

Why my startup scene is better than yours: Rwanda

 By [Tom Jackson](#)

13 Apr 2018

It is heady days for the African tech startup space, but which ecosystem has the most going for it?



Photo by Emilio Garcia on Unsplash

Disrupt Africa has been chatting with stakeholders from [various African tech ecosystems](#) to find out what it is that makes them such a good place to either launch or invest in a startup.

We've heard from ecosystem players in [South Africa](#), [Kenya](#), [Nigeria](#), [Egypt](#), [\[https://www.bizcommunity.com/Article/83/708/175043.html\]](https://www.bizcommunity.com/Article/83/708/175043.html) [Ghana](#), [Tanzania](#) and [Senegal](#), and now it is time for stakeholders in the Rwandan tech space to make their case.

Barrett Nash, CEO of SafeMotos

"Rwanda is the best place to launch an innovative technology startup on the continent of Africa. While it is a small market with limited growth opportunities, what it allows is laboratory-like test conditions that offer the lowest friction environment for iterating a business and finding product-market fit.

"Things like ICT entrepreneur visas, registering a business in 15 minutes, a Minister of ICT who likes to crack jokes on WhatsApp and goes out of his way to help, free government-sponsored workspace, high ease of doing business, high quality of life, high level of security, low level of corruption and an open-minded population make Rwanda a unique place. It is the test kitchen for the rest of the region."

Henri Nyakarundi, CEO of ARED

"What is good in the Rwanda ecosystem, first of all, is the business registration process, which takes no more than six hours and is free. Also, the lack of corruption and the digitisation of licensing, customs and most government services has enabled a quick process and minimum hassle for entrepreneurs. Finally, the size of the Rwandan market makes it perfect for doing pilot projects in the country."

Louis-Antoine Muhire, CEO of Mergims

“Though the Rwanda startup ecosystem is pretty new compared to the giants of Africa like Kenya and Nigeria, the players are enjoying a very supportive regulatory environment. For instance, the Rwanda Utilities Regulatory Authority (RURA), which is overlooking many disrupting technologies such as payment gateways and transport initiatives, has developed a sandbox in which startups can launch their initiatives and get regulated later, up to a year after launching in public.



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“The Central Bank Of Rwanda has put in place a task force that interacts regularly with fintech startups and mature companies in that area to ensure its regulations aren’t killing innovation and also that players understand their responsibilities in adding real value in the market.”

Thibault Mutabazi, co-founder of Yapili

“Rwanda’s startup ecosystem hasn’t grown much if you compare it to Kenya’s, but I have my reasons to believe that it will outgrow Kenya and be the next big thing in the region. We have an advantage over other countries because the government has put significant effort into boosting the entrepreneurial spirit among youths through different mentoring programmes, innovation hubs and startups incubators, and also by facilitating investors to come to Rwanda.



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“Also the fact that the country is small in size enables entrepreneurs to meet and discuss different aspects of their businesses and share experiences, as most local entrepreneurs go through similar challenges.

“Another advantage we have over other African countries is that 40% of the Rwandan population is between 14 and 35 years old, and that makes me believe that in the near future we will be seeing many disruptive startups coming from this side of the continent as the government is moving from agriculture to a knowledge-based economy with a focus on IT.”

Amanda Arch, co-founder of Kasha

“For Kasha, Rwanda has been an ideal launchpad to the East African market and place for us to build, test and iterate on our product offering. Rwanda is consistently rated as one of the top countries in emerging markets for internet access, mobile penetration, and overall tech literacy.

“The country is deeply committed to developing its entrepreneurial and innovation ecosystem and [was recently awarded US\\$30 million in funding to support the establishment of the Rwanda Innovation Fund](#). There is an established community to support early-stage tech startups with talent, for example Carnegie Mellon-Rwanda’s computer science programme, thought partnership, via incubators like [KLab](#) and co-working spaces like [The Office](#), and funding opportunities, such as pitch competitions like Face the Gorillas (Africa’s “Shark Tank”) or Seedstars Summit – which [Kasha won for Rwanda in 2016](#).

Jaurès Habineza, CEO of Made In Rwanda Online

“After the genocide, our country has embraced a new model of economic development. With forward-thinking policies and one of the highest ease of doing business scores on the continent, our country has made it incredibly easy and attractive to start and grow a business. It is positioning itself as a test bed and laboratory for African startups, where one can test a

business in a small but stable and business-friendly African market and expand it from there once it's validated.



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With a desire to become a regional hub for ICT innovation, through national policies aimed at transforming the country into a knowledge-based economy, the government of Rwanda has undertaken efforts, such as to build skills, increase ICT use, promote startups, build a global network of powerful friends to lure private investment, and market the brand of Rwanda. The one challenge that it is still facing is the lack of funds to support startups.

In all types of industries, enterprises are facing challenges for startup or scale-up. For SMEs policy documents, the high cost of doing business, compliance to regulatory framework, difficulty in accessing financial services by being considered as not profitable and therefore not payable, lack of required entrepreneurship skills and access to infrastructures and other resources are among the burden for SMEs to start up or scale up a business. The industrial policy document highlights the access to infrastructures and raw materials as the most challenging to manufacturing enterprises.”

ABOUT TOM JACKSON

Co-founder @DisruptAfrica. Tech and business journalist in Africa. Passionate about the vibrant tech startups scene in Africa, Tom can usually be found sniffing out the continent's most exciting new companies and entrepreneurs, funding rounds and any other developments within the growing ecosystem.

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