

**Talking points for the Minister of Finance and Economic Planning
on the launching of the African Economic Outlook Report 2008/09
on 28th July 2009 at Serena Hotel**

Mr. Diko Mukete,

Your Excellency, David Macrae,

Distinguished Participants,

1. It is a pleasure and honor for me to officiate today the launch of the "African Economic Outlook 2008/09 Report". The specific topic of this year is of particular relevance to Rwanda as ICT Development is at the heart of our socio-economic agenda as spelt out in the EDPRS and our Vision 2020.
2. The African Development Bank's Annual Report is an important publication because it provides analysis of economic, social and political developments on the continent and places it in the global context. The Report also provides interesting insights on challenges one can anticipate as well as a detailed account of the outlook of the continent vis-à-vis the global economy.
3. In these times of economic downturn, this type of an in-depth analysis is extremely valuable as it provides additional information which feeds into our economic policy making process. I note with interest that this Report shows how Africa will be significantly affected by the Global Financial and Economic Crisis with growth prospects dropping from an average of 5.7% in 2008 to only 2.8% in 2009.
4. I appreciate the efforts made by the AfDB team to correctly represent the achievements of 2008 and the challenges that Rwanda will face in the medium term.
5. While our official figures may differ from those in the Report released today, we are in agreement with the general backward and forward looking assessments made for Rwanda in the Report. Most of the figures highlighted in the report were based on projections and the actual figures to date are different. For instance:

- a. The real GDP growth for 2008 is 11.2% and the report shows 8.5%;
 - b. Under Public Finance, the total revenue and grants as a percentage of GDP for 2008 is 28% and the report shows 26.9%;
 - c. The overall fiscal balance for the year 2008 is 1.3% while the report shows -0.3%;
 - d. The infant mortality rate per 1000 for the year 2008 is 62 while the report shows 98.9;
 - e. The mortality rate under age 5 per 1000 for the year 2008 is 103 and the report shows 153;
6. Some of these numbers could have been corrected before the finalization of this report if we had effective consultations between the people writing the report and the Government of Rwanda. We hope this will be improved in the forthcoming annual reports.
 7. Rwanda will be affected in the same way as most non-oil producer countries. Our balance of payment will suffer from the decline of international prices of commodities which affect directly our export receipts. In addition, expected reduction of tourism receipts and Foreign Direct Investment will further erode our foreign exchange receipts.
 8. On the positive side, the lower prices of imports are expected to narrow slightly our trade deficit and have a significant impact on our inflation. Indeed, partly due to lowered international prices, our inflation rate has reduced dramatically from 22% in December 2008 to 10% last month. We are confident that it will reach single digit by end of this month.
 9. This Report rightly highlights the many existing uncertainties surrounding the extent and severity of the current recession in OECD countries and slowdown of major emerging economies. These will have major implications for recovery of growth, trade, aid and investment in African countries.

Ladies and Gentlemen,

10. I cannot end without extending special thanks to the African Development Bank for organizing this event which will serve as a platform to discuss key economic issues with stakeholders.

11. I would also like to thank the European Commission and all the partners of AfDB who provided support to this important African publication.

12. I look forward to your fruitful discussions and I declare the African Economic Outlook 2008/09 officially launched.