

First Rwandan-made Volkswagen rolls off assembly line

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A new chapter for Rwanda

The first Rwandan-made Volkswagen car rolled off the assembly line on Wednesday at the country's first auto factory.

The small Polo hatchback [vehicle](#) was greeted by President Paul Kagame and Volkswagen South Africa boss Thomas Schafer at the \$20 million (17 million euros) facility, set up following a December 2016 deal.

"Some found it hard to believe that German cars could really be built in Rwanda. Yet today, the first vehicles are rolling off the [assembly line](#)," Kagame said.

"This facility undoubtedly represents a new chapter, in Rwanda's journey of economic transformation," he said.

Kagame used the event to repeat his argument in favour of domestic manufacturing over foreign imports, a stance that has got Rwanda into a mini-trade war with the United States over second-hand clothing.

Rwanda would not be a "dumping ground for second-hand cars, or second-hand anything," he said.

"Africa and Rwanda deserve better and this is one way of showing we can afford it," Kagame said.

As with second-hand clothing, Rwanda introduced higher tariffs for second-hand vehicles in 2016, a move that will benefit Volkswagen which aims to assemble 5,000 cars a year at the factory, including the Polo as well as the Passat estate car and Teramont 4x4 models.

However, at a cost of around \$15,000 for the cheapest, the vehicles will be out of reach for most in Rwanda, where per capita income is just \$740 per annum.

"Obviously there are some challenges, but there are great opportunities as well," said Schafer.

Volkswagen plans to introduce an Uber-style ride-hailing service in partnership with local software company Awesomity Lab whereby new vehicles will be hired hourly as taxis and then sold on second-hand after some years use.

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