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## Budget Factsheet for Fiscal Year 2024/2025

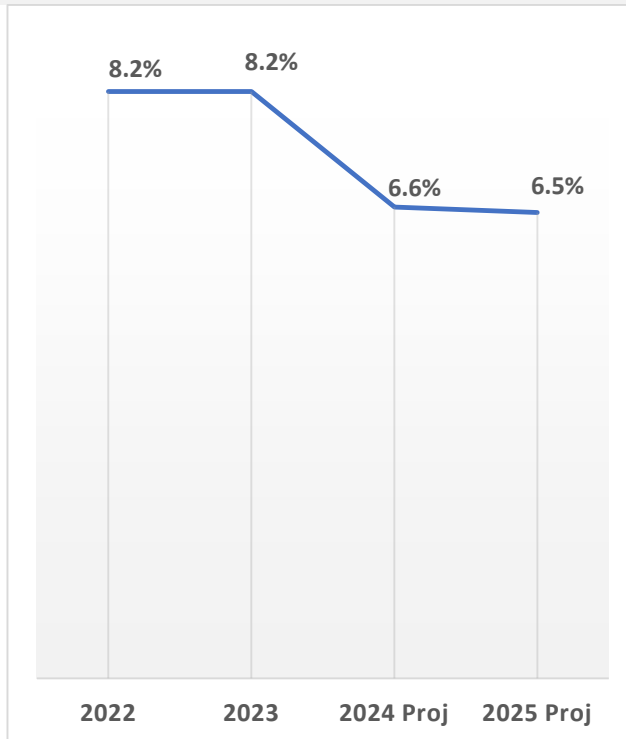
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### 1. The Economic Outlook and the Medium-Term Budget Strategy

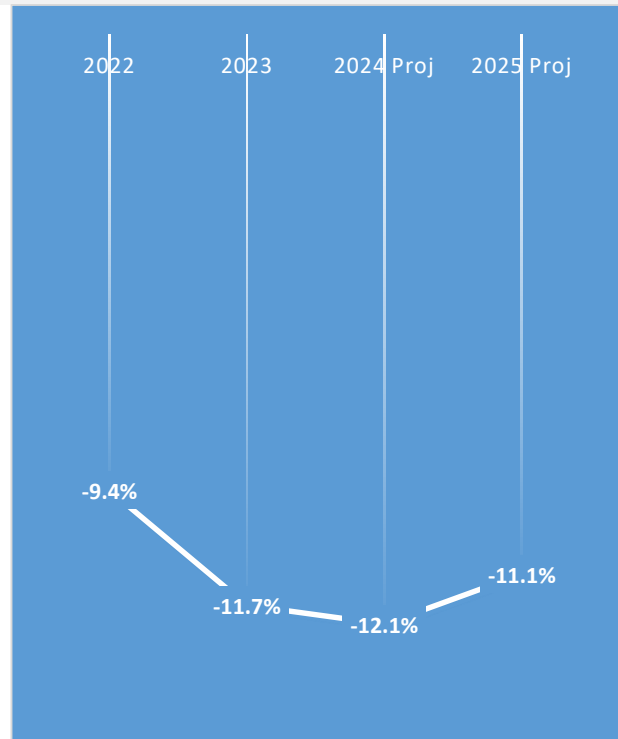
In 2023, Rwanda's economy was characterized by a constrained environment especially as a result of climatic shocks which suppressed agriculture production and largely transmitted through very high food prices and inflation. Despite this constrained domestic context, Rwanda's economy maintained a robust growth of 8.2%, which was 2% higher than initially projected. Industry and Services sector largely drove this growth contributing to 90% of the real GDP growth; and this was mainly due to good performance of construction and manufacturing activities as well as services., Under trade, transport and hospitality sectors, as the country fully recovers from COVID-19 pandemic. tourism and travels continued to attract meetings under the MICE sector.

In 2023, **Agriculture** registered a low growth of 1.7% with food crops not growing, export crops contracted by 4.4%. **Industry** increased to 10.2% with construction and manufacturing increasing by 11.6% and 10.5% respectively while mining & quarrying also increased by 9.1%. **Services** continued to register high growth performance increasing by 11.2% driven by trade and transport increasing by 9.9%, other services by 11.7% of which hotels and restaurants increased by 18% and Information and communication registered a very high performance of about 34.7%.

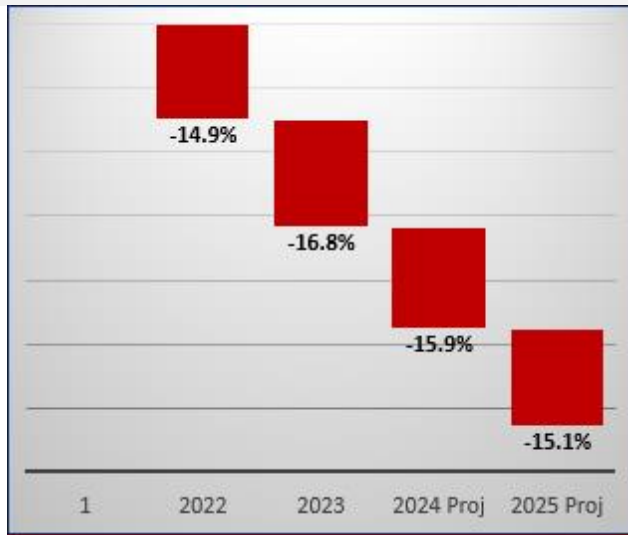
**Chart 1: Real GDP (Annual percentage change)**



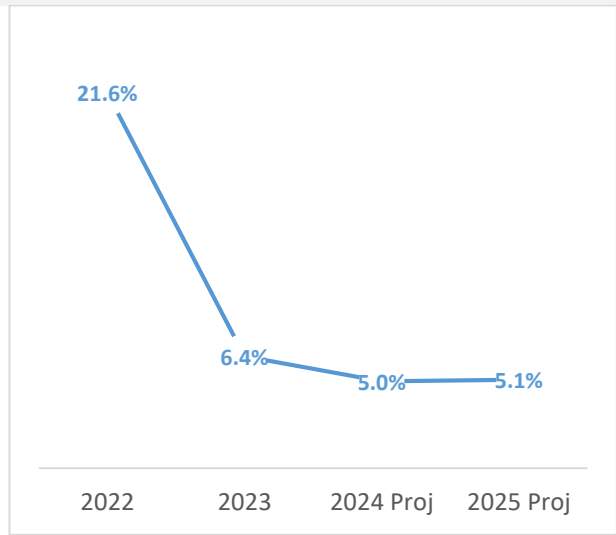
**Chart 2: Current account deficit including official transfers (In % of GDP)**



**Chart 3: Trade Balance** (In % of GDP)



**Chart 4: Consumer Price Inflation** (end of period Percent rate)

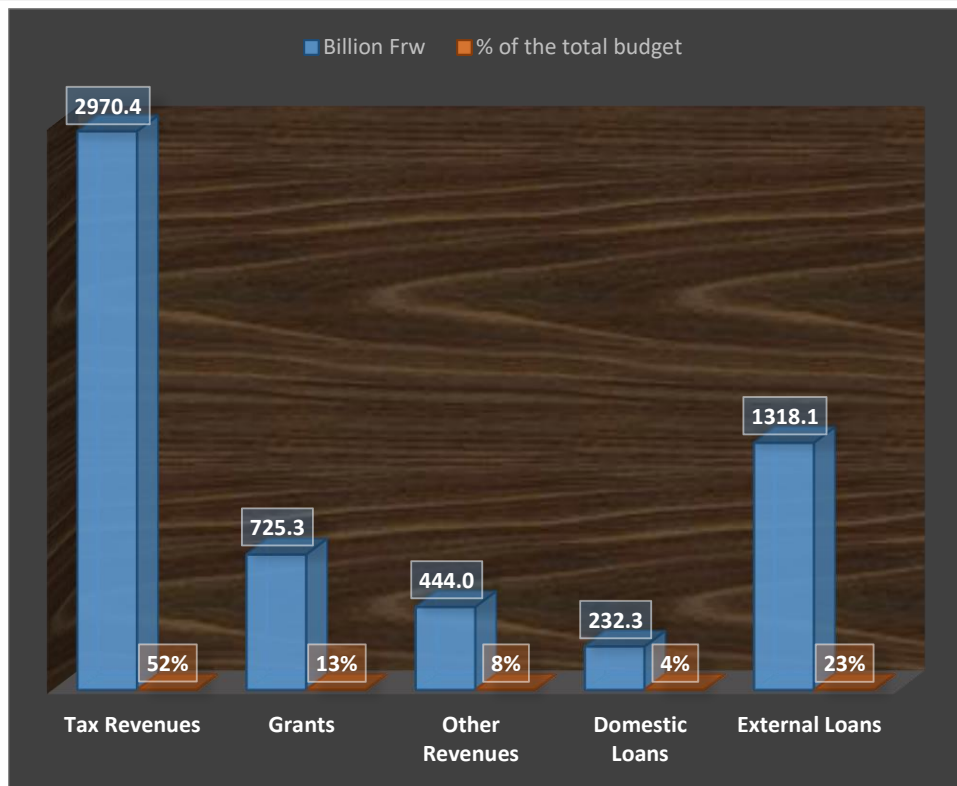


## 2. Summary of the 2024/2025 fiscal year budget

The Budget for fiscal year 2024/25 indicates continued normalization of fiscal policies for recovery from COVID-19 period and its scars, but also recovery from global geopolitical tensions as well as reconstruction efforts following the floods in May 2023. The fiscal objectives will keep fiscal consolidation to steer macroeconomic stability, keep debt at sustainable levels, strengthen fiscal framework, and preserve the needed fiscal space to implement the country's objectives, development programs and priorities under the National Strategy for Transformation (NST).

The projected financing and spending for the FY 2024/2025 budget are reflected in charts 5 and 6 below.

**Chart 5: Funding sources for the budget (Billion FRW)**



**Total tax revenue** collections for Treasury are projected to reach FRW 2,970.4 billion in the fiscal year 2024/25. This amount is higher than FRW 2,559.8 billion projected in the Revised Budget of fiscal year 2023/24 by FRW 410.6 billion. The increase in the tax revenue projection will reflect the current and expected good performance of economic activities with the effect from different tax measures under the implementation of the Medium-Term Revenue Strategies (MTRS).

**External Loans:** The amount of FRW 1,318.1 billion estimated for the fiscal year 2024/25 will be FRW 10.6 billion lower compared to the amount of FRW 1,328.7 billion projected in the revised budget of the fiscal year 2023/24.

On **budgetary loans** side, an amount of FRW 726.3 billion is expected for the fiscal year 2024/25 where this amount will be less by FRW 45.9 billion compared to the fiscal year 2023/24 revised budget estimate of FRW 772.2 billion.

On the side of **project loans**, the figure of FRW 591.8 billion projected for the fiscal year 2024/25 and is FRW 35.3 billion higher than the allocated amount of FRW 556.5 billion estimated for the fiscal year 2023/24.

**Other revenues** (non-tax revenue) collections are estimated at FRW 444.0 billion in fiscal year 2024/25. Higher reimbursements trend from the UN for the cost of peace-keeping operations in the fiscal year 2024/25 mainly account for the higher projected amount. The estimated figure for PKO reimbursements in the fiscal year 2024/25 is FRW 212.6 billion, which is FRW 13.1 billion higher than the figure of FRW 199.5 billion projected in the revised budget for fiscal year 2023/24. This increase mainly resulted from higher projected exchange rate depreciation.

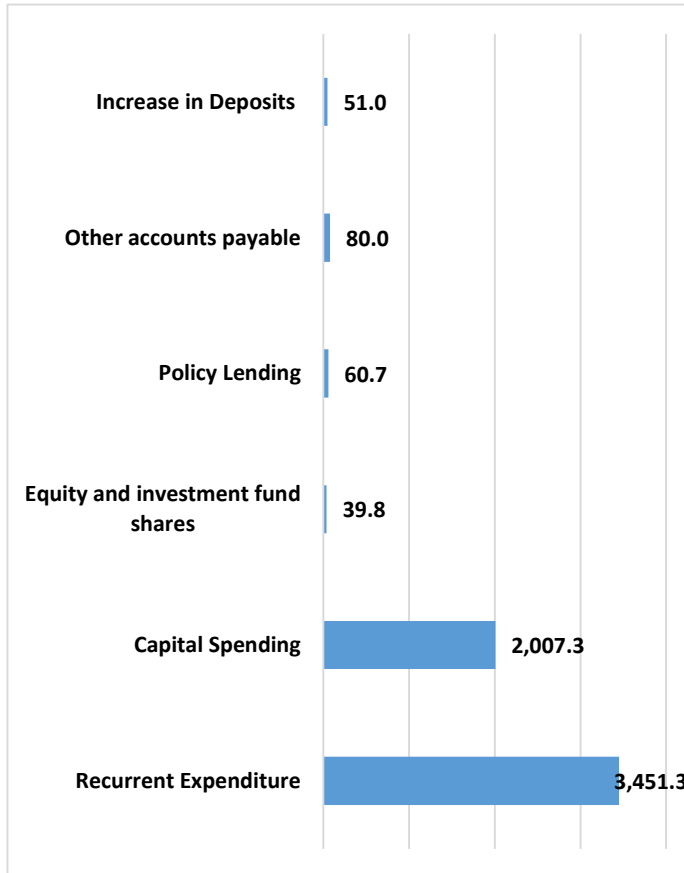
**Grants:** The amount of FRW 725.3 billion projected for the fiscal year 2024/25 is made of budgetary grants of FRW 277.0 billion and capital grants of FRW 448.3 billion.

**Budgetary grants:** The amount of FRW 277.0 billion is FRW 89.1 billion higher than the FRW 187.9 billion amount allocated in the revised budget for the fiscal year 2023/2024.

**Capital grants:** The estimated figure of FRW 448.3 billion in the fiscal year 2024/25 is FRW 53.6 billion less compared to the amount of FRW 501.9 billion projected in the revised budget of the current fiscal year 2023/24.

**Chart 6: Total state expenditures (Billion FRW)**

The total expenditure for the fiscal year 2024/25 is projected to be FRW 5,690.1 billion where this figure is FRW 574.5 billion higher than the revised budget for the fiscal year 2023/24 of FRW 5,115.6 billion. The chart below shows the state expenditure categorization



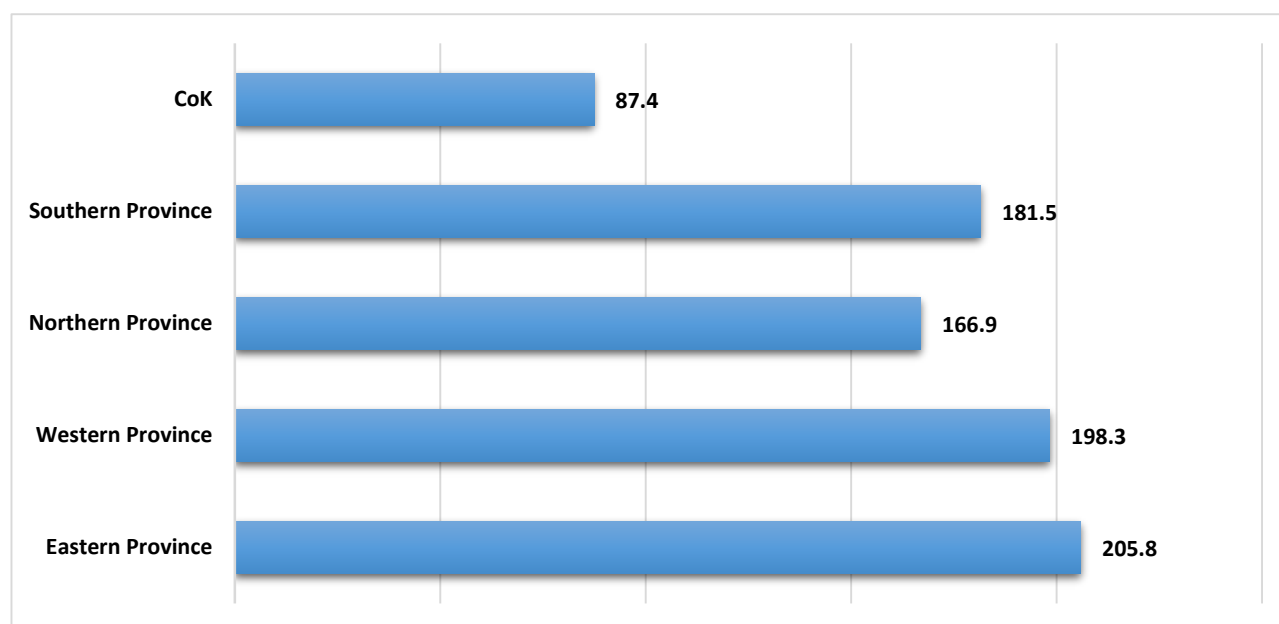
**Recurrent Expenditures:** The allocated amount of FRW 3,451.3 billion in fiscal year 2024/25 is FRW 538.1 billion higher than the allocated amount of FRW 2,913.2 billion in the fiscal year 2023/24 revised budget.

**Capital Expenditures:** The total capital spending for the fiscal year 2024/25 is estimated at FRW 2,007.3 billion. This figure is FRW 29 billion higher than the amount of FRW 1,978.3 billion allocated in the revised fiscal year 2023/24 budget. The amount for the 2024/25 fiscal year is made, among others of, FRW 987.6 billion of domestically financed projects portion, FRW 5.7 billion on account of inventory projected to be used for government to purchase strategic reserves fuel storage as envisaged in the FY 2024/25 and FRW 1,014.0 billion of foreign financed portion.

**Policy Lending:** Outlays under loans in the fiscal year 2024/25 have been estimated at FRW 60.7 billion.

**Equity and investment fund shares:** An amount of FRW 39.8 billion is projected under the category of Equity and Investment Fund shares in the fiscal year 2024/25.

**Chart 7: Decentralized budget allocations by Province and City of Kigali (CoK) (Billion FRW)**



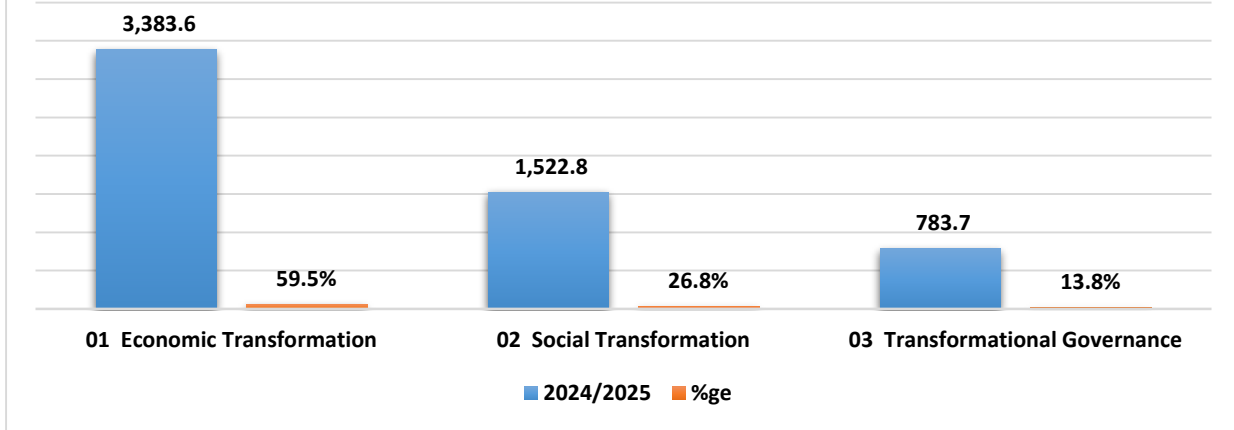
### **3. 2024/25 Detailed Resource Allocation to NST1 Pillars**

Policy priorities for the MTEF period are guided by Vision 2050 objectives and priorities embedded in the National Strategy for Transformation (NST1 2017-2024), Presidential pledges and other strategic documents. The Economic Transformation pillar takes the lion's share of the resources at FRW 3,383.6 billion amounting to 59.5% of the total budget. Social transformation will take up FRW 1,522.8 billion amounting to 26.8% while Transformational Governance is allocated FRW 783.7 billion representing 13.8% of the total budget.

#### **Prioritization has been guided by the following critical elements and considerations;**

- a) Priorities for enhanced delivery of NST1 and Vision 2050
- b) Consideration of interventions of the Economic Recovery Plan and NST 1 lagging interventions
- c) Prioritization of Ongoing Projects over new ones
- d) Prioritizing Presidential Pledges and decision from high-level forums i.e. NUC, NLR, etc.
- e) Emphasis on Transformation & Sustainability
- f) Enhanced Private Sector & Civil Society Engagement
- g) Resilience of human beings to shocks as well as resilience of socio-economic infrastructure to climate change related effects.
- h) Leveraging use of ICT and promoting Research & Development/Innovation

### FY2024/2025 Budget Allocation by NST1 (in Billion Frw)



#### 4. Links to budget documents and different budget stakeholders

- MINECOFIN: [www.minecofin.gov.rw](http://www.minecofin.gov.rw)
- Parliament: <https://www.parliament.gov.rw/index.php?id=2>
- Office of the Auditor General: [www.oag.gov.rw/](http://www.oag.gov.rw/)