

Colloquium presentation on the title “Foreign Direct Investment and Development: A Case Study of Rwanda”

UNIVERSITY OF NAIROBI

SCHOOL OF LAW

There will be Colloquium presentation on the title “*Foreign Direct Investment and Development: A Case Study of Rwanda*”

BY: MUNYAMAHORO RENÉ – PhD Candidate

DATE: Thursday 17 September, 2015

TIME: 12.00 noon

VENUE: School of Law Boardroom

All are welcome.

Prof. Edwin Abuya

Chair

Postgraduate Studies Committee

FOREIGN DIRECT INVESTMENT AND DEVELOPMENT: *A case study of Rwanda*

BY MUNYAMAHORO René

The link between FDI and development appears to be the cornerstone of the attraction of foreign investors. When countries attract foreign investors, they bear in their minds that foreign investment can boost their economy. The view from various authors is that FDI contributes to management, capital, technological capacities and expertise. It also facilitates the integration of local industries into the global production and distribution network. It also permits the rapid upgrading of technology, highest quality control and greater penetration into external markets. It also leads to better human resource training and facilitates the transfer of skills and management capacity between enterprises.

Many developing countries have been involved in solicitation of foreign investment by offering tax and non tax incentives. Through tax policies, countries have provided tax holidays, import duty exemptions and subsidies to foreign firms, as well as measures like market preferences, infrastructures and sometimes even monopoly rights, free trade zones, etc

Rwanda like other countries believes that foreign direct investment can contribute enormously to the expansion of its economy. In doing so, it has granted also some incentives to investors who may intend to invest in Rwanda.

In this research we have analysed the extent to which the country has boosted its economy using foreign investment. In doing so, we have critically analysed various parameters which may legally help to assess these goals. Parameters we have analysed include the role it plays on balance of payment through export promotion, the technology transfer through joint venture or compulsory licensing, and the implementation of the corporate social responsibility by Multinational corporations.

The research has come up with a conclusion that Rwanda does not earn much in Foreign Direct Investment because there is no clear policy and regulatory framework which may help to achieve this goal. Multinational corporations benefit from this loophole and maximise their profits to the detriment of rights of the host country. This is why we have proposed the putting into place a clear system which contains principles which may help to boost the economy of the country.