

In recent weeks, cement prices have increased due to the high cost of fuel, a development that is negatively affecting the construction sector.

Weeks ago, a bag of 42.5 grade premium quality cement cost Rwf 11,800 at hardware stores in Kigali. Currently, it costs between Rwf 12,500 (US\$10.09) to Rwf 13,000 (US\$10.49) , an increase of nearly 4%.

32.5 N-grade cement has increased from Rwf 12,000 (US\$9.69) to Rwf 12,500 (US\$10.09).

Twiga Cement company which cost Rwf 12,500, is now selling at Rwf 13,000. Cement manufactured by the Prime Cement company has also increased from Rwf 11,000 to Rwf 11,500.

Various wholesale and retailers have attributed the rise of recent to the increase in fuel prices.

The final cost of cement has been affected by fuel costs and some retailers are hoarding or rationing stocks so that they can hike prices to cash-in on the crisis.

Pacific Rugira, a small store owner in the Kayonza district notes that for weeks now, cement prices have risen, causing wholesalers and retailers to increase prices to maximize profits.

“We attribute the rise to the recent increase in prices of fuel, which is influencing the cost of cement especially at the retail level” Rugira said.

Today, there are four cement manufacturers in Rwanda that include; Cimerwa PLC in Bugarama Rusizi, Kigali Cement Company, Prime Cement Limited in Musanze, and Anjia Cement Limited located in Muhanga district.

In 2022 Rwanda’s cement demand was estimated at 0.95Mta with domestic supply estimated at 0.48Mta.

Emmanuel Gakwiye, a private construction engineer in Kigali is concerned that the persistent price increase is a major hindrance to the sector. Cement prices have increased since last year. It used to cost Rwf 10,500 but now it costs Rwf 12,000 to Rwf 13,000 from retailer to retailer.

Both the client and the contractors are concerned about this. As a contractor, I

quote prices based on their projected estimates. Unfortunately, the price changes so quickly that it affects the whole budget figures” he explains.

Gakwiye adds that the problem with this instability is that it forces contractors to complete projects at sums higher than the initial budget quotes.

For other contractors, the rise in cement can in most cases lead to a halt or even abandon the project in extreme circumstances.

Obedi Gatabazi, from Global Top Construction Ltd says the rise in cement prices is also deterring the construction business.

“Imagine, if you got a project that started last year, when cement was selling for Rwf 10,000 but this project runs for one and half years, it means you can’t make a profit from it because, as it is now, the increase in prices for cement at Rwf 13,000 and raw materials means you have to use the profits,” he says.

“The rise is also attributed to the dollars. In this sector, we import cement from Uganda, Kenya or Tanzania, which means the use of dollars” he notes, adding “ At times we’re forced to even abandon projects in extreme circumstances which clients don’t understand.”

Some of the private contractors and firms who have talked with Rwanda Dispatch point out that they’re now forced to be very careful with certain projects, especially those from the government.

Innociate Basaza from DK Contractors says that it is becoming worse to bid for big long term projects, because they’re hardly making a profit.

He thinks that construction work might be compromised if there is no intervention from the government.

“Several projects have been halted because clients can’t cope with rising prices for materials. It also means workers including unskilled and skilled workers are either temporarily laid off or left jobless,” he adds.

Jerome Mukuzi, a private flooring installer and tile setter says that he returned to Rwamagana, his home town because the project in Kigali was temporarily put on halt.

“The construction industry is facing a danger. Temporarily I am out of work. Every day I desperately have to call and ask the manager when work will resume. The project was put on halt due to price fluctuations of cement and raw materials.” he relates adding “ I am temporary out of work, if the situation continues I have to find alternatives to put food on the table”

The rise in raw materials like cement has prompted some clients to resort to other alternatives.

John Ruzibiza, a foreman says that some clients have turned to cheaper building materials like using interlocking bricks which don't require cement to build walls or pure mud bricks which require less cement for plastering the walls.

“Government should invite more cement producers and manufacturers into the country. Having many such companies would make prices affordable and people would build affordable houses,” he observes.