Rwanda senators have raised concerns over a reduction in funding for infrastructure development in industrial zones, warning it could slow industrial expansion, discourage investors and affect foreign exchange earnings.

The concerns were raised Wednesday during a plenary session of the Senate of Rwanda, which was reviewing its opinion on the draft national budget for the 2026/2027 fiscal year and the 2026/27–2028/29 medium-term expenditure framework.

The Senate's Economic and Finance Committee said the budget for industrial zone infrastructure had been cut by more than 1.7 billion Rwandan francs, dropping from 8.9 billion francs in the revised 2025/26 budget to 7.178 billion francs in 2026/27.

Senators said the reduction could undermine Rwanda's industrialization agenda and slow growth in exports, a key source of foreign currency.

The committee noted that several industrial zones still lack basic infrastructure, including roads, electricity, water supply and waste management systems. It added that even where infrastructure exists, it is not sufficient to meet demand.

Lawmakers also expressed concern over unstable electricity supply in some industrial parks, saying frequent power interruptions disrupt production and could damage machinery.

"There are cases where manufacturers say their machines could be damaged due to unstable electricity, or they are unable to operate at all when power is unavailable," the committee said.

Senators warned that delays in completing industrial infrastructure could weaken investor confidence and discourage the establishment of new factories.

They called for increased budget allocations to industrial zones to support productivity and boost exports.

The concerns come as Rwanda continues to pursue industrial development under its National Strategy for Transformation (NST2), which targets average industrial sector growth of 10.6% annually.

Lawmakers said strengthening industrial capacity remains key to reducing imports, increasing exports and improving the country's foreign exchange position.