

The Finance Sector in EAC

By

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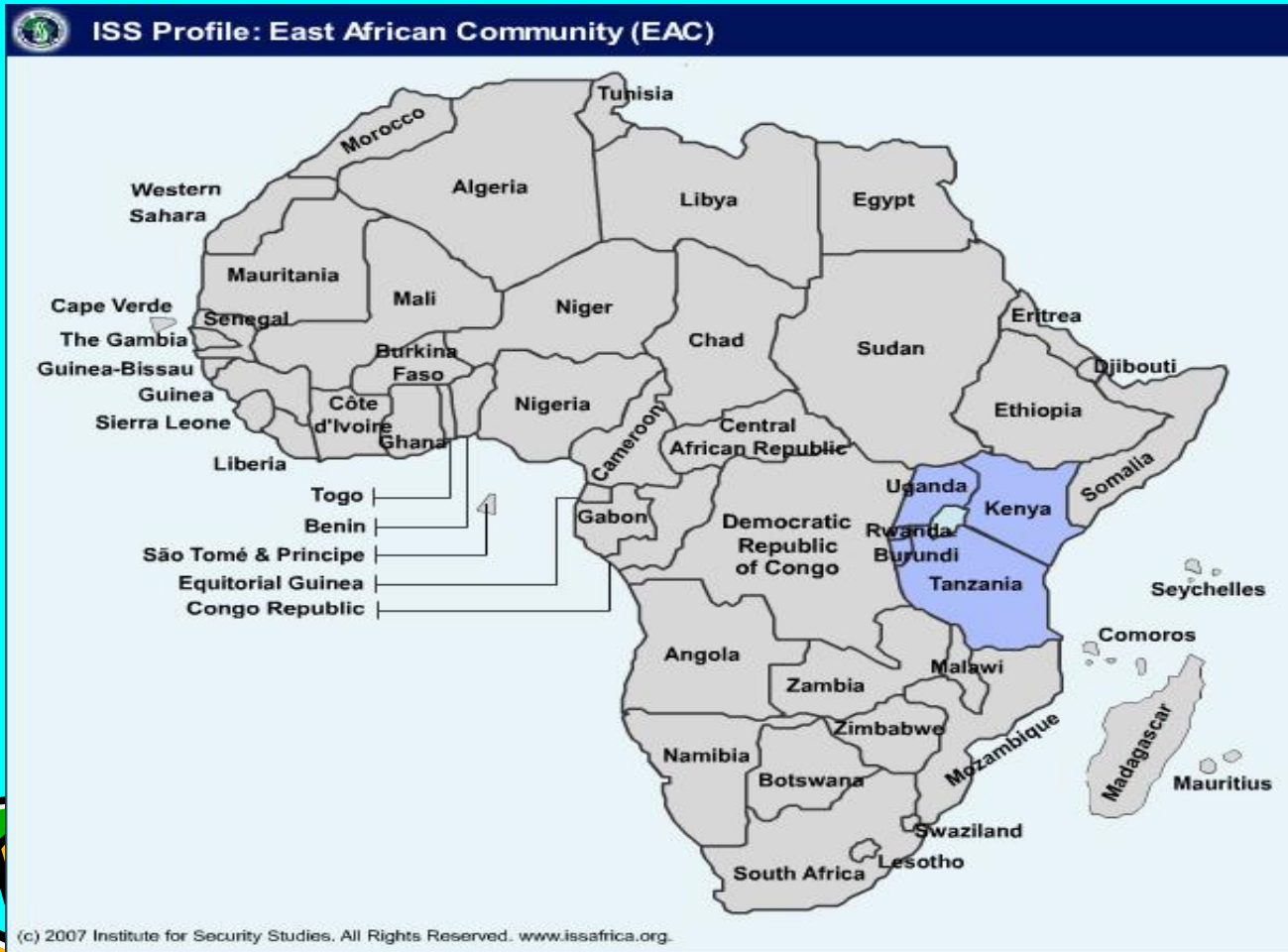
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Presentation Objectives

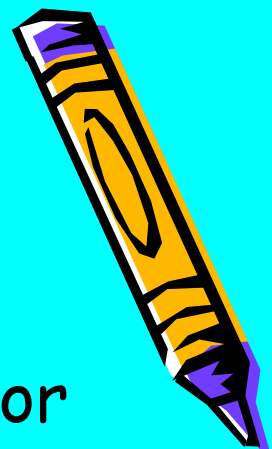
- The East African Community (EAC) has a shared vision and mission of widening and deepening economic, political, social and cultural integration in order to improve the quality of the life of the people in East Africa.
- Finance sector is Key.



Presentation Objectives...*(continued)*

Objectives of this presentation include:

- ❖ Provide an overview of the Finance Sector in the East African Region
- ❖ Engage existing Investors in the East African community and Canadian Business fraternity
- ❖ Attract potential investors in the finance sector.
 - **Time constraints** - elaborate details will not be presented



Overview of the Republic of Burundi

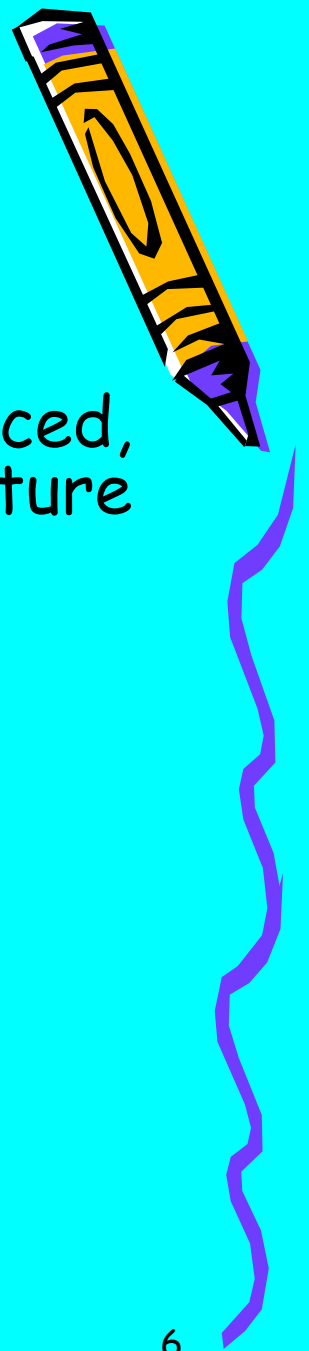
Embarked on a vast structural reform programme based on a three-prong strategy:

- ❖ 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.



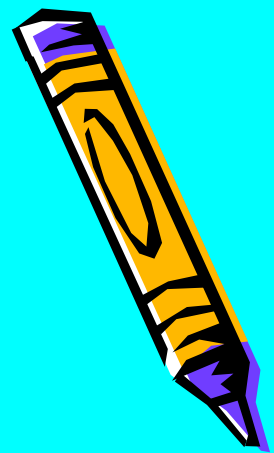
Overview of the Republic of Kenya



- ❖ 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.



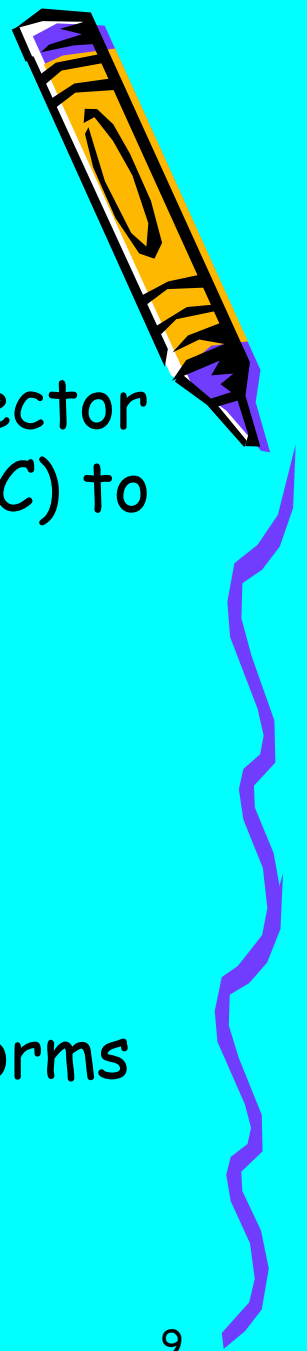
Legal and Institutional Framework (Burundi)



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



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.



Legal and Institutional Framework (Rwanda)

- ❖ 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.



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).



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.



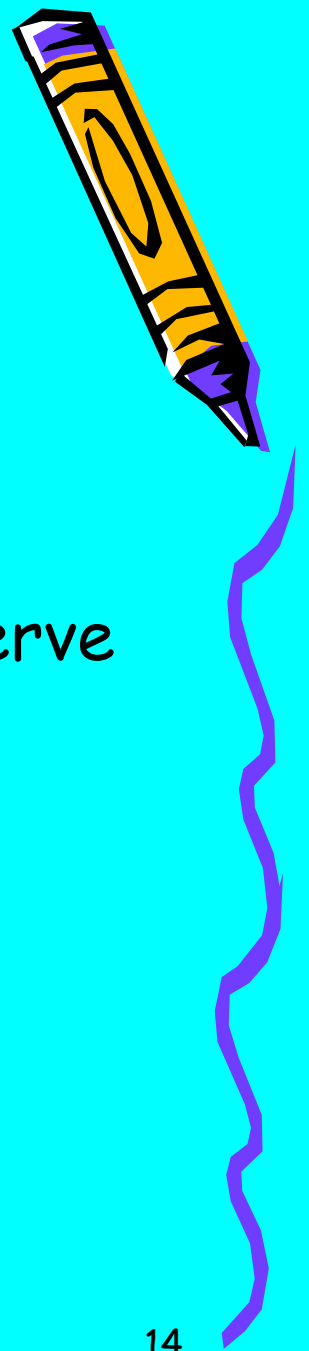
Investment Opportunities in Burundi



- ❖ 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.



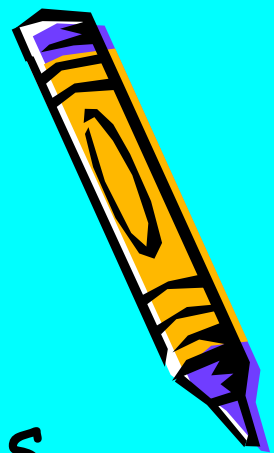
Investment Opportunities in Kenya



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



Investment Opportunities in Tanzania

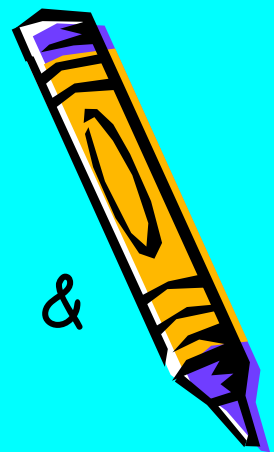


- ❖ The Capital Markets and Securities.
- ❖ Banking and the secondary market sector, which is still at an early stage of development with little activity.



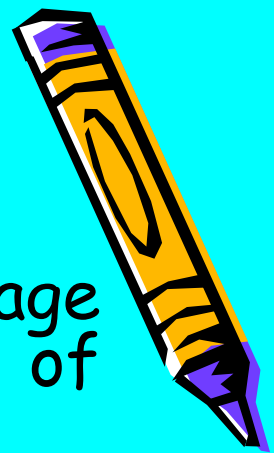
Investment Opportunities in Rwanda

- ❖ 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.



Investment Opportunities in Rwanda...*(continued)*

- ❖ 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.

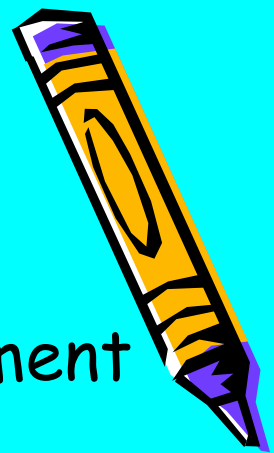


Investment Opportunities in Uganda...*(continued)*

- ❖ Discount houses for making a market and securities thereby developing a secondary market for those securities.
- ❖ Provision of re-insurance services to encourage retention of premiums as well as building of capacity in the industry.
- ❖ Risk management, Claims Settling Agents and provision of private pension funds.
- ❖ Reinsures and Reinsurance Brokers.
- ❖ Provision of life policies and other innovative assurances like agriculture and medical schemes.



Conclusion



- ❖ Discover the magic and investment opportunities that EAC has to offer.
- ❖ Be a pioneer and claim your share of opportunity as this virgin economy opens.
- ❖ Increased intra regional trade and investments to the benefit of all.



Thank You!
Ahsante!
Merci!
Murakoze!

