

US investment in Rwanda is rising, data misinterpretations should not distort the story

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Rwandan President Paul Kagame with Massad Boulos, the US Senior Advisor for Africa, when he visited Kigali on April 8, 2025.

Photo credit: Urugwiro



By Jean-Guy Afrika
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A recent article in *The EastAfrican* claimed that **“US investors are fleeing Rwanda,”** citing a supposed drop in American holdings from \$95 million to \$73 million in 2024. This argument is based on a fundamental misreading of financial data. The factual record reveals rising foreign direct investment, growing American engagement, and a stable investment environment supported by data from both Rwandan authorities and the United States government.

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The core issue in the narrative presented by *The EastAfrican* is a basic but consequential conflation. The reporter relied on portfolio-securities data, a very narrow measure of tradable financial instruments such as bonds and equities, and presented it as evidence of a wider shift in US investor confidence. Yet portfolio data does not reflect long-term foreign direct investment (FDI), corporate commitments, reinvested earnings, operational presence, or investor confidence.

As the National Bank of Rwanda explains in its 2024 Foreign Private Capital (FPC) Survey (latest available data), portfolio securities represent a small, highly volatile

category of foreign capital, amounting to just 1.2 percent of total foreign private capital inflows in 2023. Treating those fluctuations as an indication of the overall health of US investment in Rwanda is analytically unsound.

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Foreign Private Capital inflows, encompassing foreign direct investment (FDI), portfolio investment, and other instruments such as loans, trade credit, and deposits, offer a far more accurate measure of a country's overall foreign investor engagement.

When the correct indicator is examined, Rwanda's investment performance has in fact strengthened for three consecutive years (following Covid-19). The FPC Survey shows that total foreign private capital inflows rose from \$543.8 million in 2021 to \$663 million in 2022, before reaching \$886.9 million in 2023, a 33.8 percent increase in a single year.

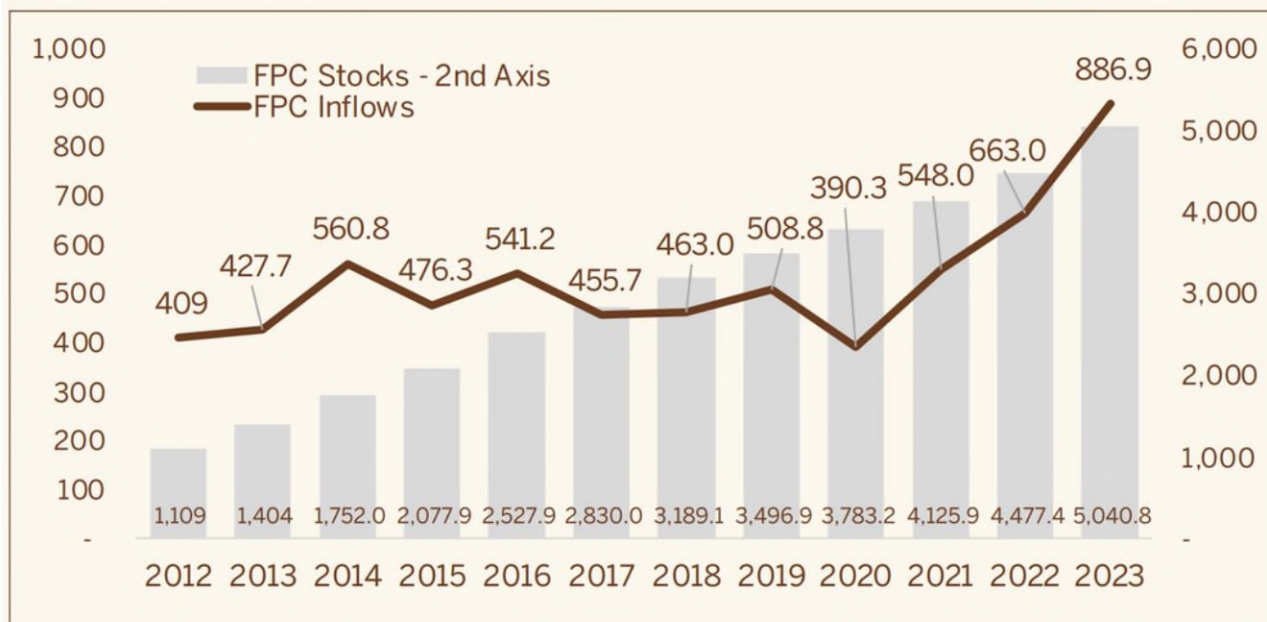
Foreign direct investment (FDI) remains the dominant component of these inflows. FDI alone rose from \$399.3 million in 2021 to \$496.4 million in 2022, and then to \$716.5 million in 2023, the highest on record.

Moreover, Rwanda’s total inward FDI stock, the total accumulated value of all foreign direct investment held in the country, increased from \$3.24 billion in 2022 to \$3.7 billion in 2023, underscoring long-term investor commitment.

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Figure 4: FPC Inflows and Stocks (USD Million)



Source: FPC 2024 Survey

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The claim that US investment is declining is contradicted directly by the same dataset. The United States, in 2023, recorded one of the strongest growth rates among Rwanda’s investment partners. US foreign private capital inflows more than doubled rising from \$30.7 million in 2022 to \$68.3 million in 2023, an increase of 123 percent.

US investment stock in Rwanda rose from \$218.9 million to \$267.8 million in the same period. American capital expanded across sectors including real estate, agriculture, manufacturing, ICT, and financial services.

The document the article claimed to rely on — the 2025 US Department of State Investment Climate Statement — does not support the assertion that American investors are retreating. The report acknowledges Rwanda’s progress in regulatory reforms, macroeconomic stability, and openness to foreign investment.

It highlights a “steady and growing American business community” and notes areas of reform while offering no conclusion that US firms are leaving the market. The selective citation of isolated sentences, presented without context or balance, substantially distorts the State Department’s analysis.

Table 3: FPC 2024 Inflows and Stocks by Origin (USD Million)

	2022	2023	% Change	% Share		2022	2023	% Change	% Share
FPC Inflows					FPC stocks				
Grand Total	663.0	886.9	33.8		Grand Total	4,477.4	5,040.8	12.6	
Mauritius	209.1	261.0	24.9	29.4	Mauritius	1,208.5	1,382.4	14.4	27.4
India	42.9	87.2	103	9.8	Kenya	412.6	469.8	13.9	9.3
Kenya	105.8	69.2	-34.6	7.8	USA	218.9	267.8	22.3	5.3
USA	30.7	68.3	123	7.7	South Africa	200.5	205.6	2.6	4.1
France	15.9	62.7	295	7.1	India	168.4	177.5	5.2	3.5
Germany	3.9	57.0	1,350	6.4	China	136.7	154.2	12.8	3.1
China	48.6	30.1	-38.1	3.4	Netherlands	149.7	149.3	-0.3	3.0
Netherlands	21.3	24.8	16.8	2.8	UK	125.0	133.9	7.2	2.7
Belgium	19.4	18.9	-2.8	2.1	Germany	75.2	130.3	73.4	2.6
South Africa	17.6	18.8	6.5	2.1	Belgium	114.8	125.6	9.4	2.5
Others	147.8	188.9	27.8	21.3	Others	1,667.1	1,844.3	10.6	36.6

Source: FPC 2024 Survey

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Accurate reporting matters and misinterpretation negatively affects public discourse. Analytical rigor requires using the right indicators for the right conclusions.

Portfolio securities fluctuate for many reasons: global interest-rate movements, fund rebalancing, or short-term market decisions abroad. They do not represent decisions by companies to divest from Rwanda's economy, nor do they reflect the depth of US corporate presence or investment partnerships on the ground.

The result of collapsing these categories into a single inaccurate narrative is a misleading portrayal of Rwanda's investment climate, one that obscures real achievements as well as the real challenges.

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The upward trend in FDI and the demonstrable growth of US capital in Rwanda tell a more reliable story, one of strengthening investor confidence, a rising American footprint, and a country whose fundamentals remain among the strongest in the region.

Professional journalism plays a critical role in shaping perceptions of African economies. With that influence comes the responsibility to interpret data with precision and fairness.

Rwanda welcomes scrutiny, debate, and serious analysis, but these debates must be anchored in rigorous and fair interpretation rather than misread statistics. At a time when the economies of our region and continent are navigating global volatility, clarity and accuracy are more important than ever.

Jean-Guy Afrika is the Rwanda Development Board CEO.

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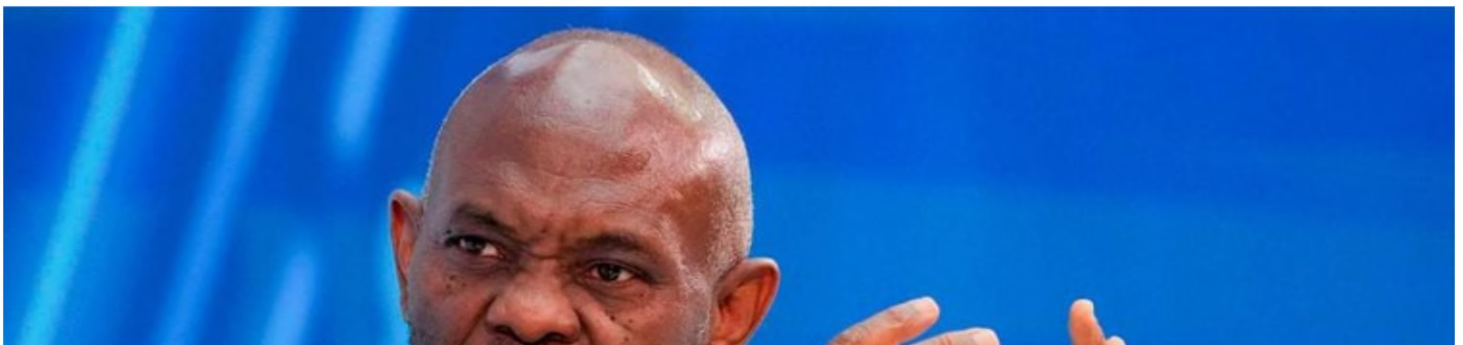


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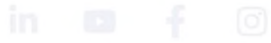
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