



PROFILE OF RUBAVU CEMENT FACTORY

EXECUTIVE SUMMARY

❖ Rubavu Cement Factory Limited is

legally and dully registered in the
Republic of Rwanda.

❖ It was founded in March 24th, 2016. It
is private company limited by shares.

❖ Its main business activity is
Manufacture of cement, lime, plaster
and concrete.

❖ Rubavu Cement Factory is the newest entrant into the Rwandan and East Africa
cement market with a production capacity of around of 6,000 tons of cement per
day or 2,000,000 tons of cement per year and with an overall investment of
360,162,000 USD including a loan of 300,000,000 USD.

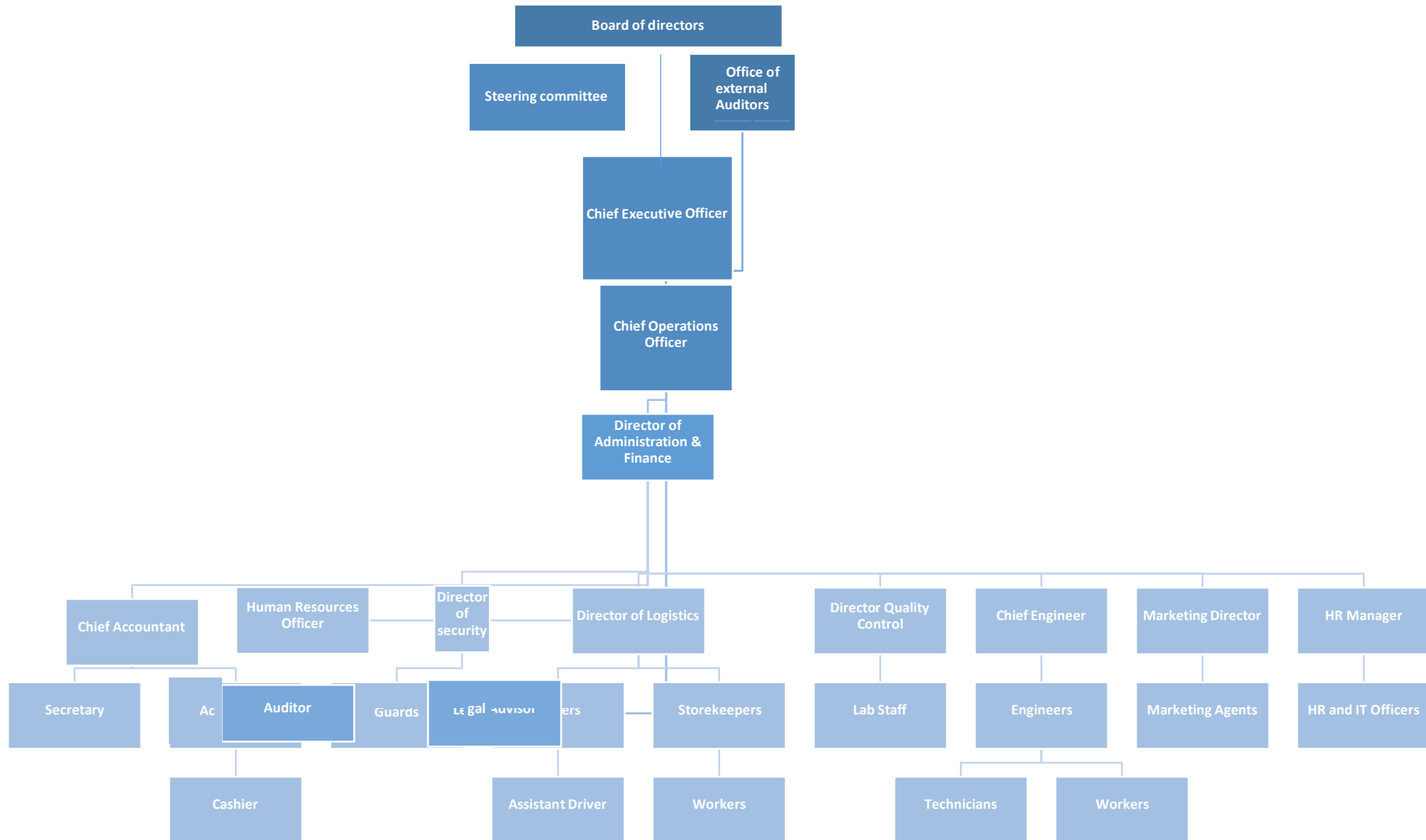
❖ This provides a huge opportunity for this kind of investment that we are
venturing into.



RUBAVU CEMENT BUILDINGS



RCF STRUCTURE





Emmanuel MBITEZIMANA
CEO and Chairman
RUBAVU CEMENT FACTORY

Engineering degree and many courses in Project Management with 20 years of experience as Consultant in Project Management, Cement business, Business Development, Mining, Agribusiness, Market analysis, Capacity Building, Monitoring and Evaluation, etc.

Consultant with main activities in Project design, Monitoring and Evaluation, Rural Development, Agricultural engineering, Horticulture, Environment, Mining, constructions, Agribusiness, Business Plans and Strategic Plan, Impact Assessment of projects/Programs,...

Realized or supervised many studies, researches and projects for conducting surveys, marketing studies, Agricultural export, horticulture, treatment and analysis, etc.

Developed many Business Plans (over 1500) for Companies, Cooperatives, NGO and associations what received the loans from banks and grants from donors, especially in agriculture, rural development, Environment, Healthcare,...

Worked closely with MINAGRI, Private Sector Federation, Rwanda Organization of Professional Consultants, Business Development Funds, BANKS and other institutions.

Have high experience of working with the Projects financed by international institutions such as World Bank, UN/FAO, USADF, USAID, AGRA, ACCORD International, World Vision, Red Cross, BTC (Belgium Technical Cooperation),...



NKUSI MUKUBU Gérard
Chief Operations Officer
RUBAVU CEMENT FACTORY

22 Years of Professional experience in both Public and Private Sector, Executive level management of 11 years in Private Sector Federation of Rwanda and in Public Sector essentially in tax Administration _Rwanda Revenue Authority; Extensive working in a multi- cultural environment with domestic, regional and International Partners and Stakeholders.

Highly result oriented, conceptual and analytical skills with knowledge of English and French both oral and writing; with enough knowledge of the Central Corridor Region, the Northern Corridor and the West and Central African Countries;

Successfully completed the advanced leadership course called Achieving Management Potential Program held in Lincoln and London/ UK; the Course is provided by Her Majesty Revenue & Customs for the Commonwealth Association of Tax Administrators.

The Achieving Management Potential program is designed to provide participants with personal development and learning opportunities that will enable them to extend their knowledge, skills and confidence in management and leadership as well as working with others to bring about organization, cultural and technical changes and developments.

BUSINESS STRATEGY

MISSION STATEMENT

Manufacture and market cement, making it available across the country, the DRC, Central Africa and East Africa by committing to maintain and enhance the excellence of our products and our customer service.

VISION STATEMENT

To be at the service of sustainable construction to ensure a better and sustainable future for all by offering innovative and competitive solutions, and seize opportunities to meet the demand of the country, in the DRC, Central Africa and East Africa

VALUES

- + Innovation**
- + Integrity**
- + Commitment**
- + Professionalism**
- + Teamwork**
- + Leadership**
- + Customer Focus**



BUSINESS STRATEGY...

OVERALL OBJECTIVES

The main objective of this project is to establish a better cement plant in Rwanda that will cover the market deficit in Rwanda, the DRC and throughout the East and Central Africa region.

SPECIFIC OBJECTIVES

- ❖ **To realize shareholder's value and meet its financial obligations to lenders in a timely and consistent manner**
- ❖ **To create employment for over 5,400 people with varied skill sets**
- ❖ **Operate on profitability levels**
- ❖ **Be financially self-sustained with internally generated funds and no external long term loans**
- ❖ **Positive cash flows to the company**
- ❖ **Increased taxes to the country**
- ❖ **Contribute to the Rating decrease of imports into the country**
- ❖ **Socio-economic benefits as a result of the massive investment**
- ❖ **Improve the welfare of the population & Reserves Forces and other social groups**
- ❖ **Positive contribution to Rwanda's vision 2050, EPDRS 2 & MADE IN RWANDA programs.**



BUSINESS STRATEGY...



OPPORTUNITIES

- ❖ **Commercial real estate projects that are coming up with the Government of Rwanda providing incentives to local and foreign investors venturing into construction**

- ❖ **Residential projects are planned and under construction throughout the country and abroad especially in Burundi and eastern Democratic Republic of Congo roads, and other East and Central Africa states**

- ❖ **Development and expansion of infrastructure Rwanda and the region opens up market for local cement**

- ❖ **The quality of our cement 32.5 N and 42.5 N variety is highly in demand will be an added advantage for many customers**

- ❖ **The project site is where the existing cement factories in Rwanda take raw materials and other cement plants are located far away from this site**



LOCATION MOTIVATION

- ❖ **Project site is located in Rubavu District, in Western Province.**
- ❖ **Presence of Pozzolana in the Rubavu District that is of good chemical quality for the production of cement.**
- ❖ **Raw materials are in districts close to the plant**
- ❖ **Accessible area**
- ❖ **Ease of availability of utilities such as water and electricity**
- ❖ **Ease of access to customers in Rwanda, Democratic Republic of Congo and Uganda**

GOALS OF ENVIRONMENTAL IMPACT ASSESSMENT

- ❖ **Identify and disclose environmental impacts of project prior to project being started.**
- ❖ **Inform permitting process of the project to minimize environmental impacts.**
- ❖ **Ensure modern, precautionary controls are incorporated into design of new cement projects and ensure self-assessment by company.**
- ❖ **To develop sustainable environmental practices in industrial projects**

RESULTS OF EIA

- ❖ **However, the soil quality of the region will remain unchanged**
- ❖ **Air emissions from the plant will be highly controlled and the installation of advanced pollution control equipment**
- ❖ **The cement and mining project will not affect the hydrology of the region**
- ❖ **Mitigation measures will reduce the overall ecological impact and improve long-term vegetation cover for the diversity of the Wildlife area**

RESULTS OF EIA

- ❖ **Environmental controls and audits will be conducted during and after the construction, development and operational phases to ensure this environmental management**
- ❖ **Rubavu Cement Factory Ltd will therefore set up an environmental management unit within the plant to oversee the environmental management of its operations**
- ❖ **The Environmental Management Unit will have a strong social framework to deal with social development plans in the surrounding area**
- ❖ **A complaints unit will also be set up to settle complaints / grievances from local communities**

MAIN OBJECTIVES OF SOCIOECONOMIC IMPACT

- ❖ **Promote income-generating activity for women**
- ❖ **Support the employability of young people through appropriate training and technical and financial support**
- ❖ **Contribute to the development and structuring of solidarity economic activity frameworks (associations, cooperatives).**

INVESTMENT IN THE COMMUNITY

- ❖ **Rubavu Cement Factory seeks to contribute to the improvement of the places where it is present by creating economic, cultural and social values**
- ❖ **Allocate significant resources for the community to support education, culture and social activities (\$ 50,000 per year)**
- ❖ **Seek to protect historical and cultural heritage while rehabilitating pre-existing environmental damage (\$ 10,000 per year)**
- ❖ **Generate significant tax revenues for the country (more than \$ 400,000,000 for first 10 years)**

INVESTMENT IN THE COMMUNITY

- ❖ **Annual contribution to the mutual health payment for 10,000 poor inhabitants of Rubavu District.**
- ❖ **Create about more than 1500 jobs during the construction phase estimated at 1 year.**
- ❖ **The plant will create approximately more than 3400 long-term jobs**
- ❖ **Recruitment of the local workforce will provide a source of income through direct, indirect and induced jobs that will boost local economic activity**
- ❖ **The operation of the plant will promote, through the income of workers, an activation of the local economy**
- ❖ **Support small trades (electricity, plumbing, boiler-making, etc.)**

INVESTMENT IN THE COMMUNITY

- ❖ **The jobs created through plant and mine operations and related services, as well as improvements to infrastructure and facilities in the area, will be the main socioeconomic benefits for the project community.**
- ❖ **The acquisition of land in the area of the plant and mines, the construction of access roads and the resettlement of people living in these areas is the main negative effects of the project. However, the implementation of the resettlement plan will mitigate these effects in terms of compensation and improved livelihoods of affected families.**

INVESTMENT IN THE COMMUNITY

Rwanda is a country in Africa that is developing at a high speed in the construction of houses, big houses, roads, etc.. That's why the cement market is so big because the only cement plant in Rwanda, CIMERWA, is not able to cover all the demand. The largest quantity of cement comes from outside the country.

Commercial real estate projects that are coming up with the Government of Rwanda providing incentives to local and foreign investors venturing into construction.

Residential projects are planned and under construction throughout the country and abroad especially in Burundi and eastern Democratic Republic of Congo roads, and other East and Central Africa states.

Development and expansion of infrastructure Rwanda and the region opens up market for local cement.



MARKET ANALYSIS – IMPORTANT CITIES TARGETED

Apart from the city of Kigali, we also target the six secondary cities of Rwanda which are developing at a great speed:

Rubavu

Musanze

Nyagatare

Huye

Rusizi

Muhanga



NYARUGENGE – NYABUGOGO MASTER PLAN

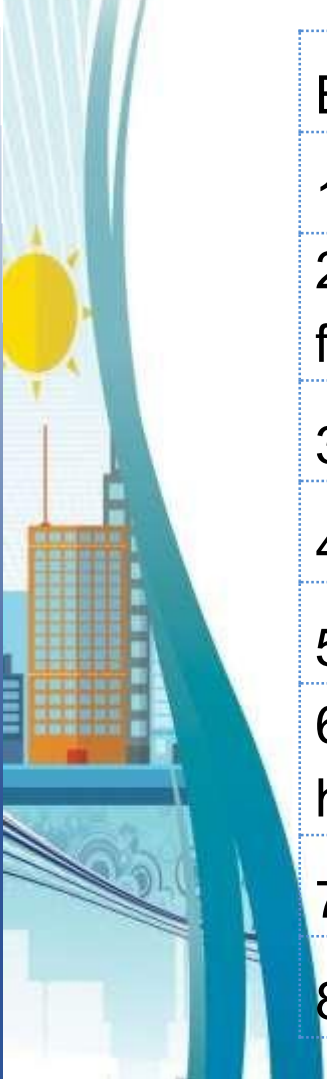


FEASIBILITY

Buildings for Rubavu Cement Factory

Buildings of the Rubavu Cement Factory:

- 1) Building of 4 units of cement plants
- 2) Building of Administration Block (Offices and Conference facilities)
- 3) Buildings of the chemistry and physics laboratories
- 4) Building of the Health Centre
- 5) Construction of the canteen and restaurant
- 6) Construction of 12 lodges with 2 VIP houses and large housing for 200 night workers.
- 7) Parking, gardens and closing
- 8) Building of an onsite Warehouse



Availability of Raw Materials

Raw materials for our Portland cement are available in big quantities near the Factory site, especially for Pozzolana which can be used for more than 1000 years:

- 1 - **Pozzolana** (Laves, Amakoro): from Rubavu District, between 1km and 5km to the factory (Pozzolana is big component of our cement).
- 2 - **Clinker** (Second component of Cement): prepared using:
 - * **Limestones** (Travertins, Ishwagara).
 - * **Quartzites** .
 - * **Clay** (Argile, Ibumba).
 - * **Coal** (Charbon, Amakara) : for combustion of clinker and it is from Tanzania, DRC, Angola, Malawi, and Mozambique.
- 3 – **Gypsum** (small component of Cement, 3%) from Kenya, Tanzania.



PRODUCT

PORTLAND POZZOLANA CEMENT - PPC

The project will produce Portland Pozzolana Cement (PPC). Portland Pozzolana Cement also commonly known as PPC cement. These types of cement are manufactured by using pozzolanic materials as one of the main ingredient. The percentage of pozzolanic material used in the preparation should be between 5 to 51%.

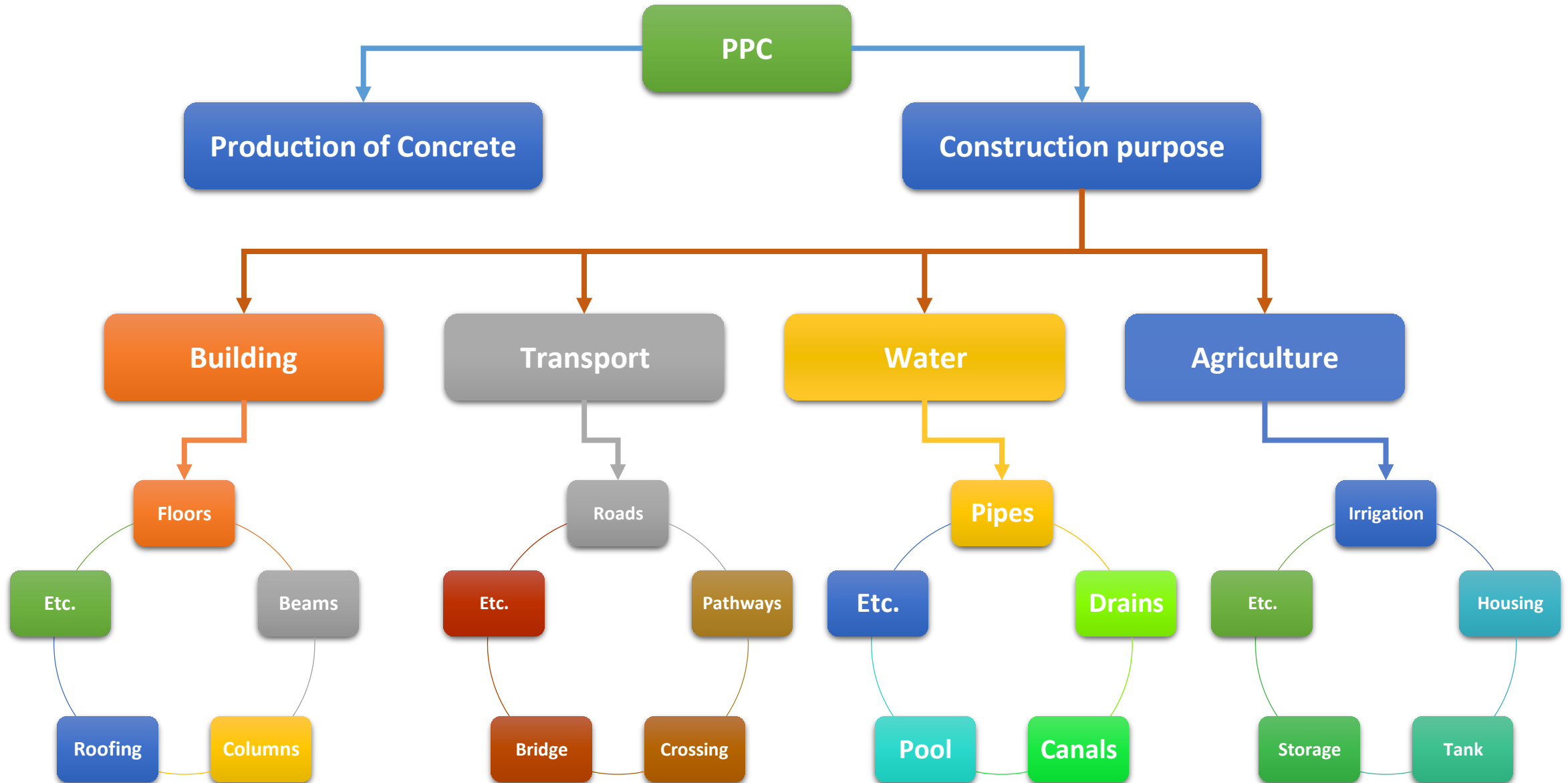
Advantages:



- ❖ Higher durability of concrete structure due to less permeability of water.
- ❖ More resistance towards the attack of alkalies, sulphates, chlorides, chemicals.
- ❖ Better work ability.
- ❖ Low heat of hydration.
- ❖ Due to high fineness, PPC has better cohesion with aggregates and makes more dense concreteness.
- ❖ Comparative lower Water-Cement ratio provides an added advantage for the further increase of compressive strength of the concrete.
- ❖ Better surface finish.



USE OF OUR CEMENT



DISTRIBUTION

STRATEGIES



Maintaining a high quality at competitive prices

Deliveries in time

The product that must be delivered will conform to customer demand

Packaging suitable for long distance transport

Quick answers to any method of communication

After sales service

Segmentation and niche markets

Geographic market segmentation



DISTRIBUTION CHANNELS

- ❖ **Distribute the products is to bring them to the right place, in sufficient quantity, with the choice required, at the right moment, and with the services necessary for their sale, for their consumption**
- ❖ **Use a long channel that is a distribution channel comprising at least two intermediaries (wholesaler + retailer)**
- ❖ **The project will create outlets in all the Districts of Rwanda**

FINANCE

- ❖ **Project cost is USD 360,162,000 with the promoter's contribution standing at USD 60,162,000 (17%).**
- ❖ **Amount being sought as a loan is USD 300,000,000 (83%).**
- ❖ **Loan repayment period is 10 years, with interest rate of 2% per year.**
- ❖ **Net Income within 10 years USD 995,974,562**
- ❖ **Repayment per month is USD 2,760,404.**
- ❖ **Return on investment: 4 years and 7 Months.**
- ❖ **Turnover for the first year is USD 388,800,000.**
- ❖ **Added value for the first year of production is USD 130,241,040**

INVESTMENT



USD 244 275 000

- Fixed Assets (mills, buildings, machinery, vehicles, Equipment, office material,...)



USD 50 844 000

- Working Capital



USD 61 393 000
**Land and Concessions
of Raw Material**



USD 3 650 000

- Start-up Costs



USD 360 162 000

- Total Investment Cost

WORK PLAN OF KEY ACTIVITIES

Four (4) quarters (Q) of the construction period and 4 quarters of Year 1 of production

ACTIVITIES	RESPONSIBLE	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
Construction of the cement plant	Shareholders + Investor								
Purchase of cement factory equipment	Shareholders + Investor								
Recruitment of staff	Shareholders + Consulting firm								
Purchase of raw materials	Shareholders								
Production, sale and distribution of cement	Cement workers and the promoter								
Marketing activities	Cement workers and the promoter								
Do the Project Accounting	Shareholders assisted by external audit team								
Report of activities	Shareholders								
Coordination, Monitoring and Evaluation of activities	Shareholder and Consulting firm								

Table : Work plan of Key Activities

THANK YOU