



PRESIDENCE DE LA REPUBLIQUE DU BURUNDI  
BUREAU D'ETUDES STRATEGIQUES ET DE DEVELOPPEMENT

# Investment Opportunities in Burundi:

## Economic landscape , Investment Incentives and Reforms

**October 2024**





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## Presentation plan

- I. Main opportunities
- II. Investment incentives
- III. Recent and ongoing reforms





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# WHY TO INVEST IN BURUNDI?



# I. Main opportunities



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❑ By 2040, Burundi will be characterized by a competitive agri-food sector

- ✓ Burundi cannot claim to influence world prices and conquer vast markets
- ✓ However, Burundi microclimate provides our agricultural production with a very high quality in terms of tastes, flavors and nutrients, which is very rare in the world .
- ✓ This is particularly the case for our coffee, our tea, our fruits, our vegetables, our sugar, our fish , palm oil , etc.



*Tea fields on the hills of Burundi*

❖ So come and invest:

- In the sector of processing and export of agri-food products
- In cold chains to facilitate conservation, transport and supply





## I. Main opportunities ( Continued )

❑ By 2040, Burundi mining sector will be exploited for the benefit of society

- ✓ Burundi is full of a wide variety of mines and quarries in abundant quantities: several types of mineral deposits/indices: **nickel, cobalt, gold, cassiterite, wolfram, tin** ,
- ✓ Burundi holds the second largest coltan reserve in EAC and the second largest nickel reserve in the world: three nickel deposits, whose reserves are estimated at around **260 million tonnes** , or 6% of global nickel reserves.



Gold



Coltan



Rare earths  
(Bastnaesite)



Ni Silicate  
(Garni é rite)



Kaolin



Amethyst



Granite



❑Currently , the exploitation of mineral substances is dominated by artisanal exploitation and low production.

❑The exploitation of this sector will be achieved through a win-win public-private partnership through the signing of balanced contracts ensuring a fair sharing of revenues.



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# I. Main opportunities ( Continued )



HE the President of the Republic of Burundi at Mining Site of MUREHE (Cassesterite, wolframite and Coltan)



Lithium



Copper





# I. Main opportunities ( Continued )



- ❑ By 2040, Burundi economy will be driven by a high value-added industrial sector

## Manufacturing

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**Burundi manufacturing industry** is full of several investment opportunities because the majority of all manufactured consumer goods are imported. The following industries are to be developed :

- Food processing industry.
- Industry for the production of construction materials such as: glass, profiles, metal sheets, tiles, cement, etc.
- Chemical industry of fertilizers for agriculture.
- Textile and shoe manufacturing industry (Only one textile industry exists).
- pharmaceutical industry since very few drugs are produced locally
- Biodegradable packaging industry. Project for transforming household waste into household energy to replace charcoal in Bujumbura city;
- Project to transform household waste into phosphate fertilizers.
- Industries manufacturing leather products (shoes, belts, bags);
- Industries producing hardboard packaging
- Construction materials production industries (cement, ceramics, ceiling tiles)
- Computer equipment manufacturing industry



## I. Main opportunities ( Continued )



❑ By 2040, Burundi economy will be characterized by a diversified, efficient and modern services sector.

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### 1. In the ICT sector: Digital

- Need for an ecosystem of start-ups in the digital field meeting the needs of Government (digitalization of administration and public services), the financial sector ( FinTech )
- Need for high-speed Internet: the market is still open
- Opportunity to develop ICT in businesses and schools for better competitiveness
- E -Technology (Commerce, Education, Telephony, etc.) is still unknown
- “ Call Centers ” are almost non-existent etc.
- Telecommunications Business Needs (3 companies for an entire population of over 12 million)
- Need for Software Development





## I. Main opportunities ( Continued )



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- ❑ By 2040, Burundi economy will be characterized by a diversified, efficient and modern services sector.

## 2. Finance

- Associated services
- Need for a Guarantee Fund to support potential investors with profitable projects but who lack long-term financing ;
- Need for Investment in Credit Information Bureau
- Needs of international insurance companies



## I. Main opportunities ( Continued )



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- ❑ By 2040, Burundi economy will be characterized by a diversified, efficient and modern services sector.

### 3. Tourism

- Land of a thousand and one hills, verdant with diverse ecosystems and landscapes with breathtaking splendor .
- More than 200 listed tourist sites identified and some undevelopped or untapped.
- Investment needs in the development and operation of tourist sites



Chimpanzees in the Kibira forest



The Kigwena forest in the South of



The “ Intore ” dancers of Northern Burundi



# I. Main opportunities ( Continued )



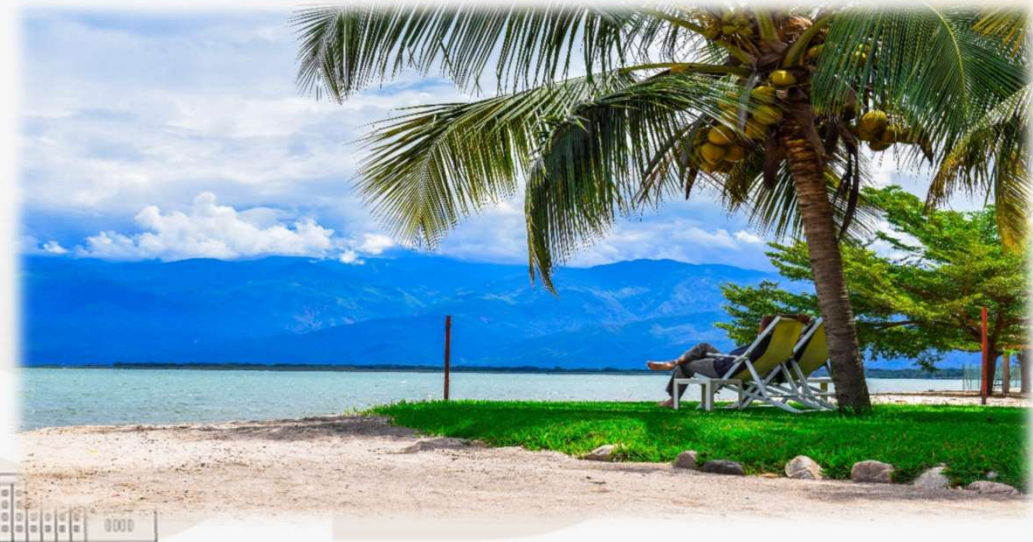
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## 3. Tourism (continued)

- **Lake Tanganyika** is Burundi's biggest tourist attraction. It stretches over a linear distance of 130 km and is the largest freshwater reserve in the world , the second deepest lake in the world ( after Lake Baikal in Russia ) , the largest in Africa (after Lake Victoria) with a hundred species of endemic fish (the Mukeke , Ndagala ,Nonzi ,Captain, SangalaKuhé Etc )
- Its coasts are just waiting to be developed to rival the most beautiful beaches in the world.
- **Need cruise ships with onboard restaurants, water sports,** etc.



Hippos on the shores of Lake Tanganyika



Lake Tanganyika Beach



# I. Main opportunities ( Continued )



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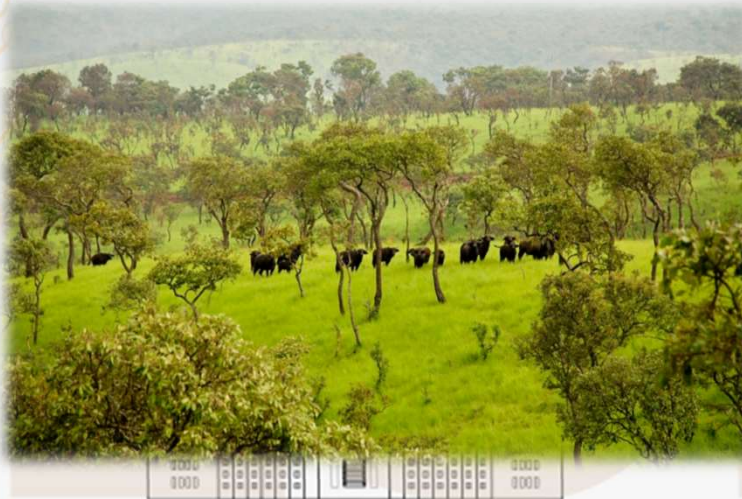
## 3. Tourism (continued)

❑ Burundi also has forests and parks, important sources of tourist attractions to be developed:

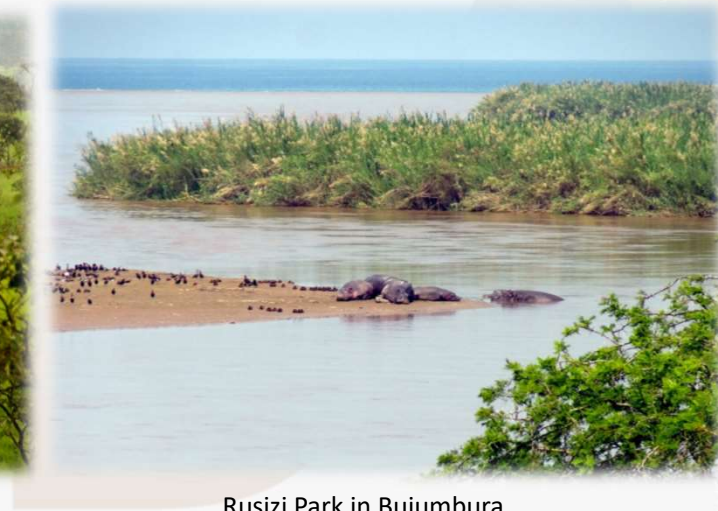
- **Kibira forest** , a true sanctuary for monkeys, chimpanzees and endemic types of trees.
- **Ruvubu Park** has more than 1,500 buffalo and other wild animals.
- **Rusizi Park** , known for its many crocodiles, hippos and seasonal migratory birds
- **Karera Falls** , a true wonder of the world that will take your breath away
- **Mugara thermal water** .



Karera Falls in South-Eastern Burundi



Buffaloes in Ruvubu Park in northern Burundi



Rusizi Park in Bujumbura

# I. Main opportunities ( Continued )



## 3. Tourism (continued)

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- ❑ **Burundi is also a country where it rains all year round, with very mild temperatures, hovering around 20°C, with **organic fruits and vegetables with an exceptional taste and therefore a deliciously incomparable food** .**
- ❑ **Burundi is also the country of very rich and diverse cultural dances, as evidenced by **the Drum which is already listed as a UNESCO World Heritage Site**.**



Drummers  
at the  
Gishora  
tourist site .

## 4. Transport

- Lack of industrial fishing boats, tourist boats, container ships, oil tankers





## I. Main opportunities ( Continued )



### Electrical energy

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#### INSTALLED ENERGY CAPACITY IN 2023

- ❑ The country potential capacity : 1700MW
- ❑ Need according to the Vision: 1000 MW
- ❑ Installed Capacity: 107,132 MW:
  - Hydroelectric power plants : 64,132MW
  - solar power plants : 7.5 MW
  - Thermal power plants: 35 MW
- ❑ Deficit current to be filled : 892.868 MW



- ❑ Capacity of under construction, planned projects and imported ( 22 power plants ) : 996.934 MW
- ❑ NB : The deadline for the construction of all these power plants is scheduled for December 2030.





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## II. INVESTMENT INCENTIVES SCHEME

### Investment Code: Burundi Development Agency (*ADB*) creation

#### 1. *ADB* general mission :

Promote and facilitate local and foreign investments as well as exports by improving the business climate with a view to attracting more investors to Burundi





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## II. INVESTMENT INCENTIVES SCHEME

### 2. INCENTIVES OFFERED BY THE INVESTMENT CODE



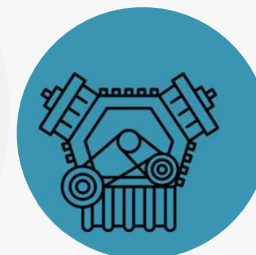
**1.** Exemption from real estate transfer taxes in the event of acquisition of land or building



**4.** VAT exemption on locally purchased raw materials and equipment



**2.** Exemption from VAT and/or customs duties on the import of construction materials, equipment and production inputs for investment projects



**5.** No customs duties on imports of specialized/utility vehicles



**3.** Corporate tax rate: 30%.  
• Reduced to 5% the first year,  
• 10% the second year,  
• 15% the third year,  
• 20% the fourth year and  
• 25% the fifth year



**6.** Free repatriation of profits after payment of taxes and duties due





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## II. INVESTMENT INCENTIVES SCHEME

### 3. Exemptions Eligibility Conditions

#### Article 14 :

- ❖ Be a new investment project, extension project, rehabilitation project, modernization of an existing project;
- ❖ Minimum investment required: 500,000USD (City) for foreigners and equivalent in BIF for nationals and 250,000 USD in the countryside;
- ❖ Comply with the legislative and regulatory texts in force in Burundi, including those relating to environmental protection







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## II. INVESTMENT INCENTIVES SCHEME

### 4. Existence of the decree law establishing a free zone regime in Burundi.

- ☐ Under this law, any free enterprise benefits from total exemption from taxes on profits for the first ten years of its operation. From the eleventh year of its operation and throughout the life of the enterprise, the tax on profits is 15% with the exception of commercial free enterprises whose advantages are specified in Article 13 .
- ☐ The corporate income tax is reduced to 10% for any company that has created more than 100 permanent jobs for Burundian nationals. Companies that reinvest at least 25% of the profits made during their ten years of existence pay 10% less than the corporate income tax rate normally applicable.





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## II. INVESTMENT INCENTIVES SCHEME

### 5. Draft Law on the creation of a Special Economic Zone creation (SEZ):

- ❑ This system is characterized by a combination of tax, customs, land incentives and reduced production factor costs, **an ecosystem offering the provision of efficient infrastructure and services as well as administrative facilitation services for the development of industrial or commercial activities in the SEZ.**
- ❑ Any company established in the SEZ, holding an approval, will benefit from incentive measures relating in particular to exemptions from duties and taxes collected by customs for any merchandise, good or service entering the zone and reserved for the company's own use, with the exception of administrative charges.





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## II. INVESTMENT INCENTIVES SCHEME

### 6. Strategic position of Burundi in the Regional Economic Communities : EAC, COMESA, AfCFTA , etc.

- ☐ Burundi belongs to different free trade zones allowing it to reduce the negative impact linked to its landlocked location as well as easy access to these markets.
- ☐ For example, the Treaty establishing the EAC provides for **the free movement of goods, capital and services** and guarantees **the right of establishment and residence of people and especially workers**
- ☐ Faced with this situation, there is the possibility of integrating into the EAC and African sub-regional value chains (AfCFTA: 1.4 billion consumers )
- ☐ In the context of cross-border trade: **Existence of a vast export market nearby: the DRC .**







## IV. RECENT AND ONGOING REFORMS

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### ❑ Legal and institutional reforms

- ✓ Law No. 1/19 of June 17, 2021 amending Law No. 1/24 of September 10, 2008 relating to the **Investment Code of Burundi** because it is the law which is at the origin of Burundi Development Agency (ADB) creation ;
- ✓ Law No. 1/19 of August 4, 2023 amending Law No.1/21 of October 15, 2013 relating to the **Mining Code of Burundi**;
- ✓ Law No. 1/07 of March 3, 2022 on the **Rail Transport Code in Burundi**;

### Innovations:

For the Investment Code, there are several innovations among others:

- ❖ The advantages granted to investors as well as the investment goods subject to exemptions have been clarified and explained and can no longer cause confusion at the time of granting the benefits
- ❖ The validity period of the certificate of eligibility for customs and tax benefits is well-determined.





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## IV. RECENT AND ONGOING REFORMS

- ✓ Establishment of a Monitoring, Evaluation Department for Structural and Macroeconomic Reforms within the Ministry of Finance.

### **Innovation:** - Liberalization of Exchange Market

1. Improving the regulatory framework for foreign exchange operations through the adoption of new foreign exchange regulations which led to the transfer of accounts from NGOs to commercial banks, to clarify the provisions relating to foreign exchange operations and to give freedom to freely negotiate the rate between clients and exchange operators.
2. The adoption, since December 28, 2023, of the revised foreign exchange regulations has made it possible to:
  - ✓ Lift the obligation to domiciliate at the Central Bank (BRB) the foreign currency accounts of local and foreign Non-Governmental Organizations (NGOs) and private entities receiving external support;
  - ✓ Lifting the obligation to transfer foreign currency from exports to the BRB except for state and parastatal entities exporting coffee and tea. Exporters are required to repatriate export proceeds, within regulatory deadlines, via their commercial banks which have validated their export declarations.





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## IV. RECENT AND ONGOING REFORMS

### ❑ Macroeconomic and business climate reforms

- ✓ Framework establishing a National Competition Commission available;
- ✓ Computerization of one-stop service (*GU*) for creating companies;
- ✓ One-stop service creation project for investors and exporters.







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**For more details on projects and programs, see the website**  
**[https://vision-burundi.gov.bi/Acceuil/table\\_ronde](https://vision-burundi.gov.bi/Acceuil/table_ronde)**





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# THANK YOU!

