



**EAC Opportunities in
Finance Sector**
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Economic growth developments in EAC (annual growth rates)

Designation	2003	2004	2005	2006
2007				
▪ Burundi	-1.2	4.8	0.9	5.1
3.6				
▪ Kenya	2.8	4.6	5.8	6.1
7.0				
▪ Rwanda	0.3	5.3	7.1	5.5
6.0				
▪ Tanzania	6.9	7.8	7.4	6.7
7.3				
▪ Uganda	4.7	5.4	6.8	5.1
6.5				

Source: IMF, World Economic Outlook,

Major Banking institutions in EAC

- Allied Bank International
- Barclays Bank
- CITI Bank
- Old Mutual life assurance
- Stanbic Bank
- Standard Chartered Bank
- Equity Banke etc

Overview of the Republic of Burundi

Embarked on a vast structural reform programme based on a three-prong strategy:

- ❖ Improved business climate and governance.
- ❖ opening up to international trade.
- ❖ privatization of State assets in productive sectors

Overall – ongoing reforms to make Burundi active in the world economy & EAC.

Overview of the Republic of Burundi...*(continued*

- Budgeting innovations are being introduced, including a detailed medium-term expenditure framework.

Legal and Institutional Framework (Burundi)

- The regulatory regime consists of the investment code, the commercial code, the taxation system

Overview of the Republic of Kenya

- ❖ Region's largest stock exchange, 43 commercial banks, and a large insurance industry.
- ❖ A well-developed financial sector
- ❖ A falling cost of capital and key investments in past years.
- ❖ A relatively diversified and developed financial sector
- ❖ Increased income per capita from US\$400 to US\$ 630.

Legal and Institutional Framework (Kenya)

Initiation of a Financial and Legal Sector Technical Assistance Credit (FLSTAC) to support:

- ❖ Formulating a financial sector development strategy.
- ❖ Strengthening sector regulators.
- ❖ Encouraging judicial and legal reforms related to financial markets.

Over view of Rwanda

- Over the period of 2002-2005, a comprehensive assessment of the Rwandan Financial Sector was carried out and recommendations have been formulated for further reforms.
- Strategies to widen and deepen Rwandan Financial system an oligopolistic banking sector, thus the formation of Rwandan Financial Sector Development Programme (FSDP) in 2006 with a vision to develop a stable and sound financial sector.

Overview of the sector in Rwanda

- Increase the penetration of insurance services as well as diversification of financial products. The result from this assessment led to the
- The FSDP has since then been made one of the key components of the Economic Development and Poverty Reduction Strategy (EDPRS)

Overview of Legal and Institutional cont.

- ❖ There is a law governing banks and other financial institutions.
- ❖ The National Bank of Rwanda (BNR) is the regulatory body of the banking sector.
- ❖ The law on insurance companies passed by parliament.
- ❖ Insurance law governs both the insurance companies and the insurance brokerage service providers.
- ❖ Establishment of Capital market as a regulating body (CMAC)
- ❖ Protection of intellectual property rights to spur investment.

Overview of Legal and Institutional Framework (Tanzania)

Enacting the Banking and Financial Institutions Act, 1991, including:

- Mortgage Financing Reform and the Land Act, Land Registration Act, Civil Procedure Act & Magistrate Court Act.
- ❖ Lease Financing and Liberalization of Capital Account.
- ❖ Establishment of the Capital Market and Securities Authority (CMSA) and the Dar es Salaam Stock Exchange (DSE).

Overview of Legal and Institutional Framework (Uganda)

The financial sector is regulated and supervised by Bank of Uganda through:

- ❖ Financial Institutions Act 2004, Micro Deposit Taking Institutions (MDI) Act 2003 and Foreign Exchange Act 2004.
- ❖ These Acts protect investments, ensure quality standards and provide a stable environment for doing business in the sector.

Investment Opportunities in Burundi

- ❖ Finance sector in Burundi is trying to regain its erstwhile dynamism, aiming higher.
- ❖ Current Sector Size insufficient to boost the economy; investors are welcomed in all areas of the economy

Investment Opportunities in Kenya

- ❖ Investment in the SME loan market.
- ❖ Building capacity in commercial banks to serve smaller enterprises.

Investment Opportunities in Tanzania

- ❖ The Capital Markets and Securities.
- ❖ Banking and the secondary market sector, which is still at an early stage of development with little activity

Investment Opportunities in Rwanda

- ❖ Establishment of more Commercial & Agricultural banks in rural areas.
- ❖ Competitive loan facilities to agricultural sector and investors in the industrial sector.
- ❖ Investment banking for advisory services and wholesale banking, including Trust funds & Pension funds.
- ❖ Promoting or arranging underwriting of issuance of securities.

Opportunities in Rwanda

- ❖ Housing Bank Sub-sector in mortgage financing to encourage collateralization of loans and mobilization of savings.
- ❖ Prospects for development of insurance given their complementary role in improving the population's income levels, and the promotion of trade and industry.
- ❖ Direct services, like Stock-broking, Public offering of securities.

Investment Opportunities in Uganda

- ❖ Establishing Commercial banks in upcountry urban and rural centres.
- ❖ Development Banks required to provide long term loans.
- ❖ Merchant banking for advisory services and wholesale banking and underwriting of securities.
- ❖ Mortgage financing to encourage collateralization of loans and mobilization of savings.
- ❖ Brokerage, sales and tracking services firms with international experience and network.
- ❖ Establishing of Investment banks & Fund management.

EAC Banking opportunities

- Establishment of comm. Banks upcountry, urban and rural centres
- Investment banks and fund management
- Merchant banking to encourage collateralization of loans and mobilisation of savings
- Brokerage, sales and tracking services firms with international experience and network

Karibu to EAC

Merci!