



Casa África – Business opportunities

Republic of Burundi

In 2019 the country's economy recovered with a 3.3% growth of the GDP and for 2020 and 2021 the growth projections are at 3.7% and 4.3%, respectively. This improvement is due to the increase in coffee exports, a slight increase in public investment, an increase in agricultural production (especially food) and a stable and prudent monetary policy. The fiscal deficit increased in relation to 2018, standing at around 4.2% for 2019, and will continue to grow, largely due to the recurrent increase in expenditures that were not offset by tax revenues. Inflation began to fall in 2018 and continued in 2019, with a rate of -3.1%. The country's external position remains fragile, with a small export base based on coffee and tea and an agricultural sector that is very vulnerable to climate shocks, yet the current account deficit was reduced to less than 10% in 2019.

The agricultural sector is the predominant sector in this economy, but it faces significant agronomic, technological and institutional constraints, coupled with inadequate energy infrastructure development. In this regard, to modernize and diversify agricultural production, several initiatives are under way, such as the construction of the Jiji and Mulembwe power plants, improving access to the country through the rehabilitation of the port of Bujumbura, increasing regional trade and improving the quality of human resources.

Its trade balance is in deficit and manufacturing accounts for more than half of its imports, followed by fuel, food and agricultural raw materials. India and China are its main suppliers, and the United Arab Emirates and the Democratic Republic of the Congo are its main customers. The country's main exports are food, accounting for almost 80% of total exports.

Food security remains a challenge for the country, as health indicators are weak. In addition, the country is repeatedly hit by natural disasters, and the overall level of human capital is low. Almost two thirds of the population lives below the poverty line, and the unemployment rate is high, especially among the youth population.

AEO: <https://www.afdb.org/en/documents/african-economic-outlook-2020>

MAEC: http://www.exteriores.gob.es/Documents/FichasPais/BURUNDI_FICHA%20PAIS.pdf