to support the recovery of businesses severely affected by COVID-19 so that they can quickly resume operations and safeguard jobs. The fund was initially launched with FRW 100 billion and is to be expanded to FRW 350 billion by the end of 2021.

Sectors targeted by the ERF include but are not limited to tourism and hospitality, manufacturing (including agro-processing), education, transport and logistics and SMEs linked to domestic and global supply chain.

The incentives under the Manufacture and Build to Recover Program consist mainly of tax exemption on imported construction materials not available in the East African Community, as well as on construction materials sourced domestically and performance incentives which include reduced Pay-as-you-earn (PAYE) tax rate for new jobs and tax credits on export revenues. The program is expected to increase industrial output, create new jobs, recapture domestic market, and boost exports amid COVID-19 pandemic.

Prime Minister Ngirente said:

*“Businesses negatively impacted by the restrictions put in place to prevent the spread of the virus, or exposed to consumer discretionary spending, and those with global supply chains that have been disrupted, are eligible to apply for the support provided by the Economic Recovery Fund.”*

*“The Manufacture and Build to Recover Program aims to fast track private sector investments in manufacturing and construction. It will play a big role in reducing the cost of setting up industries of key essential products as well as facilitating the expansion of small and medium industries.”*

Construction materials incentives are applicable to a minimum investment of \$10 million. Manufacturing incentives are applied for a new project whose investment is not less than \$1 million. For expansions, the value has to be the 20% of the initial investment registered in Rwanda or \$1million. For new agro processing projects, the minimum value of the investment has to be \$100,000.

**End**