# E-COMMERCE IN RWANDA

IMPLEMENTATION CHALLENGES FROM CUSTOMS PERSPECTIVE

---

# E-Commerce has expanded rapidly over the last 5 years

**Rwanda is a knowledge based economy, ICT is the key driver**:

❖ The 4G coverage reaches 95% of the population

❖ Construction of 5000Km of Fiber optic network

❖ Mobile penetration  rate is at  76%

❖ Online payment is becoming a popular method of payment

❖ Social media is emerging as important marketing media.

# REGULATORY FRAMEWORK

▪Law on electronic transaction

▪Intellectual property law

▪Consumer protection Law



---

# E-commerce is booming in the domestic market ...

Many online companies are registered in Rwanda,

# E-commerce is booming in the domestic market

They mostly deal in :

| Motorvehicles | Clothes | Electronics | Food |

| Electricity | E-tickets | **Mobile Payment** is the most attactive method of payment |

---

# E-Commerce Cross border trade

| IMPORT | EXPORT |
|---|---|
| ❖Online ordering go through Alibaba and Ali Express | ❖ E-commerce is a key enabler to boost SMEs capacity to export. |
| ❖Major e-commerce partners: China and Dubai | ❖Large enterprise embraced e-commerce for export. |
| ❖**The method of payment is the credit cards, visa cards,…..** | ❖E-commerce is promoting made in Rwanda products |

# Imports

Alibaba.com

AliExpress

SOFTWARES

E-TICKETS

# Importing a car through E-Commerce

**TRADITIONAL METHOD**

**E-COMMERCE**

# BENEFITS

❖Faster and cheaper and more convenient than the traditional method

❖It helps businesses go global

❖Full of choices, there is no geographical limitation

❖Reduced shipping delays

❖Better deals offered

# CHALLENGES- 1. Lack of information

UNCTAD ASSISTED RWANDA TO DEVELOPED A TRADE PORTAL:

❖Access to all trade related information,

❖All requirements,

❖Laws and regulations,

❖A step by step guide.
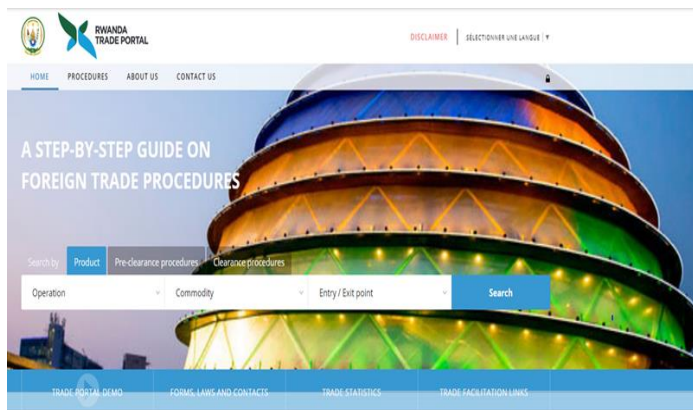
# CHALLENGES – Customs Clearance

1. Tax component is ignored. People are attracted by the low prices but they don't compute taxes, this is mainly due to lack of information.

2. The de **minimis** is below **10USD**, parcels with a value above **1.5USD** still have to go through the customs procedures and this is a barrier to e-commerce.

# CHALLENGES – Customs Clearance

3. **LESS CONTROL** ⟶ **HIGH RISKS OF SMUGGLING PROHIBITED GOODS/RESTRICTED GOODS**



4. **E-commerce a new concept to customs officers** which can cause delays in clearing trying to determine the value and the origin.

# CHALLENGES – Transport and logistics

Supply chain logistics are still challenging:

❖ Postal services are still not trackable, not efficient enough

to support the E-Commerce

❖ Express courier are too expensive and still taking to much time

❖ Transports costs are still high, not widely available and still relying on consolidated shipping
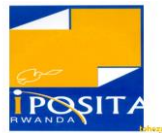
# CHALLENGES; operationalization

❖ Bank transfers or charges are still a big challenge

❖ There is no  local trusted infrastructure  that enables online payments processing system,  most of the online payments  still rely on global systems like Pay Pal

❖ Lack of trust, online payment is still a new concept

❖ Online fraud risks

❖ Cyber crime and hacking the system is a major concern

## CONCLUSION

**E-commerce** **benefits outweigh the challenges**

**THANK YOU**