Rwanda’s economy grew 9.2 percent in the first quarter of 2023, down from 8.4 percent a year earlier, due to the rebound of the service sector.

This was as a severe drought hurt agricultural output, the statistics office said on Monday.

Like other countries in East Africa, Rwanda experienced poor harvest which has pushed up the price of basic commodities on the market.

Production of food crops decreased by 3 percent while exports increased by 25 percent.

Yusuf Murangwa, the Director General of the National Institute of Statistics said that the poor harvest in Season A was attributed to climate change.

Rwanda Institute of Statistics said agricultural activities grew by 1 percent and contributed 0.2 percentage points to overall GDP growth.

Industrial activities grew by 9 percent and contributed 1.7 percentage points to GDP growth.

Construction activities increased by 1 percent, Mining and quarrying increased by 15 percent, while manufacturing activities increased by 16 percent.

A 22 percent increase in food processing and a 26 percent increase in metal goods, machinery, and equipment contributed to the growth in manufacturing.

In the first quarter of 2023, total final consumption expenditure increased by 10 percent, with household final consumption increasing by 14 percent.

GDP figures also attribute growth to the 8 percent adjustment for taxes and subsidies on products. The service sector contributed 44 percent, agriculture 27 percent, and industry 22 percent respectively.

A week ago during the budget presentation, Finance minister Uzziel Ndagijimana noted that the Government will continue to prioritize fiscal consolidation, ease inflation and invest in agriculture, and scale up social protection coverage.

The Frw 5,030.1 billion budget proposal for 2023/2024 fiscal year represents Frw 265.3 billion or 6% increase compared to Frw 4,764.8 announced in the 2022/23

revised budget.