

**NBR** NATIONAL BANK OF RWANDA

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**ANNUAL REPORT 2006**

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JUNE 2007

## Table of contents

### Part I: Economic and financial development

<b>Chapter I International economic environment.....</b>	<b>5</b>
I.1 Economic overview .....	5
I.2 World trade .....	9
I.3 Interest rates and capital markets .....	10
<b>Chapter II National economic development .....</b>	<b>13</b>
II.1 Real sector .....	13
II.1.1 Gross domestic product .....	13
II.1.2 Prices .....	26
II.2 Public finance and domestic public debt .....	34
II.2.1 Public finance.....	34
II.2.2 Domestic public debt.....	38
II.3 Monetary and financial sector .....	39
II.3.1 Monetary sector .....	39
II.3.2 Extended monetary survey .....	47
II.4 External sector .....	48
II.4.1 Balance of payments .....	48
II.4.2 Foreign debt .....	60

### Part II Activities of the Bank

<b>Chapter III Activities related to the main missions of the Bank.....</b>	<b>71</b>
III.1 Foreign exchange policy and operations.....	71
III.1.1 Foreign exchange policy.....	71
III.1.2 NBR foreign exchange operations.....	74
III.2 Implementation of monetary policy.....	77
III.2.1 Regulation measures.....	77
III.2.2 Money market operations.....	77
III.3 Management of special funds and lines of credit.....	80
III.3.1 Special funds management .....	80

III.3.2 Credit lines.....	85
III 4 Foreign reserves management.....	90
III.4.1. NBR foreign assets development in 2006.....	90
III.4.2. Financial performance in 2006.....	93
III.4.3. Foreign exchange market.....	94
III.5 Currency issuing activities .....	94
III.5.1 Currency in circulation management .....	94
III.5.2 Control of counterfeit banknotes.....	97
III.5.3 Clearing house.....	98
III.5.4 banknotes and traveller’s cheques Import .....	102
III.5.5 NBR branches Operations .....	103
III.5.6 Management of dormant accounts.....	103
III.6 Soundness of banking and financial system.....	104
III.6.1 Bank supervision .....	104
III.6.2 Supervision of COOPECS and other micro-finance institutions.....	110
III.6.3 Information centre for risks and non performing loans.....	115
III.6.4 Payment system.....	118
<b>Chapter IV Backup activities.....</b>	<b>120</b>
IV.1 Statutory management organs of the Bank.....	120
IV.2 Human resources management.....	123
IV.2.1 Personnel movements.....	123
IV.2.2 Social policy.....	128
IV.2.3 Medical services.....	129
IV.3 Organisation and information systems.....	130
IV.4 Internal audit of the Bank’s operations.....	134
IV.4.1 General Auditing.....	134
IV.4.2 Specific audits.....	136
IV.4.3 Investigations commissioned by the Bank management.....	137
IV.5 Legal matters.....	137
IV.6 other backup activities.....	138

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**PART I**

**ECONOMIC AND FINANCIAL DEVELOPMENT**

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# CHAPTER I INTERNATIONAL ECONOMIC ENVIRONMENT

## I.1 ECONOMIC OVERVIEW

### I.1.1 Production

During the year 2006, the world economic growth continued at a steady rate in spite of a slight slowdown in some economies. The inflationary pressures calmed down mainly due to the decline in energy prices since the month of September. Throughout the year 2006, according to the International Monetary Fund (IMF) estimates, the economic growth rate was 5.1% compared to 4.9% recorded in 2005.

In the United States, the growth rate of the economic activity slowed down to a rate of 0.5% in the third quarter of the year against 0.6% in the second quarter due to the decline of investments in the residential construction industry, following a setback in the property market. In addition, the increase in imports and the stock adjustment in the manufacturing industry were among the barriers to the growth of GDP. Nevertheless, the decline in energy prices and the steady dynamism of earned incomes continued to stimulate consumption. The economic growth rate therefore remained the highest due to the steadiness of private consumption. The IMF forecasts in September indicated a growth rate of 3.4% at the end of 2006 compared to 3.2% in 2005.

In the euro zone, the economic growth remained constant due to the increase in domestic demand. After a sharp increase during the first six months of the year, the GDP growth rate was 0.5% in the third quarter of 2006, and accounted for 2.4% for the whole year; the highest level recorded since the year 2000. The economic outlook for the zone remained positive and the business climate remained favorable to a growth close to the potential rate.

In Japan, the economic revival was sustained, due to the strength of exports and the dynamism of corporate investments. Gross domestic product increased by 0.5% in the third quarter against 0.4% in the second quarter; that is, an estimate of 2.7% on average throughout the year, compared to 2.6% in 2005.

**Table 1: The world economic growth (in %)**

Description	2001	2002	2003	2004	2005	2006
<b>World</b>	<b>2.4</b>	<b>3.0</b>	<b>4.1</b>	<b>5.3</b>	<b>4.9</b>	<b>5.1</b>
Advanced economies	1.2	1.5	1.9	3.2	2.6	3.1
Major advanced economies	1.0	1.1	1.8	3.0	2.4	2.9
- United States	0.8	1.6	2.5	3.9	3.2	3.4
- Japan	0.2	-0.3	1.8	2.3	2.6	2.7
- European Union	2.0	1.3	1.4	2.4	1.8	2.8
Of which: Euro Zone	1.7	0.9	0.8	2.1	1.3	2.4
Other advanced economies	1.7	3.2	2.5	4.0	3.1	3.6
-Newly Industrialized Asian Economies	1.3	5.3	3.2	5.9	4.5	4.9
Other emerging mkts and developing countries	4.1	4.8	6.7	7.7	7.4	7.3
- Africa	4.1	3.6	4.6	5.5	5.4	5.4
- Asia	5.6	6.6	8.4	8.8	9.0	8.7
- Western hemisphere *	0.5	-0.1	2.2	5.7	4.3	4.8

Source: IMF, World Economic Outlook, September 2005, P.205-206

In emerging markets and developing countries, the economic activity remained strong in spite of the slowdown experienced in major economies of the region during the third quarter. Particularly in Asia, the economic growth rate was estimated at 8.7% at the end of 2006 against 9% in 2005. These performances were achieved due to the strength of the domestic consumption and the world demand, more particularly for electronic products.

In China, after a downturn in growth experienced in the third quarter, the economic activity was rebounded again due to domestic consumption. The retail sales recorded an increase of 14.3% on a year-to-year basis in October, at the time when the industrial production and investments registered a slight decline. The growth in volume of production was estimated at 10.0% in 2006 against 10.2% achieved in 2005. Concerning the prices trend, the level of inflation remained stable as estimates were respectively 1.8% and 1.5% in 2005 and 2006.

In Latin America, the level of activity remained constant due to the steadiness of prices of raw materials, domestic demand and foreign direct investments. According to the IMF estimates, the economic growth rate was 4.8% at the end of 2006 compared to 4.5% in 2005. The inflationary pressures somewhat calmed down, and the percentage of annual changes of consumer prices was estimated at 5.6% in 2006 compared to 6.3% in 2005.

In Africa, the economic growth rate was estimated at 5.4% in 2006 as was in 2005. These performances resulted from a combination of some factors such as the significant appreciation of the terms of trade for non energy basic commodities, the increase in

foreign assistance and inflow of foreign capital in some countries. Indeed, the foreign direct investments in Africa increased by 26.5% in 2006. Moreover, the contribution to the growth of oil-producing countries was very significant and the oil-importing countries could resist the rise in oil prices.

**Table 2: Economic growth in the neighboring and COMESA countries (in %)**

Description	2001	2002	2003	2004	2005	2006
<b>Africa</b>	<b>4.1</b>	<b>3.6</b>	<b>4.6</b>	<b>5.5</b>	<b>5.4</b>	<b>5.4</b>
Angola	3.1	14.4	3.3	11.2	20.6	14.3
Burundi	2.1	4.5	-1.2	4.8	0.9	6.1
Comoros	2.3	2.3	2.5	-0.2	4.2	1.2
Djibouti	2.0	2.6	3.2	3.0	3.2	4.2
Eritrea	9.2	0.7	3.0	3.5	4.8	2.0
Ethiopia	7.7	1.6	-3.1	12.3	8.7	5.4
Kenya	4.7	0.3	2.8	4.6	5.7	5.4
Madagascar	6.0	-12.7	9.8	5.3	4.6	4.7
Malawi	-4.1	2.1	3.9	5.1	2.1	8.4
Mauritius	7.1	3.5	3.6	4.5	3.4	3.4
Namibia	2.4	2.5	3.5	5.9	3.5	4.5
DRC	-2.1	3.5	5.8	6.6	6.5	6.5
<b>Rwanda</b>	<b>6.7</b>	<b>9.4</b>	<b>0.9</b>	<b>4.0</b>	<b>6.0</b>	<b>6.5*</b>
Seychelles	-2.2	1.3	-6.3	-2.0	-2.2	-1.4
Sudan	6.5	6.3	4.9	5.2	7.9	12.1
Swaziland	1.6	2.9	2.4	2.1	1.9	1.2
Tanzania	6.2	7.2	5.7	6.7	6.8	5.9
Uganda	4.8	6.9	4.4	5.7	6.0	5.5
Zambia	4.9	3.3	5.1	5.4	5.1	6.0
Zimbabwe	-2.7	-4.4	-10.4	-3.8	-6.5	-5.1

**Source:** IMF, World Economic Outlook, September 2005, P.212.

\* Ministry of Finance and Economic Planing

### 1.1.2. Inflation

On the worldwide level, the inflationary pressures calmed down in the last month of 2006 with a decline in oil prices. In developed countries, the inflation rate was estimated to be slightly higher than that of the previous year, since it increased from 2.3% to 2.6% in 2005 and 2006 respectively.

In the United States, while the inflation rate had been 4.2% and 3.8% respectively in the second and third quarters, it was estimated at 3.6% throughout the year 2006 compared to 3.4% in the previous year. Indeed, even if it remained contained, the rise in the production prices impacted on the price level.

In the Euro Zone, the harmonized consumer price index was 1.9% in December 2006, following a level of more than 2% experienced during the first two quarters. This

performance was mainly due to the decline in energy prices that had been going on since September 2006. On annual average, the inflation rate was 2.3% compared to 2.2% in 2005.

**Table 3: Inflation by region (annual % change)**

Description	2001	2002	2003	200	200	2006
Advanced Economies	2.1	1.5	1.8	2.0	2.3	2.6
United States	2.8	1.6	2.3	2.7	3.4	3.6
Euro Zone	2.3	2.3	2.1	2.1	2.2	2.3
Japan	-0.7	-1.0	-0.3	-	-0.6	0.3
Other Advanced Economies	2.1	1.7	1.8	1.7	2.1	2.3
Other Emerging Markets and Developing Countries	6.7	5.9	5.8	5.6	5.3	5.2
Africa	12.2	9.6	10.7	8.0	8.5	9.9
Asia	2.7	2.1	2.5	4.1	3.5	3.8

Source: IMF, World Economic Outlook, September 2005, P. 216.

In Japan, consumer prices slightly increased seven consecutive times over one year by a rate of 0.3% in November. The annual increase in consumer prices was estimated at an average of 0.3% in 2006, compared to -0.6% during the previous year.

In developed market economies of Asia, the inflation estimated at 3.8% end 2006 remained stable throughout the year against 3.5% in 2005.

In Africa and elsewhere in the world, inflation experienced a slight rise on average and stood at 9.9% at the end of 2006 compared to 8.5% in 2005.

Concerning the raw materials market, the energy prices were characterized by a strong volatility throughout the year. The oil price which was US\$ 62.2 in January increased from USD 74.4 to USD 78.2 per Brent crude barrel respectively in May and August 2006. However, the last months of the year were marked by downward oil price trends, which fluctuated between USD 58 and USD 62 in October and November. This volatility of oil prices was linked to the climatic changes, geopolitical tensions prevailing in the oil-producing countries, and lack of investments in oil refining. Particularly, in the year 2006, OPEC's announcement of the reduction in oil production from November and the relatively significant decline in American stocks impacted on the rise in oil prices. Nevertheless, the lenient climatic conditions and the divergent opinions on OPEC's capacity to reduce the production led to the decrease in oil prices.

Concerning non-energy raw materials prices, they significantly went up in October and November, but the increase in foodstuffs prices, particularly cereals, more than compensated for the fall in the prices of non-ferrous metals. In November, the prices in dollars of raw materials, excluding energy, experienced a new record of 34% higher than that of the previous year.

## I.2. WORLD TRADE

During the year 2006, the dynamism of the world trade grew stronger, following a deceleration in the beginning of 2005. However, some economic uncertainties remained, particularly in relation to the volatility of the prospects for consumption and employment in European countries. According to the IMF estimates, the real growth of the world trade was 8.9% at the end of 2006. According to the same estimates, the world export of goods and services increased by 8% in developed countries and by 10.7% in emerging and developing countries, compared to the respective rates of 5.5% and 11.8% recorded in 2005. Likewise, the volume of imports increased by 7.5% in developed countries and 13% in emerging and developing countries. Concerning the terms of trade, they depreciated for the third consecutive time by 0.9% at the end of 2006 in developed countries, while improving in emerging and developing countries by 4% in 2006, compared to 4.5% in 2005.

**Table 4: Developments of the world trade (annual % change)**

Description	2001	2002	2003	2004	2005	2006
Trade in goods and services						
- Volume	0.1	3.4	5.3	10.6	7.4	8.9
- Price deflator in USD	-3.3	1.2	10.5	9.7	5.4	4.6
- Trade in volume						
- Exports						
Advanced economies	-0.9	2.2	3.3	8.8	5.5	8.0
Emerging markets and developing countries	3.6	6.7	10.8	14.6	11.8	10.7
- Imports						
Advanced economies	-0.1	2.6	4.0	9.1	6.0	7.5
Emerging markets and developing countries	3.3	6.5	10.2	16.4	11.9	13.0
- Terms of trade						
Advanced Economies	0.2	0.8	0.9	-0.2	-1.3	-0.9
Emerging markets and developing countries	-3.2	1.2	0.8	2.7	4.5	4.0
Trade in goods						
World trade						
- Volume	-0.3	3.7	6.3	10.9	7.5	9.4
- Price deflators in USD	-3.8	0.6	10.1	9.9	6.1	4.8
World trade prices in USD						
- Manufactured products	-3.7	2.4	14.2	9.4	3.6	2.2
- Petroleum products	-13.8	2.5	15.8	30.7	41.3	29.7
- Non petroleum products	-4.9	1.7	6.9	18.5	10.3	22.1

**Source:** IMF, World Economic Outlook, September 2005, P.233.

At the same time, the volume of world trade in goods increased by 9.4% in 2006 compared to 7.5% in the previous year. As for the development of trade in goods by sector, it was very influenced by the relative increase in prices. Thus, the manufactured products and oil experienced a significant decline in the growth rate of their prices, which rose by 2.2% and 29.7% respectively at the end of 2006, against 3.6% and 41.3% in 2005. As regards non energy basic commodities, their prices improved significantly at a progressive rate of 22.1% in 2006, compared to 10.3% in the previous year.

**Table 5: Foreign trade in goods of sub-Sahara African countries (annual % change)**

Description	2001	2002	2003	2004	2005	2006
Value in US dollars						
Exports	-6.4	2.6	26.3	30.3	27.1	22.0
Imports	1.2	10.7	25.1	26.2	21.1	16.7
Exports	1.5	1.7	7.3	7.5	5.5	4,5
Imports	6.6	9.7	8.6	9.1	12.4	11,4
Unit value in US dollars						
Exports	-7.8	1.2	18.0	21.2	20.6	17.1
Imports	-4.8	2.8	17.8	15.6	8.2	4.9
Terms of trade	-3.1	-1.6	0.1	4.8	11.4	11.6

**Source:** IMF, World Economic Outlook, September 2005, P.237.

The African trade in goods remained constant even if their growth rate significantly came down in volume and value. The growth rate of African real exports was 4.3% at the end of 2006, against 5.2% in 2005, while real imports increased by 10.5% against 10.7% over the same period. The terms of trade remained favorable for Africa whose exports mainly consisted of basic commodities.

This same trend remained valid for sub-Saharan Africa whose trade was appreciably influenced by the relative price developments. Exports, just as imports in nominal terms, remained sustained, but their growth rate was very appreciably reduced from 27.1% to 22.0% for exports and from 21.1% to 16.7% for imports between 2005 and 2006. Likewise, the trends of the volume of exports and imports followed the same trend as the value in exchanges, that is the respective rates of growth of 4.5% and 11.4% in 2006, against 5.5% and 12.4% in 2005. Export prices increased more quickly than import prices, and the terms of trade improved by 11.6% compared to the previous year.

### I.3. INTEREST RATES AND CAPITAL MARKETS

Within the context of constant world economic growth, central banks adjusted their monetary policy. Therefore, in order not to exceed the targeted inflation rate, the European Central Bank (ECB) applied a tight monetary policy consistent with the amount of liquidity in the economy, the amount of credit and the very low levels of interest rates in relation to other economic indicators. On December 7, 2006, the Board of Governors increased by 25 basis points of the EBC's reference rate, and the discount rate therefore reached 3.5%, while the facility rate for the marginal loan rose to 4.5%. For the whole year 2006, the leading interest rate of the EBC was 2.8% on average. Short-term as well as long term interest rates followed the same trend, standing respectively at 3.1% and 4.1% in 2006, compared to 2.2% and 3.4% in 2005. Nevertheless, the rise in short- and long-term interest rates had only a limited impact on the monetary developments at the end of 2006. The yield of public bonds increased over 10 years, following the growing optimism of economic operators as regards the improvement in short- and medium-term economic outlook.

On December 12, in the United States, the Board of Governors of the Federal Reserves Bank decided to maintain their reference rate at 5.25%. However, this decision had only a very limited impact on the yield of the public bonds whose rate passed from 4.28% to 4.79% from 2005 to 2006. For a period of three months, the rates appreciably increased, passing from 3.2% to 5.1% between 2005 and 2006, and the 10-year interest rates followed the same trend, rising to 5.1% in 2006 against 4.3% in 2005. The inflationary forecasts, the steadiness of the risk premium and the best economic outlook that prevailed over the year 2006 led to a very positive yield.

In its meeting of December 18-19, 2006, the Japanese Central Bank decided to maintain its reference rate at 0.25%. Since the bank gave up the zero rate policy in September 2001, the new interest rate has not yet changed. The decision to raise the buying rates would consolidate a monetary policy that is in harmony with the price dynamics whose objective is to get out of deflation. Thus, for a period of three months, the average deposit rate rose from 0% to 0.4% from 2005 to 2006. At the same time, long-term rates slightly increased to 1.9% in 2006, compared to 1.4% in 2005.

**Table 6: Interest rates development (annual % changes)**

Description	2001	2002	2003	2004	2005	2006
<b>LEADING INTEREST RATE</b>						
- United States	1.8	1.2	1.0	2.2	4.2	5.2
- Japan	0.0	0.0	0.0	0.0	0.0	0.2
- Euro zone	3.3	2.8	2.0	2.0	2.3	2.8
- United Kingdom	4.0	4.0	3.8	4.8	4.5	4.5
- Canada	2.3	2.8	2.8	2.5	3.3	4.3
<b>SHORT-TERM INTEREST RATES</b>						
Advanced economies	3.2	2.0	1.6	1.8	2.5	3.8
- United States	3.5	1.6	1.0	1.4	3.2	5.1
- Japan	0.0	0.0	0.0	0.0	0.0	0.4
- Zone euro	4.3	3.3	2.3	2.1	2.2	3.1
- United Kingdom	5.0	4.0	3.7	4.6	4.7	4.7
- Canada	3.9	2.6	2.9	2.2	2.3	4.2
- Newly Industrialized Asian countries	3.6	2.7	2.3	2.2	2.3	4.1
<b>LONG-TERM INTEREST RATES</b>						
Advanced economies	4.4	4.2	3.6	3.7	3.6	4.3
- United States	5.0	4.6	4.0	4.3	4.3	5.1
- Japan	1.3	1.3	1.0	1.5	1.4	1.9
- Euro zone	5.0	4.9	3.9	3.8	3.4	4.1
- United Kingdom	5.0	4.8	4.5	4.8	4.3	4.6
- Canada	5.5	5.3	4.8	4.6	4.1	4.4
- Newly Industrialized Asian countries	5.0	4.8	3.9	3.7	3.8	5.2

(\*) August 2006

Source: IMF, World Economic Outlook, September 2006, P. 229.

On the foreign exchange market, after a long period of stability, the American dollar showed a depreciation trend compared to other major hard currencies. Thus, the last quarter of 2006 was characterized by the revaluation of the euro against the dollar, due to the signs of downturn in economic activity in America, while in Europe the economic growth was maintained at a steady pace. Over the first three quarters of 2006, the dollar depreciated by 3.5%, against the euro, in relation to the average of the year 2005. On annual average, the euro was worth US dollars 1.250 in 2006, compared to 1.246 in 2005.

On the other hand, at the end of 2006, the dollar appreciated by 0.05% against the English pound, that is by respective exchange rates of £ 1.820 per US dollar in 2006, and £ 1.821 per US dollar in 2005. The yen depreciated at an annual average rate of 4.8% against the American dollar in 2006 because of the economic operators' forecasts with regard to the Japanese monetary policy. It was the second year of depreciation of the yen against the dollar, and more strongly against the euro.

**Table 7: Exchange rates of major hard currencies (in currency units)**

Description	2000	2001	2002	2003	2004	2005	2006
	(US dollar per currency unit)						
Euro	0.92	0.90	0.94	1.13	1.24	1.25	1.26
Pound Sterling	1.52	1.44	1.50	1.63	1.83	1.82	1.84
	(National currency unit per US dollar)						
Canadian Dollar	1.49	1.55	1.57	1.40	1.30	1.21	1.13
Japanese Yen	107.7	121.5	125.2	115.8	108.1	110.0	116.3

Source: IMF, World Economic Outlook, September 2005, P.230.

## Chapter II: NATIONAL ECONOMIC DEVELOPMENT

### II.1 REAL SECTOR

#### II.1.1 GROSS DOMESTIC PRODUCT

##### 1. GDP RESOURCES

Real GDP grew by 6.5% in 2006 compared to the previous year. This growth resulted from the good performance in the secondary and tertiary sectors, which increased by 17.7% and 7.4% respectively; while that of the primary sector remained rather moderate with an increase of 0.6%. GDP per capita in Rwandan Francs at current prices improved by 19.8%, rising from 151.334 to 181.288 thousands RWF between 2005 and 2006. Expressed in USD, the GDP per capita increased by 21.9%, rising from USD 271 to USD 331, due not only to the economic growth achieved in 2006, but also to the appreciation of the Rwandan franc against the US dollar.

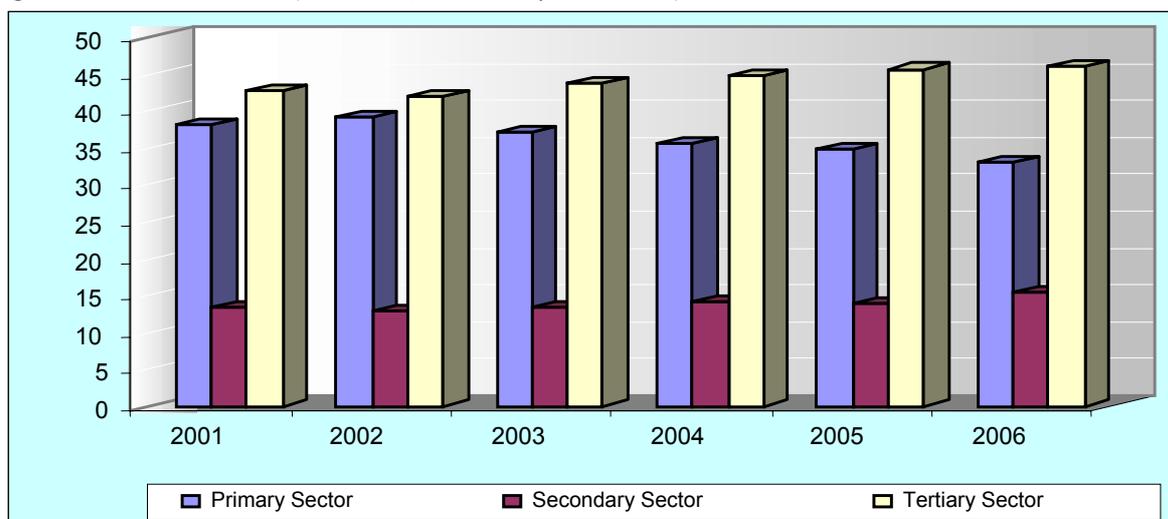
Table 8: Developments in resources and uses of GDP (in billion RWF, at constant prices of 2001)

Description	2001	2002	2003	2004	2005	2006
<b>RESOURCES</b>						
Primary Sector	283	323	307	309	325	327
Secondary Sector	99	106	110	123	130	153
Tertiary Sector	317	345	361	389	425	456
Imputed bank service charges	-13	-12	- 14	- 17	-18	-22
Import taxes	55	61	61	64	69	78
<b>GDP</b>	<b>742</b>	<b>823</b>	<b>825</b>	<b>869</b>	<b>931</b>	<b>992</b>
<i>Economic growth in %</i>	<b>8.5</b>	<b>11.0</b>	<b>0.3</b>	<b>5.3</b>	<b>7.2</b>	<b>6.5</b>
<b>USES</b>						
Final consumption	757	846	808	858	922	981
Investments	102	107	116	129	145	151
Exports (G&NFS)	63	64	72	89	95	102
Less imports (G&NFS)	180	194	170	207	232	242
<b>Memo item :</b>						
Current GDP per capita, in RWF	93 740	96 139	114 530	132 836	151 334	18 1288
in US\$	212	202	214	230	271	331

Source: MINECOFIN, Macroeconomics Department

As far as the structure of GDP is concerned, the tertiary sector was leading with 46.0% in 2006, followed by the primary and secondary sectors with 33% and 15% respectively.

Figure1: Resources structure (in % of GDP, at constant prices of 2001)



Source: MINECOFIN, Macroeconomics Department

## A. Primary Sector

The value added for the primary sector at constant prices of 2001 recorded a weak growth rate of 0.6% in 2006, compared to 5.2% achieved in 2005. This weak growth rate was due to the unfavourable climatic conditions which affected the agricultural production.

Table 9: Added value for the primary sector (in billion RWF, at constant prices of 2001)

Description	2001	2002	2003	2004	2005	2006
<b>Agriculture</b>	<b>276.9</b>	<b>318.3</b>	<b>303.5</b>	<b>303.8</b>	<b>318.5</b>	<b>318.5</b>
of which: - food crops	237.6	277.9	263.8	259.2	275.7	271.5
- cash crops	8.5	8.7	7.1	11.2	8.5	10.9
- livestock	17.6	18.1	18.6	19.1	19.6	21.0
- Fishing	2.9	2.9	3.0	3.1	3.2	3.2
- Forestry	10.4	10.7	11.0	11.2	11.5	11.8
<b>Mining</b>	<b>5.6</b>	<b>4.3</b>	<b>3.4</b>	<b>5.0</b>	<b>6.6</b>	<b>8.3</b>
<b>TOTAL</b>	<b>282.6</b>	<b>322.6</b>	<b>306.8</b>	<b>308.8</b>	<b>325.0</b>	<b>326.8</b>

Source: MINECOFIN, Macroeconomics Department

### A.1. Agriculture

The agricultural value added at constant prices of 2001 remained almost stagnant with +0.02% in 2006, compared with its level in 2005. It accounted for 7.3% of the total primary sector's value added.

## A) FOOD PRODUCTION

The value added for food production at constant prices of 2001 declined by 1.5% in 2006. In volume this production declined by 1.3% compared with the year 2005 ones. This lack of performance was due to the climatic changes that mostly affected cereals, market gardening and tubers whose production declined by 11.6%, 6.7% and 6.0% respectively.

In 2006, insufficient rainfall was observed almost throughout the country, apart from some districts in the Northern Province (former districts of BUTARO, NYAMUGARI and GICUMBI) and Western Province (KARONGI, RUBAVU and NYABIHU Districts), which experienced a more or less normal rainfall.

Table 10: Developments in food production (in thousand tons)

Description	2000	2001	2002	2003	2004	2005	2006
<b>Bananas</b>	2,151	2,103	2,785	2,411	2,470	2,528	2,654
<b>Tubers</b>	2,880	2,915	3,485	3,111	3,029	3,118	2,930
Sweet potatoes	1,026	1,137	1,292	865	908	885	777
Irish potatoes	954	989	1,039	1,100	1,073	1,314	1,285
Cassava	812	688	1 031	1 008	912	782	743
Cocoyam	88	101	123	139	136	137	125
<b>Cereals</b>	235	293	305	294	315	409	362
Sorghum	155	175	184	170	164	228	187
Maize	63	92	92	81	88	97	92
Rice (paddy)	11	18	22	28	46	62	63
Wheat	6	8	7	15	17	22	20
<b>Legumeneous plants</b>	252	330	290	288	244	252	334
Beans	215	290	247	240	198	200	283
Garden Peas	14	17	16	18	17	21	14
Groundnuts	15	16	10	10	11	15	9
Soy beans	7	7	17	20	18	16	27
<b>Market gardening and fruits</b>	83	186	234	714	693	920	858
<b>TOTAL</b>	<b>5,601</b>	<b>5,827</b>	<b>7,099</b>	<b>6,818</b>	<b>6,751</b>	<b>7,228</b>	<b>7,137</b>

**Source:** MINAGRI, Agricultural Statistics Department

### Cereals

After a year of good harvest, with an increase of 2.8%, cereals production recorded a decrease of 11.6% due to insufficient rainfall in 2006. In spite of the existence of cereal flour processing industries and the efforts of the administrative authorities to increase the production of cereals, sorghum, wheat and maize production decreased by 17.8%, 11.1% and 5.3% respectively. Nevertheless, rice recorded a slight increase of 1.5%. It should be noted that this crop has experienced an appreciable development during the last three years due to the national rice promotion policy.

## Tubers

The climatic conditions also affected all tuber crops, so that sweet potatoes, cocoyams, Irish potatoes and cassava production decreased by 12.2%, 8.5%, 5% and 2.2% respectively. In general, tubers' production declined by 6.0% in 2006, compared with the year 2005.

## Market gardening and fruits

In 2006, market gardening and fruits production declined by 6.7% when compared with 2005, following climatic conditions.

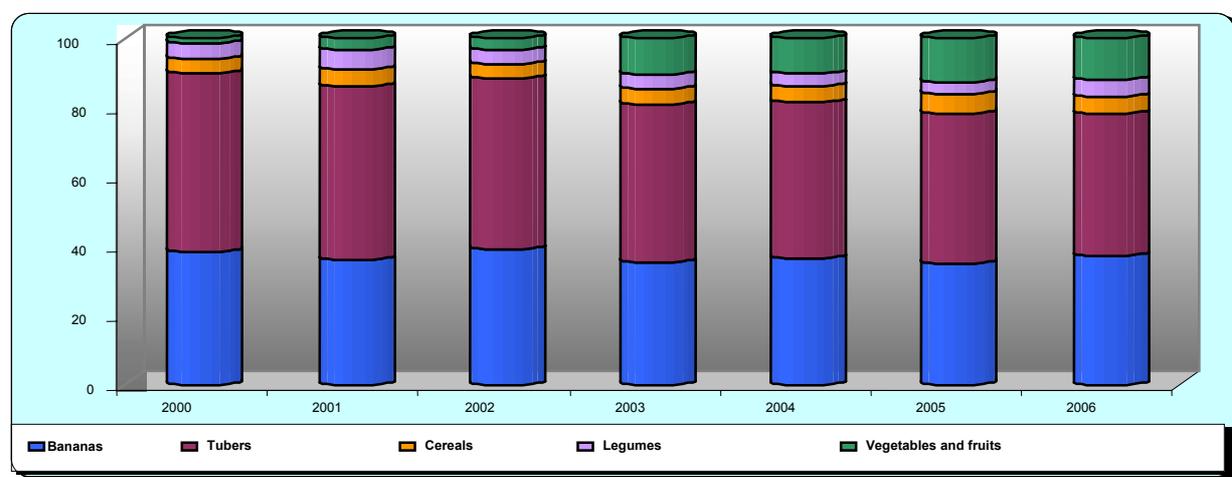
## Banana

Owing to Government's efforts to protect and diversify banana plantations, banana production improved these last years, rising from 2 528 to 2 654 thousands of tons, which is an increase of 5% between 2005 and 2006.

## Legumes

After a slight recovery in legumes' production in 2005, the year 2006 experienced a very good performance with a rise of 32.4%. This performance concerned beans and soya beans whose production increased by 41.7% and 69.6% respectively, while garden peas and groundnuts production recorded increments of 32.4% and 39.9% respectively.

Figure 2: Structure of food production (By category, in % of total production)



SOURCE: MINAGRI, Agricultural Statistics Department

## **b) Export crops**

Agricultural products remained the country's major exports to the international markets. Owing to coffee performance, value added in this branch of activity at constant prices of 2001, increased by 21.5% in 2006 compared with the year 2005.

### **Coffee**

Thanks in particular to a good policy of supervision of peasants by agriculture veterinaries and supply of pesticides and fertilizers, coffee production increased by 41.6% in 2006. With the increase of washing stations in almost all the regions of the country, the quality of Rwandan coffee also continues to improve. The operational washing stations increased to 84 in 2006 compared to 45 in 2005. It is worth noting that the long-term objective is to have enough washing stations to highly improve the quality of Rwandan coffee.

High quality coffee production known as "Fully washed" increased significantly, passing from 1,100 to 1,846 tons that is an increase of 67.8% between 2005 and 2006. Farmers as well as investors in this sector were extremely encouraged by the stability of coffee prices on international market which averaged US\$/kg 3.19 annually.

### **Tea**

Tea production rose by 3.1% in 2006 after the privatization of some manufacturing units made it possible to improve production and marketing of this crop. For instance, PFUNDA unit successively produced 1,245 tons in 2005 and 1,330 tons in 2006, compared to 920 tons in 2004, the year of its privatization.

### **Pyrethrum**

Pyrethrum production experienced a remarkable progress for the two consecutive years with an increase of 53.7% in 2006. It rose to 30 tons compared to 20 tons in the previous year, and only 1.4 tons in 2004. This performance was achieved due, inter alia, to the improvement in electricity supply by the end of 2005.

**Table 11: Exports crops production (in tons)**

Description	2001	2002	2003	2004	2005	2006
Marketable coffee	18,267	19,427	14,175	28,762	18,597	26,598
<i>Ordinary coffee</i>	18,799	19,397	13,841	28,246	17,497	24,752
<i>Fully washed coffee</i>		30	334	516	1,100	1,846
Dry tea	17,814	14,948	15,483	14,178	16,458	1,973
Pyrethrum extract	22	13	15	1.4	20	30

Source: OCIR THE, Statistics Department & OCIR CAFÉ, SOPYRWA

## A.2. Animal production

The value added of livestock production at constant prices of 2001 increased by 6.7% in 2006 compared with that of the year 2005. The livestock sub-sector improved by an increase of 7.3%, while fishing almost remained unchanged.

Indeed, thanks to the improvement in the breeds of cattle distributed to peasants by the Government project "One Cow One Household Program" financed by donors, milk production increased by 46%, rising from 133.8 to 195.38 million of litres between 2005 and 2006. Over the same period, meat production also recorded a remarkable rise of 28.3% of the total volume. This rise was explained by the fact that the large scale cattle-breeding areas (Eastern Province, especially former UMUTARA and KIBUNGO Provinces) did not experience a lot of cases of foot-and-mouth disease as in the previous years, and a good proportion of the livestock repatriated from Tanzania by the Rwandans who returned to the country was sold for slaughtering.

**Table 12: Animal production development**

Description	2001	2002	2003	2004	2005	2006
<b><i>Meat (in thousand tons)</i></b>	<b>35.1</b>	<b>37.1</b>	<b>41.5</b>	<b>43.6</b>	<b>53.6</b>	<b>68.7</b>
Cattle	9.9	10.7	12.5	14.2	13.1	19.0
Goats	5.5	6.5	6.7	6.7	9.2	13.6
Sheep	1.6	1.6	2.1	2.3	2.7	3.9
Pigs	16.5	15.3	17.3	16.2	25.5	28.6
Rabbits	0.5	0.6	0.5	0.7	0.7	0.9
Poultry	1.1	2.4	2.4	3.4	2.4	2.8
<b><i>Milk (in million litres)</i></b>	<b>36.2</b>	<b>73.9</b>	<b>127.1</b>	<b>132.2</b>	<b>13.8</b>	<b>195.3</b>
<b><i>Eggs (in tons)</i></b>	<b>589</b>	<b>1256</b>	<b>1284</b>	<b>1805</b>	<b>1251</b>	<b>1303</b>

Source: MINAGRI

Rwandan livestock diversified recently and its total number increased by 53.9% in 2006 compared with the year 2005. Thanks to the current government policy aimed at promoting quality breeding, the total improved breeds represented 10% of cows, 6% of goats, and 3% of poultry in 2006.

Artificial inseminations were practiced as well on local cows, goats and sheep. Cows recorded an increase of 14.9% in 2006 compared with the previous year.

After a decline of 29.8% in 2005 due to increased consumption after putting a ban on the importation of poultry meat to avoid any risk of bird flu, total number of poultry quickly rebounded and increased by 42.1% in 2006.

Thanks to the promotion of small animal breeding, mainly by different NGOs operating in rural areas to support poor families, goats, sheep and pigs also experienced a remarkable rise in total number, rising to 111.1%, 74.5% and 37.2% respectively in 2006, compared with the year 2005.

Table 13: Development in total number of livestock (in thousand heads)

Description	2001	2002	2003	2004	2005	2006
Cattle	796	815	980	1 004	1 004	1 154
Goats	829	920	941	1 264	1 340	2 828
Sheep	262	301	352	470	464	810
Pigs	186	208	212	327	347	476
Poultry	755	2 432	2 481	2 041	1 434	2 038
Rabbit	458	489	498	520	519	517

Source: MINAGRI

### A.3. Forestry

For some time, the government's environment protection policy through the limitation of forestry exploitation had a significant impact on the development of the forestry production. The limitation of the forestry exploitation led to an almost stagnant value added of the forestry for more than 5 years. Nevertheless, thanks to the acceleration of the decentralization policy in 2006, local governments could better organize forestry exploitation activities, which resulted in a slight increase of their value added by 2.6% at constant prices of 2001 compared with the previous year.

### A.4. Mining

The value added of the mining sector at constant prices of 2001 increased by 26.8% in 2006, compared with the year 2005. This was attributed to a big rise of 157.7% in Wolfram production in 2006.

On the other hand, tin and Coltan production declined by 15.4% and 31.8% respectively, compared with the year 2005. This led to a slight rise of 1.8% in the total mining production in 2006, which implies that the rise in this sector’s value added is much more bound to the improvement in ore prices and/or declining in their mining costs.

Table 14: Production of major precious metals development (in tons)

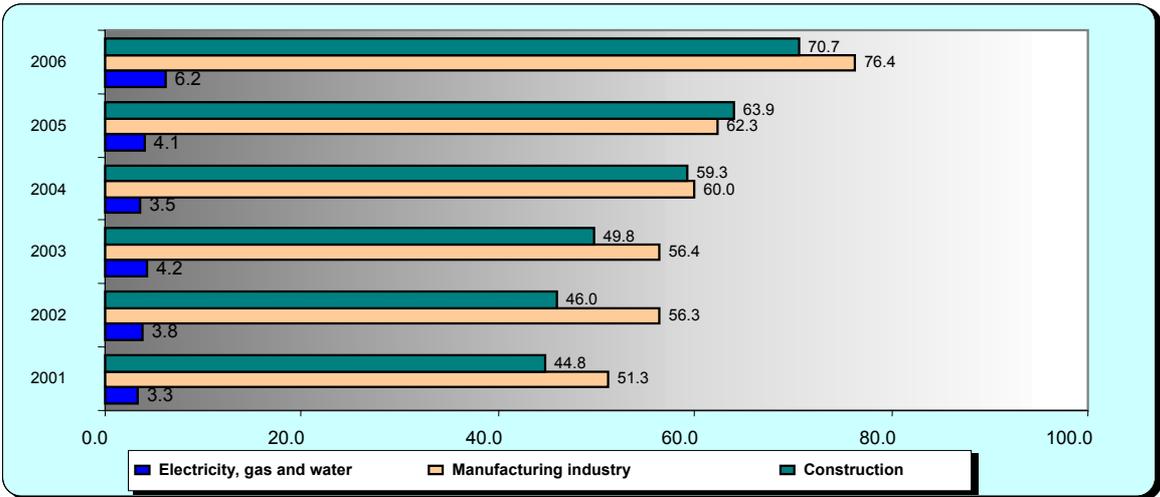
	2000	2001	2002	2003	2004	2005	2006
Tin	365	555	672	1,458	354	4,532	3,835
Colombo Tantalite	360	395	277	187	220	276	188
Wolfram	144	162	325	120	157	557	1,436
<b>TOTAL</b>	<b>869</b>	<b>1,112</b>	<b>1,274</b>	<b>1,765</b>	<b>3,931</b>	<b>5,365</b>	<b>5,459</b>

Source: MINITERE, Mining and Geology Department

**B. Secondary sector**

During the year 2006, the valued added of the secondary sector at constant prices of 2001 rose by 17.7%, mainly due to manufacturing industry’s good performance, whose value added increased by 22.6%. The added value in “Construction and Public Works” branch also recorded a considerable increase of 10.7%, while that of electrical energy production strongly increased by 52.0%. However, this rise does not reflect a sustainable solution to the energy crisis that the country has been undergoing for three years, but rather represents the use of additional generators that were installed during the year 2006.

Figure 3: Value added in secondary sector by branch of activity (in billion RWF, at constant prices of 2001)



SOURCE: MINICOFIN, Macroéconomics Department

## B.1. Manufacturing industry

During the year 2006, the manufacturing industry evolved under relatively better conditions compared with the previous years, mainly due to the increase in electricity supply and the removal of taxes on raw materials and imported capital goods. The value added of this branch of activity at constant prices of 2001 recorded a rise of 22.6% in 2006, and its contribution to the value added in the secondary sector rose from 48.0% to 50.0% from one year to another.

Table 15: Manufacturing value added per type of industry (in billion RWF, at constant prices of 2001)

Description	2001	2002	2003	2004	2005	2006
Food, drinks, and tobacco	32	35	33	36	39	51
Chemicals	3	3	4	4	4	5
Wood, paper, printing, and edition	1	2	2	2	3	2
Non metallic	6	6	7	7	7	7
Textiles	4	4	4	4	4	4
Others	6	6	8	8	7	8
<b>TOTAL</b>	<b>51</b>	<b>56</b>	<b>56</b>	<b>60</b>	<b>62</b>	<b>76</b>

SOURCE: INSR, StatisticS

Total manufacturing production increased by 14.1% in 2006, largely due to alcoholic and nonalcoholic drinks' production which accounted for 34.0 % of the sub-sector's production. Their total production increased by 27.4% in 2006, following the introduction of two new products and the improvement in marketing policy. Paints and cement's production also recorded a respective growth of 12.0% and 5.1% in volume.

However, tobacco production experienced a decline of 8%, following the termination in the middle of the year of TABARWANDA's activities, the only one cigarette factory that existed up to that time, and its delocalization to Kenya shortly after its privatization to foreigners. Nevertheless, a new factory was born at the same time, which largely cushioned the decline in the production of cigarettes.

**Table 16: Evolution of the major industrial production (in tons, unless otherwise indicated)**

Description	2000	2001	2002	2003	2004	2005	2006
Animal feeds	3 118	3 264	3 362	3 563	3 670	3 340	3 340
Modern beer (in thousand litres)	44 244	47 961	53 993	41 228	43 795	54 053	70 218
Confectionaries	12 600	12 978	13 367	13 902	15 292	16 821	18 167
Soft drinks (in thousand litres)	20 778	22 842	21 407	19 279	21 650	28 653	35 152
Tobacco (in million units)	327	278	391	324	365	373	343
Textiles (in metres)	9 934	10 431	3 684	4 254	3 957	3 698	3 532
Hides and Skins	1 742	1 829	1 983	2 728	2 150	3 138	3 527
Paints	1 041	1 363	1 745	2 422	2 274	2 114	2 367
Cement	70 716	88 161	100 568	110 104	104 288	101 127	10 6253
Corrugated iron sheets	5 435	4 532	3 993	5 191	6 022	6 684	7586
Coffee	16 098	18 268	19 546	13 805	28 762	18 597	26 341
Tea	1 4481	17 817	15 879	15 437	14 193	16 457	16 973
Sugar	1 068	6 363	6 589	6 791	8 256	9 972	9862
Soaps	5 867	4 043	5 571	7 880	7 412	6 530	6 428
PVC tubes	3 578	3 864	3 091	4 328	4 692	4 960	5 310

**SOURCE:** INSR, Macroéconomics Statistics

## B.2. Electricity, gas and water supply

The use of additional power generators in 2006 resulted in an increase of the value added by 52.0% at the 2001 constant prices of electricity and water supply. Electricity supply increased to 168 million of kWh compared to 116 million of kWh in 2005 that is an increase of 45.3%.

Water supply almost remained stagnant for the three consecutive years in spite of its low level in relation to the high demand. This is a very alarming situation in view of the low degree of satisfaction of the population's drinking water requirements in cities and rural areas. Nevertheless, it is hoped that the planned big projects to build new water purifying stations at KARENGE and NYABARONGO will bring about a sustainable solution to this problem.

**Table 17: Production and availability of electricity, gas and water**

Description	2000	2001	2002	2003	2004	2005	2006
1. Electricity (in million kWh)							
National production	110	89	93	118	91	116	168
Exports	1	1	8	3	2	2	2
Imports	94	122	136	121	116	89	64
Electricity available	203	209	226	235	204	203	230
2. Treated water (in million m3)	16	16	17	18	16	16	16
3. Methane gas (in million Nm)	1,4	0,8	0,9	0,3	0,14	0,17	0,0

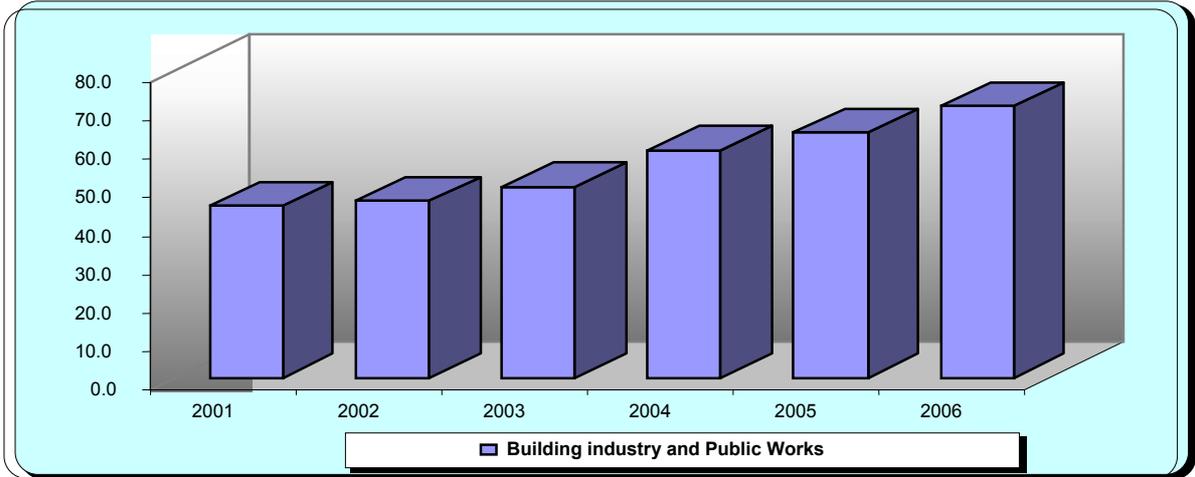
**SOURCE:** ELECTROGAZ & METHANE GAS PRODUCTION UNIT

Concerning the extraction of methane gas, it is worth to point out that the small extraction unit on the Lake Kivu terminated its activities in 2006. Built in 1963, it was too obsolete and extraction cost had become increasingly unbearable. The extraction process will resume only with the implementation of a new big project which is still under consideration to extract methane in view of power energy.

### B.3. Construction and Public Works

Construction and public works branch is increasingly becoming significant in the industrial sector since it accounted for 46.0% of its added value at constant prices of 2001. In 2006, this sector recorded an increase of 10.7% of its added value at constant prices of 2001, against 7.7% in 2005. This growth was primarily due to the construction and rehabilitation of road and housing infrastructures.

Figure 4: Value added of the construction and public works branch (in billion RWF, at constant prices of 2001)



SOURCE: MINECOFIN, Macroeconomics Department

### C. Tertiary Sector

In 2006, the value added at constant prices of 2001 of the tertiary sector increased by 7.4%, primarily generated by commercial activities, public administrations and financial services. The contribution of this sector to the 2006 GDP, at 2001 constant prices, amounted to 46.0%, which is the same rate as the previous year.

Table 18: Value added in tertiary sector (in billion frw, at 2001 constant prices)

Description	2001	2002	2003	2004	2005	2006
<b>Tradable services</b>	<b>256.3</b>	<b>282.4</b>	<b>292.8</b>	<b>319.5</b>	<b>350.7</b>	<b>375.8</b>
Domestic trade	80.5	86.9	85.8	92.2	101.1	108.1
Transport and communication	43.1	47.5	47.5	53.1	58.8	61.7
Finance and insurance	22.0	23.0	29.9	35.0	38.7	47.6
Property and business services	72.3	75.9	80.1	82.5	89.4	93.8
Others	38.3	49.1	49.5	56.7	62.8	64.5
Education	25.6	35.4	33.4	39.6	46.5	47.7
Health	12.7	13.7	16.1	17.1	16.3	16.7
<b>Non tradable services</b>	<b>61.1</b>	<b>62.9</b>	<b>68.1</b>	<b>69.8</b>	<b>74.2</b>	<b>80.6</b>
Public administration	55.0	56.0	60.2	61.5	64.1	69.3
NPIs & NGOs	6.1	6.8	7.9	8.3	10.1	11.3
<b>Total</b>	<b>317.4</b>	<b>345.2</b>	<b>360.9</b>	<b>389.3</b>	<b>424.9</b>	<b>456.4</b>

**SOURCE** : MINECOFIN, Macroeconomics Department

### C.1. Tradable services

Commercial services contributed more than 80% of the tertiary sector value added. In 2006, its major components like finance, trade, transport and communications significantly improved, recording respective increments of 23.0%, 7.0% and 5.0% in value added, at 2001 constant prices.

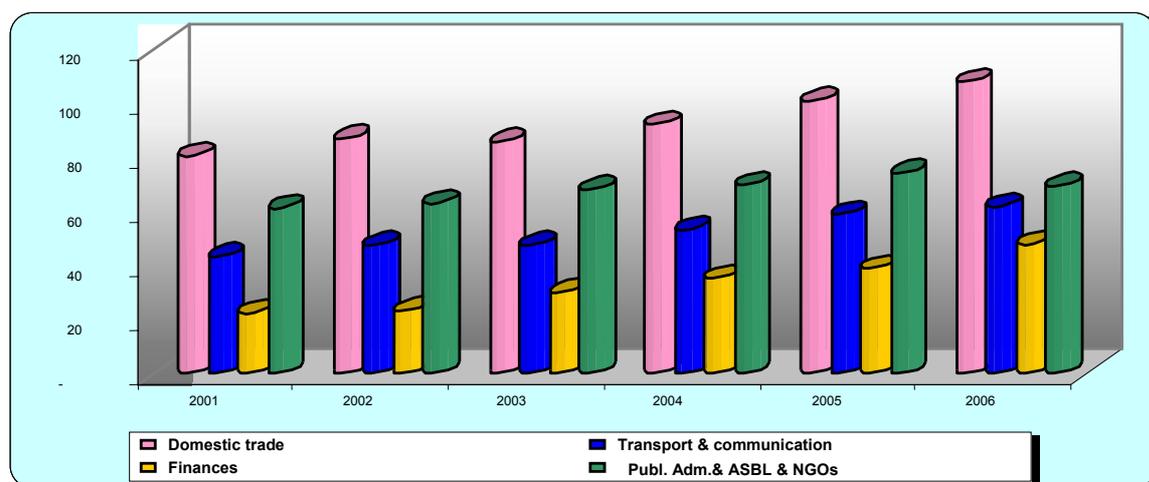
Education and health sub-sectors' added value increased at the same rate of 2.6%, and their respective share in total value added of tertiary sector stabilized at around 14%. On average, the value added for all tradable services increased by 7.1%, which is certainly a good performance, but remain lower than the rate of 10% recorded in 2005.

### C.2 Non tradable services

The value added of noncommercial services increased by 8.6% in 2006, and accounted for 17.7% of the value added of the tertiary sector. These are the services rendered collectively to the community by the public administration as well as various associations and non-profit institutions.

The value added of public administration, which is the most significant activity of the sub-sector, recorded a growth rate of 8.2% in 2006, following the Public Service's wage increase.

**Figure 5: Value added for major tertiary sector activities** (in billion RWF, at constant prices of 2001)



**SOURCE:** MINECOFIN, MACROECONOMICS DEPARTMENT

## 2. GDP USES

Final consumption increased by 23.7% at the current prices in 2006, compared to the year 2005. This increase was much more due to private sector final consumption, which rose to 27.2% against 22.9% for the public sector consumption.

**Table 19: Structure of GDP uses** (in billion RWF, at current prices)

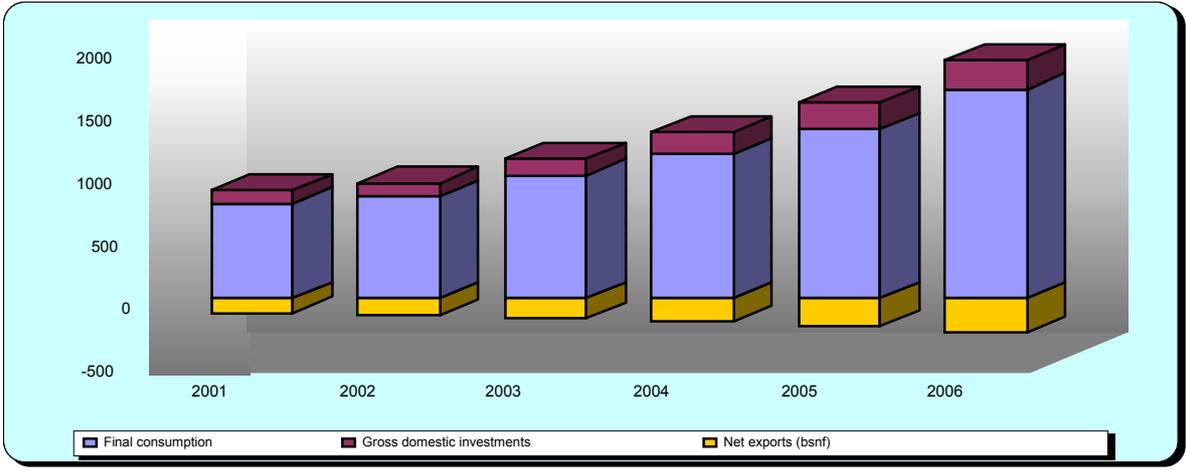
Description	2001	2002	2003	2004	2005	2006
<b>Final consumption expenditure</b>	<b>757</b>	<b>811</b>	<b>982</b>	<b>1,152</b>	<b>1,348</b>	<b>1,668</b>
Public administration	139	152	182	206	239	304
Private (including changes in stock)	619	659	800	946	1110	1364
<b>Gross domestic investments</b>	<b>102</b>	<b>106</b>	<b>133</b>	<b>171</b>	<b>209</b>	<b>235</b>
Gross capital Formation	102	106	133	171	209	235
Construction	73	74	91	124	146	166
Equipments (durable goods)	28	31	42	47	63	69
<b>Resource Balance</b>	<b>-117</b>	<b>-136</b>	<b>-160</b>	<b>-185</b>	<b>-226</b>	<b>-271</b>
Exports (G&NSF)	63	54	75	115	136	142
Goods (fob)	41	32	34	56	70	76
Non factor Services	21	22	41	59	67	66
Imports (G&NSF)	180	189	235	301	362	413
Goods (fob)	102	101	125	163	203	226
Non factor services	78	89	110	138	160	187
<b>Nominal GDP</b>	<b>742</b>	<b>781</b>	<b>955</b>	<b>1,138</b>	<b>1,332</b>	<b>1,632</b>

**SOURCE :** MINECOFIN, Macroeconomics Department

Gross domestic investment at current prices also increased by 12.2% compared to the 2005 level. Private sector investment increased by about 33.0% against 10.3% in 2005. This investment primarily took place at the level of real estate and industry sectors.

On the other hand, the level of public investments did not vary much compared to the year 2005; they increased only by 0.7% in 2006 after a significant rise of 39.2% the previous year during which significant investment was achieved mainly in road infrastructure sector.

**Figure 6: The structure of GDP uses** (In billion RWF, at current prices)



**Source:** MINECOFIN, Macroeconomics Department

Like in the previous years, the balance of non factor resources was in deficit in 2006. It amounted to 16.6% of GDP, against 17.0% the previous year. This situation was the result of the faster increase in imports compared with exports. Indeed, between 2005 and 2006, imports increased by 14.2% against a rise of 4.4% in exports.

**II.1. 2 PRICES**

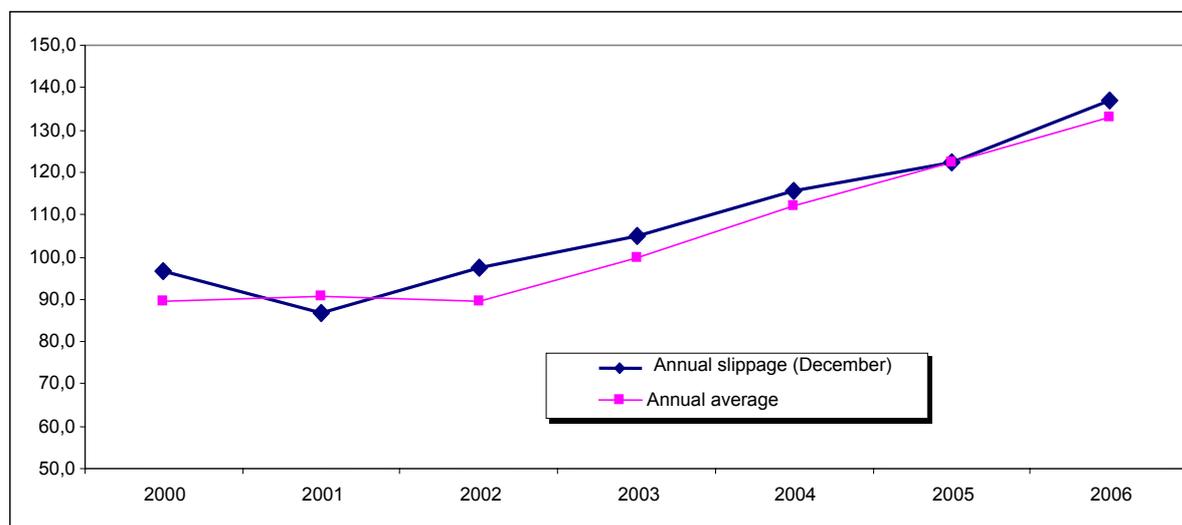
**1. CONSUMER PRICES**

**A. OVERALL INFLATION**

During the year 2006, inflation worsened compared to the year 2005. In terms of year to year basis, inflation rose to 11.9% in December, compared to 5.6 in the same month of the year 2005. On annual average, total inflation reached 8.9%, against 9.1% in 2005. Excluding "foodstuffs and soft drinks" which are very important within the household basket of goods and whose prices rose by 19.4% on average, other categories of goods and services that went up included "teaching" with 21.2%, following the increase in the school fees, "housing,

water, gas, electricity and other fuels" whose average price increased by 10.3% as well as "transport" which went up by 7%.

Figure 7: Inflation developments, in % (CPI, base 2003=100)



Source: NBR, Research Department

Table 20: Consumer price index evolution in % (base 2003=100)

Category	Weighting	2005	2006				2006
			Quarter 1	Quarter 2	Quarter 3	Quarter 4	
<b>1. Foodstuffs, nonalcoholic drinks</b>	3 709	1.3	11.9	3.3	3.1	1	19.4
- Bread and cereals	625	-8.5	9.4	9.1	-5.9	7.8	20.4
- Meat	345	3.4	2.9	2.2	-1.3	0.0	3.7
- Fish and seafoods	114	15.4	5.7	1.0	-4.6	3.6	5.7
- Legumes	1 332	2.0	22.3	2.1	9	-1	32.3
- Non alcoholic drinks	180	5.4	2.1	0.0	0.3	-0.6	1.9
<b>2. Alcoholic drinks and tobacco</b>	221	3.6	0.5	0.3	0.4	1.5	2.8
<b>3. Clothing items and shoes</b>	500	-0.3	0.5	0.8	-0.4	-0.6	0.3
<b>4. Housing, water, gas, electricity and others fuels</b>	1 579	20.8	7.4	3.6	0.1	-0.8	10.3
<b>5. Furniture, household items, and house maintenance</b>	764	3.2	0.9	-1.7	0.5	0.1	-0.2
<b>6. Health</b>	708	1.5	-0.6	0.9	-0.4	3.3	3.3
<b>7. Transport</b>	987	5.7	1.6	0.5	6.2	-1.3	7.0
<b>8. Communication</b>	37	0.2	0.9	0	0.5	22.4	23.8
<b>9. Culture and leisure</b>	206	4.6	0.4	-0.1	-0.4	-0.3	-0.5
<b>10. Education</b>	432	4.5	21.2	0	0	0.0	21.2
<b>11. Restaurants and hotels</b>	273	5.6	-4.3	3.8	7.3	1.3	8.0
<b>12. Miscellaneous goods and services</b>	584	4.3	0.6	0.1	0.3	-0.2	0.7
<b>Total</b>	10000						
<b>Inflation</b>							
Over the period		5.5	6.9	2.1	2.0	0.5	11.5
Annual basis for the previous month		5.6	6.8	9.4	9.3	12.0	11.9

Source: NBR, Research Department

Increase in household consumer prices accelerated particularly during the first quarter of 2006, mainly due to fresh food products, namely vegetables whose prices increased by 22.3%, following the drop in their supply, as a result of a decline in agricultural

production. This was due to climatic vagaries, which characterized the last quarter of the year 2005 and the early months of 2006.

Similarly, energy prices strongly increased (+11.0%) during the first half of the year, following an increase in oil and charcoal prices.

Table 21: Inflation development according to product origin (CPI change in % , base 2003=100)

	Weight- ing	2005						2006			
		Jan	Mar	Jun	Sep	Dec	Jan	Mar	Jun	Sep	Dec
<b>Products</b>	10000	118.2	122.4	122.1	124.6	122.2	124.3	130.8	133.5	136.3	136.9
Monthly changes		2.2	2.4	-0.5	0.9	0.2	1.8	1.5	0.9	1.0	0.8
Year to year basis		11.6	12.9	11.1	8.2	5.6	5.2	6.8	9.4	9.3	12.1
<b>Local products</b>	6956	119.2	125.2	122.8	126.4	123.6	127.7	136.1	137.5	141.4	142.0
Monthly changes		3.3	3.3	-0.4	1.1	0.2	3.3	1.5	1.1	1.6	1.1
Year to year basis		12.6	15.1	11.5	8.5	7.1	7.1	8.7	12.0	11.9	14.8
<b>Imported goods</b>	3044	117.9	118.0	120.3	120.5	118.7	118.7	120.7	123.4	123.8	124.0
Monthly changes		1.1	0.1	-0.7	0.5	0.1	0.1	1.3	0.2	-0.2	0.2
Year to year basis		11.0	9.5	9.7	6.9	1.7	0.7	2.3	2.6	2.8	4.5

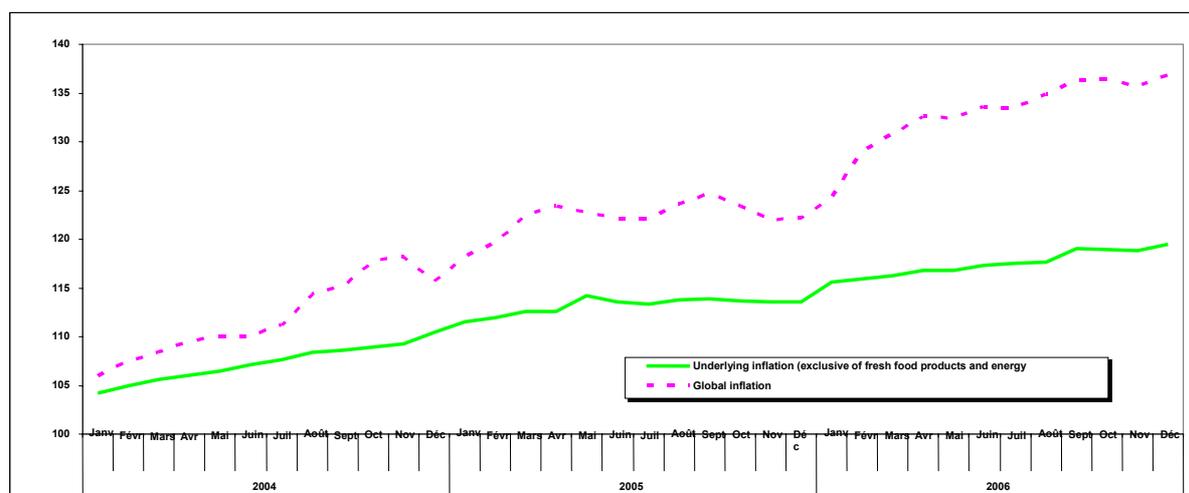
Source: NBR, Research Department

Unlike local products, the overall level of imported goods and services prices increased moderately by 4.5% in December 2006 on year to year basis, compared to only 1.7% in 2005. This follows prices stability in major trading partner countries of Rwanda that export these products on one hand, and on the other hand, the appreciation of Rwandan franc against the US dollar, which is the major transaction currency.

## B. UNDERLYING INFLATION

Unlike the previous periods, underlying inflation experienced an upward trend in 2006. On year to year basis, underlying inflation reached 5.2% in December, compared to 2.9% in the same month of the previous year. This rise in the underlying inflation which best reflect the effectiveness of monetary and foreign exchange policy implemented by the National Bank of Rwanda, shows that the inflationary tensions which marked the year 2006 was not only due to fresh food products and energy whose prices are very volatile, but also to other products and services. As already stated above, teaching, transport and communications are the most concerned.

Figure 8: Development of overall and underlying inflation (CPI, base 2003=100)



Source: NBR, Research Department

Table 22: Development of overall inflation and CPI of volatile products, in %

		2005					2006				
		Janv.	Mars	Juin	Sept	Déc.	Janv.	Mars	Juin	Sept	Déc.
<b>FRESH PRODUCTS INDEX</b>	<b>2 186</b>	127.2	140.8	133,1	137.0	124.4	127.8	147.4	152.2	159.7	162.4
Monthly changes		0.9	7.4	-0.8	-1.1	-3.1	2.7	8.0	3.9	-0.3	2.9
Year to year basis		16.5	26.5	16.9	3.4	-1.3	0.4	4.7	14.4	16.6	30.5
<b>ENERGIE INDEX</b>	<b>761</b>	154.2	161.1	169.8	188.9	195.7	195.8	218.1	229.3	227.7	223.8
Monthly changes		14.6	2.3	0.3	10.2	7.8	0.1	-4.3	-2.8	2.9	-1.2
Year to year basis		37.2	27.2	34.1	45.1	45.4	27.0	35.4	35.0	20.5	14.4
<b>UNDERLYING INDEX *</b>	<b>7 053</b>	111.5	112.6	113.6	113.9	113.6	115.6	116.2	117.4	119.0	119.4
Monthly changes		1.0	0.6	-0.5	0.1	0	1.8	0.3	0.5	1.1	0.5
Year to year basis		7.0	6.6	6.0	4.9	2.9	3.6	3.2	3.3	4.5	5.2
<b>OVERALL INDEX</b>	<b>10 000</b>	118.2	122.4	122.1	124.6	122.2	124.3	130.8	133.5	136.2	136.8
Monthly changes		2.2	2.4	-0.5	0.9	0.2	1.8	1.5	0.9	1.0	0.9
Year to year basis		11.6	12.9	11.0	8.2	5.6	5.2	6.8	9.4	9.3	12.0

\* Excluding fresh food products and energy

Source: NBR, Research Department

## 2. Foreign trade indices

### A. Import indices

Unlike the previous year, the average import value index decreased by 7.9% due to a stronger increase in the volume index, compared to the value indices which were 33% and 22.5% respectively.

As regards the volume index of consumer goods, it rose from 97.4 to 140.1, which is a rise of 43.8% compared to the value index of 25.6%, implying a decrease of 12.6% in average price index.

Table 23: Development of import price index (base 2003=100)

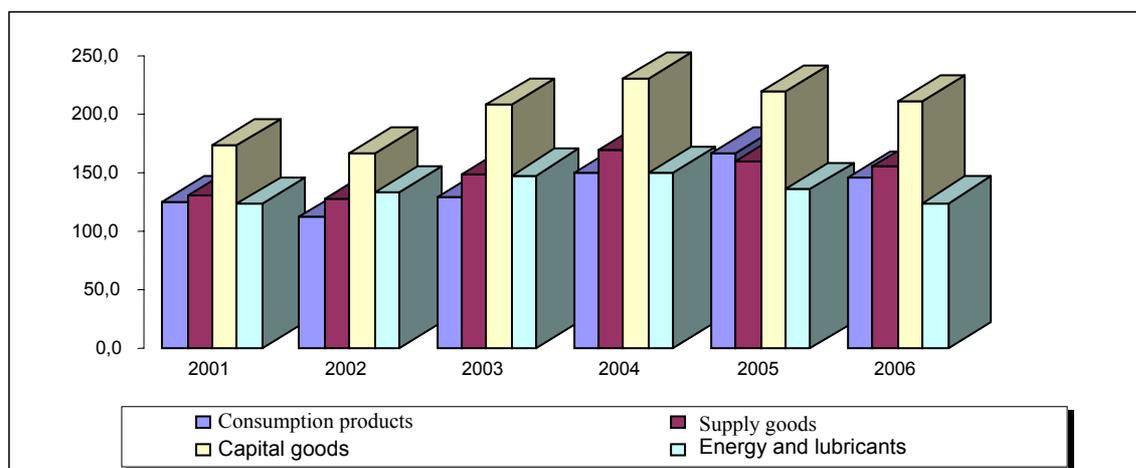
Description	2001	2002	2003	2004	2005	2006
<b>Volume Index</b>	<b>110.7</b>	<b>110.3</b>	<b>109.7</b>	<b>126.0</b>	<b>157.1</b>	<b>208.9</b>
Consumer goods:	92.5	76.2	72.9	88.0	97.4	140.1
Of which food stuffs	122.9	92.0	85.9	98.8	104.1	160.2
Capital goods	139.8	178.3	180.6	183.8	257.5	306.0
Intermediary goods	141.1	161.3	163.9	189.6	271.7	364.1
Energy and lubricants:	116.1	115.3	118.1	139.3	153.9	195.3
Of which fuel	114.3	114.7	118.0	137.6	153.4	195.1
<b>Value index</b>	<b>148.4</b>	<b>144.9</b>	<b>169.7</b>	<b>214.5</b>	<b>269.3</b>	<b>329.9</b>
Consumer goods:	115.6	85.9	94.7	131.6	162.8	204.5
Of which food stuffs	136.5	92.0	86.9	125.0	128.4	173.5
Capital goods	243.3	297.8	376.4	424.8	564.3	644.5
intermediary goods	183.9	205.6	244.2	320.1	434.2	564.8
Energy and lubricants:	143.8	154.3	174.7	209.5	210.1	242.8
Of which fuel	134.8	151.7	173.8	202.0	203.0	233.9
<b>Average value index</b>	<b>134.1</b>	<b>131.4</b>	<b>154.7</b>	<b>170.2</b>	<b>171.4</b>	<b>157.9</b>
Consumer goods:	125.0	112.8	129.8	149.5	167.1	146.0
Of which food stuffs	111.0	100.0	101.1	126.6	123.3	108.3
Capital goods	174.1	167.1	208.4	231.2	219.1	210.6
Intermediary goods	130.3	127.5	149.0	168.8	159.8	155.1
Energy and lubricants:	123.9	133.8	147.9	150.4	136.5	124.3
Of which fuel	118.0	132.3	147.3	146.8	132.4	119.9

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

The volume and value of foodstuffs increased by 53.9% and 35.1% respectively, while their value declined by 12.2 % on average. For capital and intermediary goods, their volume index increased by 18.8% and 34% respectively, against 14.2% and 30.1% for the value index.

Energy and lubricants' volume index strengthened by 26.9% against 15.6% for the value index, thus leading to a decline of 8.9% for its average price.

Figure 9: Value indices by type of imported goods (Base 2000=100)



Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

## B. Export indices

Table 24: Development of export indices (Base 2000=100)

Description	2001	2002	2003	2004	2005	2006
<b>Volume index</b>	<b>137.0</b>	<b>136.4</b>	<b>116.9</b>	<b>156.7</b>	<b>158.2</b>	<b>166.9</b>
Coffee beans	116.6	128.2	94.7	175.4	119.2	171.8
Tea	112.7	107.6	106.4	97.1	115.1	123.8
Tin	196.2	194.1	422.9	1031.0	1314.9	1112.9
Coltan	241.5	206.7	139.9	164.5	202.8	138.3
Wolfram	112.2	225.0	83.6	109.4	386.8	996.9
Skins and hides	106.5	413.4	568.7	448.4	663.7	241.8
<b>Total Value Indices</b>	<b>172.2</b>	<b>129.2</b>	<b>136.6</b>	<b>248.8</b>	<b>290.7</b>	<b>342.8</b>
Coffee beans	98.3	92.2	100.2	250.3	286.1	400.4
Tea	115.5	119.7	138.0	144.0	157.0	204.5
Tin	143.6	192.4	697.7	2611.1	2843.0	2498.0
Coltan	486.2	195.6	102.1	224.7	282.2	185.0
Wolfram	168.2	233.8	115.1	224.0	1364.1	5016.1
Hides and skins	203.9	734.0	1183.9	1142.2	1544.9	642.3
<b>Aver. Value Indices</b>	<b>125.7</b>	<b>94.7</b>	<b>116.8</b>	<b>158.8</b>	<b>183.8</b>	<b>205.5</b>
Coffee beans	84.3	71.9	105.9	142.7	240.1	233.0
Tea	102.4	111.3	129.7	148.3	136.4	165.2
Tin	73.2	99.1	165.0	253.3	216.2	224.5
Coltan	201.3	94.6	73.0	136.6	139.2	133.7
Wolfram	149.9	103.9	137.7	204.8	352.7	503.2
Skins and hides	191.4	177.5	208.2	254.7	232.8	265.6

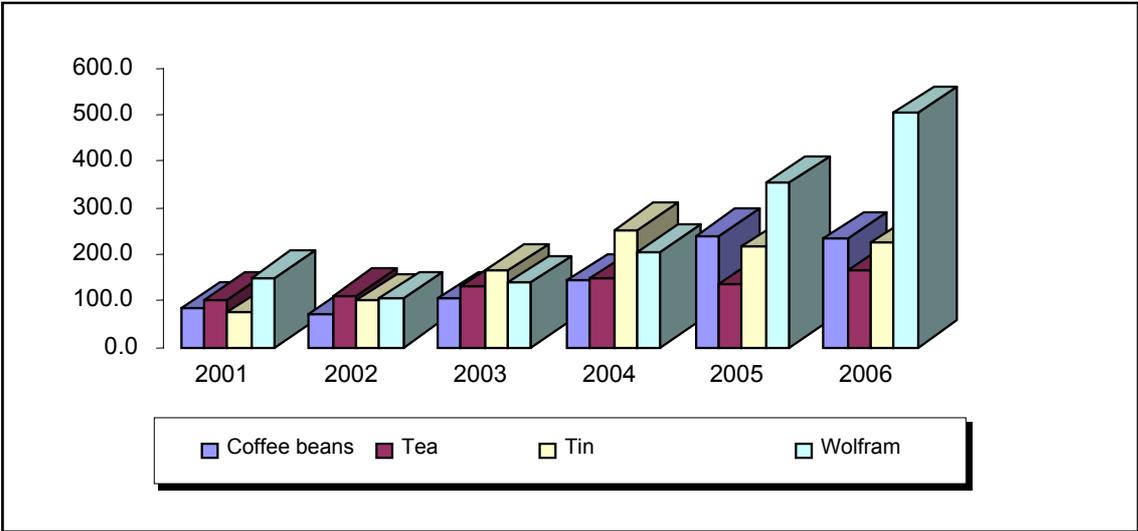
Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

During the year 2006, exports value index recorded an increase of 11.8% on average against 15.7% for the previous year. This was a result of the increase in average price of tea, tin, wolfram, hides and skins which rose by 21.1%, 3.8%, 42.7% and 14.1% respectively.

It should however be noted that between 2002 and 2006, wolfram average value index experienced a very significant increase.

As for coffee beans and Coltan, their average value index went down by about 3.0% and 3.9% respectively, owing to the fact that coffee beans volume grew stronger than their value, while both the volume and value of Coltan declined.

Figure 10: Average value indices of the major exports (Base 1990=100)



Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

**Terms of trade**

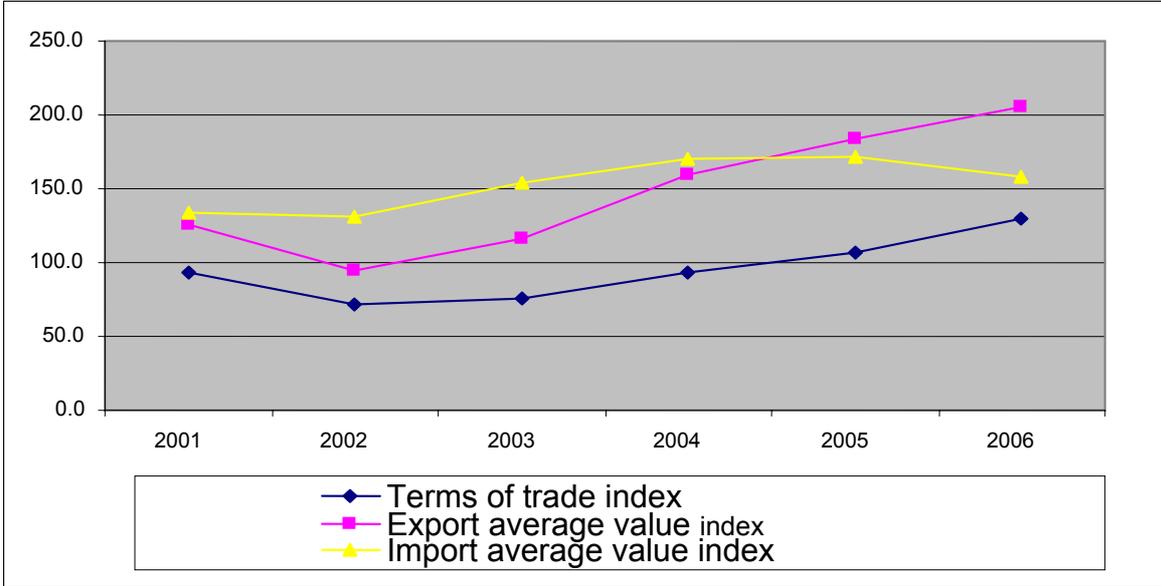
Table 25: Terms of trade index and trade related to total earnings

Description	2001	2002	2003	2004	2005	2006
Average export value indices	125.7	94.7	116.8	158.8	183.8	205.5
Average imports value indices	134.1	131.4	154.7	170.2	171.4	157.9
Terms of trade index	93.8	72.1	75.5	93.3	107.2	130.1
Export volume index	137.0	136.4	116.9	156.7	158.2	166.9
Trade related to total earnings index	128.5	98.3	88.2	146.2	169.6	217.1

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

During the year 2006, the terms of trade improved by 21.3%, due to the increase in average export values and the decline in export values. Total earnings index from trade also improved by 28.0%, rising from 169.6 to 217.1.

**Figure 11: Development of terms of trade index**



**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

**Table 26: Evolution of the world coffee beans and tea prices**

Coffee beans: ITO Indicative current price (in cents per pound)

Tea: Ruling prices up to 1998 and since then in Mombasa (in cents per kg)

Item	2001	2002	2003	2004	2005	2006
<b>Coffee</b>						
Average price	45.9	47.3	52.2	61.9	90.0	89.4*
Other prices/ soft Arabica	62.9	59.8	64.6	79.0	115.4	111.6*
Robusta	27.2	29.4	39.1	37.4	53.6	69.4*
<b>Tea</b>						
Average price	120.0	128.1	149.0	155.0	183.2	
Rwandan Tea	146.0	149.0	159.0	166.0	158.0	193.0

\*For the fiscal 2006, the average is calculated over the first nine months

**Source:** NBR, Research Department

## II.2 PUBLIC FINANCE AND DOMESTIC DEBT

### II.2.1 PUBLIC FINANCE

#### II.2.1.0 DEVELOPMENT OF THE FINANCIAL OPERATIONS OF THE CENTRAL GOVERNMENT

Efforts to improve public finance stance since 2004 slightly worsened in 2006. Indeed, despite the improvement observed in domestic revenue collection and the steady inflow of foreign financial assistance, the more than proportional increase in expenditure led to an overall deficit on payment order basis (including grants) of RWF 3 billion, against a surplus of RWF 4.1 billion in 2005. Cash basis deficit also increased, rising from RWF 6.6 to RWF 11.1 billion from 2005 to 2006, while current deficit rose from RWF 34.6 billion to RWF 43.4 billion.

Table 27: Financial Operations of the central government (in billion RWF)

Description	2001	2002	2003	2004	2005	2006	
<b>Total revenues and Grants</b>	<b>148.2</b>	<b>172.0</b>	<b>195.5</b>	<b>272.5</b>	<b>344.8</b>	<b>375.9</b>	
Total revenues	86.2	101.2	122.4	147.0	180.3	207.2	
Tax revenues	79.5	94.5	114.7	134.6	162.5	192.6	
Non tax revenues	6.7	6.6	7.7	12.4	17.7	14.6	
Grants	62.0	70.8	73.1	125.5	164.5	168.7	
<b>Total expenditure and net lending</b>	<b>158.1</b>	<b>191.6</b>	<b>216.3</b>	<b>274.9</b>	<b>340.7</b>	<b>378.9</b>	
Total expenditure	157.5	191.0	212.3	253.3	336.3	369.3	
Current expenditure	107.5	134.6	161.2	163.8	214.9	250.6	
Current deficit	-21.3	-33.4	-38.8	-16.8	-34.6	-43.4	
Capital expenditure	50.0	56.4	51.1	89.5	121.4	118.7	
Net lending	0.6	0.6	4.0	21.6	4.4	9.6	
Overall deficit (payment order basis)							
Excluding grants	-71.9	-90.5	-93.9	-127.9	-160.4	-171.7	
Including grants	-9.9	-19.7	-20.8	-2.4	4.1	-3.0	
Change in arrears	-31.7	-1.7	-13.2	-17.1	-10.7	-8.0	
Overall deficit (cash basis)	-41.5	-21.4	-34.0	-19.5	-6.6	-11.1	
Net financing	42.6	31.0	26.1	23.9	-1.8	17.9	
Foreign (net)	40.9	30.5	20.9	48.1	34.3	34.9	
Domestic	1.7	0.4	5.2	-24.2	-32.5	-17.0	
Errors and omissions	1.0	9.6	-7.9	4.4	-4.8	-6.8	
			<i>(In percentage of GDP)</i>				
Revenues and Grants	20.0	22.0	20.5	23.9	25.9	23.0	
Total revenues	11.6	12.9	12.8	12.9	13.5	12.7	
Tax revenues	10.7	12.9	12.0	11.8	12.2	11.8	
Grants	8.4	9.1	7.7	11.0	12.4	10.3	
Expenditure and net lending	21.3	24.1	22.6	24.2	25.6	23.2	
Total expenditure	21.2	24.5	22.2	22.3	25.3	22.6	
Current expenditure	14.5	17.2	16.9	14.4	16.1	15.4	
Capital expenditure	6.7	7.2	5.3	7.9	9.1	7.3	
Current deficit	-2.9	-4.3	-4.1	-1.5	-2.6	-2.7	
Overall deficit, including grants	-1.3	-2.5	-2.2	-0.2	0.3	-0.2	
Overall deficit, excluding grants	-9.7	-11.6	-9.8	-11.2	-12.0	-10.5	
<b>Nominal GDP (in billion RWF)</b>	<b>741.9</b>	<b>781.5</b>	<b>955.2</b>	<b>1137.9</b>	<b>1331.6</b>	<b>1631.6</b>	

**Source:** Ministry of Finance and Economic Planning

## II.2.1.1 GOVERNMENT REVENUES

Government revenues and grants amounted to RWF 375.9 billion (23.0% of GDP) as of end 2006, compared to RWF 348.2 billion (25.9% GDP) for end 2005, that is an increase of 8.0%. Total domestic revenues amounted to RWF 207.2 billion (accounting for 55.1% of government resources), compared to RWF 180.3 billion the previous year (51.8% of total expenditure).

### II.2.1.1.1 TAX REVENUES

Tax revenues increased by 18.5%, passing from RWF 162.5 to RWF 192.6 billion between 2005 and 2006. This increase accounted for 20.7% in 2005, and in proportion to GDP, these revenues accounted for 11.8% against 12.2% in the previous year.

Tax collection globally took advantage of economic activity expansion (particularly in industry and service sectors). Thus, direct taxes increased by 27.2%, passing from RWF 50.7 to RWF 64.5 billion between 2005 and 2006. Taxes on goods and services rose by 14.0%, passing from 80.9 to RWF 94.7 billion, while those on foreign trade increased only by 3.0%.

The stagnation of foreign trade revenues in the context of rise in imports is explained by the increase in tax-free imported capital goods, the growing impact of imports from COMESA zone, the appreciation of the Rwandan franc against the dollar, and the removal of MAGERWA taxes. It should be highlighted that the rise in domestic revenues has also benefited from recent reforms initiated in tax collection, such as the “pay as you earn” system known as PAYE, the public service, reform and the widening of the tax base on the employees’ fringe benefits.

Concerning VAT, the liquidity injection into the economy through public expenditure, on one hand, and credit to the private sector on the other hand, increased the demand for taxable goods, thereby leading to the increase in revenues.

Tax revenue performance exceeded the budget forecasts by 8.9%, which had been put at RWF 176.8 billion and those of the Poverty Reduction and Growth Facility program (PRGF) by 12.1% which had been forecasted at RWF 171.8 billion.

### II.2.1.1.2 NONTAX REVENUES

Nontax revenues declined from RWF 17.7 billion to RWF 14.6 billion from 2005 to 2006 that is a fall of 17.5%. However, they were higher than the revised budget estimates of 2.8 billion.

The performance of this component resulted from the collection of the balance of the proceeds from the sale of Government vehicles, the sale of the strategic fuel stock, as well as the balance payment on the sale of the National Police plot.

### II.2.1.1.3 GRANTS

Revenue in grants rose from RWF 164.5 billion to RWF 168.7 billion (+2.5%) between 2005 and 2006, of which 43.1% was budgetary support and 56.9% was capital grants. The latter included 44.2% of MDRI debt relief (Multilateral Debt Relief Initiative) and 55.8% of project support.

In general, although the proportion of external financial grants in total revenue has slightly dropped in 2006 (they accounted for 44.8% of the total revenues against 47.7% the previous year), they still play a vital role in government revenue.

### II.2.1.2 PUBLIC EXPENDITURE

Total expenditure and net lending totaled RWF 378.9 billion at the end of 2006 this is an increase of 11.2% compared with the year 2005. In proportion to GDP, total expenditure and net lending accounted for 23.2%, against 25.6% in the previous year. The current expenditure represented 66.1% of total expenditure, while the difference constitutes the capital expenditure.

#### II.2.1.2.1 CURRENT EXPENDITURE

Made up of wages and salaries, expenditure on goods and services, exceptional expenditure, interest payments, as well as subsidies and transfers, current expenditure amounted at RWF 250.6 billion at end of 2006, which is an increase of 16.6%, compared to the year 2005.

This trend indicates a slight difference compared to the budget forecasts of RWF 248.3 billion and the PRGF program of worth RWF 244.1 billion. In proportion to GDP, the current expenditure accounted for 15.4% against 16.1% for the previous year.

Current expenditures were divided into subsidies and transfers for 28.7%, expenditure on goods and services for 28.6%, wages and salaries worth 24.8%, exceptional expenditure with 13.4%, and interest payments accounting for 4.5%.

#### II.2.1.2.2 Capital expenditures

Capital expenditures totaled RWF 118.7 billion against RWF 106.7 billion for the previous year, representing a rise of 11.2%. They were financed up to 69.9% by external resources and the balance by domestic resources.

#### II.2.1.3 NET LENDING

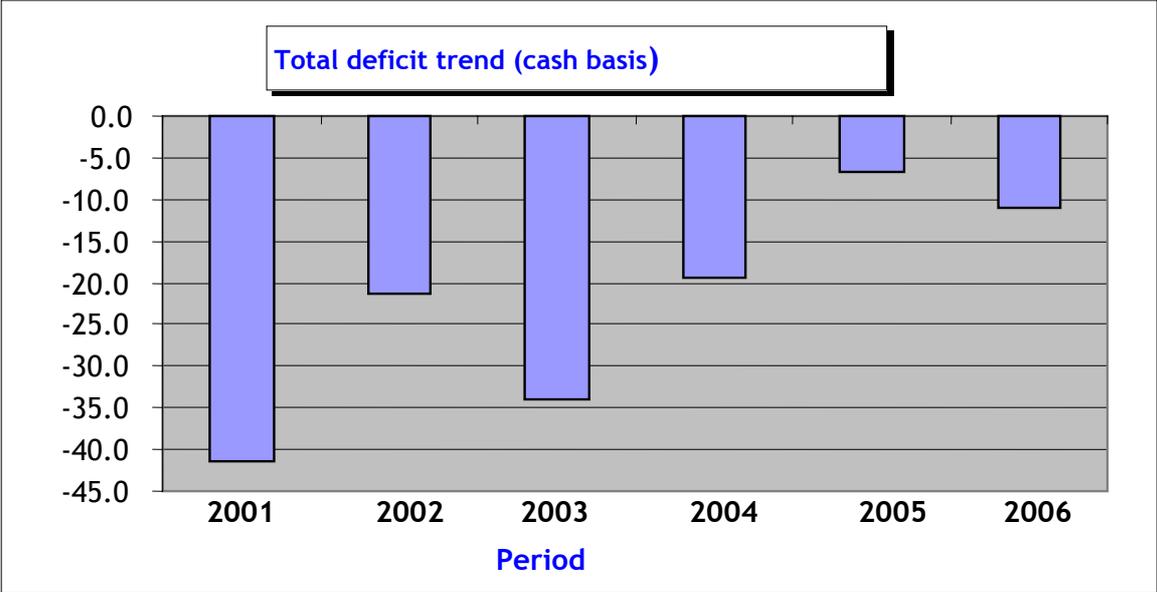
Mainly made up of loans to public companies, net lending rose from RWF 4.4 billion to RWF 9.6 billion from 2005 to 2006, which is an increase of 118.2%. Among the factors of increase for this category, particularly was the Lake Kivu Methane gas Project.

#### II.2.1.4 BUDGET DEFICIT AND ITS FINANCING

##### II.2.1.4.1 Budget deficit

As stated above, the central government financial operations showed a total deficit of RWF 3 billion on payment order basis including grants at end of 2006, compared to a surplus of RWF 4.1 billion the previous year that is a worsening of 173.1%, despite an increase in foreign financial aid and better performance in domestic tax collection.

Figure 12: Development of budget deficit (in billion RWF)



Source: Ministry of Finance and Economic Planning

Current deficit also deteriorated, passing from RWF -34.6 billion to RWF -43.4 billion that is a rise of 25.4%, while total deficit on cash basis passed from RWF -6.6 to RWF -11.1 billion between 2005 and 2006. This trend reflected the increase in expenditures during the year.

II.2.1.4.2 Deficit financing

The overall deficit on cash basis of RWF 11.1 billion recorded in 2006 was exclusively financed by external resources, in particular by project loans which provided RWF 29.5 billion, and budgetary loans totaling RWF 8.2 billion. In addition to the deficit financing, these resources were used to build up government deposits of RWF 11.2 billion in the banking system, and to the repayment of both nonbank domestic and foreign debt for RWF 5.8 billion and 2.8 billion respectively. Errors and omissions accounted for RWF -6.8 billion.

II.2.2 DOMESTIC PUBLIC DEBT

The outstanding domestic public debt rose from RWF 114.3 billion to RWF 150.3 billion between December 2005 and December 2006 that is a rise of 31.5%.

**Table 28: Development of domestic public debt (in billion RWF)**

Description	2001	2002	2003	2004	2005	2006
<b>NBR</b>	<b>43.5</b>	<b>42.9</b>	<b>43.9</b>	<b>42.1</b>	<b>42.1</b>	<b>41.8</b>
Consolidated debt	43.5	42.9	42.4	42.1	42.1	41.8
Overdraft and advances	0	0	1.5	0	0	0
Revaluation	0	0	0	0	0	0
Others	0	0	0	0	0	0
<b>Banking sector</b>	<b>10.7</b>	<b>16.6</b>	<b>16</b>	<b>20.4</b>	<b>13.1</b>	<b>26.3</b>
Treasury bills	5.9	12.1	11.8	11.5	6.4	21.0
Restructured development bills	4.8	4.5	4.2	3.9	2.7	2.3
Recapitalization	-	-	-	5.0	4.0	3.0
<b>Nonbanking sector</b>	<b>28.5</b>	<b>30.5</b>	<b>32.2</b>	<b>44.8</b>	<b>59.2</b>	<b>82.2</b>
Treasury bills	2.3	5.6	7.5	20.5	12.1	14.4
Structured development bills	3.6	3.1	2.9	2.5	1.5	1.2
Development bonds	0.1	0.1	0.1	0.1	0.2	0.2
Others	22.5	21.7	21.7	21.7	45.4	66.4
<b>TOTAL OUTSTANDING DEBT</b>	<b>82.7</b>	<b>90</b>	<b>92.1</b>	<b>107.3</b>	<b>114.3</b>	<b>150.3</b>
Interests on Arrears	0.4	0.4	0.5	0.6	0.6	0.7
<b>TOTAL STOCK</b>	<b>83.1</b>	<b>90.4</b>	<b>92.6</b>	<b>107.</b>	<b>114.9</b>	<b>151.0</b>

**Source:** NBR, Research Department

As shown in the table above, the Government increased its borrowing from commercial banks and nonbanking institutions. Thus, public debt in treasury bills subscribed by commercial banks passed from RWF 6.4 billion to RWF 21 billion, which is an increase of 228.1%, while the ones subscribed by nonbanking institutions rose from RWF 12.1 billion to RWF 14.4 billion, which is an increase of 19.0%.

In a rather comfortable financial standing context, the increase in domestic public debt reflects the participation of the government in the efforts to mop up excess liquidity in the national economy due to the inflow of external financial support.

It is also necessary to point out the rise in domestic public debt under "others" category, which passed from RWF 45.4 billion to RWF 66.4 billion, that is an increase of 46.2%. As this category mainly included the debt owed to the Social Security Fund of Rwanda (development bonds, contributions of the public service employees, arrears, and penalties), the amount provided at the end of the year 2006 was the result of negotiations between the Government and the Social Security Fund to fix once and for all the amount of this debt which had so far been miscalculated.

## II.3 MONETARY AND FINANCIAL SECTOR

### II.3.1 MONETARY SURVEY

Between December 2005 and December 2006, broad money increased by 31.0%. This rate which was significantly higher than the one recorded in the previous year (+16.6%) was a result of an accelerated increase in net foreign assets (+28.2%) and credit to private sector (+22.7), while net credit to Government continued its downward trend (-12.1%) which started in 2004.

**Table 29: Development of money supply and its counterparts** (in billion RWF, unless otherwise indicated)

Description	2004	2005	2006	% change 2004-2005	% change 2005-2006
Net foreign assets	172.8	222.4	285.1	28.7	28.2
Net domestic assets	14.5	-3.9	0.9	-12.9	-123.1
Domestic credit	80.3	70.8	93.2	-11.8	31.6
Net credit to government	-31.2	-61.9	-69.4	98.4	-12.1
Credit to the economy	111.5	132.7	162.6	19.1	22.5
Other items net	-65.8	-74.7	-92.3	13.5	23.5
Money supply counterparts	187.3	218.5	286.0	16.7	31.0
Money supply (M2)	187.3	218.4	286.0	16.6	31.0
Narrow money	102.1	132.9	157.7	30.2	18.6
Currency in circulation	38.9	48.3	54.6	24.2	13.0
Demand deposits	63.2	84.6	103.1	33.9	21.8
Quasi money	85.1	85.6	128.2	0.6	49.8
Time deposits	33.9	41.9	69.0	23.6	64.6
Foreign currency deposits	51.2	43.7	59.2	-14.6	35.4

**Source:** NBR, Research Department

#### II.3.1.1 Sources of money creation

##### a. Net foreign assets

Net foreign assets of the banking system passed from RWF 222.4 billion to RWF 285.1 billion between 2005 and 2006, that is an increase of 28.2%, compared with the increase of 28.7% in the previous year

This trend was a result of significant inflows of external resources for budgetary support, better performance by exports sector (+7.2% compared to the previous year), and increase in private transfers.

The major donors for budgetary support were the United Kingdom with USD 63.7 million, the European Union with USD 22.5 million, Sweden with USD 10.9 million, the African Development Fund with USD 8 million, and the World Bank with USD 6.9 million.

As for project support, the major donors were IDA with USD 45 million, the Global Fund with USD 14.9 million, the International Agriculture Development Fund (FIDA) with USD 10 million, the European Union with USD 5 million, and the Belgian Technical Cooperation with USD 2.8 million.

In addition, the implementation of the Multilateral Debt Relief Initiative (MDRI) brought about the reduction of NBR’s liabilities in relation to the IMF of USD 76 million (worth RWF 42.4 billion), which increased as much net foreign assets of the banking system.

As regards private transfers, it should be noted that USD 15 million were transferred in July by a local private company.

**Table 30: Domestic credit development** (in billion RWF, unless otherwise indicated)

Description	2004	2005	2006	% change	
				2004-2005	2005-2006
Net foreign assets/NBR	122.5	181.3	224.9	48.0	24.0
Assets	178.3	224.7	241.2	26.0	7.3
Liabilities	55.8	43.4	16.3	-22.2	-62.4
Net foreign assets/Banks	50.2	41.1	60.1	-18.1	46.2
Assets	60.7	52.5	70.9	-13.5	35.0
Liabilities	10.5	11.4	10.8	8.6	-5.3
Total Banking system	172.7	222.4	285.1	28.8	28.2

**Source:** NBR, Research Department

**b. Domestic credit**

Consisting of net credit to government and credit to the economy, domestic credit passed from RWF 70.8 billion to FRW 93.2 billion from 2005 to 2006, that is an increase of 31.6%. This shift in the upward trend observed since two years resulted from a significant rise in credit to the economy that compensated the decline in net credit to the Government.

**Table 31: Evolution of net domestic credit (in billion RWF, unless otherwise indicated)**

Description	2003	2004	2005	2006	% change	% change
					2004-2005	2005-2006
Net claims on Government	17.1	-31.2	-61.9	-69.4	<b>98.4</b>	<b>12.1</b>
From NBR	12.4	-31.5	-60.8	-72.4	<b>93.0</b>	<b>19.1</b>
From Commercial banks	4.7	0.4	-1.1	3.0	<b>-375.0</b>	<b>-372.7</b>
Credit to the economy	102.0	111.5	132.7	162.6	<b>19.0</b>	<b>22.5</b>
Credit/public enterprises	4.9	4.7	2.2	2.4	<b>-53.2</b>	<b>9.1</b>
Credit/private sector	97.7	107.6	131.0	162.2	<b>21.7</b>	<b>23.8</b>
Autonomous agencies	-0.6	-0.8	-0.5	-2.0	<b>-37.5</b>	<b>300.0</b>
<b>Domestic credit</b>	<b>118.5</b>	<b>80.6</b>	<b>70.8</b>	<b>93.2</b>	<b>-12.2</b>	<b>31.6</b>

**Source:** NBR, Research Department

Mainly made up of credit to private sector and credit to public enterprises, credit to the economy passed from RWF 132.7 billion to 162.6 billion that is an increase of 22.5% against 19.0% recorded in 2005. Credit to private sector experienced a more significant increase, passing from RWF 131 billion to RWF 162.2 billion, that is an increase of 23.8%, while credit to public enterprises remained stable.

**Table 32: Credit by sector of activity (in billion RWF, unless otherwise indicated)**

Item	2003	2004	2005	2006 Provisional	% of total in 2006
Agriculture, livestock and fishing	2.38	4.87	5.39	8.23	<b>2.61</b>
Mining industry	0.07	0.07	0.15	0.21	<b>0.13</b>
Manufacturing industry	14.42	16.24	14.94	19.13	<b>13.73</b>
Energy and water	0.31	0.26	0.36	0.45	<b>0.23</b>
Public works and building industry	20.75	27.27	33.73	43.07	<b>18.00</b>
Trade, restaurants and hotels	43.44	39.48	50.19	60.72	<b>46.73</b>
Transports, warehousing and communication	9.48	8.95	12.16	13.60	<b>7.58</b>
OFS's, insurance and other financial services	0.71	2.10	2.67	2.17	<b>2.05</b>
Services rendered to community	3.50	3.66	3.87	6.95	<b>4.14</b>
Activities not classified elsewhere	6.84	7.58	16.28	16.28	<b>4.80</b>
<b>TOTAL<sup>1</sup></b>	<b>101.9</b>	<b>110.49</b>	<b>136.37</b>	<b>170.83</b>	<b>100.00</b>

**Source:** NBR, Bank Supervision

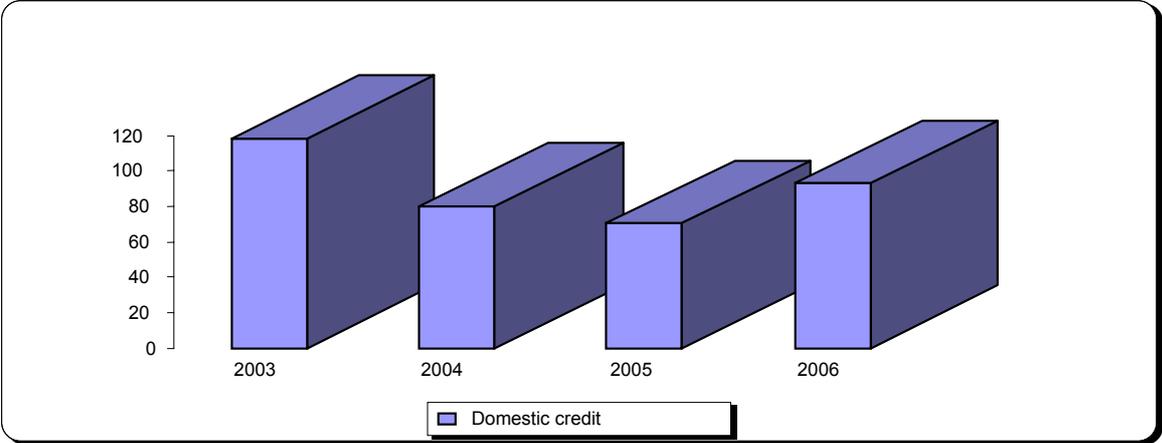
The increase in credit to private sector was able to meet economic growth needs which, according to preliminary estimates, may have reached 6.5% against 4.5% initially forecasted.

<sup>1</sup> The difference with the domestic credit (Table 31) lies in the different cover. Table 31 involves commercial banks and the National Bank of Rwanda, while Table 32 also involves RDB, the HBR, and since 2005, the Union of People's Banks, as well as some Credit and Savings Schemes.

As already stated above, net credit to government remained negative and kept on declining for three consecutive years, passing from RWF -61.9 billion to RWF -69.4 billion following the consolidation of government deposits accumulated within the banking system.

The bulding up of government deposits with the banking system is a counterpart of the inflows of foreign financial assistance for budgetary and project support, the cancellation of the NBR’s foreign debt within the framework of MDRI, but it also resulted from the exceptional performance in domestic revenues collection.

**Figure 13: Development of domestic credit (in billion RWF)**



Source: NBR, Research Department

**II.3.1.2 Broad Money**

Made up of narrow money and quasi money, broad money passed from RWF 218.4 billion to RWF 286.0 billion between 2005 and 2006, which is a substantial increase of 31.0%, mainly as a result of the fast increase in deposits. Among the factors that led to the fast increase of deposit, it is worth mentioning the fast increase of public expenditures. The latter entailed a rise in the overall deficit on payment order basis, excluding grants of 7.1%, but also the higher level of economic activity (a 6.5% GDP growth compared to 4.5% initially forecasted).

**Table 33: Development of money supply and its components**

*(in billion RWF, unless otherwise indicated)*

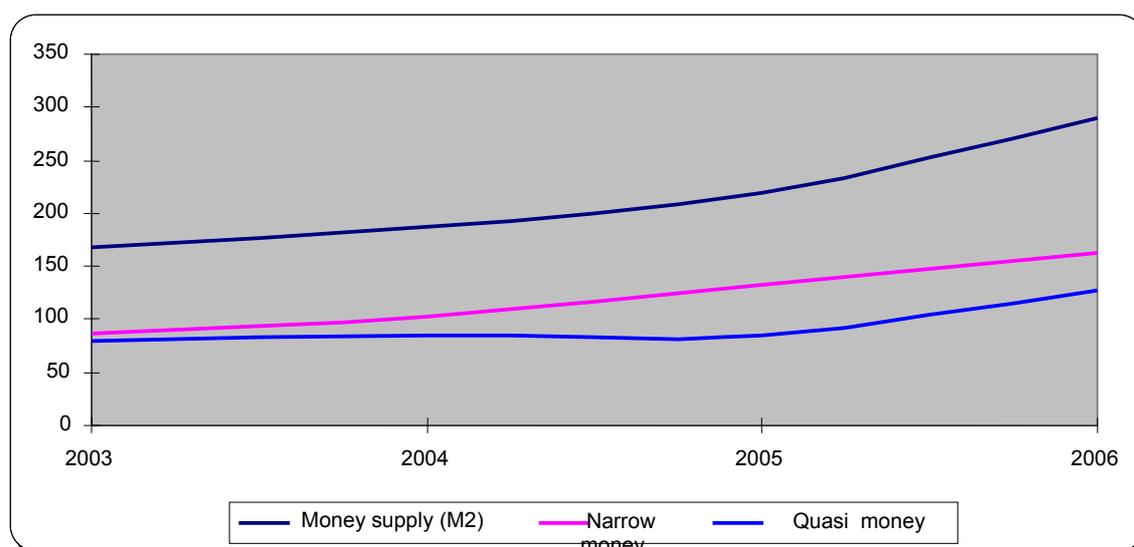
Description				% change	
	2004	2005	2006	2004-2005	2005-2006
Broad Money (M2)	187.3	218.4	286.0	16.6	31.0
Narrow money	102.1	132.9	157.7	30.2	18.6
Currency in circulation	38.9	48.3	54.6	24.2	13.0
Demand deposits	63.2	84.6	103.1	33.9	21.8
Quasi money	85.1	85.6	128.2	0.6	49.8
Time deposits	33.9	41.9	69.0	23.6	64.6
Foreign currency deposits	51.2	43.7	59.2	-14.6	35.4

**Source:** NBR, Research Department

#### a. Narrow money

Made up of currency in circulation and demand deposits of the banking system, narrow money passed from RWF 132.9 billion to RWF 157.7 billion between 2005 and 2006, that is an increase of 18.6%, lower than the one recorded between 2004 and 2005 (+ 30.1%). Demand deposits increased by 21.8%, while currency in circulation increased by 13%.

**Figure 14: Development of money supply and its components (in billion RWF)**



**Source:** NBR, Research Department

Among the factors which led to the rapid increase in demand deposits is the appreciation of domestic currency against foreign currencies. This resulted in the general increasing preference of the savers for deposits in Rwandan francs.

#### b. Quasi money

As regards quasi money (time and foreign currency deposits), it passed from RWF 85.6 billion to RWF 128.2 billion between 2005 and 2006, that is an increase of 49.8%, which had been only 0.6% in the previous year.

Because of the relative stability on the interest rate market and domestic currency, time deposits increased by 60.6%, while foreign currency deposits recorded a growth of 35.5%, due to the external transfers of USD 15 million by a private Rwandan company.

### II.3.1.3 DEVELOPMENT OF INTEREST RATES ON MONEY MARKET

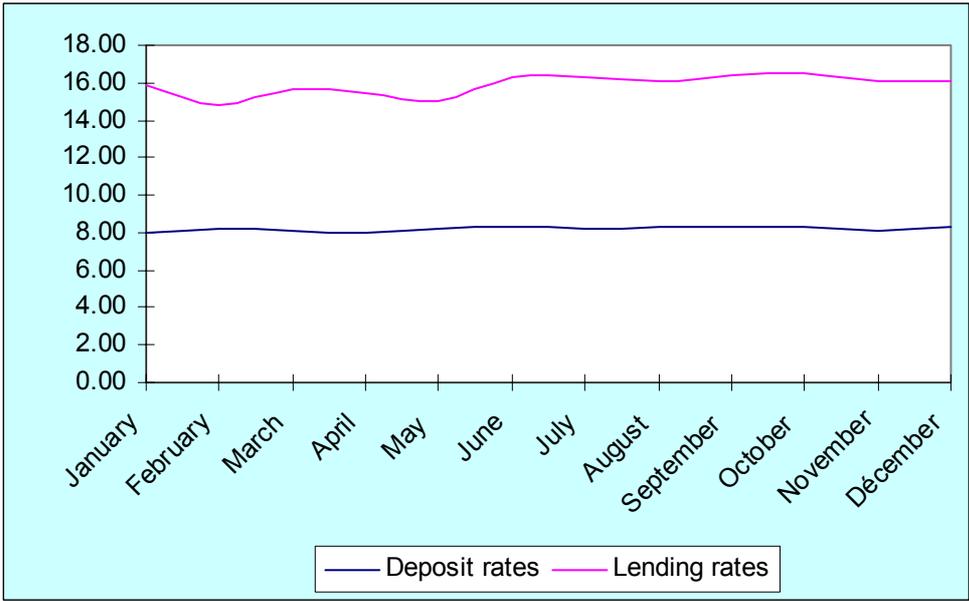
Table 34: Development of interest rates on money market (in %)

<i>Description</i>	January	February	March	April	May	June	July	August	September	October	November	December
<i>Deposit rates</i>	7.94	8.17	8.13	8.03	8.23	8.27	8.24	8.35	8.36	8.34	8.09	8.29
<i>Lending rates</i>	15.82	14.84	15.70	15.44	15.05	16.26	16.31	16.03	16.35	16.46	16.06	16.07
<i>Mopping up rate</i>	9.00	8.90	9.00	9.00	9.00	9.00	9.00	9.00	8.93	8.77	7.29	7.39
<i>Discount rates</i>	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50
<i>Interbank rates</i>	9.35	9.25	8.92	9.33	7.55	8.41	8.40	8.17	7.43	7.43	7.43	7.43
<i>Treasury bills rate</i>	10.45	10.35	10.15	10.15	10.03	10.26	10.38	10.04	9.91	9.51	8.50	8.08

Source: NBR, Money and Capital Markets Department

The above table shows that during the year 2006, monthly average deposit rate stabilized around 8.0%, fluctuating between 7.94% and 8.36%. Conversely, lending rate experienced a rather irregular trend with alternating phases of fall and rise; reaching its highest level of 16.46% in October 2006. The slight decrease that was recorded in November resulted from the credit of more than a billion of Rwandan Francs that was granted to an oil importer at the interest rate of 13.0%.

**Figure 15: Development of lending and deposit rates in 2006**



**Source:** NBR, Money and Capital Markets Department

Concerning the money market rate in 2006, it was generally influenced by the new interest rate management policy initiated in August 2005.

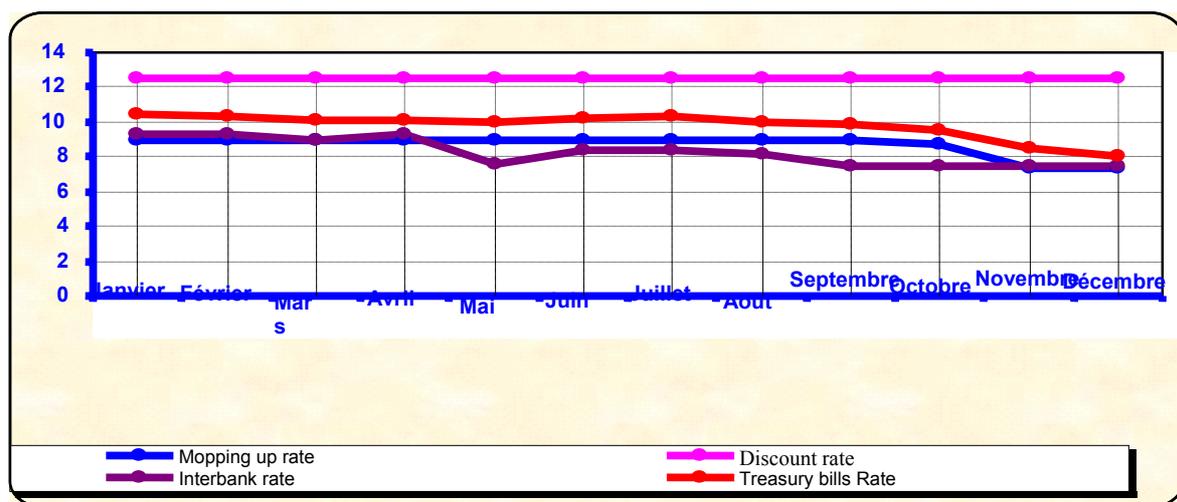
Indeed, during the first three quarters of year 2006, the mopping up rate remained fixed around a reference rate of 9%. Following excess liquidity in the banking system and the moderate issue of public securities by the NBR, in the fourth quarter, this rate experienced a significant decline, reaching 7.29% in November 2006.

On the interbank market, the rate varied between 7.43% and 9.35%, with a downward trend. This same situation of excess liquidity in commercial banks implied that since October 2006 there was no interbank market operations, leaving the interbank rate fixed at 7.43%.

As for the rate applied to discount operations, it should be noted that it corresponded to a corridor cap (interest) rate that was fixed at 12.5% as from August 2005. This rate remained the same throughout the year 2006.

As regards the rate of return on Treasury bills, it stabilized around 10% since August 2005. During the year 2006, this rate experienced a continuous decline, passing from 10.45% in January to 8.09% in December 2006. This decline worsened during the fourth quarter 2006, following the continuous excess liquidity in the banking system.

Figure 16: Development of money market rates in 2006 (in %)



Source: NBR, Money and Capital Markets Department

### II.3.2 EXTENDED MONETARY SURVEY

Broad money extended to Unions des Banques Populaires du Rwanda (UBPR) passed from RWF 246.2 billion to RWF 320.9 billion between 2005 and 2006, that is a growth of 30.3% increase, and this rise had been 19.3% in the previous year.

Table 35: Development of extended monetary survey to UPBR

(in billion RWF, unless otherwise indicated)

Description	2003	2004	2005	2006	% change 2004-2005	% change 2005-2006
Net foreign assets	99.3	172.8	222.5	285.1	28.8	28.1
Net domestic assets	81.7	31.4	23.5	35.7	-25.2	51.9
Domestic credit	147.4	108.1	106.9	142.2	-1.1	33.0
Net credit to Govern.	22.8	-27.4	-60.5	-69.5	120.8	14.9
Credit to the economy	124.6	135.5	167.4	211.7	23.5	26.5
Other items net	-65.7	-76.7	-83.4	-106.5	8.7	27.7
Total counterparts	178.0	206.4	246.0	320.8	19.2	30.4
Extended money supply	178.0	206.4	246.1	320.9	19.2	30.4
Currency outside banks	33.6	40.3	46.2	52.7	14.6	14.1
Deposits	144.4	166.1	199.3	268.1	20.0	34.5
Of which : Demand deposits	65.1	61.3	84.8	100.1	38.3	18.0
Time deposits	39.4	53.7	70.8	109.0	31.8	53.9
Foreign currency deposits	39.8	51.0	43.7	59.2	-14.3	35.5

Source: NBR, Research Department

Between the extended broad money and broad money (Table 1), by end December 2006 there was a difference of RWF 34.9 billion, corresponding to the amount of deposits collected by UPBR and not deposited in commercial banks. This difference amounted to RWF 27.7 billion the previous year. The deposits of this financial institution in the banking sector rose to RWF 4.9 billion and RWF 13.9 billion in 2005 and 2006 respectively. UBPR network also achieved an increase of 45% in deposits in 2006 against 35% in the previous year.

As regards loans, the difference amounted to RWF 49.1 billion in December 2006 between the extended monetary survey and monetary survey that is a change of 41.7% between 2005 and 2006, against 59.2% between 2005 and 2004.

It thus appears that UBPR accumulated deposits by achieving the most exceptional results in this field. These results are explained by the bankruptcy in 2006 of a number of some competing micro-finance institutions, but more particularly by the decentralization of public finance, which channeled significant inflows of financial resources to rural areas, the most privileged action areas of UBPR.

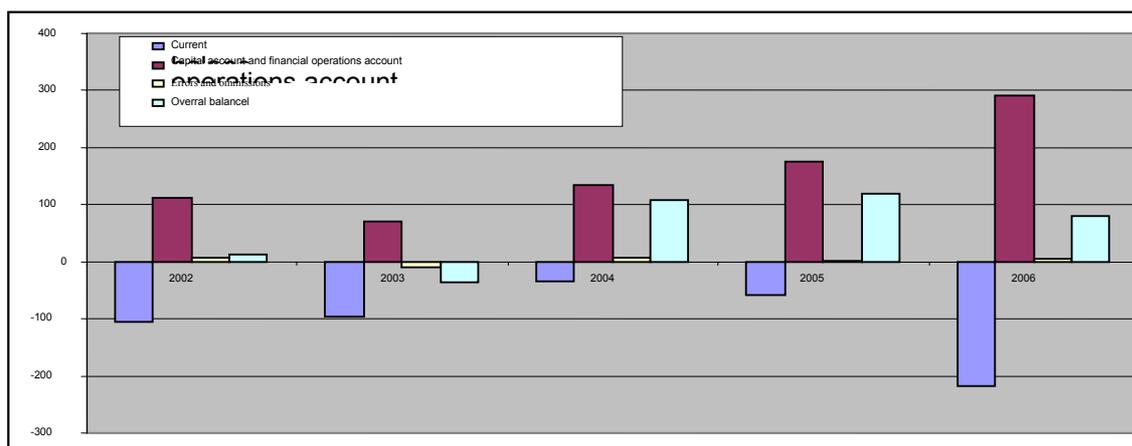
## **II.4 EXTERNAL SECTOR**

### **II.4.1. BALANCE OF PAYMENTS**

#### **1. GENERAL DEVELOPMENT**

The decrease in net current transfers combined with the significant volume of imports in comparison with that of exports, and the deficits of services and revenues balance led to the increase in current account balance deficit recorded in 2006. However, the significant surplus recorded by capital and financial operations account in 2006 enabled to cover the current account deficit and allowed a positive balance of the balance of payments.

**Figure 17: Development of the major aggregates of the balance of payments (in million USD)**



**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

**Table 36: Development of the major aggregates of the Balance of Payments (in million USD)**

Description	2002	2003	2004	2005	2006
Trade balance	-140.6	-165.4	-177.9	-228.7	-296.69
Net services	-140.6	-127.3	-137.2	-166.6	-225.27
Net income	-19.1	-30.5	-33.7	-27.2	-18.67
Net current transferts	195.3	226.4	313.9	364.5	323.82
Current account balance(including current transferts)	-105.9	-96.8	-34.7	-57.82	-216.80
Capital and financial operations account	110.9	71.3	134.9	175.9	291.31
Errors and omissions	7.87	-10.23	7.65	1.03	5.63
<b>Overall balance</b>	<b>12.8</b>	<b>-35.7</b>	<b>107.9</b>	<b>119.2</b>	<b>80.13</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

## 2. CURRENT TRANSACTIONS

Following a very significant volume of imported goods and services, external current deficit worsened much in 2006, compared to 2005. It amounted to USD 216.80 million in 2006, representing 8.86% of the forecasted GDP at USD 2 445.81 million, while in 2005 this deficit totaled USD 57.82 million, representing 2.77% of the GDP, forecasted at USD 2 091 million in 2005.

**Table 37: Evolution of current transactions (in million USD)**

Description	2004	2005	2004	2005	2006
<b>Trade balance</b>	<b>-136.8</b>	<b>-165.8</b>	<b>-178.3</b>	<b>-229.2</b>	<b>-296.69</b>
1. Exports (fob)	67.4	63.3	98.1	125.0	142.71
of which - coffee	14.6	15.0	32.2	38.3	54.04
- tea	22.0	22.5	21.6	24.4	32.10
2. Imports (fob)	-204.1	-229.1	-276.3	-354.2	-439.40
<b>Net services and revenues</b>	<b>-159.7</b>	<b>-157.8</b>	<b>-170.8</b>	<b>-193.8</b>	<b>-243.94</b>
Net services	-140.6	-127.3	-137.2	-166.6	-225.27
Net revenues	-19.1	-30.5	-33.7	-27.2	-18.67
<b>Balance of goods and services</b>	<b>-296.5</b>	<b>-323.6</b>	<b>-349.1</b>	<b>-423.0</b>	<b>-540.63</b>
<b>Net current transfers</b>	<b>195.3</b>	<b>226.4</b>	<b>313.9</b>	<b>364.5</b>	<b>323.82</b>
Net private transfers	24.5	31.3	35.1	46.7	74.48
Net official transfers	170.8	195.0	278.9	317.8	249.35
<b>Current balance</b>	<b>-105.9</b>	<b>-96.8</b>	<b>-34.7</b>	<b>-57.82</b>	<b>-216.80</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

## A. Trade balance

Despite better performance of export of goods and services recorded in 2006 as was in 2005, their value remained by far lower than those of imports whose increase also accelerated year after year, in connection to the more and more increasing needs, particularly in capital goods, intermediary goods and fuel. Therefore, the volume of exports went up despite the appreciation trend of the Rwandan Franc on foreign exchange markets. This appreciation which again moderately decreased by 0.9% in 2006 is likely to become a handicap to Rwandan exports, if it grows steady.

The value of exports could not cover more than 30.5% of imports in 2006, while this rate was at 35.3% in 2005.

### 1. Exports

The low level of diversification and lower volume of exports remain a handicap to the equilibrium of Rwanda's trade balance. Since they account for a low proportion on the international market, our traditional goods such as coffee, tea, and few exported minerals remain under control of big producers who are the only ones to influence the international market prices.

Moreover, agricultural products (coffee and tea) which represent more than 50% of Rwanda's exports depend on climatic conditions that are beyond country's control.

However, efforts to improve the quality and increase quantity of exports, as well as their diversification yield encouraging results.

Exports revenue amounted to USD 142.67 million in 2006 against USD 125.05 million in 2005, which is an increase of 14.19%. This level maintained the performance achieved in 2005 when the exports earnings had increased by 27.3%, passing from USD 98.22 million in 2004 to USD 125.05 million in 2005. In addition to coffee and tea exports which generated about 60% of total exports earnings, mineral export earnings increased significantly, ranking second in 2005 and 2006 after coffee but before tea.

**Table 38: Development of coffee, tea, and mineral exports (in million USD)**

Description	2002	2003	2004	2 005	2006
Coffee	14.65	15.01	32.2	38.3	54.0
Tea	22.02	22.52	21.55	24.38	32.10
Minerals (Tin, Coltan and Wolfram)	15.87	11.09	29.27	37.30	36.57

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

**Coffee**

Coffee remains the product that generates the highest export earnings. Coffee exports revenue passed from US\$ 38.27 million in 2005 to US\$ 54.04 million in 2006, which is an increase of 41.2%.

In 2006, the increase in coffee export value was due to the progressive improvement both in quality and volume of coffee exports. The volume of coffee exports passed from 18,398.6 tons in 2005 to 26,534.1 tons in 2006, accounting for a growth of 44.2%. Although it was still low, the volume of exported fully-washed coffee gradually increased, passing from 300 tons in 2003, to 542 tons in 2004, 739 tons in 2005 and 1,238 tons in 2006. The washing stations increased to 12 in 2003, 19 in 2004, 46 in 2005 and 74 in 2006. The average price of fully-washed coffee rose to USD 3.18/kg in 2006, while that of ordinary coffee was USD 1.96/kilo, bringing back the average export price to USD 2.04/kilo in 2006 against USD 2.08/kg in 2005, which is a slight decrease of 1.9%.

**Tea**

Tea exports also recorded a good performance during year 2006, unlike those of 2005. Its export value increased by 31.67%, passing from USD 24.4 million in 2005 to USD 32.10 million in 2006. This good result was particularly due to the rise in the average price which

passed from USD 1.57/kg in 2005 to 1.93/Kg in 2006, which is an increase of 22.43%, following an improvement in the quality of exported tea.

Exported volume experienced a slight rise of 7.5%, passing from 15 481 tons in 2005 to 16 649 tons in 2006. The best results were particularly achieved by OCIR-Thé, which exported more than 77% of the total volume of production, by achieving an average price of about USD 2.0/kg in 2006 for a total volume of 12 832.3 tons, while the second exporter, namely SORWAThé did not achieve an average price of USD 1.86/kg out of a total exported volume of 2 262 tons. The other two exporters, namely Pfunda Tea and Rwanda Mountain Tea exported only 9.0% of the total volume, that is 1 236.3 tons and 318.4 tons respectively at an average price of USD 1.5/kg.

## **Minerals**

In spite of an exceptional increase in wolfram export earnings, which experienced an improvement on the international market by achieving an all-time high price, the value of mineral exports, namely tin, colombo tantalite (coltan) and wolfram passed from USD 37.3 million in 2005 to USD 36.57 million in 2006; representing a decline of 1.96%. This decrease recorded in tin and coltan exports whose volumes appreciably dropped in spite of a good price achieved on the tin market in 2006. The investment planned by major producers to increase these two minerals production, particularly REDEMI and COPIMAR experienced a considerable delay due to the slowness in the privatization process for the former and financial constraints for the latter. Tin export value passed from USD 17.86 million in 2005 to USD 15.87 million in 2006, while coltan export value passed from USD 16.87 million in 2005 to USD 11.17 million in 2006, accounting for respective declines of 11.14% and 33.75%.

The volume of tin exports in 2005 amounted to 4 532 tons, while only 3 835 tons were exported in 2006, which is a reduction of 15.37%. The volume of 1 062 tons of coltan exported in 2005 decreased to 724 tons in 2006, that is a reduction of 31.78%. Nevertheless, their prices did not put significant changes over the two periods.

**Table 39: Developments of the value and volume of major exports\_**(value in million USD and volume in tons)

Description	2002	2003	2004	2005	2006
<b>Coffee</b>					
Value	14.65	15.01	32.23	38.27	54.05
Volume	19 797	14 700	27 085	18 399	26 534
<b>Tea</b>					
Value	22.02	22.52	21.55	24.38	32.10
Volume	14 574	14 331	13 064	15 481	16649
<b>Tin</b>					
Value	1.41	4.49	15.88	17.86	15.87
Volume	672	1,458	3 553	4 532	3 835
<b>Colombo tantalite</b>					
Value	13.95	6.37	12.99	16.87	11.17
Volume	1 086.32	732.00	861	1 062	724
<b>Wolfram</b>					
Value	0.52	0.23	0.40	2.58	9.53
Volume	324.69	120.00	158	557	1,436
<b>Hides and Skins</b>					
Value	2.64	3.78	3.39	4.73	1.99
Volume	1,983.82	272.00	2 151	3 183	1 160
<b>Pyrethrum extract</b>					
Value	1.05	1.28	0.65	-	1.92
Volume	13.12	20.00	10	-	45
<b>Other products</b>	8.53	9.37	11.14	20.37	16.59
<b>TOTAL VALUE</b>	<b>67.4</b>	<b>63.3</b>	<b>98.2</b>	<b>125.05</b>	<b>142.67</b>

Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

The high amount of Wolfram exports in 2006 was due to a high demand of the world economy, particularly China and European countries since 2003 to the extent that export price experienced successive increases, passing from USD 1.60/kg in 2002 to USD 1.89/kg in 2003, USD 2.57/kg in 2004, USD 4.62/kg in 2005 and USD 6.64/kg in 2006. This improvement in the market price led to a progressive increase in the export volume but at the rate of the few production means available.

### Hides and Skins

Hides and skins exports decreased considerably in 2006. They decreased from USD 4.73 million at the end of 2005 to USD 1.99 million at the end of 2006, which is a reduction of 57.99%. Some companies such as RWAGASABO, AFRICAN HIDES AND SKINS and SOCOPETROL which had been active in 2005 exported nothing in 2006. This situation was mainly the result of the new government policy prohibiting the export of untreated skins (without value added) from the beginning of the year 2006.

### **Other products**

The other export products, particularly flowers, fresh fruits, maracuja juice, textiles, cosmetics and cement did not experience significant changes over period under review. In addition, some goods were not exported. This is particularly the case for quinquina. Nevertheless, in 2006, SOPYRWA Company which did not export anything in 2005 exported 44.5 tons of pyrethrum worth USD 2.08 million.

The re-exports which experienced a significant fall of 41.9% stabilized at USD 49.9 million at the end of 2006. The good results achieved in 2005 were mainly due to the repatriation of light and heavy machines by foreign road construction companies on completion of a significant work of road rehabilitation throughout the country. The following major products were re-exported in 2006: benzine (aeroplane fuel), drugs, second hand cloths, cars, as well as various apparatuses and machines.

## **2. Imports**

Imports were classified in four main categories, namely consumer goods, capital goods, intermediary goods, and energy and lubricants.

Compared to the year 2005, the imports CIF in 2006, experienced a growth rate value of 23.47%, passing from USD 471.4 million in 2005 to USD 582.05 million in 2006. All categories of imported goods experienced at least a rise of more than 15% in their values.

### **Intermediary goods**

The value of imported intermediary goods increased by 31.48%, passing from USD 111.16 million at the end of 2005 to USD 146.15 million at the end of 2006. This significant rise was particularly due to the volume increase of 33.97%, while the unit price of imported goods dropped by 1.88%. Intermediary goods are classified into 4 categories, namely

construction materials, industrial use products, chemical fertilizers, and other various intermediary goods. The import of industrial use products constitute the main part of imported intermediary goods with about 54.3% of total value, followed by construction materials with 29.4%. As for chemical fertilizers, they accounted for only 2.7%.

**Table 40: Evolution of imports** (value in million USD and volume in tons)

Description	2002	2003	2004	2005	2006
<b>Capital goods</b>					
Value	68.01	75.95	80.0	109.9	126.8
Volume	12,119	12,279	12,493	17,506	20,803
<b>Intermediary goods</b>					
Value	61.76	64.81	79.20	111,16	146.15
Volume	91,637	93,097	107,716	154.363	206,831
<b>Energy and lubricants</b>					
Value	42.20	53.39	68.64	78.16	115.19
Volume	102,050	104,520	123,282	128,819	172,585
<b>Final consumer goods</b>					
Value	81.21	7.10	102.46	131.17	166.54
Volume	94,84	90,499	109,210	120,855	173,743
<b>Foodstuffs</b>					
Value	29.63	24.73	33.16	35.26	47.93
Volume	70,554	65,890	75,744	79,854	122,832
<b>Other consumer goods</b>					
Value	51.58	54.37	69.30	95.91	118.62
Volume	23,930	24,610	33,465	41,001	50,911
<b>Adjustments (126 bis)</b>					
Value	30.48	31.66	37.53	41.03	27.36
<b>CIF Imports</b>	283.66	304.91	367.1	471.40	582.05

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

The rise in the value of imported intermediary goods was particularly due to the rise of 48.97% in the value of imported construction materials, 23.32% of the total value of imported products of industrial use, 71.88% of the total value of chemical fertilizers, and 18.01% of the total value of other imported intermediary goods.

The increase in imported construction materials is related to the rehabilitation process of the country in terms of infrastructure rehabilitation and construction of buildings for various uses. As for the increase in the value of imported industrial products, it was characterized by an increase in the value of food industry imports, including wheat flour for bakeries, and malt for the brewing industry.

The increasing use of agricultural inputs to promote agricultural production, particularly in the tea sector, led to a rise of 71.88% in the value of imported fertilizers, which passed from USD 3.1 million in 2005 to USD 5.2 million in 2006.

## **Final consumer goods**

The value of imports in final consumer goods increased by 27.0%, passing from USD 131.2 million in 2005 to USD 166.5 million in 2006. The volume of foodstuffs showed an increase of 37.0%, stabilizing at a value of USD 48 million against USD 35 million in 2005. This situation was related to local weak production of food crops during the great farming season of 2006. The most imported foodstuffs were cooking oil and fats, cereals, flours and seeds, as well as sugar and soft drinks which constitute 80% of the value of foodstuffs imports.

Cooking oil and fats as well as sugar and soft drinks, which accounted each for 30% of the value of foodstuffs import, increased respectively by 34% and 90% in value between 2005 and 2006; that is respective values of USD 14.6 million in 2006 against USD 10.9 million in 2005 for cooking oil and fats, and USD 12.1 million in 2006 against USD 6.4 million in 2005 for sugar and soft drinks. Cereals which represented 20% of the total value of foodstuffs imports in 2006 experienced a value increase of 72.0%, passing from USD 64 million at the end of 2005 to USD 11.0 million at the end of 2006.

## **Capital goods**

Likewise, the value of imported capital goods increased by 15%, passing from USD 109.9 million in 2005 to USD 126.8 million in 2006. This was due to the rise in transport equipments imports, which passed from USD 24.4 million at the end of 2005 to USD 30.7 million at the end of 2006, which is a growth rate of 26%. This transport equipment, mostly trucks and buses, was particularly imported by AKAGERA MOTORS and SORWATRACO to meet the public's increasing demand and ONATRACOM for the renewal of its cartage.

The value of imported machines, equipment and tools increased by 9.6%, representing USD 70.98 million at the end of 2006, against USD 64.73 million at the end of 2005. This increase was particularly noticeable through MTN RWANDACEL and TERRACOM's imported communication equipment and the import of automatic data processing machines and other office furniture and equipment. In addition, the imported power generators by private individuals appreciably curbed with Electrogaz's purchase of big electricity genetators which increased and tried to stabilize power distribution.

## **Energy and lubricants**

Fuel represented more than 90% of imported energy and lubricants. Fuel imports increased by 27.2% at the end of 2006 compared to the same period of 2005. This can be explained by a significant increase in the particular volume of fuel consumed by ELECTROGAZ's electricity generators which came to curb the power crisis the country had been suffering since the closing of the northern hydroelectric stations. The increase in the value of imported fuel and lubricants was furthered by the continuous rise in the international market prices. The value of imported energy and lubricants totaled USD 115.19 million in 2006. They represented 78.16 in 2005 that is an increase of 47.37%.

## **B. Services and revenues balance**

Net balance of services and revenues experienced the same trend as the one for trade balance. Fee received by residents for the services rendered to non-residents could not even cover 50% of the one paid for the services received from the non-residents because the most part of the paid services were related to imported goods.

### **Service balance**

The balance of services remained structurally adverse, particularly due to the cost of transport of imported goods. This was linked with the landlocked situation of the country. The cost of transport and insurance of goods amounted to USD 142.65 million that is 38.28% of all services provided to non-residents in 2006, against USD 83.61 million in 2005, with an increase of 70.61% in the volume of imported goods in 2006. The amount of technical assistance also increased significantly in terms of the value of financial assistance and capital operations for the benefit of the country.

On the other hand, with the credit of the balance of services, a significant rise in travel receipts and other transports were experienced, following a particularly significant movement of people in Rwanda in 2006, compared to 2005, mostly due to tourist reasons and other businesses. The value of the services posted to the credit rose to USD 147.39 million in 2006, against USD 119.71 million in 2005, which is an increase of 23.12%.

**Table 41: Evolution service exchanges and revenues (in million USD)**

Description	2002	2003	2004	2005	2006
<b>Net services</b>	<b>-141.6</b>	<b>-127.2</b>	<b>-137.06</b>	<b>-166.46</b>	<b>-225.27</b>
Credit	46.06	76.47	102.65	119.71	147.39
Freight and insurance	2.22	4.47	6.94	7.01	8.68
Other transports	10.03	13.92	14.50	17.76	25.10
Travels	11.80	30.08	43.50	48.76	59.15
Other services	22.0	28.00	37.71	46.17	54.46
Debit	-187.7	-203.66	-239.7	-286.17	-372.65
Freight and insurance	-53.77	-54.08	-65.23	-83.61	-142.65
Other transports	-28.88	-24.14	-26.51	-38.21	-38.97
Travels	-23.86	-26.06	-31.48	-36.75	-39.71
Other services	-81.17	-99.38	-116.49	-127.60	-151.33
<b>Net revenues</b>	<b>-19.1</b>	<b>-30.5</b>	<b>-33.7</b>	<b>-2.,2</b>	<b>-18.7</b>
Credit	8.45	6.17	5.56	15.45	20.34
Return on investissements	8.45	5.97	5.37	15.20	18.76
Earned income	0.00	0.19	0.19	0.24	1.58
Property income	0.00	0.02	0.00	0.00	0.00
Debit	-27.5	-36.7	-39.2	-42.7	-39.01
Return on direct investments	-0.36	-5.50	-2.97	-3.61	-3.29
Return on other investissements	-13.30	-16.43	-20.30	-17.89	-12.13
Earned income	-1360	-14.49	-15.72	-20.68	-23.11
Property income	-0.24	-0.29	-0.23	-0.48	-0.48
<b>Net services and revenues</b>	<b>-160.67</b>	<b>-157.72</b>	<b>-170.71</b>	<b>-193.67</b>	<b>-243.94</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

## Revenues balance

Although the net balance of revenues improved, passing from USD -27.2 million in 2005 to USD -18.7 million in 2006, mostly due to the increase in the NBR's return on investments, it could not significantly compensate for the balance of the balance of net services and revenues whose deficit worsened in 2006, following a significant deterioration of the balance of services. Indeed, the balance of the balance of revenues remained structurally very weak, representing only 7.65% of the balance of net services and incomes in 2006.

## C. Transfers without counterparts

The current net transfers without counterparts recorded in 2006 decreased by 11.16%, declining to USD 323.82 million whereby they amounted to USD 364.52 million in 2005. This deterioration was mainly due to a significant decline in net current support which passed from USD 200.12 million in 2005 to USD 128.35 million in 2006 that is a decrease of 35.86%. The financial assistance was granted by the United Kingdom (USD 63.67 million), the European Union (USD 22.47 million), Sweden (USD 10.91 million), African Peace Keeping

Union (USD 8.04 million) and Multi-donor Trust Fund (USD 1.29 million). A financial assistance of USD 21.97 million was also received in 2006 within the framework of HIPC (Heavily Indebted Poor Countries) initiative.

Although decreased, the current budgetary support without counterparts accounted for 51.47% of the net current official transfers of USD 249.35 million in 2006, representing 77% of the total net current transfers without counterparts.

The net private current transfers which amounted to US 46.73 million in 2005 increased to US\$ 74.48 million in 2006, which is a sharp increase of 59.39%. These transfers mainly consisted of donations to various religious non profit-making associations working in Rwanda, and private individuals leaving in the country.

## **2. CAPITAL AND FINANCIAL OPERATIONS ACCOUNT**

The year 2006 was characterized by an increase of 65.56% in the capital and financial operations account, compared to the results of 2005. The account balance therefore passed from USD 175.95 million in 2005 to USD 291.31 million in 2006.

Since Rwanda took advantage of the cancelation of debt within the framework of Multilateral Debt Reduction Initiative (MDRI), the capital account which had recorded a balance of USD 93.47 million at the end of 2005 increased significantly to USD 1400.08 million. The transfer operations in terms of capital grants to finance the development of the country amounted to USD 173.48 million, including USD 76.6 million from the IMF.

After recording a significant amount of USD 108.61 million in 2004, the disbursements of official loans for current budget and project support decreased progressively in 2005 and 2006. They came down to USD 89.98 million in 2005 and to only USD 68.07 million in 2006. The Government current budget support rose to USD 14.83 million in 2006, drawn on the loans from ADB (USD 7.95 million) and IDA (USD 6.88 million). Concerning the project support loans, they totaled USD 53.24 million in 2006 against USD 59.10 million in 2005 that is a reduction of 9.92%.

**Table 42: Evolution of the capital and financial operations account (in million USD)**

Description	2002	2003	2004	2005	2006
Capital and financial transaction account	110.86	71.32	134.95	175.95	291.31
Capital account	41.70	41.09	60.56	93.47	1400.08
Remission of debts	0	0	0	0	1 226.60
Capital transfer	41.70	41.09	60.56	93.47	173.48
Financial operations account	69.16	30.23	74.39	82.48	-1108.77
Long-term capitals	55.70	11.33	69.31	49.12	-1110.43
Net official transfers	53.10	7.71	71.31	53.68	-1104.83
Loans	83.90	39.91	108.61	89.98	68.07
Paying off	-30.80	-32.20	-37.30	-36.30	-22.90
MDRI, IDA, and ADB	0	0	0	0	-1150.0
Net private transfers	2.60	3.61	-2.0	-4.56	-5.61
Other capitals	13.46	18.91	5.08	33.36	1.67
Ddirect investissements	2.61	4.66	7.66	10.50	16.80
Short-term capitals	10.85	14.25	-2.58	22.86	-15.13

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

The net private capital also experienced a reduction, coming down from USD -4.56 million in 2006 to -USD 5.61 million. The only medium-term loan of USD 0.59 million was incurred in 2006 by a fuel distribution company from PTA Bank. On the other hand, the reimbursements were significant as they amounted to USD 6.0 million in 2006, against USD 5.25 million in 2005.

### 3. OVERALL DEFICIT FINANCING

**Table 43: Balance of payments deficit financing (in million USD)**

Description	2003	2004	2004	2005	2006
Change in net foreign assets of the NBR	-29.6	27.2	-106.8	-120.2	-80.13
IMF net credit (purchases and repurchases)	-6.0	-0.9	-3.6	-6.7	2.52
Change in official government reserves	-31.6	28.8	-100.3	-93.5	-33.81
Change in other gross foreign liabilities	7.9	-0.7	-2.9	-20.0	-48.84
Change in outstanding	5.6	-16.2	-3.5	1.1	0
Exceptional financing	11.2	24.7	2.4	0.0	0
<b>Available financing (increase)</b>	<b>-12.8</b>	<b>35.7</b>	<b>-107.9</b>	<b>-119.2</b>	<b>-80.13</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

The external support in form of grants, concessional loans and debt cancellation by the IMF made it possible to run a positive balance of the balance of payments and an increase in the official reserves in 2006, which amounted to USD 440.7 million at the end of 2006, worth 7.2 months of imported goods and services.

## II.4.2. FOREIGN DEBT

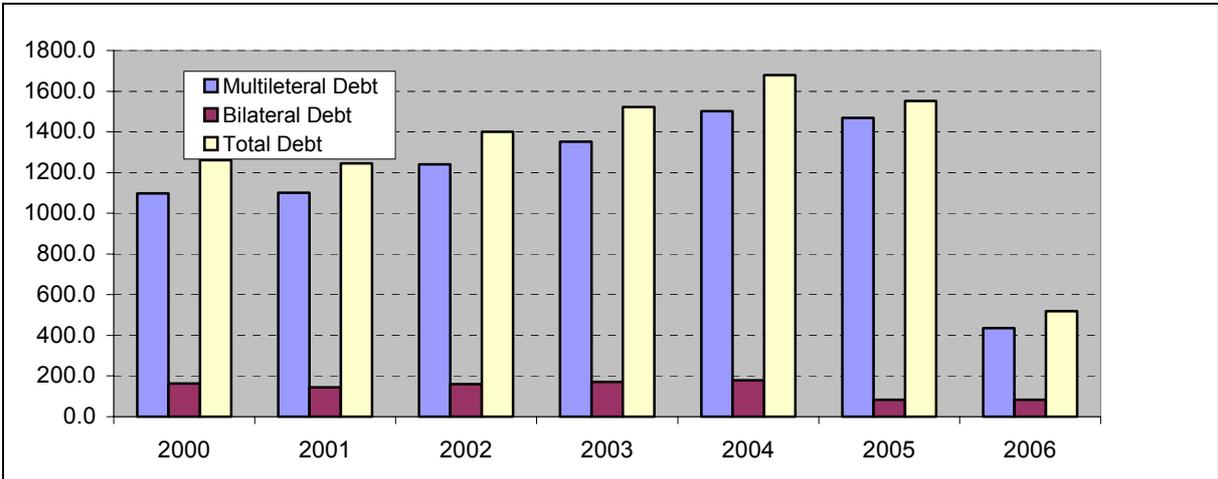
### 1. EXTERNAL PUBLIC DEBT

The external public debt of Rwanda mostly composed of multilateral debt, while bilateral debt accounted only for a small part of the total external public debt. The external public debt stock owed to multilateral creditors is estimated at about 84.0% of the total debt in 2006, while the bilateral debt amounted to about 16.0%.

The outstanding of external public debt took a new turn since 2005 with the cancellation of all debts of Rwanda owed to the Paris Club. This situation improved significantly in 2006 with the implementation of the Multilateral Debt Reduction Initiative (MDRI) policy.

The Multilateral Debt Reduction Initiative, which was proposed by the G8 countries at the Gleneagles summit of July 8, 2005, is a plan implemented by the countries which have completed the HIPC (Heavily Indebted Poor Countries) initiative aiming at cancelling the debt owed to the multilateral financial institutions, including the African Development Fund (ADF), the World Bank's International Development Association (IDA), and the International Monetary Fund (IMF).

**Figure18: Evolution of the external public debt (in million USD)**



**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

The MDRI should provide the beneficiary countries with the opportunity to substantially reduce the repayment of their total debt, and through sustainable economic performance, ensure additional inflows of resources to help them achieve the Millennium Development Goals. It is estimated that the implementation of the MDRI will bring down the foreign debt

average discounted cash flow (DCF), compared to the exports of the HIPC which have reached the completion point, including Rwanda which passed from 140.0% to less than 60.0%.

### 1.1. External debt stock

External public debt stock decreased by 73.0% passing from USD 1 551.5 million in 2005 to USD 419.5 million in 2006. This situation was the result of the cancellation of the multilateral debt concluded by the G8 countries in favour of the 18 countries that have reached the completion point, including Rwanda.

It should be noted that, a part from cancellation of external public debt stock by multilateral creditors which had a significant impact on the current debt situation, loan disbursements from multilateral creditors in 2006 did not markedly impact the amount of stock of external public debt in 2006.

**Table 44: Development of external public debt stock\_(in million USD)**

Description	2000	2001	2002	2003	2004	2005	2006
<b>Multilateral debt</b>	<b>1096.8</b>	<b>1 101.5</b>	<b>1 240.9</b>	<b>1 350.8</b>	<b>1 501.8</b>	<b>1 467.80</b>	<b>337.0</b>
IDA	693.9	714	827.2	904.5	1024.3	985.7	162.8
AfDB-ADF	218.6	209	226.2	239.8	260.4	277.1	38.8
BADEA	33.4	29.4	26.2	22.9	19.8	16.4	16.4
OPEC countries	6.8	6.8	10.7	16.6	17.5	16.5	17.7
EIB	5.6	5	5.5	7.9	11.1	16.2	16.8
EU (EEC)	21.5	20.3	23.9	24.6	26.3	227	22.4
IFAD	31.2	33	37.2	44,1	50.5	53	55.6
IMF	85.8	83.9	84	90.5	92.1	80.2	6.5
<b>BILATERAL DEBT</b>	<b>163.7</b>	<b>143.7</b>	<b>159.4</b>	<b>171.4</b>	<b>178.2</b>	<b>83.7</b>	<b>82.5</b>
<i>Paris Club</i>	<b>68.1</b>	<b>64</b>	<b>74.5</b>	<b>86.5</b>	<b>93.1</b>	<b>0</b>	<b>0</b>
France	35.2	33.6	40.2	48.6	52.9	0	0
Austria	8.7	8.3	9.6	10.1	11	0	0
Japan	13.6	11.9	13.2	14.8	15.4	0	0
Netherlands	0.7	0.7	0.8	1	1.1	0	0
BNP Paris	2.9	2.8	3.3	3.9	4.3	0	0
COFACE	3.5	3.3	3.9	5	5.4	0	0
Canada	3	3	3	3.1	3.1	0	0
USA	0.6	0.6	0.6	0	0	0	0
<i>Non Paris Club</i>	<b>9.6</b>	<b>79.7</b>	<b>84.9</b>	<b>84.9</b>	<b>85.1</b>	<b>83.7</b>	<b>82.5</b>
China	32.1	16.5	21.2	20.2	19.6	18.1	18.1
Saudi Arabia	30.6	30.6	30.2	29.9	30.3	30.1	29.8
Kuwait	29.4	29.3	30.5	31.7	32.1	32.4	32.4
ABU DHABI	2.5	2.6	2.7	2.7	2.7	2.7	1.8
Libya	1	0.8	0.4	0.4	04	0.4	0.4
<b>GRAND TOTAL</b>	<b>1.260.6</b>	<b>1,245.2</b>	<b>1,400.2</b>	<b>1,522.2</b>	<b>1,680.1</b>	<b>1,551.5</b>	<b>419.5</b>

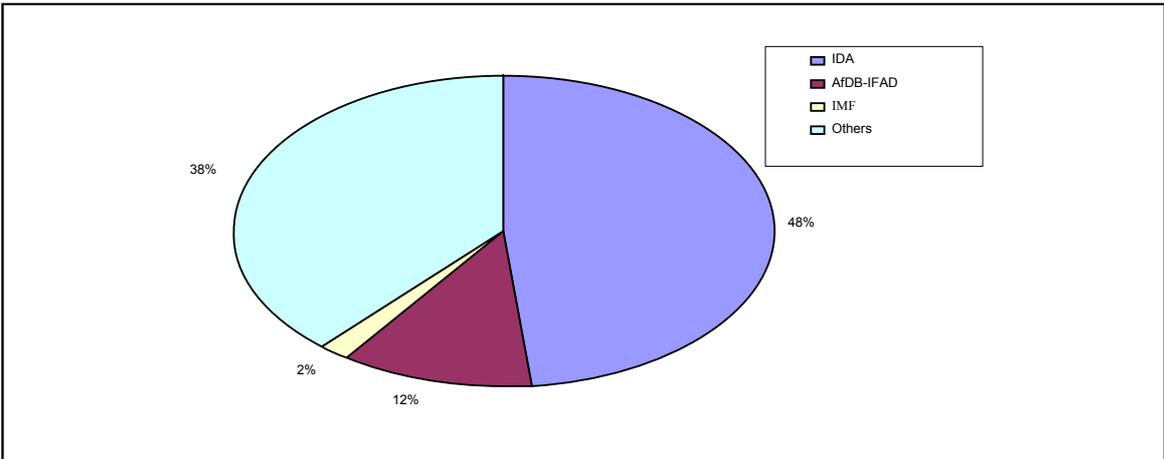
**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

**a) Multilateral debt**

In conformity with Multilateral Debt Reduction Initiative, the IMF cancelled USD 76.6 million, while IDA announced the cancellation of a stock of 53 loans out of 64 worth USD 822.9 million. The ADB which occupies a big part among the major creditors will soon announce the exact terms of cancellation of Rwanda’s debt. Meanwhile, the stock of debt that was to be cancelled amounted to about USD 250.5 million. These decisions of the major multilateral creditors brought the stock level of multilateral debt to USD 337.0 million in 2006, against USD 146.8 million in 2005, which is a significant decrease of 77.0%.

The implementation of MDRI policy in 2006 significantly modified the structure of the multilateral debt. The amount of stock of debt owed to IDA decreased to 48%, while that of ADB reduced to 12.0%. The share of the debt stock owed to other multilateral creditors (excluding IMF) accounted for 38% of the total outstanding.

**Figure 19: Multilateral debt composition**



Source: NBR, Foreign Exchange Inspection and Balance of Payments Department

**b) Bilateral debt**

As for the bilateral debt, it remained almost unchanged compared to the year 2005, since there remained only the loans owed to the non Paris Club countries, including Saudi Arabia, Kuwait, Abu Dhabi and China. For the first two countries, contacts are still in progress, and Rwanda is expecting from them a fraction of cancellation that is comparable with those granted by the Paris Club creditors. Abu-Dhabi promised a rescheduling of its active loan. The agreements on the terms of rescheduling will come into practice by common agreement between the parties. Lastly, as regards the debt owed to China, there

is some hope to reach soon a formal agreement since it has already announced its intention of soon cancelling the stock of 4 remaining loans. Nevertheless, bilateral debt stock slightly dropped equally in 2006 (-1.4%), passing from USD 83.7 million in 2005 to USD 82.5 million in 2006.

### c) Structure of the amount of debt as per loan currency

**Table 45: Structure of bilateral debt stock as per foreign currency loan (in million USD)**

Currency	2001		2002		2003		2004		2005		2006	
	Amount	% total outst.	Amount	% total outst.								
SDR	946.03	76.0%	1082.9	77.5%	1195.0	78.5%	1348.3	80,2%	1324.1	85.3%	260.7	62.1%
US\$	132.13	10.6%	125.8	9.0%	125.4	8.2%	119.9	7.1%	104.8	6.8%	37.1	8.8%
EURO	74.63	6.0%	87.1	6.2%	101.2	6.6%	111.9	6.7%	38.8	2.5%	39.3	9.4%
SR	31.33	2.5%	30.2	2.2%	29.9	2.0%	30.3	1.8%	30	1.9%	29.8	7.1%
KD	29.3	2.4%	30.5	2.2%	31.8	2.1%	32.1	1.9%	32.1	2.1%	32.4	7.7%
YUAN	16.5	1.3%	21.2	1.5%	20.3	1.3%	19.6	1.2%	18.6	1.2%	18.1	4.3%
Others	15.28	1.2%	19.3	1.4%	18.6	1.2%	18.6	1.1%	3.1	0.2%	2.1	0.5%
<b>Total</b>	<b>1245.2</b>	<b>100.0%</b>	<b>1397.0</b>	<b>100.0%</b>	<b>1522.2</b>	<b>100.0%</b>	<b>1680.7</b>	<b>100.0%</b>	<b>1551.5</b>	<b>100.0%</b>	<b>419.5</b>	<b>100.0%</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

Concerning the structure of bilateral debt as per foreign currency loan, the SDR component remained predominant in 2006, compared with other foreign currencies, even if its importance in absolute terms significantly fell between 2005 and 2006, taking into account the reduction of the amount of SDR loans, particularly those of the IMF, ADB and part of the IDA loans. The significant reduction against the dollar recorded in 2006 resulted from IDA's cancellation of all loans in USD. Out of USD 104.8 million in 2005, the volume of loans in USD fell to 37.1 million in 2006.

### 1.2. Loan disbursements

Loan disbursements reduced much in 2006 to USD 64.8 million since they were estimated at USD 100.9 million in 2005 that is a decrease of 36% between 2005 and 2006.

**Table 46: Evolution of loan disbursements (in million USD)**

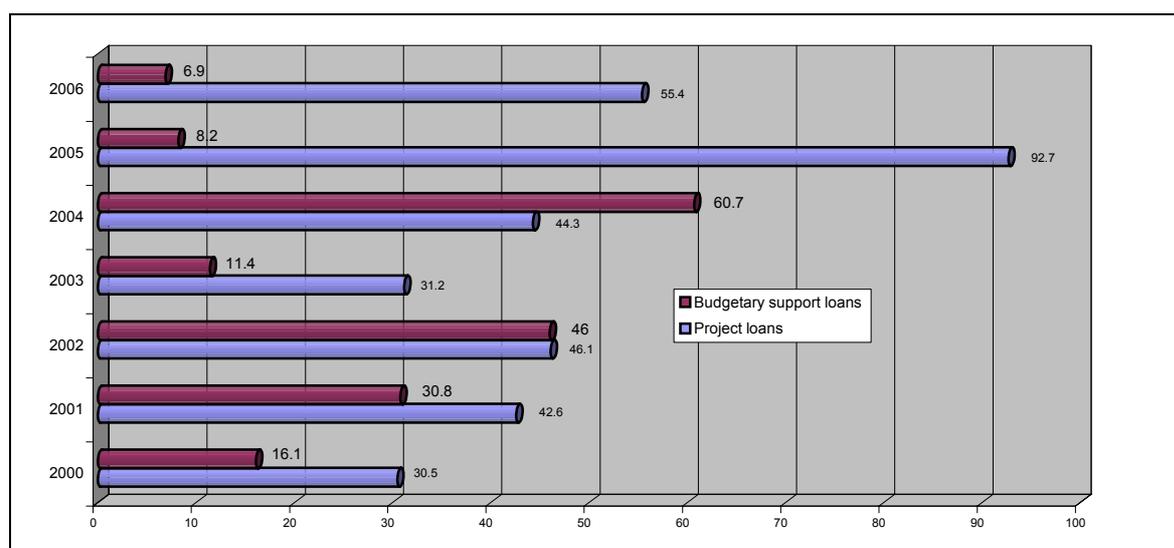
Description	2001	2002	2003	2004	2005	2006
<b>Multilateral loans</b>	<b>90.4</b>	<b>91.5</b>	<b>43.5</b>	<b>106.7</b>	<b>10.9</b>	<b>64.8</b>
Of which: IDA	53.7	73.3	25.4	83.2	47.7	36.5
AfDB-ADF	11.7	9.1	6.0	13.5	36.8	17.8
<b>Bilateral loans</b>	<b>1.1</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>91.5</b>	<b>93</b>	<b>43.5</b>	<b>106.7</b>	<b>100.9</b>	<b>64.8</b>
Of which:						
Project loans	42.6	46.1	31.2	44.3	92.7	55.4
Budget support loans	30.8	46.0	11.4	60.7	8.2	6.9
Drawings for BOP supports (IMF)	18.1	0.8	0.8	1.7	0.0	2.5

**Source:** NBR, Foreign Exchange and Balance of Payments Department

These disbursements have remained 100% multilateral and exclusively IDA share and ADB group since 2003. IDA loans took the lion's share, followed by the ADB group. In 2006, IDA loan disbursements amounted to USD 36.5 million against USD 47.7 million in 2005 that is a 23.5% fall. ADB loan disbursements also fell to USD 17.8 million in 2006, against USD 36.8 million in 2005, which is a decrease of 51.3%.

In 2006, most of the disbursements were geared towards development projects as it was also the case in 2005 but in absolute terms different proportions, given that disbursements were low, amounting to USD 55.4 million against USD 92.7 million in 2005. Drawings on budgetary support under external debt dropped significantly, passing from USD 60.7 million in 2004 to USD 8.2 million in 2005, and to USD 6.9 million in 2006.

**Figure 20: Loan drawings as per type of financing (in million USD)**



### 1.3. Debt due service

The year 2006 showed a significant reduction in debt servicing following the implementation of the Multilateral Debt Reduction Initiative, which came to reinforce HIPC (Heavily Indebted Poor Countries Initiative), and the cancellation of the Paris Club debt in 2005. Debt service which had risen to USD 50.5 million in 2005 passed to USD 34.1 million in 2006, which is a decline of 32.5%. This was mainly explained by a significant reduction in debt stock owed to creditors who took part in MDRI, as debt service towards multilateral countries dropped by 22.7% in 2006, with up to -29.6% as principal and -2.9% as interest.

Debt servicing owed to bilateral creditors also dropped in 2006, compared to 2005. It experienced a reduction of 72.9% of the bilateral debt servicing which had amounted to USD 1.7 million in 2006 against USD 6.2 million in 2005. This situation resulted from the cancellation in 2005 of all Rwanda's debt owed to the Paris Club.

**Table 47: Development of external public debt service due (in million USD)**

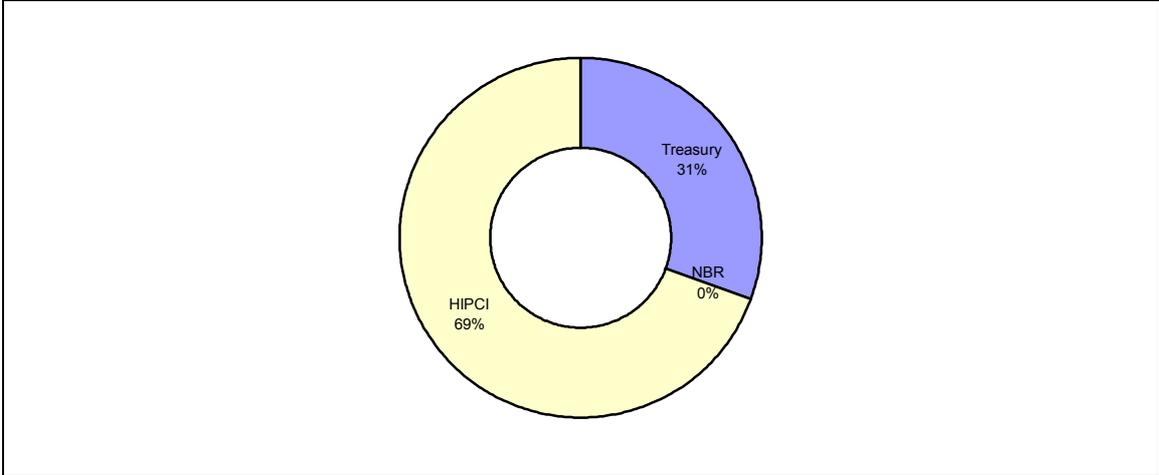
Description	2000	2001	2002	2003	2004	2005	2006
MULTILATERAL DEBT	21.3	27.1	26.4	33.0	36.4	40.6	31.4
Principal	13.8	17.9	18.7	19.6	19.7	30.1	21.2
Of which : IDA	6.3	8.4	10.5	12.2	12.0	15.2	9.3
DAF-FSN	3.2	3.3	4.9	4.0	4.7	7.2	5.6
BADEA	2.0	3.8	3.3	3.4	3.5	3.5	0.0
Interest	7.5	9.2	7.7	9.6	8.5	10.5	10.2
Of which : IDA	4.6	5.2	5.2	6.8	6.0	8.0	5.0
ADF-FSN	2.2	2.0	2.3	2.1	1.7	0.8	3.1
BADEA	0.0	0.8	0.2	0.7	0.5	0.6	1.0
BILATERAL DEBT	6.3	4.2	7.7	7.2	4.7	9.1	2.7
Principal	4.2	2.9	5.3	4.8	2.8	6.2	1.7
Interest	2.1	1.4	2.4	2.3	1.9	2.9	1.0
CREDITS AND SUPPLIERS	0.6	0.6	0.8	0.6	0.4	0.7	0.0
Principal	0.0	0.0	0.2	0.0	0.4	0.0	0.0
Interest	0.6	0.6	0.6	0.6	0.0	0.7	0.0
TOTAL	28.2	32.0	34.9	40.8	41.5	50.5	34.1
Principal	18.0	20.8	24.2	24.4	27.4	36.3	22.9
Interest	10.2	11.2	10.7	12.5	14.1	14.2	11.2

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

### 1.4. Settled external debt servicing

External public debt servicing in 2006 involved three sources of financing, namely cancellation of debt through HIPC initiative, Treasury and NBR, up to USD 21.97 million, USD 9.95 million and USD 0.02 million respectively.

**Figure 21: Settled service as per sources of financing**



**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

It is important to note that there is still uncertainty with regard to the settlement of debts owed to Libya, China and Abu Dhabi Fund due to the fact that the negotiations have not yet come to a head. That is why in 2006 there still remained about USD 1.98 million in arrears.

**1.5. Debt Cancellation**

Rwanda was qualified for the HIPC initiative in December 2000, and started to take advantage of the cancellation of its foreign debt since 2001. This initiative was aimed at enabling the highly indebted countries to bring down its external debt to a bearable level through the solidarity of the creditors.

**Table 48: Debt cancellation through HIPC (in million USD)**

	2001	2002	2003	2004	2005	2006
IDA	12.14	13.99	15.08	15.29	16.73	11.97
ADB group	3.17	6.14	6.21	5.59	0.00	6.85
European Union	0.00	1.23	1.70	1.76	1.81	2.28
IFAD	0.00	0.00	0.00	0.00	0.39	0.87
IMF	8.59	4.22	0.00	3.20	6.64	0.00
<b>TOTAL</b>	<b>23.90</b>	<b>25.58</b>	<b>22.99</b>	<b>25.84</b>	<b>25.57</b>	<b>21.97</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

This mechanism allowed Rwanda, when it reached the decision point, to take advantage of a relatively substantial debt cancellation, especially the one owed to major multilateral

creditors, namely IDA, the IMF and the ADB Group, which endorsed up to 93% of average cancellations over the period between 2001 and 2006.

## 2. PRIVATE EXTERNAL DEBT

Private external debt is a debt contracted in foreign currency by Rwandan residents pertaining to private sector as non-residents. It mainly consists of foreign borrowings contracted with or without government guarantee.

Although still weak and relatively low, private sector debt has started to gain importance following the privatization of state owned companies, new private company establishment and generally resort to foreign loans in foreign currencies in order to finance their activities.

### 2.1 Debt stock

At the end of 2006, total stock of external private debt rose to USD 31.87 million, of which USD 4.02 million (12.61%) were government guaranteed debt, compared to non government guaranteed debt of USD 27.85 million (87.39%). Compared to end of 2005, private debt stock decreased by 11.77%, passing from USD 36.12 million in 2005 to USD 31.87 million in 2006.

**Table 49: Development of the private debt stock (in million USD)**

Debtors	2004	2005	2006
<b>Guaranteed debt</b>	<b>7.32</b>	<b>5.64</b>	<b>4.02</b>
BRD	4.74	3.18	2.67
GOBOKA	1.58	1.46	1.35
PRIME HOLDING	1.0	1.0	0.0
<b>Non guaranteed debt</b>	<b>32.15</b>	<b>30.48</b>	<b>27.85</b>
BRD	9.61	9.1	7.75
ROKO	8.63	8.72	8.24
KABUYE Sugar	7.19	6.32	5.44
Others	6.72	6.34	6.42
<b>TOTAL DEBT</b>	<b>39.47</b>	<b>36.12</b>	<b>31.87</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

The share of BRD's debt out of total private debt stock was the most significant with USD 10.4 million, followed by that of ROKO Rwanda amounting to USD 8.24 million and KABUYE Sugar whose liabilities rose to USD 5.44 million in 2006.

### a) Guaranteed debt

The guaranteed debt in 2006 consisted of eight Government guaranteed credit lines of which six were granted to BRD by the European Investment Bank (EIB), the ADB Group, and EEC/EDF, a loan granted to GOBOKA by SHELTER Africa and another one granted to PRIME Holdings by SOUTHERN SUN.

During the year 2006, total Government guaranteed debt stock decreased, passing from USD 5.64 million in 2005 to USD 4.02 million, which is a decline of 28.9%. This decline was mainly due to the regular repayment of the principal by Rwanda Development Bank (BRD).

**Table 50: Development of the guaranteed debt stock (in million of USD)**

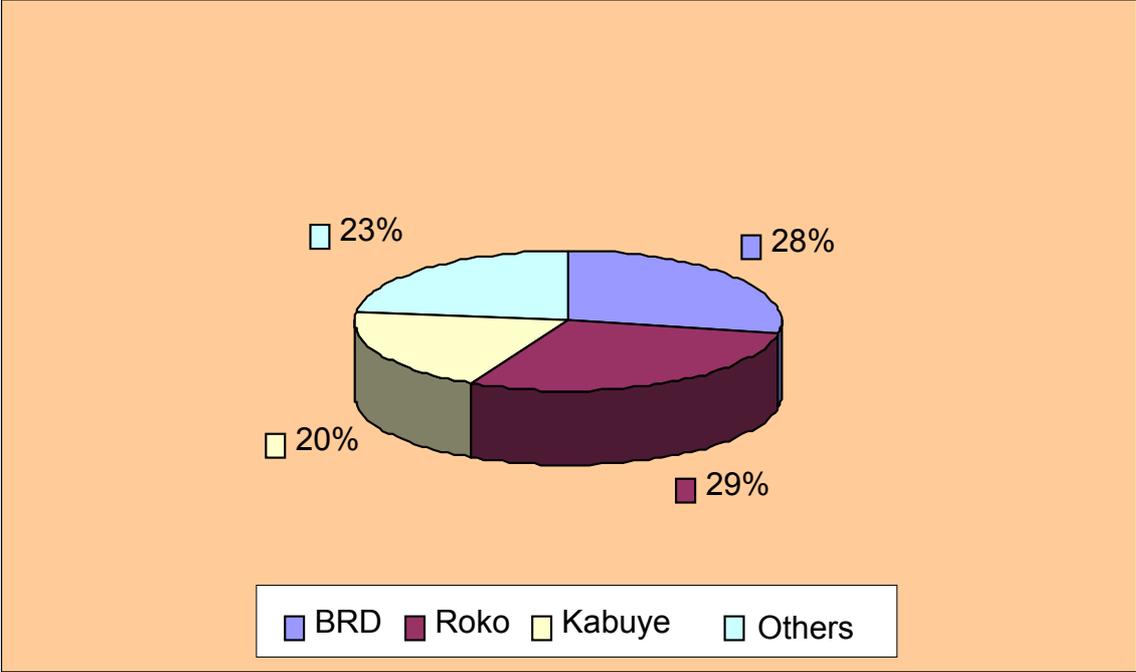
Creditors	2005	2006
EIB I	0.32	0.24
EIB II	0.14	0.01
EEC/EDF	0.51	0.57
ADF I	0.39	0.42
ADF II	1.94	1.43
SHELTER Africa	1.47	1.35
SOUTHERN SUN	1.00	0.00
<b>Total</b>	<b>5.64</b>	<b>4.02</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

### b) Non-guaranteed debt

Non-government guaranteed debt consists mainly of external loans directly incurred by the private sector without any Government guarantee. At the end of 2006, non-guaranteed debt stock rose to USD 27.85 million. ROKO Rwanda's debt was the highest with USD 8.24 million, followed by that of BRD estimated at USD 7.75 million and KABUYE Sugar with USD 5.43 million. The stock of other non-guaranteed private loans totaled USD 6.43 million at the end of 2006.

**Figure 22: Development of guaranteed debt stock by borrower**



**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

**2.2. Disbursement and debt service**

The amount disbursed as external private debt was concerned with only two loans. Out of these disbursements totalling USD 4.64 million at the end of 2006, the most significant was in favor of RWACOF with USD 4.05 million from SUCAFINA S.A., within the framework of the 2006 coffee season, and the other one of USD 0.59 million granted to PETROCOM by PTA BANK was intended to finance the importation of fifteen trailers for petroleum products transportation.

The service due on private debt in 2006 was estimated at USD 12.83 million, of which USD 11.37 million was the principal and USD 1.45 million was interests. It included a short-term loan of USD 5.36 million as well as a medium and long term loans of USD 7.54 million, which are 43.90% and 56.10% respectively. The provisional liabilities of the guaranteed debt as the principal and interests in 2006 was USD 2.17 million compared to USD 10.66 million in relation to non government guaranteed debt.

The amount repayed in relation to private debt servicing at the end of 2006 totaled USD 9.29 million, of which USD 7.95 million is the principal and USD 1.34 million as interests payment. More significant repayments of USD 4.05 million were made by RWACOF, USD 2.80 million by BRD, and USD 1.20 million by PRIME HOLDINGS.

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## **PART II: ACTIVITIES OF THE BANK**

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## CHAPTER III: ACTIVITIES RELATED TO THE MAIN MISSIONS OF THE BANK

### III.1 FOREIGN EXCHANGE POLICY AND OPERATIONS

#### III.1.1. FOREIGN EXCHANGE POLICY

##### A. Revision of the regulations

The main reforms carried out within the regulation framework date from early 90s. These reforms were completed in March 1995 with the publication of the Statutory Order n° 1 of 03/03/1995 on the organization of the foreign exchange market.

Pursuant to this law, the National Bank of Rwanda enacted the Exchange Control Regulations of 06 March 1995 whose main innovations are the liberalization of foreign trade, the transfer to approved intermediaries of the tasks related to the validation of import and export licences as well as invisible operations, the establishment of foreign exchange bureaux, the regulation of foreign currency accounts held with commercial banks and the liberalization of some capital operations.

In March 2003, the Exchange Control Regulations were once again reformed, especially regarding the regulation pertaining to import and export, invisible operations, capital operations and procedures for checking the regularity of the operations validated by the approved intermediaries. These reforms were mainly aimed at channelling through the official network the foreign currency request addressed to the parallel market, clarifying some ambiguous passages, simplifying the methods of reporting foreign exchange operations at NBR, substituting on-site checking for the routine inspection of all foreign exchange transactions and establishing a separation between authorized and unauthorized capital operations.

The evaluation of these reforms enabled to establish that the majority of expected results were largely achieved.

In spite of such reforms, the Exchange Control Regulations turned out to be, for some points, in conflict with the economic environment characterised by stability of the foreign exchange market and the speeding up of regional integration.

This is the reason why the Bank was involved in broad consultations with the main users of the exchange control regulations, the majority being also the stakeholders in the management of foreign exchange operations, with a view to seeking suitable solutions together.

This led to the approval in December 2006 of new Exchange Control Regulations by the Board of Directors of the Bank.

The reforms are primarily related to the regulations governing imports, invisible operations, foreign currency accounts, capital operations and the deletion of some inoperative or repetitive provisions.

As regards imports, the ceiling on transfers for imports prepayment was removed. However, the obligation to hold relevant papers within prescribed time was maintained. Moreover, in order to take into account new developments as regards cross-boarder trade, the threshold from which the subscription of a bank's statement of imports becomes compulsory is significantly increased from USD 5 000 to USD 20 000.

Concerning invisible operations, the ceiling has been removed for foreign exchange transactions related to tourism and business trips, school fees and wages and incomes. It is the same for withdrawals from foreign currencies accounts. In addition, relevant documents required for trips related foreign exchange transactions have been considerably reduced to consider only the identity card.

To encourage travellers' use of the means of payment other than cash (traveller's cheques, credit card...), the purchase of cash was limited to USD 20 000, and expenses beyond this threshold must be through other means of payment.

As for capital operations, residents are authorized, for the purpose of their activities, to freely contract loans in foreign currencies from non-resident foreign international banks and financial institutions. Moreover, they can negotiate loans in foreign currency from other non-resident foreign private economic operators at LIBOR interest rate increased to a margin set by the Bank. In addition, non-residents are eligible for various public shares in accordance with conditions to be set out, and resident legal entities dealing in savings are authorized to invest in shares abroad according to methods to be defined.

## B. Continuation of restructuring of the informal foreign currency market

The restructuring of the informal foreign currency market was achieved, on one hand, through consolidation of the achievements of previous years in Kigali City and in former Cyangugu and Gisenyi provinces and, on the other hand, through its extension to the entry border posts of Cyanika, Gatuna, Kagitumba and Rusumo.

### - Achievements Consolidation

At the end of 2005, the volume of sales by foreign exchange bureaux, made up of former street money-changers, amounted to USD 62 131 860 compared to USD 12 730 096 in 2004. As for the number of redeployed street money changers, it increased from 393 to 477 gathered into respectively 38 and 46 foreign exchange bureaux. This evolution continued in 2006.

**Table 51: Evolution of redeployed street money changers**

Location	Number of foreign exchange bureaux			Number		
	2004	2005	2006	2004	2005	2006
Kigali City	19	2	24	197	233	224
Former Cyangugu	8	1	13	95	121	143
Former Gisenyi	11	14	14	101	123	123
<b>Total</b>	<b>38</b>	<b>46</b>	<b>51</b>	<b>393</b>	<b>477</b>	<b>490</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

**Table 52: Evolution of the volume of operations (in USD)**

	Kigali City	Former Gisenyi	Former Cyangugu	TOTAL
2004	11 608 198	486 447	635 451	12 730 096
2005	52 041 775	7 010 512	3 079 573	62 131 860
2006	66 211 484	10 467 704	5 687 704	82 366 846
<b>TOTAL</b>	<b>129 861 457</b>	<b>17 964 617</b>	<b>9 402 728</b>	<b>157 228 802</b>

**Source:** NBR, Foreign Exchange Inspection and Balance of Payments Department

The increase in the number of redeployed street money changers resulted mainly from the measure of badges imposed upon them so as to distinguish them from illegal money changers; it also resulted from the effort made by the National Police during this year to track the recalcitrant ones, particularly in Kigali city and in former Cyangugu Province. These actions led to progressive understanding that the process of informal foreign exchange market eradication is irreversible.

Concerning the volume of operations, visits to foreign exchange bureaux enabled to improve the quality of declared operations, particularly with regard to foreign exchange bureaux working in border areas. Moreover, the setting of the minimum sales turnover required to cover the running costs, followed by its communication to foreign exchange bureaux, had also a positive impact on the increase in volume of declared operations. However, RUSIZI (former Cyangugu) and RUBAVU (former Gisenyi) foreign exchange bureaux undergo unfair competition from general trade entities of the area, which often carry out transactions in foreign currencies with Congolese in violation of article 35 of the law n°11/97 of 26/7/1997 bearing statutes of the National Bank of Rwanda which stipulates that the banknotes and coins issued by the Bank are the only ones legal tender on the territory of the Republic of Rwanda. This accounts for their relatively low volume of operations despite the intensity of the trade that can be observed there.

#### - Extension of restructuring to other entry border posts

In 2006, actions were undertaken to restructure the informal foreign currency market at the entry border posts of Rusumo, Cyanika, Gatuna and Kagitumba. Apart from Kagitumba, where street money changers regrouped in associations failed to fulfil the requirements for obtaining the operating licence, street money changers of the 3 other entry border posts already operate legally. Despite the suspension of the exchange offices operating in Rusumo by local authorities, the volume of their operations totalled USD 284 471 in 2006

As was the case at the border stations of the Democratic Republic of Congo (Rusizi and Rubavu) where almost all the operations were in Congolese Francs, operations carried out in these bureaux are in the neighbouring countries' currency, namely Ugandan and Tanzanian Shillings.

**Table 53: Volume of operations in 2006**

Location	Number of offices	Numbers	Volume of operations
RUSUMO (*)	3	59	156 077
GATUNA	2	30	156 866
CYANIKA	5	41	26 417
KAGITUMBA (**)			
<b>TOTAL</b>	<b>10</b>	<b>130</b>	<b>339, 360</b>

(\*) Foreign exchange bureaux suspended by local authorities since mid-November.

(\*\*) One foreign exchange office is being established. Its statutes are awaiting certification by the notary.

### III.1.2. NBR FOREIGN EXCHANGE OPERATIONS IN 2006

NBR foreign exchange operations which generated foreign currency resources are primarily made up of external budgetary support and projects accounts provisioning in foreign currencies, banks and other customers. Compared to the year 2005, the volume of such foreign currency resources slightly increased by 0.6% and reached USD 448.0 million in 2006 compared to USD 445.4 million in 2005. However, this stability of the resources hides significant variations in some components. This is the case of the budgetary support, which decreased by 39% between 2005 and 2006. On the other hand, projects support increased significantly by 32%; provisioning of projects accounts recorded a net increase of 32.07 % in 2006, thus contributing to reducing the decline of foreign currency resources.

**Table 54: Evolution of the volume of foreign exchange operations at NBR**  
(In million of USD)

Year 2006		First quarter 06	Second quarter 06	Third quarter 06	Fourth quarter 06	Total
	Budgetary Support	19.6	65.9	23.7	12.0	121.2
<b>Resources</b>	Drawings on IMF credits	0.0	2.5	-	-	2.5
	Interest on foreign currency investment	2.6	4.6	5.8	6.1	19.0
	Commercial banks accounts provisioning	11.0	15.8	21.5	28.5	76.8
	Projects accounts provisioning	41.6	24.6	36.3	48.2	150.7
	Purchase from banks	0.0	1.0	1.3	4.2	6.5
	Drawings on BNB	0.0	0.0	0.0	22,6	22,6
	Others (Diplomatic Missions and other institutions + adjustment)	14.3	13.0	12.8	8,7	48,7
	<b>Total</b>	<b>89.0</b>	<b>127.4</b>	<b>101.3</b>	<b>130,3</b>	<b>448.0</b>
	NBR current expenditure	0.3	0.4	1.0	0.7	2.3
	Government current expenditure	23.1	29.0	34.5	22.6	109.2
	Other customers' expenditure	11.5	19.4	17.9	13.0	61.7
	BNB Repayments	0.0	0.0	0.0	0.0	0.0
	Foreign debt Service	1.5	3.7	1.8	2.0	9.0
<b>Expenditure</b>	Sales of foreign currency to banks	24.4	37.1	38.7	36.9	137.1
	Withdrawals of foreign currency by banks	20.5	16.6	23.3	31.7	92.2
	Others (adjustment)	0.6	1.5	0.1	1.8	3.9
	<b>Total</b>	<b>81.9</b>	<b>107.6</b>	<b>117.3</b>	<b>108.6</b>	<b>415.3</b>
<b>Balance</b>		<b>7.1</b>	<b>19.8</b>	<b>-16.0</b>	<b>21.7</b>	<b>32.7</b>
Year 2005		First quarter 05	Second quarter 05	Third quarter 05	Fourth quarter 05	TOTAL
	Budgetary Support	23.5	51.3	25.2	104.2	199.01
	Drawings on IMF credits	0.0	0.9	0.8	0.0	1.7
<b>Resources</b>	Interest on foreign currency investments	2,0	1.8	3.2	2.7	9.7
	Commercial banks accounts provisioning	12.0	7.8	13.9	10.7	44.4
	Projects accounts provisioning	20.9	23.7	29.3	40.3	114.1
	Purchase from banks	13.6	0.4	2.0	3.2	19.2
	Drawings on BNB	0.0	0.0	14.7	0.0	14.7
	Others (Diplomatic Missions and other institutions + adjustment)	13.8	11.4	9.5	8.0	42.7
<b>Total</b>	<b>Total</b>	<b>85.7</b>	<b>97.2</b>	<b>98.6</b>	<b>169.1</b>	<b>445.4</b>
	NBR current expenditure	0.4	2.7	0.9	0.5	4.5
	Government current expenditure	18.6	22.9	17.5	27.3	86.3
	Other customers' expenditure	8.4	11.6	6.3	11.8	38.1
	BNB Repayments	1.3	0.0	15.6	0.0	16.9
	Foreign debt Service	6.4	6.5	6.6	4.0	23.5
	Sales of foreign currency to banks	20.4	29.6	32.7	35.0	117.6
	Withdrawals of foreign currency by banks	8.9	10.1	14.2	11.3	44.5
	Others (adjustment)	6.5	8.6	3.6	1.9	20.7
	<b>Total</b>	<b>70.8</b>	<b>91.9</b>	<b>97.4</b>	<b>91.7</b>	<b>351.9</b>
<b>Balance</b>		<b>14.9</b>	<b>5.2</b>	<b>1.2</b>	<b>77.4</b>	<b>98.7</b>

**Source:** NBR, International Operations Department

As for foreign currency expenditure operations, they largely consist of foreign currency auction sales to banks, Government current expenditure and withdrawals from accounts by banks and other customers.

The year 2006 was characterized by an increase in the Bank's foreign currency expenditures. The volume of these expenditures was USD 415.3 million in 2006 compared to USD 351.9 million in 2005, which is an increase of 18.01%. This increase primarily resulted from the use of foreign currency accounts by banks (107.19%) and other customers (62.10%), the Government current expenditure (26.61%) and the auction sales of foreign exchange (+16.54%).

## **III.2. IMPLEMENTATION OF MONETARY POLICY**

### **III.2.1. REGULATION MEASURES**

In order to suitably fulfil its mission, during the year 2006, the National Bank of Rwanda implemented a prudent and stern monetary policy consistent with the economic situation so as to achieve monetary target agreed upon with the IMF.

In this regard, the National Bank of Rwanda continued to use indirect instruments for monetary aggregates control, such as reserve requirements, intervention on the money market and the discount rate.

The legal provisions for adapting the Bank's instruments to economic realities, mostly those related to the new policy of interest rate management, implementation of overnight investments and the reserve requirement constitution period were not modified during the year 2006.

### **III.2.2. MONEY MARKET OPERATIONS**

Steady growth in excess liquidity that was observed in the banking system for more than three years continued during the year 2006. This growth in banks' treasury is a result of high government expenditure, and credit to private sector growth. Considering this liquidity growth, the Bank intensified its interventions on the money market to mop up liquidity, combining Treasury Bills issue, liquidity borrowing and overnight investment facility.

#### **2.2.1. Liquidity borrowing and overnight operations**

During the year 2006, total liquidity borrowing amounted to RWF 360.25 billion against RWF 415.5 billion in 2005. At the same time, the Bank carried out overnight investment

operations with a total amount of RWF 1 401.98 billion. The decrease in the amount of liquidity borrowed in 2006 is accounted for by the increase in overnight investments since banks prefer such a deposit of one day to prevent abrupt treasury shortages.

**Table 55: Liquidity loan on the money market**

Period	2004	2005	2006
Number of operations	67	81	296
Ordinary borrowing	42	74	51
Temporary or smoothing operations	25	7	--
Overnight	--	103	245
Amount			
to be borrowed (in billion RWF)	188.40	502.5	527.0
borrowed (in billion RWF)	161.56	415.5	360.25
overnight (in billion RWF)	--	418.92	1 401.98
Interest paid on			
- Liquidity borrowing (in million RWF)	197.44	315.30	596.76
- Overnight (in million RWF)	--	79.76	280.93

**Source:** NBR, Money and Capital Markets Department

### 2.2.2. Management of the discount window

The persistence of excess liquidity in the banking system accounted for the non-existence of resort to the discount window. It should be noted that since August 2004 there has not been any refinancing request.

### 2.2.3. Interbank market operations

For the third consecutive year, cash exchange has been falling. Interbank lending amounted to RWF 34.45 billion in 2006 compared to RWF 37.55 billion in 2005, which is a decrease of 8%. It should be noted that a significant volume of cash exchange was concentrated in May and August.

**Table 56: Evolution of interbank market operations (in billion RWF)**

Year	2003	2004	2005	2006
Variation	81.49	54.41	37.55	34.45
In %	--	33.23	30.99	8.26

**Source:** NBR, Money and Capital Markets Department

### 2.2.4. Evolution of Treasury bills' market

In 2006, NBR performed 52 operations of Treasury Bills issue and mobilized RWF 282.69 billion compared to RWF 161.15 billion in 2005, which was an annual increase of 75.42%.

Commercial banks subscription represented 70.50% against 65.61% the previous year. The level of commercial banks subscriptions reflects the banks' abundance of cash.

**Table 57: Treasury bills issue by category of subscribers (in billion RWF)**

Period Category	2004		2005		2006	
	Amount	in %	Amount	in %	Amount	in %
Banks	67.14	48.2	105.73	65.61	199.32	70.50
Non banks	72.21	51.8	55.42	34.39	83.37	29.50
<b>TOTAL</b>	<b>139.35</b>	<b>100.0</b>	<b>161.15</b>	<b>100.0</b>	<b>282.69</b>	<b>100.0</b>

**Source:** NBR, Money and Capital Markets Department

Concerning the allocation of the resources mobilized on the Treasury bills market, it is worth noting that treasury bills issue for monetary policy purpose represented 66.6% in 2006 compared to 33.36% for fiscal purpose. The strengthening of the prevalence of interventions for monetary policy purpose is accounted for by the importance of cash to be absorbed while cash need for deficit financing went decreasing, following the abundance of external financial disbursements available in 2006.

**Table 58: Treasury bills issue by purpose (in RWF billion)**

Period Category	2004		2005		2006	
	Amount	in %	Amount	in %	Amount	in %
Monetary Policy	18.21	13.07	98.39	61.05	188.37	66.64
Fiscal policy	121.14	86.93	62.76	38.95	94.31	33.36
<b>TOTAL</b>	<b>139.35</b>	<b>100.0</b>	<b>161.15</b>	<b>100.0</b>	<b>282.68</b>	<b>100.0</b>

**Source:** NBR, Money and Capital Markets Department

As for treasury bills outstanding stock, it should be noted that it amounted to RWF 58.03 billion at the end of 2006 both for monetary and fiscal policy purposes compared to RWF 46.90 billion during the previous year, which was an increase of 23.7%. As regards the breaking down by maturity, the 13 weeks maturity comes first with 64.83%, followed by the 26 weeks maturity with 19.92% of the total. The other two maturities namely 4 and 52 weeks represented 4.12% and 11.13% respectively. The increase in the 13 weeks share is explained by the fact that NBR has given priority to longer maturities in order to mop up as much as possible and for a long period. It is within this context that banks preferred the 13 weeks maturity to the 4 weeks.

**Table 59: Outstanding Treasury bills by maturity (in billion RWF)**

Period Maturity	31 Dec. 2004		31 Dec. 2005		31 Dec. 2006	
	Amount	in %	Amount	in %	Amount	in %
4 weeks	10.13	29.96	17.91	38.19	2.39	4.12
13 weeks	11.77	34.80	3.85	8.20	37.62	64.83
26 weeks	11.92	35.24	7.88	16.81	11.56	19.92
52 weeks	--	--	17.26	36.80	6.45	11.13
<b>TOTAL</b>	<b>33.82</b>	<b>100.0</b>	<b>46.90</b>	<b>100.0</b>	<b>58.03</b>	<b>100.0</b>

**Source:** NBR, Money and Capital Markets Department

Concerning the category of subscribers, banks took the biggest share with more than 57% of the outstanding by the end of December 2006 compared to 46% in the previous year.

**Table 60: Outstanding Treasury bills by category and purpose (in billion RWF)**

Period Category	2004		2005		2006	
	Amount	in %	Amount	En %	Amount	in %
Monetary policy	4.99	14.76	31.27	66.67	26.06	44.90
Banks	4.90		18.22		16.7	
Non-banks	0.09		13.05		9.39	
Government Accounts	28.83	85.24	15.63	33.33	31.97	55.10
Banks	8.75		3.57		16.95	
Non-banks	20.08		12.06		15.02	
<b>TOTAL</b>	<b>33.82</b>	<b>100.0</b>	<b>46.90</b>	<b>100.0</b>	<b>58.03</b>	<b>100.00</b>

**Source:** NBR, Money and Capital Markets Department

### III.2.2.5. Penalty to Banks for non-compliance with instructions in relation to the management of the banking liquidity

It should be noted that in year 2006, banks strictly respected the instructions in force. The fines paid by banks amounted to only RWF 1 093 919.

### III.2.2.6. Recovery of interests paid by NBR on money market operations

With reference to the Agreement n°01/2005 signed on 20 September 2005 committing MINECOFIN to refund interests paid by NBR on money market operations, an amount of RWF 3 619 205 905 was repaid to NBR during the year 2006, with a monthly average of RWF 301 598 384.

## **III.3. MANAGEMENT OF SPECIAL FUNDS AND LINES OF CREDIT**

### **III.3.1 Special Funds Management**

Currently, NBR manages four facilities, notably:

- Agricultural Guarantee Facility;
- Guarantee Fund and Credit Lines for facilitating the training of the retrenched Rwandan civil servants;
- Guarantee Fund for the Dairy Cattle Breeding Development Support Project - PADEBL;
- Housing Financing Fund;

#### **3.1.1. The Agricultural Guarantee Facility**

The Agricultural Guarantee Facility (FGA) help to stimulate bank loans for development activities in Agriculture sub-sectors. The aim is to reduce bank risks related to agricultural loans and overcome insufficiency of guarantees for promoters of economically cost-effective and financially viable projects that do not have a negative impact on the environment.

FGA resources come from allocations provided in the Government Development Budget and donors' subsidies. The initial grant is two billion eight hundred and sixty million five hundred and sixty-two thousand Rwanda Francs (RWF 2 860 562 000) of which RWF 1 000 000 000 are subsidies to the Government Budget and RWF 1 760 562 000 as financing by the Netherlands Cooperation, through the Kingdom of the Dutch Embassy in Kigali. Since August 2005, the Netherlands Cooperation has already disbursed two instalments totalling RWF 1 072 646 053.

In 2006, Seventy-one (71) files were evaluated within the framework of the Agricultural Guarantee Facility, and supported up to RWF 3 102 567 461. In addition, following the proposals submitted to the Bank Management, an amount of RWF 500 million was set for an individual and livestock integrated in FGA eligible activities.

In total, 104 projects have currently been supported. The overall amount committed is RWF 3 739 998 223 distributed as follows:

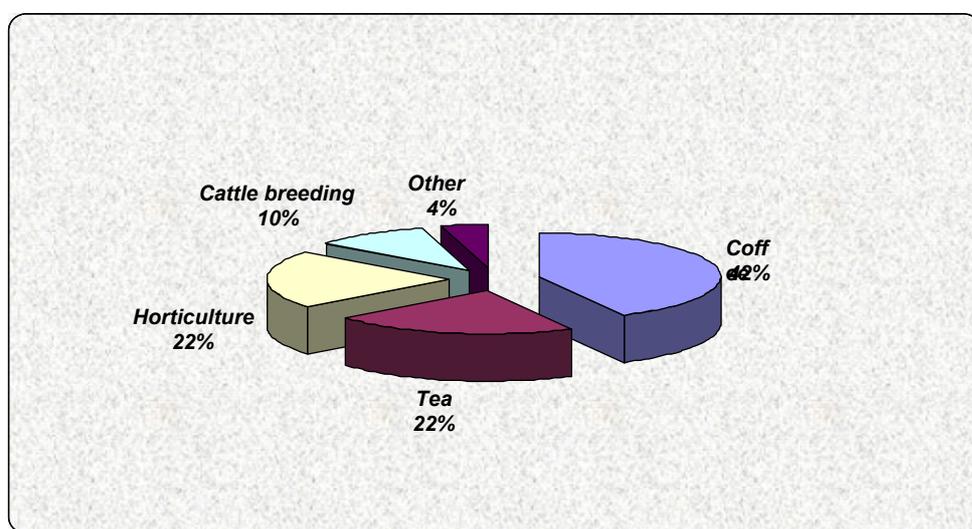
**Table 61: Distribution of financed projects by Sector**

Sector	Amount in RWF	in %
Coffee	1 573 988 179	42.09
Tea	823 316 034	22.01
Horticulture	806 704 016	21.57
Cattle Breeding	379 473 928	10.15
Others	156 516 066	4.18
<b>TOTAL</b>	<b>3 739 998 223</b>	<b>100</b>

**Source:** NBR; Money and Capital Markets Department

\*Others: Production of Rice, Wheat, Maize, Tomatoes, Sunflowers, and Distribution of Agricultural Inputs.

**Figure 23: Utilisation by Sector (in %)**



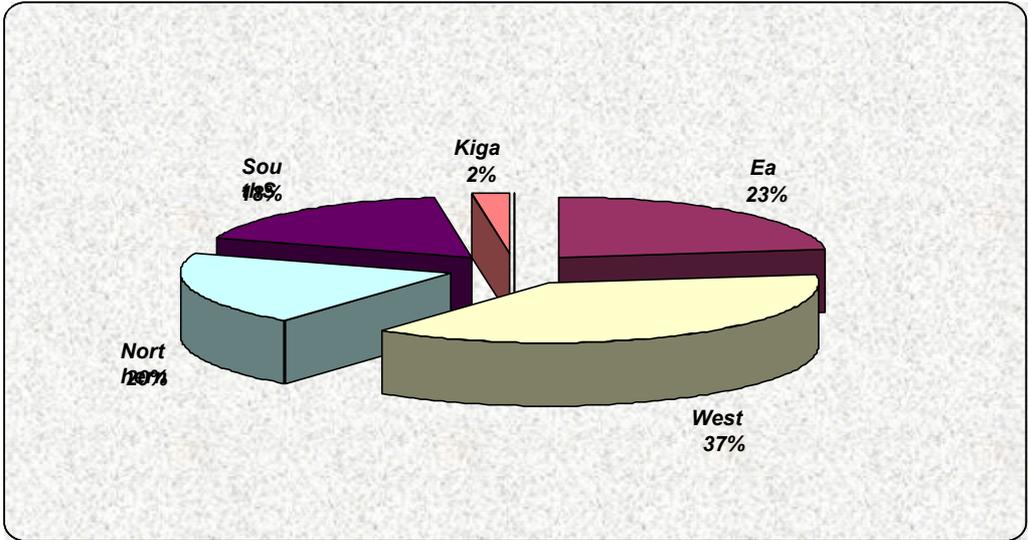
**Source:** NBR, Money and Capital Markets Department

**Table 62: Distribution of financed projects by Province**

Province	Amount in RWF	in %
EASTERN	855 940 294	22.89
WESTERN	1 409 182 179	37.68
NORTHERN	733 407 011	19.61
SOUTHERN	659 297 945	17.63
Kigali City	82 170 794	2.20
<b>TOTAL</b>	<b>3 739 998 223</b>	<b>100</b>

**Source:** NBR, Money and Capital Markets Department

**Figure 24: Distribution of financed projects by Province**



**Source:** NBR, Money and Capital Markets Department

**3.1.2. Guarantee Fund and Credit Lines for facilitating the training of retrenched civil servants of the Republic of Rwanda**

The Guarantee Fund and Credit Lines for facilitating the training of retrenched civil servants resources come from an allocation provided in the Government Budget. The initial allocation is RWF 200 000 000 and RWF 700 000 000 for the Guarantee Fund and Credit Lines respectively.

From 1<sup>st</sup> January to 31<sup>st</sup> December 2006, one hundred and fifty-four (154) application files were evaluated and received the support of the Guarantee Fund and Credit Line refinancing up to RWF 350 444 325 and RWF 643 455 787 respectively.

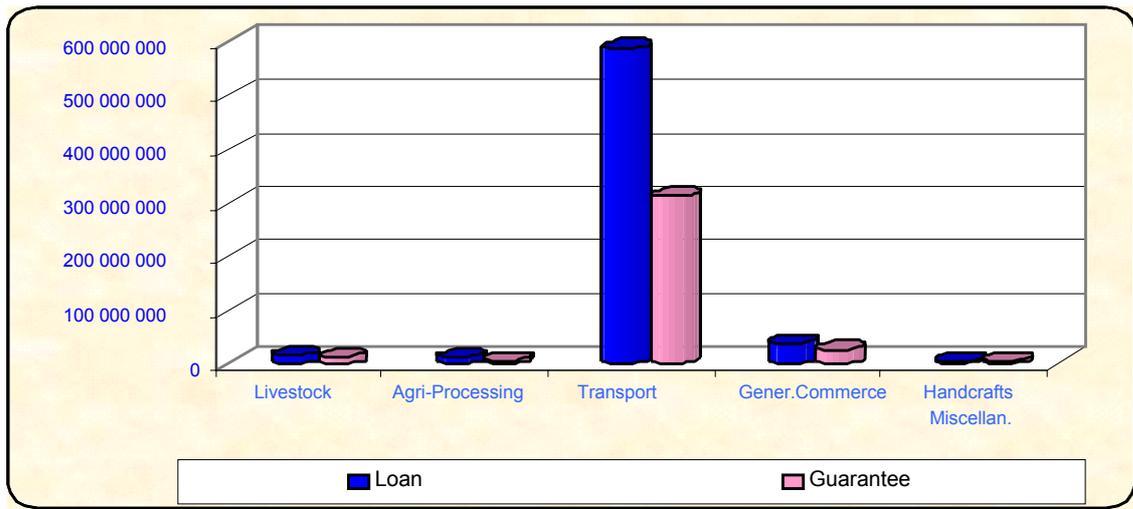
All in all, 156 projects have been endorsed and financed totaling RWF 357 702 125 and RWF 651 971 387 respectively.

**Table 63: Utilisation by Sector**

	Loan (in RWF)	Guarantee (in RWF)
Livestock	13 515 600	12 027 430
Agric-Processing	10 412 450	5 206 225
Transport	586 867 207	310 480 404
General Trade	38 176 130	25 988 066
Various jobs	3 000 000	4 000 000
	<b>651 971 387</b>	<b>357 702 125</b>

**Source:** NBR, Money and Capital Markets Department

**Fig. 25: Utilisation by Sector**



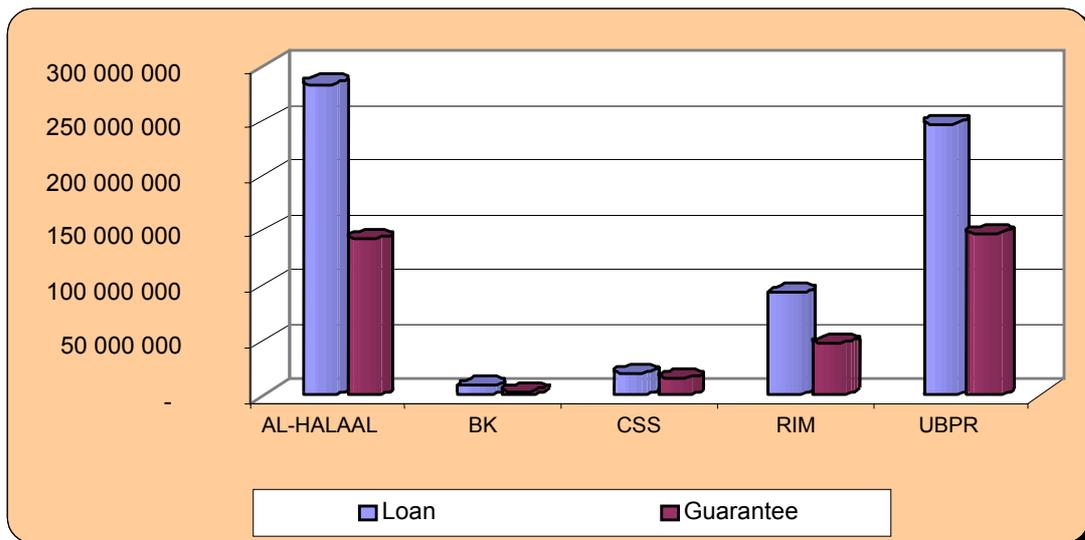
**Source:** NBR, Money and Capital Markets Department

**Table 64: Utilisation by PFI\***

	Loan (in RWF)	Guarantee (in RWF)
AL-HALAAL	283 804 368	142 899 185
BK	8 000 000	4 000 000
ZIGAMA-CSS	20 015 600	15 507 800
RIM s.a	92 522 050	47 435 826
UBPR	247 629 369	147 859 314
	<b>651 971 387</b>	<b>357 702 125</b>

**Source:** NBR, Money and Capital Markets Department

**Figure 26: Utilisation by PFI**



**Source:** NBR, Money and Capital Markets Department

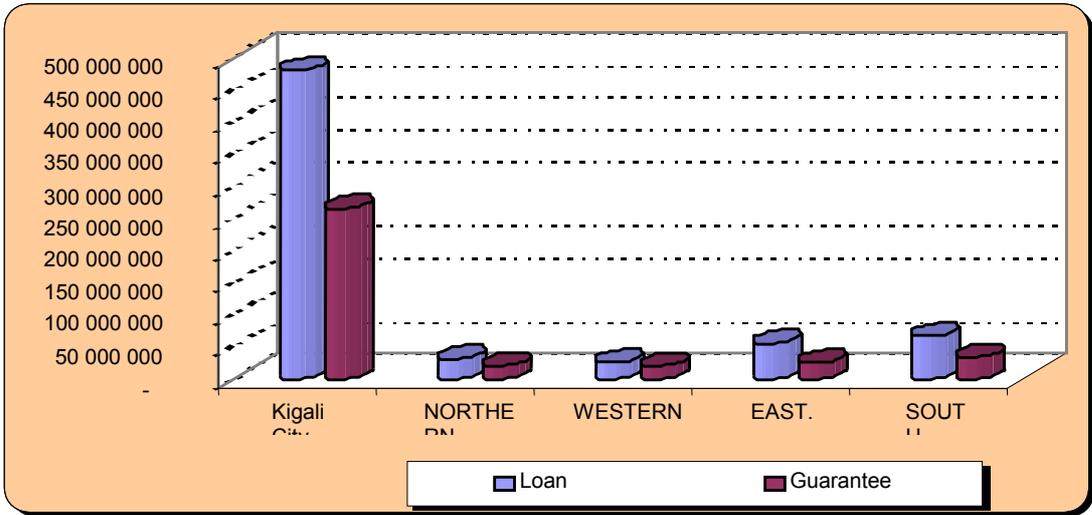
- PFI: Participating Financial Institutions

**Table 65: Utilisation by Province**

	Loan (in RWF)	Guarantee (in RWF)
Kigali City	479 490 261	264 394 931
NORTHERN	29 277 630	18 308 446
WESTERN	24 301 250	18 047 625
EAST	53 592 582	24 296 291
SOUTHERN	65 309 664	32 654 832
	<b>651 971 387</b>	<b>357 702 125</b>

**Source:** NBR, Money and Capital Markets Department

**Figure 7: Utilisation by Province**



**Source:** NBR, Money and Capital Markets Department

**3.1.3. The Dairy Cattle Breeding Development Support Project (PADEBL)**

Following our letter n° 010/2006-109/GA/ga of 09/02/2006, this facility had been launched. However, as stated in the letter n° 3510/06/10/CEPEX of MINICOFIN, since 20/06/2006, the letter repealed all provisions related to PADEBL and replaced them with the Agricultural Guarantee Fund (FGA).

**3.1.4. The Housing Refinancing Fund (HFF)**

This fund was in operation until the initial allocation was used up; from then on, it has functioned with the loans repayments. In 2006, a follow up of monthly repayments (the principal and interest) has been done on the basis of pre-established repayment schedules. On 31/12/2006, an amount of RWF 78 513 088 was recovered and an amount of RWF 11 166 864 was granted to subsidize regular customers who fulfilled their commitments.

### III.3.2 Credit Lines

The four credit Lines concerned are:

- Rural Sector Development Support Project (Rural Investment Facility “RIF”-IDA 3483-Rw component);
- Preferential Refinancing Facility for Agricultural Diversification;
- Export and Cash Crop Development Project; and
- Private Sector Development Support Project (IDA 2541-Rw).

#### 3.2.1. Rural Investment Facility (RIF)

RIF is used to refinance partially medium and long-term loans granted by Participating Financial Institutions (PFI) in favour of Rural Development Projects.

In its new structure, the Rural Investment Facility component, abbreviated as RIF, has become a sub-component called the value added support to small and medium enterprises of rural sector« Support to Value Adding Rural Micro Enterprises ». The amount allocated to the first phase starting from 2001 to June 2007, thus increased from SDR 5 620 000 to SDR 7 500 000.

NBR is committed to partially refinance medium and long-term loans granted by PFI to refinance Rural Investment Projects. On 31/12/2006, 2 332 files had been refinanced with a total amount of USD 3 169 878.76. Up to this date, the overall budget had been utilised 100%, with a total amount of USD 10 000 000.

**Table 66: Projects refinanced up to date (RIF)**

Periods	Number of projects	Amount refinanced in USD
2002	32	869 922.07
2003	129	1 416 800.34
2004	423	2 295 827
2005	1 187	2 270 967.67
2006	2 332	3 169 878.76
<b>Total</b>	<b><u>4 103</u></b>	<b><u>10 023 395.84</u></b>

**That is 100.23%**

**Source:** NBR, Money and Capital Markets Department

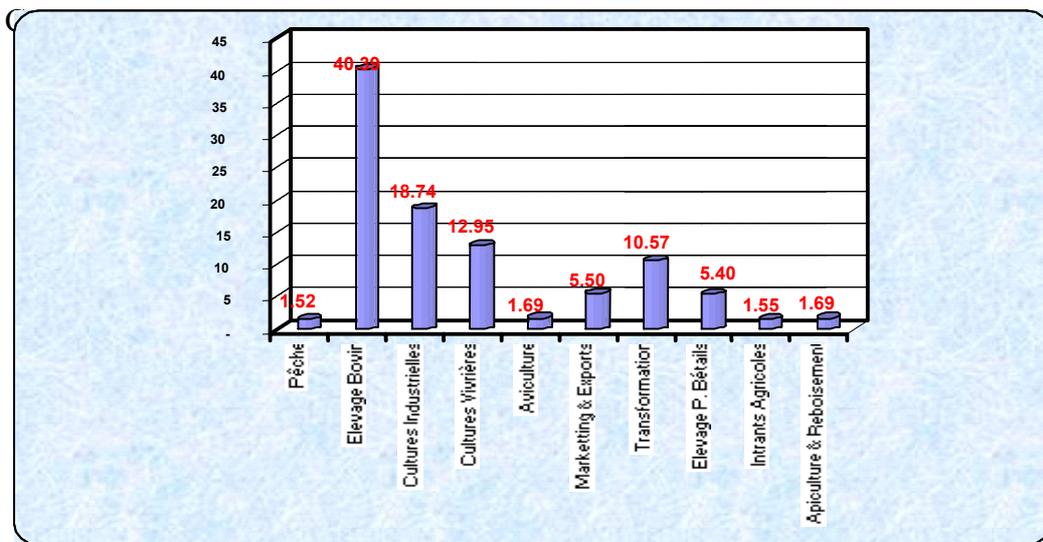
**Table 67: Distribution of refinanced projects**

**a. By sector of activity**

Activities	Amount in USD	%
Fishery	152 383.92	1.52
Cattle breeding	4 048 050.41	40.39
Cash Crops	1 878 181.57	18.74
Food Crops	1 297 780.47	12.95
Aviculture	169 728.15	1.69
Marketing & Exports	551 486.40	5.50
Processing	1 059 661.21	10.57
Livestock- Small Livestock	540 965.02	5.40
Agricultural Inputs	155 271.97	1.55
Beekeeping & Reforestation	169 886.72	1.69
<b>TOTAL</b>	<b>10 023 395.84</b>	<b>100</b>

**Source:** NBR, Money and Capital Markets Department

**Figure 28: Distribution of refinanced projects by Sector**



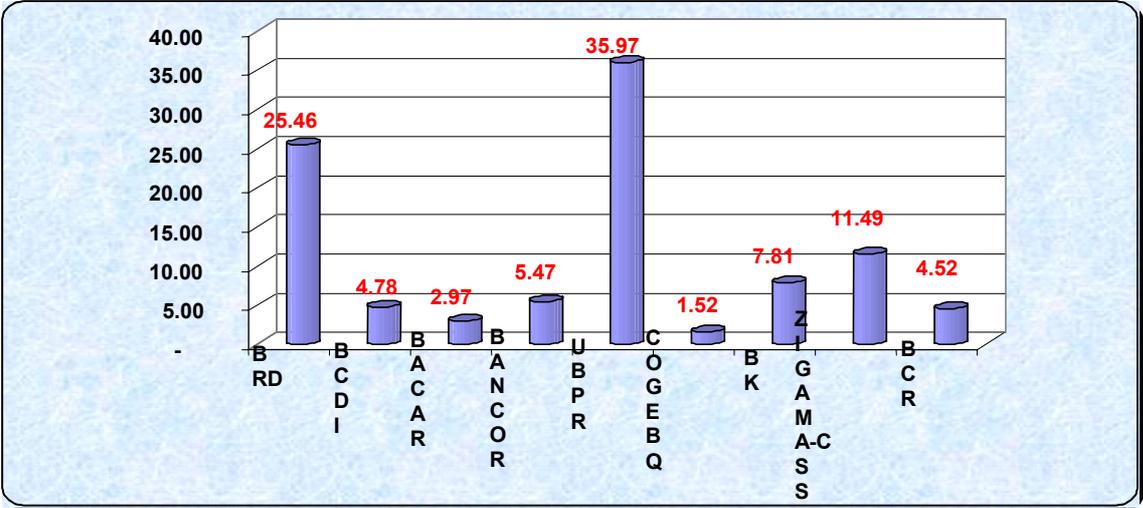
**Source:** NBR, Money and Capital Markets Department

**b. By Participating Financial Institutions (PFI)**

Activities	Amount in USD	In %
BRD	2 552 106 740	25.46
BCDI	479 443.43	4.78
FINABANK	297 927.42	2.97
BANCOR	548 405.14	5.47
UBPR	3 605 625.65	35.97
COGEBQ	152 319.35	1.52
BK	783 141.11	7.81
ZIGAMA-CSS	1 151 719.44	11.49
BCR	452 707.90	4.52
<b>TOTAL</b>	<b>10 023 395.84</b>	<b>100</b>

**Source:** NBR, Money and Capital Markets Department

Figure 29: Distribution of financed projects by Participating Financial Institutions (PFI)



Source: NBR, Money and Capital Markets Department

**3.2.2. Preferential Refinancing Facility for medium and long-term loans for Agricultural Exportation and Agro-business Activities**

The fund resources come from the repayment of the Government consolidated debt with the National Bank of Rwanda. Eligible for financing from this Fund are medium and long-term projects operating in agriculture and agro-business (including livestock) that participating banks consider bankable. The projects must show an easily measurable net foreign exchange saving, including import substitution activities financially viable.

In 2006, there was no additional disbursement of new resources, and NBR services monitored the repayment of previously granted loans. A total amount of RWF 219 679 111 (of which RWF 42 320 427 is the interest and RWF 177 358 684 is the principal) was repayed.

Currently, a total allocation of RWF 1 343 448 194 has been used at 97.26%, that is RWF 1 306 612 000.

**Table 68: Resource utilization**

	Sector	Amount in RWF	in %
1	Agro-processing industry	548,412,000	41.97
2	Exports of hides and skins	233,000,000	17.83
3	Coffee and Pyrethrum	325,200,000	24.89
4	Flower growing and export	200,000,000	15.31
	<b>Total</b>	<b>1,306,612,000</b>	<b>100</b>

**Source:** NBR, Money and Capital Markets Department

### **3.2.3. Private Sector Development Support Project (IDA 2541-Rw)**

This project was put in place to allow for the launch of private sector activities or new activities with a view to fostering economic growth. The project was closed in 2001. Currently, NBR follows up repayments only. Recoveries are based on the pre-established repayment schedules; and in 2006, an amount of RWF 102 743 498 (principal) and RWF 14 695 358 (interest) were refunded.

### **3.2.4. Export and Cash Crop Development Project (PDCRE)**

The Export and Cash Crop Development Project (Credit n° 596-Rw/FIDA) has an objective to increase and diversify incomes of the poorest cash crop farmers by developing commercial processing and financially viable market activities. A foreign currency loan amounting to SDR 12 300 000 was availed to a target group of beneficiaries living in the project areas.

The Government of Rwanda entrusted NBR with the management of the Project Credit Lines with a total amount of SDR 2 910 000 distributed as follows:

- SDR 1 200,000 for long-term loans;
- SDR 660 000 for short-term loans;
- SDR 1 050 000 for Overdraft Facilities.

The project area covers the following four former provinces: KIBUYE, GIKONGORO, KIGALI-NGALI and KIBUNGO; while the target group comprises households in the Project area living below the poverty line, ensuring that women heading households are given priority.

In 2006, NBR received and followed up only one application from a UBPR customer for an amount of RWF 14 million, a sub-project of the coffee crop.

Considering the fact that the final beneficiaries and the intervention area boundaries have slowed down the functioning of this credit line, in its letter of 20 October 2006 addressed to the Minister of Finance and Economic Planning, NBR requested that the latter be entrusted to another manager.

### **III.4. FOREIGN RESERVES MANAGEMENT**

In 2006, the international economic and financial context was conducive to the profitability of foreign reserves because it was the world's greatest expansion period since the beginning of 1970. The United States were not the only world engine. Economic activity in Japan and Europe strengthened in addition to the contributions of important emerging countries such as China, India, Brazil, Russia and oil producing countries. Due to such general economic strengthening coupled with inflationary tensions resulting from the rise in the raw material prices, central banks tightened loan conditions.

This was the case in the United States of America, where the Federal Reserve pursued its policy of increasing interest rates starting from June 2004, from 4.25% at the beginning of the year to 5.25% in June, before a break following signs of a slow down in the second quarter due to the faltering of the real estate market. The European Central Bank increased five times its reference rate from 2.25% to 3.50%, considering that the Euro Zone economic strengthening would be sufficient to support the least accommodating policy. The Central Bank of England also increased the rates twice, from 4.5% at the beginning of the year to 5% in December. Similarly, in July, the Central Bank of Japan put an end to its zero rate policy by increasing the latter to 0.25%.

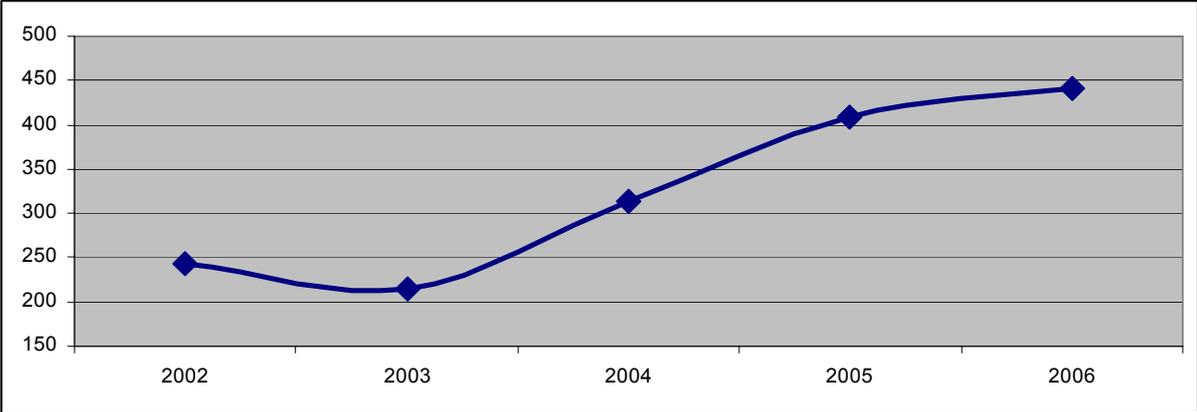
#### **III.4.1 NBR foreign assets development in 2006**

NBR gross foreign assets moderately increased from USD 407.98 million to USD 440.69 million between end December 2005 and end December 2006, which was a growth of 8%. This growth mainly resulted from significant banks accounts provisioning, government projects accounts provisioning by donors and overdraft from BNB.

Thus, NBR average gross reserves rose from USD 342 million in 2005 to USD 422 million in 2006 which is a growth rate of 23.39 %. It should be noted however, that budgetary support which used to be the major source of NBR gross reserves for the previous years,

decreased significantly in 2006 from USD 199.01 to USD 121.22 million from end December 2005 to end December 2006, which is a decrease of USD 77.79 million.

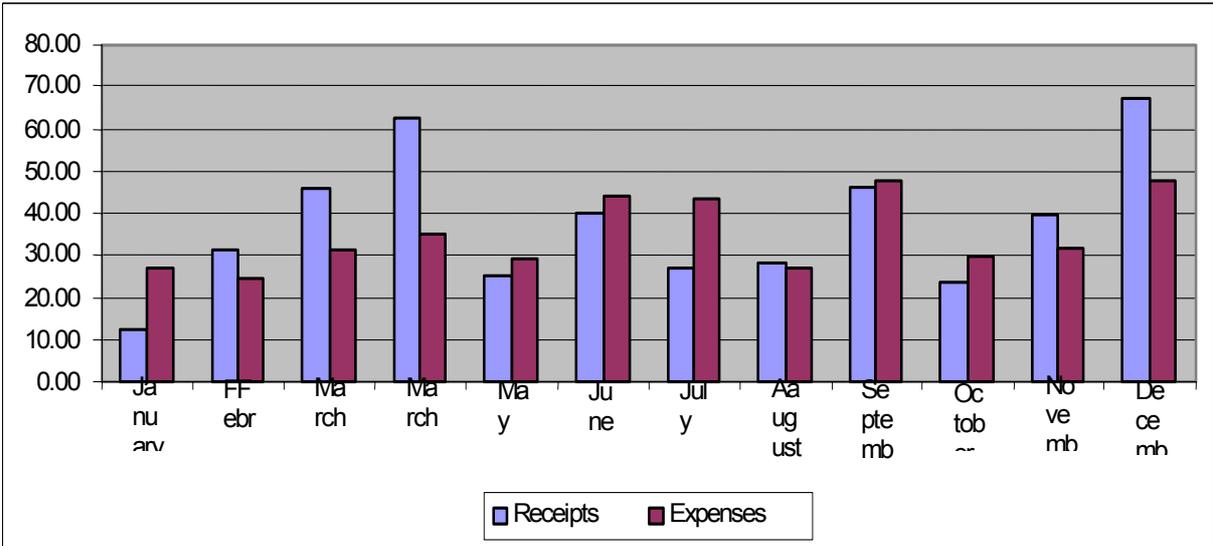
**Figure 30: Development of NBR foreign assets from 2002 to 2006 (in million of USD)**



**Source:** NBR, International Operations Department

Out of a total amount of USD 448.04 million of revenues in foreign currency recorded in 2006, the contributions of each of the three major sources of receipts were USD 121.22 million for budgetary support (27%), USD 77 million for foreign currency accounts provisioning (17%), and USD 151 million for government project financing, which is 34% of total foreign exchange receipts collected in 2006.

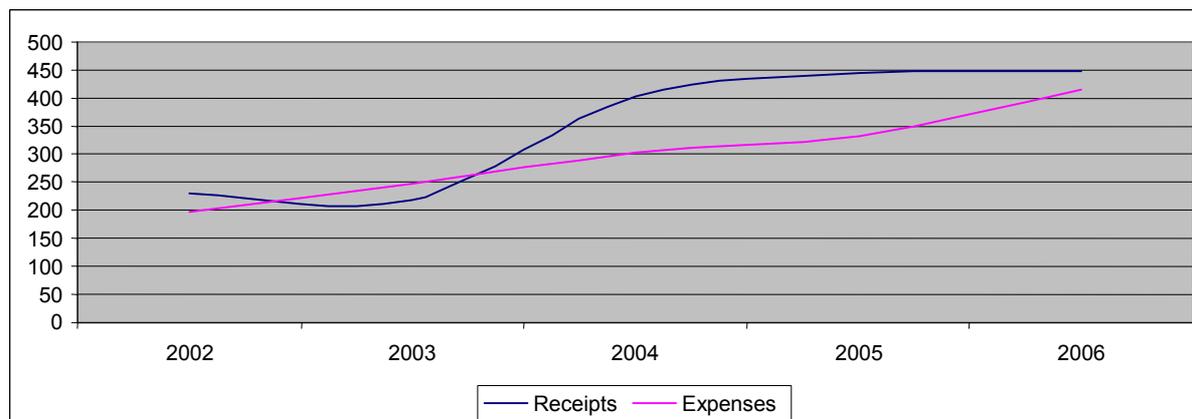
**Figure 31: NBR foreign exchange receipts and expenses development in 2006 (in million of USD)**



**Source:** NBR, International Operations Department

On the expenditure side, a total amount of USD 415.29 million was disbursed in 2006 of which USD 137.05 million were sold to banks (33%), USD 109.24 million to cover Government current expenditure (26.31%), and USD 92.16 million of withdrawals by banks on their accounts with NBR, while USD 61.68 million were sold to other NBR customers.

**Figure 32: Development of receipts and expenses in foreign currency from 2002 to 2006 (in million USD)**



**Source:** NBR, International Operations Department

### III.4.2 Financial performance in the year 2006

**Table 69: Financial performance in 2006 (in million RWF)**

Major items of receipts	Performance 2005	Target 2006	Performance 2006	Performance Rate
Interest on call money	1 214 899.64	1 817 215	1 927 340.97	106.06%
Interests on SDRs	404 190.14	463 137	458 210.41	98.94%
Interest on time deposits	2 487 915.16	5 670 000	6 066 161.54	106.99%
CAAML investment income	649 744.38	730 422	817 322.70	111.90%
Interest on MTI	934 922.42	1 404 477	1 336 419.50	95.15%
Commissions on documentary credits	64 304.37	55 000	77 664.30	141.21%
Revaluation	1 321 189.75	2 017 093	1 606 141.87	79.63%
<b>Total</b>	<b>7 077 165.86</b>	<b>12 157 344</b>	<b>12 289 261.29</b>	<b>101.09%</b>

**Source:** NBR, International Operations Department

The items that contributed most to the financial performance and that better characterise the quality of reserve management activity are, among others, interests on time deposits, interests on MTI instruments with fixed income, interests on call money and interests on funds entrusted to external management.

#### Interests on time deposits

The 2006 performance amounted to RWF 6 066 161 540, increasing by 144% compared to 2005, and a positive difference of 6.99% compared to 2006 forecasts. This is due, on one hand, to the rise in the average volume of funds invested on time deposits in USD which

increased from USD 141 million to USD 226 million following the increase in the level of reserves and, on the other hand, the rise in interest rates on USD, Euro and the GBP.

### **Interests on call money**

The noticeable increase in current account remuneration rates resulting from that of the Central Banks reference rates during the year under review, combined with the increase in funds invested overnight during the same period, enabled to raise a return of RWF 1 927 340 970 on call money, which is 6.06% greater than the forecasts. It should be noted that interests raised on call money are 59% greater than those of the previous year.

### **Interests on MTI**

Although there was an increase of RWF 934 922 420 compared to the previous year, the performance of RWF 1 336 419 500 on MTI instrument were slightly lower (by 4.85%) than those forecasted.

### **Interests on externally managed funds**

These interests mainly comprise the performance on externally managed funds entrusted to CAIMAL, which amount to RWF 817 322 700 with an increase of 11.9% compared to the forecasts.

## **III.4.3 Foreign Exchange Market**

The foreign exchange market was relatively stable and the appreciation tends to be the same, be it at the level of commercial banks, foreign exchange bureaux, or at NBR. There was also a trend to narrow down the gap between, on one hand, exchange rates of banks, foreign exchange bureaux and associations of money changers and, on the other hand, NBR exchange rate. The monthly average exchange rates of banks, foreign exchange bureaux and associations of money changers decreased from RWF 560.2733 to 552.3383 and from RWF 561.2500 to 552.2500 respectively for USD 1. This is an appreciation of the RWF by 1.4 and 1.6% on the two segments of foreign exchange market.

NBR monthly average exchange rate for the Rwanda Franc rose between January and December 2006 from USD/RWF 554.3635 to USD/RWF 549.6627, which was an appreciation of 0.8%. The major factor that contributed to such appreciation was excess supply of foreign currency resources compared to relative low demand on the market.

The Banks' auction increased progressively with an average of USD 11 420 000 sold monthly and a total of USD 137 050 000 in 2006.

In 2006, net foreign exchange position of the banks was generally in conformity with the regulations.

## III.5. CURRENCY ISSUING ACTIVITIES

### III.5.1 CURRENCY IN CIRCULATION MANAGEMENT

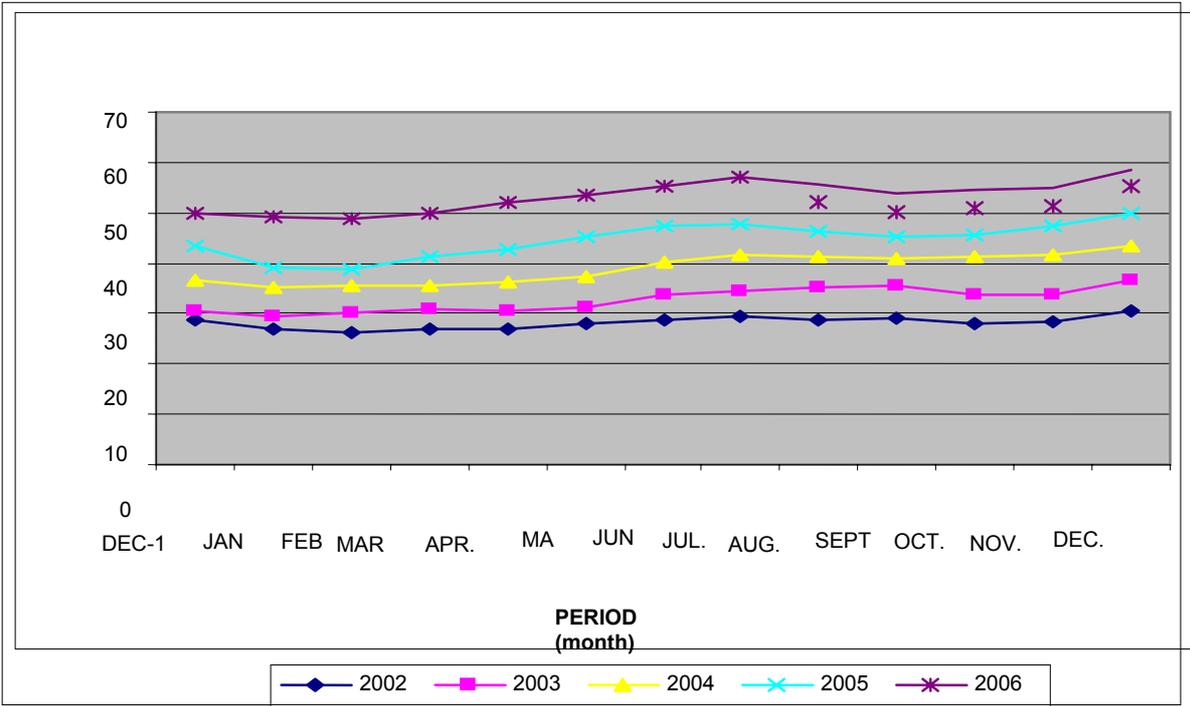
During the year 2006, currency in circulation outside NBR increased significantly from RWF 50.05 billion at end of 2005 to RWF 58.44 billion at end of 2006. As was the case in the previous years, this development shows the same upward trend from March to July and at the end of the year. Thus, currency in circulation increased from RWF 50.01 billion to RWF 57.02 billion, which is an increase of approximately 14% with the highest level of 60.35 billion on 28/12/2006. This considerable increase in 2006 was generally due to the dynamics of the coffee season (March-July) until the end of the year with the household expenses for Christmas and New Year festivals. It should be noted that, as was the case during the previous years, the lowest level of currency in circulation was in February. Also, the decision taken in June 2006 to close some non-performing MFI's caused some panics leading to many withdrawals, and this contributed to the increase in currency money in circulation.

**Table 70: Development of currency in circulation out of NBR from 2002 to 2006(in billion RWF)**

PERIOD	Jan.	Feb.	March	April	Mai	June	July	August	Sept.	Oct.	Nov.	Dec.
2002	26.87	26.31	27.04	26.85	27.86	28.77	29.29	28.69	29.13	28.07	28.25	30.52
2003	29.45	30.02	30.87	30.57	31.41	33.89	34.49	35.35	35.41	33.91	33.73	36.47
2004	35.31	35.61	35.42	36.35	37.37	40.04	41.48	41.33	40.97	41.12	41.65	43.47
2005	39.30	38.80	41.28	42.72	45.13	46.46	47.79	46.13	45.10	45.75	47.32	50.05
2006	49.34	48.73	50.01	52.09	53.43	55.43	57.02	55.67	53.90	54.49	54.79	58.44

**Source:** NBR, Currency and Banking Operations Department

**Figure 33: Development of currency in circulation outside NBR from 2002 to 2006**  
(in billion RWF)



**Source:** NBR, Currency and Banking Operations Department

**Table 71: Composition of currency outside NBR from 2004 to 2006 (in million RWF)**

Denominations Year	RWF 1	RWF 5	RWF 10	RWF 20	RWF 50	RWF 100	RWF 500	RWF 1000	RWF 5000	TOTAL
2006	1.61	41.04	99.29	187.86	345.15	2 320.92	1 951.62	10.467,61	43 021.55	58.43
	0.003 %	0.070%	0.17 %	0.321 %	0.592 %	3 972 %	3.357 %	17.913 %	73.621 %	100 %
2005	1.48	33.09	90.30	156.78	298.97	2 272.43	2 108.59	9 642.11	35 684.79	50.28
	0.003 %	0.07%	0.18%	0.31%	0.59%	4.52%	4.19%	19.17%	70.96%	100%
2004	1.39	11.01	31.67	52.76	96.35	2 359.91	2 073.2	7 600.97	27 165.85	39.39
	0.003 %	0.03%	0.08%	0.13%	0.24%	5.99%	5.26%	19.3%	68.96%	100%

**Source:** NBR, Currency and Banking Operations Department

Concerning the composition of currency in circulation outside NBR at end of the year 2006, RWF 5 000 banknote was still predominant with 74% of the stock of currency in circulation against 71% at the end of 2005. This banknote took approximately 64% of currency in circulation at the end of 2002. However, it is hoped that the introduction of a RWF 2 000 Banknote will reduce the relative weight a RWF 5 000 banknote in circulation.

In order to make the range of banknotes in circulation uniform, the Bank has taken a decision of demonetising the RWF 500 and RWF 1 000 Banknotes issued in 1998, which were in circulation parallel to those issued in 2004. To this end, an amount RWF 335 741 000 representing the issued banknotes and not exchanged by 31/12/2006, was handed to the Treasury who will support the exchange of the aforesaid banknotes up to 31/12/2007.

Finally, basing on the increase of currency in circulation from one year to another (an increase of 19% in 2004, 15% in 2005 and 17% in 2006), it is possible to estimate that this currency in circulation will be RWF 67 billion by the end of 2007, which is an increase of 15%.

Moreover, during the year 2006, the National Bank of Rwanda put in circulation approximately RWF 52.09 billion, of which RWF 51.9 billion were banknotes and RWF 109 million were coins compared to RWF 25.7 billion in 2005.

**Table 72: Banknotes issue development from 2002 to 2006.**

(In billion RWF)

Denominations Year	RWF 100	RWF 500	RWF 1000	RWF 5000	Total
2002	712	1 070	4 140	5 300	11 222
2003	2 074	1 260	5 870	6 700	15 904
2004	2 264	2 340	5 680	30 945	41 229
2005	1 498	2 342	9 980	11 420	25 240
2006	2 206	3 770	16 260	29 740	51 976

**Source:** NBR, Currency and Banking Operations Department

**Table 73: Coins issue development from 2002 to 2006**

(In million RWF)

Coins	RWF1	RWF5	RWF10	RWF 20	RWF 50	Total
<b>Year</b>						
2002	340	5 090	8 410	18 790	33 150	<b>65 780</b>
2003	490	3 240	4 850	24 460	40 760	<b>73 800</b>
2004	1 650	11 355	32 080	64 410	113 015	<b>222 510</b>
2005	40	22 650	59 340	105 580	208 950	<b>396 560</b>
2006	260	8 520	10 020	29 990	60 820	<b>109 610</b>

**Source:** NBR, Currency and Banking Operations Department

It is worth noting that new issue of banknotes was greater in 2006 than in 2005 due to NBR's policy to put into circulation new banknotes. This policy was implemented through supplying its branches (MUSANZE, HUYE and RUSIZI) with new banknotes and coins and by increasing the level of sorting banknotes, which resulted in a greater quantity of banknotes destroyed in 2006. For this purpose, NBR provided its branches with an amount RWF 27 581 820 000 equivalent to 52% of the total amount issued.

However, unlike banknotes, whose new issue almost doubled, there was a growing demand in new coins during the year 2006. This situation can be explained by the replacement of old demonetised coins by new ones of the same value which was completed at the beginning of the year 2004. It is worth noting that there is a study in progress to replace RWF 100 banknote with a coin of the same value.

### III.5.2. CONTROL OF COUNTERFEIT BANKNOTES

As regards counterfeiting, during the year 2006, the National Bank of Rwanda had **1 419 counterfeit Banknotes** in RWF, of which 1 184 were counterfeit banknotes of RWF 5000, 208 were counterfeit banknotes of RWF 1000, 25 were counterfeit Banknotes of RWF 500, 2 were counterfeit Banknotes of RWF100 compared to **720** counterfeit Banknotes in 2005.

**TABLE 74: Comparative table of collected counterfeit banknotes from 2004 to 2006**

Denominations Origin	RWF 5 000			RWF 1 000			RWF 500			RWF 100			Total		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
NBR (on deposits)	27	3	20	32	11	1	0	2	8	0	0	0	59	16	29
NBR (during counting)	73	263	1151	233	181	169	20	42	17	3	0	2	329	486	1339
National Police	436	51	12	80	18	38	0	0	0	0	0	0	516	69	50
Other (banks)	0	47	1	0	11	0	0	4	0	0	1	0	0	63	1
<b>TOTAL</b>	<b>536</b>	<b>364</b>	<b>1184</b>	<b>345</b>	<b>221</b>	<b>208</b>	<b>20</b>	<b>48</b>	<b>25</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>904</b>	<b>634</b>	<b>1419</b>

**Source:** NBR, Currency and Banking Operations Department

This table shows that the number of counterfeit banknotes increased considerably and that most of them were seized during the counting and sorting of funds from commercial banks (1339/1419 counterfeit Banknotes for the year 2006 and 486/634 counterfeit Banknotes for the year 2005). Also, one notices that it is mainly the banknote in big denominations of RWF 5000 that continue to be generally targeted by counterfeiters despite the use of more sophisticated devices for this category of Banknotes.

Given this considerable increase in counterfeit banknotes, efforts should be made to make the public favour payments from account to account. Also, taking into account the big number of counterfeit banknotes passing through commercial bank counters, the latter must also strengthen deposit checking.

Concerning counterfeit banknotes in foreign currencies, it should be noted that, during the year 2006, the National Bank of Rwanda recorded 71 counterfeit banknotes, of which one was the counterfeit banknote of UgSh1 000 , one was the counterfeit banknote of FBU 5 000, 18 were counterfeit banknote of USD 100, 50 were counterfeit banknotes of USD 50 and 1 was the counterfeit banknote of USD 20, compared to 201 counterfeit bank note in USD, of which 2 were counterfeit banknotes of USD 100 and 199 were counterfeit banknotes of USD 50, and 1 was the counterfeit banknotes of FC 500 in 2005.

### **III.5.3: CLEARING HOUSE**

Since 2005, the clearing house (head office and branches) have been meeting twice a day with a view to improving the payment system. The first meeting is held from 10:00 am to 11:00 am and each bank brings to the clearing meeting physical documents to present. The

second meeting takes place at 3:00 pm to process dishonoured bills and exchange ideas on their fate.

The number of clearing house operations during the year 2006 amounted to 284 240 for a total of operations amounting to approximately RWF 965 639 million, compared to 244 423 operations in 2005<sup>2</sup> for a total amount of approximately RWF 798 381 million. These operations are divided into various categories, namely cheques and transfer orders presented and received by each bank.

**Table 75: Cheques presented at the clearing house (Amount in million RWF)**

Year and Branch		Bank	NBR	BCR	BK	FINA B	BCDI	BANCO R	COGEB	UBPR	BHR	TOTAL
2005	Headquarter	Amount	17,530	98,289	80,353	18,458	79,206	23,864	20,457	14,710	131	352,998
		Number	4,817	38,435	40,231	9,542	28,604	9,404	14,213	4,144	81	149,471
	Huye	Amount	21	815	626	0	1,640	0	200	171	0	3,473
		Number	27	194	247	0	224	0	145	58	0	895
	Musanze	Amount	20	214	396	117	136	0	81	48	0	1,012
		Number	13	118	198	147	154	0	89	56	0	775
	Rusizi	Amount	0	0	0	0	0	0	0	0	0	0
		Number	0	0	0	0	0	0	0	0	0	0
	TOTAL	Amount	17,588	99,631	82,198	18,794	81,296	23,864	20,856	14,992	131	359,350
		Number	4,864	38,978	41,170	9,930	29,406	9,404	14,587	4,326	81	152,746
2006	Head office	Amount	11,223	95,200	90,516	17,809	100,725	29,972	25,827	17,469	1.501	390,246
		Number	4,068	44,848	38,779	8,101	31,284	11,240	19,257	5,567	821	163,965
	Huye	Amount	253	1,199	1,042	0	1,960	0	1,475	1,000	0	6,930
		Number	357	602	553	0	498	0	41	161	0	2,212
	Musanze	Amount	36	652	816	317	531	0	415	190	0	2,958
		Number	31	488	670	278	479	0	571	181	0	2,698
	Rusizi	Amount	0	4	50	0	29	5	38	10	0	136
		Number	0	16	14	0	24	11	20	7	0	92
	TOTAL	Amount	11,512	97,055	92,424	18,126	103,245	29,977	27,755	18,669	1.501	400,270
		Number	4,456	45,954	40,016	8,379	32,285	11,251	19,889	5,916	821	168,967

**Source:** NBR, Currency and Banking Operations Department

**Table 76: Transfer orders presented at the clearing house (In million RWF)**

Year and Branch		Bank	NBR	BCR	BK	FINA B	BCDI	BANCOR	COGEB	UBPR	BHR	TOTAL
2005	Headquarter	Amount	199,456	89,784	42,739	10,142	71,154	4,221	8,096	7,163	0	432,755
		Number	33,591	13,427	25,424	4,410	8,071	1,579	2,097	1,660	0	90,259
	Huye	Amount	2,873	725	494	0	448	0	9	3	0	4,552
		Number	100	174	174	0	145	0	5	5	0	603
	Musanze	Amount	146	342	656	425	104	0	2	49	0	1,724
		Number	55	143	413	138	55	0	1	10	0	815
	Rusizi	Amount	0	0	0	0	0	0	0	0	0	0
		Number	0	0	0	0	0	0	0	0	0	0
	TOTAL	Amount	202,475	90,851	45,390	10,567	71,706	4,221	8,107	7,215	0	439,031
		Number	33,746	13,744	26,011	4,548	8,271	1,579	2,103	1,675	0	91,677
2006	Headquarter	Amount	249,184	111,712	49,409	12,116	97,040	5,270	15,623	7,989	130	548,477
		Number	40,774	18,167	28,764	4,731	9,148	2,740	3,564	3,243	100	111,231
	Huye	Amount	4,433	3,092	2,228	0	1,615	0	43	758	0	12,169
		Number	357	602	553	0	498	0	41	161	0	2,212
	Musanze	Amount	348	1,096	1,481	407	112	0	222	588	0	4,254
		Number	162	466	156	272	109	0	150	312	0	1,627
	Rusizi	Amount	1	117	55	0	237	1	1	57	0	469
		Number	7	54	37	0	55	2	4	44	0	203
	TOTAL	Amount	253,966	116,017	53,173	12,523	99,004	5,271	15,889	9,392	0	565,369
		Number	41,300	19,289	29,510	5,003	9,810	2,742	3,759	3,760	0	115,273

**Source:** NBR, Currency and Banking Operations Department

<sup>2</sup> Adjustment of the erroneous data from Musanze District branch

Cheques and transfer orders operations increased in number and volume, and this is a proof of positive changes in the use of other means of payment other than cash. Furthermore, the increase in transfer orders presented shows the predominance of transactions with NBR, which results mainly from the size of operations done on OTR accounts for various government payments. Moreover, it is worth noting an interesting increase in operations initiated at branches level which clearing operations started in August 2005. In this respect, transactions increased from 1 418 for an amount of 6 276 million in 2005 to 4 042 for an amount of 16 892 million in 2006.

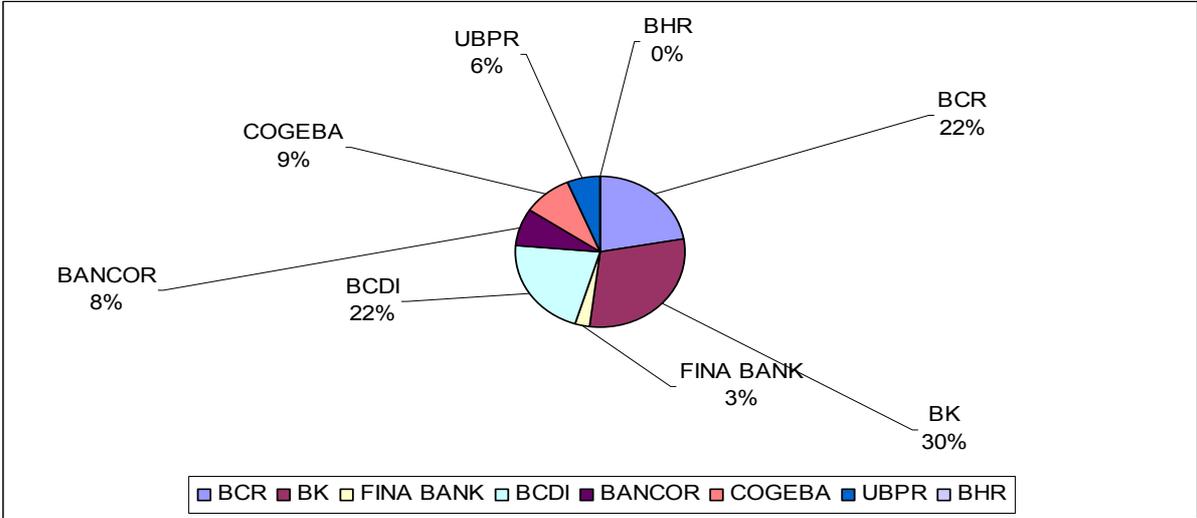
Furthermore, it is worth noting transactions with bank cards, which started in March 2005 for Points of Sale (POS) and in November 2005 for Automatic Teller Machines (ATM).

**Table 77: Operations development at the POS (2005-2006)**

Year	2005 (March -December)		2006	
	Amount	Number of operations	Amount	Number of operations
BCR	6,255,099	548	8,934,191	681
BK	13,671,689	1,308	12,012,418	1,224
FINA BANK	5,726,778	511	1,135,188	80
BCDI	9,107,386	672	8,746,068	621
BANCOR	6,463,222	490	3,217,593	185
COGEBANQUE	1,455,328	207	3,820,444	333
UBPR	737,780	110	2,558,174	134
BHR	0	0	0	0
<b>TOTAL</b>	<b>43,417,282</b>	<b>3,846</b>	<b>40,424,076</b>	<b>3,258</b>

**Source:** NBR, Currency and Banking Operations Department

**Figure 34: Operations development at the POS (2005-2006)**



**Source:** NBR, Currency and Banking Operations Department

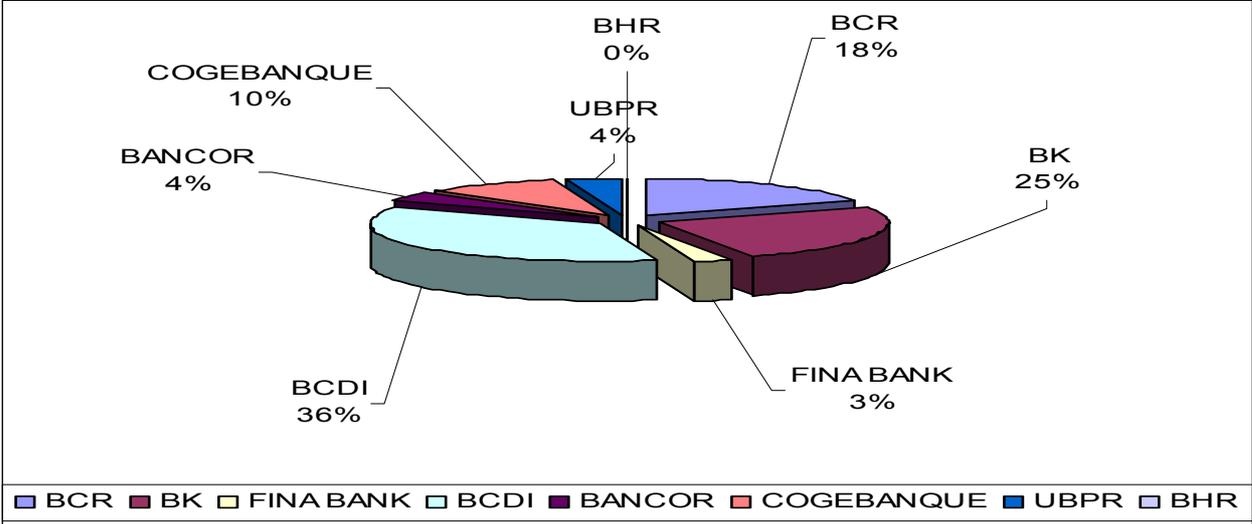
One would note the downwards trend of transactions at POS in amounts and number. During the year 2006, the operations rose to 3 258 for a total amount of RWF 40 424 076 compared to 3 846 operations for a total amount of RWF 43 417 282 in 2005. This downward trend, which turned to the advantage of ATM transactions, is explained by the fact that economic operators still prefer cash payment instead of account operations. To this end, relevant authorities should make more effort to convince economic operators to use this means of payment.

**Table 78: ATM operations development (2005-2006)**

Bank	Year	2005 (March - December)		2006	
		Amount	Number of operations	Amount	Number of operations
BCR		1,855,000	44	258,933,660	6,612
BK		3,225,000	85	358,189,916	9,414
FINA BANK		2,702,000	136	40,980.00	1,181
BCDI		3,951,000	97	517,760,000	14,631
BANCOR		2,791,000	55	54,285,000	1,891
COGEBANQUE		1,393,000	58	140,567,000	3,739
UBPR		2,419,000	58	54,525,000	1,356
BHR		0	0	0	0
<b>TOTAL</b>		<b>18,336,000</b>	<b>533</b>	<b>1,425,300,576</b>	<b>38,824</b>

**Source:** NBR, Currency and Banking Operations Department

**Figure 35: ATM operations development (2005 -2006)**



**Source:** NBR, Currency and Banking Operations Department

Conversely, ATM operations increased considerably as shown in the table above. During the year 2006, the number of this kind of operations increased to 38 824 for a volume of RWF1 425 300 576 compared to 533 operations for a volume of RWF 18 336 000 in 2005. There was a positive trend with the predominance efforts of BCDI (36%), BK (25%), BCR (18%) and

COGEBANQUE (10%). Customers seem to prefer this means of payment to POS, cheques and payment orders.

### III.5.4 BANKNOTES AND TRAVELLER'S CHEQUES IMPORT

The Bank imports banknotes in foreign currencies and traveller's cheques to easily facilitate external operations. Thus, during the year 2006, banknote imports amounted to USD 8 million and EURO 500 000, while traveller's cheques imports were USD 550 thousands and EURO 100 thousand.

In addition to these banknotes and traveller's cheques imports, foreign currency and traveller's cheques demand for year were covered by local customers' deposits, which amounted to EURO 179 947 and USD 3 339 949, of which USD 1 820 233 were for ORTPN.

**Table 79: Imports of banknotes and traveller's checks**

Description		Inward			Outward		
Type	Period	2004	2005	2006	2004	2005	2006
Bank notes	USD	7,270.9	9,774,2	11,339,994	7,834,008	9,199,703	11,110,978
		59	70				
	EURO	259,03	496,13	679,949	213,398	389,624	727,113
		0	5				
T/C	USD	1,460,0	1,190,0	550,000	1,676,150	809,170	371,630
		00	00				
	EURO	690,00	515.00	100,000	568,600	316,500	191,500
		0	0				

**Source:** NBR, Currency and Banking Operations Department

According to the data in the above table, it is important to note that cash demand increased from one year to another whereas the use of traveller's cheques considerably decreased. This trend is explained by the fact that the cost of foreign currency import decreased steadily while some customers expressed concerns about very high fees and commissions often charged during the negotiation of Traveller's cheques.

### III.5.5. NBR BRANCHES OPERATIONS

The three NBR branches namely Musanze, Huye and Rusizi have been operational since 23/05/2005, 20/06/2005 and 15/11/2006 respectively for cash operations and since 01/08/2005 for clearing house operations for the first two branches and since 27/11/2007 for Rusizi branch. The latter was officially inaugurated on 20/01/2007.

Cash operations mainly consist of customers' deposits and withdrawals but it is worth noting that money served come from headquarter which amount to RWF 19 516 170 000 for Huye branch, RWF 7 134 050 000 for Musanze and RWF 931 600 000 for Rusizi.

**Table 80: Deposits and withdrawals at each branch**

Period Branch	2005		2006	
	Deposits	Withdrawals	Deposits	Withdrawals
<b>MUSANZE</b>	3,279,917,000	5,661,409,000	8,948,450,139	14,318,962,511
<b>HUYE</b>	2,059,451,000	6,873,493,000	3,042,955,000	20,986,895,000
<b>RUSIZI</b>	0	0	1,208,058,200	1,290,540,795
<b>TOTAL</b>	<b>5,339,368,000</b>	<b>12,534,902,000</b>	<b>13,199,463,339</b>	<b>36,596,398,306</b>

**Source:** NBR, Currency and Banking Operations Department

As was in the previous year, Musanze branch has more deposits and fewer withdrawals compared to Huye during the year 2006. This is justified by the fact that Musanze branch received fewer supplies from the head office (RWF 7 134 050 000 compared to RWF 19 516 170 000).

Concerning foreign currency operations, it is important to note that Musanze branch recorded a bigger number of operations compared to Huye branch, ORTPN and NGOs working in the areas covered by the aforementioned branches being the most important customers.

### III.5.6. MANAGEMENT OF DORMANT ACCOUNTS

According to Instruction n° 03/2001 of NBR related to dormant accounts balances, commercial banks must transfer dormant accounts balances to NBR.

During the year 2006, there was no major change in dormant accounts balances transferred to NBR. On the contrary, a big number of customers claimed their balance.

**Table 81: Movement of dormant account transferred to NBR**

Title	Balance by 01/01/2006	Movement		Balance by 31/12/2006
		Debit	Credit	
BCR DORMANT ACCOUNT RWF	605,874,221.00	9,856,736.00	-	596,017,485.00
BK DORMANT ACCOUNT IN RWF	304,252,583.00	4,301,495.00	18,553,923.00	318,505,011.00
FINABANK DORMANT ACCOUNT IN RWF	62,294,776.00	-	-	62,294,776.00
BK DORMANT ACCOUNT in USD	196,917.57	1,260.00	8,769.02	204,426.59
BK DORMANT ACCOUNT in Euro	85,929.77	-	11,300.00	97,229.77
BCR DORMANT ACCOUNT in Euro	58,045.70	6,090.82	-	51,594.88
BCR DORMANT ACCOUNT in CHF	3,055.70	-	-	3,055.70
BCR DORMANT ACCOUNT in \$ US	192,678.34	6,925.64	-	185,752.70
BCR DORMANT ACCOUNT in GBP	213.72	-	-	213.72
BK DORMANT ACCOUNT in CHF	-	-	-	-
BK DORMANT ACCOUNT in CAN \$	-	-	-	-

**Source:** NBR, Currency and Banking Operations Department

## III.6. SOUNDNESS OF THE BANKING AND FINANCIAL SYSTEM

### III.6.1. BANK SUPERVISION

During the year 2006, the Bank fulfilled its mission of banking supervision through its activities aimed at off-site and on-site inspection, carried out by its Department in charge of bank supervision.

The overall analysis of the financial base of commercial banks shows that it deteriorated a little bit, with the overall solvency ratio of 13.4% on 31 December 2006. However, excluding one bank that had management problems, the consolidated situation improves. The recapitalisation process of the bank with problems continued, and in this respect, its Board of Directors hold discussions with two potential foreign investors who wish to have significant shares in its capital, at the same time being in charge of the bank management.

As regards the quality of credit portfolio, the non-performing loans rate is significantly improving with the share of non performing loans net of interests in total credits of commercial banks declining to 18% in December 2006 from 23% in December 2005.

Concerning the cost-effectiveness of commercial banks, their results indicate a significant improvement compared to the previous year. Thus, commercial banks cost-effectiveness

on 31/12/2006 was positive with RWF 6 204 million compared to RWF 2 236.9 million as of 31/12/2005.

**Table 82: Financial indicators of the banking system**

Indicators	2004	2005	Dec 2006
Average return on equity	25.7%	12%	33.3%
Average return on assets	1.9%	1,8%	2.8%
Efficiency ratio	70%	77%	79.8%
Solvency ratio	14%	14%	13.4%

**Source:** NBR, Bank Supervision Department

**1.1. Compliance with banking regulations**

On 31/12/2006, prudential standards were presented as follows:

**a) Share capital**

On 31/12/2006, all banks were complying with the minimum share capital of RWF 1.5 billion required by the regulations.

**b) Solvency Ratio**

On 30/9/2006, seven banks out of eight and other financial institutions met the standard of 10%, while the average was 14% for all the banks on that date.

**c) Limitation on fixed assets and share holdings**

This standard aims to ensure that banks finance their fixed assets with their own resources. According to the Instruction n°05/2000, fixed assets and non-values net of depreciation should not exceed 75% of the banks’ or financial institutions’ gross owner’s equity. Furthermore, fixed assets must entirely be financed by gross owner’s equity. Fixed assets and fixed assets acquired through implementation of mortgage guarantee from retail clients as well as medium and long term assets with a residual maturity equal to or greater than 2 years must be entirely covered by gross equity capital and other permanent or stable resources.

Out of the whole credit institutions, two banks did not meet this standard.

**d) Liquidity ratio**

Liquidity ratio is the difference between assets receivable in 3 months and liabilities due for payment in 3 months. This ratio was not met by two biggest banks on 31/12/2005 while

they are among those with the most liquidity in the Rwandan banking system. This paradoxical situation led to a more in-depth analysis of the directive on the liquidity ratio and, after the revision of that instruction in 2006, which gave a weight of 80% instead of 100% to demand deposits or other accounts payable to customers, all banks meet this standard.

#### **e) Foreign exchange net position**

Banks must comply with a ratio of approximately 20% between foreign assets (all foreign currencies together) and total equity capital of each bank. During the year 2006, only one bank did not report any overrun. The instruction will be revised in 2007 to set limits as per foreign currency.

#### **f) Risk division and covering**

Three out of eight credit institutions did not meet the standard that requires them not to grant more than 25% and 5% of its net equity capital to an individual and to an executive or an administrator and his/her relative respectively.

In order to closely follow up banks with problems, the Bank conducted in 2006 an intensified supervision of a bank being restructured by permanently sending to that bank a controller with the title of provisional auditor.

### **1.2. On-site and off-site inspection**

This year was devoted to effective establishment of the Risk Based Supervision (RBS) by putting in place off-site inspection instruments required for such approach and modifying methods of on-site inspection.

With regard to off-site inspection, during the year 2006, the Bank modified the format of its quarterly analysis notes, which from now on will be summarised on a single statistical page. The Banking Supervision Department opted for adopting the CAMELS (Capital-Assets-Management-Earnings-Liquidity-Sensitivity to Market Risk) of banks, and indicates the quarterly changes in their major financial indicators. Such an analysis and the CAMELS grading will be quarterly sent to banks starting from the financial year 2007.

Such improvements were put in place, thanks to the IMF assistance, provided through its regional technical assistance office (EAST AFRITAC) based in Dar Es Salaam, Tanzania, which sent two missions to NBR. The first took place in June and was charged with evaluating progress made in putting in place the Risk Based Supervision. The second was conducted in September 2006 and its terms of reference were to assist the bank in putting in place some on-site inspection guides including inspection manual and the new quarterly note format for a bank and the entire banking system.

The recommendations from these two assistance missions, which are being implemented, are related to:

- the finalisation of the risk based supervision instruments (policy paper on RBS, risk management guide, risk management programme, CAMELS grading guide, inspection methodology);
- the improvement in the quality of supervision (strengthen pre-inspection procedures, organise meetings with the boards of directors of the banks and other financial institutions, strengthen off-site inspection and put in place a quality insurance programme to facilitate the transition between the two supervision approaches);
- Creation of a permanent dialogue with the auditors/external auditors of the financial institutions;
- Establishing within the Banking Supervision Department, a Research and Policy Unit to strengthen banking supervision capacities.
- the disclosure of the instructions on CAMELS grading;
- the adoption of the off-site inspection manual and the revision of the flash report sent to NBR;
- Strengthening of the off-site inspection instruments by setting stress tests and putting in place early prevention warning systems.

As regards the actual on-site inspection mission, the new RBS approach allowed for the supervision of the majority of the Rwandan banks. Only two banks (BCR and FINABANK) out of the eight banks in the Rwanda banking system did not undergo on-site inspection. This can be explained by the time devoted to the setting up of the necessary framework for the new supervision approach (RBS) and the training in that area.

Thus, during the year 2006, 5 general inspections (BRD, BK, COGEBANQUE, BANCOR and BHR) and one punctual inspection (BCDI) were carried out following the new risk based approach started by NBR in December 2005 with the transmission of a risk management guide to banks.

At the end of the supervisions carried out in banks in the year 2006, there was an improvement in the implementation of bank chart of accounts and the process of credit granting. However dysfunctions remain in the area of risk management and monitoring, in particular with regard to the funding of outstanding credits. In addition, following such supervision, meetings were organized at the National Bank with members of the Boards of Directors and the management of the inspected banks so as to discuss the weaknesses noted during supervision and plans of action to be set up to address them.

### **1.3 Follow-up of the bank in difficulties**

Rwandan financial sector restructuring continues after restructuring and privatisation of two banks carried out in 2004; the Banking Supervision Department concentrated its action on a bank which remained not only under capitalized after the constitution of the reserves required by the regulation, but also faced management problems. The mandate of the provisional auditor whom the Bank had sent to this bank in September 2005 ended in February 2006. However, in order to closely follow-up the activities of the bank which did not comply with its rectification plan, this mandate was extended in the form of intensified supervision

The shareholders of this bank with problems who were unable to contribute in due time the RWF 2.5 billion to increase owner's equity required with a view to complying with the minimum solvency ratio of 10%, opened their capital to foreign investors and the latter carried out diligent work for the bank. The discussions on the establishment of an MOU for the resumption of the bank partnership and its management will continue in 2007.

### **1.4. Follow-up of the non performing loans**

With regard to non performing loans recovery, on 19/04/2006, a questionnaire was sent to banks to enable them develop their outstanding credit recovery plans. On 24/04/2006, a meeting was organised between Bank Supervision Department and those in charge of outstanding credit recovery to exchange views on methods of speeding up the recovery of non performing loans. Discussions between NBR and banks relating to methods of monitoring the action plans decided in 2006 will continue in 2007.

Moreover, a seminar on non performing loans recovery, chaired by the Minister of Justice, in collaboration with NBR Governor, took place on 30/5/2006. Participants appreciated efforts made in terms of improving the legal and regulatory framework with a view to facilitate the non performing loans recovery. In particular, they hailed the publication of land law in Rwanda that provides for the registrars of the land titles who will be technicians rather than politicians as was the case before. This will resolve many problems, especially at the level of Kigali City.

The mandate of the commission put in place in 2005 to follow-up the implementation of the recommendations from the 2005 seminar was renewed in 2006 and the commission was extended to two other members, namely the current Secretary of the Association of Rwandan Banks (ABR) as well as a representative of the Ministry having banks in its attributions. Other recommendations were put forth in the 2006 seminar and they constitute technical specifications of the commission for monitoring their implementation. However, the work of the commission could not progress satisfactorily due to the unavailability of the registrars of the land titles who were only appointed on 13/12/2006 by the Cabinet. Before taking up duties, six appointed registrars of land titles must be sworn in.

### **1.5. Legal and regulatory framework**

The year 2006 ended with the submission to the Cabinet and Parliament of a new banking law draft, which will be adopted in 2007.

The NBR will continue with the IMF assistance, to elaborate new regulations to accompany this new banking law, of which the most important ones are:

- the approval of banks
- the solvency ratio
- good governance
- the division of risks
- and the memorandum for co-operation with the foreign banking supervision authorities.

In order to strengthen the financial base of banks, in their meeting of 14 December 2006, the Board of Directors of the National Bank of Rwanda decided to increase the minimum

initial capital of a commercial bank to RWF 5 billion and RWF 300 million for micro finance institutions in form of limited liability companies. This decision materialized by the circular of 29/12/2006 to concerned financial institutions, giving them a one-year grace period as from 1 January 2007 to conform to it.

## **1.6. New Approvals**

In 2006, NBR approved a new bank called “Opportunity International Bank of Rwanda Ltd| and a discount house called “Continental Discount House of Rwanda (CDHR)” and it is processing two other applications related to the Marathon bank project (application received on 24/10/2006) and the International Commercial Bank project (ICB) Financial Holdings Limited (application received on 15/12/2006).

In addition, two BCR branches (Kisimenti- Remera), one BANCOR branch (Nyabugogo), one BCDI branch (institution head office - Nyarugenge District), two COGEBANQUE branches (Rwamagana, Kacyiru) and one BCR Mobile Bank based in Rwamagana, were authorized.

The banks requested and obtained the approval of 18 members of their bank and branch top management to work in their respective banks.

The auditing firm KLSA PANNELL KERR FORESTER was authorized to be included on the list of auditors for banks and other financial institutions, while two appraisers of bank guarantee fixed assets were added on the list.

## **III.6.2. SUPERVISION OF COOPECS AND OTHER MICRO-FINANCE INSTITUTIONS**

### **2.1. Supervision work**

During the year 2006, the micro-finance section in the Bank Supervision Department focused primarily on the on-site inspection and examining the files of the MFI’s in difficulties.

To deal with the high number of MFI’s to be supervised, besides the thorough inspection programme; a programme was designed for targeted institution supervision and extended over two days. This programme made it possible to visit many MFI’s during the year 2006 and the results are satisfactory since they enabled to quickly form a clear opinion, particularly on the treasury of the targeted MFI’s, the quality of its management and the capacity to ensure internal control. This programme will continue in 2007 to supervise various MFI’s which the Department will have to visit, especially during the most difficult events following the winding-up of 9 big micro-finance institutions.

The work plan, which provides for general supervision in 10 MFI's, has been achieved as expected. Thus the following institutions were subjected to general supervision in the first quarter of 2006:

1. CFE AGASEKE SA ;
2. ONGERA Micro-finance SA ;
3. GWIZA Micro-finance SA ;
4. INTAMBWE Micro finance SA ;
5. URUMULI Micro finance SA ;
6. Union des COOPECs IWACU ;
7. SWOFT SA ;
8. Union des COOPECs UMUTANGUHA ;
9. COOPEC EBENEZER UMUCYO ;
10. UBPR

Concerning supervision targeting some institutions, the following microfinance institutions were visited by the Bank:

1. CAF ISONGA SA ;
2. ASEC SA ;
3. INKINGI SA ;
4. CMF URUGERO SA ;
5. GASABO SA ;
6. SWOFT SA;
7. IMF UNGUKA SA;
8. COOPEC ABIZERANYE ;
9. COOPEC ITI ;
10. CLECAM RUHENGERI ;
11. URUNANA Micro-finance SA ;
12. COOPEC UBUMWE BY'INYARUREMA ;
13. IMF UNGUKA SA ;
14. CSPKI ;
15. GASABO SA ;
16. COPECYA ;
17. COOPEC ISHEMA MULINDI ;
18. UNION DES COOPECs JYAMBERE ;

19. UCEA ;
20. CLECAM affiliated to Union des CLECAM RUHENGERI;
21. AMICOKA ;
22. ITI ;
23. CODESOBU ;
24. Coopérative de Solidarité Communautaire ISANGANO (CSC ISANGANO) ;
25. COOPEC INKUNGA ;
26. CAF ISONGA SA ;
27. COOPEC TWITEZIMBERE ;
28. COOPEC UMUTANGUHA GASARENDA;
29. KOZIBI ;
30. COOPEC INZIRA ;
31. COOPEC INGASHYA ;
32. CEPES ;
33. INKINGI Microfinance SA ;
34. COOPEC Espoir.

## **2.2. Liquidation of MFI's in a situation of payment suspension and rescue plan for the micro-finance sector**

After the tour of Minister of State in the Ministry of Finance and Economic Planning and the Governor of National Bank of Rwanda that took place in 2005 in all provinces of the country to sensitise the MFI that had started their activities in an anarchistic way, thereby requesting them to apply for the NBR approval, the latter did its supervision work, but it was noted that for some MFI's, it was so late that it was not possible to turn them round in spite of the monitoring mechanisms set up after their approval. Thus the Bank submitted to the Government a report on the situation that prevailed at the beginning of the year 2006 suggesting measures for the financial sector rescue, and the most significant action was the closing of MFI's with significant signs of difficulties characterized by suspension of payments at their counters. These MFI's had the following common characteristics:

- Poor governance;
- significant losses resulting from their poor management of credit files, which led to serious problems in later recoveries;
- The loss of trust among the population which resulted in massive withdrawals of deposits followed by the stopping of new deposits. This situation resulted in the suspension of payments which characterized the majority of these institutions;

- Some of them had failed to meet the approval conditions required for obtaining a certificate of approval delivered by the NBR, especially with regard to the release of the minimum capital.

The following MFI's were concerned by this measure:

- 1.GWIZA Micro Finances SA;
- 2.INTAMBWE Micro Finances SA;
- 3.URUMULI Micro Finances SA ;
- 4.COOPECs INTERA and their Union;
- 5.COOPEC IWACU (ex SOLIDARITE FEMININE IWACU) and their Union;
- 6.ONGERA Micro Finances SA ;
- 7.COOPEC UBUMWE IWACU;
- 8.Compagnie de micro finance URUGERO SA

Besides these 8 MFI's, it should be noted that the case of COOPEC GISUBIZO which had closed in November 2005; its liquidation process had already started before the closing of the other eight. On 31/12/2006 only the liquidator of COOPEC UBUMWE IWACU had not been yet appointed by the Court.

In order to protect depositors, NBR proposed a follow-up plan materialized by a Government intervention aimed at accompanying the liquidation of these MFI's so that the negative impact caused by the closing of 8 important MFI's may not result in liquidity problems already experienced by several MFI's, following the loss of the trust among the population. This situation would have spread with disastrous effects for the depositors in this sector if the Government had not intervened to calm the situation and to prevent the systemic bankruptcy in the micro finance sector. This plan was adopted. To implement it, the liquidation of the MFI was coupled with an operation aimed at the absorption of assets and liabilities of these MFI's by the Banques Populaires network. To this end, the UBPR was appointed "Provisional Administrator" of these MFI and it was proposed that the provisional administration be followed immediately by the liquidation of each MFI concerned. With this intention, a memorandum of agreement was signed between UBPR and NBR for the implementation of the provisional administration, and terms of reference intended for the auditors/liquidators was worked out for their recruitment to implement the liquidation.

To compensate depositors, the Government agreed to refund 50% of the deposits, and the other part had to be recovered with the repayments of the loans granted by the MFI being liquidated. The operation of compensating the population has already started and will continue in 2007. However, to protect operational MFI's which have not yet experienced difficulties; the following measures were deemed necessary:

1. A different communication strategy depending on the entities concerned (customers, depositors and borrowers, local authorities, National police, MINIJUST...) was adopted;
2. The national micro finance policy was adopted; it outlines the major trends in the sector and defines or decides the roles between the stakeholders. This policy also enabled to put in place a stabilization fund and its role will be to intervene in case an MFI goes bankrupt to prevent resort to the Government budget in the future. The adopted policy provided the foundations for the drafting of the law on the micro finance sector. There has not been any separate law for COOPECs. Their activities were integrated in this law which emphasizes activity rather than the legal form adopted by the stakeholders;
3. In order to prevent this liquidity problem in the future, NBR proposed the implementation of reserve requirement from deposits mobilized by MFI's that will still be operational. These reserves will serve to cushion liquidity for these MFI's and will also prevent MFI's from granting loans beyond their capacity. In order not to penalize them, these reserve requirements will be directly deposited as treasury bills for these MFI's which, if need be, will obtain financing from the banking sector through the mobilization of those treasury bills.
4. NBR will also strengthen the supervision and monitoring of MFI's with provisional approval in order to determine their exact financial situation and accompany them towards the obtaining of final approval. This exercise will be completed at the end of 2007.
5. Putting in place a commission to recover the loans granted by closed MFI's, composed of all District Mayors, representatives of Security Services, the National Police, Attorney General and the Private Sector in the District. This Commission is charged with providing support to the Banques Populaires in the process of recovering loans granted by MFI's under liquidation.
6. It was also decided to compel MFI managers to accept their responsibility in the bankruptcy of the MFI concerned.
7. The initial capital of the existing and new MFI's was increased to RWF 300 million for MFI's with the legal status of a Limited liability company.

## **2.3 MFI Approval**

Efforts made in 2005 and 2006 to organise the entry into and exercise of activities in the micro-finance sector stopped the anarchical starting of MFI's. It is within this context that a decision was made to close all MFI'S that would start without the approval of NBR. Those which tried to open without approval were fast closed by local authorities. In 2006, only one MFI was authorised to open.

### **III.6.3. INFORMATION CENTRE FOR RISK AND NON PERFORMING LOANS**

The information centre has two major objectives:

- Centralise all the commitments of customers both in the banking and the micro finance sectors with the aim of enabling financial institutions to reduce the risk of granting loans to non-performing customers in the Rwandan banking sector.
- Allow NBR to know the quality and volume of credit portfolio.

In order for the centre to fulfil its mission, data must be complete, reliable and up-to-date. In order for these objectives to be attained, modernisation of the information centre shall be an essential element and the revision of the system related to the applications of the centre has been provided for.

#### **3.1. Centralized Bank Statements**

During the year 2006 and in the context of decentralization of financial institution risks, efforts mainly focused on verifying the reliability of data availed by banks and other financial institutions regarding loans and the updating of such data in order to centralise quality information.

Data exchange between NBR and banks is channelled through the BANKNNET network given that since June 2004 the activity of entering the statements from financial institutions has been centralised in banks and other financial institutions. What has been found is that some users do not master the data-entering screen and their electronic statements contain many errors. The correction of such errors takes much time, sometimes requiring the intervention of the Organization and Information System Department.

Banks and other financial institutions have speeded up their statement process especially those related to new loans compared to the previous year. Concerning credit statements, most of banks are up-to-date in their statements including those made through the interbank network. It should be noted that although some banks have put in place interfaces and make their statements in the form of a text file, their risk statements still contain errors.

### **3.2. Preparation and forwarding of statistical data**

Concerning the statistics on loans, data on new loans authorised by the 6 commercial banks, which are needed by the Monetary and Foreign Exchange Policy Committee, are availed every week as expected. During the year 2006, commercial banks authorised the disbursement of new loans totalling RWF 94 589 million, of which RWF 10 891 million were authorised for the coffee season.

As regards the statistical data for banks available at the information centre for use, they are only those of October 2006. Credits outstanding by 31 October comprised an amount of RWF 164,925 million of disbursement loans.

Although the statistical data of the information centre are not yet fully up-to-date, several activities were achieved during the year 2006, notably:

- the validation of new loans was done until November 2006 for most of banks and MFI's and the number of loans reported every month continued to rise. The monthly average of new loans rose from 200 in 2003 to 1 200 in 2006;
- the number of new economic operators established in 2006 was 5 458 while it was 3 268 in 2005;

### **3.3 Integration of MFI's into the information centre**

In the context of COOPECS and MFI's integration into the information centre, 12 COOPECS and MFI's provided and consulted the data at the information centre. Given an important volume of activities, the integration of new MFI's data was not speeded up during the year 2006.

In order to improve the quality of the declared data, a regular follow-up of the users of the information centre applications from MFI's (new users or those for whom most of the stated information contained errors) was carried out.

### **3.4. Improvement of the data at the information centre**

In the context of improving the quality of the data at the information centre and its automation, a remodelling has been programmed. A project design document was drafted by a team of data-processing specialists in charge of remodelling applications for the risk and non performing loans. In order to be aware of some realities, a tour was organised in financial institutions in January 2006 and a guide questionnaire for interviews with some services was developed.

It should be noted that during the remodelling, bank customers will be identified starting from their first contacts with the bank, that is, the bank account opening.

During remodelling, other information that is not currently available at the information centre will be taken into account. This will mainly consist in identifying within the risk survey, cancelled loans from other loans as well as entering information that is not available in the data base, which is referred to in decisions making, the revision of the codification used such as the use of the new catalogue list related to the branch of activities, credit categories, new districts, etc.

However, during data processing, the problem linked to the identification of customers of the banks hinders NBR activities. The checking of the bank customers identification takes much time since there are no fixed definite criteria used for the allocation of a number to the bank customers. Thus, the allocation of the identification numbers to new economic operators must be done with much care since it is necessary to check the identification of the person to avoid, on the one hand, the duplication of the numbers for the same person and, on the other hand, recording commitments with a person who did not receive them. Also, this problem hinders the activities of the banks while consulting the data at the information centre.

#### **4. FINANCIAL SECTOR DEVELOPMENT PLAN**

After the joint Mission conducted in February 2005 by the IMF and World Bank experts within the framework of the Financial Sector Evaluation Programme (FSEP), Rwandan Government in collaboration with NBR decided to bridge the gaps in Rwandan financial sector raised by this Mission as soon as possible. Thus, during the year 2006, the Bank acted as the leader to set up a development plan of the coherent financial sector, whose paper was presented during the seminar organized on 28/09/2006 that brought together all the stakeholders in the economic development of the Country. Observations were given during this seminar and this made it possible to finalize the paper, which is the base for all the orientation that will be followed to improve Rwandan financial sector.

Specifically, short-term and long-term actions aimed at developing Rwandan financial sector were decided. For banks and their supervision, such actions are related to the increase in competition between banks, the reform of the Banques Populaires, the revision of the law on leasing, the setting up of a Private Credit Office as well as capacity building for the Rwanda Development Bank so that it can mobilise long-term resources and increase agricultural sector credit. It was also decided that a strategic plan should be prepared for the Housing Bank, which would be the only institution to work with long-term resources, so that it can suitably fulfil its mission of housing financing. Thus this bank would give up demand deposits collection. The actions that were decided are part of a national plan that was presented to the donors.

#### **III.6.4 PAYMENT SYSTEM**

The year 2006 was devoted to the continuation of the planned programme of the year 2005 that was not completed on the one hand, and to the launching of other actions planned in modernization of the national payment system program, on the other hand. Thus, the achievements of the year 2006 focused on the continuation of the implementation of the recommendations contained in the paper on the study for "stocktaking" of the National Payment System, the completion of the daily work of the Service, the development of the Real Time Gross Settlement System (RTGS) and finally participation in the activities organized by Swift.

**Table 83: Payment instruments in terms of volume of transactions (in %)**

Instruments	2004	2005	2006
Cash withdrawals in RWF	79.17	74.79	74.67
Cash in Foreign currencies		5.27	7.55
Cheques processed in cash	6.18	7.61	7.29
Cheques in transfers	4.28	3.27	4.09
Certified cheques		1.49	1.42
Traveller's Cheques		0.07	0.05
ATM Withdrawals	10.33	7.2	4.75
POS	0.04	0.25	0.17

**Source:** NBR, Banking Supervision Department

One notices that in terms of volume, cash comes in the first position (75%) for all payment instruments used in Rwanda; all other payment instruments were used at a percentage lower than 10% but with a slight increase during the last three years. However, the use of payment cards via ATM and Points of Sales remained low (7.4% in 2005 and 4.9% in 2006).

**Table 84: Payment Instruments in terms of transactions value**

Instrument	2004	2005	2006
Cash withdrawals in RWF	47.22	45.19	46.08
Cash in Foreign currencies	-	11.9	12.47
Cheques processed in cash	26.64	23.81	18.29
Cheques in transfers	25.56	12.75	15.59
Certified cheques	-	5.00	4.43
Traveller's Cheques	-	0.63	2.16
ATM Withdrawals	0.58	0.47	0.95
POS	0.0001	0.29	0.04

**Source:** NBR, Bank Supervision Department

In terms of value, cash always comes in the first place with 46% in 2006, and payment through accounts (cheques and transfer orders given during the clearing house) comes in the second position with 38% of the total; as for payment cards, their use is still limited as it reached only 0.8% in 2005 and 1% in 2006.

Thus, it should be note that POS/ATM, which are generally payment instruments that offset cash, are still untapped despite the SIMTEL forefront software. However, one may

hope that with the new dynamics in prospect in SIMTEL, on the one hand, and the adoption of "API" project by banks and service companies on the other hand, the use of cash will be reduced in favour of cards and other payment operations on accounts.

Concerning the continuation of the implementation of the recommendations contained in the study paper of stocktaking of National Payment System, NBR approved, in collaboration with banks, service enterprises and SIMTEL, the proposal of the IBCTI consultancy firm on the implementation of the API Project "Connection of banks to service firms". The implementation of API Project is currently underway and will be operational by March 2007.

## **CHAPTER IV: BACKUP ACTIVITIES**

### **IV.1 STATUTORY MANAGEMENT ORGANS OF THE BANK**

#### **1. Board of Directors**

Within the framework of defining the general policy of the bank and monitoring its management, the Board of Directors of the National bank of Rwanda held four ordinary sessions and three extraordinary sessions in accordance with the existing regulations during the year 2006. During these sessions, technical issues related to the Bank missions and administrative and financial management were dealt with.

As regards technical issues, the Board reviewed monetary developments on a quarterly basis and, where necessary, recommendations were made.

The Board paid particular attention to banks and micro-finance institutions supervision. It is within this context that the Board approved the law governing micro-finance activities, which will also cover savings and credit co-operatives. Moreover, the Board gave views on the implementation of the rescue plans for some institutions and closely followed up the process of liquidating eight MFI's which were closed.

The challenges of the Rwandan Financial Sector as well as the priorities of Banking Supervision during the period under review were subject to a thorough review by the Board. At this level, the most considered were reviewing and adopting the new draft banking law by the Board of Directors and the approval of "Opportunity International Bank", which specializes in micro-finance services.

Moreover, the Board considered the alarming financial standing of a bank, and a restructuring programme for the same bank was put in place and its recapitalisation has been recommended.

In the area of foreign exchange, the Board adopted new foreign exchange regulations, which mark a new stage in the liberalization strengthening of foreign exchange system in Rwanda. The major reforms introduced relate to the elimination of all ceilings on current operations that are again provided within the regulations, total liberalization of foreign currency accounts and a larger opening towards total liberalization of capital operations.

During the period under review, the Board also examined administrative and financial issues of the Bank. Taking into consideration the action plan for the development of the financial sector approved by the Government, inter alia, integrating the supervision of non banking financial institutions within the NBR as well as the strengthening of the service in charge of the payment system supervision by making it autonomous, the Board of Directors approved the proposal of the Management of the Bank which consists in putting in place two new units, namely the Department in charge of Non-banking Financial Institutions Supervision and an autonomous division in charge of payment system supervision.

In conformity with the policy of decentralization of public services adopted by the Government, the Board closely followed-up the preliminary works for the opening of the Western branch in CYANGUGU, whose inauguration was expected in January 2007. It also provided the foundations for the opening of another new branch in the Eastern Province at RWAMAGANA.

Furthermore, the Board examined the case of Rehabilitation/Extension of the Bank's Building. To this end, after the analysis of the conclusions of the technical analysis jointly carried out by the Bank's technicians and the Tender Board, the Board approved the idea of drafting a simple project aimed at solving only the major problems of the waterproofness of the building and extension on the 1<sup>st</sup> and 4<sup>th</sup> floor.

As always done annually, in March 2006, the Board of Directors approved the Annual Report and the Financial Statements of the financial year 2005 while in July and December 2006, it respectively examined and approved the proposals on the documents on the 2006 budget revision and those in relation to the 2007 budget.

## 2. Management Committee

The Management Committee which is composed of Governor and the Vice - Governor, is a coordinating and a consulting organ among the Bank management members. Through its regular meetings, the NBR management committee ensures the smooth functioning of different organs of the bank and implementation of the Board of Directors' decisions.

Within the framework of monetary and exchange rate policy implementation, the management committee monitors on a daily basis the activities of the monetary policy and exchange committee (CPMC) in order to keep monetary aggregates developments in line with macro-economic programme adopted by the government. Thus, during the year 2006, the examination of monetary developments showed that despite BNR interventions aiming at liquidity control, money supply considerably deviated from its forecasted level within the economic program of the year; however, other monetary targets, namely reserve money and NBR net foreign assets were met. Following the weaknesses in the financial system generally identified in 2005 by the World Bank and IMF joint mission, one of the priorities of the Management Committee was to follow a proposal on the Financial Sector development plan in Rwanda. Four wide areas were concerned: (1) banking and micro finance Institutions and access to the credit, (2) pension funds and insurance activities, (3) the capital market, as well as (4) payment systems. During the year 2006, a series of actions to be implemented within 18 coming months were approved by the Cabinet, which started the process of their implementation.

With regard to the foreign exchange policy, the Management Committee closely followed-up the reforms operated in the exchange control regulations revision and supervised many NBR exchange operations which had to do with the purchase and sale of foreign currencies to meet the banks, government and other customers' needs, while keeping a level of foreign currency cash resources within the economic program targets.

As was in the previous years, the Management Committee concentrated its effort on the Banking system monitoring activities, focusing on on-site and off-site inspection of financial institutions. The follow-up activities of banks with problems were also included on its agenda. It is within this context that the Management Committee was involved in the regular management of the restructuring programm of a bank and its recapitalisation process.

The management of micro-finance institutions was one of the major concerns of the monetary authorities in the year 2006. The idea of establishing a national policy aimed at accompanying and stimulating the development of the micro-finance sector materialised with a law, the on-site and off-site inspection missions as well as consultation meetings with heads of MFI's experiencing difficulties informed the Management Committee about the real situation of MFI's and were consequently enabled to guide its decisions.

As regards the modernization of the National Payment System, the actions of the Management Committee were carried out through effective implementation of the recommendations in the Report on the study of "stock tacking" of the payment system, which put forward a certain number of projects, especially the one on public transport of funds, procurement of the international payment cards, bank cheques, netting of low amount... The financial restructuring of a long awaited SIMTEL finally was effective through the impetus given by monetary authorities. Within this framework, an American company - KANBAY, specialized in electronic money decided to join SIMTEL in joint venture and negotiations on this proposal are underway.

The administrative management of the Bank was also part of the schedule of conditions of the Management Committee in the year 2006 with the aim of fulfilling the major missions of the Bank. The most important achievements include the coordination of the development of the action plans of the Bank units of as well as various reports, the evaluation of the Bank staff performance, procedures elaboration, the auditing reports on the operations of the Bank review, the ICT independence project management, etc.

## **IV.2 HUMAN RESOURCE MANAGEMENT**

As of December 31, 2006, the Bank staff totalled 453 compared to 469 on December 31 2005. During the year 2006, the Bank recruited 13 employees, of which 3 were for the newly opened western Bank Branch.

## IV.2.1 PERSONNEL MOVEMENT

### A. RECRUITMENTS

#### a) Recruitments according to the recruitment programme 2006

During the year 2006, ten recruitments took place as provided for, in accordance with the recruitment programme.

**Table 85: External recruitments**

N°	Post	Beneficiaries
1.	In charge of Accounts (Eastern Branch)	1
2.	In charge of centralisation and Control (Western Branch)	1
3.	Assistant cashier (Western Branch)	2
4.	Secretary (Western Branch)	1
5.	Head of construction Project	1
6.	Press Archivist	1
	<b>TOTAL</b>	<b>7</b>

Source: NBR, Human Resource Department

**Table 86: Internal recruitments**

N°	Post	NUMBER
1.	Head of the NBR Western Branch	1
2.	Deputy Head of the Western Branch	1
3.	In charge of Clearing house Operations	1
	<b>TOTAL</b>	<b>3</b>

Source: NBR, Human Resource Department

#### b) Recruitments to fill the gaps left by departures

In order to fill the gaps left by departures, the Human Resource Department recruited 14 employees.

**Table 87: External recruitments**

N°	Post	NUMBER
1.	In charge of centralisation and Control (Head Office)	1
2.	Currency counters	1
3.	In charge of Clearing house operations	1
4.	Mail Officer	1
5.	Application Engineer	2
6.	Secretary	1
7.	Librarian	1
8.	Assistant Librarian	1
9.	In charge of Human Resource Planning	1
	<b>TOTAL</b>	<b>10</b>

Source: NBR, Human Resource Department

**Table 88: Internal Recruitments**

	<b>Post</b>	<b>NUMBER</b>
1.	Deputy Head of the NBR Branch (Southern Branch)	1
2.	In charge of data base	1
3.	Head of Project	1
	<b>TOTAL</b>	<b>3</b>

Source: NBR, Human Resource Department

The staffs were appointed in the following posts:

- Head of Network and Communication Division
- Head of Front Office Division
- Inspector

In 2006, the Bank had also departures for various reasons as shown in the table below:

**Table 89: Bank staff departures**

Departure reason	<b>NUMBER</b>
Death	2
Resignation	2
Termination of contract	8
Dismissal	3
Leave of absence	3
Retirement	7
<b>TOTAL</b>	<b>25</b>

Source: NBR, Human Resource Department

## **B. TRAINING**

Training needs expressed by Departments and Autonomous Divisions during the year 2006 were centralised as per course category and analysed with a view to coming up with a training programme project, which was approved by the Management Committee.

The overall budget allocated to the training program amounted to RWF 120 000 000.

Out of 45 training planned activities in the training programme approved by the Management Committee, 30 have been achieved or are in progress. In addition, there were other trainings that were not provided for in the 2006 training programme. These were 12 courses organised by the Macroeconomic and Financial Management Institute (MEFMI), an admission for a master's degree in Business Law and 12 various training courses.

**Table 90: Internal trainings or by distance learning**

N°	Course Title	Number of beneficiaries
1.	ACCA (SFB)	15
2.	Librarianship - Bachelors Degree, Université Cheikh Anta Diop, Dakar, Senegal	1
3.	Bourse Game Seminar	3
4.	Development and Database, Oracle Database administrator, Oracle application developer, Oracle application server	11
5.	Training in Counselling	8
6.	Training on the final Tax Reform in Rwanda, Deloitte- Rwanda	3
7.	Training on Risk Based Supervision	11
8.	ICT Africa Investment Summit: Strategies for sustainable development of ICT infrastructure in Africa	1
9.	Inspection follow-up on off-site and on-site inspection based on risk	11
10.	Institut Technique de Banque - ITB	2
11.	Legislative Drafting, ILI/ MINIJUST	1
12.	Making Markets Work	1
13.	Managing foreign exchange & Instruments of financial markets - Mentoring course	4
14.	Master's degree in International Economics and Policy, Université Pierre Mendès France, Grenoble, France	1
15.	Master's degree in Business Law, Université Nationale du Rwanda	1
16.	MBA - Banking (SFB)	7
17.	MBA - Finance (SFB)	4
18.	Professional in Human Resources Certificate Programme - Online, Test de Certification	1
19.	Public affairs & Government information; Principles of PR; Information, Media, National Security	1
20.	Networks and Communication, Network Associate, Cisco Certified Security Professional, Windows Server	8
21.	Seminar on MFI Financial Analysis of	3
22.	Seminar on the analysis of the viability of domestic debt (KIST, DRI, UNDP/ MINECOFIN)	9
23.	SWIFT - Phase 2 Migration Roadshow (SWIFT, NBR)	8
	<b>TOTAL</b>	<b>115</b>

**Source:** NBR, Human Resource Department

**Table 91: External trainings (IMF, Gerzensee, IMA, MEFMI, East Afritac, etc,)**

N°	Course Title	Number of beneficiaries
1.	Advanced Topics in Monetary Economics II - Gerzensee	1
2.	Back Office Operations & Systems Applications in Reserves - MEFMI	3
3.	Compilation of Monetary & Financial Statistics, Afritac (Nairobi)	3
4.	Current Developments in Monetary & Financial Law -FMI	1
5.	Data Requirements for Economic Management- Balance of Payments - MEFMI	1
6.	Etat de préparation du secteur financier face à une pandémie de Grippe Aviaire- IMA	1
7.	Financial Programming and Policy -MEFMI	3
8.	Gestion Macroéconomique & Politique de Finances Publiques, FMI, Douala	1
9.	Macroeconomic management & public debt- IMA	1
10.	Heads of Human Resources Seminar - MEFMI	1
11.	Macroeconomic modelling and forecasting - MEFMI	1
12.	Macroeconomic analysis & Management -MEFMI	3
13.	Modeling Risks of a Sovereign Liability Portfolio - MEFMI	1
14.	Monetary & Financial Statistics- IMA	2
15.	Monetary Policy Implementation- Open Market Operations - MEFMI	3
16.	Monetary Policy, Exchange Rates and Capital Flows -Gerzensee	1
17.	Production of debt's statistical bulletin using UNCTAD's DMFAS 5.3 - MEFMI	2
18.	Financial Programming and Policy-IMA	1
19.	Financial Programming and Policy - FMI	1
20.	Financial Programming and Policy by distance learning - FMI	2
21.	Receivership and liquidations of Banking - MEFMI	2
22.	Risk Management & Internal controls - MEFMI	1
23.	Balance of Payments Statistics - IMA	2
24.	Supervision of Banking Institutions, IMF/ East Afritac/ ,MEFMI (Tanzania)	2
25.	Supervisory Challenges and Financial Stability (FSS) -FMI	1
26.	The role of Deposit Insurance in the Supervision of Banks - MEFMI	1
	<b>TOTAL</b>	<b>42</b>

**Source:** NBR, Human Resource Department

**Table 92: Other external trainings - internships in central banks or external banking commissions**

N°	Course Title	Number of beneficiaries
1.	1st ECB Central Bank seminar on banknotes	1
2.	Masters degree in Finance and Banking - COFEB	3
3.	Inspection of micro finance institutions, PAMIR Project, Senegal	3
4.	Master's Degree in Economics, major in currency, finance and international economy, Université Lumière, Lyon, France	1
5.	Msc in International Economics, Banking & Finance, Cardiff Business School, Cardiff University (UK)	1
6.	Micro-finance institutions Regulation and Supervision	1
7.	Risk management & Basel II, Preparation process, London, UK	3
8.	Annual banking supervision workshop	1
9.	Séminaire de formation sur la coopération internationale en matière de lutte contre le terrorisme et son financement- ONUDC, Djibouti	1
10.	Inflation targeting & monetary operation workshop, KSMS, Kenya	1
11.	Domestic debt sustainability analysis workshop DRI / BCEAO/BEAC, Dakar	1
12.	Conceptual harmonization, methodology and statistical framework in Africa workshop	3
13.	Seminar on monetary policy transmission channels COMESA (Zambia)	1
14.	Seminar on technical implementation of the new zero- balanced banking arrangements, CBK- Nairobi	2
15.	Internship at Bank of Uganda : Risk based supervision , methodology onsite & offsite ; - preparation towards Basel II;- Benchmarking ; - Legal framework	3
16.	Internship at Commission Bancaire de Belgique (risk management)	1
17.	Stage de formation au Conseil du Marché Monétaire Tunisien	2
18.	Micro-Finance Institutions supervision internship, B.C.E.A.O/ Dakar	1
19.	Swift Regional Conference in Africa- SWIFT, Maputo	1
20.	Workshop for capital markets regulators (Ghana)	2
	<b>TOTAL</b>	<b>33</b>

Source: NBR, Human Resource Department

#### **IV.2.2 SOCIAL POLICY**

In the framework of its social policy, the Bank continues to provide social benefits to its staff, of which the negotiation and purchase of construction plots for 92 staff from KICUKIRO District (Kimisange site), housing construction loans, vehicle purchasing loans, and salary advances.

During the year 2006, the Bank gave loans to 11 of its staff to acquire house, 10 employees received supplementary loans for housing construction, 20 employees secured vehicle purchasing loans while 269 staff received salary advances.

As regards mortgage securities, decentralization problems have hindered transfers, mortgage registrations and acquisition of land titles for the houses financed by the Bank.

**Table 93: Loan recovery from the current bank staff**

	Housing loans	Vehicle loans	Salary advances
Reimbursed principal	RWF 132 508 736	RWF 36 986 299	RWF 221 038 926
Interest payments	RWF 40 662 926	RWF 4 076 645	
Total	RWF 173 171 662	RWF 41 062 944	RWF 221 038 926

**Source:** NBR, Human Resource Department

**Tableau 94: Loan recovery from the former bank staff**

	Construction loans	Vehicle loans	Salary Advances
Principal	RWF 27 330 205	RWF 7 420 756	RWF 17 920 081

**Source:** NBR, Human Resource Department

### IV.2.3 Medical Services

For a few years, the activities of the NBR Medical Services were structured on its classical components, notably:

1. Quality of health service,
2. HIV/AIDS treatments are wholly covered,
3. Cost control.

#### 1. QUALITY OF HEALTH SERVICE

During 2006, positive results were achieved especially in relation to the mitigation of the impact of HIV/AIDS. As was the case in 2005, mortality for this disease among our population (Bank staff and their family members) was controlled and stabilized during the year 2006.

#### 2. Cost control

As regards cost control, data also remained stable until August 2006 the time when the Bank subscribed to the “Rwanda Medical Insurance Scheme” (RAMA).

Negotiations for subscription were long and tough. However, NBR managed to secure some important concessions, namely: keep its medical service and allow for the transfers of its patient with the possibility of the doctor attendance of their choice in case of transfer.

The “Patient’s contribution” paid by patients for services received from outside the bank is refunded by the Bank while the total cost of internal service provided by the medical department of the Bank is at the employer’s cost. The medical Division of the Bank also managed to have the best prices notably those of the university hospitals with laboratories and drug facilities.

### **IV.3 ORGANIZATION AND INFORMATION SYSTEMS**

In 2006, the support in organization and computerization field was primarily focused on seven aspects, namely: the improvement formulation of the organisational structure, the elaboration of procedures manual, the remodelling of the existing data-processing applications, the development of new applications, introduction of optical fibre, computerization of the Western Branch, standardization of Microsoft products and the optimisation of the Bank communication networks.

In addition to these innovation activities, the data processing Bank specialists carried out the maintenance of the existing systems, provided assistance to the users and improved the customer service.

#### **A. ORGANISATION**

##### **1. Formulation of improvements in the organisational structure**

In 2005, the evaluation of the organisational structure implemented in January 2003 highlighted some imperfections, which required proposals for improvement. In 2006, there was a reflection centered primarily on hierarchical tendencies, reducing the divisions, the coordination of branches and the reorganization of some Departments. The proposals for the restructuring of the organisational structure were formulated in a report submitted to the Bank Management at the beginning of December 2006. This report shows that this restructuring will have an impact on the salary structure and the career development of the Bank staff, and this will require another much more thorough reflection on the whole Bank’s organisational structure in collaboration with a Consultant.

## **2. Elaboration of the manual procedure**

The elaboration of the manual procedure is a very hard exercise, which mobilizes several bank staffs as well as the Bank Management. The objective is to describe as clearly as possible all the complex risky operations that require several people to intervene. This exercise started in August 2004, and up to now out of about 250 manual procedures, 200 have already been approved and other 50 procedures are to be drafted.

## **3. Elaboration of the general classification plan**

The Bank global thematic directory made up of classes, sub-classes and sub-sub classes was worked out by an internal team of the Bank. It reflects all the processed documents and will make an invaluable helper in the development of the general classification Plan, which will be finalized in 2007 under external consultant supervision. A consultant is awaited to validate the work already done, train the stakeholders, work out the general classification Plan and ensure its implementation.

## **4. Feasibility study for the introduction of electronic signature at NBR**

The electronic signature is a new practice but which is growing rapidly especially in developed countries. It makes it possible to significantly reduce the work time and the use of paper. A preliminary study revealed that only one division in the Banking Operations Department of the Bank signs more than 10 000 signatures per day, and through an extrapolation one can realize that the volume of work in connection with the manual signature at NBR is impressive if not excessive. It is in this context that a study on the opportunity of introducing electronic signature and the constraints related to this innovation in the daily management of the Bank is being conducted. Currently the study is at the stage of categorization of the documents according to the level of risk.

## **4. The user trainings**

For about 7 years, through its data processing bank specialists, the Bank has organized training sessions each year, intended for its entire office staff. The purpose of this training is to strengthen the potential of its executives for better utilisation of the data-processing tools put at their disposal. In 2006, training in Lotus Notes was conducted for 21 senior staff of the Bank out of 25 candidates who had initially registered. Other staff received training in other office automation modules such as the mastery of data-processing tool, Word, Excel and Power Point

## **B. OFFICE AUTOMATION AND DATA PROCESSING**

### **1. Remodelling of existing data-processing applications**

In the context of its wish to obtain an effective and modern information system, the NBR was committed to breaking with old practices which made it too dependent on external ICT service providers. Thus, at the end of 2005, it launched a far-reaching project consisting in redesigning the banking software set up in 1999. These are in particular an accounting and financial system, human resource management system, risk centralisation and non performing loans, exchange and logical management. In 2006, an in-depth training was offered to ten data processing bank staff specialists with the aim of making them autonomous as far as modern technology is concerned. This training was followed by a design phase jointly conducted by the E-Tools partner.

### **2. Development of new applications**

Still in partnership with E-Tools experts, the Bank intends to set up new developed software with modern tools. It will have to do with Electronic Management of Documents, the library, the management of special funds and credit lines. In 2006, the design of all these applications was jointly carried out by E-Tools experts; the development has been going on since November 2006, and the first applications are expected to be operational around end of February 2007.

### **2. Installation and operations of the specialized applications**

During the year 2006, SYGADE software installation of at NBR continued. Negotiations between MINECOFIN, UNDP, UNCTAD and NBR ended; a three-year budget was programmed and a planning of implementation was done and approved by four parties. Thus, NBR and MINECOFIN will use this working tool. To this end, two Bank executives attended training in advanced administration oracle.

## **4. DATA-PROCESSING NETWORK ACTIVITIES**

### **A. Optic fibres introduction**

Apart from the significance of exchanges that the Bank establishes with its partners, it still needs to be connected to permanent and protected Internet, with a large bandwidth; the optical fibre is the suitable solution. Thanks to this connection, NBR will make all its

communications through optical fibre, i.e. telephone calls, data exchange with branches, data exchange with partners, connection to the Internet and possibly communication through Videoconferences.

Rwanda Information and Technology Authority (RITA) is committed to finance Government institutions connection to the optic fibre. It is within this framework that NBR has already had a line from TERRACOM Server to its building. Taking into account the fact that internal networks are not concerned by RITA Project, the Bank will allocate the initial budget to the restructuring of its internal network so that it may benefit from the advantages offered by the optic fibre.

### **B. Computerization of the Western Branch**

Each time NBR opens a branch, computer and telephone networks are put in place as well as equipments and application installation, head office connection, configuration of a system allowing for online work with existing systems. This work is executed by an internal team of the Bank.

### **C. Standardization of Microsoft Products.**

Since 2004, the American Corporation, Microsoft, has been working in close collaboration with Rwandan Institutions within the framework of vision 2020 by providing them with favourable financial and technical conditions. A prerequisite to this collaboration is the standardization of their software.

In 2006, NBR fulfilled this prerequisite and this allowed it to acquire new software necessary for effective operation of its systems. The implementation of this software required the presence of four Microsoft experts who worked in close collaboration with 8 Bank's data-processing specialists for a period of two months. Currently, NBR has official versions with licenses, which operate in protected platforms.

## **5. MANAGEMENT OF WHAT IS ALREADY IN EXISTANCE**

### **A. Optimisation of communication costs**

The Bank's telephone network has had many changes due to the increase in needs, the evolution of the profession of the Bank as well as technology. However, these changes

were not accompanied by documentation, which caused serious maintenance problems. To address this situation, a document discussing in details the weaknesses and strengths of the telephone network was drafted. For a few months, the network has been more available; faults and servicing time have considerably decreased.

## **B. Database Administration**

In order to ensure the Disaster Recovery Plan, the database Administrator regularly saves and restores data and also carries out the control and configuration of the Bank's information system.

In 2006, particularly important tasks were achieved, including, among other things, the installation of a more powerful IBM P570 server, data migration, system control and monitoring.

## **IV.4 INTERNAL AUDIT OF THE BANK'S OPERATIONS**

As was in the previous year, during the year 2006, the choice of the operations to be audited was based on the extent of risks identified in various activities of the Bank. The audit approach adopted was the one based on the risks with a view to proposing corrective measures in the event of failure of the internal audit system.

It's within this framework that general auditing was conducted in activities pertaining to Currency and Banking Operations, Monetary Policy, Reserve Management activities, Banking Supervision activities, Budget management activities and Social Fund Division activities. In addition, specific audits as well as other investigations commissioned by the Bank Management were conducted.

### **IV.4.1. GENERAL AUDITING**

#### ***1. Verification Auditing of the Back Office Accounts***

The audit mission revealed that, generally, internal control systems aimed at mitigating the risks of errors, omissions or irregularities in the computation and outcome of international operations are in place and operational within Back Office. Tools are entered according to accounting practices generally accepted.

However, the audit mission formulated recommendations to improve:

- regularity and exhaustiveness of reconciliation of accounts in foreign currencies;
- reconciliation of deposit operations
- parameterisation of accounting operations; and
- Procedure manual.

## *2. Auditing of banking supervision*

The audit mission observed with satisfaction that the supervision regularly follows-up the bank statements and compliance with the chart of accounts as support to reliable data production. However, weaknesses were identified and recommendations were made to strengthen banking supervision and make it more effective.

## *3. Auditing of budget management activities*

The audit mission analysed operations relating to budgetary control in accordance with the audit program approved by the Bank Management and, at the end of the evaluation of the internal control system put in place to control the Bank expenditures, the following major observations were made:

The team noted with satisfaction that the Budget Division prepares the budget for each financial year and carries out budget audit in the course of the year. However, some weaknesses were identified and recommendations were made to strengthen the internal control system in place.

## *4. Auditing intervention activities on the money market*

At the end of the audit mission carried out on money market operations, the Internal Control Department found that the procedures for intervention on money market are well followed and that the results are relatively satisfactory.

However, some weaknesses were identified, and made recommendations constitute a guide to a reflection aimed at making money market interventions more effective.

## *5. Auditing of the Social Fund Division activities*

The audit mission analysed operations pertaining to the Social Fund activities in accordance with the audit program approved by the Bank Management and, at the end of the evaluation of the internal control system put in place to prevent and control insolvency risk, the following main observations were made.

The team of auditors noted with satisfaction that the Social Fund assisted by CGFS, deployed much effort to put in place regulations (instructions and procedures) for staff loan and salary advance management.

Recommendations were made to strengthen the internal control system in place.

### *6. Auditing the quality of the customer service*

After reviewing the operations pertaining to the quality of services provided by NBR to its customers, the audit mission in general found that the service provided to the customers seems to be satisfactory, but with some weaknesses requiring particular attention.

Recommendations were made to strengthen the internal control system in place.

## **IV.4.2. SPECIFIC AUDITS**

### **1. Audit of the safe**

The audit mission found that physical cash resources of the safe tallied with the account and extra-account balance and that the internal control systems of the safe ran smoothly. However, some weaknesses were identified and recommendations made to strengthen the internal control system in place.

### **2. Unexpected Auditing in areas of Cash**

Fourteen (14) audits of cash resources were carried out during the year 2006; 12 at the Major counters of the head office and one in each of the two branches. It was noted that the internal system control in place is suitable and operates effectively.

However, some weaknesses were identified during auditing the bank branches and recommendations were made to strengthen the internal control system in place.

### **3. Data provided to the IMF in form of Technical Memorandum of Understanding (TMU)**

Twelve opinions of the audit were submitted to the Bank Management as regards the reliability of the financial statistical data provided to the IMF. The monthly data forwarded to the IMF were regularly checked and corrected in consultation with the Research Department and other data producing Departments, before they were forwarded to the IMF.

### **4. Auditing the Bank's procurement process**

The audit mission appreciated the safety plan put in the procurement process and the invoices payment, but it also noted weaknesses in procurement management.

Recommendations were made to strengthen the internal control system in place.

### **5. Auditing the reconciliation of accounts**

In general, the audit mission made led to some improvements in the accounts reconciliation, especially with regard to the reconciliation of foreign corresponding accounts. However, much effort is required for clearing accounts where irregularities were identified.

Recommendations were made to strengthen the internal control system in place.

#### **IV.4.3 Investigations commissioned by the Bank Management**

- **Investigation on the new transport system at NBR**

The audit mission found that the new transport system for the bank staff on duty is beneficial in terms of cost and speed.

The advantage of the system is that it is decentralised. Thus Departments in need of transport do not have to wait for the availability of drivers or vehicles; the authorisation is immediately given and the bank staff does his/her work fast.

However, some weaknesses were identified and recommendations were made to strengthen the internal control system in place.

## **IV.5 LEGAL MATTERS**

In 2006, the major activities in judicial area relate to the drafting of the legal regulations pertaining to the National Bank of Rwanda mission as well as the management of contentious issues.

Thus, the Bank's Legal Division actively participated in the drafting of many legal regulations, which were adopted by the Government during the year. The regulations adopted are the following:

- The regulation governing the National Bank of Rwanda whose aim was to update the law n° 11/97 of 26 July 1997 on the statutes of the National Bank of Rwanda (law in force);
- The regulation on the organization of the banking activities whose aim is to update the law governing banks and other financial institutions (law in force);
- The regulation governing the prevention and suppression of money laundering and terrorism financing;
- The regulation pertaining to the establishment of a Centre for Financial Information Processing;
- The regulation in relation to the organization of micro finance activities.

In addition, the Legal Division took part in negotiations between the National Bank of Rwanda and the Bank of the Republic of Burundi pertaining to the litigation of SDR 287 170.27 outstanding since 1992. These negotiations led to the recovery of SDR 216 823.65 in favour of the National Bank of Rwanda

Finally, following the closure of some micro finance institutions by the NBR, the Legal Division ensured the management of the contentious issues relating to these MFI's until court orders for their liquidation were obtained.

## **IV.6 OTHER BACKUP ACTIVITIES**

In 2006, other backup activities concerned investments as well as maintenance and security work. The overall amount of the investments was around RWF 600 million and primarily related to computer equipments (80%), machines (7%), material and furniture

(5%), a light van for money transportation (4 %) and the procurement of a plot for the construction of the Northern Branch (4%).

Within the areas of security, the management of the overall security system is in the final phase of final post-acceptance (with only one year of maintenance freely granted until the end of February 2007) and ways and means were examined so as to sign a maintenance contract with a South-African firm in February 2007.

Concerning fire control, the National Police, which currently has a fire protection service for Kigali City, was contacted to provide a free training to the Bank's personnel on the handling of some fire protection devices and, in principle, an agreement was reached.

**PART III:**  
**FINANCIAL STATEMENT AS AT 31-12-2006**

NATIONAL BANK OF RWANDA

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

31 DECEMBER 2006

**GRANT THORNTON**  
**Chartered Accountants**

**NATIONAL BANK OF RWANDA  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**TABLE OF CONTENTS**

Board of Directors

Directors' Report

Financial Reporting Responsibilities

Auditors' Report

Income Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes to the Financial Statements

**NATIONAL BANK OF RWANDA  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006  
ORGANISATION STRUCTURE OF THE BANK  
Board of Directors**

Mr. François KANIMBA	Governor of the National Bank of Rwanda and Chairman of the Board of Directors
Mrs. Consolata RUSAGARA	Deputy Governor and Member of the Board of Directors
Mr. Victor SHINGIRO Mr. Uzziel NDAGIJIMANA Mr. Prosper MUSAFIRI Mr. Cyrille NDENGEYINGOMA	} Board Members

**AUDIT COMMITTEE**

Mr. Manassé TWAHIRWA	Chairman of the Audit Committee
Mr. Gaston MPATSWE	Member of the Audit Committee
Mrs. Madeleine NIRERE	Member of the Audit Committee

**REGISTERED OFFICE**

Avenue Paul VI  
P.O Box 531  
Kigali, Rwanda

**EXTERNAL AUDITORS**

Grant Thornton  
Chartered Accountants  
Fairfax House  
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MAURITIUS

**LAWYER**

Mr. François Xavier RUTAGENGWA  
Avenue Paul VI  
P.O Box 531  
Kigali, Rwanda

**NATIONAL BANK OF RWANDA  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006  
ORGANISATION STRUCTURE OF THE BANK (Continued)**

**Senior Management Team**

Mr. François KANIMBA	-	Governor
Mrs. Consolata RUSAGARA	-	Deputy Governor
Mr. Jean Damascène NKURUNZIZA	-	Director - Banking Operations
Mr. Vianney KAGABO	-	Director – International Operations
Mr. Philémon SAFARI	-	Director – Monetary and Financial Markets
Mr. Gakuba KABATI	-	Director – Accounting and Budgeting
Mr. Théobald NKURANGA	-	Director - Information Technology
Mr. Sylvère MUCUNGURA	-	Director - General Services
Mrs. Angélique KANTENGWA	-	Director - Supervision
Mr. Védaste HIMILI	-	Director – Internal Audit
Mr. Musoni RUTAYISIRE	-	Director - Research
Mr. Apollinaire MURASIRA	-	Director- Personnel
Mr. Alexis HABIYAMBERE	-	Director- Governor's Office
Mr. François Xavier RUTAGENGWA	-	Legal
Mr. Josué NKWAYA	-	Secretary of the Governor
Mr. Dr. Juru RURANGANWA	-	Medical Department

**NATIONAL BANK OF RWANDA  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

The directors are pleased to submit their report together with the audited financial statements for the year ended 31 December 2006.

**LEGAL FRAMEWORK**

The National Bank of Rwanda operates under the Law No. 11/97 dated 26 July 1997.

**MAIN ACTIVITIES**

The main activities of the Bank are to formulate and implement monetary policy in view of preserving the value of the local currency and to ensure its stability. To this end, it exercises control of money supply and credit, ensures the good functioning of the money market, the foreign exchange market, and the banking and financial system.

**INCOME STATEMENT**

The results for the year 2006 are set out on page 6.

**DIVIDEND**

The Board of Directors recommend the payment of a dividend of FRW'000 1,987,038 (2005: FRW 000's 1,109,478) to the Government of Rwanda for the year ended 31 December 2006.

**DIRECTORS**

**The directors who served during the year 2006 until the date of this report are listed on page 1.**

**AUDITORS**

**The Minister of Finance and Economic Planning appointed Grant Thornton, Chartered Accountants, as auditors of the Bank during the year 2006.**

By order of the Board

**GOVERNOR**

.....2007

**NATIONAL BANK OF RWANDA  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**FINANCIAL REPORTING RESPONSIBILITIES**

The accompanying financial statements of the National Bank of Rwanda have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as stated in Note 2 to these financial statements and the provisions of the Law No. 11/97 of 26/7/1997. These financial statements contain certain items that reflect best estimates and judgment of management. It is the responsibility of management to ensure that all data in the financial statements are reliable and that all information in the annual report is consistent with the financial statements.

In support of its responsibility for the integrity and reliability of these financial statements and for the accounting system from which they are derived, management has developed and maintains a system of internal controls to provide reasonable assurance that transactions are properly authorized and recorded, that financial information is reliable, that the assets are safeguarded and liabilities recognized, and that the operations are carried out effectively. The Bank has an Internal Audit Department, whose functions include reviewing internal controls, including accounting and financial controls and their application on an ongoing basis.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Law No. 11/97 of 26 July 1997 requires the Bank to prepare its financial statements on a yearly basis which give a true and fair view of its financial position at the end of each year as well as of its operations and cash flows for the year then ended. It also requires that the Board of Directors keep accounting records that disclose with reasonable accuracy at any time the financial position of the Bank. The Board has also a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities.

In the opinion of the Directors, the financial statements give a true and fair view of the Bank's financial position as at 31 December 2006.

The Directors assert that nothing has come to the attention that would adversely affect the going concern ability of the Bank in the forthcoming twelve months following the date of this report.

Signed on behalf of the Board of Directors by: -

\_\_\_\_\_  
Governor

\_\_\_\_\_  
Deputy Governor

.....2007

**AUDITORS' REPORT  
TO THE MINISTER OF FINANCE AND ECONOMIC PLANNING  
ON THE FINANCIAL STATEMENTS OF NATIONAL BANK OF RWANDA**

We have audited the financial statements of the National Bank of Rwanda (the Bank) on pages 6 to 27 which have been prepared in accordance with the accounting policies set out on pages 10 to 14.

**Directors' responsibilities**

The directors are responsible for the preparation of the financial statements which are in accordance with and comply with International Financial Reporting Standards (IFRS) in so far as applicable to the Bank, and which present fairly the financial position of the Bank at 31 December 2006 and of its financial performance, changes in equity and cash flows for the year then ended. They are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors' responsibilities**

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have no relationship with, or any interests in, the Bank other than in our capacity as auditors.

**Opinion**

In our opinion:

- The financial statements on pages 6 to 27 give a true and fair view of the state of affairs of the Bank as at 31 December 2006 and of its profit and cash flows for the year then ended
- The financial statements have been prepared in accordance with IFRS's and comply with the Law No. 11/97 of 26/7/1997 except in so far as the Bank has not considered it appropriate to do so, having regard to its functions and circumstances, as explained in Note 2 to these financial statements.

**Grant Thornton**  
**Chartered Accountants**  
Port-Louis, Mauritius  
Date: .....2007

**NATIONAL BANK OF RWANDA  
INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	<u>Notes</u>	<u>2006</u> <u>Frw' 000</u>	<u>2005</u> <u>Frw' 000</u>
Interest income	3	11,747,211	6,636,671
Interest expense	4	<u>(4,097,966)</u>	<u>(1,832,371)</u>
<b>Net interest income</b>		7,649,245	4,804,300
Net commissions and fees income	5	147,307	104,869
Profit on foreign exchange transactions	6	1,533,950	1,825,224
Other income	7	<u>4,660,973</u>	<u>2,588,147</u>
<b>Net income before non interest expenses</b>		13,991,475	9,322,540
Operating costs	8	(9,047,236)	(7,029,820)
Depreciation of foreign assets		<u>(2,022,124)</u>	<u>(661,136)</u>
<b>Profit for the year</b>		<u><u>2,922,115</u></u>	<u><u>1,631,584</u></u>

The notes on pages 10 to 27 form an integral part of these financial statements

**NATIONAL BANK OF RWANDA  
BALANCE SHEET  
AS AT 31 DECEMBER 2006**

<b>ASSETS</b>	<u>Notes</u>	<u>2006</u> <u>Frw' 000</u>	<u>2005</u> <u>Frw' 000</u>
Foreign currency notes and coins		1,392,712	720,475
External assets	9	240,199,213	224,919,224
Special drawing rights allocated by the IMF	10	66,059,277	63,389,121
Receivable from Government of Rwanda	11	41,793,967	46,374,647
Loans to commercial banks and other financial institutions	12	1,491,446	1,864,981
Staff loans	13	3,100,470	2,749,664
Investment	14	-	450,000
Investment properties	15	229,013	260,362
Other assets	16	1,484,532	529,646
Intangible assets	17	68,421	184,085
Deferred costs	18	1,852,749	2,752,403
Property, plant and equipment	19	1,785,412	1,677,110
		<u>359,457,212</u>	<u>345,871,718</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
Currency in circulation	20	58,436,638	50,288,570
Deposits from Government of Rwanda	21	119,720,622	105,255,013
Due to commercial banks and other financial institutions	22	63,597,084	51,892,999
Counterpart of special drawing rights allocated by the IMF	23	79,797,657	116,942,565
Foreign liabilities	24	13,856,683	664,417
Other liabilities	25	6,447,907	4,922,298
		<u>341,856,591</u>	<u>329,965,862</u>
<b>TOTAL LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	26	2,000,000	2,000,000
General reserve fund		12,622,013	9,137,906
Other reserves	27	2,978,608	4,767,950
		<u>17,600,621</u>	<u>15,905,856</u>
<b>TOTAL EQUITY</b>			
		<u>359,457,212</u>	<u>345,871,718</u>
<b>TOTAL LIABILITIES AND EQUITY</b>			

The financial statements were approved by the Board of Directors on .....2007 and signed on its behalf by:

\_\_\_\_\_  
Governor

\_\_\_\_\_  
Deputy Governor

The notes on pages 10 to 27 form an integral part of these financial statements

**NATIONAL BANK OF RWANDA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	<b>Authorized and Issued Share Capital Frw' 000</b>	<b>General Reserve Fund Frw' 000</b>	<b>Other Reserves Frw'000</b>	<b>Total Frw' 000</b>
<b>At 1 January 2005</b>	2,000,000	7,082,165	5,341,097	14,423,262
Profit for the year	-	1,631,584	-	1,631,584
Transfer to reserves	-	(195,790)	195,790	-
Transfer of reserves on foreign exchange fluctuations	-	619,947	(619,947)	-
Transfer to equity funds	-	-	(36,679)	(36,679)
Gain on revaluation of foreign assets			19,038	19,038
Write back of currency printing costs	-	-	(131,349)	(131,349)
<b>At 31 December 2005</b>	<u>2,000,000</u>	<u>9,137,906</u>	<u>4,767,950</u>	<u>15,905,856</u>
<b>At 1 January 2006</b>	2,000,000	9,137,906	4,767,950	15,905,856
Profit for the year	-	2,922,115	-	2,922,115
Transfer to reserves	-	(350,654)	350,654	-
Transfer of reserves on foreign exchange fluctuations	-	2,022,124	(2,022,124)	-
Transfer to equity funds	-	-	(40,100)	(40,100)
Gain on revaluation of foreign assets	-	-	53,577	53,577
Write back of currency printing costs	-	-	(131,349)	(131,349)
Dividend paid in 2006	-	(1,109,478)	-	(1,109,478)
<b>At 31 December 2006</b>	<u>2,000,000</u>	<u>12,622,013</u>	<u>2,978,608</u>	<u>17,600,621</u>

The notes on pages 10 to 27 form an integral part of these financial statements

**NATIONAL BANK OF RWANDA  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	<u>Note</u>	<u>2006</u> <u>Frw' 000</u>	<u>2005</u> <u>Frw' 000</u>
<b>OPERATING ACTIVITIES</b>			
Net cash inflows from operating activities	29 (a)	11,513,961	41,710,012
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of investments		-	(250,000)
Acquisition of property, plant and equipment		(1,303)	(259,341)
Purchase of intangible assets		(580,306)	(81,470)
Proceeds from disposal of property, plant and equipment		3,407	93,895
Net cash outflows from investing activities		(578,202)	(496,916)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(1,109,477)	-
Currency in circulation		8,148,068	10,895,464
Net cash inflow from financing activities		7,038,591	10,895,464
Net increase in cash and cash equivalents		17,974,350	52,108,560
Cash and cash equivalents at 1 January 2006		225,639,699	178,441,198
Foreign exchange revaluation losses		(2,022,124)	(4,910,059)
Cash and cash equivalents at 31 December 2006	29(b)	241,591,925	225,639,699

The notes on pages 10 to 27 form an integral part of these financial statements

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**1. LEGAL FRAMEWORK**

The National Bank of Rwanda (the Bank) operates under the Law No. 11/97 of 26 July 1997. The principal activities of the Bank are to:

- Formulate and implement monetary policy with the main objective of maintaining the value and stability of the local currency
- Intervene on the foreign exchange market and implement an appropriate policy to ensure the external stability of the currency
- Be the sole supplier of bank notes on behalf of the Government of Rwanda
- Supervise the banking and finance sector of the country in order to ensure a stable and efficient financial market system
- Act as the Government's banker for all treasury, banking and credit operations

**The Bank's share capital of Frw 2 billion is fully subscribed by the Rwandan Government. It may be increased by either a transfer from the reserves following a decision of the Board of Directors ratified by a presidential decree or by a new share issue of the Government of Rwanda.**

**Section 65 of the Law No. 11/97 of 26 July 1997 stipulates that the net profit of the Bank shall be allocated as follows:**

- 20% of net profit for the year is allocated to the General Reserve Fund
- After any other allocations that the Board of Directors deems appropriate at the end of each year, the remainder is paid to the Government

At 31 December 2006, the total equity of the Bank amounted to Frw's 000 17,600,621.

**2. ACCOUNTING POLICIES**

**(a) Application of International Financial Reporting Standards (IFRS)**

The Bank has adopted all IFRS which it deemed appropriate to its functions except for the re-assessment of the loan given to the Government of Rwanda at below market rates in accordance with IAS 39, Financial Instruments and Recognition and the application of IAS 38 in respect of currency printing and issue costs.

**Re-assessment of the loan given to the Government of Rwanda**

The loan has not been accounted for its fair value as per IAS 39. The Bank assumes that the loan granted to the Government before 1994, consolidated in December 1995 at an interest rate of 2 %, will be repaid yearly by deducting 30 % of the annual dividend paid to Government, the sole shareholder.

The loan dates back to 7 February 1996 and since then there has been no additional loan to the Government. The Bank also manages the Government Main Account (OTR) and an interest comparable to the market rate is charged in case of overdraft.

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**2 ACCOUNTING POLICIES (Contd)**

**(a) Application of International Financial Reporting Standards (Contd)**

**Recognition of deferred printing costs**

The Bank incurs yearly printing costs for notes and coins in Frw and these costs are expensed in the Income Statement in the period they are incurred. In 2003, however, Frw000's 4,380,181 were incurred for currency printing and issue costs. The Bank has judged it more suitable to adopt the policy of amortising these costs over a period of five years instead of writing off the whole amount in the year 2003.

According to IAS 38, the whole cost should have been expensed in 2003. The financial effect of this treatment would turn the current year profits to Frw000's 2,922,115 and the retained earnings would be Frw000's 15,600,621 at 31 December 2006.

**(b) Basis of preparation**

The financial statements are prepared in Rwandan Francs (Frw), rounded to the nearest thousand ('000). The financial statements have been prepared in accordance with IFRS and under historical cost convention except for the valuation of assets available for sale and financial assets and liabilities at their fair value which are accounted in the Income Statement.

**(c) Accounting estimates**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the notes to the financial statements. These estimates are based on management's best knowledge of current event. Actual results may differ from those estimates.

**(d) Revenue and expenses**

**Income and expenses are accounted for on an accrual basis.**

**(e) Property, plant and equipment**

**Property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method and is applied over the estimated useful lives of the assets, as shown below:**

Buildings	5-10%
Machinery	20%
Motor vehicles	25%
Office furniture	20%
Computer equipment	33.33%
Security equipment	10%

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**(f) Intangible assets**

Intangible assets are recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method and is applied over the estimated useful lives of the assets, as shown below:

Computer software	25 %
-------------------	------

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**2 ACCOUNTING POLICIES (Contd)**

**(g) Consumables**

**Stocks of consumables are valued at weighted average cost. Provisions are made for all anticipated stock losses, impairment and obsolescence.**

**(h) Foreign currency transactions and balances**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated in Frw using the rate of exchange ruling at the balance sheet date. Gains and losses are accounted in the Income Statement.

**(i) Financial assets and liabilities**

The Bank accounts for financial assets and liabilities as well as the associated income and expense streams separately by distinguishing between foreign and local currency activities. Assets and liabilities in local currency relate to the Bank's normal operations which include implementation of monetary policies, supply of bank notes and coins as well as banking operations. Assets and liabilities in foreign currencies relate to management of foreign assets and liabilities.

The separate disclosure of its operations in foreign and local currency enables the Bank to evaluate its performance and properly follow up its risk profile.

The Bank recognizes financial assets or financial liabilities on its balance sheet when and only when it becomes a party to the contractual provision of the instrument.

Assets and liabilities denominated in foreign currencies are translated to Frw at the rates of exchange prevailing at the balance sheet date.

**(j) Currency in circulation**

Notes and coins issued represent an unserviced liability of the Bank and are recorded at face value in the balance sheet.

**(k) Employee benefits**

As per the Law relating to employees' pension, the Bank contributes 5 % to the pension scheme and the employee 3 % of their monthly salary. The Bank's 5 % contribution is expensed in the Income Statement.

**The Bank also subscribes to a staff protection insurance policy with a local insurance company. The employees' contribution to this cost amounts to a third of total premiums and the remaining two thirds are borne by the Bank.**

**The Bank provides medical facilities for its employees as well as their respective families.**

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**2 ACCOUNTING POLICIES (Contd)**

**(l) Investment**

The investment relates to capital subscribed in SIMTEL which is neither listed on the stock exchange nor available for sale. All unlisted investments are recorded in the financial statements at cost.

**(m) Investment properties**

Investment properties are shown at cost less accumulated depreciation. Depreciation is calculated using the straight basis over its estimated economic useful life at the rate of 10 %.

**(n) Loans and provisions for loans impairment**

The Bank, as the Government's banker, can give an overdraft facility to the Government in order to enable the latter to operate in case of a cash shortage. The amount of such overdraft facilities is limited to 11 % of the Government's total revenue in the preceding fiscal year.

According to the agreement No 5/96 signed between the Government and the Bank on 6 February 1996 and Article 79 of Law 11/97, all loans given to the Government before and during the war of 1994, that is, before 31 December 1994, including the balance revised at 6 March 1995, have been consolidated at an interest rate of 2 %.

**The Bank as lender of last resort can also lend for a period not exceeding 7 days.**

**The loan should be secured. They are granted at the interest rate practiced on the inter-bank money market.**

**The Bank equally manages lines of credit granted to the Government by providers of fund and then retroceded to the private sector. For these lines of credit the Bank in general charges favourable interest rates to the commercial banks which in turn apply the appropriate rates to their clients.**

**The Bank also gives loan facilities for the refinancing of agricultural and agro industrial activities at favourable rates of interests to commercial banks. In turn, these are re-lent to their clients at preferential rates of interests.**

**The Bank gives housing and car loans to its personnel as well as short term loan not exceeding one year at favourable rates. Any advance on salary is interest free.**

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

Provision is made for all doubtful debts as per order 03/2000 of 29 March 2000 which deals with classification of assets and follow-up of obligations by banks and other credit institutions.

**2 MAIN ACCOUNTING POLICIES (Contd)**

**(o) Cash and cash equivalents**

**Cash and cash equivalents comprise cash in hand; bank balances with other financial institutions and short term liquidity investments.**

**(p) Income taxes**

The Bank is exempt from taxes under Section 71 of the Law 11/97.

**(q) Dividend payable**

Dividends are recognised on payment. Dividends declared after the balance sheet date but before approval of the financial statements are disclosed in the notes to the accounts.

**(r) Comparatives**

Comparative figures have been adjusted where necessary in order to conform to the changes made in the present financial statements.

**NATIONAL BANK OF RWANDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

	<u>2006</u>	<u>2005</u>
	<u>Frw '000</u>	<u>Frw '000</u>
<b>3 INTEREST INCOME</b>		
Interest on domestic assets	932,522	935,701
Interest on foreign assets	<u>10,814,689</u>	<u>5,700,970</u>
	<u>11,747,211</u>	<u>6,636,671</u>
<b>4 INTEREST EXPENSE</b>		
Interest expense on domestic borrowings	3,637,645	1,299,297
Interest expense on foreign borrowings	33,473	27,972
IMF charges	<u>426,848</u>	<u>505,102</u>
	<u>4,097,966</u>	<u>1,832,371</u>
<b>5 NET COMMISSIONS AND FEES INCOME</b>		
Commission and fee income	226,570	189,069
Commission and fees charges	<u>(79,263)</u>	<u>(84,200)</u>
	<u>147,307</u>	<u>104,869</u>
<b>6 PROFIT ON FOREIGN EXCHANGE TRANSACTIONS</b>		
Profit on sale of foreign currencies	1,822,823	2,168,688
Loss on foreign exchange transactions	<u>(288,873)</u>	<u>(343,464)</u>
	<u>1,533,950</u>	<u>1,825,224</u>
<b>7 OTHER INCOME</b>		
Write back of currency printing costs	131,348	131,348
Fines, penalties and other administrative income	60,813	150,982
Write back of accruals and provisions(see note 7.a below)	297,322	886,582
Profit on sales of property, plant and equipment	3,346	37,124
Revenue grant from the Government of Rwanda	3,637,611	1,298,133
Other income (see note 7.b below)	<u>530,533</u>	<u>83,978</u>
	<u>4,660,973</u>	<u>2,588,147</u>
<b>7.a Details of Write Back of Accruals and Provisions</b>		
Write back on provisions for doubtful debts from former employees	24,799	5,653
Write back on provision for leaves payable	141,820	222,512
Write back on provision for depreciation on CAAML Fund	-	483,455
Writ back of other provision for doubtful debts	<u>130,703</u>	<u>174,962</u>
	<u>297,322</u>	<u>886,582</u>
<b>7.b Details of Other Income</b>		
Sales of demonetised coins	363,966	-
Other non banking income	160,014	82,915
Income from exceptional items	<u>6,553</u>	<u>1,063</u>
	<u>530,533</u>	<u>83,978</u>
<b>8 OPERATING COSTS</b>		
Staff costs	4,091,891	3,931,451
Depreciation of property, plant and equipment	471,942	408,343
Amortisation of intangible assets	116,968	109,470
Amortisation of investment property	31,349	31,349
Amortisation of deferred costs	859,945	876,037
Provisions for liabilities and charges	169,291	318,780
Amortisation of investments	450,000	-
Other expenses	<u>2,855,850</u>	<u>1,354,390</u>
	<u>9,047,236</u>	<u>7,029,820</u>

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**8 OPERATING COSTS (Cont)**

**Staff costs are made of:**

Salaries and other allowances	3,249,301	3,164,826
Pensions	365,548	241,357
Medical expenses	143,130	223,876
Training and development	306,421	279,971
Other staff costs	27,491	21,421
	<u>4,091,891</u>	<u>3,931,451</u>

The average number of employees during the year was 453 (2005: 469).

**9 EXTERNAL ASSETS**

	<u>2006</u>	<u>2005</u>
	<u>Frw' 000</u>	<u>Frw' 000</u>
Current accounts	24,573,078	57,191,923
Placements with banks	134,757,968	84,501,350
Foreign investments	51,332,518	51,453,802
Special Drawing Rights	12,525,879	14,345,577
Other foreign investments	16,689,715	16,863,371
Interests receivables	320,055	563,201
	<u>240,199,213</u>	<u>224,919,224</u>

**10 SPECIAL DRAWING RIGHTS ALLOCATED BY THE IMF**

Special Drawing Rights allocated by the IMF refers to the Rwandan Government's total capital subscription to the International Monetary Fund (IMF). It is equal to SDR 80,100,000 and was converted to FRW using closing rate of SDR as at 31 December 2006.

**11 RECEIVABLE FROM GOVERNMENT OF RWANDA**

	<u>2006</u>	<u>2005</u>
	<u>Frw' 000</u>	<u>Frw' 000</u>
At 1 January 2006	46,374,647	42,136,020
Loss on foreign exchange fluctuations	(4,581,765)	4,248,923
	41,792,882	46,384,943
Accrued interest on overdraft	1,085	(10,296)
At 31 January 2006	<u>41,793,967</u>	<u>46,374,647</u>

On 7 February 1996, the Bank signed an agreement with the Government of Rwanda with the view to consolidate the loan of Frw 34.457 billion at an interest rate of 2 %. This balance has increased to Frw 43.469 in August 1997 as per Article 79 of Law 11/97. The repayment of this loan is made by retaining 30 % of the annual dividend payable to the Government since 2002 and interest is calculated at 2 % per annum.

As at 31 December 2006, a sum of Frw 1.677 billion has been paid.

Article 49 of the law No.11/97 sets the limit of the Government of Rwanda's overdraft facility at 11% of the gross Government revenues collected during the preceding fiscal year. The limit for the year 2006 was Frw 15.790 billion. This limit was not exceeded in 2006.

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

<b>12 LOANS TO COMMERCIAL BANKS AND OTHER FINANCIAL INSTITUTIONS</b>	<u><b>2006</b></u> <b>Frw' 000</b>	<u><b>2005</b></u> <b>Frw' 000</b>
Loan to the National Post Office (ONP)	24,146	61,146
Line of credit to commercial banks	515,911	675,087
Line of credit to the agricultural and agro technical sectors	<u>951,389</u>	<u>1, 128,748</u>
	<u>1,491,446</u>	<u>1,864,981</u>
<b>13 STAFF LOANS</b>	<u><b>2006</b></u> <b>Frw' 000</b>	<u><b>2005</b></u> <b>Frw' 000</b>
Loans to staff	3,179,044	2,853,667
Less: provisions for doubtful debts	<u>(78,574)</u>	<u>(104,003)</u>
	<u>3,100,470</u>	<u>2,749,664</u>
<b>14 INVESTMENT</b>	<u><b>2006</b></u> <b>Frw' 000</b>	<u><b>2005</b></u> <b>Frw' 000</b>
<b>Cost</b>		
At 1 January 2006	450,000	200,000
Additions during the year	-	250,000
Write off	<u>(450,000)</u>	<u>-</u>
At 31 December 2006	<u>-</u>	<u>450,000</u>
<p>The investment relates to capital subscribed in SIMTEL which is neither listed on the stock exchange nor available for sale. All unlisted investments are recorded in the financial statements at cost. Management has assumed that this investment has already been wholly depreciated at 31 December 2006.</p>		
<b>15 INVESTMENT PROPERTIES</b>		<b>Frw' 000</b>
<b>Cost</b>		
At 1 January and 31 December 2006		<u>313,490</u>
<b>Depreciation</b>		
At 1 January 2006		53,128
Charge for the year		31,349
At 31 December 2006		<u>84,477</u>
<b>Net book value</b>		
At 31 December 2006		<u>229,013</u>
At 31 December 2005		<u>260,362</u>

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

<b>16 OTHER ASSETS</b>	<b>2006</b>	<b>2005</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>
Prepayments and deferred charges	1,160,043	387,278
Consumables	118,433	135,448
Other debtors	272,114	100,795
Provision for bad debts	(66,058)	(93,875)
	<u>1,484,532</u>	<u>529,646</u>

<b>17 INTANGIBLE ASSETS</b>	<b>Frw' 000</b>
<b>Cost</b>	
At 1 January 2006	708,361
Additions	<u>1,303</u>
At 31 December 2006	<u>709,664</u>
<b>Amortisation</b>	
As at 1 January 2006	524,276
Charge for the year	<u>116,967</u>
As at 31 December 2006	<u>641,243</u>
<b>Net Book Value</b>	
At 31 December 2006	<u>68,421</u>
At 31 December 2005	<u>184,085</u>

<b>18 DEFERRED COSTS</b>	<b>Cost of Production of Notes</b>	<b>Cost of Production of Coins</b>	<b>Total</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
<b>Cost</b>			
At 1 January 2006	3,984,759	395,422	4,380,181
Write off	(70,598)	(9,860)	(80,458)
At 31 December 2006	<u>3,914,161</u>	<u>385,562</u>	<u>4,299,723</u>
<b>Depreciation</b>			
At 1 January 2006	1,472,824	154,954	1,627,778
Write off	(36,475)	(4,273)	(40,748)
Charge for the year	782,832	77,112	859,944
At 31 December 2006	<u>2,219,181</u>	<u>227,793</u>	<u>2,446,974</u>
<b>Net book Value</b>			
At 31 December 2006	<u>1,694,980</u>	<u>157,769</u>	<u>1,852,749</u>
At 31 December 2005	<u>2,511,935</u>	<u>240,468</u>	<u>2,752,403</u>

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**19 PROPERTY, PLANT AND EQUIPMENT**

	<b>Land</b>	<b>Buildings</b>	<b>Machinery</b>	<b>Motor vehicles</b>	<b>Office furniture</b>	<b>Computer equipment</b>	<b>Security equipment</b>	<b>Total</b>
	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>	<b>Frw' 000</b>
<b>Cost</b>								
At 1 January 2006	-	1,851,409	1,062,004	22,154	606,738	818,928	953,035	5,314,268
Additions	25,061	-	36,165	21,616	29,823	465,611	2,030	580,306
Disposals	-	-	(8,323)	-	(1,195)	(15,634)	-	(25,152)
At 31 December 2006	<u>25,061</u>	<u>1,851,409</u>	<u>1,089,846</u>	<u>43,770</u>	<u>635,366</u>	<u>1,268,905</u>	<u>955,065</u>	<u>5,869,422</u>
<b>Depreciation</b>								
At 1 January 2006	-	1,734,572	709,827	4,615	441,217	636,338	110,589	3,637,158
Charge for the year	-	12,704	98,486	8,241	47,368	209,265	95,879	471,943
Disposal Adjustment	-	-	(8,261)	-	(1,195)	(15,635)	-	(25,091)
At 31 December 2006	<u>-</u>	<u>1,747,276</u>	<u>800,052</u>	<u>12,856</u>	<u>487,390</u>	<u>829,968</u>	<u>206,468</u>	<u>4,084,010</u>
<b>Net book value</b>								
At 31 December 2006	<u>25,061</u>	<u>104,133</u>	<u>289,794</u>	<u>30,914</u>	<u>147,976</u>	<u>438,937</u>	<u>748,597</u>	<u>1,785,412</u>
At 31 December 2005	<u>-</u>	<u>116,837</u>	<u>352,177</u>	<u>17,539</u>	<u>165,521</u>	<u>182,590</u>	<u>842,446</u>	<u>1,677,110</u>

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(États-Unis)

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

20 CURRENCY IN CIRCULATION	<u>2006</u>	<u>2005</u>
	Frw' 000	Frw' 000
Notes and coins printed	115,317,755	119,184,436
Money in vault	(34,258,500)	(55,879,010)
Cash held at the Bank	<u>(22,622,617)</u>	<u>(13,016,856)</u>
	<u>58,436,638</u>	<u>50,288,570</u>

Cash held by the Bank comprises notes and coins in Frw at the Main Cash Office as well as at the 'Caisse Comptage et Triage' (CCT). Most notes and coins at the CCT come from commercial banks and are subject to a sorting exercise.

21 DEPOSITS FROM THE GOVERNMENT OF RWANDA	<u>2006</u>	<u>2005</u>
	Frw' 000	Frw' 000
Government account with the Bank	14,024,908	11,935,303
Special deposits	7,260,709	7,234,947
Letters of credit	3,099,377	312,942
Project and ministries' accounts	51,144,307	20,744,438
Local government	2,116,136	506,646
Public service enterprises	736,465	669,952
Public institutions	562,259	127,224
Foreign currency accounts	<u>40,776,461</u>	<u>63,723,561</u>
	<u>119,720,622</u>	<u>105,255,013</u>

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22 DUE TO COMMERCIAL BANKS AND OTHER FINANCIAL INSTITUTIONS	<u>2006</u>	<u>2005</u>
	Frw' 000	Frw' 000
Local currency deposits	7,943,839	6,662,071
Foreign currency deposits	4,791,604	4,648,867
Borrowings on the money market	50,538,233	40,272,993
Interests payable	<u>323,408</u>	<u>309,068</u>
	<u>63,597,084</u>	<u>51,892,999</u>

The Bank has the responsibility to issue treasury bills with the view of meeting its monetary policy objectives. The amounts due to third parties as a result of the issue of treasury bills are disclosed as borrowings on the money market.

23 COUNTERPART OF SPECIAL DRAWING RIGHTS ALLOCATED BY THE IMF	<u>2006</u>	<u>2005</u>
	Frw' 000	Frw' 000
Counter value of Special Drawing Rights	66,070,137	63,399,543
Loan from the IMF	2,352,898	42,649,364
Special Drawing Rights allocation	11,296,054	10,839,461
Interests payable	<u>78,568</u>	<u>54,197</u>
	<u>79,797,657</u>	<u>116,942,565</u>

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

24 FOREIGN LIABILITIES	<u>2006</u>	<u>2005</u>
	Frw' 000	Frw' 000
National Bank of Belgium current account	11,775,325	-
Public deposits in local currency	174,213	118,505
Public deposits in foreign currencies	1,907,145	545,912
	<u>13,856,683</u>	<u>664,417</u>
25 OTHER LIABILITIES	<u>2006</u>	<u>2005</u>
	Frw' 000	Frw' 000
Staff costs payable	218,655	191,287
Non statutory accounts in Frw	1,043,436	1,118,019
Non statutory accounts in foreign currencies	379,263	357,111
Other accruals	23,162	763,052
Other payables	4,370,583	2,043,725
Provisions for contingencies	260,636	319,366
Staff leaves payable	152,172	129,738
	<u>6,447,907</u>	<u>4,922,298</u>
26 SHARE CAPITAL	<u>2006</u>	<u>2005</u>
	Frw' 000	Frw' 000
Authorised, issued and fully paid	<u>2,000,000</u>	<u>2,000,000</u>

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The authorised share capital of the Bank is Frw 2 billion as stipulated by Section 6 of Law No. 11/97 dated 26 July 1997. It is subscribed by the Government of Rwanda.

**27 OTHER RESERVES**

	Currency printing costs	Staff welfare fund	Profit/(loss) charged in equity	Foreign currency revaluation reserves	Total
	Frw' 000	Frw' 000	Frw'000	Frw'000	Frw' 000
At 1 January 2006	262,697	1,746,720	(17,641)	2,776,174	4,767,950
Write back on reserves	(131,348)	-	-	(2,022,124)	(2,153,472)
Reserve allocation	-	350,654	-	-	350,654
Other movements	-	-	13,476	-	13,476
At 31 December 2006	<u>131,349</u>	<u>2,097,374</u>	<u>(4,165)</u>	<u>754,050</u>	<u>2,978,608</u>

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**28 DIVIDEND**

	<u>2006</u>	<u>2005</u>	
	<b>Frw' 000</b>	<b>Frw' 000</b>	
Proposed dividend	<u>1,987,038</u>	<u>1,109,477</u>	Mis en forme : Anglais (États-Unis)
			Mis en forme : Anglais (États-Unis)

**29 (a) CASHFLOWS FROM OPERATING ACTIVITIES**

	<u>2006</u>	<u>2005</u>
	<b>Frw' 000</b>	<b>Frw' 000</b>
Net profit for the year	2,922,115	1,631,584
Adjustments for:		
Depreciation of property, plant and equipment	471,943	408,343
Amortisation of intangible assets	116,967	109,470
Intangible assets written off	31,349	31,349
Amortisation of investment property	859,944	876,037
Amortisation of deferred costs	(131,348)	(131,348)
Write back of currency reserve	(3,346)	(37,124)
Loss on Foreign exchange transactions	2,022,124	4,910,059
Loss / (Profit) on sale of property, plant and equipment	13,477	(17,641)
Impairment of investment	450,000	-
Other movements in reserves	39,708	-
Operating profit before working capital changes	6,792,933	7,780,728
(Increase) / decrease in Special Drawing Rights allocated by the IMF	(2,670,156)	6,966,682
Decrease (Increase)/ in receivables from Government of Rwanda	4,580,680	(4,238,627)
Decrease in loans to commercial banks and other financial institutions	373,535	380,414
Increase in staff loans	(350,806)	(273,097)
Increase in other assets	(954,886)	(261,781)
Increase in deposit from the Government of Rwanda	14,465,609	25,962,453
Increase in amounts due to commercial banks and other financial institutions	11,704,085	27,852,186
Increase / (Decrease) in foreign liabilities	13,192,266	(2,690,268)
Increase in counterpart of special drawing rights allocated by the IMF	(37,144,908)	(17,703,130)
Decrease/ (increase) in other liabilities	1,525,609	(2,065,548)
Net cash from operating activities	<u>11,513,961</u>	<u>41,710,012</u>

**29 (b) CASH AND CASH EQUIVALENT**

Foreign currency notes and coins	1,392,712	720,475
External assets	<u>240,199,213</u>	<u>224,919,224</u>
	<u>241,591,925</u>	<u>225,639,699</u>

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**30 RELATED PARTY TRANSACTIONS**

During the course of its operations, the Bank enters into transactions with related parties, including the Government of Rwanda which is the sole shareholder of the Bank. Unless otherwise stated, all transactions between these entities took place at arm's length and at market rate.

**a) Transactions with the Government of Rwanda**

Transactions entered into with the Government include:

- (a) Banking services
- (b) Issue of treasury bills on behalf of the Government
- (c) Foreign currency transactions on behalf of the Government

The Bank does not charge a fee for maintaining the OTR account. It does not earn any commission upon the issue of treasury bills for the Government. However, the Bank earns commissions on the foreign currency transactions carried out on behalf of the government.

At the close of business on 31 December 2006, the following balances, which are included in various balance sheet categories, were outstanding:

	<u>2006</u>	<u>2005</u>
	<u>Frw' 000</u>	<u>Frw' 000</u>
Receivable from the Government of Rwanda (Note 11)	41,793,967	46,374,647
Counterpart of special drawing rights allocated by the IMF (Note 23)	66,070,137	63,399,543
IMF Structural loans (Note 23)	2,352,898	42,649,364
Deposits from the Government of Rwanda (Note 21)	<u>119,720,622</u>	<u>105,255,013</u>

**(b) Staff loans**

The Bank gives loan facilities to its members of staff and management at a favourable rate. The net balance of this loan amounted to Frw 3.100 billion at 31 December 2006 (2005: Frw 2.750 billion).

	<u>2006</u>	<u>2005</u>
	<u>Frw' 000</u>	<u>Frw' 000</u>
<b>(c) Loans to management</b>		
At 1 January	153,691	162,346
Additions during the year	-	21,126
Repayments during the year	<u>(34,336)</u>	<u>(29,781)</u>
At 31 December	<u>119,355</u>	<u>153,691</u>

**(d) Directors emoluments:**

Fees	<u>49,942</u>	<u>23,159</u>
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**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**31 CONTINGENT LIABILITIES**

The Bank has several contingent liabilities with third parties at 31 December 2006. Given that all legal actions against the Bank are not sufficiently strong, Management has found it necessary to make a provision of Frw 260 million at 31 December 2006.

**32 RISK MANAGEMENT POLICIES**

The Bank's risk management policies and practices have been developed to address all of the Bank's business activities. These are supported by an active and rigorous culture of risk management by the management team and the Heads of departments.

The Bank is exposed to four major types of risk – credit risk, market risk, liquidity risk and operational risk.

The Bank's risk management policies and practices are described below:

- a. Board oversight – The Board approves and modifies the Bank's operational and capital budget
- b. Audit Committee review – the Audit Committee submits their report to The Minister of Finance and Economic Planning
- c. Review by senior management – the Bank's Management Committee reviews and approves all activities that represent certain risk to the Bank, for example investments in deposits in foreign currency
- d. Diversification – Investment policies and limits are set with a view to ensuring that risks are well diversified
- e. Assessment – risks are daily reviewed at each department level. Each department has the responsibility to propose any adjustment on risk policies and procedures to Management
- f. Evaluation – risk evaluation procedures have been set up by Management
- g. Review and Reporting – Risk profiles of counterparties and portfolios are subject to ongoing review and reporting to senior management and the board
- h. Audit review – Individual risks, portfolios and operational risks are subject to comprehensive internal audit review, with independent reporting to senior management by the internal audit function

The application of the above policies and procedures is to ensure that the risks faced by the Bank are properly identified, measured, assessed and meet the main objectives of the Bank.

**NATIONAL BANK OF RWANDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

**33 LIQUIDITY RISK**

The following table summarises assets and liabilities according to their maturity period.

	<b>On demand</b>	<b>Due within 3 months</b>	<b>Due between 3 and 12 months</b>	<b>Due between 1 et 5 years</b>	<b>Due after 5 years</b>	<b>Total</b>
	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>
<b>ASSETS</b>						
Foreign currency notes and coins	1,392,712	-	-	-	-	1,392,712
External assets	24,573,078	182,191,189	33,434,946	-	-	240,199,213
Special drawing rights allocated by the IMF	-	-	-	-	66,059,277	66,059,277
Receivable from Government of Rwanda	-	691,061	9,000	1,587,602	39,506,304	41,793,967
Loans and advances to commercial banks and other institutions	-	73,247	578,962	815,091	24,146	1,491,446
Staff loans	-	114,175	275,625	1,053,208	1,657,462	3,100,470
Investment	-	-	31,349	125,396	72,268	229,013
Investment properties	-	65,958	1,418,574	-	-	1,484,532
Other assets	-	-	-	68,421	-	68,421
Intangible assets	-	-	859,945	992,804	-	1,852,749
Deferred costs	-	-	432,212	1,353,200	-	1,785,412
<b>TOTAL ASSETS</b>	<b>25,965,790</b>	<b>183,135,630</b>	<b>37,040,613</b>	<b>5,995,722</b>	<b>107,319,457</b>	<b>359,457,212</b>
<b>LIABILITIES</b>						
Currency in circulation	58,436,638	-	-	-	-	58,436,638
Deposits from the Government of Rwanda	113,973,298	5,747,324	-	-	-	119,720,622
Due to commercial banks and other financial institutions	12,735,442	43,170,116	7,691,526	-	-	63,597,084
Counterpart of SDR allocated by the IMF	10,861	78,568	12,326	900,420	78,795,482	79,797,657
Foreign liabilities	2,081,358	-	-	-	11,775,325	13,856,683
Other liabilities	5,691,697	343,402	412,808	-	-	6,447,907
Equity and reserves	-	-	-	-	17,600,621	17,600,621
<b>TOTAL LIABILITIES AND RESERVES</b>	<b>192,929,294</b>	<b>49,339,410</b>	<b>8,116,660</b>	<b>900,420</b>	<b>108,171,428</b>	<b>359,457,212</b>

**NATIONAL BANK OF RWANDA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2006**

**LIQUIDITY GAP 2006**

<u>(166,963,504)</u>	<u>133,796,220</u>	<u>28,923,953</u>	<u>5,095,302</u>	<u>(851,971)</u>	<u>-</u>
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**As at 31 December 2005**

**Total assets**

72,649,500	148,558,994	6,076,448	5,868,227	112,718,549	345,871,718
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**Total liabilities and equity**

<u>(168,449,323)</u>	<u>(38,662,676)</u>	<u>(14,256,583)</u>	<u>(30,950,352)</u>	<u>(93,552,784)</u>	<u>(345,871,718)</u>
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**LIQUIDITY GAP 2005**

<u>(95,799,823)</u>	<u>109,896,318</u>	<u>(8,180,135)</u>	<u>(25,082,125)</u>	<u>19,165,765</u>	<u>-</u>
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### 34 CURRENCY RISK

The various currencies to which the Bank was exposed at 31 December 2006 are summarised in the table below (all expressed in Frw'000): -

	<u>USD</u>	<u>GBP</u>	<u>EURO</u>	<u>DTS</u>	<u>AUTRES</u>	<u>Total</u>
<b>ASSETS</b>						
External assets	203,296,016	21,573,653	2,565,908	12,606,512	157,124	240,199,213
SDR allocated by the IMF	-	-	-	66,059,277	-	66,059,277
Others	1,206,870	168,092	6,365	-	11,385	1,392,712
<b>TOTAL ASSETS</b>	<b>204,502,886</b>	<b>21,741,745</b>	<b>2,572,273</b>	<b>78,665,789</b>	<b>168,509</b>	<b>307,651,202</b>
<b>LIABILITIES</b>						
Counterpart of SDR allocated by the IMF	-	-	-	79,797,657	-	79,797,657
Liabilities to residents	38,789,104	4,286,581	2,831,028	-	48,303	45,955,016
Other foreign liabilities	365,019	13,545,703	-	95	174,213	14,085,030
<b>TOTAL LIABILITIES</b>	<b>39,154,123</b>	<b>17,832,284</b>	<b>2,831,028</b>	<b>79,797,752</b>	<b>222,516</b>	<b>139,837,703</b>
<b>Net balance sheet position 2006</b>	<b>165,348,763</b>	<b>3,909,461</b>	<b>(258,755)</b>	<b>(1,131,963)</b>	<b>(54,007)</b>	<b>167,813,499</b>
<b>At 31 December 2006</b>						
<b>Total assets</b>	<b>202,075,276</b>	<b>920,637</b>	<b>7,920,864</b>	<b>78,035,752</b>	<b>76,291</b>	<b>289,028,820</b>
<b>Total liabilities</b>	<b>(63,112,247)</b>	<b>(427,748)</b>	<b>(5,717,047)</b>	<b>(116,942,656)</b>	<b>(167,512)</b>	<b>(186,367,210)</b>
<b>Net balance sheet position 2005</b>	<b>138,963,029</b>	<b>492,889</b>	<b>2,203,817</b>	<b>(38,906,904)</b>	<b>(91,221)</b>	<b>102,661,610</b>

### 35. INTEREST RATES RISK

The following table shows the risk related to the Bank's interest rate fluctuation on assets and liabilities. Items are allocated to time bands by reference to the earlier of the next contractual interest rate reprising date and maturity date.

	<b>Between 0 - 3 months</b>	<b>Between 3 to 12months</b>	<b>More than one year</b>	<b>Non interest bearing accounts</b>	<b>Total</b>
	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>	<b>Frw'000</b>
<b>ASSETS</b>					
Foreign currency notes and coins	-	-	-	1,392,712	1,392,712
External assets	188,633,412	51,402,586	-	163,215	240,199,213
Special drawing rights allocated by the IMF	-	-	-	66,059,277	66,059,277
Receivable from Government of Rwanda	-	1,086	41,792,881	-	41,793,967
Loans and advances to commercial banks and other institutions	73,247	578,962	839,237	-	1,491,446
Staff loans	63,625	274,999	2,618,599	143,247	3,100,470
Investment	-	-	-	229,013	229,013
Investment properties	-	-	-	1,484,532	1,484,532
Other assets	-	-	-	68,421	68,421
Intangible assets	-	-	-	1,852,749	1,852,749
Deferred costs	-	-	-	1,785,412	1,785,412
<b>TOTAL ASSETS</b>	<b>188,770,284</b>	<b>52,257,633</b>	<b>45,250,717</b>	<b>73,178,578</b>	<b>359,457,212</b>
<b>LIABILITIES</b>					
Currency in circulation	-	-	-	58,436,638	58,436,638
Deposits from Government	-	-	-	119,720,622	119,720,622
Loans from banks and other financial institutions	42,958,505	7,579,728	-	13,058,851	63,597,084
Counterpart of SDR allocated by the IMF	78,568	12,326	13,636,626	66,070,137	79,797,657
Foreign liabilities	-	-	11,775,325	2,081,358	13,856,683
Other liabilities	-	-	-	6,447,907	6,447,907
Equity and reserves	-	-	-	17,600,621	17,600,621
<b>TOTAL LIABILITIES</b>	<b>43,037,073</b>	<b>7,592,054</b>	<b>25,411,951</b>	<b>283,416,134</b>	<b>359,457,212</b>
<b>Interest sensitivity gap 31 December 2006</b>	<b>145,733,211</b>	<b>44,665,579</b>	<b>19,838,766</b>	<b>(210,237,556)</b>	<b>-</b>



## **STATISTICAL APPENDICES**

## MAJOR INDICATORS OF NATIONAL ECONOMY

Table 1

Description	2001	2002	2003	2004	2005	2006
<b>Current GDP ( in billions of RWF)</b>	<b>741,9</b>	<b>781,5</b>	<b>955,2</b>	<b>1137,9</b>	<b>1 331,6</b>	<b>1631,6</b>
of which : Primary sector, in % of GDP	37,3	35,5	38,5	38,8	38,7	40,1
Secondary sector, in % of GDP	14,2	13,9	12,8	13,7	13,9	14,6
Tertiary sector, in % of GDP	42,8	43,9	42,0	40,8	40,8	39,2
<b>Constant GDP (billions of RWF,2001)</b>	<b>741,8</b>	<b>823,0</b>	<b>825,4</b>	<b>868,8</b>	<b>931,0</b>	<b>991,6</b>
<b>Growth rate (in %)</b>	9,7	11,0	0,3	5,3	7,2	6,5
of which : Primary sector	11,9	15,0	-4,7	0,1	4,8	0,0
Secondary sector	9,7	5,1	3,0	12,4	7,0	18,1
Tertiary sector	6,6	8,8	4,5	7,9	9,2	7,4
<b>Inflation rate</b>	3,4	2,0	7,5	12,0	9,1	8,9
<b>Current GDP per capita (in USD)</b>	212	202	214	230	271	331
<b>Growth rate (in %)</b>		-4,7	5,9	7,5	17,8	22,1
<b>USES OF GDP (constant), in %</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>
<b>Private consumption</b>	83,4	84,1	77,4	77,9	78,0	77,9
<b>Public consumption</b>	18,7	18,8	20,4	20,8	21,1	21,0
<b>Gross Domestic Investment</b>	13,7	13,1	14,1	14,9	15,6	15,2
<b>Resource balance</b>	-15,8	-15,9	-12,0	-13,6	-14,7	-14,1
<b>Balance of current payments (+net transfers), in % of GDP</b>	<b>-5,9</b>	<b>-6,4</b>	<b>-5,5</b>	<b>-1,8</b>	<b>-2,4</b>	<b>-7,3</b>
<b>Gross reserves, in number of months of imports of goods and non factor services (GNFS)</b>	<b>5,7</b>	<b>8,2</b>	<b>6,2</b>	<b>7,3</b>	<b>7,3</b>	<b>7,2</b>
<b>Tax revenues, in % of GDP</b>	<b>10,7</b>	<b>12,9</b>	<b>12,0</b>	<b>11,8</b>	<b>12,2</b>	<b>11,8</b>
<b>Budget deficit (cash basis), in % of GDP</b>	<b>-5,6</b>	<b>-2,7</b>	<b>-3,6</b>	<b>-1,7</b>	<b>-0,5</b>	<b>-0,7</b>
<b>Outstanding external debt (millions of USD)</b>	<b>1 161,3</b>	<b>1316,3</b>	<b>1 431,8</b>	<b>1 588,2</b>	<b>1 471,3</b>	<b>420,7</b>
<b>External debt service in % of export earnings</b>	<b>34,1</b>	<b>55,0</b>	<b>64,4</b>	<b>42,3</b>	<b>40,4</b>	<b>23,9</b>

Source: NBR, Research Department

**GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY(Nominal)**
**Table 2**

(in billions of RWF, at current prices)

Description	2001	2002	2003	2004	2005	2006 proj.
<b>Agriculture</b>	<b>277,0</b>	<b>277,4</b>	<b>367,3</b>	<b>441,7</b>	<b>515,7</b>	<b>654,7</b>
Food crops	237,6	234,9	322,2	379,1	440,7	566,2
Export crops	8,5	6,5	6,8	12,0	16,3	24,6
of which: Coffee	17,6	20,6	21,0	24,3	25,7	28,7
Livestock	10,4	11,9	13,4	21,8	27,7	29,6
Fisheries	2,9	3,4	3,9	4,5	5,2	5,6
Forestry	<b>105,0</b>	<b>108,8</b>	<b>122,1</b>	<b>155,9</b>	<b>185,5</b>	<b>237,4</b>
<b>Industry</b>	<b>5,6</b>	<b>2,5</b>	<b>2,6</b>	<b>8,1</b>	<b>9,9</b>	<b>14,1</b>
Mines and quarries	51,3	57,0	61,4	71,7	82,2	104,6
Manufactured goods	32,0	35,7	36,7	44,2	52,0	70,8
of which: Foodstuffs, beverages and tobacco	19,2	21,3	24,6	27,5	30,2	33,8
Others	3,3	4,0	2,9	2,4	6,6	11,5
Electricity, gas, and water	44,8	45,4	55,2	73,7	86,7	107,2
Construction	<b>317,4</b>	<b>342,8</b>	<b>401,5</b>	<b>464,3</b>	<b>543,3</b>	<b>641,7</b>
<b>Services</b>	<b>80,5</b>	<b>85,5</b>	<b>99,6</b>	<b>119,1</b>	<b>146,7</b>	<b>170,8</b>
Wholesale and retail trade, rest. and hotels	43,1	49,6	52,5	61,2	71,1	80,4
Transport, warehousing, & communication	94,3	98,4	123,0	141,0	161,3	195,5
Finance, insurance, real estate	55,0	56,5	65,2	71,6	79,2	93,3
Public Administration	25,6	31,9	34,9	41,9	53,3	66,2
Non profit making institutions	12,7	14,1	18,3	20,1	19,5	20,7
Others	6,1	6,7	8,2	9,3	12,1	14,7
Less: bank service charges	-12,5	-11,8	-15,4	-20,4	-24,6	-33,0
Plus: Import taxes	55,0	64,3	79,6	96,5	111,8	130,9
<b>Gross Domestic Product</b>	<b>741,9</b>	<b>781,5</b>	<b>955,2</b>	<b>1 137,9</b>	<b>1 331,6</b>	<b>1 631,6</b>

Source: MINECOFIN, Statistics Department

**GROSS DOMESTIC PRODUCT BY BRANCH OF ACTIVITY (Real)**
**Table 3**

(in billions of RWF, at 2001 constant prices)

Description	2001	2002	2003	2004	2005	2006 proj.
<b>Agriculture</b>	276,93	318,34	303,47	303,80	318,48	318,53
Food crops	237,56	277,91	263,83	259,16	275,67	271,49
Export crops	8,48	8,72	7,11	11,24	8,51	10,93
of which: Coffee	17,63	18,11	18,58	19,08	19,60	21,04
Livestock	10,41	10,68	10,96	11,24	11,53	11,83
Fisheries	2,85	2,93	3,00	3,08	3,16	3,24
Forestry						
	105,02	110,40	113,72	127,85	136,80	161,60
<b>Industry</b>	5,64	4,26	3,38	5,04	6,56	8,31
Mines and quarries	51,25	56,32	56,40	60,01	62,29	76,39
Manufactured goods	32,03	35,04	32,75	35,94	38,62	50,83
of which: foodstuffs, beverages and tobacco	19,22	21,28	23,65	24,08	23,67	25,55
Others	3,34	3,84	4,16	3,49	4,09	6,22
Electricity, gas, and water	44,79	45,98	49,78	59,30	63,87	70,68
Construction						
	317,39	345,24	360,91	389,30	424,93	456,36
<b>Services</b>	80,50	86,89	85,83	92,22	101,06	108,14
Wholesale and retail trade, rest. and hotels	43,13	47,51	47,50	53,06	58,76	61,70
Transport, warehousing & communication	22,03	23,03	29,87	35,00	38,69	47,60
Finance, insurance and real estate	72,28	75,87	80,12	82,49	89,38	93,85
Public Administration	54,98	56,04	60,21	61,53	64,05	69,27
Non profit making institutions	25,59	35,42	33,40	39,59	46,53	47,74
Others	12,73	13,65	16,12	17,15	16,31	16,73
	6,15	6,83	7,85	8,26	10,15	11,33
Less: bank service charges						
Plus: Import taxes	-12,53	-11,96	-13,92	-16,54	-18,28	-22,49
	55,00	61,02	61,20	64,42	69,03	77,66
<b>Gross Domestic Product</b>						
Source: MINECOFIN, Statistics Department	<b>741,8</b>	<b>823,0</b>	<b>825,4</b>	<b>868,8</b>	<b>931,0</b>	<b>991,6</b>

**USES AND RESOURCES OF GDP (nominal)**  
(in billions of RWF, at current price)

**Table 4**

Description	2001	2002	2003	2004	2005	2006
<b>Final consumption expenditure</b>	<b>757,3</b>	<b>811,3</b>	<b>981,7</b>	<b>1 152,3</b>	<b>1 348,2</b>	<b>1 652,1</b>
Public Administration	138,7	152,4	181,9	206,4	238,6	294,1
Private (including change of stocks)	618,6	659,0	799,8	945,9	1 109,6	1 357,9
<b>Gross domestic investment</b>	<b>101,8</b>	<b>105,7</b>	<b>133,1</b>	<b>171,0</b>	<b>209,1</b>	<b>250,7</b>
Gross fixed capital formation	101,8	105,7	133,1	171,0	209,1	250,7
Construction	73,5	74,5	91,2	123,8	146,3	178,4
Equipment (durable goods)	28,4	31,2	41,9	47,1	62,8	72,2
<b>Resource balance</b>	<b>-117,3</b>	<b>-135,5</b>	<b>-159,6</b>	<b>-185,4</b>	<b>-225,7</b>	<b>-271,2</b>
Exports (gnfs)	62,8	53,9	75,0	115,3	136,3	166,2
Goods (fob)	41,5	32,0	33,9	56,3	69,6	83,1
Non factor services	21,4	21,9	41,1	59,0	66,7	83,2
Imports (gnfs)	180,1	189,4	234,7	300,7	362,0	437,4
Goods (fob)	102,0	100,7	125,1	162,9	202,5	240,8
Non factor services	78,1	88,8	109,6	137,8	159,5	196,5
<b>Gross Domestic Product</b>	<b>741,9</b>	<b>781,5</b>	<b>955,2</b>	<b>1 137,9</b>	<b>1 331,6</b>	<b>1 631,6</b>

**USES AND RESOURCES OF GDP(real)**

(in millions of RWF, at 1995 constant price)

	2001	2 002	2003	2004	2005	2006
<b>Final consumption expenditure</b>	<b>757,3</b>	<b>846,2</b>	<b>807,8</b>	<b>857,6</b>	<b>922,3</b>	<b>980,6</b>
Public Administration	138,7	154,4	168,7	180,7	196,4	207,7
Private (including change of stocks)	618,5	691,8	639,1	676,9	725,9	772,9
<b>Gross domestic investment</b>	<b>101,8</b>	<b>107,4</b>	<b>116,4</b>	<b>129,2</b>	<b>145,3</b>	<b>151,1</b>
Gross fixed capital formation	101,8	107,4	116,4	129,2	145,3	151,1
Construction	73,5	75,5	82,3	99,6	107,8	114,3
Equipment (durable goods)	28,4	32,0	34,2	29,6	37,5	36,8
<b>Resource balance</b>	<b>-117,3</b>	<b>-130,6</b>	<b>-98,9</b>	<b>-118,0</b>	<b>-136,7</b>	<b>-140,1</b>
Exports (gnfs)	62,8	63,9	71,6	89,5	95,4	101,9
Goods (fob)	41,5	41,7	34,3	41,7	45,9	48,3
Non factor services	21,4	22,2	37,3	47,8	49,5	53,6
Imports (gnfs)	180,1	194,5	170,5	207,5	232,1	242,0
Goods (fob)	102,0	103,4	90,9	112,4	129,8	133,3
Non factor services	78,1	91,1	79,6	95,1	102,3	108,7
<b>Gross Domestic Product</b>	<b>741,8</b>	<b>823,0</b>	<b>825,4</b>	<b>868,8</b>	<b>931,0</b>	<b>991,6</b>

Source: MINECOFIN, Statistics Department

Monthly Evolution of Consumer Price Index  
(for the general index and the divisions index)

Table 5

2003 = 100

Divisions	Weights	2006											
		Jan.06	Febr.06	Mar.06	Apr.06	Mar.06	June06	July06	Aug.06	Sept.06	Oct.06	Nov.06	Dec.06
<b>01. Food and non-alcoholic</b>	<b>3 709</b>	127,7	133,4	140,6	142,6	141,1	145,2	147,0	150,1	150,0	149,9	148,5	151,4
- Bread and cereals	625	129,1	132,8	137,2	144,8	147,5	151,2	147,4	143,0	142,5	144,2	150,3	153,8
- Meat	345	122,4	122,0	119,6	120,5	119,8	122,2	121,8	121,1	120,6	120,2	119,5	120,6
- Fish	114	133,6	135,2	142,7	146,6	144,4	144,0	142,2	140,8	137,4	137,3	145,6	142,3
- Vegetables	1 332	126,9	137,5	152,7	152,0	147,9	155,6	161,9	171,4	170,1	171,4	163,7	167,8
- Non-alcoholic beverages	180	123,3	123,8	125,2	125,5	125,2	125,2	125,4	125,4	125,6	125,7	125,6	125,1
<b>02. Alcoholic beverages and</b>	<b>221</b>	114,7	115,1	115,0	114,9	115,3	115,3	115,2	115,5	115,6	116,2	117,2	117,6
<b>03. Clothing and footwear</b>	<b>500</b>	105,4	105,4	105,7	105,7	106,3	106,5	106,7	106,7	106,1	106,0	105,3	105,5
<b>04. Housing, water, electricity, gas and other fuels</b>	<b>1 579</b>	146,0	161,4	156,5	164,0	165,2	162,0	157,4	158,4	162,1	162,8	161,6	160,8
<b>05. Furnishing, household equipment and routine</b>	<b>764</b>	118,7	118,4	118,4	117,6	117,5	116,4	116,5	117,1	117,1	116,9	116,7	117,2
<b>06. Health</b>	<b>708</b>	106,3	106,5	105,6	105,7	105,9	106,5	107,5	107,3	106,4	107,5	108,0	109,8
<b>07. Transport</b>	<b>987</b>	114,3	115,1	115,5	115,5	116,0	116,1	115,8	116,0	123,0	122,9	122,9	121,7
<b>08. Communication</b>	<b>37</b>	109,2	109,9	110,1	110,1	110,1	110,1	110,1	110,1	110,7	135,7	135,9	135,9
<b>09. Recreation and culture</b>	<b>206</b>	112,9	112,8	113,3	113,2	113,3	113,2	113,1	113,3	112,6	112,4	113,1	113,8
<b>10. Education</b>	<b>432</b>	139,5	139,5	139,5	139,5	139,5	139,5	139,5	139,3	139,5	139,5	139,5	139,5
<b>11. Restaurants and hotels</b>	<b>273</b>	113,3	111,6	111,5	109,0	110,3	115,6	115,1	115,8	124,0	125,3	126,1	125,6
<b>12. Miscellaneous goods and</b>	<b>584</b>	109,5	109,4	109,5	109,5	109,2	109,6	109,5	109,9	109,9	109,6	109,7	109,7
<b>GENERAL INDEX</b>	<b>10 000</b>	<b>124,4</b>	<b>128,9</b>	<b>130,8</b>	<b>132,6</b>	<b>132,4</b>	<b>133,5</b>	<b>133,5</b>	<b>134,9</b>	<b>136,3</b>	<b>136,5</b>	<b>135,9</b>	<b>136,9</b>
Monthly changes		1,8	3,7	1,5	1,4	-0,2	0,9	0,0	1,0	1,0	0,2	-0,5	0,8
Changes over 12 months		5,2	7,8	6,8	7,5	7,9	9,4	9,4	9,2	9,3	10,6	11,4	12,1

Source: NBR, Research Department

**MONETARY SURVEY**  
(in millions of RWF, by end period)

Table 6

Period	RESOURCES			NEAR MONEY			MONEY SUPPLY (M2)	OTHER NET ITEMS	TOTAL RESOURCES	
	CURRENCY IN CIRCULATION OUTSIDE NBR	DEMAND DEPOSITS IN BANKS	TOTAL CURRENCY	FIXED TERM DEPOSITS AT NBR	FIXED TERM DEPOSITS IN BANKS	FOR EXCH. DEPOSITS				TOTAL NEAR MONEY
<b>2001</b>	26 628,4	38 421,1	<b>65 049,4</b>	1 629,5	26 888,6	27 850,7	<b>56 368,8</b>	121 418,2	46 395,0	<b>167 813,1</b>
<b>2002</b>	29 992,8	44 916,0	<b>74 908,8</b>	-	39 543,9	30 115,2	<b>69 659,1</b>	<b>144 567,9</b>	48 274,9	<b>192 842,8</b>
<b>2003</b>	35 920,0	50 849,9	<b>86 769,9</b>	0,0	38 272,6	42 480,9	<b>80 753,6</b>	<b>167 523,5</b>	55 445,5	<b>222 969,0</b>
<b>2004</b>	40 297,9	61 316,9	<b>101 614,8</b>	0,0	53 732,0	51 013,8	<b>104 745,8</b>	<b>206 360,6</b>	76 699,1	<b>283 059,7</b>
<b>2005</b>	51 106,6	82 578,9	<b>133 685,5</b>	0,0	70 754,2	43 672,7	<b>114 426,9</b>	<b>248 112,4</b>	83 404,7	<b>331 517,1</b>
<b>2006</b>	52 730,9	99 959,9	<b>152 690,7</b>	0,0	108 988,6	59 178,4	<b>168 167,0</b>	<b>320 857,7</b>	106 505,0	<b>427 362,7</b>
<b>2000</b>										
January	19 534,3	37 590,1	<b>57 124,4</b>	620,1	17 514,2	19 782,0	<b>37 916,3</b>	<b>95 040,7</b>	32 010,5	<b>127 051,1</b>
February	19 825,9	36 154,9	<b>55 980,8</b>	957,1	18 853,3	18 278,9	<b>38 089,3</b>	<b>94 070,1</b>	32 703,7	<b>126 779,8</b>
March	20 531,7	36 588,1	<b>57 119,8</b>	848,1	19 203,3	19 183,8	<b>38 235,2</b>	<b>96 354,9</b>	30 800,9	<b>127 155,8</b>
April	20 983,9	37 686,7	<b>58 670,6</b>	746,5	19 489,3	20 375,5	<b>40 591,3</b>	<b>99 261,8</b>	32 093,1	<b>131 355,0</b>
May	21 691,6	35 683,2	<b>57 374,8</b>	659,9	20 891,2	19 941,6	<b>41 492,7</b>	<b>98 867,5</b>	29 190,5	<b>128 058,0</b>
June	22 203,2	35 674,8	<b>57 878,0</b>	582,6	22 408,8	21 358,1	<b>44 349,5</b>	<b>102 227,5</b>	29 782,7	<b>132 010,2</b>
July	21 762,7	35 741,6	<b>57 504,3</b>	408,7	21 571,0	22 866,2	<b>44 846,0</b>	<b>102 350,3</b>	33 016,4	<b>135 366,8</b>
August	21 067,6	35 976,5	<b>57 044,1</b>	433,7	21 434,1	24 681,6	<b>46 549,3</b>	<b>103 593,4</b>	33 471,1	<b>137 064,5</b>
September	20 683,7	34 173,5	<b>54 857,2</b>	281,1	21 211,0	23 560,8	<b>45 052,9</b>	<b>99 910,1</b>	37 256,5	<b>137 166,7</b>
October	20 399,9	35 889,0	<b>56 288,9</b>	263,7	20 478,9	23 381,1	<b>44 123,7</b>	<b>100 412,6</b>	37 549,8	<b>137 962,5</b>
November	19 870,7	35 574,2	<b>55 444,9</b>	387,7	22 086,6	26 311,3	<b>48 785,6</b>	<b>104 230,6</b>	38 636,7	<b>142 867,3</b>
December	23 503,1	36 778,4	<b>60 281,5</b>	434,2	24 081,6	26 683,6	<b>51 199,3</b>	<b>111 480,8</b>	42 404,8	<b>153 885,6</b>
<b>2001</b>										
January	21 761,9	38 919,2	<b>60 681,1</b>	744,6	24 398,5	29 151,7	<b>54 294,9</b>	<b>114 976,0</b>	39 191,9	<b>154 167,9</b>
February	22 685,9	35 899,8	<b>58 585,6</b>	762,4	27 420,0	29 304,7	<b>57 487,0</b>	<b>116 072,7</b>	46 762,8	<b>156 835,5</b>
March	22 924,7	34 078,0	<b>57 002,7</b>	1 061,5	28 018,0	27 913,4	<b>56 992,8</b>	<b>113 995,5</b>	38 599,6	<b>152 595,2</b>
April	23 030,9	36 658,9	<b>59 689,8</b>	1 029,4	26 569,0	27 018,6	<b>54 617,0</b>	<b>114 306,7</b>	40 150,3	<b>154 457,0</b>
May	23 564,4	37 187,4	<b>60 751,8</b>	1 103,3	26 951,3	28 902,2	<b>56 956,8</b>	<b>117 708,6</b>	40 609,3	<b>158 317,9</b>
June	25 132,1	38 283,1	<b>63 415,2</b>	1 686,6	25 891,0	27 361,8	<b>54 939,4</b>	<b>118 354,6</b>	41 131,1	<b>159 485,7</b>
July	25 453,7	37 646,3	<b>63 099,9</b>	1 738,1	23 256,2	28 169,7	<b>53 164,0</b>	<b>116 263,9</b>	42 016,3	<b>158 280,2</b>
August	24 258,8	37 475,6	<b>61 734,4</b>	1 567,8	21 735,3	27 365,4	<b>50 668,5</b>	<b>112 402,9</b>	42 398,3	<b>154 801,2</b>
September	23 995,2	37 519,7	<b>61 514,9</b>	1 360,3	22 279,3	30 504,4	<b>54 144,0</b>	<b>115 258,9</b>	44 702,7	<b>159 961,6</b>
October	23 067,8	35 468,8	<b>58 536,6</b>	1 574,8	24 149,1	29 759,1	<b>55 483,0</b>	<b>114 019,6</b>	46 110,3	<b>160 129,9</b>
November	23 455,4	36 765,9	<b>60 221,3</b>	1 560,1	25 050,1	29 093,0	<b>55 703,2</b>	<b>115 924,5</b>	45 952,7	<b>161 877,2</b>
December	26 628,4	38 421,1	<b>65 049,4</b>	1 629,5	26 888,6	27 850,7	<b>56 368,8</b>	<b>121 418,2</b>	46 395,0	<b>167 813,1</b>
<b>2002</b>										
January	26 430,6	37 346,8	<b>63 777,4</b>	-	34 663,4	26 530,7	<b>61 194,4</b>	<b>124 971,8</b>	44 503,0	<b>169 474,8</b>
February	25 566,4	37 723,9	<b>63 290,3</b>	-	35 371,9	27 392,4	<b>62 764,5</b>	<b>126 054,8</b>	43 153,0	<b>168 207,8</b>
March	26 229,4	36 920,9	<b>63 150,3</b>	-	35 041,7	28 840,1	<b>63 881,8</b>	<b>127 032,1</b>	39 922,1	<b>166 954,2</b>
April	26 729,8	38 540,9	<b>65 270,7</b>	-	34 844,0	26 998,0	<b>61 842,0</b>	<b>127 112,7</b>	40 549,8	<b>167 662,5</b>
May	26 694,8	40 334,1	<b>67 028,9</b>	-	34 223,7	30 392,1	<b>64 615,8</b>	<b>131 644,7</b>	42 358,3	<b>174 003,0</b>
June	28 207,1	38 833,4	<b>67 040,5</b>	-	37 899,3	28 522,2	<b>66 422,1</b>	<b>133 462,6</b>	38 754,2	<b>172 216,8</b>
July	27 884,8	40 941,0	<b>68 825,8</b>	-	39 612,6	33 205,4	<b>72 818,0</b>	<b>141 643,9</b>	41 820,2	<b>183 464,1</b>
August	27 650,9	41 460,9	<b>69 111,8</b>	-	38 876,7	32 833,5	<b>71 825,2</b>	<b>140 937,0</b>	41 486,2	<b>182 423,2</b>
September	26 246,9	42 870,7	<b>69 117,6</b>	-	33 143,6	31 222,8	<b>64 366,3</b>	<b>133 483,9</b>	42 282,7	<b>175 766,6</b>
October	26 863,8	40 398,5	<b>67 262,3</b>	-	42 253,3	31 621,2	<b>73 874,6</b>	<b>141 136,9</b>	45 324,9	<b>186 461,8</b>
November	27 071,3	40 782,4	<b>67 853,7</b>	-	41 102,4	31 013,9	<b>72 116,3</b>	<b>139 970,0</b>	45 438,2	<b>185 408,2</b>
December	29 992,8	44 925,6	<b>74 918,4</b>	-	39 552,8	30 115,2	<b>69 659,1</b>	<b>144 567,9</b>	48 274,9	<b>192 842,8</b>
<b>2003</b>										
January	28 000,8	45 852,7	<b>73 853,5</b>	1 289,5	38 627,9	30 697,4	<b>70 614,8</b>	<b>144 468,3</b>	48 662,1	<b>193 130,4</b>
February	29 882,7	44 851,3	<b>74 734,0</b>	0,0	40 722,0	32 151,5	<b>72 873,5</b>	<b>147 607,4</b>	46 275,5	<b>193 882,9</b>
March	29 257,1	45 224,1	<b>74 481,2</b>	198,3	38 347,0	31 410,8	<b>69 956,1</b>	<b>144 437,3</b>	48 957,3	<b>193 394,6</b>
April	29 772,5	45 313,5	<b>75 086,1</b>	0,0	39 100,8	32 442,9	<b>71 543,7</b>	<b>146 629,8</b>	48 558,3	<b>195 188,1</b>
May	30 744,8	45 048,6	<b>75 793,4</b>	0,0	41 308,0	35 155,6	<b>76 463,6</b>	<b>152 257,0</b>	50 545,2	<b>202 802,2</b>
June	31 319,3	49 068,5	<b>80 387,7</b>	0,0	29 397,7	37 699,2	<b>67 097,0</b>	<b>147 484,7</b>	53 793,9	<b>201 278,6</b>
July	33 225,4	47 721,9	<b>80 947,3</b>	0,0	39 979,4	39 134,2	<b>79 113,6</b>	<b>160 060,9</b>	50 988,9	<b>211 049,8</b>
August	32 756,8	49 276,6	<b>82 033,3</b>	0,0	37 506,6	39 993,5	<b>77 500,0</b>	<b>159 533,4</b>	50 944,7	<b>210 478,1</b>
September	34 190,0	51 061,4	<b>85 251,4</b>	0,0	35 750,1	38 943,0	<b>74 693,0</b>	<b>159 944,4</b>	52 579,9	<b>212 524,3</b>
October	32 625,3	48 086,9	<b>80 712,2</b>	0,0	41 252,9	42 081,7	<b>83 334,6</b>	<b>164 046,8</b>	52 641,6	<b>216 688,4</b>
November	32 885,4	47 858,7	<b>80 744,2</b>	0,0	39 397,3	40 664,5	<b>80 061,8</b>	<b>160 805,9</b>	51 186,0	<b>211 991,8</b>
December	35 920,0	50 849,9	<b>86 769,9</b>	0,0	38 272,6	42 480,9	<b>80 753,6</b>	<b>167 523,5</b>	55 445,5	<b>222 969,0</b>
<b>2004</b>										
January	30 767,0	56 687,4	<b>87 454,4</b>	0,0	42 721,2	41 361,0	<b>84 082,2</b>	<b>171 536,6</b>	60 862,0	<b>232 398,6</b>
February	31 295,0	54 094,5	<b>85 389,5</b>	0,0	43 678,8	43 612,1	<b>87 290,9</b>	<b>172 680,4</b>	61 097,5	<b>233 777,9</b>
March	30 853,4	54 734,9	<b>85 588,3</b>	0,0	43 435,6	40 780,3	<b>84 215,9</b>	<b>169 804,2</b>	60 960,4	<b>230 764,6</b>
April	31 729,1	55 703,6	<b>87 432,7</b>	0,0	41 524,5	43 150,7	<b>84 675,2</b>	<b>172 107,9</b>	57 850,1	<b>229 958,0</b>
May	33 172,5	56 185,4	<b>89 357,9</b>	0,0	43 410,2	40 996,0	<b>84 406,2</b>	<b>173 764,1</b>	59 255,3	<b>233 019,4</b>
June	36 383,1	50 394,4	<b>86 777,5</b>	0,0	42 782,0	45 013,2	<b>87 795,2</b>	<b>174 572,7</b>	61 719,8	<b>236 292,5</b>
July	37 860,0	56 794,1	<b>94 654,0</b>	0,0	45 374,9	44 216,2	<b>89 591,1</b>	<b>184 245,1</b>	62 157,3	<b>246 402,4</b>
August	35 491,8	54 258,5	<b>89 750,2</b>	0,0	49 254,7	42 526,6	<b>91 781,3</b>	<b>181 531,5</b>	58 428,2	<b>239 959,7</b>
September	35 968,2	54 835,7	<b>90 803,8</b>	0,0	48 382,1	41 435,8	<b>89 817,9</b>	<b>180 621,7</b>	61 020,7	<b>241 642,4</b>
October	35 675,7	56 824,2	<b>92 499,8</b>	0,0	49 576,7	42 367,4	<b>91 944,1</b>	<b>184 443,9</b>	62 442,3	<b>246 886,2</b>
November	35 260,0	57 321,6	<b>92 581,6</b>	0,0	52 657,5	42 308,5	<b>94 966,0</b>	<b>187 547,6</b>	68 552,4	<b>256 100,0</b>
December	40 297,9	61 316,9	<b>101 614,8</b>	0,0	53 732,0	51 013,8	<b>104 745,8</b>	<b>206 360,6</b>	76 699,1	<b>283 059,7</b>
<b>2005</b>										
January	35 547,9	65 027,9	<b>100 575,8</b>	0,0	52 447,8	49 651,8	<b>102 099,6</b>	<b>202 675,4</b>	77 595,7	<b>280 271,1</b>
February	35 222,4	70 386,2	<b>105 608,6</b>	0,0	50 710,6	48 458,0	<b>99 168,6</b>	<b>204 777,2</b>	69 637,1	<b>274 414,3</b>
March	35 493,5	72 323,1	<b>107 816,6</b>	0,0	52 847,3	47 328,3	<b>100 175,6</b>	<b>207 992,2</b>	72 029,5	<b>280 021,7</b>
April	36 979,9	7								

MONETARY SURVEY

Table 6(cont'd)

(in millions of RWF, by end period)

Description	FOREIGN ASSETS		NET ASSETS	CLAIMS ON GOV.			CREDIT TO ECONOMY			TOTAL	TOTAL USES
	GROSS ASSETS	GROSS LIABILITIES		CLAIMS	DEPOSITS	NETS CLAIMS	CLAIMS ON				
							PUBL. ENTERP.	PRIV. SECT.			
<b>2001</b>	130 863,2	50 431,8	<b>80 431,4</b>	51 074,9	42 410,3	<b>8 664,6</b>	960,8	77 373,7	382,6	<b>78 717,1</b>	<b>167 813,1</b>
<b>2002</b>	163 868,9	60 269,6	<b>103 641,6</b>	57 319,4	54 743,7	<b>2 578,2</b>	3 532,4	82 830,4	260,2	<b>86 623,0</b>	<b>192 842,8</b>
<b>2003</b>	174 100,5	69 962,9	<b>104 137,6</b>	58 778,6	38 435,1	<b>20 343,4</b>	4 900,3	93 239,3	348,4	<b>98 488,0</b>	<b>222 969,0</b>
<b>2004</b>	239 031,3	66 226,8	<b>172 804,5</b>	63 140,7	90 544,9	<b>-27 404,2</b>	4 631,7	132 050,1	977,6	<b>137 659,4</b>	<b>283 059,7</b>
<b>2005</b>	277 290,6	54 767,9	<b>222 522,70</b>	66 885,7	127 192,4	<b>167 306,7</b>	2 119,0	165 314,5	1 867,6	<b>169 301,1</b>	<b>331 517,0</b>
<b>2006</b>	312 193,99	27 053,0	<b>285 141,04</b>	68 160,8	137 684,3	<b>-69 523,5</b>	2 406,0	208 139,2	1 200,0	<b>211 745,2</b>	<b>427 362,66</b>
<b>2000</b>											
January	81 047,5	36 938,7	<b>44 108,8</b>	53 525,2	31 086,5	<b>22 438,8</b>	542,9	59 433,9	526,7	<b>60 503,5</b>	<b>127 051,1</b>
February	77 934,8	36 653,0	<b>41 281,8</b>	55 961,9	31 056,6	<b>24 905,3</b>	556,7	59 509,2	526,8	<b>60 592,7</b>	<b>126 779,8</b>
March	79 160,3	36 817,9	<b>42 342,4</b>	54 384,1	33 678,5	<b>20 705,6</b>	1 180,8	62 356,2	570,8	<b>64 107,8</b>	<b>127 155,8</b>
April	78 908,7	37 497,4	<b>41 411,2</b>	56 130,0	30 272,5	<b>25 857,5</b>	617,2	62 937,8	531,2	<b>64 086,2</b>	<b>131 354,9</b>
May	73 283,1	36 089,2	<b>37 193,9</b>	52 653,0	28 029,5	<b>24 623,5</b>	939,1	64 803,7	497,7	<b>66 240,5</b>	<b>128 057,9</b>
June	73 349,5	37 233,4	<b>36 116,1</b>	56 455,0	28 388,4	<b>28 066,6</b>	1 094,3	66 243,6	489,6	<b>67 827,5</b>	<b>132 010,2</b>
July	73 881,8	35 619,1	<b>38 262,7</b>	56 732,8	27 528,2	<b>29 204,6</b>	944,5	66 477,7	477,3	<b>67 899,4</b>	<b>136 366,8</b>
August	87 423,5	40 927,4	<b>46 496,1</b>	52 673,5	29 476,4	<b>23 197,2</b>	937,4	65 962,7	471,0	<b>67 371,2</b>	<b>137 064,5</b>
September	83 901,6	41 615,2	<b>42 286,4</b>	55 910,3	28 995,3	<b>26 915,0</b>	832,7	66 675,0	457,6	<b>67 965,3</b>	<b>137 166,6</b>
October	82 768,3	40 152,4	<b>42 615,8</b>	56 876,3	29 456,1	<b>27 420,2</b>	810,7	66 674,9	441,0	<b>67 926,6</b>	<b>137 962,6</b>
November	86 935,3	41 842,8	<b>45 092,5</b>	55 112,9	26 685,3	<b>28 427,6</b>	720,1	68 196,1	431,0	<b>69 347,2</b>	<b>142 867,3</b>
December	115 018,4	48 136,3	<b>66 882,2</b>	50 734,9	35 435,0	<b>15 299,9</b>	828,0	70 451,7	423,9	<b>71 703,6</b>	<b>153 885,7</b>
<b>2001</b>											
January	116 655,9	48 121,3	<b>68 534,6</b>	50 799,1	34 538,4	<b>16 260,7</b>	819,9	68 165,1	387,7	<b>69 372,7</b>	<b>154 168,0</b>
February	116 076,6	47 461,9	<b>68 614,8</b>	50 746,5	32 127,9	<b>18 616,6</b>	808,0	68 416,3	377,7	<b>69 602,0</b>	<b>156 835,3</b>
March	128 293,7	46 552,3	<b>81 741,4</b>	50 838,3	50 704,4	<b>133,9</b>	1 241,4	69 070,9	407,7	<b>70 719,9</b>	<b>152 595,2</b>
April	126 359,4	45 873,3	<b>80 486,2</b>	51 479,0	49 271,5	<b>2 207,5</b>	1 181,1	70 192,1	390,3	<b>71 763,5</b>	<b>154 547,1</b>
May	125 625,1	46 235,8	<b>79 389,3</b>	50 828,7	45 755,8	<b>5 072,9</b>	1 235,0	72 240,3	380,3	<b>73 855,6</b>	<b>158 317,8</b>
June	122 504,0	46 988,8	<b>75 515,1</b>	52 420,5	45 266,8	<b>7 153,7</b>	1 218,7	75 217,9	380,3	<b>76 816,9</b>	<b>159 485,8</b>
July	119 951,2	48 669,3	<b>71 281,9</b>	56 485,9	46 563,3	<b>9 922,7</b>	1 046,7	75 665,3	363,6	<b>77 075,7</b>	<b>158 280,3</b>
August	123 208,0	48 414,8	<b>74 793,2</b>	50 971,8	47 815,9	<b>3 155,9</b>	1 028,8	75 469,7	353,6	<b>76 852,1</b>	<b>154 801,2</b>
September	124 374,9	46 620,2	<b>77 754,7</b>	53 872,6	49 771,5	<b>4 101,2</b>	1 128,7	76 623,4	353,6	<b>78 105,2</b>	<b>159 961,5</b>
October	124 866,0	52 530,9	<b>72 335,0</b>	57 944,5	48 660,1	<b>9 284,5</b>	1 081,2	76 824,3	605,1	<b>78 510,5</b>	<b>160 130,1</b>
November	132 461,5	50 912,0	<b>81 549,5</b>	51 095,0	48 695,3	<b>2 399,8</b>	1 212,3	75 114,6	1 601,0	<b>77 927,9</b>	<b>161 877,1</b>
December	130 863,2	50 431,8	<b>80 431,4</b>	51 074,9	42 410,3	<b>8 664,6</b>	960,8	77 373,7	382,6	<b>78 717,1</b>	<b>167 813,1</b>
<b>2002</b>											
January	123 412,6	52 400,1	<b>71 012,4</b>	54 267,7	30 000,2	<b>24 267,5</b>	967,8	72 964,4	262,7	<b>74 194,9</b>	<b>169 474,8</b>
February	121 007,0	52 076,7	<b>68 930,3</b>	54 724,3	29 336,1	<b>25 388,2</b>	1 882,0	72 752,3	255,0	<b>74 889,3</b>	<b>169 207,8</b>
March	121 160,8	51 953,5	<b>69 207,4</b>	54 873,2	32 317,0	<b>22 556,2</b>	1 866,7	73 074,2	245,7	<b>75 190,6</b>	<b>166 954,2</b>
April	119 722,6	53 736,7	<b>65 985,9</b>	57 830,7	31 626,7	<b>26 204,0</b>	1 638,7	73 588,6	245,3	<b>75 472,6</b>	<b>167 662,5</b>
May	115 896,8	54 174,1	<b>61 722,6</b>	64 182,6	29 589,8	<b>34 592,8</b>	1 630,6	75 782,2	274,8	<b>77 687,6</b>	<b>174 003,0</b>
June	130 101,8	59 449,7	<b>70 652,1</b>	53 391,5	32 151,7	<b>21 239,8</b>	1 700,9	78 334,3	289,7	<b>80 324,9</b>	<b>172 216,8</b>
July	132 351,9	57 288,5	<b>75 063,4</b>	58 351,0	29 744,9	<b>28 606,1</b>	1 977,9	77 538,2	278,5	<b>79 794,6</b>	<b>183 464,1</b>
August	136 797,8	61 620,2	<b>75 177,6</b>	54 205,7	28 659,8	<b>25 545,9</b>	2 954,7	78 476,2	268,8	<b>81 699,7</b>	<b>182 423,2</b>
September	131 520,8	58 215,4	<b>73 305,4</b>	55 722,7	33 988,1	<b>21 734,5</b>	2 122,7	78 325,7	278,3	<b>80 726,7</b>	<b>175 766,6</b>
October	134 523,5	59 104,4	<b>75 419,1</b>	59 560,0	30 361,9	<b>29 198,1</b>	2 628,6	78 939,3	276,7	<b>81 844,6</b>	<b>186 464,6</b>
November	134 717,4	59 699,5	<b>75 017,8</b>	63 287,6	35 715,9	<b>27 571,6</b>	2 764,4	79 766,5	287,9	<b>82 818,8</b>	<b>185 408,2</b>
December	163 868,9	60 269,6	<b>103 641,6</b>	57 319,4	54 743,7	<b>2 578,2</b>	3 532,4	82 830,4	260,2	<b>86 623,0</b>	<b>192 842,8</b>
<b>2003</b>											
January	165 585,0	60 939,5	<b>104 645,4</b>	56 694,6	52 285,9	<b>4 408,7</b>	2 479,0	81 251,2	346,1	<b>84 076,3</b>	<b>193 130,4</b>
February	162 972,0	60 877,0	<b>102 095,0</b>	61 464,1	53 385,4	<b>8 078,8</b>	1 704,9	81 544,0	460,2	<b>83 709,1</b>	<b>193 882,9</b>
March	162 936,6	60 051,1	<b>102 885,5</b>	56 477,2	45 346,8	<b>11 130,3</b>	2 427,3	76 624,9	326,7	<b>79 378,9</b>	<b>193 394,6</b>
April	160 797,1	63 431,6	<b>97 365,5</b>	62 180,4	41 630,9	<b>20 545,5</b>	1 939,2	75 007,9	325,9	<b>77 273,0</b>	<b>195 188,1</b>
May	169 164,5	65 419,2	<b>103 745,3</b>	59 211,8	40 468,9	<b>18 742,9</b>	1 903,6	78 071,6	338,9	<b>80 314,0</b>	<b>202 802,2</b>
June	172 649,4	68 908,0	<b>103 741,4</b>	62 672,6	51 545,8	<b>11 126,8</b>	3 332,5	82 178,1	899,7	<b>86 410,3</b>	<b>202 876,6</b>
July	170 580,7	70 096,2	<b>100 484,5</b>	63 377,6	40 827,3	<b>22 550,3</b>	4 455,9	83 168,2	390,9	<b>88 015,0</b>	<b>211 049,8</b>
August	158 210,8	64 409,9	<b>93 800,9</b>	65 634,2	40 131,8	<b>25 502,4</b>	4 826,8	85 980,9	367,1	<b>91 174,7</b>	<b>202 876,6</b>
September	156 300,7	65 769,1	<b>90 531,6</b>	67 515,1	41 491,9	<b>26 023,2</b>	4 755,0	90 824,9	389,5	<b>95 969,5</b>	<b>212 524,3</b>
October	161 356,1	67 405,5	<b>93 950,6</b>	66 620,6	39 351,6	<b>27 269,0</b>	6 652,0	90 411,8	405,1	<b>95 468,9</b>	<b>216 688,4</b>
November	163 781,5	68 081,8	<b>95 699,7</b>	58 093,7	39 860,4	<b>18 233,4</b>	4 910,8	92 773,7	374,3	<b>98 058,8</b>	<b>211 991,8</b>
December	174 100,5	69 962,9	<b>104 137,6</b>	58 778,6	38 435,1	<b>20 343,4</b>	4 900,3	93 239,3	348,4	<b>98 488,0</b>	<b>222 969,0</b>
<b>2004</b>											
January	184 140,9	71 212,6	<b>112 928,3</b>	54 266,2	50 515,1	<b>3 751,1</b>	5 384,3	109 680,1	654,8	<b>115 719,2</b>	<b>232 398,6</b>
February	180 576,7	73 413,7	<b>107 163,0</b>	56 629,3	46 021,3	<b>10 608,0</b>	5 171,4	110 416,7	418,8	<b>116 006,9</b>	<b>233 777,9</b>
March	174 978,3	71 009,6	<b>103 968,7</b>	56 151,5	46 924,1	<b>9 227,4</b>	4 042,9	112 896,7	628,9	<b>117 568,5</b>	<b>230 764,6</b>
April	167 917,4	70 227,2	<b>97 690,2</b>	61 933,7	46 215,2	<b>15 718,5</b>	3 960,7	112 160,7	428,0	<b>116 549,4</b>	<b>229 549,4</b>
May	175 297,3	68 674,7	<b>106 622,6</b>	68 222,3	61 499,9	<b>6 722,4</b>	3 946,9	115 307,2	420,3	<b>119 674,4</b>	<b>233 019,4</b>
June	178 719,1	69 502,8	<b>109 216,3</b>	56 921,4	51 732,6	<b>5 188,8</b>	5 062,7	115 917,4	907,4	<b>121 887,5</b>	<b>236 292,6</b>
July	173 646,2	66 788,2	<b>106 858,0</b>	63 248,2	47 926,6	<b>15 321,8</b>	4 836,4	116 534,4	851,8	<b>124 222,6</b>	<b>246 402,4</b>
August	174 308,6	68 440,0	<b>105 868,6</b>	65 929,1	56 261,1	<b>9 668,0</b>	4 822,4	118 752,6	848,1	<b>124 423,1</b>	<b>239 959,7</b>
September	190 511,8	78 707,9	<b>111 803,9</b>	56 252,7	55 524,8	<b>727,9</b>	4 918,1	123 093,9	1 098,6	<b>129 110,6</b>	<b>241 642,4</b>
October	193 868,6	66 529,9	<b>127 338,7</b>	56 687,5	66 419,9	<b>-9 732,4</b>	4 608,1	123 576,1			

**NBR STANDING**

In millions of RWF, outstanding by end period )

Description	ASSETS											Table 7							
	FOREIGN ASSETS											CLAIMS ON GOVT.	CLAIMS ON PUBL. ENTERP.	CLAIMS ON PRIVATE SECTOR	CLAIMS ON BANKS DEPOSITS	LOANS MONEY MARKET	CLAIMS ON OFFs	UNCLASSIFIED ASSETS	TOTAL ASSETS
	CORRES-PONDENTS	FOREIGN BANKNOTES	ASSETS IN SDR	RESERVE STAND. AT IMF	INVESTMENTS	COVERS TO RECEIVE	FOR. BANKS OVERDR.	TOTAL FOR.											
<b>2001</b>	12 301.1	11.5	5 623.6	42.1	78 798.5	42.1	222.5	<b>97 999.2</b>	43 469.2	129.4	1 862.4	1 521.8	0.0	207.0	51 162.5	<b>195 271.3</b>			
2002	44 515.1	116.3	5 153.8	0.0	59 431.5	263.4	319.2	<b>124 696.7</b>	43 050.4	129.4	2 090.9	1 235.8	1 000.0	121.1	60 551.4	<b>232 878.7</b>			
2003	39 822.6	606.6	17 009.3	0.0	66 185.4	0.5	596.2	<b>124 320.6</b>	43 916.8	128.2	2 305.6	1 368.6	0.0	72.1	76 764.7	<b>248 876.4</b>			
2004	91 834.3	327.7	17 079.6	0.0	68 677.8	6.5	346.8	<b>179 272.6</b>	42 126.7	116.2	2 755.7	1 577.7	0.0	551.4	82 962.3	<b>308 361.5</b>			
2005	101 291.42	720.5	14 345.6	0.0	107 875.47	0.3	439.8	<b>224 673.0</b>	42 125.7	61.2	2 943.6	1 379.8	0.0	424.0	76 347.9	<b>347 955.2</b>			
2006	74 041.52	1 361.2	12 525.9	0.0	153 216.89	49.3	0.0	<b>241 214.7</b>	41 792.9	24.4	3 231.9	1 189.3	0.0	278.0	79 988.8	<b>367 720.0</b>			
<b>2001</b>																			
January	11 236.4	316.9	375.0	0.0	68 023.8	12.7	796.1	<b>80 760.8</b>	43 470.9	149.4	1 056.3	1 822.4	0.0	308.1	49 694.9	<b>177 302.7</b>			
February	9 948.8	91.0	195.1	0.0	68 150.9	58.0	797.0	<b>79 240.7</b>	43 470.7	149.4	1 220.5	2 515.6	0.0	298.1	50 011.5	<b>176 906.3</b>			
March	17 186.6	227.7	118.1	0.0	75 026.5	4.5	657.7	<b>85 210.0</b>	43 515.9	149.4	1 359.8	1 774.5	0.0	296.1	50 241.9	<b>180 554.5</b>			
April	13 979.0	49.8	279.0	0.0	79 224.5	137.8	630.8	<b>94 195.9</b>	44 274.0	149.4	1 450.0	1 895.6	0.0	290.7	50 339.4	<b>192 058.8</b>			
May	8 429.7	228.0	128.6	0.0	82 534.7	7.1	537.8	<b>91 866.9</b>	43 470.4	144.4	1 491.0	2 688.7	0.0	270.7	50 984.7	<b>190 915.8</b>			
June	11 510.4	187.0	430.1	0.0	77 289.0	7.2	537.2	<b>89 960.8</b>	45 120.5	139.4	1 525.0	1 649.5	1 800.0	270.0	50 604.1	<b>191 074.5</b>			
July	9 012.2	173.0	320.5	0.0	75 529.7	7.6	541.3	<b>85 584.3</b>	48 822.9	130.4	1 492.6	1 617.5	1 700.0	254.1	51 218.7	<b>190 887.4</b>			
August	16 447.2	123.3	200.5	0.0	72 206.4	18.4	554.9	<b>91 550.6</b>	43 472.4	139.4	1 508.2	1 595.7	1 750.0	244.1	52 750.2	<b>190 010.5</b>			
September	16 078.5	456.5	125.8	0.0	74 012.7	110.1	565.6	<b>91 350.2</b>	46 222.1	139.4	1 577.9	1 682.2	1 100.0	244.1	53 789.9	<b>180 080.7</b>			
October	11 735.4	337.8	5 936.6	0.0	72 226.6	44.1	571.4	<b>90 852.0</b>	50 268.6	139.4	1 591.9	1 520.6	0.0	227.4	54 816.1	<b>189 415.9</b>			
November	18 499.3	286.5	5 864.7	0.0	73 482.7	32.3	570.5	<b>98 735.9</b>	43 470.5	129.4	1 694.5	1 540.5	2 000.0	217.4	54 335.8	<b>202 123.8</b>			
December	12 301.1	111.5	5 623.6	0.0	78 798.5	42.1	222.5	<b>97 999.2</b>	43 469.2	129.4	1 862.4	1 521.8	0.0	207.0	51 162.5	<b>195 271.3</b>			
<b>2002</b>																			
January	9 755.2	162.8	5 583.6	0.0	75 195.1	24.9	221.0	<b>90 942.5</b>	46 539.1	129.4	1 679.2	1 503.3	860.0	200.7	51 796.4	<b>193 670.6</b>			
February	11 008.7	315.1	5 463.5	0.0	69 167.2	1.8	244.6	<b>86 201.0</b>	47 289.2	129.4	1 741.5	1 485.7	0.0	190.7	51 970.2	<b>189 007.5</b>			
March	9 619.9	273.5	5 363.8	0.0	69 264.7	56.8	245.5	<b>84 824.3</b>	45 536.3	129.4	1 730.0	1 493.1	0.0	190.7	52 159.9	<b>186 063.6</b>			
April	10 160.3	272.8	5 309.0	0.0	68 269.5	59.3	250.3	<b>84 321.1</b>	49 481.1	129.4	1 748.2	1 387.9	0.0	174.0	53 602.3	<b>190 843.9</b>			
May	9 184.1	24.2	5 410.7	0.0	63 291.7	530.4	264.5	<b>78 523.8</b>	50 923.6	129.4	1 864.6	1 377.7	530.0	164.0	54 353.1	<b>187 866.2</b>			
June	23 447.1	199.3	5 013.5	0.0	60 325.4	141.3	272.1	<b>89 398.8</b>	42 911.9	149.4	1 996.0	1 376.1	164.0	57 088.0	<b>192 964.6</b>				
July	20 967.4	241.2	5 078.6	0.0	67 560.5	79.4	282.1	<b>94 200.2</b>	47 715.6	129.4	1 913.6	1 387.0	0.0	147.4	58 037.3	<b>203 510.5</b>			
August	19 755.2	509.4	5 182.8	0.0	71 703.2	574.4	288.9	<b>98 013.9</b>	43 165.5	129.4	1 955.5	1 370.2	0.0	147.4	58 638.8	<b>203 420.5</b>			
September	19 294.8	218.3	5 040.5	0.0	59 445.2	73.8	288.5	<b>94 277.4</b>	42 912.1	129.4	1 944.5	1 346.5	0.0	135.3	59 090.1	<b>199 835.2</b>			
October	18 262.6	482.4	5 086.2	0.0	61 047.9	2.6	294.2	<b>95 201.9</b>	45 492.8	129.4	2 054.7	1 304.9	0.0	133.2	60 878.4	<b>205 193.3</b>			
November	16 343.6	261.8	5 199.1	0.0	60 151.4	27.7	302.1	<b>96 353.9</b>	49 633.5	129.4	2 070.4	1 321.0	0.0	127.4	61 784.1	<b>209 831.8</b>			
December	44 515.1	116.3	5 153.8	0.0	59 431.5	593.4	319.2	<b>124 696.7</b>	43 050.4	129.4	2 090.9	1 235.8	1 000.0	121.1	60 551.4	<b>232 878.7</b>			
<b>2003</b>																			
January	42 454.3	203.2	5 238.5	0.0	77 607.9	2.6	322.5	<b>125 820.0</b>	42 911.9	129.4	2 072.9	1 224.5	0.0	119.0	61 412.9	<b>233 699.6</b>			
February	39 876.1	379.7	14 988.5	0.0	67 272.8	2.4	321.9	<b>122 943.4</b>	47 456.1	129.4	2 055.8	1 204.6	0.0	113.2	62 362.6	<b>236 285.0</b>			
March	59 372.0	650.1	14 954.1	0.0	68 859.9	331.1	1.3	<b>124 148.8</b>	42 911.9	129.4	2 100.3	1 150.6	0.0	62 390.9	<b>232 343.9</b>				
April	27 745.2	502.1	15 276.5	0.0	75 516.9	1.4	331.2	<b>119 373.3</b>	45 542.0	129.4	2 194.0	1 147.8	0.0	104.8	63 524.7	<b>232 016.0</b>			
May	26 422.0	238.6	15 878.5	0.0	82 254.6	26.9	344.0	<b>125 164.6</b>	42 428.2	129.4	2 208.3	1 160.4	0.0	104.8	66 011.8	<b>237 207.5</b>			
June	29 273.0	512.9	15 959.4	0.0	81 633.4	8.0	348.2	<b>127 732.7</b>	42 428.9	129.4	2 171.9	1 288.0	0.0	92.8	68 896.2	<b>240 737.8</b>			
July	45 039.6	240.7	16 031.5	0.0	63 225.5	164.2	346.1	<b>125 047.5</b>	46 208.1	129.4	2 212.2	1 429.4	800.0	90.7	69 119.9	<b>244 096.2</b>			
August	36 620.9	658.6	16 066.4	0.0	57 385.9	1.6	359.8	<b>113 071.5</b>	48 157.2	129.4	2 210.2	1 419.4	90.7	73 116.9	<b>234 195.2</b>				
September	19 876.0	551.9	16 682.5	0.3	70 467.3	0.0	369.4	<b>114 040.2</b>	45 205.1	129.4	2 222.2	1 499.2	0.0	84.8	71 148.0	<b>240 247.0</b>			
October	16 063.8	450.0	17 071.2	0.0	81 883.6	1.4	386.9	<b>116 856.9</b>	50 877.8	129.4	2 302.1	1 450.0	500.0	80.2	73 009.2	<b>244 205.7</b>			
November	17 633.3	277.2	17 353.3	0.0	86 258.4	569.9	393.0	<b>122 497.2</b>	42 428.7	129.4	2 317.9	1 449.8	0.0	80.2	74 658.2	<b>243 559.3</b>			
December	39 822.6	606.6	17 009.3	0.0	66 185.4	0.5	596.2	<b>124 320.6</b>	43 916.8	128.2	2 305.6	1 368.6	0.0	72.1	76 764.7	<b>248 876.4</b>			
<b>2004</b>																			
January	47 292.6	455.8	17 141.9	0.0	68 877.1	0.5	609.6	<b>134 377.5</b>	42 427.9	128.2	2 328.1	1 348.3	1 500.0	127.1	77 369.4	<b>259 603.4</b>			
February	42 589.1	232.2	17 132.9	0.0	68 177.5	584.3	608.4	<b>129 324.4</b>	43 641.4	128.2	2 367.7	1 448.0	0.0	127.1	77 691.5	<b>254 738.2</b>			
March	36 548.9	244.5	17 065.9	0.0	70 404.7	0.4	603.3	<b>124 887.7</b>	44 443.3	128.2	2 422.7	1 597.0	0.0	97.2	79 259.7	<b>252 735.7</b>			
April	28 380.7	419.8	16 698.8	0.0	69 445.0	71.8	590.4	<b>116 663.3</b>	49 659.8	128.2	2 467.5	1 576.8	0.0	97.2	77 317.1	<b>246 852.8</b>			
May	26 422.0	238.6	15 878.5	0.0	82 254.6	26.9	344.0	<b>125 164.6</b>	42 428.2	129.4	2 208.3	1 160.4	0.0	104.8	66 011.8	<b>237 207.5</b>			
June	39 882.1	283.7	16 947.9	0.0	69 324.6	211.7	370.8	<b>126 808.8</b>	42 126.2	128.2	2 601.6	1 490.0	0.0	414.5	81 300.4	<b>254 860.4</b>			
July	34 335.2	596.9	16 671.1	0.0	71 814.3	214.7	367.2	<b>123 999.3</b>	49 031.3	128.2	2 630.8	1 607.0	0.0	562.9	81 333.5	<b>259 292.9</b>			
August	37 822.0	312.8	16 699.3	0.0	68 840.3	50.7	373.7	<b>124 098.9</b>	51 457.9	128.2	2 665.7	1 718.5	0.0	559.1	82 162.9	<b>262 791.2</b>			
September	65 620.7	458.1	16 708.5	0.0	57 438.3	0.6	373.92	<b>140 598.1</b>	42 930.4	128.2	2 656.1	1 704.6	0.0	559.1	84 529.9	<b>273 106.5</b>			
October	68 674.3	290.5	16 805.8	0.0	57 865.3	40.6	385.3	<b>144 061.7</b>	42 125.7	128.2	2 666.1	1 704.6	0.0	559.1	85 133.2	<b>276 378.6</b>			
November	63 951.9	620.3	17 233.8	0.0	62 929.8	365.7	394.5	<b>145 058.9</b>	42 125.7	128.2	2 704.3	1 998.6	0.0	553.8	86 852				

**NBR STANDING**

(in millions of RWF, outstanding by end period)

**Table 7(cont'd)**

Description	LIABILITIES												
	MONETARY BASE												
	CURRENCY IN CIRC. (outside NBR)	BANKS DEPOSITS	PRIVATE SECTOR DEPOSITS	PUBLIC ENTERP. DEPOSITS	OFIs DEPOSITS	TOTAL MONET. BASE	BORROW. MONEY MARKET	OTHER AMOUNTS DUE	GVT. DEPOSITS	FOREIGN LIABILITIES	EQUITY CAPITAL	UNCLASSIFIED LIABILITIES	TOTAL LIABIL.
2001	28 583,8	7 694,3	5,5	318,3	445,3	37 047,2	6 472,3	2 005,0	29 773,0	45 772,4	20 816,6	53 384,8	195 271,3
2002	30 719,4	10 507,8	26,7	341,0	705,3	42 300,3	1 058,3	1 647,6	50 168,2	52 131,5	23 070,8	62 502,0	232 878,7
2003	36 467,1	11 024,8	43,6	348,3	447,6	48 331,5	0,0	1 374,3	32 915,1	58 773,0	29 060,4	78 422,3	248 876,6
2004	39 393,1	12 414,3	56,96	636,02	132,09	52 632,5	11 339,9	1 595,2	77 459,5	55743,53	27 483,5	82107,42	308 361,5
2005	50 288,6	10 895,8	66,0	246,6	213,1	61 710,0	40 273,0	1 542,0	104 489,9	43 364,4	23 526,4	73 049,4	347 955,2
2006	58 425,08	11 322,90	36,92	180,81	310,40	70 276,1	50 538,23	1 594,37	116 151,70	16 258,29	30 385,18	82 516,11	367 720,0
<b>2000</b>													
January	21 441,0	11 491,8	1,1	672,7	130,7	33 737,3	0,0	620,1	21 176,7	35 018,7	15 734,8	46 095,1	152 382,7
February	21 607,4	12 892,3	1,2	596,5	240,6	35 338,0	0,0	957,1	21 208,6	34 572,6	15 715,2	46 471,7	154 263,2
March	22 196,8	11 143,4	1,2	381,8	369,2	34 092,4	0,0	848,1	21 970,3	34 194,9	14 423,8	47 798,2	153 327,5
April	22 991,8	12 678,6	1,2	369,5	152,4	36 193,5	0,0	746,5	20 955,5	34 831,1	14 436,6	48 233,9	155 397,1
May	24 116,9	10 617,8	1,2	410,3	136,5	35 282,7	0,0	659,9	17 636,4	33 800,2	14 544,2	48 882,9	150 806,3
June	24 056,9	11 485,6	0,8	406,4	121,8	36 071,5	0,0	582,6	18 170,5	34 905,3	14 794,9	50 775,1	155 299,9
July	23 711,4	12 005,7	0,8	443,2	228,0	36 389,2	0,0	408,7	16 525,7	33 528,6	14 807,8	51 818,2	153 478,3
August	23 251,8	9 899,3	0,8	493,6	133,7	33 775,3	0,0	433,7	19 228,2	38 678,4	15 016,9	53 952,2	161 084,6
September	23 175,3	11 023,8	5,8	480,1	137,7	34 818,8	0,0	281,1	19 003,0	38 846,9	15 013,5	55 796,1	163 759,4
October	22 425,0	10 445,6	10,6	487,0	123,2	33 491,4	0,0	263,7	18 754,2	37 156,8	15 080,2	56 527,9	161 254,2
November	21 686,4	10 295,2	9,9	358,8	143,2	32 493,5	0,0	387,7	16 872,7	38 326,3	15 219,5	57 321,3	160 621,0
December	24 609,4	10 268,0	9,8	364,9	551,6	35 803,7	0,0	434,2	25 993,3	44 653,8	15 374,3	60 560,5	182 819,8
<b>2001</b>													
January	23 923,7	12 741,4	9,8	320,7	229,8	37 225,4	0,0	744,6	24 273,7	43 947,3	18 716,8	52 394,9	177 302,7
February	25 250,3	11 081,3	9,4	310,7	216,1	37 567,9	700,0	762,4	22 495,7	44 040,9	18 725,1	53 314,5	176 906,3
March	25 036,8	7 481,9	10,8	277,9	209,4	36 616,7	3 600,0	1 061,5	40 351,5	42 714,7	16 524,4	53 285,8	190 554,5
April	25 579,3	12 291,6	17,4	249,4	199,5	39 337,1	1 000,0	1 029,4	38 239,5	42 516,8	16 631,0	54 832,0	192 585,8
May	26 140,5	14 046,1	21,3	243,5	169,9	43 121,4	2 500,0	1 103,3	33 330,5	41 340,5	16 737,0	55 281,4	190 918,0
June	27 310,4	12 347,4	19,9	272,0	180,2	43 579,9	3 450,0	1 686,6	32 449,5	41 417,4	16 730,6	55 210,4	191 074,4
July	27 783,6	12 461,5	3,7	696,3	207,9	42 652,9	1 500,0	1 738,1	32 307,1	41 231,4	16 822,4	56 135,3	190 877,3
August	26 506,3	11 948,7	3,3	436,1	122,4	40 966,8	1 950,0	1 567,8	34 250,8	42 133,5	17 003,2	57 088,4	193 010,5
September	25 723,7	10 875,9	2,9	368,5	376,5	39 140,2	1 792,8	1 360,3	36 684,0	42 402,1	17 209,6	59 292,4	196 088,7
October	25 306,7	10 254,5	2,9	334,8	276,1	36 175,0	1 042,3	1 574,8	35 550,5	47 447,0	17 277,1	61 924,0	199 415,9
November	24 987,7	12 324,8	11,5	347,5	781,2	39 494,9	1 042,2	1 560,1	36 757,8	46 976,2	17 355,4	59 979,4	202 123,8
December	28 583,8	7 694,3	5,5	318,3	445,3	37 047,2	6 472,3	2 005,0	29 773,0	45 772,4	20 816,6	53 384,8	195 271,3
<b>2002</b>													
January	26 868,5	14 289,5	1,9	271,4	1 331,3	42 762,5	3 488,7	1 955,5	26 514,6	45 638,1	20 758,3	52 553,0	193 670,6
February	26 315,2	13 852,9	2,4	280,2	314,7	40 765,4	2 488,7	2 288,9	24 581,7	45 461,7	20 792,6	52 648,6	189 007,5
March	27 043,4	12 966,1	2,6	241,3	519,7	40 773,2	0,0	2 442,0	26 069,8	45 189,7	18 965,6	52 623,4	186 063,6
April	26 854,8	11 760,5	3,3	283,6	1 560,5	40 462,7	2 000,0	1 944,0	27 138,0	45 421,6	19 164,0	54 713,6	190 843,9
May	27 863,1	10 263,2	2,6	213,2	762,0	39 104,2	0,0	2 075,5	25 709,0	46 638,1	19 354,1	54 985,3	187 866,2
June	28 771,6	8 336,3	2,7	247,9	1 088,8	38 447,3	0,0	2 189,2	27 609,3	48 101,0	19 601,1	57 016,6	192 964,5
July	29 288,8	12 050,4	2,7	298,4	851,4	42 491,7	5 182,4	2 013,4	25 410,2	49 351,6	19 715,8	59 354,4	203 519,5
August	28 691,5	12 070,7	11,8	361,2	649,5	41 784,7	3 670,4	1 995,8	23 872,2	52 057,3	19 924,7	60 115,5	203 420,5
September	29 130,6	7 619,8	7,7	367,8	361,6	37 487,4	5 676,8	1 831,8	24 718,6	49 267,6	19 910,1	60 942,9	199 835,2
October	28 069,3	13 074,7	3,1	356,1	479,6	41 982,8	2 416,6	1 610,7	25 722,1	49 978,2	19 993,1	63 489,7	205 193,3
November	28 246,3	11 721,1	2,5	342,4	452,7	40 765,0	1 062,2	1 522,4	30 389,4	52 953,9	20 238,2	62 900,7	209 831,8
December	30 719,4	10 507,8	26,7	341,0	705,3	42 300,3	1 058,3	1 647,6	50 168,2	52 131,5	23 070,8	62 502,0	232 878,7
<b>2003</b>													
January	29 445,3	11 032,6	20,0	302,4	438,4	44 444,3	3 205,6	1 692,2	47 654,9	53 465,2	23 232,8	63 210,2	233 699,6
February	30 024,7	12 033,6	4,4	303,2	2 347,4	47 219,8	2 506,5	1 622,4	47 805,1	53 358,3	23 213,2	63 066,2	236 285,0
March	30 867,7	11 094,6	4,3	360,0	1 228,2	48 842,9	5 288,1	1 568,8	41 628,6	53 100,5	23 190,3	64 612,8	232 943,9
April	30 566,5	13 708,6	4,3	271,6	1 997,9	49 764	3 215,0	1 795,4	39 489,7	54 124,4	21 779,5	65 062,8	232 015,7
May	31 407,4	10 024,9	13,3	271,6	1 971,6	50 054,9	6 366,1	1 777,2	37 283,1	56 701,8	22 172,7	69 217,8	237 207,5
June	33 892,3	8 337,3	18,7	244,9	1 326,3	47 824,5	4 005,0	1 990,8	40 524,6	57 150,1	22 156,6	71 091,2	240 737,8
July	34 490,4	13 175,8	13,8	263,5	1 379,3	49 322,8	2 704,3	1 808,8	38 096,1	58 070,7	22 281,8	72 811,6	245 096,1
August	35 345,5	11 067,7	18,0	303,6	481,1	47 215,9	1 304,3	1 553,4	37 821,6	52 885,7	22 289,6	71 124,7	234 195,2
September	35 410,0	11 567,0	18,7	277,5	813,1	48 788,4	702,1	1 598,8	37 293,8	55 155,9	22 702,4	74 707,7	240 246,9
October	33 908,8	12 162,6	18,6	268,8	745,4	50 354,2	3 250,0	1 589,4	36 032,6	56 428,4	22 962,8	76 838,7	244 206,0
November	33 731,1	11 064,3	36,5	342,1	1 140,4	46 314,2	0,0	1 446,4	36 099,3	57 260,8	23 143,7	79 295,0	243 559,3
December	36 467,1	11 024,8	43,6	348,3	447,6	48 331,5	0,0	1 374,3	32 915,1	58 773,0	29 060,4	78 422,3	248 876,6
<b>2004</b>													
January	35 314,9	13 629,1	22,0	295,1	1 120,8	50 381,9	4 000,0	1 833,2	39 020,8	59 416,4	29 095,6	75 855,7	259 603,5
February	35 608,4	12 249,8	25,4	321,3	2 028,8	50 233,8	2 789,3	1 824,2	34 420,7	59 438,3	29 071,7	76 948,2	254 726,1
March	35 415,4	11 876,3	66,3	338,9	1 126,8	48 823,7	4 578,7	1 814,5	35 103,0	57 898,1	28 001,6	76 556,1	252 775,7
April	36 352,8	12 399,0	48,0	348,7	1 121,0	50 269,5	2 000,6	1 658,3	34 232,8	56 186,8	27 739,9	74 764,9	246 852,8
May	31 407,4	10 044,8	13,3	251,7	1 971,6	43 688,8	6 366,1	1 777,2	37 283,1	56 701,8	22 172,7	69 217,8	237 207,5
June	40 041,3	10 606,7	44,8	278,0	94,1	51 064,8	2 378,0	1 775,1	36 009,0	56 650,4	27 996,2	76 987,1	254 860,5
July	41 479,0	13 219,1	36,7	267,2	669,1	55 670,0	4 767,7	2 259,8	34 089,7	55 187,9	27 875,8	79 442,0	259 292,9
August	41 329,1	12 409,8	32,5	274,7	537,2	54 583,3	2 500,0	2 204,8	41 982,5	56 256,2	27 879,1	77 385,1	262 791,1
September	40 971,9	11 194,8	27,62	266,34	313,31	52 774,0	4 250,0	2 074,5	41 289,9	65518			

**CONSOLIDATED BALANCE SHEET OF DEPOSIT BANKS**

**Table 8**

(in millions of RWF, by end period)

**ASSETS**

Description	RESERVES	FOREIGN ASSETS	CREDIT TO ECONOMY			TOTAL	OTHER ASSET ELEMENTS	TOTAL ASSETS
			CLAIMS ON GOVT.	CLAIMS ON PUBLIC ENTER.	CLAIMS ON PRIV. SECTOR			
<b>2001</b>	15 235.2	33 763.9	7 605.8	831.4	75 867.1	76 874.2	19 197.1	<b>152 500.4</b>
<b>2002</b>	12 536.7	39 106.0	14 409.8	3 362.8	83 005.3	86 977.4	22 359.4	<b>175 389.1</b>
<b>2003</b>	13 054.7	49 779.7	14 861.8	4 772.1	94 728.9	99 872.6	24 866.6	<b>202 435.4</b>
<b>2004</b>	16 221.7	60 758.7	21 015.0	4 631.7	133 168.8	137 800.5	25 598.0	<b>261 393.9</b>
<b>2005</b>	15 136.5	52 617.6	24 760.0	2 119.0	182 550.4	184 669.4	27 665.9	<b>304 849.4</b>
<b>2006</b>	17 017.1	70 998.1	26 367.9	2 381.6	234 103.5	236 485.1	34 490.2	<b>385 358.4</b>
<b>2001</b>								
January	14 242.0	35 895.1	7 328.3	670.6	67 148.4	67 898.6	18 523.2	<b>143 887.2</b>
February	13 090.0	36 835.9	7 275.8	658.7	67 275.5	68 013.8	18 527.2	<b>143 742.7</b>
March	12 742.2	35 078.7	7 322.4	1 092.1	67 820.6	69 022.3	18 618.4	<b>142 784.0</b>
April	15 754.2	32 160.5	7 205.0	1 031.8	68 843.8	69 985.2	18 731.1	<b>143 836.0</b>
May	17 251.8	33 759.3	7 358.3	1 090.7	70 858.9	72 059.2	19 484.2	<b>149 912.8</b>
June	17 715.0	32 543.2	7 295.5	1 079.4	73 802.5	74 991.5	19 296.3	<b>151 841.5</b>
July	15 808.8	34 366.9	7 603.0	907.4	74 282.4	75 189.7	18 491.7	<b>151 460.2</b>
August	14 846.9	31 657.4	7 499.5	889.5	74 071.1	74 960.5	19 588.6	<b>148 552.8</b>
September	13 762.1	33 024.7	7 650.5	989.3	75 155.0	76 144.3	19 684.3	<b>150 266.0</b>
October	12 781.5	34 014.0	7 676.0	941.8	75 610.1	76 929.6	19 050.7	<b>150 451.8</b>
November	15 603.7	33 725.5	7 624.6	1 083.0	74 803.7	77 270.3	20 511.1	<b>154 735.1</b>
December	15 235.2	33 763.9	7 605.8	831.4	75 867.0	76 874.1	19 197.1	<b>152 676.1</b>
<b>2002</b>								
January	16 608.1	32 443.6	7 728.6	838.5	74 417.2	75 663.3	23 620.5	<b>156 064.1</b>
February	15 407.0	34 805.7	7 435.2	1 752.70	73 307.6	75 479.8	22 729.7	<b>155 857.4</b>
March	14 538.9	36 336.2	9 336.9	1 737.4	73 788.2	75 982.6	21 256.7	<b>157 451.2</b>
April	13 908.5	35 401.1	8 349.7	1 509.5	74 392.7	76 284.0	22 953.6	<b>156 896.9</b>
May	11 805.3	37 372.6	13 259.0	1 501.3	76 604.4	78 387.5	20 393.0	<b>161 217.4</b>
June	14 567.5	40 702.7	10 479.7	1 571.5	78 833.1	80 717.3	20 348.9	<b>166 816.1</b>
July	16 606.2	38 142.3	10 635.3	1 848.6	78 499.6	80 567.1	25 697.4	<b>171 648.4</b>
August	14 712.1	38 783.6	11 040.2	2 825.3	78 762.8	81 836.5	27 578.4	<b>173 950.7</b>
September	15 613.7	37 243.1	12 810.6	1 993.4	78 741.8	80 965.5	23 527.3	<b>170 160.1</b>
October	15 997.1	39 321.3	14 067.2	2 499.3	79 181.1	82 045.8	23 048.3	<b>174 479.6</b>
November	14 816.0	38 363.0	13 654.1	2 635.1	80 135.0	83 130.0	22 069.6	<b>172 032.7</b>
December	12 517.9	39 168.9	14 407.5	3 403	82 976.9	86 989.2	22 265.1	<b>175 348.5</b>
<b>2003</b>								
January	14 020.4	39 755.6	13 782.7	2 349.7	81 950.6	84 777.9	23 765.0	<b>176 101.6</b>
February	14 918.1	40 028.2	14 008.0	1 575.52	82 499.9	84 585.6	25 247.4	<b>178 787.4</b>
March	14 435.4	38 780.8	13 565.3	2 297.96	79 254.8	81 949.8	26 815.5	<b>175 546.8</b>
April	17 290.8	41 423.4	16 638.4	1 809.88	78 193.6	80 302.0	25 371.6	<b>181 026.3</b>
May	13 514.2	43 997.1	16 783.6	1 774.24	80 298.5	82 609.5	27 973.7	<b>184 878.1</b>
June	10 807.8	44 916.3	20 243.7	3 203.19	85 789.5	89 344.3	29 202.9	<b>194 514.9</b>
July	16 072.5	45 532.8	17 109.6	4 326.57	86 055.6	90 699.3	27 859.9	<b>197 274.0</b>
August	14 345.5	45 138.9	16 877.1	4 697.43	88 563.9	93 618.9	25 674.2	<b>195 654.6</b>
September	14 443.1	42 251.5	16 309.8	4 625.62	93 354.0	98 331.2	25 841.2	<b>197 176.8</b>
October	15 492.8	45 499.0	15 742.8	4 522.53	93 281.7	98 199.3	26 291.0	<b>201 224.8</b>
November	13 885.9	41 284.1	15 665.1	4 781.4	94 587.6	99 716.3	24 346.7	<b>194 898.0</b>
December	13 054.7	49 779.7	14 861.8	4 772.1	94 728.9	99 872.6	24 866.6	<b>202 435.4</b>
<b>2004</b>								
January	18 547.0	49 763.4	11 838.3	5 384.3	108 436.8	113 821.1	23 275.6	<b>217 245.4</b>
February	17 683.7	51 252.3	12 987.9	5 171.4	107 209.5	112 380.9	21 754.9	<b>216 059.7</b>
March	17 104.7	50 110.6	11 708.2	4 042.9	109 736.6	113 779.5	22 349.0	<b>215 052.0</b>
April	17 667.5	52 311.1	12 273.9	3 960.7	106 383.2	110 343.9	24 115.5	<b>216 711.9</b>
May	15 415.8	52 249.7	14 422.2	3 946.9	108 965.2	112 912.1	24 699.2	<b>219 699.0</b>
June	14 283.6	51 918.3	14 795.2	5 062.7	107 082.0	112 144.7	26 558.4	<b>219 700.2</b>
July	18 471.2	49 646.9	14 216.9	4 836.4	114 103.3	118 939.7	26 040.8	<b>227 315.5</b>
August	18 748.7	50 209.8	14 471.2	4 822.4	110 776.9	115 599.3	25 873.0	<b>224 902.0</b>
September	16 475.9	49 913.7	13 322.3	4 918.1	117 355.4	122 273.5	27 750.5	<b>229 735.9</b>
October	18 503.0	49 807.0	14 561.8	4 608.1	119 202.9	123 811.0	26 457.6	<b>233 140.4</b>
November	19 209.6	53 543.5	15 351.3	4 732.3	121 696.1	126 428.4	27 328.1	<b>241 860.9</b>
December	16 221.7	60 758.7	21 015.0	4 631.7	133 168.8	137 800.5	25 598.0	<b>261 393.9</b>
<b>2005</b>								
January	24 810.1	59 560.2	24 109.8	4 616.9	123 620.8	128 237.7	24 838.5	<b>261 556.3</b>
February	24 203.2	56 386.5	19 831.1	4 260.3	133 721.8	137 982.1	25 426.0	<b>263 828.9</b>
March	21 154.9	54 172.2	26 058.1	3 298.2	141 151.0	144 449.2	25 681.6	<b>271 516.0</b>
April	23 681.8	49 837.5	26 226.4	2 068.2	139 945.1	142 013.3	26 474.3	<b>268 233.3</b>
May	24 163.3	53 069.6	26 034.1	2 709.8	145 012.4	147 722.2	27 284.5	<b>278 273.7</b>
June	15 308.3	54 404.7	30 976.0	2 849.0	149 439.3	152 288.3	30 150.4	<b>283 127.7</b>
July	20 988.6	52 624.8	26 883.8	2 473.7	159 168.7	161 642.1	27 937.5	<b>290 076.8</b>
August	24 049.9	52 179.6	24 616.8	1 970.4	157 719.3	159 690.0	28 217.0	<b>288 753.3</b>
September	18 164.9	51 608.3	18 139.2	2 070.8	164 279.3	166 350.1	27 281.0	<b>281 543.5</b>
October	25 345.9	53 493.5	18 294.8	1 748.2	160 032.3	161 780.5	27 091.4	<b>286 006.1</b>
November	18 963.6	52 318.2	19 093.2	1 775.5	176 257.3	178 032.8	27 360.3	<b>295 768.1</b>
December	15 136.5	52 617.6	24 760.0	2 119.0	182 550.4	184 669.4	27 665.9	<b>304 849.4</b>
<b>2006</b>								
January	24 496.8	56 659.6	23 612.0	1 411.8	168 945.1	170 356.9	31 601.0	<b>306 726.2</b>
February	19 401.3	55 107.3	19 064.6	3 316.7	179 324.7	182 641.5	31 196.3	<b>307 410.9</b>
March	19 475.0	50 709.1	17 630.1	2 744.6	189 826.3	192 570.9	31 847.8	<b>312 232.9</b>
April	23 390.7	57 258.6	17 030.1	2 087.7	193 773.3	195 861.0	33 338.4	<b>326 878.7</b>
May	19 880.6	53 521.0	13 810.0	2 311.6	214 577.3	216 888.9	32 304.3	<b>336 404.9</b>
June	18 268.3	54 748.3	15 608.4	2 282.7	208 824.3	211 106.9	34 207.6	<b>333 939.5</b>
July	22 808.8	67 341.9	14 593.1	1 510.9	208 689.1	210 200.0	35 178.1	<b>350 121.9</b>
August	24 470.2	69 617.0	13 826.8	1 495.0	214 935.0	216 430.0	33 940.2	<b>358 284.2</b>
September	22 595.7	65 871.3	13 787.2	1 381.3	220 786.4	222 167.7	34 507.5	<b>358 929.5</b>
October	23 639.8	64 251.7	13 934.6	1 420.3	226 299.1	227 719.4	36 263.8	<b>365 809.4</b>
November	28 542.1	62 236.3	15 090.5	1 377.1	236 557.7	237 934.8	35 904.6	<b>379 708.3</b>
December	17 017.1	70 998.1	26 367.9	2 381.6	234 103.5	236 485.1	34 490.2	<b>385 358.4</b>

Source : NBR, Research Department

**CONSOLIDATED BALANCE SHEET OF DEPOSIT BANKS**  
(in millions of RWF, by end period)

Table 8 (cont'd)

**LIABILITIES**

Description	DEMAND DEPOSITS	NEAR MONEY		S/TOTAL	GVT. DEPOSITS	FOREIGN LIABILITIES	NBR CREDITS	EQUITY CAPITAL	OTHER LIABIL. ELEM.	TOTAL LIABIL.
		FIXED DEP. & REL. ITEMS	FOR. EXCH. DEPOSITS							
<b>2001</b>	38 421,1	26 888,6	27 850,7	93 160,4	12 525,2	4 643,9	1 352,3	26 182,5	14 636,0	<b>152 500,4</b>
<b>2002</b>	44 916,0	39 543,9	29 356,7	113 816,6	6 794,1	8 060,5	2 079,7	23 130,8	20 947,1	<b>175 348,5</b>
<b>2003</b>	50 849,9	38 272,6	41 523,8	130 646,3	7 949,0	11 123,3	1 216,3	27 936,9	21 768,1	<b>202 435,5</b>
<b>2004</b>	61 372,9	53 732,0	51 013,8	166 118,7	16 873,6	10 483,3	1 577,7	17 119,1	49 221,5	<b>261 393,9</b>
<b>2005</b>	84 621,3	70 754,2	43 672,7	199 048,2	24 269,0	11 403,5	1 379,8	20 125,6	48 623,3	<b>304 849,3</b>
<b>2006</b>	97 770,5	108 988,6	59 178,4	265 937,5	23 520,8	10 794,7	1 189,3	27 515,6	56 400,6	<b>385 358,4</b>
<b>2001</b>										
January	38 919,2	24 398,5	29 151,7	92 469,4	10 264,7	4 174,0	1 678,3	23 813,8	11 407,3	<b>143 807,4</b>
February	35 899,8	27 420,0	29 304,7	92 624,4	9 632,2	3 421,0	1 607,3	23 924,9	12 453,3	<b>143 663,2</b>
March	34 078,0	28 018,0	27 913,4	90 009,4	10 352,9	3 837,6	1 617,8	24 335,7	12 521,0	<b>142 674,5</b>
April	36 658,9	26 569,0	27 018,6	90 246,5	11 032,0	3 356,5	1 560,4	24 224,4	13 306,4	<b>143 726,1</b>
May	37 187,4	26 951,3	28 902,2	93 040,8	12 425,3	4 895,4	1 506,5	24 534,4	13 400,7	<b>149 803,1</b>
June	38 283,1	25 891,0	27 361,8	91 535,9	12 817,3	5 571,4	3 272,6	24 248,9	14 285,8	<b>151 731,8</b>
July	37 646,3	23 256,2	28 169,7	89 072,1	14 256,2	7 437,9	3 077,1	24 988,9	12 628,1	<b>161 460,2</b>
August	37 475,6	21 735,3	27 365,4	86 576,3	13 565,1	6 281,3	2 688,1	25 210,9	14 231,2	<b>148 552,8</b>
September	37 519,7	22 279,3	30 504,4	90 303,5	13 087,4	4 218,1	2 512,9	25 921,2	14 223,0	<b>150 266,1</b>
October	35 468,8	23 799,3	29 759,1	89 027,2	14 779,3	5 088,6	1 493,5	26 161,5	14 893,9	<b>150 074,7</b>
November	36 765,9	24 877,9	29 093,0	90 536,8	13 684,0	3 935,7	3 272,6	26 189,3	17 107,5	<b>153 351,6</b>
December	38 421,1	26 888,6	27 850,7	93 160,4	12 525,2	4 643,9	1 352,3	26 182,5	14 636,0	<b>152 500,4</b>
<b>2002</b>										
January	37 346,8	34 663,4	26 037,5	98 047,7	6 440,0	6 667,6	2 195,2	25 993,1	16 503,2	<b>156 064,1</b>
February	37 723,9	35 371,9	27 078,3	100 174,1	6 467,8	6 520,3	1 318,4	25 951,9	15 258,5	<b>155 857,3</b>
March	36 920,9	35 041,7	28 464,0	100 426,6	7 976,8	6 670,6	1 688,0	25 040,5	15 398,7	<b>157 451,2</b>
April	38 540,9	34 844,0	26 375,8	99 760,7	6 981,0	8 221,5	1 246,1	25 079,9	15 446,9	<b>156 897,0</b>
May	40 334,1	34 223,7	29 626,4	104 184,2	5 789,9	7 459,9	1 203,9	25 547,2	16 749,5	<b>161 217,4</b>
June	38 833,4	37 899,3	27 723,5	104 456,2	6 250,6	11 272,0	2 224,7	25 858,7	16 612,3	<b>166 816,0</b>
July	40 941,0	39 612,7	32 584,7	113 138,4	6 609,3	7 860,2	1 424,8	25 879,8	16 563,2	<b>171 648,4</b>
August	41 460,9	38 876,7	32 203,8	112 541,4	6 271,1	9 486,0	1 365,6	25 238,6	18 847,2	<b>173 950,6</b>
September	42 870,7	33 143,6	30 562,5	106 576,8	11 078,1	8 870,7	1 161,0	25 665,7	15 929,0	<b>169 459,8</b>
October	40 398,6	42 253,3	30 934,6	113 586,5	6 925,3	9 049,0	1 154,4	25 629,5	17 984,8	<b>174 479,6</b>
November	40 782,4	41 102,4	30 313,0	112 197,8	7 492,0	6 668,3	1 142,5	26 006,6	18 259,6	<b>172 033,1</b>
December	44 925,6	39 552,8	29 529,5	114 007,9	6 794,4	8 060,5	2 079,7	23 130,8	20 947,1	<b>175 348,5</b>
<b>2003</b>										
January	45 852,7	38 627,9	29 966,5	114 447,1	7 312,5	7 396,8	1 067,7	24 429,9	21 304,2	<b>176 101,7</b>
February	44 851,3	40 722,0	30 526,1	116 099,4	8 248,8	7 441,1	1 059,8	24 083,2	21 371,6	<b>178 787,5</b>
March	45 224,1	38 347,0	30 295,4	113 866,5	7 116,5	6 872,8	1 015,9	22 826,1	21 891,3	<b>175 547,0</b>
April	45 313,5	39 100,8	31 075,4	115 489,7	5 555,5	9 229,4	1 006,1	23 521,4	23 927,1	<b>181 026,3</b>
May	45 048,6	41 308,0	33 558,9	119 915,5	6 273,3	8 639,4	1 011,0	23 666,7	23 874,4	<b>184 878,1</b>
June	49 068,5	29 397,7	35 966,3	114 432,5	13 790,1	11 679,8	1 947,8	24 439,1	25 783,4	<b>194 514,9</b>
July	47 721,9	39 979,4	37 500,1	125 201,4	5 828,7	11 947,2	1 990,1	25 918,8	24 251,5	<b>197 274,1</b>
August	49 276,6	37 506,6	39 007,1	125 790,3	5 675,2	11 445,8	1 182,2	26 003,7	23 691,2	<b>195 654,6</b>
September	51 061,4	35 750,1	37 959,2	124 770,6	7 533,2	10 545,4	1 170,1	26 743,4	24 777,5	<b>197 176,8</b>
October	48 086,9	41 252,9	41 070,1	130 410,0	6 382,3	10 909,3	2 269,7	27 194,7	22 623,9	<b>201 224,8</b>
November	47 858,7	39 397,3	39 830,6	127 086,7	6 181,2	10 753,3	1 243,8	27 649,5	20 127,2	<b>194 898,1</b>
December	50 849,9	38 272,6	41 523,8	130 646,3	7 949,0	11 123,3	1 216,3	27 936,9	21 768,1	<b>202 435,5</b>
<b>2004</b>										
January	56 687,4	42 721,2	41 361,0	140 769,6	13 739,6	11 796,2	2 848,3	4 372,3	43 719,4	<b>217 245,4</b>
February	54 094,5	43 678,8	43 612,1	141 385,4	13 516,8	13 975,4	1 446,0	4 575,8	41 160,3	<b>216 059,7</b>
March	54 734,9	43 435,6	40 780,3	138 950,8	13 635,6	13 111,5	1 597,0	4 931,3	42 825,8	<b>215 052,0</b>
April	55 703,6	41 524,5	43 150,7	140 378,8	13 555,7	14 040,4	1 576,8	5 447,9	41 712,3	<b>216 711,9</b>
May	56 185,4	43 410,2	40 996,0	140 591,6	15 434,6	12 851,7	1 501,2	5 844,7	43 475,2	<b>219 699,0</b>
June	50 394,4	42 782,0	45 013,2	138 189,6	17 086,3	12 852,4	1 489,0	5 459,2	44 623,7	<b>219 700,2</b>
July	56 794,1	45 374,9	44 216,2	146 385,2	15 669,4	11 600,3	1 607,0	5 901,8	46 151,8	<b>227 315,5</b>
August	54 258,5	49 254,7	42 526,6	146 039,8	15 682,5	12 183,8	1 718,5	6 150,0	43 127,4	<b>224 902,0</b>
September	54 835,7	48 382,1	41 435,8	144 653,6	15 957,7	13 189,8	1 704,6	7 856,0	46 374,2	<b>229 735,9</b>
October	56 824,2	49 576,7	42 367,4	148 768,3	16 628,8	11 628,6	1 704,6	7 263,2	47 146,9	<b>233 140,4</b>
November	57 321,6	52 867,5	42 308,5	152 287,6	15 214,1	15 450,7	1 598,6	9 437,4	47 872,5	<b>241 860,9</b>
December	61 372,9	53 732,0	51 013,8	166 118,7	16 873,6	10 483,3	1 577,7	17 119,1	49 221,5	<b>261 393,9</b>
<b>2005</b>										
January	65 027,9	52 447,8	49 651,8	167 127,5	15 859,7	11 424,0	1 661,7	16 903,8	48 579,6	<b>261 556,2</b>
February	70 386,2	50 710,6	48 458,0	169 554,8	16 755,9	10 209,7	1 645,8	16 976,8	48 685,9	<b>263 828,9</b>
March	72 323,1	52 847,3	47 328,3	172 498,7	20 590,0	12 006,5	1 630,0	16 365,4	48 420,4	<b>271 516,0</b>
April	72 427,6	53 963,6	48 111,0	174 502,2	18 292,7	9 762,6	1 629,8	16 918,3	47 127,8	<b>268 233,3</b>
May	77 424,9	56 628,6	47 935,2	181 988,7	17 183,6	11 430,9	1 491,6	17 331,4	48 847,5	<b>278 273,7</b>
June	76 618,5	58 390,2	46 677,6	181 686,3	20 343,9	10 886,8	1 477,4	18 481,9	50 251,5	<b>283 127,8</b>
July	82 893,9	63 826,5	46 118,3	192 838,7	16 595,6	11 183,9	1 477,4	18 914,8	49 066,4	<b>290 076,8</b>
August	79 805,9	62 695,2	46 984,6	189 485,7	16 252,2	12 007,5	1 437,0	19 543,4	50 027,4	<b>288 753,3</b>
September	77 240,4	62 076,3	45 074,0	184 390,7	16 447,5	11 291,1	1 423,7	15 580,6	52 409,9	<b>281 543,5</b>
October	77 635,5	65 557,5	46 291,6	189 484,6	15 661,7	10 698,8	1 406,4	16 318,9	52 435,6	<b>286 006,0</b>
November	83 466,9	69 096,1	45 690,1	198 253,1	16 439,7	10 098,7	1 393,1	18 195,6	51 387,9	<b>295 768,0</b>
December	84 621,3	70 754,2	43 672,7	199 048,2	24 269,0	11 403,5	1 379,8	20 125,6	48 623,3	<b>304 849,3</b>
<b>2006</b>										
January	77 920,3	69 095,5	44 902,8	191 918,7	22 649,3	16 279,3	1 357,7	21 960,72	52 560,5	<b>306 726,2</b>
February	79 275,4	73 019,6	46 760,3	199 055,3	20 399,0	11 748,6	1 344,4	22 598,8	52 264,8	<b>307 410,9</b>
March	80 432,6	74 820,5	43 830,0	199 083,1	20 895,3	12 703,2	1 328,0	22 470,5	55 752,8	<b>312 232,9</b>
April	86 661,9	79 831,9	45 970,5	212 464,3	20 736,8	13 998,3	1 328,0	22 830,2	55 521,2	<b>326 878,7</b>
May	89 455,2	86 317,9	47 990,0	223 763,1	22 464,3	10 449,4	1 293,2	23 200,0	55 234,9	<b>336 404,9</b>
June	86 149,5	86 502,8	46 089,0	218 741,3	23 085,7	11 923,1	1 279,9	23 717,4	55 192,1	<b>333 939,5</b>
July	85 080,2	94 723,8	56 673,7	236 477,7	21 879,8	11 856,8	1 257,7	24 493,4	54 156,5	<b>350 121,9</b>
August										

Table 9

**CONSOLIDATED BALANCE SHEET OF OTHER BANKING INSTITUTIONS ( BRD, BHR)**  
(in millions of RWF, by enc)

Description	2001	2002	2003	2004	2005	2006
<b>ASSETS</b>	<b>13 136,4</b>	<b>13 596,8</b>	<b>22 660,4</b>	<b>31 952,1</b>	<b>34 095,0</b>	<b>26 858,9</b>
Reserves	146,0	71,8	155,1	37,2	150,4	17,5
Cash balance	1,7	1,7	0,2	5,2	5,98	2,313
Deposits at NBR	144,3	62,3	154,9	32,0	144,41	15,14
Foreign assets	0,0	0,0	20,3	10,0	43,21	0
Claims on Government	209,9	198,0	1 869,5	8 264,3	7350,32	157,89
Claims on the economy	6 595,8	7 324,3	12 053,3	12 888,3	13 211,8	18 319,7
Claims on public enterprises	0,0	217,2	156,4	0,0	0,0	0,0
Claims on private sector	6 620,8	7 082,1	11 896,9	12 888,3	13211,78	18319,689
Claims on banks	1 700,1	1 327,6	912,5	4 810,6	7534,92	5925,676
Other assets	4 459,7	4 675,0	7 670,0	5 951,7	5847,6	2438,168
<b>LIABILITIES</b>	<b>13 136,4</b>	<b>13 596,5</b>	<b>22 660,4</b>	<b>31 952,1</b>	<b>34 095,0</b>	<b>26 858,8</b>
Government deposits	13,2	17,6	58,1	0,0	0,0	0,0
NBR credits	229,6	121,2	768,0	1 639,8	1 431,8	1171,45
Long term loans	1 449,5	4 562,2	8 056,6	12 059,0	13 213,5	3167,62
Savings deposits	0,0	0,0	562,9	0,0	0,0	0,0
Equity capital	6 204,8	5 847,1	10 602,6	5 211,0	6 214,4	5070,44
Other amounts due	0,0	0,0	0,0	5 943,3	5 530,0	7732,33
Other liabilities	5 239,3	3 048,4	2 612,2	7 099,1	7 705,2	9696,8

Source : NBR, Research Department

**BANKING SURVEY\***
**Table 10**

(in millions of RWF, outstanding by end period)

Désignation	2001	2002	2003	2004	2005	2006
<b>I. NET FOREIGN ASSETS</b>	<b>80 431,4</b>	<b>103 641,6</b>	<b>104 157,9</b>	<b>172 804,5</b>	<b>222 522,7</b>	<b>285 141,0</b>
Assets: NBR	97 099,2	124 700,0	124 320,8	178 272,6	224 673,0	241 195,9
BANKS	33 763,9	39 106,0	49 800,0	60 758,7	52 617,6	70 998,1
less liabilities: NBR	45 787,9	52 209,1	58 839,6	55 743,5	43 364,4	16 258,3
BANKS	4 643,9	7 955,3	11 123,3	10 483,3	11 403,5	10 794,7
<b>II. NET DOMESTIC CREDIT</b>	<b>93 762,2</b>	<b>99 280,5</b>	<b>151 681,4</b>	<b>127 619,8</b>	<b>122 471,3</b>	<b>162 667,3</b>
<b>Net claims on Government</b>	<b>8 848,8</b>	<b>2 759,2</b>	<b>26 168,6</b>	<b>-21 539,9</b>	<b>-56 059,8</b>	<b>-69 365,6</b>
Claims: NBR	43 469,2	42 911,9	43 916,8	42 125,7	42 125,7	41 792,9
BANKS	7 605,8	14 409,8	14 861,8	21 015,0	24 760,0	26 367,9
OFIs	195,4	198,0	5 891,9	8 264,3	5 064,9	157,89
less deposits: NBR	29 885,1	47 949,3	30 486,2	76 071,3	103 741,4	114 163,6
BANKS	12 525,2	6 794,1	7 949,0	16 873,6	24 269,0	23 520,8
OFIs	11,2	17,0	66,7	0,0	0,0	0,0
<b>Claims on public enterprises</b>	<b>960,8</b>	<b>3 847,9</b>	<b>5 056,7</b>	<b>4 747,9</b>	<b>2 180,2</b>	<b>2 406,0</b>
NBR	129,4	267,9	128,2	116,2	61,2	24,4
BANKS	831,4	3 362,8	4 772,2	4 631,7	2 119,0	2 381,6
OFIs	0,0	217,2	156,4	0,0	0,0	0,0
<b>Claims on private sector</b>	<b>83 952,6</b>	<b>92 039,1</b>	<b>119 959,5</b>	<b>144 411,8</b>	<b>176 350,8</b>	<b>229 627,0</b>
NBR	1 682,4	2 090,8	2 305,5	3 307,1	3 367,6	3 509,9
BANKS	75 691,4	82 866,2	94 535,7	128 216,4	162 367,2	207 797,4
OFIs	6 578,9	7 082,1	23 118,3	12 888,3	10 616,0	18 319,7
<b>ASSETS = LIABILITIES</b>	<b>174 193,6</b>	<b>202 922,1</b>	<b>255 839,3</b>	<b>300 424,3</b>	<b>344 994,0</b>	<b>447 808,4</b>
<b>MONEY SUPPLY</b>	<b>121 110,8</b>	<b>136 283,7</b>	<b>186 292,5</b>	<b>206 247,8</b>	<b>247 865,0</b>	<b>316 246,4</b>
<b>I. CURRENCY</b>	<b>64 742,0</b>	<b>72 406,0</b>	<b>85 000,5</b>	<b>101 502,0</b>	<b>133 438,1</b>	<b>152 313,4</b>
Banknotes and coins outside banks and	25 810,1	28 044,4	33 507,1	37 897,9	47 028,1	52 730,9
Demand deposits at NBR	510,9	1 490,3	1 706,4	2 231,2	1 788,7	1 812,1
Public enterprises	318,3	387,3	363,4	636,0	246,6	180,8
Private sector	192,6	1 103,0	1 343,0	1 595,2	1 542,0	1 631,3
Demand deposits in BANKS	38 421,1	42 871,3	49 786,9	61 372,9	84 621,3	97 770,5
<b>II. NEAR MONEY</b>	<b>56 368,8</b>	<b>63 877,7</b>	<b>101 292,0</b>	<b>104 745,8</b>	<b>114 426,9</b>	<b>163 933,0</b>
Fixed term deposits and related items:	28 518,0	33 935,8	30 699,3	53 732,0	70 754,2	104 754,6
NBR	1 629,5	-	0,0	0,0	0,0	0,0
BANKS	26 888,6	29 941,9	30 699,3	53 732,0	70 754,2	104 754,6
Foreign exchange deposits	27 850,7	29 043,3	41 496,0	51 013,8	43 672,7	59 178,4
<b>OTHER ITEMS NET</b>	<b>53 082,9</b>	<b>63 781,3</b>	<b>65 633,8</b>	<b>94 176,5</b>	<b>97 128,9</b>	<b>131 561,9</b>
<b>I. NBR</b>	<b>38 756,9</b>	<b>37 094,4</b>	<b>43 332,7</b>	<b>50 797,7</b>	<b>68 416,5</b>	<b>99 110,8</b>
Cash in banks	2 772,0	2 673,3	2 364,1	2 406,7	2 832,1	5 694,2
Cash in OFIs	1,7	1,7	596,0	5,2	6,0	2,3
Deposits in banks	7 894,9	10 507,8	11 014,6	12 414,3	10 895,8	11 322,9
Deposits in OFIs	305,7	81,0	252,8	132,1	213,1	173,57
Borrowings money market	6 472,3	1 058,3	0,0	11 339,9	40 273,0	50 538,2
Equity capital	18 080,3	20 416,1	29 060,4	27 483,5	23 526,4	30 262,9
Unclassified liabilities	61 313,6	64 807,8	78 139,5	82 107,4	73 049,4	82 518,6
Loans money market	0,0	-1 000,0	0,0	0,0	0,0	0,0
Claims on banks	-1 521,8	-2 235,8	-1 368,6	-1 577,7	-1 379,8	-1 189,3
Claims on OFIs	-207,0	-121,1	-72,1	-551,4	-424,0	-277,99
Unclassified assets	-56 355,1	-60 551,2	-76 764,5	-82 962,3	-80 575,4	-79 934,6
<b>II. BANKS</b>	<b>7 562,9</b>	<b>24 097,0</b>	<b>22 175,3</b>	<b>24 520,9</b>	<b>25 946,5</b>	<b>32 574,2</b>
NBR credit	1 352,3	2 079,7	1 216,3	1 577,7	1 379,8	1 189,3
Equity capital	26 182,5	23 830,1	27 936,8	17 119,1	20 125,6	27 533,6
Banks deposits	810,5	990,8	732,1	0,0	0,0	0,0
Reserves	-15 235,2	-12 536,7	-13 054,7	-16 221,7	-15 136,5	-17 017,1
Claims on banks	-991,7	-1 177,5	-1 368,6	-1 577,7	-1 379,8	-1 189,3
Claims on OFIs	-175,7	-139,1	-193,1	0,0	0,0	0,0
Other items net	-4 379,9	-1 774,6	-3 098,5	23 623,5	20 957,4	22 057,7
<b>III. OFIs</b>	<b>6 763,1</b>	<b>2 590,0</b>	<b>125,7</b>	<b>18 857,9</b>	<b>2 766,0</b>	<b>-123,0</b>
Reserves	-146,1	-71,8	-817,0	-37,2	-24,2	-17,46
Claims on banks	-1 700,1	-1 327,6	-9 390,1	-4 810,6	-4 063,0	-5 925,7
Claims on OFIs	-25,0	0,0	-2 034,7	0,0	0,0	0,0
Long term loan	1 449,5	325,6	0,0	12 059,0	4 906,3	7 732,3
Other amounts due	0,0	0,0	0,0	5 943,3	0,0	0,0
NBR credit	229,6	121,2	768,0	1 639,8	1 431,8	1 171,5
Equity capital	6 204,8	5 847,1	18 573,6	5 211,0	4 744,3	5 070,4
Other items net	750,4	-2 304,4	-6 974,1	-1 147,4	-4 229,21	-8154,1

\*Made of monetary standing and integrated standing of other banking institutions  
 Source: NBR, Research Department

**OUTSTANDING CREDITS TO THE ECONOMY BY SECTOR OF ACTIVITY\* Table 11**

(in millions of RWF, by end of period)

Description	2001				2002			
	C.T	M.T	L.T	Total	C.T	M.T	L.T	Total
1. Agriculture, livestock, forestry and fisheries.	248,9	254,6	561,3	<b>1 064,8</b>	158,0	449,9	882,8	<b>1 490,6</b>
2. Mining	0,0	0,0	12,6	<b>12,6</b>	0,0	15,6	12,6	<b>28,2</b>
3. Manufacturing	7 517,6	3 161,6	2 343,8	<b>13 023,0</b>	5 830,6	1 891,1	4 321,8	<b>12 043,4</b>
4. Energy and water	459,0	0,5	0,0	<b>459,5</b>	258,2	0,5	0,0	<b>258,7</b>
5. Public works and construction	3 290,6	5 371,5	6 444,5	<b>15 106,6</b>	5 027,2	5 638,2	7 510,6	<b>18 175,9</b>
6. Trade, restaurants and hotels	30 682,4	4 344,6	1 677,4	<b>36 704,4</b>	30 359,0	3 492,2	2 275,1	<b>36 126,4</b>
7. Transport, warehousing and communications	1 773,8	3 256,1	644,1	<b>5 674,0</b>	3 238,0	4 290,1	683,7	<b>8 211,9</b>
8. OFIs, insurance and real estate	408,5	282,3	0,0	<b>690,8</b>	579,0	325,0	0,0	<b>904,0</b>
9. Services provided to the community	3 161,8	260,3	641,7	<b>4 063,8</b>	4 582,2	242,5	1 279,4	<b>6 104,1</b>
10. Activities not classified elsewhere	3 476,6	875,5	272,4	<b>4 624,5</b>	4 903,2	841,1	256,5	<b>6 000,8</b>
<b>Total</b>	<b>51 019,2</b>	<b>17 807,0</b>	<b>12 597,8</b>	<b>81 424,0</b>	<b>54 935,5</b>	<b>17 186,0</b>	<b>17 222,6</b>	<b>89 344,1</b>

Description	2003				2004			
	C.T	M.T	L.T	Total	C.T	M.T	L.T	Total
1. Agriculture, livestock, forestry and fisheries.	498,6	1020,8	860,6	2380,0	1452,0	2261,8	1159,4	4873,2
2. Mining	0,0	13,1	61,1	74,2	0,0	9,8	58,2	68,0
3. Manufacturing	6045,5	3842,0	4530,7	14418,2	8158,8	4919,9	3167,0	16245,6
4. Energy and water	307,2	0,5	0,0	307,7	259,8	0,5	0,0	260,2
5. Public works and construction	4674,0	7703,0	8374,0	20751,0	5823,4	9716,1	11736,4	27275,9
6. Trade, restaurants and hotels	33026,1	7085,0	3333,4	43444,5	29138,8	5801,5	4542,6	39482,9
7. Transport, warehousing and communications	3812,4	4832,2	834,5	9479,1	2823,8	5118,0	1007,4	8949,2
8. OFIs, insurance and real estate	408,1	298,8	0,0	706,9	698,9	22,4	1368,4	2089,7
9. Services provided to the community	1246,7	356,0	1895,6	3498,3	1336,2	386,6	1941,9	3664,6
10. Activities not classified elsewhere	4743,1	1456,1	642,8	6842,0	4991,3	2234,0	359,7	7585,0
<b>Total</b>	<b>54761,7</b>	<b>26607,5</b>	<b>20532,7</b>	<b>101901,9</b>	<b>54682,9</b>	<b>30470,6</b>	<b>25340,9</b>	<b>110494,3</b>

\* Crédits à décaissements.

Source: BNR, Marchés monétaire et financier

Description	2005				2006			
	C.T	M.T	L.T	Total	C.T	M.T	L.T	Total
1. Agriculture, livestock, forestry and fisheries.	962,234	3171,008	1258,344	5391,6	2018,903	2645,408	3574,355	8238,7
2. Mining	104,354	5,977	38,706	149,0	170,827	2,247	27,792	200,9
3. Manufacturing	6802,072	4425,665	3709,577	14937,3	7281,463	5047,84	6800,555	19129,9
4. Energy and water	350,426	13,459	0	363,9	435,468	14,673	0	450,1
5. Public works and construction	4257,103	12119,425	17354,957	33731,5	6496,534	15465,7	21108,646	43070,9
6. Trade, restaurants and hotels	33554,321	10830,047	5803,787	50188,2	42981,744	10609,8	7132,928	60724,5
7. Transport, warehousing and communications	3023,57	8605,432	530,554	12159,6	2216,373	10811,11	578,119	13605,6
8. OFIs, insurance and real estate	1568,575	19,881	1078,793	2667,2	775,66	934,417	459,4	2169,5
9. Services provided to the community	1618,022	810,223	1437,47	3865,7	1842,747	1159,241	3955,489	6957,5
10. Activities not classified elsewhere	5097,785	7379,042	439,359	12916,2	8395,011	7597,711	294,993	16287,7
<b>Total</b>	<b>57 338,5</b>	<b>47 380,2</b>	<b>31 651,5</b>	<b>136 370,2</b>	<b>72614,7</b>	<b>54288,1</b>	<b>43932,3</b>	<b>170835,1</b>

\* Credits for disbursement

Source: Banking Supervision Department

**NEW CREDITS BY SECTOR OF ACTIVITY \***

**Table 12**

(in millions of RWF)

Description	2001				2 002			
	C.T	M.T	L.T	Total	C.T	M.T	L.T	Total
1. Agriculture, livestock, forestry and fisheries	248,9	254,6	561,3	<b>1 064,8</b>	158,0	449,9	882,8	<b>1 490,6</b>
2. Mining	0,0	0,0	12,6	<b>12,6</b>	0,0	15,6	12,6	<b>28,2</b>
3. Manufacturing	7 517,6	3 161,6	2 343,8	<b>13 023,0</b>	5 830,6	1 891,1	4 321,8	<b>12 043,4</b>
4. Energy and water	459,0	0,5	0,0	<b>459,5</b>	258,2	0,5	0,0	<b>258,7</b>
5. Public works and construction	3 290,6	5 371,5	6 444,5	<b>15 106,6</b>	5 027,2	5 638,2	7 510,6	<b>18 175,9</b>
6. Trade, restaurants and hotels	30 682,4	4 344,6	1 677,4	<b>36 704,4</b>	30 359,0	3 492,2	2 275,1	<b>36 126,4</b>
7. Transport, warehousing and communications	1 773,8	3 256,1	644,1	<b>5 674,0</b>	3 238,0	4 290,1	683,7	<b>8 211,9</b>
8. OFIs, insurance and real estate	408,5	282,3	0,0	<b>690,8</b>	579,0	325,0	0,0	<b>904,0</b>
9. Services provided to the community	3 161,8	260,3	641,7	<b>4 063,8</b>	4 582,2	242,5	1 279,4	<b>6 104,1</b>
10. Activities not classified elsewhere	3 476,6	875,5	272,4	<b>4 624,5</b>	4 903,2	841,1	256,5	<b>6 000,8</b>
<b>Total</b>	<b>51 019,2</b>	<b>17 807,0</b>	<b>12 597,8</b>	<b>81 424,0</b>	<b>54 935,5</b>	<b>17 186,0</b>	<b>17 222,6</b>	<b>89 344,1</b>

Description	2 003				2 004			
	C.T	M.T	L.T	Total	C.T	M.T	L.T	Total
1. Agriculture, livestock, forestry and fisheries	498,6	1020,8	860,6	2380,0	1452,0	2261,8	1159,4	4873,2
2. Mining	0,0	13,1	61,1	74,2	0,0	9,8	58,2	68,0
3. Manufacturing	6045,5	3842,0	4530,7	14418,2	8158,8	4919,9	3167,0	16245,6
4. Energy and water	307,2	0,5	0,0	307,7	259,8	0,5	0,0	260,2
5. Public works and construction	4674,0	7703,0	8374,0	20751,0	5823,4	9716,1	11736,4	27275,9
6. Trade, restaurants and hotels	33026,1	7085,0	3333,4	43444,5	29138,8	5801,5	4542,6	39482,9
7. Transport, warehousing and communications	3812,4	4832,2	834,5	9479,1	2823,8	5118,0	1007,4	8949,2
8. OFIs, insurance and real estate	408,1	298,8	0,0	706,9	698,9	22,4	1368,4	2089,7
9. Services provided to the community	1246,7	356,0	1895,6	3498,3	1336,2	386,6	1941,9	3664,6
10. Activities not classified elsewhere	4743,1	1456,1	642,8	6842,0	4991,3	2234,0	359,7	7585,0
<b>Total</b>	<b>54761,7</b>	<b>26607,5</b>	<b>20532,7</b>	<b>101901,9</b>	<b>54682,9</b>	<b>30470,6</b>	<b>25340,9</b>	<b>110494,3</b>

Description	2 005				2 006			
	C.T	M.T	L.T	Total	C.T	M.T	L.T	Total
1. Agriculture, livestock, forestry and fisheries	962,234	3171,008	1258,344	5391,6	2018,903	2645,408	3574,355	8238,7
2. Mining	104,354	5,977	38,706	149,0	170,827	2,247	27,792	200,9
3. Manufacturing	6802,072	4425,665	3709,577	14937,3	7281,463	5047,84	6800,555	19129,9
4. Energy and water	350,426	13,459	0	363,9	435,468	14,673	0	450,1
5. Public works and construction	4257,103	12119,425	17354,957	33731,5	6496,534	15465,696	21108,646	43070,9
6. Trade, restaurants and hotels	33554,321	10830,047	5803,787	50188,2	42981,744	10609,8	7132,928	60724,5
7. Transport, warehousing and communications	3023,57	8605,432	530,554	12159,6	2216,373	10811,105	578,119	13605,6
8. OFIs, insurance and real estate	1568,575	19,881	1078,793	2667,2	775,66	934,417	459,4	2169,5
9. Services provided to the community	1618,022	810,223	1437,47	3865,7	1842,747	1159,241	3955,489	6957,5
10. Activities not classified elsewhere	5097,785	7379,042	439,359	12916,2	8395,011	7597,711	294,993	16287,7
<b>Total</b>	<b>57 338,5</b>	<b>47 380,2</b>	<b>31 651,5</b>	<b>136 370,2</b>	<b>72614,7</b>	<b>54288,1</b>	<b>43932,3</b>	<b>170835,1</b>

\*Credits for disbursement.  
 Source: Banking Supervision Department

Table 13

## Interest rates (in %)

Description	2001				2002				2003				2004				2005				2006			
	March	June	Sept	Dec																				
Borrowing rate	9,69	10,16	9,91	10,18	10,15	10,05	8,96	9,02	8,88	9,19	9,30	9,43	9,07	9,39	9,39	9,39	9,08	8,65	8,55	8,01	8,13	8,27	8,36	8,29
Lending rate	16,93	15,79	18,21	17,29	16,75	16,67	17,25	16,37	14,87	16,85	16,35	16,45	16,26	15,12	15,29	16,48	16,41	15,29	15,33	16,08	15,70	16,26	16,35	nd
Interbank market rate	9,97	10,15	10,00	11,14	9,73	10,19	10,04	9,91	9,10	9,52	10,80	10,38	10,16	11,10	11,07	11,25	2,28	10,41	9,58	9,64	8,29	8,41	7,43	7,43
Money market rate																								
- excess liquidity	9,94	7,63	7,63	9,50	8,44	7,51	9,82	10,50	10,24	9,29	11,01	11,63	11,88	11,40	12,27	10,64	0,72	9,41	9,00	9,00	9,00	9,00	8,93	7,39
- injection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discount rate	11,94	9,63	13,00	13,00	13,00	12,02	13,20	13,00	13,00	13,50	14,50	14,50	14,50	14,50	14,50	14,50	13,50	13,50	12,50	12,50	12,50	12,50	12,50	12,50
Weighted average on Treasury bills rate	-	-	8,75	9,25	8,50	8,30	9,84	10,49	10,52	10,69	11,50	12,68	12,26	12,68	12,85	12,26	5,30	9,69	10,77	10,24	10,15	10,26	9,91	8,08

Source: NBR, Department of Money and Financial Market

**AVERAGE EXCHANGE RATES OF THE MAJOR HARD CURRENCIES**

**Table 14**

(in RWF)								
Description	1USD	1BF	1DM	1FF	1£stg	1YEN	1SDR	1EURO
<b>2001</b>	443,07	9,83	202,85	60,36	637,91	3,65	563,92	396,79
<b>2002</b>	475,32				392,35	2,16	340,56	449,65
<b>2003</b>	537,34				879,34	4,65	746,42	608,28
<b>2004</b>	577,55				1057,18	5,70	849,97	716,77
<b>2005</b>	557,77				1015,21	5,09	824,90	695,49
<b>2006</b>	548,00				1015,97	4,74	811,64	692,40
<b>2001</b>								
January	432,24	10,06	207,45	63,21	639,50	3,70	563,64	405,71
February	434,25	9,93	204,73	61,04	631,76	3,74	561,79	400,42
March	434,28	9,80	202,21	60,29	627,67	3,59	555,59	395,49
April	436,50	9,64	198,84	59,29	626,15	3,53	552,63	388,90
May	439,10	9,53	196,65	58,63	626,41	3,60	554,55	384,62
June	440,44	9,31	192,12	54,51	617,40	3,61	551,71	375,75
July	443,44	9,45	194,95	58,13	626,71	3,56	554,99	381,28
August	441,90	9,84	202,92	60,50	634,41	3,63	562,24	396,87
September	446,00	10,07	207,76	61,95	652,11	3,75	573,15	406,34
October	452,64	10,16	209,63	62,51	656,30	3,73	578,21	410,64
November	457,13	10,07	207,60	61,90	656,75	3,74	579,57	406,03
December	458,92	10,15	209,32	62,41	659,79	3,62	578,99	409,40
<b>Annual average</b>	<b>443,07</b>	<b>9,83</b>	<b>202,85</b>	<b>60,36</b>	<b>637,91</b>	<b>3,65</b>	<b>563,92</b>	<b>396,79</b>
<b>2002</b>								
January	456,81				655,00	3,45	570,48	403,80
February	459,70				654,11	3,44	570,66	400,01
March	461,56				656,23	3,52	575,32	403,78
April	463,27				667,56	3,54	580,18	409,69
May	466,39				680,48	3,69	593,43	426,97
June	469,00				694,81	3,80	606,62	447,28
July	470,05				730,84	3,99	623,23	466,95
August	480,62				739,52	4,03	632,47	469,95
September	484,46				753,33	4,02	637,85	475,45
October	488,62				761,47	3,95	640,47	479,54
November	496,36				781,21	4,08	656,90	497,04
December	507,02				803,39	4,16	674,24	515,76
<b>Annual average</b>	<b>475,32</b>				<b>714,83</b>	<b>3,81</b>	<b>613,49</b>	<b>449,69</b>
<b>2003</b>								
January	511,25				826,50	4,31	692,44	542,50
February	512,48				831,09	4,29	696,98	553,17
March	513,44				813,37	4,33	697,25	554,82
April	519,50				817,31	4,34	704,30	563,05
May	524,92				850,84	4,47	729,59	605,58
June	532,48				876,74	4,55	745,59	613,63
July	532,48				876,74	4,55	745,59	613,63
August	547,97				876,93	4,60	752,69	615,20
September	554,80				889,59	4,81	765,51	620,30
October	559,55				937,31	5,11	793,48	654,64
November	564,42				952,66	5,17	801,07	658,90
December	574,84				1002,99	5,33	832,50	703,95
<b>Annual average</b>	<b>537,34</b>				<b>879,34</b>	<b>4,65</b>	<b>746,42</b>	<b>608,28</b>
<b>2004</b>								
January	582,64				1057,71	5,48	857,28	733,37
February	582,37				1085,03	5,47	860,88	736,12
March	582,17				1067,52	5,36	848,42	715,47
April	582,05				1053,15	5,43	843,25	699,59
May	580,95				1036,99	5,18	833,15	696,52
June	579,24				1059,16	7,30	843,49	702,71
July	579,24				1059,16	7,30	843,49	702,71
August	577,84				1053,66	5,41	846,87	704,27
September	574,90				1031,22	5,23	842,11	701,98
October	571,65				1031,72	5,26	845,10	711,70
November	569,88				1055,81	5,46	861,55	737,35
December	567,62				1095,08	5,49	874,09	759,47
<b>Annual average</b>	<b>577,55</b>				<b>1057,18</b>	<b>5,70</b>	<b>849,97</b>	<b>716,77</b>
<b>2005</b>								
January	565,54				1064,45	5,50	864,22	745,68
February	564,28				1064,05	5,41	856,54	734,04
March	561,86				1072,56	5,38	859,50	743,71
April	560,08				1060,87	5,23	846,58	726,05
May	558,70				1039,77	5,24	837,74	711,11
June	556,58				998,33	5,09	815,09	677,98
July	555,37				979,66	4,97	806,60	669,83
August	554,62				993,41	5,03	813,64	681,42
September	553,89				1002,52	5,02	812,94	679,27
October	554,74				978,23	4,86	802,55	667,10
November	553,60				961,34	4,69	790,66	652,90
December	553,94				967,34	4,67	792,70	656,78
<b>Annual average</b>	<b>557,77</b>				<b>1015,21</b>	<b>5,09</b>	<b>824,90</b>	<b>695,49</b>
<b>2006</b>								
January	554,33				977,02	4,80	801,51	669,98
February	553,39				966,73	4,69	794,26	660,66
March	552,89				964,61	4,72	795,67	664,21
April	552,41				974,42	4,72	801,19	676,19
May	551,93				1030,28	4,94	821,26	703,86
June	552,13				1019,17	4,82	816,43	699,54
July	551,63				1016,51	4,77	814,96	699,59
August	551,68				1043,61	4,77	820,35	706,71
September	550,77				1039,81	4,70	816,25	701,70
October	550,01				1030,53	4,64	810,44	693,85
November	550,25				1050,09	4,69	818,68	707,01
December	549,57				1078,92	4,69	828,69	725,53
<b>Annual average</b>	<b>548,00</b>				<b>1015,97</b>	<b>4,74</b>	<b>811,64</b>	<b>692,40</b>

Source: NBR, Research Department

CONSOLIDATED FINANCIAL OPERATIONS OF THE CENTRAL GOVERNMENT  
(in billions of RWF)

Table 15

Description	2001	2002	2003	2004	2005	2006
<b>TOTAL REVENUE AND GRANTS</b>	<b>148,2</b>	<b>172,0</b>	<b>195,5</b>	<b>272,5</b>	<b>344,8</b>	<b>378,0</b>
<b>Total revenue</b>	<b>86,2</b>	<b>101,2</b>	<b>122,4</b>	<b>147,0</b>	<b>180,3</b>	<b>208,9</b>
Current revenue	86,2	101,2	122,4	147,0	180,3	208,2
Tax revenues	79,5	94,6	114,7	134,6	162,6	193,6
Direct taxes	24,5	30,3	35,1	37,5	50,8	64,54
Income tax	23,9	29,5	34,0	36,8	50,1	63,84
Property tax	0,6	0,7	0,7	0,7	0,7	0,7
Indirect taxes	55,0	64,3	79,6	97,1	111,8	129,1
Taxes on goods and services	41,0	47,6	57,5	71,5	82,8	95,54
Taxes on international trade	14,0	16,7	22,1	25,6	29	33,57
Non tax revenues	6,7	6,6	7,7	12,4	17,7	14,56
Capital revenues	-	-	-	-	-	-
<b>Grants</b>	<b>62,0</b>	<b>70,8</b>	<b>73,1</b>	<b>125,5</b>	<b>164,5</b>	<b>169,1</b>
Current grants	33,9	39,3	51,0	90,7	110,89	73,21
Capital grants	28,1	31,5	22,1	34,8	53,59	95,85
<b>TOTAL EXPENDITURE</b>	<b>158,1</b>	<b>191,6</b>	<b>216,2</b>	<b>274,9</b>	<b>340,7</b>	<b>379,0</b>
<b>Current expenditure</b>	<b>107,5</b>	<b>134,6</b>	<b>161,1</b>	<b>163,8</b>	<b>214,9</b>	<b>250,7</b>
Wages and salaries	39,0	40,8	44,0	48,6	51,2	62,2
Civilians	22,8	24,3	28,3	33,17	34,7	41,24
Military	16,2	16,5	15,7	15,4	16,5	20,97
Purchase of goods and services	29,4	35,1	45,7	47,6	64,4	71,62
Civilians	20,4	27,3	37,1	39,2	55,8	62,4
Military	9,0	7,8	8,6	8,4	8,6	9,2
Interests payments on public debt	6,3	7,8	9,0	11,9	10,3	11,4
on domestic debt	1,3	2,6	3,17	4,44	4,2	8,58
on external debt	5,0	5,2	5,8	7,46	6,1	2,86
Transfers & Grants	15,1	20,4	22,2	37,5	53,6	71,93
Exceptional expenditure	17,7	30,5	40,2	18,25	35,4	33,50
<b>Capital expenditure</b>	<b>50,0</b>	<b>56,4</b>	<b>51,1</b>	<b>89,5</b>	<b>121,4</b>	<b>118,7</b>
Financed by domestic resources	3,5	5,5	13,2	27,2	34,73	35,73
Financed by foreign resources	46,5	50,9	37,9	62,3	86,7	83,0
<b>Net lending</b>	<b>0,6</b>	<b>0,6</b>	<b>4</b>	<b>21,6</b>	<b>4,4</b>	<b>9,61</b>
<b>Current DEFICIT (payment order basis)</b>	<b>-21,3</b>	<b>-33,4</b>	<b>-38,7</b>	<b>-16,8</b>	<b>-34,6</b>	<b>-41,8</b>
<b>OVERALL DEFICIT (payment order basis)</b>						
<b>Excluding grants</b>	<b>-71,9</b>	<b>-90,4</b>	<b>-93,8</b>	<b>-127,9</b>	<b>-160,4</b>	<b>-170,1</b>
<b>Including grants</b>	<b>-9,9</b>	<b>-19,6</b>	<b>-20,7</b>	<b>-2,4</b>	<b>4,1</b>	<b>-1,1</b>
<b>Change in arrears</b>	<b>-31,7</b>	<b>-1,7</b>	<b>-13,1</b>	<b>-17,1</b>	<b>-10,7</b>	<b>-7,54</b>
Domestic arrears	-15,0	-3,9	-1	-17,1	-7	-7,54
Foreign arrears	-16,7	2,2	-12,1	0,0	-3,7	0,00
<b>DEFICIT/SURPLUS (cash basis)</b>	<b>-41,6</b>	<b>-21,3</b>	<b>-33,8</b>	<b>-19,5</b>	<b>-6,6</b>	<b>-8,6</b>
<b>FINANCING</b>	<b>42,6</b>	<b>30,9</b>	<b>26,1</b>	<b>23,9</b>	<b>1,8</b>	<b>17,9</b>
<b>External financing</b>	<b>40,9</b>	<b>30,5</b>	<b>20,9</b>	<b>48,1</b>	<b>34,3</b>	<b>34,91</b>
Net loans	40,9	30,5	20,9	48,1	34,3	34,91
<b>Domestic financing</b>	<b>1,7</b>	<b>0,4</b>	<b>5,2</b>	<b>-24,2</b>	<b>-32,5</b>	<b>-16,99</b>
Banks	-0,4	2,8	5,2	-30,1	-32,5	-11,2238
Non banks	2,1	-2,4	0,0	5,9	0	-5,77

Source: MINECOFIN, Budget Department

# PUBLIC EXTERNAL DEBT STOCK

(in millions of USD by donor, by end period)

Table 16

Description	2001	2002	2003	2004	2005	2006
<b>MULTILATERAL DEBT</b>	<b>1 017,56</b>	<b>1 156,89</b>	<b>1 260,34</b>	<b>1 409,89</b>	<b>1 387,59</b>	<b>338,38</b>
IDA	713,97	827,2	904,50	1024,30	985,70	163,93
AfDB-ADF	209,02	226,19	239,76	260,40	277,10	45,44
BADEA	29,44	26,2	22,86	19,79	16,40	16,43
OPEC	6,81	10,7	16,63	17,50	16,50	17,73
OTHERS	58,32	66,6	76,59	87,90	91,89	94,85
<b>BILATERAL DEBT</b>	<b>133,46</b>	<b>147,86</b>	<b>158,41</b>	<b>164,40</b>	<b>83,75</b>	<b>82,31</b>
CHINA	16,45	21,16	20,19	19,60	18,10	17,89
FRANCE	33,59	40,17	48,63	52,90	0,00	0,00
KUWAIT	29,30	30,46	31,66	32,10	32,40	32,41
SAUDI ARABIA	30,56	30,19	29,91	30,30	30,10	29,82
JAPAN	11,87	13,2	14,84	15,40	0,00	0,00
OTHERS	11,69	12,68	13,18	14,10	3,15	2,19
<b>SUPPLIERS' CREDITS</b>	<b>10,27</b>	<b>11,50</b>	<b>13,00</b>	<b>13,87</b>	<b>0,00</b>	<b>0,00</b>
<b>TOTAL</b>	<b>1 161,29</b>	<b>1 316,25</b>	<b>1431,75</b>	<b>1588,16</b>	<b>1471,34</b>	<b>420,69</b>

N.B. : Debt to IMF and Government guaranteed debt not included

**Source:** NBR, Department of Foreign Exchange Inspection and Balance of Payments

Table 17

## Development of debt stock by donors

( in millions of RWF )

Description	2001	2002	2003	2004	2005	2006
<b>MULTILATERAL DEBT</b>	<b>463 826,21</b>	<b>587 313,33</b>	<b>676 839,79</b>	<b>793 604,00</b>	<b>768 334,53</b>	<b>185 652,97</b>
IDA	328 541,63	423 304,12	485 430,33	581 031,50	545 800,52	89 940,57
AfDB-ADF	92 203,53	111 736,15	128 968,99	144 322,56	153 435,45	24 930,76
BADEA	13 630,02	13 399,31	12 296,63	11 218,16	9 080,99	9 014,36
OPEC	3 133,92	5 463,02	8 945,42	9 835,02	9 136,36	9 727,61
EIB	1 152,79	1 339,01	4 222,58	4 517,87	8 970,24	9 228,33
EU (EEC)	9 958,60	13 051,76	13 254,07	14 908,42	12 563,88	12 306,27
IFAD	15 205,73	19 019,98	23 721,77	27 770,47	29 347,09	30 505,07
<b>BILATERAL DEBT</b>	<b>60 303,35</b>	<b>75 682,70</b>	<b>85 210,12</b>	<b>93 021,73</b>	<b>46 373,94</b>	<b>45 159,57</b>
CHINA	6 458,82	10 831,34	10 860,38	11 093,45	10 022,31	9 815,39
FRANCE	15 456,99	20 560,66	26 142,36	29 992,56	0,00	0,00
KUWAIT	13 482,76	15 590,04	17 030,19	18 167,86	17 940,49	17 781,82
SAUDI ARABIA	14 064,91	15 452,87	16 088,85	17 034,14	16 666,93	16 360,81
JAPAN	5 462,04	6 754,93	7 982,57	8 729,64	0,00	0,00
Austria	3 807,64	4 909,19	5 432,88	6 207,12	0,00	0,00
Abu Dhabi (FADEA)	1 198,34	1 358,46	1 452,35	1 547,53	1 517,19	976,60
Libya	371,84	225,22	220,54	249,42	227,02	224,95
<b>SUPPLIERS' CREDITS</b>	<b>4 726,65</b>	<b>5 888,88</b>	<b>6 992,81</b>	<b>7 460,79</b>	<b>0,00</b>	<b>0,00</b>
<b>GRAND TOTAL</b>	<b>528 856,21</b>	<b>668 884,92</b>	<b>769 042,72</b>	<b>894 086,52</b>	<b>814 708,47</b>	<b>230 812,54</b>

( in millions of USD )

Description	2001	2002	2003	2004	2005	2006
<b>MULTILATERAL DEBT</b>	<b>1 017,47</b>	<b>1 156,89</b>	<b>1 260,34</b>	<b>1 409,90</b>	<b>1387,6</b>	<b>338,38</b>
IDA	713,92	827,20	904,50	1 024,30	985,70	163,93
AfDB-ADF	209,00	226,19	239,76	260,40	277,10	45,44
BADEA	29,40	26,20	22,86	19,80	16,40	16,43
OPEC	6,81	10,70	16,63	17,50	16,50	17,73
EIB	5,00	5,50	7,85	11,10	16,20	16,82
EU (EEC)	20,30	23,90	24,64	26,30	22,69	22,43
IFAD	33,04	37,20	44,10	50,50	53,00	55,60
<b>BILATERAL DEBT</b>	<b>133,45</b>	<b>147,86</b>	<b>158,41</b>	<b>164,40</b>	<b>83,75</b>	<b>82,31</b>
CHINA	16,45	21,16	20,19	19,57	18,10	17,89
FRANCE	33,59	40,17	48,60	52,91	0,00	0,00
KUWAIT	29,30	30,46	31,66	32,05	32,40	32,41
SAUDI ARABIA	30,56	30,19	29,91	30,30	30,10	29,82
JAPAN	11,87	13,20	14,84	15,40	0,00	0,00
Austria	8,27	9,59	10,10	11,00	0,00	0,00
Abu Dhabi (FADEA)	2,60	2,65	2,70	2,73	2,74	1,78
Libya	0,81	0,44	0,41	0,44	0,41	0,41
<b>SUPPLIERS' CREDITS</b>	<b>10,27</b>	<b>11,51</b>	<b>13,00</b>	<b>13,87</b>	<b>0,00</b>	<b>0,00</b>
<b>GRAND TOTAL</b>	<b>1 161,29</b>	<b>1 316,26</b>	<b>1 431,75</b>	<b>1 588,17</b>	<b>1 471,34</b>	<b>420,69</b>

N.B. : Debt to IMF and guaranteed debt not included

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

Table 18

## Development of guaranteed debt outstanding

(in millions of USD, by donor)

Description	2000	2001	2002	2003	2004	2005	2006
EIB 1	0,44	0,42	0,50	0,58	0,45	0,32	0,24
EIB 2	1,87	1,71	1,94	0,11	0,12	0,01	0,01
EDF/ EEC	0,39	0,35	0,40	0,47	0,59	0,51	0,57
ADF I	2,41	2,00	1,69	1,24	0,83	0,39	0,42
ADF II	4,80	4,06	3,76	3,21	2,63	1,93	1,43
AfDB	0,11	0,06	0,01	0,00	0,00	0,00	0,00
SHELTER Afrique(Goboka)				0,90	0,81	1,40	1,35
PTA BANK (BCDI)						1,00	0,00
<b>TOTAL</b>	<b>10,02</b>	<b>8,60</b>	<b>8,30</b>	<b>6,51</b>	<b>5,43</b>	<b>5,56</b>	<b>4,02</b>

(in millions of RWF, by donor)

Description	2000	2001	2002	2003	2004	2005	2006
EIB 1	190,64	193,28	254,56	424,52	256,89	177,19	131,68
EIB 2	804,59	786,93	995,23	78,31	67,89	5,54	5,49
EDF/ EEC	167,83	161,07	204,14	340,47	334,15	282,40	312,73
ADF I	1 036,01	920,39	867,17	1 052,73	471,88	215,95	230,43
ADF II	2 067,77	1 868,39	1 923,94	2 727,07	1 491,11	1 068,68	784,57
AfDB	45,68	27,61	3,17	0,00	0,00	0,00	0,00
SHELTER Afrique(Goboka)				522,25	456,95	775,21	740,68
PTA BANK (BCDI)						553,72	0,00
<b>TOTAL</b>	<b>4 312,52</b>	<b>3 957,67</b>	<b>4 248,21</b>	<b>5 145,35</b>	<b>3 078,87</b>	<b>3 078,68</b>	<b>2 205,58</b>

**Source:** NBR, Department of Foreign Exchange Inspection and Balance of Payments

**Development of external debt service due**  
( in millions of RWF, by donor ).

**Table 19**

Description	2001	2002	2003	2004	2005	2006
<b>MULTILATERAL DONORS</b>	<b>12 003,42</b>	<b>12 549,03</b>	<b>15 836,73</b>	<b>21 021,55</b>	<b>22 647,14</b>	17 226,74
Principal	7 931,39	8 888,90	10 563,20	11 377,05	16 790,12	11 630,79
of which: IDA	3 702,33	5 032,24	6 565,01	6 930,18	8 478,73	5 102,19
AfDB-ADF	1 473,84	2 329,18	2 152,46	2 714,32	4 016,24	3 072,28
BADEA	1 692,38	1 601,90	1 845,74	462,01	1 952,34	0,00
Interests	4 072,04	3 660,13	5 165,91	4 908,88	5 857,02	5 595,95
of which: IDA	2 286,74	2 478,13	3 664,57	3 465,09	4 462,49	2 743,11
AfDB-ADF	873,17	1 144,09	1 140,80	981,78	446,25	1 700,73
BADEA	366,38	112,43	376,68	173,25	334,69	548,62
<b>BILATERAL DONORS</b>	<b>1 879,95</b>	<b>3 674,34</b>	<b>3 863,67</b>	<b>2 714,32</b>	5 076,08	932,66
Principal	1 264,74	2 529,52	2 599,10	1 617,04	3 458,43	548,62
Interests	615,21	1 144,82	1 264,57	1 097,28	1 617,65	0,00
<b>SUPPLIERS' CREDITS</b>	<b>279,37</b>	<b>419,18</b>	<b>322,87</b>	<b>231,01</b>	390,47	0,00
Principal	0,00	106,47	0,00	0,00	0,00	18 708,02
Interests	279,37	312,71	322,87	231,01	390,47	12 563,45
<b>TOTAL SERVICE</b>	<b>14 162,75</b>	<b>16 642,56</b>	<b>20 023,27</b>	<b>23 966,88</b>	<b>28 169,48</b>	<b>19 021,37</b>
Principal	9 196,13	12 121,23	13 162,30	15 823,91	<b>20 248,55</b>	<b>12 564,14</b>
Interests	4 687,25	5 513,97	6 753,35	8 142,96	<b>7 920,92</b>	<b>6 144,91</b>

( in millions of USD, by donor).

Description	2001	2002	2003	2004	2005	2006
<b>MULTILATERAL DONORS</b>	<b>27,09</b>	<b>26,40</b>	<b>33,00</b>	<b>36,40</b>	<b>40,6</b>	<b>31,4</b>
Principal	17,90	18,70	19,60	19,70	30,1	21,2
of which: IDA	8,36	10,59	12,20	12,00	15,2	9,3
AfDB-ADF	3,33	4,90	4,00	4,70	7,2	5,6
BADEA	3,82	3,37	3,43	0,80	3,5	0,0
Interests	9,19	7,70	9,60	8,50	10,5	10,2
of which: IDA	5,16	5,21	6,81	6,00	8,00	5,00
AfDB-ADF	1,97	2,41	2,12	1,70	0,8	3,1
BADEA	0,83	0,24	0,70	0,30	0,6	1,0
<b>BILATERAL DONORS</b>	<b>4,24</b>	<b>7,73</b>	<b>7,18</b>	<b>4,70</b>	<b>9,1</b>	<b>2,7</b>
Principal	2,85	5,32	4,83	2,80	6,2	1,7
Interests	1,39	2,41	2,35	1,90	2,9	1,0
<b>SUPPLIERS' CREDITS</b>	<b>0,63</b>	<b>0,88</b>	<b>0,60</b>	<b>0,40</b>	<b>0,7</b>	<b>0,0</b>
Principal	0,00	0,22	0,00	0,00	0,00	0,0
Interests	0,63	0,66	0,60	0,40	0,7	0,0
<b>TOTAL SERVICE</b>	<b>31,96</b>	<b>37,10</b>	<b>40,78</b>	<b>41,50</b>	<b>50,50</b>	<b>34,10</b>
Principal	20,75	25,50	24,43	27,40	36,30	22,90
Interests	10,58	11,60	12,55	14,10	14,20	11,20

**Source:** NBR, Department of Foreign Exchange Inspection and Balance of Payments

Table 20

## Development of drawings by donors

(in millions of RWF)

Description	2001	2002	2003	2004	2005	2006
<b>MULTILATERAL LOANS</b>	<b>39 455,89</b>	<b>41 810,13</b>	<b>19 714,10</b>	<b>61 620,86</b>	<b>56 282,30</b>	<b>42 337,89</b>
IDA	23 720,98	34 859,22	13 070,45	48 043,48	26 624,34	21 074,11
AfDB-ADF	5 183,33	4 330,35	2 972,88	7 808,00	20 521,88	15 390,02
IFAD	2 482,11	1 146,20	1 497,09	2 662,34	3 770,81	1 522,83
BADEA	0,00	52,55	0,00	0,00	55,78	0,00
OPEC	2 658,57	2 106,82	3 241,80	542,86	266,88	1 796,15
OTHERS	5 347,49	360,51	429,47	2 564,17	5 042,62	2 554,78
<b>BILATERAL LOANS</b>	<b>503,27</b>	<b>695,76</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
CHINA	503,27	695,76	0,00	0,00	0,00	0,00
CFD	0,00	0,00	0,00	0,00	0,00	0,00
KUWAIT FUND	0,00	0,00	0,00	0,00	0,00	0,00
SAUDI ARABIA FUND	0,00	0,00	0,00	0,00	0,00	0,00
OECD JAPAN	0,00	0,00	0,00	0,00	0,00	0,00
OTHERS	0,00	0,00	0,00	0,00	0,00	0,00
<b>SUPPLIERS' CREDITS</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
of which :						
BNP-AMSTERD.	0,00	0,00	0,00	0,00	0,00	0,00
SEE-CANADA	0,00	0,00	0,00	0,00	0,00	0,00
COFACE	0,00	0,00	0,00	0,00	0,00	0,00
BNP-PARIS	0,00	0,00	0,00	0,00	0,00	0,00
<b>GRAND TOTAL</b>	<b>39 959,15</b>	<b>42 505,89</b>	<b>19 714,10</b>	<b>61 620,86</b>	<b>56 282,30</b>	<b>42 337,89</b>

(in millions of USD)

Description	2001	2002	2003	2004	2005	2006
<b>MULTILATERAL LOANS</b>	<b>89,07</b>	<b>91,49</b>	<b>43,46</b>	<b>106,70</b>	<b>100,90</b>	<b>75,90</b>
IDA	53,70	73,34	25,42	83,19	47,73	37,78
AfDB-ADF	11,70	9,11	5,97	13,52	36,79	27,59
IFAD	5,60	3,74	4,75	4,61	6,76	2,73
BADEA	0,00	0,11	0,00	0,00	0,10	0,00
OPEC	6,00	4,43	6,51	0,94	0,48	3,22
OTHERS	12,07	0,76	0,81	4,44	9,04	4,58
<b>BILATERAL LOANS</b>	<b>1,14</b>	<b>1,46</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
CHINA	1,14	1,46	0,00	0,00	0,00	0,00
CFD	0,00	0,00	0,00	0,00	0,00	0,00
KUWAIT FUND	0,00	0,00	0,00	0,00	0,00	0,00
SAUDI ARABIA FUND	0,00	0,00	0,00	0,00	0,00	0,00
OECD JAPAN	0,00	0,00	0,00	0,00	0,00	0,00
OTHERS	0,00	0,00	0,00	0,00	0,00	0,00
<b>SUPPLIERS' CREDITS</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
of which :						
BNP-AMSTERD.	0,00	0,00	0,00	0,00	0,00	0,00
SEE-CANADA	0,00	0,00	0,00	0,00	0,00	0,00
COFACE	0,00	0,00	0,00	0,00	0,00	0,00
BNP-PARIS	0,00	0,00	0,00	0,00	0,00	0,00
<b>GRAND TOTAL</b>	<b>90,21</b>	<b>92,95</b>	<b>43,46</b>	<b>106,70</b>	<b>100,90</b>	<b>75,90</b>

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

## Development of arrears by year end by donors

Table 21

(In millions of RWF)

Description	2001		2002		2003		2004		2005		2006	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
<b>MULTILATERAL DONORS</b>	<b>124,85</b>	<b>10,90</b>	<b>0,00</b>	<b>4,69</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
IDA	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
AfDB-ADF	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
IFAD	0,00	9,00	0,00	4,69	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
BADEA	83,30	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
OPEC	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
OTHERS	41,56	1,90	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>BILATERAL DONORS</b>	<b>7 307,63</b>	<b>2 532,02</b>	<b>2 560,94</b>	<b>660,66</b>	<b>2329,59</b>	<b>661,75</b>	<b>1 451,16</b>	<b>680,23</b>	<b>759,59</b>	<b>226,74</b>	<b>1 015,01</b>	<b>71,32</b>
CHINA	0,00	0,00	0,00	0,00	371,23	0,00	396,802	0,00	566,86	0,00	822,98	0,00
FRANCE	0,00	0,00	1 118,54	240,36	1345,03	484,21	748,2552	408,1392	0,00	0,00	0,00	0,00
KUWAIT	5 900,18	2 061,19	859,27	265,15	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
SAUDI ARABIA	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
JAPAN	0,00	0,00	313,87	52,29	322,81	102,22	113,372	45,3488	0,00	0,00	0,00	0,00
OTHERS	1 407,45	470,83	269,25	102,86	290,53	75,32	192,7324	226,744	192,73	226,74	192,03	71,32
<b>SUPPLIERS' CREDITS</b>	<b>0,00</b>	<b>0,00</b>	<b>114,65</b>	<b>48,39</b>	<b>0,00</b>	<b>236,73</b>	<b>0,00</b>	<b>198,40</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>GRAND TOTAL</b>	<b>7 432,48</b>	<b>2 542,92</b>	<b>2 675,58</b>	<b>713,74</b>	<b>2329,59</b>	<b>898,48</b>	<b>1451,16</b>	<b>878,63</b>	<b>759,59</b>	<b>226,74</b>	<b>1015,01</b>	<b>71,32</b>

(in millions of USD)

Description	2001		2002		2003		2004		2005		2006	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
<b>MULTILATERAL DONORS</b>	<b>0,27</b>	<b>0,02</b>	<b>0,00</b>	<b>0,01</b>	<b>0,00</b>							
IDA	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
AfDB-ADF	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
IFAD	0,00	0,02	0,00	0,01	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
BADEA	0,18	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
OPEC	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
OTHERS	0,09	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>BILATERAL DONORS</b>	<b>15,88</b>	<b>5,50</b>	<b>5,00</b>	<b>1,29</b>	<b>4,33</b>	<b>1,23</b>	<b>2,56</b>	<b>1,20</b>	<b>1,34</b>	<b>0,40</b>	<b>1,85</b>	<b>0,13</b>
CHINA	0,00	0,00	0,00	0,00	0,69	0,00	0,70	0,00	1,00	0,00	1,50	0,00
FRANCE	0,00	0,00	2,19	0,47	2,50	0,90	1,32	0,72	0,00	0,00	0,00	0,00
KUWAIT	12,82	4,48	1,68	0,52	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
SAUDI ARABIA	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
JAPAN	0,00	0,00	0,61	0,10	0,60	0,19	0,20	0,08	0,00	0,00	0,00	0,00
OTHERS	3,06	1,02	0,53	0,20	0,54	0,14	0,34	0,40	0,34	0,40	0,35	0,13
<b>SUPPLIERS' CREDITS</b>	<b>0,00</b>	<b>0,00</b>	<b>0,22</b>	<b>0,09</b>	<b>0,00</b>	<b>0,44</b>	<b>0,00</b>	<b>0,35</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>GRAND TOTAL</b>	<b>16,15</b>	<b>5,53</b>	<b>5,23</b>	<b>1,39</b>	<b>4,33</b>	<b>1,67</b>	<b>2,56</b>	<b>1,55</b>	<b>1,34</b>	<b>0,40</b>	<b>1,85</b>	<b>0,13</b>

N.B. : Guaranteed debt not included

Source: NBR, Department of Foreign Exchange Inspection and Balance of Payments

**RWANDA'S BALANCE OF PAYMENTS ( in millions of USD)**
**Table 22**

	2001	2002	2003	2004	2005	2006
<b>Trade balance</b>	<b>-132,4</b>	<b>-140,6</b>	<b>-165,4</b>	<b>-177,9</b>	<b>-228,7</b>	<b>-296,69</b>
1. Exports (fob)	93,6	67,4	63,3	98,1	125,0	142,71
of which - coffee	19,4	14,6	15,0	32,2	38,3	54,04
- tea	22,7	22,0	22,5	21,6	24,4	32,10
2. Imports (fob)	-226,0	-207,9	-228,7	-275,9	-353,6	-439,40
<b>Net services</b>	<b>-158,1</b>	<b>-160,7</b>	<b>-157,7</b>	<b>-170,7</b>	<b>-193,7</b>	<b>-243,94</b>
Net non factor services	-135,7	-141,6	-127,2	-137,1	-166,5	-225,27
Net factor services	-22,5	-19,1	-30,5	-33,7	-27,2	-18,67
<b>Balance of goods and services</b>	<b>-290,6</b>	<b>-301,2</b>	<b>-323,2</b>	<b>-348,6</b>	<b>-422,3</b>	<b>-540,63</b>
<b>Net current transfers</b>	<b>192,6</b>	<b>195,3</b>	<b>226,4</b>	<b>313,9</b>	<b>364,5</b>	<b>323,82</b>
Net private transfers	21,7	24,5	31,3	35,1	46,7	74,48
Net official transfers	170,9	170,8	195,0	278,9	317,8	249,35
<b>Current balance (+net current transfers)</b>	<b>-98,0</b>	<b>-105,9</b>	<b>-96,8</b>	<b>-34,7</b>	<b>-57,82</b>	<b>-216,80</b>
<b>Capital and financial transactions account</b>	<b>146,7</b>	<b>110,9</b>	<b>71,3</b>	<b>134,9</b>	<b>175,9</b>	<b>291,3</b>
<b>Capital account</b>	<b>68,7</b>	<b>41,7</b>	<b>41,1</b>	<b>60,6</b>	<b>93,5</b>	<b>1400,08</b>
Capital transfers	68,7	41,7	41,1	60,6	93,5	1400,08
Debt cancellation	18,5	0,0	0,0	0,0	0,0	1226,60
Migrants' transfers	0,0	0,0	0,0	0,0	0,0	0,00
Other capital transfers (of which support grants to PIP)	50,2	41,7	41,1	60,6	93,5	173,48
<b>Financial transactions account</b>	<b>78,0</b>	<b>69,2</b>	<b>30,2</b>	<b>74,4</b>	<b>82,5</b>	<b>-1108,77</b>
Official capital (net)	57,1	53,1	7,7	71,3	53,7	-1104,83
Long term private capital (net)	4,6	2,6	3,6	-2,0	-4,6	-5,61
Other capital	16,4	13,5	18,9	5,1	33,4	1,67
Short term capital	12,6	10,9	14,3	-2,6	22,9	-15,13
Direct investments	3,8	2,6	4,7	7,7	10,5	16,80
Portfolio investments						
<b>Errors and Omissions</b>	<b>-35,5</b>	<b>7,87</b>	<b>-10,23</b>	<b>7,65</b>	<b>1,03</b>	<b>5,63</b>
<b>Overall balance</b>	<b>13,3</b>	<b>12,8</b>	<b>-35,7</b>	<b>107,9</b>	<b>119,2</b>	<b>80,13</b>
<b>Available financing (- incr.)</b>	<b>-13,3</b>	<b>-12,8</b>	<b>35,7</b>	<b>-107,9</b>	<b>-119,2</b>	<b>-80,13</b>
<b>Change of net foreign assets of NBR</b>	<b>-25,2</b>	<b>-29,6</b>	<b>27,2</b>	<b>-106,8</b>	<b>-120,2</b>	<b>-80,13</b>
a. Net credits of IMF	1,5	-6,0	-0,9	-3,6	-6,7	2,52
b. Changes of other gross official reserves of NBR (- incr.)	-21,4	-31,6	28,8	-100,3	-93,5	-33,81
c. Change of other gross foreign liabilities (+ incr.)	-5,3	7,9	-0,7	-2,9	-20,0	-48,84
<b>Change of arrears</b>	<b>-20,6</b>	<b>5,6</b>	<b>-16,2</b>	<b>-3,5</b>	<b>1,1</b>	<b>0,00</b>
<b>Exceptional financing</b>	<b>32,6</b>	<b>11,2</b>	<b>24,7</b>	<b>2,4</b>	<b>0,0</b>	<b>0,00</b>
Rescheduling	26,3	10,6	22,2	2,4	0,0	0,00
Debt cancellation	6,3	0,6	2,5	0,0	0,0	0,00
<b>ALM (+ indicates need)</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,00</b>
<b>For the record</b>						
Gross reserves NBR (millions of USD)	212,05	243,00	214,2	314,5	406,9	440,73
Foreign liabilities (millions of USD)	100,00	101,85	101,3	98,4	78,3	29,63
Gross reserves in months of imports GSNF	5,7	8,2	6,2	7,3	7,3	7,2
Gross reserves in months of imports GS	8,7	10,3	8,4	10,3	10,4	9,09
Gross reserves in months of cif imports of goods	11,3	14,0	11,2	13,7	13,8	12,04
Gross reserves in months of fob. imports of goods	-7,91	-8,55	-9,32	-8,98	-9,58	-10,03
Trade balance in % of GDP	-17,35	-18,32	-18,20	-17,60	-17,69	-18,28
Current balance (without grants)/GDP	-5,85	-6,44	-5,45	-1,75	-2,42	-7,33
Current balance (+transfers)/GDP	0,79	0,78	-2,01	5,45	4,99	2,71
GDP (\$US, Current)	1 674	1 644	1 776	1 980	2 387	2 957,06
GDP (millions of RWF, Current)	741 871,9	781 468,4	955 164,1	1 137 905,7	1 331 603,6	1 631 587,5
Exchange rate 1 USD ( FRW/1 USD) by end period	457,90	511,85	580,28	566,86	553,83	548,65
Imports of Goods and Services	(349,55)	(355,93)	(355,93)	(412,99)	(520,11)	(664,67)
Average exchange rate 1 USD ( FRW/1 USD)	443,09	475,37	537,91	574,63	557,81	551,76

**SOURCE** : NBR, Department of Foreign Exchange Inspection and Balance of Payments

Rwanda's Exports (FOB value in millions of USD)

Table 23

	2002	2003	2004	2005	2006
<b>I. Coffee</b>					
<b>Value</b>	<b>14,65</b>	<b>15,01</b>	<b>32,2</b>	<b>38,3</b>	<b>54,04</b>
in % of total exports fob.	21,75	23,71	32,9	30,6	37,9
change in % of value	-24,34	2,46	114,7	18,7	41,2
Exported volume (tonnes)	19 797	14700	27 085,1	18 398,6	26 534,1
change in % of volume	11,29	-25,75	84,3	32,1	44,2
Unit price (USD/kg)	0,74	1,01	1,2	2,08	2,04
change in % of unit price	-32,02	36,49	17,8	74,8	2,08
<b>II. Tea</b>					
<b>Value</b>	<b>22,02</b>	<b>22,52</b>	<b>21,55</b>	<b>24,38</b>	<b>32,10</b>
% of total exports fob.	32,69	35,58	21,98	19,51	22,50
change in % of value	-3,03	2,26	4,30	13,13	31,67
Exported volume (tonnes)	14574	14331	13 064	15 481	16 648,9
change in % of volume	-3,90	-1,67	8,84	18,5	7,5
Unit price (USD/kg)	1,51	1,57	1,65	1,57	1,93
change in % of unit price	0,90	3,90	5,33	4,8	22,43
<b>III. Mine products</b>					
<b>Value</b>	<b>15,87</b>	<b>11,09</b>	<b>29,27</b>	<b>37,30</b>	<b>36,57</b>
% of total exports fob.	23,57	17,52	29,86	29,85	25,63
change in % of value	-62,77	-30,14	163,97	27,4	1,9
Exported volume (tonnes)	2083,08	2310,00	4 571,74	6 150,49	5 995,15
change in % of volume	-7,69	10,89	97,91	34,5	2,5
<b>Tin</b>					
<b>Value</b>	<b>1,41</b>	<b>4,49</b>	<b>15,88</b>	<b>17,86</b>	<b>15,87</b>
in % of total exports fob.	2,09	7,09	16,19	14,29	11,12
change in % of value	24,27	219,20	253,60	12,46	- 11,14
Exported volume (tonnes)	672	1458	3 553	4 531,8	3 835,3
change in % of volume	21,13	116,94	143,70	27,54	- 15,37
Unit price (USD/kg)	2,09	3,08	4,47	3,94	4,14
change in % of unit price	2,60	47,16	45,13	11,85	4,99
<b>Colombo tantalite</b>					
<b>Value</b>	<b>13,95</b>	<b>6,37</b>	<b>12,99</b>	<b>16,87</b>	<b>11,17</b>
in % of total exports fob.	20,71	10,06	13,25	13,50	7,83
change in % of value	-66,06	-54,33	103,96	29,84	- 33,76
Exported volume (tonnes)	1 086,32	732,00	861,05	1 061,64	724,25
change in % of volume	-29,47	-32,62	17,63	23,30	- 31,78
Unit price (USD/kg)	12,84	8,69	15,09	15,89	15,43
change in % of unit price	-51,88	-32,32	73,65	5,30	- 2,90
<b>Wolfram</b>					
<b>Value</b>	<b>0,52</b>	<b>0,23</b>	<b>0,40</b>	<b>2,58</b>	<b>9,53</b>
in % of total exports fob.	0,77	0,36	0,41	2,06	6,68
change in % of value	28,63	-55,73	76,08	536,01	270,11
Exported volume (tonnes)	324,69	120,00	157,52	557,02	1 435,57
change in % of volume	100,98	-63,04	31,26	253,63	157,72
Unit price (USD/kg)	1,60	1,89	2,57	4,62	6,64
change in % of unit price	-36,00	18,125	35,98	79,93	43,61
<b>IV. Hides and skins</b>					
<b>Value</b>	<b>2,64</b>	<b>3,78</b>	<b>3,39</b>	<b>4,73</b>	<b>1,99</b>
% of total fob. exports	3,92	5,97	3,45	3,79	1,39
change in % of value	237,54	43,26	42,19	39,82	- 58,00
Exported volume (tonnes)	1983,82	2728,00	2 151	3 183	1 160
change in % of volume	288,30	37,51	21,16	48,01	- 63,57
Unit price (USD/kg)	1,33	1,39	1,57	1,49	1,71
change in % of unit price	-13,07	4,51	12,95	5,30	15,29
<b>V. Pyrethrum extracts</b>					
<b>Value</b>	<b>1,05</b>	<b>1,28</b>	<b>0,65</b>	<b>-</b>	<b>1,92</b>
% of total exports fob.	1,56	2,02	0,66	0,00	1,35
change in % of value	-40,57	21,60	49,48	100,00	-
Exported volume (tonnes)	13,12	20,00	10,08	-	44,64
change in % of volume	-39,26	52,44	49,60	100,00	-
Unit price (USD/kg)	80,23	64,00	64,16	-	43,10
change in % of unit price	-2,16	-20,23	0,25	100,00	-
<b>VI. Others</b>					
<b>Value</b>	<b>8,53</b>	<b>9,37</b>	<b>10,80</b>	<b>20,22</b>	<b>16,00</b>
% of total exports fob.	12,66	14,80	11,01	16,18	11,21
change in % of value	65,89	9,89	15,22	87,25	- 20,87
Other products (ordinary exports)	2,74	2,37	3,81	3,19	6,10
Re-exports	5,79	6,75	6,99	17,03	9,90
<b>S/Total</b>					
<b>S/Total</b>	<b>64,76</b>	<b>63,05</b>	<b>97,88</b>	<b>124,90</b>	<b>142,63</b>
<b>VII. Adjustment</b>					
<b>Electricity</b>	<b>2,60</b>	<b>0,25</b>	<b>0,17</b>	<b>0,08</b>	<b>0,08</b>
Postal parcels	--	--	--	--	--
Models 126	--	--	--	--	--
<b>Total fob</b>	<b>67,4</b>	<b>63,3</b>	<b>98,1</b>	<b>124,98</b>	<b>142,71</b>
<b>Change in %</b>	<b>-27,99</b>	<b>-6,03</b>	<b>54,90</b>	<b>27,46</b>	<b>14,19</b>

SOURCE : NBR, Department of Foreign Exchange Inspection and Balance of Payments

**RWANDA'S IMPORTS (value in millions of USD)**

**Table 24**

	2001	2002	2003	2004	2005	2006
<b>I. Equipment</b>						
<b>Value</b>	55,81	68,01	75,95	80,0	109,9	126,8
in % of total cif value	9,51	23,98	24,91	21,74	23,31	21,79
change in % of value	-7,33	21,86	11,67	5,30	37,39	15,40
<b>Volume</b>	9 501	12 119	12 279	12 493	17 506	20 803
change in % of volume	-	27,55	1,33	1,74	40,13	18,83
<b>Price</b>	5,87	5,61	6,19	6,40	6,28	6,10
change in % of price	-	-4,46	10,21	3,50	-1,96	-2,89
<b>II. Supplies (B. intermediaries)</b>						
<b>Value</b>	55,48	61,76	64,81	79,20	111,16	146,15
in % of total cif value	13,59	21,77	21,25	21,53	23,58	25,11
change in % of value	0,98	11,32	4,94	22,21	40,35	31,48
<b>Volume</b>	80 165	91 637	93 097	107 716	154 363	206 831
change in % of volume	-	14,31	1,59	15,70	43,31	33,99
<b>Price</b>	0,69	0,67	0,70	0,74	0,72	0,71
change in % of price	-	-2,62	3,29	5,63	-2,06	-1,88
<b>III. Energy and lubricants</b>						
<b>Value</b>	39,51	42,20	53,39	68,64	78,16	115,19
in % of total cif value	12,80	14,88	17,51	18,66	16,58	19,79
change in % of value	-8,25	6,81	26,51	28,56	13,88	47,37
<b>Volume</b>	102 740	102 050	104 520	123 282	128 819	172 585
change in % of volume	-5,30	-0,67	2,42	17,95	4,49	33,97
<b>Price</b>	0,43	0,47	0,51	0,56	0,61	0,67
change in % of price	-12,63	8,99	8,99	8,99	8,99	10,00
<b>IV. Final consumption</b>						
<b>Value</b>	109,79	81,21	79,10	102,46	131,17	166,54
in % of total cif value	53,85	28,63	25,94	27,86	27,83	28,61
change in % of value	26,32	-26,03	-2,60	29,53	28,02	26,97
<b>Volume</b>	114 714	94 484	90 499	109 210	120 855	173 743
change in % of volume	-	-29,70	2,10	6,40	10,66	43,76
<b>Price</b>	0,96	0,86	0,87	0,94	1,09	0,96
change in % of price	-	-10,19	1,69	7,34	15,68	-11,68
<b>1. Foodstuffs</b>						
<b>Value</b>	44,17	29,63	24,73	33,16	35,26	47,93
in % of total cif value	16,04	10,45	8,11	9,02	7,48	8,23
change in % of value	10,88	-32,92	-16,55	34,12	6,33	35,91
<b>Volume</b>	94 283	70 554	65 890	75 744	79 854	122 832
change in % of volume	-	-25,17	-6,61	14,96	5,43	53,82
<b>Price</b>	0,47	0,42	0,38	0,44	0,44	0,39
change in % of price	-	-10,36	-10,64	16,67	0,86	-11,65
<b>2. Others</b>						
<b>Value</b>	65,62	51,58	54,37	69,30	95,91	118,62
in % of total cif value	37,80	18,18	17,83	18,84	20,34	20,38
change in % of value	34,25	-21,39	5,41	27,45	38,40	23,68
<b>Volume</b>	20 431	23 930	24 610	33 465	41 001	50 911
change in % of volume	-	17,12	2,84	35,99	22,52	24,17
<b>Price</b>	3,21	2,16	2,21	2,07	2,34	2,33
change in % of price	-	-32,89	2,50	-6,28	12,96	-0,39
<b>S/TOTAL</b>	260,59	253,18	273,25	330,28	430,37	554,69
Change in %	11,77	-2,84	7,93	20,87	30,31	28,89
<b>V. Adjustment</b>						
<b>Value</b>	33,03	30,48	31,66	37,53	41,03	27,36
in % of total cif value	10,26	10,75	10,38	10,20	8,70	4,70
Electricity	10,55	9,06	8,65	10,00	5,57	11,00
in % of total cif value	3,59	3,19	2,84	2,72	1,18	1,89
Parcel post	2,00	1,36	1,36	1,36	1,36	1,36
<b>Others (of which)</b>	24,16	20,06	21,65	26,17	34,10	15,0
<i>126 BIS</i>	23,06	20,06	21,6	26,2	34,1	15,0
in % of total cif value	7,85	7,07	7,10	7,11	7,23	2,58
<i>DMC of customs border posts</i>	--	--	--	--	--	--
<i>Difference between ASYCUDA and DMC (NBR) data</i>	--	--	--	--	--	--
in % of total cif value	--	--	--	--	--	--
<b>VI. cif imports</b>	293,62	283,66	304,91	367,81	471,40	582,05
<b>% change</b>	4,65	-3,39%	7,49%	20,63%	28,17%	23,47%
<b>VII. Freight + insurance</b>	67,65	75,74	76,17	91,88	117,76	142,65
in % of cif	23,90	26,70	24,98	24,98	24,98	24,98
% ratio change freight and insurance	-10,90	11,72	-6,44	0,00	0,00	0,00
<b>VIII. Total fob</b>	225,97	207,92	228,74	275,93	353,64	439,40
<b>% change</b>	8,83%	-7,99%	10,01%	20,63%	28,17%	24,25%

SOURCE: NBR, Department of Foreign Exchange Inspection and Balance of Payments

**SERVICES (In millions of USD)**
**Table 25**

SERVICES	2001	2002	2003	2004	2005	2006
<b>Net services</b>	<b>-158,14</b>	<b>-160,67</b>	<b>-157,72</b>	<b>-170,71</b>	<b>-193,67</b>	<b>-243,94</b>
<b>Net non factor services</b>	<b>-135,7</b>	<b>-141,6</b>	<b>-127,2</b>	<b>-137,06</b>	<b>-166,46</b>	<b>-225,27</b>
Credit	48,2	46,06	76,47	102,65	119,71	147,39
Freight and insurance	5,44	2,22	4,47	6,94	7,01	8,68
Other transport	8,61	10,03	13,92	14,50	17,76	25,10
Travel	9,36	11,80	30,08	43,50	48,76	59,15
Other services and revenues	24,8	22,0	28,00	37,71	46,17	54,46
- official (foreign governments)	20,41	17,72	22,68	30,58	37,64	40,91
- private	4,41	4,29	5,31	7,13	8,53	13,55
Debit	<b>-183,9</b>	<b>-187,7</b>	<b>-203,66</b>	<b>-239,7</b>	<b>-286,17</b>	<b>-372,65</b>
Freight and insurance	-48,03	-53,77	-54,08	-65,23	-83,61	-142,65
Other transport	-25,31	-28,88	-24,14	-26,51	-38,21	-38,97
Travel	-23,17	-23,86	-26,06	-31,48	-36,75	-39,71
Other services and revenues	-87,38	-81,17	-99,38	-116,49	-127,60	-151,33
- official (embassies, consulates... expenses)	-12,17	-13,62	-19,95	-22,41	-22,20	-24,40
- Technical assistance	-63,62	-56,72	-63,36	-77,43	-88,47	-107,00
Technical assistance PIP	-23,62	-18,72	-17,61	-27,10	-38,14	-56,68
Technical assistance (others)	-40,00	-38,00	-45,75	-50,32	-50,32	-50,32
- private	-11,59	-10,83	-16,06	-16,65	-16,94	-19,93
<b>Net factor services</b>	<b>-22,5</b>	<b>-19,1</b>	<b>-30,5</b>	<b>-33,7</b>	<b>-27,2</b>	<b>-18,7</b>
<b>Credit</b>	<b>13,80</b>	<b>8,45</b>	<b>6,17</b>	<b>5,56</b>	<b>15,45</b>	<b>20,34</b>
Collected investment revenues	11,66	8,45	5,97	5,37	15,20	18,76
- Interests collected by public sector	8,82	6,76	4,44	4,84	11,67	17,80
- Interest collected by private sector	2,84	1,69	1,53	0,53	1,57	0,96
Autres revenus privé			0,00		1,96	0,00
Labour income	2,14	0,00	0,19	0,19	0,24	1,58
Property income	0,00	0,00	0,02	0,00	0,00	0,00
<b>Debit</b>	<b>-36,3</b>	<b>-27,5</b>	<b>-36,7</b>	<b>-39,2</b>	<b>-42,7</b>	<b>-39,01</b>
Investment income paid to private sector	-4,19	-0,36	-5,50	-2,97	-3,61	-3,29
1. Dividends	-3,52	-0,36	-5,50	-2,97	-3,61	-3,29
2. Reinvested interests, profits	-0,67	--	0,00	0,00	0,00	0,00
Income from other investments paid to public sector	-14,16	-13,30	-16,43	-20,30	-17,89	-12,13
1. official	-13,98	-13,20	-15,36	-20,28	-17,02	-12,13
- Payable interests on public debt	-11,53	-11,70	-13,71	-14,07	-14,20	-11,20
- NBR (to IMF)	-1,98	-0,83	-0,44	-0,15	-0,90	-0,93
- NBR (to BNB)	-0,47	-0,67	-1,21	-6,06	-1,92	0,00
Other private incomes	-0,18	-0,10	-1,08	-0,01	-0,88	0,00
<b>Labour income</b>	<b>-17,53</b>	<b>-13,60</b>	<b>-14,49</b>	<b>-15,72</b>	<b>-20,68</b>	<b>-23,11</b>
<b>Property income</b>	<b>-0,41</b>	<b>-0,24</b>	<b>-0,29</b>	<b>-0,23</b>	<b>-0,48</b>	<b>-0,48</b>

SOURCE : NBR, Department of Foreign Exchange Inspection and Balance of Payments

**Unrequited Transfers (In millions of USD)**
**Table 26**

	2001	2002	2003	2004	2005	2006
<b><u>Current transfers (net)</u></b>	192,60	195,32	226,38	313,93	364,52	323,82
<b>Current private transfers (net)</b>	21,74	24,52	31,33	35,05	46,73	74,48
<b><i>Credit</i></b>	<i>38,14</i>	<i>43,55</i>	<i>49,38</i>	<i>50,90</i>	<i>61,78</i>	<i>88,26</i>
<b><i>Debit</i></b>	<i>16,40</i>	<i>19,03</i>	<i>18,04</i>	<i>15,85</i>	<i>15,06</i>	<i>13,79</i>
Remittance of workers' funds	-10,48	-11,35	-5,75	-5,28	-5,20	1,21
Credit	5,45	7,22	9,43	9,62	8,63	14,38
Debit	15,93	18,57	15,19	14,90	13,83	13,17
Other private transfers	32,22	35,87	37,09	40,33	51,93	73,27
Credit	32,69	36,33	39,94	41,28	53,15	73,88
Debit	0,47	0,46	2,86	0,95	1,22	0,61
<b>Current official transfers (net)</b>	<b>170,86</b>	<b>170,80</b>	<b>195,05</b>	<b>278,87</b>	<b>317,79</b>	<b>249,35</b>
Credit	172,20	172,71	196,93	<b>281,34</b>	<b>320,28</b>	<b>251,88</b>
1. current support	78,20	83,41	89,42	163,08	200,12	128,35
of which HIPC initiative	23,89	25,54	23,62	27,20	31,99	21,97
2. humanitarian aid	94,00	89,30	107,51	118,26	120,16	123,53
a. technical assistance	40,00	38,00	45,75	50,32	50,32	50,32
b. other humanitarian aid	54,00	51,30	61,76	67,936	71,41	73,20
Debit (of which contribution to intern. organis.)	-1,34	-1,91	-1,88	-2,47	-2,49	-2,53

SOURCE : NBR, Department of Foreign Exchange Inspection and Balance of Payments

Capital and financial transactions account (In millions of USD)

Table 27

	2001	2002	2003	2004	2005	2006
<b>Capital and financial transactions account</b>	146,72	110,86	71,32	134,95	82,48	291,31
<b>Capital account</b>	68,70	41,70	41,09	60,56	0,00	1400,08
<b>Capital transfers</b>	68,70	41,70	41,09	60,56	0,00	1400,08
Debt cancellation (arrears+current service +debt not yet due)	18,50	0,00	0,00	0,00	0,00	1 226,60
a. Arrears (principal+interests)	4,50	0,00	0,00			
b. Current service (principal + interests)	1,80	0,00	0,00	0,70	0,00	
c. Debt not yet due (principal)	12,20	0,00	0,00			1226,60
Migrants' transfers						
Other capital transfers (support grants to PIP)	50,20	41,70	41,09	60,56	93,47	173,48
a. Capital (projects)	36,10	31,28	30,81	45,42	70,10	130,11
b. Technical assistance	12,55	10,43	10,27	15,14	23,37	43,37
<b>Acquisitions and assignments of non financial assets</b>						
<b>Financial transactions account</b>	78,02	69,16	30,23	74,39	82,48	-1108,77
<b>Long term capital</b>	61,64	55,70	11,33	69,31	49,12	-1110,43
I. Official (net)	57,09	53,10	7,71	71,31	53,68	-1104,83
Credit	107,39	83,90	39,91	108,61	89,98	68,07
Current support	36,83	50,73	10,54	60,75	30,88	14,83
Project support (PIP)	44,26	33,17	29,37	47,86	59,10	53,24
- capital	33,20	24,88	22,03	35,89	44,33	39,93
- technical assistance	11,07	8,29	7,34	11,96	14,78	13,31
Drawings on new loans	26,30	0,00	0,00	0,00	0,00	
a. Rescheduling of debt due	2,10	0,00	0,00	0,00	0,00	
b. Rescheduling of arrears	12,70	0,00	0,00			
c. Rescheduling of debt not yet due	11,50	0,00	0,00			
Debit	-50,30	-30,80	-32,20	-37,30	-36,30	-1172,90
Repayment of loans	-22,90	-30,80	-32,20	-37,30	-36,30	-22,90
of which a. Cancelled due principal	1,60	0,00	0,00			
b. Rescheduled due principal	2,07	0,00	0,00			
Resch. Principal not yet due	-13,60	0,00	0,00			
Cancelled principal not yet due	-13,80	0,00	0,00			
Capital subscr. of non monetary intern. org.	0,00	0,00	0,00	0,00	0,00	
II. Private (net)	4,55	2,60	3,61	-2,00	-4,56	-5,61
Borrowings	7,67	3,67	5,59	1,42	0,69	0,4
Repayment of loans	-3,12	-1,07	-1,98	-3,42	-5,25	-6,0
Others						
<b>Other capital</b>	16,38	13,46	18,91	5,08	33,36	1,67
I. Short term capital	12,62	10,85	14,25	-2,58	22,86	-15,13
a. trade credits	3,83	5,87	5,36	5,36	8,50	4,3
b. change of for. assets of commercial banks (-incr.)	4,85	1,40	6,42	-7,94	14,36	-19,38
c. others	3,94	3,58	2,47	0,00	0,00	
II. Investments	3,76	2,61	4,66	7,66	10,50	16,80
a. direct investments	3,76	2,61	4,66	7,66	10,50	16,80
b. portfolio investments	0,00	0,00	0,00	0,00	0,00	0,00

Source : BNRK, Département de l'Inspection du Change et de la Balance des Paiements

**AVAILABLE FINANCING (In millions of USD)**
**Table 28**

	2002	2003	2004	2005	2006
<b>Available financing (- increase)</b>	<b>-12,8</b>	<b>35,7</b>	<b>-107,9</b>	<b>-119,2</b>	<b>-80,1</b>
<b>Change of net foreign assets of NBR</b>	<b>-29,6</b>	<b>27,2</b>	<b>-106,8</b>	<b>-120,2</b>	<b>-80,1</b>
a. Net credit to IMF (purchases-repurchases)	-6,0	-0,9	-3,6	-6,7	2,5
1. purchases	0,7	0,8	1,7	1,7	2,5
2. repurchases	-6,7	-1,7	-5,3	-8,4	0,00
b. Changes of other gross official reserves of NBR (- incr..)	-31,6	28,8	-100,3	-93,5	-33,81
c. Change of other gross foreign liabilities (+ incr.)	7,9	-0,7	-2,9	-20,0	-48,84
<b>Change of arrears</b>	<b>5,6</b>	<b>-16,2</b>	<b>-3,5</b>	<b>1,1</b>	<b>0,0</b>
Accumulation	6,6	6,0	1,8	1,1	0,0
Reduction (Kuwait Fund and other bilateral donors)	-1,0	-22,2	-5,3	0,0	0,0
: other bilateral donors	0,0	-2,2	0,0	0,0	0,0
<b>Exceptional financing</b>	<b>11,2</b>	<b>24,7</b>	<b>2,4</b>	<b>0,0</b>	<b>0,0</b>
<b>Rescheduling</b>	<b>10,6</b>	<b>22,2</b>	<b>2,4</b>	<b>0,0</b>	<b>0,0</b>
arrears (Kuwait Fund)	0,0	20,0	0,0	0,0	0,0
<i>of which OPEC</i>	0,0		0,0	0,0	0,0
<i>SFD</i>	0,0		0,0	0,0	0,0
current service (bilateral: Paris club and Kuwait Fund):	5,3	2,3	2,4	0,0	0,0
current service OPEC	5,3	0,0	2,4	0,0	0,0
<b>Debt cancellation</b>	<b>0,6</b>	<b>2,5</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
arrears (bilateral donors)	0,6	2,0	0,0	0,0	0,0
current service (bilateral donors)	0,0	0,5	0,0	0,0	0,0
				-	

**SOURCE** : NBR, Department of Foreign Exchange Inspection and Balance of Payments