



**INDUSTRIAL POLICY PERSPECTIVE ON
LOCAL ECONOMIC DEVELOPMENT IN
RWANDA'S CITIES**

Policy Coherence
6th February 2019

Outline



Background and Policy perspective

MINICOM's vision for how industrial policy can help develop Rwanda's cities

Key recommendations

Background and Policy perspective

2011 Rwanda's Industrial Policy:

- Allocate land for industries, develop industrial parks and SEZs

Special Economic Zone Policy:

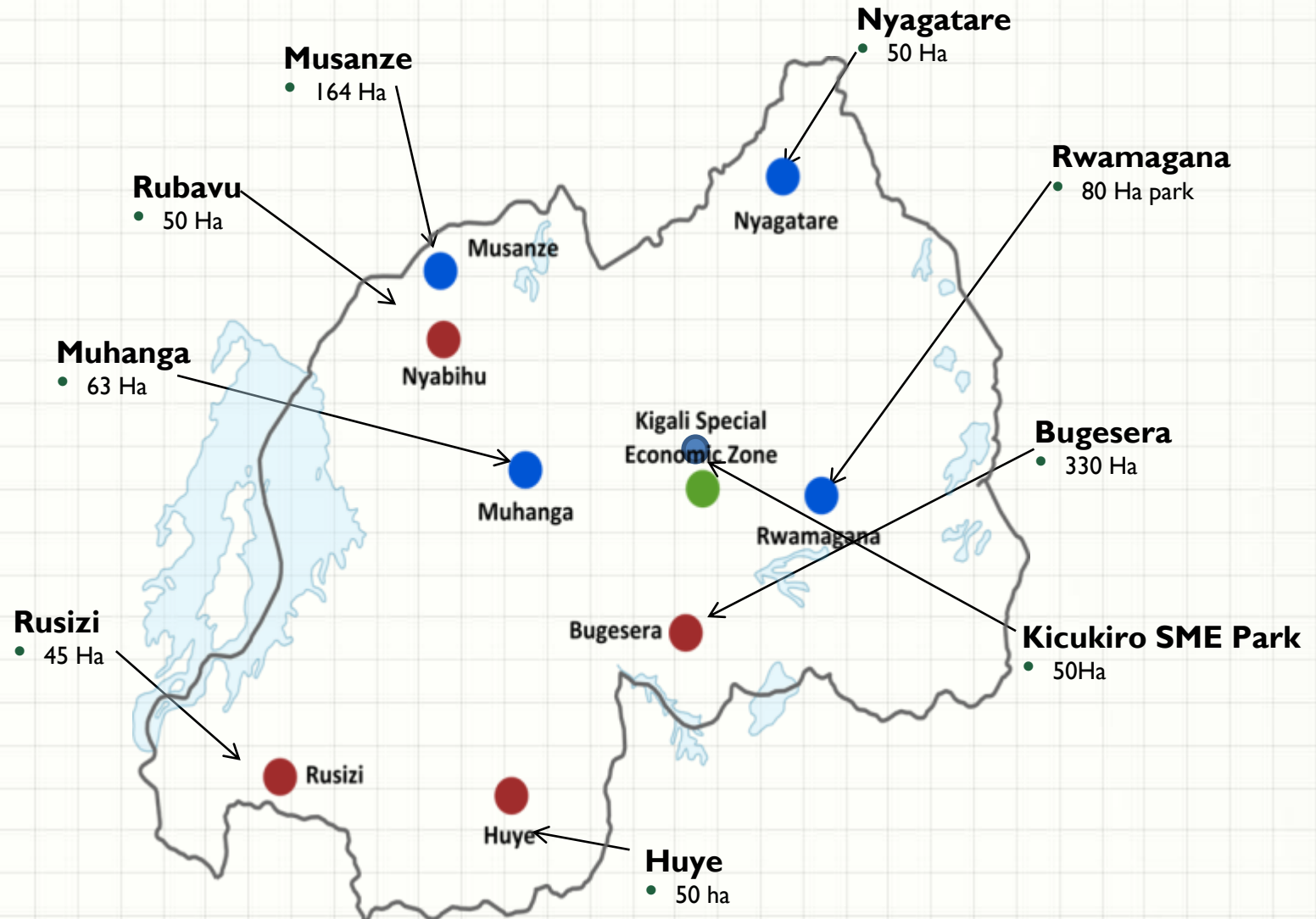
- Increase foreign and domestic private sector investment
- Export growth and diversification
- Creation of off farm employment and income

The National Urbanization Policy:

- The Industrial parks to strengthen linkages with District rural areas through strategic targeting of Investors
- For creation of Off-farm jobs in Secondary cities

Industrial Parks in Rwanda

Geographical locations priority to Kigali city and Secondary cities



Links between Urbanization & Industrialization

1. Urbanization is accompanied by a growing **consumer class** with more purchasing power and preferences for **urban goods** (manufactured goods)
2. Target strategic sectors of **growing demand** and help domestic industry and **value chains** to develop, in order to meet this demand
3. Alongside urbanization there is a **shift towards processed food** and an increase in food consumption

Industrial Policy Review for Urbanization

1. Harnessing **agglomeration** economies;
2. Linking industry and urban development **policies** and **targets**
3. The location of industry has an **economic logic**, based on first-nature and second-nature characteristics
4. Linkages between firms and **connectivity** between cities and regions;

Industrial Policy Review for Urbanization

5. Looking on promotion of **balanced development** without neglecting primary cities due to their potential of economic innovation and growth
6. Looking at Urban Systems as **enablers** of Industrialization
7. Special Economic Zones and industrial park master plan to ensure proper **clustering** & **Specialisation**

Key recommendations

1. Strengthen **coordination** between the public and private sectors, and between levels of government for demand driven policy reforms
2. Prioritizing **economic objectives** as part of the rationale for urban planning, zoning, land management and building regulations
3. Consider cities as **enablers** of industrialization and **pool factor** for urbanization
4. Investment should target the **value chains** at the heart of **industrial job creation**, including support to skills building within cities, as well as the transport links within and between cities

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Thank You