



Rwandan Mountain Tea



RMT is a Rwandan limited company with head office in Kigali. It was established on 5 December 2005 and operates in the production, processing, packaging, marketing and export of tea produced in Rwanda.

BIO has granted a loan facility to finance the rehabilitation of two existing tea units (Rubaya & Nyabihu) principally to improve the quality of the processed tea and to increase production. The main objective is to double the production capacity (to 4,300 ton/year), to renew part of the factory equipment that urgently needs to be replaced and to start new tea planting. The two tea units are situated at the north western part of Rwanda.

Since 2000, tea is Rwanda's first export product. The sector employs an estimated 60,000 people and has 12,000 ha under cultivation. RMT is accountable for around 18% of the national production and employs about 3,600 tea pluckers. It principally exports its black tea through the international tea auction centre in Mombasa (Kenya).

As part of its tea privatisation programme, the Government of Rwanda decided to sell the Rubaya & Nyabihu tea factories to RMT in 2006. These tea units have been created in the seventies. Despite commendable performances their production and quality was below the Rwandese private tea factories. The Government's decision to sell was based on raising more financial resources from the buyers to boost production and the quality of tea, as it realised that the Rwandan tea factories could only survive strong international competition if the tea units were better equipped, better managed, more efficient and if more value was added during the production process.

BIO's investment will be used to finance factory equipment as well as tea planting, for the Nyabihu tea unit. The rehabilitation of the Rubaya tea unit is sponsored by the Rwandan Development Bank.

BIO also provided technical assistance to finance two tea experts contracted by RMT to supervise and rehabilitate the two tea units. These two managers of Sri Lankan nationality bring along a strong experience in managing tea factories. The rehabilitation process of the two tea units lead to the increase of black tea production and a higher quality of tea.

Impact on local development

The project maintains 5,000 jobs in a structurally weak region, as the two tea units are a very important income generator for the local people (about 5,000, including tea pluckers). Women represent more than 45 % of the manpower. Moreover, although there are peaks in tea harvesting, the tea plantations offer employment that is much less seasonal than many other agricultural crops



Investment amount (€):

USD 1 million

Tea

Contract signature :

2008

Nature of intervention :

Debt

Development impacts :

- 1 — Creation and maintenance of jobs in a structurally weak region
- 2 — Promotion of gender equality

Photos :



Environmental concerns are also met. The heat for drying tea comes from boilers, fired by firewood. The harvested wood is replaced by new wood; on the tea units own wood land.

Finally, this project will lead to substantial net currency effects for Rwanda, as sales are in US \$.

Read more on Rwanda Mountain Tea on their website:

www.rwandamountainte.com

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