

**Speech by Hon. Minister of Finance and Economic Planning  
at the Closing Ceremony of the FANAF Summit  
23<sup>rd</sup> February 2012 - Kigali Serena Hotel.**

**The President of the Federation of African Insurance Companies  
(FANAF);**

**Chairman of the ASSAR**

**Your Excellencies,**

**Government Officials here present**

**Distinguished members of the FANAF and ASSAR,**

**Ladies and Gentlemen;**

- It is with a great pleasure and honor for me to be here, this evening, to officially close this important forum of the African Insurance Companies General Assembly. I hope you took time off your busy schedule to visit to different parts of Kigali and enjoyed the Rwandan hospitality.
- The resolutions we have just approved are a testimony of a job well done during your four days meeting. I congratulate you for that.
- As we all know, the insurance industry plays a critical role in social and economic transformations of nations or societies.

- As we strive to attract investment, both foreign and domestic to our continent, we will need a fully developed Insurance industry to support those investments. It is indeed common knowledge that capital is the biggest coward of all times. A country will therefore need strong insurance shields to protect and give comfort to this coward.
- Today we all sing that “it’s time for Africa”, Africa the new frontier for investment and such other similar slogans. While this is true, we still lack many fundamentals necessary to create an enabling environment for investors. Definitely insurance is one these fundamentals. The negative perception attached to Africa increases the perceived investment risk and thus makes it even more critical to provide insurance covers to the said political and other forms of risks.
- Unfortunately Insurance penetration on our continent continues to remain very low at just 0.82% (year 2011) and drops to 0.3% if one excludes South Africa. Therefore, much needs to be done to expedite the growth of this industry. However, while this is a concern, it can be an opportunity as well. A big investment opportunity in itself.
- Despite these worries, it is important to note that, the level of foreign direct investment has increased from USD 9.8 billion in 2000 to USD 60 billion in 2011 indicating confidence in our economies.

- In Rwanda, today, our current insurance penetration has increased from 1.6% in 2009 to 2.3% today. However, this remains a challenge that the Government of Rwanda is committed to alter by achieving a penetration rate comparable to middle income countries of approximately 10%.

### **Distinguished Ladies and Gentlemen,**

- As a whole, a significant challenge for our continent remains the awareness of insurance products and their benefits so that a wider proportion of our population can benefit.
- Cost, additionally, remains a major hurdle to the access of insurance coverage. Finding cost effective solutions to widen our insurance base will be critical if we are to full appreciate the insurance opportunities available on our continent.
- Advancements in ICT technology, as well as increased access to them, will provide Governments with the ability of not only increasing awareness but gaining insight of the industry as a whole.

- Progress in our local insurance sector remains promising as Rwanda's continued growth creates demand for protection on investments. Individuals and firms are, today, benefiting with insurance policies as a tool to boost their investments in various fields of business that initially appeared risky.

This means that many of our people are investing without apprehension of losing their capital. This is indeed a motivation factor for our continued economic growth.

### **Distinguished Ladies and Gentlemen,**

- The Government of Rwanda is committed to providing an enabling business environment that will ensure this country remains an increasingly attractive destination for investors by ensuring the financial security of our people as well as of their property.
- Before concluding my remarks, I would like to thank the organizers of this forum; the Rwandan Association of Insurers (ASSAR) and the Federation of African Insurance Companies (FANAF) for having chosen Kigali as the venue for this 36<sup>th</sup> forum.
- I wish you all a safe journey to your various destinations.
- **I thank you all for your kind attention.**