

## **HOW RWANDA'S CHAGUWA MAKES ITS WAY INTO LOCAL MARKETS**

**Kayonza:** It is a busy Friday at the main outdoor market in Kayonza District in Rwanda's Eastern Province with shoppers weaving their way through make-shift wooden stalls in search of second-hand clothes, known locally as *chaguwa*.

*Chaguwa* is cheaper here because most items have been smuggled into the country under bags of fresh produce, charcoal or cement on trucks coming from nearby Uganda or Tanzania.

Technically, Rwanda banned the import of second-hand clothing in 2016 to protect its nascent garment industry, imposing hefty tariffs on used clothes from Europe, the United States and China. In practice, no one sticks to the rules.

The tariffs have driven prices of used clothes higher, which is why cheaper clothes are popular in Kayonza, where the road from the capital Kigali splits, one fork to Uganda, and the other to Tanzania.



"Come here, come here, get a nice T-shirt. It's cheap," a vendor shouts.

"How much?" a customer responds.

Gift Ndabaga is among the many shoppers rifling through the piles of imported T-shirts, jeans, skirts and dresses, most of them made in America and China. With two young daughters, *chaguwa* is the only way she can afford to dress them, said Ndabaga.

"Buying *chaguwa* is a necessity," said the 32-year-old single mother, who works as a janitor.

With a salary of less than Rwf 47,000 (US \$67) a month, Ndabaga said she needs to be careful with her spending. "I can negotiate and buy a skirt or dress for Rwf 3,000 (US\$ 2), a fraction of what a new one costs," she said.

She appears unaware that the clothing has been brought into the country illegally.

Much of the second-hand merchandise sold in Rwanda's markets - where most people shop - come from thrift stores in the West or recycling factories in China, off-

loaded at ports in neighbouring countries from where they make their way into Rwanda. While some used clothes are trucked to Rwanda through official customs channels, others are smuggled in to avoid taxes.

Hoping to build a vibrant local garment industry, Rwanda's tariffs on imported used clothes raised prices and encouraged more smuggling, especially along the borders with Tanzania, Uganda and Democratic Republic of Congo (DRC).

Import duties on a kilo of used clothes surged to \$2.50 from \$0.20.



*Second hand clothes attract crowds at Kayonza main market every Friday and Tuesday (photo by Jeje Muhinde)*

## **RESORTING TO ILLEGAL MEANS**

"The high tariffs have put used clothes out of reach of small retail traders," complained vendor, Samuel Habimana, from behind a pile of imported sports T-shirts. "Some traders have resorted to illegal means of cross-border smuggling activities, seeking cheaper bales from neighbouring countries where the ban doesn't exist," he said.

A bale - a tightly compressed bundle of clothing - weighing 40kg and imported from the United States or Europe used to cost between Rwf 100,000 and 150,000 (US\$75 to \$105). Now, the price had tripled to between US\$ 250 and \$400, depending on the grade, he said.

Alfred Nyabyenda, a man in his 30's, sells sports clothing from China on market days in Kirehe near the border with Tanzania. The rest of the time Nyabyenda is a farmer. That was not always the case.

Nyabyenda spent five years in jail for smuggling second-hand clothes between Rwanda and Tanzania. "Smuggling is carried out at night or early in the morning through shortcuts to avoid border patrols," he recalled.

"The clothes are transported into smaller quantities to evade detection, or they're hidden in trucks or vehicles in concealed areas such as floorboards or underneath bulky agricultural goods like maize, potatoes, and rice or bricks, sand, gravel or cement bags, since they're bulky and are poorly inspected," he added.

Another man, Nsabimana, who preferred not to give his full name to protect his identity, has sold second-hand clothes in Kigali for more than seven years. Since tariffs were introduced Nsabimana said he travelled to Sofiya, a trading center near the Ugandan border, or Gisenyi-Rubavu, on the border with DRC, where used clothing is cheaper.

“A trip takes around two days to look for and select the kinds of clothes on demand,” he said. “Then I am back in Kigali where these second-hand clothes are in high demand because they’re hard to find,” he explained.

“At times, it involves crossing the border. Then, the clothes are separated and repacked into small packages to disguise them as ‘personal items’ which are not declared,” Nsabimana said, gesturing with his hand.

Smugglers also use “mules” to carry second-hand clothes across the border with the help of clearing agents, he said.

“I don’t only sell in Kigali,” Nsabimana said. “Like others, I travel to several districts as markets take place on different days. Sometimes, I get orders from my clients who are working and don’t have time.”

## **CRACKDOWN ON SMUGGLING**

On Jan. 8, 2025, Rwanda National Police arrested four women in Rubavu and Nyabihu districts with ten bales of *chaguwa* smuggled through the border town of Goma in DRC. Seven days later in nearby Rubavu district, police impounded two Congolese registered vehicles carrying 25 bales of *chaguwa* smuggled from DRC.

Bonaventure Twizere Karekezi, spokesman for the Western regional police, said smugglers also used Lake Kivu, which lies between DRC and Rwanda, to smuggle goods into the country.

At Rusumo border post, between Rwanda and Tanzania, second-hand clothes bales are not taxed when they enter the country. Instead, they are documented as “goods in transit” and trucked to a government-run warehouse in Gikondo-Kigali industrial zone. There, importers pay taxes to clear their goods, said Jean Lac Rusanganwa, a customs border manager at Rusumo.

“All imported bales must have a certificate of fumigation from the country of origin to ensure they are free from harmful pests, bacteria and other pathogens before

they enter Rwanda,” he said.



## **U.S. TRADE TENSIONS**

The sale of used clothing is a billion-dollar global industry with at least 70% of donated clothes ending up in Africa, according to British charity Oxfam. Rwanda has argued that hand-me-downs compromise the dignity of its population.

Second-hand clothing imports have become a source of tensions between the United States and Rwanda. As punishment for imposing the tariffs, U.S. President Donald Trump suspended Rwanda’s participation in the African Growth Opportunity Act (AGOA) in 2018, the flagship U.S. trade program for Africa that allows countries to sell goods to the United States on a duty-free basis.

Rwandan President Paul Kagame has refused to back down. With AGOA set to expire in September, Kigali’s tariffs are among some of the thorny issues likely to be raised in talks with the Trump administration.

Rwanda’s Minister of Trade and Industry, Prudence Sebahizi, defended the government’s tariff policy, saying second-hand clothing imports had declined by 7% in 2021. He did not offer more recent figures.

Meanwhile, exports of “Made in Rwanda” garment grew to \$12.1 million in 2023 from \$3 million in 2016, despite a decline in exports to the United States due to AGOA restrictions, the minister said in a statement on April 4.



*Dina Gakuru, who operates a shop in Kayonza district, says most customers claim Made in Rwanda clothes are expensive compared to second hand clothes. (photo by Jeje Muhinde)*

“Lifting the restrictions on second-hand garment imports would undoubtedly create unfavourable competition for our emerging local garment industry,” Sebahizi emphasized. See full story at

<https://rwandadispatch.com/industrial-policy-takes-precedence-over-agoa-says-trade-minister/>

But Louise Uwamahoro, a frequent buyer of second-hand clothes in Kigali, said the higher prices worried her. “Jeans that previously cost Rwf 7,000 (US \$4) now cost between Rwf 12,000 to 15,000 (US \$9 to \$10),” she said.

At Gisozi Sector market, the busiest hub for second-hand cloth trading in Kigali, Brigitte Isaro said her business had been hard hit by higher import costs, the impact from smuggling and changing consumer trends.

“Before I used to sell around 10 bales within days, but now it takes much longer,” she said, adding: “My customers complain that prices are too high, yet I have little control over imports, taxes and transport fees.”

Dina Gakuru, who runs a clothing store in Kayonza district, said “Made in Rwanda” clothing was too expensive for many Rwandans.

Imported designer dresses sold in markets in Kigali cost significantly less at Rwf 13,000 to 15,000 (US \$9 to \$11) compared to “Made in Rwanda” dresses that cost between Rwf 27,000 to 35,000 (US \$20 to \$25).



*Vendors sell second hand clothes at the busy Rusumo market near the Tanzanian border (photo by Jeje Muhinde)*

## **POOREST WILL BE HURT**

Aida Kibirige Nattabi, a research analyst at the Economic Policy Research Center (EPRC), said phasing out *chaguwa* would mainly hurt Rwanda’s poorest who cannot afford the pricier locally-produced clothing.

“Locally-made garments often fail to match the price of *chaguwa*, quality and style are cited as concerns by consumers, with imported Chinese clothes still preferred for cost and variety,” she said.

“Production capacity still struggles to meet national demand at scale, especially for mass market garments,” Nattabi said, referring to the “Made in Rwanda” brand.

Rwanda could draw inspiration from countries like Nigeria and Ghana, where cultural textiles are popular among young trend-setters, she added.

***The story received support from the Thomson Reuters Foundation as part of its global work to strengthen free, fair and informed societies. Any financial assistance or support provided to the journalist has no editorial influence. The content of this article belongs solely to the author and is not endorsed by or associated with the Thomson Reuters Foundation, Thomson Reuters, Reuters, nor any other affiliates. More information at [www.wealth-of-nations.org](http://www.wealth-of-nations.org)***