

Rwanda has spent nearly Rwf48 billion over the past four months to limit the impact of rising global fuel prices on consumers and businesses, Prime Minister Justin Nsengiyumva told Parliament on Thursday.

The subsidy kept diesel prices at Rwf2,927 per liter, below the estimated Rwf3,600 per liter motorists would have paid if domestic prices had fully reflected international market increases.

Nsengiyumva said the intervention was introduced between March and June after global crude oil prices rose sharply amid heightened tensions in the Middle East and disruptions affecting international shipping routes.

Between February and June, crude oil prices increased from about \$70 to more than \$126 per barrel. During the same period, international petrol prices rose by nearly 48%, while diesel prices increased by about 50%.

Rwanda, which imports nearly all of its petroleum products, maintained support for diesel because it is widely used by public transport operators, freight companies and agricultural machinery. The government said allowing diesel prices to rise without intervention would have increased transport costs and added pressure on inflation.

“There was adverse impact on international trade,” Nsengiyumva told lawmakers, referring to the effects of global disruptions on Rwanda’s economy.

The prime minister said the fuel subsidy was part of wider measures to strengthen energy security. Rwanda plans to increase petroleum storage capacity from 118 million liters to 230 million liters by 2029.

He also announced that Rwanda’s first jointly procured fuel shipment of 40,000 metric tons is expected to arrive at Tanzania’s Port of Tanga later this month through the Rwanda National Energy Company, which will purchase fuel directly from producing countries.

The government is also expanding electric public transport. Nsengiyumva said electric buses and dedicated bus lanes introduced in Kigali have increased public transport use by 15% over the past six months while reducing fuel consumption and emissions.

Despite global uncertainty, Rwanda’s economy grew by 10% in the first quarter of

2026, compared with 9.4% during the same period in 2025, according to figures presented by the prime minister. Industry grew by 13%, services by 7%, and agriculture and livestock by 8%.

Nsengiyumva said more than 240,000 jobs have been created since the beginning of 2025, while exports increased by 42% in the first quarter and the trade deficit narrowed by 13.8%.

The government is also increasing support for farmers affected by higher fertilizer costs. Fertilizer prices rose between 15% and 66% between February and June, and fertilizer subsidies are expected to increase to about Rwf64 billion in the 2026-27 fiscal year, up from about Rwf39 billion the previous year.

The prime minister said Rwanda's investments in energy, agriculture and infrastructure are intended to reduce the impact of future external shocks on the economy.