Inflation just won’t let up in Rwanda, and the central bank is responding the only way it knows how.

The National Bank of Rwanda (BNR) raised its benchmark Central Bank Rate by 50 basis points to 8.75% on Thursday. That brings the cumulative increase to 175 basis points since the tightening cycle began in November 2025, and it’s not over yet.

The Monetary Policy Committee made the call after meeting on August 26, pointing to elevated inflation and a riskier outlook ahead. Headline inflation climbed from 9.1% in the first quarter of 2026 to 13.2% in the second, and then jumped again to 14.5% in July. That’s more than six percentage points above the top of the bank’s 2%–8% target range.

Core inflation hit 12.3% in the second quarter. Fresh food rose 7.3%. Energy was the real outlier, though, surging 45.7% on the back of pricier fuel and cooking gas. And the bank isn’t ruling out more trouble ahead, it flagged the El Niño weather pattern as a threat to food prices, along with ongoing tensions in the Middle East that could keep global commodity costs elevated for longer than anyone would like.

BNR now expects inflation to average 13.1% for 2026, a touch better than its earlier call of 13.9%, before easing to 7.9% in 2027 and finally settling back within target range in the second half of that year.

Real GDP grew 10% year-on-year in the first quarter of 2026, with growth spread fairly evenly across sectors, and the Composite Index of Economic Activities was up 10.9% year-on-year in the second quarter. Rwanda, in other words, is tightening hard and still growing fast — not always an easy combination to pull off.

Exports actually had a strong quarter, up 51%, thanks to mineral sales and a 39.4% jump in non-traditional exports like processed cooking oil, cement and wheat flour. But imports outpaced them, rising 28% on demand for cooking oil, rice, construction materials, medical equipment and IT gear. Net result: the trade deficit widened 13.8% to $821.9 million, up from $722.3 million a year earlier.

Rwanda has now hiked rates more times in 2026 than any other central bank on the continent, all in an effort to keep double-digit inflation from becoming the new normal.

Analysts think the BNR will hold off on further increases for now, this marks its fifth hike since the tightening cycle kicked off late last year, and there’s a sense that the heavy lifting, for the moment, is done.