

**FOREIGN DIRECT INVESTMENT INFLOW IN  
TELECOMMUNICATION INDUSTRY TOWARDS RWANDA'S  
ECONOMIC DEVELOPMENT  
A CASE OF MTN & TIGO**

**BY**

**AARON NDAGIJIMANA  
MBA/0051/10**

**ABSTRACT**

This study was focused on the impact of foreign direct investment (FDI) inflow in telecommunication industry towards Rwanda's economic development. The researcher intended to prove whether foreign direct investment (FDI) inflow in telecommunication industry has contributed to Rwanda's economic development. The research was conducted on some telecommunication companies which are MTN and TIGO to represent the rest in telecommunication industry. The core objective of the study was to assess whether foreign direct investment (FDI) inflow has added value to Rwanda's economic development especially in telecommunication industry by creating jobs, tax payments, infrastructure development, policy improvement, service availability and thereafter recommend on how to improve FDI inflow. Prior to the above mentioned objectives, related literature was reviewed to come up with a scientific conceptual and theoretical frameworks which is comprehensive and well understood to the researcher and other readers of this research report. During the research, both stratified and purposive random sampling were used to come up with unbiased results. Not only that, the researcher also retrieved all information through primary and secondary sources and different techniques were employed like questionnaire, documentation, internet. The sample size was 60 respondents in total picked from finance and marketing departments in each company. 30 respondents were drawn from MTN and other 30 respondents from TIGO. After the data analysis, the study came up with different findings where by TIGO and MTN contribute above 10% to the government treasury, employed an average of 500 employees nationals which is estimated to be 0.005% of the total population. These two companies has established modern structures (buildings in different parts of the country) and antennas country-wide to increase service accessibility. Since their establishments in Rwanda, it has led to formation of ICT bill which was put in place in 2011, interconnection policy and other guidelines that facilitate easy and fair regulation of telecom companies. Based on the findings, like other east African countries, the government of Rwanda need to put more effort to attract more operators (investors) in telecom sector. Telecom sector has a big impact on other sectors' performance and we are living in a world which communication and information sharing facilities are key to development. Rwanda has identified this factor as an engine to its economic development. Therefore the researcher aimed at analyzing the applicability of FDI-inflow and its impact and contribution to Rwanda's economic development.