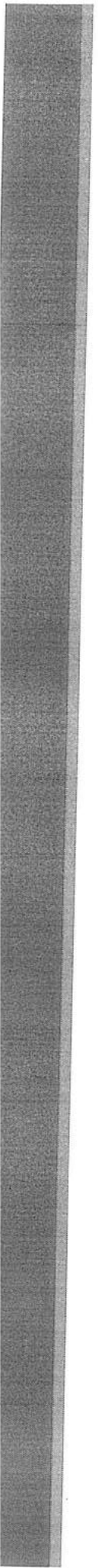




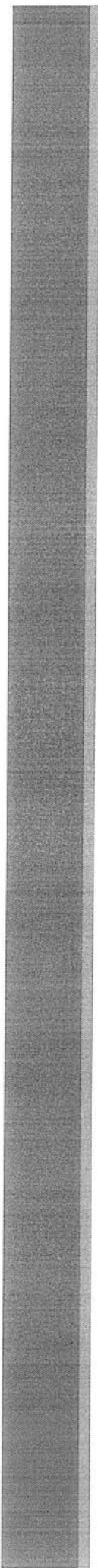
**A3B**  
**Burundi Development  
Agency**

**Our mission is your success**



# ***INVESTMENT & BUSINESS OPPORTUNITIES IN BURUNDI***

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## VISION AND MISSION OF THE BURUNDI DEVELOPMENT AGENCY

*Vision: To promote economic growth to the country*

*Mission:*

- Promote investment and exports
- Design reforms to improve the business climate
- Provide support and assistance to investors and exporters
- Alert the Government on cases of violations of laws and regulations
- Initiate and support research on economic development

## GOVERNMENT INVESTMENT POLICY

- ✓ After a decade of conflict, the Government embarked on a programme of economic recovery;
- ✓ The National Development Plan (NDP) is the broader framework to which all policies are aligned;
- ✓ For the purpose of fast investment tracking, FDI attraction is one of the core missions of Burundi Development Agency;
- ✓ To ensure full commitment and prompt implementation of investment and export policies, ADB has been placed under the umbrella of the President's Office, and;
- ✓ A new version of the Investment Code has been enacted by the November 2021, it determines incentives and modalities for investors to benefit from them.

# INVESTORS PROTECTION

- Protection of investments: No nationalization or expropriation of investments on Burundi territory except in the exceptional case of public interest (Invest Code, Art 13).
- Fair compensation in case of expropriation (Invest Code, Art 13).
- Flexible dispute settlement provisions (Invest Code, Art17).
- Burundi is a member of:
  - ✓ The Multilateral Investment Guarantee Agency (MIGA);
  - ✓ The New York Convention on the Recognition and Enforcement of Foreign Arbitral Sentences (joined on May 09, 2014);
  - ✓ The Apostille Convention on mutual legal assistance and international administrative procedures to simplify the authentication of documents used abroad to facilitate free movement of people, goods and services (joined on April 09, 2014).

# WHY INVEST IN BURUNDI

<i>The country is still Virgin</i>	<i>Access to a large market</i>	<i>Attractive incentives</i>
Legendary hospitality of Burundians	Openness to the rest of the world (pertaining to 4 RECs apart from AfCFTA)	Export Free zone with few Players
Special Economic Zone Under Construction	Untapped investment Opportunities with no fierce competition	Easy travel to Burundi and the rest of the surrounding RECs

# INVESTMENT OPPORTUNITIES IN BURUNDI

- Production sector:
  - Agriculture, livestock and fisheries: *40.7 % of GDP*
  - Mining
- Infrastructure
  - Energy
  - Transport
  - Information & communication technologies
  - Warehouse cooling depot at Bujumbura Airport
- Construction and services
  - Tourism
  - Financial sector
  - Real estate and construction

## PRIORITY SECTORS

○ **Agriculture** (Agromechanisation and agro processing)

○ **Energy**: Need to increase access for all

○ Total potential capacity = 1,700 MW, Total needs = 1,000 MW

- Current projects capacity = 440 MW

- Deficit = 560 MW

○ **Mining potential**: Need exploration and exploitation of various minerals such as nickel, Rare Earths, phosphate, Vanadium, Carbonatite; Kaolin, Gold and many more (see table below).



## SOME OF THE GEOLOGICAL AND MINING POTENTIAL OF BURUNDI

Name of the mineral	Reserves	References	Observation
Lateritic Nickel	231 MT	Feasibility study carried out by BMM, 2011 and Samancor, 2009	Available
Vanadium	11.8 MT	Pre-feasibility study carried out by Elkemas Engineering Division, 1984	Available
Phosphates	270,000T	Pre-feasibility study carried out by the British Sulphur Corporation, 1993	Available
Carbonatite	9.44 MT	Pre-feasibility study carried out by the British Sulfur Corporation, 1993	Available

Location

100 MAT

Provisional to not mine a commercial deposit

Available

## **PRIORITY SECTORS (CONT'D)**

### **o Transport**

Road transport: - Total road network: 12,000 km

- Paved roads: 1,500 km

### **❖ Railways:**

➤ Construction of Standard Gauge Railway (xxxxkm)

### **❖ Maritime transport:**

➤ Total port capacity: 500,000 tons

➤ Lacking of industrial fishing boats, tourist boats, container ships, oil tankers

## PRIORITY SECTORS (CONT'D)

○ **Financial sector:** Needs international banks and associated services;

○ **Manufacturing:** 9.9 of GDP

Needs investment in Cement, soft drinks, carbonated waters, beverages, textile products, foot ware, and many other consumer goods.

○ **Tourism:**

- *Need 5-star hotels, large conference centers, construction of touristic sites; etc*

## INVESTMENT OPPORTUNITIES IN BURUNDI

In accordance with ADB strategic plan 2022-2027, priority sectors are:

**Crosscutting to all intervention axis**

- Agriculture /livestock with higher value addition (horticulture, fisheries);
- Agro-industries (drinks and foods);
- light industry (textiles, hides and skin, cosmetics);
- renewable energy (solar and hydroelectricity).

**specific to intervention axis**

- Investment promotion: Niche tourism;
- Export promotion: cash crops (coffee and thee);
- Support to SMEs: construction and public works;
- Ease of the doing business: Minerals and infrastructures.

## STRATEGIC POSITION AND MARKET OPPORTUNITIES

➤ *Member of several Regional Economic Communities (RECs):*

REC	Estimated number of consumers (million)
EAC	200
COMESA	400
ECCAS	218
CEPGL	195

## STRATEGIC POSITION (CONT'D)

- Bujumbura is the major city along Lake Tanganyika
- ❖ Major hub connecting a large regional market through Tanganyika: Tanzania, DRC and Zambia
- ❖ Bridge between EAC & ECCAS
- ❖ Connection to the SADC market through Lake Tanganyika

## **INCENTIVES PROVIDED BY THE INVESTMENT CODE**

- Exemption of charges on property transfer
- No import duty on raw material, capital goods & specialized vehicles
- Corporate tax rate : 30%.
  - reduced to 5% for the first year,
  - 10% the second year,
  - 15% the third year,
  - 20% the fourth year and
  - 25% the fifth year
- VAT exemption on locally purchased raw materials and equipment
- Free repatriation of profit after payment of tax
- Exemption of VAT and duties on imported equipment and raw materials for investment projects

## **INCENTIVES IN THE BURUNDI FREE ZONE**

- The free zone regime in Burundi is established by law
- Every free-zone enterprise benefits during the first ten years of operation from:
  - ❖ The total exemption from corporate profit taxes
  - ❖ Tax rate reduced to 15% with the exception of free-zone commercial enterprises
  - ❖ Income tax reduced to 10% for companies that has created more than 100 permanent jobs for Burundian nationals



## **INCENTIVES IN FREE ZONE (CONT'D)**

- Companies that reinvest at least 25% of the profits during their ten years of existence get a rebate of 10%.
- Free-zone commercial enterprises pay 1% turnover tax
- Turnover tax reduced to 0.80% for free-zone commercial enterprises that create more than 20 permanent jobs for Burundian nationals.

## **INCENTIVES IN THE FREE ZONE(CONT'D)**

- No import license required for free-zone enterprises
- Exemption from present and future direct or indirect duties and taxes on import of raw materials, intermediate products, accessories and capital goods
- No license or quota for export by free-zone companies
- Exemption from all direct and indirect duties and taxes, present and future for free-zone enterprises.

## **INCENTIVES IN THE FREE ZONE (Cont'd)**

- *Exemption from all taxes on dividends distribution throughout the life of the company*
- *Total exemption from indirect taxes including transaction tax, transfer tax and registration duty on capital increases*

## THE REQUIREMENTS FOR FREE ENTERPRISES

□ Any enterprise that manufactures exportable goods provided that these goods have undergone a certain degree of processing or an added value of at least 35% is eligible for the status of free industrial enterprise.

### □ Eligible enterprises:

- ❖ Import of products other than precious metals and ores for re-export after packaging;
- ❖ Provision of exportable services such as:
  - ❖ computer equipment assembly(1), software development(2), export packaging(3)
  - ❖ printing and publishing(4), services tourist organizers(5), film production and distribution(6)

## INVESTMENT FACILITATION SERVICES

- ❖ Assistance to obtain licenses, visas, work permits
- ❖ Assistance with business registration
- ❖ Assistance with legal issues
- ❖ Information on local suppliers and customers
- ❖ Assistance with utilities and other business matters
- ❖ Airport pick ups and Site visits

## *Useful videos links about Burundi*

“Burundi Investment Guidebook 2017” at :

[https://drive.google.com/file/d/1\\_VYQwksSChmzQUISaJq4f5loz6D\\_1l8sG/v  
iew](https://drive.google.com/file/d/1_VYQwksSChmzQUISaJq4f5loz6D_1l8sG/view)

*Burundi Heart of Africa at :*

<https://www.youtube.com/watch?v=87eqifMcKRw>

*Burundi land of promise video :*

<https://www.youtube.com/watch?v=hr01ve57gus>

*Burundi a country of multiple investments video:*

<https://www.youtube.com/watch?v=wFOEBefrigo>



# ADB

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*Thank You for Your Kind Attention*

*Come and Invest in Burundi*

*May God Bless You!*