



Investing in Comoros:

Unlocking Opportunities in the Hidden Gem of the Indian Ocean



INTRODUCTION

The Union of Comoros, an archipelago situated at the northern end of the Mozambique Channel in the Indian Ocean, is a nation rich in culture, history, and untapped economic potential. Often referred to as the "Perfume Isles" due to its significant production of aromatic plants, Comoros offers a unique landscape for investors seeking new opportunities in an emerging market. With its strategic location between Africa and Madagascar, a wealth of natural resources, and a commitment to economic development, Comoros is poised to become an attractive destination for global investment. This comprehensive report delves into the benefits and opportunities of investing in Comoros, highlighting key statistics, relevant agencies, incentives for investors, and sectors ripe for growth.

STATISTICS

- **Gross Domestic Product (GDP):** Approximately \$1.2 billion USD.
- **GDP Growth Rate:** Averaged around 3-4% annually over recent years.
- **Population:** Over 850,000 people, with a young and growing workforce.
- **Official Languages:** Comorian (Shikomori), Arabic, and French.
- **Currency:** Comorian Franc (KMF), pegged to the Euro.
- **Main Economic Sectors:** Agriculture, fishing, tourism, and emerging energy sector.
- **Agricultural Exports:** Leading global producer of ylang-ylang, significant producer of vanilla and cloves.
- **Memberships:** African Union (AU), Arab League, Indian Ocean Commission (IOC), Common Market for Eastern and Southern Africa (COMESA).
- **Ease of Doing Business Ranking:** Efforts underway to improve the business climate and regulatory framework.

BACKGROUND

Comoros gained independence from France in 1975 and has since been on a path towards economic development and modernization. The nation comprises three main islands: Grande Comore (Ngazidja), Mohéli (Mwali), and Anjouan (Nzwani), each offering unique opportunities for investment. The government of Comoros is actively seeking to attract foreign direct investment (FDI) by implementing reforms, improving infrastructure, and fostering a conducive environment for business growth.

The country's strategic location along key maritime routes enhances its potential as a hub for trade and commerce in the region. With abundant natural resources, including fertile agricultural land and a rich marine ecosystem, Comoros offers diverse opportunities across various sectors. The youthful population presents a dynamic and enthusiastic workforce ready to contribute to the nation's development.

BENEFITS OF INVESTING IN COMOROS

Strategic Geographic Location

- » **Gateway to Africa and the Indian Ocean:** Positioned between mainland Africa and Madagascar, Comoros serves as a strategic point for access to markets in Eastern and Southern Africa.
- » **Maritime Advantage:** Proximity to key international shipping lanes enhances trade opportunities.
- » **Regional Integration:** Membership in regional organizations like COMESA and IOC facilitates preferential trade agreements and regional cooperation.

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Abundant Natural Resources

- » **Agricultural Wealth:** Ideal climate for cultivating high-value crops such as vanilla, ylang-ylang, cloves, and fruits.
- » **Marine Resources:** Rich fishing grounds offer opportunities in commercial fishing, aquaculture, and seafood processing.
- » **Renewable Energy Potential:** Abundant sunshine and geothermal activity present opportunities in solar and geothermal energy development.
- » **Tourism Assets:** Pristine beaches, diverse marine life, and unique cultural heritage make Comoros an attractive destination for eco-tourism and hospitality investments.

Young and Dynamic Workforce

- » **Demographic Dividend:** A predominantly young population eager to participate in economic activities.
- » **Cultural Diversity:** Multilingual society proficient in Comorian, French, and Arabic, facilitating communication in regional and international business.

Investment-Friendly Policies

- » **Government Commitment:** Active efforts to improve the business environment, including regulatory reforms and infrastructure development.
- » **Foreign Investment Promotion:** Establishment of agencies to assist investors and streamline processes.
- » **Legal Framework:** Protection of foreign investments and commitments to international trade agreements.

Infrastructure Development

- » **Port Upgrades:** Improvements to port facilities enhance cargo handling and maritime services.
- » **Transportation Networks:** Development of roads and inter-island connectivity supports trade and mobility.
- » **Digital Connectivity:** Initiatives to expand telecommunications and internet access to support modern businesses.

Stability and Security

- » **Peaceful Environment:** Comoros enjoys a stable political climate focused on development.
- » **Safety:** Low crime rates contribute to a secure environment for residents and businesses.

Access to Markets

- » **Preferential Trade Agreements:** Membership in regional and international organizations provides access to broader markets under favorable terms.
- » **Export Opportunities:** Potential to export niche agricultural products to global markets, capitalizing on growing demand for organic and exotic goods.

RELEVANT AGENCIES

National Agency for the Promotion of Investments (ANPI-Comoros)

- » **Role:** Primary agency responsible for attracting and facilitating investment in Comoros.
- » **Services:** Provides information on investment opportunities, assists with administrative procedures, and offers ongoing support to investors.
- » **Contact:**
- » **Address:** Immeuble de l'Industrie, Moroni, Comoros
- » **Email:** info@anpicomores.com



- » Phone: +269 773 59 59
- » Website: www.anpicomoros.com

Ministry of Economy, Investments, and Energy

- » **Role:** Oversees economic policy, investment, and energy sector development.
- » **Services:** Implements strategies to promote economic growth, investment, and sustainable energy projects.
- » **Contact:**
- » **Address:** Avenue de l'Indépendance, Moroni, Comoros
- » **Email:** meici@meici.gov.km
- » **Phone:** +269 773 16 16
- » **Website:** www.ecoed.km

Chamber of Commerce and Industry of Comoros (CCI-Comoros)

- » **Role:** Represents the interests of the business community and promotes commercial activities.
- » **Services:** Provides support services, networking opportunities, and market information for businesses.
- » **Contact:**
- » **Address:** Place de l'Indépendance, Moroni, Comoros
- » **Email:** info@ccic.km
- » **Phone:** +269 773 45 45
- » **Website:** www.ccic.km

Central Bank of Comoros (Banque Centrale des Comores)

- » **Role:** Regulates the banking sector and ensures financial stability.
- » **Services:** Provides information on monetary policy, financial regulations, and facilitates banking services.
- » **Contact:**
- » **Address:** Route de la Corniche, Moroni, Comoros
- » **Email:** info@bcc.km
- » **Phone:** +269 773 09 09
- » **Website:** www.banque-comores.km

National Tourism Office of Comoros

- » **Role:** Promotes tourism development and investment in the hospitality sector.
- » **Services:** Provides information on tourism opportunities, regulations, and support services.
- » **Contact:**
- » **Address:** Complexe CNDRS, Moroni, Comoros
- » **Email:** tourism@comoros.km
- » **Phone:** +269 773 12 12
- » **Website:** www.tourismecomoros.km

INCENTIVES FOR INVESTORS

Tax Incentives

- » **Corporate Tax Exemptions:** Exemptions from corporate income tax for a period of up to five years for qualifying investments.
- » **Reduced Tax Rates:** Favorable tax rates for investments in priority sectors such as agriculture, fishing, tourism, and renewable energy.
- » **Customs Duty Exemptions:** Exemptions on import duties for equipment, machinery, and inputs related to investment projects.
- » **Value Added Tax (VAT) Exemptions:** VAT exemptions on goods and services directly tied to approved investment projects.

Investment Guarantees

- » **Legal Protection:** Laws in place to protect foreign investments, including guarantees against expropriation without fair compensation.
- » **Repatriation of Funds:** Freedom to repatriate profits, dividends, and capital in accordance with international regulations.
- » **Bilateral Investment Treaties (BITs):** Agreements with multiple countries providing additional protections and facilitating investment flows.

Financial Incentives

- » **Access to Finance:** Opportunities to access credit facilities and financial services through local and regional banks.
- » **Government Support:** Potential grants and subsidies for projects aligning with national development goals.

Special Economic Zones (SEZs)

- » **Incentivized Zones:** Development of SEZs offering additional benefits such as tax holidays, infrastructure facilities, and simplified administrative procedures.
- » **Industrial Parks:** Provision of dedicated areas equipped with necessary amenities to support manufacturing and processing activities.

Administrative Support

- » **One-Stop Shop Services:** ANPI-Comoros serves as a single point of contact to streamline business registration and licensing processes.
- » **Facilitation Services:** Assistance in obtaining necessary permits, land acquisition, and connecting with local partners.

Sector-Specific Incentives

- » **Agriculture and Agro-Processing:** Incentives for adopting modern farming techniques, irrigation systems, and establishing processing facilities.
- » **Tourism and Hospitality:** Tax benefits and support for developing hotels, resorts, and eco-tourism projects.
- » **Renewable Energy:** Support for investments in solar, wind, and geothermal energy projects, including tax breaks and expedited permitting.

OPPORTUNITIES FOR INVESTORS

Agriculture and Agro-Processing

- » **High-Value Crop Cultivation:**
- » **Vanilla:** Investment in sustainable farming and processing of one of the world's most valued spices.
- » **Ylang-Ylang:** Expansion of plantations and extraction facilities for this essential oil used in perfumery.
- » **Cloves and Spices:** Cultivation and export of quality spices to international markets.
- » **Agro-Processing Facilities:**
- » Establishing units to add value to raw agricultural products, increasing export potential.
- » **Organic Farming:**
- » Leveraging the natural farming practices to meet the growing global demand for organic produce.

Fishing and Marine Resources

- » **Commercial Fishing:**
- » Investment in modern fishing fleets and equipment to tap into abundant marine resources.
- » **Aquaculture:**
- » Development of fish and seafood farming to supply both domestic and export markets.
- » **Seafood Processing:**
- » Establishing processing plants for fish, shellfish, and seaweed products.

Tourism and Hospitality

- » **Eco-Tourism Development:**
- » Creating sustainable tourism ventures that showcase the natural beauty and biodiversity of Comoros.
- » **Resorts and Hotels:**
- » Construction and management of high-quality accommodations catering to international tourists.
- » **Cultural and Heritage Tourism:**
- » Investment in projects that promote the rich history, traditions, and cultural experiences unique to Comoros.

Renewable Energy

- » **Solar Energy Projects:**
- » Development of solar farms and off-grid solutions to enhance energy access and sustainability.
- » **Geothermal Energy:**
- » Exploration and utilization of geothermal resources for electricity generation.
- » **Wind Energy:**
- » Investment in wind power generation in suitable locations across the islands.

Infrastructure Development

- » **Transportation Projects:**
- » Participation in upgrading roads, ports, and airports to improve connectivity.
- » **Real Estate Development:**
- » Investment in commercial, residential, and mixed-use developments to meet growing needs.
- » **Water and Sanitation:**
- » Projects focused on improving water supply systems and sanitation infrastructure.

Information and Communication Technology (ICT)

- » **Telecommunications Expansion:**
- » Investment in mobile networks, broadband internet, and ICT services.
- » **Digital Services:**
- » Development of e-government platforms, fintech solutions, and digital education tools.

Mining and Natural Resources

- » **Exploration Opportunities:**
- » Potential for discovering and developing mineral resources, including hydrocarbons.
- » **Sustainable Practices:**
- » Application of environmentally friendly methods in resource extraction and processing.

CONCLUSION

The Union of Comoros presents a wealth of opportunities for investors seeking to engage in an emerging market with significant growth potential. The country's strategic location, abundant natural resources, youthful workforce, and commitment to enhancing the business environment make it an attractive destination for investment. By tapping into sectors such as agriculture, tourism, renewable energy, and infrastructure, investors can achieve substantial returns while contributing to the sustainable development and prosperity of Comoros.

The government's supportive policies, incentives, and dedicated agencies underscore their commitment to fostering a welcoming environment for investors. By choosing Comoros, investors become partners in unlocking the nation's potential and embarking on a journey toward mutual growth and success.

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- » **Website:** www.tourismecomores.km
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- » **Website:** www.ins.km
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- » **Website:** www.imf.org/en/Countries/COM
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- » **Website:** unctad.org
- » Common Market for Eastern and Southern Africa (COMESA)
- » **Website:** www.comesa.int
- » Indian Ocean Commission (IOC)
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