



Investing in Burundi:

Unlocking Opportunities in the Heart of Africa



INTRODUCTION

Burundi, often referred to as the "Heart of Africa," is a nation brimming with untapped potential and opportunities for savvy investors. Nestled in the Great Lakes region of East Africa, this landlocked country offers a strategic location, abundant natural resources, and a committed government eager to foster economic growth and development. With its youthful population and evolving infrastructure, Burundi presents a compelling case for investment in a variety of sectors. This report provides a comprehensive overview of the benefits and opportunities of investing in Burundi, highlighting key statistics, relevant agencies, incentives, and promising sectors poised for growth.

BACKGROUND

Gaining independence in 1962, Burundi has been steadily advancing its economic landscape. The country is bordered by Rwanda to the north, Tanzania to the east and south, and the Democratic Republic of the Congo to the west. Despite its modest size of approximately 27,834 square kilometers, Burundi boasts a diverse terrain that includes fertile highlands and the expansive Lake Tanganyika, one of the deepest and largest freshwater lakes globally.

The Burundian government is dedicated to transforming the nation into a thriving economy. Efforts are underway to modernize infrastructure, enhance the business environment, and implement policies that attract foreign direct investment (FDI). Burundi is a member of key regional organizations, including the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA), providing investors with access to wider regional markets.

STATISTICS

- **Gross Domestic Product (GDP):** Approximately \$3.4 billion USD.
- **GDP Growth Rate:** Averaging around 4% annually in recent years.
- **Population:** Over 11 million, with 60% under the age of 25, indicating a young and dynamic workforce.
- **Official Languages:** Kirundi and French, with English increasingly used in business.
- **Currency:** Burundian Franc (BIF).
- **Natural Resources:** Rich in nickel, gold, coltan, peat, rare earth minerals, arable land, and significant hydroelectric potential.
- **Agriculture:** Accounts for about 40% of GDP and employs over 80% of the workforce.
- **Major Exports:** Coffee, tea, cotton, sugar, and minerals.

BENEFITS OF INVESTING IN BURUNDI

Strategic Geographic Location

- » **Gateway to Regional Markets:** Burundi's central location in East Africa provides strategic access to the EAC and COMESA markets, encompassing over 500 million consumers.
- » **Trade Connectivity:** Proximity to major ports in Tanzania and Kenya facilitates import and export activities.

Abundant Natural Resources

- » **Mineral Wealth:** Vast reserves of minerals such as nickel, gold, and coltan offer lucrative opportunities in mining and related services.
- » **Agricultural Potential:** Fertile soils and a favorable climate support diverse agricultural activities, including coffee and tea cultivation.
- » **Hydroelectric Capacity:** Numerous rivers and lakes provide significant potential for hydroelectric power generation.

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Young and Dynamic Workforce

- » **Demographic Dividend:** A youthful population eager for employment and entrepreneurial ventures.
- » **Skilled Labor Force:** Growing emphasis on education and vocational training is enhancing workforce capabilities.
- » **Competitive Labor Costs:** Attractive labor rates increase competitiveness for businesses.

Pro-Investment Government Policies

- » **Investment Protection:** Legal frameworks guarantee the protection of investments and property rights.
- » **Ease of Doing Business:** Reforms are simplifying business registration and licensing, reducing the time and cost of starting a business.
- » **Incentives and Support:** The government offers various incentives, including tax exemptions and financial support for investors.

Economic Stability and Growth Potential

- » **Stable Macroeconomic Environment:** Consistent efforts to maintain inflation at manageable levels and ensure fiscal stability.
- » **Growth Prospects:** Sectors such as agriculture, mining, energy, and services are poised for significant expansion.

Membership in Regional and International Organizations

- » **Trade Agreements:** Participation in regional blocs like the EAC and COMESA offers preferential trade terms.
- » **Global Integration:** Engagement with international partners enhances market access and investment opportunities.

RELEVANT AGENCIES

Burundi Investment Promotion Authority (API)

- » **Role:** The primary agency responsible for promoting and facilitating both domestic and foreign investment.
- » **Services:** Offers information on investment opportunities, assists with administrative processes, and provides aftercare services.
- » **Website:** www.investburundi.bi
- » **Contact:** Email: info@investburundi.bi | Phone: +257 22 25 82 70

Ministry of Finance, Budget, and Economic Planning

- » **Role:** Oversees economic policy, fiscal management, and economic development initiatives.
- » **Services:** Implements policies to enhance economic growth and provides guidance on investment regulations.
- » **Website:** www.ministerefinances.gov.bi

National Tourism Office (ONT)

- » **Role:** Promotes tourism development and investment in the hospitality sector.
- » **Services:** Provides information and support for tourism-related projects.
- » **Website:** www.burunditourisme.com

Office Burundais des Recettes (OBR) - Burundi Revenue Authority

- » **Role:** Manages taxation and customs duties.
- » **Services:** Offers guidance on tax regulations and incentives for investors.
- » **Website:** www.obr.bi

Ministry of Energy and Mines

- » **Role:** Regulates and promotes investment in the energy and mining sectors.
- » **Services:** Provides information on available resources and facilitates investment processes.



- » Website: www.ministereenergie.gov.bi

INCENTIVES FOR INVESTORS

Tax Incentives

- » **Corporate Tax Benefits:** Exemptions or reductions on corporate taxes for a period of up to 10 years for qualifying investments.
- » **Customs Duty Exemptions:** Relief from customs duties on the importation of equipment, raw materials, and capital goods.
- » **Value Added Tax (VAT) Benefits:** Exemptions or reductions on VAT for eligible investment activities.

Financial Incentives

- » **Investment Grants:** Availability of grants for projects that contribute significantly to economic development.
- » **Access to Finance:** Facilitation of access to credit through partnerships with financial institutions.

Legal Guarantees and Protections

- » **Property Rights Protection:** Assurance of property rights and protections against expropriation.
- » **Repatriation of Profits:** Freedom to repatriate profits, dividends, and capital.
- » **Dispute Resolution:** Access to legal mechanisms for dispute resolution, including international arbitration.

Administrative Support

- » **One-Stop Shop Services:** Streamlined processes for business registration and licensing through API.
- » **Assistance with Permits:** Support in obtaining necessary permits and approvals swiftly.

Sector-Specific Incentives

- » **Agriculture and Agro-Processing:** Special incentives for investments in modern farming methods and agro-processing facilities.
- » **Energy Sector:** Benefits for renewable energy projects, including expedited licensing processes.
- » **Tourism Development:** Tax holidays and support for investments in hotels, resorts, and tourism infrastructure.

OPPORTUNITIES FOR INVESTORS

Agriculture and Agro-Processing

- » **Coffee and Tea Production:** Expansion of plantations and modernization of processing facilities for these high-demand exports.
- » **Horticulture:** Investment in fruits, vegetables, and floriculture for both local and international markets.
- » **Livestock and Dairy Farming:** Development of modern breeding and processing facilities to meet growing demand.

Mining and Natural Resources

- » **Mineral Exploration and Mining:** Opportunities to explore and extract minerals like nickel, gold, and coltan.
- » **Value Addition:** Establishment of processing plants to add value to raw minerals before export.

Energy Sector

- » **Hydropower Projects:** Development of small to large-scale hydroelectric plants to supply the national grid.
- » **Renewable Energy:** Investment in solar, wind, and biomass energy projects to diversify energy sources.
- » **Energy Infrastructure:** Upgrading transmission and distribution networks to improve efficiency.

Infrastructure Development

- » **Transport Infrastructure:** Projects to build and upgrade roads, bridges, and airports, enhancing connectivity.
- » **Urban Development:** Investment in housing, commercial complexes, and industrial parks.
- » **Water and Sanitation:** Development of water supply systems and wastewater treatment facilities.

Tourism and Hospitality

- » **Eco-Tourism Ventures:** Establishing lodges and tour operations that capitalize on natural attractions like national parks and Lake Tanganyika.

- » **Cultural Tourism:** Development of cultural centers and events that showcase Burundi's rich heritage.
- » **Hospitality Facilities:** Building hotels, resorts, and recreational facilities to accommodate increasing tourism.

Manufacturing and Industry

- » **Textile and Garment Industry:** Leveraging local cotton production to develop textile manufacturing.
- » **Construction Materials:** Production of cement, steel, and other building materials to support construction.
- » **Pharmaceuticals and Chemicals:** Setting up manufacturing units to produce essential medicines and chemicals.

Information and Communication Technology (ICT)

- » **Telecommunications Expansion:** Growth in mobile and internet services, presenting opportunities in infrastructure and services.
- » **Technology Hubs:** Establishing ICT parks and incubators to foster innovation and entrepreneurship.
- » **E-Government Services:** Development of digital solutions to enhance public services.

Financial Services

- » **Banking and Microfinance:** Establishment of financial institutions to support businesses and individuals.
- » **Insurance Services:** Providing insurance products to meet the needs of a growing economy.
- » **FinTech Innovations:** Developing financial technology solutions for payment systems and financial inclusion.

CONCLUSION

Burundi stands as a promising frontier for investors seeking growth and impact. The country's strategic location, abundant resources, youthful workforce, and dedicated government efforts create a conducive environment for business success. With diverse opportunities across key sectors and attractive incentives, investing in Burundi offers the potential for significant returns while contributing to the nation's sustainable development. Embracing the opportunities in Burundi means partnering in the growth story of the "Heart of Africa," tapping into markets that are ripe for innovation and expansion.

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- Common Market for Eastern and Southern Africa (COMESA): www.comesa.int
- United Nations Conference on Trade and Development (UNCTAD): unctad.org